



HOLD

Constellation Energy Corporation (NYSE: CEG)

Analysts

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Investment Thesis

Company Overview

Executive Summary:

We issue a **HOLD** rating for Constellation Energy Corporation (NYSE: CEG) with a **target price of \$217**, reflecting insufficient upside from the current price of \$200 to indicate a buy rating. Constellation is uniquely positioned at the intersection of rising clean energy demand and the structural shift toward high-capacity, always-on electricity driven by AI and hyperscale data centers. As the nation’s largest producer of carbon-free power, primarily through its nuclear fleet, Constellation offers unmatched reliability and scale in meeting the evolving needs of both regulated and unregulated markets.

Thesis Drivers:

- **Data Center Power Demand:** The explosive growth of AI and cloud infrastructure is projected to double global data center energy demand by 2030. Constellation is well-positioned to capitalize on this demand surge with its unmatched nuclear reliability and existing customer relationships like its long-term PPA with Microsoft.
- **Nuclear Uprate and Restart Projects:** Strategic investments such as the Calvert Cliffs and Illinois uprate projects, along with the restart of the Three Mile Island Unit 1 at the Crane Clean Energy Center, will add over 1,000 MW of clean, baseload power—boosting capacity and revenue growth over the next 3–5 years.

Risks to Thesis:

- **Macroeconomic and Interest Rate Pressure:** Elevated long-term interest rates and potential economic slowdown may raise capital costs and delay infrastructure projects. Tariff-driven inflation could also pressure input costs and reduce margin expansion.
- **Execution Risk on Growth Projects:** Delays or cost overruns in nuclear uprates, Crane Center development, or grid upgrades could limit expected capacity growth and earnings expansion.
- **Regulatory and Policy Uncertainty:** As a significant player in both regulated and deregulated markets, Constellation faces exposure to shifting energy policy, tax incentives, and nuclear regulation all of which could impact project economics and cost recovery.

Constellation Energy Corporation is a leading U.S. energy company spun off from Exelon Corporation in 2022, focused on producing and supplying carbon-free electricity. It operates the nation’s largest fleet of nuclear power plants, and its diverse mix of clean energy sources also include solar, wind, and hydro. Its wholesale and retail electricity businesses serve approximately two million commercial, industrial, and residential customers across the continental United States.

Key Statistics

Share Highlights:

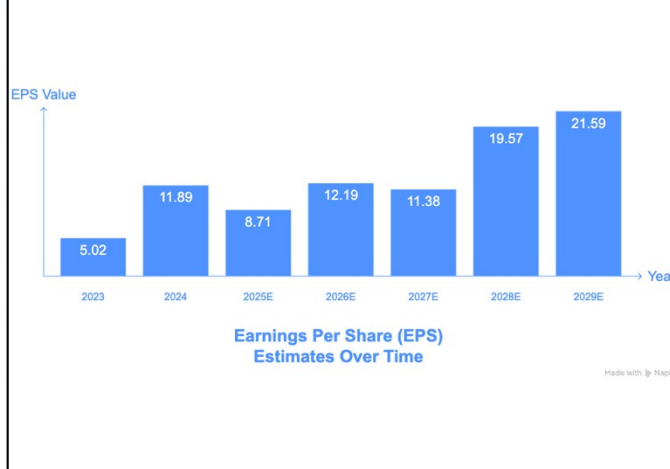
Market Capitalization:	\$62.94B
Beta:	1.40
EPS FY 2024:	\$11.89
Dividend Yield (TTM) :	0.72%
P/E Ratio:	16.90
Current Ratio	1.57

Profitability:

Operating Margin:	21.20%
Profit Margin:	15.90%
ROA:	7.23%
ROE:	21.12%

Compared Performance vs. S&P 500 (Post Exelon Spin Off)

Earnings Estimates

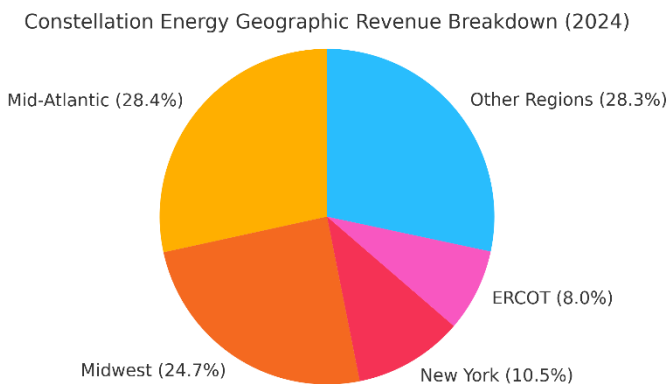


Company Description

Constellation Energy Corporation is a producer of emissions-free energy and an energy supplier to businesses, homes and public sector customers nationwide. Constellation was spun off from Exelon Corporation on February 1st, 2022. The company’s nuclear, hydro, wind, and solar generation facilities have the generating capacity to power the equivalent of 16 million homes, providing about 10% of the nation’s clean energy in the United States. Its segments include Mid-Atlantic, Midwest, New York, ERCOT, and Other Power Regions. Through its integrated business operations, it sells electricity, natural gas, and other energy related products and sustainable solutions to various types of customers in both the regulated and unregulated market, including distribution utilities, municipalities, cooperatives, and commercial, industrial, public sector, and residential customers in markets across multiple geographic regions. Its nuclear fleet has a generating capacity of approximately 22 gigawatts (GWs).

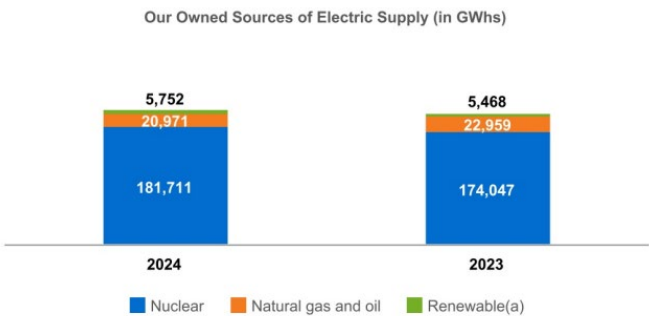
Company Analysis

Revenue Decomposition



The pie chart illustrates the 2024 geographic revenue distribution for Constellation Energy, based on a total of \$19.43 billion in regional revenues. The chart segments the company’s earnings by key regions in which it

operates: Mid-Atlantic, Midwest, New York, ERCOT (Texas), and Other Regions. Each slice of the chart represents a percentage of the total regional revenue, clearly showing how Constellation’s operations are geographically diversified.



This chart from illustrates owned electric generation supply by fuel type for 2023 and 2024, measured in gigawatt-hours (GWh). (14) The data reveals a year-over-year increase in total generation, driven primarily by growth in nuclear output. It places an emphasis on just how dominant nuclear energy is in Constellation’s fuel mix.

In 2024, total generation reached 208,434 GWh, up from 202,474 GWh in 2023. This increase is largely attributed to a rise in nuclear generation, which expanded from 174,047 GWh in 2023 to 181,711 GWh in 2024 reinforcing Constellation's position as the nation’s largest producer of carbon-free energy.

Natural gas and oil generation saw a slight decrease, dropping from 22,959 GWh in 2023 to 20,971 GWh in 2024, reflecting a modest shift away from fossil fuels. Meanwhile, renewables (including hydro, wind, and solar) grew slightly from 5,468 GWh to 5,752 GWh, signaling steady investment in clean energy sources.

From 2020 to 2024, Constellation achieved a CAGR in revenues of 7.57%, with part of that growth coming from organic growth in uprates of active nuclear facilities as well as their expansion in Revenue/GWh. Another key piece of inorganic growth came from the acquisition of a 44% ownership stake in the South Texas Electric

Generating Station from NRG Energy. This acquisition added 1,100 MW of nuclear capacity to Constellation's already dominant amount of nuclear capacity. (6) We forecast Constellation will continue building on its growth in revenues by a CAGR of 3.71% through 2034. Key drivers of our revenue growth assumptions are the opportunities with data centers, the restart of the Crane Clean Energy Center and uprate projects to increase efficiency of current nuclear plants.

Data Centers

A major driver of Constellation Energy's long-term revenue growth is the accelerating demand for power from hyperscale and AI-driven data centers. AI is reshaping nearly every sector of the economy and driving exponential growth in data center infrastructure. This trend is expected to double global energy demand from data centers over the next five years, reaching up to 100 gigawatts (GW) a scale that underscores the urgency and opportunity for reliable, large-scale, and carbon-free power generation. (7)

Major tech companies are expected to invest \$1 trillion into building and expanding data centers by 2030, reflecting the massive infrastructure boom driven by artificial intelligence. (8) These AI-specific facilities not only require far more electricity than traditional data centers, but they are also triggering intense competition for access to power. As power capacity becomes a bottleneck, Constellation is well-positioned to meet this demand surge given its dominance in nuclear energy and its expanding portfolio of carbon-free generation. As data center developers prioritize low-emission and uninterrupted power sources, Constellation's nuclear fleet, the largest in the U.S., offers a distinct advantage. The convergence of high electricity needs and decarbonization pressures makes data centers a

compelling growth engine for Constellation's revenues in the near and long term.

Uprate Projects

Constellation Energy is making significant investments to enhance the output of its nuclear facilities, aiming to meet the increasing demand for clean energy. The two largest projects are in the Mid-Atlantic and Midwest regions.

At the Calvert Cliffs Nuclear Power Plant in Maryland, Constellation is making \$100 million worth of upgrades that will extend the life of the plant as well as potentially boost electricity production by approximately 10%. This enhancement would generate more carbon-free power than all the wind and utility-scale solar currently operating in Maryland. (9)

In Illinois, Constellation plans to invest \$800 million in new equipment to increase the output of its Braidwood and Byron Generating Stations by about 135 megawatts by 2026. This additional capacity is sufficient to power approximately 100,000 average homes continuously each year. (10)

Crane Clean Energy Center (Microsoft PPA)

Constellation Energy's upcoming Crane Clean Energy Center marks a strategic expansion of its clean energy portfolio and a key driver of long-term revenue growth. At the core of the project is the restart of the previously decommissioned Three Mile Island Unit 1 reactor, which is expected to add 835 megawatts of zero-carbon electricity to the grid by 2028. This expansion comes as demand for reliable, baseload clean energy surges particularly from data centers and major corporations with ambitious sustainability goals. (11)

A central revenue component of the project is a 20-year power purchase agreement (PPA) with Microsoft. This long-term contract ensures predictable cash flows for Constellation and reinforces its emerging role as a

preferred energy partner to companies building large-scale, energy-intensive AI and computing infrastructure. The PPA also highlights the increasing importance of nuclear energy in decarbonization strategies, especially for industries requiring around-the-clock power reliability.

With the project already ahead of schedule on key milestones including hiring, regulatory filings, and site preparation Constellation is well-positioned to capitalize on the demand of clean energy demand, private-sector investment, and grid reliability needs. The Crane Clean Energy Center stands as both a growth catalyst and a testament to the value of long-term, emissions-free energy infrastructure.

Margin Analysis

We forecast gross margin to grow to 34% through the final year of the model. While ambitious, we believe this margin is attainable through improving and maintaining high levels of efficiency in power generated by nuclear sources. A main enabling factor in this projection is the high capacity factor for nuclear generation- a measure of actual output compared to potential output- which is around 90% in the United States, and was clocked at an industry-leading 94% for Constellation's nuclear fleet in 2024. The reliability of their nuclear fleet will allow Constellation to continue to optimize their operations, translating to more profitable margins in the long term.

Expense Analysis

Constellation's three most significant expense categories are reported as purchased power and fuel, operating and maintenance, and depreciation expense. The past three years have seen a decrease in Constellation's purchased power and fuel, but we believe that as total GWhs of production increase in upcoming years, Constellation will also see an uptick in this expense. Over the total forecast period, however, we believe that purchased power needs

will decrease as efficiency of nuclear operations increases, and so we forecast the total expense to decrease.

We forecasted operating and maintenance expense to remain a function of operating revenue levels, with no cause to incorporate significant departure from what has been seen in recent years as a function of power production levels.

Depreciation expense was calculated to be an average rate of 5.25% of beginning net PP&E per period since the company completed the spin-off from Exelon in 2022, and this rate was projected out through the forecasting period.

Capital Expenditures

Constellation Energy's capital expenditure projections for 2025 and 2026, estimated at approximately \$3 billion and \$3.5 billion, reflect a strategic focus on enhancing its energy generation capacity and ensuring operational resilience. A significant portion, about 35%, is earmarked for the acquisition of nuclear fuel. This is a proactive response to potential supply disruptions stemming from risks that could affect long-term nuclear fuel availability. This forward-looking approach emphasizes Constellation's drive to secure a reliable and sustainable energy supply. Additionally, the company plans to invest \$1.7 billion in growth capital expenditures, which include key projects like the restart of the Crane facility, nuclear uprates, and license renewals. These investments highlight Constellation's commitment to expanding and modernizing its energy infrastructure. The remaining capital expenditures focus on upgrades and additions to existing generation facilities, indicating a balanced approach to both growth and maintenance. In the years beyond guided investment values, we have forecasted a steady amount of capex that will cover growth efforts and infrastructure upgrades over the period of the model.

