

## NextEra Energy, Inc. (NEE)

September 22, 2024

### Utilities

### Stock Rating

**HOLD**

### Investment Thesis

We recommend a HOLD rating with a target price of \$85-\$88 for NextEra Energy. NextEra will experience growth in both of their operating segments, regulated utilities and renewables. Energy demand is expected to increase drastically as a result of data centers, AI, and EV's and renewables are the quickest fuel types to set up to meet these demands. NextEra also maintains strong cash flows that it will use to fund significant capital expenditures.

### Drivers of Thesis

- Renewable energy demand is set to 3x over the next 7 years, signifying a tailwind for NEER, NextEra's unregulated renewable energy operations.
- Florida is experiencing a large influx of residents with roughly 1,000 moving there a day, resulting in increasing demand for power which we forecast to increase FPL revenues by 10% over the next two years.
- NextEra's dividend is forecasted to increase by 10% annually through 2026.
- FPL continues to offer lower residential bills than the state and national average, offering them room for rate cases.

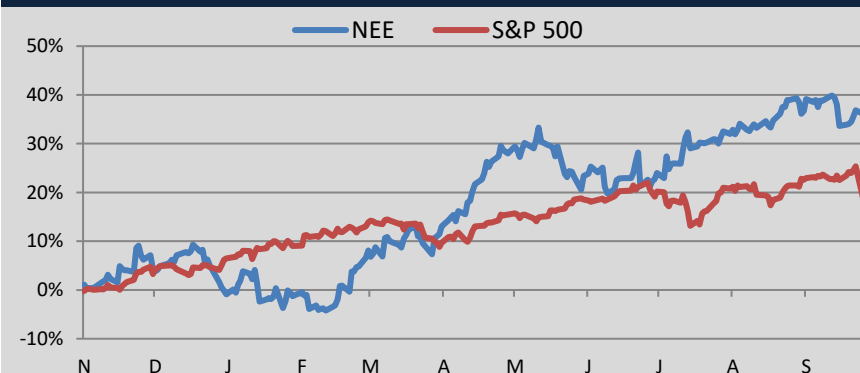
### Risks to Thesis

- Current infrastructure and grid capacity may limit potential power generation growth.
- Increasing natural gas prices from the previous year may be larger than expected and negative affecting operating income in our valuation.
- While current government initiatives support renewables, if the government was to rollback subsidies or incentives, that could make NextEra's investments appear less attractive and competitive.

### Earnings Estimates

Year	2021	2022	2023	2024E	2025E	2026E
EPS	\$1.82	\$2.10	\$3.61	\$3.41	\$3.68	\$3.99
HF est.				\$3.41	\$3.61	\$4.10
Growth		15.4%	71.9%	-5.5%	5.8%	13.6%

### 12 Month Performance



### Target Price

**\$85-88**

Henry Fund DCF	\$88
Henry Fund DDM	\$85
Relative Multiple	\$94

### Price Data

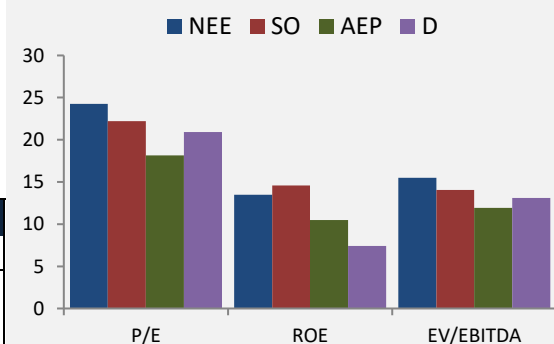
Current Price	\$82
52wk Range	\$47 - 86
Consensus 1yr Target	\$84

### Key Statistics

Market Cap (B)	\$171,981
Shares Outstanding (M)	\$2,052
Institutional Ownership	89.18%
Beta	0.50
Dividend Yield	2.49%
Est. 5yr Growth	8.20%
Price/Earnings (TTM)	26.96
Price/Earnings (FY1)	22.57
Price/Sales (TTM)	6.57
Price/Book (mrq)	3.46

### Profitability

Operating Margin	28.13%
Profit Margin	24.45%
Return on Assets (TTM)	2.80%
Return on Equity (TTM)	9.08%



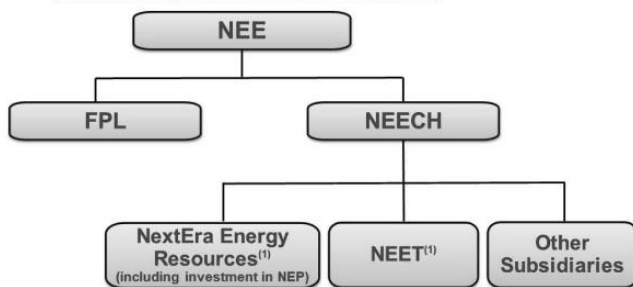
### Company Description

A leading clean energy company based out of Florida, NextEra Energy, Inc. possesses one of the largest rate-regulated utilities in the U.S., Florida Power & Light, as well as a subsidiary that pioneers renewable energy production, NextEra Energy Resources. NextEra maintains substantial investments in wind, solar and battery storage projects and aims to one day decarbonize all their operations. NextEra Energy Resources also operates in four Canadian provinces.

## COMPANY DESCRIPTION

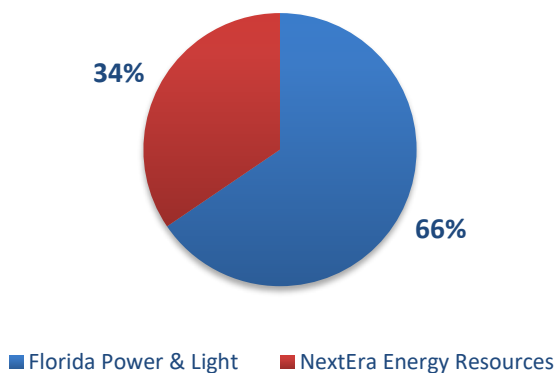
NextEra Energy is a leading North American clean energy company that employs over 15,000 individuals. Headquartered in Juno Beach, Florida, NextEra generates over 60,000 Megawatts (MW) of electricity across the U.S. and Canada<sup>1</sup>. NextEra possesses two core subsidiaries, Florida Power & Light and NextEra Energy Capital Holdings. While the former is a regulated utility and is kept as its own entity within NextEra's Energy structure to maintain compliance with utility regulations, the latter is a holding company for NextEra's non-utility unregulated energy operations. NextEra Energy Resources (NEER) is a subsidiary of NEECH and represents the renewable energy division with wind, solar and battery storage projects. NEE's reportable segments for financial reporting purposes are FPL and NEER. The chart below illustrates the relationships:

### NEE Organizational Chart



Source: 2023 NextEra 10-K

### NEER & FPL 2023 Revenue Contribution



Source: 2023 NextEra 10-k

## NextEra Energy Resources (NEER)

NextEra has significant operations in renewable energy production through its subsidiary NextEra Energy Resources (NEER). NEER's operations include electric generation, battery storage as well as renewable fuels. Nonetheless, they do maintain minor participation in natural gas production and infrastructure to diversify operations and meet operating needs. NEER operates the world's largest wholesale power generation portfolio in North America with a generating capacity of 37,700 MW<sup>1</sup>. They currently maintain a presence in 41 US states and 4 Canadian provinces and is regarded as the world's largest generator of wind and solar energy<sup>1</sup>. The following map illustrates the locations of their established operations:

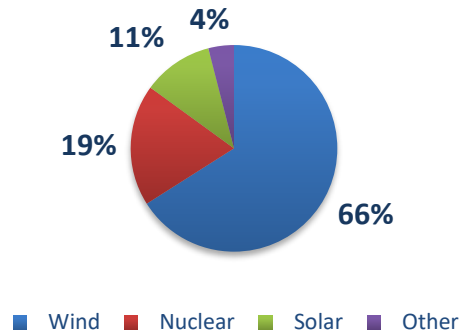
### NextEra Operations



Source: 2023 Nextera 10-k

Through continuous long-term power purchase agreements, NEER advances the transition to sustainable energy while securing consistent revenue. Wind represents the largest revenue driver in their generation mix, representing 66% of total production, and we anticipate revenues from wind to continue to grow by 20% in 2024 as NEER has added 545MW of wind capacity to their backlog and had 1,600MW of new projects added to their operational portfolio. The chart below outlines NEER's distribution of fuel types in 2023:

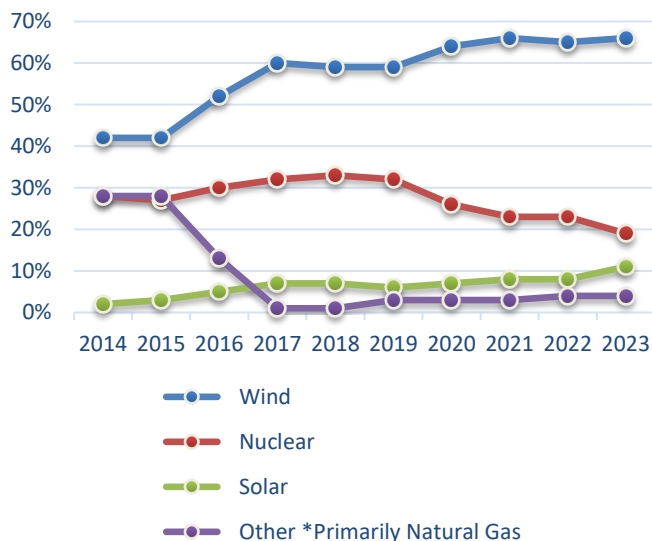
### NEER Generation Distribution



Source: 2023 NextEra 10-k

In 2023, NEER added 1,651 MW of new wind capacity to the current 24,970 MW of capacity, as well as an additional 2,073 MW of solar capacity to the existing 7,650 MW<sup>1</sup>, representing increases of 7% and 27%, respectively. Though expansions are set to take place in facilities related to all fuel types, the greatest growth is expected to be seen in solar and nuclear. Nuclear and natural gas amounted to 56% of total generation in 2014 and slowly declined alongside greater emphasis on wind and solar.

### Generation Fuel Mix Over Time



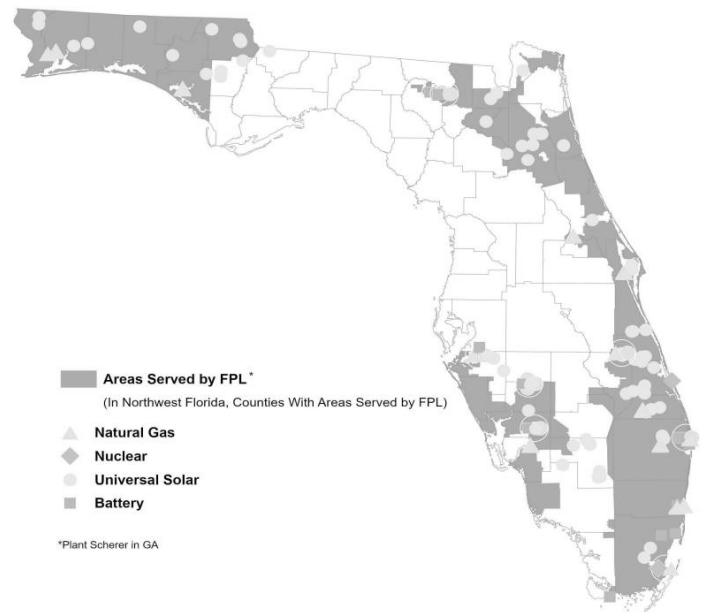
With the increased need for energy for datacenters and artificial intelligence, renewable energy demand is set to triple over the next seven years. As a result, alternative energy sources, such as nuclear, which have historically seen a decline in NEER's generation mix are also expected to gain momentum. Solar's contribution to NEER's total generation averaged 6% over the past 10 years; by 2027 we forecast this number will be 11%.

NEER also invests in other clean energy solutions such as the 29 biogas and renewable natural gas that were primarily part of a recent RNG acquisition in March of 2023 from the owners of the Energy Power Partners Fund I LP and North American Sustainable Energy Fund LP. We forecast this growing segment will slowly replace the 8% of traditional natural gas generating capacity.

### Florida Power & Light (FPL)

Florida Power & Light (FPL), another regulated subsidiary, supplies electricity to roughly 5.9 million customer accounts (which translates to over 12 million people) across Florida<sup>1</sup>. FPL stands as the largest electric utility in the United States by number of customers. In recent years, FPL expanded operations into northwest Florida by merging with Gulf Power. In January 2021, Gulf Power started to fully operate under the FPL brand and no longer existed as a separate entity. FPL now operates primarily in the east, lower west coast and northwest of Florida as can be seen in the map below:

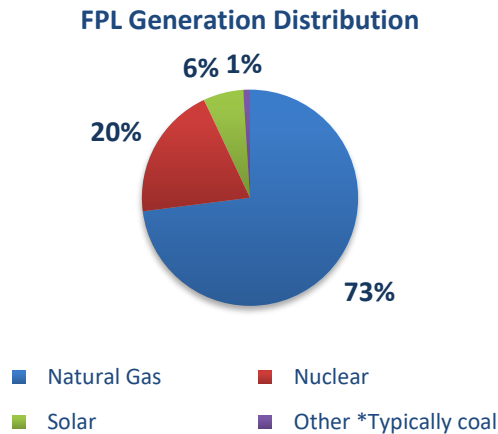
### Florida Power & Light Operations



Source: 2023 NextEra 10-K

As of December 31, 2023, FPL had a net generating capacity of 33,276 MW, 90,000 circuit miles of transmission and 883 substations<sup>1</sup>. Over the past five years, their customer accounts have increased by approximately 70,000 each year<sup>1</sup>, adding 100,000 new customer accounts at the beginning of 2024 primarily

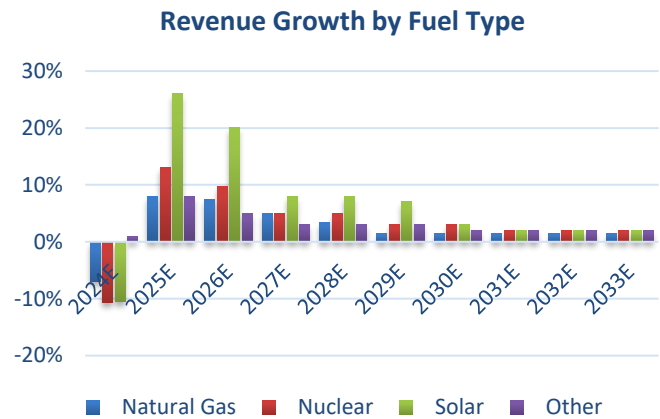
driven by population growth within the service territory. Though FPL maintains a diverse generation mix, it is heavily dominated by natural gas as seen in the chart below:



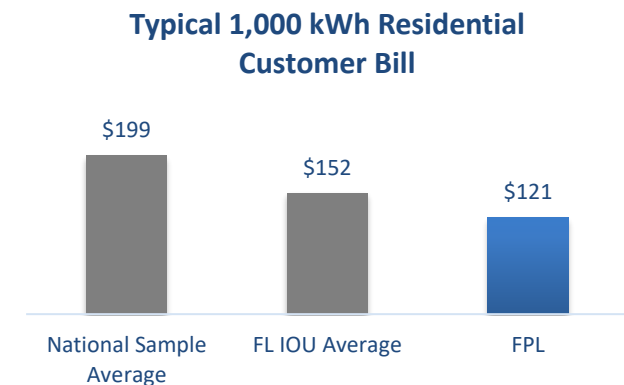
Source: 2023 NextEra 10-k

We forecast natural gas revenues will see a 7% decline in 2024 because of an oversupply over the past year alongside a warmer winter, both of which negatively impacted prices (with natural gas prices dropping to an average of \$2.57MMBtu in 2023 from \$6.45 MMBtu the year prior and further down to \$2.11 MMBtu in 2024). While the demand for power tumbled in 2023 and slowly recovered in 2024, we forecast much larger demand because of normalized weather, vehicle electrifications and the rise of data centers. As a result, we expect FPL revenues will see annualized growth of 10% in 2025, with the most notable contributing fuel type increase being in solar given their goal to add 3,100 MW of new solar capacity by that time<sup>1</sup>. By 2026 we forecast 1,860MW will be added to their operational portfolio with revenue of roughly \$551,899 per MW (derived from historical revenue per MW).

