



	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	© VALUE LINE PUB. LLC	25-27
Revenues per sh	--	--	--	14.14	19.48	19.30	20.96	20.51	20.45	18.04	<b>19.15</b>	<b>19.55</b>	Revenues per sh	21.50
"Cash Flow" per sh	--	--	--	3.44	4.74	4.49	4.89	5.50	5.07	4.45	<b>5.05</b>	<b>4.95</b>	"Cash Flow" per sh	5.75
Earnings per sh <sup>A</sup>	--	--	--	1.05	1.98	1.67	1.92	2.26	1.88	1.97	<b>2.30</b>	<b>2.05</b>	Earnings per sh <sup>A</sup>	2.50
Div'd Decl'd per sh <sup>B</sup>	--	--	--	--	1.73	1.73	1.74	1.76	1.76	1.76	<b>1.76</b>	<b>1.76</b>	Div'd Decl'd per sh <sup>B</sup>	1.90
Cap'l Spending per sh	--	--	--	3.50	5.52	7.82	5.78	8.87	9.00	7.70	<b>8.30</b>	<b>8.65</b>	Cap'l Spending per sh	9.50
Book Value per sh <sup>C</sup>	--	--	--	48.74	48.90	48.79	48.88	49.31	49.21	49.35	<b>49.90</b>	<b>50.15</b>	Book Value per sh <sup>C</sup>	51.50
Common Shs Outst'g <sup>D</sup>	--	--	--	308.86	308.99	309.01	309.01	309.01	309.08	386.57	<b>386.60</b>	<b>386.60</b>	Common Shs Outst'g <sup>D</sup>	386.60
Avg Ann'l P/E Ratio	--	--	--	33.5	20.5	27.3	26.1	22.1	25.3	25.7	<b>Bold figures are Value Line estimates</b>	<b>19.0</b>	Avg Ann'l P/E Ratio	19.0
Relative P/E Ratio	--	--	--	1.69	1.08	1.37	1.41	1.18	1.30	1.40		<b>1.05</b>	Relative P/E Ratio	1.05
Avg Ann'l Div'd Yield	--	--	--	--	4.3%	3.8%	3.5%	3.5%	3.7%	3.5%		<b>4.0%</b>	Avg Ann'l Div'd Yield	4.0%

AVANGRID, Inc. was formed through a merger between Iberdrola USA, Inc. and UIL Holdings Corporation in December of 2015. Iberdrola S.A., a worldwide leader in the energy industry, owns 81.5% of AVANGRID. The predecessor company was founded in 1852 and is headquartered in New Gloucester, Maine. It was incorporated in 1997 in New York under the name NGE Resources, Inc. AVANGRID began trading on the NYSE on December 17, 2015.

**CAPITAL STRUCTURE as of 3/31/22**  
 Total Debt \$8349 mill. Due in 5 Yrs \$3225 mill.  
 LT Debt \$8033 mill. LT Interest \$300 mill.  
 Incl. \$95 mill. finance leases.  
 (LT interest earned: 3.1x)  
 Leases, Uncapitalized Annual rentals \$14 mill.

**Pension Assets-12/21** \$3079 mill.  
**Oblig** \$3487 mill.

**Pfd Stock** None

**Common Stock** 386,624,231 shs.  
 as of 4/28/22

**MARKET CAP:** \$17 billion (Large Cap)

**ELECTRIC OPERATING STATISTICS**

	2019	2020	2021
% Change Retail Sales (KWH)	NA	NA	NA
Avg. Indust. Use (MWH)	NA	NA	NA
Avg. Indust. Revs. per KWH (c)	NA	NA	NA
Capacity at Peak (Mw)	NA	NA	NA
Peak Load, Summer (Mw)	NA	NA	NA
Annual Load Factor (%)	NA	NA	NA
% Change Customers (yr-end)	+8	+9	+1

Fixed Charge Cov. (%) 278 237 270

**ANNUAL RATES** Past Past Est'd '19-'21  
 of change (per sh) 10 Yrs. 5 Yrs. to '25-'27

Revenues	--	3.0%	1.5%
"Cash Flow"	--	4.0%	2.5%
Earnings	--	6.0%	3.5%
Dividends	--	15.5%	1.5%
Book Value	--	--	.5%

