

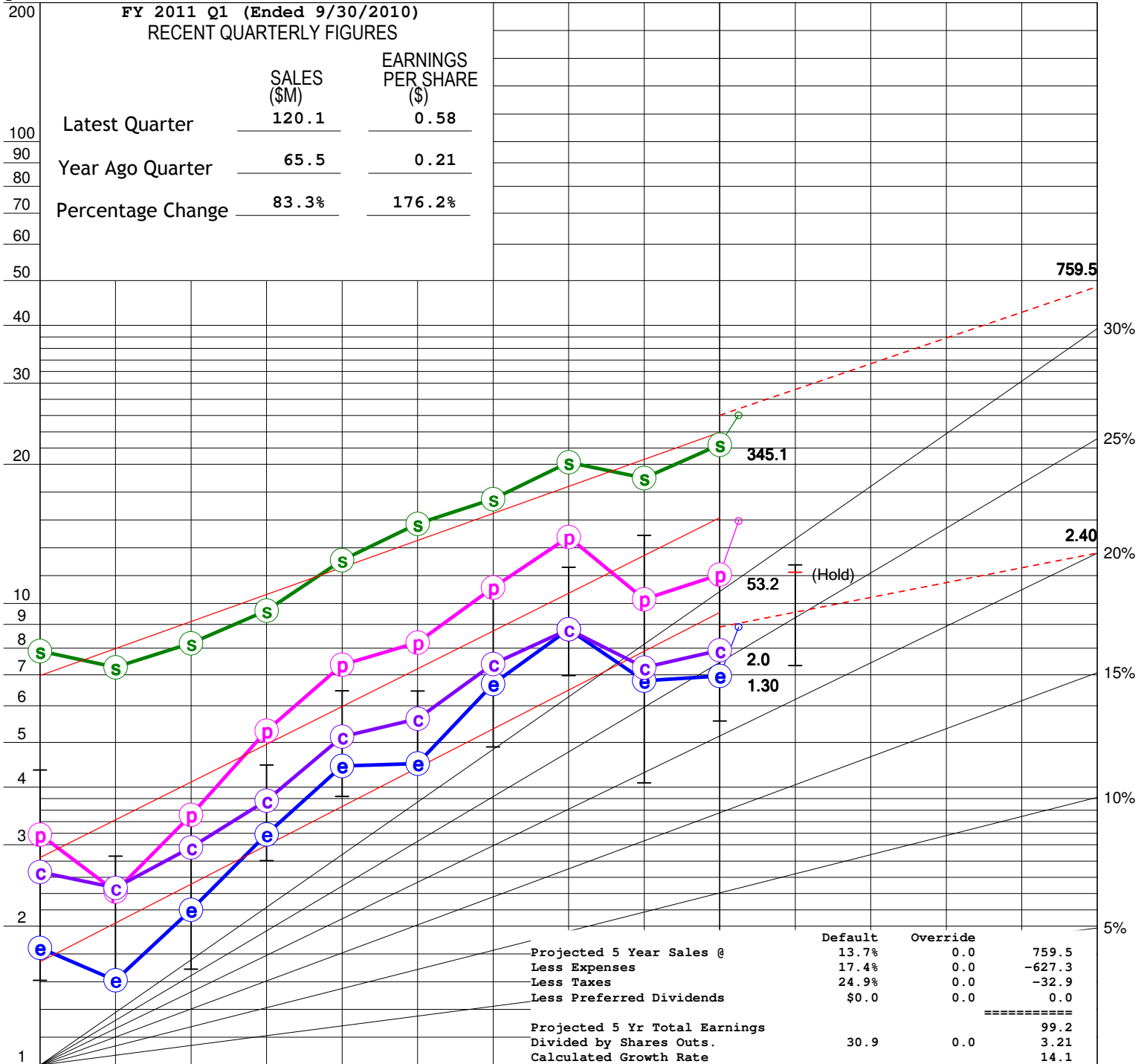


# Stock Study

Company	II-VI INC	Price Date	11/11/10
Study by	pwoodring	Data Date	11/10/10
Sector	Industrials	Data Source	NAIC Data
Industry	Electrical Components &	Reference	
Preferred(\$M)	0.0		
Common(M Shares)	30.9	% Insiders	0.0
Debt(\$M)	3.6	% Institutions	0.0
% Debt to Tot.Cap.	0.9	Quality	B (S&P)

