Zacks Report Date: November 21, 2025

Xcel Energy Inc. (XEL)

$79.67 (Stock Price as of 11/21/2025)

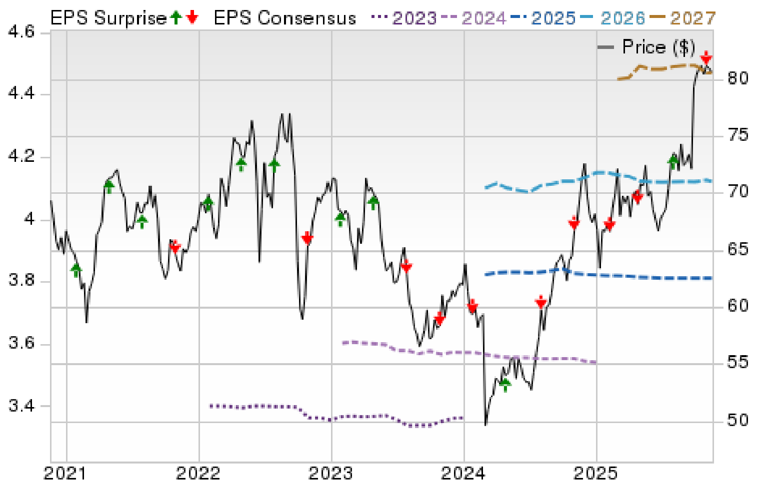
Price Target (6-12 Months): **$85.00**

Long Term: 6-12 Months	**Zacks Recommendation:** (Since: 03/17/19) Prior Recommendation: Outperform	**Neutral**
Short Term: 1-3 Months	**Zacks Rank:** (1-5)	**3-Hold**
	Zacks Style Scores:	VGM: C
	Value: C | Growth: C | Momentum: B	

Summary

Xcel Energy's third-quarter earnings and sales were lower than estimates. It is poised to benefit from its solid capital investment plan for infrastructure strengthening and clean power generation. The company is reducing its coal usage and aims to lower emissions by at least 80% by 2030, with the goal of achieving carbon neutrality by 2050. The company's expanding customer base and rising demand act as tailwinds. Xcel Energy rewards shareholders through dividend hikes. The company has enough liquidity to meet its near-term debt obligations. Shares of the company have outperformed the industry in the past three months. However, significant tariffs or any trade conflicts could negatively impact Xcel Energy's operating results. Business activities are susceptible to commodity price fluctuations, which can adversely impact results.

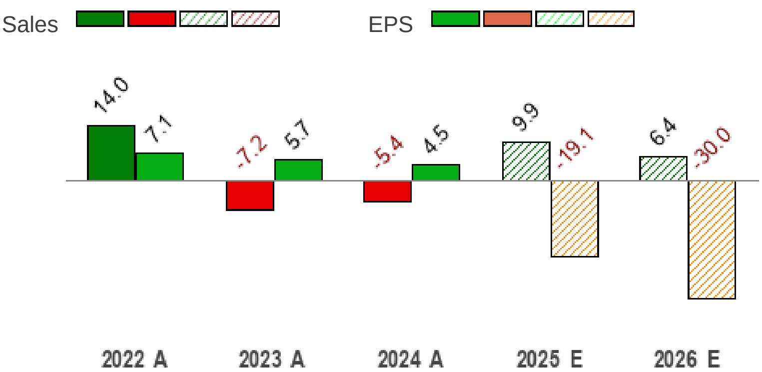
Price, Consensus & Surprise(1)



Data Overview

52 Week High-Low	**$83.01 - $62.58**
20 Day Average Volume (sh)	**4,914,844**
Market Cap	**$47.0 B**
YTD Price Change	**17.7%**
Beta	**0.38**
Dividend / Div Yld	**$2.28 / 2.9%**
Industry	**Utility - Electric Power**
Zacks Industry Rank	**Top 27% (65 out of 243)**
Last EPS Surprise	**-5.3%**
Last Sales Surprise	**-0.3%**
EPS F1 Est- 4 week change	**0.0%**
Expected Report Date	**02/05/2026**
Earnings ESP	**4.3%**
P/E TTM	**21.8**
P/E F1	**20.9**
PEG F1	**2.5**
P/S TTM	**3.3**

