ModernGraham Valuation

Company Name:

Jacobs Engineering Group Inc



Company Ticker
Date of Analysis

8/16/2016

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.

JEC

 Adequate Size of the Enterprise 	Market Cap > \$2Bil	\$6,630,566,686 Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.62 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	-20.58% Fail

5. Earnings Growth beginning and end -20.58% Fail
6. Moderate PEmg Ratio PEmg < 20 21.52 Fail
7. Moderate Price to Assets PB Ratio < 2.5 OR PB*PEmg < 50 1.48 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	1.62 Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	0.43 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

MG Opinion

Defensive No Enterprising No

Stage 2: Determination of Intrinsic Value

EPSmg	\$2.50
MG Growth Estimate	-1.19%
MG Value	\$15.31
MG Value based on 3% Growth	\$36.29
MG Value based on 0% Growth	\$21.27
Market Implied Growth Rate	6.51%
Current Price	\$53.86

% of Intrinsic Value
Opinion Overvalued

MG Grade D

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$0.56
Graham Number	\$42.57
PEmg	21.52
Current Ratio	1.62
PB Ratio	1.48
Current Dividend	\$0.00
Dividend Yield	0.00%
Number of Consecutive Years of Dividend Growth	0

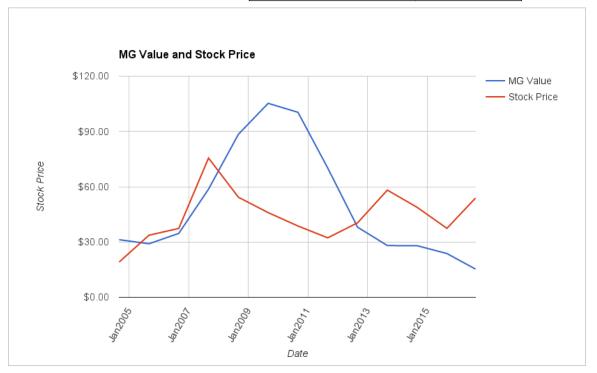
351.85%

Useful Links: ModernGraham tagged articles

Google Finance
Yahoo Finance
GuruFocus

Morningstar
MSN Money
Seeking Alpha
SEC Filings

EPS History		EPSmg History	
Next Fiscal Year Estimate	\$2.22	Next Fiscal Year Estimate	\$2.50
Sep2015	\$2.40		\$2.67
Sep2014	\$2.48	1	\$2.75
Sep2013	\$3.23	1	\$2.86
Sep2012	\$2.94	· '	\$2.72
Sep2012	\$2.60	· '	\$2.64
Sep2010	\$1.96	· '	\$2.61
Sep2010 Sep2009	\$3.21	· '	\$2.73
Sep2009 Sep2008	\$3.38		\$2.73
Sep2006 Sep2007	\$2.35	· ·	\$2.30 \$1.65
'	•	· ·	· ·
Sep2006	\$1.64	1	\$1.25
Sep2005	\$1.12	1	\$1.03
Sep2004	\$1.01	1	\$0.94
Sep2003	\$1.00	· '	\$0.86
Sep2002	\$0.99		\$0.76
Sep2001	\$0.81	Sep2001	\$0.62
Sep2000	\$0.48	Sep2000	\$0.52
Sep1999	\$0.62	Balance Sheet Information	6/1/2016
Sep1998	\$0.52	Total Current Assets	\$2,928,589,000
Sep1997	\$0.45	Total Current Liabilities	\$1,806,440,000
Sep1996	\$0.39	Long-Term Debt	\$479,000,000
		Total Assets	\$7,420,792,000
		Intangible Assets	\$3,413,429,000
		Total Liabilities	\$2,996,166,000
		Shares Outstanding (Diluted Average)	121,446,000





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 Valuation – January 2016 Update \$JEC
Jacobs Engineering Group Analysis – October 2015 Update \$JEC
Jacobs Engineering Group Analysis – October 2015 Update \$JEC
Jacobs Engineering Group Inc. Analysis – July 2015 Update \$JEC
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Other ModernGraham posts about related companies PPG Industries Inc Valuation – August 2016 \$PPG
D.R. Horton Inc Valuation – August 2016 \$DHI

Martin Marietta Materials Inc Valuation - August 2016 \$MLM

Fluor Corporation Valuation – August 2016 \$FLR Vulcan Materials Co Valuation – July 2016 \$VMC

PulteGroup Inc Valuation – July 2016 \$PHM

Sherwin-Williams Co Valuation – July 2016 \$SHW

Cummins Inc Valuation – July 2016 \$CMI
Corning Inc Valuation – May 2016 \$GLW

Flowserve Corporation Valuation – May 2016 \$FLS