

Public Service (PEG)

\$80.60 (Stock Price as of 12/15/2025)

Price Target (6-12 Months): **\$83.00**

Long Term: 6-12 Months

Zacks Recommendation:

Neutral

(Since: 01/22/19)

Prior Recommendation: Outperform

Short Term: 1-3 Months

Zacks Rank: (1-5)

3-Hold

Zacks Style Scores:

VGM: C

Value: C

Growth: C

Momentum: A

Summary

Public Service Enterprise's third-quarter earnings surpassed estimates. It boasts a solid portfolio of regulated and non-regulated utility assets that offer stable earnings. PSEG aims to invest \$21-\$24 billion during 2025-2029 to bolster its infrastructure and renewable generation portfolio. PSEG has also been undertaking initiatives to reduce GHG emissions from its operations to achieve its target of net-zero carbon emissions by 2030. It is also focusing on clean, reliable, carbon-free energy generation through its nuclear fleet. The company's shares have outperformed the industry in the past month. However, the cost to remediate MGP sites of PSEG may weigh heavily on its operating results. The stock holds a weak solvency position, which, along with its poor cash ratio, makes one feel skeptical about its financial strength.

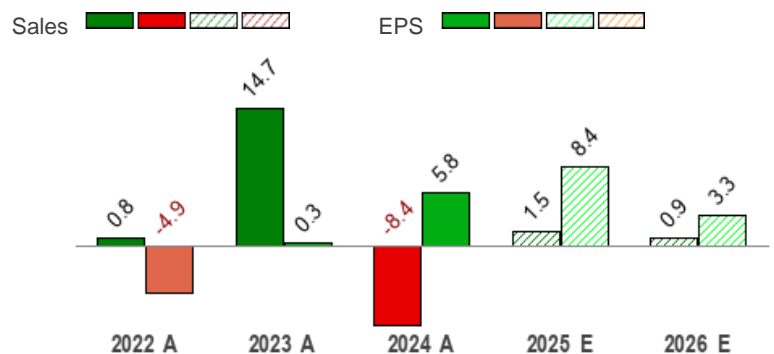
Price, Consensus & Surprise⁽¹⁾



Data Overview

52 Week High-Low	\$91.26 - \$74.67
20 Day Average Volume (sh)	2,645,406
Market Cap	\$39.4 B
YTD Price Change	-6.6%
Beta	0.59
Dividend / Div Yld	\$2.52 / 3.2%
Industry	Utility - Electric Power
Zacks Industry Rank	Top 27% (65 out of 243)

Sales and EPS Growth Rates (Y/Y %)⁽¹⁾



Last EPS Surprise	11.9%
Last Sales Surprise	18.2%
EPS F1 Est- 4 week change	0.0%
Expected Report Date	02/24/2026
Earnings ESP	8.8%

Sales Estimates (millions of \$)⁽¹⁾

	Q1	Q2	Q3	Q4	Annual*
2026	2,979 E	2,389 E	2,853 E	2,321 E	10,542 E
2025	3,222 A	2,805 A	3,226 A	2,218 E	10,446 E
2024	2,760 A	2,423 A	2,642 A	2,465 A	10,290 A

EPS Estimates⁽¹⁾

	Q1	Q2	Q3	Q4	Annual*
2026	1.40 E	0.85 E	0.94 E	0.92 E	4.12 E
2025	1.43 A	0.77 A	1.13 A	0.81 E	3.99 E
2024	1.31 A	0.63 A	0.90 A	0.84 A	3.68 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 12/15/2025.

