

ModernGraham Valuation

Company Name:

SurModics, Inc.

Company Ticker

SRDX

Date of Analysis

2/13/2017



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	\$319,064,087	Fail
2. Sufficiently Strong Financial Condition	Current Ratio > 2	9.55	Pass
3. Earnings Stability	Positive EPS for 10 years prior		Fail
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	13.22%	Fail
5. Earnings Growth	PEmg < 20	35.64	Fail
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	3.00	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	9.55	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	0.00	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
	Score		

Suitability

Defensive	No
Enterprising	Yes

Stage 2: Determination of Intrinsic Value

EPSmg	\$0.67
MG Growth Estimate	15.00%
MG Value	\$25.82
MG Value based on 3% Growth	\$9.72
MG Value based on 0% Growth	\$5.70
Market Implied Growth Rate	13.57%

MG Opinion

Current Price	\$23.90
% of Intrinsic Value	92.56%
Opinion	Fairly Valued
MG Grade	C

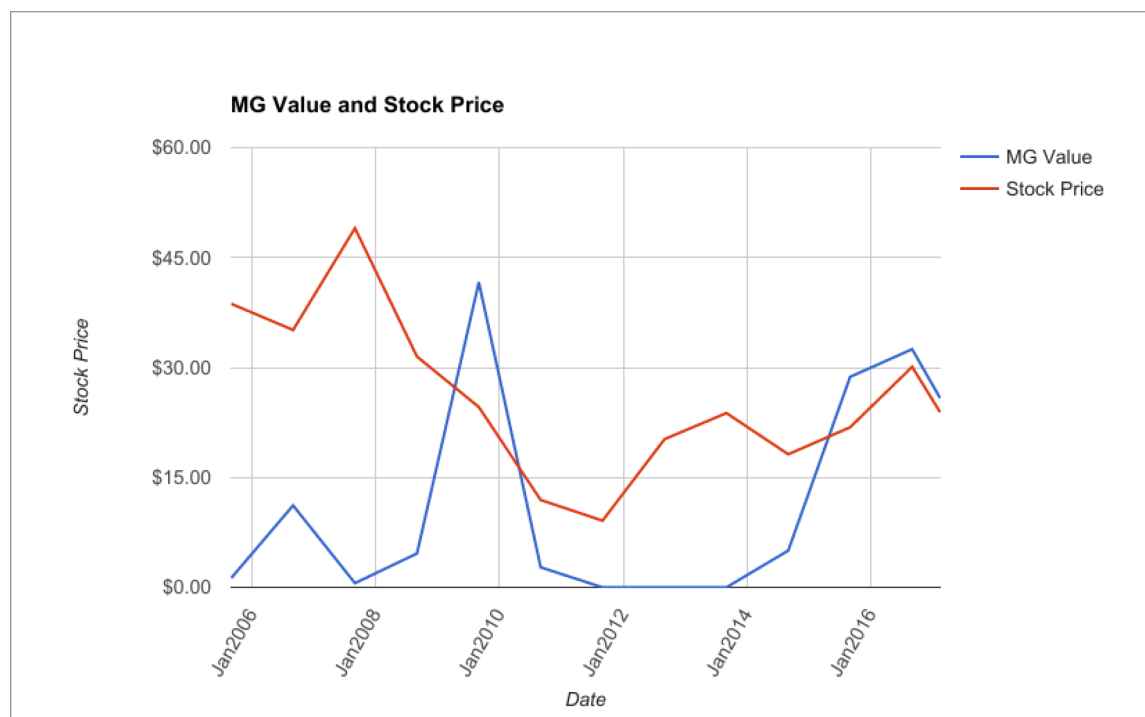
Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	\$2.62
Graham Number	\$7.51
PEmg	35.64
Current Ratio	9.55
PB Ratio	3.00
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	\$0.31	Next Fiscal Year Estimate	\$0.67
Sep2016	\$0.76	Sep2016	\$0.84
Sep2015	\$0.90	Sep2015	\$0.75
Sep2014	\$0.87	Sep2014	\$0.46
Sep2013	\$1.03	Sep2013	\$0.27
Sep2012	\$0.59	Sep2012	\$0.01
Sep2011	-\$1.06	Sep2011	-\$0.13
Sep2010	-\$1.21	Sep2010	\$0.43
Sep2009	\$2.15	Sep2009	\$1.08
Sep2008	\$0.80	Sep2008	\$0.50
Sep2007	\$0.18	Sep2007	\$0.37
Sep2006	\$1.09	Sep2006	\$0.46
Sep2005	-\$0.45	Sep2005	\$0.19
Sep2004	\$0.41	Sep2004	\$0.49
Sep2003	\$0.78	Sep2003	\$0.48
Sep2002	\$0.44	Sep2002	\$0.30
Sep2001	\$0.29	Sep2001	\$0.21
Sep2000	\$0.25	Balance Sheet Information 12/1/2016	
Sep1999	\$0.14	Total Current Assets	\$56,644,000
Sep1998	\$0.12	Total Current Liabilities	\$5,934,000
Dec1997	\$0.00	Long-Term Debt	\$0
		Total Assets	\$128,625,000
		Intangible Assets	\$46,788,000
		Total Liabilities	\$21,442,000
		Shares Outstanding (Diluted Average)	13,446,000





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

[Agilent Technologies Inc Valuation – February 2017 \\$A](#)
[Cooper Companies Inc Valuation – Initial Coverage \\$COO](#)
[Edwards Lifesciences Corp Valuation – January 2017 \\$EW](#)
[Baxter International Inc Valuation – January 2017 \\$BAX](#)
[CONMED Corporation Valuation – Initial Coverage \\$CNMD](#)
[Boston Scientific Corp Valuation – January 2017 \\$BSX](#)
[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](#)