NEXTERA ENERGY NYSE-NEE

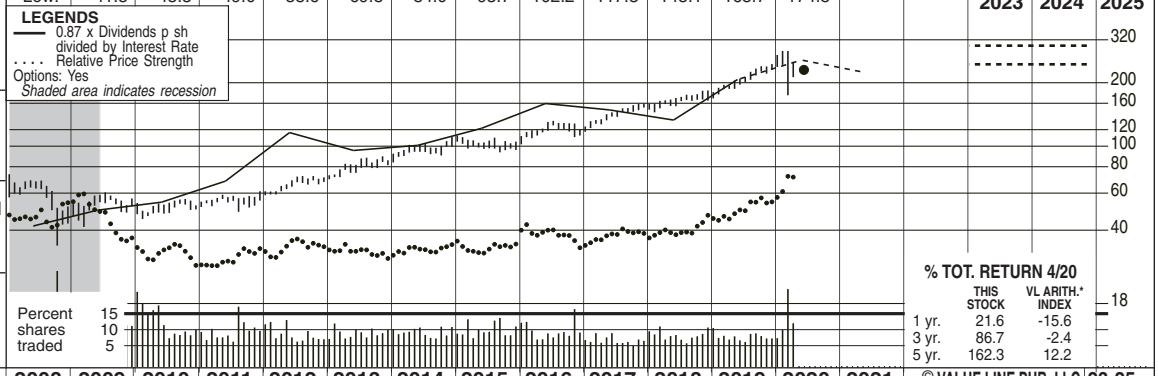
RECENT PRICE **230.09** | P/E RATIO **30.7** (Trailing: 31.9 / Median: 18.0) | RELATIVE P/E RATIO **1.85** | DIV'D YLD **2.5%** | VALUE LINE

TIMELINESS 2 Lowered 4/24/20
SAFETY 1 Raised 2/16/18
TECHNICAL 1 Raised 5/15/20
BETA .85 (1.00 = Market)

High:	60.6	56.3	61.2	72.2	89.8	110.8	112.6	132.0	159.4	184.2	245.0	283.3
Low:	41.5	45.3	49.0	58.6	69.8	84.0	93.7	102.2	117.3	145.1	168.7	174.8

Target Price Range 2023 | 2024 | 2025

LEGENDS
— 0.87 x Dividends p sh divided by Interest Rate
.... Relative Price Strength
Options: Yes
Shaded area indicates recession



18-Month Target Price Range

Low-High	Midpoint (% to Mid)
$213-$300	$257 (10%)

2023-25 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	300	(+30%)	10%
Low	245	(+5%)	5%

Institutional Decisions

	2Q2019	3Q2019	4Q2019
to Buy	738	790	830
to Sell	624	616	666
Hld's(000)	370488	382169	384664

% TOT. RETURN 4/20

	THIS STOCK	VL ARITH.* INDEX
1 yr.	21.6	-15.6
3 yr.	86.7	-2.4
5 yr.	162.3	12.2

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	© VALUE LINE PUB. LLC	23-25
28.27	30.00	38.75	37.47	40.13	37.82	36.39	36.88	33.62	34.80	38.42	37.93	34.52	36.51	34.99	39.27	*42.35*	*44.90*	Revenues per sh	*52.00*
5.60	6.18	6.77	6.85	8.03	8.75	9.62	9.29	8.69	10.54	12.10	12.92	12.97	12.11	15.37	16.87	*17.25*	*20.05*	"Cash Flow" per sh	*23.75*
2.46	2.32	3.23	3.27	4.07	3.97	4.74	4.82	4.56	4.83	5.60	6.06	5.78	6.50	6.67	7.76	*7.50*	*9.80*	Earnings per sh A	*12.50*
1.30	1.42	1.50	1.64	1.78	1.89	2.00	2.20	2.40	2.64	2.90	3.08	3.48	3.93	4.44	5.00	*5.60*	*6.16*	Div'd Decl'd per sh B ■ †	*8.20*
3.75	4.09	9.22	12.32	12.80	14.52	13.89	15.93	22.31	15.36	15.84	18.17	20.59	22.80	27.21	25.15	*26.40*	*26.55*	Cap'l Spending per sh	*25.75*
20.25	21.52	24.49	26.35	28.57	31.35	34.36	35.92	37.90	41.47	44.96	48.97	52.01	59.89	71.43	75.67	*77.45*	*81.15*	Book Value per sh C	*98.75*
372.24	394.85	405.40	407.35	408.92	413.62	420.86	416.00	424.00	435.00	443.00	461.00	468.00	471.00	478.00	489.00	*490.00*	*490.00*	Common Shs Outst'g D	*495.00*
13.6	17.9	13.7	18.9	14.5	13.4	10.8	11.5	14.4	16.6	17.3	16.9	20.7	21.6	24.8	26.8	*Bold figures are*		Avg Ann'l P/E Ratio	*22.0*
.72	.95	.74	1.00	.87	.89	.69	.72	.92	.93	.91	.85	1.09	1.09	1.34	1.44	*Value Line*		Relative P/E Ratio	*1.20*
3.9%	3.4%	3.4%	2.7%	3.0%	3.5%	3.9%	4.0%	3.6%	3.3%	3.0%	3.0%	2.9%	2.8%	2.7%	2.4%	*estimates*		Avg Ann'l Div'd Yield	*3.0%*

