

ModernGraham Valuation

Company Name:

Rockwell Automation

Company Ticker ROK

Date of Analysis

2/6/2019



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	\$20,445,610,174	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.21	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	43.31%	Pass
5. Earnings Growth	PEmg < 20	26.97	Fail
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	16.30	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	1.21	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	2.62	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	\$6.34
MG Growth Estimate	1.72%
MG Value	\$75.72
MG Value based on 3% Growth	\$91.93
MG Value based on 0% Growth	\$53.89
Market Implied Growth Rate	9.24%

MG Opinion

Current Price	\$171.00
% of Intrinsic Value	225.84%
Opinion	Overvalued
MG Grade	D

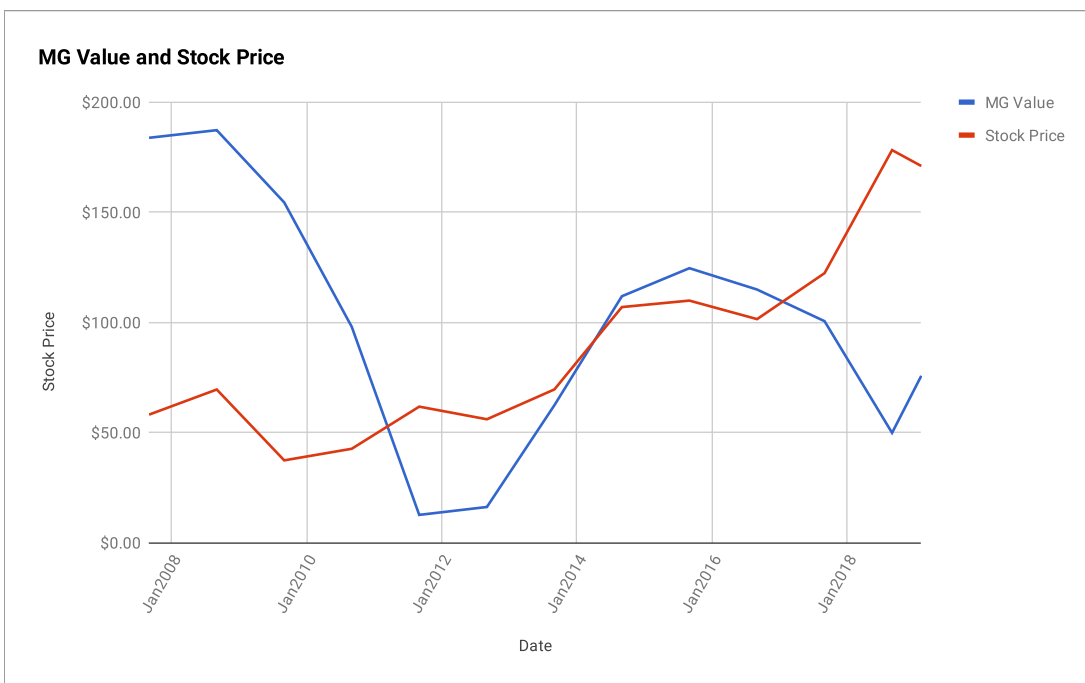
Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$15.83
Graham Number	\$49.82
PEmg	26.97
Current Ratio	1.21
PB Ratio	16.30
Current Dividend	\$3.51
Dividend Yield	2.05%
Number of Consecutive Years of Dividend Growth	9

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		Next Fiscal Year Estimate	
Sep2018	\$8.40	Sep2018	\$6.34
Sep2017	\$4.21	Sep2017	\$5.41
Sep2016	\$6.35	Sep2016	\$5.96
Sep2015	\$5.56	Sep2015	\$5.72
Sep2014	\$6.09	Sep2014	\$5.69
Sep2013	\$5.91	Sep2013	\$5.29
Sep2012	\$5.36	Sep2012	\$4.66
Sep2011	\$5.13	Sep2011	\$4.12
Sep2010	\$4.88	Sep2010	\$3.93
Sep2009	\$3.22	Sep2009	\$3.72
Sep2008	\$1.55	Sep2008	\$4.01
Sep2007	\$3.90	Sep2007	\$4.86
Sep2006	\$9.23	Sep2006	\$4.77
Sep2005	\$3.37	Sep2005	\$2.33
Sep2004	\$2.39	Sep2004	\$1.67
Sep2003	\$1.65	Sep2003	\$1.29
Sep2002	\$1.51	Sep2003	\$1.15
Sep2001	\$0.64	Balance Sheet Information	
Sep2000	\$0.65	12/1/2018	
Sep2000	\$1.86	Total Current Assets	\$2,737,900,000
Sep1999	\$1.47	Total Current Liabilities	\$2,265,500,000
		Long-Term Debt	\$1,235,400,000
		Total Assets	\$5,935,400,000
		Intangible Assets	\$1,272,300,000
		Total Liabilities	\$4,661,100,000
		Shares Outstanding (Diluted Average)	121,500,000





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

- [Rockwell Automation Inc Valuation – April 2018 \\$ROK](#)
- [14 Best Undervalued Stocks of the Week – 8/6/16](#)
- [Rockwell Automation Inc Valuation – July 2016 \\$ROK](#)
- [26 Best Stocks For Value Investors This Week – 2/6/16](#)
- [Rockwell Automation Inc Valuation – February 2016 Update \\$ROK](#)

Other ModernGraham posts about related companies

- [Eaton Corp PLC Valuation – January 2019 \\$ETN](#)
- [Fastenal Co Valuation – January 2019 \\$FAST](#)
- [Deere & Co Valuation – January 2019 \\$DE](#)
- [A.O. Smith Corp Valuation – January 2019 \\$AOS](#)
- [Parker-Hannifin Corp Valuation – January 2019 \\$PH](#)
- [Dover Corp Valuation – January 2019 \\$DOV](#)
- [Caterpillar Inc Valuation – November 2018 \\$CAT](#)
- [Lindsay Corp Valuation – October 2018 \\$LNN](#)
- [Lennox International Inc Valuation – October 2018 \\$LII](#)
- [Standex International Corp Valuation – September 2018 \\$SXI](#)