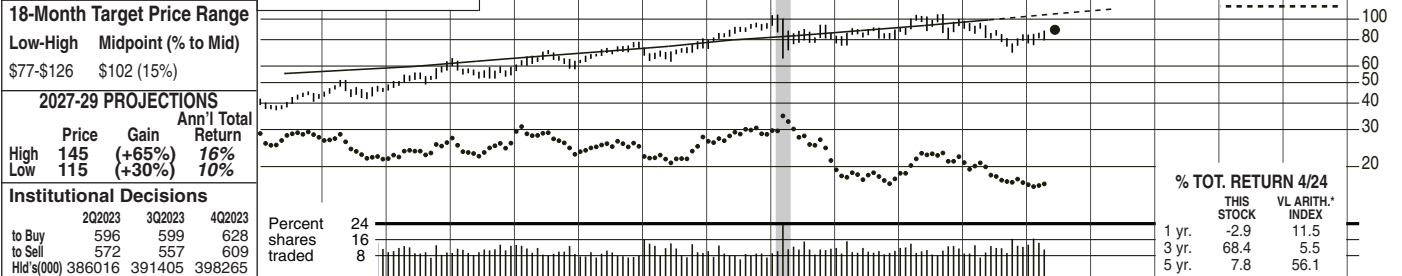


TIMELINESS <b>3</b> Raised 3/15/24	High: 51.6	63.2	65.4	71.3	78.1	81.1	96.2	105.0	91.5	105.6	98.3	93.4						Target Price Range	2027	2028	2029	
SAFETY <b>1</b> Raised 3/17/17	Low: 41.8	45.8	52.3	56.8	61.8	62.7	72.3	65.1	74.8	80.3	69.4	75.2										
TECHNICAL <b>3</b> Raised 6/7/24	<b>LEGENDS</b> — 29.40 x Dividends p sh ..... Relative Price Strength Options: Yes Shaded area indicates recession																					
BETA .85 (1.00 = Market)																						



2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	© VALUE LINE PUB. LLC	27-29
35.56	28.22	30.01	31.27	30.77	31.48	34.78	33.51	33.31	31.35	32.84	31.49	30.04	33.30	38.20	36.08	<b>38.00</b>	<b>40.20</b>	Revenues per sh	<b>44.20</b>
6.84	6.32	6.29	6.83	6.92	7.02	7.57	7.98	8.47	7.95	8.77	9.35	10.28	10.98	10.72	10.92	<b>11.65</b>	<b>12.35</b>	"Cash Flow" per sh	<b>15.20</b>
2.99	2.97	2.60	3.13	2.98	3.18	3.34	3.59	4.23	3.62	3.90	4.08	4.42	4.96	5.09	5.24	<b>5.60</b>	<b>6.00</b>	Earnings per sh <sup>A</sup>	<b>7.20</b>
1.64	1.64	1.71	1.85	1.88	1.95	2.03	2.15	2.27	2.39	2.53	2.71	2.84	3.00	3.17	3.37	<b>3.60</b>	<b>3.81</b>	Div'd Decl'd per sh <sup>B = †</sup>	<b>4.16</b>
9.83	6.19	5.07	5.74	6.45	7.75	8.68	9.37	9.98	11.79	12.89	12.43	12.72	11.43	13.18	13.89	<b>14.15</b>	<b>14.10</b>	Cap'l Spending per sh	<b>14.00</b>
26.33	27.49	28.33	30.33	31.37	32.98	34.37	36.44	35.38	37.17	38.58	39.73	41.38	44.49	46.60	48.46	<b>55.05</b>	<b>58.90</b>	Book Value per sh <sup>C</sup>	<b>62.55</b>
406.07	478.05	480.81	483.42	485.67	487.78	489.40	491.05	491.71	492.01	493.25	494.17	496.60	504.21	513.87	526.18	<b>530.00</b>	<b>535.00</b>	Common Shs Outst'g <sup>D</sup>	<b>550.00</b>
13.1	10.0	13.4	11.9	13.8	14.5	15.9	15.8	15.2	19.3	18.0	21.4	19.6	17.1	21.1	16.2	<b>Bold figures are Value Line estimates</b>		Avg Ann'l P/E Ratio	<b>18.0</b>
.79	.67	.85	.75	.88	.81	.84	.80	.80	.97	.97	1.14	1.01	.92	1.23	.93			Relative P/E Ratio	<b>1.00</b>
4.2%	5.5%	4.9%	5.0%	4.6%	4.2%	3.8%	3.8%	3.5%	3.4%	3.6%	3.1%	3.3%	3.5%	3.3%	4.5%			Avg Ann'l Div'd Yield	<b>3.3%</b>

