

Bloom Energy Corporation

NYSE: BE | Electrical Equipment & Parts | Equity Research Report | 11 August 2026

WATCHLIST

Last close **\$210.63** (10 Aug 2026)
 Probability-weighted fair value **\$197** (–6.5%)
 Preferred accumulation zone **\$150 – \$165**
 Horizon 12–24 months | Investment score **59 / 100**

Bloom Energy has become the default on-site power supplier to the American AI build-out, and the second quarter of 2026 was the clearest evidence yet. Revenue crossed a billion dollars for the first time, operating margin reached 22.5%, and management raised full-year guidance for the second consecutive quarter to roughly double 2025 revenue. The operating business is performing at a level very few industrial companies ever reach. The difficulty is entirely one of price. At \$210.63 the shares carry 78 times the midpoint of management's own non-GAAP earnings guidance for a year that is already half elapsed, and closer to 99 times once a normal tax charge is applied. That valuation requires the current growth rate to persist for several years with no material stumble, in a business whose demand is set by the capital budgets of a handful of hyperscalers and whose disclosure practices are now the subject of a federal securities class action. The company is excellent; the entry point is not.

Snapshot (as of 10 Aug 2026 close)			
Last close	\$210.63	Market capitalisation	\$62.04bn
52-week range	\$36.80 – \$351.28	Enterprise value	\$62.14bn
52-week price change	+472.4%	Shares outstanding	294.5m
Shares change YoY	+24.7%	Cash / total debt	\$2.72bn / \$2.82bn
Beta (5Y)	3.83	Net cash position	–\$98m
Revenue TTM	\$3.11bn	FY26 revenue guidance	\$3.9bn – \$4.2bn
Net income TTM	\$244.9m	FY26 non-GAAP EPS guidance	\$2.55 – \$2.85
Free cash flow TTM	\$624.7m	Consensus target (29 analysts)	\$273.51
Dividend	None	Last reported	Q2 FY26, 28 Jul 2026

Sources: Alpha Vantage (price and OHLCV), StockAnalysis.com / S&P Global Market Intelligence (fundamentals and share statistics), company Q2 FY2026 earnings call. Enterprise value derived as market capitalisation plus total debt less cash.

1. What Actually Determines the Return Here

Bloom does not fit the usual industrial template, so a generic checklist would miss the variables that matter. The company manufactures solid-oxide fuel cells that convert natural gas, biogas or hydrogen into electricity electrochemically rather than by combustion. It sells the resulting Energy Servers either outright or, far more commonly, into a financing structure: a third party such as Brookfield buys the equipment from Bloom and delivers power to the end user under a purchase agreement Bloom originated. Revenue is recognised on the sale to that financier. Roughly 90% of the second quarter's revenue was product; the remainder was long-duration service contracts on the installed fleet.

Five variables will decide the shareholder return over the next two years. First, whether hyperscaler and neo-cloud capital expenditure holds at the pace assumed in the current order book, since that is the entire source of incremental demand. Second, whether Bloom's speed advantage survives, because the product is bought for time-to-power rather than cost per kilowatt-hour, and turbine and reciprocating-engine makers are aggressively adding capacity. Third, whether product gross margin holds near the current 37% as volume scales and the customer base becomes more

concentrated and more sophisticated. Fourth, whether the financing structure that sits between Bloom and the end user remains a strength rather than a source of hidden inventory risk. And fifth, whether the multiple holds, which on the present arithmetic is the largest single swing factor of the five.

The criteria below are applied against those variables rather than against a standard industrial scorecard. A company growing revenue 166% with 22% operating margins passes almost any conventional quality screen. The question this report is built to answer is narrower: does the price already capture that, and what happens if any one of the five variables disappoints.

2. The Business and the Market It Sells Into

The commercial logic Bloom sells is simple and, on the evidence, compelling. A gigawatt-scale AI data centre generates somewhere between \$12bn and \$24bn of annual revenue for a full-stack operator. Chief executive KR Sridhar put the consequence bluntly on the second-quarter call: each month of delay in energising that campus costs the operator one to two billion dollars of revenue. Grid interconnection queues are quoted in years. Bloom delivers power in months, and delivered Oracle's first site in 55 days. Against a customer whose alternative is an idle billion-dollar cluster, the premium Bloom charges over grid power is close to irrelevant.

