

VISTRA CORP. (VST)

Utilities – US Regional Electric Utilities

November 21, 2024

Investment Thesis

We recommend a **BUY rating** on Vistra Corp. (VST) with a target price of \$190 with a potential upside of 22.9%. VST is in the midst of a rapid level of growth and have already positioned themselves as a leader in the US utilities industry with a diverse portfolio.

Drivers of Thesis

- Have a strong foothold in the Texas market where demand continues to be high paired with elevated temperatures, which we project will drive retail revenue in ERCOT to grow by 22% and 17% in FY24 and 25FY respectively.
- Operating costs are uncorrelated to sales growth due to electric power systems having a baseline demand. This baseline demand is typically satisfied by baseload generation units, which minimizes variable operating costs. We project this will allow for VST's operating and net margins to both increase by 4% by FY26.

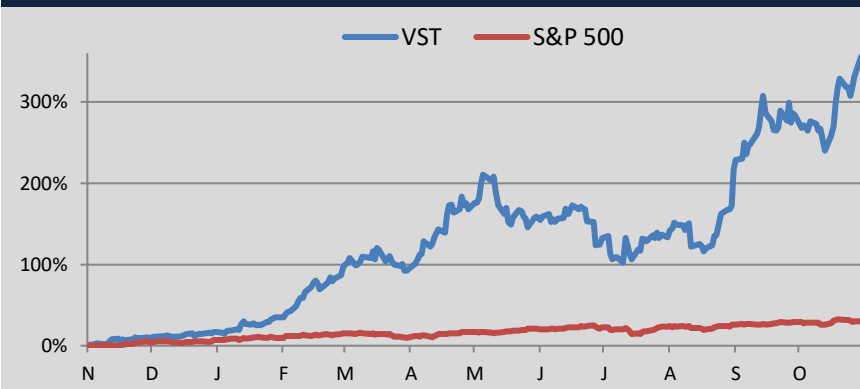
Risks to Thesis

- We expect to see VST be aggressive with its power plant development over the next 2 years. If demand restricts and returns are low during this period, we could see margins shrink in the short term.
- Power market could experience unfavorable regulatory changes, especially on the heels of Amazon and Talen Energy's Nuclear deal falling through. Hope remains an alternative solution can be reached but uncertainty looms all companies with nuclear energy in their portfolio.

Earnings Estimates

Year	2021	2022	2023	2024E	2025E	2026E
EPS	(\$2.62)	(\$3.26)	\$3.63	\$5.53	\$6.71	\$8.14
HF est.				\$5.58	\$7.40	\$10.19
growth	(306.9)%	(21.2)%	211.3%	53.7%	32.5%	37.8%

12 Month Performance



Stock Rating

BUY

Target Price Range

\$190-195

Henry Fund DCF	\$190.04
Henry Fund DDM	\$141.94
Relative Multiple	\$201.56

Price Data

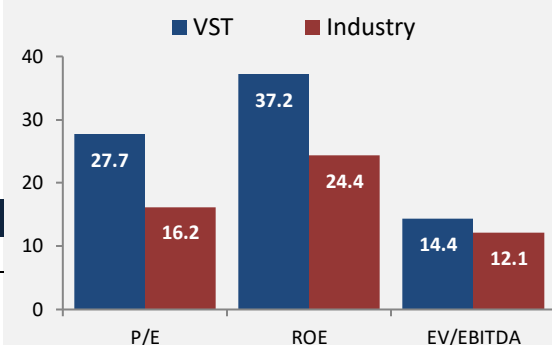
Current Price	\$154.63
52wk Range	\$34.25 –154.95
Consensus 1yr Target	\$163.75

Key Statistics

Market Cap (B)	\$52.6
Shares Outstanding (M)	370
Institutional Ownership	89.2%
Beta	1.2
Dividend Yield	0.6%
Est. 5yr Growth	7.2%
Price/Earnings (TTM)	10.5
Price/Earnings (FY1)	33.8
Price/Sales (TTM)	0.9
EV/EBITDA (TTM)	6.8

Profitability

Operating Margin	25.2%
Profit Margin	9.6%
Return on Assets (TTM)	4.4%
Return on Equity (TTM)	29.3%



Company Description

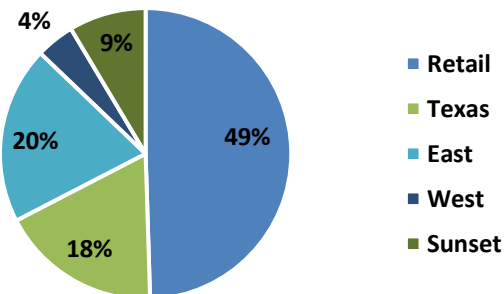
Vistra Corp. is a leading retail electricity and power generation company. It operates a diverse portfolio of natural gas, nuclear, coal, solar, and battery energy storage facilities, with a total generation capacity of approximately 41,000 megawatts (MW). Serving nearly 5 million customers across the United States, Vistra operates through several subsidiaries, like TXU Energy and Luminant. The company plays a significant role in both traditional and renewable energy markets, focusing on delivering reliable and sustainable energy solutions.

COMPANY DESCRIPTION

Vistra Corp. is headquartered in Irving, Texas and is a leading integrated energy company in the United States. It combines retail electricity sales with power generation, offering a unique, customer-centric approach to delivering energy solutions within the utilities industry. Vistra serves nearly 4 million residential, commercial, and industrial customers across 19 states. VST provides reliable and innovative electricity and natural gas products. With a total power generation capacity of approximately 41,000 MW, Vistra operates one of the most diverse energy portfolios in the country, spanning natural gas, coal, nuclear, solar, and battery energy storage facilities.

Vistra's operations are organized into the following six business segments: Retail, Texas, East, West, Sunset, and Asset Closure. Total revenue for FY23 was \$14.8B¹.

VST Revenue by Segment FY23



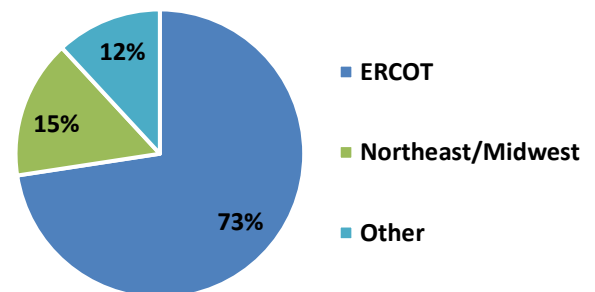
Source: VST 2023 10-K

Retail

Vistra's Retail segment engages in the sale of electricity and natural gas to approximately 4 million residential, commercial, and industrial customers across 19 U.S. states. The majority of these operations are carried out under brands like TXU Energy, Ambit Energy, Dynegy Energy Services, and U.S. Gas & Electric. In Texas, VST's largest market, the company serves around 2.5 million customers. This segment also differentiates itself through offerings of innovative and green energy products, including 100% wind and solar options, energy efficiency programs, and tools that provide customers control over their electricity usage. These services are bolstered by advanced customer experience initiatives and technologies to attract and retain clients.

The company has grown its retail energy charge in ERCOT revenue in 2022 and 2023 by 21.6% and 10.1% respectively¹. We project VST to grow its Retail revenues primarily through its retail energy charge in ERCOT by 22% in FY24. VST has seen a decline in its retail energy charge in the Northeast/Midwest region by -5.1% and -23.2% in 2022 and 2023 respectively¹. We project steady growth of 12% for its retail energy charge in the Northeast/Midwest in FY24 to bounce back towards normalized levels after underperformance in FY23. VST had a total Retail revenue of \$10.6B¹, making up just under 50% of the company's gross revenue in FY23.

Retail Revenue Breakdown FY23

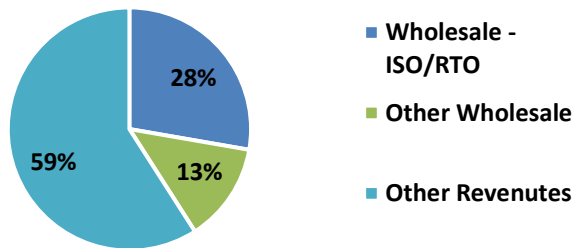


Source: VST 2023 10-K

Texas

The Texas segment represents Vistra's electricity generation and wholesale energy activities in the ERCOT market, excluding assets now in the Sunset or Asset Closure segments. This segment manages a diverse portfolio of power generation facilities, including natural gas, coal, and nuclear, along with renewable sources like solar and battery storage. The total generation capacity within the Texas segment is 18,151 MW, positioning it as a key player in supplying reliable electricity to one of the largest energy markets in the U.S. This segment also includes commodity risk management, fuel logistics, and production operations to support its energy production and delivery capabilities. In FY23, total revenue for Texas was just over \$3.8B. We expect Texas to drive about 1/3 of wholesale generation revenue from ISO/RTO and revenue from other wholesale contracts. We project both revenue segments to grow in total by 12% each in FY24.

Texas Revenue Breakdown FY23

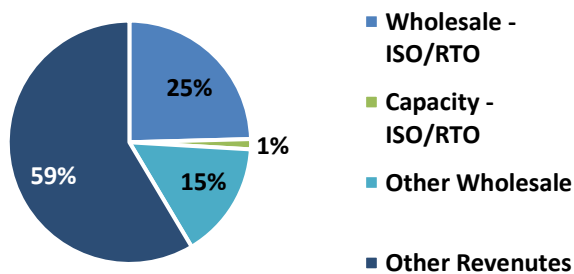


Source: VST 2023 10-K

East

VST's East segment includes operations in the Eastern U.S., spanning markets like PJM, ISO-NE, and NYISO. It aggregates wholesale electricity generation, capacity revenue, and related commodity management activities in these regions, leveraging similarities in economic conditions. Key facilities include natural gas plants across states like Pennsylvania, Illinois, and Massachusetts, contributing to a total generation capacity of 12,093 MW. This segment emphasizes efficient energy production and delivery in highly competitive wholesale electricity markets. In FY23, total revenue for VST's East segment was just over \$4.2B. We expect the East to drive over 1/3 of wholesale generation revenue from ISO/RTO and revenue from other wholesale contracts. We project both revenue segments to grow in total by 12% each in FY24.

East Revenue Breakdown FY23



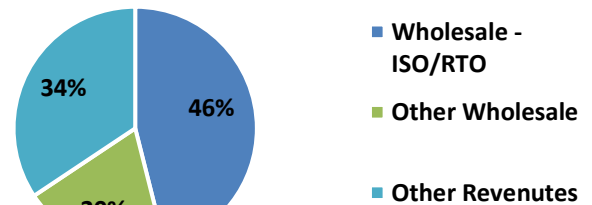
Source: VST 2023 10-K

West

Focused on the CAISO market, the West segment manages electricity generation and energy storage operations primarily in California. Notably, it includes the Moss

Landing Power Plant, which has a combined natural gas and battery storage capacity. The battery energy storage systems highlight Vistra's push toward integrating renewable technologies with traditional energy sources, aligning with the company's broader sustainability goals. The total generation capacity for this segment is 1,880 MW.

West Revenue Breakdown FY23

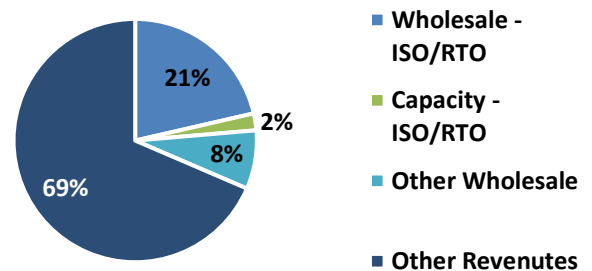


Source: VST 2023 10-K

Sunset

This segment consists of generation plants with announced retirement dates beyond December 31, 2023. It distinguishes these assets from the ongoing operations within the Texas, East, and West segments. Facilities in this segment, such as coal-fired plants in Texas and Illinois, are being phased out due to regulatory changes, economic factors, and Vistra's commitment to reducing its carbon footprint. This segment also manages unrealized gains and losses from commodity risk management activities tied to these retiring assets.

