

ModernGraham Valuation

Company Name:

II-VI, Inc.

Company Ticker IIVI

Date of Analysis

7/2/2018



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	\$2,648,760,919	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	3.68	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	50.39%	Pass
5. Earnings Growth			
6. Moderate PEmg Ratio	PEmg < 20	34.83	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	3.02	Fail

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	3.68	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	0.79	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	\$1.22
MG Growth Estimate	7.33%
MG Value	\$28.17
MG Value based on 3% Growth	\$17.63
MG Value based on 0% Growth	\$10.34
Market Implied Growth Rate	13.16%

MG Opinion

Current Price	\$42.35
% of Intrinsic Value	150.32%
Opinion	Overvalued
MG Grade	C

Stage 3: Information for Further Research

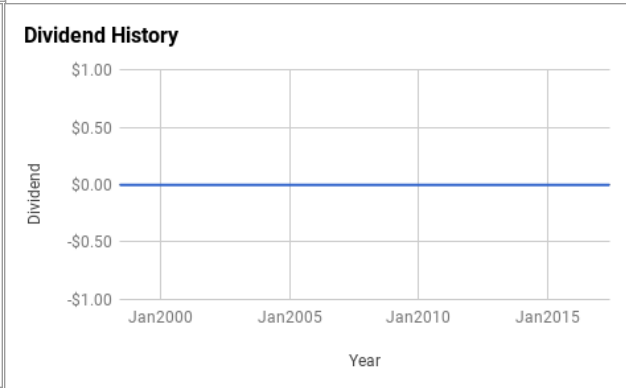
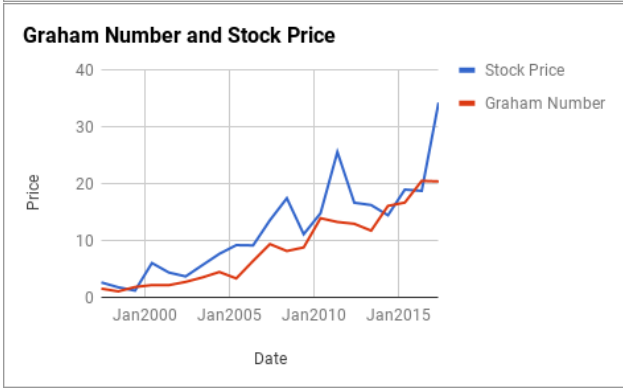
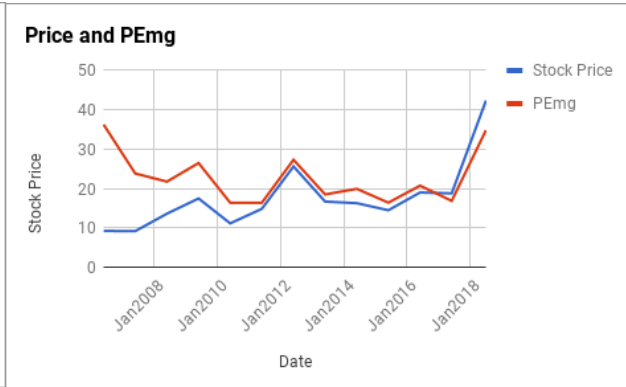
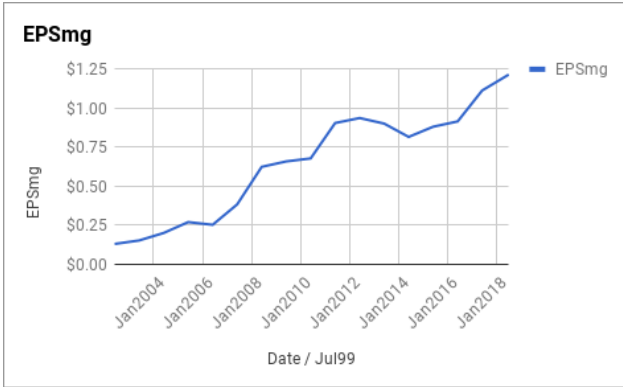
Net Current Asset Value (NCAV)	\$0.33
Graham Number	\$20.43
PEmg	34.83
Current Ratio	3.68
PB Ratio	3.02
Current Dividend	\$0.00
Dividend Yield	0.00%
Number of Consecutive Years of Dividend Growth	0

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	\$1.30	Next Fiscal Year Estimate	\$1.22
Jun2017	\$1.48	Jun2017	\$1.11
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	Balance Sheet Information 3/1/2018	
Jun2000	\$0.14	Total Current Assets	\$746,145,000
Jun1999	\$0.05	Total Current Liabilities	\$202,586,000
Jun1998	\$0.13	Long-Term Debt	\$430,992,000
		Total Assets	\$1,737,234,000
		Intangible Assets	\$403,658,000
		Total Liabilities	\$722,062,000
		Shares Outstanding (Diluted Average)	72,382,000





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 [IIVI Inc Valuation – Initial Coverage \\$IIVI](#)

Other ModernGraham posts about related companies [MTS Systems Corp Valuation – June 2018 \\$MTSC](#)
[Jabil Inc Valuation – June 2018 \\$JBL](#)
[Arrow Electronics Inc Valuation – June 2018 \\$ARW](#)
[Lam Research Corp Valuation – June 2018 \\$LRCX](#)
[Emerson Electric Co Valuation – June 2018 \\$EMR](#)
[Skyworks Solutions Inc Valuation – June 2018 \\$SWKS](#)
[Garmin Ltd Valuation – June 2018 \\$GRMN](#)
[Hewlett Packard Enterprise Co Valuation – June 2018 \\$HPE](#)
[Fortive Corp Valuation – June 2018 \\$FTV](#)
[Analog Devices Inc Valuation – June 2018 \\$ADI](#)