

ModernGraham Valuation

Roper Technologies
Inc



Company Name:

Company Ticker ROP

Date of Analysis

4/5/2018

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	\$28,314,386,888	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	0.87	Fail
3. Earnings Stability	Positive EPS for 10 years prior		Pass
4. Dividend Record	Dividend Payments for 10 years prior		Pass
	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	160.53%	Pass
5. Earnings Growth	PEmg < 20	31.43	Fail
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	4.17	Fail
7. Moderate Price to Assets			

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	0.87	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	-16.13	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 Score		Pass

Suitability

Defensive	No
Enterprising	No

Stage 2: Determination of Intrinsic Value

EPSmg	\$8.77
MG Growth Estimate	9.63%
MG Value	\$243.39
MG Value based on 3% Growth	\$127.12
MG Value based on 0% Growth	\$74.52
Market Implied Growth Rate	11.47%

MG Opinion

Current Price	\$275.56
% of Intrinsic Value	113.22%
Opinion	Overvalued
MG Grade	F

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$54.80
Graham Number	\$128.21
PEmg	31.43
Current Ratio	0.87
PB Ratio	4.17
Current Dividend	\$1.05
Dividend Yield	0.38%
Number of Consecutive Years of Dividend Growth	0

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EPS History		EPSmg History	
Next Fiscal Year Estimate	\$10.91	Next Fiscal Year Estimate	\$8.77
Dec2017	\$9.39	Dec2017	\$7.43
Dec2016	\$6.43	Dec2016	\$6.29
Dec2015	\$6.85	Dec2015	\$6.00
Dec2014	\$6.40	Dec2014	\$5.34
Dec2013	\$5.37	Dec2013	\$4.57
Dec2012	\$4.86	Dec2012	\$3.99
Dec2011	\$4.34	Dec2011	\$3.43
Dec2010	\$3.34	Dec2010	\$2.90
Dec2009	\$2.58	Dec2009	\$2.60
Dec2008	\$3.01	Dec2008	\$2.46
Dec2007	\$2.68	Dec2007	\$2.02
Dec2006	\$2.13	Dec2006	\$1.56
Dec2005	\$1.74	Dec2005	\$1.20
Dec2004	\$1.24	Dec2004	\$0.90
Dec2003	\$0.71	Dec2003	\$0.74
Oct2002	\$0.63	Oct2002	\$0.75
Oct2001	\$0.89	Balance Sheet Information 12/1/2017	
Oct2000	\$0.79	Total Current Assets	\$1,759,402,000
Oct1999	\$0.77	Total Current Liabilities	\$2,029,409,000
Oct1998	\$0.62	Long-Term Debt	\$4,354,611,000
		Total Assets	\$14,316,413,000
		Intangible Assets	\$12,295,531,000
		Total Liabilities	\$7,452,849,000
		Shares Outstanding (Diluted Average)	103,897,000





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

- [18 Best Stocks For Value Investors This Week – 1/30/16](#)
- [Roper Technologies Inc Valuation – January 2016 Update \\$ROP](#)
- [15 Best Stocks For Value Investors This Week – 9/4/15](#)
- [Roper Technologies Inc. Analysis – September 2015 Update \\$ROP](#)
- [The Best Companies of the Machinery Industry – August 2015](#)

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- [Eaton Corp PLC Valuation – March 2018 \\$ETN](#)
- [Fastenal Co Valuation – March 2018 \\$FAST](#)
- [Deere & Co Valuation – March 2018 \\$DE](#)
- [A.O. Smith Corp Valuation – March 2018 \\$AOS](#)
- [Parker-Hannifin Corp Valuation – March 2018 \\$PH](#)
- [Dover Corp Valuation – March 2018 \\$DOV](#)
- [Ingersoll-Rand PLC Valuation – February 2018 \\$IR](#)
- [Briggs & Stratton Corp Valuation – Initial Coverage \\$BGG](#)
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