CFRA

NextEra Energy, Inc.

Recommendation	Price	12-Mo. Target Price	Report Currency	Investment Style
HOLD ★★★☆☆	USD 276.92 (as of market close Sep 18, 2020)	USD 297.00	USD	Large-Cap Blend

Equity Analyst Paige Meyer

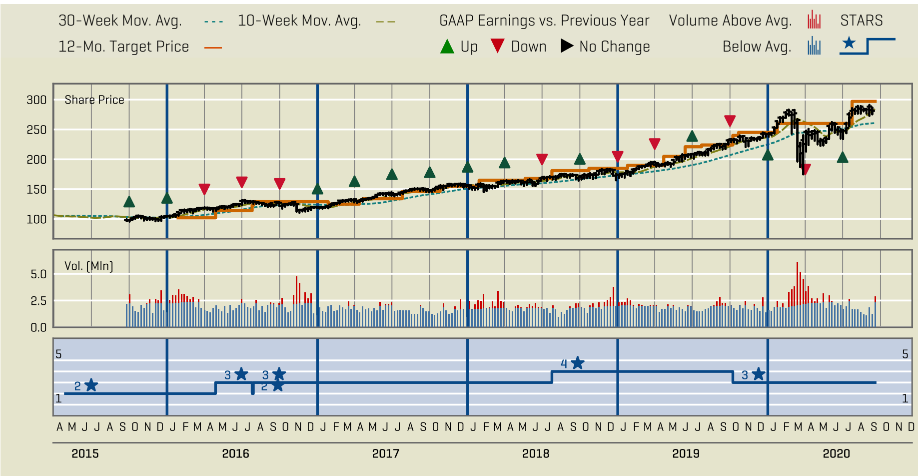
GICS Sector Utilities
Sub-Industry Electric Utilities

Summary NextEra Energy, Inc. (formerly FPL Group) is the holding company for Florida Power & Light, Gulf Power, and NextEra Energy Resources.

Key Stock Statistics (Source: CFRA, S&P Global Market Intelligence (SPGMI), Company Reports)

52-Wk Range	USD 295.7 - 181.66	Oper.EPS2020**E**	USD 9.13	Market Capitalization[B]	USD 135.59	Beta	0.21
Trailing 12-Month EPS	USD 7.24	Oper.EPS2021**E**	USD 9.87	Yield [%]	2.02	3-yr Proj. EPS CAGR[%]	7
Trailing 12-Month P/E	38.25	P/E on Oper.EPS2020**E**	30.33	Dividend Rate/Share	USD 5.6	SPGMI's Quality Ranking	A
$10K Invested 5 Yrs Ago	$ 32,450.0	Common Shares Outstg.[M]	490.00	Institutional Ownership [%]	79.0		

Price Performance



Source: CFRA, S&P Global Market Intelligence
Past performance is not an indication of future performance and should not be relied upon as such.
Analysis prepared by **Paige Meyer** on Sep 11, 2020 03:39 PM ET, when the stock traded at **USD 278.03**.

Highlights

- We see revenues rising 7.1% in 2020 and 4.9% in 2021, following a 14.8% increase in 2019, partly helped by the Gulf Power and related acquisitions. We see positive impacts from new projects entering service in the Energy Resources segment, utility customer growth, and an improving service area economy in 2020. We see the continued impacts of capital spending on new renewables, an increase in the number of customers, and economic growth aiding the utility in 2021. Strong utility capital spending should help to drive customer rates higher over time.
- EBIT margins were 27.9% in 2019, 25.6% in 2018, and 27.6% in 2017. We see EBIT margins rising in both 2020 and 2021, reaching more than 32.5% in 2021. Customer growth, completed capital and growth projects, and continued cost control efforts will likely benefit margins, in our view. We forecast interest expense will rise in 2020 and 2021 due to NEE's sizable capital spending program.
- We see EPS growth being driven by new renewable project builds and utility capital spending. NEE's net debt to capitalization ratio is well below the electric utility average, appropriate given its exposure to the unregulated renewable power market, in our view.

Investment Rationale/Risk

- Our Hold opinion reflects our expectations for strong EPS growth driven by capital spending, partly offset by the company's below-peers dividend yield. We see long-term EPS growth helped by utility capital spending, a better economy and growth projects at Energy Resources. We also see growth in NextEra Energy Partners' (NEP 63 NR) distributions to NEE over time, aiding cash flows. NEE expects to spend at least $20 billion on capital projects for 2020 through 2023. NEP's spending plans include a significant focus on wind generation and natural gas pipelines. In January 2019, NEE purchased two utilities and two power plants in Florida for $6.5 billion. We see the deals adding $0.15 and $0.20 to earnings per share in 2020 and 2021, respectively.
- Risks to our opinion and target price include changes in interest rates, generation availability, long-term weather patterns and economic conditions in NEE's service area.
- Our 12-month target price of $297 is 32.5x our 2020 EPS estimate, a strong premium to its peers, justified by our view of 3-year EPS and dividend growth rates that are above peers, partly offset by a much lower-than-peers dividend yield of 2.0%.

Analyst's Risk Assessment

LOW	MEDIUM	HIGH

Our risk assessment reflects our view of steady cash flows from Florida Power & Light, despite the weak economy and housing market. It also reflects the recent return to a more stable political and regulatory environment for FP&L and the longer-term growth potential of NextEra Energy Resources, the independent power subsidiary, despite its higher-risk cash flows.

