

ModernGraham Valuation

Company Name:

Quanta Services Inc

Company Ticker PWR

Date of Analysis

2/9/2016



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	\$2,627,952,545	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.76	Fail
3. Earnings Stability	Positive EPS for 10 years prior		Pass
4. Dividend Record	Dividend Payments for 10 years prior		Fail
5. Earnings Growth	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	167.02%	Pass
6. Moderate PEmg Ratio	PEmg < 20	11.00	Pass
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	1.13	Pass

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	1.76	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	0.34	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	\$1.59
MG Growth Estimate	15.00%
MG Value	\$61.37
MG Value based on 3% Growth	\$23.11
MG Value based on 0% Growth	\$13.55
Market Implied Growth Rate	1.25%

MG Opinion

Current Price	\$17.54
% of Intrinsic Value	28.58%
Opinion	Undervalued

Stage 3: Information for Further Research

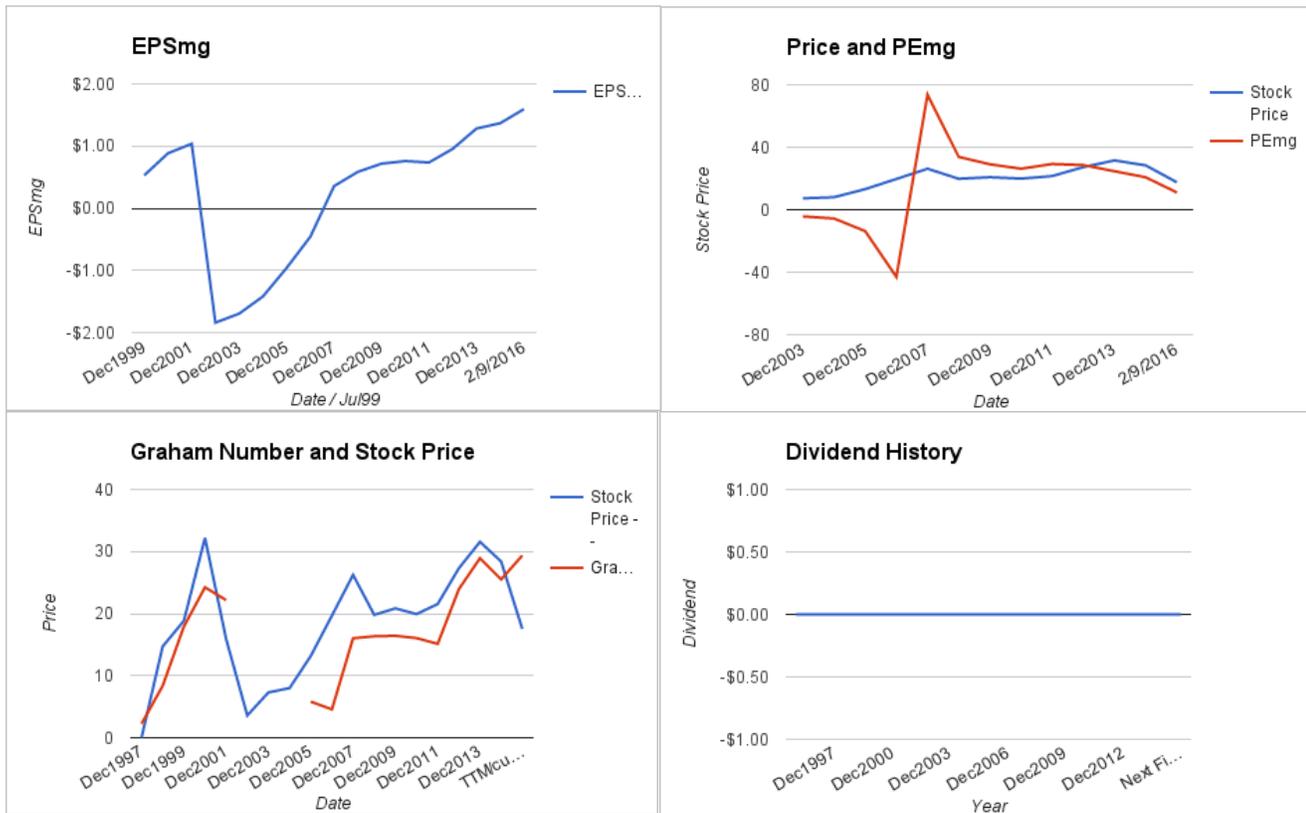
Net Current Asset Value (NCAV)	\$0.87
Graham Number	\$29.36
PEmg	11.00
Current Ratio	1.76
PB Ratio	1.13
Dividend Yield	0.00%
Number of Consecutive Years of Dividend Growth	0

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	\$1.88	Next Fiscal Year Estimate	\$1.59
Dec2014	\$1.35	Dec2014	\$1.37
Dec2013	\$1.87	Dec2013	\$1.28
Dec2012	\$1.44	Dec2012	\$0.96
Dec2011	\$0.62	Dec2011	\$0.74
Dec2010	\$0.72	Dec2010	\$0.76
Dec2009	\$0.81	Dec2009	\$0.72
Dec2008	\$0.87	Dec2008	\$0.59
Dec2007	\$0.89	Dec2007	\$0.36
Dec2006	\$0.15	Dec2006	-\$0.46
Dec2005	\$0.25	Dec2005	-\$0.96
Dec2004	-\$0.08	Dec2004	-\$1.42
Dec2003	-\$0.30	Dec2003	-\$1.70
Dec2002	-\$7.77	Dec2002	-\$1.84
Dec2001	\$1.10	Dec2001	\$1.04
Dec2000	\$1.42	Dec2000	\$0.88
Dec1999	\$1.00	Dec1999	\$0.53
Dec1998	\$0.59	Balance Sheet Information Sep2015	
Dec1997	\$0.19	Total Current Assets	\$2,362,664,000
Dec1996	\$0.00	Total Current Liabilities	\$1,340,538,000
Dec1995	\$0.00	Long-Term Debt	\$348,209,000
		Total Assets	\$5,373,424,000
		Intangible Assets	\$1,822,344,000
		Total Liabilities	\$2,184,052,000
		Shares Outstanding (Diluted Average)	206,193,000





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

- [5 Undervalued Companies with a Low Beta – January 2016](#)
- [The Best Companies of the Construction Industry – October 2015](#)
- [10 Most Undervalued Companies for the Defensive Investor – August 2015](#)
- [5 Undervalued Companies for the Defensive Investor Near 52 Week Lows – August 2015 \\$BEN \\$RLL \\$FOSL \\$PWR \\$CMI](#)
- [The 20 Best Stocks For Value Investors This Week – 7/25/15](#)

Other ModernGraham posts about related companies

- [Martin Marietta Materials Inc Valuation – February 2016 Update \\$MLM](#)
- [Fluor Corp Valuation – February 2016 Update \\$FLR](#)
- [Jacobs Engineering Group Inc Valuation – January 2016 Update \\$JEC](#)
- [Lowe's Companies Inc Valuation – January 2016 Update \\$LOW](#)
- [PulteGroup Inc Valuation – January 2016 Update \\$PHM](#)
- [Flowserve Corp Valuation – November 2015 Update \\$FLS](#)
- [Lennar Corporation Valuation – November 2015 Update \\$LEN](#)
- [Home Depot Inc. Valuation – November 2015 Update \\$HD](#)
- [Quanta Services Inc. Valuation – October 2015 Update \\$PWR](#)
- [Fluor Corporation Valuation – October 2015 Update \\$FLR](#)