IDACORP, Inc. (IDA)

Updated May 23rd, 2025, by Kody Kester

Key Metrics

Current Price:	$115	**5 Year CAGR Estimate:**	9.8%	**Market Cap:**	$6.2B
Fair Value Price:	$116	**5 Year Growth Estimate:**	7.0%	**Ex-Dividend Date:**	08/04/25[1]
% Fair Value:	99%	**5 Year Valuation Multiple Estimate:**	0.2%	**Dividend Payment Date**	08/29/25[1]
Dividend Yield:	3.0%	**5 Year Price Target**	$163	**Years Of Dividend Growth:**	14
Dividend Risk Score:	C	**Sector:**	Utilities	**Rating:**	Hold

Overview & Current Events

IDACORP, Inc. is a holding company for Idaho Power Company, a regulated electric utility that serves almost 653,000 customers throughout a 24,000-square-mile area in southern Idaho and eastern Oregon. The company holds franchises, generally in the form of right-of-way arrangements, in 71 cities in Idaho and 7 cities in Oregon. It holds certificates from the appropriate utility regulatory authorities to serve all or part of 25 counties in Idaho and 3 counties in Oregon. Idaho Power's commercial and industrial customers are engaged in the food processing, electronics and general manufacturing, agriculture, health care, government, and education sectors.

The company's $1.55 billion in total 2024 revenue was derived from residential (~45%), commercial (~26%), industrial (~17%), and irrigation customers (~13%) (the figures don't add up to 100% due to rounding). Other subsidiaries include IDACORP Financial Services, Inc. (IFS), an investor in affordable housing and other real estate tax credit investments.

On May 1st, IDA shared its first-quarter earnings report for the period ending March 31st, 2025. The company's operating revenue decreased by 3.7% over the year-ago period to $432.5 million during the quarter. This drop in revenue wasn't due to anything concerning the fundamentals. Rather, an increase in the deferral of revenue through the fixed cost adjustment mechanism is what led to a slightly lower topline in the quarter. IDA's diluted EPS jumped 15.8% year-over-year to $1.10 for the quarter. That was due to a nearly 310-basis-point expansion in the net profit margin to 13.8% during the quarter. This led IDA to top the analyst consensus for the quarter by $0.06.

Growth on a Per-Share Basis

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2030
EPS	$3.87	$3.94	$4.21	$4.49	$4.61	$4.69	$4.85	$5.11	$5.14	$5.50	***$5.82***	***$8.16***
DPS	$1.92	$2.08	$2.24	$2.40	$2.56	$2.72	$2.88	$3.04	$3.20	$3.35	***$3.44***	***$4.60***
Shares[2]	50.3	50.4	50.4	50.4	50.4	50.5	50.5	50.6	50.6	54.0	***54.0***	***56.8***

Since 2015, IDA's diluted EPS has grown by 4% annually. Moving forward, we expect substantial acceleration in the company's diluted EPS growth to 7% annually over the medium term off an anticipated diluted EPS base of $5.82 for 2025. This is because, in recent years, Idaho has been a major beneficiary of migration from the West Coast states of California, Oregon, and Washington. Along with economic development projects like Meta's data center and clean energy projects like Micron's solar project, this is leading to significant growth in the company's customer count and load. In the last year alone, IDA's total customer count has grown by 2.6% (or 2.9% for residential customers).

This is why the utility expects to spend approximately $5.6 billion on capital expenditures from 2025 through 2029. That could generate a 16.1% compound annual growth rate in the company's total system rate base growth over that same period.

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[1] Estimate based on past dividend dates.

[2] Share count is in millions.

