NiSource Inc. (NI)

$41.41 (Stock Price as of 12/12/2025)

Price Target (6-12 Months): **$44.00**

Long Term: 6-12 Months	**Zacks Recommendation:** (Since: 08/11/25) Prior Recommendation: Outperform	**Neutral**
Short Term: 1-3 Months	**Zacks Rank:** (1-5)	**3-Hold**
	Zacks Style Scores:	VGM: D
	Value: C | Growth: D	Momentum: C

Summary

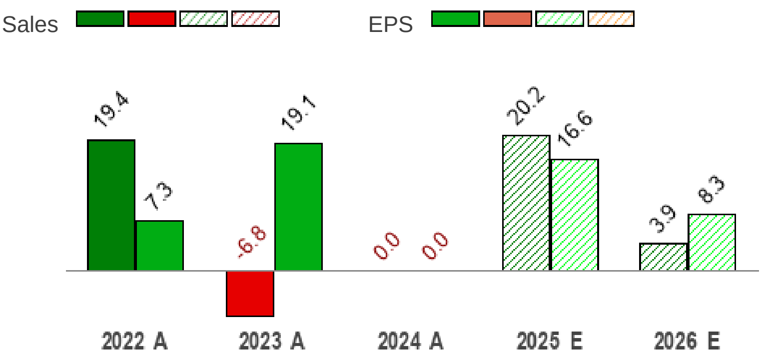
NiSource's third-quarter earnings missed, but revenues topped estimates. It expects to invest $28 billion during 2026-2030 in modernizing infrastructure, which will enhance the reliability of its operations. The company continues to add clean assets to its portfolio and retire coal-based units. Stable performance has allowed it to enhance shareholder returns through regular dividends. NiSource has enough liquidity to meet its debt obligations. However, the company is exposed to variable demands associated with weather fluctuations. Despite NiSource's efforts to maintain its assets, the old machines may cause unplanned outages, affecting its operations. Delays in project completion may increase capital costs and reduce profitability. Shares of NiSource have underperformed the industry in the past six months.

Price, Consensus & Surprise[1]

Data Overview

52 Week High-Low	**$44.73 - $35.36**
20 Day Average Volume (sh)	**3,088,121**
Market Cap	**$19.8 B**
YTD Price Change	**12.7%**
Beta	**0.63**
Dividend / Div Yld	**$1.12 / 2.7%**
Industry	**Utility - Electric Power**
Zacks Industry Rank	**Top 27% (65 out of 243)**
Last EPS Surprise	**-5.0%**
Last Sales Surprise	**8.3%**
EPS F1 Est- 4 week change	**0.2%**
Expected Report Date	**02/11/2026**
Earnings ESP	**0.0%**
P/E TTM	**22.0**
P/E F1	**20.3**
PEG F1	**1.6**
P/S TTM	**3.1**

Sales and EPS Growth Rates (Y/Y %)[1]



Sales Estimates (millions of $)[1]

	Q1	Q2	Q3	Q4	Annual*
2026					6,816 E
2025	2,166 A	1,283 A	1,269 A		6,557 E
2024	1,706 A	1,085 A	1,076 A	1,588 A	5,455 A

EPS Estimates[1]

	Q1	Q2	Q3	Q4	Annual*
2026					2.21 E
2025	0.98 A	0.22 A	0.19 A		2.04 E
2024	0.85 A	0.21 A	0.20 A	0.49 A	1.75 A

*Quarterly figures may not add up to annual.

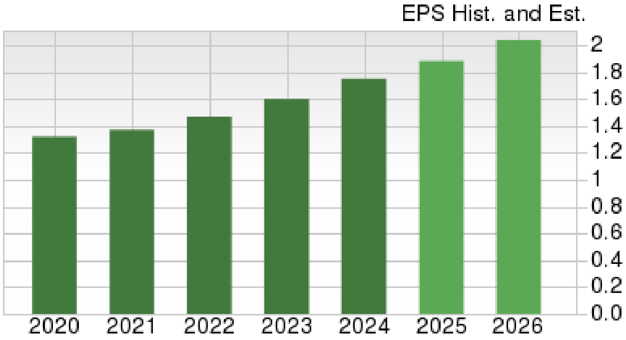
(1) The data in the charts and tables, including the Zacks Consensus EPS and sales estimates, is as of 12/12/2025.
(2) The report's text and the price target are as of 12/05/2025.

