Initiating Coverage:

NuScale Power Corporation ($SMR)

NuScale Burning Cash, Not Fuel

Key Take-away: NuScale ended their Q3 2025 missing earnings consensus of -$0.15 per share at -$1.85, largely due to the recognition of the $495M payment to ENTRA1 (a 15% tranche for the first milestone of the $3B paid throughout the TVA 6GW project). ENTRA1 is NuScale's partner for the commercialization, distribution, and deployment of the company's small modular reactor (SMR) technology.

NuScale expects its 2025 revenue to be $45.03M in 2025, and $140.39M in 2026, potentially driven by the final investment decision in its SMR project with Romanian power company RoPower. Much of NuScale's revenue comes from the increasing influx of engineering contracts for SMR projects that are expected to finish in 2029 at the earliest. In May 2025, the U.S. Nuclear Regulatory Commission (NRC) finalized its review and approved NuScale's Standard Design Approval (SDA), making it the first approved SMR design.

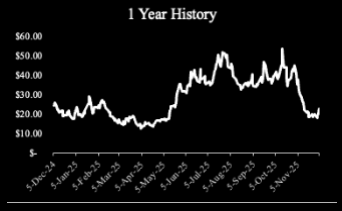
6GW TVA Project: ENTRA1 and the Tennessee Valley Authority (TVA) have a Memorandum of Understanding (early-stage, non-binding agreement) for a 6GW project in TVA territory (includes Tennessee, Alabama, Mississippi, Kentucky, North Carolina, and Virginia). This project would involve the deployment of approximately 72 NuScale Power Modules (NPMs) and up to 6 ENTRA1 plants. NuScale can expect to pay ENTRA1 $3B to accelerate the development work and PPA, and if successful, NuScale would be able to quickly receive the $3B+ back in FCF for a positive NPV on the project. In Q3 2025, they paid $128.5M of the $495M for the first milestone of the project, marked by the signing of the Memorandum of Understanding (MOU) agreement, and can expect to continue paying tranches as the project moves along.

RoPower Investment: NuScale is working with Fluor to support RoPower's goal of developing and employing the first SMR power plant in Romania. The project has been generating revenue from licensing and engineering fees for NuScale, leading to positive cash flow for the company. This would be a 6-module project with 462MWe of output with a deployment target of 2029. The first phase of the Front-End Engineering and Design (FEED) Study was completed in 2023, focusing on the preliminary engineering and design analysis of the Doicești site. Phase 2 started in Q3 2024 and is scheduled for completion in Q4 2025, with the Romanian Government's FID coming in late 2026 or early 2027, dependent on the cost analysis, safety report, project schedule, and licensing and permitting.

Valuation: We initiate coverage with a $10.25 PT.

Consortium Research Group
Energy & Sustainability | Nuclear
December 5th, 2025

Stock Rating:	Underweight
Price Target:	$10.25
Price:	$21.38
Potential Upside/Downside:	51.80%
Ticker:	$SMR



E&S Coverage Team

Analyst
Sam Toledano
Rice University
st122@rice.edu

Company Overview

Company Description: NuScale's mission is to provide scalable and advanced nuclear technology to produce electricity, heat, and clean water to improve the quality of life for people around the world. They have made significant steps toward commercializing the first SMR in the U.S. and are the only company with an SMR design approved by the NRC. In terms of generating revenues, NuScale only has one major customer paying them for engineering and licensing: RoPower. Currently, NuScale is losing money from the TVA agreement because it is still very early stages, and they have already paid ENTRA1 part of the $495M first-milestone sum to accelerate the PPA process.

Sensitivity of Projects: So far, no SMR project has even broken ground in the U.S., mostly due to very high costs. NuScale's 2023 flagship project in Idaho was canceled after inflation, high material prices, and interest-rate hikes, which led to skyrocketing cost projections and partner withdrawals. From 2016 to 2020 alone, project costs increased by 75% from $5.3B to $9.3B. Additionally, NuScale's commercialization strategy relies heavily on ENTRA1, Fluor (39% equity holder), and other investors/partners who may have diverging interests; these inputs are not easily replaceable. The current Partnerships Milestone Agreement (PMA) with ENTRA1 may result in incremental outlays in the near term without guaranteeing revenue generation, which is even more of a burden on the company's current negative cash flow.