Sales and EPS Growth Rates (Y/Y %)(2)



Sales Estimates (millions of $)(2)

	Q1	Q2	Q3	Q4	Annual*
2026					15,720 E
2025	3,906 A	3,287 A	3,915 A	3,664 E	14,772 E
2024	3,649 A	3,028 A	3,644 A	3,120 A	13,441 A

EPS Estimates(2)

	Q1	Q2	Q3	Q4	Annual*
2026					4.11 E
2025	0.84 A	0.75 A	1.24 A	0.36 E	3.81 E
2024	0.88 A	0.54 A	1.25 A	0.81 A	3.50 A

*Quarterly figures may not add up to annual.

(1) The data in the charts and tables, except the estimates, is as of 11/21/2025.
(2) The report's text, the analyst-provided estimates, and the price target are as of 11/17/2025.

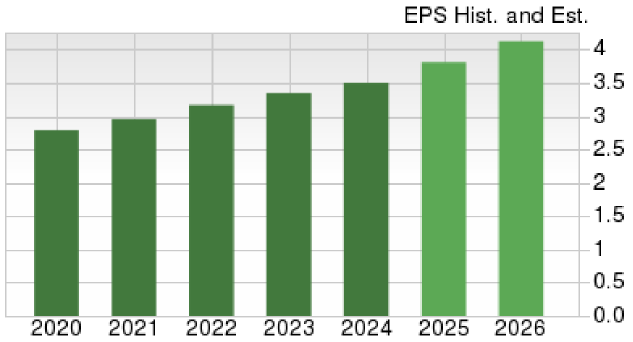
Overview

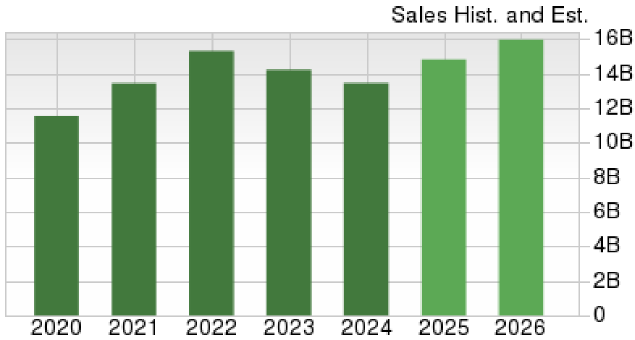
Minneapolis, MN-based Xcel Energy Inc. was founded in 1909 and is a holding company. Xcel, with subsidiaries, is engaged primarily in the utility business. The company has operations in eight states – Colorado, Michigan, Minnesota, New Mexico, North Dakota, South Dakota, Texas and Wisconsin. Xcel Energy had 11,380 full-time employees as of December 2024.

Xcel Energy operates through three segments. The Electric segment contributed 82.9% or $11.14 billion to total revenues in 2024. The Natural Gas segment contributed 16.6% or $2.23 billion to total revenues in 2024.

Xcel Energy also reports through the All Other segment, which includes operating segments with revenues below the necessary quantitative thresholds. The segment contributed 0.5% or $64 million to total revenues in 2024.

Through its four regulated utility subsidiaries – Northern States Power Company (NSP)-Minnesota, NSP-Wisconsin, Public Service Company of Colorado (PSCo) and Southwestern Public Service Co. (SPS) – the company serves 3.9 million electricity customers and almost 2.2 million natural gas customers. Along with the utility subsidiaries, the transmission-only subsidiaries, WYCO Development LLC (WYCO), a joint venture with CIG and West Gas Inter State Inc. (WGI), comprise of regulated utility operations.





