

# ModernGraham Valuation

Company Name:

NextEra Energy Inc

Company Ticker NEE

Date of Analysis

12/21/2016



## 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	\$55,455,168,745	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	0.65	Fail
3. Earnings Stability	Positive EPS for 10 years prior		Pass
4. Dividend Record	Dividend Payments for 10 years prior		Pass
5. Earnings Growth	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	50.31%	Pass
6. Moderate PEmg Ratio	PEmg < 20	21.90	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	2.31	Pass

*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	0.65	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	-7.60	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

<b>Defensive</b>	<b>No</b>
<b>Enterprising</b>	<b>No</b>

## Stage 2: Determination of Intrinsic Value

EPSmg	\$5.42
MG Growth Estimate	3.08%
<b>MG Value</b>	<b>\$79.43</b>
MG Value based on 3% Growth	\$78.53
MG Value based on 0% Growth	\$46.04
Market Implied Growth Rate	6.70%

### MG Opinion

Current Price	\$118.60
% of Intrinsic Value	149.32%
<b>Opinion</b>	<b>Overvalued</b>
<b>MG Grade</b>	<b>C</b>

## Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$122.77
Graham Number	\$78.40
PEmg	21.90
Current Ratio	0.65
PB Ratio	2.31
Current Dividend	\$3.38
Dividend Yield	2.85%
Number of Consecutive Years of Dividend Growth	20

### Useful Links:

<a href="#">ModernGraham tagged articles</a>	<a href="#">Morningstar</a>
<a href="#">Google Finance</a>	<a href="#">MSN Money</a>
<a href="#">Yahoo Finance</a>	<a href="#">Seeking Alpha</a>
<a href="#">GuruFocus</a>	<a href="#">SEC Filings</a>

EPS History		EPSmg History	
Next Fiscal Year Estimate	\$5.34	Next Fiscal Year Estimate	\$5.42
Dec2015	\$6.06	Dec2015	\$5.32
Dec2014	\$5.60	Dec2014	\$4.90
Dec2013	\$4.47	Dec2013	\$4.52
Dec2012	\$4.56	Dec2012	\$4.49
Dec2011	\$4.59	Dec2011	\$4.35
Dec2010	\$4.74	Dec2010	\$4.10
Dec2009	\$3.97	Dec2009	\$3.65
Dec2008	\$4.07	Dec2008	\$3.35
Dec2007	\$3.27	Dec2007	\$2.92
Dec2006	\$3.23	Dec2006	\$2.63
Dec2005	\$2.34	Dec2005	\$2.29
Dec2004	\$2.48	Dec2004	\$2.22
Dec2003	\$2.53	Dec2003	\$2.09
Dec2002	\$1.38	Dec2002	\$1.89
Dec2001	\$2.31	Dec2001	\$2.10
Dec2000	\$2.07	Dec2000	\$1.97
Dec1999	\$2.04	<b>Balance Sheet Information 9/1/2016</b>	
Dec1998	\$1.92	Total Current Assets	\$6,747,000,000
Dec1997	\$1.79	Total Current Liabilities	\$10,456,000,000
Dec1996	\$1.67	Long-Term Debt	\$28,195,000,000
		Total Assets	\$87,864,000,000
		Intangible Assets	\$0
		Total Liabilities	\$63,957,000,000
		Shares Outstanding (Diluted Average)	466,000,000





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:

**Other ModernGraham posts about the company**

- [NextEra Energy Inc. Analysis – August 2015 Update \\$NEE](#)
- [47 Companies in the Spotlight This Week – 5/16/15](#)
- [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](#)

**Other ModernGraham posts about related companies**

- [Westar Energy Inc Valuation – August 2016 \\$WR](#)
- [Eversource Energy Valuation – August 2016 \\$ES](#)
- [Public Service Enterprise Group Inc Valuation – August 2016 \\$PEG](#)
- [NiSource Inc Valuation – August 2016 \\$NI](#)
- [Consolidated Edison Inc Valuation – August 2016 \\$ED](#)
- [Ameren Corp Valuation – August 2016 \\$AEE](#)
- [PG&E Corp Valuation – July 2016 \\$PCG](#)
- [SCANA Corporation Valuation – July 2016 \\$SCG](#)
- [Exelon Corporation Valuation – July 2016 \\$EXC](#)
- [DTE Energy Co Valuation – July 2016 \\$DTE](#)