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

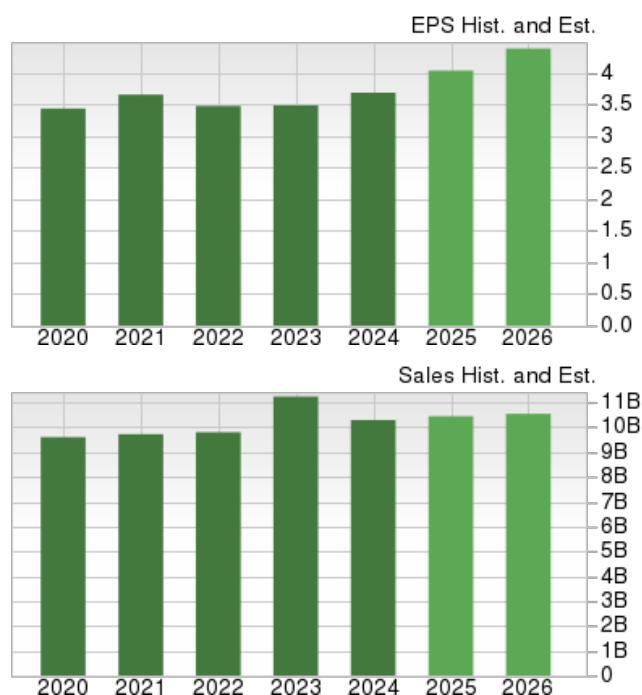
Overview

Incorporated in 1985, Newark, NJ-based Public Service Enterprise Group Inc. (PEG) or PSEG is a diversified energy company, which consists primarily of a regulated electric and gas utility and a nuclear generation business. Its operations are mostly located in the Northeastern and Mid-Atlantic parts of the United States.

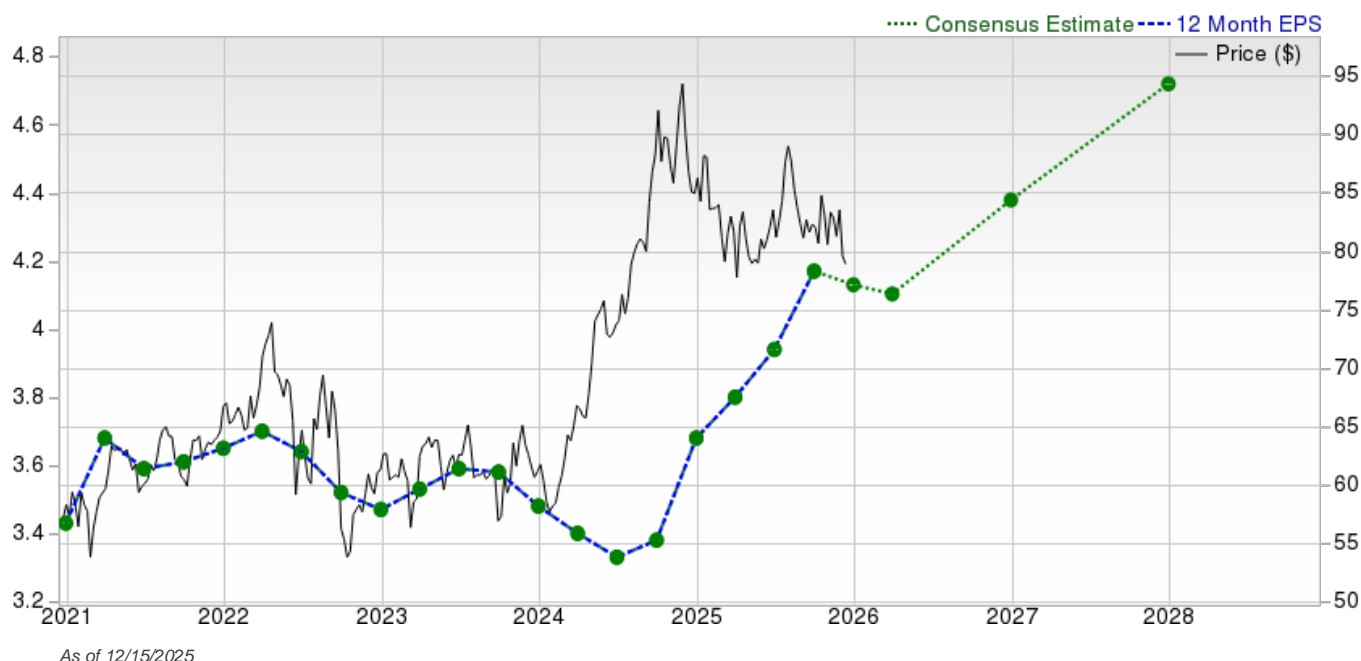
Following the completion of the sale of the PSEG Power Fossil portfolio in February 2022, PSEG has revised its reportable segments for the year ended Dec 31, 2022 to PSE&G and PSEG Power & Other. PSE&G continues to be PSEG's principal reportable segment. The PSEG Power & Other reportable segment includes amounts related to the PSEG Power operating segment as well as amounts applicable to Energy Holdings, PSEG LI, PSEG (parent corporation) and Services.