Three structural features reinforce that. The servers do not combust fuel, so they produce negligible nitrogen and sulphur oxides and use almost no water, which materially shortens air-permitting timelines relative to turbines and engines and makes siting inside dense urban areas feasible. The units are modular and identical under a manufacturing approach the company calls Copy Exactly!, which means equipment already on a truck can be redirected to a different site if one project slips. And the servers deliver 800-volt DC power natively, which suits the direction modern AI rack architectures are moving.

Adoption has been faster than the company itself expected. Nine months after announcing Oracle as its first direct hyperscaler customer, Bloom says every major United States hyperscaler and more than a dozen neo-cloud, AI-lab and colocation operators have validated and approved its platform. Publicly identified relationships now include Oracle, Nebius, Equinix at over 100 megawatts across nineteen sites, and American Electric Power for up to a gigawatt. Nebius cancelled a contracted combustion solution during the quarter and switched. Third-party tallies put total backlog near \$20bn, though the company itself declines to publish a backlog figure, which is a point returned to below.

The market context is a genuine and durable shortage. GE Vernova's gas turbine backlog reached 116 gigawatts by the end of the second quarter against manufacturing capacity of roughly 10 gigawatts a year through 2030, which is close to a decade of committed output. Caterpillar is tripling large reciprocating engine capacity from 2024 levels and its backlog has grown more than three and a half times since early 2024. Between 30 and 40 gigawatts of new AI data centre capacity is expected to energise during 2027. Every technology capable of delivering power quickly will find buyers for the next several years. That is the tailwind, and it is real.

3. The Second Quarter of 2026 and the Guidance It Produced

Q2 FY2026 (reported 28 Jul 2026)	Q2 FY26	Q2 FY25	Change
Total revenue	\$1,065m	\$400m	+166%
Product revenue	\$935m	~\$300m	+215%
Gross margin	34.3%	28.3%	+604 bps
Product gross margin	37.2%	34.3%	+291 bps
Service gross margin	22.0%	12.2%	+977 bps
Operating income (non-GAAP)	\$240m	~\$29m	+737%
Operating margin	22.5%	~7.2%	+1,536 bps

Q2 FY2026 (reported 28 Jul 2026)	Q2 FY26	Q2 FY25	Change
Adjusted EBITDA	\$253m	n/d	~24% of revenue
Diluted EPS (non-GAAP)	\$0.78	n/d	vs \$0.40 consensus
Diluted EPS (GAAP)	\$0.62	n/d	—
Cash flow from operations	\$226m	–\$214m	+\$439.5m
Free cash flow	\$175m	n/d	—
Operating expenses	—	—	+48% vs revenue +166%

Source: Bloom Energy Q2 FY2026 earnings call, 28 July 2026 (full transcript via Investing.com). Prior-year comparatives where marked approximate are drawn from the company's own call commentary.

Revenue of \$1.065bn beat the roughly \$816m consensus by 31%, and non-GAAP earnings of \$0.78 nearly doubled the \$0.40 the street expected. Those are not marginal beats. The composition is what makes them convincing. Product revenue rose 215% while total operating expenses rose 48%, which is the arithmetic of genuine operating leverage rather than a favourable mix quarter. Chief financial officer Simon Edwards described the effect as structural, noting that research and general administrative costs are largely fixed against a rapidly growing revenue base and that each incremental gigawatt carries little additional overhead. On a single quarter's evidence that claim looks defensible.

Service margin deserves separate attention because it is the least discussed and possibly the most important number in the release. Bloom reported 22% service gross margin, a fifth consecutive quarter in double digits, against negative 21% at the time of the 2018 listing. A 43-point swing on a recurring, contractually committed revenue stream attached to an installed base that grows with every shipment changes the quality of the earnings materially. Sridhar argued on the call that service is a larger driver of enterprise value than the market credits, and he has a point: 80% of 2025 orders came from repeat customers.

Guidance moved further than the quarter did. Full-year revenue was raised to \$3.9bn to \$4.2bn, roughly 100% growth on 2025. Non-GAAP operating income was raised to \$800m to \$900m against \$425m to \$450m guided at the start of the year, an increase of nearly 95% in seven months. Full-year non-GAAP diluted earnings per share are guided to \$2.55 to \$2.85 and gross margin held at approximately 34%. Management's guidance accuracy over the past three quarters has been not merely adequate but consistently conservative, which is the single strongest argument in the bull case.

