

ana Public Service Company (NIPSCO), which supplies electricity and gas to the northern third of Indiana. Customers: 488,833 electric in Indiana, 3,200,000 gas in Indiana, Ohio, Pennsylvania, Kentucky, Virginia, Maryland, through its Columbia subsidiaries. Revenue breakdown, 2023: electrical, 32%; gas, 67%; other, less than

2023 reported depreciation rates: 3.5% electric, 2.4% gas. Has 7,364 employees. Chairman: Richard L. Thompson. President & Chief Executive Officer: Lloyd Yates. Incorporated: Indiana. Address: 801 East 86th Avenue, Merrillville, Indiana 46410. Telephone: 877-647-5990. Internet: www.nisource.com

255% 225% 445% Fix. Chg. Cov ANNUAL RATES Past Past Est'd '21-'23 to '27-'29 of change (per sh) 10 Yrs. 5 Yrs. 5.5% 5.5% Revenues "Cash Flow -5.0% .5% -3.5% 6.5% 1.5% -.5% 15.0% 3.5% 9.5% 4.5% Dividends -3.0% **Book Value** 5.0% **QUARTERLY REVENUES (\$ mill.)** Cal-Full

2584.3

899.5 1791.9

4660.5

4499.4

749.4 3072.4

5265.1

1616.0

614.6

1528.2

3485.5

Current Assets

Accts Payable Debt Due

Current Liab.

Other

Mar.31 Jun.30 Sep.30 Dec.31 endar 2021 4899.6 1545.6 986.0 959.4 1408.6 1873.3 1183.2 1089.5 2022 1704.6 5850.6 2023 1966.0 1090.0 1027.4 1422.0 5505.4 5850 2024 1706.3 1084.7 1076.3 1982.7 2025 1840 1175 1160 2125 EARNINGS PER SHARE A Cal-Full endar Mar.31 Jun.30 Sep.30 Dec.31 Year 2021 1.37 .39 2022 .75 .12 .50 1.47 .10 2023 .77 .11 .19 .53 1.60 2024 .85 .21 .20 .49 1.75 .20 .55 2025 .85 .20 QUARTERLY DIVIDENDS PAID B = Cal-Full Mar.31 Jun.30 Sep.30 Dec.31 endar 2020 2021 .22 .22 .22 .22 .88 2022 .235 .235 .235 .235 .25 .25 .25 .25 2023 2024 .265 .265

NiSource posted a better thirdquarter profit than we expected. The earnings figure was steady versus both the year before and the prior quarter. We had thought the bottom line would dip to \$0.13 per share during the gas utility's low season. Instead, higher rate base investments brought in an additional \$61 million in revenues, and financing benefits added \$26 million to the bottom line. Taking a closer look, the company's performance has been bolstered by lower energy costs, providing a significant boost to margins. However, depreciation expense is also rising rapidly, as the company is currently investing heavily in new capital projects aimed at infrastructure hardening and expanding upon clean-energy programs. Interest expense is up, too, as a result. On balance, the bottom-line has expanded nicely over the first nine months.

The good recent operating performance may come up against headwinds in the near term. As noted, the company has benefited from energy prices, due to a cost-pass-through mechanism that typically lags twelve months. Otherwise, the company has had to contend with some cost

inflation. We think its probable that the lower energy costs will soon subside, leaving higher operating costs that will pressure earnings growth. To wit, management appears to agree, as our full-year 2024 bottom-line target of \$1.75 is at the top of their guidance range. We've cut our full-year 2025 target by \$0.05 as well, to \$1.80, reflecting the recent share-count expansion of roughly 4%, per the end of the most recent quarter.

NiSource's current capital investment cycle is a key driver for future performance. Leadership updated its fiveyear capital plan to \$19.3 billion, an increase of \$2.9 billion from prior expectations. This focuses further on investments in power generation, gas compliance, infrastructure hardening, and modernization of technology systems. The plan aims to drive an 8% to 10% rate base growth.

The shares have gained over 45% in price these past twelve months, and currently trade within the bounds of our 3- to 5-year projections. Other investment opportunities show greater upside potential at this juncture. Earl B. Humes November 22, 2024

(A) Dil. EPS. Excl. gains (losses) on disc. ops.: '08, (\$1.14); '15, (30¢); '18, (\$1.48). Next egs. report due late February. Qtl'y egs. may not sum to total due to rounding.

(B) Div'ds historically paid in mid-Feb., May, Aug., Nov. ■ Div'd reinv. avail.
(C) Incl. intang in '23: \$1485.9 million. \$3.33/sh.

(D) In mill.
(E) Spun off Columbia Pipeline Group (7/15)

Company's Financial Strength Stock's Price Stability 95 Price Growth Persistence **Earnings Predictability** 70