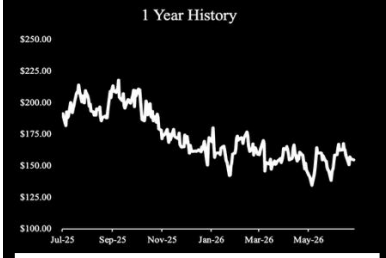
Initiating Coverage:

Vistra Corp ($VST)

Powering the Future of America

Consortium Research Group
Energy | Power & Utility
July 6th, 2026

Stock Rating:	Overweight
Price Target:	$211.00
Price:	$158.86
Potential Upside/Downside:	32.81%
Ticker:	$VST



Key Take-away: Vistra beat expectations on top and bottom-line metrics in its most recent earnings call on May 7. For Q1 2026, Vistra recorded its revenue at $5.64 billion and an EPS of 2.87, exceeding expectations by about 3.5% and 30%, respectively. Despite adjusted EBITDA at $1.494 billion, reflecting a 20% increase YoY, Vistra reaffirmed 2026 with an EBITDA range of $6.8 - $7.6 billion. Vistra is aggressively trying to position itself as the primary power provider for artificial intelligence (AI) data centers, as the broader AI trend continues to develop. It has made power purchase agreements (PPAs) with Meta and Amazon Web Services for 2,600 MW and 1,200 MW of carbon-free nuclear energy for their AI data centers. The company continues to stand well-positioned to provide wholesale energy while engaging with the ongoing developments in the AI field.

Cogentrix Acquisition: On January 5, 2026, Vistra announced the execution of an agreement to acquire Cogentrix Energy from Quantum Capital Group for a net purchase price about $4.0 billion. The deal consists of approximately $2.3 billion in cash, $0.9 billion in stock, and the assumption of $1.5 billion in debt, offset by $0.7 billion in expected tax benefits. Vistra will gain 10 modern natural gas generation facilities, adding approximately 5,500 MW of capacity for Vistra. These facilities will add to Vistra's robust natural gas fleet and allow it to diversify and expand its geographic footprint in the PJM, ISO-NE, and ERCOT power regions, hoping to reach a total generation capacity of about 50,000 MW across the US. Vistra estimates the acquisition to deliver mid-single digit adjusted FCF before growth per share accretion in 2027 and high single-digit accretion on average over 2027-2029.

Providing for Helix Digital Infrastructure: On June 11, 2026, KKR announced the launch of Helix Digital Infrastructure, a $10 billion AI-focused venture, partnering with Nvidia and the Kuwait Investment Authority, with Vistra trusted as Helix's preferred power provider. Helix is designed to deliver integrated infrastructure, serving as a single coordination point for data centers, power, connectivity, and related needs to meet accelerating AI demand. This partnership positions Vistra at the forefront of efforts to solve the power bottleneck for scaling AI data centers by integrating energy supply with future physical data centers. Vistra's investment in Helix creates a unique position as it earns equity returns as a founding investor and establishes itself as a leader in energy solutions.

Valuation: We initiate coverage with a $211.00 PT.

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Company Overview

Company Description: Vistra Corp is an integrated retail and power generation company that provides energy to customers and grids across the United States. Its core mission is to provide affordable energy, with a stated focus on sustainability and grid reliability. Vistra's fleet totals approximately 44,000 megawatts of generation capacity powered mainly by natural gas, coal, and nuclear. Vistra mainly operates in the Texas ERCOT grid and various Eastern grids, including PJM and ISO-NE, where it generates wholesale electricity that it also sells to retail customers in communities across the country.

Integration and Size: Vistra is uniquely integrated in the wholesale and retail sectors, while many of its competitors are focused on one sector. Vistra combines its diversified generation fleet with commercial operations through retail subsidiaries such as TXU Energy. This integration mitigates commodity price volatility and adds stability and predictability to cash flows. Vistra also manages wholesale exposure through its commodity risk management group that dispatches generation in response to market load needs. As one of the largest competitive power producers in the U.S., Vistra holds the second-largest nuclear fleet in the country, yet nuclear comprises only 15% of its net capacity, highlighting Vistra's size and market power.

