

ModernGraham Valuation

Company Name:

SPS Commerce, Inc.

Company Ticker SPSC

Date of Analysis

8/11/2018



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	\$1,599,063,521	Fail
2. Sufficiently Strong Financial Condition	Current Ratio > 2	4.96	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	0.68%	Fail
5. Earnings Growth	PEmg < 20	187.29	Fail
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	5.60	Fail
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	4.96	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	0.00	Pass
3. Earnings Stability	Positive EPS for 5 years prior		Fail
4. Dividend Record	Currently Pays Dividend		Fail
5. Earnings Growth	EPSmg greater than 5 years ago Score		Pass

Suitability

Defensive	No
Enterprising	No

Stage 2: Determination of Intrinsic Value

EPSmg	\$0.50
MG Growth Estimate	15.00%
MG Value	\$19.33
MG Value based on 3% Growth	\$7.28
MG Value based on 0% Growth	\$4.27
Market Implied Growth Rate	89.40%

MG Opinion

Current Price	\$94.02
% of Intrinsic Value	486.47%
Opinion	Overvalued
MG Grade	F

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	\$10.42
Graham Number	\$21.57
PEmg	187.29
Current Ratio	4.96
PB Ratio	5.60
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		Next Fiscal Year Estimate	
Dec2017	\$1.28	Dec2017	\$0.50
Dec2016	-\$0.14	Dec2016	\$0.12
Dec2015	\$0.33	Dec2015	\$0.23
Dec2014	\$0.27	Dec2014	\$0.23
Dec2013	\$0.16	Dec2013	\$0.25
Dec2012	\$0.07	Dec2012	\$0.31
Dec2011	\$0.09	Dec2011	-\$0.04
Dec2010	\$1.08	Dec2010	-\$0.41
Dec2009	\$0.25	Dec2009	-\$1.17
Dec2008	\$0.13	Dec2008	-\$1.68
Dec2007	-\$6.45	Dec2007	-\$2.15
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	Balance Sheet Information	
Dec2000	\$0.00	6/1/2018	
Dec1999	\$0.00	Total Current Assets	\$239,886,000
Dec1998	\$0.00	Total Current Liabilities	\$48,378,000
		Long-Term Debt	\$0
		Total Assets	\$351,673,000
		Intangible Assets	\$64,757,000
		Total Liabilities	\$56,984,000
		Shares Outstanding (Diluted Average)	17,549,000





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 [SPS Commerce Inc Valuation – Initial Coverage \\$SPSC](#)

ModernGraham
posts about the
company

Other [Synchronoss Technologies Inc Valuation – August 2018 \\$SNCR](#)

ModernGraham [ACI Worldwide Inc Valuation – July 2018 \\$ACIW](#)

posts about related [Akamai Technologies Inc Valuation – May 2018 \\$AKAM](#)

companies [Symantec Corp Valuation – April 2018 \\$SYMC](#)

[Intuit Inc Valuation – April 2018 \\$INTU](#)

[CommVault Systems Inc Valuation – April 2018 \\$CVLT](#)

[Constellation Software Inc Valuation – April 2018 \\$TSE-CSU](#)

[Adobe Systems Inc Valuation – April 2018 \\$ADBE](#)

[Synopsis Inc Valuation – April 2018 \\$SNPS](#)

[Autodesk Inc Valuation – April 2018 \\$ADSK](#)