VISTRA ENERGY

Utilities / Independent Power Producers

Spring 2025

Meet the Team

Alexis Dimas
Sector Lead

Lucas Daniel
Lead Analyst

Maxime Bromberg
Senior Analyst

Kevin Wijaya
Senior Analyst

Alice Wang
Senior Analyst

Aakash Pany
Senior Analyst

Company Overview

An Introduction to Vistra

Vistra is an independent power producer, operating across retail, wholesale and energy trading segments

Company Overview

Vistra is an integrated retail electricity and power generation company headquartered in Irving, Texas

Its business is organized into three segments: **retail**, **wholesale**, and **hedging and trading**

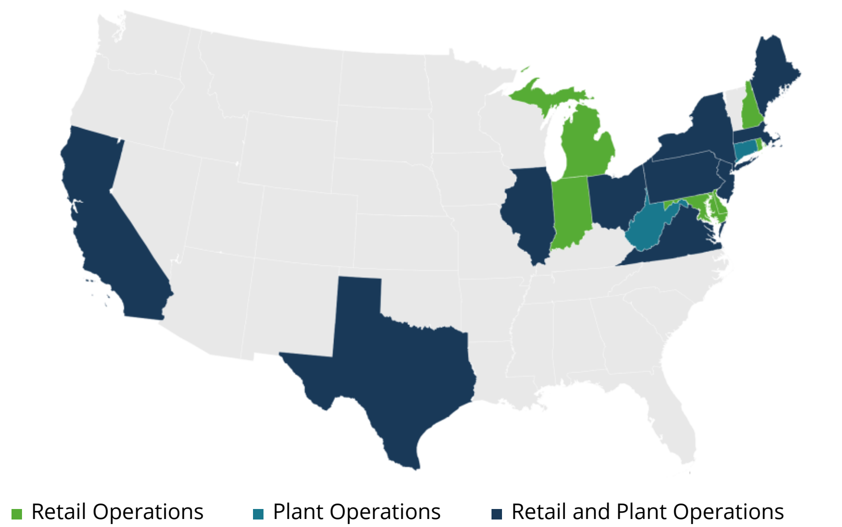
Financials Highlights

Operating Metrics		
Revenue (FY24)	$	**17.22B**
EBITDA	$	**6.69B**
Net Income	$	**2.47B**

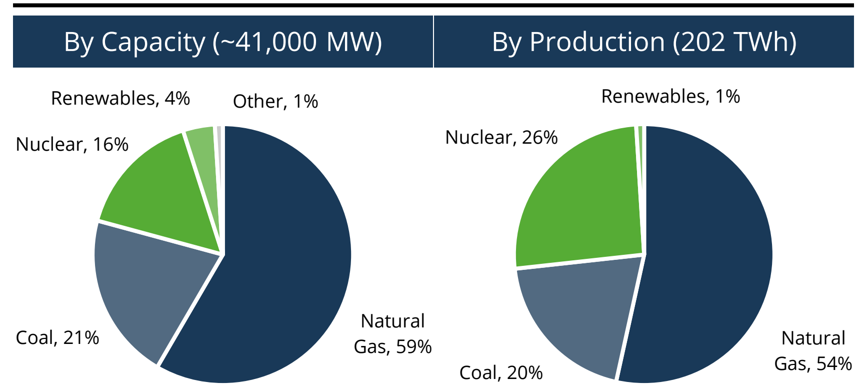
13.40% Profit Margin	**41.68%** Return on Equity	**341.50%** Debt/Equity

Valuation Metrics		
53.61B Market Cap	**68.59B** Enterprise Value	**10.26x** EV / EBITDA
32.43x Trailing P/E	**24.22x** Forward P/E	**11.42x** Forward EV / EBITDA

Geographic Operations



Generation Breakdown



Sources: Company Website, Bloomberg

An Introduction to Vistra

Vistra makes money by generating electricity, selling it to retail customers and wholesale markets, and managing price risk through hedging and trading activities

How Vistra Makes Money

Retail Operations

FY 2024 Revenue: $11.7B (~68%)

Vistra serves approximately **4.6 million** residential, commercial, and industrial customers

Wholesale Operations

FY 2024 Revenue: $3.1B (~12%)

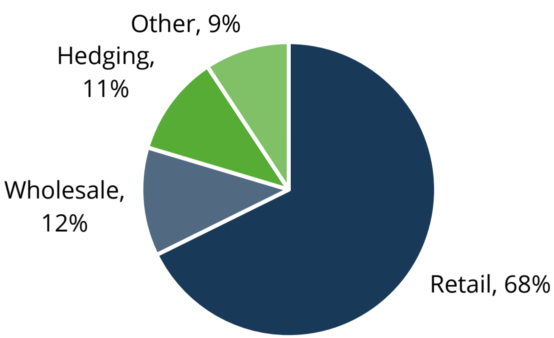
Vistra sells excess power in wholesale markets through independent system operators such as **ERCOT** and **PJM**

Hedging and Trading

FY 2024 Revenue: $1.9B (~11%)

Hedges retail and wholesale risk with power purchase agreements and derivatives to stabilize revenues

FY 2024 Revenue Breakdown



Revenue Segments

Retail	Energy sales to end customers
Wholesale	Electricity generation and capacity sales in ISO/RTO
Hedging	Hedging activities to manage commodity price risk
Others	Transferrable PTCs generated from qualifying assets

Executive Management

Experienced leadership driving strategy, sustainability, and growth

Jim Burke President and CEO	Kris Moldovan Executive VP and CFO	Stacey Dore Chief Strategy and Sustainability Officer
Appointed CEO in August 2022 Held multiple leadership positions at Vistra and its predecessors since 2004	Appointed CFO in August 2022 Has been with Vistra and predecessors since 2006	Appointed CSSO in August 2022 Originally joined Vistra's predecessors in 2008 as part of the legal team
Clean energy portfolio and coal asset retirements	Strong financial performance and risk management	ESG integration and strategic M&A execution
From FY 2022 to FY 2024, the proportion of coal in Vistra's portfolio decreased from 24.4% to 20% Proportion of nuclear and renewables increased from 9.2% to 19.5%	In FY 2024, Vistra reported a 36.6% Y/Y improvement in Adjusted EBITDA Roughly 100% of expected generation is hedged for 2025 and about 80% hedged for 2026	In FY 2024, Vistra achieved a 50% GHG emission reduction from their 2010 baseline Played a key role in major acquisitions, such as the Energy Harbor deal

Board of Directors

Governed by a board with proven industry experience and strong focus on sustainability

Scott Helm
Chairman of the Board

Served as Chairman since 2017

Founding Partner of Energy Capital Partners, a PE firm focused on energy infrastructure investments

Governance during transformation

Hilary E. Ackermann
Chair of Sustainability and Risk Committee

Has served on the board since 2018

Previously served on the board of Dynegy, joined Vistra's board along with the acquisition of Dynegy

Risk and sustainability

Julie Lagacy
Chair of Governance Committee

Member of the board since 2023

Served as Caterpillar Inc.'s first Chief Sustainability and Strategy Officer, and previously as Chief Information Officer

Strategic cybersecurity leadership

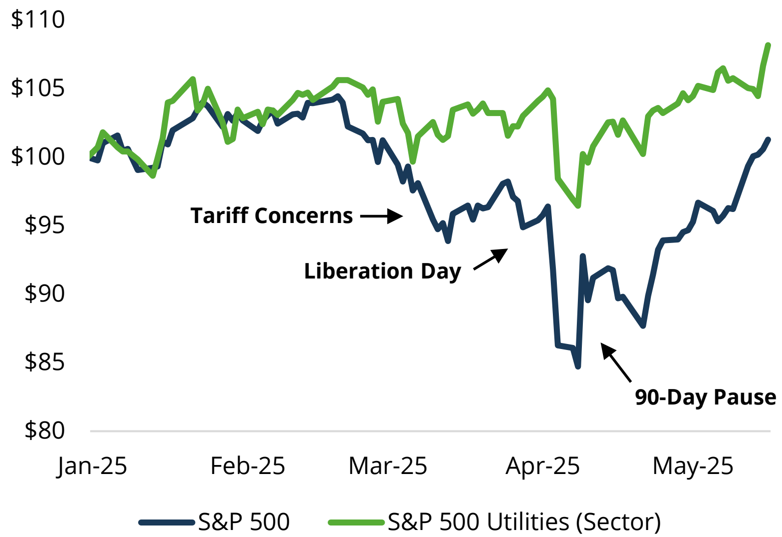
Board of Directors provide steady governance through Vistra's transformation into a leading energy company

Industry Overview

Industry Overview

The Utilities sector includes companies that provide essential services such as electric, gas, and water utilities, as well as independent power producers and renewable energy providers

S&P 500 vs Utilities YTD Price Return



Industries in the Utilities Sector

Electric Utilities	Water Utilities
Gas Utilities	Multi-Utilities
IPPs	Renewable Electricity

IPPs vs. Regulated Utilities

Independent Power Producers (IPPs):
- Compete in wholesale electricity markets and sell power via contracts
- Bear **full market risk**—no guaranteed cost recovery or regulated rates

Regulated Utilities:
- Operate as monopolies within assigned regions, serving all customers at **regulated rates**
- Guaranteed cost recovery and profit through rates approved by government regulators

