

Buy: NEE

Current Price: \$68

Target Price: \$85

NextEra Energy, Inc. (NYSE: NEE)

Utilities & Renewables Sector

Sector Head: Ethan Agro

Senior Analyst: Andino Caminiti

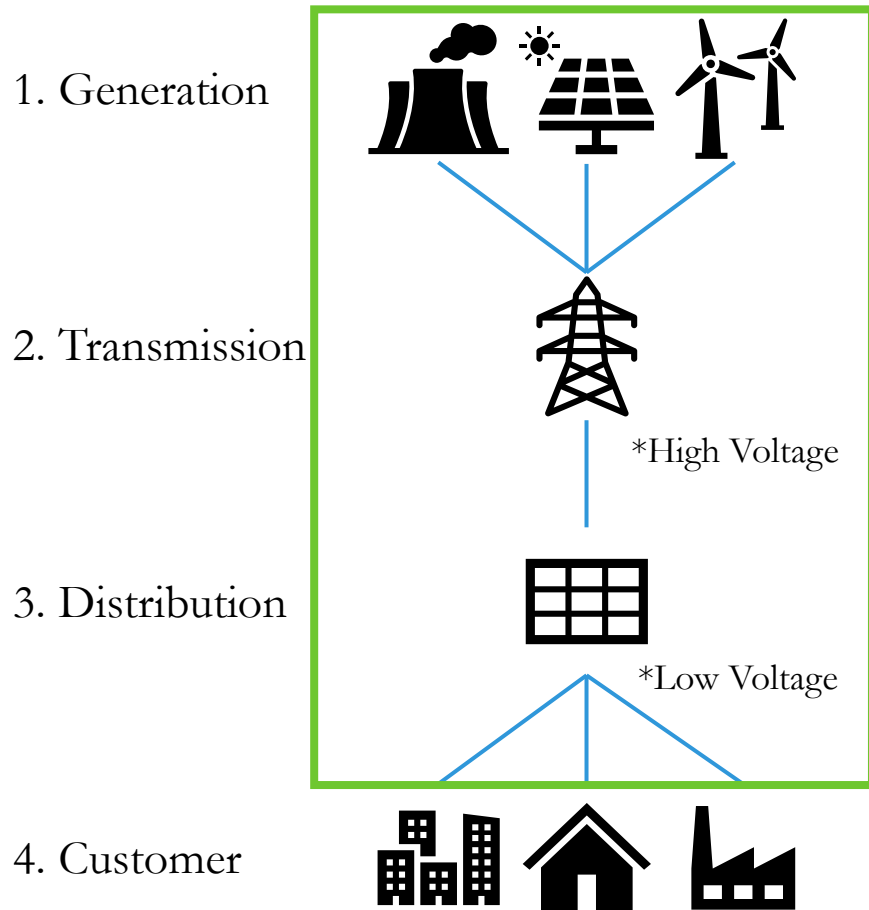
Junior Analysts: Michael Scorcia, Jacob Abraham, Michael Levin

May 3rd, 2024



Utilities Companies

Utilities operate whole supply chain and sell to electricity consumers at a regulated price

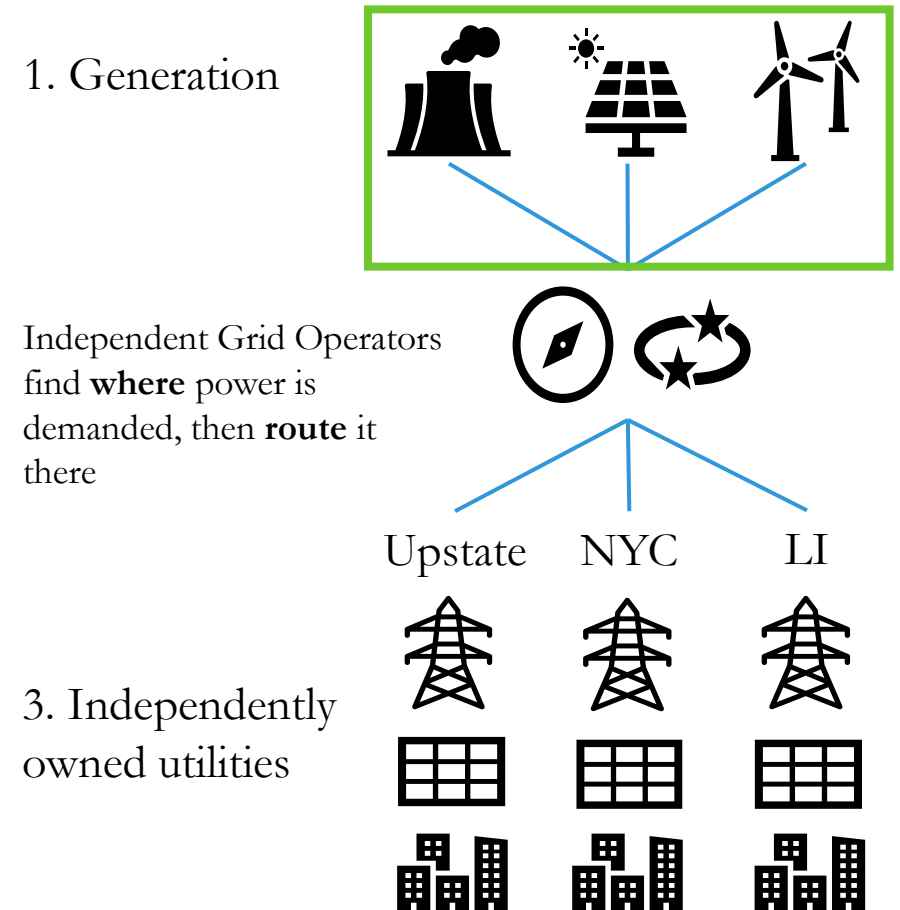


Utilities Metrics
 Asset expansion
 Grid Reliability
 Dividend

Renewables Metrics
 Contract Price
 Production Capacity

Renewables Companies

Renewables are independent power producers that sell to the Regional Grid Operator



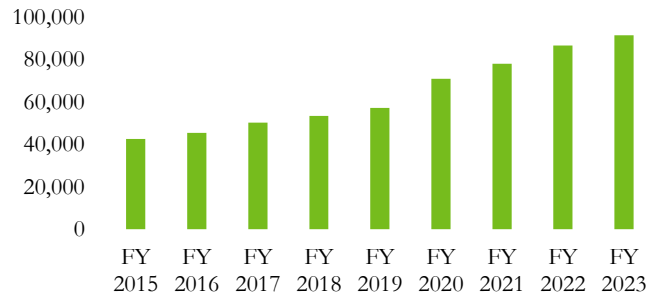
Two Valuable Operating Segments



Florida Power & Light is the largest public utility in Florida



Total Assets (MM)



