

Research Note

Bimergen Energy – Lumpy Quarterly Financials; Still Cashed Up

Rating	Target Price
BUY	**$9.50**
Unchanged	*Unchanged*

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Disseminated on Behalf of Bimergen Energy Corporation

All figures in USD unless otherwise stated

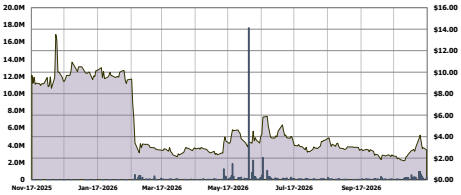
Bimergen Energy Corporation	BESS:NYSE
Rating	BUY
Target Price	$9.50
Return to Target	243%

Market Data	
Share Price	$2.77
Average Daily NYSE Volume (K)	259.1
FD ITM Shares (M)	7.4
Market Cap ($M)	$20.5
Cash & Marketable Securities ($M)	$7.8
Debt ($M)	$0.3
Enterprise Value ($M)	$13.0

FYE Dec 31	2026E	2027E	2028E
Revenue ($M)	$13.4	$25.5	$76.0
Gross Margin (%)	52%	59%	60%
Adj. EBITDA ($M)	$5.7	$7.8	$33.9
Adj. EBITDA Margin (%)	42%	31%	45%
Net Income ($M)	($0.2)	$2.7	$20.8
EPS (Basic)	($0.23)	$0.37	$2.82
FCFF ($M)	($4.5)	$2.2	$20.2

Valuation	2026E	2027E	2028E
EV/EBITDA	2.3x	1.7x	0.4x
EV/Sales	1.0x	0.5x	0.2x

Please refer to the applicable disclosures on the back page
Source: Atrium Research, CapitalIQ, Company Documents



Bimergen is a U.S.-based independent power producer specializing in the development, ownership, and operation of standalone battery energy storage systems (BESS). Bimergen develops utility-scale and distributed storage projects designed to provide grid reliability, renewable integration, and flexible energy solutions. Bimergen manages the full project lifecycle, including site selection, permitting, engineering, procurement, construction, and operations.

What you need to know:

- BESS reported Q3 revenue of $3.0M, well below our estimate of $7.5M, due to regular development fee lumpiness.
- Adjusted EBITDA came in at $3.0M and net income was $2.4M, benefiting from a $3.6M fair value change.
- BESS has $7.8M in cash and $0.3M in leases, providing a strong runway as it works on the development and financing of its projects.

Yesterday after market close, Bimergen Energy Corporation (BESS:NYSE) reported its Q3 financials which fell short of our expectations due to general lumpiness in development fees. We remind investors that BESS has $1.01/share in net cash, backstopping the valuation as we wait on execution of its project development. **We are maintaining our BUY rating and our $9.50/share target price on BESS.**

Q3 Financial Highlights

- Revenue came in at $3.0M which missed our expectations of $7.5M and CapitalIQ consensus of $6.9M. This represented BESS' second quarter of revenue. The revenue came entirely from Cerberus/Frontier Power, with none from Eos Energy or Bridgelink.
- Gross margin for the quarter was 23%, against our 58% estimate and 61% in Q2. Margins were lower than expected on the mix of projects contributed to the JV in the quarter.
- Adjusted EBITDA was $3.0M vs. our estimate of $2.7M and up from ($0.6M) in Q3/25, but down from $3.9M in Q2. The Company's reported figure includes the $3.6M fair value change; excluding it, adjusted EBITDA would have been ($0.6M).
- G&A declined to $1.9M from $3.2M in Q2 due to lower SBC and legal expenses.
- Net income was $2.4M or $0.33/share vs. our $1.9M or $0.25/share. BESS benefitted from a $3.6M fair value change on a 7.5% stake in the FPU-BEC JV.
- BESS has $2.5M in A/R from Cerberus/Frontier for when the Redbird project reaches NTP (coming quarters).
- BESS finished the quarter with a cash balance of $7.8M and leases of $0.3M. As such, BESS can sustain operations for multiple years with its cash on hand and occasional profitable quarters from development revenue.

	Q3/26A	Atrium Est.
Revenue ($M)	**$3.0**	$7.5
Gross Margin (%)	**23%**	58%
Adj. EBITDA ($M)	**$3.0**	$2.7
Net Income ($M)	**$2.4**	$1.9

Figure 1: Q3 Financials Summary

Our Take

Q3 represented only BESS' second quarter of positive revenue, and as such, the business is showing lumpiness as its development fees are determined by its partners' project advancement. The stock continues to trade near its net cash balance of $1.01/share, making it highly undervalued on an EV/EBITDA basis and buys management time to put its first projects into construction. The project development pipeline has been quiet as of late, but that is normal as these projects are often delayed and take longer than expected to move forward, especially in a higher interest rate environment. For our model, we are expecting $2.5M in revenue in Q4, 58% gross margin, and breakeven adjusted EBITDA. We now assume that the first operating revenue will be generated in Q3/27 and have rolled forward our valuation year to 2028, valuing the Company on 5.0x.

