

IDEX CORP /DE/
Form S-3/A
April 16, 2002

As Filed With the Securities and Exchange Commission on April 16, 2002

Registration No. 333-84036

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Amendment No. 2
to
FORM S-3
REGISTRATION STATEMENT
Under
The Securities Act of 1933

IDEX CORPORATION

(Exact Name of Registrant as Specified in its Charter)

Delaware
(State or Other Jurisdiction of
Incorporation or Organization)

36-3555336
(I.R.S. Employer
Identification No.)

630 Dundee Road
Northbrook, Illinois 60062
(847) 498-7070

(Address, Including Zip Code, and Telephone Number, Including Area Code, of Registrant's Principal Executive Offices)

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Approximate date of commencement of proposed sale to the public: As soon as practicable after this Registration Statement becomes effective.

If the only securities being registered on this Form are being offered pursuant to dividend or interest reinvestment plans, please check the following box.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, other than securities offered only in connection with dividend or interest reinvestment plans, check the following box.

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If delivery of the prospectus is expected to be made pursuant to Rule 434, please check the following box.

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the Registration Statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

The information in this prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. The prospectus is not an offer to sell these securities and is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

Subject to Completion
Preliminary Prospectus dated April 16, 2002

PROSPECTUS

5,000,000 Shares
Common Stock

We are selling 1,500,000 shares and the selling shareholders are selling 3,500,000 shares. The underwriters are offering all 5,000,000 shares in the U.S. and Canada. We will not receive any of the proceeds from the shares of common stock sold by the selling shareholders.

The shares trade on the New York Stock Exchange and the Chicago Stock Exchange under the symbol IEX. On April 12, 2002, the last sale price of the shares as reported on the New York Stock Exchange was \$39.00 per share.

Investing in the common stock involves risks that are described in the Risk Factors section beginning on page 8 of this prospectus.

	Per Share	Total
Public offering price	\$	\$
Underwriting discount	\$	\$
Proceeds, before expenses, to IDEX	\$	\$
Proceeds, before expenses, to the selling shareholders	\$	\$

The underwriters may also purchase up to an additional 750,000 shares from KKR Associates, L.P. at the public offering price, less the underwriting discount, within 30 days from the date of this prospectus to cover over-allotments.

Neither the Securities and Exchange Commission nor any state regulatory securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The shares will be ready for delivery on or about _____, 2002.

Merrill Lynch & Co.

Credit Suisse First Boston

Robert W. Baird & Co.

Banc of America Securities LLC
Bear, Stearns & Co. Inc.

The date of this prospectus is _____, 2002.

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You should rely only on the information contained or incorporated by reference in this prospectus. We have not, and the selling shareholders and the underwriters have not, authorized any other person to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. We are not, and the selling shareholders and the underwriters are not, making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted. You should assume that the information appearing in this prospectus is accurate only as of the date on the front cover of this prospectus. Our business, financial condition, results of operations and prospects may have changed since that date.

A person may only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 (the "FSMA")) received by it in connection with the issue or sale of any shares in circumstances in which Section 21(1) of the FSMA does not apply to us.

This communication is directed only at persons who (i) are outside the United Kingdom or (ii) have professional experience in matters relating to investments or (iii) are persons falling within Article 49(2) (a) to (d) ("high net worth companies, unincorporated associations, etc. ") of The Financial Services and Markets Act 2000 (Financial Promotion) Order 2001 (all such persons together being referred to as "relevant persons"). This communication must not be acted on or relied upon by persons who are not relevant persons. Any investment or investment activity to which this communication relates is available only to relevant persons and will be engaged in only with relevant persons.

Hale, Hurst Jaws of Life, LUKAS, Class 1, Viking, FAST, Fluid Management and BAND-IT are registered trademarks of IDEX Corporation and/or its subsidiaries in the United States and other countries.

CAUTIONARY STATEMENTS REGARDING FORWARD-LOOKING STATEMENTS

This prospectus, including the documents that are incorporated by reference as set forth in Information Incorporated by Reference, contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended and Section 21E of the Exchange Act of 1934, as amended. Such statements relate to, among other things, capital expenditures, cost reductions, cash flow, and operating improvements and are indicated by words or phrases such as anticipate, estimate, plans, expects, projects, should, will, management company believes, the company intends and similar words or phrases. Such statements are subject to inherent uncertainties and risks which could cause actual results to differ materially from those anticipated as of the date of this prospectus. The risks and uncertainties include, but are not limited to, the following:

- r economic and political consequences resulting from the September 11, 2001 terrorist attacks;
- r levels of industrial activity and economic conditions in the U.S. and other countries around the world, pricing pressures and other competitive factors, and levels of capital spending in certain industries, all of which could have a material impact on order rates and our results, particularly in light of the low levels of order backlogs we typically maintain;
- r our ability to make acquisitions and to integrate and operate acquired businesses on a profitable basis;
- r the relationship of the U.S. dollar to other currencies and its impact on pricing and cost competitiveness;
- r political and economic conditions in foreign countries in which we operate;
- r interest rates;
- r utilization of our capacity and the effect of capacity utilization on costs;
- r labor market conditions and material costs; and
- r developments with respect to contingencies, such as litigation and environmental matters.

The forward-looking statements included herein are only made as of the date of this prospectus and we undertake no obligation to publicly update such forward-looking statements to reflect subsequent events or circumstances. You are cautioned not to unduly rely on such forward-looking statements when evaluating the information presented herein.

MARKET AND INDUSTRY DATA

This prospectus, and the documents incorporated by reference in this prospectus, include market share data based upon revenues that we obtained from internal company surveys, market research, publicly available information and industry publications and surveys. Much of the market share information for each of our business units is based upon their current products and current markets served. Information sources with respect to market share data for each of these niche markets are limited, and are generally based on a combination of the above sources. Industry surveys and publications generally state that the information contained therein has been obtained from sources believed to be reliable, but there can be no assurance as to the accuracy and completeness of such information. We have not independently verified any of the data from third-party sources nor have we ascertained the underlying economic assumptions relied upon therein. Similarly, internal company surveys and market research, which we believe to be reliable based upon management's knowledge of the industry, have not been verified by any independent sources.

SUMMARY

This summary highlights information contained elsewhere or incorporated by reference in this prospectus. Because this is a summary, it is not complete and does not contain all of the information that may be important to you. You should read the entire prospectus carefully, including the information under Risk Factors and the consolidated financial statements and the related notes incorporated by reference into this prospectus before making an investment decision. See Where You Can Find Additional Information. Unless the context requires otherwise, the references to we, us, our, the Company, or IDEX refer collectively to IDEX Corporation and its subsidiaries. Unless otherwise stated, the information contained in this prospectus assumes that the underwriters do not exercise their over-allotment option.

IDEX Corporation

Our Business

We are a leading global manufacturer of fluid handling products and other specialized industrial equipment. We manufacture an extensive array of proprietary, engineered industrial products sold to customers in a variety of industries around the world. We believe that each of our principal business units holds the number-one or number-two market share position in the niche markets they serve. We believe that our historical financial performance has been attributable to our expertise in designing and manufacturing quality proprietary products, coupled with our ability to identify and successfully integrate strategic acquisitions. Our business reports results in three segments: Pump Products Group, Dispensing Equipment Group, and Other Engineered Products Group. In 2001, we had \$726.9 million in sales and \$84.7 million in operating income before restructuring charges, with 42% of our sales shipped to customers outside the U.S.

Pump Products Group. The Pump Products Group produces a wide variety of industrial pumps, compressors, flow meters and related controls for the movement of liquids, air and gases. The devices and equipment produced by this group are used by a large and diverse set of industries, including chemical processing, machinery, water treatment, medical equipment, liquid petroleum distribution, oil and refining, and food and drug processing. In 2001, the six business units that comprised this group were Gast Manufacturing, Liquid Controls, Micropump, Pulsafeeder, Viking Pump and Warren Rupp. The group accounted for 59% of our total sales in 2001, 37% of which were shipped to customers outside the U.S.

Dispensing Equipment Group. The Dispensing Equipment Group produces highly engineered equipment for dispensing, metering and mixing colorants, paints, inks, and dyes; refinishing equipment; and centralized lubrication systems. This proprietary equipment is used in a variety of retail and commercial industries around the world. This group provides equipment, systems, and service for applications such as tinting paints and coatings, industrial and automotive refinishing, and the precise lubrication of machinery and transportation equipment. In 2001, the three business units that comprised this group were FAST, Fluid Management and Lubriquip. The group accounted for 19% of our total sales in 2001, 57% of which were shipped to customers outside the U.S.

Other Engineered Products Group. The Other Engineered Products Group produces engineered banding and clamping devices, fire fighting pumps and rescue tools, and other components and systems for the fire and rescue industry. The high-quality stainless steel bands, buckles and preformed clamps and related installation tools are used in a wide variety of industrial and commercial applications. The group also includes the world's leading manufacturer of truck-mounted fire pumps and rescue tool systems used by public and private fire and rescue organizations. In 2001, the two business units that comprised this group were Band-It and Hale Products. The group accounted for 22% of our total sales in 2001, 41% of which were shipped to customers outside the U.S.

Our Strengths

As a world leading manufacturer of positive displacement pumps, dispensing equipment and other industrial equipment, we have a number of competitive advantages, including:

Brand Name, Market Leading Products. We offer a wide range of products with strong brand recognition, compared with the single line offered by most of our competitors. Our primary products are market leaders, including positive displacement pumps, vacuum pumps, flow meters, fractional horsepower compressors, color formulation equipment, refinishing equipment, centralized lubrication systems, fire truck pumps and rescue tools, and stainless steel banding and clamping devices. We believe that each of our principal business units holds the number-one or number-two market share position in the niche markets they serve. We believe we have some of the most recognized brand names in the markets we serve, including Viking, FAST, Fluid Management, BAND-IT and Hurst Jaws of Life.

Highly Engineered Products with High Margins. We tailor our highly engineered products to the specific needs of our niche market customers. We have a regular flow of new products generated through our engineering staff. In 2001, approximately 25% of our annual sales were generated from products we introduced or completely redesigned over the prior four years. This focus on highly engineered products, along with our efficient operations, has enabled us to achieve strong operating margins since our initial public offering in 1989.

Strong Distribution and Service. A significant portion of our products are sold through distributors in more than 100 countries around the world. In 2001, we renewed our efforts to continuously upgrade our distribution network. This included launching IDEXconnect.com, our online distribution effort, to improve channel efficiency and identifying service-minded distributors to become certified service centers to add to our network. Through these service partners, we will have better insight into customer needs and product improvement ideas.

Diverse End Markets and Broad Customer Base. Serving diverse end-users and worldwide markets reduces our dependence on particular geographic or industry segments. No customer accounts for more than 2% of our sales. Our largest four end markets—paints and coatings, fire and rescue, machinery, and chemical processing—each account for about 15% of total sales. We believe we enjoy a strong reputation for quality across our global customer base.

High Levels of Free Cash Flow. Our free cash flow (cash flows from operating activities minus capital expenditures) has exceeded our net income every year since our initial public offering in 1989. Free cash flow in 2001 was a record \$85.7 million, which was more than double our net income before restructuring charges. We expect strong free cash flow to continue as we focus on using operational excellence tools such as Six Sigma, Kaizen and Lean, as well as our global sourcing initiative.

Successful Acquisition Track Record. We have acquired 19 businesses since our initial public offering in 1989, including three businesses in 2001. Our acquisition strategy focuses on companies that manufacture proprietary engineered products with leading positions in niche markets. We believe that our ability to successfully integrate acquired businesses into our overall structure has resulted in additional growth and improved financial performance.

Our Business Strategy

Our business strategy is to:

- r use operational excellence initiatives (Six Sigma, Kaizen, Lean, global sourcing and eBusiness) to enhance our productivity and customer service in order to expand margins;
- r invest in new products and identify new markets to drive organic growth in excess of market rates; and
- r acquire companies that fit our acquisition criteria.

Achieve Greater Operational Excellence. One of the cornerstones of our business model is achieving greater operational excellence. In the last two years, we have implemented several new initiatives that are aimed at enhancing our productivity, improving our customer service and reducing our cost structure. They are as follows:

- r *Six Sigma.* Six Sigma is a statistically-based methodology for improving product quality and streamlining manufacturing and transactional processes. Our Six Sigma program begins with the identification of our customers critical-to-quality needs and the measurement of the gap between their expectations and our actual performance. We analyze the causes of performance shortfalls and use a range of tools to remedy the problems. The resulting changes in our products and processes are systemic and long lasting. Through the use of these powerful tools, we have been able to solve problems that have eluded solution by traditional approaches, enabling us to improve product quality and on-time delivery for our customers.
- r *Kaizen.* Kaizen manufacturing techniques focus on eliminating waste from wasted motion to wasted space in each operation in the manufacturing process. Kaizen is being used to shorten cycle time, reduce the amount of manufacturing space needed and lower inventories. This initiative enables us to improve our productivity and thereby lower our cost of manufacturing.
- r *Lean.* Lean manufacturing techniques focus on a one-piece flow in manufacturing, based on customer needs. It is a visual pull system that allows us to determine how many products a customer needs, rather than a forecasted batch process that focuses on how many products we can push through the system. Lean principles improve the overall manufacturing process by reducing cycle time, inventory, floor space and non-value-added work, which results in higher returns on invested capital.
- r *Global sourcing.* Global sourcing of materials and components used in our manufacturing process is reducing our variable cost while providing us with materials and components of equal or better quality. Our business unit sourcing teams work together to streamline the global sourcing process, find new suppliers and leverage company-wide purchasing power. In 2001, our global sourcing initiative generated approximately \$3.6 million in savings. Based on purchase agreements already in place, we expect to achieve a significant increase in savings from global sourcing in 2002.
- r *eBusiness.* Our goal is to make it easier for our customers to do business with IDEX. In September 2001, we launched IDEXconnect.com, our online distribution effort, for our Pump Products Group distributors. By year-end, six distributors and 121 users were on the system. We are in the process of extending this system to our Dispensing Equipment and Other Engineered Products Groups.

Achieve Organic Growth in Excess of Market Rates.

