

# ModernGraham Valuation

Suburban Propane  
Partners LP



Company Name:

Company Ticker SPH

Date of Analysis

6/30/2018

## 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	\$1,440,571,709	Fail
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.41	Fail
3. Earnings Stability	Positive EPS for 10 years prior		Pass
4. Dividend Record	Dividend Payments for 10 years prior		Pass
	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	-85.03%	Fail
5. Earnings Growth	PEmg < 20	29.94	Fail
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	2.31	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	1.41	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	17.94	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 Score		Fail

### Suitability

<b>Defensive</b>	<b>No</b>
<b>Enterprising</b>	<b>No</b>

## Stage 2: Determination of Intrinsic Value

EPSmg	\$0.78
MG Growth Estimate	-4.25%
<b>MG Value</b>	<b>\$0.00</b>
MG Value based on 3% Growth	\$11.38
MG Value based on 0% Growth	\$6.67
Market Implied Growth Rate	10.72%

### MG Opinion

Current Price	\$23.49
% of Intrinsic Value	N/A
<b>Opinion</b>	<b>Overvalued</b>
<b>MG Grade</b>	<b>C-</b>

## Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$21.88
Graham Number	\$13.16
PEmg	29.94
Current Ratio	1.41
PB Ratio	2.31
Current Dividend	\$3.55
Dividend Yield	15.11%
Number of Consecutive Years of Dividend Growth	20

### Useful Links:

<a href="#">ModernGraham tagged articles</a>	<a href="#">Morningstar</a>
<a href="#">Google Finance</a>	<a href="#">MSN Money</a>
<a href="#">Yahoo Finance</a>	<a href="#">Seeking Alpha</a>
<a href="#">GuruFocus</a>	<a href="#">SEC Filings</a>

EPS History		EPSmg History	
Next Fiscal Year Estimate	\$0.85	Next Fiscal Year Estimate	\$0.78
Sep2017	\$0.62	Sep2017	\$0.84
Sep2016	\$0.24	Sep2016	\$0.94
Sep2015	\$1.38	Sep2015	\$1.36
Sep2014	\$1.56	Sep2014	\$1.53
Sep2013	\$1.34	Sep2013	\$1.86
Sep2012	\$0.02	Sep2012	\$2.49
Sep2011	\$3.22	Sep2011	\$3.82
Sep2010	\$3.24	Sep2010	\$4.05
Sep2009	\$4.96	Sep2009	\$4.04
Sep2008	\$4.70	Sep2008	\$3.18
Sep2007	\$3.89	Sep2007	\$2.21
Sep2006	\$2.83	Sep2006	\$1.40
Sep2005	-\$0.38	Sep2005	\$0.89
Sep2004	\$0.84	Sep2004	\$1.60
Sep2003	\$1.86	Sep2003	\$1.90
Sep2002	\$2.12	Sep2002	\$1.81
Sep2001	\$2.14	<b>Balance Sheet Information 3/1/2018</b>	
Sep2000	\$1.70	Total Current Assets	\$246,854,000
Sep1999	\$0.83	Total Current Liabilities	\$175,266,000
Sep1998	\$1.30	Long-Term Debt	\$1,284,574,000
		Total Assets	\$2,227,981,000
		Intangible Assets	\$1,287,339,000
		Total Liabilities	\$1,598,728,000
		Shares Outstanding (Diluted Average)	61,793,000





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

- [Suburban Propane Partners Valuation – June 2016 \\$SPH](#)
- [Suburban Propane Partners LP Annual Valuation – 2015 \\$SPH](#)
- [14 Companies in the Spotlight This Week – 1/4/14](#)
- [ModernGraham Valuation: Suburban Propane Partners LP \(SPH\)](#)

Other ModernGraham posts about related companies

- [Public Service Enterprise Group Inc Valuation – June 2018 \\$PEG](#)
- [Eversource Energy Valuation – June 2018 \\$ES](#)
- [PPL Corp Valuation – June 2018 \\$PPL](#)
- [Entergy Corp Valuation – June 2018 \\$ETR](#)
- [Pinnacle West Capital Corp Valuation – June 2018 \\$PNW](#)
- [NiSource Inc Valuation – June 2018 \\$NI](#)
- [American Electric Power Co Valuation – June 2018 \\$AEP](#)
- [American Water Works Co Inc Valuation – June 2018 \\$AWK](#)
- [Alliant Energy Corp Valuation – June 2018 \\$LNT](#)
- [Consolidated Edison Inc Valuation – June 2018 \\$ED](#)