

ModernGraham Valuation

Company Name:

Dover Corp

Company Ticker DOV

Date of Analysis

7/8/2016



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	\$11,156,647,429	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.42	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	61.64%	Pass
6. Moderate PEmg Ratio	PEmg < 20	15.44	Pass
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	2.97	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	1.42	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	3.75	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	\$4.56
MG Growth Estimate	2.36%
MG Value	\$60.20
MG Value based on 3% Growth	\$66.05
MG Value based on 0% Growth	\$38.72
Market Implied Growth Rate	3.47%

MG Opinion

Current Price	\$70.34
% of Intrinsic Value	116.85%
Opinion	Overvalued
MG Grade	B+

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$18.81
Graham Number	\$42.39
PEmg	15.44
Current Ratio	1.42
PB Ratio	2.97
Current Dividend	\$1.66
Dividend Yield	2.36%
Number of Consecutive Years of Dividend Growth	20

Useful Links:

ModernGraham tagged articles	Morningstar
Google Finance	MSN Money
Yahoo Finance	Seeking Alpha

EPS History		EPSmg History	
Next Fiscal Year Estimate	\$3.35	Next Fiscal Year Estimate	\$4.56
Dec2015	\$5.46	Dec2015	\$5.10
Dec2014	\$4.59	Dec2014	\$4.83
Dec2013	\$5.78	Dec2013	\$4.67
Dec2012	\$4.41	Dec2012	\$3.94
Dec2011	\$4.74	Dec2011	\$3.58
Dec2010	\$3.70	Dec2010	\$2.98
Dec2009	\$1.91	Dec2009	\$2.65
Dec2008	\$3.12	Dec2008	\$2.92
Dec2007	\$3.26	Dec2007	\$2.68
Dec2006	\$2.73	Dec2006	\$2.13
Dec2005	\$2.50	Dec2005	\$1.66
Dec2004	\$2.02	Dec2004	\$1.27
Dec2003	\$1.44	Dec2003	\$1.20
Dec2002	-\$0.60	Dec2002	\$1.33
Dec2001	\$1.22	Dec2001	\$2.31
Dec2000	\$2.54	Dec2000	\$2.71
Dec1999	\$4.41	Balance Sheet Information 3/1/2016	
Dec1998	\$1.69	Total Current Assets	\$2,345,756,000
Dec1997	\$1.79	Total Current Liabilities	\$1,648,809,000
Dec1996	\$1.71	Long-Term Debt	\$2,610,642,000
		Total Assets	\$8,980,895,000
		Intangible Assets	\$5,578,017,000
		Total Liabilities	\$5,282,762,000
		Shares Outstanding (Diluted Average)	156,161,000





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 Intelligent Investors – June 2016](#)
- [Dividend Growth Stocks for Intelligent Investors – February 2016](#)
- [13 Best Stocks For Value Investors This Week – 12/12/15](#)
- [Dover Corp Valuation – December 2015 Update \\$DOV](#)
- [Dividend Growth Stocks for the Intelligent Investor – November 2015](#)

Other ModernGraham posts about related companies

- [Fastenal Company Valuation – July 2016 \\$FAST](#)
- [Deere & Company Valuation – June 2016 \\$DE](#)
- [A.O.Smith Corporation Valuation – June 2016 \\$AOS](#)
- [Ingersoll-Rand PLC Valuation – May 2016 \\$IR](#)
- [Snap-on Inc Valuation – February 2016 \\$SNA](#)
- [AGCO Corporation Valuation – February 2016 \\$AGCO](#)
- [Joy Global Inc Valuation – February 2016 \\$JOY](#)
- [Allegion PLC Valuation – February 2016 Update \\$ALLE](#)
- [Rockwell Automation Inc Valuation – February 2016 Update \\$ROK](#)
- [Parker Hannifin Corp Valuation – January 2016 Update \\$PH](#)