

ModernGraham Valuation

Perrigo Company
PLC



Company Name:

Company Ticker PRGO

Date of Analysis

2/5/2019

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	\$6,345,880,345	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.85	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	-442.48%	Fail
5. Earnings Growth	PEmg < 20	-9.91	Fail
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	1.13	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	1.85	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	2.41	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	-\$4.71
MG Growth Estimate	-4.25%
MG Value	\$0.00
MG Value based on 3% Growth	-\$68.31
MG Value based on 0% Growth	-\$40.05
Market Implied Growth Rate	-9.21%

MG Opinion

Current Price	\$46.71
% of Intrinsic Value	N/A
Opinion	Overvalued
MG Grade	D

Stage 3: Information for Further Research

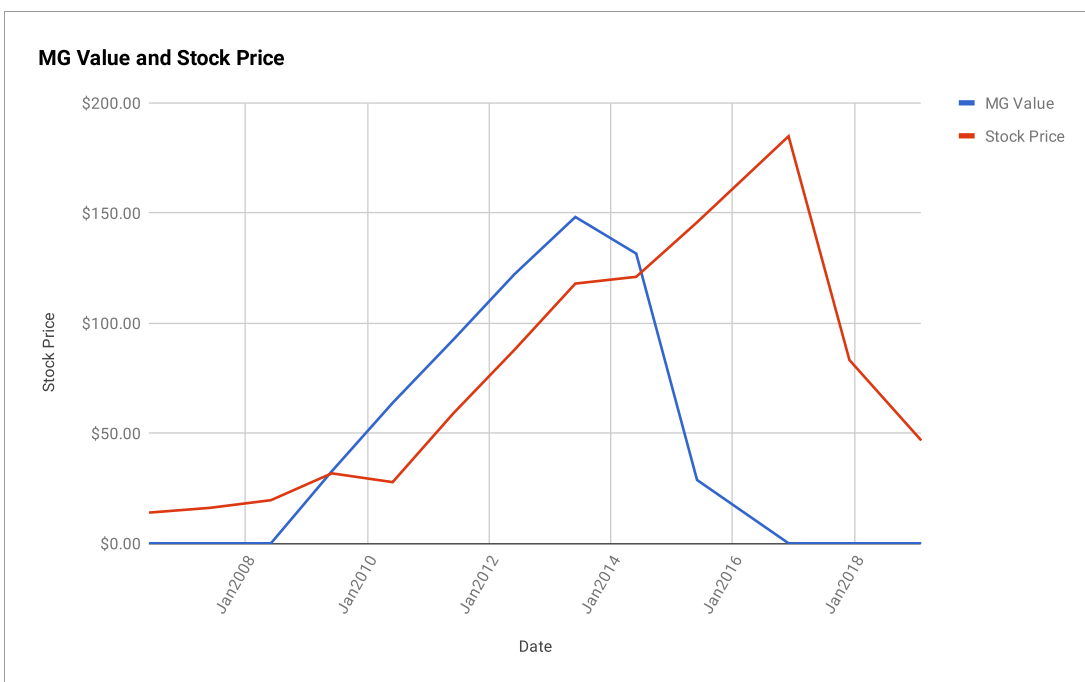
Net Current Asset Value (NCAV)	-\$18.30
Graham Number	\$34.54
PEmg	-9.91
Current Ratio	1.85
PB Ratio	1.13
Current Dividend	\$0.64
Dividend Yield	1.37%
Number of Consecutive Years of Dividend Growth	15

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EPS History		EPSmg History	
Next Fiscal Year Estimate	\$1.21	Next Fiscal Year Estimate	-\$4.71
Dec2017	\$0.84	Dec2017	-\$6.42
Dec2016	-\$28.01	Dec2016	-\$7.77
Jun2015	\$0.97	Jun2015	\$2.61
Jun2014	\$2.01	Jun2014	\$3.42
Jun2013	\$4.68	Jun2013	\$3.85
Jun2012	\$4.27	Jun2012	\$3.17
Jun2011	\$3.63	Jun2011	\$2.40
Jun2010	\$2.41	Jun2010	\$1.66
Jun2009	\$1.54	Jun2009	\$0.85
Jun2008	\$1.43	Jun2008	\$0.30
Jun2007	\$0.79	Jun2007	-\$0.25
Jun2006	\$0.76	Jun2006	-\$0.60
Jun2005	-\$4.57	Jun2005	-\$0.97
Jun2004	\$1.11	Jun2004	\$0.75
Jun2003	\$0.76	Jun2003	\$0.51
Jun2002	\$0.60	Jun2002	\$0.29
Jun2001	\$0.33	Balance Sheet Information 9/1/2018	
Jun2000	\$0.23	Total Current Assets	\$2,768,800,000
Jun1999	\$0.02	Total Current Liabilities	\$1,493,500,000
Jun1998	-\$0.69	Long-Term Debt	\$3,071,000,000
		Total Assets	\$10,942,900,000
		Intangible Assets	\$7,001,300,000
		Total Liabilities	\$5,282,900,000
		Shares Outstanding (Diluted Average)	137,400,000





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

- [Perrigo Company PLC Valuation – April 2018 \\$PRGO](#)
- [5 of the Worst Stocks to Invest In – August 2016](#)
- [Perrigo Co PLC Valuation – July 2016 \\$PRGO](#)
- [Perrigo Co PLC Valuation – January 2016 Update \\$PRGO](#)
- [Perrigo Company PLC Analysis – October 2015 Update \\$PRGO](#)

Other ModernGraham posts about related companies

- [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](#)
- [Lannett Co Inc Valuation – August 2018 \\$LCI](#)
- [Spectrum Pharmaceuticals Inc Valuation – August 2018 \\$SPPI](#)