

## Vistra Corp (VST)

April 14, 2025

Utilities – Independent Power Producer

Stock Rating

**BUY**

### Investment Thesis

Target Price

**\$150-170**

We recommend a **BUY** rating for Vistra Corp (VST) with a target price range of **\$150–\$170** and a DCF-target price of **\$166**, representing a 44% upside from the current stock price. We believe despite the high level of volatility Vistra's stock price has fared since the beginning of 2025, we remain firm in our opinion that the company is positioned well to capitalize on high power demand forecasts

### Drivers of Thesis

- **High Demand Forecasts for Electricity**

In 2025, we forecast power demand for electricity to increase driven by AI datacenter growth, West Texas oilfield electrification, potential resurgence in domestic manufacturing, and rapid population growth in Texas.

- **Leveraging a Favorable Energy Policy Landscape**

The Trump administration's supportive policy stance on nuclear and coal generation enables VST to maximize revenue across its energy mix, in addition to a steady income stream from Nuclear Production Tax Credits.

### Risks to Thesis

- **Stock Price Volatility with AI News**

Vistra has over a 0.75 correlation to NVDA, resulting in more short-term fluctuations that makes Vistra's stock price sensitive to AI and tech related news and market expectations.

- **Recession Concerns**

Uncertainty around global tariffs has increased the possibility of a recession, potentially leading to reduced industrial and commercial electricity demand as well as more conservative energy usage among residential customers.

Henry Fund DCF	\$166
Henry Fund DDM	\$105
Relative Multiple	\$103

### Price Data

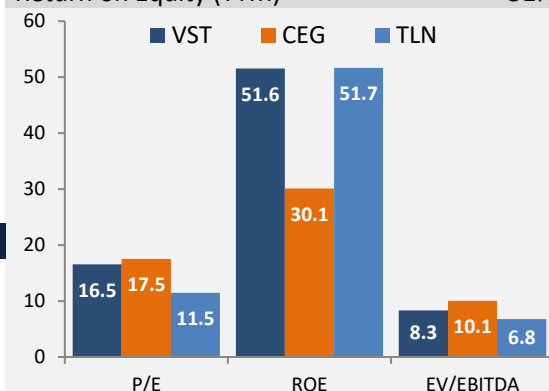
Current Price	\$115
52wk Range	\$64- \$199
Consensus 1yr Target	167

### Key Statistics

Market Cap (B)	\$39
Shares Outstanding (M)	340
Institutional Ownership	86%
Beta	1.21
Dividend Yield	0.79%
Est. 1yr Growth	14%
Price/Earnings (TTM)	16.54
Price/Earnings (FY1)	
Price/Sales (TTM)	2.31
Price/Book (mrq)	12.39

### Profitability

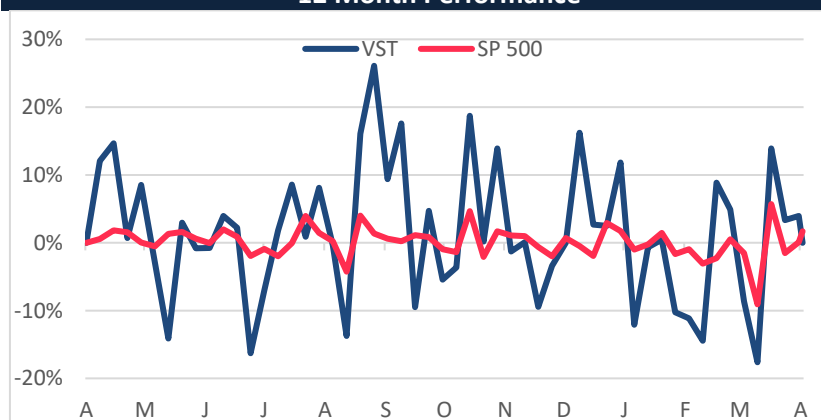
Operating Margin	14%
Profit Margin	15%
Return on Invested Capital	10%
Return on Equity (TTM)	51%



### Earnings Estimates

Year	2022	2023	2024	2025E	2026E	2027E
EPS	\$-3.26	\$3.58	\$7.00	\$6.36	\$8.06	-
HF est.				\$6.27	\$8.17	\$9.53
Growth	21.19%	-209.82%	-95.53%	-10.42%	30.30%	16.65%

### 12 Month Performance



### Company Description

Vistra Corporation, headquartered in Irving, Texas, is a leading integrated energy company engaged in electricity generation, and wholesale and retail electricity sales. With a diverse energy mix of natural gas, coal, nuclear, solar, and battery storage assets, Vistra serves approximately five million customers across 16 US states and has a combined generation capacity of 41,000 MW. The company operates in competitive, deregulated markets, specifically in Texas and the Northeast/Midwest interconnections, ensuring efficient, reliable energy delivery in these regions.

## COMPANY DESCRIPTION

Vistra Corporation is an integrated retail electricity and power generation company headquartered in Irving, Texas. The company generates and supplies electricity to approximately five million residential, commercial, and industrial customers, produced from a diverse range of energy sources including natural gas, coal, nuclear and solar energy. Vistra also operates the largest battery storage facility in the world with a total capacity of 400 megawatts (MW) located in Santa Cruz, California.

Vistra was formed in 2016 following the bankruptcy and restructuring of Texas Competitive Electric Holdings (TCEH), and following a series of acquisitions, Vistra is now one of the largest retail electricity providers in the US with a combined net capacity of nearly 41,000 megawatts (MW).

The company has five operating segments – Retail, Texas, East, West, and Asset Closure. A former sixth segment, Sunset, was reallocated into the Texas and East segments.

**Vistra: America's Leading Integrated Energy Company**

**VISTRA**



Seeking Alpha - VST

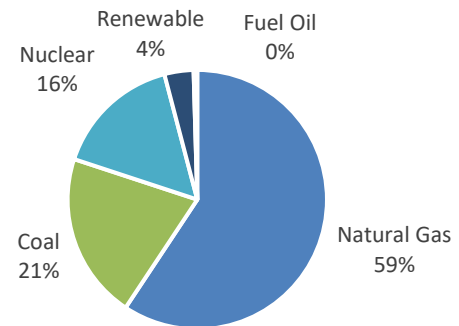
## Energy Mix

Retail electricity markets allow customers the freedom to choose their electricity provider, promoting competition among suppliers. This also gives consumers greater influence over the energy mix used to generate their electricity, such as selecting providers that offer renewable or low-emission options.

As a power generator, Vistra maintains a diverse energy mix that includes natural gas, coal, nuclear, and solar energy. This ensures grid reliability as renewable energy

sources can be intermittent and support Vistra's efforts to transition toward cleaner energy sources.

## Vistra's Overall Energy Mix



VST 2024 10-k

## Retail

Retail, in electricity markets, refers to the sale of electricity, natural gas and related services, such as thermostats, dashboards and energy efficiency programs, to an end user of electricity. This is the primary revenue generating segment for Vistra and contributed to 68% of Vistra's total revenue in 2024.

The company operates in deregulated power markets, where electricity generation, transmission, and distribution are separated, and replaces traditional vertically integrated monopolies in the utilities sector. In these markets, electricity prices are determined by supply and demand rather than being fixed by utilities. Now, nearly two-thirds of the US electric grid is deregulated, allowing companies like Vistra to compete in the generation of power and retail supply of electricity through its subsidiaries like TXU energy, focusing on the Texas segment, in addition to Ambit Energy, Dynegy Energy Services, Homefield Energy, TriEagle Energy, Public Power, and U.S. Gas & Electric.

Vistra has operations across three geographic regions- Texas, East, and West – positioning the company within six of the ten U.S. Independent System Operators and Regional Transmission Organizations (ISO/RTO). These regulatory bodies manage and have oversight into the electric grids either within a single state – ISO, or across multiple states – RTO. They are responsible for ensuring that the US electricity markets operate competitively, reliably, and efficiently.

In 2024, 69% of retail revenue was from Texas and the remaining 31% is attributed to the Northeast and Midwest regions. In total, Vistra supplies retail electricity across 16 US states and serves 2.6 million customers.

In 2025, we expect ERCOT to contribute the highest revenue growth at 10.5%, followed by an average of 9.5% growth until 2028. For the rest of our forecast period, we maintain modest growth at around 3%. These assumptions are primarily driven by high demand expectations in Texas through residential growth but also from a wave of tech companies and data centers establishing their businesses in the region.

## Power Generation

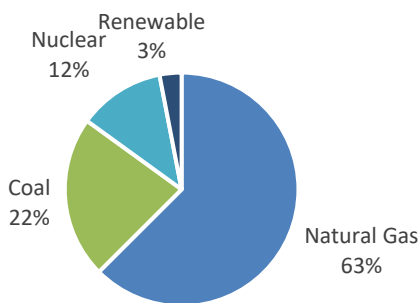
### Texas

Total Generation Capacity: 19,031 MW  
ISO/RTO: ERCOT  
Proportion of VST Capacity: 47%

Texas comprises of the ERCOT ISO – Electric Reliability Council of Texas. ERCOT is a centrally dispatched market structure, meaning that all wholesale power generators submit bids on the day-ahead market based on forecasted load or demand. The bids include their cost and capacity to generate electricity and ERCOT, acting as the system operator, then determines which generators will be dispatched, or transmitted into the grid, and how much electricity each generator should produce to meet expected demand.

While all dispatched generators in a region are paid the same price per MW/h, their actual profits vary. This is because profit depends on each generators cost to produce electricity. Generators with lower production costs earn higher margins, while those with higher costs earn less or may not be dispatched at all.

### Texas Energy Mix



VST 2024 10-k

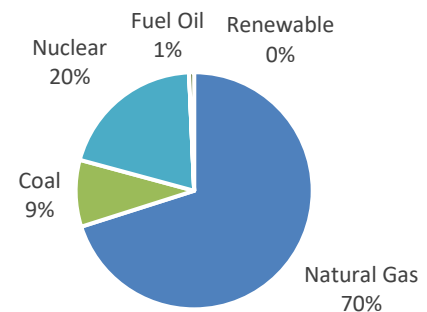
### East

Total Generation Capacity: 19,746 MW  
ISO/RTO: PJM, ISO-NE, MISO and NYSIO  
Proportion of VST Capacity: 49%

The East segment has the highest generation capacity within Vistra's portfolio. It operates primarily in wholesale markets, but also in capacity markets, unlike ERCOT.

In capacity markets, power suppliers are paid not just for the electricity they generate, but also for committing to supply power on demand when needed, sometimes even years in advance. These payments ensure long term grid reliability, especially during peak demand periods or unexpected outages. Unlike ERCOT, which operates in wholesale markets only, where generators are compensated based on actual energy supplied, capacity markets provide an additional revenue stream for East and West segment assets, contributing to more stable cash flows. Vistra reports their committed capacity revenue expectations as prices are hedged and in 2024, is expected to contribute to \$1.1 billion.

### East Energy Mix



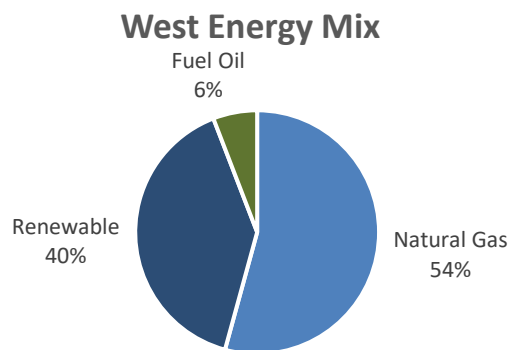
VST 2024 10-k

### West

Total Generation Capacity: 1,880 MW  
ISO/RTO: CAISO  
Proportion of VST Capacity: 4%

Vistra's West segment accounts for the smallest share of the company's total generation capacity, representing approximately 4% of its portfolio. This segment operates in the California Independent System Operator geographic segment.

Similar to the East, the West segment participates in both wholesale electricity markets and capacity markets. Despite its smaller size in terms of generation capacity, the West segment holds strategic importance as Vistra is a leader in battery storage. The company owns and operates the Moss Landing Energy Storage Facility in California, the largest battery storage facility in the world, with a current energy storage capacity of 400 megawatts (MW). This facility plays a critical role in grid reliability and supporting renewable transition ambitions. As more intermittent sources of energy like solar and wind grow, battery storage facilities allow energy to be stored in lithium-ion batteries and can be utilized when load demands are high.