Sunset Revenue Breakdown FY23



Source: VST 2023 10-K

Asset Closure

The Asset Closure segment oversees the decommissioning and reclamation of retired plants and mines, including those recently retired in 2022 and 2023. It provides insight into the costs and performance of these retired operations and includes facilities like the Zimmer and Joppa plants. This segment focuses on minimizing closure-related expenses while aligning with Vistra's environmental and financial objectives. Its activities are key to transitioning the company's asset base toward more sustainable energy solutions. The company did not recognize any revenue in its asset closure segment in FY23.

Debt Maturity Analysis

Vistra's debt maturity schedule as of FY23 is shown in the figure below:

Five-Year Debt Maturity Schedule

Fiscal Year	Payment (\$M)
2024	\$2,293
2025	779
2026	1,031
2027	3,427
2028	27
Thereafter	6,960
Unamortized premiums and discounts	(115)
Total	\$14,402

Source: VST 2023 10-K

Vistra's liquidity ratios are good with its quick ratio coming in at 1.11 and its current ratio sitting at 1.18 for FY2023. We expect the company's liquidity ratios to continue to improve over the forecasted period and should have no issue in repaying their debt maturity moving forward.

Company	S&P
American Electric Power Co Inc.	BBB+
Entergy Corporation	BBB+
FirstEnergy Corp.	BBB
Vistra Corp	BB+
NRG Energy	BB
Talen Energy	BB-

Source: FactSet

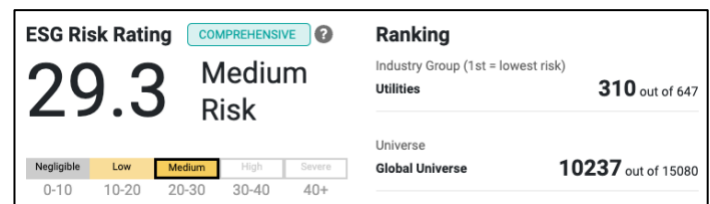
VST currently has a BB+ debt rating which is in line with the company's state right now. As the company continues to grow and generate more profit with stabilizing revenue streams and free cash flow generation, we could see VST

getting upgraded to investment grade in the future. We do not foresee VST having issues paying off its debt over the forecasted period.

ESG Analysis

Environmental, Social, and Governance (ESG) are the three key factors used to assess the sustainability and social impact of an investment in a company or business. These criteria provide valuable insights into a company's potential future financial performance, including its returns and risks.

Morningstar Sustainability has VST rated as medium risk with a poor ranking of 310th amongst 647 of its peers⁴. VST releases an annual sustainability report for investors that outlines its ESG strategies and goals relating towards emissions, waste, human capital, and safety.



Source: Morningstar Sustainability

Company	ESG Rating	Risk Rating
American Electric Power	22.1	Medium
Entergy Corporation	24.9	Medium
FirstEnergy Corp.	28.1	Medium
Vistra Corp.	29.3	Medium
FirstEnergy Corp.	28.1	Medium
NRG Energy Inc.	34.2	High
Talen Energy	46.4	Severe

Source: Morningstar Sustainability

RECENT DEVELOPMENTS

Recent Earnings Announcement

VST's Q3 2024 earnings call highlighted strong operational and financial performance despite challenges such as milder weather in Texas and fluctuating power prices. VST reported an adjusted EBITDA of \$1.4B for the quarter and raised its 2024 guidance to \$5.0–\$5.2B²⁰. This was primarily driven by robust retail and generation operations. Retail demand growth, particularly in Texas, and contributions from the Energy Harbor acquisition were other key drivers of financial success. Vistra also

outlined an optimistic 2025 outlook with an adjusted EBITDA range of \$5.5–\$6.1B, highlighting the company’s ability to navigate market volatility with strategic hedging and a balanced approach to resource planning²⁰.

The company emphasized its commitment to shareholder returns. VST reported approximately \$5.4B returned since 2021 through share repurchases and dividends, with an additional \$1.5 billion expected through 2026²⁰. VST’s acquisition of the remaining 15% minority stake in Vistra Vision further solidifies its position in carbon-free energy assets, including nuclear and renewable energy projects. Strategic initiatives, such as adding 1,100 MW of capacity in Texas and developing projects to support data center and industrial load growth, reflect Vistra’s focus on balancing sustainability, reliability, and financial returns²⁰. While challenges like regulatory delays in PJM and evolving power market dynamics remain, Vistra demonstrated confidence in its ability to adapt and capitalize on long-term growth opportunities.

Energy Harbor Corp. Acquisition

On March 1, 2024, Vistra completed its acquisition of Energy Harbor Corp. The deal has significantly expanded its clean energy portfolio and retail customer base. The deal added approximately 4,000 MW of nuclear generation capacity, including assets like the Perry and Beaver Valley nuclear plants, making Vistra the second-largest competitive nuclear fleet operator in the U.S.⁸. It also brought around 1 million additional retail customers under Vistra’s umbrella, enhancing its position in key markets⁸. The acquisition aligns with Vistra’s strategic focus on transitioning to a low-carbon future, bolstering its zero-carbon generation capacity while maintaining a robust and reliable energy supply.

This acquisition represents a transformative step for Vistra, positioning it as a leader in the clean energy sector while strengthening its financial and operational foundation. By integrating Energy Harbor’s assets, Vistra leverages its expertise in nuclear generation to meet growing demand for sustainable energy solutions, particularly from large industrial and commercial clients. The deal also reinforces Vistra’s commitment to balancing environmental stewardship with shareholder value, as it secures a stronger foothold in both wholesale and retail electricity markets.

INDUSTRY TRENDS

Amazon’s Failed Nuclear Deal

Last week, the Federal Energy Regulatory Commission (FERC) rejected a proposal between Amazon and Talen Energy to expand power supply from Talen’s Susquehanna nuclear plant to Amazon’s adjacent data center in Pennsylvania. The deal aimed to increase direct power delivery from 300 MW to 480 MW, supporting Amazon’s growing energy needs for its data center operations¹⁹. However, FERC raised concerns about the potential impact on grid reliability and the fairness of cost allocation to other consumers, ultimately deciding against approving the project. This decision reflects FERC’s caution toward large-scale co-location arrangements that could disadvantage broader grid users.

Despite the setback, Amazon and Talen Energy have signaled their intent to continue pursuing alternative solutions. Talen’s CEO, Mac McFarland, emphasized the company’s commitment to working with Amazon and exploring options, including filing for a rehearing with FERC¹⁹. The rejection highlights the growing complexities of integrating clean energy solutions for large tech companies and the evolving regulatory landscape surrounding nuclear power and data center energy demands. The decision also serves as a potential precedent, influencing future partnerships between power producers and corporate clients seeking sustainable and reliable energy solutions.

AI and Data Centers

The rapid growth of AI applications and data center infrastructure is driving a significant surge in electricity demand. As companies like Amazon, Microsoft, and Google continue to expand their data centers, their energy requirements are increasing exponentially, often requiring reliable and sustainable power sources. This trend has made utilities like VST critical players in meeting these energy needs. With its diversified portfolio that includes nuclear, solar, and battery storage assets, Vistra is well-positioned to cater to the growing demand from these high-energy consumers. However, the challenge lies in ensuring the scalability and reliability of its power generation capabilities to match the constant, high-load requirements of data centers and AI-driven industries.

This demand surge also presents opportunities for Vistra to develop tailored energy solutions, such as co-located power generation facilities and long-term power purchase agreements (PPAs) with data center operators¹⁹. By aligning its infrastructure investments with the evolving needs of AI and data center operations, Vistra can enhance its revenue streams while contributing to the tech industry's sustainability goals. Moreover, as states like Texas and regions governed by PJM forecast significant demand growth tied to data centers, Vistra's ability to manage and modernize its generation fleet will be key to capturing a larger market share in this expanding sector.

MARKETS AND COMPETITION

Due to Vistra's unique and diverse portfolio of energy solutions, it is difficult to find a direct competitor with a similar portfolio. We opted to utilize the following 5 peers, who all operate in similar markets and/or provide similar solutions for our relative valuation model: American Electric Power Company Inc. (AEP), Entergy Corporation (ETR), NRG Energy Inc. (NRG), FirstEnergy Corp. (FE), and Talen Energy (TLN).

Company	Rev	NI	Debt	Mkt Cap
VST	\$14,779	\$1,493	\$15,480	\$52,609
AEP	\$18,982	\$2,208	\$43,634	\$51,552
ETR	\$12,147	\$2,357	\$28,969	\$32,313
NRG	\$16,062	\$2,602	\$2,174	\$31,177
FE	\$12,870	\$1,176	\$23,693	\$24,050
TLN*	\$2,175	\$1,133	\$2,625	\$10,511

Source: FactSet

All figures shown in millions

*TLN became public in 2023, Rev and NI are LTM figures

American Electric Power Co Inc. (AEP)

American Electric Power is one of the largest electric utilities in the United States, serving over five million customers across 11 states. AEP is headquartered in Columbus, Ohio and owns nearly 38,000 megawatts of generating capacity and operates the nation's largest electricity transmission system, spanning approximately 39,000 miles. The company's diverse energy portfolio includes coal, natural gas, nuclear, and renewable sources. AEP is committed to delivering reliable and affordable electricity while investing in modernizing the grid and expanding renewable energy initiatives.

Entergy Corporation (ETR)

Entergy Corporation is an integrated energy company engaged primarily in electric power production and retail distribution operations. Based in New Orleans, Louisiana, Entergy delivers electricity to approximately 3 million customers in Arkansas, Louisiana, Mississippi, and Texas. The company owns and operates power plants with approximately 30,000 megawatts of electric generating capacity, including nuclear, natural gas, coal, and renewable energy sources. Entergy is focused on providing safe, reliable, and affordable energy while pursuing a balanced approach to environmental stewardship and economic growth.

NRG Energy Inc. (NRG)

NRG Energy Inc., based in Houston, Texas, is a leading integrated power company in the U.S., engaged in energy generation and retail electricity. The company's diverse portfolio includes natural gas, coal, oil, nuclear, wind, utility-scale solar, and distributed solar generation. NRG serves over 7 million retail customers across 24 U.S. states, including Texas, Connecticut, Delaware, Illinois, Maryland, Massachusetts, New Jersey, New York, Pennsylvania, and Ohio, as well as the District of Columbia and eight Canadian provinces. Through various acquisitions, NRG has expanded its retail footprint, including brands like Reliant Energy, Green Mountain Energy, and Direct Energy. The company focuses on providing innovative energy solutions and maintaining a balanced generation portfolio to meet the evolving needs of its customers.

FirstEnergy Corp. (FE)

FirstEnergy Corp. is based in Akron, Ohio, and is a diversified energy company serving over 6 million customers across Ohio, Pennsylvania, New Jersey, West Virginia, Maryland, and New York. The company's operations are divided into two main segments: Regulated Distribution and Regulated Transmission. The Regulated Distribution segment delivers electricity through a vast network of distribution lines, while the Regulated Transmission segment operates approximately 24,000 miles of transmission lines connecting the Midwest and Mid-Atlantic regions. FirstEnergy's diverse energy generation portfolio includes coal-fired, nuclear, hydroelectric, wind, and solar power facilities. The company is committed to providing safe, reliable, and responsive service to its customers.

Talen Energy (TLN)

Talen Energy Corporation is an independent power producer and infrastructure company based in Houston, TX. TLN became public in June 2023 and operates approximately 10.7 gigawatts of power infrastructure in the United States. The company's generation portfolio includes nuclear, fossil, solar, and coal power plants, with a significant focus on zero-carbon energy sources like its Susquehanna nuclear facility. Talen is also developing battery storage projects to enhance its energy offerings. The company is dedicated to generating power safely and reliably, delivering value per megawatt produced, and driving the energy transition toward more sustainable solutions.

Metric Peer Comparison

Profitability

Company	EBITDA Margin	Net Margin
AEP	38.6%	13.3%
VST	34.2%	13.2%
ETR	39.4%	14.9%
NRG	12.1%	3.4
FE	27.3%	6.6%
TLN	40.2%	48.8%

Source: FactSet

VST is among its top performing peers in terms of profitability. TLN has abnormally high margins compared to its peers through its first year as a public company. Something to monitor as TLN continues to sign more contracts and see if they can maintain such high margins. VST should continue to see margin expansion through the forecasted period and outperform its peers in terms of profitability soon.

