Vistra Corp. (NYSE: VST)

Initiation of coverage | Integrated power: Texas retail, ERCOT and PJM generation, contracted nuclear

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Rating	12-mo target (PW)	5-yr value (PW)	Current	12-mo upside	Expected alpha
BUY	**$152.17**	**$191.21**	**$137.07**	**+11.0%**	**+9.5pp**

Snapshot			
Price / 52-week range	$137.07 / $135-$193	2026E Adj. EBITDA (guidance)	$6.8-7.6bn
Market cap (pro forma shares)	$45.8bn	2027 midpoint opportunity (ex Cogentrix, Meta)	$7.4-7.8bn
Net debt, pro forma (30 Jun + Sep-Oct deals)	$20.2bn	Hedged generation 2027 / 2028	94% / 72%
Preferred (Series B, C)	$1.48bn	NTM FCFbG yield (Base path)	10.0%
EV / 2027E EBITDA (incl. Cogentrix)	8.9x	NTM P/E on consensus	12.6x
Blume beta / cost of equity	1.22 / 11.05%	Implied ERP vs universe	4.85% vs 3.26%
1-year return / from Sep 2025 high	-27.7% / -37.1%	Next print	Q3 2026, Fri 6 Nov 2026

Investment thesis

VST trades at a 10.0% free-cash-flow yield on a 2027 that is 94% hedged. Cogentrix closes this year and adds about $550m of EBITDA. The Meta PPAs ramp to about $316m of premium over merchant by 2028, and the Comanche Peak PPA starts the same year. Hold the yield at today's level and FCFbG per share grows about 10% by October 2027. My 12-month probability-weighted target is $152.17.

The required return on my house market view is 2.1%, so expected alpha is +9.5pp. I rate VST a BUY and would add at or below $142.86. The call fails if Vistra pays full cash taxes two to three years before I model it, or if the AI-power premium unwinds to pre-2024 merchant yields (Deep Bear $81.91).

Framework. I value VST on next-twelve-month FCFbG to common per share at October 2027, divided by a scenario FCFbG yield. Base holds today's yield. GAAP EPS at a hedged generator is mostly mark-to-market, and Vistra guides and allocates capital off FCFbG, so I added this as rule R2b of my rating framework with this note. The rating is expected 12-month alpha against CAPM on my house S&P 500 view. Cross-checks are an EPS leg on the consensus P/E, EV/EBITDA against peers, and a DCF at a 5% ERP, which I use for sizing.

Business overview

Vistra is a vertically integrated generator and retailer. It owns 43,641 MW of capacity before Cogentrix: gas, lignite and coal in ERCOT and PJM, 6,448 MW of nuclear (Comanche Peak in Texas; Beaver Valley, Perry and Davis-Besse in PJM), plus solar and storage. It sells most of that output forward through its own Texas retail book (TXU Energy and sister brands) and through hedges, so reported EBITDA tracks forward curves set one to three years earlier. In the first half of 2026 the fleet generated 100.7 TWh, and Ongoing Operations Adjusted EBITDA was $3,261m: Retail $841m, Texas $897m, East $1,443m, West $124m and corporate $(44)m. Jim Burke is CEO and Kris Moldovan CFO.

Energy margin on hedged volume reprices as hedges roll off. PJM capacity revenue is fixed through May 2029 after the 2028/29 Base Residual Auction cleared at $325/MW-day. The contracted book is new. In January 2026 Vistra signed 20-year PPAs with Meta for 2,176 MW of operating nuclear output from Perry and Davis-Besse plus 433 MW of uprates, with first deliveries late 2026. A 20-year PPA for 1,200 MW at Comanche Peak targets energization at the end of 2027. The nuclear production tax credit puts a floor under nuclear revenue when prices fall.

