



Company	Ticker	Sector	Industry
Pinnacle West Capital Corporation	PNW-US	Utilities	Electric Utilities

Business Description

Pinnacle West Capital Corp. is a holding company, which engages in providing energy and energy-related products. It offers regulated retail and wholesale electricity businesses and related activities, such as electricity generation, transmission and distribution through its subsidiary, Arizona Public Service Co. The company was founded on February 20, 1985, and is headquartered in Phoenix, AZ.

Price Chart

Key Info & Metrics



Empirical Research Rank:	5
Date Purchased:	10/12/2022
Price:	\$74.97
52-Week Range:	\$59.76 - \$80.49
Dividend Yield:	4.58%
Market Cap (\$M):	\$8,482
Forward Price-to-Earnings:	18
Total Return	
Year-to-Date:	-0.3%
1 Year:	11.3%
3 Year:	-12.6%
5 Year:	21.8%

Investment Case - Updated: January 20, 2023

Pinnacle West Capital Corp generates nearly all its revenue and earnings from its wholly owned subsidiary Arizona Public Service Company. Arizona Public Services Company serves approximately 1.3 million retail customers in 11 of 15 of Arizona's counties and should benefit from the economic dynamism of Arizona broadly and Phoenix in particular. Recent examples of this economic dynamism include Taiwan Semiconductor breaking ground on a new \$12 billion fab and data centers alone are expected to create demand for 640 MW of capacity by 2035.

Pinnacle has developed a clean energy commitment with a goal of providing 100% clean, carbon-free electricity by 2050 which we think will improve equity demand from ESG investors. Recently, the company suffered an adverse rate case and street earnings estimates now reflect the negative outcome. The company recently filed its new rate case incorporating input from regulators and we expect the outcome to be more favorable than the case it is currently operating under.

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