Why We Like BESS

- BESS has a 2.0 GW portfolio of battery energy storage assets, with management having a long-term goal of reaching 4.0 GW. Of these, we expect 280 MW to become operational by 2028.
- Following its recent financing at $4.00/share, the Company has a net cash balance of $7.5M ($1.01/share), compared to its market cap of $20.5M, providing downside protection given that this cash is not required to advance its projects.
- As a project manager, the Company's economics are capital-light and funded by its partners. In approximation, each 100 MW project will cost $125M in capex, up to 60% of which will be wiped away by investment tax credits, and will generate $11M in annual EBITDA once operational.
- Bimergen has assembled a high-quality ecosystem of leading strategic partnerships to support its growth.
- Management collectively owns 42% of BESS, led by Co-CEO and President Cole Johnson (~24%) and Executive Chairman Benjamin Tran (~15%), providing strong alignment with shareholders.

Catalysts

- Offtake Agreements – Ongoing
- Project Advancement Updates – Ongoing

Tear Sheet

Market Data	
Ticker	BESS:NYSE
Stock Price	$2.77
Rating	BUY
Target Price	$9.50
Upside	243%
Market Cap ($M)	$20.5
Cash ($M)	$7.8
Debt ($M)	$0.3
EV ($M)	$13.0

Capital Structure	
Basic Shares Outstanding (M)	7.4
Warrants (M)	3.6
Options (M)	1.2
FD Shares (M)	12.2
FD ITM Shares (M)	7.4

Ownership	
Cole Johnson, Co-CEO & President	24%
Other Management & Insiders	19%
Retail & Institutions	58%

Financial Estimates	2025A	Q1/26A	Q2/26A	Q3/26A	Q4/26E	2026E	Q1/27E	Q2/27E	Q3/27E	Q4/27E	2027E	2028E
Revenue ($M)	**0.0**	**0.0**	**7.9**	**3.0**	**2.5**	**13.4**	**5.0**	**5.0**	**6.5**	**9.0**	**25.5**	**76.0**
% YoY	*N/A*	*N/A*	*N/A*	*N/A*	*N/A*	*N/A*	*N/A*	*N/A*	*118%*	*260%*	*91%*	*198%*
Gross Profit ($M)	**0.0**	**0.0**	**4.8**	**0.7**	**1.5**	**6.9**	**2.9**	**2.9**	**3.8**	**5.4**	**15.1**	**45.9**
Gross Margin	*0%*	*0%*	*61%*	*23%*	*58%*	*52%*	*58%*	*58%*	*59%*	*60%*	*59%*	*60%*
Adj. EBITDA ($M)	**(2.5)**	**(1.2)**	**3.9**	**3.0**	**(0.1)**	**5.7**	**1.1**	**1.1**	**2.0**	**3.6**	**7.8**	**33.9**
EBITDA Margin	*0%*	*0%*	*49%*	*102%*	*-2%*	*42%*	*22%*	*22%*	*31%*	*40%*	*31%*	*45%*
Adj. Net Income (Ex. SBC, $M)	(2.5)	(1.2)	2.9	3.0	(0.1)	4.7	0.8	0.6	1.2	2.2	4.7	21.8
Net Income ($M)	(5.0)	(3.8)	1.6	2.4	(0.6)	(0.2)	0.3	0.1	0.7	1.7	2.7	20.8
EPS (Basic)	(1.11)	(0.71)	0.22	0.33	(0.07)	(0.23)	0.03	0.01	0.09	0.23	0.37	2.82
FCFF ($M)	(0.8)	(2.9)	0.4	(1.5)	(0.5)	(4.5)	(0.2)	0.6	0.6	1.3	2.2	20.2

Figure 2: Tear Sheet

Estimate Revisions

	Q4/26E		Q1/27E		2026E		2027E	
	New	Previous	New	Previous	New	Previous	New	Previous
Revenue ($M)	**$2.5**	$3.5	**$5.0**	$9.0	**$13.4**	$18.9	**$25.5**	$41.0
Gross Margin (%)	**58.0%**	59.1%	**58.0%**	59.8%	**51.9%**	59.4%	**59.1%**	60.6%
Adj. EBITDA ($M)	**($0.1)**	$0.4	**$1.1**	$3.6	**$5.7**	$4.7	**$7.8**	$17.4
Net Income ($M)	**($0.6)**	($0.4)	**$0.3**	$2.4	**($0.2)**	($0.7)	**$2.7**	$8.7

Figure 3: Estimate Revisions

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