Eversource Energy (ES)

Updated May 15th, 2026, by Kody Kester

Key Metrics

Current Price:	$67	**5 Year CAGR Estimate:**	13.2%	**Market Cap:**	$25.2B
Fair Value Price:	$79	**5 Year Growth Estimate:**	6.0%	**Ex-Dividend Date:**	05/18/26
Fair Value:	85%	**5 Year Valuation Multiple Estimate:**	3.4%	**Dividend Payment Date:**	06/30/26
Dividend Yield:	4.7%	**5 Year Price Target**	$106	**Years Of Dividend Growth:**	28
Dividend Risk Score:	C	**Sector:**	Utilities	**Rating:**	Hold

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:

1. 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.
2. 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.
3. 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.
4. 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 May 6th, ES shared its earnings report for the first quarter ended March 31st, 2026. The company's total operating revenue grew by 9.4% year-over-year to $4.50 billion during the quarter. That was largely powered by higher base distribution rate increases implemented across its natural gas businesses last November to allow the utility to start recovering costs from its heavy ongoing investments in natural gas pipeline safety and infrastructure modernization. Electric rate adjustments in Massachusetts and New Hampshire also allowed ES to begin recouping the costs of grid hardening and reliability upgrades. The utility's non-GAAP EPS surged 15.3% over the year-ago period to $1.73 in the quarter (that backed out a $0.12 charge from the Federal Energy Regulatory Commission, lowering the return on equity from 10.57% to 9.57% in March). This topped the analyst consensus for the quarter by $0.10.

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	***$4.65***	***$6.22***
DPS	$1.78	$1.90	$2.02	$2.14	$2.27	$2.41	$2.55	$2.70	$2.86	$3.01	***$3.15***	***$4.12***
Shares[1]	316.9	316.9	316.9	329.8	343.0	344.4	348.4	349.5	366.6	375.5	***376.1***	***405.0***

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 $4.65. ES 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	***14.4***	***17.0***
Avg. Yld.	3.2%	3.0%	3.1%	2.5%	2.6%	2.6%	3.0%	4.4%	5.0%	4.5%	***4.7%***	***3.9%***

Since 2016, shares of ES have been priced 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 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 14.4, this suggests shares of ES are moderately undervalued.

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%	***68%***	***66%***

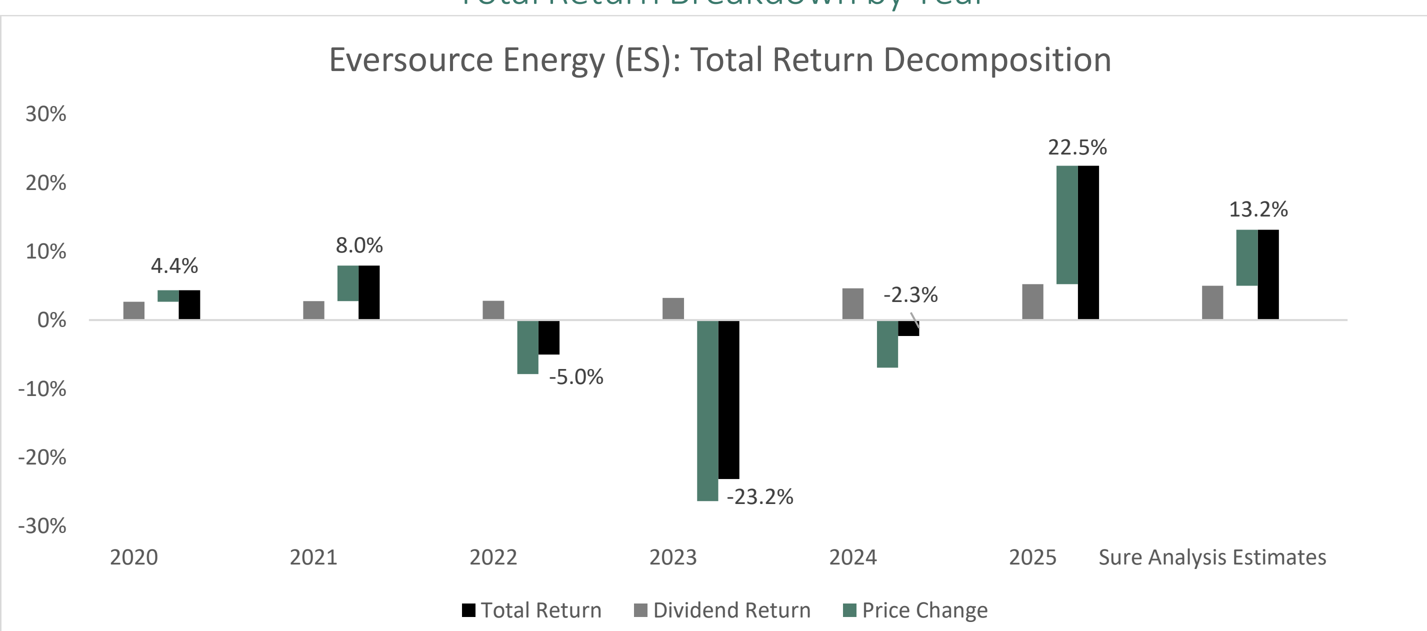
As a regulated utility, ES enjoys effective monopolies in its service territories. This is counteracted by state regulatory agencies having the ability to issue rate case decisions. That addresses the price gouging concerns that consumers would otherwise have if state regulators weren't involved in setting 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 high-60% range for 2026. This should help it build on its 28-year dividend growth streak in the future.