90,000

Miles of transmission and distribution lines

883

Substations

5.9 mm

Customer accounts

469 MW

of battery storage capacity for transmission

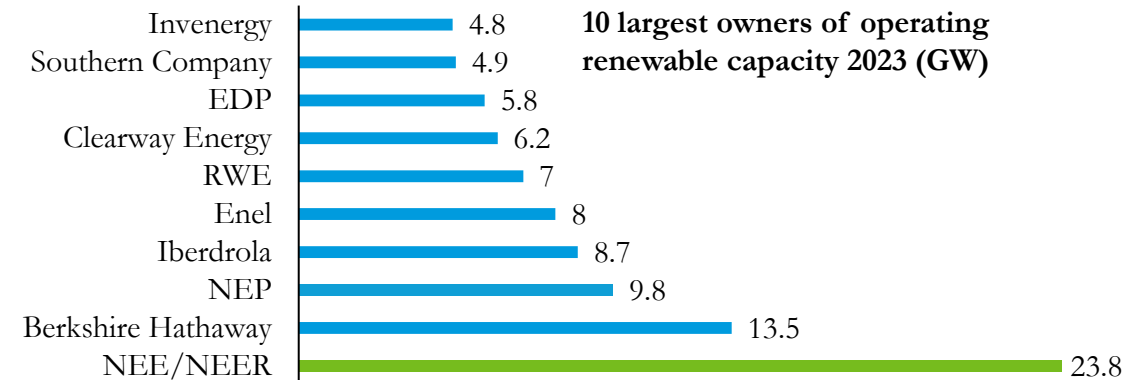


NEER is the largest developer and owner of renewable energy in the United States

Production in GW



Accounts for 20% of US renewable development



NEE: Undervalued To Closest Peers

P/E Discount To Key Competitors



18x

37x

Trading Like a Diversified Utility



P/E 23x



P/E 18x

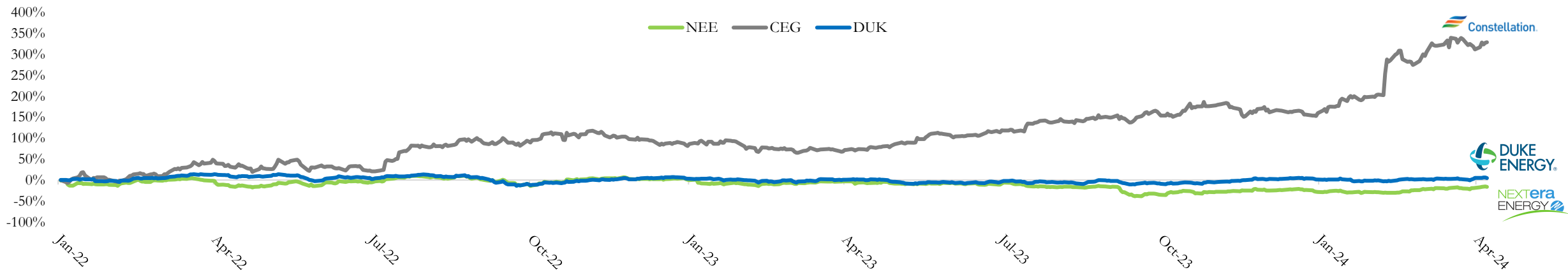


P/E 20x

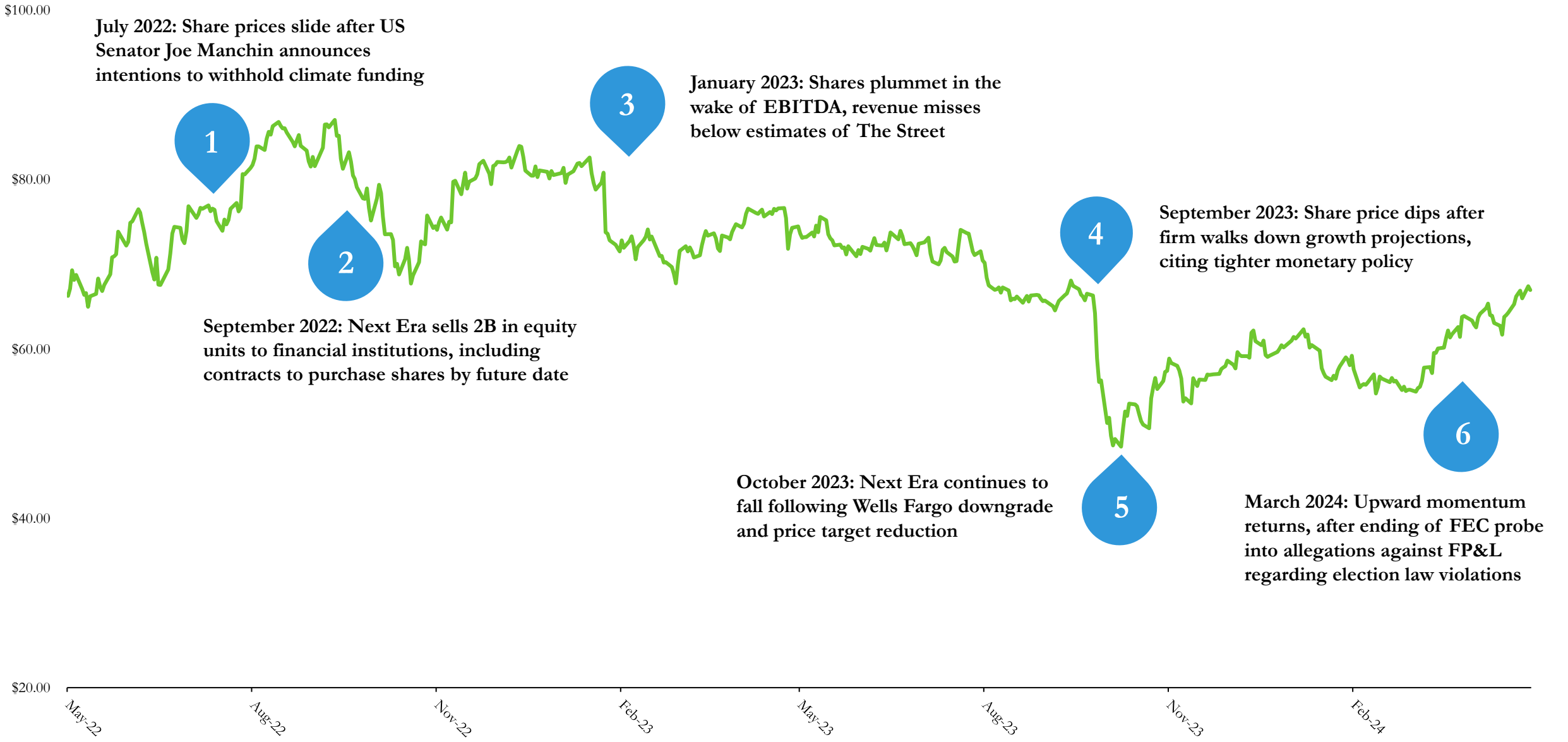


P/E 27x

Next Era Amongst its Sector Participants

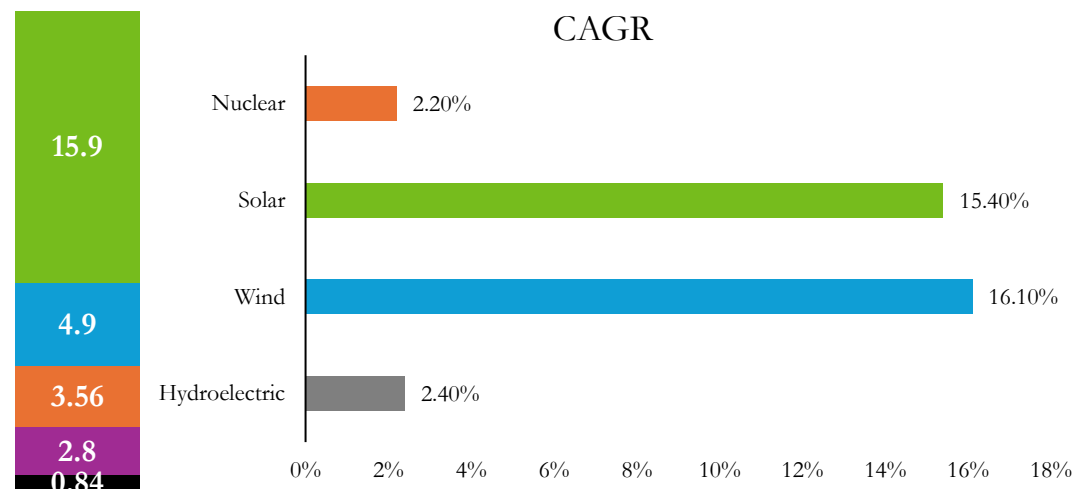


Trading at a Discount

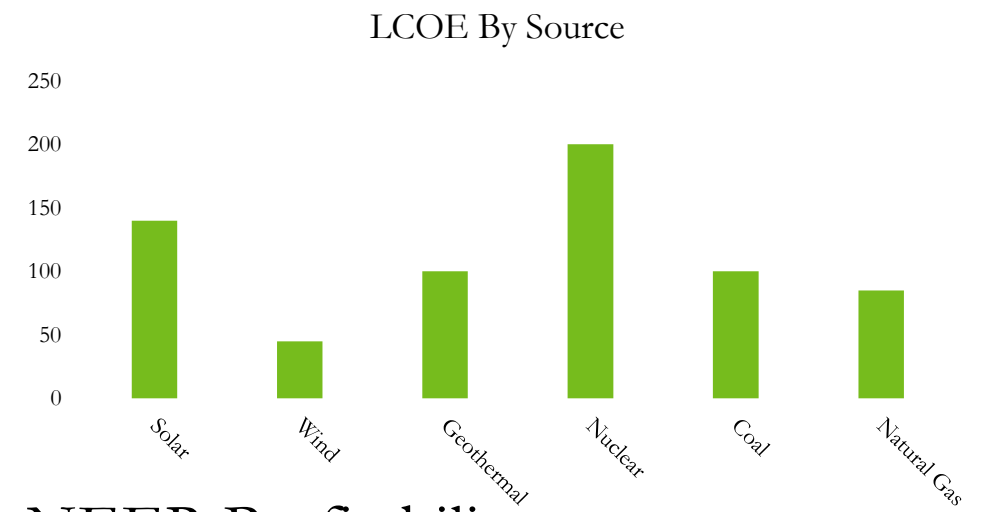


What Makes NEER Attractive?

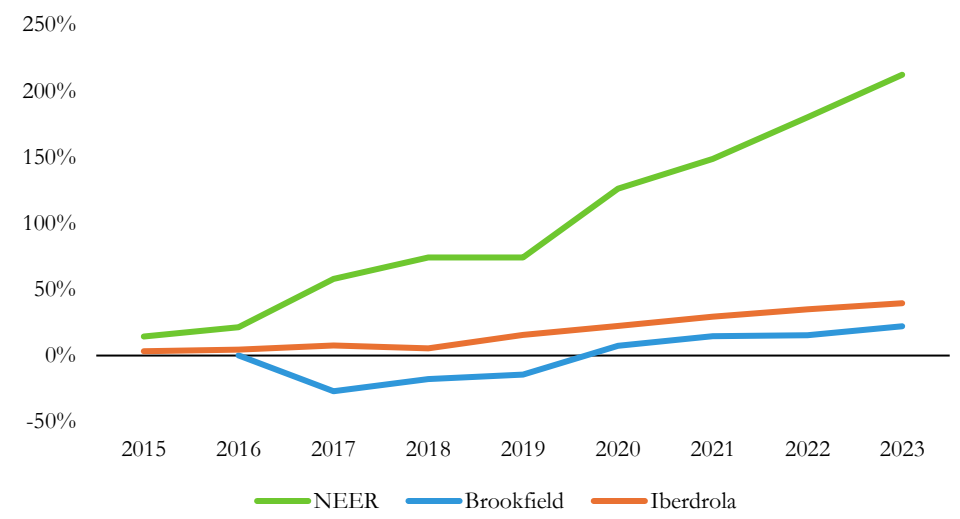
Untouched Composition



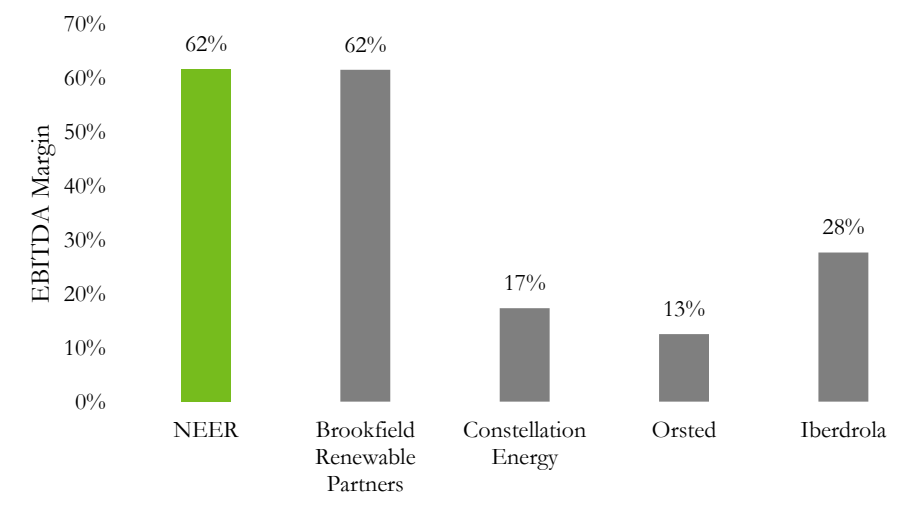
Positioned for the Future



Untouched Generating Capacity

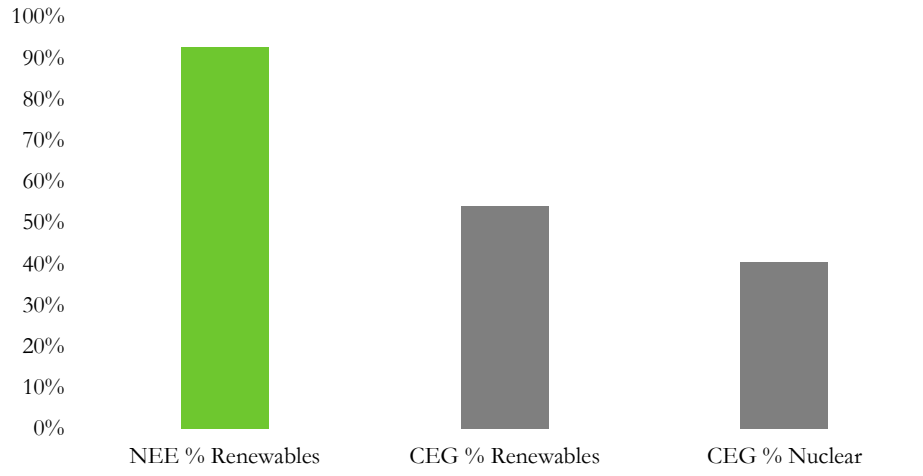


NEER Profitability

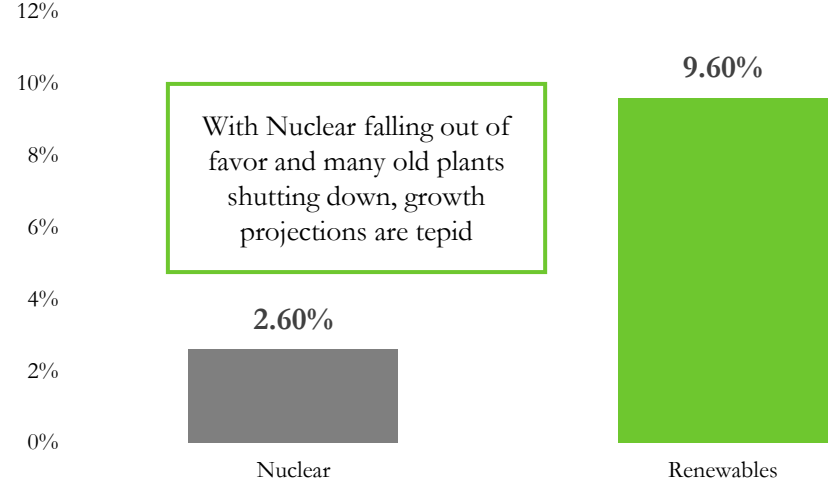


Why It Should Trade Higher

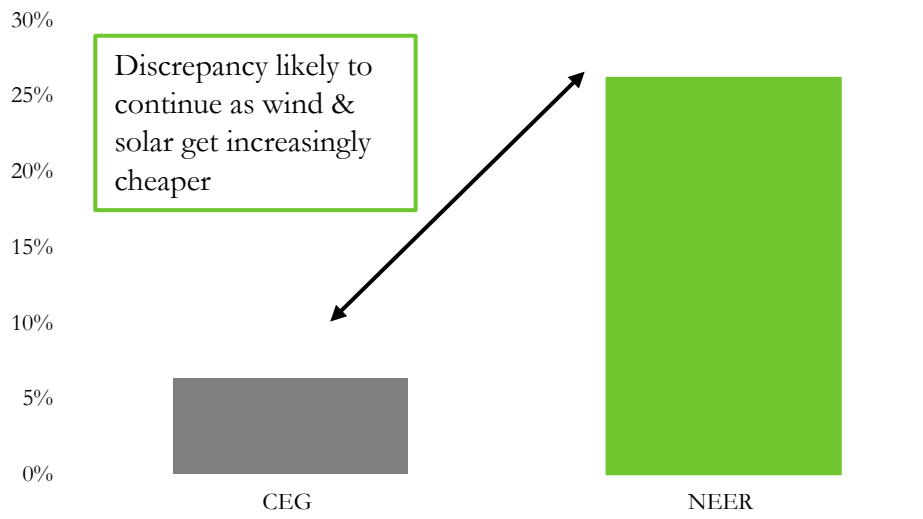
NEE vs. CEG Energy Sources



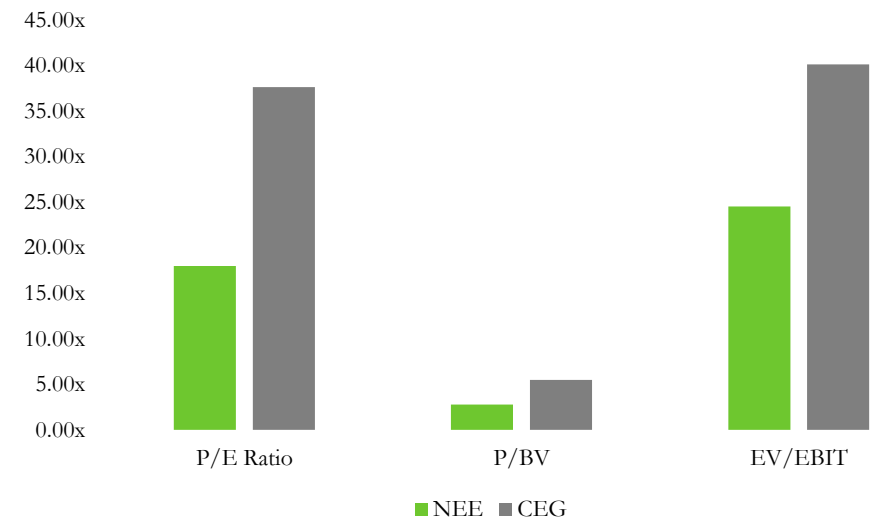
Green Energy Growth by 2028



NEER vs CEG Net Profit Margins



NEE vs. CEG Valuation



Reasons for a Rate Base Increase

Population

Consistently high rank for state population growth- ranked second in 2023

Storm Allowance

Increased storm frequency means greater investment to secure grid resilience

Corporate Relocation

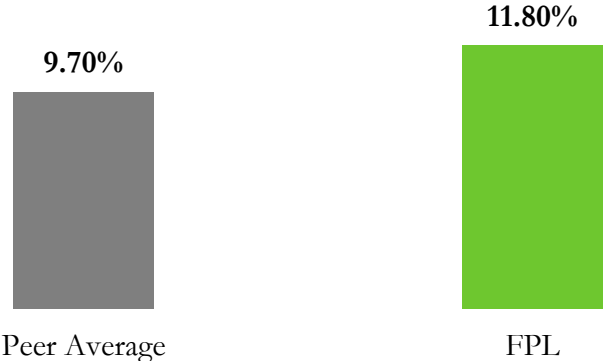
Favorable tax structure incentivizes business relocation/ expansion