Key Growth Drivers

Positioning in Regions with High Population Growth

Transition to Clean and Renewable Energy

Positioning in Regions with Growing Data Centers

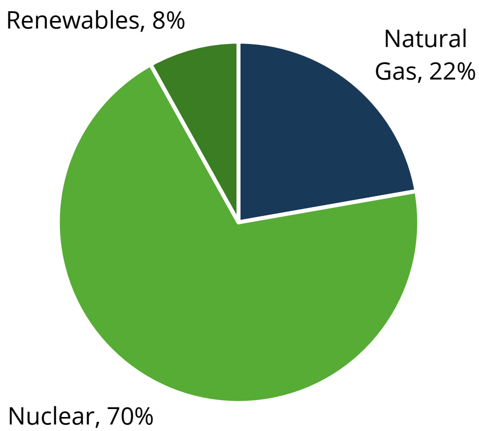
Sources: S&P Global

Competitive Positioning

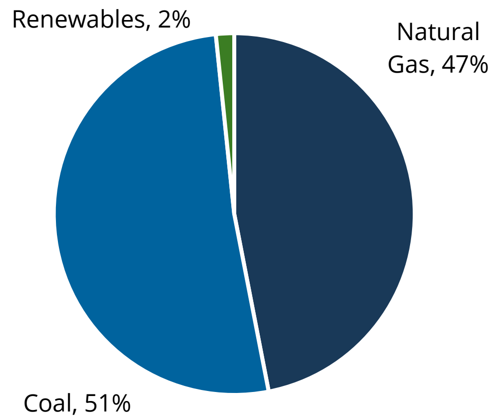
Competitive Positioning

Vistra maintains a more diversified capacity mix compared to competitors

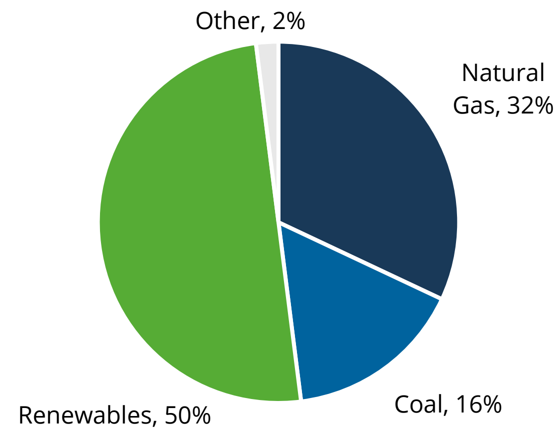
Constellation Energy



NRG Energy

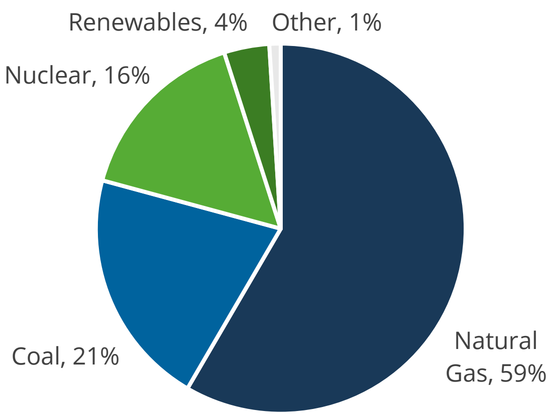


AES Corporation



■ Natural Gas ■ Coal ■ Nuclear ■ Renewables ■ Other

VISTRA



Acquisition of natural gas plants underscores Vistra's commitment to a reliable load generation source

Investment in nuclear plants positions Vistra as the second most nuclear intensive company

Planned **retirement of coal plants** will differentiate Vistra from coal heavy competitors

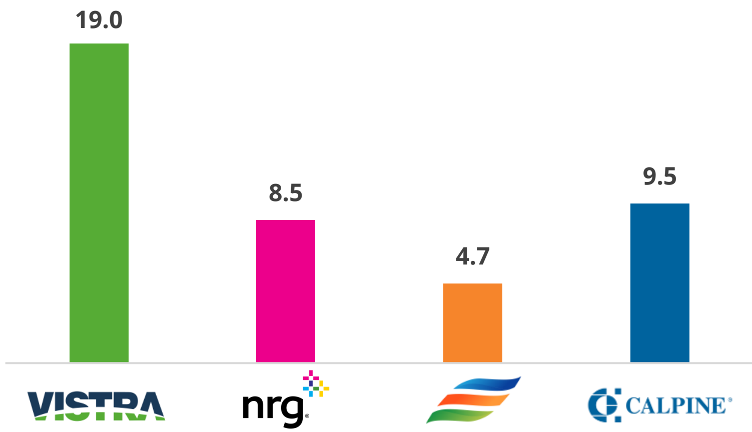
Key Takeaways	
Positive	Strong Natural Gas Capacity
	Growing Nuclear Capacity
Negative	High Fossil Fuel Exposure
	Low Renewable Capacity

Sources: Company Filings, Team Analysis

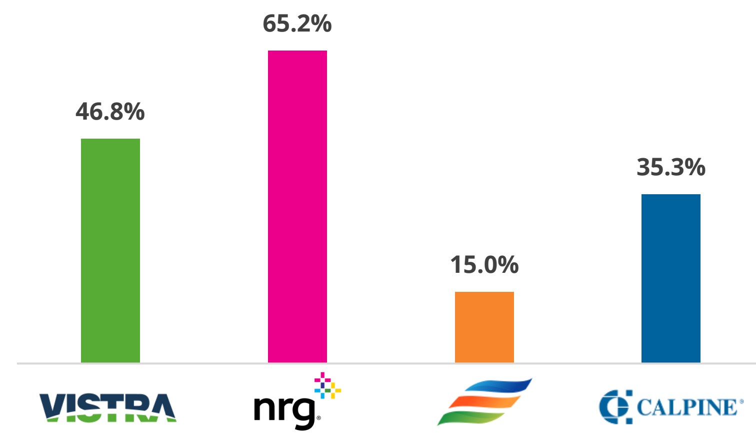
Competitive Positioning

Vistra dominates ERCOT by capacity

Generation Capacity in ERCOT (GW)



Percentage of Total Capacity in ERCOT



Net Zero Initiatives

Vistra	• Net zero by **2050** • 50% CO2 reduction achieved in **2024**
nrg	• Net Zero by **2050** • 50% CO2 reduction by **2025**
	• Net zero by **2040** • 65% CO2 reduction by **2030**
CALPINE	• No net zero commitment • Market-based decarbonization strategy

Key Takeaways

Largest Independent Power Producer in ERCOT by Generation Capacity

Vistra Serves 2.6 Million Retail Customers in ERCOT

ERCOT is Vistra's Largest Market

Vistra is Well-Positioned to Capture Growth in the Region

Sources: Company Filings

Investment Thesis

Investment Thesis

1

Renewable Energy Expansion
Increasing the proportion of renewables in Vistra's generation mix will lead to increased cost efficiency

2

Growth Through Acquisitions
Vistra's recent acquisitions allow it to solidify market positioning and expand capacity to meet demand

3

Regional Growth Prospects
Vistra is a leading energy provider in the ERCOT and PJM markets, both of which offer strong growth potential

Investment Thesis

1

Renewable Energy Expansion
Increasing the proportion of renewables in Vistra's generation mix will lead to increased cost efficiency

2

Growth Through Acquisitions
Vistra's recent acquisitions allow it to solidify market positioning and expand capacity to meet demand

3

Regional Growth Prospects
Vistra is a leading energy provider in the ERCOT and PJM markets, both of which offer strong growth potential

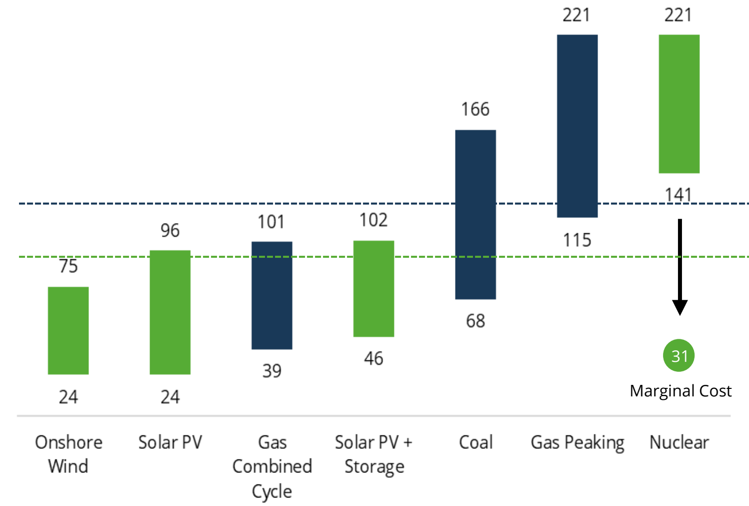
Renewable Generation Expansion

Lower production costs from renewables

Benefits of the Clean Energy Transition

Clean	Continued investments in renewable energy will allow Vistra to reach its net zero goal by 2050
Cheap	On average, it's about **25.4%** cheaper to produce one unit of electricity using renewable generation
Growth	As Vistra replaces fossil-fuel generation with renewables, they can expect margins to expand

Levelized Cost of Energy (LCOE)



Investment Tax Credit (ITC)

Upfront tax credit

Received on cost of construction

Credit **does not vary** based on system performance

2023– 2033: 30% credit
2034: 22.5% credit
2035: 15% credit

Production Tax Credit (PTC)

Tax credits received for first **10 years** of operation

Credit based on **production** (per kWh)

Credit adjusted annually for inflation

2023-2033: 2.75¢ per kWh
2034: 2.0¢ per kWh
2035: 1.3¢ per kWh

Sources: U.S. Department of Energy, Visual Capitalist

Renewable Generation Expansion

Vistra Zero to grow in overall generation mix

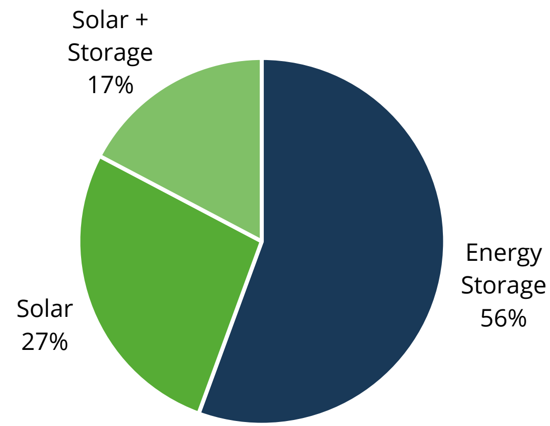
Vistra Zero is Vistra's renewable portfolio

~2,094 MW of renewable generation currently online

~4,578 MW of fossil-fuel power plants to be retired by 2027

Renewables to grow in the generation mix

Current Portfolio



Net Zero Progress

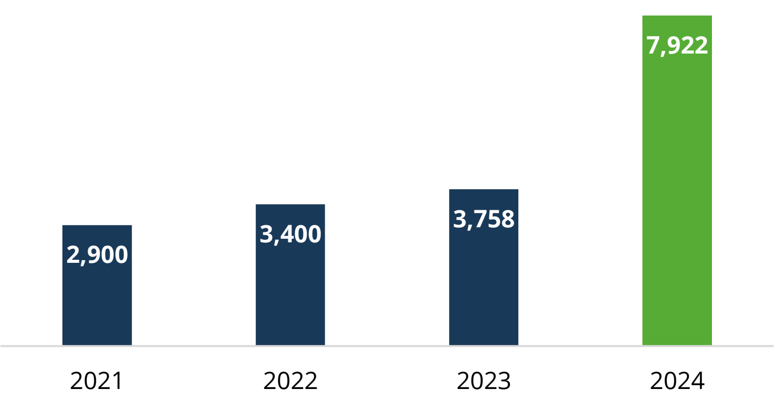
50% reduction in CO_2 emissions (2010-2024)