Capital structure. Pro forma for the September junior subordinated notes ($1.5bn at 7.000% and 7.250%) and the October redemption of the $1bn 8% Series A preferred, gross debt is $21.1bn and net debt $20.2bn. The $1.48bn of Series B (7.0%) and Series C (8.875%) preferred remains. Liquidity was $6.3bn at 30 June. Management targets net leverage below 3x. It has bought back about $6.5bn of stock since November 2021, cutting the share count by about 30%, and plans at least $1bn of repurchases a year ($1.5bn in 2027) plus about $300m of dividends. Pending items:

- Cogentrix: 5.5 GW of gas across PJM, ISO-NE and ERCOT for a net $4.0bn ($2.3bn cash, 5m shares at $185, $1.5bn of assumed debt, less $0.7bn of tax benefits), or 7.25x 2027 EBITDA. FERC approved it in August, and close is expected late 2026.
- A conditional DOE loan of up to $4.2bn for the nuclear uprates (5 October 2026).
- Up to $1bn committed to the KKR Helix fund alongside NVIDIA.

The stock is down 28% on the year and 37% from the September 2025 high.

- ERCOT forwards fell. The Cal-27 North strip traded near $44/MWh in June and kept sliding into October.
- Texas paused to audit data-center grid requests, and ERCOT postponed its Batch Zero study. Management cut its ERCOT load-growth view to 4-6% a year from 5-6%.
- Management said 2027 is trending to the low end of the $7.4-7.8bn midpoint opportunity. Consensus FY2027 EPS fell 8.3% over about 60 days.
- VST fell 9.8% on 22 October with the rest of the AI-power group after Meta's earnings revived capex worries. Burke bought stock at $135-136 in late August and early September, around today's price.

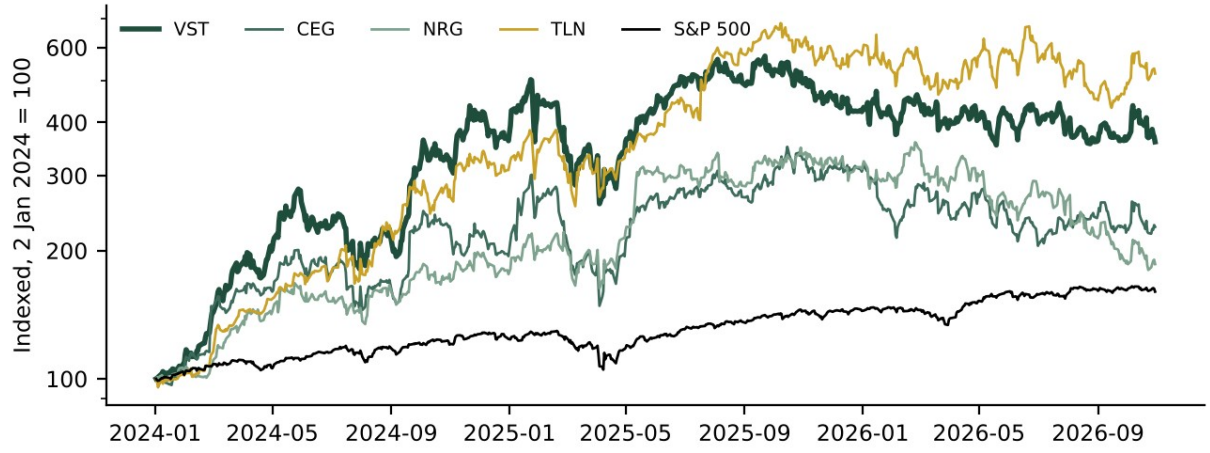

Exhibit 1: VST vs IPP peers and the S&P 500, indexed to 2 January 2024 (log scale). Source: yfinance.

Financial framework and forecast

Core fleet EBITDA is $7,250m in 2026 (management expects at or above the $7.2bn midpoint) and $7,400m in 2027, the low end of the midpoint opportunity. From 2028 it grows 2% a year for retail, capacity and load, and it reprices. Repricing takes the $/MWh change in realized margin against the 2027 hedge book and applies it to volume no longer covered by older hedges: 28% of 170 TWh of merchant volume in 2028 (the unhedged share), 65% in 2029 and all of it from 2030. Base uses -$2.5/MWh in 2028-29 and zero from 2030, when management expects load growth to show up.

Cogentrix enters at its deal case, $552m in 2027. The Meta premium is $18/MWh over merchant on 17.5 TWh, calibrated so that Meta and Cogentrix together match the CFO's "roughly $700 million" add to 2027. Comanche Peak carries a $25/MWh premium on 9.7 TWh from 2028. Uprates start contributing in 2031.

