TXNM ENERGY NYSE-TXNM

RECENT PRICE **56.64** | P/E RATIO **25.7** (Trailing: 24.2 Median: 20.0) | RELATIVE P/E RATIO **1.40** | DIV'D YLD **3.0%** | **VALUE LINE**

TIMELINESS — Suspended 5/30/25
SAFETY 2 Raised 1/17/25
TECHNICAL — Suspended 5/30/25
BETA .65 (1.00 = Market)

18-Month Target Price Range
Low-High **Midpoint (% to Mid)**
$50-$78 $64 (15%)

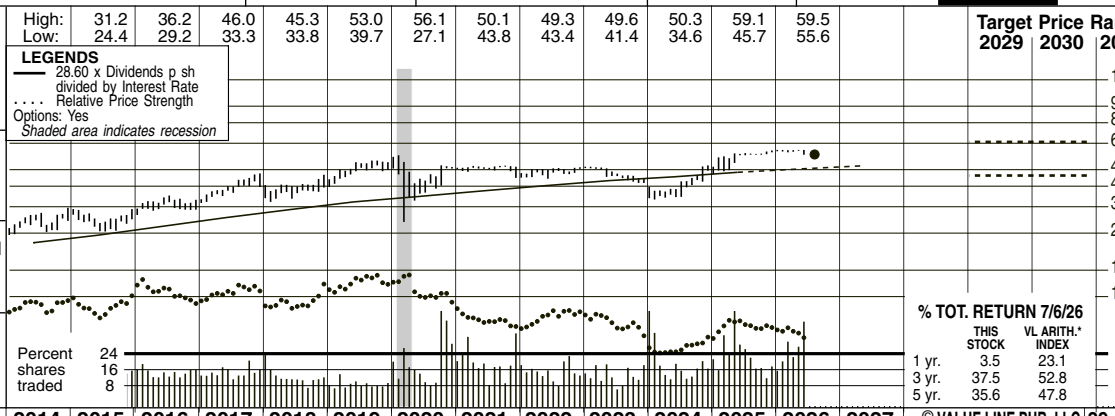
2029-31 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	65	(+15%)	*6%*
Low	45	(-20%)	*-2%*

Institutional Decisions

	3Q2025	4Q2025	1Q2026
to Buy	194	129	194
to Sell	138	98	155
Hld's(000)	105750	108615	121371

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
High:	31.2	36.2	46.0	45.3	53.0	56.1	50.1	49.3	49.6	50.3	59.1	59.5						
Low:	24.4	29.2	33.3	33.8	39.7	27.1	43.8	43.4	41.4	34.6	45.7	55.6						