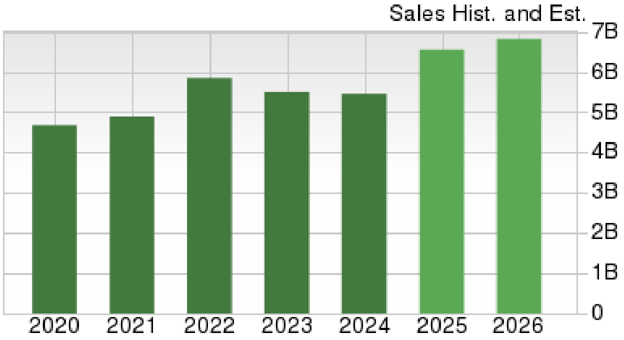
Overview

NiSource Inc., a Merrillville, IN-based energy holding company, was founded in 1912. The company, together with its subsidiaries, provides natural gas, electricity and other products and services in the United States. Its operating subsidiaries deliver energy to nearly 4 million customers in six states — Ohio, Pennsylvania, Virginia, Kentucky, Maryland and Indiana.

NiSource has one of the nation's largest natural gas distribution networks as measured by number of customers. NiSource's principal subsidiary is NiSource Gas Distribution Group, Inc., which is a natural gas distribution holding company. The company generates the majority of its operating income from its rate-regulated businesses.

NiSource's reportable segment, Gas Distribution Operations, serves around 3.3 million customers in six states, and operates about 55,000 miles of distribution and transmission pipelines. Through its wholly-owned subsidiary NiSource Gas Distribution Group, it owns five distribution subsidiaries that provide natural gas to approximately 2.4 million residential, commercial and industrial customers in five states. In addition, NiSource generates, transmits and distributes electricity through its subsidiary, Northern Indiana Public Service Company (NIPSCO), to nearly 0.9 million customers in the northern part of Indiana. In January 2024, NiSource completed the issuance of a 19.9% equity stake of NIPSCO to Blackstone Infrastructure Partners' affiliate for $2.150 billion, with an additional equity commitment of $250 million to fund ongoing capital requirements. NiSource still retains an 80.1% stake.





As of 12/12/2025

It operates two coal-fired electric generating stations, two gas-fired generating units, two wind plants and two hydroelectric plants. In May 2018, NIPSCO completed the retirement of two coal-burning units at Bailly Generating Station, IN. These units had a generating capacity of approximately 460 megawatts (MW).

As of 12/12/2025

Reasons To Buy:

> NiSource's consistent investments to strengthen its infrastructure. Data center developments and focus on clean energy are going to drive its performance.

- NiSource's earnings are benefiting from the new electric and gas rates that came into effect in 2024 and 2025 (year to date). The Pennsylvania segment filed a new rate case to recover more than $400 million of anticipated investment necessary to deliver safe and reliable service to its customers. Demand from Data centers is rising and the company's unit NIPSCO Generation LLC (GenCo) expects up to 9 gigawatts from data centers. GenCO has already signed 3 GW of capacity contract, strategic negotiations is on for another 3 GW and the company predicts another 3 GW of development opportunities from data centers, which will be beneficial for the company.

  The company is also gaining from its cost-saving initiatives. It launched Project Apollo, part of its enterprise-wide transformation effort. Project Apollo covers several initiatives and expects to generate annual savings of $40-$60 million, which began in 2023. Its revised plan projects less than 5% average annual bill increases across NiSource. It observed and incorporated efficiency by performing safer, better, more efficient and low-cost operations. The project is expected to maintain flat O&M expenses throughout the five-year plan. These cost-saving measures will definitely boost its margins over the long term.

