

## PPL Corporation (PPL)

**\$33.99** (Stock Price as of 12/12/2025)

Price Target (6-12 Months): **\$36.00**

Long Term: 6-12 Months | **Zacks Recommendation:** **Neutral**  
(Since: 11/14/24)  
Prior Recommendation: Outperform

Short Term: 1-3 Months | **Zacks Rank:** (1-5) **3-Hold**  
Zacks Style Scores: VGM: B  
Value: C | Growth: C | Momentum: B

### Summary

PPL Corporation's third-quarter earnings and sales were better than expected. The company's investments will expand its clean energy generation and help achieve carbon neutrality by 2050. PPL is further expanding its operations through the construction of new generation, transmission and distribution projects. It completed the Narragansett Electric acquisition and continues to benefit from new customer additions. Our model predicts PPL's revenues to increase in the 2025-2027 time period. Yet, shares of the company have underperformed the industry in the past year. Any delay or failure in completing the projects on time might negatively impact PPL's overall financial performance. Dependence on its subsidiaries, unplanned outages at power plants and increased competition in transmission space act as headwinds for the company.

### Data Overview

|                            |                                          |
|----------------------------|------------------------------------------|
| 52 Week High-Low           | \$38.27 - \$31.22                        |
| 20 Day Average Volume (sh) | 7,629,520                                |
| Market Cap                 | \$25.1 B                                 |
| YTD Price Change           | 4.7%                                     |
| Beta                       | 0.69                                     |
| Dividend / Div Yld         | \$1.09 / 3.2%                            |
| Industry                   | <a href="#">Utility - Electric Power</a> |
| Zacks Industry Rank        | Top 27% (65 out of 243)                  |

|                           |            |
|---------------------------|------------|
| Last EPS Surprise         | 4.4%       |
| Last Sales Surprise       | 3.1%       |
| EPS F1 Est- 4 week change | 0.1%       |
| Expected Report Date      | 02/12/2026 |
| Earnings ESP              | -3.1%      |

|         |      |
|---------|------|
| P/E TTM | 19.5 |
| P/E F1  | 18.7 |
| PEG F1  | 2.4  |
| P/S TTM | 2.8  |

### Price, Consensus & Surprise<sup>(1)</sup>



### Sales and EPS Growth Rates (Y/Y %)<sup>(2)</sup>



### Sales Estimates (millions of \$)<sup>(2)</sup>

|      | Q1      | Q2      | Q3      | Q4      | Annual* |
|------|---------|---------|---------|---------|---------|
| 2026 | 2,603 E | 2,139 E | 2,245 E | 2,304 E | 9,291 E |
| 2025 | 2,504 A | 2,025 A | 2,239 A | 2,300 E | 9,068 E |
| 2024 | 2,304 A | 1,881 A | 2,066 A | 2,211 A | 8,462 A |

### EPS Estimates<sup>(2)</sup>

|      | Q1     | Q2     | Q3     | Q4     | Annual* |
|------|--------|--------|--------|--------|---------|
| 2026 | 0.62 E | 0.34 E | 0.53 E | 0.48 E | 1.96 E  |
| 2025 | 0.60 A | 0.32 A | 0.48 A | 0.42 E | 1.82 E  |
| 2024 | 0.54 A | 0.38 A | 0.42 A | 0.34 A | 1.69 A  |

\*Quarterly figures may not add up to annual.

(1) The data in the charts and tables, except the estimates, is as of 12/12/2025.

(2) The report's text, the analyst-provided estimates, and the price target are as of 12/08/2025.

## Overview

Allentown, PA-based PPL Corp. is a diversified utility holding company, founded in 1920. Currently, the company serves more than 3.6 million utility customers in the United States. The company primarily generates electricity from power plants in the northeastern, northwestern and southeastern U.S.; markets wholesale or retail energy chiefly in northeastern and northwestern portions of the U.S.; delivers electricity to customers in Pennsylvania, Kentucky, Virginia, Tennessee in the U.S.; and supplies natural gas in Kentucky.

PPL Corp.'s principal subsidiaries are Louisville Gas and Electric Company and Kentucky Utilities Company (LKE), PPL Electric Utilities Corporation and Rhode Island Energy.

The company has three reportable segments — Kentucky Regulated, Pennsylvania Regulated and Rhode Island Regulated. The segments' earnings details are mentioned below.

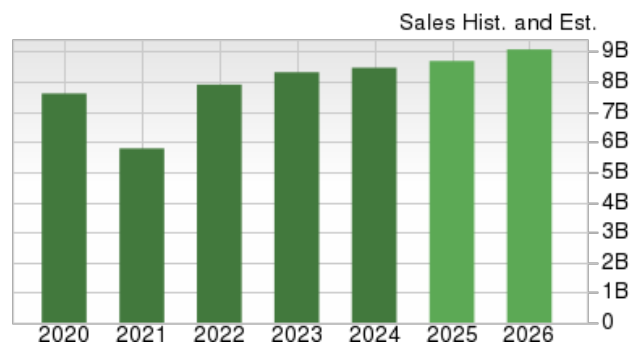
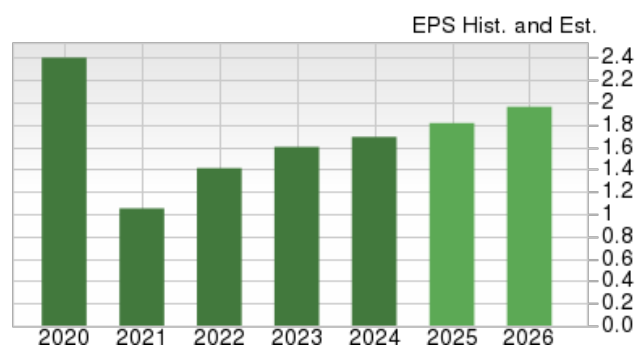
**Kentucky Regulated:** In 2024, this segment generated net income and total operating revenues of \$620 million and \$3.6 billion, respectively. As of Dec. 31, 2024, this segment provided services to 1.4 million users across 8,000 square miles of serviceable area.

