

ModernGraham Valuation

Company Name:

Illumina, Inc.

Company Ticker ILMN

Date of Analysis

4/19/2018



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	\$36,075,937,767	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	4.95	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	519.31%	Pass
5. Earnings Growth			
6. Moderate PEmg Ratio	PEmg < 20	61.40	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	13.24	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	4.95	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	0.50	Pass
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	Yes

Stage 2: Determination of Intrinsic Value

EPSmg	\$4.00
MG Growth Estimate	15.00%
MG Value	\$154.15
MG Value based on 3% Growth	\$58.06
MG Value based on 0% Growth	\$34.03
Market Implied Growth Rate	26.45%

MG Opinion

Current Price	\$245.84
% of Intrinsic Value	159.48%
Opinion	Overvalued
MG Grade	C-

Stage 3: Information for Further Research

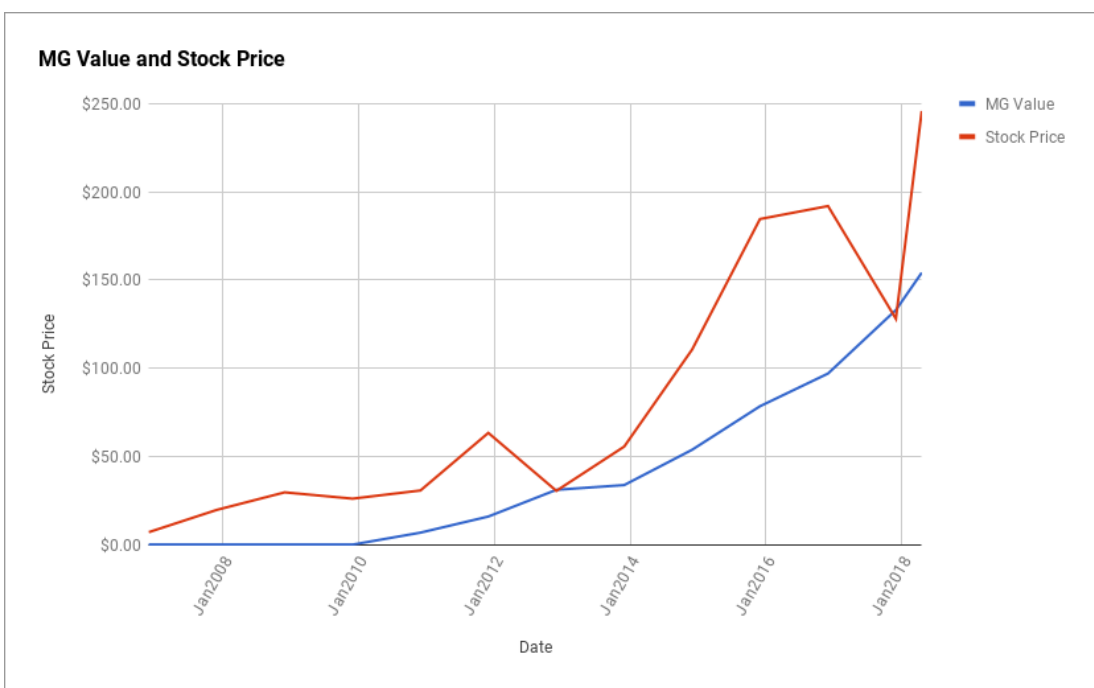
Net Current Asset Value (NCAV)	\$3.19
Graham Number	\$43.61
PEmg	61.40
Current Ratio	4.95
PB Ratio	13.24
Current Dividend	\$0.00
Dividend Yield	0.00%
Number of Consecutive Years of Dividend Growth	0