Two things in the release warrant more scepticism than they received. The company withdrew formal free cash flow guidance, reframing it as an alignment of the supplemental presentation with what it formally guides. Evercore's analyst pressed on precisely this and Edwards responded with a directional comment that \$375m-plus is the new operating cash flow baseline. That is helpful colour, but withdrawing a metric in the same quarter as a large guidance raise is an odd sequencing, and it removes the number most useful for checking whether the reported revenue is converting to cash. Separately, the company continues to decline to publish a backlog figure while stating that backlog is growing faster than revenue. Sridhar repeated the claim twice for emphasis. It may well be true, but it is unverifiable, and an unverifiable backlog is exactly the sort of assertion that a market paying 78 times earnings should be pricing conservatively rather than generously.

4. Financial Position and the Cost of Getting Here

Financial profile (trailing twelve months unless noted)	Value	Read-through
Revenue	\$3.11bn	+91.0% year on year
Gross profit / margin	\$985.4m / 31.7%	Q2 exit rate materially higher at 34.3%
Operating income / margin	\$365.5m / 11.7%	Q2 alone was 22.5%; trailing figure lags

Financial profile (trailing twelve months unless noted)	Value	Read-through
Net income / EPS	\$244.9m / \$0.89	First sustained GAAP profitability
EBITDA	\$402.8m	EV/EBITDA of 154x on trailing basis
Operating cash flow	\$737.8m	Exceeds net income; working capital favourable
Free cash flow	\$624.7m	\$2.12 per share; P/FCF of 99x
Cash and equivalents	\$2.72bn	Ample liquidity, current ratio 4.09
Total debt	\$2.82bn	Net cash position is negative \$98m
Net borrowing (TTM)	\$1.51bn	Growth has been debt-funded as well as equity-funded
Debt / equity	1.72x	Interest coverage 8.22x
Return on equity / ROIC	22.2% / 22.9%	ROIC sits marginally below estimated WACC of 24.3%
Effective tax rate	1.26%	Loss carryforwards; not a sustainable rate
Shares outstanding change	+24.65% YoY	Shareholder yield of -24.7%
Altman Z / Piotroski F	6.08 / 6	Low bankruptcy risk; middling quality composite

Source: StockAnalysis.com / S&P Global Market Intelligence, updated 11 August 2026.

The balance sheet is comfortable but not fortress-grade, and the language used about it on the call was slightly generous. Cash of \$2.72bn is genuinely large, but total debt of \$2.82bn means the company is in a marginal net debt position, not a net cash one. Net borrowing of \$1.51bn over the trailing year shows that the scale-up has been funded substantially by lenders as well as by operations. Interest coverage of 8.2 times is adequate rather than generous for a company at this stage of a capital cycle.

Dilution is the item shareholders should look at hardest. Share count rose 24.65% over the past twelve months. For an investor who owned the stock a year ago, roughly a fifth of the per-share claim on those record earnings has been transferred to new holders and to employees. The stock has risen 472% over the same period, so nobody has felt the cost, but a 25% annual issuance rate is a permanent drag that becomes highly visible the moment the share price stops compounding. Insiders own 1.82% of the company and there has been no reported insider buying over the past twelve months against roughly \$19m of selling.

The tax line deserves particular scrutiny because it flatters the headline valuation. Bloom paid \$3.2m of tax on \$254.2m of pre-tax income over the trailing year, an effective rate of 1.26%, reflecting accumulated loss carryforwards. Management's full-year earnings guidance is internally consistent with that rate persisting: \$850m of operating income at the midpoint divided by the \$2.70 earnings midpoint implies approximately 315 million diluted shares and, critically, essentially no tax charge and no net interest expense. That is a defensible way to guide in the near term. It is not a defensible way to value the business. Applying a 21% federal statutory rate to the guidance midpoint produces earnings of \$2.13 per share — a figure derived here rather than reported by the company — and lifts the price-to-earnings multiple from 78 times to 99 times.

5. Competitive Position and Its Durability

Competing route to on-site power	Position and capacity	Threat to Bloom
Bloom solid-oxide fuel cells	Claims "very high 90s" share of fuel-cell-based data centre power; delivery in months	—
Gas turbines (GE Vernova and peers)	116 GW backlog at Q2 26; ~10 GW/yr capacity through 2030; large-frame units sold out to 2028	Low near term. Supply-constrained and permitting is slower.