VST 2024 10-k

## Asset Closure

As part of its Asset Closure segment, Vistra is responsible for safely retiring its power generation assets. This includes decommissioning nuclear plants by removing radioactive materials, reclaiming and restoring land that was impacted by lignite coal mining, and closing coal ash basins to prevent groundwater contamination. This liability, while a relatively minor cost to the company, is an important process that must be done safely and following environmental regulations. In 2024, asset closure reported \$126 million in operating losses which is consistent to 2023 levels as well.

## Revenue and Cost Structure

### Sales and Operating Revenue

Vistra realizes revenue linked to the sale price of electricity, which is influenced by both retail and wholesale market conditions.

In wholesale markets, electricity prices generally follow trends in natural gas prices even when electricity is

generated from other sources such as coal, nuclear, or solar, as that remains as a dominant source of power generation in the US currently.

On the retail side, Vistra earns revenue by selling electricity directly to end customers. While retail prices are typically more stable than wholesale prices, the company's margins depend on its ability to manage the cost of electricity generation. Additionally, the sales price varies

As Vistra has exposure in both power generation facilities and retail sales, this helps stabilize their revenue. Additionally, the company hedges 99% of their expected generation volumes, further reducing exposure to commodity price volatility

Over the next four years, we expect there to be significant growth within retail and wholesale revenue due to higher demand for electricity in general, but also due to growth in AI and data center growth, expected at around 55 gigawatts (GW) of power and oilfield electrification, specifically in the Permian basin, adding an additional 20 GW of power. We also forecast natural gas prices to improve driving revenue growth.

### Cost of Revenues

For electricity generators, the most significant cost driver is the cost of their input fuel, and delivery costs. For Vistra, this includes the price of natural gas, uranium and coal and the costs associated with securing these inputs to the necessary generation facilities.

While Vistra does not explicitly disclose its fuel supply sources, we are uncertain whether tariffs could materially impact input costs. However, in its 2023 Sustainability Report, the company noted having 73 suppliers. If this level of supplier diversity remains consistent, it may help reduce any supply chain risk and lower the impact of potential trade related disruptions with fuel procurement.

Over the next four years, we forecast natural gas prices to remain in the mid to upper \$3 range. Additionally, in our model, we assume operating costs at an average of 12.5% of sales revenue, which aligns with Vistra's historical cost structure. This has remained relatively consistent over the past five years.

## ESG Analysis

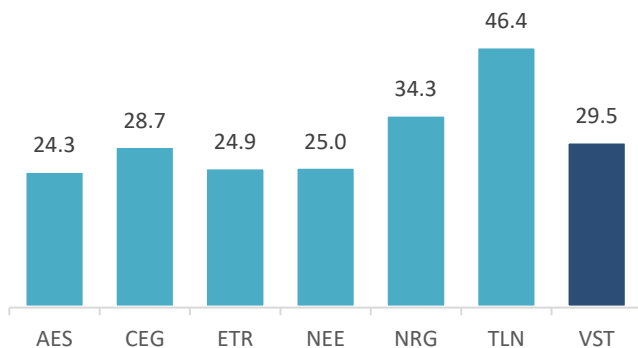
Vistra has made ESG a core component of its long-term strategy. The company has set ambitious goals, including a 60% reduction in Scope 1 and 2 greenhouse gas emissions by 2030, and a commitment to achieving net-zero emissions by 2050. Scope 1 and 2 emissions refer to direct emissions from operations and indirect emissions from purchased energy. As of 2023, the company had already achieved a 50% reduction in emissions. Since 2018, Vistra has also increased its zero-carbon generation capacity by 200%, supporting its broader mission to provide affordable, reliable, and sustainably produced energy. Additionally, many of the coal generation facilities in Vistra's portfolio have planned retirement dates where some will be repurposed into natural gas facilities.

Vistra's ESG strategy also gives them a competitive advantage in deregulated markets, where customers choose their electricity providers. The company offers 100% renewable energy options, primarily solar-generated power, to interested customers through its retail brand, TXU Energy, which has seen a 15% increase in residential customers opting for these renewable plans.

However, a fire at the Moss Landing Battery Storage Facility in California was a major setback for the company. Although the cause is still under investigation, the incident has sparked a lawsuit on why there were inadequate preventive measures to contain the fire. This led to evacuations in nearby communities and raised concerns about the company's risk management.

Although Vistra does not have the lowest ESG risk score in its peer group, its score is relatively lower, as some of its peers have a larger share of coal power generation in their portfolios.

### Sustainalytics ESG Risk Rating



MorningStar – Sustainalytics

## RECENT DEVELOPMENTS

### 2024 Q-4 Earnings Announcement

On February 27, 2025, Vistra announced its Q4 2024 earnings, and reported an EOS of \$2.38, surpassing EPS consensus estimates by \$1.39. Vistra also reported a significant beat in its revenue expectations by \$13.5 billion.

Despite the major gains, the stock price dropped by nearly 8% following its earnings call. This decline can be attributed to growing concerns that projections for electricity demand are largely driven by AI datacenter growth, which investors are concerned may be overinflated.

### Management Guidance

In 2025, Vistra is expected to invest \$2.28 billion in capital expenditure. Around 40% of the cost will go towards maintaining their nuclear and fossil fuel power plants and this allocation is consistent to previous years averaging around 42%. Another major investment is into solar and energy storage development and nuclear fuel procurement.

### Moss Landing Battery Facility Fire

On January 16, 2025, the Moss Landing Power Plant, the world's largest battery storage facility, caught on fire burning a majority of the approximately 100,000 lithium-ion batteries inside the facility. While there has been no official count of how much damage has been done, over 1,000 residents from nearby communities have had to evacuate with concerns over air and water safety. This fire, not the first, but the most severe since the facility opened in 2020, is currently facing a lawsuit led by Erin Brockovich on inadequate safety measures and precautions that could have prevented the fire.

Vistra reported that they will write off \$400 million as depreciation expense in Q1 2025 as a direct result of the Moss Landing fire. Additionally, Vistra expects further costs relating to the ongoing lawsuit and the loss of revenue from having to shut down plant operations.

### AI/Tech Stock Selloff

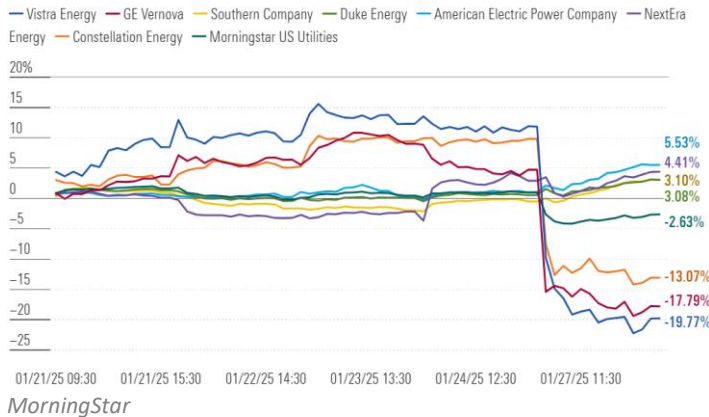
Early in 2025, Deepseek, a Chinese AI startup, developed a reportedly more efficient AI model that required

significantly fewer microchips and less energy usage in computing power. While major technology firms, specifically the Magnificent 7, faced the worst of the selloff following the news release, utility stocks were the second most impacted by the news. The selloff in utility companies stemmed from concerns about future power demand, as AI and data centers have been major growth drivers for the sector.

Vistra's stock plunged by nearly 30% following the news and has yet to recover. The company had forecasted an additional 55 gigawatts of energy demand over the next several years due to expected data center expansion. This news now questions whether there may be more efficient methods for computing power and less demand for electricity in turn.

#### Utility Stock Performance

Past week



## Energy Policies

### Nuclear Energy

Vistra operates the second largest nuclear energy plant fleet in the US following Constellation Energy. Under the Inflation Reduction Act, created under the Biden Administration, the Production Tax Credit (PTC) has become a notable revenue source for Vistra, generating \$556 million in 2024 or \$15 per MW/h.

Unlike other IRA policies like Renewable Tax Credits, which are currently being repealed, PTC's are not under threat by the new Trump administration. This is largely because nuclear energy is the expected energy source for the Stargate AI hyperscaler infrastructure development plans. As Chris Wright, the Energy Secretary said, the department will "unleash commercial nuclear power in the United

States." The political environment for Vistra's nuclear ambitions remains favorable.

### Coal

Early April, in 2025, President Trump issued an Executive Order aimed at reviving the coal industry, with the goal of steadying grid supply, lowering electricity costs for consumers, and increasing US energy security. While this policy provides clear support for coal mining and coal power plants, Vistra is not likely to significantly increase coal production or delay its planned coal plant retirements. US Coal supply has rapidly been declining over the past decade, and while this order offers Vistra more optionality in its energy mix, deviating from its current generation strategy could undermine the company's progress toward sustainability and net-zero targets. We expect that this order will provide flexibility for the company rather than shifting Vistra's long-term energy plans.

## INDUSTRY ANALYSIS

### Market Structure

As mentioned earlier, the utilities sector is broadly categorized into regulated and deregulated markets, which determine how electricity prices are set. Vistra operates in deregulated markets, where there is competitive pricing among retailers, and multiple companies engaged within the supply chain. Utilities, regardless of which market they operate in have high barriers of entry due to significant investment and capital into infrastructure and need to follow strict compliance with safety, and environmental regulations.

### Electricity as a Commodity

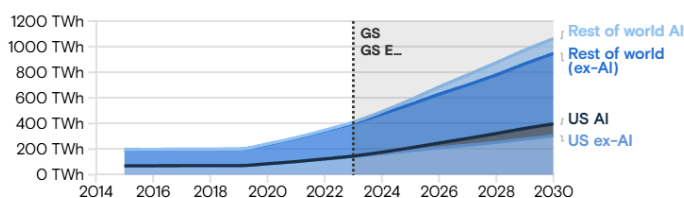
Electricity ultimately is a fungible commodity, but margins can vary significantly among generators due to differences in fuel costs, generation efficiency, age of the plant, and any government incentives or tax credits on the generation source. Electricity margins, or the spark spread, indicate the price difference between the market price of electricity and the cost of the natural gas used to generate it. It is as a key profitability metric for gas power plants. A higher spark spread implies higher margins, so generators are earning more per unit of electricity sold after deducting fuel costs. However, it is important to note that this represents general utility industry profitability and not

a particular generator as energy mixes vary and power plant efficiency can differ.

## Demand Drivers

While datacenters have been attributed as the primary driver for growth in utility companies like Vistra and Constellation Energy, recent market reactions suggest that expectations around this trend may be overinflated in the short term. The buzz around AI infrastructure has created high volatility in utility stock prices, especially as investors react to technological or efficiency breakthroughs as was seen with Deepseek. However, as shown in the Goldman Sachs chart below, electricity demand is continuing to rise

### Data center power demand



Source: Masanet et al. (2020), Cisco, IEA, Goldman Sachs Research

Goldman Sachs

even when excluding AI data center growth. This indicates that more stable demand drivers will contribute to Vistra's investments and stock price ultimately.

Goldman Sachs

Other key contributors to electricity demand include seasonal weather patterns, particularly during periods of extreme heat or cold, which increase usage of heating and cooling systems. In regions like Texas, summer peak demand is especially significant due to higher use of air conditioning. Population growth, especially in high-growth states like Texas, will continue to boost residential and commercial electricity consumption.

Industrial electrification, including the shift of oilfield operations and manufacturing processes toward electric power, is another emerging driver. In addition, the broader energy transition—with sectors like transportation, logistics, and heavy industry gradually moving away from fossil fuels toward electric solutions—is expected to steadily increase baseline electricity demand over the next decade.

## PEER COMPARISONS

### Key Players

#### AES Corporation

AES Corporation is a global energy company involved in power generation, distribution, and storage. AES is headquartered in Arlington, Virginia, and operates in 15 countries across North and South America, Asia, and the Caribbean. The company operates a portfolio of generation assets totaling approximately 30,000 megawatts (MW), including natural gas, coal, hydroelectric, wind, solar, and battery storage technologies. In 2018, AES partnered with Siemens on a joint-venture, Fluence, to develop grid storage solutions.

#### Constellation Energy

Constellation Energy is headquartered in Baltimore, Maryland and operates a generates nearly 32,000 MW. Its portfolio is primarily composed of nuclear facilities, along with natural gas and renewable assets. Constellation serves both wholesale and retail electricity markets, supplying power to more than 20 million homes and businesses. In 2024, the company announced plans to repower the Three Mile Island nuclear reactor to support its long-term power purchase agreements with major tech firms, including Microsoft and Amazon Web Services. These agreements are aimed at delivering electricity to meet the rising clean energy demands of data centers

#### Entergy

Entergy Corporation is a US utility company focused on power generation and distribution, with operations primarily in the South, specifically Arkansas, Louisiana, Mississippi, and a small portion of Texas. Entergy is headquartered in New Orleans, Louisiana, and operates a generation portfolio of approximately 24,000 MW, including nuclear, natural gas and renewable assets. The company serves more than 3 million customers and operates in regulated markets, providing a more stable revenue stream compared to competitive retail providers in deregulated markets like Vistra.

