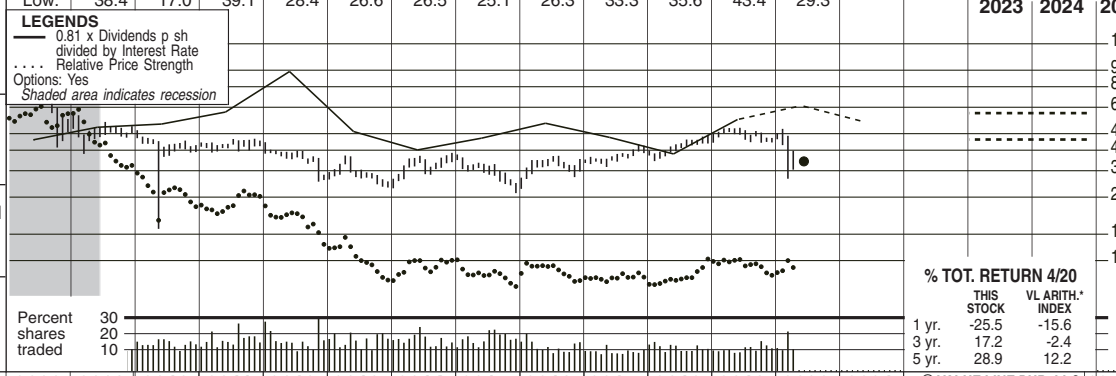
EXELON CORP. NDQ-EXC

RECENT PRICE	P/E RATIO		RELATIVE P/E RATIO	DIV'D YLD	
35.45	14.8	(Trailing: 11.8 Median: 15.0)	0.89	4.4%	VALUE LINE

TIMELINESS 3 Lowered 6/7/19
SAFETY 3 Lowered 5/15/20
TECHNICAL 3 Raised 5/8/20
BETA .90 (1.00 = Market)

High:	59.0	49.9	45.4	43.7	37.8	38.9	38.3	37.7	42.7	47.4	51.2	50.5
Low:	38.4	17.0	39.1	28.4	26.6	26.5	25.1	26.3	33.3	35.6	43.4	29.3

Target Price Range
2023 | 2024 | 2025



18-Month Target Price Range

Low-High	Midpoint (% to Mid)
$29-$61	$45 (25%)

2023-25 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	60	(+70%)	18%
Low	45	(+25%)	10%

Institutional Decisions

	2Q2019	3Q2019	4Q2019
to Buy	429	423	428
to Sell	464	451	478
Hld's(000)	774543	767278	768153

% TOT. RETURN 4/20

	THIS STOCK	VL ARITH.* INDEX
1 yr.	-25.5	-15.6
3 yr.	17.2	-2.4
5 yr.	28.9	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
21.85	23.05	23.37	28.62	28.65	26.25	28.17	28.53	27.48	29.03	31.90	32.01	33.94	34.81	37.17	35.39	*34.85*	*36.75*	Revenues per sh	*42.50*
5.68	6.19	6.71	7.43	7.64	8.25	8.32	7.23	6.61	6.72	6.61	6.80	7.01	8.37	8.24	8.96	*8.65*	*9.55*	"Cash Flow" per sh	*11.00*
2.75	3.21	3.50	4.03	4.10	4.29	3.87	3.75	1.92	2.31	2.10	2.54	1.80	2.78	2.07	3.01	*2.40*	*3.00*	Earnings per sh A	*3.50*
1.26	1.60	1.64	1.82	2.05	2.10	2.10	2.10	2.10	1.46	1.24	1.24	1.26	1.31	1.38	1.45	*1.53*	*1.61*	Div'd Decl'd per sh B ■	*1.90*
2.89	3.25	3.61	4.05	4.74	4.96	5.03	6.09	6.77	6.29	7.07	8.29	9.26	7.87	7.84	7.45	*8.60*	*7.15*	Cap'l Spending per sh	*7.25*
14.19	13.69	14.89	15.34	16.78	19.16	20.49	21.68	25.07	26.52	26.29	28.04	27.96	30.99	31.77	33.12	*34.05*	*35.50*	Book Value per sh C	*40.25*
664.19	666.37	669.86	660.88	658.15	659.76	661.85	663.37	854.78	857.29	859.83	919.92	924.04	963.34	968.19	973.00	*976.00*	*979.00*	Common Shs Outst'g D	*990.00*
13.0	15.4	16.5	18.2	18.0	11.5	11.0	11.3	19.1	13.4	16.0	12.6	18.7	13.4	20.1	15.7	*Bold figures are*		Avg Ann'l P/E Ratio	*14.5*
.69	.82	.89	.97	1.08	.77	.70	.71	1.22	.75	.84	.63	.98	.67	1.09	.84	*Value Line*		Relative P/E Ratio	*.80*
3.5%	3.2%	2.8%	2.5%	2.8%	4.3%	4.9%	5.0%	5.7%	4.7%	3.7%	3.9%	3.7%	3.5%	3.3%	3.1%	*estimates*		Avg Ann'l Div'd Yield	*3.8%*

