RESEARCH / EARNINGS AND VALUATION

NextEra Energy Stock Q3 2026: FPL Rate Base Grows 9.2% as Backlog Hits 36.7 GW

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> **As of:** Figures are as of NextEra Energy's results for the third quarter of 2026 (the three months ended 30 September 2026, reported 21 October 2026 in a Form 8-K) and its Form 10-Q for that quarter, filed 21 October 2026. The share price used in our valuation is the New York Stock Exchange close of NEE on 2 November 2026, $85.03; analyst data were accessed on 2 November 2026. Published 2 November 2026.

The short answer. NextEra Energy stock Q3 2026 comes down to two businesses growing at once. In the three months to 30 September 2026, adjusted earnings per share rose 9.7% to $1.24 and GAAP earnings per share almost doubled to $2.28, helped by gains on interest rate hedges. Florida Power & Light (FPL), the regulated utility, grew its regulatory capital employed, or rate base, by about 9.2% to $81.1bn and earned a regulatory return on equity of about 11.8%. NextEra Energy Resources added 3.7 GW of renewables and storage, taking its backlog to about 36.7 GW. NextEra kept its 2026 adjusted EPS range of $3.92 to $4.02 and is targeting the high end. The shares closed at $85.03 on 2 November 2026, up 8.6% since the results. Our regulated asset base model values them at $45.00 a share, about half that price, because it counts only FPL's returns and carries the rest of the group at book value. We explain that gap below.

Key takeaways

- **Adjusted EPS rose 9.7% to $1.24.** Adjusted earnings were $2,592m, up 10.4% from $2,348m. FPL added 6 cents a share and NextEra Energy Resources 6 cents, while Corporate and Other cost 1 cent more.
- **GAAP earnings almost doubled.** GAAP net income attributable to NextEra was $4,775m, or $2.28 a share, against $2,438m, or $1.18, a year earlier. Pre-tax gains on non-qualifying hedges, which NextEra excludes from adjusted earnings, were $3,005m.

- **FPL's rate base grew about 9.2%.** FPL's net income rose 10.7% to $1,620m. Chief financial officer Mike Dunne said FPL spent about $2.4bn in the quarter and expects about $12bn of capital investment for 2026.
- **The backlog reached about 36.7 GW.** NextEra Energy Resources added 3.7 GW, including 2.4 GW of battery storage, after placing 1.8 GW of projects into service. Dunne said it was the fourth quarter in a row with more than 3.5 GW of additions.
- **Spending peaks in 2026.** The Form 10-Q shows $36.6bn of capital spending in 2026, nine months actual plus the estimate for the rest of the year, falling to $29.4bn in 2027 and $22.9bn in 2028.
- **The Dominion deal is moving.** Shareholders of both companies approved the combination on 3 September. NextEra expects final orders in Virginia and South Carolina in January 2027 and closing in the second half of 2027.
- **Our value: $45.00 a share,** against an $85.03 close on 2 November 2026, little changed from $44.78 in our previous model. Analysts' average target is $94.
- **What to watch.** Hurricane Isaias storm costs, the Virginia and South Carolina hearings in November and December, further backlog additions and whether NextEra lands at the high end of its 2026 range.

Key numbers from NextEra Energy's Q3 2026 earnings

$1.24

Adjusted earnings per share in the third quarter, up 9.7% from $1.13

8-K EX 99

$2.28

GAAP earnings per share, lifted by gains on interest rate hedges

8-K EX 99

$81.1bn

FPL regulatory capital employed, up about 9.2% in a year

Q3 2026 SLIDES

11.8%

FPL regulatory ROE for the 12 months to September 2026

EARNINGS CALL

36.7 GW

Renewables and storage backlog after adding 3.7 GW in the quarter

8-K EX 99

$45.00

QSILabs value per share, against an $85.03 close

QSILABS MODEL

MEASURE	Q3 2026	Q3 2025	CHANGE
Operating revenues	$8,090m	$7,966m	+1.6%
Operating income	$2,624m	$2,527m	+3.8%
GAAP net income attributable to NextEra	$4,775m	$2,438m	+95.9%
GAAP earnings per share	$2.28	$1.18	+93.2%
Adjusted earnings	$2,592m	$2,348m	+10.4%
Adjusted earnings per share	$1.24	$1.13	+9.7%
FPL net income	$1,620m	$1,463m	+10.7%
NextEra Energy Resources adjusted earnings	$1,247m	$1,102m	+13.2%
Dividend per share	$0.6232	$0.5665	+10.0%

Sources: 8-K Exhibit 99 and Form 10-Q for the quarter ended 30 September 2026.

