Duke Energy Corporation (DUK)

Updated March 2nd, 2026 by Samuel Smith

Key Metrics

Current Price:	$131	**5 Year CAGR Estimate:**	5.7%	**Market Cap:**	$102 B
Fair Value Price:	$114	**5 Year Growth Estimate:**	5.5%	**Ex-Dividend Date:**	5/13/26[1]
% Fair Value:	115%	**5 Year Valuation Multiple Estimate:**	-2.8%	**Dividend Payment Date:**	6/16/26[2]
Dividend Yield:	3.3%	**5 Year Price Target**	$149	**Years Of Dividend Growth:**	13
Dividend Risk Score:	D	**Sector:**	Utilities	**Rating:**	Hold

Overview & Current Events

Duke Energy Corporation is a $102 billion electric and natural gas utility company serving millions of customers across the Southeast and Midwest. The company operates through two core segments: Electric Utilities and Infrastructure (generating and distributing electricity) and Gas Utilities and Infrastructure (delivering natural gas to residential, commercial, and industrial customers). Duke's diverse generation portfolio includes coal, natural gas, nuclear, hydroelectric, and expanding renewable energy sources, supported by grid-scale battery storage. The company is strategically positioned for growth through a $103 billion five-year capital investment plan focused on clean energy transition, grid modernization, electric vehicle infrastructure, and data center power supply opportunities.

On February 10, 2026, Duke Energy released its fourth-quarter and full-year 2025 financial results. The company delivered strong earnings, with full-year adjusted EPS of $6.31 growing 7 percent over 2024 and exceeding guidance, while Q4 2025 EPS of $1.50 slightly topped analyst expectations on revenue of $7.94 billion that also beat forecasts, driven by solid customer demand across electric and gas segments, higher regulated rates, and reliable utility operations. Looking ahead, Duke guided 2026 adjusted EPS to a range of $6.55 to $6.80, implying 3.8 to 7.8 percent growth, and reaffirmed its long-term adjusted EPS growth target of 5 to 7 percent annually through 2030, signaling confidence in its regulated earnings trajectory. A key highlight was the substantial expansion of the five-year capital investment plan to $103 billion, an 18 percent increase that supports about 9.6 percent earnings base growth through 2030 and underpins long-term rate base and earnings expansion. Major growth drivers include 14 gigawatts of new generation capacity, approximately 4.5 gigawatts of contracted data center power purchase agreements backed by a strong pipeline, and 4.5 gigawatts of battery storage additions through 2031, positioning Duke to capitalize on rising load from data centers and grid modernization needs. Management also emphasized the company's solid financial position, with a 2025 funds from operations to debt ratio of 14.8 percent and a 15 percent long-term target, supported by balance sheet actions such as the sale of Piedmont's Tennessee operations to Spire Inc. and a minority equity investment from Brookfield. While the enlarged capital plan enhances growth visibility, it also implies ongoing financing needs and execution risk as Duke scales its infrastructure build-out in a shifting macro environment.

Growth on a Per-Share Basis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
EPS	$4.69	$4.57	$4.72	$5.06	$5.12	$5.24	$5.27	$5.56	$5.90	$6.31	***$6.70***	***$8.75***
DPS	$3.36	$3.49	$3.60	$3.71	$3.82	$3.90	$4.02	$4.10	$4.14	$4.22	***$4.26***	***$5.10***
Shares[3]	699.6	700.1	727	733.3	768.7	769.4	770.1	771	777	778	***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 5.5% 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

[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.

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 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.

Valuation Analysis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Now	2031
Avg. P/E	17.9	18.2	21.3	19.9	18.6	19.1	19.4	18.5	19.0	18.2	***19.6***	***17.0***
Avg. Yld.	4.0%	4.2%	3.6%	3.7%	4.0%	3.9%	3.9%	4.0%	3.7%	3.7%	***3.3%***	***3.4%***

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 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

