



NEXTERA ENERGY, INC.

FY 2025

Earnings Report Update

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Company Overview

NextEra Energy, Inc. is a leading North American company that generates, transmits, and distributes electricity from clean and renewable sources, including wind, solar, nuclear, and natural gas. It also operates battery storage and transmission facilities, serving about 12 million people in Florida. Founded in 1925, it is headquartered in Juno Beach Florida, and champions sustainable energy innovation.

GUIDANCE

NextEra Energy expects 2026 adjusted EPS of \$3.92–\$4.02, targets an EPS CAGR of over 8% through 2035, and plans dividend growth of around 10% in 2026 and approximately 6% annually through 2028.

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Chairman, President and CEO John Ketchum said “NextEra Energy delivered strong 2025 performance, exceeding earnings expectations and advancing long-term growth.” He highlighted FPL’s rate agreement, record renewable and storage additions, and expanding backlog, noting the company is well positioned to meet rising U.S. power demand while targeting sustained 8%+ earnings growth through 2035.

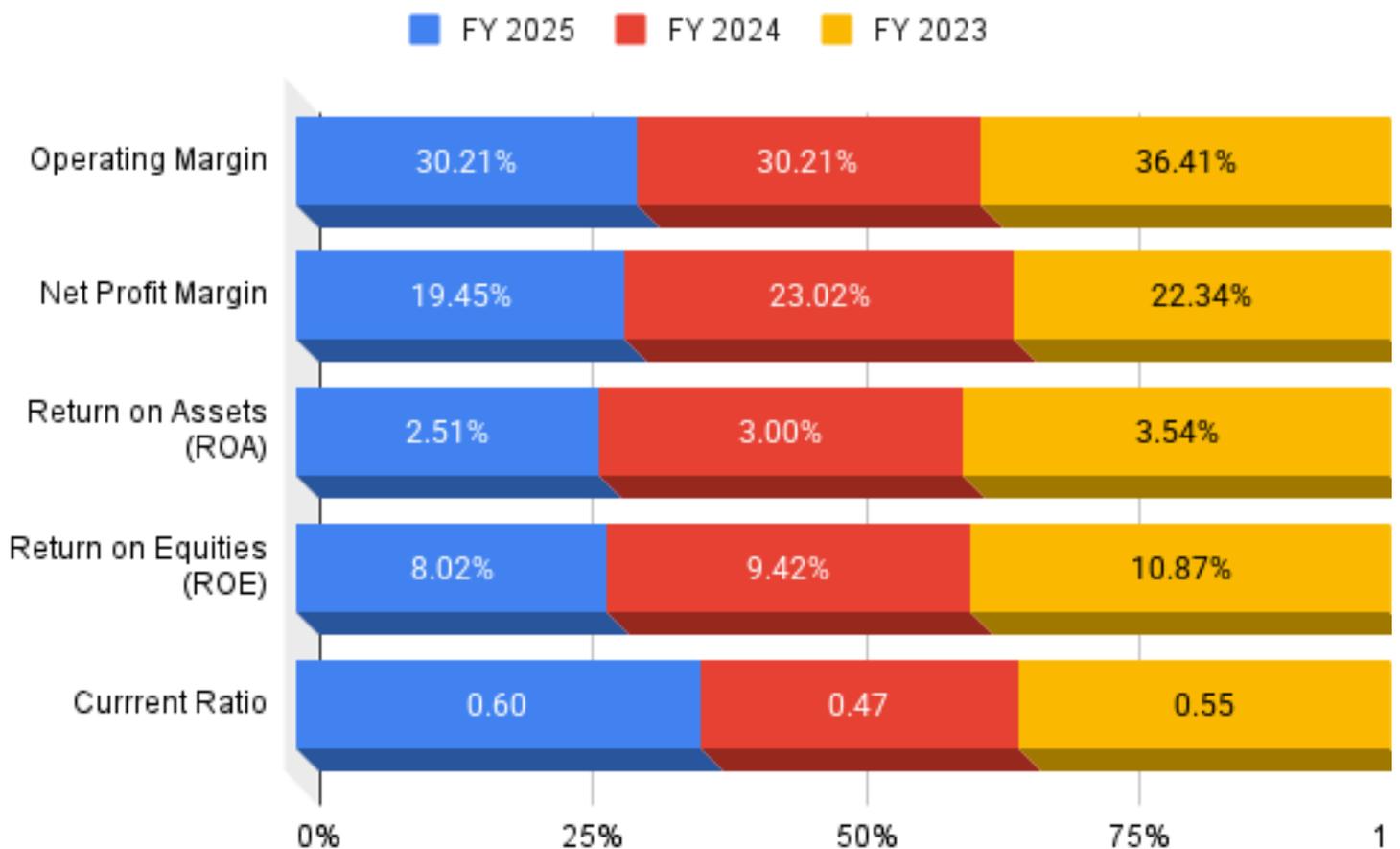
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CEO’s
Commentary

Expectation Analysis

USD (\$)	Q4 2025	ESTIMATE	BEAT/MISS
REVENUE	6.50B	6.79B	-4.30%
EBITDA	3.20B	3.44B	-7.00%
EBIT	1.59B	1.96B	-19.10%
EPS (adjusted)	0.54	0.53	2.40%