#### NextEra Energy

NextEra Energy, headquartered in Juno Beach, Florida, operates through Florida Power & Light, its regulated

utility serving over 12 million people, and NextEra Energy Resources, its competitive energy generation segment. With over 60,000 megawatts (MW) of total capacity, the company has operations in Texas, California, the Midwest, and the Northeast. NextEra aims to achieve net-zero emissions by 2045, making it one of the most ambitious players in the utility sector in its energy transition.

### NRG Energy

NRG Energy is an electricity generator with a strong retail energy presence. Headquartered in Houston, Texas, NRG operates primarily in deregulated markets, with a presence in Texas, the Northeast, and parts of California. It serves over 7.5 million customers through its retail brands such as Reliant, Direct Energy, and Green Mountain Energy. NRG owns a diverse generation portfolio of approximately 18,000 MW, spanning natural gas, coal, oil, and renewables.

### Talen Energy

Talen Energy is an independent power producer headquartered in Houston, Texas, operating in the Mid-Atlantic region. The company owns and operates approximately 12,400 MW of generation capacity, including natural gas, coal, and nuclear assets. A key part of Talen's strategy involves its transition toward cleaner energy through Cumulus Data, a wholly owned subsidiary focused on developing carbon-free digital infrastructure. In 2024, a proposed deal between Amazon and Talen to purchase a nuclear-powered data center adjacent to Talen's Susquehanna nuclear facility in Pennsylvania fell through after being rejected by the Federal Energy Regulatory Commission (FERC).

## Comparison Metrics

Company	Stock Price	Mkt Cap	Div. Yield %
VST	\$115.75	\$39.4 bil	0.77%
AES	\$9.96	\$7.1 bil	7.00%
CEG	\$204.19	\$63.9 bil	0.76%
ETR	\$82.24	\$35.9 bil	2.92%
NEE	\$65.64	\$137.7 bil	3.39%
NRG	\$98.09	\$19.9 bil	1.79%
TLN	\$203.20	\$9.3 bil	-

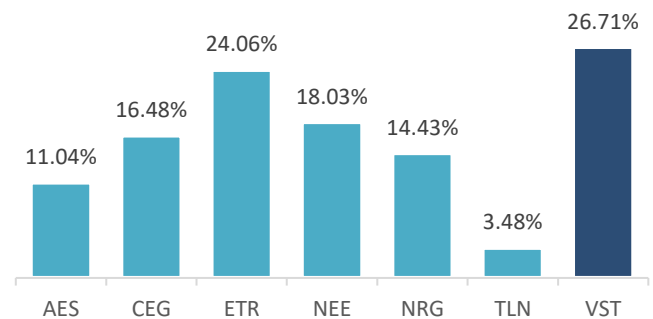
Yahoo Finance

### Gross Margins

Gross margins, are important indicators for electricity generators, as they reflect how profitable a company is relative to the cost of its fuel inputs, such as natural gas or uranium. While realized electricity prices are typically uniform across generators within a given region, actual profitability varies based on plant efficiency, fuel procurement costs, and the type of energy source used.

Among its peers, Vistra has the highest gross margin, which signals that the company has a more efficient generation system, lower fuel procurement costs, and an optimized energy mix. This reflects Vistra's competitive advantage in generating electricity at a lower cost relative to the market price.

### Gross Margin (TTM)

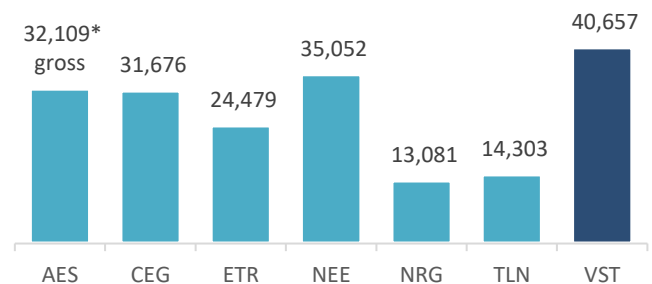


Yahoo Finance

### Net Capacity

Net capacity refers to the maximum amount of electricity that a power plant can produce and deliver to the grid net of the power used to generate the plant itself. Excluding AES Corp which reported only its gross generation capacity, Vistra leads its peer group in net generation capacity. We anticipate this to continue growing as the company repurposes its older facilities and update efficiencies across its plants

### Net Capacity (MW)

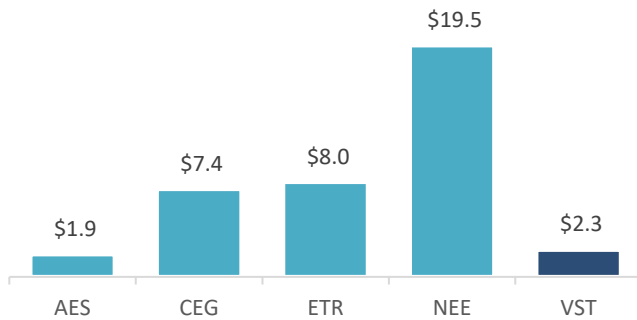


Individual Company 10-k

## Capital Expenditures

We also looked at 2025 expected capital expenditures as an indicator of how much each company is investing in long-term infrastructure and capacity expansion. A few peers like NRG energy and Talen did not have any management guidance on 2025 capital expenditures, but

### 2025 Capex (\$bn)



excluding them, NextEra Energy leads the group at the highest forecasted capex. Vistra is on the lower end of capex spending, which may be a positive thing, given the market volatility and growing uncertainty around how much electricity demand will actually come from data center expansion in the near term.

*Factset, Investor Presentations*

## ECONOMIC OUTLOOK

### GDP Growth

GDP growth is a key indicator of economic activity relating to industrial and commercial activity, and residential development, all of which drive higher demand for electricity. With the ongoing political and economic uncertainty caused by the Trump tariffs, there is a high possibility of a recession in the upcoming months. A downturn could weaken demand as industrial activity may go down and consumers become more conscious of their energy usage. Typically, utility stocks, during economic downturns are considered defensive, however with the increased correlation between tech stocks and utilities, that is no longer the case for companies like Vistra and Constellation Energy, which have high demand expectations stemming from datacenters.

## Tariffs

The global tariffs imposed under the Trump Administration are aimed at revitalizing the manufacturing sector within the US. For decades, many US corporations have largely been outsourcing their production processes, particularly in the Asian region, with countries like China and Vietnam, where labor costs are lower. However, as the US does not currently have sufficient manufacturing capabilities to produce much of what we import, there have been concerns over a possible recession in the short-term.

On the flipside of that argument, if manufacturing was reshored back to the US, boosting industrial activity, this could be a possible growth driver for electricity demand. However, this impact is likely to be realized much later, as the development of new manufacturing facilities would take several years. Further, the uncertainty remains high, especially as tariffs have been paused again with the exception of those on China. This makes it difficult to predict US manufacturing growth and the effects of the sector on electricity demand.

## VALUATION

### Revenue Forecasts

Vistra's revenue can broadly be divided into two categories: Revenue from Contracts with Customers, which includes retail and wholesale electricity sales as well as capacity market revenues, and Other Revenue, which comprises of nuclear production tax credits (PTC) and both realized and unrealized hedging gains. Approximately 85% of Vistra's total revenue comes from the first category, making retail contracts the primary driver of revenue.

In our revenue forecasts, we project an average 8.8% growth rate in ERCOT retail sales through 2028. Due to rapid electrification efforts of oilfield operations in the Permian Basin, continued population growth, and the expansion of AI-related data centers, this supports our growth forecasts. According to the Texas Demographic Centers low base case migration scenario, Texas is expected to gain an additional one million residents by 2028, further contributing to demand growth.

We also forecast wholesale electricity prices to rise by an average of 9% over the next four years, largely due to increased demand expectations. Additionally, we expect

nuclear production tax credits to become a growing source of revenue for Vistra. While nuclear energy has policy support under the current administration, we anticipate that it will be a steady growth segment due to the longer project times required for expanding nuclear capacity and developing new solar and battery storage projects.

## Capital Structure

### Debt Financing

In Vistra's Q4 2024 earnings call, the company announced its commitment to maintaining a long-term net leverage target below 3.0x. This indicates Vistra's intention to keep its net debt at less than three times its adjusted EBITDA.

Vistra's credit rating was recently upgraded following this to a BB+ debt rating. We followed a straight-line payoff schedule beyond 2030 in our forecast period.

Fiscal Year	Payment
2025	\$885 mil
2026	\$1,792 mil
2027	\$3,427 mil
2028	\$27 mil
2029 and beyond	\$10,338 mil

FactSet DCS

### Equity Financing

As of Q4 of 2024, Vistra has a \$1.9 billion share buyback authorization, which it plans on carrying out till the end of 2026. In the span of 5 years, the company's weighted average shares outstanding has gone from 489 million to 345 million in 2024, which is around a 30% decrease. In the 2024 Q4 Earnings call, the company emphasized their commitment to shareholder value generation and is targeting \$300 million in dividends annually to be distributed.

In our model, we assumed share repurchases through 2028, following the company's ESOP payoff schedule with a strike price of \$19.97. While the company also has preferred stock, we kept those numbers consistent in our forecast period.

## WACC

We calculated a weighted average cost of capital (WACC) of 8.67% incorporating the reported 2024 balance sheet debt weights, a 10-year Treasury bond yield of 4.15% as

the risk-free rate, a 1.21 2-year beta, a 5.67% pre-tax cost of debt, and a 5% equity risk premium. As Vistra has preferred stock as well, we took that into consideration in our WACC calculations.

## DCF and EP Model

We computed a target price of \$153.67 for Vistra Corp based on our DCF and EP model. This reflects nearly a 40% upside from what the stock is currently trading at. We felt this model aligns best with our assumptions in retail electricity growth as well as Vistra's generation capabilities.

## DDM Model

We arrived at a DDM price of \$104.84, which is a 9% discount from what the current stock is. Vistra has highlighted its commitment to shareholder returns by targeting \$300 million in dividends annually. However, we view Vistra primarily as a growth-oriented company, with significant upside potential. As dividends are likely to remain a secondary priority following reinvestment and capital expenditure plans, we placed less emphasis on the DDM in our overall valuation.

## Relative Valuation

Our relative valuation model yielded target price of \$105.1 for Vistra in 2025, reflecting an 8% discount to its current stock price. This model was based on a peer comparison that included AES Corporation, Constellation Energy, Entergy, NextEra Energy, NRG Energy Inc, and Talen Energy Corp. However, we found this model less effective due to key differences among peer companies, including differences in energy mix, varied geographic exposure, and business models. Some peers are more generation focused, while Vistra has a significantly larger revenue segment from retail electricity sales. Additionally, wholesale electricity prices can vary notably across regions, which makes comparison difficult. As a result, we placed less weight on the relative valuation model in our overall analysis.

## Analyst Price Targets

Comparing our three valuation models to the average consensus stock price of \$177.44 among a range of \$120 to \$186, we believe that our assumptions are slightly below line with the market. While we remain optimistic

about Vistra's long-term growth, driven by rising power demand, we also expect increased short-term volatility. Tech-related news and broader recession concerns could temporarily contract some of that growth momentum and impact investor sentiment in the near term

## Sensitivity Test

We evaluated our model price against various risk-free rate inputs and equity risk premium's to determine how sensitive Vistra's pricing is to these variables. We found that the stock price is significantly impacted by a low-risk free rate as cash flows will be discounted at a lower rate and in addition to having low risk premiums, having more investor confidence will boost Vistra's stock price.

