

ModernGraham Valuation

Company Name:

Dover Corp

Company Ticker DOV

Date of Analysis

12/11/2015



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 | \$9,847,343,837 | Pass |
| 2. Sufficiently Strong Financial Condition | Current Ratio > 2 | 1.69 | Fail |
| 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 | 72.59% | Pass |
| 6. Moderate PEmg Ratio | PEmg < 20 | 12.27 | Pass |
| 7. Moderate Price to Assets | PB Ratio < 2.5 OR PB*PEmg < 50 | 2.73 | 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 | 1.69 | Pass |
| 2. Sufficiently Strong Financial Condition | Debt to NCA < 1.1 | 1.94 | 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

| | |
|---------------------|------------|
| Defensive | Yes |
| Enterprising | Yes |

Stage 2: Determination of Intrinsic Value

| | |
|-----------------------------|-----------------|
| EPSmg | \$5.07 |
| MG Growth Estimate | 6.25% |
| MG Value | \$106.53 |
| MG Value based on 3% Growth | \$73.57 |
| MG Value based on 0% Growth | \$43.13 |
| Market Implied Growth Rate | 1.89% |

MG Opinion

| | |
|----------------------|--------------------|
| Current Price | \$62.28 |
| % of Intrinsic Value | 58.46% |
| Opinion | Undervalued |

Stage 3: Information for Further Research

| | |
|--|----------|
| Net Current Asset Value (NCAV) | -\$13.40 |
| Graham Number | \$52.73 |
| PEmg | 12.27 |
| Current Ratio | 1.69 |
| PB Ratio | 2.73 |
| Dividend Yield | 2.60% |
| Number of Consecutive Years of Dividend Growth | 20 |

Useful Links:

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

| EPS History | | EPSmg History | |
|---------------------------|---------|--|-----------------|
| Next Fiscal Year Estimate | \$5.37 | Next Fiscal Year Estimate | \$5.07 |
| 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 | Balance Sheet Information Sep15 | |
| Dec97 | \$1.79 | Total Current Assets | \$2,814,829,000 |
| Dec96 | \$1.69 | Total Current Liabilities | \$1,668,699,000 |
| Dec95 | \$1.23 | Long-Term Debt | \$2,224,943,000 |
| | | Total Assets | \$8,478,820,000 |
| | | Intangible Assets | \$4,672,092,000 |
| | | Total Liabilities | \$4,912,516,000 |
| | | Shares Outstanding (Diluted Average) | 156,560,000 |





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**

[Dividend Growth Stocks for the Intelligent Investor – November 2015](#)
[Dividend Growth Stocks for the Intelligent Investor – October 2015](#)
[Dividend Growth Stocks for the Intelligent Investor – September 2015](#)
[My Personal Holdings: Dover Corporation – September 2015 Update \\$DOV](#)
[Dover Corporation Analysis – May 2015 Quarterly Update \\$DOV](#)

**Other
ModernGraham
posts about related
companies**

[Fastenal Co Valuation – November 2015 Update \\$FAST](#)
[Pentair PLC Valuation – November 2015 Update \\$PNR](#)
[A.O. Smith Corp Valuation – November 2015 Update \\$AOS](#)
[Danaher Corporation Valuation – November 2015 Update \\$DHR](#)
[AGCO Corporation Valuation – November 2015 Update \\$AGCO](#)
[Snap-on Inc. Valuation – November 2015 Update \\$SNA](#)
[Joy Global Inc. Valuation – November 2015 Update \\$JOY](#)
[Rockwell Automation Inc. Valuation – October 2015 Update \\$ROK](#)
[Paccar Inc. Analysis – October 2015 Update \\$PCAR](#)
[W.W. Grainger Inc. Analysis – October 2015 Update \\$GWW](#)