# **ModernGraham Valuation**

**Company Name:** 

**Rockwell Automation** 

Company Ticker Date of Analysis

7/30/2016



# 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.

ROK

	1.	Adequate Size of the Enterprise	Market Cap > \$2Bil	\$14,812,936,393 P	ass
	2.	Sufficiently Strong Financial Condition	Current Ratio > 2	4.52 P	ass
	3.	Earnings Stability	Positive EPS for 10 years prior	Р	ass
	4.	Dividend Record	Dividend Payments for 10 years prior	P	ass
	5.	Earnings Growth	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	19.48% F	ail
	6.	Moderate PEmg Ratio	PEmg < 20	20.04 F	ail
	7.	Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	7.05 F	ail
Enterprising Investor	; mı	ist pass 4 out of the following 5 tests, or be	e suitable for the Defensive Investor.		
	1.	Sufficiently Strong Financial Condition	Current Ratio > 1.5	4.52 P	ass
	2.	Sufficiently Strong Financial Condition	Debt to NCA < 1.1	0.49 P	ass
	3	Farnings Stability	Positive EPS for 5 years prior	Р	ass

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		\$5.71
	MG Growth Estimate		5.88%
	MG Value		\$115.72
	MG Value based on 3% Growth		\$82.79
	MG Value based on 0% Growth		\$48.53
	Market Implied Growth Rate		5.77%
MG Opinion			
	Current Price		\$114.40
	% of Intrinsic Value		98.86%
	Opinion	Fairly Valued	
	MG Grade	C+	

### Stage 3: Information for Further Research

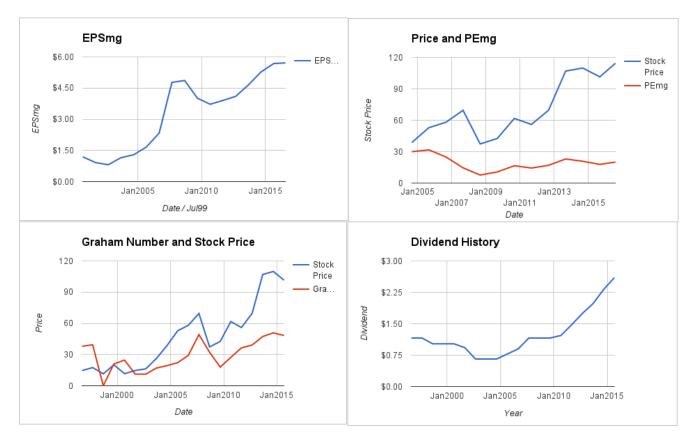
Net Current Asset Value (NCAV)	-\$5.53
Graham Number	\$45.05
PEmg	20.04
Current Ratio	4.52
PB Ratio	7.05
Current Dividend	\$2.83
Dividend Yield	2.47%
Number of Consecutive Years of Dividend Growth	7

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EPS History		EPSmg History	
Next Fiscal Year Estimate	\$5.54	Next Fiscal Year Estimate	\$5.71
Sep2015	\$6.09		\$5.68
Sep2014	\$5.91	· ·	\$5.28
Sep2013	\$5.36	F	\$4.65
Sep2012	\$5.13		\$4.10
Sep2012	\$4.80	F	\$3.90
Sep2010	\$3.22	- · F ·	\$3.72
Sep2009	\$1.55	· ·	\$4.01
Sep2008	\$3.90		\$4.86
Sep2007	\$9.23	· ·	\$4.77
Sep2006	\$3.37	· ·	\$2.33
Sep2005	\$2.39	· ·	\$1.67
Sep2004	\$1.65		\$1.29
Sep2003	\$1.51	Sep2003	\$1.15
Sep2002	\$0.64	Sep2002	\$0.81
Sep2001	\$0.65	· ·	\$0.92
Sep2000	\$1.86	Sep2000	\$1.19
Sep1999	\$1.47	Balance Sheet Information	6/1/2016
Sep1998	-\$2.16	Total Current Assets	\$4,011,500,000
Sep1997	\$2.97	Total Current Liabilities	\$886,600,000
Sep1996	\$3.28	Long-Term Debt	\$1,521,800,000
· · · · · · · · · · · · · · · · · · ·		Total Assets	\$6,855,700,000
		Intangible Assets	\$1,229,500,000
		Total Liabilities	\$4,734,400,000
		Shares Outstanding (Diluted Average)	130,800,000





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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