ModernGraham Valuation

Company Name: Steris PLC

Company Ticker STE

Date of Analysis 2/26/2017

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	$6,038,749,080	Pass
2.	Sufficiently Strong Financial Condition	Current Ratio > 2	2.77	Pass
3.	Earnings Stability	Positive EPS for 10 years prior		Pass
4.	Dividend Record	Dividend Payments for 10 years prior		Pass
5.	Earnings Growth	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	11.49%	Fail
6.	Moderate PEmg Ratio	PEmg < 20	35.01	Fail
7.	Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	2.18	Pass

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	2.77	Pass
2.	Sufficiently Strong Financial Condition	Debt to NCA < 1.1	2.43	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		Fail
		Score		

Suitability

Defensive	**No**
Enterprising	**No**

Stage 2: Determination of Intrinsic Value

EPSmg		$2.01
MG Growth Estimate		-0.70%
MG Value		**$14.25**
MG Value based on 3% Growth		$29.10
MG Value based on 0% Growth		$17.06
Market Implied Growth Rate		13.25%

MG Opinion

Current Price		$70.25
% of Intrinsic Value		492.86%
Opinion	**Overvalued**	
MG Grade	**F**	

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-$13.54
Graham Number	$38.27
PEmg	35.01
Current Ratio	2.77
PB Ratio	2.18
Current Dividend	$1.06
Dividend Yield	1.51%
Number of Consecutive Years of Dividend Growth	12

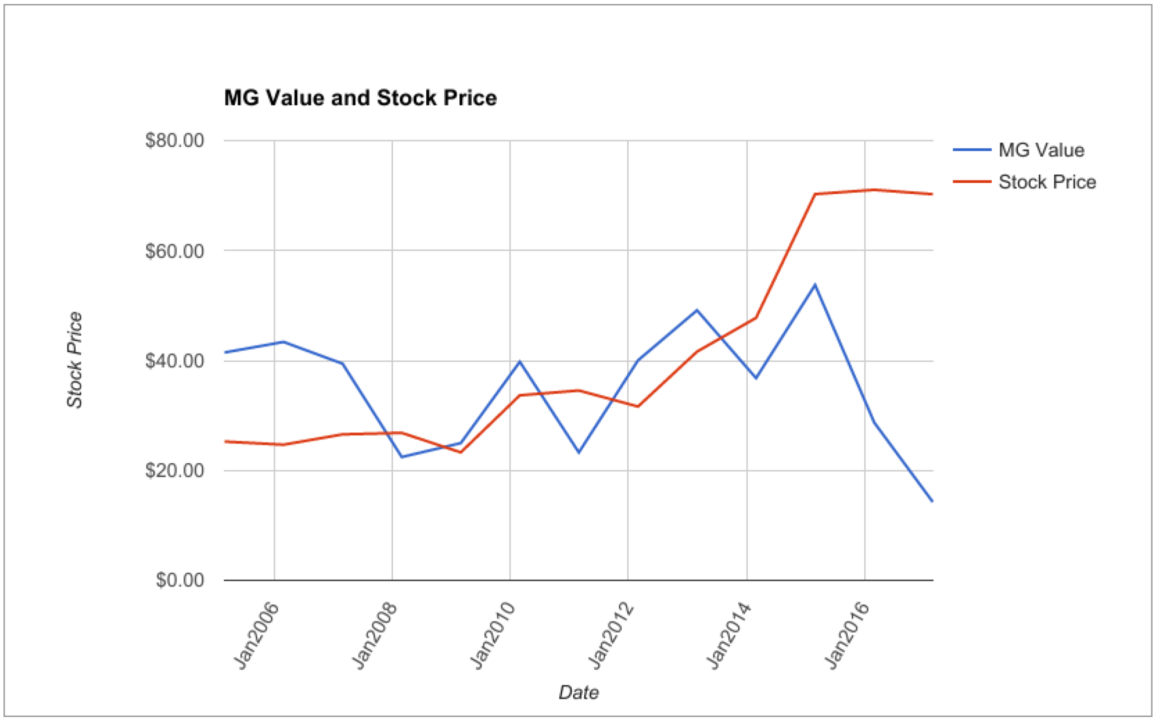
Useful Links:

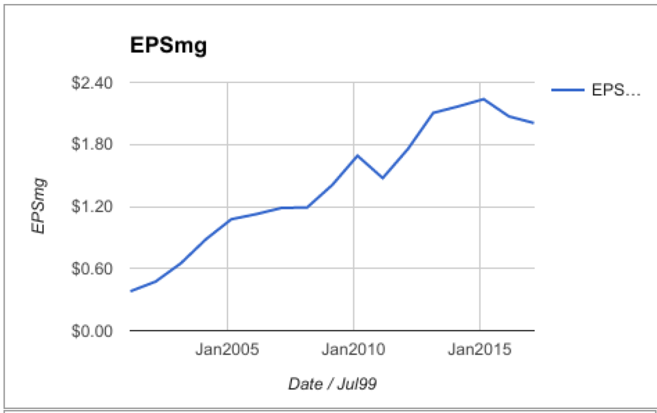
ModernGraham tagged articles	Morningstar
Google Finance	MSN Money
Yahoo Finance	Seeking Alpha
GuruFocus	SEC Filings

