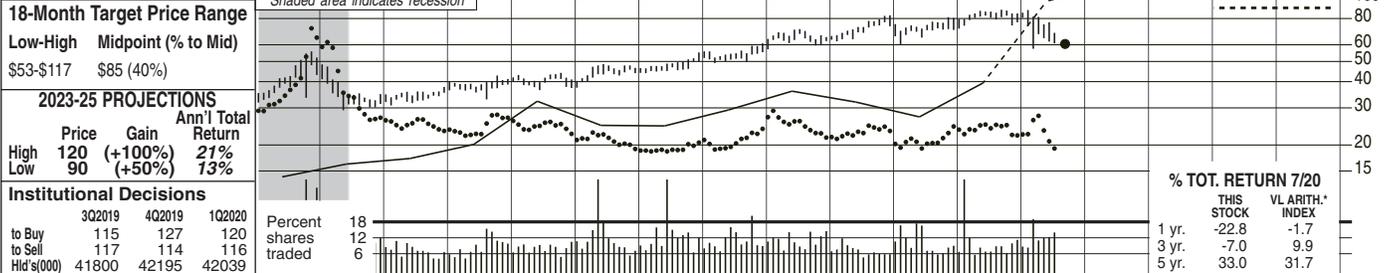


# SPIRE INC. NYSE-SR

RECENT PRICE **60.54** P/E RATIO **NMF** (Trailing: 51.7 Median: 18.0) RELATIVE P/E RATIO **NMF** DIV'D YLD **4.3%** VALUE LINE

TIMELINESS <b>3</b> Lowered 11/30/18	High: 48.3	37.8	42.8	44.0	48.5	55.2	61.0	71.2	82.9	81.1	88.0	88.0	Target Price Range
SAFETY <b>2</b> Raised 6/20/03	Low: 29.3	30.8	32.9	36.5	37.4	44.0	49.1	57.1	62.3	60.1	71.7	57.4	2023 2024 2025
TECHNICAL <b>3</b> Raised 5/1/20	<b>LEGENDS</b> 0.35 x Dividends p sh divided by Interest Rate ... Relative Price Strength Options: Yes Shaded area indicates recession												
BETA .80 (1.00 = Market)	160 120 100 80 60 50 40 30 20 15												



2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	© VALUE LINE PUB. LLC	23-25
59.59	75.43	93.51	93.40	100.44	85.49	77.83	71.48	49.90	31.10	37.68	45.59	33.68	36.07	38.78	38.30	<b>35.10</b>	<b>36.40</b>	Revenues per sh <sup>A</sup>	<b>58.20</b>
2.79	2.98	3.81	3.87	4.22	4.56	4.11	4.62	4.58	3.12	3.87	6.15	6.16	6.54	7.55	7.12	<b>4.70</b>	<b>7.25</b>	"Cash Flow" per sh	<b>9.75</b>
1.82	1.90	2.37	2.31	2.64	2.92	2.43	2.86	2.79	2.02	2.35	3.16	3.24	3.43	4.33	3.52	<b>1.10</b>	<b>3.30</b>	Earnings per sh <sup>A B</sup>	<b>5.15</b>
1.35	1.37	1.40	1.45	1.49	1.53	1.57	1.61	1.66	1.70	1.76	1.84	1.96	2.10	2.25	2.37	<b>2.49</b>	<b>2.61</b>	Div'ds Decl'd per sh <sup>C</sup>	<b>3.00</b>
2.45	2.84	2.97	2.72	2.57	2.36	2.56	3.02	4.83	4.00	3.96	6.68	6.42	9.08	9.86	16.15	<b>12.50</b>	<b>10.10</b>	Cap'l Spending per sh	<b>10.50</b>
16.96	17.31	18.85	19.79	22.12	23.32	24.02	25.56	26.67	32.00	34.93	36.30	38.73	41.26	44.51	45.14	<b>50.50</b>	<b>55.45</b>	Book Value per sh <sup>D</sup>	<b>72.00</b>
20.98	21.17	21.36	21.65	21.99	22.17	22.29	22.43	22.55	32.70	43.18	43.36	45.65	48.26	50.67	50.97	<b>52.00</b>	<b>52.50</b>	Common Shs Outst'g <sup>E</sup>	<b>55.00</b>
15.7	16.2	13.6	14.2	14.3	13.4	13.7	13.0	14.5	21.3	19.8	16.5	19.6	19.8	16.7	22.8	<b>10.00</b>	<b>10.00</b>	Avg Ann'l P/E Ratio	<b>20.5</b>
.83	.86	.73	.75	.86	.89	.87	.82	.92	1.20	1.04	.83	1.03	1.00	.90	1.24	<b>3.0%</b>	<b>3.0%</b>	Relative P/E Ratio	<b>1.15</b>
4.7%	4.4%	4.3%	4.4%	3.9%	3.9%	4.7%	4.3%	4.1%	4.0%	3.8%	3.5%	3.1%	3.1%	3.1%	3.0%	<b>NMF</b>	<b>NMF</b>	Avg Ann'l Div'd Yield	<b>2.9%</b>

