Duke Energy Corporation (DUK)

Updated December 13th, 2025 by Samuel Smith

Key Metrics

Current Price:	$115	**5 Year CAGR Estimate:**	7.6%	**Market Cap:**	$89.7 B
Fair Value Price:	$107	**5 Year Growth Estimate:**	5.8%	**Ex-Dividend Date:**	2/15/26[1]
% Fair Value:	107%	**5 Year Valuation Multiple Estimate:**	-1.4%	**Dividend Payment Date:**	3/16/26[2]
Dividend Yield:	3.7%	**5 Year Price Target**	$142	**Years Of Dividend Growth:**	13
Dividend Risk Score:	D	**Sector:**	Utilities	**Rating:**	Hold

Overview & Current Events

Duke Energy Corporation is one of the largest electric power and natural gas utility companies in the United States, headquartered in Charlotte, North Carolina. The company operates primarily through two segments: Electric Utilities and Infrastructure, which generates and distributes electricity to millions of customers across the Southeast and Midwest, and Gas Utilities and Infrastructure, which delivers natural gas to residential, commercial, and industrial customers. Duke's generation portfolio includes coal, gas, nuclear, hydroelectric and renewable sources, and it also participates in wholesale energy markets. The utility has a long history of dividend payments and plays a critical role in regional energy infrastructure and transition to cleaner energy sources.

On November 7, 2025, Duke Energy released its third-quarter 2025 results. For the quarter ending September 30, 2025, the company reported earnings per share of approximately $1.81, exceeding consensus analyst estimates and showing healthy year-over-year growth from prior periods. Revenue for the quarter rose about 4.8 percent to roughly $8.54 billion, reflecting stronger sales volumes and continued rate growth, though in some estimates top-line figures were narrowly mixed relative to market forecasts. Net income remained robust, supported by customer demand across both electric and gas segments and contributions from regulated operations. Management also updated full-year guidance, narrowing the adjusted earnings outlook for 2025 to a range of roughly $6.25 to $6.35 per share, indicating confidence in underlying performance even as near-term demand and cost pressures evolve. Drivers of results included higher electricity rates, increasing retail consumption, and operational execution in core utility businesses, while company commentary acknowledged regulatory and weather-related risk factors that can affect quarterly performance. The quarter's results continued Duke's trend of modest earnings growth and reinforced its profile as a stable cash-flow generator in the regulated utility sector heading into the fourth quarter.

Growth on a Per-Share Basis

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2030
EPS	$4.54	$4.69	$4.57	$4.72	$5.06	$5.12	$5.24	$5.27	$5.56	$5.90	***$6.31***	***$8.35***
DPS	$3.24	$3.36	$3.49	$3.60	$3.71	$3.82	$3.90	$4.02	$4.10	$4.14	***$4.26***	***$5.05***
Shares[3]	688.4	699.6	700.1	727	733.3	768.7	769.4	770.1	771	777	***778***	***795***

Duke's earnings-per-share have increased at an annual rate of 4% over the last decade, and we expect to see Duke continuing to generate 5.8% annualized earnings-per-share growth over the next half-decade from the high base for 2025. The key determiners of Duke's value proposition to investors will be how well they can execute on their ambitious $37 billion growth CapEx plan, and if they can continue to garner favorable regulatory rulings in their operating regions. While they continue to achieve reasonable regulatory rulings, there are no guarantees that this will continue.