Trading Multiples

Company	P/E 24E	P/E 25E	EV/EBITDA
AEP	17.2	16.3	11.6
VST	27.7	20.9	14.4
ETR	20.6	19.3	12.4
NRG	14.9	14.0	8.1
FE	15.5	14.4	11.5
TLN	15.7	29.8	16.1

Source: FactSet

VST tends to trade at a premium compared to its peers due to its high consensus forecasted sales growth and management continuously beating earnings while

increasing guidance. TLN is an outlier again due to consensus estimates for its EPS in FY24 and FY25 being \$13.18 and \$6.92 respectively.

Leverage

Company	Debt/Equity	Debt/Assets
AEP	166.1%	44.2%
VST	349.4%	50.2%
ETR	190.2%	45.0%
NRG	431.8%	45.9%
FE	190.8%	46.7%
TLN	110.0%	38.3%

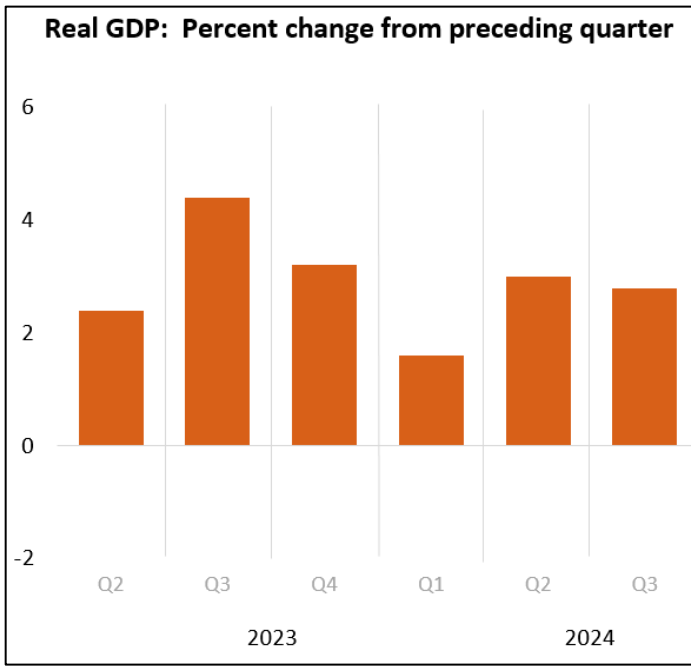
Source: FactSet

VST has both a high debt-to-equity ratio and a high debt ratio, which reflects its reliance on debt to fund its capital-intensive operations. It emphasizes the company's strategy to leverage borrowed funds to finance infrastructure investments and acquisitions, such as the Energy Harbor deal. While high debt levels are typical for utilities due to their stable cash flows and ability to pass costs through regulated rates, it is crucial for Vistra to manage this leverage carefully to maintain financial flexibility.

ECONOMIC OUTLOOK

Real GDP Growth

The U.S. saw real GDP grow by 1.4% and 3.0% in Q1 and Q2 of 2024 respectively so far. Looking forward, the Conference Board has continued to increase their outlook for 2024 up to 2.8%. The graph below depicts Real GDP growth Q/Q from the start of 2023 to Q3 of 2024:



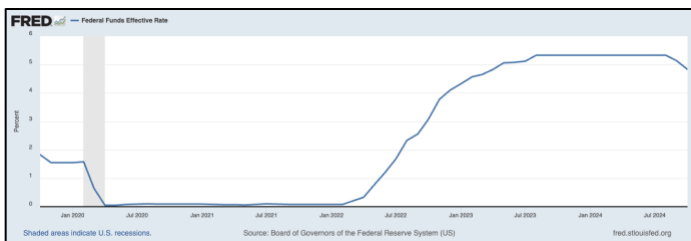
Source: US Bureau of Economic Analysis

Note: Q3 2024 is an advanced estimate

Increased outlook on real GDP growth typically signals stronger economic activity, which can drive higher electricity demand across industrial, commercial, and residential sectors. For the utilities sector, this translates into potential revenue growth as businesses expand operations and energy consumption rises. For Vistra, this trend presents opportunities to capitalize on growing demand, particularly through its robust retail and wholesale electricity operations in key markets like Texas and the PJM region.

Interest Rates and Inflation

The Federal Reserve Committee announced on November 7, 2024, that they came to the decision to reduce the target range for the federal funds rate from 4.75-5.00% by another 25 basis points (bps) to 4.50-4.75%. This decision was made as the committee expressed an increased confidence that inflation was trending toward their 2% target.

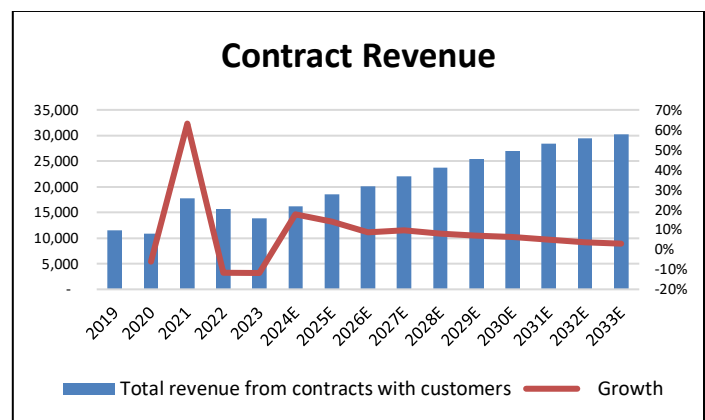


Source: FRED

Utilities are capital-intensive businesses that rely heavily on debt to fund large-scale infrastructure projects and operational expansions. Lower interest rates can reduce financing costs for existing debt and new capital investments, enhancing profitability and financial flexibility. For Vistra, a reduction in borrowing costs could support its ongoing investments in renewable energy projects and make future acquisitions more economically viable. Additionally, utilities often benefit from lower rates as they are seen as attractive dividend-yielding investments during periods of easing monetary policy.

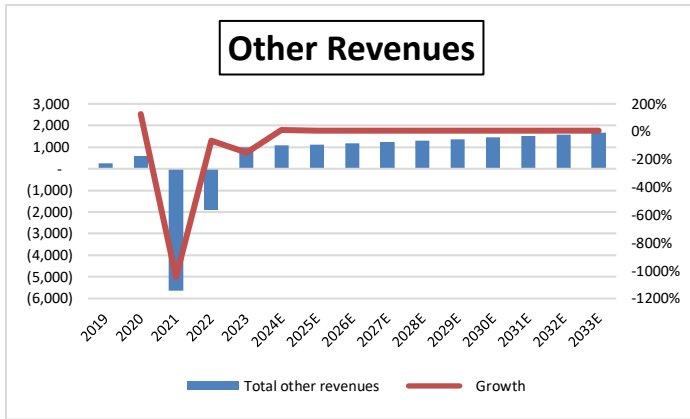
VALUATION

Revenue Growth



Source: FactSet, HF Estimates

Retail accounts for 67.5% of VST's revenue from contracts with customers, with the rest being accounted for by wholesale contracts. Retail in ERCOT is both the primary driver of VST's contractual revenue, as well as its total revenue. Due to increased temperatures in Texas as well as increased demand for data centers and energy solutions, we forecast Retail in ERCOT to grow by 22% and 17% in FY24 and FY25 respectively, before tailoring off to 3% in FY33. Retail in Northeast/Midwest and wholesale contracts have been more stagnant, so we decided to forecast growth more conservatively at 7-12% in FY24 and tailoring off to 2-3% in FY33.



Source: FactSet, HF Estimates

VST's other revenue segment is made up of:

- Intangible amortization
- Transferable PTC revenues
- Hedging and other revenues
- Affiliate sales

Other revenues have tended to make up a small portion of total revenues. The only segment generating significant income is hedging and other revenues. We forecast it grow by 10% in FY24 and then by 5% through the forecasted period.

Operating Expenses

Vistra has 5 main operating expenses:

- Fuel, purchased power costs, and delivery fees
- Operating costs
- Depreciation & amortization
- SG&A expenses
- Impairment of long-lived and other assets

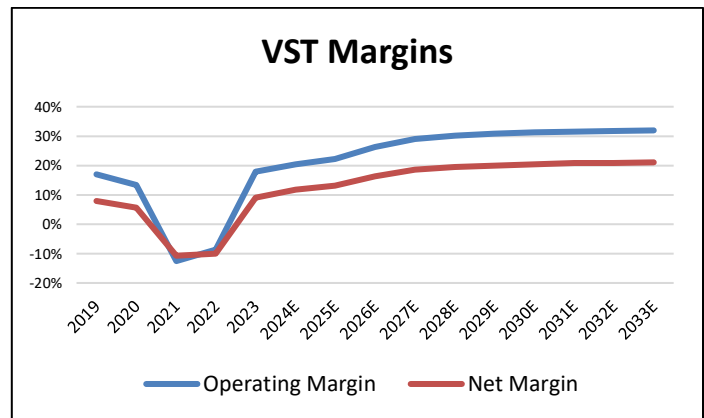
Fuel, purchased power costs, and delivery fees aren't directly correlated with sales growth despite being Vistra's COGS account. This is largely due to there being a fixed cost to power its plants to a baseline level of demand. This minimizes variable costs to only occurring when an abnormal spike in demand happens. VST can also save money by reducing its power output in times when demand is slow. Since consensus estimates have COGS at an elevated amount for 2024-2026 compared to 2023, we

forecasted those 3 years at 52% of sales. This margin regresses back to 46.8% through the forecasted period.

Operating costs are not correlated to sales as well. We attached a constant growth rate of 2.15% to remain in line with historical averages.

Depreciation & amortization expense were forecasted at 12.4% of beginning net PPE, in line with VST's 5-year historical average.

VST's SG&A expense has been strongly associated to the company's sales. We forecasted the company's SG&A expense at its 5-year historical average of 8.6%.



Source: FactSet, HF Estimates

WACC Assumptions

We calculated VST's weighted average cost of capital (WACC) at 9.10%, which is slightly above consensus estimates. This can be largely attributed to the Henry Fund equity risk premium being higher than consensus

estimates. For this calculation, we used the following assumptions:

Risk-Free Rate: We used 4.38%, which is the 10-year US Treasury bond yield as of November 18, 2024.

Beta: We used 1.17, which is the 2-year weekly raw beta from Bloomberg.

Equity Risk Premium: We used the Henry Fund consensus estimate of 5%.

Pre-Tax Cost of Debt: We used 6.38%, which is FactSet's estimate based on the bond securities VST has issued.

Tax Rate: We used 21% for our forecast horizon, equal to the implied marginal tax rate of FY 2024.

Annual Preferred Dividend: VST's annual dividend paid to its preferred shareholders is currently \$70 per share.

Price of Preferred Shares: VST issues its preferred shares for \$1,000.

Using these variables, we calculated Vistra's cost of equity at 10.22%, after-tax cost of debt at 5.04% and cost of preferred at 7%.

DCF Valuation

We started with Discounted Cash Flow (DCF) and Economic Profit (EP) models for our valuation. Our analysis showed an intrinsic value of \$190.04. The key assumptions we used for both models included a continuous return on invested capital (ROIC) of 36.84% and a continuous NOPLAT growth of 2.5%. We believe these models most accurately depict Vistra's valuation due to its ability to factor in high revenue growth and strong forecasted cash flow. We feel confident VST can achieve both our revenue projections and expand its margins over the forecasted period.

DDM Valuation

Our dividend discount model (DDM) indicates an implied price of \$141.94, providing a baseline for Vistra's stock price based on its dividend payments. VST has never paid much of a dividend as earnings over the past 5 years have been low. As growth in earnings continues and management guidance continues to show commitment to repaying shareholders, we expect VST's dividend to continue to grow over the forecasted period. Our

dividends per share forecast is conservative as it is still unclear how management will grow its dividend. Due to the company's small dividend paid and unclear future expectations, we believe this model undervalues Vistra.

