

NuScale Power Corporation NYSE:SMR

FQ2 2025 Earnings Call Transcripts

Thursday, August 7, 2025 9:00 PM GMT

S&P Global Market Intelligence Estimates

	-FQ1 2025-			-FQ2 2025-	-FY 2025-	-FY 2026-
	CONSENSUS	ACTUAL	SURPRISE	CONSENSUS	CONSENSUS	CONSENSUS
EPS (GAAP)	(0.12)	NA	NA	(0.11)	(0.37)	NA
Revenue (mm)	3.44	NA	NA	11.66	53.72	NA

Currency: USD
Consensus as of Aug-07-2025 11:59 PM GMT

Unable to generate Chart: Unable to get data to chart

- EPS (GAAP) -			
	CONSENSUS	ACTUAL	SURPRISE
FQ2 2024	NA	(0.31)	NM
FQ3 2024	(0.15)	(0.18)	NM
FQ4 2024	(0.13)	(0.77)	NM
FQ1 2025	(0.12)	(0.11)	NM

Table of Contents

Call Participants	3
Presentation	4
Question and Answer	6

Call Participants

EXECUTIVES

John Lawrence Hopkins
President, CEO & Director

Ramsey Hamady
Chief Financial Officer

Rodney McMahan
Senior Director of Investor Relations

ANALYSTS

Brian K. Lee
Goldman Sachs Group, Inc., Research Division

Craig Kenneth Shere
Tuohy Brothers Investment Research, Inc.

Eric Stine
Craig-Hallum Capital Group LLC, Research Division

Leanne Hayden
Canaccord Genuity Corp., Research Division

Marc Gregory Bianchi
TD Cowen, Research Division

Sherif Ehab Elmaghrabi
BTIG, LLC, Research Division

Soundarya Iyer

Unknown Analyst

Presentation

Operator

Good afternoon, and welcome to NuScale's Second Quarter 2025 Earnings Results Conference Call. Today's call is being recorded. A replay of today's conference call will be available and accessible on NuScale's Investor Relations website. A web replay will be available for 30 days following the earnings call. At this time, for opening remarks, I would like to turn the call over to Rodney McMahan, Senior Director of Investor Relations. Please go ahead.

Rodney McMahan *Senior Director of Investor Relations*

Thank you, operator. Welcome to NuScale Second Quarter 2025 Earnings Results Conference Call. With us today are John Hopkins, President and Chief Executive Officer; and Ramsey Hamady, Chief Financial Officer. On today's call, we will provide an update on our business and discuss our quarterly financial results. We will then open the phone lines for questions.

This afternoon, we posted a set of supplemental slides on our Investor Relations website. As reflected in the safe harbor statements on Slide 2, the information set forth in the presentation and discussed during the course of our remarks and the subsequent Q&A session includes forward-looking statements, which reflect our current views of existing trends and are subject to a variety of risks and uncertainties. You can find a discussion of our risk factors, which could potentially contribute to such differences in our 2024 annual report on Form 10-K and subsequent SEC filings.

I'll now turn the call over to John Hopkins, NuScale's President and Chief Executive Officer.

John Lawrence Hopkins *President, CEO & Director*

Thank you, Rodney, and good afternoon, everyone. To begin, I'd like to remind everyone who we are and why NuScale is a global leader in small modular reactor or SMR technology, as outlined on Slide 3. Founded in 2007, NuScale is years ahead of the competition as the only SMR technology approved by the U.S. Nuclear Regulatory Commission or NRC. For more than a decade, our team has worked alongside the NRC to achieve the successful approval of our designs, including a second approval for our 77-megawatt electric design in the second quarter of 2025, a crucial step in moving NuScale and our exclusive commercialization partner, ENTRAI, closer to meeting demands of energy users in need of clean baseload power.

Our design approvals, combined with an established manufacturing ecosystem, a life-to-date investment of approximately \$2 billion to derisk plant licensing and operation and unmatched safety capabilities make NuScale the only near-term deployable SMR technology with 12 scale power modules currently in production.

Through 18 years, NuScale has capitalized on the maturity and strong foundation of light water reactor technology and has moved forward with confidence to develop unmatched capabilities with unprecedented continuity and consistency of vision. Our SMR technology offers a wide range of carbon-free, energy-intensive application possibilities as outlined on Slide 4.

Working with the industry and national laboratories, NuScale has assessed the integration of these applications into facilities powered by NuScale power modules and published results and peer-reviewed journals or presented them at national conference proceedings. These applications include providing power to mission-critical facilities, water desalination needs, hydrogen production, and process heat to meet the needs of commercial scale industrial applications. However, the application currently garnering the most attention and representing the biggest opportunity for NuScale's technology is a generation of uninterruptible carbon-free baseload power to meet the energy demands of advanced data centers and sophisticated artificial intelligence systems. While there are other SMR technologies in development, NuScale's module architecture is the only one with NRC approval. It's the only one in the manufacturing stage and the only one that offers the flexibility to serve multiple energy applications within a single plant as our design allows for different modules in the same power plant to be designated for a variety of applications.

