

ModernGraham Valuation



Company Name:

Allergan plc Ordinary Shares

Company Ticker AGN

Date of Analysis

5/4/2018

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	\$50,045,791,300	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	0.20	Fail
3. Earnings Stability	Positive EPS for 10 years prior		Fail
4. Dividend Record	Dividend Payments for 10 years prior		Fail
5. Earnings Growth	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	634.73%	Pass
6. Moderate PEmg Ratio	PEmg < 20	14.78	Pass
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	0.45	Pass

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	0.20	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	0.00	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		Pass

Suitability

Defensive	No
Enterprising	No

Stage 2: Determination of Intrinsic Value

EPSmg	\$10.10
MG Growth Estimate	15.00%
MG Value	\$388.80
MG Value based on 3% Growth	\$146.43
MG Value based on 0% Growth	\$85.84
Market Implied Growth Rate	3.14%

MG Opinion

Current Price	\$149.30
% of Intrinsic Value	38.40%
Opinion	Undervalued
MG Grade	C+

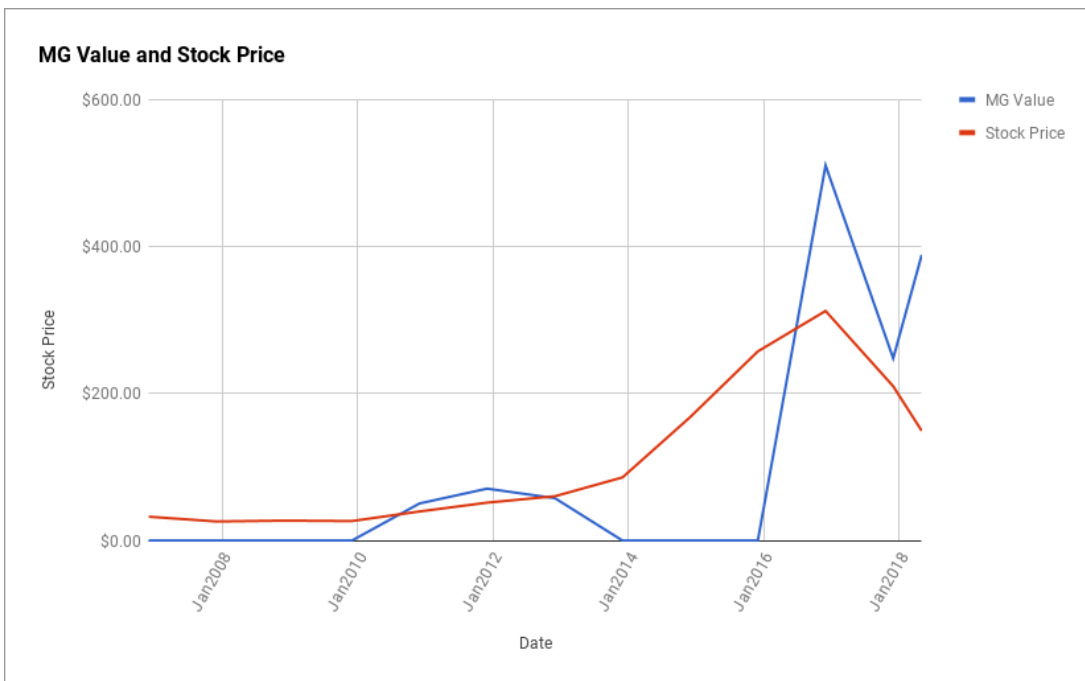
Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	\$19.11
Graham Number	\$269.05
PEmg	14.78
Current Ratio	0.20
PB Ratio	0.45
Current Dividend	\$2.80
Dividend Yield	1.88%
Number of Consecutive Years of Dividend Growth	1

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	\$15.42	Next Fiscal Year Estimate	\$10.10
Dec2017	-\$13.19	Dec2017	\$6.45
Dec2016	\$38.18	Dec2016	\$13.26
Dec2015	\$10.01	Dec2015	\$0.54
Dec2014	-\$7.42	Dec2014	-\$3.35
Dec2013	-\$5.27	Dec2013	-\$0.81
Dec2012	\$0.76	Dec2012	\$1.50
Dec2011	\$2.06	Dec2011	\$1.84
Dec2010	\$1.48	Dec2010	\$1.31
Dec2009	\$1.96	Dec2009	\$0.96
Dec2008	\$2.09	Dec2008	\$0.41
Dec2007	\$1.27	Dec2007	-\$0.21
Dec2006	-\$4.37	Dec2006	-\$0.54
Dec2005	\$1.22	Dec2005	\$1.38
Dec2004	\$1.26	Dec2004	\$1.45
Dec2003	\$1.74	Dec2003	\$1.55
Dec2002	\$1.62	Dec2002	\$1.45
Dec2001	\$1.07	Balance Sheet Information 3/1/2018	
Dec2000	\$1.52	Total Current Assets	\$6,393,300,000
Dec1999	\$1.82	Total Current Liabilities	\$31,752,400,000
Dec1998	\$1.22	Long-Term Debt	\$0
		Total Assets	\$112,021,300,000
		Intangible Assets	\$102,626,000,000
		Total Liabilities	\$0
		Shares Outstanding (Diluted Average)	334,600,000





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

- [Allergan plc Valuation – January 2017 \\$AGN](#)
- [Allergan PLC Analysis – August 2015 Update \\$AGN](#)
- [34 Companies in the Spotlight This Week – 2/7/15](#)
- [Allergan Inc. Quarterly Valuation – February 2015 \\$AGN](#)
- [27 Companies in the Spotlight This Week – 11/8/14](#)

Other ModernGraham posts about related companies

- [Incyte Corp Valuation – April 2018 \\$INCY](#)
- [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](#)