

# ModernGraham Valuation

Roper Technologies  
Inc



## Company Name:

Company Ticker ROP

Date of Analysis

9/3/2015

## 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	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	Pass
6. Moderate PEmg Ratio	PEmg < 20	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	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	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>No</b>
<b>Enterprising</b>	<b>Yes</b>

## Stage 2: Determination of Intrinsic Value

EPSmg	\$5.93
MG Growth Estimate	10.90%
<b>MG Value</b>	<b>\$179.58</b>
MG Value based on 3% Growth	\$85.95
MG Value based on 0% Growth	\$50.39
Market Implied Growth Rate	9.11%

### MG Opinion

Current Price	\$158.37
% of Intrinsic Value	88.19%
<b>Opinion</b>	<b>Fairly Valued</b>

## Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$23.90
Graham Number	\$85.85
PEmg	26.72
Current Ratio	2.42
PB Ratio	3.20
Dividend Yield	0.57%
Number of Consecutive Years of Dividend Growth	0

### 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	\$6.63	Next Fiscal Year Estimate	\$5.93
Dec14	\$6.40	Dec14	\$5.34
Dec13	\$5.37	Dec13	\$4.57
Dec12	\$4.86	Dec12	\$3.99
Dec11	\$4.34	Dec11	\$3.43
Dec10	\$3.34	Dec10	\$2.90
Dec09	\$2.58	Dec09	\$2.60
Dec08	\$3.01	Dec08	\$2.46
Dec07	\$2.68	Dec07	\$2.02
Dec06	\$2.13	Dec06	\$1.56
Dec05	\$1.74	Dec05	\$1.20
Dec04	\$1.24	Dec04	\$0.90
Dec03	\$0.71	Dec03	\$0.74
Oct02	\$0.63	Oct02	\$0.75
Oct01	\$0.89	Oct01	\$0.78
Oct00	\$0.79	Oct00	\$0.70
Oct99	\$0.77	Oct99	\$0.62
Oct98	\$0.62	<b>Balance Sheet Information Jun15</b>	
Oct97	\$0.58	Total Current Assets	\$1,587,282,000
Oct96	\$0.47	Total Current Liabilities	\$654,941,000
Oct95	\$0.39	Long-Term Debt	\$2,517,499,000
		Total Assets	\$9,034,096,000
		Intangible Assets	\$7,220,626,000
		Total Liabilities	\$4,014,747,000
		Shares Outstanding (Diluted Average)	101,569,000



**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**

[The Best Companies of the Machinery Industry – August 2015](#)  
[Roper Industries Analysis – June 2015 Quarterly Update \\$ROP](#)  
[34 Companies in the Spotlight This Week – 2/7/15](#)  
[Roper Industries Inc. Quarterly Valuation – January 2015 \\$ROP](#)  
[18 Companies in the Spotlight This Week – 10/25/14](#)

**Other  
ModernGraham  
posts about related  
companies**

[My Personal Holdings: Dover Corporation – September 2015 Update \\$DOV](#)  
[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](#)