

PG&E Corporation (PCG)

\$15.27 (Stock Price as of 12/16/2025)

Price Target (6-12 Months): **\$16.00**

Long Term: 6-12 Months | **Zacks Recommendation:** **Neutral**
(Since: 08/18/25)
Prior Recommendation: Underperform

Short Term: 1-3 Months | **Zacks Rank:** (1-5) **2-Buy**
Zacks Style Scores: VGM: A
Value: A | Growth: B | Momentum: F

Summary

PG&E Corp. has been making steady investments to strengthen its grid and thereby boost customer satisfaction. Its capital expenditure plan is to invest \$73 billion in infrastructure for the 2026-2030 period. The company is preparing the grid to quickly and safely power at least 3 million EVs. To promote green energy, PG&E also invests in battery energy storage. The company managed more than 4.6 GW of battery energy storage contracts in 2024, which will be deployed over the next several years. However, the company's service territories are prone to severe drought and wildfire risks. The company is also impacted by the increasing viability of distributed generation and energy storage. Its shares have also underperformed the industry in the past year.

Price, Consensus & Surprise⁽¹⁾



Data Overview

52 Week High-Low	\$20.44 - \$12.97
20 Day Average Volume (sh)	25,689,608
Market Cap	\$33.6 B
YTD Price Change	-24.3%
Beta	0.37
Dividend / Div Yld	\$0.20 / 0.7%
Industry	Utility - Electric Power
Zacks Industry Rank	Top 34% (81 out of 243)

Sales and EPS Growth Rates (Y/Y %)⁽¹⁾



Last EPS Surprise	13.6%
Last Sales Surprise	-4.3%
EPS F1 Est- 4 week change	0.0%
Expected Report Date	02/12/2026
Earnings ESP	-7.4%

Sales Estimates (millions of \$)⁽¹⁾

	Q1	Q2	Q3	Q4	Annual*
2026	6,332 E	6,413 E	6,843 E	7,815 E	27,403 E
2025	5,983 A	5,898 A	6,250 A	7,501 E	26,059 E
2024	5,861 A	5,986 A	5,941 A	6,631 A	24,419 A

EPS Estimates⁽¹⁾

	Q1	Q2	Q3	Q4	Annual*
2026	0.33 E	0.34 E	0.45 E	0.51 E	1.63 E
2025	0.33 A	0.31 A	0.50 A	0.39 E	1.50 E
2024	0.37 A	0.31 A	0.37 A	0.31 A	1.36 A

*Quarterly figures may not add up to annual.

P/E TTM	10.5
P/E F1	10.2
PEG F1	1.1
P/S TTM	1.4

(1) The data in the charts and tables, including the Zacks Consensus EPS and sales estimates, is as of 12/16/2025.

(2) The report's text and the price target are as of 12/05/2025.

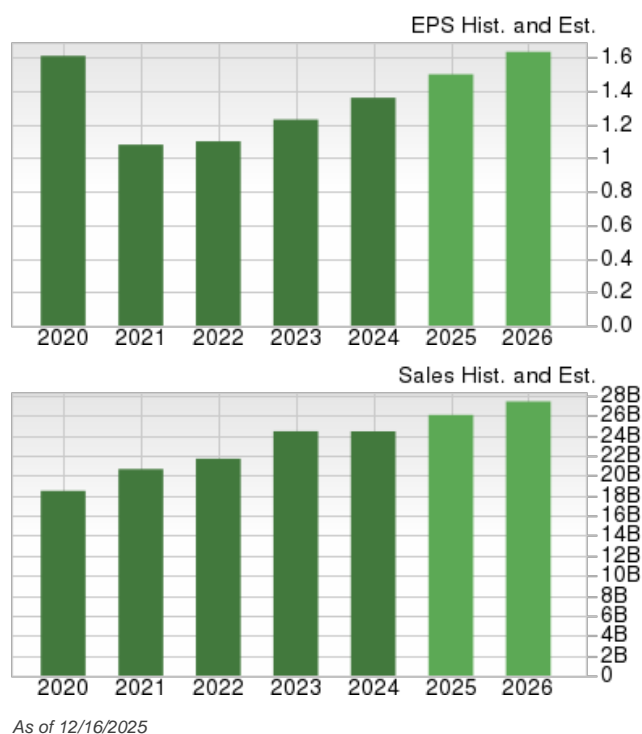
Overview

San Francisco, CA-based PG&E Corporation is the parent holding company of California's largest regulated electric and gas utility, Pacific Gas and Electric Company. The company was incorporated in 1905. The utility generates revenues mainly through the sale and delivery of electricity and natural gas to customers. It engages in the business of electricity and natural gas distribution; electricity generation, procurement, and transmission; and natural gas procurement, transportation and storage. The utility also operates hydro-electric, nuclear and fossil fuel power plants.

