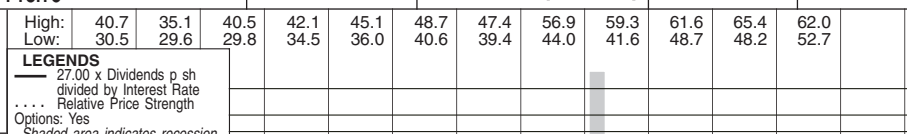


FORTIS INC. TSE-FTS.TO^A

RECENT PRICE **57.46** P/E RATIO **19.8** (Trailing: 19.5; Median: 20.0) RELATIVE P/E RATIO **1.21** DIV'D YLD **4.0%**

VALUE LINE

TIMELINESS 3 Raised 4/28/23
SAFETY 2 Raised 7/17/15
TECHNICAL 3 Raised 6/2/23
BETA .70 (1.00 = Market)

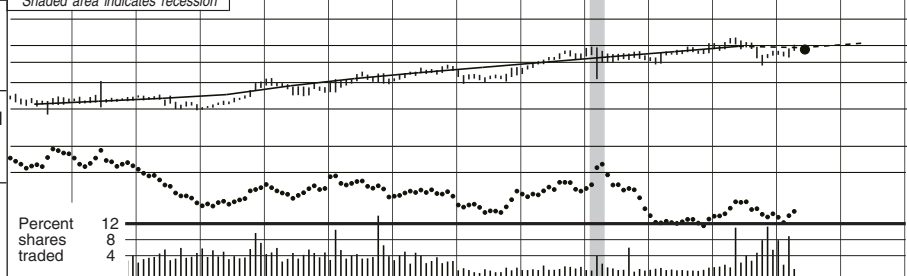


High: 40.7 35.1 40.5 42.1 45.1 48.7 47.4 56.9 59.3 61.6 65.4 62.0
 Low: 30.5 29.6 29.8 34.5 36.0 40.6 39.4 44.0 41.6 48.7 48.2 52.7

18-Month Target Price Range
 Low-High Midpoint (% to Mid)
 \$49-\$83 \$66 (15%)

2026-28 PROJECTIONS
 High Price Gain Ann'l Total Return
 Low 95 70 (+65%) 17%
 70 (+20%) 9%

Institutional Decisions
 202022 3Q2022 4Q2022
 to Buy 141 122 134
 to Sell 112 134 123
 Hlds(000) 236563 238324 240882



Target Price Range 2026 2027 2028
 160
120
100
80
60
50
40
30
20
15

2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	© VALUE LINE PUB. LLC	26-28
17.48	23.07	21.24	21.01	19.84	19.07	18.99	19.57	23.89	17.03	19.71	19.58	18.96	19.14	19.90	22.90	21.90	22.85	Revenues per sh	25.10
2.96	3.51	3.66	3.99	4.10	4.10	3.62	5.21	3.91	5.43	5.40	5.44	5.65	5.76	6.24	6.40	6.60	"Cash Flow" per sh	7.50	
1.29	1.52	1.51	1.62	1.74	1.65	1.63	1.38	2.11	1.89	2.66	2.52	2.68	2.60	2.61	2.78	2.90	3.10	Earnings per sh ^B	3.75
.82	1.00	1.04	1.12	1.17	1.21	1.25	1.30	1.43	1.55	1.65	1.75	1.86	1.97	2.08	2.17	2.29	2.53	Div'd Decl'd per sh ^C	2.80
5.16	5.34	5.79	5.89	5.91	5.68	5.32	6.00	7.97	5.13	7.18	7.51	8.03	8.65	7.13	7.02	7.85	8.25	Cap'l Spending per sh	8.25
16.72	18.00	18.57	18.95	20.53	20.84	22.39	24.90	28.63	32.32	31.77	34.80	36.49	36.58	37.21	36.44	39.25	40.50	Book Value per sh ^D	46.00
155.52	169.19	171.26	174.39	188.83	191.57	213.17	276.00	281.56	401.49	421.10	428.50	463.30	466.80	474.80	482.15	489.00	495.00	Common Shs Outst'g ^E	510.00
21.1	17.5	16.4	18.2	18.8	20.1	20.0	24.3	18.0	21.6	16.8	17.1	19.2	20.6	21.2	21.1	Bold figures are Value Line estimates		Avg Ann'l P/E Ratio	21.5
1.12	1.05	1.09	1.16	1.18	1.28	1.12	1.28	.91	1.13	.84	.92	1.02	1.06	1.15	1.22			Relative P/E Ratio	1.20
3.0%	3.8%	4.2%	3.8%	3.6%	3.6%	3.8%	3.9%	3.8%	3.8%	3.7%	4.1%	3.6%	3.7%	3.8%	4.1%			Avg Ann'l Div'd Yield	3.7%

