PINNACLE WEST NYSE-PNW

RECENT PRICE **106.91** | P/E RATIO **21.4** (Trailing: 19.9 Median: 18.0) | RELATIVE P/E RATIO **1.16** | DIV'D YLD **3.5%** | **VALUE LINE**

TIMELINESS 4 Lowered 6/6/25
SAFETY 2 Raised 10/18/24
TECHNICAL 3 Lowered 6/26/26
BETA .75 (1.00 = Market)

18-Month Target Price Range
Low-High **Midpoint (% to Mid)**
$79-$121 $100 (-5%)

2029-31 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	145	(+35%)	*11%*
Low	105	(Nil)	*3%*

Institutional Decisions

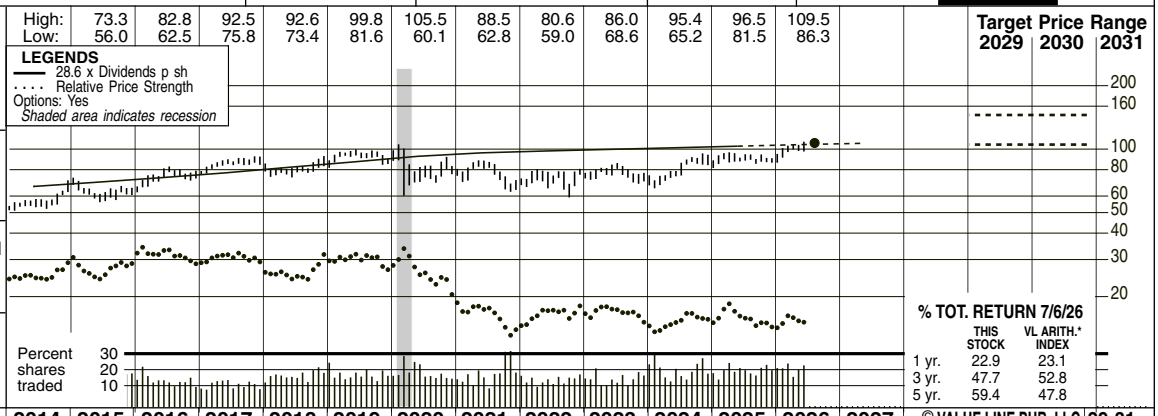
	3Q2025	4Q2025	1Q2026
to Buy	285	243	358
to Sell	270	178	236
Hld's(000)	117332	115069	139441

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
High:	73.3	82.8	92.5	92.6	99.8	105.5	88.5	80.6	86.0	95.4	96.5	109.5						
Low:	56.0	62.5	75.8	73.4	81.6	60.1	62.8	59.0	68.6	65.2	81.5	86.3						

