

# ModernGraham Valuation

## Company Name:

Jack Henry &  
Associates, Inc.



Company Ticker JKH Y

Date of Analysis

4/4/2019

## 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	\$10,938,295,880	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.07	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	142.89%	Pass
5. Earnings Growth	PEmg < 20	38.72	Fail
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	7.88	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	1.07	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	0.00	Pass
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>Yes</b>

## Stage 2: Determination of Intrinsic Value

EPSmg	\$3.66
MG Growth Estimate	10.26%
<b>MG Value</b>	<b>\$106.22</b>
MG Value based on 3% Growth	\$53.07
MG Value based on 0% Growth	\$31.11
Market Implied Growth Rate	15.11%

### MG Opinion

Current Price	\$141.73
% of Intrinsic Value	133.43%
<b>Opinion</b>	<b>Overvalued</b>
<b>MG Grade</b>	<b>C+</b>

## Stage 3: Information for Further Research

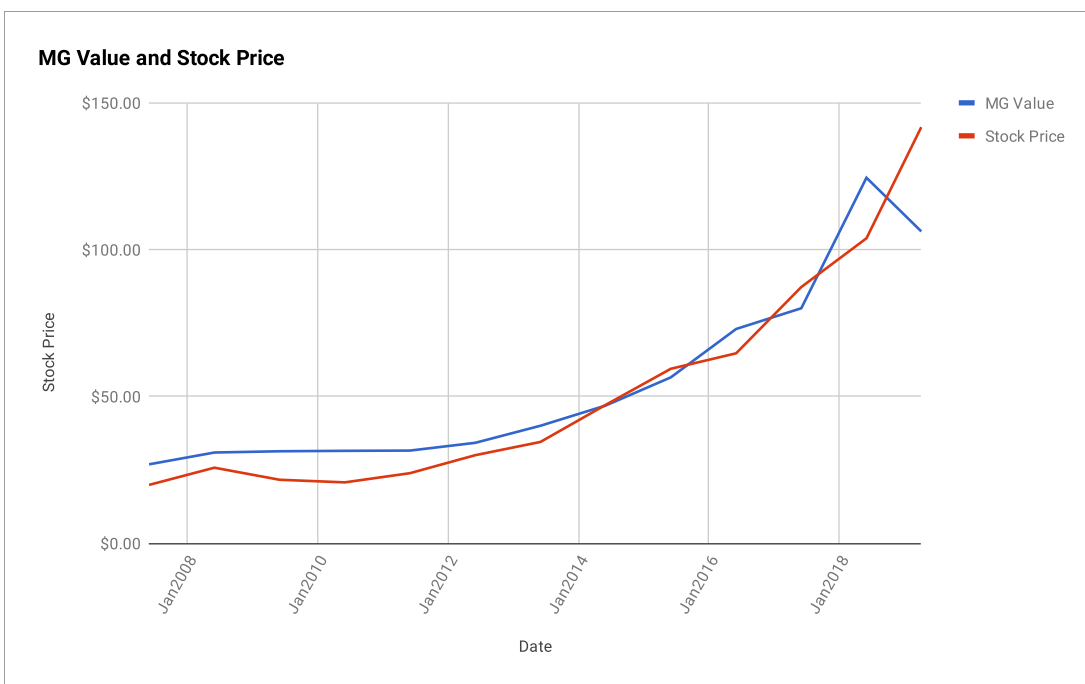
Net Current Asset Value (NCAV)	-\$2.81
Graham Number	\$35.70
PEmg	38.72
Current Ratio	1.07
PB Ratio	7.88
Current Dividend	\$1.36
Dividend Yield	0.96%
Number of Consecutive Years of Dividend Growth	20

### 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	\$3.45	Next Fiscal Year Estimate	\$3.66
Jun2018	\$4.85	Jun2018	\$3.57
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	<b>Balance Sheet Information 12/1/2018</b>	
Jun2001	\$0.61	Total Current Assets	\$362,639,000
Jun2000	\$0.40	Total Current Liabilities	\$340,074,000
Jun1999	\$0.38	Long-Term Debt	\$0
		Total Assets	\$1,971,777,000
		Intangible Assets	\$1,113,794,000
		Total Liabilities	\$579,822,000
		Shares Outstanding (Diluted Average)	77,409,000





**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 – August 2018 \\$JKHY](#)  
[Jack Henry & Associates Inc Valuation – Initial Coverage \\$JKHY](#)

**Other  
ModernGraham  
posts about related  
companies**

[United Rentals Inc Valuation – April 2019 #URI](#)  
[Verisk Analytics Inc Valuation – March 2019 #VRSK](#)  
[Global Payments Inc Valuation – March 2019 #GPN](#)  
[Robert Half International Inc Valuation – March 2019 #RHI](#)  
[Alliance Data Systems Corp Valuation – March 2019 #ADS](#)  
[IHS Markit Ltd Valuation – February 2019 \\$INFO](#)  
[Automatic Data Processing Inc Valuation – February 2019 \\$ADP](#)  
[Fiserv Inc Valuation – February 2019 \\$FISV](#)  
[Rollins Inc Valuation – February 2019 \\$ROL](#)  
[Iron Mountain Inc Valuation – February 2019 \\$IRM](#)