

A photograph of a modern building facade. On the left, a vertical sign features the word "FORTIS" in large, illuminated letters. The building has a grid-patterned facade with orange and grey panels. A blue diagonal bar is positioned in the top right corner.

Stock Valuation

Fortis Inc.

TSE: FTS

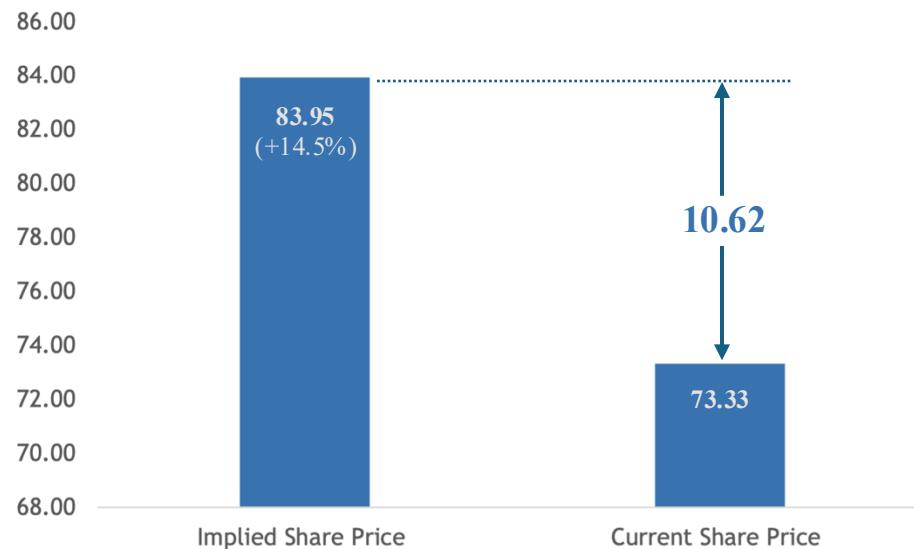
Recommendation: Buy
November 26, 2025
*All data are as of November 16, 2025

Group 88 (Whiterock)

Marcus Pan | Sam Sui | Catherine Zhu | Owen Luik | Daniel Kurtz

Recommendation

Current vs DCF Implied Price



BUY

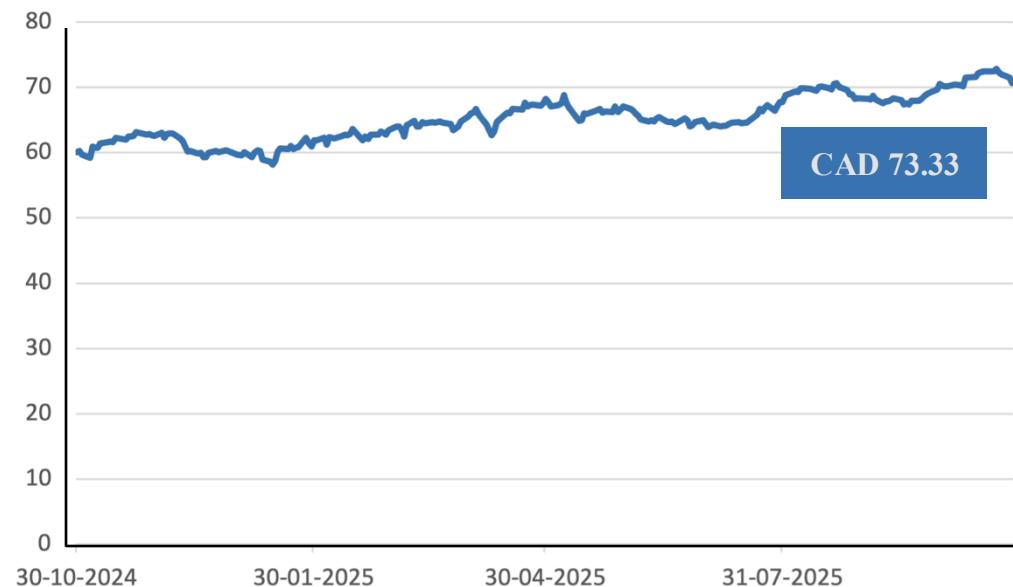
DCF suggests Fortis is undervalued by 14.5%



