

S&P Global

Market Intelligence

NuScale Power Corporation NYSE:SMR

Earnings Call

Wednesday, August 5, 2026 10:00 PM GMT

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Presentation

Operator

Good afternoon, and welcome to NuScale Power's Second Quarter 2026 Earnings Conference Call. Today's call is being recorded. A replay will be available on NuScale's Investor Relations website for 30 days. At this time, I would like to turn the call over to Ramsey Hamady, Chief Financial Officer. Please go ahead.

Ramsey Hamady

Chief Financial Officer

Thank you, operator. Joining me today is John Hopkins, President and Chief Executive Officer of NuScale. We will begin by providing an update on our business, followed by a discussion of our financial results. We will then open the phone lines for questions. This afternoon, we posted supplemental slides to our Investor Relations website.

As reflected in the safe harbor statement 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. For a detailed discussion of our risk factors that could contribute to differences in our expectations, please refer to our Form 10-K for the year ending December 31, 2025, and to our subsequent SEC filings.

I will now turn the call over to John Hopkins.

John Lawrence Hopkins

President & CEO

Thank you, Ramsey. I want to start with a simple observation about where the market stands now. Demand for reliable carbon-free power is not building slowly. It is accelerating. Every major hyperscaler, every large industrial offtaker, every utility with an eye on the next decade is now engaged in some version of the same conversation. We need power now, we need it to be clean, and we need it on a timeline that actually maps to our business. That urgency is real, and it is growing.

What I want to address today is what separates a company that can meet that urgency from one that cannot. Because the answer to that question is not branding or ambition, it is readiness. And readiness in this industry is a function of years of deliberate work, work that does not generate headlines, but that determines more than anything else, whether a nuclear project gets built on time and on budget or does not get built at all. That distinction is what I want to focus on today.

Let me start with context because I think the history here explains why engineering and design maturity matters more than most investors currently appreciate. The Vogtle AP1000 expansion, the most recent large nuclear construction project in the United States, is the clearest example of what happens when a project goes to construction before the engineering is substantially complete.

When that project started, the detailed design was not in an advanced state of completion. Significant engineering decisions were still being made on active construction sites. That result contributed to years of delays and billions in cost overruns. This is not a story about nuclear being hard to build. It is a story about what happens when you start construction without a mature detailed design.

NuScale has spent years deliberately applying the hard lessons of past large-scale nuclear projects. We've made significant, sustained investment so that when we go to market, the engineering is as complete as possible. That investment is the foundation of everything I'm going to share with you today. A brief word first on 2 pillars of our readiness position, regulatory approval and fuel readiness.

NuScale remains the only SMR company to have received design certification from the U.S. Nuclear Regulatory Commission, including standard design approvals for 2 of our designs. The NRC's design certification is the global gold standard for nuclear safety. Certification takes years. There are no

shortcuts. We'll operate using standard low-enriched uranium, a proven fuel source, which is available today from established suppliers from around the world.

Several other designs being marketed today require high-assay, low-enriched uranium or HALEU, which is not available on a commercial scale. That dependency is a fundamental supply risk embedded in their programs that does not exist in NuScale. The combination of NRC approval, conventional fuel and a mature supply chain that are I'm allowed to describe that combination along with engineering is what commercial readiness actually means. No other company in this space has all 4. NuScale's role in an ENTRA1 Energy plant is that of technology systems integrator and engineer of record.

We are responsible for the NuScale power modules and services. Supporting delivery of the NuScale power module, we have assembled a network of more than 60 specialized suppliers. Each supplier brings deep domain expertise in a specific system, fuel, safety and instrumentation and controls, valves, cranes and module handling. Each holds detailed design responsibility for their own scope with NuScale providing the overall integration.

Here's where we stand. The detailed design for the critical path components of our modules, the systems that govern schedule and cost is mature. We've already negotiated supplier agreements with more than half of our 60-plus supplier relationships, many of whom we believe to be best-in-class. This means when we execute an OEM, many of our suppliers will already have designed, scaled, tested and in some cases, began production of components. Taken together, this shortens the path to actual power generation, not by months, but by years and supports certainty of execution.

