

ModernGraham Valuation

Company Name:

Company Ticker SPPI
Date of Analysis

Spectrum
Pharmaceuticals, Inc.

8/11/2018



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	\$2,345,273,926	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	2.97	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	438.60%	Pass
5. Earnings Growth	PEmg < 20	-22.67	Fail
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	6.90	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	2.97	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	0.00	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		Fail
	Score		

Suitability

Defensive	No
Enterprising	No

Stage 2: Determination of Intrinsic Value

EPSmg	-\$0.98
MG Growth Estimate	-4.25%
MG Value	\$1.56
MG Value based on 3% Growth	-\$14.20
MG Value based on 0% Growth	-\$8.32
Market Implied Growth Rate	-15.58%

MG Opinion

Current Price	\$22.20
% of Intrinsic Value	1425.02%
Opinion	Overvalued
MG Grade	D

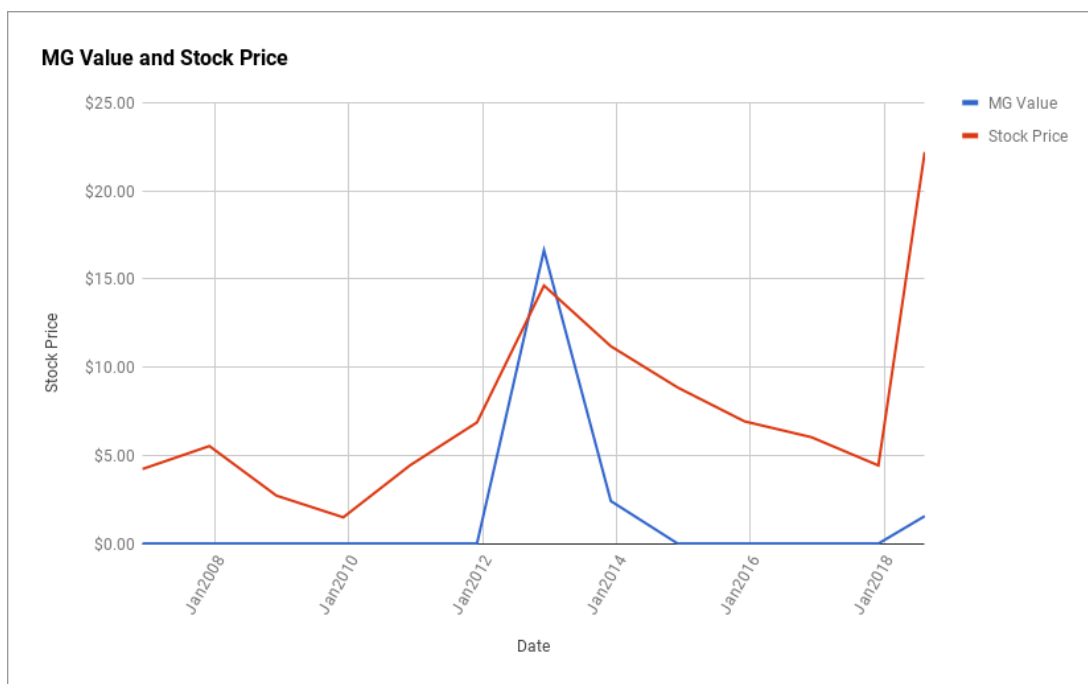
Stage 3: Information for Further Research

