Consolidated Edison Inc (ED)

Updated August 15th, 2025 by Nathan Parsh

Key Metrics

Current Price:	$100	**5 Year CAGR Estimate:**	8.9%	**Market Cap:**	$36 B
Fair Value Price:	$101	**5 Year Growth Estimate:**	6.0%	**Ex-Dividend Date:**	08/13/25
% Fair Value:	99%	**5 Year Valuation Multiple Estimate:**	0.2%	**Dividend Payment Date:**	09/15/25
Dividend Yield:	3.4%	**5 Year Price Target**	$135	**Years Of Dividend Growth:**	51
Dividend Risk Score:	B	**Sector:**	Utilities	**Rating:**	Hold

Overview & Current Events

Consolidated Edison is a holding company that delivers electricity, natural gas, and steam to its customers in New York City and Westchester County. The company has annual revenues of more than $16 billion.

On January 16th, 2025, Consolidated Edison announced that it was raising its quarterly dividend 2.4% to $0.85. This is the company's 51st annual increase, qualifying Consolidated Edison as a Dividend King.

On August 7th, 2025, Consolidated Edison announced second quarter results for the period ending June 30th, 2025. For the quarter, revenue grew 11.7% to $3.6 billion, which was $149 million more than expected. Adjusted earnings of $240 million, or $0.67 per share, compared to adjusted earnings of $203 million, or $0.59 per share, in the previous year. Adjusted earnings-per-share were $0.01 ahead of estimates.

Average rate base balances are still projected to grow by 8.2% annually through 2029 based off 2025 levels. This is up from the company's prior forecast of 6.4%. Consolidated Edison still expects capital investments of $38 billion for the 2025 to 2029 period, which was up from $28 billion previously. The company also expects capital investments of ~$72 billion over the next decade.

Consolidated Edison reaffirms updated guidance for 2025 as well, with the company still expecting earnings-per-share in a range of $5.50 to $5.70 for the year. The company expects 5% to 7% earnings growth from 2025 levels through 2029.

Growth on a Per-Share Basis

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2030
EPS	$4.05	$3.94	$4.12	$4.33	$4.38	$4.18	$4.39	$4.57	$5.07	$5.40	***$5.60***	***$7.49***
DPS	$2.60	$2.68	$2.76	$2.86	$2.96	$3.06	$3.10	$3.16	$3.24	$3.32	***$3.40***	***$3.85***
Shares[1]	293	305	310	315	334	337	354	356	347	347	***360***	***360***

Consolidated Edison has increased its earnings-per-share at a rate of 3.2% annually over the last decade, but this figure accelerates to 6% when looking at just the last five years. Consolidated Edison initiated its biggest investment program in its history last year. It has completed its installation smart meters in its network. This will help customers optimize energy use while the company will be able to realize lower peak demand and thus reduce its operating cost. The company also expects capital investment of ~$5.1 billion for 2025 and more than $8 billion through the end of the decade.

Thanks to rate hikes and population growth, the company has been able to raise its dividend for nearly five decades. The company has grown its dividend at a 2.8% annual rate since 2015, but just 2.1% over the last five years. The company has also diluted its shareholders at a 1.9% per year.

Consolidated Edison's guidance for the next five years is aggressive. We reaffirm our expected EPS growth rate of 6% from 4% to reflect this guidance. The dividend growth rate is expected to be 2.5% per year through 2030 as this is close to the long-term average.

[1] Share count in millions

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Valuation Analysis

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	Now	2030
Avg. P/E	15.6	18.8	20.0	17.4	20.7	17.3	19.4	20.9	17.9	16.5	***17.9***	***18.0***
Avg. Yld.	4.1%	3.6%	3.4%	3.8%	3.3%	4.2%	3.6%	3.3%	3.6%	3.7%	***3.4%***	***2.9%***

Shares of Consolidated Edison have declined $11, or 9.9%, since our May 7th, 2025 report. Shares trade with a price-to-earnings ratio of 17.9 based off estimates for 2025. Consolidated Edison has traded at an average multiple of 18.5 over the last decade and 18.4 over the last five years. We reaffirm our target P/E of 18 better reflect recent results as well as the expectation for stronger than usual earnings growth through the end of the decade. Multiple expansion could add 0.2% annually over the next five years.

