Evergy Inc. (EVRG)

Updated February 24th, 2026 by Aristofanis Papadatos

Key Metrics

Current Price:	$82	**5 Year CAGR Estimate:**	8.0%	**Market Cap:**	$19 B
Fair Value Price:	$78	**5 Year Growth Estimate:**	6.0%	**Ex-Dividend Date:**	3/10/2026
% Fair Value:	105%	**5 Year Valuation Multiple Estimate:**	-1.1%	**Dividend Payment Date:**	3/20/2026
Dividend Yield:	3.4%	**5 Year Price Target**	$104	**Years Of Dividend Growth:**	21
Dividend Risk Score:	C	**Sector:** Utilities		**Rating:**	Hold

Overview & Current Events

Evergy is an electric utility that was formed with the merger of Great Plains Energy and Westar Energy in 2017 and is headquartered in Kansas City, Missouri. Through its subsidiaries Evergy Kansas, Evergy Metro and Evergy Missouri West, the company serves approximately 1.5 million residential customers, nearly 200,000 commercial customers and 6,900 industrial customers and municipalities in Kansas and Missouri. Evergy has a market capitalization of $19 billion and is significantly impacted by seasonality, as about one-third of its retail revenues is recorded in the third quarter.

In mid-February, Evergy reported (2/19/26) financial results for the full fiscal 2025. The company benefited from rate hikes and growth in weather-normalized demand but was negatively affected by higher interest expense, operating expenses and depreciation cost. As a result, its adjusted earnings-per-share edged up only 0.5% over the prior year, from $3.81 to $3.83.

The business outlook of Evergy is positive, as the utility has proved resilient to high interest rates and high inflation and recently signed two contracts for large projects. Management provided guidance for adjusted earnings-per-share of $4.14-$4.34 in 2026 and boosted its long-term guidance from 4%-6% to 6%-8% growth of adjusted earnings-per-share. At the mid-point, the guidance implies 11% growth of earnings-per-share in 2026.

Growth on a Per-Share Basis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
EPS	$2.43	$2.27	$2.50	$2.89	$3.10	$3.54	$3.71	$3.54	$3.81	$3.83	***$4.25***	***$5.69***
DPS	$1.52	$1.60	$1.74	$1.93	$2.05	$2.18	$2.33	$2.48	$2.60	$2.71	***$2.78***	***$3.55***
Shares[1]	142.5	142.6	214.1	239.9	227.5	230.3	230.6	230.5	231.0	236.0	***240.0***	***250.0***

Evergy has grown its earnings-per-share at a 5.2% average annual rate over the last decade. This mid-single digit growth rate is typical in the utility sector. However, Evergy has enhanced its investments in growth projects lately and hence it is likely to accelerate its growth pattern in the upcoming years. The company expects to spend $21.6 billion on capital expenses in 2026-2030 and has a more than 10-gigawatt project pipeline for the upcoming years. It will also reduce its operational and maintenance expenses. It has reduced these expenses by -25% over the last seven years. Given also expected regulatory approval of 11.5% annual growth in rates until 2030, Evergy expects to grow its earnings-per-share by 6%-8% per year until 2030. The utility also expects to grow its dividend roughly in line with its earnings-per-share and maintain a dividend payout ratio of 60%-70%. Given the somewhat lackluster historical growth rate of Evergy, we have assumed 6.0% average annual growth of earnings-per-share over the next five years to be on the safe side.

Valuation Analysis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Now	2031
Avg. P/E	21.6	23.4	21.8	20.9	19.0	17.6	17.5	16.1	15.2	18.3	***19.3***	***18.3***
Avg. Yld.	2.9%	3.0%	3.2%	3.2%	3.5%	3.5%	3.6%	4.4%	4.5%	3.9%	***3.4%***	***3.4%***

[1] In millions.

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The recent cuts in interest rates have provided a tailwind to the stock of Evergy, which has rallied 20% in the last 12 months. Evergy is currently trading at a price-to-earnings ratio of 19.3, which is higher than its historical 8-year average of 18.3. If Evergy trades at its 8-year average valuation level in five years, it will incur a -1.1% annualized drag in its returns.