That being said, customer growth should continue as a low-single-digit tailwind for the foreseeable future, providing Duke with ever-higher base demand for its services. Of course, the weather can have a significant impact positively or

[1] Estimate
[2] Estimate
[3] Share count in millions

Disclosure: This analyst has no position in the security discussed in this research report, and no plans to initiate one in the next 72 hours.

negatively in any particular year, but overall, a low-single-digit tailwind from customer growth is very likely. In addition, rate increases should help boost revenue and earnings, as we've seen with Duke's recent rate increases in North Carolina and Kentucky. Duke, like any other power provider, must ask for rate increases from local authorities, so they are certainly not assured. However, state regulators have been amicable to rate increase requests from Duke and should continue to be so moving forward. One offsetting factor in earnings-per-share growth is that Duke likes to issue common stock for general corporate purposes, leading to a higher share count over time. Share issuances are irregularly timed and sized, so the exact impact is difficult to predict, but this is a long-term habit for Duke and must be accounted for in estimates. The dividend continues to rise at a low-single-digit pace, slightly under that of earnings-per-share growth. We expect this will continue, keeping Duke firmly in the income stock category.

Valuation Analysis

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	Now	2030
Avg. P/E	17.4	17.9	18.2	21.3	19.9	18.6	19.1	19.4	18.5	19.0	***18.2***	***17.0***
Avg. Yld.	4.1%	4.0%	4.2%	3.6%	3.7%	4.0%	3.9%	3.9%	4.0%	3.7%	***3.7%***	***3.6%***

Duke's valuation has remained mostly steady throughout the past decade, with the exception of the period immediately following the Great Recession. Duke's current fair value price-to-earnings ratio is estimated to be 17 times earnings. Today's price-to-earnings ratio of 18.2 is above our reduced fair value estimate, and we therefore see a headwind to annual total returns from a contracting multiple over time.

Safety, Quality, Competitive Advantage, & Recession Resiliency

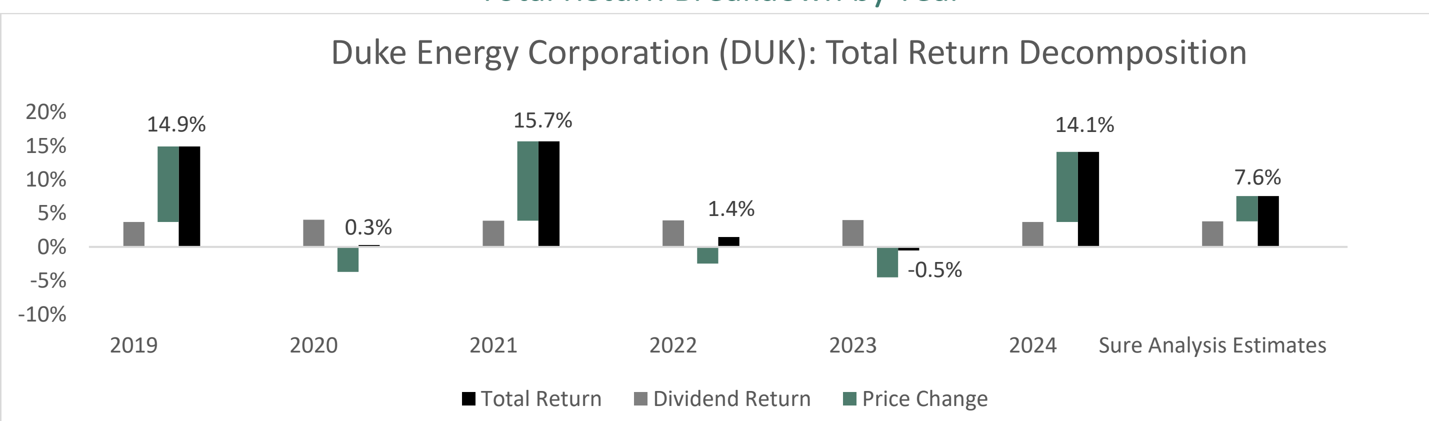
Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2030
Payout	71%	72%	76%	76%	73%	75%	74%	76%	74%	70%	***68%***	***60%***

Duke's quality metrics have been largely stable throughout the past decade and we do not expect that will change. We expect margins to be flat moving forward – albeit at very high levels – and for its balance sheet leverage and interest coverage to remain steady. Management has a stated plan to reduce leverage moving forward as it plans to boost cash flow against the amount of debt it takes on, so we are not concerned. The payout ratio is relatively high, but the dividend is well-covered, and should be for the foreseeable future. Duke's competitive advantage is its near monopoly in the areas it serves, which is not dissimilar to other regulated utilities. Recession performance should be excellent as it grew earnings during the Great Recession, making this a truly defensive stock.

