



Edison International (EIX)

Updated March 2nd, 2026, by Kody Kester

Key Metrics

Current Price:	\$75	5 Year CAGR Estimate:	11.3%	Market Cap:	\$28.7B
Fair Value Price:	\$79	5 Year Growth Estimate:	6.0%	Ex-Dividend Date:	04/07/26
% Fair Value:	94%	5 Year Valuation Multiple Estimate:	1.3%	Dividend Payment Date:	04/30/26
Dividend Yield:	4.7%	5 Year Price Target	\$106	Years Of Dividend Growth:	23
Dividend Risk Score:	C	Sector:	Utilities	Rating:	Hold

Overview & Current Events

Edison International is a leading investor-owned utility holding company that serves as the primary architect for California's clean energy transition. While it's often categorized as a renewable energy company, EIX doesn't primarily focus on owning wind or solar farms. Instead, it builds and operates the massive electric grid infrastructure required to deliver that power to millions. The company primarily operates through the two following business segments:

1. Southern California Edison (SCE): Serving a 50,000-square-mile territory and 15 million people, SCE is one of the largest electric utilities in the country. It's a pure-play wires company, which means it has largely divested from fossil-fuel generation to focus on the transmission and distribution of carbon-free electricity.
2. Trio (formerly known as Edison Energy): This is the company's non-regulated arm. It's a global sustainability and energy advisory firm that consults Fortune 500 companies. It helps large-scale energy users navigate global energy markets, manage their carbon footprints, and implement large-scale renewable energy procurement.

On February 18th, EIX shared its earnings report for the fourth quarter ended December 31st, 2025. The company's operating revenue jumped 30.8% year-over-year to \$5.21 billion in the quarter. That was fueled by one-time regulatory tailwinds posted during the quarter. This included the final decision on the 2025 General Rate Case to recognize a huge catch-up in revenue that had been deferred while the case was being settled and the recognition of authorized cost recoveries related to the Woolsey Fire settlement. EIX's core EPS soared 78.1% higher over the year-ago period to \$1.87 for the quarter. That exceeded the analyst consensus in the quarter by \$0.42.

Growth on a Per-Share Basis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
EPS	\$3.97	\$4.50	\$4.15	\$4.70	\$4.52	\$4.59	\$4.63	\$4.76	\$4.93	\$6.55	\$6.10	\$8.16
DPS	\$1.92	\$2.17	\$2.42	\$2.45	\$2.55	\$2.65	\$2.80	\$2.95	\$3.12	\$3.31	\$3.51	\$4.70
Shares¹	325.8	325.8	325.8	364.1	379.1	381.1	382.2	384.4	387.2	384.8	384.8	387.0

Since 2016, EIX has compounded its core EPS by almost 6.0% annually. Moving forward, we believe that core EPS will continue to grow by 6.0% annually through 2031, off an anticipated 2026 base of \$6.10. As we alluded to earlier, the reasons why core EPS is temporarily going to drop in 2026 include the one-time benefit from the Woolsey Fire cost recovery and the 2025 GRC catch-up payments. SCE is planning \$38 billion to \$41 billion in capital spending for 2026 through 2030. Since it's a regulated utility, it earns a fixed return on the infrastructure that it builds. Grid hardening and load growth/electrification are driving this heavy capital spending plan. In a departure from most regulated utilities, EIX has pledged no new equity issuances through 2030. So, the share count should remain relatively flat for the foreseeable future, too.

¹ Share count in millions.



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Valuation Analysis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Now	2031
Avg. P/E	18.1	14.1	13.8	15.9	13.9	14.9	13.7	15.0	16.1	9.3	12.2	13.0
Avg. Yld.	2.7%	3.4%	4.2%	3.3%	4.1%	3.9%	4.4%	4.1%	3.9%	5.4%	4.7%	4.4%

Over the last decade, EIX's shares have traded at a multiple as cheap as the high single-digits in 2025 to as expensive as the high-teens in 2016. That works out to an average P/E ratio of nearly 15 over that time. Considering the higher interest rate environment, we think that a reasonable fair value multiple for EIX is around 13. Relative to the current-year multiple of 12.2x, shares are slightly undervalued.

Safety, Quality, Competitive Advantage, & Recession Resiliency

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	48%	48%	58%	52%	56%	58%	60%	62%	63%	51%	58%	58%

Since EIX retains a monopolistic business structure in exchange for being a regulated utility, it faces no competition from other utilities. That's how it has delivered gradual core EPS growth over the past decade.

