# Constellation Energy Corporation (CEG)

*Updated May 19th, 2026, by Nathan Parsh*

## Key Metrics

| | | | | | |
|---|---|---|---|---|---|
| **Current Price:** | $257 | **5 Year Annual Expected Total Return:** | 10.7% | **Market Cap:** | $93 B |
| **Fair Value Price:** | $207 | **5 Year Growth Estimate:** | 15.0% | **Ex-Dividend Date:** | 05/15/26 |
| **% Fair Value:** | 124% | **5 Year Valuation Multiple Estimate:** | -4.2% | **Dividend Payment Date:** | 06/05/26 |
| **Dividend Yield:** | 0.7% | **5 Year Price Target** | $416 | **Years Of Dividend Growth:** | 4 |
| **Dividend Risk Score:** | A | **Sector:** | Utilities | **Rating:** | Hold |

Constellation Energy Corporation was spun off from Exelon Corporation on February 1st, 2022. Constellation Energy provides clean and sustainable energy solutions to homes, commercial businesses, and wholesale customers such as municipalities and cooperatives. The company's energy products include electric, natural gas, and renewables and markets such products to companies of all sizes. Constellation Energy operates 13 nuclear plants with a combined 22 gigawatts of capacity. The company operates in the lower 48 U.S. states, Canada, and the United Kingdom.

On January 10th, 2025, the company announced that it had agreed to purchase Calpine Corp. using a mix of cash and stock. This transaction will make Constellation Energy the largest clean energy provider in the U.S. The transaction was completed on January 7th, 2026. On February 24th, 2026, Constellation Energy raised its quarterly dividend 10% to $0.4265 per share. This marks the fourth dividend increase for the independent company.

On May 11th, 2026, Constellation Energy reported first quarter results for the period ending March 31st, 2026. On May 11th, 2026, revenue surged 63.8% to $11.1 billion, which was $2.41 billion above estimates. On an adjusted basis, earnings-per-share totaled $2.74 and compared favorably to adjusted earnings-per-share of $2.14 in the prior year and was $0.13 better than expected.

Constellation Energy's nuclear fleet produced 44,666 gigawatt-hours in the first quarter, down slightly from 45,582 gigawatt-hours in the prior year. Nuclear plants achieved a 92.3% capacity factor compared to 94.1% in Q1 2025. The company now uses Equivalent Forced Outage Factor (EFOF) as the key operational metric for natural gas, oil, and pumped-storage hydro fleet. EFOF is the percentage for which a generating unit is not available due to forced outages and forced deratings in a given period. The EFOF for natural gas, oil, and pumped-storage hydro fleet was 4.5%. Energy capture for the wind, solar, and run-of-river hydro fleet of 96.7% compared favorably to 96.2% in the prior year.

Constellation Energy reaffirms its guidance for adjusted earnings-per-share of $11.00 to $12.00 for 2026, which is shared at its Business and Earnings Outlook on March 31st, 2026.

## Growth on a Per-Share Basis

| Year | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2031 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **EPS** | $1.80 | $2.78 | $2.07 | $3.22 | $3.22 | $2.82 | $4.17 | $5.01 | $8.67 | $9.39 | ***$11.50*** | ***$23.13*** |
| **DPS** | $1.26 | $1.31 | $1.38 | $1.45 | $1.53 | $1.53 | $0.56 | $1.13 | $1.41 | $1.55 | ***$1.71*** | ***$2.75*** |
| **Shares[1]** | 924 | 963 | 968 | 972 | 976 | 980 | 328 | 321 | 314 | 313 | ***354*** | ***354*** |

Note that we have elected to show Exelon Corporation's history in the table above to illustrate the type of operating company from which Constellation Energy was spun off. This is an imperfect measure, but does offer some clues to the consistency of the new business. We now expect that the company will produce annual earnings growth of 15%, up from 10%, through 2031 due to the strength in its business and strong recent results.

