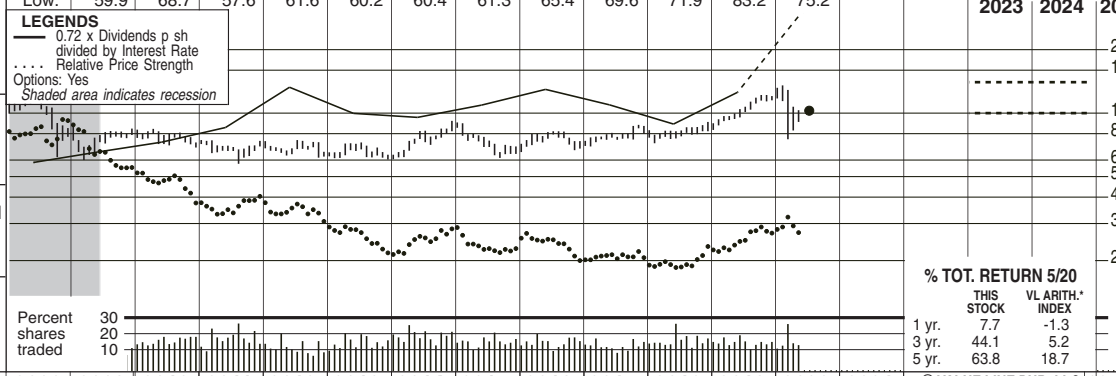
ENTERGY CORP. NYSE-ETR

RECENT PRICE **102.68** | P/E RATIO **20.3** (Trailing: 18.4 / Median: 13.0) | RELATIVE P/E RATIO **1.03** | DIV'D YLD **3.7%** | VALUE LINE

TIMELINESS 3 Raised 10/26/18
SAFETY 2 Raised 12/13/19
TECHNICAL 3 Lowered 6/5/20
BETA .95 (1.00 = Market)

High:	86.6	84.3	74.5	74.5	72.6	92.0	90.3	82.1	87.9	90.8	122.1	135.5
Low:	59.9	68.7	57.6	61.6	60.2	60.4	61.3	65.4	69.6	71.9	83.2	75.2

Target Price Range 2023 | 2024 | 2025



18-Month Target Price Range

Low-High	Midpoint (% to Mid)
$74-$166	$120 (15%)

2023-25 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	140	(+35%)	11%
Low	100	(-5%)	3%

Institutional Decisions

	3Q2019	4Q2019	1Q2020
to Buy	298	348	281
to Sell	248	242	349
Hld's(000)	175725	176392	172217

% TOT. RETURN 5/20

	THIS STOCK	VL ARITH.* INDEX
1 yr.	7.7	-1.3
3 yr.	44.1	5.2
5 yr.	63.8	18.7

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	© VALUE LINE PUB. LLC	23-25
46.69	46.61	53.94	59.47	69.15	56.82	64.27	63.67	57.94	63.86	69.71	64.54	60.55	61.35	58.23	54.63	*51.25*	*50.50*	Revenues per sh	*50.00*
8.33	8.18	10.69	11.73	12.89	13.29	16.54	17.53	15.98	16.25	17.68	17.71	18.72	16.70	16.50	17.19	*16.70*	*17.95*	"Cash Flow" per sh	*21.00*
3.93	4.40	5.36	5.60	6.20	6.30	6.66	7.55	6.02	4.96	5.77	5.81	6.88	5.19	5.88	6.30	*5.05*	*5.80*	Earnings per sh A	*7.00*
1.89	2.16	2.16	2.58	3.00	3.00	3.24	3.32	3.32	3.32	3.32	3.34	3.42	3.50	3.58	3.66	*3.74*	*3.86*	Div'd Decl'd per sh B ■ †	*4.55*
6.51	6.72	9.44	10.29	13.92	12.99	13.33	15.21	18.18	15.73	14.82	16.79	17.28	22.07	22.45	21.72	*20.75*	*19.15*	Cap'l Spending per sh	*18.75*
38.26	35.71	40.45	40.71	42.07	45.54	47.53	50.81	51.73	54.00	55.83	51.89	45.12	44.28	46.78	51.34	*52.80*	*55.20*	Book Value per sh C	*62.75*
216.83	216.83	202.67	193.12	189.36	189.12	178.75	176.36	177.81	178.37	179.24	178.39	179.13	180.52	189.06	199.15	*200.00*	*204.00*	Common Shs Outst'g D	*212.00*
15.1	16.3	14.3	19.3	16.6	12.0	11.6	9.1	11.2	13.2	12.9	12.5	10.9	15.0	13.8	16.5	*Bold figures are*		Avg Ann'l P/E Ratio	*17.0*
.80	.87	.77	1.02	1.00	.80	.74	.57	.71	.74	.68	.63	.57	.75	.75	.88	*Value Line*		Relative P/E Ratio	*.95*
3.2%	3.0%	2.8%	2.4%	2.9%	4.0%	4.2%	4.9%	4.9%	5.1%	4.5%	4.6%	4.6%	4.5%	4.4%	3.5%	*estimates*		Avg Ann'l Div'd Yield	*3.8%*

