VIREO CAPITAL RESEARCH | Equity Research | Initiating Coverage | August 17, 2026

# NuScale Power Corporation

NYSE: SMR | Energy | Nuclear Technology | Development Stage

| RATING | PRICE TARGET | CURRENT PRICE | DOWNSIDE |
|---|---|---|---|
| SELL | USD 7.00 | USD 9.42 | -25.7% |

| MARKET CAP | 52-WEEK RANGE | SHORT INTEREST | BETA |
|---|---|---|---|
| ~$4.2B | $7.21 - $57.42 | 19.86% of float | ~1.75 |

| Q2 2026 REVENUE | H1 2026 CASH BURN | CASH & INVESTMENTS | SHARES OUTSTANDING |
|---|---|---|---|
| $75,000 | ~$373M | ~$1.9B (June 30) | ~430M (est.) |

**Report Date:** August 17, 2026 | **Analyst:** Gianfranco Cacciola, Head Research Analyst | Vireo Capital Research

## 1. INVESTMENT THESIS

NuScale Power generated $75,000 in revenue in Q2 2026 while burning $186 million in cash. The company spent approximately $2,500 for every dollar of revenue it produced. That ratio is not a rounding error or a one-quarter anomaly. Revenue has now declined from $37 million in FY2024 to $31.5 million in FY2025 to near-zero in Q2 2026, while operating cash burn has compounded from $154 million in FY2023 to $460 million in FY2025 to $373 million in the first half of 2026 alone.

The stock trades at approximately 44x its FY2026 consensus revenue estimate, a number that was set before Q2's $75,000 result made full-year achievement nearly impossible. Against a more realistic FY2026 revenue figure, the implied multiple is several hundred times. The market is not valuing this company on current or near-term fundamentals. It is pricing an option on a nuclear future that, if it arrives at all, arrives in the early 2030s at the earliest.

That option has real value. NuScale holds the only NRC-certified commercial small modular reactor design in the United States. The TVA/ENTRA1 collaboration represents up to 6 gigawatts of potential capacity. Romania's Doicesti project received a final investment decision in early 2026. These are genuine achievements that took over a decade and billions of dollars to build. We are not dismissing them.

Three things make the current price difficult to defend. First, competitors have closed the regulatory gap. Kairos Power has a signed TVA power purchase agreement. X-energy filed a construction license application with the NRC for a Dow industrial site in March 2025. GE Hitachi has TVA's Clinch River project. NuScale's regulatory lead no longer translates into commercial leadership. Second, dilution is accelerating at exactly the wrong moment. Share count has grown from approximately 178 million at the May 2022 SPAC merger to approximately 430 million today. A new $750 million ATM facility was authorized on August 11, 2026, three days before this report, at a price 48% below the average price of the prior ATM raise. Third, no power purchase agreement has been signed anywhere. The TVA collaboration is a strategic framework, not a contract. Without a signed PPA, NuScale cannot begin the six to ten year construction timeline that leads to first power generation and recurring revenue.

SELL, price target USD 7.00, representing 25.7% downside from the August 17, 2026 close of $9.42. The scenario-weighted analysis produces $7.125 (20%x$15.00 + 45%x$8.00 + 35%x$1.50), rounded to $7.00. Citigroup's SELL target of $6.50 is the closest consensus reference point.

