

It's been a difficult year, thus far, for Spire Inc. (Spire Inc. 2022 ends on September 30th.) In fact, first-half share net of $4.28 plummeted about 18%, compared to the prior-year tally of $5.50. This stemmed partially from substantially lower profits to the Gas Marketing unit, as fiscal 2021’s results enjoyed very favorably market conditions created by extreme weather associated with Winter Storm Uri. Moreover, the Gas Utility division was held back to a certain extent by higher operating expenses. So, right now, it seems that full-year share net will plunge more than 20% to $3.90, relative to fiscal 2021’s $4.96 figure. Please be aware that our fiscal 2022 estimate of $4.35 a share is a tentative, in part, because of a pending rate case in Missouri. Too, the company is regulated by the Federal Energy Regulatory Commission to operate the key Spire STL Pipeline, temporarily, while whether permanent approval should be granted. (Leaders expect the process to continue into calendar 2023.)

The Financial Strength rating is B++. When the March period concluded, cash and equivalents were $2.9 billion, versus $2.2 billion a year earlier. Moreover, there was $795 million available through a revolving credit facility maturing in October, 2023. Elsewhere, long-term debt was a manageable 53% of total capital, and short-term borrowings were not a major stumbling block. So, Spire ought to be able to meet its various obligations for a while. We are optimistic about the company's performance out to 2025-2027. The gas utilities boast 1.7 million customers in Missouri, regulated by a measure of regional diversity. Also, the other businesses, especially pipelines, hold promise. Additional fiscal projects and technological enhancements in customer service and elsewhere should aid Spire, as well. Finally, acquisitions are plausible, supported by the decent balance sheet.

BUSINESS: Spine Inc., formerly known as the Lacelee Group, Inc., is a holding company for natural gas utilities, which distributes natural gas across Missouri, including the cities of St. Louis and Kansas City, Alabama, and Mississippi. It has roughly 1.7 million customers. Acquired Missouri Gas 9/13, Alabama Gas Co 9/14. Utility therms sold totaled operations: residential, 56%; commercial and industrial, 28%; and all others, 16%. LNG acquisitions are feasible, supported by the decent balance sheet.

Furthermore there was $3.7 million of cash and equivalents in the $3.7 million of cash and equivalents in the December 31, 2021. So, it may be just a matter of time before the company is able to meet its various obligations for a while.

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