- r *Expand Our Product Lines and Markets.* We are investing a portion of our free cash flow, including savings generated from our operational excellence initiatives, to develop new products. At

the same time, we are identifying new markets in an effort to seek additional sales opportunities. This approach is leading to the development of new products and product extensions to reach adjacent markets, new applications for existing products and new service offerings.

- r *Cross-Selling.* By reorganizing our management structure in late 2000, we have more closely aligned operations with similar products, and created opportunities for the sales force to cross-sell the full line of products.

Complement Organic Growth with Acquisitions. We have acquired 19 businesses since our initial public offering in 1989, including three in 2001: Liquid Controls, Class 1 and Versa-Matic Tool. Acquisitions are a very important part of our growth strategy. We continue to look for companies that:

- r offer proprietary, highly engineered brand-name products;
- r are profitable;
- r contribute to earnings in the first year;
- r provide strong market positions;
- r serve adjacent markets or complement current product lines;
- r reach a diverse customer base; and
- r have a strong management team.

Recent Developments

First Quarter 2002

On April 16, 2002, we announced our financial results for the first quarter ended March 31, 2002. Although complete financial statements for the first quarter of 2002 are not yet available, the following table sets forth certain unaudited financial results for the periods reported.

	For the Quarter Ended				
	March 31, 2002	March 31,		December 31,	
		2001	Change	2001	Change
	(in millions, except per share amounts and percentages)				
Orders written	\$184.1	\$ 189.7	(3)%	\$161.3	14%
Sales	174.9	187.4	(7)	168.8	4
Excluding Restructuring and Goodwill:					
Operating income	22.5	26.1	(14)	20.9	8
Operating margin	12.9%	13.9%	(100)bp	12.4%	50bp
Net income	\$ 11.5	\$ 13.5	(15)	\$ 10.8	6
Diluted EPS	.37	.44	(16)	.35	6
EBITDA	30.4	33.9	(10)%	27.7	10%

Sales in the first quarter were \$174.9 million, which represented a 4% improvement from the fourth quarter of 2001. This was 7% lower than first quarter 2001 performance, when stronger business conditions prevailed throughout the manufacturing sector. Compared with the first quarter last year, acquisitions accounted for a 2% sales improvement, which was offset by an 8% decline in base business shipments and a 1% unfavorable currency translation effect. International sales declined by 8% and domestic sales were 6% lower. Sales to international customers were 40% of the total, down slightly from 41% last year. First quarter 2002

operating margins were 12.9% of sales. Compared on the same accounting basis (excluding goodwill amortization in accordance with new accounting rules effective January 1, 2002), margins, before restructuring charges, showed a 0.5% improvement from the fourth quarter but were 1% below last year's first quarter. These differences were largely attributable to changes in sales volume versus the two prior-year quarters. Net income for the current quarter was \$11.5 million. After adjusting prior-year results to exclude restructuring charges and goodwill amortization, this represents a 6% improvement from last year's fourth quarter but a 15% decline from the first. Comparing diluted earnings per share on this same basis shows the current quarter's \$.37 exceeded the fourth quarter by \$.02 but was lower than last year's by \$.07. Our first quarter diluted earnings per share on an as reported basis was significantly better than last year's first quarter of \$.23 and fourth quarter of \$.14 due to the restructuring and goodwill expenses recorded in 2001.

New orders for the latest three months totaled \$184.1 million, 14% stronger than the fourth quarter of 2001 but 3% lower than the first quarter of last year. Excluding the impact of foreign currency and the June 2001 Versa-Matic acquisition, orders were 4% lower than in the first quarter of 2001. During the first quarter of this year, we built \$9.2 million of backlog. At March 31, we had a typical unfilled order backlog of slightly over one month's sales.

For the quarter, the Pump Products Group contributed 58% of sales and 62% of operating income, the Dispensing Equipment Group accounted for 19% of sales and 16% of operating income, and the Other Engineered Products Group represented 23% of sales and 22% of operating income.

We ended the quarter with total assets of \$838.9 million and working capital of \$131.2 million. Total debt decreased \$16.2 million during the period. First quarter free cash flow (cash flow from operations activities less capital expenditures) was \$19.0 million and 1.7 times net income. For the last 12 months, free cash flow totaled \$90.0 million and was nearly 1.8 times net income excluding restructuring charges and goodwill amortization. Trailing 12-month EBITDA (earnings before interest, taxes, depreciation and amortization) before the 2001 restructuring charge totaled \$126.0 million and covered interest expense by more than 6 times. Debt to total capitalization at the end of the first quarter was 40%.

2001 Restructuring

Our management took aggressive actions in the first and fourth quarters of 2001 to downsize operations to be consistent with reduced business activity levels experienced across the U.S. and world economies. The restructuring, which affected all three of our business groups, resulted in our taking a total restructuring charge of \$11.2 million (\$7.1 million after tax, or \$.23 per diluted share). During the year, excluding the effect of acquisitions, we reduced our workforce by 15%, affecting almost 600 employees. These actions were necessary to appropriately size our businesses, lower costs and improve efficiencies. We expect that the annual savings from these actions will exceed the total charge recorded.

How to Reach Us

Our principal executive office is located at 630 Dundee Road, Northbrook, Illinois 60062 and our telephone number at that address is (847) 498-7070. Our Internet address is <http://www.idexcorp.com>. The contents of our website are not part of this prospectus.

The Offering

Common stock offered:

By IDEX 1,500,000 shares

By the selling shareholders 3,500,000 shares

Total 5,000,000 shares

Shares outstanding after the offering 32,408,024 shares (1)

Use of proceeds

We estimate that net proceeds to us from this offering will be approximately \$55.2 million. We intend to use the net proceeds to repay outstanding indebtedness under our revolving credit facility, thereby increasing the amount available for borrowing under this facility, which we intend to use for general corporate purposes, including the funding of acquisitions.

We will not receive any of the proceeds from the sale of shares by the selling shareholders.

Risk factors

See Risk Factors and other information included in this prospectus for a discussion of factors you should carefully consider before deciding to invest in shares of the common stock.

New York Stock Exchange and Chicago Stock Exchange symbol

IEX

- (1) Shares outstanding after this offering are based on the number of shares outstanding as of April 12, 2002. The number of shares outstanding after the offering excludes 4,345,302 shares reserved for issuance under our stock option plans, of which options to purchase 3,432,676 shares at an average option price of \$29.21 have been issued as of April 12, 2002.

Summary Consolidated Financial Data

We derived the following summary consolidated financial data for the periods ended and as of the dates indicated from our audited consolidated financial statements. This financial and operating data is not necessarily indicative of the results that may be expected for any future period. You should read this information together with the Management's Discussion and Analysis of Financial Condition and Results of Operations and our consolidated financial statements, including the related notes, incorporated by reference into this prospectus. See Where You Can Find Additional Information.

	Years ended December 31,		
	1999	2000	2001
	(in thousands, except per share amounts)		
Statement of Operations Data:			
Net sales	\$ 655,041	\$ 704,276	\$ 726,947
Gross profit	256,484	277,952	263,722
Operating income	104,677	116,516	73,438(1)
Net income	54,428	63,445	32,710(1)
Diluted earnings per share:			
Net income	\$ 1.81	\$ 2.07	\$ 1.05(1)
Net income excluding restructuring charge and amortization (2)	2.11	2.38	1.65
Fully diluted weighted average shares outstanding	30,085	30,632	31,047
Dividends declared per share	\$.56	\$.56	\$.56
Other Data:			
EBITDA (excluding restructuring charge) (3)	\$ 139,709	\$ 154,027	\$ 129,328
Depreciation and amortization (4)	34,464	36,480	43,933
Cash flows from operating activities	96,156	92,728	107,300
Capital expenditures	18,338	20,739	21,639
Free cash flow (5)	77,818	71,989	85,661
	As of December 31, 2001		
	Actual	As Adjusted (6)	
Balance Sheet Data:			
Total assets	\$ 838,804	\$	838,804
Total debt	291,820		236,599
Shareholders' equity	401,112		456,333

- (1) Excluding a restructuring charge of \$11,226 resulting from actions to downsize operations consistent with the reduced business activity levels in 2001, operating income was \$84,664, net income was \$39,782 and diluted earnings per share were \$1.28.
- (2) In July 2001, the Financial Accounting Standards Board issued SFAS No. 142, Goodwill and Other Intangible Assets. SFAS No. 142 establishes accounting and reporting standards for intangible assets and goodwill. It requires that goodwill and certain intangible assets no longer be amortized to earnings, but instead be reviewed periodically for impairment. Had the new pronouncement been adopted on January 1, 1999, goodwill and trademark amortization of \$11,312, \$12,166 and \$14,574 (after tax: \$8,983 or \$.30 per diluted share, \$9,523 or \$.31 per diluted share and \$11,433 or \$.37 per diluted share) would not have been recorded in 1999, 2000 and 2001, respectively. Further, excluding the restructuring charge, IDEX's diluted earnings per share in 2001 would have increased by another \$.23 from \$1.42 to \$1.65.
- (3) EBITDA means earnings before interest, income taxes, depreciation and amortization. EBITDA is commonly used as an analytical indicator and also serves as a measure of leverage capacity and debt servicing ability. EBITDA should not be considered as an alternative to net income, cash flows or any other items calculated in accordance with generally accepted accounting principles or as an indicator of our operating performance. The definition of EBITDA used herein may differ from the definition used by other companies.
- (4) Excludes amortization of debt issuance expenses.
- (5) Free cash flow means cash flows from operating activities minus capital expenditures.
- (6) Reflects the use of proceeds from this offering as described under Use of Proceeds.

RISK FACTORS

You should carefully consider the following risks and uncertainties and all other information contained in this prospectus, including the documents incorporated by reference, before you decide whether to purchase our common stock. Any of the following risks, if they materialize, could adversely affect our business, financial condition and results of operations. As a result, the trading price of our common stock could decline, and you could lose all or part of your investment.

Risk Factors Relating to Our Business

Continued terrorist attacks, war or other disturbances could lead to further economic instability and decreases in demand for our products and could have a material adverse effect on our business, financial condition and results of operations.

The terrorist attacks of September 11, 2001 caused instability in the global financial markets. The disruption of our business as a result of the terrorist attacks of September 11, including a decrease in customer demand for our products, had an immediate adverse impact on our business. Our business activity levels in the third and fourth quarters last year dropped significantly as a result of these attacks. Since we operate with a very small backlog of unfilled orders, reductions in order activity very quickly reduce our sales and profitability. The long-term effect of the September 11 attacks on our business are unknown. These attacks and the wars in Afghanistan and the Middle East may lead to additional armed hostilities or to further acts of terrorism and civil disturbance in the U.S. or elsewhere, which may further contribute to economic instability and could have a material adverse effect on our business, financial condition and results of operations.

We face risks from the uncertainty of prevailing economic conditions. Any decrease in customer demand for our products as a result of market downturns could have a material adverse effect on our business, financial condition and results of operations.

In 2001, the U.S. and other world markets experienced a significant downturn and many of the markets that we serve were affected. As a result of this downturn, customer demand decreased and our business and financial results were adversely affected. The impact of decreased demand for our products on our results is typically immediate given the low level of order backlogs we maintain. Lower demand also negatively affects our capacity utilization and the effect of capacity utilization on our costs could reduce our operating margins. If this economic slowdown were to continue for an extended period or if conditions were to worsen, the negative impact on our business and financial results could be further exacerbated. It is difficult for us to predict when and to what extent the markets we serve will recover.

Our growth strategy includes acquisitions and we may not be able to make acquisitions of suitable candidates or integrate acquisitions successfully.

Our markets primarily include mature industries. As a result, our historical growth has depended, and our future growth is likely to continue to depend, in large part on our acquisition strategy and the successful integration of acquired businesses into our existing operations. We intend to continue to seek additional acquisition opportunities both to expand into new markets and to enhance our position in existing markets throughout the world. We cannot assure you, however, that we will be able to successfully identify suitable candidates, negotiate appropriate acquisition terms, obtain financing which may be needed to consummate such acquisitions, complete proposed acquisitions, successfully integrate acquired businesses into our existing operations or expand into new markets. In addition, we cannot assure you that any acquisition, once successfully integrated, will perform as planned, be accretive to earnings, or prove to be beneficial to our operations and cash flow.

Acquisitions involve numerous risks, including difficulties in the assimilation of the operations, technologies, services and products of the acquired companies and the diversion of management's attention from other business concerns. Although our management will endeavor to evaluate the risks inherent in any particular transaction, we cannot assure you that we will properly ascertain all such risks. In addition, prior acquisitions have resulted, and future acquisitions could result, in the incurrence of substantial additional indebtedness and other expenses. Once integrated, acquired operations may not achieve levels of revenues, profitability or productivity comparable with those achieved by our existing operations, or otherwise perform as expected. We cannot assure you that our continuing acquisition strategy will not have a material adverse effect on our business, financial condition and results of operations.

The markets we serve are highly competitive and our competition may have greater resources than us. This competition could limit the volume of products that we sell and reduce our operating margins.

Most of our products are sold in competitive markets. We believe that the principal points of competition in our markets are product quality, price, design and engineering capabilities, product development, conformity to customer specifications, quality of post-sale support, timeliness of delivery, and effectiveness of our distribution organization. Maintaining and improving our competitive position will require continued investment by us in manufacturing, engineering, quality standards, marketing, customer service and support, and our distribution networks. We cannot assure you that we will have sufficient resources to continue to make such investments or that we will be successful in maintaining our competitive position. Our competitors may develop products that are superior to our products, or may develop methods of more efficiently and effectively providing products and services or may adapt more quickly than us to new technologies or evolving customer requirements. Certain of our competitors are subsidiaries of larger, more diversified corporations and may have greater financial, marketing, production and research and development resources than us. As a result, they may be better able to withstand the effects of periodic economic downturns. Pricing pressures could also cause us to adjust the prices of certain of our products to stay competitive. We cannot assure you that we will be able to compete successfully with our existing competitors or with new competitors. Failure to continue competing successfully could adversely affect our business, financial condition and results of operations.

Significant movements in foreign currency exchange rates may harm our financial results.