### KEY BULL CASE vs. BEAR CASE

| KEY BULL CASE | KEY BEAR CASE |
|---|---|

| | |
|---|---|
| NuScale holds the only NRC-certified commercial SMR design in the United States. That regulatory achievement took over a decade and billions of dollars to obtain. No other vendor has replicated it. | Q2 2026 revenue was $75,000. Operating cash burn in H1 2026 was $372.9 million. The company is spending roughly $2,500 for every $1 of revenue it generates. |
| $1.9 billion in cash and investments at June 30, 2026 provides approximately 2.5 years of runway at current burn rates. | Share count has grown from approximately 178 million at the May 2022 SPAC merger to approximately 430 million today. A new $750 million ATM facility was authorized on August 11, 2026, three days before this report. Full draw at $9.42 adds roughly 76 million more shares. |
| Romania's Doicesti project received a final investment decision in early 2026. The TVA/ENTRA1 collaboration represents up to 6 GW of potential NuScale capacity. Both represent genuine optionality. | Kairos Power has a signed TVA power purchase agreement tied to Google data center demand. X-energy has a construction license application with the NRC for a Dow industrial site. GE Hitachi has TVA's Clinch River project. NuScale has no signed PPA anywhere. |
| Nuclear energy has strong bipartisan political support in the United States and meaningful IRA-era production and investment tax credits that improve project economics for utility owners. | A 6-10 year timeline from signed PPA to first power generation is realistic for a first-of-a-kind nuclear project. Even a TVA deal signed today would not generate material NuScale revenue until the early 2030s at the earliest. |

## 2. COMPANY OVERVIEW

NuScale Power was founded in 2007 and went public via SPAC merger with Spring Valley Acquisition Corp in May 2022. Headquartered in Portland, Oregon, the company describes itself as a nuclear technology and engineering company rather than a plant owner or operator. Its revenue comes from licensing, engineering, and development services rather than electricity generation. No NuScale plant has ever generated a single kilowatt-hour of commercial power.

NuScale's core product is the Power Module, a pressurized water small modular reactor. Its original 50-megawatt-electric design received NRC design certification in January 2023, the first SMR to receive that designation in the United States. NuScale subsequently redesigned the module to 77 megawatts electric, which received NRC Standard Design Approval in May 2025. That upgrade created both an opportunity, more power per module, and a complication, where the redesign required a separate NRC review. NuScale licenses its design to utilities and project developers, collecting engineering fees during development and earning royalty-like revenue once plants operate. None of that recurring revenue exists yet. FY2025 revenue of $31.5 million came primarily from front-end engineering work on the Romanian Doicesti project and similar development services. That revenue source has now largely concluded. FY2026 is beginning with no obvious replacement.

NuScale went public when nuclear energy enthusiasm was high and SMR technology was widely viewed as a clean energy solution. SPAC financing brought substantial capital but also warrants and complex unit economics that have since been simplified. Public warrants were redeemed in December 2024 for $0.01 each. What remains is a simplified equity structure with approximately 430 million shares outstanding and a growing ATM program.

## 3. INDUSTRY AND COMPETITIVE LANDSCAPE

Small modular reactor technology is real, the physics work, the regulatory pathway exists, and the long-term energy demand case is genuine. Nuclear energy has strong bipartisan political support, meaningful IRA-era tax credits for qualifying nuclear generation, and a structural tailwind from AI data center electricity demand. None of that is in dispute here. The question is whether NuScale specifically is positioned to capture that opportunity, and whether the current price reflects a realistic probability-weighted outcome.

NuScale's certification advantage has eroded faster than its stock price reflects. When the company went public in May 2022, it was the only SMR developer with a serious path to U.S. NRC approval. That is no longer true. Kairos Power signed a power purchase agreement with TVA for electricity destined for Google data centers. X-energy and Dow submitted a construction license application to the NRC in March 2025 for four Xe-100 reactors at a Texas industrial site. GE Hitachi is pursuing the BWRX-300 at TVA's Clinch River site in Tennessee. These are not paper projects. They are programs with signed contracts, construction license applications, or both.

NuScale still holds advantages. Its 77-megawatt-electric Standard Design Approval is the most advanced SMR regulatory milestone in the United States. Its supply chain relationships and component procurement are ahead of most competitors. The Romania project has a final investment decision that its competitors cannot match in Europe. But having regulatory approval and having a signed power purchase agreement are different things, and it is the PPA that converts regulatory achievement into revenue.

The AI data center power demand narrative benefits the nuclear sector broadly. It does not specifically benefit NuScale until that demand converts into a signed contract naming NuScale technology. At this point, Kairos has that contract and NuScale does not.

