



COMPANY UPDATE

Key Metrics

AEE - NYSE (Price as of 2/17/17)	\$53.37
Price Target	NA
52-Week Range	\$54.08 - \$45.46
Shares Outstanding (mm)	244.7
Market Cap. (\$mm)	\$13,059
3-Mo. Average Daily Volume	1,477,000
Institutional Ownership	67.0%
Debt/Total Capital	52.0%
ROE (ttm)	8.5%
Book Value/Share	\$29.65
Price/Book Value	1.8x
Indicated Dividend / Yield	\$1.76 3.3%
Dividend Cycle	March, June, Sept., Dec.

EPS FY 12/31

	2015	2016A	Prior 2017E	Curr. 2017E
1Q	--	--	--	--
2Q	--	--	--	--
3Q	--	--	--	--
4Q	--	--	--	--
Year	\$2.56	\$2.68		\$2.77
P/E	20.8x	19.9x		19.3x
Payout	65%	64%		64%

Note: Figures exclude non-recurring items

Revenue (\$mm)

	2015	2016A	Prior 2017E	Curr. 2017E
1Q	--	--	--	--
2Q	--	--	--	--
3Q	--	--	--	--
4Q	--	--	--	--
Year	\$6,098	\$6,076	--	\$6,175

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 solid 2016 earnings and introduces 2017 guidance

Investment Highlights

- Ameren reported fourth quarter 2016 operating earnings of \$0.13 per share versus \$0.12 per share in the fourth quarter of 2015.** Earnings were modestly below the consensus estimate of \$0.15 per share. For the full year, Ameren posted earnings of \$2.68 per share compared to \$2.56 per share in 2015, an increase of nearly 5%. The company's largest business segment, Ameren Missouri, saw its earnings decline last year while AEE's other segments all posted year-over-year gains. Ameren Missouri contributed \$1.47 per share in 2016 versus \$1.63 per share in 2015. This segment was negatively impacted by lower sales to the New Madrid smelter and unfavorable impact of the Missouri 2013-2015 efficiency plan. Ameren's transmission business grew significantly last year as earnings grew to \$0.48 per share from \$0.34 per share in 2015. This business continues to benefit from increased investments in infrastructure. Ameren's Illinois natural gas business saw its earnings rise due to higher rates, while AEE's Illinois electric distribution earnings were marginally higher in 2016.
- Management introduces 2017 earnings guidance and updates long-term growth expectations.** Ameren expects this year's earnings to be in range of \$2.65 to \$2.85 per share. We are maintaining our 2017 EPS estimate of \$2.77, slightly above the midpoint of company guidance. Ameren continues to expect to achieve 5% to 8% compound annual earnings per share growth from 2016 through 2020.
- We maintain our Neutral rating on Ameren due to valuation.** Yet we believe AEE has a positive fundamental outlook. We expect AEE to deliver consistent earnings and dividend growth, helped by an anticipated \$10.8 billion in capital spending thru 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 produce steady earnings and support dividend increases. 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	30%	17%	83%
Hold/Neutral	76	62%	7%	93%
Sell	10	8%	0%	100%

As of 6 February 2017

Other Disclosures

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