

# ModernGraham Valuation

Company Name:

Quanta Services Inc

Company Ticker PWR

Date of Analysis

8/18/2016



## 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	\$3,956,750,645	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.86	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	61.87%	Pass
6. Moderate PEmg Ratio	PEmg < 20	18.08	Pass
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	1.28	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	1.86	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	0.39	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

<b>Defensive</b>	<b>No</b>
<b>Enterprising</b>	<b>Yes</b>

## Stage 2: Determination of Intrinsic Value

EPSmg	\$1.45
MG Growth Estimate	7.70%
<b>MG Value</b>	<b>\$34.55</b>
MG Value based on 3% Growth	\$20.96
MG Value based on 0% Growth	\$12.29
Market Implied Growth Rate	4.79%

### MG Opinion

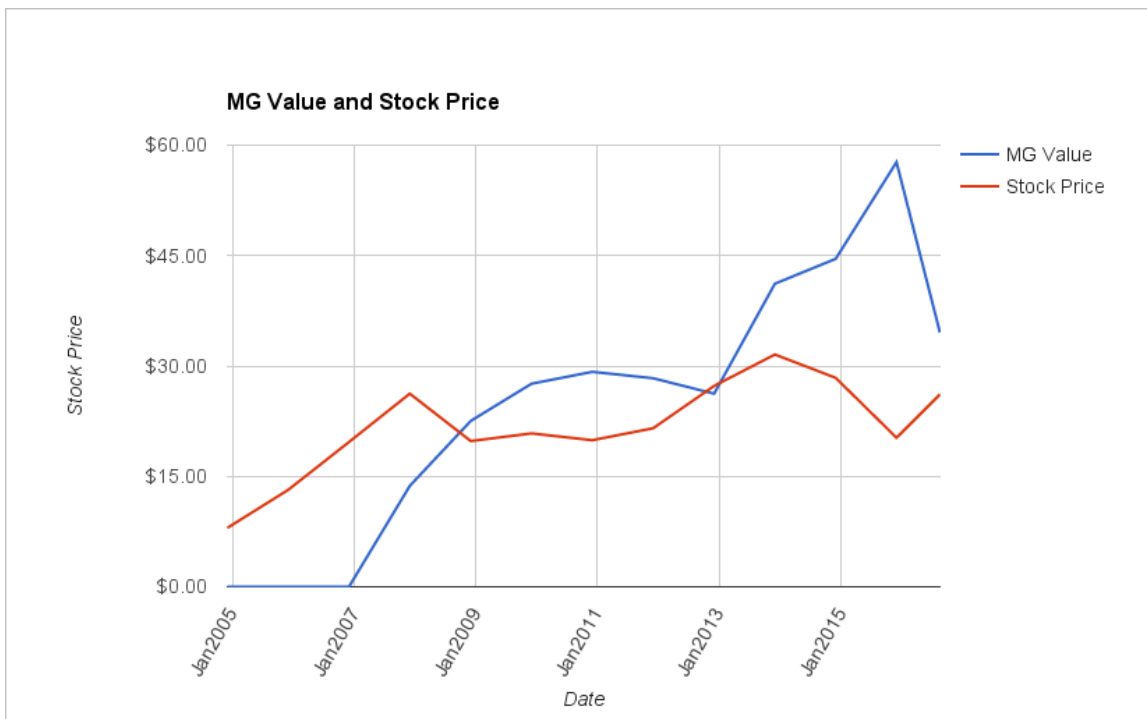
Current Price	\$26.14
% of Intrinsic Value	75.66%
<b>Opinion</b>	<b>Fairly Valued</b>
<b>MG Grade</b>	<b>C+</b>

## Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	\$0.95
Graham Number	\$24.64
PEmg	18.08
Current Ratio	1.86
PB Ratio	1.28
Current Dividend	\$0.00
Dividend Yield	0.00%
Number of Consecutive Years of Dividend Growth	0

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EPS History		EPSmg History	
Next Fiscal Year Estimate	\$1.22	Next Fiscal Year Estimate	\$1.45
Dec2015	\$1.59	Dec2015	\$1.50
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	<b>Balance Sheet Information 6/1/2016</b>	
Dec1998	\$0.59	Total Current Assets	\$2,244,387,000
Dec1997	\$0.19	Total Current Liabilities	\$1,208,089,000
Dec1996	\$0.00	Long-Term Debt	\$401,119,000
		Total Assets	\$5,297,101,000
		Intangible Assets	\$1,798,811,000
		Total Liabilities	\$2,096,778,000
		Shares Outstanding (Diluted Average)	156,130,000





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 – August 2016](#)
- [5 Undervalued Companies with a Low Beta – July 2016](#)
- [5 Undervalued Companies with a Low Beta – February 2016](#)
- [15 Best Stocks For Value Investors This Week – 2/13/16](#)
- [Quanta Services Inc Valuation – February 2016 \\$PWR](#)

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- [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](#)
- [Coming Inc Valuation – May 2016 \\$GLW](#)