廣發証券(香港)經紀有限公司
GF SECURITIES (HONG KONG) BROKERAGE LIMITED

# CoreWeave (CRWV US)

Maintained **Buy**

Target price $162

## Riding the AI Infrastructure Supercycle

**Initiate at Buy, with TP of $162:** Backed by first-mover GPU deployment, exclusive AI-only focus, best-in-class efficiency, and LTAs with major AI hyperscalers, CoreWeave is positioned as a long-term winner in the AI infra boom. We are positive on **1)** accelerating demand for AI buildouts; **2)** RPO that largely underpin our 2026–2027 revenue forecasts; **3)** declining debt financing costs; **4)** profitability to inflect sharply as large contracts mature; **5)** new LTAs benefiting from higher GPU rental pricing. Historically, CoreWeave's share price has been driven by large contract wins; we expect the next key catalyst to be the announcement of new signed agreements or further disclosure regarding the size of its contract with Anthropic. We forecast revenue of $12.3/25.6/39.6bn in 2026/2027/2028, with adjusted EBITDA reaching to $7.6/14.2/18.8bn. Our target price of $162 is based on 10x 2028E EV/EBITDA.

**Large NeoCloud opportunity supported by AI datacenter tailwinds:** 1) Driven by exponential growth in token consumption, global AI datacenter power capacity is expected to reach 283GW by 2030. Amid tightening cash flow and capital constraints, we estimate the Top 5 CSPs will directly build ~53% of incremental capacity. After incorporating demand from enterprises and sovereign AI projects, we estimate the remaining addressable market represents a **~$1.7tn TAM for NeoCloud providers from 2026–2030**. 2) OpenAI and Anthropic have disclosed data center build plans exceeding 20/10GW, and CoreWeave remains the only NeoCloud provider with signed LTAs with both. Existing agreements with OpenAI, Anthropic, Meta, and Microsoft are expected to contribute 60%/56%/47% of 2026/2027/2028 revenue, providing exceptional earnings visibility.

**Profitability trajectory better than expected:** We project CoreWeave to achieve profitability in 2028, supported by: 1) most large-scale contracts remain in the early construction or initial billing phase, with revenue recognition expected to accelerate as deployments transition into mature monthly billing and post-contract monetization phases. 2) New contracts signed in 2026 account for ~40% of its current RPO. Benefiting from rising GPU rental prices, these new contracts are expected to drive a 20% increase in blended ASP once they begin generating monthly payments. 3) Financing costs continue to decline, with the latest DDTL 4.0 priced at SOFR +2.25%, vs. DDTL 1.0/2.0/3.0 (at SOFR + 9.62% / +4.25% / +4.00%).

Risks: 1) AI demand deceleration; 2) Geo-political uncertainties; 3) Competition.

Profit forecast

| (mn USD) | FY2024 | FY2025 | FY2026E | FY2027E | FY2028E |
|---|---|---|---|---|---|
| Revenue | 1,915 | 5,131 | 12,266 | 25,582 | 39,611 |
| Revenue YoY (%) | *736.6%* | *167.9%* | *139.1%* | *108.6%* | *54.8%* |
| Net profit | (65) | (606) | (2,070) | (1,037) | 198 |
| Net profit YoY (%) | - | - | - | - | - |
| EPS ($) | (0.29) | (1.51) | (3.93) | (1.97) | 0.37 |
| P/E | -348.1 | -66.1 | -25.5 | -50.8 | 266.7 |
| ROE (%) | *-1.3%* | *-41.6%* | *-10.2%* | *-1.6%* | *0.1%* |

Source: Company data, GF Securities (Hong Kong) Brokerage.

**Michelle Jing**
SFC CE No. BUK594
michellejing@gfgroup.com.hk

**Jeff Pu, CFA**
SFC CE No. BNO719
jeffpu@gfgroup.com.hk

**Yang Zhou**
SFC CE No. BSF949
zhouyang@gfgroup.com.hk

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## NeoCloud: a New Paradigm for AI Computing Infrastructure

NeoCloud refers to a new category of cloud computing providers specializing in GPU computing rental services, optimized specifically for AI large-model training and inference. Unlike traditional cloud vendors (AWS/Azure/Google Cloud) that offer "full-stack services", NeoCloud adheres to a "less is more" principle, focusing on high-performance GPU clusters and delivering raw, software-agnostic computing resources.