Regulatory Support

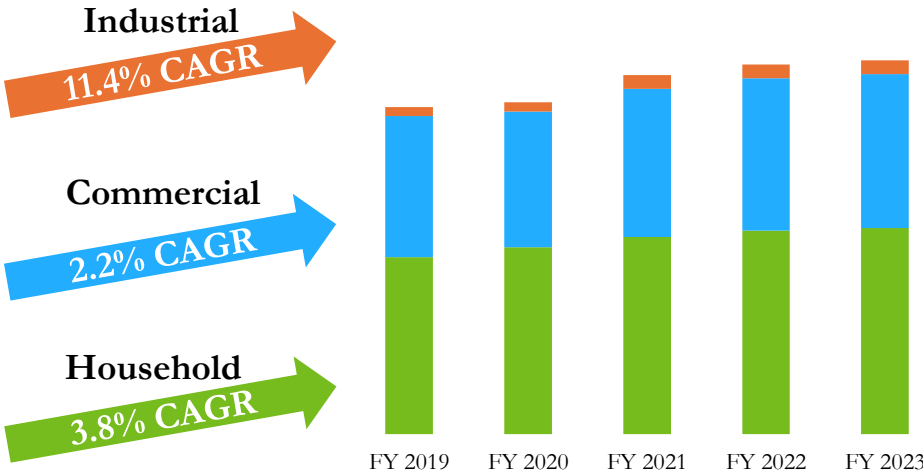
FPSC (Florida Public Service Commission) to revisit rate base for FPL in 2025

Favorable Regulatory Environment

Authorized Return on Equity

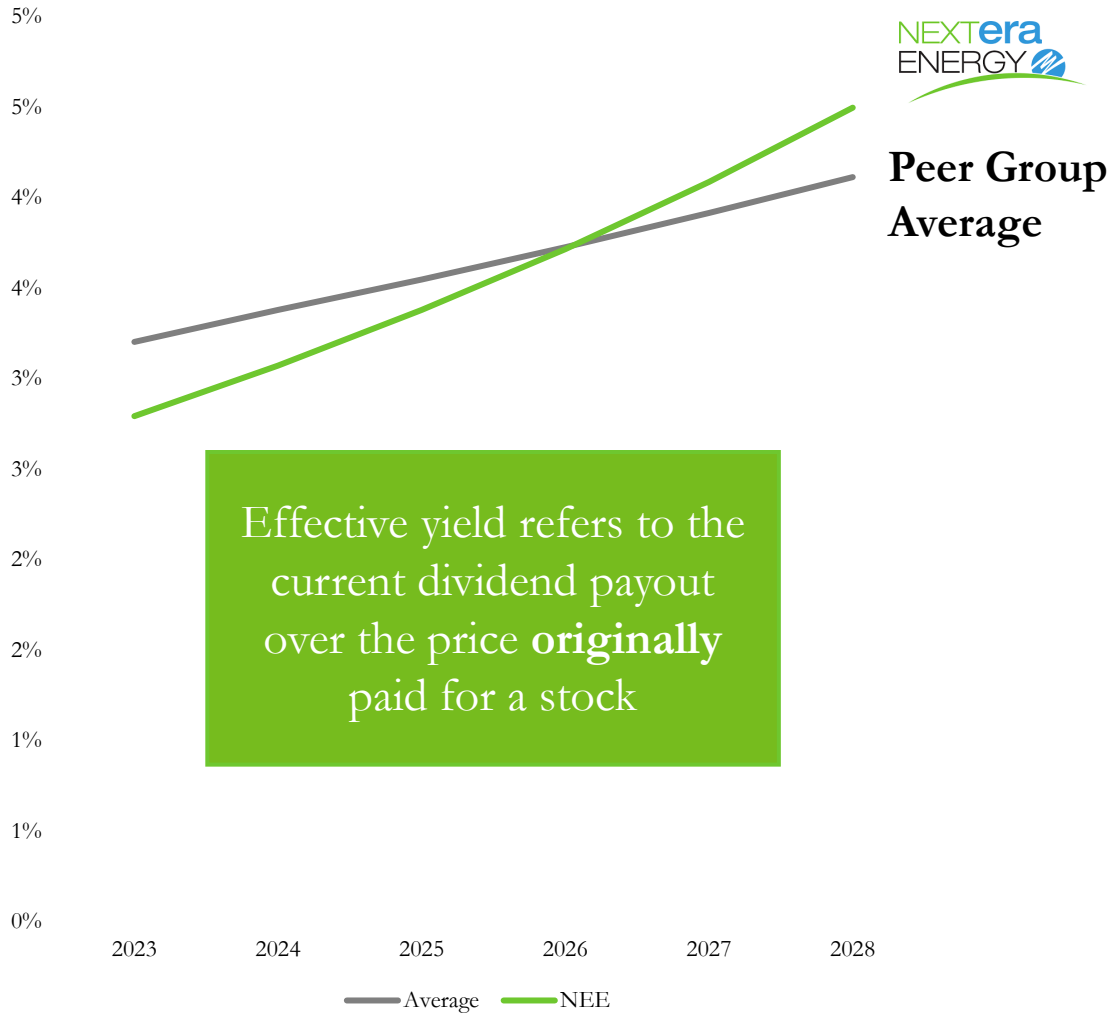


Electric Sales Volume (MM kWh)



Dividend Yield That Will Outpace Competitors

Stronger Long-Term Dividend



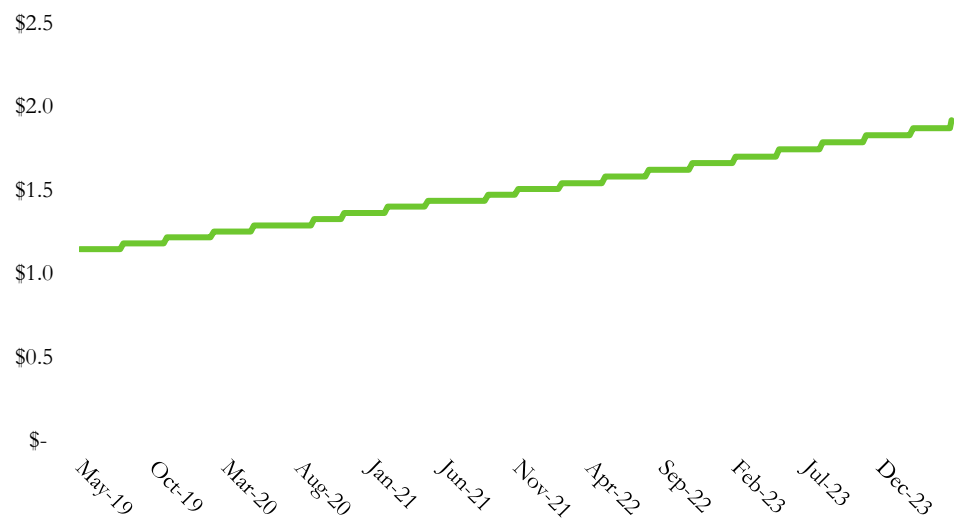
Dividend Will Keep Growing

NEE has increased its dividend for **thirty consecutive years**

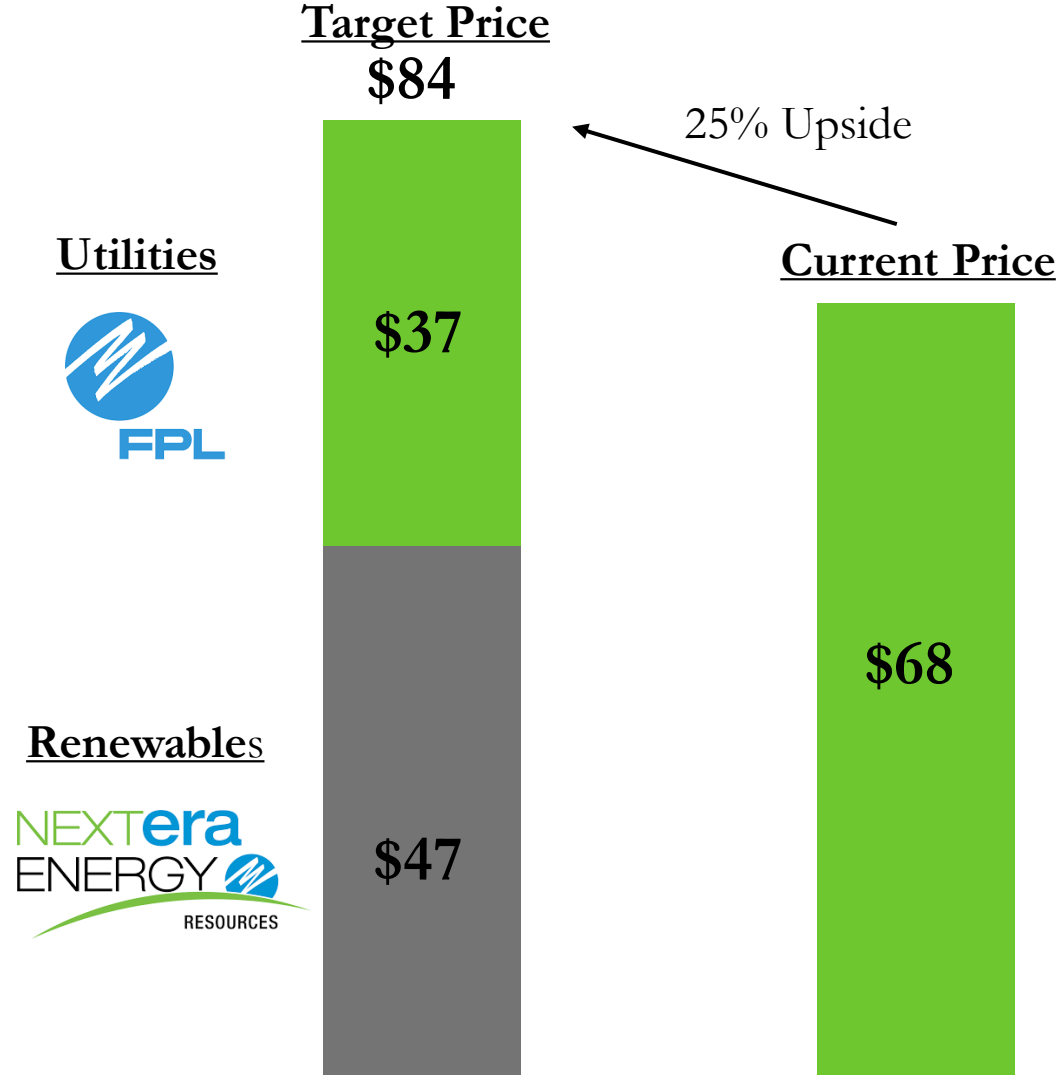
Its dividend grew at an **11% CAGR** over the last decade, despite slow growth in power demand

As AI and the reshoring of industry in the US gain steam, power demand will grow faster