Revenue/Earnings Data

Revenue (Million USD)

	1Q	2Q	3Q	4Q	Year
2020	4,613	4,204	--	--	--
2019	4,075	4,970	5,572	4,588	19,204
2018	3,857	4,063	4,416	4,390	16,727
2017	3,972	4,404	4,808	3,988	17,173
2016	3,835	3,817	4,805	3,698	16,138
2015	4,104	4,358	4,954	4,069	17,486

Earnings Per Share (USD)

	1Q	2Q	3Q	4Q	Year
2021	**E** 2.33	**E** 2.85	**E** 2.88	**E** 1.81	**E** 9.87
2020	2.38	2.61	**E** 2.59	**E** 1.55	**E** 9.13
2019	1.41	2.56	1.81	1.98	7.76
2018	9.32	1.61	2.10	0.88	13.88
2017	3.37	1.68	1.79	4.55	11.39
2016	1.41	1.16	1.62	2.06	6.24

Fiscal Year ended Dec 31. EPS Estimates based on CFRA's Operating Earnings; historical GAAP earnings are as reported in Company reports.

Dividend Data

Amount (USD)	Date Decl.	Ex-Div. Date	Stk. of Record	Payment Date
1.40	Jul 30	Aug 27	Aug 28	Sep 15 '20
1.40	May 21	Jun 01	Jun 02	Jun 15 '20
1.40	Feb 14	Feb 27	Feb 28	Mar 16 '20
1.25	Oct 18	Nov 27	Nov 29	Dec 16 '19

Dividends have been paid since 1944. Source: Company reports
Past performance is not an indication of future performance and should not be relied as such.
Forecasts are not reliable indicator of future performance.

NextEra Energy, Inc.

Business Summary Sep 11, 2020

CORPORATE OVERVIEW. NextEra Energy, Inc. is one of the largest electric power companies in North America, with about 49,454 megawatts (MW) of generating capacity. It operates three segments: Florida Power & Light Co. (FP&L), and NextEra Energy Resources (NEER), and Gulf Power. Florida Power & Light (63% of 2019 revenues) is a regulated and vertically integrated utility. NEER (29%) is a wholesale generator of electricity with operations primarily in the U.S. and operations in Canada as well. NEE also owns Lone Star, a rate-regulated transmission service provider in Texas. Gulf Power (8%) is rate-regulated electric utility engaged in the generation, transmission, distribution and sale of electric energy in northwest Florida.

MARKET PROFILE. Florida Power & Light provides electricity to over 5.0 million customers in an area covering nearly all of Florida's eastern seaboard, as well as the southern west coast of the state. FP&L is the largest electric utility in the state of Florida and one of the largest electric utilities in the U.S. Electric revenues by customer class in 2019 were: residential 55%; commercial 34%; wholesale 4%; and other (including industrial, deferred, and the net change in unbilled revenues) 7%. In 2019, the average number of customers grew 1.3% (vs. 1.8% in 2018). Fuel sources, from its fleet of plants with a capacity of 27,440 MW were natural gas 79%; nuclear 13%; coal 4%; and solar 4%. FP&L owns and operates four nuclear units with a net generating capacity of 3,479 megawatts, and 17 solar generation facilities with generating capacity totaling 1,157 MW.

The unregulated NextEra Energy Resources subsidiary is one of the largest wholesale generators of electric power in the U.S., with a net generating capacity of 21,240 MW in the U.S. and 520 MW in Canada. As of December 31, 2019, NEER had contracted about 19,796 MW of its generating assets, substantially all of which have long-term power contracts, largely under fixed-price agreements with a weighted average remaining contract life of 16 years, and have firm fuel and transportation agreements with expiration dates ranging from 2020 to 2033. NEER's capacity in 2019 was wind 59%; nuclear 32%; solar 6%; and natural gas 3%. As of December 31, 2019, NEER had 2,070 MW of merchant assets, which do not have long-term contracts and require active marketing and hedging. NEER owns 100% of the 169-mile Florida Southeast Connection Pipeline, 58.8% of the 542-mile South Texas natural gas pipeline, and 42.5% of the 517-mile Sabal Trail pipeline. NextEra Energy Partners' (NEP) results are reported as equity earnings and are not consolidated.

LEGAL/REGULATORY ISSUES. On March 15, 2016, FP&L filed for a $1.34 billion rate increase with the Florida Public Utility Commission based on an 11.5% return on equity. A settlement was approved on November 29, 2016 that resulted in an $811 million rate increase, spread out through 2019, and effective through 2020. These rate increases were $400 million in 2017, $211 million in 2018, and $200 million in 2019.

IMPACT OF MAJOR DEVELOPMENTS. On January 1, 2019, NEE completed the acquisition of Gulf Power Company for $4.44 billion cash and $1.3 billion of assumed debt. On December 17, 2018, NEE completed the acquisition of Florida City Gas, and two power plants for approximately $0.9 billion. We see the deals being immediately accretive to EPS with $0.15 accretion in 2020 and $0.20 accretion in 2021. As of December 31, 2019, Gulf Power served approximately 470,000 customers in eight counties throughout northwest Florida and had approximately 2,300 MW of fossil-fueled electric net generating capacity and 9,500 miles of transmission and distribution lines located primarily in Florida.