Powering Artificial Intelligence: Vistra is executing a strategy to position itself as the dominant power provider for AI infrastructure. The foundation was laid with the 2024 acquisition of Energy Harbor, which added four nuclear plants, giving Vistra the second-largest competitive nuclear fleet and unlocking data center demand. In September 2025, Vistra signed a 20-year PPA deal with Amazon Web Services and then signed a similar 20-year PPA deal with Meta in January 2026. These deals include over 1,200 MW and 2,600 MW, respectively, of zero-carbon nuclear energy across, including 433 MW of uprates that represent the largest nuclear uprate program in U.S. history. Recognizing that nuclear alone cannot meet the full needs of data centers, Vistra announced the acquisition of Cogentrix in Q1 2026, adding 5,500 MW of natural gas capacity in Eastern regions. These moves culminated when Vistra was trusted as the power provider in the launch of Helix Digital Infrastructure. Collectively, these moves reflect Vistra's transition into power backbone for AI while continuing to power communities across the country.

Industry Overview

Crisis in the Strait of Hormuz: At the end of February 2026, the Strait of Hormuz closed, triggered by the U.S.-Israeli conflict with Iran. The closure shut down about 20-25% of global oil and 20% of global LNG supply, producing the largest disruption to the global oil and LNG market in history. Energy prices saw volatile movement across the globe, hitting Asian and European economies the hardest as they are most dependent on shipments via Hormuz. Although U.S. domestic natural gas prices have remained relatively insulated, the crisis serves as a reminder that global energy supply remains vulnerable to geopolitical shock and has reshaped how producers approach power generation.

Energy Supply and Demand Amidst AI: U.S. electricity demand is surging with data centers being the primary driver. Hyperscalers are pledging unprecedented commitments as major tech companies have collectively spent hundreds of billions in capital expenditures. Load capacity is projected to roughly double from 80,000 MW in 2025 to about 150,000 MW by 2028 and potentially reach 176,000 MW by 2035. However, supply is struggling to keep up with demand. The Department of Energy projects 104,000 MW of coal and gas retirements by 2030, offset by 209,000 MW of new capacity, but only 10% represents reliable firm baseload. Additionally, there is stress across power grids from AI centers. In PJM, wholesale power costs rose 54% in 2025 and the grid fell 6,625 MW short of its reserve margin target for the third consecutive auction. Although PJM is experiencing the most acute strain, other grids are trending in the same direction.

The Nuclear Appeal: AI data centers hope to source sustainable and carbon-free power as they require massive loads 24/7. Renewable energy such as solar or wind are intermittent and cannot reliably provide power at all times, so hyperscalers have turned to nuclear as the most viable option. Furthermore, government policy is supporting the nuclear pursuit, with the 45U production tax credit in effect. Generators could be credited up to $15 per MWh of nuclear power created. The race to lock in long-term nuclear PPAs with investment-grade counterparties is already underway, with Meta, AWS, and Microsoft all having signed or pursuing multi-decade contracts, totaling several megawatts of committed capacity.

Peer Comparisons

Comparable Companies

$mm

Ticker	Mkt Cap	EV	P/E LTM	Revenue LTM	EBITDA LTM
Constellation Energy Corporation (NasdaqGS:CEG)	$96,510	$118,165	23.1x	$29,867	$7,957
Public Service Enterprise Group Incorporated (NYSE:PEG)	$40,558	$64,524	18.0x	$12,794	$4,795
NRG Energy, Inc. (NYSE:NRG)	$29,044	$52,326	158.2x	$32,384	$2,258
Talen Energy Corporation (NasdaqGS:TLN)	$18,699	$24,497	NM	$3,236	$654
Vistra Corp.	$50,931	$70,223	25.5x	$19,445	$6,790

