# **ModernGraham Valuation**

## **Company Name:**

Company Ticker STE Date of Analysis Steris PLC



## Stage 1: Is this company suitable for the Defensive Investor or the Enterprising Investor?

8/26/2018

Defensive Investor; must pass 6 out of the following 7 tests.

1.	Adequate Size of the Enterprise	Market Cap > \$2Bil	\$9,719,200,529	Pass
2.	Sufficiently Strong Financial Condition	Current Ratio > 2	2.65	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	75.38%	Pass
6.	Moderate PEmg Ratio	PEmg < 20	37.43	Fail
7.	Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	3.17	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	2.65 Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	2.15 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	Pass
	Score	

#### Suitability

Defensive	No
Enterprising	Yes

### Stage 2: Determination of Intrinsic Value

	EPSmg		\$3.07
	MG Growth Estimate		5.59%
	MG Value		\$60.45
	MG Value based on 3% Growth		\$44.53
	MG Value based on 0% Growth		\$26.11
	Market Implied Growth Rate		14.46%
MG Opinion			
	Current Price		\$114.95
	% of Intrinsic Value		190.15%
	Opinion	Overvalued	
	MG Grade	С	

#### Stage 3: Information for Further Research

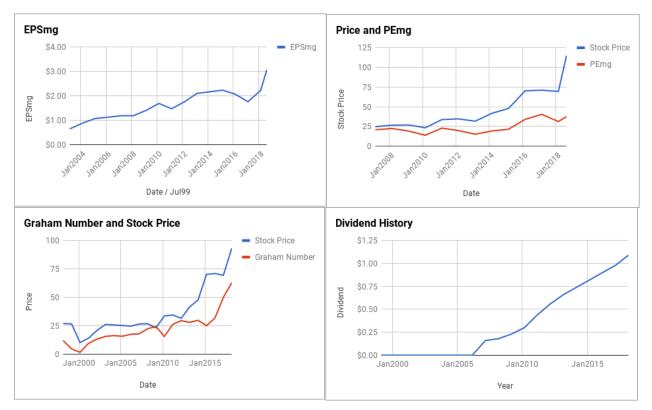
Net Current Asset Value (NCAV)	-\$11.27
Graham Number	\$62.94
PEmg	37.43
Current Ratio	2.65
PB Ratio	3.17
Current Dividend	\$1.21
Dividend Yield	1.05%
Number of Consecutive Years of Dividend	
Growth	13

Useful Links:

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

EPS History		EPSmg History	
Next Fiscal Year			
Estimate	\$4.66	Next Fiscal Year Estimate	\$3.07
Mar2018	\$3.39	Mar2018	\$2.23
Mar2017	\$1.28	Mar2017	\$1.76
Mar2016	\$1.56	Mar2016	\$2.07
Mar2015	\$2.25	Mar2015	\$2.24
Mar2014	\$2.17	Mar2014	\$2.17
Mar2013	\$2.72	Mar2013	\$2.10
Mar2012	\$2.31	Mar2012	\$1.76
Mar2011	\$0.85	Mar2011	\$1.47
Mar2010	\$2.16	Mar2010	\$1.69
Mar2009	\$1.86	Mar2009	\$1.41
Mar2008	\$1.20	Mar2008	\$1.19
Mar2007	\$1.25	Mar2007	\$1.19
Mar2006	\$1.02	Mar2006	\$1.13
Mar2005	\$1.23	Mar2005	\$1.08
Mar2004	\$1.33	Mar2004	\$0.88
Mar2003	\$1.12	Mar2003	\$0.65
Mar2002	\$0.65	Balance Sheet Information	6/1/2018
Mar2001	\$0.02	Total Current Assets	\$988,889,000
Mar2000	\$0.15	Total Current Liabilities	\$373,842,000
Mar1999	\$1.20	Long-Term Debt	\$1,320,064,000
		Total Assets	\$5,051,814,000
		Intangible Assets	\$3,032,408,000
		Total Liabilities	\$1,952,626,000
		Shares Outstanding (Diluted Average)	85,509,000





#### 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 Steris PLC Valuation – Initial Coverage \$STE

 
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