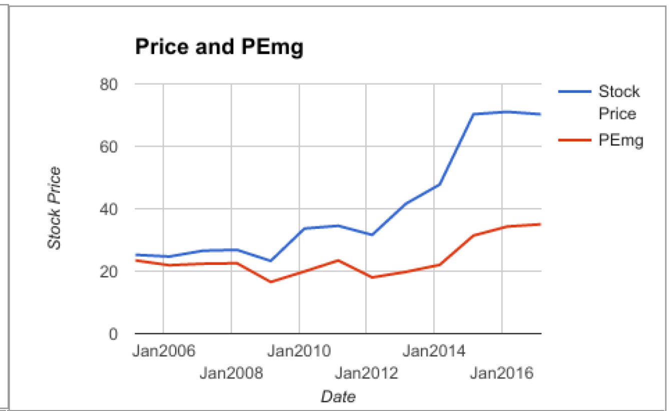
EPS History	
Next Fiscal Year Estimate	$2.01
Mar2016	$1.56
Mar2015	$2.25
Mar2014	$2.17
Mar2013	$2.72
Mar2012	$2.31
Mar2011	$0.85
Mar2010	$2.16
Mar2009	$1.86
Mar2008	$1.20
Mar2007	$1.25
Mar2006	$1.02
Mar2005	$1.23
Mar2004	$1.33
Mar2003	$1.12
Mar2002	$0.65
Mar2001	$0.02
Mar2000	$0.15
Mar1999	$1.20
Mar1998	$0.93
Mar1997	-$0.46

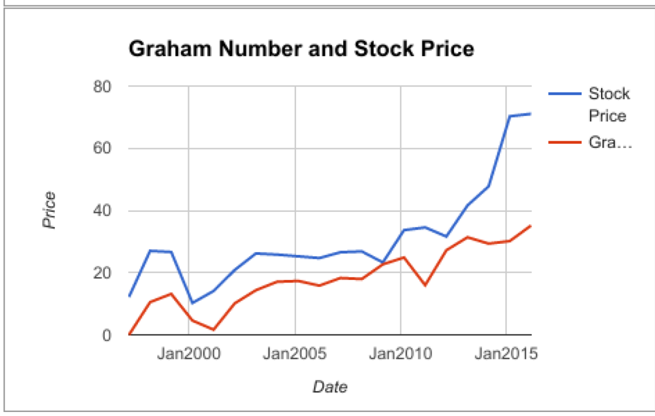
EPSmg History	
Next Fiscal Year Estimate	$2.01
Mar2016	$2.07
Mar2015	$2.24
Mar2014	$2.17
Mar2013	$2.10
Mar2012	$1.76
Mar2011	$1.47
Mar2010	$1.69
Mar2009	$1.41
Mar2008	$1.19
Mar2007	$1.19
Mar2006	$1.13
Mar2005	$1.08
Mar2004	$0.88
Mar2003	$0.65
Mar2002	$0.47
Mar2001	$0.38

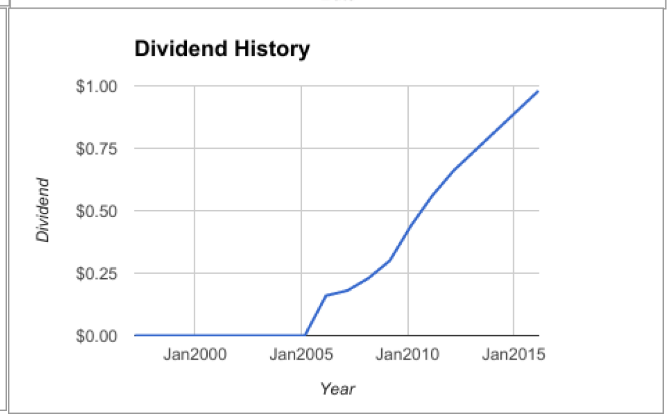
Balance Sheet Information	**12/1/2016**
Total Current Assets	$970,341,000
Total Current Liabilities	$350,053,000
Long-Term Debt	$1,507,039,000
Total Assets	$4,886,946,000
Intangible Assets	$2,941,933,000
Total Liabilities	$2,128,268,000
Shares Outstanding (Diluted Average)	85,525,000











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.

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