

Nebius Group N.V. (NASDAQ: NBIS)

Equity research report · 15 October 2026 · Price \$186.01, close of 14 October 2026

Verdict	Price	Fair value (base)	Watch price	Investment Score
Watchlist (unchanged)	\$186.01	\$177 (-4.8%)	\$150	61.2 / 100 (was 61.5)

Verdict: Watchlist, from fundamentals. Technical read (chart only): Neutral. The shares are in a pullback: the 50-day average is still rising and the price holds 7.4% above the 200-day average of \$173.13. Watch whether the \$183.11 low of 14 October holds. The tag reflects the price chart only and does not change the verdict.

Summary

Nebius closed at \$186.01 on 14 October 2026, down 23.6% from \$243.48 on 24 September and 25.6% below the \$249.87 close of 6 October. The fall came in three steps, none of them from the company: a 9 October report that OpenAI's annualised revenue was about \$20 billion below what investors had been told, a slide in AI infrastructure shares through 12 and 13 October, and a 10.1% drop on 14 October as CoreWeave's bonds traded at yields near 15% and a hotter core inflation print kept a second Federal Reserve increase in play. The business itself has moved the other way: a 12-year, 50MW capacity contract with AIB Data Centers, a letter of intent to be the first tenant of a Rotterdam AI campus, and the October list-price increase in effect as planned.

The price is now inside the \$185 to \$205 range the previous report named as the point where the shares would become interesting. That does not make them a Buy. What pulled the price there is the same thing that lowers the value: the cost of the money that will fund the 2027 and 2028 build. Rebuilt from today's inputs, the base case is worth \$177, 4.8% below the price, and the probability-weighted value is \$177. The bull case still sits 58% above the price and the bear case 68% below it. The rating stays at Watchlist, and the watch price moves down to about \$150, where the base case pays about 18%. Formal 2027 revenue guidance above \$12 billion, expected with third-quarter results in mid-November, remains the other route to Buy.

1. What has changed since the last report

Item	25 September 2026	15 October 2026	Comment
Price	\$243.48	\$186.01	-23.6%; peaked at \$249.87 on 6 October
Base-case fair value	\$247	\$177	2027 revenue multiple cut to 5.0x from 6.5x; more shares
Weighted fair value	\$270	\$177	Bull and bear cases also lower; probabilities 25/50/25
Upside to base case	+1.4%	-4.8%	Value fell further than the price
Watch price	\$185-\$205 zone	\$150	Reset to where the base case pays about 18%
Investment Score	61.5 (restated)	61.2	Financial Strength 7 to 6; Risk 4 to 3
10-year Treasury	5.18%	5.19%	30-year reached its highest since 2002 on 7 October

Prior figures from the report of 25 September 2026 (price of 24 September). The prior score is restated on the current seven factors for comparability.

The previous report set three routes to Buy. Two have not been tested: 2027 guidance has not been given, and prepayment coverage has not been updated since August. The third, a return to \$185 to \$205 with backlog and pricing intact, has been met on price, and nothing reported since suggests damage to either. It is not acted on here because the same report also named a sustained rise in long yields alongside wider credit spreads for AI infrastructure borrowers as a condition that raises the cost of the next financing round. That has now happened, and on this report's numbers it removes more value than the 24% fall in the price has taken out.

2. How this business makes money and what drives the shares

Nebius rents GPU computing capacity to AI developers and large technology companies through its own cloud platform. It designs its own servers and racks, builds or leases data centres, and sells capacity three ways: long-term contracts with a

few very large customers, short-term contracts of up to about six months, and on-demand hourly rental at list prices. Almost all revenue comes from the AI cloud; the remaining units (Avride, TripleTen) are small. Four contracts signed in the second quarter averaged more than \$1 billion each, and earlier agreements with Microsoft and Meta anchor the backlog.

Four variables decide returns over the next two years: how quickly contracted power turns into billing capacity; the price per megawatt as industry supply grows; the cost and availability of capital for a build guided at \$20-25 billion of spending in 2026 alone; and the revenue multiple the market will pay for a business that is still loss-making after depreciation. The third has moved the most in the past three weeks.

3. Financial position

Metric	Q2 2026 (to 30 Jun)	Comment
Revenue	\$582.3m (+454% y/y)	First half \$981.3m
Adjusted EBITDA	\$236.2m (40.6% of revenue)	Company non-GAAP measure; margin is our calculation
Depreciation and amortisation	\$259.7m (44.6% of revenue)	Larger than adjusted EBITDA
Net loss, continuing operations	\$190.4m	EPS -\$0.68
Capital spending	\$5,657.4m	2026 guide \$20-25bn
Cash and equivalents	\$8,042.1m	Plus \$1,056.0m restricted
Total debt	\$8,545.7m	Before \$5.75bn of convertible notes closed 24 August

Company Form 6-K, Exhibit 99.1, second quarter 2026 results, 12 August 2026; convertible notes closing release, 24 August 2026. Adjusted EBITDA excludes stock-based pay and other items as defined by the company.