## 4. FINANCIAL ANALYSIS

Revenue since the SPAC merger has been lumpy, project-specific, and declining. FY2023 produced $22.8 million, FY2024 produced $37 million, and FY2025 produced $31.5 million. Those figures reflect engineering and licensing work on specific projects, primarily the Romania Doicesti FEED Phase 2 services provided by Fluor. That work concluded in late 2025. Q1 2026 produced $13.4 million from residual project work. Q2 2026 produced $75,000. There is no identified revenue stream to replace what has finished.

The cash burn trajectory is more alarming than the revenue decline. Operating cash use was $154 million in FY2023, $294 million in FY2024, and $460 million in FY2025. H1 2026 burn was $372.9 million, implying an annualized rate approaching $750 million. At that rate, the $1.9 billion cash position provides approximately 2.5 years of runway. That calculation excludes ATM issuance proceeds, interest income, and potential partner reimbursements, so the actual runway is somewhat longer. It does not, however, change the direction: cash is leaving faster than it is arriving from operations.

G&A expense in FY2025 was approximately $419 million, elevated by non-recurring costs related to the Fluor transaction, equity compensation, and commercial and legal activity. Q1 and Q2 2026 G&A has normalized to approximately $25 million per quarter. R&D has increased to approximately $15 million per quarter as component readiness and design maturity work accelerates ahead of anticipated commercial contracts. Both trends are moving in the right direction operationally, but neither produces revenue.

Stock-based compensation is a meaningful component of total operating expense and reduces GAAP losses without representing cash outflow. The exact quarterly figure requires the 10-Q footnote for precision. A substantial portion of the management team's compensation is equity-based at a time when equity is being issued to fund operations at prices far below historical ATM averages. Q4 2025's ATM raised $750 million at an average of $19.08 per share. August 11's ATM is authorized at approximately $9.42. Dilution cost per dollar raised has roughly doubled in nine months.

### FINANCIAL SUMMARY

| Metric | FY2023A | FY2024A | FY2025A | FY2026E | FY2027E |
|---|---|---|---|---|---|
| **Revenue** | $22.8M | $37.0M | $31.5M | ~$95.7M* | ~$150M est. |
| **YoY Revenue Growth** | +N/M | +62% | -15% | +204%* | ~+57% est. |
| **GAAP Net Loss** | -$180M | -$348M | -$665M | Est. -$250M+ | Est. -$200M+ |
| **GAAP Loss Per Share** | -$1.27 | -$1.07 | -$2.03 | Est. -$0.55+ | Est. -$0.45+ |
| **Operating Cash Burn** | ~$154M | ~$294M | ~$460M | ~$372M (H1) | N/D |
| **R&D Expense** | ~$35M | ~$46M | ~$70M | ~$31M (H1) | N/D |
| **G&A Expense** | ~$86M | ~$126M | ~$419M | ~$50M (H1) | N/D |
| **Cash and Investments** | ~$136M | ~$664M | ~$1.3B | ~$1.9B (Q2) | N/D |
| **Shares Outstanding (M)** | ~250M | ~290M | ~370M | ~430M | ~500M+ est. |

*Source: NuScale Power press releases, SEC filings (10-K/10-Q). *FY2026E revenue is pre-Q2 consensus; Q2 actual was $75,000, making full-year consensus achievement highly uncertain. FY2026E revenue growth inflated by Q1 engineering work ($13.4M) versus near-zero Q2. G&A FY2025 elevated by non-recurring Fluor transaction costs. Shares outstanding estimated from available data; exact post-ATM count requires current SEC filing. FY2026E-FY2027E: Vireo Capital Research estimates.*

## 5. VALUATION

A standard DCF is not the right tool for NuScale. The company has no stable cash flow to discount, no visible revenue inflection within a five-year horizon, and a cost structure that can change materially based on contract timing. A scenario-weighted probability analysis is the appropriate methodology, assigning probability weights to three commercial outcomes and deriving an implied value from each.