PSE&G earns revenues from its tariffs, under which it provides electric transmission and electric and gas distribution services to residential, commercial and industrial customers, within a designated service territory running diagonally across New Jersey where approximately 6.8 million people, or about 74% of New Jersey's population resides. The rates charged for electric transmission are regulated by the Federal Energy Regulatory Commission, while the rates charged for electric and gas distribution are regulated by the New Jersey Board of Public Utilities. Operating revenues for this segment in 2024 amounted to \$8.45 billion.

PSEG Power & Other is comprised primarily of PSEG Power, which earns revenues primarily by bidding energy, capacity and ancillary services into the markets for these products and selling energy, capacity and ancillary services on a wholesale basis under contract to power marketers and load-serving entities. Operating revenues for this segment in 2024 amounted to \$2.81 billion.



As of 12/15/2025



Reasons To Buy:

- ▲ Public Service Enterprise Group has a well-balanced portfolio of regulated and non-regulated utility assets that provide stable earnings and meaningful long-term growth opportunities. The company continues to benefit from favorable wholesale electricity prices, which have supported stronger-than-expected profitability. In addition, robust power demand and PSEG's strategic focus on clean, reliable, carbon-free energy generation through its nuclear fleet enhance its competitive position and financial resilience. For the nine months ended Sept. 30, 2025, its nuclear generation was nearly 23.8 terawatt (TWh), up from 23.3 TWh for the same period of 2024. For 2025, total nuclear generation is expected to be 30-32 TWh. Also, ongoing investments in grid modernization and renewable initiatives, positions the company for sustained earnings growth.

Consistent investments in infrastructure projects and focus on expanding renewable assets, will likely boost Public Service Enterprise's future performance

Public Service Enterprise is benefiting from the nationwide surge in clean energy investments, as U.S. utility-scale solar, wind, and storage projects rapidly expand. To capitalize on these opportunities, its subsidiary PSE&G has advanced solar initiatives, owning 158 MW of grid-connected solar capacity across New Jersey as December-end 2024.

- ▲ The company benefits from its strategic investments, which are focused on enhancing the reliability and resiliency of its transmission and distribution system. In 2024, PSE&G invested approximately \$3.6 billion, which was higher than the planned \$3.5 billion capital investment program for the year. PSE&G has already invested \$1.89 billion in the first nine months of 2025 and remains on track to invest approximately \$3.8 billion in 2025, for its infrastructure modernization, energy efficiency, electrification initiatives and load growth.

Looking ahead, for the 2025-2029 period, the company expects to make regulated capital investments in the range of \$21-\$24 billion, which are projected to result in an expected compounded annual rate base growth of 6-7.5% over the 2025-2029 period. Apart from boosting its transmission and distribution infrastructure, such solid investment plans are also aimed at expanding the company's clean energy programs, thereby enhancing the resiliency of its infrastructure and customer reliability. Successful returns from this elaborate capital expenditure plan should help PSEG reduce its operating expenses and duly meet its long-term CAGR of 5-7% for earnings. The company expects total capital investments of \$22.5-\$26 billion for 2025-2029. Public Service Enterprise's share price has decreased 4.2% over the past month compared with the industry's decline of 4.7%.

- ▲ The company continues to expand its customer base modestly, with both electric and gas customers. For the trailing 12 months ended Sept. 30, 2025, PSE&G recorded about 1% growth in both residential electric and gas customer counts, supporting margin growth under the Conservation Incentive Program ("CIP"). The company's investments also help it to replace old pipelines and improve service reliability. Year to date, the company has replaced about 170 miles of old gas pipelines and 22,000 service connections to homes and businesses. This is part of its long-term gas main replacement program aimed at improving safety, reliability, and environmental performance.
- ▲ Apart from enhancing its renewable generation portfolio, PSEG has also been taking several initiatives to reduce GHG emissions from its operations, which include the implementation of New Jersey's EE program. PSE&G's approved CEF-EE and EE II, CEF-Energy Cloud, and CEF-EV programs, along with the proposed CEF-ES program, are intended to support New Jersey's Energy Master Plan (EMP) and Gubernatorial Executive Orders. These programs are designed to help customers use energy more efficiently, reduce GHG emissions, expand EV infrastructure in New Jersey, install energy storage to supplement solar generation and enhance grid resiliency. Such initiatives should help the company achieve its target of net-zero carbon emissions by 2030.