Competing route to on-site power	Position and capacity	Threat to Bloom
Reciprocating engines (Caterpillar, Cummins)	Capacity tripling from 2024 levels; backlog up >3.5x since early 2024; xAI energised a campus in months	Moderate and rising. Fast to deploy; the closest substitute on speed.
Utility grid interconnection	Multi-year queues; distribution upgrades slower still	Low over the horizon of this report.
Chevron / Microsoft dedicated gas projects	Purpose-built generation for specific campuses	Moderate. Widens the option set for the largest buyers.
Other fuel cell chemistries (molten carbonate)	Sub-scale in data centre applications today	Low near term.
GE Vernova in-house fuel cell	Under development, targeted for data centres in two to three years	Material from 2028. A credible, well-capitalised entrant.

Sources: GE Vernova Q2 2026 disclosures via Utility Dive and Turbomachinery Magazine; Caterpillar capacity commentary via Manufacturing Dive and Power Engineering; Bloom Energy Q2 FY2026 call.

Bloom's advantage today is real and it is not principally about the fuel cell. It is about permitting, siting and time. A technology that produces negligible local air pollution clears community and regulatory objections that combustion cannot, and every month saved on an air permit is a month closer to revenue for the customer. Combined with a modular product that can be redirected between sites, that gives Bloom a delivery profile no competitor currently matches. Asked directly about competitive threat from other fuel cell chemistries, Sridhar was dismissive rather than defensive, welcoming competition and declining to quantify rivals' capacity.

The durability question is harder. Bloom's moat is a lead time, not a patent thicket, and lead times erode. Caterpillar's reciprocating engines already compete directly on the speed axis and the company is tripling capacity. GE Vernova, which possesses both the balance sheet and the customer relationships, is building its own fuel cell for data centre deployment in two to three years. On a two-year view Bloom's position looks secure; on a five-year view the near-monopoly share Sridhar described is unlikely to persist, and the terminal margin embedded in the current multiple implicitly assumes it does.

6. Management, Disclosure and the Scandium Question

On execution the management record over the past year is difficult to fault. Guidance has been raised twice, from \$425m to \$450m of operating income at the start of the year to \$675m and then to \$800m to \$900m, and each raise has been followed by a beat rather than a miss. Sridhar founded the company twenty-two years ago and has taken it from a business that needed twenty-one years to reach its first billion-dollar year to one guiding to \$4bn. Edwards, three months into the chief financial officer role, gave a clear and unusually candid walk-through of the revenue model on the call, including the explicit acknowledgement that one or two customers can lead revenue in any given quarter and that quarterly concentration reflects delivery timing rather than backlog composition.

Set against that is a disclosure problem that is now in federal court and that this report treats as the central unresolved issue. In July 2026 the short-seller Hunterbrook Media published a report alleging that Bloom sourced scandium, a critical input to its fuel cells, from China through intermediary countries. The complaint that followed points to specific prior statements: Sridhar's remark on the April 2025 earnings call that "there is no China supply chain for us" and that the company was "not dependent on China for scandium", and the assertion in the July 2025 quarterly report that the supply chain had no significant exposure to China. Hunterbrook alleges Bloom received scandium directly from China on four occasions between August 2023 and May 2024. The shares fell 5.7% on the day of publication. Securities class actions covering purchasers between 27 February 2025 and 8 July 2026 were filed by multiple firms, with a lead plaintiff deadline of 28 September 2026.

The company has filed an 8-K and published a blog post on the subject. Asked about scandium on the second-quarter call by Morgan Stanley's David Arcaro, Sridhar delivered three prepared assertions — that enough scandium is economically recoverable to power the planet, that Bloom has visibility for 25 gigawatts of deployments, and that it is not

dependent on China — and then closed the subject with “everything else is proprietary to the company. Next question.” None of the three statements addresses the specific allegation, which concerns historical sourcing through intermediaries rather than present-day dependence or global geological abundance. Refusing to engage further is a legitimate posture while litigation is live. It is not a resolution, and an investor underwriting this stock at 78 times earnings is underwriting the outcome as well as the growth.