FINANCIAL TRENDS. NextEra Energy's Florida Power & Light utility had capital expenditures of $5.8 billion in 2019, $5.14 billion in 2018, and $5.29 billion in 2017. It has projected capital expenditures of about $19.4 billion for the four-year period 2020 through 2023, with $4.88 for 2020, $5.65 billion for 2021, $4.71 billion for 2022, and $4.20 billion estimated for 2023. We forecast a dividend payout ratio of 61.5% in 2019, up from 56.2% in 2019. By our calculations, there is room for dividend growth to exceed EPS growth for the next several years. NEE raised its quarterly dividend to an annual rate of $5.58 from $5.00 in March 2020.

The NextEra Energy Resources subsidiary had capital expenditures of $6.5 billion in 2019, $7.14 billion in 2018, and $5.38 billion in 2017. It projected capital expenditures of approximately $6.45 billion for the four-year period through 2023, with the spending front-weighted at $1.49 billion for 2020. NEE says this would be followed by a sharp decline to $245 million in 2021, $260 million in 2022, and $190 million in 2023, though we think spending in these years will closer to the spending levels in 2019 and 2020. Corporate expenditures are expected to total $90 million over the four-year period.

Corporate information

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Officers

VP, Controller & Chief Accounting Officer
J. M. May

Executive VP & General Counsel
C. E. Sieving

Chairman, President & CEO
J. L. Robo

Executive VP of Finance & CFO
R. J. Kujawa

Board Members

A. B. Lane	K. S. Hachigian
D. L. Porges	N. K. Gursahaney
D. L. Wilson	R. E. Schupp
J. L. Camaren	S. S. Barrat
J. L. Robo	T. Jennings
J. L. Skolds	W. H. Swanson
K. B. Dunn	

Domicile
Florida

Auditor
Deloitte & Touche LLP

Founded
1925

Employees
14,800

Stockholders
16,776

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NextEra Energy, Inc.

CFRA

Quantitative Evaluations

Fair Value Rank

1	2	3	4	5

LOWEST — HIGHEST

Based on CFRA's proprietary quantitative model, stocks are ranked from most overvalued (1) to most undervalued (5).

Fair Value Calculation **USD 231.84** Analysis of the stock's current worth, based on CFRA's proprietary quantitative model suggests that NEE is overvalued by USD 45.08 or 16.28%

Volatility LOW | AVERAGE | HIGH

Technical Evaluation **NEUTRAL** Since September, 2020, the technical indicators for NEE have been NEUTRAL"

Insider Activity UNFAVORABLE | NEUTRAL | FAVORABLE

Expanded Ratio Analysis

	2019	2018	2017	2016
Price/Sales	6.12	4.96	4.30	3.45
Price/Tangible Book Value	3.67	2.55	2.81	2.51
Price/Pretax Income	30.65	11.28	15.83	12.71
P/E Ratio	31.21	12.53	13.71	19.14
Avg. Diluted Shares Outstg. (M)	485.50	477.00	472.50	465.80

Figures based on fiscal year-end price

Key Growth Rates and Averages

Past Growth Rate (%)	1 Year	3 Years	5 Years
Net Income	NM	9.05	8.86
Revenue	14.81	5.97	2.44
Ratio Analysis (Annual Avg.)			
Net Margin (%)	19.63	30.21	24.88
% LT Debt to Capitalization	44.50	42.88	45.74

Company Financials Fiscal year ending Dec 31

Per Share Data (USD)	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Tangible Book Value	65.95	68.09	55.59	47.67	44.66	43.49	40.59	36.98	35.19	33.41
Free Cash Flow	-19.31	-13.55	-9.13	-7.05	-5.08	-3.49	-3.72	-13.12	-6.13	-4.90
Earnings	7.76	13.88	11.39	6.24	6.06	5.60	3.93	4.56	4.59	4.74
Earnings (Normalized)	5.26	6.35	7.01	4.96	5.46	4.97	4.07	3.67	3.87	3.74
Dividends	5.00	4.44	3.93	3.48	3.08	2.90	2.64	2.40	2.20	2.00
Payout Ratio (%)	64.00	32.00	34.00	55.00	50.00	51.00	59.00	53.00	48.00	42.00
Prices: High	245.01	184.20	159.40	131.98	112.64	110.84	89.75	72.22	61.20	56.26
Prices: Low	168.66	145.10	117.33	102.20	93.74	83.97	67.75	58.57	49.00	45.29
P/E Ratio: High	31.60	13.30	14.00	21.20	18.60	19.80	22.80	15.80	13.30	11.90
P/E Ratio: Low	21.70	10.50	10.30	16.40	15.50	15.00	17.20	12.80	10.70	9.60
Income Statement Analysis (Million USD)										
Revenue	19,204	16,727	17,173	16,138	17,486	17,021	15,136	14,256	15,341	15,317
Depreciation + Amortization	4,478	4,147	2,638	3,428	3,203	2,896	2,521	1,777	1,849	2,073
Operating Expenses	1,603	1,340	1,304	1,199	1,395	1,362	1,280	1,186	1,204	1,164
Effective Tax Rate (%)	11.70	21.40	-14.20	31.50	30.80	32.30	31.70	26.60	21.60	21.40
Net Income	3,769	6,638	5,380	2,906	2,752	2,465	1,908	1,911	1,923	1,957
Net Income (Normalized)	2,555	3,030	3,313	2,310	2,481	2,187	1,736	1,539	1,623	1,546
Balance Sheet and Other Financial Data (Million USD)										
Gross Property	107,178	92,083	93,565	87,013	80,330	73,639	69,448	64,917	57,552	54,221
Net Property	82,010	70,334	72,289	66,912	61,386	55,705	52,720	49,413	42,490	39,075
Capital Expenditures	17,462	13,004	10,740	9,636	8,377	7,017	6,682	9,461	6,628	5,846
Capital Expnd to Revenue (%)	90.90	77.70	62.50	59.70	47.90	41.20	44.10	66.40	43.20	38.20
% Long Term Debt of Capitalization	44.50	35.50	48.70	49.50	50.50	49.20	51.80	53.80	55.10	51.00
Capitalization: Common	37,005	34,144	28,236	24,341	22,574	19,916	18,040	16,068	14,943	14,461
Capitalization: Preferred	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Fixed Charges Coverage	2.43	2.95	3.84	3.91	3.86	3.46	3.16	3.16	3.20	3.32
% Operating Ratio	51.82	51.18	50.20	47.87	45.06	42.61	40.05	35.44	33.64	34.73
% Net Income Margin	19.63	39.68	31.33	18.01	15.74	14.48	12.61	13.40	12.54	12.78
% Return on Invested Capital	4.27	3.94	6.19	4.93	5.75	5.70	4.89	4.99	5.62	6.03
% Return on Common Equity	10.60	21.30	20.50	12.40	13.00	13.00	9.80	12.30	13.10	14.30

