

# ModernGraham Valuation



Company Name:

Dover Corp

Company Ticker DOV

Date of Analysis

9/1/2015

## 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	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	Fail
3. Earnings Stability	Positive EPS for 10 years prior	Pass
4. Dividend Record	Dividend Payments for 10 years prior Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	Pass
5. Earnings Growth		Pass
6. Moderate PEmg Ratio	PEmg < 20	Pass
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	Pass

*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	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	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

### Suitability

<b>Defensive</b>	<b>Yes</b>
<b>Enterprising</b>	<b>Yes</b>

## Stage 2: Determination of Intrinsic Value

EPSmg	\$5.03
MG Growth Estimate	6.07%
<b>MG Value</b>	<b>\$103.80</b>
MG Value based on 3% Growth	\$72.94
MG Value based on 0% Growth	\$42.76
Market Implied Growth Rate	1.71%

### MG Opinion

Current Price	\$59.99
% of Intrinsic Value	57.80%
<b>Opinion</b>	<b>Undervalued</b>

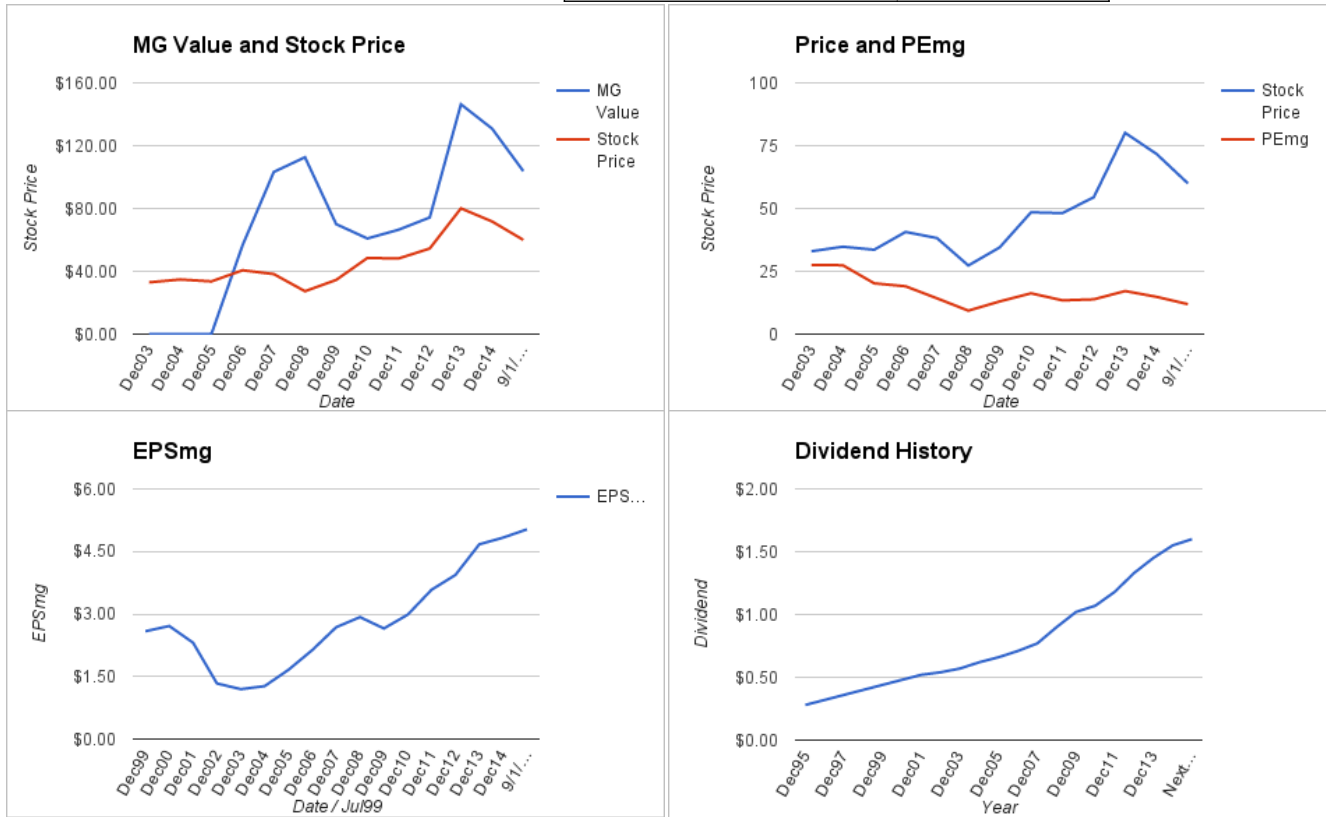
## Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$13.32
Graham Number	\$51.39
PEmg	11.92
Current Ratio	1.70
PB Ratio	2.68
Dividend Yield	2.67%
Number of Consecutive Years of Dividend Growth	20