7. Growth Drivers

Driver	Mechanism	Likelihood	Impact
AI data centre build-out	30–40 GW of new AI capacity expected to energise in 2027; grid cannot serve it	High	Very high
Brookfield financing shelf	Commitment raised fivefold from \$5bn to \$25bn in June 2026; removes the customer capital constraint	High	High
IDF / Oaktree / MUFG / Morgan Stanley consortium	\$2.6bn committed capital; funded the Nebius deployment in the quarter	Confirmed	Moderate
Service margin compounding	22% and rising on a fleet that grows with every shipment; recurring and contracted	High	Moderate to high
Displacement of contracted combustion	Nebius cancelled turbines and switched to Bloom during the quarter	Moderate	Moderate
Inference-driven distributed demand	Distribution upgrades are slower than transmission; on-site power suits urban inference sites	Moderate	High if it materialises
Operating leverage	Opex +48% against revenue +166%; R&D and G&A largely fixed	High	High
Carbon capture readiness	Management positions the platform as capture-ready; optionality rather than near-term revenue	Low near term	Low

8. Risks

Risk	Description	Probability	Severity
Valuation compression	78x guided FY26 non-GAAP EPS, 99x tax-normalised, 15.3x forward EV/sales. Multiple is the dominant variable.	High	Very high
AI capex digestion	Demand is set by a handful of hyperscaler capital budgets. Any pause transmits directly to orders.	Moderate	Very high
Securities class action	Class period Feb 2025 to Jul 2026 over China scandium disclosure. Lead plaintiff deadline 28 Sep 2026.	Live	Moderate to high
Customer and financier concentration	Management concedes one or two customers can lead revenue in a quarter. Financier takes title.	High	Moderate
Withdrawn free cash flow guidance	Removes the cleanest check that record revenue is converting to cash at the guided rate.	Confirmed	Moderate
Undisclosed backlog	“Growing faster than revenue” is asserted but not quantified by the company.	Confirmed	Moderate
Persistent dilution	Share count +24.65% year on year; shareholder yield of –24.7%.	High	Moderate
Tax normalisation	1.26% effective rate cannot persist. Full statutory rate cuts guided EPS by roughly a fifth.	High	Moderate
Competitive entry	Caterpillar tripling engine capacity; GE Vernova fuel cell targeted for 2028–29.	Moderate	Moderate to high

Risk	Description	Probability	Severity
Extreme price volatility	Beta 3.83; 14-day ATR of 12.9% of price; six sessions of $\pm 10\%$ or worse in the past month.	Certain	High for position sizing

9. Valuation

Metric	Basis	Multiple	Comment
P/E (trailing)	TTM EPS \$0.89	237x	Not meaningful; trailing period straddles the inflection
P/E (FY26 guided)	Non-GAAP EPS midpoint \$2.70	78.0x	Company guidance, seven months of which is history
P/E (tax-normalised)	Derived EPS \$2.13 at 21%	98.7x	Own calculation; guidance implies near-zero tax
EV / sales (FY26)	Revenue midpoint \$4.05bn	15.3x	Rich even against high-growth industrials
EV / EBIT (FY26)	Non-GAAP operating income \$850m	73.1x	Assumes guidance midpoint is met
EV / EBITDA (trailing)	TTM EBITDA \$402.8m	154x	Trailing basis; forward figure far lower
P / free cash flow	TTM FCF \$624.7m	99x	FCF guidance has since been withdrawn
Price / book	Book value \$5.50 per share	38.3x	Asset-light relative to peers; limited signal
Implied diluted shares	Guidance midpoints	~315m	Own calculation from $\$850m \div \$2.70$

Choosing the right denominator matters more than usual here. Annualising the second quarter alone would be misleading in both directions: it captures the new margin structure but not the second-half delivery weighting management has flagged, and the business is explicitly lumpy by customer readiness rather than by season. The most honest anchor is management's own full-year guidance, which is bottom-up, was raised on visibility rather than hope, and covers a year already more than half elapsed. On that basis the shares trade at 78 times earnings and 15.3 times sales.

For context, that multiple is being paid for a company that will roughly double revenue this year. A 78 times multiple on a business growing 100% is not automatically absurd. The problem is what has to happen next. Sustaining the multiple requires revenue to grow at something close to the 70% three-year compound rate the street currently models, with operating margin holding above 20%, through a period in which the tax rate must normalise, the share count is rising a quarter a year, and two well-capitalised competitors are adding capacity aimed squarely at the same demand. The market is not paying for the quarter that was reported. It is paying for four more years of them.

