

ModernGraham Valuation

Company Name:

Incyte Corporation

Company Ticker INCY

Date of Analysis

2/19/2019



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	\$17,967,189,642	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	4.31	Pass
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	-89.95%	Fail
5. Earnings Growth			
6. Moderate PEmg Ratio	PEmg < 20	482.41	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	9.41	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	4.31	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	0.01	Pass
3. Earnings Stability	Positive EPS for 5 years prior		Fail
4. Dividend Record	Currently Pays Dividend		Fail
5. Earnings Growth	EPSmg greater than 5 years ago		Pass
	Score		

Suitability

Defensive	No
Enterprising	No

Stage 2: Determination of Intrinsic Value

EPSmg	\$0.17
MG Growth Estimate	15.00%
MG Value	\$6.70
MG Value based on 3% Growth	\$2.52
MG Value based on 0% Growth	\$1.48
Market Implied Growth Rate	236.96%

MG Opinion

Current Price	\$83.94
% of Intrinsic Value	1253.02%
Opinion	Overvalued
MG Grade	F

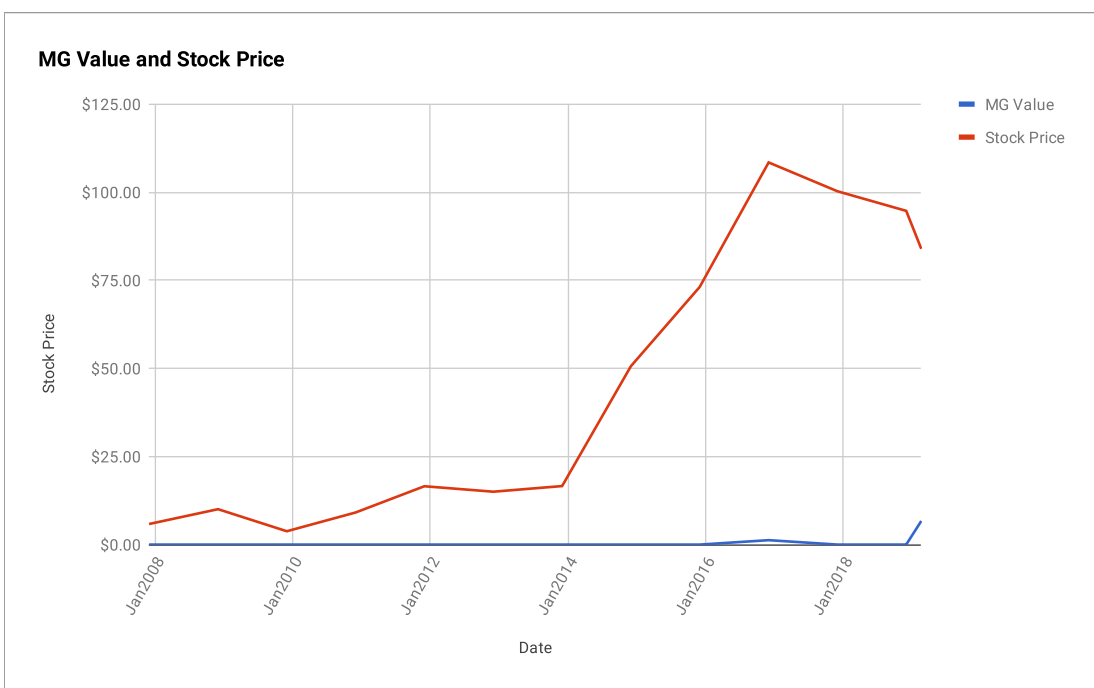
Stage 3: Information for Further Research

