



# Roper Technologies (ROP)

Updated January 27<sup>th</sup>, 2026 by Nikolaos Sismanis

## Key Metrics

<b>Current Price:</b>	\$359	<b>5 Year Annual Expected Total Return:</b>	11.6%	<b>Market Cap:</b>	\$44.0 B
<b>Fair Value Price:</b>	\$407	<b>5 Year Growth Estimate:</b>	8.0%	<b>Ex-Dividend Date:</b>	04/03/26 <sup>1</sup>
<b>% Fair Value:</b>	88%	<b>5 Year Valuation Multiple Estimate:</b>	2.6%	<b>Dividend Payment Date:</b>	04/22/26 <sup>2</sup>
<b>Dividend Yield:</b>	1.0%	<b>5 Year Price Target</b>	\$598	<b>Years Of Dividend Growth:</b>	33
<b>Dividend Risk Score:</b>	A	<b>Sector:</b>	Information Technology	<b>Rating:</b>	Buy

## Overview & Current Events

Roper Technologies (ROP) is a specialized industrial company that manufactures products such as medical and scientific imaging equipment, pumps, and material analysis equipment. Roper Technologies also develops software solutions for the healthcare, transportation, food, energy, and water industries. The company was founded in 1981, generated \$7.9 billion in revenue last year, and is based in Sarasota, Florida.

On November 5<sup>th</sup>, 2025, Roper raised its dividend by 10.3% to a quarterly rate of \$0.91.

On January 27<sup>th</sup>, 2026, Roper posted its Q4 results for the period ending December 31<sup>st</sup>, 2025. Quarterly revenues and adjusted EPS were \$2.06 billion and \$5.21, up 10% and 8% year-over-year, respectively. Organic growth was 4%, with acquisitions contributing 5%, reflecting continued strength across Roper's diversified software and technology portfolio. During the quarter, the company continued to actively deploy capital, repurchasing \$500 million of shares and building on a year in which it invested \$3.3 billion in strategic acquisitions including CentralReach and Subsplash, while continuing to advance AI-driven innovation across its businesses. Management initiated full-year 2026 adjusted EPS guidance of \$21.30 to \$21.55. We have utilized the midpoint of this range in our estimate.

## Growth on a Per-Share Basis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
<b>EPS</b>	\$6.60	\$9.42	\$11.81	\$13.05	\$11.55	\$14.18	\$14.28	\$16.71	\$18.31	\$20.00	<b>\$21.43</b>	<b>\$31.48</b>
<b>DPS</b>	\$1.25	\$1.46	\$1.70	\$1.90	\$2.10	\$2.31	\$2.54	\$2.80	\$3.08	\$3.39	<b>\$3.64</b>	<b>\$5.86</b>
<b>Shares<sup>3</sup></b>	102.0	103.0	104.0	105.0	105.7	106.5	106.8	107.0	107.1	107.4	<b>107</b>	<b>110</b>

Roper has proven consistent growth in its profitability over the years. Over the past ten years, the company has grown its adjusted EPS by an annualized rate of about 13%. Roper Technologies is poised for sustained growth, powered by high-margin software acquisitions like Vertafore (insurance solutions) and Strata Decision Technology (healthcare analytics).

Roper's shift toward these asset-light, recurring revenue platforms has sharpened its portfolio and freed up capital for further M&A. Recent divestitures, like the sale of TransCore, also show Roper's focus on concentrating on premium software and analytics segments, which should support resilient organic growth, margin expansion, and solid free cash flow over the medium term.

We have set our medium-term EPS growth expectations at 8% to reflect the possibility that AI becomes a headwind for traditional software businesses, a concern that appears to be driving the stock's recent underperformance.

Roper also has a tremendous dividend growth record, numbering 33 years of consecutive dividend increases, which earns the company the Dividend Aristocrat title. The company's latest dividend raise upheld its previous rate of growth (10.3% compared to the previous hike of 10.0%). Over the past decade, DPS has grown annually by an average of about

<sup>1</sup> Estimated ex-dividend date.

<sup>2</sup> Estimated dividend payment date.

<sup>3</sup> Share count is in millions.

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12%. We retain our DPS growth projection to 10%, which aligns with Roper's latest increase and is easily supported by the underlying net income.

## Valuation Analysis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Now	2031
Avg. P/E	18.8	29.7	22.6	24.2	33.8	31.7	30.1	27.0	29.1	26.5	16.8	19.0
Avg. Yld.	0.7%	0.6%	0.6%	0.6%	0.6%	0.5%	0.6%	0.6%	0.6%	0.6%	1.0%	1.0%

Roper's strong earnings and growth have impressed investors in recent years, with shares retaining a premium valuation multiples. We believe Roper does deserve to trade at a somewhat premium valuation, so see the stock as undervalued at the moment. While valuations across software have been suppressed amid fears of AI disrupting the industry, we still believe that Roper's specialized solutions will remain in high demand. We have thus set our fair multiple at a modest yet still higher than today's multiple of 19x earnings. It's noteworthy that the stock's Dividend Aristocrat status has historically been a contributing factor towards a premium valuation. We expect the stock's yield to remain low due to Roper's low dividend payouts.

