

ModernGraham Valuation

Company Name:

Illumina, Inc.

Company Ticker ILMN

Date of Analysis

2/18/2019



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	\$44,073,541,076	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	2.49	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	543.51%	Pass
5. Earnings Growth			
6. Moderate PEmg Ratio	PEmg < 20	57.55	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	11.85	Fail

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	2.49	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	0.33	Pass
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

Defensive	No
Enterprising	Yes

Stage 2: Determination of Intrinsic Value

EPSmg	\$5.21
MG Growth Estimate	15.00%
MG Value	\$200.56
MG Value based on 3% Growth	\$75.54
MG Value based on 0% Growth	\$44.28
Market Implied Growth Rate	24.53%

MG Opinion

Current Price	\$299.82
% of Intrinsic Value	149.49%
Opinion	Overvalued
MG Grade	C-

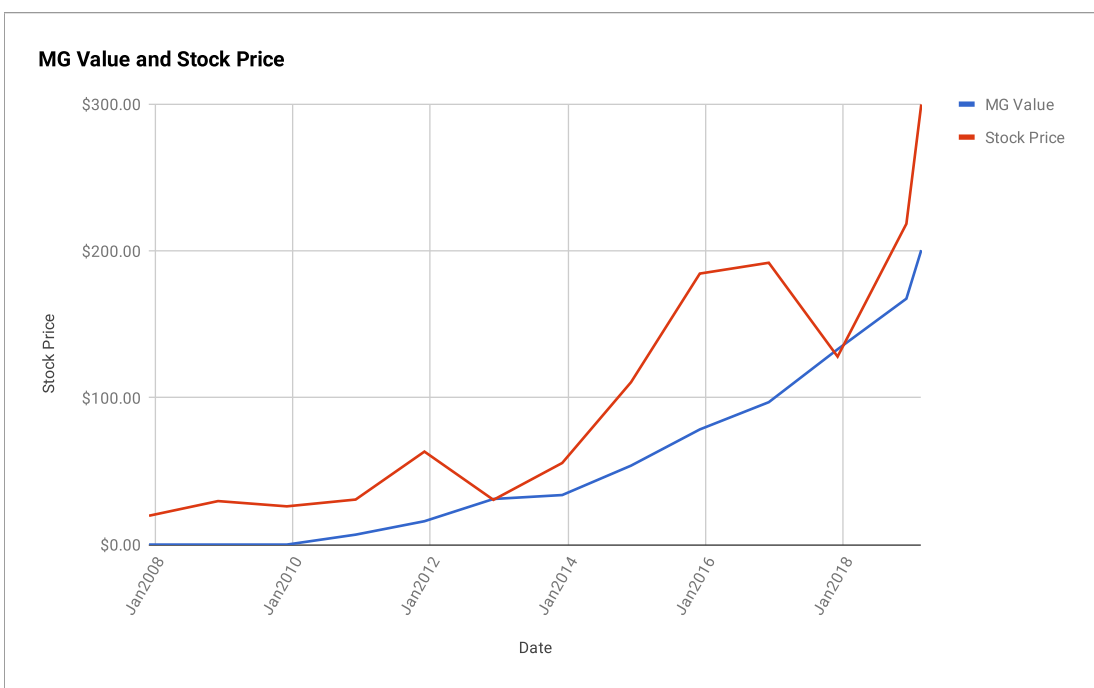
Stage 3: Information for Further Research

