Avista Corp. (AVA)

Updated February 25th, 2026, by Kody Kester

Key Metrics

Current Price:	$41	**5 Year CAGR Estimate:**	10.7%	**Market Cap:**	$3.3B
Fair Value Price:	$45	**5 Year Growth Estimate:**	5.0%	**Ex-Dividend Date:**	05/13/2026[1]
% Fair Value:	91%	**5 Year Valuation Multiple Estimate:**	1.9%	**Dividend Payment Date:**	06/13/2026[1]
Dividend Yield:	4.9%	**5 Year Price Target**	$57	**Years Of Dividend Growth:**	24
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 24 years.

On February 25th, AVA released its financial results for the fourth quarter ended December 31st, 2025. The company's operating revenue edged 0.2% higher over the year-ago period to $518 million in the quarter. Higher rate bases in Washington/Idaho, and customer growth were mostly offset by milder weather across the Pacific Northwest compared to Q4 2024. Non-GAAP diluted EPS decreased by 1.1% year-over-year to $0.88 during the quarter. That decrease was fueled by a $0.07 per share negative impact stemming from a Washington regulatory order regarding the company's exit from the Colstrip coal-fired power plant. This one-time adjustment forced the company to write down investments, which directly impacted the bottom line for the quarter. A higher effective tax rate and greater interest expenses also contributed to the modest non-GAAP diluted EPS decrease in the quarter. Earlier in the month, AVA upped its quarterly dividend per share by 0.5% to $0.4925, its 24th consecutive year of dividend growth.

Growth on a Per-Share Basis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
EPS	$2.15	$1.79	$2.07	$2.97	$1.90	$2.10	$2.12	$2.24	$2.29	$2.55	***$2.62***	***$3.34***
DPS	$1.37	$1.43	$1.49	$1.55	$1.62	$1.69	$1.76	$1.84	$1.90	$1.96	***$1.97***	***$2.18***
Shares[2]	64.2	65.5	65.7	67.2	69.2	71.5	75.0	78.1	80.0	81.4	***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 4.5% annually. Moving forward, we believe that Avista can generate 5.0% annual diluted EPS growth through 2031, off an anticipated 2026 base of $2.62 (the midpoint of $2.52 to $2.72 guidance for 2026, which was pressured by an estimated $0.12 per share impact from a customer giving a notice of intent to return to procuring power independently sooner than expected).

That's because the utility plans to spend roughly $3.4 billion on capital expenditures from 2026 through 2030, 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 2031.

[1] Estimated dates based on past dividend dates.

[2] Share count is in millions.

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Valuation Analysis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Avg. P/E	18.6	28.8	20.5	16.2	21.1	20.2	20.9	16.0	16.0	15.2	***15.5***	***17.0***
Avg. Yld.	3.4%	2.8%	3.5%	3.2%	4.0%	4.0%	4.0%	5.1%	5.2%	5.1%	***4.9%***	***3.8%***

Since 2016, 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 over 19. Looking ahead, we continue to 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 15.5, this implies that AVA's shares are at a bit of a discount.

Safety, Quality, Competitive Advantage, & Recession Resiliency

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	64%	80%	72%	52%	85%	80%	83%	82%	83%	77%	***75%***	***65%***

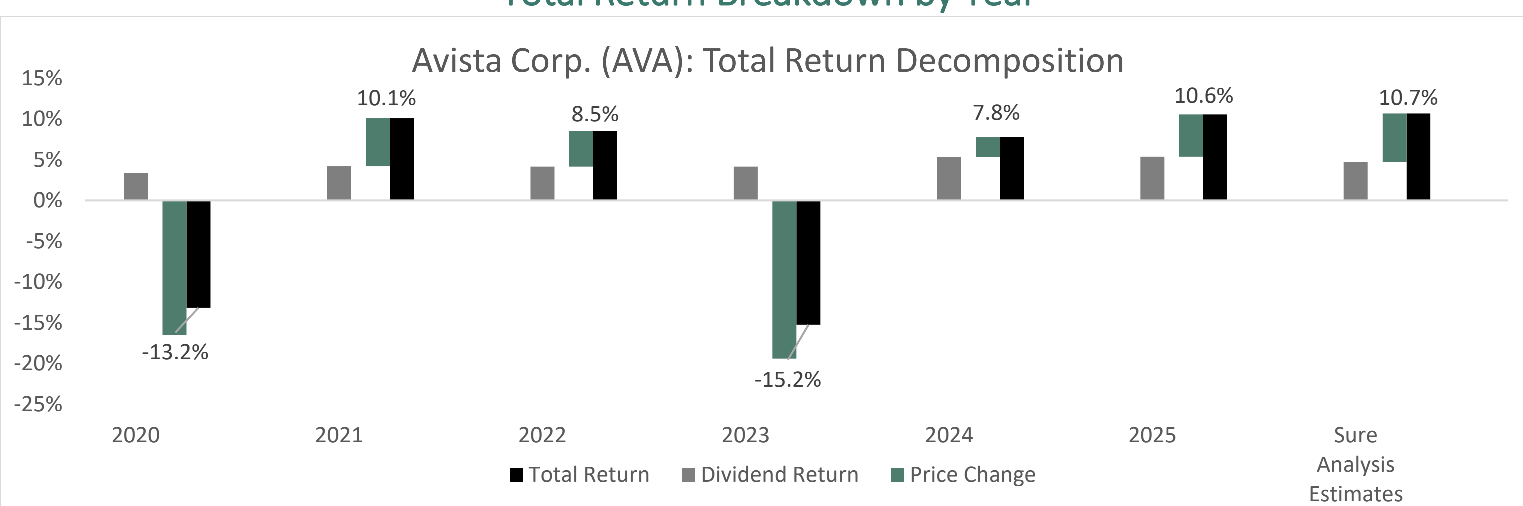
As a regulated utility, AVA's core competitive advantage is also what limits its growth, since regulated utilities operate as government-backed monopolies. The benefit is that they don't have to worry about new competition coming in and disrupting their business. At the same time, the regulations they 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 only $67 million in maturities in 2032 and $17 million in 2034. As of December 31st, 2025, AVA also had $146 million in available liquidity. That helps support the company's investment-grade, BBB credit rating from S&P. AVA's estimated dividend payout ratio for 2026 of 75% is meaningfully above its targeted payout ratio of between 60% and 70%. This is why we believe that the company will build on its 24-year dividend growth streak with rather modest dividend growth over the next few years, before returning to higher dividend growth. We're modeling a 2% average annual dividend growth rate through 2031, which would improve the payout ratio to 65% (the midpoint of its targeted range).

Final Thoughts & Recommendation

AVA's 4.9% dividend yield, 5.0% annual earnings growth prospects, and 1.9% annual valuation multiple expansion potential could generate 10.7% annual total returns through 2031. This is a respectable return profile. We still think there are more favorable utility options with comparable total returns, however. Thus, we're reiterating our Hold rating.

Total Return Breakdown by Year



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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.