FCFbG follows the company definition: EBITDA less sustaining capex (including nuclear fuel), interest and cash taxes. The 2026 sustaining figure ($1,555m) is a plug to the guidance midpoint. A secondary source cites a $1.54bn 2026 capex guide, close to it.

Cash taxes are the weakest input. Vistra paid $97m in 2025 behind NOLs and production tax credits, and I can't size the remaining shield from the filings. I step the cash tax rate from 3.6% of taxable income in 2026 to 19% by 2031, which takes cash taxes from $150m to about $1.1bn. Nothing else drags FCF growth as much, and it is the only single assumption that flips the rating (Exhibit 10).

Base case, $m	2026E	2027E	2028E	2029E	2030E	2031E
Core fleet EBITDA	7,250	7,400	7,429	7,423	7,853	8,010
Cogentrix	0	552	563	574	585	597
Meta PPA premium	16	142	316	316	316	316
Comanche Peak PPA premium	0	0	242	242	242	242
Uprates	0	0	0	0	0	57
Ongoing Ops Adj. EBITDA	**7,266**	**8,094**	**8,549**	**8,554**	**8,996**	**9,221**
Sustaining capex incl. nuclear fuel	(1,555)	(1,682)	(1,732)	(1,784)	(1,838)	(1,893)
Interest	(1,170)	(1,347)	(1,269)	(1,198)	(1,130)	(1,059)
Cash taxes	(150)	(275)	(507)	(714)	(946)	(1,094)
FCFbG	**4,391**	**4,790**	**5,041**	**4,858**	**5,082**	**5,176**
FCFbG / EBITDA	60%	59%	59%	57%	56%	56%
FCFbG to common (after preferred)	4,216	4,678	4,929	4,745	4,970	5,064
Growth capex incl. uprates	(1,305)	(1,545)	(1,215)	(1,125)	(1,230)	(1,230)
Share repurchases (2026: H2)	(400)	(1,500)	(2,219)	(2,158)	(2,236)	(2,297)
Shares, year-end (m)	337.8	327.7	313.8	301.3	289.3	277.9
FCFbG to common per share ($)	**$12.55**	**$14.06**	**$15.37**	**$15.43**	**$16.83**	**$17.86**
Adjusted EPS, model ($)	$9.14	$10.26	$11.82	$12.41	$14.13	$15.23
Net debt / EBITDA	3.1x	2.7x	2.4x	2.2x	2.0x	1.8x

Exhibit 2: Base-case forecast. 2026 includes no Cogentrix (close assumed 31 December 2026); net debt rises to 3.1x EBITDA at year-end on the acquisition, then falls below the 3x target in 2027. Source: company filings; author estimates.