**Pennsylvania Regulated:** In 2024, this segment generated net income and total operating revenues of \$574 million and \$2.9 billion, respectively. As of Dec. 31, 2024, this segment provided services to 1.5 million users across 10,000 square miles of serviceable area.

**Rhode Island Regulated:** In 2024, this segment generated net income of \$109 million and total operating revenues of \$2 billion. As of Dec. 31, 2024, this segment provided services to 0.8 million users across 1,200 square miles of serviceable area.

The Corporate and Other segments include unallocated corporate-level financing as well as other costs.

PPL Corp. divested its U.K. utility business to National Grid to focus on its core operations in the United States. The company acquired National Grid's Rhode Island utility business, The Narragansett Electric Company, for \$3.8 billion.



As of 12/08/2025



As of 12/12/2025

## Reasons To Buy:

- ▲ PPL Corporation benefits from its focus on generation, transmission and distribution projects. Customers have been experiencing far less outages, courtesy of the company's initiative to further strengthen its infrastructure. PPL's subsidiary, PPL Electric, is also focused on increasing the reliability of its electricity supply services with the use of the Dynamic Line Rating (DLR) technology. PPL Electric was the first U.S. electric utility to integrate this technology into real-time and market operations. DLR sensors provide real-time information that enables the company to better utilize its existing transmission line capacity and reduce congestion on the grid. This technology should help increase the reliability of PPL's electricity supply services to more than 1.4 million customers and enhance its revenues.

Ongoing capital investments to strengthen infrastructure, the completion of the Narragansett Electric acquisition, focus on cleaner generation and growth in domestic operation are tailwinds.

PPL is working on its "Utility of the Future" strategy and initiated an IT transformation effort to move to common systems across the company and developed common design and operations standards across its utilities. This includes more robust engineering and construction specifications to strengthen and automate the grid to mitigate increasing weather and storm risks. These measures will increase the resilience of its service and allow the company to serve rising demand from customers efficiently.

- ▲ PPL's subsidiaries are enjoying the benefits of economic developments in their service regions, driven by increasing demand from the data centers. The company is experiencing load growth, driven by data center demand. In Pennsylvania, nearly 20.5 GW (up from 14.4 GW) of potential data center demand is in the advanced stages, representing a potential transmission capital investment of \$1 billion. In the Kentucky segment, the Economic development queue holds total potential load growth of 9.7 GW through 2032 (up from 8.5 GW). Powerhouse data center's capacity increased from 400 MW to 525 MW. Owing to such developments, our model expects Kentucky and Pennsylvania segments to contribute nearly 74.4% (in unison) to total revenues in 2026.

PPL expects a regulated capital investment plan of \$20 billion during 2025-2028. The capital investment for 2025 and 2026 is expected to be \$4.3 billion and \$5.2 billion, respectively. The company aims to cut outages further, owing to the ongoing investments. It continues to make investments to strengthen grid, electricity and gas distribution, electricity transmission and expand clean energy generation capacity. Investments will also focus on new technology and support increasing demand from data centers. The decline in interest rates will be beneficial for the company as it will reduce the cost of the long-term capital projects due to lower interest expenses.

- ▲ The company's carbon emission reduction target is presently following the objective to meet the below 2-degree Celsius scenario. PPL plans to achieve its carbon emissions target of 70% by 2035 and of 80% by 2040, from its 2010 levels. It will do so through the introduction of new carbon capture technology and adding more renewable sources to the generation portfolio. It also targets to become carbon neutral by 2050. This initiative can help the company to lower the cost of operations by focusing on new and advanced assets. Our model projects total revenues to increase year over year by 7.2%, 2.5% and 0.9% in 2025, 2026 and 2027, respectively.

- ▲ Credit rating agencies also improved the company's credit ratings to positive this year. Also, it has enough liquidity to meet near-term debt obligations. Currently, its total debt to total capital is 56.85%, lower than the electric power industry's 59.81%. As of Sept. 30, 2025, PPL had an unused credit capacity of nearly \$3.02 billion, which further enhanced its financial flexibility. Its times-interest-earned ratio was 2.7 at the end of the third quarter of 2025. This ratio, being greater than one, is indicative of the company's ability to meet interest obligations without any difficulty.