Debt Analysis

Constellation Energy holds a BBB+ credit rating from S&P, placing it in the investment-grade category with adequate creditworthiness. While the company is considered a reliable borrower, this rating reflects its exposure to industry and economic volatility. Maintaining this rating allows Constellation to access debt markets at reasonable costs, though the company will need to balance capital expenditures, refinancing activity, and free cash flow to avoid potential downward pressure on its credit profile.

S&P Credit Ratings by Ticker

Ticker	S&P Rating
CEG	BBB+
VST	BB+
DUK	BBB+
NEE	A-

Among Constellation’s peers, NextEra Energy (NEE) holds the strongest credit rating with an A-, reflecting a high degree of financial stability and low credit risk offering them easier and cheaper access to debt markets. Constellation Energy (CEG) shares its BBB+ investment-grade rating with Duke Energy (DUK), indicating adequate creditworthiness. In contrast, Vistra Corp (VST) is rated BB+, placing it in the speculative-grade category and signaling comparatively higher risk.

Constellation’s long term debt maturities for the next five years are as follows:

- 2025: \$1,028 million
- 2026: \$114 million
- 2027: \$691 million
- 2028: \$847 million
- 2029: \$156 million
- 2030 and thereafter: \$5,638 million

In fiscal year 2024, Constellation generated a strong amount of \$3,738 million in free cash flow. With large payments coming due in 2025, 2027 and 2028 it is reasonable to expect that Constellation will have to refinance part of this debt. We estimate Constellation will refinance 60-70% of this debt, allowing the company to maintain a strong liquidity position, fund capital expenditures and avoid excessive interest burden while maintaining their investment grade credit measure.

Payout Policy

Constellation Energy employs a disciplined capital return strategy that balances shareholder payouts with reinvestment into long-term growth initiatives, particularly in clean energy infrastructure.

Constellation pays a quarterly dividend totaling \$1.45 per share annually, which equates to a dividend yield of approximately 0.81%. The company’s payout ratio is relatively low at around 12.1%, well below the utilities sector average of 64%. (12) This conservative approach signals a priority on retaining earnings to fund capital-intensive investments in nuclear upgrades, new clean energy projects, and modernization of the power grid. The company has also demonstrated a commitment to growing dividends, increasing its annual payout by over 10% year over year. (12)

In addition to dividends, Constellation has actively returned capital to shareholders through share buybacks. Since 2023, the Board of Directors has authorized up to \$3 billion in common stock repurchases. The company repurchased approximately 10.6 million shares in 2023 and 1.2 million shares in 2024, totaling \$1.15 billion in value. As of December 31, 2024, \$991 million of repurchase authorization remained. Repurchases have

been executed through open market transactions and may also occur under Rule 10b5-1 trading plans. (13)

Together, Constellation's dividend and repurchase programs reflect a flexible and opportunistic payout policy. While maintaining a strong balance sheet and funding its clean energy transition, the company continues to deliver meaningful capital returns, positioning itself as a reliable and growth-oriented utility investment.

Earnings Announcement

On February 25, 2025, Constellation posted earnings for Q4 of 2024, reporting an EPS of \$2.44, which beat analyst estimates of \$2.16 by \$0.28. This was a significantly different result from the same period one year prior, when the company recorded a loss of \$0.11 per share. The announcement represented an important moment in Constellation's emergence as a company poised to take advantage of growing energy demand, exemplified in their signing of a 20-year power purchase agreement with Microsoft supporting the launch of the Crane Clean Energy Center. Management highlighted a focus on cost efficiency, which allowed the company to decrease operating expenses by 23.6% from the previous period. The earnings release also highlighted delivery on commitment to shareholders, as the company had completed \$1 billion worth of share repurchases, received an issuer credit rating upgrade from Moody's, and increased the annual per share dividend by 25% with expectations to grow it by another 10% in 2025.

Industry Analysis

Data Center Energy Demand

As large-scale data centers proliferate to support high-performance computing, especially AI applications, utilities are facing significant increases in demand for around-the-clock, high-load power. Data centers can

require hundreds of megawatts of electricity, consuming 10 to 50 times the typical energy per floor space of a commercial office building. Data centers alone are expected to consume from 6.7%-12% of total U.S. power by 2028.

The rapid pace of this development is a reversal of steadily slow growth in the industry in previous years, meaning that the challenge for providers of electricity lies in increasing production capacity at a sufficient pace to capture this increase in demand. Reliability is also becoming an even more important factor in the push to provide power for data center needs, and companies that are most effective at emphasizing stability and safety in their operations stand to benefit from attracting customers looking to power data centers.

The long-term power production contracts now at stake for utilities companies also translate to a shift in competitive dynamics in an industry that has typically been characterized by a more collaborative stance. Throughout its history, the utilities industry has mainly featured regulation and predictability, and so companies have focused mostly on grid stability and cost efficiency. Now, data center customers are creating a competitive environment through their ability to pay high prices, their willingness to co-locate infrastructure, and shopping across different states, grids, and suppliers.

Renewable Energy and Storage

Another current theme in the utilities industry is balancing sustainability goals alongside meeting increased demand. As corporations and government operations push towards lower emissions targets, utilities have accelerated their shift from fossil fuels to renewable sources such as solar and wind. One drawback of these sources is their weather-dependency, so there has also been an increase in investment in grid-scale battery storage to ensure reliability and flexibility in energy supply. In 2024, U.S. utility-scale battery storage capacity exceeded 26

gigawatts, marking a 66% increase from 2023. Such storage enables excess production to be captured and utilized during peak consumption times. Companies who lead in balancing clean generation with advanced storage stand to benefit from long-term growth through partnership with premium customers. Companies such as Meta, Amazon, and Google will continue to seek sustainable sources of energy to stay ahead of current and future regulations, lock in steady prices for the long term, and maintain a positive image with consumers and investors alike.

Peer Comparisons

Overview

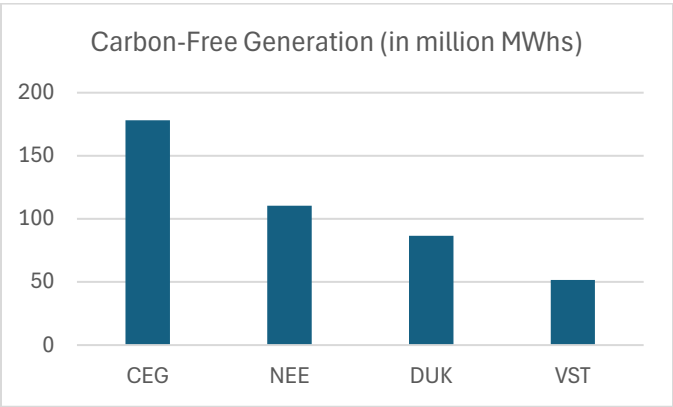
As a company who generates revenues in regulated and unregulated markets, Constellation should be compared with peers across both. We have selected NextEra Energy, who has similarly multifaceted operations, to satisfy this comparison. As a company with much exposure to technology industry-driven trends in energy demand, we have selected Vistra as a suitable comparison. Finally, to consider operational metrics with another leading supplier to regulated markets, who also has significant nuclear generation capacity, we will look at Duke Energy. The following table offers an overview of these four companies side-by-side.

Ticker	Mkt. Cap	Revenue (TTM)	Owned Capacity
CEG	60.35B	23.59B	32400 MW
VST	36.23B	19.38B	41000 MW
DUK	93.37B	30.36B	49600 MW
NEE	133.15B	24.41B	64000 MW

NextEra Energy

NextEra Energy is a leading American energy company who is committed to renewable energy, particularly wind and solar power. As the parent company of Florida Power & Light (a major regulated utility) and NextEra Energy

Resources (a clean energy developer), NextEra plays a pivotal role in the transition to sustainable power. It stands as a strong peer to Constellation Energy due to their shared leadership in clean energy generation, despite their use of different generation sources. While Constellation focuses heavily on nuclear power to deliver carbon-free electricity, NextEra has become the world’s largest generator of renewable energy from wind and solar. A comparison including these companies shows that Constellation generated the most carbon-free power among its peers, per a 2023 report.

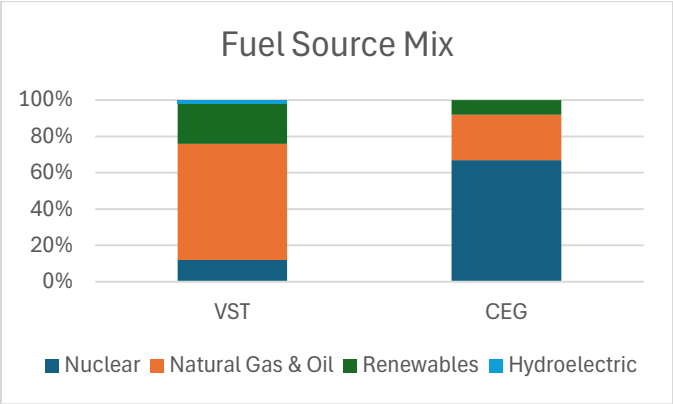


Constellation’s capacity for reliable clean energy gives it a competitive advantage over peers, which has already proved important in attracting premium customers, such as Microsoft.

Vistra

Vistra is another prominent player in the U.S. electric utilities industry, owning a diverse energy portfolio that spans across power generation and retail electricity services. The company operates a mix of natural gas, coal, nuclear, and renewable energy assets, with a growing emphasis on clean energy and battery storage. As a leading competitive retail electricity provider, Vistra serves both residential and commercial customers, primarily in Texas and Illinois. The company is actively transitioning to cleaner energy sources, with a focus on expanding its wind and solar capacity, and it is heavily investing in energy storage solutions to enhance grid

flexibility and reliability. The chart below compares the fuel source mix of Vistra with that of Constellation.



This is an example of the differences between the composition of different energy providers’ generation source portfolios, which are a key way they can differentiate themselves to customers.

Duke Energy

Duke Energy serves approximately 8 million customers across six states. Its operations are centered around regulated utilities, with a generation mix that includes natural gas, nuclear, hydroelectric, and a growing share of renewables. Duke Energy's total generation capacity is primarily dominated by natural gas and nuclear power. Duke is an example of a utilities company with a high debt-to-equity ratio, needed to fund its massive infrastructure needs and efforts to modernize its grid. The company can take on debt due to its predictably stable cash flows. However, this ratio can tell different stories for Constellation and each of its peers- NextEra has used debt to fund renewable energy investment, which it can finance thanks to consistent cash flows from regulated operations; Vistra has more risk associated with its higher leverage, as it invests in clean energy infrastructure and aims for long-term returns; and Constellation’s nuclear energy prowess allows it to maintain low levels of debt through strong operating cash flows.

	Total Debt/Equity (%)
CEG	68.32
VST	311.97
DUK	170.44
NEE	165.11

These differences in capital structure reflect each company’s strategy, growth prospects, and approach to risk. NextEra is more equity-driven in its renewable investments, while Duke and Vistra rely more heavily on debt for infrastructure projects. Constellation is relatively conservative in its approach.

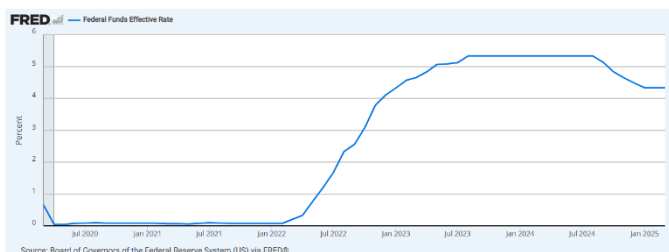
Economic Analysis

Interest Rates

The Federal Funds Rate serves as a benchmark for short-term interest rates and plays a pivotal role in shaping broader economic activity. For the energy sector, particularly companies in Utilities and Power Generation, the Fed’s rate policy has significant implications. These companies are capital-intensive and heavily reliant on debt markets to fund long-term capital expenditure (CapEx) projects such as new power plants, grid upgrades, and clean energy initiatives. When the Fed raises rates, it increases borrowing costs across the board, which can slow infrastructure investment and delay expansion plans. Higher rates also affect consumer demand and industrial activity, both of which directly influence energy usage.

As of April 2025, the effective Federal Funds Rate stands at 4.33%, within the stated target range of 4.25%–4.50% (1). This elevated rate continues the Fed’s restrictive stance aimed at controlling inflation and managing macroeconomic overheating. The ripple effects are seen not only in short-term borrowing and savings rates but

also in treasury yields and corporate bond spreads, key indicators for companies seeking funding.



