



## **TAMID Equity Research Report 2023-01-29: NEE**

In this report, we will discuss the key financial, economic, and business factors that are likely to impact the stock price of NextEra Energy Inc (NYSE: NEE) in the future.

**P/E Ratio:** The P/E ratio is a measure of how much investors are willing to pay for each dollar of profit generated by a company. A low P/E ratio indicates that investors are paying less for each dollar of profit, which can be returned to shareholders in the form of dividends and buybacks.

**Revenue and EPS Growth:** Revenue and earnings per share (EPS) growth are critical factors in the success of a company. The fact that NEE is ranked as one of the top utilities stocks according to a growth model that scores companies based on a 50/50 weighting of their most recent quarterly year-over-year (YOY) percentage revenue growth and most recent quarterly YOY EPS growth suggests that NEE has strong revenue and EPS growth prospects.

**Interest Rates:** Interest rates play a role in determining the attractiveness of utilities stocks relative to fixed-interest securities. When interest rates are high, risk-averse investors tend to favor fixed-interest securities over utilities stocks because they provide attractive risk-free returns. However, when interest rates are low or falling, utilities stocks are typically favored because they offer more lucrative returns while displaying lower volatility than stocks in other sectors.

Cost of Servicing Debt: Utilities companies like NEE carry high debt levels to build, maintain, and upgrade essential infrastructure. The cost of servicing this debt can have an impact on the company's profitability and, therefore, its stock price.

CEO Retirement: It is announced that Eric Silagy, CEO of Florida Power & Light Company (FPL), has notified the company of his intention to retire after 20 years with the company, including 11 years leading FPL. This news can have an impact on the stock price as it could bring uncertainty to the company's future and the market may react negatively.

Market trend and the overall economic situation: the overall market trend can have a significant impact on the stock price. With January about to conclude, weâ??ve come off last yearâ??s bearish trend, and seen solid gains over the first month of the year, but that doesnâ??t mean weâ??re out of the woods. The energy sector can also put a jolt into your passive income these days. With the Federal Reserveâ??s first meeting of the year, and the monthly jobs report for January set up the busiest week of the new year, this could bring uncertainty in the market.

In conclusion, NextEra Energy Inc (NYSE: NEE) has strong revenue and EPS growth prospects, which are likely to drive its stock price higher in the future. However, the company's high debt levels and the cost of servicing that debt, as well as interest rate fluctuations, may also have an impact on its stock price. Additionally, the CEO retirement and the overall economic situation, market trend and the Federal Reserve's first meeting of the year, could bring uncertainty in the market which may impact the stock price of NEE.