		Equity Risk Premium						
Risk Free Rate	153.67	4.25%	4.50%	4.75%	5.00%	5.25%	5.50%	5.75%
	4.00%	178.47	170.79	163.60	156.86	150.53	144.56	138.93
	4.05%	177.16	169.57	162.46	155.79	149.52	143.61	138.03
	4.10%	175.87	168.36	161.33	154.72	148.51	142.66	137.14
	4.15%	174.59	167.17	160.21	153.67	147.52	141.73	136.25
	4.20%	173.33	165.99	159.10	152.63	146.54	140.80	135.38
	4.25%	172.08	164.82	158.00	151.60	145.57	139.88	134.51
	4.30%	170.85	163.66	156.92	150.58	144.61	138.97	133.65

## KEYS TO MONITOR

Overall, Vistra is well-positioned to benefit from several long-term trends that are expected to shape electricity demand in the US. The rapid infrastructure development plans of AI data centers, electrification of oilfield operations, such as in the Permian basin, and potential reshoring of domestic manufacturing are all driving increased power demand forecasts and particularly in Texas, where Vistra has a strong presence. Additionally, supportive nuclear and coal energy policies, further strengthen Vistra's ability to generate consistent returns from its diverse generation portfolio. The Nuclear Production Tax Credit also provides a reliable revenue stream.

On the other hand, Vistra's stock has shown strong correlation to movements in the tech sector, making it more reactive to fluctuations in investor confidence toward AI growth. It will be important to monitor whether this correlation is benefitting or further worsening the stock's performance.

Broader economic uncertainty, including the threat of a recession tied to global tariff policies, could slow industrial activity and electricity demand. Residential customers may

also cut back on usage in response to tighter household budgets. Even with current uncertainties, Vistra's balanced strategy allows it to manage short-term pressures while still staying on track with long-term energy trends.

Overall, we recommend a buy rating for Vistra Corp with a target price range of **\$150–\$170** and a DCF-target price of **\$166**, representing a 44% upside from the current stock price.

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**Vistra Corp**
**Revenue Decomposition**

<i>Fiscal Years Ending</i>	2023	2024	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E
<b>Revenue from contracts with customers:</b>												
Retail energy charge - ERCOT	7,674	8,064	8,911	9,800	10,728	11,694	12,279	12,770	13,178	13,516	13,793	14,019
Growth	10.08%	5.08%	10.50%	9.98%	9.48%	9.00%	5.00%	4.00%	3.20%	2.56%	2.05%	1.64%
Retail energy charge - Northeast/Midwest	1,642	3,595	3,829	4,065	4,304	4,543	4,680	4,792	4,884	4,959	5,020	5,069
Growth	-23.24%	118.94%	6.50%	6.18%	5.87%	5.57%	3.00%	2.40%	1.92%	1.54%	1.23%	0.98%
Wholesale generation revenue from ISO/RTO	2,909	1,978	2,166	2,365	2,577	2,800	3,036	3,284	3,543	3,815	4,099	4,396
Growth	-32.24%	-32.00%	9.50%	9.22%	8.94%	8.67%	8.41%	8.16%	7.91%	7.68%	7.45%	7.22%
Capacity revenue from ISO/RTO (b)	98	74	77	79	82	84	87	89	92	95	97	100
Growth	-4.85%	-24.49%	4.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Revenue from other wholesale contracts	1,481	1,050	1,123	825	289	122	62	110	110	110	110	110
Growth	-30.31%	-29.10%	6.95%	-26.54%	-64.97%	-57.79%	-49.18%	76.77%	0.00%	0.00%	0.00%	0.00%
<b>Total revenue from contracts with customers</b>	<b>13,804</b>	<b>14,761</b>	<b>16,105</b>	<b>17,134</b>	<b>17,979</b>	<b>19,244</b>	<b>20,143</b>	<b>21,044</b>	<b>21,807</b>	<b>22,495</b>	<b>23,119</b>	<b>23,693</b>
<b>Other revenues:</b>												
Transferable PTC revenues (c)	10	556	612	676	750	837	921	1,022	1,146	1,298	1,489	1,728
Growth		5460.00%	10.00%	10.50%	11.03%	11.58%	10.00%	11.00%	12.10%	13.31%	14.64%	16.11%
Hedging revenues — realized	252	895	931	968	1,007	1,047	1,089	1,132	1,178	1,225	1,274	1,325
Growth	-4.55%	255.16%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
Hedging revenue — unrealized	714	1,013	1,084	1,164	1,253	1,345	1,439	1,534	1,631	1,728	1,826	1,924
Growth	-133.01%	41.88%	7.00%	7.35%	7.72%	7.33%	6.97%	6.62%	6.29%	5.97%	5.67%	5.39%
Intangible amortization and other revenues	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Growth	-75.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
<b>Total other revenues</b>	<b>975</b>	<b>2,463</b>	<b>2,625</b>	<b>2,806</b>	<b>3,009</b>	<b>3,228</b>	<b>3,448</b>	<b>3,688</b>	<b>3,953</b>	<b>4,250</b>	<b>4,587</b>	<b>4,976</b>
<b>Total revenues</b>	<b>14,779</b>	<b>17,224</b>	<b>18,731</b>	<b>19,941</b>	<b>20,989</b>	<b>22,472</b>	<b>23,591</b>	<b>24,732</b>	<b>25,761</b>	<b>26,745</b>	<b>27,707</b>	<b>28,670</b>

**Vistra Corp**  
Income Statement

<b>Fiscal Years Ending Dec. 31</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025E</b>	<b>2026E</b>	<b>2027E</b>	<b>2028E</b>	<b>2029E</b>	<b>2030E</b>	<b>2031E</b>	<b>2032E</b>	<b>2033E</b>	<b>2034E</b>
<b>Operating revenues</b>	13,728	14,779	17,224	18,731	19,941	20,989	22,472	23,591	24,732	25,761	26,745	27,707	28,670
Fuel, purchased power costs, and delivery fees	(10,401)	(7,557)	(7,285)	(8,750)	(9,315)	(9,805)	(10,498)	(11,020)	(11,553)	(12,034)	(12,494)	(12,943)	(13,393)
Operating costs	(1,645)	(1,702)	(2,414)	(2,342)	(2,494)	(2,625)	(2,810)	(2,950)	(3,093)	(3,221)	(3,344)	(3,465)	(3,585)
Depreciation and amortization	(1,596)	(1,502)	(1,843)	(2,180)	(2,375)	(2,303)	(2,193)	(2,087)	(1,987)	(1,891)	(1,799)	(1,712)	(1,628)
Selling, general, and administrative expenses	(1,189)	(1,308)	(1,601)	(1,674)	(1,782)	(1,875)	(2,008)	(2,108)	(2,210)	(2,302)	(2,390)	(2,476)	(2,562)
Impairment of long-lived and other assets	(74)	(49)	-	-	-	-	-	-	-	-	-	-	-
<b>Operating income (loss)</b>	<b>(1,177)</b>	<b>2,661</b>	<b>4,081</b>	<b>3,785</b>	<b>3,975</b>	<b>4,381</b>	<b>4,964</b>	<b>5,425</b>	<b>5,889</b>	<b>6,313</b>	<b>6,718</b>	<b>7,111</b>	<b>7,502</b>
Hedging and other income	117	257	312	339	361	380	407	427	448	467	484	502	519
Other deductions	(4)	(14)	(21)	(20)	(22)	(23)	(24)	(26)	(27)	(28)	(29)	(30)	(31)
Interest expense and related charges	(368)	(740)	(900)	(1,098)	(534)	(560)	(611)	(488)	(557)	(540)	(539)	(540)	(542)
Impacts of Tax Receivable Agreement	(128)	(164)	(5)	(6)	(7)	(9)	(10)	(12)	(15)	(18)	(21)	(26)	(31)
Equity in earnings of unconsolidated investment	-	-	-	-	-	-	-	-	-	-	-	-	-
Net income (loss) before income taxes	(1,560)	2,000	3,467	3,000	3,774	4,170	4,725	5,326	5,738	6,194	6,613	7,018	7,417
Income tax (expense) benefit	350	(508)	(655)	(620)	(891)	(985)	(1,115)	(1,258)	(1,355)	(1,462)	(1,561)	(1,657)	(1,751)
<b>Net income (loss)</b>	<b>(1,210)</b>	<b>1,492</b>	<b>2,812</b>	<b>2,380</b>	<b>2,883</b>	<b>3,186</b>	<b>3,609</b>	<b>4,069</b>	<b>4,384</b>	<b>4,732</b>	<b>5,052</b>	<b>5,361</b>	<b>5,666</b>
<b>Less net income attributable to:</b>													
Noncontrolling interest	(17)	1	(153)	(111)	(113)	(115)	(118)	(120)	(123)	(125)	(128)	(130)	(133)
Vistra	(1,227)	1,493	2,659	2,269	2,770	3,070	3,491	3,949	4,261	4,607	4,924	5,231	5,534
Preferred stock	(150)	(150)	(192)	(196)	(200)	(204)	(208)	(212)	(216)	(221)	(225)	(229)	(234)
<b>Vistra common stock</b>	<b>(1,377)</b>	<b>1,343</b>	<b>2,467</b>	<b>2,073</b>	<b>2,570</b>	<b>2,866</b>	<b>3,284</b>	<b>3,737</b>	<b>4,045</b>	<b>4,386</b>	<b>4,699</b>	<b>5,001</b>	<b>5,300</b>
<b>Weighted average common stock outstanding:</b>	<b>422</b>	<b>370</b>	<b>345</b>	<b>325</b>	<b>308</b>	<b>291</b>	<b>284</b>	<b>284</b>	<b>284</b>	<b>284</b>	<b>284</b>	<b>284</b>	<b>284</b>
Net income per share	(3.26)	3.63	7.16	6.37	8.36	9.84	11.56	13.16	14.24	15.44	16.55	17.61	18.66
Dividends per share	(0.71)	(0.85)	(0.88)	(0.90)	(0.93)	(1.09)	(1.28)	(1.46)	(1.58)	(1.71)	(1.84)	(1.95)	(2.07)
Total dividends paid	(302.00)	(313.00)	(305.00)	(292.75)	(285.11)	(318.02)	(364.31)	(414.59)	(448.75)	(486.63)	(521.35)	(554.89)	(587.97)