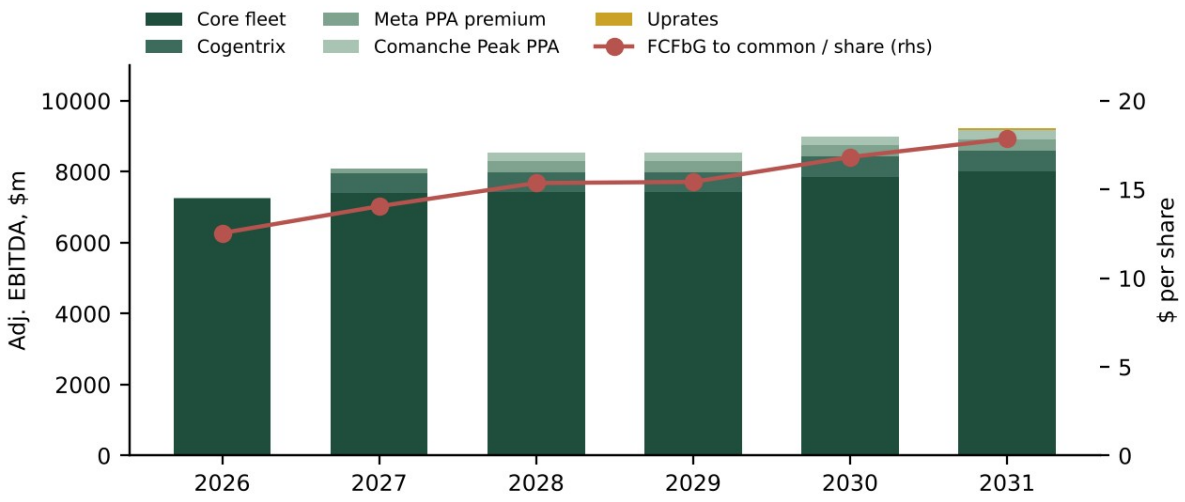

Exhibit 3: Base-case EBITDA by layer and FCFbG to common per share. 2029 is flat because the second repricing year and a 14% cash tax rate land together.

My FY2027 adjusted EPS is $10.26 against consensus $10.36, and FY2026 $9.14 against $9.52, so I run 1-5% below the Street.

Valuation

Framework choice

For an equity with cash flows I would normally lead with a DCF and comps and set the 12-month price off earnings. That fails here. GAAP EPS at a hedged generator is mostly mark-to-market: Q2 2026 net income carried a $472m unrealized hedge loss against $1,767m of Adjusted EBITDA. Vistra also guides to EBITDA and FCFbG, and sets buybacks, dividends and leverage off FCFbG.

The 12-month price is NTM FCFbG to common per share at October 2027 divided by a scenario yield. Base holds today's 10.0%. Other scenarios change the yield only where they name a regime change. The EPS leg is a memo, and the DCF at a 5% ERP is for sizing. There is no FCFbG consensus, so I strike the market yield on my own Base path. The 12-month leg then measures growth in FCF per share from now to the horizon. It does not test whether my level is right; the EPS leg against consensus does that.

What the price implies

At $137.07 VST trades at 10.0x NTM FCFbG to common, 8.9x 2027E EBITDA including Cogentrix, and 12.6x NTM consensus EPS. The reverse DCF on my Base cash flows implies an ERP of 4.85%, against 3.26% for the 94-name large-cap universe I use as the market reference. That is about 159bp cheaper than the market on the same method, and close to the universe's 2013-2025 median of 5.36%. Goldman ran a similar exercise in February and found the price implied about $49/MWh against forwards near $58.

DCF at the house hurdle

Unlevered FCF after all capex and cash taxes, 2027-2036, with a Gordon terminal value. Ke = 4.95% + 1.22 x 5.0% = 11.05%. Beta is Blume-adjusted from the average of 2-year weekly 1.58, 5-year weekly 1.09 and 5-year monthly 1.32. The windows disagree because the 2-year window is all AI-power regime. WACC is 9.03% with a 6.0% pre-tax cost of debt and preferred. At a full 5% ERP the Base DCF is $133.20, about spot. VST is cheap only against the lower discount rate the market applies to everything else. The DCF stays out of the 12-month rating.

DCF ($m)	Deep Bear	Bear	Base	Bull	Transformative
PV of FCF 2027-36	18,907	26,335	33,382	40,371	46,822
PV of terminal value	14,778	23,501	35,940	48,898	63,773
Enterprise value	**33,685**	**49,836**	**69,322**	**89,269**	**110,595**

DCF ($m)	Deep Bear	Bear	Base	Bull	Transformative
Terminal share	44%	47%	52%	55%	58%
Net debt end-2026 (incl. Cogentrix)	(23,104)	(22,972)	(22,839)	(22,751)	(22,706)
Preferred and NCI	(1,488)	(1,488)	(1,488)	(1,488)	(1,488)
Equity value	9,094	25,376	44,996	65,030	86,402
Value per share	**$26.92**	**$75.12**	**$133.20**	**$192.50**	**$255.76**
vs spot	-80.4%	-45.2%	-2.8%	+40.4%	+86.6%

Exhibit 4: DCF by scenario. Probability-weighted (5-year weights) $130.55. Terminal growth 0.5% to 3.0% by scenario; Davis-Besse is licensed to 2037 and Perry to 2046.