Source: S&P Global Market Intelligence. Data may be preliminary or restated; before results of discontinued operations/special items. Per share data adjusted for stock dividends; EPS diluted. E-Estimated. NA-Not Available. NM-Not Meaningful. NR-Not Ranked. UR-Under Review.

NextEra Energy, Inc.

Sub-Industry Outlook

Our fundamental outlook for the electric utilities sub-industry is Neutral as we expect earnings to stay flat in 2020. We expect to see lower demand for power in the commercial sector as many businesses close due to Covid-19, and to the industrial sector as factories cut back production. We also expect slightly cooler summer weather reducing electric utility volumes in 2020, following above-normal temperatures in both 2018 and 2019. However, partially offsetting, we expect higher household consumption of electricity as many people stay home. We also think the electric distribution utilities will benefit from low fuel and purchased power costs and new rate increases, partly offset by higher operations & maintenance and depreciation costs. Near term, we expect wholesale power operators to remain challenged by pressure on spot power prices due to low natural gas prices. Longer term, we look for continued growth in industrial sales to benefit electric utilities. Strong capital spending will likely continue to help utilities drive rate base growth for the next few years. This strong capital spending can lead to immediate rate increases, if the investment is recovered through customer bill riders, or future rate increases, if the investments are added to rate base and then recovered in the company's next rate case.

For economic reasons, several nuclear plants have been retired and we expect that more will be, although a handful of plants have been rescued from early retirement through state legislation in New Jersey, New York, and Illinois. We expect a significant amount of coal generation to retire as well due to low natural gas prices and recent EPA regulations that limit pollutant emissions. These retirements are likely to be replaced predominantly with natural gas-fired generation, but are supplemented with new wind and solar plants. However, several utilities have set goals to generate carbon free electricty in the future. All of these changes are likely to keep capital spending high for an extended period.

While the repeal of the Public Utility Holding Company Act (PUHCA) in 2005 was expected to lead to further industry consolidation, the termination of several planned mergers due to state regulatory challenges in 2006 and later made companies cautious about investing the time and money required in the regulatory approval process. Over the past five years, however, there have been several large mergers that were completed. In 2015, three utility companies made offers to purchase gas utilities, helping to diversify their earnings in the face of the Clean Power Plan. Other acquisitions have also been completed where Canadian companies acquired U.S. electric companies. However, some recent mergers were scuttled by regulatory opposition, and we think that deal activity is likely to remain relatively low compared to 2016 levels.

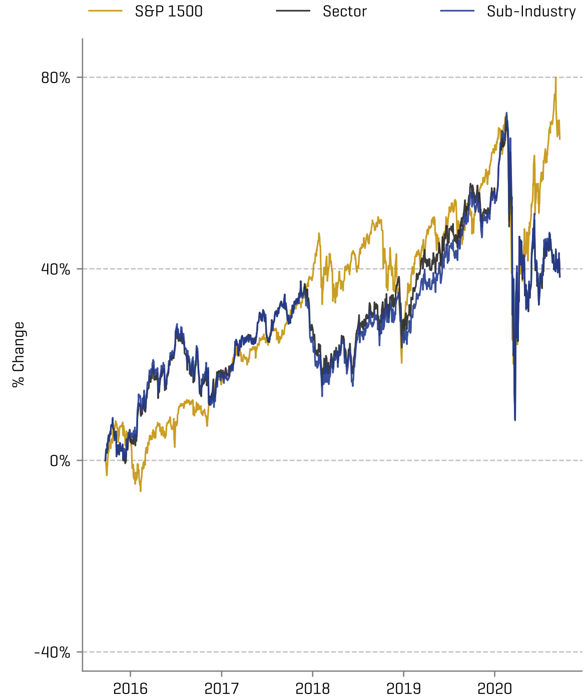
Year to date through April 9, the S&P Composite 1500 (S&P 1500) Electric Utilities Index was down 5.9%, compared with a 6.5% decrease in the S&P 1500 Utilities Sector Index and a 14.6% drop in the S&P 1500 Index. This follows a 22.8% rise in 2019 for the Electric Utilities index, versus 21.2% for the S&P 1500 Utilities Sector Index and 28.3% for the S&P 1500.

