

ModernGraham Valuation

Jacobs Engineering
Group Inc



Company Name:

Company Ticker JEC

Date of Analysis

3/5/2019

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	\$10,214,039,442	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.58	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	2.27%	Fail
5. Earnings Growth	PEmg < 20	28.76	Fail
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	1.80	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	1.58	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	1.48	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		Fail

Suitability

Defensive	No
Enterprising	No

Stage 2: Determination of Intrinsic Value

EPSmg	\$2.55
MG Growth Estimate	-0.71%
MG Value	\$18.04
MG Value based on 3% Growth	\$36.93
MG Value based on 0% Growth	\$21.65
Market Implied Growth Rate	10.13%

MG Opinion

Current Price	\$73.24
% of Intrinsic Value	405.88%
Opinion	Overvalued
MG Grade	F

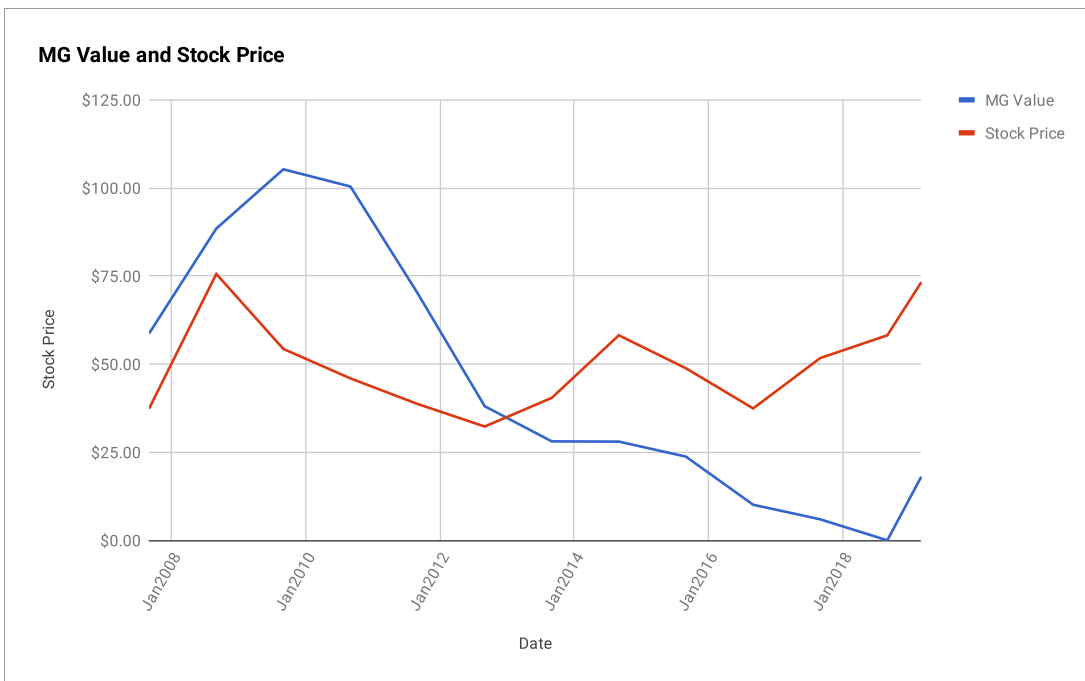
Stage 3: Information for Further Research