Ticker	LTM EV/EBITDA	Gross Margin	EBITDA Margin	EBIT Margin	1 Yr Rev Growth Rate LF
Constellation Energy Corporation (NasdaqGS:CEG)	14.9x	22.8%	26.6%	16.8%	8.3%
Public Service Enterprise Group Incorporated (NYSE:PEG)	13.5x	35.4%	37.5%	26.0%	13.1%
NRG Energy, Inc. (NYSE:NRG)	23.2x	16.4%	7.0%	3.6%	9.2%
Talen Energy Corporation (NasdaqGS:TLN)	37.5x	40.1%	20.2%	8.1%	22.0%
Vistra Corp.	10.3x	38.3%	34.9%	19.7%	3.0%
High	37.46x	40.1%	37.5%	26.0%	22.0%
75th Percentile	23.17x	38.3%	34.9%	19.7%	13.1%
Average	19.86x	30.6%	25.2%	14.8%	11.1%
Median	14.85x	35.4%	26.6%	16.8%	9.2%
25th Percentile	13.46x	22.8%	20.2%	8.1%	8.3%
Low	10.34x	16.4%	7.0%	3.6%	3.0%

General Dynamics Valuation		
Implied Enterprise Value (25th Percentile)	$	91,370
Implied Enterprise Value (Median)	**$**	**100,835**
Implied Enterprise Value (75th Percentile)	$	157,350
Implied Share Price (25th Percentile)	$	213.77
Implied Share Price (Median)	**$**	**241.84**
Implied Share Price (75th Percentile)	$	409.45

Source: S&P Capital IQ

Investment Theses

Unrealized Cogentrix Synergies: Vistra has shown a consistent ability to integrate large generation portfolios, realizing over $125 million in run-rate synergies from the Energy Harbor 2024 acquisition and immediate AFCF accretion from the 2025 Lotus acquisition. Cogentrix represents the next step in Vistra's geographic expansion strategy. The acquisition is expected to add 5 facilities in the PJM region, 4 in the NE ISO region and 1 in ERCOT. Vistra has historically found success in ERCOT, but with these additions, their East facilities will outnumber those in Texas. PJM and ISO-NE are two of the most capacity-constrained, and thus highest-priced, markets in the country. Key drivers of Vistra's Q1 2026 success were strong realized revenues, expanded PJM capacity revenues, and Lotus acquisition synergies. Gaining 5 facilities in PJM and 4 in NE-ISO should see an increase in capacity revenues along with strong realized revenues driven by current market conditions. The

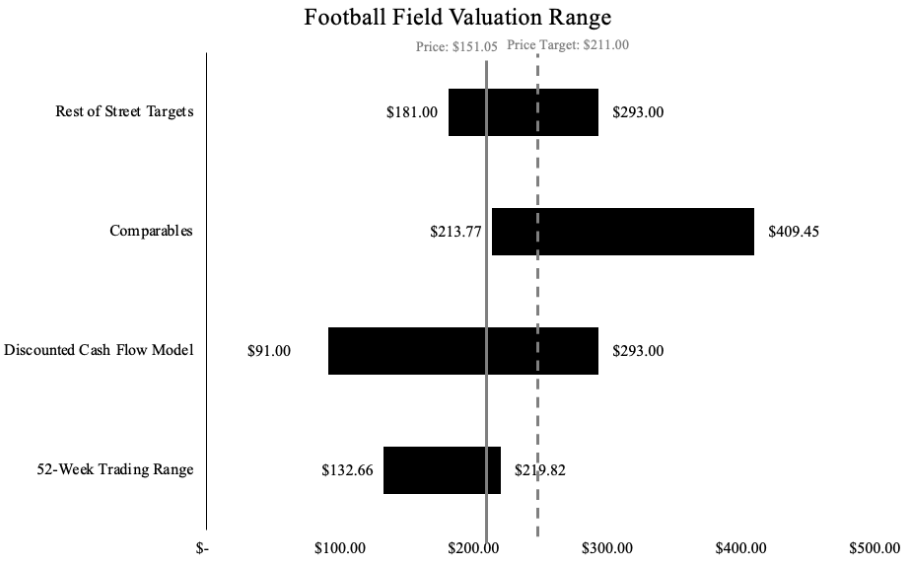
potential for additional revenue or cost synergies present themselves with Cogentrix, and given Vistra's success in past acquisitions, they will be able to effectively integrate Cogentrix's portfolio into their current infrastructure.

