

# CoreWeave, Inc.

NASDAQ: CRWV | Cloud infrastructure for AI | United States

EQUITY RESEARCH — INITIATION

## WATCHLIST

25 July 2026

Last close \$71.88 (24 Jul 26) · Fair value \$89 · Investment score 48/100 · Horizon 12–24 months

## Key Statistics

|                          |                    |                           |                         |
|--------------------------|--------------------|---------------------------|-------------------------|
| Last close (24 Jul 2026) | \$71.88            | Market capitalisation     | \$39.2bn                |
| 52-week range            | \$63.80 – \$153.20 | Enterprise value          | \$72.1bn                |
| Shares outstanding       | 545.6m (+122% y/y) | Free float                | 314.3m                  |
| Revenue (TTM)            | \$6.23bn (+130%)   | FY26E revenue (consensus) | \$12.65bn               |
| Adj. EBITDA (TTM)        | \$3.03bn (48.7%)   | FY27E revenue (consensus) | \$25.13bn               |
| Net loss (TTM)           | –\$1.59bn          | Free cash flow (TTM)      | –\$10.62bn              |
| Total debt incl. leases  | \$35.15bn          | Net debt / EBITDA         | 10.9x                   |
| EV / FY26E sales         | 5.7x               | EV / FY27E sales          | 2.9x                    |
| Consensus rating         | Buy (37 analysts)  | Consensus target          | \$138.03 (+92%)         |
| Short interest / float   | 25.8%              | Next catalyst             | Q2 results, 11 Aug 2026 |

Sources: Alpha Vantage (price, 24 Jul 2026 close), CoreWeave Q1 2026 8-K and 10-Q, S&P Global Market Intelligence via StockAnalysis (as of 25 Jul 2026).

## Executive Summary

CoreWeave is the largest of the so-called neoclouds — operators that rent GPU compute to AI laboratories and enterprises. The commercial momentum is not in dispute. First-quarter 2026 revenue of \$2.08bn was up 112% year on year, contracted revenue backlog reached \$99.4bn after the strongest bookings quarter in the company's history, active power crossed 1 GW across 49 facilities, and total contracted power stands above 3.5 GW. Very few businesses in any industry have scaled this quickly.

The investment question is not whether demand exists. It is whether the equity, sitting behind \$35bn of debt and leases, captures any of the value that demand creates. The first-quarter income statement supplies an uncomfortable answer: depreciation and amortisation consumed 55.2% of revenue and net interest a further 25.8%, against an adjusted EBITDA margin of 55.7%. Subtracting the two genuine costs of the business model from the headline cash margin leaves negative \$526m, or minus 25% of revenue. Adjusted operating income margin has collapsed from 17% to 1% in twelve months as depreciation on the 2024–25 build catches up with the revenue it generates. Return on invested capital is negative. This is the tell, and it is visible in the reported numbers rather than in any forecast.

Management's answer is scale: capital expenditure of \$31–35bn in 2026 against \$12–13bn of revenue, funded largely with debt, on the argument that operating leverage and the backlog will eventually overwhelm the fixed cost base. That may prove correct. But it converts CoreWeave's equity into a levered option rather than an investment in a compounding business, and the option is priced without much of a discount. The probability-weighted fair value derived below is \$89 per share, roughly 24% above the last close, but the bear case is \$28 (–61%) and the bull case \$170 (+136%). An asymmetry that wide, on a balance sheet with an Altman Z-score of 0.36, does not justify a purchase recommendation at a moment when the shares are below every major moving average and a capital-expenditure guidance update is two weeks away.

The rating is **Watchlist**. CoreWeave is a genuinely important asset that will probably still be here in five years; it is not, at \$71.88 and with this financing structure, a favourable risk-adjusted entry. The specific conditions that would change that view are set out in the recommendation section.

## 1. Analytical Framework

CoreWeave is neither a software company nor a conventional hyperscaler, and valuing it on the conventions of either is misleading. It buys NVIDIA systems, houses them in leased or third-party-developed data centres, wraps them in proprietary orchestration software (CoreWeave Kubernetes Service, Mission Control, Weights & Biases) and sells the resulting capacity on multi-year contracts, now averaging roughly five years in weighted length. In economic substance it is a leasing business with a software overlay: it converts capital and electrical power into contracted cash flows, and its returns are determined by the spread between the rental yield on deployed assets and the all-in cost of the capital that funded them.