The general trend anticipated is overall growth in FPL as they continue to operate as the largest electric utility in the United States, albeit a changing energy mix as they target complete carbon emissions from power generation in 2045<sup>1</sup>. The chart below illustrates the expected growth of the revenue of the different fuel type segments:



In evaluating FPL's competitiveness relative to the utilities market, we observe residential customer bills per 1,000kWh are roughly \$78 and \$32 lower in comparison to the national sample average and Florida investor-owned utilities, respectively<sup>2</sup>.



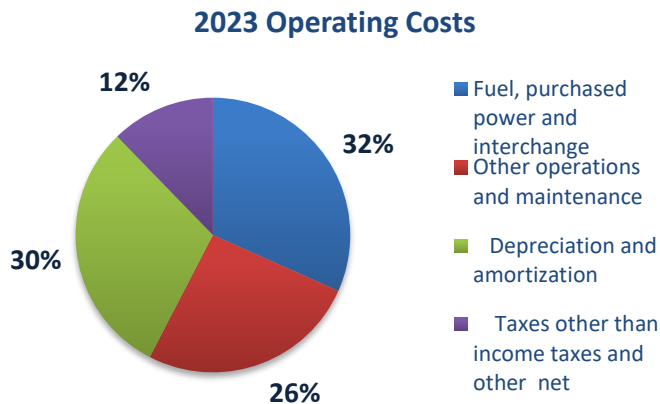
Source: NextEra Investor Presentation

The lower residential customer bills for FPL are the result of economies of scale, investments in cost-effective energy with low operational costs such as solar, and the optimization of their grid infrastructure which lower maintenance costs.

## Operating Costs

The largest operating costs NextEra reports revolve around fuel expenses, purchased power, and interchange costs. Fuel expenses primarily consider the cost of natural gas as well as the costs of nuclear fuel, coal and other sources to generate electricity at NextEra's power plants. Purchased power and interchange reflect the costs of buying electricity from other producers and energy exchanged between utilities, respectively. Fuel, purchased

power and interchange, as a percentage of revenue, decreased approximately 11% in 2023. This was predominantly the result of lower natural gas prices and periods of lower energy demand as a result of warmer weather. We forecast that these expenses will increase as a percentage of revenue by 3.6% in 2024 as prices increase and demand recovers. Nonetheless, fuel, purchased power and interchange will continue to be the largest operating expense in 2024, representing 31.7% of total operating costs. The forecasted 2024 distribution of operating costs is reflected in the chart below:



Source: Nextera 10-k

Other large operating expense accounts include depreciation and amortization and other operations and maintenance (O&M). Since NextEra invests heavily in long-term assets like power plants, wind turbines, solar farms and transmission infrastructure, NextEra experiences significant depreciation. Amortization expenses are also substantial as NextEra maintains a large backlog of contracts and permits related to power generation. These costs are forecasted to remain relatively consistent as a percentage of revenue relative to previous years. O&M primarily refer to maintenance and repairs of property as well as replacements and renewals of items determined to be less than units of utility property which we forecast will continue to downtrend marginally as a proportion of revenue as they have over the last 3 years.

## Debt Maturity Analysis

NextEra's long term debt schedule is staggered, offering a hedge against short term liquidity risks and allowing for flexibility in managing cash flow. The minimum annual maturities of long-term debt for NextEra are reflected in the following table:

Fiscal Year	Payment (\$mil)
2024	\$6,901
2025	\$8,037
2026	\$1,874
2027	\$7,731
2028	\$7,685

Source: NextEra 2023 10-K

As of December 31, 2023, short term borrowings for NextEra had a weighted -average interest rate of 5.62%, up from 4.58% the previous year because of the higher interest rate environment<sup>1</sup>. NextEra is also actively remarketing their debt as they remarketed \$1.5 billion in series j debentures in 2022 and \$2.5 billion in series k debentures in 2023, resetting their rates to 4.255% and 6.051% respectively<sup>1</sup>. In 2023, they had a debt to capitalization ratio of 58% indicating they are highly leveraged<sup>3</sup>; nonetheless, as a utility company with stable revenue and a relatively low risk profile we forecast they may issue more debt in the near term to capitalize on tight spreads. NextEra's maintains a A- credit rating from S&P and a A2 rating by Moody's, underscoring their financial health and low default risk. Their credit rating alongside their peers can be seen in the table below:

Company	Moody's Rating	S&P Rating	Fitch Rating
NextEra Energy	A2	A-	A
Constellation Energy	Baa2	BBB	BBB+
Dominion Energy	Baa2	BBB+	BBB+
The Southern Co.	Baa2	BBB+	BBB+
Duke Energy	Baa1	A-	A-

Source: Factset

## ESG Analysis

ESG ratings for NextEra and it's peers was retrieved from Sustainalytics, which uses a multidimensional approach to measure material ESG risks that are specific to each industry. The ESG ratings for NextEra and their peers can be seen in the chart below:

Name	Score	ESG Risk Rating	Industry Rank (out of 678)
NextEra Energy Inc.	24.9	Medium	210
Constellation Energy Corp.	28.5	Medium	302
Dominion Energy	28	Medium	283
The Southern Co.	28.1	Medium	290
Duke Energy Corp	26.8	Medium	250

Source: Sustainalytics

NextEra's medium ESG score can largely be attributed to their GHG emissions from natural gas operations and the nuclear waste generated from their nuclear facilities. Though NextEra matches it's peers in a medium ESG risk



rating, they perform marginally better with regards to their specific score and industry rank. One of the key factors that contributes to their performance relative to peers is their substantial investment in renewable energy through its subsidiary NEER. Moreover, NextEra has publicly shared their goals to achieve Real Zero by 2045. Not to be confused with net zero, which involves balancing emissions by investing in carbon offset projects, Real Zero is a plan to completely eliminate carbon emissions from its operations. NextEra has already reduced its reliance on foreign oil by 99% since 2001 and is planning to have reduced CO<sub>2</sub> emissions by 67% in 2025 compared to 2005 levels<sup>1</sup>. Looking forward, continued investments in biogas and renewable natural gas, similar to their recent RNG acquisition in 2023, will aid in the diversification of their portfolio to achieve the zero-carbon goals.

## RECENT DEVELOPMENTS

### Earnings Announcement

On July 24<sup>th</sup>, NextEra reported earnings of \$0.96 per share, exceeding analyst expectations which sat at \$0.93<sup>2</sup>. This reflected an increase of more than 9% year over year, with credit attributed to smart capital investments in solar and battery storage as well as lower operating costs. The company highlighted the operating and maintenance costs were 70% better than the national average largely due to those investments in modernized infrastructure<sup>2</sup> - specifics that relate to their exceptionally lower costs were not disclosed. Additionally, power outages under FPL were 66% shorter than the industry average and electricity bills were 40% below the national average<sup>2</sup>. Florida, however, is experiencing unprecedented growth with approximately 1,000 people moving there every day; as such, NextEra plans to file for a rate case in 2025. This rate case seeks to marginally increase customer rates as a result of the capital investments made in infrastructure to meet the increasing demand. While they have not disclosed the specific amount of the increase, Florida's regulatory framework has historically been supportive of utility investments which lead us to believe it is likely to be approved. Looking forward, in 2024 and 2025, NextEra expects to achieve a 11.4% regulatory return on equity (ROE).

### Fed Rate Cut

The Federal Reserve recently decided to cut interest rates by 50 basis points, resulting in a target range of 4.75%-5%

for the fed funds rate. NextEra, by virtue of being a utility company, is capital intensive and heavily relies on borrowing to finance large projects. Clean energy requires significant upfront capital, and a reduced rate environment can potentially pave the way for improved margins from a reduced cost of capital. Moreover, we forecast improved stock performance from an indirect benefit of investor interest shifting back into utility stocks which are known to perform well in low-interest rate environments. We expect interest in NextEra particularly due to their strong dividend in recent years that management intends to increase going forward as investors target utilities for stable income in their portfolios.

### New Mexico Solar Project

On the 17<sup>th</sup> of September, the Department of Energy selected NextEra for a large-scale solar project at Waste Isolation Pilot Plant in New Mexico. NextEra will have the ability to negotiate a realty agreement to organize more than 150 MW of carbon pollution-free electricity to the grid with 100 MW of storage on 1,800 acres of land. This project is part of Joe Biden's executive order 14057 which calls on agencies to achieve 100% clean electricity by 2030. By extrapolating the average revenue generating from NextEra's solar operations per MW, we forecast the WIPP projects 150 MW will translate into approximately \$132 in revenue for NextEra. More importantly, this project positions NextEra as a key player in federal clean energy expansions.

### Entergy Corp. Agreement

While currently collaborating to develop 1.7 GW of renewable energy projects across the southern US, NEER and Entergy have announced an agreement to develop as much as 4.5 GW more of solar and energy storage. The development agreement looks to span the next 5 years and provide power to those customers in Arkansas, Louisiana, Mississippi and Texas. NEER is responsible for the initial development of the projects and while not explicitly stated, it is common in such agreements for the developer to handle initial development costs (if Entergy opts to acquire the project, it would reimburse NEER and then assume operational responsibilities). Alongside growing their renewable portfolio, the long term contracts from the power purchase agreements (PPAs) that are expected following the completion of the project will provide stable long term revenue and minimize exposure

to fuel price volatility given their solar and storage components. Additionally, Entergy will provide support in navigating regulatory frameworks which will expedite approvals for the projects as well as offer logistical and infrastructure coordination in integrating the newly generated solar energy into its grid.

## INDUSTRY TRENDS

### Data Centers

Global digitalization, AI advancements and cloud computing have all influenced the increased demand for data centers. On average, a ChatGPT query needs nearly 10 times as much electricity to process as a google search, requiring 2.9 watt-hours compared to a google search's 0.3<sub>6</sub>. Current estimates project data center power consumption to triple by 2030 in the United States, reaching over 50 GW. Data centers currently consume 1-2% of total power worldwide, but this is forecasted to increase to 3-4% by the end of the decade. Such high demand comes with opportunities and challenges for the utilities industry as grid capacity and power generation has to scale drastically. Renewable energy, specifically, is expected to meet most of the consumption because they are less expensive than gas-fired plants, take less time to connect to the grid, and not require hard-to-build gas pipelines. Renewable energy only requires a few years to set up, 1-2 years for solar and 2-3 for onshore wind farms; whereas coal plants take 4-7 years, nuclear plants take 6-12 years and hydropower takes 4-8 years. Given NEER's position as the world's largest non-government-backed generator of renewable energy from wind and solar, we forecast NextEra will benefit from economies of scale in meeting the growing demand. Nonetheless, given the rate at which data centers are growing, NextEra is considering restarting the Duane Arnold nuclear plant in Iowa, which had shut down in 2020.

### Decarbonization & Policy-Driven Growth

The Inflation Reduction Act (IRA) was signed into law by President Joe Biden in 2022 and has drastically contributed to transforming the energy landscape. The IRA allocated over \$369 billion to climate and energy initiatives and lowers financial barriers for clean energy investments through incentives<sub>5</sub>. Incentives include subsidies for domestic manufacturing of green technologies, tax credits for renewable energy projects and support for carbon capture; the goal of which is to reduce greenhouse gas

emissions by 42% by 2030 from 2005 levels. Under the IRA the Production Tax Credit (PTC) offers a credit of up to \$2.75 cents per KWh for electricity generated from renewable sources and will remain in its current form until December 31, 2024. Additionally, the Investment Tax Credit (ITC) allows developers to recover 30% of eligible project costs for renewable energy projects until 2032, after which it will taper to 26% in 2033 and 22% in 2034. Beyond the direct effects of the IRA and the multitude of executive orders issued by the Biden administration to accelerate U.S clean energy, we believe the clearly defined incentives offer long-term investment certainty and encourage large-scale projects. We believe this perception will continue to encourage private capital and allow firms to scale operations. Current forecasts for solar installation growth over the next few years is 15% annually while wind is expected to grow by 25%.

With regards to NextEra, while NEER is expected to grow substantially from renewable demand, we forecast FPL will experience tempered growth as their fuel generation mix slowly transitions into more renewable power. In 2023, natural gas represented 73% of power generation while solar represented 6%; by 2030, we expect the contributions to be 65% and 10% respectively, with solar generation almost doubling as a proportion of total generation.

### Regulation

Average residential electricity prices in the U.S. rose 6.2% per kWh in 2023 and the EIA forecasts a cumulative increase of 1.1% in 2024 followed by an increase of 1.9% in 2025<sub>4</sub>. In recent years, high inflation has caused aggressive rate increase requests from utilities to cover inflationary pressures and supply chain issues, reaching a record high in 2023 with utilities in the U.S. requesting a combined total of \$18.12 billion in increases. As a result, the regulatory environment had been somewhat strict; nonetheless, as rate cases decline and inflation moderates, recent rate case results suggest a neutral regulatory environment for utilities soon since regulators will be less anxious about power affordability.

Decoupling has also gained traction across the U.S. as regulators understand the need for utilities to compensate for lost revenue due to clean energy. Decoupling separates the utility's revenue from the amount of electricity or gas they sell, whereby regulators set a fixed amount of revenue the utility is allowed to earn and if customers use

less energy, the utility can adjust rates slightly higher to meet the fixed revenue target. As of 2024, 26 states have implemented full or partial decoupling mechanisms. Despite minor pushback in some states such as Maryland and Massachusetts who argue decoupling has resulted in higher rates, we anticipate decoupling will continue to grow to allow for continued grid modernization and recovery of fixed costs as renewables usage grows.

## MARKETS AND COMPETITION

### Power of Buyers

The bargaining power of buyers with regards to power is low as gas and electric rates are set by regulators. Residential buyers may have slight bargaining power in deregulated states, such as Texas, where they can shop around for a utility provider but it is commercial and industrial customers who maintain the most flexibility in contracting with renewable energy providers or building their own solar systems and energy resources. While it is possible for advocacy groups to speak on behalf of customers, their impact on rates is minimal and unpredictable.

### Power of Suppliers

The bargaining power of suppliers is significant as the prices of fuel, such as natural gas, represent the key inputs for much of the power generation. While utilities will often hedge against price swings in these commodities by entering purchase contracts, the commodity market maintains substantial power. Utilities also have the option to transition into plants that utilize different fuel sources, granting them some additional bargaining power.

### Barriers to Entry & Substitutes

Barriers to entry is high as utilities are controlled by government sanctioned businesses that operate as monopolies with exclusive rights. The industry is also capital intensive as it requires the development of sizable distribution networks. The threat of substitutes is low as the only substitute for electricity can at times be natural gas. Switching electricity for natural gas is seldom done as it requires significant capital investment. The gas subindustry in utilities is expected to see reduced demand as growing renewable energy becomes commonplace. Renewable energy, coupled with battery storage can reduce activity from natural gas-fired power plants.

### Peers

The peers selected for comparison analysis include utilities with both regulated and unregulated businesses such as Southern Company, American Electric Power, and Dominion Energy, as well as traditional utilities such as Public Service Enterprise Group, Exelon and PG&E - both regulated and unregulated businesses necessitate comparison for NextEra given their operations in both. The following table aggregates NextEra's peer group with respect to their market capitalizations and dividend yields:

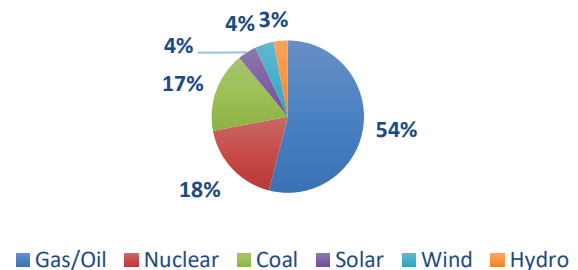
Company Name	Ticker	Mkt Cap (M)	Dividend Yield (%)
NextEra Energy	NEE-US	171,981	2.49
Southern	SO-US	100,332	3.21
American Electric Power	AEP-US	54,491	3.45
Dominion Energy	D-US	48,710	4.61
Public Service Enterprise	PEG-US	43,285	2.77
PG&E	PCG-US	43,239	0.20
Exelon	EXC-US	40,350	3.77

Source: FactSet

### Southern Company

One of the largest utility companies in the U.S., Southern Company serves customers across the south-east of the country. The electricity generation fuel mix is largely dependent on fossil fuels followed by nuclear. Renewables account for 8% but the company plans to expand its clean energy initiatives.

