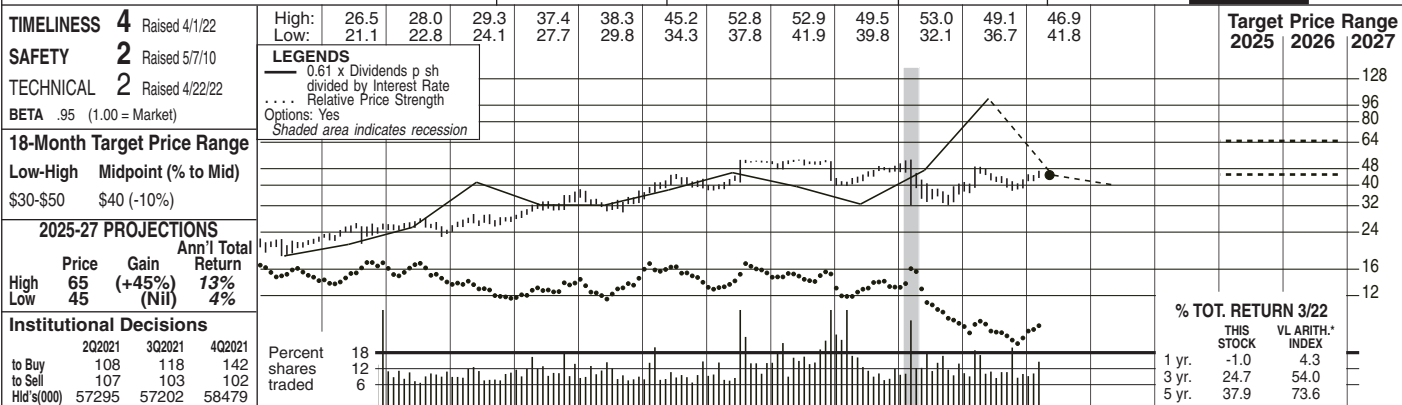


AVISTA CORP. NYSE-AVA

RECENT PRICE **44.74** P/E RATIO **22.3** (Trailing: 21.4 Median: 19.0) RELATIVE P/E RATIO **1.25** DIV'D YLD **4.0%**

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	
28.68	26.80	30.77	27.58	27.29	27.73	25.86	26.94	23.66	23.83	22.47	22.08	21.27	20.03	19.09	20.13	20.15	20.80	Revenues per sh	21.00
4.27	2.93	3.98	4.45	3.62	3.78	3.70	4.36	4.36	4.92	5.30	4.87	5.01	6.06	5.16	5.34	5.25	5.80	"Cash Flow" per sh	6.50
1.47	.72	1.36	1.58	1.65	1.72	1.32	1.85	1.84	1.89	2.15	1.95	2.07	2.97	1.90	2.10	2.00	2.45	Earnings per sh ^A	2.75
.57	.60	.69	.81	1.00	1.10	1.16	1.22	1.27	1.32	1.37	1.43	1.49	1.55	1.62	1.69	1.76	1.83	Div'd Decl'd per sh ^B	2.05
3.14	4.04	4.09	3.86	3.64	4.20	4.61	5.05	5.47	6.46	6.34	6.30	6.46	6.59	5.84	6.15	6.30	6.10	Cap'l Spending per sh	5.75
17.46	17.27	18.30	19.17	19.71	20.30	21.06	21.61	23.84	24.53	25.69	26.41	26.99	28.87	29.31	30.14	30.75	31.80	Book Value per sh ^C	34.75
52.51	52.91	54.49	54.84	57.12	58.42	59.81	60.08	62.24	62.31	64.19	65.49	65.69	67.18	69.24	71.50	74.50	77.00	Common Shs Outst'g ^D	83.00
15.4	30.9	15.0	11.4	12.7	14.1	19.3	14.6	17.3	17.6	18.8	23.4	24.5	15.0	21.2	20.2	<i>Bold figures are Value Line estimates</i>		Avg Ann'l P/E Ratio	20.0
.83	1.64	.90	.76	.81	.88	1.23	.82	.91	.89	.99	1.18	1.32	.80	1.09	1.11			Relative P/E Ratio	1.10
2.5%	2.7%	3.4%	4.5%	4.8%	4.5%	4.6%	4.5%	4.0%	4.0%	3.4%	3.1%	2.9%	3.5%	4.0%	4.0%			Avg Ann'l Div'd Yield	3.7%

CAPITAL STRUCTURE as of 12/31/21
 Total Debt \$2483.9 mill. Due in 5 Yrs \$562.5 mill.
 LT Debt \$1949.9 mill. LT Interest \$82.2 mill.
 Incl. \$51.5 mill. debt to affiliated trusts; \$48.8 mill. finance leases.
 (LT interest earned: 2.7x)
 Leases, uncapitalized Annual rentals \$4.8 mill.
 Pension Assets-12/21 \$751.0 mill.
 Pfd Stock None
 Common Stock 71,572,570 shs. as of 1/31/22
 MARKET CAP: \$3.2 billion (Mid Cap)

ELECTRIC OPERATING STATISTICS

	2019	2020	2021
% Change Retail Sales (KWH)	+8	+2.4	+4.3
Avg. Indust. Use (MWH)	1296	1265	1383
Avg. Indust. Revs. per KWH (c)	6.26	6.38	6.41
Capacity at Peak (Mw)	NA	NA	NA
Peak Load, Summer (Mw)	1656	1721	1889
Annual Load Factor (%)	NA	NA	NA
% Change Customers (yr-end)	+1.3	+1.8	+1.4

Fixed Charge Cov. (%) 202 221 215

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

	Past 10 Yrs.	Past 5 Yrs.	Est'd '19-'21
Revenues	-3.5%	-3.5%	1.0%
"Cash Flow"	3.5%	2.5%	3.0%
Earnings	3.5%	3.5%	3.0%
Dividends	5.5%	4.0%	4.0%
Book Value	4.0%	3.5%	3.0%

QUARTERLY REVENUES (\$ mill.)