CAPITAL STRUCTURE as of 6/30/20				2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Revenues (\$mill) <sup>A</sup>	3200
Total Debt \$2961.3 mill. Due in 5 Yrs \$725.0 mill.				1735.0	1603.3	1125.5	1017.0	1627.2	1976.4	1537.3	1740.7	1965.0	1952.4	<b>1825</b>	<b>1910</b>	Revenues (\$mill) <sup>A</sup>	<b>3200</b>						
LT Debt \$2478.3 mill. LT Interest \$120.0 mill.				54.0	63.8	62.6	52.8	84.6	136.9	144.2	161.6	214.2	184.6	<b>55.0</b>	<b>175</b>	Net Profit (\$mill)	<b>285</b>						
(Total interest coverage: 3.1x)				33.4%	31.4%	29.6%	25.0%	27.6%	31.2%	32.5%	32.4%	32.4%	15.7%	<b>15.0%</b>	<b>16.0%</b>	Income Tax Rate	<b>23.5%</b>						
Leases, Uncapitalized Annual rentals \$8.2 mill.				3.1%	4.0%	5.6%	5.2%	5.2%	6.9%	9.4%	9.3%	10.9%	9.5%	<b>3.0%</b>	<b>9.2%</b>	Net Profit Margin	<b>8.9%</b>						
Pension Assets-9/19 \$521.8 mill.				40.5%	38.9%	36.1%	46.6%	55.1%	53.0%	50.9%	50.0%	45.7%	<b>49.0%</b>	<b>48.0%</b>	Long-Term Debt Ratio	<b>45.0%</b>							
Pfd Stock \$242.0 mill. Pfd Div'd \$3.4 mill.				59.5%	61.1%	63.9%	53.4%	44.9%	47.0%	49.1%	50.0%	54.3%	55.0%	<b>51.0%</b>	<b>52.0%</b>	Common Equity Ratio	<b>55.0%</b>						
Common Stock 51,482,424 shs. as of 7/31/20				899.9	937.7	941.0	1959.0	3359.4	3345.1	3601.9	3986.3	4155.5	4625.6	<b>5150</b>	<b>5600</b>	Total Capital (\$mill)	<b>7200</b>						
MARKET CAP: \$3.1 billion (Mid Cap)				884.1	928.7	1019.3	1776.6	2759.7	2941.2	3300.9	3665.2	3970.5	4352.0	<b>4650</b>	<b>5070</b>	Net Plant (\$mill)	<b>6500</b>						
CURRENT POSITION				7.4%	8.1%	7.9%	3.3%	3.1%	5.1%	4.9%	5.0%	6.3%	5.1%	<b>2.5%</b>	<b>4.5%</b>	Return on Total Cap'l	<b>5.5%</b>						
CASH (SMILL.)				10.1%	11.1%	10.4%	5.0%	5.6%	8.7%	8.2%	8.1%	9.5%	7.3%	<b>2.0%</b>	<b>6.0%</b>	Return on Shr. Equity	<b>7.0%</b>						
Cash Assets				10.1%	11.1%	10.4%	5.0%	5.6%	8.7%	8.2%	8.1%	9.5%	7.9%	<b>2.0%</b>	<b>6.0%</b>	Return on Com Equity	<b>7.0%</b>						
Other				3.6%	4.9%	4.3%	1.0%	1.5%	3.7%	3.3%	3.3%	4.7%	2.7%	<b>NMF</b>	<b>1.0%</b>	Retained to Com Eq	<b>3.0%</b>						
Current Assets				64%	56%	59%	81%	73%	58%	59%	60%	51%	66%	<b>NMF</b>	<b>80%</b>	All Div'ds to Net Prof	<b>60%</b>						

