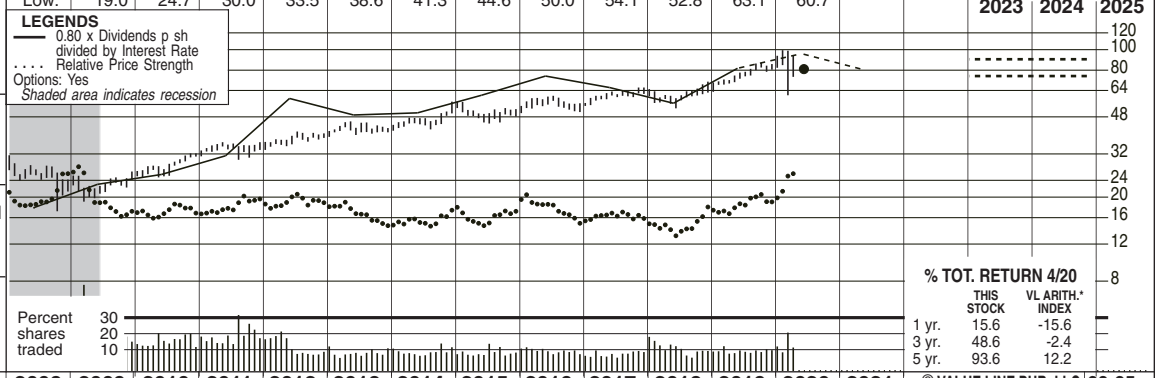
EVERSOURCE ENERGY NYSE-ES

RECENT PRICE	P/E RATIO		RELATIVE P/E RATIO	DIV'D YLD	
80.80	22.1	(Trailing: 23.4 Median: 18.0)	1.33	2.8%	VALUE LINE

TIMELINESS 2 Lowered 5/8/20
SAFETY 1 Raised 5/22/15
TECHNICAL 1 Raised 4/24/20
BETA .90 (1.00 = Market)

High:	26.5	32.2	36.5	40.9	45.7	56.7	56.8	60.4	66.1	70.5	86.6	99.4
Low:	19.0	24.7	30.0	33.5	38.6	41.3	44.6	50.0	54.1	52.8	63.1	60.7

Target Price Range 2023 | 2024 | 2025



18-Month Target Price Range

Low-High	Midpoint (% to Mid)
$72-$105	$89 (10%)

2023-25 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	90	(+10%)	6%
Low	75	(-5%)	2%

Institutional Decisions

	2Q2019	3Q2019	4Q2019
to Buy	327	357	390
to Sell	269	268	260
Hld's(000)	255223	265386	272541

% TOT. RETURN 4/20

	THIS STOCK	VL ARITH.* INDEX
1 yr.	15.6	-15.6
3 yr.	48.6	-2.4
5 yr.	93.6	12.2

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	© VALUE LINE PUB. LLC	23-25
51.82	41.85	44.64	37.27	37.22	30.97	27.76	25.21	19.98	23.16	24.42	25.08	24.11	24.46	26.66	25.85	*25.65*	*26.10*	Revenues per sh	*28.25*
5.00	5.46	3.69	4.82	6.16	4.96	5.68	4.88	4.03	5.22	4.56	4.94	5.46	5.84	6.64	6.65	*6.95*	*7.30*	"Cash Flow" per sh	*8.75*
.91	.98	.82	1.59	1.86	1.91	2.10	2.22	1.89	2.49	2.58	2.76	2.96	3.11	3.25	3.45	*3.65*	*3.85*	Earnings per sh A	*4.75*
.63	.68	.73	.78	.83	.95	1.03	1.10	1.32	1.47	1.57	1.67	1.78	1.90	2.02	2.14	*2.27*	*2.40*	Div'd Decl'd per sh B ■	*2.85*
4.85	5.89	5.49	7.14	8.06	5.17	5.41	6.08	4.69	4.62	5.06	5.44	6.24	7.41	7.96	8.83	*9.05*	*8.25*	Cap'l Spending per sh	*7.75*
17.80	18.46	18.14	18.65	19.38	20.37	21.60	22.65	29.41	30.49	31.47	32.64	33.80	34.99	36.25	38.29	*40.80*	*42.65*	Book Value per sh C	*48.75*
129.03	131.59	154.23	156.22	155.83	175.62	176.45	177.16	314.05	315.27	316.98	317.19	316.89	316.89	316.89	329.88	*339.00*	*343.00*	Common Shs Outst'g D	*355.00*
20.8	19.8	27.1	18.7	13.7	12.0	13.4	15.4	19.9	16.9	17.9	18.1	18.7	19.5	18.7	22.1	*Bold figures are*		Avg Ann'l P/E Ratio	*18.0*
1.10	1.05	1.46	.99	.82	.80	.85	.97	1.27	.95	.94	.91	.98	.98	1.01	1.19	*Value Line*		Relative P/E Ratio	*1.00*
3.3%	3.5%	3.3%	2.6%	3.2%	4.2%	3.6%	3.2%	3.5%	3.5%	3.4%	3.3%	3.2%	3.1%	3.3%	2.8%	*estimates*		Avg Ann'l Div'd Yield	*3.5%*