#### Southern Company Generation Mix



Source: Southern Company 10-k

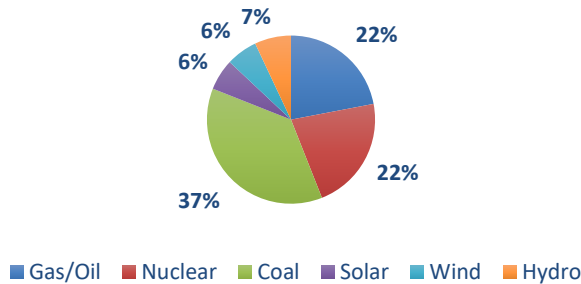
### American Electric Power

AEP is a large utility in the U.S. that serves 11 states and maintains a relatively diversified portfolio. Compared to its peers, it possesses one of the larger operations with



regards to power from coal. Renewables only represent 12% of total generation.

#### American Electric Power Generation Mix

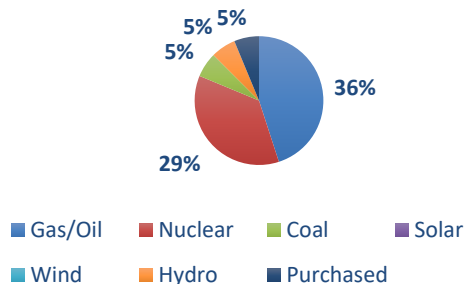


Source: American Electric Power 10-k

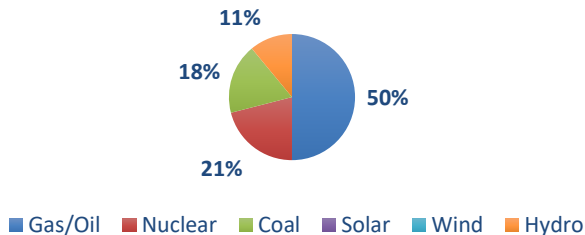
#### Dominion Energy

Dominion Energy is a utility that predominantly operates in the eastern part of the U.S.. They possess two subsidiaries that maintain operations, Virginia Power and Dominion South Carolina; the former seeing more activity in nuclear operations while the latter in gas and coal as can be seen below:

#### Virginia Power Generation Mix



#### DE South Carolina Generation Mix



source: Virginia Power 10-k

#### Public Service Enterprise Group (PSEG)

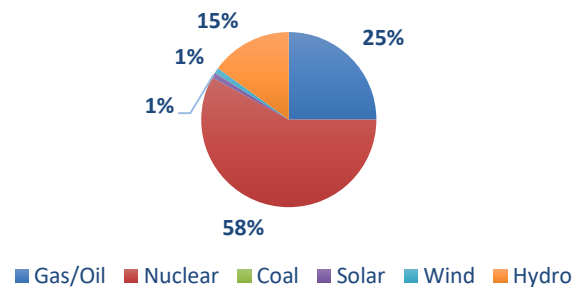
PSEG is a electric and gas utility that services customers in New Jersey. While specific fuel generation data is not

readily available, they are known to have significant nuclear and renewable operations. PSEG have also been exploring offshore wind and solar projects.

#### PG&E

Based in California, PG&E is known to have an exceptionally clean energy portfolio. PG&E maintains substantial nuclear power generation. While they possess some hydropower, they lack other renewable sources like solar and wind.

#### PG&E Generation Mix

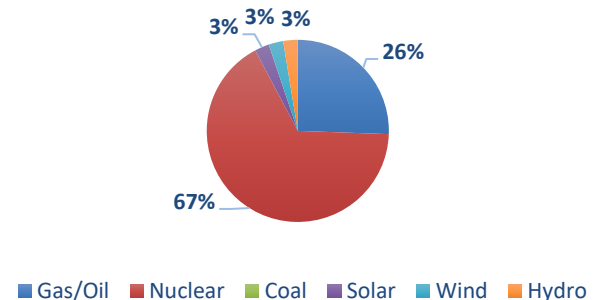


Source: PG&E 10-k

#### Exelon / Constellation Energy

Constellation is spun off Exelon and represents what used to be Exelon's power generation arm. Like PG&E, they also maintain large nuclear power generation and generate enough power to meet the needs of 15-16 million homes. Exelon still maintains the regulated utility services and serves customers in metropolitan areas such as Chicago, Philadelphia, Baltimore and Washington D.C..

#### Constellation Generation Mix



source: Constellation 10-k

## Electricity Sale Breakdown

The following table highlights the customer segments for each of the peer's regulated utility operations:



Source: Company 10-k's

NextEra, through their regulated utility segment FPL, is heavily concentrated in the residential sector and sensitive to household demands. It is for this reason that the large influx in residents to Florida is substantially increasing demand and requiring significant growth in operations. Southern and American Electric Power have the most diversified customer segments with large wholesale customers relative to their peers.

## Leverage Metrics

Utilities are capital intensive industries and players tend to be highly leveraged to invest in necessary infrastructure. The following leverage metrics indicate the company's ability to pay off debt using funds from operations (FFO), how many years it would take for the company to pay off its debt if EBITDA remained constant, and how reliant the company is on debt compared to equity. The table below summarizes the metrics with regards to NextEra and its peers:

Company Name	FFO/Debt (%)	Debt/EBITDA (x)	Debt/Capital (%)
NextEra Energy	16.80	6.62	62.71
Southern	12.92	5.31	66.88
GE Vernova	-	-	-
American Electric Power	14.39	5.78	62.92
Dominion Energy	13.71	6.36	60.56
Public Service Enterprise	11.43	6.19	57.67
PG&E	11.25	6.71	69.78
Exelon	13.86	5.92	63.85

Source: FactSet

It is notable that PG&E shows the largest financial risk with a debt/EBITDA of 6.71. While NextEra also has a high debt/EBITDA, their strong FFO/Debt indicates strong cash flow that can handle their debt load. Public Service Enterprise has the most conservative capital structure, which may make them marginally safer but potentially slower-growing investments.

## Capital Expenditures

Analyzing capital expenditures offers insights into how much utility companies are investing in their infrastructure and their potential future growth. The table below highlights NextEra's plans for growth alongside its peers:

Company Name	NTM CapEx	CapEx/Sales	Internal Funding (%)
NextEra Energy	-23,435	0.96	105.38
Southern	-10,213	0.39	56.20
GE Vernova	-	-	-
American Electric Power	-9,607	0.49	67.14
Dominion Energy	-9,418	0.67	30.67
Public Service Enterprise	-3,729	0.38	36.93
PG&E	-11,573	0.47	67.94
Exelon	-8,085	0.36	68.54

Source: FactSet

It is apparent that NextEra is the most aggressive with their plans for future growth as they reinvest almost all their sales back into the business with a CapEx/Sales of 96%. Nonetheless, they have strong cash flows that can cover their CapEx plans without the need for external funding, signifying strong financial health. Nonetheless, we believe this exposes them to potentially overbuilding capacity due to grid bottlenecks due to transmission constraints as well as demand uncertainty in merchant energy markets. Dominion Energy also has strong plans for growth but will rely more heavily on external financing. The rest of the

peers seem to have moderate CapEx plans and are somewhat conservative in their external financing.

## Margin Metrics

The following table describes how efficient each company operates and the profit generated at different stages:

Company Name	Gross Margin (%)	EBIT Margin (%)	Net Margin (%)
NextEra Energy	35.15	25.79	25.82
Southern	32.18	26.56	17.64
GE Vernova	-	-	-
American Electric Power	29.47	21.67	13.32
Dominion Energy	54.47	25.84	14.60
Public Service Enterprise	21.48	21.48	16.78
PG&E	19.03	19.03	10.22
Exelon	25.06	18.65	10.65

Source: FactSet

While Dominion maintains the highest gross margin, they possess large non-operating expenses that dampen their profitability. NextEra, conversely, stands out for high profitability and strong margins in addition to non-operating income that results in a net margin 0.03% higher than their EBIT Margin.

## ECONOMIC OUTLOOK

### Real GDP Growth

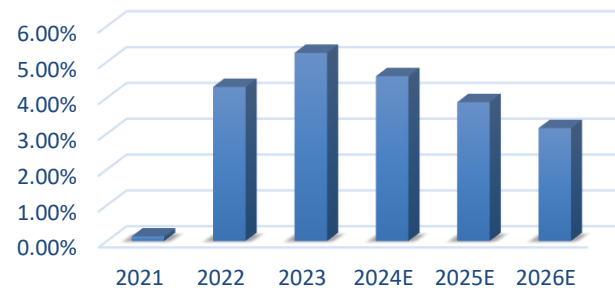
Real GDP recovered to 3% in the second quarter of 2024 after a tempered first quarter. The Atlanta Fed however have revised their real GDP growth rate forecasts for the third quarter to 2.9% from 3.0% as a result of weaker performance in investment sectors as well as in housing<sup>13</sup>. Housing has had a notable effect on tempering GDP as housing starts fell to 1.238 million annually in July 2024, representing the lowest level since 2020. The resilience the U.S. economy has exhibited leads us to forecast continued growth, with Henry Fund long term GDP growth forecasts of 2.9%, that will positively influence NextEra through increased energy demand. While most of the energy NextEra supplies through FPL is residential, the robust GDP growth we expect is likely to correlate with increased disposable incomes and greater energy consumption through appliance usage, electric vehicles and heating/cooling systems. We expect healthy GDP to also benefit NEER through increased infrastructure development in growing sectors such as data centers, transportation and manufacturing as well as sustainability initiatives from corporations. Nonetheless, it is key to note that recent research has indicated that long run GDP

elasticity of electricity has declined overtime, reaching as low as 0.2 as electricity demand grows more slowly than GDP in developed economies<sup>15</sup>.

## Inflation & Interest Rates

U.S. CPI inflation over the past year ending August 2024 matched pre-pandemic levels at 2.5%. Though this disinflation would typically coincide with much slower economic growth and abrupt increases in unemployment, unemployment remained low and GDP growth exceeded 2.5%. As a result, the federal reserve has cut interest rates by 50 basis points, an action that is particularly relevant for highly leveraged capital-intensive industries like utilities. The Henry Fund forecasts for the Fed Funds rate can be seen in the chart below:

### Fed Funds Rate Forecast



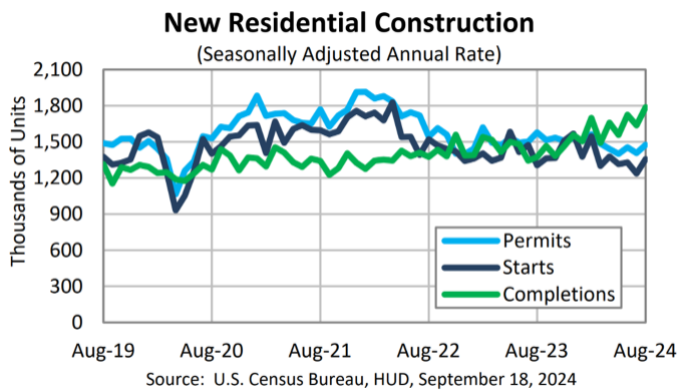
Source: HF forecasts

It is key to note that corporate spreads have remained tight relative to treasuries because of strong economic performance and low default risk among investment-grade companies. We anticipate the lower cost of borrowing as rates come down will spur increased leverage amongst firms that will widen spreads. As a result, we forecast NextEra will continue to remarket their debt in the near term to capitalize on tight spreads.

## Housing Starts

Housing starts and building permits are leading indicators for utility demand as they project new homes and businesses coming online. Building permits rose to a seasonally adjusted annual rate of 1.475 million in August of 2024, representing a 4.9% increase from the previous month<sup>14</sup>. FPL, focusing largely on residential customers, is set to benefit from the 8.4% increase in multifamily permits and 2.8% increase in single-family permits. August also saw a surge in housing starts, where single family

home construction saw a 15.8% increase<sup>14</sup>. One thing to note is single-family consumption is approximately 50% higher than multifamily and they are also more likely to install distributed energy resources such as rooftop solar panels and home batter storage – both of which are further encouraging signs for NextEra’s operations through FPL. Coupled with Florida’s population of 23 million residents and 8 million households, both of which are trending upwards, we foresee Florida especially to witness substantial housing starts. The chart below highlights the upticks in residential housing starts and permits:



United States Census Bureau

## VALUATION

### Revenues

#### FPL

Though we expect lower 2024 revenues as a result of a milder winter and lower energy demand, we expect the influx of residents in Florida, coupled with a robust and growing economy to increase revenues relatively consistently 2025 onwards. As such, we have forecasted a 8% growth rate in 2025, largely due to growth in solar revenue, followed by a CAGR of 6% through to 2028. In 2023, FPL represented 65% of NextEra’s total revenue; while we are expecting growth in FPL, its contribution is expected to represent only 52% of total revenues in 2028.

#### NEER

We expect tremendous growth for NextEra Energy Resources as they attempt to supply demand emerging in AI, data centers and EV vehicles. We are forecasting 20% growth in NEER’s revenues in 2024 followed by marginal

declines year over year as infrastructure capacity and grid reliability potentially hinder the full growth potential.

Since wind is NEER’s biggest revenue driver, the following sensitivity table highlights its growth effects on the valuation against FPL’s natural gas growth (which represents the latter’s largest revenue driver) to better illustrate the implied price’s sensitivity to each operating entity:

DCF		FPL Natural Gas 2024 Revenue Growth						
	91.50	-22%	-20%	-18%	-16%	-9%	-2%	5%
NEER Wind 2024 Revenue	4%	66.31	69.50	72.70	75.63	86.82	98.01	109.20
	9%	71.60	74.79	77.99	80.92	92.11	103.30	114.49
	14%	76.89	80.08	83.28	86.21	97.40	108.59	119.78
	19%	82.17	85.37	88.57	91.50	102.69	113.88	125.07
	24%	87.46	90.66	93.86	96.79	107.98	119.17	130.36
	29%	92.75	95.95	99.15	102.08	113.27	124.46	135.65
	34%	98.04	101.24	104.44	107.37	118.56	129.75	140.94

### Operating Costs

Following a year with lower natural gas prices, fuel and purchased power, representing NextEra’s largest costs, were significantly lower. We forecast a decrease of 4% in fuel costs as a percentage of revenue that will remain lower than their historical average (25%) as dependency on natural gas decreases in FPL, given their increasing emphasis on building solar generation capacity. O&M expenses are expected to be 1.2% lower than their long-term averages as NextEra sees secondary benefit from newer equipment that require less maintenance. As capital expenditures continue to be high, we expect depreciation and amortization expenses to continue to amount for over 30% of expenses, calculated using a historical implied depreciation rate.

### Capital Expenditures

Planned capital expenditures from 2024-2028 total \$62.1 billion. FPL will utilize \$43.8 billion for generation projects and investments in transmission and distribution. NEER has allocated \$18.3 billion for wind and solar projects, battery storage and transmission projects. While guidance was not given following 2028, we believe an average of the next four years guidance is an accurate reflection of likely expenditures at \$12.4 billion annually. We expect capex to level off by the end of the decade as bottlenecks from energy transmission become bigger constraints.