60% reduction by 2030, **Net Zero** by 2050

~15,150 MW of fossil fuel generation retired since 2010

>200% growth in zero-carbon generation

Zero Carbon Capacity (MW)



Renewable Generation Expansion

Current renewables pipeline

Current Pipeline

Solar Projects

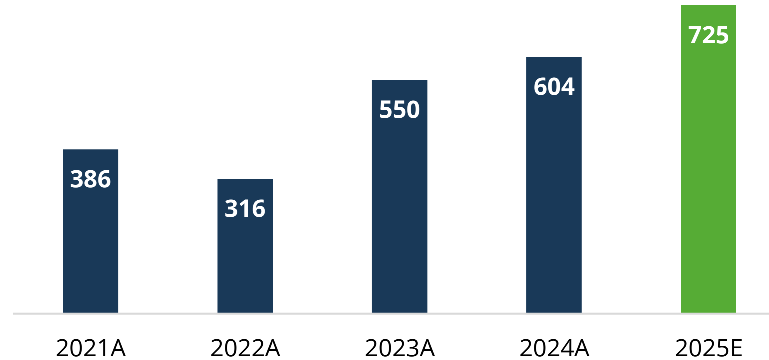
Pulaski, Illinois
405 MW
Operational in Q4 2026

Oak Hill, Texas
200 MW
Operational in Q4 2025

Energy Storage

Newton, Illinois
50 MW
Operational in 2026

Solar and Storage Capital Expenditures



Prior Additions

Moss Landing Energy Storage Facility
750 MW
Expanded in 2023, adding 350 MW

DeCordova Energy Storage Facility
260 MW
Added in 2022

Forest Grove Solar Facility
200 MW
Added in 2020

* all renewable projects in the pipeline are insulated from tariffs

Sources: Company Filings

Investment Thesis

1

Renewable Energy Expansion

Increasing the proportion of renewables in Vistra's generation mix will lead to increased cost efficiency

2

Growth Through Acquisitions

Vistra's recent acquisitions allow it to solidify market positioning and expand capacity to meet demand

3

Regional Growth Prospects

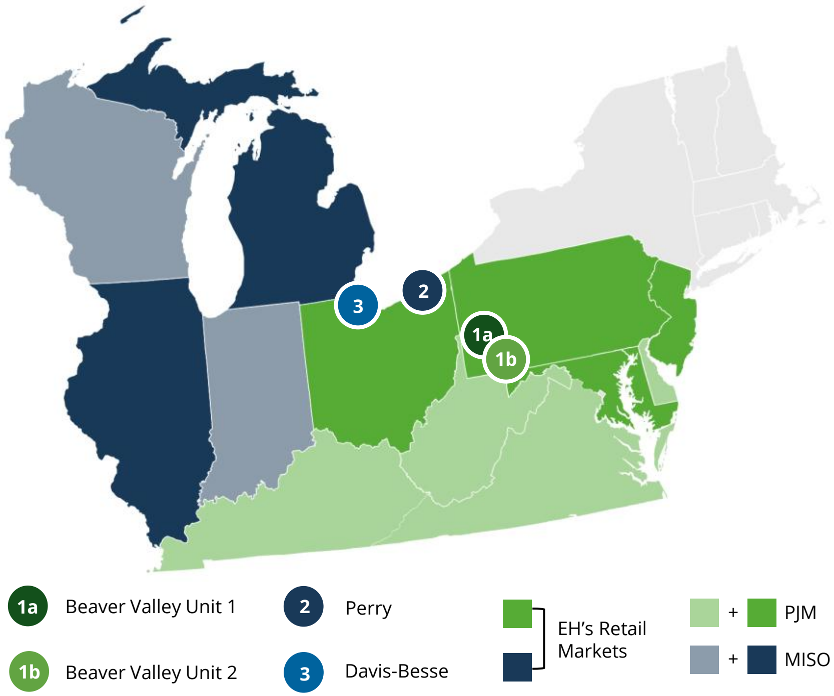
Vistra is a leading energy provider in the ERCOT and PJM markets, both of which offer strong growth potential

Energy Harbor Acquisition

Increased market share in PJM + MISO regions and additional clean energy

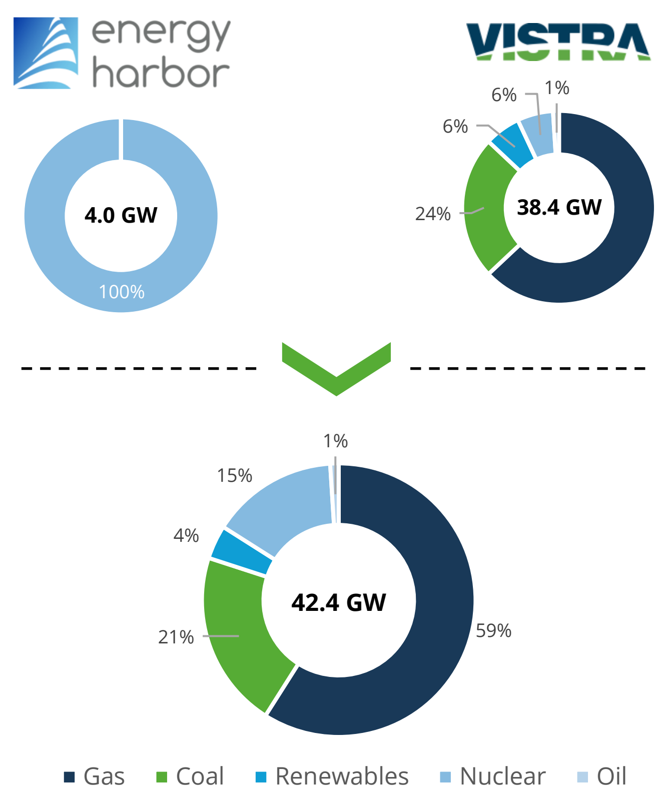
Vistra's **$3.4B** acquisition of Energy Harbor positions it as the second-largest competitive nuclear operator in the U.S., adding **4,000 MW of zero-carbon capacity** and **1M retail customers** in PJM markets

Energy Harbor Presence



The Perry Nuclear plant filed for a license extension to operate through **2046**, a decision from the NRC is expected by **late 2025**

Vistra Energy Generation Mix



Vistra Vision

How Vistra is diversifying from traditional operations and utilizing acquisitions

~5 million Retail Customers

~7,800 MW Zero-Carbon Generation

~1,100 MW Additional Renewable Projects

Sources: Company Filings, Company Website

Lotus Acquisitions

On May 15th 2025, Vistra announced acquisitions of natural gas assets from Lotus

Asset	State	Size (MW)	Technology
Fairless	Pennsylvania	1,320	CCGT
Manchester	Rhode Island	510	CCGT
Garrison	Delaware	309	CCGT
Hazleton	Pennsylvania	158	CT
Beaver Falls	New York	108	CCGT
Syracuse	New York	103	CCGT
Greenleaf	California	49	CT
Total		**2,557**	

Acquisition Details

$1.9B Acquisition Cost

2,600 MW of Capacity

7 Natural Gas Generation Facilities

The transaction is expected to close in **late 2025** or **early 2026**

Projected Energy Demand

2025	**~4,179B kWh**
2026	**~4,239B kWh**

Acquired facilities across PJM, New England, New York, and California, the markets experiencing **fastest data center growth**

Sources: Company Website, Reuters

Investment Thesis

1

Renewable Energy Expansion
Increasing the proportion of renewables in Vistra's generation mix will lead to increased cost efficiency

2

Growth Through Acquisitions
Vistra's recent acquisitions allow it to solidify market positioning and expand capacity to meet demand

3

Regional Growth Prospects
Vistra is a leading energy provider in the ERCOT and PJM markets, both of which offer strong growth potential

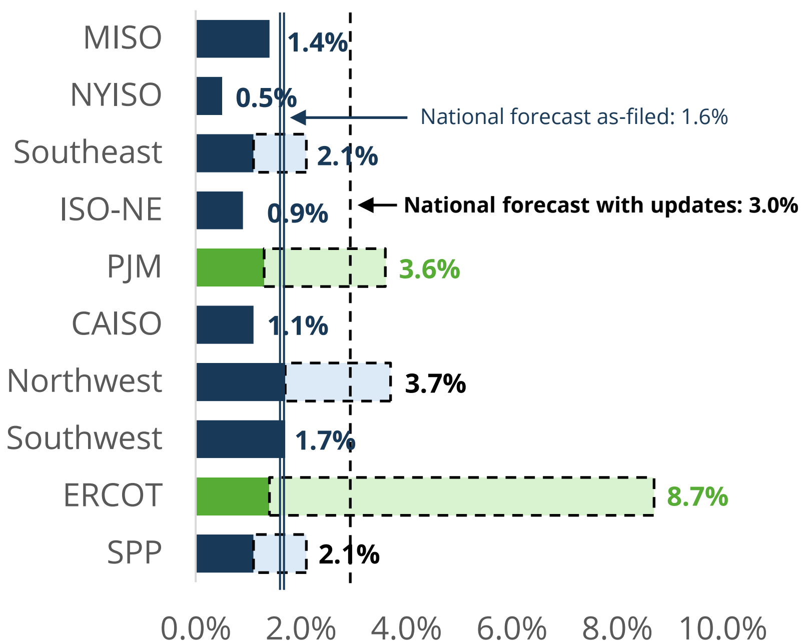
Regional Growth Prospects

Vistra is well positioned to capture load market growth

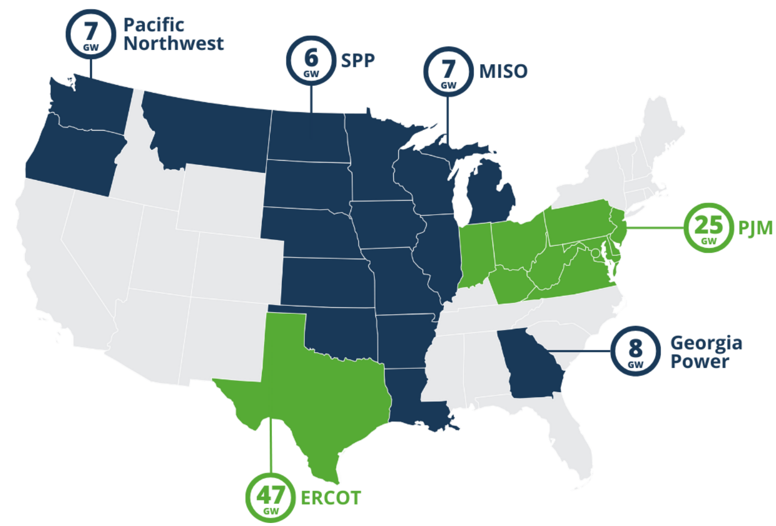
Region Growth Overview

- Vistra is a market leader in **ERCOT** and **PJM**, the two fastest-growing U.S. power markets
- **ERCOT's** 2024 forecast was 1.4% per year, but is now forecasted to grow at 8.7% per year
- Including forecast updates, PJM forecast rises from 1.2% to 3.6%

