

# Ameren Corporation (AEE)

November 15, 2022

Utilities

Stock Rating

**HOLD**

### Investment Thesis

We recommend a **HOLD** rating for Ameren Corporation (AEE) with a target share price of \$83 – \$86 representing upside potential of 0% – 4% over the next 12 months. Ameren Corporation continues to file successful electric rate cases in Missouri with promising results expected in Illinois. AEE’s pursuit of net-zero emissions by 2045 is hindered by rising interest rates and their reliance on coal.

### Drivers of Thesis

- Average EPS growth of 10.2% over the projection period is supported by Ameren’s \$18.0 billion 5-year capex plan that will continue to expand rate base through investments in infrastructure and transmission.
- A strong infrastructure pipeline of \$48 billion aimed at improving efficiency through modernization and renewables will fuel revenue growth of Ameren’s transmission segment at a CAGR of 9.9% from 2021 to 2026.
- Favorable agreements with Missouri regulators will increase growth by 9.4% in 2022 in for the Missouri segment. This growth will be sustained with an increased authorized ROE of 10.2%.

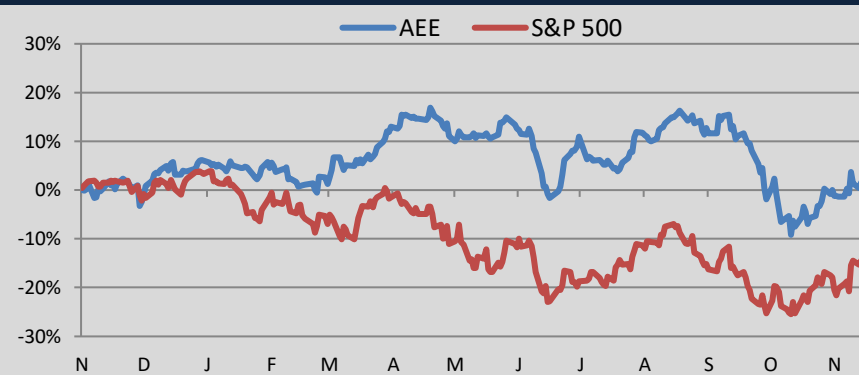
### Risks to Thesis

- Ameren’s continues to incur environmental costs from coal-related emissions. Until coal plant retirement accelerates, this will impede the company’s progress towards net-zero emissions by 2045.
- Ameren’s energy supply from coal-fired generation continues to increase as the firm plans to invest \$700 million from 2022 to 2026.
- Investment in renewable energy generation has been slow and plans to grow renewable capacity by 286.6% by 2030 are too aggressive as the firm battles rising costs of debt in the near-term.

### Earnings Estimates

Year	2019	2020	2021	2022E	2023E	2024E
EPS	\$3.37	\$3.53	\$3.86	\$4.07	\$4.36	\$4.66
HF est. growth	0.9%	4.6%	9.5%	5.4%	12.0%	14.5%

### 12 Month Performance



### Target Price

\$83–\$86

Henry Fund DCF	\$83
Henry Fund DDM	\$86
Relative Multiple	\$83

### Price Data

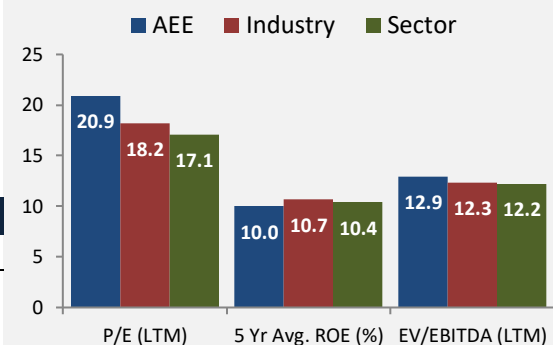
Current Price	\$83.42
52wk Range	\$73.28 – 99.20
Consensus 1yr Target	\$89.96

### Key Statistics

Market Cap (B)	\$21.32
Shares Outstanding (M)	259.6
Institutional Ownership	79.1%
Beta	0.43
Dividend Yield	2.8%
Est. 5yr Growth	7.4%
Price/Earnings (LTM)	20.9
Price/Earnings (FY21)	23.2
Price/Sales (LTM)	2.9
Price/Book (mrq)	2.1

### Profitability

Operating Margin	22.0%
Profit Margin	13.2%
Return on Assets (LTM)	2.8%
Return on Equity (LTM)	10.4%



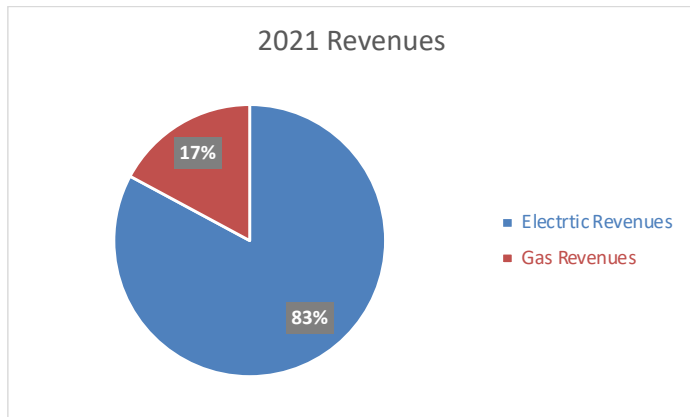
### Company Description

Ameren Corporation engages in the provision of electric services to 2.4 million customers and natural gas services to 900,000 customers in Missouri and Illinois. The company operates through the following segments: Ameren Missouri, Ameren Illinois Electric Distribution, Ameren Illinois Natural Gas, and Ameren Transmission. Ameren has a total generation capacity of 10,765 MWs and roughly 80,000 circuit miles of electric distribution lines.

## COMPANY DESCRIPTION

Ameren Corporation (AEE) provides electric power and natural gas to the lower two thirds of Illinois and Northwest Missouri. Ameren’s electric power generation capacity is roughly 11,000 MWs, fueled by coal, nuclear, wind, natural gas, and other renewables. With roughly 80,000 circuit miles of electric distribution lines and 22,000 miles of natural gas distribution mains, Ameren’s electric operations contribute to a greater portion of their total revenue. Ameren generated \$5.3 billion in revenue from electric operations and \$1.1 billion from gas revenues.

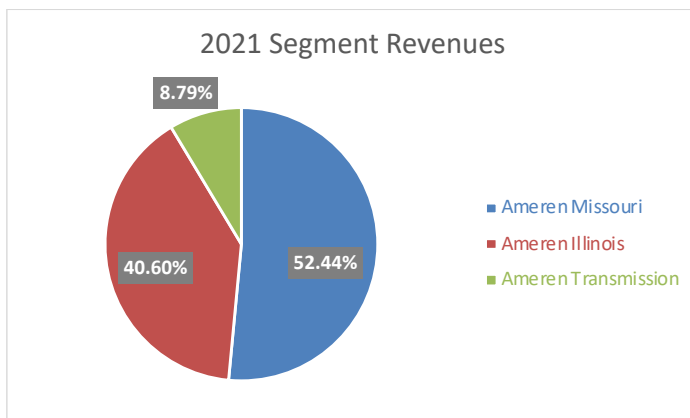
all segments have prompted Ameren to file successful rate cases with Illinois and Missouri regulatory authorities. The map below highlights Ameren’s overall presence in the Midwest.



Source: 2021 Ameren Annual Report

Ameren operates through 3 main segments: Ameren Missouri, Ameren Illinois, and Ameren Transmission. The following chart breaks down revenue by segment.

Source: 2021 Ameren Annual Report



Source: 2021 Ameren Annual Report

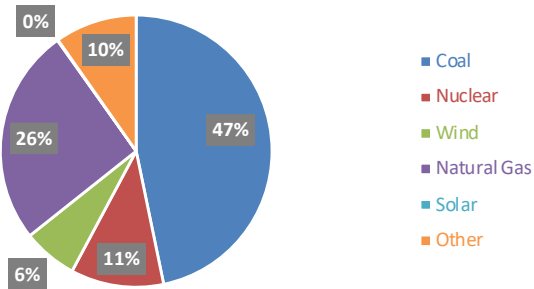
Ameren’s revenues in Missouri have grown at a slow average rate of .6% over the past ten years, but growth in the Illinois segment and transmission segment provide opportunities for an overall 5-year revenue CAGR of 7.8% from 2022 to 2026. Continued capital expenditures across

### Ameren Missouri (AM)

Ameren Missouri’s electric power operations dominate their natural gas operations. In 2021, natural gas revenues accounted for only 4.2% while electric revenues accounted for the other 95.8%. By 2026, we forecast that gas revenues will only account for 4.9% of AM’s total revenues. AM’s roots are in electric power services; however, they have started to grow a greater presence in Illinois. Ameren Illinois has more than 5x the miles of natural gas distribution mains than Ameren Missouri.

It is important to note that the Missouri segment is the only segment that participates in the capital-intensive process of electric power generation. The following chart shows AM’s generation capacity in 2021.

### Ameren Missouri - Generation Capacity

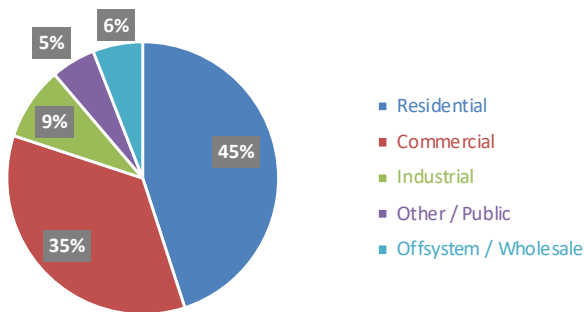


Source: 2021 Ameren Annual Report

AM's generation capacity is heavily reliant on fossil fuels, but the firm has made commitments to achieve net-zero emissions by 2045. In order to meet these commitments, Ameren will need to replace 8,000 MWs of generation capacity with clean energy. This also entails the retirement of four coal-fired facilities.

Ameren Missouri serves a variety of end-markets with their electric segment. Wholesale sales only represent 6% of their total electric revenues. This means that the segment is subject to stringent regulations by the Missouri Public Service Commission (MoPSC). Without a large wholesale market, there is less room to generate higher margins.

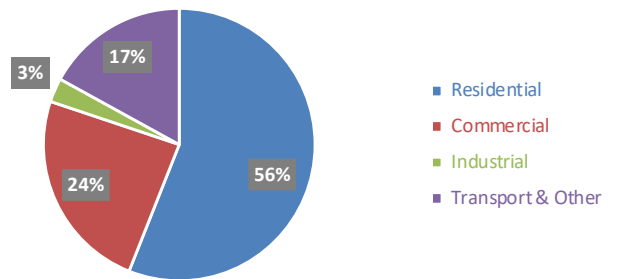
### Ameren Missouri - Electric Revenues



Source: 2021 Ameren Annual Report

The majority of Ameren Missouri's gas revenues come from the residential sector, which stresses the importance of a positive outlook on housing starts and overall economic growth. With commercial and industrial accounting for 44% of AM's total electric revenues, the segment also relies heavily on industrial production metrics and growth in commercial activities.

