

FIRSTENERGY NYSE-FE

RECENT PRICE **42.94** P/E RATIO **17.9** (Trailing: 16.7; Median: 19.0) RELATIVE P/E RATIO **1.08** DIV'D YLD **3.7%** VALUE LINE

TIMELINESS 3 Lowered 3/4/22
SAFETY 3 Lowered 7/31/20
TECHNICAL 2 Raised 5/13/22
BETA .80 (1.00 = Market)

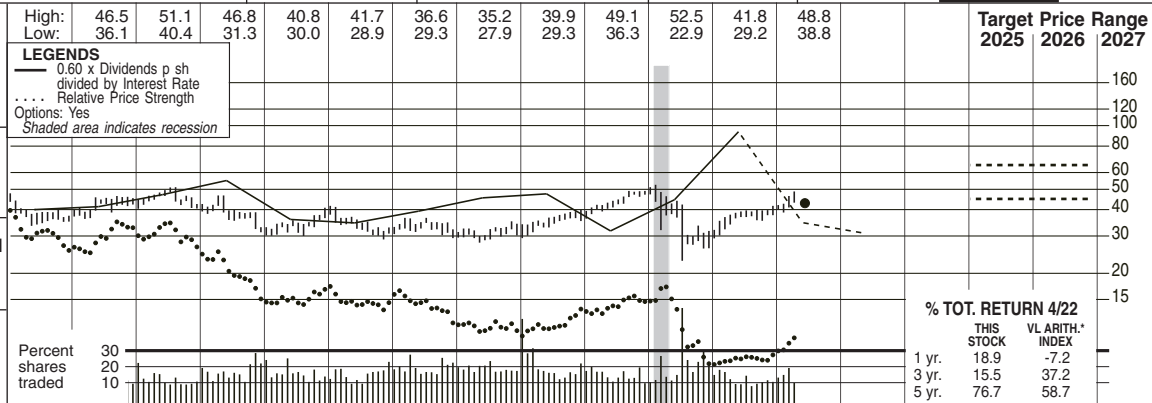
High: 46.5 51.1 46.8 40.8 41.7 36.6 35.2 39.9 49.1 52.5 41.8 48.8
 Low: 36.1 40.4 31.3 30.0 28.9 29.3 27.9 29.3 36.3 22.9 29.2 38.8

LEGENDS
 0.60 x Dividends p sh divided by Interest Rate
 Relative Price Strength
 Options: Yes
 Shaded area indicates recession

18-Month Target Price Range
 Low-High Midpoint (% to Mid)
 \$28-\$47 \$38 (-15%)

2025-27 PROJECTIONS
 Price Gain Ann'l Total Return
 High 65 (+50%) 14%
 Low 45 (+5%) 5%

Institutional Decisions
 202021 302021 402021
 to Buy 312 340 349
 to Sell 263 211 274
 Hlds(000) 449120 447567 477887



2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	© VALUE LINE PUB. LLC	25-27
36.03	42.00	44.70	41.70	43.76	38.87	36.57	35.60	35.74	35.48	32.92	31.49	22.00	20.41	19.87	19.52	21.15	22.10	Revenues per sh	25.25
7.22	8.34	9.04	8.80	8.50	5.75	6.05	6.30	4.55	6.33	6.53	6.54	3.98	3.94	4.05	5.38	4.95	5.30	"Cash Flow" per sh	6.50
3.82	4.22	4.38	3.32	3.25	1.88	2.13	2.97	.85	2.00	2.10	2.73	1.33	1.84	1.85	2.69	2.40	2.60	Earnings per sh A	3.25
1.85	2.05	2.20	2.20	2.20	2.20	2.20	1.65	1.44	1.44	1.44	1.44	1.82	1.53	1.56	1.56	1.56	1.64	Div'd Decl'd per sh B	2.00
4.12	5.36	9.47	7.23	6.44	5.45	7.09	6.90	8.42	6.83	6.93	6.38	5.23	4.93	4.89	4.29	5.75	5.90	Cap'l Spending per sh	6.25
28.30	29.45	27.17	28.08	28.03	31.75	31.29	30.32	29.49	29.33	14.11	8.81	13.17	12.90	13.33	15.21	16.15	17.25	Book Value per sh C	21.00
319.21	304.84	304.84	304.84	304.84	418.22	418.22	418.63	421.10	423.56	442.34	445.33	511.92	540.65	543.12	570.26	572.50	575.00	Common Shs Outst'g D	582.00
14.2	15.6	15.6	13.0	11.7	22.4	21.1	13.1	39.8	17.0	15.9	11.4	26.5	23.8	20.2	13.6	10.4	7.4	Avg Ann'l P/E Ratio	16.5
.77	.83	.94	.87	.74	1.41	1.34	.74	2.10	.86	.83	.57	1.43	1.27	1.04	.74	1.04	.74	Relative P/E Ratio	.90
3.4%	3.1%	3.2%	5.1%	5.8%	5.2%	4.9%	4.3%	4.3%	4.2%	4.3%	4.6%	5.2%	3.5%	4.2%	4.3%	4.2%	4.3%	Avg Ann'l Div'd Yield	3.7%

