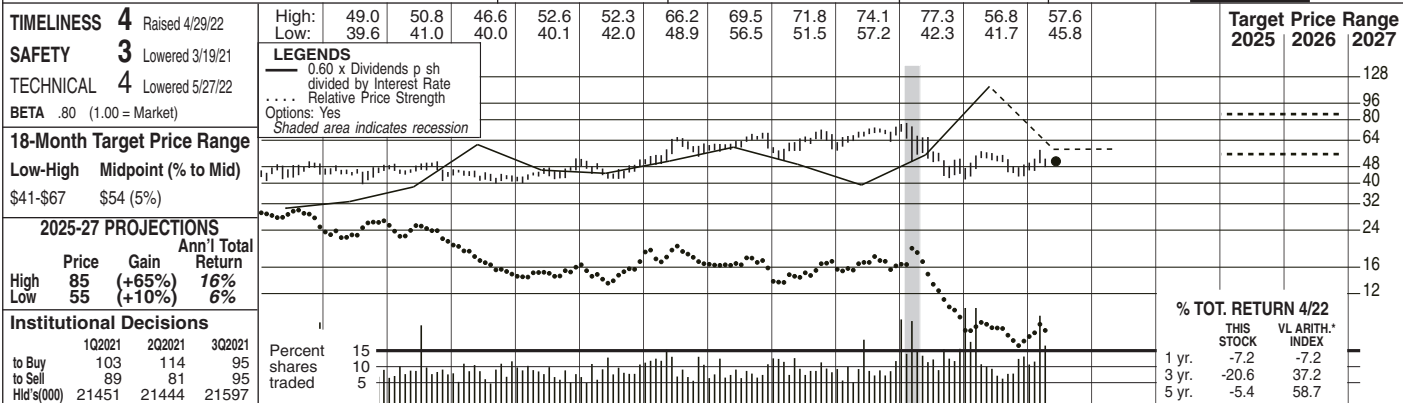


# N.W. NATURAL NYSE-NWN

RECENT PRICE **50.78** P/E RATIO **19.9** (Trailing: 21.0 Median: 24.0) RELATIVE P/E RATIO **1.23** DIV'D YLD **3.8%** VALUE LINE



2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	© VALUE LINE PUB. LLC	25-27
37.20	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	<b>28.50</b>	<b>29.45</b>	Revenues per sh	<b>33.55</b>
4.76	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	<b>6.20</b>	<b>6.65</b>	"Cash Flow" per sh	<b>7.65</b>
2.35	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	<b>2.55</b>	<b>2.85</b>	Earnings per sh <sup>A</sup>	<b>3.45</b>
1.39	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	<b>1.93</b>	<b>1.94</b>	Div'ds Decl'd per sh <sup>B</sup>	<b>1.96</b>
3.56	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	<b>8.65</b>	<b>8.90</b>	Cap'l Spending per sh	<b>9.40</b>
22.01	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	<b>29.25</b>	<b>30.25</b>	Book Value per sh <sup>D</sup>	<b>37.20</b>
27.24	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	<b>31.25</b>	<b>31.50</b>	Common Shs Outst'g <sup>C</sup>	<b>32.00</b>
15.9	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	<b>19.5</b>	<b>19.5</b>	Avg Ann'l P/E Ratio	<b>20.0</b>
.86	.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	<b>1.28</b>	<b>1.06</b>	Relative P/E Ratio	<b>1.10</b>
3.7%	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%	<b>3.8%</b>	<b>3.8%</b>	Avg Ann'l Div'd Yield	<b>2.6%</b>

