MGE ENERGY, INC. NDQ-MGEE

RECENT PRICE **79.32** | P/E RATIO **19.9** (Trailing: 19.5 Median: 25.0) | RELATIVE P/E RATIO **1.10** | DIV'D YLD **2.6%** | **VALUE LINE**

TIMELINESS 3 Lowered 12/20/24
SAFETY 2 Raised 6/6/25
TECHNICAL 3 Raised 8/28/26
BETA .80 (1.00 = Market)

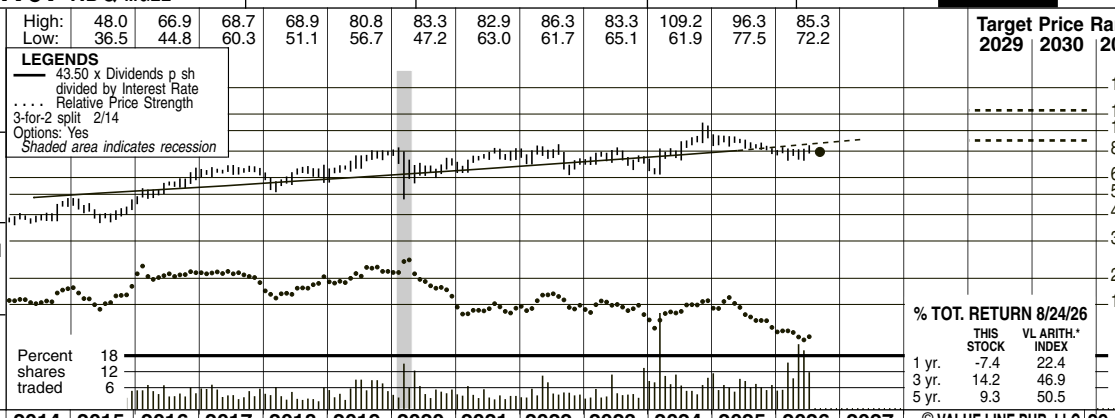
18-Month Target Price Range
Low-High **Midpoint (% to Mid)**
$69-$103 $86 (10%)

2029-31 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	125	(+60%)	*14%*
Low	90	(+15%)	*6%*

Institutional Decisions

	4Q2025	1Q2026	2Q2026
to Buy	95	151	158
to Sell	103	146	124
Hld's(000)	21744	26327	26340



