



Eversource Energy (ES)

Updated February 13th, 2026, by Kody Kester

Key Metrics

Current Price:	\$74	5 Year CAGR Estimate:	12.1%	Market Cap:	\$28.8B
Fair Value Price:	\$84	5 Year Growth Estimate:	6.0%	Ex-Dividend Date:	03/05/26
Fair Value:	88%	5 Year Valuation Multiple Estimate:	2.6%	Dividend Payment Date:	03/31/26
Dividend Yield:	4.3%	5 Year Price Target	\$112	Years Of Dividend Growth:	28
Dividend Risk Score:	B	Sector:	Utilities	Rating:	Buy

Overview & Current Events

Eversource Energy is a diversified holding company with subsidiaries that provide regulated electric, gas, and water distribution services in the Northeast U.S. The company was formerly known as Northeast Utilities and changed its name to Eversource Energy in April 2015. ES serves more than four million utility customers. The regulated utility is organized into the following operating segments:

- Electric Distribution:** This segment is comprised of the distribution businesses of The Connecticut Light and Power Company, NSTAR Electric Company, and the Public Service Company of New Hampshire. These subsidiaries distribute electricity to retail customers in Connecticut, Massachusetts, and New Hampshire.
- Electric Transmission:** The Electric Transmission segment includes transmission facilities owned by the three subsidiaries of the Electric Distribution segment. These transmit electricity throughout New England.
- Natural Gas Distribution:** This segment includes the NSTAR Gas, EGMA, and Yankee Gas subsidiaries. Together, these distribute natural gas to more than 900,000 customers throughout Massachusetts and Connecticut.
- Water Distribution:** Via Aquarion Company, the Water Distribution segment operates five separate regulated water utilities in Connecticut, Massachusetts, and New Hampshire. These businesses serve nearly 250,000 customers in 73 towns and cities. The company anticipates that its Aquarion water businesses will be divested sometime in 2026 (if approved by PURA).

On February 12th, ES released its financial results for the fourth quarter ended December 31st, 2025. The company's total operating revenue rose by 13.4% over the year-ago period to \$3.37 billion in the quarter. Base distribution rate increases (in Massachusetts, New Hampshire, and Connecticut) and continued system investments fueled this topline growth during the quarter. ES logged \$1.12 in non-GAAP EPS for the quarter, which was a 10.9% year-over-year growth rate. This exceeded the analyst consensus in the quarter by \$0.02. The company's non-GAAP net profit margin held steady at 12.5% during the quarter. This was offset by a higher share count, which is why non-GAAP EPS growth lagged total operating revenue growth for the quarter. Last month, ES announced a 4.7% raise to its quarterly dividend per share to \$0.7875. That represents its 28th 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	\$2.96	\$3.11	\$3.29	\$3.45	\$3.64	\$3.86	\$4.09	\$4.34	\$4.57	\$1.76	\$4.94	\$6.61
DPS	\$1.78	\$1.90	\$2.02	\$2.14	\$2.27	\$2.41	\$2.55	\$2.70	\$2.86	\$3.01	\$3.15	\$4.22
Shares¹	316.9	316.9	316.9	329.8	343.0	344.4	348.4	349.5	366.6	375.5	375.5	394.5

Over the past decade, ES has compounded its non-GAAP EPS by more than 6% annually. Over the next five years, we believe the company can grow its non-GAAP EPS by 6% each year off an expected 2026 base of \$4.94. Eversource has divested itself of its commercial-scale offshore wind facility in the U.S. That reorients the company as a pure-play regulated utility. Thanks to healthy economic development prospects, ES anticipates that it will invest \$26.5 billion in upgrading and expanding its infrastructure from 2026 through 2030. The utility also notes that there is the potential for incremental investments of \$1 billion for this period.

¹ Share count is in millions.

