

ModernGraham Valuation

Company Name:

Quanta Services Inc

Company Ticker PWR

Date of Analysis

5/15/2018



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	\$5,478,478,961	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.91	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	170.23%	Pass
5. Earnings Growth			
6. Moderate PEmg Ratio	PEmg < 20	18.84	Pass
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	1.58	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	1.91	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	0.63	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 Score		Pass

Suitability

Defensive	No
Enterprising	Yes

Stage 2: Determination of Intrinsic Value

EPSmg	\$1.94
MG Growth Estimate	6.25%
MG Value	\$40.70
MG Value based on 3% Growth	\$28.09
MG Value based on 0% Growth	\$16.47
Market Implied Growth Rate	5.17%

MG Opinion

Current Price	\$36.50
% of Intrinsic Value	89.69%
Opinion	Fairly Valued
MG Grade	B

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$0.34
Graham Number	\$37.67
PEmg	18.84
Current Ratio	1.91
PB Ratio	1.58
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		Next Fiscal Year Estimate	
Dec2017	\$2.55	Dec2017	\$1.94
Dec2016	\$2.00	Dec2016	\$1.63
Dec2015	\$1.26	Dec2015	\$1.46
Dec2014	\$1.59	Dec2014	\$1.50
Dec2013	\$1.35	Dec2013	\$1.37
Dec2012	\$1.87	Dec2012	\$1.28
Dec2011	\$1.44	Dec2011	\$0.96
Dec2010	\$0.62	Dec2010	\$0.74
Dec2009	\$0.72	Dec2009	\$0.76
Dec2008	\$0.81	Dec2008	\$0.72
Dec2007	\$0.87	Dec2007	\$0.59
Dec2006	\$0.89	Dec2006	\$0.36
Dec2005	\$0.15	Dec2005	-\$0.46
Dec2004	\$0.25	Dec2004	-\$0.96
Dec2003	-\$0.08	Dec2003	-\$1.42
Dec2002	-\$0.30	Dec2002	-\$1.70
Dec2001	-\$7.77	Dec2001	-\$1.84
Dec2000	\$1.10	Balance Sheet Information	
Dec1999	\$1.42	3/1/2018	
Dec1998	\$1.00	Total Current Assets	\$2,957,069,000
	\$0.59	Total Current Liabilities	\$1,549,639,000
		Long-Term Debt	\$882,795,000
		Total Assets	\$6,653,402,000
		Intangible Assets	\$2,173,697,000
		Total Liabilities	\$3,010,050,000
		Shares Outstanding (Diluted Average)	157,556,000





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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