**Figure 1: NeoCloud vs Traditional Cloud Vendor**

| | NeoCloud | Traditional Cloud Vendor |
|---|---|---|
| Core Resources | Top-of-the-line GPUs | CPU + GPU + Storage + Network |
| Specialization | AI Training/Inference | General computing |
| Business Model | Long-term rental | Pay-as-you-go |
| Customer Group | CSPs, AI giants, scientific institutions | Enterprises across all industries |
| Deliverables | Server + cooling + operations & maintenance + SLA | GPUs rent by day/month/year |

Sources: GF Securities (Hong Kong) Brokerage

### Strong Capex from upstream: CSPs + AI Giants

Top CSPs are investing aggressively to meet their AI infrastructure needs to ensure they maximize their strategic flexibility over the coming years. Among the investments, they prioritize the expansion of data center footprint. Apart from their strategic AI focus, CSPs are also receiving record revenue and backlog growth in their cloud business, the strong results reinforce their conviction to invest the capital required to continue capturing the AI opportunity.

1) Google: Google revised up it 2026 Capex from the prior $175-185bn USD to $180-190bn, where significant amount will be spent on data centers and servers. Management also toned that 2027 capex will show a significant expansion to support ongoing AI platform leadership and fulfillment of committed cloud agreement.

2) Meta: During its 1Q26 earnings call, Meta revised up 2026 Capex to $125-145bn USD (previously $115-135bn, reflecting increasing component pricing and increasing data center costs. Management guided that the cloud deals signed will come online over the course of 2026/27. These multi-year deals drove their contractual commitments to raise by $107bn.

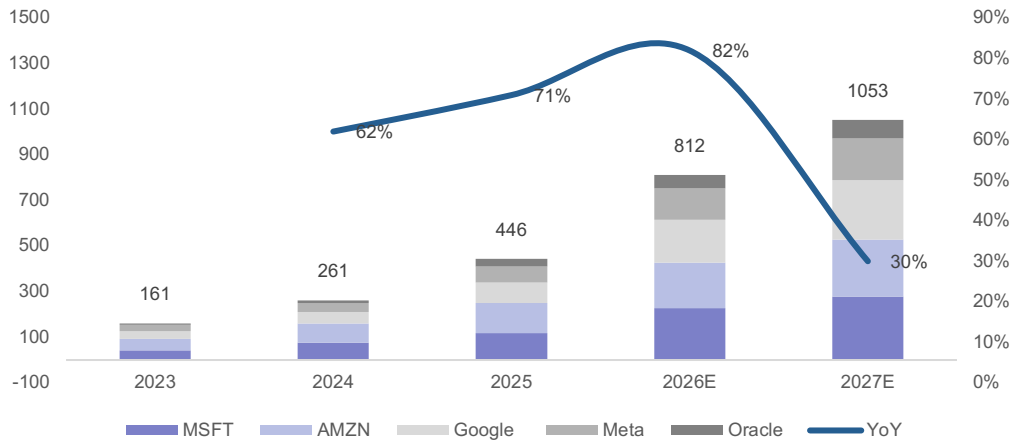
3) Amazon: During its 4Q25 earnings call, management guided a $200bn USD capex in 2026, which predominantly in AWS (its cloud computing business). In 2025, AWS added the highest number of data centers than any other company, and the company will continue this trend to sustain its leading position.

4) Microsoft: Management guided a higher Capex growth in 2026 than 2025, due to higher spending on GPUs and CPUs for Azure platform demand. Full year 2026 Capex is expected to be around $190bn USD, where $25bn was impacted by higher component prices. Even with these investments, management still expect to remain constrained at least through 2026.

5) Oracle: Management guided $50bn USD Capex for FY26. For FY27, we expect Oracle to continue increase Capex according to its additional funding of $50bn from bond issuance. On the other hand, some of Oracle's strategic operational investment including a 10GW data center and power build, are largely funded by partners, materially decoupling Oracle's Capex requirements from out-of-pocket expenditures.

We revise up our CAPEX forecast accordingly from +62% to +82% YoY for Top 5 CSPs in 2026E. We expect another 30% YoY increase in CSP Capex hike in 2027 (vs. consensus +26%), driven by significant upside in the AI accelerator market, despite anticipated memory cost inflation. This is further bolstered by Google's 2027 guidance, which points to a substantial CAPEX step-up fueled by an "explosion" in Cloud backlog and intensifying compute needs across its ecosystem.

