



2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	© VALUE LINE PUB. LLC	23-25
46.50	61.75	75.27	66.03	79.52	53.69	53.12	48.15	38.10	42.88	49.22	40.82	32.23	26.01	28.00	24.32	22.60	22.70	Revenues per sh ^A	37.95
2.91	3.90	4.26	4.14	4.19	4.29	4.64	4.72	4.76	5.14	5.42	5.81	6.19	6.62	7.24	7.57	8.15	8.45	"Cash Flow" per sh	9.80
1.58	1.72	2.00	1.94	2.00	1.97	2.16	2.26	2.10	2.50	2.96	3.09	3.38	3.60	4.00	4.35	4.70	4.95	Earnings per sh ^{AB}	6.00
1.22	1.24	1.26	1.28	1.30	1.32	1.34	1.36	1.38	1.40	1.48	1.56	1.68	1.80	1.94	2.10	2.30	2.46	Div'ds Decl'd per sh ^C	3.00
3.03	4.14	5.20	4.39	5.20	5.51	6.02	6.90	8.12	9.32	8.32	9.61	10.46	10.72	13.19	14.19	15.30	15.40	Cap'l Spending per sh	15.50
18.05	19.90	20.16	22.01	22.60	23.52	24.16	24.98	26.14	28.47	30.74	31.48	33.32	36.74	42.87	48.18	53.75	57.25	Book Value per sh	66.20
62.80	80.54	81.74	89.33	90.81	92.55	90.16	90.30	90.24	90.64	100.39	101.48	103.93	106.10	111.27	119.34	124.00	130.00	Common Shs Outst'g ^D	145.00
15.9	16.1	13.5	15.9	13.6	12.5	13.2	14.4	15.9	15.9	16.1	17.5	20.8	22.0	21.7	23.2	24.0	24.0	Avg Ann'l P/E Ratio	24.0
.84	.86	.73	.84	.82	.83	.84	.90	1.01	.89	.85	.88	1.09	1.11	1.17	1.27	1.27	1.27	Relative P/E Ratio	1.35
4.9%	4.5%	4.7%	4.2%	4.8%	5.3%	4.7%	4.2%	4.1%	3.5%	3.1%	2.9%	2.4%	2.3%	2.2%	2.1%	2.1%	2.1%	Avg Ann'l Div'd Yield	2.1%

CAPITAL STRUCTURE as of 6/30/20
 Total Debt \$4531.5 mill. Due in 5 Yrs \$565.0 mill.
 LT Debt \$4531.3 mill. LT Interest \$275.0 mill.
 (LT interest earned: 7.3x; total interest coverage: 7.3x)
 Leases, Uncapitalized Annual rentals \$21.0 mill.

Pfd Stock None

Pension Assets-9/19 \$530.1 mill.
 Oblig. \$577.3 mill.

Common Stock 123,354,982 shs.
 as of 7/31/20

MARKET CAP: \$12.8 billion (Large Cap)

4789.7	4347.6	3438.5	3886.3	4940.9	4142.1	3349.9	2759.7	3115.5	2901.8	2800	2950	Revenues (\$mill) ^A	5500
201.2	199.3	192.2	230.7	289.8	315.1	350.1	382.7	444.3	511.4	585	645	Net Profit (\$mill)	870
38.5%	36.4%	33.8%	38.2%	39.2%	38.3%	36.4%	36.6%	27.0%	21.4%	19.5%	20.5%	Income Tax Rate	24.0%
4.2%	4.6%	5.6%	5.9%	5.9%	7.6%	10.5%	13.9%	14.3%	17.6%	20.9%	21.9%	Net Profit Margin	15.8%
45.4%	49.4%	45.3%	48.8%	44.3%	43.5%	38.7%	44.0%	34.3%	38.0%	41.0%	40.0%	Long-Term Debt Ratio	40.0%
54.6%	50.6%	54.7%	51.2%	55.7%	56.5%	61.3%	56.0%	65.7%	62.0%	59.0%	60.0%	Common Equity Ratio	60.0%
3987.9	4461.5	4315.5	5036.1	5542.2	6650.2	6651.8	6965.7	7263.6	9279.7	11300	12400	Total Capital (\$mill)	16000
4793.1	5147.9	5475.6	6030.7	6725.9	7430.6	8280.5	9259.2	10371	11788	13100	14300	Net Plant (\$mill)	18000
6.9%	6.1%	6.1%	5.9%	6.4%	6.6%	7.2%	6.4%	6.9%	6.1%	6.5%	6.5%	Return on Total Cap'l	6.5%
9.2%	8.8%	8.1%	8.9%	9.4%	9.9%	10.1%	9.8%	9.3%	8.9%	9.0%	8.5%	Return on Shr. Equity	9.0%
9.2%	8.8%	8.1%	8.9%	9.4%	9.9%	10.1%	9.8%	9.3%	8.9%	9.0%	8.5%	Return on Com Equity	9.0%
3.5%	3.3%	2.8%	4.0%	4.7%	4.9%	5.1%	4.9%	4.8%	4.6%	4.5%	4.5%	Retained to Com Eq	4.5%
62%	62%	65%	56%	50%	51%	50%	50%	48%	48%	49%	50%	All Div'ds to Net Prof	50%

