

ModernGraham Valuation

J B Hunt Transport
Services Inc



Company Name:

Company Ticker JBHT

Date of Analysis

5/6/2018

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	\$12,796,409,795	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.13	Fail
3. Earnings Stability	Positive EPS for 10 years prior		Pass
4. Dividend Record	Dividend Payments for 10 years prior		Pass
5. Earnings Growth	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	218.43%	Pass
6. Moderate PEmg Ratio	PEmg < 20	24.52	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	6.70	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	1.13	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	5.24	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 Score		Pass

Suitability

Defensive	No
Enterprising	No

Stage 2: Determination of Intrinsic Value

EPSmg	\$4.79
MG Growth Estimate	11.39%
MG Value	\$149.78
MG Value based on 3% Growth	\$69.44
MG Value based on 0% Growth	\$40.70
Market Implied Growth Rate	8.01%

MG Opinion

Current Price	\$117.42
% of Intrinsic Value	78.40%
Opinion	Fairly Valued
MG Grade	D+

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$11.21
Graham Number	\$43.59
PEmg	24.52
Current Ratio	1.13
PB Ratio	6.70
Current Dividend	\$0.92
Dividend Yield	0.78%
Number of Consecutive Years of Dividend Growth	4

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	\$5.04	Next Fiscal Year Estimate	\$4.79
Dec2017	\$6.18	Dec2017	\$4.42
Dec2016	\$3.81	Dec2016	\$3.43
Dec2015	\$3.66	Dec2015	\$3.12
Dec2014	\$3.16	Dec2014	\$2.72
Dec2013	\$2.87	Dec2013	\$2.35
Dec2012	\$2.59	Dec2012	\$1.98
Dec2011	\$2.11	Dec2011	\$1.64
Dec2010	\$1.56	Dec2010	\$1.41
Dec2009	\$1.05	Dec2009	\$1.35
Dec2008	\$1.56	Dec2008	\$1.45
Dec2007	\$1.55	Dec2007	\$1.31
Dec2006	\$1.44	Dec2006	\$1.10
Dec2005	\$1.28	Dec2005	\$0.84
Dec2004	\$0.88	Dec2004	\$0.56
Dec2003	\$0.58	Dec2003	\$0.38
Dec2002	\$0.33	Dec2002	\$0.27
Dec2001	\$0.23	Balance Sheet Information 3/1/2018	
Dec2000	\$0.26	Total Current Assets	\$1,236,064,000
Dec1999	\$0.23	Total Current Liabilities	\$1,092,516,000
Dec1998	\$0.32	Long-Term Debt	\$752,423,000
		Total Assets	\$4,421,657,000
		Intangible Assets	\$113,464,000
		Total Liabilities	\$2,478,594,000
		Shares Outstanding (Diluted Average)	110,863,000





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 [J.B. Hunt Transport Services Inc Valuation – Initial Coverage \\$JBHT](#)

Other ModernGraham posts about related companies

- [C.H. Robinson Worldwide Inc Valuation – April 2018 \\$CHRW](#)
- [FedEx Corp Valuation – April 2018 \\$FDX](#)
- [Expeditors International of Washington Inc Valuation – March 2018 \\$EXPD](#)
- [TFI International Inc Valuation – Initial Coverage \\$TSE:TFI](#)
- [Landstar System Inc Valuation – Initial Coverage \\$LSTR](#)
- [Kirby Corporation Valuation – Initial Coverage \\$KEX](#)
- [Knight Transportation Valuation – Initial Coverage \\$KNX](#)
- [United Parcel Service Inc Valuation – February 2017 \\$UPS](#)
- [SPS Commerce Inc Valuation – Initial Coverage \\$SPSC](#)
- [J.B. Hunt Transport Services Inc Valuation – Initial Coverage \\$JBHT](#)