In the bull scenario, weighted at 20%: TVA and ENTRA1 sign a binding power purchase agreement by mid-2027. Romania proceeds on schedule toward early 2030s commercial operation. Engineering and licensing revenue begins ramping in 2027 as construction preparation activity generates fees. Dilution slows because the equity market re-rates the stock on contracted optionality. The implied fair value in this scenario is approximately $15.00, anchored to Canaccord and Northland Buy targets, discounted for execution risk.

In the base scenario, weighted at 45%: TVA discussions continue past 2027 without a signed PPA. Romania faces permitting and financing delays that push commercial operation toward the mid-2030s. NuScale continues burning cash at $150 to $200 million per quarter and requires two additional ATM raises at progressively lower prices. NRC certification advantage remains intact but commercial leadership shifts toward competitors with signed contracts. Fair value in this scenario is approximately $8.00, based on 2.5x book value per share of approximately $3.50 after two additional ATM raises.

In the bear scenario, weighted at 35%: no PPA is signed by 2027. The August 2026 ATM is fully drawn. A further equity raise is required in 2027 or 2028 at prices potentially below $9.00. Kairos or X-energy announces the first U.S. commercial SMR construction start, removing NuScale's commercial leadership narrative. Net cash per share today is approximately $4.42. Full ATM draw adds ~76M shares and consumes $750M, reducing net cash per share to ~$2.27. Four additional quarters of burn at $186M/quarter exhaust a further $744M. Remaining cash falls to approximately $0.80 per share on a fully diluted basis. Bear implied value of $1.50 reflects the likely market repricing before full cash exhaustion.

Probability-weighted blended value is $7.125, rounded to $7.00. That is 25.7% below the current price. Bear carries the highest weight at 35% because the TVA timeline has slipped from prior guidance with no firm date announced. Base at 45% reflects the most likely near-term path. Bull at 20% is genuinely possible but requires a contract announcement that has not materialized despite years of discussions.

**SCENARIO-WEIGHTED PRICE TARGET**

| Scenario | Probability | Implied Value | Key Assumptions |
|---|---|---|---|
| **TVA Deal Signed, Romania Executes** | 20% | **USD 15.00** | *Signed PPA by mid-2027; Romania on track for early 2030s; licensing revenue materializes; dilution slows. Market re-rates toward $20+ optionality value, discounted to today.* |
| **TVA Delayed, Slow Progress** | 45% | **USD 7.00** | *TVA deal slips to 2028+; Romania delayed; burn continues at $150-200M/quarter; two more ATM raises needed; NRC advantage intact but commercial leadership erodes. Market stays range-bound.* |
| **TVA Falls Through, Dilution Accelerates** | 35% | **USD 1.50** | *No signed PPA by 2027; $750M August ATM drawn; further equity raise required; competitors sign first U.S. commercial SMR contracts; NuScale loses commercial leadership narrative. Stock re-rates toward cash per share less burn.* |
| **BLENDED PRICE TARGET** | **100%** | **USD 7.00** | *-25.7% from $9.42 \| 20%x$15.00 + 45%x$8.00 + 35%x$1.50 = $7.125; rounded to $7.00 \| Citi SELL target: $6.50* |

## 6. CATALYSTS

TVA/ENTRA1 power purchase agreement announcement. A signed, binding PPA would be the single most important positive catalyst for the stock. It converts the TVA collaboration from a strategic framework into a contracted revenue relationship and begins the engineering and licensing fee timeline. The market would likely price a TVA PPA as validation of the entire commercial model. Without it, the thesis remains conceptual.

