NextEra Energy, INC.

NEE-NYSE: $84.30

Rating: Buy

Target: $91.47

BUY, Defensive Revenue with Growth Upside

Nov 28, 2025

NextEra Energy engages in the generation and distribution of electric power across the U.S, while maintaining a portfolio in renewable energy.

REGULATED BASE AND STABLE RETURNS: Florida Power & Light (FPL), NextEra's regulated utility subsidiary, provides one of the most stable cash-flow foundations in the U.S. power sector, supported by 35k MW of generation capabilities through its natural gas, solar and coal assets (not including nuclear power assets which are currently offline for maintenance). FPL also plans to continue its CapEX plans to expand transmission and distribution through solar and battery storage initiatives, targeting a 2GW increase in solar capacity by 2030 and 2238 MW of battery storage. As such, FPL earns highly predictable returns with a regulated ROEs of 10.95% with downside protection of 9.95%. This is supported by its parent, NEE, serving 12m clients, the largest customer share in the entire USA. FPL's contribution to NextEra's earnings is expected to rise steadily, aligning with management's long-term expectation of EPS growth from a current $3.15 to $3.85-$4.32 by 2027.

COST ADVANTAGE DRIVING FUTURE GROWTH: NextEra Energy Resources (NEER), NEE's renewable arm, possesses a low-cost structure serving as a key driver to its long-term growth outlook. The company's renewable assets serve over 40 states in the USA while holding long term purchase agreements, with its solar energy leading the way as one of North America's largest solar fleet. This provides significant economies of scale, with management guidance stating that operating costs for on-shore wind and solar are expected to drop to $25-$75/MWh by 2030, significantly lower than the next lowest cost being natural gas at $85-$115/MWh. In the second quarter of 2024, its operating cost for its wind and solar fleet were better than the top decile sites and better than median sites by 45% and 35% respectively. NEER's growing renewable capacity and economies of scale enable it to capitalise on rapid growth in AI data centres, EV adoption, and electrification while remaining the lowest-cost sources of new power generation.

DEMAND DRIVING STRUCTURAL GROWTH: Global electricity consumption is projected to rise 15 percent by 2035 driven by electrification, AI/Data-Centre growth and population expansion. US power demand, which reached record highs in 2024, is set to grow roughly 1.7 percent a year through 2026 after being flat for more than ten years. Florida Power & Light is well placed to benefit from this shift, with Florida's electricity needs expected to rise 30 to 40 percent by 2030 and a 43-billion-dollar investment plan through 2029 that includes 25 gigawatts of new generation and storage capacity. NextEra Energy Resources adds a second engine of growth through its 29.6-gigawatt contracted backlog and its plan to bring up to 46.5 gigawatts online by 2027, supported by IRA incentives, falling renewable costs, and a policy environment that is becoming more supportive of nuclear.

RECOMMENDATION & TARGET PRICE: We are initiating coverage of NextEra Energy with a BUY recommendation and a $91.47per share target price. Our target price is based on a sum of the parts valuation with an EV/EBITDA multiple of 12.4x applied to NEER and a DCF for FPL with a WACC rate of 4.89%.

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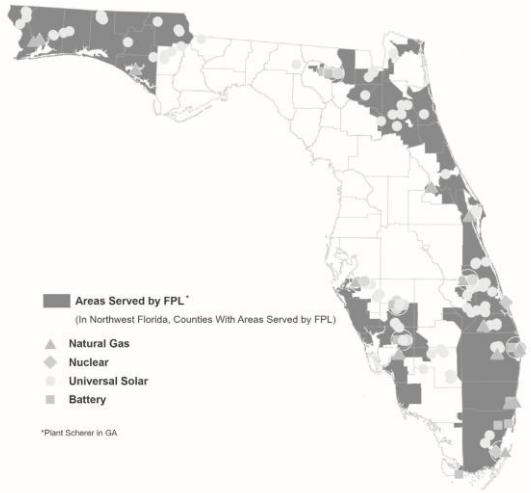
Company Overview

Next Era Energy is a leading North American electric power and energy infrastructure company headquartered in Juno Beach, Florida. Operating primarily through two main subsidiaries, Florida Power and Light (FPL) and NextEra Energy Resources (NEER). FPL is a regulated electric utility that serves 12 million customers in Florida making it the largest electric utility by customer count. FPL's primary energy source is natural gases alongside solar and nuclear; FPL has the largest utility owned solar portfolio in the US with continued investment into the "30 by 30" plan, to install 30 million solar panels by 2030.