PPL is working to lower outstanding debt and strengthen the balance sheet. The company is also working to reduce its operating and maintenance (O&M) costs by at least \$150 million by 2025 and \$175 million by 2026 from the 2021 baseline. In 2024, PPL achieved \$130 million in savings from the 2021 baseline. The company is focused on reducing total operating expenses in the coming years, due to a decrease in fuel costs and energy purchases. Owing to cost-saving initiatives, our model projects PPL's total operating expense to decrease 0.1% and 1.4% in 2026 and 2027, respectively. These initiatives should boost the company's margins and support earnings growth.

- ▲ PPL has a long history of dividend payments and plans to increase its annual dividend in the range of 6-8% through at least 2028, subject to the approval of its board of directors. Currently, its quarterly dividend is 27.25 cents per share, resulting in an annualized dividend of \$1.09 per share. It expects the dividend payout ratio to be in the range of 60-65%.

The company's current dividend yield is 3.22% compared with its industry's yield of 3.08%. PPL's management has approved annual dividend increases four times in the last five years. The strong cash flow generation capacity enables the company to pay a consistent dividend to shareholders.

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## Reasons To Sell:

- ▼ The company's regulated utility businesses are capital intensive in nature. It undertakes capital projects, which require significant investments in infrastructure projects and those that comply with environmental laws. Any delay or failure of completion of projects on time or within budget and increased unforeseen costs or risk of recovery of project costs fully could negatively impact its financials.
  - ▼ PPL Corporation is a holding company that conducts all operations through its subsidiaries. PPL's consolidated assets are also held by its subsidiaries, and its cash flows, ability to repay debt and guaranty obligations and pay dividends are largely dependent upon the earnings of those subsidiaries. In case the subsidiaries fail to perform as expected and are unable to pay dividend to PPL, financial performance of PPL Corporation will be adversely impacted.
  - ▼ Specifically, the company's Pennsylvania Regulated segment faces competition for transmission projects. It has to abide by certain rules of the Federal Energy Regulatory Commission to develop transmission projects and structure the cost for the same. Also, these projects have to compete with the endeavors of other providers who are not members of PJM transmission owners. This increases competition in the transmission business, thus forcing the company to cut costs. Shares of the company have risen 2.1% in the past year compared with the industry's 18.4% growth.
- The quarterly results can be disproportionately influenced by numerous factors and developments. The demand for and market prices of electricity and natural gas are affected by weather. As a result, the company's operating results in the future may fluctuate substantially on a seasonal basis.
- ▼ Operations related to power plants, transmission and distribution facilities, information technology systems as well as other assets and activities subjects the company to a variety of risks. These include the breakdown or failure of equipment, accidents, security breaches, viruses or outages that affect information technology systems, transportation problems. Disruptions of fuel supply can also dent its performance. These events may result in unplanned outages at power plants. The company's facilities may not operate as planned, which may increase expenses and lower revenues. It may also affect its financial performance, as insurance coverage might not be sufficient to compensate in the event of loss or damage.

Dependence on the subsidiaries, rising competition in transmission space, and unplanned outages at power plants might adversely impact its financials.

## Last Earnings Report

### PPL Beats Q3 Earnings & Revenues Estimates, Narrows EPS Guidance

PPL Corporation reported third-quarter 2025 operating earnings per share (EPS) of 48 cents, which surpassed the Zacks Consensus Estimate of 46 cents by 4.3%. In the year-ago quarter, the company reported earnings of 42 cents per share.

On a GAAP basis, PPL recorded EPS of 43 cents compared with 29 cents in the year-ago quarter. The difference in GAAP and operating earnings per share in the third quarter was due to the impact of 5 cents from special items.

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

| Earnings Reporting Date | Nov 05, 2025 |
|-------------------------|--------------|
| Sales Surprise          | 3.08%        |
| EPS Surprise            | 4.35%        |
| Quarterly EPS           | 0.48         |
| Annual EPS (TTM)        | 1.74         |

### PPL's Revenues

Total revenues of \$2.24 billion surpassed the Zacks Consensus Estimate of \$2.17 billion by 3.08%. The top line also increased 8.4% from the year-ago figure of \$2.07 billion.

### Highlights of PPL's Q3 Release

In the third quarter, the company sold 17,944 gigawatt hours of electricity to its customers in Pennsylvania and Kentucky, reflecting an increase of 1.2% year over year.

Total operating expenses were \$1.67 billion, up 1.95% from the year-ago quarter's \$1.64 billion. This was due to an increase in fuel and energy purchases.

Operating income totaled \$569 million, up 32.9% from the year-ago figure of \$428 million.

Interest expenses amounted to \$210 million, up 11.7% from \$188 million in the corresponding period of 2024.

### PPL's Segmental Updates

**Pennsylvania Regulated:** Adjusted EPS was 21 cents, up 10.5% from the year-ago figure of 19 cents. Earnings were driven by increased transmission revenues from new capital investments and higher distribution rider recoveries, partly offset by rising interest expenses.

**Kentucky Regulated:** Adjusted EPS was 25 cents compared with 23 cents reported in the year-ago quarter. The year-over-year improvement in earnings was caused by higher sales volumes, largely due to weather, higher earnings from additional capital investments and lower operating costs.

**Rhode Island Regulated:** Adjusted EPS was a loss of 1 cent compared with a loss of 2 cents in the year-ago quarter.

**Corporate and Other:** The segment incurred a loss of 3 cents per share compared with a loss of 10 cents in the year-ago quarter.