Consistent Dividend Growth



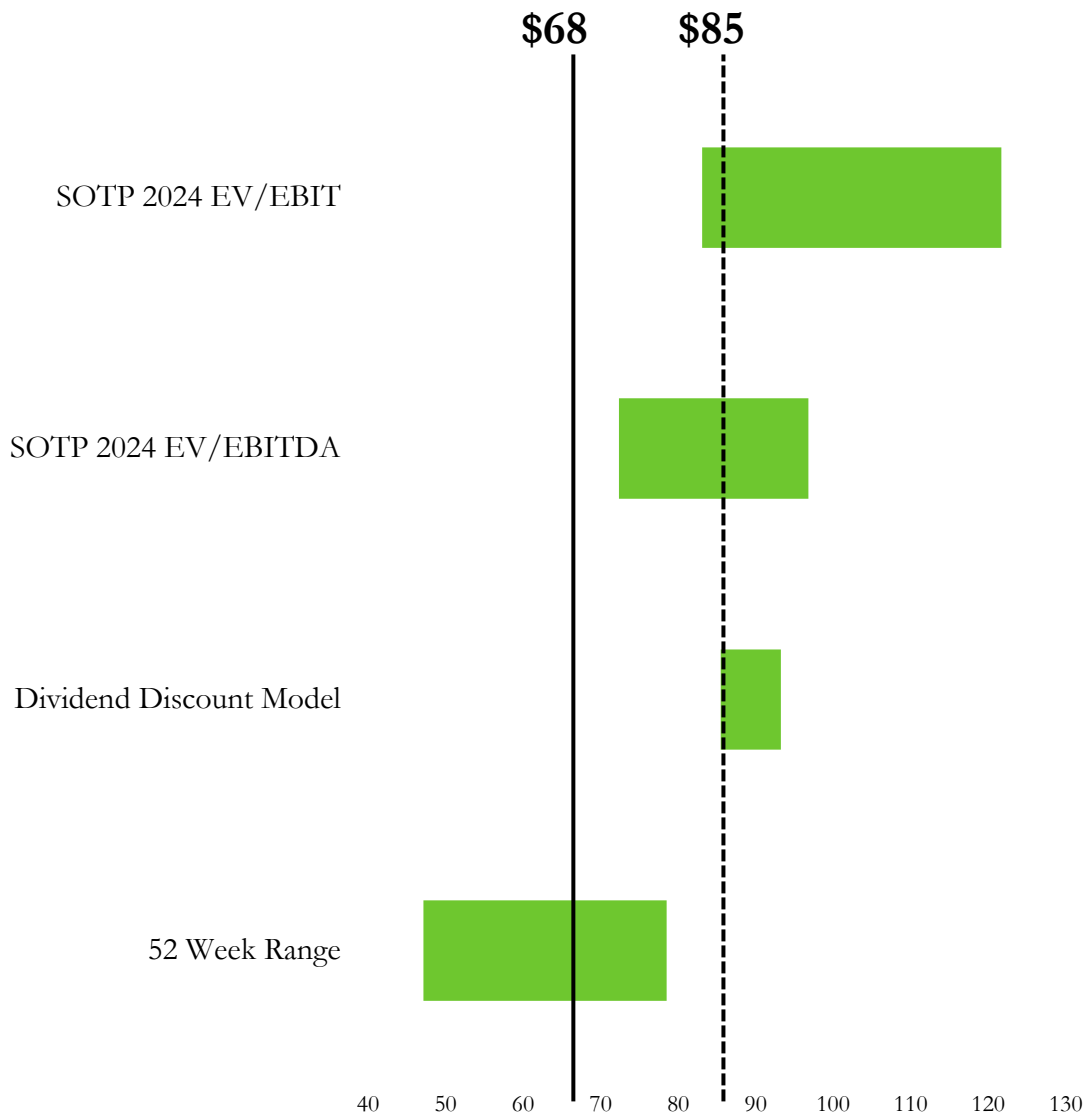
EV/EBIT SOTP



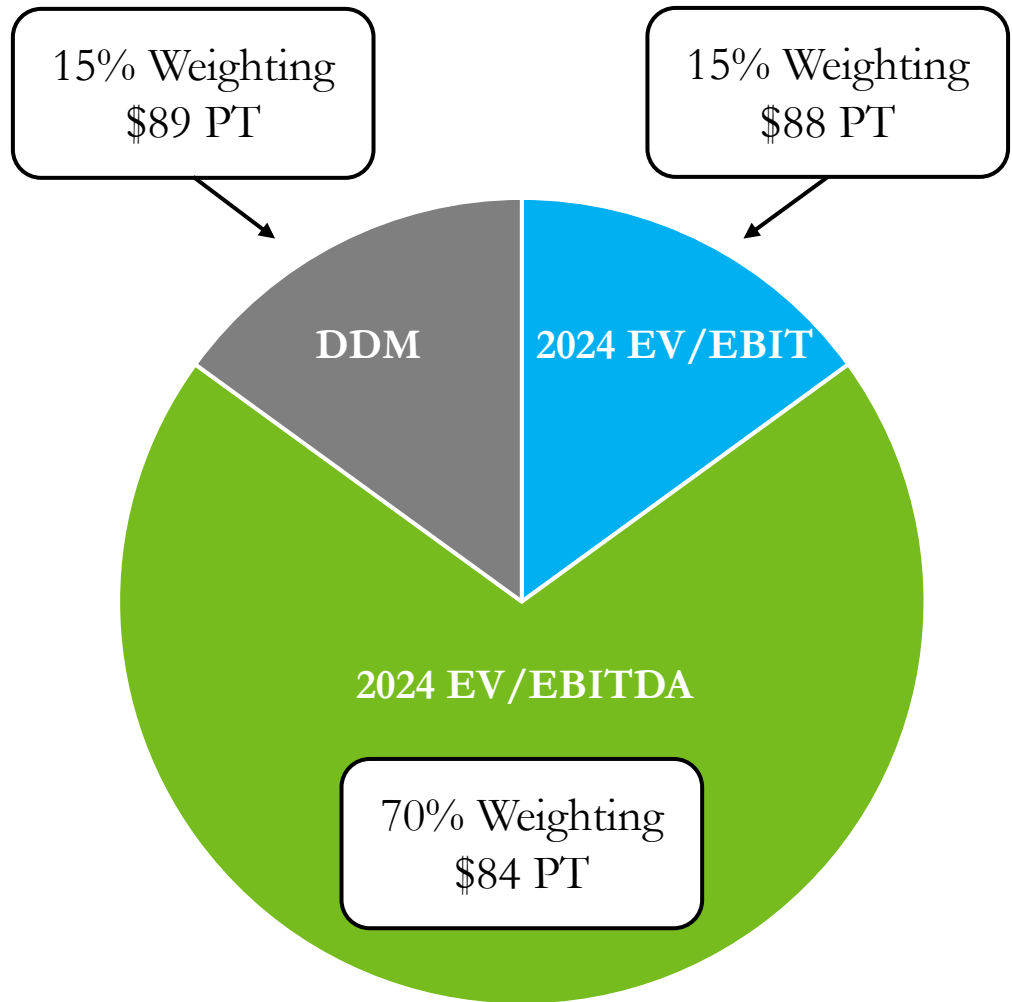
Renewables Standalone Value



Football Field



Weightings



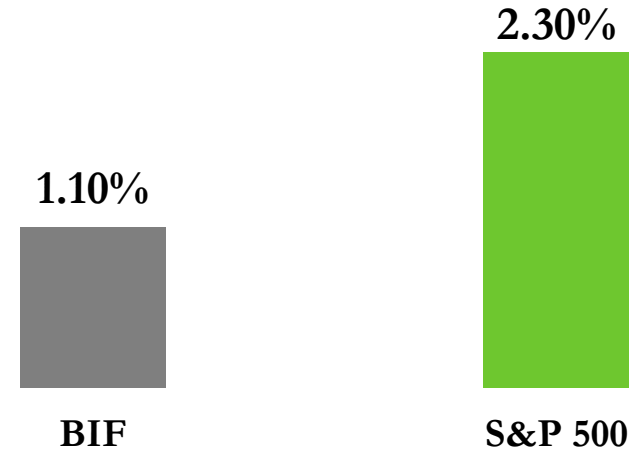
Proposal Summary

We are requesting to purchase 50 shares of NEE at \$68 per share

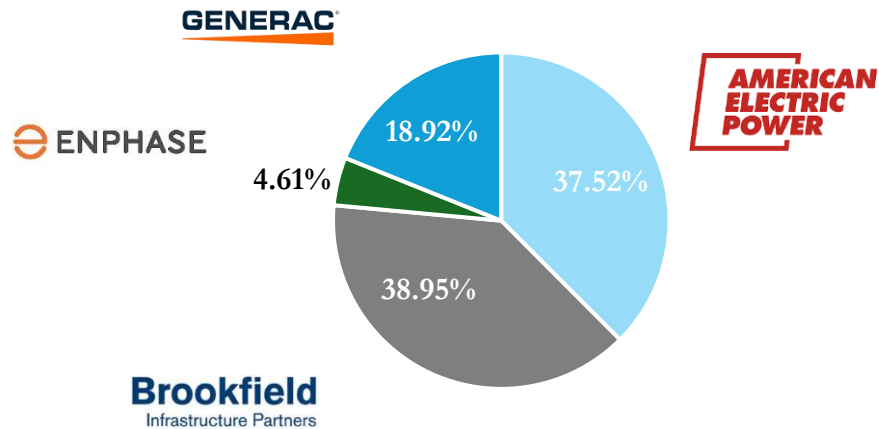
This brings our total sector allocation from \$6,800 to \$10,200

Utilities & Renewables has room to double allocation given current underweight status

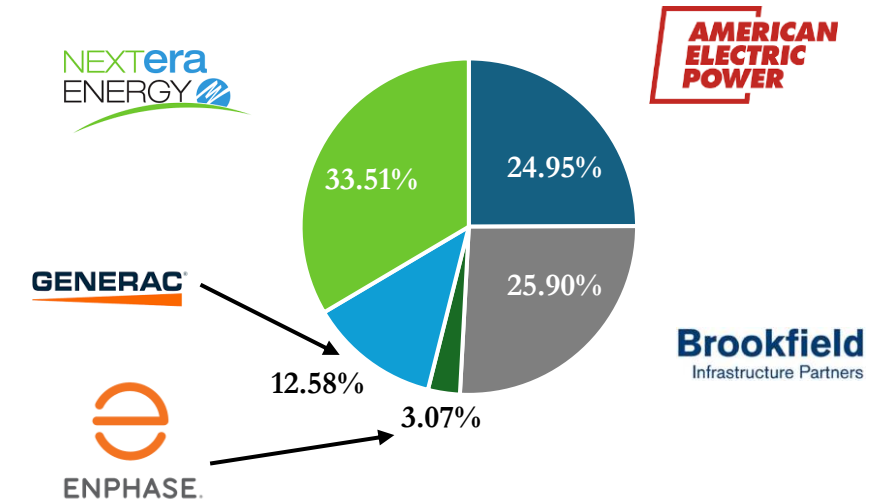
Significantly Underweight



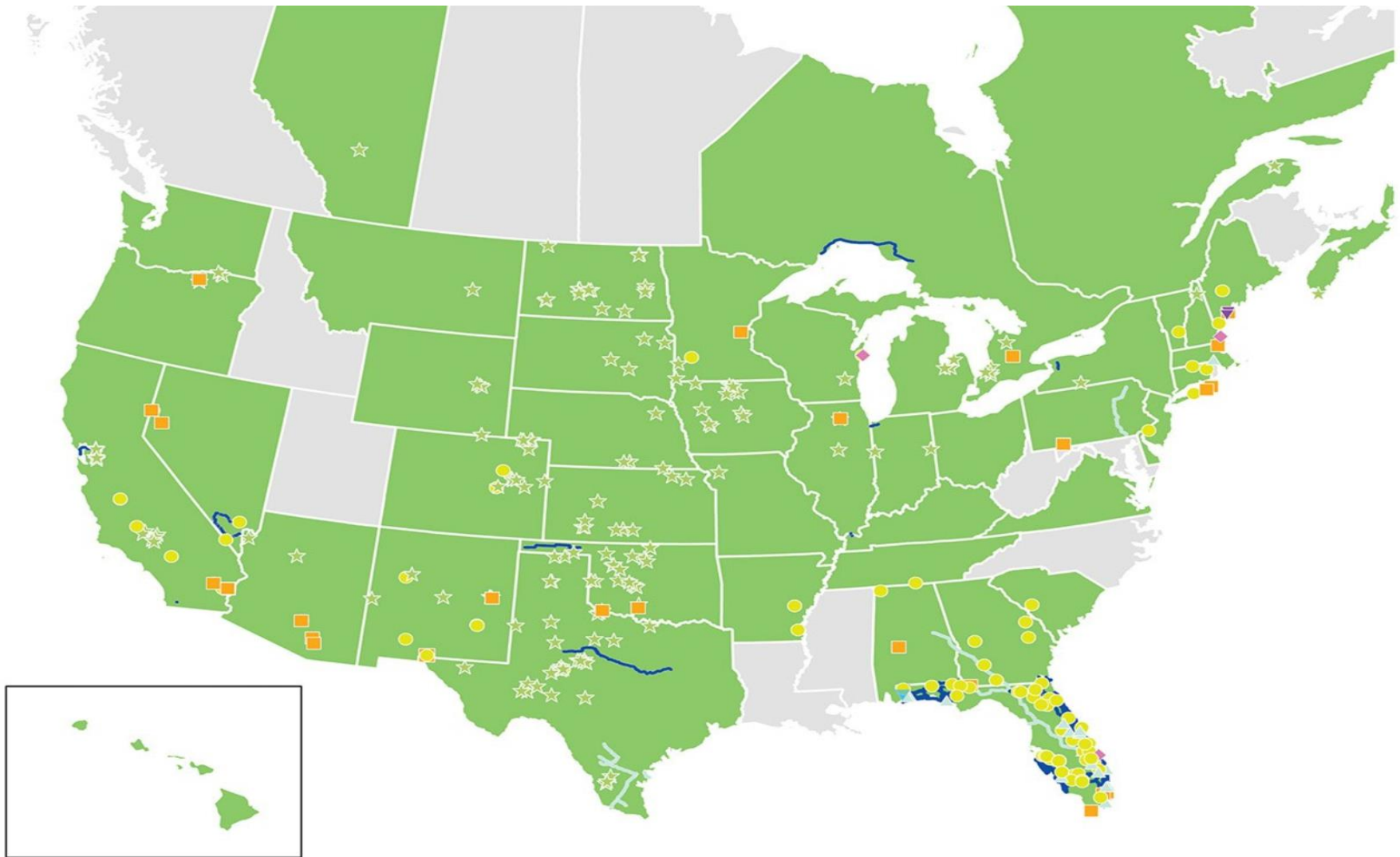
Current Allocation



Proposed Allocation



Appendix A: NEER Generation Portfolio



■ Battery Storage | ★ Wind | ● Universal Solar | ◆ Nuclear | ▼ Other | — Transmission | — Pipeline | ■ State with Project in Operation