Next Era Energy Resources (NEER) is one of the largest generators of renewable energy from wind and solar power, whilst also generating energy through natural gas and nuclear plants. NEER's primary source of income is through building power plants and signing long term contracts for the electricity produced, creating a steady revenue stream.

Figure 1 FPL

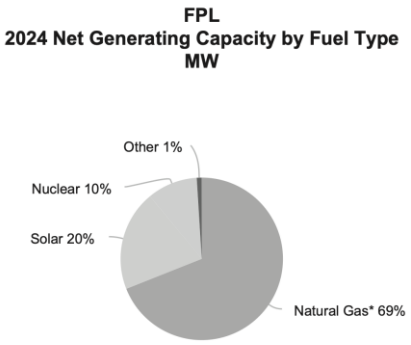


Source: Company Reports

FPL Asset Overview:

Generation Assets: As of December 31, 2024, FPL's resource portfolio consisted of 35,296 MW of net generating capacity, of which 35,052 MW from FPL owned facilities and 244 MW through power purchase agreements. FPL's generation fleet includes 44 natural gas units, with a combined capacity of 24,297 MW, alongside 96 solar facilities that provide an additional 7,038 MW of solar generating capacity. In addition, FPL operates four nuclear units with net generating capacity totalling 3,502 MW and has a joint ownership interest in a coal unit located in Georgia which is operated by the joint owner with a net generating capacity of 215 MW.

FPL operates four nuclear units across two sites in Florida, Turkey Point and St Lucie with a total capacity of 3,502 MW. FPL has successfully renewed Turkey Point units 3 and 4 operating licenses for up to 80 years of operation. There has been a long standing proposed new construction of Turkey Point Units 6 and 7, which could possibly add 2,200 - 3000 MW of capacity, but remains in the licensing phase. FPL's nuclear generating units are periodically taken offline to conduct scheduled refuelling and maintenance. These planned outages include inspections, repairs, and other required modification.



Source: Company Reports

Over the last ten years, FPL has significantly grown its solar generation portfolio, building one of the largest utility-owned solar fleets in the country. By the end of 2024, the company operated 96 solar energy centre's totalling 7,038 MW of capacity. These sites, located throughout Florida, are designed to deliver emissions free electricity and help lessen dependence on natural gas during times of high demand. The size and widespread placement of FPL's solar assets give the utility a balanced renewable footprint. Although solar output naturally fluctuates, the scale of FPL's system and its integration with the transmissions grid have allowed the company to sustain high reliability while continuing to lower emissions.

Battery storage has become a key part of FPL's renewable strategy, helping smooth out the variability of solar power and strengthening overall performance. The company now operates multiple large scale storage sites, for example the Manatee Energy Storage Centre, which ranked among the world's largest solar powered battery facilities when it began operating. These systems store excess solar generation and release it during evening demand spikes, reducing reliance on natural gas and supporting grid stability when renewable output shifts. While storage still represents a smaller share of FPL's assets compared with solar or natural gas, it plays an increasingly important role in creating a more balanced energy mix.

Grid Transmission: In addition to its generation assets, FPL operates a large transmission and distribution system that serves one of the US's fastest growing customer base. The electric utility oversees tens of thousands of miles of power lines, substations, and supporting infrastructure, forming a grid recognised for its high reliability. In recent years, FPL has made substantial investments in system improvements, including advanced metering technology, strengthened transmission corridors, and targeted underground initiatives aimed at improving performance during severe weather conditions. These enhancements have helped the company achieve reliability levels that have outperformed national benchmarks, with fewer and shorter outages than the US average. As of December 31, 2024, FPL had approximately 91,000 circuit miles of transmission and distribution lines and 921 substations and 82% of FPL's main power lines, systemwide, are hardened serving critical services such as hospitals and 911 call centres. Furthermore, it was reported that 2024 was the best year for the company's overall system reliability. The dependability of FPL's grid remains key to its regulated business and support the smooth integration of different renewable resources as the company continues to expand its clean energy portfolio.

FPL CAPEX:

FPL plans to add more than 2 GW of solar capacity between 2026 and 2027 as part of its shift towards cleaner energy. These additions are towards FPL's "30-by-30" initiative, which targets the installation of 30 million solar panels by 2030. A 2022 progress report suggested that FPL was on track to complete the initiative ahead of the original timeline, potentially achieving the goal by the end of 2025. By mid-2021, over 12 million panels were already installed across more than 40 solar energy centres.