Turning to Slide 5, we summarize the NuScale and ENTRAI global commercialization partnership. Under this partnership, NuScale serving as a technology provider, sells its NuScale power modules directly to ENTRAI for installation in reactor buildings of ENTRAI energy plants. ENTRAI, in turn, develops, finances and, depending on the business model, may own and operate the energy production plants powered by NuScale's SMR technology. By providing customized plant development, ownership and operating structures, ENTRAI is able to derisk projects and meet each customer's unique needs. We continue to be optimistic that the growing

interest in our technology and its critical use cases, as well as NuScale's distinctive competitive edge in the module manufacturing and conventional fuel readiness will result in an order in 2025 for our NuScale power modules.

Since our last earnings call, we have seen strengthening of the regulatory tailwinds supporting the nuclear power industry, driven by the President's executive orders to deploy advanced nuclear reactor technologies in support of national security. These executive orders, which we summarized on Slide 6, were issued in addition to ongoing bipartisan support for the advancement of carbon-free advanced nuclear projects due to the Inflation Reduction Act, a \$900 million appropriation for SMR specific cost-sharing funding. The Advance Act is designed to streamline NRC approvals for faster deployment, NuScale supports these efforts to transform and modernize the NRC while maintaining the NRC safety standards. While not all regulatory actions will directly benefit NuScale, as we have progressed beyond research and development to commercialization, we expect to benefit from shortened regulatory timelines for new deployments, a bolstered domestic nuclear supply chain and the overall commitment of the U.S. government to prioritize the deployment of advanced nuclear reactor technologies. Importantly, interest in NuScale's SMR technology extends domestically and abroad.

As discussed on Slide 7, NuScale continues to support RoPower's goal of developing and deploying the first SMR power plant in Romania, at Doicești, the site of a decommissioned coal-fired plant that is now entirely removed. To further advance the project, in June of this year, an International Atomic Energy Agency Site and External Events Design advisory mission visited Doicești to advise on the finalization of the site license application. The project continues to generate revenue and positive cash flow for NuScale from engineering and licensing fees, as well as pre-commercial operation date services, primarily in connection with the Fluor-led Phase 2 Front-End Engineering and Design study. As this critical work on the RoPower project continues, we are also working with Fluor towards their input to a final investment decision.

In the second quarter, we also continued our efforts to prepare the next generation of nuclear talent by opening 2 more energy exploration or E2 centers at South Carolina State University and George Mason University, bringing a total number of NuScale E2 centers to 11 with locations in the U.S., Europe, Asia and Africa.

As discussed on Slide 8, these centers use state-of-the-art computer modeling paired with a fully integrated SMR control room simulator, supporting users to step into the role of control room operators and navigate a wide range of simulated plant scenarios. These workstations provide real-time visibility into the status of any unit across the plant model, enabling effective oversight of operations.

It is worth noting that unlike traditional nuclear energy facilities, our NuScale power modules are designed with advanced safety systems that operate independently of human intervention, offering a new standard for passive safety. We are proud of the progress we continue to make on NuScale as a leader in our space and excited to continue to build on this momentum through the remainder of the year.

Now over to Ramsey for the financial update.

Ramsey Hamady
Chief Financial Officer

Thank you, John, and hello, everyone. Our financial results are available in our filings, so my focus will be on explaining major line items, which can be found on Slide 9. NuScale's overall liquidity and capital resources, which includes cash and cash equivalents, short-term investments and long-term investments, remained a robust \$489.9 million in total at June 30, 2025. This represents a \$31.5 million decline from the prior quarter but an increase of \$359 million from the same quarter in the prior year. NuScale reported revenue of \$8.1 million for the quarter ended June 30, 2025, compared to \$1 million during the same period in the prior year. This increase was primarily driven by fees received from the engineering and licensing work, as well as other pre-commercial operational date services we provide in support of the RoPower project.

Operating expenses were \$44.9 million for the quarter ended June 30, 2025, compared to \$42 million during the same period in the prior year. While operating expenses increased slightly in the second quarter, our quarterly spend remains consistent with prior periods and reflects management's disciplined approach to cash management. Looking ahead, we expect operating expenses to increase during the second half of 2025 as purchases of long-lead materials increased to further enhance our manufacturing and supply chain readiness.

I will conclude my remarks with a brief overview of our capitalization summary, as shown on Slide 10. Additional information may be found in our 10-Q and earnings release, both of which are filed with the SEC.

With that, I'd like to thank you again for joining today and for your continued support of NuScale. We'll now take questions. Operator?

Question and Answer

Operator

[Operator Instructions] Our first question for today comes from the line of Marc Bianchi with TD Cowen.

Marc Gregory Bianchi
TD Cowen, Research Division

Ramsey, I guess just a follow-up on that. You talked about the operating expense increase in the second half. Curious if you could quantify that. And is this related to the earlier plan to increase the long-lead item procurement? Or are you actually increasing that again? So the -- I think it was 12 modules. Are you going up to more than that? Or is this just part of the original plan and the phasing of that spend?