Let me highlight a few of our suppliers. Doosan Enerbility is one of the world's foremost manufacturers of heavy nuclear components. They are our strategic partner on the major components of our modules, the heavy forgings at the heart of every NuScale power module. What you see on this slide are photographs taken at Doosan's facilities in South Korea, actual components in active production for NuScale power modules.

Framatome is one of the world's leading nuclear fuel companies. Fuel design has a long lead time, years, not months. Rather than wait for a signed customer contract before beginning that work, we entered into a dedicated agreement with Framatome to complete the fuel design. Our fuel supply will be ready as customers come online.

This quarter, we announced that Paragon has been awarded a contract to complete the final design development of the safety instrumentation and control systems for our NuScale power modules. These 3 partners are examples of the depth of our supply chain ecosystem. Doosan on major portions of the modules, Framatome on fuel, Paragon on safety control systems. And we have comparable relationships across cranes, module handling, valves and more, with additional announcements expected.

I'll briefly discuss key commercial updates from the quarter. ENTRA1 Energy, our strategic partner, continues to advance discussions with the Tennessee Valley Authority toward a definitive power purchase agreement for potentially the largest nuclear power deployment program in U.S. history, utilizing NuScale SMR technology. Our understanding is that these discussions are active and progressing. We look forward to providing a further update as milestones are achieved.

Next is RoPower. NuScale is working with Nuclearelectrica and RoPower to satisfy conditions attached to Nuclearelectrica's shareholders vote to advance the RoPower project in Doicești, Romania, which will deploy 6 NuScale power modules at a former coal plant site and represents the most advanced SMR effort in Europe.

Finally, let me now turn to another area where NuScale is building massive advantage, our energy exploration centers. This quarter, we opened our 12th E2 Center at the University of Virginia's College at Wise, supported by a grant from the Virginia Clean Energy Innovation Bank.

These centers deliver immersive, hands-on nuclear training in high fidelity simulation environments designed specifically for the next generation of plant operators, technicians and engineers. Another highlight is our liquidity position. NuScale closed the second quarter with approximately \$1.9 billion in

cash, cash equivalents and investments. Our cash position reflects a conservative approach to liquidity as we anticipate near-term commercial deployment.

Now I'll turn the call over to Ramsey.

Ramsey Hamady

Chief Financial Officer

Thank you, John. Good afternoon. Our financial results are available in our filings. So my focus will be on explaining major line items, which can be found on Slide 7. NuScale reported revenue of \$0.1 million for the 3 months ended June 30, 2026, compared to \$8.1 million in the same period last year. The year-on-year decrease reflects the completion in late 2025 of the Fluor front-end engineering design Phase 2 work in support of the RoPower project. That scope had no comparable activity in the current quarter. As project activity advances, we expect both our product and services revenue to grow.

We closed Q2 with approximately \$1.9 billion in cash, cash equivalents and investments, an increase of \$900 million since March 31, 2026. As John said, this increase in liquidity reflects a proactive approach to conservatively positioning the business as we continue to deploy capital for commercial readiness.

When we invest in supply chain agreements, we reduce the time to deployment and derisk the cost structure of our first projects. When we invest in Framatome fuel design, as an example, we remove a bottleneck from the critical path. Finally, on Slide 8, you'll find the capitalization summary.

With that, thank you again for joining us today. We will now take your questions. Operator, please go ahead.

Question and Answer

Operator

[Operator Instructions] Your first question comes from the line of Eric Stine with Craig-Hallum Capital Group.

Luke Persons

Craig-Hallum Capital Group LLC, Research Division

This is Luke on for Eric. So first one here, did the sizable financial and trade commitments from Japan and South Korea play into the timeline at all for converting TVA into firm PPA? How are you thinking about those in the equation here?

Ramsey Hamady

Chief Financial Officer

This is Ramsey Hamady, CFO. I think those announcements and the ideas behind them are very promising. I don't know that that's built into the particular capital structure for the plant. And I stress that NuScale builds reactors, our commercial partner ENTRAI builds plants. I know they have a great relationship with the Japanese with Koreans as do we. So we remain hopeful, but I wouldn't say that the PPA or the capital structure is dependent upon that cash. I think it will benefit but not dependent.

