YORK WATER NDQ-YORW

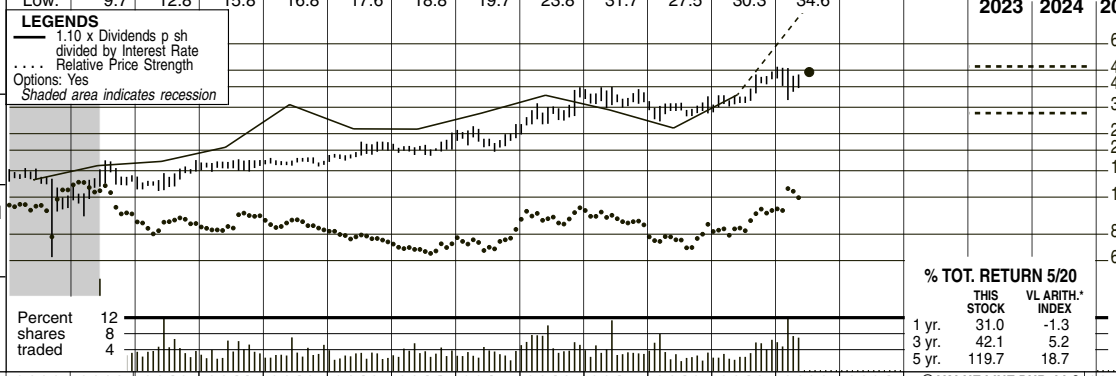
RECENT PRICE	P/E RATIO		RELATIVE P/E RATIO	DIV'D YLD	
47.02	37.6	(Trailing: 39.2 Median: 26.0)	1.83	1.5%	VALUE LINE

TIMELINESS 2 Raised 5/29/20
SAFETY 3 Lowered 7/17/15
TECHNICAL 2 Lowered 5/29/20
BETA .80 (1.00 = Market)

High:	18.0	18.0	18.1	18.5	22.0	24.3	26.7	39.8	39.9	36.1	47.3	49.8
Low:	9.7	12.8	15.8	16.8	17.6	18.8	19.7	23.8	31.7	27.5	30.3	34.6

Target Price Range
2023 | 2024 | 2025

LEGENDS
— 1.10 x Dividends p sh divided by Interest Rate
.... Relative Price Strength
Options: Yes
Shaded area indicates recession



18-Month Target Price Range

Low-High	Midpoint (% to Mid)
$36-$76	$56 (20%)

2023-25 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	50	(+5%)	3%
Low	30	(-35%)	-8%

Institutional Decisions

	3Q2019	4Q2019	1Q2020
to Buy	55	52	61
to Sell	30	39	52
Hld's(000)	5111	5387	5387

Percent shares traded 12 8 4

% TOT. RETURN 5/20

	THIS STOCK	VL ARITH.* INDEX
1 yr.	31.0	-1.3
3 yr.	42.1	5.2
5 yr.	119.7	18.7

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	© VALUE LINE PUB. LLC	23-25
2.18	2.58	2.56	2.79	2.89	2.95	3.07	3.18	3.21	3.27	3.58	3.68	3.70	3.77	3.74	3.96	*4.10*	*4.20*	Revenues per sh	*5.10*
.65	.79	.77	.86	.88	.95	1.07	1.09	1.12	1.19	1.36	1.45	1.42	1.53	1.58	1.70	*1.85*	*1.85*	"Cash Flow" per sh	*2.40*
.49	.56	.58	.57	.57	.64	.71	.71	.72	.75	.89	.97	.92	1.01	1.04	1.11	*1.25*	*1.25*	Earnings per sh A	*1.60*
.39	.42	.45	.48	.49	.51	.52	.53	.54	.55	.57	.60	.63	.65	.67	.70	*.73*	*.78*	Div'd Decl'd per sh B	*.95*
2.50	1.69	1.85	1.69	2.17	1.18	.83	.74	.94	.76	1.10	1.11	1.03	1.95	1.95	.16	*.85*	*1.35*	Cap'l Spending per sh	*1.85*
4.65	4.85	5.84	5.97	6.14	6.92	7.19	7.45	7.73	7.98	8.15	8.51	8.88	9.28	9.75	10.31	*11.15*	*11.60*	Book Value per sh	*12.50*
10.33	10.40	11.20	11.27	11.37	12.56	12.69	12.79	12.92	12.98	12.83	12.81	12.85	12.87	12.94	13.02	*13.00*	*12.95*	Common Shs Outst'g C	*12.80*
25.7	26.3	31.2	30.3	24.6	21.9	20.7	23.9	24.4	26.3	23.1	23.5	32.8	34.6	30.3	33.8	*Bold figures are*		Avg Ann'l P/E Ratio	*25.0*
1.36	1.40	1.68	1.61	1.48	1.46	1.32	1.50	1.55	1.48	1.22	1.18	1.72	1.74	1.64	1.83	*Value Line*		Relative P/E Ratio	*1.40*
3.1%	2.9%	2.5%	2.8%	3.5%	3.6%	3.5%	3.1%	3.1%	2.8%	2.8%	2.6%	2.1%	1.9%	2.1%	1.9%	*estimates*		Avg Ann'l Div'd Yield	*2.4%*