FPL is also committing significant capital to the buildout of battery energy storage systems, which will support solar integration to reduce reliance on natural gas. The company plans to invest approximately $3.8 billion to deploy over 2 GW of new battery storage capacity by 2027. This expansion includes 13 dedicated storage sites scheduled for 2026 totalling 1,419.5 MW and another 11 sites planned for 2027 adding 819.5 MW. These investments pair with their solar initiative with battery storage as a cost-effective way of meeting future demand.

FPL Solar and Battery Storage Expansion Plan (2026 – 2027):

Catgory	Project Gross @100%	Project Gross @80%
Battery Storage Added	2,000 MW	1,600 MW
Solar Capacity Added	2,200 MW	1,760 MW
Annual Solar Generation	4,200 GWh	3,360 GWh
	Best Case	**High Case**
Contingent Outcomes	3,600 – 4,000 GWh	4,180 – 4,700 GWh

Source: Company Reports

As of a 2022 report, FPL projected it would complete the plan by the end of 2025, five years ahead of the initial 2030 target. By mid-2021, over 12 million panels were already installed across more than 40 solar energy centres.

FPL's Ten-Year Site Plan lists several solar energy centres as preferred sites signalling planned development. These projects have projected timelines but remain subject to permitting and regulatory approval before construction can proceed.

FPL's grid transmission and distribution investment programme represents a substantial commitment to improving the utility's grid. Between 2024 and 2027, the company expects to invest roughly $15 billion in core T&D upgrades and over a slightly longer period, FPL's broader grid and T&D programmes are projected to total $21.7 billion through to 2029, in addition, the utility's Storm Protection Plan, lasting from 2023 to 2032, will account for approximately $14.5 billion, including about $7 billion that has been dedicated to underground distribution lines in areas with severe weather conditions.

FPL Grid Transmission and Distribution Plan (2023 – 2032):

Catgory	Project Gross @100% (Bn)	Project Gross @80% (Bn)
Core T&D	$15	$12
Grid and T&D programmes	$21.7	$17.4
(through to 2029)	$14.5	$11.6

Storm Protection Plan (2023 – 2032)

	Best Case	High Case
Contingent Outcomes	$35 - $39	$42 - $45

Source: Company Reports

On December 30, 2024, FPL notified the Florida Public Service Commission of its intention to file a new four-year base rate plan to take effect in January 2026. Based on preliminary estimates, FPL expects to request a base revenue requirement increase of about $1.55 billion in 2026 and a further $930 million in 2027 to support its growing capital investment needs. The company also plans to seek approval for a Solar and Battery Base Rate Adjustment, which would allow for recovery of costs of from the new solar and battery storage projects planned for 2028 and 2029 without waiting for a future rate case. As part of the filing, FPL intends to propose an allowed ROE midpoint of 11.90% and continue using its longstanding equity ratio previously approved by regulators. The full base rate application is expected to be submitted around February 28, 2025, initiating the FPSC's formal review process.

NEER Asset Overview:

NextEra Energy Resources (NEER), a competitive and unregulated subsidiary of NextEra Energy, is one of the world's largest producers of wind and solar generated renewable energy. By 2024, NEER's portfolio expanded to include a mix of wind, solar, battery storage, nuclear and natural gas assets operating across more than 40 U.S states and parts of Canada. Wind power continues to be the backbone of NEER's generation fleet, supported by tens of gigawatts of wind capacity under long-term power purchase agreements, these are with utility partners and commercial customers. NEER also operates one of North America's most extensive solar portfolios, consisting of facilities located in areas with strong solar resources and benefiting from economies of scale. Battery storage has also become a rapidly growing area of the company, they own and build transmission assets in North America with a total base rate of $2.7 billion at year-end 2024, consisting of approximately 370 substations and 3,885 circuit miles of transmission lines.

In addition to its renewable assets, NEER owns the Seabrook nuclear station in New Hampshire, which delivers zero-emissions generation and contributes steady cash flows to the business. The company also operates a limited set of natural gas plants, pipelines and contracted assets that supply power and support its broader energy trading and initiatives. Most of NEER's facilities operate under long-term arrangements, reducing exposure to fluctuations and creating stable, predictable revenue streams.

As of 31 December 2024, NEER had a net ownership interest in approximately 20,977 MW of generating capacity. Including all ownership interests, NEER had a total capacity of 33,410 MW.

