

# ModernGraham Valuation

Company Name:

Allergan plc

Company Ticker AGN

Date of Analysis

2/25/2019



## 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	\$45,604,760,587	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.13	Fail
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	-392.79%	Fail
5. Earnings Growth			
6. Moderate PEmg Ratio	PEmg < 20	31.61	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	0.71	Pass

*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	1.13	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	30.67	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		Pass
	Score		

### Suitability

<b>Defensive</b>	<b>No</b>
<b>Enterprising</b>	<b>No</b>

## Stage 2: Determination of Intrinsic Value

EPSmg	\$4.34
MG Growth Estimate	15.00%
<b>MG Value</b>	<b>\$166.99</b>
MG Value based on 3% Growth	\$62.89
MG Value based on 0% Growth	\$36.87
Market Implied Growth Rate	11.56%

### MG Opinion

Current Price	\$137.11
% of Intrinsic Value	82.11%
<b>Opinion</b>	<b>Fairly Valued</b>
<b>MG Grade</b>	<b>C+</b>

## Stage 3: Information for Further Research

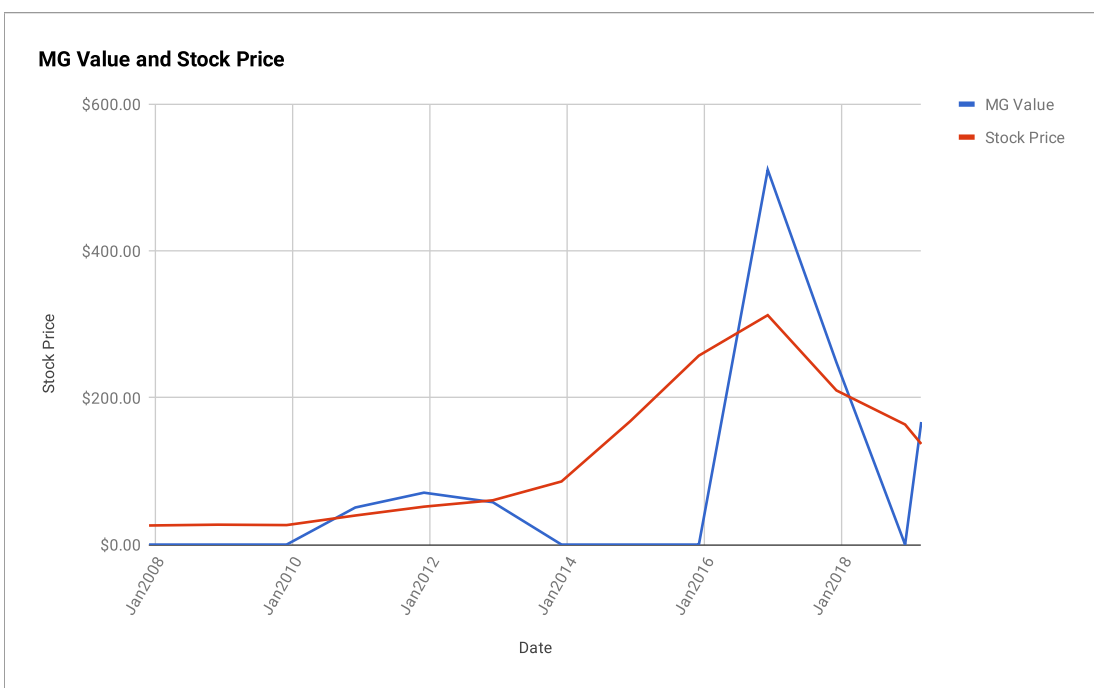
Net Current Asset Value (NCAV)	-\$90.04
Graham Number	\$262.47
PEmg	31.61
Current Ratio	1.13
PB Ratio	0.71
Current Dividend	\$2.88
Dividend Yield	2.10%
Number of Consecutive Years of Dividend Growth	2