## WACC

The Henry Fund constructed a Weighted Average Cost of Capital of 5.33% for NextEra using the following assumptions:

- **Risk-Free Rate:** The risk-free rate of 3.65% is the current 10 US year treasury note.
- **Beta:** A raw (historical) beta of 0.5 was sourced from Bloomberg.
- **Equity Risk Premium:** A Henry Fund consensus of an equity risk premium of 5% was utilized.
- **Pre-Tax Cost of Debt:** A pre-tax cost of debt of 4.44% was derived as an interpolated point on Bloomberg's issuer curve.
- **Tax Rate:** Using their historical average, we derived an implied marginal tax rate of 23%.

## DCF / EP Models

The DCF and EP models produced an implied price of \$88.5, which represents a 7.5% increase from its current price. We believe the implied price is a fair estimate in the context of the growth NextEra is experiencing in both their operating segments. The continuing value growth rate used was 3% which reflects the foreseeable growth in energy demand with an emphasis on renewables. The equity risk premium of 5% also reflects a fairly conservative estimate that was derived as an average of Damodaran's equity risk premium and the historical geometric average. Lower equity risk premiums significantly raised our implied price, furthering our confidence in the implied price of \$91.36.

## DDM

The DDM model produced a price similar to that of the DCF at \$85.9, representing an approximate 4.3% increase from the current price. NextEra has dramatically increased their payout ratio in recent years with record payout ratios of 84% and 80% in 2021 and 2022, respectively. While we do not expect a payout ratio that high in coming years, NextEra's management has expressed their desire to continue increasing dividends year over year for the foreseeable future. The growth rate of EPS used was 2.5% which is marginally lower than the growth rate of NOPLAT utilized as we expect NextEra to issue more debt and experience larger interest payments as they grow.

## Relative Valuation

In our relative valuation model, we assessed NextEra relative to its peers within the industry. The price achieved from the P/E valuation model was the highest at \$94.3 which can be attributed to a P/E ratio of 24.1 for 2024. We believe our DCF model has a more accurate reflection of NextEra's implied price as it better captures long term growth rather than next year's earnings which we forecast to be lower than market expectations.

## RECCOMENDATION SUMMARY

In assessing NextEra's performance and future growth potential, the following are the key drivers behind our recommendation:

- We forecast FPL will continue to see high demand from those moving to the state, given most of their accounts are residential.
- FPL maintains significantly lower residential customer bills relative to both the market in Florida as well as the nation.
- Data centers, AI and EV's are all catalysts for NEER's growth potential. Renewables are the quickest energy source to meet the rapidly rising demand.
- NextEra has position itself well as a key aid for federal expansion projects into clean energy.

## Keys to Monitor

Though we forecast higher operating costs in the coming year as gas prices normalize following a year of suppressed prices, we foresee revenues growing much more rapidly as a result of scaled operations. NextEra has significant capital expenditures planned, and while highly leveraged, maintains strong cash flows that can cover expenditures without issuing more debt. We believe monitoring capital expenditures alongside the capacity incorporated to their operating portfolio to be a good barometer of the pace to which their investments come online.

Two other items worth monitoring for NextEra are rate cases and decoupling. FPL plans to file for a rate case in 2025 which can potentially dramatically impact revenues. FPL does not currently operate under a decoupling mechanism, but if they did they would be better equipped to scale the growth of their renewable operations; any interest in decoupling should be examined.



NextEra offers exposure to both a high performing regulated utility business as well as a renewable power generation business with a very optimistic future. The biggest question the Henry Fund is confronted with is the limits to current infrastructure and grid capacity. Nonetheless, the question remains a matter of how much growth rather than whether they will see growth. In summary, the Henry Fund has placed a HOLD rating on NextEra to maintain our current position.

students, or the Henry Fund may hold an investment position in the companies mentioned in this report.

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**NextEra Energy**  
*Revenue Decomposition*

Fiscal Years Ending Dec. 31	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E
Total Revenue	17,021	17,486	16,138	17,173	16,727	19,204	17,997	17,069	20,956	28,114	28,812	32,918	36,360	38,795	40,672	41,873	42,963	43,764	44,581	45,414
Revenue Growth		2.7%	-7.7%	6.4%	-2.6%	14.8%	-6.3%	-5.2%	22.8%	34.2%	2.5%	14.3%	10.5%	6.7%	4.8%	3.0%	2.6%	1.9%	1.9%	1.9%
Florida Power & Light	11,421	11,651	10,895	11,972	11,862	12,192	11,662	14,102	17,282	18,365	16,903	18,599	20,225	21,276	22,149	22,640	23,068	23,438	23,815	24,198
Revenue Growth		2.0%	-6.5%	9.9%	-0.9%	2.8%	-4.3%	20.9%	22.5%	6.3%	-8.0%	10.0%	8.7%	5.2%	4.1%	2.2%	1.9%	1.6%	1.6%	1.6%
Commercial Accounts							0.62	0.63	0.64	0.65	0.66	0.67	0.68	0.69	0.70	0.72	0.73	0.74	0.75	0.76
Residential Accounts							4.98	5.07	5.16	5.25	5.34	5.43	5.52	5.61	5.70	5.79	5.87	5.96	6.05	6.14
Customer Account Distribution																				
Commercial							11.0%	11.0%	11.0%	11.0%	11.0%	11.0%	11.0%	11.0%	11.0%	11.0%	11.0%	11.0%	11.0%	11.0%
Residential							89.0%	89.0%	89.0%	89.0%	89.0%	89.0%	89.0%	89.0%	89.0%	89.0%	89.0%	89.0%	89.0%	89.0%
Generation by fuel type																				
Natural Gas	68%	69%	70%	71%	73%	74%	73%	70%	71%	73%	72%	70%	68%	68%	67%	66%	65%	65%	65%	65%
Nuclear	23%	22%	23%	23%	22%	22%	22%	22%	21%	20%	21%	22%	23%	23%	23%	23%	24%	24%	24%	24%
Solar					1%	2%	3%	6%	5%	6%	6%	7%	8%	8%	9%	10%	10%	10%	10%	10%
Other *Typically coal	4%	4%	4%	4%	2%	2%	2%	2%	2%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%
Purchased Power	5%	5%	3%	2%	2%				1%											
Revenue by fuel type																				
Natural Gas	7,766	8,039	7,627	8,500	8,659	9,022	8,513	9,871	12,270	13,406	12,468	13,465	14,475	15,199	15,724	15,954	16,184	16,417	16,653	16,893
growth		4%	-5%	11%	2%	4%	-6%	16%	24%	9%	-7%	8%	8%	5%	3%	1%	1%	1%	1%	1%
Nuclear	2,627	2,563	2,506	2,754	2,610	2,682	2,566	3,102	3,629	3,673	3,278	3,709	4,071	4,275	4,489	4,623	4,762	4,857	4,955	5,054
growth		-2%	-2%	10%	-5%	3%	-4%	21%	17%	1%	-11%	13%	10%	5%	5%	3%	3%	2%	2%	2%
Solar	0	0	0	0	119	244	350	846	864	1,102	970	1,222	1,466	1,583	1,710	1,830	1,885	1,922	1,961	2,000
growth						106%	43%	142%	2%	28%	-12%	26%	20%	8%	8%	7%	3%	2%	2%	2%
Other	457	466	436	479	237	244	233	282	346	184	187	202	212	219	225	232	237	241	246	251
growth		2%	-6%	10%	-50%	3%	-4%	21%	23%	-47%	2%	8%	5%	3%	3%	3%	2%	2%	2%	2%
Purchased Power	571	583	327	239	237	0	0	0	173	0	0									
growth		2%	-44%	-27%	-1%	-100%				-100%										
NextEra Energy Resources	5,196	5,444	4,876	5,164	4,878	5,639	5,046	3,053	3,720	9,672	11,828	14,235	16,045	17,425	18,425	19,132	19,791	20,219	20,655	21,102
Revenue Growth		4.8%	-10.4%	5.9%	-5.5%	15.6%	-10.5%	-39.5%	21.8%	160.0%	22.3%	20.4%	12.7%	8.6%	5.7%	3.8%	3.4%	2.2%	2.2%	2.2%
													65.9%				104.6%			
Generation by fuel type																				
Wind	42%	42%	52%	60%	59%	59%	64%	66%	65%	66%	66%	64%	64%	62%	62%	60%	60%	60%	60%	60%
Nuclear	28%	27%	30%	32%	33%	32%	26%	23%	23%	19%	22%	25%	25%	25%	25%	27%	27%	27%	27%	27%
Solar	2%	3%	5%	7%	7%	6%	7%	8%	8%	11%	9%	9%	9%	11%	11%	11%	11%	11%	11%	11%
Other *Primarily Natural Gas	28%	28%	13%	1%	1%	3%	3%	3%	4%	4%	4%	2%	2%	2%	2%	2%	2%	2%	2%	2%
Revenue by fuel type																				
Wind	2,182	2,286	2,536	3,098	2,878	3,327	3,229	2,015	2,418	6,384	7,685	9,069	10,248	10,920	11,575	11,923	12,280	12,526	12,776	13,032
growth		5%	11%	22%	-7%	16%	-3%	-38%	20%	164%	20%	18%	13%	7%	6%	3%	3%	2%	2%	2%
Nuclear	1,455	1,470	1,463	1,652	1,610	1,804	1,312	702	856	1,838	2,515	3,337	3,771	3,921	4,078	4,241	4,369	4,456	4,545	4,636
growth		1%	0%	13%	-3%	12%	-27%	-46%	22%	115%	37%	33%	13%	4%	4%	4%	3%	2%	2%	2%
Solar	104	163	244	361	341	338	353	244	298	1,064	1,202	1,383	1,562	2,100	2,268	2,450	2,609	2,687	2,768	2,851
growth		57%	49%	48%	-6%	-1%	4%	-31%	22%	258%	13%	15%	13%	34%	8%	8%	6%	3%	3%	3%
Other *Primarily Natural Gas	1,455	1,524	634	52	49	169	151	92	149	387	426	447	465	483	503	518	533	549	566	583
growth		5%	-58%	-92%	-6%	247%	-11%	-39%	62%	160%	10%	5%	4%	4%	4%	3%	3%	3%	3%	3%
Corp. and Other	404	391	367	37	-13	-114	-109	-86	-46	77	81	85	89	94	98	101	104	107	111	114
Revenue Growth		-3.2%	-6.1%	-89.9%	-135.1%	776.9%	-4.4%	-21.1%	-46.5%	-267.4%	5.0%	5.0%	5.0%	5.0%	5.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Gulf Power						1487	1398													
Revenue Growth							-6.0%	-100.0%												

NextEra Energy  
Income Statement

Fiscal Years Ending Dec. 31	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E
OPERATING REVENUES	17,021	17,486	16,138	17,173	16,727	19,204	17,997	17,069	20,956	28,114	28,812	32,918	36,360	38,795	40,672	41,873	42,963	43,764	44,581	45,414
OPERATING EXPENSES																				
Fuel, purchased power and interchange	5,602	5,327	3,992	4,071	3,732	4,363	3,539	4,527	6,389	5,457	5,474	6,913	7,999	8,535	8,948	9,212	9,452	9,628	9,808	9,991
Other operations and maintenance	3,149	3,269	3,529	3,458	3,330	3,640	3,934	3,981	4,428	4,681	5,440	6,215	6,865	7,325	7,679	7,906	8,112	8,263	8,417	8,574
Depreciation and amortization	2,551	2,831	3,120	3,612	3,914	4,450	4,052	3,924	4,503	5,879	5,987	6,816	7,386	7,889	8,426	8,942	9,533	10,124	10,715	11,306
Taxes other than income taxes and other net	1,362	1,423	1,485	1,970	1,551	1,804	1,709	1,801	2,077	2,265	2,572	3,108	3,480	3,728	3,833	3,952	4,057	4,130	4,158	4,209
Total operating expenses net	12,664	12,850	12,126	13,111	12,527	14,257	13,234	14,233	17,397	18,282	19,473	23,052	25,730	27,477	28,885	30,012	31,154	32,146	33,098	34,080
Gains / losses on disposal of businesses / assets net	27	4	447	1,111	80	406	353	77	522	405										
											35%	34%	33%	33%	34%					
<b>OPERATING INCOME</b>	<b>4,384</b>	<b>4,632</b>	<b>4,459</b>	<b>5,173</b>	<b>4,280</b>	<b>5,353</b>	<b>5,116</b>	<b>2,913</b>	<b>4,081</b>	<b>10,237</b>	<b>9,339</b>	<b>9,866</b>	<b>10,630</b>	<b>11,319</b>	<b>11,787</b>	<b>11,861</b>	<b>11,809</b>	<b>11,619</b>	<b>11,483</b>	<b>11,333</b>
Other Income (Deductions)																				
Interest expense	-1261	-1211	-1098	-1558	-1498	-2249	-1950	-1270	-585	-3324	-3,466	-3,736	-3,611	-4,016	-4,157	-3,920	-4,026	-4,137	-4,232	-4,313
Equity in earnings / losses of equity method investees	93	107	148	141	358	66	-1,351	666	203	-648	669	707	762	811	845	850	847	833	823	812
Allowance for equity funds used during construction	37	70	86	92	96	67	93	142	112	161	283	195	172	184	177	177	177	177	177	177
Gains / losses on disposal of assets net	105	90	40	112	111	55	50	70	80	125	119	136	150	160	168	173	177	180	184	187
Gain on NEP Deconsolidation					3,927															
Change in unrealized losses on equity securities held in NEER's nuclear decommissioning funds net			0	0	-189	238	163	267	-461	159	-7	-8	-8	-9	-9	-10	-10	-10	-10	-11
Other net periodic benefit income			144	151	168	185	200	257	202	245	321	367	405	432	453	466	478	487	496	506
Other net excluding equity in earnings / losses of equity metho	13	0	19	552	99	121	92	130	200	333	284	327	387	449	388	402	414	427	413	393
Total other Income (Deductions) net	-1,013	-642	-82	-510	3,072	-1,517	-2,703	262	-249	-2,949	-1,796	-2,013	-1,743	-1,990	-2,136	-1,861	-1,943	-2,043	-2,149	-2,249
INCOME BEFORE INCOME TAXES	3,645	3,990	4,378	4,663	7,352	3,836	2,413	3,175	3,832	7,288	7,542	7,854	8,887	9,329	9,651	9,999	9,867	9,576	9,334	9,085
INCOME TAXES	1,176	1,228	1,379	660	1,576	448	44	348	586	1,006	1,700	1,770	2,002	2,102	2,175	2,253	2,223	2,158	2,103	2,047
<b>NET INCOME</b>	<b>2,469</b>	<b>2,762</b>	<b>2,999</b>	<b>5,323</b>	<b>5,776</b>	<b>3,388</b>	<b>2,369</b>	<b>2,827</b>	<b>3,246</b>	<b>6,282</b>	<b>5,843</b>	<b>6,084</b>	<b>6,884</b>	<b>7,227</b>	<b>7,476</b>	<b>7,746</b>	<b>7,643</b>	<b>7,418</b>	<b>7,230</b>	<b>7,038</b>
NET LOSS ATTRIBUTABLE TO NONCONTROLLING INTERESTS	4	10	93	57	862	381	550	746	901	1,028	1,131	1,244	1,368	1,505	1,656	1,821	2,003	2,204	2,424	2,666
<b>NET INCOME ATTRIBUTABLE TO NEE</b>	<b>2,465</b>	<b>2,752</b>	<b>2,906</b>	<b>5,380</b>	<b>6,638</b>	<b>3,769</b>	<b>2,919</b>	<b>3,573</b>	<b>4,147</b>	<b>7,310</b>	<b>6,973</b>	<b>7,328</b>	<b>8,252</b>	<b>8,732</b>	<b>9,132</b>	<b>9,567</b>	<b>9,647</b>	<b>9,622</b>	<b>9,654</b>	<b>9,704</b>
Earnings per share attributable to NEE:																				
Basic	1.42	1.53	6.27	11.48	3.51	1.95	1.49	1.82	2.10	3.61	3.41	3.61	4.10	4.37	4.61	4.87	4.96	4.99	5.05	5.13
Weighted average shares																				
Basic	1,738	1,802	463	469	1,893	1,928	1,959	1,963	1,973	2,026	2,044	2,028	2,012	1,996	1,981	1,964	1,947	1,929	1,911	1,893
Year end shares outstanding	1,772	1,844	1,872	1,884	1,912	1,956	1,960	1,963	1,987	2,052	2,036	2,020	2,004	1,988	1,973	1,956	1,938	1,920	1,902	1,884
Dividends per Share Basic	0.73	0.77	0.87	0	1.11	1.25		1.54	1.7	1.87	2.06	2.26	2.97	3.17	3.34	3.53	3.59	3.61	3.66	3.71