Analyst targets illustrate how wide the honest range of opinion is. Following the results, JPMorgan cut to \$314 while retaining Overweight, Mizuho upgraded to Outperform while cutting its target to \$242, BMO went to \$227, Roth to \$225, Truist to \$218, Jefferies to \$188 and Wells Fargo to \$176. Almost every firm cut its target on a quarter that beat by 31%, which is itself the clearest available statement that the debate is about price rather than performance. The \$273.51 consensus conceals a spread of nearly two to one between the highest and lowest published targets.

10. Sentiment, Ownership and Positioning

Indicator	Reading	Interpretation
Analyst consensus	Buy, 29 analysts	Consensus target \$273.51, +29.9% from spot
Post-results target revisions	6 cuts, 1 upgrade	Targets fell on a 31% revenue beat
Target dispersion	\$176 (Wells Fargo) to \$314 (JPMorgan)	Widest possible disagreement on a covered large cap
Short interest	19.19m shares, 6.51% of shares out	Down from 29.78m the prior month

Indicator	Reading	Interpretation
Days to cover	1.29	Shorts can exit quickly; limited squeeze fuel remaining
Institutional ownership	81.80%	Fully institutionalised; index flows now matter
Insider ownership	1.82%	Low. No reported insider buying in twelve months
Insider activity	~\$19m sold, nil bought (12m)	Directionally unhelpful, though scale is modest
Litigation overhang	Class action, lead plaintiff deadline 28 Sep 2026	Persistent headline flow through the autumn
News flow (Aug 2026)	MiTAC partnership expanded; Evercore reiterated Buy	Commercial momentum continues; shares fell anyway

Note: the moomoo community sentiment feed was not reachable from this environment, so the positioning read above is built from public filings, exchange short-interest data and published analyst actions rather than retail discussion volume.

The most informative single fact in the table is that six brokers cut their price targets on a quarter that beat revenue expectations by nearly a third. That combination almost always means the same thing: the sell side has marked down the multiple it is willing to apply, not the forecast it is applying it to. Short interest halving month on month, to 6.5% of shares outstanding with only 1.3 days to cover, suggests the bear side has already taken its profit from the drawdown and that the mechanical support a crowded short provides on the way down is largely spent.

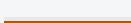
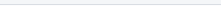
11. Technical Position

Indicator	Value	Reading
Last close (10 Aug 2026)	\$210.63	–40.0% from the 25 June intraday high of \$351.28
SMA 20	\$210.98	Price is sitting exactly on it; no directional signal
SMA 50	\$251.93	Price 16.4% below; medium-term trend is down
SMA 100	\$236.51	Price 10.9% below
SMA 200	Not computed	Series covers 100 sessions; insufficient for a 200-day average
EMA 20 / EMA 50	\$220.17 / \$235.63	Both above price; rallies have been sold
RSI (14)	45.7	Neutral. Neither oversold nor extended
MACD (12,26,9)	–9.37, signal –14.08, histogram +4.72	Negative but converging; momentum improving
ATR (14)	\$27.28 (12.9% of price)	Extreme. A typical day moves 13% of the position
Volume, 20-day average	17.7m shares	vs 15.4m on 50 days; participation elevated
Support	\$157–\$164	29 July intraday low and the post-results base
Resistance	\$252, then \$295–\$305	50-day average, then the early-July shelf

All indicators computed directly from 100 sessions of daily OHLCV (18 March to 10 August 2026, Alpha Vantage) rather than read from third-party summaries. The 200-day average is not computed because the series is too short to support it, and no estimate is substituted.

The chart describes a stock that went parabolic and is still working off the excess. Price sits below the 50-day and 100-day averages and 40% below the June high, which is a downtrend on any conventional reading, but the MACD histogram has turned positive and RSI at 45.7 is squarely neutral, so the selling pressure has clearly abated. The single number that should govern behaviour is the average true range of \$27.28, equal to 12.9% of the share price. Six sessions in the past month moved 10% or more in one direction or the other, including a 26.5% single-day gain on 30 July and a 14.9% loss on 24 July. Any position taken here has to be sized for that, and a conventional stop-loss placed at a normal distance would be triggered by ordinary daily noise.