NextEra Energy Q3 2026 earnings: what happened

NextEra reported on 21 October 2026. Operating revenues rose 1.6% to $8,090m and operating income 3.8% to $2,624m. FPL's revenues rose to $5,421m from $5,285m, while NextEra Energy Resources' revenues slipped to $2,516m from $2,566m. Adjusted earnings per share rose to $1.24 from $1.13. Over nine months GAAP EPS was $4.82, against $2.57 a year earlier.

Chief executive John Ketchum said the quarter reflected "continued strong financial and operational performance at both FPL and NextEra Energy Resources."

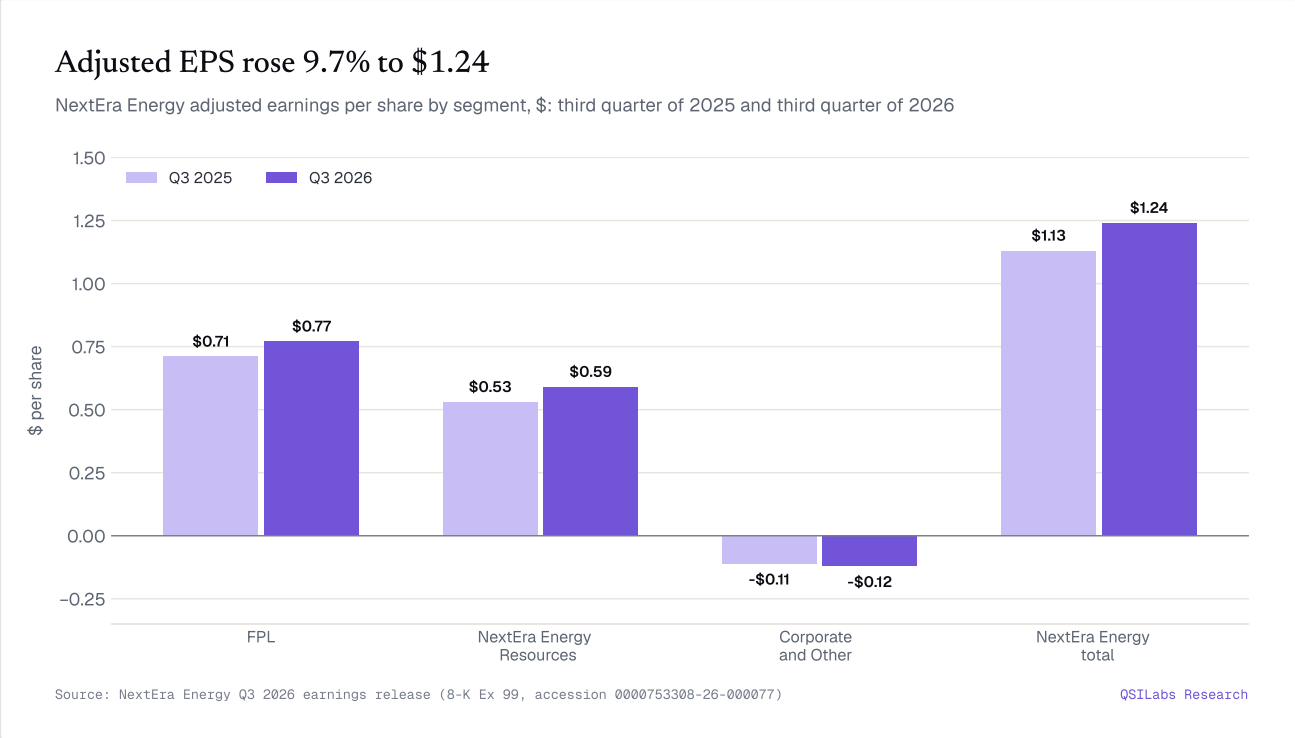


FIGURE 1 Adjusted EPS rose 9.7% to $1.24. FPL contributed $0.77 against $0.71, NextEra Energy Resources $0.59 against $0.53 and Corporate and Other minus $0.12 against minus $0.11.