Vistra Corp  
Balance Sheet

Fiscal Years Ending Dec. 31	2022	2023	2024	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E
<b>Assets</b>													
Current assets:													
Cash and cash equivalents	455	3,485	1,188	830	2,124	3,809	2,809	8,049	10,806	14,456	18,314	22,388	26,680
Restricted cash - current	37	40	28	73	188	337	248	711	955	1,278	1,619	1,979	2,358
Trade accounts receivable - net	2,059	1,674	1,982	2,252	2,397	2,523	2,702	2,836	2,973	3,097	3,215	3,331	3,447
Income taxes receivable	27	6	8	7	11	12	13	15	16	18	19	20	21
Inventories	570	740	970	884	941	990	1,060	1,113	1,167	1,216	1,262	1,307	1,353
Commodity and other derivative contractual assets - current	4,538	3,645	2,587	2,687	2,791	2,898	3,010	3,126	3,247	3,372	3,503	3,638	3,778
Margin deposits related to commodity contracts	3,137	1,244	406	1,074	1,116	1,159	1,204	1,250	1,298	1,348	1,400	1,455	1,511
Margin deposits posted under affiliate financing agreement	-	439	435	-	-	-	-	-	-	-	-	-	-
Prepaid expense and other current assets	293	364	515	422	449	473	506	531	557	580	603	624	646
<b>Total current assets</b>	<b>11,116</b>	<b>11,637</b>	<b>8,119</b>	<b>8,230</b>	<b>10,017</b>	<b>12,201</b>	<b>11,553</b>	<b>17,633</b>	<b>21,021</b>	<b>25,366</b>	<b>29,935</b>	<b>34,742</b>	<b>39,794</b>
Restricted cash - non current	33	14	6	28	73	130	96	276	370	495	627	767	914
Investments	1,729	2,035	4,512	2,710	2,552	2,625	2,730	2,633	3,022	3,252	3,543	3,858	4,195
Investment in unconsolidated subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	-
Operating lease right-of-use assets	51	50	106	107	103	98	94	89	85	81	77	73	69
Property, plant and equipment - net	12,554	12,432	18,173	18,268	17,713	16,867	16,057	15,284	14,545	13,840	13,168	12,526	11,915
Goodwill	2,583	2,583	2,807	2,807	2,807	2,807	2,807	2,807	2,807	2,807	2,807	2,807	2,807
Identifiable intangible assets - net	1,958	1,864	2,213	1,982	1,815	1,743	1,692	1,658	1,658	1,658	1,658	1,658	1,658
Commodity and other derivative contractual assets - non current	702	577	740	769	798	829	861	894	929	965	1,002	1,041	1,081
Deferred income tax assets	1,710	1,223	9	-	-	-	-	-	-	-	-	-	-
Other noncurrent assets	351	551	1,085	670	713	751	804	844	884	921	956	991	1,025
<b>Total assets</b>	<b>32,787</b>	<b>32,966</b>	<b>37,770</b>	<b>35,570</b>	<b>36,591</b>	<b>38,051</b>	<b>36,694</b>	<b>42,117</b>	<b>45,321</b>	<b>49,384</b>	<b>53,773</b>	<b>58,463</b>	<b>63,457</b>
<b>Liabilities</b>													
Current liabilities:													
Short-term borrowings	650	-	-	-	-	-	-	-	-	-	-	-	-
Accounts receivable securitization program	425	-	750	-	-	-	-	-	-	-	-	-	-
Long-term debt due currently	38	2,286	880	885	1,792	3,427	27	2,177	1,632	1,632	1,632	1,632	1,632
Forward repurchase obligation due currently	-	-	703	781	669	-	-	-	-	-	-	-	-
Trade accounts payable	1,556	1,147	1,510	1,752	1,865	1,963	2,102	2,206	2,313	2,409	2,501	2,591	2,681
Commodity and other derivative contractual liabilities - current	6,610	5,258	3,351	3,480	3,615	3,754	3,899	4,050	4,206	4,368	4,537	4,712	4,894
Margin deposits related to commodity contracts	39	45	49	48	50	52	54	56	58	61	63	66	68
Accrued income taxes	-	-	-	-	-	-	-	-	-	-	-	-	-
Accrued taxes other than income	199	203	209	290	308	325	348	365	382	398	414	429	443
Accrued interest	160	206	193	331	161	169	184	147	168	163	163	163	163
Asset retirement obligations - current	128	124	142	109	109	109	109	109	-	-	-	-	-
Operating lease liabilities	8	7	13	15	14	13	13	12	12	11	10	10	9
Other current liabilities	524	547	632	754	803	845	905	950	996	1,038	1,077	1,116	1,155
<b>Total current liabilities</b>	<b>10,337</b>	<b>9,823</b>	<b>8,432</b>	<b>8,446</b>	<b>9,387</b>	<b>10,658</b>	<b>7,641</b>	<b>10,073</b>	<b>9,768</b>	<b>10,080</b>	<b>10,397</b>	<b>10,718</b>	<b>11,047</b>
Margin deposits financing with affiliate	-	439	435	-	-	-	-	-	-	-	-	-	-
Long-term debt, less amounts due currently	11,933	12,116	15,418	14,246	14,069	13,892	13,795	13,606	13,651	13,636	13,660	13,708	13,780
Forward repurchase obligation, less amounts due currently	-	-	632	-	-	-	-	-	-	-	-	-	-
Long-term operating lease liabilities	45	48	98	99	96	91	87	83	79	75	71	68	65
Commodity and other derivative contractual liabilities - non current	1,726	1,688	1,367	1,420	1,475	1,531	1,591	1,652	1,716	1,782	1,851	1,922	1,996
Deferred income tax liabilities	1	1	697	697	697	696	696	696	696	696	695	695	695
Tax Receivable Agreement obligation	514	164	14	-	-	-	-	-	-	-	-	-	-
Asset retirement obligations - non current	2,309	2,414	3,936	3,905	3,926	3,806	3,624	3,450	3,284	3,126	2,974	2,830	2,692
Other noncurrent liabilities and deferred credits	1,004	951	1,158	1,594	1,697	1,786	1,912	2,008	2,105	2,192	2,276	2,358	2,440
<b>Total liabilities</b>	<b>27,869</b>	<b>27,644</b>	<b>32,187</b>	<b>30,407</b>	<b>31,345</b>	<b>32,461</b>	<b>29,346</b>	<b>31,567</b>	<b>31,298</b>	<b>31,587</b>	<b>31,925</b>	<b>32,299</b>	<b>32,714</b>
<b>Equity</b>													
Common stock	9,933	10,100	9,440	9,461	9,481	9,502	9,512	9,512	9,512	9,512	9,512	9,512	9,512
Preferred stock	2,000	2,476	2,476	2,476	2,476	2,476	2,476	2,476	2,476	2,476	2,476	2,476	2,476
Treasury stock	(3,395)	(4,662)	(5,912)	(8,021)	(10,131)	(12,240)	(13,295)	(13,295)	(13,295)	(13,295)	(13,295)	(13,295)	(13,295)
Retained earnings	(3,643)	(2,613)	(454)	1,326	3,611	6,159	9,079	12,401	15,997	19,896	24,074	28,520	33,232
Accumulated other comprehensive loss	7	6	20	20	20	20	20	20	20	20	20	20	20
<b>Stockholders' equity</b>	<b>4,902</b>	<b>5,307</b>	<b>5,570</b>	<b>5,261</b>	<b>5,457</b>	<b>5,917</b>	<b>7,792</b>	<b>11,114</b>	<b>14,710</b>	<b>18,610</b>	<b>22,787</b>	<b>27,234</b>	<b>31,945</b>
Noncontrolling interest in subsidiary	16	15	13	(98)	(211)	(327)	(444)	(565)	(687)	(812)	(940)	(1,070)	(1,202)
<b>Total equity</b>	<b>4,918</b>	<b>5,322</b>	<b>5,583</b>	<b>5,163</b>	<b>5,246</b>	<b>5,590</b>	<b>7,347</b>	<b>10,549</b>	<b>14,023</b>	<b>17,797</b>	<b>21,848</b>	<b>26,164</b>	<b>30,743</b>
<b>Total liabilities and equity</b>	<b>32,787</b>	<b>32,966</b>	<b>37,770</b>	<b>35,570</b>	<b>36,591</b>	<b>38,051</b>	<b>36,694</b>	<b>42,117</b>	<b>45,321</b>	<b>49,384</b>	<b>53,773</b>	<b>58,463</b>	<b>63,457</b>

**Vistra Corp**  
**Historical Cash Flow Statement**

<b>Fiscal Years Ending Dec. 31</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
<b>Operating activities:</b>						
Net income (loss)	926	624	(1,264)	(1,210)	1,492	2,812
Adjustments to cash provided by (used in) operating activities:						
Depreciation and amortization	1,876	2,048	2,050	2,047	1,956	2,631
Deferred income tax expense (benefit), net	281	230	(475)	(359)	457	607
Gain on sale of land	-	-	-	(8)	(95)	-
Impairment of long-lived and other assets	-	356	71	74	49	-
Loss on disposal of investment in NELP	-	29	-	-	-	-
Unrealized net (gain) loss from mark-to-market valuations of commodities	(696)	(231)	759	2,510	(490)	(1,155)
Unrealized net (gain) loss from mark-to-market valuations of interest rate swaps	220	155	(134)	(250)	36	(53)
Unrealized net gain from nuclear decommissioning trusts	-	-	-	-	-	(116)
Change in asset retirement obligation liability	(48)	7	(5)	13	27	38
Asset retirement obligation accretion expense	53	43	38	34	34	114
Impacts of Tax Receivable Agreement	37	(5)	(53)	128	164	5
Impacts of Tax Receivable Agreement	-	-	-	-	(29)	(10)
Bad debt expense	82	110	110	179	164	183
Stock-based compensation	47	65	47	63	77	100
Other, net	(12)	(22)	41	(79)	103	(89)
Changes in operating assets and liabilities:						
Accounts receivable - trade	(88)	(33)	(228)	(852)	214	(242)
Inventories	(44)	(59)	(100)	36	(174)	(31)
Accounts payable - trade	(221)	(40)	402	94	(350)	19
Commodity and other derivative contractual assets and liabilities	98	27	32	(228)	82	(175)
Margin deposits, net	170	(20)	(1,000)	(1,874)	1,899	842
Uplift securitization proceeds receivable from ERCOT	-	-	(544)	544	-	-
Accrued interest	80	(20)	13	16	46	-
Accrued taxes	(4)	22	(20)	(8)	5	(18)
Accrued employee incentive	1	39	(68)	21	58	(1)
Tax Receivable Agreement payment	(2)	-	(2)	(1)	-	8
Asset retirement obligation settlement	(121)	(118)	(88)	(87)	(81)	(88)
Major plant outage deferral	(19)	2	2	20	(32)	(91)
Other - net assets	(22)	219	(27)	(17)	84	(616)
Other - net liabilities	142	(91)	237	(329)	(243)	(111)
<b>Cash provided by (used in) operating activities</b>	<b>2,736</b>	<b>3,337</b>	<b>(206)</b>	<b>485</b>	<b>5,453</b>	<b>4,563</b>
<b>Investing activities:</b>						
Capital expenditures, including nuclear fuel purchases and LTSA prepayments	(713)	(1,259)	(1,033)	(1,301)	(1,676)	(2,078)
Energy Harbor acquisition (net of cash acquired)	-	-	-	-	-	(3,065)
Ambit acquisition (net of cash acquired)	(506)	-	-	-	-	-
Crius acquisition (net of cash acquired)	(374)	-	-	-	-	-
Cash acquired in the Merger	-	-	-	-	-	-
Proceeds from sales of nuclear decommissioning trust fund securities	431	433	483	670	601	2,216
Investments in nuclear decommissioning trust fund securities	(453)	(455)	(505)	(693)	(624)	(2,239)
Proceeds from sales of environmental allowances	197	165	392	1,275	500	773
Purchases of environmental allowances	(322)	(504)	(605)	(1,303)	(1,071)	(1,226)
Insurance proceeds	6	35	89	39	-	196
Proceeds from sales of property, plant, and equipment, including nuclear fuel	17	24	30	78	115	150
Other, net	-	(11)	(4)	(4)	10	(3)
<b>Cash used in investing activities</b>	<b>(1,717)</b>	<b>(1,572)</b>	<b>(1,153)</b>	<b>(1,239)</b>	<b>(2,145)</b>	<b>(5,276)</b>
<b>Financing activities:</b>						
Issuances of preferred stock	-	-	2,000	-	-	-
Issuances of long-term debt	6,507	-	1,250	1,498	2,498	3,817
Repayments/repurchases of debt	(7,109)	(1,008)	(381)	(251)	(33)	(2,287)
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)	750
Borrowings under Revolving Credit Facility	650	1,075	1,450	1,750	100	50
Repayments under Revolving Credit Facility	(300)	(1,425)	(1,450)	(1,500)	(350)	(50)
Borrowings under Commodity-Linked Facility	-	-	-	3,150	-	1,802
Repayments under Commodity-Linked Facility	-	-	-	(2,750)	(400)	(1,802)
Debt issuance costs	(203)	(17)	(13)	(31)	(59)	(76)
Share repurchases	(656)	-	(471)	(1,949)	(1,245)	(1,266)
Dividends paid to common stockholders	(243)	(266)	(290)	(302)	(313)	(305)
Dividends paid to preferred stockholders	-	-	-	(151)	(150)	(173)
Dividends paid to noncontrolling and redeemable noncontrolling interest holders	-	-	-	-	-	(180)
Payment for acquisition of noncontrolling interest	-	-	-	-	-	(1,748)
TRA Repurchase and tender offer - return of capital	-	-	-	-	-	(122)
Other, net	6	(5)	(21)	31	83	(14)
<b>Cash provided by (used in) financing activities</b>	<b>(1,237)</b>	<b>(1,796)</b>	<b>2,274</b>	<b>(80)</b>	<b>(294)</b>	<b>(1,604)</b>
Net change in cash, cash equivalents and restricted cash	(218)	(31)	915	(834)	3,014	(2,317)
Cash, cash equivalents and restricted cash - beginning balance	693	475	444	1,359	525	3,539
Cash, cash equivalents and restricted cash - ending balance	475	444	1,359	525	3,539	1,222

