

ModernGraham Valuation

Company Name:

Company Ticker ROP
Date of Analysis 1/26/2016

Roper Technologies
Inc



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	\$16,758,570,236	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	2.51	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	135.55%	Pass
6. Moderate PEmg Ratio	PEmg < 20	28.52	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	3.35	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	2.51	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	2.82	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	No
Enterprising	Yes

Stage 2: Determination of Intrinsic Value

EPSmg	\$5.93
MG Growth Estimate	10.93%
MG Value	\$180.15
MG Value based on 3% Growth	\$86.05
MG Value based on 0% Growth	\$50.44
Market Implied Growth Rate	10.01%

MG Opinion

Current Price	\$169.28
% of Intrinsic Value	93.96%
Opinion	Fairly Valued

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$26.14
Graham Number	\$87.25
PEmg	28.52
Current Ratio	2.51
PB Ratio	3.35
Dividend Yield	0.71%
Number of Consecutive Years of Dividend Growth	2

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	\$6.65	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	\$0.60
Oct98	\$0.62	Balance Sheet Information Sep15	
Oct97	\$0.58	Total Current Assets	\$1,647,879,000
Oct96	\$0.47	Total Current Liabilities	\$657,032,000
Oct95	\$0.00	Long-Term Debt	\$2,792,067,000
		Total Assets	\$9,432,999,000
		Intangible Assets	\$7,572,554,000
		Total Liabilities	\$4,304,094,000
		Shares Outstanding (Diluted Average)	101,607,000





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.

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[Fastenal Co Valuation – November 2015 Update \\$FAST](#)
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