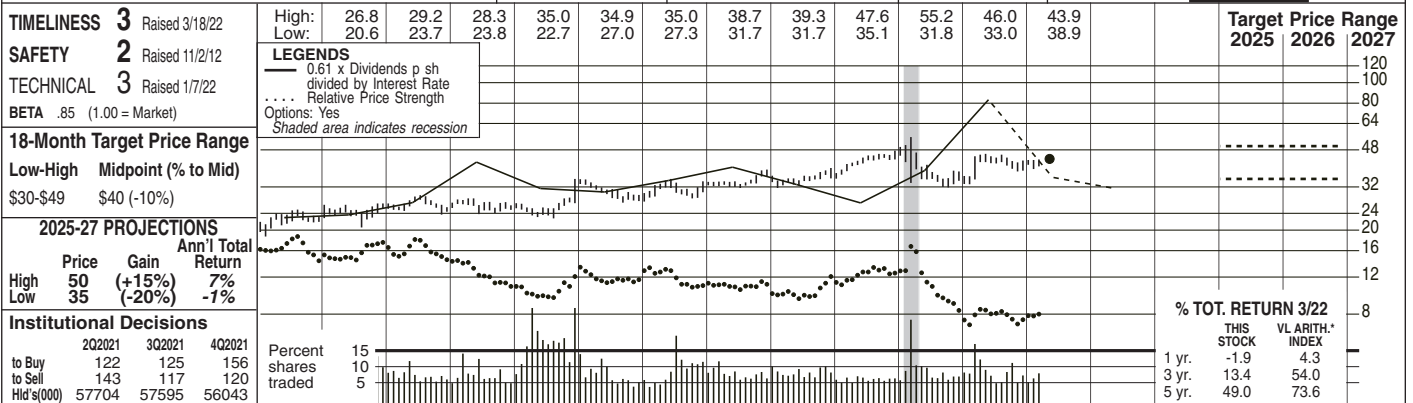


# HAWAIIAN ELECTRIC NYSE:HE

RECENT PRICE **43.46** P/E RATIO **20.7** (Trailing: 19.3; Median: 18.0) RELATIVE P/E RATIO **1.16** DIV'D YLD **3.2%** 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
30.21	30.40	35.56	24.96	28.14	33.76	34.46	31.98	31.59	24.22	21.92	23.49	26.28	26.38	23.63	26.08	<b>29.20</b>	<b>29.10</b>	Revenues per sh	<b>31.00</b>
3.19	3.01	2.72	2.59	2.88	3.18	3.28	3.22	3.41	3.31	4.17	3.68	4.20	4.55	4.48	4.80	<b>4.75</b>	<b>4.85</b>	"Cash Flow" per sh	<b>5.50</b>
1.33	1.11	1.07	.91	1.21	1.44	1.67	1.62	1.64	1.50	2.29	1.64	1.85	1.99	1.81	2.25	<b>2.10</b>	<b>2.10</b>	Earnings per sh <sup>A</sup>	<b>2.50</b>
1.24	1.24	1.24	1.24	1.24	1.24	1.24	1.24	1.24	1.24	1.24	1.24	1.24	1.28	1.32	1.36	<b>1.40</b>	<b>1.44</b>	Div'd Decl'd per sh <sup>B</sup>	<b>1.60</b>
2.58	2.62	3.12	3.29	1.92	2.45	3.32	3.49	3.31	3.39	3.04	4.55	4.94	4.20	3.52	2.88	<b>3.65</b>	<b>4.10</b>	Cap'l Spending per sh	<b>4.00</b>
13.44	15.29	15.35	15.58	15.67	15.95	16.28	17.06	17.47	17.94	19.03	19.28	19.86	20.93	21.41	21.87	<b>22.55</b>	<b>23.30</b>	Book Value per sh <sup>C</sup>	<b>26.25</b>
81.46	83.43	90.52	92.52	94.69	96.04	97.93	101.26	102.57	107.46	108.58	108.79	108.88	108.97	109.18	109.31	<b>109.50</b>	<b>110.00</b>	Common Shs Outst'g <sup>D</sup>	<b>113.00</b>
20.3	21.6	23.2	19.8	18.6	17.1	15.8	16.2	15.9	20.4	13.6	20.7	18.9	21.3	21.5	18.2	<b>Bold figures are Value Line estimates</b>		Avg Ann'l P/E Ratio	<b>17.5</b>
1.10	1.15	1.40	1.32	1.18	1.07	1.01	.91	.84	1.03	.71	1.04	1.02	1.13	1.10	1.00			Relative P/E Ratio	<b>.95</b>
4.6%	5.2%	5.0%	6.9%	5.5%	5.0%	4.7%	4.7%	4.8%	4.1%	4.0%	3.7%	3.5%	3.0%	3.4%	3.3%			Avg Ann'l Div'd Yield	<b>3.7%</b>