The operating picture is strong and the accounting picture is not yet. Adjusted EBITDA reached 40.6% of revenue in the June quarter, in line with management's guide of about 40% for the year, but depreciation alone was larger than that, and the company lost \$190m after it. Every new gigawatt adds to depreciation before it adds to revenue, so GAAP losses are likely to persist through 2027 whatever happens to pricing.

Management guides 2026 revenue of \$3.0-3.4 billion, an annualised run rate of \$7-9 billion by year end, and \$20-25 billion of capital spending. It expects more than \$9 billion of customer prepayments this year and describes committed backlog of more than \$40 billion. The 2026 programme looks funded: about \$8 billion of cash at June, \$5.75bn of convertible notes in August at coupons of 0.50% (2030) and 4.50% (2034), equity sold through the at-the-market programme, and a \$775m asset-backed facility priced at SOFR plus 250 basis points. The 2027 build, guided at more than 1GW of new capacity a year, is not yet funded, and the terms of that money are what the market repriced this month.

4. Competitors

Competitor	Overlap	Strength	Read for Nebius
CoreWeave	Large-scale GPU cloud for model builders	Scale, the largest contracted backlog among neoclouds	Its bond yields near 15% set the tone for every borrower in the group
Hyperscalers (AWS, Azure, Google Cloud, Oracle)	GPU capacity and managed AI services	Balance sheets, enterprise reach	Also Nebius customers when they buy third-party capacity
IREN and other converted miners	GPU hosting and cloud	Owned power at low cost	Compete for power and for the same contracts
Meta (reported plans)	Possible cloud capacity resale	Own data-centre fleet	Reported in July; no product announced

Descriptions are this report's summary. CoreWeave bond yields as reported on 14 October 2026.

Nebius competes on its software layer, on cluster reliability and on price per useful GPU hour. In September an independent benchmark of GPU clouds rated it in its top Platinum tier, which matters for winning contracts from model builders. Against that, the hardware is the same Nvidia hardware everyone buys, and two list-price increases in five months reflect an industry shortage rather than an advantage only Nebius has.

5. Management

Management has delivered on what it guided in 2026 so far: it reaffirmed the \$3.0-3.4 billion revenue range in August, raised the contracted-power target to 5GW, and the August financing was upsized and priced at low coupons. The partner model introduced in July, in which landlords finance and build the halls, has now produced a binding 12-year lease and a letter of intent in Rotterdam. Against that, insider filings have continued: Form 4 filings on 1, 5, 6 and 13 October cover the chief executive, the chief technology officer, the chief infrastructure officer, the chief revenue officer, another officer and a director, and Rule 144 notices of proposed sales were filed on 29 September and 5 October. Much of this follows the pattern of earlier quarters, but it has not paused as the price fell. The test of management in the coming weeks is the formal 2027 guidance it has promised for later this year.

6. Company developments

Development	Status and date	What is known	What is forecast (and by whom)	Impact
AIB Data Centers 50MW capacity contract	Binding; announced 30 Sep 2026	12-year initial term for 50MW of critical IT capacity in two data halls at a site in the south-east US, backed by a 15-year 65MW power agreement. No contract value or delivery date disclosed.	AIB expects customer prepayments plus project debt to fund much of the build. Our estimate: \$1.0-1.25bn of contract value if sold at management's mid-term yield	Medium
Rotterdam AI campus letter of intent (Volt)	Letter of intent; reported 12 Oct 2026	Nebius to be first tenant at a planned 600MW campus; first phase two 100MW buildings, about EUR 7bn of investment. Nebius share of capacity not disclosed; terms to be agreed.	No dates or revenue figures	Medium
On-demand list-price increase	In effect from 1 Oct 2026	Nvidia GPU hourly prices up 17-21%, AMD vCPU and memory also higher; second increase in five months.	This report: about 1-5% of 2027 revenue, since most revenue is under fixed-price contracts	Medium
Inferize acquisition	Completed; announced 1 Oct 2026	Inference optimisation company joining the Token Factory platform; cuts model cold-start times. Terms not disclosed.	Company expects better utilisation and token economics; no figures	Low
Independent GPU-cloud rating	Published 23 Sep 2026	Rated Platinum, the top tier, in SemiAnalysis ClusterMAX 3.0.	None	Low
Formal 2027 guidance	Pending; expected with Q3 results in mid-November (date not yet announced)	Promised for later in 2026 on the Q2 call.	Management: more than 1GW of new capacity a year from 2027	Medium

Company newsroom releases of 23 September and 1 October 2026; AIB Data Centers Form 8-K, Exhibit 99.1, 30 September 2026; Datacenter Dynamics, 12 October 2026; second-quarter call summaries.

