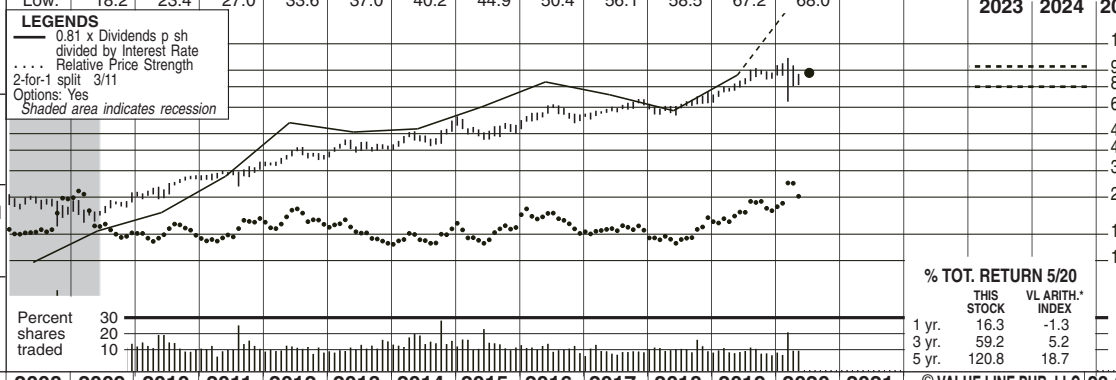
WEC ENERGY GROUP NYSE-WEC

RECENT PRICE	P/E RATIO		RELATIVE P/E RATIO	DIV'D YLD	
93.13	24.8	(Trailing: 25.3 Median: 18.0)	1.26	2.8%	VALUE LINE

TIMELINESS 3 Lowered 8/16/19
SAFETY 1 Raised 3/23/12
TECHNICAL 1 Raised 4/24/20
BETA .80 (1.00 = Market)

High:	25.3	30.5	35.4	41.5	45.0	55.4	58.0	66.1	70.1	75.5	98.2	109.5
Low:	18.2	23.4	27.0	33.6	37.0	40.2	44.9	50.4	56.1	58.5	67.2	68.0

Target Price Range
2023 | 2024 | 2025



18-Month Target Price Range

Low-High	Midpoint (% to Mid)
$65-$150	$108 (15%)

2023-25 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	100	(+5%)	5%
Low	80	(-15%)	Nil

Institutional Decisions

	3Q2019	4Q2019	1Q2020
to Buy	392	403	383
to Sell	359	361	426
Hld's(000)	246256	246035	234743

% TOT. RETURN 5/20

	THIS STOCK	VL ARITH.* INDEX
1 yr.	16.3	-1.3
3 yr.	59.2	5.2
5 yr.	120.8	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
14.66	16.31	17.08	18.12	18.95	17.65	17.98	19.46	18.54	20.00	22.16	18.77	23.68	24.24	24.34	23.85	*22.20*	*23.30*	Revenues per sh	*27.00*
2.58	2.89	2.90	2.98	2.95	3.11	3.30	3.68	4.01	4.33	4.47	3.87	5.39	5.69	6.04	6.53	*6.85*	*7.35*	"Cash Flow" per sh	*9.00*
.93	1.28	1.32	1.42	1.52	1.60	1.92	2.18	2.35	2.51	2.59	2.34	2.96	3.14	3.34	3.58	*3.75*	*3.95*	Earnings per sh A	*4.75*
.42	.44	.46	.50	.54	.68	.80	1.04	1.20	1.45	1.56	1.74	1.98	2.08	2.21	2.36	*2.53*	*2.70*	Div'd Decl'd per sh B ■	*3.20*
2.85	3.40	4.17	5.28	4.86	3.50	3.41	3.60	3.09	3.04	3.26	4.01	4.51	6.21	6.71	7.17	*10.00*	*9.30*	Cap'l Spending per sh	*7.75*
10.65	11.46	12.35	13.25	14.27	15.26	16.26	17.20	18.05	18.73	19.60	27.42	28.29	29.98	31.02	32.06	*33.10*	*34.25*	Book Value per sh C	*38.25*
233.97	233.96	233.94	233.89	233.84	233.82	233.77	230.49	229.04	225.96	225.52	315.68	315.62	315.57	315.52	315.43	*315.50*	*315.50*	Common Shs Outst'g D	*315.50*
17.5	14.5	16.0	16.5	14.8	13.3	14.0	14.2	15.8	16.5	17.7	21.3	19.9	20.0	19.6	23.5	*Bold figures are*		Avg Ann'l P/E Ratio	*19.0*
.92	.77	.86	.88	.89	.89	.89	.89	1.01	.93	.93	1.07	1.04	1.01	1.06	1.26	*Value Line*		Relative P/E Ratio	*1.05*
2.6%	2.4%	2.2%	2.1%	2.4%	3.2%	3.0%	3.3%	3.2%	3.5%	3.4%	3.5%	3.4%	3.3%	3.4%	2.8%	*estimates*		Avg Ann'l Div'd Yield	*3.5%*

