

# NextEra Energy, Inc.

NextEra Energy, Inc.'s (NextEra) ratings reflect its ownership of Florida Power and Light Co. (FPL), a regulated utility operating in a constructive regulatory environment, and its strong competitive position as one of the largest renewable generation companies in the U.S. The ratings also reflect the recent announcement of an all-stock merger with Dominion Energy, Inc. (Dominion, BBB+/Stable). Fitch Ratings believes the merger will strengthen NextEra's business profile through greater scale, broader regulatory diversification and a higher share of regulated cash flow.

## Key Rating Drivers

**Improved Size and Scale:** The combination of NextEra and Dominion would create the largest U.S. utility holding company based on key financial indicators such as enterprise value, EBITDA, and regulated rate base. The transaction would materially expand NextEra's geographic and regulatory diversity through the addition of service territories in Virginia, North Carolina, and South Carolina. Florida, which has a constructive regulatory environment and strong growth outlook, would remain NextEra's largest utility exposure.

The combined entity would also maintain a leading position in renewable development within its nonregulated segment, while continuing to invest in new gas-fired and nuclear generation to support reliability and load growth. Fitch views NextEra's increased scale and diversification as positive, as they enhance cash flow stability, reduce concentration risk, and improve the company's ability to absorb regulatory, operational, or market-specific pressures in any single jurisdiction or business line.

**Constructive Regulatory Environment:** The combined entity will own three regulated utilities that operate in attractive growth markets with constructive regulation. Florida continues to enjoy strong customer growth and benefits from a supportive regulatory environment as evidenced by FPL's long track record of achieving four-year settlements on base rate proceedings. FPL has an authorized equity ratio of 59.6% and a midpoint ROE of 10.95% under its current four-year settlement, which runs through 2029. Florida is expected to contribute 55% of NextEra's 2025A pro forma rate base.

Virginia, which will contribute about 36% to NextEra's 2025A pro forma rate base, is the leading global market for data center development and has shown strong above-average growth. Its regulatory environment is constructive, with a significant share of capital spending recovered through riders, which minimizes regulatory lag. South Carolina, served by DESC, is also a growth market with a constructive regulatory environment.

**Increased Regulated Mix:** Pro forma, NextEra's business mix would shift further to regulated operations, with regulated cash flows increasing to 82% by 2029 from 72% on a standalone basis. The higher share of regulated cash flows is credit positive. A meaningful share of nonregulated cash flows would remain supported by long-term contracted renewable generation. Management targets a business mix of about 80% regulated cash flows, with 90%-95% of cash flows derived from regulated and long-term contracted businesses.

**Moderate Merger Approval Risk:** NextEra needs state regulatory approvals from Virginia State Corporation Commission (VSCC), Public Service Commission of South Carolina (PSCSC) and North Carolina Utilities Commission (NCUC). Fitch believes the approval process presents moderate risk, given affordability concerns and rising utility bills. This is partly mitigated by NextEra's proposed \$2.25 billion in customer refunds. NextEra's competitive strengths in operating the lowest cost utility and as a major renewable developer, position it as a strong partner to meet Virginia policymakers' twin goals of low customer bills and clean energy targets.

**Parent Guarantee Driving Upgrade:** At closing, Dominion will become a wholly owned subsidiary of NextEra. NextEra will guarantee all of Dominion's outstanding debt, similar to the

## Ratings

<b>NextEra Energy, Inc.</b>	
Long-Term IDR	A-
<b>Outlook</b>	
Long-Term Foreign-Currency IDR	Stable

<b>NextEra Energy Capital Holdings, Inc.</b>	
Long-Term IDR	A-
Short-Term IDR	F2
Senior Unsecured Debt - Long-Term Rating	A-
Senior Unsecured Debt - Short-Term Rating	F2

<b>Outlook</b>	
Long-Term Foreign-Currency IDR	Stable
<a href="#">Click here for the full list of ratings</a>	

## ESG and Climate

<b>Highest ESG Relevance Scores</b>	
Environmental	3
Social	3
Governance	3
2035 Climate Vulnerability Signal	44
Transition (Climate.VSt)	27
Physical (Climate.VSp)	40

## Applicable Criteria

- [Corporates Recovery Ratings and Instrument Ratings Criteria \(August 2024\)](#)
- [Corporate Hybrids Treatment and Notching Criteria \(April 2025\)](#)
- [Parent and Subsidiary Linkage Rating Criteria \(June 2025\)](#)
- [Corporate Rating Criteria \(January 2026\)](#)
- [Sector Navigators – Addendum to the Corporate Rating Criteria \(January 2026\)](#)

## Related Research

- [Global Corporates Sector Forecasts Monitor: April 2026 \(April 2026\)](#)
- [North American Utilities & Power Outlook 2026 \(December 2025\)](#)
- [North American Utilities, Power & Gas 1Q26 \(April 2026\)](#)
- [North American Utilities, Power & Gas Holding Companies – Peer Credit Analysis \(December 2025\)](#)

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guarantee it extends to Capital Holdings. Dominion will not issue debt after the transaction, and management plans to retire existing debt over time through liability management. The guarantee will create strong legal ties between NextEra and Dominion and support rating equalization.

**Well Positioned for Large Load Growth:** Fitch believes NextEra will be well-positioned to capitalize on significant power demand growth and capture large load opportunities within its regulated and non-regulated businesses. Northern Virginia, the largest data center market in the world, falls within VEPCo's service territory. VEPCo has gained considerable experience serving this customer class, which can be beneficial to NextEra. Both FPL and VEPCo have large load tariffs in place to protect retail customers. The large load pipeline currently stands at 51GW for VEPCo, 12GW for FPL and more than 60GW for NextEra's non-regulated business.

**CVOW Execution Risk:** VEPCo continues to face execution risks associated with the 2.6GW Coastal Virginia Offshore Wind (CVOW) project. The current \$11.4 billion CVOW capital budget is higher than the original \$9.8 billion budget because of higher transmission interconnection costs, tariff impacts and costs associated with the suspension order issued by the Bureau of Ocean Energy Management (BOEM) in December 2025. First delivery of electricity was achieved in March 2026, and full completion is projected in the first half of 2027.

