

NextEra Energy (NEE)

Rating: Buy	Price \$82.00	Yield 2.8%	Market Cap. \$171.5B	52-Week Range \$87.53 – \$61.72
Data as of 11/06/2025				

Sector	Utilities
Subsector	Utilities
Investment Category	Large Cap
Price Movement	Below Average

Company Overview

NextEra was founded in 1925 and is based in Juno Beach, Florida. It operates two primary businesses. Its regulated Florida utility, FP&L, serves about 6 million customers across Florida including the greater Miami region. NextEra Energy Resources is the largest wind- and solar-power generator in North America. Competitors in its renewable energy business include AVANGRID and Enel.	
Revenues International	0%
Standard & Poor's/Moody's	A-/Baa1
MSCI ESG Rating	A/Average

Dividend Outlook (1-Year): Rising

Annualized Payment	\$2.27
Last Change	10% (Feb 14, 2025)
Consec. Yrs Increased	22
Paid Since	1944
5-Yr. Trailing Growth	10%
Long-Term Growth Est.	10%
Payout Ratio ('25)	62%
Dividends Paid	Mar, Jun, Sep, Dec

**Commentary:** We expect dividends to increase at least as fast as earnings for the next several years, as NEE has a reasonable payout ratio (the percentage of earnings paid out in dividends) and generates significant cash from its unregulated (nonutility) businesses.

Valuation & Earnings

	'24A	'25E	'26E
Earnings Per Share	3.43	3.68	4.00
P/E	23.9x	22.3x	20.5x
PEGY	2.2x	2.1x	1.9x
LT EPS Growth Est.			8%
Est. Earnings Date	January 28, 2026		

Annualized Total Returns	1yr	3yr	5yr
NextEra Energy	13%	4%	4%
S&P Utilities Index	17%	13%	10%
S&P 500 Index	15%	23%	16%

Data as of 11/6/25. Source: FactSet. Indexes are unmanaged and cannot be invested in directly. Past performance is no guarantee of future results.

Investment Summary

We intend to drop coverage of NextEra Energy on November 14, 2025, as Edward Jones is no longer producing equity research reports. Our final recommendation on the stock is a Buy. The opinion should not be relied upon after the termination of coverage on November 14, 2025.

Outlook

**Above-Average Earnings Growth Expected** - We forecast above-average earnings and dividend growth due to robust spending on utility infrastructure as well as renewables coming online with long-term contracts for output.

**Leadership in Renewable Power Positions Company Well** - NEE is the United States' largest producer of renewable power coming from wind and solar. In our view, the company's unregulated (nonutility) segment is well-positioned to benefit from the country's push toward lower emissions.

**Favorable Regulatory Treatment and Customer Growth** - The utility business serves most of southern Florida, an area that has had strong customer growth. We think Florida's regulatory treatment of utilities is positive for NextEra. NEE's utility business is allowed to earn above-average returns and has support from regulators to build renewable energy and projects that improve the resiliency of its electric grid against hurricanes and other storms.

**Valuation and Recent Performance** - We view shares as attractively valued. At a price-to-earnings ratio of approximately 20.5 times our 2026 earnings estimate, shares trade slightly above peers' 18.1 times. In our opinion, NEE has a strong track record of earnings and dividend growth, a quality management team, and above-average growth prospects. Shares have underperformed peers over the past five years, even as NEE has achieved above-average earnings and dividend growth.

**Risks** - The primary downside risks include deterioration in renewable-energy markets, higher interest rates, and adverse regulatory and legislative decisions.

Key Developments

**11/7/25:** We intend to drop coverage of NextEra Energy on November 14, 2025, as Edward Jones is no longer producing equity research reports. Our final recommendation on the stock is a Buy. The opinion should not be relied upon after the termination of coverage on November 14, 2025.

**10/28/25 (summarized):** NEE reported third-quarter operating earnings per share (EPS) of \$1.13, which was above the \$1.02 analyst consensus estimate and up from \$1.03 in the third quarter of 2024. This represents EPS growth of over 9%, similar to what was achieved in the first half of 2025. NEE posted strong backlog growth in renewable energy projects. We believe this provides momentum for future results. The company reaffirmed its EPS outlook through 2027. The company also announced that it will be restarting its retired nuclear plant in Iowa and will be selling the power to Google. The plant is expected to restart by the first quarter of 2029 and is likely to lift EPS by around \$0.16 annually.

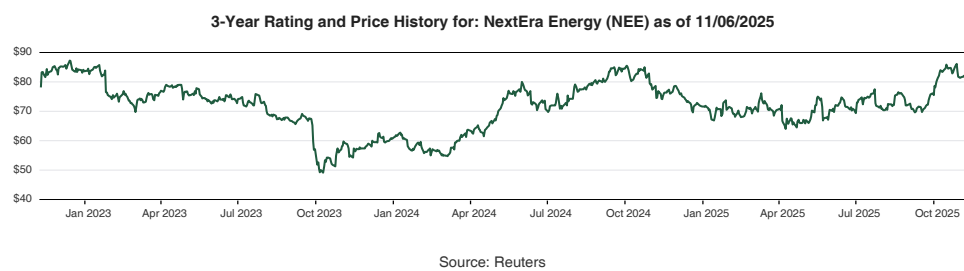
This was a solid third-quarter result for NEE, in our view. EPS growth remains near the high end of what we expect from utility peers. Additionally, we are encouraged to see another solid quarter of backlog growth for renewable projects. NEE has been seeing significant interest from hyperscalers (large data-center customers), which provide substantial growth opportunities given their growing power needs. We expect renewables will be a very important contributor to meet these needs. Despite recent legislation that will phase out tax credits for new wind and solar projects more quickly than under the Inflation Reduction Act, we believe NextEra is still well-positioned as the largest renewables developer in the U.S. Advantages from its size and long history in renewables could ultimately lead to market-share gains if smaller developers exit the market. Separately, the cost to build gas-fired power plants has risen substantially in recent years, and renewables have become increasingly competitive, even without the support of tax credits.

Analyst: Mike Doyle, CFA

Analyst Certification

I certify that the views expressed in this research report accurately reflect my personal views about the subject securities and issuers; and no part of my compensation was, is, or will be directly or indirectly related to the specific recommendations or views contained in the research report. Mike Doyle, CFA

Required Research Disclosures



November 7, 2025	BUY	HOLD	SELL
Stocks	55%	45%	0%
Investment Banking	4%	6%	0%
Services			

The table lists the percent of stocks we follow globally in each of our rating categories. Investment banking services indicate the percentage of those companies where the firm has acted in furtherance of a public offering of the issuer within the past 12 months.

- Initiated Coverage PRE-1996.....(B) 07/31/02-10/23/12...(H) 10/23/12-12/02/16...(B) 12/02/16-
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**Opinion Rating Definitions:** **Buy (B)** - We believe the valuation is attractive and total return potential is above average over the next 3-5 years compared with industry peers. **Hold (H)** - We believe the stock is fairly valued and total return potential is about average over the next 3-5 years compared with industry peers or a special situation exists, such as a merger, that warrants no action. **Sell (S)** - We believe the stock is overvalued and total return potential is below average over the next 3-5 years compared with industry peers. In some cases we expect fundamentals to deteriorate considerably and/or a recovery is highly uncertain. **FYI (FYI)** - For informational purposes only; factual, no opinion. **Under Review (UR)** – Our rating, estimates, and opinion for this company are under review and should not be relied upon for making investment decisions until updated.

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