

# ModernGraham Valuation

Company Name:

Alexion  
Pharmaceuticals, Inc.



Company Ticker ALXN

Date of Analysis

4/16/2018

## 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	\$24,343,789,948	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	3.10	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	220.59%	Pass
5. Earnings Growth	PEmg < 20	34.10	Fail
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	2.75	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	3.10	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	1.36	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 Score		Pass

### Suitability

<b>Defensive</b>	<b>No</b>
<b>Enterprising</b>	<b>No</b>

## Stage 2: Determination of Intrinsic Value

EPSmg	\$3.21
MG Growth Estimate	11.21%
<b>MG Value</b>	<b>\$99.29</b>
MG Value based on 3% Growth	\$46.55
MG Value based on 0% Growth	\$27.29
Market Implied Growth Rate	12.80%

### MG Opinion

Current Price	\$109.48
% of Intrinsic Value	110.27%
<b>Opinion</b>	<b>Overvalued</b>
<b>MG Grade</b>	<b>F</b>

## Stage 3: Information for Further Research

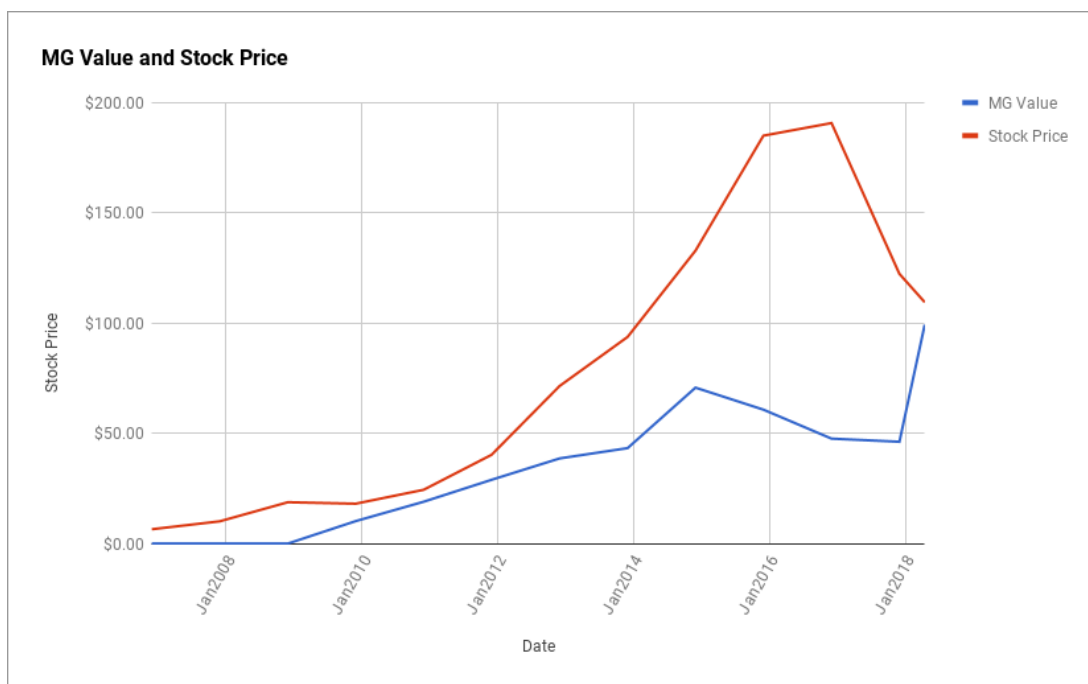
Net Current Asset Value (NCAV)	-\$7.77
Graham Number	\$73.98
PEmg	34.10
Current Ratio	3.10
PB Ratio	2.75
Current Dividend	\$0.00
Dividend Yield	0.00%
Number of Consecutive Years of Dividend Growth	0

### Useful Links:

[ModernGraham tagged articles](#)  
[Google Finance](#)  
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[GuruFocus](#)

[Morningstar](#)  
[MSN Money](#)  
[Seeking Alpha](#)  
[SEC Filings](#)

EPS History		EPSmg History	
Next Fiscal Year Estimate	\$6.08	Next Fiscal Year Estimate	\$3.21
Dec2017	\$1.97	Dec2017	\$1.78
Dec2016	\$1.76	Dec2016	\$1.67
Dec2015	\$0.67	Dec2015	\$1.58
Dec2014	\$3.26	Dec2014	\$1.84
Dec2013	\$1.27	Dec2013	\$1.12
Dec2012	\$1.28	Dec2012	\$1.00
Dec2011	\$0.91	Dec2011	\$0.75
Dec2010	\$0.52	Dec2010	\$0.49
Dec2009	\$1.63	Dec2009	\$0.26
Dec2008	\$0.20	Dec2008	-\$0.50
Dec2007	-\$0.64	Dec2007	-\$0.88
Dec2006	-\$1.04	Dec2006	-\$0.98
Jul2005	-\$0.98	Jul2005	-\$0.94
Jul2004	-\$0.86	Jul2004	-\$0.88
Jul2003	-\$1.16	Jul2003	-\$0.82
Jul2002	-\$0.78	Jul2002	-\$0.58
Jul2001	-\$0.82	<b>Balance Sheet Information</b> <b>12/1/2017</b>	
Jul2000	-\$0.36	Total Current Assets	\$2,953,900,000
Jul1999	-\$0.14	Total Current Liabilities	\$952,500,000
Jul1998	-\$0.22	Long-Term Debt	\$2,720,700,000
		Total Assets	\$13,583,300,000
		Intangible Assets	\$8,991,800,000
		Total Liabilities	\$4,690,200,000
		Shares Outstanding (Diluted Average)	223,600,000





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**

- [Alexion Pharmaceuticals Inc Valuation – December 2016 \\$ALXN](#)
- [Alexion Pharmaceuticals Inc. Analysis – August 2015 Update \\$ALXN](#)
- [47 Companies in the Spotlight This Week – 5/16/15](#)
- [Alexion Pharmaceuticals Quarterly Valuation – May 2015 \\$ALXN](#)
- [58 Companies in the Spotlight This Week – 1/31/15](#)

**Other ModernGraham posts about related companies**

- [Vertex Pharmaceuticals Inc Valuation – April 2018 \\$VRTX](#)
- [AmerisourceBergen Corp Valuation – April 2018 \\$ABC](#)
- [Perrigo Company PLC Valuation – April 2018 \\$PRGO](#)
- [AbbVie Inc Valuation – April 2018 \\$ABBV](#)
- [Eli Lilly and Co. Valuation – March 2018 \\$LLY](#)
- [Zoetis Inc Valuation – March 2018 \\$ZTS](#)
- [Gilead Sciences Inc Valuation – March 2018 \\$GILD](#)
- [Pfizer Inc Valuation – February 2018 \\$PFE](#)
- [Merck & Co Inc Valuation – February 2018 \\$MRK](#)
- [Johnson & Johnson Valuation – February 2018 \\$JNJ](#)