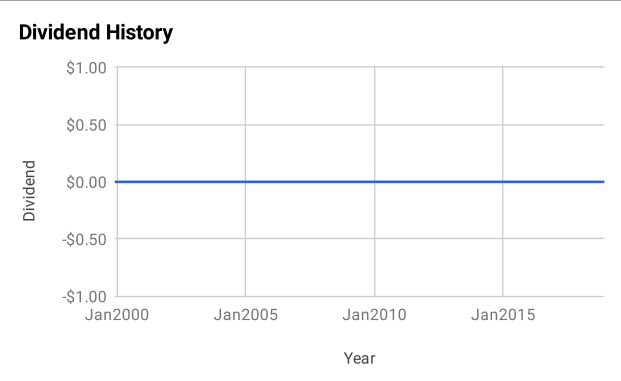
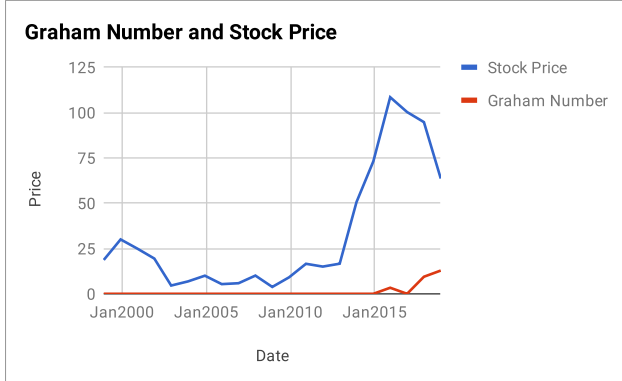
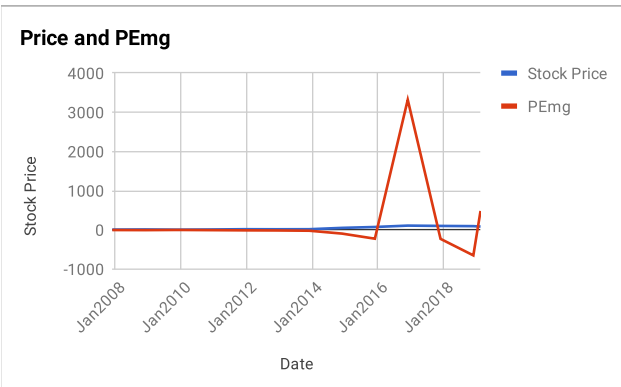
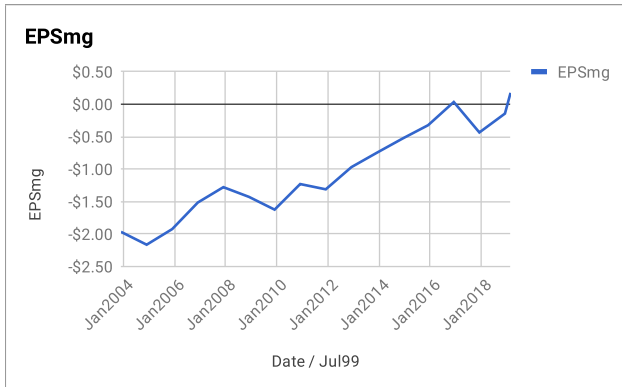
Net Current Asset Value (NCAV)	\$5.15
Graham Number	\$12.83
PEmg	482.41
Current Ratio	4.31
PB Ratio	9.41
Current Dividend	\$0.00
Dividend Yield	0.00%
Number of Consecutive Years of Dividend Growth	0

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	\$0.81	Next Fiscal Year Estimate	\$0.17
Dec2018	\$0.51	Dec2018	-\$0.15
Dec2017	-\$1.53	Dec2017	-\$0.44
Dec2016	\$0.54	Dec2016	\$0.03
Dec2015	\$0.03	Dec2015	-\$0.32
Dec2014	-\$0.29	Dec2014	-\$0.53
Dec2013	-\$0.56	Dec2013	-\$0.75
Dec2012	-\$0.34	Dec2012	-\$0.97
Dec2011	-\$1.49	Dec2011	-\$1.31
Dec2010	-\$0.26	Dec2010	-\$1.23
Dec2009	-\$2.06	Dec2009	-\$1.62
Dec2008	-\$1.99	Dec2008	-\$1.43
Dec2007	-\$1.03	Dec2007	-\$1.28
Dec2006	-\$0.89	Dec2006	-\$1.52
Dec2005	-\$1.24	Dec2005	-\$1.92
Dec2004	-\$2.21	Dec2004	-\$2.16
Dec2003	-\$2.33	Dec2003	-\$1.97
Dec2002	-\$2.03	Balance Sheet Information 12/1/2018	
Dec2001	-\$2.77	Total Current Assets	\$1,832,254,000
Dec2000	-\$0.47	Total Current Liabilities	\$425,277,000
Dec1999	-\$0.48	Long-Term Debt	\$17,434,000
		Total Assets	\$2,645,762,000
		Intangible Assets	\$370,957,000
		Total Liabilities	\$719,795,000
		Shares Outstanding (Diluted Average)	215,992,000





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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Other ModernGraham posts about related companies

- [Alexion Pharmaceuticals Inc Valuation – February 2019 \\$ALXN](#)
- [Vertex Pharmaceuticals Inc Valuation – February 2019 \\$VRTX](#)
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- [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](#)