ModernGraham Valuation

Company Name: Celgene Corporation

Company Ticker CELG

Date of Analysis 3/18/2017

Stage 1: Is this company suitable for the Defensive Investor or the Enterprising Investor?

Defensive Investor; must pass 6 out of the following 7 tests.

1.	Adequate Size of the Enterprise	Market Cap > $2Bil	$97,844,834,661	Pass
2.	Sufficiently Strong Financial Condition	Current Ratio > 2	3.67	Pass
3.	Earnings Stability	Positive EPS for 10 years prior		Fail
4.	Dividend Record	Dividend Payments for 10 years prior		Fail
5.	Earnings Growth	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	28775.00%	Pass
6.	Moderate PEmg Ratio	PEmg < 20	32.62	Fail
7.	Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	15.31	Fail

Enterprising Investor; must pass 4 out of the following 5 tests, or be suitable for the Defensive Investor.

1.	Sufficiently Strong Financial Condition	Current Ratio > 1.5	3.67	Pass
2.	Sufficiently Strong Financial Condition	Debt to NCA < 1.1	1.74	Fail
3.	Earnings Stability	Positive EPS for 5 years prior		Pass
4.	Dividend Record	Currently Pays Dividend		Fail
5.	Earnings Growth	EPSmg greater than 5 years ago		Pass
		Score		

Suitability

Defensive	**No**
Enterprising	**No**

Stage 2: Determination of Intrinsic Value

EPSmg		$3.86
MG Growth Estimate		15.00%
MG Value		**$148.46**
MG Value based on 3% Growth		$55.91
MG Value based on 0% Growth		$32.78
Market Implied Growth Rate		12.06%

MG Opinion

Current Price		$125.77
% of Intrinsic Value		84.72%
Opinion	**Fairly Valued**	
MG Grade	**D**	

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-$13.22
Graham Number	$36.93
PEmg	32.62
Current Ratio	3.67
PB Ratio	15.31
Current Dividend	$0.00
Dividend Yield	0.00%
Number of Consecutive Years of Dividend Growth	0

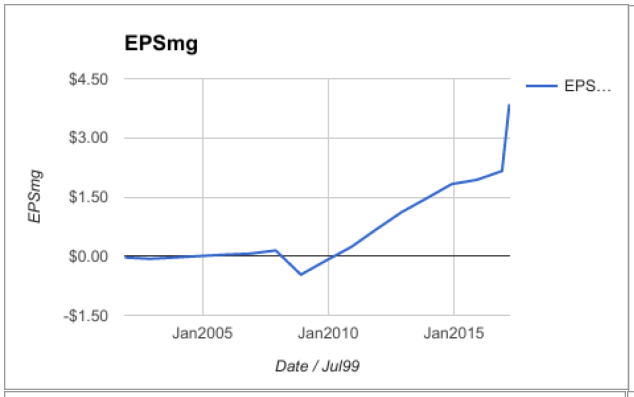
Useful Links:

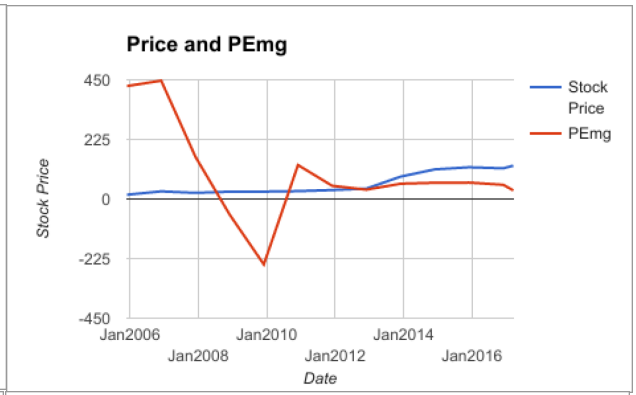
ModernGraham tagged articles	Morningstar
Google Finance	MSN Money
Yahoo Finance	Seeking Alpha
GuruFocus	SEC Filings