5-Year Load Demand CAGR Forecast



Load Demand Growth Forecast Through 2029



Growth Drivers by Region

ERCOT	Load growth driven by **data centers** in Dallas-Ft. Worth region, also some **oil and gas production**
PJM	Load growth driven by **data centers** in Northern Virginia, also some **manufacturing** in Ohio
MISO	Low growth rate, but makes top six by size driven by **manufacturing** and **data centers**

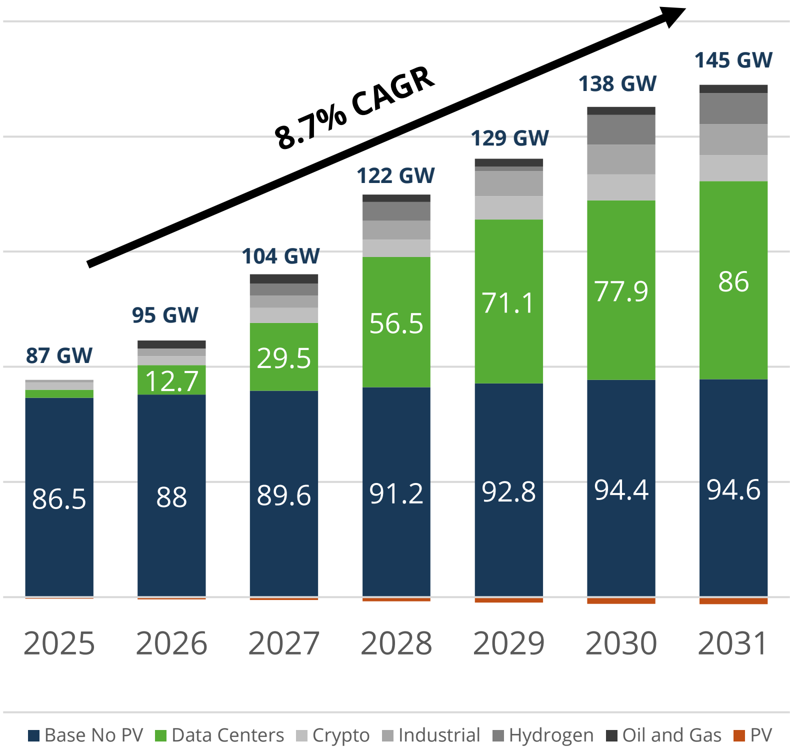
Regional Growth Prospects

ERCOT growth is primarily driven by data centers and artificial intelligence

ERCOT Growth Overview

- Data centers are expected to account for ~40% of new demand through 2030
- Vistra anticipates growth by expanding capacity and pursuing agreements with data centers

2025 Load Forecast Breakdown by Type



Data Center Growth Drivers

Artificial intelligence and cloud computing

Digitalization of the economy

ERCOT's low electricity prices attractiveness

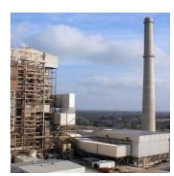
Vistra's Operations in ERCOT

Comanche Peak Nuclear Plant – Texas' second-largest nuclear plant with up to 2,400 MW of capacity aligns with data centers' need for carbon free electricity

Forney Energy Center – located near Dallas with 1,596 MW natural gas capacity, this plant supports regions with rapid data center growth

UPCOMING PROJECTS

Oak Hill Solar Park – based in Rusk County, Texas with 200 MW of capacity, this solar plant is under construction and expected to be in service by 2025



Coleto Creek Repowering Project – a coal plant set to retire in 2027; the plant will be repowered as a natural gas facility with 600 MW of added capacity

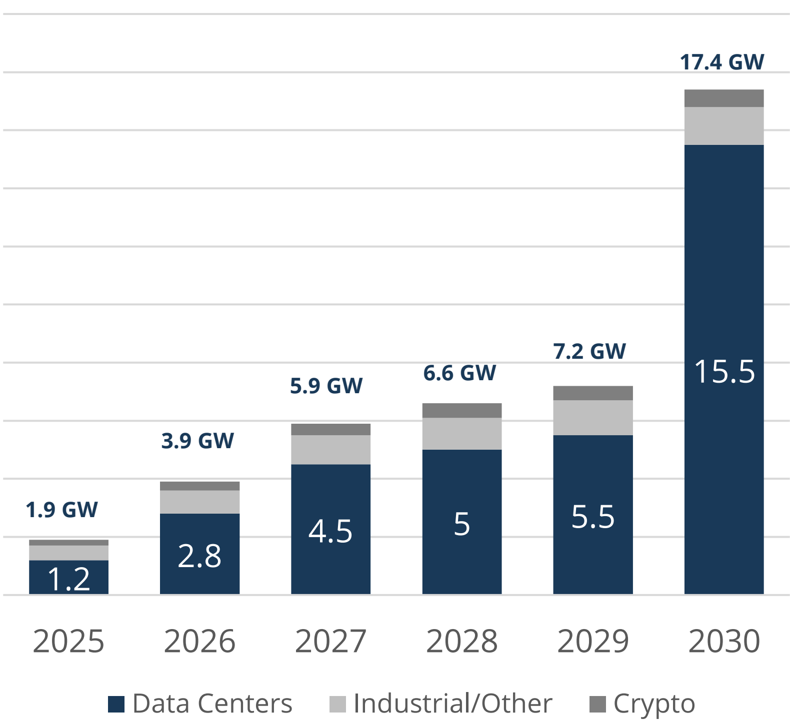
Regional Growth Prospects

PJM experiences unprecedented growth in demand and infrastructure investment

PJM Growth Overview

- PJM is the largest U.S. power market by demand with a strong 3.6% CAGR forecast
- Vistra has expanded its presence in PJM through acquisitions and new project developments

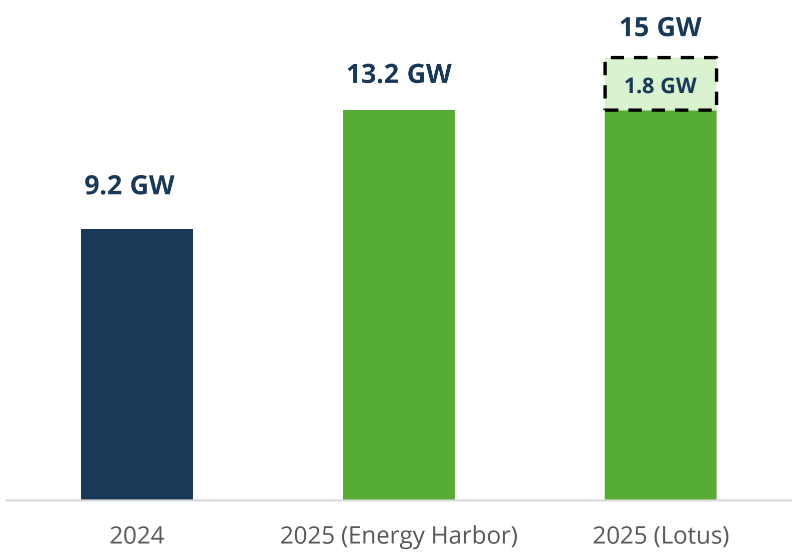
Load Forecast Adjustments (GW)



PJM Growth Factors

Data Center Growth	Main driver especially in Northern Virginia
Electrification	Buildings and EVs increasing long-term electrification consumption
Manufacturing Expansion	New facilities will add significant load capacity

Vistra's PJM Capacity



Valuation

Discounted Cash Flow Analysis

With conservative assumptions, our five-year DCF model shows strong upside for Vistra

Investment Thesis	Metric Impacted	Linkage to DCF Assumptions
Renewable Expansion	**Gross Margin**	**Moderate Increase in Gross Margin**
Growth via Acquisitions	**Revenue**	**Increase in Wholesale Revenue after 2026**
Regional Growth	**Revenue**	**Increased Revenue Growth in 2027 & 2028**