We believe Exelon Corporation's dividend history could serve as an indicator for Constellation Energy's future safety and growth. The parent company cut its dividend in both 2013 and 2014 in an effort to pay off debt associated with mergers and acquisitions. The dividend was cut once again in 2016. The company cut its dividend by 11.8% for the payment

[1] In millions of shares

following the spinoff. We continue to expect 10% dividend growth as the last four increases have been at least this level and the payout ratio is very low.

## Valuation Analysis

| Year | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | Now | 2031 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Avg. P/E** | 18.7 | 13.4 | 20.1 | 14.2 | 13.1 | 14.6 | 20.7 | 23.3 | 25.8 | 37.6 | ***22.3*** | ***18.0*** |
| **Avg. Yld.** | 3.7% | 3.5% | 3.3% | 3.2% | 3.6% | 3.7% | 0.6% | 0.1% | 0.6% | 0.4% | ***0.7%*** | ***0.7%*** |

Shares of Constellation Energy have declined $73, or 22.1%, since our March 2nd, 2026 report. The stock has traded with an average price-to-earnings ratio of nearly 27 since Constellation Energy became an independent company. For context, Exelon Corporation has an average P/E of ~18 over the last decade. Due to Constellation Energy's only recent independence, along with the reluctance of some to embrace nuclear energy, coupled with the strong business performance we have assigned a target P/E of 18, up from 15. Shares trade at 22.3 times estimates for the year, implying a headwind from valuation. Multiple contraction could reduce annual returns by 4.2% through 2031.

The stock's dividend yield is 0.7%, well below what utility stocks typically offer, even after the aggressive increases.

## Safety, Quality, Competitive Advantage, & Recession Resiliency

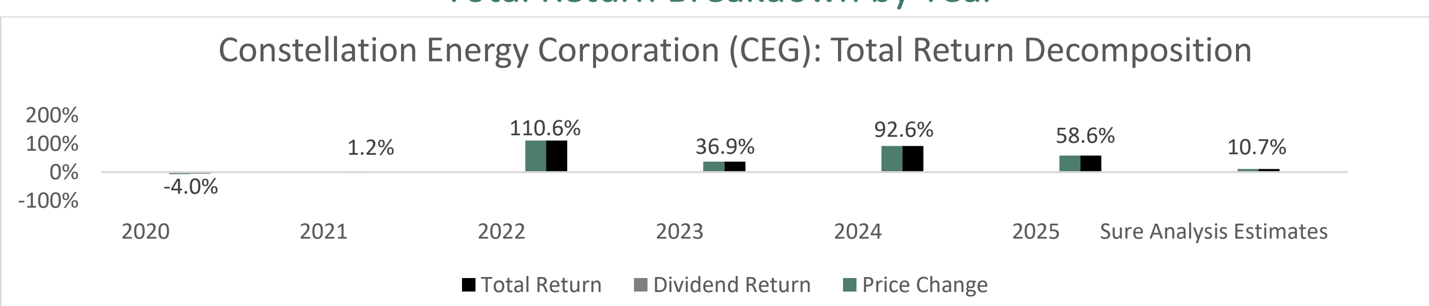
| Year | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2031 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Payout** | 70% | 47% | 67% | 45% | 48% | *54%* | 13% | 23% | 16% | 17% | ***15%*** | ***12%*** |

Constellation Energy does have some interesting competitive advantages. For one, the company is a major provider of energy in the U.S. The company is also present in nearly every state and has international operations. This gives it a size and scale that is unmatched among utility companies. Constellation Energy is highly focused on renewable forms of energy and has a goal to have its own operations be 100% carbon-free by 2040. The emphasis being placed on such forms of energy positions Constellation Energy ahead of many of its peer groups. Lastly, utility companies are often more recession proof than those in other sectors as customers typically prioritize power even in economic downturns. This usually results in slow, but consistent growth leading to higher dividends over time. Parent company Exelon Corporation did reduce its dividend several times during the last decade, but this was because the company raised a large amount of debt to fund mergers and acquisitions that are performing well today. Constellation Energy has a very healthy projected payout ratio, especially for a utility company.