Ramsey Hamady
Chief Financial Officer

Yes, Marc, I appreciate you asking that because we didn't want to indicate to our analysts and to the markets that we do plan an increase in OpEx for Q3 and additional increase for Q4. That's really, Marc, well, I think you're aware, we don't provide specific guidance on numbers, but that is in line with our efforts to continue to develop 12 modules and develop our supply chain and invest in the commercialization of NuScale. So it's not -- there is an intent to build more than 12 modules right now. We don't build speculatively, but we are investing in our supply chain in anticipation of commercial contracts and design foundation, investor or supply chain just takes additional money. So we've maintained discipline over -- I think it's been 6 quarters where we've held OpEx to plus or minus 5% or so. And now we're engaging a very focused and very methodical increase in OpEx in order to engage the supply chain and just get ready for the commercial contracts, which we're anticipating.

Marc Gregory Bianchi
TD Cowen, Research Division

Another question on -- so Fluor when they had their quarter, the other day, they also had an announcement about converting P shares to A shares and said they're looking at a stock market facing solution rather than the strategic that they've been talking about for several quarters. And I guess I'm curious, I know you guys don't have anything to say probably about their plans for selling stock. But my question is more about the strategic transaction, some presume partner of NuScale's or would be partner of NuScale's that could have an equity stake now no longer potentially having that equity stake. Does it change sort of the business outlook or the go-to-market strategy that you guys would have that strategic wants to be an equity holder...

Ramsey Hamady
Chief Financial Officer

Yes. I think maybe a few comments there. And one is a clarification item, Marc. Fluor owns Class B units, and so they're a Class B unitholder. Class B units may be exchangeable to Class A shares. And periodically, we offer the unitholders an opportunity to engage in exchange. And at the last time we approached the Class B unitholders, Fluor held their hand up and said, "Hey, we'd like to do an exchange." And we permitted conversion of 15 million shares, subject to some bumpers because we just weren't sure that we maintained orderly markets.

I don't -- Marc, I can't read into whether or not Fluor is -- will even sell those out of Class A shares. I have no idea. I don't know if the strategy has changed vis-a-vis shareholder, but I'll tell you that our go-to-market strategy has not changed. And Fluor's actions in relation to their shares are -- those are their own decisions. We don't have insight and we don't provide commentary but our go-to-market strategy hasn't changed at all. It's well defined. It's been consistent. I think it's a winning strategy, and we maintain that regardless of what for does with our ownership stake.

Operator

Our next question comes from the line of Sherif Elmaghrabi with BTIG.

Sherif Ehab Elmaghrabi
BTIG, LLC, Research Division

Can you remind us how many modules Doosan can make in a year? And you talked about maintaining discipline. What would it take for you to order long lead items for another 6 modules this year?

John Lawrence Hopkins
President, CEO & Director

Doosan has commented to us that they can make up to 20 modules per year with the existing and also they continue to. Interestingly, last month, we actually took a customer with us and a state government official to visit Doosan and actually see production ongoing, and they're quite surprised at how advanced Doosan was in the manufacturing of our modules, not only the modules, but the helical coil steam generator. So going out and actually seeing in production and touching steel, so to speak, that's a major marketing tool for us that I don't believe anybody else currently could do that within the market.

Operator

Our next question is from the line of Eric Stine with Craig-Hallum.

Eric Stine
Craig-Hallum Capital Group LLC, Research Division

So obviously, in Q2, I mean, the uprate approval, that was a very nice event to have that occur early. I'm curious, has that set off maybe a higher number of discussions, maybe taking those discussions to an elevated level of engagement. I mean, obviously, that was a needed step to reach your goal of a firm commitment by the end of 2025. So just curious the response for the impact of that.

John Lawrence Hopkins
President, CEO & Director

This is John Hopkins. I would say that the response, people were in a waiting mode to see the fact we could go from the 50 to 77. It was accomplished. We're there. And now we are, in fact, seeing more line of sight of potential customers. In fact, last week, we were with a new customer that I would say new, we've been in discussions with quite some time. There was kind of in a holding mode. But now that we're 77, has prompted him to have additional conversations with us going forward.

Ramsey Hamady
Chief Financial Officer

And if I can add, let's call, it wasn't just like a nice thing to have. We're the only company with 2 NRC approvals for small modular reactors. There's no other company with even 1, and we got through with 2. And there's a lot of people out there doubting saying, "Hey, you're not going to get through it. It's going to take too long, and it's going to overruns and this and that, the other," and we came out very quietly, just like we always do. We got the work done. We got a cross line early. Our team is working on that, did an absolutely excellent job. They smashed the grand slam to get that done early, get over line and just further differentiates us from the competition.

John Lawrence Hopkins
President, CEO & Director

That's a good point, Ramsey. We were scheduled for July completion, and we made it 2 months earlier, and I got to give credit to the Nuclear Regulatory Commission and our licensing team for staying on top of it and get it accomplished because, to Ramsey's point, it has opened the aperture for other customers because we are near-term deployable. We have modules in production. We're ready to go. Under Part 52, we have both operating license and a construction license. You've seen a lot of construction permits that you cannot -- you can build the plant, but you can't operate it without an operating license.