## Safety, Quality, Competitive Advantage, & Recession Resiliency

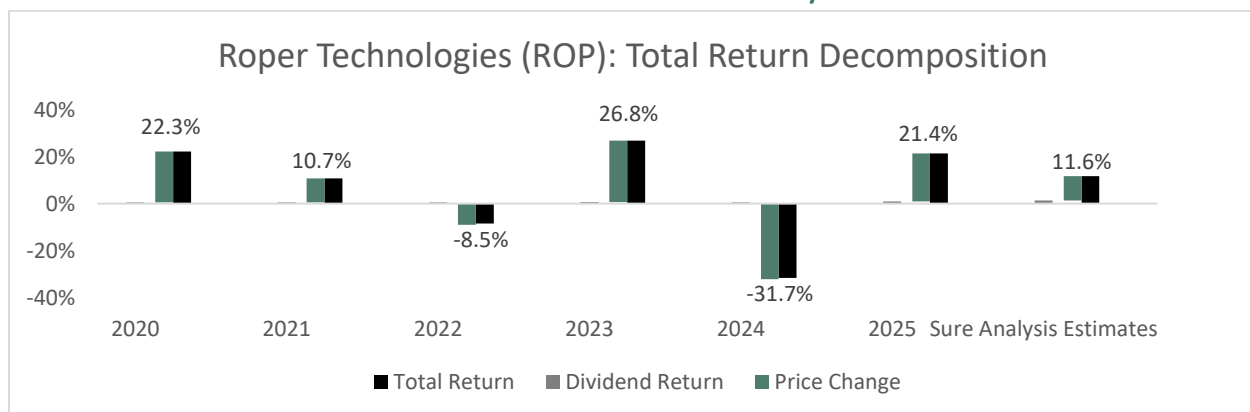
Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	19%	15%	14%	15%	18%	16%	18%	17%	17%	17%	17%	19%

Roper's dividend payout ratio has been incredibly low during the last decade, even in the midst of the previous financial crisis. It should be considered exceptionally safe. During the last financial crisis, Roper remained highly profitable, although its earnings did decline by about 15%. During the pandemic earnings increased, which reassured investors of Roper's ability to generate robust results even in harsh environments. Roper is well-positioned in the niche markets it serves. Thus there are few competitive risks. It is highly likely that Roper will continue to make acquisitions similar to Vertafore, which further strengthened the company's portfolio and reduced competitive risks at the same time. Roper's inorganic growth will also improve its scale advantages over its peers, leading to improving economies of scale, as it's already visible through its decade-long gross margins expansion. Overall, Roper makes for a high-quality company.

## Final Thoughts & Recommendation

Roper continues to deliver solid earnings growth. We see annualized returns of around 11.6% through 2031, powered by Roper's EPS growth, the starting dividend yield, and the possibility of a valuation tailwind. Thus, we maintain our buy rating on the name. Income investors are likely to find more attractive opportunities elsewhere due to the stock's miniature yield. We do, however, believe that Roper is a high-quality company.

## Total Return Breakdown by Year



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## Income Statement Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>Revenue</b>	3582	3790	4608	5191	5367	5527	5778	5372	6178	7039
<b>Gross Profit</b>	2165	2332	2865	3280	3427	3543	3917	3753	4307	4878
<b>Gross Margin</b>	60.4%	61.5%	62.2%	63.2%	63.9%	64.1%	67.8%	69.9%	69.7%	69.3%
<b>SG&amp;A Exp.</b>	1137	1278	1655	1883	1929	2112	2338	2228	2562	2882
<b>D&amp;A Exp.</b>	204	241	345	367	416	521	634	650	755	813
<b>Operating Profit</b>	1028	1055	1210	1396	1498	1431	1580	1524	1745	1997
<b>Operating Margin</b>	28.7%	27.8%	26.3%	26.9%	27.9%	25.9%	27.3%	28.4%	28.2%	28.4%
<b>Net Profit</b>	696	659	972	944	1,768	950	1153	4545	1384	1549
<b>Net Margin</b>	19.4%	17.4%	21.1%	18.2%	32.9%	17.2%	20.0%	84.6%	22.4%	22.0%
<b>Free Cash Flow</b>	890	924	1,175	1,372	1,399	14765	1949	664	1927	2282
<b>Income Tax</b>	306	282	63	254	460	260	288	296	375	418

## Balance Sheet Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>Total Assets</b>	8400	10168	14325	14316	15250	18109	24020	23710	26980	31330
<b>Cash &amp; Equivalents</b>	610	779	757	671	364	710	308	352	793	188
<b>Accounts Receivable</b>	512	488	620	642	701	792	863	839	725	885
<b>Inventories</b>	194	190	182	205	191	199	198	176	111	121
<b>Goodwill &amp; Int. Ass.</b>	6689	8354	12303	12296	13189	15483	21600	20680	23980	28370
<b>Total Liabilities</b>	3645	4869	8536	7453	7511	8617	13540	12150	10940	12470
<b>Accounts Payable</b>	144	140	152	171	165	162	178	151	123	148
<b>Long-Term Debt</b>	2201	3271	6210	5156	4942	5275	9566	7922	6662	7623
<b>Shareholder's Equity</b>	4755	5299	5789	6864	7739	9492	10480	11560	16040	18870
<b>LTD/E Ratio</b>	0.46	0.62	1.07	0.75	0.64	0.56	0.91	0.69	0.42	0.40

## Profitability & Per Share Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>Return on Assets</b>	7.8%	7.5%	5.4%	6.8%	6.4%	10.6%	4.5%	4.8%	17.9%	5.2%
<b>Return on Equity</b>	14.4%	13.8%	11.9%	15.4%	12.9%	20.5%	9.5%	10.5%	32.9%	8.5%
<b>ROIC</b>	9.5%	9.0%	6.4%	8.1%	7.6%	12.9%	5.5%	5.8%	21.6%	6.2%
<b>Shares Out.</b>	100	101	102	103	104	105	106	106.5	106.8	108
<b>Revenue/Share</b>	35.18	35.26	36.97	44.52	49.72	51.06	52.29	54.25	50.30	65.18
<b>FCF/Share</b>	7.93	8.76	9.01	11.35	13.14	13.31	13.97	18.30	6.22	21.13

Note: All figures in millions of U.S. Dollars unless per share or indicated otherwise.

### Disclaimer

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