**QUARTERLY REVENUES (\$ mill.)**

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2019	1842	1400	1487	1609	6338.0
2020	1789	1392	1470	1669	6320.0
2021	1966	1477	1598	1933	6974.0
2022	2133	1567	1700	2000	7400
2023	2150	1600	1750	2050	7550

**EARNINGS PER SHARE <sup>A</sup>**

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2019	.70	.36	.48	.72	2.26
2020	.78	.28	.28	.54	1.88
2021	1.08	.28	.29	.42	1.97
2022	1.15	.25	.40	.50	2.30
2023	.85	.25	.40	.55	2.05

**QUARTERLY DIVIDENDS PAID <sup>B</sup>**

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2018	.432	.432	.432	.44	1.74
2019	.44	.44	.44	.44	1.76
2020	.44	.44	.44	.44	1.76
2021	.44	.44	.44	.44	1.76
2022	.44	.44			

**BUSINESS:** AVANGRID, Inc. (formerly Iberdrola USA, Inc.), is a diversified energy and utility company that serves 2.3 million electric customers in New York, Connecticut, and Maine and 1 million gas customers in New York, Connecticut, Massachusetts & Maine. Has a nonregulated generating subsidiary focused on wind power, with 8.5 gigawatts of capacity. Revenue breakdown by customer

**We have raised our 2022 share-net estimate for AVANGRID from \$1.95 to \$2.30.** This is near the midpoint of the company's guidance of \$2.20-\$2.38. First-quarter profits topped our \$0.80-a-share estimate. However, the key factor was a restructuring of an offshore wind joint-venture partnership, which now has AVANGRID taking full ownership of some projects. This resulted in a \$181 million aftertax gain. We are including this in our earnings presentation, but because this income is unusual, we estimate that the company's earnings will decline in 2023. Investors should note that the Renewables division faces uncertainties about solar energy due to inflation, possible tariff increases, and supply chain delays. The stock price is down 12% year to date.

**Two key legal matters are pending.** AVANGRID has agreed to acquire PNM Resources (the parent of electric utilities in New Mexico and Texas) for \$4.3 billion in cash. However, the New Mexico commission rejected the proposed combination. The companies have appealed the ruling to the New Mexico Supreme Court, and extended the merger agreement to April 20,

class not available. Generating sources not available. Fuel costs: 25% of revenues. '21 reported depr. rate (utility): 2.8%. Iberdrola owns 81.5% of stock. Has 7,300 employees. Chairman: José Ignacio Sanchez Galan. CEO: Dennis V. Arriola. Deputy CEO & President: Robert Kump. Inc.: NY. Address: 180 Marsh Hill Road, Orange, CT 06477. Tel.: 207-629-1200. Web: www.avangrid.com.

**2023.** Our estimates and projections do not include PNM Resources. AVANGRID is appealing a referendum in Maine that requires the legislature to approve a transmission line in the state. A decision from the Maine Supreme Court is expected this summer. As of March 31st, the company had spent \$561 million on the project, with a total expected cost of \$1.2 billion. If construction resumes in 2022, completion is expected in the second half of 2024.

**Central Maine Power got some good news.** Due to the utility's improved service, the state regulators removed a one-percentage-point penalty that had been imposed on the allowed return on equity. This raised the allowed ROE to 9.25%.

**AVANGRID is adding offshore wind projects.** Its first project is under construction. Capital spending contracts are mitigating current inflationary pressures, but there is still construction risk.

**The stock is untimely, but has a dividend yield that is above the utility mean.** The drawbacks are subpar dividend growth potential and (mostly) difficult regulatory climates.

Paul E. Debbas, CFA May 13, 2022

(A) Diluted EPS. Excl. nonrecurring gain (loss): '16, 6c; '17, (44c). '21 EPS don't sum to full-year total due to change in shares outstanding. Next earnings report due late July. (B) Div'ds paid in early Jan., April, July, and Oct. (C) Dividend reinvestment plan available. (D) Incl. intangibles. In '21: \$5659 mill., \$14.64/sh. (E) In millions. (F) Rate base: Net original cost. Rate allowed on com. eq. in NY in '20: 8.8%; in CT in '17: 9.1% elec.; in CT in '19: 9.3% gas; in ME in '22: 9.25%; earned on avg. common eq., '21: 4.1%. Regulatory Climate: Below Average.

**Company's Financial Strength** B++  
**Stock's Price Stability** 85  
**Price Growth Persistence** 50  
**Earnings Predictability** 75