At the end of 2024, the utility owned approximately 18,000 circuit miles of interconnected transmission lines operating at voltages ranging from 60 - 500 kV. The utility also operated 33 electric transmission substations with a capacity of approximately 67,000 megavolt amperes (MVA). The utility is interconnected with electric power systems in the Western Electricity Coordinating Council, which includes several western states, Alberta and British Columbia, Canada and parts of Mexico.

The utility's electricity distribution network consists of roughly 108,000 circuit miles of distribution lines, 67 transmission switching substations and 752 distribution substations with a capacity of nearly 36,000 MVA. In 2023, the Electric segment reported revenues of \$17.42 billion, accounting for 71.3% of total revenues. The utility's electricity distribution network consists of roughly 108,000 circuit miles of distribution lines, 59 transmission and distribution substations and 603 distribution substations with a capacity of nearly 33,000 MVA. In 2024, the Electric segment reported revenues of \$17.81 billion, accounting for 72.9% of total revenues.

At the end of 2024, the utility's natural gas system consisted of around 45,200 miles of distribution pipelines, roughly 5,700 miles of backbone and local transmission pipelines and various storage facilities. It procures natural gas directly from producers and marketers in Canada and the United States. The Natural Gas segment's revenues in 2024 were \$6.61 billion, comprising 27.1% of total revenues.



Reasons To Buy:

- ▲ PG&E Corp. has a solid portfolio of regulated utility assets that offer a stable earnings base and substantial long-term growth potential. The company strives to optimize generation margins by improving the cost structure, performance and the reliability of its nuclear and fossil fuel-fired units. Going forward, its bottom line is expected to be driven by favorable decisions from the California Public Utilities Commission ("CPUC"), long-term supply agreements, diversification into alternative power sources and infrastructure improvement programs, resulting in rate base growth. The company's projected CAGR for rate base during 2025-2030 time period is pegged at a solid 9%.

Infrastructural investments, clean energy initiatives and favorable decisions from the CPUC are expected to instill growth in the stock

Additionally, PG&E Corp. continues to make considerable investments in gas-related projects and electric system safety and reliability to further strengthen its grid and thereby boost customer satisfaction. To this end, the company made capital expenditures worth \$10.6 billion in 2024. PG&E aims to invest \$12.9 billion in 2025. For the 2026-2030 period, the company expects to invest \$73 billion. Such solid capital expenditures on infrastructure bode well for the long haul. Robust capital investment and the aforementioned rate-base growth expectation should enable the company to duly achieve its earnings growth estimation of 10% in 2025. It has a long-term earnings growth rate of at least 9% during the 2026-2030 period.

- ▲ With the transportation industry accelerating toward a clean future, the company has proposed to build California's electric vehicle (EV) charging infrastructure. As part of PG&E's 2030 targets, the company is preparing the grid to quickly and safely power at least three million EVs. During 2024, the company helped enable the total number of electric vehicles operating in its service areas to exceed 675,000 and installed more than 3,800 charging ports for electric vehicles at schools, public charging locations, and in support of the fleet. Moreover, the company also launched a first-in-the-nation fully electric school bus fleet that is equipped with its vehicle-to-grid technology. This technology enables customers to leverage their electric vehicles to power their homes. Such initiatives should aid medium and heavy-duty fleets and public fast charging in support of California's goal of 100% sales of light-duty zero-emission vehicles by 2035.
- ▲ To promote green energy, PG&E also invests in battery energy storage. To this end, it is imperative to mention that the company managed more than 4.6 GW of battery energy storage contracts in 2024, which will be deployed over the next several years. It also operated 183 MW of utility-owned battery storage, thereby strengthening California's grid efficiency and reliability, as of Dec 31, 2024. Such efforts should enable the company to expand substantially in the rapidly enhancing battery storage business. As of Dec 31, 2024, the company met its storage goals of making its 580 MW of qualifying storage capacity operational by the end of 2024. Such developments in the clean energy space should enable it to duly meet its goal of delivering 90% of retail energy sales to customers from renewable and zero-carbon energy sources by 2035.
- ▲ U.S. President Donald Trump signed a handful of executive orders in May 2025, which aim at expanding America's nuclear energy capacity from approximately 100 gigawatts (GW) in 2024 to 400 GW by 2050. Such government policies should significantly benefit utility providers like PG&E Corp., which currently operates California's only operating nuclear power plant, Diablo Canyon. Notably, in November 2024, PG&E Corp. announced that it had begun deploying Atomic Canyon's AI-powered Neutron Enterprise solution at its Diablo Canyon Power Plant—the first on-site generative AI deployment at a U.S. nuclear facility. Built on NVIDIA's full-stack AI platform, this technology streamlines document retrieval from hours to seconds, enhancing operational efficiency, compliance, and safety. As energy demand in California rises, this upgrade will support Diablo Canyon's role as a key clean energy provider. With AI integration boosting productivity and regulatory compliance, this initiative will strengthen PG&E Corp.'s position in the nuclear sector's digital transformation and expansion, meeting rising energy needs with smarter, faster and safer operations.