Market Sentiment

Market expectations for rate cuts have recently shifted in light of political and economic developments. Before the election of President Trump, the CME FedWatch Tool showed a 43.6% probability of a rate cut to the 4.00%–4.25% range at the upcoming July 30th FOMC meeting. However, post-election and following the administration’s surprise announcement of sweeping tariffs enacted on “Liberation Day,” the odds have drastically changed. The market is now pricing in a 65.5% chance of a deeper cut to 3.75%–4.00%, a 29.1% chance of a modest cut to 4.00%–4.25%, and only a 2.9% chance that rates remain unchanged (Source 2). This could signal that the market is pricing in a slowing economy due to tariffs, and a FED that will need to be respondent.

In a speech on April 16, Federal Reserve Chair Jerome Powell acknowledged the complexity of this new environment, citing the dual risks of accelerated inflation from tariffs and a cooling economy. Powell noted that the Fed is “well positioned to wait for greater clarity,”(3) signaling a wait-and-see approach. This uncertainty injects volatility into the outlook for rates over the coming months, making accurate forecasting particularly difficult.

Long End of the Yield Curve

While short-term rates are important for capital heavy sectors like Utilities long-term rates, especially the 30-year Treasury yield, are the most relevant. Utilities

companies typically finance major infrastructure with long-term debt to match the lifespan of the assets. Rising long-term rates increase the cost of borrowing and may result in reduced CapEx plans, as fewer projects remain economically viable under higher interest service burdens.

As of April 2025, the 30-year Treasury yield is 4.873%, reflecting both inflation risk premiums and expectations for sustained higher rates. There has also been speculation of countries like China selling U.S. treasuries due to the tariffs, causing yields to rise. (4) This elevated yield environment is likely to pressure highly leveraged utilities and energy firms, particularly those with large capital requirements and to be disinterested in new projects. For companies operating in competitive, unregulated markets, like parts of Constellation Energy’s business, this dynamic may offer more flexibility, but still creates a headwind for investment and growth.

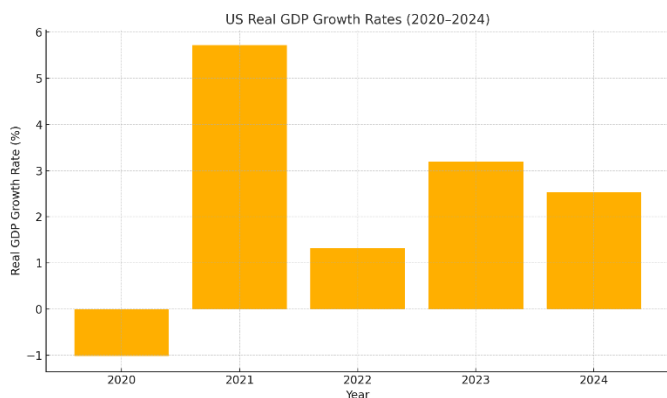
We believe the 30 year treasury yield will still see some near term volatility, potentially peaking marginally above 5%. But, as tariff uncertainty is unraveled we forecast a range of 4.2-4.3% on 30 year yields, with the yield curve continuing to lower from there providing borrowing relief on companies and allowing for more margin in project spending.



Real GDP Growth

Real GDP is a measurement of economic growth found from the market value of goods and services produced by the U.S. economy. Real GDP accounts for inflation, providing a measure of growth separated from inflation. Real GDP came in strong for 2024 at 2.53%, following

3.20% in 2023 and 1.32% in 2022. (5) This growth has come through increases in investing, imports, exports and government spending.



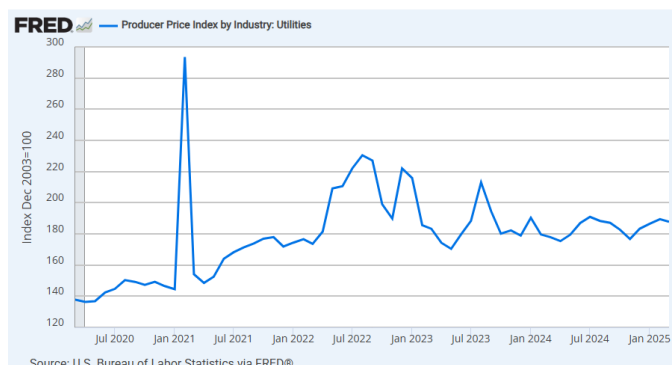
Looking to the present and future, in the short term Real GDP can be expected to slow due to decreases in imports and investments stemming from the effect of high tariffs placed on countries all over the world. . These tariffs would be inflationary to everyday consumer goods which would cause decrease in demand for imported goods. These tariffs have spooked the market causing investments to slow. A decrease in imports, demand for goods, and investing will likely cause GDP growth to fall this quarter.

We forecast a drop in Real GDP for Q1 2025 to a number close to 0.5% signaling a slowing economy but not deep enough to warrant a recession. We believe this short term forecast of Real GDP is warranted as companies have been frontloading inventories to offset the potential rising costs from before tariffs were put in place. We believe Real GDP could begin to stabilize and trend closer to a stronger 2% over the course of the rest of 2025 as tariff uncertainties are relieved and the current administration rolls back restricting tariff policies.

Producer's Price Index (PPI)

The utility-specific Producer Price Index (PPI) is a valuable indicator of how inflation is affecting cost structures within the utility sector. Input prices such as natural gas, coal, nuclear fuel, and construction

materials directly impact operating expenses and capital outlays. Inflation in these areas can put pressure on utilities' ability to pursue long-term infrastructure projects, especially as many utilities must secure regulatory approval before passing increased costs on to consumers through rate adjustments. Because utilities rely heavily on capital investment to support growth and modernization, rising input costs may limit the scope or delay the timeline of these projects. As such, trends in the utility input PPI can serve as a forward-looking signal for the sector's growth potential and capital investment activity.



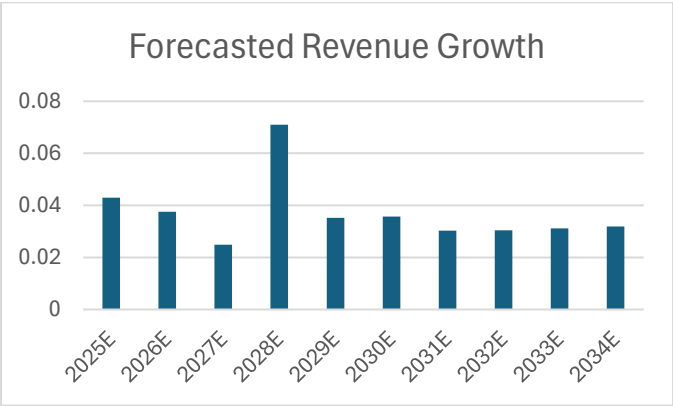
We project PPI to see a potential spike to the range of 220–240 over the course of the next month or two due to tariff policy, but easing back closer to the flat range it has been in over the last year between 180–190. This short-term impact on prices could be driven by cost pressures on imported energy equipment and materials but is likely to normalize quickly as tariffs are resolved via trade deals and inventory levels stabilize. Following this volatility, we expect the utility PPI to remain relatively flat in the 185–195 range over the next 12 to 18 months. This suggests a more stable cost environment for utilities, with limited long-term inflationary pressure on input prices. While the initial spike may lead to a short-lived reaction in utility stock prices due to investor sensitivity to inflation signals, the broader outlook remains neutral and

should not significantly disrupt capital planning or earnings growth.

Valuation

Revenue Forecasts

Key factors impacting our forecasts of revenues were expected increases in demand levels, historical revenue growth levels, and significant future events such as the Crane Clean Energy Center coming online. Our percent growth in revenue for 2025 was slightly lower due to less of a bump in electricity production from nuclear sources. In the later years of the model, total operating revenues are projected to grow by around 3-3.5% per year, with an uptick in growth seen in 2028. We believe that these estimates are in line with a company that should expect to see steady growth due to the nature of its nuclear operations, plus opportunities to capitalize on long-term agreements.



Operating Expenses

We forecasted that purchased power and fuel expense would be around \$2 billion higher from 2025-'27 based on production growth and a cost per GWh produced similar to recent years. This elevated expense was in line with consensus estimates. Over time, we forecasted decreased expenses for purchased power and fuel, as efficiency of Constellation’s nuclear plants is expected to increase, and energy demand growth will become more stable in the later years of the model. Our operating and

maintenance expense forecasts were in line with consensus estimates, and were forecasted as a percentage of operating revenues, as we have found no reason that Constellation’s operating and maintenance expense should depart from typical levels of around 24% of revenue. Growth of this expense is on pace with production growth in our forecast.

WACC Assumptions

Our calculation of Constellation’s weighted average cost of capital came in at 9.88%. We assumed a risk-free rate of 4.32%, the yield of a 10-year treasury note. For beta, we used an average from Constellation’s 1-, 3-, and 5-year values. Our equity risk premium was 4.61%, from a trailing 12-month cash yield calculation by NYU professor Aswath Damodaran. We used the yield on a 30-year Constellation corporate bond to derive pre-tax cost of debt. Finally, our marginal tax rate used was 22%, forecasted based on historical company tax rates.

Discounted Cash Flow/Economic Profit Models

Our DCF/EP models yielded a valuation of \$237.88, which we considered closest to our understanding of Constellation’s true value. This price reflects an increase from the current stock price as of the date of this report, implying that Constellation is currently undervalued by the market. For our continuing value growth, we used a rate of 3%, emphasizing our belief that energy demand will continue to experience strong growth. Overall, we believe this price to be fair based on our estimates of increased revenues and operating efficiency in a period of heightening energy demand.

Dividend Discount Model

Our dividend discount model yielded a valuation of \$152.55. We believe that the company will remain a reliable payer of dividends thanks to the stability of

revenues generated by nuclear energy operations, but overall, our opinion of this model is that it undervalues Constellation. Rather than tell the whole story of the company's value, we believe the fact that it provides insight into the company's value strictly as a source of dividend income leaves more to be understood. Despite that view, Constellation has shown itself to be committed to steadily growing dividends and benefitting shareholders, a trend that we believe will continue into the company's future. Our dividend growth forecast over the model's time frame was in line with recent management guidance.

Relative P/E Model

*Information pulled from Yahoo Finance and Factset

Ticker	Company	Price	EPS		P/E 25	P/E 26
			2025E	2026E		
NEE	NextEra Energy	\$66.03	\$3.67	\$3.99	17.99	16.55
DUK	Duke Energy	\$121.91	\$6.33	\$6.72	19.26	18.14
VST	Vistra Corp	\$111.61	\$6.26	\$8.10	17.83	13.78
Average					18.36	16.16

To assess Constellation Energy Corporation's (CEG) valuation, we employed a relative price-to-earnings (P/E) multiple analysis, comparing Constellation to the same peer group throughout this report that includes NextEra Energy (NEE), Duke Energy (DUK), and Vistra Corp (VST). The peer group trades at an average P/E of 18.36x for 2025 and 16.16x for 2026, reflecting the market's expectations for utilities with similar business models, scale, and risk profiles. Applying those multiples and our forecasted EPS our valuation model gave us a relative value of \$159.83 (2025) and \$196.97 (2026).

We feel the relative P/E model doesn't tell the entire story for Constellation, with potential headwinds in the economy and expenses related to Constellation's business for year 2025, but when you look forward to the future growth centered around uprate projects and strategic investments in carbon-free baseload generation, the long-term value proposition becomes much more compelling. By 2026 and beyond, Constellation stands to benefit from expanded capacity at its existing nuclear plants, new clean

energy partnerships, such as its PPA with Microsoft, and rising demand from energy intensive sectors like data centers. These drivers are not fully captured by near-term multiples but are critical to understanding why Constellation may deserve a premium valuation as those initiatives begin to deliver earnings growth and free cash flow expansion.

Sensitivity Analysis

WACC	CapEx Forecast						
	237.82	1250.00	1500.00	1750.00	2000.00	2250.00	2500.00
8.68%	317.67	310.47	303.26	296.06	288.86	281.65	274.45
9.08%	294.38	287.58	280.78	273.98	267.18	260.37	253.57
9.48%	274.04	267.59	261.15	254.70	248.26	241.82	235.37
9.88%	256.12	250.00	243.87	237.75	231.63	225.50	219.38
10.28%	240.24	234.40	228.57	222.73	216.90	211.06	205.22
10.68%	226.07	220.49	214.92	209.34	203.77	198.19	192.62
11.08%	213.35	208.01	202.68	197.34	192.00	186.67	181.33

A significant factor in Constellation's growth will be their investment into capital expenditures to maintain, upgrade, and develop their facilities. Additionally, their stock price is sensitive to changes in the weighted average cost of capital, making it an important variable to consider.