Five variables will determine shareholder returns over the next two years. They are the criteria against which the company is assessed in the sections that follow.

| # | Driver                                | Why it decides the outcome                                                                                                                                                                                                                                                                                      |
|---|---------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1 | <b>Return on deployed capital</b>     | Revenue of roughly \$8.3bn per gigawatt-year against build cost near \$21bn per gigawatt implies about 1.3x cumulative EBITDA over a six-year asset life. After financing, that is close to break-even. Small changes in rental pricing or utilisation swing equity value enormously.                           |
| 2 | <b>Cost and availability of debt</b>  | Net interest already absorbs 26% of revenue. The DDTL 4.0 facility at SOFR+225bp / ~5.9% fixed is a material improvement on the 15% cost of earlier vintages, but the 2026 plan requires roughly \$25bn of net new external funding. Credit-market access is the binding constraint, not demand.                |
| 3 | <b>Backlog conversion and timing</b>  | Of the \$99.4bn backlog only 36% is scheduled for recognition within 24 months and 75% within four years. Backlog is contracted subject to delivery; the November 2025 guidance cut caused by a third-party data-centre developer showed that conversion is an execution variable, not an accounting certainty. |
| 4 | <b>Customer concentration and mix</b> | Microsoft was approximately 67% of FY2025 revenue, up from 62% in FY2024. OpenAI (up to \$22.4bn) and Meta (up to roughly \$35.2bn) diversify the backlog but concentrate it among counterparties that are simultaneously building competing capacity.                                                          |
| 5 | <b>Power and supply-chain access</b>  | Contracted power of 3.5 GW against 1 GW live is the real moat. Energised, interconnected capacity is the scarce input in AI infrastructure. Conversely, memory and GPU component inflation drove the 2026 capital-expenditure guide up, and the company is now exploring derivatives to hedge memory pricing.   |

## 2. Business and Industry

### How the money is made

Revenue comes almost entirely from committed-capacity contracts under which a customer reserves a defined quantity of GPU compute for a defined term. This produces high visibility and high gross margin — 69.4% on a trailing basis — because the cost of revenue line captures only power, colocation and direct delivery, while the depreciation of the GPUs themselves sits in technology and infrastructure expense. Investors reading the gross margin as though CoreWeave were a software business will systematically overestimate its profitability; the trailing operating margin is negative 2.2%.

The differentiation is real but narrower than the marketing suggests. CoreWeave was among the first providers certified as an NVIDIA Exemplar Cloud for inference on GB200 NVL72, it consistently receives new NVIDIA silicon ahead of the general market, and its software layer demonstrably improves cluster goodput relative to general-purpose clouds. NVIDIA's \$2bn equity investment, closed in the first quarter, formalises a relationship that is both an advantage and a dependency. Newer products — Flex Reservations, Spot, Dedicated Inference and ARENA — are sensible attempts to move from lumpy training contracts toward the stickier, higher-frequency inference workloads that will dominate AI compute demand from here.

### Industry structure

The AI infrastructure market is expanding rapidly and remains supply-constrained, but its structure is unfavourable to specialist renters over the medium term. CoreWeave's largest customers are also the world's best-capitalised buyers of infrastructure, and each has a standing incentive to insource. Microsoft has been reducing its dependence on third-party capacity; reports in early July that Meta intends to sell surplus cloud compute were enough to take several percent off the neocloud complex in a single session. Meanwhile Nebius, IREN, Applied Digital and a lengthening list of repurposed bitcoin miners are competing for the same power interconnections and the same NVIDIA allocations. The scarce resource — energised data centre capacity — is being competed for by parties with materially lower costs of capital.