CAPITAL STRUCTURE as of 3/31/20
Total Debt $21400 mill. **Due in 5 Yrs** $8317.4 mill.
LT Debt $18229 mill. **LT Interest** $810.0 mill.
Incl. $271.4 mill. of securitization bonds.
(LT interest earned: 1.8x)
Leases, Uncapitalized Annual rentals $62.1 mill.
Pension Assets-12/19 $6271.2 mill.
Oblig $8406.2 mill.
Pfd Stock $254.4 mill. **Pfd Div'd** $18.3 mill.
200,000 shs. 6.25%-7.5%, $100 par; 250,000 shs. 8.75%, 1.4 mill. shs. 5.375%; all cum., without sinking fund.
Common Stock 200,161,934 shs. **as of 4/30/20**
MARKET CAP: $21 billion (Large Cap)

2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021		23-25
11488	11229	10302	11391	12495	11513	10846	11074	11009	10879	*10250*	*10300*	Revenues ($mill)	*10600*
1270.3	1367.4	1091.9	904.5	1060.0	1061.2	1249.8	950.7	1092.1	1258.2	*1030*	*1195*	Net Profit ($mill)	*1490*
32.7%	17.3%	13.0%	26.7%	37.8%	2.2%	11.3%	1.8%	1.8%	NMF	*18.0%*	*22.0%*	Income Tax Rate	*22.0%*
7.4%	8.9%	11.9%	10.1%	9.3%	7.4%	8.1%	14.7%	17.5%	16.7%	*19.0%*	*16.0%*	AFUDC % to Net Profit	*13.0%*
56.3%	52.2%	55.8%	55.1%	54.9%	57.8%	63.6%	63.6%	63.2%	62.0%	*62.0%*	*62.0%*	Long-Term Debt Ratio	*58.5%*
42.1%	46.4%	42.9%	43.6%	43.8%	40.8%	35.5%	35.5%	35.9%	37.1%	*37.5%*	*37.5%*	Common Equity Ratio	*41.0%*
20166	19324	21432	22109	22842	22714	22777	22528	24602	27557	*28350*	*30150*	Total Capital ($mill)	*32500*
23848	25609	27299	27882	28723	27824	27921	29664	31974	35183	*37050*	*38525*	Net Plant ($mill)	*41700*
7.7%	8.5%	6.4%	5.4%	6.0%	6.0%	6.9%	5.7%	5.8%	5.9%	*5.0%*	*5.5%*	Return on Total Cap'l	*6.0%*
14.4%	14.8%	11.5%	9.1%	10.3%	11.1%	15.1%	11.6%	12.0%	12.0%	*9.5%*	*10.5%*	Return on Shr. Equity	*11.0%*
14.7%	15.0%	11.6%	9.2%	10.4%	11.2%	15.2%	11.7%	12.2%	12.1%	*9.5%*	*10.5%*	Return on Com Equity E	*11.0%*
7.6%	8.4%	5.2%	3.0%	4.4%	4.8%	7.7%	3.9%	4.9%	5.2%	*2.5%*	*3.5%*	Retained to Com Eq	*4.0%*
49%	45%	56%	68%	58%	58%	50%	68%	61%	58%	*74%*	*67%*	All Div'ds to Net Prof	*66%*

ELECTRIC OPERATING STATISTICS

	2017	2018	2019
% Change Retail Sales (KWH)	+.2	+4.1	-1.4
Avg. Indust. Use (MWH)	1034	946	NA
Avg. Indust. Revs. per KWH(¢)	5.41	5.16	5.24
Capacity at Peak (Mw)	24279	23121	NA
Peak Load, Summer (Mw)	21671	21587	21598
Annual Load Factor (%)	62	65	NA
% Change Customers (yr-end)	+.6	+.6	NA
Fixed Charge Cov. (%)	169	95	165