Implied Share Price:
$178.06
Upside:
15.08%

11.67%	4.60%	10.03%	1.54	2.00%
CoE	**CoD**	**WACC**	**Beta**	**PGR**

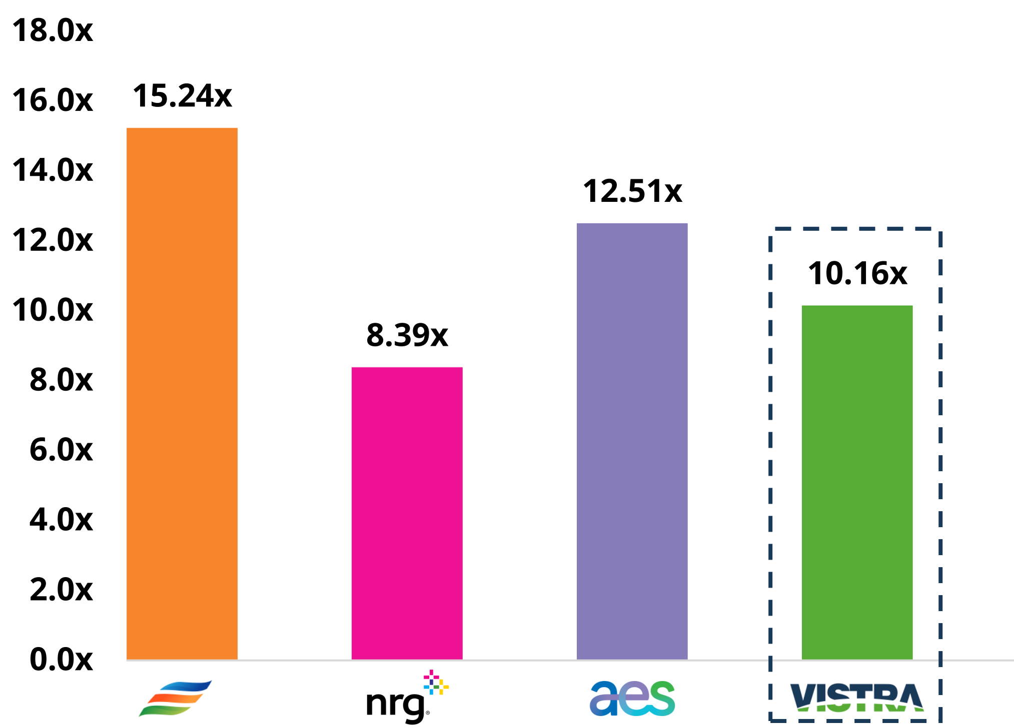
Relative Valuation

The Enterprise Value to EBITDA multiple best captures the nature of Vistra's business

Independent Power

Regulated Power

FY2 EV/EBITDA Multiples



Implied Share Price:
$234.10
Upside:
51.30%

11.67%	**4.60%**	**10.03%**	**1.54**	**11.34x**
CoE	**CoD**	**WACC**	**Beta**	**Multiple**

Sources: Team Analysis

Valuation Summary

We valued Vistra using a 50/50 blended approach of DCF and relative valuation

Valuation Football Field

Key Aspects of the Valuation Method

50% Weight

- Renewable Expansion
- Growth via Acquisitions
- Regional Growth

50% Weight

- Median **FY2 EV/EBITDA** multiple of 11.34x
- Regulated utilities were analyzed but not used

Blended Implied Share Price
$206
Upside: ***33.19%***

Catalysts

Purchasing Power Agreements

Long Term Contract Partnerships (Data Centers and Renewables)

Targeting Large Load Customers

Vistra is actively engaged in discussions for the potential sale of power from their existing or new **nuclear** and **gas** facilities

Specific examples include **data centers** and operations related to the **electrification** of **oil field operations**, particularly in the Permian Basin of West Texas

Diverse Contract Structures

For the **Comanche Peak** nuclear plant, they are exploring potential **co-location** or front-of-the-meter/virtual PPAs

Offers potential **speed advantage** and depending on the location and rule clarity, they may be a comparable opportunity set in certain areas

Build on Renewable Success

200 MW solar facility with **Amazon** in Texas

405 MW solar-plus-storage facility with **Microsoft** in Illinois

Factors Influencing Possibilities

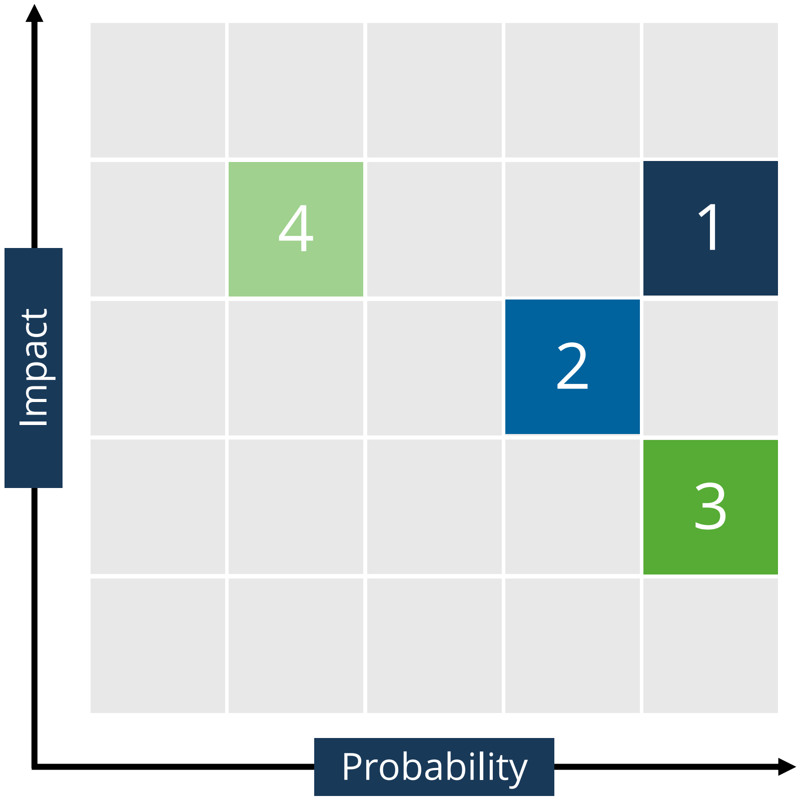
- Potential transactions are subject to various currently contemplated or future potential **regulatory** actions, reviews, and/or approvals and **legislative** actions
- Market reforms in Texas, currently being implemented by **ERCOT** and the **PUCT**, will provide the regulatory framework to make long-term investments in capacity projects

Sources: Company Filings

Investment Risks

Investment Risks

Four key downside risks to our BUY recommendation



	Risk	Mitigation
1	Moss Landing Fire	Maximizing Insurance Claims & Redesigning Operations
2	PJM Capacity Auction	Previous Records, Price Floor & Project Backlog
3	Retail Competition	Vertical Integration
4	CEG & Calpine Acquisition	Calpine's PJM Divestment

Sources: Company Filings, Utility Dive

Investment Debate

For Every Buyer, There's a Seller

Is Vistra another AI-fueled story—or something more?

Strong Fundamental Business

Strong Q1 earnings and reaffirmed multi-year guidance

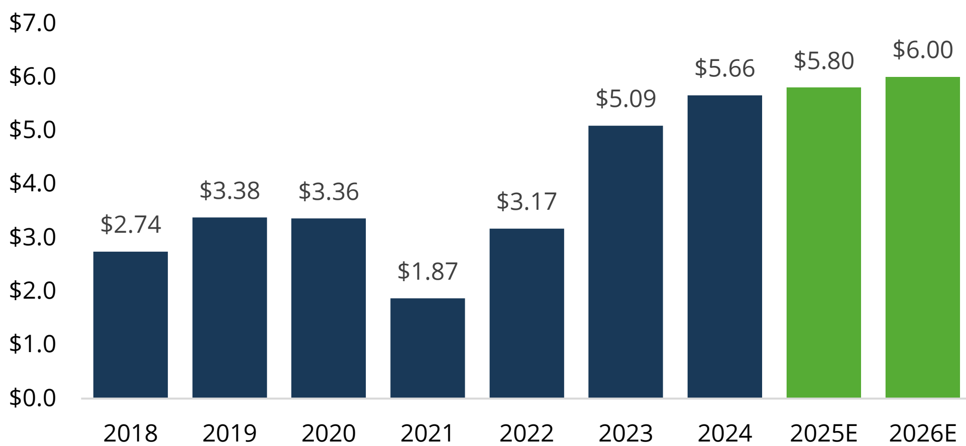
Margin visibility and **cash flow stability** through hedging

Tightening power markets suggest **long term demand growth**

Grounded leadership focused on **disciplined execution**

"Management's framing of the messaging on the ongoing process through an **explicitly conservative** approach to the process **regarding data center deals**".
– Guggenheim VST Earnings Report

Adjusted EBITDA Growth ($B)



Conservative Valuation

1. Vistra has a **10.16x** EV/EBITDA compared to CEG's **15.24x**

2. Stock is trading almost **25%** below its 52-week high of $199.84

UNIVERSITY of WASHINGTON INVESTMENT GROUP

Sources: Company Filings, Guggenheim

VISTRA

Final Recommendation

1

Renewable Energy Expansion
Increasing the proportion of renewables in Vistra's generation mix will lead to increased cost efficiency

2

Growth Through Acquisitions
Vistra's recent acquisitions allow it to solidify market positioning and expand capacity to meet demand

3

Regional Growth Prospects
Vistra is a leading energy provider in the ERCOT and PJM markets, both of which offer strong growth potential

Recommendation: BUY
Target Price: $206
Upside: ***33.19%***

Appendix

Discounted Cash Flow Analysis

Tax Rate	21%	Stub	75%	PGR	2.00%
WACC	10.03%	Revstub	25%	Multiple	11.34x

Discounted Cash Flow Analysis

Free Cash Flow Model

($ in millions, except per share data)	2020A	2021A	2022A	2023A	2024A	2025E	2026E	2027E	2028E	2029E	2030E
Revenue	**11,443**	**12,077**	**13,728**	**14,779**	**17,224**	**19,489**	**20,229**	**21,075**	**22,246**	**23,575**	**24,696**
% growth		*6%*	*14%*	*8%*	*17%*	*13%*	*4%*	*4%*	*6%*	*6%*	*5%*
EBIT	**1,519**	**-1,515**	**-1,177**	**2,661**	**4,081**	**5,940**	**6,695**	**7,337**	**8,075**	**8,471**	**8,884**
% margin	*13%*	*-13%*	*-9%*	*18%*	*24%*	*30%*	*33%*	*35%*	*36%*	*36%*	*36%*
(-) Taxes	-319	318	247	-559	-857	-1,247	-1,406	-1,541	-1,696	-1,779	-1,866
NOPAT	**1,200**	**-1,197**	**-930**	**2,102**	**3,224**	**4,693**	**5,289**	**5,797**	**6,379**	**6,692**	**7,019**
(+) D&A	2,048	2,050	2,047	1,956	2,631	2,908	2,766	2,626	2,468	2,338	2,276
(-) Capital Expenditures	-1,259	-1,033	-1,301	-1,676	-2,078	-2,022	-1,892	-1,639	-1,656	-1,950	-2,043
(-) Changes in NWC		885	27	-400	-1,224	730	41	37	17	-10	15
Unlevered Free Cash Flow	1,989	705	-157	1,982	2,553	4,731	6,203	6,821	7,209	7,071	1,817
Discount Period						0.75	1.75	2.75	3.75	4.75	5.75
Discount Factor						0.93	0.85	0.77	0.70	0.64	0.58
PV of Unlevered Free Cash Flow						4,404	5,248	5,244	5,037	4,490	1,049