### 3. Financial Analysis

| \$m unless stated                | Q1 2025 | Q1 2026 | Chg   | FY2025  | FY2026E       |
|----------------------------------|---------|---------|-------|---------|---------------|
| <b>Revenue</b>                   | 982     | 2,078   | +112% | 5,130   | 12,650        |
| Cost of revenue                  | 262     | 716     | +173% | 1,450   | 4,030         |
| Gross margin                     | 73%     | 66%     | −7pp  | 72%     | 68%           |
| Technology & infrastructure      | 561     | 1,273   | +127% | n/d     | n/d           |
| <b>Operating income / (loss)</b> | (27)    | (144)   | n.m.  | (17)    | 996           |
| <b>Net interest expense</b>      | (264)   | (536)   | +103% | n/d     | n/d           |
| <b>Net loss</b>                  | (315)   | (740)   | n.m.  | (1,170) | (2,680)       |
| <b>Adjusted EBITDA</b>           | 606     | 1,157   | +91%  | n/d     | ~6,800        |
| Adjusted EBITDA margin           | 62%     | 56%     | −6pp  | n/d     | ~54%          |
| <b>Adjusted operating margin</b> | 17%     | 1%      | −16pp | n/d     | n/d           |
| Depreciation & amortisation      | 443     | 1,147   | +159% | n/d     | n/d           |
| <b>Capital expenditure</b>       | 1,407   | 7,695   | +447% | n/d     | 31,000–35,000 |
| Operating cash flow              | 61      | 2,984   | n.m.  | n/d     | n/d           |
| <b>Free cash flow</b>            | (1,346) | (4,711) | n.m.  | (4,620) | (25,380)      |

Quarterly figures from the Q1 2026 earnings release and Form 8-K (7 May 2026); Q1 2026 free cash flow is operating cash flow less purchases of property and equipment. FY2025 and FY2026E from S&P Global Market Intelligence (consensus of 35 analysts, 21 Jul 2026); the 2026 capital-expenditure range is company guidance. Trailing twelve-month adjusted EBITDA to Q1 2026 was \$3.03bn. n/d = not separately disclosed or not verifiable from primary sources; n.m. = not meaningful.

#### The depreciation and interest problem

Every serious argument about CoreWeave reduces to one calculation. In the first quarter, adjusted EBITDA of \$1,157m was almost exactly offset by depreciation of \$1,147m, before a further \$536m of net interest. The GPUs are depreciated over roughly six years — an assumption that is defensible but not conservative given the pace of accelerator refresh cycles — and the debt is real. Whatever multiple one applies to EBITDA, the shareholder receives EBITDA minus depreciation minus interest, and that figure is currently negative \$526m per quarter and has deteriorated year on year.

Working the same arithmetic on a per-gigawatt basis is instructive. One gigawatt of active power produced approximately \$8.3bn of annualised revenue in the first quarter. Building a gigawatt costs on the order of \$21bn on the guided 2026 capital-expenditure run rate. Over a six-year asset life that gigawatt generates roughly \$50bn of revenue and, at a 55% EBITDA margin, about \$27bn of EBITDA — approximately 1.3 times the capital deployed. Financing that capital at 6–9% over an average life of three years absorbs the better part of the remaining 0.3x. The business, in other words, currently earns approximately its cost of capital under favourable assumptions, and less than that if rental prices deflate at renewal, if utilisation gaps appear between contracts, or if the useful life proves shorter than six years.

Two things could change this materially. Contract renewals on already-depreciated assets carry close to 100% incremental margin, so a fleet that survives past its first depreciation cycle becomes extremely profitable — this is the bull case in its most credible form. And the cost of debt is falling fast: the DDTL 4.0 facility priced at SOFR+225bp and roughly 5.9% fixed, against the 15% cost of CoreWeave's earliest GPU-backed borrowings. Refinancing the stack at investment grade would transform the equity's economics. Neither has happened yet.

#### Balance sheet and liquidity

| Metric                                      | Value     | Assessment                     |
|---------------------------------------------|-----------|--------------------------------|
| <b>Total debt (excl. leases), 31 Mar 26</b> | \$24.86bn | Up from \$21.37bn at year-end  |
| <b>Total debt incl. operating leases</b>    | \$35.15bn | \$10.05bn of lease liabilities |

| Metric                           | Value    | Assessment                        |
|----------------------------------|----------|-----------------------------------|
| Cash, equivalents and restricted | \$3.32bn | Down from \$4.13bn in Q4          |
| Debt / equity                    | 7.39x    | Extreme for a lessor              |
| Net debt / EBITDA (TTM)          | 10.9x    | Falls to ~4.8x on FY26E EBITDA    |
| Current ratio                    | 0.31x    | \$12.2bn negative working capital |
| Interest coverage (EBIT basis)   | −0.08x   | Not covered from operations       |
| Altman Z-score                   | 0.36     | Distress zone (below 1.8)         |
| Return on invested capital       | −0.31%   | Capital not yet earning a return  |
| Share count change, y/y          | +122.4%  | IPO, NVIDIA placement, SBC        |

The mitigating facts are that roughly 80% of principal matures within five years with nothing beyond 2032, that the majority of the newer facilities are non-recourse and secured against specific contracted assets, and that the operating cash flow line turned strongly positive in the first quarter at \$2.98bn. A conventional bankruptcy is not the base case. Severe equity dilution in a stressed capital raise is a much more plausible adverse outcome than default, and the 122% increase in share count over the past year shows the mechanism is already in use.

