PORTLAND GENERAL NYSE-POR

RECENT PRICE	P/E RATIO		RELATIVE P/E RATIO	DIV'D YLD	
42.31	18.4	(Trailing: 17.1 Median: 17.0)	0.89	3.8%	VALUE LINE

TIMELINESS 3 Lowered 6/12/20
SAFETY 2 Raised 5/4/12
TECHNICAL 3 Lowered 6/12/20
BETA .85 (1.00 = Market)

High:	21.4	22.7	26.0	28.1	33.3	40.3	41.0	45.2	50.1	50.4	58.4	63.1
Low:	13.5	17.5	21.3	24.3	27.4	29.0	33.0	35.3	42.4	39.0	44.0	37.8

18-Month Target Price Range

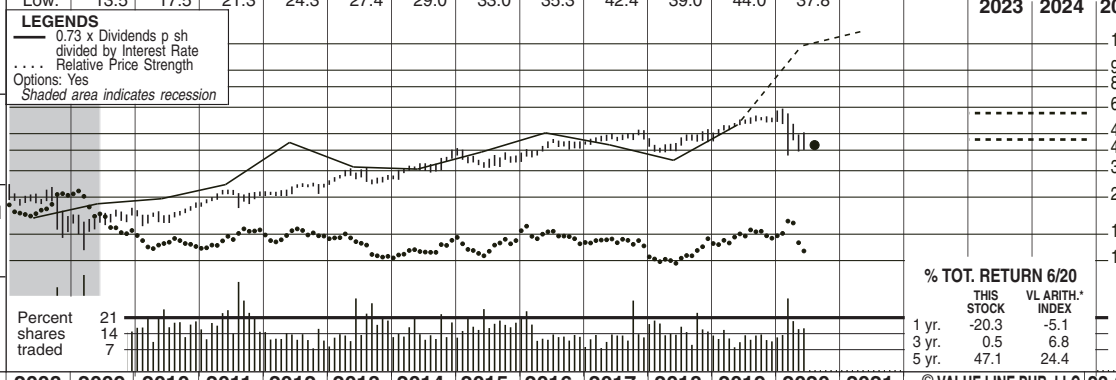
Low-High	Midpoint (% to Mid)
$34-$78	$56 (30%)

2023-25 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	60	(+40%)	12%
Low	45	(+5%)	6%

Institutional Decisions

	3Q2019	4Q2019	1Q2020
to Buy	151	160	132
to Sell	157	159	197
Hld's(000)	84892	86645	86455



% TOT. RETURN 6/20

	THIS STOCK	VL ARITH.* INDEX
1 yr.	-20.3	-5.1
3 yr.	0.5	6.8
5 yr.	47.1	24.4

2004	2005F	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	© VALUE LINE PUB. LLC	23-25
- -	23.14	24.32	27.87	27.89	23.99	23.67	24.06	23.89	23.18	24.29	21.38	21.62	22.54	22.30	23.75	*23.45*	*24.55*	Revenues per sh	*27.25*
- -	4.75	4.64	5.21	4.71	4.07	4.82	4.96	5.15	4.93	6.08	5.37	5.78	6.16	6.65	6.97	*7.05*	*7.55*	"Cash Flow" per sh	*9.00*
- -	1.02	1.14	2.33	1.39	1.31	1.66	1.95	1.87	1.77	2.18	2.04	2.16	2.29	2.37	2.39	*2.30*	*2.55*	Earnings per sh A	*3.00*
- -	- -	.68	.93	.97	1.01	1.04	1.06	1.08	1.10	1.12	1.18	1.26	1.34	1.43	1.52	*1.54*	*1.62*	Div'd Decl'd per sh B ■ †	*1.95*
- -	4.08	5.94	7.28	6.12	9.25	5.97	3.98	4.01	8.40	12.87	6.73	6.57	5.77	6.67	6.78	*8.50*	*6.45*	Cap'l Spending per sh	*6.00*
- -	19.15	19.58	21.05	21.64	20.50	21.14	22.07	22.87	23.30	24.43	25.43	26.35	27.11	28.07	28.99	*29.70*	*30.65*	Book Value per sh C	*33.75*
- -	62.50	62.50	62.53	62.58	75.21	75.32	75.36	75.56	78.09	78.23	88.79	88.95	89.11	89.27	89.39	*89.55*	*89.65*	Common Shs Outst'g D	*90.00*
- -	- -	23.4	11.9	16.3	14.4	12.0	12.4	14.0	16.9	15.3	17.7	19.1	20.0	18.4	22.3	*Bold figures are*		Avg Ann'l P/E Ratio	*17.0*
- -	- -	1.26	.63	.98	.96	.76	.78	.89	.95	.81	.89	1.00	1.01	.99	1.21	*Value Line*		Relative P/E Ratio	*.95*
- -	- -	2.5%	3.3%	4.3%	5.4%	5.2%	4.4%	4.1%	3.7%	3.3%	3.3%	3.1%	2.9%	3.3%	2.8%	*estimates*		Avg Ann'l Div'd Yield	*3.8%*

