

ModernGraham Valuation

Company Name:

Spire Inc

Company Ticker SR

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	\$3,798,503,176	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	0.72	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	33.99%	Pass
5. Earnings Growth			
6. Moderate PEmg Ratio	PEmg < 20	20.93	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	0.80	Pass

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	0.72	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	-8.83	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		Pass
	Score		

Suitability

Defensive	No
Enterprising	No

Stage 2: Determination of Intrinsic Value

EPSmg	\$3.57
MG Growth Estimate	7.10%
MG Value	\$81.07
MG Value based on 3% Growth	\$51.77
MG Value based on 0% Growth	\$30.35
Market Implied Growth Rate	6.22%

MG Opinion

Current Price	\$74.75
% of Intrinsic Value	92.21%
Opinion	Fairly Valued
MG Grade	C-

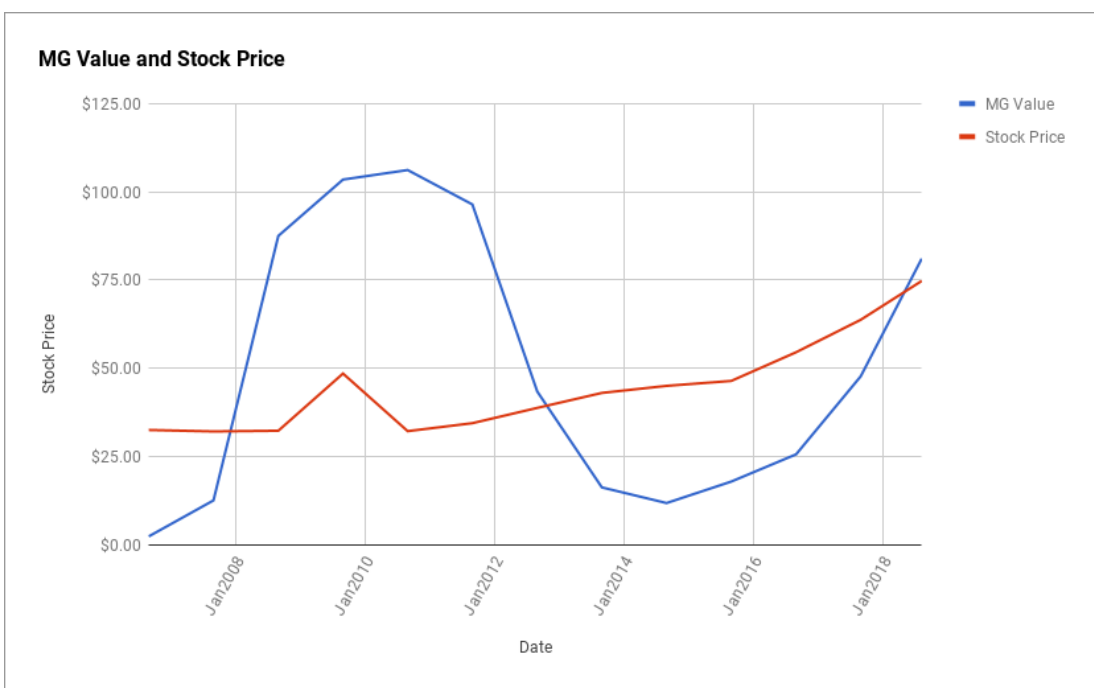
Stage 3: Information for Further Research

