

ModernGraham Valuation

Company Name:

Company Ticker SPH
Date of Analysis

Suburban Propane
Partners LP

6/25/2016



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	\$2,041,337,380 Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.39 Fail
3. Earnings Stability	Positive EPS for 10 years prior	Pass
4. Dividend Record	Dividend Payments for 10 years prior	Pass
5. Earnings Growth	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	-78.23% Fail
6. Moderate PEmg Ratio	PEmg < 20	38.02 Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	2.23 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	1.39 Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	19.72 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	Fail

Suitability

Defensive	No
Enterprising	No

Stage 2: Determination of Intrinsic Value

EPSmg	\$0.87
MG Growth Estimate	-4.25%
MG Value	\$0.00
MG Value based on 3% Growth	\$12.55
MG Value based on 0% Growth	\$7.36
Market Implied Growth Rate	14.76%

MG Opinion

Current Price	\$32.90
% of Intrinsic Value	N/A
Opinion	Overvalued
MG Grade	D

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$21.45
Graham Number	\$1.83
PEmg	38.02
Current Ratio	1.39
PB Ratio	2.23
Current Dividend	\$3.55
Dividend Yield	10.80%
Number of Consecutive Years of Dividend Growth	19

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EPS History		EPSmg History	
Next Fiscal Year Estimate	\$0.01	Next Fiscal Year Estimate	\$0.87
Sep2015	\$1.38	Sep2015	\$1.37
Sep2014	\$1.56	Sep2014	\$1.53
Sep2013	\$1.34	Sep2013	\$1.87
Sep2012	\$0.05	Sep2012	\$2.50
Sep2011	\$3.22	Sep2011	\$3.82
Sep2010	\$3.24	Sep2010	\$4.05
Sep2009	\$4.96	Sep2009	\$4.04
Sep2008	\$4.70	Sep2008	\$3.25
Sep2007	\$3.89	Sep2007	\$2.36
Sep2006	\$2.83	Sep2006	\$1.62
Sep2005	-\$0.26	Sep2005	\$1.19
Sep2004	\$1.78	Sep2004	\$1.91
Sep2003	\$1.86	Sep2003	\$1.90
Sep2002	\$2.12	Sep2002	\$1.81
Sep2001	\$2.14	Sep2001	\$1.54
Sep2000	\$1.70	Sep2000	\$1.17
Sep1999	\$0.83	Balance Sheet Information 3/1/2016	
Sep1998	\$1.30	Total Current Assets	\$224,876,000
Sep1997	\$0.46	Total Current Liabilities	\$162,009,000
Sep1996	\$0.92	Long-Term Debt	\$1,239,662,000
		Total Assets	\$2,439,691,000
		Intangible Assets	\$1,409,554,000
		Total Liabilities	\$1,536,424,000
		Shares Outstanding (Diluted Average)	61,135,000





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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