



COMPANY UPDATE / ESTIMATE CHANGE

Key Metrics

AEE - NYSE (Price as of 8/4/17)	\$57.50
Price Target	NA
52-Week Range	\$46.84 - \$57.65
Shares Outstanding (mm)	242.6
Market Cap. (\$mm)	\$13,949
3-Mo. Average Daily Volume	1,433,000
Institutional Ownership	67.0%
Debt/Total Capital	52.0%
ROE (ttm)	8.5%
Book Value/Share	\$29.65
Price/Book Value	1.9x
Indicated Dividend / Yield	\$1.76 3.1%
Dividend Cycle	March, June, Sept., Dec.

EPS FY 12/31

	2016	Prior 2017E	Curr. 2017E	Prior 2018E	Curr. 2018E
1Q	--	--	--	--	--
2Q	--	--	--	--	--
3Q	--	--	--	--	--
4Q	--	--	--	--	--
Year	\$2.68	\$2.77	\$2.80		\$3.00
P/E	21.4x		20.5x		19.2x
Payout	64%		63%		59%

Note: Figures exclude non-recurring items

Revenue (\$mm)

	2016	Prior 2017E	Curr. 2017E	Prior 2018E	Curr. 2018E
1Q	--	--	--	--	--
2Q	--	--	--	--	--
3Q	--	--	--	--	--
4Q	--	--	--	--	--
Year	\$6,076		\$6,175	--	\$6,305

Company Description: St. Louis-based Ameren Corporation serves approximately 2.4 million electric customers and more than 900,000 natural gas customers in a 64,000 square mile area of Missouri and Illinois through its Ameren Missouri and Ameren Illinois rate-regulated utility subsidiaries. Ameren Illinois provides electric and natural gas delivery service while Ameren Missouri provides vertically integrated electric service. The company has assets of \$24 billion. Fuel Sources: Coal 61.4%, Natural Gas 26.1%, Nuclear 7.2%, Oil 3%, Hydro 2.3%.

Ameren Corp.

AEE -- NYSE -- Neutral -- 2

AEE reports higher second quarter earnings and raises 2017 guidance

Investment Highlights

- Ameren reported second quarter earnings of \$0.79 per share versus \$0.61 per share in the second quarter of 2016.** Earnings were above the consensus estimate of \$0.74 per share. There were several factors that contributed to the year-over-year increase including new Ameren Missouri service electric rates and the absence of a nuclear refueling and maintenance outage at the Callaway Energy Center, which lowered operations and maintenance expense. In addition, results benefited from the timing of interim period revenue recognition at the Ameren Illinois Electric Distribution segment, as well as increased investments in the Ameren Transmission and Ameren Illinois Electric Distribution segments. AEE's transmission business contributed \$105 million to second quarter earnings compared to \$92 million in 2016's second quarter. These positive factors were partially offset by lower 2017 Ameren Missouri electric retail sales, primarily driven by milder early summer temperatures.
- Management raises 2017 earnings guidance.** Ameren now expects this year's earnings to be in a range of \$2.70 to \$2.90 per share, up from \$2.65 to \$2.85 per share, previously. We are raising our 2017 EPS by \$0.03 to \$2.80, the new midpoint of guidance. Our 2018 earnings estimate remains \$3.00 per share. Ameren continues to expect to achieve 5% to 8% compound annual earnings per share growth from 2016 through 2020. The projected earnings growth is expected to be driven by a 6% compound annual growth rate in AEE's rate base as a result of significant capital spending.
- We maintain our Neutral rating on Ameren due to valuation as we regard the stock as fairly valued.** We believe AEE has a positive fundamental outlook and expect AEE to deliver consistent earnings and dividend growth, helped by a large increase in capital spending through 2020. We would maintain positions in the stock.

**Note Important Disclosures on Pages 2 and 3.
Note Analyst Certification on Page 2.**

Suitability

We assign a 2 suitability rating to Ameren. The company is a fully regulated utility that generates its earnings from its electric utility and natural gas operations. This allows for the company to generate steady earnings and dividend growth. We believe Ameren is a suitable holding for utility investors seeking both capital appreciation and a growing dividend.

Additional information is available upon request.

Analyst Certification

I, David B. Burks, hereby certify that the views expressed in this research report accurately reflect my personal views about the subject company(ies) and its (their) securities. I also certify that I have not been, am not, and will not be receiving direct or indirect compensation in exchange for expressing the specific recommendation(s) in this report.

Important Disclosures

Hilliard Lyons' analysts receive bonus compensation based on Hilliard Lyons' profitability. They do not receive direct payments from investment banking activity.

Investment Ratings

Buy - We believe the stock has significant total return potential in the coming 12 months.

Long-term Buy - We believe the stock is an above average holding in its sector, and expect solid returns to be realized over a longer time frame than our Buy rated issues, typically 2-3 years.

Neutral - We believe the stock is an average holding in its sector, is currently fully valued, and may be used as a source of funds if better opportunities arise.

Underperform - We believe the stock is vulnerable to a price set back in the next 12 months.

Suitability Ratings

1 - A large cap, core holding with a solid history

2 - A historically secure company which could be cyclical, has a shorter history than a "1" or is subject to event driven setbacks

3 - An above average risk/reward ratio could be due to small size, lack of product diversity, sporadic earnings or high leverage

4 - Speculative, due to small size, inconsistent profitability, erratic revenue, volatility, low trading volume or a narrow customer or product base



Rating	Hilliard Lyons Recommended Issues		Investment Banking Provided in Past 12 Mo.	
	# of Stocks Covered	% of Stocks Covered	Banking	No Banking
Buy	36	29%	14%	86%
Hold/Neutral	79	63%	5%	95%
Sell	10	8%	0%	100%

As of 7 July 2017

Other Disclosures

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