

# Constellation Energy Corp.





## EXECUTIVE SUMMARY

# Constellation Energy Corp.

RECOMMENDATION:

**BUY**

24% Upside

**\$318**

Target Price



**\$256**

1

LEADING CLEAN ENERGY INNOVATION



2

SURGING NUCLEAR DEMAND



3

LONG TERM PARTNERSHIPS SECURED



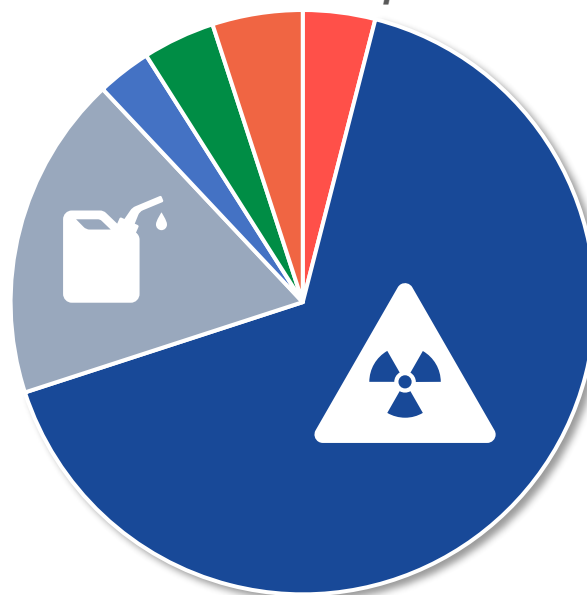
# Fueling the Future



*More Nuclear Plants Than Any U.S. Company*



*The cleanest inputs...*



*“The largest nuclear power plant operator in the U.S., producing 20% of the country’s electricity and half of its carbon-free energy”*

1999



Baltimore Gas and Electric Company formed Constellation as a holding company

2005



Constellation announced a joint venture with Areva to market the European Pressurized Reactor in the US

2008



Constellation acquired uranium trading firm Nufcor International

2012



Constellation merged with Exelon, becoming a subsidiary

2022



Constellation separated from Exelon and became an independent company again, focusing on clean energy





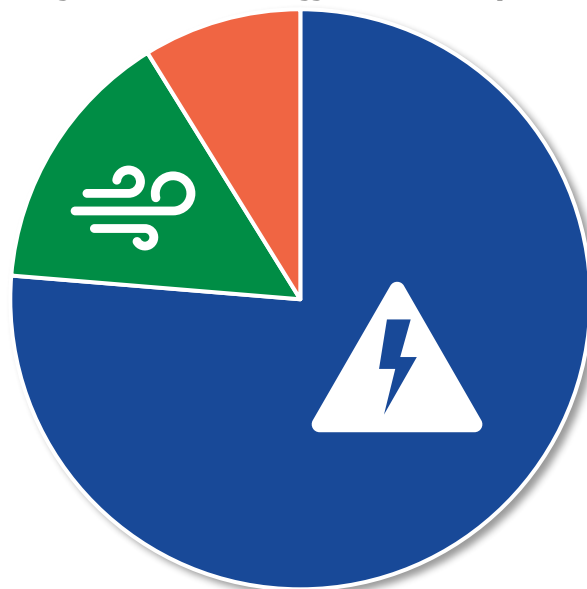
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*...for the most effective outputs*



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# Fueling the Future



Atoms are split inside a reactor, releasing immense heat



Heat from the reactor is used to boil water into steam



The steam is directed at giant turbines, forcing them to spin



The spinning turbines turn a generator to produce electricity

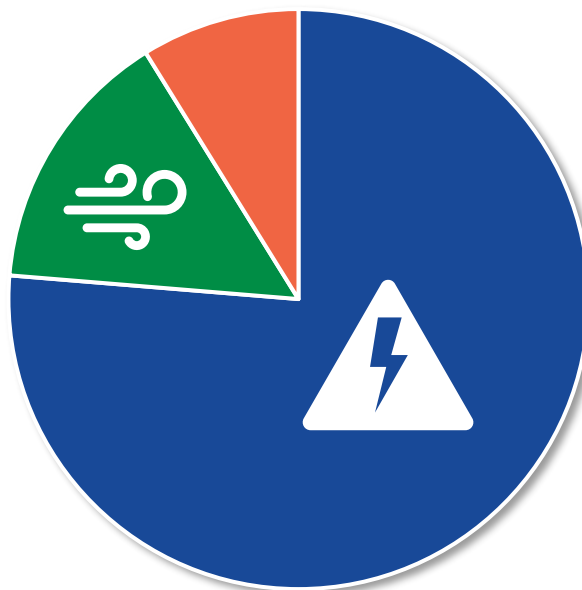


Electricity is transmitted through a network of power lines to homes and business

***More Nuclear Plants Than Any U.S. Company***



***...for the most effective outputs***



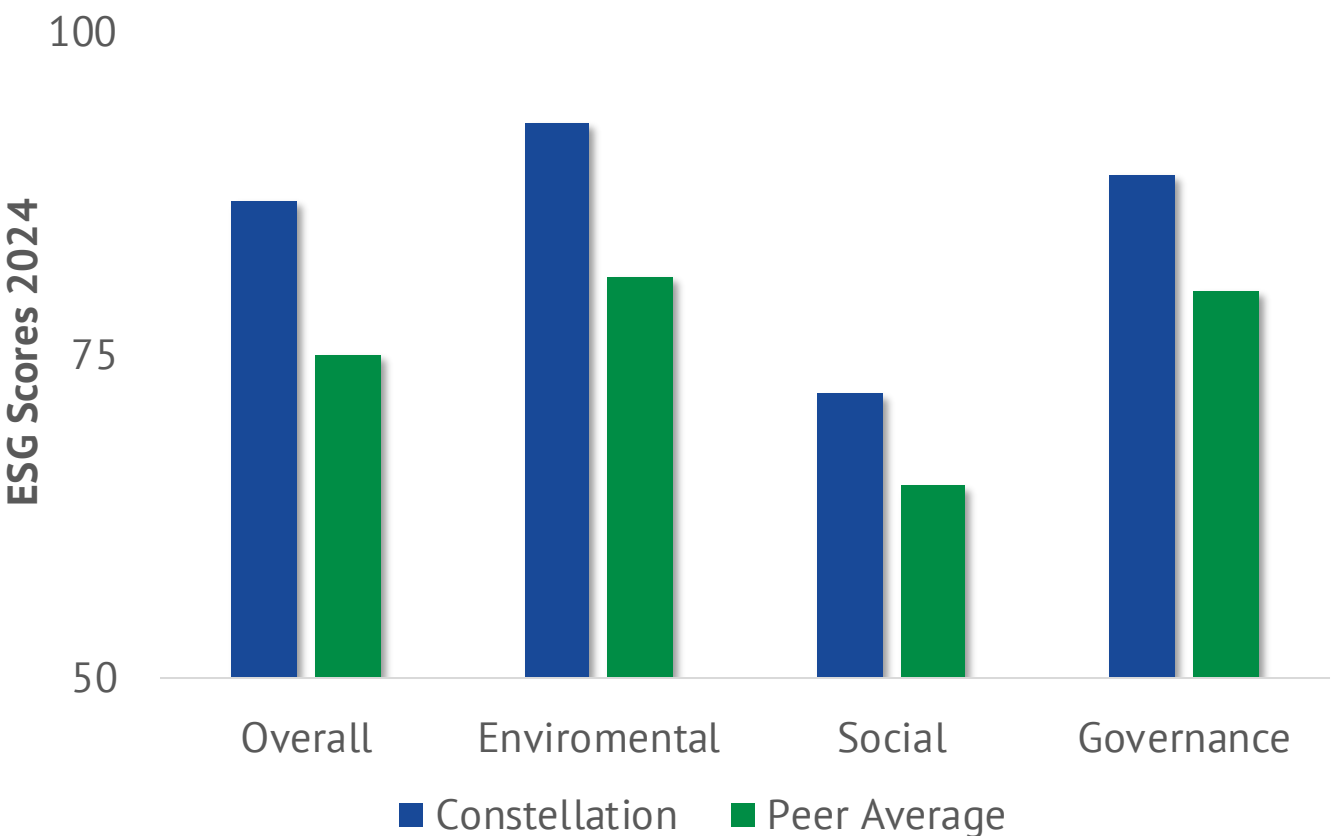
***“The largest nuclear power plant operator in the U.S., producing 20% of the country’s electricity and half of its carbon-free energy”***