PSE&G's clean energy efforts include modernizing its gas distribution network through the Gas System Modernization Program ("GSMP"), aimed at cutting methane emissions by replacing aging cast iron and steel mains. Through GSMP II, methane releases fell over 30% from 2018 to 2024. Alongside this, the company is working to sustain its nuclear fleet, which supplies more than 85% of New Jersey's carbon-free energy. These initiatives strengthen PSEG's commitment to providing cleaner, more reliable, and affordable energy while supporting long-term profitability.

Reasons To Sell:

▼ PSEG's business plan includes substantial capital investments to modernize and expand transmission and distribution infrastructure, meet growing customer demand, and support clean energy initiatives. Key projects include energy efficiency programs offering customer incentives, transmission investments beyond its service area, and upgrades to its nuclear facilities. Several major capital projects are currently in progress or under consideration. However, these projects depend on receiving necessary regulatory approvals and staying on schedule and within budget. If PSEG faces delays, rising costs, or difficulties completing construction, it could hurt the company's financial performance by reducing profits, increasing expenses, or straining cash flow.

Unfavorable solvency position and costs to remediate all MGP sites could deter growth of Public Service Enterprise

▼ Public Service Enterprise's long-term debt amounted to \$22.54 billion as of Sept. 30, 2025. Meanwhile, its cash and equivalents were only \$0.33 billion, much lower than its long-term debt level. The company's current debt totaled \$1.7 billion as of Sept. 30, 2025, which also remained much higher than the cash reserve. This indicates a weak solvency position for the company.

Moreover, the company's cash ratio, as of Sept. 30, 2025, declined sequentially. A declining cash ratio indicates a company has a shrinking ability to cover its short-term debts using only its readily available cash and cash equivalents, reflecting increased liquidity risks. Such an unfavorable financial ratio, coupled with its weak solvency position, makes one further skeptical about the company's financial strength. This might have hurt investors' confidence in this stock.

▼ The supply chain for goods and services may be affected by factors such as sanctions, tariffs, labor shortages in manufacturing, shipping constraints, rising demand, and limited availability of raw materials or specialized components. These challenges could lead to higher prices and delivery delays, thereby increasing costs and potentially disrupting the company's operations.

Last Earnings Report

PEG Q3 Earnings Surpass Estimates, Revenues Increase Y/Y

Public Service Enterprise Group Incorporated, or PSEG, reported third-quarter 2025 adjusted earnings of \$1.13 per share, which beat the Zacks Consensus Estimate of \$1.01 by 11.9%. Earnings improved 25.6% from the prior-year reported figure of 90 cents per share.

The company reported GAAP earnings per share (EPS) of \$1.24 compared with \$1.04 in the corresponding period of 2024.

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

Earnings Reporting Date	Nov 03, 2025
Sales Surprise	18.22%
EPS Surprise	11.88%
Quarterly EPS	1.13
Annual EPS (TTM)	4.17

PEG's Total Revenues

Operating revenues totaled \$3.23 billion, which beat the Zacks Consensus Estimate of \$2.73 billion by 18.2%. The top line also increased 22.1% from the year-ago figure of \$2.64 billion.

Sales Volume of PEG

Electric sales volume totaled 11,804 million kilowatt-hours, which declined 1% year over year. On the other hand, gas sales volume decreased 7% to 404 million therms.

Under electric sales, residential sales volume totaled 4,539 million kilowatt-hours, down 2% from the prior-year figure. Its commercial and industrial sales volume totaled 7,181 million kilowatt-hours, reflecting a year-over-year decline of 1%.

Other sales amounted to 84 million kilowatt-hours, up 18% from the year-ago recorded number.

Total gas sales witnessed year-over-year growth of 4% in firm sales volume. Non-firm gas sales volume declined 16%.

Highlights of PEG's Earnings Release

The operating income totaled \$855 million compared with \$641 million in the year-ago period, reflecting a year-over-year increase of 33.4%.