CAPITAL STRUCTURE as of 3/31/20
Total Debt $101.4 mill. **Due in 5 Yrs** $42.5 mill.
LT Debt $94.9 mill. **LT Interest** $5.5 mill.

(41% of Cap'l)

Pension Assets12/19 $49.3 mill.
Oblig. $47.3 mill.

Pfd Stock None

Common Stock 13,024,187 shs.

MARKET CAP: $600 million (Small Cap)

2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021		23-25
39.0	40.6	41.4	42.4	45.9	47.1	47.6	48.6	48.4	51.6	*53.0*	*54.5*	Revenues ($mill)	*65.0*
8.9	9.1	9.3	9.7	11.5	12.5	11.8	13.0	13.4	14.4	*16.5*	*16.5*	Net Profit ($mill)	*20.5*
38.5%	35.3%	37.6%	37.6%	29.8%	27.5%	31.3%	25.9%	15.7%	13.5%	*21.0%*	*21.0%*	Income Tax Rate	*21.0%*
1.2%	1.1%	1.1%	.8%	1.8%	1.6%	1.9%	6.7%	1.7%	2.5%	*1.5%*	*1.5%*	AFUDC % to Net Profit	*1.5%*
48.3%	47.1%	46.0%	45.1%	44.8%	44.4%	42.6%	43.0%	42.5%	41.3%	*38.5%*	*37.5%*	Long-Term Debt Ratio	*36.0%*
51.7%	52.9%	54.0%	54.9%	55.2%	55.6%	57.4%	57.0%	57.5%	58.7%	*61.5%*	*62.5%*	Common Equity Ratio	*64.0%*
176.4	180.2	184.8	188.4	189.4	196.3	198.7	209.5	219.5	228.7	*235*	*240*	Total Capital ($mill)	*250*
228.4	233.0	240.3	244.2	253.2	261.4	270.9	288.8	299.2	313.2	*315*	*320*	Net Plant ($mill)	*335*
6.5%	6.4%	6.4%	6.5%	7.4%	7.6%	7.2%	7.5%	7.3%	7.4%	*8.0%*	*8.0%*	Return on Total Cap'l	*9.0%*
9.8%	9.5%	9.3%	9.3%	11.0%	11.5%	10.4%	10.9%	10.6%	10.7%	*11.0%*	*11.0%*	Return on Shr. Equity	*13.0%*
9.8%	9.5%	9.3%	9.3%	11.0%	11.5%	10.4%	10.9%	10.6%	10.7%	*11.0%*	*11.0%*	Return on Com Equity	*13.0%*
2.7%	2.5%	2.4%	2.4%	3.9%	4.4%	3.4%	4.0%	3.8%	4.0%	*4.5%*	*4.0%*	Retained to Com Eq	*5.0%*
72%	73%	74%	74%	64%	62%	67%	63%	64%	62%	*58%*	*62%*	All Div'ds to Net Prof	*59%*

CURRENT POSITION ($MILL.)	2018	2019	3/31/20
Cash Assets	- -	- -	- -
Accounts Receivable	4.8	4.4	4.9
Inventory (Avg. Cost)	.9	1.0	1.1
Other	3.3	4.0	3.9
Current Assets	9.0	9.4	9.9
Accts Payable	3.0	3.4	3.9
Debt Due	1.0	6.5	6.5
Other	6.8	5.3	5.3
Current Liab.	10.8	15.2	15.7