Reasons To Sell:

▼ PG&E Corp.'s service territory is prone to severe drought and wildfire risks. An extensive wildfire in the region had earlier resulted in infrastructure damages and outages for the company's customers. Although the company is taking measures to address safety risks while minimizing disruption to its customers, the high fire threat remains a concern. The financial impact of past wildfires has been significant. As of Sept. 30, 2025, PG&E Corp. had recorded aggregate liabilities of \$1.33 billion, \$2.13 billion and \$250 million for claims in connection with the 2019 Kincadee fire, the 2021 Dixie fire and the 2022 Mosquito fire, respectively. These might weigh on the company's financial results if the liabilities are not timely recovered through insurance coverage.

Wildfire expenses, NEM related challenges and poor financial position pose risk for the company's growth

▼ The company is also impacted by the increasing viability of distributed generation and energy storage. The levels of the self-generation of electricity by customers and customer enrollment in net energy metering (NEM), which allows self-generating customers employing qualifying renewable resources to receive bill credits at the full retail rate, are increasing, putting upward rate pressure on remaining customers. New NEM customers, as well as customers interconnecting on the successor to the NEM tariffs, are required to pay an interconnection fee, utilize the time of use rates and pay certain non-by passable charges to help fund some of the costs of low income, energy efficiency and other programs that other customers pay. Significantly higher bills for remaining customers may result in a decline in the number of such customers for the company.

▼ PG&E's nuclear power facilities consist of two units at Diablo Canyon and the retired facility at Humboldt Bay. To this end, it is imperative to mention that the company continues to face public concern about the safety of nuclear generation and nuclear fuel. Some of these nuclear opposition groups regularly file petitions at the Nuclear Regulatory Commission (NRC) and in other forums challenging the actions of the NRC and urging governmental entities to adopt laws or policies in opposition to nuclear power. Even if an action in opposition ultimately fails, regulatory proceedings may take longer to conclude and be more costly to complete.

It is also possible that public pressure may grow leading to adverse changes in legislation, regulations, orders or their interpretation. As a result, operations at PG&E's two nuclear generation units at Diablo Canyon might cease before their respective current licenses expire in 2024 and 2025 or before the expiration of any renewed license and extended operations period. In such an instance, the company could be required to record a charge for the remaining amount of its unrecovered investment. Such charges might have a material effect on PG&E Corporation's financial condition, results of operations, liquidity and cash flows.

▼ As of Sept. 30, 2025, the company's cash and cash equivalents (including restricted cash) were \$0.77 billion. Its long-term debt as of Sept. 30, 2025, was \$55.54 billion, while its current debt was \$3.79 billion. So, a comparative analysis of these figures reflects that both its long and short-term borrowings were much higher than its cash reserve. This implies a weak solvency position for PG&E Corp.

Moreover, its current ratio came in at 0.94 as of Sept. 30, 2025, which, being less than one, implies that the company might not have sufficient capital to pay off its short-term debt obligations. Such unfavorable financial ratios make one further skeptical about the company's overall financial health. This might have led the company to underperform its industry lately. PG&E's shares have lost 24.6% in the past year against the industry's 18.9% growth.

Last Earnings Report

PG&E Q3 Earnings Surpass Estimates, Revenues Increase Y/Y

PG&E Corporation reported third-quarter 2025 adjusted earnings per share (EPS) of 50 cents, which beat the Zacks Consensus Estimate of 44 cents by 13.6%. The bottom line also increased 35.1% from the year-ago quarter's figure of 37 cents.