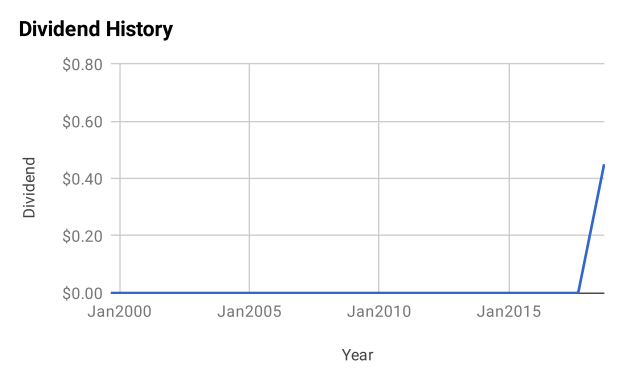
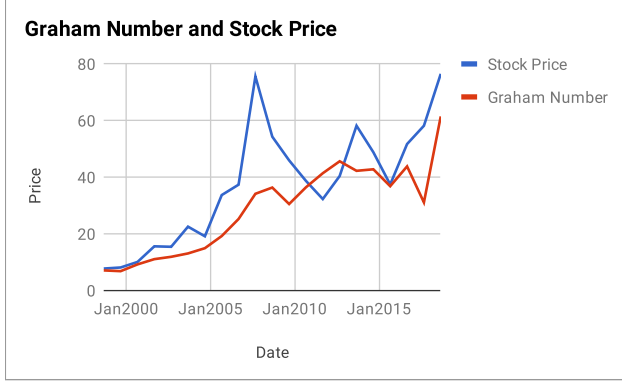
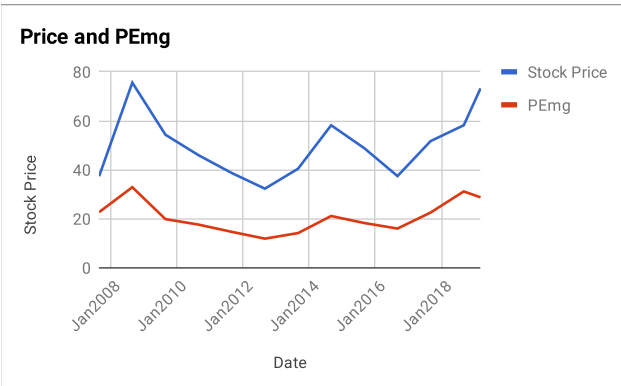
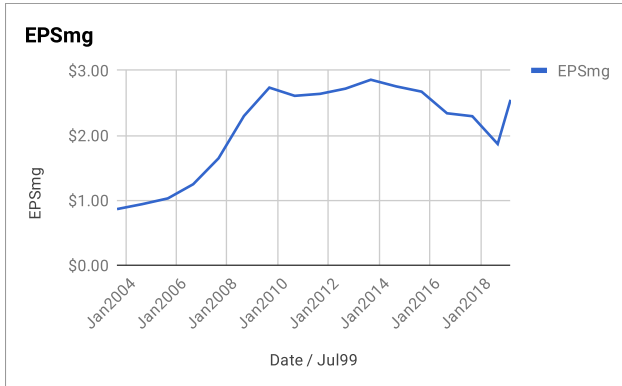
Net Current Asset Value (NCAV)	-\$15.36
Graham Number	\$61.47
PEmg	28.76
Current Ratio	1.58
PB Ratio	1.80
Current Dividend	\$0.75
Dividend Yield	1.02%
Number of Consecutive Years of Dividend Growth	2

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	\$4.08	Next Fiscal Year Estimate	\$2.55
Sep2018	\$1.17	Sep2018	\$1.87
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	Balance Sheet Information 12/1/2018	
Sep2001	\$0.81	Total Current Assets	\$4,898,862,000
Sep2000	\$0.48	Total Current Liabilities	\$3,094,724,000
Sep1999	\$0.62	Long-Term Debt	\$2,668,993,000
		Total Assets	\$12,945,259,000
		Intangible Assets	\$5,323,116,000
		Total Liabilities	\$7,104,225,000
		Shares Outstanding (Diluted Average)	143,578,000





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 – May 2018 \\$JEC](#)
 - [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](#)

- Other ModernGraham posts about related companies**
- [Masco Corp Valuation – February 2019 \\$MAS](#)
 - [D.R. Horton Inc Valuation – February 2019 \\$DHI](#)
 - [Martin Marietta Materials Inc Valuation – February 2019 \\$MLM](#)
 - [Fluor Corp Valuation – February 2019 \\$FLR](#)
 - [Lennar Corp Valuation – February 2019 \\$LEN](#)
 - [Vulcan Materials Co Valuation – February 2019 \\$VMC](#)
 - [PulteGroup Inc Valuation – January 2019 \\$PHM](#)
 - [Sherwin-Williams Co Valuation – January 2019 \\$SHW](#)
 - [Johnson Controls International PC Valuation – January 2019 \\$JCI](#)
 - [Cummins Inc Valuation – January 2019 \\$CMI](#)