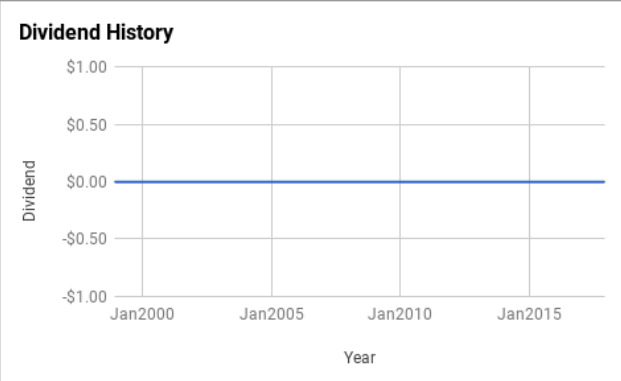
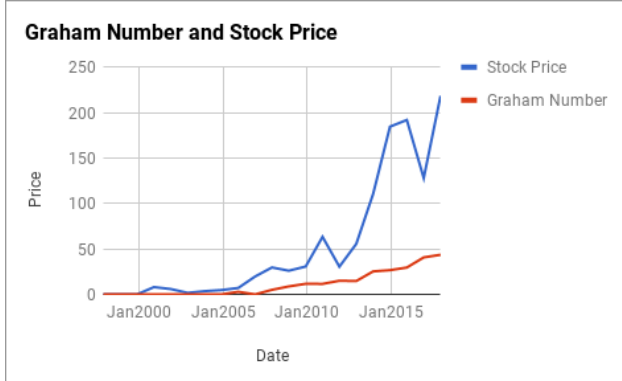
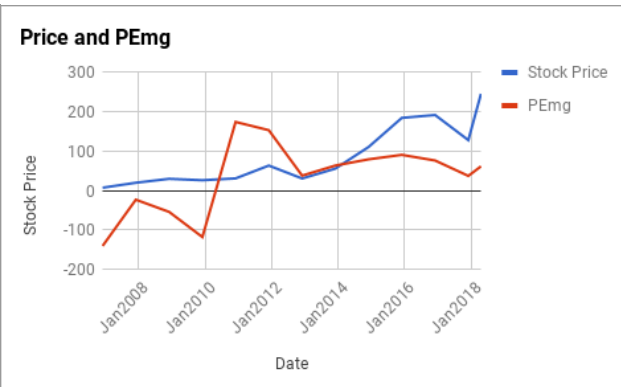
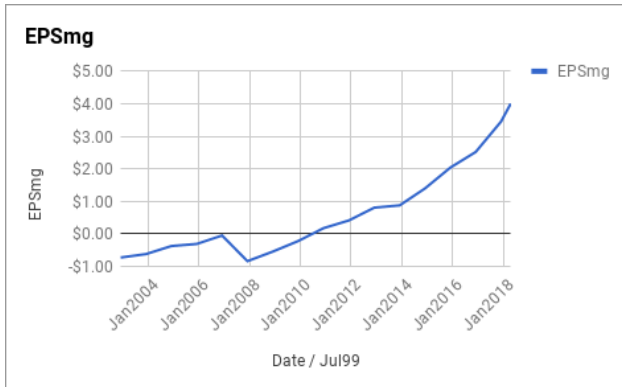
Useful Links:

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

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

EPS History		EPSmg History	
Next Fiscal Year Estimate	\$4.52	Next Fiscal Year Estimate	\$4.00
Dec2017	\$4.92	Dec2017	\$3.45
Dec2016	\$3.07	Dec2016	\$2.52
Dec2015	\$3.10	Dec2015	\$2.04
Dec2014	\$2.37	Dec2014	\$1.40
Dec2013	\$0.90	Dec2013	\$0.88
Dec2012	\$1.13	Dec2012	\$0.81
Dec2011	\$0.62	Dec2011	\$0.41
Dec2010	\$0.87	Dec2010	\$0.18
Dec2009	\$0.53	Dec2009	-\$0.22
Dec2008	\$0.30	Dec2008	-\$0.54
Dec2007	-\$2.57	Dec2007	-\$0.84
Dec2006	\$0.41	Dec2006	-\$0.05
Dec2005	-\$0.26	Dec2005	-\$0.31
Dec2004	-\$0.09	Dec2004	-\$0.37
Dec2003	-\$0.43	Dec2003	-\$0.62
Dec2002	-\$0.66	Dec2002	-\$0.73
Dec2001	-\$0.42	Balance Sheet Information 12/1/2017	
Dec2000	-\$0.69	Total Current Assets	\$2,980,000,000
Dec1999	-\$1.96	Total Current Liabilities	\$602,000,000
Dec1998	\$0.00	Long-Term Debt	\$1,182,000,000
		Total Assets	\$5,257,000,000
		Intangible Assets	\$946,000,000
		Total Liabilities	\$2,508,000,000
		Shares Outstanding (Diluted Average)	148,000,000





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 [Illumina Inc Valuation – Initial Coverage \\$ILMN](#)

Other ModernGraham posts about related companies

- [HCA Healthcare Inc Valuation – April 2018 \\$HCA](#)
- [Express Scripts Holding Co Valuation – April 2018 \\$ESRX](#)
- [Stryker Corp Valuation – April 2018 \\$SYK](#)
- [Cerner Corporation Valuation – April 2018 \\$CERN](#)
- [Quest Diagnostics Inc Valuation – April 2018 \\$DGX](#)
- [Laboratory Corporation of America Holdings Valuation – March 2018 \\$LH](#)
- [Intuitive Surgical Inc valuation – March 2018 \\$ISRG](#)
- [PerkinElmer Inc Valuation – March 2018 \\$PKI](#)
- [Cardinal Health Inc Valuation – March 2018 \\$CAH](#)
- [Varian Medical Systems Inc Valuation – March 2018 \\$VAR](#)