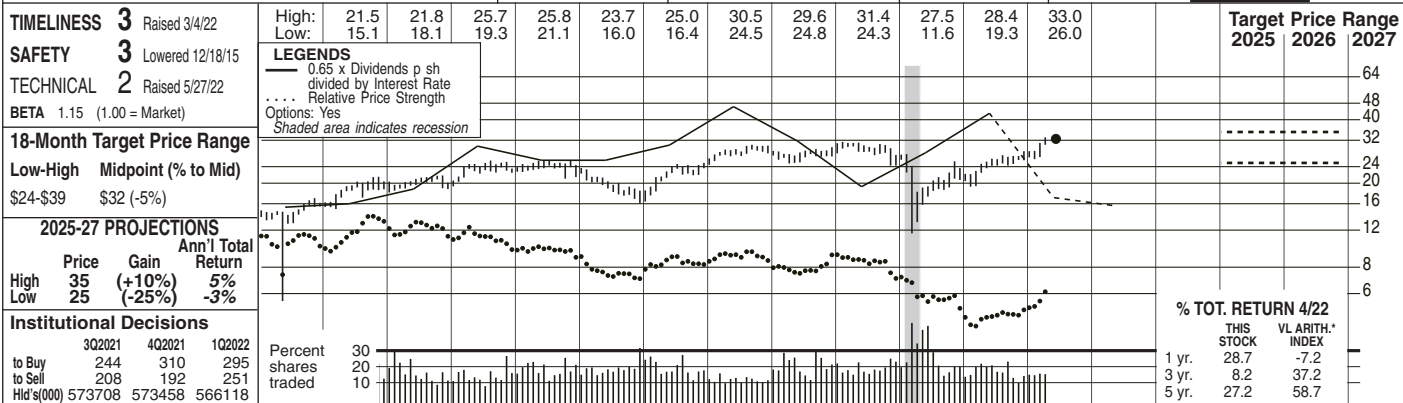


CENTERPOINT EN'RGY NYSE-CNP

RECENT PRICE **32.42** P/E RATIO **23.2** (Trailing: 30.9; Median: 19.0) RELATIVE P/E RATIO **1.39** DIV'D YLD **2.3%** 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
29.71	29.82	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	14.30	14.90	Revenues per sh	16.75
3.47	3.39	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	3.85	"Cash Flow" per sh	4.50
1.33	1.17	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	1.40	1.50	Earnings per sh A	1.80
.60	.68	.73	.76	.78	.79	.81	.83	.95	.99	1.03	1.35	1.12	.86	.90	.66	.71	.77	Div'd Decl'd per sh B	.95
3.21	3.45	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	6.10	7.45	Cap'l Spending per sh	7.25
4.96	5.61	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	14.75	15.50	Book Value per sh C	18.00
313.65	322.72	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	630.00	631.00	Common Shs Outst'g D	634.00
10.3	15.0	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			Avg Ann'l P/E Ratio	16.0
.56	.80	.68	.79	.88	.92	.94	1.05	.89	.91	1.15	.90	2.00	1.04	.82	1.39			Relative P/E Ratio	.90
4.4%	3.9%	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%			Avg Ann'l Div'd Yield	3.3%

CAPITAL STRUCTURE as of 3/31/22
 Total Debt \$13879 mill. Due in 5 Yrs \$7844 mill.
 LT Debt \$12106 mill. LT Interest \$375 mill.
 Incl. \$317 mill. securitized transition & system restoration bonds.
 (LT interest earned: 2.4x)
 Leases, Uncapitalized Annual rentals \$6 mill.
 Pension Assets-12/21 \$2072 mill.
 Oblig \$2298 mill.
 Pfd Stock \$790 mill. Pfd Div'd \$49 mill.
 800,000 shs. 6.125%, cumulative, with liquidation value of \$1000.
 Common Stock 629,448,787 shs. as of 4/20/22
MARKET CAP: \$20 billion (Large Cap)

ELECTRIC OPERATING STATISTICS

	2019	2020	2021
% Change Retail Sales (KWH)	+6.7	+1.8	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 (avg.)	+7.9	+2.5	NA

ANNUAL RATES

Past 10 Yrs.	Past 5 Yrs.	Est'd '19-'21 to '25-'27
Revenues	-2.0%	-5%
"Cash Flow"	1.0%	4.0%
Earnings	1.0%	6.5%
Dividends	5%	2.5%
Book Value	4.5%	6.0%

QUARTERLY REVENUES (\$ mill.)

