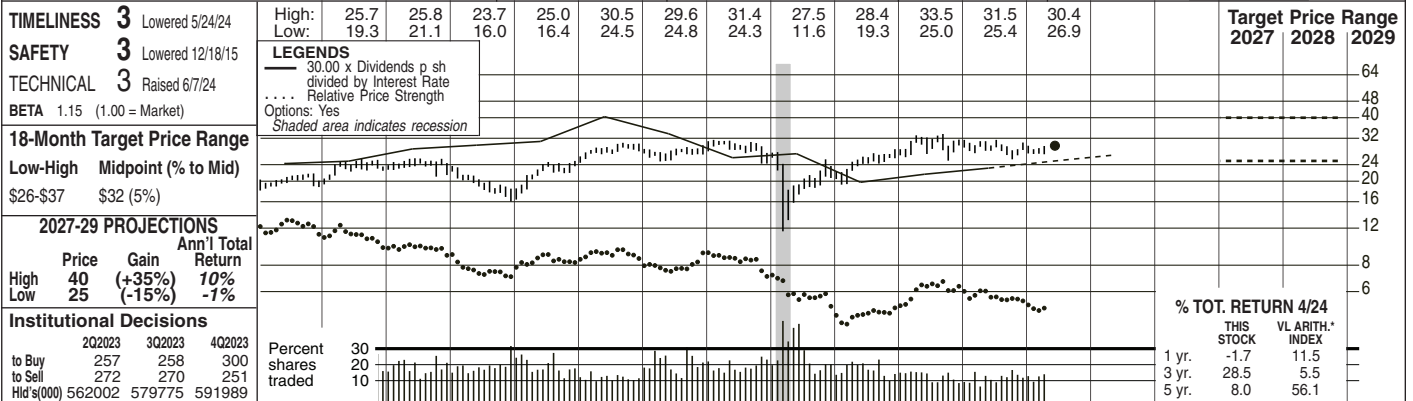


# CENTERPOINT EN'RGY NYSE-CNP

RECENT PRICE **29.51** P/E RATIO **20.4** (Trailing: 20.8 Median: 19.0) RELATIVE P/E RATIO **1.14** DIV'D YLD **2.7%** VALUE LINE



2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	© VALUE LINE PUB. LLC	27-29
32.71	21.14	20.69	19.83	17.43	18.90	21.51	17.18	17.48	22.30	21.13	24.49	13.45	13.28	14.81	13.78	<b>13.75</b>	<b>14.20</b>	Revenues per sh	17.00
3.42	2.94	3.14	3.43	3.89	3.54	3.85	3.40	3.68	4.03	3.24	4.12	3.46	3.00	3.65	3.67	<b>3.80</b>	<b>4.00</b>	"Cash Flow" per sh	4.50
1.30	1.01	1.07	1.27	1.35	1.24	1.42	1.08	1.00	1.57	.74	1.49	1.29	.94	1.59	1.37	<b>1.45</b>	<b>1.55</b>	Earnings per sh <sup>A</sup>	1.90
.73	.76	.78	.79	.81	.83	.95	.99	1.03	1.35	1.12	.86	.90	.66	.72	.77	<b>.83</b>	<b>.89</b>	Div'd Decl'd per sh <sup>B</sup>	1.01
2.95	2.96	3.55	3.06	2.84	3.00	3.20	3.68	3.28	3.31	3.29	4.99	4.71	5.03	7.02	6.97	<b>6.85</b>	<b>5.95</b>	Cap'l Spending per sh	6.50
5.89	6.74	7.53	9.91	10.06	10.09	10.60	8.05	8.03	10.88	12.53	13.10	10.78	13.70	14.68	15.31	<b>16.35</b>	<b>17.10</b>	Book Value per sh <sup>C</sup>	20.00
346.09	391.75	424.70	426.03	427.44	429.00	429.00	430.00	430.68	431.04	501.20	502.24	551.36	628.92	629.54	631.23	<b>640.00</b>	<b>641.00</b>	Common Shs Outst'g <sup>D</sup>	645.00
11.3	11.8	13.8	14.6	14.8	18.7	17.0	18.1	21.9	17.9	37.0	19.5	15.9	26.1	18.7	21.1	<b>21.1</b>	<b>21.1</b>	Avg Ann'l P/E Ratio	18.0
.68	.79	.88	.92	.94	1.05	.89	.91	1.15	.90	2.00	1.04	.82	1.41	1.08	1.18	<b>1.18</b>	<b>1.18</b>	Relative P/E Ratio	1.00
5.0%	6.4%	5.3%	4.3%	4.0%	3.6%	3.9%	5.1%	4.7%	4.8%	4.1%	3.0%	4.4%	2.7%	2.4%	2.7%	<b>2.7%</b>	<b>2.7%</b>	Avg Ann'l Div'd Yield	3.1%