Total operating expenses were \$2.37 billion, up 18.5% from the year-ago figure.

Interest expenses amounted to \$253 million, which increased 11.5% year over year.

Segmental Performance of PEG

PSE&G: This segment's net income was \$515 million, up from \$379 million in the third quarter of 2024.

PSEG Power & Other: Adjusted operating income for this unit amounted to \$107 million compared with \$141 million in the prior-year quarter.

Financial Update of PEG

The long-term debt (including the current portion of the long-term debt) as of Sept. 30, 2025, was \$22.54 billion compared with \$21.11 billion as of Dec. 31, 2024.

The net cash flow from operating activities was \$2.58 billion during the first nine months of 2025 compared with \$1.77 billion during the first nine months of 2024.

PEG's 2025 Guidance

PEG now expects adjusted earnings to be in the range of \$4.00-\$4.06 per share, narrower than its previous guidance of \$3.94-\$4.06 per share. The Zacks Consensus Estimate for earnings is currently pegged at \$4.03 per share, which lies just below the midpoint of the company's guided range.

Valuation

Public Service Enterprise's shares are down 6.5% in the year-to-date period and down 9.1% over the trailing 12-month period. Stocks in the Zacks sub-industry and the Zacks Utilities sector are up 20.5% and 17.2%, respectively, in the year-to-date period. Over the past year, the Zacks sub-industry is up 18.5%, whereas the sector is up 14.5%.

The S&P 500 index is up 19.5% in the year-to-date period and 16.1% in the past year.

The stock is currently trading at 18.21X forward 12-months earnings, which compares with 14.74X for the Zacks sub-industry, 15.42X for the Zacks sector and 23.61X for the S&P 500 index.

Over the past five years, the stock has traded as high as 23.5X and as low as 15.00X, with a 5-year median of 18.18X.

Our Neutral recommendation indicates that the stock will perform in-line with the market. Our \$83 price target reflects 19.14X forward 12-months earnings.

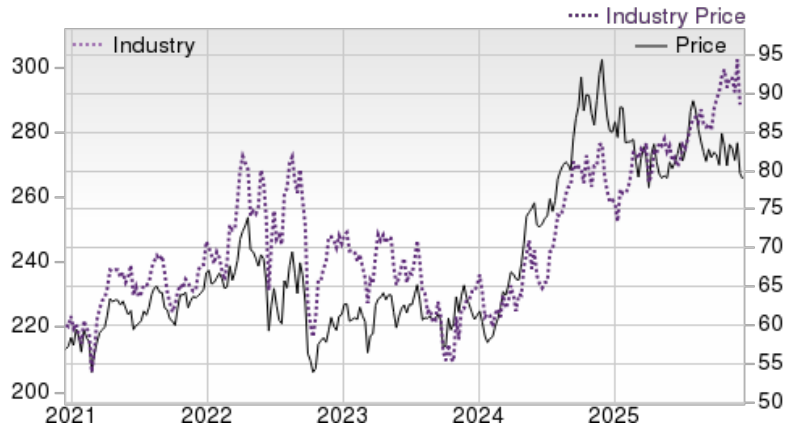
The table below shows summary valuation data for PEG.

Valuation Multiples - PEG					
		Stock	Sub-Industry	Sector	S&P 500
P/E F12M	Current	18.21	14.74	15.42	23.61
	5-Year High	23.5	16.15	17.86	23.78
	5-Year Low	15	12	13.13	15.73
	5-Year Median	18.18	14.68	15.85	21.21
P/S F12M	Current	3.49	3.14	2.97	5.34
	5-Year High	4.69	3.44	3.24	5.5
	5-Year Low	2.7	2.43	2.28	3.83
	5-Year Median	3.47	2.94	2.72	5.05
P/B TTM	Current	2.32	2.53	3.07	8.57
	5-Year High	2.93	2.86	3.28	9.16
	5-Year Low	1.7	2.02	2.38	6.6
	5-Year Median	2.27	2.45	2.87	8.05

