



# Exelon Corporation (EXC)

Updated February 23<sup>rd</sup>, 2026, by Nathan Parsh

## Key Metrics

<b>Current Price:</b>	\$48	<b>5 Year Annual Expected Total Return:</b>	8.6%	<b>Market Cap:</b>	\$49 Billion
<b>Fair Value Price:</b>	\$47	<b>5 Year Growth Estimate:</b>	6.0%	<b>Ex-Dividend Date:</b>	03/02/26
<b>% Fair Value:</b>	102%	<b>5 Year Valuation Multiple Estimate:</b>	-0.4%	<b>Dividend Payment Date:</b>	03/13/26
<b>Dividend Yield:</b>	3.5%	<b>5 Year Price Target</b>	\$63	<b>Years Of Dividend Growth:</b>	4
<b>Dividend Risk Score:</b>	D	<b>Sector:</b>	Utilities	<b>Rating:</b>	Hold

Exelon Corporation is a utility services holding company that has operations in 48 U.S. states, the District of Columbia and Canada. The company's subsidiaries include Commonwealth Edison, PECO Energy, Baltimore Gas & Electric, Pepco, Delmarva Power, and Atlantic City Electric. Utility sales make the largest contribution to profits since Exelon Corporation purchased Constellation Energy in 2012 and Pepco Holdings in 2016. The company supplies electricity to nearly 9 million customers and provides gas to 1.3 million customers. Exelon Corporation has 20,000 employees and generates annual sales of ~\$24 billion.

On February 12<sup>th</sup>, 2026, Exelon Corporation announced that it was increasing its quarterly dividend 5.0% to \$0.42, marking the fourth dividend increase since spinning off Constellation Energy (CEG).

That same day, Exelon Corporation announced fourth quarter and full year results for the period ending December 31<sup>st</sup>, 2026. For the quarter, revenue decreased 1.1% to \$5.4 billion, which was \$80 million below estimates. Adjusted earnings-per-share of \$0.59 compared unfavorably to \$0.64 in the prior year, but beat estimates by \$0.04. For the year, revenue grew 5.3% to \$24.3 billion while adjusted earnings-per-share of \$2.77 compared to \$2.50 in 2024.

For the quarter, ComEd's net income grew 0.4% due to higher distribution and transmission rate bases. PECO's net income fell 16.9% due to an increase in come taxes due to tax repairs, an absence of a storm cost deferral, and an increase in costs, depreciation, and interest expense. BGE's net income increased 2.9% due to higher distribution rates that were associated with the recovery of investments. PHI's net income was up 23.9% due to rate increases. The company has a four-year capital investment plan totaling \$41.3 billion and projects rate base growth of 7.9%.

Exelon Corporation provided a forward outlook as well. The company expects EPS to grow at 5% to 7% annually through 2029 off 2025 levels. We have initiated our outlook accordingly.

## Growth on a Per-Share Basis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
<b>EPS</b>	\$1.80	\$2.78	\$2.07	\$3.22	\$3.22	\$2.82	\$2.26	\$2.38	\$2.50	\$2.77	<b>\$2.94</b>	<b>\$3.93</b>
<b>DPS</b>	\$1.26	\$1.31	\$1.38	\$1.45	\$1.53	\$1.53	\$1.35	\$1.44	\$1.52	\$1.60	<b>\$1.68</b>	<b>\$2.04</b>
<b>Shares<sup>1</sup></b>	924	963	968	972	976	980	980	998	1,000	1,000	<b>1,000</b>	<b>990</b>

Exelon Corporation has had an uneven history of growth over the last decade. Earnings-per-share suffered a severe decline from 2011 to 2012. Much of this decline is due to share dilution from Exelon Corporation's acquisition of Constellation Energy Group in 2012. While the share count has expanded dramatically over the last decade, net profit has generally increased each year. Despite increasing revenues over the last decade, Exelon Corporation has only grown earnings-per-share in four out of the last ten years. Given the fluctuations in earnings, Exelon Corporation does not appear to be a "slow and steady" grower that many other utility companies are. The company does expect to see 5% to 7% earnings growth from 2025 levels through 2029. We have raised our forecast for earnings growth to 6% from 4% in reflection of the solid results the company has posted since the spinoff and forward guidance.