**Cost Sharing Provisions on CVOW:** Under a settlement approved by the VSCC, VEPCo customers absorb 50% of the costs between \$10.3 billion and \$11.3 billion, and VEPCo and its minority partner, Stonepeak Partners, LLC, equally absorb the other 50%. For costs over \$11.3 billion, VEPCo and Stonepeak absorb the costs on a schedule negotiated as part of their partnership agreement. Currently, the capital call split is 67% VEPCo/33% Stonepeak, resulting in VEPCo paying an increasing amount of increased costs going forward.

**Strong Competitive Position:** NextEra, leveraging its leading position and scale in renewables, has navigated industry headwinds like supply chain disruptions, solar import tariffs and grid interconnection issues without material disruptions. It maintains long-term strategic relationships with equipment providers and secures supplies in advance. An announced framework agreement with GE Vernova to build long-term contracted natural gas power plants will enhance competitiveness, as large commercial and industrial customers and utility customers increasingly seek natural gas fired generation as part of portfolio solutions.

**Record Renewable Pipeline:** NextEra continues to demonstrate a strong track record of solar, wind and battery storage origination projects. Management plans to develop 76.6GW-107.6GW of renewable and battery storage projects over 2026-2032, maintaining its industry leadership. NextEra's renewables and storage backlog of signed contracts was 33GW as of April 23, 2026. At YE 2025, its utility scale renewables and storage generation portfolio is geographically diverse with over 250 sites spanning 38 states and four Canadian provinces. The portfolio includes long-term power purchase agreements with 130 unique offtakers with 'A-' weighted average credit ratings.

**Impact of OBBBA Manageable:** Fitch expects minimal near-to-medium term impact on NextEra from the One Big Beautiful Bill Act. Renewable projects that begin construction before July 4, 2026, have at least four years under the existing Treasury guidance to claim tax credits. This offers a high degree of visibility to NextEra's development pipeline until at least 2030. After the expiration of the tax credits, Fitch expects renewable developers to pass on the higher costs of new generation to buyers of clean energy.

**Limited Exposure to Tariff Risk:** NextEra has effectively insulated itself from potential tariff impacts through diversification of its supply chain, cultivating domestic supplier relationships and shifting much of the tariff risk to suppliers by leveraging its market leading position. The company fully sources wind turbines in the U.S., has secured contracts to source batteries domestically for a significant portion of its backlog, and has diversified its solar supply chain away from China and other Asian countries impacted by anti-dumping and countervailing duties.

**Elevated Capex:** Fitch expects pro-forma consolidated capex to exceed \$220 billion over 2027-2030. Favorably, approximately 54% of capex will go to regulated businesses compared to 34% for NextEra standalone. The funding plan relies on a diverse mix of financing, including debt at utilities under their approved capital structures, recourse debt at Capital Holdings, non-recourse debt and tax equity at renewable project entities, tax credit monetization, renewable asset sales, and equity-linked securities. Dominion's shareholders will continue to receive Dominion's current quarterly dividend through closing plus one-time cash dividend of \$360 million at closing, distributed equally across all outstanding Dominion's shares. Thereafter, Dominion's shareholders will participate in NextEra's pro forma dividend growth policy.

**In Line Credit Metrics:** The combined company's increased scale, geographic diversity and higher share of regulated cash flows support NextEra's ability to accommodate greater financial leverage at the current rating level. As a result, we are widening the negative sensitivity trigger to 4.5x, from 4.3x. Adjusting for non-recourse debt, Fitch expects pro forma funds from operations (FFO) leverage for NextEra to be modestly above 4.5x in 2027 and 2028, reflecting customer refunds. It should remain below 4.5x, in line with the new rating thresholds, with limited headroom.

**Adjustment for Non-Recourse Debt:** To calculate adjusted FFO leverage, Fitch deconsolidates the debt and EBITDA from most non-recourse project-financed entities, including only upstream distributions received from these entities. Non-recourse debt and EBITDA for regulated transmission investments are not deconsolidated. The off-credit treatment to the limited recourse debt reflects Fitch's view that NextEra would abandon projects in financial deterioration, including projects where a differential membership interest has been sold. NextEra's commitment to not buy the remaining ownership interest in its subsidiary XPLR Infrastructure, LP (XPLR), supports this approach.

## Rating Sensitivities

### Factors that Could, Individually or Collectively, Lead to Negative Rating Action/Downgrade:

- Assuming transaction close and after adjusting for non-recourse debt, pro forma FFO leverage sustained above 4.5x, as long as distribution derived from such non-recourse subsidiaries is under 20% of the consolidated FFO;
- A change in strategy to invest in noncontracted renewable/natural gas pipeline/electric transmission assets, more speculative assets, or a lower proportion of cash flow under long-term contracts such that regulated cash flows fall to under 80% and regulated plus contracted cash flows fall to less than 90% - 95%;
- Adverse changes in state regulatory constructs or legislative developments leading to downgrade of either FPL's or VEPCo's IDRs;
- Significantly higher than expected customer refunds to gain merger approval that are not funded in credit supportive manner;
- Escalation in CVOW execution risk which include material delays and costs increases not funded in a credit supportive manner or significant project costs not deemed recoverable by the VSCC and/or denial of rider recovery for CVOW or breach of a major CVOW Engineering, Procurement, and Construction (EPC) or supplier contracts;
- Changes in tax rules that reduce NextEra's ability to monetize its accumulated production tax credits, investment tax credits and accumulated tax losses carried forward.

### Factors that Could, Individually or Collectively, Lead to Positive Rating Action/Upgrade:

- Positive rating actions appear unlikely at this time.

## Issuer Profile

NextEra owns FPL, which is the largest electric utility in the state of Florida. NextEra is also one of the world's largest operators of wind and solar projects. Its non-regulated arm owns approximately 43 GW of net generating capacity as of YE 2025.