	Net Generating Capacity (MW)	Total Generating Capacity (including all ownership interest) (MW)
Value	20,977	33,410

Macro Outlook

We believe macro conditions are highly supportive for NextEra Energy across both its regulated utility and clean energy businesses. Global electricity demand is rising steadily, driven by electrification, digitalisation, and AI adoption. The IEA projects a 15% increase in global energy demand by 2035, with electricity consumption growing at rates even faster. Power usage levels in the U.S. hit record levels in 2024 and is projected to grow ~1.7% annually through 2026, a clear shift after a whole decade of stagnation. The load growth is being led by data centres, industrial onshoring, and EV charging infrastructure, with Florida emerging as a key demand hub.

NextEra's regulated utility, Florida Power & Light (FPL), is positioned to benefit directly. Florida's electricity demand is expected to rise 30-40% by 2030, driven by population growth, large-scale computing loads, and electrification trends. To meet these demands, FPL plans to invest $43 bn through 2029, which includes 25 GW of new generation and storage, supported by a constructive regulatory framework and strong demographic fundamentals. This highlights a clear runway for rate-base growth.

Structural momentum remains strong in renewable energy. Over 90% of new U.S generation capacity in 2025 YTD has come from renewables, directly supported by IRA tax credits, falling cost curves, and accelerating corporate clean energy targets. NextEra Energy Resources, already the largest renewables platform in the U.S., has a 29.6 GW contracted backlog and aims to add up to 46.5 GW through 2027. Adjacent opportunities in storage, hydrogen, and firm clean power further extend the growth outlook.

We also view recent pro-nuclear regulator shifts as a potential upside catalyst. With federal targets to add 300 GW of new nuclear capacity by 2050, and streamlined approval pathways now in place, NEE's scale nuclear operations are likely to benefit from uprates, license extensions, and participation in new projects.

In our view, NextEra offers rare exposure to both sides of the U.S. energy transition, with regulated utility growth in one of the fastest-growing states, and large-scale renewables development aligned with national decarbonisation goals. Both segments are supported by clear, durable macro tailwinds.

Source: IEA: World Energy Outlook 2025, U.S. EIA: Short-Term Energy Outlook, WJNO: Florida's Looming Power Shortage, Energy.gov: Trump's Executives Orders on Nuclear Energy, Nasdaq: NEE Corporate Updates, Company Reports

Outlook & Estimates

For 2025, we are forecasting Revenue and EBITDA of $26.7 billion and $14.3 billion respectively, representing an 8% yoy top-line expansion and an 11.5% increase in EBITDA from 2024 levels. This growth estimate is strengthened by the continued execution of the Real Zero carbon emissions strategy and the acceleration of high-margin renewable asset commissioning at NextEra Energy Resources (NEER). The significant increase in EBITDA is aided by the portfolio's effective utilisation of tax credits, supporting a highly favourable effective tax rate and allowing the high-margin nature of the renewable portfolio to significantly contribute to the bottom line.

For 2026 and 2027, we forecast continued compounding growth with revenue rising to $28.9 billion and $31.2 billion and EBITDA scaling to $17.7 billion by exit 2027. Our confidence in this trajectory is materially supported by the November 2025 settlement of the Florida Power & Light (FPL) rate case. While the settlement reduced the total revenue request compared to the initial filing, it secured a highly favourable and stable 10.95% allowed ROE for the 2026–2029 period, providing strong regulatory certainty and validating our margin expansion estimate.

We have modelled aggressive capital deployment to fund this growth with CAPEX forecast to rise to $30.4 billion by 2027. This investment is distributed toward FPL's continued solar expansion and NEER's massive development backlog. To finance this capital plan, our model incorporates a material increase in Long-Term Debt, rising from $72.4 billion in 2024 to $117.8 billion by 2027. Finally, we view the recent partnership with Google to restart the Duane Arnold nuclear plant as a major strategic validation for the company's long-term terminal value and premium positioning to capture rapidly escalating corporate demand for firm, carbon-free base load power.

Income Statement

(figures in US$MM except where noted)	FY2024	FY2025F	FY2026F	FY2027F
Revenue	**24,753.0**	**26,733.2**	**28,871.9**	**31,181.7**
Cost of Goods Sold	9,886.0	10,330.9	10,795.8	11,281.6
Gross Profit	**14,867.0**	**16,402.4**	**18,076.1**	**19.900.1**
SG&A	(235.0)	(242.1)	(249.3)	(256.8)
EBITDA	**12,824.0**	**14,298.1**	**15,908.7**	**17,667.6**
Margin %	51.81%	53.48%	55.03%	56.66%
Expenses				
Depreciation & Amortization	5,462.0	5,625.9	5,794.6	5,968.5
Operating Income (EBIT)	**7,362.0**	**8,672.2**	**10,114.1**	**11,699.2**
Interest Expense	(2,235.0)	(2,346.8)	(2,464.1)	(2,587.3)
EBT (Total)	**6,037.0**	**7,252.8**	**8,595.6**	**10,076.9**
Income Tax Expense	(339.0)	(464.2)	(558.2)	(661.8)
Net Income	**6,946.0**	**9,189.5**	**10,876.7**	**12,771.9**