Appendix A: Income Statement

CONSOLIDATED STATEMENTS OF INCOME - USD (\$) \$ in Millions		12 Months Ended													
	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	
OPERATING REVENUES	\$ 17,069	\$ 20,956	\$ 28,114	\$ 32,422	\$ 37,718	\$ 43,363	\$ 50,059	\$ 56,781	\$ 64,544	\$ 71,710	\$ 79,714	\$ 87,479	\$ 95,988	\$ 104,426	
OPERATING EXPENSES															
Fuel, purchased power and interchange	4,527	6,389	5,457	8,259	9,608	11,046	12,752	14,464	16,441	18,267	20,306	22,284	24,451	26,601	
% revenue	26.52%	30.49%	19.41%	25.47%	25.47%	25.47%	25.47%	25.47%	25.47%	25.47%	25.47%	25.47%	25.47%	25.47%	
Other operations and maintenance	3,981	4,428	4,681	6,604	7,311	8,152	9,770	10,921	12,382	13,848	15,339	16,836	18,493	20,104	
% revenue	23.32%	21.13%	16.65%	20.37%	19.38%	18.80%	19.52%	19.23%	19.18%	19.31%	19.24%	19.25%	19.27%	19.25%	
Depreciation and amortization	3,924	4,503	5,879	8,106	9,429	10,841	12,515	14,195	16,136	17,927	19,928	21,870	23,997	26,107	
% revenue	22.99%	21.49%	20.91%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	
Taxes other than income taxes and other – net	1,801	2,077	2,265	3,082	3,454	3,862	4,601	5,159	5,848	6,534	7,243	7,949	8,730	9,491	
% revenue	10.55%	9.91%	8.06%	9.51%	9.16%	8.91%	9.19%	9.09%	9.06%	9.11%	9.09%	9.09%	9.09%	9.09%	
Total operating expenses – net	14,233	17,397	18,282	26,050	29,802	33,901	39,637	44,738	50,807	56,577	62,816	68,938	75,672	82,302	
GAINS ON DISPOSAL OF BUSINESSES/ASSETS – NET	77	522	405	474	551	633	731	829	943	1,048	1,165	1,278	1,402	1,526	
% revenue	0.45%	2.49%	1.44%	1.46%	1.46%	1.46%	1.46%	1.46%	1.46%	1.46%	1.46%	1.46%	1.46%	1.46%	
OPERATING INCOME	2,913	4,081	10,237	6,846	8,467	10,095	11,153	12,872	14,680	16,181	18,062	19,819	21,719	23,649	
OTHER INCOME (DEDUCTIONS)															
Interest Expense	(1,270)	(585)	(3,324)	(2,384)	(2,773)	(3,188)	(3,680)	(4,174)	(4,745)	(5,272)	(5,860)	(6,431)	(7,057)	(7,677)	
% revenue	7.44%	2.79%	11.82%	7.35%	7.35%	7.35%	7.35%	7.35%	7.35%	7.35%	7.35%	7.35%	7.35%	7.35%	
Equity in earnings (losses) of equity method investees	666	203	(648)	277	323	371	428	486	552	613	682	748	821	893	
% revenue	3.90%	0.97%	-2.30%	0.86%	0.86%	0.86%	0.86%	0.86%	0.86%	0.86%	0.86%	0.86%	0.86%	0.86%	
Allowance for equity funds used during construction	142	112	161	210	244	280	324	367	417	463	515	565	620	675	
% revenue	0.83%	0.53%	0.57%	0.65%	0.65%	0.65%	0.65%	0.65%	0.65%	0.65%	0.65%	0.65%	0.65%	0.65%	
Gains on disposal of investments and other property – net	70	80	125	134	155	179	206	234	266	296	329	361	396	430	
% revenue	0.41%	0.38%	0.44%	0.41%	0.41%	0.41%	0.41%	0.41%	0.41%	0.41%	0.41%	0.41%	0.41%	0.41%	
Change in unrealized gains (losses) on equity securities held in NEER's	267	(461)	159	(8)	(9)	(10)	(12)	(13)	(15)	(17)	(19)	(20)	(22)	(24)	
% revenue	1.56%	-2.20%	0.57%	-0.02%	-0.02%	-0.02%	-0.02%	-0.02%	-0.02%	-0.02%	-0.02%	-0.02%	-0.02%	-0.02%	
Other net periodic benefit income	257	202	245	361	420	483	557	632	719	799	888	974	1,069	1,163	
% revenue	1.51%	0.96%	0.87%	1.11%	1.11%	1.11%	1.11%	1.11%	1.11%	1.11%	1.11%	1.11%	1.11%	1.11%	
Other – net	130	200	333	313	365	419	484	549	624	693	771	846	928	1,010	
% revenue	0.76%	0.95%	1.18%	0.97%	0.97%	0.97%	0.97%	0.97%	0.97%	0.97%	0.97%	0.97%	0.97%	0.97%	
Total other income (deductions) – net	262	(249)	(2,949)	(1,096)	(1,275)	(1,466)	(1,692)	(1,920)	(2,182)	(2,424)	(2,695)	(2,958)	(3,245)	(3,531)	
INCOME BEFORE INCOME TAXES	3,175	3,832	7,288	5,749	7,191	8,629	9,461	10,952	12,497	13,756	15,367	16,861	18,473	20,119	
INCOME TAXES	348	586	1,006	768	960	1,152	1,263	1,462	1,669	1,837	2,052	2,251	2,467	2,686	
tax rate	10.96%	15.28%	13.80%	13.35%	13.35%	13.35%	13.35%	13.35%	13.35%	13.35%	13.35%	13.35%	13.35%	13.35%	
NET INCOME	2,827	3,246	6,282	4,982	6,231	7,477	8,198	9,490	10,829	11,920	13,315	14,610	16,007	17,433	
NET LOSS ATTRIBUTABLE TO NONCONTROLLING	746	901	1,028	1,170.86	1,464.53	1,757.31	1,926.73	2,230.41	2,545.10	2,801.51	3,129.57	3,433.81	3,762.11	4,097.23	
	26.39%	27.76%	16.36%	23.50%	23.50%	23.50%	23.50%	23.50%	23.50%	23.50%	23.50%	23.50%	23.50%	23.50%	
NET INCOME ATTRIBUTABLE TO NEE	\$ 3,573	\$ 4,147	\$ 7,310	\$ 6,153	\$ 7,696	\$ 9,234	\$ 10,124	\$ 11,720	\$ 13,374	\$ 14,721	\$ 16,445	\$ 18,044	\$ 19,769	\$ 21,530	
Earnings per share attributable to NEE:															
Basic	\$ 1.82	\$ 2.10	\$ 3.61	\$ 3.04	\$ 3.80	\$ 4.56	\$ 5.00	\$ 5.78	\$ 6.60	\$ 7.27	\$ 8.12	\$ 8.91	\$ 9.76	\$ 10.63	
Assuming dilution	\$ 1.81	\$ 2.10	\$ 3.60	\$ 3.03	\$ 3.79	\$ 4.55	\$ 4.99	\$ 5.77	\$ 6.59	\$ 7.25	\$ 8.10	\$ 8.89	\$ 9.73	\$ 10.60	
Basic Shares	1962.5	1972.6	2026.1	2026.1	2026.1	2026.1	2026.1	2026.1	2026.1	2026.1	2026.1	2026.1	2026.1	2026.1	
Diluted Shares	1972.2	1978.6	2030.8	2030.8	2030.8	2030.8	2030.8	2030.8	2030.8	2030.8	2030.8	2030.8	2030.8	2030.8	

Appendix B: Revenue Build

NextEra Energy Group														
Revenue Build	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
FPL	14,102	17,282	18,365	19,849	21,372	22,931	24,519	26,133	27,766	29,415	31,075	32,741	34,408	36,072
<i>% growth</i>		22.55%	6.27%	8.08%	7.68%	7.29%	6.93%	6.58%	6.25%	5.94%	5.64%	5.36%	5.09%	4.84%
NEER	3,053	3,720	9,672	12,574	16,346	20,432	25,540	30,648	36,778	42,294	48,639	54,738	61,580	68,354
<i>% growth</i>		21.85%	160.00%	30.00%	30.00%	25.00%	25.00%	20.00%	20.00%	15.00%	15.00%	12.54%	12.50%	11.00%
Total Revenue	17,155	21,002	28,037	32,422	37,718	43,363	50,059	56,781	64,544	71,710	79,714	87,479	95,988	104,426
<i>% growth</i>		22.42%	33.50%	15.64%	16.33%	14.97%	15.44%	13.43%	13.67%	11.10%	11.16%	9.74%	9.73%	8.79%

Appendix D: NEE Balance Sheet

CONSOLIDATED BALANCE SHEETS - USD (\$) \$ in Millions			
	Dec. 31, 2021	Dec. 31, 2022	Dec. 31, 2023
Current assets:			
Cash and cash equivalents	\$ 639	\$ 1,601	\$ 2,690
Customer receivables, net	3,378	4,349	3,609
Other receivables	730	744	944
Materials, supplies and fuel inventory	1,561	1,934	2,106
Regulatory assets	1,125	2,165	1,460
Derivatives	689	1,590	1,730
Contract assets	-	318	1,487
Other	1,166	789	1,335
Total current assets	9,288	13,490	15,361
Other assets:			
Property, plant and equipment – net	99,348	111,059	125,776
Special use funds	8,922	7,496	8,698
Investment in equity method investees	6,159	6,582	6,156
Prepaid benefit costs	2,243	1,832	2,112
Regulatory assets	4,578	5,992	4,801
Derivatives	1,135	1,935	1,790
Goodwill	4,844	4,854	5,091
Other	4,395	5,695	7,704
Total other assets	131,624	145,445	162,128
TOTAL ASSETS	140,912	158,935	177,489
Current liabilities:			
Commercial paper	1,382	1,709	4,650
Other short-term debt	700	1,368	255
Current portion of long-term debt	1,785	6,633	6,901
Accounts payable	6,935	8,312	8,504
Customer deposits	485	560	638
Accrued interest and taxes	525	719	970
Derivatives	1,263	2,102	845
Accrued construction-related expenditures	1,378	1,760	1,861
Regulatory liabilities	289	350	340
Other	2,695	3,182	2,999
Total current liabilities	17,437	26,695	27,963
Other liabilities and deferred credits:			
Long-term debt	50,960	55,256	61,405
Asset retirement obligations	3,082	3,245	3,403
Deferred income taxes	8,310	9,072	10,142
Regulatory liabilities	11,273	9,626	10,049
Derivatives	1,713	2,909	2,741
Other	2,468	2,696	2,762
Total other liabilities and deferred credits	77,806	82,804	90,502
TOTAL LIABILITIES	95,243	109,499	118,465
COMMITMENTS AND CONTINGENCIES			
REDEEMABLE NONCONTROLLING INTERESTS – VIEs	245	1,110	1,256
EQUITY			
Common stock	20	20	21
Additional paid-in capital	11,271	12,720	17,365
Retained earnings	25,911	26,707	30,235
Accumulated other comprehensive loss	-	(218)	(153)
Total common shareholders' equity	37,202	39,229	47,468
Noncontrolling interests	8,222	9,097	10,300
TOTAL EQUITY	45,424	48,326	57,768
TOTAL LIABILITIES, REDEEMABLE NONCONTROLLING	140,912	158,935	177,489

Appendix E: NEE Cash Flow Statement

CONSOLIDATED STATEMENTS OF CASH FLOWS - USD (\$) \$ in Millions			
	12 Months Ended		
	2021	2022	2023
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income (loss)	\$ 2,827	\$ 3,246	\$ 6,282
Adjustments to reconcile net income to net cash provided by (used in)			
Depreciation and amortization	3,924	4,503	5,879
Nuclear fuel and other amortization	290	287	272
Unrealized losses (gains) on marked to market derivative contracts – net	2,005	1,378	(1,949)
Unrealized losses (gains) on equity securities held in NEER's nuclear	(267)	461	(159)
Foreign currency transaction losses (gains)	(94)	(104)	92
Deferred income taxes	436	534	708
Cost recovery clauses and franchise fees	(599)	(1,465)	1,104
Equity in losses (earnings) of equity method investees	(666)	(203)	648
Distributions of earnings from equity method investees	526	541	712
Gains on disposal of businesses, assets and investments – net	(146)	(602)	(530)
Recoverable storm-related costs	(138)	(811)	(399)
Other – net	(59)	85	34
Changes in operating assets and liabilities:			
Current assets	(1,267)	(1,340)	58
Noncurrent assets	(324)	(89)	(408)
Current liabilities	1,053	1,702	(1,109)
Noncurrent liabilities	52	139	66
Net cash provided by operating activities	7,553	8,262	11,301
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditures of FPL	(7,408)	(9,067)	(9,302)
Independent power and other investments of NEER	(8,247)	(9,541)	(15,565)
Nuclear fuel purchases	(275)	(223)	(185)
Other capital expenditures	(147)	(452)	(61)
Proceeds from the sale of Florida City Gas business	0	0	924
Sale of independent power and other investments of NEER	2,761	1,564	1,883
Proceeds from sale or maturity of securities in special use funds and other	4,995	3,857	4,875
Purchases of securities in special use funds and other investments	(5,310)	(4,586)	(5,926)
Other – net	40	89	(110)
Net cash used in investing activities	(13,591)	(18,359)	(23,467)
CASH FLOWS FROM FINANCING ACTIVITIES			
Issuances of long-term debt, including premiums and discounts	16,683	13,856	13,857
Retirements of long-term debt	(9,594)	(4,525)	(7,978)
Proceeds from differential membership investors	2,779	4,158	2,745
Net change in commercial paper	(169)	327	2,941
Proceeds from other short-term debt	0	1,755	1,980
Repayments of other short-term debt	(257)	(1,125)	(2,613)
Payments from related parties under a cash sweep and credit support agreement –	47	240	1,213
Issuances of common stock/equity units – net	14	1,460	4,514
Proceeds from sale of noncontrolling interests	65	0	0
Dividends on common stock	(3,024)	(3,352)	(3,782)
Other – net	(737)	(565)	(728)
Net cash provided by financing activities	5,807	12,229	12,149
Effects of currency translation on cash, cash equivalents and restricted cash	1	(7)	(4)
Net increase (decrease) in cash, cash equivalents and restricted cash	(230)	2,125	(21)
Cash, cash equivalents and restricted cash at beginning of year	1,546	1,316	3,441
Cash, cash equivalents and restricted cash at end of year	1,316	3,441	3,420