NuScale Power Module: The NuScale Power Module (NPM) is NuScale's flagship product using factory-fabricated modules. It is the only SMR module design to have received approval from the NRC, based on pressurized water-cooled reactor technology and the ability to generate 77MWe per module. NPMs provide always-on, carbon-free baseload energy and are approved for on- and off-grid operation. One of the major features of the module is that modules can be added incrementally, with the first module generating electricity while additional modules are being installed. Additionally, they are resistant to severe weather, electromagnetic pulse, and cyber-attacks.

Industry Overview

U.S. & Foreign Investment: The U.S. DOE recently put $900M on the table to push SMRs "from design to reality". However, the cash is only enough to be used to help with front-end licensing, permitting, and initial manufacturing, with the need for extra capital for the actual construction remaining. This problem may be fixed by the U.S.-Japan agreement, where Japan committed up to $550B to U.S. infrastructure and energy, with some of this potentially going into SMR investments.

Long Timeline: It takes a large amount of time and capital to complete a nuclear reactor project. The last two nuclear reactors in the U.S. opened in Georgia in 2023 and 2024, both seven years late and double the original budget. There had only been one other nuclear reactor built in the U.S. in the past 30 years. The design approval process for NuScale took eight years on its own, and SMRs have stayed 5 to 10 years away for over a decade, with zero U.S. projects ever breaking ground.

Existing SMRs: Currently, three reactors are operating around the world that are reported to be "small reactors". Two of them are in China, and one of them is in Russia, powering a remote Arctic region, both fitting the definition of SMRs very loosely. There are not currently any SMRs in North America, but MIT professor of Nuclear Science and Engineering Jacopo Buongiorno believes the first SMR likely to be built in North America is from BWRX (a longstanding nuclear company) at the Darlington nuclear site in Canada for a 300MWe facility with an expected completion in 2030.

Peer Comparisons

Comparable Companies					
$mm					
Ticker	**Mkt Cap**	**EV**	**P/E LTM**	**Revenue LTM**	**EBITDA LTM**
GE Vernova Inc. (NYSE:GEV)	$163,221	$0	98.0x	$37,670	$2,935
Fukuta Electric & Machinery Co., Ltd. (TPEX:4	$134	$0	125.8x	$44	$8
Bloom Energy Corporation (NYSE:BE)	$24,834	$0	NM	$1,819	$141
Energiekontor AG (XTRA:EKT)	$559	$0	13.9x	$145	$88
NuScale Power Corporation	$6,510	$0	NM	$64	-$135

Ticker	**LTM EV/Revenue**	**Gross Margin**	**EBITDA Margin**	**EBIT Margin**	**1 Yr Rev Growth Rate LF**
GE Vernova Inc. (NYSE:GEV)	4.2x	19.7%	7.8%	5.4%	5.1%
Fukuta Electric & Machinery Co., Ltd. (TPEX:4	3.4x	26.9%	17.5%	(0.5%)	(23.2%)
Bloom Energy Corporation (NYSE:BE)	14.2x	31.2%	7.8%	4.9%	10.5%
Energiekontor AG (XTRA:EKT)	6.7x	90.1%	60.5%	42.6%	(47.7%)
NuScale Power Corporation	65.5x	66.8%	(210.5%)	(365.8%)	62.4%
High	65.50x	90.1%	60.5%	42.6%	62.4%
75th Percentile	14.20x	66.8%	17.5%	5.4%	10.5%
Average	18.80x	46.9%	-23.4%	-62.7%	1.4%
Median	6.70x	31.2%	7.8%	4.9%	5.1%
25th Percentile	4.20x	26.9%	7.8%	-0.5%	-23.2%
Low	3.40x	19.7%	-210.5%	-365.8%	-47.7%

NuScale Power Corporation Relative Valuation		
Implied Enterprise Value (25th Percentile)	$	268
Implied Enterprise Value (Median)	**$**	**428**
Implied Enterprise Value (75th Percentile)	$	907
Implied Share Price (25th Percentile)	$	2.23
Implied Share Price (Median)	**$**	**2.76**
Implied Share Price (75th Percentile)	$	4.34

Source: S&P Capital IQ

Investment Theses

More Costly than Large Reactors: If the U.S. DOE's $900M investment were to all go to one company, it would not even be enough to deploy one unit, according to MIT professor Jacopo Buongiorno. He expects that SMRs will be more expensive than a large reactor, and it is a "mathematical certainty." This already leaves the company overvalued by investors who believe that, because they are smaller and factory-built, everything is easier. The high cost of SMRs could likely lead to negative NPV or very low margin projects for NuScale, or potentially abandonment or cancellation. The RoPower FID could potentially fall through, causing lower investor sentiment. Even if the project were to be continued, chances are, NuScale would have very slim margins due to the high input costs. Additionally, with NuScale's $3B payment plan for the TVA project, it is a very early-stage agreement that can still fall through, leaving the company with lower credibility and more costs to recover from.