### Ameren Missouri - Gas Revenues



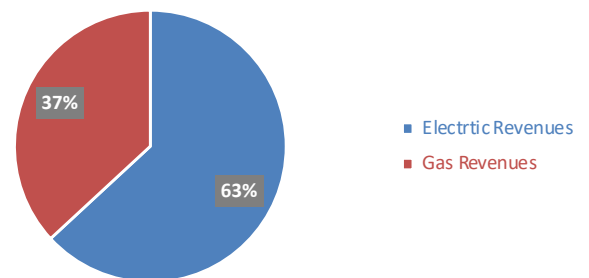
Source: 2021 Ameren Annual Report

Gas revenues have grown at an average of 57.0% over the past three years which provides an opportunity for growth in the gas segment of AM. Ameren is well positioned to continue to support cleaner transportation alternatives in Missouri. Gas revenues are forecasted to grow at a 5-year CAGR of 20.6% to 2026, but this substantial growth is very minimal in terms of AM's total revenue.

### Ameren Illinois (AI)

The Ameren Illinois segment generated \$1.6 billion from electric distribution activities and \$957 billion from natural gas operations. In 2021, Ameren Illinois supplied roughly 23% of total power sales in Illinois. With 18,620 miles of natural gas distribution mains, AI's natural gas infrastructure surpasses AM's by a wide margin.

### Ameren Illinois - Revenue Segments

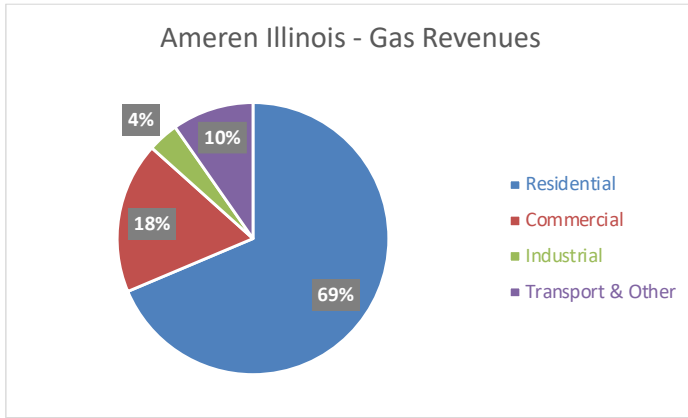


Source: 2021 Ameren Annual Report

Interestingly, Ameren Illinois does not own or operate electric generation facilities. As a result, changes in electric sales in Illinois have a minimal effect on AEE's earnings as they have revenue decoupling in Illinois. Revenue decoupling reduces AI's dependence on electric sales. This

is different from AM’s operating structure which is heavily sensitive to changes in retail power sales.

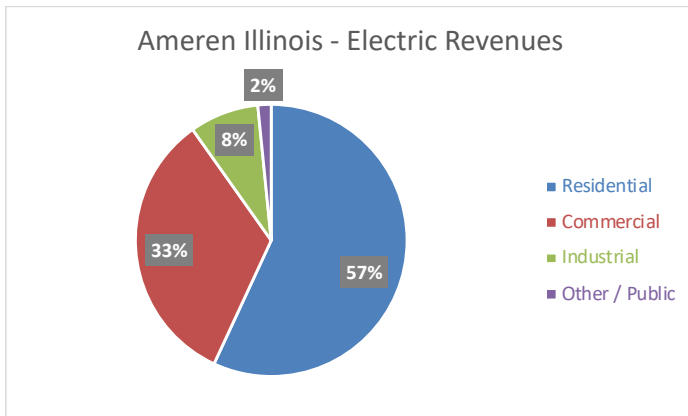
The following chart shows Ameren Illinois’ gas revenues by segment.



Source: 2021 Ameren Annual Report

Gas revenues from the transportation sector continue to provide a positive outlook as Ameren supports cleaner transportation alternatives.

It is also important to look at AI’s electric revenues by sector.



Source: 2021 Ameren Annual Report

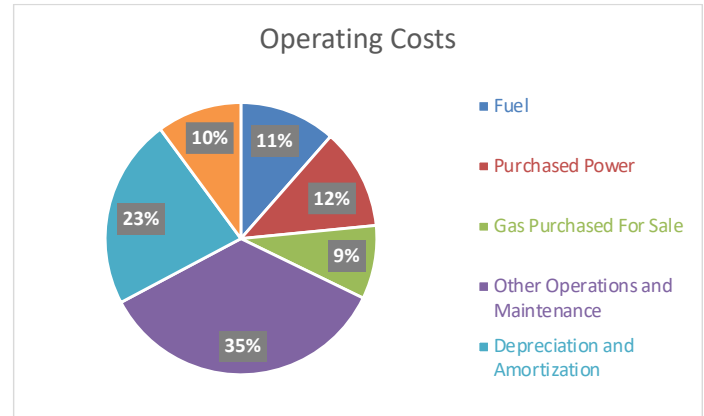
The Ameren Illinois segment provides protection from unfavorable changes in electric power demand across all sectors.

### Ameren Transmission (ATXI)

Ameren Transmission is regulated by the Federal Energy Regulatory Commission. The segment currently has 545 miles of electric transmission lines. The segment has demonstrated strong growth since inception in 2013. With

planned capital expenditures of \$600 million in this segment by 2026, this supports a projected 5-year revenue CAGR of 7.2%. Increased capital investment in this independent segment positions Ameren to file rate cases in the near-term.

### Cost Structure Analysis



Source: 2021 Ameren Annual Report

The chart above shows each operating expense and their respective share of operating costs in 2021. Despite reliance on coal to power Ameren’s power plants, fuel accounts for a small portion of total operating costs. Ameren continues to hedge 99% of their expected coal supply. Further, Ameren has also price hedged 95% of their expected natural gas supply requirements through March 2023 for peak winter season. We forecast that Ameren will continue to benefit from hedging activities throughout the projection period and have decreased fuel costs by .25% per year. We also forecast that Ameren will experience slightly higher operations and maintenance expenses in the near term as labor rates rise after falling. As Ameren continues to produce emissions through coal-fire operations, we forecast that purchased power will increase slightly to offset environmental costs incurred from fossil fuel power generation

The chart below shows the total share of operating expenses in the terminal year. This chart reflects an increase in purchased power and a decrease in gas purchased for sale due to environmental costs of coal-fired power plants and beneficial hedging activities.

## RECENT DEVELOPMENTS

### Recent Earnings Announcement

Consensus estimates indicated that AEE would earn \$1.73 per share; however, the company surprised investors with EPS of \$1.74 and quarter-over-quarter growth of 117.5%. Ameren experiences higher earnings per share during quarter three due to increases in electric power usage during summer months.

### Regulatory Rate Review Filings

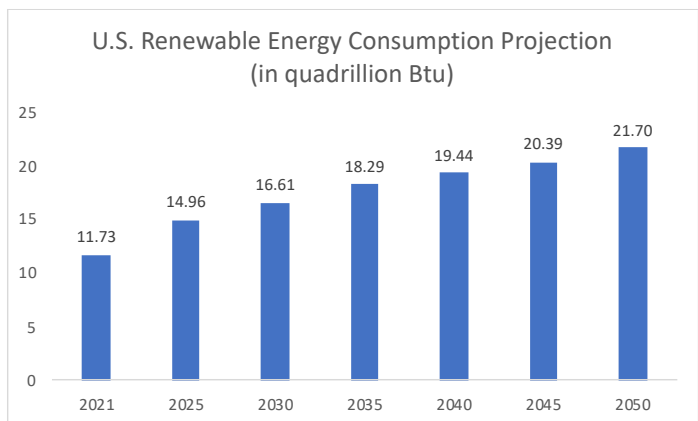
Missouri regulators are expected to approve a \$316 million revenue increase which will increase revenue by 9.6% for the Ameren Missouri segment. This increase also constitutes an increase to allowed ROE of 10.2%.

At the end of 2021, Ameren Illinois received approval for a \$58 million electric rate increase which increases Illinois electric revenue by 4.2%. Ameren Illinois was also granted a \$78 million increase in natural gas delivery revenues. Effectively, this increase will contribute to 8.2% growth in the gas segment of Ameren Illinois.

All the rate increases were put into effect in January of 2022. Favorable rate review filings have positioned Ameren to maintain net margins in an inflationary environment with higher costs of debt.

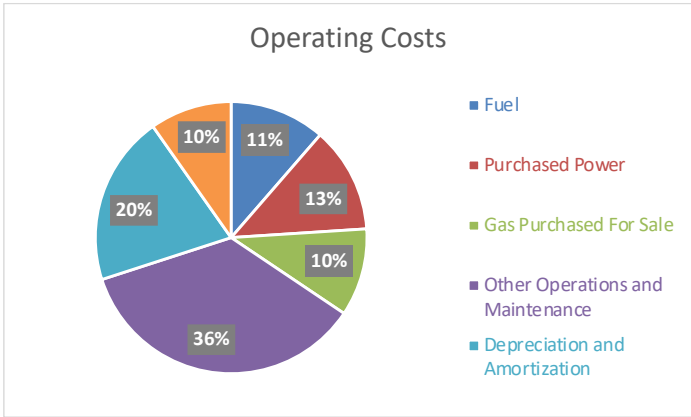
## INDUSTRY TRENDS

### Renewables



Source: FactSet

In 2021, U.S. renewable energy consumption was 11.73 quadrillion British thermal units, accounting for 12% of the



Source: 2021 Ameren Annual Report

Altogether, Ameren’s successful hedging activities support an improved average operating margin of 22.4%, up 1.6% from 2021.

### ESG Analysis

Company	Score	Risk	Exposure	Management	Rank
AEE	29.5	Medium	High	Strong	270
AEP	25.8	Medium	High	Strong	184
PEG	28.2	Medium	High	Strong	239
EIX	27.6	Medium	High	Strong	225
LNT	21.9	Medium	High	Strong	115
NRG	31.8	High	High	Strong	320

Source: Sustainalytics

The Sustainalytics ESG risk score measures material risk that has not been managed by a company. AEE scores unfavorably in comparison peers. The only company ranked lower than Ameren is NRG Energy. NRG’s generation capacity is composed of 90% fossil fuel, making the risk of the firm higher than other peers. 55% of Ameren’s generation capacity is fueled by fossil fuel. Other peers have made further progress towards clean energy solutions.

Ameren has made aggressive goals to achieve net-zero generation by 2045 as they plan to grow capital expenditures by 286.6% to support renewable energy projects; however, the firm also committed \$600 million to improve coal-fired generation. Despite a relatively low renewable energy capacity, growth in nuclear decommissioning funds and plans to retire coal-fired plants by 2045 supports the feasibility of this goal.

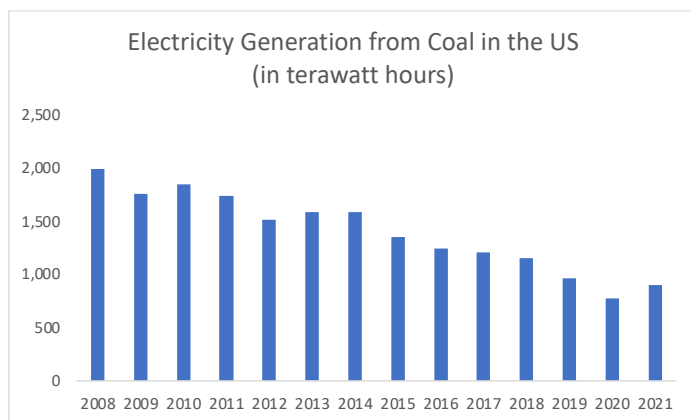
Currently, coal-fired power plants represent 10% of Ameren’s entire rate base. In order to maintain their rate base upon retiring these facilities, Ameren must begin rapid investment in renewable electric power generation.



