

ModernGraham Valuation

Company Name:

SurModics, Inc.

Company Ticker SRDX

Date of Analysis

8/11/2018



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	\$918,403,843	Fail
2. Sufficiently Strong Financial Condition	Current Ratio > 2	2.50	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	-750.00%	Fail
5. Earnings Growth			
6. Moderate PEmg Ratio	PEmg < 20	222.01	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	8.55	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	2.50	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	0.00	Pass
3. Earnings Stability	Positive EPS for 5 years prior		Fail
4. Dividend Record	Currently Pays Dividend		Fail
5. Earnings Growth	EPSmg greater than 5 years ago		Fail
	Score		

Suitability

Defensive	No
Enterprising	No

Stage 2: Determination of Intrinsic Value

EPSmg	\$0.32
MG Growth Estimate	-4.25%
MG Value	\$2.09
MG Value based on 3% Growth	\$4.60
MG Value based on 0% Growth	\$2.70
Market Implied Growth Rate	106.75%

MG Opinion

Current Price	\$70.45
% of Intrinsic Value	3369.63%
Opinion	Overvalued
MG Grade	F

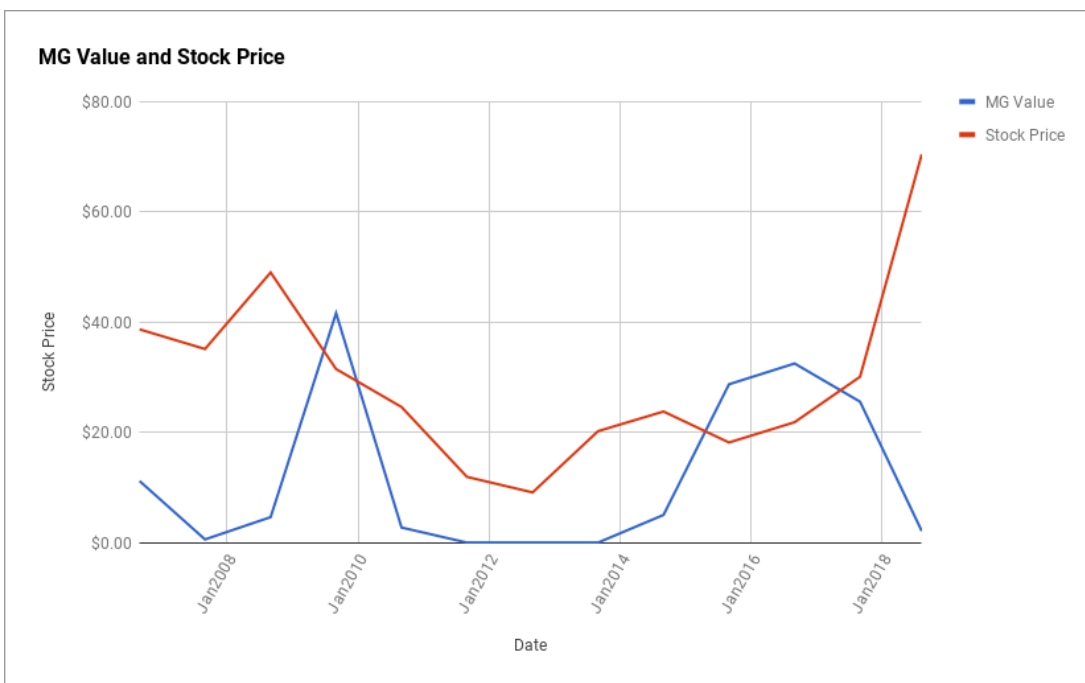
Stage 3: Information for Further Research