Safety, Quality, Competitive Advantage, & Recession Resiliency

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	63%	70%	70%	67%	66%	62%	63%	70%	68%	71%	***65%***	***62%***

The subsidiaries of Evergy operate on a fully regulated retail utility model in Missouri and Kansas and thus they do not face any competition in these markets. This typical utility model, which generates reliable and growing earnings, is undoubtedly a strong competitive advantage.

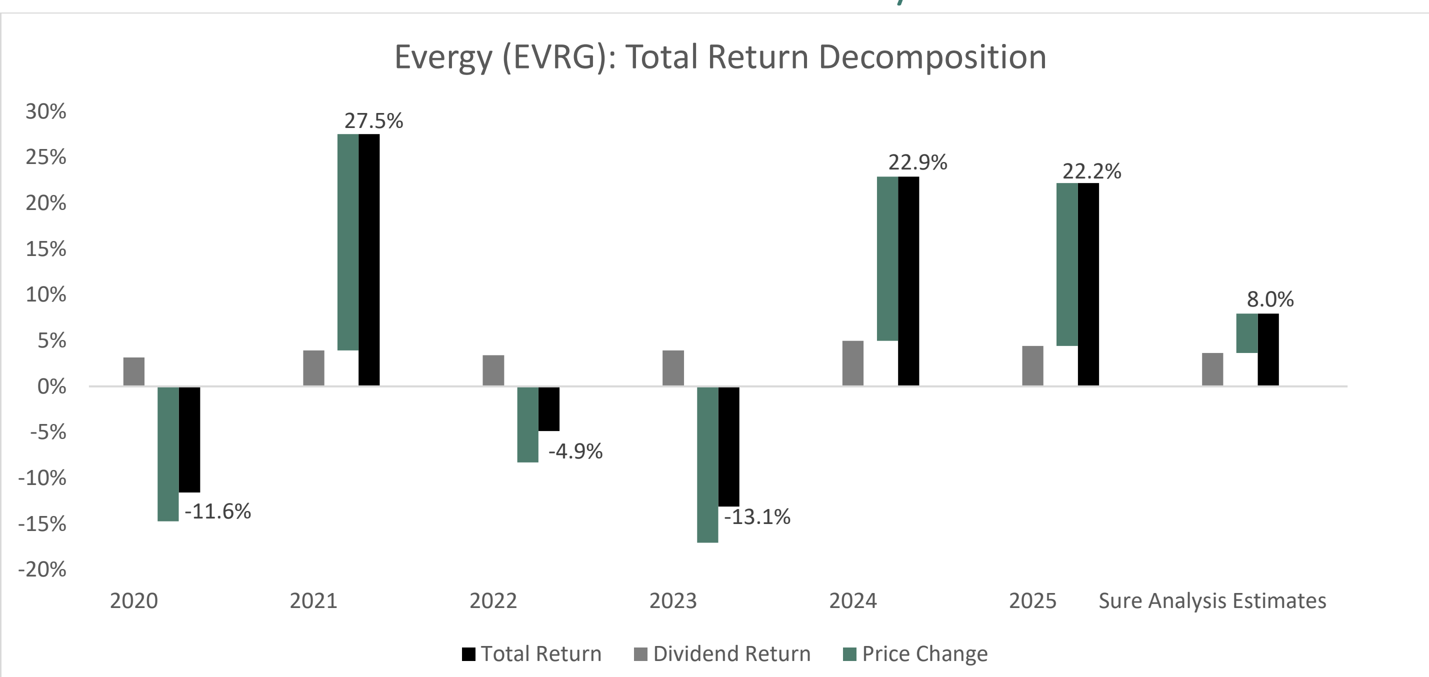
Another major advantage of utilities is their resilience to recessions. Even during the fiercest recessions, people do not cut electricity consumption. In fact, they spend more time at home and thus they increase their consumption. In the severe recession, which was caused by the pandemic, Evergy grew its adjusted earnings-per-share 7% in 2020, to an all-time high level. Moreover, thanks to its 3.4% dividend, its reasonable payout ratio of 65% and its expected dividend growth rate of 5%-6% per year, Evergy is a suitable candidate for income-oriented investors.

