

ModernGraham Valuation

Company Name:

Eli Lilly And Co

Company Ticker LLY

Date of Analysis

3/25/2018



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	\$81,906,882,355	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.32	Fail
3. Earnings Stability	Positive EPS for 10 years prior		Fail
4. Dividend Record	Dividend Payments for 10 years prior		Pass
	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	-43.40%	Fail
5. Earnings Growth	PEmg < 20	30.37	Fail
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	6.73	Fail
7. Moderate Price to Assets			

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	1.32	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	2.13	Fail
3. Earnings Stability	Positive EPS for 5 years prior		Fail
4. Dividend Record	Currently Pays Dividend		Pass
5. Earnings Growth	EPSmg greater than 5 years ago Score		Fail

Suitability

Defensive	No
Enterprising	No

Stage 2: Determination of Intrinsic Value

EPSmg	\$2.46
MG Growth Estimate	-4.25%
MG Value	\$0.00
MG Value based on 3% Growth	\$35.70
MG Value based on 0% Growth	\$20.93
Market Implied Growth Rate	10.93%

MG Opinion

Current Price	\$74.76
% of Intrinsic Value	N/A
Opinion	Overvalued
MG Grade	D

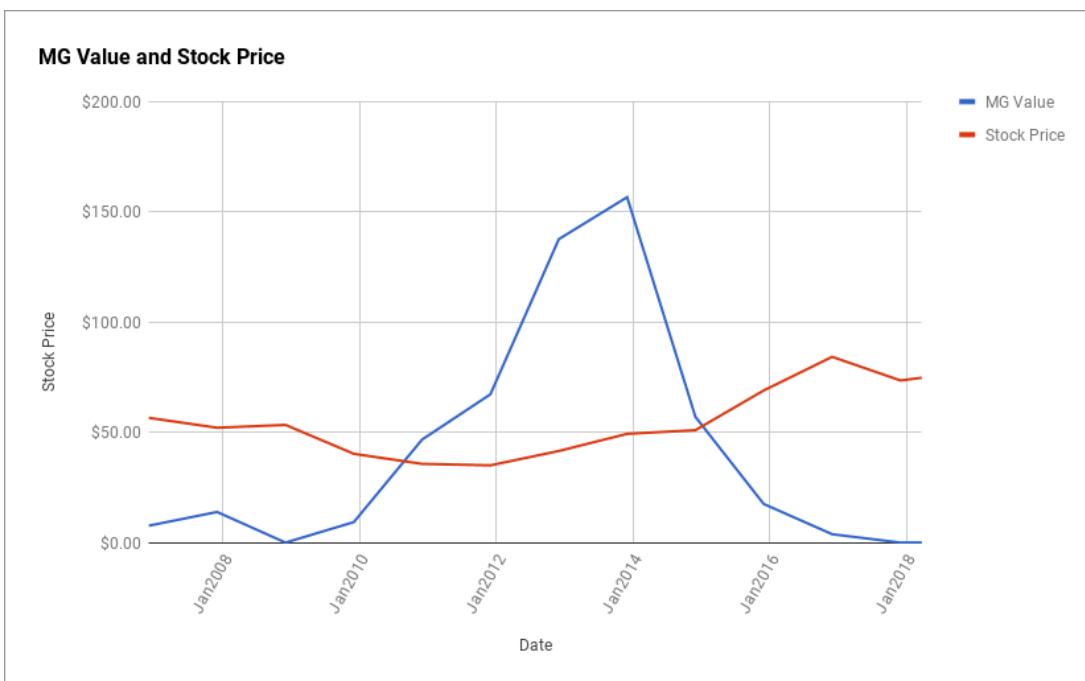
Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$13.59
Graham Number	\$33.17
PEmg	30.37
Current Ratio	1.32
PB Ratio	6.73
Current Dividend	\$2.08
Dividend Yield	2.78%
Number of Consecutive Years of Dividend Growth	3

Useful Links:

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

EPS History		EPSmg History	
Next Fiscal Year Estimate		Next Fiscal Year Estimate	
Dec2017	-\$0.19	Dec2017	\$1.66
Dec2016	\$2.58	Dec2016	\$2.73
Dec2015	\$2.26	Dec2015	\$2.96
Dec2014	\$2.23	Dec2014	\$3.45
Dec2013	\$4.32	Dec2013	\$4.07
Dec2012	\$3.66	Dec2012	\$3.58
Dec2011	\$3.90	Dec2011	\$3.24
Dec2010	\$4.58	Dec2010	\$2.72
Dec2009	\$3.94	Dec2009	\$1.80
Dec2008	-\$1.89	Dec2008	\$0.93
Dec2007	\$2.71	Dec2007	\$2.30
Dec2006	\$2.45	Dec2006	\$2.11
Dec2005	\$1.81	Dec2005	\$2.02
Dec2004	\$1.66	Dec2004	\$2.21
Dec2003	\$2.37	Dec2003	\$2.50
Dec2002	\$2.50	Dec2002	\$2.52
Dec2001	\$2.55	Balance Sheet Information	
Dec2000	\$2.79	12/1/2017	
Dec1999	\$2.46	Total Current Assets	\$19,202,100,000
Dec1998	\$1.87	Total Current Liabilities	\$14,535,900,000
		Long-Term Debt	\$9,940,500,000
		Total Assets	\$44,981,000,000
		Intangible Assets	\$8,399,300,000
		Total Liabilities	\$33,388,800,000
		Shares Outstanding (Diluted Average)	1,043,692,000





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.

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[Eli Lilly & Co. Annual Valuation – 2015 \\$LLY](#)
[58 Companies in the Spotlight This Week – 1/31/15](#)
[Eli Lilly & Company Quarterly Valuation – January 2015 \\$LLY](#)
[18 Companies in the Spotlight This Week – 10/25/14](#)

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[Merck & Co Inc Valuation – February 2018 \\$MRK](#)
[Johnson & Johnson Valuation – February 2018 \\$JNJ](#)
[Bristol-Myers Squibb Co Valuation – September 2017 \\$BMJ](#)
[Momenta Pharmaceuticals Inc Valuation – Initial Coverage \\$MNTA](#)
[Depomed Inc Valuation – Initial Coverage \\$DEPO](#)
[Endo International PLC Valuation – July 2017 \\$ENDP](#)
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