Roper Technologies (ROP)

Updated July 28th, 2026 by Nikolaos Sismanis

Key Metrics

Current Price:	$394	**5 Year Annual Expected Total Return:**	10.4%	**Market Cap:**	$37.1 B
Fair Value Price:	$422	**5 Year Growth Estimate:**	8.0%	**Ex-Dividend Date:**	10/02/26[1]
% Fair Value:	93%	**5 Year Valuation Multiple Estimate:**	1.4%	**Dividend Payment Date:**	10/16/26[2]
Dividend Yield:	0.9%	**5 Year Price Target**	$620	**Years Of Dividend Growth:**	33
Dividend Risk Score:	A	**Sector:**	Information Technology	**Rating:**	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 July 23rd, 2026, Roper posted its Q2 results for the period ending June 30th, 2026. Quarterly revenues and adjusted EPS were $2.11 billion and $5.38, up 9% and 10% year-over-year, respectively. Organic growth was 5%, with acquisitions contributing 3%, showing broad-based strength across Roper's software and technology businesses. Free cash flow rose 11% to $447 million.

During the quarter, the company repurchased $1.2 billion of shares and continued rolling out commercial AI agents across its portfolio. Indicor, in which Roper holds a minority interest, also agreed to sell its instrumentation businesses to AMETEK for expected gross proceeds of $1.4 billion. Management raised full-year 2026 adjusted EPS guidance to $22.15 to $22.30, from $21.80 to $22.05 previously. We have utilized the midpoint of the updated range in our estimate.

Growth on a Per-Share Basis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
EPS	$6.60	$9.42	$11.81	$13.05	$11.55	$14.18	$14.28	$16.71	$18.31	$20.00	***$22.23***	***$32.66***
DPS	$1.25	$1.46	$1.70	$1.90	$2.10	$2.31	$2.54	$2.80	$3.08	$3.39	***$3.64***	***$5.86***
Shares[3]	102.0	103.0	104.0	105.0	105.7	106.5	106.8	107.0	107.1	107.4	***100.6***	***100.0***

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

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[1] Estimated ex-dividend date.
[2] Estimated dividend payment date.
[3] Share count is in millions.

Disclosure: This analyst has no position in the security discussed in this research report, and no plans to initiate one in the next 72 hours.

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	***17.7***	***19.0***
Avg. Yld.	0.7%	0.6%	0.6%	0.6%	0.6%	0.5%	0.6%	0.6%	0.6%	0.6%	***0.9%***	***0.9%***

Roper's strong earnings and growth have impressed investors in recent years, with shares retaining a premium valuation multiples. We believe Roper deserves to trade at a somewhat premium valuation, so we view the stock 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

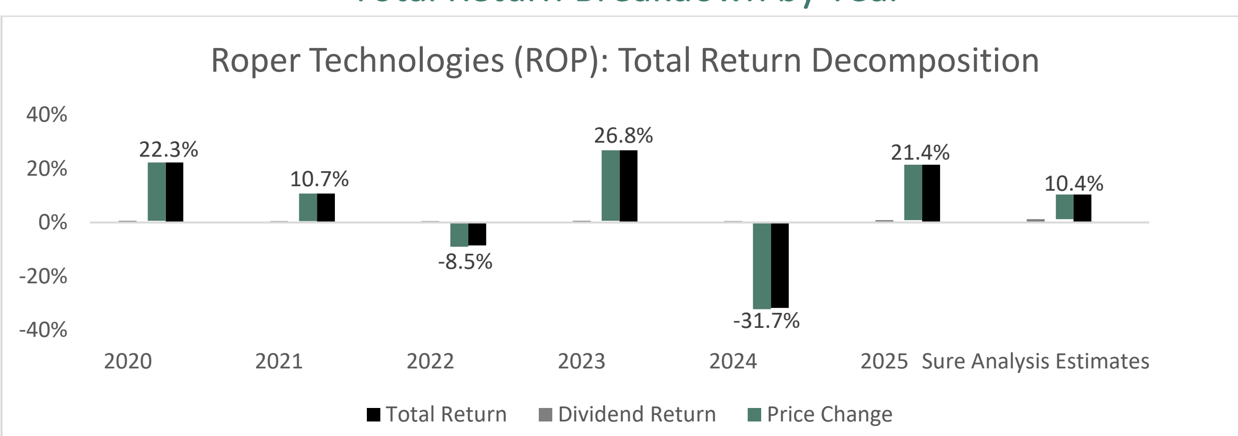
Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	19%	15%	14%	15%	18%	16%	18%	17%	17%	17%	***16%***	***18%***

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 Vertafone, 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 forecast annualized returns of 10.4% 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	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenue	3790	4608	5191	5367	5527	5778	5372	6178	7039	7902
Gross Profit	2332	2865	3280	3427	3543	3917	3753	4307	4878	5472
Gross Margin	61.5%	62.2%	63.2%	63.9%	64.1%	67.8%	69.9%	69.7%	69.3%	69.2%
SG&A Exp.	1278	1655	1883	1929	2112	2338	2228	2562	2882	3237
D&A Exp.	241	345	367	416	521	634	650	755	813	898
Operating Profit	1055	1210	1396	1498	1431	1580	1524	1745	1997	2235
Operating Margin	27.8%	26.3%	26.9%	27.9%	25.9%	27.3%	28.4%	28.2%	28.4%	28.3%
Net Profit	659	972	944	1,768	950	1153	4545	1384	1549	1536
Net Margin	17.4%	21.1%	18.2%	32.9%	17.2%	20.0%	84.6%	22.4%	22.0%	19.4%
Free Cash Flow	924	1,175	1,372	1,399	14765	1949	664	1927	2282	2436
Income Tax	282	63	254	460	260	288	296	375	418	400

Balance Sheet Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total Assets	10168	14325	14316	15250	18109	24020	23710	26980	31330	34580
Cash & Equivalents	779	757	671	364	710	308	352	793	188	297
Accounts Receivable	488	620	642	701	792	863	839	725	885	1125
Inventories	190	182	205	191	199	198	176	111	121	142
Goodwill & Int. Ass.	8354	12303	12296	13189	15483	21600	20680	23980	28370	31110
Total Liabilities	4869	8536	7453	7511	8617	13540	12150	10940	12470	14700
Accounts Payable	140	152	171	165	162	178	151	123	148	150
Long-Term Debt	3271	6210	5156	4942	5275	9566	7922	6662	7623	9486
Shareholder's Equity	5299	5789	6864	7739	9492	10480	11560	16040	18870	1988
LTD/E Ratio	0.62	1.07	0.75	0.64	0.56	0.91	0.69	0.42	0.40	0.48

Profitability & Per Share Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Return on Assets	7.5%	5.4%	6.8%	6.4%	10.6%	4.5%	4.8%	17.9%	5.2%	4.7%
Return on Equity	13.8%	11.9%	15.4%	12.9%	20.5%	9.5%	10.5%	32.9%	8.5%	7.9%
ROIC	9.0%	6.4%	8.1%	7.6%	12.9%	5.5%	5.8%	21.6%	6.2%	5.5%
Shares Out.	101	102	103	104	105	106	106.5	106.8	108	108
Revenue/Share	35.26	36.97	44.52	49.72	51.06	52.29	54.25	50.30	65.18	73.04
FCF/Share	8.76	9.01	11.35	13.14	13.31	13.97	18.30	6.22	21.13	22.51

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