**Vistra Corp**  
**Forecasted Cash Flow Statement**

<b>Fiscal Years Ending Dec. 31</b>	<b>2025E</b>	<b>2026E</b>	<b>2027E</b>	<b>2028E</b>	<b>2029E</b>	<b>2030E</b>	<b>2031E</b>	<b>2032E</b>	<b>2033E</b>	<b>2034E</b>
<b>Operating Activities</b>										
Net Income	2,073	2,570	2,866	3,284	3,737	4,045	4,386	4,699	5,001	5,300
Depreciation and amortization	2,180	2,375	2,303	2,193	2,087	1,987	1,891	1,799	1,712	1,628
Deferred income tax assets	9	-	-	-	-	-	-	-	-	-
Deferred income tax liabilities	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
Tax Receivable Agreement obligation	(14)	-	-	-	-	-	-	-	-	-
<b>Changes in working capital:</b>										
Trade accounts receivable - net	(270)	(146)	(126)	(178)	(134)	(137)	(124)	(118)	(116)	(116)
Income taxes receivable	1	(3)	(1)	(2)	(2)	(1)	(1)	(1)	(1)	(1)
Inventories	86	(57)	(49)	(70)	(53)	(54)	(49)	(46)	(45)	(45)
Commodity and other derivative contractual assets - current	(100)	(104)	(108)	(112)	(116)	(121)	(125)	(130)	(135)	(140)
Margin deposits related to commodity contracts	(668)	(41)	(43)	(45)	(46)	(48)	(50)	(52)	(54)	(56)
Margin deposits posted under affiliate financing agreement	435	-	-	-	-	-	-	-	-	-
Prepaid expense and other current assets	93	(27)	(24)	(33)	(25)	(26)	(23)	(22)	(22)	(22)
Accounts receivable securitization program	(750)	-	-	-	-	-	-	-	-	-
Trade accounts payable	242	113	98	139	105	107	96	92	90	90
Commodity and other derivative contractual liabilities - current	129	134	140	145	151	156	162	169	175	182
Margin deposits related to commodity contracts	(1)	2	2	2	2	2	2	2	2	3
Accrued income taxes	-	-	-	-	-	-	-	-	-	-
Accrued taxes other than income	81	19	16	23	17	18	16	15	15	15
Accrued interest	138	(170)	8	16	(37)	21	(5)	(0)	0	1
Asset retirement obligations - current	(33)	-	-	-	-	(109)	-	-	-	-
Other current liabilities	122	49	42	60	45	46	41	40	39	39
Operating lease liabilities	2	(0)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(0)
Long-term operating lease liabilities	1	(3)	(5)	(4)	(4)	(4)	(4)	(4)	(3)	(3)
Other noncurrent liabilities and deferred credits	436	103	89	126	95	97	88	84	82	82
Asset retirement obligations - non current	(31)	20	(119)	(182)	(174)	(166)	(159)	(151)	(145)	(138)
Commodity and other derivative contractual assets - non current	(29)	(30)	(31)	(32)	(33)	(35)	(36)	(37)	(39)	(40)
Commodity and other derivative contractual liabilities - non current	53	55	57	59	61	64	66	69	71	74
Margin deposits financing with affiliate	(435)	-	-	-	-	-	-	-	-	-
<b>Net cash provided by operating activities</b>	<b>3,750</b>	<b>4,858</b>	<b>5,114</b>	<b>5,386</b>	<b>5,674</b>	<b>5,841</b>	<b>6,172</b>	<b>6,405</b>	<b>6,627</b>	<b>6,850</b>
<b>Investing activities:</b>										
Investments	1,802	158	(73)	(105)	97	(389)	(230)	(292)	(315)	(336)
Investment in unconsolidated subsidiary	-	-	-	-	-	-	-	-	-	-
Operating lease right-of-use assets	(1)	3	5	5	5	4	4	4	4	4
Property, plant and equipment	(2,275)	(1,820)	(1,456)	(1,383)	(1,314)	(1,248)	(1,186)	(1,127)	(1,070)	(1,017)
Goodwill	-	-	-	-	-	-	-	-	-	-
Identifiable intangible assets	231	167	72	51	34	-	-	-	-	-
Other noncurrent assets	415	(43)	(37)	(53)	(40)	(41)	(37)	(35)	(34)	(34)
<b>Net cash provided by (used in) investing activities</b>	<b>173</b>	<b>(1,535)</b>	<b>(1,490)</b>	<b>(1,485)</b>	<b>(1,218)</b>	<b>(1,674)</b>	<b>(1,448)</b>	<b>(1,449)</b>	<b>(1,416)</b>	<b>(1,384)</b>
<b>Financing activities:</b>										
Short-term borrowings	-	-	-	-	-	-	-	-	-	-
Long-term debt due currently	5	907	1,635	(3,400)	2,150	(545)	-	-	-	-
Forward repurchase obligation due currently	78	(112)	(669)	-	-	-	-	-	-	-
Long-term debt, less amounts due currently	(1,172)	(178)	(177)	(97)	(189)	45	(14)	24	48	73
Forward repurchase obligation, less amounts due currently	(632)	-	-	-	-	-	-	-	-	-
Common stock	21	21	21	10	-	-	-	-	-	-
Preferred stock	-	-	-	-	-	-	-	-	-	-
Treasury stock	(2,109)	(2,109)	(2,109)	(1,055)	-	-	-	-	-	-
Accumulated other comprehensive loss	-	-	-	-	-	-	-	-	-	-
Noncontrolling interest in subsidiary	(111)	(113)	(115)	(118)	(120)	(123)	(125)	(128)	(130)	(133)
Dividends paid	(293)	(285)	(318)	(364)	(415)	(449)	(487)	(521)	(555)	(588)
<b>Net cash used in financing activities</b>	<b>(4,213)</b>	<b>(1,870)</b>	<b>(1,734)</b>	<b>(5,023)</b>	<b>1,426</b>	<b>(1,071)</b>	<b>(626)</b>	<b>(625)</b>	<b>(637)</b>	<b>(648)</b>
<b>Net change in cash, cash equivalents and restricted cash</b>	<b>(290)</b>	<b>1,453</b>	<b>1,891</b>	<b>(1,122)</b>	<b>5,882</b>	<b>3,095</b>	<b>4,098</b>	<b>4,331</b>	<b>4,574</b>	<b>4,818</b>
Continuing operations - beginning of year	1,222	932	2,385	4,276	3,154	9,036	12,131	16,229	20,560	25,134
<b>Continuing operations - end of year</b>	<b>932</b>	<b>2,385</b>	<b>4,276</b>	<b>3,154</b>	<b>9,036</b>	<b>12,131</b>	<b>16,229</b>	<b>20,560</b>	<b>25,134</b>	<b>29,952</b>

Vistra Corp  
Common Size Income Statement

Fiscal Years Ending Dec. 31	2022	2023	2024	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E
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, and delivery fees	-75.76%	-51.13%	-42.30%	-46.71%	-46.71%	-46.71%	-46.71%	-46.71%	-46.71%	-46.71%	-46.71%	-46.71%	-46.71%
Operating costs	-11.98%	-11.52%	-14.02%	-12.50%	-12.50%	-12.50%	-12.50%	-12.50%	-12.50%	-12.50%	-12.50%	-12.50%	-12.50%
Depreciation and amortization	-11.63%	-10.16%	-10.70%	-11.64%	-11.91%	-10.97%	-9.76%	-8.85%	-8.03%	-7.34%	-6.73%	-6.18%	-5.68%
Selling, general, and administrative expenses	-8.66%	-8.85%	-9.30%	-8.94%	-8.94%	-8.94%	-8.94%	-8.94%	-8.94%	-8.94%	-8.94%	-8.94%	-8.94%
Impairment of long-lived and other assets	-0.54%	-0.33%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Operating income (loss)	-8.57%	18.01%	23.69%	20.21%	19.94%	20.87%	22.09%	23.00%	23.81%	24.51%	25.12%	25.67%	26.17%
Hedging and other income	0.85%	1.74%	1.81%	1.81%	1.81%	1.81%	1.81%	1.81%	1.81%	1.81%	1.81%	1.81%	1.81%
Other deductions	-0.03%	-0.09%	-0.12%	-0.11%	-0.11%	-0.11%	-0.11%	-0.11%	-0.11%	-0.11%	-0.11%	-0.11%	-0.11%
Interest expense and related charges	-2.68%	-5.01%	-5.23%	-5.86%	-2.68%	-2.67%	-2.72%	-2.07%	-2.25%	-2.09%	-2.02%	-1.95%	-1.89%
Impacts of Tax Receivable Agreement	-0.93%	-1.11%	-0.03%	-0.03%	-0.04%	-0.04%	-0.05%	-0.05%	-0.06%	-0.07%	-0.08%	-0.09%	-0.11%
Equity in earnings of unconsolidated investment	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%
Net income (loss) before income taxes	-11.36%	13.53%	20.13%	16.02%	18.92%	19.87%	21.02%	22.58%	23.20%	24.04%	24.73%	25.33%	25.87%
Income tax (expense) benefit	2.55%	-3.44%	-3.80%	-3.31%	-4.47%	-4.69%	-4.96%	-5.33%	-5.48%	-5.68%	-5.84%	-5.98%	-6.11%
Net income (loss)	-8.81%	10.10%	16.33%	12.71%	14.46%	15.18%	16.06%	17.25%	17.72%	18.37%	18.89%	19.35%	19.76%
Less net income attributable to:													
Noncontrolling interest	-0.12%	0.01%	-0.89%	-0.59%	-0.57%	-0.55%	-0.52%	-0.51%	-0.50%	-0.49%	-0.48%	-0.47%	-0.46%
Vistra	-8.94%	10.10%	15.44%	12.11%	13.89%	14.63%	15.54%	16.74%	17.23%	17.88%	18.41%	18.88%	19.30%
Preferred stock	-1.09%	-1.01%	-1.11%	-1.05%	-1.00%	-0.97%	-0.92%	-0.90%	-0.87%	-0.86%	-0.84%	-0.83%	-0.82%
Vistra common stock	-10.03%	9.09%	14.32%	11.07%	12.89%	13.66%	14.61%	15.84%	16.35%	17.03%	17.57%	18.05%	18.48%