CAPITAL STRUCTURE as of 3/31/20
Total Debt $47206 mill. **Due in 5 Yrs** $23217 mill.
LT Debt $41116 mill. **LT Interest** $1645 mill.

(LT interest earned: 3.4x)

Pension Assets-12/19 $4800 mill. **Oblig** $3363 mill.

Pfd Stock None

Common Stock 489,450,050 shs.

MARKET CAP: $113 billion (Large Cap)

2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021		23-25
15317	15341	14256	15136	17021	17486	16155	17195	16727	19204	*20750*	*22000*	Revenues ($mill)	*26200*
1957.0	2021.0	1911.0	2062.0	2465.0	2752.0	2693.0	3074.0	3200.0	3769.0	*3685*	*4820*	Net Profit ($mill)	*6315*
21.4%	22.4%	26.6%	26.9%	32.3%	30.8%	29.3%	24.4%	28.6%	11.7%	*9.0%*	*9.0%*	Income Tax Rate	*9.0%*
4.4%	4.4%	10.8%	7.0%	6.7%	6.9%	8.2%	6.7%	6.6%	3.9%	*4.0%*	*3.0%*	AFUDC % to Net Profit	*3.0%*
55.5%	58.2%	59.1%	57.1%	55.0%	54.2%	53.3%	52.7%	44.0%	50.4%	*51.0%*	*51.0%*	Long-Term Debt Ratio	*49.5%*
44.5%	41.8%	40.9%	42.9%	45.0%	45.8%	46.7%	47.3%	56.0%	49.6%	*49.0%*	*49.0%*	Common Equity Ratio	*50.5%*
32474	35753	39245	42009	44283	49255	52159	59671	60926	74548	*77100*	*80800*	Total Capital ($mill)	*98400*
39075	42490	49413	52720	55705	61386	66912	72416	70334	82010	*90175*	*98200*	Net Plant ($mill)	*120800*
7.4%	7.0%	6.2%	6.2%	7.0%	6.8%	6.3%	6.3%	6.3%	6.0%	*5.5%*	*7.0%*	Return on Total Cap'l	*7.5%*
13.5%	13.5%	11.9%	11.4%	12.4%	12.2%	11.1%	10.9%	9.4%	10.2%	*9.5%*	*12.0%*	Return on Shr. Equity	*12.5%*
13.5%	13.5%	11.9%	11.4%	12.4%	12.2%	11.1%	10.9%	9.4%	10.2%	*9.5%*	*12.0%*	Return on Com Equity E	*12.5%*
7.8%	7.4%	5.6%	5.2%	6.0%	6.1%	4.4%	4.4%	3.2%	3.7%	*2.5%*	*4.5%*	Retained to Com Eq	*4.5%*
42%	46%	53%	54%	51%	50%	60%	60%	66%	64%	*74%*	*63%*	All Div'ds to Net Prof	*64%*

ELECTRIC OPERATING STATISTICS F

	2017	2018	2019
% Change Retail Sales (KWH)	-.9	+1.4	+1.7
Avg. Indust. Use (MWH)	NA	NA	NA
Avg. Indust. Revs. per KWH (¢)	NA	6.40	6.39
Capacity at Peak (Mw)	NA	NA	NA
Peak Load, Summer (Mw)	NA	NA	NA
Annual Load Factor (%)	NA	NA	NA
% Change Customers (yr-end)	NA	NA	+1.8
Fixed Charge Cov. (%)	278	266	230

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '17-'19 to '23-'25
Revenues	-.5%	.5%	*6.0%*
"Cash Flow"	6.5%	7.0%	*8.0%*
Earnings	6.5%	7.0%	*10.0%*
Dividends	9.5%	11.0%	*10.5%*
Book Value	9.0%	10.5%	*6.0%*

