

ModernGraham Valuation

Jacobs Engineering
Group Inc



Company Name:

Company Ticker JEC

Date of Analysis

5/14/2018

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	\$8,905,040,644	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.49	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	6.82%	Fail
5. Earnings Growth	PEmg < 20	21.91	Fail
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	1.51	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	1.49	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	1.70	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	\$2.86
MG Growth Estimate	0.58%
MG Value	\$27.63
MG Value based on 3% Growth	\$41.47
MG Value based on 0% Growth	\$24.31
Market Implied Growth Rate	6.70%

MG Opinion

Current Price	\$62.65
% of Intrinsic Value	226.71%
Opinion	Overvalued
MG Grade	D

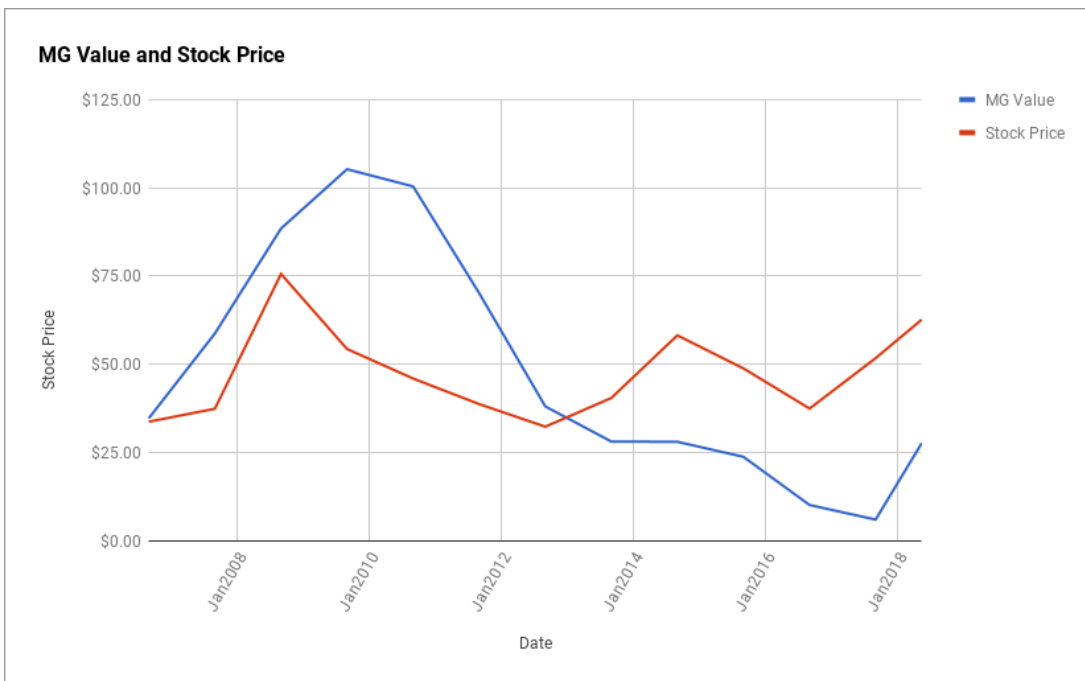
Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$15.46
Graham Number	\$58.61
PEmg	21.91
Current Ratio	1.49
PB Ratio	1.51
Current Dividend	\$0.45
Dividend Yield	0.72%
Number of Consecutive Years of Dividend Growth	1

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	\$4.15	Next Fiscal Year Estimate	\$2.86
Sep2017	\$2.42	Sep2017	\$2.29
Sep2016	\$1.73	Sep2016	\$2.34
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	Balance Sheet Information 3/1/2018	
Sep2000	\$0.48	Total Current Assets	\$4,457,271,000
Sep1999	\$0.62	Total Current Liabilities	\$2,983,233,000
Sep1998	\$0.52	Long-Term Debt	\$2,511,800,000
		Total Assets	\$12,601,866,000
		Intangible Assets	\$6,662,774,000
		Total Liabilities	\$6,665,299,000
		Shares Outstanding (Diluted Average)	142,833,000





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 2017 \\$JEC](#)
- [Jacobs Engineering Group Inc Valuation – August 2016 \\$JEC](#)
- [Jacobs Engineering Group Inc Valuation – January 2016 Update \\$JEC](#)
- [Jacobs Engineering Group Analysis – October 2015 Update \\$JEC](#)
- [Jacobs Engineering Group Inc. Analysis – July 2015 Update \\$JEC](#)

Other ModernGraham posts about related companies

- [Masco Corp Valuation – May 2018 \\$MAS](#)
- [D.R. Horton Inc Valuation – May 2018 \\$DHI](#)
- [Martin Marietta Materials Inc Valuation – May 2018 \\$MLM](#)
- [Fluor Corporation Valuation – April 2018 \\$FLR](#)
- [Lennar Corp Valuation – April 2018 \\$LEN](#)
- [Vulcan Materials Co Valuation – April 2018 \\$VMC](#)
- [PulteGroup Inc Valuation – March 2018 \\$PHM](#)
- [Sherwin-Williams Co Valuation – March 2018 \\$SHW](#)
- [Cummins Inc Valuation – March 2018 \\$CMI](#)
- [Johnson Controls International PLC Valuation – March 2018 \\$JCI](#)