



# CAPTRUST

August 4, 2022

Company	Ticker	Sector	Industry
FirstEnergy Corp.	FE-US	Utilities	Electric Utilities

## Business Description

FirstEnergy Corp. engages in the generation, transmission, and distribution of electricity as well as energy management and other energy-related services through its subsidiaries. It operates through the following business segments: Regulated Distribution, Regulated Transmission, and Corporate. The Regulated Distribution segment distributes electricity through FirstEnergy's utility operating companies, serving various customers. The Regulated Transmission segment transmits electricity through transmission facilities owned and operated by FirstEnergy's utilities. The Corporate segment reflects corporate support not charged to FE's subsidiaries, interest expense on FE's holding company debt and other businesses that do not constitute an operating segment. The company was founded in 1996 and is headquartered in Akron, OH.

## Price Chart

## Key Info & Metrics



<b>Empirical Research Rank:</b>	<b>5</b>
<b>Date Purchased:</b>	<b>06/16/2021</b>
<b>Price:</b>	<b>\$39.40</b>
<b>52-Week Range:</b>	<b>\$35.62 - \$48.46</b>
<b>Dividend Yield:</b>	<b>3.96%</b>
<b>Market Cap (\$M):</b>	<b>\$22,513</b>
<b>Forward Price-to-Earnings:</b>	<b>16</b>

## Total Return

<b>Year-to-Date:</b>	<b>-3.5%</b>
<b>1 Year:</b>	<b>6.3%</b>
<b>3 Year:</b>	<b>0.6%</b>
<b>5 Year:</b>	<b>49.0%</b>

## Investment Case - Updated: April 12, 2022

FirstEnergy is recovering from a scandal that left its shares at a significant discount to peers. In mid-2020 it faced bribery accusations in connection with a nuclear subsidiary in Ohio. This followed the bankruptcy of its mostly coal and nuclear power generation subsidiary, FirstEnergy Solutions (FES). These events compromised relationships with regulators in the state, but the company hopes to turn the page with a new CEO and a refocusing on its core business. In 2021, activist investor Carl Icahn was appointed two board seats and is pushing for asset divestitures to strengthen the balance sheet. In November 2021, FirstEnergy announced a transformative capital raise with Blackstone Infrastructure Partners (\$1 billion) and Brookfield Super-Core Infrastructure Partners (sale of 19.9% of FirstEnergy Transmission, LLC for \$2.4 billion) which should position the company to achieve its new long-term EPS target of 6-8%.

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