

Checklist Score average 3.5/5

Personalized Checklist

Switch to: Default Checklist + New Checklist

Checklist Items / Related Parameters	Worst	Neutral	Best
Within your circle of competence?	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
Macro economic environment favorable?	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
High quality business?	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
Enough margin of safety with stocks?	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
Gurus are buying?	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
Insiders are buying?	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
Management capable and shareholder friendly?	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
Catalyst for stock price to appreciate?	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
Your level of confidence with the research?	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>

New item Choose Parameters Add

Checked: 9 / 9 - Total Score: **3.7 / 5**

Personalized Checklist

Switch to: Invest Like a Guru Checklist + New Checklist

Checklist Items / Related Parameters	Worst	Neutral	Best
Do I understand the business?	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
What is the economic moat that protects the company so it can sell the same or a similar product five or ten years from today?	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
Is this a fast-changing industry?	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
Does the company have a diversified customer base?	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
Is this an asset-light business?	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
Is it a cyclical business?	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
Revenue Operating Income	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
Does the company still have room to grow?	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
Has the company been consistently profitable over the past ten years, through good times and bad?	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
Does the company have a stable double-digit operating margin?	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
Gross Margin % Net Margin % Operating Margin %	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
Does the company have a higher margin than competitors?	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
Does the company have a return on investment capital of 15% percent or higher over the past decade?	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
ROIC %	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
Has the company been consistently growing its revenue and earnings at double digits?	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Does the company have a strong balance sheet?	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Equity-to-Asset Debt-to-Asset Current Portion of Long-Term Debt Long-Term Debt & Capital Lease Obligation	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Do company executives own decent shares of stock of the company?	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
How are the executives paid compared with other similarly sized companies?	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
Are insiders buying?	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
Is the stock valuation reasonable as measured by intrinsic value, or P/E ratio?	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
How is the current valuation relative to historical range?	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
How did the company's stock price fare during the previous recessions?	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
How much confidence do I have in my research?	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>

Checked: 20 / 20 - Total Score: **3.2 / 5**

Checklist Score average 3.5/5

Personalized Checklist

Switch to: + New Checklist

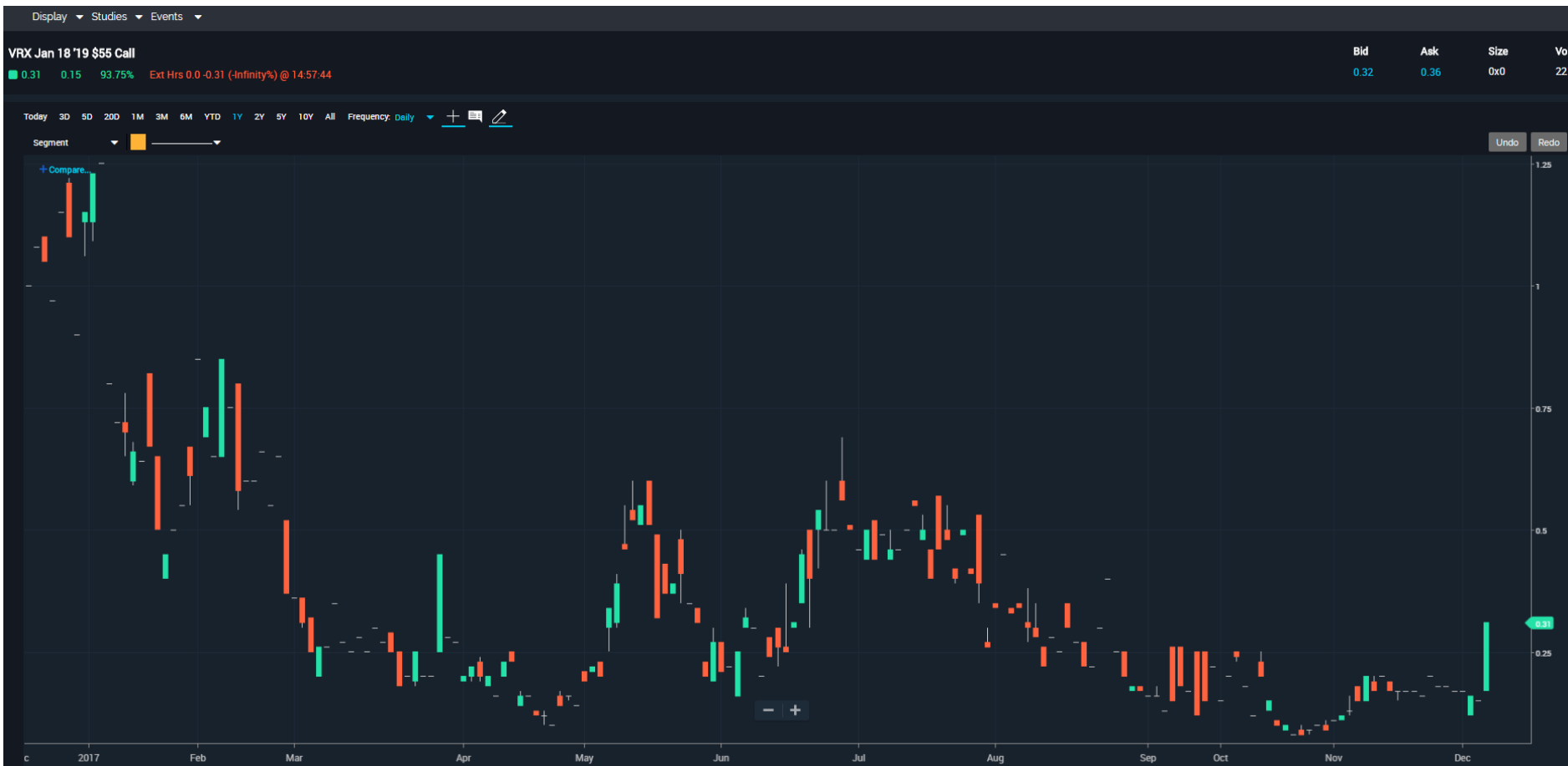
Checklist Items / Related Parameters	Worst	Neutral	Best	
Does the company have the products or services with sufficient market potential to make possible a sizable increase in sales for at least several years-----what ?	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
Currency Symbol Sector				
Does the management have a determination to continue to develop products or processes that will still further increase total sales potentials when the growth potentials of currently attractive product lines have largely been exploited?	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
How effective are the company's research and development efforts in relation to its size?	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
Does the company have an above average sales organization?	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
Does the company have a worthwhile profit margin?	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Gross Margin % Operating Margin % Net Margin %				
What is the company doing to maintain or improve profit margins?	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
Does the company have outstanding labor and personnel relations?	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
Does the company have outstanding executive relations?	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
Does the company have depth to its management?	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
How good are the company's cost analysis and accounting controls?	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
Are there other aspects of the business, somewhat peculiar to the industry involved, which will give the investor important clues as to how outstanding the company may be in relation to its competition?	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
Does the company have a short range or long range outlook in regards to profits?	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
. In the foreseeable future, will the growth of the company require sufficient equity financing so that the larger number of shares then outstanding will largely cancel the existing stockholders' benefit from this anticipated growth?	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
10-Year Share Buyback Rate 6-Year Share Buyback Rate 3-Year Average Share Buyback Ratio				
1-Year Share Buyback Rate				
Does the management talk freely to investors about its affairs when things are going well but "cececlam up" when troubles and disappointments occur?	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
Does the company have a management of unquestionable integrity?	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>