Cash Flow Statement

(figures in US$MM except where noted)	FY2024	FY2025F	FY2026F	FY2027F
Operating Activities				
Net income	6,946.0	9,189.5	10,876.7	12,771.9
D&A	5,462.0	5,625.9	5,794.6	5,968.5
(Gain) Loss On Sale of Assets	(327.0)	(352.0)	(352.0)	(352.0)
Stock Based Comp.	1,057.0	1,099.3	1,143.3	1,188.9
Change in non-cash WC	160.0	166.4	173.1	179.9
Cash from Operations	**13,260.0**	**16,082.6**	**17,975.2**	**20,082.2**
Investing Activities				
Capital Expenditure	(24,729.0)	(26,064.9)	(28,150.1)	(30,402.1)
Other Investing Activities (Net)	2,271.0	2,000.0	2,000.0	2,000.0
Cash from Investing	**(22,264.0)**	**(24,070.9)**	**(26,156.1)**	**(28,408.1)**
Financing Activities				
Long term Debt Issued (Net)	14,656.0	15,193.0	15,334.4	15,471.7
Common Dividends Paid	(4,235.0)	(4,658.5)	(5,124.4)	(5,636.8)
Issuance of Common Stock	48.0	2,000.0	2,000.0	2,000.0
Cash from Financing	**7,000.0**	**8,756.9**	**8,534.5**	**8,252.9**
Net Change in Cash	**(2,018.0)**	**763.6**	**339.6**	**(86.9)**

Balance Sheet Statement

(figures in US$MM except where noted)	FY2024	FY2025F	FY2026F	FY2027F
Assets				
Cash & Short-Term Investments	1,487.0	2,250.6	2,590.2	2,503.2
Other Current	10,464.0	10,464.0	10,464.0	10,464.0
Current Assets	**11,951.0**	**12,714.6**	**13,054.2**	**12,967.2**
Net PP&E	140,050.0	160,489.0	182,844.5	207,278.2
Other Non-Current Assets	38,143.0	38,143.0	38,143.0	38,143.0
Total Assets	**190,144.0**	**211,346.7**	**234,041.7**	**258,388.4**
Liabilities				
Short-Term Borrowings	1,887.0	1,887.0	1,887.0	1,887.0
Other Current	23,468.0	23,468.0	23,468.0	23,468.0
Current Liabilities	**25,355.0**	**25,355.0**	**25,355.0**	**25,355.0**
Long-Term Debt	72,385.0	87,278.4	102,406.3	117,765.0
Other Long-Term Liabilities	31,543.0	33,321.2	35,136.0	36,988.0
Total Liabilities	**129,283.0**	**145,954.6**	**162,897.3**	**180,108.9**
Total Equity	60,861.0	65,392.0	71,144.4	78,279.5
Total Liabilities & S/E	**190,144.0**	**211,346.7**	**234,041.7**	**258,388.4**

Valuation

Valuation Overview

NextEra Energy (NEE) operates through two fundamentally different business units:

To appropriately value NextEra Energy, we began with a whole-picture approach that recognises the company's hybrid structure that combines a regulated utility with a renewable energy business, these share different financial profiles. Because these two segments generate income independently, we separated the company into FPL and NEER and valued each separately.

1- FPL: Discounted Cash Flow Valuation

FPL's is a stable, regulated asset base making it suitable for a DCF valuation in which we computed a forecast of unlevered free cash flows to capture the important drivers such as capital expenditure, taxes and income. We then valued FPL through a perpetual method as utilities such as FPL have steady growth. Then through calculating the terminal value we can accurately forecast the value of FPL based on discounting future cash flows. By valuing each segment of the company using the most appropriate method we arrive at a more accurate valuation for NextEra Energy as a whole.

Findings:

Using a DCF, we valued the enterprise value of FPL in 3 different scenarios: base case, best case and worst case which was $173bn, $182bn and $159bn respectively.

