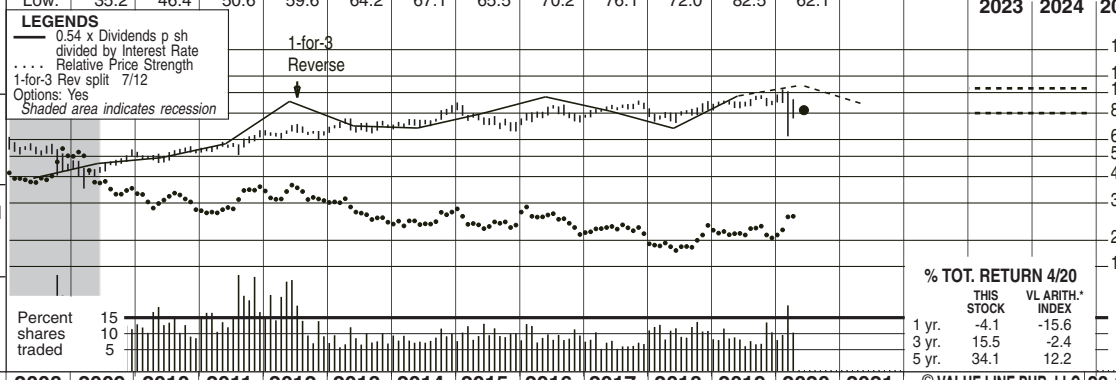
DUKE ENERGY NYSE-DUK

RECENT PRICE	P/E RATIO		RELATIVE P/E RATIO	DIV'D YLD	
82.63	16.2	(Trailing: 16.3 Median: 18.0)	0.98	4.6%	VALUE LINE

TIMELINESS 3 Lowered 3/13/20
SAFETY 2 New 6/1/07
TECHNICAL 3 Raised 4/3/20
BETA .85 (1.00 = Market)

High:	53.8	55.8	66.4	71.1	75.5	87.3	90.0	87.8	91.8	91.4	97.4	103.8
Low:	35.2	46.4	50.6	59.6	64.2	67.1	65.5	70.2	76.1	72.0	82.5	62.1

Target Price Range 2023 | 2024 | 2025



18-Month Target Price Range

Low-High	Midpoint (% to Mid)
$76-$113	$95 (15%)

2023-25 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	105	(+25%)	10%
Low	80	(-5%)	4%

Institutional Decisions

	2Q2019	3Q2019	4Q2019
to Buy	682	711	806
to Sell	586	582	557
Hld's(000)	7059915	445072	476731

% TOT. RETURN 4/20

	THIS STOCK	VL ARITH.* INDEX
1 yr.	-4.1	-15.6
3 yr.	15.5	-2.4
5 yr.	34.1	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
- -	- -	25.32	30.24	31.15	29.18	32.22	32.63	27.88	34.84	33.84	34.10	32.49	33.66	33.73	34.21	*33.25*	*33.95*	Revenues per sh	*36.25*
- -	- -	7.86	8.11	7.34	7.58	8.49	8.68	6.80	8.56	9.11	9.40	9.20	10.01	10.49	12.13	*12.05*	*12.75*	"Cash Flow" per sh	*14.25*
- -	- -	2.76	3.60	3.03	3.39	4.02	4.14	3.71	3.98	4.13	4.10	3.71	4.22	4.13	5.07	*5.10*	*5.30*	Earnings per sh A	*6.00*
- -	- -	- -	2.58	2.70	2.82	2.91	2.97	3.03	3.09	3.15	3.24	3.36	3.49	3.64	3.75	*3.82*	*3.89*	Div'd Decl'd per sh B ■	*4.10*
- -	- -	8.07	7.43	10.35	9.85	10.84	9.80	7.81	7.83	7.62	9.83	11.29	11.50	12.91	15.17	*15.50*	*14.70*	Cap'l Spending per sh	*13.75*
- -	- -	62.30	50.40	49.51	49.85	50.84	51.14	58.04	58.54	57.81	57.74	58.62	59.63	60.27	61.20	*63.80*	*65.35*	Book Value per sh C	*71.00*
- -	- -	418.96	420.62	423.96	436.29	442.96	445.29	704.00	706.00	707.00	688.00	700.00	700.00	727.00	733.00	*764.00*	*770.00*	Common Shs Outst'g D	*785.00*
- -	- -	- -	16.1	17.3	13.3	12.7	13.8	17.5	17.4	17.9	18.2	21.3	19.9	19.4	17.7	*Bold figures are*		Avg Ann'l P/E Ratio	*15.5*
- -	- -	- -	.85	1.04	.89	.81	.87	1.11	.98	.94	.92	1.12	1.00	1.05	.95	*Value Line*		Relative P/E Ratio	*.85*
- -	- -	- -	4.4%	5.2%	6.2%	5.7%	5.2%	4.7%	4.4%	4.3%	4.3%	4.3%	4.2%	4.5%	4.2%	*estimates*		Avg Ann'l Div'd Yield	*4.4%*

