

ModernGraham Valuation

Company Name:

Company Ticker INN

Date of Analysis

12/14/2016

Summit Hotel
Properties 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 | \$1,303,295,681 | Fail |
| 2. Sufficiently Strong Financial Condition | Current Ratio > 2 | 2.54 | Pass |
| 3. Earnings Stability | Positive EPS for 10 years prior | | Fail |
| 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 | -2622.22% | Fail |
| 5. Earnings Growth | PEmg < 20 | 23.28 | Fail |
| 6. Moderate PEmg Ratio | PB Ratio < 2.5 OR PB*PEmg < 50 | 1.33 | Pass |
| 7. Moderate Price to Assets | | | |

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 | 2.54 | Pass |
| 2. Sufficiently Strong Financial Condition | Debt to NCA < 1.1 | 6.73 | Fail |
| 3. Earnings Stability | Positive EPS for 5 years prior | | Fail |
| 4. Dividend Record | Currently Pays Dividend | | Pass |
| 5. Earnings Growth | EPSmg greater than 5 years ago | | Pass |

Suitability

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

Stage 2: Determination of Intrinsic Value

| | |
|-----------------------------|----------------|
| EPSmg | \$0.64 |
| MG Growth Estimate | 15.00% |
| MG Value | \$24.64 |
| MG Value based on 3% Growth | \$9.28 |
| MG Value based on 0% Growth | \$5.44 |
| Market Implied Growth Rate | 7.39% |

MG Opinion

| | |
|----------------------|--------------------|
| Current Price | \$14.90 |
| % of Intrinsic Value | 60.47% |
| Opinion | Undervalued |
| MG Grade | B- |

Stage 3: Information for Further Research

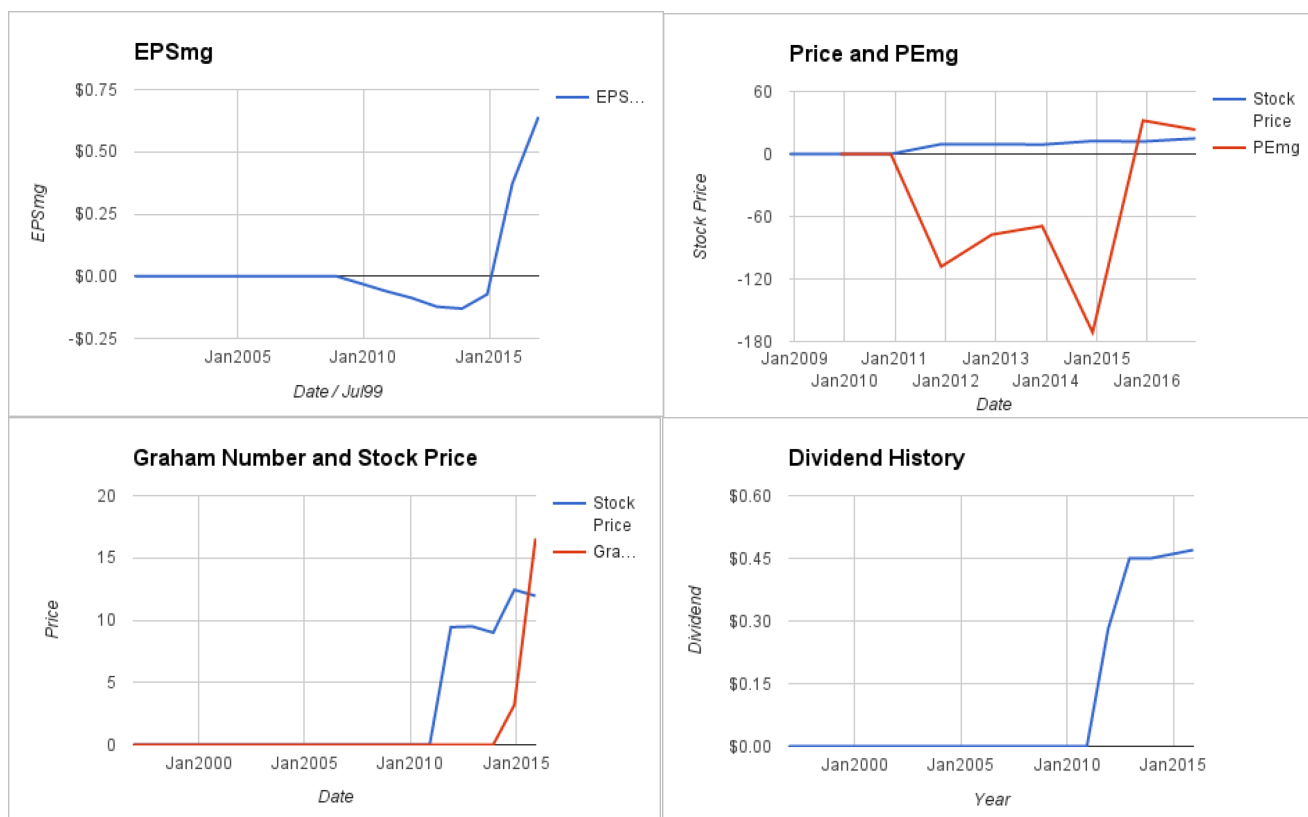
| | |
|--|---------|
| Net Current Asset Value (NCAV) | -\$6.07 |
| Graham Number | \$15.71 |
| PEmg | 23.28 |
| Current Ratio | 2.54 |
| PB Ratio | 1.33 |
| Current Dividend | \$0.50 |
| Dividend Yield | 3.37% |
| Number of Consecutive Years of Dividend Growth | 3 |