Final Valuation of FPL					
Base:		**Best:**		**Worst**	
Enterprise Value (USDbn):	173.91	Enterprise Value:(USDbn)	182.28	Enterprise Value:(USDbn)	159.14

We utilised a WACC of 4.9%, using a risk-free rate of 4.1% based on the current USA 10-year Treasury rate and an equity risk premium of 0.6% to reflect current market consensus which is of a stable utilities sector. A country risk premium of 0.4% to mirror the political and fiscal risks associated with operating within the USA. A terminal value of 2.0% was used

As for the terminal value, a terminal growth rate of 2.0% was used. This was due to energy and utilities demand being a fundamental driver of the economy, therefore assuming the company should grow with the wider economy.

Inputs:

Unlevered Free Cash Flow Schedule: FPL

All figures in USDm unless stated
Due to FPL's relatively consistenet revenue, a DCF would be most applicable

	2024A	2025F	2026F	2027F	Term
EBITDA METHOD					
EBITDA		10,070	10,538	11,030	11,539
Current Taxes		455	488	526	566
Capital Expenditure		10,200	9,900	8,800	5,000
Assume no change in Working Cap for stable utils		–	–	–	–
Unlevered Free Cash Flow		(585)	150	1,704	5,973
NET INCOME METHOD					
Net Income		4,546	4,884	5,258	5,664
Depreciation [1]		3,718	3,811	3,887	3,946
Deferred Tax [2]		51	54	58	63
Interest Expense		1,300	1,300	1,300	1,300
Tax Shield From Interest		–	–	–	–
Capital Expenditure		10,200	9,900	8,800	5,000
Assume no change in Working Cap for stable utils		–	–	–	–
Unlevered Free Cash Flow		(585)	150	1,704	5,973
Two UFCF Methods Different?		No	No	No	No

Discounted Cash Flow Schedule: Perpetuity Method

All figures in USDm unless stated
Due to FPL's relatively consistenet revenue, a DCF would be most applicable

Terminal Growth	2.0%
WACC	4.9%

	31/12/2024	31/12/2025	31/12/2026	31/12/2027	31/12/2028
	2024A	2025F	2026F	2027F	Term
Unlevered Free Cash Flow	–	(585)	150	1,704	5,973
UNADJUSTED CASH FLOW					
Discrete Forecast		(585)	150	1,704	5,973
Terminal Value					209,910
Total Cash Flow	–	(585)	150	1,704	215,883
DISCOUNTED CASH FLOW					
Discrete Forecast		(558)	136	1,476	
Terminal Value					181,835
Total Cash Flow	–	(558)	136	1,476	181,835

We constructed an unlevered free cash flow schedule using both the EBITDA and Net Income approaches. In the base case, we modelled FPL using UFCF figures from our cash flow schedule, these cash flows show a stable and regulated growth. UFCF was projected at –585m in 2025, reflecting an elevated capital expenditure, then rising to 150m in 2026, 1704 m in 2027 and a terminal year UFCF of 5973 m, these cash flows were discounted using a 4.9% WACC and 2.0% terminal growth rate. This produced an enterprise value of 181, 092 Bn for the base case.

This represents FPL's operating structure having a predictable nature and supports a trajectory of strengthening cash flows, that are driven by continuous investment thereby growing their rate base. The valuation shows long term strength and a well-grounded utility.

In the best-case scenario, we assume a stronger operating performance driven by several factors such as favourable regulatory outcomes. This then results in a higher projected EBITDA, which in turn will increase the terminal year UFCF compared to the base case scenario, therefore we end up with a higher enterprise value for FPL in this scenario. In contrast, in the worst-case scenario, we assume slower growth and possibly higher capital expenditure, which will result in a lower terminal year UFCF and the lowest enterprise value among the three cases.

2- NEER: Comparable Trading Valuation

NEER operates in competitive renewables development and merchant energy markets, where earnings are more sensitive to sector pricing and investment cycles. As a result, market-based EV/EBITDA multiples provide a more accurate indication of value.

Comparable Trading Valuation: NextEra Energy Resources (NEER)

Comparable Trading Analysis: NEER

	(YYYY-MM-DD)
Analysis Date	2025/11/28
Next Fiscal Year	2026
Current EBITDA (USDM)	**7,400**