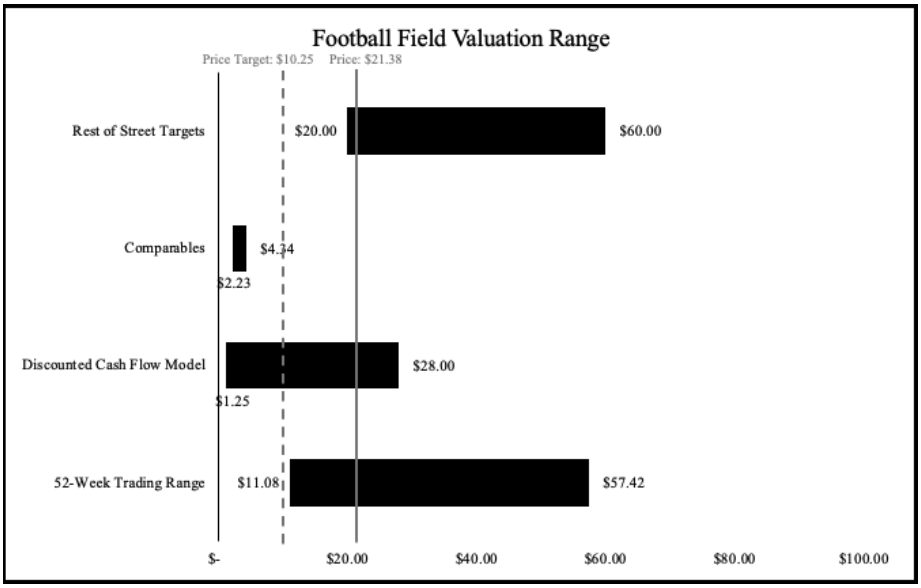
Uncertainty of SMRs: There is currently not a single SMR in the US to date, but the media writes about SMRs as if they exist, saying they are "cheap and safe" without evidence, according to Former NRC Chair Allison Macfarlane, causing investors to overvalue the technology. The nuclear industry has a history of delays, and NuScale had a major cancellation due to the volatility of input prices. The process of building nuclear plants is also heavily regulated, with only three new reactors passing all stages and being built in the past 30 years in the U.S. The design approval gives them potential for a large amount of market power, especially with the need for carbon-free energy for AI data centers, bringing in interest from investors. However, none of the projects NuScale is involved in has reached a final investment decision, yet they are receiving high costs with very poor

operational efficiency. Additionally, with them still being so early with none of them having broken ground, there is still a high chance for further regulatory hurdles, increased costs, and project delays.

Existing Competition: Doosan, a major investor in NuScale, recently signed a deal with Fermi America to supply Westinghouse's large AP1000 reactors for a data center project in Texas. The Westinghouse AP1000 also satisfies the goal of connecting a large amount of energy to the grid without needing as much capital expenditure. Many of the components of the reactors are made in factories, like NuScale, and then they are put together on the construction site. They have a simplified design and passive safety systems, and another major advantage they have over NuScale's SMRs is that they already exist and are in operation. SMRs are also projected to have a higher cost of electricity since they are not as scalable because of the need for smaller, yet very complicated, parts.

Price Target & Valuation

Our analysis gives ($SMR) a price target of $10.25 and an Underweight rating.



Potential Downsides to Our Rating

Market Power: NuScale Power Corporation is the only SMR producer to have an SDA from the NRC on its SMR design. There is a high chance that if they successfully commercialize their SMRs, NuScale would drive all future success of SMRs. Although more expensive, being the only company with an approved design, customers may be more willing to pay a higher price. This would make it easier for NuScale to sell modules to ENTRA1 at a higher price to then be passed on to the customer.

AI Boom: There is currently more demand than supply of energy due to the AI boom in the U.S. Data centers need energy and prefer clean energy to operate for many years to come. Investors believe that SMRs would be easier to mass produce to eventually roll out at a faster pace than larger nuclear reactors, which are currently the easiest way to get large amounts of clean energy. Additionally, NuScale is gaining support from the government, which will most likely put more money into projects.