Relative Valuation

In our relative valuation analysis, we examined VST's primary competitors in the utilities sector:

- American Electric Power (AEP)
- Entergy Corporation (ETR)
- NRG Energy, Inc (NRG)
- FirstEnergy Corp. (FE)
- Talen Energy (TLN)

Our relative P/E models suggest implied prices of \$93.57 and \$138.73 based on projected EPS for 2024 and 2025. This is an indication that VST is overvalued relative to its peers considering its trading at \$154.63. This is primarily driven by the market pricing in VST's growth projections. However, our relative PEG model indicated implied prices of \$201.56 and \$250.78 for 2024 and 2025. This factored in our projected 5-year EPS growth rate of 16.1% which is why we feel the PEG24 metric share price of \$201.56 most accurately values VST relative to its peers.

KEYS TO MONITOR

Investment Positives

Vistra's strong foothold in the Texas market, where economic growth and elevated temperatures drive robust electricity demand, positions the company for sustained retail revenue growth. This is particularly evident in the ERCOT market, where retail revenues are projected to grow by 22% in FY24 and 17% in FY25. Additionally, Vistra's diversified energy portfolio, which includes nuclear, solar, and battery storage assets, aligns with industry trends favoring clean energy and positions the company to capture demand from high-growth sectors like AI-driven data centers. The Energy Harbor acquisition and management's commitment to disciplined capital allocation—evidenced by substantial share repurchases and dividend increases—highlight a solid strategy for enhancing shareholder returns. Long-term tailwinds such as GDP growth and lower borrowing costs further support Vistra's ability to capitalize on market opportunities and

fund renewable energy projects, strengthening its competitive edge.

Investment Negatives

However, several risks could challenge this outlook. Vistra's aggressive power plant development strategy may expose it to financial strain if demand growth underperforms expectations or regulatory changes limit market opportunities, as seen in recent setbacks like the failed Amazon nuclear deal. Additionally, the company's relatively high debt-to-equity ratio and exposure to commodity price volatility present potential financial risks, particularly in periods of market or regulatory uncertainty. Rising competitive pressures in the utilities sector, along with evolving energy policies, could also undermine Vistra's ability to maintain profitability. Future analysts should monitor key indicators such as retail revenue growth in ERCOT, regulatory developments impacting nuclear and renewable energy investments, and leverage metrics like debt ratio. If these metrics fall significantly short of expectations or the stock price reaches levels below \$140 or above \$200 without corresponding earnings growth, the BUY recommendation should be reassessed.

REFERENCES

1. VST 2023 10-K
2. VST Q3 2024 10-Q
3. FactSet
4. Morningstar Sustainalytics
5. Mergent Online
6. S&P Global
7. Yahoo Finance
8. Vistra Corp.
9. NetAdvantage
10. Bloomberg
11. AEP 2023 10-K
12. ETR 2023 10-K
13. FE 2023 10-K
14. NRG 2023 10-K
15. TLN Q3 2024 10-Q
16. U.S. Bureau of Economic Analysis
17. FRED
18. New York Fed
19. Barron's
20. VST Q3 2024 Earnings Call

DISCLAIMER

Henry Fund reports are created by graduate students in the Applied Securities Management program at the University of Iowa's Tippie College of Business. These reports provide potential employers and other interested parties an example of the analytical skills, investment knowledge, and communication abilities of our students. Henry Fund analysts are not registered investment advisors, brokers or licensed financial professionals. The investment opinion contained in this report does not represent an offer or solicitation to buy or sell any of the aforementioned securities. Unless otherwise noted, facts and figures included in this report are from publicly available sources. This report is not a complete compilation of data, and its accuracy is not guaranteed. From time to time, the University of Iowa, its faculty, staff, students, or the Henry Fund may hold an investment position in the companies mentioned in this report.

Vistra Corp
Revenue Decomposition

<i>Fiscal Years Ending Dec. 31</i>	2021	2022	2023	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E
Revenue by Segment													
Retail energy charge in ERCOT	5,733	6,971	7,674	9,362	10,954	11,830	13,013	14,054	15,038	16,016	16,816	17,489	18,014
Growth	-1.38%	21.59%	10.08%	22.00%	17.00%	8.00%	10.00%	8.00%	7.00%	6.50%	5.00%	4.00%	3.00%
Retail energy charge in Northeast/Midwest	2,255	2,139	1,642	1,839	2,023	2,245	2,459	2,655	2,828	2,970	3,088	3,181	3,245
Growth	-6.28%	-5.14%	-23.24%	12.00%	10.00%	11.00%	9.50%	8.00%	6.50%	5.00%	4.00%	3.00%	2.00%
Wholesale generation revenue from ISO/RTO	6,348	4,293	2,909	3,258	3,584	3,924	4,278	4,620	4,943	5,289	5,554	5,720	5,892
Growth	359.00%	-32.37%	-32.24%	12.00%	10.00%	9.50%	9.00%	8.00%	7.00%	7.00%	5.00%	3.00%	3.00%
Capacity revenue from ISO/RTO	163	103	98	105	112	117	123	128	133	139	143	147	150
Growth	45.54%	-36.81%	-4.85%	7.00%	6.50%	5.00%	4.50%	4.50%	4.25%	4.00%	3.25%	2.50%	2.00%
Revenue from other wholesale contracts	3,201	2,125	1,481	1,659	1,825	1,989	2,168	2,320	2,470	2,619	2,749	2,859	2,945
Growth	181.78%	-33.61%	-30.31%	12.00%	10.00%	9.00%	9.00%	7.00%	6.50%	6.00%	5.00%	4.00%	3.00%
Total revenue from contracts with customers	17,700	15,631	13,804	16,223	18,497	20,106	22,040	23,777	25,413	27,032	28,351	29,396	30,245
Growth	63.13%	-11.69%	-11.69%	17.52%	14.02%	8.70%	9.62%	7.88%	6.88%	6.37%	4.88%	3.69%	2.89%
Other revenues:													
Intangible amortization	60	(6)	(6)	(6)	(7)	(7)	(7)	(8)	(8)	(8)	(8)	(9)	(9)
Growth				8.00%	5.00%	4.50%	4.00%	3.75%	3.50%	3.25%	3.00%	3.00%	3.00%
Transferable PTC revenues	-	-	10	11	12	14	15	16	17	18	19	19	20
Growth	0.00%	0.00%	0.00%	12.00%	10.00%	10.00%	9.00%	8.00%	7.00%	6.00%	4.00%	3.00%	3.00%
Hedging and other revenues	(5,683)	(1,897)	971	1,068	1,122	1,178	1,236	1,298	1,363	1,431	1,503	1,578	1,657
Growth	-1021.07%	-66.62%	-151.19%	10.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
Affiliate sales	-	-	-	-	-	-	-	-	-	-	-	-	-
Growth	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Total other revenues	(5,623)	(1,903)	975	1,073	1,127	1,184	1,244	1,307	1,372	1,441	1,513	1,589	1,668
Growth	-1048.23%	-66.16%	-151.23%	10.03%	5.05%	5.06%	5.05%	5.04%	5.03%	5.02%	5.00%	4.99%	4.99%
Total revenues	12,077	13,728	14,779	17,296	19,624	21,290	23,284	25,084	26,785	28,473	29,864	30,985	31,913
Growth	5.54%	13.67%	7.66%	17.03%	13.46%	8.49%	9.36%	7.73%	6.78%	6.30%	4.89%	3.75%	2.99%

Vistra Corp
Income Statement

Fiscal Years Ending Dec. 31	2021	2022	2023	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E
Operating revenues	12,077	13,728	14,779	17,296	19,624	21,290	23,284	25,084	26,785	28,473	29,864	30,985	31,913
Fuel, purchased power costs & delivery fees	(9,169)	(10,401)	(7,557)	(8,907)	(10,106)	(10,326)	(10,885)	(11,727)	(12,522)	(13,311)	(13,962)	(14,486)	(14,919)
Operating costs	(1,559)	(1,645)	(1,702)	(1,739)	(1,776)	(1,814)	(1,853)	(1,893)	(1,934)	(1,976)	(2,018)	(2,062)	(2,106)
Depreciation & amortization	(1,753)	(1,596)	(1,502)	(1,543)	(1,614)	(1,641)	(1,661)	(1,627)	(1,674)	(1,714)	(1,750)	(1,781)	(1,808)
Selling, general & administrative expenses	(1,040)	(1,189)	(1,308)	(1,481)	(1,681)	(1,823)	(1,994)	(2,148)	(2,294)	(2,439)	(2,558)	(2,654)	(2,733)
Impairment of long-lived & other assets	(71)	(74)	(49)	(84)	(95)	(104)	(113)	(122)	(130)	(138)	(145)	(151)	(155)
Operating income (loss)	(1,515)	(1,177)	2,661	3,541	4,352	5,583	6,777	7,566	8,231	8,895	9,432	9,853	10,191
Other income	140	117	257	200	206	212	219	225	232	239	246	253	261
Other deductions	(16)	(4)	(14)	(14)	(15)	(15)	(16)	(16)	(17)	(17)	(18)	(18)	(19)
Interest expense & related charges	(384)	(368)	(740)	(824)	(885)	(932)	(981)	(1,041)	(1,093)	(1,142)	(1,185)	(1,221)	(1,252)
Impacts of Tax Receivable Agreement	53	(128)	(164)	11	36	39	40	42	42	50	52	54	56
Net income (loss) before income taxes	(1,722)	(1,560)	2,000	2,914	3,693	4,886	6,039	6,776	7,395	8,025	8,527	8,921	9,237
Income tax expense (benefit)	(458)	(350)	508	747	947	1,252	1,548	1,737	1,896	2,057	2,186	2,287	2,368
Net income (loss)	(1,264)	(1,210)	1,492	2,167	2,746	3,633	4,491	5,039	5,500	5,968	6,341	6,634	6,869
Net income (loss) attributable to noncontrolling interest	(10)	(17)	1	1	1	1	1	1	1	1	1	1	1
Net income (loss) attributable to Vistra Corp.	(1,274)	(1,227)	1,493	2,168	2,747	3,634	4,492	5,040	5,501	5,969	6,342	6,635	6,870
Cumulative dividends attributable to preferred stock	(21)	(150)	(150)	(150)	(150)	(150)	(150)	(150)	(150)	(150)	(150)	(150)	(150)
Net income (loss) attributable to Vistra Corp. common stock	(1,295)	(1,377)	1,343	2,018	2,597	3,484	4,342	4,890	5,351	5,819	6,192	6,485	6,720
Weighted average shares outstanding - basic	482	422	370	362	351	342	334	325	317	309	302	296	291
Net income (loss) per share - basic	(2.69)	(3.26)	3.63	5.58	7.40	10.19	13.02	15.05	16.89	18.81	20.47	21.89	23.12
Dividends per common share	0.60	0.72	0.82	0.88	1.00	1.15	1.40	1.60	1.80	2.00	2.20	2.40	2.20