CAPITAL STRUCTURE as of 12/31/19
Total Debt $15571 mill. **Due in 5 Yrs** $6197.2 mill.
LT Debt $14311 mill. **LT Interest** $565.3 mill.
(LT interest earned: 3.5x)
Leases, Uncapitalized Annual rentals $10.2 mill.
Pension Assets-12/19 $4968.6 mill.
Oblig $6321.7 mill.
Pfd Stock $155.6 mill. **Pfd Div'd** $7.6 mill.
Incl. 2,324,000 shs $1.90-$3.28 rates ($50 par) not subject to mandatory redemption, call. at $50.50-$54.00; 430,000 shs 4.25%-4.78% not subject to mandatory redemption, call. at $102.80-$103.63.
Common Stock 329,952,663 shs. **as of 1/31/20**
MARKET CAP: $27 billion (Large Cap)

2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021		23-25
4898.2	4465.7	6273.8	7301.2	7741.9	7954.8	7639.1	7752.0	8448.2	8526.5	*8700*	*8950*	Revenues ($mill)	*10000*
377.8	400.3	533.0	793.7	827.1	886.0	949.8	995.5	1040.5	1121.0	*1235*	*1320*	Net Profit ($mill)	*1680*
36.6%	29.9%	34.0%	35.0%	36.2%	37.9%	36.9%	36.8%	21.7%	19.7%	*20.0%*	*20.0%*	Income Tax Rate	*20.0%*
7.1%	8.6%	2.3%	1.4%	2.4%	2.9%	3.9%	4.7%	6.1%	6.3%	*6.0%*	*5.0%*	AFUDC % to Net Profit	*4.0%*
55.1%	53.4%	43.7%	44.3%	45.9%	45.6%	44.8%	51.2%	52.4%	52.8%	*52.0%*	*52.5%*	Long-Term Debt Ratio	*54.0%*
43.6%	45.3%	55.4%	54.8%	53.2%	53.6%	54.4%	48.2%	46.9%	46.6%	*47.0%*	*47.0%*	Common Equity Ratio	*46.0%*
8741.8	8856.0	16675	17544	18738	19313	19697	23018	24474	27097	*29300*	*31200*	Total Capital ($mill)	*37800*
9567.7	10403	16605	17576	18647	19892	21351	23617	25610	27585	*29675*	*31475*	Net Plant ($mill)	*36200*
5.8%	5.9%	4.2%	5.5%	5.3%	5.5%	5.8%	5.2%	5.2%	5.1%	*5.0%*	*5.5%*	Return on Total Cap'l	*5.5%*
9.6%	9.7%	5.7%	8.1%	8.2%	8.4%	8.7%	8.9%	8.9%	8.8%	*9.0%*	*9.0%*	Return on Shr. Equity	*9.5%*
9.8%	9.8%	5.7%	8.2%	8.2%	8.5%	8.8%	8.9%	9.0%	8.8%	*9.0%*	*9.0%*	Return on Com Equity E	*9.5%*
5.0%	5.0%	1.6%	3.4%	3.5%	3.4%	3.5%	3.5%	3.4%	3.6%	*3.5%*	*3.5%*	Retained to Com Eq	*4.0%*
49%	50%	72%	59%	58%	61%	60%	61%	62%	60%	*62%*	*62%*	All Div'ds to Net Prof	*60%*

ELECTRIC OPERATING STATISTICS

	2017	2018	2019
% Change Retail Sales (KWH)	-2.6	+2.2	-3.3
Avg. Indust. Use (MWH)	NA	NA	NA
Avg. Indust. Revs. per KWH (¢)	NA	NA	NA
Capacity at Peak (Mw)	NA	NA	NA
Peak Load, Winter (Mw)	NA	NA	NA
Annual Load Factor (%)	NA	NA	NA
% Change Customers (yr-end)	+.6	+.5	+.7
Fixed Charge Cov. (%)	427	319	319

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '17-'19 to '23-'25
Revenues	-3.0%	2.5%	*1.5%*
"Cash Flow"	2.0%	6.5%	*5.5%*
Earnings	6.0%	7.0%	*6.5%*
Dividends	9.0%	7.0%	*6.0%*
Book Value	6.5%	3.5%	*5.0%*