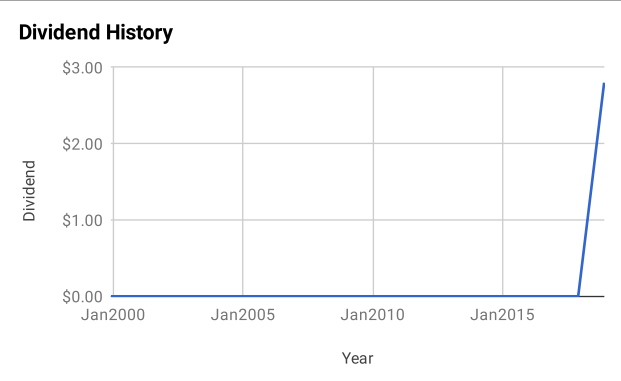
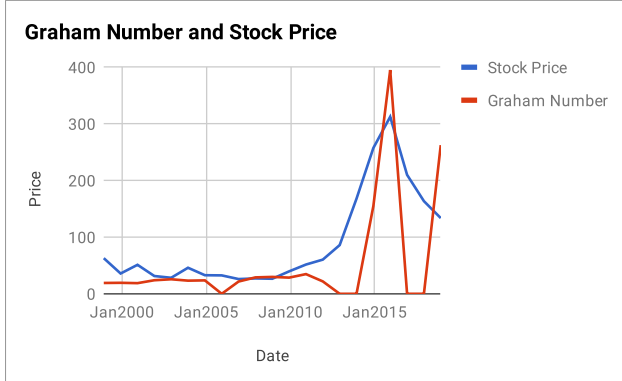
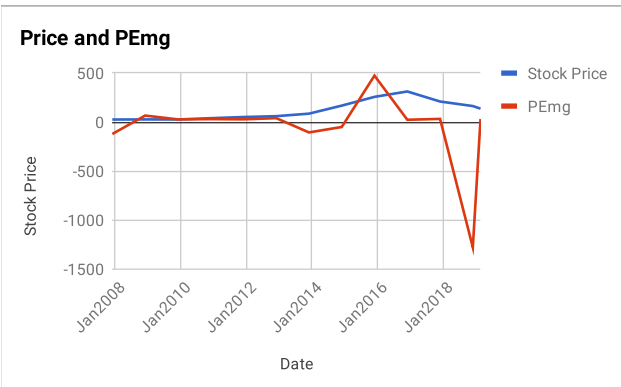
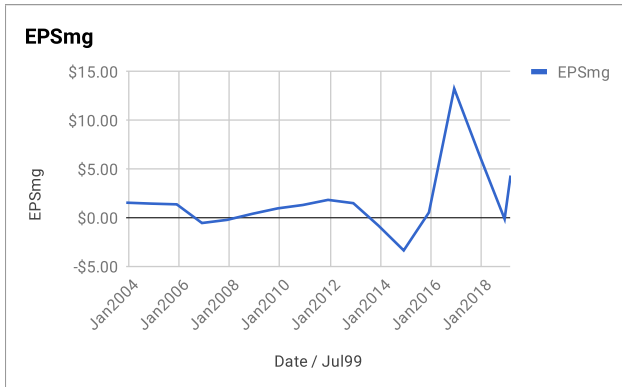
### Useful Links:

[ModernGraham tagged articles](#)  
[Google Finance](#)  
[Yahoo Finance](#)  
[GuruFocus](#)

[Morningstar](#)  
[MSN Money](#)  
[Seeking Alpha](#)  
[SEC Filings](#)

EPS History		EPSmg History	
Next Fiscal Year Estimate	\$15.86	Next Fiscal Year Estimate	\$4.34
Dec2018	-\$15.26	Dec2018	-\$0.13
Dec2017	-\$13.19	Dec2017	\$6.45
Dec2016	\$38.18	Dec2016	\$13.26
Dec2015	\$10.01	Dec2015	\$0.54
Dec2014	-\$7.42	Dec2014	-\$3.35
Dec2013	-\$5.27	Dec2013	-\$0.81
Dec2012	\$0.76	Dec2012	\$1.50
Dec2011	\$2.06	Dec2011	\$1.84
Dec2010	\$1.48	Dec2010	\$1.31
Dec2009	\$1.96	Dec2009	\$0.96
Dec2008	\$2.09	Dec2008	\$0.41
Dec2007	\$1.27	Dec2007	-\$0.21
Dec2006	-\$4.37	Dec2006	-\$0.54
Dec2005	\$1.22	Dec2005	\$1.38
Dec2004	\$1.26	Dec2004	\$1.45
Dec2003	\$1.74	Dec2003	\$1.55
Dec2002	\$1.62	<b>Balance Sheet Information 12/1/2018</b>	
Dec2001	\$1.07	Total Current Assets	\$6,475,400,000
Dec2000	\$1.52	Total Current Liabilities	\$5,727,900,000
Dec1999	\$1.82	Long-Term Debt	\$22,929,400,000
		Total Assets	\$101,787,600,000
		Intangible Assets	\$89,608,700,000
		Total Liabilities	\$36,656,600,000
		Shares Outstanding (Diluted Average)	335,200,000





**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**
- [Allergan PLC Valuation – May 2018 \\$AGN](#)
  - [Allergan plc Valuation – January 2017 \\$AGN](#)
  - [Allergan PLC Analysis – August 2015 Update \\$AGN](#)
  - [34 Companies in the Spotlight This Week – 2/7/15](#)
  - [Allergan Inc. Quarterly Valuation – February 2015 \\$AGN](#)

- Other ModernGraham posts about related companies**
- [Incyte Corp Valuation – February 2019 \\$INCY](#)
  - [Regeneron Pharmaceuticals Inc Valuation – February 2019 \\$REGN](#)
  - [Alexion Pharmaceuticals Inc Valuation – February 2019 \\$ALXN](#)
  - [Vertex Pharmaceuticals Inc Valuation – February 2019 \\$VRTX](#)
  - [Perrigo Company Valuation – February 2019 \\$PRGO](#)
  - [Eli Lilly and Co Valuation – January 2019 \\$LLY](#)
  - [Zoetis Inc Valuation – January 2019 \\$ZTS](#)
  - [Gilead Sciences Inc Valuation – January 2019 \\$GILD](#)
  - [Pfizer Inc Valuation – November 2018 \\$PFE](#)
  - [Nektar Therapeutics Valuation – November 2018 \\$NKTR](#)