We are exposed to fluctuations in foreign currency exchange rates, particularly with respect to the euro and the British pound. Any significant change in the value of the currencies of the countries in which we do business against the U.S. dollar could affect our ability to sell products competitively and control our cost structure, which could have a material adverse effect on our business, financial condition and results of operations. We seek to minimize the risk from these foreign currency exchange rate fluctuations principally through invoicing our customers in the same currency as the source of the products. However, we cannot assure you that our efforts to minimize these risks will be successful.

Political and economic conditions in foreign countries in which we operate could adversely affect us.

In 2001, approximately 42% of our total sales were international sales. We expect international operations and export sales to continue to contribute materially to earnings for the foreseeable future. Both the sales from international operations and export sales are subject in varying degrees to risks inherent in doing business outside the United States. Such risks include, without limitation, the following:

- r possibility of unfavorable circumstances arising from host country laws or regulations;
- r risks of economic instability;
- r partial or total expropriation;
- r currency exchange rate fluctuations and restrictions on currency repatriation;

- r potential negative consequence from changes to significant taxation policies;
- r the disruption of operations from labor and political disturbances;
- r changes in tariff and trade barriers and import or export licensing requirements;
- r insurrection or war; and
- r potential negative consequences from the requirements of partial local ownership of operations in certain countries.

We cannot assure you of the impact on us if such events occur in the future.

We are exposed to potential environmental liabilities and litigation. Compliance with environmental regulations could require us to discharge environmental liabilities, increase the cost of manufacturing our products or otherwise adversely affect our business, financial condition and results of operations.

Our past and present business operations and the past and present ownership and operations of real property by us are subject to extensive and changing federal, state, and local environmental laws and regulations, as well as those of other countries, pertaining to the discharge of materials into the environment, the handling and disposition of wastes (including hazardous wastes) or otherwise relating to protection of the environment. In the future, we may be identified as a potentially responsible party and be subject to liability under applicable law. We have experienced, and expect to continue to experience, costs to comply with environmental laws and regulations. In addition, new laws and regulations, stricter enforcement of existing laws and regulations, the discovery of previously unknown contamination or the imposition of new clean-up requirements could require us to incur costs or become the basis for new or increased liabilities that could have a material adverse effect on our business, financial condition and results of operations.

We use and generate hazardous substances and wastes in our operations. In addition, many of our current and former properties are or have been used for industrial purposes. Accordingly, we are conducting investigation and remediation activities at several on-site and off-site locations. We may be subject to potential material liabilities relating to any investigation and clean-up of contaminated properties and to claims alleging personal injury.

We and certain of our subsidiaries have been named as defendants in a number of lawsuits claiming various asbestos-related personal injuries, allegedly as a result of exposure to products manufactured by us with components containing asbestos. Neither we, nor do we believe our subsidiaries, manufactured any such components, which were acquired from third party suppliers. To date, all of the Company's payments and legal costs have been covered in full by insurance. Accordingly, we have not made any provision in our accounts for these cases and do not currently believe such claims represent a material contingent liability, although the outcome of asbestos claims is inherently uncertain and always difficult to predict and we cannot assure you that the resolution of such claims will not be significant in the future. We are also party to various other legal proceedings arising in the ordinary course of business, none of which are expected to have a material adverse effect on our business, financial condition and results of operations.

We could be adversely affected by rapid changes in interest rates.

Our profitability may also be adversely affected during any period of unexpected or rapid increase in interest rates. At December 31, 2001, we had \$291.8 million of total debt outstanding, of which approximately 47% was priced at interest rates that float with the market. A 50 basis point increase in the interest rate on the floating rate debt would result in an approximate \$686,000 annualized increase in interest expense and decrease in cash flows. We will from time to time enter into interest rate swaps on our debt when we believe there is a clear financial advantage in doing so. As of March 31, 2002, we had no interest rate swaps in place.

Our intangible assets are valued at an amount greater than our net worth and a write-off of our intangible assets could cause us to have negative net worth.

Our total assets reflect substantial intangible assets, primarily goodwill. At December 31, 2001, goodwill totaled \$454.6 million compared to \$401.1 million of shareholders' equity. The goodwill results from our acquisitions, representing the excess of cost over the fair value of the tangible assets we have acquired. At each balance sheet date, we assess whether there has been an impairment in the value of our intangible assets. If future operating performance at one or more of our business units were to fall significantly below current levels, we could reflect, under current applicable accounting rules, a non-cash charge to operating earnings for goodwill impairment. Any determination requiring the write-off of a significant portion of unamortized intangible assets would negatively affect our results of operations and total capitalization, which effect could be material. As of January 1, 2002, we have determined that no impairment existed.

Our business could suffer if we are unsuccessful in negotiating new collective bargaining agreements.

As of December 31, 2001, we had approximately 3,900 employees. Approximately 15% of our employees are represented by unions with various contracts expiring through March 2005. Although we believe that our relations with our employees are good and we have not experienced any recent strikes or work stoppages, we cannot assure you that we will be successful in negotiating new collective bargaining agreements, that such negotiations will not result in significant increases in the cost of labor or that a breakdown in such negotiations will not result in the disruption of our operations. In addition, our closures of certain facilities may create the risk of strikes or work stoppages at those and other facilities.

We are dependent on the availability of raw materials and parts and components used in our products.

While we manufacture many of the parts and components used in our products, we require substantial amounts of raw materials and purchase some parts and components from suppliers. The availability and prices of raw materials and parts and components may be subject to curtailment or change due to, among other things, suppliers' allocations to other purchasers, interruptions in production by suppliers, changes in exchange rates and prevailing price levels. Any change in the supply of, or price for, these raw materials or parts and components could materially affect our business, financial condition and results of operations.

Risk Factors Associated With Our Common Stock

Limited trading volume of our common stock may contribute to its price volatility.

Our common stock is traded on the New York Stock Exchange and the Chicago Stock Exchange. During the twelve months ended March 31, 2002, the average daily trading volume for our common stock as reported by the NYSE was 47,531 shares. Even if we achieve a wider dissemination as to the shares offered by us and the selling shareholders pursuant to this prospectus, we are uncertain as to whether a more active trading market in our common stock will develop. As a result, relatively small trades may have a significant impact on the price of our common stock.

Existing shareholders may sell their shares, which could depress the market price of our common stock.

In addition to the 5,750,000 shares covered by this prospectus (assuming the underwriters exercise their over-allotment option in full) which may be offered and sold from time to time by us and the selling shareholders, KKR Associates, L.P. has certain rights under a registration rights agreement to require us to register up to an additional 4,503,592 shares of common stock under the Securities Act to permit the public sale of its shares, as well as the ability to resell its shares into the public market pursuant to Rule 144 under the

Securities Act (Rule 144). Moreover, as of April 12, 2002, our executive officers and directors beneficially owned 1,227,729 shares of common stock (not including shares held by KKR Associates, L.P.) that are eligible to be resold into the public market pursuant to Rule 144 or Rule 701 under the Securities Act. Significant sales of such shares of common stock, or the prospect of such sales, may depress the price of the shares.

If we need to sell or issue additional shares of common stock to finance future acquisitions, your stock ownership could be diluted.

Part of our business strategy is to expand into new markets and enhance our position in existing markets throughout the world through acquisitions. In order to successfully complete targeted acquisitions or fund our other activities, we may issue additional equity securities that could be dilutive to our earnings per share and to your stock ownership. We cannot assure you as to when, and how many of, the shares of our common stock will be sold or as to the effect those sales may have on the market price of our common stock. Sales of substantial amounts of our common stock (including shares issued upon the exercise of stock options and warrants or in connection with acquisition financing), or the perception that such sales could occur, may adversely affect prevailing market prices for our common stock.

A significant amount of our common stock is owned by a single shareholder and that shareholder is in a position to exert influence over the outcome of corporate actions.

The selling shareholders owned approximately 28.3% of our common stock as of April 12, 2002 prior to this offering. Assuming the sale of all of the shares of common stock covered by this prospectus and the underwriters exercise of their over-allotment option in full, KKR Associates, L.P. will own approximately 13.9% of our common stock and will be in a position to exert influence over the outcome of corporate actions requiring shareholders' approval, including the election of directors, additional issuances of our common stock or other securities, and transactions involving a change of control. If there is no exercise of the underwriters' over-allotment option, KKR Associates, L.P. will own approximately 16.2% of our common stock after the offering. IDEX Associates, L.P. is selling all of the shares it owns in this offering.

Certain provisions of our certificate of incorporation, by-laws and Delaware General Corporate Law may have possible anti-takeover effects.

Some of the provisions of our certificate of incorporation and by-laws could discourage, delay or prevent an acquisition of our business at a premium price. The provisions:

- r permit the board of directors to increase its own size and fill the resulting vacancies;
- r provide for a board comprised of three classes of directors with each class serving a staggered three-year term; and
- r authorize the issuance of up to 5,000,000 shares of preferred stock in one or more series without a shareholder vote.

In addition, Section 203 of the Delaware General Corporate Law also imposes restrictions on mergers and other business combinations between us and any holder of 15% or more of our common stock.

We may not be able to pay dividends on our common stock.

We have no obligation to pay dividends on our common stock. The declaration and payment of dividends on our common stock is subject to, and will depend upon, among other things:

- r our future earnings and financial condition, liquidity and capital requirements;
- r our ability to pay dividends under our revolving credit facility, receivables facility and the indenture for our senior notes; and
- r other factors deemed relevant by our board of directors.

USE OF PROCEEDS

We estimate that the net proceeds, after paying the underwriting discounts and the estimated offering expenses payable by us, from the sale of the 1,500,000 shares of common stock offered by us will be approximately \$55.2 million, based upon the assumed public offering price per share of \$39.00, which was the closing price of our common stock on April 12, 2002 as quoted on the New York Stock Exchange. We will not receive any proceeds from the sale of the shares of common stock by the selling shareholders. For information about the selling shareholders, see Ownership of Common Stock by Selling Shareholders, Management and Principal Shareholders.

We expect to utilize the net proceeds to us to pay down indebtedness under our revolving credit facility, thereby increasing the amount available for future borrowing under such facility, which we intend to use for general corporate purposes, including the funding of acquisitions. We regularly evaluate potential acquisition opportunities, but we are not currently negotiating any acquisitions that would be material to our business. Pending application of the net proceeds from this offering to pay down outstanding indebtedness, we may invest in commercial paper or short-term investment grade interest bearing securities.

As of March 31, 2002, we had approximately \$81.1 million of outstanding indebtedness under our revolving credit facility, and our weighted average interest rate on borrowings outstanding under the revolving credit facility was 3.59%. At such date, approximately \$218.9 million of the revolving credit facility was unused. A facility fee equal to 20 basis points per annum is payable quarterly on the entire amount available under the revolving credit facility. The revolving credit facility expires on June 8, 2006.

PRICE RANGE OF COMMON STOCK AND DIVIDENDS

Our common stock is listed and traded on the New York Stock Exchange under the symbol IEX. The following table sets forth, for the periods indicated, the high and low intraday sales prices per share for our common stock as reported on the New York Stock Exchange and the dividends per share paid on our common stock.

2000	High	Low	Dividends per share
2001			
First Quarter	\$ 31.38	\$ 22.75	\$.14
Second Quarter	34.75	26.56	.14
Third Quarter	33.81	25.13	.14
Fourth Quarter	36.00	26.38	.14
First Quarter	\$ 33.81	\$ 27.00	\$.14
Second Quarter	34.00	27.47	.14
Third Quarter	37.20	24.90	.14
Fourth Quarter	35.73	26.95	.14
First Quarter	\$ 38.90	\$ 33.25	\$.14
Second Quarter (through April 12, 2002)	39.66	36.59	

Our common stock is also listed and traded on the Chicago Stock Exchange under the symbol IEX. As of April 12, 2002, there were approximately 1,100 shareholders of record of our common stock.

DIVIDEND POLICY

The declaration of future dividends, subject to certain limitations, is within the discretion of the board of directors and will depend upon, among other things, our future earnings and financial condition, liquidity and capital requirements. In addition, our revolving credit facility expiring in June 2006, the receivables facility expiring in December 2002 and the indenture for the senior notes due in February 2008 permit the payment of dividends only to the extent that no default exists under these agreements, and limit the amount of cash dividends in accordance with specified formulas. At March 31, 2002, under the most restrictive of these provisions, we had approximately \$64.1 million available for the payment of cash dividends in the future.

CAPITALIZATION

The following table sets forth our capitalization as of December 31, 2001:

on an actual basis, and

on an as adjusted basis, to reflect the sale of 1,500,000 shares of common stock offered by us in this offering at an assumed offering price of \$39.00 per share, which was the closing price of our common stock on April 12, 2002, less the estimated underwriting discount and offering expenses payable by us, and the application of the estimated net proceeds to us from the sale of those shares, as if this transaction had occurred on December 31, 2001.

You should read the following table along with Management's Discussion and Analysis of Financial Condition and Results of Operations and the consolidated financial statements, including the related notes, incorporated by reference into this prospectus.

	As of December 31, 2001	
	Actual	As Adjusted
	(in thousands)	
Cash and cash equivalents	\$ 4,972	\$ 4,972
Long-term debt:		
Bank credit facilities (including accrued interest)	\$ 112,787	\$ 57,566
Receivables facility	25,000	25,000
6.875% senior notes	150,000	150,000
Other	4,033	4,033
Total long-term debt	291,820	236,599
Shareholders' equity:		
Common stock, \$.01 par value; 75,000,000 shares authorized; 30,763,193 shares issued and outstanding, actual; 32,263,193 shares issued and outstanding, as adjusted	308	323
Additional paid-in capital	124,658	179,864
Retained earnings	295,489	295,489
Accumulated other comprehensive loss	(12,149)	(12,149)
Treasury stock, at cost 29,215 shares	(865)	(865)
Unearned compensation on restricted stock	(6,329)	(6,329)
Total shareholders' equity	401,112	456,333
Total capitalization	\$ 692,932	\$ 692,932

The table above excludes 2,993,842 shares of common stock issuable upon exercise of options outstanding at December 31, 2001 at a weighted average exercise price of \$26.92 per share (1,256,382 were exercisable as of December 31, 2001 and the balance become exercisable in the future based upon continued employment).