Pending Deals: NuScale already has multiple deals lined up, and if the FID for RoPower comes through, it would open the doors for future SMR companies and prove that it is possible to commercialize. Once their first SMR is built and successful, it will lead to more finished deals, likely the one they have in the works with the TVA. With a higher ability to generate FCF, NuScale would be able to cut costs and make its business more scalable.

Our Price Target: $10.25

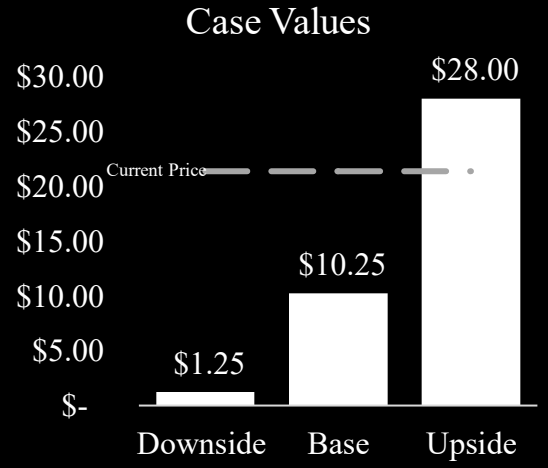
Our PT is based on a blended TGR of 3.5% and an EV/Revenue Exit Multiple of 6.7x because the company is still young and growth oriented. This case assumes that projects with RoPower and the TVA are finished with little to no delays and more projects using NuScale's modules, eventually leading to a positive EBIT by 2031.

Our Upside Case: $28.00

Our upside case is based on a blended 4.5% TGR and an 8.7x EV/Revenue Exit Multiple. This case assumes successful completion of the TVA and RoPower projects with high margins and many new projects taken on by the firm through 2035, with extremely high revenue growth.

Our Downside Case: $1.25

Our downside case is based on a blended 2.5% TGR and a 4.5x EV/Revenue Exit Multiple. The downside case assumes completion of the RoPower and TVA projects, but with delays and increased costs, as well as slightly slower growing revenues than our base case.



Projections

Income Statement ($mm)	2024A	2025E	2026E	2027E	2028E	CAGR%
Revenue	37	40	136	305	547	96.0%
EBITDA	(134)	(821)	(131)	(139)	(69)	-15.2%
EBIT	(136)	(822)	(136)	(152)	(96)	-8.3%
NOPAT	(137)	(825)	(135)	(148)	(92)	-9.6%

Margin & Growth Data	2024A	2025E	2026E	2027E	2028E	AVG%
EBITDA Margin	-360.8%	-2075.9%	-96.0%	-45.6%	-12.6%	-518.2%
EBIT Margin	-365.8%	-2079.0%	-100.0%	-50.0%	-17.5%	-522.4%
Revenue Growth	62.4%	6.8%	244.4%	123.5%	79.6%	103.3%
EBIT Growth	-50.8%	507.0%	-83.4%	11.7%	-37.2%	69.5%

Valuation Metrics	2024A	2025E	2026E	2027E	2028E	AVG%
P/FCF	-48.1x	-7.9x	-49.5x	-45.6x	-77.4x	-45.7x
EV/Sales	165.5x	154.9x	45.0x	20.1x	11.2x	79.3x
EV/EBITDA	-45.9x	-7.5x	-46.9x	-44.2x	-88.9x	-46.7x
FCF Yield	-2.1%	-12.6%	-2.0%	-2.2%	-1.3%	-1.1%

About $SMR

NuScale Power, founded in 2007, operates as a nuclear-technology company. It develops and commercializes small modular reactors designed to provide flexible, carbon-free baseload power. The company's activities span reactor design, module development, licensing, and customer deployment support, with operations centered in the U.S. and international partnerships that distinguish it as the first SMR developer to receive U.S. NRC design certification. NuScale's core purpose is to deliver safe, scalable, and affordable clean-energy solutions to help meet global decarbonization and reliability needs.