United States’ total energy consumption (EIA). The main renewable energy sources are wind, hydroelectric, solar, biofuels, biomass waste, wood, and geothermal. Renewable energy consumption within the next 5 years as consumption is projected to increase by 27%, with a 2.1% CAGR over the next 30 years <sup>2</sup>.

Looking historically, the U.S. has already experienced a dramatic shift towards renewables as renewable energy consumption has grown 42% from 2010 to 2020 and 90% from 2000 to 2020 <sup>14</sup>. The U.S. continues to be a hub for renewable energy innovation and integration.

The following chart depicts the decline of coal usage in electric power generation.



Source: Statista

Ameren’s electric power supply from coal has increased by 10.3% over the past few years, while aggregate generation from coal has declined by 3.0% in the past 3 years. Ameren is not positioning themselves for a the clean energy transition. Ameren continues to use coal in electric power generation because their costs of coal are nearly 100% hedged. The current operating environment discourages Ameren from investing heavily in renewables due to elevated costs of debt and capital required to retire coal power plants.

## Regulation

The Federal Energy Regulatory Commission (FERC) regulates transmission, distribution, and sales of natural gas and electricity. This ensures reliability and fairness to consumers. On a state level, regulators have extensive oversight on pricing and access to infrastructure.

Ameren’s operations are subject to regulators in both Missouri and Illinois, but recent rate cases have proven to be successful. Responsive regulators give Ameren a competitive advantage in terms of authorized ROE and allowing rate increases. Generally, regulators allow rate increase for utility companies when interest rates rise as costs of debt erode profitability across the whole industry. From January to August of 2022, authorized ROE across the industry remained stagnant at 9.4% as state regulators have been apprehensive to increases rates as consumers already battle high utility costs. This is not the case for Ameren as they have continued to make progress with regulators ahead of the rest of the industry

## Decarbonization

Decarbonation aims to reduce the greenhouse emissions produced using fossil fuels. Many of the big players in electric utilities have adopted strategies to achieve net-zero emissions by 2050. Net zero emission means reducing carbon emissions and acquiring traditional offsets or credits. AEE has set an aggressive approach to achieve net-zero emissions by 2045. This goal is in accordance with many other firms that still rely heavily on fossil fuels to support electric power generation. Currently, roughly 8% of AEE’s capacity is from renewables. Without significant renewable energy capacity, Ameren is unable to produce higher margins without the help of regulators. As a result, the company relies heavily on regulatory rulings to maintain margins.

Decarbonization creates a challenging environment for electric utility companies that are still reliant on fossil fuels. With continued investment in renewables, AEE could be in a good position to achieve net zero emissions in the long-term. Net zero emissions will prove to be a difficult task as they will need to replace 8,033 MWs of generation capacity in their Missouri segment. By 2040, the firm has set goals to add 5,400 MWs of renewable energy generation capacity.

Decarbonization of the U.S. economy will require billions of dollars of investment. Electric utilities companies that are not focused on decarbonization efforts may risk losing the support of regulators and investors. Investing in upgraded transmission lines and the clean energy transition entails immense capital investment, but the industry needs to evolve towards clean power generation to support greater electrification of other industries such as transportation.

Although the capital costs of power generation through renewable sources is cheaper than conventional methods, the initial costs of building wind and solar farms hinders the short-term performance of the electric utilities. With interest rates on the rise, firms like AEE will struggle to meet short-term goals towards reducing emissions.

## MARKETS AND COMPETITION

Utilities markets are both regional and diverse. These companies are shaped and constrained by state and federal regulatory forces. A key success factor of utilities companies is their ability to pass on cost increases while ensuring appropriate pricing policies. Passing on cost increases has been a major topic of discussion between utilities companies and regulators as companies grapple with increasing fuel costs and inflation. Competition between these companies is very low. Utilities companies are granted agreements to be the sole providers in the cities and states they serve.

These large electric utility providers have maintained this position in the market for many years prior due to the characteristics of electric utilities companies:

- Low concentration and competition
- High barriers to entry
- Capital intensity
- Low revenue volatility

### Margin Analysis

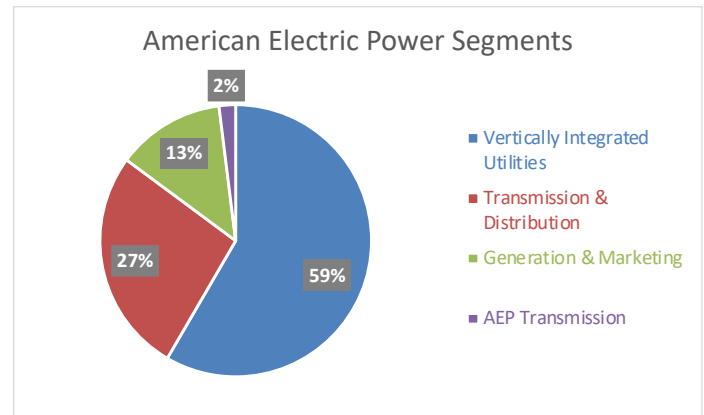
Company	Gross Margin	EBIT Margin	Net Margin
AEE	29%	21%	15%
AEP	28%	20%	15%
PEG	10%	10%	-7%
LNT	25%	22%	18%
NRG	10%	3%	8%
Average	20%	15%	10%

Ameren can generate higher margins among peers due to their agreements with regulators. Regulators in Illinois and Missouri have been more responsive than regulators across in the industry. Higher net margins will enable Ameren to invest more in the current environment.

### American Electric Power: 0.11% YTD

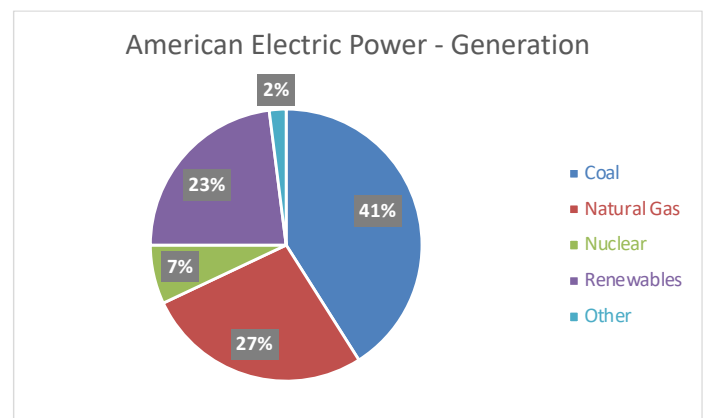
With one of the largest electric transmission systems in the U.S., American Electric power engages in the generation, transmission, and distribution of electricity. The company

operates through four segments that serve retail customers and wholesale customers. The company's expansive infrastructure of 223,000 miles of electric distribution lines and 26,000 MW generation capacity supports service in 11 states scattered across the Midwest and West. AEP's Generation & Marketing segment is a non-regulated segment engaged in generation and power sales to wholesale customers.



Source: FactSet

Although Ameren does not engage non-regulated electric power sales, the company still generates comparable net margins to AEP. American Electric Power has significantly greater renewable generation capacity of 5,980 MWs of solar, wind, and hydro generation which is 6x greater than Ameren's capacity. The following chart shows AEP's generation capacity.

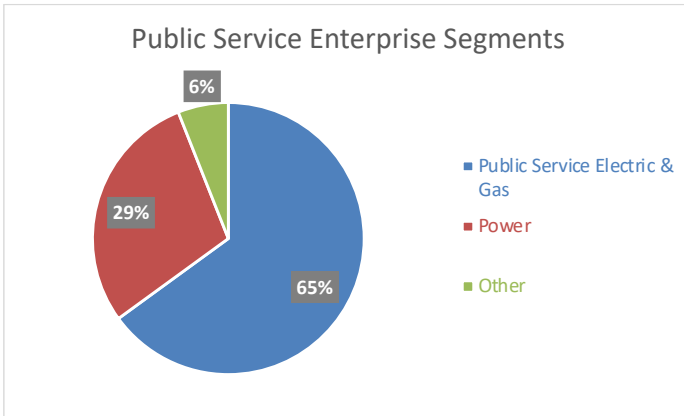


Source: FactSet

American Electric Power is well-positioned to outperform in the near-term and long-term as they project 53% of their generation to come from clean renewables by 2023.

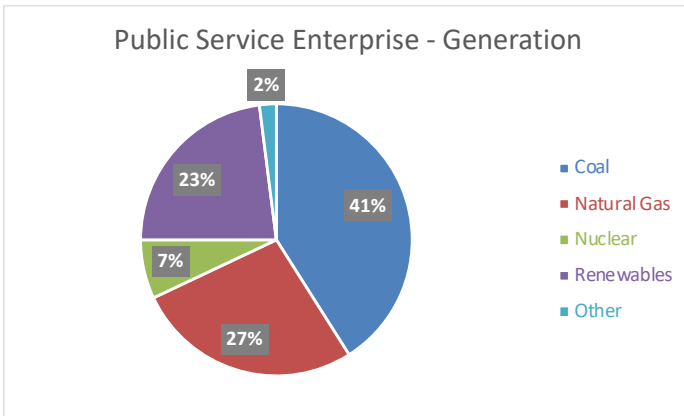
## Public Service Enterprise: -16.27% YTD

Public Service Enterprise Group engages in the provision of both natural gas and electric utilities. The firm operates through two main segments: PSEG and PSEG Power. The firm provides natural gas and electric power utilities to the East coast region.



Source: FactSet

Despite operating in wholesale energy markets, PEG was unable to generate positive net margins.



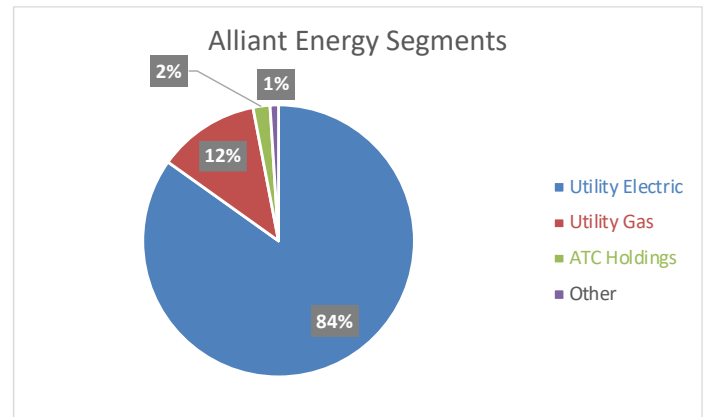
Source: FactSet

Despite extensive coal and natural gas operations, Public Service Enterprise's renewable energy capacity positions them well to generate higher margins in the future.

## Alliant Energy Corporation: -12.5% YTD

Alliant Energy Corporation is a regulated utility company that engages in the provision of electricity and natural gas services to customers in the Midwest through two main subsidiaries. The company serves nearly 1 million electric

customers and 425,000 natural gas customers in Iowa and Wisconsin.



