ATMOS ENERGY CORP. NYSE-ATO

RECENT PRICE **116.81** | P/E RATIO **19.5** (Trailing: 20.5 / Median: 20.0) | RELATIVE P/E RATIO **1.13** | DIV'D YLD **2.6%** | VALUE LINE

TIMELINESS 3 Lowered 2/10/23
SAFETY 1 Raised 6/6/14
TECHNICAL 3 Lowered 2/17/23
BETA .85 (1.00 = Market)

High:	37.3	47.4	58.2	64.8	82.0	93.6	100.8	115.2	121.1	105.3	123.0	121.4
Low:	30.4	34.9	44.2	50.8	60.0	72.5	76.5	89.2	77.9	84.6	97.7	108.7

Target Price Range
2026 | 2027 | 2028

18-Month Target Price Range

Low-High	Midpoint (% to Mid)
$96-$162	$129 (10%)

2026-28 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	160	(+35%)	10%
Low	130	(+10%)	6%

Institutional Decisions

	1Q2022	2Q2022	3Q2022
to Buy	315	333	331
to Sell	221	231	251
Hld's(000)	126318	126964	128317

% TOT. RETURN 1/23

	THIS STOCK	VL ARITH.* INDEX
1 yr.	12.3	0.4
3 yr.	7.6	47.0
5 yr.	58.5	50.2

2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	© VALUE LINE PUB. LLC	26-28
66.03	79.52	53.69	53.12	48.15	38.10	42.88	49.22	40.82	32.23	26.01	28.00	24.32	22.41	25.73	29.82	**35.35**	**39.45**	Revenues per sh A	**55.90**
4.14	4.19	4.29	4.64	4.72	4.76	5.14	5.42	5.81	6.19	6.62	7.24	7.57	8.03	8.64	9.30	**10.00**	**10.60**	"Cash Flow" per sh	**12.60**
1.94	2.00	1.97	2.16	2.26	2.10	2.50	2.96	3.09	3.38	3.60	4.00	4.35	4.72	5.12	5.60	**6.00**	**6.40**	Earnings per sh AB	**7.85**
1.28	1.30	1.32	1.34	1.36	1.38	1.40	1.48	1.56	1.68	1.80	1.94	2.10	2.30	2.50	2.72	**2.96**	**3.20**	Div'ds Decl'd per sh C■	**3.90**
4.39	5.20	5.51	6.02	6.90	8.12	9.32	8.32	9.61	10.46	10.72	13.19	14.19	15.38	14.87	17.35	**18.35**	**18.55**	Cap'l Spending per sh	**18.30**
22.01	22.60	23.52	24.16	24.98	26.14	28.47	30.74	31.48	33.32	36.74	42.87	48.18	53.95	59.71	66.85	**70.20**	**73.05**	Book Value per sh	**79.40**
89.33	90.81	92.55	90.16	90.30	90.24	90.64	100.39	101.48	103.93	106.10	111.27	119.34	125.88	132.42	140.90	**147.00**	**152.00**	Common Shs Outst'g D	**170.00**
15.9	13.6	12.5	13.2	14.4	15.9	15.9	16.1	17.5	20.8	22.0	21.7	23.2	22.3	18.8	19.3	*Bold figures are*		Avg Ann'l P/E Ratio	**18.5**
.84	.82	.83	.84	.90	1.01	.89	.85	.88	1.09	1.11	1.17	1.24	1.15	1.02	1.12	*Value Line*		Relative P/E Ratio	**1.05**
4.2%	4.8%	5.3%	4.7%	4.2%	4.1%	3.5%	3.1%	2.9%	2.4%	2.3%	2.2%	2.1%	2.2%	2.6%	2.5%	*estimates*		Avg Ann'l Div'd Yield	**2.7%**

CAPITAL STRUCTURE as of 12/31/22
Total Debt $8753.3 mill. **Due in 5 Yrs** $2900.0 mill.
LT Debt $6551.8 mill. **LT Interest** $105.0 mill.
(LT interest earned: 9.3x; total interest coverage: 9.3x)
Leases, Uncapitalized Annual rentals $43.1 mill.

Pfd Stock None

Pension Assets-9/22 $479.0 mill. **Oblig.** $449.5 mill.

Common Stock 143,162,520 shs. **as of 2/3/23**

MARKET CAP: $16.7 billion (Large Cap)

2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024		26-28
3886.3	4940.9	4142.1	3349.9	2759.7	3115.5	2901.8	2821.1	3407.5	4201.7	**5200**	**6000**	Revenues ($mill) A	**9500**
230.7	289.8	315.1	350.1	382.7	444.3	511.4	580.5	665.6	774.4	**875**	**965**	Net Profit ($mill)	**1325**
38.2%	39.2%	38.3%	36.4%	36.6%	27.0%	21.4%	19.5%	18.8%	9.1%	**12.0%**	**14.0%**	Income Tax Rate	**25.0%**
5.9%	5.9%	7.6%	10.5%	13.9%	14.3%	17.6%	20.6%	19.5%	18.4%	**16.8%**	**16.1%**	Net Profit Margin	**14.0%**
48.8%	44.3%	43.5%	38.7%	44.0%	34.3%	38.0%	40.0%	38.4%	37.9%	**40.0%**	**40.0%**	Long-Term Debt Ratio	**40.0%**
51.2%	55.7%	56.5%	61.3%	56.0%	65.7%	62.0%	60.0%	61.6%	62.1%	**60.0%**	**60.0%**	Common Equity Ratio	**60.0%**
5036.1	5542.2	5650.2	5651.8	6965.7	7263.6	9279.7	11323	12837	15180	**17200**	**18500**	Total Capital ($mill)	**22500**
6030.7	6725.9	7430.6	8280.5	9259.2	10371	11788	13355	15064	17240	**19000**	**20000**	Net Plant ($mill)	**25000**
5.9%	6.4%	6.6%	7.2%	6.4%	6.9%	6.1%	5.5%	5.5%	5.4%	**6.5%**	**6.5%**	Return on Total Cap'l	**7.0%**
8.9%	9.4%	9.9%	10.1%	9.8%	9.3%	8.9%	8.5%	8.4%	8.2%	**8.5%**	**8.5%**	Return on Shr. Equity	**10.0%**
8.9%	9.4%	9.9%	10.1%	9.8%	9.3%	8.9%	8.5%	8.4%	8.2%	**8.5%**	**8.5%**	Return on Com Equity	**10.0%**
4.0%	4.7%	4.9%	5.1%	4.9%	4.8%	4.6%	4.4%	4.3%	4.2%	**4.5%**	**4.5%**	Retained to Com Eq	**5.0%**
56%	50%	51%	50%	50%	48%	48%	49%	49%	49%	**50%**	**50%**	All Div'ds to Net Prof	**50%**

CURRENT POSITION ($MILL.)	2021	2022	12/31/22
Cash Assets	116.7	51.6	171.6
Other	2722.0	2996.1	3456.2
Current Assets	2838.7	3047.7	3627.8
Accts Payable	423.2	496.0	574.7
Debt Due	2400.5	2386.4	2201.5
Other	686.7	720.2	755.7
Current Liab.	3510.4	3602.6	3531.9
Fix. Chg. Cov.	1457%	1238%	1255%

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '20-'22 to '26-'28
Revenues	-5.5%	-4.5%	*13.5%*
"Cash Flow"	6.5%	7.0%	*6.5%*
Earnings	9.0%	9.0%	*7.0%*
Dividends	6.5%	8.5%	*7.5%*
Book Value	9.0%	12.0%	*5.0%*

Fiscal Year Ends	QUARTERLY REVENUES ($ mill.) A Dec.31	Mar.31	Jun.30	Sep.30	Full Fiscal Year
2020	875.6	977.6	493.0	474.9	2821.1
2021	914.5	1319.1	605.6	568.3	3407.5
2022	1012.8	1649.8	816.4	722.7	4201.7
2023	1484.0	**1840**	**980**	**896**	**5200**
2024	**1675**	**2060**	**1165**	**1100**	**6000**

Fiscal Year Ends	EARNINGS PER SHARE A B E Dec.31	Mar.31	Jun.30	Sep.30	Full Fiscal Year
2020	1.47	1.95	.79	.53	4.72
2021	1.71	2.30	.78	.37	5.12
2022	1.86	2.37	.92	.51	5.60
2023	1.91	**2.45**	**1.06**	**.58**	**6.00**
2024	**2.12**	**2.53**	**1.11**	**.64**	**6.40**

Cal-endar	QUARTERLY DIVIDENDS PAID C■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2019	.525	.525	.525	.575	2.15
2020	.575	.575	.575	.625	2.35
2021	.625	.625	.625	.68	2.56
2022	.68	.68	.68	.74	2.78
2023	.74				

BUSINESS: Atmos Energy Corporation is engaged primarily in the distribution and sale of natural gas to over three million customers through six regulated natural gas utility operations: Louisiana Division, West Texas Division, Mid-Tex Division, Mississippi Division, Colorado-Kansas Division, and Kentucky/Mid-States Division. Gas sales breakdown for fiscal 2022: 63.7%, residential; 28.8%, commercial; 5.8%, industrial; and 1.7% other. The company sold Atmos Energy Marketing, 1/17. Officers and directors own approximately .5% of common stock (12/22 Proxy). President and Chief Executive Officer: Kevin Akers. Incorporated: Texas. Address: Three Lincoln Centre, Suite 1800, 5430 LBJ Freeway, Dallas, Texas 75240. Telephone: 972-934-9227. Internet: www.atmosenergy.com.

Atmos Energy Corporation exhibited some bottom-line improvement in the first quarter of fiscal 2023 (concluded last December 31st). Share net increased around 3%, to $1.91, relative to the year-earlier total of $1.86. That was made possible, in part, by the distribution segment, supported largely by higher rates, mainly in the Mid-Tex and Mississippi divisions. Furthermore, results of the pipeline and storage business benefited nicely from a rise in revenue from a Gas Reliability Infrastructure Program filing approved in fiscal 2022. Operating expenses did climb during the period, but that's to be expected as the company grows. So, at this juncture, it appears that full-year earnings will advance roughly 7%, to $6.00 a share, compared to fiscal 2022's $5.60 figure. Regarding next year, share net might increase at a similar percentage rate, to $6.40, as operating margins expand further.

Rate-filing efforts continue. During the first quarter, Atmos managed to complete some regulatory proceedings resulting in a $111.8 million boost in annual operating income. What's more, there were ratemaking initiatives in progress at the end of December seeking $18.8 million of annual operating income. Of course, there are no guarantees that the company will receive everything it desires.

Capital expenditures for this year are anticipated to be around $2.7 billion. (That's nearly 11% higher than the fiscal 2022 figure.) Approximately 88% of the funds are being utilized to enhance the safety and reliability of Atmos' natural gas distribution and transmission systems. It should also be stated that management projects total capital spending from fiscal 2023 through fiscal 2027 to be some $15 billion. A considerable portion of the investments will continue to be allocated to where they are presently. Assuming that corporate finances stay in good shape, the company should have little trouble achieving those goals.

The high-quality stock offers uninspiring total return potential out to 2026-2028. Capital gains possibilities are not appealing. Also, the dividend yield lies below the average of *Value Line's* Natural Gas Utility Industry group.

Frederick L. Harris, III February 24, 2023

(A) Fiscal year ends Sept. 30th. (B) Diluted shrs. Excl. nonrec. gains (loss): '10, 5¢; '11, (1¢); '18, $1.43; '20, 17¢. Excludes discontinued operations: '11, 10¢; '12, 27¢; '13, 14¢; '17, 13¢. Next earnings report due early May. (C) Dividends historically paid in early March, June, Sept., and Dec. ■ Div. reinvestment plan. Direct stock purchase plan avail. (D) In millions. (E) Qtrs may not add due to change in shrs outstanding.

Company's Financial Strength	A+
Stock's Price Stability	95
Price Growth Persistence	65
Earnings Predictability	100

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NISOURCE INC. NYSE-NI

RECENT PRICE **27.14** | P/E RATIO **17.2** (Trailing: 20.0 / Median: 21.0) | RELATIVE P/E RATIO **.99** | DIV'D YLD **3.6%** | VALUE LINE

TIMELINESS 4 Raised 3/11/22
SAFETY 3 Lowered 3/19/21
TECHNICAL 3 Raised 1/27/23
BETA .90 (1.00 = Market)

High:	26.2	33.5	44.9	49.2	26.9	27.8	28.1	30.7	30.5	27.8	32.6	28.2
Low:	22.3	24.8	32.1	16.0	19.0	21.7	22.4	24.7	19.6	21.1	23.8	26.3

Target Price Range
2026 | 2027 | 2028

18-Month Target Price Range

Low-High	Midpoint (% to Mid)
$23-$39	$31 (15%)

2026-28 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	50	(+85%)	19%
Low	30	(+10%)	6%

Institutional Decisions

	1Q2022	2Q2022	3Q2022
to Buy	266	270	255
to Sell	235	208	226
Hld's(000)	381604	389752	379081

% TOT. RETURN 1/23

	THIS STOCK	VL ARITH.* INDEX
1 yr.	-1.7	0.4
3 yr.	4.0	47.0
5 yr.	31.3	50.2

2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	© VALUE LINE PUB. LLC	26-28
28.96	32.36	24.02	22.99	21.33	16.31	18.04	20.47	14.58	13.90	14.46	13.74	13.63	11.95	12.09	*13.30*	*13.60*	*14.00*	Revenues per sh	*16.50*
3.20	3.32	2.96	3.19	2.98	3.13	3.41	3.60	2.27	2.71	2.07	2.86	3.17	3.15	3.26	*3.45*	*3.55*	*3.75*	"Cash Flow" per sh	*4.25*
1.14	1.34	.84	1.06	1.05	1.37	1.57	1.67	.63	1.00	.39	1.30	1.31	1.32	1.37	*1.45*	*1.55*	*1.75*	Earnings per sh A	*2.10*
.92	.92	.92	.92	.92	.94	.98	1.02	.83	.64	.70	.78	.80	.84	.88	.94	*1.00*	*1.04*	Div'd Decl'd per sh B ■	*1.12*
2.88	3.54	2.81	2.88	3.99	4.83	5.99	6.42	4.26	4.57	5.03	4.88	4.72	4.49	4.53	*6.15*	*6.25*	*6.55*	Cap'l Spending per sh	*7.25*
18.52	17.24	17.54	17.63	17.71	17.90	18.77	19.54	12.04	12.60	12.82	13.08	13.36	12.66	13.33	*14.70*	*15.32*	*15.80*	Book Value per sh C	*17.50*
274.18	274.26	276.79	279.30	282.18	310.28	313.68	316.04	319.11	323.16	337.02	372.36	382.14	391.76	404.30	*406.00*	*408.00*	*410.00*	Common Shs Outst'g D	*415.00*
18.8	12.1	14.3	15.3	19.4	17.9	18.9	22.7	37.3	23.2	NMF	19.3	21.3	18.7	18.0	*19.8*	*Bold figures are*		Avg Ann'l P/E Ratio	*19.0*
1.00	.73	.95	.97	1.22	1.14	1.06	1.19	1.88	1.22	3.24	1.04	1.13	.96	.99	*1.15*	*Value Line*		Relative P/E Ratio	*1.05*
4.3%	5.7%	7.6%	5.7%	4.5%	3.8%	3.3%	2.7%	3.5%	2.8%	2.8%	3.1%	2.9%	3.4%	3.6%	3.3%	*estimates*		Avg Ann'l Div'd Yield	*2.5%*

CAPITAL STRUCTURE as of 9/30/22
Total Debt $10824.0 mill. **Due in 5 Yrs** $1318 mill.
LT Debt $9521.2 mill. **LT Interest** $355 mill.
(Interest cov. earned: 2.2x) (58% of Cap'l)

Leases, Uncapitalized Annual rentals $32.7 mill.
Pension Assets-12/21 $1.9 bill. **Oblig.** $2.0 bill.

