

# ModernGraham Valuation

## Company Name:

Company Ticker INN

Date of Analysis

Summit Hotel  
Properties Inc

7/25/2018



## 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	\$1,471,771,055	Fail
2. Sufficiently Strong Financial Condition	Current Ratio > 2	2.19	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	-806.25%	Fail
5. Earnings Growth	PEmg < 20	18.79	Pass
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	1.22	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	2.19	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	12.52	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		Pass

### Suitability

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

## Stage 2: Determination of Intrinsic Value

EPSmg	\$0.74
MG Growth Estimate	15.00%
<b>MG Value</b>	<b>\$28.34</b>
MG Value based on 3% Growth	\$10.67
MG Value based on 0% Growth	\$6.26
Market Implied Growth Rate	5.15%

### MG Opinion

Current Price	\$13.83
% of Intrinsic Value	48.81%
<b>Opinion</b>	<b>Undervalued</b>
<b>MG Grade</b>	<b>B</b>

## Stage 3: Information for Further Research

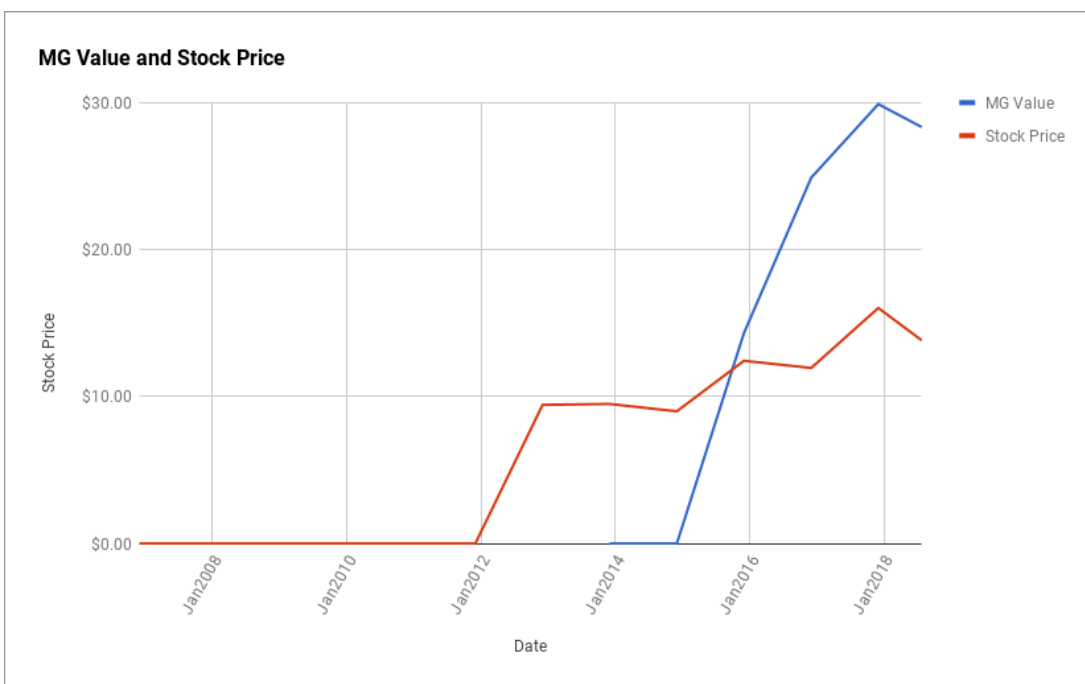
Net Current Asset Value (NCAV)	-\$8.64
Graham Number	\$11.37
PEmg	18.79
Current Ratio	2.19
PB Ratio	1.22
Current Dividend	\$0.67
Dividend Yield	4.87%
Number of Consecutive Years of Dividend Growth	4

### 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	\$0.47	Next Fiscal Year Estimate	\$0.74
Dec2017	\$0.79	Dec2017	\$0.78
Dec2016	\$1.00	Dec2016	\$0.65
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	<b>Balance Sheet Information 3/1/2018</b>	
Dec2000	\$0.00	Total Current Assets	\$143,614,000
Dec1999	\$0.00	Total Current Liabilities	\$65,689,000
Dec1998	\$0.00	Long-Term Debt	\$975,316,000
		Total Assets	\$2,221,878,000
		Intangible Assets	\$22,764,000
		Total Liabilities	\$1,041,005,000
		Shares Outstanding (Diluted Average)	103,899,000





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

[Summit Hotel Properties Inc Valuation – Initial Coverage \\$INN](#)

Other  
ModernGraham  
posts about related  
companies

[National Retail Properties Inc Valuation – July 2018 \\$NNN](#)  
[Equinix Inc Valuation – June 2018 \\$EQIX](#)  
[Kimco Realty Corp Valuation – June 2018 \\$KIM](#)  
[Essex Property Trust Inc Valuation – June 2018 \\$ESS](#)  
[Federal Realty Investment Trust Valuation – June 2018 \\$FRT](#)  
[UDR Inc Valuation – June 2018 \\$UDR](#)  
[Mid-America Apartment Communities Inc Valuation – June 2018 \\$MAA](#)  
[Extra Space Storage Inc Valuation – June 2018 \\$EXR](#)  
[Digital Realty Trust Inc Valuation – June 2018 \\$DLR](#)  
[Equity Residential Valuation – June 2018 \\$EQR](#)