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CREDIT OPINION
13 April 2026

Update

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RATINGS

Florida Power & Light Company

Domicile	Juno Beach, Florida, United States
Long Term Rating	A1
Type	LT Issuer Rating
Outlook	Stable

Please see the ratings section at the end of this report for more information. The ratings and outlook shown reflect information as of the publication date.

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Florida Power & Light Company

Update to credit analysis

Summary

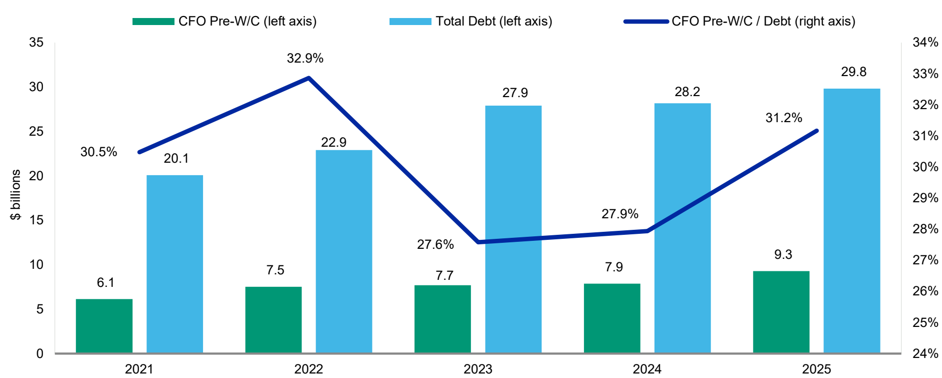
Florida Power and Light Company's (FPL, A1 stable) credit quality reflects its strong financial profile and the highly supportive Florida regulatory environment. FPL is the principal subsidiary of NextEra Energy, Inc. (NEE, Baa1 stable), one of the largest power and utility holding companies in North America. The utility's credit quality is the foundation of NEE's consolidated credit quality. FPL is the largest vertically integrated regulated utility in Florida, with approximately 37 gigawatts (GW) of generating capacity and more than 6 million customer accounts or over 12 million people across nearly half of the state.

The Florida regulatory framework has a strong track record of allowing the state's utilities to recover costs in a timely manner, built on high equity capitalization (e.g., almost 60% for FPL) and allowed ROEs in excess of 10%. The regulatory construct also includes timely cost recovery mechanisms that enable FPL to generate predictable and stable cash flow and maintain consistently strong financial metrics, such as FPL's cash flow from operations before changes in working capital (CFO pre-WC) to debt over 30% in 2025.

FPL's credit profile also considers its geographic concentration risk, as a single-state utility exposed to extreme weather events, such as hurricanes and tropical storms. Since we expect extreme weather events to be more severe and more frequent, credit-supportive regulation remains critical to mitigate this risk.

Lastly, FPL's ratings are also constrained by a high level of holding company debt at its parent, NEE, which is a key driver of the three notch differential in ratings between the parent and subsidiary.

Exhibit 1
Historical CFO pre-W/C, Total Debt and ratio of CFO pre-W/C to Debt



All data based on adjusted financial data, which follow our Financial Statement Adjustments in the Analysis of Nonfinancial Corporations methodology.
Source: Moody's Financial Metrics™

Credit strengths

» Consistent and credit-supportive regulatory environment

» FPSC provides timely recovery of prudent costs and investments, including some outside of general rate proceedings

» Much stronger financial profile than most regulated utilities

» Large residential customer base enhances stability of revenues and cash flow

Credit challenges

» Increasing capital spending to meet growing power demand

» High level of parent debt constrains the rating

» Geographic concentration in a state that is prone to tropical storms and hurricanes

» Can be subject to potential pressures from Florida's political environment from time to time

Rating outlook

FPL's stable outlook reflects our expectation that the Florida regulatory framework will remain highly credit supportive, including certain cost (e.g, solar and battery investments and storm hardening) recovery outside of general rate proceedings and the ability to obtain storm cost recovery. We also expect FPL to maintain strong and stable financial metrics, including a ratio of CFO pre-WC to debt in the 28-30% range.

Factors that could lead to an upgrade

FPL's rating is constrained by its geographic concentration in a state that is prone to event risk from hurricanes and tropical storms as well as its parent's high level of holding company debt, which is the key driver of the relatively wide rating differential between the two entities. Over the longer term, FPL could be upgraded in conjunction with an upgrade of NEE, and if NEE's level of holding company debt declines substantially as a percentage of consolidated debt.