Pfd Stock $1547 mill. **Pfd Div'd** $55.1 mill.

Common Stock 406,134,342 shs.
as of 10/31/22
MARKET CAP: $11.0 billion (Large Cap)

2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024		26-28
5657.3	6470.6	4651.8	4492.5	4874.6	5114.5	5208.9	4681.7	4899.6	*5400*	*5550*	*5750*	Revenues ($mill)	*6850*
490.9	530.7	198.6	328.1	128.6	478.3	549.8	562.6	626.3	*590*	*630*	*720*	Net Profit ($mill)	*875*
34.8%	36.9%	41.6%	35.7%	71.0%	19.7%	17.0%	18.3%	15.7%	*19.0%*	*19.0%*	*19.0%*	Income Tax Rate	*19.0%*
- -	- -	- -	- -	- -	- -	- -	2.9%	2.0%	*2.0%*	*2.0%*	*2.0%*	AFUDC % to Net Profit	*2.0%*
56.3%	56.9%	60.7%	59.8%	63.5%	55.3%	56.8%	61.2%	56.9%	*56.0%*	*56.0%*	*56.0%*	Long-Term Debt Ratio	*57.5%*
43.7%	43.1%	39.3%	40.2%	36.5%	37.9%	36.9%	32.9%	33.5%	*35.0%*	*35.0%*	*35.0%*	Common Equity Ratio	*40.0%*
13480	14331	9792.0	10129	11832	12856	13843	15058	16131	*17250*	*17750*	*18500*	Total Capital ($mill)	*20000*
14365	16017	12112	13068	14360	15543	16912	16620	17882	*19000*	*20000*	*21000*	Net Plant ($mill)	*22500*
5.2%	5.3%	4.0%	5.0%	2.6%	5.1%	5.3%	5.0%	4.9%	*3.5%*	*3.5%*	*4.0%*	Return on Total Cap'l	*4.5%*
8.3%	8.6%	5.2%	8.1%	3.0%	8.3%	9.2%	9.6%	9.0%	*9.5%*	*10.0%*	*11.0%*	Return on Shr. Equity	*11.0%*
8.3%	8.6%	5.2%	8.1%	3.0%	9.6%	9.7%	10.2%	10.6%	*13.0%*	*12.5%*	*13.0%*	Return on Com Equity	*11.0%*
3.1%	3.4%	NMF	3.0%	NMF	4.0%	3.8%	3.7%	4.2%	*3.5%*	*3.5%*	*4.5%*	Retained to Com Eq	*5.0%*
62%	61%	NMF	63%	NMF	60%	64%	67%	64%	*65%*	*65%*	*60%*	All Div'ds to Net Prof	*53%*

CURRENT POSITION ($MILL.)	2020	2021	9/30/22
Cash Assets	116.5	85.2	35.8
Other	1542.9	1835.6	2192.8
Current Assets	1659.4	1920.8	2228.6
Accts Payable	589.0	697.8	666.5
Debt Due	526.3	618.1	1302.8
Other	1164.1	1430.3	1941.8
Current Liab.	2279.4	2746.2	3911.1
Fix. Chg. Cov.	250%	250%	255%

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '19-'21 to '26-'28
Revenues	-6.0%	-5.0%	*5.5%*
"Cash Flow"	.5%	2.0%	*5.5%*
Earnings	3.0%	4.0%	*9.5%*
Dividends	-1.0%	- -	*4.5%*
Book Value	-3.0%	-2.5%	*5.0%*

Cal-endar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2020	1605.5	962.7	902.5	1211.0	4681.7
2021	1545.6	986.0	959.4	1408.6	4899.6
2022	1873.3	1183.2	1089.5	*1254.0*	*5400*
2023	*1960*	*1170*	*1120*	*1300*	*5550*
2024	*2100*	*1200*	*1150*	*1300*	*5750*

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2020	.76	.13	.09	.34	1.32
2021	.77	.13	.11	.39	1.37
2022	.75	.12	.10	*.48*	*1.45*
2023	*.83*	*.15*	*.12*	*.45*	*1.55*
2024	*.90*	*.20*	*.15*	*.50*	*1.75*

Cal-endar	QUARTERLY DIVIDENDS PAID B ■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2019	.200	.200	.200	.200	.80
2020	.21	.21	.21	.21	.84
2021	.22	.22	.22	.22	.88
2022	.235	.235	.235	.235	.94
2023	.25				

BUSINESS: NiSource Inc. is a holding company for Northern Indiana Public Service Company (NIPSCO), which supplies electricity and gas to the northern third of Indiana. Customers: 479,185 electric in Indiana, 3,200,000 gas in Indiana, Ohio, Pennsylvania, Kentucky, Virginia, Maryland, through its Columbia subsidiaries. Revenue breakdown, 2021: electrical, 31%; gas, 69%; other, less than 1%. Generating sources, coal, 69.4%; purchased & other, 30.6%. 2021 reported depreciation rates: 2.9% electric, 2.2% gas. Has 7,304 employees. Chairman: Richard L. Thompson. President & Chief Executive Officer: Lloyd Yates. Incorporated: Indiana. Address: 801 East 86th Avenue, Merrillville, Indiana 46410. Telephone: 877-647-5990. Internet: www.nisource.com.

NiSource likely reported solid growth in the fourth quarter to cap off a strong year in 2022.(Note: Results were scheduled to be released shortly after we went to press). We expect that the top line landed around $5.4 billion for the year, suggesting over 10% revenue growth, nearly double our long-term average annual growth rate forecast. This may even prove conservative. It is possible that the December period will provide an upside revenue surprise, which would help to boost the top line further, owing to colder than normal temperatures and a powerful winter storm in the region over Christmas weekend. Our call for earnings per share of $0.48 in the fourth quarter, if on the mark, would bring the year-end tally to $1.45, an annual growth rate of 6%, in line with management's previous 5% to 7% commitment. Elevated natural gas prices and volatile market conditions during the year likely put some pressure on margins, despite commodity cost pass through mechanisms. Overall, the year shows solid performance, with NiSource executing well in its regulatory strategy and rate base cases.

We expect improved profitability in 2023. Gas commodity prices are coming down to start off the year, reaching their lowest levels since early 2021. This ought to bolster margins alongside greater returns from earlier sustainable infrastructure investments. Additionally, the planned minority sale of NIPSCO will provide greater flexibility to the balance sheet as the cost of debt increases. Many rate base cases are under regulatory review and could provide upwards of 10% sales growth over the next five years.

Long-term capital deployment will drive continued growth. There is as much as $30 billion of planned infrastructure investments over the next 10 years in areas such as gas and electric infrastructure modernization, renewable and generation transition, and customer development, which will provide support to reaching growth targets.

The shares offer only about average long-term capital appreciation potential. Meanwhile, they are ranked to underperform in the year ahead (Timeliness 4: Below Average).

Earl B. Humes *February 24, 2023*

(A) Dil. EPS. Excl. gains (losses) on disc. ops.: '06, (11¢); '07, 3¢; '08, ($1.14); '15, (30¢); '18, ($1.48). Next egs. report due early May. Qtl'y egs. may not sum to total due to rounding.
(B) Div'ds historically paid in mid-Feb., May, Aug., Nov. ■ Div'd reinv. avail.
(C) Incl. intang in '21: $1485.9 million, $3.68/sh.
(D) In mill.
(E) Spun off Columbia Pipeline Group (7/15)

Company's Financial Strength	B+
Stock's Price Stability	95
Price Growth Persistence	25
Earnings Predictability	50

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N.W. NATURAL NYSE-NWN

RECENT PRICE **48.94** | P/E RATIO **18.4** (Trailing: 18.8 Median: 24.0) | RELATIVE P/E RATIO **1.06** | DIV'D YLD **4.0%** | VALUE LINE

TIMELINESS 3 Lowered 1/13/23
SAFETY 3 Lowered 3/19/21
TECHNICAL 3 Raised 2/3/23
BETA .80 (1.00 = Market)

High:	50.8	46.6	52.6	52.3	66.2	69.5	71.8	74.1	77.3	56.8	57.6	52.4
Low:	41.0	40.0	40.1	42.0	48.9	56.5	51.5	57.2	42.3	41.7	42.4	47.2

Target Price Range
2026 | 2027 | 2028

18-Month Target Price Range

Low-High	Midpoint (% to Mid)
$41-$67	$54 (10%)

2026-28 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	80	(+65%)	16%
Low	50	(Nil)	4%

Institutional Decisions

	1Q2022	2Q2022	3Q2022
to Buy	161	139	115
to Sell	74	107	99
Hld's(000)	24444	26050	26471

% TOT. RETURN 1/23

	THIS STOCK	VL ARITH.* INDEX
1 yr.	10.1	0.4
3 yr.	-23.4	47.0
5 yr.	3.1	50.2

2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	© VALUE LINE PUB. LLC	26-28
39.13	39.16	38.17	30.56	31.72	27.14	28.02	27.64	26.39	23.61	26.52	24.45	24.49	25.29	27.64	*27.45*	*27.60*	*28.35*	Revenues per sh	*28.95*
5.41	5.31	5.20	5.18	5.00	4.94	5.04	5.05	4.91	4.93	1.04	5.28	5.15	5.69	6.17	*5.75*	*6.25*	*6.50*	"Cash Flow" per sh	*7.20*
2.76	2.57	2.83	2.73	2.39	2.22	2.24	2.16	1.96	2.12	d1.94	2.33	2.19	2.30	2.56	*2.60*	*2.75*	*2.90*	Earnings per sh A	*3.25*
1.44	1.52	1.60	1.68	1.75	1.79	1.83	1.85	1.86	1.87	1.88	1.89	1.90	1.91	1.92	1.93	*1.94*	*1.95*	Div'ds Decl'd per sh B■	*1.98*
4.48	3.92	5.09	9.35	3.76	4.91	5.13	4.40	4.37	4.87	7.43	7.43	7.95	9.18	9.49	*9.50*	*9.15*	*9.25*	Cap'l Spending per sh	*9.50*
22.52	23.71	24.88	26.08	26.70	27.23	27.77	28.12	28.47	29.71	25.85	26.41	28.42	29.05	30.04	*32.00*	*34.50*	*35.40*	Book Value per sh D	*36.20*
26.41	26.50	26.53	26.58	26.76	26.92	27.08	27.28	27.43	28.63	28.74	28.88	30.47	30.59	31.13	*35.00*	*35.50*	*36.00*	Common Shs Outst'g C	*38.00*
16.7	18.1	15.2	17.0	19.0	21.1	19.4	20.7	23.7	26.9	- -	26.6	30.9	25.0	19.5	*19.2*	*Bold figures are*		Avg Ann'l P/E Ratio	*20.0*
.89	1.09	1.01	1.08	1.19	1.34	1.09	1.09	1.19	1.41	- -	1.44	1.65	1.28	1.06	*1.10*	*Value Line*		Relative P/E Ratio	*1.10*
3.1%	3.3%	3.7%	3.6%	3.9%	3.8%	4.2%	4.1%	4.0%	3.3%	3.0%	3.0%	2.8%	3.3%	3.8%	3.9%	*estimates*		Avg Ann'l Div'd Yield	*2.6%*

CAPITAL STRUCTURE as of 9/30/22
Total Debt $1478.6 mill. **Due in 5 Yrs** $175.3 mill.
LT Debt $1287.0 mill. **LT Interest** $44.5 mill.

(Total interest coverage: 3.1x)

Pension Assets-12/21 $399.2 mill. **Oblig.** $569.8 mill.

Pfd Stock None

Common Stock 35,099,161 shares as of 10/27/22

MARKET CAP $1.7 billion (Small Cap)

2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024		26-28
758.5	754.0	723.8	676.0	762.2	706.1	746.4	773.7	860.4	*960*	*980*	*1020*	Revenues ($mill)	*1100*
60.5	58.7	53.7	58.9	d55.6	67.3	65.3	70.3	78.7	*91.0*	*100*	*105*	Net Profit ($mill)	*125*
40.8%	41.5%	40.0%	40.9%	- -	26.4%	16.2%	23.1%	25.8%	*21.0%*	*21.0%*	*21.0%*	Income Tax Rate	*21.0%*
8.0%	7.8%	7.4%	8.7%	NMF	9.5%	8.8%	9.1%	9.1%	*9.5%*	*10.0%*	*10.2%*	Net Profit Margin	*11.0%*
47.6%	44.8%	42.5%	44.4%	47.9%	48.1%	48.2%	49.2%	52.8%	*53.5%*	*51.0%*	*50.0%*	Long-Term Debt Ratio	*50.0%*
52.4%	55.2%	57.5%	55.6%	52.1%	51.9%	51.8%	50.8%	47.2%	*46.5%*	*49.0%*	*50.0%*	Common Equity Ratio	*50.0%*
1433.6	1389.0	1357.7	1529.8	1426.0	1468.9	1672.0	1748.8	1979.7	*2408*	*2500*	*2550*	Total Capital ($mill)	*2750*
2062.9	2121.6	2182.7	2260.9	2255.0	2421.4	2438.9	2654.8	2871.4	*3150*	*3350*	*3550*	Net Plant ($mill)	*4250*
5.8%	5.8%	5.5%	5.1%	NMF	5.8%	5.2%	5.2%	5.1%	*4.0%*	*4.0%*	*4.0%*	Return on Total Cap'l	*4.5%*
8.1%	7.6%	6.9%	6.9%	NMF	8.8%	7.5%	7.9%	8.4%	*8.0%*	*8.0%*	*8.0%*	Return on Shr. Equity	*9.0%*
8.1%	7.6%	6.9%	6.9%	NMF	8.8%	7.5%	7.9%	8.4%	*8.0%*	*8.0%*	*8.0%*	Return on Com Equity	*9.0%*
1.5%	1.1%	.6%	.9%	NMF	2.1%	1.4%	1.7%	2.4%	*2.5%*	*3.0%*	*3.5%*	Retained to Com Eq	*4.5%*
81%	85%	92%	87%	NMF	76%	82%	79%	71%	*74%*	*71%*	*67%*	All Div'ds to Net Prof	*61%*

CURRENT POSITION ($MILL.)	2020	2021	9/30/22
Cash Assets	30.2	18.6	108.6
Other	293.0	418.7	373.2
Current Assets	323.2	437.3	481.8
Accts Payable	97.9	133.5	118.3
Debt Due	399.9	389.8	191.6
Other	129.3	201.5	241.5
Current Liab.	627.1	724.8	551.4
Fix. Chg. Cov.	335%	335%	312%

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '19-'21 to '26-'28
Revenues	-2.5%	- -	*4.5%*
"Cash Flow"	1.0%	2.5%	*5.0%*
Earnings	-1.0%	2.5%	*6.5%*
Dividends	1.5%	.5%	*.5%*
Book Value	1.0%	.5%	*4.0%*

Cal-endar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2020	285.2	135.0	93.3	260.2	773.7
2021	315.9	148.9	101.5	294.1	860.4
2022	350.3	195.0	116.8	*297.9*	*960*
2023	*355*	*180*	*120*	*325*	*980*
2024	*375*	*175*	*125*	*345*	*1020*

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2020	1.58	d.17	d.61	1.50	2.30
2021	1.94	d.02	d.67	1.31	2.56
2022	1.80	.05	d.56	*1.31*	*2.60*
2023	*1.90*	*.05*	*d.55*	*1.35*	*2.75*
2024	*2.00*	*.05*	*d.60*	*1.45*	*2.90*

Cal-endar	QUARTERLY DIVIDENDS PAID B ■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2019	.475	.475	.475	.4775	1.90
2020	.4775	.4775	.4775	.48	1.91
2021	.48	.48	.48	.483	1.92
2022	.483	.483	.483	.485	1.93
2023	.485				

BUSINESS: Northwest Natural Holding Co. distributes natural gas to 1,000 communities, 775,000 customers, in Oregon (89% of customers) and in southwest Washington state. Principal cities served: Portland and Eugene, OR; Vancouver, WA. Service area population: 3.7 mill. (77% in OR). Company buys gas supply from Canadian and U.S. producers; has transportation rights on Northwest Pipeline system. Owns local underground storage. Rev. breakdown: residential, 37%; commercial, 22%; industrial, gas transportation, 41%. Employs 1,167. BlackRock Inc. owns 17.2% of shares; Vanguard, 11.8%; Off./Dir., .92% (4/22 proxy). CEO: David H. Anderson. Inc.: Oregon. Address: 220 NW 2nd Ave., Portland, OR 97209. Tel.: 503-226-4211. Internet: www.nwnatural.com.

