



Alliant Energy Corporation (LNT)

Updated May 18th, 2025 by Felix Martinez

Key Metrics

Current Price:	\$62	5 Year Annual Expected Total Return:	9.4%	Market Cap:	\$16.1B
Fair Value Price:	\$64	5 Year Growth Estimate:	6.0%	Ex-Dividend Date:	07/30/25 ¹
% Fair Value:	97%	5 Year Valuation Multiple Estimate:	0.5%	Dividend Payment Date:	08/15/25 ²
Dividend Yield:	3.3%	5 Year Price Target	\$86	Years Of Dividend Growth:	22
Dividend Risk Score:	C	Sector:	Utility	Rating:	Hold

Overview & Current Events

Alliant Energy Corporation is a public utility holding company incorporated in Madison, Wisconsin, in 1981. In 2022, Alliant Energy generated \$4.0 billion in operating revenues. The company serves approximately 970,000 electric and 420,000 natural gas customers. Alliant has about 3,600 employees. The largest cities in Iowa and Wisconsin are Cedar Rapids and Beloit, respectively, based on electric sales. The company consists of three subsidiaries. The first is the largest, Interstate Power and Light Company (IPL), which accounted for 51.2% of Alliant's 2024 earnings. IPL is a public utility that generates and distributes electricity and distributes and transports natural gas in Iowa. The second subsidiary is Wisconsin Power and Light Company (WPL), which provides similar services to IPL in southern and central Wisconsin. WPL contributed 44.6 of total 2024 earnings. The last is Corporate Services, which account for a tiny percentage of the company's total earnings.

On May 8st, 2025, Alliant Energy reported first-quarter results for Fiscal Year (FY)2025. The company reported Q1 2025 GAAP EPS of \$0.83, up from \$0.62 in Q1 2024, driven by a \$0.25 increase in Utilities and Corporate Services EPS to \$0.87, primarily due to higher revenue requirements from capital investments (\$0.21), temperature-related sales impacts (\$0.05), and income tax expense timing (\$0.04). These were partly offset by higher depreciation (\$0.06) and financing expenses (\$0.04). Non-utility and Parent operations recorded a \$0.08 per share loss, down \$0.04 from 2024, due to increased financing costs and tax timing. The company reaffirmed its 2025 EPS guidance of \$3.15–\$3.25.

Key drivers included rate increases at Interstate Power and Light Company (IPL) and Wisconsin Power and Light Company (WPL), boosting revenue by \$0.15 and \$0.06 per share, respectively, from investments in solar and energy storage. Warmer-than-normal temperatures reduced retail electric and gas sales, impacting EPS by \$0.03 in 2025 versus \$0.08 in 2024. Income tax timing added \$0.02 to 2025 EPS but is expected to reverse by year-end. Alliant Energy updated its 2025–2028 capital expenditure plan to \$11.5 billion, focusing on renewables, gas projects, and distribution systems to support 2.1 gigawatts of contracted data center demand.

Growth on a Per-Share Basis

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2030
EPS	\$1.74	\$1.87	\$1.93	\$2.17	\$2.31	\$2.43	\$2.63	\$2.80	\$2.82	\$3.04	\$3.21	\$4.30
DPS	\$1.10	\$1.18	\$1.26	\$1.34	\$1.42	\$1.52	\$1.61	\$1.71	\$1.81	\$1.92	\$2.03	\$2.72
Shares³	225.0	227.0	229.0	233.0	239.0	249.0	250.7	251.2	253.0	256.8	257.0	258.0

LNT's earnings have been steadily growing at a rate of 6.4% annually for the past ten years. As a utility company, LNT is restricted on how it can increase its rate of returns. The net margin has been gradually growing as well. In 2010, the net margin was 8.4%. Now net margin is at a rate of 16.3%. This is a byproduct of the tax rate decreasing from a high of 32% in 2010 to 10.8% last year. However, the share count has increased at a compound growth rate of 0.6% for the past five years. This dilutes the EPS slightly.

