Avista Corp. (AVA)

Updated August 7th, 2026, by Kody Kester

Key Metrics

Current Price:	$39	**5 Year CAGR Estimate:**	12.6%	**Market Cap:**	$3.3B
Fair Value Price:	$46	**5 Year Growth Estimate:**	5.5%	**Ex-Dividend Date:**	08/18/2026
% Fair Value:	85%	**5 Year Valuation Multiple Estimate:**	3.3%	**Dividend Payment Date:**	09/14/2026
Dividend Yield:	5.1%	**5 Year Price Target**	$60	**Years Of Dividend Growth:**	24
Dividend Risk Score:	D	**Sector:**	Utilities	**Rating:**	Hold

Overview & Current Events

Avista Corp. (AVA) is an electric and natural gas utility operating primarily in the states of Washington, Idaho, Oregon, and Alaska. In addition to its regulated utility business, the company also operates other businesses, including venture funds, real estate investments, and other investments. Founded in 1889, this $3.3 billion market cap company has raised its dividend every year for the past 24 years.

On Aug. 3, AVA released its financial results for the second quarter ended Jun. 30, 2026. The company's operating revenue edged 0.5% higher over the year-ago period to $413 million in the quarter. Base rate increases approved in recent general rate case decisions in Washington and Idaho played a role in the topline growth during the quarter. Customer growth was a secondary factor behind the operating revenue growth for the quarter. These tailwinds were partially offset by milder weather and lower resource costs that were passed onto customers in the quarter. AVA's non-GAAP diluted EPS was unchanged during the quarter at $0.29. That came in $0.05 above the analyst consensus for the quarter.

Growth on a Per-Share Basis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
EPS	$2.15	$1.79	$2.07	$2.97	$1.90	$2.10	$2.12	$2.24	$2.29	$2.55	***$2.62***	***$3.42***
DPS	$1.37	$1.43	$1.49	$1.55	$1.62	$1.69	$1.76	$1.84	$1.90	$1.96	***$1.97***	***$2.23***
Shares[1]	64.2	65.5	65.7	67.2	69.2	71.5	75.0	78.1	80.0	81.4	***83.8***	***95.0***

Over the last decade, AVA's diluted EPS have gradually moved higher. In the past five years, the utility's EPS have grown by 4.5% annually. Moving forward, we believe that Avista can generate 5.5% annual diluted EPS growth through 2031, off an anticipated 2026 base of $2.62 (the midpoint of $2.52 to $2.72 guidance for 2026, which was pressured by an estimated $0.12 per share impact from a customer giving notice of intent to return to procuring power independently sooner than expected).

That's because the utility plans to spend roughly $3.4 billion on capital expenditures from 2026 through 2030, which will support customer growth and system maintenance for the benefit of customers. This is expected to generate 7% annual rate base growth over that period. Additionally, these estimates don't include any incremental capital that would arise from transmission projects like the North Plains Connector or new large load customers (these could push rate base growth toward 8%). As a utility, AVA is partially reliant on share issuances to raise cash for its planned capex. As a result, we believe that the share count will continue to rise by almost 3% annually over the medium term. That would increase AVA's share count from 83.8 million today to around 95 million in 2031.

[1] Share count is in millions.

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Valuation Analysis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Avg. P/E	18.6	28.8	20.5	16.2	21.1	20.2	20.9	16.0	16.0	15.2	***14.9***	***17.5***
Avg. Yld.	3.4%	2.8%	3.5%	3.2%	4.0%	4.0%	4.0%	5.1%	5.2%	5.1%	***5.1%***	***3.7%***

Since 2016, AVA's shares have traded at a P/E ratio as low as the mid-teens and as much as the upper 20s. The average P/E ratio over that time was over 19. Looking ahead, we believe that AVA's fair value P/E ratio will be approximately 17.5. That's based on our assumption that the 10-year U.S. Treasury yield will be somewhat elevated versus its 10-year average in the years to come. Compared to the current P/E ratio of 14.9, this implies that AVA's shares are moderately discounted.

Safety, Quality, Competitive Advantage, & Recession Resiliency

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	64%	80%	72%	52%	85%	80%	83%	82%	83%	77%	***75%***	***65%***

