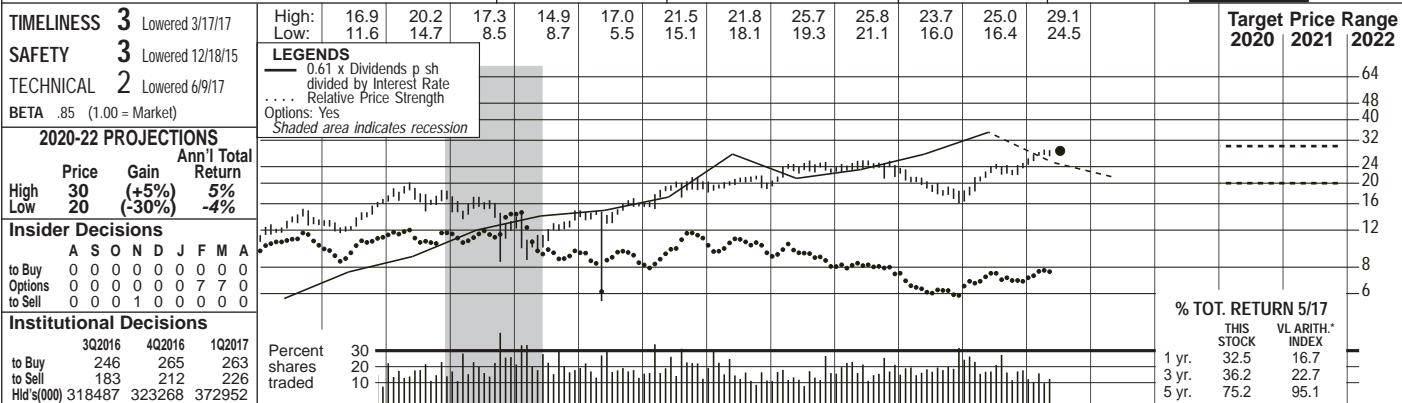


CENTERPOINT EN'RGY NYSE-CNP

RECENT PRICE **28.50** P/E RATIO **21.1** (Trailing: 26.6 Median: 15.0) RELATIVE P/E RATIO **1.07** DIV'D YLD **3.8%** VALUE LINE



2001 ^A	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	© VALUE LINE PUB. LLC	20-22
35.18	26.40	31.87	27.63	31.33	29.71	29.82	32.71	21.14	20.69	19.83	17.43	18.90	21.51	17.18	17.48	22.05	23.20	Revenues per sh	26.50
3.69	3.34	3.98	2.56	2.72	3.47	3.39	3.42	2.94	3.14	3.43	3.89	3.54	3.40	3.68	3.90	4.05	3.58	"Cash Flow" per sh	4.50
1.54	1.29	1.37	.61	.67	1.33	1.17	1.30	1.01	1.07	1.27	1.35	1.24	1.42	1.08	1.00	1.35	1.40	Earnings per sh ^B	1.65
1.50	1.07	.40	.40	.40	.60	.68	.73	.76	.78	.79	.81	.83	.95	.99	1.03	1.07	1.11	Div'd Decl'd per sh ^C	1.23
6.78	2.85	2.11	1.72	2.23	3.21	3.45	2.95	2.96	3.55	3.06	2.84	3.00	3.20	3.68	3.28	3.50	3.30	Cap'l Spending per sh	3.00
22.24	4.74	5.75	3.59	4.18	4.96	5.61	5.89	6.74	7.53	9.91	10.06	10.09	10.60	8.05	8.03	8.30	8.60	Book Value per sh ^D	10.00
302.94	300.10	306.30	308.05	310.33	313.65	322.72	346.09	391.75	424.70	426.03	427.44	429.00	429.00	430.00	430.68	431.00	431.00	Common Shs Outst'g ^E	435.00
--	5.6	6.0	17.8	19.1	10.3	15.0	11.3	11.8	13.8	14.6	14.8	18.7	17.0	18.1	21.9	<i>Bold figures are Value Line estimates</i>		Avg Ann'l P/E Ratio	16.0
--	.31	.34	.94	1.02	.56	.80	.68	.79	.88	.92	.94	1.05	.89	.91	1.16			Relative P/E Ratio	1.00
--	14.8%	4.8%	3.7%	3.1%	4.4%	3.9%	5.0%	6.4%	5.3%	4.3%	4.0%	3.6%	3.9%	5.1%	4.7%			Avg Ann'l Div'd Yield	4.7%