Exelon Corporation cut its dividend in both 2013 and 2014 in an effort to pay off debt associated with mergers and acquisitions. The company slowly began raising its dividend once again in 2016. The company cut its dividend by 11.8%

<sup>1</sup> In millions of shares

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for the March 10<sup>th</sup>, 2022 payment following the spinoff. However, shareholders that continue to hold the Constellation Energy shares following the spinoff received a combined dividend that was at least equal to the distribution prior to the spinoff.

## Valuation Analysis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Now	2031
Avg. P/E	18.7	13.4	20.1	14.2	13.1	14.6	19.1	15.1	15.1	15.7	16.3	16.0
Avg. Yld.	3.7%	3.5%	3.3%	3.2%	3.6%	3.7%	3.1%	4.0%	4.0%	3.7%	3.5%	3.2%

Shares of Exelon Corporation have gained \$2, or 4.3%, since our November 11<sup>th</sup>, 2025 report. The stock has traded with an average price-to-earnings ratio, or P/E, of 15.9 over the last ten years. We are raising our target P/E to 16 from 14 to account for the higher expected growth rate. Currently, shares have a forward P/E ratio of 16.3. If shares were to revert to our target multiple by 2031, then valuation would reduce annual returns by 0.4% over the next five years. Shares of the company yield 3.5% today, which is just below the stock's 10-year average yield of 3.6%.

## Safety, Quality, Competitive Advantage, & Recession Resiliency

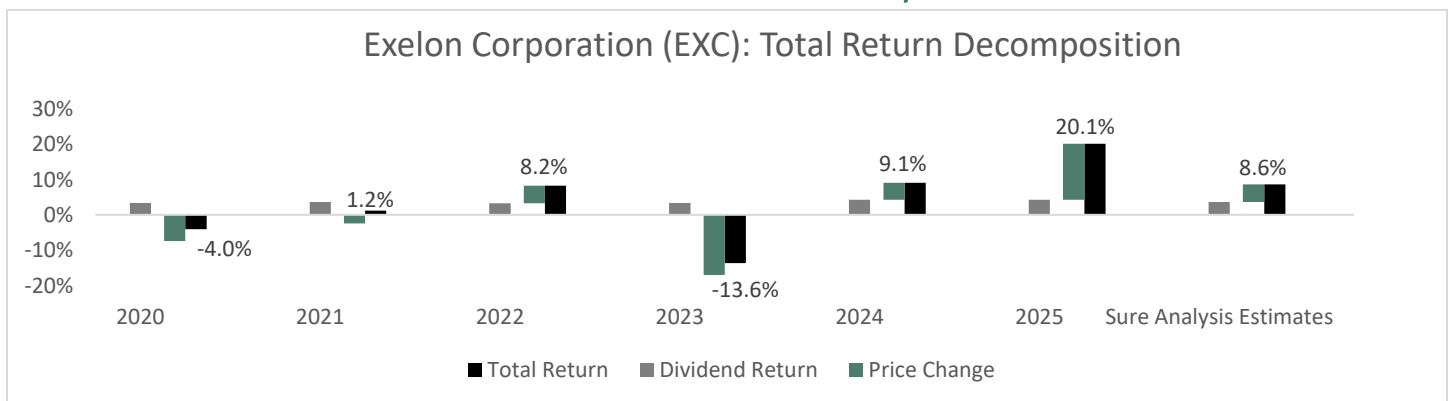
Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	70%	47%	67%	45%	48%	54%	60%	61%	61%	58%	57%	52%

A key competitive advantage for Exelon Corporation is that it is one of the largest power generators in the U.S. The company is also present in nearly every state. This gives it a size and scale that is unmatched among utility companies. The company is also aggressive in its use of capital to improve its facilities. Exelon Corporation plans to invest approximately \$41 billion in its utilities over the next four years, expecting rate base growth of 5% to 7%. Utility companies are often owned for durability during a recession and for income purposes. Exelon Corporation's earnings-per-share increased in both 2008 and 2009. Because of this, we feel that Exelon Corporation is well positioned to weather the next recession as well. Exelon Corporation did reduce its dividend several times during the last decade, but this was because the company raised a large amount of debt to fund mergers and acquisitions that are performing well today. Exelon Corporation has a healthy payout ratio, especially for a utility company.

