# Eversource Energy (ES)

*Updated August 7th, 2026, by Kody Kester*

## Key Metrics

| | | | | | |
|---|---|---|---|---|---|
| **Current Price:** | $72 | **5 Year CAGR Estimate:** | 11.5% | **Market Cap:** | $27.2B |
| **Fair Value Price:** | $79 | **5 Year Growth Estimate:** | 6.0% | **Ex-Dividend Date:** | 09/21/26[1] |
| **Fair Value:** | 91% | **5 Year Valuation Multiple Estimate:** | 1.8% | **Dividend Payment Date:** | 09/30/26[1] |
| **Dividend Yield:** | 4.4% | **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 (note: the Water Distribution segment was divested in June 2026):

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.

On Jul. 30, ES released its financial results for the second quarter ended Jun. 30, 2026. The company's total operating revenue edged 2.3% higher over the year-ago period to $2.90 billion in the quarter. This was made possible by electric and natural gas base distribution rate re-sets in Connecticut and Massachusetts, which helped to lift underlying utility revenues during the quarter. A larger electric transmission rate base from regional grid reliability projects and substations commissioned over the last 12 months supported higher regulated transmission revenue returns. These tailwinds were partially offset by milder weather variations versus Q2 2025. ES's non-GAAP EPS decreased by 9.4% year-over-year to $0.87 for the quarter. That matched the analyst consensus in the quarter. The regulated utility's drop in non-GAAP EPS was due to a March 2026 Federal Energy Regulatory Commission decision that reduced the allowed base ROE for New England transmission owners from 10.57% to 9.57%.

## 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 | ***376.7*** | ***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 $1.7 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 | ***15.5*** | ***17.0*** |
| Avg. Yld. | 3.2% | 3.0% | 3.1% | 2.5% | 2.6% | 2.6% | 3.0% | 4.4% | 5.0% | 4.5% | ***4.4%*** | ***3.9%*** |

Since 2016, shares of ES have traded 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 15.5, this suggests shares of ES are slightly discounted.

## 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%*** |

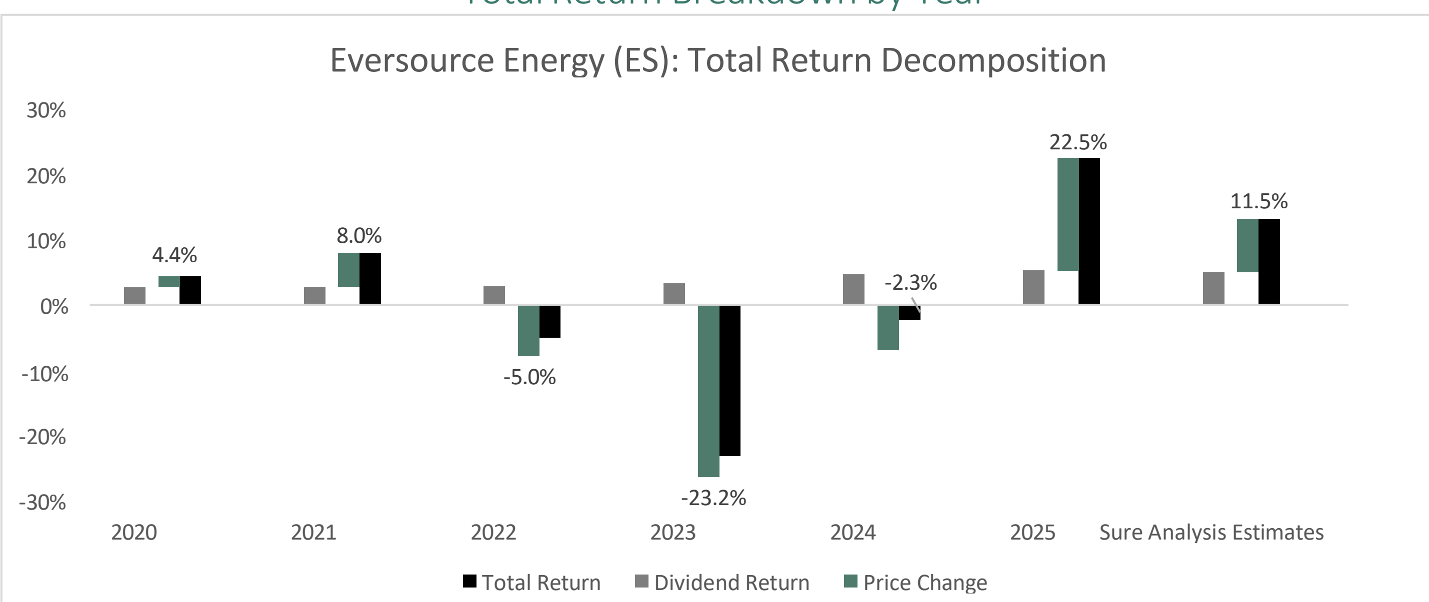
As a regulated utility, ES enjoys effective monopolies in its service territories. This is counteracted by state regulatory agencies having the ability to issue rate case decisions. That addresses the price gouging concerns that consumers would otherwise have if state regulators weren't involved in setting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

## Final Thoughts & Recommendation

Through its 4.4% yield, 6.0% annual non-GAAP EPS growth prospects, and 1.8% annual valuation multiple expansion potential, ES could be poised for 11.5% 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. This is 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 | 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.*