ERP	Normal Cash % of Revenue						
	237.88	5.50%	7.00%	8.50%	10.00%	11.50%	13.00%
4.01%	278.16	275.31	272.47	269.62	266.77	263.93	261.08
4.21%	266.69	263.86	261.04	258.22	255.40	252.58	249.76
4.41%	256.07	253.27	250.47	247.67	244.87	242.07	239.27
4.61%	246.22	243.44	240.66	237.88	235.10	232.32	229.54
4.81%	237.05	234.29	231.53	228.77	226.01	223.25	220.49
5.01%	228.50	225.76	223.02	220.28	217.54	214.80	212.06
5.21%	220.51	217.79	215.06	212.34	209.62	206.90	204.17

Changes in what is considered normal cash as a percentage of revenue affect the valuation, and the percentage used could differ across analyses. Equity risk premium also causes the valuation to vary, and different values can be used across different reports.

CV Growth of NOPLAT	Risk-Free Rate						
	237.88	3.42%	3.72%	4.02%	4.32%	4.62%	4.92%
1.70%	250.12	240.17	230.90	222.25	214.15	206.56	199.44
1.80%	251.53	241.43	232.03	223.26	215.06	207.38	200.17
1.90%	252.98	242.72	233.19	224.30	215.99	208.22	200.93
2.00%	254.47	244.05	234.38	225.36	216.95	209.07	201.70
2.10%	256.00	245.42	235.60	226.45	217.93	209.95	202.49
2.20%	257.58	246.83	236.85	227.57	218.93	210.85	203.29
2.30%	259.20	248.27	238.14	228.72	219.96	211.77	204.12

The risk-free rate and CV growth rate of NOPLAT are both significant to the model and demonstrate a notable effect on valuation.

Recommendation Summary

We issue a HOLD rating for Constellation Energy Corporation (NYSE: CEG) with a target price of \$217, reflecting insufficient upside from the current price of \$200 to indicate a buy rating. Constellation is uniquely positioned at the intersection of rising clean energy demand and the structural shift toward high-capacity, always-on electricity driven by AI and hyperscale data centers. As the nation's largest producer of carbon-free power, primarily through its nuclear fleet, Constellation offers unmatched reliability and scale in meeting the evolving needs of both regulated and unregulated markets.

Important Disclaimer

This report was created by students enrolled in the Security Analysis (6F:112) class at the University of Iowa. The report was originally created to offer an internal investment recommendation for the University of Iowa Krause Fund and its advisory board. The report also provides potential employers and other interested parties an example of the students' skills, knowledge and abilities. Members of the Krause Fund are not registered investment advisors, brokers or officially licensed financial professionals. The investment advice contained in this report does not represent an offer or solicitation to buy or sell any of the securities mentioned. Unless otherwise noted, facts and figures included in this report are from publicly available sources. This report is not a complete compilation of data, and its accuracy is not guaranteed. From time to time, the University of Iowa, its faculty, staff, students, or the Krause Fund may hold a financial interest in the companies mentioned in this report.

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Constellation Energy Corporation
Revenue Decomposition

Fiscal Years Ending Dec. 31	2019	2020	2021	2022	2023	2024	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E
Region																
Mid-Atlantic																
Revenues from contracts with customers	5053	4785	4381	5264	5453	5429	5947	6419	6867	8289	8861	9438	9930	10427	10946	11495
Other revenues (derivatives and leases)	17	-168	183	(100)	(315)	93	(48)	(59)	(41)	(78)	(75)	(35)	(56)	(57)	(57)	(60)
Total Revenues	5070	4617	4564	5164	5138	5522	5899	6359	6826	8211	8786	9403	9874	10369	10889	11435
% Growth of Revenues		-8.93%	-1.15%	13.15%	-0.50%	7.47%	6.82%	7.81%	7.33%	20.29%	7.01%	7.01%	5.01%	5.01%	5.01%	5.01%
Production of electricity by fuel type (GWhs):																
Nuclear Generation		52202	53589	53214	53012	52898	53078	53502	53684	60560	60578	60596	60615	60633	60651	60669
Natural Gas, Oil and Renewables		2206	2271	2097	2014	2137	2123	2110	2096	2083	2069	2056	2043	2030	2017	2004
Purchased Power		22487	13576	15366	16509	15729	16790	16924	16982	19157	19162	19168	19174	19180	19185	19191
Total Supply		76895	69436	70677	71535	70764	71991	72536	72762	81799	81810	81821	81831	81842	81853	81864
% Growth of Power Supplied			-9.70%	1.79%	1.21%	-1.08%	1.73%	0.76%	0.31%	12.42%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%
Revenue (\$)/ GWh			0.0657	0.0731	0.0718	0.0780	0.0819	0.0877	0.0938	0.1004	0.1074	0.1149	0.1207	0.1267	0.1330	0.1397
% Growth of Rev/GWh				11.16%	-1.70%	8.64%	5.00%	7.00%	7.00%	7.00%	7.00%	7.00%	5.00%	5.00%	5.00%	5.00%
Midwest																
Revenues from contracts with customers	4095	3717	4265	5164	4846	3848	4813	5032	5221	5334	5393	5495	5783	5952	6122	6290
Other revenues (derivatives and leases)	232	312	-205	(514)	(188)	957	99	77	38	78	177	238	118	121	128	143
Total Revenues	4327	4029	4060	4650	4658	4805	4912	5109	5258	5412	5570	5733	5900	6073	6250	6433
% Growth of Revenues		-6.89%	0.77%	14.53%	0.17%	3.16%	2.24%	4.00%	2.92%	2.92%	2.92%	2.92%	2.92%	2.92%	2.92%	2.92%
Production of electricity by fuel type (GWhs):																
Nuclear Generation		96322	93107	95090	93768	95321	95646	96757	96854	96951	97048	97145	97242	97339	97437	97534
Natural Gas, Oil and Renewables		1240	1083	1202	1024	1116	1095	1114	1133	1153	1172	1193	1213	1234	1255	1277
Purchased Power		770	561	610	984	928	849	859	860	861	862	863	864	865	865	866
Total Supply		98332	94751	96902	95776	97365	97590	98731	98847	98965	99082	99200	99319	99438	99557	99677
% Growth of Power Supplied			-3.64%	2.27%	-1.16%	1.66%	0.23%	1.17%	0.12%	0.12%	0.12%	0.12%	0.12%	0.12%	0.12%	0.12%
Revenue (\$)/ GWh		0.0410	0.0428	0.0480	0.0486	0.0494	0.0503	0.0517	0.0532	0.0547	0.0562	0.0578	0.0594	0.0611	0.0628	0.0645
% Growth of Rev/GWh				11.99%	1.35%	1.47%	2.00%	2.80%	2.80%	2.80%	2.80%	2.80%	2.80%	2.80%	2.80%	2.80%
New York																
Revenues from contracts with customers	1571	1444	1633	2004	1910	1937	2101	2207	2308	2451	2605	2750	2906	3077	3256	3443
Other revenues (derivatives and leases)	25	-12	-57	(409)	111	113	36	51	78	69	58	64	67	65	64	65
Total Revenues	1596	1432	1576	1595	2021	2050	2137	2258	2386	2521	2664	2814	2974	3142	3320	3508
% Growth of Revenues		-10.28%	10.06%	1.21%	26.71%	1.43%	4.24%	5.66%	5.66%	5.66%	5.66%	5.66%	5.66%	5.66%	5.66%	5.66%
Production of electricity by fuel type (GWhs):																
Nuclear Generation		26561	26294	25046	25546	25134	25172	25209	25247	25285	25323	25361	25399	25437	25475	25514
Natural Gas, Oil and Renewables		4	1	0	0	0	0	0	0	0	0	0	0	0	0	0
Purchased Power		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Supply		26565	26295	25046	25546	25134	25192	25351	25511	25671	25833	25996	26160	26324	26490	26657
% Growth of Power Supplied			-1.02%	-4.75%	2.00%	-1.61%	0.23%	0.63%	0.63%	0.63%	0.63%	0.63%	0.63%	0.63%	0.63%	0.63%
Revenue (\$)/ GWh		0.0539	0.0599	0.0637	0.0791	0.0816	0.0848	0.0891	0.0935	0.0982	0.1031	0.1083	0.1137	0.1194	0.1253	0.1316
% Growth of Rev/GWh				6.25%	24.23%	3.10%	4.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
ERCOT																
Revenues from contracts with customers	768	735	896	954	1232	1053	1322	1434	1549	1684	1880	2016	2175	2315	2465	2628
Other revenues (derivatives and leases)	229	198	276	589	114	497	317	332	354	367	330	366	344	349	352	352
Total Revenues	997	933	1172	1543	1346	1550	1639	1766	1903	2051	2210	2382	2519	2664	2817	2979
% Growth of Revenues		-6.42%	25.62%	31.66%	-12.77%	15.16%	5.75%	7.76%	7.76%	7.76%	7.76%	7.77%	5.75%	5.75%	5.75%	5.76%
Production of electricity by fuel type (GWhs):																
Nuclear Generation		0	0	0	1721	8358	8386	8415	8444	8472	8501	8530	8559	8589	8618	8647
Natural Gas, Oil and Renewables		11982	13187	14124	16877	14778	14926	15075	15226	15378	15532	15687	15844	16002	16162	16324
Purchased Power		5636	3256	3575	5530	3249	3260	3271	3282	3293	3305	3316	3327	3339	3350	3361
Total Supply		17618	16443	17699	24128	26385	26572	26761	26952	27144	27338	27533	27731	27930	28130	28333
% Growth of Power Supplied			-6.67%	7.64%	36.32%	9.35%	0.71%	0.71%	0.71%	0.71%	0.71%	0.72%	0.72%	0.72%	0.72%	0.72%
Revenue (\$)/ GWh		0.0530	0.0713	0.0872	0.0558	0.0587	0.0617	0.0660	0.0706	0.0756	0.0809	0.0865	0.0908	0.0954	0.1001	0.1052
% Growth of Rev/GWh				22.31%	-36.01%	5.31%	5.00%	7.00%	7.00%	7.00%	7.00%	7.00%	5.00%	5.00%	5.00%	5.00%
Other Power Regions																
Revenues from contracts with customers	3687	3586	3937	5035	4956	4749	4589	4524	4427	4402	4496	4474	4428	4401	4381	4374
Other revenues (derivatives and leases)	608	463	981	1697	895	757	900	949	1030	1038	928	934	963	974	978	969
Total Revenues	4295	4049	4918	6732	5851	5506	5489	5473	5456	5440	5424	5407	5391	5375	5359	5343
% Growth of Revenues		-5.73%	21.46%	36.88%	-13.09%	-5.90%	-0.30%	-0.30%	-0.30%	-0.30%	-0.30%	-0.30%	-0.30%	-0.30%	-0.30%	-0.30%
Production of electricity by fuel type (GWhs):																
Nuclear Generation		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Natural Gas, Oil and Renewables		11121	9995	10189	8512	8692	8516	8344	8175	8010	7848	7689	7533	7381	7232	7085
Purchased Power		51079	50212	51131	44192	41077	40130	39205	38301	37418	36556	35713	34890	34085	33299	32532
Total Supply		62200	60207	61320	52704	49769	48646	47549	46476	45428	44403	43402	42423	41466	40531	39617
% Growth of Power Supplied			-3.20%	1.85%	-14.05%	-5.57%	-2.26%	-2.26%	-2.26%	-2.26%	-2.26%	-2.26%	-2.26%	-2.26%	-2.26%	-2.25%
Revenue (\$)/ GWh		0.0651	0.0817	0.1098	0.1110	0.1106	0.1128	0.1151	0.1174	0.1198	0.1221	0.1246	0.1271	0.1296	0.1322	0.1349
% Growth of Rev/GWh				34.40%	1.12%	-0.35%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Other Revenues																
Total Revenues	2639	2543	3359	4756	5904	4135	4505	4540	4310	4360	4326	4276	4267	4245	4224	4212
% Growth of Revenues		-3.64%	32.09%	41.59%	24.14%	-29.96%	8.94%	0.78%	-5.06%	1.16%	-0.78%	-1.17%	-0.20%	-0.54%	-0.48%	-0.30%
Total Consolidated Operating Revenues																
Revenues from regions:																
Mid-Atlantic	5070	4617	4564	5164	5138	5522	5899	6359	6826	8211	8786	9403	9874	10369	10889	11435
Midwest	4327	4029	4060	4650	4658	4805	4912	5109	5258	5412	5570	5733	5900	6073	6250	6433
New York	1596	1432	1576	1595	2021	2050	2137	2258	2386	2521	2664	2814	2974	3142	3320	3508
ERCOT	997	933	1172	1543	1346	1550	1639	1766	1903	2051	2210	2382	2519	2664	2817	2979
Other Regions	4295	4049	4918	6732	5851	5506	5489	5473	5456	5440	5424	5407	5391	5375	5359	5343
Total Revenue of Regions:	16285	15060	16290	19684	19014	19433	20077	20965	21829	23634	24654	25739	26658	27623	28636	29698
Other revenues	2639	2543	3359	4756	5904	4135	4505	4540	4310	4360	4326	4276	4267	4245	4224	4212
Total Consolidated Operating Revenues	18924	17603	19649	24440	24918	23568	24581	25505	26140	27995	28980	30015	30926	31868	32860	33910
% Growth Rate		-6.98%	11.62%	24.38%	1.96%	-5.42%	4.30%	3.76%	2.49%	7.10%	3.52%	3.57%	3.03%	3.05%	3.11%	3.20%

