



Edison International (EIX)

Updated May 7th, 2025 by Samuel Smith

Key Metrics

Current Price:	\$55.8	5 Year CAGR Estimate:	13.9%	Market Cap:	\$21 B
Fair Value Price:	\$64.4	5 Year Growth Estimate:	6.5%	Ex-Dividend Date:	7/8/25 ¹
% Fair Value:	87%	5 Year Valuation Multiple Estimate:	2.9%	Dividend Payment Date:	7/31/25 ²
Dividend Yield:	5.9%	5 Year Price Target	\$88	Years Of Dividend Growth:	21
Dividend Risk Score:	C	Sector:	Utilities	Rating:	Hold

Overview & Current Events

Edison International is a renewable energy company that is active in energy generation and distribution. Edison International also operates an energy services and a technologies business. The company was founded in 1987 and is headquartered in Rosemead, CA. Edison International has a market capitalization of \$21 billion.

On April 29, 2025, Edison International reported its financial results for the first quarter of 2025. The company achieved a net income of \$1.44 billion, or \$3.73 per share, a significant turnaround from a net loss of \$11 million, or \$0.03 per share, in the same quarter of the previous year. Core earnings, which exclude non-recurring items, increased to \$528 million, or \$1.37 per share, up from \$438 million, or \$1.13 per share, in the first quarter of 2024. This improvement was primarily driven by reduced interest expenses related to cost recoveries authorized under the TKM Settlement Agreement. Despite a 6.5% year-over-year decline in revenue to \$3.81 billion, the company reaffirmed its 2025 core earnings guidance of \$5.94 to \$6.34 per share and raised its basic earnings per share guidance to a range of \$8.30 to \$8.70. Edison International continues to focus on enhancing grid reliability and safety, particularly in wildfire-impacted areas, and has made progress in regulatory proceedings, including a settlement in the WMCE proceeding related to wildfire mitigation and restoration. The company also addressed its parent debt needs for 2025 through a \$550 million senior notes issuance. Management expressed confidence in delivering 5-7% core EPS growth from 2025 to 2028, translating to a projected range of \$6.74 to \$7.14 per share. CEO Pedro J. Pizarro emphasized the company's commitment to supporting California's growth and economic development through continued investment in infrastructure and stakeholder engagement.

Growth on a Per-Share Basis

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2030
EPS	\$4.15	\$3.92	\$4.50	\$4.15	\$4.70	\$4.52	\$4.59	\$4.59	\$4.76	\$4.93	\$5.85	\$8.00
DPS	\$1.73	\$1.98	\$2.23	\$2.43	\$2.48	\$2.58	\$2.69	\$2.84	\$2.95	\$3.17	\$3.31	\$4.15
Shares³	325.8	325.8	325.8	325.8	362.6	379.3	380.7	382.6	384.5	385.0	385.0	410.0

Edison International remained highly profitable during the last financial crisis, as the company's earnings-per-share declined by just 12% between 2008 and 2009 and started to rise again during 2010. Edison International is thus not impacted by the strength of the economy to a significant degree. On the other hand, Edison has failed to generate strong growth since The Great Recession. Edison International's regulated utility business is a slow grower, which is typical for utilities, but the business generates very stable cash flows. Its non-regulated segments, such as renewable energy production via methods ranging from biomass to wind energy, have the potential to grow at a somewhat higher rate. Due to being non-regulated, this business can be more cyclical than the regulated utility operations. Edison has put a focus on renewable energy when it comes to energy production over the last decade. Among other moves, Edison has also sold coal power plants and shut down a nuclear power plant. This was, at least partially, based on heavy regulation

¹ Estimate

² Estimate

³ Share count in millions

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in California, where Edison operates, as California no longer allows utilities to generate electric power from coal. We expect that Edison International will be able to grow its earnings-per-share at a 6.5% annualized rate going forward, relatively in line with the growth that the company has generated in the past. Edison International has grown its dividend annually through much of the past two decades, with growth accelerating more recently.

Valuation Analysis

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	Now	2030
Avg. P/E	13.0	14.8	17.9	17.2	13.7	15.3	14.2	14.2	13.0	13.3	9.5	11.0
Avg. Yld.	3.2%	3.4%	2.8%	3.4%	3.9%	3.7%	4.1%	4.4%	4.8%	4.8%	5.9%	4.7%

Edison International trades at 9.5 times this year’s expected net profits, which we view as undervalued. While our fair value estimate of 11 times earnings is well below the average over the past half-decade, given the current high interest rate environment as well as some of the aforementioned unique challenges facing utilities in California, we think this is reasonable. As a result, we expect the dividend yield to move back near its historical levels.

