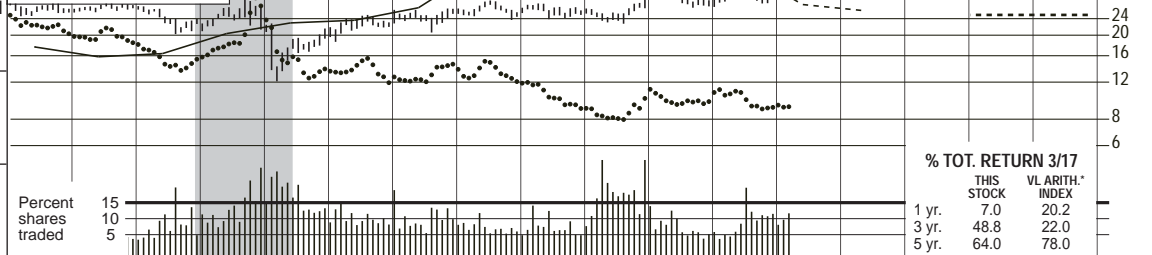


HAWAIIAN ELECTRIC NYSE-HE

RECENT PRICE 33.76 P/E RATIO **21.0** (Trailing: 14.7; Median: 18.0) **RELATIVE P/E RATIO 1.07** **DIV'D YLD 3.7%** **VALUE LINE**

TIMELINESS 2 Raised 3/24/17	High: 28.9 27.5 29.8 22.7 25.0 26.8 29.2 28.3 35.0 34.9 35.0 33.9	Target Price Range 2020 2021 2022
SAFETY 2 Raised 11/2/12	Low: 25.7 20.3 21.0 12.1 18.6 20.6 23.7 23.8 22.7 27.0 27.3 32.3	64 48 40 32 24 20 16 12 8 6
TECHNICAL 3 Lowered 3/31/17		
BETA .70 (1.00 = Market)		

LEGENDS
 0.61 x Dividends p sh divided by Interest Rate
 ... Relative Price Strength
 2-for-1 split 6/04
 Options: Yes
 Shaded area indicates recession



2020-22 PROJECTIONS	
Price	Ann'l Total Return
High 35	(+5%) 5%
Low 25	(-25%) -3%

Insider Decisions	
J A S O N D J F	
to Buy	0 0 0 0 0 0 0 0 0 0 0
Options	0 0 0 8 0 0 0 0 0 6
to Sell	0 0 0 1 0 0 0 0 0 0

Institutional Decisions		
202016	3Q2016	4Q2016
to Buy	117	129
to Sell	76	92
Hlds(000)	47592	47770
	50087	

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	© VALUE LINE PUB. LLC	20-22
24.26	22.46	23.49	23.85	27.36	30.21	30.40	35.56	24.96	28.14	33.76	34.46	31.98	31.59	24.22	21.92	23.40	24.30	Revenues per sh	26.25
3.33	3.52	3.54	3.09	3.22	3.19	3.01	2.72	2.59	2.88	3.18	3.28	3.22	3.41	3.31	4.17	3.65	3.80	"Cash Flow" per sh	4.25
1.60	1.62	1.58	1.36	1.46	1.33	1.11	1.07	.91	1.21	1.44	1.67	1.62	1.64	1.50	2.29	1.60	1.70	Earnings per sh ^A	2.00
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	1.24	1.24	1.24	1.24	1.24	Div'd Decl'd per sh ^B	1.40
1.77	1.74	2.15	2.66	2.76	2.58	2.62	3.12	3.29	1.92	2.45	3.32	3.49	3.31	3.39	3.04	3.55	4.15	Cap'l Spending per sh	4.00
13.06	14.21	14.36	15.01	15.02	13.44	15.29	15.35	15.58	15.67	15.95	16.28	17.06	17.47	17.94	19.03	19.35	19.80	Book Value per sh ^C	22.00
71.20	73.62	75.84	80.69	80.98	81.46	83.43	90.52	92.52	94.69	96.04	97.93	101.26	102.57	107.46	108.58	109.00	109.00	Common Shs Outst'g ^D	112.00
11.8	13.5	13.8	19.2	18.3	20.3	21.6	23.2	19.8	18.6	17.1	15.8	16.2	15.9	20.4	13.6			Avg Ann'l P/E Ratio	15.0
.60	.74	.79	1.01	.97	1.10	1.15	1.40	1.32	1.18	1.07	1.01	.91	.84	1.03	.71			Relative P/E Ratio	.95
6.6%	5.7%	5.7%	4.8%	4.6%	4.6%	5.2%	5.0%	6.9%	5.5%	5.0%	4.7%	4.7%	4.8%	4.1%	4.0%			Avg Ann'l Div'd Yield	4.7%

CAPITAL STRUCTURE as of 12/31/16
 Total Debt \$1619.0 mill. Due in 5 Yrs \$441.5 mill.
 LT Debt \$1494.0 mill. LT Interest \$70.3 mill.
 Incl. \$50 mill. 6.5% oblig. pfd. sec. of trust subsid. (LT interest earned: 6.1x)
Leases, Uncapitalized Annual rentals \$12.0 mill.
 Pension Assets-12/16 \$1369.7 mill.
 Oblig \$1935.5 mill.
Pfd Stock \$34.3 mill. Pfd Div'd \$2.0 mill.
 1,114,657 shs. 4 1/4% to 5 1/4%. \$20 par. call. \$20 to \$21; 120,000 shs. 7% & \$100 par. call. \$100.
 Sinking fund ends 2018.
Common Stock 108,745,265 shs. as of 2/13/17
MARKET CAP: \$3.7 billion (Mid Cap)