CAPITAL STRUCTURE as of 12/31/19
Total Debt $37799 mill. **Due in 5 Yrs** $13136 mill.
LT Debt $31719 mill. **LT Interest** $1379 mill.
Includes $390 mill. nonrecourse transition bonds.
(LT interest earned: 3.6x)
Leases, Uncapitalized Annual rentals $287 mill.

Pension Assets-12/19 $18590 mill. **Oblig** $22868 mill.
Pfd Stock None

Common Stock 974,319,565 shs.
as of 1/31/20
MARKET CAP: $35 billion (Large Cap)

2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021		23-25
18644	18924	23489	24888	27429	29447	31360	33531	35985	34438	*34000*	*36000*	Revenues ($mill)	*42000*
2567.0	2499.0	1579.0	1999.0	1826.0	2282.0	1677.0	2636.0	2010.0	2936.0	*2340*	*2950*	Net Profit ($mill)	*3520*
39.2%	36.8%	32.4%	36.5%	27.2%	32.2%	38.5%	34.2%	5.4%	19.4%	*19.5%*	*19.5%*	Income Tax Rate	*19.5%*
2.1%	3.0%	5.8%	4.5%	5.5%	5.4%	12.3%	6.5%	7.0%	5.3%	*6.0%*	*5.0%*	AFUDC % to Net Profit	*4.0%*
46.8%	45.7%	45.8%	44.4%	46.7%	48.3%	55.5%	52.2%	52.8%	49.6%	*51.0%*	*49.0%*	Long-Term Debt Ratio	*50.0%*
52.9%	54.0%	53.5%	55.2%	52.8%	51.3%	44.5%	47.8%	47.2%	50.4%	*49.0%*	*51.0%*	Common Equity Ratio	*50.0%*
25651	26661	40057	41196	42811	50272	58053	62422	65229	63943	*67475*	*71225*	Total Capital ($mill)	*79600*
29941	32570	45186	47330	52087	57439	71555	74202	76707	80233	*83025*	*81225*	Net Plant ($mill)	*86200*
11.4%	10.6%	5.1%	5.9%	5.3%	5.5%	4.1%	5.3%	4.2%	5.7%	*5.0%*	*6.0%*	Return on Total Cap'l	*5.5%*
18.8%	17.3%	7.3%	8.7%	8.0%	8.8%	6.5%	8.8%	6.5%	9.1%	*7.0%*	*9.0%*	Return on Shr. Equity	*9.0%*
18.9%	17.3%	7.3%	8.7%	8.0%	8.8%	6.5%	8.8%	6.5%	9.1%	*7.0%*	*9.0%*	Return on Com Equity E	*9.0%*
8.7%	7.7%	NMF	3.2%	3.3%	4.5%	1.9%	4.7%	2.2%	4.7%	*2.5%*	*4.5%*	Retained to Com Eq	*4.0%*
54%	56%	109%	63%	59%	49%	70%	47%	66%	48%	*57%*	*49%*	All Div'ds to Net Prof	*52%*

ELECTRIC OPERATING STATISTICS

	2017	2018	2019
% Change Retail Sales (KWH)	-3.0	NA	NA
Avg. Indust. Use (MWH)	NA	NA	NA
Avg. Indust. Revs. per KWH (¢)	NMF	NMF	NMF
Capacity at Peak (Mw)	NA	NA	NA
Peak Load (Mw)	NA	NA	NA
Load Factor (%)	NA	NA	NA
% Change Customers (yr-end)	+.9	NA	NA
Fixed Charge Cov. (%)	282	236	257

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '17-'19 to '23-'25
Revenues	2.5%	4.0%	*3.0%*
"Cash Flow"	1.0%	5.0%	*4.5%*
Earnings	-4.5%	4.5%	*5.0%*
Dividends	-3.5%	-3.0%	*5.5%*
Book Value	6.5%	4.0%	*4.0%*