Checked: 15 / 15 - Total Score: **3.5 / 5**

Wide swing of CALLs (3X) – Jan 18 '19 \$15 call



Wide swing of CALLs (10X) – Jan 18 '19 \$55 call



Wide swing of stock price

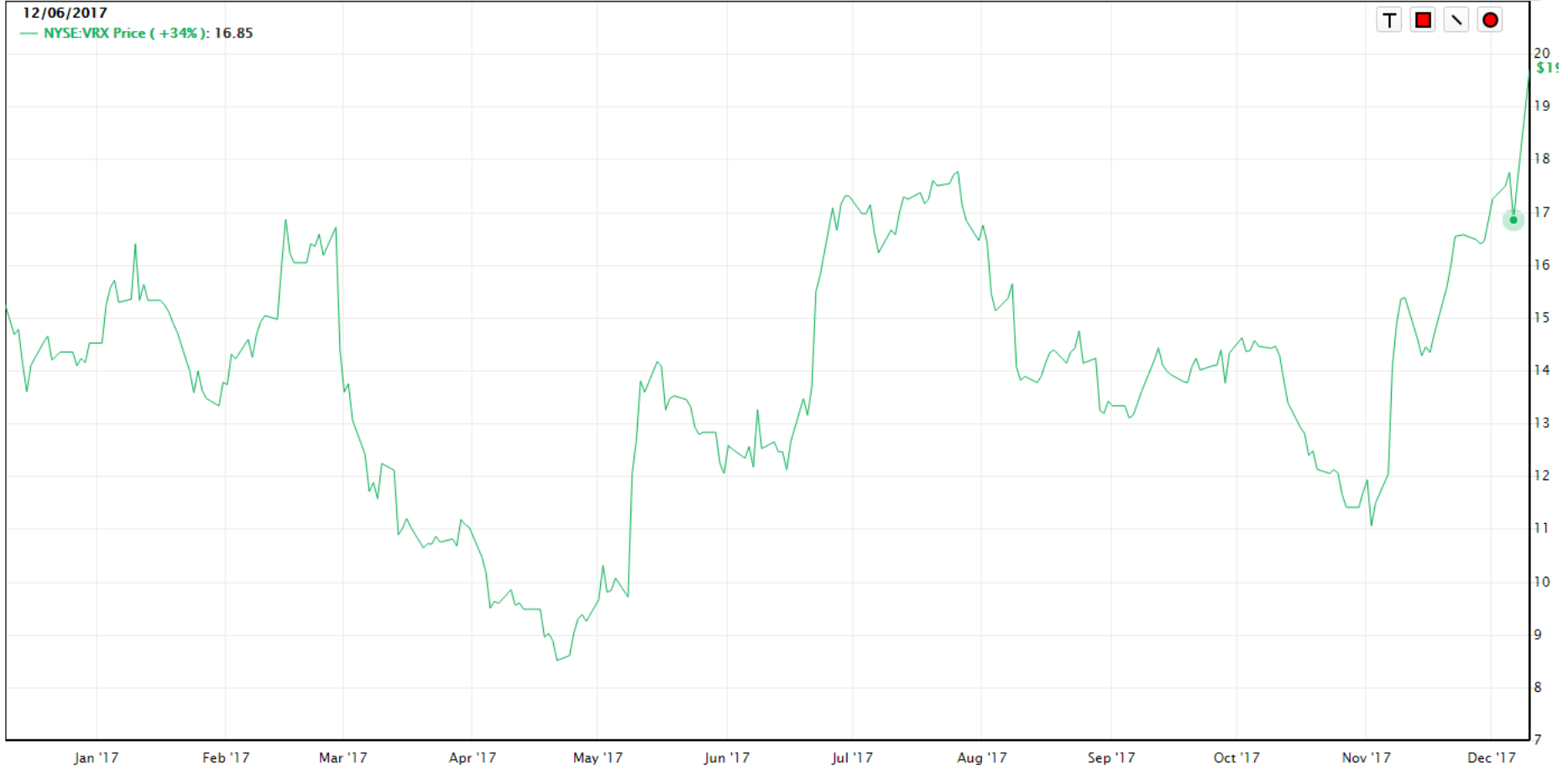
3m 6m YTD 1y 3y 5y 10y 15y All

From Dec 10, 2016 To Dec 10, 2017

Excel Save Image Emb

12/06/2017
— NYSE:VRX Price (+34%): 16.85

T [Red Square] [Black Line] [Red Circle]



Company Introduction

Valeant Pharmaceuticals International Inc is a specialty pharmaceutical and medical device company which develops, manufactures, and markets a range of generic and branded generic pharmaceuticals, over-the-counter products and medical devices.

Valeant Pharmaceuticals is a global specialty pharmaceutical firm with a focus on branded products for the dermatology, gastrointestinal, and ophthalmology markets. The firm also has a branded generics business that operates primarily in Latin America, Eastern Europe, and Asia.



Deep undervalued but with negative EPV, NCAV and TB due to huge debt

VRX - NYSE (USA) Also traded in: [Canada](#), [Germany](#), [Mexico](#), [!](#)