Eric Stine
Craig-Hallum Capital Group LLC, Research Division

Yes, absolutely. No. I mean a clear differentiator, maybe a good segue. I mean, obviously, this took you -- I mean, the uprate clearly a shorter period of time given that you'd already had the first uprate and that, that was an add-on. But as you think about the regulatory process and the differentiator that, that is in the market, maybe some high-level thoughts on the regulatory environment and a lot of the talk about whether it's streamline process, potentially the DOD or the DOE having some say in the regulatory side of it. Just maybe what you think that means for some of your competitors or just others in the market, that would be very helpful.

John Lawrence Hopkins
President, CEO & Director

Yes. I think, one, I think a big distinctive we have is we are using conventional fuel that's readily available in the marketplace. There's 400-plus light water reactors around the world. We don't need high-assay HALEU fuel, which has been -- it's going to be an issue, I think, going forward. It's going to be costly. But as it relates to NRC, having been through the process what we're hoping for is more of the streamlining of getting to the construction operation license agreement, and it's going into the build stage of our plants, having -- again, we're not worried about going to the NRC licensing per se. But we are hopeful that it's to be seen, or other technologies are going to be able to move quickly. I hope so. We don't necessarily want to be a monopoly or the only U.S.-based customer. And the market is -- and you could just read the headlines every day, the market potential on a global scale is phenomenal.

Ramsey Hamady
Chief Financial Officer

I would add to that, the other major differentiators is our progress with our supply chain. There's no one else that's engaged manufacturing supply chain like we have even with a group like Doosan, we've been working for 7 years. They've invested even -- not just -- in an equity perspective, but in their facility and new technologies and building our LLMs. The supply chain differentiation is massive. And so there's a 2-part dance here, regulatory licensing, but also you got to get the darn things built. And that takes a herculean effort, and we've been engaged in that for years now.

John Lawrence Hopkins
President, CEO & Director

Yes, actually, I had dinner last -- I'm sorry, I had dinner last week with the CEO of one of our suppliers out of Japan, IHI. And again, we sit down and looked through the pipeline of what the potential opportunities are for them to gear up. But if you look at some of these organizations like Doosan, as an example, they have many subcontractors that here in the United States were engaged with 2. And many of the suppliers, we had a phenomenal over 100 people, I think it was 32 suppliers in North Carolina kicking the tires and ready to get tooled up to take advantage of the opportunities they see coming down the pike.

Operator

Our next question is from the line of Soundarya Iyer with Riley Securities.

Soundarya Iyer

This is Soundarya on behalf of Ryan Pfingst from B. Riley Securities. I just wanted to touch on the macro part, like looking at the recent executive orders, like what do you guys think are the mandates or directions in the executive orders, which are like most beneficial for NuScale specifically?

Ramsey Hamady
Chief Financial Officer

So when we look at the executive orders, I think there's more of a macro idea net promotional whole industry. I mean, there's a lot that supports NuScale, there's a lot around licensing. But the licensing that we see and the execs as that benefits us specifically is more site-specific licensing. I think when you're dealing with projects and for us, remember, ENTRA1 does the project. They execute on projects. And that type of licensing is more beneficial to us simply by the fact that we're so far ahead of the competition. So I think there's some tailwinds for licensing in relation to technology, and that's great, and that's good for the whole industry, and we support that. But in terms of the most recent executive orders, looking at how they look seek to expedite specific licensing benefits NuScale more than anyone else. I think that just further pushed us ahead.

John Lawrence Hopkins
President, CEO & Director

And part of that answer. We spend a lot of time on the hill with both sides of the aisle and the bipartisan support for advanced nuclear for a variety of reasons, either national security or reliability or climate disruption. I think it's stronger now than I've seen historically, and that bodes well for the industry. And it's just a matter of time that we're going to see a big movement, I believe, within this country. This current administration is pressed to get to success stories quickly. They have a limited period of time to make that happen. So I think with the executive orders, with the possible streamlining of the NRC. And as I state that benefits us is to move quicker on the construction and the operation side, of the ledger. I think the tailwinds bode well for the industry and NuScale, particularly.

Soundarya Iyer

That's helpful. And if I may add in just one more. Like on your expectation on sort of like what would be the first project or how it would look like in terms of potential partners or the power users like...

John Lawrence Hopkins
President, CEO & Director

Well, as we stated, and we're working with our developer strategic partner, ENTRA1. And ENTRA1 has been out in conversations with our government and with prospective clients to do the hyperscalers, it's utilities, it's even process-oriented companies because what we're still seeing, many of these entities don't necessarily want to own the nuclear asset. They just want 24/7 clean energy. And so what we're seeing is if I look historically what the market has been, coal plant refurbishment, that's not gone away. We still see a pretty big spike of coal plant closures coming up, process-oriented heat. We are the only company that has a legitimate emergency planning zone licensed by the NRC at site boundary. That has bode well for process-oriented companies that would like to see something outside the fence line where any disruption wouldn't have a material impact on their ongoing business operations.

And then the big gorilla in the room is still the hyperscalers data centers and their thirst for energy going forward. And a plus that they see in NuScale is the scalability of our units with 12 modules online. That's 924 megawatts. You're pushing a gigawatt size, but the beauty of that, any refueling cycle is only a 10-day cycle. So you could take 1 down and you have 11 modules continue to run 24/7. It's not like a single screw plant as we state that 1 step plant comes offline, you have to look elsewhere for energy. So that's a big selling point for us.