None of the items is High. The AIB contract is a real, binding addition, but 50MW is about 1% of the 5GW contracted-power target; even at the top of management's mid-term yield it is worth roughly \$1.25bn of contract value over 12 years, which does not move a 2027 estimate. Its value is as evidence that the partner model can bring in capacity without Nebius funding the buildings. The Rotterdam letter of intent could matter more, but it is not binding and its size for Nebius is unknown. No development moved a factor score, and the verdict and watch price would be the same without them.

Of the items carried from the previous report: the Palantir partnership has produced no disclosed revenue; the Vineland, New Jersey campus has had no further permitting action reported since the August phase 2 approval; and the reported pause in Nvidia's revenue-sharing and credit-support arrangements for AI cloud providers remains unconfirmed for Nebius specifically.

7. Growth drivers

Driver	Status	Fact vs forecast	Likelihood	Impact
Connected power turning into revenue	800MW-1GW connected by end-2026	Management guide; active through H1 2027	High	High
2027 capacity of more than 1GW a year	Guided; formal 2027 numbers pending	Management target; guidance expected mid-November	Medium	High
Pricing per MW	Mid-term \$20-25m, short-term \$40-50m	Management figures; list prices up from 1 Oct	Medium	High
Partner-financed capacity	AIB binding; Rotterdam LOI	Fact for AIB; LOI terms unknown	Medium	Medium
Inference platform (Token Factory)	Inferize added 1 Oct	No revenue disclosed	Medium	Low

Company releases and second-quarter 2026 call commentary.

8. Risks

Risk	Probability	Severity	Comment
Cost of capital for the 2027-28 build	High	Very High	CoreWeave bonds near 15%; Fed weighing a second increase on 27-28 October
Compute pricing rolls over as supply lands	Medium	Very High	Two list increases so far; industry capacity grows fast in 2027-28
Depreciation keeps GAAP results negative	High	High	Q2 depreciation 45% of revenue on an asset base still growing
AI demand sentiment	Medium	High	Questions over model developers' revenue hit the whole group on 9-14 October
Customer concentration	Medium	High	A few contracts above \$1bn each with large technology customers
Dilution	High	Medium	At-the-market equity sales and convertible notes add shares
Site execution and permitting	Medium	Medium	Vineland stop orders in August; Rotterdam still a letter of intent
Share price volatility	High	Medium	Average daily range 8.7% of price

Probability and severity are this report's judgements over the next 12 to 24 months.

9. Valuation

At \$186.01 the market value is about \$56bn on roughly 300m diluted shares (our estimate). That is about 17.4x the midpoint of 2026 revenue guidance and 5.2x this report's base-case 2027 revenue of \$11.0 billion. Earnings multiples do not work for a company that is loss-making after depreciation, and 2026 revenue understates a business whose run rate should more than double by year end, so the scenarios value the shares on 2027 revenue.

The base case applies 5.0x to 2027 revenue of \$11.0 billion and divides by 310m shares, allowing for further equity and convertible dilution (our calculation). Revenue assumes the 800MW-1GW connected by year end becomes active through the first half of 2027 and new capacity follows at about 1GW a year, taking the run rate from the guided \$7-9 billion to about \$14 billion by the end of 2027. The multiple is lower than the 6.5x the previous report used. The reason is the cost of funding: a business that must raise tens of billions for 2027 and 2028 is worth less when the 10-year Treasury yields 5.2% and the nearest listed peer's bonds trade near 15% than when it could borrow at 4.5% in August. The result is \$177 a share, and the probability-weighted value is \$177. On the base case, the shares are fully valued.

Macro drivers. Two variables matter most. The first is the cost of debt for AI infrastructure borrowers. It is the input that decides how much of each new gigawatt can be financed without issuing shares, and it has risen sharply: the Federal Reserve raised rates on 16 September, its minutes show most officials expect another increase by year end, September core inflation rose 0.3% against 0.2% expected, the 10-year yield is about 5.19% and the 30-year reached its highest level since 2002 on 7 October. The second is the spending plans of the largest AI developers and cloud providers, which set demand. Doubts about one developer's revenue moved the whole group in a day. Consumer spending and employment barely touch this business.