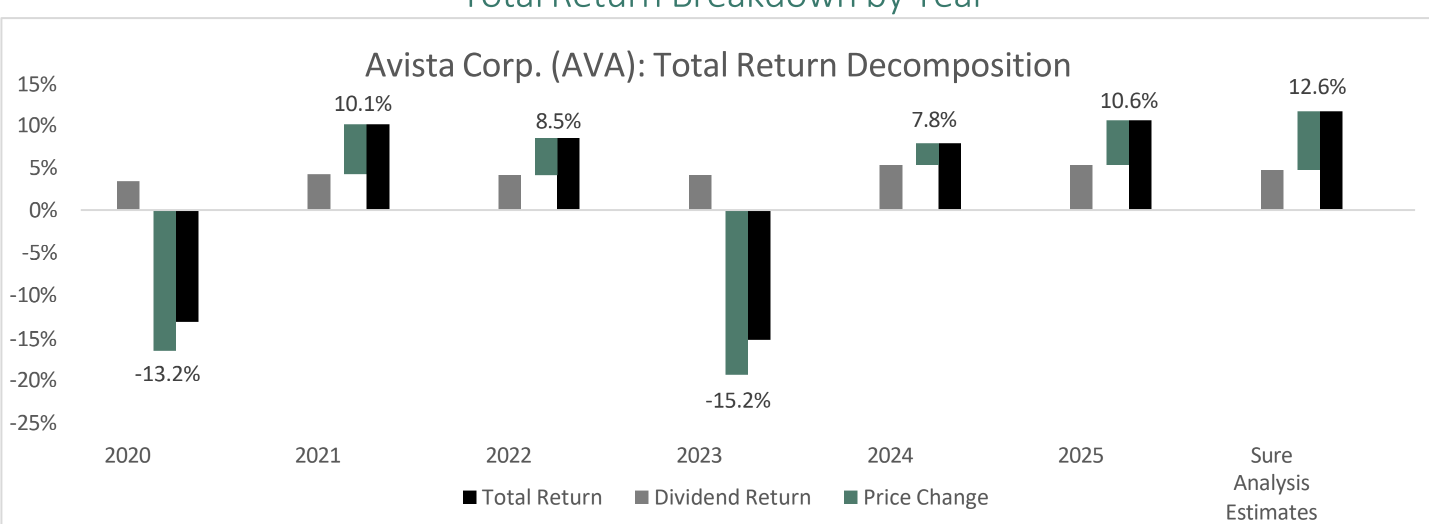
As a regulated utility, AVA's core competitive advantage is also what limits its growth, since regulated utilities operate as government-backed monopolies. The benefit is that they don't have to worry about new competition coming in and disrupting their business. At the same time, the regulations they operate under make it difficult to grow the business.

Financially, AVA is well-positioned. The company has only $25 million in debt maturities through 2028, with only $90 million in maturities in 2029 and $67 million in 2032. As of Jun. 30, 2026, AVA also had $258 million in available liquidity. That helps support the company's investment-grade, BBB credit rating from S&P. AVA's estimated dividend payout ratio for 2026 of 75% is meaningfully above its targeted payout ratio of between 60% and 70%. This is why we believe that the company will build on its 24-year dividend growth streak with rather modest dividend growth over the next few years, before returning to higher dividend growth. We're modeling a 2.5% average annual dividend growth rate through 2031, which would improve the payout ratio to 65% (the midpoint of its targeted range).

Final Thoughts & Recommendation

AVA's 5.1% dividend yield, 5.5% annual earnings growth prospects, and 3.3% annual valuation multiple expansion potential could generate 12.6% annual total returns through 2031. This is a respectable return profile. We still think there are more favorable utility options with comparable total returns, however. That's why we're reiterating our 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	1,442	1,446	1,397	1,346	1,322	1,439	1,710	1,752	1,938	1,964
Gross Profit	395	414	372	336	339	338	304	367	422	475
Gross Margin	27.4%	28.6%	26.6%	24.9%	25.7%	23.5%	17.8%	21.0%	21.8%	24.2%
D&A Exp.	165	176	187	206	224	232	253	265	274	289
Operating Profit	290	307	265	230	233	228	190	258	306	354
Op. Margin	20.1%	21.2%	19.0%	17.1%	17.6%	15.9%	11.1%	14.7%	15.8%	18.0%
Net Profit	137	116	137	197	129	147	155	171	180	193
Net Margin	9.5%	8.0%	9.8%	14.6%	9.8%	10.2%	9.1%	9.8%	9.3%	9.8%
Free Cash Flow	(49)	(0)	(59)	(44)	(73)	(173)	(328)	(52)	1	(101)
Income Tax	78	83	26	31	7	12	(17)	(34)	3	24

Balance Sheet Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total Assets	5,310	5,741	6,001	6,281	6,710	7,173	7,761	8,028	8,228	8,644
Cash & Equivalents	9	16	15	10	14	22	13	35	30	19
Acc. Receivable	180	186	166	167	164	203	256	217	205	220
Inventories	53	58	64	67	67	85	108	160	193	236
Goodwill & Int.	58	58	58	52	52	52	52	52	52	52
Total Liabilities	3,661	4,011	4,227	4,341	4,680	5,019	5,427	5,543	5,637	5,935
Accounts Payable	116	107	108	110	107	133	203	143	125	163
Long-Term Debt	1,734	1,821	1,915	2,067	2,180	2,315	2,456	2,688	2,767	2,913
Total Equity	1,649	1,730	1,773	1,939	2,030	2,155	2,335	2,485	2,591	2,709
LTD/E Ratio	1.12	1.11	1.19	1.16	1.18	1.21	1.25	1.22	1.21	1.22

Profitability & Per Share Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Return on Assets	2.7%	2.1%	2.3%	3.2%	2.0%	2.1%	2.1%	2.2%	2.2%	2.3%
Return on Equity	8.6%	6.9%	7.8%	10.6%	6.5%	7.0%	6.9%	7.1%	7.1%	7.3%
ROIC	4.1%	3.2%	3.6%	4.9%	3.0%	3.2%	3.1%	3.2%	3.2%	3.3%
Shares Out.	64.2	65.5	65.7	67.2	69.2	71.5	75.0	78.1	80.0	81.4
Revenue/Share	22.57	22.31	21.18	20.29	19.41	20.53	23.40	22.90	24.59	24.23
FCF/Share	(0.76)	(0.00)	(0.90)	(0.67)	(1.08)	(2.46)	(4.48)	(0.67)	0.01	(1.25)

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