Margin and Efficiency Analysis



Revenue/Profitability Summary				
Million USD(\$), except EPS	FY 2025	Q4 2025	YOY	
Operating revenue	27,412	6,500	10.74%	
Gains on disposal of assets	260	63	-26.14%	
Operating income (loss)	8,280	1,586	10.71%	
Income (loss) before income taxes	4,530	1,318	-24.96%	
Net income (loss)	5,332	1,093	-6.42%	
Net income attributable to NextEra Energy	6,835	1,535	-1.60%	
Earnings per share (EPS)	3.30	0.73	-3.79%	
Cost/Expenses Summary				
Million USD(\$)	FY 2025	Q4 2025	YOY	
Fuel, purchased power and interchange	4,944	1,173	-1.69%	
Depreciation and amortization	6,580	1,616	20.47%	
Net Total operating expenses	19,392	4,977	10.02%	
Interest expense	4,572	586	104.56%	
Income Tax Expense (Benefit)	802	-225	-336.58%	
Cash Flow Summary				
Million USD(\$)	FY 2025	YOY		
Net cash from operations	12,485	-5.84%		
Net cash from investing	-23,865	-7.19%		
Net cash from financing	12,979	85.41%		
Cash balance	3,006	114.41%		
Segment Performance				
Million USD(\$)	FY 2025	Q4 2025	% Revenue	YOY
FPL	18,262	4,272	66.62%	7.30%
NEER	8,760	2,117	31.96%	16.15%
Corporate & Others	390	111	1.42%	103.13%
Key Items of Financial Position Summary				
Million USD(\$)	FY 2025	QOQ	YOY	
Current assets	13,584	7.21%	13.66%	
Non-current assets	199,137	3.89%	11.75%	
Total assets	212,721	4.09%	11.87%	
Total equities	66,479	2.92%	9.96%	
Current liabilities	22,817	-0.41%	-10.01%	
Non-current liabilities	123,425	5.63%	18.76%	
Total liabilities	146,242	4.64%	13.12%	

Performance Highlights

- NextEra Energy delivered full-year 2025 adjusted EPS of \$3.71, representing 8.2% year-over-year growth versus \$3.43 in 2024. This exceeded the top end of management's prior guidance and was driven by continued rate-base growth at FPL, higher adjusted earnings at Energy Resources (+12.6% YoY), and disciplined cost management across the enterprise.
- FPL's full-year net income rose to \$5.01 billion, up 10.3% YoY, driven primarily by 8.1% growth in regulatory capital employed and higher allowed returns under its constructive regulatory framework. Capital investment of \$8.9 billion in 2025 supported infrastructure hardening, solar, and grid modernization.
- FPL continued to differentiate on cost discipline, with non-fuel O&M expenses more than 71% below the industry average, enabling earnings growth while keeping customer bills low. Typical residential bills remain over 30% below the national average, reinforcing political and regulatory sustainability of rate-base expansion.
- NextEra Energy Resources (NEER) achieved a fourth consecutive record origination year, adding 13.5 GW of new generation and storage to backlog in 2025, including a record quarterly origination of 3.6 GW. Total backlog stands at 30 GW, underpinned by accelerating demand from hyperscalers and data-center customers.
- NEER's full-year adjusted earnings increased 12.6% YoY, to \$3.52 billion from \$3.12 billion in 2024. Growth was driven by new projects placed in service (7.2 GW in 2025), higher fleet availability, and expanding contracted revenues, partially offset by higher interest expense.
- NEER swung from a GAAP loss of \$442 million in Q4 24 to GAAP net income of \$545 million in Q4 25, reflecting improved equity-method earnings, reduced valuation volatility, and stronger operating performance. Full-year GAAP net income increased 29.4% YoY, from \$2.30 billion to \$2.98 billion.
- Total assets increased to \$212.7 billion, up 11.9% YoY, driven by continued capital deployment into regulated and contracted assets. Property, plant and equipment grew meaningfully, reflecting execution on multi-year capital plans across both FPL and Energy Resources.
- The Florida PSC-approved four-year rate agreement (effective Jan 1, 2026) materially improves earnings visibility. FPL plans to invest \$90-\$100 billion through 2032, while customer bills are expected to rise only 2% annually (2025-2029), below current inflation, supporting a stable earnings CAGR profile.

Concerns Raised

- Total long-term debt increased to \$89.6 billion, up 23.7% YoY, driving higher consolidated interest expense (\$4.6 billion in 2025). While manageable, rising rates and incremental leverage could pressure equity returns if capital markets tighten or projects' returns compress.
- With combined annual capital deployment exceeding \$24 billion, NextEra's growth strategy remains highly capital-intensive. Any construction delays, supply-chain disruptions, or cost overruns, particularly in renewables and storage, could negatively impact projects returns and earnings timing.
- Despite improved results, NEER remains exposed to mark-to-market volatility related to hedging, equity securities, and decommissioning funds. While largely adjusted out of earnings, these items introduce GAAP noise and can affect investor sentiment during periods of market stress.

OUR INSIGHT

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NextEra Energy delivered FY2025 performance that was supported by stable operating margins (30%), though net profit margin declined to 19% from 23% in FY2024 and returns weakened, with ROA at 2.51% and ROE at 8.02%, reflecting higher depreciation, interest expense, and capital intensity. Liquidity improved but remains constrained (current ratio 0.60). Long term, the company remains an attractive compounder backed by regulated cash flows, a large contracted renewables backlog, and an 8%+ EPS CAGR target through 2035. Key watchpoints include leverage and interest cost trajectory, returns on incremental capital, execution risk on large-scale CAPEX, and timely conversion of NEER's backlog into earnings.

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