

AVANGRID, INC. NYSE-AGR

RECENT PRICE **37.08** P/E RATIO **18.4** (Trailing: 23.9 Median: NMF) RELATIVE P/E RATIO **1.06** DIV'D YLD **4.7%** VALUE LINE

TIMELINESS 5 Lowered 8/11/23	High: 38.9 46.7 53.5 54.6 52.9 57.2 55.6 51.7 44.8		Target Price Range 2026 2027 2028 120 100 80 64 48 32 24 20 16 12 8
SAFETY 2 Raised 2/17/17	Low: 32.4 35.4 37.4 45.2 47.4 35.6 44.0 37.6 36.2		
TECHNICAL 3 Raised 5/26/23	LEGENDS --- 26.3 x Dividends p sh Relative Price Strength Options: Yes Shaded area indicates recession		
BETA .85 (1.00 = Market)			
18-Month Target Price Range			
Low-High Midpoint (% to Mid)			
\$31-\$53 \$42 (15%)			
2026-28 PROJECTIONS			
High Price Gain Ann'l Total			
Low 60 45 (+60%) 16%			
Institutional Decisions			
3Q2022 4Q2022 1Q2023			
to Buy 166 190 161	Percent 9		
to Sell 114 125 141	shares 6		
Hlds(000) 46742 48560 50224	traded 3		

AVANGRID, Inc. was formed through a merger between Iberdrola USA, Inc. and UIL Holdings Corporation in December of 2015. Iberdrola S.A., a worldwide leader in the energy industry, owns 81.5% of AVANGRID. The predecessor company was founded in 1852 and is headquartered in New Gloucester, Maine. It was incorporated in 1997 in New York under the name NGE Resources, Inc. AVANGRID began trading on the NYSE on December 17, 2015.	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	© VALUE LINE PUB. LLC 26-28	
	--	--	14.14	19.48	19.30	20.96	20.51	20.45	18.04	20.49	21.45	22.50	Revenues per sh	25.20
	--	--	3.44	4.74	4.49	4.89	5.41	5.22	4.64	5.14	4.80	5.35	"Cash Flow" per sh	6.30
	--	--	1.05	1.98	1.67	1.92	2.17	2.02	2.18	2.32	1.95	2.35	Earnings per sh A	2.75
	--	--	--	1.73	1.73	1.74	1.76	1.76	1.76	1.76	1.76	1.76	Div'd Decl'd per sh B	1.94
	--	--	3.50	5.52	7.82	5.78	8.87	9.00	7.70	6.52	8.65	9.00	Cap'l Spending per sh	9.50
	--	--	48.74	48.90	48.79	48.88	49.31	49.21	49.35	50.13	50.50	50.90	Book Value per sh C	53.25
	--	--	308.86	308.99	309.01	309.01	309.01	309.08	386.57	386.63	387.00	387.00	Common Shs Outst'g D	387.00
	--	--	33.5	20.5	27.3	26.1	23.1	23.6	23.2	19.6	<i>Bold figures are Value Line estimates</i>		Avg Ann'l P/E Ratio	18.5
	--	--	1.69	1.08	1.37	1.41	1.23	1.21	1.25	1.14			Relative P/E Ratio	1.05
	--	--	--	4.3%	3.8%	3.5%	3.5%	3.7%	3.5%	3.9%			Avg Ann'l Div'd Yield	3.8%

CAPITAL STRUCTURE as of 6/30/23	--	4594.0	4367.0	6018.0	5963.0	6478.0	6338.0	6320.0	6974.0	7923.0	8300	8700	Revenues (\$mill)	9750
Total Debt \$10311 mill. Due in 5 Yrs \$3275 mill.	--	424.0	267.0	611.0	516.0	595.0	673.0	625.0	780.0	901.0	755	910	Net Profit (\$mill)	1065
LT Debt \$8318 mill. LT Interest \$308 mill.	--	39.9%	11.3%	37.4%	32.4%	22.1%	17.0%	7.2%	6.2%	3.2%	7.0%	7.0%	Income Tax Rate	7.0%
Incl. \$87 mill. finance leases. (Total Interest coverage: 3.5x)	--	6.8%	12.7%	7.5%	12.4%	9.4%	15.0%	17.1%	15.5%	12.9%	18.0%	15.0%	AFUDC % to Net Profit	13.0%
Leases, Uncapitalized Annual rentals \$29 mill.	--	16.8%	23.1%	23.0%	25.6%	26.2%	30.6%	40.8%	29.3%	29.8%	31.5%	32.0%	Long-Term Debt Ratio	38.5%
	--	83.2%	76.9%	77.0%	74.4%	73.8%	69.4%	59.2%	70.7%	70.2%	68.5%	68.0%	Common Equity Ratio	61.5%
Pension Assets-12/22 \$2151 mill.	--	14956	19583	19619	20273	20472	21953	25687	26998	27603	28450	28950	Total Capital (\$mill)	33400
Oblig \$2451 mill.	--	17099	20711	21548	22669	23459	25218	26751	28866	30994	33225	35575	Net Plant (\$mill)	42700
Pfd Stock None	--	3.7%	2.1%	3.8%	3.1%	3.5%	3.7%	3.0%	3.4%	3.9%	3.5%	3.5%	Return on Total Cap'l	4.0%
	--	3.4%	1.8%	4.0%	3.4%	3.9%	4.4%	4.1%	4.1%	4.6%	4.0%	4.5%	Return on Shr. Equity	5.0%
Common Stock 386,770,915 shs. as of 7/26/23	--	3.4%	1.8%	4.0%	3.4%	3.9%	4.4%	4.1%	4.1%	4.6%	4.0%	4.5%	Return on Com Equity E	5.0%
MARKET CAP: \$14.3 billion (Large Cap)	--	3.4%	1.8%	1.4%	NMF	4%	8%	5%	9%	1.1%	.5%	1.0%	Retained to Com Eq	1.5%
	--	--	--	66%	104%	90%	81%	87%	79%	76%	90%	75%	All Div'ds to Net Prof	70%