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Valuation Analysis

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	Now	2030
Avg. P/E	17.6	20.5	21.7	20.7	22.9	20.5	23.4	21.1	19.1	19.8	***19.8***	***20.0***
Avg. Yld.	2.8%	2.6%	2.5%	2.6%	2.4%	2.8%	2.5%	2.8%	3.3%	3.1%	***3.0%***	***2.8%***

Over the last decade, IDA's shares have traded at a P/E ratio as cheap as the high teens to as expensive as the low 20s. The average P/E ratio over that time was nearly 21. In the future, we believe that a reasonable fair value multiple for IDA is around 20. That's because the company's much stronger growth prospects cancel out the higher interest rate environment that would otherwise be a drag on the valuation. Compared to the current P/E ratio of 19.8, shares of IDA are trading around fair value right now.

Safety, Quality, Competitive Advantage, & Recession Resiliency

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2030
Payout	50%	53%	53%	53%	56%	58%	59%	59%	62%	61%	***59%***	***56%***

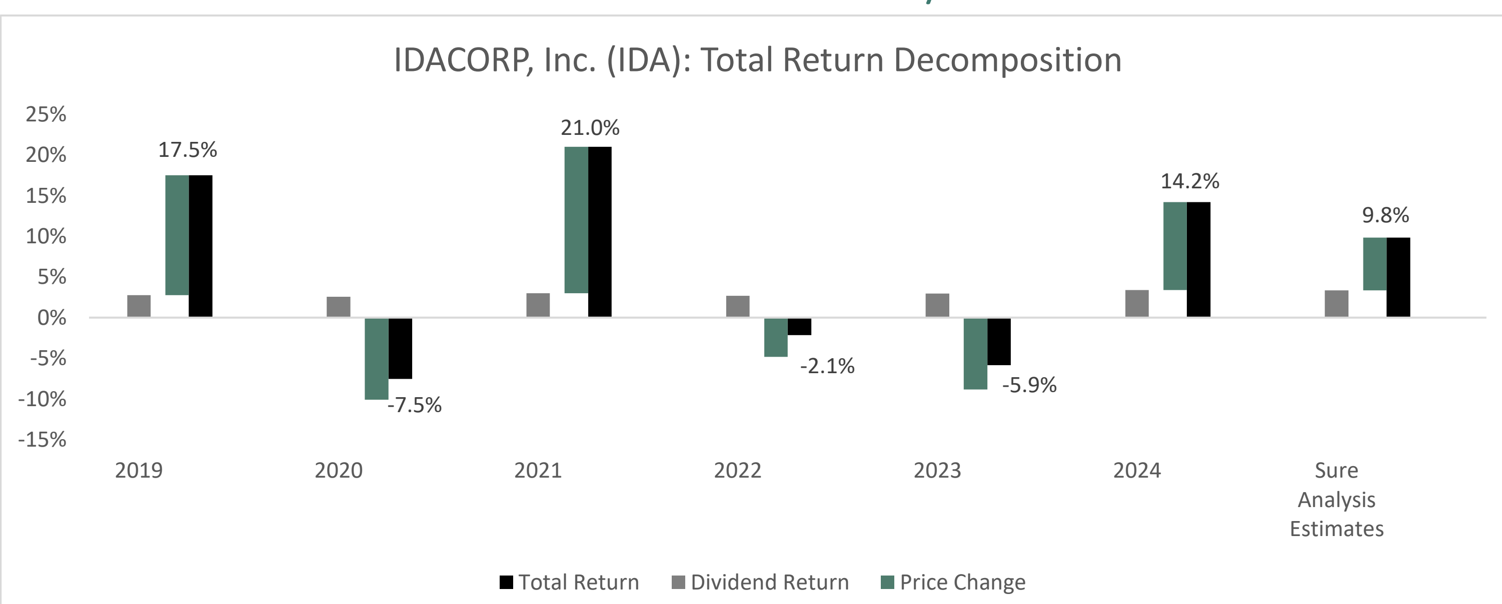
IDA is a utility company that benefits from Idaho's economic expansion and sets itself apart through its reliance on hydroelectric power. The company operates 17 hydropower plants across southern Idaho and eastern Oregon, with hydroelectric energy making up approximately 40% of its total power generation—significantly higher than the 7% national average. This cost-efficient energy mix allows IDACORP to offer some of the lowest electricity rates in the U.S., making it an attractive provider for high-consumption industries, such as data centers.