Disclosures & Ratings

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Appendix

NuScale Power Corporation
Discounted Cash Flow

Active Case:	**2 Base**
Current Share Price	$21.38

DCF Analysis ($mm)

	FY2020 12/31/20	FY2021 12/31/21	FY2022 12/31/22	FY2023 12/31/23	FY2024 12/31/24	FY2025 12/31/2025	FY2026 12/31/26	FY2027 12/31/27	FY2028 12/31/28	FY2029 12/31/29	FY2030 12/31/30	FY2031 12/31/31	FY2032 12/31/32	FY2033 12/31/33	FY2034 12/31/34	FY2035 12/31/35
Stub						0.93	1.93	2.93	3.93	4.93	5.93	6.93	7.93	8.93	9.93	10.93
Discount Period						0.04	0.57	1.57	2.57	3.57	4.57	5.57	6.57	7.57	8.57	9.57
Revenue	1	3	12	23	37	40	136	305	547	874	1,223	1,559	1,870	2,150	2,365	2,543
Revenue Growth	*0%*	*377%*	*312%*	*93%*	*62%*	*7%*	*244%*	*123%*	*80%*	*60%*	*40%*	*27%*	*20%*	*15%*	*10%*	*7%*
Power Plant and NPM r -			11	21	36	38	135	303	545	872	1,221	1,557	1,868	2,149	2,363	2,541
Energy Exploration Centers			0	1	0	1	1	1	2	2	2	2	2	2	2	2
Other			1	1	0	0	0	0	0	0	0	0	0	0	0	0
EBIT	(159)	(174)	(230)	(276)	(136)	(822)	(136)	(152)	(96)	(87)	(61)	156	374	430	473	509
EBIT Margin	*-26467%*	*-6090%*	*-1948%*	*-1208%*	*-366%*	*-2079%*	*-100%*	*-50%*	*-18%*	*-10%*	*-5%*	*10%*	*20%*	*20%*	*20%*	*20%*
Tax Expense	0	0	0	0	2	2	(1)	(4)	(4)	(5)	(4)	14	39	51	64	76
Effective Tax Rate	*0%*	*0%*	*0%*	*0%*	*-1%*	*0%*	*1%*	*3%*	*4%*	*6%*	*7%*	*9%*	*10%*	*12%*	*13%*	*15%*
NOPAT	(158.80)	(174.30)	(230.00)	(275.60)	(137.44)	(824.77)	(134.90)	(148.38)	(91.76)	(82.44)	(56.73)	142.19	335.37	378.94	409.45	432.23
D&A	2	2	3	3	2	1	5	14	27	47	71	97	125	153	179	203
Capex	4	2	2	2	0	0	1	5	14	29	50	76	106	139	171	203
Changes in NWC	33	(7)	(9)	3	0	0	1	3	5	9	12	16	19	22	24	25
UFCF					(136)	(824)	(132)	(143)	(84)	(74)	(49)	147	335	372	394	407
PV of FCF						(820)	(123)	(118)	(61)	(47)	(28)	74	149	146	137	125

Weighted Average Cost of Capital ($mm)	
Market Risk Premium	4.33%
Beta	2.09
Risk Free Rate	4.11%
Cost of Equity	13.15%
Weighted Average Cost of Debt	0.00%
Tax Rate	1.00%
Cost of Debt	0.00%
Total Equity	$6,472
Total Debt	$0
Equity/Total Capitalization	100.00%
Debt/Total Capitalization	0.00%
WACC	13.15%

Terminal Value	
Perpetuity Growth Method	
2035 FCF	$407
Growth	3.50%
Terminal Value	$4,363
PV of Terminal Value	$1,337
PV of Projection Period	-$568
PV of Terminal Value	$1,337
Implied TEV	$770
(-) Debt	$0
(+) Cash	$408
Implied Equity Value	$1,177
Basic Shares Outstanding	303
Implied Share Price	$3.89
Upside/Downside	-81.81%

Implied Exit BF EV/Revenue	1.7x

Terminal Value	
Exit Multiple Method	
2035 Revenue	$2,543
EV/Revenue Exit Multiple	6.7x
Terminal Value	$17,035
PV of Terminal Value	$5,222
PV of Projection Period	-$568
PV of Terminal Value	$5,222
Implied TEV	$4,654
(-) Debt	$0
(+) Cash	$408
Implied Equity Value	$5,061
Diluted Shares Outstanding	303
Implied Share Price	$16.72
Upside/Downside	-21.8%

Implied PGR	10.5%

Blended Share Price	
Perpetutity Growth Method	50%
Exit Multiple Method	50%
Blended Share Price	$10.30
Upside/Downside	-51.80%