Factors that could lead to a downgrade

A downgrade of FPL's rating could be considered if there are significant cost disallowances, delays or other changes that would weaken our assessment of Florida's regulatory framework; if the political environment were to become contentious; or if there is a sustained decline in key financial metrics, such that its ratio of CFO pre-WC to debt declines below 25%.

A downgrade of NEE could also result in a downgrade of FPL, due to the utility's affiliation with a weaker parent.

Exhibit 2
Florida Power & Light Company

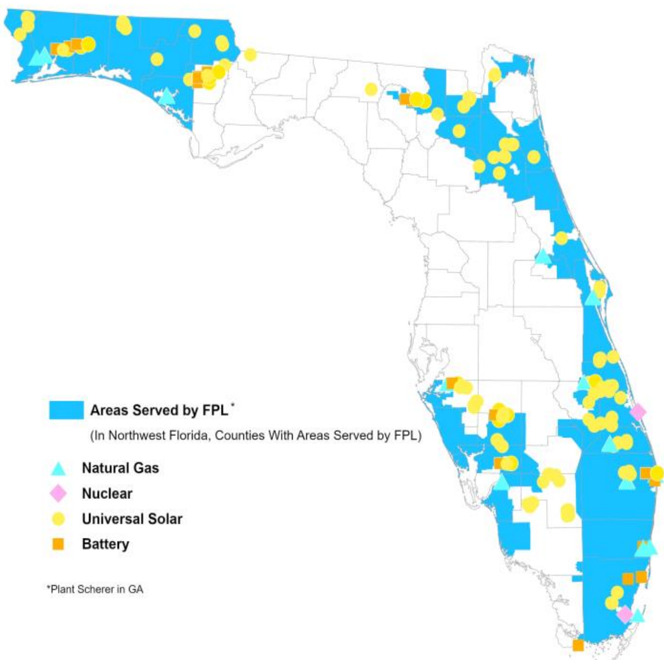
	2021	2022	2023	2024	2025
CFO Pre-W/C + Interest / Interest	11.0x	10.8x	7.7x	7.4x	8.0x
CFO Pre-W/C / Debt	30.5%	32.9%	27.6%	27.9%	31.2%
CFO Pre-W/C – Dividends / Debt	27.8%	24.1%	11.3%	14.8%	27.5%
Debt / Capitalization	33.0%	32.6%	37.1%	34.9%	34.3%

All data based on adjusted financial data, which follow our Financial Statement Adjustments in the Analysis of Nonfinancial Corporations methodology.
Source: Moody's Financial Metrics™

Profile

Headquartered in Juno Beach, FL, Florida Power & Light Company is one of the largest regulated electric utilities in the US and the principal subsidiary of NextEra Energy, Inc. (NEE, Baa1 stable), one of the largest power and utility holding companies globally. FPL serves more than 6 million customer accounts or an estimated 12 million residents across more than half of the state of Florida and has about 37 gigawatts (GW) of generation capacity. FPL typically accounts for roughly 70% of NEE's consolidated EBITDA.

Exhibit 3
FPL's service Territory



Source: Company filings

Detailed credit considerations

Highly supportive Florida regulatory environment underpins credit quality

The regulatory environment for investor-owned utilities in Florida remains highly credit supportive. In its last several rate proceedings, FPL has been able to achieve multiyear rate settlements which provide a high degree of rate certainty and have supported the company's credit quality. They have included timely recovery of rate base investments, including generation, and grid hardening to combat extreme weather events, while also addressing the impacts of storm restoration costs, as needed.

The Florida regulatory framework has a strong track record of allowing the state's utilities to recover costs in a timely manner. For example, FPL has generally operated under a four-year rate plan that offers annual revenue increases and prescribed recovery for other costs through rider mechanisms, such as for investment in grid-hardening and new generation.

Another important example of ongoing regulatory support is in the case of hurricanes. The company can, and has, petitioned for recovery of storm damage costs in excess of its storm reserve that is collected through a storm surcharge. Securitization legislation for the recovery of storm-related costs is also in place in Florida, if necessary. Severe storms typically cause most US utilities to have multiple years of depressed financial metrics; however, the FPSC allows state utilities to recover the associated costs of repair over a 12-month period, which not only lends toward predictability of recovery, but buttresses utility financial performance during challenging periods.