Northwest Natural likely reported good results in 2022. (Note: NWN was scheduled to report earnings shortly after we went to press). In the fourth quarter, revenues probably fell just shy of $300 million, bringing the top line to about $960 million on the year. Revenues for 2022 likely surged 12% as elevated natural gas commodity prices were offset through higher billings for purchased gas adjustments. Organic growth was relatively limited due to tight housing market conditions; the gas company's household meter growth rate was likely just over 1%. Profit margins also improved significantly, as net income likely registered double-digit growth thanks to the advance on the top line and colder weather. Our share-earnings call of $2.60 is only about 1.6% higher than the year before, though this partly reflects dilution from a 2.9 million share issuance on April 1, and further issuances throughout the year. This dilution is in response to the increased cost of debt within the context of continued investments in new business acquisitions, and ambitious sustainable infrastructure projects.

We expect steady growth from 2023, onward. A new rate case order effective November 1, 2022, provided an increased rate base of $1.76 billion with return on equity of 9.4%, and increased the revenue requirement by $59 million. Greater profitability through the higher rate base will benefit the company's long-term investment objectives of customer growth, infrastructure replacement, new technologies, and sustainable innovations. Northwest plans to invest $1.5 billion over the next five years on related projects, which will help to grow business across the region while lowering variable costs and risks. These initiatives provide the basis for a long-term earnings per share annual growth rate target of between 4% and 6%, with similar growth likely in 2023 and 2024.

These shares appear to be fairly valued at this juncture. However, the stock is not particularly timely for the next 12 months, and the utilities sector faces broad headwinds. Yet, conservative accounts seeking a quality dividend yield and price stability could look closer.

Earl B. Humes *February 24, 2023*

(A) Diluted earnings per share. Excludes nonrecurring items: '06, ($0.06); '08, ($0.03); '09, $0.06; May not sum due to rounding. Next earnings report due in early May.
(B) Dividends historically paid in mid-February, May, August, and November.
■ Dividend reinvestment plan available.
(C) In millions.
(D) Includes intangibles. In 2021: $70.6 million, $2.27/share.

Company's Financial Strength	A
Stock's Price Stability	85
Price Growth Persistence	35
Earnings Predictability	10

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ONE GAS, INC. NYSE-OGS

RECENT PRICE **82.14** | P/E RATIO **19.5** (Trailing: 20.6 Median: NMF) | RELATIVE P/E RATIO **1.13** | DIV'D YLD **3.2%** | VALUE LINE

TIMELINESS 3 Raised 5/13/22
SAFETY 2 New 6/2/17
TECHNICAL 3 Raised 2/24/23
BETA .80 (1.00 = Market)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
High:	44.3	51.8	67.4	79.5	87.8	96.7	97.0	81.9	92.3	84.3	
Low:	31.9	38.9	48.0	61.4	62.2	75.8	63.7	62.5	68.9	75.0	

Target Price Range 2026 | 2027 | 2028

18-Month Target Price Range
Low-High Midpoint (% to Mid)
$64-$115 $90 (10%)

2026-28 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	145	(+75%)	18%
Low	105	(+30%)	9%

Institutional Decisions

	1Q2022	2Q2022	3Q2022
to Buy	146	171	136
to Sell	118	112	143
Hld's(000)	44094	45263	45390

% TOT. RETURN 1/23

	THIS STOCK	VL ARITH.* INDEX
1 yr.	9.0	0.4
3 yr.	-5.3	47.0
5 yr.	32.6	50.2

The shares of ONE Gas, Inc. began trading "regular-way" on the New York Stock Exchange on February 3, 2014. That happened as a result of the separation of ONEOK's natural gas distribution operation. Regarding the details of the spinoff, on January 31, 2014, ONEOK distributed one share of OGS common stock for every four shares of ONEOK common stock held by ONEOK shareholders of record as of the close of business on January 21. It should be mentioned that ONEOK did not retain any ownership interest in the new company.

2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	© VALUE LINE PUB. LLC	26-28
- -	34.92	29.62	27.30	29.43	31.08	31.32	28.78	33.72	*43.75*	*46.25*	*48.35*	Revenues per sh	*64.90*
- -	4.52	4.82	5.43	5.96	6.32	6.96	7.36	7.71	*8.10*	*8.55*	*9.05*	"Cash Flow" per sh	*10.90*
- -	2.07	2.24	2.65	3.02	3.25	3.51	3.68	3.85	*4.05*	*4.25*	*4.45*	Earnings per sh A	*5.60*
- -	.84	1.20	1.40	1.68	1.84	2.00	2.16	2.32	2.48	*2.60*	*2.72*	Div'ds Decl'd per sh B■	*3.15*
- -	5.70	5.63	5.91	6.81	7.50	7.91	8.87	9.23	*9.55*	*9.75*	*9.90*	Cap'l Spending per sh	*10.25*
- -	34.45	35.24	36.12	37.47	38.86	40.35	42.01	43.81	*46.80*	*49.80*	*51.35*	Book Value per sh	*64.45*
- -	52.08	52.26	52.28	52.31	52.57	52.77	53.17	53.63	*54.50*	*54.50*	*55.00*	Common Shs Outst'g C	*57.00*
- -	17.8	19.8	22.7	23.5	23.1	25.3	21.7	18.9	*20.0*	*Bold figures are*		Avg Ann'l P/E Ratio	*22.5*
- -	.94	1.00	1.19	1.18	1.25	1.35	1.11	1.03	*1.16*	*Value Line*		Relative P/E Ratio	*1.25*
- -	2.3%	2.7%	2.3%	2.4%	2.5%	2.3%	2.7%	3.2%	3.1%	*estimates*		Avg Ann'l Div'd Yield	*2.5%*
- -	1818.9	1547.7	1427.2	1539.6	1633.7	1652.7	1530.3	1808.6	*2385*	*2520*	*2660*	Revenues ($mill)	*3700*
- -	109.8	119.0	140.1	159.9	172.2	186.7	196.4	206.4	*220*	*230*	*245*	Net Profit ($mill)	*320*
- -	38.4%	38.0%	37.8%	36.4%	23.7%	18.7%	17.5%	16.3%	*17.5%*	*18.0%*	*18.5%*	Income Tax Rate	*22.0%*
- -	6.0%	7.7%	9.8%	10.4%	10.5%	11.3%	12.8%	11.4%	*9.2%*	*9.1%*	*9.2%*	Net Profit Margin	*8.7%*
- -	40.1%	39.5%	38.7%	37.8%	38.6%	37.7%	41.5%	61.1%	*50.0%*	*49.0%*	*49.0%*	Long-Term Debt Ratio	*51.0%*
- -	59.9%	60.5%	61.3%	62.2%	61.4%	62.3%	58.5%	39.0%	*50.0%*	*51.0%*	*51.0%*	Common Equity Ratio	*49.0%*
- -	2995.3	3042.9	3080.7	3153.5	3328.1	3415.5	3815.7	6032.9	*5100*	*5320*	*5540*	Total Capital ($mill)	*7500*
- -	3293.7	3511.9	3731.6	4007.6	4283.7	4565.2	4867.1	5190.8	*5575*	*5880*	*6185*	Net Plant ($mill)	*7100*
- -	4.4%	4.7%	5.2%	5.8%	5.9%	6.4%	6.0%	3.9%	*6.0%*	*6.0%*	*6.0%*	Return on Total Cap'l	*6.0%*
- -	6.1%	6.5%	7.4%	8.2%	8.4%	8.8%	8.8%	8.8%	*8.5%*	*8.5%*	*8.5%*	Return on Shr. Equity	*8.5%*
- -	6.1%	6.5%	7.4%	8.2%	8.4%	8.8%	8.8%	8.8%	*8.5%*	*8.5%*	*8.5%*	Return on Com Equity	*8.5%*
- -	3.7%	3.1%	3.5%	3.7%	3.7%	3.8%	3.7%	3.5%	*3.5%*	*3.5%*	*3.5%*	Retained to Com Eq	*4.0%*
- -	40%	53%	52%	55%	56%	56%	58%	60%	*61%*	*62%*	*61%*	All Div'ds to Net Prof	*56%*

CAPITAL STRUCTURE as of 9/30/22
Total Debt $3102.5 mill. **Due in 5 Yrs** $2900.0 mill.
LT Debt $2429.1 mill. **LT Interest** $140.0 mill.
(LT interest earned: 5.1x; total interest coverage: 5.1x)
Leases, Uncapitalized Annual rentals $7.5 mill.
Pfd Stock None
Pension Assets-12/21 $1245.2 mill. **Oblig.** $1272.8 mill.
Common Stock 54,141,036 shs. as of 10/25/22
MARKET CAP: $4.4 billion (Mid Cap)

CURRENT POSITION ($MILL.)	2020	2021	9/30/22
Cash Assets	8.0	8.9	10.4
Other	531.9	2215.7	948.0
Current Assets	539.9	2224.6	958.4
Accts Payable	152.3	258.6	191.1
Debt Due	418.2	494.0	673.4
Other	226.6	227.9	240.2
Current Liab.	797.1	980.5	1104.7
Fix. Chg. Cov.	587%	625%	638%

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '19-'21 to '26-'28
Revenues	- -	1.5%	*11.0%*
"Cash Flow"	- -	7.0%	*6.0%*
Earnings	- -	7.5%	*6.0%*
Dividends	- -	9.5%	*5.5%*
Book Value	- -	3.5%	*6.5%*

Cal-endar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2020	528.2	273.3	244.6	484.2	1530.3
2021	625.3	315.6	273.9	593.8	1808.6
2022	971.5	428.9	359.4	*625.2*	*2385*
2023	*1019*	*470*	*376*	*655*	*2520*
2024	*1055*	*505*	*410*	*690*	*2660*

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2020	1.72	.48	.39	1.09	3.68
2021	1.79	.56	.38	1.12	3.85
2022	1.83	.59	.44	*1.19*	*4.05*
2023	*1.88*	*.65*	*.50*	*1.22*	*4.25*
2024	*1.93*	*.70*	*.55*	*1.27*	*4.45*

Cal-endar	QUARTERLY DIVIDENDS PAID B■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2019	.50	.50	.50	.50	2.00
2020	.54	.54	.54	.54	2.16
2021	.58	.58	.58	.58	2.32
2022	.62	.62	.62	.62	2.48
2023	.65				

BUSINESS: ONE Gas, Inc. provides natural gas distribution services to more than two million customers. There are three divisions: Oklahoma Natural Gas, Kansas Gas Service, and Texas Gas Service. The company purchased 164 Bcf of natural gas supply in 2021, compared to 153 Bcf in 2020. Total volumes delivered by customer (fiscal 2021): transportation, 59.3%; residential, 30.4%; commercial & industrial, 9.7%; other, .6%. ONE Gas has around 3,600 employees. BlackRock owns 12.2% of common stock; The Vanguard Group, 10.9%; American Century Investment, 8.0%; officers and directors, 1.5% (4/22 Proxy). CEO: Robert S. McAnnally. Incorporated: Oklahoma. Address: 15 East Fifth Street, Tulsa, Oklahoma 74103. Tel.: 918-947-7000. Internet: www.onegas.com.

It seems that ONE Gas registered better earnings in 2022. (Fourth-quarter results were not available when this report went to press.) Recall that through the first nine months, the bottom line was $2.86 a share, which marked an almost 5% rise from the previous year's $2.73 total. This partly reflected new rates. Another supporting factor was higher residential sales, due largely to net customer growth in Texas and Oklahoma. A decline in both bad-debt expense and COVID-19-related costs also helped. So, assuming that the energy firm had a decent December-period showing, full-year profits likely advanced around 5%, to $4.05 a share, compared to 2021's $3.85 figure. Concerning 2023 and 2024, we look for earnings to increase at a similar percentage rate, to $4.25 and $4.45, respectively, as operating margins expand further.

***Value Line* is optimistic about the company's prospects out to 2026-2028.** It remains the biggest natural gas distributor (as measured by customer count) in both Oklahoma and Kansas, and holds the number-three spot in Texas. Moreover, we believe these markets have decent growth possibilities and are located in one of the most active drilling regions in the United States. Too, thanks to healthy corporate finances, ONE Gas should continue to satisfy its working capital requirements, capital expenditures, and other commitments with little difficulty.

The quarterly dividend was recently increased three cents, to $0.65 a share. This was made possible, no doubt, by the company's solid capital position. Furthermore, our 3- to 5-year projections show that additional steady hikes in the distribution will occur. The payout ratio during that period ought to be in the vicinity of 55%, which is reasonable.

These shares have some positive characteristics. Capital appreciation potential over both the 18-month horizon and out to 2026-2028 looks worthwhile. Consider, also, the 2 (Above Average) Safety rank and high Price Stability score of 90. But it should be stated that the dividend yield does not stand out from the average yield in our Natural Gas Utility category. Meanwhile, the equity is neutrally ranked for Timeliness.

Frederick L. Harris, III February 24, 2023

(A) Diluted EPS. Excludes nonrecurring gain: 2017, $0.06. Next earnings report due early May.
(B) Dividends historically paid in early March, June, Sept., and Dec. ■ Dividend reinvestment plan. Direct stock purchase plan.
(C) In millions.