CAPITAL STRUCTURE as of 3/31/24		2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Revenues (\$mill)	24300
Total Debt	\$42375 mill. Due in 5 Yrs \$12886 mill.	17020	16453	16380	15425	16196	15561	14919	16792	19640	18982	<b>20150</b>	<b>21500</b>	Revenues (\$mill)	<b>24300</b>						
LT Debt	\$38637 mill. LT Interest \$1400 mill.	1634.0	1763.4	2073.6	1783.2	1923.8	2019.0	2200.1	2448.1	2307.2	2208.1	<b>2970</b>	<b>3210</b>	Net Profit (\$mill)	<b>3960</b>						
		37.8%	35.1%	26.8%	33.7%	5.8%	7.7%	1.9%	4.6%	NMF	NMF	<b>21.0%</b>	<b>21.0%</b>	Income Tax Rate	<b>21.0%</b>						
		9.0%	11.0%	8.0%	8.0%	10.7%	12.7%	9.7%	7.8%	7.0%	7.0%	<b>7.0%</b>	<b>6.5%</b>	AFUDC % to Net Profit	<b>5.0%</b>						
		49.0%	49.8%	50.0%	51.5%	53.2%	56.1%	58.5%	58.3%	58.5%	58.2%	<b>58.0%</b>	<b>58.0%</b>	Long-Term Debt Ratio	<b>57.5%</b>						
Leases, Uncapitalized	Annual rentals \$119.6 mill.	51.0%	50.2%	50.0%	48.5%	46.8%	43.9%	41.5%	41.7%	42.0%	42.0%	<b>42.0%</b>	<b>42.0%</b>	Common Equity Ratio	<b>42.5%</b>						
		33001	35633	34775	37707	40677	44759	49537	53734	57520	62837	<b>68900</b>	<b>70730</b>	Total Capital (\$mill)	<b>75900</b>						
Pfd Stock	None	44117	46133	45639	50262	55099	60138	63902	66001	71283	76693	<b>78000</b>	<b>81250</b>	Net Plant (\$mill)	<b>87300</b>						
		6.3%	6.1%	7.2%	5.9%	5.9%	5.6%	5.6%	5.6%	4.0%	3.6%	<b>4.5%</b>	<b>4.5%</b>	Return on Total Cap'l	<b>5.0%</b>						
Common Stock	527,121,759 shs.	9.7%	9.9%	11.9%	9.8%	10.1%	10.3%	10.7%	11.1%	9.7%	8.7%	<b>10.0%</b>	<b>10.0%</b>	Return on Shr. Equity	<b>11.0%</b>						
		9.7%	9.9%	11.9%	9.8%	10.1%	10.3%	10.7%	11.1%	9.7%	8.7%	<b>10.0%</b>	<b>10.0%</b>	Return on Com Equity	<b>11.0%</b>						
MARKET CAP:	\$46.9 billion (Large Cap)	3.8%	3.9%	5.5%	3.2%	3.5%	3.4%	3.8%	4.3%	2.9%	2.4%	<b>4.0%</b>	<b>4.0%</b>	Retained to Com Eq	<b>4.5%</b>						
		61%	60%	54%	67%	65%	67%	65%	61%	70%	63%	<b>63%</b>	<b>63%</b>	All Div'ds to Net Prof	<b>61%</b>						

**BUSINESS:** American Electric Power Company Inc. (AEP), through 10 operating utilities, serves 5.5 million customers in Arkansas, Kentucky, Indiana, Louisiana, Michigan, Ohio, Oklahoma, Tennessee, Texas, Virginia, & West Virginia. Has a transmission subsidiary. Electric revenue breakdown: residential, 43%; commercial, 23%; industrial, 18%; wholesale, 10%; other, 6%. Sold commercial barge operation in '15. Generating sources not available. Fuel costs: 33% of revenues. '23 reported depreciation rates (utility): 2.6%-12.5%. Has approximately 16,700 employees. Interim Chief Executive Officer: Benjamin G.S. Fowke III. Incorporated: New York. Address: 1 Riverside Plaza, Columbus, Ohio 43215-2373. Telephone: 614-716-1000. Internet: www.aep.com.

**American Electric Power got off to a solid start in 2024.** First-quarter earnings per share came in at \$1.27, ahead of Wall Street's expectations due to a number of rate hikes, clean-energy investment growth, and power demand increases. Accordingly, management maintained its 2024 bottom-line outlook of \$5.53 to \$5.73 and a long-term annual profit growth target of 6%-7%. Our 2024 and 2025 earnings estimates are staying put as the company should continue to benefit from rate relief, increased investments in its transmission business, and volume growth. What's more, AEP is well positioned to take advantage of the elevated demand from artificial intelligence innovations and new data centers, which we will discuss more below.

**AEP filed a proposal with Ohio regulators to require data center developers to buy a majority of electricity they need upfront.** Indeed, new large data centers would be required to make a 10-year commitment to pay for a minimum of 90% of the energy requested before AEP builds and invests billions on transmission. The boost in power demand from artificial intelligence innovations and data centers is set to rise exponentially through 2030. Indeed, data centers are expected to double the power demand in the utility's Ohio region within the next five years.

**The company agreed to sell its AEP OnSite Partners distributed resources business to Basalt Infrastructure Partners for \$315 million in cash.** OnSite Partners sells distributed energy resources to commercial and industrial customers. The deal is expected to close in the third quarter of this year, and will provide AEP with support in its transmission investments as power demand soars.

**Risk-adverse, income-oriented investors may want to take a closer look here.** The dividend yield of this top-quality stock stands above the utility average. Too, AEP is committed to its target payout ratio of 60%-70%. So, the dividend should continue growing nicely. Also, intermediate- and long-term return prospects are solid in comparison to most of its peers. Meanwhile, the Timeliness rank has been upgraded one notch to 3 (Average) since our March review.

Zachary J. Hodgkinson June 7, 2024

(A) Diluted EPS. Excl. nonrec. gains (losses): '08, 40c; '10, (7c); '11, 89c; '12, (38c); '13, (14c); '16, (\$2.99); '17, 26c; '19, (20c); gains (loss) from disc. ops.: '06, 2c; '08, 3c; '15, 58c; '16, (1c); '22, (58c); '23, (34c). Next earnings report due late July. (B) Div'ds paid early Mar., June, Sept., & Dec. ■ Div'd reinvestment plan avail. † Shareholder invest. plan avail. (C) Incl. intang. In '23: \$52.5 million (D) In mill. (E) Rev. may not sum due to rounding.	Company's Financial Strength	A
	Stock's Price Stability	95
	Price Growth Persistence	55
	Earnings Predictability	95