Valuation Methodologies

Perpetuity Growth Method	
Perpetuity Growth Rate	2.00%
WACC	10.03%
PV of Terminal Value	53,279
PV of Unlevered Free Cash Flow	25,472
Total Enterprise Value	**78,752**
(-) Debt	16,522
(-) Minority Interest	13
(+) Cash & Cash Equivalents	561
Equity Value	62,778
(/) FDSO	352.57
Implied Share Price	**$ 178.06**
Premium	*15.08%*

$ 178.06	1.50%	1.75%	2.00%	2.25%	2.50%
9.53%	$ 182.26	$ 187.61	$ 193.32	$ 199.42	$ 205.96
9.78%	$ 175.17	$ 180.15	$ 185.44	$ 191.09	$ 197.12
10.03%	$ 168.50	$ 173.14	$ 178.06	$ 183.30	$ 188.88
10.28%	$ 162.22	$ 166.54	$ 171.13	$ 176.00	$ 181.18
10.53%	$ 156.29	$ 160.33	$ 164.61	$ 169.14	$ 173.96

Exit Multiple Method	
EV/EBITDA Exit Multiple	11.34x
WACC	10.03%
PV of Terminal Value	73,037
PV of Unlevered Free Cash Flow	25,472
Total Enterprise Value	**98,509**
(-) Debt	16,522
(-) Minority Interest	13
(+) Cash & Cash Equivalents	561
Equity Value	82,535
(/) FDSO	352.57
Implied Share Price	**$ 234.10**
Premium	*51.30%*

$ 234.10	10.34x	10.84x	11.34x	11.84x	12.34x
9.53%	$ 221.79	$ 231.17	$ 240.55	$ 249.93	$ 259.30
9.78%	$ 218.79	$ 228.04	$ 237.30	$ 246.55	$ 255.81
10.03%	$ 215.83	$ 224.96	$ 234.10	$ 243.23	$ 252.37
10.28%	$ 212.91	$ 221.93	$ 230.94	$ 239.96	$ 248.98
10.53%	$ 210.03	$ 218.93	$ 227.83	$ 236.73	$ 245.63

Blended Implied Share Price	
Perpetuity Growth Method	$ 178.06
Weight (%)	50%
Exit Multiple Method	$ 234.10
Weight (%)	50%
Blended Implied Share Price	**$ 206.08**
Premium	*33.19%*

Beta Calculation

Tax Rate	21%

Beta Calculation

Levered Beta Calculation				
Company	**Ticker**	**Raw Beta**	**D/E**	**Unlevered Beta**
VISTRA CORP	**VST**	**2.17**	**342%**	
Tier I: Independent				
CONSTELLATION ENERGY	CEG	1.76	63%	1.18
NRG ENERGY INC	NRG	1.72	396%	0.42
AES CORP	AES	0.88	341%	0.24
CLEARWAY ENERGY INC-A	CWEN	0.47	152%	0.21
TALEN ENERGY CORP	TLN	1.70	254%	0.56
Tier II: Regulated				
DUKE ENERGY CORP	DUK	0.02	169%	0.01
NEXTERA ENERGY INC	NEE	0.31	149%	0.14
P G & E CORP	PCG	0.49	194%	0.19
XCEL ENERGY INC	XEL	0.14	163%	0.06
Mean				0.52
Median				0.42
VISTRA CORP				
Unlevered Beta				0.42
Levered Beta				**1.54**

WACC

Weighted Average Cost of Capital (WACC)		
($ in thousands, except per share data)		
Assumptions		
Tax Rate		21%
Levered Beta		1.54
Equity Risk Premium		4.63%
Risk-Free Rate		4.53%
Share Price	$	154.72
FDSO		352.57
Cost of Equity (CAPM)		
Beta		1.54
Implied Equity Risk Premium		4.63%
Risk-Free Rate		4.53%
Cost of Equity		11.67%
Cost of Debt		
Credit Rating		BB+
Risk-Free Rate		4.53%
Default Spread		1.29%
Pre-tax Cost of Debt		5.82%
After-tax Cost of Debt		4.60%
WACC		
Cost of Equity		11.67%
MV of Equity		54,549
Cost of Debt		4.60%
MV of Debt		16,522
Equity-to-Total Capitalization		76.75%
Debt-to-Total Capitalization		23.25%
WACC		10.03%

Revenue Build

Revenue Build

Consensus

($ in millions, except per share data)	2020A	2021A	2022A	2023A	2024A	2025E	2026E	2027E	2028E	2029E	2030E
Total Revenue	11,443	12,077	13,728	14,779	17,224	20,097	21,352	22,212	22,051	22,673	24,811
Growth Rate %		*6%*	*14%*	*8%*	*17%*	*17%*	*6%*	*4%*	*-1%*	*3%*	*9%*
Retail Energy Charge in ERCOT											
(Bull) Retail energy charge in ERCOT	5,813	5,733	6,971	7,674	8,064	8,709	9,319	9,971	10,769	11,630	12,444
(Base) Retail energy charge in ERCOT	5,813	5,733	6,971	7,674	8,064	8,548	8,975	9,424	9,989	10,589	11,118
(Bear) Retail energy charge in ERCOT	5,813	5,733	6,971	7,674	8,064	8,306	8,472	8,621	8,880	9,146	9,329
Growth Rate % Bull		*-1%*	*22%*	*10%*	*5%*	*8%*	*7%*	*7%*	*8%*	*8%*	*7%*
Growth Rate % Base		*-1%*	*22%*	*10%*	*5%*	*6%*	*5%*	*5%*	*6%*	*6%*	*5%*
Growth Rate % Bear		*-1%*	*22%*	*10%*	*5%*	*3%*	*2%*	*2%*	*3%*	*3%*	*2%*
Retail Energy Charge in Northeast/Midwest											
(Bull) Retail energy charge in Northeast/Midwest (a)	2,406	2,255	2,139	1,642	3,595	3,811	4,039	4,322	4,668	5,041	5,394
(Base) Retail energy charge in Northeast/Midwest	2,406	2,255	2,139	1,642	3,595	3,739	3,888	4,083	4,328	4,587	4,817
(Bear) Retail energy charge in Northeast/Midwest	2,406	2,255	2,139	1,642	3,595	3,667	3,740	3,852	4,007	4,167	4,292
Growth Rate % Bull		*-6%*	*-5%*	*-23%*	*119%*	*6%*	*6%*	*7%*	*8%*	*8%*	*7%*
Growth Rate % Base		*-6%*	*-5%*	*-23%*	*119%*	*4%*	*4%*	*5%*	*6%*	*6%*	*5%*
Growth Rate % Bear		*-6%*	*-5%*	*-23%*	*119%*	*2%*	*2%*	*3%*	*4%*	*4%*	*3%*
Wholesale Generation Revenue from ISO/RTO											
(Bull) Wholesale generation revenue from ISO/RTO	1,383	6,348	4,293	2,909	1,978	6,132	6,500	6,955	7,511	8,037	8,599
(Base) Wholesale generation revenue from ISO/RTO	1,383	6,348	4,293	2,909	1,978	5,440	5,644	5,926	6,281	6,658	6,991
(Bear) Wholesale generation revenue from ISO/RTO	1,383	6,348	4,293	2,909	1,978	4,945	5,093	5,297	5,562	5,840	6,015
Growth Rate % Bull		*359%*	*-32%*	*-32%*	*-32%*	*210%*	*6%*	*7%*	*8%*	*7%*	*7%*
Growth Rate % Base		*359%*	*-32%*	*-32%*	*-32%*	*175%*	*4%*	*5%*	*6%*	*6%*	*5%*
Growth Rate % Bear		*359%*	*-32%*	*-32%*	*-32%*	*150%*	*3%*	*4%*	*5%*	*5%*	*3%*

Revenue Build

Capacity Revenue from ISO/RTO											
(Bull) Capacity revenue from ISO/RTO (b)	112	163	103	98	74	74	74	74	74	74	74
(Base) Capacity revenue from ISO/RTO (b)	112	163	103	98	74	74	74	74	74	74	74
(Bear) Capacity revenue from ISO/RTO (b)	112	163	103	98	74	74	74	74	74	74	74
Growth Rate % Bull		*46%*	*-37%*	*-5%*	*-24%*	*0%*	*0%*	*0%*	*0%*	*0%*	*0%*
Growth Rate % Base		*46%*	*-37%*	*-5%*	*-24%*	*0%*	*0%*	*0%*	*0%*	*0%*	*0%*
Growth Rate % Bear		*46%*	*-37%*	*-5%*	*-24%*	*0%*	*0%*	*0%*	*0%*	*0%*	*0%*
Revenue from other Wholesale Contracts											
(Bull) Revenue from other wholesale contracts	1,136	3,201	2,125	1,481	1,050	1,050	1,050	1,050	1,050	1,050	1,050
(Base) Revenue from other wholesale contracts	1,136	3,201	2,125	1,481	1,050	1,050	1,050	1,050	1,050	1,050	1,050
(Bear) Revenue from other wholesale contracts	1,136	3,201	2,125	1,481	1,050	1,050	1,050	1,050	1,050	1,050	1,050
Growth Rate % Bull		*182%*	*-34%*	*-30%*	*-29%*	*0%*	*0%*	*0%*	*0%*	*0%*	*0%*
Growth Rate % Base		*182%*	*-34%*	*-30%*	*-29%*	*0%*	*0%*	*0%*	*0%*	*0%*	*0%*
Growth Rate % Bear		*182%*	*-34%*	*-30%*	*-29%*	*0%*	*0%*	*0%*	*0%*	*0%*	*0%*
Total Revenue from Contracts with Customers											
(Bull) Total revenue from contracts with customers	10,850	17,700	15,631	13,804	14,761	19,776	20,982	22,372	24,072	25,832	27,562
(Base) Total revenue from contracts with customers	10,850	17,700	15,631	13,804	14,761	18,850	19,631	20,557	21,723	22,958	24,050
(Bear) Total revenue from contracts with customers	10,850	17,700	15,631	13,804	14,761	18,042	18,430	18,895	19,572	20,277	20,760
Growth Rate % Bull		*63%*	*-12%*	*-12%*	*7%*	*34%*	*6%*	*7%*	*8%*	*7%*	*7%*
Growth Rate % Base		*63%*	*-12%*	*-12%*	*7%*	*28%*	*4%*	*5%*	*6%*	*6%*	*5%*
Growth Rate % Bear		*63%*	*-12%*	*-12%*	*7%*	*22%*	*2%*	*3%*	*4%*	*4%*	*2%*