Source: FactSet

## ECONOMIC OUTLOOK

### Rising Interest Rate Environment

Rising interest rates impedes AEE's ability to invest in clean energy and retire coal-fired facilities. The Federal Reserve has aggressively hiked interest rates in an effort to combat inflation. As a result, the utilities sector faces higher costs of borrowing which produces a headwind against earnings.

Further investment in infrastructure improvement and renewable energy projects is more prominent when rates are low due to the capital-intensive nature of electric power companies.

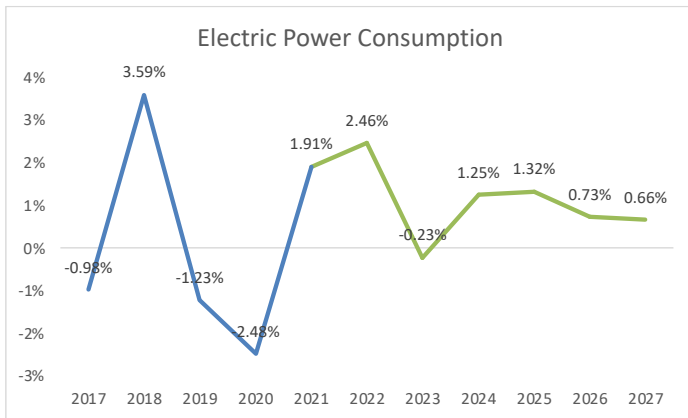
Historically, regulators have cut allowed electric power rates and authorized ROE when interest rates decrease. With lower costs of debt, utility companies are able to generate higher margins on their bottom line. Regulatory controls ensure that utility growth does not spiral out of control when rates are low. Conversely, when interest rates rise, regulators typically increase authorized ROEs for utility companies to cover their increased costs of borrowing. This is not the case for all companies in 2022. Despite climbing interest rates, authorized ROEs across the industry have not trended upward for the first 7 months of 2022.

For AEE, this threat of climbing interest rates is alleviated by multiple agreements with Missouri and Illinois regulators. The agreement sets Ameren Missouri's authorized ROE at 10.2%, higher than the industry average of 9.38%. The agreement also provides protection from



increased interest rates contingent on the U.S. 30-year treasury yield. Should the 30-year treasury yield be above 50 basis points for a consecutive six months since the agreement date, AEE's authorized ROE will increase by 50 basis points.

### Declining Electric Power Consumption



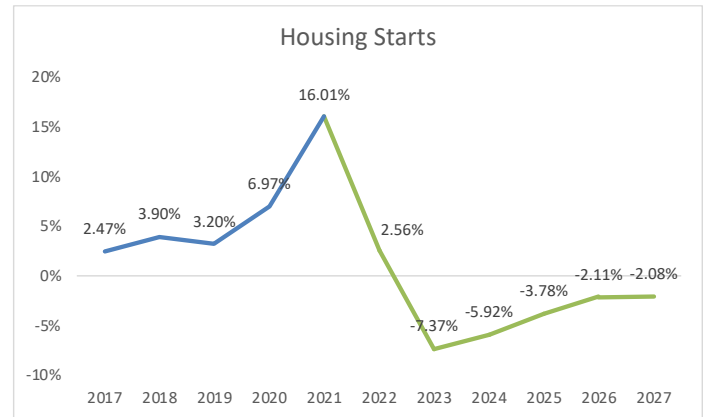
As households composed 45% and 57% of electricity consumption for AEE's Missouri and Illinois segment, revenue is primarily driven by household usage. During an economic downturn, households look to cut back on energy usage. This is depicted in 2020 as energy usage dropped by 2.48% due to economic hardship caused by the pandemic. Industrial and commercial usage was also cut back due to production plant closures across the U.S. During economic recovery, power consumption typically grows which is highlighted in 2021. The Energy Information Administration estimates that 2022 power consumption will reach record highs in 2022.

As consumers and corporations endure an inflationary environment, the market is likely to cut back on energy consumption, as 2023 shows a mild decrease. This is primarily due to households adjusting to elevated electric power prices.

Beyond 2023, power consumption is projected to stabilize as the price of natural gas and electricity decline. Stable power consumption coupled with declining input prices signal that the once out-performing industry will normalize over the course of the next few years.

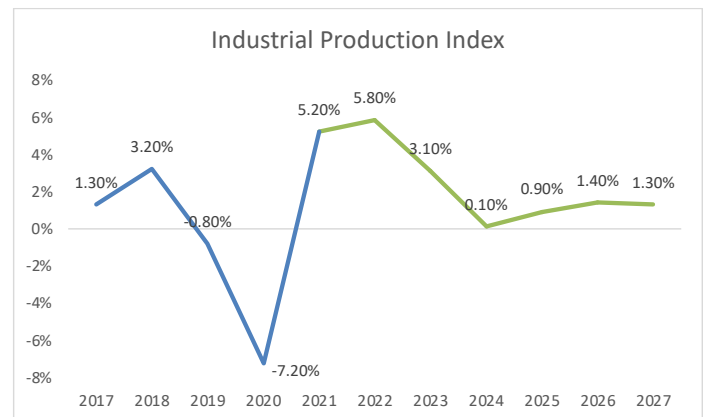
Power sales also depend heavily on industrial and commercial activity. If the United States falls into a recessionary environment, electric power consumption could fall as far as 100 basis points.

### Declining Housing Starts



Housing starts shape the outlook of electric utility performance moving forward. As the residential segment accounts for the largest share of electricity consumption, housing starts directly correlate to the demand for electricity. From 2020 to 2021, the growth in housing starts was spurred by attractive interest rates and housing demand. In 2022 alone, the 30-year fixed mortgage rate has risen by 1.77% to 6.84%. A decrease in housing starts and power consumption signals that the performance of the electric utilities industry will decline throughout the next 5 years.

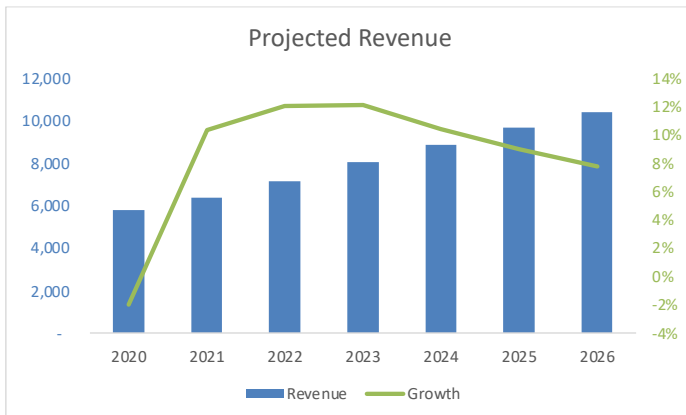
### Industrial Production Index (IPI)



The industrial production index measures the real output of industrial production activities. Commercial and industrial revenues accounted for 45% of FPL's operating revenue. Risk of recession could result in a further decrease of commercial and industrial activity.

## VALUATION

### Key Revenue Growth Assumptions



Revenue is projected to grow at a 5-year CAGR of 7.8% over the projection period. The main drivers for this elevated growth are Ameren's recent agreements with regulators, power consumption highs, and growth in transmission rate bases. As regulators look to authorize additional revenue of \$358 million in 2022, this will allow Ameren to raise rates. Revenue increases of \$358 million over the next few years would boost revenue by 6.8% in 2022 alone. Power consumption is expected to grow at upwards of 3% in 2022 which drives unit sales of electricity upwards. AEE plans to invest \$600 million in their transmission segment which has demonstrated strong average growth in the past few years. Capital injections in this segment support a 7.22% CAGR over the projection period.

### Cost Assumptions

Ameren's hedging activities continue to control fuel costs and gas purchased for sale, so these costs have grown at a similar rate as revenue. The level of purchased power is projected to account for a larger portion of operating expenses during the projection period. We project that Ameren will continue to incur environmental costs of operating coal-fired facilities. In order to offset these costs, Ameren will look to implement more purchased power. This remedy is not a long-term solution and Ameren will need to invest in additional renewable energy generation capacity.

### Capital Expenditures Assumptions

We projected capital expenditures to grow at a rate of 10% of the 5-year projection period. Despite rising costs of debt creating headwinds in the near-term, Ameren has maintained capital expenditure guidance in their recent earnings call on November 4<sup>th</sup>, 2022. AEE has expressed plans for a long-term capex plan of \$48.0 billion through 2030. In the shorter term, Ameren plans to invest \$18.0 million over the next 5 years. We projected capital expenditures slightly higher than planned at \$18.3 billion. This increase in capex is built on the assumption that increased costs of debt will eventually fall in 2023 and heightened costs of debt in the near-term are offset by regulators authorized additional rate increases.

### DCF Model

The Henry Fund DCF model returns a price of \$83.38. Compared to consensus estimates of \$89.96, this price falls short. The main driver in the DCF model is a conservative terminal growth rate of NOPLAT of 1.9%. This slow growth reflects pessimism in Ameren's ability to continually work with regulators to allow increased rates. With continuing value ROIC growth of 7%, there is optimism that the company will continue to invest in transmission and renewable energy projects.

## CATALYSTS FOR GROWTH

- Regulators have been quick to allow rate increases for Ameren which has provided relief as the firm balances capital investment with rising costs of debt.
- Ameren's hedging activities continues to keep fuel costs and natural gas under control in an environment of increasing input costs.
- Ameren's transmission segment has demonstrated strong growth and planned investment of \$600 million will position the segment for rate cases in the next few years.
- Ameren Illinois is set enter a multi-year rate agreement with regulators in Q1 of 2023.
- Clean transportation alternatives create opportunities for growth in natural gas revenues.

## RISK TO THESIS

- As inflation cools and interest rates decrease in the long-term, regulators will cease to increase authorized ROE.
- Ameren's generation portfolio is deeply rooted in fossil fuel generation and the costs of retiring coal-fired facilities inhibits investment in renewable generation.
- Increased renewable capacity of 286.6% by 2030 may prove to be too aggressive.
- Ameren will continue to incur environmental costs associated with fossil fuel generation until the firm increases renewable energy capacity.
- If commercial and industrial activity slows, this will erode projected revenue growth.