### PPL's Financial Position

As of Sept. 30, 2025, PPL had cash and cash equivalents of \$1.1 billion compared with \$0.3 billion as of Dec. 31, 2024.

The long-term debt was \$16.93 billion as of Sept. 30, 2025, compared with \$15.95 billion as of Dec. 31, 2024.

Net cash provided by operating activities in the first nine months of 2025 was \$2.08 billion compared with \$1.82 billion in the year-ago period.

### PPL's Guidance

PPL narrowed its 2025 earnings estimate in the range of \$1.78-\$1.84 per share from \$1.75-\$1.87. The Zacks Consensus Estimate is pegged at \$1.81 per share, on par with the midpoint of the company's guided range. The company reaffirmed its long-term annual earnings growth rate guidance of 6-8% through 2028.

PPL continues to expect planned infrastructure investments of \$20 billion for 2025-2028.

## Valuation

PPL Corporation, shares are down 0.2% in the six months period, and up 2.1% over the trailing 12-month period. Stocks in the Zacks sub-industry was up 10.7% and the Zacks Utility sector was up 9.1% in the six months period. Over the past year, the Zacks sub-industry are up 18.4% and the sector is up 14.2%.

The S&P 500 index is up 17.3% in the six months period, and up 16.3% in the past year.

The stock is currently trading at 17.36X forward 12-months earnings, which compares with 14.97X for the Zacks sub-industry, 15.63X for the Zacks sector and 23.59X for the S&P 500 index.

Over the past five years, the stock has traded as high as 25.7X and as low as 11.73X, with a 5-year median of 17.72X.

Our Neutral recommendation indicates that the stock will perform in-line with the market. Our \$36 price target reflects 18.46X forward 12-months earnings.

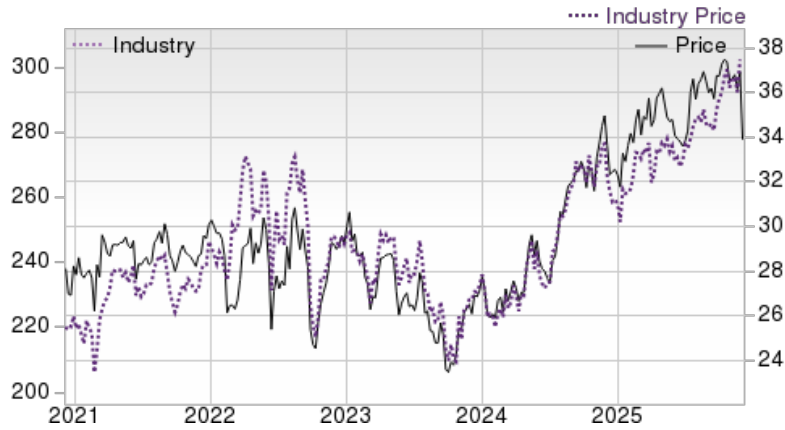
The table below shows summary valuation data for PPL.

| Valuation Multiples - PPL |               |       |              |        |         |
|---------------------------|---------------|-------|--------------|--------|---------|
|                           |               | Stock | Sub-Industry | Sector | S&P 500 |
| P/E F12M                  | Current       | 17.36 | 14.97        | 15.63  | 23.59   |
|                           | 5-Year High   | 25.7  | 16.15        | 17.86  | 23.78   |
|                           | 5-Year Low    | 11.73 | 12           | 13.13  | 15.73   |
|                           | 5-Year Median | 17.72 | 14.68        | 15.85  | 21.21   |
| P/S F12M                  | Current       | 2.77  | 3.19         | 3.01   | 5.33    |
|                           | 5-Year High   | 3.71  | 3.44         | 3.24   | 5.5     |
|                           | 5-Year Low    | 2.05  | 2.43         | 2.28   | 3.83    |
|                           | 5-Year Median | 2.92  | 2.94         | 2.72   | 5.05    |
| P/B TTM                   | Current       | 1.74  | 2.57         | 3.11   | 8.56    |
|                           | 5-Year High   | 1.96  | 2.86         | 3.28   | 9.16    |
|                           | 5-Year Low    | 1.19  | 2.02         | 2.38   | 6.6     |
|                           | 5-Year Median | 1.55  | 2.44         | 2.87   | 8.04    |

As of 12/05/2025

Source: Zacks Investment Research

## Industry Analysis<sup>(1)</sup> Zacks Industry Rank: Top 27% (65 out of 243)



## Top Peers<sup>(1)</sup>

| Company (Ticker)                 | Rec     | Rank |
|----------------------------------|---------|------|
| Ameren Corporation (AEE)         | Neutral | 2    |
| CMS Energy Corporation (CMS)     | Neutral | 3    |
| Dominion Energy Inc. (D)         | Neutral | 2    |
| Consolidated Edison Inc. (ED)    | Neutral | 3    |
| Exelon Corporation (EXC)         | Neutral | 3    |
| Alliant Energy Corporation (LNT) | Neutral | 3    |
| NiSource, Inc. (NI)              | Neutral | 3    |
| Xcel Energy Inc. (XEL)           | Neutral | 3    |

