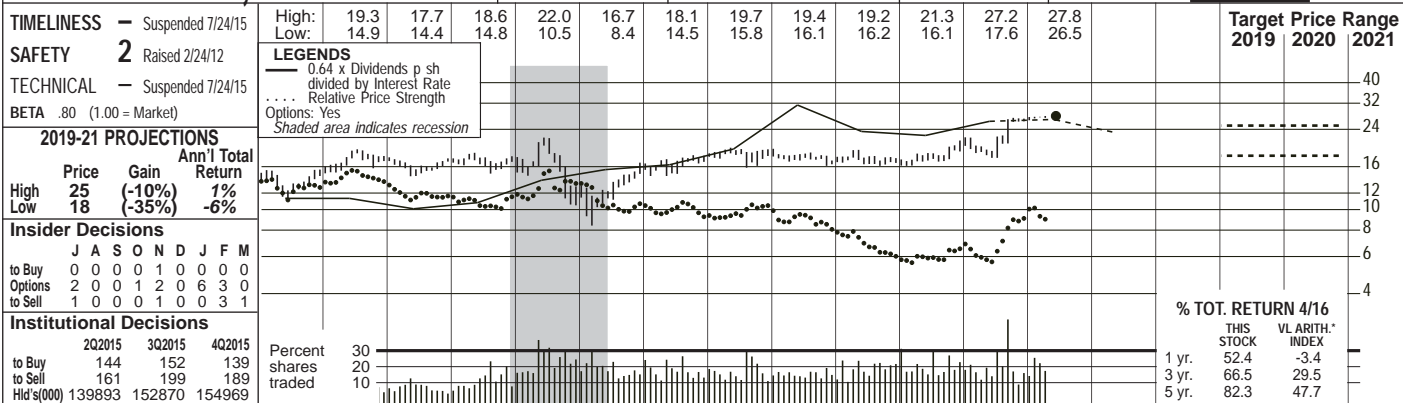


TECO ENERGY, INC. NYSE-TE

RECENT PRICE **27.76** P/E RATIO **24.1** (Trailing: 25.9 Median: 16.0) RELATIVE P/E RATIO **1.32** DIV'D YLD **3.4%** VALUE LINE



2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	© VALUE LINE PUB. LLC	19-21
18.17	18.97	15.22	14.59	13.37	14.46	16.46	16.77	15.85	15.48	16.23	15.49	13.83	13.12	10.93	11.66	11.00	11.40	Revenues per sh	12.50
4.11	4.31	3.20	1.96	2.14	2.37	2.51	2.51	2.01	2.35	2.59	2.77	2.69	2.43	2.36	2.51	2.65	2.90	"Cash Flow" per sh	3.50
1.97	2.24	1.95	d.08	.71	1.00	1.17	1.27	.77	1.00	1.13	1.27	1.14	.92	.95	1.03	1.15	1.25	Earnings per sh ^A	1.50
1.33	1.37	1.41	.93	.76	.76	.76	.78	.80	.80	.82	.85	.88	.88	.88	.90	.92	.94	Div'd Decl'd per sh ^B	1.00
5.45	6.92	6.06	3.14	1.37	1.42	2.18	2.34	2.77	2.99	2.28	2.10	2.33	2.45	3.04	3.14	3.00	2.35	Cap'l Spending per sh	2.25
11.93	14.12	14.86	8.93	6.43	7.65	8.25	9.56	9.43	9.75	10.10	10.50	10.58	10.74	10.96	10.88	11.05	11.35	Book Value per sh ^C	12.50
126.30	139.60	175.80	187.80	199.70	208.20	209.50	210.90	212.90	213.90	214.90	215.80	216.60	217.30	234.90	235.30	236.00	237.00	Common Shs Outst'g ^D	240.00
11.9	12.9	11.0	--	19.3	17.1	13.8	13.3	21.2	12.6	14.6	14.4	15.5	18.9	18.8	21.4	Bold figures are Value Line estimates		Avg Ann'l P/E Ratio	14.5
.77	.66	.60	--	1.02	.91	.75	.71	1.28	.84	.93	.90	.99	1.06	.99	1.08			Relative P/E Ratio	.90
5.7%	4.8%	6.6%	7.4%	5.5%	4.4%	4.7%	4.6%	4.9%	6.3%	4.9%	4.6%	5.0%	5.1%	4.9%	4.1%			Avg Ann'l Div'd Yield	4.8%