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**Ameren Corporation**  
Value Driver Estimation

<b>Fiscal Years Ending Dec. 31</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022E</b>	<b>2023E</b>	<b>2024E</b>	<b>2025E</b>	<b>2026E</b>
<b>NOPLAT:</b>								
Operating Revenue	5,910	5,794	6,394	7,325	8,213	9,072	9,892	10,669
Less: Fuel	(535)	(490)	(581)	(705)	(773)	(833)	(885)	(929)
Less: Purchased Power	(556)	(513)	(606)	(713)	(799)	(881)	(957)	(1,028)
Less: Gas Purchased For Sale	(331)	(272)	(442)	(557)	(626)	(699)	(774)	(851)
Less: Other Operations and Maintenance	(1,745)	(1,661)	(1,774)	(1,997)	(2,239)	(2,473)	(2,697)	(2,908)
Less: Depreciation and Amortization	(995)	(1,075)	(1,146)	(1,271)	(1,362)	(1,456)	(1,551)	(1,649)
Less: Taxes Other Than Income Taxes	(481)	(483)	(512)	(548)	(614)	(678)	(740)	(798)
<b>EBITA</b>	<b>1,267</b>	<b>1,300</b>	<b>1,333</b>	<b>1,535</b>	<b>1,800</b>	<b>2,052</b>	<b>2,288</b>	<b>2,506</b>
Add: Income Tax Expense (Benefit)	182	155	157	179	205	242	280	313
Less: Tax Shield on Allowance for Equity Funds Used During Construction	(4)	(5)	(6)	(10)	(10)	(10)	(11)	(11)
Less: Tax Shield on Interest Income on Industrial Development Revenue Bonds	(4)	(4)	(4)	(4)	(4)	(4)	(4)	(4)
Less: Tax Shield on Other Interest Income	(1)	(1)	(0)	(0)	(1)	(1)	(3)	(1)
Less: Tax Shield on Non-Service Cost Components of Net Periodic Benefit Inco	(13)	(17)	(20)	(23)	(27)	(32)	(37)	(44)
Less: Tax Shield on Miscellaneous Income	(1)	(2)	(3)	(2)	(2)	(3)	(3)	(3)
Add: Tax Shield on Donations	2	4	1	3	3	3	4	4
Add: Tax Shield on Miscellaneous Expense	2	2	2	3	3	3	3	4
Add: Tax Shield on Interest Income (Expense)	55	61	56	77	95	99	102	105
<b>Total Adjusted Taxes</b>	<b>218</b>	<b>194</b>	<b>183</b>	<b>223</b>	<b>261</b>	<b>298</b>	<b>332</b>	<b>363</b>
Add: Change In Deferred Taxes	312	291	236	130	81	83	83	83
<b>NOPLAT</b>	<b>1,361</b>	<b>1,397</b>	<b>1,386</b>	<b>1,443</b>	<b>1,620</b>	<b>1,837</b>	<b>2,039</b>	<b>2,225</b>
<b>Invested Capital (IC):</b>								
<b>Operating Current Assets</b>								
Add: Normal Cash	9	9	9	11	12	13	15	16
Add: Accounts Receivable, Net	671	684	735	840	942	1,040	1,134	1,223
Add: Other Receivables	63	65	85	113	127	140	153	165
Add: Raw Materials	494	521	592	653	732	808	881	951
Add: Current Regulatory Assets	69	109	319	333	348	363	379	396
Add: Other Current Assets	104	118	213	237	265	293	319	344
<b>Operating Current Liabilities</b>								
Less: Accounts and Wages Payable	(874)	(958)	(1,095)	(1,183)	(1,326)	(1,465)	(1,598)	(1,723)
Less: Interest Accrued	-	(114)	(123)	(143)	(160)	(177)	(192)	(208)
Less: Taxes Accrued	-	-	-	-	-	-	-	-
Less: Customer Deposits	-	-	-	-	-	-	-	-
Less: Current Regulatory Liabilities	(164)	(121)	(113)	(148)	(165)	(183)	(199)	(215)
Less: Derivative Liabilities	-	-	-	-	-	-	-	-
Less: Other Current Liabilities	(585)	(489)	(445)	(411)	(460)	(509)	(555)	(598)
<b>Other Operating Long-Term Assets</b>								
Add: Net PPE	24,412	26,807	29,261	31,370	33,524	35,726	37,980	40,290
Add: Nuclear Decommissioning Fund	847	982	1,159	1,210	1,263	1,319	1,377	1,438
Add: Regulatory Assets	992	1,100	1,289	1,346	1,405	1,467	1,532	1,599
Add: Other Assets	840	1,077	1,647	1,624	1,821	2,012	2,193	2,366
Less: Regulatory Liabilities	(4,887)	(5,282)	(5,848)	(6,208)	(6,961)	(7,689)	(8,384)	(9,043)
Less: Asset Retirement Obligations	(638)	(696)	(757)	(817)	(916)	(1,012)	(1,103)	(1,190)
<b>Total Invested Capital</b>	<b>21,353</b>	<b>23,812</b>	<b>26,928</b>	<b>28,828</b>	<b>30,451</b>	<b>32,149</b>	<b>33,933</b>	<b>35,812</b>
<b>Free Cash Flow (FCF):</b>								
NOPLAT	1,361	1,397	1,386	1,443	1,620	1,837	2,039	2,225
Change in IC	1,342	2,459	3,117	1,900	1,623	1,698	1,785	1,878
<b>FCF</b>	<b>18</b>	<b>(1,062)</b>	<b>(1,731)</b>	<b>(457)</b>	<b>(3)</b>	<b>140</b>	<b>255</b>	<b>347</b>
<b>Return on Invested Capital (ROIC):</b>								
NOPLAT	1,361	1,397	1,386	1,443	1,620	1,837	2,039	2,225
Beginning IC	20,010	21,353	23,812	26,928	28,828	30,451	32,149	33,933
<b>ROIC</b>	<b>6.80%</b>	<b>6.54%</b>	<b>5.82%</b>	<b>5.36%</b>	<b>5.62%</b>	<b>6.03%</b>	<b>6.34%</b>	<b>6.56%</b>
<b>Economic Profit (EP):</b>								
Beginning IC	20,010	21,353	23,812	26,928	28,828	30,451	32,149	33,933
x (ROIC - WACC)	1.47%	1.21%	0.49%	0.02%	0.29%	0.70%	1.01%	1.22%
<b>EP</b>	<b>293</b>	<b>258</b>	<b>116</b>	<b>6</b>	<b>82</b>	<b>213</b>	<b>324</b>	<b>415</b>



**Ameren Corporation**

*Income Statement*

Figures in millions of USD

<b>Fiscal Years Ending Dec. 31</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022E</b>	<b>2023E</b>	<b>2024E</b>	<b>2025E</b>	<b>2026E</b>
<b>Operating Revenues:</b>								
Electric Revenues	4,981	4,911	5,297	6,086	6,822	7,520	8,172	8,778
Natural Gas Revenues	929	883	1,097	1,239	1,391	1,553	1,721	1,891
<b>Total Operating Revenues</b>	<b>5,910</b>	<b>5,794</b>	<b>6,394</b>	<b>7,325</b>	<b>8,213</b>	<b>9,072</b>	<b>9,892</b>	<b>10,669</b>
<b>Operating Expenses:</b>								
Fuel	(535)	(490)	(581)	(705)	(773)	(833)	(885)	(929)
Purchased Power	(556)	(513)	(606)	(713)	(799)	(881)	(957)	(1,028)
Gas Purchased For Sale	(331)	(272)	(442)	(557)	(626)	(699)	(774)	(851)
Other Operations and Maintenance	(1,745)	(1,661)	(1,774)	(1,997)	(2,239)	(2,473)	(2,697)	(2,908)
Impairment and Other Charges	-	-	-	-	-	-	-	-
Depreciation and Amortization	(995)	(1,075)	(1,146)	(1,271)	(1,362)	(1,456)	(1,551)	(1,649)
Taxes Other Than Income Taxes	(481)	(483)	(512)	(548)	(614)	(678)	(740)	(798)
<b>Total Operating Expenses</b>	<b>(4,643)</b>	<b>(4,494)</b>	<b>(5,061)</b>	<b>(5,790)</b>	<b>(6,413)</b>	<b>(7,020)</b>	<b>(7,604)</b>	<b>(8,163)</b>
<b>Operating Income</b>	<b>1,267</b>	<b>1,300</b>	<b>1,333</b>	<b>1,535</b>	<b>1,800</b>	<b>2,052</b>	<b>2,288</b>	<b>2,506</b>
<b>Other Income (Expenses):</b>								
Allowance for Equity Funds Used During Construction	28	32	43	67	69	72	75	78
Interest Income on Industrial Development Revenue Bonds	25	25	25	25	25	25	25	25
Other Interest Income	8	4	2	1	7	6	20	7
Non-Service Cost Components of Net Periodic Benefit Income	90	116	136	159	187	219	257	301
Miscellaneous Income	6	13	22	15	16	18	20	21
Donations	(12)	(25)	(9)	(18)	(21)	(23)	(25)	(27)
Miscellaneous Expense	(15)	(14)	(17)	(17)	(20)	(22)	(24)	(25)
Interest Income (Expense)	(381)	(419)	(383)	(534)	(653)	(679)	(704)	(727)
<b>Total Other Income (Expense)</b>	<b>(251)</b>	<b>(268)</b>	<b>(181)</b>	<b>(303)</b>	<b>(388)</b>	<b>(384)</b>	<b>(356)</b>	<b>(347)</b>
<b>Earning Before Taxes</b>	<b>1,016</b>	<b>1,032</b>	<b>1,152</b>	<b>1,232</b>	<b>1,411</b>	<b>1,669</b>	<b>1,932</b>	<b>2,159</b>
Income Tax Benefit (Expense)	(182)	(155)	(157)	(179)	(205)	(242)	(280)	(313)
<b>Net Income (Loss)</b>	<b>834</b>	<b>877</b>	<b>995</b>	<b>1,053</b>	<b>1,207</b>	<b>1,427</b>	<b>1,652</b>	<b>1,846</b>
Net Income (Loss) from Discontinued Operations	-	-	-	-	-	-	-	-
Net Income Attributable to Noncontrolling Interests	(6)	(6)	(5)	(10)	(10)	(11)	(12)	(13)
<b>Net Income / Loss Attributable to Ameren</b>	<b>828</b>	<b>871</b>	<b>990</b>	<b>1,044</b>	<b>1,196</b>	<b>1,416</b>	<b>1,640</b>	<b>1,833</b>
Weighted Average Shares - Basic	246	247	256	256	262	271	282	293
EPS - Basic	3.37	3.53	3.86	4.07	4.56	5.22	5.82	6.26
Dividends per Share	1.90	1.98	2.20	2.36	3.65	3.92	4.36	4.70
Dividend Payout	0.56	0.56	0.57	0.75	0.80	0.75	0.75	0.75