John Lawrence Hopkins

President & CEO

But do remember that as stated, a significant piece of these investments is slated for energy projects in the U.S., which also includes SMRs.

Luke Persons

Craig-Hallum Capital Group LLC, Research Division

Understood. So for our second question here, can you just maybe talk a little bit more about ENTRAI's project pipeline and how that's evolving just in terms of end users? Have you seen any particular customer type or use cases gaining particular traction for the NuScale applications and whether that's just within the data center industry or other applications?

John Lawrence Hopkins

President, CEO & Director

Yes. We continue dialogue with hyperscalers, data centers. Our focus right now has been for readiness for TVA when the announcement gets made. But others that we talk to, and I think you recognize the need right now for clean energy. Texas just came out and stated here today that they have to shut down data center promotions because of lack of energy and water. We're an answer to that, and we're positioning ourselves to move forward quickly. So it's really the timing of the customer and when they need their energy, and we're ready to enter in discussions at any time.

Operator

Your next question comes from the line of Nate Pendleton with Texas Capital.

Nathaniel David Pendleton

Texas Capital Securities, Research Division

John, I wanted to go back to where you really started the call and dig into the competitive landscape as you see it, really focused on the Gen III+ light water SMR segment on Slide 3. Beyond the head start you guys have with NRC approval, how do you view the durability of your technology advantage if we roll forward the clock a few years? And does that fit with design, commercial structure or supply chains?

John Lawrence Hopkins

President & CEO

Yes. I think we're in a position right now. Over the last 10 years, we've been working steadily to get ready for deployment, and we are near-term deployable. I commented about over 60 suppliers, of which half of them we have master services agreements. We have 12 modules of which a lot of them are currently in production, which are long lead items, and we've been working on those over a 2-year period. So if I look at the landscape moving forward, we're ready to deploy now, as I commented earlier. If you look at future state, nothing stays static. We'll continue to promote this project and look at ways to improve efficiencies and costs, but we feel like we're in a very good position.

Nathaniel David Pendleton

Texas Capital Securities, Research Division

And then maybe shifting gears a little bit. I wanted to touch on the process heat opportunity. From recent disclosures, I think most recently a blog post from Dr. Reyes, the high-temperature steam potential seems really encouraging. Do you expect these applications to use the standard VOYGR-12 or VOYGR-6 configurations? Or will this be a distinct product? And then perhaps should we think -- how should we think about the potential parasitic load that's needed to support that compression step to boost the temperature to that 500-degree level?

John Lawrence Hopkins

President, President & CEO

Well, Jose is out promoting, and in fact, he spoke at CERAWEEK at the petrochemical conference, he's speaking here coming up again on -- we worked with the National Labs and the ability for our reactor as a light water reactor to produce the steam and pressure requirements needed for process heat. And we think we're in a very good position to -- and again, compounded with an emergency planning zone, if you look at what these process companies are looking for, the further you are from a given site, the end user, it dissipates. Having the approval of the emergency planning zone, we're right up next to the end user. We can provide process heat, we can provide electricity.

The ENTRA1 model also supports the fact if you go to an area like Baytown or Corpus or anywhere we have a high density of process companies, we can build, own and probably have somebody operate the plant, you could be Entergy or whomever, that allows us on that fence line, they're not inside the evacuation zone. It doesn't entail any business interruption to provide the requirements those companies are looking for, if it's electricity or ammonia production, hydrogen production or, to your point, process heat.

Very enthusiastic about that opportunity. We do believe district heat and process heat is going to be -- and the ability to dry cool are very much distinctives that we have that are going to be -- again, I mentioned today, just earlier, I heard on a report that Texas, everywhere you go, there's droughts, there's water restrictions. Having a combination of emergency planning zone and being able to dry cool using air condensers is going to be extremely important going forward.

Operator

Your next question comes from the line of George Gianarikas with Canaccord.