As of 11/17/2025

Xcel Energy's operating utilities are engaged in the generation, purchase, transmission, distribution and sale of electricity in the U.S. The utilities generate electricity using coal, nuclear, hydro, wind and solar energy. Except SPS, the company's remaining utilities also purchase, transport, distribute and sell natural gas to retail customers, as well as transport customer-owned natural gas.

Xcel Energy is undertaking initiatives to produce and deliver clean energy to customers. The company aims to serve all customers with 100% zero-carbon emissions by 2050.

As of 11/21/2025

Reasons To Buy:

Xcel Energy's investments in infrastructure projects, focus on renewable expansion, strengthening rate base and consistent customer base growth will act as key catalysts.

- Xcel Energy continues to invest substantially in its utility assets to provide reliable services to its customers and effectively meet rising electricity demand. It aims to spend $60 billion during the 2026-2030 period. These investments are aimed at strengthening and expanding its transmission, distribution, electric generation and renewable projects. Due to the upgrade of infrastructure and distribution assets, Xcel Energy's residential electric and natural gas bills have been 28% and 12% lower, respectively, than the national average over the past five years, helping the company attract a steady stream of new customers.

  The company's investment plan allocates $29.4 billion to enhancing electric distribution and transmission operations, while $ $23.4 billion will be directed toward electric generation. Additionally, the plan includes, $3.6 billion for natural gas operations and another $3.6 billion for other necessary operations. The plan is aimed at increasing situational awareness, enhancing powerline safety settings and providing real-time data resiliency rebates, which should further boost customers' reliability.

- High quality and reliable services provided by the company attract new customers and allow Xcel Energy to serve an expanding electric and natural gas customer base. In the third quarter of 2025, the electric customer base increased 0.9% year over year, and the natural gas customer base improved 0.8% from the year-ago period. Year to date, sales volumes increased 2.5% for retail electricity. In 2025, the company continues to forecast 3% weather-normalized growth in electric sales.

  The company is set to gain from competitive advantages and a robust pipeline to capture data center demand. Xcel Energy gains from low-priced wind and solar resources and access to unencumbered land. It is a preferable alternative for customers because of the constructive regulatory processes and balance between clean electricity and reliable services. Xcel Energy plans to include roughly 3 gigawatts (GW) of data center capacity by 2026. During the third quarter, the company energized Meta's new data center in Minnesota, which is expected to continue expanding in the coming years. Xcel Energy's five-year plan includes 5% per year retail electric sales growth, of which nearly 60% is from data centers. In the past three months, Xcel Energy's shares have risen 11.6% compared with the industry's 8.6% growth.

- Courtesy of its strategic investments in the regulated asset, Xcel Energy projects long-term earnings per share (EPS) growth in the range of 6%-8% and aims to achieve an average growth rate of around 9% through 2030. Xcel Energy targets a dividend payout ratio of 45-55% and aims to increase shareholder value by raising 4-6% of the dividend rate annually, subject to approval from its board. The strong cash flow generation capacity of the company enables it to pay dividends and raise the same at regular intervals.

  Xcel Energy's board of directors increased dividends for 22 consecutive years and the company has either met or surpassed its earnings guidance for 20 consecutive years. Currently, its quarterly dividend is 57 cents per share, which resulted in an annualized dividend of $2.28. The company's current dividend yield is 2.83%, better than the Zacks S&P 500 composite's 1.53%.

- Xcel Energy is focusing on the clean-energy transition. Its Integrated Resource Plan ("IRP") is a comprehensive resource planning methodology that integrates supply and demand-side options for providing energy services. The IRP aims to deliver energy services in a cost-effective manner while considering the diverse needs of various stakeholders. The approved plan includes substantial expansions in renewable energy sources, indicating a shift toward cleaner energy generation.

  Courtesy of long-term capital expenditure during the 2026-2030 period, the company expects to deliver 7,500 MW of zero-carbon renewable generation, 3,000 MW of natural gas-fired generation, nearly 2,000 MW of energy storage, and 1,500 miles of new high-voltage transmission lines to support reliability and demand growth. By 2024, Xcel had already reduced carbon emissions from its generation fleet by an estimated 57% from 2005 levels and remains on track to achieve an 80% reduction and a full coal phase-out by 2030.