The only material risk factor for Evergy is an environment of higher interest rates. If inflation rises significantly, the Fed may raise interest rates in the future. In such a case, the dividend yield of Evergy will become less attractive and hence the stock of Evergy is likely to come under pressure.

Final Thoughts & Recommendation

Evergy has proved resilient to the pandemic and the inflationary environment prevailing now and has promising growth prospects ahead. The stock has rallied 64% in the last two years but it could still offer an 8.0% average annual return over the next five years thanks to 6.0% earnings-per-share growth and its 3.4% dividend, partly offset by a -1.1% annualized valuation headwind. The stock receives a hold rating.

Total Return Breakdown by Year



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Income Statement Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenue	2,562	2,571	4,276	5,148	4,913	5,587	5,859	5,508	5,847	5,920
Gross Profit	1,233	1,218	1,822	2,413	2,388	2,632	2,630	2,766	3,035	1,911
Gross Margin	48.1%	47.4%	42.6%	46.9%	48.6%	47.1%	44.9%	50.2%	51.9%	32.3%
SG&A Exp.	---	---	---	---	---	---	---	---	---	---
D&A Exp.	365	404	662	913	938	948	985	1,139	1,171	1,218
Operating Profit	702	679	934	1,186	1,144	1,355	1,302	1,282	1,468	1,491
Operating Margin	27.4%	26.4%	21.8%	23.0%	23.3%	24.3%	22.2%	23.3%	25.1%	25.2%
Net Profit	347	324	536	670	618	880	753	731	874	868
Net Margin	13.5%	12.6%	12.5%	13.0%	12.6%	15.7%	12.9%	13.3%	14.9%	14.7%
Free Cash Flow	(283)	148	428	539	194	(621)	(365)	(354)	(353)	(752)
Income Tax	185	151	59	97	102	117	48	16	30	30

Balance Sheet Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total Assets	11,487	11,624	25,598	25,976	27,115	28,521	29,490	30,976	32,282	35,438
Cash & Equivalents	3	3	160	23	145	26	25	28	22	25
Accounts Receivable	289	165	17	7	5	14	9	3	3	506
Inventories	300	294	511	482	505	567	673	776	867	829
Goodwill & Int. Ass.	---	---	2,339	2,337	2,337	2,337	2,337	2,337	2,337	2,337
Total Liabilities	7,654	7,764	15,607	17,431	18,396	19,279	19,997	21,291	22,293	25,170
Accounts Payable	221	204	452	529	654	640	601	617	614	654
Long-Term Debt	4,018	4,073	8,527	9,950	10,321	11,166	12,036	13,147	14,070	13,581
Shareholder's Equity	3,806	3,908	10,028	8,572	8,733	9,244	9,484	9,663	9,955	10,221
D/E Ratio	1.06	1.04	0.85	1.16	1.18	1.21	1.27	1.36	1.41	1.51

Profitability & Per Share Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Return on Assets	3.1%	2.8%	2.9%	2.6%	2.3%	3.2%	2.6%	2.4%	2.8%	2.5%
Return on Equity	9.3%	8.4%	7.7%	7.2%	7.1%	9.8%	8.0%	7.6%	8.9%	8.6%
ROIC	4.6%	4.1%	4.1%	3.6%	3.3%	4.5%	3.6%	3.3%	3.7%	3.5%
Shares Out.	142.5	142.6	214.1	239.9	227.5	230.3	230.3	230.5	230.6	233.6
Revenue/Share	17.98	18.03	19.97	21.46	21.60	24.33	25.44	23.90	25.36	25.34
FCF/Share	(1.99)	1.04	2.00	2.25	0.85	(2.70)	(1.58)	(1.53)	(1.53)	(3.22)

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