

AI Power Stock Basket Pitch: GEV • CEG • VST

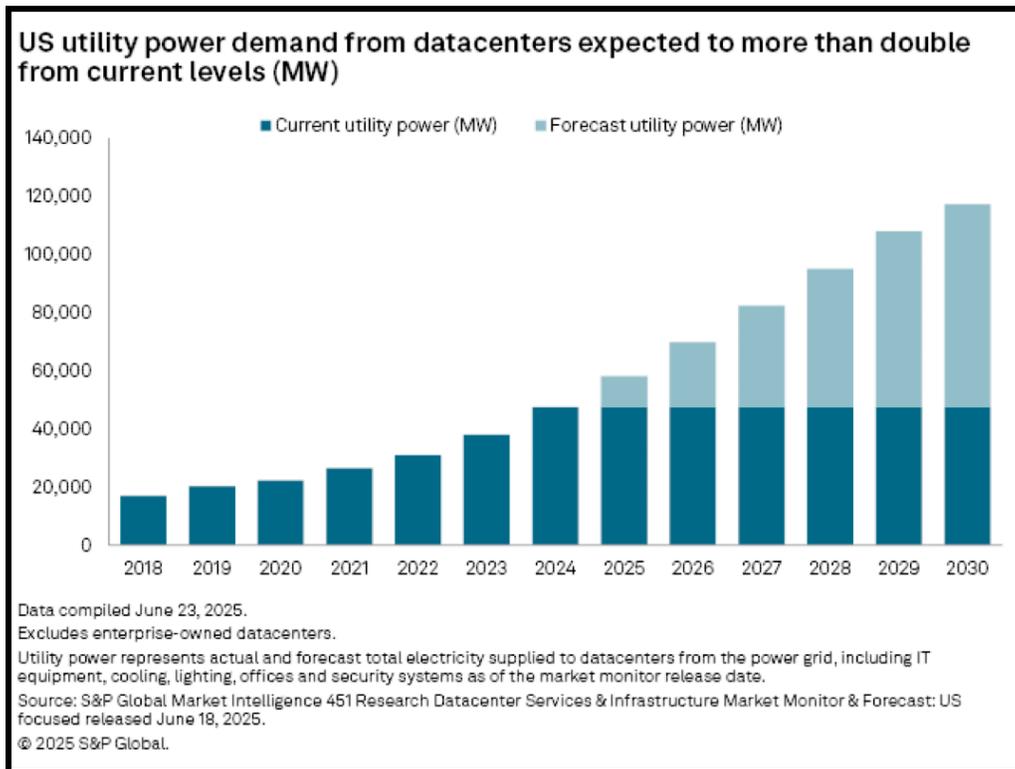
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I. Introduction: AI-Driven Power

Over the last two weeks of July, I analyzed the growing intersection between AI expansion and U.S. electricity/energy needs. Recent forecasts, including S&P Global’s June 2025 projections, suggest that data center power consumption is expected to increase more than **2x** by 2030. This has elevated the role of utilities, particularly those with reliable generation assets and grid-scale infrastructure, as critical suppliers to hyperscale cloud and AI developers.

While reviewing industry research, I came across Coatue’s end-of-June presentation, which identified “AI Power” as one of the strongest emerging AI & energy themes in 2025, with **18% YTD** (*Source: Coatue Presentation, pp. 16*). Three companies featured prominently in their analysis were GE Vernova (GEV), Constellation Energy (CEG), and Vistra Energy (VST). I used this as a starting point, then evaluated each company’s financial trends, July price performance, analyst ratings, and valuation metrics.



II. About These Stocks

GEV, CEG, and VST each represent different but complementary parts of the AI power ecosystem. GE Vernova operates at the infrastructure level, supplying turbines, transmission systems, and electrification equipment that utilities need to expand capacity. Constellation provides the carbon-free baseload power AI data centers depend on for 24/7 uptime, mainly through its nuclear fleet. Vistra brings operational flexibility through natural gas generation and large-scale battery storage, which helps stabilize the grid during periods of peak demand.

Because the AI power challenge spans generation, reliability, and grid modernization, these three companies collectively provide broad exposure to the energy sector rather than relying on a single driver.

III. Company Analysis

Vistra Energy (VST)

Vistra is well positioned in regions where AI data center development is accelerating, particularly Texas. The company's ability to deliver both quick-ramping natural gas and grid-scale storage gives it an advantage in handling the short-duration load spikes that come with AI workloads. UBS analysts placed a "Buy" rating for Vistra on July 23 (*Source: Yahoo Finance*). Vistra's June 10-Q reported approximately **19%** revenue growth over the prior six months, reflecting strong operational momentum (*Source: FactSet*).

