

ModernGraham Valuation

Company Name:

Quanta Services Inc

Company Ticker

PWR

Date of Analysis

10/20/2015



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	\$4,063,796,335	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.96	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	120.42%	Pass
5. Earnings Growth	PEmg < 20	15.34	Pass
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	1.01	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	1.96	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	0.19	Pass
3. Earnings Stability	Positive EPS for 5 years prior		Pass
4. Dividend Record	Currently Pays Dividend		Fail
5. Earnings Growth	EPSmg greater than 5 years ago		Pass

Suitability

Defensive	No
Enterprising	Yes

Stage 2: Determination of Intrinsic Value

EPSmg	\$1.30
MG Growth Estimate	11.44%
MG Value	\$40.71
MG Value based on 3% Growth	\$18.81
MG Value based on 0% Growth	\$11.03
Market Implied Growth Rate	3.42%

MG Opinion

Current Price	\$19.90
% of Intrinsic Value	48.88%
Opinion	Undervalued

Stage 3: Information for Further Research

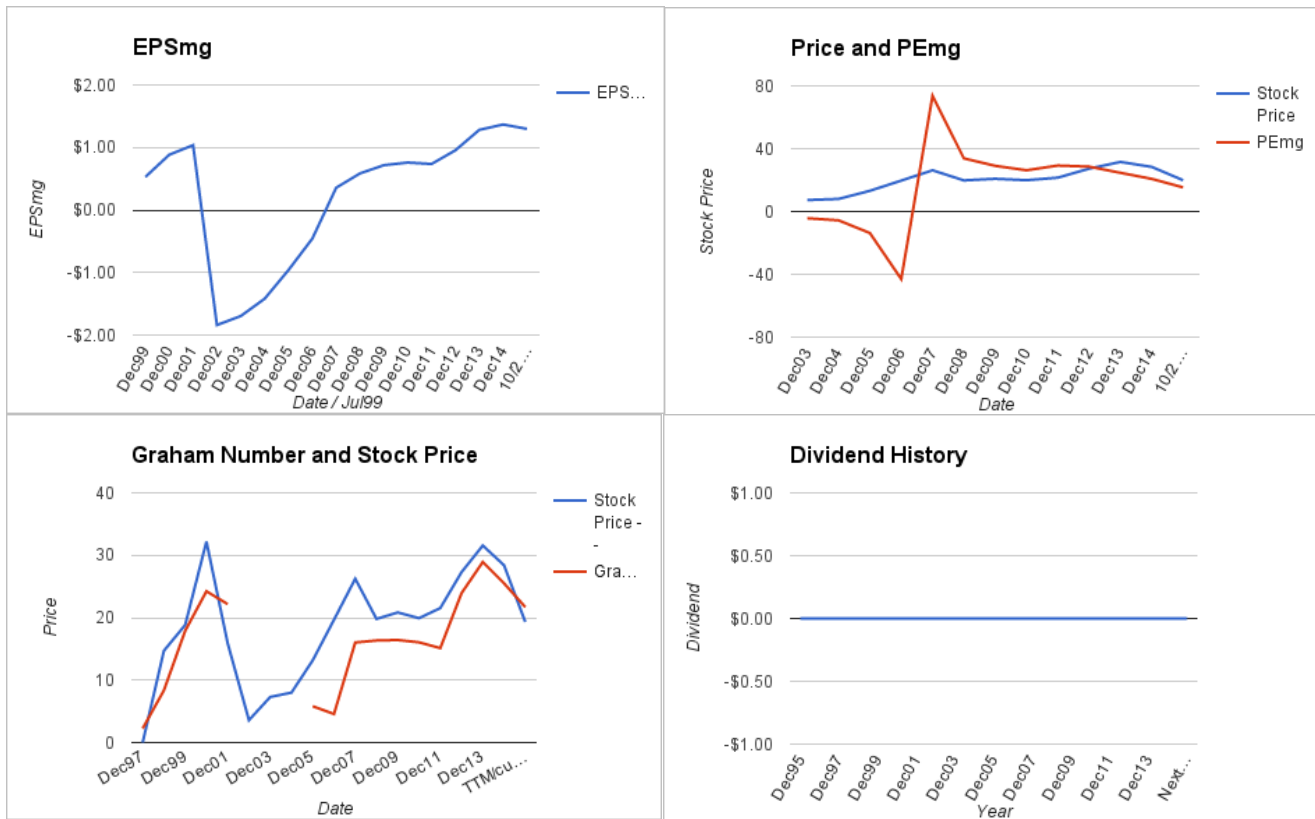
Net Current Asset Value (NCAV)	\$1.79
Graham Number	\$21.69
PEmg	15.34
Current Ratio	1.96
PB Ratio	1.01
Dividend Yield	0.00%
Number of Consecutive Years of Dividend Growth	0

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	\$0.99	Next Fiscal Year Estimate	\$1.30
Dec14	\$1.35	Dec14	\$1.37
Dec13	\$1.87	Dec13	\$1.28
Dec12	\$1.44	Dec12	\$0.96
Dec11	\$0.62	Dec11	\$0.74
Dec10	\$0.72	Dec10	\$0.76
Dec09	\$0.81	Dec09	\$0.72
Dec08	\$0.87	Dec08	\$0.59
Dec07	\$0.89	Dec07	\$0.36
Dec06	\$0.15	Dec06	-\$0.46
Dec05	\$0.25	Dec05	-\$0.96
Dec04	-\$0.08	Dec04	-\$1.42
Dec03	-\$0.30	Dec03	-\$1.70
Dec02	-\$7.77	Dec02	-\$1.84
Dec01	\$1.10	Dec01	\$1.04
Dec00	\$1.42	Dec00	\$0.88
Dec99	\$1.00	Dec99	\$0.53
Dec98	\$0.59	Balance Sheet Information Jun15	
Dec97	\$0.19	Total Current Assets	\$2,315,567,000
Dec96	\$0.00	Total Current Liabilities	\$1,179,148,000
Dec95	\$0.00	Long-Term Debt	\$214,255,000
		Total Assets	\$6,130,510,000
		Intangible Assets	\$1,832,957,000
		Total Liabilities	\$1,934,266,000
		Shares Outstanding (Diluted Average)	213,059,000





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:

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company

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[10 Most Undervalued Companies for the Defensive Investor – August 2015](#)
[5 Undervalued Companies for the Defensive Investor Near 52 Week Lows – August 2015](#)
[\\$BEN \\$RL \\$FOSL \\$PWR \\$CMI](#)
[The 20 Best Stocks For Value Investors This Week – 7/25/15](#)
[Quanta Services Inc. Analysis – July 2015 Update \\$PWR](#)

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[Martin Marietta Materials Inc. Valuation – October 2015 Update \\$MLM](#)
[Jacobs Engineering Group Analysis – October 2015 Update \\$JEC](#)
[D.R. Horton Inc. Analysis – October 2015 Update \\$DHI](#)
[The Best Companies of the Construction Industry – October 2015](#)
[Mohawk Industries Inc. Analysis – October 2015 Update \\$MHK](#)
[PulteGroup Inc. Analysis – October 2015 Update \\$PHM](#)
[Masco Corporation Analysis – September 2015 Update \\$MAS](#)
[Flowserve Corporation Analysis – August 2015 Update \\$FLS](#)
[Alexander & Baldwin Inc Analysis – Initial Coverage \\$ALEX](#)