NEXTERA ENERGY IN 2026

JAN 2026	FPL's 2025 rate agreement takes effect, running through at least December 2029, with an authorised ROE of 10.95%	Form 10-K
30 APR 2026	NEE closes at $97.88, its 52-week closing high	Yahoo Finance
MAY 2026	Combination with Dominion Energy announced; the combined company targets about 11% annual growth in regulatory capital employed	8-K Ex 99
3 SEP 2026	Shareholders of both NextEra Energy and Dominion Energy approve the combination	8-K Ex 99
28 SEP 2026	NEE closes at $75.49, its 52-week closing low	Yahoo Finance
OCT 2026	Hurricane Isaias makes landfall near the Florida panhandle and leaves FPL's service area on 10 October	Form 10-Q; 8-K Ex 99
21 OCT 2026	Third-quarter results: adjusted EPS of $1.24, up 9.7%; Form 10-Q filed	8-K Ex 99; Form 10-Q
2 NOV 2026	NEE closes at $85.03, the price used in our valuation	Yahoo Finance
JAN 2027	Final orders on the Dominion combination expected in Virginia and South Carolina	8-K Ex 99
2H 2027	Combination expected to close	8-K Ex 99

Why did GAAP earnings almost double?

GAAP earnings include mark-to-market moves on hedges that NextEra excludes from adjusted earnings. The earnings release shows pre-tax gains on non-qualifying hedges of $3,005m in the third quarter, $2,623m of them at Corporate and Other, where NextEra carries its interest rate hedges; Corporate and Other's interest expense line was a net gain of $2,228m. After $745m of related tax, GAAP net income attributable to NextEra was $4,775m,

$2,183m more than adjusted earnings. Corporate and Other reported GAAP EPS of $0.80 but an adjusted loss of $0.12 a share.

The effective tax rate was about 13.2% in the quarter (income taxes of $662m on pre-tax income of $5,029m), well below the 21% federal rate, because of clean energy tax credits. NextEra can sell those credits to other companies for cash.

How fast is FPL's rate base growing?

FPL's regulatory capital employed grew about 9.2% from a year earlier, the main reason FPL's earnings per share rose 6 cents. Dunne said FPL's regulatory ROE for the 12 months to September 2026 will be about 11.8%. FPL's authorised ROE under its 2025 rate agreement, which runs from January 2026 through at least December 2029, is 10.95%, within a range of 9.95% to 11.95%. In the quarter FPL reversed about $172m of its rate stabilisation mechanism, leaving an after-tax balance of about $1.5bn.

Demand is rising. FPL's retail sales rose 2.8%, or 1.4% after adjusting for weather, as it added customers. NextEra raised its expectation for large-load customers, such as data centres, at FPL from 6 GW to 8 GW by 2032. FPL's typical residential bill is about 37% below the US average and is projected to rise about 2% a year on average through the end of the decade, the company said. The US Energy Information Administration expects US electricity consumption to grow 2.2% in 2026 and 1.6% in 2027.