12. Scorecard

Criterion	Score / 10	Wt	Comment
Business Quality	 8	12%	Differentiated technology with a genuine permitting and speed advantage
Financial Strength	 6	12%	Strong cash generation, but marginal net debt and heavy dilution
Competitive Advantage	 7	13%	Dominant today; the moat is a lead time rather than a structural barrier
Management	 6	10%	Excellent execution offset by a live disclosure dispute and withdrawn guidance
Growth Potential	 9	18%	Guiding to 100% revenue growth with backlog claimed to grow faster still
Valuation	 3	20%	78x guided earnings, 99x tax-normalised, 15.3x forward sales
Risk (higher = safer)	 3	10%	Beta 3.83, 12.9% daily ATR, litigation overhang, capex-cycle dependence
Technical Setup	 4	5%	Below the 50-day and 100-day averages; momentum improving but unconfirmed

Overall investment score: 59 / 100. Weighted as shown, with valuation and growth carrying the largest weights because they are the two variables most likely to determine the outcome over a one to two year horizon. The score is dragged down almost entirely by price and risk rather than by anything wrong with the business.

13. Recommendation

Watchlist. Bloom Energy is a high-quality business at a price that offers no margin of safety. The probability-weighted fair value derived in the next section is \$197, roughly 6.5% below the last close, which means an investor buying today is paid nothing for accepting a stock with a beta of 3.83, a 12.9% daily average true range, an unresolved securities class action and complete dependence on the capital budgets of a small number of buyers. That is not a rejection of the company. It is a statement that the current price already reflects the good news and then some.

What would change the view	Trigger	Consequence
Price	Sustained trade into \$150–\$165	Roughly 20% below weighted fair value; bear case damage largely pre-paid. Would upgrade to Buy.
Backlog disclosure	Company publishes a dated, contracted backlog figure	Removes the largest unverifiable input in the bull case. Would support a higher base-case multiple.
Litigation	Dismissal, or a settlement immaterial in size	Removes the disclosure overhang and the September headline cycle.
Cash conversion	Two quarters of FCF tracking the \$375m-plus CFOA baseline	Confirms revenue quality without the withdrawn guidance line.
Q3 FY2026 result	Another raise with product gross margin held above 36%	Evidence that pricing power survives scale. Would lift the growth and moat scores.
Negative trigger	Any hyperscaler capex guidance cut, or a Bloom order deferral	Bear case activates. Downside to the \$76 area on multiple compression.
Negative trigger	Adverse litigation development on the China sourcing allegation	Directly impairs the management score and the credibility of undisclosed backlog claims.

For an investor who already holds the stock the calculus differs from that of a new buyer. The operating business is performing better than almost anything else in the industrial complex, and selling a compounder because the multiple is

high has cost investors dearly before. A defensible middle course is to hold the existing position, decline to add at these levels, and set aside capital for the \$150 to \$165 zone, which this stock's volatility makes a realistic rather than a theoretical prospect — it traded at \$163.75 as recently as 29 July.

14. Scenario Analysis

Scenario	FY2027 revenue	Op. margin	EPS	Multiple	Fair value	Prob.
Bull — AI capex accelerates, share held, margin expands to 25%	\$7.2bn	25%	\$5.31	60x	\$319	25%
Base — growth moderates to ~50%, margin holds, tax begins to normalise	\$6.2bn	23%	\$4.04	52x	\$210	45%
Bear — capex digestion, orders deferred, multiple de-rates	\$4.8bn	17%	\$2.31	33x	\$76	30%

Earnings per share derived from operating income less an assumed cash tax rate of 5% (bull), 8% (base) and 5% (bear), divided by assumed diluted share counts of 322m, 325m and 335m respectively. These are the author's estimates, not company guidance. Probabilities sum to 100%.

Probability-weighted fair value: \$197, against a last close of \$210.63, implying downside of 6.5%. The calculation is $(0.25 \times \$319) + (0.45 \times \$210) + (0.30 \times \$76) = \$197.05$ on the rounded scenario values shown, or \$197.03 on the unrounded inputs. Both were computed in code and checked against the figures in the table.

The bear case carries a 30% weight deliberately, and readers who disagree with the conclusion should start there. It assumes revenue still grows 19% in 2027, which is hardly catastrophic, but pairs that deceleration with an operating margin falling to 17% and a multiple compressing to 33 times. The resulting \$76 is a 64% drawdown. That may look severe until one recalls that this stock traded at \$36.80 within the past twelve months, fell 18.5% in a single session on a Russell reconstitution in June, and lost half its value from the June peak to the July trough on no fundamental news at all. For a security with a beta of 3.83, a bear case that does not contemplate a multiple halving is not a bear case.

