

ModernGraham Valuation

Company Name:

Rollins, Inc.

Company Ticker ROL

Date of Analysis

2/7/2019



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	\$12,218,781,539	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	0.96	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	121.29%	Pass
5. Earnings Growth			
6. Moderate PEmg Ratio	PEmg < 20	57.04	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	17.18	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	0.96	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	0.00	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
	Score		

Suitability

Defensive	No
Enterprising	No

Stage 2: Determination of Intrinsic Value

EPSmg	\$0.65
MG Growth Estimate	9.09%
MG Value	\$17.47
MG Value based on 3% Growth	\$9.50
MG Value based on 0% Growth	\$5.57
Market Implied Growth Rate	24.27%

MG Opinion

Current Price	\$37.36
% of Intrinsic Value	213.80%
Opinion	Overvalued
MG Grade	F

Stage 3: Information for Further Research

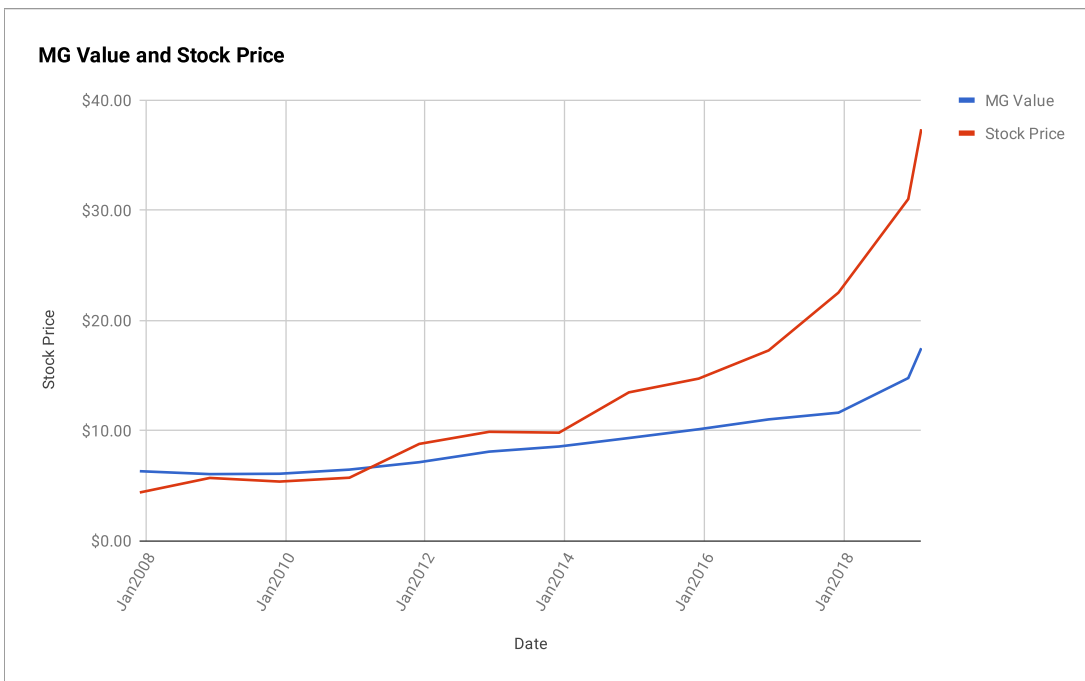
Net Current Asset Value (NCAV)	-\$0.29
Graham Number	\$6.14
PEmg	57.04
Current Ratio	0.96
PB Ratio	17.18
Current Dividend	\$0.37
Dividend Yield	1.00%
Number of Consecutive Years of Dividend Growth	17