- Xcel Energy's times interest earned ratio was 2.1 at the end of the third quarter of 2025. This ratio greater than one is indicative of the company's ability to meet interest obligations without any difficulty. The decline in interest rates is expected to reduce Xcel Energy's financing expenses for capital projects and strengthen profit margins.

  As of Oct. 27, 2025, Xcel Energy had a total available liquidity of $4.25 billion, which is enough to meet its near-term debt obligations.

Reasons To Sell:

Risks related to commodity price fluctuations, tariff impact along with strict environmental legislations are headwinds for the company.

- The company's profitability depends on the ability of its utility subsidiaries to recover costs. Any changes in regulation may impair the ability of these utility subsidiaries to recover costs from their customers. The profitability of utility operations is dependent on the ability to recover the costs of providing energy and utility services and earn a return on capital investment.

- Significant tariffs on imports and the potential for further increases to follow or related trade disputes could adversely affect Xcel Energy's operating results, cash flow and overall financial condition. Xcel Energy currently faces tariff exposure amounting to roughly 2%-3% of its capital plans, and its spending could rise by a similar margin. However, the long-term effects of these tariffs on imported wind turbines, solar panels and other critical equipment remain uncertain. What is clear is that the added tariffs will ultimately push operational costs higher.

- Xcel Energy's operations are subject to commodity price fluctuations and other risks associated with energy markets and energy production. Despite the existing fuel recovery mechanisms in most of its service territories, higher fuel costs could significantly impact the results of operations if expenses are not recovered. Delays in the timing of the collection of fuel cost recoveries could impact Xcel Energy's cash flows and liquidity.

- The company is subject to numerous environmental laws and regulations and changes in existing or new laws or regulations. The cost of compliance with new regulations could increase the cost of operations, while failure to meet the same might impact its business operations.

  Xcel Energy's subsidiary, NSP-Minnesota, is subject to the risks of nuclear generation. Despite safety measures, if any accident happens in the nuclear units, it could have a material impact on its results of operations, financial condition or cash flows.

Last Earnings Report

Xcel Energy Q3 Earnings and Sales Lag Estimates, 2026 EPS Initiated

FY Quarter Ending	12/31/2024
Earnings Reporting Date	Oct 30, 2025
Sales Surprise	-0.32%
EPS Surprise	-5.34%
Quarterly EPS	1.24
Annual EPS (TTM)	3.64

Xcel Energy Inc. reported third-quarter 2025 operating earnings of $1.24 per share, which lagged the Zacks Consensus Estimate of $1.31 by 5.3%. The bottom line also missed the year-ago quarter's figure by a penny.

The year-over-year decline in earnings per share was due to higher interest charges and O&M expenses, partially offset by increased recovery of infrastructure investments.

It reported GAAP earnings of 88 cents per share compared with $1.21 in the year-ago quarter.

Total Revenues of XEL

Revenues of $3.92 billion missed the Zacks Consensus Estimate of $3.93 billion by 0.3%. However, the figure increased 7.4% from the year-ago quarter's $3.64 billion.

XEL's Segmental Results

Electric: This segment's revenues totaled $3.64 billion, up 7.4% from $3.39 billion in the year-ago quarter.

Natural Gas: Revenues in this segment increased 10.5% to $264 million from $239 million in the year-ago quarter.

Other: Revenues amounted to $13 million compared with $12 million in the prior-year quarter.

Highlights of XEL's Earnings Release

Total operating expenses increased 15.8% year over year to $3.17 billion. The increase in operating expenses was due to higher electric fuel and purchased power costs, and taxes other than income tax. Operating income declined 17.8% year over year to $911 million.

Total interest charges and financing costs increased 14.1% from the prior-year quarter's $348 million to $322 million.

In the first nine months, Xcel Energy registered 2.5% growth in electric customer volume and a 0.3% decline in natural gas customer volume. In the third quarter, natural gas customers increased 0.8% from the year-ago period's level and electric customers increased 0.9%.