## Industry Comparison<sup>(1)</sup> Industry: Utility - Electric Power

|                                  | PPL       | X Industry | S&P 500   | AEE       | D         | NI        |
|----------------------------------|-----------|------------|-----------|-----------|-----------|-----------|
| Zacks Recommendation (Long Term) | Neutral   | -          | -         | Neutral   | Neutral   | Neutral   |
| Zacks Rank (Short Term)          | 3         | -          | -         | 2         | 2         | 3         |
| VGM Score                        | B         | -          | -         | C         | C         | F         |
| Market Cap                       | 25.14 B   | 16.99 B    | 39.36 B   | 26.31 B   | 50.67 B   | 19.76 B   |
| # of Analysts                    | 5         | 3          | 22        | 5         | 6         | 3         |
| Dividend Yield                   | 3.21%     | 3.11%      | 1.39%     | 2.92%     | 4.50%     | 2.70%     |
| Value Score                      | C         | -          | -         | C         | C         | C         |
| Cash/Price                       | 0.04      | 0.02       | 0.04      | 0.00      | 0.02      | 0.01      |
| EV/EBITDA                        | 12.76     | 11.19      | 14.58     | 12.78     | 14.02     | 13.31     |
| PEG Ratio                        | 2.43      | 2.69       | 2.22      | 2.29      | 1.70      | 2.77      |
| Price/Book (P/B)                 | 1.74      | 1.65       | 3.34      | 2.04      | 1.65      | 1.76      |
| Price/Cash Flow (P/CF)           | 9.62      | 8.68       | 15.19     | 9.08      | 10.04     | 10.38     |
| P/E (F1)                         | 18.68     | 18.74      | 19.74     | 19.47     | 17.46     | 21.99     |
| Price/Sales (P/S)                | 2.80      | 2.41       | 3.02      | 2.94      | 3.20      | 3.12      |
| Earnings Yield                   | 5.33%     | 5.30%      | 5.01%     | 5.14%     | 5.73%     | 4.54%     |
| Debt/Equity                      | 1.18      | 1.26       | 0.57      | 1.49      | 1.41      | 1.29      |
| Cash Flow (\$/share)             | 3.53      | 5.91       | 8.99      | 10.72     | 5.91      | 3.99      |
| Growth Score                     | C         | -          | -         | C         | D         | F         |
| Hist. EPS Growth (3-5 yrs)       | 1.82%     | 4.15%      | 8.13%     | 6.43%     | -8.86%    | 9.01%     |
| Proj. EPS Growth (F1/F0)         | 7.69%     | 6.93%      | 8.50%     | 7.99%     | 22.74%    | 7.43%     |
| Curr. Cash Flow Growth           | 3.54%     | 6.29%      | 6.86%     | 7.23%     | -1.39%    | 11.05%    |
| Hist. Cash Flow Growth (3-5 yrs) | -1.51%    | 5.44%      | 7.31%     | 8.21%     | -5.03%    | 8.97%     |
| Current Ratio                    | 0.77      | 0.91       | 1.18      | 0.93      | 0.84      | 0.52      |
| Debt/Capital                     | 54.02%    | 55.27%     | 38.15%    | 59.76%    | 57.71%    | 56.28%    |
| Net Margin                       | 12.16%    | 11.12%     | 12.78%    | 15.75%    | 16.17%    | 14.15%    |
| Return on Equity                 | 9.08%     | 9.51%      | 17.00%    | 10.92%    | 9.60%     | 8.09%     |
| Sales/Assets                     | 0.21      | 0.22       | 0.53      | 0.19      | 0.15      | 0.19      |
| Proj. Sales Growth (F1/F0)       | 7.20%     | 4.60%      | 5.75%     | 17.70%    | 7.60%     | 14.70%    |
| Momentum Score                   | B         | -          | -         | D         | D         | D         |
| Daily Price Chg                  | 1.58%     | 0.14%      | -1.07%    | 0.02%     | 1.99%     | -0.67%    |
| 1 Week Price Chg                 | -8.24%    | -3.78%     | -0.43%    | -6.10%    | -6.82%    | -4.83%    |
| 4 Week Price Chg                 | -7.00%    | -2.97%     | 1.33%     | -7.16%    | -2.53%    | -3.61%    |
| 12 Week Price Chg                | -4.47%    | 3.49%      | 2.95%     | -1.41%    | -0.69%    | 3.11%     |
| 52 Week Price Chg                | 5.26%     | 10.72%     | 12.83%    | 8.33%     | 10.22%    | 13.36%    |
| 20 Day Average Volume            | 7,629,520 | 994,740    | 2,755,288 | 1,617,914 | 5,606,495 | 3,134,101 |
| (F1) EPS Est 1 week change       | 0.00%     | 0.00%      | 0.00%     | 0.00%     | 0.00%     | 0.00%     |
| (F1) EPS Est 4 week change       | 0.11%     | 0.02%      | 0.00%     | 0.16%     | -0.01%    | 0.18%     |
| (F1) EPS Est 12 week change      | -0.06%    | 0.26%      | 0.68%     | 0.90%     | 0.17%     | 0.28%     |
| (Q1) EPS Est Mthly Chg           | 0.78%     | 0.00%      | 0.00%     | -5.28%    | 0.00%     | 0.00%     |