WACC \ g	0.0%	0.5%	1.0%	1.5%	2.0%	2.5%	3.0%
7.0%	$163	$173	$185	$200	$217	$238	$264
7.5%	$146	$155	$165	$177	$190	$207	$227
8.0%	$132	$139	$148	$157	$168	$182	$198
8.5%	$120	$126	$133	$141	$150	$161	$173
9.0%	$109	$114	$120	$126	$134	$143	$153
9.5%	$99	$103	$108	$114	$120	$127	$136
10.0%	$90	$94	$98	$103	$108	$114	$121
10.5%	$82	$85	$89	$93	$98	$103	$109
11.0%	$74	$77	$81	$84	$88	$93	$98

Exhibit 5: Base DCF value per share, WACC x terminal growth. Red more than 10% below spot, amber within 10%, sage more than 10% above.

Comparables

2026E, guidance midpoints	Price	Mkt cap $m	EV $m	EV/ EBITDA	P/FCFbG	FCFbG yield	P/E	Beta 2y	1y return
VST	**$137.07**	**45,769**	**67,405**	**9.4x**	**11.0x**	**9.1%**	**14.4x**	**1.58**	**-27.7%**
CEG	$262.02	92,836	111,613	n/a	22.1x	4.5%	21.8x	1.39	-34.7%
NRG	$95.28	20,029	43,909	7.9x	6.6x	15.2%	10.7x	1.41	-46.6%
TLN	$339.61	16,272	25,613	12.1x	12.8x	7.8%	n/a	1.56	-14.8%
Peer median				10.0x	12.8x	7.8%	16.3x	1.41	-34.7%

Exhibit 6: IPP comps. Prices live; shares, debt and cash from the latest 10-Q XBRL; 2026 metrics are guidance midpoints (CEG guides EPS, not EBITDA; its FCFbG is half the $8.4bn 2026-27 guide). VST pro forma for the Sep-Oct capital transactions, before Cogentrix; FCFbG after preferred dividends.

- NRG is cheaper at a 15% 2026 FCFbG yield. It also carries about 4.3x net debt and preferred to EBITDA after the LS Power deal, has a bigger retail and home-services mix, and has no contracted nuclear.
- TLN is 12.8x 2026 FCF, but 10.0x and 8.5x on its own 2027 and 2028 outlooks ($34 and $40 a share), cheaper than VST on that basis.
- CEG at 22x FCFbG shows what the market pays for a mostly contracted nuclear book.

VST sits between merchant and contracted, and I expect the contracted share to rise through 2028. My Bull case moves the yield only 10% of the way toward CEG. On today's numbers VST is fairly priced for a merchant generator with contract optionality. The case for owning it rests on FCF per share stepping up as the contracts start over the next 18 months.

Price targets

12-month scenarios (October 2027)

Scenario	What has to happen	NTM FCF/sh	Yield	Price	Total return	EV/NTM EBITDA	Weight
Deep Bear	ERCOT margins fall $9-11/MWh on repriced volume; Comanche slips to 2030; the AI-power premium unwinds toward pre-2024 merchant yields (yield x1.40).	$11.45	14.0%	$81.91	-39.6%	7.0x	5%
Bear	Texas stays soft (-$5 to -$6/MWh); Comanche slips a year; no	$13.18	11.0%	$120.08	-11.7%	8.0x	20%

Scenario	What has to happen	NTM FCF/sh	Yield	Price	Total return	EV/NTM EBITDA	Weight
	new contracts; priced as pure merchant (yield x1.10).						
Base	2027 at the low end of the midpoint opportunity; -$2.5/MWh repricing in 2028-29; Meta, Cogentrix and Comanche as signed; yield held.	$15.04	10.0%	$150.70	+10.6%	8.6x	50%
Bull	ERCOT recovers by 2029; one more nuclear contract adds $300m from 2029; contracted share re-rates partway toward CEG (x0.90).	$16.23	9.0%	$180.73	+32.5%	9.3x	18%
Transformative	Load growth and contracting at Meta-like terms across the fleet; 2025-style AI-power multiple (x0.75).	$17.30	7.5%	$231.14	+69.3%	10.7x	7%

Exhibit 7: 12-month scenarios. NTM at October 2027 = 25% FY2027 + 75% FY2028 FCFbG to common per share. Market yield 9.98% on the Base path.