Final Thoughts & Recommendation

Through its 4.7% yield, 6.0% annual non-GAAP EPS growth prospects, and 3.4% annual valuation multiple expansion potential, ES could be poised for 13.2% annual total returns through 2031. This remains a solid risk-reward profile, but the FERC hit pressured its payout ratio just enough to lower the Dividend Risk Score to a C grade. As a result, we're downgrading shares to a 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	7,639	7,752	8,448	8,526	8,904	9,863	12,289	11,911	11,901	13,547
Gross Profit	2,494	2,565	2,682	2,541	2,758	2,823	3,109	3,340	3,704	4,081
Gross Margin	32.6%	33.1%	31.7%	29.8%	31.0%	28.6%	25.3%	28.0%	31.1%	30.1%
D&A Exp.	787	864	1,072	1,081	1,159	1,335	1,643	816	1,776	2,404
Operating Profit	1,860	1,888	1,952	1,830	2,005	1,993	2,198	2,399	2,706	2,989
Operating Margin	24.3%	24.4%	23.1%	21.5%	22.5%	20.2%	17.9%	20.1%	22.7%	22.1%
Net Profit	950	996	1,041	917	1,213	1,228	1,412	(435)	819	1,700
Net Margin	12.4%	12.8%	12.3%	10.7%	13.6%	12.5%	11.5%	-3.6%	6.9%	12.5%
Free Cash Flow	198	(352)	(739)	(902)	(1,260)	(1,212)	(1,041)	(2,691)	(2,321)	(45)
Income Tax	555	579	289	273	346	344	454	160	425	140

Balance Sheet Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total Assets	32,053	36,220	38,241	41,124	46,100	48,492	53,231	55,612	59,595	63,787
Cash & Equivalents	52	63	180	68	107	67	375	54	27	135
Accounts Receivable	1,016	1,126	1,170	1,170	1,429	1,437	1,756	1,657	1,893	2,122
Inventories	329	223	238	235	266	268	374	507	595	492
Goodwill & Int.	3,519	4,427	4,427	4,427	4,446	4,477	4,523	4,532	3,571	4,234
Total Liabilities	21,186	24,979	26,599	28,338	31,880	33,737	37,602	41,283	44,400	47,434
Accounts Payable	885	1,085	1,120	1,148	1,371	1,672	2,114	1,869	1,737	1,860
Long-Term Debt	9,603	12,326	13,734	14,733	16,827	18,810	21,604	24,941	27,185	28,709
Shareholder's Equity	10,712	11,086	11,487	12,630	14,064	14,600	15,473	14,174	15,039	16,197
LTD/E Ratio	1.00	1.21	1.27	1.24	1.29	1.39	1.49	1.90	1.94	1.87

Profitability & Per Share Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Return on Assets	3.0%	2.9%	2.8%	2.3%	2.8%	2.6%	2.8%	-0.8%	1.4%	2.8%
Return on Equity	8.9%	9.0%	9.1%	7.5%	9.0%	8.5%	9.3%	-2.9%	5.5%	10.8%
ROIC	4.5%	4.3%	4.1%	3.4%	4.0%	3.6%	3.8%	-1.1%	1.9%	3.7%
Shares Out.	316.9	316.9	316.9	329.8	343.0	344.4	348.4	349.5	366.6	375.5
Revenue/Share	23.99	24.37	26.57	26.40	26.20	28.62	35.39	34.07	33.29	36.53
FCF/Share	0.62	(1.11)	(2.33)	(2.79)	(3.71)	(3.52)	(3.00)	(7.70)	(6.49)	(0.12)

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