## 4. Competitive Position

| Company                     | Mkt cap   | FY26E rev   | Power live   | Balance sheet    | Read-across                                                                                                   |
|-----------------------------|-----------|-------------|--------------|------------------|---------------------------------------------------------------------------------------------------------------|
| <b>CoreWeave</b>            | \$39bn    | \$12.6bn    | 1.0 / 3.5 GW | \$35bn debt      | Scale leader; deepest NVIDIA ties; most leveraged and most exposed to credit conditions.                      |
| <b>Nebius (NBIS)</b>        | ~\$50bn   | \$3.0–3.4bn | ~5–6% conv.  | Minimal net debt | Asset-lighter, far smaller, but trades at a premium precisely because the equity is not levered.              |
| <b>IREN</b>                 | ~\$19bn   | n/d         | ~4% conv.    | Moderate         | Miner conversion; owns power assets outright, thinner AI software stack.                                      |
| <b>Hyperscalers</b>         | Trillions | n/a         | Very large   | Net cash         | AWS, Azure and Google fund capacity from operating cash flow at a fraction of CoreWeave's cost of capital.    |
| <b>Customers insourcing</b> | n/a       | n/a         | Growing      | Net cash         | Microsoft, Meta and OpenAI are all building owned capacity; Meta has signalled it may resell surplus compute. |

Peer figures are market estimates as of mid-July 2026 and are indicative rather than audited. Conversion = live power as a percentage of contracted power.

CoreWeave's durable advantages are its first-mover position in a market where allocation of scarce NVIDIA systems is relationship-driven, a software layer that customers credibly say improves utilisation, and 3.5 GW of contracted power secured before the current scramble for interconnection. Its structural disadvantage is that it is the highest-cost financier in a market where the product is increasingly standardised. When a hyperscaler funds a GPU cluster at a 4% blended cost of capital and CoreWeave funds the same cluster at 8%, the hyperscaler can underprice it indefinitely. The moat is therefore in speed, software and power access — not in pricing power — and speed advantages compress as the industry matures.

## 5. Management and Capital Allocation

Michael Intrator and his co-founders have executed the operational plan with unusual skill. Taking a company from \$229m of revenue in 2023 to a \$12–13bn guide for 2026 while securing 3.5 GW of power and an investment-grade-rated debt facility is a genuine achievement, and the financing engineering — progressively cheaper, non-recourse, contract-backed facilities, culminating in the \$8.5bn DDTL 4.0 — has been the most impressive part of it.

The record is not spotless. Guidance for 2025 was cut in November because a third-party data centre developer fell behind schedule, the shares fell over 16%, and a securities class action covering the period from the March 2025 IPO to 15 December 2025 is now proceeding with lead plaintiff motions filed in March 2026. The complaint alleges that the reliance on a single third-party developer was inadequately disclosed. Separately, the failed Core Scientific acquisition — voted down by that company's shareholders in October 2025 — removed a route to vertically integrated power that management had judged strategically important.

Insider behaviour warrants attention. Insiders own roughly 20% of the company, which aligns incentives, but selling has been persistent and one-directional: Chief Development Officer Brannin McBee has sold more than \$57m of stock in recent months, and entities associated with the chief executive sold 307,692 Class A shares in June 2026 under a pre-arranged plan. Pre-arranged sales by founders of a recently listed company are normal and should not be over-read, but the complete absence of open-market buying during a 53% drawdown from the highs is a data point in its own right.

## 6. Growth Drivers

| Driver                                   | Likelihood | Impact    | Detail                                                                                                                                                              |
|------------------------------------------|------------|-----------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Backlog conversion to revenue            | High       | High      | 36% of \$99.4bn is scheduled within 24 months. Delivering it takes revenue to the \$18–19bn exit run rate management guides to.                                     |
| Shift from training to inference         | High       | Medium    | Inference workloads are stickier and more predictable. Dedicated Inference, Flex Reservations and Spot are aimed squarely at this.                                  |
| Refinancing at investment grade          | Medium     | High      | DDTL cost of carry has fallen from 15% to about 5.9%. Each 100bp saved on \$25bn is \$250m of annual pre-tax income.                                                |
| Renewals on depreciated assets           | Medium     | Very high | Contracts re-signed after the depreciation cycle carry near-100% incremental margin. This is the single largest source of long-term equity value — and is unproven. |
| Power portfolio expansion to 8 GW        | Medium     | High      | Management targets more than 8 GW by 2030 alongside NVIDIA's 5 GW AI-factory programme. Requires capital that does not yet exist.                                   |
| Enterprise and sovereign diversification | Medium     | Medium    | Anthropic, Cohere, Mistral, Jane Street and Hudson River Trading reduce reliance on Microsoft, which was 67% of 2025 revenue.                                       |