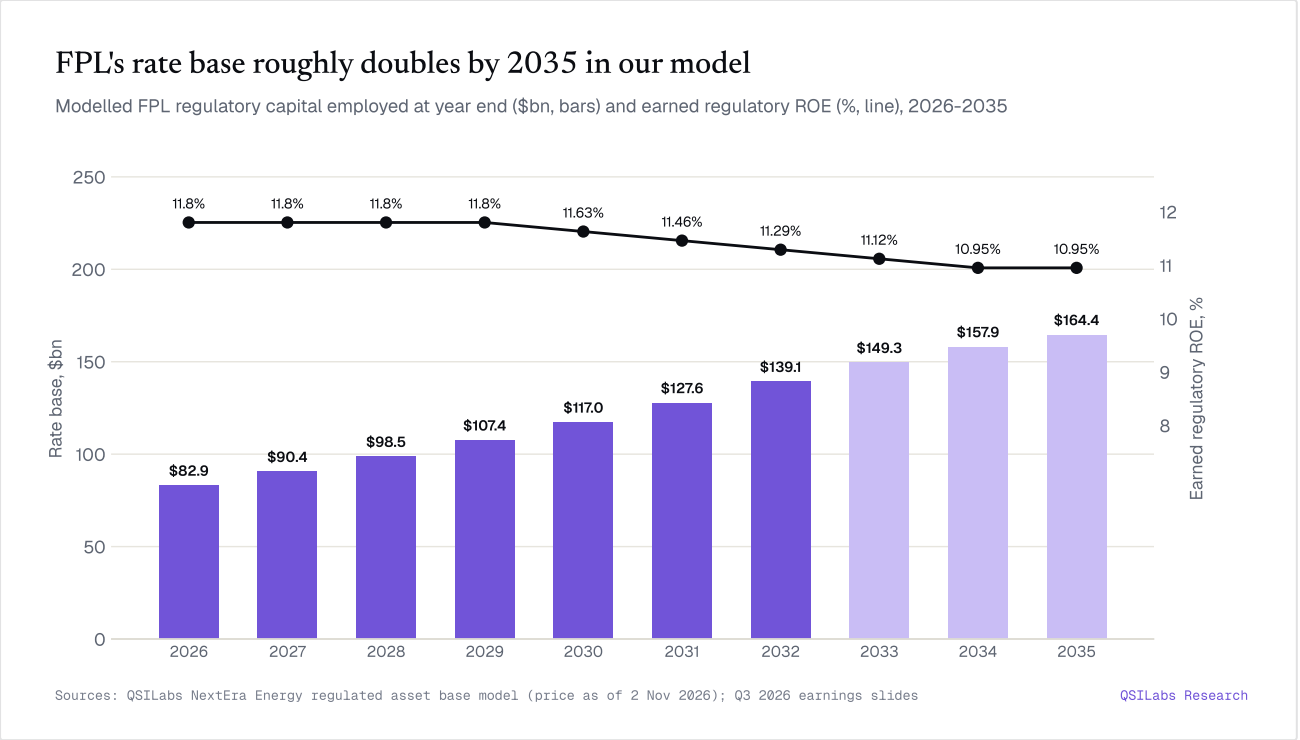


FIGURE 2 In our model FPL's rate base grows from $82.9bn at the end of 2026 to $164.4bn in 2035, about 9% a year to 2032 in line with NextEra's target, and the earned ROE eases from 11.8% to the authorised 10.95% by 2034.

Hurricane Isaias made landfall near the Florida panhandle in October and left FPL's service area on 10 October. FPL restored power to more than 97% of affected customers by the following Tuesday. It has not finalised its restoration costs. Under the 2025 rate agreement, storm costs can be recovered through a surcharge capped at $5 per 1,000 kWh on residential bills in the first 12 months.

What is in NextEra Energy Resources' backlog?

NextEra Energy Resources' adjusted earnings rose about 13% to $1,247m. New investments, which now include federal hubs, added 9 cents a share and existing assets 5 cents, helped by wind resource of 101% of the long-term average against 90% a year earlier. The customer supply business and other items each cost 4 cents.

The renewables and storage backlog is about 36.7 GW. NextEra needs to add 17.6 GW more to reach the midpoint of its development expectations for 2026 to 2029. Other growth areas the company highlighted:

- **Federal hubs.** Definitive agreements for three projects, two in Texas and one in Pennsylvania, totalling about 16.5 GW, with $5.7bn of initial funding secured this year.

NextEra expects to develop, build and operate them for fees without investing its own capital.

- **Data centres it would own.** At the Department of Energy's Paducah site in Kentucky, NextEra expects to build up to 2 GW of gas generation and up to 2.6 GW of battery storage.
- **Nuclear.** Duane Arnold in Iowa is on track to restart no later than the first quarter of 2029, backed by a Department of Energy loan of up to $1.9bn. A 20-year contract for about 1 GW of Point Beach output in Wisconsin still needs state approval.
- **Transmission.** Regulated and invested capital plus secured capital spending in electric and gas transmission rose about 25% since December 2025 to about $12.7bn.

How much is NextEra spending?