SELECTED CONSOLIDATED FINANCIAL DATA

The following table presents our selected consolidated financial data for, and as of the years ended, December 31, 1997, 1998, 1999, 2000 and 2001. This data has been derived from our audited consolidated financial statements, and is not necessarily indicative of the results that may be expected for any future period. The selected consolidated financial data should be read in conjunction with Management's Discussion and Analysis of Financial Condition and Results of Operations and our consolidated financial statements, including the related notes, incorporated by reference into this prospectus. See Where You Can Find Additional Information.

	Years ended December 31,				
	1997	1998	1999	2000	2001
	(in thousands, except per share amounts)				
Statement of Operations Data:					
Net sales	\$ 552,163	\$ 640,131	\$ 655,041	\$ 704,276	\$ 726,947
Cost of sales	329,806	387,285	398,557	426,324	463,225
Gross profit	222,357	252,846	256,484	277,952	263,722
SG&A expenses	110,588	132,627	140,495	149,639	164,893
Goodwill amortization	8,174	10,676	11,312	11,797	14,165
Restructuring charge					11,226
Operating income	103,595	109,543	104,677	116,516	73,438(1)
Other income (expense) net	(693)	479	568	1,031	731
Interest expense	18,398	22,359	18,020	16,521	20,738
Income before income taxes	84,504	87,663	87,225	101,026	53,431
Provision for income taxes	31,029	33,267	32,797	37,581	20,721
Income from continuing operations	53,475	54,396	54,428	63,445	32,710
Income from discontinued operations	5,151	10,182			
Extraordinary items		(2,514)			
Net income	\$ 58,626	\$ 62,064	\$ 54,428	\$ 63,445	\$ 32,710(1)
Diluted earnings per share:					
Income from continuing operations	\$ 1.78(3)	\$ 1.81	\$ 1.81	\$ 2.07	\$ 1.05
Net income (2)	1.95(3)	2.07	1.81	2.07	1.05(1)
Fully diluted weighted average shares outstanding	29,999(3)	30,052	30,085	30,632	31,047
Dividends declared per share	\$.495(3)	\$.545	\$.56	\$.56	\$.56
Other Data:					
EBITDA (excluding restructuring charge) (4)	\$ 127,195	\$ 142,957	\$ 139,709	\$ 154,027	\$ 129,328
Depreciation and amortization (5)	24,293	32,935	34,464	36,480	43,933
Cash flows from continuing operations	80,546	84,894	96,156	92,728	107,300
Capital expenditures	13,562	20,763	18,338	20,739	21,639
Free cash flow (6)	66,984	64,131	77,818	71,989	85,661

As of December 31,

	1997	1998	1999	2000	2001
Balance Sheet Data:					
Total assets	\$ 599,193	\$ 695,811	\$ 738,567	\$ 758,854	\$ 838,804
Total debt	258,417	283,410	268,589	241,886	291,820
Shareholders' equity	238,671	286,037	329,024	374,502	401,112

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- (1) Excluding a restructuring charge of \$11,226 resulting from actions to downsize operations consistent with the reduced business activity levels in 2001, operating income was \$84,664, net income was \$39,782 and diluted earnings per share were \$1.28.

footnotes continued on following page

(2) & nbsapplicable Similar Laws.

Prohibited Transaction Issues

Section 406 of ERISA and Section 4975 of the Code prohibit ERISA Plans from engaging in specified transactions involving plan assets with persons or entities who are "parties in interest," within the meaning of ERISA, or "disqualified persons," within the meaning of Section 4975 of the Code, unless an exemption is available. A party in interest or disqualified person who engages in a non-exempt prohibited transaction may be subject to excise taxes and other penalties and liabilities under ERISA and the Code. In addition, the fiduciary of an ERISA Plan that engages in such a non-exempt prohibited transaction may be subject to penalties and liabilities under ERISA and the Code.

The acquisition, holding and disposition of the Depositary Shares (and shares of Series A Preferred Stock) by an ERISA Plan with respect to which we or any of our affiliates is considered a party in interest or a disqualified person may constitute or result in a direct or indirect prohibited transaction under Section 406 of ERISA and/or Section 4975 of the Code, unless an applicable statutory or administrative exemption is available. In this regard, the U.S. Department of Labor has issued prohibited transaction class exemptions, or "PTCEs," that may apply to the acquisition, holding and disposition of the Depositary Shares (and shares of Series A Preferred Stock). These class exemptions include, without limitation, PTCE 84-14 with respect to transactions determined by qualified professional asset managers, PTCE 90-1 with respect to insurance company pooled separate accounts, PTCE 91-38 with respect to bank collective investment funds, PTCE 95-60 with respect to life insurance company general accounts and PTCE 96-23 with respect to transactions determined by in-house asset managers. In addition, Section 408(b)(17) of ERISA and Section 4975(d)(20) of the Code provide relief from the prohibited transaction provisions of ERISA and Section 4975 of the Code for certain transactions, provided that neither the issuer of the securities nor any of its affiliates

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(directly or indirectly) has or exercises any discretionary authority or control or renders any investment advice with respect to the assets of any ERISA Plan involved in the transaction and provided further that the ERISA Plan pays no more, nor receives no less, than adequate consideration in connection with the transaction. Each of the above-noted exemptions contains conditions and limitations on its application. Fiduciaries of ERISA Plans considering acquiring, holding or disposing of the Depositary Shares (and shares of Series A Preferred Stock) in reliance of these or any other exemption should carefully review the exemption to ensure that exemptive relief is available under it. There can be no assurance that any such exemption will be applicable or all the conditions satisfied.

Because of the foregoing, the Depositary Shares (and shares of Series A Preferred Stock) should not be acquired, held or disposed by any person investing "plan assets" of any Plan, unless such acquisition, holding and disposition will not constitute or result in a non-exempt prohibited transaction under ERISA or the Code or a violation of any applicable Similar Laws.

Representation

Each purchaser and subsequent transferee (and any fiduciary directing such acquisition) of the Depositary Shares (and shares of Series A Preferred Stock) will be deemed to have represented and warranted on each day, including the date of its acquisition of the Depositary Shares (and shares of Series A Preferred Stock) through and including the date of disposition of such Depositary Shares (and shares of Series A Preferred Stock), that either (i) the purchaser or transferee is not, and is not acting on behalf of or with the assets of, a Plan or (ii) the acquisition, holding and disposition of the Depositary Shares (and shares of Series A Preferred Stock) by such purchaser or transferee will not constitute or result in a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code or a violation under any applicable Similar Laws.

The foregoing discussion is general in nature and is not intended to be all inclusive. Due to the complexity of these rules and the penalties that may be imposed upon persons involved in non-exempt prohibited transactions, it is particularly important that fiduciaries, or other persons considering acquiring, holding or disposing of the Depositary Shares (and shares of Series A Preferred Stock) on behalf of, or with the assets of, any Plan, consult with their counsel regarding the potential applicability of ERISA, Section 4975 of the Code and any Similar Laws to such investment and whether an exemption would be available. Purchasers of the Depositary Shares (and shares of Series A Preferred Stock) have exclusive responsibility for ensuring that their purchase, holding and disposition of Depositary Shares (and shares of Series A Preferred Stock) do not violate the fiduciary or prohibited transaction rules of ERISA, the Code or any Similar Laws. The sale of any Depositary Shares (and shares of Series A Preferred Stock) to a Plan is in no respect a representation by us that such an investment meets all relevant legal requirements with respect to investments by any such Plan generally or any particular Plan, or that such investment is appropriate for such

Plans generally or any particular Plan. In this regard, neither this discussion nor anything provided in this prospectus supplement or the accompanying prospectus is or is intended to be investment advice directed at any potential Plan purchasers or at Plan purchasers generally and such purchasers of the Depositary Shares (and shares of Series A Preferred Stock) should consult and rely on their own counsel and advisers as to whether an investment in the Depositary Shares (and shares of Series A Preferred Stock) is suitable.

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BOOK-ENTRY SYSTEM

The Depositary Shares will be represented by one or more fully registered global depositary receipts, each of which is referred to in this prospectus supplement as a "Global Security." Each such Global Security will be deposited with, or on behalf of, DTC and registered in the name of DTC or a nominee thereof. Unless and until it is exchanged in whole or in part for Depositary Shares in definitive form, no Global Security may be transferred except as a whole by DTC to a nominee of DTC or by a nominee of DTC to DTC or another nominee of DTC or by DTC or any such nominee to a successor of DTC or a nominee of such successor.

Except under limited circumstances, Depositary Shares represented by a Global Security will not be exchangeable for, and will not otherwise be issuable as, certificated depositary receipts. Investors may elect to hold interests in a Global Security through either DTC in the United States or Clearstream Banking, S.A. ("Clearstream") or Euroclear Bank S.A./N.V., as operator of the Euroclear System ("Euroclear") in Europe if they are participants of such systems, or indirectly through organizations which are participants in such systems. Clearstream and Euroclear will hold interests on behalf of their participants through customers' securities accounts in Clearstream's and Euroclear's names on the books of their respective depositaries, which in turn will hold such interests in customers' securities accounts in the depositaries' names on the books of DTC.

Beneficial interests in the Depositary Shares will be represented through book-entry accounts of financial institutions acting on behalf of Beneficial Owners (as defined below) as Direct and Indirect Participants (as defined below) in DTC. So long as DTC, or its nominee, is a registered owner of a Global Security, DTC or its nominee, as the case may be, will be considered the sole owner or holder of the Depositary Shares represented by such Global Security for all purposes under the instruments governing the rights and obligations of holders of the Depositary Shares. Except as provided below, the actual owners of the Depositary Shares represented by a Global Security (the "Beneficial Owners") will not be entitled to have the Depositary Shares represented by such Global Security registered in their names, will not receive or be entitled to receive physical delivery of the Depositary Shares in definitive form and will not be considered the owners or holders thereof under the instruments governing the rights and obligations of holders of the Depositary Shares.

Accordingly, each person owning a beneficial interest in a Global Security must rely on the procedures of DTC and, if such person is not a participant of DTC (a "Participant"), on the procedures of the Participant through which such person owns its interest, to exercise any rights of a holder of the Depositary Shares. Under existing industry practices, if any action is requested of, or entitled to be given or taken under the instruments governing the rights and obligations of holders of the Depositary Shares by, holders of the Depositary Shares, DTC

would authorize the Participants holding the relevant beneficial interests to give or take such action, and such Participants would authorize Beneficial Owners owning through such Participants to give or take such action or would otherwise act upon the instructions of Beneficial Owners.

The Depository Trust Company

DTC will act as securities depository for the Depository Shares. One or more Global Securities will initially represent the Depository Shares and will be deposited with DTC. DTC is:

a limited-purpose trust company organized under the New York Banking Law;

a "banking organization" within the meaning of the New York Banking Law;

a member of the Federal Reserve System;

a "clearing corporation" within the meaning of the New York Uniform Commercial Code; and

a "clearing agency" registered pursuant to the provisions of Section 17A of the Exchange Act.

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DTC holds securities that its direct participants of DTC ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts, thereby eliminating the need for physical movement of securities certificates.

Direct Participants include securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to indirect participants such as securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). The rules applicable to DTC and its Participants are on file with the SEC. More information about DTC can be found at www.dtcc.com. The contents of such website do not constitute part of this prospectus supplement.

Purchases of the Depositary Shares under DTC's system must be made by or through Direct Participants, which will receive a credit for the Depositary Shares on DTC's records. The ownership interest of each Beneficial Owner is in turn to be recorded on the records of Direct Participants and Indirect Participants. Beneficial Owners will not receive written confirmation from DTC of their purchase, but Beneficial Owners are expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct Participants or Indirect Participants through which such Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series A Preferred Stock are to be accomplished by entries made on the books of Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificated depositary receipts representing their ownership interests in the Depositary Shares, except in the limited circumstances that may be provided in the instruments governing the rights and obligations of holders of the Depositary Shares.

To facilitate subsequent transfers, all Depositary Shares deposited with DTC are registered in the name of DTC's partnership nominee, Cede & Co. The deposit of the Depositary Shares with DTC and their registration in the name of Cede & Co. effect no change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Depositary Shares. DTC's records reflect only the identity of the Direct Participants to whose accounts such securities are credited, which may or may not be the Beneficial Owners. The Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect

Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Neither DTC nor Cede & Co. will consent or vote with respect to the Depositary Shares. Under its usual procedures, DTC mails an Omnibus Proxy to us as soon as possible after the applicable record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts securities are credited on the applicable record date (identified in a listing attached to the Omnibus Proxy).

Payments on the Depositary Shares will be made in immediately available funds to DTC. DTC's practice is to credit Direct Participants' accounts on the applicable payment date in accordance with their respective holdings shown on DTC's records unless DTC has reason to believe that it will not receive payment on such date.

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Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the transfer agent or us, subject to any statutory or regulatory requirements as may be in effect from time to time. Any payment due to DTC on behalf of Beneficial Owners is our responsibility or the responsibility of the applicable agent, disbursement of such payments to Direct Participants shall be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners shall be the responsibility of Direct Participants and Indirect Participants.

If (i) DTC notifies us that it is unwilling or unable to continue to act as securities depository for the Depository Shares and no successor securities depository has been appointed pursuant to the instruments governing the rights and obligations of holders of the Depository Shares within 90 days after such notice; (ii) DTC ceases to be a "clearing agency" registered pursuant to the provisions of Section 17A of the Exchange Act when the securities depository is required to be so registered and so notifies us, and no successor securities depository has been appointed pursuant to the instruments governing the rights and obligations of holders of the Depository Shares within 90 days after such notice; or (iii) the Company in its sole discretion and subject to DTC's procedures determines that the Depository Shares shall be exchangeable for Depository Shares represented by certificated depository receipts; then (x) certificated depository receipts may be prepared by us and delivered to the transfer agent and (y) upon surrender of the Global Securities representing the Depository Shares by DTC (or any successor securities depository), accompanied by registration instructions, we will cause certificated depository receipts representing the Depository Shares to be delivered to Beneficial Owners in accordance with the instructions of DTC (or such successor securities depository).