¹ Estimate

² Estimate

³ Share count is in millions.

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We expect earnings to continue to grow at a modest rate of 6%, giving us an estimated EPS of \$4.30 for 2030. The company has also been very consistent with its dividend policies. LNT has been growing dividends for the past 22 years. In the last ten years, dividend growth has averaged 6.4% annually. We are conservative and predicting a dividend growth rate of 6% for the next five years. The company increased its dividend by 5.7% on January 20, 2025.

Valuation Analysis

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2030
Avg. P/E	18	20.3	22.1	19.5	23.7	21.2	23.4	19.7	18.2	19.5	19.5	20.00
Avg. Yld.	3.5%	3.1%	3.0%	3.2%	2.6%	3.0%	2.6%	3.1%	3.5%	3.3%	3.3%	3.2%

The company has been valued somewhat at a premium since 2016. For the past ten years, LNT has had an average PE of 20.6x compared to the current PE of 19.5x. We think a fair valued PE is 20x, lower than its five-year average. The current dividend yield is higher than the company's 5-year average of 2.9%. We think LNT is fair valued at the current price.

Safety, Quality, Competitive Advantage, & Recession Resiliency

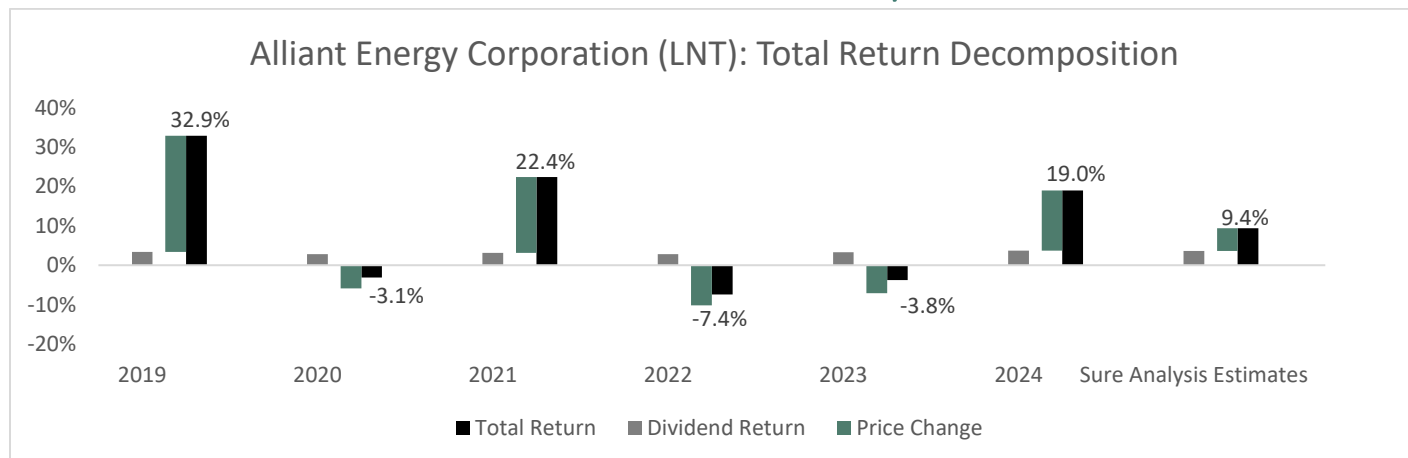
Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2030
Payout	63%	63%	65%	62%	61%	63%	61%	61%	64%	63%	63%	63%

The company's competitive advantage is that a utility company is very monopolizing as there is only one utility company in any given area. Thus, utility stocks are often held by investors for their defensive nature. People will always need to power their homes and businesses. However, LNT shows that earnings can decrease during a recession. For example, during the Great Recession from 2008 to 2009, its earnings-per-share fell from a high of \$1.35 in 2007 to \$0.98 in 2009. Earnings did bounce back big by 40% in 2010, to \$1.38. Even though earnings fell significantly in this period, the dividend was not cut. It was raised from \$0.70 in 2008 to \$0.75 in 2009. This shows that LNT is committed to paying growing dividends. The debt-to-Equity ratio (D/E) is 1.2 for the year compared to 1.1 in FY2021. Even though the D/E rate increased, the company still holds a credit rating of A- with S&P and has a healthy interest coverage ratio of 2.3.