CAPITAL STRUCTURE as of 12/31/19
Total Debt $61261 mill. **Due in 5 Yrs** $20740 mill.
LT Debt $54985 mill. **LT Interest** $2155 mill.
Incl. $969 mill. capitalized leases.
(LT interest earned: 2.8x)
Leases, Uncapitalized Annual rentals $268 mill.
Pension Assets-12/19 $8910 mill.
Oblig $8231 mill.
Pfd Stock $1962 mill. **Pfd Div'd** $58 mill.
40 mill. shs. 5.75%, cum., $25 liq. value, redeemable at $25.50 prior to 6/15/24; 1 mill. shs. 4.875%, cum., $1000 liq. value.
Common Stock 733,321,965 shs. **as of 1/31/20**
MARKET CAP: $61 billion (Large Cap)

2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021		23-25
14272	14529	19624	24598	23925	23459	22743	23565	24521	25079	*25400*	*26150*	Revenues ($mill)	*28500*
1765.0	1839.0	2136.0	2813.0	2934.0	2854.0	2560.0	2963.0	2928.0	3755.0	*3860*	*4170*	Net Profit ($mill)	*4740*
32.6%	31.3%	30.2%	32.6%	30.6%	32.2%	31.0%	30.4%	14.2%	12.7%	*12.0%*	*12.0%*	Income Tax Rate	*12.0%*
22.7%	23.2%	22.3%	8.8%	7.2%	9.2%	11.7%	12.3%	13.0%	7.9%	*9.0%*	*8.0%*	AFUDC % to Net Profit	*8.0%*
44.3%	45.1%	47.0%	48.0%	47.7%	48.6%	52.6%	54.0%	53.8%	54.0%	*52.5%*	*53.0%*	Long-Term Debt Ratio	*53.5%*
55.7%	54.9%	52.9%	52.0%	52.3%	51.4%	47.4%	46.0%	46.2%	44.1%	*45.5%*	*45.5%*	Common Equity Ratio	*45.0%*
40457	41451	77307	79482	78088	77222	86609	90774	94940	101807	*106650*	*110725*	Total Capital ($mill)	*123600*
40344	42661	68558	69490	70046	75709	82520	86391	91694	102127	*108475*	*114050*	Net Plant ($mill)	*128400*
5.5%	5.6%	3.6%	4.6%	4.8%	4.8%	4.0%	4.3%	4.2%	4.8%	*4.5%*	*5.0%*	Return on Total Cap'l	*5.0%*
7.8%	8.1%	5.2%	6.8%	7.2%	7.2%	6.2%	7.1%	6.7%	8.0%	*7.5%*	*8.0%*	Return on Shr. Equity	*8.0%*
7.8%	8.1%	5.2%	6.8%	7.2%	7.2%	6.2%	7.1%	6.7%	8.3%	*7.5%*	*8.0%*	Return on Com Equity E	*8.5%*
2.1%	2.2%	.9%	1.5%	1.7%	1.5%	.6%	1.2%	1.0%	2.4%	*2.0%*	*2.0%*	Retained to Com Eq	*2.5%*
73%	72%	82%	78%	76%	79%	91%	83%	84%	71%	*77%*	*74%*	All Div'ds to Net Prof	*70%*

ELECTRIC OPERATING STATISTICS

	2017	2018	2019
% Change Retail Sales (KWH)	-2.0	+3.9	-.9
Avg. Indust. Use (MWH)	2914	2953	2934
Avg. Indust. Revs. per KWH (¢)	NA	NA	NA
Capacity at Peak (Mw)	NA	NA	NA
Peak Load, Summer (Mw)	NA	NA	NA
Annual Load Factor (%)	NA	NA	NA
% Change Customers (avg.)	+1.3	+1.4	+1.5
Fixed Charge Cov. (%)	272	218	233

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '17-'19 to '23-'25
Revenues	1.0%	1.0%	*1.0%*
"Cash Flow"	3.5%	6.0%	*4.5%*
Earnings	3.0%	2.5%	*5.0%*
Dividends	3.0%	3.0%	*2.0%*
Book Value	2.0%	1.0%	*2.5%*

