FORTIS INC. TSE-FTS.TO [A]

RECENT PRICE **76.53** | P/E RATIO **20.7** (Trailing: 21.6 Median: 20.0) | RELATIVE P/E RATIO **1.14** | DIV'D YLD **3.3%** | **VALUE LINE**

TIMELINESS 4 Lowered 9/5/25
SAFETY 1 Raised 6/7/24
TECHNICAL 2 Raised 8/14/26
BETA .50 (1.00 = Market)

18-Month Target Price Range

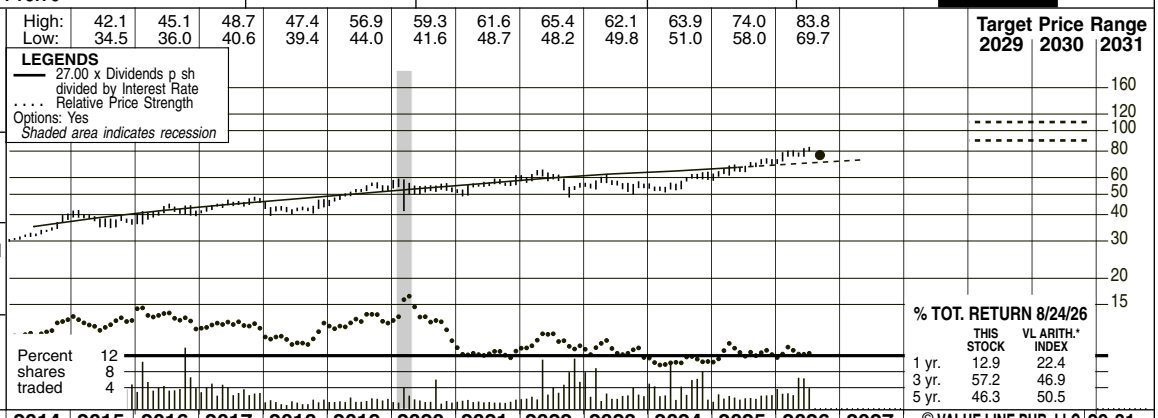
Low-High	Midpoint (% to Mid)
$69-$95	$82 (5%)

2029-31 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	110	(+45%)	*12%*
Low	90	(+20%)	*7%*

Institutional Decisions

	4Q2025	1Q2026	2Q2026
to Buy	115	200	196
to Sell	88	116	113
Hld's(000)	258895	280428	280155



