

ModernGraham Valuation

Company Name:

Biogen Inc

Company Ticker BIIB

Date of Analysis

7/16/2017



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	\$60,088,325,615	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	2.29	Pass
3. Earnings Stability	Positive EPS for 10 years prior		Pass
4. Dividend Record	Dividend Payments for 10 years prior		Fail
	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	441.65%	Pass
5. Earnings Growth			
6. Moderate PEmg Ratio	PEmg < 20	16.57	Pass
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	5.28	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	2.29	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	1.54	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	\$16.94
MG Growth Estimate	15.00%
MG Value	\$652.29
MG Value based on 3% Growth	\$245.67
MG Value based on 0% Growth	\$144.01
Market Implied Growth Rate	4.04%

MG Opinion

Current Price	\$280.81
% of Intrinsic Value	43.05%
Opinion	Undervalued
MG Grade	C-

Stage 3: Information for Further Research

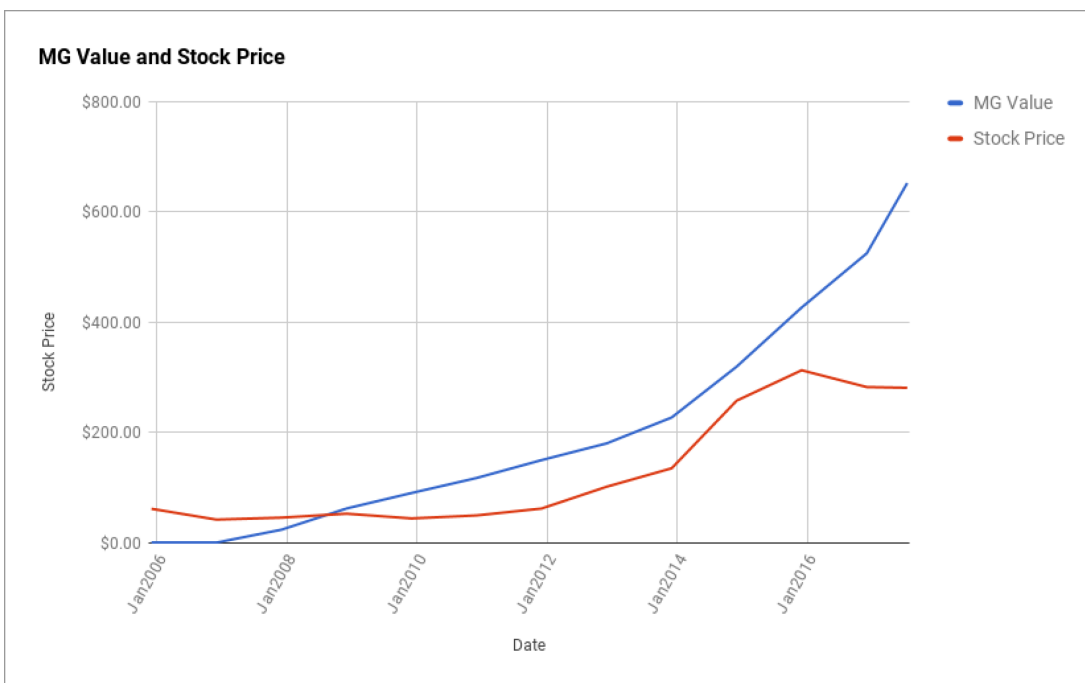
Net Current Asset Value (NCAV)	-\$13.23
Graham Number	\$165.20
PEmg	16.57
Current Ratio	2.29
PB Ratio	5.28
Current Dividend	\$0.00
Dividend Yield	0.00%
Number of Consecutive Years of Dividend Growth	0

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EPS History		EPSmg History	
Next Fiscal Year Estimate	\$21.57	Next Fiscal Year Estimate	\$16.94
Dec2016	\$16.93	Dec2016	\$13.63
Dec2015	\$15.34	Dec2015	\$11.08
Dec2014	\$12.37	Dec2014	\$8.29
Dec2013	\$7.81	Dec2013	\$5.90
Dec2012	\$5.76	Dec2012	\$4.68
Dec2011	\$5.04	Dec2011	\$3.89
Dec2010	\$3.94	Dec2010	\$3.04
Dec2009	\$3.35	Dec2009	\$2.34
Dec2008	\$2.65	Dec2008	\$1.61
Dec2007	\$1.99	Dec2007	\$0.61
Dec2006	\$0.63	Dec2006	-\$0.25
Dec2005	\$0.47	Dec2005	-\$0.58
Dec2004	\$0.07	Dec2004	-\$0.83
Dec2003	-\$4.92	Dec2003	-\$0.93
Dec2002	\$0.85	Dec2002	\$0.98
Dec2001	\$1.78	Dec2001	\$0.93
Dec2000	\$0.72	Balance Sheet Information	3/1/2017
Dec1999	\$0.47	Total Current Assets	\$6,859,700,000
Dec1998	\$0.30	Total Current Liabilities	\$2,992,500,000
Dec1997	\$0.20	Long-Term Debt	\$5,952,700,000
		Total Assets	\$21,195,900,000
		Intangible Assets	\$7,715,600,000
		Total Liabilities	\$9,716,900,000
		Shares Outstanding (Diluted Average)	215,900,000





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

- [Biogen Inc Valuation – February 2016 Update \\$BIIB](#)
- [13 Best Stocks For Value Investors This Week – 10/17/15](#)
- [Biogen Inc. Valuation – October 2015 Update \\$BIIB](#)
- [The Best Companies of the Pharmaceuticals Industry – August 2015](#)
- [The 20 Best Stocks For Value Investors This Week – 7/25/15](#)

Other ModernGraham posts about related companies

- [Mylan NV Valuation – March 2017 \\$MYL](#)
- [Amgen Inc Valuation – March 2017 \\$AMGN](#)
- [Celgene Corporation Valuation – March 2017 \\$CELG](#)
- [Ligand Pharmaceuticals Inc Valuation – Initial Coverage \\$LGND](#)
- [Pfizer Inc Valuation – March 2017 \\$PFE](#)
- [Supernus Pharmaceuticals Inc Valuation – Initial Coverage \\$SUPN](#)
- [Lannett Company Inc Valuation – Initial Coverage \\$LCI](#)
- [Spectrum Pharmaceuticals Inc Valuation – Initial Coverage \\$SPPI](#)
- [Abbott Laboratories Valuation – January 2017 \\$ABT](#)
- [Johnson & Johnson Valuation – January 2017 \\$JNJ](#)