George Gianarikas

Canaccord Genuity Corp., Research Division

So TVA made a few disclosures and I think some media comments today regarding their nuclear road map. I'd love to get your perspective on what you took away from the commentary, maybe an update on your bilateral discussions beyond what you've already said. And maybe any specific gating items remaining before reaching a definitive contract?

John Lawrence Hopkins

President, CEO & Director

George, all that I can say at this time is that we're extremely encouraged by our conversations that ENTRA1 and TVA are having. We've heard similar that it was announced in a conversation today that TVA is actively engaged. It's the same what we're hearing. The conversations we understand are progressing well. And I can tell you that when the agreement is signed, NuScale will be ready to implement.

George Gianarikas

Canaccord Genuity Corp., Research Division

And one more question, just a little bit of a minutia item. I noticed that on your balance sheet, the investments increased significantly. I haven't gone through your Q yet. Can you just sort of talk about what compelled that to move up to \$800 million relative to last quarter?

Ramsey Hamady

Chief Financial Officer

George, this is Ramsey. This is really just a treasury strategy as we bolster our balance sheet, we kind of pull away from this idea of traditional start-up burn rate and runway and more about cash allocation and long-term planning. And that's what \$1.9 billion gives us the ability to plan long term, it gives us optionality. And as you have that amount of cash on the balance sheet, you tend to look into longer-term instruments. Within the treasury strategy, all high grade, but if you look at the longer-term instruments. So there's a reclassification on the balance sheet. But it's all cash and cash-like investments.

Operator

Your next question comes from the line of Marc Bianchi with TD Cowen.

Esteban Mario Albarracin

TD Cowen, Research Division

This is Esteban Albarracin on for Marc. So I wanted to ask on the Romania project. I believe RoPower earlier this year has some new contingencies around an FID, including a proposal on sort of the purchase cadence of the power modules. And I think there was also a more recent update to stick with NuScale rather than considering other technologies for the project. Can you walk us through some of those updates and when we should expect further progress on the project?

John Lawrence Hopkins

President, CEO & Director

Yes. I could probably -- this is John speaking, and I appreciate the question. We -- as you know, we're a subcontractor to Fluor Corporation, who is a prime contractor. We completed successfully the front-end engineering design. There is a new government that's coming in that's being seated as we speak. Myself and my COO are planning to go to Bucharest to meet with that government probably later this month.

And -- but we're ready to go. We're just waiting on the green light to finalize our contract agreements. But as I said, Phase 1 went well. Now we're going into what's called the pre-EPC, which will take it up to the final notice to proceed, which is probably another year from now.

Esteban Mario Albarracin

TD Cowen, Research Division

Okay. And my follow-up is on the combined operating license application. I know you had already completed a meaningful amount of work there on the COLA from the previous CFPP project. And I think you're still engaged with the NRC with that. So I just wanted to get a little bit more color on how much of that COLA standardized and can be carried over to another U.S. project and roughly how much time and probably regulatory costs that could save?

John Lawrence Hopkins

President, CEO & Director

That's a great question. We're looking at what we have done for the previous project you comment on, about 60% of that COLA can be utilized. And as soon as these PPAs are put in place, that's one of the first

initiatives we'll have is starting the construction operating license agreement with the customer. So again, about 60% of that, we can move over to this next project.

Operator

Your next question comes from the line of Derek Soderberg with Cantor Fitzgerald.

Drew Tyler Nordquist

Cantor Fitzgerald & Co., Research Division

This is Drew Nordquist on the line for Derek. Just going back on RoPower. Can you guys highlight what sort of conditions need to be satisfied in order to move on and if that's in your hands or if that's more in RoPower's hands?

John Lawrence Hopkins

President, CEO & Director

Actually, in the first phase that needs to get done really is the completion of the prime contractor to come into contract arrangement with the customer. And then we will enter into contract negotiations with the prime EPC. So we're all kind of in a wait mode right now, waiting for things to progress, and that's one of the reasons we're heading over to meet with the new government to talk about what are the next steps.

Operator

Your next question comes from the line of Greg Lewis with BTIG.