Clearstream has advised that it is incorporated under the laws of Luxembourg as a professional depository. Clearstream holds securities for its participants ("Clearstream Participants") and facilitates the clearance and settlement of securities transactions between Clearstream Participants through electronic book-entry transfers between their accounts. Clearstream provides Clearstream Participants with, among other things, services for safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Clearstream interfaces with domestic securities markets in several countries through established depository and custodial relationships. As a professional depository, Clearstream is subject to regulation by the Luxembourg Commission for the Supervision of the Financial Sector, also known as the Commission de Surveillance du Secteur Financier. Clearstream Participants are recognized financial institutions around the world, including underwriters, securities brokers and dealers, banks, trust companies, clearing corporations and other organizations. Clearstream Participants in the U.S. are limited to securities brokers, dealers and banks, and may include the underwriters. Indirect access to Clearstream is

also available to other institutions such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with Clearstream Participants. Distributions with respect to interests in global securities held through Clearstream will be credited to cash accounts of its customers in accordance with its rules and procedures, to the extent received by the U.S. depository for Clearstream.

Euroclear has advised that it was created in 1968 to hold securities for its participants and to clear and settle transactions between Euroclear participants ("Euroclear Participants") through simultaneous electronic book-entry delivery against payment, thereby eliminating the need for physical movement of certificates and any risk from lack of simultaneous transfers of securities and cash. Euroclear provides various other services, including securities lending and borrowing, and interfaces with domestic markets in several countries. Euroclear is operated by Euroclear Bank S.A./N.V. under contract with Euroclear plc, a U.K. corporation. Euroclear Participants include banks, including central banks, securities brokers and dealers and other professional financial intermediaries and may include the underwriters. Indirect access to Euroclear is also available to other firms that clear through or maintain a custodial relationship with a Euroclear Participant, either directly or indirectly.

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Global Clearance and Settlement Procedures

Secondary market trading between the DTC Participants will occur in the ordinary way in accordance with the DTC rules and will be settled in immediately available funds. Secondary market trading between Clearstream Participants and/or Euroclear Participants will occur in the ordinary way in accordance with the applicable rules and operating procedures of Clearstream and Euroclear and will be settled using the procedures applicable to conventional Eurobonds in immediately available funds.

Cross-market transfers between persons holding directly or indirectly through DTC, on the one hand, and directly or indirectly through Clearstream Participants or Euroclear Participants, on the other, will be effected in DTC in accordance with the DTC rules on behalf of the relevant European international clearing system by DTC in its capacity as U.S. depository; however, such cross-market transactions will require delivery of instructions to the relevant European international clearing system by the counterparty in such system in accordance with its rules and procedures and within its established deadlines (European time). The relevant European international clearing system will, if the transaction meets its settlement requirements, deliver instructions to DTC to take action to effect final settlement on its behalf by delivering interests in the Depositary Shares to or receiving interests in the Depositary Shares from DTC, and making or receiving payment in accordance with normal procedures for same-day funds settlement applicable to DTC. Clearstream Participants and Euroclear Participants may not deliver instructions directly to DTC.

Because of time-zone differences, credits of interests in the Depositary Shares received in Clearstream or Euroclear as a result of a transaction with a DTC Participant will be made during subsequent securities settlement processing and will be credited the business day following the DTC settlement date. Such credits or any transactions involving interests in such Depositary Shares settled during such processing will be reported to the relevant Euroclear or Clearstream Participants on such business day. Cash received in Clearstream or Euroclear as a result of sales of interests in the Depositary Shares by or through a Clearstream Participant or a Euroclear Participant to a DTC Participant will be received with value on the DTC settlement date but will be available in the relevant Clearstream or Euroclear cash account only as of the business day following settlement in DTC.

Although DTC, Clearstream and Euroclear have agreed to the foregoing procedures in order to facilitate transfers of the Depositary Shares among participants of DTC, Clearstream and Euroclear, they are under no obligation to perform or continue to perform such procedures and such procedures may be discontinued at any time.

The information in this section concerning DTC and its book-entry system, Euroclear and Clearstream has been obtained from sources that we believe to be reliable, but we take no responsibility for the accuracy of this information.

Table of Contents**UNDERWRITING**

We have entered into an underwriting agreement with respect to the Depositary Shares with the underwriters listed below, for whom Morgan Stanley & Co. LLC, Merrill Lynch, Pierce, Fenner & Smith Incorporated, RBC Capital Markets, LLC and Wells Fargo Securities, LLC are acting as representatives (the "Representatives"). Subject to certain conditions, each of the underwriters has severally agreed to purchase the number of Depositary Shares indicated in the following table:

Name	Number of Depositary Shares
Morgan Stanley & Co. LLC	6,980,000
Merrill Lynch, Pierce, Fenner & Smith Incorporated	6,980,000
RBC Capital Markets, LLC	6,980,000
Wells Fargo Securities, LLC	6,980,000
Barclays Capital Inc.	2,000,000
Citigroup Global Markets Inc.	2,000,000
Goldman Sachs & Co. LLC	2,000,000
J.P. Morgan Securities LLC	2,000,000
BB&T Capital Markets, a division of BB&T Securities, LLC	668,000
TD Securities (USA) LLC	668,000
BNY Mellon Capital Markets, LLC	664,000
Academy Securities, Inc.	80,000
CastleOak Securities, L.P.	80,000
C.L. King & Associates, Inc.	80,000
Drexel Hamilton, LLC	80,000
Great Pacific Securities	80,000
Loop Capital Markets LLC	80,000
Mischler Financial Group, Inc.	80,000
Samuel A. Ramirez & Company, Inc.	80,000
Siebert Cisneros Shank & Co., L.L.C.	80,000
The Williams Capital Group, L.P.	80,000
Advisors Asset Management, Inc.	80,000
D.A. Davidson & Co.	80,000
Davenport & Company LLC	80,000
Fidelity Brokerage Services LLC	80,000
Hilltop Securities Inc.	80,000
HRC Investment Services, Inc.	80,000
INTL FCStone Financial Inc.	80,000
J.J.B. Hilliard, W.L. Lyons, LLC	80,000
Janney Montgomery Scott LLC	80,000
Maxim Group LLC	80,000
Mesirow Financial, Inc.	80,000
Oppenheimer & Co. Inc.	80,000
Robert W. Baird & Co. Incorporated	80,000
Stifel, Nicolaus & Company, Inc.	80,000
Wedbush Securities Inc.	80,000
William Blair & Company L.L.C.	80,000
Total	40,000,000

The underwriting agreement provides that the obligations of the several underwriters to pay for and accept delivery of the Depositary Shares are subject to certain conditions, including the receipt of legal opinions relating to certain matters. The underwriters must purchase all of the Depositary Shares, if they purchase any of the Depositary Shares. If an underwriter defaults, the underwriting agreement

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provides that the purchase commitments of the nondefaulting underwriters may be increased or the underwriting agreement may be terminated.

We have agreed to indemnify the several underwriters against certain liabilities, including liabilities under the Securities Act, or to contribute to payments the underwriters may be required to make in respect of any of these liabilities.

The underwriters are offering the Depositary Shares, subject to prior sale, when, as and if issued to and accepted by them, subject to approval of legal matters by their counsel, including the validity of the Depositary Shares, and other conditions contained in the underwriting agreement, such as the receipt by the underwriters of officers' certificates and legal opinions. The underwriters reserve the right to withdraw, cancel or modify offers to the public and to reject orders in whole or in part.

We have agreed for a period beginning on the date of this prospectus supplement and continuing to and including a period of 30 days, not to offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend or otherwise transfer, dispose of, directly or indirectly, any shares of our securities that are substantially similar to the Depositary Shares or any securities convertible into or exercisable or exchangeable for Depositary Shares, without the prior written consent of the Representatives.

Commissions and Discounts

The Depositary Shares sold by the underwriters to the public will initially be offered at the initial public offering price set forth on the cover of this prospectus supplement. Any Depositary Shares sold by the underwriters to securities dealers may be sold at a discount of up to \$0.50 per Depositary Share from the initial public offering price. Any such securities dealers may resell any Depositary Shares purchased from the underwriters to certain other brokers or dealers at a discount from the price to the public of up to \$0.45 per Depositary Shares from the price to the public. If all the Depositary Shares are not sold at the initial public offering price, the underwriters may change the offering price and the other selling terms.

The expenses of the offering, not including the underwriting discount, are estimated to be approximately \$1,055,000 and are payable by us. The underwriters have agreed to make a payment to us in an amount equal to \$1,500,000, including in respect of expenses incurred by us in connection with the offering.

The following table shows the per Depositary Shares and total underwriting discount to be paid to the underwriters by us.

	Underwriting Discount(1)
Per Depositary Share	\$ 0.6939
Total	\$ 27,758,069.62

- (1) Reflects 26,984,590 Depositary Shares sold to retail investors, for which the underwriters will receive an underwriting discount of \$0.7875 per Depositary Share, and 13,015,410 Depositary Shares sold to institutional investors, for which the underwriters will receive an underwriting discount of \$0.5000 per Depositary Share.

Settlement

It is expected that delivery of the Depositary Shares will be made against payment for the Depositary Shares on or about the date specified on the cover page of this prospectus supplement, which is the fourth business day following the date of this prospectus supplement (such settlement cycle being referred to as "T+4"). Under Rule 15c6-1 under the Securities Exchange Act of 1934, as amended, trades in the secondary market generally are required to settle in two business days unless

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the parties to any such trade expressly agree otherwise. Accordingly, purchasers who wish to trade the Depositary Shares on the date of this prospectus supplement or on the next succeeding business day will be required, by virtue of the fact that the Depositary Shares initially will settle in T+4, to specify an alternative settlement cycle at the time of any such trade to prevent a failed settlement.

New Issue of Securities

The Depositary Shares are a new issue of securities with no established trading market. We intend to apply to list the Depositary Shares on the NYSE and, if the application is approved, we expect trading in the Depositary Shares to begin within 30 days after the date that the Depositary Shares are first issued. The underwriters have advised us that they intend to make a market in the Depositary Shares but they are not obligated to do so and may discontinue market making at any time without notice. No assurance can be given as to the liquidity of any trading market for the Depositary Shares.

Price Stabilization and Short Positions

In connection with the offering, the underwriters may engage in transactions that stabilize, maintain, or otherwise affect the price of the Depositary Shares. These transactions may include short sales, stabilizing transactions and purchases to cover positions created by short sales. Short sales involve the sale by the underwriters of a greater aggregate principal amount of the Depositary Shares than they are required to purchase in this offering. Stabilizing transactions consist of certain bids or purchases made for the purpose of preventing or retarding a decline in the market price of the Depositary Shares while this offering is in process.

These activities by the underwriters may stabilize, maintain or otherwise affect the market price of the Depositary Shares. As a result, the price of the Depositary Shares may be higher than the price that otherwise might exist in the open market. If these activities are commenced, they may be discontinued by the underwriters at any time. These transactions may be effected in the over-the-counter market or otherwise.

Other Relationships

The underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include, among other activities, securities trading and underwriting, commercial and investment banking, financial advisory, corporate trust, investment management, investment research, principal investment, hedging, financing and brokerage activities. In the ordinary course of their respective businesses, some of the underwriters and/or their affiliates have in the past and may in the future provide us and our affiliates with commercial banking, investment banking, financial advisory and other services for which they have received and in the future will receive customary fees.

In addition, in the ordinary course of their business activities, the underwriters and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of ours or our affiliates.

Certain of the underwriters or their affiliates have a lending relationship with us and our affiliates. Certain of those underwriters or their affiliates routinely hedge, and certain other of those underwriters or their affiliates may hedge, their credit exposure to us and our affiliates consistent with their customary risk management policies. Typically, such underwriters and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in our securities. The underwriters and their respective affiliates may also make investment recommendations and/or publish or express independent research views in

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respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

Theodore F. Craver, Jr., who serves as a member of Duke Energy Corporation's Board of Directors, serves as a member of Wells Fargo & Company's Board of Directors, which is an affiliate of Wells Fargo Securities, LLC, one of the underwriters.

Selling Restrictions

Prohibition of Sales to EEA Retail Investors

The Depositary Shares may not be offered, sold or otherwise made available to any retail investor in the EEA. For the purposes of this provision:

- (a) the expression "retail investor" means a person who is one (or more) of the following:
 - (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or
 - (ii) a customer within the meaning of the Insurance Distribution Directive, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or
 - (iii) not a qualified investor as defined in the Prospectus Directive; and
- (b) the expression "offer" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Depositary Shares to be offered so as to enable an investor to decide to purchase or subscribe for the Depositary Shares.

Notice to Prospective Investors in United Kingdom

Any invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) in connection with the issue or sale of the Depositary Shares may only be communicated or caused to be communicated in circumstances in which Section 21(1) of the FSMA does not apply to Duke Energy.

All applicable provisions of the FSMA must be complied with in respect to anything done by any person in relation to the Depositary Shares in, from or otherwise involving the United Kingdom.

Notice to Prospective Investors in Canada

The Depositary Shares may be sold only to purchasers purchasing, or deemed to be purchasing, as principal that are

accredited investors, as defined in National Instrument 45-106 Prospectus Exemptions or subsection 73.3(1) of the Securities Act (Ontario), and are permitted clients, as defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations. Any resale of the Depositary Shares must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this prospectus supplement (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal advisor.

Pursuant to section 3A.3 of National Instrument 33-105 *Underwriting Conflicts* (NI 33-105), the underwriters are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with the offering.

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Notice to Prospective Investors in Hong Kong

The Depositary Shares have not been offered and will not be offered or sold in Hong Kong by means of any document other than (i) in circumstances which do not constitute an offer to the public within the meaning of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32, Laws of Hong Kong), (ii) to "professional investors" within the meaning of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made thereunder or (iii) in other circumstances which do not result in the document being a "prospectus" within the meaning of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32, Laws of Hong Kong) and no advertisement, invitation or document relating to the Depositary Shares may be issued or has been or may be in the possession of any person for the purpose of issue (in each case whether in Hong Kong or elsewhere), which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Depositary Shares which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" within the meaning of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made thereunder.