# Empowering a Greener Tomorrow



Ahead in Every ESG Metric



Ambitious Environmental Goals

100% carbon-free electricity by 2040

100% reduction of operations-driven emissions by 2040

100% of customers receive detailed environmental impact information



ESG

BUSINESS DESCRIPTION

INDUSTRY ANALYSIS

FINANCIAL ANALYSIS

MACROECONOMIC

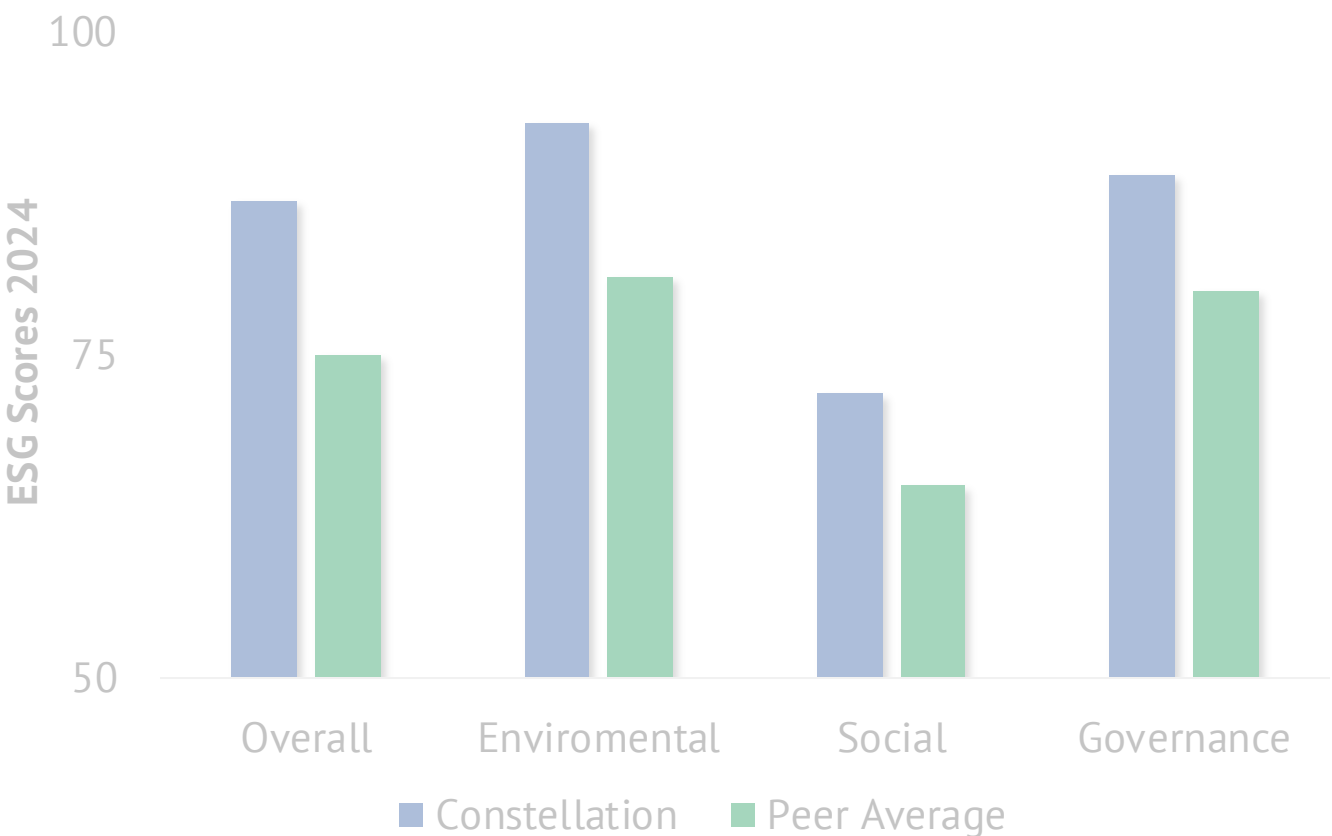
VALUATION

INVESTMENT RISKS

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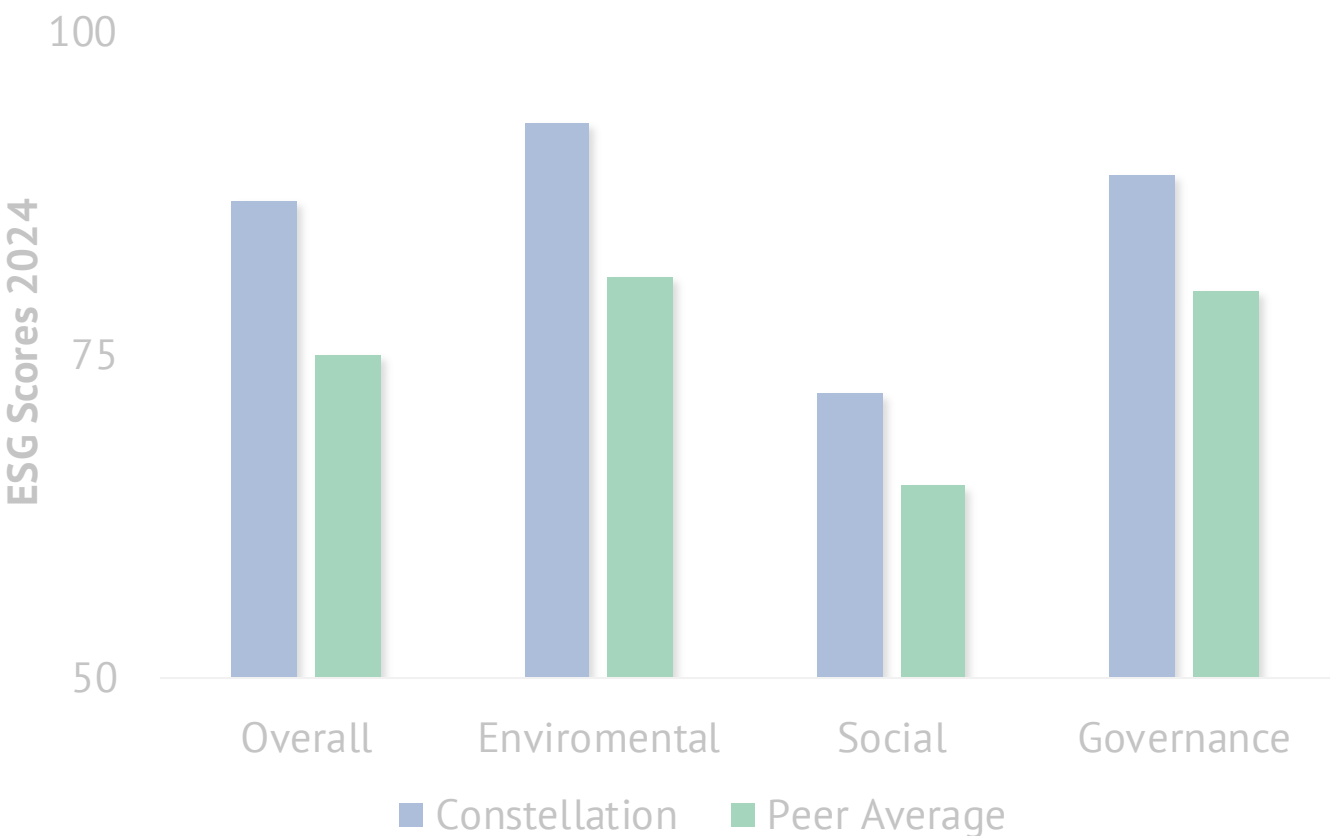
INVESTMENT RISKS