2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	© VALUE LINE PUB. LLC	29-31
21.01	19.84	19.07	18.99	19.57	23.89	17.03	19.71	19.58	18.96	19.14	19.90	22.90	23.48	23.05	23.99	*26.10*	*27.20*	Revenues per sh	*30.05*
3.99	3.90	4.10	4.10	3.62	5.21	3.91	5.43	5.40	5.44	5.65	5.76	2.79	6.68	4.12	4.36	*7.95*	*8.20*	"Cash Flow" per sh	*9.10*
1.62	1.74	1.65	1.63	1.38	2.11	1.89	2.66	2.52	2.68	2.60	2.61	2.78	3.10	3.24	3.53	*3.60*	*3.85*	Earnings per sh [B]	*4.75*
1.12	1.17	1.21	1.25	1.30	1.43	1.55	1.65	1.75	1.86	1.97	2.08	2.20	2.31	2.39	2.49	*2.59*	*2.70*	Div'd Decl'd per sh [C] ■	*3.04*
5.89	5.91	5.68	5.32	6.00	7.97	5.13	7.18	7.51	8.03	8.65	7.13	7.44	8.12	10.45	11.71	*8.25*	*8.25*	Cap'l Spending per sh	*8.00*
18.95	20.53	20.84	22.39	24.90	28.63	32.32	31.77	34.80	36.49	36.58	37.21	40.18	40.53	44.43	43.74	*44.80*	*46.05*	Book Value per sh [D]	*50.00*
174.39	188.83	191.57	213.17	276.00	281.56	401.49	421.10	428.50	463.30	466.80	474.80	482.15	490.60	499.30	507.30	*510.00*	*509.10*	Common Shs Outst'g [E]	*508.00*
18.2	18.8	20.1	20.0	24.3	18.0	21.6	16.8	17.1	19.2	20.6	21.2	21.1	18.0	20.4	37.9	*Bold figures are Value Line estimates*		Avg Ann'l P/E Ratio	*21.5*
1.16	1.18	1.28	1.12	1.28	.91	1.13	.84	.92	1.02	1.06	1.15	1.22	1.00	1.07	1.97			Relative P/E Ratio	*1.20*
3.8%	3.6%	3.6%	3.8%	3.9%	3.8%	3.8%	3.7%	4.1%	3.6%	3.7%	3.8%	3.7%	4.1%	3.6%	1.9%			Avg Ann'l Div'd Yield	*3.3%*
6838.0	8301.0	8390.0	8783.0	8935.0	9448.0	11043	11517	11508	12170	*13300*	*13850*	Revenues ($mill)	*15270*
660.0	1174.0	1136.0	1238.0	1274.0	1294.0	1394.0	1573.0	1828.0	1862.0	*2000*	*2135*	Net Profit ($mill)	*2540*
16.9%	25.8%	13.4%	12.5%	14.3%	14.3%	16.0%	17.4%	15.9%	16.1%	*14.5%*	*14.5%*	Income Tax Rate	*14.5%*
10.0%	9.5%	8.4%	9.2%	9.3%	9.0%	--	--	4.0%	8.0%	*8.0%*	*8.0%*	AFUDC % to Net Profit	*8.0%*
59.3%	58.4%	58.8%	54.2%	55.6%	55.5%	55.5%	56.2%	57.0%	56.6%	*62.5%*	*62.5%*	Long-Term Debt Ratio	*63.0%*
36.2%	37.1%	37.2%	41.8%	40.5%	40.8%	41.0%	40.5%	40.0%	40.4%	*35.5%*	*35.0%*	Common Equity Ratio	*34.5%*
35874	36108	40082	40445	42141	43328	47297	49079	55422	54881	*59370*	*62370*	Total Capital ($mill)	*68920*
29337	29668	32654	33988	35998	37816	41663	43385	49520	50886	*52300*	*53870*	Net Plant ($mill)	*57700*
2.8%	4.5%	4.1%	4.4%	4.3%	4.2%	4.1%	4.5%	4.6%	4.7%	*5.0%*	*5.0%*	Return on Total Cap'l	*5.5%*
4.5%	7.8%	6.9%	6.7%	6.8%	6.7%	6.6%	7.3%	7.7%	7.8%	*9.5%*	*10.0%*	Return on Shr. Equity	*10.0%*
4.5%	8.3%	7.2%	6.9%	7.1%	7.0%	NMF	7.6%	.6%	.7%	*9.5%*	*10.0%*	Return on Com Equity [F]	*10.0%*
2.1%	5.2%	4.1%	4.0%	2.5%	3.5%	NMF	4.0%	NMF	NMF	*3.0%*	*3.0%*	Retained to Com Eq	*3.5%*
59%	41%	46%	45%	67%	52%	53%	49%	45%	47%	*72%*	*70%*	All Div'ds to Net Prof [G]	*64%*

CAPITAL STRUCTURE as of 6/30/26
Total Debt $36327 mill.
LT Debt $32893 mill. **LT Interest** $945 mill.
Incl. $340 mill. finance leases.
(LT interest earned: 2.4x)
Leases, Uncapitalized Annual rentals $8 mill.

Pension Assets-12/25 $3722 mill.
Oblig $3922 mill.
Pfd Stock $1623 mill. **Pfd Div'd** $65 mill.

Common Stock 510,900,000 shs.

MARKET CAP: $39.0 billion (Large Cap)

ELECTRIC OPERATING STATISTICS

	2023	2024	2025
% Change Retail Sales (KWH)	NA	NA	NA
Avg. Indust. Use (MWH)	NA	NA	NA
Avg. Indust. Revs. per KWH (¢)	NA	NA	NA
Capacity at Peak (Mw)	NA	NA	NA
Peak Load, Summer (Mw)	NA	NA	NA
Annual Load Factor (%)	NA	NA	NA
% Change Customers (yr-end)	NA	NA	NA
Fixed Charge Cov. (%)	211	215	216

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '23-'25 to '29-'31
Revenues	1.0%	4.0%	*3.5%*
"Cash Flow"	1.5%	-1.5%	*5.0%*
Earnings	7.0%	5.0%	*5.0%*
Dividends	6.0%	5.0%	*6.0%*
Book Value	5.5%	3.5%	*4.0%*