CAPITAL STRUCTURE as of 3/31/24		2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050
Total Debt	\$18295 mill.	9226.0	7386.0	7528.0	9614.0	10589	12301	7418.0	8352.0	9321.0	8696.0	8800	9100	Revenues (\$mill)	11000											
LT Debt	\$18117 mill.	611.0	465.0	432.0	679.0	368.0	871.0	863.0	668.0	1057.0	917.0	980	1055	Net Profit (\$mill)	1285											
Incl. \$320 mill. securitized transition & system restoration bonds.		31.0%	35.1%	37.0%	36.1%	28.4%	14.9%	13.4%	14.1%	25.4%	15.6%	16.0%	16.0%	Income Tax Rate	16.0%											
(LT interest coverage: 2.5x)		4.1%	4.7%	3.5%	2.9%	5.4%	6.7%	6.0%	9.3%	9.3%	5.0%	6.0%	6.0%	AFUDC % to Net Profit	5.0%											
Leases, uncapitalized Annual rentals \$4 mill.		63.8%	69.5%	68.5%	63.6%	51.9%	63.0%	58.0%	62.3%	59.6%	64.5%	63.5%	62.5%	Long-Term Debt Ratio	59.0%											
Pension Assets-12/23 \$1204 mill.		36.2%	30.5%	31.5%	36.4%	37.5%	29.1%	29.9%	34.5%	37.1%	35.5%	36.5%	37.5%	Common Equity Ratio	41.0%											
		12557	11362	10992	12883	16740	22603	19869	24973	24878	27226	28550	29175	Total Capital (\$mill)	31300											
		10502	11537	12307	13057	14044	20945	22362	23484	27143	29853	32750	35000	Net Plant (\$mill)	41000											
		6.7%	6.1%	5.8%	6.8%	3.4%	5.1%	5.6%	3.8%	5.3%	4.7%	4.5%	5.0%	Return on Total Cap'l	5.0%											
		13.4%	13.4%	12.5%	14.5%	4.6%	10.4%	10.3%	7.1%	10.5%	9.5%	9.5%	9.5%	Return on Shr. Equity	10.0%											
		13.4%	13.4%	12.5%	14.5%	5.3%	11.5%	11.6%	6.7%	10.9%	9.5%	9.0%	9.0%	Return on Com Equity <sup>E</sup>	9.5%											
		4.5%	1.1%	NMF	4.7%	NMF	2.7%	5.0%	2.2%	6.1%	4.5%	4.0%	4.0%	Retained to Com Eq	4.5%											
		67%	92%	103%	68%	NMF	80%	66%	72%	46%	53%	54%	54%	All Div'ds to Net Profit	51%											

**BUSINESS:** CenterPoint Energy, Inc. is a holding company for Houston Electric, which serves over 2.76 million customers in Houston and environs. Indiana Electric, which serves approximately 152,000 customers, and gas utilities with 4.31 million customers in Texas, Minnesota, Louisiana, Mississippi, Indiana, and Ohio. Acquired Vectren 2/19. Sold nonutility operations in '20. Sold its stake in Energy Transfer LP in '22 and '23. Electric revenue breakdown not available. Fuel costs: 25% of total revenues. Has 8,827 employees. Chairman: Martin H. Nesbitt. President & Chief executive officer: Jason P. Wells. Incorporated: Texas. Address: 1111 Louisiana, P.O. Box 4567, Houston, Texas 77210-4567. Telephone: 713-207-1111. Internet: www.centerpointenergy.com.

