



Spire Inc. (SR)

Updated June 9th, 2026 by Felix Martinez

Key Metrics

Current Price:	\$80	5 Year Annual Expected Total Return:	4.8%	Market Cap:	\$4.8B
Fair Value Price:	\$65	5 Year Growth Estimate:	5.0%	Ex-Dividend Date:	06/11/26
% Fair Value:	124%	5 Year Valuation Multiple Estimate:	-4.2%	Dividend Payment Date:	07/02/26
Dividend Yield:	4.1%	5 Year Price Target	\$82	Years Of Dividend Growth:	23
Dividend Risk Score:	D	Sector:	Utilities	Rating:	Hold

Overview & Current Events

Spire Inc. is a public utility holding company based in St. Louis, Missouri. The company provides natural gas service through its regulated core utility operations while engaging in non-regulated activities that provide business opportunities. The company was previously known as the Laclede Group, trading under the symbol LG. Laclede Gas Company was one of the first twelve industrial companies that made up the Dow Jones Industrial average. The company was first listed on the NYSE on November 14, 1889. In 2009, The Company celebrated 120 years of trading on the exchange. In 2016, shareholders approved renaming the Company to Spire and trading on the NYSE under the new symbol SR. The company has five gas utilities, serving 1.7 million homes and businesses across Alabama, Mississippi, and Missouri. This makes Spire the fifth largest publicly traded natural gas company in the country. The company has a market cap of \$4.8 billion and generated \$2.5 billion in sales in fiscal year 2025. Spire has been growing its dividends for 23 straight years.

On May 6th, 2026, the company reported its FY'26 second quarter results. The company reported strong fiscal second-quarter 2026 results, with adjusted earnings rising to \$223.7 million, or \$3.76 per share, from \$193.7 million, or \$3.26 per share, in the prior-year period. Growth was driven primarily by higher earnings in the Gas Utility segment, supported by new rates in Missouri and Alabama, infrastructure investments, favorable off-system sales, and effective cost management. The company also strengthened its regulated utility focus through the acquisition of the Piedmont Natural Gas Tennessee business and planned divestitures of non-core assets.

The Gas Utility segment generated adjusted earnings of \$234.8 million, an increase of 20.3% year over year. While results benefited from regulatory and operational improvements, growth was partially offset by lower weather-related natural gas usage, customer refund provisions in Alabama, higher depreciation expense, and increased interest costs. For the first six months of fiscal 2026, adjusted earnings reached \$317.5 million, or \$5.28 per share, compared with \$261.4 million, or \$4.36 per share, in the same period last year.

Looking ahead, Spire lowered its fiscal 2026 adjusted earnings guidance to a range of \$3.90 to \$4.10 per share due to weaker-than-expected weather conditions and updated operating assumptions. Despite the revised outlook, management reaffirmed its fiscal 2027 earnings guidance of \$5.40 to \$5.60 per share and maintained its long-term earnings growth target of 5% to 7%. The company expects continued investment in regulated infrastructure, including a planned \$11.2 billion capital program through 2035, to support future growth and shareholder value.

Growth on a Per-Share Basis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
EPS	\$3.42	\$3.56	\$3.72	\$3.73	\$3.76	\$4.86	\$3.86	\$4.05	\$4.13	\$4.44	\$4.04	\$5.16
DPS	\$1.96	\$2.10	\$2.25	\$2.37	\$2.49	\$2.60	\$2.74	\$2.88	\$3.02	\$3.14	\$3.30	\$4.21
Shares¹	44.0	47.0	49.0	50.0	51.0	51.7	52.1	52.6	56.3	58.7	59.0	60.0

Over the last ten years, Spire has grown Earnings per Share (EPS) at a Compound Annual Growth Rate (CAGR) of 2.9%. However, EPS has grown by over -3.6% over the past five years. We expect Spire will grow earnings for the next five

¹ Share count is in millions.

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years at a CAGR of 5.0%. This will give the company an EPS of \$5.16 in 2031. Most of this growth will come from a growing customer base in the region and increasing utility fees. The dividend growth rate is in line with the company's EPS growth rate. Over the past ten years, the company has been paying a growing dividend rate of 5.4%. We expect Spire to continue to grow its dividend at a slightly lower rate of 5% over the next five years. The most recent increase was 5.1% that was announced on November 14th, 2025.

Valuation Analysis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Avg. P/E	18.7	20.9	19.9	22.3	16.3	12.6	16.2	13.9	15.8	18.4	19.9	16.00
Avg. Yld.	3.1%	2.8%	3.1%	2.7%	4.7%	4.3%	4.4%	5.1%	4.5%	3.9%	4.1%	5.1%

The company has a current valuation of 19.9x earnings, higher with its ten-year average. However, a fair PE of 16x earnings is a good base case. Thus, this suggests that the company has a -4.2% valuation headwind. The current dividend yield is higher than its ten-year average of 3.8%.