Constellation Energy Corporation

Income Statement

(In millions, except per share data)

Fiscal Years Ending Dec. 31	2019	2020	2021	2022	2023	2024	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E
Operating revenues																
Operatings revenues	17,752	16,392	18,461	24280	24,918	23568	24581	25505	26140	27995	28980	30015	30926	31868	32860	33910
Operating revenues from affiliates	1,172	1,211	1,188	160	0	0	0	0	0	0	0	0	0	0	0	0
Total operating revenues	18,924	17,603	19,649	24440	24,918	23568	24581	25505	26140	27995	28980	30015	30926	31868	32860	33910
Operating expenses																
Purchased power and fuel	10,849	9,592	12,157	17457	16,001	11419	13730	12624	13173	11806	11642	11482	11325	11172	11023	10877
Purchased power and fuel from affiliates	7	(7)	6	5	0	0	0	0	0	0	0	0	0	0	0	0
Operating and maintenance	4,131	4,613	3,934	4797	5,685	6159	5619	6105	6354	6635	6950	7203	7389	7635	7870	8116
Operating and maintenance from affiliates	587	555	621	44	0	0	0	0	0	0	0	0	0	0	0	0
Depreciation and amortization	1,535	2,123	3,003	1091	1,096	1123	1115	1214	1334	1439	1544	1649	1754	1859	1964	2069
Taxes other than income taxes	519	482	475	552	553	586	571	597	623	658	683	709	729	752	776	800
Total operating expenses	17,628	17,358	20,196	23946	23,335	19287	21034	20540	21484	20538	20819	21043	21197	21418	21632	21862
Gain (loss) on sales of assets and businesses	27	11	201	1	27	71	0	0	0	0	0	0	0	0	0	0
Operating income (loss)	1,323	256	(346)	495	1,610	4352	3547	4965	4655	7457	8161	8972	9729	10450	11228	12048
Other income and (deductions)																
Interest expense, net	(394)	(328)	(282)	(250)	(431)	(506)	(605)	(900)	(897)	(960)	(1038)	(1048)	(1069)	(1115)	(1160)	(1205)
Interest expense to affiliates	(35)	(29)	(15)	(1)	0	0	0	0	0	0	0	0	0	0	0	0
Other, net	1,023	937	795	(786)	1,268	670	546	764	717	1148	1256	1381	1498	1609	1729	1855
Total other income and (deductions)	594	580	498	(1037)	837	164	(59)	(135)	(180)	188	219	333	429	493	569	650
Income (loss) before income taxes	1,917	836	152	(542)	2,447	4516	3488	4830	4475	7645	8380	9305	10158	10943	11796	12698
Income tax (benefit) expense	516	249	225	(388)	859	774	785	1087	1007	1720	1885	2094	2286	2462	2654	2857
Equity in income (losses) of unconsolidated affiliates	(184)	(8)	(10)	(13)	(11)	(4)	0	0	0	0	0	0	0	0	0	0
Net income (loss)	1,217	579	(83)	(167)	1,577	3738	2703	3743	3468	5925	6494	7212	7872	8481	9142	9841
Net income (loss) attributable to noncontrolling interests	92	(10)	122	(7)	(46)	(11)	(8)	(11)	(10)	(17)	(19)	(21)	(23)	(25)	(27)	(29)
Net income (loss) attributable to common shareholders	1,125	589	(205)	(160)	1,623	3749	2711	3754	3478	5942	6514	7233	7896	8506	9169	9870
Weighted average shares outstanding - basic	-	-	-	328	323	315	310	307	305	303	301	299	297	296	294	293
Total shares outstanding			327	327	317	313	308	306	304	302	300	298	296	295	293	292
Net income (loss) per share - basic	-	-	-	3.83	5.02	11.89	8.71	12.19	11.38	19.57	21.59	24.12	26.48	28.68	31.08	33.54
Annual Dividends per share	-	-	-	1.21	1.36	1.41	1.55	1.71	1.88	2.06	2.27	2.50	2.75	3.02	3.32	3.66

Constellation Energy Corporation

Balance Sheet

(In millions)

Fiscal Years Ending Dec. 31	2020	2021	2022	2023	2024	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E
ASSETS															
Current assets															
Cash and cash equivalents	226	504	422	368	3,022	8382	9123	11635	17288	21552	27234	33641	40765	48578	57011
Restricted cash and cash equivalents	89	72	106	86	107	112	116	121	127	132	138	144	150	156	163
Customer receivables, net	1298	1669	2,585	1934	3,116	2332	2527	2664	2831	3067	3018	3145	3258	3361	3477
Other Accounts Receivable	352	592	731	917	602	700	770	789	846	838	888	922	948	975	1002
Mark-to-market derivative assets	644	2169	2,368	1179	843	879	917	957	998	1041	1086	1133	1182	1233	1286
Receivables from Affiliates	153	160	0	0	0	0	0	0	0	0	0	0	0	0	0
Inventories, net															
Natural gas, oil, and emission allowances	233	284	429	284	243	329	342	345	346	363	390	399	408	418	434
Materials and supplies	978	1004	1,076	1216	1,357	1264	1290	1320	1449	1518	1540	1587	1640	1697	1750
Renewable energy credits	621	520	617	660	797	724	722	749	821	867	874	899	931	964	995
Other assets	2353	1007	1,026	1655	689	1128	1203	1066	1249	1280	1296	1360	1395	1434	1486
Total current assets	6947	7981	9,360	8299	10,776	15849	17011	19645	25956	30659	36465	43230	50677	58817	67603
Property, plant, and equipment	22214	19612	19,822	22116	21,235	23,120	25,407	27,407	29,407	31,407	33,407	35,407	37,407	39,407	41,407
Deferred debits and other assets															
Nuclear decommissioning trust funds	14464	15938	14,114	16398	17,305	18,052	18,831	19,643	20,491	21,375	22,297	23,259	24,263	25,310	26,402
Investments	184	174	202	563	640	668	696	726	758	791	825	860	897	936	976
Goodwill		949	1,261	425	420	420	420	420	420	420	420	421	422	423	424
Mark-to-market derivative assets	555	1683	0	995	372	388	405	422	440	459	479	500	522	544	568
Deferred income taxes	6	32	44	52	0	0	0	0	0	0	0	0	0	0	0
Other	1395	1717	2,106	1910	2,178	2074	2178	2222	2373	2504	2557	2639	2720	2806	2900
Total deferred debits and other assets	18933	20493	17,727	20343	20,915	21,601	22,530	23,434	24,482	25,549	26,578	27,680	28,824	30,020	31,271
Total assets	48094	48086	46,909	50758	52,926	60571	64948	70486	79845	87614	96450	106317	116907	128243	140280
LIABILITIES AND EQUITY															
Current Liabilities															
Short-term borrowings	840	2,082	1,159	1644	1644	1377	1454	1476	1598	1680	1702	1768	1827	1887	1952
Long-term debt due within one year	197	1,220	143	121	1,028	1,028	114	691	847	156					
Accounts payable and accrued expenses	2041	2494	3,734	2612	3,943	3283	3496	3636	3818	4135	4135	4286	4427	4563	4726
Payables to Affiliates	107	131	0	0	0	0	0	0	0	0	0	0	0	0	0
Mark-to-market derivative liabilities	262	981	1,558	632	467	487	508	530	553	577	602	628	655	683	712
Renewable energy credit obligation	661	777	901	972	1,076	976	1024	1053	1147	1199	1216	1257	1299	1342	1384
Other	826	311	344	338	332	354	358	366	396	410	423	436	450	464	478
Total current liabilities	5219	7,996	7,839	6319	6,846	7505	6955	7753	8359	8156	8077	8375	8657	8939	9252
Long-term debt	5566	4,575	4,466	7496	7,384	12544	13333	13788	14793	15583	16053	16765	17445	18137	18861
Long-term debt to Affiliates	324	319	0	0	0										
Deferred credits and other liabilities															
Deferred income taxes and unamortized ITCs	3656	3,703	3,031	3209	3,331	3,330	3,329	3,328	3,327	3,325	3,324	3,323	3,322	3,321	3,320
Asset retirement obligations	12054	12,819	12,699	14118	12,449	14,511	14,574	14,513	15,743	16,273	17,053	17,434	17,916	18,519	19,120
Pension and non-pension postretirement benefit obligations	858	847	1,214	1802	1,875	1688	1519	1367	1230	1107	996	897	807	726	654
Spent nuclear fuel obligation	1208	1,210	1,230	1296	1,366	1,428	1,428	1,435	1,562	1,639	1,689	1,729	1,781	1,843	1,903
Payables to affiliates	3017	3,357	0	0	0	0	0	0	0	0	0	0	0	0	0
Payables related to Regulatory Agreement Units	0	0	2,897	3688	4,518	2253	2805	3450	3770	3825	3603	3888	4107	4215	4306
Long-term Mark-to-market derivative liabilities	205	513	983	419	399	416	434	453	472	493	514	536	559	584	609
Long term Other liabilities	1311	1,133	1,178	1125	1,219	1363	1317	1318	1424	1508	1563	1590	1637	1694	1753
Total deferred credits and other liabilities	22309	23,582	23,232	25657	25,157	24,988	25,406	25,863	27,528	28,170	28,743	29,397	30,129	30,902	31,664
Total liabilities	33418	36,472	35,537	39472	39,387	45,037	45,694	47,404	50,679	51,908	52,873	54,536	56,231	57,977	59,777
Commitments and contingencies															
Shareholders' equity															
Common stock	9624	10,482	13274	12355	11,402	10,411	9,913	9,416	8,918	8,420	7,922	7,425	6,927	6,429	5,931
Retained earnings (deficit)	2805	768	(496)	761	4,066	5,776	9,020	11,988	17,413	23,408	30,119	37,491	45,471	54,112	63,452
Accumulated other comprehensive income (loss), net	(30)	(31)	(1760)	(2191)	(2302)	(2302)	(2302)	(2302)	(2302)	(2302)	(2302)	(2302)	(2302)	(2302)	(2302)
Total shareholders equity	12399	11,219	11018	10925	13,166	13,885	16,631	19,102	24,029	29,526	35,739	42,613	50,096	58,239	67,081
Noncontrolling interests	2277	395	354	361	373	365	354	344	326	307	286	263	238	211	182
Total equity	14676	11,614	11372	11286	13,539	14,250	16,985	19,446	24,355	29,833	36,025	42,876	50,334	58,450	67,263
Total liabilities and shareholders' equity	48094	48,086	46909	50758	52,926	59,288	62,679	66,850	75,035	81,741	88,898	97,412	106,565	116,427	127,040

Constellation Energy Corporation
Historical Cash Flow Statement

(In millions)

Fiscal Years Ending Dec. 31	2021	2022	2023	2024
Cash flows from operating activities				
Net income (loss)	(83)	(167)	1,577	3,738
Adj to rec. NI to net cash provided by op. activities				
Dep, amort, and accretion (inc nuclear fuel and energy contract amort)	4540	2,427	2,514	2,700
Deferred income taxes and amort of ITC	(205)	(643)	251	222
Net fair value changes related to derivatives	(568)	986	996	(1297)
Net realized and unrealized (gains) losses on NDT funds	(586)	794	(476)	(311)
Net realized and unrealized (gains) losses on equity investments	160	13	(307)	(11)
Other non-cash operating activities	(605)	248	18	(172)
Changes in assets and liabilities:				
AR	(616)	(868)	396	688
Receivables from and payables to affiliates, net	14	20	—	—
Inventories	(68)	(228)	60	(99)
AP and Accrued expenses	346	1,142	(1330)	1,121
Option premiums received (paid), net	(338)	(177)	26	216
Collateral received (posted), net	(130)	(351)	(1491)	1,803
Income taxes	256	162	325	296
Pension and non-pension postretirement benefit contributions	(259)	(237)	(54)	(184)
Other assets and liabilities	(3540)	(5474)	(7806)	(11174)
Net cash flows provided by (used in) operating activities	(1338)	(2353)	(5301)	(2464)
Cash flows from investing activities				
Capital expenditures	(1329)	(1689)	(2422)	(2565)
Proceeds from NDT fund sales	6532	4,050	5,822	6,005
Investment in NDT funds	(6673)	(4271)	(6050)	(6282)
Collection of DPP, net	3902	4,964	7,340	10,217
Acquisitions of assets and businesses	0	(29)	(1690)	(32)
Other investing activities -- net	(28)	79	31	85
Net cash flows provided by (used in) investing activities	3282	3,104	3,031	7,428
Cash flows from financing activities				
Change in short-term borrowings	362	257	146	(1105)
Proceeds from short-term borrowings with maturities > 90 days	880	0	539	200
Repayments from short-term borrowings with maturities > 90 days		(1180)	(200)	(739)
Issuances of long-term debt	152	14	3,195	920
Retirement of long-term debt	(105)	(1162)	(168)	(121)
Retirement of long-term debt to affiliate	0	(258)	0	0
Contributions from Exelon	0	1,750	0	0
Dividends paid on common stock	0	(185)	(366)	(444)
repurchases of common stock	0	0	(992)	(999)
Other financing activities	(46)	(35)	42	(1)
Net cash flows provided by (used in) financing activities	(1695)	(799)	2,196	(2289)
 Inc (dec) in cash, restricted cash, and cash equivalents	 249	 (48)	 (74)	 2,675
Cash, restricted cash, and cash equivalents at beg of period	327	576	528	454
Cash, restricted cash, and cash equivalents at end of period	576	528	454	3,129

