

ModernGraham Valuation

Company Name:

NextEra Energy Inc

Company Ticker

NEE

Date of Analysis

2/23/2019



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	\$89,957,748,174	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	0.36	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	141.32%	Pass
5. Earnings Growth			
6. Moderate PEmg Ratio	PEmg < 20	18.88	Pass
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	2.42	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	0.36	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	-2.40	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 Score		Pass

Suitability

Defensive	Yes
Enterprising	Yes

Stage 2: Determination of Intrinsic Value

EPSmg	\$9.97
MG Growth Estimate	13.09%
MG Value	\$345.61
MG Value based on 3% Growth	\$144.50
MG Value based on 0% Growth	\$84.71
Market Implied Growth Rate	5.19%

MG Opinion

Current Price	\$188.13
% of Intrinsic Value	54.43%
Opinion	Undervalued
MG Grade	A

Stage 3: Information for Further Research

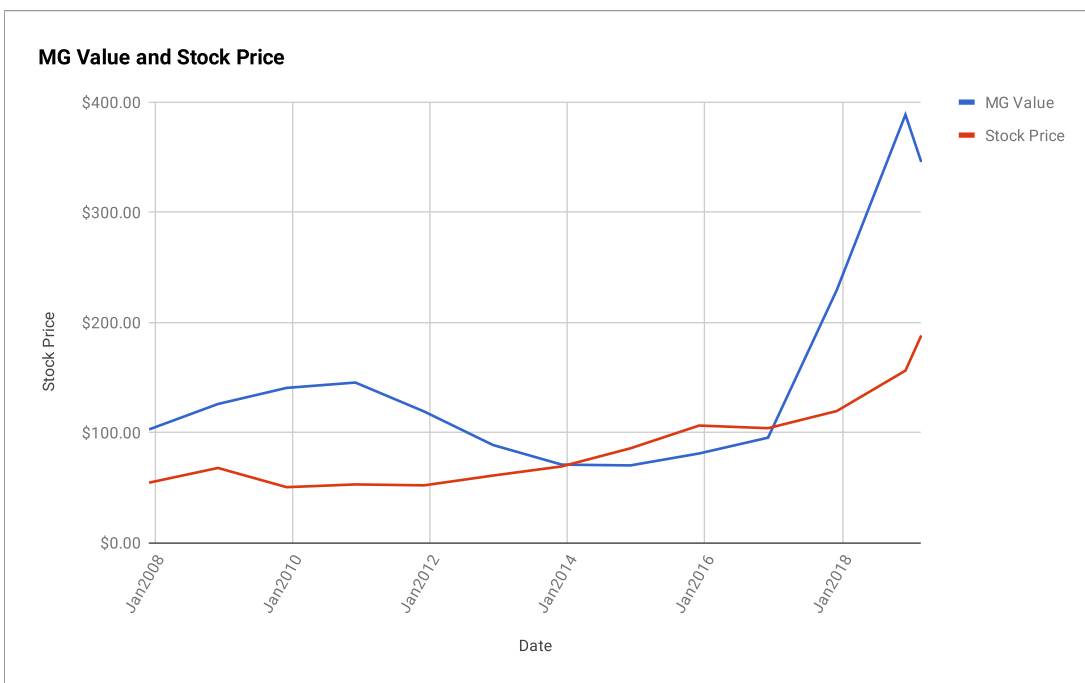
Net Current Asset Value (NCAV)	-\$124.47
Graham Number	\$115.16
PEmg	18.88
Current Ratio	0.36
PB Ratio	2.42
Current Dividend	\$4.44
Dividend Yield	2.36%
Number of Consecutive Years of Dividend Growth	20

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EPS History		EPSmg History	
Next Fiscal Year Estimate		Next Fiscal Year Estimate	
	\$8.25		\$9.97
Dec2018	\$13.88	Dec2018	\$10.09
Dec2017	\$11.39	Dec2017	\$7.72
Dec2016	\$6.24	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	\$3.27
Dec2007	\$3.27	Dec2007	\$2.67
Dec2006	\$3.23	Dec2006	\$2.16
Dec2005	\$2.34	Dec2005	\$1.53
Dec2004	\$1.24	Dec2004	\$1.18
Dec2003	\$1.27	Dec2003	\$1.25
Dec2002	\$0.69	Balance Sheet Information	
Dec2001	\$1.16	12/1/2018	
Dec2000	\$2.07	Total Current Assets	\$6,393,000,000
Dec1999	\$2.04	Total Current Liabilities	\$17,563,000,000
		Long-Term Debt	\$26,782,000,000
		Total Assets	\$103,702,000,000
		Intangible Assets	\$1,599,000,000
		Total Liabilities	\$66,289,000,000
		Shares Outstanding (Diluted Average)	481,200,000





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:

Other ModernGraham posts about the company

- [NextEra Energy Inc Valuation – May 2018 \\$NEE](#)
- [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](#)

Other ModernGraham posts about related companies

- [Dominion Energy Inc Valuation – February 2019 \\$D](#)
- [Exelon Corp Valuation – January 2019 \\$EXC](#)
- [NRG Energy Inc Valuation – January 2019 \\$NRG](#)
- [DTE Energy Co Valuation – January 2019 \\$DTE](#)
- [AES Corp Valuation – January 2019 \\$AES](#)
- [FirstEnergy Corp Valuation – January 2019 \\$FE](#)
- [Edison International Valuation – January 2019 \\$EIX](#)
- [WEC Energy Group Inc Valuation – January 2019 \\$WEC](#)
- [Southern Co Valuation – January 2019 \\$SO](#)
- [CenterPoint Energy Inc Valuation – January 2019 \\$CNP](#)