

# ModernGraham Valuation

Company Name:

Steris PLC

Company Ticker

STE

Date of Analysis

8/26/2018



## 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	\$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
	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	75.38%	Pass
5. Earnings Growth			
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

<b>Defensive</b>	<b>No</b>
<b>Enterprising</b>	<b>Yes</b>

## Stage 2: Determination of Intrinsic Value

EPSmg	\$3.07
MG Growth Estimate	5.59%
<b>MG Value</b>	<b>\$60.45</b>
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%
<b>Opinion</b>	<b>Overvalued</b>
<b>MG Grade</b>	<b>C</b>

## 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

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

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ModernGraham  
posts about the  
company [Steris PLC Valuation – Initial Coverage \\$STE](#)

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posts about related  
companies [Charles River Laboratories International Inc Valuation – August 2018 \\$CRL](#)  
[Surmodics Inc Valuation – August 2018 \\$SRDX](#)  
[Conmed Corp Valuation – August 2018 \\$CNMD](#)  
[Invacare Corp Valuation – July 2018 \\$IVC](#)  
[Select Medical Holdings Corp Valuation – July 2018 \\$SEM](#)  
[Chemed Corp Valuation – July 2018 \\$CHE](#)  
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