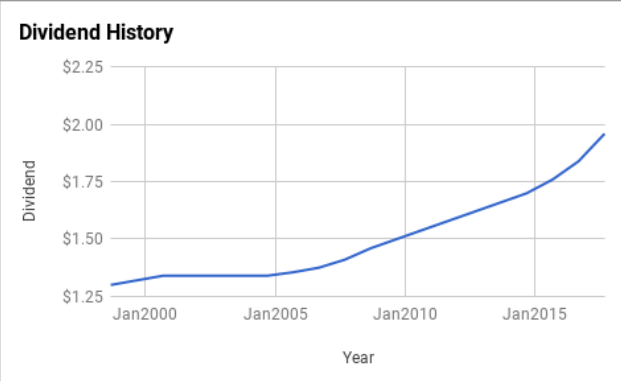
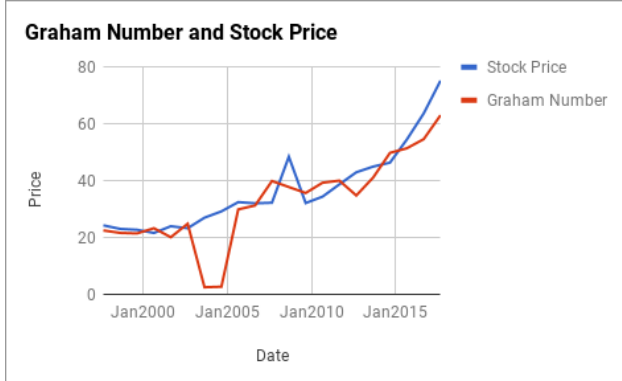
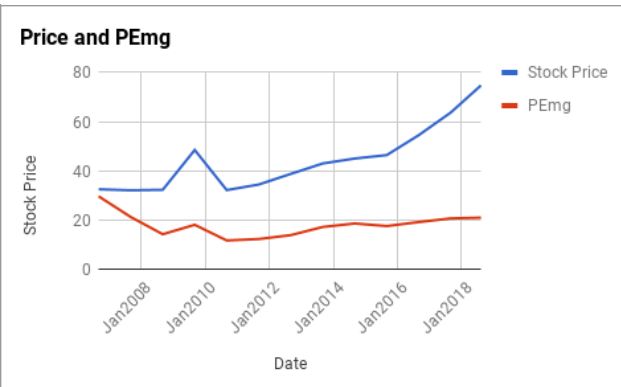
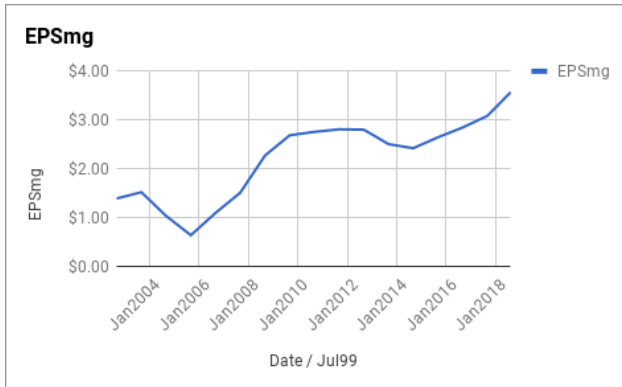
Net Current Asset Value (NCAV)	-\$27.86
Graham Number	\$63.11
PEmg	20.93
Current Ratio	0.72
PB Ratio	0.80
Current Dividend	\$2.10
Dividend Yield	2.81%
Number of Consecutive Years of Dividend Growth	14

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	\$4.29	Next Fiscal Year Estimate	\$3.57
Sep2017	\$3.43	Sep2017	\$3.09
Sep2016	\$3.24	Sep2016	\$2.85
Sep2015	\$3.16	Sep2015	\$2.65
Sep2014	\$2.35	Sep2014	\$2.42
Sep2013	\$2.02	Sep2013	\$2.51
Sep2012	\$2.79	Sep2012	\$2.80
Sep2011	\$2.86	Sep2011	\$2.81
Sep2010	\$2.43	Sep2010	\$2.76
Sep2009	\$2.89	Sep2009	\$2.69
Sep2008	\$3.58	Sep2008	\$2.27
Sep2007	\$2.31	Sep2007	\$1.51
Sep2006	\$2.30	Sep2006	\$1.10
Sep2005	\$0.02	Sep2005	\$0.64
Sep2004	\$0.02	Sep2004	\$1.03
Sep2003	\$1.82	Sep2003	\$1.52
Sep2002	\$1.18	Sep2002	\$1.39
Sep2001	\$1.61	Balance Sheet Information 6/1/2018	
Sep2000	\$1.37	Total Current Assets	\$584,900,000
Sep1999	\$1.43	Total Current Liabilities	\$814,100,000
Sep1998	\$1.58	Long-Term Debt	\$2,024,500,000
		Total Assets	\$6,584,900,000
		Intangible Assets	\$1,171,600,000
		Total Liabilities	\$1,969,500,000
		Shares Outstanding (Diluted Average)	49,700,000





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 [Spire Inc Valuation – Initial Coverage \\$SR](#)

Other ModernGraham posts about related companies [Superior Plus Corp Valuation – August 2018 \\$TSX:SPB](#)
[Just Energy Group Inc Valuation – August 2018 \\$TSE:JE](#)
[South Jersey Industries Inc Valuation – July 2018 \\$SJI](#)
[Innervex Renewable Energy Inc Valuation – July 2018 \\$TSE:INE](#)
[Suburban Propane Partners LP Valuation – June 2018 \\$SPH](#)
[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](#)