Capital spending was $27.2bn in the first nine months, up 43% from $19.0bn a year earlier: $8.2bn at FPL and $19.0bn at NextEra Energy Resources. The 10-Q puts total 2026 spending at about $36.6bn. Its estimates fall after that because NextEra Energy Resources' figures for later years include only projects already approved.



FIGURE 3 Capital spending peaks at $36.6bn in 2026 and falls to $15.6bn in 2029 in the 10-Q estimates; FPL's spending stays between $11.3bn and $13.3bn a year.

The spending is financed largely with debt. Interest-bearing debt was $113.9bn at 30 September 2026, and cash $5.6bn. Dunne said NextEra has more than $48bn of forward-starting interest rate hedges at an average rate of about 4% and that a 50 basis point move in rates would change 2028 EPS by 1 to 3 cents.

How has NEE stock performed in 2026?

NEE closed at $85.03 on 2 November 2026, up 5.9% from $80.28 at the end of 2025. It reached a closing high of $97.88 on 30 April and a low of $75.49 on 28 September. The shares closed at $78.28 on results day and have risen 8.6% since.

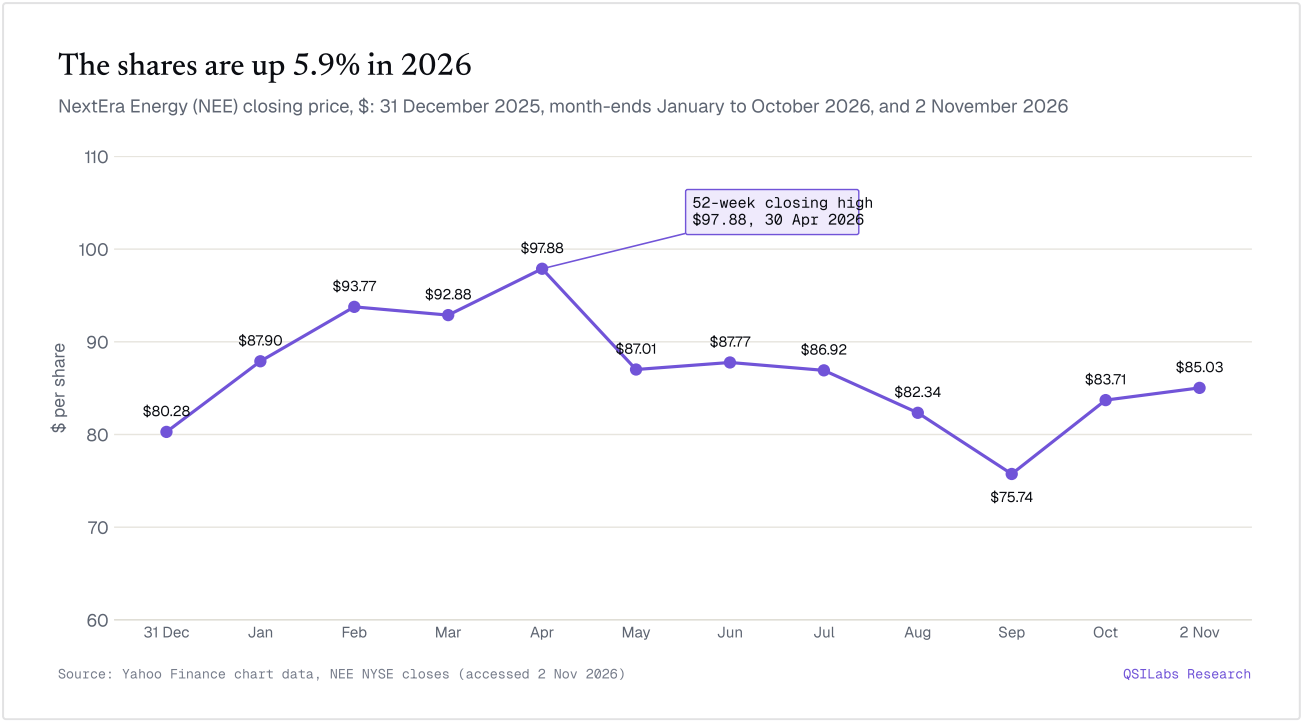


FIGURE 4 NEE rose from $80.28 at the end of 2025 to a closing high of $97.88 on 30 April 2026, fell to $75.74 at the end of September and closed at $85.03 on 2 November 2026.