Cal-endar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2017	3972	4404	4808	4011	17195
2018	3857	4063	4416	4391	16727
2019	4075	4970	5572	4587	19204
2020	4613	*5237*	*6000*	*4900*	*20750*
2021	*4900*	*5500*	*6400*	*5200*	*22000*

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2017	1.90	1.68	1.79	1.13	6.50
2018	2.06	1.64	2.10	.88	6.67
2019	1.41	2.56	1.81	1.99	7.76
2020	.86	*2.45*	*2.45*	*1.74*	*7.50*
2021	*2.60*	*2.70*	*2.65*	*1.85*	*9.80*

Cal-endar	QUARTERLY DIVIDENDS PAID B ■ † Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2016	.87	.87	.87	.87	3.48
2017	.9825	.9825	.9825	.9825	3.93
2018	1.11	1.11	1.11	1.11	4.44
2019	1.25	1.25	1.25	1.25	5.00
2020	1.40				

BUSINESS: NextEra Energy, Inc. (formerly FPL Group, Inc.) is a holding company for Florida Power & Light Company (FPL) and Gulf Power, which provide electricity to 5.5 million customers in eastern, southern, & northwestern Florida. NextEra Energy Resources is a nonregulated power generator with nuclear, gas, & renewable ownership. Has 60.8% stake in NextEra Energy Partners. Rev. breakdown: residential, 55%; commercial, 35%; industrial & other, 10%. Generating sources: gas, 73%; nuclear, 22%; other, 3%; purch., 2%. Fuel costs: 23% of revs. '19 reported depr. rate (util.): 3.9%. Has 14,800 employees. Chairman, Pres. and CEO: James L. Robo. Inc.: FL. Address: 700 Universe Blvd., Juno Beach, FL 33408. Tel.: 561-694-4000. Internet: www.nexteraenergy.com.

NextEra Energy is performing well, even though this wasn't reflected in first-quarter profits. The bottom line was depressed by mark-to-market charges for the company's energy-services business and unrealized losses on the decommissioning trusts for NextEra's nonregulated nuclear assets. (We *include* these because they are present every quarter.) This is why we look for full-year profits to decline. Florida Power & Light is seeing declines in kilowatt-hour sales stemming from the weak economy, but this isn't likely to hurt profits because a regulatory agreement allows the utility to amortize credits to income in order to offset any shortfall in earnings. In addition, except for a gas pipeline (see below), the company's construction projects are on track, including a $900 million, 1,200-megawatt gas-fired plant that is scheduled for completion in 2022. NextEra Energy Resources, the nonutility subsidiary, continues to add renewable-energy and battery-storage projects as planned, even with the coronavirus-related disruptions to the economy. Demand here remains strong, and the backlog is growing.

The addition of Gulf Power in early 2019 should boost NextEra's earnings this year and next. Management expects share-earnings contributions of $0.15 and $0.20 in 2020 and 2021, respectively. The company plans to merge Gulf Power with the much-larger FPL and intends to file a combined rate case in early 2021.

The board of directors increased the quarterly dividend by $0.15 a share (12%) in the first period. Beyond 2020, NextEra expects to hike the disbursement roughly 10% a year through 2022, at least.

A gas-pipeline project has had delays and cost overruns. This stems from litigation from environmental groups. The 31%-owned project is scheduled for completion in 2020 at a total cost of $5.4 billion, unchanged from the previous quarter.

This timely stock's price has declined just 5% in 2020. The weak economy has had little effect on the company's earning power. Unlike most utilities, the yield is below the median of all dividend-paying equities under our coverage. Also, total return potential is low for the 18-month and 3- to 5-year periods.

Paul E. Debbas, CFA *May 15, 2020*

(A) Diluted EPS. Excl. nonrecur. gains (losses): '11, (24¢); '13, (80¢); '16, 47¢; '17, 91¢; '18, $7.19; gain on disc. ops.: '13, 44¢. '18 & '19 EPS don't sum due to rounding. Next earnings report due late July. **(B)** Div'ds historically paid in mid-Mar., mid-June, mid-Sept., & mid-Dec. ■ Div'd reinvestment plan avail. † Shareholder investment plan avail. **(C)** Incl. deferred charges. In '19: $18.26/sh. **(D)** In mill., adj. for stock split. **(E)** Rate allowed on com. eq. in '17 (FPL): 9.6%-11.6%; earned on avg. com. eq., '19: 10.6%. Regulatory Climate: Avg. **(F)** FPL only.

Company's Financial Strength	A+
Stock's Price Stability	95
Price Growth Persistence	95
Earnings Predictability	70

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