Constellation Energy Corporation
Forecasted Cash Flow Statement

Fiscal Years Ending Dec. 31	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E
Cash flows from operating activities										
Net Income	2,703	3,743	3,468	5,925	6,494	7,212	7,872	8,481	9,142	9,841
+ Depreciation and Amortization	1,115	1,214	1,334	1,439	1,544	1,649	1,754	1,859	1,964	2,069
Change in Deferred Income Taxes										
(-) Change in Customer receivables, net	784	(195)	(137)	(167)	(236)	49	(127)	(113)	(104)	(115)
(-) Change in Other Accounts Receivable	(98)	(70)	(19)	(58)	8	(50)	(34)	(26)	(27)	(27)
(-) Change in Mark-to-market derivative assets	(36)	(38)	(40)	(41)	(43)	(45)	(47)	(49)	(51)	(53)
(-) Change in Receivables from Affiliates	-	-	-	-	-	-	-	-	-	-
(-) Change in Natural gas, oil, and emission allowances	(86)	(13)	(3)	(0)	(18)	(26)	(9)	(9)	(10)	(16)
(-) Change in Materials and supplies	93	(26)	(29)	(130)	(68)	(23)	(46)	(53)	(57)	(53)
(-) Change in Renewable energy credits	73	2	(28)	(72)	(45)	(8)	(25)	(32)	(33)	(31)
(-) Change in Other Assets	(439)	(76)	138	(183)	(32)	(16)	(64)	(35)	(39)	(51)
(-) Change in accounts payable and accrued expenses	660	(213)	(140)	(182)	(317)	0	(151)	(140)	(137)	(163)
(-) Change in long-term Mark-to-market derivatives	(16)	(17)	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(23)
(-) Change in long term other assets	(439)	(76)	138	(183)	(32)	(16)	(64)	(35)	(39)	(51)
(+) Change in Mark-to-market derivative liabilities	20	21	22	23	24	25	26	27	28	29
(+) Change in Other Long-term liabilities	22	4	9	29	14	13	13	14	14	15
(+) Change in Deferred income taxes and unamortized ITCs	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
(+) Change in Asset retirement obligations	2,062	64	(61)	1,230	530	781	380	482	604	600
(+) Change in Spent nuclear fuel obligation	62	(0)	6	127	77	50	40	52	62	61
(+) Change in Payables related to Regulatory Agreement Units	(2,265)	552	645	320	55	(222)	285	219	108	91
(+) Change in Long-term Mark-to-market derivative liabilities	17	18	19	20	20	21	22	23	24	25
(+) Change in Long term Other liabilities	144	(46)	1	106	83	56	27	47	57	59
Cash flows from Investing Activities:										
(-) Capital Expenditures	(1,885)	(2,286)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)
(-) Change Nuclear decommissioning trust funds	(747)	(779)	(813)	(848)	(884)	(922)	(962)	(1,004)	(1,047)	(1,092)
(-) Change in Investments	28	29	30	31	33	34	36	37	39	40
(-) Change in Goodwill	-	-	-	-	-	-	1	1	1	1
(+) Change in Spent nuclear fuel obligation	62	(0)	6	127	77	50	40	52	62	61
Cash flows from Financing Activities:										
(+) Change in Short Term Borrowings	(267)	78	22	122	81	22	66	59	60	65
(+) Long-term debt due within one year	-	(914)	577	156	(691)	(156)	-	-	-	-
(-) Dividends Paid	(482)	(524)	(572)	(625)	(683)	(747)	(817)	(894)	(978)	(1,073)
(+) Change in Issuance of Long Term Debt	5,160	788	455	1,005	790	470	712	681	691	724
(-) Change in Common Stock	(991)	(498)	(498)	(498)	(498)	(498)	(498)	(498)	(498)	(498)
Change in cash	5,253	742	2,511	5,654	4,263	5,682	6,407	7,124	7,813	8,432
Cash, restricted cash, and cash equivalents at beginning of period	3,129	8,382	9,123	11,635	17,288	21,552	27,234	33,641	40,765	48,578
At end of period	8,382	9,123	11,635	17,288	21,552	27,234	33,641	40,765	48,578	57,011

Constellation Energy Corporation
Common Size Income Statement

Fiscal Years Ending Dec. 31	2019	2020	2021	2022	2023	2024	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E
Operating revenues																
Operatings revenues	93.81%	93.12%	93.95%	99.35%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Operating revenues from affiliates	6.19%	6.88%	6.05%	0.65%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Total operating revenues	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Operating expenses																
Purchased power and fuel	57.33%	54.49%	61.87%	71.43%	64.21%	48.45%	59.63%	60.01%	60.93%	60.78%	59.00%	58.14%	59.75%	59.77%	59.73%	59.53%
Purchased power and fuel from affiliates	0.04%	-0.04%	0.03%	0.02%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Operating and maintenance	21.83%	26.21%	20.02%	19.63%	22.81%	26.13%	22.86%	23.94%	24.31%	23.70%	23.98%	24.00%	23.89%	23.96%	23.95%	23.93%
Operating and maintenance from affiliates	3.10%	3.15%	3.16%	0.18%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Depreciation and amortization	8.11%	12.06%	15.28%	4.46%	4.40%	4.76%	4.54%	4.57%	4.63%	4.58%	4.59%	4.60%	4.59%	4.59%	4.59%	4.59%
Taxes other than income taxes	2.74%	2.74%	2.42%	2.26%	2.22%	2.49%	2.32%	2.34%	2.38%	2.35%	2.36%	2.36%	2.36%	2.36%	2.36%	2.36%
Total operating expenses	93.15%	98.61%	102.78%	97.98%	93.65%	81.84%	85.57%	80.53%	82.19%	73.36%	71.84%	70.11%	68.54%	67.21%	65.83%	64.47%
Gain (loss) on sales of assets and businesses	0.14%	0.06%	1.02%	0.00%	0.11%	0.30%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Operating income (loss)	6.99%	1.45%	-1.76%	2.03%	6.46%	18.47%	14.43%	19.47%	17.81%	26.64%	28.16%	29.89%	31.46%	32.79%	34.17%	35.53%
						0.00%										
Other income and (deductions)																
Interest expense, net	-2.08%	-1.86%	-1.44%	-1.02%	-1.73%	-2.15%	-2.46%	-3.53%	-3.43%	-3.43%	-3.58%	-3.49%	-3.46%	-3.50%	-3.53%	-3.55%
Interest expense to affiliates	-0.18%	-0.16%	-0.08%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Other, net	5.41%	5.32%	4.05%	-3.22%	5.09%	2.84%										
Total other income and (deductions)	3.14%	3.29%	2.53%	-4.24%	3.36%	0.70%	-0.24%	-0.53%	-0.69%	0.67%	0.76%	1.11%	1.39%	1.55%	1.73%	1.92%
Income (loss) before income taxes	10.13%	4.75%	0.77%	-2.22%	9.82%	19.16%	14.19%	18.94%	17.12%	27.31%	28.92%	31.00%	32.85%	34.34%	35.90%	37.45%
Income tax (benefit) expense	2.73%	1.41%	1.15%	-1.59%	3.45%	3.28%	3.19%	4.26%	3.85%	6.14%	6.51%	6.98%	7.39%	7.73%	8.08%	8.43%
Equity in income (losses) of unconsolidated affiliates	-0.97%	-0.05%	-0.05%	-0.05%	-0.04%	-0.02%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Net income (loss)	6.43%	3.29%	-0.42%	-0.68%	6.33%	15.86%	11.00%	14.68%	13.27%	21.16%	22.41%	24.03%	25.46%	26.61%	27.82%	29.02%
Net income (loss) attributable to noncontrolling interests	0.49%	-0.06%	0.62%	-0.03%	-0.18%	-0.05%	-0.03%	-0.04%	-0.04%	-0.06%	-0.07%	-0.07%	-0.07%	-0.08%	-0.08%	-0.09%
Net income (loss) attributable to common shareholders	5.94%	3.35%	-1.04%	-0.65%	6.51%	15.91%	11.03%	14.72%	13.31%	21.23%	22.48%	24.10%	25.53%	26.69%	27.90%	29.11%