# Empowering a Greener Tomorrow



Ahead in Every ESG Metric



More Than Just Giving Back

**\$18.7 million** given to charities through the Powering Communities Program

**2,500** community projects supported by the Community Champions Program

**\$6 million** in grants awarded with the Energy to Educate Program



ESG

BUSINESS DESCRIPTION

INDUSTRY ANALYSIS

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VALUATION

INVESTMENT RISKS



# Leading with Integrity



**Joseph Dominguez**  
Chief Executive Officer



**Kathleen Barrón**  
Executive Vice President



**Daniel Eggers**  
Chief Financial Officer



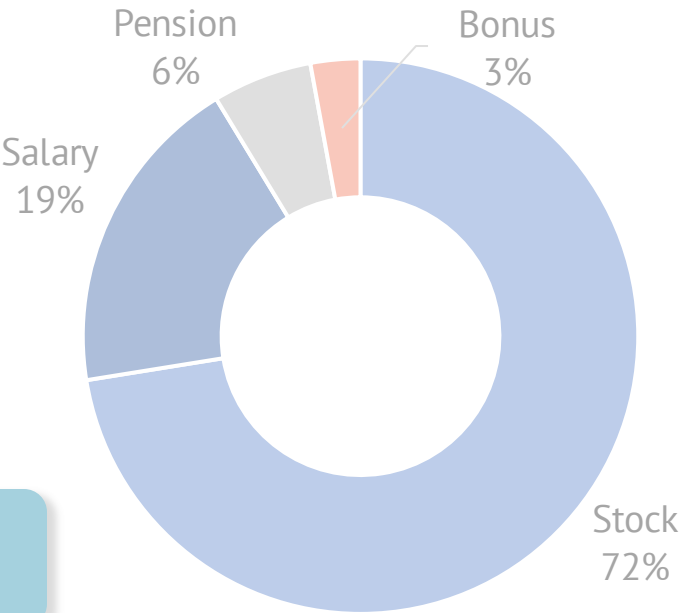
## Stability in Stock Ownership

Insider (1%)

Other (14%)

Institutional (85%)

## Executives Align with Shareholders



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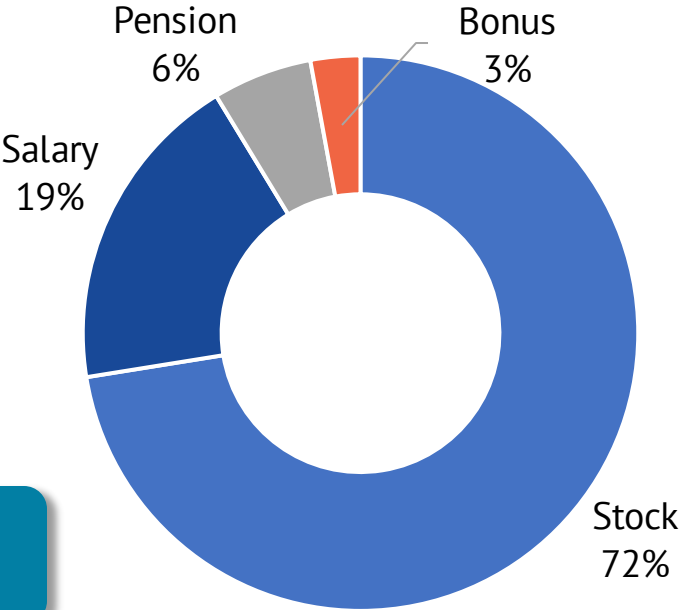
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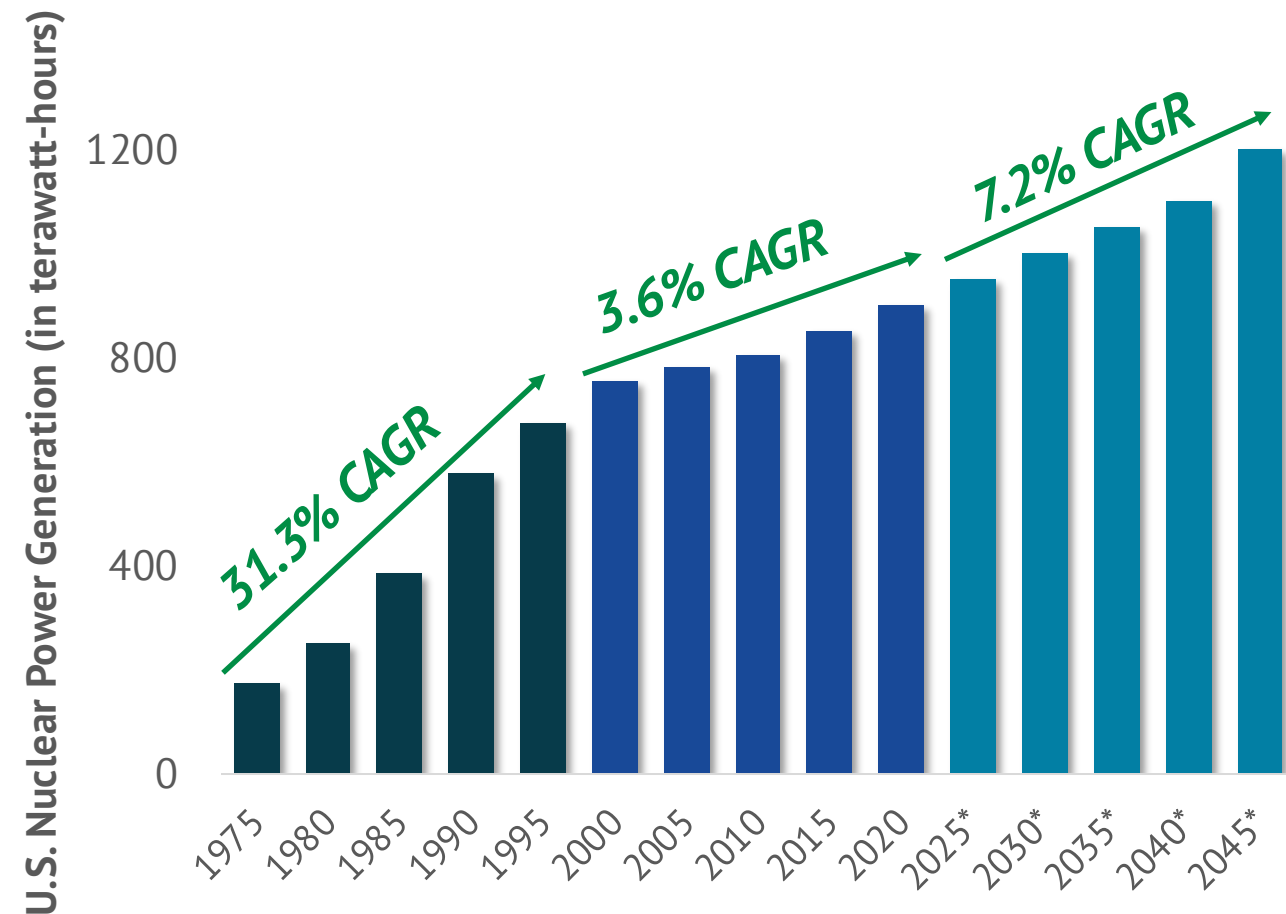
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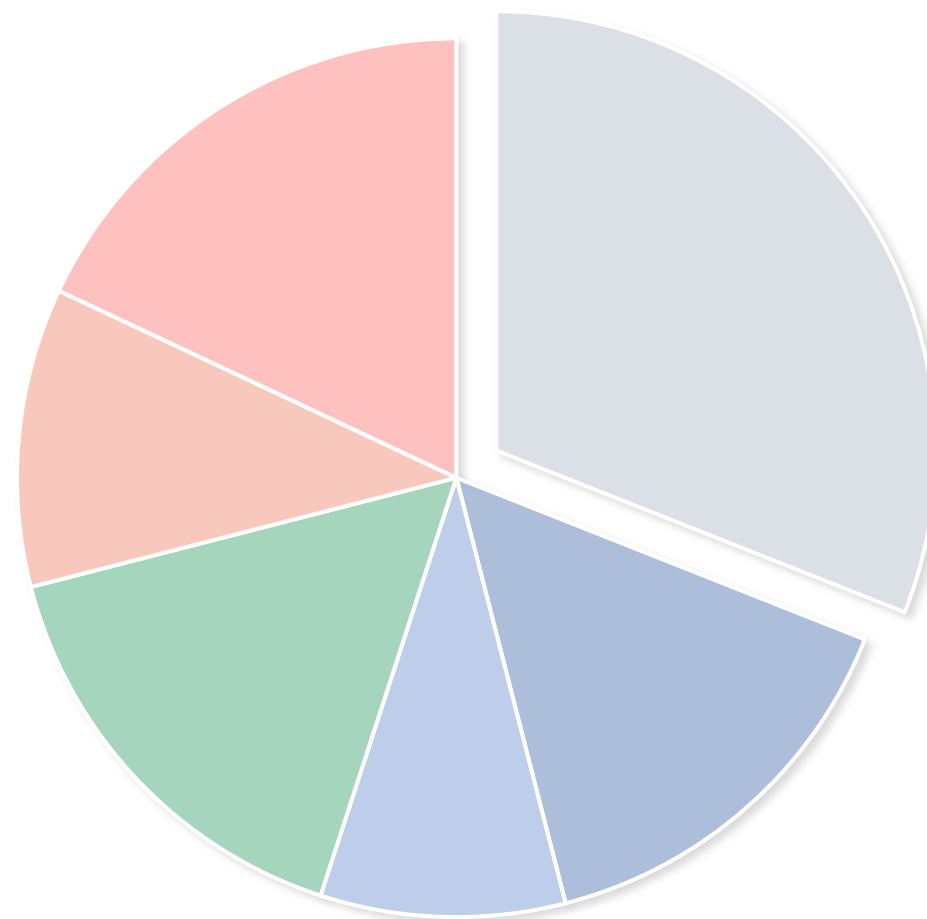
# Nuclear Demand & Competition