XEL's Guidance

Xcel Energy reaffirmed its projection for 2025 earnings per share in the range of $3.75-$3.85. The Zacks Consensus Estimate is pegged at $3.81, a tad higher than the midpoint of the guided range of $3.80 per share.

Xcel Energy initiated 2026 earnings per share in the range of $4.04- $4.16. The Zacks Consensus Estimate is pegged at $4.13, a tad higher than the midpoint of the guided range.

XEL estimates retail electric sales to increase 3% in 2025. Natural gas sales volumes are anticipated to remain flat compared with the year-ago level.

Xcel Energy expects long-term annual earnings per share growth of 6-8% and dividend growth of 4-6%.

The company plans to invest $60 billion in 2026-2030 to further strengthen its infrastructure.

Valuation

Xcel Energy shares are up 11.6% in the past six months period, and up 15.2% over the trailing 12-month period. Stocks in the Zacks sub-industry is up 11.6% and the Zacks Utilities sector is up 9.9% in the past six months period. Over the past year, the Zacks sub-industry is up 20.4%, whereas the sector is up by 15.8%.

The S&P 500 index is up 15.1% in the past six months period and up 16.3% in the past year.

The stock is currently trading at 19.73X forward 12-months earnings, which compares with 16.17X for the Zacks sub-industry, 17.15X for the Zacks sector and 23.2X for the S&P 500 index.

Over the past five years, the stock has traded as high as 24.61X and as low as 13.4X, with a 5-year median of 19.26X.

Our Neutral recommendation indicates that the stock will perform in-line with the market. Our $85 price target reflects 20.81X forward 12-months earnings.

The table below shows summary valuation data for XEL.

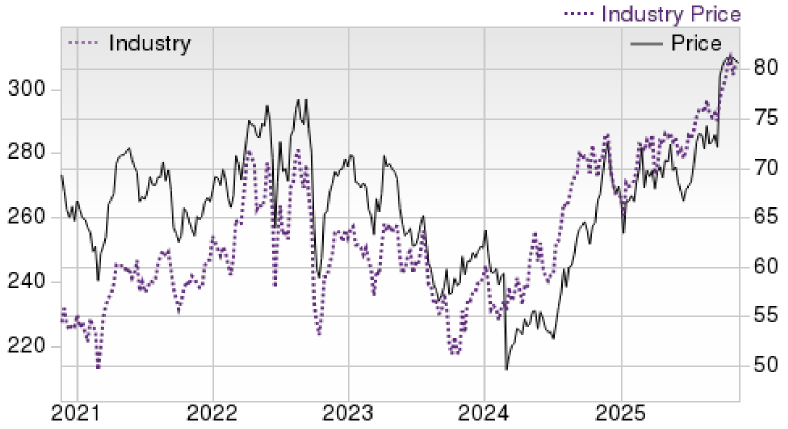
Valuation Multiples - XEL

		Stock	Sub-Industry	Sector	S&P 500
P/E F12M	Current	19.73	16.17	17.15	23.2
	5-Year High	24.61	16.17	17.84	23.81
	5-Year Low	13.4	12.05	13.13	15.73
	5-Year Median	19.26	14.54	15.86	21.2
P/S F12M	Current	3.01	3.32	3.15	5.29
	5-Year High	3.13	3.49	3.28	5.52
	5-Year Low	1.75	2.45	2.29	3.84
	5-Year Median	2.59	2.96	2.74	5.06
P/B TTM	Current	2.25	2.53	2.98	8.33
	5-Year High	2.77	2.83	3.27	9.19
	5-Year Low	1.52	2.01	2.34	6.62
	5-Year Median	2.16	2.44	2.85	8.05

As of 11/14/2025 *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
The AES Corporation **(AES)**	Neutral	4
Dominion Energy Inc. **(D)**	Neutral	2
DTE Energy Company **(DTE)**	Neutral	3
Consolidated Edison ...**(ED)**	Neutral	3
Entergy Corporation **(ETR)**	Neutral	2
FirstEnergy Corporat...**(FE)**	Neutral	2
Vistra Corp. **(VST)**	Neutral	3