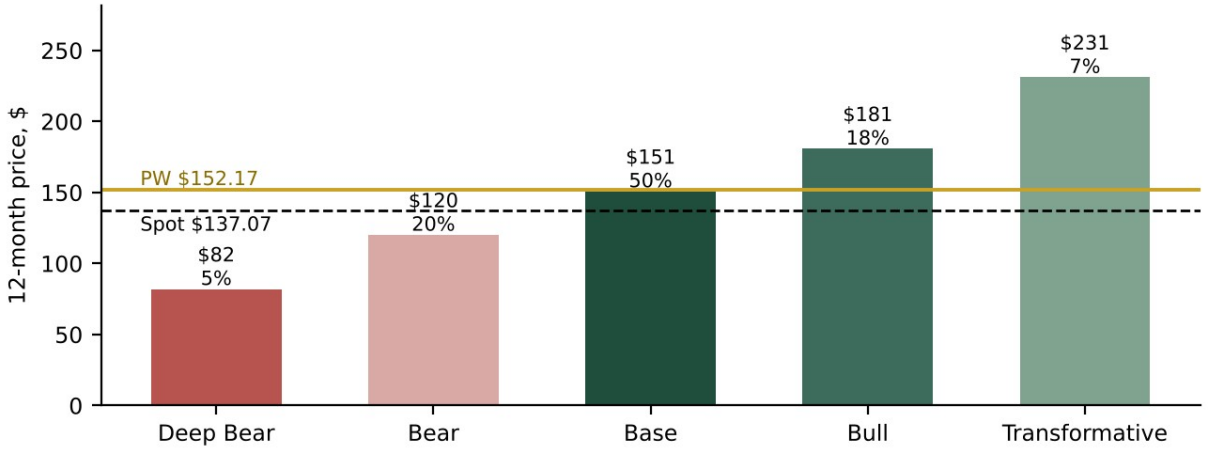

Exhibit 8: 12-month price by scenario with weights, against spot and the probability-weighted target.

12-month output	Value		Rating rule	Value
Probability-weighted target	$152.17		Required return: Rf + beta x (house S&P 500 return - Rf)	2.15%
PW total return incl. dividend	+11.7%		Expected alpha	+9.5pp
Base target	**$150.70**		**Rating (BUY at +5pp, SELL at -5pp)**	**BUY**
P(12-month price below spot)	25%		BUY at or below / SELL at or above	$142.86 / $157.57
Memo: EPS leg PW target	$145.69		Memo: EPS leg alpha	+4.8pp

Exhibit 9: Rating arithmetic. The house S&P 500 view is the October Equities on Stilts update: 7,707 in 12 months plus a 1.2% dividend.

Stilts has the S&P 500 returning about 2.7% over 12 months, below the 4.95% risk-free rate, so a 1.22 beta takes VST's required return down to 2.1%. Against an absolute 11.05% hurdle the same targets give +0.6pp, which is a HOLD. R1 alpha answers whether VST beats the market. The absolute figure is what I would size off, because VST falls harder than the index if the Stilts flush comes.

The EPS leg comes out at +4.8pp, just under BUY. It holds the consensus P/E and anchors my EPS halfway to consensus. My EPS path runs 1-5% below the Street and the anchor closes only half the gap, so the EPS leg starts with a level penalty the FCF leg doesn't carry. The rule rates on the FCF leg. Readers who trust consensus over my model should treat this as a borderline BUY.

Robustness

Change to the model	Rating	Alpha	PW target	BUY at or below
As built	BUY	+9.5pp	$152.17	$142.86
Symmetric weights 10/20/40/20/10	BUY	+9.2pp	$151.75	$142.46
No regime change in Bear/Bull (yield x1.0)	BUY	+8.9pp	$151.32	$142.07
Base 2028-29 margin -$5/MWh	BUY	+8.6pp	$150.88	$141.66