Appendix F: FPL Income Statement

Florida Power & Light Co																			
In Millions of USD																			
	2016	2017	2018	2019	2020	2021	2022	2023	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E
Revenue	10,895	11,972	11,862	13,680	13,060	14,102	17,282	18,365	19,849	21,372	22,931	24,519	26,133	27,766	29,415	31,075	32,741	34,408	36,072
<i>YOY Growth</i>		10%	-1%	15%	-5%	8%	23%	6%	5%	5%	7%	7%	7%	6%	6%	6%	5%	5%	5%
Fuel & Purchased Power Cost	3,297	3,541	3,250	3,802	3,060	3,956	5,688	4,761	5,591	6,020	6,459	6,907	7,361	7,821	8,286	8,753	9,223	9,692	10,161
<i>% of Revenue</i>	30%	30%	27%	28%	23%	28%	33%	26%	28%	28%	28%	28%	28%	28%	28%	28%	28%	28%	28%
Gross Profit	7,598	8,431	8,612	9,878	10,000	10,146	11,594	13,604	14,258	15,352	16,471	17,612	18,771	19,945	21,129	22,322	23,518	24,716	25,911
Operating Expenses	4,440	3,786	5,455	6,065	5,697	5,602	6,300	7,414											
Depreciation Expenses	1,651	940	2,633	2,771	2,526	2,266	2,695	3,789											
<i>As a % of Revenue</i>	15%	8%	22%	20%	19%	16%	16%	21%											
Taxes Other Than Income	1,189	1,292	1,308	1,504	1,464	1,533	1,748	1,959											
<i>As a % of Revenue</i>	11%	11%	11%	11%	11%	11%	10%	11%											
Other Operating Expense	1,600	1,554	1,514	1,790	1,707	1,803	1,857	1,666											
<i>As a % of Revenue</i>	21%	15%	15%	15%	17%	15%	16%	12%											
Operating Income (Loss) (EBIT)	3,158	4,645	3,157	3,813	4,303	4,544	5,294	6,190	6,247	6,726	7,217	7,717	8,225	8,739	9,258	9,780	10,304	10,829	11,353
<i>EBIT Margin</i>	29%	39%	27%	28%	33%	32%	31%	34%	31%	31%	31%	31%	31%	31%	31%	31%	31%	31%	31%
Non-Operating (Income) Loss	380	404	444	576	552	472	646	922											
Interest Expense, Net	380	400	447	583	554	483	663	959											
Total Interest Income	76	81	94	66	87	132	105	155											
<i>AFUDC - Equity</i>	74	79	90	66	87	132	105	155											
<i>Interest Income</i>	2	2	4	—	—	—	—	—											
Interest Expense	456	481	541	649	641	615	768	1,114											
<i>Interest Expense On Bonds</i>	456	481	541	649	641	615	768	1,114											
Other Non-Op (Income) Loss	0	4	-3	-7	-2	-11	-17	-37											
Pretax Income (Loss), Adjusted	2,778	4,241	2,713	3,237	3,751	4,072	4,648	5,268											
Abnormal Losses (Gains)	0	1,255	3	234	183	28	0	-407											
Disposal of Assets	—	—	—	—	—	—	—	-407											
Restructuring	—	1,255	3	234	183	28	—	—											
Pretax Income (Loss), GAAP	2,778	2,986	2,710	3,003	3,568	4,044	4,648	5,675											
Income Tax Expense (Benefit)	1,051	1,106	539	484	678	838	947	1,123											
<i>As a % of Revenue</i>	35%	37%	20%	16%	19%	21%	20%	20%	21%	21%	21%	21%	21%	21%	21%	21%	21%	21%	21%
Current Income Tax	—	—	—	440	48	86	5	1,284											
Deferred Income Tax	—	—	—	44	630	752	942	-161											
Income (Loss) from Cont Ops	1,727	1,880	2,171	2,519	2,890	3,206	3,701	4,552											
Income (Loss) Incl. MI	1,727	1,880	2,171	2,519	2,890	3,206	3,701	4,552											
Net Income, GAAP	1,727	1,880	2,171	2,519	2,890	3,206	3,701	4,552											
Net Income Avail to Common, GAAP	1,727	1,880	2,171	2,519	2,890	3,206	3,701	4,552											
Net Income Avail to Common, Adj	1,727	3,135	2,173	2,704	3,035	3,228	3,701	4,230											
Supplemental Disclosure																			
EBITDA	5,027	5,744	5,934	6,762	6,996	6,984	8,166	10,137											
EBITA	3,376	4,804	3,301	3,991	4,470	4,718	5,471	6,348											

Appendix G: FPL Balance Sheet

Florida Power & Light Co (FPL US) – Standardized																					
In Millions of USD except Per Share		FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E
12 Months Ending		12/31/2015	12/31/2016	12/31/2017	12/31/2018	12/31/2019	12/31/2020	12/31/2021	12/31/2022	12/31/2023											
Assets																					
Net Plant in Service		29,365	32,662	34,309	36,422	40,570	47,375	50,731	56,477	61,172											
<i>Gross Utility Plant in Service</i>		<i>41,227</i>	<i>44,366</i>	<i>47,100</i>	<i>49,640</i>	<i>54,523</i>	<i>62,963</i>	<i>67,771</i>	<i>74,353</i>	<i>79,601</i>											
<i>Accum Depreciation for Plant Asset</i>		<i>11,862</i>	<i>12,304</i>	<i>12,791</i>	<i>13,218</i>	<i>13,953</i>	<i>15,588</i>	<i>17,040</i>	<i>17,876</i>	<i>18,429</i>											
Plant Construction in Progress		2,850	2,039	3,623	3,888	3,351	5,361	6,326	7,026	8,311											
Net Nuclear Fuel		1,306	1,308	1,192	1,189	1,153	1,143	1,170	1,190	1,125											
Total Utility Plant		33,521	36,009	39,124	41,499	45,074	53,879	58,227	64,693	70,608											
Cash & Near Cash Items		23	33	33	12	77	25	55	25	57											
Net Accounts Receivable		849	768	1,073	1,026	1,024	1,141	1,297	1,739	1,706	1,886	2,053	2,170	2,335	2,491	2,639	2,800	2,958	3,115	3,275	3,433
Supplies And Fuel		826	851	840	670	722	899	963	1,159	1,339	1,378	1,484	1,592	1,702	1,814	1,928	2,042	2,157	2,273	2,389	2,504
Other Current Assets		809	1,094	738	970	696	947	1,603	2,630	1,894	2,041	2,197	2,357	2,521	2,686	2,854	3,024	3,195	3,366	3,537	3,708
Operating Current Assets		2,484	2,713	2,651	2,666	2,442	2,987	3,863	5,528	4,939	5,304	5,734	6,119	6,558	6,991	7,421	7,866	8,310	8,754	9,201	9,646
Total Current Assets		2,507	2,746	2,684	2,778	2,519	3,012	3,918	5,553	4,996											
Decommissioning Funds		3,504	3,665	4,090	4,056	4,771	5,347	6,158	5,221	6,050											
Deferred Charges & Others		2,991	3,081	4,356	5,151	4,824	8,763	9,764	11,092	9,815											
Total Long Term Assets		6,495	6,746	8,446	9,207	9,595	14,110	15,922	16,313	15,865											
Total Assets		42,523	45,501	50,254	53,484	57,188	71,001	78,067	86,559	91,469											
Liabilities & Shareholders' Equity																					
ST Portion of LT Debts		64	367	464	95	30	554	736	1,747	1,920											
Short Term Debt		156	418	1,937	1,256	1,482	1,551	1,382	1,709	2,374											
Accounts Payable		664	837	893	731	768	874	1,318	1,377	977	1,455	1,566	1,680	1,797	1,915	2,035	2,156	2,277	2,399	2,521	2,643
Other Accounts Payable and Accruals		519	502	738	699	692	723	923	921	1,147	1,186	1,277	1,370	1,465	1,561	1,659	1,757	1,856	1,956	2,055	2,155
Other Current Liabilities		1,046	1,257	1,771	1,295	1,253	1,640	1,399	2,089	1,658	1,277	1,500	1,615	1,733	1,853	1,975	2,099	2,223	2,349	2,475	2,601
Operating Current Liabilities		2,229	2,596	3,402	2,725	2,713	3,237	3,640	4,387	3,782	3,918	4,343	4,665	4,995	5,329	5,668	6,011	6,357	6,704	7,051	7,399
Total Current Liabilities		2,449	3,381	5,803	4,076	4,225	5,342	5,758	7,843	8,076											
Accum Deferred Income Taxes		7,730	8,541	5,005	5,165	5,415	6,519	7,137	8,376	8,542											
Long-Term Borrowings		9,956	9,705	11,187	11,688	14,131	16,882	17,974	19,455	23,609											
Other Liabilities		6,835	7,294	11,219	11,541	12,019	13,030	13,604	11,965	12,407											
Total Long-Term Liabilities		24,521	25,540	27,411	28,394	31,565	36,431	38,715	39,796	44,558											
Common Stock		1,373	1,373	1,373	1,373	1,373	1,373	1,373	1,373	1,373											
Additional Paid in Capital		7,733	8,332	8,291	10,601	10,851	18,236	19,936	23,561	23,470											
Retained Earnings & Other Equity		6,447	6,875	7,376	9,040	9,174	9,619	12,285	13,986	13,992											
Total Equity		15,553	16,580	17,040	21,014	21,398	29,228	33,594	38,920	38,835											
Total Capitalization & Liabilities		42,523	45,501	50,254	53,484	57,188	71,001	78,067	86,559	91,469											
Net Working Capital		255	117	-751	-59	-271	-250	223	1,141	1,157	1,387	1,391	1,454	1,563	1,662	1,753	1,855	1,953	2,050	2,149	2,247
Changes in NWC		-138	-868	692	-212	21	473	918	16	230	4	63	109	99	91	102	98	97	99	97	97

Appendix H: FPL Cash Flow Statement

Florida Power & Light Co (FPL US) - Standardized In Millions of USD except Per Share	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Cash From Operating Activities								
Net Income	1,727	1,880	2,171	2,519	2,890	3,206	3,701	4,552
Depreciation Expense	1,651	940	2,633	2,771	2,526	2,266	2,695	3,789
<i>Depreciation as a % of CapEx</i>	<i>42%</i>	<i>28%</i>	<i>50%</i>	<i>42%</i>	<i>33%</i>	<i>30%</i>	<i>29%</i>	<i>45%</i>
Amortization - Nuclear Fuel	218	159	144	178	167	174	177	158
<i>Amortization as a % of Capex</i>	<i>6%</i>	<i>5%</i>	<i>3%</i>	<i>3%</i>	<i>2%</i>	<i>2%</i>	<i>2%</i>	<i>2%</i>
Deferred Income Taxes	932	905	180	45	629	752	942	-161
Other Non-Cash Adjustments	-204	-585	-294	-20	-263	-1,011	-2,262	98
Prepayments & Others	25	-190	97	-42	-164	-49	-534	-200
Change in Other Working Capital	16	699	-509	50	31	20	175	60
Cash From Operating Activities	4,365	3,808	4,422	5,501	5,816	5,358	4,894	8,296
Cash From Investing Activities								
Capital Expenditures	-3,945	-3,305	-5,305	-6,610	-7,758	-7,656	-9,355	-8,500
<i>Capex as % of Revenue</i>	<i>36%</i>	<i>28%</i>	<i>45%</i>	<i>48%</i>	<i>59%</i>	<i>54%</i>	<i>54%</i>	<i>46%</i>
<i>Additions to Utility Plant Less AFC</i>	<i>-3,934</i>	<i>-5,291</i>	<i>-5,135</i>	<i>-6,485</i>	<i>-7,679</i>	<i>-7,570</i>	<i>-9,185</i>	<i>-9,400</i>
<i>Changes in Decommissioning Funds</i>	<i>-11</i>	<i>1,986</i>	<i>-170</i>	<i>-125</i>	<i>-79</i>	<i>-86</i>	<i>-170</i>	<i>900</i>
Other Investing Activities	28	18	239	10	65	15	-3	-15
Cash from Investing Activities	-3,917	-3,287	-5,066	-6,600	-7,693	-7,641	-9,358	-8,515
Cash from Financing Activities								
Dividends Paid	-1,300	—	0	-2,620	-2,210	-540	-2,000	-4,545
Change in Short-Term Borrowings	262	—	-681	618	-123	-169	—	—
Increase in Long-Term Borrowings	309	—	1,748	2,998	3,003	2,588	3,269	6,398
Decrease in Long-Term Borrowings	-262	—	-1,591	-200	-1,603	-1,304	-441	-1,548
Other Financing Activities	598	—	1,248	313	2,706	1,656	3,586	-72
Cash from Financing Activities	-393	—	724	1,109	1,773	2,231	4,414	233
Net Changes in Cash	55	521	80	10	-104	-52	-50	14
Reference Items								
EBITDA	5,027	4,489	5,931	6,528	6,813	6,956	8,166	10,137
Trailing 12M EBITDA Margin	46	37	50	48	52	49	47	55
Cash Paid for Taxes	147	—	415	584	105	-1	22	981
Cash Paid for Interest	434	—	520	614	620	586	707	1,034
Free Cash Flow	420	503	-883	-1,109	-1,942	-2,298	-4,461	-204
Free Cash Flow to Firm	703	806	-450	-565	-1,423	-1,810	-3,849	690
Free Cash Flow to Equity	729	—	-1,407	2,307	-665	-1,183	-1,633	4,646
Cash Flow to Net Income	3	2	2	2	2	2	1	2

