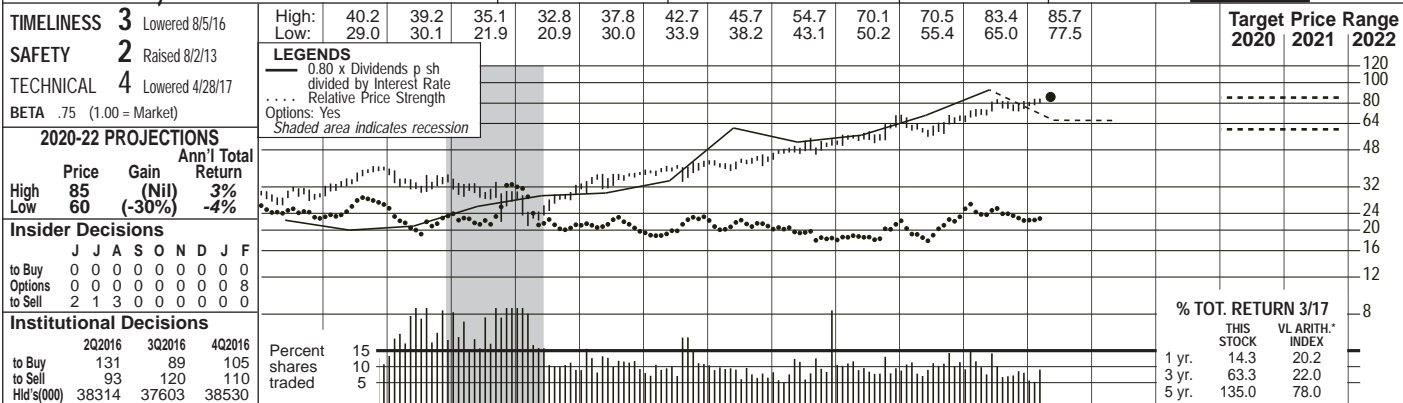


# IDACORP, INC. NYSE-IDA

RECENT PRICE **85.36** P/E RATIO **20.6** (Trailing: 21.7; Median: 14.0) RELATIVE P/E RATIO **1.05** DIV'D YLD **2.7%** VALUE LINE



**TIMELINESS** 3 Lowered 8/5/16  
**SAFETY** 2 Raised 8/2/13  
**TECHNICAL** 4 Lowered 4/28/17  
**BETA** .75 (1.00 = Market)

**2020-22 PROJECTIONS**

	Price	Gain	Ann'l Total Return
High	85	(Nil)	3%
Low	60	(-30%)	-4%

**Insider Decisions**

	J	J	A	S	O	N	D	J	F
to Buy	0	0	0	0	0	0	0	0	0
Options	0	0	0	0	0	0	0	0	8
to Sell	2	1	3	0	0	0	0	0	0

**Institutional Decisions**

	2Q2016	3Q2016	4Q2016
to Buy	131	89	105
to Sell	93	120	110
Hlds(000)	38314	37603	38530

Percent shares traded: 15, 10, 5

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	© VALUE LINE PUB. LLC	20-22
150.10	24.43	20.41	20.00	20.15	21.23	19.51	20.47	21.92	20.97	20.55	21.55	24.81	25.51	25.23	25.04	<b>25.75</b>	<b>26.25</b>	Revenues per sh	27.75
5.63	4.08	3.50	4.12	3.87	4.58	4.11	4.27	5.07	5.35	5.84	5.93	6.29	6.58	6.70	6.86	<b>7.10</b>	<b>7.45</b>	"Cash Flow" per sh	8.50
3.35	1.63	.96	1.90	1.75	2.35	1.86	2.18	2.64	2.95	3.36	3.37	3.64	3.85	3.87	3.94	<b>4.05</b>	<b>4.20</b>	Earnings per sh <sup>A</sup>	4.75
1.86	1.86	1.70	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.37	1.57	1.76	1.92	2.08	<b>2.24</b>	<b>2.40</b>	Div'd Decl'd per sh <sup>B</sup> +	2.90
4.78	3.53	3.89	4.73	4.53	5.16	6.39	5.19	5.26	6.85	6.76	4.78	4.68	5.45	5.84	5.89	<b>6.50</b>	<b>6.55</b>	Cap'l Spending per sh	6.75
23.15	23.01	22.54	23.88	24.04	25.77	26.79	27.76	29.17	31.01	33.19	35.07	36.84	38.85	40.88	42.74	<b>44.45</b>	<b>46.20</b>	Book Value per sh <sup>C</sup>	51.50
37.63	38.02	38.34	42.22	42.66	43.63	45.06	46.92	47.90	49.41	49.95	50.16	50.23	50.27	50.34	50.40	<b>50.45</b>	<b>50.50</b>	Common Shs Outst'g <sup>D</sup>	50.65
11.4	18.9	26.5	15.5	16.7	15.1	18.2	13.9	10.2	11.8	11.5	12.4	13.4	14.7	16.2	19.1	<i>Bold figures are Value Line estimates</i>		Avg Ann'l P/E Ratio	15.5
.58	1.03	1.51	.82	.89	.82	.97	.84	.68	.75	.72	.79	.75	.77	.82	1.00			Relative P/E Ratio	.95
4.9%	6.0%	6.7%	4.1%	4.1%	3.4%	3.5%	4.0%	4.5%	3.4%	3.1%	3.3%	3.2%	3.1%	3.1%	2.8%			Avg Ann'l Div'd Yield	4.0%