**Figure 2: Capex of Top 5 CSPs (bn USD)**




Sources: GF Securities (Hong Kong) Brokerage

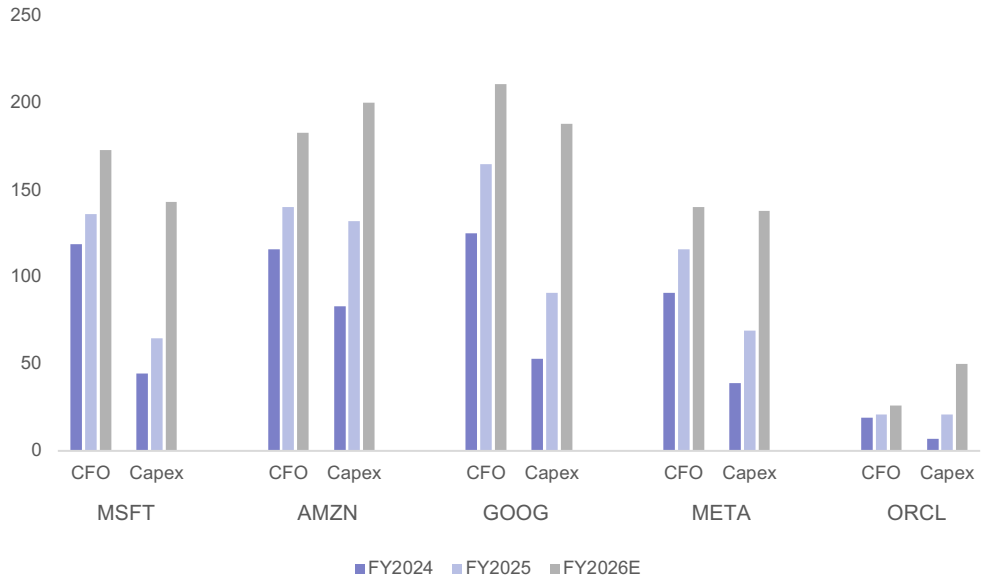
**Figure 3: Global AI accelerator market forecast**

| | 2024 | 2025E | 2026E | 2027E |
|---|---|---|---|---|
| **GPGPU (Units m)** | | | | |
| NVIDIA | 3.9 | 6.0 | 8.5 | 7.6 |
| AMD | 0.5 | 0.5 | 0.8 | 1.1 |
| Others | 0.7 | 1.3 | 1.6 | 2.5 |
| **Total** | **5.1** | **7.8** | **10.9** | **11.1** |
| *YoY* | 160% | 53% | 39% | 3% |
| **ASIC (Units m)** | | | | |
| Google | 2.8 | 2.9 | 4.5 | 8.8 |
| AWS | 0.9 | 1.6 | 2.6 | 3.1 |
| Meta | 0.2 | 0.2 | 0.3 | 0.5 |
| MSFT | 0.1 | 0.1 | 0.2 | 0.5 |
| Other ASICs | 0.3 | 0.8 | 1.1 | 1.5 |
| **Total** | **4.2** | **5.6** | **8.7** | **14.3** |
| *YoY* | -39% | 32% | 56% | 64% |
| **Market (USD bn)** | | | | |
| NVIDIA | 88 | 160 | 300 | 451 |
| Total GPGPU | 98 | 176 | 328 | 502 |
| Total ASIC | 20 | 30 | 54 | 117 |
| **Total Market** | **236** | **382** | **710** | **1121** |
| *YoY* | 645% | 62% | 86% | 58% |

Sources: Company data, GF Securities (Hong Kong) Brokerage

As major CSPs keep ramping up Capex, they are facing mounting cash flow pressure, which makes them increasingly reliant on NeoCloud players to share such burdens. Taking Amazon as an example, its cash flow from operations (CFO) stood at $140 billion in 2025, exceeding its capex of $132 billion. However, we forecast its 2026 capex to reach $200 billion, surpassing the projected CFO of $183 billion. For Microsoft, Google and Meta, although their 2026 operating cash flow will still outpace capex, the divergent growth rates between the two metrics will soon lead to a reversal of this trend. Despite recent record-high revenue posted by Microsoft Azure, AWS, Google Cloud and Oracle Cloud Infrastructure, cloud business revenue growth remains slower than capex expansion across these hyperscalers.