## Financial Summary

(USD Mil.)	2022	2023	2024	2025	2026F	2027F
Gross revenue	20,956	28,114	24,753	27,412	29,049	50,500
EBITDA	8,844	16,356	13,177	15,127	15,926	26,480
CFO (Fitch-defined)	8,245	11,284	13,231	12,447	15,316	22,512
Capital intensity (capex/revenue) (%)	46.5	34.0	34.4	33.8	—	—
Debt	63,551	71,922	80,113	90,095	98,243	157,519
FFO interest coverage (x)	6.1	5.1	4.8	4.2	3.7	3.7
FFO leverage (x)	6.7	5.1	5.4	5.3	4.9	5.1
EBITDA leverage (x)	6.8	4.2	5.7	5.8	6.0	5.8

Source: Fitch Ratings, Fitch Solutions

## Corporate Rating Tool Inputs and Scores

Fitch scored the issuer as follows, using our Corporate Rating Tool (CRT) to produce the Standalone Credit Profile (SCP):

- Business and financial profile factors (assessment, relative importance): management ('bbb', Lower), sector characteristics ('a', Higher), market and competitive positioning ('a-', Moderate), diversification and asset quality ('a+', Higher), company operational characteristics ('a-', Moderate), profitability ('bbb', Moderate), financial structure ('bbb+', Higher), and financial flexibility ('bbb-', Moderate).
- Assessments of the quantitative financial subfactors include bespoke calculations.
- The governance assessment of 'good' has no impact.
- The operating environment assessment of 'aa-' has no impact.
- The SCP is 'a-'.

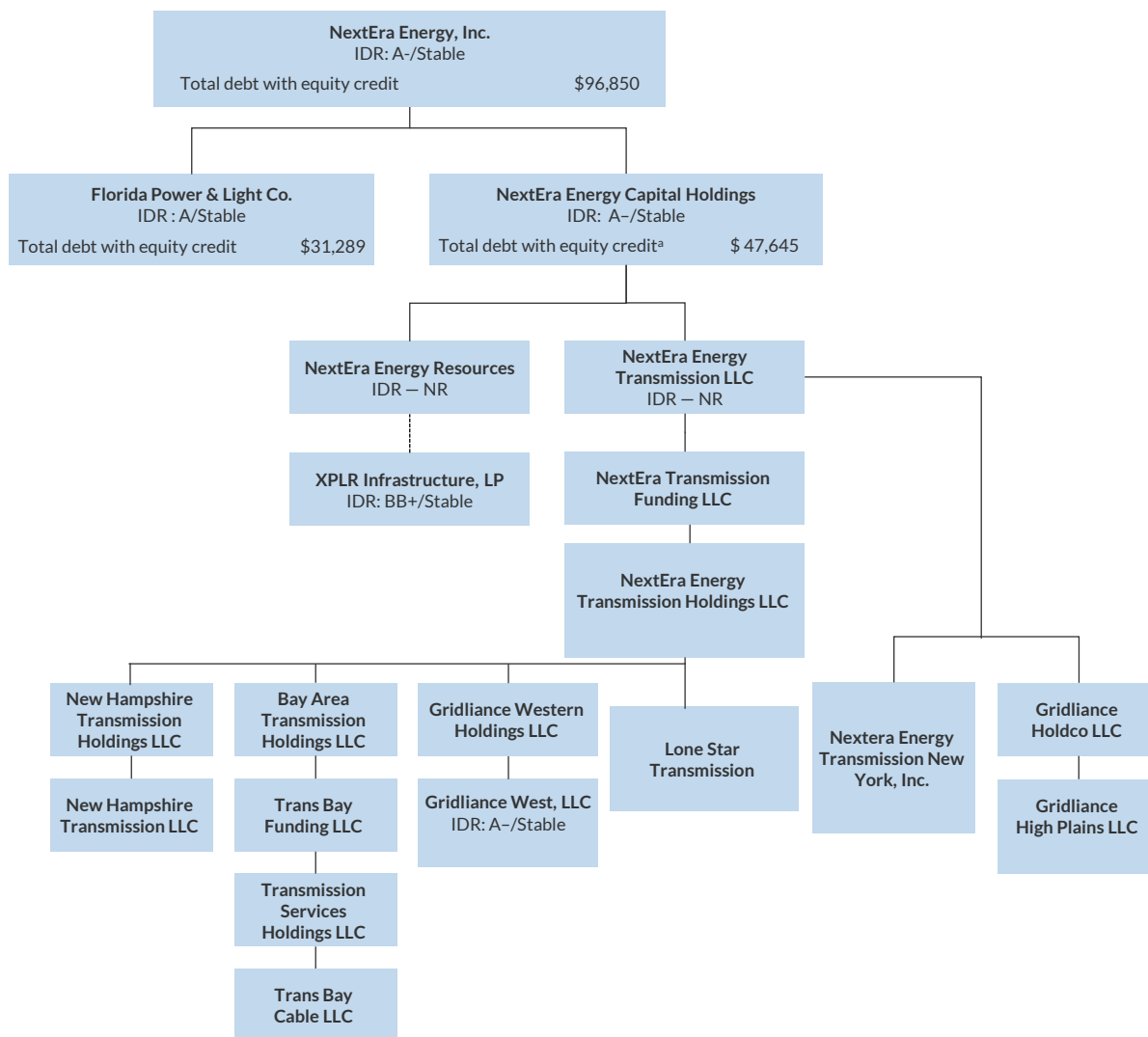
To derive the Long-Term IDR:

- Application of Fitch's Parent Subsidiary Linkage Rating Criteria results in a(n) consolidated approach.