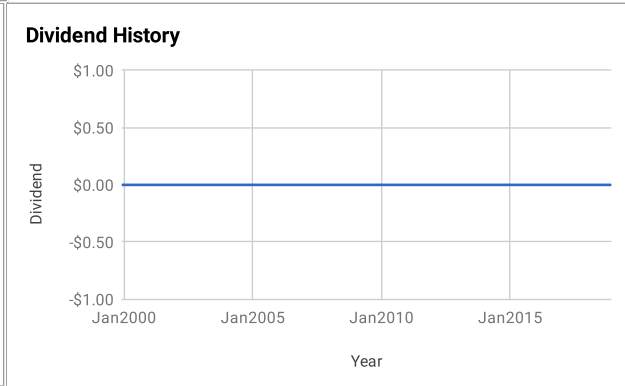
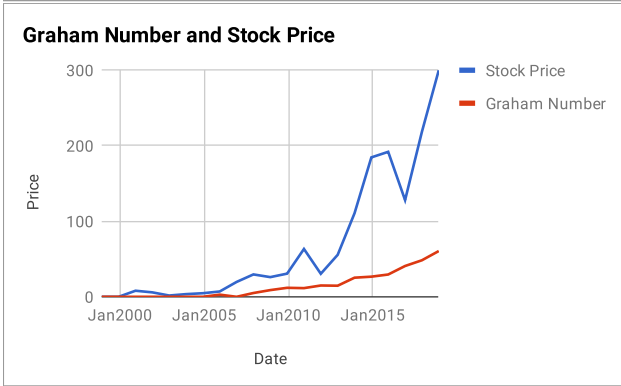
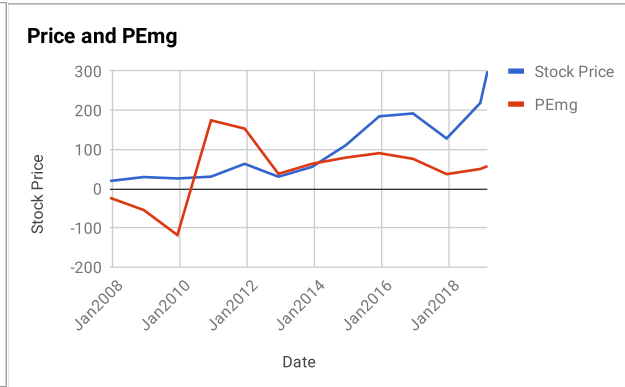
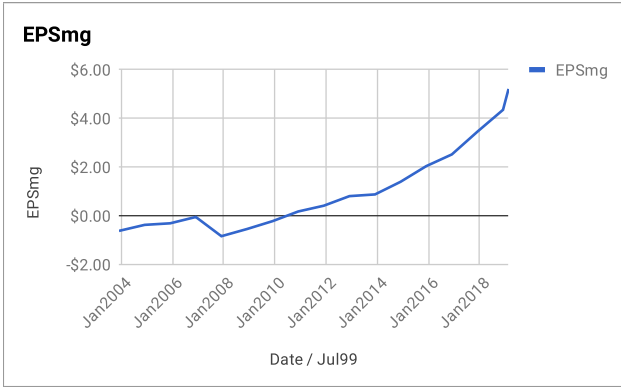
Net Current Asset Value (NCAV)	\$9.05
Graham Number	\$60.58
PEmg	57.55
Current Ratio	2.49
PB Ratio	11.85
Current Dividend	\$0.00
Dividend Yield	0.00%
Number of Consecutive Years of Dividend Growth	0

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	\$6.38	Next Fiscal Year Estimate	\$5.21
Dec2018	\$5.56	Dec2018	\$4.35
Dec2017	\$4.92	Dec2017	\$3.45
Dec2016	\$3.07	Dec2016	\$2.52
Dec2015	\$3.10	Dec2015	\$2.04
Dec2014	\$2.37	Dec2014	\$1.40
Dec2013	\$0.90	Dec2013	\$0.88
Dec2012	\$1.13	Dec2012	\$0.81
Dec2011	\$0.62	Dec2011	\$0.41
Dec2010	\$0.87	Dec2010	\$0.18
Dec2009	\$0.53	Dec2009	-\$0.22
Dec2008	\$0.30	Dec2008	-\$0.54
Dec2007	-\$2.57	Dec2007	-\$0.84
Dec2006	\$0.41	Dec2006	-\$0.05
Dec2005	-\$0.26	Dec2005	-\$0.31
Dec2004	-\$0.09	Dec2004	-\$0.37
Dec2003	-\$0.43	Dec2003	-\$0.62
Dec2002	-\$0.66	Balance Sheet Information 12/1/2018	
Dec2001	-\$0.42	Total Current Assets	\$4,490,000,000
Dec2000	-\$0.69	Total Current Liabilities	\$1,804,000,000
Dec1999	-\$1.96	Long-Term Debt	\$890,000,000
		Total Assets	\$6,959,000,000
		Intangible Assets	\$1,016,000,000
		Total Liabilities	\$3,114,000,000
		Shares Outstanding (Diluted Average)	152,000,000





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:

Other ModernGraham posts about the company [Illumina Inc Valuation – April 2018 \\$ILMN](#)
[Illumina Inc Valuation – Initial Coverage \\$ILMN](#)

Other ModernGraham posts about related companies [Cerner Corp Valuation – February 2019 \\$CERN](#)
[HCA Healthcare Inc Valuation – February 2019 \\$HCA](#)
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[Align Technology Inc Valuation – February 2019 \\$ALGN](#)
[Quest Diagnostics Inc Valuation – February 2019 \\$DGX](#)
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[Abiomed Inc Valuation – February 2019 \\$ABMD](#)
[Laboratory Corp of America Holdings Inc Valuation – January 2019 \\$LH](#)
[Intuitive Surgical Inc Valuation – January 2019 \\$ISRG](#)
[PerkinElmer Inc Valuation – January 2019 \\$PKI](#)