## 1 Growth Analysis

NASDAQ: IIVI



- |                                   |        |  |        |
|-----------------------------------|--------|--|--------|
| (1) Historical Sales Growth       | 14.4 % | (3) Historical Earnings Per Share Growth       | 21.3 % |
| (2) Estimated Future Sales Growth | 13.7 % | (4) Estimated Future Earnings Per Share Growth | 7.7 %  |
| (5) Sales Growth R <sup>2</sup>   | 0.95   | (6) Earnings Per Share Growth R <sup>2</sup>   | 0.88   |
- www.iclub.com

## 2 QUALITY ANALYSIS

Company **II-VI INC (IIVI)**

11/11/10

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	5 YEAR AVG.	TREND UP / DOWN
<b>A</b> % Pre-tax Profit on Sales	11.8	9.6	12.5	16.2	17.5	16.3	19.0	20.3	16.1	15.4	17.4	DOWN
<b>B</b> % ROE (Beginning Yr)	<del>11.8</del>	8.9	11.6	15.0	18.2	15.4	21.4	22.1	13.1	11.9	16.8	DOWN
<b>C</b> % Debt to Equity	37.1	30.1	15.0	6.1	25.9	13.8	6.8	1.3	1.1	0.8	4.8	DOWN

## 3 PRICE, PRICE/EARNINGS RATIO and DIVIDEND ANALYSIS

CURRENT PRICE 40.160 52-WEEK HIGH 41.680 52-WEEK LOW 25.230

Fiscal Year	High Price	Low Price	EPS	High P/E	Low P/E	Dividend	% Payout	% High Yield
1 2006	22.2	14.9	0.84	26.4	17.7	0.000	0.0	0.0
2 2007	36.4	16.8	1.25	29.1	13.4	0.000	0.0	0.0
3 2008	41.2	24.0	1.64	25.1	14.6	0.000	0.0	0.0
4 2009	48.3	14.1	1.27	38.0	11.1	0.000	0.0	0.0
5 2010	37.9	19.1	1.30	29.2	14.7	0.000	0.0	0.0
6 AVERAGE		17.8		29.6	14.3		0.0	
AVERAGE P/E RATIO		22.0	PROJECTED P/E RATIO		22.5	TTM EPS		1.66
CURRENT P/E RATIO		24.2	PEG RATIO		2.9	FTM EPS		1.79
RELATIVE VALUE		110.0%	PROJ. RELATIVE VALUE		102.2%			

## 4 EVALUATING REWARD and RISK over the next 5 years

### A FUTURE HIGH PRICE ANALYSIS -- NEXT 5 YEARS

Selected High P/E ~~29.6~~ 26.7 X Estimated High Earnings/Share 2.40 = Forecast High Price \$ 64.1

### B FUTURE LOW PRICE ANALYSIS -- NEXT 5 YEARS

(a) Sel. Low P/E ~~14.3~~ 13.5 X Estimated Low Earnings/Share ~~1.30~~ 1.66 = \$ 22.4

(b) Average 5-Year Low Price = 17.8

(c) Recent Severe Low Price = 14.1

(d) Price Dividend Will Support = Present Divd. + High Yield = 0.000 + 0.000 = 0.0

Selected Estimated Low Price = \$ 26.2

### C PRICE RANGES

Forecast High Price 64.1 - Estimated Low Price 26.2 = Range 37.9 25% of Range = 9.5

BUY (Lower 25% of Range) = 26.2 to 35.7

MAYBE (Middle 50% of Range) = 35.7 to 54.6

SELL (Upper 25% of Range) = 54.6 to 64.1

Current Price 40.160 is in the Hold Range

### D REWARD/RISK ANALYSIS (Potential Gain vs. Risk of Loss)

(Forecast High Price 64.1 - Current Price 40.160) ÷ (Current Price 40.160 - Estimated Low Price 26.2) = 1.7 To 1

## 5 TOTAL RETURN ANALYSIS

### A CURRENT YIELD

Present Full Year's Dividend \$ 0.000 ÷ Current Price of Stock \$ 40.160 = 0.0 % Present Yield or % Returned on Purchase Price

### B AVERAGE YIELD OVER NEXT 5 YEARS

(Avg. EPS Next 5 Years 2.07 X Avg. % Payout 0.0) ÷ Current Price \$ 40.160 = 0.0 %

### C % COMPOUND ANNUAL TOTAL RETURN

Average Yield 0.0 % + Annual Appreciation 9.8 % = Compound Annual Total Return 9.8 %

### D % PROJECTED AVERAGE RETURN

Average Yield 0.0 % + Annual Appreciation 3.7 % = Projected Average Total Return 3.7 %