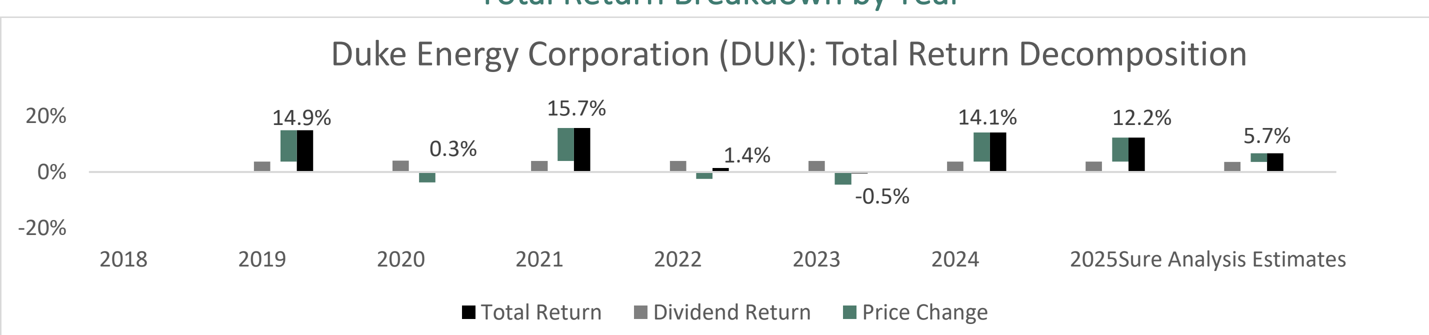
Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	72%	76%	76%	73%	75%	74%	76%	74%	70%	67%	***64%***	***58%***

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 5.7% annualized total returns over the next half-decade from its 3.3% yield, 5.5% 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	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenue	22,753	23,565	24,521	25,079	23,868	24,621	28,768	29,060	30,357	32,237
Gross Profit	6,797	7,223	6,728	7,028	6,864	7,196	7,890	8,503	9,404	10,174
Gross Margin	29.9%	30.7%	27.4%	28.0%	28.8%	29.2%	27.4%	29.3%	31.0%	31.6%
D&A Exp.	3,294	3,527	4,074	4,548	4,705	4,762	5,086	5,253	5,793	6,324
Operating Profit	5,655	5,990	5,448	5,721	5,527	5,841	6,424	7,103	7,938	8,577
Op. Margin	24.9%	25.4%	22.2%	22.8%	23.2%	23.7%	22.3%	24.4%	26.1%	26.6%
Net Profit	2,578	3,070	2,625	3,578	1,075	3,723	3,778	4,329	4,604	5,070
Net Margin	11.3%	13.0%	10.7%	14.3%	4.5%	15.1%	13.1%	14.9%	15.2%	15.7%
Free Cash Flow	(1,103)	(1,428)	(2,203)	(2,913)	(918)	(1,381)	(5,434)	(2,710)	73	(1,672)
Income Tax	1,156	1,196	448	519	(236)	268	300	438	590	642

Balance Sheet Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total Assets ($B)	139	143	151	164	167	174	183	182	191	200
Cash & Equivalents	392	496	583	533	453	511	582	329	398	329
Acc. Receivable	2,644	2,774	3,134	3,060	3,153	3,522	4,415	4,131	4,121	4,230
Inventories	3,522	3,250	3,084	3,232	3,167	3,111	3,584	4,292	4,509	4,569
Goodwill & Int.	19,651	19,626	19,549	19,552	19,598	19,539	19,568	19,585	19,580	19,301
Total Liab. ($B)	98	101	107	116	118	123	131	132	139	147
Accounts Payable	2,994	3,043	3,487	3,487	3,144	3,531	4,754	4,228	5,479	5,223
LT Debt ($B)	47,895	52,279	54,529	59,558	61,203	64,775	72,091	76,169	81,646	88,245
Total Equity ($B)	41,033	41,739	43,817	44,860	46,002	47,334	47,360	47,150	49,154	50,869
LTD/E Ratio	1.23	1.30	1.32	1.34	1.34	1.38	1.55	1.64	1.70	1.76

Profitability & Per Share Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Return on Assets	1.9%	2.2%	1.8%	2.3%	0.6%	2.2%	2.1%	2.4%	2.5%	2.6%
Return on Equity	6.4%	7.4%	6.1%	7.8%	2.2%	7.4%	7.3%	8.5%	9.1%	9.7%
ROIC	3.0%	3.3%	2.7%	3.4%	1.0%	3.2%	3.1%	3.3%	3.4%	3.6%
Shares Out.	699.6	700.1	727	733.3	768.7	769.4	770.1	771	777	778
Revenue/Share	32.93	33.66	34.63	34.40	32.34	32.02	37.36	37.69	39.32	41.49
FCF/Share	(1.60)	(2.04)	(3.11)	(4.00)	(1.24)	(1.80)	(7.06)	(3.51)	0.09	(2.15)

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