

ModernGraham Valuation

Company Name:

SPS Commerce, Inc.

Company Ticker

SPSC

Date of Analysis

2/10/2017



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	\$1,030,503,004	Fail
2. Sufficiently Strong Financial Condition	Current Ratio > 2	5.78	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		
5. Earnings Growth		-123.06%	Fail
6. Moderate PEmg Ratio	PEmg < 20	132.72	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	4.02	Fail

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	5.78	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	0.00	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		Pass
	Score		

Suitability

Defensive	No
Enterprising	Yes

Stage 2: Determination of Intrinsic Value

EPSmg	\$0.43
MG Growth Estimate	6.35%
MG Value	\$9.22
MG Value based on 3% Growth	\$6.30
MG Value based on 0% Growth	\$3.69
Market Implied Growth Rate	62.11%

MG Opinion

Current Price	\$57.69
% of Intrinsic Value	625.83%
Opinion	Overvalued
MG Grade	C-

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	\$7.88
Graham Number	\$16.21
PEmg	132.72
Current Ratio	5.78
PB Ratio	4.02
Current Dividend	\$0.00
Dividend Yield	0.00%
Number of Consecutive Years of Dividend Growth	0

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	\$0.80	Next Fiscal Year Estimate	\$0.43
Dec2016	\$0.33	Dec2016	\$0.23
Dec2015	\$0.27	Dec2015	\$0.23
Dec2014	\$0.16	Dec2014	\$0.25
Dec2013	\$0.07	Dec2013	\$0.31
Dec2012	\$0.09	Dec2012	-\$0.04
Dec2011	\$1.08	Dec2011	-\$0.41
Dec2010	\$0.25	Dec2010	-\$1.17
Dec2009	\$0.13	Dec2009	-\$1.68
Dec2008	-\$6.45	Dec2008	-\$2.15
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	Balance Sheet Information 12/1/2016	
Dec1999	\$0.00	Total Current Assets	\$185,933,000
Dec1998	\$0.00	Total Current Liabilities	\$32,161,000
Dec1997	\$0.00	Long-Term Debt	\$0
		Total Assets	\$298,365,000
		Intangible Assets	\$69,565,000
		Total Liabilities	\$49,098,000
		Shares Outstanding (Diluted Average)	17,366,000





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

[J B Hunt Transport Services Inc Valuation – Initial Coverage \\$JBHT](#)
[Celadon Group Inc Valuation – Initial Coverage \\$CGI](#)
[Saia Inc Valuation – Initial Coverage \\$SAIA](#)
[C.H. Robinson Worldwide Inc Valuation – August 2016 \\$CHRW](#)
[FedEx Corp Valuation – July 2016 \\$FDX](#)
[Ryder System Inc Valuation – July 2016 \\$R](#)
[Expeditors International of Washington Valuation – June 2016 \\$EXPD](#)
[Expeditors International of Washington Valuation – January 2016 Update \\$EXPD](#)
[FedEx Corp Valuation – November 2015 Update \\$FDX](#)
[United Parcel Service Inc. Valuation – October 2015 Update \\$UPS](#)