CAPITAL STRUCTURE as of 3/31/17		2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	20-22
Total Debt	\$8679 mill. Due in 5 Yrs \$4996 mill.	9623.0	11322	8281.0	8785.0	8450.0	7452.0	8106.0	9226.0	7386.0	7528.0	9500	10000	Revenues (\$mill)	11500					
LT Debt	\$7892 mill. LT Interest \$385 mill.	399.0	447.0	372.0	442.0	546.0	581.0	536.0	611.0	465.0	432.0	585	605	Net Profit (\$mill)	710					
Incl.	\$1702 mill. securitized transition & system restoration bonds.	32.8%	38.3%	32.1%	37.3%	33.6%	33.4%	31.0%	35.1%	37.0%	36.0%	36.0%	36.0%	Income Tax Rate	36.0%					
(LT interest earned: 2.8x)		5.5%	2.7%	1.3%	2.7%	1.6%	2.6%	3.5%	4.1%	4.7%	4.0%	4.0%	4.0%	AFUDC % to Net Profit	4.0%					
Leases, Uncapitalized	Annual rentals \$5 mill.	82.2%	83.3%	77.6%	73.8%	67.2%	66.0%	64.4%	63.8%	69.5%	68.5%	67.5%	67.0%	Long-Term Debt Ratio	65.5%					
Pension Assets-12/16	\$1656 mill.	17.8%	16.7%	22.4%	26.2%	32.8%	34.0%	35.6%	36.2%	30.5%	31.5%	32.5%	33.0%	Common Equity Ratio	34.5%					
	Oblig \$2197 mill.	10174	12218	11758	12199	12863	12658	12146	12557	11362	10992	11025	11250	Total Capital (\$mill)	12500					
Pfd Stock None		9740.0	10296	10788	11732	12402	13597	9593.0	10502	11537	12307	12975	13525	Net Plant (\$mill)	14600					
Common Stock	430,964,722 shs. as of 4/21/17	6.9%	6.0%	5.8%	6.1%	6.4%	6.8%	6.3%	6.7%	6.1%	5.8%	7.0%	7.0%	Return on Total Cap'l	7.5%					
MARKET CAP: \$12 billion (Large Cap)		22.0%	21.9%	14.1%	13.8%	12.9%	13.5%	12.4%	13.4%	13.4%	12.5%	16.5%	16.5%	Return on Shr. Equity	16.5%					
		22.0%	21.9%	14.1%	13.8%	12.9%	13.5%	12.4%	13.4%	13.4%	12.5%	16.5%	16.5%	Return on Com Equity ^F	16.5%					
		10.0%	9.9%	3.6%	3.8%	5.0%	5.5%	4.2%	4.5%	1.1%	NMF	3.5%	3.5%	Retained to Com Eq	4.0%					
		55%	55%	74%	72%	62%	60%	66%	67%	92%	103%	79%	79%	All Div'ds to Net Prof	75%					

BUSINESS: CenterPoint Energy, Inc. is a holding company for Houston Electric, which serves 2.4 million customers in Houston and environs, and gas utilities with 3.4 million customers in Texas, Minnesota, Arkansas, Louisiana, and Oklahoma. Owns 54.1% of Enable Midstream Partners. Discontinued Texas Genco Holdings in '04. Electric revenue breakdown: residential, 52%; commercial, 31%; industrial, 15%; other, 2%. Does not own generating assets. Gas costs: 39% of revenues. '16 depreciation rate: 6.5%. Has 7,700 employees. Chairman: Milton Carroll. President & CEO: Scott M. Prochazka. Incorporated: Texas. Address: 1111 Louisiana, P.O. Box 4567, Houston, Texas 77210-4567. Telephone: 713-207-1111. Internet: www.centerpointenergy.com.