*Amped Up: Nuclear's Rise, Reset, and Recharge*



*Sizing Up the Competition*

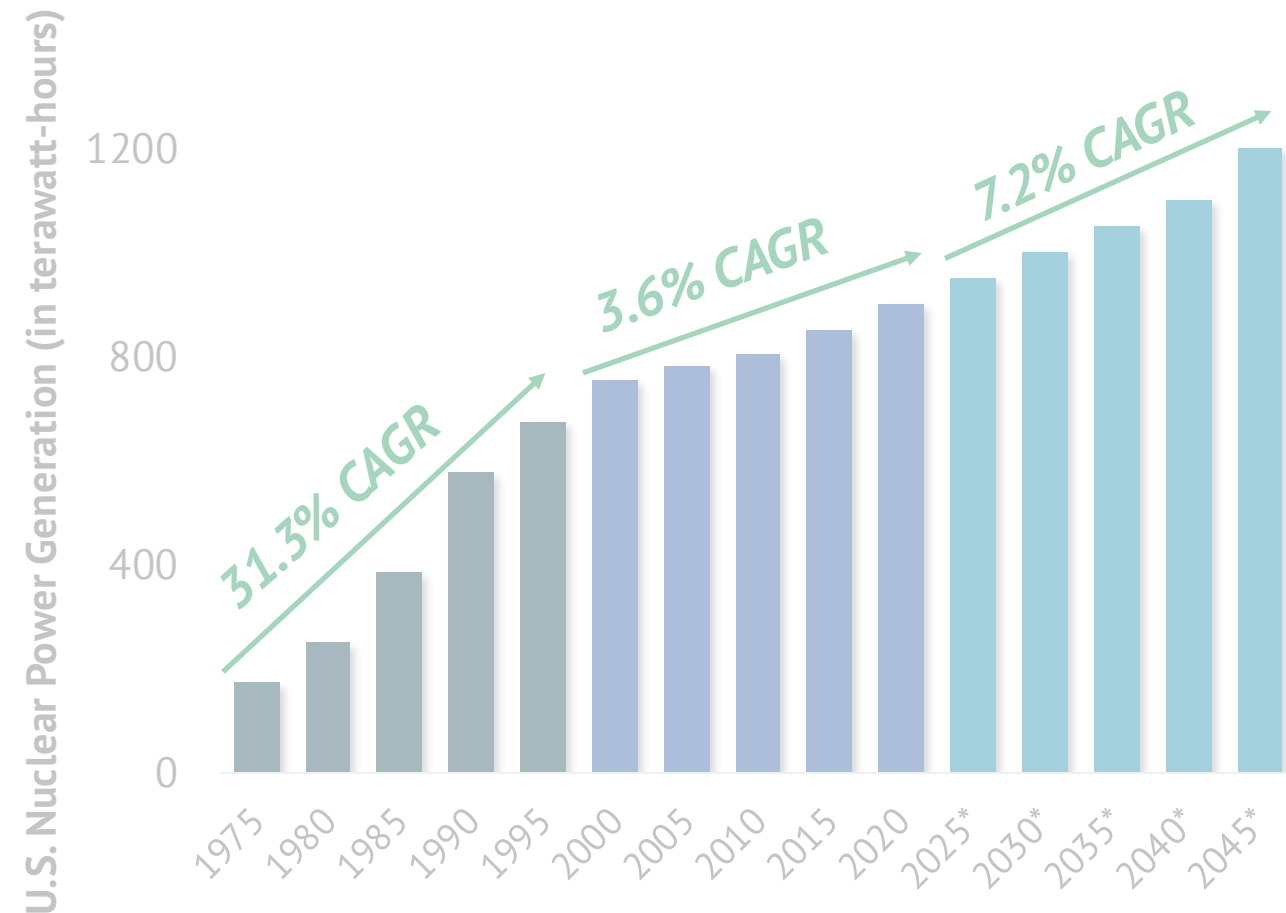




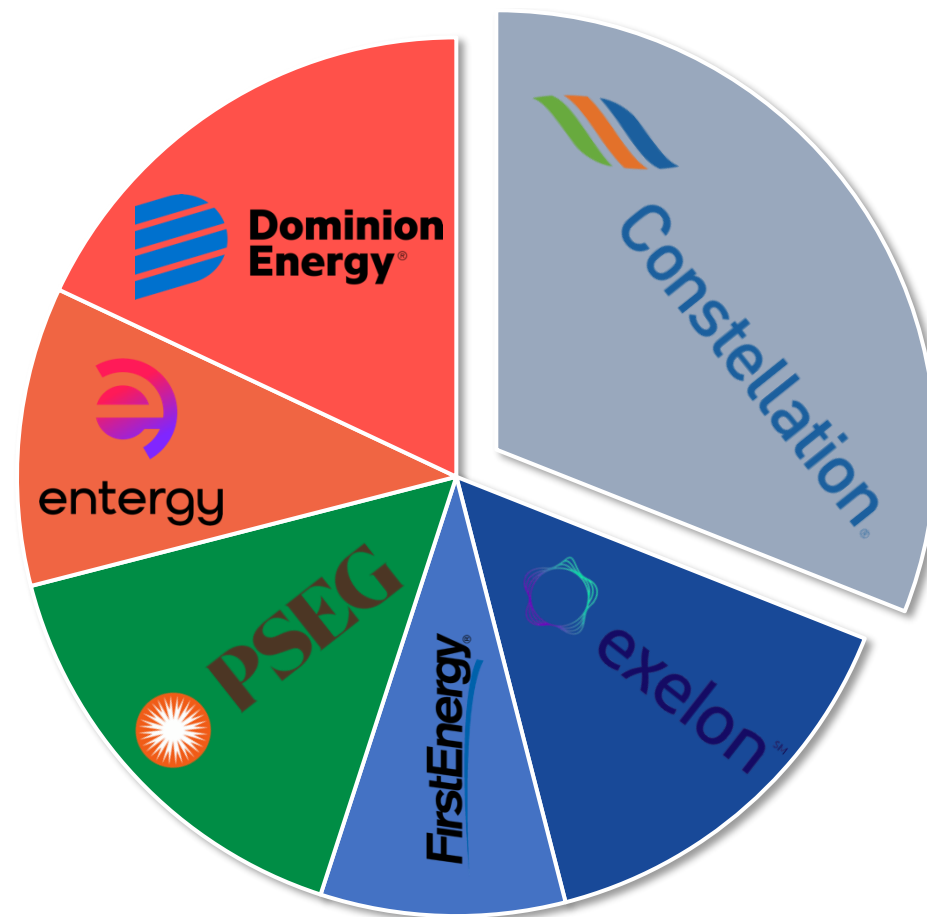
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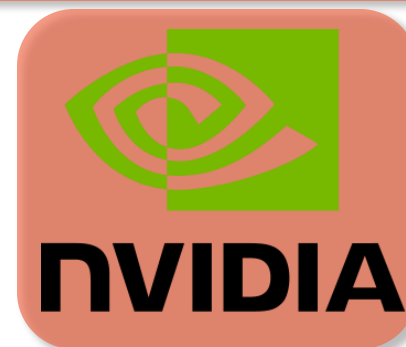
*Sizing Up the Competition*



# Clean Energy for Smart Tech



Watt's Powering AI's Future?