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '17-'19 to '23-'25
Revenues	3.0%	2.5%	*5.0%*
"Cash Flow"	6.0%	5.5%	*7.0%*
Earnings	6.0%	6.0%	*7.0%*
Dividends	3.0%	4.0%	*6.0%*
Book Value	4.5%	4.0%	*4.0%*

Cal-endar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun. 30	Sep. 30	Dec. 31	Full Year
2017	11.3	12.3	12.7	12.3	48.6
2018	11.6	12.0	12.7	12.1	48.4
2019	11.8	13.0	13.7	13.1	51.6
2020	12.9	*13.0*	*14.0*	*13.1*	*53.0*
2021	*13.0*	*13.5*	*14.5*	*13.5*	*54.5*

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun. 30	Sep. 30	Dec. 31	Full Year
2017	.20	.23	.31	.27	1.01
2018	.20	.26	.29	.29	1.04
2019	.22	.28	.35	.26	1.11
2020	.31	*.29*	*.35*	*.30*	*1.25*
2021	*.25*	*.32*	*.36*	*.32*	*1.25*

Cal-endar	QUARTERLY DIVIDENDS PAID B Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2016	.1555	.1555	.1555	.1602	.627
2017	.1602	.1602	.1602	.1666	.647
2018	.1666	.1666	.1666	.1733	.673
2019	.1733	.1733	.1733	.1802	.70
2020	.1802	.1802			

BUSINESS: The York Water Company is the oldest investor-owned regulated water utility in the United States. It has operated continuously since 1816. As of December 31, 2019, the company's average daily availability was 35.4 million gallons and its service territory had an estimated population of 201,000. Has more than 71,400 customers. Residential customers accounted for 65% of 2019 revenues; commercial and industrial (28%); other (7%). It also provides sewer billing services. Incorporated: PA. York had 106 full-time employees at 12/31/19. President/Chief Executive Officer: J.T. Hand. Officers/directors own 1.2% of the common stock (3/20 proxy). Address: 130 East Market Street, York, Pennsylvania 17401. Telephone: (717) 845-3601. Internet: www.yorkwater.com.

York Water Company posted better-than-expected first-quarter financial results. The Pennsylvania-based regulated water utility generated revenues of $12.9 million (+9% year over year) in the March period, driven largely by a combination of an expanding customer base and increased water rates, despite slimmer contributions from add-on fees related to qualifying infrastructure upgrades. Meanwhile, earnings of $0.31 a share (partly boosted by a nonrecurring life insurance gain) rose roughly 40% from the previous-year tally, handily topping our call.

All told, we have made some adjustments to our estimates. The COVID-19 pandemic is still very much a domestic concern but, in our view, York is well positioned to navigate the uncertain environment. While some local municipalities have begun to lift stay-at-home orders, we think residential water consumption is likely to remain strong, underpinned by more-frequent hand washing, appliance usage, and, to a certain extent, a surge in home pool installations. Thus, we are adding $0.5 million to our 2020 and 2021 revenue forecasts, to $53.0 million and $54.5 million, respectively. Too, share profits are now expected to clock in at $1.25 for this year and next.

It is business as usual on the capital spending and acquisition front. Management recently announced that it has brought the Felton Borough wastewater collection and treatment system (+130 customers) into the fold for a price of $882,000. Meanwhile, its full steam ahead in regard to investment spending on numerous initiatives, such as main extensions, water pumping station upgrades, and overall pipe and facility improvements. York is apt to splash over $20 million this year on infrastructure projects, which represents an annual budget that may be par for the course going forward.

The equity, which is trading around levels seen three months prior, is pegged to outperform the broader market over the coming six to 12 months. Conversely, subscribers with an eye to mid-decade might want to refrain from making a capital commitment here at the recently elevated quotation. The dividend yield is subpar, as well.

Nicholas P. Patrikis *July 10, 2020*

(A) Diluted earnings. Next earnings report due late July.
(B) Dividends historically paid in late February, June, September, and December.
(C) In millions, adjusted for split.

Company's Financial Strength	B+
Stock's Price Stability	75
Price Growth Persistence	65
Earnings Predictability	95

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