2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	© VALUE LINE PUB. LLC	29-31
15.36	15.76	15.61	17.04	17.88	16.27	15.71	16.24	16.15	16.41	14.89	16.77	19.76	19.09	18.55	20.35	*20.80*	*21.45*	Revenues per sh	*22.50*
2.76	2.94	2.98	3.28	3.49	3.33	3.47	3.73	4.06	4.57	4.61	5.05	5.43	6.03	6.28	6.85	*7.10*	*7.35*	"Cash Flow" per sh	*7.90*
1.67	1.76	1.86	2.16	2.32	2.06	2.18	2.20	2.43	2.51	2.60	2.92	3.07	3.25	3.33	3.72	*3.95*	*4.25*	Earnings per sh A	*4.65*
.99	1.01	1.04	1.07	1.11	1.16	1.21	1.26	1.32	1.38	1.45	1.52	1.59	1.67	1.76	1.85	*1.97*	*2.10*	Div'd Decl'd per sh B ■	*2.50*
1.76	1.88	2.84	3.43	2.67	2.08	2.41	3.12	6.12	4.73	5.62	4.24	4.84	6.14	6.49	9.39	*10.45*	*15.05*	Cap'l Spending per sh	*15.25*
15.14	15.89	16.71	17.81	19.02	19.92	20.89	22.45	23.56	24.68	26.99	28.41	29.91	31.53	33.71	35.68	*38.20*	*40.40*	Book Value per sh C	*42.65*
34.67	34.67	34.67	34.67	34.67	34.67	34.67	34.67	34.67	34.67	36.16	36.16	36.16	36.16	36.49	36.54	*38.00*	*38.50*	Common Shs Outst'g D	*40.00*
15.0	15.8	17.2	17.0	17.2	20.3	24.9	29.4	25.1	28.4	26.4	25.5	24.7	22.9	24.8	23.4	*Bold figures are Value Line estimates*		Avg Ann'l P/E Ratio	*23.0*
.95	.99	1.09	.96	.91	1.02	1.31	1.48	1.36	1.51	1.36	1.38	1.43	1.27	1.30	1.22			Relative P/E Ratio	*1.30*
4.0%	3.6%	3.2%	2.9%	2.8%	2.8%	2.2%	2.0%	2.2%	1.9%	2.1%	2.0%	2.1%	2.2%	2.1%	2.1%			Avg Ann'l Div'd Yield	*2.3%*
544.7	563.1	559.8	568.9	538.6	606.6	714.5	690.4	676.9	743.7	*790*	*825*	Revenues ($mill)	*900*
75.6	76.1	84.2	86.9	92.4	105.8	111.0	117.7	120.6	135.9	*150*	*165*	Net Profit ($mill)	*185*
36.0%	36.4%	24.6%	18.5%	17.4%	3.7%	19.1%	19.1%	8.1%	13.3%	*14.0%*	*14.0%*	Income Tax Rate	*15.0%*
2.1%	2.1%	5.2%	3.6%	8.7%	6.3%	6.3%	4.0%	6.3%	5.0%	*4.0%*	*4.0%*	AFUDC % to Net Profit	*3.0%*
34.6%	33.8%	37.7%	38.0%	35.5%	38.1%	35.8%	39.3%	38.3%	38.6%	*38.0%*	*36.0%*	Long-Term Debt Ratio	*34.0%*
65.4%	66.2%	62.3%	62.0%	64.5%	61.9%	64.2%	60.7%	61.7%	61.4%	*62.0%*	*64.0%*	Common Equity Ratio	*66.0%*
1106.9	1176.3	1310.0	1379.4	1512.8	1659.0	1684.0	1876.9	1993.8	2122.2	*2400*	*2500*	Total Capital ($mill)	*2600*
1282.1	1341.4	1509.4	1642.7	1769.4	1878.8	1971.1	2128.2	2287.3	2580.1	*2800*	*3300*	Net Plant ($mill)	*4000*
7.7%	7.3%	7.2%	7.1%	6.8%	7.1%	7.4%	7.1%	6.9%	7.2%	*6.5%*	*6.5%*	Return on Total Cap'l	*7.0%*
10.4%	9.8%	10.3%	10.2%	9.5%	10.3%	10.3%	10.3%	9.8%	10.4%	*10.5%*	*10.5%*	Return on Shr. Equity	*11.0%*
10.4%	9.8%	10.3%	10.2%	9.5%	10.3%	10.3%	10.3%	9.8%	10.4%	*10.5%*	*10.5%*	Return on Com Equity E	*11.0%*
4.7%	4.2%	4.7%	4.6%	4.2%	5.0%	4.9%	5.0%	4.6%	5.2%	*5.0%*	*5.5%*	Retained to Com Eq	*5.0%*
55%	57%	54%	55%	56%	52%	52%	51%	53%	50%	*50%*	*49%*	All Div'ds to Net Prof	*54%*

CAPITAL STRUCTURE as of 6/30/26
Total Debt $934.3 mill.
LT Debt $879.1 mill. **LT Interest** $50.0 mill.

Leases, Uncapitalized Annual rentals $2.0 mill.
Pension Assets-12/25 $462 mill.
Oblig $65.0 mill.

Pfd Stock None

Common Stock 37,784,012 shs.
as of 7/31/26
MARKET CAP: $3.0 billion (Small Cap)

ELECTRIC OPERATING STATISTICS

	2023	2024	2025
% Change Retail Sales (KWH)	-1.0	Nil	+2.1
Avg. Indust. Use (MWH)	NA	NA	NA
Avg. Indust. Revs. per KWH (¢)	9.09	9.23	9.41
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. (%)	525	530	542

ANNUAL RATES of change (per sh)

	Past 10 Yrs.	Past 5 Yrs.	Est'd '23-'25 to '29-'31
Revenues	1.5%	4.0%	*2.5%*
"Cash Flow"	6.5%	7.5%	*3.5%*
Earnings	4.5%	6.5%	*5.5%*
Dividends	4.5%	5.0%	*6.0%*
Book Value	6.0%	6.0%	*4.0%*

QUARTERLY REVENUES ($ mill.)

