

ModernGraham Valuation

Company Name:

Incyte Corporation

Company Ticker INCY

Date of Analysis

4/23/2018



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 | \$14,431,968,195 | Pass |
| 2. Sufficiently Strong Financial Condition | Current Ratio > 2 | 4.01 | Pass |
| 3. Earnings Stability | Positive EPS for 10 years prior | | Fail |
| 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 | -57.22% | Fail |
| 5. Earnings Growth | PEmg < 20 | -128.89 | Fail |
| 6. Moderate PEmg Ratio | PB Ratio < 2.5 OR PB*PEmg < 50 | 8.82 | 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 | 4.01 | Pass |
| 2. Sufficiently Strong Financial Condition | Debt to NCA < 1.1 | 0.01 | Pass |
| 3. Earnings Stability | Positive EPS for 5 years prior | | Fail |
| 4. Dividend Record | Currently Pays Dividend | | Fail |
| 5. Earnings Growth | EPSmg greater than 5 years ago Score | | Pass |

Suitability

| | |
|---------------------|-----------|
| Defensive | No |
| Enterprising | No |

Stage 2: Determination of Intrinsic Value

| | |
|-----------------------------|---------------|
| EPSmg | -\$0.53 |
| MG Growth Estimate | 0.04% |
| MG Value | \$0.00 |
| MG Value based on 3% Growth | -\$7.67 |
| MG Value based on 0% Growth | -\$4.49 |
| Market Implied Growth Rate | -68.70% |

MG Opinion

| | |
|----------------------|-------------------|
| Current Price | \$68.14 |
| % of Intrinsic Value | N/A |
| Opinion | Overvalued |
| MG Grade | D |

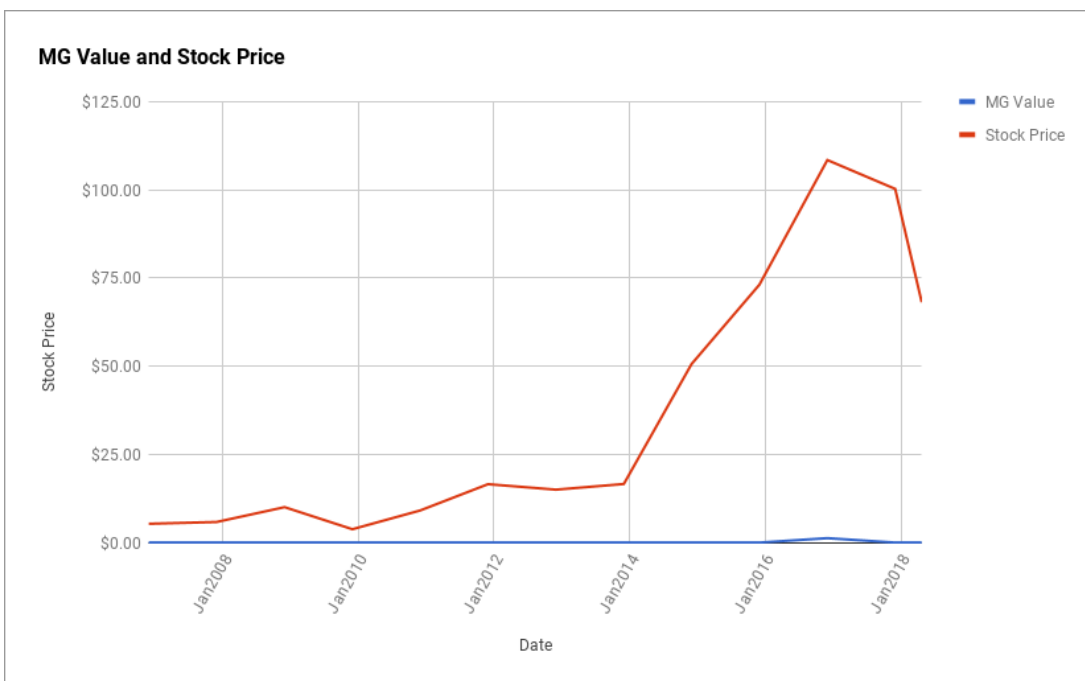
Stage 3: Information for Further Research

| | |
|--|---------|
| Net Current Asset Value (NCAV) | \$3.95 |
| Graham Number | \$0.00 |
| PEmg | -128.89 |
| Current Ratio | 4.01 |
| PB Ratio | 8.82 |
| 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 | | EPSmg History | |
|---------------------------|---------|--|-----------------|
| Next Fiscal Year Estimate | | Next Fiscal Year Estimate | |
| Dec2017 | -\$0.64 | Dec2017 | -\$0.53 |
| Dec2016 | -\$1.53 | Dec2016 | -\$0.44 |
| Dec2015 | \$0.54 | Dec2015 | \$0.03 |
| Dec2014 | \$0.03 | Dec2014 | -\$0.32 |
| Dec2013 | -\$0.29 | Dec2013 | -\$0.53 |
| Dec2012 | -\$0.56 | Dec2012 | -\$0.75 |
| Dec2011 | -\$0.34 | Dec2011 | -\$0.97 |
| Dec2010 | -\$1.49 | Dec2010 | -\$1.31 |
| Dec2009 | -\$0.26 | Dec2009 | -\$1.23 |
| Dec2008 | -\$2.06 | Dec2008 | -\$1.62 |
| Dec2007 | -\$1.99 | Dec2007 | -\$1.43 |
| Dec2006 | -\$1.03 | Dec2006 | -\$1.28 |
| Dec2005 | -\$0.89 | Dec2005 | -\$1.52 |
| Dec2004 | -\$1.24 | Dec2004 | -\$1.92 |
| Dec2003 | -\$2.21 | Dec2003 | -\$2.16 |
| Dec2002 | -\$2.33 | Dec2002 | -\$1.97 |
| Dec2001 | -\$2.03 | Dec2001 | -\$1.57 |
| Dec2000 | -\$2.77 | Balance Sheet Information 12/1/2017 | |
| Dec1999 | -\$0.47 | Total Current Assets | \$1,504,854,000 |
| Dec1998 | -\$0.48 | Total Current Liabilities | \$375,396,000 |
| | \$0.06 | Long-Term Debt | \$16,608,000 |
| | | Total Assets | \$2,302,582,000 |
| | | Intangible Assets | \$392,494,000 |
| | | Total Liabilities | \$671,953,000 |
| | | Shares Outstanding (Diluted Average) | 211,123,000 |





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

#N/A

Other
ModernGraham
posts about related
companies

[Regeneron Pharmaceuticals Inc Valuation – April 2018 \\$REGN](#)
[Alexion Pharmaceuticals Inc Valuation – April 2018 \\$ALXN](#)
[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](#)