Safety, Quality, Competitive Advantage, & Recession Resiliency

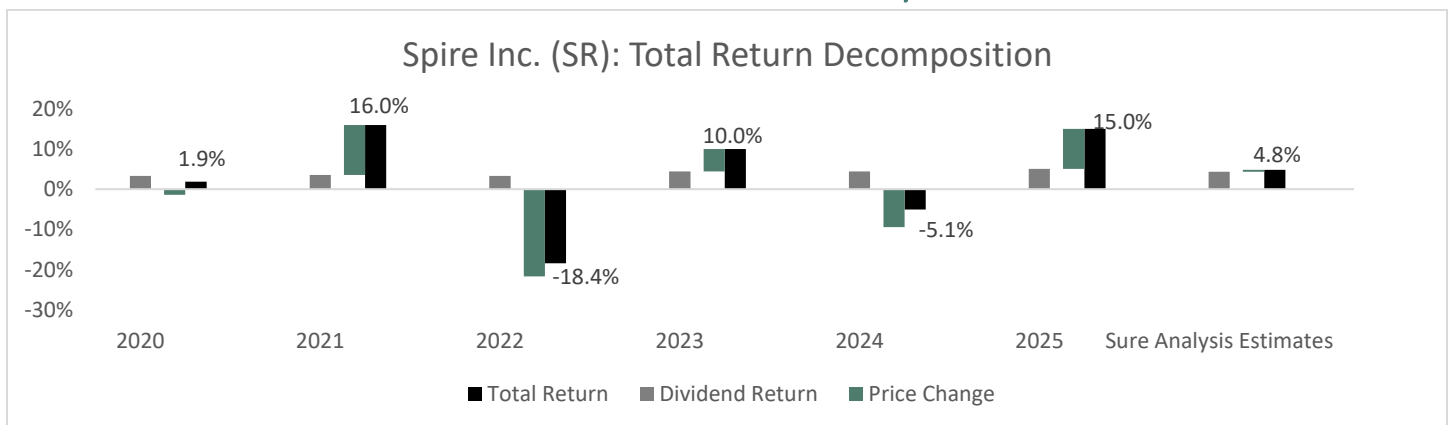
Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	57%	59%	60%	64%	66%	53%	71%	71%	73%	71%	82%	82%

Spire's competitive advantage is its state-regulated utility business, which requires excessive capital expenses for infrastructure and poses high entry barriers to potential competitors in the area. During the Great Recession of 2008-2009, the company grew earnings from \$2.31 in 2007 to \$2.64 in 2008 and \$2.92 in 2009. The dividend was well covered, and the company increased its dividend by 2.7% in 2008. This shows the dividend safety and the resilience of this company. However, in 2010, earnings did drop by (14%) to \$2.52 per share. The drop-in earnings did not affect the dividend payment that year. The company had a dividend payout ratio of 69% and increased the dividend by 2.6% that year. The company has a stable balance sheet with a debt-to-equity ratio of 1.4. The company's interest coverage increases to a ratio of 2.6. Spire's dividend payout ratio has been stable in the 60% range over the past years.

Final Thoughts & Recommendation

The company is a safe investment, as most utility companies are. However, SR is over valued at the current price relative to our fair price estimate of \$85. Thus, we see a 5-year projected annual return of 4.8%. This return will come from the 4.1% dividend yield and the 5.0% earnings growth. Thus, we rate Spire as a hold at the current price.

Total Return Breakdown by Year



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Income Statement Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenue	1,537	1,741	1,965	1,952	1,855	2,236	2,199	2,666	2593	2,476
Gross Profit	544	632	616	638	701	823	825	888	982	731
Gross Margin	35.4%	36.3%	31.3%	32.7%	37.8%	36.8%	37.5%	33.3%	37.9%	29.5%
D&A Exp.	138	154	168	182	197	213	237	255	278	298
Operating Profit	282	341	294	302	355	450	408	419	488	524
Operating Margin	18.4%	19.6%	15.0%	15.5%	19.1%	20.1%	18.6%	15.7%	18.8%	21.2%
Net Profit	144	162	214	185	89	272	221	218	251	271
Net Margin	9.4%	9.3%	10.9%	9.5%	4.8%	12.2%	10.0%	8.2%	9.7%	10.9%
Free Cash Flow	35	-150	-43	-372	-169	-375	-497	-222	51	-344
Income Tax	70	78	-27	35	12	69	59	39	59	60

Balance Sheet Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total Assets	6,064	6,547	6,844	7,619	8,241	9,356	10,084	10,310	10860	11,580
Cash & Equivalents	5	7	4	6	4	4	7	6	5	6
Accounts Receivable	128	141	152	140	132	338	211	192	196	177
Inventories	202	226	210	197	192	305	422	280	264	283
Goodwill & Int.	1,165	1,172	1,172	1,172	1,172	1,172	1,172	1,172	1172	1,172
Total Liabilities	4,296	4,555	4,588	5,076	5,719	6,698	7,252	7,396	7628	8,180
Accounts Payable	211	257	290	302	243	410	617	253	237	248
Long-Term Debt	2,469	2,572	2,629	2,866	3,132	3,667	4,277	4,666	4693	3,916
Shareholder's Equity	1,768	1,991	2,255	2,301	2,280	2,416	2,577	2,675	2991	3,147
D/E Ratio	1.40	1.29	1.17	1.13	1.24	1.38	1.52	1.60	1.45	1.24

Profitability & Per Share Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Return on Assets	2.5%	2.6%	3.2%	2.6%	1.1%	3.1%	2.3%	2.1%	2.4%	2.3%
Return on Equity	8.6%	8.6%	10.1%	8.1%	3.9%	11.6%	8.8%	8.3%	8.2%	8.6%
ROIC	3.6%	3.7%	4.5%	3.6%	1.6%	4.5%	3.3%	3.0%	3.2%	3.2%
Shares Out.	44.0	47.0	49.0	50.0	51.0	51.7	52.1	52.6	56.3	58.7
Revenue/Share	34.70	37.04	39.86	38.43	36.17	43.24	42.20	50.69	46.06	42.19
FCF/Share	0.79	-3.19	-0.87	-7.33	-3.28	-7.25	-9.54	-4.23	0.91	-5.87

Note: All figures in millions of U.S. Dollars unless per share or indicated otherwise.

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