Ramsey Hamady
Chief Financial Officer

If you want to take a look at the business model, I think also our presentation, I think on the third slide, has a good explanation of the business model with ENTRA1 and how we intend to work together and then how they intend to work with power users utilities. And so there's a good explanation there of how ENTRA1 builds and develop plants. And also, just since we're on the presentation, flip the page from there, and the next slide talks about the regulatory tailwinds. It goes in specific executive orders. Yes, most of them like the May 23, 2025, executive orders and then the output of what we see from a macro basis, why talk about kind of site-specific ideas, it was a response to the question of hey, what benefits NuScale specifically. I think site-specific ideas benefit us the most since we are licensed, and we are near-term deployable. But if you want a full run down, there's a good comp summary there within our investor presentation.

Operator

Our next question is from the line of Vikram Bagri with Citigroup.

Unknown Analyst

This is Vignesh in place of Vikram. Just touching back on the customer agreements, I know you guys talked about it. Just curious on any updates on the active customer negotiations. I believe you guys mentioned there's about 10 advanced discussions last quarter. So -- and what categories kind of these are focused on? I know you guys are focused on like the hyperscalers utilities, but anything outside of that? Any color on that would be great.

John Lawrence Hopkins
President, CEO & Director

Yes. We're in discussions with the U.S. government. Somebody commented earlier about the Department of Defense. They have an interest in utilities. We're focused on some of the utilities, they'd like to see their licensed site. They like to see the hyperscalers come on to their facility. So again, as I stated in earlier calls, it's a complex financial transaction. You're dealing with the utility owner or the owner in general. In our case, the owner is ENTRA1 who's in negotiations with these entities to bring hyperscalers to bring the Department of Defense. And so we're kind of across the board. One thing we're finding is that we do have an ongoing Romania. There's a lot of interest in the outside this country right now, but we're finding within the United States, we have limited resources, so really laser-focused in on closure on maybe 1 or 2 sites or 1 or 2 customers.

Ramsey Hamady
Chief Financial Officer

Now may be the time to maybe define this a little bit more clearly. I know we have some new analysts on the line, and we have -- so long term, like Marc Bianchi, you've been with us since day 1. I think you've seen the development of our business model. But it's important to remember, when we say -- when we talk about our customers, ENTRA1 is our customer. ENTRA1 is a developer of

power plants. They're ENTRA1 power plants with NuScale in site, like computers like an Intel chip, where the Intel chip inside in this case, in the power plant. So we're hand in glove potential one. I don't sell -- we talk about discussions with the utility from the hyperscaler and the military of the U.S. government, those are all end users but we don't sell electrons, right?

So I want to kind of reset and kind of level of the idea that we sell NPMs, NuScale power modules. This power modules going through the plant. ENTRA1 develops the plant. They may own and operate the plant. There's different business models, but it's an ENTRA1 plant and ENTRA1 sells the energy to the customer. Whether it be a utility or government or military, whomever it is, ENTRA1's been out there selling the PPAs and selling the power. So it's -- just so we kind of cross this correctly. I want the market to understand what the story is and what the business model is because that business model, the fact that we have ENTRA1 as our developer is a differentiator, right? We're not out here trying to develop technology, develop power plants, against PPAs. That's a huge pull. We're a tech company. We develop technology. Technology is for a NuScale power module. NuScale power module is built. We're kind of an OEM reseller -- sorry, we're an OEM seller of a piece of equipment. We outsource that equipment. We outsourced the production. We deliver it to an ENTRA1 power plant. ENTRA1 puts the power front and then sell the power.

So again, we talk about customers. Let's be clear. I do this for some of our newer analysts, I think it's important. We have 1 customer, that customer is ENTRA1. ENTRA1 faces the market. They develop the power plants, they sell the power. We just sell the NuScale power module where the Intel side to the laptop, if you use that analogy or whatever analogy you want to use, but we're the tech inside the power plant. We're not the power plant developer.

John Lawrence Hopkins
President, CEO & Director

Yes. That coincides what I said earlier that many of these entities -- they don't necessarily want the asset. They don't want to own nuclear. They just want 24/7. So with our developer and their banking relationships and source of funding, they're able to offer a build-on transfer, build-on operate or be flexible enough to work out scenarios that's providing solutions to these entities that Ramsey just mentioned.

Unknown Analyst

Got it. That's super helpful. And just one more question, if I may. Would you be able to quantify kind of the progress on the Phase II FEED study for power and how the next steps kind of might look like in terms of timeline or any other developments around that?

John Lawrence Hopkins
President, CEO & Director

Yes. As you know, Fluor Corporation is a prime. We're a subcontractor Fluor. RoPower and the Romanian government, they continue to pay their bills, and we're keeping our finger on a pulse and watching it very closely. We have ongoing almost weekly conversations on progress. They're looking at their final notice to proceed, now looks to be probably in the time frame of mid- to late '26, early '27. So we continue to support Fluor as the prime providing engineering requirements for the modules. And so far, so good.