**Figure 4: CSP Operating Cash Flow vs. Capex (bn USD)**




Sources: GF Securities (Hong Kong) Brokerage

**Figure 5: CSP Operating Cash Flow / Capex / Cloud Revenue Growth Comparison**

| | FY2025 YoY | FY2026 YoY | FY2027 YoY |
|---|---|---|---|
| **MSFT** | | | |
| CFO | 14% | 27% | 22% |
| Capex | 45% | 122% | 75% |
| Azure Revenue | 13% | 39% | 40% |
| **AMZN** | | | |
| CFO | 21% | 31% | 29% |
| Capex | 59% | 52% | 24% |
| AWS Revenue | 20% | 30% | 28% |
| **GOOG** | | | |
| CFO | 32% | 28% | 23% |
| Capex | 72% | 107% | 40% |
| Google Cloud Revenue | 36% | 62% | 50% |
| **META** | | | |
| CFO | 27% | 21% | 26% |
| Capex | 77% | 100% | 33% |
| Total Revenue | 22% | 26% | 19% |
| **ORCL** | | | |
| CFO | 11% | 24% | 45% |
| Capex | 200% | 138% | 40% |
| Cloud Infra Revenue | 48% | 168% | 103% |

Sources: GF Securities (Hong Kong) Brokerage

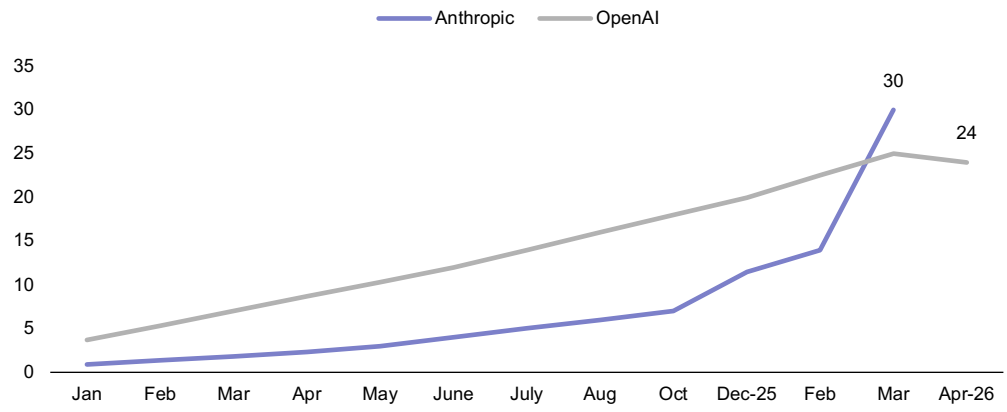
Additionally, we expect leading AI companies like OpenAI and Anthropic to expand their investment in AI infrastructure build-out for model trainings.

1) OpenAI: In its investor memo in Apr, OpenAI states that they have now confirmed over 8GW of AI compute capacity and plan to scale up to 30GW by 2030. Based on our checks, the AI infrastructure build-out agreements that OpenAI has signed with CSPs and NeoCloud players have already covered its mid-term target of 30GW. This includes contracts with CoreWeave worth up to ~$22.4 billion, encompassing the initial deal signed in Mar 2025 as well as two subsequent expanded agreements signed in May and Sep 2025.

2) Anthropic: With Anthropic's ARR surpassing OpenAI's in this April, we project that Anthropic's mid-term power capacity requirements will be no less than OpenAI's 30 GW target. The company has just announced an agreement to lease xAI's Colossus 1 supercomputer, primarily to address recent stringent usage constraints. Anthropic has intensified its compute capacity expansion through a series of major infrastructure deals, including: 5GW with Amazon, multi-GW with Google and Broadcom, 1+GW with Microsoft and NVIDIA, and undisclosed gigawatt-scale collaborations with Fluidstack and CoreWeave. These expanded compute resources have enabled Anthropic to double its five-hour rate limits, eliminate peak-hour restriction reductions, and raise API rate limits across its Claude product suite. Our channel checks indicate that Anthropic is set to announce an additional ~8 GW compute partnership with AMD in the near term, further validating its ambition to exceed OpenAI's power capacity target. While specific

contract values for Anthropic's agreements with CoreWeave remain undisclosed, we anticipate these will be at least on par with OpenAI's $22.4 billion contract with CoreWeave.