Signed, Sealed, and Powered



Inflation Reduction Act

ADVANCE

Energy Infrastructure Act

# Clean Energy for Smart Tech



## Watt's Powering AI's Future?



## Signed, Sealed, and Powered



### Inflation Reduction Act (IRA)



Clean Energy Tax Credits

Nuclear Production Support

### ADVANCE Act



Easier Licensing for Nuclear

Advanced Reactor Incentives

### Energy Infrastructure Act

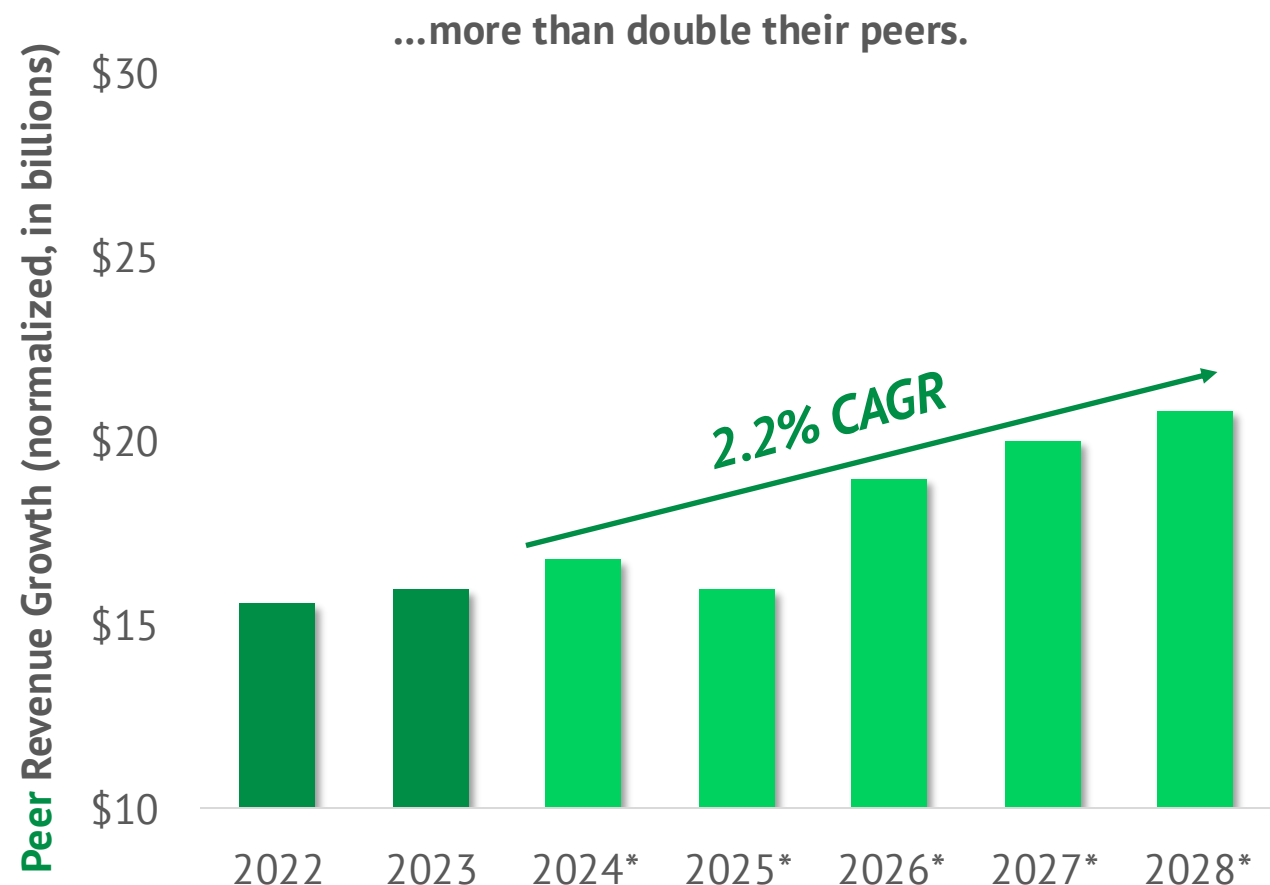
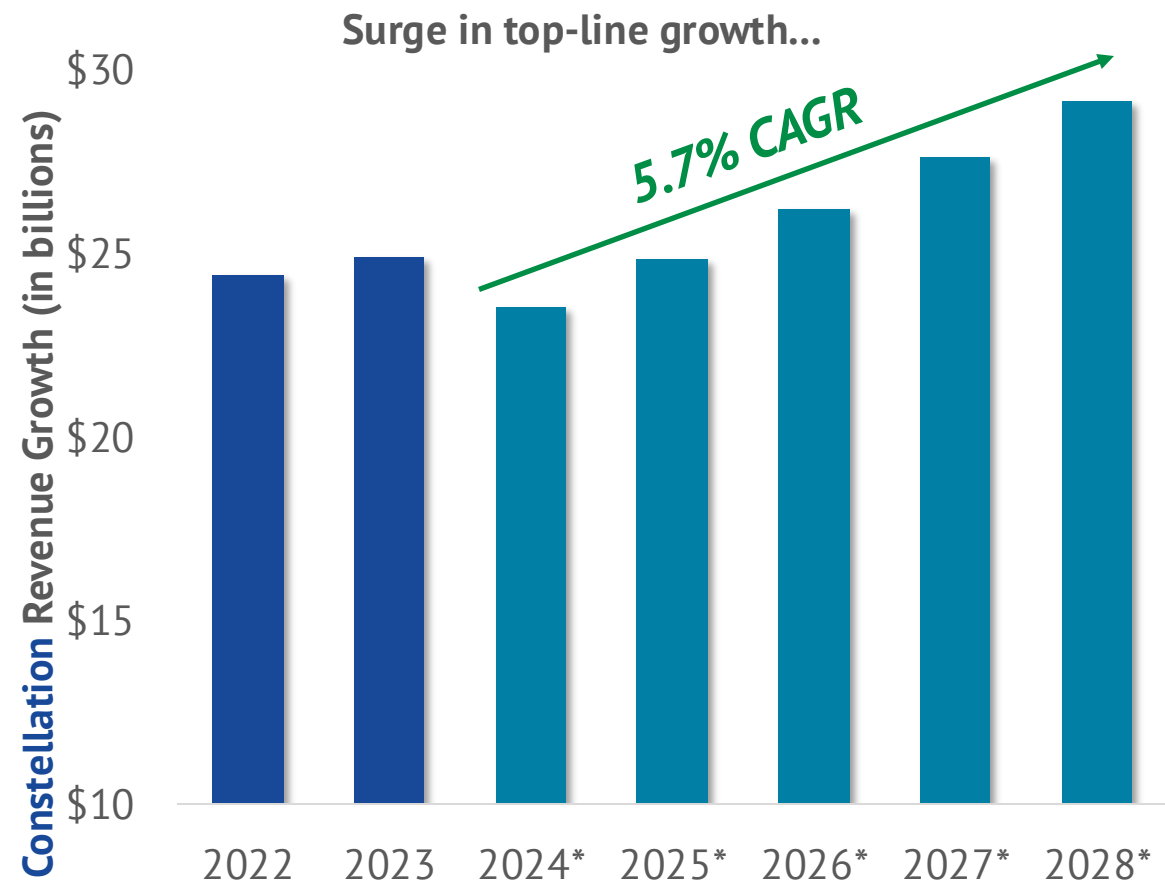