ELECTRIC OPERATING STATISTICS			
	2020	2021	2022
% Change Retail Sales (MWH)	-1.7	+1.8	+7
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)	+9	+1	+1.6

Fixed Charge Cov. (%)	237	270	247
ANNUAL RATES			
	Past 10 Yrs.	Past 5 Yrs.	Est'd '20-'22 to '26-'28
Revenues	--	2.0%	4.0%
"Cash Flow"	--	3.5%	4.0%
Earnings	--	7.0%	4.0%
Dividends	--	9.0%	1.5%
Book Value	--	0.5%	1.0%

Cal-endar	QUARTERLY REVENUES (\$ mill.)				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2020	1789	1392	1470	1669	6320
2021	1966	1477	1598	1933	6974
2022	2133	1794	1838	2158	7923
2023	2466	1587	2000	2247	8300
2024	2525	1825	2050	2300	8700

Cal-endar	EARNINGS PER SHARE A				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2020	.76	.32	.32	.62	2.02
2021	1.14	.35	.34	.44	2.18
2022	1.16	.46	.31	.39	2.32
2023	.64	.21	.40	.70	1.95
2024	.70	.45	.45	.75	2.35

Cal-endar	QUARTERLY DIVIDENDS PAID B				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2019	.44	.44	.44	.44	1.76
2020	.44	.44	.44	.44	1.76
2021	.44	.44	.44	.44	1.76
2022	.44	.44	.44	.44	1.76
2023	.44	.44	.44	.44	1.76

BUSINESS: AVANGRID, Inc. (formerly Iberdrola USA, Inc.), is a diversified energy and utility company that serves 2.3 million electric customers in New York, Connecticut, and Maine and 1 million gas customers in New York, Connecticut, Massachusetts & Maine. Has a nonregulated generating subsidiary focused on wind and solar power generation, with 9.2 GW of capacity and 1.7 GW under construction. Renewables segment accounted for about 17% of net profits for trailing 12 months. Power/fuel costs: 31% of rev. '22 reported depr. rate: 2.6%. Iberdrola owns 81.5% of stock. Employs 7,579. Board Chair: Ignacio Sanchez Galan. CEO: Pedro Azagra Blazquez. Inc.: New York. Address: 180 Marsh Hill Road, Orange, CT 06477. Tel.: 207-629-1200. Web: www.avangrid.com.

AVANGRID looks on pace for a disappointing 2023 campaign. The company reported June-period earnings per share that were \$0.19 shy of the Wall Street consensus estimate. This followed an \$0.11 shortfall in the first quarter of the year. (It should be noted that the company was up against a difficult March quarterly comparison, given that last year's profit of \$1.16 per share included a \$0.47 unusual gain.) The main problem, besides mild weather throughout much of its service area over the first half of this year, has been rising interest and operating/maintenance expenses, while AVANGRID has only received rate relief thus far in 2023 from Massachusetts. AVANGRID is suffering from regulatory lag in its New York, Maine and Connecticut territories. The company's utilities are in settlement talks with their state regulatory boards for rate relief, and AVANGRID leadership expects to receive higher prices over the back half of this year. The company is still clinging to its bottom-line outlook of \$2.20-\$2.35 per share for this year. We think most of the rate relief coming will likely be in 2024.

Concluding the acquisition of PNM Resources remains a high priority. To recap, AVANGRID agreed to purchase the parent of electric utilities in New Mexico and Texas for \$4.3 billion. The deal was blocked by New Mexico regulators for seemingly insubstantial reasons. The companies appealed more than a year ago and have extended their agreement multiple times. The outcome of this case is in the hands of the New Mexico Supreme Court, which is under no time constraint to make a decision. AVANGRID may appeal to patient investors interested in its "green" energy prospects. AGR is a key player in this burgeoning arena, which currently accounts for about 20% of profits. Its existing renewable power generation comes from onshore wind and solar. Construction of the first U.S. large-scale offshore wind project began in November 2021 and is expected to be completed by late 2024. Over time, renewables should grow to become a larger income source. But for the near-term, this issue is ranked to underperform the broader market averages. Anthony J. Glennon August 11, 2023

(A) Diluted eps. Excl. nonrecur. gain/(loss): '16, 6c; '17, (44c); '19, 9c; '20, (14c); '21, (21c); '22, (5c). Quarterly earnings may not sum to full-year due to rounding. Next eps. report due late October. (B) Div'ds paid in early Jan., April, July, and Oct. (C) Includ. reinvestment plan available. (D) Incl. intangibles. In '22: \$5,721 mill., \$14.80/sh. (E) Rate base: Net original cost. Rate allowed on com. eq. in NY in '20: 8.8%; in CT in '17: 9.1% elec.; in CT in '19: 9.3% gas; in ME in '22: 9.25%. Regulatory Climate: Below Average.

Company's Financial Strength	B++
Stock's Price Stability	85
Price Growth Persistence	35
Earnings Predictability	85

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