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2019	3531	2798	2742	3230	12301
2020	2167	1575	1622	2054	7418
2021	2547	1742	1749	2314	8352
2022	2763	1837	1900	2500	9000
2023	2900	1900	2000	2600	9400

EARNINGS PER SHARE A

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2019	.28	.33	.47	.41	1.49
2020	.56	.17	.29	.27	1.29
2021	.41	.29	.21	.03	.94
2022	.52	.33	.30	.25	1.40
2023	.50	.35	.35	.30	1.50

QUARTERLY DIVIDENDS PAID B

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2018	.2775	.2775	.2775	.2775	1.11
2019	.2875	.2875	.2875	.2875	1.15
2020	.29	.15	.15	.15	.74
2021	.16	.16	.16	.17	.65
2022	.17	.17			

BUSINESS: CenterPoint Energy, Inc. is a holding company for Houston Electric, which serves 2.7 million customers in Houston and environs, Indiana Electric, which serves 150,000 customers, and gas utilities with 4.2 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 '21 and '22. Electric revenue breakdown not available. Fuel costs: 28% of revenues. '21 depreciation rate: 3.9%. Has 8,900 employees. Chairman: Martin H. Nesbitt. President & CEO: David J. Lesar. Incorporated: Texas. Address: 1111 Louisiana, P.O. Box 4567, Houston, Texas 77210-4567. Telephone: 713-207-1111. Internet: www.centerpointenergy.com.

CenterPoint Energy has completed its exit from its midstream natural gas investment. The sale of the company's units in Energy Transfer, at a 20% premium to the value when Energy Transfer acquired Enable Midstream Partners last year, raised \$1.3 billion after taxes. This is being used for debt reduction and capital spending. The net effect of the sale boosted earnings by \$0.05 a share in the first quarter, which we included in our presentation because it was immaterial.

The company also completed the sales of two of its gas utilities in the first quarter of 2022. The sales of the utilities in Arkansas and Oklahoma raised \$1.6 billion (including about \$400 million to compensate for extraordinary gas costs that were incurred during a cold spell in February of 2021). The valuation was attractive, at 2.5 times rate base. CenterPoint recorded a gain of \$0.30 a share on the sales, which we excluded from our earnings presentation as a nonrecurring item. The divestitures are expected to reduce share net by just \$0.02 this year.

The proceeds from these asset sales are being used for debt reduction and

capital spending. CenterPoint expects it will not need to issue common equity through 2030, although the share count might well rise slightly due to stock issued for options and various other plans.

Earnings should improve significantly in 2022. The comparison is easy, as CenterPoint incurred some unusual expenses in 2021 in what was a year of transition. We expect further growth in 2023. Rate relief and increased volume are factors contributing to this.

Some regulatory matters are pending. In Minnesota, CenterPoint reached a settlement calling for a \$48.5 million gas rate increase, based on a 9.39% return on equity. An order from the state commission is expected in the third quarter. In Texas, Houston Electric is seeking \$146 million, and its gas utilities are requesting \$34 million under annual cost-recovery mechanisms.

We think more-attractive selections are available elsewhere. The stock's dividend yield is about a percentage point below the utility average, and prospects don't stand out for the 2025-2027 period.

Paul E. Debbas, CFA June 10, 2022

(A) Dil. EPS. Excl. nonrecur. gains (losses): '11, \$1.89; '12, (38c); '13, (52c); '15, (\$2.69); '17, \$2.56; '20, (\$2.74); '22, 30c; gain (loss) on disc. ops.: '20, (34c); '21, \$1.34. Next earnings report due early Aug. (B) Div'ds histor. paid in early Mar., June, Sept. & Dec. 5 declarations in '17 & '20, 3 in '19. Div'd reinv. plan avail. (C) Incl. intang. In '21: \$10.52/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., '21: 7.9%. Regulatory Climate: TX, Avg.; IN, Above Avg.

Company's Financial Strength B+
Stock's Price Stability 70
Price Growth Persistence 25
Earnings Predictability 50

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