Vistra Corp
Balance Sheet

Fiscal Years Ending Dec. 31	2021	2022	2023	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E
Assets													
Current Assets:													
Cash & cash equivalents	1,325	455	3,485	1,080	1,934	5,609	4,487	7,935	11,992	13,122	17,719	21,680	25,799
Restricted cash	21	37	40	42	45	47	50	53	56	59	63	66	70
Trade accounts receivable - net	1,397	2,059	1,674	2,097	2,380	2,582	2,823	3,042	3,248	3,453	3,621	3,757	3,870
Income taxes receivable	15	27	6	-	-	-	-	-	-	-	-	-	-
Inventories	610	570	740	809	918	996	1,089	1,173	1,253	1,332	1,397	1,449	1,493
Commodity & other derivative contract	2,513	4,538	3,645	3,333	3,782	4,103	4,487	4,834	5,162	5,487	5,755	5,971	6,150
Margin deposits related to commodity	1,263	3,137	1,244	1,138	1,291	1,400	1,531	1,650	1,762	1,873	1,964	2,038	2,099
Uplift securitization proceeds receivable	544	-	-	-	-	-	-	-	-	-	-	-	-
Margin Deposits posted under affiliate	-	-	439	-	-	-	-	-	-	-	-	-	-
Prepaid expense & other current asse	195	293	364	364	413	448	490	528	564	599	629	652	672
Total current assets	7,883	11,116	11,637	8,863	10,762	15,185	14,958	19,215	24,037	25,925	31,148	35,614	40,152
Restricted cash	13	33	14	15	16	17	18	19	20	21	22	23	25
Investments	2,049	1,729	2,035	2,152	2,277	2,408	2,547	2,694	2,850	3,014	3,189	3,373	3,567
Investment in unconsolidated subsidia	-	-	-	-	-	-	-	-	-	-	-	-	-
Operating lease right-of-use assets	40	51	50	53	53	54	53	54	56	57	58	59	60
Total property, plant & equipment, gro	17,857	18,307	19,089	21,199	23,029	24,834	26,225	28,225	30,225	32,225	34,225	36,225	38,225
Less accumulated depreciation	4,801	5,753	6,657	8,200	9,814	11,455	13,116	14,743	16,417	18,131	19,881	21,661	23,469
Property, plant & equipment, net	13,056	12,554	12,432	12,998	13,215	13,379	13,109	13,482	13,808	14,094	14,344	14,563	14,755
Goodwill	2,583	2,583	2,583	2,583	2,583	2,583	2,583	2,583	2,583	2,583	2,583	2,583	2,583
Identifiable intangible assets - net	2,146	1,958	1,864	1,771	1,682	1,598	1,518	1,442	1,370	1,302	1,237	1,175	1,116
Commodity & other derivative contract	250	702	577	501	569	617	675	727	776	825	866	898	925
Accumulated deferred income taxes	1,302	1,710	1,223	1,223	1,798	2,279	3,015	3,727	4,181	4,564	4,952	5,262	5,505
Other noncurrent assets	361	351	551	524	595	645	706	760	812	863	905	939	967
Total assets	29,683	32,787	32,966	30,683	33,549	38,765	39,182	44,703	50,493	53,248	59,303	64,490	69,656
Liabilities													
Current liabilities:													
Short-term borrowings	-	650	-	-	-	-	-	-	-	-	-	-	-
Accounts receivable financing	-	425	-	-	-	-	-	-	-	-	-	-	-
Long-term debt due currently	254	38	2,286	779	1,031	3,427	27	1,160	2,250	35	1,050	1,215	1,250
Trade accounts payable	1,515	1,556	1,147	1,353	1,535	1,666	1,822	1,962	2,096	2,228	2,336	2,424	2,497
Commodity & other derivative contract	3,023	6,610	5,258	4,831	5,482	5,947	6,504	7,007	7,482	7,954	8,342	8,655	8,915
Margin deposits related to commodity	39	39	45	56	64	69	76	82	87	93	97	101	104
Accrued taxes other than income	207	199	203	279	317	343	376	405	432	459	482	500	515
Accrued interest	143	160	206	213	242	263	287	309	330	351	368	382	394
Asset retirement obligations	104	128	124	164	186	201	220	237	253	269	282	293	302
Operating lease liabilities	5	8	7	8	8	8	8	8	8	8	9	9	9
Other current liabilities	553	524	547	709	805	873	955	1,028	1,098	1,167	1,224	1,270	1,308
Total current liabilities	5,843	10,337	9,823	8,393	9,668	12,797	10,274	12,198	14,037	12,564	14,191	14,849	15,292
Margin deposit financing with affiliate	-	-	439	-	-	-	-	-	-	-	-	-	-
Long-term debt, less amounts due cur	10,477	11,933	12,116	11,273	12,039	12,626	13,211	14,001	14,660	15,279	15,833	16,299	16,697
Operating lease liabilities	38	45	48	48	49	50	49	50	51	53	53	54	55
Commodity & other derivative contract	804	1,726	1,688	1,350	1,531	1,661	1,817	1,958	2,090	2,222	2,331	2,418	2,490
Accumulated deferred income taxes	-	1	1	1	1	1	1	1	1	1	1	1	1
Tax receivable agreement obligation	394	514	164	549	596	610	649	651	775	808	835	862	887
Asset retirement obligations	2,346	2,309	2,414	2,330	2,488	2,609	2,730	2,894	3,030	3,158	3,272	3,369	3,451
Other noncurrent liabilities & deferred	1,489	1,004	951	1,189	1,349	1,464	1,601	1,724	1,841	1,957	2,053	2,130	2,194
Total liabilities	21,391	27,869	27,644	25,133	27,723	31,819	30,332	33,477	36,486	36,041	38,570	39,982	41,067
Equity													
Preferred stock	2,000	2,000	2,476	2,476	2,476	2,476	2,476	2,476	2,476	2,476	2,476	2,476	2,476
Common Stock & APIC	9,829	9,933	10,100	10,129	10,158	10,188	10,217	10,223	10,223	10,223	10,223	10,223	10,223
Treasury stock, at cost	(1,558)	(3,395)	(4,662)	(6,162)	(8,162)	(10,162)	(12,162)	(14,162)	(16,162)	(18,162)	(20,162)	(22,162)	(24,162)
Retained earnings (accumulated defic	(1,964)	(3,643)	(2,613)	(913)	1,333	4,424	8,299	12,669	17,449	22,649	28,176	33,950	40,031
Accumulated other comprehensive inc	(16)	7	6	6	6	6	6	6	6	6	6	6	6
Total stockholders' equity (deficit)	8,291	4,902	5,307	5,536	5,811	6,932	8,835	11,211	13,992	17,192	20,719	24,492	28,573
Noncontrolling interest in subsidiary	1	16	15	15	15	15	15	15	15	15	15	15	15
Total equity	8,292	4,918	5,322	5,551	5,826	6,947	8,850	11,226	14,007	17,207	20,734	24,507	28,588
Total liabilities and equity	29,683	32,787	32,966	30,683	33,549	38,765	39,182	44,703	50,493	53,248	59,303	64,490	69,656

Vistra Corp
Historical Cash Flow Statement

Fiscal Years Ending Dec. 31	2019	2020	2021	2022	2023
Cash flows - operating activities					
Net income (loss)	926	624	(1,264)	(1,210)	1,492
Adjustments:					
Depreciation & amortization	1,876	2,048	2,050	2,047	1,956
Deferred income tax expense (benefit), net	281	230	(475)	(359)	457
Gain on sale of land	-	-	-	-	(95)
Impairment of long-lived & other assets	-	356	71	74	49
Unrealized net (gain) loss from mark-to-market valuations of commodities	(696)	(231)	759	2,510	(490)
Unrealized net loss (gain) from mark-to-market valuations of interest rate swaps	220	155	(134)	(250)	36
Loss (gain) on disposal of investment in Northeast Energy, LP	-	29	-	-	-
Change in asset retirement obligation liability	(48)	7	(5)	13	27
Asset retirement obligation accretion expense	53	43	38	34	34
Impacts of tax receivable agreement	37	(5)	(53)	128	164
Gain on TRA settlement	-	-	-	-	(29)
Bad debt expense	82	110	110	179	164
Stock-based compensation	47	65	47	63	77
Other adjustments, net	(12)	(22)	50	(71)	103
Changes in operating assets and liabilities:					
Accounts receivable - trade	(88)	(33)	(228)	(852)	214
Inventories	(44)	(59)	(100)	36	(174)
Accounts payable - trade	(221)	(40)	402	94	(350)
Commodity & other derivative contractual assets & liabilities	98	27	32	(228)	82
Margin deposits, net	170	(20)	(1,000)	(1,874)	1,899
Uplift securitization proceeds receivable from Electric Reliability Council of Texas, Inc.	-	-	(544)	544	-
Accrued interest	80	(20)	13	16	46
Accrued taxes	(4)	22	(20)	(8)	5
Accrued employee incentive	1	39	(68)	21	58
Asset retirement obligation settlement	(121)	(118)	(88)	(87)	(81)
Major plant outage deferral	(19)	2	2	20	(32)
Other - net assets	(22)	219	(27)	(17)	84
Other - net liabilities	142	(91)	235	(330)	(243)
Cash provided by (used in) operating activities	2,736	3,337	(206)	485	5,453
Cash flows - investing activities:					
Capital expenditures, including nuclear fuel purchases & long-term service agreements prepayments	(520)	(1,259)	(1,033)	(1,301)	(1,676)
Proceeds from sales of nuclear decommissioning trust fund securities	431	433	483	670	601
Investments in nuclear decommissioning trust fund securities	(453)	(455)	(505)	(693)	(624)
Proceeds from sales of environmental allowances	197	165	392	1,275	500
Purchases of environmental allowances	(322)	(504)	(605)	(1,303)	(1,071)
Insurance proceeds	-	-	89	39	15
Proceeds from sale of assets	-	24	30	78	115
Other cash flows from investing activities, net	23	24	(4)	(4)	(5)
Cash used in investing activities	(1,717)	(1,572)	(1,153)	(1,239)	(2,145)
Cash flows - financing activities:					
Issuances of preferred stock	-	-	2,000	-	-
Issuances of long-term debt	6,507	-	1,250	1,498	2,498
Repayments or repurchases of debt	(7,109)	(1,008)	(381)	(251)	(33)
Borrowings under term loan A	-	-	1,250	-	-
Repayment under term loan A	-	-	(1,250)	-	-
Proceeds from forward capacity agreement	-	-	500	-	-
Net borrowings (payments) under accounts receivable financing	111	(150)	(300)	425	(425)
Borrowings under revolving credit facility	650	1,075	1,450	1,750	100
Repayments under revolving credit facility	(300)	(1,425)	(1,450)	(1,500)	(350)
Borrowings under commodity-linked facility	-	-	-	3,150	-
Repayments under commodity-linked facility	-	-	-	(2,750)	(400)
Debt issuance costs	(203)	(17)	(13)	(31)	(59)
Share repurchases	(656)	-	(471)	(1,949)	(1,245)
Dividends paid to common stockholders	(243)	(266)	(290)	(302)	(313)
Dividends paid to preferred stockholders	-	-	-	(151)	(150)
Other cash flows from financing activities, net	6	(5)	(21)	31	83
Cash provided by (used in) financing activities	(1,237)	(1,796)	2,274	(80)	(294)
Net change in cash, cash equivalents & restricted cash	(218)	(31)	915	(834)	3,014
Cash, cash equivalents & restricted cash - beginning balance	693	475	444	1,359	525
Cash, cash equivalents & restricted cash - ending balance	475	444	1,359	525	3,539