Calendar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2023	3319	2594	2719	2885	11517
2024	3118	2670	2771	2949	11508
2025	3338	2815	2938	3079	12170
2026	3403	2931	*3270*	*3696*	*13300*
2027	*3540*	*3050*	*3400*	*3860*	*13850*

Calendar	EARNINGS PER SHARE [B] Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2023	.90	.61	.81	.78	3.10
2024	.93	.67	.85	.83	3.28
2025	1.00	.76	.87	.90	3.53
2026	.99	.78	*.89*	*.94*	*3.60*
2027	*1.09*	*.82*	*.95*	*.99*	*3.85*

Calendar	QUARTERLY DIVIDENDS PAID [C] ■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2022	.535	.535	.535	.565	2.17
2023	.565	.565	.565	.590	2.29
2024	.590	.590	.590	.615	2.39
2025	.615	.615	.615	.640	2.49
2026	.640	.640			

BUSINESS: Fortis Inc.'s main focus is electricity, hydroelectric, and gas utility operations (both regulated and nonregulated) in the United States, Canada, and the Caribbean. Has 2 mill. electric, 1.3 mill. gas customers. Owns UNS Energy (Arizona), Central Hudson (New York), FortisBC Energy (British Columbia), FortisAlberta (Central Alberta), and Eastern Canada (Newfoundland). Sold commercial real estate and hotel property assets in 2015. Acquired ITC Holdings 10/16. Fuel costs: 28% of revs. '25 reported deprec. rate: 3.0%. Has 9,926 employees. Chairman: Jo Mark Zurel. President & CEO: David G. Hutchens. Inc.: Canada. Address: Fortis Place, Suite 1100, 5 Springdale St., PO Box 8837, St. John's, NL, Canada, A1B 3T2. Tel.: 709-737-2800. Internet: www.fortisinc.com.

Fortis seems likely to revise its five-year capital plan in late October. Indeed, we look for the diversified power company to increase its investment budget by at least $1.85 billion, reflecting what is likely to be a bigger-than-previously-envisioned expansion of the Tilbury liquefied natural gas (LNG) facility in British Columbia. To wit, provincial authorities recently issued an order (in council), approving the phase 1B expansion of Tilbury, including a cost allowance of up to $2.2 billion for the project (versus the recently budgeted $350 million). Assuming additional oversight authorities also give the go ahead, project construction could start sometime in mid-2027 and finish up as early as 2031.

We like the move. Importantly, the Tilbury expansion should position Fortis to better serve the Pacific maritime industry, specifically as it transitions from diesel fuel to LNG. Notably, compared to conventional marine fuels, LNG can reduce greenhouse-gas emissions by as much as 25% and particulate matter by 90%.

The company is also prepping for a growing amount of data-center business. To that point, its ITC subsidiary, which operates 15,600 circuit miles of power transmission lines across North America, recently completed the substation that will support 300 megawatts of load growth from a new data center located at the Big Cedar Industrial Center in Cedar Rapids, Iowa. What's more, as of late April, transmission-line upgrades were underway at Big Cedar, which should allow for an additional 1,600 megawatts of data-center load growth by 2028.

Returning more cash to shareholders remains a key part of leadership's capital-allocation philosophy. The board of directors increased the dividend 4% in 2025, which marked the 52nd straight year that the payout has been raised. Going forward, management continues to target steady annual hikes of 4%–6%, which seem well within reach.

Though untimely, Fortis shares are a decent option for conservative, income-oriented accounts. The stock holds our Highest (1) rank for Safety and boasts a 3.3% dividend yield, which stands above the industry-wide average.

Nils C. Van Liew *September 4, 2026*

Company's Financial Strength	A
Stock's Price Stability	100
Price Growth Persistence	65
Earnings Predictability	100

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(A) Also trades on NYSE (FTS). All data in Canadian $. **(B)** Diluted egs. Excl. nonrecur. gains (loss): '14, 2¢; '15, 48¢; '17, (35¢); '18, 7¢. '19, $1.12. Next egs. report due early Nov. **(C)** Div'ds historically paid in early March, June, Sept., and Dec. ■ Div'd reinv. plan avail. (2% disc.). **(D)** Incl. intang. In '25: $28.09/sh. **(E)** In mill. **(F)** Rates all'd on com. eq.: 8.3%-10.32%; earn. on avg. com. eq., '21: 7.1%. Reg. Clim.: FERC, Above Avg.; AZ, Below Avg.; NY, Below Avg. **(G)** Excl. div'ds pd. via reinv. plan.

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