CenterPoint Energy expects to disclose its plans for its stake in Enable Midstream Partners by the time it reports second-quarter results in early August. Enable, a midstream natural gas master limited partnership, is faring reasonably well in an operating environment made difficult by low gas and oil prices. CenterPoint likes the stability of its regulated utilities and its retail energy-services business. By contrast, the value of its stake in Enable can fluctuate depending on commodity prices, because Enable's customers produce less when prices are unfavorable. Among its options are selling its stake in Enable, which would create a sizable tax liability; spinning it off; or retaining it, while working with Enable's management to reduce the MLP's exposure to commodity prices.

We estimate a material earnings increase in 2017. Mark-to-market accounting items hurt profits by \$0.16 a share in 2016, but provided a \$0.07-a-share benefit in the first quarter this year. (We include these even though CenterPoint excludes them from its guidance of \$1.25-\$1.33 a share.) In addition, the company's utilities are benefiting from rate relief (see below) and good customer growth. Finally, the retail energy services unit has grown via acquisitions made in 2016 and 2017.

CenterPoint's utilities have received rate relief this year. Most of this is from regulatory mechanisms rather than general rate cases. Houston Electric received a \$7.8 million transmission increase in February and is seeking a \$44.6 million distribution hike, which is expected to take effect in September. In May, the Texas regulators approved a settlement calling for a gas increase of \$16.5 million, based on a 9.6% return on equity. All of this will help lift earnings next year, even though the March-quarter comparison will be difficult. Finally, the company is seeking increases of \$9.3 million and \$7.6 million in Arkansas and Texas, respectively, through regulatory mechanisms in each state.

CenterPoint stock has a dividend yield that is about half a percentage point above the utility average. With the recent price near the upper end of our 2020-2022 Target Price Range, total return potential is low.

Paul E. Debbas, CFA June 16, 2017

Cal-endar	QUARTERLY REVENUES (\$ mill.)				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2014	3163	1884	1807	2372	9226.0
2015	2433	1532	1630	1791	7386.0
2016	1984	1574	1889	2081	7528.0
2017	2735	2050	2065	2650	9500
2018	2900	2150	2150	2800	10000

Cal-endar	EARNINGS PER SHARE ^B				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2014	.43	.25	.33	.41	1.42
2015	.30	.18	.34	.26	1.08
2016	.36	d.01	.41	.23	1.00
2017	.44	.21	.39	.31	1.35
2018	.39	.23	.43	.35	1.40

Cal-endar	QUARTERLY DIVIDENDS PAID ^C				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2013	.2075	.2075	.2075	.2075	.83
2014	.2375	.2375	.2375	.2375	.95
2015	.2475	.2475	.2475	.2475	.99
2016	.2575	.2575	.2575	.2575	1.03
2017	.2675	.2675			

(A) Pro forma data. (B) Diluted EPS. Excl. extraordinary gains (losses): '04, (\$2.72); '05, 9¢; '11, \$1.89; '12, (38¢) net; '13, (52¢); '15, (\$2.69); losses on disc. ops.: '04, 37¢; '05, 1¢. '16 EPS don't sum due to rounding. Next earnings report due early Aug. (C) Div'ds historically paid in early Mar., June, Sept. & Dec. (D) Div'd reinvestment plan avail. (E) Incl. intang. In '16: \$8.22/sh. (F) Rate base: Net original cost. Rate allowed on com. eq. (elec.) in '11: 10%; (gas): 9.45%-11.25%; earned on avg. com. eq., '16: 12.4%. Regulat. Climate: Avg. Company's Financial Strength B+ Stock's Price Stability 90 Price Growth Persistence 50 Earnings Predictability 85

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