Company Overview



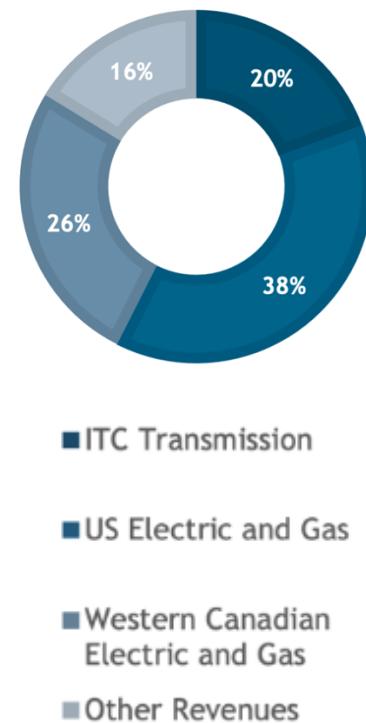
52 Week performance



Market Cap: \$36.7B
Enterprise Value: \$74.3B

- *North American regulated electric and gas utilities company operating in Canada, the U.S., and the Caribbean*
- *Highly stable and predictable regulated rate base returns*
- *Largest revenue comes from U.S. operations (38% of total revenues)*

Revenue Breakdown



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Industry Overview

FORTIS^{INC.}



**Highly
Regulated**



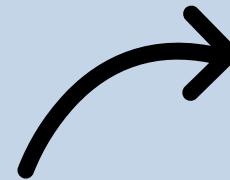
Non-Cyclical



**Stable
Cash Flows**



Low-Risk



Limited Upside

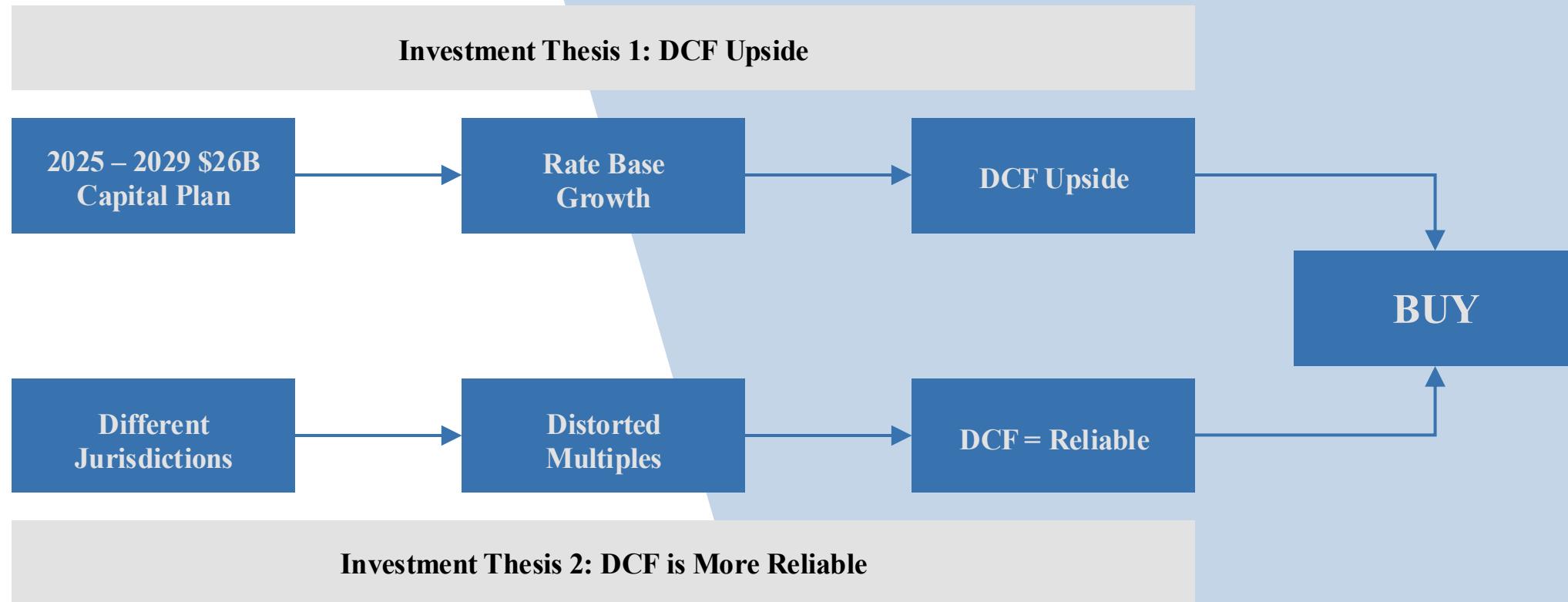
*FYI: American utilities typically earn higher
ROE than Canadian utilities*