Change to the model	Rating	Alpha	PW target	BUY at or below
All scenarios 2028-30 margin -$4/MWh	BUY	+6.5pp	$147.99	$138.95
Comanche Peak premium $0 (Base)	BUY	+7.6pp	$149.55	$140.41
Meta premium $10 (Base)	BUY	+9.4pp	$151.93	$142.64
Comanche Peak slips to 2029 (Base)	BUY	+7.6pp	$149.55	$140.41
Full cash taxpayer by 2028 (19%)	HOLD	+4.5pp	$145.23	$136.38
Buybacks at $1bn floor only	BUY	+8.4pp	$150.64	$141.43
Raw beta, no Blume (1.33)	BUY	+9.8pp	$152.17	$143.20
Bear weight 30%, Bull 8%	BUY	+5.1pp	$146.11	$137.20
Core 2027 at $7.2bn (Base)	BUY	+10.8pp	$153.90	$144.47

Exhibit 10: Each row changes one input. 12 of 13 hold BUY. Lowering Base 2027 core EBITDA raises alpha because the market yield is struck on the same Base path, so most of a level change cancels.

2028 $/MWh \ yield x	0.75x	0.85x	0.90x	1.00x	1.10x	1.25x	1.40x
($12.0)	$188	$166	$157	$141	$128	$113	$101
($9.0)	$192	$169	$160	$144	$131	$115	$103
($6.0)	$196	$173	$163	$147	$134	$118	$105
($4.0)	$199	$175	$166	$149	$136	$119	$107
($2.5)	$201	$177	$167	$151	$137	$121	$108
($1.0)	$203	$179	$169	$152	$138	$122	$109
$0.0	$204	$180	$170	$153	$139	$123	$109
$2.0	$207	$183	$173	$155	$141	$124	$111
$4.0	$210	$185	$175	$157	$143	$126	$112
$6.0	$213	$188	$177	$159	$145	$128	$114

Exhibit 11: Base 12-month price by 2028 margin change on repriced volume (rows; Base -$2.5/MWh) and yield factor vs market (columns).

Long-horizon scenarios

Five-year values take October 2031 NTM FCFbG to common per share at an absolute exit yield. Exit yields follow my October Equities on Stilts update: about 50% odds that the cycle tops between late 2028 and 2030, and 35% odds of a break before then. Base exits at 10.5%, a little above today's 10.0%. By 2031 cash taxes are close to a full rate, the uprates are coming in at thin returns on a $3.5bn Base cost, and buybacks have cut the share count by about a sixth.

Oct 2031	Deep Bear	Bear	Base	Bull	Transformative
NTM FCFbG to common per share	$7.79	$13.08	$18.91	$26.30	$34.57
Exit FCFbG yield	15.0%	12.5%	10.5%	9.0%	7.5%
5-year value	**$51.95**	**$104.61**	**$180.06**	**$292.22**	**$460.99**
Cumulative dividends 2027-31	$4.70	$4.84	$4.98	$5.20	$5.41
Total-return CAGR	-16.2%	-4.4%	+6.2%	+16.8%	+27.8%
Net debt / EBITDA 2031	3.5x	2.4x	1.8x	1.5x	1.3x
Weight	8%	20%	50%	15%	7%

Exhibit 12: 5-year scenarios. Probability-weighted value $191.21, a 7.4% total-return CAGR from $137.07.

A 7.4% five-year CAGR is thin for a 1.2-1.6 beta name. Most of the upside is in Bull and Transformative, and Deep Bear loses money over five years. The rating is a 12-month call. Over five years this is a position to trade around the cycle.

Key risks

Risk	Severity	Probability	Assessment and mitigant
Q3 print and 2027 guidance (6 Nov)	High	Medium	Management has guided to the low end of $7.4-7.8bn. A number below $7.4bn, or a delayed 2027 update because Cogentrix has not closed, hits the Base level. Earnings-day moves over the last five prints: -2.7% to +2.4%.
ERCOT forward curve keeps	High	Medium	Each further $1/MWh across 2028 repriced volume is about $0.10 per share of NTM FCF