Constellation Energy Corporation
Common Size Balance Sheet

Fiscal Years Ending Dec. 31	2020	2021	2022	2023	2024	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E
ASSETS															
Current assets															
Cash and cash equivalents	1.28%	2.57%	1.73%	1.48%	12.82%	3.97%	4.51%	4.90%	5.54%	6.35%	5.06%	5.27%	5.42%	5.53%	5.53%
Restricted cash and cash equivalents	0.51%	0.37%	0.43%	0.35%	0.45%	0.42%	0.40%	0.41%	0.41%	0.42%	0.41%	0.41%	0.41%	0.41%	0.41%
Customer receivables, net	7.37%	8.49%	10.58%	7.76%	13.22%	9.49%	9.91%	10.19%	10.11%	10.58%	10.06%	10.17%	10.22%	10.23%	10.25%
Other Accounts Receivable	2.00%	3.01%	2.99%	3.68%	2.55%	2.85%	3.02%	3.02%	3.02%	2.89%	2.96%	2.98%	2.98%	2.97%	2.96%
Mark-to-market derivative assets	3.66%	11.04%	9.69%	4.73%	3.58%	6.54%	7.12%	6.33%	5.66%	5.84%	6.30%	6.25%	6.08%	6.02%	6.10%
Receivables from Affiliates	0.87%	0.81%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Inventories, net															
Natural gas, oil, and emission allowances	1.32%	1.45%	1.76%	1.14%	1.03%	1.34%	1.34%	1.32%	1.23%	1.25%	1.30%	1.29%	1.28%	1.27%	1.28%
Materials and supplies	5.56%	5.11%	4.40%	4.88%	5.76%	5.14%	5.06%	5.05%	5.18%	5.24%	5.13%	5.13%	5.14%	5.16%	5.16%
Renewable energy credits	3.53%	2.65%	2.52%	2.65%	3.38%	2.95%	2.83%	2.87%	2.93%	2.99%	2.91%	2.91%	2.92%	2.93%	2.93%
Other assets	13.37%	5.12%	4.20%	6.64%	2.92%	4.59%	4.72%	4.08%	4.46%	4.42%	4.32%	4.40%	4.38%	4.37%	4.38%
Total current assets	39.46%	40.62%	38.30%	33.31%	45.72%	39.48%	39.49%	39.26%	39.45%	40.68%	39.67%	39.71%	39.75%	39.85%	39.93%
Property, plant, and equipment (net accum dep & amort of \$18,088 and \$17,423 of Dec 31, 2024 and 2023, respectively)	126.19%	99.81%	81.10%	88.76%	90.10%	97.19%	91.39%	89.71%	91.43%	91.97%	92.34%	91.37%	91.36%	91.69%	91.75%
Deferred debits and other assets	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Nuclear decommissioning trust funds	82.17%	81.11%	57.75%	65.81%	73.43%	72.05%	70.03%	67.81%	69.83%	70.63%	70.07%	69.67%	69.60%	69.96%	69.99%
Investments	1.05%	0.89%	0.83%	2.26%	2.72%	1.55%	1.65%	1.80%	1.99%	1.94%	1.79%	1.83%	1.87%	1.88%	1.86%
Goodwill	0.00%	4.83%	5.16%	1.71%	1.78%	2.70%	3.23%	2.92%	2.47%	2.62%	2.79%	2.80%	2.72%	2.68%	2.72%
Market-to-market derivative assets	3.15%	8.57%	0.00%	3.99%	1.58%	3.46%	3.52%	2.51%	3.01%	2.82%	3.06%	2.98%	2.88%	2.95%	2.94%
Deferred income taxes	0.03%	0.16%	0.18%	0.21%	0.00%	0.12%	0.13%	0.13%	0.12%	0.10%	0.12%	0.12%	0.12%	0.11%	0.11%
Other	7.92%	8.74%	8.62%	7.67%	9.24%	8.44%	8.54%	8.50%	8.48%	8.64%	8.52%	8.53%	8.53%	8.54%	8.55%
Total deferred debits and other assets	107.56%	104.30%	72.53%	81.64%	88.74%	90.95%	87.63%	84.30%	86.65%	87.66%	87.44%	86.74%	86.56%	87.01%	87.08%
Total assets	273.21%	244.72%	191.94%	203.70%	224.57%	227.63%	218.51%	213.27%	217.54%	220.30%	219.45%	217.81%	217.67%	218.55%	218.76%
LIABILITIES AND EQUITY															
Current Liabilities															
Short-term borrowings	4.77%	10.60%	4.74%	6.60%	6.98%	6.74%	7.13%	6.44%	6.78%	6.81%	6.78%	6.79%	6.72%	6.77%	6.77%
Long-term debt due within one year	1.12%	6.21%	0.59%	0.49%	4.36%	2.55%	2.84%	2.16%	2.48%	2.88%	2.58%	2.59%	2.54%	2.61%	2.64%
Accounts payable and accrued expenses	11.59%	12.69%	15.28%	10.48%	16.73%	13.36%	13.71%	13.91%	13.64%	14.27%	13.78%	13.86%	13.89%	13.89%	13.94%
Payables to Affiliates	0.61%	0.67%	0.00%	0.00%	0.00%	0.25%	0.18%	0.09%	0.11%	0.13%	0.15%	0.13%	0.12%	0.13%	0.13%
Mark-to-market derivative liabilities	1.49%	4.99%	6.37%	2.54%	1.98%	3.47%	3.87%	3.65%	3.10%	3.22%	3.46%	3.46%	3.38%	3.32%	3.37%
Renewable energy credit obligation	3.76%	3.95%	3.69%	3.90%	4.57%	3.97%	4.02%	4.03%	4.10%	4.14%	4.05%	4.07%	4.08%	4.08%	4.08%
Other	4.69%	1.58%	1.41%	1.36%	1.41%	1.44%	1.40%	1.40%	1.41%	1.41%	1.41%	1.41%	1.41%	1.41%	1.41%
Total current liabilities	29.65%	40.69%	32.07%	25.36%	29.05%	31.36%	31.71%	29.91%	29.48%	30.30%	30.55%	30.39%	30.13%	30.17%	30.31%
Long-term debt	31.62%	23.28%	18.27%	30.08%	31.33%	26.92%	25.98%	26.52%	28.17%	27.78%	27.07%	27.10%	27.33%	27.49%	27.35%
Long-term debt to Affiliates	1.84%	1.62%	0.00%	0.00%	0.00%	0.69%	0.46%	0.23%	0.28%	0.33%	0.40%	0.34%	0.32%	0.33%	0.34%
Deferred credits and other liabilities															
Deferred income taxes and unamortized ITCs	20.77%	18.85%	12.40%	12.88%	14.13%	15.81%	14.81%	14.01%	14.33%	14.62%	14.71%	14.50%	14.43%	14.52%	14.56%
Asset retirement obligations	68.48%	65.24%	51.96%	56.66%	52.82%	59.03%	57.14%	55.52%	56.24%	56.15%	56.82%	56.37%	56.22%	56.36%	56.38%
Pension and non-pension postretirement benefit obligations	4.87%	4.31%	4.97%	7.23%	7.96%	5.87%	6.07%	6.42%	6.71%	6.60%	6.33%	6.43%	6.50%	6.51%	6.47%
Spent nuclear fuel obligation	6.86%	6.16%	5.03%	5.20%	5.80%	5.81%	5.60%	5.49%	5.58%	5.65%	5.63%	5.59%	5.59%	5.61%	5.61%
Payables to affiliates	17.14%	17.08%	0.00%	0.00%	0.00%	6.84%	4.79%	2.33%	2.79%	3.35%	4.02%	3.45%	3.19%	3.36%	3.47%
Payables related to Regulatory Agreement Units	0.00%	0.00%	11.85%	14.80%	19.17%	9.16%	11.00%	13.20%	13.47%	13.20%	12.01%	12.57%	12.89%	12.83%	12.70%
Mark-to-market derivative liabilities	1.16%	2.61%	4.02%	1.68%	1.69%	2.23%	2.45%	2.42%	2.09%	2.18%	2.27%	2.28%	2.25%	2.22%	2.24%
Other	7.45%	5.77%	4.82%	4.51%	5.17%	5.54%	5.16%	5.04%	5.09%	5.20%	5.21%	5.14%	5.14%	5.15%	5.17%
Total deferred credits and other liabilities	126.73%	120.02%	95.06%	102.97%	106.74%	110.30%	107.02%	104.42%	106.29%	106.95%	107.00%	106.33%	106.20%	106.55%	106.61%
Total liabilities	189.84%	185.62%	145.41%	158.41%	167.12%	169.28%	165.17%	161.08%	164.21%	165.37%	165.02%	164.17%	163.97%	164.55%	164.61%
Commitments and contingencies															
Shareholders' equity															
Common stock	54.67%	53.35%	54.31%	49.58%	48.38%	52.06%	51.54%	51.17%	50.55%	50.74%	51.21%	51.04%	50.94%	50.90%	50.97%
Retained earnings (deficit)	15.93%	3.91%	-2.03%	3.05%	17.25%	7.62%	5.96%	6.37%	8.05%	9.05%	7.41%	7.37%	7.65%	7.91%	7.88%
Accumulated other comprehensive income (loss), net	-0.17%	-0.16%	-7.20%	-8.79%	-9.77%	-5.22%	-6.23%	-7.44%	-7.49%	-7.23%	-6.72%	-7.02%	-7.18%	-7.13%	-7.06%
Total shareholders equity	70.44%	57.10%	45.08%	43.84%	55.86%	54.46%	51.27%	50.10%	51.11%	52.56%	51.90%	51.39%	51.41%	51.68%	51.79%
Noncontrolling interests	12.94%	2.01%	1.45%	1.45%	1.58%	1.62%	1.53%	1.54%	1.57%	1.57%	1.55%	1.56%	1.56%	1.56%	1.56%
Total equity	83.37%	59.11%	46.53%	45.29%	57.45%	58.35%	53.35%	52.19%	53.33%	54.93%	54.43%	53.64%	53.70%	54.01%	54.14%
Total liabilities and shareholders' equity	273.21%	244.72%	191.94%	203.70%	224.57%	227.63%	218.51%	213.27%	217.54%	220.30%	219.45%	217.81%	217.67%	218.55%	218.76%

Constellation Energy Corporation
Value Driver Estimation

<i>Fiscal Years Ending Dec. 31</i>	2021	2022	2023	2024	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E
NOPLAT:														
Total Revenues	19,649	24,440	24,918	23,568	24,581	25,505	26,140	27,995	28,980	30,015	30,926	31,868	32,860	33,910
- Purchased power and fuel	12,157	17,457	16,001	11,419	13,730	12,624	13,173	11,806	11,642	11,482	11,325	11,172	11,023	10,877
- Purchased power and fuel from affiliates	6	5	0	0	0	0	0	0	0	0	0	0	0	0
- Operating and maintenance	3,934	4,797	5,685	6,159	5,619	6,105	6,354	6,635	6,950	7,203	7,389	7,635	7,870	8,116
- Operating and maintenance from affiliates	621	44	0	0	0	0	0	0	0	0	0	0	0	0
- Taxes other than income taxes	475	552	553	586	571	597	623	658	683	709	729	752	776	800
- Depreciation and amortization	3,003	1,091	1,096	1,123	1,115	1,214	1,334	1,439	1,544	1,649	1,754	1,859	1,964	2,069
EBIT	-547	494	1,583	4,281	3,547	4,965	4,655	7,457	8,161	8,972	9,729	10,450	11,228	12,048
Less Adjusted Taxes														
Income tax (benefit) expense	225	(388)	859	774	785	1087	1007	1720	1885	2094	2286	2462	2654	2857
- Tax on Gain (loss) on sale of assets and businesses	44	0	6	16	0	0	0	0	0	0	0	0	0	0
+ Tax Shield on Interest Expense	62	55	95	111	133	198	197	211	228	231	235	245	255	265
+ Tax Shield on Interest Expense to Affiliates	3	0	0	0	0	0	0	0	0	0	0	0	0	0
- Tax on Other Income	175	(173)	279	147	120	168	158	253	276	304	330	354	380	408
Total Adjusted Taxes	71	(160)	669	722	798	1116	1046	1679	1837	2020	2191	2354	2529	2714
Change in Deferred income taxes	21	(684)	170	174	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
NOPLAT:	(597)	(30)	1084	3733	2748	3847	3607	5777	6323	6951	7537	8095	8698	9333
Invested Capital (IC):														
Normal Cash	504	422	368	3022	2458	2551	2614	2799	2898	3002	3093	3187	3286	3391
Customer receivables, net	1669	2585	1934	3116	2332	2527	2664	2831	3067	3018	3145	3258	3361	3477
Other Accounts Receivable	592	731	917	602	700	770	789	846	838	888	922	948	975	1002
Receivables from Affiliates	160	0	0	0	0	0	0	0	0	0	0	0	0	0
Natural gas, oil, and emission allowances	284	429	284	243	329	342	345	346	363	390	399	408	418	434
Materials and supplies	1004	1,076	1216	1,357	1264	1290	1320	1449	1518	1540	1587	1640	1697	1750
Renewable energy credits	520	617	660	797	724	722	749	821	867	874	899	931	964	995
Other assets	1007	1,026	1655	689	1128	1203	1066	1249	1280	1296	1360	1395	1434	1486
Less: Accounts payable and accrued expenses	2494	3,734	2612	3,943	3283	3496	3636	3818	4135	4135	4286	4427	4563	4726
Less: Payables to Affiliates	131	-	0	0	0	0	0	0	0	0	0	0	0	0
Less: Renewable energy credit obligation	777	901	972	1,076	976	1024	1053	1147	1199	1216	1257	1299	1342	1384
Property, plant, and equipment	19612	19,822	22116	21235	23,120	25,407	27,407	29,407	31,407	33,407	35,407	37,407	39,407	41,407
Invested Capital (IC):	21950	22073	25566	26042	27795	30291	32264	34784	36905	39065	41268	43448	45637	47830
Free Cash Flow (FCF):														
NOPLAT	(597)	(30)	1084	3733	2748	3847	3607	5777	6323	6951	7537	8095	8698	9333
Change in IC	-3669	123	3493	476	1753	2495	1973	2521	2120	2160	2203	2180	2189	2194
FCF	3072	(153)	(2409)	3257	995	1352	1634	3257	4202	4790	5334	5915	6509	7139
Return on Invested Capital (ROIC):														
NOPLAT	(597)	(30)	1084	3733	2748	3847	3607	5777	6323	6951	7537	8095	8698	9333
Beginning IC	25619	21950	22073	25566	26042	27795	30291	32264	34784	36905	39065	41268	43448	45637
ROIC	-2.33%	-0.14%	4.91%	14.60%	10.55%	13.84%	11.91%	17.91%	18.18%	18.83%	19.29%	19.62%	20.02%	20.45%
Economic Profit (EP):														
Beginning IC	25619	21950	22073	25566	26042	27795	30291	32264	34784	36905	39065	41268	43448	45637
x (ROIC - WACC)	-12.21%	-10.01%	-4.97%	4.72%	0.68%	3.97%	2.03%	8.03%	8.30%	8.96%	9.42%	9.74%	10.14%	10.57%
EP	-3128	-2198	-1096	1208	176	1102	616	2590	2887	3306	3678	4019	4406	4826

Constellation Energy Corporation

Weighted Average Cost of Capital (WACC) Estimation

Cost of Equity:

Risk-Free Rate	4.32%
Beta	1.40
Equity Risk Premium	4.61%
Cost of Equity	10.75%

ASSUMPTIONS:

10 yr treasury bond

Average of 1, 3, & 5 yr beta

Trailing 12 month cash yield (Damodaran)

Cost of Debt:

Risk-Free Rate	4.32%
Implied Default Premium	1.70%
Pre-Tax Cost of Debt	6.02%
Marginal Tax Rate	22%
After-Tax Cost of Debt	4.69%

10 yr treasury bond

YTM on company's 30 yr corporate bond

Market Value of Common Equity:

Total Shares Outstanding	313
Current Stock Price	\$200.88
MV of Equity	62,875.44

MV Weights

85.53%

Market Value of Debt:

Short-Term Debt	1644
Current Portion of LTD	1028
Long-Term Debt	7384
PV of Operating Leases	583
MV of Total Debt	10,639.00

14.47%

Market Value of the Firm

73,514.44

100.00%

Estimated WACC

9.88%

Constellation Energy Corporation
Discounted Cash Flow (DCF) and Economic Profit (EP) Valuation Models