Simplified Group Structure Diagram

NextEra Group Organizational Structure

\$ mil., as of March 31, 2026

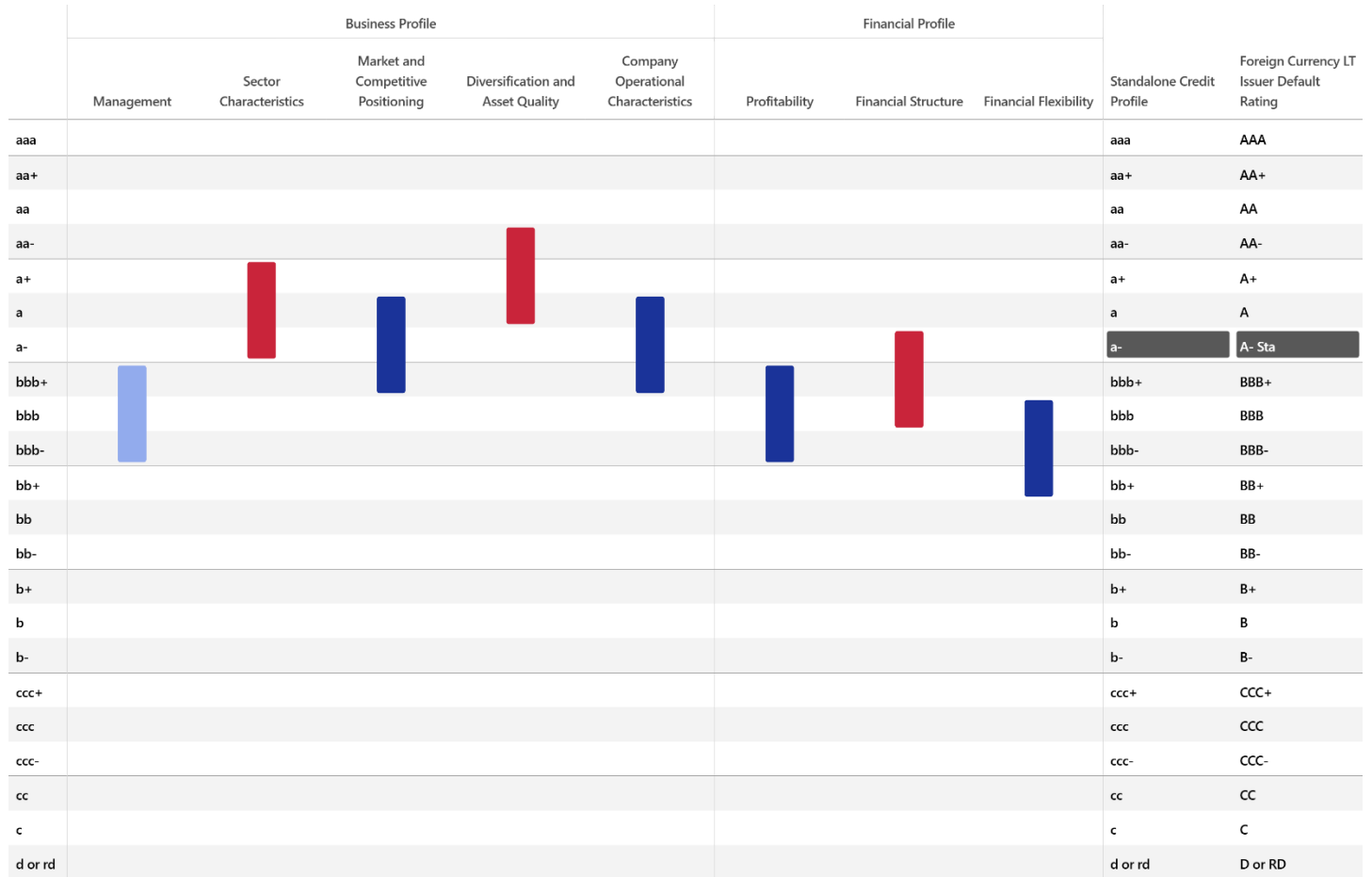


<sup>a</sup>50% equity credit at NextEra Energy Capital Holdings for junior subordinated debt. NR – Not rated. Note: Fitch does not consolidate XPLR Infrastructure, LP (similar to the accounting treatment that NextEra Energy follows). As a result, XPLR Infrastructure, LP debt is not included in NextEra Energy total debt.

Source: Fitch Ratings, Fitch Solutions, NextEra Energy, Inc.

Ratings Navigator

North American Utilities



Factor Outlook: Stable (grey square), Evolving (grey diamond), Positive (grey triangle up), Negative (grey triangle down)  
 Relative Importance: Lower (light blue square), Moderate (dark blue square), Higher (red square)

Additional Adjustments to the Standalone Credit Profile

	Assessment	Impact
Weakest link considerations	Not applied	0
Additional sector considerations	Not applied	0
B+ to CC considerations	Not applied	0
Governance	Good	0
Operating environment	aa-	0
Other risk elements	Not applied	0
Calibration	Not applied	0
<b>Standalone Credit Profile</b>		<b>a-</b>
Parent subsidiary linkage	Consolidated	A-
Government related entities	Not applied	—
Other criteria considerations	Not applied	0
Country ceiling considerations	Not applied	0

Factor / Subfactor	Score / Outlook / Importance	Description
<b>Management</b>	bbb / stable / lower	
Risk tolerance	bbb / moderate	Management committed to conservative risk profile. Only modest/short-term deviations from strategy allowed.
Management strategy	bbb / moderate	Good track record of implementing coherent and stable strategy.
Management quality	bbb / moderate	Experienced management or proven track record. Management composition is broadly stable. No evidence of material risk management weaknesses.

Factor / Subfactor	Score / Outlook / Importance	Description
<b>Sector characteristics</b>	a / stable / higher	
Regulatory environment	a / moderate	Track record of transparent and predictable regulation.
Mechanisms supportive of creditworthiness	N/A / n/a	Subfactor not relevant to the issuer.
Cost and investment recovery	a / higher	Minimal lag to recover capital and operating costs.
Trend in authorized roes	a / higher	Above-average authorized ROE.
Market structure	a / moderate	Well-established market structure with complete transparency in price-setting mechanisms.

Factor / Subfactor	Score / Outlook / Importance	Description
<b>Market and competitive positioning</b>	a- / stable / moderate	
Underlying supply mix	bbb / moderate	Low variable costs and moderate flexibility of supply.
Consumption growth potential	a / moderate	Economically vibrant market or service territory with strong sales growth.
Supply demand dynamics	a / moderate	Beneficial outlook for prices/rates.

Factor / Subfactor	Score / Outlook / Importance	Description
<b>Diversification and asset quality</b>	a+ / stable / higher	
Asset diversification	a+ / moderate	High-quality and/or large-scale diversified assets.
Geographic diversification	a+ / moderate	Favorable location or high geographic diversity.
Customer diversification	a+ / moderate	Favorable customer mix.

Factor / Subfactor	Score / Outlook / Importance	Description
<b>Company operational characteristics</b>	a- / stable / moderate	
Operational reliability	a / higher	Track record of reliable, low-cost operations.
Capex intensity	bbb / moderate	Moderate reinvestments requirements in established technologies.
Cost competitiveness	bbb / moderate	Limited exposure to changes in commodity costs.
Exposure to weather risk	bbb / moderate	Resilient asset base, manageable exposure to wildfire, hurricane or other weather-related natural disasters supported by effective legal/regulatory constructs.
Environmental exposure	a / moderate	No exposure to environmental regulations.