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2019	396.5	300.8	283.8	364.5	1345.6
2020	390.2	278.6	272.6	380.5	1321.9
2021	412.9	298.2	296.0	431.8	1438.9
2022	440	320	315	425	1500
2023	465	345	340	450	1600

EARNINGS PER SHARE ^A

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2019	1.76	.38	.08	.76	2.97
2020	.72	.26	.07	.85	1.90
2021	.98	.20	.20	.71	2.10
2022	.90	.30	.10	.70	2.00
2023	1.10	.35	.15	.85	2.45

QUARTERLY DIVIDENDS PAID ^B

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2018	.3725	.3725	.3725	.3725	1.49
2019	.3875	.3875	.3875	.3875	1.55
2020	.405	.405	.405	.405	1.62
2021	.4225	.4225	.4225	.4225	1.69
2022	.44				

BUSINESS: Avista Corporation (formerly The Washington Water Power Company) supplies electricity & gas in eastern Washington & northern Idaho. Supplies electricity to part of Alaska & gas to part of Oregon. Customers: 423,000 electric, 372,000 gas. Acq'd Alaska Electric Light and Power 7/14. Sold Ecova energy-management sub. 6/14. Electric rev. breakdown: residential, 41%; commercial, 34%; industrial, 11%; wholesale, 9%; other, 5%. Generating sources: gas & coal, 30%; hydro, 29%; purch., 41%. Fuel costs: 35% of revs. '21 reported depr. rate (Avista Utilities): 3.5%. Has 1,900 employees. Chairman: Scott L. Morris. Pres. & CEO: Dennis Vermillion. Inc.: WA. Address: 1411 E. Mission Ave., Spokane, WA 99202-2600. Tel.: 509-489-0500. Internet: www.avistacorp.com.

Avista has a major rate case pending in Washington. This is the utility's first filing under the state's new law that requires multiyear applications. The utility is seeking electric increases of \$52.9 million (9.6%) in the first year and \$17.1 million (2.8%) in the second. For gas, Avista requested hikes of \$10.9 million (9.5%) in the first year and \$2.2 million (1.7%) in the second. The utility's filing is based on a return on equity of 10.25% and a common-equity ratio of 48.5%. For several years, the company has underearned its allowed ROE due to the effects of regulatory lag. A reasonable order in the pending case would help address this problem. New tariffs are expected to take effect in late 2022.

Earnings are likely to decline in 2022. Last year, Avista benefited from favorable power costs under Washington's energy recovery mechanism. This will probably swing to a negative factor this year. Also, the company's nonutility investments provided \$0.21 a share of income, which is well above normal. An increase in shares outstanding will affect share net, as well. Avista plans to issue \$120 million of com-

mon equity in 2022. Our estimate is within the company's targeted range of \$1.93-\$2.13 a share.

We estimate a significant profit increase in 2023. This is based on reasonable regulatory treatment in the Washington rate case. Avista will also benefit from a full year's effect of electric and gas rate hikes totaling \$8.9 million effective in Idaho in September of 2022 and a \$1.6 million gas increase effective in Oregon in August of 2022. Rate relief might happen in Alaska, as well. Our estimate is within management's guidance of \$2.42-\$2.62 a share, albeit near the low end.

The board of directors raised the dividend in the first quarter. As we had expected, the increase was \$0.07 a share (4.1%) annually. The payout ratio is above Avista's target of 65%-75%, but should be within this range next year as earnings benefit from rate relief.

This untimely stock has a dividend yield that is above the utility average. However, total return potential is negative for the next 18 months and below average for the 3- to 5-year period.

Paul E. Debbas, CFA April 22, 2022

(A) Diluted EPS. Excl. nonrec. gain (loss): '14, 9c; '17, (16c); gains on discount. ops.: '14, \$1.17; '15, 8c. '19 & '21 EPS don't sum due to rounding. Next earnings report due early May.	(B) Div's paid in mid-Mar., June, Sept. & Dec. Div'd reinvestment plan avail. (C) Incl. deferred chgs. In '21: \$913.1 mill., \$19.22/sh. In mill. (E) Rate base: Net orig. cost. Rate allowed on com. eq. in WA in '21: 9.4%; in ID in '21: 9.4%; in OR in '21: 9.4%; earned on avg. com. eq., '21: 7.0%. Regulatory Climate: WA, Below Average; ID, Above Average.	Company's Financial Strength B++
		Stock's Price Stability 70
		Price Growth Persistence 45
		Earnings Predictability 60

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