Appendix I: WACC

NEE WACC

FPL WACC	5.77%
NEER WACC	5.99%

FPL Weight Revenue	65%
NEER Weight Revenue	34%

NEE WACC	5.83%
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FPL WACC

Total Equity	\$ 38,835
Total Debt	52,634
Peer Median D/E Ratio	1.56
D/E Ratio	1.20

Damodaran Spread	0.92%
Risk Free Rate	4.36%
Tax Rate	19.79%
Cost of Debt	5.28%

Annual Market Return	9.00%
Market Risk Premium	4.64%
Beta	0.55
Cost of Equity	6.90%

After-Tax Cost of Debt	4.24%
Weight Equity	42.46%
Weight Debt	57.54%
WACC	5.77%

Levered Beta Calculation	
Peer Median Levered Beta	0.63
Peer Median Unlevered Beta	0.28
FPL Debt-To-Equity Ratio	1.20
FPL Beta	0.55

Interest Coverage Ratio	6.45x
Damodaran Spread	0.92%

NEER WACC

Total Equity	\$ 48,492
Total Debt	33,397
Peer Median D/E Ratio	0.87
D/E Ratio	0.28

Damodaran Spread	1.21%
Risk Free Rate	4.36%
Tax Rate	7.00%
Cost of Debt	5.57%

Annual Market Return	9.00%
Market Risk Premium	4.64%
Beta	0.61
Cost of Equity	7.17%

After-Tax Cost of Debt	5.18%
Weight Equity	59.22%
Weight Debt	40.78%
WACC	5.99%

Levered Beta Calculation	
Peer Median Levered Beta	0.87
Peer Median Unlevered Beta	0.48
NEER Debt-To-Equity Ratio	0.28
NEER Beta	0.61

Interest Coverage Ratio	3.51x
Damodaran Spread	1.21%

Appendix J: NEER Income Statement

Nextera Energy Resources - Standardized														
In Millions of USD except Per Share	FY 2021	FY 2022	FY 2023	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E
Operating Revenues	3,053	3,720	9,672	12,574	16,346	20,432	25,540	30,648	36,778	42,294	48,639	54,738	61,580	68,354
Cost of Goods (Fuel)	698	836	795	1,257	1,635	2,043	2,554	3,065	3,678	4,229	4,864	5,474	6,158	6,835
Gross Profit	2,355	2,884	8,877	11,316	14,711	18,389	22,986	27,583	33,100	38,065	43,775	49,264	55,422	61,519
Operating Expenses														
Other operations and maintenance	1,897	2,259	2,601	3,772	5,067	6,538	8,684	10,727	12,872	14,803	17,024	19,158	21,553	23,924
Depreciation and amortization	1,576	1,722	2,009	1,886	2,779	4,086	6,385	9,194	11,401	13,534	16,051	18,611	21,553	24,607
Other	263	323	301	503	817	1,022	1,277	1,532	1,839	2,115	2,432	2,737	3,079	3,418
Total Operating Expense	3,736	4,304	4,911	6,161	8,663	11,646	16,346	21,454	26,112	30,452	35,506	40,506	46,185	51,949
Gains(Loss) on disposal of assets	78	536	(3)	-	-	-	-	-	-	-	-	-	-	-
Operating Income	(1,303)	(884)	3,963	5,155	6,048	6,743	6,640	6,130	6,988	7,613	8,269	8,758	9,237	9,570
Other Income (Expense)														
Interest Expense	(367)	(128)	(1,129)	(1,137)	(1,316)	(1,959)	(2,272)	(2,711)	(3,351)	(3,786)	(4,363)	(4,932)	(5,528)	(6,142)
Other	1,128	5	(127)	-	-	-	-	-	-	-	-	-	-	-
Total Other Income	761	(123)	(1,256)	(1,137)	(1,316)	(1,959)	(2,272)	(2,711)	(3,351)	(3,786)	(4,363)	(4,932)	(5,528)	(6,142)
Income before Income Taxes	(542)	(1,007)	2,707	4,018	4,732	4,783	4,368	3,418	3,637	3,827	3,906	3,826	3,709	3,428
Income Tax(Benefit)	-395	-391	177											
<i>Tax rate</i>	269%	63%	7%											
Net Income(Loss)	-147	-616	2530											

Appendix K: NEER Balance Sheet

Nextera Energy Recourses - Standardized														
In Millions of USD except Per Share	FY 2021	FY 2022	FY 2023	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E
Assets														
Current Assets														
Cash and equivalents	562	731	916											
Accounts Receivables	2,081	2,611	1,905	2,446	3,180	3,974	4,968	5,962	7,154	8,227	9,461	10,648	11,979	13,296
Other Receivables	496	393	384	758	985	1,232	1,539	1,847	2,217	2,549	2,932	3,299	3,712	4,120
Materials, supplies, fuel inventory	598	775	763	1,006	1,308	1,635	2,043	2,452	2,942	3,384	3,891	4,379	4,926	5,468
Regulatory assets	14	10	28											
Derivatives	677	1,501	1,671											
Other	1,035	877	2,523	3,502	4,223	5,433	6,835	8,090	9,777	11,242	12,899	14,539	16,352	18,145
Total Current Assets	5,463	6,898	8,390	7,712	9,696	12,274	15,386	18,351	22,090	25,402	29,183	32,865	36,969	41,030
Other Assets:														
Property, plant and equipment	40,900	45,840	55,034											
Special use funds	2,764	2,275	2,648											
Investments in equity	6,150	6,572	6,145											
Prepaid benefit costs	3	3	5											
Regulatory assets	202	218	226											
Derivatives	1,095	1,922	1,766											
Goodwill	1,843	1,854	2,114											
Other	3,693	5,131	6,817											
Total Other	56,650	63,815	74,755											
Total Assets	62,113	70,713	83,145											
Liabilities														
Current Liabilities														
Committed Paper	-	-	-											
Other short term debt	-	68	-											
Current portion of long term debt	664	694	1,031											
Accounts payable	5,670	6,919	7,547	9,783	12,718	15,898	19,872	23,847	28,616	32,909	37,845	42,591	47,914	53,185
Customer deposits	6	17	28											
Accrued interest and taxes	168	236	380	503	654	817	1,022	1,226	1,471	1,692	1,946	2,190	2,463	2,734
Derivatives	1,214	2,005	813											
Accrued construction related expenditures	777	1,201	1,375											
Regulatory liabilities	9	1	4											
Other	1,651	1,574	1,908	2,515	3,269	4,086	5,108	6,130	7,356	8,459	9,728	10,948	12,316	13,671
Total Current Liabilities	10,159	12,715	13,086	12,801	16,641	20,802	26,002	31,202	37,443	43,059	49,518	55,728	62,694	69,590
Working Capital				(4,696)	(6,945)	(8,528)	(10,616)	(12,851)	(15,353)	(17,657)	(20,335)	(22,862)	(25,725)	(28,560)
Other Liabilities														
Long-term debt	6,755	8,357	10,795											
Asset retirement obligations	1,033	1,137	1,260											
Deferred income taxes	2,838	2,594	3,776											
Regulatory liabilities	141	157	156											
Derivatives	1,129	2,755	2,224											
Other	1,790	2,104	2,100											
Total other liabilities	13,686	17,104	20,311											
Total Liabilities	23,845	29,819	33,397											
Non controlling interests	245	1,110	1,256											
Equity														
Common Stock	-	-	-											
Additional Paid-in capital	9,560	10,238	14,154											
Retained earnings	20,272	20,557	24,115											
Accumulated other income(loss)	(31)	(108)	(77)											
Total shareholder's equity	29,801	30,687	38,192											
Non controlling interests	8,222	9,097	10,300											
Total Equity	38,023	39,784	48,492											
Total Liabilities and shareholder's equity	62,113	70,713	83,145											

Appendix L: NEER Cash Flow Statement

Nextera Energy Recourses														
In Millions of USD except Per Share	FY 2021	FY 2022	FY 2023	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E
Cash Flows from Operating Activities														
Net Income (loss)	(147)	(616)	2,530											
Depreciation and amortization	1,576	1,722	2,009											
Nuclear fuel and other amortization	60	72	83											
Unrealized losses(gains) on marked to market derivative contra	2,088	1,792	(2,273)											
Unrealized losses(gains) on equity securities	(267)	461	(159)											
Foreign currency transaction gains	(160)	(6)	(3)											
Deferred income taxes	-	(453)	1,002											
Cost recovery clauses and franchise fees	(666)	-	-											
Equity in earnings of equity method investees	526	(202)	649											
Distributions of earnings from equity method investees	-	541	712											
Losses(gains) on disposal of business, assets and investments	(147)	(616)	(122)											
Recoverable storm related costs	-	-	-											
Other-net	(106)	-	(38)											
Changes in operating assets and liabilities														
Current assets	(1,209)	(594)	411											
Noncurrent assets	(156)	24	(143)											
Current liabilities	1,018	1,220	(1,010)											
Noncurrent Liabilities	(1)	(35)	(109)											
Net cash provided by (used in) operating activities	2,409	3,310	3,539											
Cash Flows from Investing Activities														
Capital expenditures	(8,247)	(9,541)	(15,565)	(12,574)	(16,346)	(20,432)	(25,540)	(30,648)	(36,778)	(42,294)	(48,639)	(54,738)	(61,580)	(68,354)
Nuclear fuel purchases	(116)	(104)	(87)											
Other capital expenditures	-	-	-											
Sale of independent power and other investments	2,761	1,564	1,883											
Proceeds from sale or maturity of securities in special use funds	1,378	1,085	990											
Purchases of securities in special use funds	(1,511)	(1,612)	(1,440)											
Other	3	(74)	(514)											
Net cash provided by (used in) investing activities	(5,732)	(8,682)	(14,733)											
Cash Flows from Financing Activities														
Issuances of long term debt	2,902	2,289	3,532											
Retirements of long term debt	(310)	(592)	(618)											
Proceeds from differential membership investors	2,770	4,158	2,745											
Net change in commercial paper	-	-	-											
Proceeds from short term debt	-	30	-											
Repayments of other short term debt	(57)	-	(38)											
Payments from related parties under cash sweep	47	240	1,213											
Issuances of common stock	-	-	-											
Proceeds from sale of noncontrolling interests	65	-	-											
Dividends and distributions from (to) parent - net	(1,554)	736	3,863											
Other-net	(207)	(132)	(407)											
Net Cash provided by (used in) financing activities	3,656	6,729	10,290											
Effects of currency translations on cash														
		(7)	(4)											
Net increase(decrease) in cash	333	1,350	(908)											
Cash at beginning of year		1,184	2,534											
Cash at end of year	562	2,534	1,626											