**Ameren Corporation**

*Balance Sheet*

Figures in millions of USD

<i>Fiscal Years Ending Dec. 31</i>	2019	2020	2021	2022E	2023E	2024E	2025E	2026E
<b>Assets</b>								
Current Assets:								
Cash and Cash Equivalents	30	156	24	143	120	424	147	384
Accounts Receivable, Net	671	684	735	840	942	1,040	1,134	1,223
Other Receivables	63	65	85	113	127	140	153	165
Raw Materials	494	521	592	653	732	808	881	951
Current Regulatory Assets	69	109	319	333	348	363	379	396
Other Current Assets	104	118	213	237	265	293	319	344
<b>Total Current Assets</b>	<b>1,431</b>	<b>1,653</b>	<b>1,968</b>	<b>2,318</b>	<b>2,533</b>	<b>3,069</b>	<b>3,015</b>	<b>3,464</b>
Property, Plant, and Equipment, Net	24,412	26,807	29,261	31,370	33,524	35,726	37,980	40,290
Nuclear Decommissioning Fund	847	982	1,159	1,210	1,263	1,319	1,377	1,438
Goodwill	411	411	411	411	411	411	411	411
Regulatory Assets	992	1,100	1,289	1,346	1,405	1,467	1,532	1,599
Other Assets	840	1,077	1,647	1,624	1,821	2,012	2,193	2,366
<b>Total Assets</b>	<b>28,933</b>	<b>32,030</b>	<b>35,735</b>	<b>38,280</b>	<b>40,958</b>	<b>44,004</b>	<b>46,509</b>	<b>49,567</b>
<b>Liabilities</b>								
Current Liabilities:								
Current Maturities of Long-Term Debt	442	8	505	505	640	850	300	350
Short-Term Debt	440	490	545	797	854	911	969	1,028
Accounts and Wages Payable	874	958	1,095	1,183	1,326	1,465	1,598	1,723
Interest Accrued	-	114	123	143	160	177	192	208
Current Regulatory Liabilities	164	121	113	148	165	183	199	215
Derivative Liabilities	-	-	-	-	-	-	-	-
Other Current Liabilities	585	489	445	411	460	509	555	598
<b>Total Current Liabilities</b>	<b>2,505</b>	<b>2,180</b>	<b>2,826</b>	<b>3,186</b>	<b>3,606</b>	<b>4,094</b>	<b>3,813</b>	<b>4,122</b>
Long-Term Debt, Net	8,915	11,078	12,562	13,737	14,302	14,826	15,309	15,749
Regulatory Liabilities	4,887	5,282	5,848	6,208	6,961	7,689	8,384	9,043
Deferred Income Taxes & Investment Tax Credits	2,919	3,211	3,499	3,514	3,531	3,552	3,576	3,602
Asset Retirement Obligations	638	696	757	817	916	1,012	1,103	1,190
Pension & Other Postretirement Benefits	401	37	-	-	-	-	-	-
Other Deferred Credits & Liabilities	467	466	414	529	593	656	715	771
Redeemable Noncontrolling Interests	142	142	129	139	149	160	172	184
<b>Total Liabilities</b>	<b>20,874</b>	<b>23,092</b>	<b>26,035</b>	<b>28,130</b>	<b>30,058</b>	<b>31,988</b>	<b>33,071</b>	<b>34,660</b>
<b>Equity</b>								
Common Stock and APIC	5,696	6,182	6,505	6,516	7,028	7,789	8,801	9,812
Retained Earnings	2,380	2,757	3,182	3,620	3,860	4,214	4,624	5,082
Accumulated Other Comprehensive Income (Loss)	(17)	(1)	13	13	13	13	13	13
<b>Total Equity</b>	<b>8,059</b>	<b>8,938</b>	<b>9,700</b>	<b>10,150</b>	<b>10,901</b>	<b>12,016</b>	<b>13,437</b>	<b>14,907</b>
<b>Total Liabilities And Equity</b>	<b>28,933</b>	<b>32,030</b>	<b>35,735</b>	<b>38,280</b>	<b>40,958</b>	<b>44,004</b>	<b>46,509</b>	<b>49,567</b>

**Ameren Corporation***Forecasted Cash Flow Statement*

Figures in millions of USD

<b>Fiscal Years Ending Dec. 31</b>	<b>2022E</b>	<b>2023E</b>	<b>2024E</b>	<b>2025E</b>	<b>2026E</b>
<b>Cash Flow From Operating Activities</b>					
Net Income	1053	1207	1427	1652	1846
Add: Depreciation & Amortization	1271	1362	1456	1551	1649
Changes in Working Capital Accounts					
Accounts Receivable, Net	-105	-102	-99	-94	-89
Other Receivables	-28	-14	-13	-13	-12
Raw Materials	-61	-79	-77	-73	-69
Current Regulatory Assets	-14	-15	-15	-16	-17
Other Current Assets	-24	-29	-28	-26	-25
Other Assets	23	-197	-191	-182	-172
Regulatory Assets	-57	-59	-62	-65	-68
Nuclear Decommissioning Fund	-51	-53	-56	-58	-61
Accounts and Wages Payable	88	143	139	132	125
Interest Accrued	20	17	17	16	15
Current Regulatory Liabilities	35	18	17	17	16
Other Current Liabilities	-34	50	48	46	44
Regulatory Liabilities	360	753	728	695	658
Other Deferred Credits & Liabilities	115	64	62	59	56
Deferred Income Taxes & Investment Tax Cred	15	17	20	24	26
Asset Retirement Obligations	60	99	96	91	87
<b>Net Cash Provided By Operating Activities</b>	<b>2665</b>	<b>3183</b>	<b>3471</b>	<b>3757</b>	<b>4010</b>
<b>Cash Flows From Investing Activities</b>					
Capital Expenditures	-3380	-3516	-3658	-3805	-3959
Redeemable Non-Controlling Interests	10	10	11	12	13
<b>Net Cash Provided By Investing Activities</b>	<b>-3380</b>	<b>-3516</b>	<b>-3658</b>	<b>-3805</b>	<b>-3959</b>
<b>Cash Flows From Financing Activities</b>					
Short-Term Debt	252	56	57	58	59
Current Portion of Long-Term Debt	0	135	210	-550	50
Long-Term Debt	1175	565	524	482	440
Payments of Dividends	-605	-957	-1062	-1230	-1375
Additional Paid-In Capital / Share Issuance	11	511	761	1011	1011
<b>Net Cash Provided By Financing Activities</b>	<b>833</b>	<b>310</b>	<b>491</b>	<b>-228</b>	<b>185</b>
<b>Net Increase (Decrease) In Cash</b>	<b>119</b>	<b>-23</b>	<b>304</b>	<b>-277</b>	<b>237</b>
<b>Beginning Of Year Cash Balance</b>	<b>24</b>	<b>143</b>	<b>120</b>	<b>424</b>	<b>147</b>
<b>End Of Year Cash Balance</b>	<b>143</b>	<b>120</b>	<b>424</b>	<b>147</b>	<b>384</b>

**Ameren Corporation**

*Historical Cash Flow Statement*

Figures in millions of USD

<b>Fiscal Years Ending Dec. 31</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
<b>Operating Activities</b>												
Net Income (Loss)	151	526	(974)	518	593	654	659	529	821	834	877	995
Adjustments:												
Depreciation & Amortization	783	747	735	666	710	777	835	876	938	1,002	1,085	1,219
Amortization of Nuclear Fuel	54	61	83	71	81	97	88	76	95	79	68	58
Amortization of Debt Issuance Costs & Premium/Discounts	23	21	24	24	22	22	22	22	20	19	22	23
Goodwill, Impairment, & Other Charges	589	125	2,578	-	-	-	-	-	-	-	-	-
Deferred Income Taxes & Investment Tax Credits	302	346	(714)	410	451	369	386	539	224	167	148	156
Allowance for Equity Funds Used During Construction	(52)	(34)	(36)	(37)	(34)	(30)	(27)	(24)	(36)	(28)	(32)	(43)
Stock-Based Compensation Costs	-	-	-	27	25	24	17	17	20	20	21	22
Receivables	(85)	231	33	(60)	31	83	(71)	(53)	(24)	79	(47)	(74)
Inventories	78	(27)	5	60	3	(14)	11	17	39	(10)	(25)	(71)
Accounts & Wages Payable	27	(36)	(29)	81	10	(2)	19	32	(22)	(3)	40	28
Taxes Accrued	9	(3)	3	(195)	(44)	(24)	13	55	(10)	(8)	34	1
Regulatory Assets & Liabilities	-	-	-	-	(281)	94	215	36	201	164	(254)	(439)
Assets, Other	(109)	76	(10)	2	30	53	(24)	20	2	(59)	(83)	(126)
Liabilities, Other	71	(75)	71	33	(28)	(56)	(10)	(7)	(117)	(33)	(111)	(74)
Pension & Other Postretirement Benefits	(5)	(102)	(23)	(28)	(10)	(9)	(16)	(21)	(25)	(39)	(38)	(33)
Other Adjustments to Reconcile Net Income	6	22	(56)	121	(8)	(21)	6	(10)	44	(14)	22	19
<b>Net Cash Provided By Operating Activities</b>	<b>1,842</b>	<b>1,878</b>	<b>1,690</b>	<b>1,693</b>	<b>1,551</b>	<b>2,017</b>	<b>2,123</b>	<b>2,104</b>	<b>2,170</b>	<b>2,170</b>	<b>1,727</b>	<b>1,661</b>
<b>Investing Activities</b>												
Capital Expenditures	(1,121)	(1,092)	(1,331)	(1,424)	(1,859)	(1,969)	(2,131)	(2,195)	(2,338)	(2,442)	(3,299)	(3,523)
Sale of Fixed Assets and Businesses	-	53	22	-	-	-	-	-	-	-	-	-
Purchase of Investments	(271)	(220)	(403)	(214)	(405)	(363)	(392)	(413)	(315)	(256)	(224)	(452)
Sale/Maturity of Investments	256	199	384	196	391	349	377	396	299	260	183	439
Other Funds	24	12	18	(281)	156	7	5	7	18	3	11	8
<b>Net Investing Cash Flow</b>	<b>(1,112)</b>	<b>(1,048)</b>	<b>(1,310)</b>	<b>(1,723)</b>	<b>(1,717)</b>	<b>(1,976)</b>	<b>(2,141)</b>	<b>(2,205)</b>	<b>(2,336)</b>	<b>(2,435)</b>	<b>(3,329)</b>	<b>(3,528)</b>
<b>Financing Activities</b>												
Cash Dividends Paid	(368)	(375)	(382)	(388)	(390)	(402)	(416)	(431)	(451)	(472)	(494)	(565)
Repurchase of Common Stock	(52)	-	-	-	-	-	-	-	-	-	-	(13)
Proceeds from Sale of Common Stock	65	65	(16)	(2)	(11)	(12)	(9)	(11)	60	68	476	308
Change in Current Debt	(121)	(581)	(148)	368	346	(413)	257	(74)	112	(157)	50	55
Issuance of Long-Term Debt	-	-	882	278	898	1,197	389	1,345	1,352	1,510	2,163	1,979
Reduction in Long-Term Debt	(310)	(155)	(760)	(399)	(697)	(120)	(395)	(681)	(841)	(580)	(442)	(8)
Other Funds	(21)	(74)	(2)	(6)	(5)	(4)	(91)	(46)	(27)	(35)	(26)	(35)
<b>Net Financing Cash Flow</b>	<b>(807)</b>	<b>(1,120)</b>	<b>(426)</b>	<b>(149)</b>	<b>141</b>	<b>246</b>	<b>(265)</b>	<b>102</b>	<b>205</b>	<b>334</b>	<b>1,727</b>	<b>1,721</b>
Net Change in Cash	(77)	(290)	(46)	(179)	(25)	287	(283)	1	39	69	125	(146)
End of Year Cash Balance		255	209	30	5	292	9	10	49	98	155	10