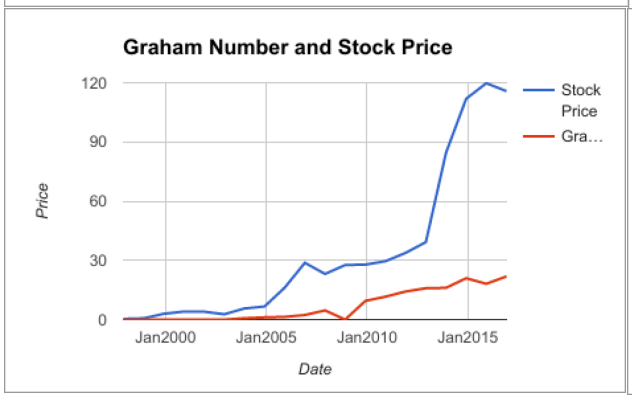
EPS History	
Next Fiscal Year Estimate	$7.12
Dec2016	$2.49
Dec2015	$1.94
Dec2014	$2.39
Dec2013	$1.68
Dec2012	$1.65
Dec2011	$1.43
Dec2010	$0.94
Dec2009	$0.83
Dec2008	-$1.73
Dec2007	$0.27
Dec2006	$0.09
Dec2005	$0.09
Dec2004	$0.08
Dec2003	$0.04
Dec2002	-$0.15
Dec2001	$0.00
Dec2000	-$0.03
Dec1999	-$0.05
Dec1998	-$0.06
Dec1997	-$0.09

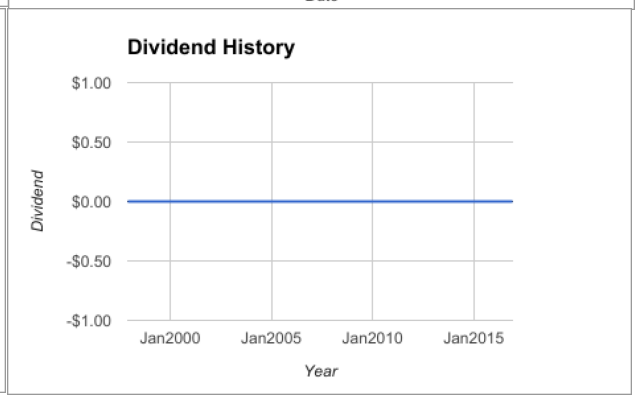
EPSmg History	
Next Fiscal Year Estimate	$3.86
Dec2016	$2.16
Dec2015	$1.94
Dec2014	$1.83
Dec2013	$1.47
Dec2012	$1.11
Dec2011	$0.68
Dec2010	$0.23
Dec2009	-$0.11
Dec2008	-$0.47
Dec2007	$0.14
Dec2006	$0.06
Dec2005	$0.04
Dec2004	$0.00
Dec2003	-$0.03
Dec2002	-$0.07
Dec2001	-$0.03

Balance Sheet Information	12/1/2016
Total Current Assets	$10,867,500,000
Total Current Liabilities	$2,959,200,000
Long-Term Debt	$13,788,500,000
Total Assets	$28,085,600,000
Intangible Assets	$15,257,600,000
Total Liabilities	$21,486,300,000
Shares Outstanding (Diluted Average)	803,300,000









Disclaimer:

This valuation is not investment advice. Anyone who is considering making an investment decision should speak to a registered investment advisor.

The author did not hold a position in any company mentioned in this article at the time of publication and had no intention of changing those holdings within the next 72 hours.

Recommended Reading:

Other ModernGraham posts about the company

Celgene Corp Valuation – December 2015 Update $CELG
Celgene Corporation Analysis – September 2015 Update $CELG
Celgene Corporation Stock Analysis – May 2015 Quarterly Update
28 Companies in the Spotlight This Week – 2/28/15
Celgene Corporation Quarterly Valuation – February 2015 $CELG

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Abbott Laboratories Valuation – January 2017 $ABT
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