The company reported GAAP earnings of 37 cents per share, which increased 37% from the prior-year quarter's figure of 27 cents.

FY Quarter Ending **12/31/2024**

Earnings Reporting Date	Oct 23, 2025
Sales Surprise	-4.26%
EPS Surprise	13.64%
Quarterly EPS	0.50
Annual EPS (TTM)	1.45

PCG's Revenue Update

PCG reported third-quarter total revenues of \$6.25 billion, up 5.2% from \$5.94 billion registered in the year-ago period. The top line also missed the Zacks Consensus Estimate of \$6.55 billion by 4.6%.

Operational Highlights of PCG

Total operating expenses in the third quarter of 2025 were \$5.04 billion, up 2.6% from the prior-year reported figure.

The company reported an operating income of \$1.21 billion compared with \$1.03 billion in the prior year.

Interest expenses totaled \$770 million compared with \$795 million in the prior-year quarter.

Financial Condition of PCG

As of Sept. 30, 2025, cash and cash equivalents totaled \$0.40 billion compared with \$0.94 billion as of Dec. 31, 2024.

Cash flow from operating activities amounted to \$6.76 billion for the first nine months of 2025 compared with \$6.10 billion in the first nine months of 2024.

Capital expenditures totaled \$8.63 billion during the first nine months compared with \$7.54 billion in the first nine months of 2024.

As of Sept. 30, 2025, the long-term debt amounted to \$55.53 billion compared with \$53.57 billion as of Dec. 31, 2024.

PCG's 2025 Guidance

PG&E now expects to generate adjusted earnings in the range of \$1.49-\$1.51 per share, narrower than its earlier guided range of \$1.48-\$1.52 per share.

The Zacks Consensus Estimate for 2025 earnings, pegged at \$1.50 per share, is in line with the midpoint of the company's guided range.

Valuation

PG&E Corp.'s shares are down 24.1% in the year-to-date period and 24.6% over the trailing 12-month period. Stocks in the Zacks sub-industry are up 24.1% while the Zacks Utilities sector is up 20.2% in the year-to-date period. Over the past year, the Zacks sub-industry has been up 18.9% while the sector is up 14.6%.

The S&P 500 index is up 18.9% in the year-to-date period and 15.1% in the past year.

The stock is currently trading at 9.44X 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 14.87X and as low as 7.81X, with a 5-year median of 11.59X.

Our Neutral recommendation indicates that the stock will perform in-line with the market. Our \$16 price target reflects 9.85X forward 12-months earnings.

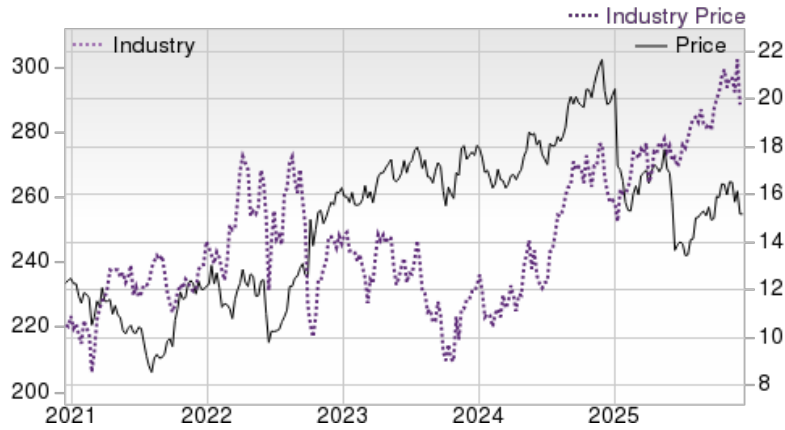
The table below shows summary valuation data for PCG.

Valuation Multiples - PCG					
		Stock	Sub-Industry	Sector	S&P 500
P/E F12M	Current	9.44	15.22	15.87	23.53
	5-Year High	14.87	16.15	17.86	23.82
	5-Year Low	7.81	12	13.13	15.73
	5-Year Median	11.59	14.68	15.86	21.19
P/S F12M	Current	1.23	3.24	3.05	5.33
	5-Year High	2.15	3.44	3.24	5.5
	5-Year Low	0.97	2.43	2.28	3.83
	5-Year Median	1.57	2.94	2.72	5.04
EV/SALES TTM	Current	3.64	5.57	4.93	5.75
	5-Year High	4.44	5.71	5.03	5.81
	5-Year Low	2.87	3.92	3.65	3.77
	5-Year Median	3.88	5	4.37	5.12