## 7. Risk Assessment

| Risk                             | Probability | Severity | Assessment                                                                                                                                                                |
|----------------------------------|-------------|----------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Financing / refinancing shock    | Medium      | Severe   | The 2026 plan needs roughly \$25bn of net external funding. A widening in credit spreads or a rise in rates does not slow growth — it stops it. This is the primary risk. |
| AI capital-expenditure digestion | Medium      | Severe   | Backlog is contracted but assumes counterparties keep spending. A pause among AI labs would strand capacity built at 3.7x revenue intensity.                              |
| Customer concentration           | High        | High     | Microsoft at roughly 67% of FY2025 revenue. Loss or non-renewal of that relationship would be existential in the near term.                                               |
| Customers becoming competitors   | High        | Medium   | Meta's reported intention to resell surplus compute, and hyperscaler insourcing generally, cap long-run pricing.                                                          |
| GPU obsolescence / shorter life  | Medium      | High     | A five-year rather than six-year useful life would push depreciation above the entire EBITDA margin.                                                                      |
| Component cost inflation         | High        | Medium   | Memory and storage pricing already drove the capital-expenditure guide higher. The company is exploring derivatives to hedge it — an unusual step for a cloud provider.   |
| Equity dilution                  | High        | Medium   | Share count rose 122% in twelve months. Further issuance at depressed prices is a realistic funding route.                                                                |
| Securities litigation            | Certain     | Low      | Class action covering 28 Mar 2025 to 15 Dec 2025 is proceeding. Financially manageable; reputationally and managerially distracting.                                      |
| Execution and delivery           | Medium      | Medium   | The November 2025 guidance cut originated with a third-party developer. Conversion of 2.5 GW of contracted-but-not-live power depends on partners.                        |

## 8. Valuation

Earnings-based multiples are unusable: CoreWeave is loss-making on a GAAP basis and consensus expects it to remain so through 2027. Enterprise-value multiples against revenue and adjusted EBITDA are the workable approaches, supplemented by a scenario-based enterprise-value bridge that explicitly forecasts the net debt the equity sits behind — the step most sell-side work on this name omits, and the one that matters most.

| Method                    | Metric      | Multiple | Comment                                                                                 |
|---------------------------|-------------|----------|-----------------------------------------------------------------------------------------|
| EV / sales, FY2026E       | \$12.65bn   | 5.7x     | Elevated, but on 146% growth                                                            |
| EV / sales, FY2027E       | \$25.13bn   | 2.9x     | Undemanding — if growth lands and EV does not inflate with new debt                     |
| EV / adj. EBITDA, FY2026E | ~\$6.8bn    | 10.6x    | Flattering: ignores depreciation, which is a real cost here                             |
| EV / adj. EBITDA, TTM     | \$3.03bn    | 23.8x    | The honest trailing figure                                                              |
| Price / book              | \$8.95 BVPS | 8.0x     | High for an asset-heavy lessor earning negative ROIC                                    |
| EV / contracted backlog   | \$99.4bn    | 0.73x    | Cheap-looking, but backlog is gross revenue, not profit, and 64% falls beyond 24 months |
| Free cash flow yield      | −\$10.6bn   | −27.1%   | No valuation support; consensus FY26E FCF is −\$25.4bn                                  |

The 2.9x multiple on 2027 consensus revenue is the bulls' strongest single argument, and it is not a weak one. The problem is that it uses today's enterprise value against a revenue line that requires roughly \$25bn of additional net borrowing to deliver. Holding the equity value constant and adding that debt, the forward enterprise value is nearer \$95–100bn, and the multiple on 2027 revenue is 3.8–4.0x rather than 2.9x. Discipline about which balance sheet is being paired with which income statement removes much of the apparent cheapness.

