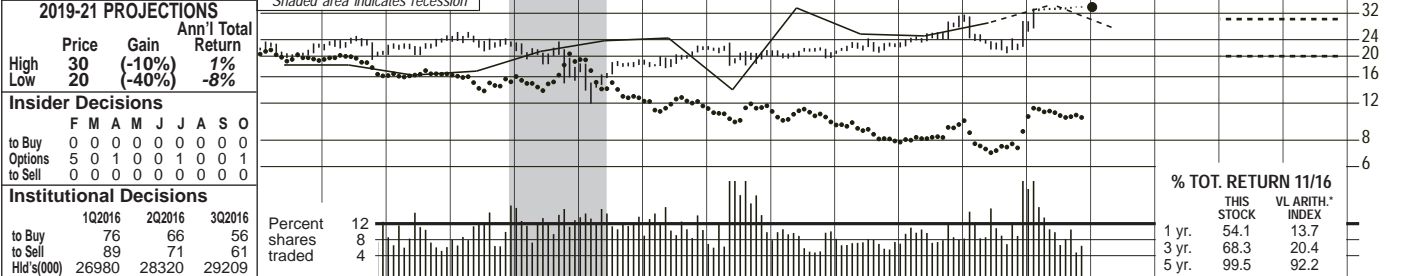


EMPIRE DISTRICT NYSE-EDE

RECENT PRICE **34.20** P/E RATIO **23.8** (Trailing: 24.8 Median: 16.0) RELATIVE P/E RATIO **1.22** DIV'D YLD **3.1%** VALUE LINE

TIMELINESS — Suspended 2/19/16	High: 25.0	25.1	26.1	23.5	19.4	22.5	23.3	22.0	24.3	31.2	31.5	34.5	Target Price Range								
SAFETY 2 Raised 3/23/12	Low: 19.3	20.3	21.1	14.9	11.9	17.6	18.0	19.5	20.6	22.0	20.7	26.2	2019 2020 2021								
TECHNICAL — Suspended 2/19/16	LEGENDS 0.61 x Dividends p sh divided by Interest Rate Relative Price Strength Options: Yes Shaded area indicates recession																				
BETA .70 (1.00 = Market)	2019-21 PROJECTIONS <table border="1"> <tr> <td>Price</td> <td>Gain</td> <td>Ann'l Total Return</td> </tr> <tr> <td>High 30</td> <td>(-10%)</td> <td>1%</td> </tr> <tr> <td>Low 20</td> <td>(-40%)</td> <td>-8%</td> </tr> </table>												Price	Gain	Ann'l Total Return	High 30	(-10%)	1%	Low 20	(-40%)	-8%
Price	Gain	Ann'l Total Return																			
High 30	(-10%)	1%																			
Low 20	(-40%)	-8%																			



2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	© VALUE LINE PUB. LLC	19-21
14.78	13.37	13.56	13.03	12.67	14.80	13.67	14.59	15.25	13.04	13.02	13.74	13.11	13.81	15.00	13.82	13.50	13.55	Revenues per sh	14.75
3.12	2.19	2.43	2.48	2.22	2.45	2.75	2.69	2.91	2.72	2.85	3.21	2.99	3.14	3.45	3.32	3.60	3.80	"Cash Flow" per sh	4.50
1.35	.59	1.19	1.29	.86	.92	1.41	1.09	1.17	1.18	1.17	1.31	1.32	1.48	1.55	1.29	1.40	1.45	Earnings per sh ^A	1.75
1.28	1.28	1.28	1.28	1.28	1.28	1.28	1.28	1.28	1.28	1.28	.64	1.00	1.01	1.03	1.04	1.04	1.06	Div'd Decl'd per sh ^B + †	1.20
7.61	4.02	3.43	2.65	1.64	2.83	3.97	5.46	6.28	4.07	2.63	2.44	3.22	3.60	4.91	4.23	2.70	2.40	Cap'l Spending per sh	3.50
13.65	13.58	14.59	15.17	14.76	15.08	15.49	16.04	15.56	15.75	15.82	16.53	16.90	17.43	18.02	18.32	18.55	18.85	Book Value per sh ^C	20.25
17.60	19.76	22.57	24.98	25.70	26.08	30.25	33.61	33.98	38.11	41.58	41.98	42.48	43.04	43.48	43.82	44.50	45.00	Common Shs Outst'g ^D	46.50
17.7	33.9	16.2	15.8	24.8	24.5	15.9	21.7	17.3	14.3	16.8	15.8	15.8	15.0	16.2	18.6	Bold figures are Value Line estimates		Avg Ann'l P/E Ratio	14.5
1.15	1.74	.88	.90	1.31	1.30	.86	1.15	1.04	.95	1.07	.99	1.01	.84	.85	.93			Relative P/E Ratio	.90
5.4%	6.4%	6.6%	6.3%	6.0%	5.7%	5.7%	5.4%	6.3%	7.6%	6.5%	3.1%	4.8%	4.5%	4.1%	4.3%			Avg Ann'l Div'd Yield	4.7%

