

ModernGraham Valuation

Company Name:

Mallinckrodt PLC

Company Ticker MNK

Date of Analysis

7/1/2018



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	\$1,497,013,565	Fail
2. Sufficiently Strong Financial Condition	Current Ratio > 2	2.10	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	1187.74%	Pass
5. Earnings Growth	PEmg < 20	2.07	Pass
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	0.25	Pass
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	2.10	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	5.38	Fail
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	\$9.02
MG Growth Estimate	15.00%
MG Value	\$347.24
MG Value based on 3% Growth	\$130.78
MG Value based on 0% Growth	\$76.66
Market Implied Growth Rate	-3.22%

MG Opinion

Current Price	\$18.66
% of Intrinsic Value	5.37%
Opinion	Undervalued
MG Grade	C+

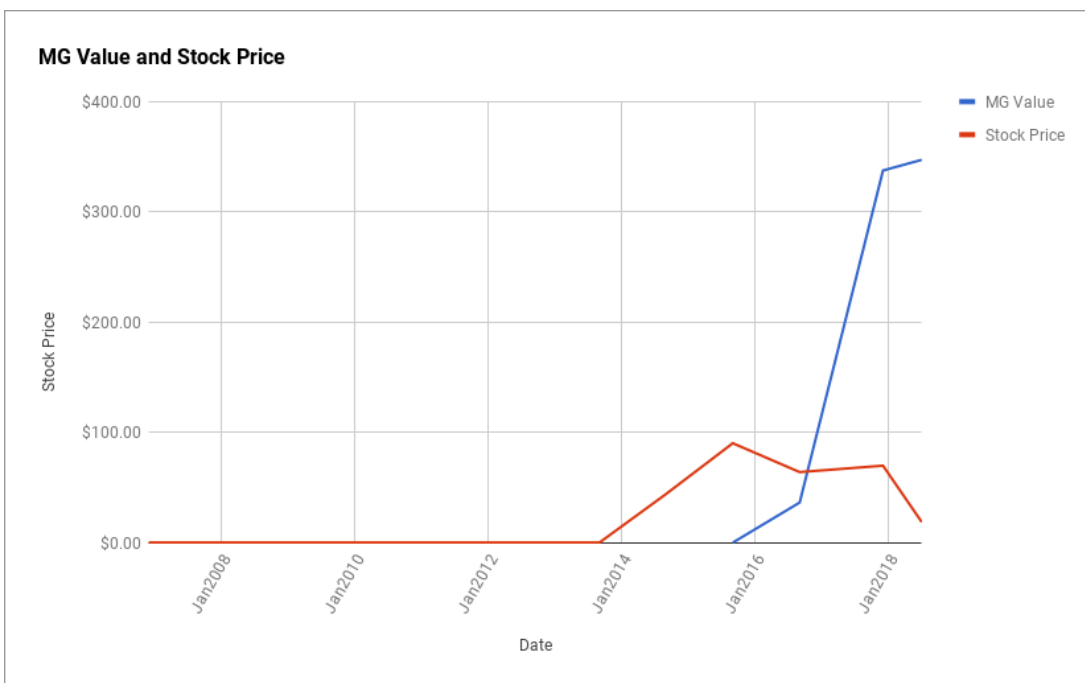
Stage 3: Information for Further Research

