

ModernGraham Valuation

Company Name:

NextEra Energy Inc

Company Ticker

NEE

Date of Analysis

8/13/2015



Stage 1: Is this company suitable for the Defensive Investor or the Enterprising Investor?

Defensive Investor; must pass 6 out of the following 7 tests.

1. Adequate Size of the Enterprise	Market Cap > \$2Bil	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	Fail
3. Earnings Stability	Positive EPS for 10 years prior	Pass
4. Dividend Record	Dividend Payments for 10 years prior	Pass
	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	Pass
5. Earnings Growth	PEmg < 20	Fail
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	Pass
7. Moderate Price to Assets		

Enterprising Investor; must pass 4 out of the following 5 tests, or be suitable for the Defensive Investor.

1. Sufficiently Strong Financial Condition	Current Ratio > 1.5	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	Fail
3. Earnings Stability	Positive EPS for 5 years prior	Pass
4. Dividend Record	Currently Pays Dividend	Pass
5. Earnings Growth	EPSmg greater than 5 years ago	Pass

Suitability

Defensive	No
Enterprising	No

Stage 2: Determination of Intrinsic Value

EPSmg	5.16
MG Growth Estimate	2.79%
MG Value	\$72.64
MG Value based on 3% Growth	\$74.79
MG Value based on 0% Growth	\$43.84
Market Implied Growth Rate	6.28%

MG Opinion

Current Price	\$108.66
% of Intrinsic Value	149.58%
Opinion	Overvalued

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$110.23
PEmg	21.07
Current Ratio	0.67
PB Ratio	2.29
Dividend Yield	2.75%
Number of Consecutive Years of Dividend Growth	20

Useful Links:

ModernGraham tagged articles	Morningstar
Google Finance	MSN Money
Yahoo Finance	Seeking Alpha
GuruFocus	SEC Filings

EPS History		EPSmg History	
Next Fiscal Year Estimate	\$5.57	Next Fiscal Year Estimate	\$5.16
Dec14	\$5.60	Dec14	\$4.90
Dec13	\$4.47	Dec13	\$4.52
Dec12	\$4.56	Dec12	\$4.49
Dec11	\$4.59	Dec11	\$4.35
Dec10	\$4.74	Dec10	\$4.10
Dec09	\$3.97	Dec09	\$3.65
Dec08	\$4.07	Dec08	\$3.35
Dec07	\$3.27	Dec07	\$2.92
Dec06	\$3.23	Dec06	\$2.63
Dec05	\$2.34	Dec05	\$2.29
Dec04	\$2.48	Dec04	\$2.22
Dec03	\$2.53	Dec03	\$2.09
Dec02	\$1.38	Dec02	\$1.89
Dec01	\$2.31	Dec01	\$2.10
Dec00	\$2.07	Dec00	\$1.97
Dec99	\$2.04	Dec99	\$1.88
Dec98	\$1.93	Balance Sheet Information Jun15	
Dec97	\$1.79	Total Current Assets	\$6,346,000,000
Dec96	\$1.67	Total Current Liabilities	\$9,421,000,000
Dec95	\$1.58	Long-Term Debt	\$25,235,000,000
		Total Assets	\$77,201,000,000
		Intangible Assets	\$0
		Total Liabilities	\$55,863,000,000
		Outstanding Shares	449,200,000



Disclaimer:

This valuation is not investment advice. Anyone who is considering making an investment decision should speak to a registered investment advisor.

The author did not hold a position in any company mentioned in this article at the time of publication and had no intention of changing those holdings within the next 72 hours.

Recommended Reading:

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[NextEra Energy Inc. Quarterly Valuation – May 2015 \\$NEE](#)
[15 Companies in the Spotlight This Week – 5/3/2014](#)
[NextEra Energy Inc. \(NEE\) Annual Valuation – 2014](#)

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[Public Service Enterprise Group Inc. Analysis – 2015 Update \\$PEG](#)
[Xcel Energy Analysis – June 2015 Update \\$XEL](#)
[Consolidated Edison Analysis – 2015 Update \\$ED](#)
[Ameren Corporation Analysis – 2015 Update \\$AEE](#)
[NextEra Energy Inc. Quarterly Valuation – May 2015 \\$NEE](#)
[FirstEnergy Corporation Annual Valuation – 2015 \\$FE](#)
[Edison International Annual Valuation – 2015 \\$EIX](#)
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