10. Sentiment

Firm	Date	Action	Target
Rosenblatt	7 Oct 2026	Initiated at Buy	\$304
William Blair	30 Sep 2026	Initiated at Outperform	Not stated
Rothschild & Co Redburn	21 Sep 2026	Initiated at Sell; maintained 25 Sep	\$84
BNP Paribas	24 Sep 2026	Upgraded to Outperform from Neutral	\$399
BofA Securities	24 Sep 2026	Buy maintained	Not stated

Broker actions as reported, 21 September to 7 October 2026.

Most analysts are positive, and targets span an unusually wide range, from \$84 to \$399. That range is itself the message: the same business can be worth a fraction or a multiple of the price depending on what is assumed about financing and pricing in 2027-28. The bearish view rests on exactly the funding question this report puts first. Options activity rose sharply into the fall, with 457,000 contracts traded on 14 October against about 190,000 to 330,000 on the sessions before. Volume in the shares was about 33 million on 14 October, close to twice the 20-day average. Insider sale notices add supply. The overall read is neutral to negative in the short term, with ratings supportive and price action not.

11. Investment Score

Criterion	Score	Weight	Basis
Business Quality	 7/10	16%	About 40% adjusted EBITDA margin and fast growth, but almost all revenue from one segment. (unchanged)
Financial Strength	 6/10	16%	2026 is funded; 2027-28 must be financed in a costlier market. (-1 vs last report)
Competitive Advantage	 6/10	16%	Strong software and a top-tier cluster rating, but pricing reflects an industry shortage. (unchanged)
Management	 7/10	10%	Guidance reaffirmed, financing well timed; insider sale notices continue. (unchanged)
Growth Potential	 9/10	16%	5GW contracted target and more than 1GW a year from 2027. (unchanged)
Valuation	 4/10	16%	Price within 5% of the base case after both fell. (unchanged)
Risk (10 = lowest risk)	 3/10	10%	Funding cost, pricing and dilution risks all higher. (-1 vs last report)
Investment Score	61.2 / 100	100%	Previous report 61.5, restated

Scored 1-10, where 10 is always best, including Risk. Composite is the weighted sum of the seven factors, computed in code, on default weights. The prior score is restated on the current seven factors for comparability.

Risk at 3 means a high-risk business, and the risks section describes one: a build that needs tens of billions of outside money, a cost of that money that has just risen, GAAP losses, dilution and a share price that moves almost 9% a day on average. The two agree. Valuation stays at 4 because the price and the value fell together; the score would rise only if the price fell further or the 2027 numbers came in above the base case.

12. Recommendation

Watchlist, unchanged. The rating is the same as in September, but the reasoning has shifted. Then the concern was that the price had run ahead of the value. Now the price has fallen 24%, but the value has fallen with it, because the cost of financing the next two years of growth has risen. At \$186.01 the base case of \$177 offers nothing, the bull case of \$294 needs pricing and financing to hold up together, and the bear case of \$60 is a real possibility if credit stays tight. The verdict does not depend on any company development.

Price at which the name becomes interesting: about \$150. At that level the base case pays about 18%, the shares would trade near 4.2x base-case 2027 revenue, and the price would sit just above the \$148.22 closing low of 29 July. The other route to Buy is the third-quarter report, expected in mid-November: formal 2027 revenue guidance above \$12 billion, with financing for the 2027 build at terms close to those of the August notes, would lift the base case enough to buy near today's price.

What would change the view	Direction
Shares fall to about \$150 with backlog, pricing and the 2027 plan intact	Up
2027 revenue guided above \$12bn with the third-quarter results, expected in mid-November	Up
Prepayments and committed financing cover most of 2027 capital spending at costs near the August notes	Up
The Fed holds on 27-28 October and credit spreads for AI infrastructure borrowers narrow	Up
2027 revenue guided below \$9bn	Down
Realised mid-term pricing below \$20m per MW, or the October list-price increase reversed	Down
New financing for the build priced near the yields now seen on peer bonds, or large equity issuance well below the price	Down
A further rise in long yields alongside wider credit spreads for AI infrastructure borrowers	Down

13. Technical read

Chart as of 14 October 2026 close

Verdict: Watchlist, from fundamentals. **Technical read (chart only): Neutral.** Watch whether the \$183.11 low of 14 October holds and the shares base above the 200-day average at \$173.13; a close below that average would point toward the \$148.22 July closing low, close to the watch price.