/ Paige Meyer

Industry Performance

GICS Sector: Utilities
Sub-Industry: Electric Utilities

Based on S&P 1500 Indexes
Five-Year market price performance through Sep 19, 2020



NOTE: A sector chart appears when the sub-industry does not have sufficient historical index data.
All Sector & Sub-Industry information is based on the Global Industry Classification Standard (GICS).
Past performance is not an indication of future performance and should not be relied upon as such.
Source: CFRA, S&P Global Market Intelligence

Sub-Industry: Electric Utilities Peer Group*: Electric Utilities

Peer Group	Stock Symbol	Exchange	Currency	Recent Stock Price	Stk. Mkt. Cap. (M)	30-Day Price Chg. (%)	1-Year Price Chg. (%)	P/E Ratio	Fair Value Calc.	Yield (%)	Return on Equity (%)	LTD to Cap (%)
NextEra Energy, Inc.	**NEE**	**NYSE**	**USD**	**279.52**	**136,866.0**	**-1.2**	**24.8**	**36.0**	**231.84**	**2.0**	**8.5**	**44.5**
American Electric Power Company, Inc.	AEP	NYSE	USD	80.04	39,712.0	-1.8	-14.0	21.0	80.12	3.5	9.8	51.4
Duke Energy Corporation	DUK	NYSE	USD	84.60	62,218.0	3.6	-10.2	17.0	83.35	4.6	7.8	50.9
Edison International	EIX	NYSE	USD	52.63	19,906.0	2.2	-27.0	14.0	54.64	4.8	9.1	52.7
Entergy Corporation	ETR	NYSE	USD	97.63	19,547.0	-2.5	-14.8	15.0	122.14	3.8	12.7	56.6
Eversource Energy	ES	NYSE	USD	81.93	28,075.0	-5.8	-1.7	29.0	80.29	2.8	7.5	50.5
Exelon Corporation	EXC	NasdaqGS	USD	35.93	35,014.0	-3.1	-25.0	12.0	44.41	4.3	9.0	44.7
Fortis Inc.	FTS	TSX	CAD	52.31	24,304.0	30.4	25.3	18.0	48.21	3.6	9.6	50.8
PPL Corporation	PPL	NYSE	USD	27.50	21,142.0	-3.0	-11.9	12.0	31.33	6.0	14.2	57.6
The Southern Company	SO	NYSE	USD	53.52	56,524.0	0.9	-12.0	12.0	53.53	4.8	15.4	53.8
Xcel Energy Inc.	XEL	NasdaqGS	USD	68.44	35,954.0	-2.2	6.9	26.0	N/A	2.5	10.8	56.4

*For Peer Groups with more than 10 companies or stocks, selection of issues is based on market capitalization.
NA-Not Available; NM-Not Meaningful.
Note: Peers are selected based on Global Industry Classification Standards and market capitalization. The peer group list includes companies with similar characteristics, but may not include all the companies within the same industry and/or that engage in the same line of business.

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July 24, 2020
04:59 PM ET... CFRA Maintains Hold Opinion on Shares of NextEra Energy, Inc. (NEE 280.97***):
We lift our 12-month target price to $297 from $260, reflecting a 32.5x multiple of our 2020 EPS estimate, a premium to NEE's historical forward average and peers. We lift our 2020 EPS estimate to $9.13 from $9.10 and our 2021 estimate to $9.87 from $9.84. NEE posts Q2 EPS of $2.61 vs. $2.35, beating the S&P Capital IQ consensus estimate by $0.09 driven by new investments at FPL, which increased customers by 75,000 YoY, and growth from both new investments and existing generating assets at the Energy Resources segment. Energy Resources added 1,730 MW of wind, solar, and battery storage backlog in the quarter, bringing renewables backlog to 14,400 MW (the third largest wind and solar portfolio globally). We anticipate approximately 10% dividend growth over the next two years, expanding slightly faster than NEE's 6-8% EPS growth rate. / Paige Meyer

April 22, 2020
06:40 PM ET... CFRA Maintains Hold Opinion on Shares of NextEra Energy, Inc. (NEE 235.42***):
We maintain our 12-month target price of $260, reflecting a 28.6x multiple of our 2020 EPS estimate, a premium to peers due to our forecast of an above-peer EPS growth rate. We maintain our 2020 EPS estimate of $9.10 and narrow our 2021 estimate to $9.84 from $9.90. NEE reports Q1 EPS of $2.38 vs. $2.20, $0.14 above the S&P Capital IQ consensus estimate driven by the FPL and Energy resources segments. FPL's growth over the prior-year comparable quarter was primarily driven by continued investment in the business, increasing regulatory capital 9% over the same quarter of the year prior. Notably, NEE's financial outlook remains unchanged despite the challenging macroeconomic environment, with approximately 7% EPS growth in 2020, helped by accretion from the Florida acquisitions. / Paige Meyer