CURRENT POSITION

	2018	2019	6/30/20
Cash Assets (\$mill)	13.8	24.5	208.1
Other	465.1	433.5	394.1
Current Assets	478.9	458.0	602.2
Accts Payable	217.3	265.0	200.1
Debt Due	1150.8	464.9	.2
Other	547.0	479.5	502.4
Current Liab.	1915.1	1209.4	702.7
Fix. Chg. Cov.	926%	990%	980%

BUSINESS: Atmos Energy Corporation is engaged primarily in the distribution and sale of natural gas to over three million customers through six regulated natural gas utility operations: Louisiana Division, West Texas Division, Mid-Tex Division, Mississippi Division, Colorado-Kansas Division, and Kentucky/Mid-States Division. Gas sales breakdown for fiscal 2019: 66%, residential; 27%, commercial; 5%, industrial; and 2% other. The company sold Atmos Energy Marketing, 1/17. Officers and directors own approximately 1.4% of common stock (12/19 Proxy). President and Chief Executive Officer: Kevin Akers. Incorporated: Texas. Address: Three Lincoln Centre, Suite 1800, 5430 LBJ Freeway, Dallas, Texas 75240. Telephone: 972-934-9227. Internet: www.atmosenergy.com.

ANNUAL RATES

	Past 10 Yrs.	Past 5 Yrs.	Est'd '17-'19 to '23-'25
Revenues	-9.0%	-9.5%	6.5%
"Cash Flow"	5.5%	7.0%	5.5%
Earnings	7.5%	9.5%	7.0%
Dividends	4.0%	6.5%	7.5%
Book Value	6.5%	8.5%	7.5%

QUARTERLY REVENUES (\$ mill.) ^A

Fiscal Year Ends	Dec.31	Mar.31	Jun.30	Sep.30	Full Fiscal Year
2017	780.2	988.2	526.5	464.8	2759.7
2018	889.2	1219.4	562.2	444.7	3115.5
2019	877.8	1094.6	485.7	443.7	2901.8
2020	875.6	977.6	493.0	453.8	2800
2021	890	1050	540	470	2950

Atmos Energy Corporation, though not immune to the effects of COVID-19, has performed fairly well of late. In fact, during the first nine months of fiscal 2020 (which ends September 30th), share net advanced 8.5%, to \$4.21, versus the \$3.88 tally for the same period last year. That was brought about partially by the natural gas distribution business, which got a lift from higher rates, mostly in the Mississippi, Mid-Tex, Louisiana, and West Texas divisions. Customer growth, mainly in the Mid-Tex operation, also helped. Elsewhere, results of the pipeline and storage division enjoyed an increase in revenue from Gas Reliability Infrastructure Program filings approved in fiscal 2019 and 2020. If there are no major setbacks in the fourth quarter, it seems that profits will climb around 8%, to \$4.70 a share, for the entire fiscal year. Looking at fiscal 2021, the company's share net might rise another 5%, to \$4.95, as operating margins widen further.

EARNINGS PER SHARE ^{A B E}

Fiscal Year Ends	Dec.31	Mar.31	Jun.30	Sep.30	Full Fiscal Year
2017	1.08	1.52	.67	.34	3.60
2018	1.40	1.57	.64	.41	4.00
2019	1.38	1.82	.68	.49	4.35
2020	1.47	1.95	.79	.49	4.70
2021	1.53	2.05	.81	.56	4.95

QUARTERLY DIVIDENDS PAID ^C

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2016	.42	.42	.42	.45	1.71
2017	.45	.45	.45	.485	1.84
2018	.485	.485	.485	.525	1.98
2019	.525	.525	.525	.575	2.15
2020	.575	.575	.575		

Finances remain in strong shape. At the conclusion of June, cash and equivalents amounted to \$208.1 million. Moreover, long-term debt was a manageable

41% of total capital, and short-term obligations were minimal. Also, approximately \$3 billion of common stock and/or debt securities remained available for issuance (out of \$4 billion) under a shelf registration statement that expires in February, 2023. Finally, the company can access four revolving credit facilities aggregating \$2.2 billion plus a \$1.5 billion commercial paper program. All things considered, Atmos Energy ought to have little difficulty satisfying its commitments (including working capital needs and dividend payments) for some time. Acquisitions are also possible.

The high-quality stock has strengthened a bit in price over the past few months. We believe that movement can be traced, to a certain degree, to the company's solid earnings in fiscal 2020. Too, these shares are pegged at 2 (Above Average) for Timeliness. What's more, capital appreciation potential during the 18-month period looks solid. But the dividend yield does not stand out compared to the average of Value Line's Natural Gas Utility Industry group.

Frederick L. Harris, III August 28, 2020

(A) Fiscal year ends Sept. 30th. (B) Diluted shrs. Excl. nonrec. gains (loss): '10, 5c; '11, (1c); '18, \$1.43; 3Q '20, 17c. Excludes discontinued operations: '11, 10c; '12, 27c; '13, 14c; '17, 13c. Next egs. rpt. due early Nov. (C) Dividends historically paid in early March, June, Sept., and Dec. ■ Div. reinvestment plan. Direct stock purchase plan avail. (D) In millions. (E) Qtrs may not add due to change in shrs outstanding.