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Investment Thesis

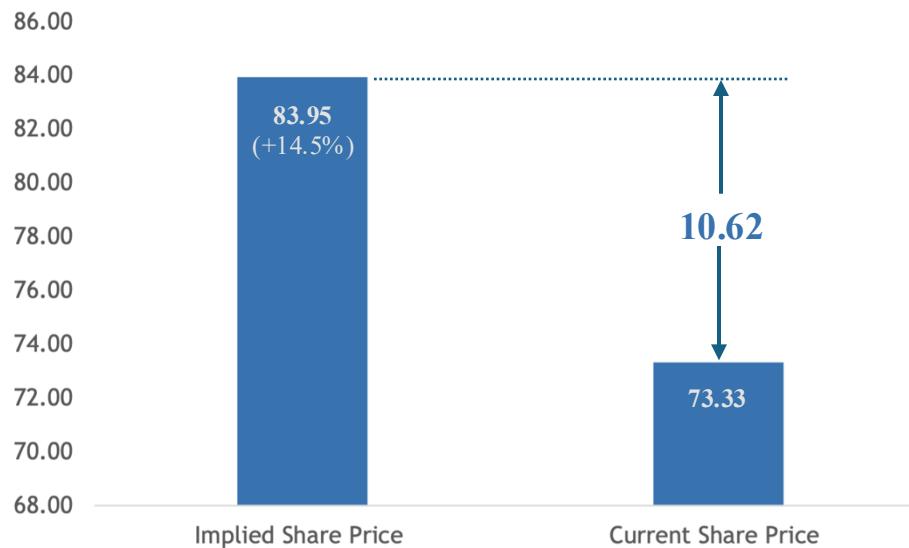
FORTIS^{INC.}



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Key DCF Inputs

Current vs DCF Implied Price



Inputs	Value
Revenue CAGR	6 to 7 %
Cost of Equity	5.48%
Beta	0.41
Market Risk Premium (CA+ US)	4.30%
Terminal Growth Rate	1.80%
Exit Multiple (EV/EBITDA)	13.63x
Target Debt/EBITDA	5.6x



Comparables Analysis

FORTIS_{INC.}



Median
EV/EBITDA
13.63x

*Median reduces the impact
of valuation outliers*



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Sensitivity Analysis



Terminal Growth Rate	Cost of Equity			
	4.98%	5.48%	5.98%	
	1.30%	\$85.45	\$79.61	\$74.80
	1.80%	\$91.14	\$83.95	\$78.22
	2.30%	\$98.83	\$89.54	\$82.48

Valuation remains stable across different scenarios confirming the robustness of this BUY recommendation



Risks



Interest Rate Risk

High interest rates raise financing costs



Regulatory Risk

Changes in ROE or rate base regulations could affect earnings



Foreign Exchange Risk

USD/CAD fluctuations could affect reported earnings from the U.S.



Conclusion

FORTIS^{INC.}

BUY

*DCF Valuation indicates a
14.5% upside*



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Whiterock Inc

Thanks for
your time

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