CAPITAL STRUCTURE as of 9/30/16				2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	Revenues (\$mill)	685
Total Debt \$854.9 mill. Due in 5 Yrs \$216.8 mill.				413.5	490.2	518.2	497.2	541.3	576.9	557.1	594.3	652.3	605.6	600	610	Revenues (\$mill)	685						
LT Debt \$829.6 mill. LT Interest \$42.3 mill.				39.9	33.2	39.7	41.3	47.4	55.0	55.7	63.4	67.1	56.6	60.0	65.0	Net Profit (\$mill)	80.0						
Incl. \$3.3 mill. capitalized leases. (LT interest earned: 3.0x)				35.4%	30.3%	32.5%	32.5%	39.2%	38.4%	38.0%	37.1%	36.9%	37.4%	37.5%	38.0%	Income Tax Rate	38.0%						
Pension Assets-12/15 \$186.9 mill. Oblig \$243.7 mill.				10.7%	23.1%	31.5%	34.2%	21.5%	.9%	3.5%	9.4%	14.8%	13.6%	8.0%	3.0%	AFUDC % to Net Profit	5.0%						
Pfd Stock None				49.7%	50.1%	53.6%	51.6%	51.3%	49.9%	49.1%	49.8%	50.6%	51.1%	53.0%	50.0%	Long-Term Debt Ratio	50.5%						
Common Stock 44,094,312 shs. as of 10/31/16				50.3%	49.9%	46.4%	48.4%	48.7%	50.1%	50.9%	50.2%	49.4%	48.9%	47.0%	50.0%	Common Equity Ratio	49.5%						
MARKET CAP: \$1.5 billion (Mid Cap)				931.0	1081.1	1140.4	1240.3	1350.7	1386.2	1409.4	1493.6	1586.5	1640.7	1765	1695	Total Capital (\$mill)	1900						
ELECTRIC OPERATING STATISTICS				1031.0	1178.9	1342.8	1459.0	1519.1	1563.7	1657.6	1751.9	1910.3	2020.4	2040	2045	Net Plant (\$mill)	2175						
% Change Retail Sales (KWH)				5.9%	4.7%	5.2%	5.2%	5.1%	5.5%	5.4%	5.6%	5.5%	4.8%	5.0%	5.0%	Return on Total Cap'l	5.5%						
Avg. Industrial Use (MWH)				8.5%	6.2%	7.5%	6.9%	7.2%	7.9%	7.8%	8.5%	8.6%	7.1%	7.5%	7.5%	Return on Shr. Equity	8.5%						
Avg. Industrial Rev/KWH (c)				8.5%	6.2%	7.5%	6.9%	7.2%	7.9%	7.8%	8.5%	8.6%	7.1%	7.5%	7.5%	Return on Com Equity ^E	8.5%						
Capacity at Peak (Mw)				.8%	NMF	NMF	NMF	NMF	4.1%	1.9%	2.7%	2.9%	1.4%	2.0%	2.0%	Retained to Com Eq	2.5%						
Peak Load, Summer (Mw)				90%	117%	109%	109%	110%	49%	76%	68%	66%	80%	74%	7.0%	All Div'ds to Net Prof	69%						
Annual Load Factor (%)				BUSINESS: The Empire District Electric Company supplies electricity to 170,000 customers in a 10,000 sq. mi. area in southwestern Missouri (89% of retail elec. revs.), Kansas (5%), Oklahoma (3%), & Arkansas (3%). Acquired Missouri Gas (44,000 customers) 6/06. Supplies water service (4,000 customers) and has a small fiber-optics operation. Elec. rev. breakdown: residential, 42%; commercial, 31%; industrial, 16%; other, 11%. Generating sources: coal, 50%; gas, 27%; hydro, 1%; purch., 22%. Fuel costs: 31% of revenues. '15 reported depr. rate: 3.2%. Has about 750 employees. Chairman: D. Randy Laney. President & CEO: Bradley P. Beecher. Inc.: KS. Address: 602 S. Joplin Ave., P.O. Box 127, Joplin, MO 64802-0127. Tel.: 417-625-5100. Internet: www.empiredistrict.com.																			
% Change Customers (avg.)				It appears as if the acquisition of Empire District Electric Company will be completed soon. Algonquin Power & Utilities, a Canadian company that already has some operations in the United States under the Liberty Utilities name, has agreed to pay \$34.00 in cash for each share of Empire District Electric. All shareholder and regulatory approvals have been received, except that of the Kansas Corporation Commission (KCC). However, the companies have reached a settlement with the KCC's staff. As part of the agreement, Empire District Electric would withdraw its pending request for a \$6.4 million (25.7%) rate increase. Instead, the company would file for recovery of certain environmental costs through a rider on customers' bills. This would raise rates by \$1.2 million. A ruling from the KCC is due by January 10, 2017. If the regulators approve the settlement—and there has been no significant opposition—the transaction is likely to be completed shortly thereafter. Accordingly, this might well be our last full-page report on Empire District Electric. We advise stockholders to sell their shares on the open market. The recent price of Empire District Electric stock is above the buyout price. The Timeliness rank of this equity remains suspended due to the takeover agreement. Empire District Electric received a rate increase in Missouri. The Missouri Public Service Commission approved a settlement calling for a hike of \$20.4 million (4.5%), based on a return on equity in a range of 9.5%-9.9%. New tariffs took effect in mid-September. We expect higher earnings this year and next, despite the inclusion of merger-related expenses. Merger-related costs are expected to reduce the bottom line by \$0.10-\$0.12 a share in 2016. Even so, we think profits will wind up higher for the year because the effects of regulatory lag hurt earnings in 2015. In addition, Empire District Electric should benefit from rate relief in 2016 and 2017. Note that we have raised our 2016 earnings estimate by \$0.05 a share, to \$1.40, because a hotter-than-normal summer helped boost the bottom line in the third quarter.																			