IDA is also financially healthy, with S&P awarding a BBB credit rating on a stable outlook. The company's dividend is also well-covered, with the payout ratio set to be in the high-50% to low-60% range for 2025. The only reason we think that the payout will grow slightly slower than diluted EPS is because of the company's substantial capital spending plan to keep up with the rapid growth in electricity demand. That's why we believe IDA can extend its 14-year dividend growth streak with 6.0% annual dividend growth for the foreseeable future.

Final Thoughts & Recommendation

IDA's 3.0% yield, 7.0% annual diluted EPS growth prospects, and 0.2% annual valuation multiple upside potential could generate 9.8% annual total returns through 2030. Thus, we're issuing a hold rating.

Total Return Breakdown by Year



Disclosure: This analyst has no position in the security discussed in this research report, and no plans to initiate one in the next 72 hours.

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Income Statement Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenue	1,270	1,262	1,349	1,371	1,346	1,351	1,458	1,644	1,766	1,827
Gross Profit	361	349	394	372	377	391	397	330	317	332
Gross Margin	28.4%	27.7%	29.2%	27.1%	28.0%	28.9%	27.2%	20.1%	18.0%	18.2%
D&A Exp.	143	147	166	169	174	176	179	174	200	228
Operating Profit	282	272	304	281	287	298	314	318	307	328
Operating Margin	22.2%	21.5%	22.6%	20.5%	21.3%	22.0%	21.6%	19.3%	17.4%	18.0%
Net Profit	195	198	212	227	233	237	246	259	261	289
Net Margin	15.3%	15.7%	15.7%	16.5%	17.3%	17.6%	16.8%	15.8%	14.8%	15.8%
Free Cash Flow	59	47	150	214	88	77	63	(81)	(344)	(415)
Income Tax	46	36	49	17	25	29	37	38	27	15

Balance Sheet Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total Assets	6,023	6,290	6,045	6,383	6,641	7,095	7,211	7,543	8,476	9,239
Cash & Equivalents	115	61	77	267	217	275	215	178	327	369
Accounts Receivable	74	72	75	77	73	73	79	114	107	256
Inventories	57	58	56	55	57	65	78	107	160	245
Goodwill & Int.	12	---	---	---	---	---	---	---	---	---
Total Liabilities	3,961	4,132	3,789	4,007	4,171	4,529	4,535	4,729	5,561	5,901
Accounts Payable	96	106	90	111	111	121	146	293	309	307
Long-Term Debt	1,746	1,767	1,746	1,835	1,837	2,000	2,001	2,194	2,826	3,054
Shareholder's Equity	2,058	2,154	2,251	2,370	2,465	2,560	2,668	2,807	2,908	3,338
LTD/E Ratio	0.85	0.82	0.78	0.77	0.75	0.78	0.75	0.78	0.97	0.91

Profitability & Per Share Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Return on Assets	3.3%	3.2%	3.4%	3.6%	3.6%	3.5%	3.4%	3.5%	3.3%	3.3%
Return on Equity	9.7%	9.4%	9.6%	9.8%	9.6%	9.5%	9.4%	9.5%	9.1%	9.3%
ROIC	5.3%	5.1%	5.4%	5.5%	5.5%	5.4%	5.3%	5.4%	4.9%	4.8%
Shares Out.	50	50	50	50	50	50	50	51	51	53
Revenue/Share	25.26	25.05	26.76	27.14	26.64	26.71	28.79	32.43	34.77	34.47
FCF/Share	1.18	0.94	2.97	4.23	1.74	1.53	1.25	(1.60)	(6.77)	(7.83)

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