CAPITAL STRUCTURE as of 3/31/20
Total Debt $12716 mill. **Due in 5 Yrs** $3874.9 mill.
LT Debt $11195 mill. **LT Interest** $526.2 mill.
Incl. $12.1 mill. capitalized leases.
(LT interest earned: 3.5x)
Leases, Uncapitalized Annual rentals $6.8 mill.
Pension Assets-12/19 $3007.0 mill.
Oblig $3123.7 mill.
Pfd Stock $30.4 mill. **Pfd Div'd** $1.2 mill.
260,000 shs. 3.60%, $100 par, callable. $101;
44,498 shs. 6%, $100 par.
Common Stock 315,434,531 shs.

MARKET CAP: $29 billion (Large Cap)

2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021		23-25
4202.5	4486.4	4246.4	4519.0	4997.1	5926.1	7472.3	7648.5	7679.5	7523.1	*7000*	*7350*	Revenues ($mill)	*8500*
455.6	514.0	547.5	578.6	589.5	640.3	940.2	998.2	1060.5	1134.2	*1185*	*1260*	Net Profit ($mill)	*1520*
35.4%	33.9%	35.9%	36.9%	38.0%	40.4%	37.6%	37.2%	13.8%	9.9%	*16.5%*	*16.5%*	Income Tax Rate	*16.5%*
18.6%	16.8%	9.4%	4.5%	1.3%	4.5%	3.8%	1.6%	2.1%	1.8%	*2.0%*	*2.0%*	AFUDC % to Net Profit	*2.0%*
50.6%	53.6%	51.7%	50.6%	48.5%	51.2%	50.5%	48.0%	50.4%	52.5%	*50.5%*	*53.0%*	Long-Term Debt Ratio	*51.5%*
49.0%	46.0%	48.0%	49.1%	51.2%	48.6%	49.3%	51.9%	49.4%	47.4%	*49.5%*	*47.0%*	Common Equity Ratio	*48.0%*
7764.5	8608.0	8619.3	8626.6	8636.5	17809	18118	18238	19813	21355	*21100*	*23050*	Total Capital ($mill)	*25100*
9601.5	10160	10572	10907	11258	19190	19916	21347	22001	23620	*25800*	*27675*	Net Plant ($mill)	*31700*
7.5%	7.5%	7.9%	8.1%	8.1%	4.5%	6.3%	6.6%	6.5%	6.5%	*7.0%*	*6.5%*	Return on Total Cap'l	*7.5%*
11.9%	12.9%	13.1%	13.6%	13.2%	7.4%	10.5%	10.5%	10.8%	11.2%	*11.5%*	*11.5%*	Return on Shr. Equity	*12.5%*
12.0%	12.9%	13.2%	13.6%	13.3%	7.4%	10.5%	10.5%	10.8%	11.2%	*11.5%*	*11.5%*	Return on Com Equity E	*12.5%*
7.0%	6.8%	6.5%	5.9%	5.3%	2.1%	3.5%	3.6%	3.7%	3.8%	*4.0%*	*4.0%*	Retained to Com Eq	*4.0%*
41%	47%	51%	57%	60%	71%	67%	66%	66%	66%	*67%*	*68%*	All Div'ds to Net Prof	*68%*

ELECTRIC OPERATING STATISTICS

	2017	2018	2019
% Change Retail Sales (KWH)	-3.0	+2.5	-2.5
Avg. Indust. Use (MWH)	NA	NA	NA
Avg. Lg. C&I Revs. per KWH (¢)	7.13	7.05	7.25
Capacity at Peak (Mw)	NA	NA	NA
Peak Load, Summer (Mw)	NA	NA	NA
Annual Load Factor (%)	NA	NA	NA
% Change Customers (yr-end)	+.7	+.7	+.6
Fixed Charge Cov. (%)	422	323	300

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '17-'19 to '23-'25
Revenues	3.0%	3.5%	*2.0%*
"Cash Flow"	7.5%	7.5%	*6.5%*
Earnings	8.5%	6.0%	*6.0%*
Dividends	14.5%	9.5%	*6.5%*
Book Value	8.0%	10.5%	*3.5%*