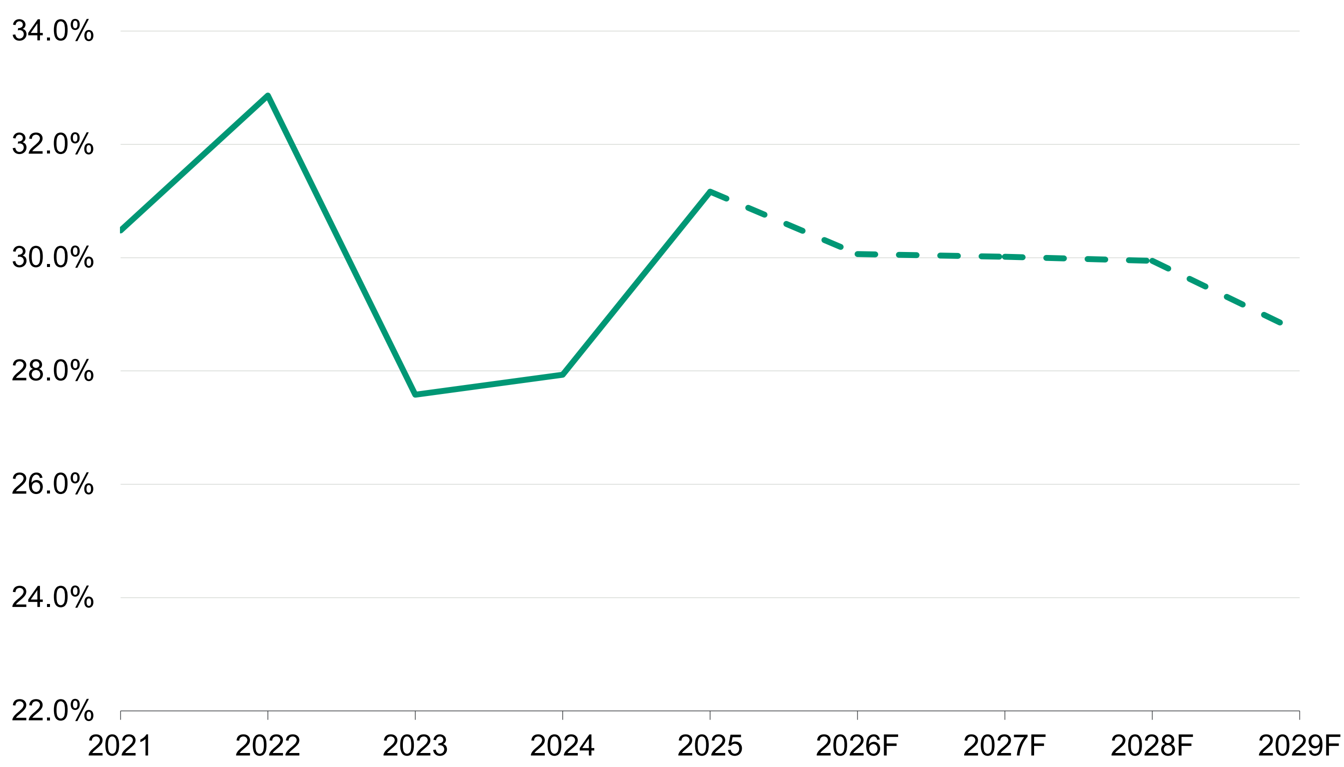
Financial profile expected to remain strong under new 2026-29 rate plan

For FPL, the FPSC support has translated into robust financial metrics, such as CFO pre-WC to debt over 30% in 2025. Going forward, we expect the company's financials will remain steady and strong, given the provisions included in the company's 2025 rate case settlement approval.

On 20 November, the FPSC approved FPL's rate settlement, and a four-year rate plan through 2029, allowing two successive years of base rate increases ($945 million in 2026 and $705 million in 2027) and Solar Base Rate Adjustments (SoBRA) for solar and battery projects added to the grid throughout the rate plan and battery storage in 2028-29. FPL's rates were premised off of a $75 billion rate base, 59.6% allowed equity layer and 10.95% ROE, which also has a 100 basis points earnings band. Therefore, the company can earn up to 11.95% without risking a rate review by the commission and can also file for rate increases should their earned ROE drop below 9.95%.