CAPITAL STRUCTURE as of 3/31/20
Total Debt $2654 mill. **Due in 5 Yrs** $336 mill.
LT Debt $2478 mill. **LT Interest** $124 mill.
Incl. $135 mill. capitalized leases.
(LT interest earned: 3.0x)
Leases, Uncapitalized Annual rentals $8 mill.
Pension Assets-12/19 $695 mill. **Oblig** $905 mill.
Pfd Stock None

Common Stock 89,488,773 shs.
as of 4/20/20

MARKET CAP: $3.8 billion (Mid Cap)

2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021		23-25
1783.0	1813.0	1805.0	1810.0	1900.0	1898.0	1923.0	2009.0	1991.0	2123.0	*2100*	*2200*	Revenues ($mill)	*2450*
125.0	147.0	141.0	137.0	175.0	172.0	193.0	204.0	212.0	214.0	*210*	*230*	Net Profit ($mill)	*275*
30.5%	28.3%	31.4%	23.2%	26.0%	20.7%	20.6%	25.3%	7.4%	11.2%	*11.0%*	*11.0%*	Income Tax Rate	*11.0%*
17.6%	5.4%	7.1%	14.6%	33.7%	19.8%	16.6%	8.8%	8.0%	7.0%	*10.0%*	*7.0%*	AFUDC % to Net Profit	*5.0%*
53.0%	49.6%	47.1%	51.3%	52.7%	47.8%	48.4%	50.1%	46.5%	51.3%	*52.5%*	*53.5%*	Long-Term Debt Ratio	*52.5%*
47.0%	50.4%	52.9%	48.7%	47.3%	52.2%	51.6%	49.9%	53.5%	48.7%	*47.5%*	*46.5%*	Common Equity Ratio	*47.5%*
3390.0	3298.0	3264.0	3735.0	4037.0	4329.0	4544.0	4842.0	4684.0	5323.0	*5615*	*5905*	Total Capital ($mill)	*6400*
4133.0	4285.0	4392.0	4880.0	5679.0	6012.0	6434.0	6741.0	6887.0	7161.0	*7495*	*7630*	Net Plant ($mill)	*7725*
5.4%	6.2%	5.9%	5.1%	5.8%	5.4%	5.6%	5.5%	5.8%	5.1%	*5.0%*	*5.0%*	Return on Total Cap'l	*5.5%*
7.9%	8.8%	8.2%	7.5%	9.2%	7.6%	8.2%	8.4%	8.5%	8.3%	*8.0%*	*8.5%*	Return on Shr. Equity	*9.0%*
7.9%	8.8%	8.2%	7.5%	9.2%	7.6%	8.2%	8.4%	8.5%	8.3%	*8.0%*	*8.5%*	Return on Com Equity E	*9.0%*
3.0%	4.1%	3.5%	2.9%	4.6%	3.3%	3.5%	3.6%	3.5%	3.1%	*2.5%*	*3.0%*	Retained to Com Eq	*3.0%*
62%	54%	57%	61%	50%	56%	57%	58%	59%	63%	*66%*	*63%*	All Div'ds to Net Prof	*64%*

ELECTRIC OPERATING STATISTICS

	2017	2018	2019
% Change Retail Sales (KWH)	+3.9	-2.5	+1.2
Avg. Indust. Use (MWH)	16041	16207	17827
Avg. Indust. Revs. per KWH (¢)	4.94	4.79	4.75
Capacity at Peak (Mw)	4743	4859	NA
Peak Load, Summer (Mw)	3976	3816	3765
Annual Load Factor (%)	NA	NA	NA
% Change Customers (yr-end)	+1.3	+1.1	+1.1
Fixed Charge Cov. (%)	298	266	265