CAPITAL STRUCTURE as of 3/31/22
 Total Debt \$23159 mill. Due in 5 Yrs \$5795 mill.
 LT Debt \$21754 mill. LT Interest \$972 mill.
 Incl. \$36 mill. finance leases.
 (LT interest earned: 2.6x)
 Leases, Uncapitalized Annual rentals \$54 mill.

Pension Assets-12/21 \$9020 mill.
 Oblig \$11479 mill.

Pfd Stock None

Common Stock 570,932,260 shs.

MARKET CAP: \$25 billion (Large Cap)

15294	14903	15049	15029	14562	14022	11261	11035	10790	11132	12100	12700	Revenues (\$mill)	14700
891.0	1245.0	356.0	844.0	892.0	1213.0	726.0	995.0	1003.0	1469.0	1375	1510	Net Profit (\$mill)	1895
41.1%	36.1%	5.6%	35.7%	37.8%	32.4%	19.0%	11.2%	17.9%	21.0%	21.0%	Income Tax Rate	21.0%	
8.1%	6.0%	33.1%	13.9%	11.5%	6.5%	9.0%	7.1%	7.7%	5.1%	6.0%	5.0%	AFUDC % to Net Profit	4.0%
53.7%	55.5%	60.7%	60.7%	74.5%	84.3%	72.3%	73.8%	75.4%	71.9%	70.0%	69.0%	Long-Term Debt Ratio	66.5%
46.3%	44.5%	39.3%	39.3%	25.5%	15.7%	27.4%	26.2%	24.6%	28.1%	30.0%	31.0%	Common Equity Ratio	33.5%
28263	28523	31596	31613	24433	25040	24565	26593	29368	30923	30750	32275	Total Capital (\$mill)	36700
32903	33252	35783	37214	29387	28879	29911	31650	33294	34744	36625	38850	Net Plant (\$mill)	44300
4.9%	6.0%	2.7%	4.3%	5.7%	7.0%	4.9%	5.4%	5.0%	6.3%	6.0%	6.0%	Return on Total Cap'l	6.5%
6.8%	9.8%	2.9%	6.8%	14.3%	30.9%	10.7%	14.3%	13.9%	16.9%	15.0%	15.0%	Return on Shr. Equity	15.5%
6.8%	9.8%	2.9%	6.8%	14.3%	30.9%	9.7%	14.2%	13.9%	16.9%	15.0%	15.0%	Return on Com Equity E	15.5%
NMF	2.6%	NMF	1.9%	4.5%	14.6%	NMF	2.5%	2.2%	7.1%	5.0%	5.5%	Retained to Com Eq	6.0%
103%	74%	NMF	72%	68%	53%	108%	82%	84%	58%	65%	62%	All Div'ds to Net Prof	61%

ELECTRIC OPERATING STATISTICS

	2019	2020	2021
% Change Retail Sales (KWH)	2.7	4.0	+2.4
Avg. Indust. Use (MWH)	NMF	NMF	NMF
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)	+3	+6	+4

Fixed Charge Cov. (%) 249 203 171

BUSINESS: FirstEnergy Corp. is a holding company for Ohio Edison, Pennsylvania Power, Cleveland Electric, Toledo Edison, Metropolitan Edison, Penelec, Jersey Central Power & Light, West Penn Power, Potomac Edison, & Mon Power. Provides electric service to 6.2 million customers in OH, PA, NJ, WV, MD, & NY. Acq'd Allegheny Energy 2/11. Electric revenue breakdown: residential, 61%; commercial, 25%; industrial, 13%; other, 1%. Purchases most of its power. Power costs: 31% of revenues. '21 reported depreciation rate: 2.7%. Has 12,400 employees. Chairman: Donald T. Misheff. CEO and President: Steven E. Strah. Incorporated: Ohio. Address: 76 South Main Street, Akron, Ohio 44308-1890. Telephone: 800-736-3402. Internet: www.firstenergycorp.com.