The stock increased meaningfully through July, rising from **\$185.10** on July 1 to **\$208.54** on July 31 (*Source: Yahoo Finance*). As of June 30, Vistra traded at a **28.09** forward P/E and **12.59** EV/EBITDA, with a market cap of **\$65.73B** (*Source: Yahoo Finance*). It maintains a dividend yield of **0.52%** (*Source: CNBC*). Vistra's combination of geographic relevance and asset flexibility makes it a strong near-term beneficiary of AI power demand.

Constellation Energy (CEG)

Constellation is the largest nuclear operator in the United States, offering stable, carbon-free baseload power. This is increasingly important as hyperscalers seek long-duration, reliable electricity contracts to support AI model training and inference, which run continuously. JPMorgan analysts assigned CEG an "Overweight" rating on July 28 (*Source: Yahoo Finance*). The company reported roughly **11%** revenue growth in its June 10-Q (*Source: FactSet*).

CEG also performed well in July, with its stock price rising from **\$307.92** at the start of the month to **\$347.84** by month-end (*Source: Yahoo Finance*). As of June 30, Constellation traded at a **33.90** forward P/E and a **17.57** EV/EBITDA, with a **\$100.83B** market cap (*Source: Yahoo*

Finance). It maintains a **0.45%** dividend yield (*Source: CNBC*). Its scale and nuclear leadership make CEG one of the most direct ways to invest in consistent AI-related electricity demand.

GE Vernova (GEV)

GE Vernova plays a structural role in the long-term buildout of power capacity. The company’s portfolio, which spans Power, Wind, and Electrification, positions it at the center of grid upgrades, transmission expansion, and new generation construction. JPMorgan analysts rated the stock “Overweight” on July 16 (*Source: Yahoo Finance*). Its June 10-Q reported approximately **11%** revenue growth over six months (*Source: FactSet*).

GE Vernova stock price experienced strong appreciation during July, rising from **\$506.00** on July 1 to **\$660.29** on July 31 (*Source: Yahoo Finance*). As of June 30, GEV traded at a **82.64** forward P/E and **79.49** EV/EBITDA, with a **\$144.05B** market cap (*Source: Yahoo Finance*). It maintains a **0.17% dividend yield** (*Source: CNBC*). Although its valuation is elevated, the company is deeply tied to long-cycle global electrification spending, which aligns with the projected rise in AI-related power demand.

Relative Valuation Table:

Ticker	Forward P/E	EV/EBITDA	Market Cap	Dividend Yield (%)	Main Competitor
GEV	82.64	79.49	144.05 B	.17%	Siemens Energy
CEG	33.90	17.57	100.83 B	.45%	NextEra Energy
VST	28.09	12.59	65.73 B	.52%	NRG Energy

V. Catalysts and Risks

These three companies each have identifiable catalysts tied to AI-related infrastructure demand. GE Vernova is positioned to benefit from ongoing grid-modernization initiatives in the U.S. and abroad, new electrification orders in Europe and Asia, and improving margins in its wind division. Constellation stands to gain from long-term power-purchase agreements with AI campuses and the onboarding of two major hyperscaler clients, Amazon and Google, supported by favorable state-level nuclear legislation. Vistra continues to expand its dispatchable generation and storage capacity in fast-growing AI regions, helped by the integration of its Lotus natural-gas assets and new regional PPAs in Texas and the Midwest.

Risks vary across the group: GEV faces supply-chain and renewable-policy uncertainty, CEG must navigate regulatory complexity around nuclear waste, and VST remains exposed to commodity volatility and regional grid-reliability challenges.

VI. Investment View

Based on the data collected, including revenue growth, analyst upgrades, valuation metrics, and stock performance, GEV, CEG, and VST all appear well-positioned to benefit from the rising electricity requirements associated with AI growth. Their roles across infrastructure, baseload power, and flexible generation create a balanced and diversified way to gain exposure to the theme Coatue identified as one of the strongest performers this year.

Given their positioning and upcoming catalysts, I view all three companies as buys over the next twelve months, with the following target prices:

- ❖ GE Vernova: **\$730**
- ❖ Constellation Energy: **\$410**
- ❖ Vistra Energy: **\$230**

These targets reflect anticipated growth in grid and renewables investment for GEV, continued nuclear expansion and hyperscaler contracting for CEG, and margin improvement and buyback support for VST. Together, the three names offer complementary exposure to the emerging AI-power opportunity.