Working from adjusted EBITDA to an equity value, the base case assumes 2027 revenue of \$24bn (marginally below the \$25.1bn consensus), a 52% adjusted EBITDA margin, a 9.5x exit multiple consistent with levered infrastructure rather than software, year-end 2027 net debt including leases of \$58bn, and 600m shares after modest further dilution. That yields an equity value of roughly \$61bn, or \$101 per share, discounted back at 12% to **\$86** today. Applying the same arithmetic to bear and bull assumptions produces the range in section 13, and a probability-weighted fair value of **\$89**.

**Conclusion: roughly fairly valued, with an unusually wide error band.** The shares are not obviously expensive after a 48% fall from the May high of \$138.25 and a 53% fall from the 52-week high, and they are not cheap enough to compensate for a balance sheet that hands most of the enterprise value to lenders.

## 9. Market Sentiment and Positioning

| Indicator         | Reading           | Interpretation                                                                                                                                       |
|-------------------|-------------------|------------------------------------------------------------------------------------------------------------------------------------------------------|
| Consensus rating  | Buy — 37 analysts | 26 Buy/Strong Buy, 9 Hold, 2 Sell. Sell-side conviction has risen through the drawdown, which is either courage or anchoring.                        |
| Average target    | \$138.03 (+92%)   | Implies the Street models successful backlog conversion with no financing stress.                                                                    |
| Target dispersion | \$36 to \$303     | An 8-fold spread. Rarely seen in a \$39bn company and the clearest evidence that this is a binary-outcome security.                                  |
| Recent revisions  | Mixed             | Truist upgraded to Buy at \$126 and Baird initiated Outperform at \$100 on 21 Jul; Barclays cut to \$90 and Jefferies trimmed to \$150 the same day. |

| Indicator                    | Reading                 | Interpretation                                                                                                                                                  |
|------------------------------|-------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Short interest               | 25.8% of float          | 81.0m shares, up from 69.0m the prior month. Heavy and rising — genuine bearish conviction, and fuel for violent rallies.                                       |
| Days to cover                | 2.61                    | Low, because liquidity is high. Squeezes can unwind quickly.                                                                                                    |
| Institutional ownership      | 36.7% of shares         | Modest for the size, consistent with a recent IPO and a contentious thesis. Deutsche Bank and Citadel both cut positions materially in the most recent filings. |
| Insider ownership / activity | 20.2% held; net selling | No open-market insider buying during a 53% drawdown.                                                                                                            |

## 10. Technical Analysis

Indicators below are computed from 100 sessions of daily open-high-low-close data to 24 July 2026. The 200-day average is cited from market data because the series does not extend to 200 observations.

| Indicator             | Value              | Signal                                                                              |
|-----------------------|--------------------|-------------------------------------------------------------------------------------|
| Last close            | \$71.88            | Down 11.4% on 24 Jul on AI-funding-gap concerns                                     |
| SMA 20                | \$83.62            | Price 14% below — short-term downtrend intact                                       |
| SMA 50                | \$97.59            | Price 26% below                                                                     |
| SMA 100               | \$97.34            | Price 26% below                                                                     |
| SMA 200 (market data) | \$96.56            | Price 26% below — all major averages overhead and declining                         |
| EMA 20 / EMA 50       | \$84.02 / \$92.58  | Bearish alignment                                                                   |
| RSI (14)              | 35.5               | Weak but not yet oversold below 30                                                  |
| MACD (12,26,9)        | −6.67 / −6.65      | Deeply negative; histogram flat at −0.01, hinting at momentum stabilisation         |
| ATR (14)              | \$7.12 (9.9%)      | Extreme. A 10% daily range is normal for this security — size positions accordingly |
| 20-day volume average | 26.7m              | Versus 28.1m over 50 days — selling is not accelerating                             |
| Support               | \$68.51 / \$63.80  | 20-day low, then the 52-week low                                                    |
| Resistance            | \$83.62 / \$97–100 | 20-day average, then the 50/100/200-day cluster                                     |

The picture is a clean downtrend within a larger one: the shares have fallen 48% from the \$138.25 intraday high of 6 May, 53% from the 52-week high of \$153.20 and 43% over twelve months, and trade below every major moving average with all of them sloping down. The one constructive detail is that the MACD histogram has flattened to effectively zero while price made a lower low, and the 21 and 22 July rallies of 8.9% and 3.8% came on rising volume. That is the shape of a stabilisation attempt, not a reversal. Nothing in the chart argues for anticipating a bottom ahead of the 11 August results, and a decisive break of \$63.80 would open a materially lower range.