Factor / Subfactor	Score / Outlook / Importance	Description
<b>Profitability</b>	bbb / stable / moderate	
FCF	bbb / moderate	Structurally neutral to negative FCF across the investment cycle.
Volatility of profitability	bbb / moderate	Stability and predictability of profits in line with utility peers.

Factor / Subfactor	Score / Outlook / Importance	Description
<b>Financial structure</b>	bbb+ / stable / higher	
EBITDA leverage (x)	bb- / lower	4.75
FFO leverage (x)	bbb+ / higher	5.0

Factor / Subfactor	Score / Outlook / Importance	Description
<b>Financial flexibility</b>	bbb- / stable / moderate	
Financial access	a / moderate	Unequivocal access through the cycle to: Local financial markets with FMD of 'a' and above, or International financial markets with (primarily) FMD of 'a' and above. If the issuer is an infrequent/ untested issuer, the issuer must be very likely to be able to freely access these markets through the cycle.
Liquidity	bbb- / moderate	One-year liquidity ratio above 1.25x. Well-spread maturity schedule of debt but funding may be less diversified.
FFO interest coverage (x)	bb- / moderate	3.5

Factor / Subfactor	Score / Outlook / Importance	Description
<b>Governance</b>	Good / – / –	
Ownership and decision-making concentration	Good / moderate	No concentration in ownership and/or decision-making. Presence of effective checks and balances. Key person risk is immaterial. Decision-making is defensible from a governance perspective.
Group structure transparency and contagion risk	Good / moderate	Transparent group structure. No contagion risks.
Information quality/transparency	Good / moderate	Timely and good provision of financial and operational information, facilitating the analysis of the credit profile.

## Fitch's Key Rating-Case Assumptions

- Transaction closes by July 1, 2027;
- Customer refunds of \$2.25 billion in VA, SC and NC;
- Rate increases for FPL and VEPCo per the last rate order and constructive outcome in DESC's pending rate case;
- Consolidated capex of \$220 billion over 2027-2030, split approximately 54%/46% between regulated and non-regulated businesses;
- Balanced funding mix at Capital Holdings including reliance on equity and equity-like instruments, tax equity, tax transfers and project debt among other sources;
- No material increase in current schedule and costs for CVOW;
- Stonepeak partnership operates consistent with the terms of the agreement;
- CVOW partnership fully consolidated in VEPCo, Dominion and NextEra's financial metrics;
- No change to IRA provisions including tax transferability over Fitch's forecast period;
- Limited commodity exposure and near-term interest rate exposure based on existing hedge position.

## Liquidity and Debt Structure

On a consolidated basis, NextEra had \$14.8 billion of net available liquidity as of March 31, 2026, excluding limited recourse or nonrecourse project-financing arrangements. The company's access to the capital markets and banks for corporate credit, project finance and tax equity remains strong. Committed corporate credit facilities for Capital Holdings and FPL aggregated to approximately \$25 billion as of March 31, 2026. The total includes approximately \$5.6 billion in unsecured facilities available to FPL, including \$450 million available to issue letters of credit.

NextEra plans to right size the credit facilities at Dominion entities post transaction close. The consolidated company will have \$25 billion - \$28 billion of revolving credit facilities and \$8.9 billion - \$9.6 billion of LC facilities.

## Liquidity and Debt Maturities

### Cash and Maturities Report

(USD Mil.)	Dec. 31, 2025	Mar. 31, 2026
Total cash and cash equivalents	3,006	2,475
Short-term investments	—	—
Less not readily available cash and cash equivalents	194	477
<b>Fitch-defined readily available cash and cash equivalents</b>	<b>2,812</b>	<b>1,998</b>
Availability under committed lines of credit	15,964	14,782
<b>Total liquidity</b>	<b>18,776</b>	<b>16,780</b>
LTM EBITDA after associates and minorities	15,573	15,874
LTM FCF	-1,507	-2,453

Source: Fitch Ratings, Fitch Solutions, NextEra Energy, Inc.

(USD Mil.)	Mar. 31, 2026
2026	7,708
2027	9,821
2028	10,428
2029	10,860
2030	7,905
Thereafter	58,554
<b>Total</b>	<b>105,276</b>

Source: Fitch Ratings, Fitch Solutions, NextEra Energy, Inc.

## Financial Data

(USD Mil.)	2022	2023	2024	2025	2026F	2027F
<b>Summary income statement</b>						
Gross revenue	20,956	28,114	24,753	27,412	29,049	50,500
Revenue growth (%)	22.8	34.2	-12.0	10.7	6.0	73.8
EBITDA before income from associates	8,844	16,356	13,177	15,127	15,926	26,480
EBITDA margin (%)	42.2	58.2	53.2	55.2	54.8	52.4
EBITDA after associates and minorities	9,385	17,068	13,988	15,573	16,369	27,101
EBIT	4,071	10,222	7,445	8,224	8,984	16,164
EBIT margin (%)	19.4	36.4	30.1	30.0	30.9	32.0
Gross interest expense	-747	-3,619	-2,640	-5,173	-5,341	-8,368
Pretax income including associate income/loss	3,832	7,288	6,037	4,530	5,742	11,239
<b>Summary balance sheet</b>						
Readily available cash and equivalents	1,601	2,690	1,487	2,812	1,195	1,097
Debt	63,551	71,922	80,113	90,095	98,243	157,519
Net debt	61,950	69,232	78,626	87,283	97,048	156,422
<b>Summary cash flow statement</b>						
EBITDA	8,844	16,356	13,177	15,127	15,926	26,480
Cash interest paid	-1,537	-2,758	-3,142	-4,102	-5,341	-8,368
Cash tax	32	-321	760	1,275	2,274	2,597
Dividends received less dividends paid to minorities (inflow/outflow)	541	712	811	446	443	621
Other items before FFO	3	-2,758	224	223	1,369	1,326
FFO	7,883	11,231	11,830	12,969	14,671	22,657
FFO margin (%)	37.6	39.9	47.8	47.3	50.5	44.9
Change in working capital	362	53	1,401	-522	645	-145
CFO (Fitch-defined)	8,245	11,284	13,231	12,447	15,316	22,512
Total non-operating/nonrecurring cash flow	-	-	-	-	-	-
Capex	-9,742	-9,548	-8,514	-9,274	-	-
Capital intensity (capex/revenue) (%)	46.5	34.0	34.4	33.8	-	-
Common dividends	-3,352	-3,782	-4,235	-4,680	-	-
FCF	-4,849	-2,046	482	-1,507	-	-
FCF margin (%)	-23.1	-7.3	2.0	-5.5	-	-
Net acquisitions and divestitures	-	924	-	-	-	-
Other investing and financing cash flow items	-8,932	-11,600	-14,186	-12,650	-	-
Net debt proceeds	14,446	8,187	11,638	13,723	10,648	65,303
Net equity proceeds	1,460	4,514	48	2,038	2,047	10,604
Total change in cash	2,125	-21	-2,018	1,604	-1,617	-98
<b>Calculations for forecast publication</b>						
Capex, dividends, acquisitions and other items before FCF	-13,094	-12,406	-12,749	-13,954	-39,468	-52,996
FCF after acquisitions and divestitures	-4,849	-1,122	482	-1,507	-24,152	-30,483
FCF margin after net acquisitions (%)	-23.1	-4.0	2.0	-5.5	-83.1	-60.4
<b>Gross Leverage ratios (x)</b>						
EBITDA leverage	6.8	4.2	5.7	5.8	6.0	5.8
FFO leverage	6.7	5.1	5.4	5.3	4.9	5.1
(CFO-capex)/debt (%)	-2.4	2.4	5.9	3.5	-21.8	-14.5
<b>Net leverage ratios (x)</b>						
EBITDA net leverage	6.6	4.1	5.6	5.6	5.9	5.8
FFO net leverage	6.6	4.9	5.3	5.1	4.8	5.0
(CFO-capex)/net debt (%)	-2.4	2.5	6.0	3.6	-22.1	-14.6