Revenue Build

Other revenues:											
Transferable PTC Revenues											
(Bull) Transferable PTC revenues (c)	0	0	0	10	556	674	642	566	582	696	742
(Base) Transferable PTC revenues (c)	0	0	0	10	556	639	598	518	524	616	646
(Bear) Transferable PTC revenues (c)	0	0	0	10	556	705	658	612	570	590	604
Growth Rate % Bull						*(2,122)*	*(2,022)*	*(1,784)*	*(1,834)*	*(2,192)*	*(2,338)*
Growth Rate % Base						*(2,011)*	*(1,883)*	*(1,632)*	*(1,649)*	*(1,941)*	*(2,034)*
Growth Rate % Bear						*(2,219)*	*(2,073)*	*(1,928)*	*(1,794)*	*(1,858)*	*(1,902)*
Hedging and Other Revenues											
(Bull) Hedging and other revenues (b)	617	(5,683)	(1,897)	971	1,908	0	0	0	0	0	0
(Base) Hedging and other revenues (b)	617	(5,683)	(1,897)	971	1,908	0	0	0	0	0	0
(Bear) Hedging and other revenues (b)	617	(5,683)	(1,897)	971	1,908	0	0	0	0	0	0
Growth Rate % Bull		*-1021%*	*-67%*	*-151%*	*96%*	*-100%*	*0%*	*0%*	*0%*	*0%*	*0%*
Growth Rate % Base		*-1021%*	*-67%*	*-151%*	*96%*	*-100%*	*0%*	*0%*	*0%*	*0%*	*0%*
Growth Rate % Bear		*-1021%*	*-67%*	*-151%*	*96%*	*-100%*	*0%*	*0%*	*0%*	*0%*	*0%*
Intangible Amortization and Other Revenues											
(Bull) Intangible amortization and other revenues	(24)	60	(6)	(6)	(1)	1	1	1	1	1	1
(Base) Intangible amortization and other revenues	(24)	60	(6)	(6)	(1)	0	0	0	0	0	0
(Bear) Intangible amortization and other revenues	(24)	60	(6)	(6)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Growth Rate % Bull		*-350%*	*-110%*	*0%*	*-83%*	*-200%*	*0%*	*0%*	*0%*	*0%*	*0%*
Growth Rate % Base		*-350%*	*-110%*	*0%*	*-83%*	*-100%*	*0%*	*0%*	*0%*	*0%*	*0%*
Growth Rate % Bear		*-350%*	*-110%*	*0%*	*-83%*	*0%*	*0%*	*0%*	*0%*	*0%*	*0%*
Intersegment Sales											
(Bull) Intersegment sales (d)	0	0	0	0	0	0	0	0	0	0	0
Growth Rate % Bull		*0%*	*0%*	*0%*	*0%*	*0%*	*0%*	*0%*	*0%*	*0%*	*0%*
Growth Rate % Base		*0%*	*0%*	*0%*	*0%*	*0%*	*0%*	*0%*	*0%*	*0%*	*0%*
Growth Rate % Bear		*0%*	*0%*	*0%*	*0%*	*0%*	*0%*	*0%*	*0%*	*0%*	*0%*

Revenue Build

Total Other Revenues											
(Bull) Total other revenues	593	-5,623	-1,903	975	2,463	675	643	567	583	697	743
(Base) Total other revenues	593	-5,623	-1,903	975	2,463	639	598	518	524	616	646
(Bear) Total other revenues	593	-5,623	-1,903	975	2,463	704	657	611	569	589	603
Growth Rate % Bull		*-1048%*	*-66%*	*-151%*	*153%*	*-73%*	*-5%*	*-12%*	*3%*	*20%*	*7%*
Growth Rate % Base		*-1048%*	*-66%*	*-151%*	*153%*	*-74%*	*-6%*	*-13%*	*1%*	*18%*	*5%*
Growth Rate % Bear		*-1048%*	*-66%*	*-151%*	*153%*	*-71%*	*-7%*	*-7%*	*-7%*	*4%*	*2%*

Total Revenues											
(Bull) Total revenues	11,443	12,077	13,728	14,779	17,224	20,451	21,625	22,939	24,655	26,530	28,305
(Base) Total revenues	11,443	12,077	13,728	14,779	17,224	19,489	20,229	21,075	22,246	23,575	24,696
(Bear) Total revenues	11,443	12,077	13,728	14,779	17,224	18,745	19,087	19,506	20,141	20,866	21,363
Growth Rate % Bull		*6%*	*14%*	*8%*	*17%*	*19%*	*6%*	*6%*	*7%*	*8%*	*7%*
Growth Rate % Base		*6%*	*14%*	*8%*	*17%*	*13%*	*4%*	*4%*	*6%*	*6%*	*5%*
Growth Rate % Bear		*6%*	*14%*	*8%*	*17%*	*9%*	*2%*	*2%*	*3%*	*4%*	*2%*

Comparable Company Analysis

Comparable Company Analysis

Last Updated: 5/22/2025

Company	Ticker	EV/Revenue LTM	EV/Revenue FY1	EV/Revenue FY2	EV/EBITDA LTM	EV/EBITDA FY1	EV/EBITDA FY2	P/E LTM	P/E FY1	P/E FY2
VISTRA CORP	**VST**	**3.79x**	**3.41x**	**3.26x**	**10.26x**	**11.42x**	**10.16x**	**32.43x**	**24.22x**	**18.62x**
Tier I: Independent										
CONSTELLATION ENERGY	CEG	4.06x	4.57x	4.35x	13.89x	19.24x	15.24x	31.09x	30.77x	25.75x
NRG ENERGY INC	NRG	1.39x	1.46x	1.41x	11.49x	10.35x	8.39x	22.40x	20.93x	18.58x
AES CORP	AES	3.20x	3.30x	2.97x	12.36x	14.05x	12.51x	5.05x	4.46x	4.29x
CLEARWAY ENERGY INC-A	CWEN	12.32x	11.70x	10.67x	13.98x	14.33x	13.27x	19.90x	45.36x	32.26x
TALEN ENERGY CORP	TLN	6.79x	6.09x	5.11x	38.73x	12.49x	9.78x	142.43x	35.59x	19.56x
Mean		3.11x	3.19x	3.00x	12.00x	13.77x	11.58x	22.74x	20.10x	16.81x
Median		3.49x	3.36x	3.12x	11.93x	12.74x	11.34x	26.74x	22.58x	18.60x
Tier II: Regulated										
DUKE ENERGY CORP	DUK	5.75x	5.63x	5.38x	11.81x	11.99x	11.22x	18.48x	18.29x	17.21x
NEXTERA ENERGY INC	NEE	9.33x	8.17x	7.49x	17.94x	13.78x	12.14x	20.58x	18.25x	17.00x
P G & E CORP	PCG	3.89x	3.68x	3.57x	10.17x	9.01x	8.26x	13.84x	11.35x	10.45x
XCEL ENERGY INC	XEL	5.19x	4.69x	4.42x	12.59x	11.62x	10.35x	20.08x	18.15x	16.77x
Mean		6.04x	5.54x	5.21x	13.13x	11.60x	10.49x	18.25x	16.51x	15.36x
Median		5.47x	5.16x	4.90x	12.20x	11.80x	10.79x	19.28x	18.20x	16.88x
Overall										
Mean		4.57x	4.37x	4.11x	12.56x	12.68x	11.04x	20.49x	18.30x	16.08x
Median		4.48x	4.26x	4.01x	12.06x	12.27x	11.06x	23.01x	20.39x	17.74x
High		12.32x	11.70x	10.67x	38.73x	19.24x	15.24x	142.43x	45.36x	32.26x
Low		1.39x	1.46x	1.41x	10.17x	9.01x	8.26x	5.05x	4.46x	4.29x

Capital Deployment in Data Centers

AWS and MSFT among the largest players in data center space

AWS $150B 15-Year AI Investment

- AMZN to invest **~ $150B** in data centers over the next 15 years to support AI growth and cloud infrastructure
- Expansion on existing hyperscale sites in **Northern Virginia** and **Oregon**, and building new facilities based in **Mississippi**, Saudi Arabia, and Malaysia

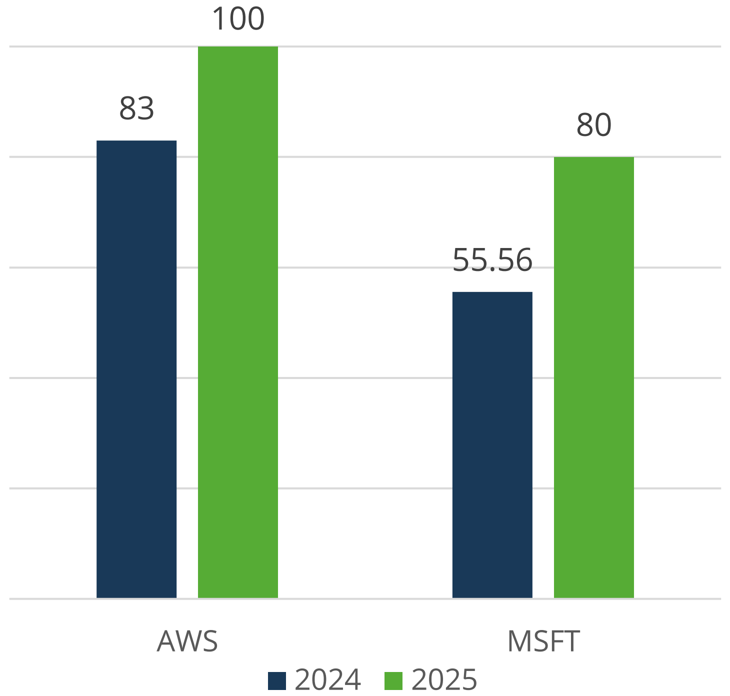
AMZN expects 2025 capex to reach **$100B**, with vast majority of investment directed toward AWS infrastructure and AI services