Calendar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2023	217.3	148.0	160.5	164.6	690.4
2024	191.3	145.7	168.5	171.4	676.9
2025	219.0	159.5	175.7	189.5	743.7
2026	242.7	161.2	*190*	*196.1*	*790*
2027	*250*	*180*	*195*	*200*	*825*

EARNINGS PER SHARE A

Calendar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2023	.86	.79	1.05	.55	3.25
2024	.93	.66	1.13	.61	3.33
2025	1.14	.72	1.22	.64	3.72
2026	1.32	.89	*1.20*	*.54*	*3.95*
2027	*1.35*	*.90*	*1.20*	*.80*	*4.25*

QUARTERLY DIVIDENDS PAID B ■

Calendar	Mar.31	Jun.30	Sep.30	Dec. 31	Full Year
2022	.388	.388	.408	.408	1.59
2023	.408	.408	.4275	.4275	1.67
2024	.4275	.4275	.450	.450	1.76
2025	.450	.450	.475	.475	1.85
2026	.475	.475	.5083		

BUSINESS: MGE Energy, Inc. is a holding company for Madison Gas and Electric Company (MGE), which provides electric service to 170,000 customers in Dane County and gas service to 180,000 customers in seven counties in Wisconsin. Electric revenue breakdown: residential, 35%; commercial, 49%; industrial, 2%; other, 14%. Generating sources: coal, 47%; gas, 20%; renewables, 25%; purchased power, 8%. Fuel costs: 10% of revenues. '25 reported depreciation rates: electric, 12%; gas, 2.4%; nonregulated, 1.1%. Has about 725 employees. Chairman, President & CEO: Jeffrey M. Keebler. Incorporated: Wisconsin. Address: 133 South Blair Street, P.O. Box 1231, Madison, Wisconsin 53701-1231. Telephone: 608-252-7000. Internet: www.mgeenergy.com.

MGE Energy posted a solid 2026 second-quarter per-share profit. The bottom line advanced nearly 24% year over year, to $0.89 a share, thanks to healthy Electric segment results. The improvement reflected a favorable rate base, including recently completed renewable-energy projects. Meanwhile, gas segment income was essentially flat.

The planned investment in the Rock-Gen Energy Center remains on track. MGE has agreed to acquire a 33.4% interest in the 503-megawatt natural gas-fired facility near Cambridge, Wisconsin, for $203 million, with completion expected in late 2027. The purchase would add about 168 MW of attributable generating capacity and provide dispatchable power, as the utility reduces its reliance on coal and expands renewable generation and storage.

The near-term profit picture looks good. We estimate share earnings will grow in the mid- to high-single-digit range, to $3.95 and $4.25 in 2026 and 2027, respectively. These gains reflect incremental income from favorable rate outcomes and ongoing efficiency initiatives.

Capital spending remains important to the company's growth strategy. MGE plans to invest $1.9 billion from 2026 through 2030, including the RockGen purchase, as the utility modernizes its electric and gas systems and expands generation capacity. Planned projects include roughly 252 MW of solar, 18 MW of wind, and 104 MW of storage. These investments should enhance reliability, advance ongoing clean-energy goals, and support future rate case negotiations.

The board recently raised the quarterly dividend by 7% year over year. This brings the quarterly amount to $0.5083 a share and lifts the annualized payment to $2.03 per share.

Shares of MGE Energy offer limited capital appreciation potential over the next 18 months. Despite the latest increase, the dividend yield remains below the utility sector average. However, the stock carries our Safety rank of 2 (Above Average), suggesting the relative stability of the utility business. All told, MGEE may appeal more to conservative investors seeking stability than those primarily focused on income.

Emma Jalees *September 4, 2026*

(A) Non-GAAP diluted earnings. Excludes non-recurring gain: '17, 62¢. Quarterly earnings may not sum to full year due to rounding or share count change. Next earnings report due early November. **(B)** Div'ds historically paid in March, June, September, and December ■ Div'd reinvestment plan avail. **(C)** Includes regulatory assets. In '25: $42.8 mill., $1.17/sh. **(D)** In millions, adj for split. **(E)** Rate allowed on common equity in '25: 9.7%; Regulatory Climate: Above Average.

Company's Financial Strength	A
Stock's Price Stability	90
Price Growth Persistence	55
Earnings Predictability	100

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