\$7.5B EV Charging Network

Alternative Fuel Corridors



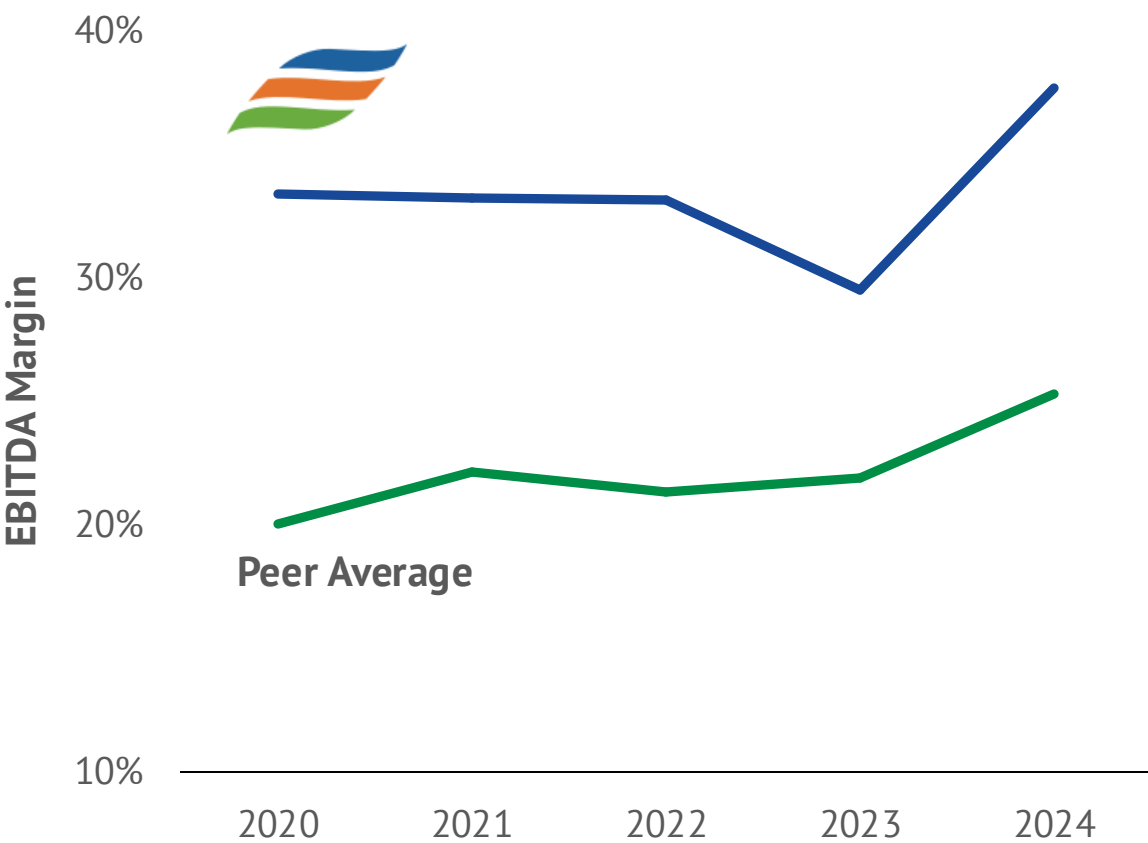
# Outpacing the Competition



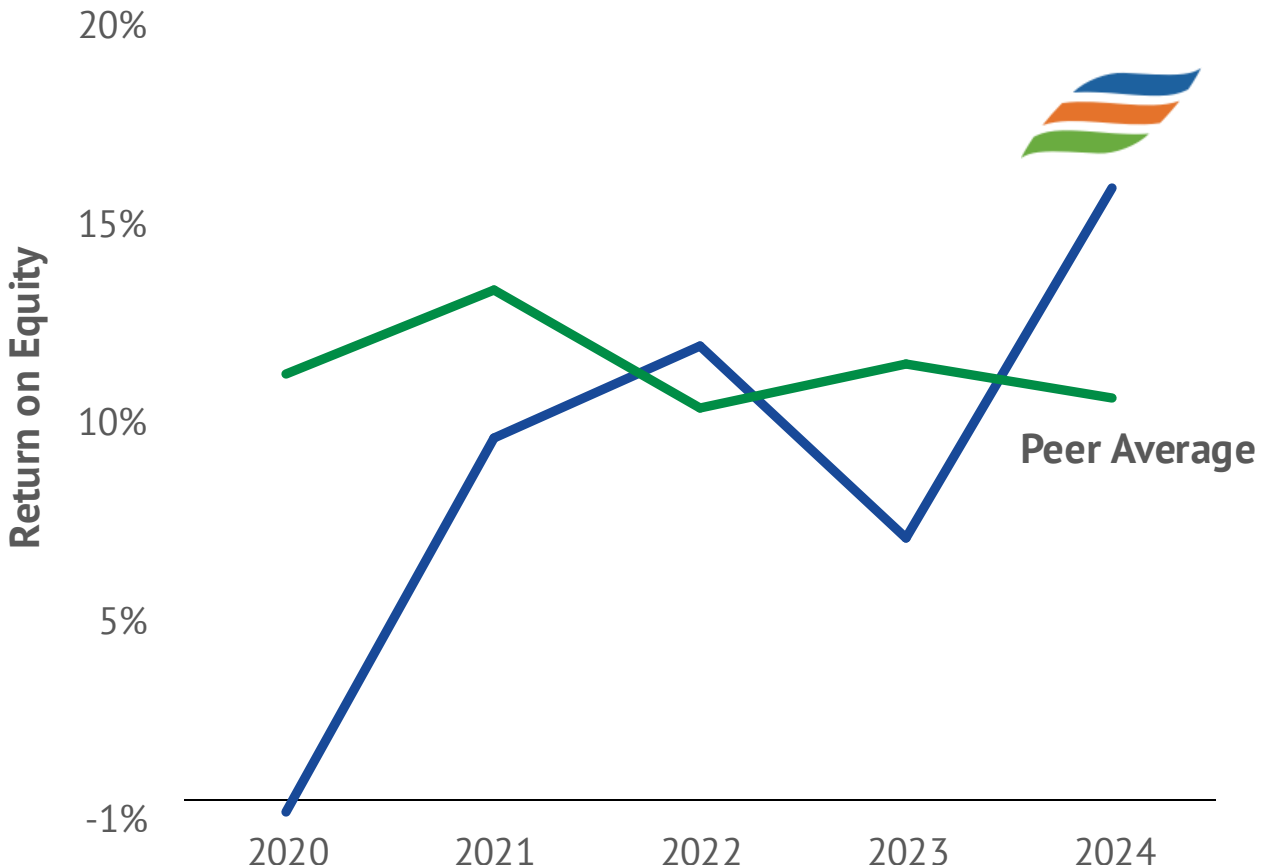