**BUSINESS:** Spire Inc., formerly known as the Laclede 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. Has roughly 1.8 million customers. Acquired Missouri Gas 9/13, Alabama Gas Co 9/14. Utility terms sold and transported in fiscal 2019: 3.4 bill. Revenue mix for regulated operations: residential, 68%; commercial and industrial, 23%; transportation, 6%; other, 3%. Has about 3,536 employees. Officers and directors own 2.9% of common shares; BlackRock, 15.0% (1/20 proxy). Chairman: Edward Glotzbach; CEO: Suzanne Sitherwood, Inc.: Missouri. Address: 700 Market Street, St. Louis, Missouri 63101. Tel.: 314-342-0500. Internet: www.spireenergy.com.

**Spire Inc. is about to close the books on a disappointing fiscal 2020 (ends September 30th).** Through the first nine months, share net plunged 55%, to \$1.91, relative to last year's \$4.27 tally. This reflects the impact of the pandemic, which began to have an increasingly greater effect on the company as the months progressed. Notably, in the third quarter, it incurred a total pre-tax impairment charge of \$148.6 million, equal to \$2.29 a share aftertax, due primarily to the writedown of the value of storage assets and, to a lesser degree, two commercial compressed natural gas fueling stations. Spire contends, though, that it is pursuing operating efficiencies and potential regulatory mechanisms to help offset the damage from COVID-19. Unfortunately, it seems that profits for the entire year will still tumble nearly 70%, to \$1.10 a share, versus the fiscal 2019 figure of \$3.52. But assuming that the health crisis dissipates, the bottom line stands to recover threefold, to \$3.30 a share, in fiscal 2021.

**We are optimistic about the energy firm's business prospects out to mid-decade.** The gas utilities boast 1.8 million customers in Mississippi, Alabama, and Missouri, providing a measure of regional diversity. Also, the other operations, especially pipelines, show promise. Additional expansionary projects and technological enhancements in customer service and elsewhere ought to help, too. Lastly, Spire's balance sheet is solid (see below).

**The Financial Strength rating resides at B++.** At the end of June, there was almost \$650 million of available liquidity partly via a revolving credit facility. Too, long-term debt sat at a manageable 48% of total capital, and short-term obligations were not a big problem. So, the company should be able to satisfy its various commitments (including interest payments, capital expenditures, and dividends) for a while. Acquisitions are also plausible.

**These good-quality shares have taken a major step backward in recent months.** We think that price move stems partly from the company's weak third-quarter performance. But recovery potential out to mid-decade now looks appealing. Consider, too, the dividend yield and 18-month capital gains potential.

*Frederick L. Harris, III August 28, 2020*

(A) Fiscal year ends Sept. 30th. (B) Based on diluted shares outstanding. Excludes nonrecurring loss: '06, 7c. Excludes gain from discontinued operations: '08, 94c. Next earnings report due late Oct. (C) Dividends paid in early January, April, July, and October. (D) Incl. deferred charges. In '19: \$1,171.6 mill., \$22.99/sh.	(E) In millions. (F) Qty. egs. may not sum due to rounding or change in shares outstanding.	Company's Financial Strength	B++
		Stock's Price Stability	95
		Price Growth Persistence	75
		Earnings Predictability	65