Valeant Pharmaceuticals International Inc

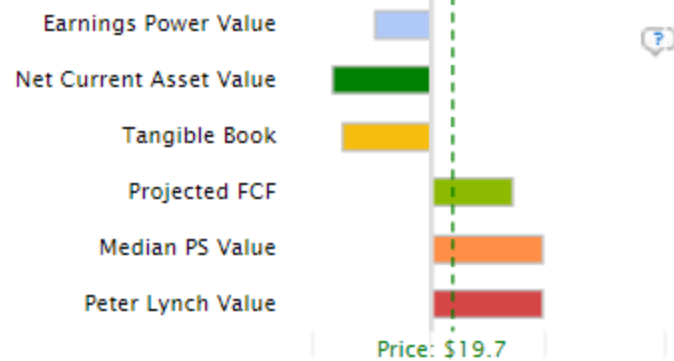


\$19.7 ↑ 2.07 (11.74%) Volume: 44,764,452 4:00PM ES

Avg Vol (1m): 14,666,003

1 Severe Warning Sign

3 Medium Warning Signs



Market Cap : 6.79 B

Enterprise Value : 31.97 B

P/E (TTM) : 5.03

P/B : 1.31

Valuation & Return

		vs industry	vs history
Price-to-Intrinsic-Value-Projected-FCF	0.28	█	█
Price-to-Median-PS-Value	0.20	█	█
Price-to-Peter-Lynch-Fair-Value	0.20	█	█
Earnings Yield (Greenblatt) %	1.81	█	█
Forward Rate of Return (Yacktman) %	54.74	█	█

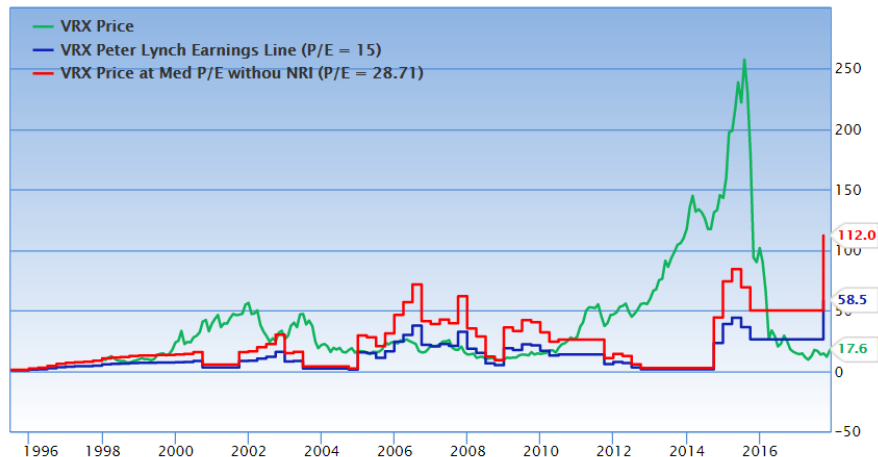
Peter Lynch Chart (What is Peter Lynch Charts)

» Interactive Charts

Valeant Pharmaceuticals International Inc (VRX)

YTD 1Y 3Y 5Y 10Y All

Save Embed



Financial Strength is distressed

Financial Strength : 3/10



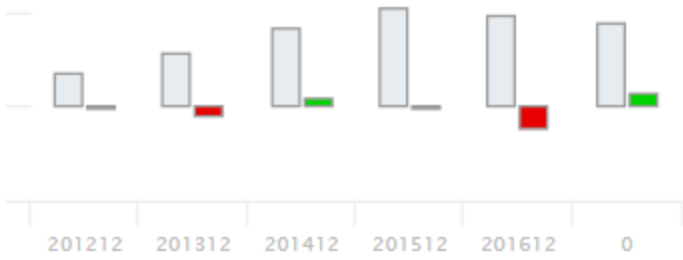
		vs industry	vs history
Cash-to-Debt	0.04		
Equity-to-Asset	0.13		
Debt-to-Equity	5.10		
Debt-to-EBITDA	7.69		
Interest Coverage	0.31		
Piotroski F-Score:	5		
Altman Z-Score:	0.32		
Beneish M-Score:	-2.83		
WACC vs ROIC	-1.03%	5.82%	
	ROIC	WACC	