Final Thoughts & Recommendation

Alliant Energy is a safe business. The company continues to produce a very reliable and growing dividend. The dividend has been increasing for the past 22 years. At the current price, the company is fairly valued with a target price of \$64. Thus, we recommend a hold at the current price. We see 9.4% expected annual total returns for an excellent, dependable business in the next five years.

Total Return Breakdown by Year



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Income Statement Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenue	\$6,617	\$6,098	\$6,921	\$8,138	\$8,175	\$3,416	\$3,669	\$4,205	\$4,027	3981
Gross Profit	\$896	\$851	\$883	\$1,020	\$997	\$1,463	\$1,556	\$1709	\$1,734	1780
Gross Margin	13.5%	14.0%	12.8%	12.5%	12.2%	42.8%	42.4%	40.6%	43.1%	44.7%
SG&A Exp.	\$414	\$407	\$462	\$507	\$567	\$615	\$657	\$671	676	772
D&A Exp.	\$577	\$624	\$671	\$694	\$778	\$740	\$795	\$928	943	886
Operating Profit	17.7%	18.8%	19.8%	19.6%	21.3%	21.7%	21.7%	22.1%	23.4%	22.3%
Operating Margin	\$388	\$382	\$468	\$522	\$567	\$624	\$674	\$686	703	690
Net Profit	11.9%	11.5%	13.8%	14.8%	15.6%	18.3%	18.4%	16.3%	17.5%	17.3%
Net Margin	\$871	\$393	\$522	\$528	\$660	\$501	\$582	\$486	867	1167
Free Cash Flow	\$70	\$59	\$67	\$48	\$69	\$-57	\$-74	\$22	4	-114
Income Tax	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024

Balance Sheet Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total Assets	12,495	13,374	14,188	15,426	16,701	17,710	18,553	20,163	21,240	22710
Cash & Equivalents	6	8	28	21	16	54	39	20	62	81
Accounts Receivable	94	112	91	81	92	101	93	114	113	105
Inventories	8,571	9,312	9,806	10,640	11,296	11,822	12,563	13,887	14,460	15710
Goodwill & Int. Ass.	402	445	477	543	422	377	436	756	611	532
Total Liabilities	3,995	4,564	5,282	5,944	6,527	7,166	7,883	8,718	9,509	10410
Accounts Payable	3,724	3,862	4,182	4,586	5,205	5,688	5,990	6,276	6,777	7004
Long-Term Debt	1.07	1.18	1.26	1.30	1.25	1.26	1.32	1.39	1.40	1.49
Shareholder's Equity	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
D/E Ratio	12,495	13,374	14,188	15,426	16,701	17,710	18,553	20,163	21,240	22710

Profitability & Per Share Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Return on Assets	3.2%	3.0%	3.4%	3.5%	3.5%	3.6%	3.7%	3.5%	3.4%	3.1%
Return on Equity	10.8%	10.1%	11.6%	11.9%	11.6%	11.5%	11.5%	11.2%	10.8%	10.0%
ROIC	5.0%	4.6%	5.1%	5.1%	5.0%	5.0%	5.0%	4.8%	4.5%	4.1%
Shares Out.	225.4	227.1	229.7	233.6	239.0	249.0	250.7	251.2	253.3	256.8
Revenue/Share	\$14.43	\$14.62	\$14.72	\$15.13	\$15.26	\$13.74	14.64	16.74	15.90	15.50
FCF/Share	\$3.87	\$1.73	\$2.27	\$2.26	\$2.76	\$2.01	2.32	1.93	3.42	4.54

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

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