- The company is working on a long-term utility infrastructure modernization program. NiSource made capital investments worth $3.3 billion in 2024. The company expects to invest $4.4-$4.8 billion in 2025, including $400-$500 million in data centers. It also projects $28 billion in investments for 2026-2030, a 45% increase over its prior five-year plan focused on delivering safe and reliable energy systems to its customers. NiSource has dedicated roughly $7 billion to data center infrastructure investment. These commitments are expected to strengthen its financial position.

  NiSource expects an annual consolidated rate base growth of 9-11% during 2026-2030, driven by its capital expenditures. The company has a 100% regulated utility business model. Its planned regulated investments should improve the reliability and safety of the company's services and provide efficient electric and natural gas services to its increasing customer base. More than 75% of NiSource's capital expenditure starts providing returns in less than 18 months of investment.

- NiSource is set to retire its 100% coal-generating sources between 2026 and 2028 and replace the production volumes with reliable and cleaner options at lower costs. The company aims to reduce greenhouse gas emissions by 90% within 2030 from the 2005 levels. As of the end of 2024, the company had reduced Scope 1 GHG emissions by approximately 72% from 2005 levels. This initiative can help the company to lower the cost of operations by focusing on new and advanced assets. The company remains committed to its energy transition strategy, moving ahead with plans to retire two coal units at R.M. Schahfer by the end of 2025 and the remaining coal-fired generation at Michigan City by the end of 2028.

  NiSource's first two solar projects, Dunns Bridge 1 and Crossroads Solar, came online in 2023. Cavalry Solar and Storage project came online in 2024. Dunns Bridge 2 Solar Plus Storage project came online in January 2025. Its Fairbanks Solar project came online in May 2025, and the remaining project. Its Gibson Solar project entered service in August 2025. The company also plans to build two 1,300-MW combined-cycle natural gas-fired turbines and add 400 MW of new battery storage. These investments and renewable projects should boost the company's clean power generation portfolio and contribute positively to the top line.

- NiSource's times interest earned ratio was 3 at the end of the third quarter of 2025. The company had $900 million in net liquidity available as of Sept. 30, 2025, which is adequate to meet its debt obligations. Currently, the company's total debt-to-capital ratio is 58.37, better than the industry average of 59.81. Furthermore, according to credit rating agencies like Moody's, S&P and Fitch, the company has an investment-grade credit rating.

- The company has consistently increased the value of its shareholders through dividend payments. It now expects to deliver an annual return of 11-12% to shareholders over the long term. Currently, NiSource's quarterly dividend is 28 cents per share. This represents an annualized dividend of $1.12 per share. The company expects a targeted annual dividend payout ratio of 55-65%. Its current dividend yield is 2.67%, better than the Zacks S&P 500 composite's average of 1.45%.

Reasons To Sell:

- Energy sales are sensitive to variations in weather patterns in its service territories. A significant portion of the gas and electricity sold by NiSource is used by residential and commercial customers for heating and air conditioning. Accordingly, unfavorable fluctuations in weather during the summer and winter months, and economic conditions adversely impact the demand for energy, which in turn lower earnings.

  Fluctuations in the price of energy commodities and their related transportation costs or an inability to obtain an adequate, reliable and cost-effective fuel supply to meet customer demands may have a negative impact on the company's financial results. In the past six months, shares of the company have risen 6.6% compared with the industry's 11.7% growth.

- NiSource also faces the risk of aging infrastructure that needs regular replacement. Despite efforts made by NiSource to properly maintain its assets through inspection, scheduled maintenance and capital investment, the old machineries can falter, resulting in unplanned outages. These are likely to have an adverse impact on operation, impacting the utility's revenues and margins.

Any delay in the completion of capital projects and failure of aging infrastructure are headwinds. Variations in weather can lower demand and adversely impact financial conditions.

- NiSource is presently engaged in a number of capital projects, including environmental improvements to its electric generating stations, as well as the construction of new transmission facilities. However, there is always an inherent risk associated with the timely completion of projects and within budget, too. A delay in completion increases capital costs and stretches the time limit of the company's expected benefit from these projects.

- The company's businesses are subject to extensive federal, state and environmental regulations. Any failure to comply with existing or modified laws could have an adverse effect on its business and operating results.

