

ModernGraham Valuation

Company Name:

Jabil Circuit, Inc.

Company Ticker JBL

Date of Analysis

7/22/2016



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	\$3,845,290,932	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.03	Fail
3. Earnings Stability	Positive EPS for 10 years prior		Fail
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	-195.46%	Fail
5. Earnings Growth	PEmg < 20	12.88	Pass
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	1.58	Pass
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	1.03	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	0.00	Pass
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

Suitability

Defensive	No
Enterprising	Yes

Stage 2: Determination of Intrinsic Value

EPSmg	\$1.58
MG Growth Estimate	15.00%
MG Value	\$60.88
MG Value based on 3% Growth	\$22.93
MG Value based on 0% Growth	\$13.44
Market Implied Growth Rate	2.19%

MG Opinion

Current Price	\$20.37
% of Intrinsic Value	33.46%
Opinion	Undervalued
MG Grade	B+

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$9.74
Graham Number	\$22.85
PEmg	12.88
Current Ratio	1.03
PB Ratio	1.58
Current Dividend	\$0.32
Dividend Yield	1.57%
Number of Consecutive Years of Dividend Growth	0

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EPS History		EPSmg History	
Next Fiscal Year Estimate	\$1.78	Next Fiscal Year Estimate	\$1.58
Aug2015	\$1.45	Aug2015	\$1.52
Aug2014	\$1.19	Aug2014	\$1.53
Aug2013	\$1.79	Aug2013	\$1.17
Aug2012	\$1.87	Aug2012	\$0.53
Aug2011	\$1.73	Aug2011	-\$0.23
Aug2010	\$0.78	Aug2010	-\$1.01
Aug2009	-\$5.63	Aug2009	-\$1.46
Aug2008	\$0.65	Aug2008	\$0.67
Aug2007	\$0.35	Aug2007	\$0.67
Aug2006	\$0.77	Aug2006	\$0.76
Aug2005	\$1.12	Aug2005	\$0.69
Aug2004	\$0.81	Aug2004	\$0.49
Aug2003	\$0.21	Aug2003	\$0.37
Aug2002	\$0.17	Aug2002	\$0.47
Aug2001	\$0.59	Aug2001	\$0.59
Aug2000	\$0.78	Aug2000	\$0.54
Aug1999	\$0.56	Balance Sheet Information 5/1/2016	
Aug1998	\$0.37	Total Current Assets	\$5,532,726,000
Aug1997	\$0.34	Total Current Liabilities	\$5,387,664,000
Aug1996	\$0.17	Long-Term Debt	\$0
		Total Assets	\$9,906,074,000
		Intangible Assets	\$893,615,000
		Total Liabilities	\$7,413,622,000
		Shares Outstanding (Diluted Average)	193,069,000





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.

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