At $85.03 the shares trade at 21.1 times the S&P Global consensus for 2026 EPS of $4.03 and 19.4 times the 2027 consensus of $4.38. The quarterly dividend of $0.6232 gives a yield of 2.9%.

NextEra Energy stock Q3 2026: is NEE undervalued?

Not on our numbers. Our model values NEE at $45.00 a share, 0.53 times the $85.03 close. Analysts are far higher: the 22 analysts in S&P Global's data have an average target of $94, a median of $99 and a range of $56 to $110.

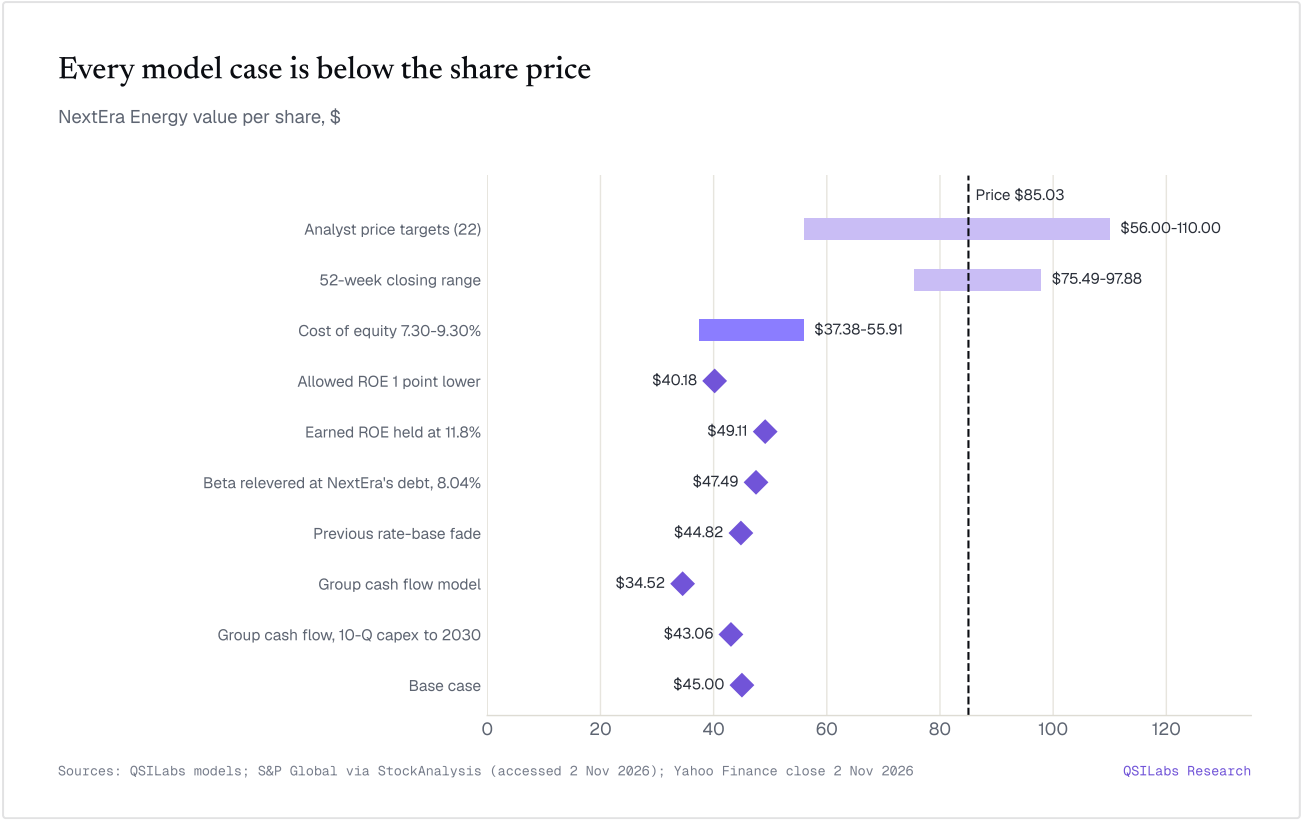


FIGURE 5 Our base case is $45.00 a share against an $85.03 close. Every model case falls between $34.52 and $55.91, below the share price and below the 52-week closing range of $75.49 to $97.88.

