

ModernGraham Valuation



Company Name:

Company Ticker STC

Date of Analysis

2/25/2017

Stewart Information
Services Corp

Stage 1: Is this company suitable for the Defensive Investor or the Enterprising Investor?

Defensive Investor; must pass all 6 of the following tests.

| | | | |
|------------------------------------|--|-----------------|------|
| 1. Adequate Size of the Enterprise | Market Cap > \$2Bil | \$1,049,817,822 | Fail |
| 2. Earnings Stability | Positive EPS for 10 years prior | | Fail |
| 3. Dividend Record | Dividend Payments for 10 years prior | | Pass |
| 4. Earnings Growth | Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end | -123.24% | Fail |
| 5. Moderate PEmg Ratio | PEmg < 20 | 28.37 | Fail |
| 6. Moderate Price to Assets | PB Ratio < 2.5 OR PB*PEmg < 50 | 1.64 | Pass |

Enterprising Investor; must pass all 3 of the following tests, or be suitable for the Defensive Investor.

| | | | |
|-----------------------|--------------------------------|--|------|
| 1. Earnings Stability | Positive EPS for 5 years prior | | Fail |
| 2. Dividend Record | Currently Pays Dividend | | Pass |
| 3. Earnings Growth | EPSmg greater than 5 years ago | | Fail |

Suitability

| | |
|---------------------|-----------|
| Defensive | No |
| Enterprising | No |

Stage 2: Determination of Intrinsic Value

| | |
|-----------------------------|---------------|
| EPSmg | 1.58 |
| MG Growth Estimate | -2.13% |
| MG Value | \$6.70 |
| MG Value based on 3% Growth | \$22.91 |
| MG Value based on 0% Growth | \$13.43 |
| Market Implied Growth Rate | 9.93% |

MG Opinion

| | |
|----------------------|-------------------|
| Current Price | \$44.82 |
| % of Intrinsic Value | 668.69% |
| Opinion | Overvalued |
| MG Grade | D |

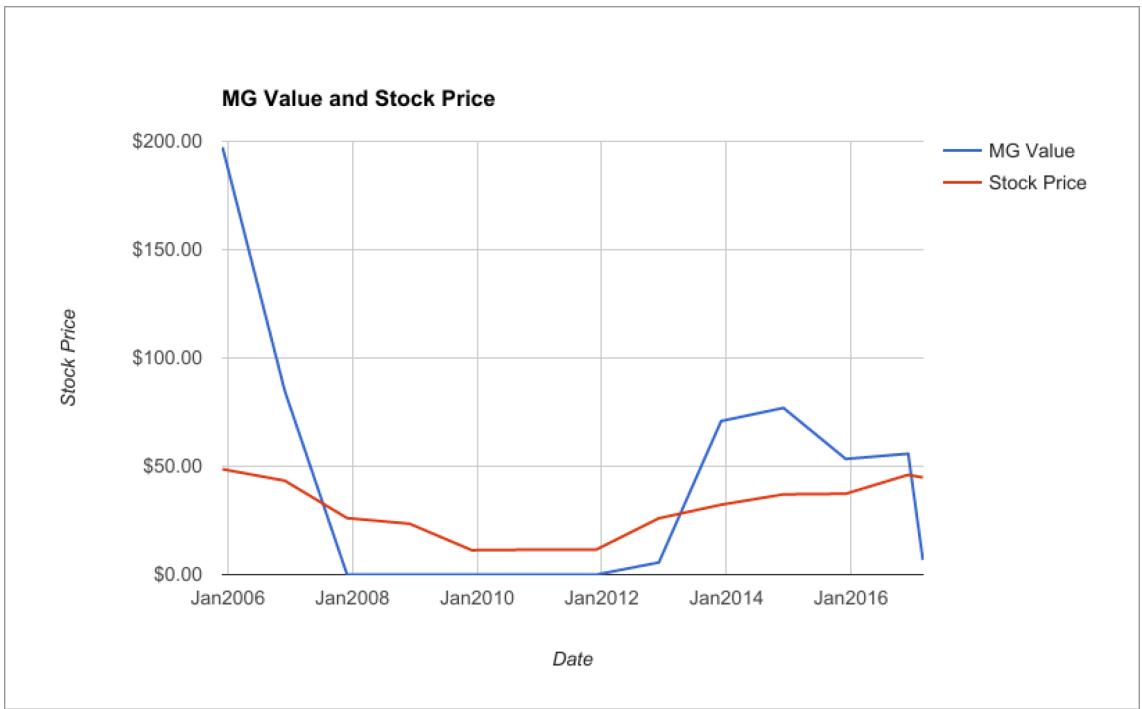
Stage 3: Information for Further Research

| | |
|--|---------|
| Graham Number | \$37.58 |
| PEmg | 28.37 |
| PB Ratio | 1.64 |
| Dividend Yield | 2.68% |
| Number of Consecutive Years of Dividend Growth | 3 |

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 | \$2.40 | Next Fiscal Year Estimate | \$1.58 |
| Dec2016 | \$1.85 | Dec2016 | \$1.45 |
| Dec2015 | -\$0.26 | Dec2015 | \$1.39 |
| Dec2014 | \$1.24 | Dec2014 | \$2.00 |
| Dec2013 | \$2.60 | Dec2013 | \$1.84 |
| Dec2012 | \$4.61 | Dec2012 | \$0.15 |
| Dec2011 | \$0.12 | Dec2011 | -\$2.68 |
| Dec2010 | -\$0.69 | Dec2010 | -\$3.85 |
| Dec2009 | -\$2.80 | Dec2009 | -\$4.38 |
| Dec2008 | -\$13.68 | Dec2008 | -\$3.73 |
| Dec2007 | -\$2.21 | Dec2007 | \$1.93 |
| Dec2006 | \$2.36 | Dec2006 | \$4.27 |
| Dec2005 | \$4.86 | Dec2005 | \$5.13 |
| Dec2004 | \$4.53 | Dec2004 | \$4.83 |
| Dec2003 | \$6.88 | Dec2003 | \$4.47 |
| Dec2002 | \$5.43 | Dec2002 | \$3.09 |
| Dec2001 | \$2.98 | Dec2001 | \$1.91 |
| Dec2000 | \$0.04 | | |
| | | Balance Sheet Information | 12/1/2016 |
| Dec1999 | \$1.95 | Long-Term Debt & Capital Lease Obligation | \$106,808,000 |
| Dec1998 | \$3.32 | Total Assets | \$1,341,724,000 |
| Dec1997 | \$1.11 | Intangible Assets | \$227,984,000 |
| | | Total Liabilities | \$700,524,000 |
| | | Shares Outstanding (Diluted Average) | 23,492,000 |





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

#N/A

Other ModernGraham posts about related companies

- [Loews Corporation – February 2017 \\$L](#)
- [Kemper Corp Valuation – Initial Coverage \\$KMPR](#)
- [CNO Financial Group Inc Valuation – January 2017 \\$CNO](#)
- [Anthem Inc Valuation – January 2017 \\$ANTM](#)
- [American Financial Group Inc Valuation – January 2017 \\$AFG](#)
- [Selective Insurance Group Valuation – Initial Coverage \\$SIGI](#)
- [Berkshire Hathaway Inc Valuation – January 2017 \\$BRK.B](#)
- [Infinity Property and Casualty Corp Valuation – Initial Coverage \\$IPCC](#)
- [Hartford Financial Services Group Inc Valuation – December 2016 \\$HIG](#)
- [AFLAC Inc Valuation – December 2016 \\$AFL](#)