**Ameren Corporation**

Common Size Income Statement as % of Revenue

<b>Fiscal Years Ending Dec. 31</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022E</b>	<b>2023E</b>	<b>2024E</b>	<b>2025E</b>	<b>2026E</b>
<b>Operating Revenues:</b>								
Electric Revenues	84.28%	84.76%	82.84%	83.09%	83.06%	82.88%	82.61%	82.28%
Natural Gas Revenues	15.72%	15.24%	17.16%	16.91%	16.94%	17.12%	17.39%	17.72%
<b>Total Operating Revenues</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>
<b>Operating Expenses:</b>								
Fuel	-9.05%	-8.46%	-9.09%	-9.62%	-9.41%	-9.18%	-8.95%	-8.71%
Purchased Power	-9.41%	-8.85%	-9.48%	-9.73%	-9.73%	-9.71%	-9.68%	-9.64%
Gas Purchased For Sale	-5.60%	-4.69%	-6.91%	-7.61%	-7.62%	-7.70%	-7.83%	-7.97%
Other Operations and Maintenance	-29.53%	-28.67%	-27.74%	-27.26%	-27.26%	-27.26%	-27.26%	-27.26%
Impairment and Other Charges	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Depreciation and Amortization	-16.84%	-18.55%	-17.92%	-17.35%	-16.59%	-16.05%	-15.68%	-15.46%
Taxes Other Than Income Taxes	-8.14%	-8.34%	-8.01%	-7.48%	-7.48%	-7.48%	-7.48%	-7.48%
<b>Total Operating Expenses</b>	<b>-78.56%</b>	<b>-77.56%</b>	<b>-79.15%</b>	<b>-79.05%</b>	<b>-78.09%</b>	<b>-77.38%</b>	<b>-76.87%</b>	<b>-76.51%</b>
<b>Operating Income</b>	<b>21.44%</b>	<b>22.44%</b>	<b>20.85%</b>	<b>20.95%</b>	<b>21.91%</b>	<b>22.62%</b>	<b>23.13%</b>	<b>23.49%</b>
<b>Other Income (Expenses):</b>								
Allowance for Equity Funds Used During Construction	0.47%	0.55%	0.67%	0.91%	0.84%	0.79%	0.76%	0.73%
Interest Income on Industrial Development Revenue Bonds	0.42%	0.43%	0.39%	0.34%	0.30%	0.28%	0.25%	0.23%
Other Interest Income	0.14%	0.07%	0.03%	0.02%	0.08%	0.06%	0.20%	0.07%
Non-Service Cost Components of Net Periodic Benefit Income	1.52%	2.00%	2.13%	2.18%	2.28%	2.42%	2.60%	2.82%
Miscellaneous Income	0.10%	0.22%	0.34%	0.20%	0.20%	0.20%	0.20%	0.20%
Donations	-0.20%	-0.43%	-0.14%	-0.25%	-0.25%	-0.25%	-0.25%	-0.25%
Miscellaneous Expense	-0.25%	-0.24%	-0.27%	-0.24%	-0.24%	-0.24%	-0.24%	-0.24%
Interest Income (Expense)	-6.45%	-7.23%	-5.99%	-7.29%	-7.95%	-7.49%	-7.12%	-6.82%
<b>Total Other Income (Expense)</b>	<b>-4.25%</b>	<b>-4.63%</b>	<b>-2.83%</b>	<b>-4.14%</b>	<b>-4.73%</b>	<b>-4.23%</b>	<b>-3.60%</b>	<b>-3.25%</b>
<b>Earning Before Taxes</b>	<b>17.19%</b>	<b>17.81%</b>	<b>18.02%</b>	<b>16.82%</b>	<b>17.18%</b>	<b>18.39%</b>	<b>19.53%</b>	<b>20.24%</b>
Income Tax Benefit (Expense)	-3.08%	-2.68%	-2.46%	-2.44%	-2.49%	-2.67%	-2.83%	-2.93%
<b>Net Income (Loss)</b>	<b>14.11%</b>	<b>15.14%</b>	<b>15.56%</b>	<b>14.38%</b>	<b>14.69%</b>	<b>15.73%</b>	<b>16.70%</b>	<b>17.30%</b>
Net Income (Loss) from Discontinued Operations	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Net Income Attributable to Noncontrolling Interests	-0.10%	-0.10%	-0.08%	-0.13%	-0.13%	-0.12%	-0.12%	-0.12%
<b>Net Income / Loss Attributable to Ameren</b>	<b>14.01%</b>	<b>15.03%</b>	<b>15.48%</b>	<b>14.25%</b>	<b>14.57%</b>	<b>15.60%</b>	<b>16.58%</b>	<b>17.18%</b>



**Ameren Corporation**

Common Size Balance Sheet as % of Revenue

<b>Fiscal Years Ending Dec. 31</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022E</b>	<b>2023E</b>	<b>2024E</b>	<b>2025E</b>	<b>2026E</b>
<b>Assets</b>								
Current Assets:								
Cash and Cash Equivalents	0.51%	2.69%	0.38%	1.95%	1.46%	4.67%	1.49%	3.60%
Accounts Receivable, Net	11.35%	11.81%	11.50%	11.47%	11.47%	11.47%	11.47%	11.47%
Other Receivables	1.07%	1.12%	1.33%	1.55%	1.55%	1.55%	1.55%	1.55%
Raw Materials	8.36%	8.99%	9.26%	8.91%	8.91%	8.91%	8.91%	8.91%
Current Regulatory Assets	1.17%	1.88%	4.99%	4.55%	4.23%	4.00%	3.83%	3.71%
Other Current Assets	1.76%	2.04%	3.33%	3.23%	3.23%	3.23%	3.23%	3.23%
<b>Total Current Assets</b>	<b>24.21%</b>	<b>28.53%</b>	<b>30.78%</b>	<b>31.65%</b>	<b>30.85%</b>	<b>33.83%</b>	<b>30.48%</b>	<b>32.46%</b>
Property, Plant, and Equipment, Net	413.06%	462.67%	457.63%	428.27%	408.20%	393.80%	383.93%	377.63%
Nuclear Decommissioning Fund	14.33%	16.95%	18.13%	16.52%	15.38%	14.54%	13.92%	13.48%
Goodwill	6.95%	7.09%	6.43%	5.61%	5.00%	4.53%	4.15%	3.85%
Regulatory Assets	16.79%	18.99%	20.16%	18.37%	17.11%	16.17%	15.49%	14.99%
Other Assets	14.21%	18.59%	25.76%	22.17%	22.17%	22.17%	22.17%	22.17%
<b>Total Assets</b>	<b>489.56%</b>	<b>552.81%</b>	<b>558.88%</b>	<b>522.60%</b>	<b>498.71%</b>	<b>485.04%</b>	<b>470.15%</b>	<b>464.59%</b>
<b>Liabilities</b>								
Current Liabilities:								
Current Maturities of Long-Term Debt	7.48%	0.14%	7.90%	6.89%	7.79%	9.37%	3.03%	3.28%
Short-Term Debt	7.45%	8.46%	8.52%	10.88%	10.39%	10.04%	9.79%	9.63%
Accounts and Wages Payable	14.79%	16.53%	17.13%	16.15%	16.15%	16.15%	16.15%	16.15%
Interest Accrued	0.00%	1.97%	1.92%	1.95%	1.95%	1.95%	1.95%	1.95%
Current Regulatory Liabilities	2.77%	2.09%	1.77%	2.01%	2.01%	2.01%	2.01%	2.01%
Derivative Liabilities	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Other Current Liabilities	9.90%	8.44%	6.96%	5.61%	5.61%	5.61%	5.61%	5.61%
<b>Total Current Liabilities</b>	<b>42.39%</b>	<b>37.63%</b>	<b>44.20%</b>	<b>43.49%</b>	<b>43.90%</b>	<b>45.12%</b>	<b>38.54%</b>	<b>38.63%</b>
Long-Term Debt, Net	150.85%	191.20%	196.47%	187.54%	174.14%	163.42%	154.75%	147.61%
Regulatory Liabilities	82.69%	91.16%	91.46%	84.76%	84.76%	84.76%	84.76%	84.76%
Deferred Income Taxes & Investment Tax Credits	49.39%	55.42%	54.72%	47.97%	43.00%	39.15%	36.14%	33.76%
Asset Retirement Obligations	10.80%	12.01%	11.84%	11.15%	11.15%	11.15%	11.15%	11.15%
Pension & Other Postretirement Benefits	6.79%	0.64%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Other Deferred Credits & Liabilities	7.90%	8.04%	6.47%	7.23%	7.23%	7.23%	7.23%	7.23%
Redeemable Noncontrolling Interests	2.40%	2.45%	2.02%	1.89%	1.81%	1.76%	1.74%	1.73%
<b>Total Liabilities</b>	<b>353.20%</b>	<b>398.55%</b>	<b>407.18%</b>	<b>384.03%</b>	<b>365.99%</b>	<b>352.59%</b>	<b>334.31%</b>	<b>324.86%</b>
Common Stock and APIC	96.38%	106.70%	101.74%	88.96%	85.57%	85.86%	88.97%	91.97%
Retained Earnings	40.27%	47.58%	49.77%	49.43%	47.00%	46.44%	46.74%	47.63%
Accumulated Other Comprehensive Income (Loss)	-0.29%	-0.02%	0.20%	0.18%	0.16%	0.14%	0.13%	0.12%
<b>Total Equity</b>	<b>136.36%</b>	<b>154.26%</b>	<b>151.70%</b>	<b>138.57%</b>	<b>132.73%</b>	<b>132.45%</b>	<b>135.84%</b>	<b>139.72%</b>
<b>Total Liabilities And Equity</b>	<b>489.56%</b>	<b>552.81%</b>	<b>558.88%</b>	<b>522.60%</b>	<b>498.71%</b>	<b>485.04%</b>	<b>470.15%</b>	<b>464.59%</b>

**Ameren Corporation***Discounted Cash Flow (DCF) and Economic Profit (EP) Valuation Models*

## Key Inputs:

CV Growth of NOPLAT	1.89%
CV Year ROIC	7%
WACC	5.33%
Cost of Equity	6.25%

<b>Fiscal Years Ending Dec. 31</b>	<b>2022E</b>	<b>2023E</b>	<b>2024E</b>	<b>2025E</b>	<b>2026E</b>
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**DCF Model:**

Free Cash Flow (FCF)	(457)	(3)	140	255	347
Continuing Value (CV)					45,983
PV of FCF	(434)	(3)	119	207	37,353

Value of Operating Assets: 37,243

## Non-Operating Adjustments

Add: Excess Cash	132
Less: Short term Debt	(797)
Less: Long-Term Debt	(14,242)
Less: ESOP	(16)
Less: NCI	(139)

Value of Equity 22,181

Shares Outstanding 256

Intrinsic Value of Last FYE 86.50

**Implied Price as of Today 89.38****EP Model:**

Economic Profit (EP)	6	82	213	324	415
Continuing Value (CV)					12,050
PV of EP	6	74	182	264	9,788

Total PV of EP 10,314

Invested Capital (last FYE) 26,928

Value of Operating Assets: 37,243

## Non-Operating Adjustments

Add: Excess Cash	132
Less: Short term Debt	(797)
Less: Long-Term Debt	(14,242)
Less: ESOP	(16)
Less: NCI	(139)

Value of Equity 22,181

Shares Outstanding 256

Intrinsic Value of Last FYE 86.50

**Implied Price as of Today 89.38**

## Ameren Corporation

Dividend Discount Model (DDM) or Fundamental P/E Valuation Model

<b>Fiscal Years Ending Dec. 31</b>	<b>2022E</b>	<b>2023E</b>	<b>2024E</b>	<b>2025E</b>	<b>2026E</b>
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EPS	\$ 4.07	\$ 4.56	\$ 5.22	\$ 5.82	\$ 6.26
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### Key Assumptions