Appendix M: FPL Comparable Companies Analysis



FPL Comparable Companies																	
Ticker	Name	Ticker	Mkt Cap (USD)	LTM Long Term Debt	Shareholders Equity	D/E Ratio	Beta	LTM C&CE	LTM EV	2024 Revenue	2024 EBIT	2024 EBITDA	2024 FCF	2024 EPS	EV/2024 Revenue	EV/2024 EBIT	EV/2024 EBITDA
Florida Power and Light				46,478	38,835	1.20	0.55	57		18365	6190	2	-204				
FE US Equity	FirstEnergy Corp	FE	21,995	22,885	10,437	2.19	0.48	137	46,491	12,870	2,266	3,612	(1,969)	1.92	3.61x	20.52x	12.87x
EXC US Equity	Exelon Corp	EXC	36,860	40,082	25,755	1.56	0.61	445	79,231	21,727	4,023	7,583	(2,705)	2.34	3.65x	19.69x	10.45x
VST US Equity	Vistra Corp	VST	24,902	12,116	5,307	2.28	1.04	3,485	27,174	14,779	2,661	4,629	3,777	4.04	1.84x	10.21x	5.87x
D US Equity	Dominion Energy	D U	40,292	33,056	27,529	1.20	0.61	184	85,891	14,393	3,414	6,612	(3,663)	2.38	5.97x	25.16x	12.99x
SRE US Equity	Sempra	SRE	43,858	27,759	28,695	0.97	0.71	236	84,411	16,720	3,716	6,042	(2,128)	4.81	5.05x	22.72x	13.97x
AEP US Equity	American Electric Power	AEP	43,686	37,652	25,246	1.49	0.51	379	85,791	18,982	3,556	6,893	(2,494)	4.26	4.52x	24.12x	12.45x
DTE US Equity	DTE Energy	DTE	22,391	17,407	11,050	1.58	0.65	26	43,677	12,745	2,243	3,930	(711)	6.78	3.43x	19.47x	11.11x
ED US Equity	Con Ed	ED	30,500	21,927	21,158	1.04	0.35	1,189	55,207	14,663	3,196	5,297	(2,725)	7.25	3.77x	17.27x	10.42x
PCG US Equity	PG&E	PCG	34,990	50,975	25,040	2.04	1.29	635	95,522	24,428	2,671	6,678	(4,984)	1.09	3.91x	35.76x	14.30x
ETR US Equity	Entergy Corp	ETR	21,998	23,008	14,657	1.57	0.70	133	48,199	12,147	2,618	4,931	(555)	11.14	3.97x	18.41x	9.78x
	Min		21,995	12,116	5,307	0.97	0.35	26	27,174	12,147	2,243	3,612	(4,984)	1.09	1.84x	10.21x	5.87x
	Q1		22,293	20,797	10,897	1.16	0.50	136	45,788	12,839	2,530	4,454	(2,959)	2.24	3.57x	18.13x	10.26x
	Medi		32,745	25,384	23,099	1.56	0.63	308	67,219	14,721	2,934	5,669	(2,311)	4.15	3.84x	20.11x	11.78x
	Q3		41,141	38,260	26,199	2.07	0.79	773	85,816	19,668	3,596	6,732	(672)	6.90	4.65x	24.38x	13.24x
	Max		43,858	50,975	28,695	2.28	1.29	3,485	95,522	24,428	4,023	7,583	3,777	11.14	5.97x	35.76x	14.30x
	Avera		32,147	28,687	19,487	1.59	0.70	685	65,159	16,345	3,036	5,621	(1,816)	4.60	3.97x	21.33x	11.42x

BEst Sales BF12M	BEst EBIT BF12M	BEst EBITDA:1BF	BEst Est FCF BF12M	BEst EPS:1BF	BEst CAPEX BF12M	P/E:D-1	Sales Growth (%)	EBITDA Growth (%)	EBITDA Margin	EBIT Margin	Net Income Growth (%)	Net Profit Margin	Capex/Sales (%)	Return on Invested Capital	Return on Assets	Return on Equity
13,397	2,831	4,456	(154)	3	(4,357)	15	3%	15%	30%	20%	6%	11%	26%	5	3	14
21,641	4,613	8,224	(964)	2	(7,724)	15	14%	9%	35%	19%	7%	11%	34%	4	2	9
14,877	2,917	4,481	2,198	5	(1,922)	23	8%	377%	32%	19%	73%	8%	11%	9	3	39
15,021	4,434	7,033	(6,383)	3	(9,719)	3	2%	4%	47%	28%	47%	-43%	71%	(19)	(7)	(28)
16,066	3,940	6,246	(728)	5	(6,457)	16	16%	31%	36%	22%	1%	17%	50%	5	3	10
20,642	4,863	9,218	(1,509)	6	(8,140)	16	-3%	-2%	38%	21%	2%	14%	40%	5	3	11
13,314	2,420	4,051	(2,654)	7	(4,620)	16	-34%	21%	31%	18%	21%	11%	31%	5	3	13
15,362	3,061	5,337	(765)	5	(4,927)	18	-6%	-7%	30%	16%	9%	12%	33%	2	3	8
25,089	5,919	10,909	-	1	(10,639)	14	13%	4%	30%	14%	1%	11%	40%	5	2	11
13,289	3,107	5,073	(1,314)	7	(5,850)	9	-12%	18%	41%	23%	130%	20%	40%	8	4	18
13,289	2,420	4,051	(6,383)	1	(10,639)	9	-34%	-7%	30%	14%	1%	-43%	11%	-19	-7	-28
13,376	2,896	4,475	(1,795)	3	(8,534)	14	-8%	2%	30%	17%	2%	10%	30%	4	2	9
15,192	3,524	5,791	(864)	5	(6,153)	16	3%	12%	33%	20%	8%	11%	37%	5	3	11
20,892	4,676	8,219	(115)	6	(4,554)	17	13%	23%	39%	23%	54%	15%	42%	6	3	15
25,089	5,919	10,909	2,198	7	(1,922)	23	16%	377%	47%	28%	130%	20%	71%	9	4	39
16,870	3,811	6,403	(1,227)	4	(6,435)	16	0%	47%	35%	20%	30%	7%	58%	3	2	11

Appendix N: NEER Comparable Companies Analysis



NEER Comparable Companies																	
Company Name	Ticker	Price	Mkt Cap (M)	Beta	Debt/Equity	Enterprise Value	Sales (M)	2024 EBIT	2024 EBITDA (M)	EPS	Total Debt	Interest Expense	EV/EBIT	EV/EBITDA	P/E	Leverage	Coverage Ratio
NextEra Energy Recourses							9,672.0	3,963.0	5,972.0		33,397	1,129.0				5.6	5.3
Brookfield Renewable Partners	BEP	\$23.30	15,231.9	0.8	6.5	70,068.0	5,038.0	1,253.0	3,105.0	-0.3	46,149	1,627.0	55.9	22.6	1.9	14.9	1.9
Constellation Energy	CEG	\$186.18	4,774.3	0.9	0.9	68,527.3	21,137.0	1,132.0	3,666.0	0.1	9,707	431.0	59.5	18.7	4.9	2.6	8.5
Orsted	DNNGY	\$52.57	23,411.0	1.2	1.2	33,639.0	10,022.0	-162.8	1,258.4	-1.6	11,798	593.0		26.7	2.1	9.4	2.1
Iberdrola	IBDRY	\$12.49	2,178.50	0.52	0.86	148,897.00	53,132.00	9558	14728	0.18	53,330	2555	15.6	10.1	1.6	3.6	5.8
Median																	

Q1				0.72	0.86								36	17		2	
Median				0.87	1.02								56	21		2	
Q3				1.00	2.49								58	24		3	

Appendix O: Sum of The Parts Valuation

Renewables							
Name	Ticker	Market Cap	Enterprise Value	EBIT	2024 EBITDA	EV/EBIT	EV/EBITDA
Brookfield Renewable Partners	BEP	15,232	70,068	1,253	3,105	55.92	22.57
Constellation Energy	CEG	4,774	68,527	1,152	3,666	59.49	18.69
Orsted	DOGEF	23,411	33,639	(163)	1,258	-	26.73
Iberdrola	IBE	2,179	148,897	9,558	14,728	15.58	10.11
3rd Quartile						43.75	25.69

Utilities							
Name	Ticker	Market Cap	Enterprise Value	EBIT	EBITDA	EV/EBIT	EV/EBITDA
FirstEnergy Corp	FE	21,995	46,491	2,266	3,612	20.52	12.87
Exelon Corp	EXC	36,860	79,231	4,023	7,583	19.69	10.45
Vistra Corp	VST	24,902	27,174	2,661	4,629	10.21	5.87
Dominion Energy	D U	40,292	85,891	3,414	6,612	25.16	12.99
Sempra	SRE	43,858	84,411	3,716	6,042	22.72	13.97
American Electric Power	AEP	43,686	85,791	3,556	6,893	24.12	12.45
DTE Energy	DTE	22,391	43,677	2,243	3,930	19.47	11.11
Con Ed	ED	30,500	55,207	3,196	5,297	17.27	10.42
PG&E	PCG	34,990	95,522	2,671	6,678	35.76	14.30
Entergy Corp	ETR	21,998	48,199	2,618	4,931	18.41	9.78
3rd Quartile						20.11	13.51

EV/EBIT	
Renewables Valuation	
NEER EBIT	3,963
3Q 2024 EV/EBIT	43.75
Implied Enterprise Value	173,378
Implied Equity Value	114,663
Shares Outstanding	2030.8
Implied Per Share Value	56.46
Utilities Valuation	
FPL EBIT	6190
3Q 2024 EV/EBIT	20.11
Implied Enterprise Value	124,454
Implied Equity Value	65,739
Shares Outstanding	2030.8
Implied Per Share Value	32.37
Total Implied Per Share Value	88.83

EV/EBITDA	
Renewables Valuation	
NEER EBITDA	5,972
3Q 2024EV/EBITDA	25.69
Implied Enterprise Value	153,422
Implied Equity Value	94,707
Shares Outstanding	2030.8
Implied Per Share Value	46.64
Utilities Valuation	
FPL EBITDA	9,979
3Q 2024EV/EBITDA	13.5064
Implied Enterprise Value	134,780
Implied Equity Value	76,065
Shares Outstanding	2030.8
Implied Per Share Value	37.46
Total Implied Per Share Value	84.09

		EV/EBIT					
		88.83	54.59	56.59	58.59	60.59	62.59
EBIT	2,963	83.11	86.03	88.95	91.87	94.79	
	3,463	96.55	99.97	103.38	106.79	110.20	
	3,963	110.00	113.90	117.80	121.71	125.61	
	4,463	123.44	127.83	132.23	136.62	141.02	
	4,963	136.88	141.77	146.66	151.54	156.43	

		EV/EBITDA					
		84.09	21.69	23.69	25.69	27.69	29.69
EBITDA	4,972	84.09	84.09	84.09	84.09	84.09	
	5,472	84.09	84.09	84.09	84.09	84.09	
	5,972	84.09	84.09	84.09	84.09	84.09	
	6,472	84.09	84.09	84.09	84.09	84.09	
	6,972	84.09	84.09	84.09	84.09	84.09	

		EV/EBITDA					
		46.64	21.69	23.69	25.69	27.69	29.69
EBITDA	4,972	24.19	29.09	33.99	38.88	43.78	
	5,472	29.53	34.92	40.31	45.70	51.09	
	5,972	34.87	40.75	46.64	52.52	58.40	
	6,472	40.21	46.59	52.96	59.33	65.71	
	6,972	45.55	52.42	59.29	66.15	73.02	

Appendix P: Dividend Discount Model



NextEra Energy, Inc. Dividend Discount Model								
	2021	2022	2023	2024	2025	2026	2027	2028
Dividends	3,024	3,352	3,782	4,160	4,576	5,034	5,537	6,091
<i>growth rate</i>		10.85%	12.83%	10%	10%	10%	10%	10%
Per Share	1.53	1.69	1.86	2.05	2.25	2.48	2.73	3.00
PV				1.91	1.97	2.02	2.08	2.13

Share Price Calculation	
Cost of Equity	7.04%
Dividend Growth Rate	3.25%
PV of Stage 1	10.11
PV of Stage 2	79.20
Implied Value Per Share	89.32

Cost of Equity

	Stage 1 Growth Rate				
	8.00%	9.00%	10.00%	11.00%	12.00%
89.32					
9.04%	56.31	58.79	61.36	64.02	66.78
8.04%	66.43	69.38	72.45	75.62	78.91
7.04%	81.82	85.50	89.32	93.27	97.36
6.03%	108.27	113.20	118.30	123.59	129.07
5.04%	163.00	170.50	178.27	186.34	194.69

Appendix Q: Price Target

Weightings	Price	%
DDM	89.32	15%
SOTP 2024 EV/EBITDA	84.09	70%
SOTP 2024 EV/EBIT	88.83	15%
Current Stock Price	68.14	
Price Target	85.59	
Implied Upside	25.60%	

FB Field	Min	Median	
52 Week Range	47.15	78.53	31.38
Dividend Discount Model	85.50	93.27	7.76
SOTP 2024 EV/EBITDA	72.38	96.79	24.41
SOTP 2024 EV/EBIT	83.11	121.71	38.59

Appendix R: Allocation

Current Allocation	Ticker	Acquired	Shares Owned	Current Price	Holding Size	Weighting
Brookfield Infrastructure Partners	BIP	Apr-22	90	28.34	2550.6	37.52%
American Electric Power	AEP	Feb-22	30	88.27	2648.1	38.95%
Enphase Energy	ENPH	Apr-23	3	104.53	313.59	4.61%
Generac	GNRC	Oct-22	10	128.59	1285.9	18.92%

Proposed Allocation	Ticker	Acquired	Shares Owned	Current Price	Holding Size	Weighting
Brookfield Infrastructure Partners	BIP	Apr-22	90	28.34	2550.6	24.95%
American Electric Power	AEP	Feb-22	30	88.27	2648.1	25.90%
Enphase Energy	ENPH	Apr-23	3	104.53	313.59	3.07%
Generac	GNRC	Oct-22	10	128.59	1285.9	12.58%
NextEra Energy	NEE	May-23	50	68.51	3425.5	33.51%