

and environs, Indiana Electric, which serves 151,000 customers, and gas utilities with 4.27 million customers in Texas, Minnesota, Louisiana, Mississippi, Indiana, and Ohio. Acquired Vectren 2/19. Sold nonutility operations in '20. Sold its stake in Energy Transfer

ployees. Chairman: Martin H. Nesbitt. President & CEO: David J. Lesar. Incorporated: Texas. Address: 1111 Louisiana, P.O. Box 4567, Houston, Texas 77210-4567. Telephone: 713-207-1111. Internet: www.centerpointenergy.com

152 135 252 Fixed Charge Cov. (%) ANNUAL RATES Past Past Est'd '20-'22 of change (per sh) 10 Yrs to '26-'28 -6.0% -2.0% 1.0% -7.5% Revenues -3.5% -.5% 4.0% 6.5% 2.5% 'Cash Flow' -0.5% 0.5% Earnings Dividends Book Value 8.0% 6.0%

% Change Customers (avg.)

NA +7.9

NA

NA

+2.0

NA

+2.5

| Cal- endar | QUAR Mar.31 | | VENUES (Sep. 30 | | Full Year |
|--------------------------------------|--|-----------------------------------|---------------------------------|---|--|
| 2020 2021 2022 2023 2024 | 2167 2547 2763 2779 2800 | 1575 1742 1944 | 1622 1749 | 2054 2314 2711 2561 | 7418 8352 9321 9100 9350 |
| Cal- endar | | | ER SHARE Sep. 30 | | Full Year |
| 2020 2021 2022 2023 2024 | .56 .41 .82 .49 .55 | .29 .28 .35 | .29 .21 .30 .50 | .27 .03 .19 . 31 . 30 | 1.29 .94 1.59 1.65 1.75 |
| Cal- endar | QUARTERLY DIVIDENDS PAID B = Mar.31 Jun.30 Sep.30 Dec.31 | | | | Full Year |
| 2019 2020 2021 2022 2023 | .2875 .29 .16 .17 .18 | .2875 .15 .16 .17 .19 | .2875 .15 .16 .18 | .2875 .15 .17 .18 | 1.15 .74 .65 .70 |

CenterPoint Energy's first-quarter results were nothing to write home about. Revenues registered at \$2.78 billion. Meanwhile, GAAP share earnings clocked in at \$0.49, versus \$0.82 in the year-ago period (including the gains on the sale of the Energy Transfer common and preferred units and impacts associated with the Arkansas and Oklahoma natural gas LDC sale). On an adjusted basis, pershare earnings increased 6% over the previous-year tally, to \$0.50.

Near-term earnings are expected to stay healthy thanks to solid growth in demand. Also, ongoing rate-relief efforts and higher volumes ought to help. Hence, we estimate 2023 and 2024 share earnings each will advance at a single-digit pace.

The company is successfully following through on its \$43 billion capital plan. The long-term endeavor is now in its third year. Over the past two years, CenterPoint has already invested over \$8 billion in capital. By the end of the first quarter, an additional \$3.6 billion was deployed. The company plans to recoup roughly 80% of the total spent amount by 2030. Center-Point anticipates that it will not need to

issue common equity through 2030, although the share count might rise slightly due to stock issued for options and various other plans.

The utility company is shifting away from using coal to generate electricity. This move is projected to save customers around \$80 million and decrease carbon emissions from the electric generation fleet by over 95% in the next 20 years. Currently, about 85% of the electricity provided to customers in southwest Indiana by CenterPoint is generated from coal. However, the company plans to switch to using mainly solar and wind power to generate electricity by the year 2030.

The board of directors boosted the dividend in the second quarter. The increase was \$0.01 a share (5.6%) sequentially, bringing the quarterly dividend amount to \$0.19 per share. Still, the dividend yield is below the utility average

Shares of CenterPoint have subpar near- to intermediate-term capital appreciation potential. All told, there are more attractive selections available elsewhere.

Emma Jalees June 9, 2023

(A) GAAP Dil. EPS 2022 & onwards. Excl. non-recur. gains (losses): '11, \$1.89; '12, (38¢); '13, (52¢); '15, (\$2.69); '17, \$2.56; '20, (\$2.74); gain (loss) on disc. ops.: '20, (34¢); '21, \$1.34. Next

egs. report due early Aug. (B) Div'ds histor. mill. (E) Rate base: Net orig. cost. Rate all'd on paid in early Mar., June, Sept. & Dec. 5 declarations in '17 & '20, 3 in '19. Div'd reinv. plan 11.25%; earned on avg. com. eq., '22: 8.27%.

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avail. (C) Incl. intang. In '22: \$6.82/sh. (D) In Regulatory Climate: TX, Avg.; IN, Above Avg. © 2023 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

Company's Financial Strength Stock's Price Stability B++ 75 Price Growth Persistence **Earnings Predictability**

30

55