The FPSC order also included a Rate Stabilization Mechanism (RSM) which allows FPL to amortize deferred tax liabilities - up to $1.5 billion - through 2029 to help stabilize customer bills and avoid general rate increases in 2028 and 2029. While this mechanism is beneficial from a customer relations and affordability perspective, it will curb cash flow growth for the company at the end of its rate plan. Despite the trend for general rates, we expect that ongoing rate increases through rider recovery (e.g., SoBRA investment) will be sufficient to maintain FPL's financial profile during these years, before a new rate plan emerges.

Exhibit 4
Historical and Forecasted CFO Pre-WC to debt for



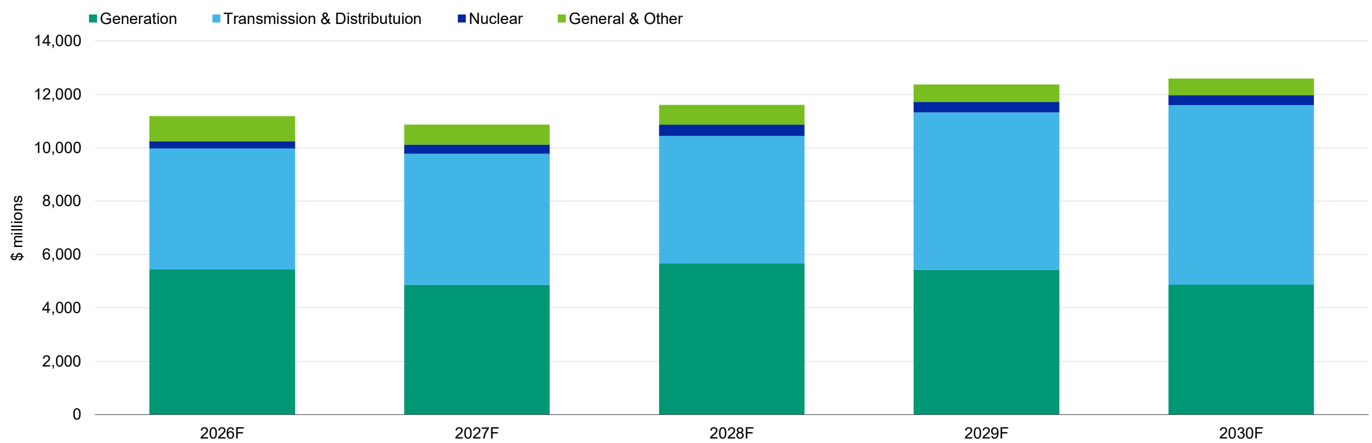
Source: Company filings, Moody's Financial Metrics™

Capital expenditure program continues to increase along with power demand

The cost recovery provisions and rider recovery of FPL remains critical, as power demand growth requires the company to increase capital spending and related debt issuance. FPL expects to invest nearly $60 billion of new capital from 2026-2030.

Over $5 billion (46% of total) of FPL's annual capital expenditures over the next five years will be used towards updating its transmission and distribution network including grid hardening and reliability investments. Roughly $1.3 billion per year (11% of total) of the projected spending is earmarked towards its existing generation portfolio and about $4 billion (34% of total), on average, of the annual investments will go towards new generation capacity, which will include natural gas in addition to the primary focus on solar power.

Exhibit 5
FPL's capital plan continues to increase through 2030



Source: Company filings

The company expects to spend a substantial amount of capital to meet data center demand growth over the next several years, as well, given the company's relatively low billing rates compared to national averages and the state's policy for tax breaks offered to such customers. However, the amount of this load growth, and FPL's required investment, is uncertain due to the global nature of data center operations and competing market dynamics. FPL has received about 20 GW of interest for potential load from this customer class, which could increase capital requirements beyond current expectations.

Holding company leverage remains elevated and constrains the credit profile of the entire corporate family