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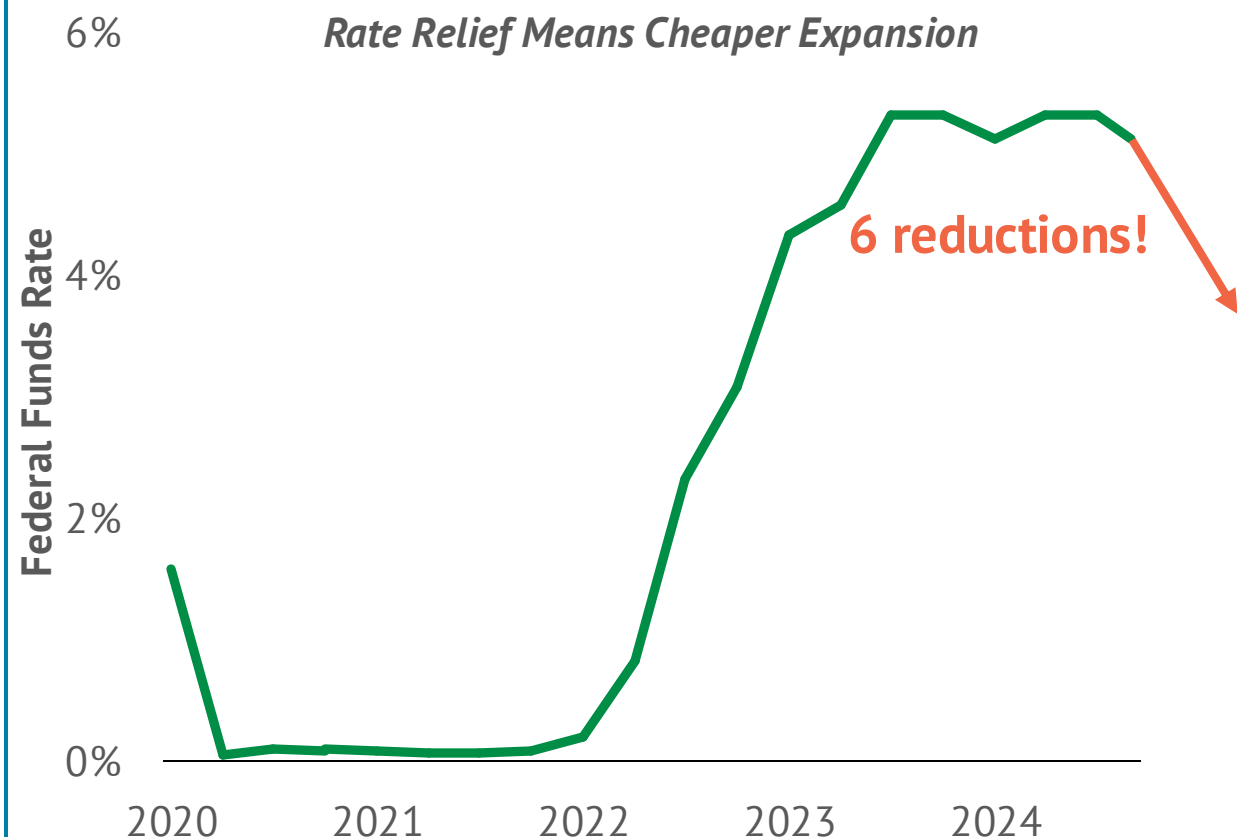
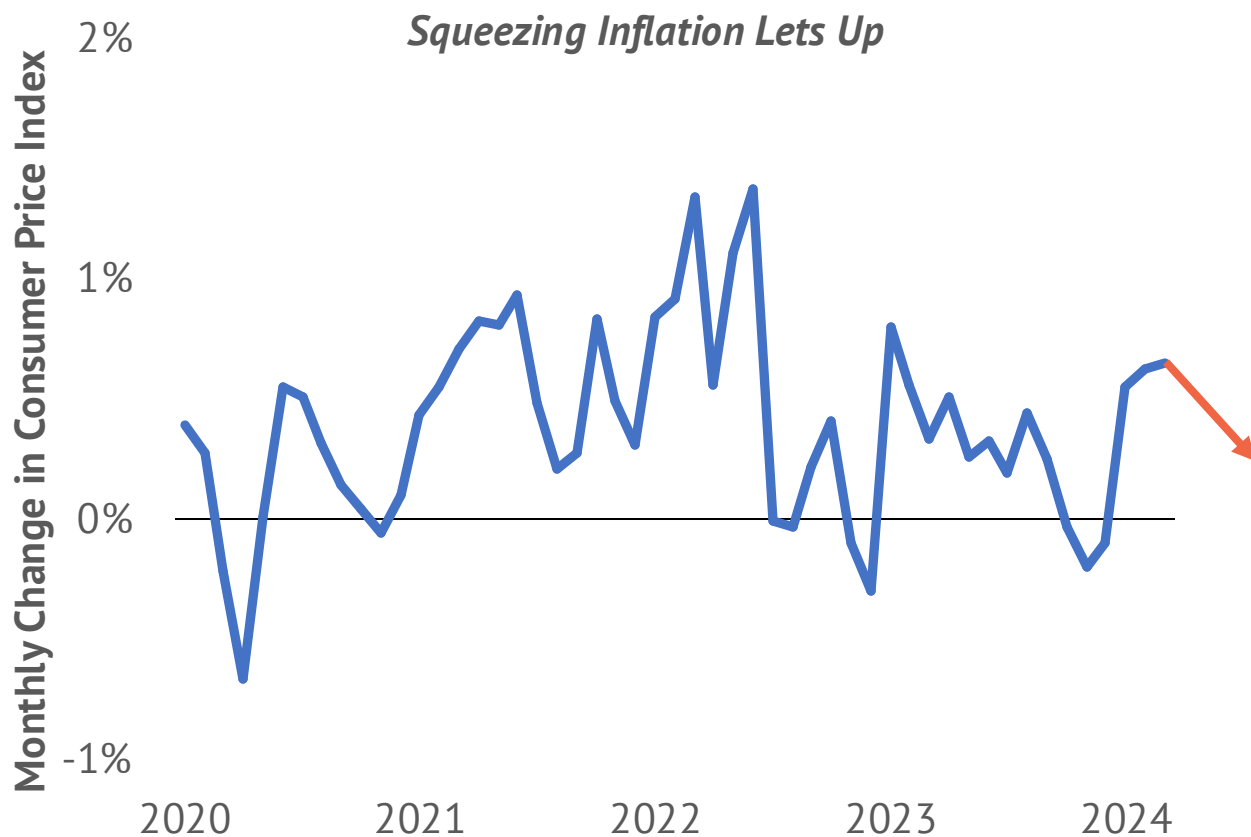
Driving efficiency for stronger results...



...and superior returns for shareholders.