CAPITAL STRUCTURE as of 3/31/22		2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	Revenues (\$mill)	1075
Total Debt \$1434.4 mill. Due in 5 Yrs \$175.3 mill.		730.6	758.5	754.0	723.8	676.0	762.2	706.1	746.4	773.7	860.4	<b>890</b>	<b>925</b>	Revenues (\$mill)	1075						
LT Debt \$1044.6 mill. LT Interest \$44.5 mill.		59.9	60.5	58.7	53.7	58.9	d55.6	67.3	65.3	70.3	78.7	<b>80.0</b>	<b>90.0</b>	Net Profit (\$mill)	135						
(Total interest coverage: 3.1x)		42.4%	40.8%	41.5%	40.0%	40.9%	--	26.4%	16.2%	23.1%	25.8%	<b>21.0%</b>	<b>21.0%</b>	Income Tax Rate	21.0%						
Pension Assets-12/21 \$399.2 mill. Oblig. \$569.8 mill.		8.2%	8.0%	7.8%	7.4%	8.7%	NMF	9.5%	8.8%	9.1%	9.1%	<b>8.9%</b>	<b>9.7%</b>	Net Profit Margin	10.3%						
Pfd Stock None		48.5%	47.6%	44.8%	42.5%	44.4%	47.9%	48.1%	48.2%	49.2%	52.8%	<b>52.0%</b>	<b>51.0%</b>	Long-Term Debt Ratio	48.0%						
Common Stock 30,730,274 shares as of 10/27/21		51.5%	52.4%	55.2%	57.5%	55.6%	52.1%	51.9%	51.8%	50.8%	47.2%	<b>48.0%</b>	<b>49.5%</b>	Common Equity Ratio	52.0%						
MARKET CAP \$1.6 billion (Mid Cap)		1424.7	1433.6	1389.0	1357.7	1529.8	1426.0	1468.9	1672.0	1748.8	1979.7	<b>1915</b>	<b>1955</b>	Total Capital (\$mill)	2290						
CURRENT POSITION		1973.6	2062.9	2121.6	2182.7	2260.9	2255.0	2421.4	2438.9	2654.8	2871.4	<b>3105</b>	<b>3360</b>	Net Plant (\$mill)	4250						
CASH ASSETS		5.7%	5.8%	5.8%	5.5%	5.1%	NMF	5.8%	5.2%	5.2%	5.1%	<b>4.0%</b>	<b>4.5%</b>	Return on Total Cap'l	5.0%						
OTHER ASSETS		8.2%	8.1%	7.6%	6.9%	6.9%	NMF	8.8%	7.5%	7.9%	8.4%	<b>8.5%</b>	<b>9.5%</b>	Return on Shr. Equity	9.5%						
CURRENT ASSETS		8.2%	8.1%	7.6%	6.9%	6.9%	NMF	8.8%	7.5%	7.9%	8.4%	<b>8.5%</b>	<b>9.5%</b>	Return on Com Equity	9.5%						
ACCTS PAYABLE		1.6%	1.5%	1.1%	.6%	.9%	NMF	2.1%	1.4%	1.7%	2.4%	<b>2.0%</b>	<b>3.0%</b>	Retained to Com Eq	4.0%						
DEBT DUE		80%	81%	85%	92%	87%	NMF	76%	82%	79%	71%	<b>76%</b>	<b>68%</b>	All Div'ds to Net Prof	57%						
OTHER DEBT		<p><b>BUSINESS:</b> 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%; Of./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.</p>																			

**Since our February review, shares of Northwest Natural Holding Co. have ticked modestly higher.** In fact, the stock's price advanced nearly 7%. In comparison, the S&P 500 Index logged a correction of nearly 10% for that same period. Meantime, the distributor of natural gas posted mixed financial results for the March quarter. On the upside, revenues increased 10.9%, to \$350.3 million, thanks to incremental volumes associated with the 10,800 natural gas meters added over the past 12 months. Additional benefits stemmed from a rate increase in Washington state. On the profitability front, total costs rose 498 basis points, as a percentage of the top line. After accounting for a drop in other expenses and an increase in common stock outstanding, NWN's share net declined about 7%, to \$1.80, versus the prior year. This was well below our call for \$1.96 per share. Consequently, we have sliced \$0.15 off our bottom-line outlook for this year, to \$2.55 a share. Our revised figure would represent a less-than-1% year-over-year earnings decline. This ought to reflect an estimated revenue advance of about

3.5%, to \$890 million, as Northwest Natural continues to focus its efforts on growing its renewal operations, and moving its existing rate cases forward. In mid-December, it filed for a more-than-\$365 million hike with the Oregon Public Utility Commission, which is anticipated to go into effect around November 1st. The purpose of the higher rate is to support long-term investments in safety, reliability, and technology upgrades. That said, we look for costs to remain elevated as the year progresses. This will likely offset the top-line gains and keep a lid on bottom-line growth until next year. **These shares have improved one notch in Timeliness since our last report.** Still, they are ranked a 4, suggesting NWN will lag the broader market averages in the year ahead. Meanwhile, the stock offers worthwhile capital appreciation potential for the pull to 2025-2027, even after reducing our 3- to 5-year P/E multiple to 20 from 24. Additionally, NWN offers a dividend yield that is well above the Value Line median, which may appeal to yield-seeking investors. *Bryan J. Fong* *May 27, 2022*

(A) Diluted earnings per share. Excludes non-recurring items: '06, (\$0.06); '08, (\$0.03); '09, \$0.06; May not sum due to rounding. Next earnings report due in early Aug.	(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