Safety, Quality, Competitive Advantage, & Recession Resiliency

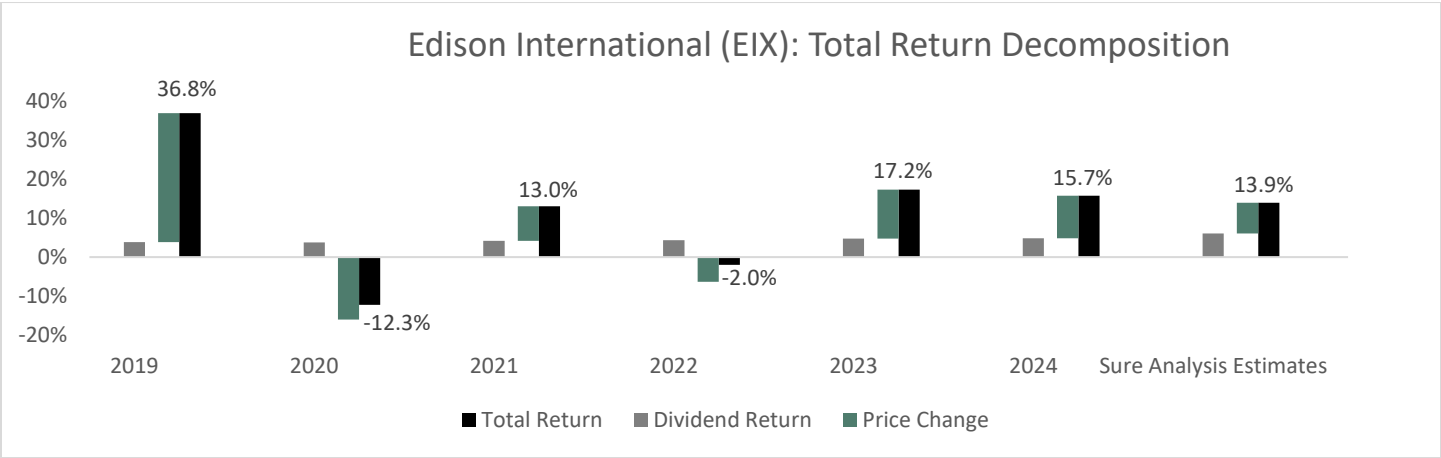
Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2030
Payout	42%	51%	50%	59%	53%	57%	59%	62%	62%	64%	57%	52%

Despite the fact that earnings have seen some ups and downs, Edison International grew its dividend very consistently throughout the last decade. This was only possible due to an increase in the company’s dividend payout ratio, as its earnings-per-share did not grow as consistently. The dividend still looks relatively safe, though, as Edison International’s operations are not overly cyclical. Its dividend growth rate will likely slow down moving forward. Edison International belongs to California’s largest utilities, as the company serves about 13 million customers in the state. Due to the regulated nature of the utilities business, Edison International does not have to worry about significant competitive pressures. The company’s operations have been very recession-resilient in the past, and this will likely remain the case going forward, as consumers need electricity no matter how well the economy is doing.

Final Thoughts & Recommendation

Edison International is one of the larger publicly traded utilities. Earnings should continue to grow over the long term with population and economic growth, but fire risks and regulatory overhang from California’s government will drag on total returns. That said, the company offers a low-risk 5.9% yield. We expected total annualized returns over the next half-decade to be 13.9%, but the mediocre dividend growth makes it a Hold.

Total Return Breakdown by Year



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Income Statement Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenue	11,524	11,869	12,320	12,657	12,347	13,578	14,905	17,220	16,338	17,599
Gross Profit	4,268	4,444	4,603	4,454	4,490	5,037	5,720	6,121	6,714	7,218
Gross Margin	37.0%	37.4%	37.4%	35.2%	36.4%	37.1%	38.4%	35.5%	41.1%	41.0%
D&A Exp.	2,005	2,098	2,115	1,940	1,798	2,021	2,288	2,633	2,721	2,939
Operating Profit	2,013	2,083	2,194	(474)	1,954	968	1,546	1,532	2,628	2,930
Op. Margin	17.5%	17.5%	17.8%	-3.7%	15.8%	7.1%	10.4%	8.9%	16.1%	16.6%
Net Profit	1,133	1,434	689	(302)	1,405	871	925	824	1,407	1,546
Net Margin	9.8%	12.1%	5.6%	-2.4%	11.4%	6.4%	6.2%	4.8%	8.6%	8.8%
Free Cash Flow	284	(495)	(247)	(1,332)	(4,967)	(4,053)	(5,494)	(2,562)	(2,047)	(693)
Income Tax	486	177	281	(739)	(278)	(305)	(136)	(162)	108	17

Balance Sheet Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total Assets	50,229	51,319	52,580	56,715	64,382	69,372	74,745	78,041	81,758	85,579
Cash & Equivalents	161	96	1,091	144	68	87	390	914	345	193
Acc. Receivable	771	714	717	730	788	1,130	1,398	1,695	2,016	2,169
Inventories	267	239	242	282	364	405	420	474	527	538
Total Liabilities	36,841	37,132	38,714	44,063	48,886	53,423	56,956	60,519	63,814	67,839
Accounts Payable	1,310	1,342	1,503	1,511	1,752	1,980	2,002	2,359	1,983	2,000
Long-Term Debt	11,873	12,463	14,516	15,431	18,893	23,059	27,601	31,654	34,090	36,581
Total Equity	11,368	11,996	11,671	10,459	13,303	14,048	13,911	13,643	13,828	13,920
LTD/E Ratio	1.04	1.04	1.24	1.48	1.42	1.64	1.74	2.03	2.20	2.35

Profitability & Per Share Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Return on Assets	2.3%	2.8%	1.3%	-0.6%	2.3%	1.3%	1.3%	1.1%	1.8%	1.8%
Return on Equity	8.6%	10.4%	4.9%	-2.3%	10.0%	5.5%	5.5%	4.7%	7.9%	8.7%
ROIC	4.5%	5.5%	2.5%	-1.1%	4.5%	2.4%	2.2%	1.7%	2.8%	2.9%
Shares Out.	325.8	325.8	325.8	325.8	362.6	379.3	380.7	382.6	384.5	385.0
Revenue/Share	35.03	35.97	37.56	38.83	36.21	36.30	39.22	44.96	42.44	45.36
FCF/Share	0.86	(1.50)	(0.75)	(4.09)	(14.57)	(10.84)	(14.46)	(6.69)	(5.32)	(1.79)

Note: All figures in millions of U.S. Dollars unless per share or indicated otherwise.

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