

NextEra: Democrats may focus more on clean technology supply chains

DIGITAL ENGAGEMENT TEAM

27 OCTOBER 2022

TRADING MATTERS SERIES: STOCK HIGHLIGHT

Features a single stock and zooms in on its performance in the market

KEY METRICS	
Current Price	75.86
Latest Dividend	0.43
Dividend Ex-Date	23/11/2022
Indicated Dividend Yield	2.24%
14 Day RSI	45.96
Analysts 12M Target Price	91.33

REFINITIV STOCKREPORTS+ AVERAGE SCORE
5/10 As of 26 Oct 2022

Refer to page 3 for indicator components

NextEra Energy Inc (NEE US) Price Chart



Any red lines drawn on the price charts are trendlines, which are visual representations of support & resistance levels. They are drawn by connecting a series of prices together to help indicate the data's best fit or the presence of any trend over a time frame, and are for illustration purposes only.

As of 25 Oct 2022 closing

KEY MARKET EVENTS

- 31 Oct**
China PMI Release (Oct)
- 01 Nov**
US PMI Release (Oct)
- 02 Nov**
US Fed Interest Rate Decision
- 08 Nov**
US Midterm Elections
- 10 Nov**
US CPI Release (Oct)

S&P 500 Index Price Chart



As of 25 Oct 2022 closing

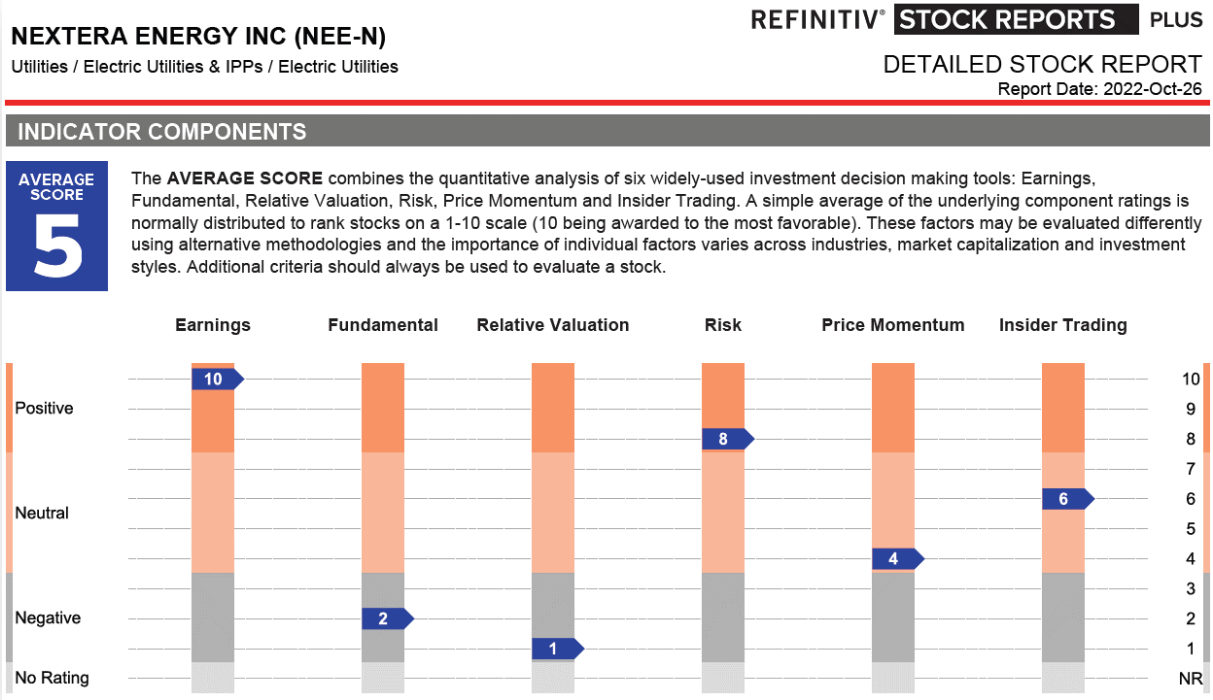
Headline News & Information

- NextEra Energy Inc provides sustainable energy generation and distribution services. The company generates electricity through wind, solar, and natural gas. Through its subsidiaries, NextEra Energy also operates multiple commercial nuclear power units (Bloomberg)
- US Midterms 2022: Battle for Congress portends commodity-specific wrangling (18 Oct 2022, S&P Global)
 - US voters on 08 Nov 2022 will decide party control of Congress and with it whether new clean energy technologies or the country's abundant fossil fuel resources will take center stage on the legislative agenda for the next two years
