

ModernGraham Valuation

Company Name:

Company Ticker CNMD

Date of Analysis

1/27/2017

CONMED
Corporation



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	\$1,177,134,242	Fail
2. Sufficiently Strong Financial Condition	Current Ratio > 2	3.27	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	-4.66%	Fail
5. Earnings Growth	PEmg < 20	40.89	Fail
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	2.08	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	3.27	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	1.91	Fail
3. Earnings Stability	Positive EPS for 5 years prior		Pass
4. Dividend Record	Currently Pays Dividend		Pass
5. Earnings Growth	EPSmg greater than 5 years ago		Pass
	Score		

Suitability

Defensive	No
Enterprising	Yes

Stage 2: Determination of Intrinsic Value

EPSmg	\$1.06
MG Growth Estimate	4.05%
MG Value	\$17.60
MG Value based on 3% Growth	\$15.38
MG Value based on 0% Growth	\$9.02
Market Implied Growth Rate	16.19%

MG Opinion

Current Price	\$43.37
% of Intrinsic Value	246.43%
Opinion	Overvalued
MG Grade	C-

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$13.49
Graham Number	\$19.68
PEmg	40.89
Current Ratio	3.27
PB Ratio	2.08
Current Dividend	\$0.80
Dividend Yield	1.84%
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	\$0.82	Next Fiscal Year Estimate	\$1.06
Dec2015	\$1.09	Dec2015	\$1.12
Dec2014	\$1.16	Dec2014	\$1.08
Dec2013	\$1.28	Dec2013	\$0.98
Dec2012	\$1.41	Dec2012	\$0.84
Dec2011	\$0.03	Dec2011	\$0.65
Dec2010	\$1.05	Dec2010	\$0.90
Dec2009	\$0.42	Dec2009	\$0.80
Dec2008	\$1.37	Dec2008	\$0.97
Dec2007	\$1.43	Dec2007	\$0.79
Dec2006	-\$0.45	Dec2006	\$0.59
Dec2005	\$1.08	Dec2005	\$1.11
Dec2004	\$1.11	Dec2004	\$1.10
Dec2003	\$1.10	Dec2003	\$1.08
Dec2002	\$1.23	Dec2002	\$1.05
Dec2001	\$1.00	Dec2001	\$0.87
Dec2000	\$0.83	Dec2000	\$0.75
Dec1999	\$1.17	Balance Sheet Information 9/1/2016	
Dec1998	\$0.77	Total Current Assets	\$369,376,000
Dec1997	-\$0.31	Total Current Liabilities	\$112,860,000
Dec1996	\$0.75	Long-Term Debt	\$490,176,000
		Total Assets	\$1,330,724,000
		Intangible Assets	\$822,592,000
		Total Liabilities	\$746,549,000
		Shares Outstanding (Diluted Average)	27,951,000





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
ModernGraham
posts about related
companies

[Centene Corp Valuation – Initial Coverage \\$CNC](#)
[Invacare Corporation Valuation – Initial Coverage \\$IVC](#)
[Becton Dickinson and Co Valuation – January 2017 \\$BDX](#)
[Select Medical Holdings Corp Valuation – Initial Coverage \\$SEM](#)
[Chemed Corporation Valuation – Initial Coverage \\$CHE](#)
[Inogen Inc Valuation – Initial Coverage \\$INGN](#)
[Surgical Care Affiliates Inc Valuation – Initial Coverage \\$SCAI](#)
[Thermo Fisher Scientific Inc Valuation – December 2016 \\$TMO](#)
[Illumina Inc Valuation – Initial Coverage \\$ILMN](#)
[Thermo Fisher Scientific Inc Valuation – November 2016 \\$TMO](#)