

ModernGraham Valuation

Company Name:

Stantec Inc.

Company Ticker TSE:STN

Date of Analysis

2/28/2017



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	\$3,835,569,409	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.48	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	147.06%	Pass
5. Earnings Growth	PEmg < 20	20.82	Fail
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	1.86	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	1.48	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	1.82	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

Defensive	No
Enterprising	No

Stage 2: Determination of Intrinsic Value

EPSmg	\$1.65
MG Growth Estimate	7.82%
MG Value	\$39.73
MG Value based on 3% Growth	\$23.86
MG Value based on 0% Growth	\$13.99
Market Implied Growth Rate	6.16%

MG Opinion

Current Price	\$34.25
% of Intrinsic Value	86.21%
Opinion	Fairly Valued
MG Grade	D+

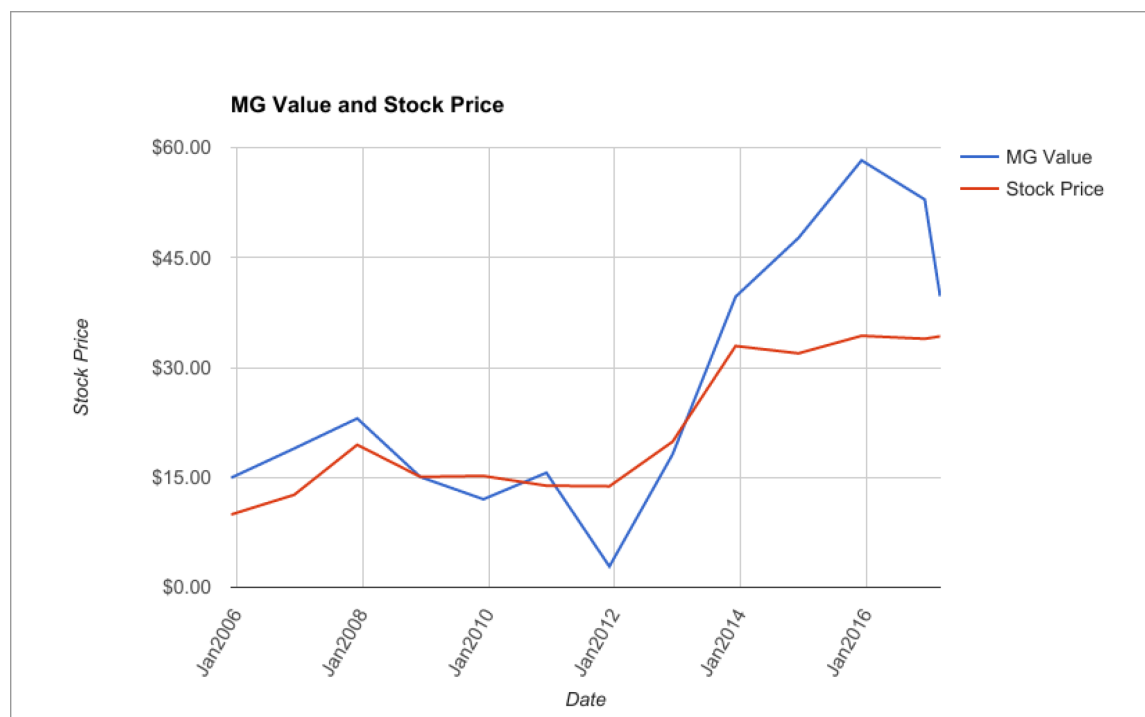
Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$6.77
Graham Number	\$27.65
PEmg	20.82
Current Ratio	1.48
PB Ratio	1.86
Current Dividend	\$0.45
Dividend Yield	1.32%
Number of Consecutive Years of Dividend Growth	6

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		Next Fiscal Year Estimate	
	\$1.96		\$1.65
Dec2016	\$1.22	Dec2016	\$1.49
Dec2015	\$1.65	Dec2015	\$1.51
Dec2014	\$1.74	Dec2014	\$1.35
Dec2013	\$1.57	Dec2013	\$1.08
Dec2012	\$1.32	Dec2012	\$0.79
Dec2011	\$0.14	Dec2011	\$0.54
Dec2010	\$1.03	Dec2010	\$0.71
Dec2009	\$0.61	Dec2009	\$0.56
Dec2008	\$0.32	Dec2008	\$0.53
Dec2007	\$0.75	Dec2007	\$0.60
Dec2006	\$0.66	Dec2006	\$0.49
Dec2005	\$0.50	Dec2005	\$0.39
Dec2004	\$0.40	Dec2004	\$0.32
Dec2003	\$0.33	Dec2003	\$0.26
Dec2002	\$0.28	Dec2002	\$0.21
Dec2001	\$0.22	Dec2001	\$0.17
Dec2000	\$0.18	Balance Sheet Information 12/1/2016	
Dec1999	\$0.14	Total Current Assets	\$1,582,520,000
Dec1998	\$0.12	Total Current Liabilities	\$1,072,818,000
Dec1997	\$0.11	Long-Term Debt	\$928,586,000
		Total Assets	\$4,284,668,000
		Intangible Assets	\$2,277,591,000
		Total Liabilities	\$2,308,940,000
		Shares Outstanding (Diluted Average)	107,326,000





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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ModernGraham
posts about the
company

#N/A

Other
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posts about related
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[Jacobs Engineering Group Inc Valuation – August 2016 \\$JEC](#)
[PPG Industries Inc Valuation – August 2016 \\$PPG](#)
[D.R. Horton Inc Valuation – August 2016 \\$DHI](#)
[Martin Marietta Materials Inc Valuation – August 2016 \\$MLM](#)
[Fluor Corporation Valuation – August 2016 \\$FLR](#)
[Vulcan Materials Co Valuation – July 2016 \\$VMC](#)
[PulteGroup Inc Valuation – July 2016 \\$PHM](#)
[Sherwin-Williams Co Valuation – July 2016 \\$SHW](#)
[Cummins Inc Valuation – July 2016 \\$CMI](#)