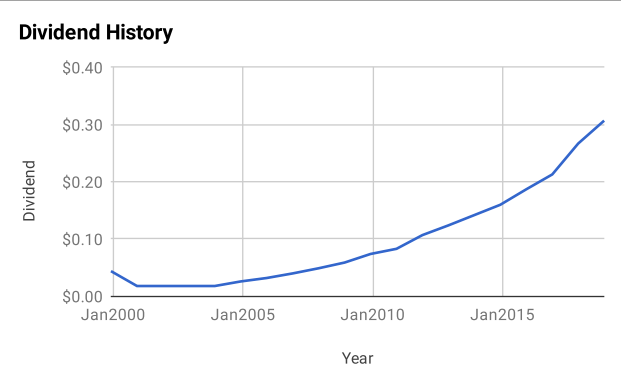
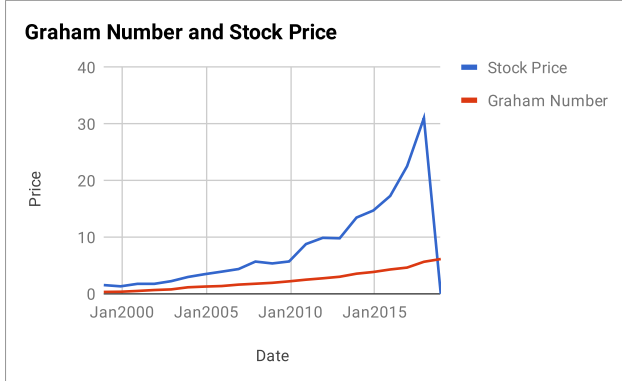
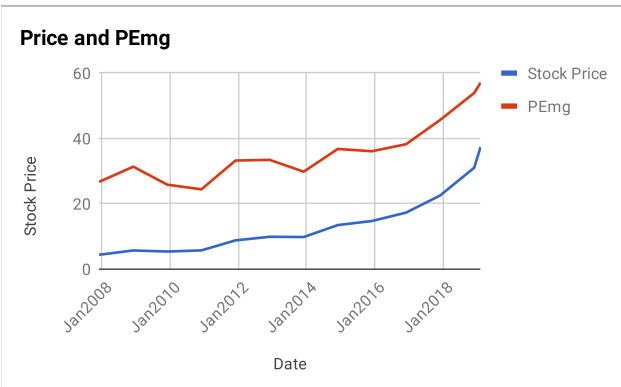
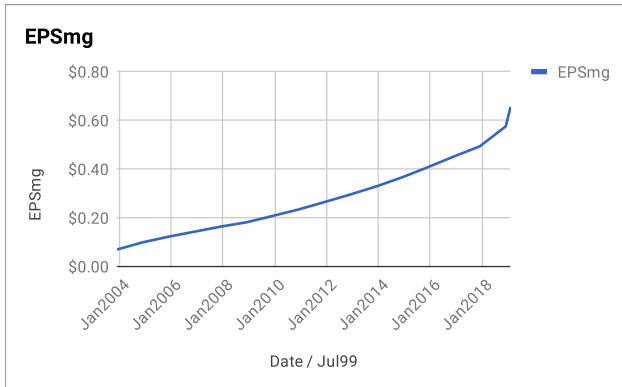
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EPS History		EPSmg History	
Next Fiscal Year Estimate	\$0.77	Next Fiscal Year Estimate	\$0.65
Dec2018	\$0.71	Dec2018	\$0.58
Dec2017	\$0.55	Dec2017	\$0.49
Dec2016	\$0.51	Dec2016	\$0.45
Dec2015	\$0.47	Dec2015	\$0.41
Dec2014	\$0.42	Dec2014	\$0.37
Dec2013	\$0.37	Dec2013	\$0.33
Dec2012	\$0.34	Dec2012	\$0.30
Dec2011	\$0.31	Dec2011	\$0.26
Dec2010	\$0.27	Dec2010	\$0.23
Dec2009	\$0.25	Dec2009	\$0.21
Dec2008	\$0.20	Dec2008	\$0.18
Dec2007	\$0.19	Dec2007	\$0.16
Dec2006	\$0.17	Dec2006	\$0.14
Dec2005	\$0.15	Dec2005	\$0.12
Dec2004	\$0.15	Dec2004	\$0.10
Dec2003	\$0.10	Dec2003	\$0.07
Dec2002	\$0.08	Balance Sheet Information 12/1/2018	
Dec2001	\$0.05	Total Current Assets	\$286,021,000
Dec2000	\$0.03	Total Current Liabilities	\$299,029,000
Dec1999	\$0.02	Long-Term Debt	\$0
		Total Assets	\$1,094,124,000
		Intangible Assets	\$611,739,000
		Total Liabilities	\$382,216,000
		Shares Outstanding (Diluted Average)	327,316,000





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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