CAPITAL STRUCTURE as of 3/31/16		2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	Revenues (\$mill)	3000
Total Debt \$4086.0 mill. Due in 5 Yrs \$1800.5 mill.		3448.1	3536.1	3375.3	3310.5	3487.9	3487.9	3343.4	2996.6	2851.3	2566.4	2743.5	2600	2700	Revenues (\$mill)	3000					
LT Debt \$3489.7 mill. LT Interest \$159.8 mill. (LT interest earned: 3.2x)		244.4	265.8	162.4	213.9	242.9	272.6	246.0	197.8	213.1	241.2	265	290	Net Profit (\$mill)	360						
Leases, Uncapitalized Annual rentals \$7.7 mill.		40.4%	40.7%	36.8%	31.6%	34.8%	36.1%	35.9%	35.5%	38.3%	39.2%	38.5%	38.5%	Income Tax Rate	38.5%						
Pension Assets-12/15 \$625.4 mill. Oblig \$732.9 mill.		1.6%	2.3%	5.4%	6.5%	1.2%	.6%	1.7%	5.0%	7.4%	10.8%	11.0%	2.0%	AFUDC % to Net Profit	1.0%						
Pfd Stock None		65.0%	61.0%	61.5%	60.6%	59.2%	54.2%	56.5%	54.9%	56.6%	57.9%	58.5%	58.5%	Long-Term Debt Ratio	58.0%						
Common Stock 235,550,000 shs. as of 4/29/16		35.0%	39.0%	38.5%	39.4%	40.8%	45.8%	43.5%	45.1%	43.4%	42.1%	41.5%	41.5%	Common Equity Ratio	42.0%						
MARKET CAP: \$6.5 billion (Large Cap)		4941.6	5175.4	5214.3	5287.0	5317.8	4953.9	5264.5	5171.5	5928.7	6075.9	6280	6450	Total Capital (\$mill)	7175						
ELECTRIC OPERATING STATISTICS		4766.9	4888.2	5221.3	5544.1	5841.0	5967.8	5990.1	6170.1	7088.2	7481.8	7820	7985	Net Plant (\$mill)	8275						
% Change Retail Sales (KWH)		7.3%	7.3%	5.1%	6.0%	6.4%	7.4%	6.1%	5.4%	5.0%	5.3%	5.5%	6.0%	Return on Total Cap'l	6.5%						
Avg. Indust. Use (Mw)		14.1%	13.2%	8.1%	10.3%	11.2%	12.0%	10.7%	8.5%	8.3%	9.4%	10.0%	11.0%	Return on Shr. Equity	12.0%						
Avg. Indust. Revs. per KWH (c)		14.1%	13.2%	8.1%	10.3%	11.2%	12.0%	10.7%	8.5%	8.3%	9.4%	10.0%	11.0%	Return on Com Equity ^E	12.0%						
Capacity at Peak (Mw)		5.0%	5.1%	NMF	2.1%	3.1%	3.9%	2.4%	.3%	.5%	1.2%	2.0%	2.5%	Retained to Com Eq	4.0%						
Peak Load, Winter (Mw)		65%	61%	104%	80%	72%	67%	77%	97%	93%	88%	82%	76%	All Div'ds to Net Prof	66%						
Annual Load Factor (%)		<p>BUSINESS: TECO Energy, Inc. is a holding company for Tampa Electric, which serves 706,000 customers in west central Florida, and Peoples Gas, which serves 354,000 customers in Florida. Acq'd New Mexico Gas (513,000 customers) 9/14. Sold TECO Transport 12/07; discontinued generation investments in Guatemala in '12; discontinued TECO Coal in '14. Electric revenue break-down: residential, 50%; commercial, 30%; industrial, 8%; other, 12%. Generating sources: coal, 59%; gas, 36%; purchased, 5%. Fuel costs: 38% of revs. '14 reported deprec. rate (utility): 3.6%. Has 4,400 employees. Chairman: Sherrill W. Hudson. Pres. & CEO: John B. Ramil, Inc.: FL. Address: TECO Plaza, 702 N. Franklin St., Tampa, FL 33602. Tel.: 813-228-1111. Web: www.tecoenergy.com.</p>																			
% Change Customers (avg.)		<p>It appears as if the acquisition of TECO Energy might be completed within the next several weeks. Emera, a Canadian company, has agreed to pay \$27.55 in cash for each share of TECO Energy. Just one more regulatory approval is required: that of the New Mexico Public Regulation Commission (NMPRC). The companies and various intervenors have reached an unopposed settlement that will be presented to the NMPRC. In early May, a hearing examiner conducted hearings on the proposed combination, and will make a recommendation by early June, before the NMPRC issues its ruling. The current time line suggests that July is the best estimate for the closing date of the transaction. Thus, this might well be our last full-page report on TECO Energy. We advise TECO Energy stockholders to sell their shares on the open market. The recent price of TECO Energy stock is slightly above the buyout price, so stockholders have no incentive to await completion of the takeover. Emera's offer is generous, at 24 times estimated 2016 earnings. The Timeliness rank of TECO Energy stock remains suspended due to the pending acquisition. TECO Energy's utilities are performing well. Tampa Electric and Peoples Gas are benefiting from healthy customer growth, thanks to the solid economy in the utilities' service territory, and each utility is likely to earn a return on equity in the upper half of its allowed ROE range in 2016. (The allowed ROEs are shown in Footnote E.) New Mexico Gas, which TECO Energy bought in September of 2014, is benefiting from effective cost controls. Because first-quarter results were better than we expected, we have raised our 2016 share-earnings estimate by a nickel, to \$1.15. A continuation of current trends, plus rate relief that Tampa Electric will receive for a project to expand a gas-fired power plant, points to higher profits in 2017. Our earnings presentation includes costs associated with the Emera deal. These were negligible in the first period of 2016, but reduced the bottom line by \$0.06 a share in 2015. We are not estimating any such expenses over the remainder of 2016.</p>																			