Paragon and Curio/Framatome MOUs. On August 13, NuScale announced a Paragon contract for its Highly Integrated Protection System and an MOU with Curio and Framatome for a closed-loop fuel solution. Both advance the supply chain and fuel cycle infrastructure around a reactor that still has no committed electricity buyer. Neither is a power purchase agreement. NuScale is assembling the supply chain and safety systems around a reactor that still has no committed electricity buyer. Each MOU announcement moves the commercial narrative forward without resolving the core binary question.August 2026 ATM drawdown disclosure. NuScale authorized a $750 million ATM on August 11, 2026. Any disclosure of shares sold under this facility directly quantifies the dilution occurring at the current price. Large draws at $9.42 are materially dilutive to existing shareholders. The timing of disclosures matters because ATM issuance happens continuously rather than in announced tranches.

Q3 2026 earnings, expected October or November 2026. Q2's $75,000 in revenue has set a low baseline. Q3 results will show whether any new engineering or licensing revenue has materialized or whether the near-zero revenue trajectory continues. A second consecutive quarter of minimal revenue removes any remaining doubt that the FY2026 consensus estimate is achievable.

Competitor contract announcements. Each time a competitor announces a signed PPA, construction license application approval, or first concrete pour, NuScale's claim to commercial leadership weakens further. Kairos, X-energy, and GE Hitachi are all progressing. Any major milestone from those programs is a negative catalyst for NuScale's premium valuation.

## 7. RISKS TO OUR THESIS

A TVA power purchase agreement could be announced before the bear scenario materializes. Management has described TVA discussions as active and progressing. A signed PPA would immediately invalidate the primary bear argument and drive the stock toward the $15.00 bull case scenario. Anyone holding a short position at that announcement faces significant pain. Our 20% bull probability reflects genuine uncertainty, not dismissal.

Government support could meaningfully change the economics. The Department of Energy has loan guarantee programs, production tax credits, and direct appropriations that can make nuclear project economics work where private capital alone cannot. A major federal commitment to NuScale's TVA project, structured as a direct loan or investment, would extend runway and potentially crowd in private capital. Bipartisan nuclear support makes a federal commitment more plausible than it would be for other clean-energy technologies.

At $1.9 billion, the cash position is large relative to near-term burn. Even at an annualized $750 million burn rate, NuScale has over two years of runway without any additional equity issuance. That time may be enough for the TVA deal to crystallize. Shorts in development-stage companies with large cash positions face carry risk if the positive catalyst arrives before the cash runs out.

Securities class action litigation. Multiple law firms filed securities class action lawsuits against NuScale in April 2026, alleging investor harm. The lawsuits represent a governance and legal cost overhang that the market has largely looked past given the company's nuclear energy narrative. Legal defense costs, potential settlements, and management distraction are real costs at a company already burning $186 million per quarter. A significant adverse ruling would compound the dilution and burn rate concerns that are already central to the bear case.Nuclear energy sentiment can move faster than fundamentals. The sector has experienced multiple sentiment cycles since 2007. A major policy announcement, a grid reliability crisis, or another large customer announcing nuclear commitments could reprice the entire SMR sector independent of NuScale's specific progress. Sentiment risk is real and hard to model.

## 8. ESG NOTE

Nuclear energy's environmental credentials are genuine. Zero-carbon electricity generation, high energy density, and minimal land use relative to output make SMR technology one of the more credible decarbonization pathways for heavy industry and data centers. NuScale's long-term contribution to a lower-carbon grid, if it reaches commercial scale, is real. From an environmental standpoint the technology is not the concern here. The governance concern is the ATM program. Repeated equity issuance at declining prices is a wealth transfer from long-term shareholders to the institution of the company itself and to new investors buying at lower prices. Management's equity compensation, which represents approximately 85% of total compensation, benefits from stock issuance in ways that are not perfectly aligned with existing shareholder interests. The board's authorization of successive ATM facilities at declining prices, from an average of $19.08 in Q4 2025 to a current price of $9.42, is a governance question worth examining before investing.

