

ModernGraham Valuation

Company Name:

Company Ticker CNMD

Date of Analysis

8/2/2018

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	\$2,187,212,094	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	2.15	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	210.00%	Pass
5. Earnings Growth	PEmg < 20	51.15	Fail
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	3.57	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	2.15	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	2.42	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 Score		Pass

Suitability

Defensive	No
Enterprising	Yes

Stage 2: Determination of Intrinsic Value

EPSmg	\$1.57
MG Growth Estimate	6.75%
MG Value	\$34.59
MG Value based on 3% Growth	\$22.79
MG Value based on 0% Growth	\$13.36
Market Implied Growth Rate	21.32%

MG Opinion

Current Price	\$80.40
% of Intrinsic Value	232.42%
Opinion	Overvalued
MG Grade	C-

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$12.78
Graham Number	\$33.13
PEmg	51.15
Current Ratio	2.15
PB Ratio	3.57
Current Dividend	\$0.80
Dividend Yield	1.00%
Number of Consecutive Years of Dividend Growth	0

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EPS History		EPSmg History	
Next Fiscal Year Estimate		Next Fiscal Year Estimate	
	\$2.16		\$1.57
Dec2017	\$1.97	Dec2017	\$1.25
Dec2016	\$0.52	Dec2016	\$0.96
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	Balance Sheet Information 3/1/2018	
Dec2000	\$0.83	Total Current Assets	\$342,378,000
Dec1999	\$1.17	Total Current Liabilities	\$159,300,000
Dec1998	\$0.77	Long-Term Debt	\$442,408,000
		Total Assets	\$1,350,034,000
		Intangible Assets	\$821,515,000
		Total Liabilities	\$707,406,000
		Shares Outstanding (Diluted Average)	28,573,000





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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