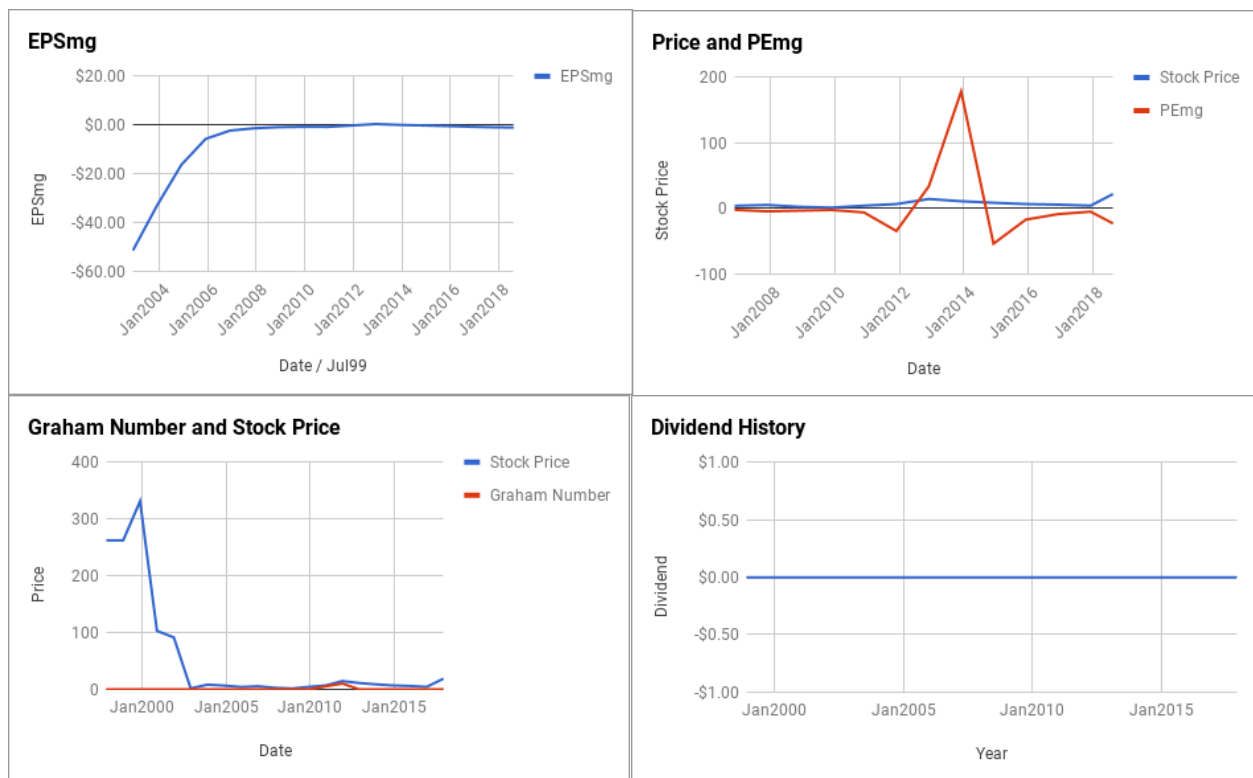
Net Current Asset Value (NCAV)	\$1.56
Graham Number	\$0.00
PEmg	-22.67
Current Ratio	2.97
PB Ratio	6.90
Current Dividend	\$0.00
Dividend Yield	0.00%
Number of Consecutive Years of Dividend Growth	0

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	-\$1.04	Next Fiscal Year Estimate	-\$0.98
Dec2017	-\$1.07	Dec2017	-\$0.94
Dec2016	-\$0.96	Dec2016	-\$0.72
Dec2015	-\$0.81	Dec2015	-\$0.41
Dec2014	-\$0.71	Dec2014	-\$0.17
Dec2013	-\$1.02	Dec2013	\$0.06
Dec2012	\$1.46	Dec2012	\$0.43
Dec2011	\$0.86	Dec2011	-\$0.20
Dec2010	-\$0.95	Dec2010	-\$0.75
Dec2009	-\$0.48	Dec2009	-\$0.71
Dec2008	-\$0.45	Dec2008	-\$0.86
Dec2007	-\$1.17	Dec2007	-\$1.31
Dec2006	-\$0.96	Dec2006	-\$2.27
Dec2005	-\$1.06	Dec2005	-\$5.66
Dec2004	-\$0.98	Dec2004	-\$16.23
Dec2003	-\$4.83	Dec2003	-\$32.90
Dec2002	-\$12.34	Dec2002	-\$51.41
Dec2001	-\$36.50	Balance Sheet Information 3/1/2018	
Dec2000	-\$109.25	Total Current Assets	\$277,028,000
Dec1999	-\$92.00	Total Current Liabilities	\$93,422,000
Dec1998	-\$51.75	Long-Term Debt	\$0
		Total Assets	\$444,273,000
		Intangible Assets	\$148,546,000
		Total Liabilities	\$119,979,000
		Shares Outstanding (Diluted Average)	100,810,000





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

[Spectrum Pharmaceuticals Inc Valuation – Initial Coverage \\$SPPI](#)

Other
ModernGraham
posts about related
companies

[Akorn Inc Valuation – July 2018 \\$AKRX](#)

[Mallinckrodt PLC Valuation – July 2018 \\$MNK](#)

[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](#)