CAPITAL STRUCTURE as of 12/31/21		2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Total Debt \$2375.9 mill. Due in 5 Yrs \$681.0 mill.		3375.0	3238.5	3239.5	2603.0	2380.7	2555.6	2860.8	2874.6	2579.8	2850.4	<b>3200</b>	<b>3200</b>	Revenues (\$mill)	<b>3500</b>				
LT Debt \$2098.9 mill. LT Interest \$92.0 mill.		164.9	163.4	170.2	161.8	250.1	180.6	203.7	219.8	199.7	248.1	<b>230</b>	<b>235</b>	Net Profit (\$mill)	<b>280</b>				
Incl. \$50 mill. 6.5% oblig. pfd. sec. of trust subsid. (LT interest earned: 4.5%)		35.9%	34.0%	35.0%	36.5%	33.1%	34.7%	20.0%	19.0%	17.0%	20.2%	<b>19.0%</b>	<b>19.0%</b>	Income Tax Rate	<b>19.0%</b>				
Leases, Uncapitalized Annual rentals \$11.0 mill.		6.9%	4.8%	5.5%	5.8%	4.6%	9.6%	7.7%	7.5%	5.9%	5.2%	<b>6.0%</b>	<b>7.0%</b>	AFUDC % to Net Profit	<b>6.0%</b>				
Pension Assets-12/21 \$2320.8 mill.		45.7%	44.0%	45.2%	43.5%	41.6%	43.4%	47.5%	44.6%	46.5%	44.4%	<b>44.5%</b>	<b>46.4%</b>	Long-Term Debt Ratio	<b>46.0%</b>				
Oblig \$2644.6 mill.		53.1%	55.0%	53.8%	55.5%	57.5%	57.7%	51.7%	54.6%	52.7%	52.8%	<b>55.0%</b>	<b>53.5%</b>	Common Equity Ratio	<b>53.5%</b>				
Pfd Stock \$34.3 mill. Pfd Div'd \$2.0 mill.		3001.0	3142.9	3332.3	3473.5	3595.1	3765.5	4182.3	4176.9	4435.9	4524.1	<b>4505</b>	<b>4790</b>	Total Capital (\$mill)	<b>5525</b>				
1,114,657 shs. 4 1/4% to 5 1/4%, \$20 par. call. \$20 to \$21; 120,000 shs. 7% 6%, \$100 par. call. \$100.		3594.8	3858.9	4148.8	4377.7	4603.5	5025.9	4830.1	5109.6	5265.7	5392.1	<b>5500</b>	<b>5650</b>	Net Plant (\$mill)	<b>5925</b>				
Sinking fund ended 2018.		6.7%	6.4%	6.2%	5.7%	7.9%	5.8%	5.9%	6.3%	5.5%	6.4%	<b>6.0%</b>	<b>6.0%</b>	Return on Total Cap'l	<b>6.0%</b>				
Common Stock 109,311,785 shs. as of 2/11/22		10.1%	9.3%	9.3%	8.2%	11.9%	8.5%	9.3%	9.5%	8.4%	10.2%	<b>9.0%</b>	<b>9.0%</b>	Return on Shr. Equity	<b>9.5%</b>				
MARKET CAP: \$4.8 billion (Mid Cap)		10.2%	9.4%	9.4%	8.3%	12.0%	8.5%	9.3%	9.6%	8.5%	10.3%	<b>9.5%</b>	<b>9.0%</b>	Return on Com Equity <sup>E</sup>	<b>9.5%</b>				

