

ModernGraham Valuation

Company Name:

Company Ticker JEC

Date of Analysis

1/27/2016

Jacobs Engineering
Group 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	\$4,610,224,001	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	-12.30%	Fail
6. Moderate PEmg Ratio	PEmg < 20	13.63	Pass
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	1.07	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	0.45	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		Pass

Suitability

Defensive	No
Enterprising	Yes

Stage 2: Determination of Intrinsic Value

EPSmg	\$2.75
MG Growth Estimate	0.17%
MG Value	\$24.30
MG Value based on 3% Growth	\$39.87
MG Value based on 0% Growth	\$23.37
Market Implied Growth Rate	2.56%

MG Opinion

Current Price	\$37.46
% of Intrinsic Value	154.16%
Opinion	Overvalued

Stage 3: Information for Further Research

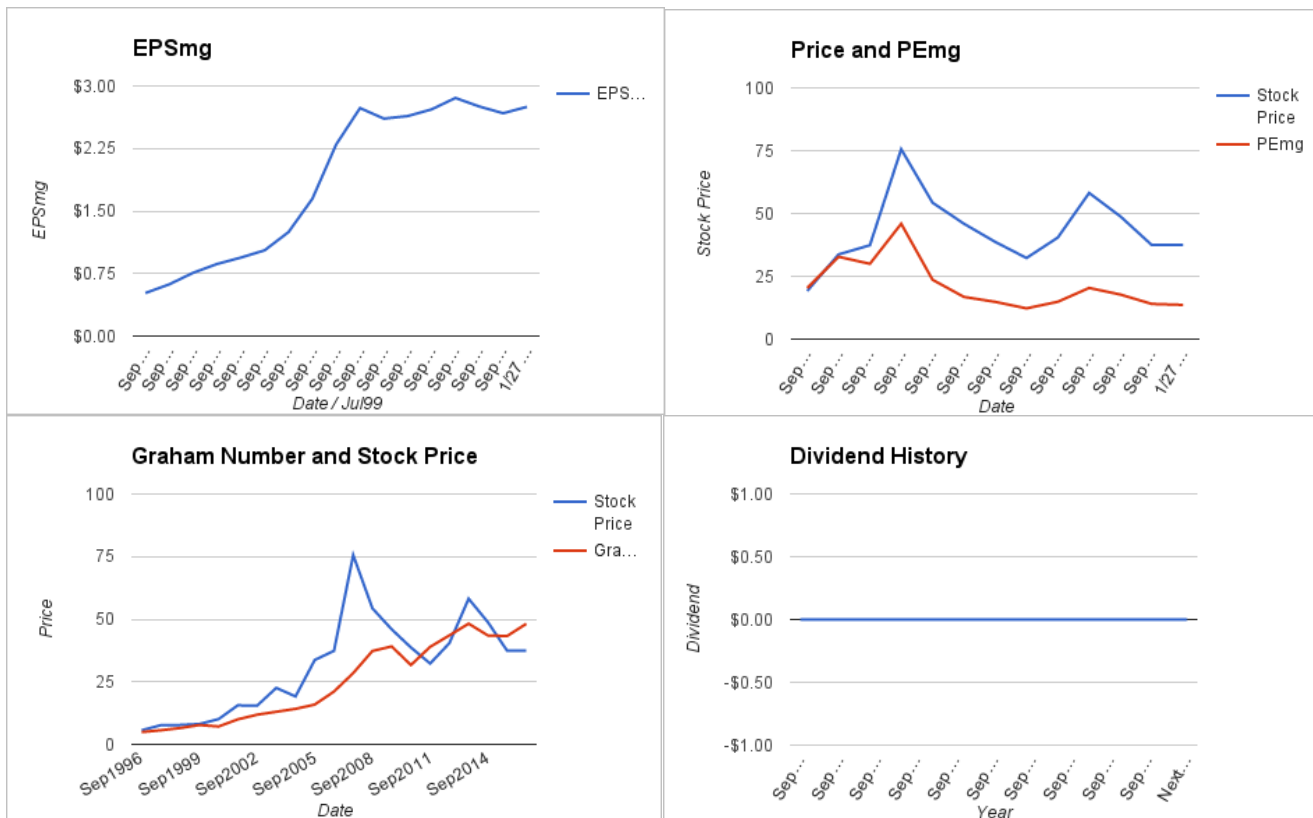
Net Current Asset Value (NCAV)	-\$1.72
Graham Number	\$48.18
PEmg	13.63
Current Ratio	1.66
PB Ratio	1.07
Dividend Yield	0.00%
Number of Consecutive Years of Dividend Growth	0

Useful Links:

ModernGraham tagged articles	Morningstar
Google Finance	MSN Money
Yahoo Finance	Seeking Alpha
GuruFocus	SEC Filings

EPS History		EPSmg History	
Next Fiscal Year Estimate	\$2.96	Next Fiscal Year Estimate	\$2.75
Sep2015	\$2.40	Sep2015	\$2.67
Sep2014	\$2.48	Sep2014	\$2.75
Sep2013	\$3.23	Sep2013	\$2.86
Sep2012	\$2.94	Sep2012	\$2.72
Sep2011	\$2.60	Sep2011	\$2.64
Sep2010	\$1.96	Sep2010	\$2.61
Sep2009	\$3.21	Sep2009	\$2.73
Sep2008	\$3.38	Sep2008	\$2.30
Sep2007	\$2.35	Sep2007	\$1.65
Sep2006	\$1.64	Sep2006	\$1.25
Sep2005	\$1.12	Sep2005	\$1.03
Sep2004	\$1.01	Sep2004	\$0.94
Sep2003	\$1.00	Sep2003	\$0.86
Sep2002	\$0.99	Sep2002	\$0.76
Sep2001	\$0.81	Sep2001	\$0.62
Sep2000	\$0.48	Sep2000	\$0.52
Sep1999	\$0.62	Balance Sheet Information Sep2015	
Sep1998	\$0.52	Total Current Assets	\$3,282,976,000
Sep1997	\$0.45	Total Current Liabilities	\$1,981,166,000
Sep1996	\$0.39	Long-Term Debt	\$584,434,000
		Total Assets	\$7,785,926,000
		Intangible Assets	\$3,402,197,000
		Total Liabilities	\$3,494,181,000
		Shares Outstanding (Diluted Average)	122,723,000





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 Analysis – October 2015 Update \\$JEC](#)
- [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](#)

Other ModernGraham posts about related companies

- [Low's Companies Inc Valuation – January 2016 Update \\$LOW](#)
- [PulteGroup Inc Valuation – January 2016 Update \\$PHM](#)
- [Flowerserve Corp Valuation – November 2015 Update \\$FLS](#)
- [Lennar Corporation Valuation – November 2015 Update \\$LEN](#)
- [Home Depot Inc. Valuation – November 2015 Update \\$HD](#)
- [Quanta Services Inc. Valuation – October 2015 Update \\$PWR](#)
- [Fluor Corporation Valuation – October 2015 Update \\$FLR](#)
- [Martin Marietta Materials Inc. Valuation – October 2015 Update \\$MLM](#)
- [Jacobs Engineering Group Analysis – October 2015 Update \\$JEC](#)
- [D.R. Horton Inc. Analysis – October 2015 Update \\$DHI](#)