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 | | Next Fiscal Year Estimate | |
| | \$0.98 | | \$0.64 |
| Dec2015 | \$1.24 | Dec2015 | \$0.37 |
| Dec2014 | \$0.05 | Dec2014 | -\$0.07 |
| Dec2013 | -\$0.12 | Dec2013 | -\$0.13 |
| Dec2012 | -\$0.17 | Dec2012 | -\$0.12 |
| Dec2011 | -\$0.12 | Dec2011 | -\$0.09 |
| Dec2010 | -\$0.11 | Dec2010 | -\$0.06 |
| Dec2009 | -\$0.09 | Dec2009 | -\$0.03 |
| Dec2008 | \$0.00 | Dec2008 | \$0.00 |
| Dec2007 | \$0.00 | Dec2007 | \$0.00 |
| Dec2006 | \$0.00 | Dec2006 | \$0.00 |
| Dec2005 | \$0.00 | Dec2005 | \$0.00 |
| Dec2004 | \$0.00 | Dec2004 | \$0.00 |
| Dec2003 | \$0.00 | Dec2003 | \$0.00 |
| Dec2002 | \$0.00 | Dec2002 | \$0.00 |
| Dec2001 | \$0.00 | Dec2001 | \$0.00 |
| Dec2000 | \$0.00 | Dec2000 | \$0.00 |
| Dec1999 | \$0.00 | Balance Sheet Information 9/1/2016 | |
| Dec1998 | \$0.00 | Total Current Assets | \$151,916,000 |
| Dec1997 | \$0.00 | Total Current Liabilities | \$59,904,000 |
| Dec1996 | \$0.00 | Long-Term Debt | \$618,892,000 |
| | | Total Assets | \$1,660,228,000 |
| | | Intangible Assets | \$0 |
| | | Total Liabilities | \$682,792,000 |
| | | Shares Outstanding (Diluted Average) | 87,401,000 |





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

[Sabra Health Care REIT Inc Valuation – Initial Coverage \\$SBRA](#)
[National Retail Properties Inc Valuation – November 2016 \\$NNN](#)
[Welltower Inc Valuation – November 2016 \\$HCN](#)
[Realty Income Corp Valuation – November 2016 \\$O](#)
[American Campus Communities Valuation – November 2016 \\$ACC](#)
[Ventas Inc Valuation – August 2016 \\$VTR](#)
[SL Green Realty Corp Valuation – August 2016 \\$SLG](#)
[Starwood Property Trust Inc Valuation – August 2016 \\$STWD](#)
[Kimco Realty Corp Valuation – August 2016 \\$KIM](#)
[Equity Residential Valuation – August 2016 \\$EQR](#)