Fixed Charge Cov. (%)	2013	2014	2015
	331	334	291

ANNUAL RATES	Past 10 Yrs.	Past 5 Yrs.	Est'd '13-'15
of change (per sh)			
Revenues	.5%	.5%	.5%
"Cash Flow"	3.5%	3.0%	5.5%
Earnings	3.5%	4.0%	3.5%
Dividends	-2.0%	-4.5%	2.5%
Book Value	2.0%	2.5%	2.0%

Cal-endar	QUARTERLY REVENUES (\$ mill.)				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2013	151.1	136.6	157.5	149.1	594.3
2014	179.7	149.8	171.5	151.3	652.3
2015	164.5	134.6	169.7	136.8	605.6
2016	151.3	139.3	175.4	134	600
2017	160	140	175	135	610

Cal-endar	EARNINGS PER SHARE ^A				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2013	.30	.27	.56	.35	1.48
2014	.48	.26	.55	.26	1.55
2015	.34	.15	.58	.23	1.29
2016	.32	.21	.62	.25	1.40
2017	.31	.26	.60	.28	1.45

Cal-endar	QUARTERLY DIVIDENDS PAID ^B + †				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2012	.25	.25	.25	.25	1.00
2013	.25	.25	.25	.255	1.01
2014	.255	.255	.255	.26	1.03
2015	.26	.26	.26	.26	1.04
2016	.26	.26	.26	.26	

(A) Diluted earnings. Excl. loss from discontinued operations: '06, 2c. '15 EPS don't add due to rounding. Next earnings report due early Feb. (B) Div'ds historically paid in mid-Mar., June, Sept. and Dec. Div'ds suspended 3Q '11, reinstated 1Q '12. ■ Div'd reinvestment plan avail. (3% discount). † Shareholder investment plan avail. (C) Incl. intangibles. In '15: \$5.88/sh. (D) In mill. (E) Rate base: Deprec. orig. cost. Rate allowed on com. eq. in MO in '16: 9.5%-9.9%; earned on avg. com. eq., '15: 7.2%. Regulatory Climate: Below Average.

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Company's Financial Strength B++
Stock's Price Stability 85
Price Growth Persistence 35
Earnings Predictability 85

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Paul E. Debbas, CFA December 16, 2016