ANNUAL RATES	Past 10 Yrs.	Past 5 Yrs.	Est'd '13-'15
of change (per sh)			to '19-'21
Revenues	-1.5%	-5.5%	1.0%
"Cash Flow"	1.0%	1.0%	6.5%
Earnings	6.0%	--	7.5%
Dividends	1.0%	2.0%	2.0%
Book Value	3.5%	2.0%	2.5%

Cal-endar	QUARTERLY REVENUES (\$ mill.)				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2013	661.1	735.9	765.9	688.4	2851.3
2014	578.0	605.7	687.2	695.5	2566.4
2015	693.0	680.6	693.8	676.1	2743.5
2016	659.5	640.5	650	650	2600
2017	675	675	675	675	2700

Cal-endar	EARNINGS PER SHARE ^A				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2013	.19	.24	.29	.20	.92
2014	.22	.27	.28	.18	.95
2015	.27	.26	.28	.22	1.03
2016	.31	.24	.34	.26	1.15
2017	.35	.26	.36	.28	1.25

Cal-endar	QUARTERLY DIVIDENDS PAID ^B				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2012	.22	.22	.22	.22	.88
2013	.22	.22	.22	.22	.88
2014	.22	.22	.22	.22	.88
2015	.225	.225	.225	.225	.90
2016	.23				

Cal-endar	QUARTERLY DIVIDENDS PAID ^B				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2012	.22	.22	.22	.22	.88
2013	.22	.22	.22	.22	.88
2014	.22	.22	.22	.22	.88
2015	.225	.225	.225	.225	.90
2016	.23				

(A) Diluted EPS. Excl. nonrec. gain (losses): '03, (\$4.97); '07, 63c; '10, (2c); '14, (3c); gains (losses) on disc. ops.: '04, (77c); '05, 31c; '06, 1c; '07, 7c; '12, (15c); '14, (34c); '15, (29c). Next earnings report due early Aug. (B) Div'ds paid in late Feb., May, Aug., & Nov. (C) Div'd re-invest. plan avail. (D) Incl. intangibles. In '15: \$3.86/sh. (E) Rate base: Net orig. cost. Rate allowed on com. eq. in '13 (elec.): 10.25%-12.25%; in '09 (gas): 9.75%-11.75%; in NM in '12: 10% (implied); earned on avg. com. eq., '15: 9.4%. Regulatory Climate: Avg.

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Company's Financial Strength B++
Stock's Price Stability 90
Price Growth Persistence 50
Earnings Predictability 80

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May 20, 2016

Paul E. Debbas, CFA