**Figure 6: Anthropic & OpenAI's ARR (bn USD)**




Sources: GF Securities (Hong Kong) Brokerage

**Figure 7: Anthropic & OpenAI's Major Agreements Overview**

| Collaborator | Date Signed | Duration | Time Online | Scale | Content |
|---|---|---|---|---|---|
| **Anthropic** | | | | | |
| Amazon | 2023 + Apr 2026 | 10-yr | 1H26<br>end of 2026<br>Future | 5GW /<br>Over $100bn | over one million Trainium2 capacity<br>nearly 1GW of Trainium2+3 capacity<br>Graviton + Trainium4 capacity |
| Google | Oct 2025 | - | 2026 | "tens of billions of dollars" | one million TPUs |
| Google + Broadcom | Apr 2026 | 5-yr | 2027 | - | multiple gigawatts of next-generation TPU capacity |
| Microsoft + Nvidia | Nov 2025 | - | 2026 | 1+GW | $30bn of Azure capacity + 1GW Nvidia's capacity |
| Fluidstack | Nov 2025 | - | 2026 | $50bn | Datacenter in Texas and New York |
| CoreWeave | Apr 2026 | Multi-yr | - | - | - |
| xAI | May 2026 | - | 2026 | 0.3GW | Use the capacity of Colossus 1 datacenter (220k Nvidia GPUs) |
| AMD | Yet not disclosed | - | - | ~8GW | - |
| **OpenAI** | | | | | |
| CoreWeave | Mar 2025<br>May 2025<br>Sep 2025 | 5-yr<br>5-yr<br>6-yr | 2026<br>2026<br>2026 | $11.9bn<br>$4.0bn<br>$6.5bn | Cloud compute deal<br>Expanded deal<br>Expanded deal |
| Oracle | Jul 2025<br>Oct 2025 | 5-yr<br>~10-yr | 2025 | 15GW /<br>$500+bn | AI data center for "Stargate" |
| Microsoft | Oct 2025 | - | 2025 | $250bn | Azure services |
| AMD | Oct 2025 | - | 2H26 | Warrant for 160mn AMD shares | 6GW of AMD GPUs |
| Broadcom | Oct 2025 | 3-yr | 2H26 | 10GW | Accelerators and Ethernet solutions |
| Amazon | Nov 2025<br>Feb 2026 | 7-yr<br>8-yr | 2026 | $100bn | EC2 UltraServers + Nvidia GPUs<br>2 GW of Trainium 3+4 capacity |

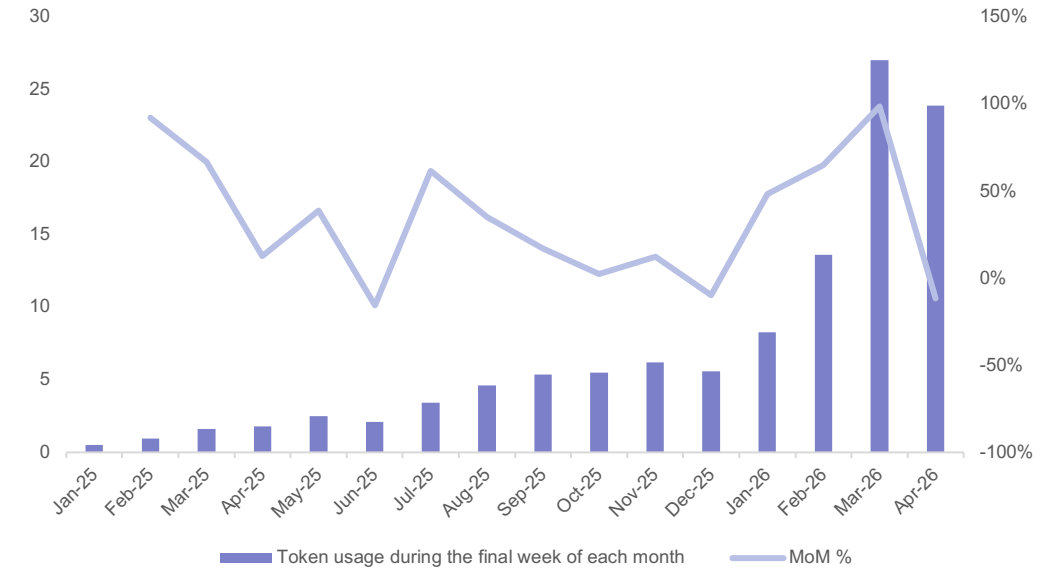
Sources: Anthropic, OpenAI, GF Securities (Hong Kong) Brokerage

### Token Usage Implies a 283GW Global AI Datacenter Power Capacity by 2030

According to OpenRouter, weekly token usage posted an average MoM growth rate of 30% throughout 2025, translating to an annual growth rate of ~1,600% YoY. Based on our conservative forecasts, we expect token usage to surge by 2,000% in 2026 and 1,500% in 2027, before gradually moderating to a 200% growth pace by 2030. On this basis, we project global AI datacenter power capacity will reach 283 GW by 2030, up from 80 GW at end-2025, representing an incremental demand of 203 GW over the next five years, which corresponds to ~$8.5 trillion USD in total capital expenditure.