 - After passing several major pieces of legislation packed with clean energy and climate funding and provisions, Democrats may focus more on other priorities, such as clean technology supply chains
 - The party will also need to appropriate funding to carry out programs contained in those recently enacted climate and energy laws
- NextEra CEO sees US climate law catalyzing decades of clean energy growth (03 Oct 2022, S&P Growth)
 - NextEra Energy's CEO believes the new US climate law will drive clean energy growth for the next two decades and sees the company well-positioned to counter near-term economic headwinds
 - The Inflation Reduction Act, signed into law in mid-August, contains nearly US\$370 billion in federal spending geared toward decarbonization. The legislation also contains robust clean energy tax incentives for solar, wind, and battery storage projects
 - The head of NextEra also sees the Inflation Reduction Act and the company's unique skillset helping to alleviate supply-chain concerns

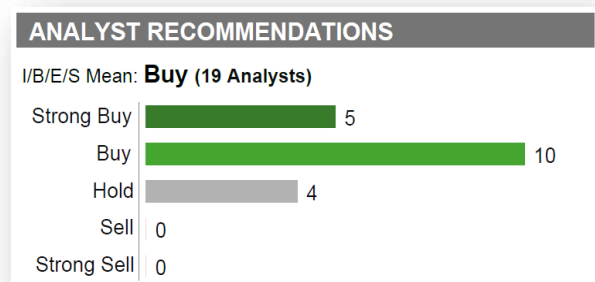
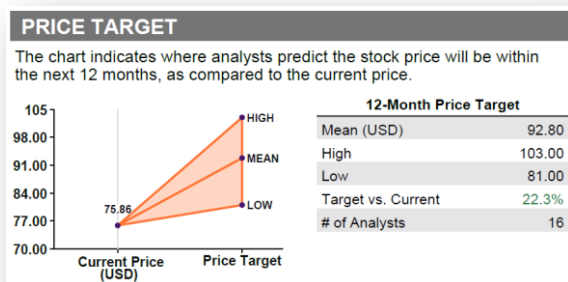
TRADING FLOWS	RESISTANCE LEVELS	SUPPORT LEVELS
<ul style="list-style-type: none"> • Shares rose 1.1% in the past 5 days and are down 6.5% in the past 30 days 	<ul style="list-style-type: none"> • 79.79 (200 Day MA) • 82.81 (50 Day MA) • 91.00 (Aug 2022) 	<ul style="list-style-type: none"> • 71.00 (Oct 2022) • 67.00 (Oct 2020) • 60.00 (Jun 2020)

Fundamental Viewpoint

An Extract from STOCKREPORTS+



Analyst Price Target and Recommendations



Source: REFINITIV STOCKREPORTS+, extracted 26 Oct 2022

US Peer Analysis (STOCKREPORTS+)

