

ModernGraham Valuation

Company Name:

Celgene Corporation

Company Ticker CELG

Date of Analysis

3/25/2019



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 | \$61,842,403,918 | Pass |
| 2. Sufficiently Strong Financial Condition | Current Ratio > 2 | 2.23 | 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 | 391.91% | Pass |
| 5. Earnings Growth | | | |
| 6. Moderate PEmg Ratio | PEmg < 20 | 14.22 | Pass |
| 7. Moderate Price to Assets | PB Ratio < 2.5 OR PB*PEmg < 50 | 10.20 | 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 | 2.23 | Pass |
| 2. Sufficiently Strong Financial Condition | Debt to NCA < 1.1 | 3.95 | 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

| | |
|---------------------|-----------|
| Defensive | No |
| Enterprising | No |

Stage 2: Determination of Intrinsic Value

| | |
|-----------------------------|-----------------|
| EPSmg | \$6.19 |
| MG Growth Estimate | 15.00% |
| MG Value | \$238.39 |
| MG Value based on 3% Growth | \$89.78 |
| MG Value based on 0% Growth | \$52.63 |
| Market Implied Growth Rate | 2.86% |

MG Opinion

| | |
|----------------------|--------------------|
| Current Price | \$88.04 |
| % of Intrinsic Value | 36.93% |
| Opinion | Undervalued |
| MG Grade | C- |

Stage 3: Information for Further Research

| | |
|--|----------|
| Net Current Asset Value (NCAV) | -\$28.36 |
| Graham Number | \$45.81 |
| PEmg | 14.22 |
| Current Ratio | 2.23 |
| PB Ratio | 10.20 |
| Current Dividend | \$0.00 |
| Dividend Yield | 0.00% |
| Number of Consecutive Years of Dividend Growth | 0 |

