



Vistra Corp (VST)

Updated March 10th, 2025 by Quinn Mohammed

Key Metrics

Current Price:	\$108	5 Year CAGR Estimate:	13.4%	Market Cap:	\$39 B
Fair Value Price:	\$128	5 Year Growth Estimate:	9.0%	Ex-Dividend Date:	03/20/2025
% Fair Value:	85%	5 Year Valuation Multiple Estimate:	3.4%	Dividend Payment Date:	03/31/2025
Dividend Yield:	0.8%	5 Year Price Target:	\$197	Years of Dividend Growth:	6
Dividend Risk Score:	C	Retirement Suitability Score:	F	Rating:	Buy

Overview & Current Events

Vistra is an integrated retail electricity and power generation company. In 2016, Vistra was created as a stand-alone entity as a result of Energy Future Holdings bankruptcy. Vistra is one of the largest power generators in the U.S. and has a capacity of approximately 41,000 megawatts generated by a diverse portfolio which includes natural gas, nuclear, solar and battery energy storage facilities. Its products and services are offered across 18 states and Washington D.C. Vistra serves over 5 million residential, commercial, and industrial retail customers with electricity and natural gas. The power producer has a market capitalization of \$39 billion and trades on the NYSE under the ticker symbol VST.

On March 1st, 2024, Vistra completed the acquisition of Energy Harbor Corp, adding 4,000 MW of nuclear generation and 1 million new retail customers to Vistra's business.

On December 31, 2024, Vistra closed on its acquisition of the remaining 15% equity interest in Vistra Vision that it did not own for roughly \$3.1 billion. This deal makes Vistra the sole owner of Vistra Vision, increasing its ownership of nuclear by 970 MW and solar and energy storage by 200 MW.

On February 24th, 2025, Vistra declared a \$0.2235 quarterly dividend, which represents a 4% year-over-year increase.

Vistra Corp reported fourth quarter 2024 results on February 27th, 2025. It reported adjusted EBITDA from ongoing operations for the quarter of \$1,985 million, 106% higher than the \$965 million earned in fourth quarter 2023.

Leadership reaffirmed its fiscal 2025 guidance, which calls for adjusted EBITDA of \$5.5 billion to \$6.1 billion and adjusted free cash flow before growth capex is expected to come in at \$3.0 billion to \$3.6 billion.

As of February 24th, 2025, Vistra completed about \$4.9 billion of share repurchases since November 2021, which reduced its share count by 30%. It expects to complete the remaining \$1.9 billion of its share repurchase authorization by the end of 2026.

Growth on a Per-Share Basis

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2030
EPS	-	(\$0.38)	(\$0.59)	(\$0.11)	\$1.86	\$1.30	(\$2.69)	(\$3.26)	\$3.58	\$3.58	\$7.35	\$9.38
EBITDA/S	-	\$1.72	\$3.40	\$5.47	\$6.65	\$7.50	\$3.96	\$7.09	\$11.20	\$16.40	\$17.11	\$26.33
DPS	-	\$2.32	\$0.00	\$0.00	\$0.50	\$0.54	\$0.60	\$0.72	\$0.82	\$0.87	\$0.89	\$1.31
Shares¹	-	427.6	427.8	505.0	499.9	491.1	482.2	422.4	369.8	344.8	338.9	300.0

Vistra Corp has a volatile earnings per share history, and as a result it is challenging to extract any sort of consistent growth in earnings history from which to base future expectations off. Vistra largely utilizes adjusted EBITDA to measure company performance, so we have elected to display adjusted EBITDA per share. It's also worth noting that the tabled results for 2016 are only for the fourth quarter results, when the company began trading on the NYSE; as a result, year-over-year comparisons can only truly begin with year 2017.

Based on our adjusted EBITDA per share calculations, EBITDA has grown by 19.8% on average over the past five years. We forecast the corporation can grow adjusted EBITDA per share by 9.0% even from the high comparison base in 2025.

¹ In millions

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We see Vistra on this path to growth through its large investments in solar and batteries as it progressively retires its coal plants, which will see a large uptick in its zero-carbon generation. However, the retirement of its Baldwin Power Plant is now set for 2027 rather than 2025, in order to allow more time to bring new generation assets online in Illinois. Load growth from its customers in oil and gas, semiconductors, and data centers will also translate to underlying growth for Vistra.

Valuation Analysis

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	Now	2030
P/EBITDA	-	8.7	5.0	4.1	3.8	2.6	4.8	3.3	2.1	5.5	6.3	7.5
Avg. Yld.	-	15%	-	-	2.8%	2.8%	3.0%	2.7%	2.8%	1.1%	0.8%	0.7%

Considering that Vistra's earnings are volatile, we are valuing the company based on its historical adjusted EBITDA. Dating back to its inception, Vistra has traded on an average basis of 4.4 times adjusted EBITDA. Today, Vistra trades at 6.3 times adjusted EBITDA given its meteoric share price increase, and we peg fair value at around 7.5 times, for a 3.4% average annual tailwind to total returns due to multiple expansion.