Revenue trending down in the last 3 years, NI increases, FCF stable, debt reduced but still huge

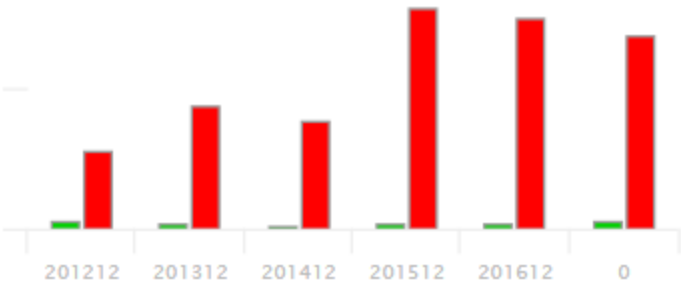
Financials (Next Earnings Date: 2018-02-28)

» VRX's 30-Y Financials

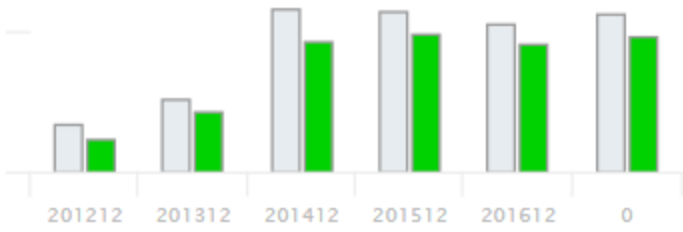
Revenue & Net Income



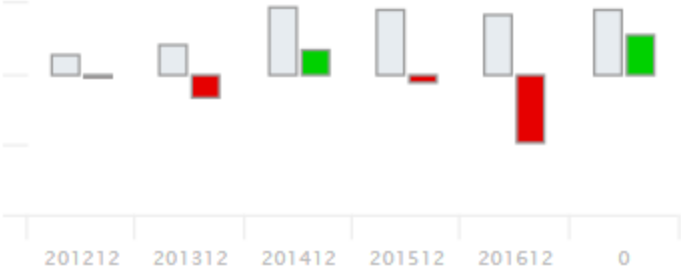
Cash & Debt



Operating Cash Flow & Free Cash Flow



Operating Cash Flow & Net Income

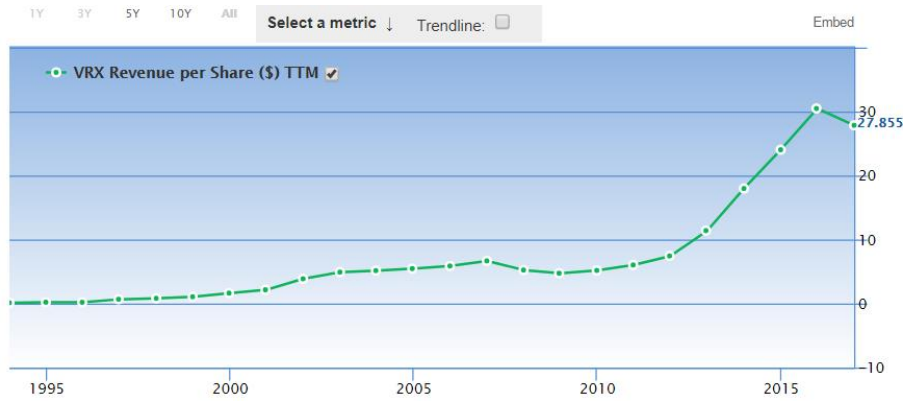


Strong profitability w/ good growth on EBITA, but revenue is trending down due to diverture

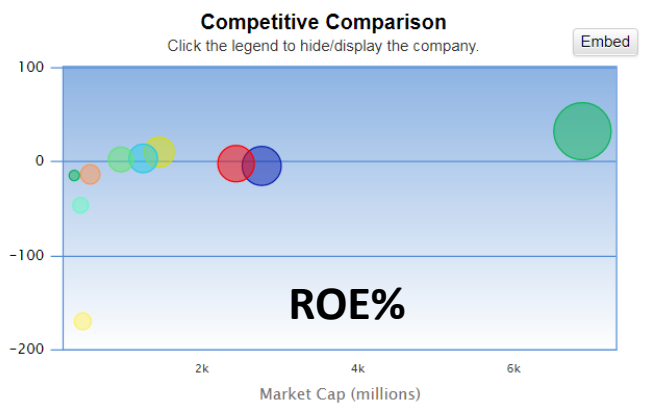
Profitability & Growth : 8/10

		vs industry	vs history
Operating Margin %	6.50		
Net Margin %	14.51		
ROE %	31.91		
ROA %	3.04		
ROC (Joel Greenblatt) %	24.74		
3-Year Revenue Growth Rate	24.80		
3-Year EBITDA Growth Rate	19.30		
3-Year EPS without NRI Growth Rate	47.70		