Last Earnings Report

NiSource Q3 Earnings Lag Estimates, Revenues Rise Y/Y, Capex Up

NiSource Inc. has reported third-quarter 2025 operating earnings per share (EPS) of 19 cents, which missed the Zacks Consensus Estimate of 20 cents by 5%. The bottom line was lower than the year-ago quarter's earnings by a penny.

On a GAAP basis, the company reported an EPS of 20 cents compared with 19 cents in the prior-year quarter.

FY Quarter Ending	12/31/2024
Earnings Reporting Date	Oct 29, 2025
Sales Surprise	8.33%
EPS Surprise	-5.00%
Quarterly EPS	0.19
Annual EPS (TTM)	1.88

NI's Total Revenues

Operating revenues of $1.28 billion beat the Zacks Consensus Estimate of $1.17 billion by 8.6%. The top line also increased 18.3% from the prior-year quarter's figure of $1.08 billion.

Highlights of NI's Earnings Release

Total operating expenses amounted to $0.98 billion, up 13.7% from the year-ago quarter's $0.86 billion.

Operating income totaled $297.5 million, up 36.3% from the year-ago figure of $218.3 million.

Net interest expenses amounted to $179.8 million, up 33.6% from the prior-year quarter's $134.6 million.

Total gas distribution in Sales and Transportation (excluding weather) was recorded at 100.2 Million British Thermal Units per day (MMDth), up 3.5% from the prior-year quarter's 96.8 MMDth.

Total electric sales (excluding weather) were recorded at 4,621.6 gigawatt-hours (GWh), up 0.8% from the prior-year quarter's 4,587.1 GWh.

NI's Financial Update

NiSource's cash and cash equivalents as of Sept. 30, 2025, were $95 million compared with $156.6 million as of Dec. 31, 2024.

Long-term debts (excluding those due within a year) as of Sept. 30, 2025, were $14.47 billion compared with $12.07 billion as of Dec. 31, 2024.

Net cash flows from operating activities in the first nine months of 2025 were $1.65 billion compared with $1.24 billion in the first nine months of 2024.

NI's liquidity as of Sept. 30, 2025, was nearly $3 billion, which is sufficient to meet near-term obligations.

NI's 2025 Guidance

The company reaffirmed 2025 non-GAAP earnings of $1.85-$1.89 per share, and expects 2026 non-GAAP earnings in the range of $2.02-$2.07. The Zacks Consensus Estimate for 2025 and 2026 earnings per share is pegged at $1.88 and $2.03 per share, respectively, which are within the company's guided range.

NI expects to witness an earnings CAGR of 6-8% through 2030.

It expects a capital expenditure of $28 billion for the 2026-2030 period. The newly consolidated capital expenditure plan totals $28 billion, nearly $8.6 billion higher than the previous five-year plan, driven largely by $7 billion in strategic investments for data centers.

Valuation

NiSource shares are up 6.6% in the past six months period, and up 13% over the trailing 12-month period. Stocks in the Zacks sub-industry up 11.7% and the Zacks Utilities sector is up 10% in the past six months period. Over the past year, the Zacks sub-industry is up 18.9%, whereas the sector is up by 14.6%.

The S&P 500 index is up 17.1% in the past six months period and up 15.2% in the past year.

The stock is currently trading at 20.75X forward 12-months earnings, which compares with 15.22X for the Zacks sub-industry, 15.87X for the Zacks sector and 23.53X for the S&P 500 index.

Over the past five years, the stock has traded as high as 22.17X and as low as 13.92X, with a 5-year median of 18.05X.

Our Neutral recommendation indicates that the stock will perform in-line with the market. Our $44 price target reflects 21.80X forward 12-months earnings.