**NextEra Energy**  
Balance Sheet

Fiscal Years Ending Dec. 31	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E
Cash and cash equivalents	577	571	1,292	1,714	638	600	1,105	639	1,601	2,690	4,778	13,816	15,036	26,305	32,439	31,516	37,853	44,509	51,767	59,229
Customer receivables, net of allowances	1,805	1,784	1,784	2,220	2,302	2,282	2,263	3,378	4,349	3,609	3,176	3,240	3,030	3,329	3,299	3,391	3,243	3,922	4,806	5,107
Other receivables	354	481	655	517	667	525	711	730	744	944	1,074	1,227	1,356	1,446	1,516	1,561	1,602	1,632	1,662	1,693
Materials, supplies and fossil fuel inventory	1,292	1,259	1,289	1,273	1,223	1,328	1,552	1,561	1,934	2,106	2,484	2,838	3,135	3,345	3,507	3,610	3,704	3,773	3,844	3,915
Regulatory assets	748	503	524	336	448	335	377	1,125	2,165	1,460	2,124	2,427	2,680	2,860	2,998	3,087	3,167	3,226	3,286	3,348
Derivatives	990	712	885	489	564	762	570	689	1,590	1,730	1,903	2,093	2,303	2,533	2,786	3,065	3,371	3,708	4,079	4,487
Contract assets									318	1,487	654	747	825	880	923	950	975	993	1,011	1,030
Assets held for sale		1,009	452																	
Other	1,178	476	528	632	551	1,576	804	1,166	789	1,335	1,474	1,684	1,860	1,984	2,080	2,142	2,198	2,238	2,280	2,323
Total Current Assets	6,944	6,795	7,409	7,181	6,393	7,408	7,382	9,288	13,490	15,361	17,667	28,072	30,224	42,683	49,548	49,321	56,113	64,002	72,736	81,133
Total property, plant and equipment net	55,705	61,386	66,912	72,289	70,334	82,010	91,803	99,348	111,059	125,776	137,194	142,348	145,532	148,918	151,348	154,820	157,702	159,992	161,692	162,801
Special use funds	5,166	5,138	5,434	6,003	5,886	6,954	7,779	8,922	7,496	8,698	10,429	12,108	13,643	14,706	15,537	16,122	16,640	16,754	16,443	16,800
Investment in equity method investees				2,321	6,748	7,453	5,728	6,159	6,582	6,156	6,772	7,449	8,194	9,013	9,914	10,906	11,996	13,196	14,516	15,967
Prepaid benefit costs	1,244	1,155	1,177	1,427	1,284	1,437	1,707	2,243	1,832	2,112	2,407	2,785	3,144	3,407	3,591	3,745	3,905	3,961	3,852	3,920
Regulatory assets	951	1,778	1,894	2,469	3,290	3,287	3,712	4,578	5,992	4,801	4,949	6,036	6,964	7,718	8,316	8,594	8,964	9,142	9,048	8,840
Derivatives	1,009	1,202	1,350	1,315	1,355	1,624	1,647	1,135	1,935	1,790	1,969	2,166	2,382	2,621	2,883	3,171	3,488	3,837	4,221	4,643
Goodwill					891	4,204	4,254	4,844	4,854	5,091	5,091	5,091	5,091	5,091	5,091	5,091	5,091	5,091	5,091	5,091
Other					7,521	3,314	3,672	4,395	5,695	7,704	4,695	5,900	7,169	8,414	9,703	9,106	9,536	9,792	9,825	9,775
Other investments	1,399	1,786	2,482																	
Total other assets	65,474	72,445	79,249	85,824	97,309	110,283	120,302	131,624	145,445	162,128	173,505	183,883	192,118	199,887	206,382	211,555	217,323	221,765	224,687	227,837
Total assets	74,929	82,479	89,993	97,963	103,702	117,691	127,684	140,912	158,935	177,489	191,172	211,955	222,342	242,570	255,930	260,876	273,436	285,767	297,423	308,969
LIABILITIES, REDEEMABLE NONCONTROLLING INTERESTS AND EQUITY																				
Current Liabilities																				
Commercial paper	1,142	374	268	1,687	2,749	2,516	1,551	1,382	1,709	4,650	3,118	3,449	3,674	3,962	4,139	4,308	4,418	4,716	5,073	5,299
Other shortterm debt		412	150	255	5,465	400	458	700	1,368	255	1,820	2,004	2,125	2,295	2,396	2,497	2,561	2,751	2,979	3,122
Current maturities of longterm debt	3,515	2,220	2,604	1,673	2,716	2,124	4,138	1,785	6,633	6,901	6,901	8,307	1,874	7,371	7,685					
Accounts payable	1,354	2,529	3,447	3,235	2,386	3,631	4,615	6,935	8,312	8,504	6,684	7,636	8,434	8,999	9,435	9,713	9,966	10,152	10,342	10,535
Customer deposits	462	473	470	448	445	499	474	485	560	638	646	707	763	792	823	841	848	853	871	895
Accrued interest and taxes	474	449	480	621	477	558	519	525	719	970	1,362	1,490	1,568	1,761	1,827	1,864	1,947	1,993	2,001	1,819
Derivatives	1,289	882	404	364	675	344	311	1,263	2,102	845	930	1,022	1,125	1,237	1,361	1,497	1,647	1,811	1,992	2,192
Accrued constructionrelated expenditures	676	921	1,120	1,033	1,195	1,152	991	1,378	1,760	1,861	1,842	2,184	2,462	2,621	2,778	2,847	2,955	3,070	3,080	3,070
Other excluding accrued constructionrelated expen	751	841	1,226	1,581	1,130	2,309	2,256	2,695	3,182	2,999	2,852	3,439	4,003	4,404	4,704	5,044	5,177	5,252	5,181	5,116
Regulatory liabilities		14	299	346	325	320	245	289	350	340	389	489	591	621	635	637	648	666	671	676
Liabilities associated with assets held for sale		992	451																	
Total Current Liabilities	9,663	10,107	10,919	11,243	17,563	13,853	15,558	17,437	26,695	27,963	26,543	30,727	26,620	34,063	35,783	29,248	30,166	31,264	32,191	32,724
Other Liabilities and deferred credits																				
Longterm debt	24,367	26,681	27,818	31,410	26,782	37,543	41,944	50,960	55,256	61,405	66,219	70,391	73,648	76,831	79,398	81,483	83,693	85,709	87,272	88,723
Asset retirement obligations	1,986	2,469	2,736	3,031	3,135	3,457	3,057	3,082	3,245	3,403	3,974	4,541	5,016	5,352	5,610	5,776	5,927	6,037	6,150	6,265
Deferred income taxes	9,261	9,827	11,101	5,764	7,367	8,361	8,020	8,310	9,072	10,142	12,135	14,210	16,558	19,023	21,573	24,215	26,822	29,352	31,819	34,219
Regulatory liabilities	4,637	4,606	4,906	8,765	9,009	9,936	10,735	11,273	9,626	10,049	11,766	13,444	14,849	15,844	16,610	17,100	17,546	17,873	18,206	18,547
Derivatives	466	530	477	535	516	863	1,199	1,713	2,909	2,741	3,015	3,317	3,648	4,013	4,414	4,856	5,341	5,876	6,463	7,109
Other	4,381	5,147	6,705	7,684	1,449	1,831	2,242	2,468	2,696	2,762	6,029	6,730	7,107	6,730	5,941	6,365	6,774	7,046	7,250	7,540
Total other liabilities and deferred credits	45,098	49,260	53,743	57,189	48,258	61,991	67,197	77,806	82,804	90,502	103,139	112,632	120,826	127,792	133,547	139,795	146,104	151,893	157,160	162,403
TOTAL LIABILITIES	54,761	59,367	64,662	68,432	65,821	75,844	82,755	95,243	109,499	118,465	129,682	143,360	147,446	161,855	169,330	169,044	176,269	183,157	189,351	195,127
COMMITMENTS AND CONTINGENCIES																				
REDEEMABLE NONCONTROLLING INTERESTS VIES																				
EQUITY																				
Common stock	4	5	5	5	5	20	20	20	20	21	132	244	355	467	578	631	631	631	631	631
Additional paidin capital	7,179	8,596	8,948	9,100	10,490	11,955	11,222	11,271	12,720	17,365	16,584	19,454	21,849	23,493	24,937	25,614	26,235	26,668	26,938	27,429
Retained earnings	12,773	14,140	15,458	19,020	23,837	25,199	25,363	25,911	26,707	30,235	33,020	35,777	38,075	40,507	43,050	45,717	48,408	51,093	53,786	56,494
Accumulated other comprehensive income (loss)	-40	-167	-70	111	-188	-169	-92	0	-218	-153	-153	-153	-153	-153	-153	-153	-153	-153	-153	-153
Total common shareholders' equity	19,916	22,574	24,341	28,236	34,144	37,005	36,513	37,202	39,229	47,468	49,584	55,322	60,126	64,313	68,412	71,810	75,121	78,238	81,203	84,401
Noncontrolling interests	252	538	990	1,295	3,269	4,355	8,416	8,222	9,097	10,300	11,431	12,675	14,043	15,548	17,204	19,025	21,028	23,232	25,656	28,322
TOTAL EQUITY	20,168	23,112	25,331	29,531	37,413	41,360	44,929	45,424	48,326	57,768	61,014	67,996	74,169	79,861	85,616	90,834	96,149	101,470	106,858	112,723
TOTAL LIABILITIES, REDEEMABLE NONCONTROLLING INTERESTS AND EQUITY	74,929	82,479	89,993	97,963	103,702	117,691	127,684	140,912	158,935	177,489	191,172	211,955	222,342	242,570	255,930	260,876	273,436	285,767	297,423	308,969

