CenterPoint Energy, Inc. (CNP)

Updated March 30th, 2026, by Kody Kester

Key Metrics

Current Price:	$43	**5 Year CAGR Estimate:**	7.4%	**Market Cap:**	$28.1B
Fair Value Price:	$38	**5 Year Growth Estimate:**	8.0%	**Ex-Dividend Date:**	05/15/26[1]
% Fair Value:	113%	**5 Year Valuation Multiple Estimate:**	-2.4%	**Dividend Payment Date:**	06/12/26[1]
Dividend Yield:	2.1%	**5 Year Price Target**	$56	**Years Of Dividend Growth:**	6
Dividend Risk Score:	C	**Sector:**	Utilities	**Rating:**	Hold

Overview & Current Events

CenterPoint Energy (CNP) is a public utility holding company. Its subsidiaries own and operate facilities that transmit and distribute electric energy and natural gas to over 3 million metered electric customers and more than 4 million metered gas customers as of December 31st, 2025. Electric customers are mostly in the Greater Houston area (strictly transmission and distribution), with the remainder being in Southwestern Indiana, where it is vertically integrated. Gas customers are spread out across Texas, Indiana, Minnesota, and Ohio (gas businesses in Louisiana and Mississippi were divested in early 2025, and the sale of the Ohio gas business is expected to close in Q4 2026). Its customer mix is mostly residential, with the remainder being commercial, industrial, and utilities. CNP was founded in 2003 because of deregulation in Texas, causing the split of Houston Lighting and Power into three separate companies.

On February 19th, 2026, CNP shared its earnings report for the fourth quarter ended December 31st, 2025. The company's total operating revenue rose by 10.7% year-over-year to $2.51 billion during the quarter. This topline growth in the quarter was largely due to the implementation of constructive rate cases and interim filing mechanism outcomes throughout the year. Growth in metered customers in the electric and gas businesses was yet another growth driver for the quarter. These positives more than offset the asset divestitures of the Louisiana and Mississippi gas businesses earlier in the year. CNP's non-GAAP EPS jumped 12.5% over the year-ago period to $0.45 during the quarter. That came up $0.01 short of the analyst consensus in the quarter. Last December, CNP upped its quarterly dividend per share by 4.5% to $0.23. This marked its sixth 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	$1.16	$1.37	$1.60	$1.79	$1.40	$1.64	$1.38	$1.50	$1.62	$1.76	***$1.91***	***$2.81***
DPS	$1.03	$1.07	$1.11	$1.15	$0.60	$0.65	$0.70	$0.77	$0.81	$0.88	***$0.92***	***$1.23***
Shares[2]	430.7	431.0	501.2	502.2	551.4	628.9	629.5	631.2	651.7	652.9	***652.9***	***685.0***

Since 2016, CNP's non-GAAP EPS has grown by almost 5% annually. Looking ahead, we think that non-GAAP EPS can grow by 8% annually through 2031, off an anticipated 2026 base of $1.91. The biggest catalyst for the company's growth is the unprecedented demand in the Greater Houston area. CNP expects to deliver 10 GW of new load by 2029, which would represent a 50% increase in peak demand arriving two years sooner than previously thought. That's why the company recently slightly increased its 10-year capital plan from $65 billion to $65.5 billion, and it foresees another $10 billion of incremental investments over that time. This is expected to drive 11%+ annual rate base growth through 2030.

[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	Now	2031
Avg. P/E	21.2	20.7	17.5	15.0	15.5	17.0	21.7	19.1	19.5	22.0	***22.5***	***20.0***
Avg. Yld.	4.2%	3.8%	4.0%	4.3%	2.8%	2.3%	2.3%	2.7%	2.6%	2.3%	***2.1%***	***2.2%***

Over the past decade, CNP's shares have traded at a P/E ratio as low as the mid-teens to as high as the low-20s. Over that time, the average P/E ratio was nearly 19. In more recent years, the P/E ratio was right around 20. Looking ahead, we think that a fair value P/E ratio of 20 is reasonable for CNP. That's because the company's growth profile is the strongest that it has been in some time. This compensates for the higher interest rate environment. Relative to the current-year P/E ratio of 22.5, that suggests the regulated utility is moderately overvalued.

Safety, Quality, Competitive Advantage, & Recession Resiliency

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	89%	78%	69%	64%	43%	40%	51%	51%	50%	50%	***48%***	***44%***