Vistra Corp
Forecasted Cash Flow Statement

Fiscal Years Ending Dec. 31	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E
Operating Activities:										
Net Income	2,168	2,747	3,634	4,492	5,040	5,501	5,969	6,342	6,635	6,870
Adjustments for Non-Cash Operating Expenses										
Add: D&A	1,543	1,614	1,641	1,661	1,627	1,674	1,714	1,750	1,781	1,808
Changes in Operating Activities:										
	(151)	(150)	(150)	(150)	(150)	(150)	(150)	(150)	(150)	(150)
Current Restricted cash	(2)	(2)	(3)	(3)	(3)	(3)	(3)	(3)	(4)	(4)
Trade accounts receivable - net	(423)	(282)	(202)	(242)	(218)	(206)	(205)	(169)	(136)	(113)
Income taxes receivable	6	-	-	-	-	-	-	-	-	-
Inventories	(69)	(109)	(78)	(93)	(84)	(80)	(79)	(65)	(52)	(43)
Current Commodity & other derivative contractu	312	(449)	(321)	(384)	(347)	(328)	(325)	(268)	(216)	(179)
Margin deposits related to commodity contracts	106	(153)	(110)	(131)	(118)	(112)	(111)	(92)	(74)	(61)
Uplift securitization proceeds receivable from Ele	-	-	-	-	-	-	-	-	-	-
Margin Deposits posted under affiliate financing	439	-	-	-	-	-	-	-	-	-
Prepaid expense & other current assets	(0)	(49)	(35)	(42)	(38)	(36)	(36)	(29)	(24)	(20)
Noncurrent Restricted cash	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Noncurrent Commodity & other derivative contra	76	(67)	(48)	(58)	(52)	(49)	(49)	(40)	(32)	(27)
Accumulated deferred income taxes	-	(575)	(481)	(736)	(711)	(455)	(383)	(388)	(310)	(243)
Other noncurrent assets	27	(71)	(51)	(60)	(55)	(52)	(51)	(42)	(34)	(28)
Short-term borrowings	-	-	-	-	-	-	-	-	-	-
Accounts receivable financing	-	-	-	-	-	-	-	-	-	-
Trade accounts payable	206	182	130	156	141	133	132	109	88	73
Current Commodity & other derivative contractu	(427)	650	465	557	503	475	471	389	313	259
Margin deposits related to commodity contracts	11	8	5	6	6	6	5	5	4	3
Accrued taxes other than income	76	38	27	32	29	27	27	22	18	15
Accrued interest	7	29	21	25	22	21	21	17	14	11
Asset retirement obligations	40	22	16	19	17	16	16	13	11	9
Other current liabilities	162	95	68	82	74	70	69	57	46	38
Margin deposit financing with affiliate	(439)	-	-	-	-	-	-	-	-	-
Commodity & other derivative contractual liabiliti	(338)	182	130	156	140	133	132	109	87	72
Accumulated deferred income taxes	-	-	-	-	-	-	-	-	-	-
Tax receivable agreement obligation	385	47	14	39	2	124	33	27	27	25
Asset retirement obligations	(84)	158	121	121	163	136	128	115	96	82
Other noncurrent liabilities & deferred credits	238	160	115	137	124	117	116	96	77	64
Cash provided by Operating Activities	3,867	4,024	4,908	5,581	6,111	6,961	7,441	7,802	8,163	8,462
Changes in Investing Activities:										
Total property, plant & equipment, gross	(2,110)	(1,830)	(1,805)	(1,391)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)
Investments	(117)	(124)	(131)	(139)	(147)	(156)	(165)	(174)	(184)	(195)
Investment in unconsolidated subsidiary	-	-	-	-	-	-	-	-	-	-
Identifiable intangible assets - net	93	89	84	80	76	72	69	65	62	59
Cash Provided by Investing Activities	(2,134)	(1,866)	(1,852)	(1,450)	(2,071)	(2,083)	(2,096)	(2,109)	(2,122)	(2,136)
Changes in Financing Activities:										
Long-term debt due currently	(1,507)	252	2,396	(3,400)	1,133	1,090	(2,215)	1,015	165	35
Long-term debt, less amounts due currently	(843)	766	587	586	789	659	618	555	466	398
Preferred stock	-	-	-	-	-	-	-	-	-	-
Common Stock & APIC	29	29	29	29	6	-	-	-	-	-
Share Repurchases	(1,500)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)
Dividends Paid	(318)	(351)	(393)	(467)	(520)	(570)	(619)	(665)	(711)	(639)
Cash Provided by Financing Activites	(4,139)	(1,304)	619	(5,252)	(592)	(821)	(4,215)	(1,096)	(2,080)	(2,207)
Change in Cash	(2,405)	854	3,675	(1,121)	3,448	4,057	1,130	4,597	3,961	4,119
Cash & cash equivalents at end of period	1,080	1,934	5,609	4,487	7,935	11,992	13,122	17,719	21,680	25,799

Vistra Corp
Common Size Income Statement

Fiscal Years Ending Dec. 31	2021	2022	2023	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E
Operating revenues	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Fuel, purchased power costs & deliver	-75.92%	-75.76%	-51.13%	-51.50%	-51.50%	-48.50%	-46.75%	-46.75%	-46.75%	-46.75%	-46.75%	-46.75%	-46.75%
Operating costs	-12.91%	-11.98%	-11.52%	-10.05%	-9.05%	-8.52%	-7.96%	-7.55%	-7.22%	-6.94%	-6.76%	-6.65%	-6.60%
Depreciation & amortization	-14.52%	-11.63%	-10.16%	-8.92%	-8.22%	-7.71%	-7.13%	-6.49%	-6.25%	-6.02%	-5.86%	-5.75%	-5.67%
Selling, general & administrative expense	-8.61%	-8.66%	-8.85%	-8.56%	-8.56%	-8.56%	-8.56%	-8.56%	-8.56%	-8.56%	-8.56%	-8.56%	-8.56%
Impairment of long-lived & other asset	-0.59%	-0.54%	-0.33%	-0.49%	-0.49%	-0.49%	-0.49%	-0.49%	-0.49%	-0.49%	-0.49%	-0.49%	-0.49%
Operating income (loss)	-12.54%	-8.57%	18.01%	20.47%	22.18%	26.22%	29.11%	30.16%	30.73%	31.24%	31.58%	31.80%	31.93%
Other income	1.16%	0.85%	1.74%	1.16%	1.05%	1.00%	0.94%	0.90%	0.87%	0.84%	0.82%	0.82%	0.82%
Other deductions	-0.13%	-0.03%	-0.09%	-0.08%	-0.08%	-0.07%	-0.07%	-0.06%	-0.06%	-0.06%	-0.06%	-0.06%	-0.06%
Interest expense & related charges	-3.18%	-2.68%	-5.01%	-4.76%	-4.51%	-4.38%	-4.21%	-4.15%	-4.08%	-4.01%	-3.97%	-3.94%	-3.92%
Impacts of Tax Receivable Agreement	0.44%	-0.93%	-1.11%	0.06%	0.18%	0.18%	0.17%	0.17%	0.16%	0.18%	0.18%	0.17%	0.17%
Net income (loss) before income taxes	-14.26%	-11.36%	13.53%	16.85%	18.82%	22.95%	25.93%	27.01%	27.61%	28.18%	28.55%	28.79%	28.94%
Income tax expense (benefit)	-3.79%	-2.55%	3.44%	4.32%	4.82%	5.88%	6.65%	6.92%	7.08%	7.22%	7.32%	7.38%	7.42%
Net income (loss)	-10.47%	-8.81%	10.10%	12.53%	13.99%	17.07%	19.29%	20.09%	20.53%	20.96%	21.23%	21.41%	21.53%
Net income (loss) attributable to noncc	-0.08%	-0.12%	0.01%	0.01%	0.01%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Net income (loss) attributable to Vistra	-10.55%	-8.94%	10.10%	12.53%	14.00%	17.07%	19.29%	20.09%	20.54%	20.96%	21.24%	21.41%	21.53%
Cumulative dividends attributable to p	-0.17%	-1.09%	-1.01%	-0.87%	-0.76%	-0.70%	-0.64%	-0.60%	-0.56%	-0.53%	-0.50%	-0.48%	-0.47%
Net income (loss) attributable to Vistra	-10.72%	-10.03%	9.09%	11.67%	13.24%	16.37%	18.65%	19.49%	19.98%	20.44%	20.73%	20.93%	21.06%

Vistra Corp
Common Size Balance Sheet

Fiscal Years Ending Dec. 31	2021	2022	2023	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E
Assets													
Current Assets:													
Cash & cash equivalents	10.97%	3.31%	23.58%	6.24%	9.85%	26.34%	19.27%	31.64%	44.77%	46.09%	59.33%	69.97%	80.84%
Restricted cash	0.17%	0.27%	0.27%	0.24%	0.23%	0.22%	0.22%	0.21%	0.21%	0.21%	0.21%	0.21%	0.22%
Trade accounts receivable - net	11.57%	15.00%	11.33%	4.68%	4.68%	4.68%	4.68%	4.68%	4.68%	4.68%	4.68%	4.68%	4.68%
Income taxes receivable	0.12%	0.20%	0.04%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Inventories	5.05%	4.15%	5.01%	4.68%	4.68%	4.68%	4.68%	4.68%	4.68%	4.68%	4.68%	4.68%	4.68%
Commodity & other derivative contract	20.81%	33.06%	24.66%	19.27%	19.27%	19.27%	19.27%	19.27%	19.27%	19.27%	19.27%	19.27%	19.27%
Margin deposits related to commodity	10.46%	22.85%	8.42%	6.58%	6.58%	6.58%	6.58%	6.58%	6.58%	6.58%	6.58%	6.58%	6.58%
Uplift securitization proceeds receivable	4.50%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Margin Deposits posted under affiliate	0.00%	0.00%	2.97%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Prepaid expense & other current assets	1.61%	2.13%	2.46%	2.11%	2.11%	2.11%	2.11%	2.11%	2.11%	2.11%	2.11%	2.11%	2.11%
Total current assets	65.27%	80.97%	78.74%	51.24%	54.84%	71.32%	64.24%	76.60%	89.74%	91.05%	104.30%	114.94%	125.82%
Restricted cash	0.11%	0.24%	0.09%	0.09%	0.08%	0.08%	0.08%	0.07%	0.07%	0.07%	0.07%	0.07%	0.08%
Investments	16.97%	12.59%	13.77%	12.45%	11.60%	11.31%	10.94%	10.74%	10.64%	10.59%	10.68%	10.88%	11.18%
Investment in unconsolidated subsidiaries	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Operating lease right-of-use assets	0.33%	0.37%	0.34%	0.30%	0.27%	0.25%	0.23%	0.22%	0.21%	0.20%	0.19%	0.19%	0.19%
Total property, plant & equipment, gross	147.86%	133.36%	129.16%	122.56%	117.35%	116.64%	112.63%	112.52%	112.84%	113.18%	114.60%	116.91%	119.78%
Less accumulated depreciation	39.75%	41.91%	45.04%	47.41%	50.01%	53.80%	56.33%	58.78%	61.29%	63.68%	66.57%	69.91%	73.54%
Property, plant & equipment, net	108.11%	91.45%	84.12%	75.15%	67.34%	62.84%	56.30%	53.75%	51.55%	49.50%	48.03%	47.00%	46.24%
Goodwill	21.39%	18.82%	17.48%	14.93%	13.16%	12.13%	11.09%	10.30%	9.64%	9.07%	8.65%	8.34%	8.09%
Identifiable intangible assets - net	17.77%	14.26%	12.61%	10.24%	8.57%	7.51%	6.52%	5.75%	5.12%	4.57%	4.14%	3.79%	3.50%
Commodity & other derivative contract	2.07%	5.11%	3.90%	2.90%	2.90%	2.90%	2.90%	2.90%	2.90%	2.90%	2.90%	2.90%	2.90%
Accumulated deferred income taxes	10.78%	12.46%	8.28%	7.07%	9.16%	10.70%	12.95%	14.86%	15.61%	16.03%	16.58%	16.98%	17.25%
Other noncurrent assets	2.99%	2.56%	3.73%	3.03%	3.03%	3.03%	3.03%	3.03%	3.03%	3.03%	3.03%	3.03%	3.03%
Total assets	245.78%	238.83%	223.06%	177.40%	170.96%	182.08%	168.28%	178.22%	188.51%	187.01%	198.58%	208.13%	218.27%
Liabilities													
Current liabilities:													
Short-term borrowings	0.00%	4.73%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Accounts receivable financing	0.00%	3.10%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Long-term debt due currently	2.10%	0.28%	15.47%	4.50%	5.25%	16.10%	0.12%	4.62%	8.40%	0.12%	3.52%	3.92%	3.92%
Trade accounts payable	12.54%	11.33%	7.76%	7.82%	7.82%	7.82%	7.82%	7.82%	7.82%	7.82%	7.82%	7.82%	7.82%
Commodity & other derivative contract	25.03%	48.15%	35.58%	27.93%	27.93%	27.93%	27.93%	27.93%	27.93%	27.93%	27.93%	27.93%	27.93%
Margin deposits related to commodity	0.32%	0.28%	0.30%	0.33%	0.33%	0.33%	0.33%	0.33%	0.33%	0.33%	0.33%	0.33%	0.33%
Accrued taxes other than income	1.71%	1.45%	1.37%	1.61%	1.61%	1.61%	1.61%	1.61%	1.61%	1.61%	1.61%	1.61%	1.61%
Accrued interest	1.18%	1.17%	1.39%	1.23%	1.23%	1.23%	1.23%	1.23%	1.23%	1.23%	1.23%	1.23%	1.23%
Asset retirement obligations	0.86%	0.93%	0.84%	0.95%	0.95%	0.95%	0.95%	0.95%	0.95%	0.95%	0.95%	0.95%	0.95%
Operating lease liabilities	0.04%	0.06%	0.05%	0.05%	0.04%	0.04%	0.03%	0.03%	0.03%	0.03%	0.03%	0.03%	0.03%
Other current liabilities	4.58%	3.82%	3.70%	4.10%	4.10%	4.10%	4.10%	4.10%	4.10%	4.10%	4.10%	4.10%	4.10%
Total current liabilities	48.38%	75.30%	66.47%	48.52%	49.27%	60.11%	44.12%	48.63%	52.41%	44.13%	47.52%	47.92%	47.92%
Margin deposit financing with affiliate	0.00%	0.00%	2.97%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Long-term debt, less amounts due currently	86.75%	86.92%	81.98%	65.18%	61.35%	59.30%	56.74%	55.82%	54.73%	53.66%	53.02%	52.60%	52.32%
Operating lease liabilities	0.31%	0.33%	0.32%	0.28%	0.25%	0.23%	0.21%	0.20%	0.19%	0.18%	0.18%	0.18%	0.17%
Commodity & other derivative contract	6.66%	12.57%	11.42%	7.80%	7.80%	7.80%	7.80%	7.80%	7.80%	7.80%	7.80%	7.80%	7.80%
Accumulated deferred income taxes	0.00%	0.01%	0.01%	0.01%	0.01%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Tax receivable agreement obligation	3.26%	3.74%	1.11%	3.18%	3.04%	2.87%	2.79%	2.60%	2.89%	2.84%	2.80%	2.78%	2.78%
Asset retirement obligations	19.43%	16.82%	16.33%	13.47%	12.68%	12.26%	11.73%	11.54%	11.31%	11.09%	10.96%	10.87%	10.81%
Other noncurrent liabilities & deferred	12.33%	7.31%	6.43%	6.87%	6.87%	6.87%	6.87%	6.87%	6.87%	6.87%	6.87%	6.87%	6.87%
Total liabilities	177.12%	203.01%	187.05%	145.31%	141.27%	149.45%	130.27%	133.46%	136.22%	126.58%	129.15%	129.04%	128.69%
Equity													
Preferred stock	16.56%	14.57%	16.75%	14.32%	12.62%	11.63%	10.63%	9.87%	9.24%	8.70%	8.29%	7.99%	7.76%
Common stock & APIC	81.39%	72.36%	68.34%	58.56%	51.77%	47.85%	43.88%	40.75%	38.16%	35.90%	34.23%	32.99%	32.03%
Treasury stock, at cost	-12.90%	-24.73%	-31.54%	-35.63%	-41.59%	-47.73%	-52.23%	-56.46%	-60.34%	-63.79%	-67.51%	-71.52%	-75.71%
Retained earnings (accumulated deficit)	-16.26%	-26.54%	-17.68%	-5.28%	6.79%	20.78%	35.64%	50.51%	65.14%	79.55%	94.35%	109.57%	125.44%
Accumulated other comprehensive income	-0.13%	0.05%	0.04%	0.03%	0.03%	0.03%	0.03%	0.02%	0.02%	0.02%	0.02%	0.02%	0.02%
Total stockholders' equity (deficit)	68.65%	35.71%	35.91%	32.01%	29.61%	32.56%	37.95%	44.70%	52.24%	60.38%	69.38%	79.05%	89.53%
Noncontrolling interest in subsidiary	0.01%	0.12%	0.10%	0.09%	0.08%	0.07%	0.06%	0.06%	0.06%	0.05%	0.05%	0.05%	0.05%
Total equity	68.66%	35.82%	36.01%	32.09%	29.69%	32.63%	38.01%	44.76%	52.29%	60.43%	69.43%	79.09%	89.58%
Total liabilities and equity	245.78%	238.83%	223.06%	177.40%	170.96%	182.08%	168.28%	178.22%	188.51%	187.01%	198.58%	208.13%	218.27%