Safety, Quality, Competitive Advantage, & Recession Resiliency

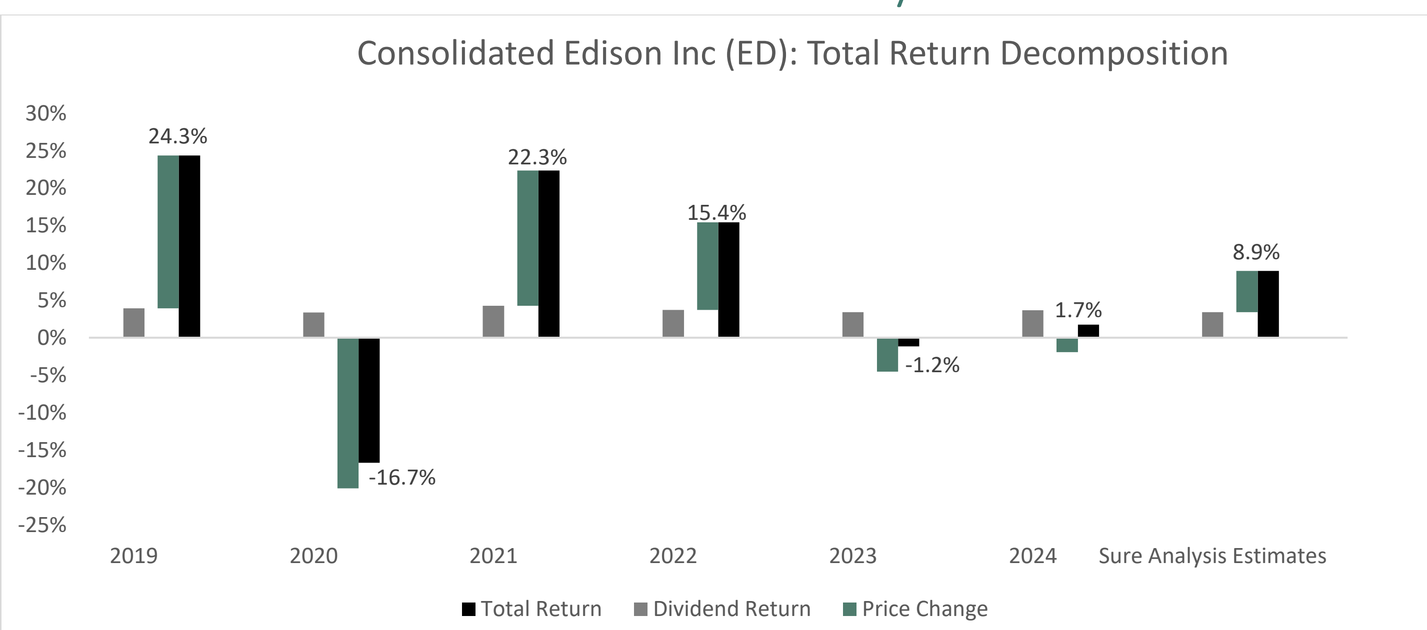
Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2030
Payout	64%	68%	68%	66%	68%	73%	71%	69%	64%	61%	***61%***	***51%***

Just like most other utilities, thanks to its heavy investments in infrastructure, Consolidated Edison is typically allowed by the regulatory authorities to raise its rates. As a result, it enjoys reliable cash flows and can thus service its debt. One key competitive advantage for Consolidated Edison is that consumers do not curtail their electricity consumption even during the roughest economic periods, so the stock is resilient during recessions. This resiliency should be attractive to investors. In the Great Recession, when most companies saw their earnings collapse, earnings for Consolidated Edison fell just 3% in 2008 and 7% in 2009, and it took only one year to return to the pre-crisis level.

Final Thoughts & Recommendation

After second quarter results, Consolidated Edison is expected to return 8.9% annually through 2030, up from our prior estimate of 6.7%. Projected returns stem from a 6.0% earnings growth rate, a starting yield of 3.4%, and a small contribution from multiple expansion. For income investors, there is much to like about Consolidated Edison, including the company's dividend growth track record and the stock's solid yield. However, we continue to rate Consolidated Edison as a hold due to projected returns.

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	12,554	12,075	12,033	12,337	12,574	12,246	13,676	15,670	14,663	15,256
Gross Profit	5,494	5,923	6,269	6,237	6,766	7,149	7,668	7,685	7,405	8,167
Gross Margin	43.8%	49.1%	52.1%	50.6%	53.8%	58.4%	56.1%	49.0%	50.5%	53.5%
D&A Exp.	1,130	1,216	1,341	1,438	1,684	1,920	2,032	2,056	2,031	2,155
Operating Profit	2,427	2,676	2,773	2,533	2,676	2,654	2,826	2,624	2,331	2,732
Op. Margin	19.3%	22.2%	23.0%	20.5%	21.3%	21.7%	20.7%	16.7%	15.9%	17.9%
Net Profit	1,193	1,245	1,525	1,382	1,343	1,101	1,346	1,660	2,519	1,820
Net Margin	9.5%	10.3%	12.7%	11.2%	10.7%	9.0%	9.8%	10.6%	17.2%	11.9%
Free Cash Flow	223	(221)	(76)	(802)	(352)	(1,711)	(1,220)	(233)	(2,338)	(1,157)
Income Tax	605	698	472	401	296	90	190	498	487	318

Balance Sheet Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total Assets	45,642	48,255	48,111	53,920	58,079	62,895	63,116	69,065	66,331	70,562
Cash & Equivalents	944	776	797	895	981	1,272	992	1,282	1,189	1,324
Acc. Receivable	1,052	1,106	1,103	1,267	1,236	1,701	1,943	2,192	2,418	2,440
Inventories	350	339	334	358	352	356	437	492	469	485
Goodwill & Int.	431	552	559	2,094	2,003	1,906	1,732	408	408	408
Total Liabilities	32,581	33,949	32,686	37,081	39,866	43,830	42,780	48,176	45,173	48,600
Accounts Payable	1,008	1,147	1,286	1,187	1,164	1,475	1,497	1,955	1,775	1,676
Long-Term Debt	14,274	15,828	16,606	20,711	21,665	24,219	24,532	23,836	24,465	27,321
Total Equity	13,052	14,298	15,418	16,726	18,022	18,847	20,037	20,687	21,158	21,962
LTD/E Ratio	1.09	1.11	1.08	1.24	1.20	1.29	1.22	1.15	1.16	1.24

Profitability & Per Share Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Return on Assets	2.7%	2.7%	3.2%	2.7%	2.4%	1.8%	2.1%	2.5%	3.7%	2.7%
Return on Equity	9.3%	9.1%	10.3%	8.6%	7.7%	5.9%	6.8%	8.1%	12.0%	8.4%
ROIC	4.5%	4.3%	4.9%	4.0%	3.5%	2.6%	3.1%	3.7%	5.6%	3.8%
Shares Out.	293	305	310	315	334	337	354	356	347	347
Revenue/Share	42.64	40.00	38.97	39.43	38.16	36.48	39.14	44.04	41.98	43.93
FCF/Share	0.76	(0.73)	(0.25)	(2.56)	(1.07)	(5.10)	(3.49)	(0.65)	(6.69)	(3.33)

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