Avista Corp. (AVA)

Updated November 14th, 2025, by Kody Kester

Key Metrics

Current Price:	$41	**5 Year CAGR Estimate:**	10.2%	**Market Cap:**	$3.4B
Fair Value Price:	$43	**5 Year Growth Estimate:**	5.5%	**Ex-Dividend Date:**	11/24/2025
% Fair Value:	96%	**5 Year Valuation Multiple Estimate:**	0.8%	**Dividend Payment Date:**	12/15/2025
Dividend Yield:	4.8%	**5 Year Price Target**	$56	**Years Of Dividend Growth:**	22
Dividend Risk Score:	D	**Sector:**	Utilities	**Rating:**	Hold

Overview & Current Events

Avista Corp. (AVA) is an electric and natural gas utility operating primarily in the states of Washington, Idaho, Oregon, and Alaska. In addition to its regulated utility business, the company also operates other businesses, including venture funds, real estate investments, and other investments. Founded in 1889, this $3 billion market cap company has raised its dividend every year for the past 22 years.

On November 5th, AVA shared its earnings report for the third quarter ended September 30th, 2025. The company's operating revenue edged 2.3% higher year-over-year to $403 million during the quarter. AVA's electric revenue grew by 4.1% over the year-ago period to $329 million in the quarter. Higher retail rates and volumes were partially offset by lower wholesale electric revenue and reduced electric decoupling revenue for the quarter. Natural gas operating revenue decreased by 6.8% year-over-year to $69 million during the quarter. Reduced natural gas costs were responsible for this drop in natural gas operating revenue in the quarter. AVA's diluted EPS surged 56.5% over the year-ago period to $0.36 for the quarter. That beat the analyst consensus during the quarter by $0.08. AVA maintained its guidance of between $2.52 and $2.72 in diluted EPS for 2025, with the company expecting to be on the low end of this range.

Growth on a Per-Share Basis

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2030
EPS	$1.97	$2.15	$1.79	$2.07	$2.97	$1.90	$2.10	$2.12	$2.24	$2.29	***$2.52***	***$3.29***
DPS	$1.32	$1.37	$1.43	$1.49	$1.55	$1.62	$1.69	$1.76	$1.84	$1.90	***$1.96***	***$2.38***
Shares[1]	62.3	64.2	65.5	65.7	67.2	69.2	71.5	75.0	78.1	80.0	***81.4***	***94.2***

Over the last decade, AVA's diluted EPS have gradually moved higher. In the past five years, the utility's EPS have grown by just over 6% annually. Moving forward, we believe that Avista can generate 5.5% annual diluted EPS growth through 2030, off an anticipated 2025 base of $2.52.

That's because the utility still plans to spend roughly $3 billion on capital expenditures from 2025 through 2029, which will support customer growth and system maintenance for the benefit of customers. This is expected to generate a 5% to 6% annual rate base growth over that period. Additionally, these estimates don't include any incremental capital that would arise from transmission projects like the North Plains Connector or new large load customers. As a utility, AVA is partially reliant on share issuances to raise cash for its planned capex. As a result, we believe that the share count will continue to rise by about 3% annually over the medium term. That would increase AVA's share count from 81.4 million today to around 94.2 million in 2030.

[1] Share count is in millions.

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Valuation Analysis

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2030
Avg. P/E	18.0	18.6	28.8	20.5	16.2	21.1	20.2	20.9	16.0	16.0	***16.4***	***17.0***
Avg. Yld.	3.7%	3.4%	2.8%	3.5%	3.2%	4.0%	4.0%	4.0%	5.1%	5.2%	***4.8%***	***4.3%***

Since 2015, AVA's shares have been valued at a P/E ratio as low as the mid-teens and as much as the upper 20s. The average P/E ratio over that time was nearly 20. Looking ahead, we still believe that AVA's fair value P/E ratio will be approximately 17. That's based on our assumption that the 10-year U.S. Treasury yield will be somewhat elevated versus its 10-year average in the years to come. Compared to the current P/E ratio of 16.4, this implies that AVA's shares are slightly undervalued.

Safety, Quality, Competitive Advantage, & Recession Resiliency

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2030
Payout	67%	64%	80%	72%	52%	85%	80%	83%	82%	83%	***78%***	***72%***

