

# ModernGraham Valuation



Alexion  
Pharmaceuticals, Inc.

Company Name:

Company Ticker ALXN

Date of Analysis

2/15/2019

## 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	\$28,604,032,000	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	2.88	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	314.76%	Pass
5. Earnings Growth	PEmg < 20	34.23	Fail
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	3.15	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	2.88	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	1.13	Fail
3. Earnings Stability	Positive EPS for 5 years prior		Pass
4. Dividend Record	Currently Pays Dividend		Fail
5. Earnings Growth	EPSmg greater than 5 years ago Score		Pass

### Suitability

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

## Stage 2: Determination of Intrinsic Value

EPSmg	\$3.74
MG Growth Estimate	15.00%
<b>MG Value</b>	<b>\$143.99</b>
MG Value based on 3% Growth	\$54.23
MG Value based on 0% Growth	\$31.79
Market Implied Growth Rate	12.86%

### MG Opinion

Current Price	\$128.02
% of Intrinsic Value	88.91%
<b>Opinion</b>	<b>Fairly Valued</b>
<b>MG Grade</b>	<b>D+</b>

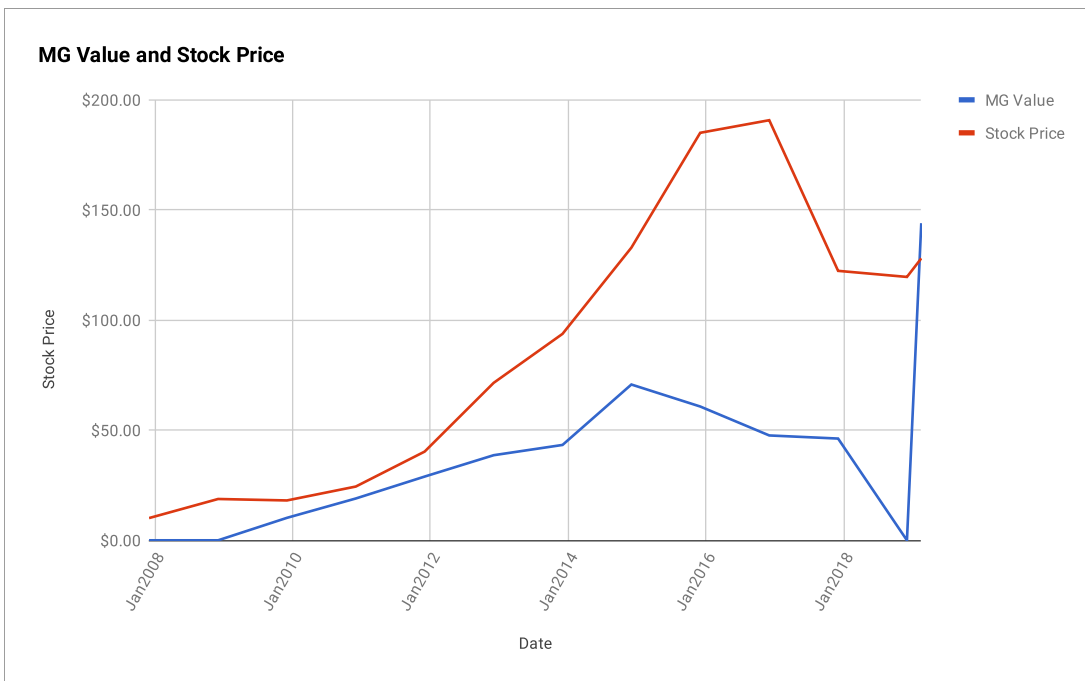
## Stage 3: Information for Further Research

