ModernGraham Valuation

Company Name:

Company Ticker TSE:STN Date of Analysis Stantec Inc.





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	\$3,760,000,000	Pass
2.	Sufficiently Strong Financial Condition	Current Ratio > 2	1.69	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	125.73%	Pass
6.	Moderate PEmg Ratio	PEmg < 20	23.44	Fail
7.	Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	1.90	Pass
vootor: mus	st noos 4 out of the following 5 tests, or he a	witchle for the Defensive Investor		

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	1.69 Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	1.22 Fail
3. Earnings Stability	Positive EPS for 5 years prior	Pass
4. Dividend Record	Currently Pays Dividend	Pass
5. Earnings Growth	EPSmg greater than 5 years ago	Pass
	Score	

Suitability

Defensive	No
Enterprising	Yes

Stage 2: Determination of Intrinsic Value

	EPSmg		\$1.40
	MG Growth Estimate		0.70%
	MG Value		\$13.90
	MG Value based on 3% Growth		\$20.35
	MG Value based on 0% Growth		\$11.93
	Market Implied Growth Rate		7.47%
MG Opinion			
	Current Price		\$32.90
	% of Intrinsic Value		236.76%
	Opinion	Overvalued	
	MG Grade	С	

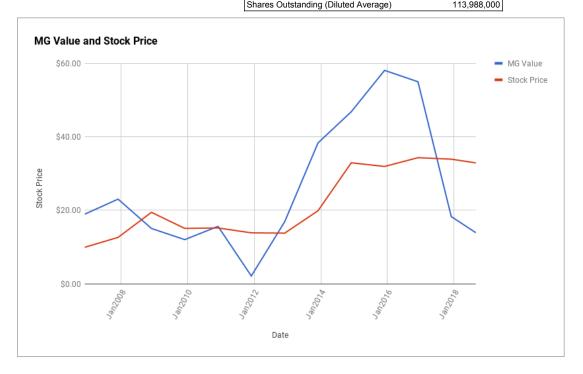
Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$3.86
Graham Number	\$25.88
PEmg	23.44
Current Ratio	1.69
PB Ratio	1.90
Current Dividend	\$0.50
Dividend Yield	1.52%
Number of Consecutive Years of Dividend	
Growth	6

Useful Links:

ModernGraham tagged articles Google Finance Yahoo Finance GuruFocus Morningstar MSN Money Seeking Alpha SEC Filings

EPS History		EPSmg History	
Next Fiscal Year			
Estimate	\$1.79	Next Fiscal Year Estimate	\$1.40
Dec2017	\$0.85	Dec2017	\$1.28
Dec2016	\$1.22	Dec2016	\$1.49
Dec2015	\$1.65	Dec2015	\$1.51
Dec2014	\$1.74	Dec2014	\$1.34
Dec2013	\$1.57	Dec2013	\$1.07
Dec2012	\$1.32	Dec2012	\$0.77
Dec2011	\$0.07	Dec2011	\$0.51
Dec2010	\$1.03	Dec2010	\$0.71
Dec2009	\$0.61	Dec2009	\$0.56
Dec2008	\$0.32	Dec2008	\$0.53
Dec2007	\$0.75	Dec2007	\$0.60
Dec2006	\$0.66	Dec2006	\$0.49
Dec2005	\$0.50	Dec2005	\$0.39
Dec2004	\$0.40	Dec2004	\$0.32
Dec2003	\$0.33	Dec2003	\$0.26
Dec2002	\$0.28	Dec2002	\$0.21
Dec2001	\$0.22	Balance Sheet Information	6/1/2018
Dec2000	\$0.18	Total Current Assets	\$1,721,600,000
Dec1999	\$0.14	Total Current Liabilities	\$1,019,100,000
Dec1998	\$0.12	Long-Term Debt	\$860,300,000
		Total Assets	\$4,141,000,000
		Intangible Assets	\$1,909,800,000
		Total Liabilities	\$2,162,100,000
		Shares Outstanding (Diluted Average)	113,988,000





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 Stantec Inc Valuation – Initial Coverage \$TSE:STN
ModernGraham
posts about the
company

Other ModernGraham posts about related companies Simpson Manufacturing Co Inc Valuation – August 2018 \$SD KBR Inc Valuation – August 2018 \$KBR KB Home Valuation – August 2018 \$KBH SNC-Lavalin Group Inc Valuation – August 2018 \$TSE:SNC Stella-Jones Inc Valuation – July 2018 \$TSE-SJ Aecon Group Inc Valuation – July 2018 \$TSE:ARE Aecom Valuation – July 2018 \$ACM Lowe's Companies Inc Valuation – June 2018 \$LOW Acuity Brands Inc Valuation – June 2018 \$AYI Quanta Services Inc Valuation – May 2018 \$PWR