Company's Financial Strength	B++
Stock's Price Stability	90
Price Growth Persistence	60
Earnings Predictability	100

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SPIRE INC. NYSE-SR

RECENT PRICE **73.09** | P/E RATIO **15.7** (Trailing: 15.8 Median: 19.0) | RELATIVE P/E RATIO **0.91** | DIV'D YLD **4.0%** | VALUE LINE

TIMELINESS 3 Raised 2/10/23
SAFETY 2 Raised 6/20/03
TECHNICAL 3 Raised 2/3/23
BETA .85 (1.00 = Market)

High:	44.0	48.5	55.2	61.0	71.2	82.9	81.1	88.0	88.0	77.9	79.2	75.8
Low:	36.5	37.4	44.0	49.1	57.1	62.3	60.1	71.7	50.6	59.3	61.5	67.9

Target Price Range
2026 | 2027 | 2028

18-Month Target Price Range

Low-High	Midpoint (% to Mid)
$56-$91	$74 (0%)

2026-28 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	130	(+80%)	18%
Low	95	(+30%)	10%

Institutional Decisions

	1Q2022	2Q2022	3Q2022
to Buy	144	145	128
to Sell	113	121	126
Hld's(000)	44838	44899	45113

% TOT. RETURN 1/23

	THIS STOCK	VL ARITH.* INDEX
1 yr.	13.9	0.4
3 yr.	-3.9	47.0
5 yr.	29.6	50.2

2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	© VALUE LINE PUB. LLC	26-28
93.40	100.44	85.49	77.83	71.48	49.90	31.10	37.68	45.59	33.68	36.07	38.78	38.30	35.96	43.24	41.88	**47.90**	**45.30**	Revenues per sh A	**63.65**
3.87	4.22	4.56	4.11	4.62	4.58	3.12	3.87	6.15	6.16	6.54	7.55	7.12	5.25	9.09	8.44	**9.35**	**9.45**	"Cash Flow" per sh	**11.10**
2.31	2.64	2.92	2.43	2.86	2.79	2.02	2.35	3.16	3.24	3.43	4.33	3.52	1.44	4.96	3.95	**4.65**	**4.40**	Earnings per sh A B	**5.50**
1.45	1.49	1.53	1.57	1.61	1.66	1.70	1.76	1.84	1.96	2.10	2.25	2.37	2.49	2.60	2.74	**2.88**	**3.00**	Div'ds Decl'd per sh C■	**3.45**
2.72	2.57	2.36	2.56	3.02	4.83	4.00	3.96	6.68	6.42	9.08	9.86	16.15	12.37	12.09	10.52	**13.20**	**13.60**	Cap'l Spending per sh	**12.00**
19.79	22.12	23.32	24.02	25.56	26.67	32.00	34.93	36.30	38.73	41.26	44.51	45.14	44.19	46.74	49.08	**52.30**	**54.65**	Book Value per sh D	**67.10**
21.65	21.99	22.17	22.29	22.43	22.55	32.70	43.18	43.36	45.65	48.26	50.67	50.97	51.60	51.70	52.50	**53.00**	**53.00**	Common Shs Outst'g E	**55.00**
14.2	14.3	13.4	13.7	13.0	14.5	21.3	19.8	16.5	19.6	19.8	16.7	22.8	51.1	13.6	17.5	*Bold figures are*		Avg Ann'l P/E Ratio	**20.5**
.75	.86	.89	.87	.82	.92	1.20	1.04	.83	1.03	1.00	.90	1.21	2.62	.73	1.01	*Value Line*		Relative P/E Ratio	**1.15**
4.4%	3.9%	3.9%	4.7%	4.3%	4.1%	4.0%	3.8%	3.5%	3.1%	3.1%	3.1%	3.0%	3.4%	3.8%	4.0%	*estimates*		Avg Ann'l Div'd Yield	**3.1%**

CAPITAL STRUCTURE as of 12/31/22
Total Debt $4639.9 mill. **Due in 5 Yrs** $2575.0 mill.
LT Debt $3156.3 mill. **LT Interest** $180.0 mill.
(Total interest coverage: 3.3x)

Leases, Uncapitalized Annual rentals $9.0 mill.
Pension Assets-9/22 $625.9 mill. **Oblig.** $882.8 mill.
Pfd Stock $242.0 mill. **Pfd Div'd** $14.8 mill.
Common Stock 52,546,143 shs. as of 1/27/23

MARKET CAP: $3.8 billion (Mid Cap)

2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024		26-28
1017.0	1627.2	1976.4	1537.3	1740.7	1965.0	1952.4	1855.4	2235.5	2198.5	**2540**	**2400**	Revenues ($mill) A	**3500**
52.8	84.6	136.9	144.2	161.6	214.2	184.6	88.6	271.7	220.8	**245**	**235**	Net Profit ($mill)	**300**
25.0%	27.6%	31.2%	32.5%	32.4%	NMF	15.7%	12.3%	20.1%	21.1%	**20.5%**	**21.0%**	Income Tax Rate	**25.0%**
5.2%	5.2%	6.9%	9.4%	9.3%	10.9%	9.5%	4.8%	12.2%	10.0%	**9.6%**	**9.8%**	Net Profit Margin	**8.6%**
46.6%	55.1%	53.0%	50.9%	50.0%	45.7%	45.0%	49.0%	52.5%	51.2%	**52.0%**	**52.0%**	Long-Term Debt Ratio	**51.0%**
53.4%	44.9%	47.0%	49.1%	50.0%	54.3%	49.7%	46.1%	43.2%	44.6%	**44.0%**	**44.0%**	Common Equity Ratio	**45.0%**
1959.0	3359.4	3345.1	3601.9	3986.3	4155.5	4625.6	4946.0	5597.3	5777.0	**6300**	**6575**	Total Capital ($mill)	**8200**
1776.6	2759.7	2941.2	3300.9	3665.2	3970.5	4352.0	4680.1	5055.7	5370.4	**5700**	**6000**	Net Plant ($mill)	**7100**
3.3%	3.1%	5.1%	4.9%	5.0%	6.3%	5.1%	2.9%	5.8%	4.9%	**5.5%**	**5.0%**	Return on Total Cap'l	**5.0%**
5.0%	5.6%	8.7%	8.2%	8.1%	9.5%	7.3%	3.5%	10.2%	7.8%	**9.0%**	**8.0%**	Return on Shr. Equity	**8.0%**
5.0%	5.6%	8.7%	8.2%	8.1%	9.5%	7.9%	3.2%	10.6%	8.0%	**9.0%**	**8.0%**	Return on Com Equity	**8.0%**
1.0%	1.5%	3.7%	3.3%	3.3%	4.7%	2.7%	NMF	5.1%	2.5%	**3.0%**	**2.0%**	Retained to Com Eq	**2.5%**
81%	73%	58%	59%	60%	51%	66%	NMF	54%	71%	**68%**	**74%**	All Div'ds to Net Prof	**68%**

CURRENT POSITION ($MILL.)	2021	2022	12/31/22
Cash Assets	4.3	6.5	4.8
Other	1312.2	1585.5	1624.9
Current Assets	1316.5	1592.0	1629.7
Accts Payable	409.9	617.4	506.8
Debt Due	727.8	1318.7	1483.6
Other	470.6	417.5	414.3
Current Liab.	1608.3	2353.6	2404.7
Fix. Chg. Cov.	448%	393%	400%

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '20-'22 to '26-'28
Revenues	-5.0%	1.0%	*8.0%*
"Cash Flow"	5.5%	4.0%	*6.5%*
Earnings	2.5%	1.0%	*8.0%*
Dividends	5.0%	6.0%	*5.0%*
Book Value	6.5%	4.0%	*6.5%*

Fiscal Year Ends	QUARTERLY REVENUES ($ mill.)A Dec.31	Mar.31	Jun.30	Sep.30	Full Fiscal Year
2020	566.9	715.5	321.1	251.9	1855.4
2021	512.6	1104.9	327.8	290.2	2235.5
2022	555.4	880.9	448.0	314.2	2198.5
2023	814.0	**950**	**441**	**335**	**2540**
2024	**660**	**970**	**430**	**340**	**2400**

Fiscal Year Ends	EARNINGS PER SHARE A B F Dec.31	Mar.31	Jun.30	Sep.30	Full Fiscal Year
2020	1.24	2.54	d1.87	d.45	1.44
2021	1.65	3.55	.03	d.26	4.96
2022	1.01	3.27	d.10	d.20	3.95
2023	1.66	**3.36**	**d.12**	**d.25**	**4.65**
2024	**1.30**	**3.45**	**d.11**	**d.24**	**4.40**

Cal-endar	QUARTERLY DIVIDENDS PAID C ■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2019	.5925	.5925	.5925	.5925	2.37
2020	.6225	.6225	.6225	.6225	2.49
2021	.65	.65	.65	.65	2.60
2022	.685	.685	.685	.685	2.74
2023	.72				

BUSINESS: Spire Inc., formerly known as the Laclede Group, Inc., is a holding company for natural gas utilities, which distributes natural gas across Missouri, including the cities of St. Louis and Kansas City, Alabama, and Mississippi. Has roughly 1.7 million customers. Acquired Missouri Gas 9/13, Alabama Gas Co 9/14. Utility therms sold and transported in fiscal 2022: 3.2 bill. Revenue mix for regulated operations: residential, 73%; commercial and industrial, 17%; transportation, 6%; other, 4%. Officers and directors own 2.9% of common shares; American Century Companies, 14.9% (12/22 proxy). Chairman: Edward Glotzbach; CEO: Suzanne Sitherwood. Inc.: Missouri. Address: 700 Market Street, St. Louis, Missouri 63101. Tel.: 314-342-0500. Internet: www.spireenergy.com.

Spire Inc. shined in the first quarter of fiscal 2023 (ended December 31st). Earnings per share were $1.66, quite a difference from the prior year's $1.01 tally. That was brought about primarily by the Gas Marketing unit, as good market conditions enabled it to optimize storage and transportation positions. Also, the Midstream division benefited, to a large extent, from a better performance from the Spire Storage business. A diminished effective income tax rate also helped. Profits for the Gas Utility segment were flat. So, at this juncture, we expect full-year consolidated share earnings to rebound about 18%, to $4.65, relative to the fiscal 2022 total of $3.95. Regarding the following year, the bottom line may retreat around 5%, to $4.40 a share. This is based partially on our assumption that results for the Gas Marketing arm won't be as strong in the December period.

There has been favorable news on the regulatory front. On December 15th, the company received a new permanent certificate from the Federal Energy Regulatory Commission to operate the key Spire STL Pipeline, which delivers natural gas to more than 650,000 homes and businesses in eastern Missouri. What's more, Spire Missouri was granted a $78 million revenue increase by the Missouri Public Service Commission. (New rates went into effect on December 26th.) These developments remove some uncertainty surrounding the company's future performance.

The quarterly common stock dividend was raised about 5%, to $0.72 a share. Of course, healthy corporate finances made that possible. Furthermore, our 2026-2028 projections call for additional steady hikes in the distribution. The payout ratio over that span ought to be manageable, in the 68% range. Note, also, that the yield compares favorably to those of other equities in *Value Line's* Natural Gas Utility Industry.

These good-quality shares have strengthened some in price since our last full-page review in November. Spire's strong first-quarter earnings are surely a driving force. Too, capital gains potential during the 3- to 5-year period looks worthwhile. Meanwhile, the stock is neutrally ranked for Timeliness.

Frederick L. Harris, III February 24, 2023

(A) Fiscal year ends Sept. 30th. **(B)** Based on diluted shares outstanding. Excludes gain from discontinued operations: '08, 94¢. Next earnings report due late April. **(C)** Dividends paid in early January, April, July, and October. ■ Dividend reinvestment plan available. **(D)** Incl. deferred charges. In '22: $1,171.6 mill., $22.32/sh. **(E)** In millions. **(F)** Qtly. egs. may not sum due to rounding or change in shares outstanding.

Company's Financial Strength	B++
Stock's Price Stability	90
Price Growth Persistence	45
Earnings Predictability	45

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EVERSOURCE ENERGY NYSE-ES

RECENT PRICE 81.37 | P/E RATIO 18.8 (Trailing: 19.9 Median: 19.0) | RELATIVE P/E RATIO 1.12 | DIV'D YLD 3.3% | VALUE LINE

TIMELINESS 3 Raised 1/27/23
SAFETY 1 Raised 5/22/15
TECHNICAL 3 Raised 1/27/23
BETA .90 (1.00 = Market)

High:	40.9	45.7	56.7	56.8	60.4	66.1	70.5	86.6	99.4	92.7	94.6	86.8
Low:	33.5	38.6	41.3	44.6	50.0	54.1	52.8	63.1	60.7	76.6	70.5	77.4

Target Price Range 2026 | 2027 | 2028

LEGENDS
— 31.30 x Dividends p sh
.... Relative Price Strength
Options: Yes
Shaded area indicates recession

18-Month Target Price Range

Low-High	Midpoint (% to Mid)
$64-$122	$93 (15%)

2026-28 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	120	(+45%)	13%
Low	100	(+25%)	9%

Institutional Decisions

	1Q2022	2Q2022	3Q2022
to Buy	412	411	395
to Sell	315	308	323
Hld's(000)	269412	271816	272475

% TOT. RETURN 12/22

	THIS STOCK	VL ARITH.* INDEX
1 yr.	-5.1	-14.0
3 yr.	7.3	28.1
5 yr.	53.6	40.0

2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	© VALUE LINE PUB. LLC	26-28
37.27	37.22	30.97	27.76	25.21	19.98	23.16	24.42	25.08	24.11	24.46	26.66	25.85	25.96	28.64	**34.45**	**36.25**	**38.05**	Revenues per sh	**43.05**
4.82	6.16	4.96	5.68	4.88	4.03	5.22	4.56	4.94	5.46	5.84	6.64	6.65	6.99	7.74	**8.10**	**8.55**	**9.00**	"Cash Flow" per sh	**10.70**
1.59	1.86	1.91	2.10	2.22	1.89	2.49	2.58	2.76	2.96	3.11	3.25	3.45	3.64	3.86	**4.10**	**4.40**	**4.70**	Earnings per sh A	**5.60**
.78	.83	.95	1.03	1.10	1.32	1.47	1.57	1.67	1.78	1.90	2.02	2.14	2.27	2.41	2.55	**2.71**	**2.87**	Div'd Decl'd per sh B ■	**3.48**
7.14	8.06	5.17	5.41	6.08	4.69	4.62	5.06	5.44	6.24	7.41	7.96	8.83	8.58	9.22	**11.20**	**10.50**	**10.10**	Cap'l Spending per sh	**9.75**
18.65	19.38	20.37	21.60	22.65	29.41	30.49	31.47	32.64	33.80	34.99	36.25	38.29	41.01	42.39	**44.20**	**46.50**	**48.50**	Book Value per sh C	**55.25**
156.22	155.83	175.62	176.45	177.16	314.05	315.27	316.98	317.19	316.89	316.89	316.89	329.88	342.95	344.40	**348.30**	**351.50**	**355.0**	Common Shs Outst'g D	**360.00**
18.7	13.7	12.0	13.4	15.4	19.9	16.9	17.9	18.1	18.7	19.5	18.7	22.1	23.7	22.2	**20.9**	*Bold figures are*		Avg Ann'l P/E Ratio	**19.5**
.99	.82	.80	.85	.97	1.27	.95	.94	.91	.98	.98	1.01	1.18	1.22	1.20	**1.21**	*Value Line*		Relative P/E Ratio	**1.10**
2.6%	3.2%	4.2%	3.6%	3.2%	3.5%	3.5%	3.4%	3.3%	3.2%	3.1%	3.3%	2.8%	2.6%	2.8%	3.0%	*estimates*		Avg Ann'l Div'd Yield	**3.2%**

CAPITAL STRUCTURE as of 9/30/22
Total Debt $22298 mill. **Due in 5 Yrs** $8313.5 mill.
LT Debt $20242 mill. **LT Interest** $619.8 mill.
(Total Interest coverage: 3.9x)

Leases, Uncapitalized Annual rentals $11.1 mill.

Pension Assets-12/21 $6495.5 mill. **Oblig** $6729.7 mill.
Pfd Stock $155.6 mill. **Pfd Div'd** $7.6 mill.