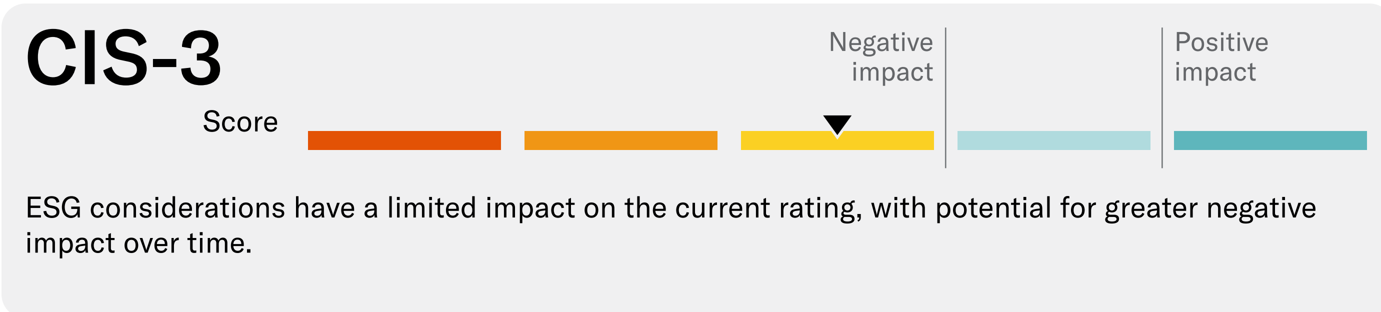
NEE's credit - and FPL's - is constrained by around $41 billion of total adjusted holding company debt, issued by an intermediate holding company, NextEra Energy Capital Holdings, Inc. (NEECH, Baa1 stable), and guaranteed by NEE. NEECH's holding company debt is about 44% of consolidated adjusted debt and includes the proportional consolidation (i.e., just over $3 billion of debt) of NEE's 51.2% interest in XPLR Infrastructure, LP (XPLR, Ba1 stable), a limited partnership that owns approximately 10 GW of renewable power generation assets.

At year-end 2025, the company's holding company's debt includes $3.5 billion of debentures related to equity units maturing in 2029. These securities trigger the mandatory issuance of new equity in three years from the time of issuance. As has been the case historically, we expect NEE to use the proceeds from the new equity to pay down holding company debt, thereby reducing the percentage of holding company debt, to consolidated debt, over time.

ESG considerations

Florida Power & Light Company's ESG credit impact score is CIS-3

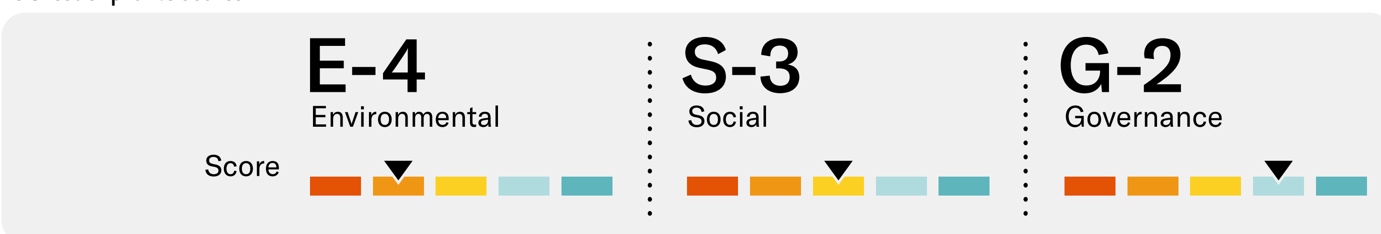
Exhibit 6
ESG credit impact score



Source: Moody's Ratings

FPL's **CIS-3** indicates that ESG considerations have a limited impact on the current rating with potential for greater negative impact over time. Physical climate risks from a service territory prone to hurricanes and tropical storms drives the high environmental risk score. Governance risk and exposure to demographic and social trends, such as a less supportive regulatory environment and customer affordability concerns, could weaken credit quality over the long-term.

Exhibit 7
ESG issuer profile scores



Source: Moody's Ratings

Environmental

FPL's **E-4** issuer profile score largely reflects high physical climate risks resulting from hurricanes and tropical storms in its service territory. FPL's carbon transition is not considered a material risk because it has a diverse portfolio of generation including minimal coal and growing renewable energy resources. The company's nuclear generation fleet adds risks of waste management and pollution. While FPL has not had any problems with its nuclear fleet or nuclear waste to date, it remains an inherent risk for nuclear operators in the industry.

Social

FPL's **S-3** issuer profile score considers the operation of nuclear generation which heightens the risk of responsible production, while demographics and societal trends may increase public concern over environmental, social, or affordability issues and lead to adverse regulatory or political intervention. FPL's social risks are somewhat offset by low customer rates that are below the national average, strong customer and load growth, as well as the robust and independent regulatory framework in which it operates. The regulatory framework provides strong assurance that the company will be able to recover storm costs from customers, even where these can be politically controversial.