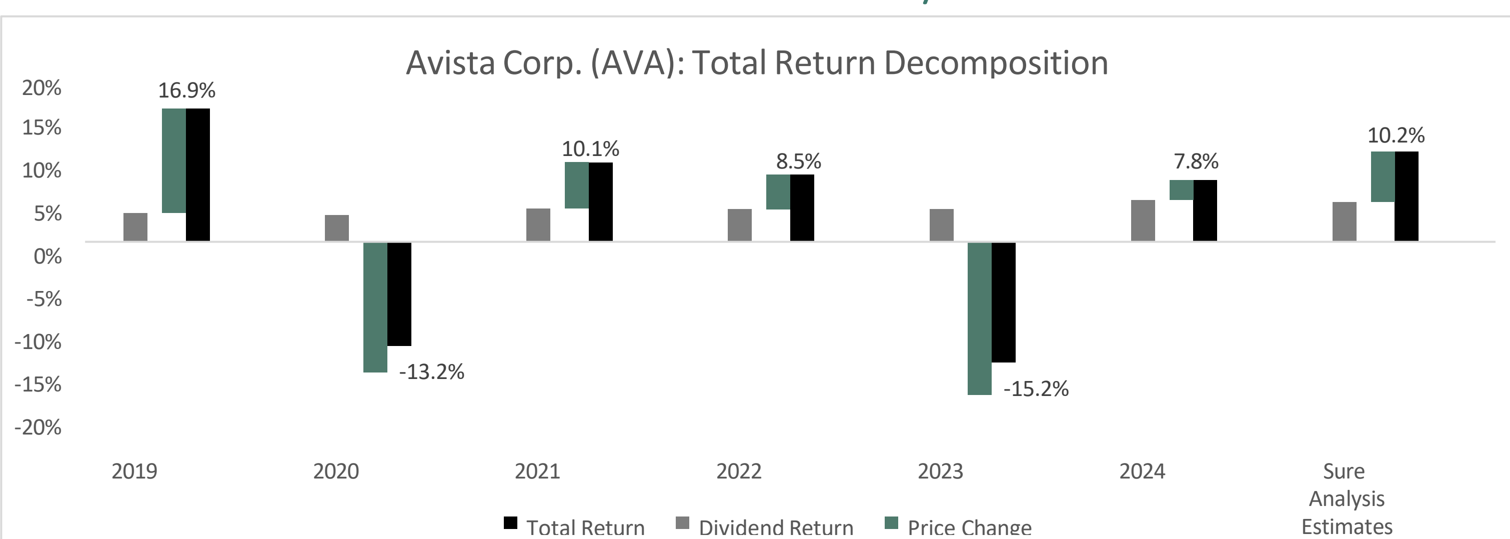
As a regulated utility, AVA's core competitive advantage is also what limits its growth, since regulated utilities operate as government-backed monopolies. The benefit is that they don't have to worry about new competition coming in and disrupting their business. At the same time, the regulations they operate under make it difficult to grow the business.

Financially, AVA is well-positioned. The company has only $25 million in debt maturities through 2028, with no other maturities between 2029 and 2034. As of September 30th, 2025, AVA also had $253 million in available liquidity. That accounts for the investment-grade, BBB credit rating from S&P. AVA's estimated dividend payout ratio for 2025 of 78% would be on the high end of what we like to see from regulated utilities. This is why we believe that the company can build on its 22-year dividend growth streak for the foreseeable future with more modest 4% dividend increases each year. That could also help AVA's dividend to become more secure, dropping the payout ratio to the low-70% range by 2030.

Final Thoughts & Recommendation

AVA's 4.8% dividend yield, 5.5% annual earnings growth prospects, and 0.8% annual valuation multiple expansion potential could generate 10.2% annual total returns through 2030. This is a respectable return profile. We still think there are more favorable utility options with comparable total returns, though. That is why we're maintaining our 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	1,485	1,442	1,446	1,397	1,346	1,322	1,439	1,710	1,752	1,938
Gross Profit	828	891	921	902	906	923	942	974	1,049	1,140
Gross Margin	55.8%	61.8%	63.7%	64.6%	67.3%	69.9%	65.5%	57.0%	59.9%	58.8%
D&A Exp.	148	165	176	187	206	224	232	253	265	274
Operating Profit	253	300	307	265	230	233	228	190	258	306
Op. Margin	17.1%	20.8%	21.2%	19.0%	17.1%	17.6%	15.9%	11.1%	14.7%	15.8%
Net Profit	123	137	116	136	197	129	147	155	171	180
Net Margin	8.3%	9.5%	8.0%	9.8%	14.6%	9.8%	10.2%	9.1%	9.8%	9.3%
Free Cash Flow	(18)	(48)	(2)	(62)	(44)	(73)	(173)	(328)	(52)	1
Income Tax	67	78	83	26	31	7	12	(17)	(34)	3

Balance Sheet Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total Assets	4,907	5,310	5,515	5,783	6,082	6,402	6,854	7,417	7,702	7,941
Cash & Equivalents	10	9	16	15	10	14	22	13	35	30
Acc. Receivable	169	180	186	166	167	164	203	256	217	237
Inventories	54	53	58	64	67	67	85	108	160	193
Goodwill & Int.	58	58	58	58	52	52	52	52	72	70
Total Liabilities	3,378	3,661	3,784	4,009	4,143	4,372	4,699	5,083	5,217	5,350
Accounts Payable	114	116	107	108	110	107	133	203	143	125
Long-Term Debt	1,730	1,854	1,926	2,105	2,133	2,263	2,484	2,809	2,931	2,666
Total Equity	1,529	1,649	1,730	1,773	1,939	2,030	2,155	2,335	2,485	2,591
LTD/E Ratio	1.13	1.12	1.11	1.19	1.10	1.12	1.15	1.20	1.18	1.03

Profitability & Per Share Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Return on Assets	2.6%	2.7%	2.1%	2.4%	3.3%	2.1%	2.2%	2.2%	2.3%	2.3%
Return on Equity	8.2%	8.6%	6.9%	7.8%	10.6%	6.5%	7.0%	6.9%	7.1%	7.1%
ROIC	3.9%	4.1%	3.2%	3.6%	5.0%	3.1%	3.3%	3.2%	3.2%	3.2%
Shares Out.	62	64	65	66	67	69	72	73	76	79
Revenue/Share	23.68	22.57	22.31	21.18	20.29	19.41	20.53	23.40	22.90	24.53
FCF/Share	(0.28)	(0.76)	(0.03)	(0.95)	(0.67)	(1.08)	(2.46)	(4.48)	(0.67)	0.01

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