# Cooling Inflation, Hotter Prospects for Nuclear

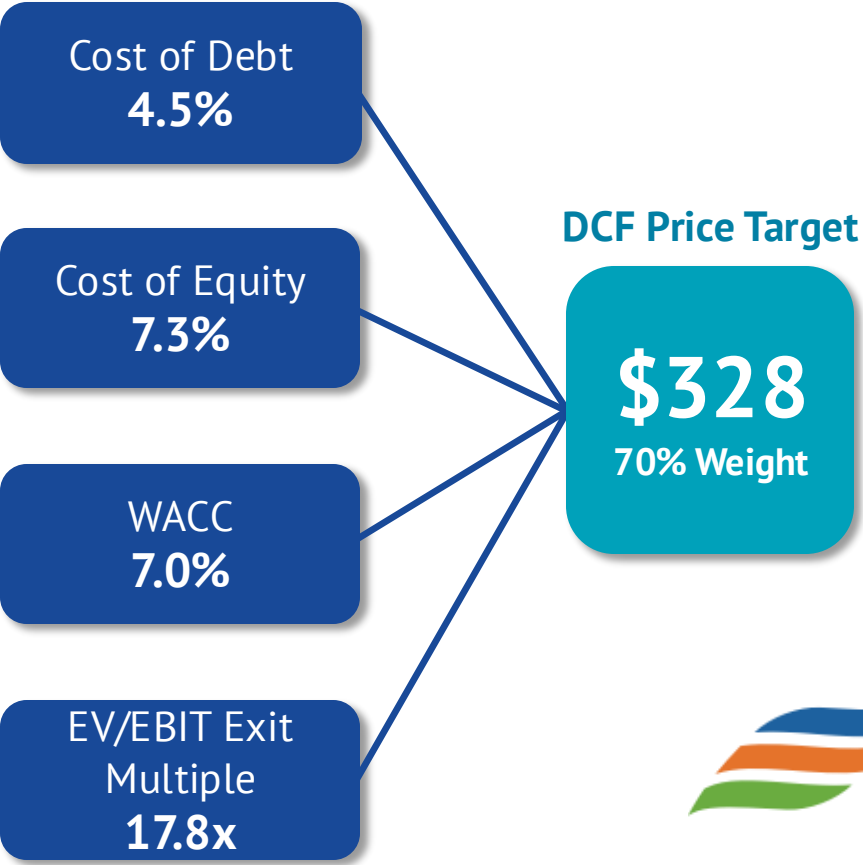




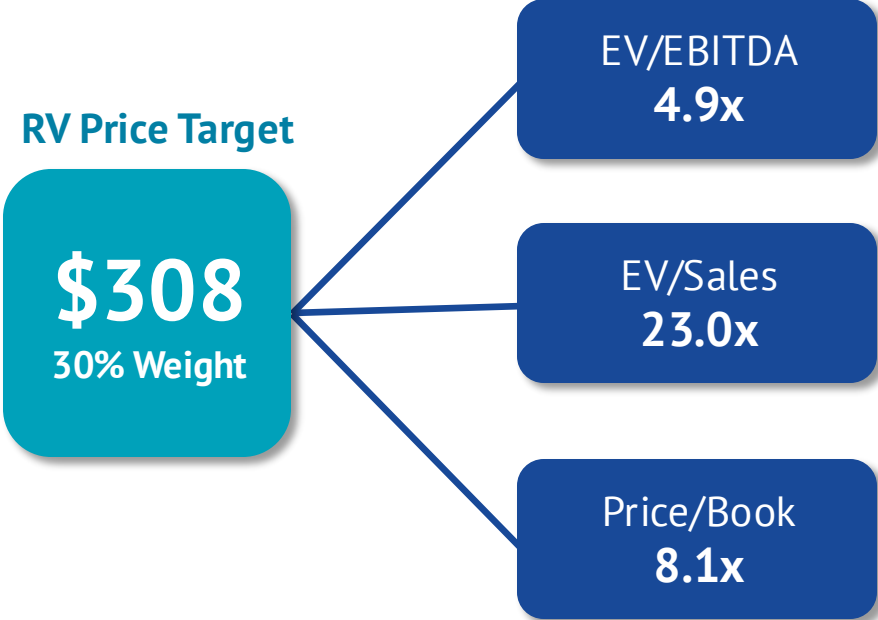
# Positioned for Growth, Priced Below Potential



## Discounted Cashflow Valuation



## Relative Valuation



Blended Price Target

**\$318**

24% Upside



Constellation®



# Robust Price Target



		EV/EBIT				
		16.8x	17.3x	17.8x	18.3x	18.8x
WACC	6.0%	\$326	\$331	\$338	\$345	\$352
	6.5%	\$321	\$326	\$333	\$340	\$347
	7.0%	\$316	\$321	\$328	\$335	\$342
	7.5%	\$311	\$317	\$324	\$331	\$338
	8.0%	\$306	\$313	\$320	\$327	\$334

		Terminal Growth Rate				
		2.00%	2.25%	2.50%	2.75%	3.00%
WACC	6.0%	\$330	\$338	\$346	\$354	\$362
	6.5%	\$320	\$328	\$336	\$344	\$352
	7.0%	\$312	\$320	\$328	\$336	\$344
	7.5%	\$304	\$312	\$320	\$328	\$336
	8.0%	\$296	\$304	\$312	\$320	\$330



**Best-on-Best Scenario**

37% Upside




**Worst-on-Worst Scenario**

4% Upside



**Best-on-Best Scenario**

41% Upside



**Worst-on-Worst Scenario**

2% Upside



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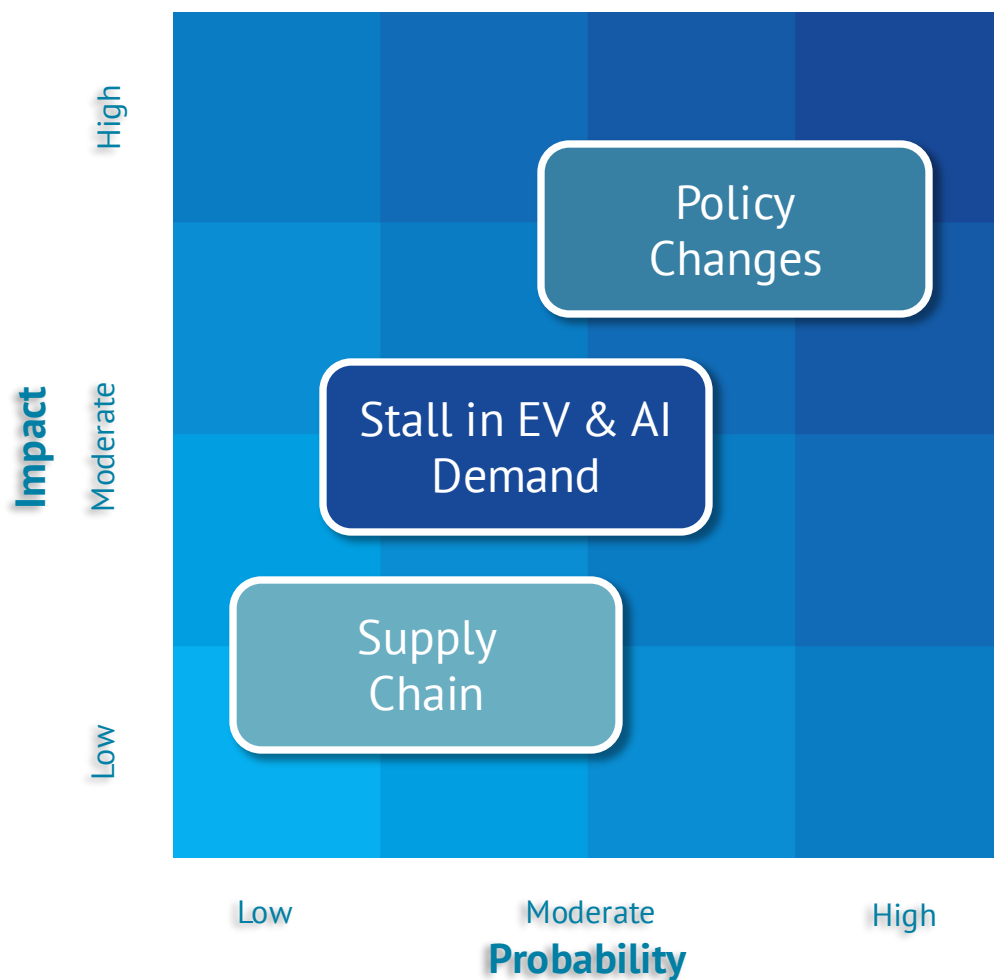


**Worst-on-Worst Scenario**

2% Upside



# Staying Balanced in a Shifting Landscape



Shifting Consumer Sentiment



Repealing the Inflation Reduction Act



Geopolitical and Supply Chain Disruptions





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# Q&A

## Fueling the Future



## Empowering a Greener Tomorrow



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## Leading with Integrity



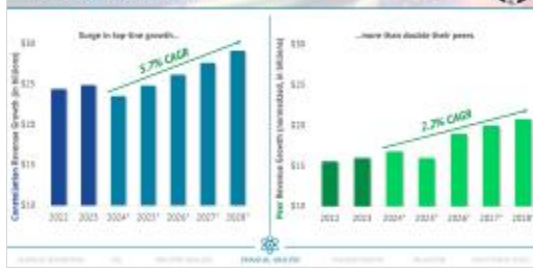
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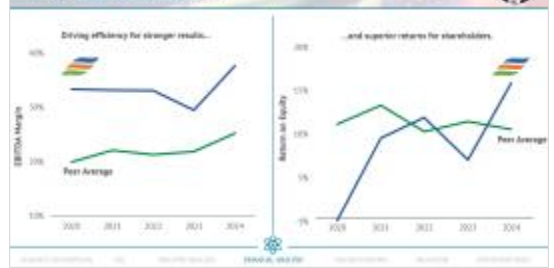
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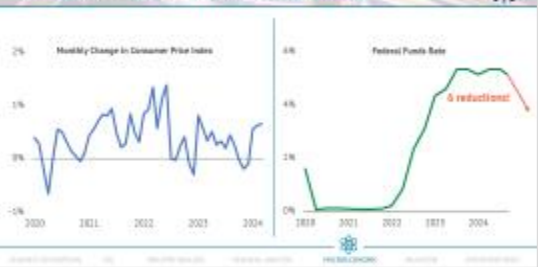
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## Cooling Inflation, Hotter Prospects for Nuclear



## Positioned for Growth, Priced Below Potential



## Robust Price Target



## Staying Balanced in a Shifting Landscape