Target Price Range 2029 | 2030 | 2031

% TOT. RETURN 7/6/26

	THIS STOCK	VL ARITH.* INDEX
1 yr.	22.9	23.1
3 yr.	47.7	52.8
5 yr.	59.4	47.8



2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	© VALUE LINE PUB. LLC	29-31
30.01	29.67	30.09	31.35	31.58	31.50	31.42	31.90	32.93	30.87	31.81	33.66	38.21	41.40	43.03	44.17	***44.15***	***45.20***	Revenues per sh	***50.70***
6.85	7.52	7.92	8.15	8.09	9.09	9.39	9.92	10.37	10.69	10.97	11.84	11.50	11.95	13.14	13.12	***12.80***	***13.30***	"Cash Flow" per sh	***16.10***
3.08	2.99	3.50	3.66	3.58	3.92	3.95	4.43	4.54	4.77	4.87	5.47	4.26	4.41	5.24	5.05	***5.00***	***5.65***	Earnings per sh [A]	***7.00***
2.10	2.10	2.67	2.23	2.33	2.44	2.56	2.70	2.87	3.04	3.23	3.36	3.43	3.49	3.55	3.61	***3.67***	***3.73***	Div'd Decl'd per sh [B] ■	***4.40***
7.03	8.26	8.24	9.36	8.38	9.84	11.64	12.80	10.73	10.76	11.93	13.04	15.09	16.28	18.89	21.71	***20.75***	***19.75***	Cap'l Spending per sh	***20.00***
33.86	34.98	36.20	38.07	39.50	41.30	43.15	44.80	46.59	48.30	49.96	52.26	53.45	54.47	56.71	58.28	***59.00***	***60.60***	Book Value per sh [C]	***75.00***
108.77	109.25	109.74	110.18	110.57	110.98	111.34	111.75	112.10	112.44	112.76	113.01	113.17	113.42	119.10	120.90	***128.00***	***135.00***	Common Shs Outst'g [D]	***140.00***
12.6	14.6	14.3	15.3	15.9	16.0	18.7	19.3	17.8	19.4	16.7	14.1	17.1	17.4	15.3	17.8	*Bold figures are Value Line estimates*		Avg Ann'l P/E Ratio	***18.0***
.80	.92	.91	.86	.84	.81	.98	.97	.96	1.03	.86	.76	.99	.97	.80	.92			Relative P/E Ratio	***1.00***
5.4%	4.8%	5.3%	4.0%	4.1%	3.9%	3.5%	3.2%	3.5%	3.3%	4.0%	4.3%	4.7%	4.5%	4.4%	4.0%			Avg Ann'l Div'd Yield	***3.5%***
3498.7	3565.3	3691.2	3471.2	3587.0	3803.8	4324.4	4696.0	5124.9	5339.9	***5650***	***6100***	Revenues ($mill)	***7100***
442.0	497.8	511.0	538.3	550.6	618.7	483.6	501.6	608.8	616.5	***620***	***745***	Net Profit ($mill)	***980***
33.9%	32.5%	20.2%	--	12.1%	14.8%	13.0%	12.9%	15.0%	14.5%	***15.0%***	***15.0%***	Income Tax Rate	***15.0%***
14.1%	13.9%	15.2%	9.3%	9.5%	10.1%	15.2%	19.3%	14.3%	17.7%	***18.0%***	***18.0%***	AFUDC % to Net Profit	***17.0%***
45.6%	48.9%	47.0%	47.1%	52.8%	53.9%	56.1%	55.0%	54.4%	56.6%	***57.5%***	***57.5%***	Long-Term Debt Ratio	***55.5%***
54.4%	51.1%	53.0%	52.9%	47.2%	46.1%	43.9%	45.0%	45.6%	43.4%	***42.5%***	***42.5%***	Common Equity Ratio	***44.5%***
8825.4	9796.4	9861.1	10263	11948	12820	13790	13718	14813	16252	***17750***	***19200***	Total Capital ($mill)	***23600***
12714	13445	14030	14523	15159	15987	16854	17980	19198	20720	***22350***	***23950***	Net Plant ($mill)	***28400***
6.0%	6.1%	6.2%	6.3%	5.5%	5.8%	4.5%	4.9%	5.5%	5.1%	***5.0%***	***5.0%***	Return on Total Cap'l	***5.5%***
9.2%	9.9%	9.8%	9.9%	9.8%	10.5%	8.0%	8.1%	9.0%	8.7%	***8.0%***	***9.0%***	Return on Shr. Equity	***9.5%***
9.2%	9.9%	9.8%	9.9%	9.8%	10.5%	8.0%	8.1%	9.0%	8.7%	***8.0%***	***9.0%***	Return on Com Equity [E]	***9.5%***
3.5%	4.2%	3.9%	3.8%	3.5%	4.2%	1.7%	1.9%	3.2%	2.7%	***2.0%***	***3.0%***	Retained to Com Eq	***3.5%***
62%	58%	60%	61%	64%	60%	78%	77%	65%	69%	***73%***	***66%***	All Div'ds to Net Prof	***63%***

CAPITAL STRUCTURE as of 3/31/26
Total Debt $10996 mill.
LT Debt $9802 mill. **LT Interest** $450.0 mill.
(Total Interest Coverage: 2.5x)

Leases, Uncapitalized Annual rentals $22.1 mill.

Pension Assets-12/25 $2670.5 mill.
Oblig. $2850.8 mill.

Pfd Stock None

Common Stock 121,187,166 shs.
as of 4/28/26
MARKET CAP: $13.0 billion (Mid Cap)

ELECTRIC OPERATING STATISTICS

	2023	2024	2025
% Change Retail Sales (KWH)	+2.8	+7.4	+2.5
Total Ret'l Revs. per KWH (¢)	13.83	14.53	NA
Avg. Indust. Revs. per KWH (¢)	10.38	10.18	NA
Capacity at Peak (Mw)	9629	9466	NA
Peak Load, Summer (Mw)	8162	8210	8648
Annual Load Factor (%)	45.7	47.5	NA
% Change Customers (yr-end)	+1.8	+2.1	+2.4
Fixed Charge Cov. (%)	220	238	227

ANNUAL RATES of change (per sh)

	Past 10 Yrs.	Past 5 Yrs.	Est'd '23-'25 to '29-'31
Revenues	3.0%	6.0%	*3.0%*
"Cash Flow"	4.0%	3.5%	*4.0%*
Earnings	3.0%	.5%	*6.0%*
Dividends	4.5%	3.0%	*3.5%*
Book Value	3.5%	3.0%	*5.0%*

QUARTERLY REVENUES ($ mill.)

