

ModernGraham Valuation

Company Name:

NextEra Energy Inc

Company Ticker NEE

Date of Analysis

4/30/2018



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	\$76,919,687,666	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	0.59	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	89.62%	Pass
5. Earnings Growth			
6. Moderate PEmg Ratio	PEmg < 20	20.50	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	2.38	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	0.59	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	-7.07	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
	Score		

Suitability

Defensive	No
Enterprising	No

Stage 2: Determination of Intrinsic Value

EPSmg	\$8.00
MG Growth Estimate	9.48%
MG Value	\$219.64
MG Value based on 3% Growth	\$115.94
MG Value based on 0% Growth	\$67.97
Market Implied Growth Rate	6.00%

MG Opinion

Current Price	\$163.91
% of Intrinsic Value	74.63%
Opinion	Undervalued
MG Grade	B-

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$118.00
Graham Number	\$101.13
PEmg	20.50
Current Ratio	0.59
PB Ratio	2.38
Current Dividend	\$3.93
Dividend Yield	2.40%
Number of Consecutive Years of Dividend Growth	20

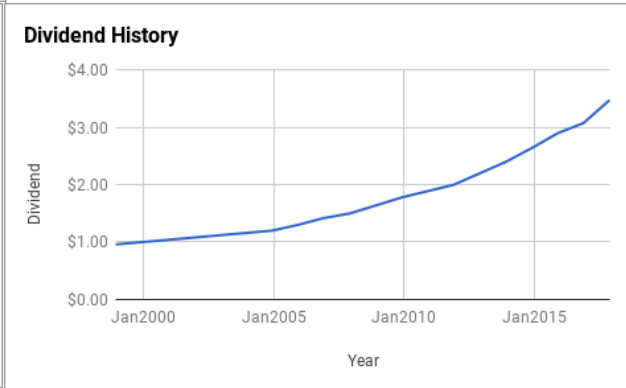
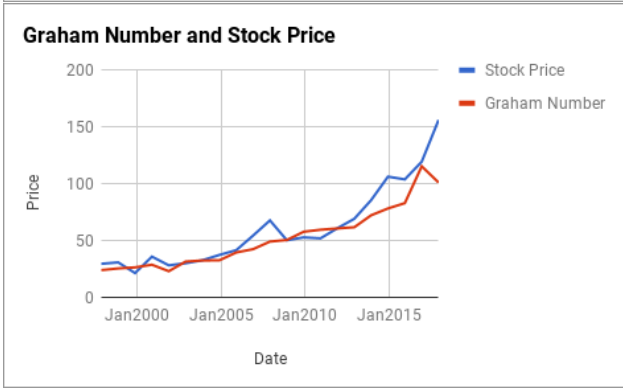
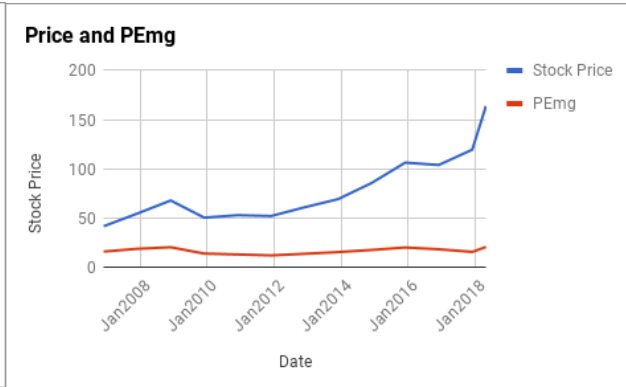
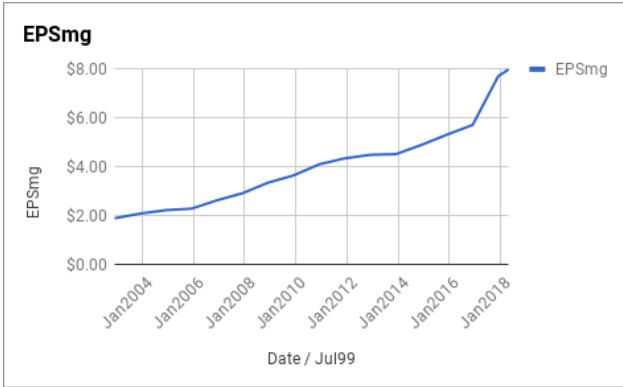
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EPS History		EPSmg History	
Next Fiscal Year Estimate	\$7.59	Next Fiscal Year Estimate	\$8.00
Dec2017	\$11.38	Dec2017	\$7.72
Dec2016	\$6.25	Dec2016	\$5.72
Dec2015	\$6.06	Dec2015	\$5.32
Dec2014	\$5.60	Dec2014	\$4.90
Dec2013	\$4.47	Dec2013	\$4.52
Dec2012	\$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	Balance Sheet Information 3/1/2018	
Dec2000	\$2.07	Total Current Assets	\$5,612,000,000
Dec1999	\$2.04	Total Current Liabilities	\$9,579,000,000
Dec1998	\$1.93	Long-Term Debt	\$28,062,000,000
		Total Assets	\$94,284,000,000
		Intangible Assets	\$0
		Total Liabilities	\$61,578,000,000
		Shares Outstanding (Diluted Average)	474,300,000





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 Valuation – December 2016 \\$NEE](#)
 - [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](#)

- Other ModernGraham posts about related companies**
- [PG&E Corp Valuation – April 2018 \\$PCG](#)
 - [Dominion Energy Inc Valuation – April 2018 \\$D](#)
 - [Exelon Corp Valuation – March 2018 \\$EXC](#)
 - [NRG Energy Inc Valuation – March 2018 \\$NRG](#)
 - [DTE Energy Co Valuation – March 2018 \\$DTE](#)
 - [The AES Corp Valuation – March 2018 \\$AES](#)
 - [FirstEnergy Corp Valuation – March 2018 \\$FE](#)
 - [Edison International Valuation – March 2018 \\$EIX](#)
 - [WEC Energy Group Inc Valuation – March 2018 \\$WEC](#)
 - [CenterPoint Energy Inc Valuation – March 2018 \\$CNP](#)