January 24, 2020
10:46 AM ET... CFRA Maintains Hold Opinion on Shares of NextEra Energy, Inc. (NEE 259.90***):
We lift our 12-month target price by $15 to $260 on higher peer valuations. We keep our '20 EPS estimate unchanged at $9.10 and start '21's at $9.90. NEE posts Q4 EPS of $1.44, vs. $1.49, below our $1.51 estimate and the $1.48 S&P Capital IQ consensus. FPL earnings declined due to share dilution and other items, partly offset by new investments in the business. Gulf Power earnings were flat. Energy Resources earnings also declined slightly as benefits from new investments were more than offset by higher interest expense and other items. Our target is a 38% peer-premium 28.6x our '20 EPS estimate, warranted, we think, by our projection of an above-peers three-year EPS growth rate. We see strong capital spending at the utility driving customer rate increases and expect new projects to drive higher earnings at Resources. While we see potential for dividends to grow faster than EPS in the future, we think NEE's low dividend yield could limit upside for the shares. / Christopher Muir

October 21, 2019
08:00 PM ET... CFRA Maintains Hold Opinion on Shares of NextEra Energy, Inc. (NEE 237.10***):
We lift our 12-month target price by $5 to $245 on higher peer valuations. We increase our '19 EPS estimate by $0.05 to $8.45 and keep '20's at $9.10. NEE posts Q3 EPS of $2.39 vs. $2.18, over our estimate and S&P Capital IQ consensus, both at $2.29. Earnings at the utility were up as new investments, including Gulf Power, were partly offset by share dilution and other items. Energy Resources earnings rose on new investments and higher earnings from Gas Infrastructure, partly offset by lower earnings from existing generation assets and other items. Our target is a peer-premium 26.9x our '20 EPS estimate, which we think is warranted by our view of an above-peer three-year EPS growth rate. Looking ahead, we see continued rate base growth at the utility driving customer rates and earnings higher. Also, we see strong growth in Energy Resources' renewable assets given NEE's development pipeline. We see strong unit distribution growth from NEE's partnership investment helping cash flows. / Christopher Muir

October 08, 2019
08:10 AM ET... CFRA Lowers View on Shares of NextEra Energy, Inc. to Hold from Buy (NEE 232.50***):
We lift our 12-month target price by $16 to $240 on higher peer valuations. We keep our EPS estimates unchanged at $8.40 for '19 and $9.10 for '20. Our target is 26.4x our '20 EPS estimate, or a 33% premium to our peer target, which we think is warranted by our projection of an above-peers three-year EPS growth rate. However, we now believe the stock's relatively low dividend yield of 2.1% makes the stock less attractive compared with its electric utility peers, which have an average yield of 2.9%. We still believe that NEE has positive fundamentals that include $32 billion in capital spending between '19 and '23. The spending plans include significant investments in new and repowered wind generation and natural gas pipelines. We also see recently completed acquisitions boosting EPS by $0.15 in '20 and $0.20 in '21, but see more normal EPS growth of about 7.5% to 8% annually after '21. / Christopher Muir

July 24, 2019
01:54 PM ET... CFRA Maintains Buy Opinion on Shares of NextEra Energy, Inc. (NEE 208.33****):
We lift our 12-month target by $3 to $224 on higher peer valuations. We keep our '19 and '20 EPS estimates unchanged at $8.40 and $9.10, respectively. NEE posts Q2 EPS of $2.35 vs. $2.11, over our $2.20 EPS estimate and the $2.31 S&P Capital IQ consensus. Capital spending helped results at FPL, partly offset by share dilution and other items. Energy Resources results reflect new investments entering service and better customer supply & trading, with midstream results partly offset by lower results from existing generating assets and other items. Gulf Power contributed $0.12 to the quarter. Our target is a 28% peer-premium 24.6x our '20 EPS estimate, which we think is merited by our view of a well-above-peer three-year EPS growth rate. We see NEE benefiting from strong customer growth as well as strong capital spending in its utility service areas. We also see strong growth in its Energy Resources unit. We see room for dividends (yielding 2.4%) to grow faster than EPS for several years. / Christopher Muir

June 14, 2019
12:21 PM ET... CFRA Maintains Buy Opinion on Shares of NextEra Energy, Inc. (NEE 206.40****):
We lift our 12-month target by $16 to $221 on higher peer valuations. We keep our '19 and '20 EPS estimates of $8.40 and $9.10, respectively. Our target is 24.3x our '20 EPS estimate, or a 25% premium to our peer target. We believe that this valuation is warranted by our projection of an above-peer three-year EPS growth rate. We also see another dividend increase of about 12.5% in '20, before the dividend growth slows to a level more in line with its EPS growth rate. We see EPS growth being driven by rising rate base from capital spending at the utilities, earnings accretion from the acquisition of the Florida utilities and continued strong investments in its unregulated NextEra Energy Resources (NER) unit. NER's signed contracts include 4.24 GW of new wind investments, 1.30 GW of wind repowering and 1.59 GW of new solar investments in '19 and '20, with a low end of its longer-term development pipeline, including 16 GW of wind and 11.6 GW of solar investments across the country. / Christopher Muir

Note: Research notes reflect CFRA's published opinions and analysis on the stock at the time the note was published. The note reflects the views of the equity analyst as of the date and time indicated in the note, and may not reflect CFRA's current view on the company.