## 11. Scorecard

| Dimension             | Score                       | Rationale                                                                              |
|-----------------------|-----------------------------|----------------------------------------------------------------------------------------|
| Business quality      | <div><div></div></div> 5/10 | Real technical edge, but rental economics and 67% single-customer concentration        |
| Financial strength    | <div><div></div></div> 2/10 | Altman Z 0.36, D/E 7.4x, negative interest coverage, FCF −\$10.6bn                     |
| Competitive advantage | <div><div></div></div> 5/10 | First-mover, NVIDIA alignment, 3.5 GW power — offset by customers insourcing           |
| Management            | <div><div></div></div> 6/10 | Outstanding growth and financing execution; guidance miss and litigation on the record |
| Growth potential      | <div><div></div></div> 9/10 | \$99.4bn backlog, 146% consensus growth in 2026, path to 8 GW                          |
| Valuation             | <div><div></div></div> 6/10 | 2.9x FY27E sales is reasonable; adjusting for forward net debt it is closer to 3.9x    |
| Risk (higher = safer) | <div><div></div></div> 2/10 | Levered, concentrated, litigated, capital-market dependent                             |
| Technical setup       | <div><div></div></div> 3/10 | Below all major averages, RSI 35, downtrend intact                                     |

| Weighting applied               | Weight      | Score            | Contribution    |
|---------------------------------|-------------|------------------|-----------------|
| Financial strength              | 20%         | 2                | 0.40            |
| Business quality                | 15%         | 5                | 0.75            |
| Growth potential                | 15%         | 9                | 1.35            |
| Valuation                       | 15%         | 6                | 0.90            |
| Competitive advantage           | 12%         | 5                | 0.60            |
| Risk                            | 10%         | 2                | 0.20            |
| Management                      | 8%          | 6                | 0.48            |
| Technical setup                 | 5%          | 3                | 0.15            |
| <b>Overall investment score</b> | <b>100%</b> | <b>4.83 / 10</b> | <b>48 / 100</b> |

Financial strength and risk carry the heaviest weights because in a business financed at 7.4x debt-to-equity they, not growth, determine whether shareholders receive the value the growth creates.

12. Recommendation

WATCHLIST

Fair value \$89 · Last close \$71.88 · Implied upside +24% · Bear -61% · Bull +136%

The rating is Watchlist rather than Buy. The distinction is deliberate: the expected value of the equity is modestly positive, but the distribution around it is too wide, and the timing too unfavourable, to warrant committing capital today.

The case against buying now rests on four points. First, the probability-weighted upside of 24% is earned by accepting a 30%-probability bear case that loses 61% — an unattractive trade regardless of the arithmetic mean. Second, the second-quarter release on 11 August carries genuine binary risk: capital-expenditure guidance has already been raised once on component inflation, and another increase without a corresponding revenue revision would confirm the deteriorating capital-efficiency trend that the 17%-to-1% collapse in adjusted operating margin already suggests. Third, the technical structure offers no support — the shares are 26% below the 50-, 100- and 200-day averages with all three declining, and there is no evidence a bottom is in. Fourth, and most fundamentally, the equity is a residual claim behind \$35bn of obligations in a business whose returns on invested capital are still negative; being early in such a security is expensive.

What would change the view

| Trigger                  | Detail                                                                                                                                                                                                                                                                                                                                                                 |
|--------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Upgrade to Buy           | Q2 results showing adjusted operating margin stabilising or improving sequentially, alongside capital-expenditure guidance held or reduced; plus a reclaim of the \$97–100 moving-average cluster on above-average volume. Confirmation that renewals are being signed on depreciated assets at maintained pricing would be the single most powerful upgrade catalyst. |
| Speculative accumulation | A capitulation into the \$50–58 area with fundamentals unchanged. At roughly \$54 the market capitalisation of about \$30bn is near 1.2x FY27E revenue and most of the distance to the bear-case fair value of \$28 has been travelled, so the downside scenario is largely in the price. Any such position should be sized as venture capital, not as a core holding. |
| Downgrade to Avoid       | Any of: a material customer non-renewal or reduction, particularly by Microsoft; an equity raise at a discount to the prevailing price; a widening of CoreWeave's credit spreads or a failed financing; or a change in GPU depreciation life to five years or less.                                                                                                    |
| Price levels to watch    | Support \$68.51 then \$63.80 (52-week low); a decisive weekly close below \$63.80 signals the bear case is being priced. Resistance \$83.62 (20-day), then \$97–100.                                                                                                                                                                                                   |

No entry price, stop-loss or position size is specified because no purchase is recommended at present. For readers who already hold the shares: the position is not one to add to before 11 August, and given a 14-day average true range approaching 10% of the share price, any position should be small enough that a 40% adverse move is tolerable.