**NextEra Energy**  
Value Driver Estimation

Fiscal Years Ending Dec. 31	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E
<b>NOPLAT:</b>																				
EBIT																				
Revenues	17021	17486	16138	17173	16727	19204	17997	17069	20956	28114	28,812	32,918	36,360	38,795	40,672	41,873	42,963	43,764	44,581	45,414
Fuel, purchased power and interchange	5602	5327	3992	4071	3732	4363	3539	4527	6389	5457	5,474	6,913	7,999	8,535	8,948	9,212	9,452	9,628	9,808	9,991
Other operations and maintenance	3149	3269	3529	3458	3330	3640	3934	3981	4428	4681	5,440	6,215	6,865	7,325	7,679	7,906	8,112	8,263	8,417	8,574
Depreciation and amortization	2551	2831	3120	3612	3914	4450	4052	3924	4503	5879	5,987	6,816	7,386	7,889	8,426	8,942	9,533	10,124	10,715	11,306
Taxes other than income taxes and other net	1362	1423	1485	1970	1551	1804	1709	1801	2077	2265	2,572	3,108	3,480	3,728	3,833	3,952	4,057	4,130	4,158	4,209
<b>EBIT</b>	<b>4357</b>	<b>4636</b>	<b>4012</b>	<b>4062</b>	<b>4200</b>	<b>4947</b>	<b>4763</b>	<b>2836</b>	<b>3559</b>	<b>9832</b>	<b>9339</b>	<b>9866</b>	<b>10630</b>	<b>11319</b>	<b>11787</b>	<b>11861</b>	<b>11809</b>	<b>11619</b>	<b>11483</b>	<b>11333</b>
<b>LESS: Adjusted Taxes</b>																				
Income Tax Provision (Benefit)	1,176	1,228	1,379	660	1,576	448	44	348	586	1,006	1,700	1,770	2,002	2,102	2,175	2,253	2,223	2,158	2,103	2,047
- Gains / losses on disposal of businesses / assets net	6	1	101	250	18	91	80	17	118	91	0	0	0	0	0	0	0	0	0	0
+ Interest expense	-284	-273	-247	-351	-338	-507	-439	-286	-132	-749	-781	-842	-814	-905	-937	-883	-907	-932	-954	-972
- Equity in earnings / losses of equity method investees	21	24	33	32	81	15	-304	150	46	-146	151	159	172	183	190	192	191	188	186	183
- Allowance for equity funds used during construction	8	16	19	21	22	15	21	32	25	36	64	44	39	41	40	40	40	40	40	40
Gains / losses on disposal of assets net	24	20	9	25	12	11	16	18	28	27	31	34	36	38	39	40	41	41	41	42
- Change in unrealized losses on equity securities held in	0	0	0	0	-43	54	37	60	-104	36	-2	-2	-2	-2	-2	-2	-2	-2	-2	-2
- Other net periodic benefit income	0	0	32	34	38	42	45	58	46	55	72	83	91	97	102	105	108	110	112	114
- Other net excluding equity in earnings / losses of equity	3	0	4	124	22	27	21	29	45	75	64	74	87	101	88	91	93	96	93	89
<b>Total Adjusted Taxes</b>	<b>830</b>	<b>894</b>	<b>932</b>	<b>-178</b>	<b>1076</b>	<b>-315</b>	<b>-305</b>	<b>-301</b>	<b>261</b>	<b>81</b>	<b>2104</b>	<b>2223</b>	<b>2395</b>	<b>2550</b>	<b>2656</b>	<b>2673</b>	<b>2661</b>	<b>2618</b>	<b>2588</b>	<b>2554</b>
<b>Change in Deferred Income Taxes</b>	<b>1205</b>	<b>1162</b>	<b>1226</b>	<b>-882</b>	<b>1463</b>	<b>258</b>	<b>-78</b>	<b>436</b>	<b>534</b>	<b>708</b>	<b>1,854</b>	<b>1,865</b>	<b>2,172</b>	<b>2,340</b>	<b>2,454</b>	<b>2,581</b>	<b>2,551</b>	<b>2,489</b>	<b>2,424</b>	<b>2,358</b>
<b>NOPLAT</b>	<b>4732</b>	<b>4904</b>	<b>4306</b>	<b>3358</b>	<b>4587</b>	<b>5520</b>	<b>4990</b>	<b>3573</b>	<b>3832</b>	<b>10459</b>	<b>9088</b>	<b>9508</b>	<b>10406</b>	<b>11109</b>	<b>11585</b>	<b>11769</b>	<b>11700</b>	<b>11490</b>	<b>11320</b>	<b>11137</b>
<b>Invested Capital (IC):</b>																				
<b>Operating Current Assets</b>																				
Normal Cash	532	546	504	537	523	600	562	533	655	878	900	1,028	1,136	1,212	1,271	1,308	1,342	1,367	1,393	1,419
Customer receivables, net of allowances	1805	1784	1784	2220	2302	2282	2263	3378	4349	3609	3,176	3,240	3,030	3,329	3,299	3,391	3,243	3,922	4,806	5,107
Other receivables	354	481	655	517	667	525	711	730	744	944	1,074	1,227	1,356	1,446	1,516	1,561	1,602	1,632	1,662	1,693
Materials, supplies and fossil fuel inventory	1292	1259	1289	1273	1223	1328	1552	1561	1934	2106	2,484	2,838	3,135	3,345	3,507	3,610	3,704	3,773	3,844	3,915
Regulatory assets	748	503	524	336	448	335	377	1125	2165	1460	2,124	2,427	2,680	2,860	2,998	3,087	3,167	3,226	3,286	3,348
<b>Total Operating Current Assets</b>	<b>4731</b>	<b>4573</b>	<b>4756</b>	<b>4883</b>	<b>5163</b>	<b>5070</b>	<b>5465</b>	<b>7327</b>	<b>9847</b>	<b>8997</b>	<b>9,759</b>	<b>10,761</b>	<b>11,337</b>	<b>12,193</b>	<b>12,591</b>	<b>12,957</b>	<b>13,059</b>	<b>13,920</b>	<b>14,991</b>	<b>15,483</b>
<b>Operating Current Liabilities</b>																				
Accounts payable	1354	2529	3447	3235	2386	3631	4615	6935	8312	8504	6,684	7,636	8,434	8,999	9,435	9,713	9,966	10,152	10,342	10,535
Customer deposits	462	473	470	448	445	499	474	485	560	638	646	707	763	792	823	841	848	853	871	895
Regulatory liabilities	0	14	299	346	325	320	245	289	350	340	389	489	591	621	635	637	648	666	671	676
Accrued constructionrelated expenditures	676	921	1120	1033	1195	1152	991	1378	1760	1861	1,842	2,184	2,462	2,621	2,778	2,847	2,955	3,070	3,080	3,070
Other excluding accrued constructionrelated expenditures	751	841	1226	1581	1130	2309	2256	2695	3182	2999	2,852	3,439	4,003	4,404	4,704	5,044	5,177	5,252	5,181	5,116
<b>Total Operating Current Liabilities</b>	<b>3243</b>	<b>4778</b>	<b>6562</b>	<b>6643</b>	<b>5481</b>	<b>7911</b>	<b>8581</b>	<b>11782</b>	<b>14164</b>	<b>14342</b>	<b>12,412</b>	<b>14,455</b>	<b>16,254</b>	<b>17,437</b>	<b>18,375</b>	<b>19,083</b>	<b>19,594</b>	<b>19,993</b>	<b>20,145</b>	<b>20,293</b>
<b>Net Operating Working Capital</b>	<b>1488</b>	<b>-205</b>	<b>-1806</b>	<b>-1760</b>	<b>-318</b>	<b>-2841</b>	<b>-3116</b>	<b>-4455</b>	<b>-4317</b>	<b>-5345</b>	<b>-2,654</b>	<b>-3,694</b>	<b>-4,917</b>	<b>-5,244</b>	<b>-5,784</b>	<b>-6,126</b>	<b>-6,535</b>	<b>-6,073</b>	<b>-5,154</b>	<b>-4,810</b>
Total Property Plant & Equipment net	55,705	61,386	66,912	72,289	70,334	82,010	91,803	99,348	111,059	125,776	137,194	142,348	145,532	148,918	151,348	154,820	157,702	159,992	161,692	162,801
<b>Other Operating Assets</b>																				
Prepaid benefit costs	1244	1155	1177	1427	1284	1437	1707	2243	1832	2112	2,407	2,785	3,144	3,407	3,591	3,745	3,905	3,961	3,852	3,920
Regulatory assets	951	1778	1894	2469	3290	3287	3712	4578	5992	4801	4,949	6,036	6,964	7,718	8,316	8,594	8,964	9,142	9,048	8,840
<b>Other Operating Liabilities</b>																				
Regulatory liabilities	4,637	4,606	4,906	8,765	9,009	9,936	10,735	11,273	9,626	10,049	11,766	13,444	14,849	15,844	16,610	17,100	17,546	17,873	18,206	18,547
Other	4,381	5,147	6,705	7,684	1,449	1,831	2,242	2,468	2,696	2,762	6,029	6,730	7,107	6,730	5,941	6,365	6,774	7,046	7,250	7,540
<b>Invested Capital</b>	<b>50,370</b>	<b>54,361</b>	<b>56,566</b>	<b>57,976</b>	<b>64,132</b>	<b>72,126</b>	<b>81,129</b>	<b>87,973</b>	<b>102,244</b>	<b>114,533</b>	<b>124,100</b>	<b>127,301</b>	<b>128,766</b>	<b>132,225</b>	<b>134,919</b>	<b>137,567</b>	<b>139,715</b>	<b>142,103</b>	<b>143,981</b>	<b>144,664</b>
<b>Free Cash Flow (FCF):</b>																				
NOPLAT	4732	4904	4306	3358	4587	5520	4990	3573	3832	10459	9088	9508	10406	11109	11585	11769	11700	11490	11320	11137
Change in IC	3,992	2,205	1,409	6,156	7,994	9,003	6,844	14,270	12,290	9,567	3,200	1,465	3,459	2,694	2,648	2,648	2,148	2,388	1,878	683
<b>FCF</b>	<b>912</b>	<b>2101</b>	<b>1948</b>	<b>-1569</b>	<b>-2474</b>	<b>-4013</b>	<b>-3271</b>	<b>-10438</b>	<b>-1831</b>	<b>-479</b>	<b>6308</b>	<b>8941</b>	<b>7649</b>	<b>8891</b>	<b>9120</b>	<b>9552</b>	<b>9102</b>	<b>9442</b>	<b>10455</b>	
<b>Return on Invested Capital (ROIC):</b>																				
NOPLAT	4732	4904	4306	3358	4587	5520	4990	3573	3832	10459	9088	9508	10406	11109	11585	11769	11700	11490	11320	11137
Beginning IC	50,370	54,361	56,566	57,976	64,132	72,126	81,129	87,973	102,244	114,533	124,100	127,301	128,766	132,225	134,919	137,567	139,715	142,103	143,981	
<b>ROIC</b>	<b>9.74%</b>	<b>7.92%</b>	<b>5.94%</b>	<b>7.91%</b>	<b>8.61%</b>	<b>6.92%</b>	<b>4.40%</b>	<b>4.36%</b>	<b>10.23%</b>	<b>7.94%</b>	<b>7.66%</b>	<b>8.17%</b>	<b>8.63%</b>	<b>8.76%</b>	<b>8.72%</b>	<b>8.50%</b>	<b>8.22%</b>	<b>7.97%</b>	<b>7.74%</b>	
<b>Economic Profit (EP):</b>																				
Beginning IC	50,370	54,361	56,566	57,976	64,132	72,126	81,129	87,973	102,244	114,533	124,100	127,301	128,766	132,225	134,919	137,567	139,715	142,103	143,981	
x (ROIC - WACC)	-5.33%	4.41%	2.59%	0.61%	2.58%	3.28%	1.59%	-0.93%	-0.97%	4.90%	2.60%	2.33%	2.84%	3.30%	3.43%	3.39%	3.17%	2.89%	2.64%	2.40%
<b>EP</b>	<b>2,219</b>	<b>1,408</b>	<b>342</b>	<b>1,497</b>	<b>2,102</b>	<b>1,146</b>	<b>-752</b>	<b>-857</b>	<b>5,009</b>	<b>2,983</b>	<b>2,893</b>	<b>3,621</b>	<b>4,245</b>	<b>4,537</b>	<b>4,577</b>	<b>4,367</b>	<b>4,043</b>	<b>3,745</b>	<b>3,463</b>	



**NextEra Energy**  
*Historical Cash Flow Statement*

<i>Fiscal Years Ending Dec. 31</i>	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Operating Activities</b>										
Net income / loss	2,469	2,762	2,999	5,323	5,776	3,388	2,369	2,827	3,246	6,282
Depreciation and amortization	2,551	2,831	3,120	2,357	3,911	4,216	4,052	3,924	4,503	5,879
Nuclear fuel and other amortization	345	372	308	281	236	262	263	290	287	272
Unrealized gains / losses on marked	-411	-337	-44	436	54	-108	533	2,005	1,378	-1,949
Unrealized losses / gains on equity s -	-	-	-	-	-	-	-163	-267	461	-159
Foreign currency transaction losses (	0	0	13	-25	16	17	45	-94	-104	92
Deferred income taxes	1,205	1,162	1,226	-882	1,463	258	-78	436	534	708
Cost recovery clauses and franchise	-67	176	94	82	-225	155	-121	-599	-1,465	1,104
Equity in losses / earnings of equity method investees	-	-	-148	-141	-358	-66	1,351	-666	-203	648
Distributions of earnings from equity method investees	-	-	102	160	328	438	456	526	541	712
Losses (gains) on disposal of a business/assets - net	-133	-89	-487	-1,223	-191	-461	-403	-146	-602	-530
Recoverable storm-related costs	0	0	-223	-108	0	-180	-69	-138	-811	-399
Other - net excluding recoverable st	278	49	-32	109	115	-141	352	-59	85	34
Current assets	-172	66	-146	-333	-631	123	-364	-1,267	-1,340	58
Other assets	-220	-109	-58	-60	-220	-93	-234	-324	-89	-408
Current liabilities	-134	64	-32	758	163	116	-6	1,053	1,702	-1,109
Other liabilities	-12	-123	-21	-19	83	231	0	52	139	66
<b>Net Cash from Operating Activities</b>	<b>5,699</b>	<b>6,824</b>	<b>6,671</b>	<b>6,715</b>	<b>10,520</b>	<b>8,155</b>	<b>7,983</b>	<b>7,553</b>	<b>8,262</b>	<b>11,301</b>
<b>Investing Activities</b>										
Capital expenditures of FPL	-3,067	-3,428	-3,776	-5,174	-5,012	-10,725	-7,489	-7,408	-9,067	-9,302
Independent power and other invest	-3,588	-4,505	-5,396	-5,335	-7,045	-6,385	-6,851	-8,247	-9,541	-15,565
Nuclear fuel purchases	-287	-361	-283	-197	-267	-315	-245	-275	-223	-185
Other capital expenditures and othe	-75	-83	-181	-34	-680	-37	-25	-147	-452	-61
Proceeds from the sale of Florida Cit	-	-	-	-	-	-	-	0	0	924
Sale of independent power and othe	307	52	658	178	1,693	1,316	1,012	2,761	1,564	1,883
Proceeds from sale or maturity of se	4,621	4,851	3,776	3,207	3,410	4,008	3,916	4,995	3,857	4,875
Purchases of securities in special use	-4,767	-4,982	-3,829	-3,244	-3,733	-4,160	-4,100	-5,310	-4,586	-5,926
Other - net excluding sale of indepe	-286	107	5	220	47	121	83	40	89	-110
<b>Net Cash from Investing Activities</b>	<b>-7,142</b>	<b>-8,349</b>	<b>-9,026</b>	<b>-10,379</b>	<b>-11,587</b>	<b>-16,177</b>	<b>-13,699</b>	<b>-13,591</b>	<b>-18,359</b>	<b>-23,467</b>
<b>Financing Activities</b>										
Issuances of long-term debt, includir	5,054	5,772	5,657	8,354	4,391	13,905	12,404	16,683	13,856	13,857
Retirements of long-term debt	-4,750	-3,972	-3,310	-6,780	-3,102	-5,492	-6,103	-9,594	-4,525	-7,978
Proceeds from differential members	978	761	1,859	1,414	1,841	1,604	3,522	2,779	4,158	2,745
Net change in commercial paper	451	-768	-106	1,419	1,062	-234	-965	-169	327	2,941
Proceeds from other short-term deb	500	1,225	500	450	5,665	200	2,158	0	1,755	1,980
Repayments of other short-term del	-500	-813	-662	-2	-455	-4,765	-2,100	-257	-1,125	-2,613
Payments from related parties under CSCS agreement - net	-	-	0	0	-21	-54	-2	47	240	1,213
Other - net	-	-	-439	-725	-364	-476	-406	-737	-565	-728
Issuances of common stock/equity units - net	633	1,298	537	603	718	1,494	-92	14	1,460	4,514
Proceeds from sale of noncontrolling interests	-	-	-	-	0	99	501	65	0	0
Dividends on common stock	-1,261	-1,385	-1,612	-1,845	-2,101	-2,408	-2,743	-3,024	-3,352	-3,782
<b>Net Cash from Financing Activities</b>	<b>1,105</b>	<b>2,118</b>	<b>2,424</b>	<b>2,888</b>	<b>7,634</b>	<b>3,873</b>	<b>6,174</b>	<b>5,807</b>	<b>12,229</b>	<b>12,149</b>
Effects of currency translation on ca -	-	17	10	26	-7	4	-20	1	-7	-4
Net increase / decrease in cash, cas	139	7	757	454	3,270	-4,145	438	-230	2,125	-21
Cash, cash equivalents and restricte	438	765	772	1,529	1,983	5,253	1,108	1,546	1,316	3,441
Cash and cash equivalents at end of Supplemental disclosures	577	772	1,529	1,983	5,253	1,108	1,546	1,316	3,441	3,420
Cash paid / received for income tax	-46	-33	-91	-142	-200	184	235	69	32	-321
Cash paid for interest, net of amoun	-1,181	-1,143	-1,194	-1,186	-1,209	1,799	1,432	-1,323	-1,375	-2,463
<b>Noncash investing and financing activities</b>										
Supplemental Schedule of Noncash Investing and Financing Activities										
Accrued property additions	956	2,616	3,626	3,029	2,138	3,573	4,445	4,995	6,005	7,104
Decrease in construction work in pro	-	-	-	-	-	-	0	155	668	251
Right-of-use asset in exchange for fi	-	-	-	-	-	-	90	120	204	124

**NextEra Energy**
*Forecasted Cash Flow Statement*

<i>Fiscal Years Ending Dec. 31</i>	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E
NET INCOME	6,973	7,328	8,252	8,732	9,132	9,567	9,647	9,622	9,654	9,704
Depreciation and amortization	5,987	6,816	7,386	7,889	8,426	8,942	9,533	10,124	10,715	11,306
Changes in Deferred Taxes	1,854	1,865	2,172	2,340	2,454	2,581	2,551	2,489	2,424	2,358
Adjustments to Reconcile Net Income										
Customer receivables, net of allowances	433	-64	210	-300	31	-92	147	-679	-884	-301
Other receivables	-130	-153	-128	-91	-70	-45	-41	-30	-30	-31
Materials, supplies and fossil fuel inventory	-378	-354	-297	-210	-162	-104	-94	-69	-70	-72
Regulatory assets	-664	-303	-254	-180	-138	-89	-80	-59	-60	-61
Prepaid benefit costs	-295	-378	-359	-263	-184	-154	-160	-55	108	-67
Regulatory assets (Long Term)	-148	-1,087	-928	-754	-598	-278	-370	-178	94	208
Accounts payable	-1,820	953	798	565	435	279	253	186	189	193
Customer deposits	8	61	57	28	32	17	7	5	18	24
Accrued interest and taxes	392	128	78	193	66	37	82	46	8	-182
Accrued constructionrelated expenditures	-19	342	278	158	157	69	108	115	10	-10
Regulatory liabilities	49	100	102	31	13	3	10	18	5	5
Regulatory liabilities (Long Term)	1,717	1,677	1,405	995	766	490	445	327	334	340
Other excluding accrued constructionrelated expenc	-147	587	564	401	300	340	132	75	-71	-65
Asset retirement obligations	571	566	475	336	259	166	150	110	113	115
<b>Net Cash Provided From Operating Activities</b>	<b>14,384</b>	<b>18,084</b>	<b>19,812</b>	<b>19,871</b>	<b>20,920</b>	<b>21,730</b>	<b>22,323</b>	<b>22,049</b>	<b>22,557</b>	<b>23,464</b>
Total property, plant and equipment net	-17,405	-11,970	-10,570	-11,275	-10,855	-12,415	-12,415	-12,415	-12,415	-12,415
Special use funds	-1,731	-1,679	-1,535	-1,063	-831	-585	-518	-114	311	-358
Investment in equity method investees	-616	-677	-745	-819	-901	-991	-1,091	-1,200	-1,320	-1,452
Derivatives Assets (Short term)	-173	-190	-209	-230	-253	-279	-306	-337	-371	-408
Derivatives Assets (Long term)	-179	-197	-217	-238	-262	-288	-317	-349	-384	-422
Derivatives Liabilities (Short term)	85	93	102	112	124	136	150	165	181	199
Derivatives Liabilities (Long term)	274	302	332	365	401	441	486	534	588	646
Liabilities associated with assets held for sale	0	0	0	0	0	0	0	0	0	0
Other investments	0	0	0	0	0	0	0	0	0	0
Contract assets	833	-93	-78	-55	-43	-27	-25	-18	-19	-19
Goodwill	0	0	0	0	0	0	0	0	0	0
Other	3,009	-1,206	-1,269	-1,245	-1,289	597	-430	-256	-32	50
Other	3,267	701	377	-377	-789	424	409	271	205	290
<b>Net Cash Provided From Investing Activities</b>	<b>-12,635</b>	<b>-14,917</b>	<b>-13,812</b>	<b>-14,827</b>	<b>-14,698</b>	<b>-12,986</b>	<b>-14,058</b>	<b>-13,719</b>	<b>-13,256</b>	<b>-13,888</b>
Commercial paper	-1,532	331	225	288	177	168	110	298	357	226
Other shortterm debt	1,565	185	121	170	101	101	64	190	229	142
Current maturities of longterm debt	0	1,406	-6,433	5,497	314	-7,685	0	0	0	0
Longterm debt	4,814	4,172	3,257	3,183	2,567	2,085	2,211	2,016	1,563	1,451
REDEEMABLE NONCONTROLLING INTERESTS VIES	-780	122	129	126	131	13	19	123	73	-94
Total common shareholders' equity	2,116	5,738	4,805	4,187	4,099	3,397	3,312	3,117	2,964	3,199
Noncontrolling interests	1,131	1,244	1,368	1,505	1,656	1,821	2,003	2,204	2,424	2,666
Retained earnings	-2,785	-2,757	-2,298	-2,432	-2,543	-2,667	-2,691	-2,684	-2,694	-2,708
Dividends paid	-4188	-4571	-5954	-6300	-6589	-6900	-6956	-6937	-6961	-6996
<b>Net Cash Provided From Financing Activities</b>	<b>340</b>	<b>5,870</b>	<b>-4,781</b>	<b>6,224</b>	<b>-87</b>	<b>-9,666</b>	<b>-1,928</b>	<b>-1,674</b>	<b>-2,044</b>	<b>-2,114</b>
Change in Cash	2,088	9,038	1,220	11,269	6,134	-923	6,337	6,656	7,257	7,462
Cash at beginning of the year	2,690	4,778	13,816	15,036	26,305	32,439	31,516	37,853	44,509	51,767
Cash at the end of the year	4,778	13,816	15,036	26,305	32,439	31,516	37,853	44,509	51,767	59,229
		189%	9%	75%	23%	-3%	20%	18%	16%	14%