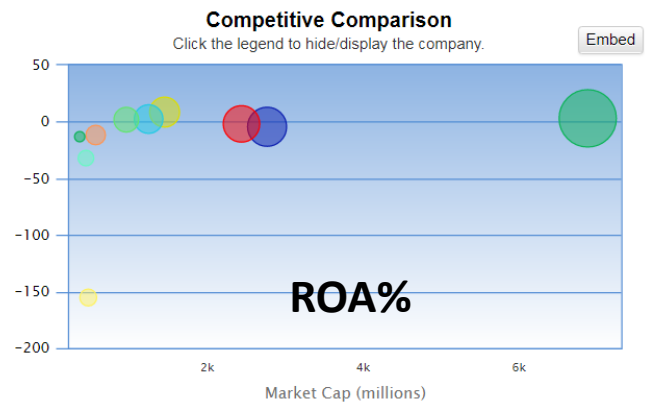
Annual Rates (per share)	10 yrs*	5 yrs*	12 months*
Revenue Growth (%)	24.40	41.80	-12.70
EBITDA Growth (%)	23.80	36.30	38.80
Operating Income Growth (%)	0.00	0.00	0.00
EPS without NRI Growth (%)	0.00	0.00	0.00
Free Cash Flow Growth (%)	14.20	59.90	-0.30
Book Value Growth (%)	8.00	5.00	17.80



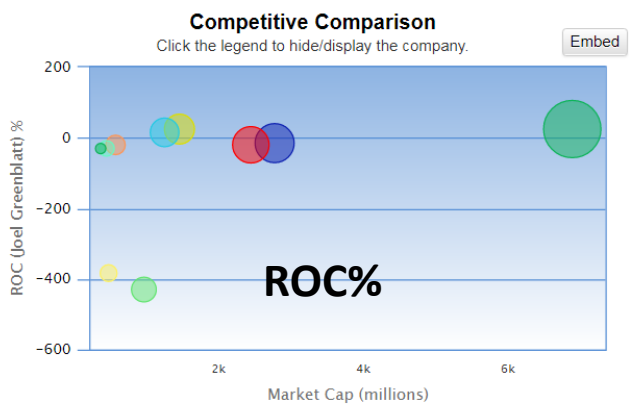
Good ROE%, ROA%.ROC% and fair Oper Margin



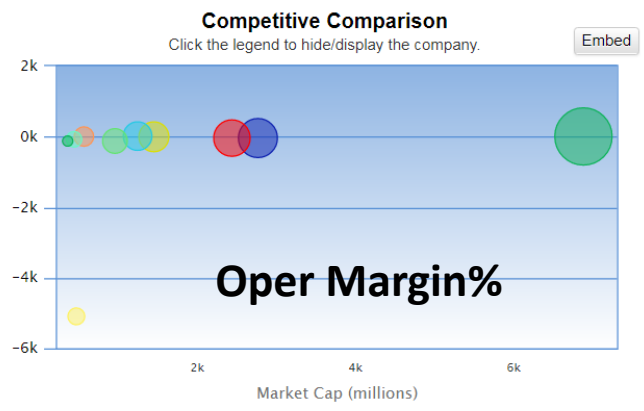
- Valeant Pharmaceuticals International Inc
- Aurora Cannabis Inc
- Knight Therapeutics Inc
- Liberty Health Sciences Inc
- OrganiGram Holdings Inc
- Canopy Growth Corp
- Aphria Inc
- CannTrust Holdings Inc
- CanniMed Therapeutics Inc
- MedReleaf Corp



- Valeant Pharmaceuticals International Inc
- Aurora Cannabis Inc
- Knight Therapeutics Inc
- Liberty Health Sciences Inc
- OrganiGram Holdings Inc
- Canopy Growth Corp
- Aphria Inc
- CannTrust Holdings Inc
- CanniMed Therapeutics Inc
- MedReleaf Corp