Cal-endar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2017	8757	7623	8769	8382	33531
2018	9693	8076	9403	8813	35985
2019	9477	7689	8929	8343	34438
2020	*9450*	*7450*	*8800*	*8300*	*34000*
2021	*9950*	*8000*	*9350*	*8700*	*36000*

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2017	.83	.44	.95	.56	2.78
2018	.60	.56	.76	.16	2.07
2019	.93	.50	.79	.79	3.01
2020	*.50*	*.50*	*.75*	*.65*	*2.40*
2021	*.85*	*.60*	*.90*	*.65*	*3.00*

Cal-endar	QUARTERLY DIVIDENDS PAID B ■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2016	.31	.318	.318	.318	1.26
2017	.328	.328	.328	.328	1.31
2018	.345	.345	.345	.345	1.38
2019	.362	.362	.363	.363	1.45
2020	.383				

BUSINESS: Exelon Corporation is a holding company for Commonwealth Edison, PECO Energy, Baltimore Gas and Electric, Pepco, Delmarva Power, & Atlantic City Electric. Has 8.9 mill. elec., 1.3 mill. gas customers. Has nonregulated generating & energy-marketing ops. Acq'd Constellation Energy 3/12; Pepco Holdings 3/16. Elec. rev. breakdown: res'l, 54%; small comm'l & ind'l, 16%; large comm'l & ind'l, 17%; other, 13%. Generating sources: nuclear, 65%; other, 10%; purch., 25%. Fuel costs: 45% of revs. '19 depr. rates: 2.8%-7.4% elec., 2.0% gas. Has 32,700 empls. Chairman: Mayo A. Shattuck III. Pres. & CEO: Christopher M. Crane. Inc.: PA. Address: 10 S. Dearborn St., P.O. Box 805379, Chicago, IL 60680-5379. Tel.: 312-394-7398. Internet: www.exeloncorp.com.

Exelon stock continues to underperform most electric utility equities. The equity turned in a poor showing in 2019, with a 4.2% total return versus the industry median of 25.1%. So far in 2020, the stock price has fallen 22%, even more than most utility issues. Investors have been concerned about federal subpoenas Exelon and its Commonwealth Energy subsidiary received in 2019 about the company's lobbying activities in Illinois. The SEC opened a similar investigation last year. What's more, business conditions have gotten worse. The poor economy is hurting Exelon's utilities that don't operate under regulatory mechanisms that decouple revenues and volume. The company's power-generating subsidiary is experiencing low prices—wholesale electricity rates typically track natural gas prices—and weak demand. This operation has been reducing expenses, but this won't be enough to offset the difficult industrywide conditions.

We have slashed our 2020 earnings estimate by $0.75 a share. Besides the problems mentioned above, first-quarter profits (which were released shortly after this report went to press) were hurt by unrealized losses on the company's nuclear decommissioning trusts, which resulted from the poor stock-market performance in the period. We also lowered our 2021 estimate by $0.25 a share, based on our assumption that the prospects for the nonregulated operations will be less favorable than we expected in our February report.

Exelon's utilities have been improving their results. Rate relief enabled their earned ROE, as a group, to rise to 10.0% at year-end 2019 from 9.6% a year earlier. Pepco and Delmarva have electric rate cases pending in the District of Columbia and Maryland, respectively, with orders expected later this year. Whether the utility operations can still meet the company's goal of 6%-8% annual earnings growth through 2023 remains to be seen.

We advise investors to look elsewhere. In our view, the dividend yield, although above the utility average, is not high enough to compensate investors for the poor market conditions and legal risks Exelon faces. We have lowered the Financial Strength rating and Safety rank a notch each, to B+ and 3 (Average), respectively.

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

(A) Diluted egs. Excl. nonrec. gain (losses): '05, ($1.85); '06, ($1.15); '09, (20¢); '12, (50¢); '13, (31¢); '14, 23¢; '16, (58¢); '17, $1.19. '18 EPS don't sum due to rounding. Next earnings report due early Aug. (B) Div'ds historically paid in early Mar., June, Sept., & Dec. ■ Div'd reinv. plan avail. (C) Incl. deferred charges. In '19: $15.43/sh. (D) In mill. (E) Rate all'd on com. eq. in IL in '15: 9.25%; in MD in '16: 9.75% elec., 9.65% gas; in NJ in '16: 9.75%; earned on avg. com. eq., '19: 9.3%. Regulatory Climate: PA, NJ Avg.; IL, MD, Below Avg.

Company's Financial Strength	B+
Stock's Price Stability	95
Price Growth Persistence	25
Earnings Predictability	55

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