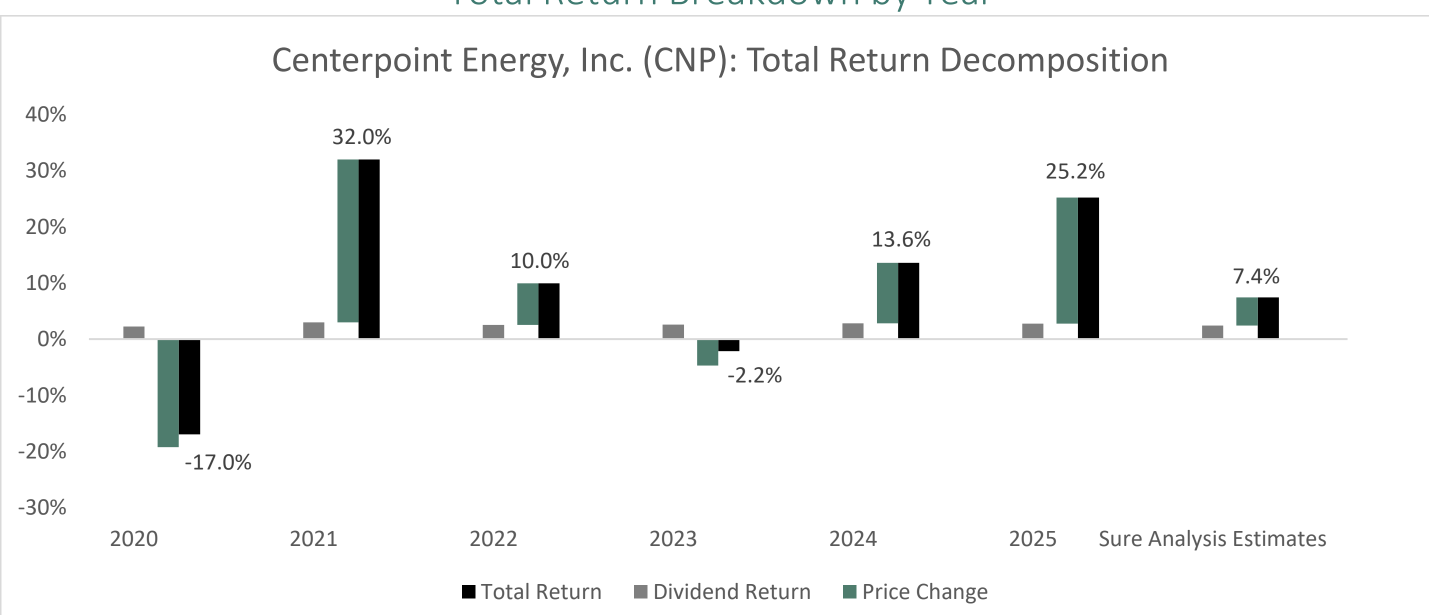
As a regulated utility, CNP benefits from virtual monopolies in its service territories. Coupled with the essential nature of the electric and gas services that it provides, this has delivered non-GAAP EPS growth over time. The tradeoff for these predictable results is that CNP's growth potential is effectively capped by state regulators, so it can charge whatever it would like for its utility services.

CNP is a financially stable enterprise as well. The company possesses a BBB+ S&P credit rating with a stable outlook. That provides it with the low cost of capital needed to fund its capital spending plan. What's more, CNP's dividend is well-covered, with a payout ratio set to be in the high-40% range in 2026. That should give it the flexibility to extend its six-year dividend growth streak with 6% annual dividend growth for the foreseeable future.

Final Thoughts & Recommendation

CNP's 2.1% dividend yield, 8.0% annual non-GAAP EPS growth prospects, and 2.4% annual valuation multiple contraction could deliver 7.4% annual total returns through 2031. Shares are moderately overvalued, however. That's primarily why we're reiterating 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	7,545	9,404	10,486	7,342	7,418	8,352	9,321	8,696	8,643	9,357
Gross Profit	1,290	1,384	1,283	1,337	1,740	1,891	2,109	2,285	2,537	2,686
Gross Margin	17.1%	14.7%	12.2%	18.2%	23.5%	22.6%	22.6%	26.3%	29.4%	28.7%
D&A Exp.	1,126	1,036	1,243	1,249	1,189	1,316	1,288	1,401	1,439	1,530
Operating Profit	906	993	877	863	1,224	1,363	1,566	1,760	1,990	2,110
Op. Margin	12.0%	10.6%	8.4%	11.8%	16.5%	16.3%	16.8%	20.2%	23.0%	22.5%
Net Profit	432	1,792	368	682	483	668	1,057	917	1,019	1,052
Net Margin	5.7%	19.1%	3.5%	9.3%	6.5%	8.0%	11.3%	10.5%	11.8%	11.2%
Free Cash Flow	811	288	515	(826)	(521)	(3,142)	(2,609)	(524)	(2,374)	(2,384)
Income Tax	254	(729)	146	92	80	110	360	170	195	195

Balance Sheet Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total Assets	22,317	23,412	27,682	36,377	34,375	38,477	39,263	40,497	45,397	48,247
Cash & Equivalents	1,334	1,255	4,817	1,093	1,038	1,693	601	650	591	559
Acc. Receivable	1,075	1,427	1,568	1,171	1,181	1,203	1,653	1,226	1,238	1,406
Inventories	312	397	394	472	500	608	876	770	714	732
Goodwill & Int.	862	867	867	4,940	4,697	4,294	4,294	4,160	3,943	3,550
Total Liabilities	18,857	18,724	19,624	28,018	26,027	29,059	29,218	30,830	34,731	37,094
Accounts Payable	657	963	1,240	884	853	1,196	1,352	917	1,320	1,300
Long-Term Debt	8,443	8,679	9,140	15,117	13,427	16,103	16,352	18,619	20,486	22,537
Total Equity	3,460	4,688	6,318	6,619	5,985	8,625	9,252	9,667	10,666	11,153
LTD/E Ratio	2.48	1.89	1.14	1.92	1.73	1.81	1.74	1.99	2.03	2.12

Profitability & Per Share Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Return on Assets	2.0%	7.8%	1.4%	2.1%	1.4%	1.8%	2.7%	2.3%	2.4%	2.2%
Return on Equity	12.5%	44.0%	5.8%	8.3%	5.8%	7.5%	10.9%	9.3%	10.0%	9.6%
ROIC	3.6%	14.0%	2.4%	3.3%	2.0%	2.7%	3.9%	3.3%	3.3%	3.1%
Shares Out.	430.7	431.0	501.2	502.2	551.4	628.9	629.5	631.2	651.7	652.9
Revenue/Share	17.40	21.65	23.18	14.53	13.97	13.69	14.74	13.73	13.42	14.27
CF/Share	1.87	0.66	1.14	(1.64)	(0.98)	(5.15)	(4.13)	(0.83)	(3.69)	(3.64)

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