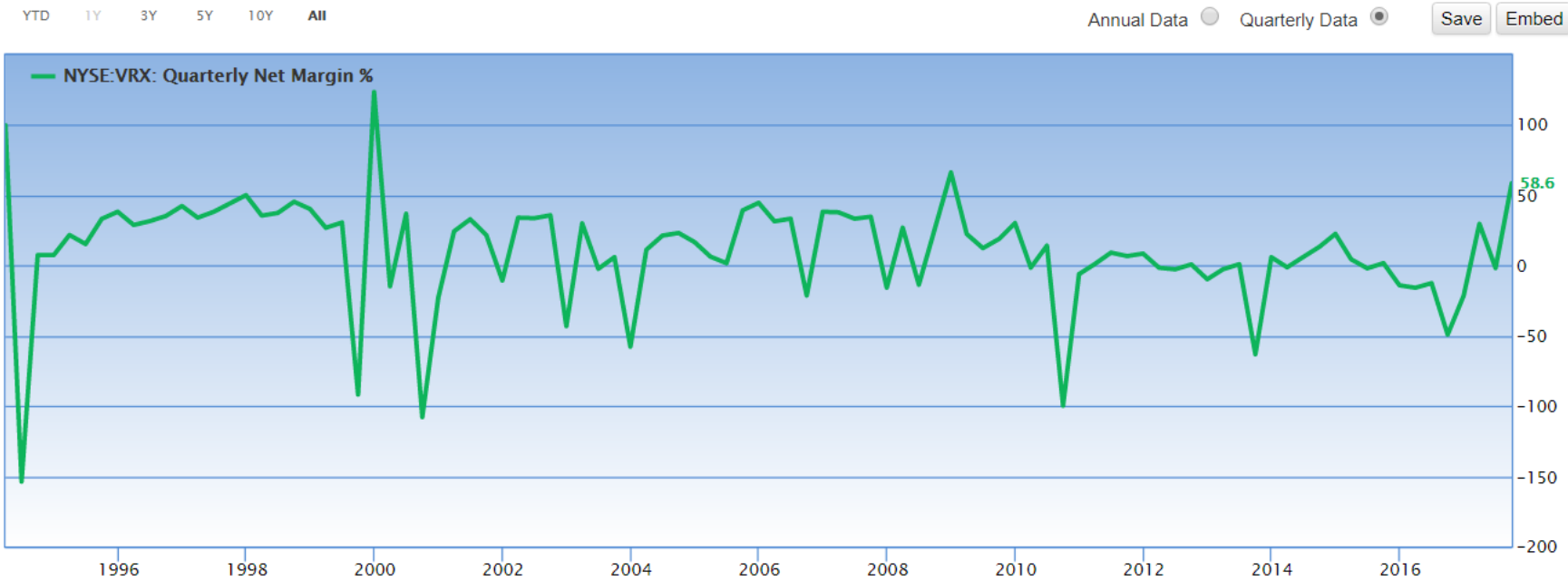


- Valeant Pharmaceuticals International Inc
- Aurora Cannabis Inc
- Knight Therapeutics Inc
- Liberty Health Sciences Inc
- OrganiGram Holdings Inc
- Canopy Growth Corp
- Aphria Inc
- CannTrust Holdings Inc
- CanniMed Therapeutics Inc
- MedReleaf Corp



- Valeant Pharmaceuticals International Inc
- Aurora Cannabis Inc
- Knight Therapeutics Inc
- Liberty Health Sciences Inc
- OrganiGram Holdings Inc
- Canopy Growth Corp
- Aphria Inc
- CannTrust Holdings Inc
- CanniMed Therapeutics Inc
- MedReleaf Corp

Fair Net Margin and recently trends up



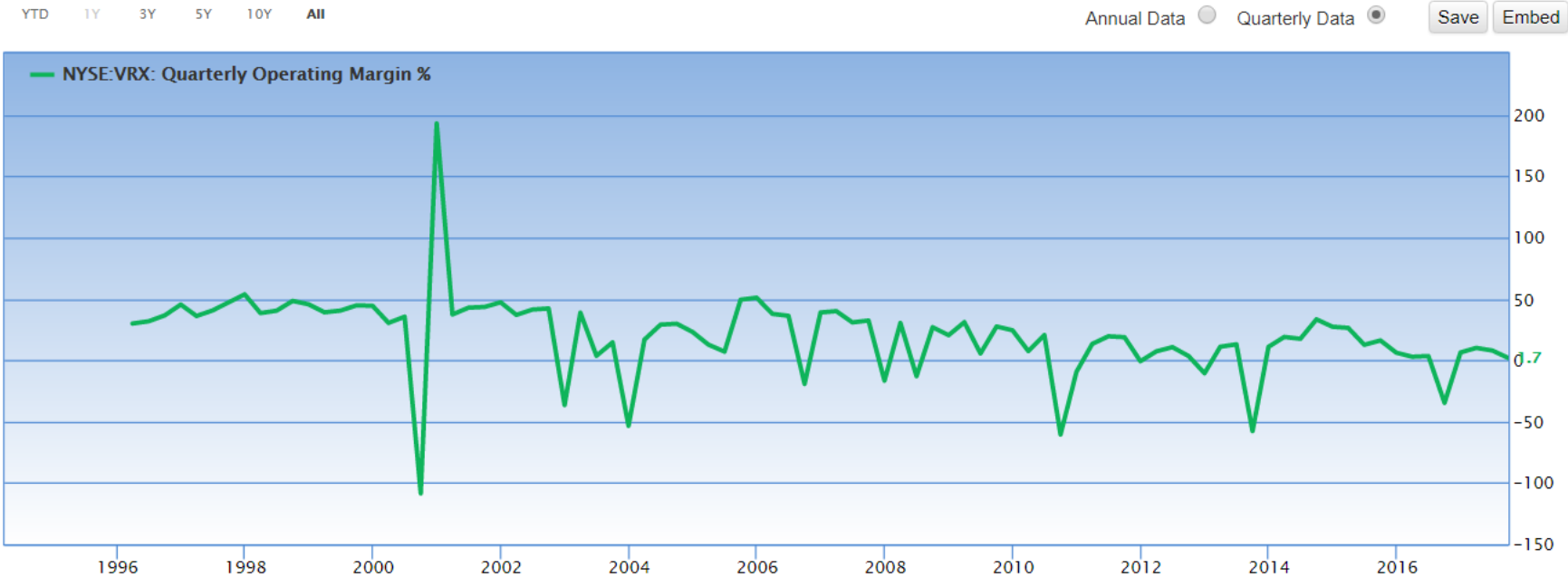
Valeant Pharmaceuticals International Inc Annual Data

	Dec07	Dec08	Dec09	Dec10	Dec11	Dec12	Dec13	Dec14	Dec15	Dec16
Net Margin %	23.20	26.40	21.51	-17.62	6.57	-3.33	-15.01	10.74	-2.80	-24.90

Valeant Pharmaceuticals International Inc Quarterly Data

	Dec12	Mar13	Jun13	Sep13	Dec13	Mar14	Jun14	Sep14	Dec14	Mar15	Jun15	Sep15	Dec15	Mar16	Jun16	Sep16	Dec16	Mar17	Jun17	Sep17
Net Margin %	-9.69	-2.57	0.99	-63.13	6.00	-1.20	6.16	13.39	22.61	4.50	-1.94	1.78	-14.00	-15.77	-12.48	-49.13	-21.43	29.78	-1.70	58.63