Common Stock 348,307,416 shs. as of 10/31/22
MARKET CAP: $28.3 billion (Large Cap)

2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024		26-28
7301.2	7741.9	7954.8	7639.1	7752.0	8448.2	8526.5	8904.4	9863.1	**12000**	**12750**	**13500**	Revenues ($mill)	**15500**
793.7	827.1	886.0	949.8	995.5	1040.5	1121.0	1244.8	1337.7	**1430**	**1550**	**1670**	Net Profit ($mill)	**2025**
35.0%	36.2%	37.9%	36.9%	36.8%	21.7%	19.7%	22.2%	21.9%	**24.0%**	**24.0%**	**24.0%**	Income Tax Rate	**24.0%**
1.4%	2.4%	2.9%	3.9%	4.7%	6.1%	6.3%	5.3%	4.2%	**5.0%**	**4.0%**	**4.0%**	AFUDC % to Net Profit	**3.0%**
44.3%	45.9%	45.6%	44.8%	51.2%	52.4%	52.8%	52.4%	54.2%	**56.5%**	**56.5%**	**56.5%**	Long-Term Debt Ratio	**56.0%**
54.8%	53.2%	53.6%	54.4%	48.2%	46.9%	46.6%	47.1%	45.3%	**43.0%**	**43.0%**	**43.0%**	Common Equity Ratio	**44.0%**
17544	18738	19313	19697	23018	24474	27097	29842	32233	**35800**	**38000**	**40025**	Total Capital ($mill)	**45300**
17576	18647	19892	21351	23617	25610	27585	30883	33378	**36025**	**38400**	**40550**	Net Plant ($mill)	**46300**
5.5%	5.3%	5.5%	5.8%	5.2%	5.2%	5.1%	5.1%	5.1%	**5.0%**	**5.0%**	**5.0%**	Return on Total Cap'l	**5.5%**
8.1%	8.2%	8.4%	8.7%	8.9%	8.9%	8.8%	8.8%	9.1%	**9.0%**	**9.5%**	**9.5%**	Return on Shr. Equity	**10.0%**
8.2%	8.2%	8.5%	8.8%	8.9%	9.0%	8.8%	8.8%	9.1%	**9.0%**	**9.5%**	**9.5%**	Return on Com Equity E	**10.0%**
3.4%	3.5%	3.4%	3.5%	3.5%	3.4%	3.6%	3.5%	3.6%	**3.5%**	**3.5%**	**4.0%**	Retained to Com Eq	**4.0%**
59%	58%	61%	60%	61%	62%	60%	60%	61%	**62%**	**62%**	**61%**	All Div'ds to Net Prof	**62%**

ELECTRIC OPERATING STATISTICS

	2019	2020	2021
% Change Retail Sales (KWH)	-3.3	-2.7	+1.6
Avg. Indust. Use (MWH)	NA	NA	NA
Avg. Indust. Revs. per KWH (¢)	NA	NA	NA
Capacity at Peak (Mw)	NA	NA	NA
Peak Load, Winter (Mw)	NA	NA	NA
Annual Load Factor (%)	NA	NA	NA
% Change Customers (yr-end)	+.7	+.8	+.6
Fixed Charge Cov. (%)	319	345	324

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '19-'21 to '26-'28
Revenues	1.0%	2.0%	*5.5%*
"Cash Flow"	6.0%	6.0%	*6.0%*
Earnings	6.5%	6.0%	*6.5%*
Dividends	7.0%	6.5%	*6.5%*
Book Value	5.0%	4.5%	*5.0%*

Cal-endar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2020	2373	1953	2344	2234	8904.4
2021	2826	2122	2433	2482	9863.1
2022	3471	2573	3216	**2740**	**12000**
2023	**3675**	**2725**	**3425**	**2925**	**12750**
2024	**3875**	**2875**	**3625**	**3125**	**13500**

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2020	1.02	.76	1.01	.85	3.64
2021	1.15	.79	1.02	.91	3.86
2022	1.30	.86	1.01	**.93**	**4.10**
2023	**1.37**	**.92**	**1.10**	**1.01**	**4.40**
2024	**1.46**	**.98**	**1.18**	**1.08**	**4.70**

Cal-endar	QUARTERLY DIVIDENDS PAID B ■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2019	.535	.535	.535	.535	2.14
2020	.5675	.5675	.5675	.5675	2.27
2021	.6025	.6025	.6025	.6025	2.41
2022	.6375	.6375	.6375	.6375	2.55
2023					

BUSINESS: Eversource Energy (formerly Northeast Utilities) is the parent of utilities with 3.3 mill. electric, 887,000 gas, 226,000 water customers. Supplies power to most of Connecticut and gas to part of Connecticut; supplies power to 3/4 of New Hampshire's population; supplies power to western Massachusetts and parts of eastern MA & gas to central & eastern MA; supplies water to CT, MA, & NH. Acq'd NSTAR 4/12; Aquarion 12/17; Columbia Gas 10/20. Electric rev. breakdown: residential, 53%; commercial, 33%; industrial, 5%; other, 9%. Fuel costs: 34% of revs. '21 reported depr. rate: 3.1%. Has 9,200 empls. Chairman: James J. Judge. Pres. & CEO: Joseph R. Nolan, Jr. Inc.: MA. Address: 300 Cadwell Drive, Springfield, MA 01104. Tel.: 413-785-5871. Internet: www.eversource.com.

Eversource Energy looks set for solid bottom-line gains over the next two years. Higher natural-gas delivery charges went into effect November 1st, with $32 million to be phased in through October, followed by mechanistic increases on two-thirds of that figure, tied to inflation and upkeep, thereafter. In Massachusetts, an electric-rate decision will lift delivery charges by $64 million from January 1st through December, with mechanistic increases based on inflation, maintenance, and distribution and transmission (T&D) project spending, thereafter. The ROE (return on equity) applied to the rate base (the dollar value of assets a utility is allowed to earn an economic return on) was lowered from its former 10% to 9.8%. On the bright side, the company's request that various solar expansions be included in the rate base was granted.

The company may keep a foothold in offshore wind power, after all. Leadership had previously reported it was shopping the company's stake in nonregulated offshore wind ventures, deeming them outside of its risk tolerance and too high a drain on capital. More recently, management spoke of its openness to selling just half of the position. The company is still actively bidding with partners on wind projects off the coast of New York.

Either way, we think Eversource will benefit nicely from renewable energy's growth in the Northeast. Whether it be via nonregulated wind-turbine ventures or through the relative safety of regulated T&D projects, such as those necessary to connect offshore power generation to the grid, the company is positioned to prosper. Modernization programs that ready Eversource territories for the electrification of the transportation system will also serve to grow the company's rate base. Regulated solar-power projects should do so as well.

Intermediate-term total return prospects for this issue look worthwhile. Although its dividend yield is 30 basis points below the peer-group median, the valuation premium is justifiable given the company's superior growth prospects and solid track record. ES stock is a desirable holding for utility investors seeking long-term dividend growth over current income.

Anthony J. Glennon *February 10, 2023*

(A) Diluted EPS. Excl. nonrecurring gain (losses): '08, (19¢); '10, 9¢; '19, (64¢); '20, (9¢); '21, (32¢); 1Q-2Q '22, (3¢). Next egs. reports due mid-Feb and then early May.
(B) Div'ds paid late Mar., June, Sept., & Dec. ■ Div'd reinvestment plan avail.
(C) Incl. deferred charges. In '21: $26.32/sh.
(D) In mill. (E) Rate allowed on com. eq. in MA: (elec.) '22, 9.8%; (gas) '20, 9.7%-9.9%; in CT: (elec.) '18, 9.25%; (gas) '18, 9.3%; in NH: '21, 9.3%; Regulatory Climate: CT, Below Average; NH, Average; MA, Above Average.

Company's Financial Strength	A
Stock's Price Stability	85
Price Growth Persistence	65
Earnings Predictability	100

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AMER. STATES WATER NYSE-AWR

RECENT PRICE **86.64** | P/E RATIO **33.3** (Trailing: 41.1 Median: 30.0) | RELATIVE P/E RATIO **1.99** | DIV'D YLD **1.9%** | VALUE LINE

TIMELINESS 4 Lowered 3/31/23
SAFETY 2 Raised 7/20/12
TECHNICAL 2 Lowered 3/24/23
BETA .70 (1.00 = Market)

High:	24.1	33.1	38.7	44.1	47.2	58.4	69.6	96.0	96.6	103.8	103.4	99.2
Low:	17.0	24.0	27.0	35.8	37.3	41.1	50.1	63.3	65.1	70.1	71.2	82.5

Target Price Range
2026 | 2027 | 2028

LEGENDS
— 18.0 x "Cash Flow" p sh
.... Relative Price Strength
2-for-1 split 9/13
Options: Yes
Shaded area indicates recession

18-Month Target Price Range

Low-High	Midpoint (% to Mid)
$73-$140	$107 (25%)

2026-28 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	100	(+15%)	6%
Low	70	(-20%)	-2%

Institutional Decisions

	2Q2022	3Q2022	4Q2022
to Buy	128	133	148
to Sell	150	124	127
Hld's(000)	26629	27450	28267

% TOT. RETURN 2/23

	THIS STOCK	VL ARITH.* INDEX
1 yr.	8.0	-2.4
3 yr.	22.7	58.5
5 yr.	82.0	53.5

2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	© VALUE LINE PUB. LLC	26-28
8.75	9.21	9.74	10.71	11.12	12.12	12.19	12.17	12.56	11.92	12.01	11.88	12.86	13.24	13.51	13.30	*14.25*	*14.80*	Revenues per sh	*19.20*
1.65	1.69	1.70	2.11	2.13	2.48	2.65	2.67	2.81	2.70	2.96	2.84	3.26	3.34	3.64	3.25	*4.00*	*4.30*	"Cash Flow" per sh	*5.05*
.81	.78	.81	1.11	1.12	1.41	1.61	1.57	1.61	1.62	1.88	1.72	2.28	2.33	2.55	2.11	*2.85*	*2.95*	Earnings per sh A	*3.40*
.48	.50	.51	.52	.55	.64	.76	.83	.87	.91	.99	1.06	1.16	1.28	1.40	1.53	*1.62*	*1.72*	Div'd Decl'd per sh B■	*2.30*
1.45	2.23	2.09	2.12	2.13	1.77	2.52	1.89	2.39	3.55	3.08	3.44	4.12	3.54	3.91	4.50	*4.75*	*4.75*	Cap'l Spending per sh	*4.25*
8.77	8.97	9.70	10.13	10.84	11.80	12.72	13.24	12.77	13.52	14.45	15.19	16.33	17.39	18.57	19.20	*20.15*	*21.35*	Book Value per sh D	*24.55*
34.46	34.60	37.06	37.26	37.70	38.53	38.72	38.29	36.50	36.57	36.68	36.76	36.85	36.89	36.94	36.96	*37.50*	*37.50*	Common Shs Outst'g C	*37.50*
24.0	22.6	21.2	15.7	15.4	14.3	17.2	20.1	24.6	25.6	25.7	34.0	34.4	34.3	33.2	41.0	*Bold figures are*		Avg Ann'l P/E Ratio	*25.0*
1.27	1.36	1.41	1.00	.97	.91	.97	1.06	1.24	1.34	1.29	1.84	1.83	1.76	1.79	2.38	*Value Line*		Relative P/E Ratio	*1.40*
2.5%	2.9%	2.9%	3.0%	3.2%	3.1%	2.7%	2.6%	2.2%	2.2%	2.0%	1.8%	1.5%	1.6%	1.7%	1.8%	*estimates*		Avg Ann'l Div'd Yield	*2.6%*

CAPITAL STRUCTURE as of 12/31/22
Total Debt $727.9 mill. **Due in 5 Yrs** $258.1 mill.
LT Debt $472.0 mill. **LT Interest** $22.0 mill.
(40% of Cap'l)

Leases, Uncapitalized: Annual rentals $2.3 mill.
Pension Assets-12/22 $190.7 mill. **Oblig.** $186.9 mill.
Pfd Stock None

Common Stock 36,969,622 shs.
as of 2/28/23

MARKET CAP: $3.2 billion (Mid Cap)

2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024		26-28
472.1	465.8	458.6	436.1	440.6	436.8	473.9	488.2	498.9	491.5	*535*	*555*	Revenues ($mill)	*720*
62.7	61.1	60.5	59.7	69.4	63.9	84.3	86.4	94.3	78.4	*105*	*110*	Net Profit ($mill)	*130*
36.3%	38.4%	38.4%	36.8%	36.0%	22.0%	22.6%	24.6%	24.4%	23.2%	*24.5%*	*24.5%*	Income Tax Rate	*24.0%*
--	--	--	--	--	--	--	--	2.5%	--	*1.5%*	*2.0%*	AFUDC % to Net Profit	*1.5%*
39.8%	39.1%	41.1%	39.4%	38.0%	40.5%	44.4%	47.2%	46.1%	39.9%	*41.0%*	*44.0%*	Long-Term Debt Ratio	*50.0%*
60.2%	60.9%	58.9%	60.6%	62.0%	59.5%	55.6%	52.8%	53.9%	60.1%	*59.0%*	*56.0%*	Common Equity Ratio	*50.0%*
818.4	832.6	791.5	815.3	854.9	938.4	1082.5	1216.2	1272.6	1181.5	*1280*	*1425*	Total Capital ($mill)	*1840*
981.5	1003.5	1060.8	1150.9	1205.0	1296.3	1415.7	1512.0	1626.0	1753.8	*1865*	*1975*	Net Plant ($mill)	*2225*
8.9%	8.6%	9.0%	8.6%	9.3%	7.9%	8.9%	8.0%	8.3%	7.6%	*9.0%*	*9.0%*	Return on Total Cap'l	*8.0%*
12.7%	12.0%	13.0%	12.1%	13.1%	11.4%	14.0%	13.5%	13.8%	11.0%	*14.0%*	*14.0%*	Return on Shr. Equity	*14.0%*
12.7%	12.0%	13.0%	12.1%	13.1%	11.4%	14.0%	13.5%	13.8%	11.0%	*14.0%*	*14.0%*	Return on Com Equity	*14.0%*
6.8%	5.7%	6.0%	5.3%	6.2%	4.5%	6.9%	6.1%	6.2%	3.1%	*6.0%*	*6.0%*	Retained to Com Eq	*4.5%*
47%	53%	54%	56%	52%	61%	51%	55%	55%	72%	*57%*	*58%*	All Div'ds to Net Prof	*68%*

CURRENT POSITION ($MILL.)	2020	2021	12/31/22
Cash Assets	36.7	5.0	6.0
Accts Receivable	29.2	34.4	26.2
Other	91.2	98.7	119.1
Current Assets	157.1	138.1	151.3
Accts Payable	63.8	65.9	84.9
Debt Due	.4	31.4	255.9
Other	54.4	58.3	55.7
Current Liab.	118.6	155.6	396.5

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '20-'22 to '26-'28
Revenues	1.5%	2.0%	*6.5%*
"Cash Flow"	4.5%	4.0%	*7.0%*
Earnings	6.5%	6.5%	*6.5%*
Dividends	9.5%	8.5%	*8.5%*
Book Value	5.5%	6.5%	*5.0%*

Cal-endar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun. 30	Sep. 30	Dec. 31	Full Year
2020	109.1	121.3	133.6	124.2	488.2
2021	117.1	128.4	136.8	116.6	498.9
2022	108.6	122.5	135.0	125.4	491.5
2023	*113*	*127*	*150*	*145*	*535*
2024	*118*	*132*	*155*	*150*	*555*

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun. 30	Sep. 30	Dec. 31	Full Year
2020	.38	.69	.72	.54	2.33
2021	.52	.72	.76	.55	2.55
2022	.38	.54	.69	.50	2.11
2023	*.50*	*.75*	*.85*	*.75*	*2.85*
2024	*.55*	*.77*	*.88*	*.75*	*2.95*

Cal-endar	QUARTERLY DIVIDENDS PAID B■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2019	.275	.275	.305	.305	1.16
2020	.305	.305	.335	.335	1.28
2021	.335	.335	.365	.365	1.40
2022	.365	.365	.3975	.3975	1.53
2023	.3975				

BUSINESS: American States Water Co. operates as a holding company. Through its principal subsidiary, Golden State Water Co., it supplies water to 263,265 customers in 10 California counties. Service areas include the metropolitan areas of Los Angeles and Orange Counties. The company also provides electricity to 24,705 customers in Big Bear Lake and San Bernardino Cnty. Provides water & wastewater services to U.S. military bases through its ASUS subsidiary. Sold Chaparral City Wtr. of AZ. (6/11). Employs 811. BlackRock, Inc. owns 17.7% of out. shares; State St., 13.7%; off. & dir., 0.9% (4/22 Proxy). Chairman: Lloyd Ross. Pres. & CEO: Robert Sprowls. Inc: CA. Address: 630 East Foothill Blvd., San Dimas, CA 91773. Tel.: 909-394-3600. Internet: www.aswater.com.