The chart state is a pullback. The 50-day average is still rising, the price is 7.4% above the 200-day average and has not closed below it in the past ten sessions, and there has been no new 60-session closing low. But the fall has been steep: the price is 16.9% below the 50-day average, the MACD line has crossed below its signal, and the 14 October drop came on volume close to twice the 20-day average. The Technical read looks only at the price chart. It does not change the verdict or the Investment Score and only guides timing.

Measure	Value	Reading
Trend	Pullback	Below short and medium averages, above the 200-day
20-day SMA / EMA	\$228.07 / \$222.46	Price -18.4% / -16.4%
50-day SMA / EMA	\$223.90 / \$221.78	Price -16.9%; 50-day rising
100-day SMA / EMA	\$224.06 / \$210.93	Price -17.0%
200-day SMA / EMA	\$173.13 / \$181.10	Price +7.4% / +2.7%
RSI (14)	35.3	Weak, not yet oversold
MACD (12,26,9)	-4.21 vs signal 1.10	Below signal; momentum negative
ATR (14)	\$16.11	8.7% of price
Volume	14 Oct 33.2m; 20-day 17.4m; 50-day 19.0m	Heavy volume on the fall
Support / resistance	\$183.11, \$173.13, \$148.22 / \$223.90, \$255.10	14 Oct low, 200-day and July low below; 50-day and 20-session high above

Computed in code from a 300-session daily series, 6 August 2025 to 14 October 2026, all averages from one series, not dividend-adjusted; distances against the price of record. Chart state classified by fixed rules.

14. Scenario analysis

Case	Prob.	Outlook	2027 revenue	Multiple	Fair value	vs \$186.01
Bull	25%	Capacity lands on schedule, short-term pricing holds and the October increase sticks; financing stays open at moderate cost; adjusted EBITDA margin above 40%	\$14.0bn	6.5x	\$294	+58.1%
Base	50%	Connected power converts through H1 2027 and about 1GW follows; pricing near the mid-term range; financing available but dearer; margin near 40%	\$11.0bn	5.0x	\$177	-4.8%
Bear	25%	Credit stays tight and the build slows; pricing softens as supply arrives; more equity issued; margin compresses	\$7.5bn	2.5x	\$60	-67.7%
Weighted	100%	Probability-weighted			\$177	-4.8%

Our calculations: fair value = 2027 revenue x revenue multiple / 310m shares (our dilution assumption). Weighted value computed in code. Not company measures.

The bull case is less likely than in September and the bear case more likely, because the cost of capital has moved against the company while the operating news has been steady. The probabilities sit evenly on either side of the base case: the next hard evidence, formal 2027 guidance, could move them either way.

15. Final verdict

Would an investor put money into Nebius at \$186.01? Not yet. The business is doing what it said it would, and nothing it has announced since September weakens it. But the price fell for a reason that also lowers the value: the money for 2027 and 2028 will cost more than anyone assumed a month ago, and the base case is now \$177. The single biggest concern is the financing of the next gigawatts, not the demand for them. A price near \$150, or 2027 guidance above \$12 billion with funding on reasonable terms, would change the answer.

Sources

- Company: Form 6-K, Exhibit 99.1, second quarter 2026 results (sec.gov, 12 August 2026); newsroom releases on the convertible notes (19 and 24 August 2026), Inferize acquisition (1 October 2026) and ClusterMAX rating (23 September 2026) (nebius.com/newsroom); Forms 4 and 144, 29 September to 13 October 2026
- AIB Data Centers Form 8-K, Exhibit 99.1, 30 September 2026 (sec.gov); Datacenter Dynamics, Nebius signs LOI with Volt for Rotterdam capacity, 12 October 2026
- Second-quarter 2026 call summaries: MarketBeat call highlights and Quartr event summary, 12 August 2026
- Market context: AFP via eNCA on the Financial Times OpenAI revenue report, 9 October 2026; CNBC and The Motley Fool on CoreWeave bond yields and the Gartner neocloud note, 14 October 2026; TipRanks and 24/7 Wall St., 12-14 October 2026
- Broker actions and options activity: moomoo news and research channels, 21 September to 14 October 2026
- Price of record: Alpha Vantage global quote, 14 October 2026 close. Technicals: Twelve Data daily series of 300 completed sessions to 14 October 2026, computed in code
- Macro: Beating The Bull economic data posts of 17 and 30 September and 7, 8, 9 and 14 October 2026

This report is informational only and is not financial advice, nor a recommendation to buy or sell any security. It reflects the author's assessment as at 15 October 2026 and may change without notice. Scenario values and fair values are this report's calculations and are not company measures. The second-quarter 2026 call was reviewed in summary only.