

# ModernGraham Valuation

Company Name:

Jack in the Box Inc.

Company Ticker JACK

Date of Analysis

1/16/2017



## 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	\$3,455,946,564	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	0.56	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	106.02%	Pass
6. Moderate PEmg Ratio	PEmg < 20	31.84	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	-16.97	Fail

*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	0.56	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	-7.55	Fail
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
	Score		

### Suitability

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

## Stage 2: Determination of Intrinsic Value

EPSmg	\$3.39
MG Growth Estimate	15.00%
<b>MG Value</b>	<b>\$130.52</b>
MG Value based on 3% Growth	\$49.16
MG Value based on 0% Growth	\$28.82
Market Implied Growth Rate	11.67%

### MG Opinion

Current Price	\$107.93
% of Intrinsic Value	82.70%
<b>Opinion</b>	<b>Fairly Valued</b>
<b>MG Grade</b>	<b>D</b>

## Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$41.31
Graham Number	\$0.00
PEmg	31.84
Current Ratio	0.56
PB Ratio	-16.97
Current Dividend	\$1.20
Dividend Yield	1.11%
Number of Consecutive Years of Dividend Growth	4

### 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	\$4.48	Next Fiscal Year Estimate	\$3.39
Sep2016	\$3.63	Sep2016	\$2.63
Sep2015	\$2.85	Sep2015	\$2.02
Sep2014	\$2.12	Sep2014	\$1.57
Sep2013	\$1.14	Sep2013	\$1.35
Sep2012	\$1.28	Sep2012	\$1.52
Sep2011	\$1.61	Sep2011	\$1.68
Sep2010	\$1.26	Sep2010	\$1.72
Sep2009	\$2.05	Sep2009	\$1.87
Sep2008	\$2.01	Sep2008	\$1.69
Sep2007	\$1.87	Sep2007	\$1.46
Sep2006	\$1.49	Sep2006	\$1.21
Sep2005	\$1.21	Sep2005	\$1.06
Sep2004	\$0.99	Sep2004	\$1.01
Sep2003	\$0.95	Sep2003	\$1.02
Sep2002	\$1.00	Sep2002	\$1.05
Sep2001	\$1.03	Sep2001	\$1.02
Sep2000	\$1.28	<b>Balance Sheet Information</b>	<b>9/1/2016</b>
Sep1999	\$0.98	Total Current Assets	\$155,405,000
Sep1998	\$0.83	Total Current Liabilities	\$279,560,000
Sep1997	\$0.43	Long-Term Debt	\$937,512,000
		Total Assets	\$1,348,791,000
		Intangible Assets	\$180,088,000
		Total Liabilities	\$1,565,997,000
		Shares Outstanding (Diluted Average)	34,146,000





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

#N/A

Other  
ModernGraham  
posts about related  
companies

- [Chuy's Holdings Inc Valuation – Initial Coverage \\$CHUY](#)
- [Yum Brands Inc Valuation – December 2016 \\$YUM](#)
- [McDonald's Corp Valuation – November 2016 \\$MCD](#)
- [Chipotle Mexican Grill Inc Valuation – August 2016 \\$CMG](#)
- [Yum! Brands Inc Valuation – August 2016 \\$YUM](#)
- [Starbucks Corp Valuation – June 2016 \\$SBUX](#)
- [McDonald's Corporation Valuation – May 2016 \\$MCD](#)
- [Chipotle Mexican Grill Inc Stock Valuation – February 2016 \\$CMG](#)
- [McDonald's Corporation – November 2015 Update \\$MCD](#)
- [Chipotle Mexican Group Inc Valuation – November 2015 Update \\$CMG](#)