Cal-endar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2017	2304	1631	1657	2055	7648.5
2018	2286	1672	1643	2076	7679.5
2019	2377	1590	1608	1947	7523.1
2020	2109	*1491*	*1500*	*1900*	*7000*
2021	*2250*	*1600*	*1550*	*1950*	*7350*

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2017	1.12	.63	.68	.71	3.14
2018	1.23	.73	.74	.65	3.34
2019	1.33	.74	.74	.77	3.58
2020	1.43	*.62*	*.90*	*.80*	*3.75*
2021	*1.50*	*.75*	*.90*	*.80*	*3.95*

Cal-endar	QUARTERLY DIVIDENDS PAID B ■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2016	.495	.495	.495	.495	1.98
2017	.52	.52	.52	.52	2.08
2018	.5525	.5525	.5525	.5525	2.21
2019	.59	.59	.59	.59	2.36
2020	.6325	.6325			

BUSINESS: WEC Energy Group, Inc. (formerly Wisconsin Energy) is a holding company for utilities that provide electric, gas & steam service in WI & gas service in IL, MN, & MI. Customers: 1.6 mill. elec., 2.9 mill. gas. Acq'd Integrys Energy 6/15. Sold Point Beach nuclear plant in '07. Electric revenue breakdown: residential, 35%; small commercial & industrial, 32%; large commercial & industrial, 21%; other, 12%. Generating sources: coal, 36%; gas, 29%; renewables, 4%; purchased, 31%. Fuel costs: 36% of revenues. '19 reported deprec. rates: 2.3%-3.2%. Has 7,500 employees. Chairman: Gale E. Klappa. President & CEO: Kevin Fletcher. Inc.: WI. Address: 231 W. Michigan St., P.O. Box 1331, Milwaukee, WI 53201. Tel.: 414-221-2345. Internet: www.wecenergygroup.com.

WEC Energy appears to be well positioned to deal with the effects of the weak economy. Wisconsin was one of the first states to allow utilities to defer for future recovery costs associated with the coronavirus, such as increased bad-debt expense. From March 24th (the start of the stay-at-home order in Wisconsin) and May 2nd, kilowatt-hour sales declined 7%. Management estimated that the kilowatt-hour sales decline resulting from the economic turmoil will reduce pretax margin by $70 million-$80 million. However, management believes it can make up for this by cutting costs. The company's capital projects are on track, too. Accordingly, WEC Energy is maintaining its 2020 earnings guidance at $3.71-$3.75 a share, and continues to project long-term annual profit and dividend growth of 5%-7%. We left our 2020 estimate unchanged at $3.75 a share. However . . .

We trimmed our 2021 earnings estimate by $0.05 a share, to $3.95. Although the economy will likely be in better shape next year, any growth will come off a lower base. Also, Michigan Gas changed its plan to file a rate case that would have seen new tariffs take effect at the start of the new year. Our revised estimate would produce an increase of 5%, at the low end of WEC Energy's yearly target.

The company is asking the Wisconsin commission for approval to build two liquefied natural gas facilities. The total cost would be $370 million. Construction is expected to begin in the summer of 2021, with completion planned for late 2023.

WEC Energy is increasing its investment in three nonregulated wind projects. It has agreed to pay $118 million to boost its stake from 80% to 90%, an additional 75 megawatts. The company's total investment in the three wind farms will exceed $1 billion. WEC Energy expects to earn a higher return on equity from these projects than it does in its regulated utility operations.

This high-quality stock has outperformed most utility issues this year. The price has risen 1%. The dividend yield is below the utility mean, and the stock's 3- to 5-year total return potential is unspectacular.

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

(A) Diluted EPS. Excl. gains on discont. ops.: '04, 77¢; '11, 6¢; nonrecurring gain: '17, 65¢. '18 EPS don't sum due to rounding. Next earnings report due early Aug. (B) Div'ds paid in early Mar., June, Sept. & Dec. ■ Div'd reinvest. plan avail. (C) Incl. intang. In '19: $20.80/sh. (D) In mill., adj. for split. (E) Rate base: Net orig. cost. Rates all'd on com. eq. in WI in '15: 10.0%-10.3%; in IL in '15: 9.05%; in MN in '19: 9.7%; in MI in '16: 9.9%; earned on avg. com. eq., '19: 11.4%. Regulatory Climate: WI, Above Avg.; IL, Below Avg.; MN & MI, Avg.

Company's Financial Strength	A+
Stock's Price Stability	85
Price Growth Persistence	75
Earnings Predictability	90

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