American States Water did poorly last year. The holding company of California-based Golden State Water Utility posted a 9% earnings share loss in the fourth quarter. On a year-over-year basis, the company recorded a decline every quarter.

A long delay in approving rate relief is the prime reason for the company's problems. In California, utilities petition the California Public Utility Commission (CPUC) for higher tariffs once every three years. With no decision made yet, Golden State must still charge the same rates as it did in 2021 when costs where much lower. Absorbing these added expenses has been a major drag on the bottom line.

The higher rates will be retroactive, though. When the commission does permit an increase, it will be implemented as of January 1, 2022. So, the utility will ultimately recoup the costs. However, this regulatory lag negatively impacts overall profitability in an inflationary environment. Assuming a decision is made soon, we think the company's share earnings can climb to $2.85 in 2023. For next year, we are introducing our estimate at $2.95.

Nonutility operations provide an opportunity for American States to widen margins. Through its ASUS subsidiary, the company provides water services to military bases around the country, as the army is in the process of privatizing these operations. To date, ASUS has done well in winning a decent share of the new installations that are put out for public bidding. We expect this trend to continue. This sector is attractive because returns here are not regulated, as is the case with American States other utility businesses. Hence, greater returns are being made here.

The delay in the rate hikes could be a potential red flag. Compared to other states, California can be a difficult place to operate, thanks to strict requirements and high costs. If the current petition is not ruled on shortly, it could be a harbinger of tougher times ahead.

There are better selections available elsewhere. The stock is ranked to underperform the market averages in the year ahead. Longer term, the prospects are not much better, as the equity's total return potential is below the *Value Line* median.

James A. Flood *April 7, 2023*

(A) Primary earnings. Excludes nonrecurring gains/(losses):; '08, (14¢); '10, (23¢); '11, 10¢. Next earnings report due mid-May.
(B) Dividends historically paid in early March, June, September, and December. ■ Div'd reinvestment plan available.
(C) In millions, adjusted for split.
(D) Includes intangibles. As of 12/31/22; $1.1 million/$0.03 a share.

Company's Financial Strength	A
Stock's Price Stability	100
Price Growth Persistence	85
Earnings Predictability	90

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CALIFORNIA WATER NYSE-CWT

RECENT PRICE **56.88** | P/E RATIO **26.5** (Trailing: 32.3 Median: 28.0) | RELATIVE P/E RATIO **1.59** | DIV'D YLD **1.8%** | VALUE LINE

TIMELINESS 2 Raised 3/17/23
SAFETY 3 Lowered 7/27/07
TECHNICAL 2 Lowered 3/24/23
BETA .70 (1.00 = Market)

High:	19.3	23.4	26.4	26.0	36.8	46.2	49.1	57.5	57.4	72.1	72.0	63.9
Low:	16.8	18.4	20.3	19.5	22.5	32.4	35.3	44.6	39.7	51.0	48.5	54.1

Target Price Range
2026 | 2027 | 2028

18-Month Target Price Range

Low-High	Midpoint (% to Mid)
$46-$87	$67 (15%)

2026-28 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	80	(+40%)	10%
Low	55	(-5%)	1%

Institutional Decisions

	2Q2022	3Q2022	4Q2022
to Buy	121	140	141
to Sell	141	102	113
Hld's(000)	43653	43549	45352

% TOT. RETURN 2/23

	THIS STOCK	VL ARITH.* INDEX
1 yr.	2.3	-2.4
3 yr.	25.5	58.5
5 yr.	63.2	53.5

2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	© VALUE LINE PUB. LLC	26-28
8.88	9.90	10.82	11.05	12.00	13.34	12.23	12.50	12.29	12.70	13.89	14.53	14.72	15.78	14.72	15.22	*16.90*	*17.60*	Revenues per sh	*19.30*
1.56	1.86	1.93	1.93	2.07	2.32	2.21	2.47	2.22	2.34	3.00	3.11	3.14	3.88	3.91	3.79	*3.75*	*4.00*	"Cash Flow" per sh	*4.35*
.75	.95	.98	.91	.86	1.02	1.02	1.19	.94	1.01	1.40	1.36	1.31	1.97	1.96	1.77	*2.25*	*2.45*	Earnings per sh A	*2.75*
.58	.59	.59	.60	.62	.63	.64	.65	.67	.69	.72	.75	.79	.85	.92	1.00	*1.04*	*1.12*	Div'd Decl'd per sh B ■	*1.35*
1.84	2.41	2.66	2.97	2.83	3.04	2.58	2.76	3.69	4.77	5.40	5.65	5.64	5.93	5.46	5.90	*6.00*	*6.15*	Cap'l Spending per sh	*6.45*
9.25	9.72	10.13	10.45	10.76	11.28	12.54	13.11	13.41	13.75	14.44	15.19	16.07	18.30	21.92	23.70	*25.75*	*27.10*	Book Value per sh C	*29.50*
41.33	41.45	41.53	41.67	41.82	41.98	47.74	47.81	47.88	47.97	48.01	48.07	48.53	50.33	53.72	55.60	*53.00*	*52.00*	Common Shs Outst'g D	*50.00*
26.1	19.8	19.7	20.3	21.3	17.9	20.1	19.7	24.8	29.6	26.9	30.3	39.3	24.9	30.5	33.0	*Bold figures are*		Avg Ann'l P/E Ratio	*24.0*
1.39	1.19	1.31	1.29	1.34	1.14	1.13	1.04	1.25	1.55	1.35	1.64	2.09	1.28	1.65	1.92	*Value Line*		Relative P/E Ratio	*1.30*
3.0%	3.1%	3.1%	3.2%	3.4%	3.5%	3.1%	2.8%	2.9%	2.3%	1.9%	1.8%	1.5%	1.7%	1.5%	1.7%	*estimates*		Avg Ann'l Div'd Yield	*2.0%*

CAPITAL STRUCTURE as of 12/31/22
Total Debt $1125.8 mill. **Due in 5 Yrs** $357.0 mill.
LT Debt $1052.5 mill. **LT Interest** $40.0 mill.
(Total interest coverage: 5.3x) (44% of Cap'l)

Pension Assets-12/22 $637.3 mill.
Oblig. $685.3 mill.

Pfd Stock None

Common Stock 55,600,000 shs.

MARKET CAP: $3.2 billion (Mid Cap)

2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024		26-28
584.1	597.5	588.4	609.4	666.9	698.2	714.6	794.3	790.9	846.4	*895*	*915*	Revenues ($mill) E	*965*
47.3	56.7	45.0	48.7	67.2	65.6	63.1	96.8	101.1	96.0	*120*	*128*	Net Profit ($mill)	*138*
30.3%	33.0%	36.0%	35.5%	30.1%	24.5%	19.1%	11.1%	20.1%	3.3%	*21.0%*	*21.0%*	Income Tax Rate	*21.0%*
4.3%	2.7%	4.3%	6.1%	3.5%	3.1%	5.8%	3.3%	1.7%	1.7%	*5.0%*	*5.0%*	AFUDC % to Net Profit	*5.0%*
41.6%	40.1%	44.4%	44.6%	42.7%	49.3%	50.2%	45.9%	47.3%	44.4%	*42.5%*	*41.0%*	Long-Term Debt Ratio	*38.0%*
58.4%	59.9%	55.6%	55.4%	57.3%	50.7%	49.8%	54.1%	52.7%	55.6%	*57.5%*	*59.0%*	Common Equity Ratio	*62.0%*
1024.9	1045.9	1154.4	1191.2	1209.3	1440.2	1566.7	1702.4	2233.4	2370.1	*2365*	*2385*	Total Capital ($mill)	*2375*
1515.8	1590.4	1701.8	1859.3	2048.0	2232.7	2406.4	2650.6	2846.9	3058.9	*3085*	*3120*	Net Plant ($mill)	*3200*
6.0%	6.3%	5.2%	5.5%	7.1%	5.9%	5.5%	7.0%	5.5%	5.0%	*5.5%*	*6.0%*	Return on Total Cap'l	*6.5%*
7.9%	9.1%	7.0%	7.4%	9.7%	9.0%	8.1%	10.5%	8.6%	7.3%	*8.5%*	*9.0%*	Return on Shr. Equity	*9.5%*
7.9%	9.1%	7.0%	7.4%	9.7%	9.0%	8.1%	10.5%	8.6%	7.3%	*8.5%*	*9.0%*	Return on Com Equity	*9.5%*
3.4%	4.1%	2.0%	2.4%	4.7%	4.0%	3.2%	6.0%	4.6%	3.2%	*4.5%*	*5.0%*	Retained to Com Eq	*4.5%*
56%	55%	71%	68%	51%	55%	60%	43%	47%	56%	*46%*	*46%*	All Div'ds to Net Prof	*49%*

CURRENT POSITION ($MILL.)	2020	2021	12/31/22
Cash Assets	44.6	78.4	62.1
Other	221.4	222.1	233.4
Current Assets	266.0	300.5	295.5
Accts Payable	131.7	144.4	141.0
Debt Due	375.1	40.2	73.3
Other	81.9	72.0	80.4
Current Liab.	588.7	256.6	294.7

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '20-'22 to '26-'28
Revenues	2.5%	3.5%	*4.0%*
"Cash Flow"	6.0%	9.0%	*2.0%*
Earnings	7.5%	11.0%	*6.5%*
Dividends	4.0%	6.0%	*6.5%*
Book Value	7.0%	9.0%	*5.5%*

Cal-endar	QUARTERLY REVENUES ($ mill.)E Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2020	125.6	175.5	304.1	189.1	794.3
2021	147.7	213.1	256.7	173.4	790.9
2022	173.0	206.2	266.3	200.9	846.4
2023	*185*	*220*	*280*	*210*	*895*
2024	*190*	*225*	*285*	*215*	*915*

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2020	d.42	.11	1.94	.31	1.97
2021	d.06	.75	1.20	.07	1.96
2022	.02	.36	1.03	.35	1.77
2023	*.10*	*.55*	*1.15*	*.45*	*2.25*
2024	*.15*	*.60*	*1.20*	*.50*	*2.45*

Cal-endar	QUARTERLY DIVIDENDS PAID B ■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2019	.1975	.1975	.1975	.1975	.79
2020	.2125	.2125	.2125	.2125	.85
2021	.230	.230	.230	.230	.92
2022	.250	.250	.250	.250	1.00
2023	.260				

BUSINESS: California Water Service Group provides regulated and nonregulated water service to 496,400 customers in 100 communities in the state of California. Accounts for about 90% of total customers. Also operates in Washington, New Mexico, and Hawaii. Main service areas: San Francisco Bay area, Sacramento Valley, Salinas Valley, San Joaquin Valley & parts of Los Angeles. Acquired Rio Grande Corp; West Hawaii Utilities (9/08). Revenue breakdown, '22: residential, 67%; business, 20%; industrial, 3%; public authorities, 5%; other 5%. Off. and dir. own 1% of common stock (4/22 proxy). Has 1,184 employees. Pres. and CEO: Martin A. Kropelnicki. Inc.: DE. Addr.: 1720 North First St., San Jose, CA 95112-4598. Tel.: 408-367-8200. Internet: www.calwatergroup.com.

A share-profit rebound is likely in the cards this year for California Water Service Group. The water utility operator ended 2022 on a strong note, posting revenues of $201 million, which were on par with our expectations, and better-than-anticipated earnings of $0.35 per share. To wit, the company should continue to benefit greatly from cumulative rate increases, as well as an expanding customer base. Moreover, we look for healthier operating margins this year, supported by moderating production and administrative costs. Meanwhile, subsiding expenses related to benefit plan investment valuations should be a boon, too. Adding it all up, we are lifting our current-year bottom-line estimate by $0.10, to $2.25 per share, or a 28% annual advance.

Additional rate hikes are set to take effect in April. In February, California Water received the nod from state regulators to increase customer charges by about 4% across the majority of its operating districts. Note that the approval is for modified interim rates due to a delay in a decision on the company's 2021 general rate case filing.

A penny has been added to the quarterly dividend payment. The recent raise is in line with historical annual increases and, at current levels, equates to a yield of nearly 2%. Moreover, the company is likely to return capital to shareholders via periodic stock buybacks.

Bolt-on acquisitions will probably be par for the course going forward. Leadership followed up a handful of transactions in 2022 with the purchase of Bethel Greenacres Water Association in February. The deal is expected to add roughly 200 connections in the Washington area.

The equity is best suited for subscribers with a short-term holding period. Shares of California Water have moved up a notch in our Timeliness Ranking System, to 2 (Above Average). While the company holds promising long-term business prospects, namely runway for further rate hikes, an expanding customer base, and an improved economic backdrop, the stock does not particularly stand out over the 3- to 5-year window. Thus, we suggest patient investors hold off, for now.

Nicholas Patrikis *April 7, 2023*

(A) Basic EPS. Excl. nonrecurring gain (loss): '11, 4¢. Next earnings report due late May.
(B) Dividends historically paid in late Feb., May, Aug., and Nov. ■ Div'd reinvestment plan available.
(C) Incl. intangible assets. In '22 : $64.6 mill., $1.16/sh.
(D) In millions, adjusted for split.
(E) Excludes non-regulated revenues.

Company's Financial Strength	B++
Stock's Price Stability	95
Price Growth Persistence	85
Earnings Predictability	50

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MIDDLESEX WATER NDQ-MSEX

RECENT PRICE **76.17** | P/E RATIO **31.1** (Trailing: 32.0 / Median: 26.0) | RELATIVE P/E RATIO **1.86** | DIV'D YLD **1.6%** | VALUE LINE

TIMELINESS 5 Lowered 3/31/23
SAFETY 2 New 10/21/11
TECHNICAL 3 Raised 4/7/23
BETA .75 (1.00 = Market)

High:	19.6	22.5	23.7	28.0	44.5	46.7	60.3	67.7	76.1	121.4	121.1	90.6
Low:	17.5	18.6	19.1	21.2	25.0	32.2	34.0	51.0	48.8	67.1	74.2	72.6

Target Price Range
2026 | 2027 | 2028

18-Month Target Price Range

Low-High	Midpoint (% to Mid)
$66-$151	$109 (40%)

2026-28 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	95	(+25%)	8%
Low	70	(-10%)	Nil

Institutional Decisions

	2Q2022	3Q2022	4Q2022
to Buy	90	82	99
to Sell	93	85	70
Hld's(000)	11842	11820	12563

% TOT. RETURN 2/23

	THIS STOCK	VL ARITH.* INDEX
1 yr.	-22.5	-2.4
3 yr.	33.9	58.5
5 yr.	132.0	53.5

2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	© VALUE LINE PUB. LLC	26-28
6.50	6.79	6.75	6.60	6.50	6.98	7.19	7.26	7.77	8.16	8.00	8.42	7.72	8.10	8.17	9.21	*9.90*	*10.35*	Revenues per sh	*11.10*
1.49	1.53	1.40	1.55	1.46	1.56	1.72	1.84	1.97	2.17	2.24	2.89	2.90	3.25	3.28	3.70	*3.70*	*3.85*	"Cash Flow" per sh	*4.10*
.87	.89	.72	.96	.84	.90	1.03	1.13	1.22	1.38	1.38	1.96	2.01	2.18	2.07	2.39	*2.70*	*2.80*	Earnings per sh A	*3.00*
.69	.70	.71	.72	.73	.74	.75	.76	.78	.81	.86	.91	.98	1.04	1.11	1.18	*1.28*	*1.35*	Div'd Decl'd per sh B■	*1.60*
1.66	2.12	1.49	1.90	1.50	1.36	1.26	1.40	1.59	2.91	3.08	4.40	5.11	6.04	4.53	5.18	*5.25*	*5.45*	Cap'l Spending per sh	*6.00*
10.05	10.03	10.33	11.13	11.27	11.48	11.82	12.24	12.74	13.40	14.02	15.17	18.57	19.81	20.99	22.65	*22.85*	*23.35*	Book Value per sh	*23.70*
13.25	13.40	13.52	15.57	15.70	15.82	15.96	16.12	16.23	16.30	16.35	16.40	17.43	17.47	17.52	17.64	*17.85*	*17.90*	Common Shs Outst'g C	*18.00*
21.6	19.8	21.0	17.8	21.7	20.8	19.7	18.5	19.1	25.6	28.4	22.2	29.7	30.1	44.3	38.6	*Bold figures are*		Avg Ann'l P/E Ratio	*28.0*
1.15	1.19	1.40	1.13	1.36	1.32	1.11	.97	.96	1.34	1.43	1.20	1.58	1.55	2.39	2.24	*Value Line*		Relative P/E Ratio	*1.30*
3.7%	4.0%	4.7%	4.2%	4.0%	4.0%	3.7%	3.7%	3.3%	2.3%	2.2%	2.1%	1.6%	1.6%	1.2%	1.3%	*estimates*		Avg Ann'l Div'd Yield	*1.9%*

CAPITAL STRUCTURE as of 12/31/22
Total Debt $307.8 mill. **Due in 5 Yrs** $43.7 mill.
LT Debt $290.3 mill. **LT Interest** $7.5 mill.
(Total interest coverage: 8.3x)
(42% of Cap'l)

Pension Assets-12/22 $84.8 mill.
Oblig. $87.8 mill.
Pfd Stock $2.4 mill. **Pfd Div'd:** $.1 mill.