Method

We value NextEra with a regulated asset base model, the method we use for utilities. It has three parts:

1. **FPL rate-base equity: $48.3bn, or $23.04 a share.** That is the 59.6% equity share of FPL's $81.1bn rate base.
2. **FPL excess returns: $35.9bn, or $17.14 a share.** We take the present value of FPL earning more than its cost of equity of 8.30%. That is $14.4bn to 2035 and $21.6bn after it, which is 22.8% of total equity value. The rate base grows 9.2% in 2026 and 9% a year to 2032, in line with NextEra's target of 9% growth in FPL's regulatory capital employed

through 2032. It then slows to 2.5%, with the step-down spread over 2033 to 2035. We hold the earned ROE at 11.8% while the rate agreement runs to 2029, then ease it to the authorised 10.95% by 2034.

3. **NextEra Energy Resources and Corporate and Other: $10.1bn, or $4.82 a share.** This is their book equity, $61.5bn of group equity minus FPL's $51.4bn, so the holding company's debt is already deducted.

The cost of equity is a 5.12% risk-free rate plus Damodaran's global power industry beta of 0.713 times a 4.46% US equity risk premium. We use the US premium because nearly all of NextEra's assets are in the US: NextEra Energy Resources has 37,145 MW in the US against 360 MW in Canada.



FIGURE 6 FPL rate-base equity of $23.04, excess returns to 2035 of $6.86 and after 2035 of $10.28, plus NextEra Energy Resources and Corporate at book of $4.82, give $45.00 a share against an $85.03 price.

Why our value is below the price

At $85.03, NextEra's market value is about $178.4bn. Our FPL value is $84.3bn. The market is therefore paying about $94.1bn, or $44.85 a share, for NextEra Energy Resources and Corporate and Other, against $10.1bn of book equity. Investors are paying for the backlog, the federal hubs and the growth NextEra targets: adjusted EPS growth of 8% or more a year to 2032 and again to 2035, from $3.71 in 2025. Our model gives no credit for that above book value. If you think NextEra Energy Resources will earn well above its cost of capital, our

number is too low. If you think its returns will fall towards its cost of capital, the price assumes a lot.

We also update NextEra's group-wide numbers in a discounted cash flow model as a cross-check. It uses consensus revenue of $30.6bn for 2026 and $34.2bn for 2027, an operating margin of 31.7% (nine months to September), a 13.2% tax rate (third quarter) and a weighted average cost of capital of 6.61%. On our capital spending path, which fades from the 10-Q's 2028 figure, it gives $34.52 a share. Using the 10-Q estimates for 2029 and 2030 instead, $15.6bn and $17.3bn, gives $43.06. Because spending exceeds operating cash flow until 2030, the terminal value is more than 90% of enterprise value in both runs, so we give this model less weight. Debt is about 39% of NextEra's debt plus market value, so small changes in interest costs matter.

How the number moves if you argue with us

SCENARIO	VALUE PER SHARE
Base case	$45.00
Cost of equity 1 point lower, 7.30%	$55.91
Cost of equity 1 point higher, 9.30%	$37.38
Beta relevered at NextEra's own debt level, cost of equity 8.04%	$47.49
Earned ROE held at 11.8% through 2035	$49.11
Authorised ROE 1 point lower from 2030	$40.18
Previous rate-base fade after 2032 (7%, 5%, 3.5%)	$44.82
Group cash flow model, 10-Q capex in 2029-30	$43.06
Group cash flow model	$34.52

The previous model valued NEE at $44.78 when the shares were $78.28 on 21 October. This update adds the third-quarter figures and spreads the slowdown in rate-base growth after 2032 more evenly. Under the old path (7%, 5% and 3.5%) the value would be $44.82.