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '17-'19 to '23-'25
Revenues	-.5%	-2.0%	*-2.5%*
"Cash Flow"	3.0%	- -	*4.0%*
Earnings	-.5%	.5%	*3.0%*
Dividends	2.5%	1.5%	*4.0%*
Book Value	1.0%	-2.5%	*5.0%*

Cal-endar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2017	2588	2618	3244	2624	11074
2018	2724	2669	3104	2512	11009
2019	2610	2666	3141	2462	10879
2020	2427	*2423*	*3000*	*2400*	*10250*
2021	*2600*	*2500*	*2900*	*2300*	*10300*

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2017	.46	2.27	2.21	.25	5.19
2018	.73	1.34	3.42	.39	5.88
2019	1.32	1.22	1.82	1.94	6.30
2020	.59	*1.25*	*2.45*	*.76*	*5.05*
2021	*1.10*	*1.50*	*2.60*	*.60*	*5.80*

Cal-endar	QUARTERLY DIVIDENDS PAID B ■ † Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2016	.85	.85	.85	.87	3.42
2017	.87	.87	.87	.89	3.50
2018	.89	.89	.89	.91	3.58
2019	.91	.91	.91	.93	3.66
2020	.93	.93			

BUSINESS: Entergy Corporation supplies electricity to 2.9 million customers through subsidiaries in Arkansas, Louisiana, Mississippi, Texas, and New Orleans (regulated separately from Louisiana). Distributes gas to 202,000 customers in Louisiana. Has a nonutility subsidiary that owns six nuclear units (four no longer operating). Electric revenue breakdown: residential, 38%; commercial, 26%; industrial, 27%; other, 9%. Generating sources: gas, 40%; nuclear, 28%; coal, 6%; purchased, 26%. Fuel costs: 30% of revenues. '19 reported depreciation rate: 2.8%. Has 13,600 employees. Chairman & CEO: Leo P. Denault. Incorporated: Delaware. Address: 639 Loyola Avenue, P.O. Box 61000, New Orleans, Louisiana 70161. Telephone: 504-576-4000. Internet: www.entergy.com.

Entergy's earnings are likely to decline this year. The fourth quarter of 2019 benefited from tax credits, which we *included* in our earnings presentation because the company has recorded similar benefits in previous years. In addition, Entergy's nonutility activities (primarily nonregulated nuclear units) lost $0.55 a share in the first quarter of 2020. The company is exiting most of these operations and excludes these results from its 2020 earnings guidance of $5.45-$5.75, but we include these results. We cut our 2020 earnings estimate by $0.40 a share, to $5.05, because March-quarter results were below our $1.00 estimate.

The company did not change its earnings guidance, despite the falloff in the economy. Management estimates the slump in commercial and industrial kilowatt-hour sales will reduce revenues by $120 million-$140 million this year, only partially offset by rising residential volume. In response, Entergy is cutting operating and maintenance expenses by $100 million. The company's utilities are deferring for future recovery their costs associated with the coronavirus problem. Entergy's targeted range for 2021 profits remains $5.80-$6.10 a share. Our estimate is at the bottom end of this range.

Entergy Louisiana completed a gas-fired generating plant in March, and three more gas-fired facilities are under construction. The new plant cost $872 million for 994 megawatts of capacity. Entergy New Orleans is adding 128 mw at a cost of $210 million, Entergy Louisiana is building a 361-mw facility for $261 million, and Entergy Texas is constructing 993 mw at a cost of $937 million. These facilities are still needed to meet customer demand, despite the recession, and will boost the company's earning power. The utilities will recover the costs of these projects either with a general rate case or through a formula rate plan.

The valuation of Entergy stock is about average for a utility. The dividend yield is close to the industry mean. The stock has declined 14% this year, a similar proportion to many utility issues. Total return potential is about average for the 18-month span and unspectacular for the 3- to 5-year period.

Paul E. Debbas, CFA *June 12, 2020*

(A) Diluted EPS. Excl. nonrec. losses: '05, 21¢; '12, $1.26; '13, $1.14; '14, 56¢; '15, $6.99; '16, $10.14; '17, $2.91; '18, $1.25. Next earnings report due early Aug. (B) Div'ds historically paid in early Mar., June, Sept., & Dec. ■ Div'd reinvestment plan avail. † Shareholder investment plan avail. (C) Incl. def'd charges. In '19: $29.67/sh. (D) In millions. (E) Rate base: Net original cost. Allowed ROE (blended): 9.95%; earned on avg. com. eq., '19: 13.0%. Regulatory Climate: Average.

Company's Financial Strength	B++
Stock's Price Stability	90
Price Growth Persistence	20
Earnings Predictability	60

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