Common Stock 17,640,000 shs.

MARKET CAP: $1.3 billion (Small Cap)

2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024		26-28
114.8	117.1	126.0	132.9	130.8	138.1	134.6	141.6	143.1	162.4	*177*	*185*	Revenues ($mill)	*200*
16.6	18.4	20.0	22.7	22.8	32.5	33.9	38.4	36.5	42.4	*48.0*	*50.0*	Net Profit ($mill)	*54.0*
34.1%	35.0%	34.5%	34.0%	32.7%	2.8%	- -	- -	2.8%	7.1%	*21.0%*	*21.0%*	Income Tax Rate	*21.0%*
1.9%	1.7%	1.9%	2.7%	3.1%	1.4%	3.4%	3.9%	3.9%	3.9%	*2.5%*	*2.5%*	AFUDC % to Net Profit	*2.5%*
40.4%	40.5%	39.4%	37.9%	37.5%	37.8%	41.5%	44.0%	45.3%	41.9%	*42.0%*	*41.0%*	Long-Term Debt Ratio	*40.5%*
58.7%	58.8%	59.8%	61.5%	61.8%	61.6%	58.2%	55.7%	54.4%	57.7%	*58.0%*	*58.5%*	Common Equity Ratio	*59.5%*
321.4	335.8	345.4	355.4	370.7	404.1	556.7	621.5	676.3	692.7	*705*	*715*	Total Capital ($mill)	*720*
446.5	465.4	481.9	517.8	557.2	618.5	705.7	796.6	865.4	920.6	*925*	*930*	Net Plant ($mill)	*950*
5.9%	6.3%	6.6%	7.1%	6.9%	8.9%	6.7%	6.8%	6.0%	6.8%	*7.0%*	*7.5%*	Return on Total Cap'l	*8.0%*
8.7%	9.2%	9.6%	10.3%	9.8%	12.9%	10.4%	11.0%	9.9%	10.5%	*11.5%*	*12.0%*	Return on Shr. Equity	*12.5%*
8.7%	9.3%	9.6%	10.3%	9.9%	13.0%	10.4%	11.1%	9.9%	10.6%	*12.0%*	*12.0%*	Return on Com Equity	*12.5%*
2.4%	3.1%	3.5%	4.3%	3.8%	7.0%	5.4%	5.8%	4.6%	5.4%	*6.0%*	*6.0%*	Retained to Com Eq	*6.0%*
73%	67%	63%	58%	62%	46%	48%	48%	53%	49%	*47%*	*48%*	All Div'ds to Net Prof	*53%*

CURRENT POSITION ($MILL.)	2020	2021	12/31/22
Cash Assets	4.5	3.5	3.8
Other	29.6	30.9	33.5
Current Assets	34.1	34.4	37.3
Accts Payable	30.4	21.1	24.8
Debt Due	9.3	6.7	17.5
Other	17.1	28.8	75.6
Current Liab.	56.8	56.6	117.9

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '20-'22 to '26-'28
Revenues	2.5%	1.5%	*4.5%*
"Cash Flow"	8.5%	10.0%	*3.0%*
Earnings	9.5%	11.0%	*5.0%*
Dividends	4.0%	6.5%	*6.5%*
Book Value	6.5%	9.5%	*2.0%*

Cal-endar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun. 30	Sep. 30	Dec. 31	Full Year
2020	31.8	35.3	39.9	34.6	141.6
2021	32.5	36.7	39.9	34.0	143.1
2022	36.2	39.7	47.7	38.8	162.4
2023	*42.0*	*43.0*	*50.0*	*42.0*	*177*
2024	*43.0*	*45.0*	*52.0*	*45.0*	*185*

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun. 30	Sep. 30	Dec. 31	Full Year
2020	.44	.55	.72	.47	2.18
2021	.39	.62	.65	.41	2.07
2022	.68	.50	.80	.40	2.39
2023	*.53*	*.62*	*.90*	*.65*	*2.70*
2024	*.55*	*.65*	*.93*	*.67*	*2.80*

Cal-endar	QUARTERLY DIVIDENDS PAID B■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2019	.24	.24	.24	.2562	.98
2020	.2562	.2562	.2562	.2725	1.04
2021	.2725	.2725	.2725	.29	1.11
2022	.29	.29	.29	.3125	1.18
2023	.3125				

BUSINESS: Middlesex Water Company engages in the ownership and operation of regulated water utility systems in New Jersey, Delaware, and Pennsylvania. It also operates water and wastewater systems under contract on behalf of municipal and private clients in NJ and DE. Its Middlesex System provides water services to 61,000 retail customers, primarily in Middlesex County, New Jersey. In 2022, the Middlesex System accounted for 65% of operating revenues. At 12/31/22, the company had 350 employees. Incorporated: NJ. President, CEO, and Chairman: Dennis W. Doll. Officers & directors own 2.0% of the com. stock; BlackRock Inst. Trust Co., 7.8% (4/22 proxy). Add.: 485 C Route 1 South, Suite 400, Iselin, NJ 08830. Telephone: 732-634-1500. Int.: www.middlesexwater.com.

Shares of Middlesex Water have taken a breather since our early January review. The stock, which treaded water in the back half of 2022 subsequent to hovering around fresh all-time highs last March, recently traded near a 52-week low. Over the past three months, the equity is down nearly 15% in value. The investment community's recent hesitation can likely be attributed to the stock's relatively stretched valuation, as well as the potential beginning of a rotation out of flight-to-safety investments that have performed well since the pandemic. Moreover, looking at the six- to 12-month window, MSEX shares are pegged to trail the broader market averages (Timeliness: 5).

Respectable top- and bottom-line growth is probably in the cards this year. The regulated water utility delivered solid double-digit revenue and earnings expansion in 2022, thanks to a combination of base rate increases across the company's New Jersey operations, and a wider customer base, particularly in the Delaware system. Given these sticky tailwinds, we look for revenues of $177 million (+9% year over year) and earnings of $2.70 per share (+13%) in 2023. For next year, top- and bottom-line growth is poised to moderate a bit, to $185 million and $2.80 per share, respectively.

We think that leadership will continue to implement an aggressive long-term capital allocation plan. Specifically, spending on infrastructure upgrades, such as water main, service line, and fire hydrant replacements, as well as treatment facility enhancements, is apt to accelerate in the coming years. Indeed, many of these water system improvement-related expenses can eventually be passed along to the consumer. Thus, Middlesex is likely to pursue regulatory approval for additional customer rate increases further down the road.

Even with the recent step back in price, investment appeal over the pull to late-decade is limited. Too, the current dividend yield pales in comparison to the *Value Line* median. That said, subscribers with an 18-month horizon may want to consider initiating a position here, as capital appreciation potential over this time frame is worthwhile.

Nicholas Patrikis *April 7, 2023*

(A) Diluted earnings. Quarterly figures may not sum due to rounding. Next earnings report due early May.
(B) Dividends historically paid in mid-Feb., May, Aug., and November.■ Div'd reinvestment plan available.
(C) In millions.

Company's Financial Strength	B++
Stock's Price Stability	90
Price Growth Persistence	95
Earnings Predictability	90

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SJW GROUP NYSE-SJW

RECENT PRICE **75.62** | P/E RATIO **26.6** (Trailing: 31.4 / Median: 25.0) | RELATIVE P/E RATIO **1.59** | DIV'D YLD **2.0%** | VALUE LINE

TIMELINESS 2 Lowered 3/17/23
SAFETY 3 New 4/22/11
TECHNICAL 3 Lowered 3/24/23
BETA .80 (1.00 = Market)

High:	26.9	30.1	33.7	35.7	56.9	69.3	68.4	74.5	75.0	73.7	83.9	83.7
Low:	22.6	24.5	25.5	27.5	28.6	45.4	51.3	53.9	45.6	58.0	55.7	71.4

Target Price Range
2026 | 2027 | 2028

18-Month Target Price Range

Low-High	Midpoint (% to Mid)
$62-$106	$84 (10%)

2026-28 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	90	(+20%)	6%
Low	60	(-20%)	-3%

Institutional Decisions

	2Q2022	3Q2022	4Q2022
to Buy	78	96	128
to Sell	104	77	86
Hld's(000)	21790	22026	27200

% TOT. RETURN 2/23

	THIS STOCK	VL ARITH.* INDEX
1 yr.	19.8	-2.4
3 yr.	32.9	58.5
5 yr.	58.7	53.5

2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	© VALUE LINE PUB. LLC	26-28
11.25	12.12	11.68	11.62	12.85	14.01	13.73	15.76	14.97	16.61	18.97	14.00	14.78	19.77	19.01	20.15	*21.15*	*21.85*	Revenues per sh	*23.15*
2.30	2.44	2.21	2.38	2.80	2.97	2.90	4.42	3.86	4.76	5.24	3.29	3.13	5.28	5.13	5.79	*4.25*	*4.40*	"Cash Flow" per sh	*4.90*
1.04	1.08	.81	.84	1.11	1.18	1.12	2.54	1.85	2.57	2.86	1.82	.82	2.14	2.03	2.43	*2.60*	*2.75*	Earnings per sh A	*3.25*
.61	.65	.66	.68	.69	.71	.73	.75	.78	.81	1.04	1.12	1.20	1.28	1.36	1.44	*1.52*	*1.60*	Div'd Decl'd per sh B■	*1.80*
6.62	3.79	3.17	5.65	3.75	5.67	4.68	5.02	5.24	6.95	7.26	5.08	6.25	7.44	8.32	7.85	*8.00*	*8.25*	Cap'l Spending per sh	*8.75*
12.90	13.99	13.66	13.75	14.20	14.71	15.92	17.75	18.83	20.61	22.57	31.31	31.27	32.12	34.28	36.06	*38.35*	*40.00*	Book Value per sh	*42.50*
18.36	18.18	18.50	18.55	18.59	18.67	20.17	20.29	20.38	20.46	20.52	28.40	28.46	28.56	30.18	30.80	*30.00*	*30.00*	Common Shs Outst'g C	*30.00*
33.4	26.2	28.7	29.1	21.2	20.4	24.3	11.2	16.6	15.7	18.8	32.7	78.8	30.0	32.9	27.3	*Bold figures are*		Avg Ann'l P/E Ratio	*23.0*
1.77	1.58	1.91	1.85	1.33	1.30	1.37	.59	.84	.82	.95	1.77	4.20	1.54	1.78	1.58	*Value Line*		Relative P/E Ratio	*1.30*
1.7%	2.3%	2.8%	2.8%	2.9%	3.0%	2.7%	2.6%	2.5%	2.0%	1.9%	1.9%	1.9%	2.0%	2.0%	2.2%	*estimates*		Avg Ann'l Div'd Yield	*2.4%*

CAPITAL STRUCTURE as of 12/31/22
Total Debt $1496.4 mill. **Due in 5 Yrs** $39.0 mill.
LT Debt $1492.0 mill. **LT Interest** $50.0 mill.
(LT Interest Coverage: 7.2x)
(57% of Cap'l)

Pension Assets-12/22 $252.0 mill.
Oblig. $289.1 mill.
Pfd Stock None.
Common Stock 30,800,000 shs.

MARKET CAP: $2.3 billion (Mid Cap)

2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024		26-28
276.9	319.7	305.1	339.7	389.2	397.7	420.5	564.5	573.7	620.7	*635*	*655*	Revenues ($mill)	*695*
23.5	51.8	37.9	52.8	59.2	38.8	23.4	61.5	60.5	73.8	*78.0*	*83.0*	Net Profit ($mill)	*98.0*
38.7%	32.5%	38.1%	38.8%	36.7%	20.6%	26.4%	12.0%	12.2%	10.3%	*21.0%*	*21.0%*	Income Tax Rate	*21.0%*
- -	- -	- -	- -	- -	- -	- -	- -	2.0%	6.4%	*1.5%*	*1.5%*	AFUDC % to Net Profit	*1.5%*
51.1%	51.6%	49.8%	50.7%	48.2%	32.7%	59.1%	58.4%	59.1%	57.3%	*54.5%*	*50.0%*	Long-Term Debt Ratio	*44.0%*
48.9%	48.4%	50.2%	49.3%	51.8%	67.3%	40.9%	41.6%	40.9%	42.7%	*45.5%*	*50.0%*	Common Equity Ratio	*56.0%*
656.2	744.5	764.6	855.0	894.3	1320.7	2173.6	2204.7	2527.5	2602.8	*2525*	*2400*	Total Capital ($mill)	*2275*
898.7	963.0	1036.8	1146.4	1239.3	1328.8	2206.5	2334.9	2497.5	2630.3	*2685*	*2725*	Net Plant ($mill)	*2825*
5.0%	8.3%	6.3%	7.4%	7.9%	3.9%	1.8%	4.0%	3.5%	4.0%	*3.5%*	*4.0%*	Return on Total Cap'l	*5.0%*
7.3%	14.4%	9.9%	12.5%	12.8%	4.4%	2.6%	6.7%	5.8%	6.6%	*7.0%*	*7.0%*	Return on Shr. Equity	*7.5%*
7.3%	14.4%	9.9%	12.5%	12.8%	4.4%	2.6%	6.7%	5.8%	6.6%	*7.0%*	*7.0%*	Return on Com Equity	*7.5%*
2.8%	10.2%	5.7%	8.6%	8.2%	1.8%	NMF	2.7%	2.0%	2.7%	*3.0%*	*3.0%*	Retained to Com Eq	*3.5%*
62%	29%	42%	31%	36%	60%	NMF	59%	66%	59%	*58%*	*58%*	All Div'ds to Net Prof	*55%*

CURRENT POSITION ($MILL.)	2020	2021	12/31/22
Cash Assets	9.3	10.9	12.3
Accts Receivable	58.1	53.7	58.2
Other	59.9	69.5	84.2
Current Assets	127.3	134.1	154.7
Accts Payable	34.2	30.4	29.6
Debt Due	76.2	39.1	4.4
Other	240.4	133.8	230.7
Current Liab.	350.8	203.3	264.7

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '20-'22 to '26-'28
Revenues	4.5%	3.0%	*3.0%*
"Cash Flow"	7.0%	3.0%	*-1.5%*
Earnings	7.5%	-2.0%	*6.0%*
Dividends	7.0%	9.0%	*5.0%*
Book Value	9.0%	10.5%	*3.5%*

Cal-endar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun. 30	Sep. 30	Dec. 31	Full Year
2020	115.8	147.2	165.9	135.6	564.5
2021	114.8	152.2	166.9	139.8	573.7
2022	124.3	149.0	176.0	171.4	620.7
2023	*135*	*160*	*180*	*160*	*635*
2024	*140*	*165*	*185*	*165*	*655*

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun. 30	Sep. 30	Dec. 31	Full Year
2020	.08	.69	.91	.46	2.14
2021	.09	.69	.64	.60	2.03
2022	.12	.38	.82	1.09	2.43
2023	*.23*	*.57*	*.95*	*.85*	*2.60*
2024	*.25*	*.60*	*1.00*	*.90*	*2.75*

Cal-endar	QUARTERLY DIVIDENDS PAID BD■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2019	.30	.30	.30	.30	1.20
2020	.32	.32	.32	.32	1.28
2021	.34	.34	.34	.34	1.36
2022	.36	.36	.36	.36	1.44
2023	.38				

BUSINESS: SJW Group engages in the production, purchase, storage, purification, distribution, and retail sale of water. It provides water service to approximately 231,000 connections with a total population of roughly one million people in the San Jose area and 16,000 connections that reach about 49,000 residents in the region between San Antonio and Austin, Texas. The company merged with Connecticut Water (10/19) which provides service to approx. 138,000 connections with a total population of 450,000 people. Has 757 employees. Officers and directors own less than 1.0% of outstanding shares (3/23 proxy). Chairman & CEO: Eric Thornburg. Incorporated: California. Address: 110 West Taylor Street, San Jose, CA 95110. Telephone: (408) 279-7800. Internet: www.sjwater.com.