## Analyst Earnings Model<sup>(2)</sup>

### PPL Corporation (PPL)

In \$MM, except per share data

|                                                | 2022A     | 2023A     | 2024A     | 2025E     |           |           |           | 2026E     |           |           |           | 2027E     |           |           |
|------------------------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
|                                                | FY        | FY        | FY        | 1QA       | 2QA       | 3QA       | 4QE       | FY        | 1QE       | 2QE       | 3QE       | 4QE       | FY        | FY        |
| FY Ends December 31st                          | Dec-22    | Dec-23    | Dec-24    | 31-Mar-25 | 30-Jun-25 | 30-Sep-25 | 31-Dec-25 | Dec-25    | 31-Mar-26 | 30-Jun-26 | 30-Sep-26 | 31-Dec-26 | Dec-26    | Dec-27    |
| Income Statement                               |           |           |           |           |           |           |           |           |           |           |           |           |           |           |
| Operating Revenues                             | \$7,902.0 | \$8,312.0 | \$8,462.0 | \$2,504.0 | \$2,025.0 | \$2,239.0 | \$2,300.1 | \$9,068.1 | \$2,602.9 | \$2,139.3 | \$2,245.2 | \$2,304.1 | \$9,291.4 | \$9,378.1 |
| YoY % Chng                                     | 36.6%     | 5.2%      | 1.8%      | 8.7%      | 7.7%      | 8.4%      | 4.0%      | 7.2%      | 4.0%      | 5.6%      | 0.3%      | 0.2%      | 2.5%      | 0.9%      |
| Fuel                                           | \$931.0   | \$733.0   | \$783.0   | \$234.0   | \$192.0   | \$231.0   | \$226.8   | \$883.8   | \$248.7   | \$218.1   | \$226.3   | \$222.0   | \$915.2   | \$919.4   |
| YoY % Chng                                     | 31.1%     | (21.3%)   | 6.8%      | 12.0%     | 6.1%      | 11.6%     | 21.9%     | 12.9%     | 6.3%      | 13.6%     | (2.0%)    | (2.1%)    | 3.6%      | 0.5%      |
| Energy Purchases                               | \$1,686.0 | \$1,841.0 | \$1,679.0 | \$559.0   | \$388.0   | \$422.0   | \$464.5   | \$1,833.5 | \$571.2   | \$394.3   | \$383.4   | \$465.1   | \$1,814.0 | \$1,703.7 |
| YoY % Chng                                     | 124.2%    | 9.2%      | (8.8%)    | 7.5%      | 41.1%     | 24.9%     | (14.9%)   | 9.2%      | 2.2%      | 1.6%      | (9.2%)    | 0.1%      | (6.1%)    |           |
| Other Operation & Maintenance                  | \$2,398.0 | \$2,462.0 | \$2,607.0 | \$598.0   | \$614.0   | \$586.0   | \$613.3   | \$2,411.3 | \$606.0   | \$637.6   | \$564.8   | \$560.8   | \$2,369.2 | \$2,369.7 |
| YoY % Chng                                     | 49.1%     | 2.7%      | 5.9%      | (4.5%)    | (1.4%)    | (14.0%)   | (9.4%)    | (7.5%)    | 1.3%      | 3.8%      | (3.6%)    | (8.6%)    | (1.7%)    | 0.0%      |
| Depreciation                                   | \$1,181.0 | \$1,254.0 | \$1,279.0 | \$322.0   | \$324.0   | \$331.0   | \$331.4   | \$1,308.4 | \$332.4   | \$328.6   | \$331.4   | \$333.3   | \$1,325.7 | \$1,328.8 |
| YoY % Chng                                     | 9.1%      | 6.2%      | 2.0%      | 1.9%      | 1.6%      | 2.8%      | 2.9%      | 2.3%      | 3.2%      | 1.4%      | 0.1%      | 0.6%      | 1.3%      | 0.2%      |
| Taxes, Other than Income                       | \$332.0   | \$392.0   | \$374.0   | \$113.0   | \$101.0   | \$100.0   | \$109.2   | \$423.2   | \$115.7   | \$103.7   | \$102.9   | \$107.3   | \$429.6   | \$436.0   |
| YoY % Chng                                     | 60.4%     | 18.1%     | (4.6%)    | 28.4%     | 8.6%      | 11.1%     | 6.1%      | 13.2%     | 2.4%      | 2.7%      | 2.9%      | (1.8%)    | 1.5%      | 1.5%      |
| Total Operating Expenses                       | \$6,528.0 | \$6,682.0 | \$6,722.0 | \$1,826.0 | \$1,619.0 | \$1,670.0 | \$1,745.2 | \$6,860.2 | \$1,874.0 | \$1,682.3 | \$1,608.8 | \$1,688.5 | \$6,853.6 | \$6,757.7 |
| YoY % Chng                                     | 49.8%     | 2.4%      | 0.6%      | 3.8%      | 8.6%      | 2.0%      | (4.8%)    | 2.1%      | 2.6%      | 3.9%      | (3.7%)    | (3.2%)    | (0.1%)    | (1.4%)    |