Leading Energy Provider for AI: Vistra is aggressively positioning itself as more than just a retail energy provider and is attempting to power the future of AI. It is differentiated as it is the only firm in the U.S. with the scale, fuel diversity, and market presence to offer hyperscalers a single-counterparty solution for energy needs. Competitors like Constellation and Talen are majority nuclear power, which can only provide baseload energy. Essentially, this means that nuclear is only capable of providing a fixed amount of energy without flexibility in the quantity produced. However, demand load needs are not flat, including those for data centers, and competitors' lack of natural gas plants like Vistra sets it apart. Vistra can use nuclear to provide baseload production but then also use natural gas firming to adjust power production to data centers' varying needs, which will compensate for nuclear energy's lack of flexibility. The partnership with Helix Digital Infrastructure is a validation of Vistra's advantage, and it is well positioned to energize the AI paradigm shift. Given that data center load projections have been repeatedly revised upward over the past two years, the long-run power demand tailwind for Vistra may be materially understated in current consensus estimates.

Structurally Increased PJM Revenues: PJM is currently experiencing soaring auction prices from strong data center demand and limited supply. The dramatic price increases have caused the Federal Energy Regulatory Commission to step in and set a price cap of $325/MW-day and a floor of $175/MW-day. This applies to auctions in 2025, 2026, and 2027 to set prices for 2027/2028, 2028/2029, and 2029/2030, respectively. In the previous 3 auctions, the clearing price finished at an average of about $329/MW-day, hitting the readjusted cap in the past 2; the 3 auctions before those averaged about $38/MW-day. Considering the continued strong data center demand, the next two auctions will likely clear near or at the cap. This provides a structural benefit for Vistra as the heightened prices will allow it to realize strong revenues in its East segment until at least 2030. Although there is talk of reform of the PJM price system, it will not come into effect until the 2030/2031 cycle. Reforms aim to stabilize prices for buyers and, in Path A, the most likely scenario, will reduce capacity prices from their current highs, but will likely remain elevated from the $38/MW-day figure considering the change in market conditions.

Price Target & Valuation

Our analysis gives ($VST) a price target of $215.00 and an overweight rating.



Potential Downsides to Our Rating

Synergies Do Not Realize: With an acquisition always comes the risk of dilutive integration. Vistra's acquisition of Cogentrix is no different. While Vistra has had success, Cogentrix is its largest acquisition to date. Delays in integration, unexpected costs, or failure to capture capacity revenue premiums in constrained markets could compress margins and lead to a dilutive acquisition to EPS.

AI Bubble Concerns: The second thesis is strongly tied to sustained hyperscaler commitments to AI data center buildout. If AI investment or interest declines, potentially due to risk-off tech sentiment, Vistra's PPAs are no longer so enchanting. The Helix Digital Infrastructure may turn flat, and a decrease in AI infrastructure spending would harm Vistra's outlook, having started to be repositioned around data center demand.

Potential Grid Capacity Rework: Vistra's capacity revenue upside is dependent on PJM's current market structure, where capacity prices have hit record highs for three consecutive auctions. PJM itself has acknowledged that its market design must be reexamined given resource adequacy challenges. Regulatory measures in PJM that cap capacity prices or restructure the capacity market may compress revenues. Such regulations may also be adopted in other grids and pose further downside risks.

Our Price Target: $211.00

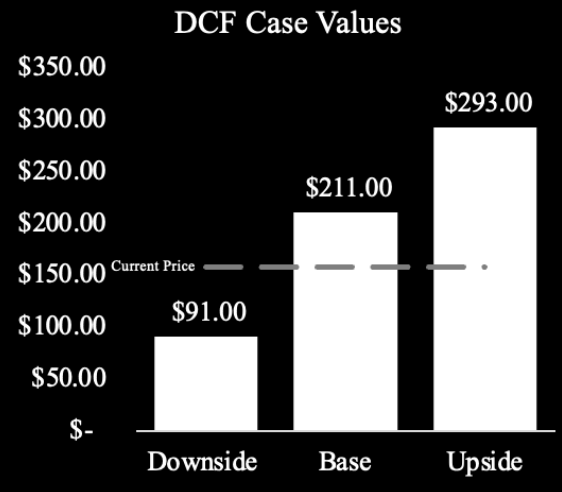
Our PT is based on a 2031 exit multiple of 11.2x for conservatism, considering imperfect peer comparisons. We expect LSD yearly revenue growth and a 2031 EBIT margin of 21.5%. We apply a premium compared to peers due to the company's successful history of integration and the promising outlook of expansion in the East.