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Valuation Analysis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Now	2031
Avg. P/E	18.7	20.3	19.8	24.7	23.8	23.6	20.5	14.2	12.6	14.2	15.0	17.0
Avg. Yld.	3.2%	3.0%	3.1%	2.5%	2.6%	2.6%	3.0%	4.4%	5.0%	4.5%	4.3%	3.8%

Since 2016, shares of ES have been valued at a P/E ratio as low as the low double digits to as much as the mid-20s. The average valuation multiple over that time was just above 19. Overall, we believe that the higher interest rate environment and Connecticut’s riskier operating environment will present moderate headwinds to the utility’s valuation. This is why we believe a P/E ratio of 17 approximates fair value. Relative to the current P/E ratio of just 15.0, this suggests shares of ES are moderately discounted today.

Safety, Quality, Competitive Advantage, & Recession Resiliency

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	60%	61%	61%	62%	62%	62%	62%	62%	63%	63%	64%	64%

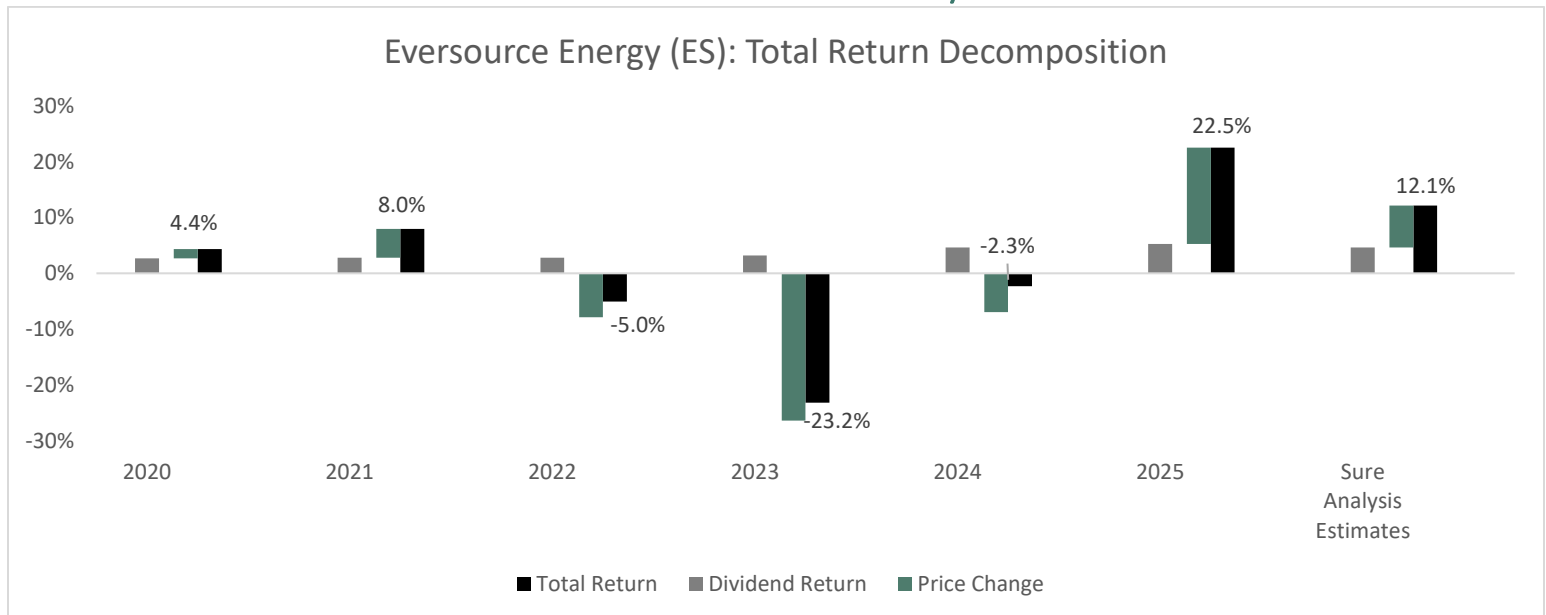
As a regulated utility, ES enjoys effective monopolies in its service territories. This is counteracted by state regulatory agencies having the ability to issue rate case decisions. That addresses the price gouging concerns that consumers would otherwise have if state regulators weren’t involved in setting utility rates. However, there’s the risk that regulators may be too willing to side with consumers at the cost of ES in rate cases. That could disincentivize capital investment and hurt the regulated utility’s growth profile.