MSFT $80B 2025 AI Investment

- In FY25, MSFT is **investing ~ $80B** to expand its AI-enabled data center infrastructure globally
- Investment includes **5 GW** of existing data center capacity, with plans to add **1.5 GW** in 1H 2025
- Geographic locations include West Des Moines, IA, Mount Pleasant, WI, and global expansion

> 50% of the investment is directed toward **US based facilities**, reflecting their commitment to the country and confidence in the economy

Y/Y Data Center Spending ($Bn)



AWS and MSFT are significantly increasing AI data center investments in 2025, with MSFT's and AWS's spendings growing at 44% and 20%

Sources: BCG Global, CNBC, Microsoft

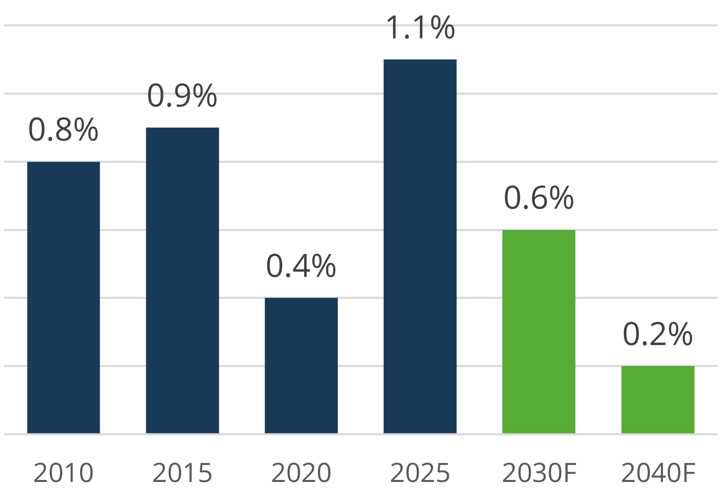
Population Growth Overview

Southern Cities Lead US Population Growth, with Texas at the Forefront

2024 Texas Growth Analysis

- In 2024, the **South** region experienced highest average population growth of any region
- **Princeton, Texas** was the fastest growing city in 2024, increasing its population by 30.6%

Long Term Population Growth Forecast



The US population is forecast to grow steadily but more slowly, driven by immigration rather than births

Fastest Growing Cities Between 2023 and 2024

Area Name	State Name	Percent Increase	2024 Total Population
Princeton City	Texas	30.6%	37,019
Fulshear City	Texas	26.9%	54,629
Leesburg City	Florida	18.5%	37,815
Celina City	Texas	18.2%	51,661
Anna City	Texas	14.6%	31,986
Haines City	Florida	12.1%	42,073
Foley City	Alabama	12%	28,043
Fate City	Texas	11.4%	27,467
Rosemount City	Minnesota	10.6%	30,581
Garner Town	North Carolina	10.4%	39,345

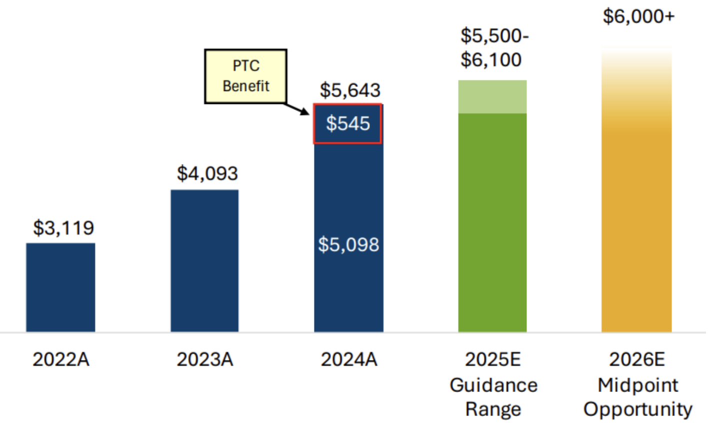
■ ERCOT

Sources: Congressional Budget Office, U.S. Census Bureau

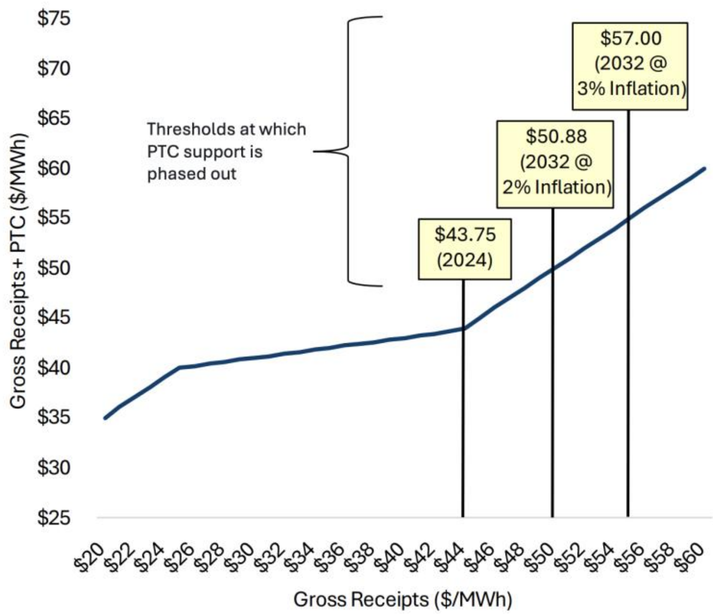
Nuclear Production Tax Credit (PTC)

Vistra's Nuclear Expansion and Tax Credit Leverage via Vistra Vision

- Provides downside earnings support
- Can be credited against taxes or monetized through a sale
- Further instructions from IRS regarding PTC is expected in 2025



PTC Revenue Graph



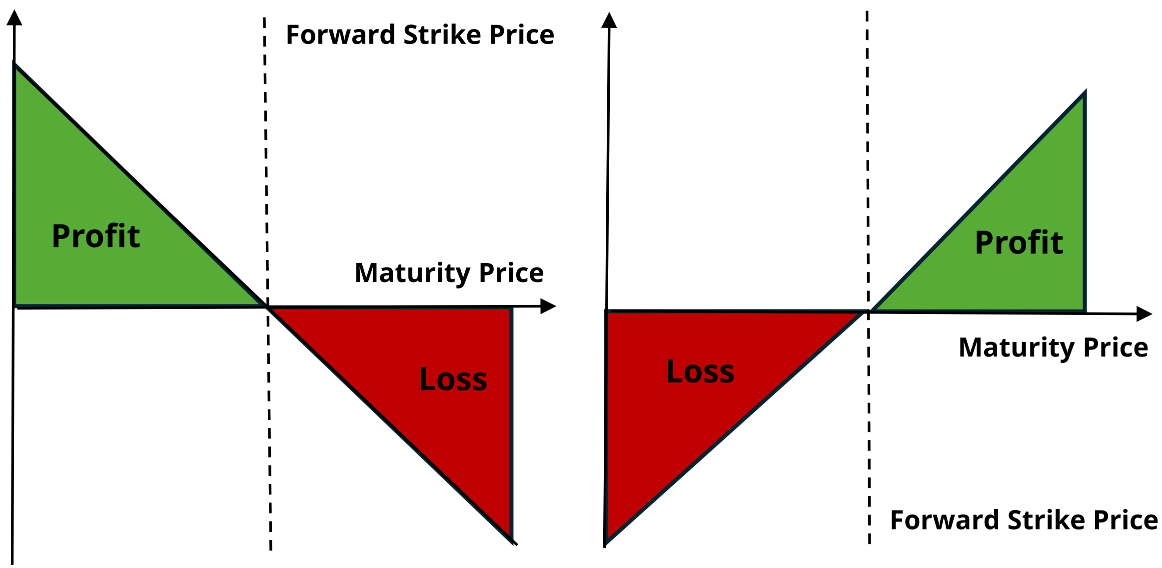
Breakdown of PTC

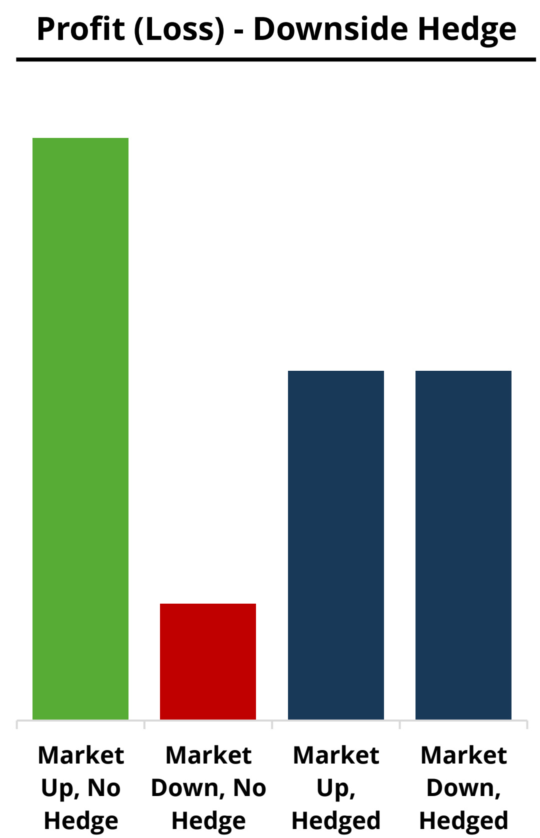
- At low power prices, provides a tax credit of up to **$15/MWh**
- As gross receipts rise above **$25/MWh**, the PTC is reduced by 80% of the amount above $25/MWh
- When gross receipts reach **$43.75/MWh** (2024), the PTC is phased out entirely

Hedging

What does it mean to be hedged?

Hedging is a risk management strategy used to protect against unpredictable price movements by locking in prices in advance using derivative contracts (options, futures, forwards).





Hedging

Protection Against Large Price Swings

Vistra's Hedging

Lock in future electricity wholesale prices using forwards and futures contracts

Vistra has hedged **100%** of its expected generation for 2025 and **90%** for 2026

Vistra hedges both wholesale and retail side to manage exposure to fluctuations

Possible Advantages

Protects downside in bear markets, limits upside in bull market

Helps management and analysts project cash flows and earnings with more certainty

Stable margins allow for better planning around investments, dividends, and debt service.