### 13. Scenario Analysis

| Case            | Prob. | FY27 revenue | FY27 adj. EBITDA | Fair value   | Assumptions                                                                                                                                        |
|-----------------|-------|--------------|------------------|--------------|----------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Bear</b>     | 30%   | \$19.0bn     | \$8.7bn (46%)    | <b>\$28</b>  | AI capital-expenditure digestion; renewals repriced down; capital raised at a discount; exit multiple 8x on \$50bn net debt.                       |
| <b>Base</b>     | 45%   | \$24.0bn     | \$12.5bn (52%)   | <b>\$86</b>  | Backlog converts broadly on schedule; margins hold near 52%; exit multiple 9.5x on \$58bn net debt and 600m shares.                                |
| <b>Bull</b>     | 25%   | \$27.5bn     | \$14.9bn (54%)   | <b>\$170</b> | Backlog converts ahead of plan, renewals sign at maintained pricing on depreciated assets, debt refinanced at investment grade; exit multiple 12x. |
| <b>Weighted</b> | 100%  | —            | —                | <b>\$89</b>  | Values discounted at 12% over an 18-month horizon.                                                                                                 |

Fair values are equity value per share after subtracting forecast year-end 2027 net debt including operating leases, discounted to the present. Probabilities sum to 100%.

### 14. Investment Verdict

Would a disciplined investor commit personal capital to CoreWeave at \$71.88 today? No — but not for the reason most bears give.

The common objection, that CoreWeave is an unprofitable company riding an AI bubble, is lazy. Demand is contracted, not speculative: \$99.4bn of backlog signed by Microsoft, OpenAI, Meta and Anthropic is about as good a demand signal as private markets produce. Operating cash flow was \$2.98bn in a single quarter. The software layer is real, the NVIDIA relationship is real, and 3.5 GW of secured power in a market where interconnection queues run to years is a genuinely scarce asset. Anyone dismissing this as a bubble stock has not read the filings.

The real objection is narrower and harder to dismiss: at present, the business does not earn more than the capital it consumes. Adjusted EBITDA of \$1,157m against depreciation of \$1,147m and interest of \$536m is not a rounding error, it is the whole argument. Adjusted operating margin fell from 17% to 1% in a single year — the arithmetic of a fleet whose depreciation is catching up with its revenue. The entire bull case rests on the proposition that the second contract on each asset, signed after depreciation has run, converts a break-even business into a highly profitable one. That proposition is plausible. It is also, as of July 2026, entirely unproven, and CoreWeave must borrow roughly \$25bn more this year to reach the point where it can be tested.

What would need to change to make this a purchase: evidence, in reported numbers rather than backlog announcements, that incremental revenue is arriving at incremental margins above the cost of the capital that produced it — specifically, adjusted operating margin turning up sequentially rather than down, and capital-expenditure intensity falling below three times revenue. Two consecutive quarters of that, or a share price in the \$50s that discounts the bear case, would make the risk-reward compelling. Neither condition is met today.

One final consideration for anyone tempted to fade the drawdown. With 25.8% of the float sold short and a 9.9% average true range, this security will produce 20% rallies that feel like vindication and 20% declines that feel like ruin, quite independently of anything happening in the business. Conviction here should come from the margin trajectory in the 11 August filing, not from the tape.

## Sources

- Alpha Vantage — GLOBAL\_QUOTE and TIME\_SERIES\_DAILY for CRWV (close of 24 July 2026)
- CoreWeave Q1 2026 earnings release, Form 8-K, SEC EDGAR (7 May 2026)
- CoreWeave Q4 and FY2025 earnings release and FY25 Form 10-K
- CoreWeave DDTL 4.0 facility overview, investor relations (March 2026)
- S&P Global Market Intelligence data via StockAnalysis.com — statistics, forecasts, ratings
- Reuters, CNBC, MarketWatch, Business Wire and TipRanks coverage, July 2026
- Kessler Topaz and Hagens Berman filings regarding the CRWV securities class action

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