Gregory Robert Lewis

BTIG, LLC, Research Division

Ramsey, I was hoping to talk a little bit more how you're thinking about the liquidity position. Clearly, you made some moves to really bolster that heading into the back half of this year and into next year. So just kind of clear, any kind of broad strokes you can give us around, let's just assume that we eventually get these contracts from TVA to move forward. Is there any kind of timeline you can give us in terms of when we're going to have to start deploying that capital? Just kind of curious around that.

Ramsey Hamady

Chief Financial Officer

Sure. Thank you for the question. Let's talk about a few ideas. We did bolster our cash, \$1.9 billion as it -- yes, it reflects a strong liquidity position -- it reflects a conservative approach to liquidity. And as finance people on the line, I think we all understand liquidity is one of those things where it's often there when you don't need it, and it's often not when you do. And so we took the opportunity last quarter to bolster our liquidity and put ourselves in a pretty good position. What this does is it changes -- and I think I mentioned this in an earlier question, it changes the framework by which we look at our cash.

We've diverged from those start-up metrics. We've diverged from burn rate, and we provide optionality. And now we think about capital allocation. And as I think about capital allocation for a company that's engaging production, a first-of-a-kind technology, one thing that comes to my mind is ideas around working capital, changes in our OpEx and how cash enables the business to be in a better position to deliver our product when we say we're going to do it and the cost we say we're going to deliver at. And so that's begun some of the change.

Like when do we expect that draws on cash will happen? I think that question is similar to when do we expect commercialization to happen. Some of our expectation has been reflected in some of the announcements we've seen, for example, with Framatome over the last quarter. We expect commercialization to happen soon.

And so we're preparing for it. We're investing in the supply chain. We're investing in design finalization. We're investing in fuel systems. So you can read into our expectations based on our actions. But ultimately, the commercial contract is the main catalyst, and we're ready for it. And I think it's a great position for us to be in.

Gregory Robert Lewis

BTIG, LLC, Research Division

Okay. And so as we think about some of those parts of the supply chain that need to be addressed, I imagine we'll spend a lot of time thinking about the costs associated with those moving to commercialization. Is that things that we're starting to look at now? Or is it more kind of getting everything in ready mode for when we eventually get the green light from our first commercial partner?

Ramsey Hamady

Chief Financial Officer

I'm sorry, go ahead.

John Lawrence Hopkins

President, CEO & Director

No, we're working -- as I said, we've been working for years with these key suppliers, and they're strategic suppliers. Some of these suppliers are investors in NuScale. They're not looking for a one-off project. They're looking for the opportunity for sustainable supply, and it gives us very competitive rates. As an OEM, about 30 -- maybe 30-plus percent is going to be our cost and then the rest is going to be the EPC and other contractors. So I believe we have a very good handle with what our suppliers are offering us in terms of being on a competitive basis. And the bottom line, they have to prove competitiveness. So it's not open-ended.

Operator

Your next question comes from the line of Craig Shere with Tuohy Brothers.

Craig Kenneth Shere

Tuohy Brothers Investment Research, Inc.

So first, I mean you sound very confident about pending first-of-a-kind customer FIDs. So presumably around TVA. Would you expect with the first FID to be in a position to share with the Street NuScale level margin clarity? Or would that be a bit of a moving target with the first order?

Ramsey Hamady

Chief Financial Officer

No. I think internally, we have expectations of where we want our margins to come out. I think we all acknowledge that first-of-a-kind may be more challenging than nth-of-a-kind. I think we get to nth-of-a-kind pretty quickly with the type of manufacturing we're engaging. And look, we want to be able to provide guidance to the Street. But I want to be able to provide guidance based on our OEM contracts, our supplier contracts and doing it absent or prior to that real visibility, I think it just becomes a little bit problematic. So as soon as we can, as soon as we're confident, we'll start to provide guidance. And I think you as analysts will have a better construct to come out with your price targets and understand the value that we're creating within our business for our shareholders.

Craig Kenneth Shere

Tuohy Brothers Investment Research, Inc.

Understood. So I want to talk a little about speed to market because that was most of your prepared comments and your leadership there, given the fact that you're ahead on the regulatory and you've preordered these 12 modules. So obviously, we're getting other announcements that are more immediate and are not SMRs, right? I mean we're getting announcements of behind-the-meter CT projects for 18 months deployment, maybe 3 to 4 years on CCGTs.