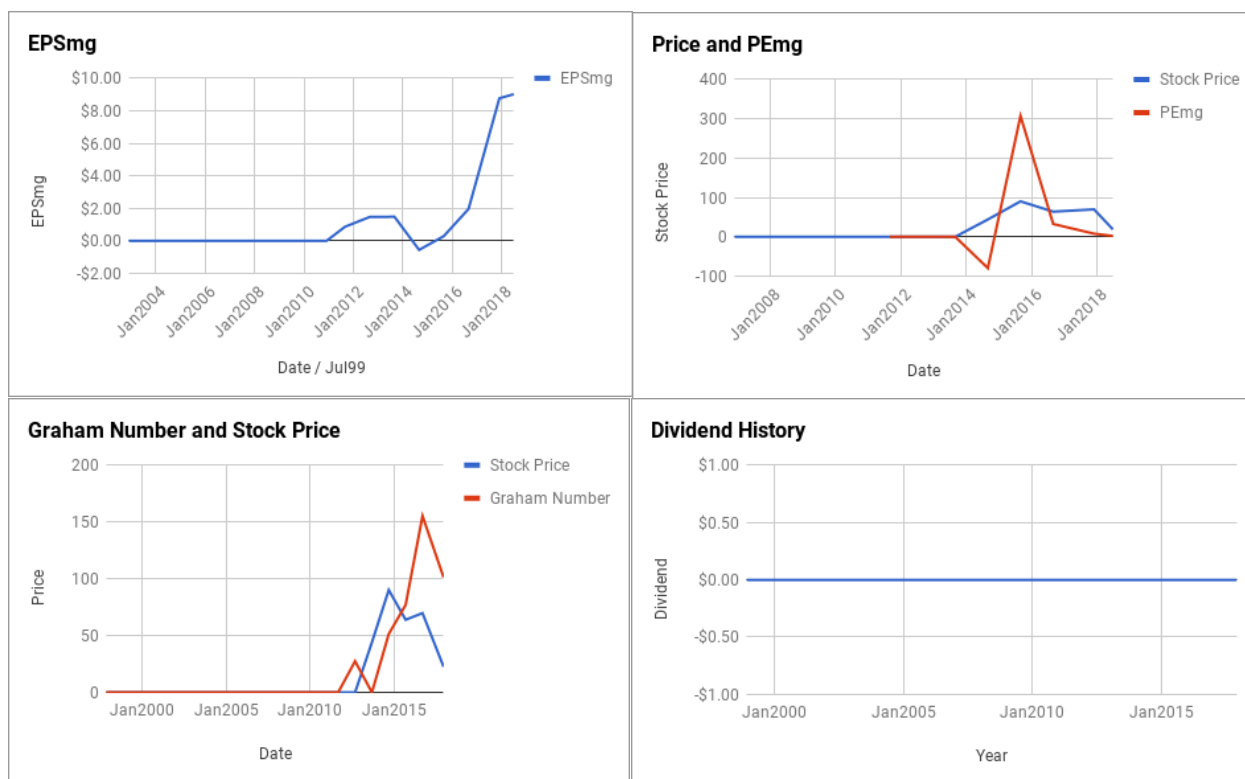
Net Current Asset Value (NCAV)	-\$78.40
Graham Number	\$101.32
PEmg	2.07
Current Ratio	2.10
PB Ratio	0.25
Current Dividend	\$0.00
Dividend Yield	0.00%
Number of Consecutive Years of Dividend Growth	0

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	\$21.80	Dec2017	\$8.77
Sep2016	\$5.77	Sep2016	\$1.96
Sep2015	\$2.75	Sep2015	\$0.29
Sep2014	-\$4.92	Sep2014	-\$0.55
Sep2013	\$1.02	Sep2013	\$1.48
Sep2012	\$2.33	Sep2012	\$1.47
Sep2011	\$2.61	Sep2011	\$0.87
Dec2010	\$0.00	Dec2010	\$0.00
Dec2009	\$0.00	Dec2009	\$0.00
Dec2008	\$0.00	Dec2008	\$0.00
Dec2007	\$0.00	Dec2007	\$0.00
Dec2006	\$0.00	Dec2006	\$0.00
Dec2005	\$0.00	Dec2005	\$0.00
Dec2004	\$0.00	Dec2004	\$0.00
Dec2003	\$0.00	Dec2003	\$0.00
Dec2002	\$0.00	Dec2002	\$0.00
Dec2001	\$0.00	Balance Sheet Information	
Dec2000	\$0.00	3/1/2018	
Dec1999	\$0.00	Total Current Assets	\$2,304,700,000
Dec1998	\$0.00	Total Current Liabilities	\$1,098,500,000
		Long-Term Debt	\$6,491,500,000
		Total Assets	\$15,516,500,000
		Intangible Assets	\$12,627,800,000
		Total Liabilities	\$9,055,200,000
		Shares Outstanding (Diluted Average)	86,100,000





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

- [Mallinckrodt PLC Valuation – August 2016 \\$MNK](#)
- [5 Speculative and Overvalued Companies to Avoid – July 2015](#)
- [Mallinckrodt PLC Analysis – Initial Coverage \\$MNK](#)

Other
ModernGraham
posts about related
companies

- [Bristol-Myers Squibb Company Valuation – June 2018 \\$BMY](#)
- [Biogen Inc Valuation – June 2018 \\$BIIB](#)
- [Mylan NV Valuation – June 2018 \\$MYL](#)
- [Amgen Inc Valuation – June 2018 \\$AMGN](#)
- [Celgene Corp Valuation – June 2018 \\$CELG](#)
- [Allergan PLC Valuation – May 2018 \\$AGN](#)
- [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](#)