AVISTA CORP. NYSE-AVA

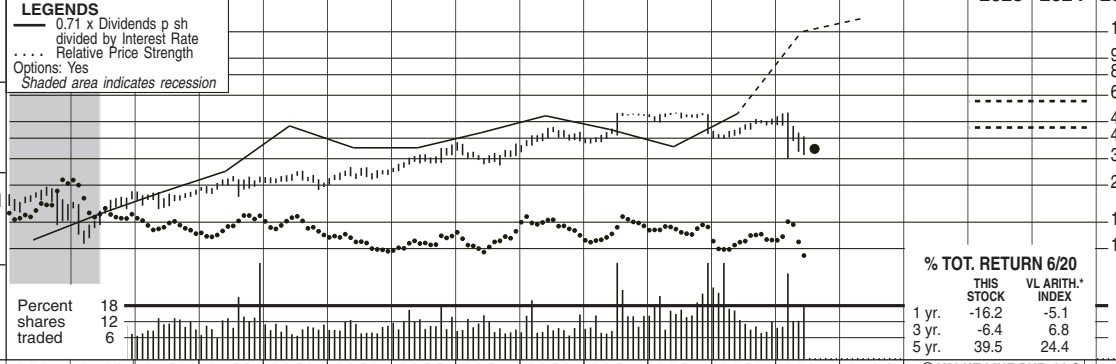
RECENT PRICE	P/E RATIO		RELATIVE P/E RATIO	DIV'D YLD	
35.67	19.3	(Trailing: 18.5 Median: 17.0)	0.94	4.6%	VALUE LINE

TIMELINESS 3 New 12/14/18
SAFETY 2 Raised 5/7/10
TECHNICAL 3 Lowered 6/12/20
BETA .95 (1.00 = Market)

High:	22.4	22.8	26.5	28.0	29.3	37.4	38.3	45.2	52.8	52.9	49.5	53.0
Low:	12.7	18.5	21.1	22.8	24.1	27.7	29.8	34.3	37.8	41.9	39.8	32.1

Target Price Range
2023 | 2024 | 2025

LEGENDS
— 0.71 x Dividends p sh divided by Interest Rate
.... Relative Price Strength
Options: Yes
Shaded area indicates recession



18-Month Target Price Range

Low-High	Midpoint (% to Mid)
$27-$66	$47 (30%)

2023-25 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	60	(+70%)	17%
Low	45	(+25%)	10%

Institutional Decisions

	3Q2019	4Q2019	1Q2020
to Buy	121	121	122
to Sell	103	120	128
Hld's(000)	53961	54694	53448

% TOT. RETURN 6/20

	THIS STOCK	VL ARITH.* INDEX
1 yr.	-16.2	-5.1
3 yr.	-6.4	6.8
5 yr.	39.5	24.4

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	© VALUE LINE PUB. LLC	23-25
23.76	27.98	28.68	26.80	30.77	27.58	27.29	27.73	25.86	26.94	23.66	23.83	22.47	22.08	21.27	20.03	*18.85*	*19.30*	Revenues per sh	*20.50*
2.35	2.72	4.27	2.93	3.98	4.45	3.62	3.78	3.70	4.36	4.36	4.92	5.30	4.87	5.01	6.06	*5.00*	*5.35*	"Cash Flow" per sh	*6.00*
.73	.92	1.47	.72	1.36	1.58	1.65	1.72	1.32	1.85	1.84	1.89	2.15	1.95	2.07	2.97	*1.85*	*2.05*	Earnings per sh A	*2.50*
.52	.55	.57	.60	.69	.81	1.00	1.10	1.16	1.22	1.27	1.32	1.37	1.43	1.49	1.55	*1.62*	*1.68*	Div'd Decl'd per sh B ■	*1.90*
2.47	3.23	3.14	4.04	4.09	3.86	3.64	4.20	4.61	5.05	5.47	6.46	6.34	6.30	6.46	6.59	*6.20*	*6.15*	Cap'l Spending per sh	*6.00*
15.54	15.87	17.46	17.27	18.30	19.17	19.71	20.30	21.06	21.61	23.84	24.53	25.69	26.41	26.99	28.87	*29.35*	*29.85*	Book Value per sh C	*31.75*
48.47	48.59	52.51	52.91	54.49	54.84	57.12	58.42	59.81	60.08	62.24	62.31	64.19	65.49	65.69	67.18	*69.00*	*70.00*	Common Shs Outst'g D	*73.00*
24.4	19.4	15.4	30.9	15.0	11.4	12.7	14.1	19.3	14.6	17.3	17.6	18.8	23.4	24.5	15.0	*Bold figures are*		Avg Ann'l P/E Ratio	*20.0*
1.29	1.03	.83	1.64	.90	.76	.81	.88	1.23	.82	.91	.89	.99	1.18	1.32	.81	*Value Line*		Relative P/E Ratio	*1.10*
2.9%	3.0%	2.5%	2.7%	3.4%	4.5%	4.8%	4.5%	4.6%	4.5%	4.0%	4.0%	3.4%	3.1%	2.9%	3.5%	*estimates*		Avg Ann'l Div'd Yield	*3.8%*