Low Operation Margin and recently trends down



Valeant Pharmaceuticals International Inc Annual Data

	Dec07	Dec08	Dec09	Dec10	Dec11	Dec12	Dec13	Dec14	Dec15	Dec16
Operating Margin %	22.31	16.39	22.08	-9.32	12.36	2.29	-7.10	24.38	14.62	-5.85

Valeant Pharmaceuticals International Inc Quarterly Data

	Dec12	Mar13	Jun13	Sep13	Dec13	Mar14	Jun14	Sep14	Dec14	Mar15	Jun15	Sep15	Dec15	Mar16	Jun16	Sep16	Dec16	Mar17	Jun17	Sep17
Operating Margin %	-10.66	10.95	12.91	-57.83	10.83	18.91	17.40	33.26	27.24	26.31	12.50	16.07	6.04	2.78	3.35	-34.81	6.24	10.00	7.84	1.71

Low short interest, fair P F-score, with warnings

More Statistics

Revenue (TTM) (Mil) \$	8,964.00
EPS (TTM) \$	3.90
Beta	-1.06
Short Percentage of Float	12.48%
52-Week Range \$	8.31 - 18.25
Shares Outstanding (Mil)	348.59

Analyst Estimate

	Dec17	Dec18	Dec19	Dec20
Revenue (Mil \$)	8,723	8,494	8,872	9,069
EPS (\$)	3.87	3.89	4.66	5.27
EPS without NRI (\$)	3.87	3.89	4.66	5.27

EPS Growth

Rate

(Future 3Y To 5Y Estimate)

N/A

Dividends per Share (\$)

Piotroski F-Score Details

Piotroski F-Score: 5	5
Positive ROA	Y
Positive CFROA	Y
Higher ROA yoy	Y
CFROA > ROA	Y
Lower Leverage yoy	Y
Higher Current Ratio yoy	N
Less Shares Outstanding yoy	N
Higher Gross Margin yoy	N
Higher Asset Turnover yoy	N

Warning Signs

» VRX's Warning Signs

SEVERE Interest Coverage: Extremely low

MEDIUM Revenue per Share: Declined

MEDIUM Price: Close to 1-year high

MEDIUM PS Ratio: Close to 1-year high

Gurus buy and sell, about even

Select Gurus: | My Gurus | **Premium P** | Premium Plus **P** Modify your Personalized List of Gurus

Show entries

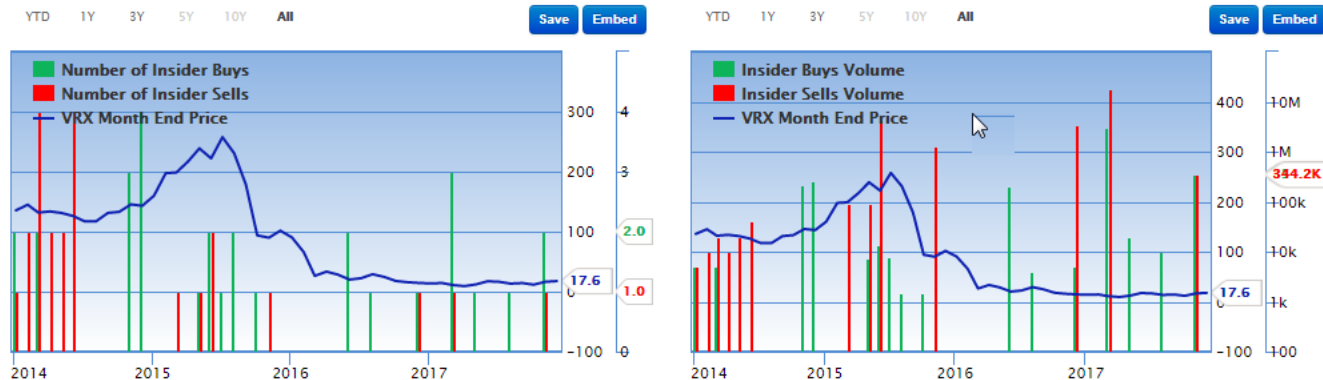
Guru	Date	Trades	Impact to Portfolio	Price Range * (?)	Current Price	Change from Average	Current Shares	
John Paulson	2017-09-30	Reduce -4.47%	0.23%	\$13.1 - \$17.77	\$ 19.70	30%	20,839,035	
Jeff Ubben	2017-09-30	Add 0.07%		\$13.1 - \$17.77	\$ 19.70	30%	18,010,027	
Jim Simons	2017-09-30	Add 98.97%	0.04%	\$13.1 - \$17.77	\$ 19.70	30%	4,780,500	
Joel Greenblatt	2017-09-30	Reduce -42.26%	0.08%	\$13.1 - \$17.77	\$ 19.70	30%	475,002	
Lee Ainslie	2017-09-30	New Buy	0.05%	\$13.1 - \$17.77	\$ 19.70	30%	276,490	
Steven Cohen	2017-09-30	Sold Out		\$13.1 - \$17.77	\$ 19.70	30%	0	
John Paulson	2017-08-09	Reduce -4.47%	0.21%	\$15.84	\$ 19.70	28%	20,839,035	
John Paulson	2017-06-30	Add 12.53%	0.57%	\$8.51 - \$17.31	\$ 19.70	65%	21,813,400	
Francis Chou	2017-06-30	Add 29.74%	3.81%	\$8.51 - \$17.31	\$ 19.70	65%	3,053,843	
Jim Simons	2017-06-30	New Buy	0.05%	\$8.51 - \$17.31	\$ 19.70	65%	2,402,589	
Joel Greenblatt	2017-06-30	New Buy	0.2%	\$8.51 - \$17.31	\$ 19.70	65%	823,046	
Robert Bruce	2017-06-30	New Buy	2.59%	\$8.51 - \$17.31	\$ 19.70	65%	581,000	
First Eagle Investment	2017-06-30	Reduce -10.08%		\$8.51 - \$17.31	\$ 19.70	66%	551,300	
Ray Dalio	2017-06-30	New Buy	0.01%	\$8.51 - \$17.31	\$ 19.70	65%	70,269	
Steven Cohen	2017-06-30	Reduce -98.07%	0.02%	\$8.51 - \$17.31	\$ 19.70	65%	50,000	
Murray Stahl	2017-06-30	Reduce -0.80%		\$8.51 - \$17.31	\$ 19.70	65%	26,273	
Private Capital	2017-06-30	Sold Out	0.82%	\$8.51 - \$17.31	\$ 19.70	65%	0	
Chris Davis	2017-06-30	Sold Out	0.19%	\$8.51 - \$17.31	\$ 19.70	65%	0	
John Paulson	2017-06-14	Add 12.53%	0.4%	\$12.46	\$ 19.70	58%	21,813,400	
Jeff Ubben	2017-03-31	Add 20.03%	0.28%	\$10.84 - \$16.86	\$ 19.70	43%	17,997,224	
Chris Davis	2017-03-31	Reduce -44.03%	0.2%	\$10.84 - \$16.86	\$ 19.70	43%	3,917,812	
Francis Chou	2017-03-31	Add 20.04%	1.46%	\$10.84 - \$16.86	\$ 19.70	43%	2,353,843	
First Eagle Investment	2017-03-31	Reduce -0.11%		\$10.84 - \$16.86	\$ 19.70	43%	613,100	
Private Capital	2017-03-31	Add 0.88%	0.01%	\$10.84 - \$16.86	\$ 19.70	43%	481,390	
Steven Cohen	2017-03-31	New Buy	0.02%	\$10.84 - \$16.86	\$ 19.70	43%	359,000	