Fiscal Years Ending Dec. 31	2021	2022	2023	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E
NOPLAT:													
Operating revenues	12,077	13,728	14,779	17,296	19,624	21,290	23,284	25,084	26,785	28,473	29,864	30,985	31,913
Fuel, purchased power costs & delivery i	(9,169)	(10,401)	(7,557)	(8,907)	(10,106)	(10,326)	(10,885)	(11,727)	(12,522)	(13,311)	(13,962)	(14,486)	(14,919)
Operating costs	(1,559)	(1,645)	(1,702)	(1,739)	(1,776)	(1,814)	(1,853)	(1,893)	(1,934)	(1,976)	(2,018)	(2,062)	(2,106)
Selling, general & administrative expens	(1,040)	(1,189)	(1,308)	(1,481)	(1,681)	(1,823)	(1,994)	(2,148)	(2,294)	(2,439)	(2,558)	(2,654)	(2,733)
Depreciation & amortization	(1,753)	(1,596)	(1,502)	(1,543)	(1,614)	(1,641)	(1,661)	(1,627)	(1,674)	(1,714)	(1,750)	(1,781)	(1,808)
Impairment of long-lived & other assets	(71)	(74)	(49)	(84)	(95)	(104)	(113)	(122)	(130)	(138)	(145)	(151)	(155)
EBITA	(1,515)	(1,177)	2,661	3,541	4,352	5,583	6,777	7,566	8,231	8,895	9,432	9,853	10,191
Add: Income tax expense	(458)	(350)	508	747	947	1,252	1,548	1,737	1,896	2,057	2,186	2,287	2,368
Add: Other deductions	3	1	3	3	3	3	3	3	4	4	4	4	4
Add: Interest expense & related charge	81	77	155	173	186	196	206	219	230	240	249	256	263
Add: Impacts of Tax Receivable Agree	(11)	27	34	(2)	(7)	(8)	(8)	(9)	(9)	(11)	(11)	(11)	(12)
Add (Less): Change in Deferred Taxes	(465)	(407)	487	-	(575)	(481)	(736)	(711)	(455)	(383)	(388)	(310)	(243)
Less: Other income	(29)	(25)	(54)	(42)	(43)	(45)	(46)	(47)	(49)	(50)	(52)	(53)	(55)
Total	(880)	(677)	1,134	879	510	918	967	1,191	1,616	1,857	1,988	2,172	2,325
NOPLAT	(635)	(500)	1,527	2,662	3,842	4,665	5,810	6,375	6,615	7,038	7,444	7,680	7,866
Invested Capital (IC):													
Add: Normal Cash	1,325	1,506	1,621	1,898	2,153	2,336	2,555	2,752	2,939	3,124	3,276	3,399	3,501
Add: Trade accounts receivable	1,397	2,059	1,674	2,097	2,380	2,582	2,823	3,042	3,248	3,453	3,621	3,757	3,870
Add: Identifiable intangible assets	2,146	1,958	1,864	1,771	1,682	1,598	1,518	1,442	1,370	1,302	1,237	1,175	1,116
Add: Inventories	610	570	740	809	918	996	1,089	1,173	1,253	1,332	1,397	1,449	1,493
Add: Prepaid expense & other current a	195	293	364	364	413	448	490	528	564	599	629	652	672
Add: Operating Lease Assets	40	51	50	53	53	54	53	54	56	57	58	59	60
Less: Operating Lease Liabilities	(5)	(8)	(7)	(8)	(8)	(8)	(8)	(8)	(8)	(8)	(9)	(9)	(9)
Less: Trade accounts payable	(1,515)	(1,556)	(1,147)	(1,353)	(1,535)	(1,666)	(1,822)	(1,962)	(2,096)	(2,228)	(2,336)	(2,424)	(2,497)
Less: Other current liabilities	(553)	(524)	(547)	(709)	(805)	(873)	(955)	(1,028)	(1,098)	(1,167)	(1,224)	(1,270)	(1,308)
Net Operating Working Capital	3,640	4,349	4,612	4,921	5,252	5,467	5,744	5,993	6,228	6,463	6,649	6,789	6,897
Add: Property, plant & equipment, net	13,056	12,554	12,432	12,998	13,215	13,379	13,109	13,482	13,808	14,094	14,344	14,563	14,755
Invested Capital (IC)	16,696	16,903	17,044	17,919	18,466	18,846	18,853	19,475	20,036	20,557	20,993	21,352	21,653
Free Cash Flow (FCF):													
NOPLAT	(635)	(500)	1,527	2,662	3,842	4,665	5,810	6,375	6,615	7,038	7,444	7,680	7,866
Change in IC	(1,189)	207	141	875	547	380	7	621	561	521	436	359	301
FCF	554	(708)	1,386	1,787	3,295	4,285	5,803	5,753	6,054	6,516	7,008	7,321	7,565
Return on Invested Capital (ROIC):													
NOPLAT	(635)	(500)	1,527	2,662	3,842	4,665	5,810	6,375	6,615	7,038	7,444	7,680	7,866
Beginning IC	17,885	16,696	16,903	17,044	17,919	18,466	18,846	18,853	19,475	20,036	20,557	20,993	21,352
ROIC	-3.55%	-3.00%	9.03%	15.62%	21.44%	25.26%	30.83%	33.81%	33.97%	35.13%	36.21%	36.59%	36.84%
Economic Profit (EP):													
Beginning IC	17,885	16,696	16,903	17,044	17,919	18,466	18,846	18,853	19,475	20,036	20,557	20,993	21,352
x (ROIC - WACC)	-12.65%	-12.10%	-0.07%	6.52%	12.34%	16.16%	21.73%	24.71%	24.86%	26.02%	27.11%	27.48%	27.74%
EP	(2,263)	(2,020)	(11)	1,111	2,211	2,984	4,095	4,658	4,842	5,214	5,573	5,770	5,922

Vistra Corp*Weighted Average Cost of Capital (WACC) Estimation***Cost of Equity:**

Risk-Free Rate	4.38%
Beta	1.17
Equity Risk Premium	5.00%
Cost of Equity	10.22%

ASSUMPTIONS:*10-year US Treasury 11/18/2024**2-year weekly Raw BETA**Henry Fund ERP estimate***Cost of Debt:**

Risk-Free Rate	4.38%
Implied Default Premium	2.00%
Pre-Tax Cost of Debt	6.38%
Marginal Tax Rate	21%
After-Tax Cost of Debt	5.04%

*10-year US Treasury 11/18/2024**FactSet Estimate***Cost of Preferred Stock:**

Annual Pfd. Dividend	70
Price of Pfd. Shares	\$1,000
Cost of Preferred:	7.00%

Market Value of Common Equity:

Total Shares Outstanding	370
Current Stock Price	\$154.63
MV of Equity	57,177.69

MV Weights

77.15%

Market Value of Debt:

Current Portion of LTD	\$2,286
Long-Term Debt	\$12,116
PV of Operating Leases	\$55
MV of Total Debt	14,457.00

19.51%

Market Value of Preferred Stock:

Total Shares Outstanding	2,476
Price of Pfd. Shares	\$1
MV of Preferred	2,476.00

3.34%

Market Value of the Firm**74,110.69**

100.00%

Estimated WACC**9.10%**

Vistra Corp
Discounted Cash Flow (DCF) and Economic Profit (EP) Valuation Models
Key Inputs:

CV Growth of NOPLAT	2.50%
CV Year ROIC	36.84%
WACC	9.10%
Cost of Equity	10.22%

<i>Fiscal Years Ending Dec. 31</i>	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E
------------------------------------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------

DCF Model:

Free Cash Flow (FCF)	1,787	3,295	4,285	5,803	5,753	6,054	6,516	7,008	7,321	7,565
Continuing Value (CV)										111,057
PV of FCF	1,638	2,768	3,299	4,096	3,722	3,590	3,541	3,491	3,343	50,705