Key Inputs:	
CV Growth of NOPLAT	3.00%
CV Year ROIC	20.45%
WACC	9.88%
Cost of Equity	10.75%

Fiscal Years Ending Dec. 31	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E
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DCF Model:										
Free Cash Flow (FCF)	995	1352	1634	3257	4202	4790	5334	5915	6509	7139
Continuing Value (CV)										115809
PV of FCF	905	1120	1232	2234	2624	2722	2758	2784	2788	49612

Value of Operating Assets:	68781
Non-Operating Adjustments	
Add: Investments	640
Less: LT Debt	(7384)
Less: Payables Related to Regulator	(4518)
Less: Pension Obligation	(1875)
Add: Excess Cash	665
Add: Nuclear Decommissioning Trust	17305
Less: Operating Lease Liabilities	(583)
Add: Net Derivatives	349
Value of Equity	73380
Shares Outstanding	313
Intrinsic Value of Last FYE	\$ 234.44
Implied Price as of Today	\$ 237.88

EP Model:										
Economic Profit (EP)	176	1102	616	2590	2887	3306	3678	4019	4406	4826
Continuing Value (CV)										70172
PV of EP	160	913	464	1777	1803	1879	1902	1892	1888	30061

Total PV of EP	42739
Invested Capital (last FYE)	26042
Value of Operating Assets:	68781
Non-Operating Adjustments	
Add: Investments	640
Less: LT Debt	(7384)
Less: Payables Related to Regulator	(4518)
Less: Pension Obligation	(1875)
Add: Excess Cash	665
Add: Nuclear Decommissioning Trust	17305
Less: Operating Lease Liabilities	(583)
Add: Net Derivatives	349
Value of Equity	73380
Shares Outstanding	313
Intrinsic Value of Last FYE	\$ 234.44
Implied Price as of Today	\$ 237.88

Constellation Energy Corporation*Dividend Discount Model (DDM) or Fundamental P/E Valuation Model*

<i>Fiscal Years Ending</i>	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E
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EPS	\$ 8.71	\$ 12.19	\$ 11.38	\$ 19.57	\$ 21.59	\$ 24.12	\$ 26.48	\$ 28.68	\$ 31.08	\$ 33.54
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Key Assumptions

CV growth of EPS 3.00%

CV Year ROE 16.90%

Cost of Equity 10.75%

Future Cash Flows

P/E Multiple (CV Year) 10.61

EPS (CV Year) \$ 33.54

Future Stock Price \$ 355.74

Dividends Per Share 1.55 1.71 1.88 2.06 2.27 2.50 2.75 3.02 3.32

Discounted Cash Flows 1.40 1.39 1.38 1.37 1.36 1.35 1.34 1.34 1.33 \$ 141.88

Intrinsic Value as of Last FYE \$ 154.14

Implied Price as of Today \$ 156.40

Constellation Energy Corporation

Relative Valuation Models

*Information pulled from Yahoo Finance and Factset

Ticker	Company	Price	EPS		P/E 25	P/E 26
			2025E	2026E		
NEE	NextEra Energy	\$66.03	\$3.67	\$3.99	17.99	16.55
DUK	Duke Energy	\$121.91	\$6.33	\$6.72	19.26	18.14
VST	Vistra Corp	\$111.61	\$6.26	\$8.10	17.83	13.78
Average					18.36	16.16

CEG	Constellation Energy Co	\$200.88	\$8.71	\$12.19	23.1	16.5
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Implied Relative Value:

P/E (EPS25) \$ 159.83

P/E (EPS26) \$ 196.97

Constellation Energy Corporation

Key Management Ratios

Fiscal Years Ending Dec. 31	2020	2021	2022	2023	2024	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E
Liquidity Ratios:															
Current Ratio (Current Assets/Current Liabilities)	1.33	1.00	1.19	1.31	1.57	2.11	2.45	2.53	3.11	3.76	4.51	5.16	5.85	6.58	7.31
Quick Ratio (Current Assets-Inventory) / Current Liabilities	1.10	0.84	1.00	1.08	1.34	1.90	2.21	2.32	2.89	3.53	4.28	4.92	5.62	6.34	7.07
Cash Ratio (Cash Equivalents+Cash)/Current Liabilities	0.06	0.07	0.07	0.07	0.46	1.13	1.33	1.52	2.08	2.66	3.39	4.03	4.73	5.45	6.18
Asset-Management Ratios:															
Total Asset Turnover (Net Sales/Avg Total Assets)		0.38	0.51	0.51	0.45	0.43	0.41	0.39	0.37	0.35	0.33	0.31	0.29	0.27	0.25
Inventory Turnover (cogs/average inventory)		5.55	6.09	5.45	4.23	4.46	4.40	4.51	4.08	3.88	3.79	3.73	3.65	3.57	3.49
Accounts Receivable Turnover (net sales/avg acct receivable)		12.44	11.42	11.03	9.33	9.02	10.50	10.07	10.19	9.83	9.86	10.03	9.95	9.93	9.92
Financial Leverage Ratios:															
LT Debt/Total Equity	0.38	0.39	0.39	0.66	0.55	0.88	0.78	0.71	0.61	0.52	0.45	0.39	0.35	0.31	0.28
LT Debt/Total Assets	0.12	0.10	0.10	0.15	0.14	0.21	0.21	0.20	0.19	0.18	0.17	0.16	0.15	0.14	0.13
Net Debt/Total Equity	0.72	1.04	1.04	1.19	0.83	0.82	0.66	0.51	0.24	0.07	-0.09	-0.20	-0.29	-0.37	-0.43
Total Debt/Total Assets	0.14	0.17	0.12	0.18	0.19	0.25	0.23	0.23	0.22	0.20	0.18	0.17	0.16	0.16	0.15
Profitability Ratios:															
Return on Equity (NI/Beg TSE)	-0.67%	-1.49%	14.31%	34.22%	20.53%	26.96%	20.85%	31.02%	27.03%	24.42%	22.03%	19.90%	18.25%	16.90%	
Gross Margin (Revenue-Cogs)/Total Revenue	1.56%	-1.87%	2.04%	6.46%	18.47%	14.43%	19.47%	17.81%	26.64%	28.16%	29.89%	31.46%	32.79%	34.17%	
Return on Assets (Net Income/Average Total Assets)	-0.17%	-0.35%	3.23%	7.21%	4.76%	5.96%	5.12%	7.88%	7.76%	7.84%	7.76%	7.60%	7.46%	7.33%	
Payout Policy Ratios:															
Dividend Payout Ratio (Dividend/EPS)	0.00%	0.00%	0.00%	31.59%	27.09%	11.86%	17.82%	13.99%	16.50%	10.55%	10.52%	10.36%	10.38%	10.54%	10.70%
Total Payout Ratio ((Divs. + Repurchases)/NI)						5.98%	4.00%	4.09%	4.00%	4.07%	4.14%	4.24%	4.36%	4.48%	4.62%
Retention Ratio (Net Income - Dividends) / Net Income			68.41%	72.91%	88.14%	82.18%	86.01%	83.50%	89.45%	89.48%	89.64%	89.62%	89.46%	89.30%	89.10%

Constellation Energy Corporation
Sensitivity Tables

CV Growth of NOPLAT	Risk-Free Rate							
	Risk-Free Rate							
	237.88	3.42%	3.72%	4.02%	4.32%	4.62%	4.92%	5.22%
	1.70%	250.11	240.17	230.90	222.25	214.15	206.56	199.43
	1.80%	251.52	241.43	232.03	223.26	215.06	207.38	200.17
	1.90%	252.97	242.72	233.19	224.30	215.99	208.22	200.92
	2.00%	254.47	244.05	234.38	225.36	216.95	209.07	201.70
	2.10%	256.00	245.42	235.60	226.45	217.92	209.95	202.49
	2.20%	257.58	246.82	236.85	227.57	218.93	210.85	203.29
	2.30%	259.20	248.27	238.14	228.72	219.96	211.77	204.12

Pre-Tax Cost of Debt	Marginal Tax Rate							
	237.88	19%	20%	21%	22%	23%	24%	25%
	4.52%	243.11	243.66	244.20	244.75	245.29	245.84	246.39
	5.02%	240.82	241.35	241.88	242.42	242.95	243.48	244.02
	5.52%	238.57	239.09	239.61	240.13	240.65	241.17	241.69
	6.02%	236.36	236.86	237.37	237.87	238.38	238.89	239.40
	6.52%	234.19	234.68	235.17	235.66	236.15	236.65	237.14
	7.02%	232.06	232.53	233.01	233.48	233.96	234.44	234.93
	7.52%	229.96	230.42	230.88	231.34	231.81	232.28	232.74

ERP	Normal Cash % of Revenue							
	237.88	5.50%	7.00%	8.50%	10.00%	11.50%	13.00%	14.50%
	4.01%	278.16	275.31	272.46	269.62	266.77	263.93	261.08
	4.21%	266.68	263.86	261.04	258.22	255.40	252.58	249.75
	4.41%	256.07	253.27	250.47	247.67	244.87	242.07	239.27
	4.61%	246.21	243.44	240.66	237.88	235.10	232.32	229.54
	4.81%	237.05	234.29	231.53	228.77	226.01	223.25	220.49
	5.01%	228.50	225.76	223.02	220.28	217.54	214.80	212.06
	5.21%	220.51	217.79	215.06	212.34	209.62	206.89	204.17

Depreciation Rate	Cost of Equity							
	237.88	8.84%	9.34%	9.84%	10.34%	10.84%	11.34%	11.84%
	4.50%	243.44	243.60	243.76	243.92	244.08	244.23	244.39
	4.75%	241.38	241.53	241.69	241.85	242.00	242.16	242.31
	5.00%	239.32	239.48	239.64	239.79	239.95	240.10	240.25
	5.25%	237.28	237.44	237.59	237.75	237.90	238.05	238.20
	5.50%	235.26	235.41	235.56	235.72	235.87	236.02	236.17
	5.75%	233.24	233.39	233.55	233.70	233.85	234.00	234.15
	6.00%	231.24	231.39	231.54	231.69	231.84	231.99	232.14

WACC	CV Growth EPS							
	237.88	1.75%	2.00%	2.25%	2.50%	2.75%	3.00%	3.25%
	7.94%	346.65	346.65	346.65	346.65	346.65	346.65	346.65
	8.44%	310.92	310.92	310.92	310.92	310.92	310.92	310.92
	8.94%	281.36	281.36	281.36	281.36	281.36	281.36	281.36
	9.44%	256.52	256.52	256.52	256.52	256.52	256.52	256.52
	9.94%	235.38	235.38	235.38	235.38	235.38	235.38	235.38
	10.44%	217.20	217.20	217.20	217.20	217.20	217.20	217.20
	10.94%	201.40	201.40	201.40	201.40	201.40	201.40	201.40

WACC	CapEx Forecast							
	237.88	1250.00	1500.00	1750.00	2000.00	2250.00	2500.00	2750.00
	8.68%	317.67	310.47	303.26	296.06	288.86	281.65	274.45
	9.08%	294.38	287.58	280.78	273.98	267.18	260.37	253.57
	9.48%	274.04	267.59	261.15	254.70	248.26	241.82	235.37
	9.88%	256.12	250.00	243.87	237.75	231.63	225.50	219.38
	10.28%	240.24	234.40	228.57	222.73	216.90	211.06	205.22
	10.68%	226.07	220.49	214.92	209.34	203.77	198.19	192.62
	11.08%	213.35	208.01	202.68	197.34	192.00	186.67	181.33

Constellation Energy Corporation

Effects of ESOP Exercise and Share Repurchases on Common Stock Account and Number of Shares Outstanding

Number of Options Outstanding (shares): 100,000
Average Time to Maturity (years): 5.54
Expected Annual Number of Options Exercised: 18,060

Current Average Strike Price: \$ 10.70
Cost of Equity: 6.05%
Current Stock Price: \$209.87

Fiscal Years Ending Dec. 31	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E
Increase in Shares Outstanding:										
Average Strike Price:										
Increase in Common Stock Account:										
Share Repurchases (\$)	991	498	498	498	498	498	498	498	498	498
Expected Price of Repurchased Shares:	\$ 209.87	\$ 222.57	\$ 236.03	\$ 250.31	\$ 265.46	\$ 281.52	\$ 298.55	\$ 316.61	\$ 335.77	\$ 356.08
Number of Shares Repurchased:	5	2	2	2	2	2	2	2	1	1
Shares Outstanding (beginning of the year)	313	308	306	304	302	300	298	296	295	293
Plus: Shares Issued Through ESOP	0	0	0	0	0	0	0	0	0	0
Less: Shares Repurchased in Treasury	5	2	2	2	2	2	2	2	1	1
Shares Outstanding (end of the year)	308	306	304	302	300	298	296	295	293	292