| EBITDA                                         | \$2,607.0 | \$2,965.0 | \$3,097.0 | \$1,020.0 | \$759.0   | \$924.0   | \$906.2   | \$3,609.2 | \$1,088.5 | \$820.9   | \$993.8   | \$976.1   | \$3,879.2 | \$4,067.4 |
| YoY % Chng                                     | 2.4%      | 13.7%     | 4.5%      | 15.3%     | 3.7%      | 20.9%     | 26.6%     | 16.5%     | 6.7%      | 8.2%      | 7.6%      | 7.7%      | 7.5%      | 4.9%      |
| Amortization                                   | \$52.0    | \$81.0    | \$78.0    | \$20.0    | \$29.0    | \$24.0    | \$19.9    | \$92.9    | \$27.1    | \$35.4    | \$26.0    | \$27.2    | \$115.7   | \$118.2   |
| YoY % Chng                                     | 33.3%     | 55.8%     | (3.7%)    | (16.7%)   | 26.1%     | 71.4%     | 17.1%     | 19.1%     | 35.6%     | 22.0%     | 8.4%      | 36.6%     | 24.5%     | 2.1%      |
| Operating Income                               | \$1,374.0 | \$1,630.0 | \$1,740.0 | \$678.0   | \$406.0   | \$569.0   | \$554.9   | \$2,207.9 | \$728.9   | \$456.9   | \$636.4   | \$615.5   | \$2,437.8 | \$2,620.5 |
| YoY % Chng                                     | (3.5%)    | 18.6%     | 6.7%      | 24.4%     | 4.1%      | 32.9%     | 47.2%     | 26.9%     | 7.5%      | 12.5%     | 11.8%     | 10.9%     | 10.4%     | 7.5%      |
| Other Income (Expense), Net                    | \$54.0    | \$(40.0)  | \$114.0   | \$28.0    | \$23.0    | \$39.0    | \$25.7    | \$115.7   | \$30.0    | \$38.5    | \$35.9    | \$26.1    | \$130.5   | \$162.0   |
| YoY % Chng                                     | 260.0%    | (174.1%)  | 385.0%    | 27.3%     | (28.1%)   | 21.9%     | (8.1%)    | 1.5%      | 7.0%      | 67.5%     | (8.0%)    | 1.6%      | 12.8%     | 24.2%     |
| Interest Expense                               | \$513.0   | \$666.0   | \$738.0   | \$190.0   | \$199.0   | \$210.0   | \$221.1   | \$820.1   | \$208.5   | \$206.8   | \$201.7   | \$215.2   | \$832.2   | \$840.8   |
| YoY % Chng                                     | (44.1%)   | 29.8%     | 10.8%     | 6.1%      | 9.3%      | 11.7%     | 17.0%     | 11.1%     | 9.7%      | 3.9%      | (3.9%)    | (2.7%)    | 1.5%      | 1.0%      |
| Pre-Tax Income                                 | \$915.0   | \$924.0   | \$1,116.0 | \$516.0   | \$230.0   | \$398.0   | \$359.5   | \$1,503.5 | \$550.4   | \$288.7   | \$470.6   | \$426.4   | \$1,736.1 | \$1,941.6 |
| YoY % Chng                                     | 75.6%     | 1.0%      | 20.8%     | 33.0%     | (4.2%)    | 46.3%     | 66.4%     | 34.7%     | 6.7%      | 25.5%     | 18.2%     | 18.6%     | 15.5%     | 11.8%     |
| Income Tax                                     | \$201.0   | \$184.0   | \$228.0   | \$102.0   | \$47.0    | \$80.0    | \$72.3    | \$301.3   | \$110.6   | \$58.0    | \$94.6    | \$85.7    | \$349.0   | \$390.3   |
| YoY % Chng                                     | (60.0%)   | (8.5%)    | 23.9%     | 25.9%     | (6.0%)    | 37.9%     | 85.3%     | 32.1%     | 8.5%      | 23.4%     | 18.2%     | 18.6%     | 15.8%     | 11.8%     |
| Tax Rate                                       | 22.0%     | 19.9%     | 20.4%     | 19.8%     | 20.4%     | 20.1%     | 20.1%     | 20.0%     | 20.1%     | 20.1%     | 20.1%     | 20.1%     | 20.1%     | 20.1%     |
| Net Income (Loss) From Continuing Operations   | \$714.0   | \$740.0   | \$888.0   | \$414.0   | \$183.0   | \$318.0   | \$287.3   | \$1,202.3 | \$439.8   | \$230.6   | \$376.0   | \$340.7   | \$1,387.1 | \$1,551.4 |
| YoY % Chng                                     | 3,866.7%  | 3.6%      | 20.0%     | 34.9%     | (3.7%)    | 48.6%     | 62.3%     | 35.4%     | 6.2%      | 26.0%     | 18.2%     | 18.6%     | 15.4%     | 11.8%     |
| Net Income (Loss) from Discontinued Operations | \$42.0    | \$0.0     | \$0.0     | \$0.0     | \$0.0     | \$0.0     | \$0.0     | \$0.0     | \$0.0     | \$0.0     | \$0.0     | \$0.0     | \$0.0     | \$0.0     |
| YoY % Chng                                     | 102.8%    | (100.0%)  | 0.0%      | 0.0%      | 0.0%      | 0.0%      | 0.0%      | 0.0%      | 0.0%      | 0.0%      | 0.0%      | 0.0%      | 0.0%      | 0.0%      |
