

ModernGraham Valuation

Company Name:

Gilead Sciences, Inc.

Company Ticker GILD

Date of Analysis

1/4/2019



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	\$87,772,115,026	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	3.45	Pass
3. Earnings Stability	Positive EPS for 10 years prior		Pass
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	293.60%	Pass
5. Earnings Growth	PEmg < 20	9.88	Pass
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	3.85	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	3.45	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	0.99	Pass
3. Earnings Stability	Positive EPS for 5 years prior		Pass
4. Dividend Record	Currently Pays Dividend		Pass
5. Earnings Growth	EPSmg greater than 5 years ago		Pass
	Score		

Suitability

Defensive	Yes
Enterprising	Yes

Stage 2: Determination of Intrinsic Value

EPSmg	\$6.87
MG Growth Estimate	13.56%
MG Value	\$244.68
MG Value based on 3% Growth	\$99.60
MG Value based on 0% Growth	\$58.38
Market Implied Growth Rate	0.69%

MG Opinion

Current Price	\$67.84
% of Intrinsic Value	27.73%
Opinion	Undervalued
MG Grade	B+

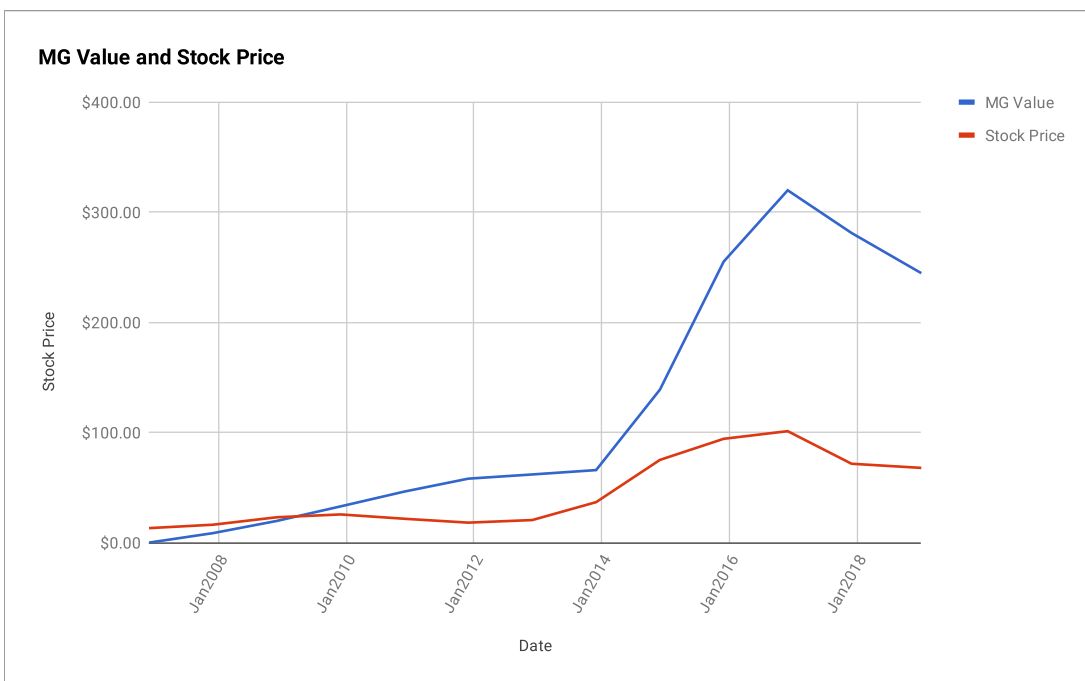
Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$4.88
Graham Number	\$44.37
PEmg	9.88
Current Ratio	3.45
PB Ratio	3.85
Current Dividend	\$2.08
Dividend Yield	3.07%
Number of Consecutive Years of Dividend Growth	3

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	\$5.60	Dec2017	\$6.87
Dec2016	\$3.51	Dec2016	\$7.30
Dec2015	\$9.94	Dec2015	\$8.31
Dec2014	\$11.91	Dec2014	\$6.63
Dec2013	\$7.35	Dec2013	\$3.61
Dec2012	\$1.81	Dec2012	\$1.71
Dec2011	\$1.64	Dec2011	\$1.61
Dec2010	\$1.77	Dec2010	\$1.51
Dec2009	\$1.66	Dec2009	\$1.20
Dec2008	\$1.41	Dec2008	\$0.85
Dec2007	\$1.03	Dec2007	\$0.51
Dec2006	\$0.84	Dec2006	\$0.22
Dec2005	-\$0.65	Dec2005	-\$0.06
Dec2004	\$0.43	Dec2004	\$0.21
Dec2003	\$0.25	Dec2003	\$0.08
Dec2002	-\$0.05	Dec2002	-\$0.01
Dec2001	\$0.04	Dec2001	\$0.01
Dec2000	\$0.03	Balance Sheet Information 9/1/2018	
Dec1999	-\$0.04	Total Current Assets	\$34,918,000,000
Dec1998	-\$0.05	Total Current Liabilities	\$10,116,000,000
	-\$0.03	Long-Term Debt	\$24,570,000,000
		Total Assets	\$64,305,000,000
		Intangible Assets	\$20,432,000,000
		Total Liabilities	\$41,298,000,000
		Shares Outstanding (Diluted Average)	1,307,000,000





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:

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posts about the
company

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[10 Undervalued Stocks for the Enterprising Investor – August 2018](#)
[10 Undervalued Stocks for the Enterprising Investor – July 2018](#)
[10 Best Dividend Paying Stocks for the Enterprising Investor – May 2018](#)
[10 Stocks for Using A Benjamin Graham Value Investing Strategy – May 2018](#)

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[Nektar Therapeutics Valuation – November 2018 \\$NKTR](#)
[Merck & Co Inc Valuation – November 2018 \\$MRK](#)
[Ligand Pharmaceuticals Inc Valuation – September 2018 \\$LGND](#)
[Supernus Pharmaceuticals Inc Valuation – August 2018 \\$SUPN](#)
[Lannett Co Inc Valuation – August 2018 \\$LCI](#)
[Spectrum Pharmaceuticals Inc Valuation – August 2018 \\$SPPI](#)
[Akorn Inc Valuation – July 2018 \\$AKRX](#)
[Mallinckrodt PLC Valuation – July 2018 \\$MNK](#)
[Bristol-Myers Squibb Company Valuation – June 2018 \\$BMY](#)