As of 12/04/2025

Source: Zacks Investment Research

Industry Analysis⁽¹⁾ Zacks Industry Rank: Top 34% (81 out of 243)



Top Peers⁽¹⁾

Company (Ticker)	Rec	Rank
American Electric Po... (AEP)	Neutral	2
DTE Energy Company (DTE)	Neutral	3
Duke Energy Corporat... (DUK)	Neutral	3
Energias de Portugal (EDPFY)	Neutral	3
Edison International (EIX)	Neutral	3
NextEra Energy, Inc. (NEE)	Neutral	2
National Grid Transc... (NGG)	Neutral	3
Southern Company (Th... (SO)	Neutral	3

Industry Comparison⁽¹⁾ Industry: Utility - Electric Power

	PCG	X Industry	S&P 500	EDPFY	NEE	SO
Zacks Recommendation (Long Term)	Neutral	-	-	Neutral	Neutral	Neutral
Zacks Rank (Short Term)	2	-	-	3	2	3
VGM Score	A	-	-	C	D	B
Market Cap	33.56 B	18.32 B	38.58 B	0.00 M	169.36 B	94.38 B
# of Analysts	7	3	22	1	7	11
Dividend Yield	0.65%	2.94%	1.42%	3.19%	2.79%	3.45%
Value Score	A	-	-	C	D	C
Cash/Price	0.02	0.02	0.04	NA	0.01	0.04
EV/EBITDA	9.41	11.09	14.55	NA	17.90	11.76
PEG Ratio	1.10	2.67	2.20	NA	2.72	2.77
Price/Book (P/B)	1.10	1.65	3.33	NA	2.62	2.47
Price/Cash Flow (P/CF)	5.58	8.64	15.10	NA	13.04	9.67
P/E (F1)	10.39	18.51	19.71	12.68	22.00	20.00
Price/Sales (P/S)	1.36	2.34	3.09	NA	6.44	3.26
Earnings Yield	9.82%	5.31%	5.06%	7.89%	4.55%	5.01%
Debt/Equity	1.81	1.27	0.57	NA	1.30	1.69
Cash Flow (\$/share)	2.73	5.83	8.99	NA	6.24	8.86
Growth Score	B	-	-	D	C	B
Hist. EPS Growth (3-5 yrs)	1.44%	4.47%	8.16%	NA	10.41%	5.14%
Proj. EPS Growth (F1/F0)	10.29%	6.94%	8.57%	NA	7.87%	5.93%
Curr. Cash Flow Growth	12.06%	6.35%	6.75%	NA	1.84%	8.26%
Hist. Cash Flow Growth (3-5 yrs)	6.09%	5.67%	7.43%	NA	8.47%	8.09%
Current Ratio	0.94	0.91	1.18	NA	0.55	0.75
Debt/Capital	63.28%	55.39%	38.01%	NA	56.58%	62.80%
Net Margin	10.93%	11.20%	12.78%	NA	24.72%	15.42%
Return on Equity	11.10%	9.56%	17.00%	NA	12.42%	12.52%
Sales/Assets	0.18	0.22	0.53	NA	0.13	0.19
Proj. Sales Growth (F1/F0)	6.70%	5.06%	5.79%	NA	11.50%	8.70%
Momentum Score	F	-	-	B	F	B
Daily Price Chg	-0.59%	-0.62%	-0.24%	0.45%	-0.40%	-0.34%
1 Week Price Chg	0.00%	-0.28%	-0.59%	-1.36%	-1.78%	-2.13%
4 Week Price Chg	-5.45%	-1.75%	2.76%	1.09%	-3.92%	-5.49%
12 Week Price Chg	3.67%	1.29%	2.15%	-3.04%	12.44%	-8.55%
52 Week Price Chg	-22.53%	10.90%	12.39%	33.76%	12.52%	2.92%
20 Day Average Volume	25,689,608	1,065,568	2,743,646	16,575	9,595,663	6,040,625
(F1) EPS Est 1 week change	0.00%	0.00%	0.00%	0.00%	0.14%	0.07%
(F1) EPS Est 4 week change	0.00%	0.00%	0.00%	0.28%	0.14%	0.11%
(F1) EPS Est 12 week change	0.00%	0.28%	0.69%	2.32%	0.17%	0.42%
(Q1) EPS Est Mthly Chg	-4.06%	-1.99%	0.00%	NA	-4.10%	-2.20%

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	A
Growth Score	B
Momentum Score	F
VGM Score	A

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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