Notice to Prospective Investors in Japan

The Depositary Shares and the Series A Preferred Stock have not been and will not be registered under the Financial Instruments and Exchange Law of Japan (Law No. 25 of 1948, as amended) (the "Financial Instruments and Exchange Law"), and the Depositary Shares and the Series A Preferred Stock have not been offered or sold and will not be offered or sold, directly or indirectly, in Japan or to, or for the account or benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organized under the laws of Japan), or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the account or benefit of, any resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Law and any other applicable laws, regulations and guidelines promulgated by the relevant Japanese governmental and regulatory authorities and in effect at the relevant time.

Notice to Prospective Investors in Korea

The Depositary Shares may not be offered, sold and delivered directly or indirectly, or offered or sold to any person for reoffering or resale, directly or indirectly, in Korea or to any resident of Korea except pursuant to the applicable laws and regulations of Korea, including the Korea Securities and Exchange Act and the Foreign Exchange Transaction Law and the decrees and regulations thereunder. The Depositary Shares have not been and will not be registered with the Financial Services Commission of Korea for public offering in Korea. Furthermore, the Depositary Shares may not be resold to Korean residents unless the purchaser of the Depositary Shares complies

with all applicable regulatory requirements (including but not limited to government approval requirements under the Foreign Exchange Transaction Law and its subordinate decrees and regulations) in connection with the purchase of the Depositary Shares.

Notice to Prospective Investors in Taiwan

The Depositary Shares have not been and will not be registered with the Financial Supervisory Commission of Taiwan, the Republic of China ("Taiwan"), pursuant to relevant securities laws and regulations and may not be offered or sold in Taiwan through a public offering or in any manner which would constitute an offer within the meaning of the Securities and Exchange Act of Taiwan or would otherwise require registration with or the approval of the Financial Supervisory Commission of Taiwan. No person or entity in Taiwan has been authorized to offer, sell, give advice regarding or otherwise intermediate the offering or sale of the Depositary Shares in Taiwan.

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Notice to Prospective Investors in Switzerland

We have not and will not register with the Swiss Financial Market Supervisory Authority ("FINMA") as a foreign collective investment scheme pursuant to Article 119 of the Federal Act on Collective Investment Scheme of 23 June 2006, as amended ("CISA"), and accordingly the securities being offered pursuant to this prospectus supplement and the accompanying prospectus have not and will not be approved, and may not be licenseable, with FINMA. Therefore, the Depositary Shares have not been authorized for distribution by FINMA as a foreign collective investment scheme pursuant to Article 119 CISA and the Depositary Shares offered hereby may not be offered to the public (as this term is defined in Article 3 CISA) in or from Switzerland. The Depositary Shares may solely be offered to "qualified investors," as this term is defined in Article 10 CISA, and in the circumstances set out in Article 3 of the Ordinance on Collective Investment Scheme of 22 November 2006, as amended ("CISO"), such that there is no public offer. Investors, however, do not benefit from protection under CISA or CISO or supervision by FINMA. This prospectus supplement and the accompanying prospectus and any other materials relating to the Depositary Shares are strictly personal and confidential to each offeree and do not constitute an offer to any other person. This prospectus supplement and the accompanying prospectus may only be used by those qualified investors to whom it has been handed out in connection with the offers described herein and may neither directly or indirectly be distributed or made available to any person or entity other than its recipients. It may not be used in connection with any other offer and shall in particular not be copied and/or distributed to the public in Switzerland or from Switzerland. This prospectus supplement and the accompanying prospectus do not constitute an issue prospectus as that term is understood pursuant to Article 652a and/or 1156 of the Swiss Federal Code of Obligations. We have not applied for a listing of the securities on the SIX Swiss Exchange or any other regulated securities market in Switzerland, and consequently, the information presented in this prospectus supplement and the accompanying prospectus does not necessarily comply with the information standards set out in the listing rules of the SIX Swiss Exchange and corresponding prospectus schemes annexed to the listing rules of the SIX Swiss Exchange.

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LEGAL MATTERS

The validity of the Depositary Shares offered by this prospectus supplement and of the Series A Preferred Stock will be passed upon for Duke Energy Corporation by Robert T. Lucas III, Esq., who is Deputy General Counsel of Duke Energy Business Services LLC, the service company affiliate of Duke Energy Corporation. Certain legal matters with respect to the offering of the Depositary Shares will be passed upon for Duke Energy Corporation by Hunton Andrews Kurth LLP, New York, New York. Sidley Austin LLP, New York, New York, has acted as counsel to the underwriters. Sidley Austin LLP acts and, in the past has acted, as counsel to Duke Energy Corporation and certain of its subsidiaries in connection with various matters.

WHERE YOU CAN FIND MORE INFORMATION

We are subject to the informational requirements of the Exchange Act, and, in accordance therewith, file annual, quarterly and current reports, proxy statements and other information with the SEC. Our filings with the SEC, as well as additional information about us, are also available to the public through our website at <http://www.duke-energy.com> and are made available as soon as reasonably practicable after such material is filed with or furnished to the SEC. The information on our website is not a part of this prospectus supplement or the accompanying prospectus. Our filings are also available to the public through the SEC's website at <http://www.sec.gov>.

The SEC allows us to "incorporate by reference" into this prospectus supplement the information we file with it, which means that we can disclose important information to you by referring you to those documents. The information incorporated by reference is considered to be a part of this prospectus supplement, and information that we file later with the SEC will automatically update and supersede this information. This prospectus supplement incorporates by reference the documents incorporated in the accompanying prospectus at the time the registration statement became effective and all later documents filed with the SEC, in all cases as updated and superseded by later filings with the SEC. We incorporate by reference the documents listed below and any future documents filed by us with the SEC under Section 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934, as amended, until the offerings are completed:

Annual Report on Form 10-K for the year ended December 31, 2018, including the portions of our definitive proxy statement filed on Schedule 14A on March 21, 2019 that are incorporated by reference therein;
and

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Current Reports on Form 8-K filed on
February 28, 2019, March 11, 2019 and
March 21, 2019.

We will provide you without charge a copy of these filings,
other than any exhibits unless the exhibits are specifically
incorporated by reference into this prospectus supplement. You
may request a copy by writing us at the following address or
telephoning one of the following numbers:

Investor Relations Department
Duke Energy Corporation
P.O. Box 1005
Charlotte, North Carolina 28201
(704) 382-3853 or (800) 488-3853 (toll-free)

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Prospectus

Duke Energy Corporation

Common Stock Preferred Stock Depositary Shares Debt Securities

From time to time, we may offer the securities described in the prospectus separately or together in any combination, in one or more classes or series, in amounts, at prices and on terms that we will determine at the time of the offering.

We will provide specific terms of these offerings and securities in supplements to this prospectus. You should read carefully this prospectus, the information incorporated by reference in this prospectus and any prospectus supplement before you invest. This prospectus may not be used to offer or sell any securities unless accompanied by a prospectus supplement.

Our common stock is listed on the New York Stock Exchange, or NYSE, under the trading symbol "DUK."

Investing in our securities involves risks. You should carefully consider the information in the section entitled "Risk Factors" contained in our periodic reports filed with the Securities and Exchange Commission and incorporated by reference into this prospectus before you invest in any of our securities.

We may offer and sell the securities directly, through agents we select from time to time or to or through underwriters or dealers we select. If we use any agents, underwriters or dealers to sell the securities, we will name them and describe their compensation in a prospectus supplement. The price to the public of those securities and the net proceeds we expect to receive from that sale will also be set forth in a prospectus supplement.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus. Any representation to the contrary is a criminal offense.

The date of this prospectus is March 25, 2019.

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REFERENCES TO ADDITIONAL INFORMATION

This prospectus incorporates important business and financial information about us from other documents that are not included in or delivered with this prospectus. This information is available for you to review through the Securities and Exchange Commission's, or SEC's website, www.sec.gov. You can also obtain those documents incorporated by reference in this prospectus by requesting them in writing or by telephone from us at the following address and telephone number:

Investor Relations Department
Duke Energy Corporation
P.O. Box 1005
Charlotte, North Carolina 28201
(704) 382-3853 or (800) 488-3853 (toll-free)

See "Where You Can Find More Information" in this prospectus.

ABOUT THIS PROSPECTUS

This prospectus is part of a registration statement that Duke Energy filed with the SEC utilizing a "shelf" registration process. Under the shelf registration process, we are registering an unspecified amount of our common stock and debt securities, and may issue any of such securities in one or more offerings.

This prospectus provides general descriptions of the securities we may offer. Each time securities are sold, a prospectus supplement will provide specific information about the terms of that offering. The prospectus supplement may also add, update or change information contained in this prospectus. The registration statement filed with the SEC includes exhibits that provide more details about the matters discussed in this prospectus. You should read this prospectus, the related exhibits filed with the

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SEC and any prospectus supplement, together with the additional information described under the caption "Where You Can Find More Information."

Unless we have indicated otherwise, or the context otherwise requires, references in this prospectus to "Duke Energy," "we," "us" and "our" or similar terms are to Duke Energy Corporation and its subsidiaries.

FORWARD-LOOKING STATEMENTS

This prospectus and the information incorporated by reference in this prospectus include forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 as amended and Section 21E of the Securities Exchange Act of 1934, as amended. Forward-looking statements are based on our management's beliefs and assumptions and can often be identified by terms and phrases that include "anticipate," "believe," "intend," "estimate," "expect," "continue," "should," "could," "may," "plan," "project," "predict," "will," "potential," "forecast," "target," "guidance," "outlook," or other similar terminology. Various factors may cause actual results to be materially different than the suggested outcomes within forward-looking statements; accordingly, there is no assurance that such results will be realized.

In light of these risks, uncertainties and assumptions, the events described in the forward-looking statements included or incorporated by reference in this prospectus might not occur or might occur to a different extent or at a different time than described. Forward-looking statements speak only as of the date they are made and we expressly disclaim an obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

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THE COMPANY

Duke Energy, together with its subsidiaries, is a diversified energy company with both regulated and unregulated utility operations. We conduct business through the following operating business segments: Electric Utilities and Infrastructure, Gas Utilities and Infrastructure, and Commercial Renewables.

Duke Energy's Electric Utilities and Infrastructure segment conducts operations primarily through the regulated public utilities of Duke Energy Carolinas, LLC, Duke Energy Progress, LLC, Duke Energy Florida, LLC, Duke Energy Indiana, LLC and Duke Energy Ohio, Inc. Duke Energy's Electric Utilities and Infrastructure segment provides retail electric service through the generation, transmission, distribution and sale of electricity to approximately 7.7 million customers within the Southeast and Midwest regions of the U.S. The service territory is approximately 95,000 square miles across six states with a total estimated population of 24 million people. The operations include electricity sold wholesale to municipalities, electric cooperative utilities and other load-serving entities. Duke Energy's Electric Utilities and Infrastructure segment is also a joint owner of certain electric transmission projects.

Duke Energy's Gas Utilities and Infrastructure segment conducts natural gas operations primarily through the regulated public utilities of Piedmont Natural Gas Company, Inc. and Duke Energy Ohio, Inc. Duke Energy's Gas Utilities and Infrastructure segment serves residential, commercial, industrial and power generation natural gas customers, including customers served by municipalities who are wholesale customers. Duke Energy's Gas Utilities and Infrastructure segment has over 1.6 million customers, including more than 1.1 million customers located in North Carolina, South Carolina and Tennessee, and an additional 531,000 customers located within southwestern Ohio and northern Kentucky.

Duke Energy's Commercial Renewables segment primarily acquires, develops, builds, operates and owns wind and solar renewable generation throughout the continental U.S. The portfolio includes nonregulated renewable energy and energy storage businesses. This segment's renewable energy includes utility-scale wind and solar generation assets, distributed solar generation assets and a battery storage project, which total 2,991 megawatts across 19 states from 21 wind facilities, 100 solar facilities and one battery storage facility. Revenues are primarily generated by selling the power produced from renewable generation through long-term contracts to utilities, electric cooperatives, municipalities and commercial and industrial customers. In most instances, these customers have obligations under state-mandated renewable energy portfolio standards or similar state or local renewable energy goals.

Duke Energy is a Delaware corporation. The address of Duke Energy's principal executive offices is 550 South Tryon Street, Charlotte, North Carolina 28202-1803 and its telephone number is (704) 382-3853. Duke Energy's common stock is listed and trades on the New York Stock Exchange under the

symbol "DUK."

The foregoing information about Duke Energy is only a general summary and is not intended to be comprehensive. For additional information about Duke Energy, you should refer to the information described under the caption "Where You Can Find More Information" in this prospectus.

RISK FACTORS

Investing in our securities involves risks. Before purchasing any securities we offer, you should carefully consider the risk factors that are incorporated by reference herein from the section captioned "Risk Factors" in our Form 10-K for the year ended December 31, 2018, together with all of the other information included in this prospectus and any prospectus supplement and any other information that we have incorporated by reference, including filings made with the SEC subsequent to the date hereof. Any of these risks, as well as other risks and uncertainties, could harm our financial condition, results of operations or cash flows.

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USE OF PROCEEDS

Unless otherwise set forth in a prospectus supplement, we intend to use the net proceeds of any offering of securities sold by us for general corporate purposes, which may include acquisitions, repayment of debt, capital expenditures and working capital. When a particular series of securities is offered, the prospectus supplement relating to that offering will set forth our intended use of the net proceeds received from the sale of those securities. The net proceeds may be invested temporarily in short-term marketable securities or applied to repay short-term debt until they are used for their stated purpose.

DESCRIPTION OF COMMON STOCK

The following summary of our capital stock is subject in all respects to the applicable provisions of the Delaware General Corporation Law, or the DGCL, and our amended and restated certificate of incorporation. The following discussion is a summary of our amended and restated certificate of incorporation and by-laws and is qualified in its entirety by reference to those documents.

Our total number of authorized shares of capital stock consists of 2 billion shares of common stock, par value \$0.001 per share, and 44 million shares of preferred stock, par value \$0.001 per share.

Except as otherwise required by law and subject to the rights of the holders of any class or series of preferred stock, with respect to all matters upon which shareholders are entitled to vote or to which shareholders are entitled to give consent, the holders of any outstanding shares of common stock vote together as a class, and every holder of common stock is entitled to cast one vote in person or by proxy for each share of common stock standing in such holder's name on our books. We do not have a classified board of directors nor do we permit cumulative voting.

Holders of common stock are not entitled to any preemptive rights to subscribe for additional shares of common stock nor are they liable to further capital calls or to assessments by us.