## Final Thoughts & Recommendation

Following fourth quarter results, Exelon Corporation is expected to have a total return of 8.6% through 2031, up from our prior estimate of a 3.6% return. Our projection stems from a 6% earnings growth rate and a starting yield of 3.5% that are partially offset by a small headwind from valuation compression. We have raised our five-year price target \$17 to \$63, but we maintain our hold rating on shares of Exelon Corporation due to expected returns and a weak dividend risk score.

## Total Return Breakdown by Year



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## Income Statement Metrics

Year	2017	2018	2019	2020	2021	2022	2023	2023	2024	2025
<b>Revenue</b>	32,182	33,247	36,094	33,673	33,474	17,938	19,078	21,727	23,028	24,258
<b>Gross Profit</b>	6,585	6,101	6,569	5,919	5,963	4,049	4,741	5,418	5,810	6,773
<b>Gross Margin</b>	20.5%	18.4%	18.2%	17.6%	17.8%	22.6%	24.9%	24.9%	25.2%	27.9%
<b>Operating Profit</b>	5,009	4,244	4,786	4,187	4,249	2,758	3,351	4,010	4,306	5,144
<b>Op. Margin</b>	15.6%	12.8%	13.3%	12.4%	12.7%	15.4%	17.6%	18.5%	18.7%	21.2%
<b>Net Profit</b>	1,204	3,876	2,084	3,028	1,954	1,616	2,054	2,328	2,460	2,768
<b>Net Margin</b>	3.7%	11.7%	5.8%	9.0%	5.8%	9.0%	10.8%	10.7%	10.7%	11.4%
<b>Free Cash Flow</b>	(108)	(104)	1,050	(589)	(3,813)	(4,969)	(2,277)	(2,705)	(1,528)	(2,275)
<b>Income Tax</b>	761	(126)	120	774	373	38	349	374	207	523

## Balance Sheet Metrics

Year	2017	2018	2019	2020	2021	2022	2023	2023	2024	2025
<b>Total Assets</b>	115	117	120	125	129	133	95	102	108	117
<b>Cash</b>	888	1,105	1,596	945	1,235	993	973	927	898	1,151
<b>Accounts Receivable</b>	4,158	4,445	4,607	4,592	3,231	1,869	2,217	2,342	2,738	3,297
<b>Goodwill</b>	7,124	7,072	7,049	7,013	6,971	6,630	6,630	6,630	6,630	6,630
<b>Total Liabilities</b>	87	85	87	90	94	98	71	76	81	88
<b>LT Debt</b>	34646	34653	35814	37736	38391	33292	37464	41485	44790	49468
<b>Shareholders' Equity</b>	25837	29896	30764	32224	32585	34393	24744	25755	26921	28798
<b>LT Debt to Equity</b>	1.39	1.19	1.19	1.22	1.25	1.00	1.62	1.72	1.75	1.76

## Profitability & Per Share Metrics

Year	2017	2018	2019	2020	2021	2022	2023	2023	2024	2025
<b>Return on Assets</b>	1.1%	3.3%	1.8%	2.5%	1.5%	1.2%	1.8%	2.4%	2.3%	2.5%
<b>Return on Equity</b>	4.4%	13.0%	6.4%	9.0%	5.6%	4.6%	6.9%	9.2%	9.3%	9.9%
<b>ROIC</b>	2.1%	5.9%	3.0%	4.2%	2.6%	2.2%	3.1%	3.5%	3.4%	3.6%
<b>Shares Out.</b>	924	963	968	972	976	980	980	998	1,000	1,000
<b>Revenue/Share</b>	34.72	35.03	37.25	34.57	34.26	18.30	19.33	21.79	22.96	23.97
<b>FCF/Share</b>	(0.12)	(0.11)	1.08	(0.60)	(3.90)	(5.07)	(2.31)	(2.71)	(1.52)	(2.25)

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

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