NextEra Energy  
Income Statement

Fiscal Years Ending Dec. 31	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E
OPERATING REVENUES	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
OPERATING EXPENSES																				
Fuel, purchased power and interchange	32.9%	30.5%	24.7%	23.7%	22.3%	22.7%	19.7%	26.5%	30.5%	19.4%	19.0%	21.0%	22.0%	22.0%	22.0%	22.0%	22.0%	22.0%	22.0%	22.0%
Other operations and maintenance	18.5%	18.7%	21.9%	20.1%	19.9%	19.0%	21.9%	23.3%	21.1%	16.7%	18.9%	18.9%	18.9%	18.9%	18.9%	18.9%	18.9%	18.9%	18.9%	18.9%
Depreciation and amortization	15.0%	16.2%	19.3%	21.0%	23.4%	23.2%	22.5%	23.0%	21.5%	20.9%	21.4%	20.7%	20.3%	20.3%	20.7%	21.4%	22.2%	23.1%	24.0%	24.9%
Taxes other than income taxes and other net	8.0%	8.1%	9.2%	11.5%	9.3%	9.4%	9.5%	10.6%	9.9%	8.1%	8.9%	9.4%	9.6%	9.6%	9.4%	9.4%	9.4%	9.4%	9.3%	9.3%
Total operating expenses net	74.4%	73.5%	75.1%	76.3%	74.9%	74.2%	73.5%	83.4%	83.0%	65.0%	67.6%	70.0%	70.8%	70.8%	71.0%	71.7%	72.5%	73.5%	74.2%	75.0%
Gains / losses on disposal of businesses / assets net	0.2%	0.0%	2.8%	6.5%	0.5%	2.1%	2.0%	0.5%	2.5%	1.4%	1.8%	2.0%	2.2%	2.1%	1.7%	1.8%	1.8%	1.8%	1.9%	1.9%
<b>OPERATING INCOME</b>	<b>25.8%</b>	<b>26.5%</b>	<b>27.6%</b>	<b>30.1%</b>	<b>25.6%</b>	<b>27.9%</b>	<b>28.4%</b>	<b>17.1%</b>	<b>19.5%</b>	<b>36.4%</b>	<b>32.4%</b>	<b>30.0%</b>	<b>29.2%</b>	<b>29.2%</b>	<b>29.0%</b>	<b>28.3%</b>	<b>27.5%</b>	<b>26.5%</b>	<b>25.8%</b>	<b>25.0%</b>
Other Income (Deductions)																				
Interest expense	-7.4%	-6.9%	-6.8%	-9.1%	-9.0%	-11.7%	-10.8%	-7.4%	-2.8%	-11.8%	-12.0%	-11.4%	-9.9%	-10.4%	-10.2%	-9.4%	-9.4%	-9.5%	-9.5%	-9.5%
Equity in earnings / losses of equity method investees	2.1%	2.3%	3.3%	2.7%	8.4%	1.2%	-26.4%	22.9%	5.0%	-6.3%	7.2%	7.2%	7.2%	7.2%	7.2%	7.2%	7.2%	7.2%	7.2%	7.2%
Allowance for equity funds used during construction	1.2%	2.0%	2.3%	1.8%	1.9%	0.6%	1.2%	1.9%	1.2%	1.7%	1.6%	1.6%	1.6%	1.6%	1.6%	1.6%	1.6%	1.6%	1.6%	1.6%
Gains / losses on disposal of assets net	0.6%	0.5%	0.2%	0.7%	0.7%	0.3%	0.3%	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%
Change in unrealized losses on equity securities held in NEER's nuclear decommissioning funds net	0.0%	0.0%	0.0%	0.0%	-1.1%	1.2%	0.9%	1.6%	-2.2%	0.6%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Other net periodic benefit income	0.0%	0.0%	0.9%	0.9%	1.0%	1.0%	1.1%	1.5%	1.0%	0.9%	1.1%	1.1%	1.1%	1.1%	1.1%	1.1%	1.1%	1.1%	1.1%	1.1%
Other net excluding equity in earnings / losses of equity metho	0.1%	0.0%	0.1%	3.2%	0.6%	0.6%	0.5%	0.8%	1.0%	1.2%	1.0%	1.0%	1.1%	1.2%	1.0%	1.0%	1.0%	1.0%	0.9%	0.9%
Total other Income (Deductions) net	0.3%	0.0%	0.4%	10.7%	2.3%	2.3%	1.8%	4.5%	4.9%	3.3%	3.0%	3.3%	3.6%	4.0%	3.3%	3.4%	3.5%	3.7%	3.6%	3.5%
INCOME BEFORE INCOME TAXES	21.4%	22.8%	27.1%	27.2%	44.0%	20.0%	13.4%	18.6%	18.3%	25.9%	26.2%	23.9%	24.4%	24.0%	23.7%	23.9%	23.0%	21.9%	20.9%	20.0%
INCOME TAXES	6.9%	7.0%	8.5%	3.8%	9.4%	2.3%	0.2%	2.0%	2.8%	3.6%	5.9%	5.4%	5.5%	5.4%	5.3%	5.4%	5.2%	4.9%	4.7%	4.5%
<b>NET INCOME</b>	<b>14.5%</b>	<b>15.8%</b>	<b>18.6%</b>	<b>31.0%</b>	<b>34.5%</b>	<b>17.6%</b>	<b>13.2%</b>	<b>16.6%</b>	<b>15.5%</b>	<b>22.3%</b>	<b>20.3%</b>	<b>18.5%</b>	<b>18.9%</b>	<b>18.6%</b>	<b>18.4%</b>	<b>18.5%</b>	<b>17.8%</b>	<b>17.0%</b>	<b>16.2%</b>	<b>15.5%</b>
NET LOSS ATTRIBUTABLE TO NONCONTROLLING INTERESTS	0.0%	0.1%	0.6%	0.3%	5.2%	2.0%	3.1%	4.4%	4.3%	3.7%	2.4%	2.6%	2.8%	3.1%	3.3%	3.2%	3.3%	3.3%	3.2%	3.1%
<b>NET INCOME ATTRIBUTABLE TO NEE</b>	<b>14.5%</b>	<b>15.7%</b>	<b>18.0%</b>	<b>31.3%</b>	<b>39.7%</b>	<b>19.6%</b>	<b>16.2%</b>	<b>20.9%</b>	<b>19.8%</b>	<b>26.0%</b>	<b>24.2%</b>	<b>22.3%</b>	<b>22.7%</b>	<b>22.5%</b>	<b>22.5%</b>	<b>22.8%</b>	<b>22.5%</b>	<b>22.0%</b>	<b>21.7%</b>	<b>21.4%</b>
Weighted average shares																				
Basic	10.2%	10.3%	2.9%	2.7%	11.3%	10.0%	10.9%	11.5%	9.4%	7.2%	7.1%	6.2%	5.5%	5.1%	4.9%	4.7%	4.5%	4.4%	4.3%	4.2%
Year end shares outstanding	10.4%	10.5%	11.6%	11.0%	11.4%	10.2%	10.9%	11.5%	9.5%	7.3%	7.1%	6.1%	5.5%	5.1%	4.8%	4.7%	4.5%	4.4%	4.3%	4.1%

NextEra Energy  
Balance Sheet

Fiscal Years Ending Dec. 31	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E
Cash and cash equivalents	3.4%	3.3%	8.0%	10.0%	3.8%	3.1%	6.1%	3.7%	7.6%	9.6%	16.6%	42.0%	41.4%	67.8%	79.8%	75.3%	88.1%	101.7%	116.1%	130.4%
Customer receivables, net of allowances	15.8%	15.6%	15.6%	19.4%	20.2%	20.0%	19.8%	29.6%	38.1%	31.6%	28%	28%	28%	28%	28%	28%	28%	28%	28%	28%
Other receivables	2.1%	2.8%	4.1%	3.0%	4.0%	2.7%	4.0%	4.3%	3.6%	3.4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%
Materials, supplies and fossil fuel inventory	7.6%	7.2%	8.0%	7.4%	7.3%	6.9%	8.6%	9.1%	9.2%	7.5%	9%	9%	9%	9%	9%	9%	9%	9%	9%	9%
Regulatory assets	4.4%	2.9%	3.2%	2.0%	2.7%	1.7%	2.1%	6.6%	10.3%	5.2%	7%	7%	7%	7%	7%	7%	7%	7%	7%	7%
Derivatives	5.8%	4.1%	5.5%	2.8%	3.4%	4.0%	3.2%	4.0%	7.6%	6.2%	7%	6%	6%	7%	7%	7%	8%	8%	9%	10%
Contract assets	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	1.5%	5.3%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%
Assets held for sale	0.0%	5.8%	2.8%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Other	6.9%	2.7%	3.3%	3.7%	3.3%	8.2%	4.5%	6.8%	3.8%	4.7%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%
<b>Total Current Assets</b>	<b>40.8%</b>	<b>38.9%</b>	<b>45.9%</b>	<b>41.8%</b>	<b>38.2%</b>	<b>38.6%</b>	<b>41.0%</b>	<b>54.4%</b>	<b>64.4%</b>	<b>54.6%</b>	<b>61.3%</b>	<b>85.3%</b>	<b>83.1%</b>	<b>110.0%</b>	<b>121.8%</b>	<b>117.8%</b>	<b>130.6%</b>	<b>146.2%</b>	<b>163.2%</b>	<b>178.7%</b>
Total property, plant and equipment net	327.3%	351.1%	414.6%	420.9%	420.5%	427.0%	510.1%	582.0%	530.0%	447.4%	443%	455%	465%	470%	475%	480%	486%	483%	473%	468%
Special use funds	30.4%	29.4%	33.7%	35.0%	35.2%	36.2%	43.2%	52.3%	35.8%	30.9%	36%	37%	38%	38%	38%	39%	39%	38%	37%	37%
Investment in equity method investees	0.0%	0.0%	0.0%	13.5%	40.3%	38.8%	31.8%	36.1%	31.4%	21.9%	24%	23%	23%	23%	24%	26%	28%	30%	33%	35%
Prepaid benefit costs	7.3%	6.6%	7.3%	8.3%	7.7%	7.5%	9.5%	13.1%	8.7%	7.5%	8%	8%	9%	9%	9%	9%	9%	9%	9%	9%
Regulatory assets	5.6%	10.2%	11.7%	14.4%	19.7%	17.1%	20.6%	26.8%	28.6%	17.1%	17%	18%	19%	20%	21%	21%	21%	21%	20%	19%
Derivatives	5.9%	6.9%	8.4%	7.7%	8.1%	8.5%	9.2%	6.6%	9.2%	6.4%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%
Goodwill	0.0%	0.0%	0.0%	0.0%	5.3%	21.9%	23.6%	28.4%	23.2%	18.1%	12%	13%	15%	16%	18%	19%	19%	18%	17%	16%
Other excluding goodwill	0.0%	0.0%	0.0%	0.0%	45.0%	17.3%	20.4%	25.7%	27.2%	27.4%	16%	18%	20%	22%	24%	22%	22%	22%	22%	22%
Other investments	8.2%	10.2%	15.4%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	3%	3%	2%	1%	1%	1%	1%	1%	1%	1%
Total other assets	384.7%	414.3%	491.1%	499.8%	581.7%	574.3%	668.5%	771.1%	694.0%	576.7%	566%	584%	601%	612%	623%	627%	632%	629%	614%	606%
<b>Total assets</b>	<b>440.2%</b>	<b>471.7%</b>	<b>557.6%</b>	<b>570.4%</b>	<b>620.0%</b>	<b>612.8%</b>	<b>709.5%</b>	<b>825.5%</b>	<b>758.4%</b>	<b>631.3%</b>	<b>663.5%</b>	<b>643.9%</b>	<b>611.5%</b>	<b>625.3%</b>	<b>629.3%</b>	<b>623.0%</b>	<b>636.4%</b>	<b>653.0%</b>	<b>667.2%</b>	<b>680.3%</b>
LIABILITIES, REDEEMABLE NONCONTROLLING INTERESTS AND EQUITY																				
Current Liabilities																				
Commercial paper	6.7%	2.1%	1.7%	9.8%	16.4%	13.1%	8.6%	8.1%	8.2%	16.5%	9%	9%	10%	11%	11%	11%	10%	10%	11%	11%
Other shortterm debt	0.0%	2.4%	0.9%	1.5%	32.7%	2.1%	2.5%	4.1%	6.5%	0.9%	5%	6%	6%	7%	7%	5%	5%	5%	5%	5%
Current maturities of longterm debt	20.7%	12.7%	16.1%	9.7%	16.2%	11.1%	23.0%	10.5%	31.7%	24.5%	18%	17%	18%	18%	19%	19%	20%	19%	20%	19%
Accounts payable	8.0%	14.5%	21.4%	18.8%	14.3%	18.9%	25.6%	40.6%	39.7%	30.2%	23%	23%	23%	23%	23%	23%	23%	23%	23%	23%
Customer deposits	4.0%	4.1%	4.3%	3.7%	3.8%	4.1%	4.1%	3.4%	3.2%	3.5%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%
Accrued interest and taxes	19.5%	18.4%	19.4%	28.0%	15.5%	20.7%	26.0%	32.4%	61.4%	22.4%	26%	27%	28%	29%	29%	30%	31%	32%	32%	29%
Derivatives	7.6%	5.0%	2.5%	2.1%	4.0%	1.8%	1.7%	7.4%	10.0%	3.0%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%
Accrued constructionrelated expenditures	4.0%	5.3%	6.9%	6.0%	7.1%	6.0%	5.5%	8.1%	8.4%	6.6%	6%	7%	7%	7%	7%	7%	7%	7%	7%	7%
Other excluding accrued constructionrelated expen	4.4%	4.8%	7.6%	9.2%	6.8%	12.0%	12.5%	15.8%	15.2%	10.7%	10%	10%	11%	11%	12%	12%	12%	12%	12%	11%
Regulatory liabilities	0.0%	0.1%	1.9%	2.0%	1.9%	1.7%	1.4%	1.7%	1.7%	1.2%	1%	1%	2%	2%	2%	2%	2%	2%	2%	1%
Liabilities associated with assets held for sale	0.0%	5.7%	2.8%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	1%	1%	0%	0%	0%	0%	0%	0%	0%	0%
<b>Total Current Liabilities</b>	<b>56.8%</b>	<b>57.8%</b>	<b>67.7%</b>	<b>65.5%</b>	<b>105.0%</b>	<b>72.1%</b>	<b>86.4%</b>	<b>102.2%</b>	<b>127.4%</b>	<b>99.5%</b>	<b>92.1%</b>	<b>93.3%</b>	<b>73.2%</b>	<b>87.8%</b>	<b>88.0%</b>	<b>69.9%</b>	<b>70.2%</b>	<b>71.4%</b>	<b>72.2%</b>	<b>72.1%</b>
Other Liabilities and deferred credits																				
Longterm debt	143.2%	152.6%	172.4%	182.9%	160.1%	195.5%	233.1%	298.6%	263.7%	218.4%	202%	208%	213%	218%	221%	227%	230%	230%	223%	219%
Asset retirement obligations	11.7%	14.1%	17.0%	17.6%	18.7%	18.0%	17.0%	18.1%	15.5%	12.1%	14%	14%	14%	14%	14%	14%	14%	14%	14%	14%
Deferred income taxes	54.4%	56.2%	68.8%	33.6%	44.0%	43.5%	44.6%	48.7%	43.3%	36.1%	47%	47%	46%	43%	44%	44%	44%	44%	44%	44%
Regulatory liabilities	27.2%	26.3%	30.4%	51.0%	53.9%	51.7%	59.6%	66.0%	45.9%	35.7%	41%	41%	41%	41%	41%	41%	41%	41%	41%	41%
Derivatives	2.7%	3.0%	3.0%	3.1%	3.1%	4.5%	6.7%	10.0%	13.9%	9.7%	6%	6%	6%	6%	6%	6%	6%	6%	6%	6%
Other	25.7%	29.4%	41.5%	44.7%	8.7%	9.5%	12.5%	14.5%	12.9%	9.8%	21%	20%	20%	17%	15%	15%	16%	16%	16%	17%
Total other liabilities and deferred credits	265.0%	281.7%	333.0%	333.0%	288.5%	322.8%	373.4%	455.8%	395.1%	321.9%	358.0%	342.2%	332.3%	329.4%	328.4%	333.9%	340.1%	347.1%	352.5%	357.6%
<b>TOTAL LIABILITIES</b>	<b>321.7%</b>	<b>339.5%</b>	<b>400.7%</b>	<b>398.5%</b>	<b>393.5%</b>	<b>394.9%</b>	<b>459.8%</b>	<b>558.0%</b>	<b>522.5%</b>	<b>421.4%</b>	<b>450.1%</b>	<b>435.5%</b>	<b>405.5%</b>	<b>417.2%</b>	<b>416.3%</b>	<b>403.7%</b>	<b>410.3%</b>	<b>418.5%</b>	<b>424.7%</b>	<b>429.7%</b>
COMMITMENTS AND CONTINGENCIES																				
REDEEMABLE NONCONTROLLING INTERESTS VIES EQUITY																				
Common stock	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%	0.1%	0.1%	0.1%	0.1%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Additional paidin capital	42.2%	49.2%	55.4%	53.0%	62.7%	62.3%	62.4%	66.0%	60.7%	61.8%	58%	59%	60%	61%	61%	61%	61%	61%	60%	60%
Retained earnings	75.0%	80.9%	95.8%	110.8%	142.5%	131.2%	140.9%	151.8%	127.4%	107.5%	116%	121%	124%	127%	129%	128%	127%	126%	123%	123%
Accumulated other comprehensive income (loss)	-0.2%	-1.0%	-0.4%	0.6%	-1.1%	-0.9%	-0.5%	0.0%	-1.0%	-0.5%	-1%	-1%	0%	0%	-1%	-1%	-1%	-1%	-1%	-1%
Total common shareholders' equity	117.0%	129.1%	150.8%	164.4%	204.1%	192.7%	202.9%	218.0%	187.2%	168.8%	174%	179%	184%	187%	190%	188%	188%	186%	183%	183%
Noncontrolling interests	1.5%	3.1%	6.1%	7.5%	19.5%	22.7%	46.8%	48.2%	43.4%	36.6%	24%	26%	28%	30%	32%	34%	35%	34%	32%	31%
<b>TOTAL EQUITY</b>	<b>118.5%</b>	<b>132.2%</b>	<b>157.0%</b>	<b>172.0%</b>	<b>223.7%</b>	<b>215.4%</b>	<b>249.6%</b>	<b>266.1%</b>	<b>230.6%</b>	<b>205.5%</b>	<b>211.8%</b>	<b>206.6%</b>	<b>204.0%</b>	<b>205.9%</b>	<b>210.5%</b>	<b>216.9%</b>	<b>223.8%</b>	<b>231.9%</b>	<b>239.7%</b>	<b>248.2%</b>
<b>TOTAL LIABILITIES, REDEEMABLE NONCONTROLLII</b>	<b>440.2%</b>	<b>471.7%</b>	<b>557.6%</b>	<b>570.4%</b>	<b>620.0%</b>	<b>612.8%</b>	<b>709.5%</b>	<b>825.5%</b>	<b>758.4%</b>	<b>631.3%</b>	<b>663.5%</b>	<b>643.9%</b>	<b>611.5%</b>	<b>625.3%</b>	<b>629.3%</b>	<b>623.0%</b>	<b>636.4%</b>	<b>653.0%</b>	<b>667.2%</b>	<b>680.3%</b>