Given the fact you've already deployed resources and relationships for your first 12 modules from FID on the first project, how quickly can that be producing power? And then is there a gap on the second project since you don't have that on order today? And given your great liquidity position, is that a reason to put more on order today or in the near future?

John Lawrence Hopkins

President, CEO & Director

Our position right now, I just want to get the first module up and running to showcase. And remember, these are redundant systems. And the last thing that's going to happen after the plant is built and the balance of plant and the reactor building, NuScale will move that modules into the factory, and we'll erect them one at a time. Once the first 1 or first 2 are up and running, they're operational, we bring the second one in and we bring the third one in.

And if you remember, the NuScale module is predicated not on doing any given one plant at any given time, there's multiple plants. These are fungible assets. We build them in a factory and we ship them. Now with the magnitude of what we're talking about with TVA, I mean, anywhere from 6 to 8 gigawatts, it's massive. It's a massive undertaking. That is 1 project at a time.

Craig Kenneth Shere

Tuohy Brothers Investment Research, Inc.

Any thoughts on the first 12 modules being online given the progress you have there?

John Lawrence Hopkins

President, CEO & Director

We've stated publicly that from a first pouring of safety-related concrete to mechanical completion will generally take a little less than 40 months, but that does not entail. We still got the upfront dealing with the NRC and the licensing process. So construction timeframes are within that window, we believe, within a 40-month window for construction, pouring a concrete to mechanical completion.

And so hopefully, with the NRC, we've had great conversations. In fact, the team was just with the Nuclear Regulatory Commission last week. They're doing a lot of things, particularly in that front-end advancement to help get contractor or get technologies to move quicker on the licensing front. So we're hoping maybe what would typically take a 2-year, it could be reduced significantly.

Operator

Your next question comes from the line of Ellen Page with Truist.

Ellen Dionysia Page

Truist Securities, Inc., Research Division

Maybe just to start, the power plant business had a negative revenue in the quarter due to a negotiation with Fluor. How do we think about that impact -- or how do we think about the RoPower progression going forward under that new price agreement? And any more color you can provide would be great.

Ramsey Hamady

Chief Financial Officer

Yes. I don't think the negative revenue number is really indicative of some ongoing trend with RoPower with our margins there. That was an adjustment. And what you really saw is we had work with Fluor related to Phase 2 in the prior quarter -- 2 prior quarters, pardon me, or in the same quarter period in the prior year, which we didn't have this year. So that revenue is gone. There's an adjustment. What you saw is negative margin. It looks a little funny, but it's not indicative of a trend. And we're talking about pretty small numbers on a pretty small basis. So I wouldn't read much into that.

Ellen Dionysia Page

Truist Securities, Inc., Research Division

Okay. Great. And then maybe just on TVA, is there any like milestones in particular or next steps you can call out ahead of the PPA? Or we're just kind of waiting for those negotiations to be complete?

John Lawrence Hopkins

President, CEO & Director

I think as I stated in the comments, talks are progressing. We're very active with ENTRA1 in communications on a daily basis. Our Chief Commercial Officer is involved with it again on a daily basis. So we're in a mode right now that as soon as these PPAs are definitized, we're ready to move. And by move, I mean, enter into -- start the COLA position, start the front-end engineering design and initiate the OEM contracts or negotiations.

Operator

Your next question comes from the line of Brian Lee with Goldman Sachs.

Tyler Roger Bisset

Goldman Sachs Group, Inc., Research Division

This is Tyler Bisset on for Brian. There's been a lot of focus on TVA, but curious if you can discuss any other pipeline opportunities. So what other engagements are out there? And any other details you can provide on timing, geographies or types of customers that ENTRA1 is working with?

John Lawrence Hopkins

President, CEO & Director

I'll just say, as I said earlier, we're in a lot of discussions with the hyperscalers, with the governments, with international. But our focus right now is to try to get these -- working with ENTRA1 to get TVA across the goal line. But as you know, I mean, everybody needs energy. We want to be part of the mix. And customers have different strategies. And our strategy right now is if they're ready to move and they need near-term deployment, we're willing to talk.