(USD Mil.)	2022	2023	2024	2025	2026F	2027F
<b>Coverage ratios (x)</b>						
EBITDA interest coverage	6.1	6.2	4.5	3.8	3.1	3.2
FFO interest coverage	6.1	5.1	4.8	4.2	3.7	3.7
FFO fixed-charge coverage	6.1	5.1	4.8	4.2	3.7	3.7

CFO – Cash flow from operations  
Source: Fitch Ratings, Fitch Solutions

### How to Interpret the Forecast Presented

The forecast presented above is based on Fitch Ratings' internally produced, conservative rating case forecast. It does not represent the forecast of the rated issuer. The forecast set out above is only one component used by Fitch Ratings to assign a rating or determine a rating outlook, and the information in the forecast reflects material but not exhaustive elements of Fitch Ratings' rating assumptions for the issuer's financial performance. As such, it cannot be used to establish a rating, and it should not be relied on for that purpose. Fitch Ratings' forecasts are constructed using a proprietary internal forecasting tool, which employs Fitch Ratings' own assumptions on operating and financial performance that may not reflect the assumptions that you would make. Fitch Ratings' own definitions of financial terms such as EBITDA, debt or free cash flow may differ from your own such definitions. Fitch Ratings may be granted access, from time to time, to confidential information on certain elements of the issuer's forward planning. Certain elements of such information may be omitted from this forecast, even where they are included in Fitch Ratings' own internal deliberations, where Fitch Ratings, at its sole discretion, considers the data may be potentially sensitive in a commercial, legal or regulatory context. The forecast (as with the entirety of this report) is produced strictly subject to the disclaimers set out at the end of this report. Fitch Ratings may update the forecast in future reports but assumes no responsibility to do so. Original financial statement data for historical periods is processed by Fitch Solutions on behalf of Fitch Ratings. Key financial adjustments and all financial forecasts credited to Fitch Ratings are generated by rating agency staff.

## Summary of Financial Adjustments

Fitch allocates 50% equity credit to Capital Holdings' junior subordinated debentures. As of Dec. 31, 2025, Fitch has excluded \$16.7 billion of non-recourse project debt and approximately \$1.6 billion of related EBITDA, while including approximately \$836 million of related cash distribution, from NextEra's consolidated metrics to calculate adjusted FFO leverage.

## Fitch Adjusted Financials

(USD Mil. as of Dec. 31, 2025)	Notes and formulas	Standardized values	Fair value and other debt adjustments	Lease treatment	Other adjustments	Adjusted values
<b>Income statement summary</b>						
Revenue		27,412	—	—	—	27,412
EBITDA	(a)	15,221	—	-94	-0	15,127
Depreciation and amortization		-6,941	—	38	-0	-6,903
EBIT		8,280	—	-56	-0	8,224
<b>Balance sheet summary</b>						
Debt	(b)	89,243	852	—	—	90,095
Of which other off-balance-sheet debt		—	—	—	—	—
Lease-equivalent debt		—	—	—	—	—
Lease-adjusted debt		89,243	852	—	—	90,095
Readily available cash and equivalents	(c)	2,812	—	—	—	2,812
Not readily available cash and equivalents		194	—	—	—	194
<b>Cash flow summary</b>						
EBITDA	(a)	15,221	—	-94	-0	15,127
Dividends received from associates less dividends paid to minorities	(d)	446	—	—	—	446
Interest paid	(e)	-3,501	—	56	-657	-4,102
Interest received	(f)	—	—	—	—	—
Preferred dividends paid	(g)	—	—	—	—	—
Cash tax paid		1,275	—	—	—	1,275
Other items before FFO		-956	—	—	1,179	223
FFO	(h)	12,485	—	-38	522	12,969
Change in working capital		—	—	—	-522	-522
CFO	(i)	12,485	—	-38	0	12,447
<b>Non-operating/nonrecurring cash flow</b>						
Capex	(j)	-9,274	—	—	—	-9,274
Common dividends paid		-4,680	—	—	—	-4,680
FCF		-1,469	—	-38	-0	-1,507
<b>Gross leverage (x)</b>						
EBITDA leverage	b / (a+d)	5.8	—	—	—	5.8
FFO leverage	b / (h-e-f-g)	5.6	—	—	—	5.3
(CFO-capex)/debt (%)	(i+j) / b	3.6	—	—	—	3.5
<b>Net leverage (x)</b>						
EBITDA net leverage	(b-c) / (a+d)	5.6	—	—	—	5.6
FFO net leverage	(b-c) / (h-e-f-g)	5.5	—	—	—	5.1
(CFO-capex)/net debt (%)	(i+j) / (b-c)	3.7	—	—	—	3.6
<b>Coverage (x)</b>						

EBITDA interest coverage	(a+d) / (-e)	4.5	–	–	–	3.8
FFO interest coverage	(h-e-f-g) / (-e-g)	4.6	–	–	–	4.2

CFO – Cash flow from operations

Notes: The standardized items presented above are based on Fitch's taxonomy for the given sector and region.