ELECTRIC OPERATING STATISTICS			
	2014	2015	2016
% Change Retail Sales (KWH)	1.0	-2	-1.2
Avg. Indust. Use (MWH)	6118	5630	5350
Avg. Indust. Revs. per KWH (c)	29.82	22.71	20.28
Capacity at Yearend (Mw)	2362	2224	2220
Peak Load, Winter (Mw)	1554	1610	1593
Annual Load Factor (%)	69.3	66.9	66.6
% Change Customers (yr-end)	+8	+5	+5

BUSINESS: Hawaiian Electric Industries, Inc. is the parent company of Hawaiian Electric Company, Inc. (HECO) & American Savings Bank (ASB). HECO & its subs., Maui Electric Co. (MECO) & Hawaii Electric Light Co. (HELCO), supply electricity to 458,000 customers on O'ahu, Maui, Molokai, Lanai, & Hawaii. Operating companies' systems are not interconnected. Electric. revenue breakdown:

residential, 31%; commercial, 34%; large light & power, 34%; other, 1%. Generating sources: oil, 53%; purchased, 47%. Fuel costs: 43% of revs. '16 reported depr. rate (utility): 3.2%. Has 3,800 empl. Chairman: Jeffrey N. Watanabe. Pres. & CEO: Constance H. Lau, Inc.: HI. Address: 1001 Bishop St., Suite 2900, Honolulu, HI 96808-0730. Tel.: 808-543-5662. Internet: www.hei.com.

ANNUAL RATES			
of change (per sh)	10 Yrs. Past Est'd '14-'16 to '20-'22		
Revenues	-5%	-2.0%	Nil
"Cash Flow"	1.5%	4.5%	2.5%
Earnings	2.5%	9.0%	1.5%
Dividends	--	--	2.0%
Book Value	2.5%	3.0%	3.5%

Cal-endar	QUARTERLY REVENUES (\$ mill.)				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2014	783.7	798.7	867.1	790.0	3239.5
2015	637.9	623.9	717.2	624.0	2603.0
2016	551.0	566.2	646.1	617.4	2380.7
2017	625	625	675	625	2550
2018	650	650	700	650	2650

Cal-endar	EARNINGS PER SHARE ^A				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2014	.45	.41	.46	.32	1.64
2015	.31	.33	.47	.39	1.50
2016	.30	.41	1.17	.41	2.29
2017	.30	.38	.52	.40	1.60
2018	.33	.41	.54	.42	1.70

Cal-endar	QUARTERLY DIVIDENDS PAID ^B				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2013	.31	.31	.31	.31	1.24
2014	.31	.31	.31	.31	1.24
2015	.31	.31	.31	.31	1.24
2016	.31	.31	.31	.31	1.24
2017	.31				

Hawaiian Electric Industries' utilities are active in the regulatory arena. The company's three utilities haven't had a base rate increase for a few years, and are not earning adequate returns on equity. As a group, the utilities earned an ROE of just 8.1% in 2016. HEI's largest utility, Hawaiian Electric Company, is seeking a rate hike of \$106.4 million (6.9%), based on a return of 10.6% on a common-equity ratio of 57%. Hawaii Electric Light Company filed for a tariff increase of \$19.3 million (6.5%), based on a return of 10.6% on a 57.1% common-equity ratio. Each utility, which hasn't had a rate hike since 2012, will receive an interim rate order in 2017. (There is no timetable for a final decision.) HEI's other utility, Maui Electric Company, plans to put forth a rate application this summer. Its last increase occurred in 2013.

needs through 2018.) Even if this were to be excluded from our earnings presentation, the company's share net would have been \$1.75 last year. However, HEI's guidance for 2017 is \$1.55-\$1.70 a share. A regulatory mechanism to recover certain costs will not take effect until June 1st, in contrast to recent years when it was effective on January 1st. This will cost HEI an estimated \$0.13 a share this year.

We expect profits to advance in 2018. HEI's utilities should benefit from interim rate hikes, although Hawaii's subpar regulatory climate is a cause for concern. We think HEI's American Savings Bank subsidiary will continue its steady improvement.

Earnings are headed down this year. Profits were inflated in 2016 thanks to a \$90 million (pretax) payment HEI received from NextEra Energy in the third quarter after the latter company terminated its proposed acquisition of HEI. (This cash will offset the company's equity financing

The stock is timely, but investors seeking dividend growth should look elsewhere. The yield of this stock is only slightly above the utility average, despite the lack of dividend growth—the disbursement hasn't been raised since the 1990s—and the unfavorable regulatory climate in which HEI's utilities operate. The recent price is near the upper level of our 2020-2022 Target Price Range.

(A) Dil. EPS. Excl. gains (losses) from disc. ops.: '01, (36c); '03, (5c); '04, 2c; '05, (1c); nonrec. gain (losses): '05, 11c; '07, (9c); '12, (25c). Next earnings report due early May.

(B) Div's historically paid in early Mar., June, Sept., & Dec. ■ Div'd reinvest. plan avail. (C) Incl. intang. In '16: \$9.57/sh. (D) In mill., adj. for split. (E) Rate base: Orig. cost. Rate al-

Company's Financial Strength	A
Stock's Price Stability	95
Price Growth Persistence	30
Earnings Predictability	75