Safety, Quality, Competitive Advantage, & Recession Resiliency

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2030
Payout	-	135%	0%	0%	27%	42%	-22%	-22%	23%	24%	12%	14%

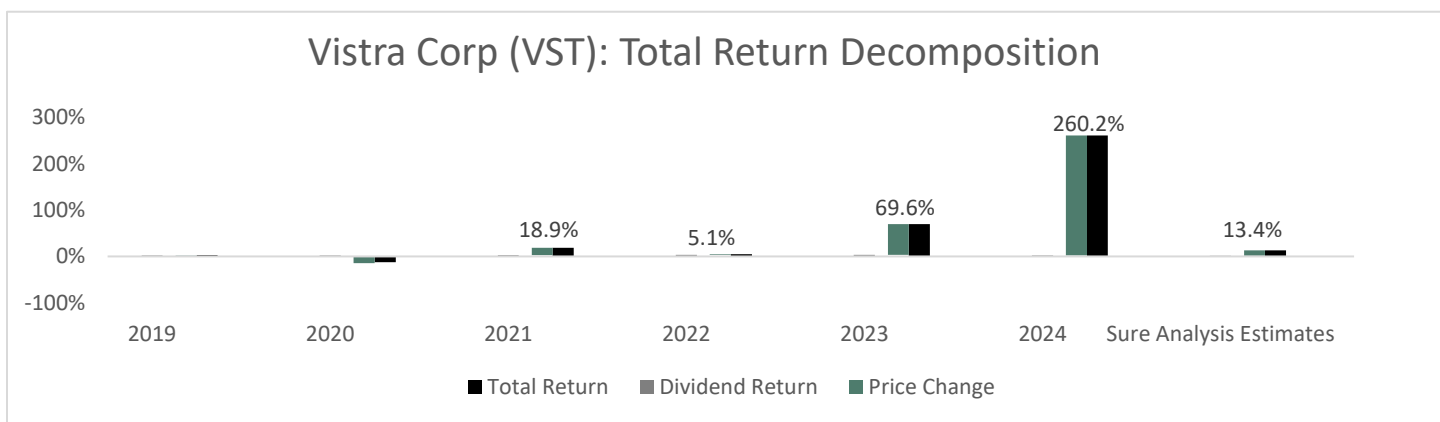
We have opted to calculate the payout ratio using the company's earnings per share as adjusted EBITDA does not include costs such as interest and taxes that the corporation must pay at the end of the year. The payout ratio was stable since its inception in 2019, but negative EPS in 2021 and 2022 caused it to eclipse 100%, thus the dividend has been at risk in prior years. Although in 2025, we estimate a very safe payout ratio of just 12% of EPS.

We don't have operating results dating back to the great financial crisis so we can't say for certain how Vistra would have performed, but we believe utilities businesses are generally safe during recessions, especially power generators for residential customers. While the company may have resiliency during a recession, it is not immune. Vistra believes its integrated business model to be its prime competitive advantage in the electricity industry, as it allows it to reduce the effect of commodity price movements and contribute to earnings and cash flow stability.

Final Thoughts & Recommendation

Vistra Energy rose from the bankruptcy of Energy Future Holdings in late-2016 and since then has strongly compounded adjusted EBITDA per share. The share price of Vistra has increased by 370% since we rated it a buy in November 2022. However, it has declined by 21% year-to-date, thus we are now upgrading Vistra from hold to buy due to estimated annualized total returns of 13.4% over the next five years.

Total Return Breakdown by Year



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Income Statement Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenue	5,370	5,164	5,430	9,144	11,809	11,443	12,077	13728	14780	17220
Gross Profit	1,844	1,490	1,522	2,811	4,537	4,647	1,349	1682	5520	7525
Gross Margin	34.3%	28.9%	28.0%	30.7%	38.4%	40.6%	11.2%	12.3%	37.3%	43.7%
SG&A Exp.	676	690	600	926	904	1,035	1,040	1189	1308	1601
Operating Profit	995	817	835	1,533	1,876	2,048	2,050	2047	2710	4081
Op. Margin	18.5%	15.8%	15.4%	16.8%	15.9%	17.9%	17.0%	14.9%	18.3%	23.7%
Net Profit	316	125	223	491	1,993	1,875	-1,444	-1103	1493	2659
Net Margin	5.9%	2.4%	4.1%	5.4%	16.9%	16.4%	-12.0%	-8.0%	10.1%	15.4%
Free Cash Flow	-4,677	-819	-254	-54	928	636	-1,274	-1227	3777	2485
Income Taxes	-223	-467	855	941	2,023	2,078	-1,239	-816	508	655

Balance Sheet Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total Assets	15658	15167	14600	26,024	26,616	25,208	29,683	32787	32970	37770
Cash & Equivalents	1,400	843	1,487	636	300	406	1,325	455	3485	1188
Accounts Recv.	533	612	582	1,087	1,365	1,279	1,397	2059	1674	1982
Inventories	428	285	253	412	469	515	610	570	740	970
Total Liabilities	38542	8570	8,258	18,157	18,656	16,847	21,391	27869	27640	32190
Accounts Payable	514	479	473	945	947	880	1,515	1556	1147	1510
Long-Term Debt	1,444	4623	4,423	11,404	11,179	9,630	10,731	13046	14400	17050
Total Equity	-22884	6597	6,342	7,863	7,959	8,371	6,291	2902	2831	3094
LTD/E Ratio	-0.06	0.70	0.70	1.45	1.40	1.15	1.29	2.66	2.71	3.06

Profitability & Per Share Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Return on Assets		-5.3%	-1.7%	-0.3%	3.5%	2.5%	-4.6%	-3.9%	4.5%	7.5%
Return on Equity			-3.9%	-0.8%	11.7%	7.8%	-17.4%	-26.7%	29.2%	48.8%
ROIC			-2.3%	-0.4%	4.8%	3.4%	-6.9%	-6.6%	7.9%	12.6%
Shares Out.		427.6	427.8	505.0	499.9	491.1	482.2	422.45	375.19	352.57
Revenue/Share	12.56	12.08	12.69	18.11	23.62	23.30	25.04	32.50	39.39	48.85
FCF/Share	-0.52	-1.09	2.00	1.86	4.05	4.23	-2.57	-1.93	10.07	7.05

Note: All figures in millions of U.S. Dollars unless per share or indicated otherwise.

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