Reported items may not match the Fitch taxonomy, but they are captured into corresponding lines accordingly.

Debt includes other off-balance-sheet debt.

Source: Fitch Ratings, Fitch Solutions, NextEra Energy, Inc.

## Peer Analysis

Pro forma NextEra compares favorably with peer parent holding companies The Southern Company (BBB+/Stable) and Sempra (BBB+/Stable). NextEra will be significantly larger with ownership of three regulated utilities and a dominant position in the contracted renewable business. NextEra will generate more than 80% of EBITDA from regulated businesses, which is less favorable than Southern (86%) and Sempra's >90%, after partial sell down in Sempra Infrastructure or SI.

CVOW could be completed by the time merger closes. As a result, project execution risk for the combined entity will be significantly diminished compared to the liquefied natural gas projects under construction at Sempra's midstream subsidiary. The corporate debt at NextEra, Sempra and Dominion is structurally subordinated to non-recourse debt at their project subsidiaries. NextEra's ownership interest in XPLR adds organizational complexity its peers lack.

NextEra's projected adjusted FFO leverage of 4.5x over 2027-2030 is stronger than the projected metrics for Southern (5.0x). Sempra's FFO leverage metrics are currently elevated and expected to return to below 4.6x negative thresholds after the sell down of its additional stake in SI is complete.

## Navigator Peer Comparison

Issuer		Business profile (Score/Relative Importance)						Financial profile (Score/Relative Importance)		
Name	IDR/Outlook	Management	Sector Characteristics	Market and Competitive Positioning	Diversification and Asset Quality	Company Operational Characteristics	Profitability	Financial Structure	Financial Flexibility	
NextEra Energy, Inc.	A-/Stable	bbb	a	a-	a+	a-	bbb	bbb+	bbb-	bbb
Dominion Energy, Inc.	BBB+/RWP	bbb	a	a-	a	bbb+	bbb+	bbb	bbb-	bbb-
Sempra	BBB+/Stable	bbb+	a	bbb+	a-	a-	a	bbb	bbb-	bbb-
The Southern Company	BBB+/Stable	bbb+	a-	bbb+	a	bbb	bbb	bbb-	bbb	bbb

Relative importance: ■ Higher ■ Moderate ■ Lower  
Source: Fitch Ratings

Issuer		Business profile (Score/Outlook)					Financial profile (Score/Outlook)			
Name	IDR/Outlook	Management	Sector Characteristics	Market and Competitive Positioning	Diversification and Asset Quality	Company Operational Characteristics	Profitability	Financial Structure	Financial Flexibility	
NextEra Energy, Inc.	A-/Stable	bbb	a	a-	a+	a-	bbb	bbb+	bbb-	bbb-
Dominion Energy, Inc.	BBB+/RWP	bbb	a	a-	a	bbb+	bbb+	bbb	bbb-	bbb-
Sempra	BBB+/Stable	bbb+	a	bbb+	a-	a-	a	bbb	bbb-	bbb-
The Southern Company	BBB+/Stable	bbb+	a-	bbb+	a	bbb	bbb	bbb-	bbb	bbb

Rating categories: ■ b/cc ■ bb ■ bbb ■ a ■ aa ▲ Factor outlook direction.  
Source: Fitch Ratings

Peer Financial Summary

Company	Issuer Default Rating	Financial statement date	Gross revenue (USD Millions)	FFO (USD Millions)	FFO interest coverage (x)	FFO leverage (x)	EBITDA leverage (x)
NextEra Energy, Inc.	A-						
	A-	2025	27,412	12,969	4.2	5.3	5.8
	A-	2024	24,753	11,830	4.8	5.4	5.7
	A-	2023	28,114	11,231	5.1	5.1	4.2
Dominion Energy, Inc.	BBB+						
	BBB+	2025	16,291	6,761	4.5	5.2	6.4
	BBB+	2024	14,330	4,233	3.1	6.4	6.3
	BBB+	2023	14,393	5,435	3.6	6.6	7.3
Sempra	BBB+						
	BBB+	2025	13,702	4,175	3.1	5.9	7.5
	BBB+	2024	13,185	4,649	3.8	5.1	6.5
	BBB+	2023	16,720	4,361	3.9	5.1	5.9
The Southern Company	BBB+						
	BBB+	2025	29,553	9,190	4.4	5.7	5.1
	BBB+	2024	26,724	8,162	4.1	5.7	5.0
	BBB+	2023	25,253	7,430	4.2	6.0	5.5

Source: Fitch Ratings, Fitch Solutions

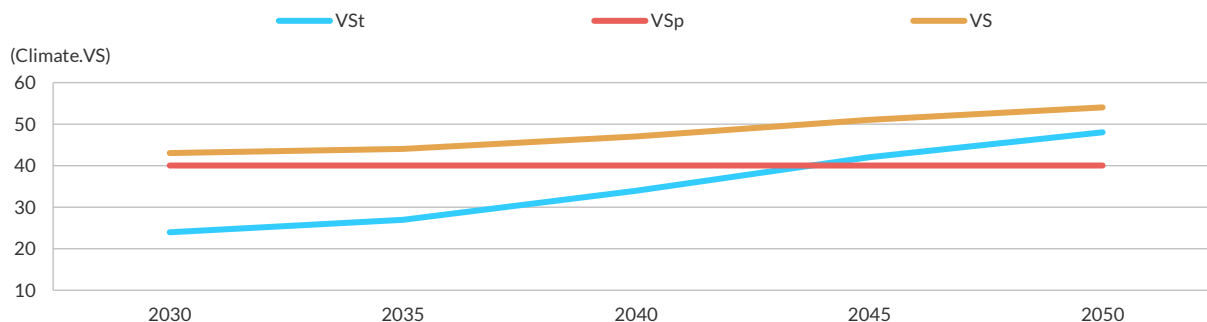
### Climate Vulnerability Considerations

Fitch uses Climate Vulnerability Signals (Climate.VS) as a screening tool to identify credits with higher exposure to climate-related risks. If Fitch identifies an entity as higher risk (i.e. its Climate.VS in 2035 is 50 or higher), the entity receives additional analysis and consideration in rating reviews. Climate.VS range from 0 (lowest risk) to 100 (highest risk). For more information on Climate.VS, see Fitch’s [Corporate Rating Criteria](#). For more detailed, sector-specific information on how Fitch perceives climate-related transition risks, see Fitch’s latest [Climate Vulnerability Signals for Non-Financial Corporate Sectors](#) report.