Eversource also has the balance sheet needed to fund its ambitious five-year capital spending program. This is backed up by a BBB+ credit rating from S&P with a stable outlook. That affords the company a low cost of capital. The regulated utility’s dividend is also reasonably sustainable, with the payout ratio set to be in the mid-60% range for 2026. This should help it build on its 28-year dividend growth streak in the future.

Final Thoughts & Recommendation

Through its 4.3% yield, 6.0% annual non-GAAP EPS growth prospects, and 2.6% annual valuation multiple expansion potential, ES could be poised for 12.1% annual total returns through 2031. This remains a solid risk-reward profile. As a result, we’re reiterating our Buy 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	7,955	7,639	7,752	8,448	8,526	8,904	9,863	12,290	11,911	11,901
Gross Profit	3,539	3,796	3,910	3,974	4,123	4,436	4,751	5,410	4,847	6,152
Gross Margin	44.5%	49.7%	50.4%	47.0%	48.4%	49.8%	48.2%	44.0%	40.7%	51.7%
D&A Exp.	240	787	864	1,072	1,081	1,159	1,335	1,643	816	1,776
Operating Profit	1,764	1,841	1,888	1,700	1,830	1,989	1,993	2,198	2,532	2,706
Operating Margin	22.2%	24.1%	24.4%	20.1%	21.5%	22.3%	20.2%	17.9%	21.3%	22.7%
Net Profit	878	942	988	1,033	909	1,205	1,221	1,405	(442)	812
Net Margin	11.0%	12.3%	12.7%	12.2%	10.7%	13.5%	12.4%	11.4%	(3.7%)	6.8%
Free Cash Flow	96	231	(352)	(739)	(902)	(1,260)	(1,212)	(1,041)	(2,691)	(2,321)
Income Tax	540	555	579	289	273	346	344	454	160	425

Balance Sheet Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total Assets	30,580	32,053	36,220	38,241	41,124	46,100	48,492	53,230	55,612	59,595
Cash & Equivalents	24	30	38	108	15	107	67	375	54	27
Accounts Receivable	775	847	925	994	989	1,196	1,226	1,517	1,432	1,893
Inventories	336	329	223	238	236	266	268	374	507	595
Goodwill & Int.	3,519	3,519	4,427	4,427	4,427	4,446	4,477	4,523	4,532	3,571
Total Liabilities	20,228	21,341	25,134	26,754	28,494	31,880	33,737	37,600	41,283	44,400
Accounts Payable	814	885	1,085	1,120	1,148	1,371	1,672	2,114	1,869	1,377
Long-Term Debt	10,195	10,752	13,414	14,632	15,571	17,969	20,219	22,940	26,754	26,026
Shareholder's Equity	10,352	10,712	11,086	11,487	12,630	14,064	14,600	15,470	14,174	15,195
LTD/E Ratio	0.98	1.00	1.21	1.27	1.23	1.28	1.38	1.48	1.89	1.71

Profitability & Per Share Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Return on Assets	2.9%	3.0%	2.9%	2.8%	2.3%	2.8%	2.6%	2.8%	-0.8%	1.4%
Return on Equity	8.6%	8.9%	9.1%	9.2%	7.5%	9.0%	8.5%	9.3%	-3.0%	5.6%
ROIC	4.4%	4.5%	4.3%	4.1%	3.3%	4.0%	3.6%	3.8%	-1.1%	1.9%
Shares Out.	317	317	317	317	330	342	344	347	350	357
Revenue/Share	24.98	23.99	24.37	26.57	26.40	26.20	28.62	35.39	34.05	33.34
FCF/Share	0.30	0.73	(1.11)	(2.33)	(2.79)	(3.71)	(3.52)	(3.00)	(7.69)	(6.50)

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

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