CAPITAL STRUCTURE as of 3/31/23
 Total Debt \$29189 mill. Due in 5 Yrs \$7732 mill.
 LT Debt \$26466 mill. LT Interest \$945 mill.
 Incl. \$340 mill. finance leases.
 (LT interest earned: 2.4x)
 Leases, Uncapitalized Annual rentals \$8 mill.

Pension Assets-12/22 \$3722 mill.
 Oblig \$3922 mill.
 Pfd Stock \$1623 mill. Pfd Div'd \$65 mill.

Common Stock 484,357,731 shs.

MARKET CAP: \$27.8 billion (Large Cap)

4047.0	5401.0	6727.0	6838.0	8301.0	8390.0	8783.0	8935.0	9448.0	11043.0	10700	11300	Revenues (\$mill)	12800
390.0	374.0	672.0	660.0	1174.0	1136.0	1238.0	1274.0	1294.0	1340.4	1420	1535	Net Profit (\$mill)	1910
7.4%	14.6%	21.3%	16.9%	25.8%	13.4%	12.5%	14.3%	14.3%	16.0%	14.5%	14.5%	Income Tax Rate	14.5%
5.9%	7.2%	7.4%	10.0%	9.5%	8.4%	9.2%	9.3%	9.0%	9.0%	8.0%	8.0%	AFUDC % to Net Profit	7.0%
53.5%	54.8%	53.3%	59.3%	58.4%	58.8%	54.2%	55.6%	55.5%	55.0%	53.5%	53.5%	Long-Term Debt Ratio	51.5%
37.0%	35.7%	38.1%	36.2%	37.1%	37.2%	41.8%	40.5%	40.8%	41.5%	43.0%	43.5%	Common Equity Ratio	45.0%
12892	19235	21151	35874	36108	40082	40445	42141	43328	44922	46275	48050	Total Capital (\$mill)	51900
12267	17816	19595	29337	29668	32654	33988	35998	37816	41663	42250	43500	Net Plant (\$mill)	48600
4.6%	3.4%	4.5%	2.8%	4.5%	4.1%	4.4%	4.3%	4.2%	2.4%	4.5%	4.5%	Return on Total Cap'l	5.0%
6.5%	4.3%	6.8%	4.5%	7.8%	6.9%	6.7%	6.8%	6.7%	4.4%	7.0%	7.0%	Return on Shr. Equity	7.5%
7.0%	4.5%	7.4%	4.5%	8.3%	7.2%	6.9%	7.1%	7.0%	4.4%	7.0%	7.0%	Return on Com Equity ^F	7.5%
3.2%	1.7%	4.5%	2.1%	5.2%	4.1%	4.0%	2.5%	3.5%	3.5%	3.5%	3.5%	Retained to Com Eq	4.0%
61%	68%	46%	59%	41%	46%	45%	67%	52%	78%	81%	82%	All Div'ds to Net Prof ^G	75%

ELECTRIC OPERATING STATISTICS

	2020	2021	2022
% Change Retail Sales (KWH)	NA	NA	NA
Avg. Indust. Use (MWH)	NA	NA	NA
Avg. Indust. Revs. per KWH (c)	NA	NA	NA
Capacity at Peak (Mw)	NA	NA	NA
Peak Load, Summer (Mw)	NA	NA	NA
Annual Load Factor (%)	NA	NA	NA
% Change Customers (yr-end)	NA	NA	NA

Fixed Charge Cov. (%) 207 211 215

ANNUAL RATES Past Past Est'd '20-'22
 of change (per sh) 10 Yrs. 5 Yrs. to '26-'28

Revenues	-	-5%	3.5%
"Cash Flow"	3.5%	3.5%	5.0%
Earnings	4.5%	3.5%	5.0%
Dividends	5.5%	5.5%	6.0%
Book Value	6.5%	3.5%	4.0%

QUARTERLY REVENUES (\$ mill.)