## 9. MANAGEMENT AND OWNERSHIP

John Hopkins has led NuScale for 14 years, longer than almost any other nuclear startup CEO. Getting a small modular reactor from concept to NRC design certification is a genuine technical and regulatory achievement that required sustained leadership. The criticism is not of the accomplishment but of the gap between compensation and commercial execution. Annual compensation of approximately $4.08 million against $75,000 in quarterly revenue reflects the reality that NuScale is being managed as a technology development company, not an operating business. That is the appropriate model for this stage, but investors should understand it.

CFO Ramsey Hamady's signature on the August 11 ATM authorization at $9.42 per share, compared to the $19.08 average on the Q4 2025 ATM, illustrates the dilution trajectory in a single data point. Each dollar of operational runway now costs roughly twice the equity it cost nine months ago. That is not a management failure in isolation, the stock price decline reflects factors beyond management control, but it is the mechanism through which existing shareholders bear the cost of continued development.

Three additional analyst cuts arrived in the days following the Q2 report. B. Riley cut to $15 from $19. Canaccord cut to $15 from $25 but maintained Buy. Northland cut to $16 from $19 but maintained Outperform. RBC cut to $10 from $14 on August 11, maintaining Hold. Even the bulls are trimming. Citi holds a SELL at $6.50. At $9.42 on August 17, five of seventeen analysts have targets at or below the current price. Insider buying data for 2026 was not available in public sources at the time of this report. A thorough review of Form 4 filings would clarify whether management has purchased shares in the open market at current prices. Open-market purchases by insiders at $9.42, particularly from Hopkins or Hamady, would be a meaningful signal that management views the current price as undervalued. The absence of documented buying is not conclusive but is worth noting.

**MANAGEMENT TEAM**

| Name | Role | Background |
|---|---|---|
| **John L. Hopkins** | President and CEO (since 2012) | *Former Fluor executive with a 23-year career at Fluor before joining NuScale. Annual compensation of approximately $4.08 million, with roughly 85% in equity and bonus. In Q2 2026, NuScale generated $75,000 in revenue. Hopkins has spent 14 years building NuScale from concept to NRC certification, which is a genuine achievement. He has not yet signed a commercial power purchase agreement.* |
| **Ramsey Hamady** | CFO | *Manages the balance sheet and equity issuance strategy. Oversaw the Q4 2025 ATM raise of $750 million at an average price of $19.08 per share and signed off on the new $750 million ATM facility authorized August 11, 2026, at a price approximately 48% below the Q4 2025 ATM average. Each successive equity raise comes at a lower price, directly transferring value from existing shareholders to new ones.* |

*Shares Outstanding: ~430M (est., post-ATM activity) | Market Cap: ~$4.2B | Cash: ~$1.9B (June 30, 2026) | Dividend: None | Short Interest: 19.86% of float | NYSE: SMR*

## 10. CONCLUSION

NuScale achieved something genuinely difficult. It obtained the first NRC-certified commercial SMR design in United States history. That accomplishment is real, the technology is real, and the long-term nuclear energy opportunity is real. None of that is the basis for this SELL rating.

At $9.42 per share the stock prices a commercial future that has no signed contracts, no operating plants, a revenue base that produced $75,000 in Q2 2026, a cash burn rate approaching $750 million annualized, and a dilution trajectory that is accelerating as each successive ATM raise occurs at a lower price. Competitors have moved from regulatory approval to signed commercial agreements while NuScale's TVA collaboration remains unsigned after years of discussions.

Scenario math: 20%x$15.00 + 45%x$8.00 + 35%x$1.50 = $7.125, rounded to $7.00. Three of seventeen analysts covering the stock currently rate it a SELL. Citigroup cut its target to $6.50 on August 6. The bear case at $1.50 is not a tail risk. It is the base case if TVA does not sign. SELL.

**ANALYST CERTIFICATION**

I, Gianfranco Cacciola, certify that the views expressed in this report accurately reflect my personal views about NuScale Power Corporation (NYSE: SMR) and its securities. This is Vireo Capital Research's first SELL-rated report. I have not received and will not receive direct or indirect compensation related to the specific recommendations expressed herein. This report represents my independent analysis based on publicly available information.

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