

city to 5.28 mill. customers in a 50,000-sq.-mi. area in central, coastal, & southern CA (excl. Los Angeles & San Diego). Edison Energy is an energy svcs. co. Disc. Edison Mission Energy (independent power producer) in '12. Elec. rev. breakdown: residential, 40%;

costs: 34% of revs. '23 reported depr. rate: 4.1%. Employs 14,316. Board Chair: Peter J. Taylor. President & CEO: Pedro J. Pizzaro. Inc.: CA. Address: 2244 Walnut Grove Ave., P.O. Box 976, Rosemead, CA 91770. Tel.: 626-302-2222. Web: www.edison.com.

135 166 113 Fixed Charge Cov. (%) ANNUAL RATES Past Past Est'd '21-'23 of change (per sh) 10 Yrs. to '27-'29 2.5% 5.5% 14.0% Revenues 1.0% 4.0% 'Cash Flow' 2.0% 5.0% 6.0% Earnings 5.0% .5% 5.5% 5.0% Dividends Book Value

% Change Customers (vr-end)

21190

+.3

24345

45.8

+.8

49.7

+.7

Cal-	QUAR	TERLY RE	VENUES (\$ mill.)	Full
endar	Mar.31	Jun.30		Dec.31	Year
2021	2960	3315	5299	3331	14905
2022	3968	4008	5228	4016	17220
2023	3966	3964	4702	3706	16338
2024	4078	4100	4750	3722	16650
2025	4280	4300	4920	3900	17400
Cal-	EA	RNINGS P	ER SHARI	Dec.31	Full
endar	Mar.31	Jun.30	Sep.30		Year
2021	.79	.94	1.69	1.16	4.59
2022	1.07	.94	1.48	1.15	4.63
2023	1.09	1.01	1.38	1.28	4.76
2024	1.13	1.05	1.48	1.29	4.95
2025	1.30	1.15	1.60	1.45	5.50
Cal- endar	QUARTERLY DIVIDENDS PAID B = Mar.31 Jun.30 Sep.30 Dec.31				Full Year
2020 2021 2022 2023 2024	.6375 .6625 .70 .7375 .78	.6375 .6625 .70 .7375 .78	.6375 .6625 .70 .7375	.6375 .6625 .70 .7375	2.55 2.65 2.80 2.95

Edison International should see solid core earnings gains this year and the next. EIX will likely continue to benefit from the escalation mechanism set forth in the 2021 General Rate Case (GRC) decision that allows it to bill for certain types of expenses, alleviating regulatory lag to a large degree. Load growth in California is healthy, at about 3% due to trends in electrification for vehicles and heavy equipment. This leads to transmission and distribution work that pays off rapidly in terms of return on investment for regulated utilities in California. Fire mitigation also keeps the rate base growing. Edison's current authorized return on equity (ROE) is 10.3%, already fairly generous relative to returns in most other states, yet that figure may go up next year. Edison has a GRC decision due in 2025. State peer, PG&E, received favorable terms from the California Public Utilities Commission, with a 2024 boost to its authorized ROE to 10.7%. There's a good chance that EIX gets an increase in returns, too. We're projecting per-share profit gains of 4% in 2024 and 6% in 2025. Wildfire risk is part of the equation.

Last fall. Orange County filed a lawsuit that alleges Edison's equipment caused forest fires in 2020 and 2022. amounts sought weren't given. (Over the past few years, EIX has paid out billions of dollars for the role its power lines played in 2017 and 2018 California forest fires.) A few months ago, management stated the settlement payout process has nearly run its course, yet more recently has back-tracked and taken a \$463 million pretax charge against book value to reflect an expectation of higher settlement costs associated with the Woolsey Fire (November 8, 2018) settlement. More plaintiffs than previously expected have opted out of the class action and pursued their own cases. While it is true that the California Wildfire Fund (discussed in some detail in our Utility West Industry report) substantially lowers the odds of a bankruptcy event, new wildfires can still have a materially adverse effect on financial results. company is constantly working to mitigate wildfire risk through various means.

We think utility investors can do better elsewhere.

Anthony J. Glennon

July 19, 2024

B++ 85

25

10

(A) Adjusted (non-GAAP) EPS from 2019 on. | '22, (\$3.02); '23, (\$1.34); disc. ops.: '13, 11¢; | July, & Oct. ■ Div'd reinv. plan avail. (C) I Excl. gains/(losses): nonrecur's; '10, 54¢; '11, | '14, 57¢; '15, 11¢; '18, 10¢. Qtly. EPS may not | def'd chgs. In '23: \$4.36/sh. (D) In mill. (\$3.33); '13, (\$1.12); '15, (\$1.18); '17, (\$1.37); | sum to full yr. due to rounding. Next egs. report | Rate base: net orig. cost. Rate all'd on critical (\$1.36); '19, (\$2.54); '21, (\$2.59); | due early Aug. (B) Div'ds paid late Jan., Apr., | eq. in '20: 10.3%; Regulatory Climate: Avg. '22, (\$3.02); '23, (\$1.34); disc. ops.: '13, 11¢; July, & Oct. ■ Div'd reinv. plan avail. (**C**) Incl. '14, 57¢; '15, 11¢; '18, 10¢. Qtly. EPS may not def'd chgs. In '23: \$4.36/sh. (**D**) In mill. (**E**) sum to full yr. due to rounding. Next egs. report Rate base: net orig. cost. Rate all'd on com.

Company's Financial Strength Stock's Price Stability Price Growth Persistence **Earnings Predictability**