Cal-endar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2017	2105	1762	1988	1895	7752.0
2018	2288	1853	2271	2034	8448.1
2019	2415	1884	2175	2050	8526.5
2020	*2450*	*1950*	*2200*	*2100*	*8700*
2021	*2550*	*2000*	*2250*	*2150*	*8950*

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2017	.82	.72	.82	.75	3.11
2018	.85	.76	.91	.73	3.25
2019	.97	.74	.98	.76	3.45
2020	*1.03*	*.80*	*.97*	*.85*	*3.65*
2021	*1.08*	*.85*	*1.02*	*.90*	*3.85*

Cal-endar	QUARTERLY DIVIDENDS PAID B ■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2016	.445	.445	.445	.445	1.78
2017	.475	.475	.475	.475	1.90
2018	.505	.505	.505	.505	2.02
2019	.535	.535	.535	.535	2.14
2020	.5675				

BUSINESS: Eversource Energy (formerly Northeast Utilities) is the parent of utilities that have 3.2 mill. electric, 540,000 gas, 229,000 water customers. Supplies power to most of Connecticut and gas to part of Connecticut; supplies power to 3/4 of New Hampshire's population; supplies power to western Massachusetts and parts of eastern Massachusetts & gas to central & eastern Massachusetts; supplies water to CT, MA, & NH. Acq'd NSTAR 4/12; Aquarion 12/17. Electric rev. breakdown: residential, 54%; commercial, 37%; industrial, 5%; other, 4%. Fuel costs: 36% of revs. '19 reported deprec. rate: 3.0%. Has 8,200 empls. Chairman, Pres. & CEO: James J. Judge. Inc.: MA. Address: 300 Cadwell Drive, Springfield, MA 01104. Tel.: 413-785-5871. Internet: www.eversource.com.

Eversource has agreed to pay $1.1 billion in cash for a gas utility in Massachusetts. Columbia Gas, owned by NiSource, has 330,000 customers. The deal requires the approval of the Massachusetts regulators and is expected to be completed by the end of the third quarter. Eversource plans to finance this with a combination of debt and common equity. The company expects the acquisition to be accretive to earnings in the first 12 months after closing. We will not adjust our figures to reflect the deal until after it is completed. Note that NiSource will be responsible for any liabilities resulting from an explosion in September of 2018.

Two rate cases are pending. P.S. of New Hampshire filed for an electric increase of $70.4 million, based on a return on equity of 10.4% and a common-equity ratio of 54.85%. PSNH has been collecting interim rates of $28.3 million since July 1, 2019. New rates are expected to take effect on July 1st. NSTAR Gas asked the Massachusetts commission for an increase of $38 million, based on an ROE of 10.45% and a common-equity ratio of 54.85%. Its application also requested a regulatory mechanism to provide a yearly performance-based ratemaking increase. New tariffs are expected to take effect on October 1st.

We look for earnings growth in 2020 and 2021 in line with Eversource's annual target of 5%-7%. The company should benefit from rate relief at its utilities and growth in its transmission rate base. Any sales decline stemming from the weak economy should have little effect on Eversource because most of its utilities operate under regulatory mechanisms that decouple revenues and volume. It's possible that the Federal Energy Regulatory Commission will lower the allowed ROE for transmission, forcing Eversource to refund previously collected revenues.

Three offshore wind projects are under development. These would add 1,714 megawatts of capacity from 2022 through 2024, and might well enable earnings growth to accelerate in 2024. However, there is significant construction risk.

This timely stock has fallen just 5% in 2020. Thus, the yield is low for a utility, and total return potential is unappealing for the 18-month and 2023-2025 periods.

Paul E. Debbas, CFA *May 15, 2020*

(A) Diluted EPS. Excl. nonrecurring gains (losses): '04, (7¢); '05, ($1.36); '08, (19¢); '10, 9¢; '19, (64¢). Next earnings report due early Aug. (B) Div'ds historically paid late Mar., June, Sept., & Dec. ■ Div'd reinvestment plan avail. (C) Incl. deferred charges. In '19: $28.16/sh. (D) In mill. (E) Rate allowed on com. eq. in MA: (elec.) '18, 10.0%; (gas) '16, 9.8%; in CT: (elec.) '18, 9.25%; (gas) '18, 9.3%; in NH: '10, 9.67%; earned on avg. com. eq., '19: 9.2%. Regulatory Climate: CT, Below Average; NH, Average; MA, Above Average.

Company's Financial Strength	A
Stock's Price Stability	85
Price Growth Persistence	70
Earnings Predictability	95

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