

TIMELINESS 3 Lowered 4/5/19	High: 15.8 18.0 24.0 26.2 33.5 44.9 49.2 26.9 27.8 28.1 30.7 30.5	LEGENDS 0.50 x Dividends p sh divided by Interest Rate ... Relative Price Strength Options: Yes Shaded area indicates recession		Target Price Range 2023 2024 2025 25 30 35 40 45 50 55 60 65 70 75 80
SAFETY 2 Raised 11/29/19	Low: 7.8 14.1 17.7 22.3 24.8 32.1 16.0 19.0 21.7 22.4 24.7 19.6			
TECHNICAL 3 Raised 4/24/20				
BETA .85 (1.00 = Market)				

18-Month Target Price Range
Low-High Midpoint (% to Mid)
 \$19-\$40 \$30 (25%)

2023-25 PROJECTIONS

High	Price	Gain	Ann'l Total Return
Low	40	(+65%)	16%
	30	(+25%)	9%

Institutional Decisions

	3Q2019	4Q2019	1Q2020
to Buy	228	255	214
to Sell	192	203	230
Hlds(000)	343395	347952	345200

Percent shares traded: 30, 20, 10

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	© VALUE LINE PUB. LLC		23-25
24.63	28.97	27.37	28.96	32.36	24.02	22.99	21.33	16.31	18.04	20.47	14.58	13.90	14.46	13.74	13.63	13.30	14.05	Revenues per sh	17.20	
3.47	3.14	3.18	3.20	3.32	2.96	3.19	2.98	3.13	3.41	3.60	2.27	2.71	2.07	2.82	3.03	3.10	3.25	"Cash Flow" per sh	4.10	
1.62	1.08	1.14	1.14	1.34	.84	1.06	1.05	1.37	1.57	1.67	.63	1.00	.39	1.30	1.32	1.30	1.40	Earnings per sh A	2.05	
.92	.92	.92	.92	.92	.92	.92	.92	.94	.98	1.02	.83	.64	.70	.78	.80	.86	.92	Div'd Decl'd per sh B	1.16	
1.91	2.17	2.33	2.88	3.54	2.81	2.88	3.99	4.83	5.99	6.42	4.26	4.57	5.03	4.88	4.72	4.70	4.70	Cap'l Spending per sh	4.70	
17.69	18.09	18.32	18.52	17.24	17.54	17.63	17.71	17.90	18.77	19.54	12.04	12.60	12.82	13.08	13.36	13.75	14.20	Book Value per sh C	16.20	
270.63	272.62	273.65	274.18	274.26	276.79	279.30	282.18	310.28	313.68	316.04	319.11	323.16	337.02	372.36	382.14	383.00	384.00	Common Shs Outst'g D	385.00	
13.0	21.4	19.2	18.8	12.1	14.3	15.3	19.4	17.9	18.9	22.7	37.3	23.2	NMF	19.3	21.2	Bold figures are Value Line estimates		Avg Ann'l P/E Ratio	16.0	
.69	1.14	1.04	1.00	.73	.95	.97	1.22	1.14	1.06	1.19	1.88	1.22	NMF	1.04	1.15			Relative P/E Ratio	.90	
4.4%	4.0%	4.2%	4.3%	5.7%	7.6%	5.7%	4.5%	3.8%	3.3%	2.7%	3.5%	2.8%	2.8%	3.1%	2.9%			Avg Ann'l Div'd Yield	4.2%	

CAPITAL STRUCTURE as of 6/30/20
Total Debt \$9989.3 mill. Due in 5 Yrs \$2196 mill.
LT Debt \$8810.2 mill. LT Interest \$379 mill.
 (Interest cov. earned: 2.2x) (61% of Cap'l)

6422.0	6019.1	5061.2	5657.3	6470.6	4651.8	4492.5	4874.6	5114.5	5208.9	5100	5400	Revenues (\$mill)	6615
294.6	303.8	410.6	490.9	530.7	198.6	328.1	128.6	463.3	494.7	490	530	Net Profit (\$mill)	785
32.4%	35.0%	34.4%	34.8%	36.9%	41.6%	35.7%	71.0%	19.7%	20.2%	21.0%	21.0%	Income Tax Rate	22.0%
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54.7%	55.6%	55.1%	56.3%	56.9%	60.7%	59.8%	63.5%	55.3%	56.8%	55.5%	55.3%	Long-Term Debt Ratio	55.0%
45.3%	44.4%	44.9%	43.7%	43.1%	39.3%	40.2%	36.5%	37.9%	36.9%	44.5%	45.0%	Common Equity Ratio	45.0%
10859	11264	12373	13480	14331	9792.0	10129	11832	12856	13843	15875	16105	Total Capital (\$mill)	17005
11097	11800	12916	14365	16017	12112	13068	14360	15543	16912	15750	16000	Net Plant (\$mill)	17250
4.5%	4.4%	5.0%	5.2%	5.3%	4.0%	5.0%	2.6%	5.0%	4.9%	3.0%	3.5%	Return on Total Cap'l	4.5%
6.0%	6.1%	7.4%	8.3%	8.6%	5.2%	8.1%	3.0%	8.1%	8.3%	8.0%	8.5%	Return on Shr. Equity	11.0%
6.0%	6.1%	7.4%	8.3%	8.6%	5.2%	8.1%	3.0%	9.3%	8.6%	8.0%	8.5%	Return on Com Equity	11.0%
.8%	.9%	2.5%	3.1%	3.4%	NMF	3.0%	NMF	3.7%	2.7%	2.0%	2.5%	Retained to Com Eq	4.5%
87%	85%	67%	62%	61%	NMF	63%	NMF	61%	72%	73%	72%	All Div'ds to Net Prof	61%

Leases, Uncapitalized Annual rentals \$27.2 mill.
Pension Assets-12/18 \$2.3 bill. **Oblig.** \$2.7 bill.