We believe the bulk of new capex will be driven primarily by CSPs and other enterprises. Government direct AI subsidies are already factored into corporate Capex, while most indirect subsidies mainly apply to datacenter operational costs such as utility subsidies. The remaining demand will be fulfilled by NeoCloud players. Accordingly, we estimate the total TAM for NeoCloud will hit $1.7 trillion USD over the next five years, accounting for 20% of overall AI infrastructure construction demand.

**Figure 8: Token Usage During the Final Week of Each Month (tn)**




Sources: Grid Strategies, GF Securities (Hong Kong) Brokerage

**Figure 9: 2030 Global AI Datacenter Demand Analysis**

| | 2030 |
|---|---|
| Daily token usage (tn) | 360,000 |
| Compute offloading | 0.8 |
| Compression rate | 0.15 |
| Traffic peak factor | 1.75 |
| theoretical token throughput per GPU (token/sec) | 7500 |
| Datacenter utilization | 90% |
| Power per GPU (W) | 1806 |
| Redundancy | 1.1 |
| PUE | 1.1 |
| **Total GW needed** | **283.2** |

Sources: OpenRouter, GF Securities (Hong Kong) Brokerage

**Figure 10: NeoCloud TAM Analysis**

| | 2026 | 2027 | 2028 | 2029 | 2030 |
|---|---|---|---|---|---|
| Incremental GW to build from 2025 to 2030* | | | 203 | | |
| Equivalent Capex (bn) | | | 8534 | | |
| AI Capex from: | | | | | |
| Top 5 CSPs | 568 | 737 | 885 | 1061 | 1274 |
| China Top 4 CSPs | 44 | 50 | 60 | 72 | 86 |
| Other enterprises | 200 | 300 | 400 | 500 | 600 |
| **TAM for NeoCloud (2026-2030)** | | | **1698** | | |

*IEA estimates, by end-2025 global datacenter capacity was 114.3GW, 70% for AI

Sources: IEA, Company IR Materials, GF Securities (Hong Kong) Brokerage

### Relationship with Hyperscalers: Coexistence of Cooperation and Competition

On the one hand, hyperscalers serve as key customers to NeoCloud companies especially CRWV: due to their own GPU supply shortages and limited AI infrastructure optimization capabilities, they often rent high-performance GPU clusters from CRWV to meet the explosive demand for AI computing power. On the other hand, as traditional cloud leaders, hyperscalers are accelerating their AI computing power layout, launching their own GPU-based cloud services, thus forming direct competition with CRWV in the AI computing market. Facing such a dual relationship, CRWV holds its comparative advantages:

1) First-to-market advantage in top-tier GPU clusters: CRWV is the first cloud provider to deliver large-scale clusters of NVIDIA's top-tier GPUs (H100, H200, and GB200). For model trainers, the speed of access to AI compute is essential — delays in accessing advanced computing resources can directly lead to missed opportunities in model iteration and market competition.

2) Time value: Time taken for hyperscalers to build a new AI cluster is typically 9–18 months; outsourcing the project to Neocloud, whose supply chain is already well-established, can be completed in 3–6 months.

3) Superior cost: Neocloud has access to multiple channels (including servers/optical modules/liquid cooling/network equipment) and can achieve better power and energy consumption. Through bulk GPU purchasing, wholesale data center leasing, and energy-efficient operations, CRWV achieves 15-20% lower unit computing costs than hyperscalers such as AWS and Azure, forming a cost-performance barrier that is difficult for hyperscalers to replicate in the short term.