**CAPITAL STRUCTURE as of 12/31/16**  
 Total Debt \$1767.5 mill. Due in 5 Yrs \$252.9 mill.  
 LT Debt \$1744.6 mill. LT Interest \$81.1 mill.  
 (LT interest earned: 3.5x)

**Pension Assets-12/16** \$607.6 mill.  
 Oblig. \$895.1 mill.

**Pfd Stock** None

**Common Stock** 50,396,773 shs. as of 2/17/17

**MARKET CAP:** \$4.3 billion (Mid Cap)

879.4	960.4	1049.8	1036.0	1026.8	1080.7	1246.2	1282.5	1270.3	1262.0	<b>1300</b>	<b>1325</b>	Revenues (\$mill)	1400
82.3	98.4	124.4	142.5	166.9	168.9	182.4	193.5	194.7	198.3	<b>205</b>	<b>215</b>	Net Profit (\$mill)	240
14.3%	16.3%	15.2%	--	--	13.4%	28.3%	8.0%	19.0%	15.5%	<b>20.0%</b>	<b>20.0%</b>	Income Tax Rate	20.0%
9.7%	10.2%	10.5%	19.1%	23.3%	20.3%	12.3%	13.6%	16.3%	16.3%	<b>16.0%</b>	<b>16.0%</b>	AFUDC % to Net Profit	16.0%
48.9%	47.6%	50.2%	49.3%	45.6%	45.5%	46.6%	45.3%	45.6%	44.8%	<b>44.0%</b>	<b>43.0%</b>	Long-Term Debt Ratio	42.5%
51.1%	52.4%	49.8%	50.7%	54.4%	54.5%	53.4%	54.7%	54.4%	55.2%	<b>56.0%</b>	<b>57.0%</b>	Common Equity Ratio	57.5%
2364.2	2485.9	2807.1	3020.4	3045.2	3225.4	3465.9	3567.6	3783.3	3898.5	<b>3985</b>	<b>4075</b>	Total Capital (\$mill)	4550
2616.6	2758.2	2917.0	3161.4	3406.6	3536.0	3665.0	3833.5	3992.4	4172.0	<b>4345</b>	<b>4515</b>	Net Plant (\$mill)	5000
4.7%	5.3%	5.7%	6.0%	6.8%	6.5%	6.4%	6.6%	6.2%	6.1%	<b>6.0%</b>	<b>6.0%</b>	Return on Total Cap'l	6.0%
6.8%	7.6%	8.9%	9.3%	10.1%	9.6%	9.9%	9.9%	9.5%	9.2%	<b>9.0%</b>	<b>9.0%</b>	Return on Shr. Equity	9.0%
6.8%	7.6%	8.9%	9.3%	10.1%	9.6%	9.9%	9.9%	9.5%	9.2%	<b>9.0%</b>	<b>9.0%</b>	Return on Com Equity <sup>E</sup>	9.0%
2.4%	3.4%	4.8%	5.5%	6.5%	5.7%	5.6%	5.4%	4.8%	4.3%	<b>4.0%</b>	<b>4.0%</b>	Retained to Com Eq	3.5%
64%	55%	46%	41%	36%	41%	43%	46%	50%	53%	<b>55%</b>	<b>57%</b>	All Div'ds to Net Prof	62%

**ELECTRIC OPERATING STATISTICS**

	2014	2015	2016
% Change Retail Sales (KWH)	-3.6	+1.2	-5
Avg. Indust. Use (MWH)	NA	NA	NA
Avg. Indust. Revs. per KWH (c)	5.68	5.70	5.63
Capacity at Peak (Mw)	NA	NA	NA
Peak Load, Summer (Mw)	3184	3402	NA
Annual Load Factor (%)	NA	NA	NA
% Change Customers (yr-end)	+1.4	+1.8	+1.8

