

# ModernGraham Valuation

## Company Name:

Company Ticker JKHY

Date of Analysis

1/30/2017

Jack Henry &  
Associates, Inc.



## 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	\$7,066,811,699	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	0.90	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	134.04%	Pass
5. Earnings Growth	PEmg < 20	32.17	Fail
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	7.31	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	0.90	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

<b>Defensive</b>	<b>No</b>
<b>Enterprising</b>	<b>No</b>

## Stage 2: Determination of Intrinsic Value

EPSmg	\$2.80
MG Growth Estimate	9.81%
<b>MG Value</b>	<b>\$78.75</b>
MG Value based on 3% Growth	\$40.62
MG Value based on 0% Growth	\$23.81
Market Implied Growth Rate	11.84%

### MG Opinion

Current Price	\$90.13
% of Intrinsic Value	114.46%
<b>Opinion</b>	<b>Overvalued</b>
<b>MG Grade</b>	<b>C-</b>

## Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$5.29
Graham Number	\$29.43
PEmg	32.17
Current Ratio	0.90
PB Ratio	7.31
Current Dividend	\$1.09
Dividend Yield	1.21%
Number of Consecutive Years of Dividend Growth	20

### Useful Links:

<a href="#">ModernGraham tagged articles</a>	<a href="#">Morningstar</a>
<a href="#">Google Finance</a>	<a href="#">MSN Money</a>
<a href="#">Yahoo Finance</a>	<a href="#">Seeking Alpha</a>
<a href="#">GuruFocus</a>	<a href="#">SEC Filings</a>

EPS History		EPSmg History	
Next Fiscal Year Estimate	\$3.09	Next Fiscal Year Estimate	\$2.80
Jun2016	\$3.12	Jun2016	\$2.54
Jun2015	\$2.59	Jun2015	\$2.17
Jun2014	\$2.19	Jun2014	\$1.90
Jun2013	\$1.94	Jun2013	\$1.69
Jun2012	\$1.74	Jun2012	\$1.52
Jun2011	\$1.59	Jun2011	\$1.37
Jun2010	\$1.38	Jun2010	\$1.23
Jun2009	\$1.22	Jun2009	\$1.13
Jun2008	\$1.16	Jun2008	\$1.04
Jun2007	\$1.14	Jun2007	\$0.93
Jun2006	\$0.96	Jun2006	\$0.79
Jun2005	\$0.81	Jun2005	\$0.68
Jun2004	\$0.68	Jun2004	\$0.61
Jun2003	\$0.55	Jun2003	\$0.55
Jun2002	\$0.62	Jun2002	\$0.52
Jun2001	\$0.61	Jun2001	\$0.44
Jun2000	\$0.40	<b>Balance Sheet Information 9/1/2016</b>	
Jun1999	\$0.38	Total Current Assets	\$342,900,000
Jun1998	\$0.28	Total Current Liabilities	\$379,371,000
Jun1997	\$0.22	Long-Term Debt	\$0
		Total Assets	\$1,732,252,000
		Intangible Assets	\$918,446,000
		Total Liabilities	\$759,663,000
		Shares Outstanding (Diluted Average)	78,844,000





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

#N/A

Other  
ModernGraham  
posts about related  
companies

[Super Micro Computer Inc Valuation – Initial Coverage \\$SMCI](#)  
[Teradata Corp Valuation – January 2017 \\$TDC](#)  
[Akamai Technologies Inc Valuation – January 2017 \\$AKAM](#)  
[Motorola Solutions Inc Valuation – December 2016 \\$MSI](#)  
[Science Applications International Corp Valuation – Initial Coverage \\$SAIC](#)  
[Acxiom Corporation Valuation – November 2016 \\$ACXM](#)  
[ACI Worldwide Inc Valuation – November 2016 \\$ACIW](#)  
[Equinix Inc Valuation – August 2016 \\$EQIX](#)  
[Qualcomm Inc Valuation – August 2016 \\$QCOM](#)  
[Verisign Inc Valuation – August 2016 \\$VRSN](#)