

ModernGraham Valuation

Company Name:

Nektar Therapeutics

Company Ticker NKTR

Date of Analysis

11/20/2018



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	\$6,585,892,527	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	13.93	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	-194.44%	Fail
5. Earnings Growth	PEmg < 20	40.97	Fail
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	3.67	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	13.93	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	0.18	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	\$0.93
MG Growth Estimate	15.00%
MG Value	\$35.75
MG Value based on 3% Growth	\$13.47
MG Value based on 0% Growth	\$7.89
Market Implied Growth Rate	16.24%

MG Opinion

Current Price	\$38.05
% of Intrinsic Value	106.42%
Opinion	Fairly Valued
MG Grade	D

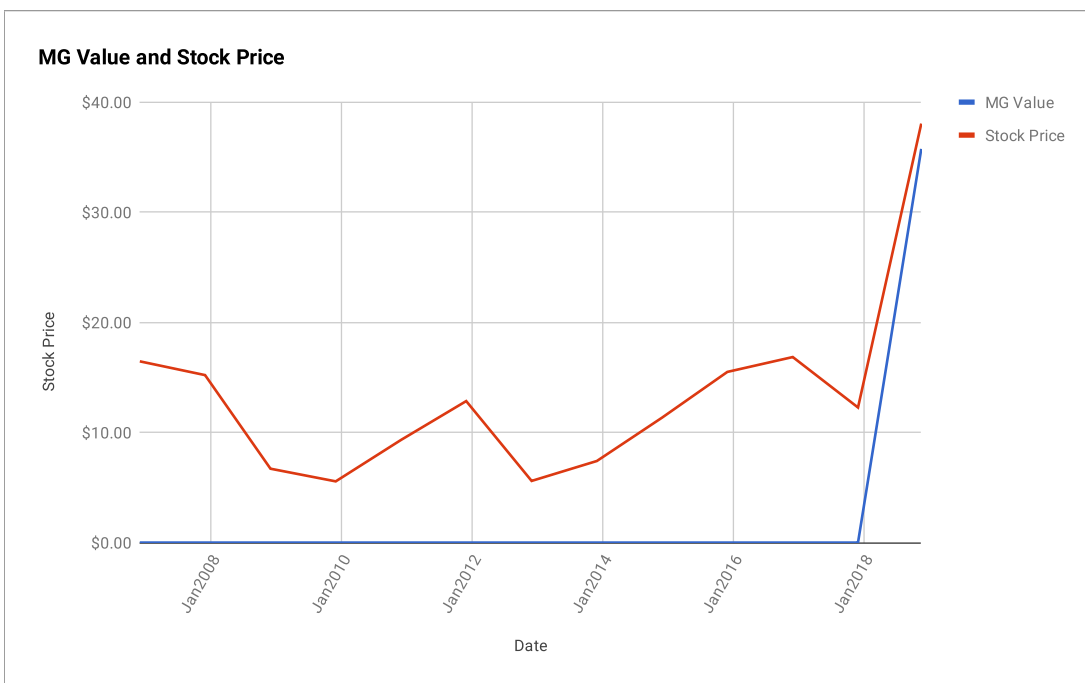
Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	\$6.06
Graham Number	\$7.28
PEmg	40.97
Current Ratio	13.93
PB Ratio	3.67
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	\$0.93
Dec2017	-\$0.62	Dec2017	-\$0.77
Dec2016	-\$1.10	Dec2016	-\$0.90
Dec2015	-\$0.61	Dec2015	-\$0.87
Dec2014	-\$0.42	Dec2014	-\$1.00
Dec2013	-\$1.40	Dec2013	-\$1.23
Dec2012	-\$1.50	Dec2012	-\$1.07
Dec2011	-\$1.19	Dec2011	-\$0.80
Dec2010	-\$0.40	Dec2010	-\$0.67
Dec2009	-\$1.11	Dec2009	-\$0.91
Dec2008	-\$0.37	Dec2008	-\$0.94
Dec2007	-\$0.36	Dec2007	-\$1.24
Dec2006	-\$1.72	Dec2006	-\$1.65
Dec2005	-\$2.15	Dec2005	-\$1.80
Dec2004	-\$1.30	Dec2004	-\$1.83
Dec2003	-\$0.84	Dec2003	-\$2.12
Dec2002	-\$1.94	Dec2002	-\$2.56
Dec2001	-\$4.71	Balance Sheet Information 9/1/2018	
Dec2000	-\$2.32	Total Current Assets	\$1,505,182,000
Dec1999	-\$1.13	Total Current Liabilities	\$108,083,000
Dec1998	-\$0.59	Long-Term Debt	\$246,514,000
		Total Assets	\$2,249,098,000
		Intangible Assets	\$76,501,000
		Total Liabilities	\$458,976,000
		Shares Outstanding (Diluted Average)	172,698,000





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.

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posts about the
company

#N/A

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[Supernus Pharmaceuticals Inc Valuation – August 2018 \\$SUPN](#)

[Lannett Co Inc Valuation – August 2018 \\$LCI](#)

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[Bristol-Myers Squibb Company Valuation – June 2018 \\$BMY](#)

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[Mylan NV Valuation – June 2018 \\$MYL](#)