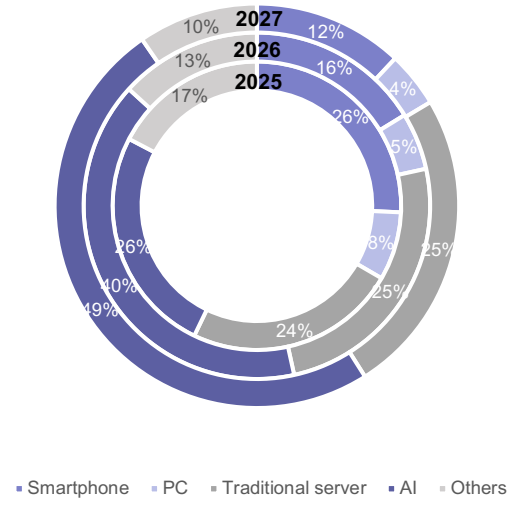
4) Exclusive focus on AI compute, no trade-offs with traditional workloads: Unlike hyperscalers that need to balance traditional workloads (e.g., enterprise storage, general computing, and office services) with AI computing demands, CRWV adheres to a "focused strategy" and devotes all its resources to optimizing AI computing infrastructure. This exclusive focus enables CRWV to avoid the resource allocation conflicts faced by hyperscalers, achieving more efficient GPU utilization (MFU exceeding 50%), lower latency, and higher performance for AI-specific tasks—critical advantages for large-model training and inference. Additionally, CRWV's bare-metal GPU clusters, optimized specifically for AI workloads, deliver ~30% better performance than hyperscalers' AI services based on architectures for general computing.

5) Outsourcing heavy assets for financial flexibility: lighter on-balance-sheet Capex, more flexible lease terms, and easier upgrades to next-generation GPUs. Hyperscalers can also transfers supply chain risks, schedule pressure, and power allocation problem to more specialized contractors.

## Compute Cost Surge: Memory + Power Cost Inflation

According to our calculation, AI server memory demand (HBM and Server DDR) to account for ~40% of total memory demand in 2026 and will grow by 49% in 2027 and 60% in 2028. Taking the price hike recently and follow on, we expect memory cost to account for ~50% of CSP's Capex in 2027 which will further suppress their Capex utilization efficiency. Against this backdrop, NeoCloud's external financing capacity enables CSPs to outsource heavy-asset investments, which will be more conducive to alleviating their cash flow pressure.

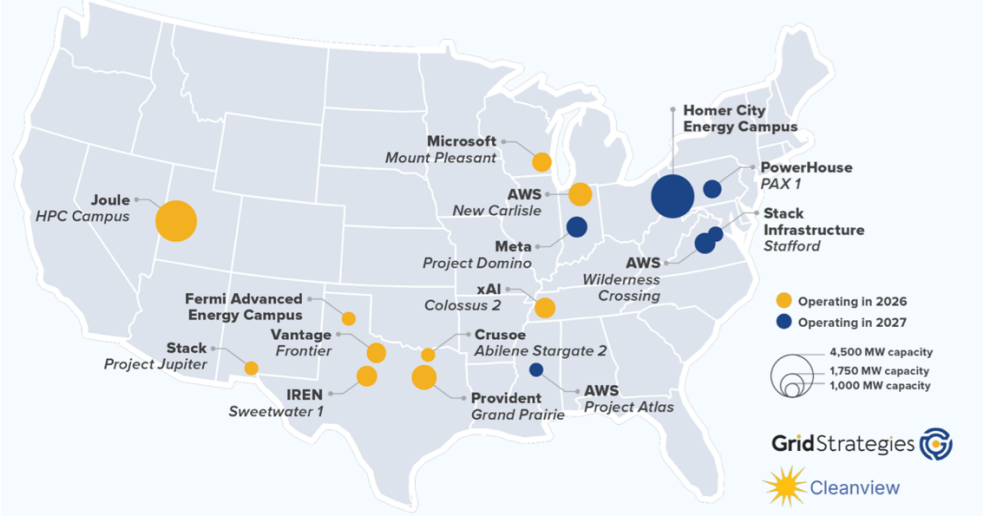
**Figure 11: Memory Demand by End Markets**