Fixed Charge Cov. (%) 287 307 295

**ANNUAL RATES** Past 10 Yrs. 5 Yrs. Past Est'd '14-'16 of change (per sh)

Revenues	2.0%	3.5%	1.5%
"Cash Flow"	5.0%	4.5%	4.0%
Earnings	7.0%	5.5%	3.5%
Dividends	5.0%	10.0%	7.0%
Book Value	5.0%	5.5%	4.0%

**QUARTERLY REVENUES (\$ mill.)**

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2014	292.7	317.8	382.2	289.8	1282.5
2015	279.4	336.3	369.2	285.4	1270.3
2016	281.0	315.4	372.0	293.6	1262.0
2017	<b>300</b>	<b>320</b>	<b>380</b>	<b>300</b>	<b>1300</b>
2018	<b>305</b>	<b>325</b>	<b>390</b>	<b>305</b>	<b>1325</b>

**EARNINGS PER SHARE <sup>A</sup>**

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2014	.55	.89	1.73	.69	3.85
2015	.47	1.31	1.46	.63	3.87
2016	.51	1.12	1.65	.66	3.94
2017	<b>.61</b>	<b>.97</b>	<b>1.90</b>	<b>.57</b>	<b>4.05</b>
2018	<b>.63</b>	<b>1.01</b>	<b>1.97</b>	<b>.59</b>	<b>4.20</b>

**QUARTERLY DIVIDENDS PAID <sup>B</sup> +**

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2013	.38	.38	.38	.43	1.57
2014	.43	.43	.43	.47	1.76
2015	.47	.47	.47	.51	1.92
2016	.51	.51	.51	.55	2.08
2017	.55				

**BUSINESS:** IDACORP, Inc. is a holding company for Idaho Power Company, a regulated electric utility that serves 535,000 customers throughout a 24,000-square-mile area in southern Idaho and eastern Oregon (population: 1 million). Most of the company's revenues are derived from the Idaho portion of its service area. Revenue breakdown: residential, 41%; commercial, 24%; industrial, 14%; ir-

**We estimate that IDACORP's earnings will advance 3% in 2017.** Idaho Power, the company's utility subsidiary, is benefiting from population growth and the service area's healthy economy. The customer count in 2016 climbed 1.8%, which is at least twice the rate for the electric utility industry. The increase in kilowatt-hour sales is typically less than customer growth due to the effects of energy efficiency, but volume growth is also above the industry norm. (Many electric companies are seeing little or no sales increases.) Effective control of operating and maintenance expenses is another strong point. We are sticking with our earnings estimate of \$4.05 a share, which is the top end of IDACORP's targeted range of \$3.90-\$4.05.

**We forecast 4% profit growth in 2018.** The same factors that are helping earnings this year should continue to benefit the bottom line next year. Our estimate is \$4.20 a share. Note that we are not assuming that Idaho Power files a rate case through the end of next year.

**Idaho Power has a regulatory mechanism that can stabilize the utility's**

**earnings, if needed.** Each year, it may use up to \$25 million of accumulated deferred investment tax credits to augment its income if its return on equity falls below 9.5%. This mechanism is available through 2019, but might be extended beyond then.

**Finances are sound.** The fixed-charge coverage and common-equity ratio are solid. The company has no long-term debt due until 2020. This year, it might use some short-term borrowings to finance things such as fuel purchases, but expects to issue no long-term debt or equity. IDACORP has a Financial Strength rating of A.

**We continue to believe this stock is expensively priced.** The dividend yield, currently below 3%, is low for a utility. The price-earnings ratio is above the market median. The recent quotation is above the upper end of our 3- to 5-year Target Price Range. Total return potential over that time frame is close to zero, despite IDACORP's strong dividend growth potential. Thus, we do not recommend this equity, despite the company's strong points.

*Paul E. Debbas, CFA*  
 April 28, 2017

(A) Diluted EPS. Excl. nonrecurring gains (loss): '03, 26c; '05, (24c); '06, 17c. '14 earnings don't add due to rounding. Next earnings report due early May. (B) Div'ds historically original cost. Rate allowed on com. eq. in '11: 10% (imputed); earned on avg. com. eq., '16: 9.4%. Regulatory Climate: Above Average.	Company's Financial Strength	A
© 2017 Value Line, Inc. All rights reserved. Factual material is obtained from sources believed to be reliable and is provided without warranties of any kind. THE PUBLISHER IS NOT RESPONSIBLE FOR ANY ERRORS OR OMISSIONS HEREIN. This publication is strictly for subscriber's own, non-commercial, internal use. No part of it may be reproduced, resold, stored or transmitted in any printed, electronic or other form, or used for generating or marketing any printed or electronic publication, service or product.	Stock's Price Stability	95
	Price Growth Persistence	90
	Earnings Predictability	90

To subscribe call 1-800-VALUELINE