### Useful Links:

<a href="#">ModernGraham tagged articles</a>	<a href="#">Morningstar</a>
<a href="#">Google Finance</a>	<a href="#">MSN Money</a>
<a href="#">Yahoo Finance</a>	<a href="#">Seeking Alpha</a>
<a href="#">GuruFocus</a>	<a href="#">SEC Filings</a>

EPS History		EPSmg History	
Next Fiscal Year Estimate	\$5.24	Next Fiscal Year Estimate	\$5.03
Dec14	\$4.59	Dec14	\$4.83
Dec13	\$5.78	Dec13	\$4.67
Dec12	\$4.41	Dec12	\$3.94
Dec11	\$4.74	Dec11	\$3.58
Dec10	\$3.70	Dec10	\$2.98
Dec09	\$1.91	Dec09	\$2.65
Dec08	\$3.12	Dec08	\$2.93
Dec07	\$3.26	Dec07	\$2.68
Dec06	\$2.74	Dec06	\$2.14
Dec05	\$2.50	Dec05	\$1.66
Dec04	\$2.02	Dec04	\$1.27
Dec03	\$1.44	Dec03	\$1.20
Dec02	-\$0.60	Dec02	\$1.33
Dec01	\$1.22	Dec01	\$2.31
Dec00	\$2.54	Dec00	\$2.71
Dec99	\$4.41	Dec99	\$2.59
Dec98	\$1.69	<b>Balance Sheet Information Jun15</b>	
Dec97	\$1.79	Total Current Assets	\$2,737,125,000
Dec96	\$1.69	Total Current Liabilities	\$1,613,705,000
Dec95	\$1.23	Long-Term Debt	\$2,225,063,000
		Total Assets	\$8,466,817,000
		Intangible Assets	\$4,731,832,000
		Total Liabilities	\$4,874,335,000
		Shares Outstanding (Diluted Average)	160,398,000



Disclaimer:  
This valuation is not investment advice. Anyone who is considering making an investment decision should speak to a registered investment advisor.  
The author held a long position in DOV 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**

[Dover Corporation Analysis – May 2015 Quarterly Update \\$DOV](#)

[5 Undervalued Companies for the Defensive Investor Near 52 Week Lows – March 2015](#)

[28 Companies in the Spotlight This Week – 2/28/15](#)

[Dover Corporation Quarterly Valuation – February 2015 \\$DOV](#)

[5 Undervalued Companies for the Defensive Investor Near 52 Week Lows – January 2015](#)

**Other  
ModernGraham  
posts about related  
companies**

[Xylem Inc. Analysis – August 2015 Update \\$XYL](#)

[Cummins Inc. Analysis – August 2015 Update \\$CMI](#)

[Fastenal Company Analysis – August 2015 Update \\$FAST](#)

[A.O. Smith Corporation Analysis – Initial Coverage \\$AOS](#)

[The Best Companies of the Machinery Industry – August 2015](#)

[Danaher Corporation Analysis – August 2015 Update \\$DHR](#)

[Pall Corporation Analysis – August 2015 Update \\$PLL](#)

[AGCO Corporation Analysis – Initial Coverage \\$AGCO](#)

[Snap-on Inc. Analysis – August 2015 Update \\$SNA](#)

[Joy Global Inc. Analysis – August 2015 Update \\$JOY](#)