**Vistra Corp**  
*Common Size Balance Sheet*

Fiscal Years Ending Dec. 31	2022	2023	2024	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E
<b>Assets</b>													
Current assets:													
Cash and cash equivalents	1.39%	10.57%	3.15%	2.33%	5.81%	10.01%	7.66%	19.11%	23.84%	29.27%	34.06%	38.30%	42.04%
Restricted cash - current	0.11%	0.12%	0.07%	0.21%	0.51%	0.88%	0.68%	1.69%	2.11%	2.59%	3.01%	3.38%	3.72%
Trade accounts receivable - net	6.28%	5.08%	5.25%	6.33%	6.55%	6.63%	7.36%	6.73%	6.56%	6.27%	5.98%	5.70%	5.43%
Income taxes receivable	0.08%	0.02%	0.02%	0.02%	0.03%	0.03%	0.04%	0.04%	0.04%	0.04%	0.03%	0.03%	0.03%
Inventories	1.74%	2.24%	2.57%	2.48%	2.57%	2.60%	2.89%	2.64%	2.58%	2.46%	2.35%	2.24%	2.13%
Commodity and other derivative contractual assets - current	13.84%	11.06%	6.85%	7.55%	7.63%	7.62%	8.20%	7.42%	7.16%	6.83%	6.51%	6.22%	5.95%
Margin deposits related to commodity contracts	9.57%	3.77%	1.07%	3.02%	3.05%	3.05%	3.28%	2.97%	2.86%	2.73%	2.60%	2.49%	2.38%
Margin deposits posted under affiliate financing agreement	0.00%	1.33%	1.15%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Prepaid expense and other current assets	0.89%	1.10%	1.36%	1.19%	1.23%	1.24%	1.38%	1.26%	1.23%	1.18%	1.12%	1.07%	1.02%
<b>Total current assets</b>	<b>33.90%</b>	<b>35.30%</b>	<b>21.50%</b>	<b>23.14%</b>	<b>27.37%</b>	<b>32.06%</b>	<b>31.49%</b>	<b>41.87%</b>	<b>46.38%</b>	<b>51.36%</b>	<b>55.67%</b>	<b>59.43%</b>	<b>62.71%</b>
Restricted cash - non current	0.10%	0.04%	0.02%	0.08%	0.20%	0.34%	0.26%	0.65%	0.82%	1.00%	1.17%	1.31%	1.44%
Investments	5.27%	6.17%	11.95%	7.62%	6.97%	6.90%	7.44%	6.25%	6.67%	6.58%	6.59%	6.60%	6.61%
Investment in unconsolidated subsidiary	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	0.16%	0.15%	0.28%	0.30%	0.28%	0.26%	0.26%	0.21%	0.19%	0.16%	0.14%	0.12%	0.11%
Property, plant and equipment - net	38.29%	37.71%	48.11%	51.36%	48.41%	44.33%	43.76%	36.29%	32.09%	28.03%	24.49%	21.43%	18.78%
Goodwill	7.88%	7.84%	7.43%	7.89%	7.67%	7.38%	7.65%	6.66%	6.19%	5.68%	5.22%	4.80%	4.42%
Identifiable intangible assets - net	5.97%	5.65%	5.86%	5.57%	4.96%	4.58%	4.61%	3.94%	3.66%	3.36%	3.08%	2.84%	2.61%
Commodity and other derivative contractual assets - non current	2.14%	1.75%	1.96%	2.16%	2.18%	2.18%	2.35%	2.12%	2.05%	1.95%	1.86%	1.78%	1.70%
Deferred income tax assets	5.22%	3.71%	0.02%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Other noncurrent assets	1.07%	1.67%	2.87%	1.88%	1.95%	1.97%	2.19%	2.00%	1.95%	1.87%	1.78%	1.69%	1.62%
<b>Total assets</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>
<b>Liabilities</b>													
Current liabilities:													
Short-term borrowings	1.98%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Accounts receivable securitization program	1.30%	0.00%	1.99%	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	0.12%	6.93%	2.33%	2.49%	4.90%	9.01%	0.07%	5.17%	3.60%	3.31%	3.04%	2.79%	2.57%
Forward repurchase obligation due currently	0.00%	0.00%	1.86%	2.20%	1.83%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Trade accounts payable	4.75%	3.48%	4.00%	4.93%	5.10%	5.16%	5.73%	5.24%	5.10%	4.88%	4.65%	4.43%	4.23%
Commodity and other derivative contractual liabilities - current	20.16%	15.95%	8.87%	9.78%	9.88%	9.87%	10.63%	9.62%	9.28%	8.85%	8.44%	8.06%	7.71%
Margin deposits related to commodity contracts	0.12%	0.14%	0.13%	0.14%	0.14%	0.14%	0.15%	0.13%	0.13%	0.12%	0.12%	0.11%	0.11%
Accrued income taxes	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%
Accrued taxes other than income	0.61%	0.62%	0.55%	0.81%	0.84%	0.85%	0.95%	0.87%	0.84%	0.81%	0.77%	0.73%	0.70%
Accrued interest	0.49%	0.62%	0.51%	0.93%	0.44%	0.44%	0.50%	0.35%	0.37%	0.33%	0.30%	0.28%	0.26%
Asset retirement obligations - current	0.39%	0.38%	0.38%	0.31%	0.30%	0.29%	0.30%	0.26%	0.00%	0.00%	0.00%	0.00%	0.00%
Operating lease liabilities	0.02%	0.02%	0.03%	0.04%	0.04%	0.04%	0.03%	0.03%	0.03%	0.02%	0.02%	0.02%	0.01%
Other current liabilities	1.60%	1.66%	1.67%	2.12%	2.20%	2.22%	2.47%	2.26%	2.20%	2.10%	2.00%	1.91%	1.82%
<b>Total current liabilities</b>	<b>31.53%</b>	<b>29.80%</b>	<b>22.32%</b>	<b>23.74%</b>	<b>25.65%</b>	<b>28.01%</b>	<b>20.82%</b>	<b>23.92%</b>	<b>21.55%</b>	<b>20.41%</b>	<b>19.34%</b>	<b>18.33%</b>	<b>17.41%</b>
Margin deposits financing with affiliate	0.00%	1.33%	1.15%	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	36.40%	36.75%	40.82%	40.05%	38.45%	36.51%	37.59%	32.31%	30.12%	27.61%	25.40%	23.45%	21.72%
Forward repurchase obligation, less amounts due currently	0.00%	0.00%	1.67%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Long-term operating lease liabilities	0.14%	0.15%	0.26%	0.28%	0.26%	0.24%	0.24%	0.20%	0.17%	0.15%	0.13%	0.12%	0.10%
Commodity and other derivative contractual liabilities - non current	5.26%	5.12%	3.62%	3.99%	4.03%	4.02%	4.33%	3.92%	3.79%	3.61%	3.44%	3.29%	3.15%
Deferred income tax liabilities	0.00%	0.00%	1.85%	1.96%	1.90%	1.83%	1.90%	1.65%	1.54%	1.41%	1.29%	1.19%	1.10%
Tax Receivable Agreement obligation	1.57%	0.50%	0.04%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Asset retirement obligations - non current	7.04%	7.32%	10.42%	10.98%	10.73%	10.00%	9.88%	8.19%	7.25%	6.33%	5.53%	4.84%	4.24%
Other noncurrent liabilities and deferred credits	3.06%	2.88%	3.07%	4.48%	4.64%	4.69%	5.21%	4.77%	4.64%	4.44%	4.23%	4.03%	3.84%
<b>Total liabilities</b>	<b>85.00%</b>	<b>83.86%</b>	<b>85.22%</b>	<b>85.48%</b>	<b>85.66%</b>	<b>85.31%</b>	<b>79.98%</b>	<b>74.95%</b>	<b>69.06%</b>	<b>63.96%</b>	<b>59.37%</b>	<b>55.25%</b>	<b>51.55%</b>
<b>Equity</b>													
Common stock	30.30%	30.64%	24.99%	26.60%	25.91%	24.97%	25.92%	22.58%	20.99%	19.26%	17.69%	16.27%	14.99%
Preferred stock	6.10%	7.51%	6.56%	6.96%	6.77%	6.51%	6.75%	5.88%	5.46%	5.01%	4.60%	4.24%	3.90%
Common stock	0.02%	0.02%	0.01%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Treasury stock	-10.35%	-14.14%	-15.65%	-22.55%	-27.69%	-32.17%	-36.23%	-31.57%	-29.33%	-26.92%	-24.72%	-22.74%	-20.95%
Additional paid-in-capital	30.28%	30.62%	24.98%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Retained earnings	-11.11%	-7.93%	-1.20%	3.73%	9.87%	16.19%	24.74%	29.44%	35.30%	40.29%	44.77%	48.78%	52.37%
Accumulated other comprehensive loss	0.02%	0.02%	0.05%	0.06%	0.05%	0.05%	0.05%	0.05%	0.04%	0.04%	0.04%	0.03%	0.03%
<b>Stockholders' equity</b>	<b>14.95%</b>	<b>16.10%</b>	<b>14.75%</b>	<b>14.79%</b>	<b>14.91%</b>	<b>15.55%</b>	<b>21.23%</b>	<b>26.39%</b>	<b>32.46%</b>	<b>37.68%</b>	<b>42.38%</b>	<b>46.58%</b>	<b>50.34%</b>
Noncontrolling interest in subsidiary	0.05%	0.05%	0.03%	-0.28%	-0.58%	-0.86%	-1.21%	-1.34%	-1.52%	-1.64%	-1.75%	-1.83%	-1.89%
<b>Total equity</b>	<b>15.00%</b>	<b>16.14%</b>	<b>14.78%</b>	<b>14.52%</b>	<b>14.34%</b>	<b>14.69%</b>	<b>20.02%</b>	<b>25.05%</b>	<b>30.94%</b>	<b>36.04%</b>	<b>40.63%</b>	<b>44.75%</b>	<b>48.45%</b>
<b>Total liabilities and equity</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>

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

Risk-Free Rate	4.15%
Beta	1.21
Equity Risk Premium	5.00%
<b>Cost of Equity</b>	<b>10.20%</b>

**ASSUMPTIONS:**

10-yr US Treasury Bond  
2-yr Weekly Raw Beta  
Henry Fund Consensus

**Cost of Debt:**

Risk-Free Rate	4.15%
Implied Default Premium	1.52%
Pre-Tax Cost of Debt	5.67%
Marginal Tax Rate	24%
<b>After-Tax Cost of Debt</b>	<b>4.33%</b>

10-yr US Treasury Bond  
10-yr Corporate Bond YTM

**Cost of Preferred Stock:**

Annual Pfd. Dividend	192
Price of Pfd. Shares	\$ 1,000
<b>Cost of Preferred:</b>	<b>19.20%</b>

**Market Value of Common Equity:**

Total Shares Outstanding	345
Current Stock Price	\$ 102.69
<b>MV of Equity</b>	<b>35,406.34</b>

**MV Weights**

62.86%

**Market Value of Debt:**

Short-Term Debt	-
Current Portion of LTD	880
Current Portion of Forward Repurchase Obligation	703
Long-Term Debt	15,418
Forward Repurchase Obligation	1,335
PV of Operating Leases	111
<b>MV of Total Debt</b>	<b>18,447.00</b>

32.75%

**Market Value of Preferred Stock:**

Total Shares Outstanding	2476
Price of Pfd. Shares	\$ 1.00
<b>MV of Preferred</b>	<b>2,476.00</b>

4.40%

**Market Value of the Firm**

56,329.34

100.00%

Estimated WACC

8.67%

Vistra Corp  
Value Driver Estimation

Fiscal Years Ending Dec. 31	2022	2023	2024	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E
<b>NOPLAT:</b>													
Operating revenues	13,728	14,779	17,224	18,731	19,941	20,989	22,472	23,591	24,732	25,761	26,745	27,707	28,670
Fuel, purchased power costs, and delivery fees	(10,401)	(7,557)	(7,285)	(8,750)	(9,315)	(9,805)	(10,498)	(11,020)	(11,553)	(12,034)	(12,494)	(12,943)	(13,393)
Operating costs	(1,645)	(1,702)	(2,414)	(2,342)	(2,494)	(2,625)	(2,810)	(2,950)	(3,093)	(3,221)	(3,344)	(3,465)	(3,585)
Depreciation and amortization	(1,596)	(1,502)	(1,843)	(2,180)	(2,375)	(2,303)	(2,193)	(2,087)	(1,987)	(1,891)	(1,799)	(1,712)	(1,628)
Selling, general, and administrative expenses	(1,189)	(1,308)	(1,601)	(1,674)	(1,782)	(1,875)	(2,008)	(2,108)	(2,210)	(2,302)	(2,390)	(2,476)	(2,562)
Impairment of long-lived and other assets	(74)	(49)	-	-	-	-	-	-	-	-	-	-	-
<b>EBITA</b>	<b>(1,177)</b>	<b>2,661</b>	<b>4,081</b>	<b>3,785</b>	<b>3,975</b>	<b>4,381</b>	<b>4,964</b>	<b>5,425</b>	<b>5,889</b>	<b>6,313</b>	<b>6,718</b>	<b>7,111</b>	<b>7,502</b>
Provision for income tax expense (benefit)	(350)	508	655	620	891	985	1,115	1,258	1,355	1,462	1,561	1,657	1,751
+ Tax shield on other deductions	1	3	5	5	5	5	6	6	6	7	7	7	7
+ Tax shield on interest expense and related charges	87	175	212	259	126	132	144	115	132	127	127	127	128
+ Tax shield on impacts of Tax Receivable Agreement	30	39	1	1	2	2	2	3	4	4	5	6	7
+ Tax shield on equity in earnings of unconsolidated	-	-	-	-	-	-	-	-	-	-	-	-	-
- Tax shield on hedging and other income	(28)	(61)	(74)	(80)	(85)	(90)	(96)	(101)	(106)	(110)	(114)	(118)	(123)
Total adjusted taxes	(260)	664	800	805	939	1,034	1,172	1,281	1,390	1,490	1,586	1,679	1,771
Change in deferred tax liability	1	-	696	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
Change in deferred tax asset	(408)	487	1,214	9	-	-	-	-	-	-	-	-	-
<b>NOPLAT</b>	<b>(1,324)</b>	<b>2,484</b>	<b>5,191</b>	<b>2,988</b>	<b>3,037</b>	<b>3,347</b>	<b>3,792</b>	<b>4,144</b>	<b>4,499</b>	<b>4,822</b>	<b>5,132</b>	<b>5,433</b>	<b>5,731</b>
<b>Invested Capital (IC):</b>													
Normal cash	525	565	659	716	763	803	859	902	946	985	1,023	1,060	1,096
Trade accounts receivable - net	2,059	1,674	1,982	2,252	2,397	2,523	2,702	2,836	2,973	3,097	3,215	3,331	3,447
Income taxes receivable	27	6	8	7	11	12	13	15	16	18	19	20	21
Inventories	570	740	970	884	941	990	1,060	1,113	1,167	1,216	1,262	1,307	1,353
Margin deposits related to commodity contracts	3,137	1,244	406	1,074	1,116	1,159	1,204	1,250	1,298	1,348	1,400	1,455	1,511
Margin deposits posted under affiliate financing agreement	-	439	435	-	-	-	-	-	-	-	-	-	-
Prepaid expense and other current assets	293	364	515	422	449	473	506	531	557	580	603	624	646
<b>Total Operating Current Assets</b>	<b>6,611</b>	<b>5,032</b>	<b>4,975</b>	<b>5,356</b>	<b>5,677</b>	<b>5,960</b>	<b>6,345</b>	<b>6,648</b>	<b>6,958</b>	<b>7,244</b>	<b>7,522</b>	<b>7,797</b>	<b>8,074</b>
Accounts receivable securitization program	425	-	750	-	-	-	-	-	-	-	-	-	-
Trade accounts payable	1,556	1,147	1,510	1,752	1,865	1,963	2,102	2,206	2,313	2,409	2,501	2,591	2,681
Commodity and other derivative contractual liabilities - curr	6,610	5,258	3,351	3,480	3,615	3,754	3,899	4,050	4,206	4,368	4,537	4,712	4,894
Margin deposits related to commodity contracts	39	45	49	48	50	52	54	56	58	61	63	66	68
Accrued income taxes	-	-	-	-	-	-	-	-	-	-	-	-	-
Accrued taxes other than income	199	203	209	290	308	325	348	365	382	398	414	429	443
Accrued interest	160	206	193	331	161	169	184	147	168	163	163	163	163
Other current liabilities	524	547	632	754	803	845	905	950	996	1,038	1,077	1,116	1,155
<b>Total Operating Current Liabilities</b>	<b>9,513</b>	<b>7,406</b>	<b>6,694</b>	<b>6,656</b>	<b>6,803</b>	<b>7,108</b>	<b>7,492</b>	<b>7,775</b>	<b>8,124</b>	<b>8,437</b>	<b>8,755</b>	<b>9,076</b>	<b>9,405</b>
<b>Operating working capital</b>	<b>(2,902)</b>	<b>(2,374)</b>	<b>(1,719)</b>	<b>(1,300)</b>	<b>(1,126)</b>	<b>(1,148)</b>	<b>(1,147)</b>	<b>(1,126)</b>	<b>(1,166)</b>	<b>(1,193)</b>	<b>(1,233)</b>	<b>(1,279)</b>	<b>(1,331)</b>
Property, plant and equipment, net	12,554	12,432	18,173	18,268	17,713	16,867	16,057	15,284	14,545	13,840	13,168	12,526	11,915
Identifiable intangible assets - net	1,958	1,864	2,213	1,982	1,815	1,743	1,692	1,658	1,658	1,658	1,658	1,658	1,658
Right of use assets	51	50	106	107	103	98	94	89	85	81	77	73	69
<b>Invested Capital</b>	<b>11,661</b>	<b>11,972</b>	<b>18,773</b>	<b>19,057</b>	<b>18,506</b>	<b>17,560</b>	<b>16,695</b>	<b>15,905</b>	<b>15,122</b>	<b>14,386</b>	<b>13,670</b>	<b>12,978</b>	<b>12,311</b>
<b>Free Cash Flow (FCF):</b>													
NOPLAT	(1,324)	2,484	5,191	2,988	3,037	3,347	3,792	4,144	4,499	4,822	5,132	5,433	5,731
Change in IC	(2,587)	311	6,801	284	(551)	(946)	(864)	(791)	(783)	(736)	(716)	(692)	(667)
<b>FCF</b>	<b>(1,262)</b>	<b>2,173</b>	<b>(1,609)</b>	<b>2,704</b>	<b>3,588</b>	<b>4,293</b>	<b>4,656</b>	<b>4,935</b>	<b>5,281</b>	<b>5,558</b>	<b>5,848</b>	<b>6,125</b>	<b>6,398</b>
<b>Return on Invested Capital (ROIC):</b>													
NOPLAT	(1,324)	2,484	5,191	2,988	3,037	3,347	3,792	4,144	4,499	4,822	5,132	5,433	5,731
Beginning IC	14,248	11,661	11,972	18,773	19,057	18,506	17,560	16,695	15,905	15,122	14,386	13,670	12,978
<b>ROIC</b>	<b>-9.30%</b>	<b>21.30%</b>	<b>43.36%</b>	<b>15.92%</b>	<b>15.93%</b>	<b>18.08%</b>	<b>21.59%</b>	<b>24.82%</b>	<b>28.28%</b>	<b>31.89%</b>	<b>35.67%</b>	<b>39.74%</b>	<b>44.16%</b>
<b>Economic Profit (EP):</b>													
Beginning IC	14,248	11,661	11,972	18,773	19,057	18,506	17,560	16,695	15,905	15,122	14,386	13,670	12,978
x (ROIC - WACC)	-17.97%	12.63%	34.69%	7.24%	7.26%	9.41%	12.92%	16.15%	19.61%	23.21%	27.00%	31.07%	35.48%
<b>EP</b>	<b>(2,560)</b>	<b>1,473</b>	<b>4,153</b>	<b>1,360</b>	<b>1,384</b>	<b>1,742</b>	<b>2,269</b>	<b>2,696</b>	<b>3,119</b>	<b>3,510</b>	<b>3,884</b>	<b>4,247</b>	<b>4,605</b>