Governance

FPL's **G-2** issuer profile score is broadly in line with other regulated utilities and does not pose a particular risk. The company's financial policy is to maintain the capital structure established in its regulatory rate construct with any dividends distributed to its parent, NextEra Energy, offset by sufficient equity injections to maintain its target capital structure.

ESG Issuer Profile Scores and Credit Impact Scores for the rated entity/transaction are available on Moodys.com. In order to view the latest scores, please click here to go to the landing page for the entity/transaction on MDC and view the ESG Scores section.

Liquidity analysis

FPL maintains ample liquidity through stable and strong cash flow generation and access to substantial external liquidity sources.

Over the next 12 months, we expect FPL to generate around $10 billion of cash flow from operations, compared to about $10-$11 billion of capital expenditures, resulting in negative free cash flow of up to $1 billion, before considering any dividends to NEE. We expect the company will continue to use short and long-term debt borrowings, as well as parent capital contributions, to supplement its cash needs. We expect any financings will be done in a balanced manner that will maintain its regulated capital structure of about 60% equity.

To supplement cash needs, the company has access to $3.3 billion of revolving bank credit facilities that also backstop its commercial paper (CP) program under which $1.1 billion was outstanding. The credit facilities also support about $1.6 billion of variable rate pollution control revenue bonds in the event the bonds are put back to the company and not remarketed.

FPL's credit facilities do not contain a material adverse change clause for new borrowings. The company was in compliance with the debt-to-capitalization financial covenant contained in these agreements as of 31 December 2025, which it does not disclose. FPL also has nearly $1.1 billion of credit facilities with bilateral counterparties, with no borrowings as of 31 December 2025.

The company maintains very strong access to the capital markets, which typically allows the utility to easily refinance its debt maturities. FPL's next material debt maturity is in May 2026, when $500 million senior unsecured notes come due.

Methodology and scorecard

We use our global Regulated Electric and Gas Utilities rating methodology as the primary methodology for analyzing FPL.

Exhibit 8
Rating factors
Florida Power & Light Company

Regulated Electric and Gas Utilities Industry Scorecard	Current FY Dec-25		Moody's 12-18 month forward view	
Factor 1 : Regulatory Framework (25%)	**Measure**	**Score**	**Measure**	**Score**
a) Legislative and Judicial Underpinnings of the Regulatory Framework	A	A	A	A
b) Consistency and Predictability of Regulation	Aa	Aa	Aa	Aa
Factor 2 : Ability to Recover Costs and Earn Returns (25%)				
a) Timeliness of Recovery of Operating and Capital Costs	Aa	Aa	Aa	Aa
b) Sufficiency of Rates and Returns	Aa	Aa	Aa	Aa
Factor 3 : Diversification (10%)				
a) Market Position	A	A	A	A
b) Generation and Fuel Diversity	A	A	A	A
Factor 4 : Financial Strength (40%)				
a) CFO pre-WC + Interest / Interest (3 Year Avg)	7.7x	Aa	7.6x	Aa
b) CFO pre-WC / Debt (3 Year Avg)	28.9%	A	30.0%	Aa
c) CFO pre-WC – Dividends / Debt (3 Year Avg)	18.1%	A	24.6%	A
d) Debt / Capitalization (3 Year Avg)	35.4%	A	34.2%	Aa
Rating:				
Scorecard-Indicated Outcome Before Notching Adjustment		Aa3		Aa3
HoldCo Structural Subordination Notching		0		0
a) Scorecard-Indicated Outcome		Aa3		Aa3
b) Actual Rating Assigned				A1

All data based on adjusted financial data, which follow our Financial Statement Adjustments in the Analysis of Nonfinancial Corporations methodology.
Moody's forecasts are Moody's opinion and do not represent the views of the issuer.
Sources: Moody's Financial Metrics™ and Moody's Ratings forecasts

