

ModernGraham Valuation

Company Name:

Eli Lilly And Co

Company Ticker LLY

Date of Analysis

1/23/2019



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	\$124,957,622,150	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.91	Fail
3. Earnings Stability	Positive EPS for 10 years prior		Fail
4. Dividend Record	Dividend Payments for 10 years prior		Pass
	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	-53.78%	Fail
5. Earnings Growth	PEmg < 20	58.07	Fail
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	8.56	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	1.91	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	1.18	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		Fail

Suitability

Defensive	No
Enterprising	No

Stage 2: Determination of Intrinsic Value

EPSmg	\$2.03
MG Growth Estimate	-4.25%
MG Value	\$0.00
MG Value based on 3% Growth	\$29.46
MG Value based on 0% Growth	\$17.27
Market Implied Growth Rate	24.78%

MG Opinion

Current Price	\$117.99
% of Intrinsic Value	N/A
Opinion	Overvalued
MG Grade	F

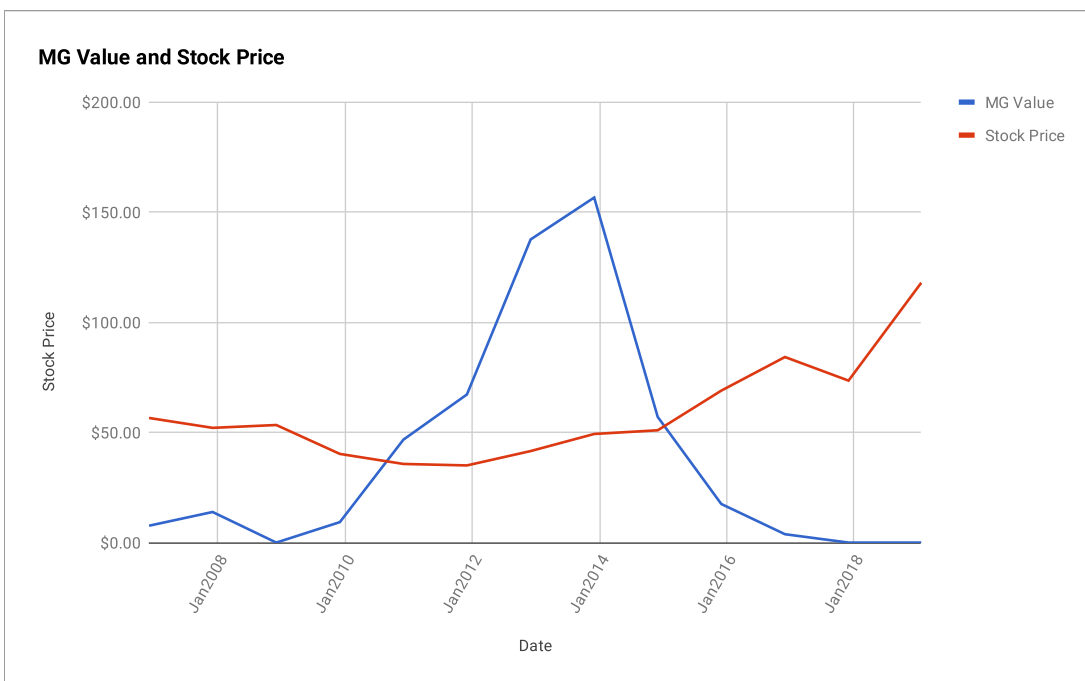
Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$9.54
Graham Number	\$28.18
PEmg	58.07
Current Ratio	1.91
PB Ratio	8.56
Current Dividend	\$2.08
Dividend Yield	1.76%
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	\$3.35	Dec2017	\$2.03
Dec2016	-\$0.19	Dec2016	\$1.66
Dec2015	\$2.58	Dec2015	\$2.73
Dec2014	\$2.26	Dec2014	\$2.96
Dec2013	\$2.23	Dec2013	\$3.45
Dec2012	\$4.32	Dec2012	\$4.07
Dec2011	\$3.66	Dec2011	\$3.58
Dec2010	\$3.90	Dec2010	\$3.24
Dec2009	\$4.58	Dec2009	\$2.72
Dec2008	\$3.94	Dec2008	\$1.80
Dec2007	-\$1.89	Dec2007	\$0.93
Dec2006	\$2.71	Dec2006	\$2.30
Dec2005	\$2.45	Dec2005	\$2.11
Dec2004	\$1.81	Dec2004	\$2.02
Dec2003	\$1.66	Dec2003	\$2.21
Dec2002	\$2.37	Dec2002	\$2.50
Dec2001	\$2.50	Dec2001	\$2.52
Dec2000	\$2.55	Balance Sheet Information 9/1/2018	
Dec1999	\$2.79	Total Current Assets	\$20,685,900,000
Dec1998	\$2.46	Total Current Liabilities	\$10,826,700,000
	\$1.87	Long-Term Debt	\$11,674,700,000
		Total Assets	\$44,625,100,000
		Intangible Assets	\$3,619,400,000
		Total Liabilities	\$30,474,200,000
		Shares Outstanding (Diluted Average)	1,026,300,000





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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ModernGraham
posts about the
company

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[Eli Lilly and Company Valuation – July 2016 \\$LLY](#)
[47 Companies in the Spotlight This Week – 5/16/15](#)
[Eli Lilly & Co. Annual Valuation – 2015 \\$LLY](#)
[58 Companies in the Spotlight This Week – 1/31/15](#)

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posts about related
companies

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[Gilead Sciences Inc Valuation – January 2019 \\$GILD](#)
[Pfizer Inc Valuation – November 2018 \\$PFE](#)
[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](#)