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2020	2391	2077	2121	2346	8935
2021	2539	2130	2196	2583	9448
2022	2835	2487	2553	3168	11043
2023	3319	2450	2381	2550	10700
2024	3000	2500	2550	3250	11300

EARNINGS PER SHARE^B

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2020	.67	.59	.63	.71	2.60
2021	.76	.54	.62	.69	2.61
2022	.74	.59	.68	.77	2.78
2023	.90	.60	.65	.75	2.90
2024	.80	.65	.80	.85	3.10

QUARTERLY DIVIDENDS PAID^C

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2019	.45	.45	.45	.4775	1.83
2020	.4775	.4775	.4775	.505	1.94
2021	.505	.505	.505	.535	2.05
2022	.535	.535	.535	.565	2.17
2023	.565				

BUSINESS: Fortis Inc.'s main focus is electricity, hydroelectric, and gas utility operations (both regulated and nonregulated) in the United States, Canada, and the Caribbean. Has 2 mill. electric, 1.3 mill. gas customers. Owns UNS Energy (Arizona), Central Hudson (New York), FortisBC Energy (British Columbia), FortisAlberta (Central Alberta), and Eastern Canada (Newfoundland). Sold commercial real estate and hotel property assets in 2015. Acquired ITC Holdings 10/16. Fuel costs: 31% of revs. '22 reported deprec. rate: 2.6%. Has 9,100 employees. Chairman: Douglas J. Haughey. President & CEO: David G. Hutchens. Inc.: Canada. Address: Fortis Place, Suite 1100, 5 Springdale St., PO Box 8837, St. John's, NL, Canada, A1B 3T2. Tel.: 709-737-2800. Internet: www.fortisinc.com.

We think that Fortis will post steady earnings growth this year and next. The company's \$22.3 billion five-year capital plan is expected to rise to over \$46 billion by 2027 due to rate base increases. Rate relief will likely remain a key driver of growth and help improve upon low allowed returns, seen in many of Fortis utilities. There are currently ongoing cases in British Columbia and Arizona, and decisions in both are expected shortly. Too, in British Columbia, Fortis BC received approval to invest a record high \$155 million into energy efficiency programs.

Our 2023 bottom-line projection is staying put at \$2.90 per share. Along with rate relief, the Inflation Reduction Act will benefit earnings growth and help the transition to clean energy over the next few years. As a reminder, the new five-year capital plan includes \$5.9 billion in cleaner energy investments. Fortis also has strong Price Stability and Earnings Predictability ratings, as well as a stretch of strong financial performances of late. We expect that the aforementioned factors will remain next year, and look for full-year earnings of \$3.10 per share.

The utility remains committed to its target of 4%-6% annual dividend growth through 2027. The company has a proven track record of dividend growth, and the distribution has been raised in 49 consecutive years. We think the Board of Directors will raise the quarterly disbursement by 6% at the third-quarter meeting in September.

Fortis stock has outperformed nearly all the electric utility equities over the past six months. The stock is up more than 25% over that interim, largely due to better-than-expected financial results of late. As a reminder, the company also joined the S&P Small Cap 600 Index in February. Income-oriented investors likely will be drawn to the dividend yield of 4.0%, which sits well above the industry average and remains this issue's most notable feature. Meanwhile, total return potential for the 18-month and 3-to 5-year periods is solid for a utility. Indeed, the midpoint of our 18-month Target Price Range represents a 25% premium to the current quotation, which is above the Value Line median.

Zachary J. Hodgkinson June 9, 2023

(A) Also trades on NYSE (FTS). All data in Canadian \$. (B) Dil. eqs. Excl. nonrecr. gains (loss): '07, '3c; '14, '2c; '15, '48c; '17, (35c); '18, '7c; '19, \$1.12. '19 EPS don't sum due to chng. in shs. Next eqs. report due early Aug. (C) Div'ds. hist. pd. early Mar., June, Sept., and Dec. ■ Div'd reinv. plan avail. (2% disc.). (D) Incl. intang. In '22: \$34.05/sh. (E) In mill. (F) Rates all'd on com. eq.: 8.3%-10.32%; earn. on avg. com. eq., '21: 7.1%. Reg. Clim.: FERC. Above Avg.; AZ, Below Avg.; NY, Below Avg. (G) Excl. div'ds pd. via reinv. plan.

Company's Financial Strength		B++
Stock's Price Stability		100
Price Growth Persistence		60
Earnings Predictability		95