Our Upside Case: $293.00

Our upside case is based on the assumptions of mid-single-digit revenue growth, an exit multiple of 13.4x, and an increased 2031 EBIT margin of 24%. This case assumes the Cogentrix synergies beyond expectations along with Vistra's emergence as one of the leaders as a data center energy provider.

Our Downside Case: $91.00

Our downside case is based on revenue decline over the next 5 years, an exit multiple of 8.4x, and a 2031 EBIT margin of 14%. This assumes an initial uptick in revenue growth but fails to see a successful integration of Cogentrix, along with lower margins and a muted prevalence of AI



Projections

Income Statement ($mm)	2025A	2026E	2027E	2028E	2029E	CAGR%
Revenue	17,738	21,842	22,677	23,440	24,165	10.9%
EBITDA	5,228	7,400	7,937	8,145	8,337	16.8%
EBIT	2,213	5,150	4,535	4,776	5,014	31.3%
NOPAT	2,034	782	3,628	3,797	3,961	24.9%

Margin & Growth Data	2025A	2026E	2027E	2028E	2029E	AVG%
EBITDA Margin	29.5%	33.9%	35.0%	34.8%	34.5%	33.5%
EBIT Margin	12.5%	23.6%	20.0%	20.4%	20.8%	19.4%
Revenue Growth	3.0%	23.1%	3.8%	3.4%	3.1%	7.3%
EBIT Growth	-46.3%	132.7%	-11.9%	5.3%	5.0%	17.0%

Valuation Metrics	2025A	2026E	2027E	2028E	2029E	AVG%
P/FCF	14.6x	-38.1x	11.0x	10.2x	9.5x	1.4x
EV/Sales	4.1x	3.2x	3.1x	3.0x	2.9x	3.3x
EV/EBITDA	13.4x	9.5x	8.8x	8.6x	8.4x	9.8x
FCF Yield	6.8%	-2.6%	9.1%	9.8%	10.5%	6.7%

About $VST

Vistra Corp ($VST), founded in 2016, operates as an integrated retail electricity provider and wholesale power generator. The company generates wholesale electricity from a 44,000 MW fleet spanning natural gas, coal, and nuclear. Vistra sells to approximately 5 million residential and commercial customers through retail subsidiaries such as TXU Energy. Vistra's wholesale mainly focuses in Texas's ERCOT and various Eastern grids. Vistra is vertically integrated in the wholesale and retail sectors and will sell its wholesale energy to communities and other customers. Vistra's core objective is to deliver reliable, affordable, and sustainable energy to homes and businesses across America.

Disclosures & Ratings

Consortium Equity Research does not hold any professional relationships with any reported equities. **Overweight** means the analyst team believes the stock price will outperform the coverage industry benchmark (TMT, Healthcare, Industrial, Consumer, FIG, Energy & Sustainability) in the next 6-12 months. **Equal Weight** means the team expects performance in line with the industry benchmark. **Underweight** means the team expects underperformance relative to the industry benchmark.