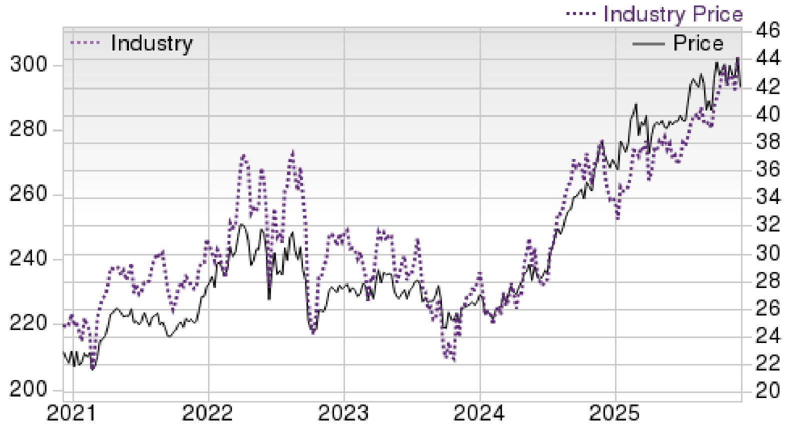
The table below shows summary valuation data for NI.

Valuation Multiples - NI

		Stock	Sub-Industry	Sector	S&P 500
P/E F12M	Current	20.75	15.22	15.87	23.53
	5-Year High	22.17	16.15	17.86	23.82
	5-Year Low	13.92	12	13.13	15.73
	5-Year Median	18.05	14.68	15.86	21.19
P/S F12M	Current	3.06	3.24	3.05	5.33
	5-Year High	3.29	3.44	3.24	5.5
	5-Year Low	1.46	2.43	2.28	3.83
	5-Year Median	1.98	2.94	2.72	5.04
P/B TTM	Current	1.78	2.56	3.11	8.53
	5-Year High	2.24	2.86	3.28	9.16
	5-Year Low	1.07	2.02	2.38	6.6
	5-Year Median	1.76	2.44	2.87	8.04

As of 12/04/2025 *Source: Zacks Investment Research*

Industry Analysis[1] Zacks Industry Rank: Top 27% (65 out of 243)



Top Peers [1]

Company (Ticker)	Rec	Rank
Ameren Corporation **(AEE)**	Neutral	2
CMS Energy Corporati...**(CMS)**	Neutral	3
Exelon Corporation **(EXC)**	Neutral	3
Alliant Energy Corpo...**(LNT)**	Neutral	3
OGE Energy Corporati...**(OGE)**	Neutral	2
Pinnacle West Capita...**(PNW)**	Neutral	3
Portland General Ele...**(POR)**	Neutral	3
PPL Corporation **(PPL)**	Neutral	3