As of 12/11/2025

Source: Zacks Investment Research

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



Top Peers⁽¹⁾

Company (Ticker)	Rec	Rank
Edison International (EIX)	Outperform	2
Ameren Corporation (AEE)	Neutral	2
DTE Energy Company (DTE)	Neutral	3
Consolidated Edison ... (ED)	Neutral	3
Eversource Energy (ES)	Neutral	3
FirstEnergy Corporat... (FE)	Neutral	2
PPL Corporation (PPL)	Neutral	3
Xcel Energy Inc. (XEL)	Neutral	3

Industry Comparison⁽¹⁾ Industry: Utility - Electric Power

	PEG	X Industry	S&P 500	DTE	ED	XEL
Zacks Recommendation (Long Term)	Neutral	-	-	Neutral	Neutral	Neutral
Zacks Rank (Short Term)	3	-	-	3	3	3
VGM Score	C	-	-	C	C	C
Market Cap	39.38 B	16.99 B	39.38 B	26.96 B	35.20 B	44.45 B
# of Analysts	9	3	22	8	7	6
Dividend Yield	3.19%	3.11%	1.41%	3.36%	3.49%	3.03%
Value Score	C	-	-	C	C	C
Cash/Price	0.01	0.02	0.04	0.00	0.01	0.02
EV/EBITDA	14.44	11.19	14.60	12.51	10.94	13.32
PEG Ratio	3.40	2.69	2.23	2.54	2.83	2.22
Price/Book (P/B)	2.32	1.65	3.35	2.22	1.46	2.10
Price/Cash Flow (P/CF)	11.78	8.82	15.20	8.39	8.40	8.91
P/E (F1)	19.77	18.74	19.78	17.95	17.27	19.71
Price/Sales (P/S)	3.36	2.41	3.06	1.82	2.12	3.12
Earnings Yield	5.11%	5.30%	4.99%	5.57%	5.79%	5.07%
Debt/Equity	1.27	1.26	0.57	2.01	1.03	1.51
Cash Flow (\$/share)	6.70	5.91	8.99	15.47	11.61	8.44
Growth Score	C	-	-	D	D	C
Hist. EPS Growth (3-5 yrs)	1.14%	4.15%	8.16%	-1.33%	7.59%	5.69%
Proj. EPS Growth (F1/F0)	8.42%	6.97%	8.57%	5.86%	4.63%	8.86%
Curr. Cash Flow Growth	5.90%	6.29%	6.75%	12.43%	6.06%	9.64%
Hist. Cash Flow Growth (3-5 yrs)	0.84%	5.44%	7.43%	5.17%	5.20%	8.14%
Current Ratio	0.93	0.91	1.19	1.15	1.08	0.79
Debt/Capital	56.02%	55.27%	38.01%	66.82%	50.76%	60.20%
Net Margin	17.77%	11.12%	12.78%	9.34%	12.27%	13.46%
Return on Equity	12.62%	9.51%	17.00%	12.63%	8.79%	10.45%
Sales/Assets	0.21	0.22	0.53	0.30	0.23	0.19
Proj. Sales Growth (F1/F0)	1.50%	4.60%	5.77%	13.50%	7.30%	9.80%
Momentum Score	A	-	-	A	C	B
Daily Price Chg	-0.09%	0.14%	-1.07%	-0.73%	1.98%	0.63%
1 Week Price Chg	-0.85%	-0.27%	-0.63%	-1.09%	0.96%	-2.63%
4 Week Price Chg	-4.77%	-2.91%	1.39%	-5.32%	-4.06%	-6.74%
12 Week Price Chg	-3.32%	2.75%	2.45%	-4.33%	1.25%	4.22%
52 Week Price Chg	-9.12%	10.84%	12.83%	7.03%	5.22%	10.32%
20 Day Average Volume	2,645,406	1,072,158	2,728,366	1,325,342	2,458,885	4,124,662
(F1) EPS Est 1 week change	0.00%	0.00%	0.00%	0.02%	0.00%	0.00%
(F1) EPS Est 4 week change	0.03%	0.02%	0.00%	0.04%	0.36%	0.01%
(F1) EPS Est 12 week change	0.40%	0.26%	0.69%	0.10%	0.48%	0.05%
(Q1) EPS Est Mthly Chg	1.27%	0.00%	0.00%	-1.48%	-1.10%	1.09%

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	C
Momentum Score	A
VGM Score	C

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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