The Climate.VS for 2035 is 44 out of 100. This reflects a VSp of 40 and a VSt of 27.

The results of our Climate.VS screener indicate some potential exposure to physical climate risk for NextEra Energy, Inc. However, this does not influence the current rating because FPL has undertaken robust measures to harden the grid against storms and hurricane activity, including hardening feeders and transmission structures, undergrounding the distribution system, conducting pole inspection and real-time flood monitoring at substations. As a result, FPL demonstrates strong storm performance and quick restoration times for impacted customers after hurricanes. Approximately 50% of FPL's distribution system is underground. Regarding wildfire risks, approximately 90% of FPL's customers reside in areas with very low to relatively moderate wildfire risk, as designated by the Federal Emergency Management Agency.

### Climate Vulnerability Signals



Source: Fitch Ratings

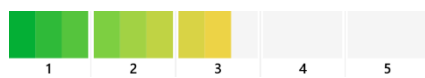
## ESG Considerations

The highest level of ESG credit relevance is a score of '3', unless otherwise disclosed in this section. A score of '3' means ESG issues are credit-neutral or have only a minimal credit impact on the entity, either due to their nature or the way in which they are being managed by the entity. Fitch's ESG Relevance Scores are not inputs in the rating process; they are an observation on the relevance and materiality of ESG factors in the rating decision. For more information on Fitch's ESG Relevance Scores, visit <https://www.fitchratings.com/topics/esg/products#esg-relevance-scores>.



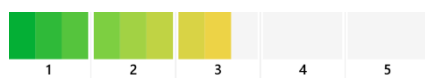
### Environmental Relevance Scores

General issues	Score	Sector-specific issues	Reference
GHG Emissions & Air Quality	3	Emissions from operations	Company Operational Characteristics; Market and Competitive Positioning; Sector Characteristics; Profitability
Energy Management	3	Fuel use to generate energy and serve load	Company Operational Characteristics; Market and Competitive Positioning; Profitability
Water & Wastewater Management	2	Water used by hydro plants or by other generation plants, also effluent management	Company Operational Characteristics; Sector Characteristics; Profitability
Waste & Hazardous Materials Management; Ecological Impacts	3	Impact of waste from operations	Company Operational Characteristics; Sector Characteristics; Profitability
Exposure to Environmental Impacts	3	Plants' and networks' exposure to extreme weather	Company Operational Characteristics; Sector Characteristics; Profitability



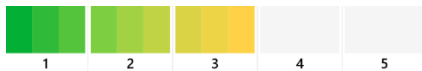
### Social Relevance Scores

General issues	Score	Sector-specific issues	Reference
Human Rights, Community Relations, Access & Affordability	3	Product affordability and access	Company Operational Characteristics; Sector Characteristics; Profitability; Financial Structure
Customer Welfare - Fair Messaging, Privacy & Data Security	3	Quality and safety of products and services; data security	Sector Characteristics; Profitability
Labor Relations & Practices	3	Impact of labor negotiations and employee (dis)satisfaction	Company Operational Characteristics; Profitability
Employee Wellbeing	2	Worker safety and accident prevention	Profitability; Company Operational Characteristics
Exposure to Social Impacts	3	Social resistance to major projects that leads to delays and cost increases	Company Operational Characteristics; Profitability



### Governance Relevance Scores

General issues	Score	Sector-specific issues	Reference
Management Strategy	3	Strategy development and implementation	Management; Governance
Governance Structure	3	Board independence and effectiveness; ownership concentration	Governance
Group Structure	3	Complexity, transparency and related-party transactions	Governance
Financial Transparency	3	Quality and timing of financial disclosure	Governance



## ESG Scoring

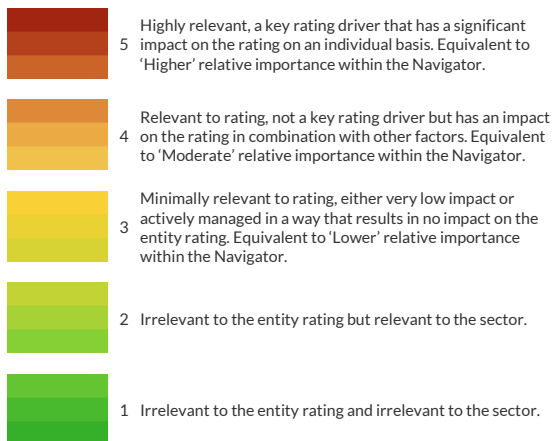
ESG relevance scores range from '1' to '5' based on a 15-level color gradation. Red (5) is most relevant to the credit rating and green (1) is least relevant.

The Environmental (E), Social (S) and Governance (G) tables break out the general and the sector-specific issues that are most relevant to each industry group. Relevance scores are assigned to each sector-specific issue, signalling the credit relevance of the sector-specific issues to an issuer's overall credit rating. The Reference column highlights the factor(s) within which the corresponding ESG issues are captured in Fitch's credit analysis.

The panels underneath the relevance scores tables are visualizations of the frequency of occurrence of the highest ESG relevance scores across the combined E, S and G categories. The Score columns summarize rating relevance and impact to credit from ESG issues. The column on the far left identifies any ESG relevance sub-factor issues that are drivers or potential drivers of an issuer's credit rating (corresponding with scores of '3', '4' or '5'). All scores of '4' and '5' are assumed to reflect a negative impact unless indicated with a '+' sign for positive impact.

Classification of ESG issues has been developed from Fitch's sector ratings criteria. The general and sector-specific issues draw on the classification standards published by the UN Principles for Responsible Investing, the Sustainability Accounting Standards Board and the World Bank.

## Credit-Relevant ESG Scale



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