Operator

Our next question is from the line of Craig Shere with Tuohy Brothers.

Craig Kenneth Shere
Tuohy Brothers Investment Research, Inc.

On Sherif's question and the answer about the supply chain, having the ability to make up 20 modules annually, does that mean you have the ability to shoulder 2 orders, somewhat currently of a 12 module and a 6 module order? But we couldn't shoulder, say, 2 dozen orders simultaneously? And to the degree there's any kind of competition in terms of getting it to the customer on time by the 2030, 2031? What kind of negotiation, discussion, coordination do you have with ENTRA1 if maybe you have a 6 module order ready to go, but that might slow down a 12 module order.

John Lawrence Hopkins
President, CEO & Director

No. Our model has always been predicated on the fact we manufacture our models in a factory. They're fungible assets with the intent to have multiple projects going at any given time. However, we're also very convinced of a fact of what our capacity to execute is, so we don't want to get out over ski tips. But quite frankly, I just want one right now. I want to get a hard contract near term, and we continue to build out our supply chain, which is critical for us. We have ongoing meetings because many of the suppliers, as you know, once you get the order book, they'll start gearing up. And as for Doosan, we've got 12 modules coming online right now. That's

a gigawatt size plant. And in our discussions with them, they're willing to tool up and even do more, IHI and the other suppliers. But we're limited to our supply chain and to get those modules. And that's why long lead is so critical. Anybody says they can get to 2030 COD without these long lead items, I don't see it as a possibility. We're still focused on getting modules in the ground by 2030 time frame.

Craig Kenneth Shere

Tuohy Brothers Investment Research, Inc.

That's helpful. So you had mentioned, I believe, historically, that you're on the hook if you don't get a customer covering it for over a couple of hundred million dollars of CapEx the next couple of years on what you've already ordered. And then you just said you're going to be ramping OpEx and presumably having a wider cash burn. So is it fair to say that this is carpe diem time that the second half of this year is a critical time to get signed, sealed and delivered customer commitment or 2 that can start shouldering some of this so you don't have to do it all on balance sheet.

Ramsey Hamady

Chief Financial Officer

Yes, I'll take that question. Look, there's a fine line to walk here as we're pushing forward. I often state that I don't wish to, and I don't think my shareholders wish for me to use their money to build an inventory of NPMs. That's not the way this goes. And when I enter contracts, I enter contracts that have -- they have pathways out, they have pathways to go down, they have pathways to speed up. And we do this and we enter in and we want to build these at least the long lead materials in relation to all the NPMs, so that we can expedite delivery the first plant to a customer.

So it's not -- I was like -- I'm not out there with this idea of how we're going to invest \$1 billion into building NuScale Power modules, just on my own dime absent an order. I think we're -- we have to -- we refined the dialogue a little more eloquently than that. But we do invest into our LLMs. We do want to speed up the process by which we can deliver. We want to invest in the supply chain. The suppliers don't, they're not sitting around quitting their thumbs, they want to see orders. And as I mentioned before in earlier question, having a regulatory approval is one thing. That's great. And having 2, amazing, excellent, the best of the best. But supply chain is also another tough nut to crack. There's not a ton of nuclear suppliers globe-wide, right? And in America, especially the nuclear industry has been stagnant for a long time. So for us, I think there's a fine line there where we're activating our suppliers, working with them. We're investing in them, and we're investing in our inventory. But as a management team, we also are very careful about shareholder funds, and we're not going to expect. It's not like I'm not going for broke in H2, I'm just going to build as many as I can. That's not the way we operate a company, right? We take a more measured approach.

Operator

Our next question is from the line of Leanne Hayden with Canaccord Genuity.

Leanne Hayden

Canaccord Genuity Corp., Research Division

Congrats on the NRC upgrade approval. Just to start, I was curious if you've noticed any industry trends in terms of project financing. Just curious broadly, if you've noticed any sort of third-party ecosystem or anything of that nature taking shape?

Ramsey Hamady

Chief Financial Officer

Look, so we were again, like I'll take the opportunity to continue kind of this distinction of the roles between us and ENTRAI and this kind of hand-in-glove sort of relationship that we have. We don't finance projects at NuScale because we don't build projects. We build a piece of equipment for a customer, and the customer finances that through orders and through payments. And we finance -- there may be some finance for working capital, but it's not project finance.

But to get to your question, it doesn't mean we don't have visibility into some of the discussions. It's a dialogue. And we've seen remarkably pretty significant interest from large-scale U.S. and even like go out and look at like large ports of capital outside the country, commonwealth funds or others, we've seen significant interest from those groups in financing as complex scale capital outlay, scale investment team and financing projects for ENTRAI using NuScale technology. And I think part of that comes down to the fact that we use, a, we're the only like -- we're the only licensed technology, and we got 2 of them with conventional fuel as light water reactor technology as everything that's commonly understood within the nuclear world. It's everything that financing wants, plus it's built off-site and control environment without being complex nuclear fabrication in the field. So we see a ton of interest. And we see it through -- and when we talk about project finance interest, we see it through ENTRAI. I see some of interest through the equity

markets, right? I see people wanting to own NuScale. I see money coming into the company. We also see when we go out and we talk to potential customers of ENTRA1, in coordination with ENTRA1, we see these third parties supporting those dialogues. And that's -- I think that's something where this is what it takes to kind of reinvigorate nuclear America. These are big projects. They cost a lot of money. This is a scale infrastructure investment from very large sources of capital, and we're seeing them piling.