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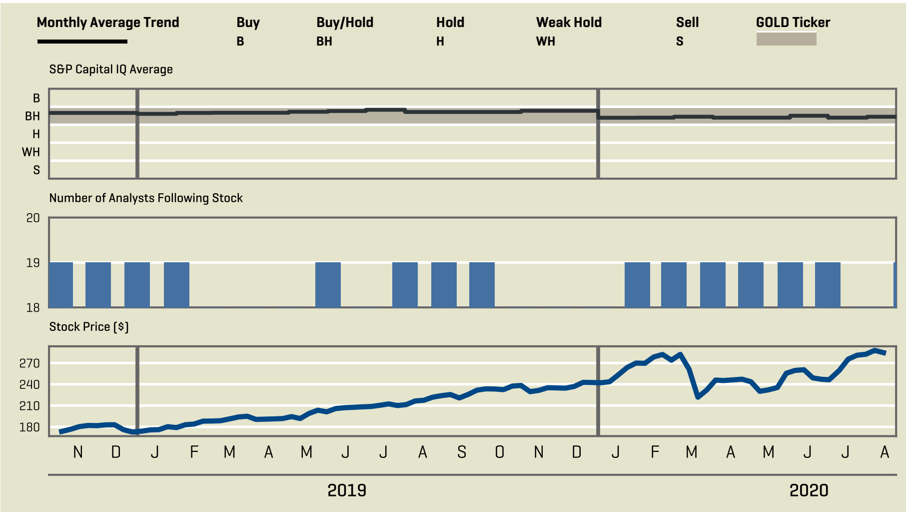
NextEra Energy, Inc.

Analysts Recommendations



	No. of Recommendations	% of Total	1 Mo.Prior	3 Mos.Prior
Buy	8	42	7	8
Buy/Hold	4	21	4	4
Hold	6	32	6	6
Weak hold	1	5	1	1
Sell	0	0	0	0
No Opinion	0	0	0	0
Total	19	100	18	19

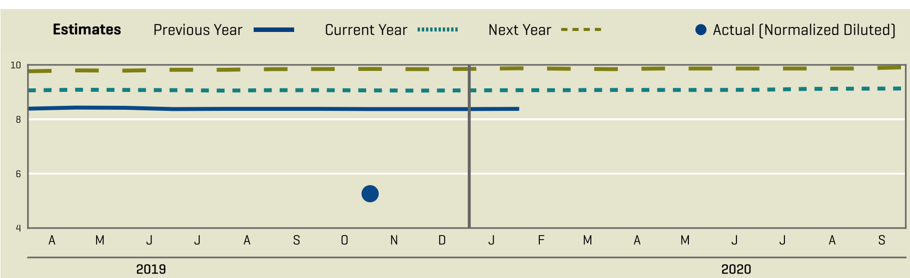
Wall Street Consensus Opinion

Buy/Hold

Wall Street Consensus vs. Performance

For fiscal year 2020, analysts estimate that NEE will earn USD 9.12. For fiscal year 2021, analysts estimate that NEE's earnings per share will grow by 8.46% to USD 9.90.

Wall Street Consensus Estimates



Fiscal Year	Avg Est.	High Est.	Low Est.	# of Est.	Est. P/E
2021	9.90	10.11	9.70	17	27.98
2020	9.12	9.23	9.01	16	30.35
2021 vs. 2020	▲ 8%	▲ 10%	▲ 8%	▲ 6%	▼ -8%
Q3'21	2.82	3.27	2.59	6	98.20
Q3'20	2.58	3.07	2.13	13	107.29
Q3'21 vs. Q3'20	▲ 9%	▲ 7%	▲ 22%	▼ -54%	▼ -8%

Forecasts are not reliable indicator of future performance.

Note: A company's earnings outlook plays a major part in any investment decision. S&P Global Market Intelligence organizes the earnings estimates of over 2,300 Wall Street analysts, and provides their consensus of earnings over the next two years, as well as how those earnings estimates have changed over time. Note that the information provided in relation to consensus estimates is not intended to predict actual results and should not be taken as a reliable indicator of future performance.

Note: For all tables, graphs and charts in this report that do not cite any reference or source, the source is S&P Global Market Intelligence.

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Glossary

STARS

Since January 1, 1987, CFRA Equity and Fund Research Services, and its predecessor S&P Capital IQ Equity Research has ranked a universe of U.S. common stocks, ADRs (American Depositary Receipts), and ADSs (American Depositary Shares) based on a given equity's potential for future performance. Similarly, we have ranked Asian and European equities since June 30, 2002. Under proprietary STARS (Stock Appreciation Ranking System), equity analysts rank equities according to their individual forecast of an equity's future total return potential versus the expected total return of a relevant benchmark (e.g., a regional index (MSCI AC Asia Pacific Index, MSCI AC Europe Index or S&P 500® Index)), based on a 12-month time horizon. STARS was designed to meet the needs of investors looking to put their investment decisions in perspective. Data used to assist in determining the STARS ranking may be the result of the analyst's own models as well as internal proprietary models resulting from dynamic data inputs.