CAPITAL STRUCTURE as of 3/31/20
Total Debt $2132.5 mill. **Due in 5 Yrs** $515.5 mill.
LT Debt $1895.5 mill. **LT Interest** $86.9 mill.
Incl. $51.5 mill. debt to affiliated trusts; $54.5 mill. capitalized leases.
(LT interest earned: 2.6x)
Leases, Uncapitalized Annual Rentals $4.4 mill.
Pension Assets-12/19 $642.1 mill. **Oblig** $742.4 mill.
Pfd Stock None

Common Stock 67,293,360 shs.
as of 5/1/20
MARKET CAP: $2.4 billion (Mid Cap)

2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021		23-25
1558.7	1619.8	1547.0	1618.5	1472.6	1484.8	1442.5	1445.9	1396.9	1345.6	*1300*	*1350*	Revenues ($mill)	*1500*
92.4	100.2	78.2	111.1	114.2	118.1	137.2	126.1	136.4	197.0	*125*	*145*	Net Profit ($mill)	*175*
35.0%	35.4%	34.4%	36.0%	37.6%	36.3%	36.3%	36.5%	16.0%	13.8%	*7.5%*	*16.5%*	Income Tax Rate	*16.5%*
4.0%	5.2%	8.3%	8.8%	11.1%	10.1%	8.1%	7.9%	7.7%	5.5%	*9.0%*	*8.0%*	AFUDC % to Net Profit	*6.0%*
51.6%	51.4%	50.8%	51.4%	51.0%	50.0%	51.2%	47.2%	50.5%	49.4%	*50.5%*	*49.5%*	Long-Term Debt Ratio	*51.0%*
48.4%	48.6%	49.2%	48.6%	49.0%	50.0%	48.8%	52.8%	49.5%	50.6%	*49.5%*	*50.5%*	Common Equity Ratio	*49.0%*
2325.3	2439.9	2561.2	2669.7	3027.3	3060.3	3379.0	3273.2	3580.3	3834.6	*4085*	*4130*	Total Capital ($mill)	*4750*
2714.2	2860.8	3023.7	3202.4	3620.0	3898.6	4147.5	4398.8	4648.9	4797.0	*5005*	*5205*	Net Plant ($mill)	*5725*
5.4%	5.5%	4.3%	5.4%	4.9%	5.1%	5.3%	5.0%	4.8%	6.2%	*4.0%*	*4.5%*	Return on Total Cap'l	*5.0%*
8.2%	8.5%	6.2%	8.6%	7.7%	7.7%	8.3%	7.3%	7.7%	10.2%	*6.0%*	*7.0%*	Return on Shr. Equity	*7.5%*
8.2%	8.5%	6.2%	8.6%	7.7%	7.7%	8.3%	7.3%	7.7%	10.2%	*6.0%*	*7.0%*	Return on Com Equity E	*7.5%*
3.3%	3.1%	.8%	2.9%	2.4%	2.3%	3.0%	1.9%	2.2%	4.9%	*.5%*	*1.0%*	Retained to Com Eq	*1.5%*
60%	64%	88%	66%	69%	70%	64%	73%	72%	52%	*88%*	*82%*	All Div'ds to Net Prof	*78%*

ELECTRIC OPERATING STATISTICS

	2017	2018	2019
% Change Retail Sales (KWH)	+4.7	-3.7	+.2
Avg. Indust. Use (MWH)	1367	1344	1296
Avg. Indust. Revs. per KWH (¢)	6.11	6.20	6.26
Capacity at Peak (Mw)	NA	NA	NA
Peak Load, Summer (Mw) F	1681	1716	1656
Annual Load Factor (%)	NA	NA	NA
% Change Customers (yr-end)	+1.2	+1.4	+1.3
Fixed Charge Cov. (%)	296	259	202

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '17-'19 to '23-'25
Revenues	-3.0%	-3.5%	*-.5%*
"Cash Flow"	3.5%	5.0%	*2.0%*
Earnings	6.5%	7.0%	*1.0%*
Dividends	8.0%	4.0%	*4.0%*
Book Value	4.0%	4.5%	*2.5%*

