

ModernGraham Valuation

Company Name:

Company Ticker JEC

Date of Analysis

8/16/2016

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	\$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
	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	-20.58%	Fail
5. Earnings Growth	PEmg < 20	21.52	Fail
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	1.48	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	1.62	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

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%

MG Opinion

Current Price	\$53.86
% of Intrinsic Value	351.85%
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

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EPS History		EPSmg History	
Next Fiscal Year Estimate	\$2.22	Next Fiscal Year Estimate	\$2.50
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 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.

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