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

Revenues	-7.0%	-10.5%	4.0%
"Cash Flow"	-5.5%	-5.0%	6.0%
Earnings	-3.0%	5.0%	7.5%
Dividends	-3.5%	1.5%	4.5%
Book Value	-7.0%	-10.5%	7.0%

FirstEnergy is awaiting the completion of an asset sale. The company agreed to sell a 19.9% stake in its electric transmission subsidiary for \$2.375 billion. FirstEnergy raised \$1.0 billion from a sale of 25.6 million shares of common stock in December. The majority of the cash is being used to pay down debt. Other options include a pension contribution or funding capital spending. Strengthening the balance sheet is an area of management's focus because some of the company's credit ratings are below investment grade. The transmission sale is expected to close by the end of May.

near the low end of FirstEnergy's guidance (on a GAAP basis) of \$2.37-\$2.57. **We look for a partial earnings recovery next year.** The credits in Ohio will be lower. There ought to be a benefit from moderate load growth. Some of the company's capital investments are recoverable through various regulatory mechanisms. We trimmed our estimate by a nickel a share due to the possibility that pension expense will be greater than previously anticipated. We think a resumption of dividend growth is possible, too. FirstEnergy's targeted range for the payout ratio is 55%-65%. **The dividend yield is slightly above the utility average.** The possible resumption of dividend growth next year is another advantage. On the other hand, total return potential is negative for the next 18 months and unspectacular for the 2025-2027 period. Moreover, investors should be aware of various audits by state commissions stemming from improper contacts with state legislators in Ohio. This caused the board to replace FirstEnergy's chief executive officer in 2020. *Paul E. Debbas, CFA* May 13, 2022

QUARTERLY REVENUES (\$ mill.)

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2019	2883	2516	2963	2673	11035
2020	2709	2522	3022	2537	10790
2021	2726	2622	3124	2660	11132
2022	2989	2900	3400	2811	12100
2023	3150	3050	3550	2950	12700

Share profits will probably decline in 2022. Average shares outstanding will be higher due to the aforementioned stock sale. Due to a regulatory settlement, FirstEnergy will refund \$96 million of previously collected revenues and provide \$80 million in rate credits to its Ohio customers this year (followed by \$60 million in 2023, \$45 million in 2024, and \$25 million in 2025). In addition, some \$150 million of annual corporate costs that were previously capitalized are now being treated as expenses. Our estimate of \$2.40 a share is

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EARNINGS PER SHARE A

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2019	.66	.63	.75	d.20	1.84
2020	.05	.57	.85	.39	1.85
2021	.62	.53	.76	.77	2.69
2022	.51	.52	.76	.61	2.40
2023	.61	.57	.80	.62	2.60

QUARTERLY DIVIDENDS PAID B

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2018	.36	.36	.36	.36	1.44
2019	.38	.38	.38	.38	1.52
2020	.39	.39	.39	.39	1.56
2021	.39	.39	.39	.39	
2022	.39				

(A) Dil. EPS. Excl. nonrec. loss: '13, \$2.07; '14, 17c; '15, 63c; '16, \$16.59; '17, \$6.61; '21, 42c; gains (loss) from disc. ops.: '18, 66c; '19, (17c); '20, 14c; '21, 8c. '20, '21 EPS don't sum due to chg. in shs. or roundg. Next egs. report due late July. (B) Div's pd. early Mar., June, Sept., & Dec. 3 div's in '13, 5 in '18. Div'd reinv. avail. (C) Incl. intang. In '21: \$9.98/sh.

(D) In mill. (E) Rate base: Depr. orig. cost. Rates all'd on com. eq.: 9.6%-11.7%; earned on avg. com. eq., '21: 18.5%. Reg.: OH, Above Avg.; PA, NJ Avg.; MD, WV Below Avg.

Company's Financial Strength	B+
Stock's Price Stability	80
Price Growth Persistence	25
Earnings Predictability	50