

ModernGraham Valuation

Company Name:

II-VI, Inc.

Company Ticker IIVI

Date of Analysis

12/4/2016



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	\$1,775,296,400 Fail
2. Sufficiently Strong Financial Condition	Current Ratio > 2	3.79 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	38.13% Pass
5. Earnings Growth	PEmg < 20	29.47 Fail
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	2.30 Pass
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	3.79 Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	0.53 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	Pass

Suitability

Defensive	No
Enterprising	Yes

Stage 2: Determination of Intrinsic Value

EPSmg	\$0.98
MG Growth Estimate	1.31%
MG Value	\$10.90
MG Value based on 3% Growth	\$14.22
MG Value based on 0% Growth	\$8.34
Market Implied Growth Rate	10.48%

MG Opinion

Current Price	\$28.90
% of Intrinsic Value	265.10%
Opinion	Overvalued
MG Grade	C-

Stage 3: Information for Further Research

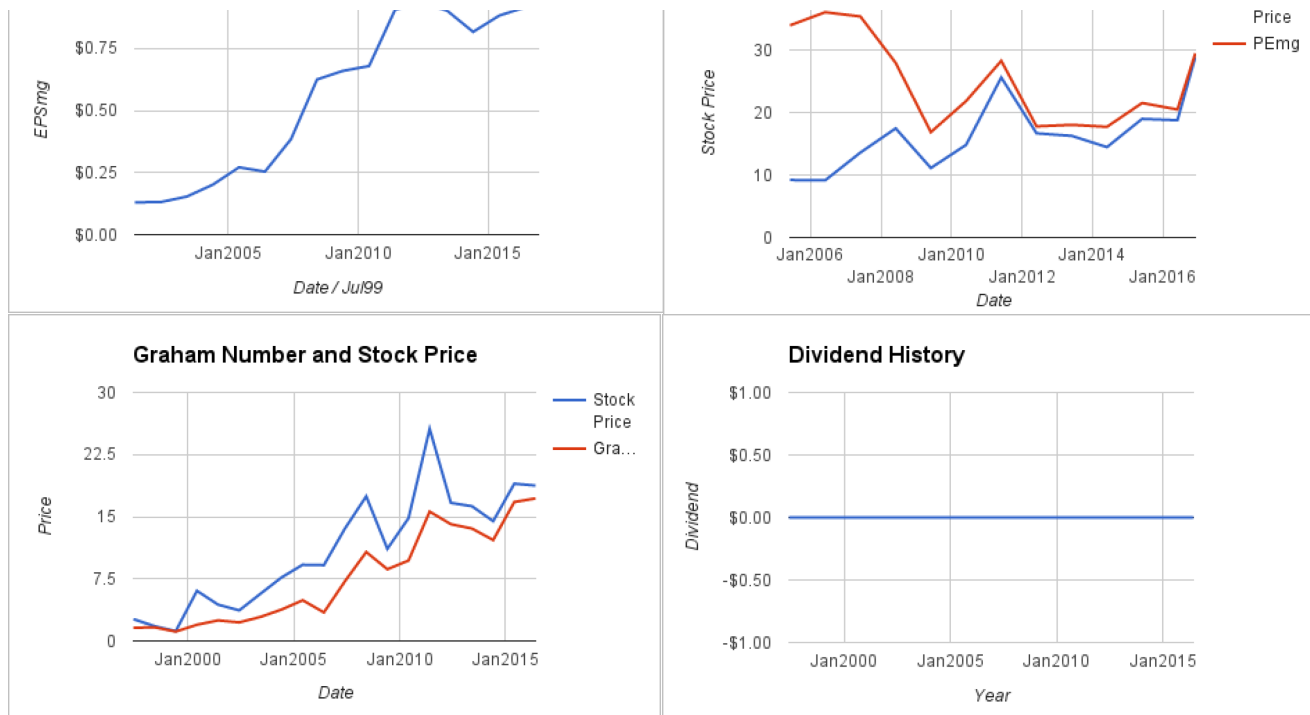
Net Current Asset Value (NCAV)	\$2.46
Graham Number	\$17.69
PEmg	29.47
Current Ratio	3.79
PB Ratio	2.30
Current Dividend	\$0.00
Dividend Yield	0.00%
Number of Consecutive Years of Dividend Growth	0

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		Next Fiscal Year Estimate	\$0.98
Jun2016	\$1.04	Jun2016	\$0.92
Jun2015	\$1.05	Jun2015	\$0.88
Jun2014	\$0.60	Jun2014	\$0.82
Jun2013	\$0.80	Jun2013	\$0.90
Jun2012	\$0.94	Jun2012	\$0.94
Jun2011	\$1.30	Jun2011	\$0.91
Jun2010	\$0.63	Jun2010	\$0.68
Jun2009	\$0.61	Jun2009	\$0.66
Jun2008	\$1.06	Jun2008	\$0.63
Jun2007	\$0.63	Jun2007	\$0.38
Jun2006	\$0.18	Jun2006	\$0.25
Jun2005	\$0.39	Jun2005	\$0.27
Jun2004	\$0.28	Jun2004	\$0.20
Jun2003	\$0.19	Jun2003	\$0.15
Jun2002	\$0.13	Jun2002	\$0.13
Jun2001	\$0.17	Jun2001	\$0.13
Jun2000	\$0.14	Balance Sheet Information 9/16/2016	
Jun1999	\$0.05	Total Current Assets	\$584,564,000
Jun1998	\$0.13	Total Current Liabilities	\$154,226,000
Jun1997	\$0.14	Long-Term Debt	\$228,206,000
		Total Assets	\$1,228,487,000
		Intangible Assets	\$355,048,000
		Total Liabilities	\$427,930,000
		Shares Outstanding (Diluted Average)	63,590,000





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

#N/A

Other
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posts about related
companies

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[Applied Materials Inc Valuation – August 2016 \\$AMAT](#)
[Skyworks Solutions Inc Valuation – August 2016 \\$SWKS](#)
[Garmin Limited Valuation – August 2016 \\$GRMN](#)
[Analog Devices Inc Valuation – August 2016 \\$ADI](#)
[Amphenol Corporation Valuation – August 2016 \\$APH](#)
[Agilent Technologies Inc Valuation – August 2016 \\$A](#)
[Texas Instruments Inc Valuation – August 2016 \\$TXN](#)
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