ELECTRIC OPERATING STATISTICS		2019	2020	2021
% Change Retail Sales (KWH)		+6	+7	+1.7
Avg. Indust. Use (MWH)		5225	4474	4561
Avg. Indust. Revs. per KWH (c)		25.52	24.21	26.88
Capacity at Yearend (Mw)		2254	2254	2278
Peak Load, Winter (Mw)		1601	1471	1471
Annual Load Factor (%)		65.2	66.2	67.2
% Change Customers (yr-end)		+5	+6	+5

ANNUAL RATES		Past 10 Yrs.	Past 5 Yrs.	Est'd '19-'21 to '25-'27
of change (per sh)				
Revenues		-1.5%	-5%	3.5%
"Cash Flow"		5.0%	5.0%	3.0%
Earnings		5.5%	2.0%	3.5%
Dividends		.5%	1.5%	3.5%
Book Value		3.0%	3.5%	3.5%

Cal-endar	QUARTERLY REVENUES (\$ mill.)				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2019	661.6	715.5	771.5	726.0	2874.6
2020	677.2	609.0	641.4	652.2	2579.8
2021	642.9	680.3	756.9	770.3	2850.4
2022	<b>750</b>	<b>800</b>	<b>850</b>	<b>800</b>	<b>3200</b>
2023	<b>800</b>	<b>800</b>	<b>825</b>	<b>775</b>	<b>3200</b>

Cal-endar	EARNINGS PER SHARE <sup>A</sup>				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2019	.42	.39	.58	.61	1.99
2020	.31	.45	.59	.46	1.81
2021	.59	.58	.58	.50	2.25
2022	<b>.50</b>	<b>.50</b>	<b>.60</b>	<b>.50</b>	<b>2.10</b>
2023	<b>.50</b>	<b>.50</b>	<b>.60</b>	<b>.50</b>	<b>2.10</b>

Cal-endar	QUARTERLY DIVIDENDS PAID <sup>B</sup>				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2018	.31	.31	.31	.31	1.24
2019	.32	.32	.32	.32	1.28
2020	.33	.33	.33	.33	1.32
2021	.34	.34	.34	.34	1.36
2022	.35	.35	.35	.35	1.40

**Investors should not be alarmed by the moderate earnings decline that is likely for Hawaiian Electric Industries in 2022.** The company's utilities are benefiting from the state's performance-based ratemaking plan, which provides revenues annually to compensate for inflation and recover expenses and certain kinds of capital spending. There is the potential for additional income from performance incentive mechanisms. All told, profits from HEI's three utilities are likely to advance. By contrast, the American Savings Bank subsidiary will almost certainly see a decline in its income, even though the bank would benefit from rising interest rates. That's because ASB expects to book provisions for credit losses of as much as \$10 million this year. In 2021, this figure was a credit of \$25.8 million as reserves taken in 2020 (during the recession) were reversed. However, because the charge for loan losses will probably be less than we expected in our January report, we raised our 2022 share-earnings estimate by \$0.10, to \$2.10. Our revised estimate is at the midpoint of HEI's targeted range of \$2.00-\$2.20.

**Much of the company's capital spending is for renewable energy.** Customers' rates are volatile due to fluctuations in the price of oil. System reliability is another area of focus. Several projects for the next three years have been approved by the state commission or are awaiting the regulators' approval. **We look for flat earnings in 2023.** We expect continued growth from the utility operations. However, we also think the provision for loan losses at ASB will return to a normal level (\$17 million-\$22 million), offsetting the growth from the utilities. **The board of directors raised the dividend in the first quarter.** The increase was one cent a share (2.9%) quarterly, the same as in recent years. We project modest dividend growth to continue through mid-decade. **The dividend yield of this stock is about average for a utility.** The recent quotation is well within our 2025-2027 Target Price Range. Total return potential is negative for the 18-month span and low for the 3- to 5-year period.

(A) Diluted EPS. Excl. nonrec. losses: '07, 9c; '12, 25c; '17, 12c. '19 EPS don't sum due to rounding. Next earnings report due early May. (B) Div'ds paid early Mar., June, Sept., & Dec. (C) Div'd reinvestment plan avail. (D) Incl. intang. '19: \$5.32/sh. (E) In mill., adj. for split. (F) Rate base: Orig. cost. Rate allowed on com. eq. in '18: HECO, 9.5%; in '18: HELCO, 9.5%; in '18: MECO, 9.5%; earned on avg. com. eq., '21: 10.4%. Regulat. Climate: Below Avg. (F) Excl. div's paid through reinv. plan.

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