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '17-'19 to '23-'25
Revenues	-1.5%	-1.0%	*3.0%*
"Cash Flow"	3.5%	4.0%	*5.5%*
Earnings	3.5%	4.0%	*4.0%*
Dividends	4.0%	5.5%	*5.5%*
Book Value	3.0%	3.5%	*3.0%*

Cal-endar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2017	530	449	515	515	2009
2018	493	449	525	524	1991
2019	573	460	542	548	2123
2020	573	*422*	*550*	*555*	*2100*
2021	*580*	*490*	*580*	*575*	*2200*

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2017	.82	.36	.44	.67	2.29
2018	.72	.51	.59	.55	2.37
2019	.82	.28	.61	.68	2.39
2020	.91	*.29*	*.40*	*.70*	*2.30*
2021	*.85*	*.40*	*.55*	*.75*	*2.55*

Cal-endar	QUARTERLY DIVIDENDS PAID B ■ † Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2016	.30	.30	.32	.32	1.24
2017	.32	.32	.34	.34	1.32
2018	.34	.34	.3625	.3625	1.41
2019	.3625	.3625	.385	.385	1.50
2020	.385	.385	.385		

BUSINESS: Portland General Electric Company (PGE) provides electricity to 899,000 customers in 52 cities in a 4,000-square-mile area of Oregon, including Portland and Salem. The company is in the process of decommissioning the Trojan nuclear plant, which it closed in 1993. Electric revenue breakdown: residential, 47%; commercial, 30%; industrial, 9%; other, 14%. Generating sources: gas, 36%; coal, 19%; wind, 8%; hydro, 6%; purchased, 31%. Fuel costs: 29% of revenues. '19 reported depreciation rate: 3.6%. Has 2,900 employees. Chairman: Jack E. Davis. President and Chief Executive Officer: Maria M. Pope. Incorporated: Oregon. Address: 121 S.W. Salmon Street, Portland, Oregon 97204. Telephone: 503-464-8000. Internet: www.portlandgeneral.com.

Portland General Electric slashed its 2020 earnings guidance upon issuing first-quarter results in late April. Not surprisingly, this was due to the effects of the weak economy and the costs of dealing with the coronavirus problem. Although PGE operates under a regulatory mechanism that decouples revenues and volume, this only partially protects the utility from the effects of the slump in kilowatt-hour sales. What's more, unlike many states, Oregon has not issued an accounting order that allows the company to defer for future recovery coronavirus-related expenses. (PGE did not report how much these costs were in the March quarter, nor did management state its expectation for the full year.) All told, the company lowered its 2020 targeted range for share profits from $2.50-$2.65 to $2.20-$2.50. The stock price has declined 24% this year, which is a larger falloff than for most utility issues. PGE's announcement prompted us to reduce our estimate from $2.50 to $2.30. Because any growth in 2021 will come off a lower base, we trimmed our expectation by $0.10, to $2.55.

The board of directors did not increase the dividend in the second quarter. This is noteworthy because this is when the board usually raises the disbursement. The directors will review the dividend every quarter, but we think they will be cautious until an economic recovery is clearly under way. We don't know when this will occur, but are estimating a hike in the first quarter of 2021. PGE's target for the payout ratio is 60%-70%.

The company cut its capital budget for 2020 and 2021. The reductions were $145 million for this year and $30 million for next year. Some of this spending will be deferred until 2022 or later. Two key projects were still on track as of late April: a $200 million integrated operations center and a $160 million investment for a one-third stake in a wind project. PGE won't need to issue equity to finance its spending, but has already issued debt. More issuances are likely by yearend.

This stock has an average dividend yield, by utility standards. Total return potential is attractive for the 18-month span, but doesn't stand out for the 3- to 5-year period.

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

(A) Diluted EPS. Excl. nonrecurring losses: '13, 42¢; '17, 19¢. Next earnings report due late July. (B) Div'ds paid mid-Jan., Apr., July, and Oct. ■ Div'd reinvestment plan avail. † Shareholder investment plan avail. (C) Incl. deferred charges. In '19: $483 mill., $5.40/sh. (D) In mill. (E) Rate base: Net orig. cost. Rate allowed on com. eq. in '19: 9.5%; earned on avg. com. eq., '19: 8.4%. Regulatory Climate: Average. (F) '05 per-share data are pro forma, based on shs. outstanding when stock began trading in '06.

Company's Financial Strength	B++
Stock's Price Stability	95
Price Growth Persistence	75
Earnings Predictability	90

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