% TOT. RETURN 7/6/26

	THIS STOCK	VL ARITH.* INDEX
1 yr.	3.5	23.1
3 yr.	37.5	52.8
5 yr.	35.6	47.8

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	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	
	19.31	21.35	16.85	17.42	18.03	18.07	17.11	18.14	18.04	18.30	17.74	20.74	26.21	21.50	21.27	21.15	*21.10*	*22.30*	Revenues per sh
	2.67	3.18	3.39	3.52	4.09	4.28	4.51	5.30	5.47	5.95	5.80	6.19	6.67	6.62	7.18	6.49	*4.95*	*5.15*	"Cash Flow" per sh
	.87	1.08	1.31	1.41	1.45	1.48	1.46	1.92	2.00	2.16	2.28	2.45	2.69	2.82	2.67	2.33	*2.20*	*2.35*	Earnings per sh [A]
	.50	.50	.58	.68	.76	.82	.90	.99	1.09	1.18	1.25	1.33	1.41	1.49	1.55	1.63	*1.69*	*1.75*	Div'd Decl'd per sh [B] ■
	3.25	4.10	3.88	4.37	5.78	7.01	7.53	6.28	6.29	7.74	7.91	10.89	10.63	11.93	13.46	11.68	*11.45*	*11.50*	Cap'l Spending per sh
	17.60	19.62	20.05	20.87	22.39	20.78	21.04	21.28	21.20	21.08	23.88	25.25	25.54	26.04	27.37	33.25	*32.25*	*31.20*	Book Value per sh [C]
	86.67	79.65	79.65	79.65	79.65	79.65	79.65	79.65	79.65	79.65	85.83	85.83	85.83	90.20	92.66	102.39	*109.00*	*109.30*	Common Shs Outst'g [D]
	14.0	14.5	15.0	16.1	18.7	18.7	22.4	20.4	19.4	22.2	19.6	19.9	17.4	16.3	15.1	17.26			Avg Ann'l P/E Ratio
	.89	.91	.95	.90	.98	.94	1.18	1.03	1.05	1.18	1.01	1.08	1.01	.91	.79	.96	*Bold figures are Value Line estimates*		Relative P/E Ratio
	4.1%	3.2%	3.0%	3.0%	2.8%	3.0%	2.8%	2.5%	2.8%	2.5%	2.8%	2.7%	3.0%	3.2%	3.8%	4.0%			Avg Ann'l Div'd Yield
	1363.0	1445.0	1436.6	1457.6	1523.0	1779.9	2249.6	1939.2	1971.2	2165.6	*2300*	*2435*	Revenues ($mill)						
	117.4	154.4	160.6	173.1	183.4	211.6	232.0	244.1	242.7	238.9	*240*	*255*	Net Profit ($mill)						
	32.4%	33.0%	12.9%	8.1%	9.5%	13.4%	14.6%	13.6%	7.7%	13.7%	*13.5%*	*13.5%*	Income Tax Rate						
	11.0%	11.9%	12.1%	9.8%	8.9%	8.6%	9.0%	12.3%	12.3%	12.4%	*12.5%*	*12.5%*	AFUDC % to Net Profit						
	55.7%	56.1%	61.1%	59.8%	56.9%	61.8%	63.9%	64.2%	62.9%	60.0%	*61.0%*	*62.0%*	Long-Term Debt Ratio						
	44.0%	43.6%	38.6%	39.9%	42.9%	38.0%	36.0%	35.6%	36.9%	40.0%	*39.0%*	*38.0%*	Common Equity Ratio						
	3806.8	3887.5	4370.0	4207.7	4780.6	5698.6	6096.1	6602.3	6876.1	8520.0	*8500*	*8800*	Total Capital ($mill)						
	4904.7	4980.2	5234.6	5466.0	5965.1	6752.9	6972.8	7609.9	8465.8	9311.4	*10000*	*10700*	Net Plant ($mill)						
	4.7%	5.3%	5.0%	5.5%	4.9%	4.6%	4.9%	5.0%	5.2%	2.8%	*3.0%*	*3.0%*	Return on Total Cap'l						
	7.0%	9.0%	9.4%	10.2%	8.9%	9.7%	10.5%	10.3%	9.5%	7.0%	*7.0%*	*7.0%*	Return on Shr. Equity						
	7.0%	9.1%	9.5%	10.3%	8.9%	9.7%	10.6%	10.4%	9.5%	7.0%	*7.0%*	*7.0%*	Return on Com Equity [E]						
	2.8%	4.5%	4.5%	4.8%	4.1%	4.6%	5.1%	5.0%	4.0%	2.1%	*2.0%*	*2.0%*	Retained to Com Eq						
	61%	51%	53%	54%	54%	53%	52%	52%	59%	70%	*77%*	*74%*	All Div'ds to Net Prof						

CAPITAL STRUCTURE as of 3/31/26
Total Debt $5375.6 mill.
LT Debt $5112.4 mill. **LT Interest** $274.4 mill.
(Total Interest Coverage: 1.3x)

Leases, Uncapitalized Annual rentals $16.5 mill.
Pension Assets-12/25 $451.0 mill.
Oblig. $461.3 mill.
Pfd Stock $11.5 mill. **Pfd Div'd** $.5 mill.

Common Stock 110,707,257 shs.
as of 4/24/26

MARKET CAP: $6.3 billion (Mid Cap)

ELECTRIC OPERATING STATISTICS

	2023	2024	2025
% Change Retail Sales (KWH)	1.0	2.1	2.4
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)	2162	2185	2258
Annual Load Factor (%)	NA	NA	NA
% Change Customers (yr-end)	1.0	1.0	1.0
Fixed Charge Cov. (%)	230	223	225

ANNUAL RATES of change (per sh)

	Past 10 Yrs.	Past 5 Yrs.	Est'd '23-'25 to '29-'31
Revenues	2.0%	3.5%	*3.0%*
"Cash Flow"	5.5%	4.0%	*4.0%*
Earnings	6.5%	5.0%	*4.5%*
Dividends	7.5%	5.5%	*5.0%*
Book Value	2.5%	4.0%	*3.5%*

QUARTERLY REVENUES ($ mill.)

