

# ModernGraham Valuation

Company Name:

Jack in the Box Inc.

Company Ticker JACK

Date of Analysis

7/30/2018



## 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	\$2,362,168,115	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	0.87	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	134.96%	Pass
5. Earnings Growth			
6. Moderate PEmg Ratio	PEmg < 20	22.87	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	-5.61	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	0.87	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	-40.21	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	\$3.60
MG Growth Estimate	15.00%
<b>MG Value</b>	<b>\$138.55</b>
MG Value based on 3% Growth	\$52.18
MG Value based on 0% Growth	\$30.59
Market Implied Growth Rate	7.19%

### MG Opinion

Current Price	\$82.31
% of Intrinsic Value	59.41%
<b>Opinion</b>	<b>Undervalued</b>
<b>MG Grade</b>	<b>C-</b>

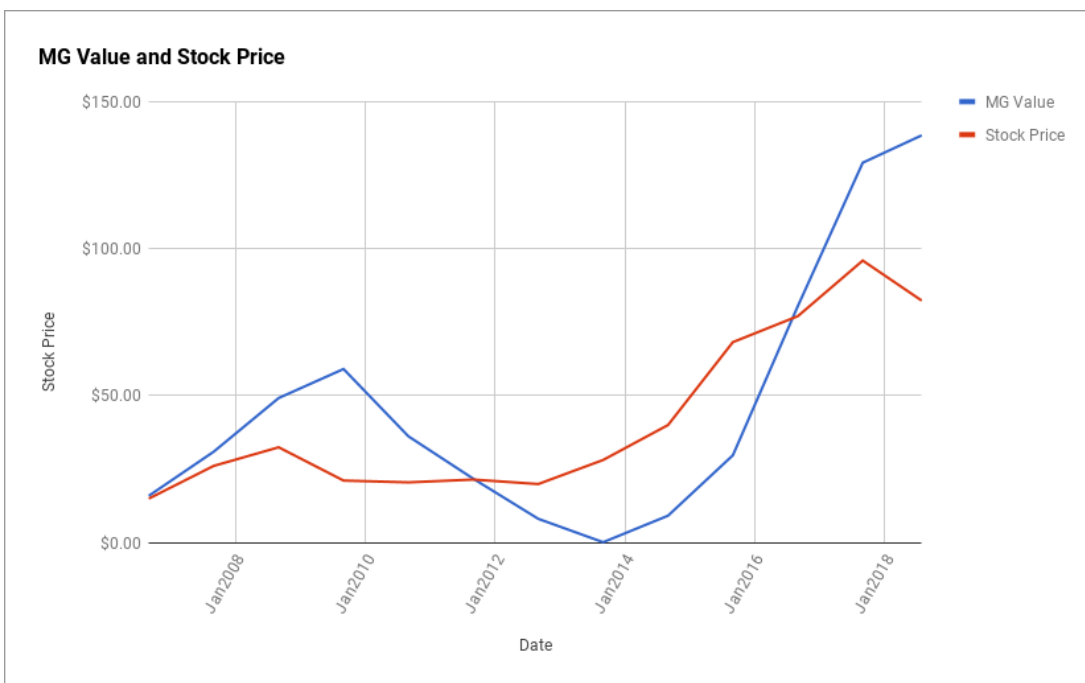
## Stage 3: Information for Further Research