Subject to applicable law and the rights, if any, of the holders of any class or series of preferred stock having a preference over the rights to participate with the common stock with respect to the payment of dividends, holders of our common stock are entitled to receive dividends or other distributions as declared by our board of directors at its discretion.

The board of directors may create a class or series of preferred stock with dividends the rate of which is calculated by reference to, and payment of which is concurrent with, dividends on shares of common stock.

DESCRIPTION OF PREFERRED STOCK

Our board of directors has the full authority permitted by law, at any time and from time to time, to divide the authorized and unissued shares of preferred stock into one or more classes or series and, with respect to each such class or series, to determine by resolution or resolutions the number of shares constituting such class or series and the designation of such class or series, the voting powers, if any, of the shares of such class or series, and the preferences and relative, participating, optional or other special rights, if any, and any qualifications, limitations or restrictions thereof, of the shares of any such class or series of preferred stock to the full extent now or as may in the future be permitted by the law of the State of Delaware. The powers, preferences and relative, participating, optional and other special rights of each class or series of preferred stock and the qualifications, limitations or restrictions thereof, if any, may differ from those of any and all other classes or series at any time outstanding. Except as otherwise required by law, as provided in the certificate of incorporation or as determined by our board of directors, holders of preferred stock will not have any voting rights and will not be entitled to any notice of shareholder meetings.

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Provisions that Have or May Have the Effect of Delaying or Prohibiting a Change in Control

Under our certificate of incorporation, the board of directors has the full authority permitted by Delaware law to determine the voting rights, if any, and designations, preferences, limitations and special rights of any class or any series of any class of the preferred stock.

The certificate of incorporation also provides that a director may be removed from office with or without cause. However, subject to applicable law, any director elected by the holders of any series of preferred stock may be removed without cause only by the holders of a majority of the shares of such series of preferred stock.

Our certificate of incorporation requires an affirmative vote of the holders of at least 80% of the combined voting power of the then outstanding shares of stock of all our classes entitled to vote generally in the election of directors, voting together as a single class, to amend, alter or repeal provisions in the certificate of incorporation which relate to the number of directors and vacancies and newly created directorships.

Our certificate of incorporation provides that certain actions required or permitted to be taken at an annual or special meeting of shareholders may be effected without a meeting by written consent of the holders of our common stock, but only if such action is taken in accordance with our certificate of incorporation, our by-laws and applicable law.

Our by-laws provide that, except as expressly required by the certificate of incorporation or by applicable law, and subject to the rights of the holders of any series of preferred stock, special meetings of the shareholders or of any series entitled to vote may be called for any purpose or purposes only by the Chairman of the board of directors or by the board of directors. In addition, special meetings of the shareholders or of any class or series entitled to vote may also be called by our Secretary upon the written request by the holders of record at the time such request is delivered representing at least fifteen percent (15%) of the outstanding shares of our common stock.

The provisions of our certificate of incorporation and by-laws conferring on our board of directors the full authority to issue preferred stock, the restrictions on removing directors elected by holders of preferred stock, the supermajority voting requirements relating to the amendment, alteration or repeal of the provisions governing the number of directors and filling of vacancies and newly created directorships, and the requirement that shareholders act at a meeting unless all shareholders agree in writing, in certain instances could have the effect of delaying, deferring or preventing a change in control or the removal of existing management.

DESCRIPTION OF DEPOSITARY SHARES

We may issue depositary shares representing fractional interests in shares of our preferred stock of any series. In connection with the issuance of any depositary shares, we will enter into a deposit agreement with a depositary. The following description sets forth certain general terms and provisions of the depositary shares to which any prospectus supplement may relate. The particular terms of the depositary shares to which any prospectus supplement may relate and the extent, if any, to which the general terms and provisions may apply to the depositary shares so offered will be described in the applicable prospectus supplement. To the extent that any particular terms of the depositary shares, deposit agreements and depositary receipts described in a prospectus supplement differ from any of the terms described below, then the terms described below will be deemed to have been superseded by that prospectus supplement. We encourage you to read the applicable deposit agreement and depositary receipts for additional information before you decide whether to purchase any of our depositary shares.

In connection with the issuance of any depositary shares, we will enter into a deposit agreement with a bank or trust company, as depositary, which will be named in the applicable prospectus supplement. Depositary shares will be evidenced by depositary receipts issued pursuant to the related

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deposit agreement. Immediately following our issuance of the security related to the depositary shares, we will deposit the shares of our preferred stock with the relevant depositary and will cause the depositary to issue, on our behalf, the related depositary receipts. Subject to the terms of the deposit agreement, each owner of a depositary receipt will be entitled, in proportion to the fractional interest in the share of preferred stock represented by the related depositary share, to all the rights, preferences and privileges of, and will be subject to all of the limitations and restrictions on, the preferred stock represented by the depositary receipt (including, if applicable, dividend, voting, conversion, exchange, redemption, sinking fund, subscription and liquidation rights). To the extent appropriate, the applicable prospectus supplement will describe the specific terms of the depositary shares offered thereby. The terms of any offered depositary shares will be described in a supplement to this prospectus.

DESCRIPTION OF DEBT SECURITIES

Duke Energy will issue the debt securities, whether senior or subordinated, in one or more series under its Indenture, dated as of June 3, 2008, as supplemented from time to time. Unless otherwise specified in the applicable prospectus supplement, the trustee under the Indenture, or the Indenture Trustee, will be The Bank of New York Mellon Trust Company, N.A. A copy of the Indenture is an exhibit to the registration statement, of which this prospectus is a part.

Duke Energy conducts its business through subsidiaries. Accordingly, its ability to meet its obligations under the debt securities is dependent on the earnings and cash flows of those subsidiaries and the ability of those subsidiaries to pay dividends or to advance or repay funds to Duke Energy. In addition, the rights that Duke Energy and its creditors would have to participate in the assets of any such subsidiary upon the subsidiary's liquidation or recapitalization will be subject to the prior claims of the subsidiary's creditors. Certain subsidiaries of Duke Energy have incurred substantial amounts of debt in the operations and expansion of their businesses, and Duke Energy anticipates that certain of its subsidiaries will do so in the future.

Holders of debt securities will generally have a junior position to claims of creditors of our subsidiaries, including trade creditors, debt holders, secured creditors, taxing authorities, guarantee holders and any holders of preferred stock. In addition to trade debt, certain of our operating subsidiaries have ongoing corporate debt programs used to finance their business activities. Unless otherwise specified in a prospectus supplement, the Indenture will not limit the amount of indebtedness or preferred stock issuable by our subsidiaries.

The following description of the debt securities is only a summary and is not intended to be comprehensive. For additional information you should refer to the Indenture.

General

The Indenture does not limit the amount of debt securities that Duke Energy may issue under it. Duke Energy may issue debt securities from time to time under the Indenture in one or more series by entering into supplemental indentures or by its board of directors or a duly authorized committee authorizing the issuance.

The debt securities of a series need not be issued at the same time, bear interest at the same rate or mature on the same date.

Provisions Applicable to Particular Series

The prospectus supplement for a particular series of debt securities being offered will disclose the specific terms related to the offering, including the price or prices at which the debt securities to be offered will be issued. Those terms may include some or all of the following:

the title of the series;

the total principal amount of the debt securities of the series;

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the date or dates on which principal is payable or the method for determining the date or dates, and any right that Duke Energy has to change the date on which principal is payable;

the interest rate or rates, if any, or the method for determining the rate or rates, and the date or dates from which interest will accrue;

any interest payment dates and the regular record date for the interest payable on each interest payment date, if any;

whether Duke Energy may extend the interest payment periods and, if so, the terms of the extension;

the place or places where payments will be made;

whether Duke Energy has the option to redeem the debt securities and, if so, the terms of its redemption option;

any obligation that Duke Energy has to redeem the debt securities through a sinking fund or to purchase the debt securities through a purchase fund or at the option of the holder;

whether the provisions described under "Satisfaction and Discharge; Defeasance and Covenant Defeasance" will not apply to the debt securities;

the currency in which payments will be made if other than U.S. dollars, and the manner of determining the equivalent of those amounts in U.S. dollars;

if payments may be made, at Duke Energy's election or at the holder's election, in a currency other than that in which the debt securities are stated to be payable, then the currency in which those payments may be made, the terms and conditions of the election and the manner of determining those

amounts;

the portion of the principal payable upon acceleration of maturity, if other than the entire principal;

whether the debt securities will be issuable as global securities and, if so, the securities depositary;

any changes in the events of default or covenants with respect to the debt securities;

any index or formula used for determining principal, premium or interest;

the terms of the subordination of any series of subordinated debt;

if the principal payable on the maturity date will not be determinable on one or more dates prior to the maturity date, the amount which will be deemed to be such principal amount or the manner of determining it;

the person to whom any interest shall be payable if other than the person in whose name the debt security is registered on the regular record date for such interest payment; and

any other terms.

Unless Duke Energy states otherwise in the applicable prospectus supplement, Duke Energy will issue the debt securities only in fully registered form without coupons, and there will be no service charge for any registration of transfer or exchange of the debt securities. Duke Energy may, however, require payment to cover any tax or other governmental charge payable in connection with any transfer or exchange (excluding certain exchanges not constituting a transfer as set forth in the Indenture). Subject to the terms of the Indenture and the limitations applicable to global securities, transfers and exchanges of the debt securities may be made at The Bank of New York Mellon Trust Company, N.A.,

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101 Barclay Street, New York, New York 10286 or at any other office maintained by Duke Energy for such purpose.

The debt securities will be issuable in denominations of \$1,000 and any integral multiples of \$1,000, unless Duke Energy states otherwise in the applicable prospectus supplement. Duke Energy may at any time deliver executed debt securities to the Indenture Trustee for authentication, and the Indenture Trustee shall authenticate such debt securities upon the written request of Duke Energy and satisfaction of certain other conditions set forth in the Indenture.

Duke Energy may offer and sell the debt securities, including original issue discount debt securities, at a substantial discount below their principal amount. The applicable prospectus supplement will describe special United States federal income tax and any other considerations applicable to those securities. In addition, the applicable prospectus supplement may describe certain special United States federal income tax or other considerations, if any, applicable to any debt securities that are denominated in a currency other than U.S. dollars.

Global Securities

We may issue some or all of the Debt Securities as book-entry securities. Any such book-entry securities will be represented by one or more fully registered global certificates. We will register each global security with or on behalf of a securities depository identified in the applicable prospectus supplement. Each global security will be deposited with the securities depository or its nominee or a custodian for the securities depository.

As long as the securities depository or its nominee is the registered holder of a global security representing Debt Securities, that person will be considered the sole owner and holder of the global security and the securities it represents for all purposes. Except in limited circumstances, owners of beneficial interests in a global security:

may not have the global security or any Debt Securities registered in their names;

may not receive or be entitled to receive physical delivery of certificated Debt Securities in exchange for the global security; and

will not be considered the owners or holders of the global security or any Debt Securities for any purposes under the applicable securities or the related mortgage or indenture.

We will make all payments of principal and any premium and interest on a global security to the securities depository or its nominee as the holder of the global security. The laws of some jurisdictions require that certain purchasers of securities take physical delivery of securities in definitive form. These laws may impair the ability to transfer beneficial interests in a global security.

Ownership of beneficial interests in a global security will be limited to institutions having accounts with the securities depository or its nominee, which are called "participants" in this discussion, and to persons that hold beneficial interests through participants. When a global security representing Debt Securities is issued, the securities depository will credit on its book-entry, registration and transfer system the principal amounts of Debt Securities the global security represents to the accounts of its participants. Ownership of beneficial interests in a global security will be shown only on, and the transfer of those ownership interests will be effected only through, records maintained by:

the securities depository, with respect to participants' interests; and

any participant, with respect to interests the participant holds on behalf of other persons.

Payments participants make to owners of beneficial interests held through those participants will be the responsibility of those participants. The securities depository may from time to time adopt various policies and procedures governing payments, transfers, exchanges and other matters relating to

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beneficial interests in a global security. None of the following will have any responsibility or liability for any aspect of the securities depository's or any participant's records relating to beneficial interests in a global security representing Debt Securities, for payments made on account of those beneficial interests or for maintaining, supervising or reviewing any records relating to those beneficial interests:

Duke Energy Corporation;

the applicable trustee; or

any agent of either of them.

Redemption

Provisions relating to the redemption of debt securities will be set forth in the applicable prospectus supplement. Unless Duke Energy states otherwise in the applicable prospectus supplement, Duke Energy may redeem debt securities only upon notice mailed at least thirty (30), but not more than sixty (60) days before the date fixed for redemption. Unless Duke Energy states otherwise in the applicable prospectus supplement, that notice may state that the redemption will be conditional upon the Indenture Trustee, or the applicable paying agent, receiving sufficient funds to pay the principal, premium and interest on those debt securities on the date fixed for redemption and that if the Indenture Trustee or the applicable paying agent does not receive those funds, the redemption notice will not apply, and Duke Energy will not be required to redeem those debt securities. If less than all the debt securities of a series are to be redeemed, the particular debt securities to be redeemed shall be selected by the Indenture Trustee by such method as the Indenture Trustee shall deem fair and appropriate.

Duke Energy will not be required to:

issue, register the transfer of, or exchange any debt securities of a series during the fifteen (15) day period before the date the notice is mailed identifying the debt securities of that series that have been selected for redemption; or

register the transfer of or exchange any debt security of that series selected for redemption except the unredeemed portion of a debt security being partially redeemed.

Consolidation, Merger, Conveyance or Transfer

The Indenture provides that Duke Energy may consolidate or merge with or into, or convey or transfer all or substantially all

of its properties and assets to, another corporation or other entity. Any successor must, however, assume Duke Energy's obligations under the Indenture and the debt securities issued under it, and Duke Energy must deliver to the Indenture Trustee a statement by certain of its officers and an opinion of counsel that affirm compliance with all conditions in the Indenture relating to the transaction. When those conditions are satisfied, the successor will succeed to and be substituted for Duke Energy under the Indenture, and Duke Energy will be relieved of its obligations under the Indenture and the debt securities.