Risk	Severity	Probability	Assessment and mitigant
falling			(about $1 of price). The Bear case covers -$5 to -$6. The nuclear PTC floors about a quarter of volume.
Cash taxes arrive faster	Med-High	Medium	A full cash taxpayer by 2028 is the only single change that flips the rating (HOLD, +4.5pp). The NOL shield is not sized in the filings; the Q4 10-K is the place to check.
Market drawdown (beta)	High	35%	Stilts puts 35% on a break before late 2028. A 1.2-1.6 beta name falls harder than the index. R1 alpha already accounts for it; the exposure shows up in sizing.
AI-capex retrenchment and IPP de-rating	High	Low-Med	22 Oct showed the sensitivity (-9.8% on Meta's capex). Most of the Meta volume is from operating plants on 20-year contracts. That cash flow would hold, but the yield would move toward the Deep Bear case.
Texas data-center policy	Medium	Medium	Governor's audit and ERCOT's Batch Zero delay. Management says Comanche Peak is not expected to be affected; a slip to 2029 costs 1.9pp of alpha.
PJM market design and FERC	Medium	Medium	FERC suspended the reliability backstop auction (29 Sep). The 2029/30 BRA comes in December; a lower clearing price affects 2029+ East capacity revenue.
Uprate returns	Medium	Medium	$3.5bn for 433 MW is about $8,000/kW for about $227m of EBITDA at full delivery, under 7% pre-tax. Returns sit below WACC at the Base cost; the 12-month effect is small because the spend is back-loaded.
Operations	Medium	Low	Nuclear outages, the 2025 Martin Lake outage, Moss Landing battery fire costs (Asset Closure segment).
Capital allocation	Low-Med	Medium	Residual cash has gone to M&A (Lotus, Cogentrix, Helix) as well as buybacks. The model assumes 65% of residual goes to buybacks.

Exhibit 13: Risks ordered by near-term bearing on the thesis.

Investment conclusion

Rating	12-mo PW target	Base	BUY at or below	5-yr PW value	PW DCF (5% ERP)
BUY	**$152.17**	**$150.70**	**$142.86**	**$191.21**	**$130.55**

I rate VST a BUY. The market prices a merchant generator at a 10% FCF yield and gives little credit for contracted cash flow that starts over the next 18 months. Holding the yield, FCF per share grows about 10% into the October 2027 window, roughly four points of it from buybacks at today's price. The probability-weighted target is $152.17 and Base $150.70, with a 25% chance of finishing below spot.

The margin over the BUY line is about 4.5pp. The call depends on a hurdle set low by my own bearish market view, on a cash-tax path I can't verify from filings, and on the FCF leg, since the EPS leg alone is a HOLD. The Base DCF at a full 5% ERP is $133.20, about spot. For a holder, the model supports adding at or below $142.86, sized for a 1.2-1.6 beta and the $81.91 Deep Bear.

I am wrong if the 6 November guide for 2027 comes in below $7.4bn, if the tax shield runs out before 2029, or if the market reprices IPPs toward pre-2024 merchant yields regardless of contracts. I will re-run the model on the Q3 print and the 10-Q.

Sources and disclaimer

- Vistra Corp.: Form 10-Q for the quarter ended 30 June 2026; Form 10-K for FY2025; Form 8-K earnings releases (7 Aug 2026, 6 Nov 2025); Form 8-K Cogentrix acquisition (5 Jan 2026); Form 8-Ks for the September 2026 junior subordinated notes and the October 2026 preferred redemption; SEC EDGAR XBRL company facts.
- Peers: NRG Energy Q2 2026 Form 8-K; Talen Energy Q2 2026 Form 8-K; Constellation Energy Q1 and Q2 2026 Form 8-K/10-Q; EDGAR XBRL for shares, debt and cash.
- Market data: yfinance daily prices for VST, CEG, NRG, TLN, the S&P 500 and the 10-year Treasury yield, through 30 October 2026.
- Consensus and street: Yahoo Finance analysis page (EPS); ADVFN/S&P (EBITDA); TIKR; 24/7 Wall St; Investing.com (Goldman Sachs note); MarketBeat.
- Power markets: ERCOT North forward strip via a TXU market snapshot (Texas Commercial Plans); Constellation weekly energy market update; EIA Short-Term Energy Outlook; Utility Dive; Reuters via TIKR.
- House inputs: Equities on Stilts, October 2026 update (S&P 500 view, cycle timing); Ryan Mahaffy Research rating framework, including the merchant-power rule adopted with this note.

- The author modeled the data in Python and Excel.

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