The bull case is equally worth taking seriously. If AI infrastructure spending accelerates as Sridhar expects, and Bloom converts even part of the \$25bn Brookfield shelf and the reported \$20bn backlog, 2027 revenue above \$7bn with margins expanding through operating leverage is entirely achievable, and a 60 times multiple on a business of that quality would not be unusual. The asymmetry, however, runs the wrong way at \$210: the bull case offers 51% upside while the bear case carries 64% downside, which is a risk-reward ratio of roughly 0.8 to 1 before any weighting is applied.

15. Investment Verdict

Would this be worth committing personal capital to today? No, not at \$210.63, and the reason has almost nothing to do with the company.

Bloom Energy has done something genuinely rare. It spent two decades as a subsidised clean-energy story with negative service margins and no path to profit, and then a structural shift in electricity demand arrived that its product was uniquely suited to serve. Management recognised it, scaled into it faster than any competitor, and has now delivered a quarter with 166% revenue growth, 22.5% operating margins and positive free cash flow. The service business that was once the bear case is now a 22%-margin recurring annuity attached to a fleet that grows with every shipment. Brookfield quintupled a five-billion-dollar commitment after watching the company execute for nine months, and capital of that quality does not move on press releases. Every operational criterion in this report scores well.

The single biggest concern is that none of that is in dispute, and all of it is in the price. At 78 times management's own guidance for a year already more than half over — 99 times once tax normalises — the shares require the current trajectory to extend well into the back half of the decade. That, in turn, requires an assumption about hyperscaler capital

expenditure that nobody, including Sridhar, is willing to make. He was refreshingly direct about it on the call: he does not know whether AI investment will keep growing at this pace and will not pretend to. An investor paying 78 times is implicitly making the forecast the chief executive declined to make.

Three specific things would need to change. The company should publish a contracted backlog figure rather than asserting that backlog grows faster than revenue and expecting the market to take it on trust. The scandium sourcing allegation needs to be resolved, and the current posture — three prepared assertions followed by “everything else is proprietary” — is not adequate for a company whose prior public statements are the subject of the complaint. And free cash flow guidance should be restored, because withdrawing it in the same quarter as a large upward revision invites exactly the scepticism it received.

Absent those, the price is the variable that has to do the work. In the \$150 to \$165 range the weighted arithmetic turns clearly favourable and the bear case is substantially pre-paid. Given a stock that traded at \$163.75 twelve trading days ago and moves 13% on an average day, waiting for that level is a considerably less exotic proposition than paying up for it now.

16. Sources and Disclaimer

Price and daily OHLCV: Alpha Vantage TIME_SERIES_DAILY, retrieved 11 August 2026 (100 sessions, 18 March to 10 August 2026). Fundamentals, share statistics, short interest and ownership: StockAnalysis.com sourced from S&P Global Market Intelligence, updated 11 August 2026. Reported results, guidance and management commentary: Bloom Energy second quarter 2026 earnings call, 28 July 2026. **The full earnings call transcript was obtained** from Investing.com (investing.com/news/transcripts/earnings-call-transcript-bloom-energy-tops-q2-2026-forecasts-shares-jump-after-hours-93CH-4818294), with a corroborating structured summary from BigGo Finance. All direct quotations attributed to KR Sridhar and Simon Edwards in this report are taken from that transcript. Competitive data: GE Vernova second quarter 2026 disclosures via Utility Dive and Turbomachinery Magazine; Caterpillar capacity commentary via Manufacturing Dive and Power Engineering. Litigation: Hunterbrook Media investigation, July 2026; class action notices from Robbins LLP, Kaplan Fox and Bernstein Liebhard via GlobeNewswire and PRNewswire; summary reporting via TipRanks and The D&O Diary. Analyst actions: TheFly via TipRanks. Market reaction reporting: MarketWatch, The Motley Fool, Invezz.

All technical indicators were computed directly from the daily price series rather than read from third-party summaries. Figures identified in the text as derived — the tax-normalised earnings per share, the implied diluted share count and the scenario earnings estimates — are the author's calculations and are not company-reported measures.

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