

a nonregulated generating subsidiary focused on wind and solar power generation, with 9.3 GW of capacity and 1.3 GW under conAzagra Blazquez. Inc.: New York. Address: 180 Marsh Hill Road, Orange, CT 06477. Tel.: 207-629-1200. Web: www.avangrid.com.

Fixed Charge Cov. (% 300 247 203 ANNUAL RATES Est'd '21-'23 Past Past 10 Yrs. to '27-'29 5 Yrs. of change (per sh) Revenues "Cash Flow" 4.5% 1.0% 4.0% Earnings Dividends 3.5% 0.5% 3.5% Ńil Book Value 0.5% 1.5%

+1.2

+.4

% Change Customers (yr-end)

Cal-	QUARTERLY REVENUES (\$ mill.)				Full
endar	Mar.31	Jun.30	Sep.30	Dec.31	Year
2021	1966	1477	1598	1933	6974
2022	2133	1794	1838	2158	7923
2023	2466	1587	1974	2282	8309
2024	2417	1733	2150	2300	8600
2025	2500	1800	2225	2375	8900
Cal-	EARNINGS PER SHARE A				Full
endar	Mar.31	Jun.30	Sep.30	Dec.31	Year
2021	1.14	.35	.34	.44	2.18
2022	1.16	.46	.31	.39	2.32
2023	.64	.21	.27	.97	2.09
2024	.88	.37	.40	.60	2.25
2025	.90	.40	.45	.65	2.40
Cal-	QUARTERLY DIVIDENDS PAID B =				Full
endar	Mar.31	Jun.30	Sep.30	Dec.31	Year
2020	.44	.44	.44	.44	1.76
2021	.44	.44	.44	.44	1.76
2022	.44	.44	.44	.44	1.76
2023	.44	.44	.44	.44	1.76
2024	.44	.44			

Avangrid's parent company, Iberdrola S.A., has made a \$34.25-per-share cash offer for the public float. The Spanish multinational power company already owns about 81.6% of Avangrid's common alreadv stock. The non-binding proposal to purchase the remaining stake was made to Avangrid's board of directors on March 6th. The company's board stated that it will review, evaluate, negotiate, and approve or disapprove of the offer based on the recommendations of its legal and financial advisers. Consummation of the proposed transaction is conditional upon the independent board's approval and a vote by minority shareholders.

We see very little potential of a competing third-party offer coming for the whole of the company. This is because of Iberdrola's majority stake and the additional regulatory constraints involved in purchasing a utility holding company such as Avangrid. Approval from the utility regulatory agencies of each of the four states it does business in plus the green light from a host of federal agencies would be necessary. Following the parent company's proposal, Avangrid's stock price has

managed to remain above the buyout price, trading within a tight range of \$35.50-\$37.00 per share. We think the recent price mainly reflects the presumption that the independent board of directors will be able to negotiate a better deal. Ironically, the last major buyout proposed for a utility holding company that can be used as a benchmark for valuation was Avangrid's long-standing offer to purchase PNM Resources. (The merger was never able to gain regulatory approval.) Using a comparable valuation on operating profits to the PNM deal, while taking into account the varied debt levels, would imply about a \$39-per-share price for Avangrid. Hence, there is a bit of room for an improved offer from Iberdrola.

Most existing shareholders should exit their positions in the open mar**ket.** This can be a lengthy process and the offer is nonbinding, so there's no guarantee a deal will get done. On the other hand, there may be \$1-\$3 per share of upside and a few more dividends to collect. The Timeliness rank for this equity suspended due to the buyout proposal. May 10, 2024 Anthony J. Glennon

(A) Diluted egs. Excl. nonrecur. gain/(loss): '16, 6¢; '17, (44¢); '19, 9¢; '20, (14¢); '21, (21¢); '22, (5¢); '23, (6¢); 1Q '24, 3¢. Qtly. EPS may not sum to full-year due to rounding. Next egs.

report due late July. (B) Div'ds paid in early Jan., Apr., July and Oct. Div'd reinvestment plan available. (C) Incl. intangibles. In '23: elec.; in CT in '19: 9.3% gas; in ME in '22: \$6,214 mill., \$16.07/sh. (D) In mill. (E) Rate

Company's Financial Strength Stock's Price Stability Price Growth Persistence 80 35 **Earnings Predictability**

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