Calendar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2023	945.0	1121.7	1637.8	991.5	4696.0
2024	951.7	1309.0	1768.8	1095.4	5124.9
2025	1032.3	1358.8	1820.7	1128.1	5339.9
2026	1149.6	***1414.4***	***1926***	***1160***	***5650***
2027	***1200***	***1550***	***2100***	***1250***	***6100***

EARNINGS PER SHARE [A]

Calendar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2023	d.03	.94	3.50	Nil	4.41
2024	.15	1.76	3.37	d.06	5.24
2025	d.04	1.58	3.39	.13	5.05
2026	.27	***1.50***	***3.35***	***d.12***	***5.00***
2027	***d.05***	***1.75***	***3.70***	***.25***	***5.65***

QUARTERLY DIVIDENDS PAID [B] ■

Calendar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2022	.85	.85	.85	.865	3.42
2023	.865	.865	.865	.88	3.48
2024	.88	.88	.88	.895	3.54
2025	.895	.895	.895	.91	3.60
2026	.91	.91			

BUSINESS: Pinnacle West Capital Corp. is a holding company for Arizona Public Service Company (APS), which supplies electricity to 1.43 mill. customers in most of Arizona, except about half of the Phoenix metro area, the Tucson metro area, and Mohave County in northwestern Arizona. Discontinued SunCor real estate subsidiary in '10. Electric revenue breakdown: residential, 48%; commercial/industrial, 48%; other, 4%. Generating sources: gas, 25%; nuclear, 23%; coal, 15%; renewables, 2%; purchased, 35% (47% of which is from renewables). Fuel costs: 36.2% of rev. '25 reported deprec. rate: 3.06%. Employs 6,610. Chr., Pres. & CEO: Ted Geisler. Inc.: AZ. Addr.: 400 North Fifth St., P.O. Box 53999, Phoenix, AZ 85072. Tel.: 602-250-1000. Web: www.pinnaclewest.com.

Pinnacle West Capital stock remains one of the top year-to-date performers within its industry. The share price is up more than 20% thus far in 2026, versus a 9% gain for the *Value Line Utility Index*. The stock shook off the company reporting a down year for earnings per share in 2025, with big swings in weather-impacted demand a key factor. Cooling and heating degree-days each fell by more than 20% versus a difficult comparison in 2024 as that year was an extreme weather outlier. On a weather-normalized basis, load growth (sustained electricity demand) was up 5.0% in 2025, while total customer count expanded 2.4%. It's these underlying growth levels, driven by favorable migration trends in Pinnacle West's service area and a healthy regional economy, that are keeping the share price well supported. Arizona is experiencing high population growth due to a business friendly stance and low taxes that have translated to a strong and growing job market and an influx of retirees.

The utility is off to a good start in 2026. Entering the year, leadership forecasted weather-normalized earnings of $4.55-$4.75 per share. The company is already well ahead of plan, with the cooling season starting much earlier than typical. The Wall Street consensus was for a break-even first quarter, but Pinnacle West ended up earning $0.27 per share. We lifted our full-year estimate by just a nickel per share, despite the large "beat" because we were already the high estimate on the Street, figuring management's outlook would prove too conservative. The company's service area has consistently been seeing above-trend cooling demand from heat waves throughout the 2020s.

Pinnacle West is suffering from regulatory lag. In mid-2025, it filed a rate-case application, seeking a rate increase of $580 million. A decision is due this October, with hearings and then deliberations from late spring through early autumn. The effective date for new pricing would likely be January 1, 2027. Higher delivery rates should provide a healthy lift to next year's net profits.

This issue does not stand out at the recent valuation. Annual total return prospects are only average for a utility.

Anthony J. Glennon *July 17, 2026*

(A) Diluted EPS. Excl. nonrec. gain: '17, 8¢; gains/(loss) from discont. ops.: '10, 18¢; '11, 10¢; '12, (5¢). Qtly. EPS may not sum to full year due to rounding. Next egs. report due mid-August. **(B)** Div'ds historically paid in early Mar., June, Sept., & Dec. There were five declarations in '12. ■ Div'd reinvestment plan available. **(C)** Incl. deferred charges/other intangibles. In '25: $46.39/sh. **(D)** In mill. **(E)** Rate base: Fair value. Rate allowed on common equity in '24: 9.55%-9.85%. Regulatory Climate: Average.

Company's Financial Strength	B++
Stock's Price Stability	95
Price Growth Persistence	25
Earnings Predictability	80

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