PEER ANALYSIS													Currency in USD	
Average Score	Ticker	PRICE MOMENTUM				Market Cap	VALUATION		FUNDAMENTAL		ANALYSTS		# of Analysts	
		Price (2022-10-25)	1-Mo Return	3-Mo Return	1-Yr Return		Trailing PE	Forward PE	Dividend Yield	Net Margin	LTG Forecast	I/B/E/S Mean		
5	NEE	75.86	-8.1%	-6.3%	-10.0%	140.8B	55.9	27.0	2.2%	14.8%	9.4%	Buy	18	
5	SO	65.72	-12.4%	-9.6%	4.6%	68.6B	22.7	19.6	4.1%	11.8%	6.5%	Hold	18	
4	DUK	90.24	-13.0%	-14.9%	-12.3%	68.1B	18.0	15.9	4.5%	14.5%	5.5%	Buy	19	
4	D	66.92	-13.9%	-14.9%	-12.5%	54.6B	24.7	15.4	4.0%	15.1%	6.4%	Buy	18	
7	AEP	87.42	-10.6%	-8.7%	3.2%	44.0B	16.9	16.6	3.8%	14.4%	6.2%	Buy	18	
5	EXC	37.76	-9.4%	-15.0%	2.6%	36.5B	14.2	15.8	3.6%	9.4%	--	Buy	18	
5	PCG	15.13	20.0%	40.7%	29.8%	35.7B	188.8	13.1	--	1.0%	4.6%	Buy	13	
4	XEL	62.40	-12.8%	-10.2%	-3.5%	33.3B	20.5	19.1	3.1%	11.7%	6.7%	Buy	15	
7	ED	85.85	-10.1%	-8.8%	13.1%	30.1B	18.5	18.5	3.7%	11.2%	4.9%	Hold	17	
4	CEG	88.15	5.1%	60.4%	--	28.5B	44.4	42.2	0.64%	3.1%	36.0%	Buy	14	
6	WEC	87.77	-11.9%	-11.3%	-2.9%	27.3B	20.0	20.3	3.3%	15.2%	6.3%	Hold	14	
5.1	Average	69.38	-7.0%	0.14%	1.2%	51.6B	40.4	20.3	3.3%	11.1%	9.2%	Buy	16.5	

PEER COMPANIES			
AEP	American Electric Power	EXC	Exelon Corp
CEG	Constellation Energy Corp	PCG	PG&E Corp
D	Dominion Energy Inc	SO	Southern Co
DUK	Duke Energy Corp	WEC	WEC Energy Group Inc
ED	Consolidated Edison Inc	XEL	Xcel Energy Inc

Source: REFINITIV STOCKREPORTS+, extracted 26 Oct 2022

Global Peer Analysis (Bloomberg)

Ticker	Name	Mkt Cap (USD) (Millions)	Last Px	P/E	P/E 5Yr Avg	P/B	P/B 5Yr Avg	Indicated Yield (%)
Average		60,419	20686.00	37.90	33.79	4.05	3.52	1.82
NEE US	NEXTERA ENERGY INC	149,048	75.86	28.99	32.82	4.09	4.37	2.24
ETR US	ENERGY CORP	21,308	104.75	17.33	13.57	1.82	1.91	3.86
ORG AU	ORIGIN ENERGY LTD	6,003	5.43	N/A	N/A	0.93	0.85	5.34
TNB MK	TENAGA NASIONAL BHD	10,140	8.33	13.07	13.83	0.82	0.93	4.56
EDP PL	EDP-ENERGIAS DE PORTUGAL SA	17,386	4.40	25.83	26.18	2.25	2.00	4.32
EMA CN	EMERA INC	10,100	51.38	13.04	17.27	1.51	1.81	5.37
9501 JP	TOKYO ELECTRIC POWER COMPANY	5,124	472.00	N/A	N/A	0.34	0.28	N/A
9502 JP	CHUBU ELECTRIC POWER CO INC	6,247	1,220.00	N/A	N/A	0.43	0.48	4.10
WEC US	WEC ENERGY GROUP INC	27,686	87.77	19.85	22.14	2.45	2.71	3.31
DUK US	DUKE ENERGY CORP	69,485	90.24	15.92	17.37	1.45	1.69	4.45
LNT US	ALLIANT ENERGY CORP	12,727	50.72	18.31	22.44	2.07	2.46	3.37

Source: Bloomberg, extracted 25 Oct 2022 closing

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