Calendar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2023	544.1	477.2	505.9	412.0	1939.2
2024	436.9	488.1	569.3	476.9	1971.2
2025	482.8	502.4	647.2	533.2	2165.6
2026	505.0	*540*	*675*	*580*	*2300*
2027	*525*	*570*	*715*	*625*	*2435*

EARNINGS PER SHARE [A]

Calendar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2023	.55	.55	1.54	.18	2.82
2024	.41	.60	1.43	.23	2.67
2025	.19	.25	1.33	.48	2.33
2026	.21	*.25*	*1.45*	*.29*	*2.20*
2027	*.22*	*.25*	*1.55*	*.33*	*2.35*

QUARTERLY DIVIDENDS PAID [B] ■

Calendar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2022	.3475	.3475	.3475	.3475	1.39
2023	.3675	.3675	.3675	.3675	1.47
2024	.3875	.3875	.3875	.3875	1.55
2025	.4075	.4075	.4075	.4075	1.63
2026	.4225	.4225			

BUSINESS: TXNM Energy, Inc. (formerly PNM Resources) is a holding company with two regulated electric utilities. Public Service Company of New Mexico (PNM) serves about 550,000 customers in north central New Mexico, including Albuquerque and Santa Fe. Texas-New Mexico Power Company (TNMP) transmits and distributes power to more than 270,000 homes and businesses in Texas. Electric revenue: residential, 43%; commercial, 32%; indust'l, 18%; other, 7%. Fuel costs: 17% of revenues in 2025; reported depreciation rates: 2.7%-7.5%. Has about 1,750 employees. Chairman: Patricia K. Collawn. CEO: Don Tarry. Incorporated: New Mexico. Address: 414 Silver Ave. SW, Albuquerque, New Mexico 87102-3289. Telephone: 505-241-2700. Internet: www.txnmenergy.com.

Blackstone Infrastructure's acquisition of TXNM Energy remains on track to close later this year. Fourteen months ago, TXNM Energy announced an agreement under which Blackstone Infrastructure would acquire the outstanding stock of TXNM Energy for $61.25 per share. Following shareholder approval last August, a series of regulatory hurdles have been cleared, including the expiration of the waiting period under the Hart-Scott-Rodino Act. Approvals continue to be pursued from the Nuclear Regulatory Commission and the New Mexico Public Regulation Commission.

TXNM has updated its five-year capital investment plan for 2026 through 2030. TXNM has forecasted expenditures for its two regulated utilities: The Texas-New Mexico Power Company (TNMP) and The Public Service Company of New Mexico (PNM). The $10.2 billion plan includes TNMP's investments to enable continued high growth in system demand across the utility's service territories, along with growing infrastructure investments from the Texas legislature that are designed to support grid reliability and resilience. PNM's capital initiatives include investments in generation, transmission, and distribution infrastructure that will deliver clean energy and increase grid resilience within a decarbonized electric system. Of significance, Blackstone possesses the financial wherewithal to fund the requisite infrastructure investment throughout the duration of New Mexico's transition to clean energy while simultaneously driving meaningful capital investment into Texas.

Given the pending transaction with Blackstone Infrastructure, the Timeliness rank on TXNM stock remains suspended. The shares have decreased 3.3% in value since our April review, and recently traded at an approximate 7% discount to the deal price. We see a sliver of opportunity for income-oriented accounts that may wish to avail themselves of a steady dividend yield at a recent price level that, assuming the deal closes in the second half, implies a moderate annualized gain. The equity also carries an above-average Safety rank of 2 and our Highest mark for Price Stability.

Steven Brachman *July 17, 2026*

(A) Diluted EPS. Excl. nonrec. gain/(losses): '10, ($1.36); '11, .88; '13, (.16); '15, ($1.28); '17, (.92); '18, (.93); '19, ($1.19); '20, (.13); '21, (.18); '22, (.72); '23, ($1.80); '24, (.94); '25 (.22). Next egs. report due mid-Aug. **(B)** Div'ds paid mid-Feb., May, Aug., & Nov. ■ Div'd reinv. plan avail. **(C)** Incl. def. charges/other intang. In '25: $15.98/sh. **(D)** In mill. **(E)** Rate base: net orig. cost. Rate allowed on com. eq. in NM in '23: 9.26%; in TX in '18: 9.65%; Regulatory Climate: NM, Below Average.; TX, Average.

Company's Financial Strength	B++
Stock's Price Stability	100
Price Growth Persistence	45
Earnings Predictability	90

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