Industry Comparison[1]

Industry: Utility - Electric Power

	XEL	X Industry	S&P 500	D	DTE	ED
				Industry Peers		
Zacks Recommendation (Long Term)	Neutral	-	-	Neutral	Neutral	Neutral
Zacks Rank (Short Term)	3	-	-	2	3	3
VGM Score	C	-	-	D	D	C
Market Cap	47.02 B	17.41 B	36.97 B	51.95 B	28.18 B	36.44 B
# of Analysts	6	3.5	22	6	8	7
Dividend Yield	2.87%	3.07%	1.54%	4.39%	3.21%	3.37%
Value Score	C	-	-	C	C	C
Cash/Price	0.02	0.02	0.04	0.02	0.00	0.00
EV/EBITDA	13.79	11.42	14.01	14.13	12.77	11.12
PEG Ratio	2.50	2.78	2.15	1.74	2.66	2.94
Price/Book (P/B)	2.22	1.66	3.19	1.69	2.32	1.51
Price/Cash Flow (P/CF)	9.44	8.80	14.22	10.19	8.73	8.64
P/E (F1)	20.86	18.77	19.21	17.90	18.77	17.93
Price/Sales (P/S)	3.30	2.42	2.93	3.29	1.90	2.20
Earnings Yield	4.79%	5.23%	5.18%	5.59%	5.33%	5.58%
Debt/Equity	1.51	1.25	0.57	1.41	2.01	1.03
Cash Flow ($/share)	8.44	5.98	8.99	5.91	15.47	11.61
Growth Score	C	-	-	C	D	D
Hist. EPS Growth (3-5 yrs)	5.69%	4.15%	8.17%	-8.86%	-1.33%	7.59%
Proj. EPS Growth (F1/F0)	8.86%	6.57%	8.30%	22.74%	5.86%	4.26%
Curr. Cash Flow Growth	9.64%	6.24%	7.00%	-1.39%	12.43%	6.06%
Hist. Cash Flow Growth (3-5 yrs)	8.14%	5.67%	7.32%	-5.03%	5.17%	5.20%
Current Ratio	0.79	0.91	1.18	0.84	1.15	1.08
Debt/Capital	60.20%	55.06%	38.16%	57.71%	66.82%	50.76%
Net Margin	13.46%	11.12%	12.75%	16.17%	9.34%	12.27%
Return on Equity	10.45%	9.51%	17.03%	9.60%	12.63%	8.79%
Sales/Assets	0.19	0.22	0.53	0.15	0.30	0.23
Proj. Sales Growth (F1/F0)	9.90%	4.42%	5.53%	7.60%	14.00%	6.80%
Momentum Score	B	-	-	F	B	B
Daily Price Chg	-1.64%	-0.95%	-1.56%	-2.05%	-1.48%	-2.46%
1 Week Price Chg	-0.41%	0.00%	-2.95%	-1.66%	0.26%	3.19%
4 Week Price Chg	-1.26%	-1.05%	-2.96%	-1.17%	-5.35%	-1.53%
12 Week Price Chg	9.33%	4.74%	0.57%	-0.25%	-2.43%	0.31%
52 Week Price Chg	13.73%	10.53%	9.92%	4.13%	10.53%	2.55%
20 Day Average Volume	4,841,814	874,321	2,991,164	5,020,760	1,625,531	2,081,728
(F1) EPS Est 1 week change	0.05%	0.00%	0.00%	-0.01%	0.04%	0.00%
(F1) EPS Est 4 week change	0.05%	0.00%	0.37%	-0.01%	0.08%	0.13%
(F1) EPS Est 12 week change	0.05%	0.05%	0.57%	0.17%	0.06%	0.13%
(Q1) EPS Est Mthly Chg	5.06%	-0.49%	-0.08%	-1.67%	-2.63%	-0.98%

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.

Value Score	C
Growth Score	C
Momentum Score	B
VGM Score	C

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.

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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