Appendix

Exhibit 9

Peer comparison

Florida Power & Light Company

	Florida Power & Light Company A1 Stable			Alabama Power Company A1 Stable			Madison Gas and Electric Company A1 Stable			MidAmerican Energy Company A1 Stable			Duke Energy Carolinas, LLC A2 Stable		
(in $ millions)	FY Dec-23	FY Dec-24	FY Dec-25	FY Dec-23	FY Dec-24	FY Dec-25	FY Dec-23	FY Dec-24	FY Dec-25	FY Dec-23	FY Dec-24	FY Dec-25	FY Dec-23	FY Dec-24	FY Dec-25
Revenue	18,365	17,019	18,262	7,050	7,554	8,235	690	677	744	3,393	3,251	3,907	8,288	9,718	9,713
CFO Pre-W/C	7,696	7,871	9,291	2,453	2,897	3,080	226	228	244	1,964	2,050	2,068	3,910	3,058	4,436
Total Debt	27,903	28,175	29,812	11,258	11,189	12,052	825	830	971	8,851	8,903	9,282	16,780	17,605	18,883
CFO Pre-W/C + Interest / Interest	7.7x	7.4x	8.0x	6.4x	7.4x	7.3x	7.5x	7.1x	7.4x	6.6x	5.9x	6.1x	6.2x	4.9x	6.2x
CFO Pre-W/C / Debt	27.6%	27.9%	31.2%	21.8%	25.9%	25.6%	27.4%	27.4%	25.1%	22.2%	23.0%	22.3%	23.3%	17.4%	23.5%
CFO Pre-W/C – Dividends / Debt	11.3%	14.8%	27.5%	11.7%	15.3%	15.4%	19.9%	20.6%	18.2%	10.6%	18.3%	16.9%	23.3%	12.0%	22.4%
Debt / Capitalization	37.1%	34.9%	34.3%	40.6%	39.3%	39.9%	38.9%	36.9%	39.2%	40.4%	39.2%	39.1%	44.2%	44.6%	44.2%

All data based on adjusted financial data, which follow our Financial Statement Adjustments in the Analysis of Nonfinancial Corporations methodology.
Source: Moody's Financial Metrics™

Exhibit 10

Moody's-adjusted cash flow reconciliation

Florida Power & Light Company

(in $ millions)	2021	2022	2023	2024	2025
FFO	**6,398.0**	**7,511.0**	**7,896.0**	**8,087.0**	**9,519.0**
+/- Other	(274.0)	18.0	(200.0)	(216.0)	(228.0)
CFO Pre-WC	**6,124.0**	**7,529.0**	**7,696.0**	**7,871.0**	**9,291.0**
+/- ΔWC	(766.0)	(2,635.0)	565.0	579.0	(809.0)
CFO	**5,358.0**	**4,894.0**	**8,261.0**	**8,450.0**	**8,482.0**
- Div	540.0	2,000.0	4,545.0	3,700.0	1,100.0
- Capex	7,570.0	9,185.0	9,365.0	8,158.0	8,884.0
FCF	**(2,752.0)**	**(6,291.0)**	**(5,649.0)**	**(3,408.0)**	**(1,502.0)**
(CFO Pre-W/C) / Debt	30.5%	32.9%	27.6%	27.9%	31.2%
(CFO Pre-W/C - Dividends) / Debt	27.8%	24.1%	11.3%	14.8%	27.5%
Debt / Capitalization	33.0%	32.6%	37.1%	34.9%	34.3%
(FFO + Interest) / Interest	11.4x	10.8x	7.9x	7.6x	8.1x
Revenue	14,102.0	17,282.0	18,365.0	17,019.0	18,262.0
Interest Expense	615.0	768.0	1,149.0	1,234.0	1,335.0
Net Income	3,077.5	3,599.4	4,072.2	4,383.7	4,845.0
Total Assets	78,067.0	86,559.0	91,434.0	98,085.0	105,107.0
Total Liabilities	44,473.0	47,639.0	52,626.7	55,053.2	58,161.3
Total Equity	33,594.0	38,920.0	38,807.4	43,031.8	46,945.7

All data based on adjusted financial data, which follow our Financial Statement Adjustments in the Analysis of Nonfinancial Corporations methodology.
Source: Moody's Financial Metrics™

Ratings

Exhibit 11

Category	Moody's Rating
FLORIDA POWER & LIGHT COMPANY	
Outlook	Stable
Issuer Rating	A1
First Mortgage Bonds	Aa2
Senior Secured	Aa2
Senior Unsecured	A1
Commercial Paper	P-1
Other Short Term	VMIG 1
PARENT: NEXTERA ENERGY, INC.	
Outlook	Stable
Issuer Rating	Baa1
Senior Unsecured Shelf	(P)Baa1
Jr Subordinate Shelf	(P)Baa2
Pref. Shelf	(P)Baa3

Source: Moody's Ratings

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