



Company	Ticker	Sector	Industry
Jacobs Solutions Inc.	J-US	Industrials	Professional Services

Business Description

Jacobs Solutions, Inc. is a holding company, which engages in the designing and deployment of technology-centric solutions. It operates through the following business segments: Critical Mission Solutions, People and Places Solutions, and PA Consulting. The Critical Mission Solutions segment offer broad sectors, including U.S. government services, cyber, nuclear, commercial, and international sectors. The People and Places Solutions segment provides end-to-end solutions under the climate change, energy transition, connected mobility, integrated water management, smart cities, and vaccine manufacturing industries. The PA Consulting segment includes the investment in PA Consulting Group. The company was founded in 1947 and is headquartered in Dallas, TX.

Price Chart

Key Info & Metrics



Empirical Research Rank:	9
Date Purchased:	08/29/2022
Price:	\$122.57
52-Week Range:	\$108.49 - \$148.16
Dividend Yield:	0.96%
Market Cap (\$M):	\$15,519
Forward Price-to-Earnings:	16
Total Return	
Year-to-Date:	2.1%
1 Year:	-3.6%
3 Year:	30.6%
5 Year:	93.3%

Investment Case - Updated: November 6, 2022

After over a decade of near-continuous revenue growth driven by acquisitions, progress stalled around 2016. Jacobs' now-sprawling global operations lacked a central strategy. The company launched a three-year plan to rectify its issues by realigning business units, consolidating disparate acquisitions, and investing in new tools and talent to improve performance. In 2019, the company announced a new three-year plan focused on ambitious growth targets. The new plan included a \$3.2 billion acquisition of CH2M, an engineering company focusing on governments and large enterprises. Jacobs also divested the \$3.4 billion energy, chemicals, and resources business. In late 2020, the company acquired a 65% stake in PA Consulting for about \$1.5 billion. PA adds new capabilities in 5G, robotics, autonomy, and machine learning applications—a multi-billion-dollar opportunity. PA is also roughly twice as profitable as core Jacobs. The focus on higher growth areas like civil, intelligence, and defense projects is bringing Jacobs' performance closer in-line with its competitors. Jacobs' improved standing also positions the company well to benefit from increased infrastructure spending proposed by the Biden administration.

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