Cal-endar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2017	436.5	314.5	297.1	397.8	1445.9
2018	409.4	319.3	296.0	372.2	1396.9
2019	396.5	300.8	283.8	364.5	1345.6
2020	390.2	*284.8*	*270*	*355*	*1300*
2021	*400*	*300*	*280*	*370*	*1350*

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2017	.96	.34	.07	.58	1.95
2018	.83	.39	.15	.70	2.07
2019	1.76	.38	.08	.76	2.97
2020	.72	*.33*	*.10*	*.70*	*1.85*
2021	*.80*	*.40*	*.10*	*.75*	*2.05*

Cal-endar	QUARTERLY DIVIDENDS PAID B ■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2016	.3425	.3425	.3425	.3425	1.37
2017	.3575	.3575	.3575	.3575	1.43
2018	.3725	.3725	.3725	.3725	1.49
2019	.3875	.3875	.3875	.3875	1.55
2020	.405	.405			

BUSINESS: Avista Corporation (formerly The Washington Water Power Company) supplies electricity & gas in eastern Washington & northern Idaho. Supplies electricity to part of Alaska & gas to part of Oregon. Customers: 410,000 electric, 361,000 gas. Acq'd Alaska Electric Light and Power 7/14. Sold Ecova energy-management sub. 6/14. Electric rev. breakdown: residential, 39%; commercial, 33%; industrial, 11%; wholesale, 8%; other, 9%. Generating sources: gas & coal, 34%; hydro, 30%; purch., 36%. Fuel costs: 33% of revs. '19 reported depr. rate (Avista Utilities): 3.3%. Has 1,900 employees. Chairman: Scott L. Morris. Pres. & CEO: Dennis Vermillion. Inc.: WA. Address: 1411 E. Mission Ave., Spokane, WA 99202-2600. Tel.: 509-489-0500. Internet: www.avistacorp.com.

We have cut our 2020 and 2021 earnings estimates for Avista. Management lowered its targeted range for this year from $1.95-$2.15 a share to $1.75-$1.95 a share. The effects of the coronavirus pandemic have hurt Avista's utility and nonutility businesses. About 10% of the company's utility volume is not protected by regulatory mechanisms that decouple revenues and sales, and some industrial customers had their operations shut for several weeks. In addition, the effects of the weak economy prompted the company to postpone planned rate filings in Washington and Idaho by a few months, to the fourth quarter of 2020. This delay in obtaining rate relief will affect Avista's earning power in 2021. Rate orders are due in Washington 11 months after the filing date and in Idaho seven months after the filing date, so any rate relief Avista obtains from these applications won't have much effect on income until 2022. All told, we reduced our 2020 and 2021 share-net estimates by $0.15 and $0.10, respectively. The stock price is down 26% in 2020, more than most utility issues. We also cut the Financial Strength rating from A to B++.

Earnings were going to decline this year, anyway. The comparison is difficult because Avista booked a $1.01-a-share breakup fee in the first quarter of 2019 after a proposed takeover of the company failed to win regulatory approval. We include merger-related costs and benefits in our earnings presentation.

The company has a gas rate case pending in Oregon. Avista had filed for an increase of $6.8 million (9.8%), based on a 9.9% return on equity and a 50% common-equity ratio. The utility reached a partial settlement calling for a 9.4% ROE (the same as is currently allowed).

Avista is making some financing moves. This year, the company plans to add $165 million of long-term debt and up to $70 million of common equity. The latter will be done though an at-the-market issuance program.

The dividend yield of this stock is above the utility average. Total return potential over the 18-month span is above average, as well. Prospects for the 3- to 5-year period are unspectacular, but superior to those of most utility equities.

Paul E. Debbas, CFA *July 24, 2020*

(A) Diluted EPS. Excl. nonrec. gain (loss): '14, 9¢; '17, (16¢); gains on disc. ops.: '14, $1.17; '15, 8¢. '19 EPS don't sum due to rounding. Next earnings report due early Aug. (B) Div'ds paid in mid-Mar., June, Sept. & Dec. ■ Div'd reinvestment plan avail. (C) Incl. deferred chgs. In '19: $10.77/sh. (D) In mill. (E) Rate base: Net orig. cost. Rate all'd on com. eq. in WA in '20: 9.4%; in ID in '17: 9.5%; in OR in '17: 9.4%; earned on avg. com. eq., '19: 10.6%. Regulatory Climate: WA, Below Average; ID, Above Average. (F) Winter peak in '17.

Company's Financial Strength	B++
Stock's Price Stability	70
Price Growth Persistence	70
Earnings Predictability	65

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