VRX Guru Trades in Q3 2017

Lee Ainslie 276,490 sh (New)	Diamond Hill Capital 34,500 sh (unchgd)	Steven Cohen Sold Out
Jim Simons 4,780,500 sh (+98.97%)	First Eagle Investment 551,300 sh (unchgd)	John Paulson 20,839,035 sh (-4.47%)
Jeff Ubben 18,010,027 sh (+0.07%)	Ray Dalio 70,269 sh (unchgd)	Joel Greenblatt 475,002 sh (-42.29%)
	Murray Stahl 26,273 sh (unchgd)	
	George Soros 2,160,000 sh (unchgd)	
	Francis Chou 3,053,843 sh (unchgd)	
	Steven Cohen 3,500,000 sh (unchgd)	
	Robert Bruce 581,000 sh (unchgd)	

Insiders all buy, not including Paulson's equivalent buy/sell and Ackman's sell. But buy amount is limited

Insider Charts



Insider Transactions

Total Records: 236 Page: First ◀ 1 2 3 4 5 6 7 ▶ Last

Insider	Position	Date	Buy/Sell	Shares	Shares Owned Following This (Direct & Indirect)	Trade Price (\$)	Cost (\$1000)	Price Change Since Trade (%)	Share Ownership Details
DE SCHUTTER RICHARD U	Director	2017-11-17	Buy	10,000	94,559	\$14.33	143.3	23.03	94,559 (Direct)
Paulson John	Director	2017-11-16	Sell	344,216	20,839,035	\$14.39	4953.27	22.52	20,839,035 (By Managed Funds)
Paulson John	Director	2017-11-16	Buy	344,216	20,839,035	\$14.4	4956.71	22.43	20,839,035 (By Managed Funds)
DE SCHUTTER RICHARD U	Director	2017-08-21	Buy	10,000	82,379	\$14.33	143.3	23.03	82,379 (Direct)
DE SCHUTTER RICHARD U	Director	2017-05-11	Buy	20,000	70,572	\$13.9	278	26.83	70,572 (Direct)
DE SCHUTTER RICHARD U	Director	2017-03-15	Buy	10,000	25,190	\$10.8	108	63.24	25,190 (Direct)
Herendeen Paul	EVP and CFO (Click for the stocks that their CFOs have bought)	2017-03-14	Buy	24,000	174,000	\$10.72	257.28	64.46	174,000 (Direct)
ValueAct Capital Master Fund,		2017-03-14	Buy	3,000,000	1,059,793	\$10.82	32460	62.94	1,059,793 (See Footnotes(,))
Pershing Square Capital Manage	Director	2017-03-13	Sell	18,114,432	0	\$11	199258.75	60.27	0 (See footnotes(...))
Ross Thomas W. Sr.	Director	2016-12-14	Buy	5,000	26,822	\$14.73	73.65	19.69	26,822 (Direct)
Pershing Square Capital Manage	Director	2016-12-12	Sell	3,476,690	18,114,432	\$14.85	51628.85	18.72	18,114,432 (See footnotes(...))
KARABELAS ARGERIS N	Director	2016-08-11	Buy	4,000	20,726	\$24.65	98.6	-28.48	20,726 (Direct)
Ross Thomas W. Sr.	Director	2016-06-13	Buy	4,000	21,882	\$24.4	97.6	-27.75	21,882 (Direct)
PAPA JOSEPH C	CHAIRMAN & CEO (Click for the stocks that their CEOs have bought)	2016-06-10	Buy	202,000	2,442,199	\$24.48	4944.96	-27.98	2,442,199 (Direct)

Risks

Catalyst