SJW Group reported good results to conclude 2022. The nationwide provider of regulated water services posted revenues of $171 million (up 22% year over year) and earnings of $1.09 per share (up 82%) in the December period. Meanwhile, for the full year, top- and bottom-line expansion of 8% and 19%, respectively, was bolstered by cumulative rate increases and a wider customer base, which more than offset a decline in overall water usage. To round out the year, SJW invested nearly $220 million on infrastructure projects, including a $60 million allocation in a new drinking water treatment facility.

Based on our model, we think revenue and earnings growth is poised to moderate somewhat this year. Recent rate hikes are expected to add roughly $15 million to the top line, while operational costs may well edge higher, thereby squeezing margins a bit. Nevertheless, we look for 2023 revenues to advance 2%, $635 million, and net income to jump 8%, to $2.60 per share.

The board of directors recently raised the quarterly payout 6%, to $0.38 per share. That was brought about by the company's notable improvement on the profit front last year. Moreover, we expect steady annual increases to the distribution out to late-decade.

SJW Group's long-term capital spending plan is likely to top $1 billion over the next five years. For the current year, the company anticipates an infrastructure upgrade bill (investments in pipeline replacements, water main repairs, and treatment facility enhancements) in the realm of $250 million. Indeed, these initiatives (as well as the top line) ought to be supported by numerous rate increase requests across the group's operating subsidiaries over the next few years.

The equity is a good selection for momentum investors with a short-term horizon. Shares of SJW are ranked to outpace the broader market averages over the coming six to 12 months (Timeliness, 2). That said, total return potential over the pull to 2026-2028 is unexciting. All told, waiting on the sidelines for a better entry point is probably the prudent move here for subscribers with a three- to five-year holding period, in our view.

Nicholas Patrikis *April 7, 2023*

(A) Diluted earnings. Excludes nonrecurring losses: '08, $1.22; '10, $0.46. GAAP accounting as of 2013. Next earnings report due early May. Quarterly egs. may not add due to rounding.
(B) Dividends historically paid in early March, June, September, and December. ■ Div'd reinvestment plan available.
(C) In millions.
(D) Paid special dividend of $0.17 per share on 11/17.

Company's Financial Strength	B+
Stock's Price Stability	90
Price Growth Persistence	70
Earnings Predictability	45

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ESSENTIAL UTIL. NYSE-WTRG

RECENT PRICE **42.13** | P/E RATIO **23.1** (Trailing: 23.8 Median: 26.0) | RELATIVE P/E RATIO **1.38** | DIV'D YLD **2.8%** | VALUE LINE

TIMELINESS 3 Raised 2/24/23
SAFETY 3 Lowered 1/8/21
TECHNICAL 3 Raised 4/7/23
BETA .95 (1.00 = Market)

High:	21.5	28.1	28.2	31.1	35.8	39.6	39.4	47.3	54.5	53.9	53.7	49.3
Low:	16.8	20.6	22.4	24.4	28.0	29.4	32.1	32.7	30.4	41.1	38.5	40.3

Target Price Range
2026 | 2027 | 2028

18-Month Target Price Range

Low-High	Midpoint (% to Mid)
$35-$63	$49 (15%)

2026-28 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	75	(+80%)	18%
Low	50	(+20%)	8%

Institutional Decisions

	2Q2022	3Q2022	4Q2022
to Buy	277	301	312
to Sell	249	222	266
Hld's(000)	183099	184861	194278

% TOT. RETURN 2/23

	THIS STOCK	VL ARITH.* INDEX
1 yr.	-6.9	-2.4
3 yr.	6.6	58.5
5 yr.	39.7	53.5

2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	© VALUE LINE PUB. LLC	26-28
3.61	3.71	3.93	4.21	4.10	4.32	4.32	4.37	4.61	4.62	4.56	4.71	4.03	5.96	7.43	8.68	*8.40*	*8.90*	Revenues per sh	*9.10*
1.10	1.14	1.29	1.42	1.45	1.51	1.82	1.89	1.87	2.07	2.12	1.90	1.73	2.21	2.89	2.98	*3.10*	*3.35*	"Cash Flow" per sh	*3.85*
.57	.58	.62	.72	.83	.87	1.16	1.20	1.14	1.32	1.35	1.08	1.04	1.12	1.67	1.77	*1.85*	*2.00*	Earnings per sh	*2.35*
.38	.41	.44	.47	.50	.54	.58	.63	.69	.74	.79	.85	.91	.97	1.04	1.11	*1.20*	*1.28*	Div'd Decl'd per sh	*1.65*
1.43	1.58	1.66	1.89	1.90	1.98	1.73	1.84	2.07	2.16	2.69	2.78	2.49	3.41	4.04	4.03	*4.20*	*4.00*	Cap'l Spending per sh	*3.85*
5.85	6.26	6.50	6.81	7.21	7.90	8.63	9.27	9.78	10.43	11.02	11.28	17.58	19.09	20.50	20.39	*21.30*	*22.80*	Book Value per sh	*25.95*
166.75	169.21	170.61	172.46	173.60	175.43	177.93	178.59	176.54	177.39	177.71	178.09	220.76	245.39	252.87	263.74	*268.00*	*270.00*	Common Shs Outst'g	*285.00*
32.0	24.9	23.1	21.1	21.3	21.9	21.2	20.8	23.5	23.9	24.7	32.6	39.1	39.6	28.3	26.6	*Bold figures are*		Avg Ann'l P/E Ratio	*26.0*
1.70	1.50	1.54	1.34	1.34	1.39	1.19	1.09	1.18	1.25	1.24	1.76	2.08	2.03	1.53	1.54	*Value Line*		Relative P/E Ratio	*1.45*
2.1%	2.8%	3.1%	3.1%	2.8%	2.8%	2.4%	2.5%	2.6%	2.3%	2.4%	2.4%	2.2%	2.2%	2.2%	2.4%	*estimates*		Avg Ann'l Div'd Yield	*2.6%*

CAPITAL STRUCTURE as of 12/31/22
Total Debt $6845.9 mill. **Due in 5 Yrs** $1400 mill.
LT Debt $6418.0 mill. **LT Interest** $238.0 mill.
(54% of Cap'l)

Pension Assets-12/22 $333.2 mill.
Oblig. $324.7 mill.

Pfd Stock None
Common Stock 264,141,265 shares
as of 2/17/23

MARKET CAP: $11.1 billion (Large Cap)

2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024		26-28
768.6	779.9	814.2	819.9	809.5	838.1	889.7	1462.7	1878.1	2288.0	*2250*	*2400*	Revenues ($mill)	*2600*
205.0	213.9	201.8	234.2	239.7	192.0	224.5	284.8	431.6	465.2	*495*	*540*	Net Profit ($mill)	*670*
10.0%	10.5%	6.9%	8.2%	6.6%	- -	- -	- -	- -	- -	*8.0%*	*10.0%*	Income Tax Rate	*16.0%*
1.1%	2.4%	3.1%	3.8%	6.3%	6.8%	7.2%	4.5%	4.8%	1.3%	*3.0%*	*5.0%*	AFUDC % to Net Profit	*5.0%*
48.9%	48.5%	50.3%	48.4%	50.6%	54.4%	43.1%	54.0%	52.7%	54.2%	*54.0%*	*54.5%*	Long-Term Debt Ratio	*56.0%*
51.1%	51.5%	49.7%	51.6%	49.4%	45.6%	56.9%	46.0%	47.3%	45.8%	*46.0%*	*45.5%*	Common Equity Ratio	*44.0%*
3003.6	3216.0	3469.5	3587.7	3965.4	4407.8	6824.2	10192	10964	11748	*12450*	*13500*	Total Capital ($mill)	*16800*
4167.3	4402.0	4688.9	5001.6	5399.9	5930.3	6345.8	9512.9	10252	11131	*12100*	*12975*	Net Plant ($mill)	*14600*
8.0%	7.8%	6.9%	7.6%	7.1%	5.5%	4.2%	3.7%	4.8%	5.0%	*5.0%*	*5.0%*	Return on Total Cap'l	*5.0%*
13.4%	12.9%	11.7%	12.7%	12.2%	9.6%	5.8%	6.1%	8.3%	8.7%	*8.5%*	*8.5%*	Return on Shr. Equity	*9.0%*
13.4%	12.9%	11.7%	12.7%	12.2%	9.6%	5.8%	6.1%	8.3%	8.7%	*8.5%*	*8.5%*	Return on Com Equity	*9.0%*
6.7%	6.1%	4.7%	5.6%	5.1%	2.1%	.9%	1.1%	3.3%	3.3%	*3.0%*	*3.0%*	Retained to Com Eq	*2.5%*
50%	52%	60%	56%	59%	79%	84%	82%	60%	62%	*60%*	*64%*	All Div'ds to Net Prof	*70%*

CURRENT POSITION ($MILL.)	2020	2021	12/31/22
Cash Assets	4.8	10.6	11.4
Receivables	154.8	141.0	206.3
Inventory (AvgCst)	58.4	109.6	46.6
Other	162.2	176.6	393.9
Current Assets	380.2	437.8	658.2
Accts Payable	177.5	192.9	238.8
Debt Due	162.6	197.1	427.9
Other	263.8	285.1	355.2
Current Liab.	603.9	675.1	1021.9

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '20-'22 to '26-'28
Revenues	5.5%	10.0%	*3.5%*
"Cash Flow"	6.5%	6.0%	*6.0%*
Earnings	6.5%	3.5%	*7.5%*
Dividends	7.5%	7.0%	*8.0%*
Book Value	10.5%	14.0%	*4.5%*

Cal-endar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2020	255.6	384.5	348.6	474.0	1462.7
2021	583.5	397.0	361.9	535.7	1878.1
2022	699.3	448.7	434.6	705.4	2288.0
2023	*705*	*470*	*455*	*620*	*2250*
2024	*735*	*510*	*480*	*675*	*2400*

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2020	.21	.29	.22	.40	1.12
2021	.72	.32	.19	.44	1.67
2022	.76	.31	.26	.44	1.77
2023	*.77*	*.33*	*.28*	*.47*	*1.85*
2024	*.80*	*.35*	*.30*	*.55*	*2.00*

Cal-endar	QUARTERLY DIVIDENDS PAID B ■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2019	.219	.219	.2343	.2343	.91
2020	.2343	.2343	.2507	.2507	.97
2021	.2507	.2507	.2682	.2682	1.04
2022	.2682	.2682	.287	.287	1.11
2023	.287				

BUSINESS: Essential Utilities, Inc. became the new name for Aqua America on Feb. 3, 2020, to reflect the acquisition of Peoples, a natural gas utility, which occurred in 3/20. In 2022, Aqua Amer. provided water and wastewater services in the states of PA, OH, TX, IL, NC, NJ, IN, VA NS WS. Employs 3,211. Acquired AquaSource, 7/13; N. Maine Util., 7/15; and others. Water respn. for 47% of revenues in 2022; residential, 27%; commercial, 7%; industrial, wastewater & other, 13%. Gas 50%; other, 3.0%. Off. & dir. own less than 1% of the common stock; BlackRock, 11.1%; Vanguard, 10.1%; Can. Pen. Plan 8.2% (3/23 proxy). Pres. & CEO: Christopher Franklin. Inc.: PA Addr.: 762 W Lancaster Ave., Bryn Mawr, PA 19010. Tel.: 610-525-1400. Int.: www.essential.co.

Investors' interest in Essential Utilities has waned lately. Year to date, the price of the equity is down more than 12%. By comparison, the S&P 500 Index has generated positive returns of about 3%. High inflation and interest rates are most likely the main reasons for the stock losing favor on Wall Street.

We look for decent earnings growth. The company is a regulated utility that provides water and gas. With the chance that the economy might slip into a recession, demand for these two services ought to remain relatively inelastic. For 2023, Essential's share earnings may well rise a solid 5% to $1.85. Next year, an 8% increase to $2.00 a share is possible. This is based on our assumption of continued constructive relations with various state regulatory authorities (more below).

The water side of the business will likely drive long-term growth. Management has targeted a majority of its projected $1.1 billion capital expenditures this year toward the water sector. This is due mostly to the fact that an aging pipeline infrastructure badly needs to be repaired. We expect this trend to continue in the years ahead.

Regulatory treatment remains a caveat. Over the past decade, water utilities and state regulatory bodies have worked well together in trying to improve the nation's water distribution systems. Hence, authorities have allowed the water companies to recoup the massive amounts of money that they have spent on modernizing their assets. It should be noted that this occurred during a period of low inflation. Passing along much larger cost hikes to consumers is more difficult politically during times of robust inflation. Regulatory bodies have historically treated water utilities better than gas utilities.

These shares do not have much appeal. The stock is just ranked to perform in line with the market in the year ahead. Moreover, it has below average total return potential out to 2026-2028. Our 18-month model also doesn't favor the equity. And though its longer-term prospects don't stand out, they are better than most in this industry, where investors typically have to pay a high premium for earnings the companies generate.

James A. Flood *April 7, 2023*

(A) Diluted egs. Excl. nonrec. gains: '12, 18¢. Excl. gain from disc. operations: '12, 7¢; '13, 9¢; '14, 11¢. Quarterly EPS do not add in '19 due to a large change in the number of shares outstanding in the Dec. period. Next earnings report mid-May.
(B) Dividends historically paid in early March, June, Sept., & Dec. ■ Div'd. reinvestment plan available (5% discount).
(C) In millions, adjusted for stock split.
(D) Includes intangibles: 12/31/22, $2345.4 bill./$8.89 a share.

Company's Financial Strength	B++
Stock's Price Stability	90
Price Growth Persistence	65
Earnings Predictability	60

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