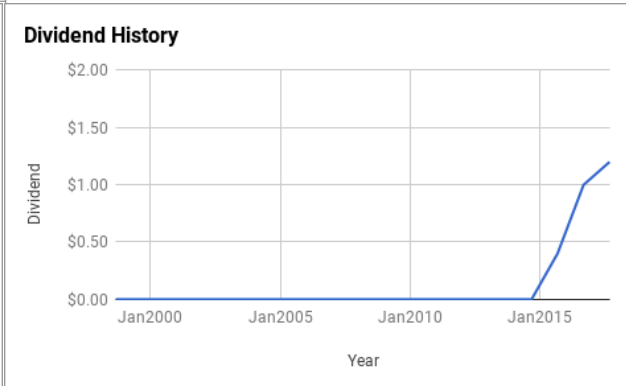
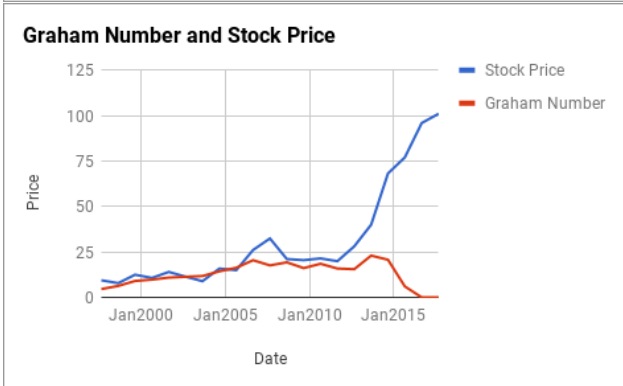
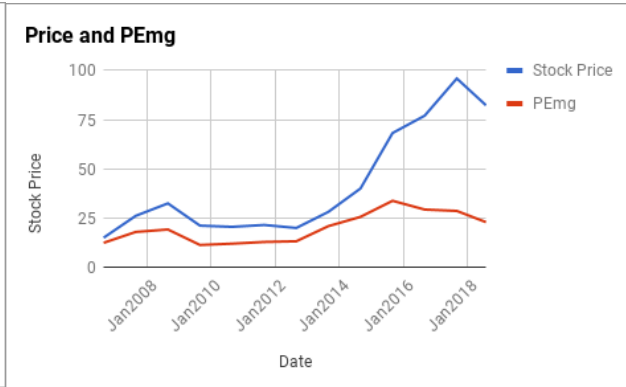
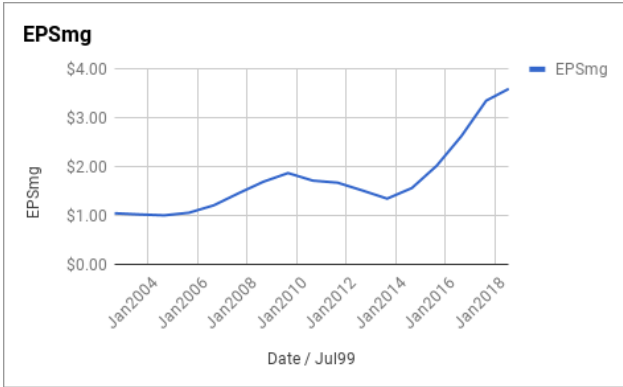
Net Current Asset Value (NCAV)	-\$39.54
Graham Number	\$0.00
PEmg	22.87
Current Ratio	0.87
PB Ratio	-5.61
Current Dividend	\$1.60
Dividend Yield	1.94%
Number of Consecutive Years of Dividend Growth	4

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<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	\$3.55	Next Fiscal Year Estimate	\$3.60
Sep2017	\$4.38	Sep2017	\$3.36
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	<b>Balance Sheet Information 3/1/2018</b>	
Sep2000	\$1.28	Total Current Assets	\$145,141,000
Sep1999	\$0.98	Total Current Liabilities	\$167,535,000
Sep1998	\$0.83	Long-Term Debt	\$900,402,000
		Total Assets	\$875,038,000
		Intangible Assets	\$48,124,000
		Total Liabilities	\$1,305,948,000
		Shares Outstanding (Diluted Average)	29,356,000





**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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[Darden Restaurants Inc Valuation – May 2018 \\$DRI](#)  
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[Starbucks Corporation Valuation – March 2018 \\$SBUX](#)  
[McDonald's Corporation Valuation – February 2018 \\$MCD](#)  
[El Pollo LoCo Holdings Inc Valuation – Initial Coverage \\$LOCO](#)  
[Chipotle Mexican Grill Inc Valuation – March 2017 \\$CMG](#)  
[Sonic Corporation Valuation – Initial Coverage \\$SONC](#)  
[Darden Restaurants Inc Valuation – February 2017 \\$DRI](#)  
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