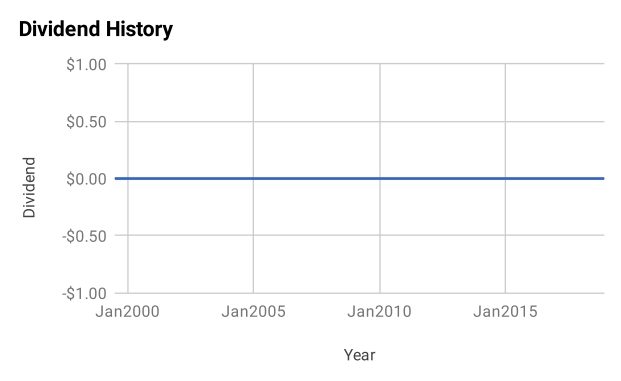
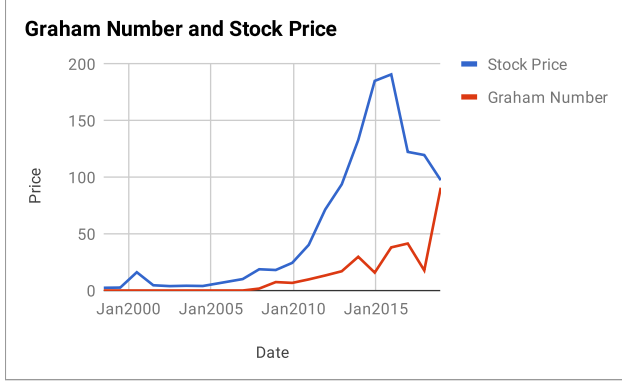
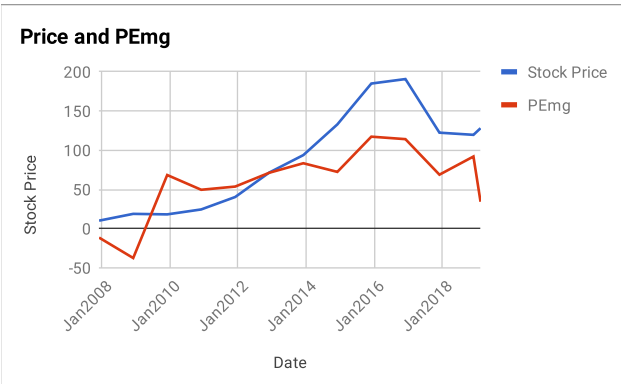
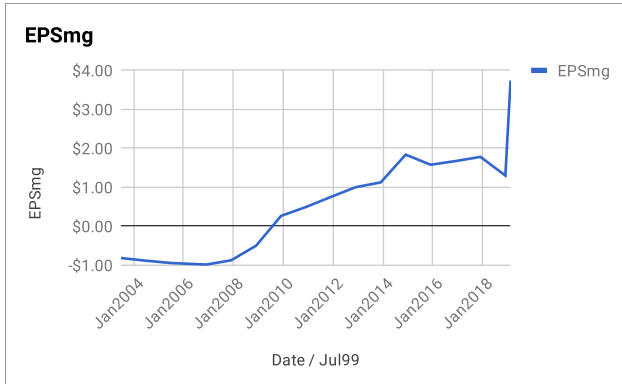
Net Current Asset Value (NCAV)	-\$6.13
Graham Number	\$90.72
PEmg	34.23
Current Ratio	2.88
PB Ratio	3.15
Current Dividend	\$0.00
Dividend Yield	0.00%
Number of Consecutive Years of Dividend Growth	0

### Useful Links:

<a href="#">ModernGraham tagged articles</a>	<a href="#">Morningstar</a>
<a href="#">Google Finance</a>	<a href="#">MSN Money</a>
<a href="#">Yahoo Finance</a>	<a href="#">Seeking Alpha</a>
<a href="#">GuruFocus</a>	<a href="#">SEC Filings</a>

EPS History		EPSmg History	
Next Fiscal Year Estimate	\$8.92	Next Fiscal Year Estimate	\$3.74
Dec2018	\$0.35	Dec2018	\$1.30
Dec2017	\$1.97	Dec2017	\$1.78
Dec2016	\$1.76	Dec2016	\$1.67
Dec2015	\$0.67	Dec2015	\$1.58
Dec2014	\$3.26	Dec2014	\$1.84
Dec2013	\$1.27	Dec2013	\$1.12
Dec2012	\$1.28	Dec2012	\$1.00
Dec2011	\$0.91	Dec2011	\$0.75
Dec2010	\$0.52	Dec2010	\$0.49
Dec2009	\$1.63	Dec2009	\$0.26
Dec2008	\$0.20	Dec2008	-\$0.50
Dec2007	-\$0.64	Dec2007	-\$0.88
Dec2006	-\$1.04	Dec2006	-\$0.98
Jul2005	-\$0.98	Jul2005	-\$0.94
Jul2004	-\$0.86	Jul2004	-\$0.88
Jul2003	-\$1.16	Jul2003	-\$0.82
Jul2002	-\$0.78	<b>Balance Sheet Information 12/1/2018</b>	
Jul2001	-\$0.82	Total Current Assets	\$3,385,000,000
Jul2000	-\$0.36	Total Current Liabilities	\$1,174,000,000
Jul1999	-\$0.14	Long-Term Debt	\$2,501,700,000
		Total Assets	\$13,931,900,000
		Intangible Assets	\$8,678,700,000
		Total Liabilities	\$4,766,600,000
		Shares Outstanding (Diluted Average)	225,400,000





**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**
- [Alexion Pharmaceuticals Inc Valuation – April 2018 \\$ALXN](#)
  - [Alexion Pharmaceuticals Inc Valuation – December 2016 \\$ALXN](#)
  - [Alexion Pharmaceuticals Inc. Analysis – August 2015 Update \\$ALXN](#)
  - [47 Companies in the Spotlight This Week – 5/16/15](#)
  - [Alexion Pharmaceuticals Quarterly Valuation – May 2015 \\$ALXN](#)

- Other ModernGraham posts about related companies**
- [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](#)
  - [Merck & Co Inc Valuation – November 2018 \\$MRK](#)
  - [Ligand Pharmaceuticals Inc Valuation – September 2018 \\$LGND](#)
  - [Supernus Pharmaceuticals Inc Valuation – August 2018 \\$SUPN](#)