Final Thoughts & Recommendation

We expect Duke to generate 7.6% annualized total returns over the next half-decade from its 3.7% yield, 5.8% expected earnings-per-share growth, and slight valuation multiple contraction. We rate it a Hold.

Total Return Breakdown by Year



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Income Statement Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenue	22,371	22,743	23,565	24,521	25,079	23,366	24,621	28,768	29,060	30,357
Gross Profit	9,336	9,629	10,639	10,530	11,560	11,353	11,958	12,976	13,756	15,197
Gross Margin	41.7%	42.3%	45.1%	42.9%	46.1%	48.6%	48.6%	45.1%	47.3%	50.1%
D&A Exp.	3,613	3,880	4,046	4,696	5,176	5,486	5,663	5,843	6,084	6,419
Operating Profit	5,154	5,193	5,879	5,176	5,705	5,538	5,841	6,424	7,103	7,938
Op. Margin	23.0%	22.8%	24.9%	21.1%	22.7%	23.7%	23.7%	22.3%	24.4%	26.1%
Net Profit	2,816	2,152	3,059	2,666	3,748	1,377	3,908	2,550	2,841	4,524
Net Margin	12.6%	9.5%	13.0%	10.9%	14.9%	5.9%	15.9%	8.9%	9.8%	14.9%
Free Cash Flow	(66)	(1,038)	(1,428)	(2,203)	(2,913)	(1,051)	(1,425)	(5,440)	(2,726)	48
Income Tax	1,256	1,156	1,196	448	519	(169)	268	300	438	590

Balance Sheet Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total Assets ($B)	121	133	138	145	159	162	170	178	177	186
Cash & Equivalents	383	392	358	442	311	259	341	409	253	314
Acc. Receivable	2,263	2,644	2,774	3,134	3,060	3,153	3,522	4,415	4,131	4,672
Inventories	3,746	3,522	3,250	3,084	3,232	3,167	3,111	3,584	4,292	4,509
Goodwill & Int.	16,072	19,425	19,396	19,303	19,303	19,303	19,303	19,303	19,303	19,303
Total Liab. ($B)	81	92	96	102	111	113	118	126	127	135
Accounts Payable	2,350	2,994	3,043	3,487	3,487	3,144	3,531	4,754	4,228	5,479
LT Debt ($B)	42,501	50,382	54,442	56,998	61,261	62,736	66,224	73,703	79,540	84,273
Total Equity ($B)	39,727	41,033	41,739	43,817	44,860	46,002	47,334	47,360	47,149	49,153
LTD/E Ratio	1.07	1.23	1.30	1.30	1.31	1.31	1.34	1.49	1.62	1.68

Profitability & Per Share Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Return on Assets	2.3%	1.7%	2.3%	1.9%	2.5%	0.9%	2.4%	1.5%	1.6%	2.5%
Return on Equity	7.0%	5.3%	7.4%	6.2%	8.2%	2.8%	7.8%	5.0%	5.6%	8.9%
ROIC	3.4%	2.5%	3.3%	2.7%	3.6%	1.2%	3.4%	2.1%	2.2%	3.4%
Shares Out.	688.4	699.6	700.1	727	733.3	768.7	769.4	770.1	771	777
Revenue/Share	32.23	32.91	33.66	34.63	34.40	31.66	32.02	37.36	37.69	39.32
FCF/Share	(0.10)	(1.50)	(2.04)	(3.11)	(4.00)	(1.42)	(1.85)	(7.06)	(3.54)	0.06

Note: All figures in millions of U.S. Dollars unless per share or indicated otherwise.