

# ModernGraham Valuation

Jacobs Engineering  
Group Inc



Company Name:

Company Ticker JEC

Date of Analysis

10/7/2015

## 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	\$4,944,410,283	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.66	Fail
3. Earnings Stability	Positive EPS for 10 years prior		Pass
4. Dividend Record	Dividend Payments for 10 years prior		Fail
5. Earnings Growth	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	-3.93%	Fail
6. Moderate PEmg Ratio	PEmg < 20	17.23	Pass
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	1.15	Pass

*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	1.66	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	0.47	Pass
3. Earnings Stability	Positive EPS for 5 years prior		Pass
4. Dividend Record	Currently Pays Dividend		Fail
5. Earnings Growth	EPSmg greater than 5 years ago		Fail

### Suitability

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

## Stage 2: Determination of Intrinsic Value

EPSmg	\$2.33
MG Growth Estimate	-1.76%
<b>MG Value</b>	<b>\$11.61</b>
MG Value based on 3% Growth	\$33.78
MG Value based on 0% Growth	\$19.80
Market Implied Growth Rate	4.37%

### MG Opinion

Current Price	\$40.14
% of Intrinsic Value	345.82%
<b>Opinion</b>	<b>Overvalued</b>

## Stage 3: Information for Further Research

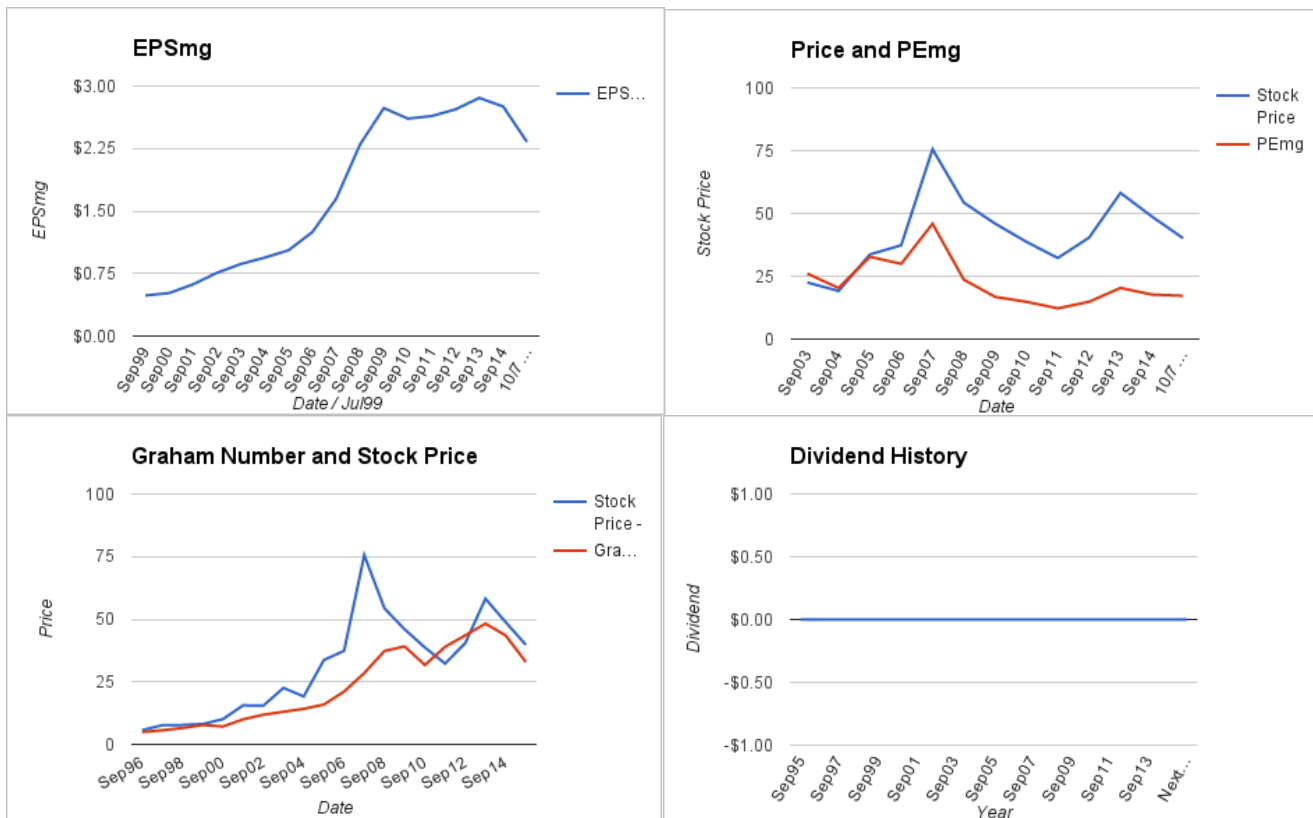
Net Current Asset Value (NCAV)	-\$1.06
Graham Number	\$32.88
PEmg	17.23
Current Ratio	1.66
PB Ratio	1.15
Dividend Yield	0.00%
Number of Consecutive Years of Dividend Growth	0