Modification; Waiver

Duke Energy may modify the Indenture with the consent of the holders of a majority in principal amount of the outstanding debt securities of all series of debt securities that are affected by the modification, voting as one class. The consent of the holder of each outstanding debt security affected is, however, required to:

change the maturity date of the principal or any installment of principal or interest on that debt security;

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reduce the principal amount, the interest rate or any premium payable upon redemption of that debt security;

reduce the amount of principal due and payable upon acceleration of maturity;

change the currency of payment of principal, premium or interest on that debt security;

impair the right to institute suit to enforce any such payment on or after the maturity date or redemption date;

reduce the percentage in principal amount of debt securities of any series required to modify the Indenture, waive compliance with certain restrictive provisions of the Indenture or waive certain defaults; or

with certain exceptions, modify the provisions of the Indenture governing modifications of the Indenture or governing waiver of covenants or past defaults.

In addition, Duke Energy may modify the Indenture for certain other purposes, without the consent of any holders of debt securities.

Unless Duke Energy states otherwise in the applicable prospectus supplement, the holders of a majority in principal amount of the outstanding debt securities of any series may waive, for that series, Duke Energy's compliance with certain restrictive provisions of the Indenture. The holders of a majority in principal amount of the outstanding debt securities of all series under the Indenture with respect to which a default has occurred and is continuing, voting as one class, may waive that default for all those series, except a default in the payment of principal or any premium or interest on any debt security or a default with respect to a covenant or provision which cannot be modified without the consent of the holder of each outstanding debt security of the series affected.

Events of Default

The following are events of default under the Indenture with respect to any series of debt securities, unless Duke Energy states otherwise in the applicable prospectus supplement:

failure to pay principal of or any premium on

any debt security of that series when due;

failure to pay when due any interest on any debt security of that series that continues for sixty (60) days; for this purpose, the date on which interest is due is the date on which Duke Energy is required to make payment following any deferral of interest payments by it under the terms of debt securities that permit such deferrals;

failure to make any sinking fund payment when required for any debt security of that series that continues for sixty (60) days;

failure to perform any other covenant in the Indenture (other than a covenant expressly included solely for the benefit of other series) that continues for ninety (90) days after the Indenture Trustee or the holders of at least 33% of the outstanding debt securities of that series give Duke Energy and, if such notice is given by the holders, the Indenture Trustee written notice of the default; and

certain bankruptcy, insolvency or reorganization events with respect to Duke Energy.

In the case of the fourth event of default listed above, the Indenture Trustee may extend the grace period. In addition, if holders of a particular series have given a notice of default, then holders of at least the same percentage of debt securities of that series, together with the Indenture Trustee, may also extend the grace period. The grace period will be automatically extended if Duke Energy has initiated and is diligently pursuing corrective action within the original grace period.

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Duke Energy may establish additional events of default for a particular series and, if established, any such events of default will be described in the applicable prospectus supplement.

If an event of default with respect to debt securities of a series occurs and is continuing, then the Indenture Trustee or the holders of at least 33% in principal amount of the outstanding debt securities of that series may declare the principal amount of all debt securities of that series to be immediately due and payable. However, that event of default will be considered waived at any time after the declaration, but before a judgment or decree for payment of the money due has been obtained if:

Duke Energy has paid or deposited with the Indenture Trustee all overdue interest, the principal and any premium due otherwise than by the declaration and any interest on such amounts, and any interest on overdue interest, to the extent legally permitted, in each case with respect to that series, and all amounts due to the Indenture Trustee; and

all events of default with respect to that series, other than the nonpayment of the principal that became due solely by virtue of the declaration, have been cured or waived.

The Indenture Trustee is under no obligation to exercise any of its rights or powers at the request or direction of any holders of debt securities unless those holders have offered the Indenture Trustee security or indemnity against the costs, expenses and liabilities which it might incur as a result. The holders of a majority in principal amount of the outstanding debt securities of any series have, with certain exceptions, the right to direct the time, method and place of conducting any proceedings for any remedy available to the Indenture Trustee or the exercise of any power of the Indenture Trustee with respect to those debt securities. The Indenture Trustee may withhold notice of any default, except a default in the payment of principal or interest, or in the payment of any sinking or purchase fund installment, from the holders of any series if the Indenture Trustee in good faith considers it in the interest of the holders to do so.

The holder of any debt security will have an absolute and unconditional right to receive payment of the principal, any premium and, within certain limitations, any interest on that debt security on its maturity date or redemption date and to enforce those payments.

Duke Energy is required to furnish each year to the Indenture Trustee a statement by certain of its officers to the effect that it is not in default under the Indenture or, if there has been a default, specifying the default and its status.

Payments; Paying Agent

The paying agent will pay the principal of any debt securities only if those debt securities are surrendered to it. The paying agent will pay interest on debt securities issued as global securities by wire transfer to the holder of those global securities. Unless Duke Energy states otherwise in the applicable prospectus supplement, the paying agent will pay interest on debt securities that are not in global form at its office or, at Duke Energy's option:

by wire transfer to an account at a banking institution in the United States that is designated in writing to the Indenture Trustee at least sixteen (16) days prior to the date of payment by the person entitled to that interest; or

by check mailed to the address of the person entitled to that interest as that address appears in the security register for those debt securities.

Unless Duke Energy states otherwise in the applicable prospectus supplement, the Indenture Trustee will act as paying agent for that series of debt securities, and the principal corporate trust office of the Indenture Trustee will be the office through which the paying agent acts. Duke Energy may, however, change or add paying agents or approve a change in the office through which a paying agent acts.

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Any money that Duke Energy has paid to the Indenture Trustee or a paying agent for principal, any premium or interest on any debt securities which remains unclaimed at the end of two years after that principal, premium or interest has become due will be repaid to Duke Energy at its request. After repayment to Duke Energy, holders should look only to Duke Energy for those payments.

**Satisfaction and Discharge, Defeasance and Covenant
Defeasance**

Upon the written request of Duke Energy, the Indenture shall be satisfied and discharged (except as to certain surviving rights and obligations specified in the Indenture) when:

either all debt securities have been delivered to the Indenture Trustee for cancellation or all debt securities not delivered to the Indenture Trustee for cancellation are due and payable within one year (at maturity or due to redemption) and Duke Energy has deposited with the Indenture Trustee money or government obligations sufficient to pay and discharge such debt securities to the applicable maturity or redemption date (including principal, any premium and interest thereon);

Duke Energy has paid or caused to be paid all other sums payable under the Indenture by Duke Energy; and

Duke Energy has delivered to the Indenture Trustee an officers' certificate and an opinion of counsel stating that all conditions precedent relating to the satisfaction and discharge of the Indenture have been complied with.

The Indenture provides that Duke Energy may be:

discharged from its obligations, with certain limited exceptions, with respect to any series of debt securities, as described in the Indenture, such a discharge being called a "defeasance" in this prospectus; and

released from its obligations under certain restrictive covenants especially established with respect to any series of debt securities, as described in the Indenture, such a release being called a "covenant defeasance" in this prospectus.

Duke Energy must satisfy certain conditions to effect a defeasance or covenant defeasance. Those conditions include the irrevocable deposit with the Indenture Trustee, in trust, of money or government obligations which through their scheduled payments of principal and interest would provide sufficient money to pay the principal and any premium and interest on those debt securities on the maturity dates of those payments or upon redemption.

Following a defeasance, payment of the debt securities defeased may not be accelerated because of an event of default under the Indenture. Following a covenant defeasance, the payment of debt securities may not be accelerated by reference to the covenants from which Duke Energy has been released. A defeasance may occur after a covenant defeasance.

Under current United States federal income tax laws, a defeasance would be treated as an exchange of the relevant debt securities in which holders of those debt securities might recognize gain or loss. In addition, the amount, timing and character of amounts that holders would thereafter be required to include in income might be different from that which would be includible in the absence of that defeasance. Duke Energy urges investors to consult their own tax advisors as to the specific consequences of a defeasance, including the applicability and effect of tax laws other than United States federal income tax laws.

Under current United States federal income tax law, unless accompanied by other changes in the terms of the debt securities, a covenant defeasance should not be treated as a taxable exchange.

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Concerning the Indenture Trustee

The Bank of New York Mellon Trust Company, N.A., or BNYM, is the Indenture Trustee. Duke Energy and certain of its affiliates maintain deposit accounts and banking relationships with BNYM or its affiliates. BNYM or its affiliates also serve as trustee or agent under other indentures and agreements pursuant to which securities of Duke Energy and of certain of its affiliates are outstanding.

The Indenture Trustee will perform only those duties that are specifically set forth in the Indenture unless an event of default under the Indenture occurs and is continuing. In case an event of default occurs and is continuing, the Indenture Trustee will exercise the same degree of care as a prudent individual would exercise in the conduct of his or her own affairs.

Upon any application by Duke Energy to the Indenture Trustee to take any action under any provision of the Indenture, Duke Energy is required to furnish to the Indenture Trustee such certificates and opinions as may be required under the Trust Indenture Act of 1939, as amended.

PLAN OF DISTRIBUTION

We may sell securities to one or more underwriters or dealers for public offering and sale by them, or we may sell the securities to investors directly or through agents. The prospectus supplement relating to the securities being offered will set forth the terms of the offering and the method of distribution and will identify any firms acting as underwriters, dealers or agents in connection with the offering, including:

the name or names of any underwriters;

the purchase price of the securities and the proceeds to us from the sale;

any underwriting discounts and other items constituting underwriters' compensation;

any public offering price;

any discounts or concessions allowed or reallocated or paid to dealers; and

any securities exchange or market on which the securities may be listed.

Only those underwriters identified in the prospectus supplement are deemed to be underwriters in connection with the securities offered in the prospectus supplement.

We may distribute the securities from time to time in one or more transactions at a fixed price or prices, which may be changed, or at prices determined as the prospectus supplement specifies. We may sell securities through forward contracts or similar arrangements. In connection with the sale of securities, underwriters, dealers or agents may be deemed to have received compensation from us in the form of underwriting discounts or commissions and also may receive commissions from securities purchasers for whom they may act as agent. Underwriters may sell the securities to or through dealers, and such dealers may receive compensation in the form of discounts, concessions or commissions from the underwriters or commissions from the purchasers for whom they may act as agent.

We may sell the securities directly or through agents we designate from time to time. Any agent involved in the offer or sale of the securities covered by this prospectus will be named in a prospectus supplement relating to such securities. Commissions payable by us to agents will be set forth in a prospectus supplement relating to the securities being offered. Unless otherwise indicated in a prospectus supplement, any such agents will be acting on a best-efforts basis for the period of their appointment.

Some of the underwriters, dealers or agents and some of their affiliates who participate in the securities distribution may engage in other transactions with, and perform other services for, us and our subsidiaries or affiliates in the ordinary course of business.

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Any underwriting or other compensation which we pay to underwriters or agents in connection with the securities offering, and any discounts, concessions or commissions which underwriters allow to dealers, will be set forth in the applicable prospectus supplement. Underwriters, dealers and agents participating in the securities distribution may be deemed to be underwriters, and any discounts and commissions they receive and any profit they realize on the resale of the securities may be deemed to be underwriting discounts and commissions under the Securities Act of 1933, as amended. Underwriters, and their controlling persons, and agents may be entitled, under agreements we enter into with them, to indemnification against certain civil liabilities, including liabilities under the Securities Act of 1933, as amended.

EXPERTS

The consolidated financial statements incorporated in this prospectus by reference from Duke Energy Corporation's Annual Report on Form 10-K, and the effectiveness of Duke Energy Corporation's internal control over financial reporting have been audited by Deloitte & Touche LLP, an independent registered public accounting firm, as stated in their reports, which are incorporated herein by reference. Such consolidated financial statements have been so incorporated in reliance upon the report of such firm given upon their authority as experts in accounting and auditing.

VALIDITY OF THE SECURITIES

Robert T. Lucas III, Esq., who is Deputy General Counsel of Duke Energy Business Services LLC, the service company affiliate of Duke Energy Corporation, and/or counsel named in the applicable prospectus supplement, will issue an opinion about the validity of the securities we are offering in the applicable prospectus supplement. Counsel named in the applicable prospectus supplement will pass upon certain legal matters on behalf of any underwriters.

WHERE YOU CAN FIND MORE INFORMATION

We are subject to the informational requirements of the Securities Exchange Act of 1934, as amended, and, in accordance therewith, file annual, quarterly and current reports, proxy statements and other information with the Securities and Exchange Commission, or the SEC. Our filings with the SEC, as well as additional information about us, are also available to the public through Duke Energy's website at <http://www.duke-energy.com> and are made available as soon as reasonably practicable after such material is filed with or furnished to the SEC. The information on our website is not a part of this prospectus. Our filings are also available to the public through the SEC website at <http://www.sec.gov>.

The SEC allows us to "incorporate by reference" into this prospectus the information we file with them, which means that we can disclose important information to you by referring you to those documents. The information incorporated by reference is considered to be a part of this prospectus, and information that we file later with the SEC will automatically update and supersede this information. This prospectus incorporates by reference the documents incorporated in the prospectus at the time the registration statement became effective and all later documents filed with the SEC, in all cases as updated and superseded by later filings with the SEC. Duke Energy incorporates by reference the documents listed below and any future documents filed by Duke Energy Corporation with the SEC under Section 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934, as amended, until the offering is completed.

Annual Report on Form 10-K for the year ended December 31, 2018, including the portions of our definitive proxy statement filed on Schedule 14A on March 21, 2019 that are incorporated by reference therein; and

Current Reports on Form 8-K filed on February 28, 2019, March 11, 2019 and March 21, 2019.

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We will provide without charge a copy of these filings, other than any exhibits unless the exhibits are specifically incorporated by reference into this prospectus. You may request a copy by writing us at the following address or telephoning one of the following numbers:

Investor Relations Department
Duke Energy Corporation
P.O. Box 1005
Charlotte, North Carolina 28201
(704) 382-3853 or (800) 488-3853 (toll-free)

You should rely only on the information contained or incorporated by reference in this prospectus. We have not authorized any other person to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. We are not making an offer to sell the securities described in this prospectus in any state where the offer or sale is not permitted. You should assume that the information contained in the prospectus is accurate only as of its date. Our business, financial condition, results of operations and prospects may have changed since that date.

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