John Lawrence Hopkins
President, CEO & Director

And just to add to that, as we stated in there, we have over \$2 billion invested in this asset. A lot of that went to scaling up of our components within this model to where when you say first of a kind, the first of a kind really is you need to put one together and get it operational. The components themselves are typically, as Ramsey said, conventional fuel, our skid mount -- our turbine generators are skid mount units that are used in the oil patch. I mean, there's not really the helical coil steam generators have been scaled and tested in Piacenza, Italy and Doosan is building them currently. So I don't see where we are right now, I don't -- from a supply chain, it's just that we got to be careful that we don't exceed expectations. So we do what we say we can do. And we treat our suppliers fairly. We continue to build out our supply chain, which is what we're doing right now.

Leanne Hayden
Canaccord Genuity Corp., Research Division

Certainly, yes. Completely agree. Just one more for me. Of course, there's been a lot of exciting momentum domestically in the nuclear space. Just curious if you're seeing any sort of similar trends internationally in terms of customer interest specifically?

John Lawrence Hopkins
President, CEO & Director

Yes, we do. I commented earlier, we're getting a lot of Finland, Sweden. You're even seeing Germany is now talking about possibly reenergizing reactors because of energy requirements. But it gets back to what I'm saying right now. I would like to stay focused right on the U.S. base, building out our U.S. supply chain. And Romania is a great project that we have currently right now that we're working on, and Romania has aspirations of being a provider of SMRs in Central Eastern Europe where we hope we're part of that. But the whole groundswell, desalinization, hydrogen production, none of that's gone away. In fact, it's ramping up. And we've been working on hydrogen for quite some time with some process companies about and for hydrogen, it's really about the ability to get down to about \$1.50 per kilogram, and we're making progress. But again, our focus right now is with U.S.-based customers aside from Romania to get closure and near-term deals.

Ramsey Hamady
Chief Financial Officer

I just received, and we received great information all the time, but a study of kind of U.S. and their allies, and the drivers for nuclear and kind of expectations for how many gigawatts they expect to see like. I'm looking at this now. People expect about demand for 100 gigawatts of nuclear by 2040, at least among America and our allies. In the Euro area, probably about 40 gig in U.K. and Scandi, and probably about 16 gigs. And just for the reasons that John mentioned, like reducing vulnerability, creating alternative energy supply, making liquid fuels and hydrogen, for example, for the EU from EU sources, high reliability for power. All these ideas that just makes sense. And if we go to China and other parts of the world, you have very significant numbers there as well, but we tend to focus on the U.S. and our allies here.

John Lawrence Hopkins
President, CEO & Director

We used to for those -- yes, for those who have been following us, it was only 3, 4 years ago, we had customers asking for 4 module plants, 6 module plants. What we're hearing today, the more the better. It's 12 module plus. So it's an interesting -- again, a lot of it is because the hyperscalers, data centers and the energy requirements. But even outside this country, we're seeing request for a minimum of 12 module plants, which has been a shift over the last, I'd say, 2 to 3 years.

Operator

We have a final follow-up question for today from the line of Marc Bianchi with TD Cowen.

Marc Gregory Bianchi
TD Cowen, Research Division

John, I heard you comment on -- in reference to the RoPower project that they would be -- I think you said looking at FID later in '26 or early '27. If I recall that, that's a little bit later than we previously talked about. Can you talk about what's going on there? And when we should be kind of expecting the cost estimate and Phase 2 fee to wrap up?

John Lawrence Hopkins
President, CEO & Director

Yes. We're about a Class IV estimate right now with Fluor. So we've recently been informed that they're pushing it out a little bit and they're going to have a phased approach for a final investment decision. But we've been told their final notice to proceed is probably looking towards the latter part of '26 that we continue to move forward under the direction of Fluor, providing the engineering deliverables that they and the customers are requesting. So that's not all I know right now, Marc, in terms of what we've been told by the customer themselves. But they're still very bullish on the project. It's just timing.

Operator

We do have a final question from Brian Lee with Goldman Sachs.

Brian K. Lee
Goldman Sachs Group, Inc., Research Division

Apologies, I jumped on late, so some of this may be redundant, but I caught the last tail of the question right before me. Could you provide us an update kind of on RoPower timing and kind of what the milestones are. I thought that was one where originally you guys are maybe targeting as early as end of calendar '25 to see something kind of FID there, but can you give us the latest on where RoPower stands? And then I had a follow-up.

John Lawrence Hopkins
President, CEO & Director

Yes, certainly. We just commented earlier that we are a subcontractor Fluor Corporation as a prime. The customer, we've been working with them on a regular steady state basis that we've been told that their final investment decision is a phased approach. However, final determination to proceed with the project is probably looking to be '26, later part of '26 is what we've been informed right now. That could change, but that's what we're working towards.