Company	Total Enterprise Value (USDm)	Share Price (USD/sh)	Market Cap (USDm)	EV / EBITDA LTM	EV / EBITDA NTM	EV / EBITDA FY+1	P / E LTM	P / E NTM	P / E FY+1
Alliant Energy Corporation (NASDAQGS:LNT)	28,653	68.02	17,485	NA	14.0x	14.3x	NA	20.4x	21.2x
American Electric Power Company, Inc. (NASDAQGS:AEP)	113,236	122.73	65,549	NA	12.0x	12.8x	NA	20.0x	20.8x
Dominion Energy, Inc. (NYSE:D)	105,272	61.20	52,259	13.5x	12.9x	13.8x	20.0x	17.6x	17.9x
Duke Energy Corporation (NYSE:DUK)	187,270	123.67	96,173	11.5x	11.3x	12.1x	19.5x	19.5x	19.6x
Entergy Corporation (NYSE:ETR)	73,059	96.87	43,813	12.7x	11.6x	12.9x	23.8x	23.4x	24.8x
FirstEnergy Corp. (NYSE:FE)	54,186	46.28	26,734	11.9x	10.9x	12.0x	20.1x	17.0x	18.2x
PG&E Corporation (NYSE:PCG)	97,683	16.59	36,463	NA	8.6x	9.7x	NA	10.8x	11.1x
Sempra (NYSE:SRE)	102,800	93.53	61,045	NA	16.7x	18.0x	NA	19.5x	20.6x
The Southern Company (NYSE:SO)	174,032	91.14	100,355	NA	13.0x	13.7x	NA	20.2x	21.3x
Xcel Energy Inc. (NASDAQGS:XEL)	82,521	81.18	48,021	NA	11.6x	13.6x	NA	20.3x	21.3x
Average				12.4x			20.8x		
Median				12.3x					
Maximum				13.5x					
Minimum				11.5x					

Forecast metrics based on S&P CAPIQ.

	Total Enterprise Value (USDm)
NextEra Energy Resources Valuation	91,841

Unlevered Free Cash Flow Schedule: FPL

For NextEra Energy Resources (NEER), our comparable trading analysis produced and enterprise value of approximately:

Median Case: ~$91.0 bn (Primary)

Average Case: ~$91.8 bn

To value NEER, we constructed a peer group of nine U.S. utility and renewable-focused companies (including AEP, Duke Energy, Dominion, Entergy, and Xcel Energy) with similar scale, capital-intensity and contracted cash-flow characteristics, making them the most appropriate comparators to NEER's renewables-driven portfolio.

Using company financials obtained from S&P Capital IQ, we calculated each peer's LTM EV/EBIDTA multiple. This produced:

Peer Average (LTM EV/EBITDA): 12.4x

Peer Median (LTM EV/EBITDA): 12.3x

These multiples were then applied to NEER's 2026E EBITDA of $7.4bn, generating the valuation range of $91-92bn.

Although LTM multiples were used, we applied them to a forward EBITDA figure to avoid short-term fluctuations in historical EBITDA. This approach is standard in valuing capital-intensive utilities and renewables operators, where ongoing asset additions can make purely historical multiples less representative.

We rely primarily on the median EV/EBITDA multiple for our final valuation. The median was selected as it reduces the influence of outliers, such as companies with unusually high leverage, one-off earnings impacts, or atypical regulatory conditions, and therefore provides a more stable, representative measure of the sector valuation. Since NEER sits near the middle of the peer group in size, risk, and asset composition, the median is the most defensible valuation basis.

Conclusion

After utilising a sum-of-the-parts valuation, our recommendation for NEE is a BUY with a target price of $91.47 from our base case and a best-case upside of 11.81% along with a worst-case downside of 1.66%.

Main Outputs

	Enterprise Value	Equity Value	Equity Per Share
Base Case	265,751	183,678	91.47
Best Case	274,124	192,051	95.64
Worst Case	250,979	168,906	84.12

Selected Inputs

NEXTERA ENERGY, INC. (XNYS:NEE)

Terminal Growth Rate		2.0%
WACC		4.9%
Net Debt	*End of 2024*	(82,073)
Shares Outstanding	*in millions*	2,008
Current Stock Price	*(US$/sh)*	$ 86.25

These values display an asymmetric risk to reward ratio, crucially our worst-case target price is slightly below the market price creating a margin of safety for investors. In an increasingly volatile market, NextEra Energy is a safe asset with a capped downside and a substantial upside.

Management & Directors

Management and directors own 0.77 MM shares of NextEra Energy, representing 0.04% of basic shares outstanding. The company's CEO, Mr. Ketchum, owns 0.32 MM shares, or 0.02%. Although insider ownership is naturally low for a company of NextEra's size, the equity positions of senior leadership still provide alignment with long-term shareholder interests.