## Final Thoughts & Recommendation

Constellation Energy is now expected to return 10.7% annually through 2031, up from our previous forecasted return of 5.1%. Our projection stems from a 15% earnings growth rate and a starting yield of 0.7% that are offset by a mid-single-digit headwind from multiple compression. The stock offers a solid total return potential but we note that shares still trade above our target valuation even after the decline in share price. We continue to view shares as a hold, though we note the strong dividend risk score.

## Total Return Breakdown by Year




*Disclosure: This analyst has no position in the security discussed in this research report, and no plans to initiate one in the next 72 hours.*

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## Income Statement Metrics

| Year | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
|---|---|---|---|---|---|---|---|---|---|
| Revenue | | 20,437 | 18,924 | 17,603 | 19,649 | 24,440 | 21,137 | 23,587 | 26,849 |
| Gross Profit | | 1,483 | 1,815 | 727 | (72) | 1,283 | 1,705 | 4,549 | 4,660 |
| Gross Margin | | 7.3% | 9.6% | 4.1% | -0.4% | 5.2% | 8.1% | 19.3% | 17.4% |
| Operating Profit | | 927 | 1,296 | 245 | (547) | 731 | 1,152 | 3,963 | 4,038 |
| Operating Margin | | 4.5% | 6.8% | 1.4% | -2.8% | 3.0% | 5.5% | 16.8% | 15.0% |
| Net Profit | | 443 | 1,217 | 579 | (83) | (167) | 1,577 | 3,738 | 2,323 |
| Net Margin | | 2.2% | 6.4% | 3.3% | -0.4% | -0.7% | 7.5% | 15.8% | 8.7% |
| Free Cash Flow | | 1,619 | 1,028 | (1,163) | (2,667) | (4,042) | (7,723) | (5,029) | 1,288 |
| Income Tax | | (108) | 516 | 249 | 225 | (388) | 859 | 774 | 1,187 |

## Balance Sheet Metrics

| Year | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
|---|---|---|---|---|---|---|---|---|---|
| Total Assets | | | 48,995 | 48,094 | 48,086 | 46,909 | 50,758 | 52,926 | 57,249 |
| Cash & Equivalents | | | 449 | 315 | 576 | 528 | 454 | 3,129 | 3,748 |
| Accounts Receivable | | | 3,020 | 1,368 | 1,724 | 2,585 | 1,934 | 3,116 | 3,577 |
| Inventories | | | 1,262 | 1,211 | 1,288 | 1,505 | 1,500 | 1,600 | 1,736 |
| Goodwill & Int. Ass. | | | 47 | 47 | - | - | 425 | 420 | 420 |
| Total Liabilities | | | 33,165 | 33,418 | 36,472 | 35,537 | 39,472 | 39,387 | 42,396 |
| Long-Term Debt | | | 7,974 | 6,087 | 6,114 | 4,609 | 7,617 | 8,923 | 7,775 |
| Shareholder's Equity | | | 13,484 | 12,399 | 11,219 | 11,018 | 10,925 | 13,166 | 14,517 |
| LTD/E Ratio | | | 0.62 | 0.58 | 0.73 | 0.52 | 0.85 | 0.68 | 0.65 |

## Profitability & Per Share Metrics

| Year | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
|---|---|---|---|---|---|---|---|---|---|
| Return on Assets | | | | 1.2% | -0.2% | -0.4% | 3.2% | 7.2% | 4.2% |
| Return on Equity | | | | 3.8% | -0.6% | -1.5% | 13.9% | 30.1% | 16.4% |
| ROIC | | | | 2.5% | -0.4% | -0.9% | 8.4% | 17.4% | 9.9% |
| Shares Out. | 963 | 968 | 972 | 976 | 980 | 328 | 321 | 314 | 313 |
| Revenue/Share | | 62.56 | 57.93 | 53.89 | 60.15 | 74.51 | 65.24 | 74.88 | 85.51 |
| FCF/Share | | 4.96 | 3.15 | (3.56) | (8.16) | (12.32) | (23.84) | (15.97) | 4.10 |

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