

# ModernGraham Valuation

## Company Name:

Company Ticker JKHY  
Date of Analysis

Jack Henry &  
Associates, Inc.

8/4/2018



## 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	\$10,609,021,562	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.25	Fail
3. Earnings Stability	Positive EPS for 10 years prior		Pass
4. Dividend Record	Dividend Payments for 10 years prior		Pass
	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	161.34%	Pass
5. Earnings Growth	PEmg < 20	39.43	Fail
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	8.79	Fail
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	1.25	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	1.44	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

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

## Stage 2: Determination of Intrinsic Value

EPSmg	\$3.52
MG Growth Estimate	12.77%
<b>MG Value</b>	<b>\$119.67</b>
MG Value based on 3% Growth	\$50.98
MG Value based on 0% Growth	\$29.89
Market Implied Growth Rate	15.46%

### MG Opinion

Current Price	\$138.63
% of Intrinsic Value	115.85%
<b>Opinion</b>	<b>Overvalued</b>
<b>MG Grade</b>	<b>D+</b>

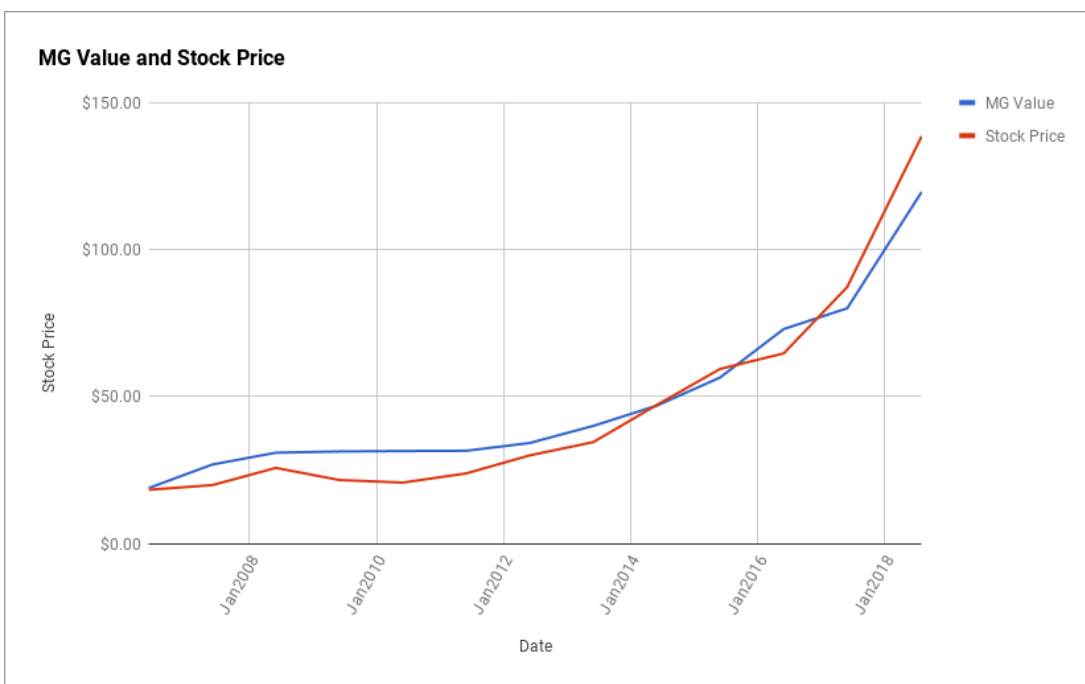
## Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$4.13
Graham Number	\$37.51
PEmg	39.43
Current Ratio	1.25
PB Ratio	8.79
Current Dividend	\$1.18
Dividend Yield	0.85%
Number of Consecutive Years of Dividend Growth	20

### Useful Links:

[ModernGraham tagged articles](#)  
[Google Finance](#)  
[Yahoo Finance](#)  
[GuruFocus](#)  
[Morningstar](#)  
[MSN Money](#)  
[Seeking Alpha](#)  
[SEC Filings](#)

EPS History			EPSmg History		
Next Fiscal Year Estimate			Next Fiscal Year Estimate		
Jun2017	\$3.14		Jun2017	\$2.82	
Jun2016	\$3.12		Jun2016	\$2.54	
Jun2015	\$2.59		Jun2015	\$2.17	
Jun2014	\$2.19		Jun2014	\$1.90	
Jun2013	\$1.94		Jun2013	\$1.69	
Jun2012	\$1.74		Jun2012	\$1.52	
Jun2011	\$1.59		Jun2011	\$1.37	
Jun2010	\$1.38		Jun2010	\$1.23	
Jun2009	\$1.22		Jun2009	\$1.13	
Jun2008	\$1.16		Jun2008	\$1.04	
Jun2007	\$1.14		Jun2007	\$0.93	
Jun2006	\$0.96		Jun2006	\$0.79	
Jun2005	\$0.81		Jun2005	\$0.68	
Jun2004	\$0.68		Jun2004	\$0.61	
Jun2003	\$0.55		Jun2003	\$0.55	
Jun2002	\$0.62		Jun2002	\$0.52	
Jun2001	\$0.61		<b>Balance Sheet Information</b>		
Jun2000	\$0.40		<b>3/1/2018</b>		
Jun1999	\$0.38		Total Current Assets \$362,030,000		
Jun1998	\$0.28		Total Current Liabilities \$289,238,000		
			Long-Term Debt \$105,000,000		
			Total Assets \$1,905,368,000		
			Intangible Assets \$1,088,493,000		
			Total Liabilities \$682,283,000		
			Shares Outstanding (Diluted Average) 77,546,000		





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 [Jack Henry & Associates Inc Valuation – Initial Coverage \\$JKHY](#)

Other ModernGraham posts about related companies

- [CoreLogic Inc Valuation – July 2018 \\$CLGX](#)
- [Pitney Bowes Inc Valuation – June 2018 \\$PBI](#)
- [United Rentals Inc Valuation – June 2018 \\$URI](#)
- [Global Payments Inc Valuation – June 2018 \\$GPN](#)
- [Verisk Analytics Inc Valuation – June 2018 \\$VRSK](#)
- [Robert Half International Inc Valuation – June 2018 \\$RHI](#)
- [Alliance Data Systems Corp Valuation – May 2018 \\$ADS](#)
- [Whirlpool Corporation Valuation – April 2018 \\$WHR](#)
- [IHS Markit Ltd Valuation – Initial Coverage April 2018 \\$INFO](#)
- [Automatic Data Processing Inc Valuation – April 2018 \\$ADP](#)