## NextEra Energy

### Weighted Average Cost of Capital (WACC) Estimation

#### Cost of Equity:

Risk-Free Rate	3.65%
Beta	0.50
Equity Risk Premium	5.00%
<b>Cost of Equity</b>	<b>6.15%</b>

#### ASSUMPTIONS:

10-Year Treasury bond  
Raw Beta from Bloomberg  
Henry Fund Consensus

#### Cost of Debt:

Risk-Free Rate	3.65%
Implied Default Premium	0.79%
Pre-Tax Cost of Debt	4.44%
Marginal Tax Rate	23%
<b>After-Tax Cost of Debt</b>	<b>3.44%</b>

10-Year Treasury bond

Company 20 year corporate bond

#### Market Value of Common Equity:

Total Shares Outstanding	2,052
Current Stock Price	\$82.30
<b>MV of Equity</b>	<b>168,879.60</b>

#### MV Weights

69.76%

#### Market Value of Debt:

Short-Term Debt / Commercial Paper	4,905
Current Portion of LTD	6,901
Long-Term Debt	61,405
PV of Operating Leases	
<b>MV of Total Debt</b>	<b>73,211.00</b>

30.24%

#### Market Value of the Firm

242,090.60

100.00%

#### Estimated WACC

5.33%





**NextEra Energy***Dividend Discount Model (DDM) or Fundamental P/E Valuation Model*

<i>Fiscal Years Ending</i>	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E
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EPS	\$ 3.41	\$ 3.61	\$ 4.10	\$ 4.37	\$ 4.61	\$ 4.87	\$ 4.96	\$ 4.99	\$ 5.05	\$ 5.13
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**Key Assumptions**

CV growth of EPS	2.50%
CV Year ROE	9.08%
Cost of Equity	6.15%

**Future Cash Flows**

P/E Multiple (CV Year)										19.85
EPS (CV Year)										\$ 5.13
Future Stock Price										\$ 101.81
Dividends Per Share	2.06	2.26	2.97	3.17	3.34	3.53	3.59	3.61	3.66	
Discounted Cash Flows	1.94	2.01	2.48	2.50	2.48	2.47	2.36	2.24	2.14	63.16

Intrinsic Value as of Last FYE	\$ 83.77
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<b>Implied Price as of Today</b>	<b>\$ 85.85</b>
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## NextEra Energy

### Relative Valuation Models

Ticker	Company	Price	EPS 2024E	EPS 2025E	P/E 24	P/E 25
SO	Southern	\$88.49	\$4.04	\$4.32	21.90	20.48
GEV	GE Vernova	\$215.27	\$3.08	\$6.20	69.89	34.72
CEG	Constellation Energy	\$195.98	\$8.00	\$8.91	24.50	22.00
D	Dominion Energy	\$57.18	\$2.77	\$3.39	20.64	16.87
AEP	American Electric Powe	\$102.15	\$5.63	\$5.97	18.14	17.11
PEG	Public Service Enterpris	\$86.76	\$3.67	\$4.08	23.64	21.26
PCG	PG&E	\$20.08	\$1.36	\$1.48	14.76	13.57
Average					27.64	20.86

NEE	NextEra Energy	\$82.30	\$3.41	\$3.61	24.1	22.8
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### Implied Relative Value:

P/E (EPS24) \$ 94.30

P/E (EPS25) \$ 75.36

### Key Management Ratios

[illegible]

**NextEra Energy**
*Effects of ESOP Exercise and Share Repurchases on Common Stock Account and Number of Shares Outstanding*

Number of Options Outstanding (shares):	11
Average Time to Maturity (years):	5.20
Expected Annual Number of Options Exercised:	2

Current Average Strike Price:	\$ 52.78
Cost of Equity:	6.15%
Current Stock Price:	\$82.30

<b>Fiscal Years Ending Dec. 31</b>	<b>2024E</b>	<b>2025E</b>	<b>2026E</b>	<b>2027E</b>	<b>2028E</b>	<b>2029E</b>	<b>2030E</b>	<b>2031E</b>	<b>2032E</b>	<b>2033E</b>
Increase in Shares Outstanding:	2	2	2	2	2	1				
Average Strike Price:	\$ 52.78	\$ 52.78	\$ 52.78	\$ 52.78	\$ 52.78	\$ 52.78	\$ 52.78	\$ 52.78	\$ 52.78	\$ 52.78
<b>Increase in Common Stock Account:</b>	<b>111</b>	<b>111</b>	<b>111</b>	<b>111</b>	<b>111</b>	<b>53</b>	-	-	-	-
Share Repurchases (\$)	0	0	0	0	0	0	0	0	0	0
Expected Price of Repurchased Shares:	\$ 82.30	\$ 85.24	\$ 88.28	\$ 91.43	\$ 94.70	\$ 98.08	\$ 101.58	\$ 105.21	\$ 108.96	\$ 112.85
<b>Number of Shares Repurchased:</b>	-	-	-	-	-	-	-	-	-	-
Shares Outstanding (beginning of the year)	2,052	2,036	2,020	2,004	1,988	1,973	1,956	1,938	1,920	1,902
Plus: Shares Issued Through ESOP	2	2	2	2	2	1	0	0	0	0
Less: Shares Repurchased in Treasury	18	18	18	18	18	18	18	18	18	18
<b>Shares Outstanding (end of the year)</b>	<b>2,036</b>	<b>2,020</b>	<b>2,004</b>	<b>1,988</b>	<b>1,973</b>	<b>1,956</b>	<b>1,938</b>	<b>1,920</b>	<b>1,902</b>	<b>1,884</b>



**NextEra Energy**  
Sensitivity Tables

Risk Free Rate	DCF	NOPLAT GROWTH						
	88.50	2.00%	2.50%	2.75%	3.00%	3.15%	3.30%	3.45%
	5.15%	50.10	51.77	52.78	53.93	54.71	55.57	56.51
	4.65%	56.86	59.43	61.01	62.85	64.11	65.50	67.06
	4.15%	64.88	68.74	71.16	74.03	76.03	78.28	80.83
	3.65%	74.54	80.29	84.00	88.50	91.70	95.38	99.63
	3.15%	86.43	95.04	100.79	107.99	113.26	119.47	126.89
	2.65%	101.42	114.55	123.73	135.72	144.85	156.04	170.07
	2.15%	120.95	141.62	157.01	178.38	195.74	218.38	249.17

CAPEX	DCF	Pre-Tax Cost of Debt						
	88.50	4.14%	4.24%	4.34%	4.44%	4.54%	4.64%	4.74%
	12,905.00	105.45	103.71	102.00	100.33	98.69	97.09	95.51
	14,405.00	101.41	99.70	98.03	96.39	94.78	93.21	91.66
	15,905.00	97.37	95.70	94.05	92.45	90.87	89.32	87.81
	17,405.00	93.33	91.69	90.08	88.50	86.96	85.44	83.96
	18,905.00	89.29	87.68	86.11	84.56	83.05	81.56	80.11
	20,405.00	85.25	83.68	82.13	80.62	79.14	77.68	76.26
	21,905.00	81.21	79.67	78.16	76.68	75.22	73.80	72.40

Equity Risk Premium	DCF	Beta						
	88.50	0.35	0.40	0.45	0.50	0.55	0.60	0.65
	4.40%	133.07	119.97	108.91	99.43	91.22	84.04	77.70
	4.60%	128.65	115.74	104.86	95.56	87.52	80.49	74.29
	4.80%	124.47	111.75	101.05	91.93	84.04	77.16	71.10
	5.00%	120.52	107.99	97.47	88.50	80.77	74.04	68.11
	5.20%	116.78	104.43	94.08	85.28	77.70	71.10	65.30
	5.40%	113.22	101.05	90.88	82.23	74.80	68.34	62.66
	5.60%	109.85	97.86	87.84	79.35	72.06	65.73	60.17

CV Growth of EPS	DDM	Implied Payout Ratio						
	85.85	42.44%	52.44%	62.44%	72.44%	77.44%	82.44%	87.44%
	1.00%	69.12	71.90	74.68	77.45	78.84	80.23	81.62
	1.50%	70.49	73.54	76.60	79.65	81.18	82.71	84.23
	2.00%	72.18	75.58	78.98	82.38	84.08	85.78	87.48
	2.50%	74.34	78.17	82.01	85.85	87.77	89.69	91.61
	3.00%	77.18	81.59	86.01	90.43	92.63	94.84	97.05
	3.50%	81.09	86.30	91.52	96.73	99.34	101.94	104.55
	4.00%	86.83	93.21	99.58	105.96	109.15	112.34	115.53

2024 Other operations	DCF	2024 Fuel, purchased power and interchange as a % of Revenue						
	88.50	14.5%	16.0%	17.5%	19.0%	20.5%	22.0%	23.5%
	18.1%	95.11	94.89	94.68	94.46	94.24	94.02	93.80
	18.4%	93.13	92.91	92.69	92.47	92.25	92.04	91.82
	18.6%	91.14	90.93	90.71	90.49	90.27	90.05	89.83
	18.9%	89.16	88.94	88.72	88.50	88.29	88.07	87.85
	19.1%	87.17	86.96	86.74	86.52	86.30	86.08	85.86
	19.4%	85.19	84.97	84.75	84.54	84.32	84.10	83.88
	19.6%	83.21	82.99	82.77	82.55	82.33	82.11	81.90

NEER Wind 2024 Reve	DCF	FPL Natural Gas 2024 Revenue Growth						
	88.50	-10%	-9%	-8%	-7%	-6%	-5%	-4%
	4%	67.86	69.53	71.20	72.86	74.53	76.20	77.87
	9%	72.75	74.41	76.08	77.75	79.42	81.09	82.76
	14%	77.63	79.30	80.97	82.64	84.31	85.98	87.64
	20%	83.50	85.17	86.84	88.50	90.17	91.84	93.51
	24%	87.41	89.08	90.75	92.41	94.08	95.75	97.42
	29%	92.30	93.96	95.63	97.30	98.97	100.64	102.31
	34%	97.18	98.85	100.52	102.19	103.86	105.53	107.19