CV growth of EPS	1.75%
CV Year ROE	13.64%
Cost of Equity	6.25%

### Future Cash Flows

P/E Multiple (CV Year)					13.93
EPS (CV Year)					\$ 6.26
Future Stock Price					
Dividends Per Share	\$ 2.36	\$ 3.65	\$ 3.92	\$ 4.36	\$ 87.27
Discounted Cash Flows	\$ 2.24	\$ 3.29	\$ 3.35	\$ 3.54	\$ 70.89

Intrinsic Value as of Last FYE \$ 83.31

**Implied Price as of Today** **\$ 86.08**

## Ameren Corporation

### Relative Valuation Models

Ticker	Company	Price	EPS 2022E	EPS 2023E	EPS 2024E	P/E 22E	P/E 23E	P/E 24E
ETR	Entergy	\$109.53	\$6.38	\$6.75	\$7.21	17.17	16.23	15.19
AEP	American Electric Power	\$89.22	\$5.02	\$5.29	\$5.63	17.77	16.87	15.85
PEG	Public Service Enterprise	\$57.11	\$3.47	\$3.55	\$3.91	16.46	16.09	14.61
LNT	Alliant Energy Corp	\$53.65	\$2.79	\$2.90	\$3.08	19.23	18.50	17.42
Average						<b>17.66</b>	<b>16.92</b>	<b>15.77</b>
AEE	Ameren Corporation	\$81.57	4.07	4.56	5.22	20.0	15.6	17.9

#### Implied Relative Value:

P/E (EPS22)	\$ 71.85
P/E (EPS23)	\$ 77.13
P/E (EPS23)	\$ 82.33

## Ameren Corporation

### Weighted Average Cost of Capital (WACC) Estimation

#### Cost of Equity:

Risk-Free Rate	4.10%
Beta	0.43
Equity Risk Premium	5.00%
<b>Cost of Equity</b>	<b>6.25%</b>

#### ASSUMPTIONS:

U.S. 10-Year Treasury Constant Maturity Rate

5-Year Monthly

Henry Fund Estimate

#### Cost of Debt:

Risk-Free Rate	4.10%
Implied Default Premium	0.65%
Pre-Tax Cost of Debt	4.75%
Marginal Tax Rate	15%
<b>After-Tax Cost of Debt</b>	<b>4.06%</b>

Yield on various corporate bonds

#### Market Value of Common Equity:

Total Shares Outstanding	256.3
Current Stock Price	\$81.57
<b>MV of Equity</b>	<b>20,906.39</b>

#### MV Weights

58.16%

#### Market Value of Debt:

Short Term Debt	797
Current Portion of LTD	505
Long-Term Debt	13737
<b>MV of Total Debt</b>	<b>15,039.03</b>

41.84%

#### Market Value of the Firm

35,945.43

100.00%

Estimated WACC

5.33%



**Ameren Corporation**  
Sensitivity Tables

DCF		Beta						
89.38		0.37	0.39	0.41	0.43	0.45	0.47	0.49
Risk-Free Rate	3.80%	108.09	104.69	101.41	98.24	95.19	92.23	89.38
	3.90%	104.69	101.41	98.24	95.18	92.23	89.38	86.62
	4.00%	101.41	98.24	95.18	92.23	89.38	86.62	83.94
	4.10%	98.24	95.18	92.23	89.38	86.62	83.94	81.36
	4.20%	95.18	92.23	89.38	86.62	83.94	81.36	78.85
	4.30%	92.23	89.38	86.62	83.94	81.36	78.85	76.42
	4.40%	89.38	86.61	83.94	81.36	78.85	76.42	74.06

DCF		Pre-Tax Cost of Debt						
89.38		4.38%	4.50%	4.63%	4.75%	4.88%	5.00%	5.13%
CV ROIC	5.80%	88.18	85.87	83.61	81.42	79.28	77.19	75.15
	6.05%	91.16	88.80	86.50	84.27	82.08	79.96	77.88
	6.30%	93.90	91.50	89.17	86.89	84.67	82.50	80.39
	6.55%	96.44	94.00	91.62	89.31	87.05	84.85	82.71
	6.80%	98.78	96.31	93.90	91.55	89.26	87.03	84.85
	7.05%	100.96	98.46	96.01	93.64	91.32	89.06	86.85
	7.30%	102.99	100.46	97.99	95.58	93.23	90.94	88.71

DCF		WACC						
89.38		4.62%	4.87%	5.12%	5.37%	5.62%	5.87%	6.12%
CV Growth of NOPLAT	1.14%	116.56	103.07	91.29	80.92	71.72	63.51	56.13
	1.39%	121.48	106.74	94.00	82.87	73.08	64.39	56.63
	1.64%	127.22	110.98	97.10	85.09	74.61	65.37	57.19
	1.89%	134.01	115.94	100.68	87.63	76.34	66.49	57.81
	2.14%	142.18	121.80	104.86	90.56	78.32	67.75	58.51
	2.39%	152.17	128.84	109.81	93.98	80.62	69.19	59.30
	2.64%	164.69	137.47	115.75	98.02	83.29	70.85	60.21

DCF		CapEx Growth						
89.38		7.03%	6.03%	5.03%	4.03%	3.93%	2.93%	1.93%
Operations and Maint	-24.26%	85.23	87.14	89.03	90.89	91.07	92.90	94.71
	-25.26%	84.73	86.64	88.52	90.38	90.57	92.40	94.21
	-26.26%	84.23	86.14	88.02	89.88	90.06	91.90	93.71
	-27.26%	83.72	85.63	87.52	89.38	89.56	91.39	93.20
	-28.26%	83.22	85.13	87.01	88.87	89.06	90.89	92.70
	-29.26%	82.72	84.63	86.51	88.37	88.55	90.39	92.20
	-30.26%	82.22	84.12	86.01	87.87	88.05	89.88	91.69

DCF		Equity Risk Premium						
89.38		4.40%	4.65%	4.90%	5.15%	5.40%	5.65%	5.90%
Normal Cash %	0.00%	97.03	93.80	90.68	87.67	84.77	81.97	79.26
	0.05%	97.00	93.77	90.65	87.64	84.74	81.94	79.23
	0.10%	96.97	93.74	90.62	87.61	84.71	81.91	79.20
	0.15%	96.94	93.71	90.59	87.58	84.68	81.88	79.17
	0.20%	96.91	93.68	90.56	87.55	84.65	81.85	79.14
	0.25%	96.88	93.65	90.53	87.53	84.62	81.82	79.11
	0.30%	96.85	93.62	90.50	87.50	84.59	81.79	79.08

**Ameren Corporation**  
Key Management Ratios

<b>Fiscal Years Ending Dec. 31</b>		<b>2019</b>	<b>2020</b>	<b>2021E</b>	<b>2022E</b>	<b>2023E</b>	<b>2024E</b>	<b>2025E</b>	<b>2026E</b>
<b>Liquidity Ratios:</b>									
Current Ratio	Current Assets / Current Liabilities	0.57	0.76	0.70	0.73	0.70	0.75	0.79	0.84
Quick Ratio	(Current Assets - Raw Materials Inventory) / Current Liabilities	0.37	0.52	0.49	0.52	0.50	0.55	0.56	0.61
Cash ratio	Cash / Current Liabilities	0.01	0.07	0.01	0.04	0.03	0.10	0.04	0.09
<b>Asset-Management Ratios:</b>									
Total Asset Turnover	Sales / Total Assets	0.20	0.18	0.18	0.19	0.20	0.21	0.21	0.22
Net Working Capital Turnover	Sales / (Current Assets - Current Liabilities)	-5.50	-10.99	-7.45	-8.44	-7.66	-8.85	-12.40	-16.22
Fuel Turnover	COGS / Average Fuel Inventory	2.91	2.51	2.93	3.17	3.18	3.13	3.10	3.07
<b>Financial Leverage Ratios:</b>									
Debt Ratio	Total Liabilities / Total Assets	0.72	0.72	0.73	0.73	0.73	0.73	0.71	0.70
Equity Ratio	Total Equity / Total Assets	0.28	0.28	0.27	0.27	0.27	0.27	0.29	0.30
Debt to Equity Ratio	Debt / Equity	1.27	1.35	1.46	1.52	1.49	1.43	1.28	1.20
<b>Profitability Ratios:</b>									
Return on Equity	NI / Beg TSE	10.85%	10.81%	11.08%	10.76%	11.79%	12.99%	13.65%	13.64%
Return on Assets	NI / Beg Total Assets	3.04%	3.01%	3.09%	2.92%	3.13%	3.46%	3.73%	3.94%
Net Margin	NI / Revenue	14.01%	15.03%	15.48%	14.25%	14.57%	15.60%	16.58%	17.18%
Operating Margin	Operating Income / Revenue	21.44%	22.44%	20.85%	20.95%	21.91%	22.62%	23.13%	23.49%
<b>Payout Policy Ratios:</b>									
Dividend Payout Ratio (Dividend/EPS)	Dividends Per Share / EPS	56.36%	56.15%	56.96%	57.99%	80.00%	75.00%	75.00%	75.00%

**Ameren Corporation***Effects of ESOP Exercise and Share Repurchases on Common Stock Account and Number of Shares Outstanding*

Number of Options Outstanding (shares):	0.72
Average Time to Maturity (years):	5.00
Expected Annual Number of Options Exercised:	0.14

Current Average Strike Price:	\$ 79.54
Cost of Equity:	6.25%
Current Stock Price:	\$81.57

<b><i>Fiscal Years Ending Dec. 31</i></b>	<b>2022E</b>	<b>2023E</b>	<b>2024E</b>	<b>2025E</b>	<b>2026E</b>
Increase in Shares Outstanding:	0.14	0.14	0.14	0.14	0.14
Average Strike Price:	79.54	79.54	79.54	79.54	79.54
<b>Increase in Common Stock Account:</b>	<b>11</b>	<b>11</b>	<b>11</b>	<b>11</b>	<b>11</b>
Share Issuance Proceeds (\$)		500	750	1,000	1,000
Expected Price of Repurchased Shares:	\$81.57	\$ 84.97	\$ 88.51	\$ 92.19	\$ 96.04
<b>Number of Shares Issued:</b>	<b>-</b>	<b>6</b>	<b>8</b>	<b>11</b>	<b>10</b>
Shares Outstanding (beginning of the year)	256	256	262	271	282
Plus: Shares Issued Through ESOP	0.14	0.14	0.14	0.14	0.14
Plus: Shares Repurchased in Treasury	-	6	8	11	10
<b>Shares Outstanding (end of the year)</b>	<b>256</b>	<b>262</b>	<b>271</b>	<b>282</b>	<b>293</b>

**Ameren Corporation***Valuation of Options Granted under ESOP*

Shares in millions

Current Stock Price \$81.57

Risk Free Rate 4.10%

Current Dividend Yield 2.08%

Annualized St. Dev. of Stock Returns 28.00%

Range of Outstanding Options	Number of Shares	Average Exercise Price	Average Remaining Life (yrs)	B-S Option Price	Value of Options Granted
Range 1	428,786	81.81	5.00	\$ 20.85	\$ 8,939,946
Range 2	43,104	77.54	5.00	\$ 22.43	\$ 966,842
Range 3	248,185	75.97	5.00	\$ 23.04	\$ 5,718,671
Total	720,075	\$ 79.54	5.00	\$ 27.30	<b>\$ 15,625,460</b>