Cal-endar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2017	5729	5555	6482	5799	23565
2018	6135	5643	6628	6115	24521
2019	6163	5873	6940	6103	25079
2020	*6250*	*5900*	*7000*	*6250*	*25400*
2021	*6450*	*6050*	*7200*	*6450*	*26150*

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2017	1.02	.98	1.36	.86	4.22
2018	1.17	.71	1.63	.61	4.13
2019	1.24	1.12	1.82	.89	5.07
2020	*1.30*	*1.05*	*1.80*	*.95*	*5.10*
2021	*1.35*	*1.10*	*1.90*	*.95*	*5.30*

Cal-endar	QUARTERLY DIVIDENDS PAID B ■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2016	.825	.825	.855	.855	3.36
2017	.855	.855	.89	.89	3.49
2018	.89	.89	.927	.928	3.64
2019	.927	.928	.945	.945	3.75
2020	.945				

BUSINESS: Duke Energy Corporation is a holding company for utilities with 7.6 mill. elec. customers in NC, FL, IN, SC, OH, & KY, and 1.6 mill. gas customers in OH, KY, NC, SC, and TN. Owns independent power plants & has 25% stake in National Methanol in Saudi Arabia. Acq'd Progress Energy 7/12; Piedmont Natural Gas 10/16; discontinued most int'l ops. in '16. Elec. rev. breakdown: residential, 44%; commercial, 28%; industrial, 14%; other, 14%. Generating sources: gas, 29%; nuclear, 29%; coal, 22%; other, 1%; purchased, 19%. Fuel costs: 30% of revs. '19 reported deprec. rate: 3.1%. Has 28,800 employees. Chairman, President & CEO: Lynn J. Good. Inc.: DE. Address: 550 South Tryon St., Charlotte, NC 28202-1803. Tel.: 704-382-3853. Internet: www.duke-energy.com.

Duke Energy has some rate cases pending. In North Carolina, Duke Energy Carolinas and Duke Energy Progress are seeking increases of $291 million (6.0%) and $464 million (12.3%), respectively, based on a 10.3% return on equity and a 53% common-equity ratio. In Indiana, the utility filed for a hike of $395 million (15%), based on a 10.4% ROE and a 53% common-equity ratio. Duke is seeking $345 million in 2020 and $50 million in 2021. In Kentucky, the company requested a boost of $46 million (12.5%), based on a 9.8% ROE and a 48% common-equity ratio. However . . .

There might well be delays in receiving rate relief. Hearings on the Duke Energy Carolinas proceeding have been delayed due to the coronavirus-related disruptions to normal operations. New tariffs were expected to take effect in the third quarter of 2020; how long implementation will be delayed, and whether the utility will be able to get interim rate relief, is unknown. Also unknown is whether orders in other states will be delayed.

We estimate just a slight profit increase this year. We are not assuming that Duke will obtain interim rate relief if any rate orders are delayed. In addition, the weak economy will hurt commercial and industrial kilowatt-hour sales. We have lowered our 2020 share-earnings estimate by $0.10, to $5.10. This is near the low end of the company's targeted range of $5.05-$5.45 (which was issued in mid-February, when the economy was in better shape). We think rate relief and a better economy will produce a 4% earnings increase in 2021, within Duke's annual growth goal of 4%-6%.

The cost of a proposed gas pipeline has risen again. Litigation has delayed the 47%-owned project and caused sizable cost overruns. The latest estimate is $8.0 billion, up from $7.3 billion-$7.8 billion. Duke will issue $2.5 billion of common equity (through a forward sale) by yearend to finance its share of the pipeline.

This stock has an above-average dividend yield for a utility. But total return potential is lackluster for the 18-month and 3- to 5-year periods. The stock price is down 9% this year, which is less than the fall in most utility issues.

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

(A) Diluted EPS. Excl. nonrec. losses: '12, 70¢; '13, 24¢; '14, 67¢; '17, 15¢; '18, 41¢; losses on disc. ops.: '14, 80¢; '16, 60¢; '18 EPS don't sum due to rounding. Next earnings report due early Aug. (B) Div'ds paid mid-Mar., June, Sept., & Dec. ■ Div'd reinv. plan avail. (C) Incl. intang. In '19: $44.37/sh. (D) In mill., adj. for rev. split. (E) Rate base: Net orig. cost. Rates all'd on com. eq. in '18 in NC: 9.9%; in '19 in SC: 9.5%; in '20 in FL: 9.5%-11.5%; in '04 in IN: 10.5%; earned on avg. com. eq., '19: 8.3%. Reg. Clim.: NC Avg.; SC, OH, IN Above Avg.

Company's Financial Strength	A
Stock's Price Stability	90
Price Growth Persistence	40
Earnings Predictability	90

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