Brian K. Lee
Goldman Sachs Group, Inc., Research Division

Fair enough. And so presumably -- and I think you guys have been public about targeting maybe a U.S.-based customer being your first to move forward sometime by the end of this year. Is that still kind of the target? And what are the latest discussions you're having with some of your key constituents on the U.S. customer side of things.

And then maybe if I could just squeeze one last one in. The Trump executive orders, obviously, we've all gone through those. It seems like there's some action happening behind the scenes, things kind of moving forward, solicitations, et cetera. Could you kind of give us a bit of an update as to where your visibility stands around some of the executive orders and maybe where NuScale is best positioned to potentially see some benefits from those moving forward?

John Lawrence Hopkins
President, CEO & Director

For us, on executive orders, from an NRC perspective, as we commented earlier, we did get our 77 power uprate license. So much of what we're working with the NRC today is the construction operations license agreement. And we're hopeful that through the executive orders, that process will streamline and we can get -- we can obviously construct earlier. But from an operating perspective, we could hopefully streamline that and get in the ground quicker.

As it relates to customers, we're getting inundated now. We're focused, as I said, with our resources working with our developer partner ENTRA1 on 2 or 3 major customers that -- and we're still forecasting having what I call hard contracts in place by the end of this year 2025. And those are all U.S.-based customers.

Operator

Ladies and gentlemen, that will conclude our Q&A session here for today. I would like to turn it back to Mr. Hopkins for any closing comments.

John Lawrence Hopkins

President, CEO & Director

Yes. Thank you, operator. Again, NuScale continues to make strides towards deploying our technology. And as I commented earlier, with strong tailwinds at our back, we believe we are well positioned to meet increasing global energy demands with safe, reliable and sustainable energy. And right now, as I stated again, those tailwinds appear to be pretty strong moving forward. So I'd like to thank all of you for your interest in NuScale and for joining us on this call today until next time. Thanks.

Copyright © 2025 by S&P Global Market Intelligence, a division of S&P Global Inc. All rights reserved.

These materials have been prepared solely for information purposes based upon information generally available to the public and from sources believed to be reliable. No content (including index data, ratings, credit-related analyses and data, research, model, software or other application or output therefrom) or any part thereof (Content) may be modified, reverse engineered, reproduced or distributed in any form by any means, or stored in a database or retrieval system, without the prior written permission of S&P Global Market Intelligence or its affiliates (collectively, S&P Global). The Content shall not be used for any unlawful or unauthorized purposes. S&P Global and any third-party providers, (collectively S&P Global Parties) do not guarantee the accuracy, completeness, timeliness or availability of the Content. S&P Global Parties are not responsible for any errors or omissions, regardless of the cause, for the results obtained from the use of the Content. THE CONTENT IS PROVIDED ON "AS IS" BASIS. S&P GLOBAL PARTIES DISCLAIM ANY AND ALL EXPRESS OR IMPLIED WARRANTIES, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE, FREEDOM FROM BUGS, SOFTWARE ERRORS OR DEFECTS, THAT THE CONTENT'S FUNCTIONING WILL BE UNINTERRUPTED OR THAT THE CONTENT WILL OPERATE WITH ANY SOFTWARE OR HARDWARE CONFIGURATION. In no event shall S&P Global Parties be liable to any party for any direct, indirect, incidental, exemplary, compensatory, punitive, special or consequential damages, costs, expenses, legal fees, or losses (including, without limitation, lost income or lost profits and opportunity costs or losses caused by negligence) in connection with any use of the Content even if advised of the possibility of such damages. S&P Global Market Intelligence's opinions, quotes and credit-related and other analyses are statements of opinion as of the date they are expressed and not statements of fact or recommendations to purchase, hold, or sell any securities or to make any investment decisions, and do not address the suitability of any security. S&P Global Market Intelligence may provide index data. Direct investment in an index is not possible. Exposure to an asset class represented by an index is available through investable instruments based on that index. S&P Global Market Intelligence assumes no obligation to update the Content following publication in any form or format. The Content should not be relied on and is not a substitute for the skill, judgment and experience of the user, its management, employees, advisors and/or clients when making investment and other business decisions. S&P Global Market Intelligence does not act as a fiduciary or an investment advisor except where registered as such. S&P Global keeps certain activities of its divisions separate from each other in order to preserve the independence and objectivity of their respective activities. As a result, certain divisions of S&P Global may have information that is not available to other S&P Global divisions. S&P Global has established policies and procedures to maintain the confidentiality of certain nonpublic information received in connection with each analytical process.

S&P Global may receive compensation for its ratings and certain analyses, normally from issuers or underwriters of securities or from obligors. S&P Global reserves the right to disseminate its opinions and analyses. S&P Global's public ratings and analyses are made available on its Web sites, www.standardandpoors.com (free of charge), and www.ratingsdirect.com and www.globalcreditportal.com (subscription), and may be distributed through other means, including via S&P Global publications and third-party redistributors. Additional information about our ratings fees is available at www.standardandpoors.com/usratingsfees.

© 2025 S&P Global Market Intelligence.