S&P Global Market Intelligence's Quality Ranking

(also known as **S&P Capital IQ Earnings & Dividend Rankings**) - Growth and S&P Capital IQ Earnings & Dividend Rankings stability of earnings and dividends are deemed key elements in establishing S&P Global Market Intelligence's earnings and dividend rankings for common stocks, which are designed to capsulize the nature of this record in a single symbol. It should be noted, however, that the process also takes into consideration certain adjustments and modifications deemed desirable in establishing such rankings. The final score for each stock is measured against a scoring matrix determined by analysis of the scores of a large and representative sample of stocks. The range of scores in the array of this sample has been aligned with the following ladder of rankings:

A+	Highest	B	Below Average
A	High	B-	Lower
A	Above	C	Lowest
B+	Average	D	In Reorganization
NC	Not Ranked		

EPS Estimates

CFRA's earnings per share (EPS) estimates reflect analyst projections of future EPS from continuing operations, and generally exclude various items that are viewed as special, non-recurring, or extraordinary. Also, EPS estimates reflect either forecasts of equity analysts; or, the consensus (average) EPS estimate, which are independently compiled by S&P Global Market Intelligence, a data provider to CFRA. Among the items typically excluded from EPS estimates are asset sale gains; impairment, restructuring or merger-related charges; legal and insurance settlements; in process research and development expenses; gains or losses on the extinguishment of debt; the cumulative effect of accounting changes; and earnings related to operations that have been classified by the company as discontinued. The inclusion of some items, such as stock option expense and recurring types of other charges, may vary, and depend on such factors as industry practice, analyst judgment, and the extent to which some types of data is disclosed by companies.

12-Month Target Price

The equity analyst's projection of the market price a given security will command 12 months hence, based on a combination of intrinsic, relative, and private market valuation metrics, including Fair Value.

CFRA Equity Research

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Abbreviations Used in Equity Research Reports

CAGR - Compound Annual Growth Rate
CAPEX - Capital Expenditures
CY - Calendar Year
DCF - Discounted Cash Flow
DDM - Dividend Discount Model
EBIT - Earnings Before Interest and Taxes
EBITDA - Earnings Before Interest, Taxes, Depreciation & Amortization
EPS - Earnings Per Share
EV - Enterprise Value
FCF - Free Cash Flow
FFO - Funds From Operations
FY - Fiscal Year
P/E - Price/Earnings
P/NAV - Price to Net Asset Value
PEG Ratio - P/E-to-Growth Ratio
PV - Present Value
R&D - Research & Development
ROCE - Return on Capital Employed
ROE Return on Equity
ROI - Return on Investment
ROIC - Return on Invested Capital
ROA - Return on Assets
SG&A - Selling, General & Administrative Expenses
SOTP - Sum-of-The-Parts
WACC - Weighted Average Cost of Capital

Dividends on American Depository Receipts (ADRs) and American Depository Shares (ADSs) are net of taxes (paid in the country of origin).

Qualitative Risk Assessment

Reflects an equity analyst's view of a given company's operational risk, or the risk of a firm's ability to continue as an ongoing concern. The Qualitative Risk Assessment is a relative ranking to the U.S. STARS universe, and should be reflective of risk factors related to a company's operations, as opposed to risk and volatility measures associated with share prices. For an ETF this reflects on a capitalization-weighted basis, the average qualitative risk assessment assigned to holdings of the fund.

STARS Ranking system and definition:

★★★★★ **5-STARS (Strong Buy):**
Total return is expected to outperform the total return of a relevant benchmark, by a notable margin over the coming 12 months, with shares rising in price on an absolute basis.

★★★★☆ **4-STARS (Buy):**
Total return is expected to outperform the total return of a relevant benchmark over the coming 12 months, with shares rising in price on an absolute basis.

★★★☆☆ **3-STARS (Hold):**
Total return is expected to closely approximate the total return of a relevant benchmark over the coming 12 months, with shares generally rising in price on an absolute basis.

★★☆☆☆ **2-STARS (Sell):**
Total return is expected to underperform the total return of a relevant benchmark over the coming 12 months, and the share price is not anticipated to show a gain.

★☆☆☆☆ **1-STAR (Strong Sell):**
Total return is expected to underperform the total return of a relevant benchmark by a notable margin over the coming 12 months, with shares falling in price on an absolute basis.

Relevant benchmarks:

In North America, the relevant benchmark is the S&P 500 Index, in Europe and in Asia, the relevant benchmarks are the MSCI AC Europe Index and the MSCI AC Asia Pacific Index, respectively.

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Quantitative Stock Reports:

Quantitative recommendations are determined by ranking a universe of common stocks based on 5 measures or model categories: Valuation, Quality, Growth, Street Sentiment, and Price Momentum. In the U.S., a sixth sub-category for Financial Health will also be displayed. Percentile scores are used to compare each company to all other companies in the same universe for each model category. The five (six) model category scores are then weighted and rolled up into a single percentile ranking for that company. For reports containing quantitative recommendations refer to the Glossary section of the report for detailed methodology and the definition of Quantitative rankings.

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STARS Stock Reports:

Global STARS Distribution as of June 28, 2019

Ranking	North America	Europe	Asia	Global
Buy	34.4%	29.0%	41.1%	33.5%
Hold	56.1%	54.8%	46.4%	54.6%
Sell	10.5%	16.2%	12.5%	11.9%
Total	100.0%	100.0%	100.0%	100.0%

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