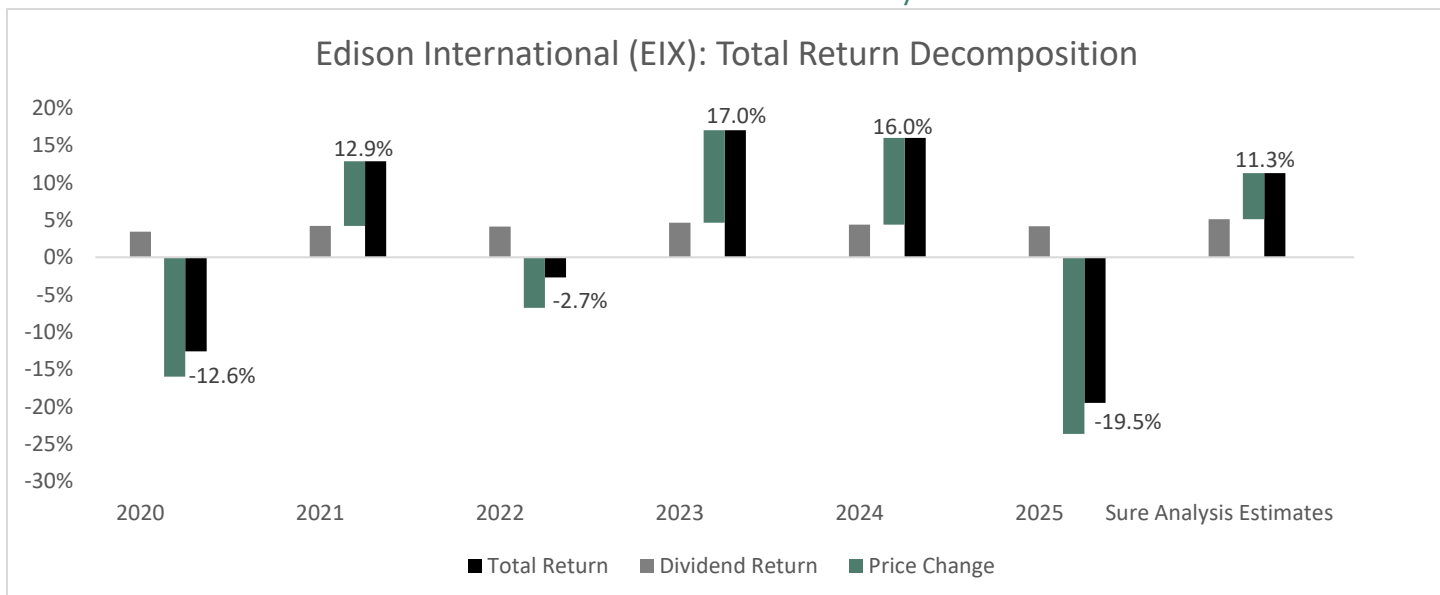
EIX is financially stable as well. In 2025, the company's interest coverage ratio was 4.6x. For a regulated utility, this is a very healthy interest coverage ratio. That explains the BBB- S&P credit rating with a negative outlook. The reason why the rating agency is cautious is that California law allows utilities to be held liable for fire damages if their equipment is involved, regardless of whether a utility was found negligent. If EIX completes planned securitizations to refinance wildfire debt into cheaper bonds or if the California legislature replenishes the Wildfire Fund, its debt could receive an upgrade from the rating agency.

The utility's dividend is also well-covered, with the payout ratio likely to be in the high-50% range for 2026. That gives it the flexibility to build on its 23-year dividend growth streak in the years ahead.

Final Thoughts & Recommendation

EIX's 4.7% dividend yield, 6.0% annual core EPS growth prospects, and 1.3% annual valuation multiple upside provide it with 11.3% annual total return potential through 2031. In closing, 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	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenue	11,869	12,320	12,657	12,347	13,578	14,905	17,220	16,338	17,599	19,317
Gross Profit	2,467	2,562	2,583	2,760	3,110	3,502	3,560	4,079	4,352	6,049
Gross Margin	20.8%	20.8%	20.4%	22.4%	22.9%	23.5%	20.7%	25.0%	24.7%	31.3%
D&A Exp.	2,098	2,115	1,940	1,803	2,029	2,288	2,633	2,721	2,939	3,237
Operating Profit	2,113	2,185	2,188	2,209	2,336	2,820	2,845	3,295	3,582	5,240
Op. Margin	17.8%	17.7%	17.3%	17.9%	17.2%	18.9%	16.5%	20.2%	20.4%	27.1%
Net Profit	1,413	668	(350)	1,405	871	925	824	1,407	1,546	4,699
Net Margin	11.9%	5.4%	-2.8%	11.4%	6.4%	6.2%	4.8%	8.6%	8.8%	24.3%
Free Cash Flow	(478)	(247)	(1,332)	(5,184)	(4,221)	(5,494)	(2,562)	(2,047)	(693)	(715)
Income Tax	177	281	(739)	(278)	(305)	(136)	(162)	108	17	1,291

Balance Sheet Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total Assets	51,319	52,580	56,715	64,382	69,372	74,745	78,041	81,758	85,579	94,026
Cash & Equivalents	169	1,237	323	151	89	394	917	380	233	158
Acc. Receivable	1,084	929	1,212	1,276	1,651	2,192	2,336	2,758	3,017	2,701
Inventories	239	242	282	364	405	420	474	527	538	535
Total Liabilities	37,127	38,695	44,063	48,886	53,423	56,956	60,519	63,814	67,839	74,767
Accounts Payable	1,342	1,503	1,511	1,752	1,980	2,002	2,359	1,983	2,000	2,344
Long-Term Debt	11,156	12,123	14,711	18,965	21,538	26,597	30,575	34,114	36,639	39,039
Total Equity	11,996	11,671	10,459	13,303	14,048	13,911	13,643	13,828	13,920	17,082
LTD/E Ratio	1.04	1.24	1.48	1.47	1.72	1.86	2.12	2.28	2.43	2.36

Profitability & Per Share Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Return on Assets	2.8%	1.3%	-0.6%	2.3%	1.3%	1.3%	1.1%	1.8%	1.8%	5.2%
Return on Equity	10.2%	4.8%	-2.6%	10.0%	5.5%	5.5%	4.7%	7.9%	8.7%	25.4%
ROIC	5.4%	2.4%	-1.2%	4.4%	2.3%	2.1%	1.7%	2.7%	2.8%	8.1%
Shares Out.	325.8	325.8	325.8	364.1	379.1	381.1	382.2	384.4	387.2	384.8
Revenue/Share	35.97	37.56	38.83	36.21	36.30	39.22	44.96	42.44	45.36	50.04
FCF/Share	(1.45)	(0.75)	(4.09)	(15.20)	(11.29)	(14.46)	(6.69)	(5.32)	(1.79)	(1.85)

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

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