Pfd Stock \$880 mill. **Pfd Div'd** \$28.5 mill.

Common Stock 383,023,038 shs. as of 7/30/20
MARKET CAP: \$9.2 billion (Large Cap)

CURRENT POSITION 2018 2019 6/30/20 (\$MILL.)

Cash Assets	112.8	139.3	142.2
Other	1942.6	1714.6	2717.4
Current Assets	2055.4	1853.9	2859.6
Accts Payable	883.8	666.0	482.9
Debt Due	2027.2	1783.6	1179.1
Other	1125.8	1296.2	1565.7
Current Liab.	4036.8	3745.8	3227.7
Fix. Chg. Cov.	246%	250%	255%

ANNUAL RATES Past 10 Yrs. Past 5 Yrs. Est'd '17-'19 to '23-'25

Revenues	-7.0%	-5.5%	3.5%
"Cash Flow"	-2.0%	-5.0%	7.5%
Earnings	-1.0%	-8.0%	13.0%
Dividends	-2.0%	-5.0%	7.5%
Book Value	-3.0%	-7.0%	5.0%

QUARTERLY REVENUES (\$ mill.)

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2017	1598.6	990.7	917.0	1368.3	4874.6
2018	1750.8	1007.0	895.0	1461.7	5114.5
2019	1869.8	1010.4	931.5	1397.2	5208.9
2020	1605.5	962.7	1000	1531.8	5100
2021	1680	1040	1075	1605	5400

EARNINGS PER SHARE A

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2017	.65	d.14	.04	d.16	.39
2018	.77	.07	.10	.38	1.30
2019	.82	.05	--	.45	1.32
2020	.76	.13	.09	.32	1.30
2021	.78	.15	.12	.35	1.40

QUARTERLY DIVIDENDS PAID B

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2016	.155	.155	.165	.165	.64
2017	.175	.175	.175	.175	.70
2018	.195	.195	.195	.195	.78
2019	.200	.200	.200	.200	.80
2020	.21	.21	.21		

(A) Dil. EPS. Excl. nonrec. gains (losses): '05, (4c); gains (losses) on disc. ops.: '05, 10c; '06, (11c); '07, 3c; '08, (\$1.14); '15, (30c); '18, (\$1.48). Next eps. report due late Nov. Qtrly eps. may not sum to total due to rounding.

(B) Div'ds historically paid in mid-Feb., May, Aug., Nov. ■ Div'd reinv. avail.

(C) Incl. intang in '19: \$1485.9 million.

(D) In mill.

(E) Spun off Columbia Pipeline Group (7/15)

NiSource recently posted mixed June-quarter financial results. On the downside, revenues fell 4.7%, to \$962.7 million, reflecting a drop in customer and other revenues of 3.8% and 27.2%, respectively, as the challenging operating environment caused by the coronavirus pandemic applied pressure to end-use consumer demand. Further complications came from the volatility impacting the commodity markets. Although fossil fuel prices have rebounded from the 52-week lows experienced earlier this year, they are still well off their highs. On the margin front, cost of goods sold fell 550 basis points as a percentage of the top line. All told, these factors equated to a 160% rise in earnings per share, to \$0.13. This was markedly above our call for \$0.10.

Still, we have left our 2020 bottom-line estimate unchanged, at this time. Our figure of \$1.30 per share would represent a slight annual decline. This will likely stem from a revenue downturn of about 2%, to \$5.1 billion, as volumes fall off for both the commercial and industrial customers. Elsewhere, management expects a number of accounts will fall into

the bad-debt category, as economic headwinds related to the pandemic weigh on customers' ability to pay. These factors have also prompted us to reduce our 2021 top- and bottom-line estimates by \$100 million and a dime, to \$5.4 billion and \$1.40 a share, respectively.

The divestiture of Columbia Gas of Massachusetts appears to be moving forward. That deal is still pending regulatory approval. It looks like NiSource will make a \$56 million payment into an energy relief fund to settle matters related to the greater Lawrence events.

Meantime, rate cases augur well for growth prospects. The Columbia Gas of Pennsylvania and Columbia Gas of Maryland units have both filed for rate increases totaling nearly \$107 million annually, combined. These increases will go towards continued capital improvement projects. NiSource has about \$1.7 billion-\$1.8 billion in growth and reliability initiatives planned each year.

But these shares are not overly compelling given the difficult economic backdrop and operating environment.

Bryan J. Fong
 August 28, 2020

Company's Financial Strength	B+
Stock's Price Stability	95
Price Growth Persistence	90
Earnings Predictability	40

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