Operator

Your next question comes from the line of Soundarya Iyer with B. Riley Securities.

Soundarya Vasudevan Iyer

B. Riley Securities, Inc., Research Division

This is Soundarya on behalf of Ryan Pfingst. Most of my questions have been answered, but just a couple more. On the supply agreements that you mentioned have been signed with more than half of your suppliers. What are some of the long lead items left to achieve on that supply chain?

John Lawrence Hopkins

President, CEO & Director

I think we're in pretty good shape. As I said, the real long lead items are forgings, which are being in production currently. They've been in production for the last 2 years. We mentioned we use conventional fuel. Framatome is our fuel supplier. That fuel will be manufactured in the state of Washington. Paragon, we mentioned for instrument and control for safety, that's ahead of schedule. So I think, again, I don't see any intent to -- I don't see any problems with being able to respond, as I said, we're good to go.

Soundarya Vasudevan Iyer

B. Riley Securities, Inc., Research Division

Yes, that's good to hear. And one more following up on that Romanian project, RoPower. Could that trigger any revenue-generating services in 2026? Or should we think about it in 2027 and beyond?

John Lawrence Hopkins

President, CEO & Director

We certainly hope so. It's -- if you look at Romania in general and if you look at the success on the front-end engineering design, it's really up to the timeline of the customer and when we're going to start the next phase. So if we get the contract in place, yes, there will be revenue next year.

Operator

Your next question comes from the line of Vikram Bagri with Citigroup.

Vignesh Gunda

This is Vignesh on for Vikram. Just wondering, could you help us think about the cadence of OpEx over the next few quarters? I think you mentioned previously for it to ramp over time, but any color or range would be helpful in kind of some of the key drivers on the incremental spend.

Ramsey Hamady

Chief Financial Officer

Yes, sure. This is Ramsey Hamady. Look, I don't want to give too much of guidance on future OpEx. I don't think we're in a position to do that, and we generally don't give guidance yet. But I will look to the past 10 quarters, starting from the beginning of [2024]¹ running through the end of [2025]¹, this management team kept OpEx within somewhere around like a \$2 million or \$3 million band between like \$41 million, \$44 million per quarter. We were deliberate, we were targeted, we executed and we were consistent.

Over the past 2 quarters, as we moved -- we had worked with RoPower originally back in 2025, as we got to 2026, some of that work went away. We kept those same engineers. They went from the cost of goods sold line down to OpEx. So we saw a bit of a bump up in OpEx because we need those people. They're executing on projects, and we expect to continue executing on projects in the near future.

So we kept those people. You saw a bump up in OpEx. But again, our OpEx was within like \$1 million or so this past quarter as it was within Q1. So without commenting or providing guidance, I think the lesson to take away is that management is deliberate. We're precise. We control OpEx. We're active on it. And what we won't do, which I think is maybe to heart of some of your question, is allow OpEx creep to come up and start to impact our liquidity. So I would just take the lesson away that we're pretty conservative, and we're pretty well focused and disciplined here. I know that doesn't help you build your model on valuation, but I think that's best we're going to get.

Operator

There are no further questions at this time. I would like to now turn the call back over to John for closing remarks.

John Lawrence Hopkins

President, CEO & Director

Yes. Thank you, operator. And again, thanks, everyone, for attending. As we heard throughout this Q&A, we get questions about when is NuScale moving from potential to proven. And it's a fair question. We are in discussions regularly with hyperscalers and utilities and governments. The bottom line is the preconditions for us to move are in place. The regulatory approval exists. Our fuel supply exists. The engineering is mature. The supply chain is mostly contracted. As we stated, we've got long lead items in production. Our liquidity ramp-up for manufacturing is in place. The market is waiting for definitive agreements. And once they're in place, we're ready to move. So I'm looking forward to the next session we all get together. And again, thanks for joining us today.

Ramsey Hamady

Chief Financial Officer

Thanks, everyone.

Operator

This concludes today's call. Thank you all for attending. You may now disconnect.

¹ The bracketed dates reflect a correction in the transcript of misspoken dates in the live event.

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