**Vistra Corp**
*Discounted Cash Flow (DCF) and Economic Profit (EP) Valuation Models*

CV Growth of NOPLAT	2.50%
CV Year ROIC	44.16%
WACC	8.67%
Cost of Equity	10.20%

<i>Fiscal Years Ending Dec. 31</i>	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E
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**DCF Model:**

Free Cash Flow (FCF)	2,704	3,588	4,293	4,656	4,935	5,281	5,558	5,848	6,125	
Continuing Value (CV)										87,570
PV of FCF	2,489	3,038	3,345	3,338	3,256	3,206	3,105	3,006	2,897	41,422

**Value of Operating Assets:** **69,102**

**Non-Operating Adjustments**

Excess Cash	273
Investments	4,512
Investment in unconsolidated subsidiary	-
Short-term borrowings	-
Long-term debt due currently	880
Forward repurchase obligation due curre	703
Long-term debt, less amounts due curren	15,418
Forward repurchase obligation, less amo	632
Long-term operating lease liabilities	111
Noncontrolling interest in subsidiary	13
Employee stock option plans	304
Asset retirement obligations	4,078

Value of Equity	51,748
Shares Outstanding	345

Intrinsic Value of Last FYE \$ 150.09

**Implied Price as of Today** **\$ 153.67**

**EP Model:**

Economic Profit (EP)	1,360	1,384	1,742	2,269	2,696	3,119	3,510	3,884	4,247	
Continuing Value (CV)										74,593
PV of EP	1,251	1,172	1,357	1,627	1,779	1,894	1,961	1,996	2,009	35,284

Total PV of EP	50,329
Invested Capital (last FYE)	18,773
<b>Value of Operating Assets:</b>	<b>69,102</b>

**Non-Operating Adjustments**

Excess Cash	273
Investments	4,512
Investment in unconsolidated subsidiary	-
Short-term borrowings	-
Long-term debt due currently	880
Forward repurchase obligation due curre	703
Long-term debt, less amounts due curren	15,418
Forward repurchase obligation, less amo	632
Long-term operating lease liabilities	111
Noncontrolling interest in subsidiary	13
Employee stock option plans	304
Asset retirement obligations	4,078

Value of Equity	55,826.1
Shares Outstanding	345
Intrinsic Value of Last FYE	\$ 161.91

**Implied Price as of Today** **\$ 165.78**

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

<b>Fiscal Years Ending</b>	<b>2025E</b>	<b>2026E</b>	<b>2027E</b>	<b>2028E</b>	<b>2029E</b>	<b>2030E</b>	<b>2031E</b>	<b>2032E</b>	<b>2033E</b>	<b>2034E</b>
EPS	\$ 6.37	\$ 8.36	\$ 9.84	\$ 11.56	\$ 13.16	\$ 14.24	\$ 15.44	\$ 16.55	\$ 17.61	\$ 18.66

**Key Assumptions**

CV growth of EPS	2.50%
CV Year ROE	40.15%
Cost of Equity	10.20%

**Future Cash Flows**

P/E Multiple (CV Year)										12.18
EPS (CV Year)										<u>\$ 18.66</u>
Future Stock Price										<u>\$227.26</u>
Dividends Per Share	0.90	0.93	1.09	1.28	1.46	1.58	1.71	1.84	1.95	
Discounted Cash Flows	0.82	0.76	0.82	0.87	0.90	0.88	0.87	0.84	0.82	94.82

Intrinsic Value as of Last FYE \$ 102.39

**Implied Price as of Today**

\$ 104.84
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**Vistra Corp***Relative Valuation Models*

Ticker	Company	Price	EPS		P/E 25	P/E 26
			2025E	2026E		
<b>VST</b>	<b>Vistra Corp</b>	<b>\$ 102.69</b>	<b>\$ 6.37</b>	<b>\$ 8.36</b>	<b>16.1</b>	<b>12.3</b>
AES	AES Corporation	\$ 10.23	\$ 2.15	\$ 2.22	4.76	4.61
CEG	Constellation Energy	\$ 184.94	\$ 9.45	\$ 10.89	19.57	16.98
ETR	Entergy	\$ 79.01	\$ 3.89	\$ 4.35	20.31	18.16
NEE	Nextera Energy	\$ 64.11	\$ 3.67	\$ 3.99	17.47	16.07
NRG	NRG Energy Inc	\$ 85.90	\$ 7.44	\$ 7.90	11.55	10.87
TLN	Talen Energy Corp	\$ 182.62	\$ 7.14	\$ 14.88	25.58	12.27
Average					<b>16.48</b>	<b>13.04</b>

**Implied Relative Value:**

**P/E (EPS25)                      \$ 105.01**

**P/E (EPS26)                      \$ 108.94**

### Key Management Ratios

[illegible]

**Vistra Corp***Valuation of Options Granted under ESOP*

Current Stock Price	\$102.69
Risk Free Rate	4.15%
Current Dividend Yield	0.91%
Annualized St. Dev. of Stock Returns	71.43%

Range of Outstanding Options	Number of Shares	Average Exercise Price	Average Remaining Life (yrs)	B-S Option Price	Value of Options Granted
Range 1	3,600	19.97	3.50	\$ 84.32	\$ 304
Total	3,600	\$ 19.97	3.50	\$ 87.46	<b>\$ 304</b>

Vistra Corp  
Sensitivity Tables

CV Growth of EPS	DDM	Dividend Payout Ratio						
	104.84	-10.79%	-10.89%	-10.99%	-11.09%	-11.19%	-11.29%	-11.39%
	1.75%	97.79	97.85	97.92	97.98	98.04	98.11	98.17
	2.00%	99.94	100.00	100.06	100.13	100.19	100.25	100.31
	2.25%	102.22	102.28	102.34	102.41	102.47	102.53	102.59
	2.50%	104.65	104.71	104.77	104.83	104.90	104.96	105.02
	2.75%	107.24	107.30	107.36	107.43	107.49	107.55	107.61
	3.00%	110.01	110.07	110.13	110.20	110.26	110.32	110.39
	3.25%	112.98	113.04	113.11	113.17	113.23	113.29	113.36

WACC	CV Growth of NOPLAT							
	153.67	1.75%	2.00%	2.25%	2.50%	2.75%	3.00%	3.25%
	8.37%	151.59	155.56	159.85	164.51	169.58	175.12	181.20
	8.47%	148.45	152.25	156.36	160.82	165.66	170.95	176.74
	8.57%	145.39	149.05	152.99	157.25	161.88	166.93	172.45
	8.67%	142.43	145.94	149.71	153.80	158.23	163.05	168.31
	8.77%	139.55	142.92	146.54	150.46	154.70	159.30	164.33
	8.87%	136.75	139.99	143.47	147.22	151.28	155.68	160.48
	8.97%	134.03	137.14	140.48	144.08	147.97	152.18	156.77

Pre-Tax Cost of Debt	Risk Free Rate							
	153.67	4.00%	4.05%	4.10%	4.15%	4.20%	4.25%	4.30%
	5.52%	158.18	157.10	156.02	154.95	153.90	152.85	151.82
	5.57%	157.74	156.66	155.59	154.52	153.47	152.43	151.40
	5.62%	157.30	156.22	155.15	154.10	153.05	152.01	150.99
	5.67%	156.86	155.79	154.72	153.67	152.63	151.60	150.58
	5.72%	156.43	155.36	154.30	153.25	152.21	151.18	150.17
	5.77%	155.99	154.93	153.87	152.83	151.79	150.77	149.76
	5.82%	155.56	154.50	153.45	152.41	151.38	150.36	149.35

Risk Free Rate	Equity Risk Premium							
	153.67	4.25%	4.50%	4.75%	5.00%	5.25%	5.50%	5.75%
	4.00%	178.47	170.79	163.60	156.86	150.53	144.56	138.93
	4.05%	177.16	169.57	162.46	155.79	149.52	143.61	138.03
	4.10%	175.87	168.36	161.33	154.72	148.51	142.66	137.14
	4.15%	174.59	167.17	160.21	153.67	147.52	141.73	136.25
	4.20%	173.33	165.99	159.10	152.63	146.54	140.80	135.38
	4.25%	172.08	164.82	158.00	151.60	145.57	139.88	134.51
	4.30%	170.85	163.66	156.92	150.58	144.61	138.97	133.65