Risks to the NextEra Energy investment case

- **Merger risk.** The Dominion combination needs state and federal approvals; NextEra has offered Virginia benefits including doubled residential bill credits and up to a $5bn supplier programme. We have not modelled the combination.
- **Regulation.** Groups that did not sign the 2025 rate agreement have appealed it to the Florida Supreme Court. A lower allowed ROE after 2029 would cut our value; 1 point lower gives $40.18.
- **Storms.** Isaias costs are not yet final, and recovery through customer bills is capped in the first year.
- **Interest rates and funding.** NextEra carries $113.9bn of interest-bearing debt and is spending heavily. Higher rates raise the cost of equity, and a 1 point rise cuts our value to $37.38.
- **Policy and tax credits.** NextEra Energy Resources' economics depend on clean energy tax credits and on selling them.
- **Litigation.** NextEra, FPL and current and former executives are defendants in a shareholder securities class action and derivative suits.

FAQ

What value does QSILabs put on NextEra Energy stock?

$45.00 a share, from a regulated asset base model priced on 2 November 2026, against a close of $85.03. The model values FPL's rate base and its excess returns, and carries NextEra Energy Resources and Corporate and Other at book value.

Should I buy NextEra Energy shares after these results?

We do not give buy or sell advice. On our method the price is about double our value because the market pays far more than book value for NextEra Energy Resources. Analysts' average target of $94 is above the price. Which view you share depends on how much you expect the renewables, storage and gas business to earn.

What earnings does NextEra expect for 2026 and beyond?

NextEra expects 2026 adjusted EPS of $3.92 to $4.02 and is targeting the high end. It expects adjusted EPS to grow 8% or more a year through 2032 and targets the same from 2032 to 2035, from a 2025 base of $3.71. It expects dividends per share to grow about 10% in 2026 and 6% a year from the end of 2026 through 2028.

When will the NextEra and Dominion deal close?

NextEra expects the combination with Dominion Energy to close in the second half of 2027. Shareholders approved it on 3 September 2026; final orders in Virginia and South Carolina are expected in January 2027, and North Carolina hearings start in February 2027. The combined company expects about 11% annual growth in regulatory capital employed through 2032.

What do analysts expect NEE shares to reach?

The 22 analysts in S&P Global's data have an average price target of $94, a median of $99, a low of $56 and a high of $110, according to StockAnalysis.

What dividend does NextEra Energy pay?

NextEra paid $0.6232 a share in the third quarter, up 10.0% from $0.5665. That is $2.49 a year, a 2.9% yield at $85.03.

What did Hurricane Isaias do to FPL?

Isaias made landfall near the Florida panhandle in October 2026. FPL restored power to more than 97% of affected customers within days. NextEra said no hardened transmission or distribution pole failed. Restoration costs are not yet final and can be recovered from customers, subject to a cap in the first year.

What is a NextEra federal hub?

A large-load project that NextEra Energy Resources develops, builds and operates for fees without investing its own capital. It has signed three, two in Texas and one in Pennsylvania, totalling about 16.5 GW, and has a pipeline of 30 potential hubs that it expects to rise to 40 by the end of 2026.

How much debt does NextEra Energy have?

$113.9bn of interest-bearing debt at 30 September 2026, against $5.6bn of cash. Its debt has a weighted average maturity of about 15 years, and it has more than $48bn of forward-starting interest rate hedges.

Who runs NextEra Energy?

John Ketchum is chairman, president and chief executive of NextEra Energy, and Mike Dunne is chief financial officer. The company is based in Juno Beach, Florida.

Sources

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11. QSILabs NextEra Energy regulated asset base model (internal; price as of 2 Nov 2026)

About this analysis

Written by QSI Labs Research. We read NextEra Energy's filings (the third-quarter 2026 earnings release filed with the SEC on Form 8-K, the Form 10-Q for the quarter ended 30 September 2026, the Form 10-K for 2025 and quarterly data in SEC XBRL), the slides and prepared remarks for the 21 October 2026 earnings call and the US Energy Information Administration's October 2026 Short-Term Energy Outlook. We value the company with a regulated asset base model: the equity FPL's customers fund through its rate base, plus the present value of returns above the cost of equity, plus NextEra Energy Resources and Corporate and Other at book value. A group-wide discounted cash flow

model is a cross-check. Forecasts are QSILabs estimates based on company guidance and targets, S&P Global consensus and the EIA outlook; every reported figure is cited to its source. Figures as of the third-quarter 2026 results; price as of the 2 November 2026 close.

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