**CenterPoint Energy registered mixed first-quarter results.** The top line fell 6% year over year, to \$2.6 billion, primarily due to soft utility revenues, particularly in natural gas. However, the bottom line increased 12%, to \$0.55 per share, driven by rate recovery, favorable weather, and improved usage metrics.

**operations and maintenance cost controls** have been ongoing, aimed at 1% to 2% annual cost reductions. All things considered, we expect 2024 and 2025 earnings per share to clock in at about \$1.45 and \$1.55, respectively.

**The utility appears to be progressing as planned with its previously announced gas asset sales.** CenterPoint filed approval applications with the regulator in April regarding the transaction involving the Louisiana and Mississippi Gas local distribution companies (LDCs). The divestiture is projected to yield approximately \$1 billion in after-cash proceeds and is expected to conclude in the first quarter of 2025. The decision to sell these LDCs reflects the company's strategic focus on jurisdictions where it maintains a notable presence in electric and gas utilities. After the sale, CenterPoint estimates its utility mix to be 66% electric and 34% gas.

**We look for near-term share earnings to proceed at a mid-single-digit pace.** Benefits from rate relief and new customer wins should support the bottom line. Also, **CenterPoint has developed a comprehensive plan to enhance the resilience of the electric grid in Texas.** The proposal includes upgrading transmission infrastructures, modernizing old transmission lines to meet current standards, and elevating substations to reduce flood risks. We believe this initiative represents a valuable capital investment, especially in light of recent power outages and restoration efforts in the region. The company anticipates making capital investments in the range of \$2.2 billion to \$2.7 billion through 2027.

**Shares of CenterPoint have below average capital gains prospects over the next 18 months and the 2027-2029 time frame.** The dividend yield is low for a utility, as well. Consequently, income-oriented investors may find better selections in the sector.

Emma Jalees June 7, 2024

Cal-endar	QUARTERLY REVENUES (\$ mill.)	Full Year			
Mar.31	Jun. 30	Sep. 30	Dec. 31	Full Year	
2021	2547	1742	1749	2314	8352
2022	2763	1944	1903	2711	9321
2023	2779	1875	1860	2182	8696
2024	2620	1900	1950	2330	8800
2025	2250	2250	2300	2300	9100

Cal-endar	EARNINGS PER SHARE <sup>A</sup>	Full Year			
Mar.31	Jun. 30	Sep. 30	Dec. 31	Full Year	
2021	.41	.29	.21	.03	.94
2022	.82	.28	.30	.19	1.59
2023	.49	.17	.40	.30	1.37
2024	.55	.20	.45	.25	1.45
2025	.50	.25	.50	.30	1.55

Cal-endar	QUARTERLY DIVIDENDS PAID <sup>B</sup>	Full Year			
Mar.31	Jun.30	Sep.30	Dec.31	Full Year	
2020	.29	.15	.15	.15	.74
2021	.16	.16	.16	.17	.65
2022	.17	.17	.18	.18	.70
2023	.18	.19	.19	.20	.76
2024	.20	.20			

(A) GAAP Dil. EPS 2022 & onwards. Excl. non-recur. gains (losses): '11, \$1.89; '12, (38c); '13, (52c); '15, (\$2.69); '17, \$2.56; '20, (\$2.74); gain (loss) on disc. ops.: '20, (34c); '21, \$1.34. Next report due late July. (B) Div'ds histor. paid in early Mar., June, Sept. & Dec. 5 declarations on '17 & '20, 3 in '19. Div'd reinv. plan avail. (C) Incl. intang. In '23: \$6.59/sh. (D) In mill. (E) Rate base: Net orig. cost. Rate all'd on com. eq. (elec.) in '20: 9.4%; (gas): 9.45%-11.25%; earned on avg. com. eq., '22: 8.27%. Regulatory Climate: TX, Avg.; IN, Above Avg.

Company's Financial Strength	A
Stock's Price Stability	75
Price Growth Persistence	40
Earnings Predictability	55

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