Industry Comparison[1] Industry: Utility - Electric Power

Industry Peers

	NI	X Industry	S&P 500	LNT	PNW	PPL
Zacks Recommendation (Long Term)	Neutral	-	-	Neutral	Neutral	Neutral
Zacks Rank (Short Term)	3	-	-	3	3	3
VGM Score	D	-	-	D	C	B
Market Cap	19.76 B	16.99 B	39.38 B	16.79 B	10.51 B	25.14 B
# of Analysts	3	3	22	4	5	5
Dividend Yield	2.70%	3.11%	1.41%	3.11%	4.15%	3.21%
Value Score	C	-	-	D	B	C
Cash/Price	0.01	0.02	0.04	0.04	0.00	0.04
EV/EBITDA	13.31	11.19	14.60	14.86	7.74	12.76
PEG Ratio	1.64	2.69	2.23	2.84	8.92	2.55
Price/Book (P/B)	1.76	1.65	3.35	2.30	1.46	1.74
Price/Cash Flow (P/CF)	10.38	8.82	15.20	10.79	5.01	9.62
P/E (F1)	20.30	18.74	19.78	20.34	18.92	18.74
Price/Sales (P/S)	3.12	2.41	3.06	3.93	1.98	2.80
Earnings Yield	4.54%	5.30%	4.99%	4.91%	5.28%	5.33%
Debt/Equity	1.29	1.26	0.57	1.46	1.28	1.18
Cash Flow ($/share)	3.99	5.91	8.99	6.05	17.51	3.53
Growth Score	D	-	-	C	B	C
Hist. EPS Growth (3-5 yrs)	9.01%	4.15%	8.16%	6.09%	-0.39%	1.82%
Proj. EPS Growth (F1/F0)	16.57%	6.97%	8.57%	5.59%	-11.45%	7.10%
Curr. Cash Flow Growth	11.05%	6.29%	6.75%	11.81%	4.62%	3.54%
Hist. Cash Flow Growth (3-5 yrs)	8.97%	5.44%	7.43%	6.56%	9.72%	-1.51%
Current Ratio	0.52	0.91	1.19	0.83	0.67	0.77
Debt/Capital	56.28%	55.27%	38.01%	59.32%	56.07%	54.02%
Net Margin	14.15%	11.12%	12.78%	19.14%	11.20%	12.16%
Return on Equity	8.09%	9.51%	17.00%	12.02%	8.57%	9.08%
Sales/Assets	0.19	0.22	0.53	0.18	0.19	0.21
Proj. Sales Growth (F1/F0)	20.20%	4.60%	5.77%	7.40%	2.70%	2.60%
Momentum Score	C	-	-	C	F	B
Daily Price Chg	-0.67%	0.14%	-1.07%	0.62%	1.22%	1.58%
1 Week Price Chg	-1.40%	-0.27%	-0.63%	-0.26%	-0.41%	0.38%
4 Week Price Chg	-3.43%	-2.91%	1.39%	-2.97%	-0.66%	-7.54%
12 Week Price Chg	2.70%	2.75%	2.45%	1.81%	1.49%	-4.76%
52 Week Price Chg	13.30%	10.84%	12.83%	8.07%	0.30%	5.26%
20 Day Average Volume	3,088,121	1,072,158	2,728,366	1,815,492	1,169,274	7,701,508
(F1) EPS Est 1 week change	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
(F1) EPS Est 4 week change	0.18%	0.02%	0.00%	0.02%	-4.52%	0.11%
(F1) EPS Est 12 week change	0.28%	0.26%	0.69%	-0.29%	4.11%	-0.06%
(Q1) EPS Est Mthly Chg	0.00%	0.00%	0.00%	5.56%	0.00%	0.78%

Zacks Stock Rating System

We offer two rating systems that take into account investors' holding horizons: Zacks Rank and Zacks Recommendation. Each provides valuable insights into the future profitability of the stock and can be used separately or in combination with each other depending on your investment style.

Zacks Recommendation

The Zacks Recommendation aims to predict performance over the next 6 to 12 months. The foundation for the quantitatively determined Zacks Recommendation is trends in the company's estimate revisions and earnings outlook. The Zacks Recommendation is broken down into 3 Levels; Outperform, Neutral and Underperform. Unlike many Wall Street firms, we have an excellent balance between the number of Outperform and Neutral recommendations. Our team of 70 analysts are fully versed in the benefits of earnings estimate revisions and how that is harnessed through the Zacks quantitative rating system. But we have given our analysts the ability to override the Zacks Recommendation for the 1200 stocks that they follow. The reason for the analyst over-rides is that there are often factors such as valuation, industry conditions and management effectiveness that a trained investment professional can spot better than a quantitative model.

Zacks Rank

The Zacks Rank is our short-term rating system that is most effective over the one- to three-month holding horizon. The underlying driver for the quantitatively-determined Zacks Rank is the same as the Zacks Recommendation, and reflects trends in earnings estimate revisions.

Zacks Style Scores

The Zacks Style Score is as a complementary indicator to the Zacks rating system, giving investors a way to focus on the highest rated stocks that best fit their own stock picking preferences.

Academic research has proven that stocks with the best Value, Growth and Momentum characteristics outperform the market. The Zacks Style Scores rate stocks on each of these individual styles and assigns a rating of A, B, C, D and F. We also produce the VGM Score (V for Value, G for Growth and M for Momentum), which combines the weighted average of the individual Style Scores into one score. This is perfectly suited for those who want their stocks to have the best scores across the board.

Value Score	C
Growth Score	D
Momentum Score	C
VGM Score	D

As an investor, you want to buy stocks with the highest probability of success. That means buying stocks with a Zacks Recommendation of Outperform, which also has a Style Score of an A or a B.

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