Value of Operating Assets:	80,193
Non-Operating Adjustments	
Less: LT Debt	(12,116)
Less: Current portion of LT Debt	(2,286)
Less: PV Operating Leases	(55)
Less: Asset retirement obligations	(2,538)
Less: ESOP	(826)
Less: Commodity contract liabilities	(6,991)
Add: Commodity contract assets	5,466
Add: Investments	2,035
Add: Excess Cash	1,864
Add: Overfunded Pension	6
Value of Equity	64,752
Shares Outstanding	370
Intrinsic Value of Last FYE	175.11
Implied Price as of Today	\$ 190.04

EP Model:

Economic Profit (EP)	1,111	2,211	2,984	4,095	4,658	4,842	5,214	5,573	5,770	5,922
Continuing Value (CV)										89,705
PV of EP	1,018	1,857	2,298	2,890	3,014	2,871	2,834	2,776	2,634	40,957

Total PV of EP	63,148
Invested Capital (last FYE)	17,044
Value of Operating Assets:	80,193
Non-Operating Adjustments	
Less: LT Debt	(12,116)
Less: Current portion of LT Debt	(2,286)
Less: PV Operating Leases	(55)
Less: Asset retirement obligations	(2,538)
Less: ESOP	(826)
Less: Commodity contract liabilities	(6,991)
Add: Commodity contract assets	5,466
Add: Investments	2,035
Add: Excess Cash	1,864
Add: Overfunded Pension	6
Value of Equity	64,752
Shares Outstanding	370
Intrinsic Value of Last FYE	\$ 175.11
Implied Price as of Today	\$ 190.04

Vistra Corp*Dividend Discount Model (DDM) or Fundamental P/E Valuation Model*

<i>Fiscal Years Ending</i>	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E
----------------------------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------

EPS	\$ 5.58	\$ 7.40	\$ 10.19	\$ 13.02	\$ 15.05	\$ 16.89	\$ 18.81	\$ 20.47	\$ 21.89	\$ 23.12
-----	---------	---------	----------	----------	----------	----------	----------	----------	----------	----------

Key Assumptions

CV growth of EPS	2.50%
CV Year ROE	130.22%
Cost of Equity	10.22%

Future Cash Flows

P/E Multiple (CV Year)										12.70
EPS (CV Year)										\$ 23.12
Future Stock Price										\$ 293.74
Dividends Per Share	0.88	1.00	1.15	1.40	1.60	1.80	2.00	2.20	2.40	
Discounted Cash Flows	0.80	0.82	0.86	0.95	0.98	1.00	1.01	1.01	1.00	122.36

Intrinsic Value as of Last FYE	\$ 130.79
--------------------------------	-----------

Implied Price as of Today	\$ 141.94
----------------------------------	------------------

Vistra Corp*Relative Valuation Models*

Ticker	Company	Price	EPS 2024E	EPS 2025E	P/E 24	P/E 25	Est. 5yr EPS gr.	PEG 24	PEG 25
TLN	Talen Energy	\$206.50	\$13.18	\$6.92	15.67	29.84	10.0	1.57	2.98
NRG	NRG Energy Inc	\$96.14	\$6.44	\$6.87	14.93	13.99	9.5	1.57	1.47
AEP	American Electric Power (\$96.40	\$5.62	\$5.91	17.15	16.31	6.3	2.72	2.59
ETR	Entergy Corporation	\$148.98	\$7.24	\$7.73	20.58	19.27	8.0	2.57	2.41
FE	FirstEnergy Corp	\$41.54	\$2.68	\$2.89	15.50	14.37	7.4	2.09	1.94
Average					16.77	18.76	2.24	2.10	
VST	Vistra Corp	\$154.63	5.58	7.40	27.7	20.9	16.1	1.7	1.3

Implied Relative Value:

P/E (EPS24)	\$ 93.57
P/E (EPS25)	\$ 138.73
PEG (EPS24)	\$ 201.56
PEG (EPS25)	\$ 250.78

Vistra Corp
Key Management Ratios

<i>Fiscal Years Ending Dec. 31</i>	2021	2022	2023	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E
Liquidity Ratios:													
Quick Ratio ((CA - Inv) / CL)	1.24	1.02	1.11	0.96	1.02	1.11	1.35	1.48	1.62	1.96	2.10	2.30	2.53
Current Ratio (CA / CL)	1.35	1.08	1.18	1.06	1.11	1.19	1.46	1.58	1.71	2.06	2.19	2.40	2.63
Asset-Management Ratios:													
AR Turnover (Rev / Avg. AR)	9.03	7.94	7.92	9.17	8.77	8.58	8.62	8.55	8.52	8.50	8.44	8.40	8.37
Asset Turnover (Rev / Avg. Assets)	0.44	0.44	0.45	0.54	0.61	0.59	0.60	0.60	0.56	0.55	0.53	0.50	0.48
Financial Leverage Ratios:													
Debt-to-Equity (Debt / TSE)	1.29	2.43	2.71	2.17	2.24	2.31	1.50	1.35	1.21	0.89	0.81	0.71	0.63
Debt Ratio (Debt / Assets)	0.36	0.37	0.44	0.39	0.39	0.41	0.34	0.34	0.33	0.29	0.28	0.27	0.26
Profitability Ratios:													
Return on Equity (NI / Beg TSE)	144.44%	165.56%	300.51%	324.99%	353.54%	365.43%	335.18%	283.42%	238.60%	203.28%	173.56%	149.44%	130.22%
Return on Assets (NI / Assets)	40.69%	41.87%	44.83%	56.37%	58.49%	54.92%	59.42%	56.11%	53.05%	53.47%	50.36%	48.05%	45.82%
Net Margin (NI / Rev)	-10.72%	-10.03%	9.09%	11.67%	13.24%	16.37%	18.65%	19.49%	19.98%	20.44%	20.73%	20.93%	21.06%
Operating Margin (OP / Rev)	-12.54%	-8.57%	18.01%	20.47%	22.18%	26.22%	29.11%	30.16%	30.73%	31.24%	31.58%	31.80%	31.93%
Payout Policy Ratios:													
Dividend Payout Ratio (Dividend/EPS)	-22.30%	-22.09%	22.62%	15.77%	13.52%	11.28%	10.76%	10.63%	10.65%	10.63%	10.75%	10.97%	9.52%

Vistra Corp
Sensitivity Tables

Beta	DCF							
	Pre-Tax Cost of Debt							
	190.04	6.00%	6.18%	6.28%	6.38%	6.48%	6.58%	6.68%
	1.02	215.92	214.61	213.89	213.17	212.45	211.74	211.03
	1.07	207.47	206.24	205.56	204.88	204.21	203.54	202.87
	1.12	199.53	198.37	197.73	197.09	196.46	195.83	195.20
	1.17	192.35	191.25	190.64	190.04	189.44	188.84	188.25
	1.22	185.00	183.97	183.40	182.83	182.26	181.70	181.14
	1.27	178.34	177.36	176.82	176.28	175.75	175.21	174.68
	1.32	172.04	171.11	170.60	170.09	169.58	169.07	168.57

ERP	DCF							
	Risk-Free Rate							
	190.04	4.08%	4.18%	4.28%	4.38%	4.48%	4.58%	4.68%
	4.40%	222.40	218.78	215.26	211.83	208.49	205.23	202.05
	4.60%	214.10	210.70	207.39	204.15	201.00	197.92	194.91
	4.80%	206.29	203.09	199.96	196.90	193.92	191.00	188.15
	5.00%	198.92	195.89	192.93	190.04	187.22	184.45	181.75
	5.20%	191.96	189.09	186.28	183.54	180.86	178.24	175.68
	5.40%	185.36	182.64	179.98	177.38	174.83	172.35	169.91
	5.60%	179.10	176.52	174.00	171.52	169.10	166.74	164.42

Cost of Equity	DDM							
	CV Growth of EPS							
	141.94	1.75%	2.00%	2.25%	2.50%	2.75%	3.00%	3.25%
	9.62%	147.20	151.45	155.98	160.83	166.03	171.63	177.67
	9.82%	141.45	145.41	149.63	154.14	158.97	164.15	169.73
	10.02%	136.03	139.72	143.66	147.86	152.34	157.15	162.31
	10.22%	130.90	134.35	138.03	141.94	146.12	150.58	155.37
	10.42%	126.04	129.28	132.71	136.37	140.26	144.41	148.86
	10.62%	121.44	124.47	127.69	131.10	134.74	138.61	142.74
	10.82%	117.07	119.92	122.94	126.13	129.53	133.14	136.99

WACC	DCF							
	CV Growth of NOPLAT							
	190.04	1.75%	2.00%	2.25%	2.50%	2.75%	3.00%	3.25%
	8.80%	188.51	192.80	197.41	202.40	207.79	213.65	220.04
	8.90%	184.85	188.97	193.40	198.17	203.34	208.94	215.03
	9.00%	181.30	185.26	189.51	194.08	199.03	204.38	210.20
	9.10%	177.78	181.58	185.65	190.04	194.77	199.89	205.45
	9.20%	174.49	178.14	182.06	186.27	190.81	195.71	201.03
	9.30%	171.22	174.73	178.50	182.54	186.89	191.59	196.67
	9.40%	168.03	171.42	175.04	178.92	183.09	187.59	192.46

Vistra Corp*Present Value of Operating Lease Obligations*

Fiscal Years Ending Dec. 31	2019	2020
Year 1	390.0	400.0
Year 2	340.0	350.0
Year 3	270.0	275.0
Year 4	220.0	225.0
Year 5	136.0	140.0
Thereafter	380.0	390.0
Total Minimum Payments	1736.0	1780.0
Less: Cumulative Interest	324.8	332.9
PV of Minimum Payments	1411.2	1447.1

Implied Interest in Year 1 Payment **90.0**

Pre-Tax Cost of Debt	6.38%	6.38%
Years Implied by Year 6 Payment	2.8	2.8
Expected Obligation in Year 6 & Beyond	136	140

Present Value of Lease Payments

PV of Year 1	366.6	376.0
PV of Year 2	300.4	309.3
PV of Year 3	224.3	228.4
PV of Year 4	171.8	175.7
PV of Year 5	99.8	102.8
PV of 6 & beyond	248.3	254.9
Capitalized PV of Payments	1411.2	1447.1

Vistra Corp
Effects of ESOP Exercise and Share Repurchases on Common Stock Account and Number of Shares Outstanding

Number of Options Outstanding (shares):	6
Average Time to Maturity (years):	4.20
Expected Annual Number of Options Exercised:	1

Current Average Strike Price:	\$ 20.01
Cost of Equity:	10.22%
Current Stock Price:	\$154.63

Fiscal Years Ending Dec. 31	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E
Increase in Shares Outstanding:	1.5	1.5	1.5	1.5	0.3	0	0	0	0	0
Average Strike Price:	\$ 20.01	\$ 20.01	\$ 20.01	\$ 20.01	\$ 20.01	\$ 20.01	\$ 20.01	\$ 20.01	\$ 20.01	\$ 20.01
Increase in Common Stock Account:	29	29	29	29	6	-	-	-	-	-
Share Repurchases (\$)	1,500	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Expected Price of Repurchased Shares:	\$ 154.63	\$ 169.55	\$ 185.91	\$ 203.85	\$ 223.53	\$ 245.10	\$ 268.75	\$ 294.68	\$ 323.12	\$ 354.30
Number of Shares Repurchased:	10	12	11	10	9	8	7	7	6	6
Shares Outstanding (beginning of the year)	370	362	351	342	334	325	317	309	302	296
Plus: Shares Issued Through ESOP	1	1	1	1	0	0	0	0	0	0
Less: Shares Repurchased in Treasury	10	12	11	10	9	8	7	7	6	6
Shares Outstanding (end of the year)	362	351	342	334	325	317	309	302	296	291

Vistra Corp*Valuation of Options Granted under ESOP*

Current Stock Price	\$154.63
Risk Free Rate	4.38%
Current Dividend Yield	0.57%
Annualized St. Dev. of Stock Returns	54.46%

Range of Outstanding Options	Number of Shares	Average Exercise Price	Average Remaining Life (yrs)	B-S Option Price	Value of Options Granted
Range 1	6	20.01	4.20	\$ 134.77	\$ 826
Total	6	\$ 20.01	4.20	\$ 138.41	\$ 826