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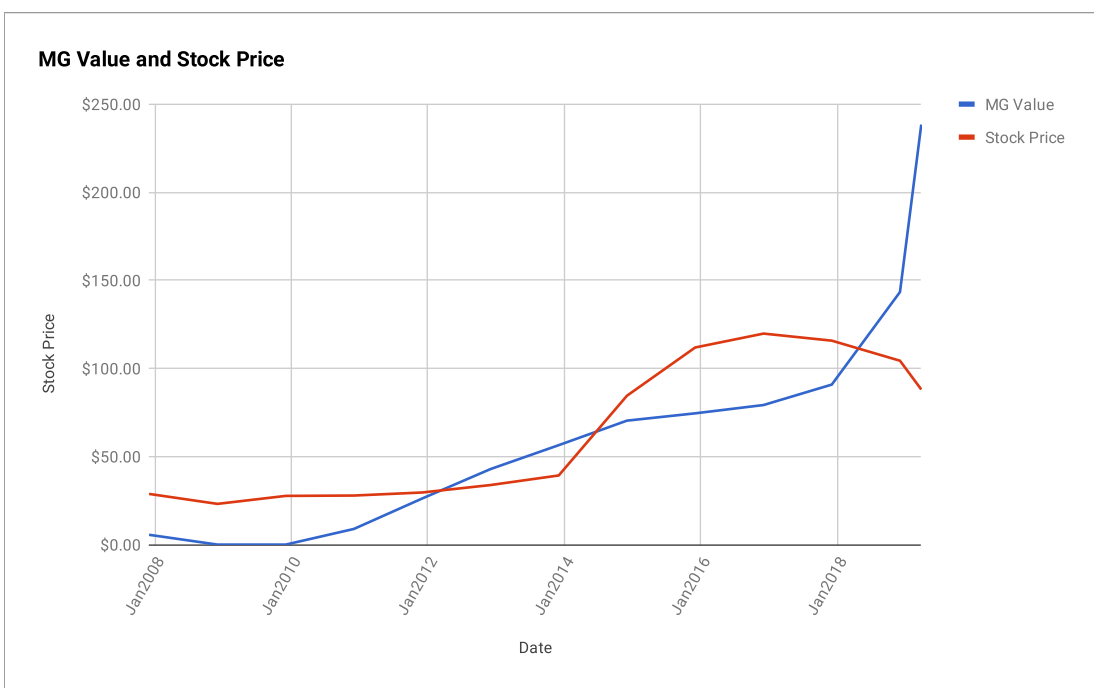
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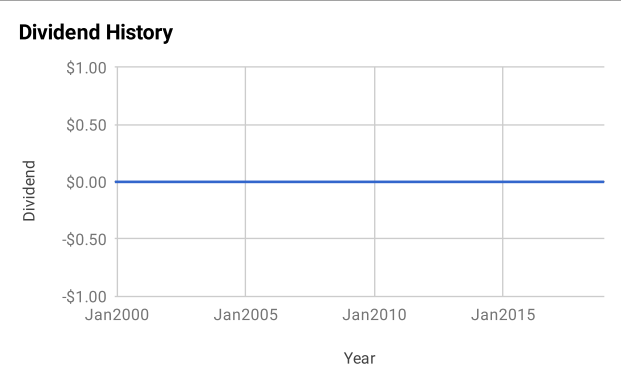
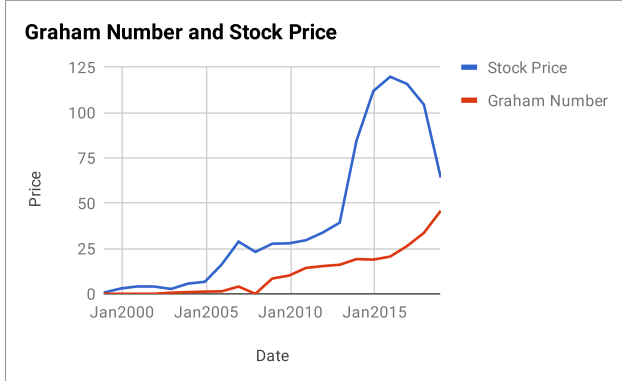
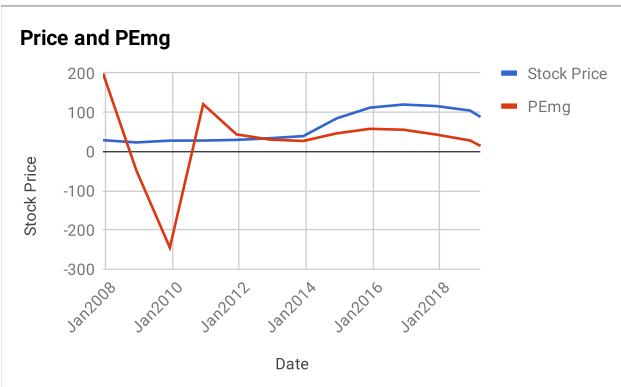
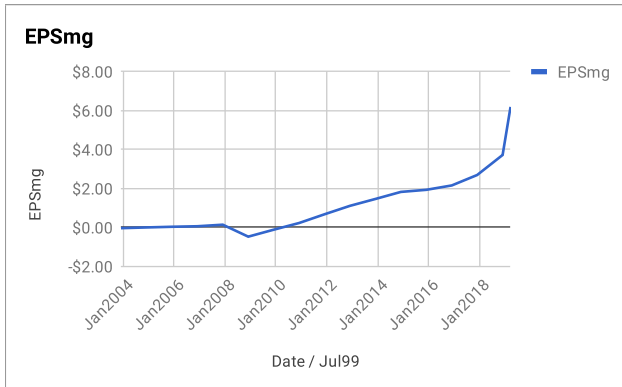
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| EPS History | | EPSmg History | |
|---------------------------|---------|--|------------------|
| Next Fiscal Year Estimate | \$10.60 | Next Fiscal Year Estimate | \$6.19 |
| Dec2018 | \$5.51 | Dec2018 | \$3.72 |
| Dec2017 | \$3.64 | Dec2017 | \$2.70 |
| Dec2016 | \$2.49 | Dec2016 | \$2.16 |
| Dec2015 | \$1.94 | Dec2015 | \$1.94 |
| Dec2014 | \$2.39 | Dec2014 | \$1.83 |
| Dec2013 | \$1.68 | Dec2013 | \$1.47 |
| Dec2012 | \$1.65 | Dec2012 | \$1.11 |
| Dec2011 | \$1.43 | Dec2011 | \$0.68 |
| Dec2010 | \$0.94 | Dec2010 | \$0.23 |
| Dec2009 | \$0.83 | Dec2009 | -\$0.11 |
| Dec2008 | -\$1.73 | Dec2008 | -\$0.47 |
| Dec2007 | \$0.27 | Dec2007 | \$0.14 |
| Dec2006 | \$0.09 | Dec2006 | \$0.06 |
| Dec2005 | \$0.09 | Dec2005 | \$0.04 |
| Dec2004 | \$0.08 | Dec2004 | \$0.00 |
| Dec2003 | \$0.04 | Dec2003 | -\$0.03 |
| Dec2002 | -\$0.15 | Balance Sheet Information 12/1/2018 | |
| Dec2001 | \$0.00 | Total Current Assets | \$9,067,000,000 |
| Dec2000 | -\$0.03 | Total Current Liabilities | \$4,057,000,000 |
| Dec1999 | -\$0.05 | Long-Term Debt | \$19,769,000,000 |
| | | Total Assets | \$35,480,000,000 |
| | | Intangible Assets | \$24,216,000,000 |
| | | Total Liabilities | \$29,319,000,000 |
| | | Shares Outstanding (Diluted Average) | 714,000,000 |





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**
- [Celgene Corp Valuation – June 2018 \\$CELG](#)
 - [Celgene Corporation Valuation – March 2017 \\$CELG](#)
 - [Celgene Corp Valuation – December 2015 Update \\$CELG](#)
 - [Celgene Corporation Analysis – September 2015 Update \\$CELG](#)
 - [Celgene Corporation Stock Analysis – May 2015 Quarterly Update](#)

- Other ModernGraham posts about related companies**
- [Amgen Inc Valuation – March 2019 #AMGN](#)
 - [AbbVie Inc Valuation – March 2019 #ABBY](#)
 - [Allergan PLC Valuation – February 2019 \\$AGN](#)
 - [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](#)