Appendix

Vistra Corp.
Discounted Cash Flow

Active Case:	**2 Base**
Current Share Price	$158.86

DCF Analysis ($mm)

	FY2020 12/31/20	FY2021 12/31/21	FY2022 12/31/22	FY2023 12/31/23	FY2024 12/31/24	FY2026 12/31/2026	FY2027 12/31/27	FY2028 12/30/28	FY2029 12/30/29	FY2030 12/30/30	FY2031 12/31/31
Stub						1.53	2.53	3.53	4.53	5.53	6.53
Discount Period						(0.26)	(0.03)	0.97	1.97	2.97	3.97
Revenue	**12,077**	**13,728**	**14,779**	**17,224**	**17,738**	**21,842**	**22,677**	**23,440**	**24,165**	**24,847**	**25,480**
Revenue Growth	*0%*	*14%*	*8%*	*17%*	*3%*	*23%*	*4%*	*3%*	*3%*	*3%*	*3%*
Retail	7,871	9,455	10,572	12,797	14,340	15,057	15,433	15,800	16,155	16,499	16,829
Texas	2,790	3,733	3,979	5,394	5,353	7,494	7,719	7,931	8,130	8,312	8,479
East	2,587	3,706	5,890	5,661	6,174	9,570	9,952	10,301	10,610	10,875	11,093
EBIT	**(1,452)**	**(1,103)**	**2,750**	**4,121**	**2,213**	**5,150**	**4,535**	**4,776**	**5,014**	**5,249**	**5,478**
EBIT Margin	*-12%*	*-8%*	*19%*	*24%*	*12%*	*24%*	*20%*	*20%*	*21%*	*21%*	*22%*
Tax Expense	(458)	(350)	508	655	179	4,368	907	979	1,053	1,129	1,205
Effective Tax Rate	*32%*	*32%*	*18%*	*16%*	*8%*	*85%*	*20%*	*21%*	*21%*	*22%*	*22%*
NOPAT	**(994.00)**	**(753.00)**	**2,242.00**	**3,466.00**	**2,034.00**	**781.56**	**3,628.30**	**3,796.78**	**3,961.20**	**4,120.35**	**4,273.01**
D&A	2,014	2,012	1,932	2,685	3,015	2,250	3,402	3,369	3,323	3,261	3,185
Capex	1,033	1,301	1,676	2,078	2,752	3,276	3,515	3,487	3,443	3,385	3,312
Changes in NWC	(1,391)	(2,665)	1,508	(504)	(1,184)	1,092	(1,134)	(1,318)	(1,510)	(1,708)	(1,911)
UFCF	**1,378**	**2,623**	**990**	**4,577**	**3,481**	**(1,337)**	**4,649**	**4,998**	**5,351**	**5,704**	**6,057**
PV of FCF						**(1,367)**	**4,659**	**4,602**	**4,526**	**4,432**	**4,323**

Weighted Average Cost of Capital ($mm)	
Market Risk Premium	4.18%
Beta	1.41
Risk Free Rate	4.57%
Cost of Equity	**7.63%**
Weighted Average Cost of Debt	5.63%
Tax Rate	20.00%
Cost of Debt	**1.22%**
Total Equity	$53,565
Total Debt	$19,292
Equity/Total Capitalization	72.89%
Debt/Total Capitalization	27.11%
WACC	**8.85%**

Terminal Value	
Perpetuity Growth Method	
2031 FCF	$6,057
Growth	2.50%
Terminal Value	$95,313
PV of Terminal Value	$68,034
PV of Projection Period	$21,175
PV of Terminal Value	$68,034
Implied TEV	$89,208
(-) Debt	$19,926
(+) Cash	$634
Implied Equity Value	$69,916
Basic Shares Outstanding	337
Implied Share Price	$207.35
Upside/Downside	30.53%

Implied Exit BF EV/EBITDA	16.3x

Terminal Value	
Exit Multiple Method	
2031 EBITDA	$8,663
EV/EBITDA Exit Multiple	11.2x
Terminal Value	$97,028
PV of Terminal Value	$69,258
PV of Projection Period	$21,175
PV of Terminal Value	$69,258
Implied TEV	$90,433
(-) Debt	$19,926
(+) Cash	$634
Implied Equity Value	$71,141
Diluted Shares Outstanding	337
Implied Share Price	$210.99
Upside/Downside	32.8%

Implied PGR	2.46%

Blended Share Price	
Perpetutity Growth Method	0%
Exit Multiple Method	100%
Blended Share Price	$210.99
Upside/Downside	32.81%