NextEra Energy. - Management & Directors

Management

Name & Position	Biography	Share Holdings	Share %
John W. Ketchum President, CEO & Chairman	Mr. Ketchum has over 20 years of experience in the energy sector and has served as the CEO of NextEra Energy since 2022. He previously held roles as CFO, President & CEO of NEER, and Chairman of Florida Power & Light.	317,124	0.02%
Michael H. "Mike" Dunne	Mr. Dunne has extensive experience in corporate finance and energy infrastructure, previously leading Bank of America's renewables and energy transition advisory practice before joining NextEra.	62,923	0.00%
Charles E. Sieving Executive Vice President & Chief Legal	Mr. Sieving has over 25 years of experience in legal, regulatory and environmental matters, serving as NextEra's Chief Legal Officer since 2008 across multiple regulatory cycles, before assuming expanded responsibility for federal and environmental affairs.	178,068	0.01%
Mark E. Hickson Executive Vice President, Corporate Development & Strategy	Mr. Hickson has over two decades of experience in strategy, M&A and corporate development, previously holding senior roles at XPLR Infrastructure and major regulated utilities, before taking responsibility for NextEra's long-term strategic planning.	96,225	0.01%
Nicole J. Daggs Executive Vice President, Human Resources & Corporate Services	Ms. Daggs has significant experience in workforce strategy and organisational leadership, previously serving in senior HR and talent management roles at Florida Power & Light, before assuming oversight of HR and corporate services at NextEra.	19,713	0.00%

Total Directors

Name & Position	Biography	Share Holdings	Share %
John W. Ketchum Chairman & CEO	See above	See above	See above

Name & Position	Biography	Share Holdings	Share %
Amy B. Lane Lead Independent Director	Ms. Lane has over 30 years of experience in corporate finance and governance, previously serving as Managing Director at Merrill Lynch in retail and consumer advisory, before joining NextEra's board.	24,752	0.0%
Darryl L. Wilson	Mr. Wilson has more than 25 years of global leadership experience in industrial power markets, holding senior executive positions at GE Power and Eaton across multiple business divisions, before joining NextEra as an independent director.	21,087	0.0%
David L. "Dave" Porges	Mr. Porges has over 30 years of experience in natural gas and midstream operations, serving as Chairman & CEO of EQT Midstream and EQT GP Holdings for more than a decade, before joining NextEra's board.	43,527	0.0%
Deborah L. "Dev" Stahlkopf	Ms. Stahlkopf has extensive experience in global regulatory, legal and governance leadership, previously serving as Executive Vice President and Chief Legal Officer at Cisco Systems, before becoming an independent director at NextEra.	7,490	0.0%
Total	—	**96,856**	**0.005%**

Total Management and Director Holdings

Category	Total Shares	Total %
Management + Directors	**770,909**	**0.04%**

Investment Risks

The following gives light to some potential risks which could impact the company, its assets or its cash flow. Only some of the possible risks are mentioned here and we acknowledge that this is not a complete list, as well as this we acknowledge that some of the points made can be interpreted in multiple ways.

Sector changes: As outlined in the companies' 10-k form at the conclusion of 2024, both business sectors, FPL and NEER, are susceptible to law changes in the household utilities sector which could affect the company's revenue. Moreover, the landscape of world and USA renewable energy target incentives is ever adapting, leading to uncertainty around renewables legislation. Both risks are multiplied by current USA political volatility.

Geographical presence: A large part of NextEra Energy is Florida Power and Light, as disclosed in the name, all of the operations of FPL are contained within Florida. This is a risk because it massively reduces NextEra Energy's resistance to a multitude of factors. These include, but aren't limited to, geographic changes such as hurricanes, legislative changes and labour or talent issues.

Management and Directors: Many of the board of directors or senior management team also have positions on teams or boards of other companies, this means that they are not required to commit their full time and attention to NextEra Energy. In the event of a crisis event that also effects the other companies or organisations that they are responsible for, there could be a lack of leadership presence at the head of NextEra Energy.

Debt: The total debt that NextEra Energy holds has increased by 21.3% between the financial year 2022 and 2024, this increase in debt is concerning as it increases fixed costs through interest payments, as well as this it reduces NextEra Energy's financial flexibility, compromising their ability to adapt to market changes and other changes.

EBITDA: Between the financial year 2023 and 2024 NextEra Energy's EBITDA decreased by 19.1%, this is problematic as it diminishes the company's ability to pay its debt as well as gain new financing. This change in EBITDA could also act as a signal of declining future earnings and therefore reduce investor confidence.

Assumptions: Throughout NextEra Energy's 2024 10-K report the report made several assumptions linked to the company's future, these assumptions have been made with consideration but may not hold into the future.