### 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	\$1.37	Next Fiscal Year Estimate	\$2.33
Sep14	\$2.48	Sep14	\$2.75
Sep13	\$3.23	Sep13	\$2.86
Sep12	\$2.94	Sep12	\$2.72
Sep11	\$2.60	Sep11	\$2.64
Sep10	\$1.96	Sep10	\$2.61
Sep09	\$3.21	Sep09	\$2.73
Sep08	\$3.38	Sep08	\$2.30
Sep07	\$2.35	Sep07	\$1.65
Sep06	\$1.64	Sep06	\$1.25
Sep05	\$1.12	Sep05	\$1.03
Sep04	\$1.01	Sep04	\$0.94
Sep03	\$1.00	Sep03	\$0.86
Sep02	\$0.99	Sep02	\$0.76
Sep01	\$0.81	Sep01	\$0.62
Sep00	\$0.48	Sep00	\$0.52
Sep99	\$0.62	Sep99	\$0.49
Sep98	\$0.52	<b>Balance Sheet Information Jun15</b>	
Sep97	\$0.45	Total Current Assets	\$3,473,841,000
Sep96	\$0.39	Total Current Liabilities	\$2,092,638,000
Sep95	\$0.00	Long-Term Debt	\$646,391,000
		Total Assets	\$7,959,061,000
		Intangible Assets	\$3,416,752,000
		Total Liabilities	\$3,606,074,000
		Shares Outstanding (Diluted Average)	124,601,000





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

- [Jacobs Engineering Group Inc. Analysis – July 2015 Update \\$JEC](#)
- [24 Companies in the Spotlight This Week – 3/28/15](#)
- [Jacobs Engineering Group Inc. Quarterly Valuation – March 2015 \\$JEC](#)
- [15 Companies in the Spotlight This Week – 12/27/14](#)
- [17 Companies in the Spotlight This Week – 9/20/2014](#)

Other  
ModernGraham  
posts about related  
companies

- [The Best Companies of the Construction Industry – October 2015](#)
- [Mohawk Industries Inc. Analysis – October 2015 Update \\$MHK](#)
- [PulteGroup Inc. Analysis – October 2015 Update \\$PHM](#)
- [Masco Corporation Analysis – September 2015 Update \\$MAS](#)
- [Flowserve Corporation Analysis – August 2015 Update \\$FLS](#)
- [Alexander & Baldwin Inc Analysis – Initial Coverage \\$ALEX](#)
- [Lennar Corporation Analysis – August 2015 Update \\$LEN](#)
- [Aecom Analysis – Initial Coverage \\$ACM](#)
- [Quanta Services Inc. Analysis – July 2015 Update \\$PWR](#)
- [Fluor Corporation Analysis – July 2015 Update \\$FLR](#)