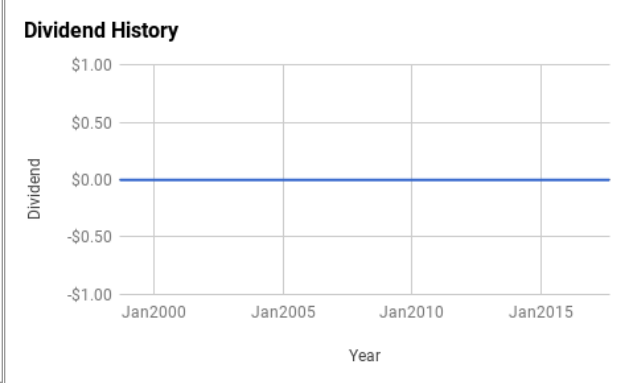
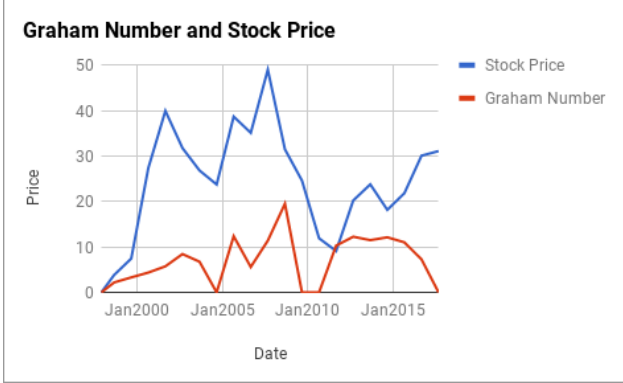
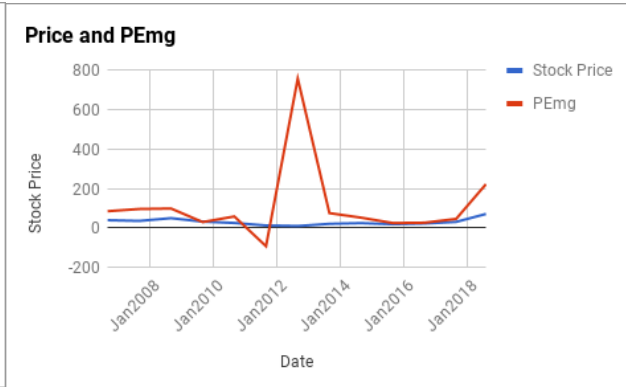
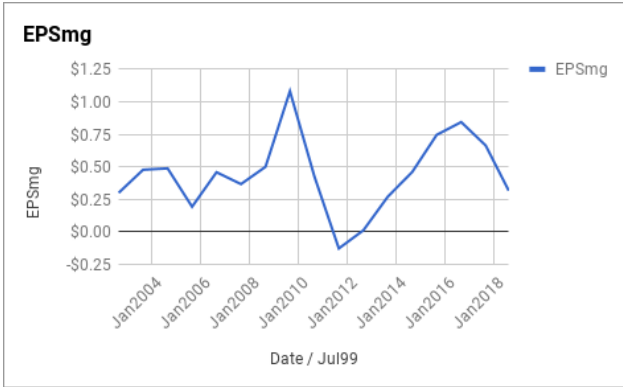
Net Current Asset Value (NCAV)	\$2.09
Graham Number	\$0.00
PEmg	222.01
Current Ratio	2.50
PB Ratio	8.55
Current Dividend	\$0.00
Dividend Yield	0.00%
Number of Consecutive Years of Dividend Growth	0

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	-0.27	Next Fiscal Year Estimate	\$0.32
Sep2017	\$0.29	Sep2017	\$0.66
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	Balance Sheet Information 6/1/2018	
Sep2000	\$0.25	Total Current Assets	\$78,846,000
Sep1999	\$0.14	Total Current Liabilities	\$31,585,000
Sep1998	\$0.12	Long-Term Debt	\$0
		Total Assets	\$159,987,000
		Intangible Assets	\$45,562,000
		Total Liabilities	\$51,242,000
		Shares Outstanding (Diluted Average)	13,203,000





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 [5 Best Stocks for Value Investors This Week – 2/18/17](#)
[SurModics Inc Valuation – Initial Coverage \\$SRDX](#)

Other ModernGraham posts about related companies [Conmed Corp Valuation – August 2018 \\$CNMD](#)
[Invacare Corp Valuation – July 2018 \\$IVC](#)
[Select Medical Holdings Corp Valuation – July 2018 \\$SEM](#)
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[Inogen Inc Valuation – July 2018 \\$INGN](#)
[Tenet Healthcare Corp Valuation – June 2018 \\$THC](#)
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[Dentsply Sirona Inc Valuation – June 2018 \\$XRAY](#)
[IDEXX Laboratories Inc Valuation – June 2018 \\$IDXX](#)
[Hologic Inc Valuation – June 2018 \\$HOLX](#)