| Net Income/ (Loss), Non GAAP                   | \$1,041.0 | \$1,183.0 | \$1,250.0 | \$444.0   | \$240.0   | \$355.0   | \$315.3   | \$1,354.3 | \$467.8   | \$258.6   | \$404.0   | \$368.7   | \$1,499.1 | \$1,663.4 |
| YoY % Chng                                     | 29.2%     | 13.6%     | 5.7%      | 10.4%     | (14.9%)   | 14.5%     | 23.1%     | 8.3%      | 5.4%      | 7.8%      | 13.8%     | 17.0%     | 10.7%     | 11.0%     |
| Net Income/ (Loss), GAAP                       | \$756.0   | \$740.0   | \$888.0   | \$414.0   | \$183.0   | \$318.0   | \$287.3   | \$1,202.3 | \$439.8   | \$230.6   | \$376.0   | \$340.7   | \$1,387.1 | \$1,551.4 |
| YoY % Chng                                     | 151.1%    | (2.1%)    | 20.0%     | 34.9%     | (3.7%)    | 48.6%     | 62.3%     | 35.4%     | 6.2%      | 26.0%     | 18.2%     | 18.6%     | 15.4%     | 11.8%     |
| Basic Shares Outstanding                       | 736.0     | 737.0     | 737.8     | 738.7     | 739.3     | 739.5     | 749.5     | 741.8     | 754.4     | 759.3     | 764.2     | 769.1     | 761.8     | 781.4     |
| YoY % Chng                                     | (3.5%)    | 0.1%      | 0.1%      | 0.2%      | 0.2%      | 0.2%      | 1.6%      | 0.5%      | 2.1%      | 2.7%      | 3.3%      | 2.6%      | 2.7%      | 2.6%      |
| Diluted Shares Outstanding                     | 736.9     | 738.2     | 739.9     | 741.4     | 742.5     | 744.3     | 754.3     | 745.6     | 759.2     | 764.1     | 769.0     | 773.9     | 766.5     | 786.1     |
| YoY % Chng                                     | (3.7%)    | 0.2%      | 0.2%      | 0.3%      | 0.4%      | 0.6%      | 1.8%      | 0.8%      | 2.4%      | 2.9%      | 3.3%      | 2.6%      | 2.8%      | 2.6%      |
| Basic EPS                                      | \$1.03    | \$1.00    | \$1.20    | \$0.56    | \$0.25    | \$0.43    | \$0.38    | \$1.62    | \$0.58    | \$0.30    | \$0.49    | \$0.44    | \$1.82    | \$1.99    |
| YoY % Chng                                     | 153.4%    | (2.9%)    | 20.0%     | 33.3%     | (3.8%)    | 48.3%     | 59.7%     | 35.3%     | 4.1%      | 21.5%     | 14.4%     | 15.6%     | 11.7%     | 9.0%      |
| Diluted EPS From Continuing Operation          | \$0.96    | \$1.00    | \$1.20    | \$0.56    | \$0.25    | \$0.43    | \$0.38    | \$1.62    | \$0.58    | \$0.30    | \$0.49    | \$0.44    | \$1.81    | \$1.97    |
| YoY % Chng                                     | 3,100.0%  | 4.2%      | 20.0%     | 33.3%     | (3.8%)    | 48.3%     | 58.7%     | 35.1%     | 3.4%      | 20.7%     | 13.7%     | 15.6%     | 11.7%     | 9.1%      |
| Diluted EPS, Non GAAP                          | \$1.41    | \$1.60    | \$1.69    | \$0.60    | \$0.32    | \$0.48    | \$0.42    | \$1.82    | \$0.62    | \$0.34    | \$0.53    | \$0.48    | \$1.96    | \$2.12    |
| YoY % Chng                                     | 34.3%     | 13.5%     | 5.6%      | 11.1%     | (15.8%)   | 14.3%     | 22.9%     | 7.6%      | 2.7%      | 5.8%      | 9.4%      | 14.0%     | 7.6%      | 8.2%      |
| Diluted EPS, GAAP                              | \$1.02    | \$1.00    | \$1.20    | \$0.56    | \$0.25    | \$0.43    | \$0.38    | \$1.62    | \$0.58    | \$0.30    | \$0.49    | \$0.44    | \$1.81    | \$1.97    |
| YoY % Chng                                     | 152.8%    | (2.0%)    | 20.0%     | 33.3%     | (3.8%)    | 48.3%     | 58.7%     | 35.1%     | 3.4%      | 20.7%     | 13.7%     | 15.6%     | 11.7%     | 9.1%      |
| Dividend Per Share                             | \$0.88    | \$0.96    | \$1.03    | \$0.27    | \$0.27    | \$0.27    | \$0.27    | \$1.09    | \$0.27    | \$0.27    | \$0.27    | \$0.27    | \$1.09    | \$1.09    |
| YoY % Chng                                     | (47.3%)   | 9.7%      | 7.3%      | 5.8%      | 5.8%      | 5.8%      | 5.8%      | 5.8%      | 0.0%      | 0.0%      | 0.0%      | 0.0%      | 0.0%      | 0.0%      |



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## 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.

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### 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 | B |
| VGM Score      | B |

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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