Sources: Company data, GF Securities (Hong Kong) Brokerage

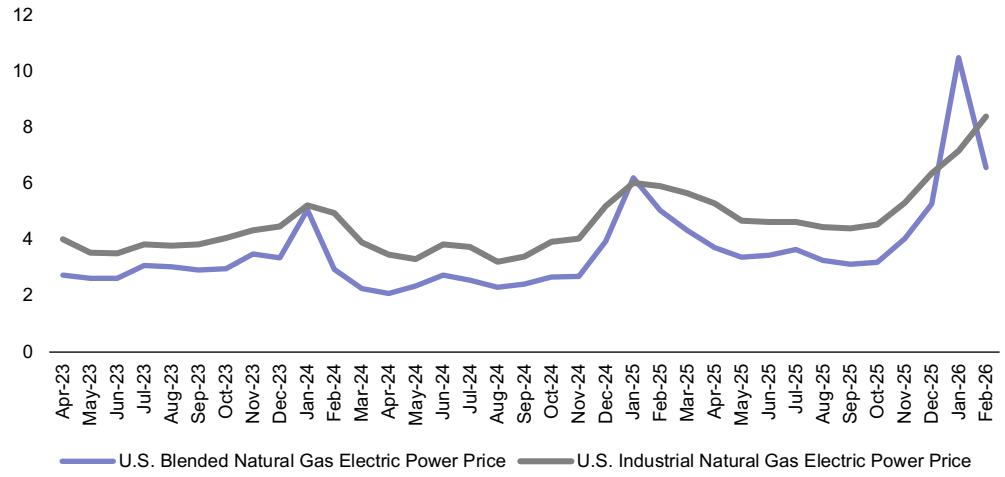
In terms of the variable cost for AI datacenter, electricity cost represents 40-60% of the total operational cost, making data center's operational cost to have even stronger volatility as power shortage worsen. We estimate that newly installed AI datacenters across the U.S. will need an additional capacity of ~203GW between 2025 and 2030, excluding power demand from non-AI data centers. By comparison, the U.S. Energy Information Administration stated that 53 GW of new power capacity was added into the national grid in 2025, marking the largest annual expansion since 2002. We believe the aggressive AI datacenter construction will keep tightening U.S. power supply. In Feb 2026, the average blended natural gas power price in the U.S. stood at $6.57 per cubic foot, rising 30% YoY. Specifically, industrial power prices surged 42% to $8.40 in Feb 2026 from $5.92 in Feb 2025, driving a ~20% increase in overall AI data center operating expenses.

**Figure 12: GW-Scale Data Center Plan 2026-2027**




Sources: Grid Strategies, GF Securities (Hong Kong) Brokerage

**Figure 13: U.S. Natural Gas Electric Power Price (USD/k ft$^3$)**

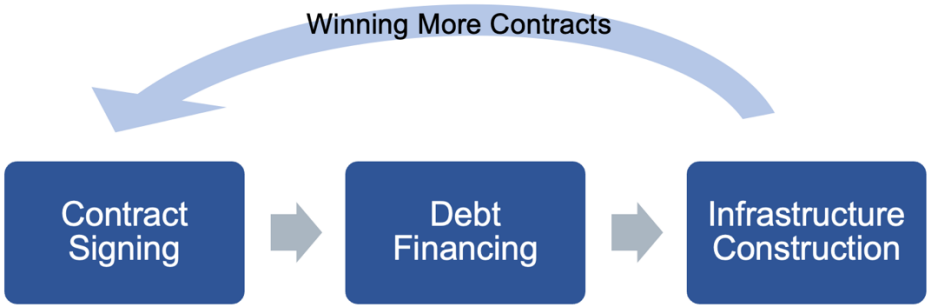



Sources: EIA, GF Securities (Hong Kong) Brokerage

### Long-Term Take-or-Pay Contracts: Anchor Tenant Strategy

In the capital-intensive NeoCloud industry, securing large-scale, long-term "anchor tenant" agreements is a foundational prerequisite for validating business models, securing capital, and scaling operations. CoreWeave has cemented its market leadership by securing landmark, large-scale long-term contracts with AI hyperscalers. The strategic value of these "anchor agreements" is multifaceted: 1) they serve as the ultimate market endorsement of a company's technological capabilities and operational excellence, validating its ability to deliver high-performance, reliable AI infrastructure at scale; 2) they effectively lock in long-term demand, providing investors with clear visibility into medium- to long-term revenue trajectories and mitigating growth uncertainty; 3) they underpin a debt-driven growth model—long-term agreements with highly creditworthy tech giants provide robust liquidity support, enabling NeoCloud players to access large-scale debt financing. This debt leverage enables infrastructure expansion at a rate that would be unachievable through equity financing alone, accelerating market penetration and reinforcing scale advantages that are difficult for competitors to replicate.

**Figure 14: The importance of "anchor agreements"**



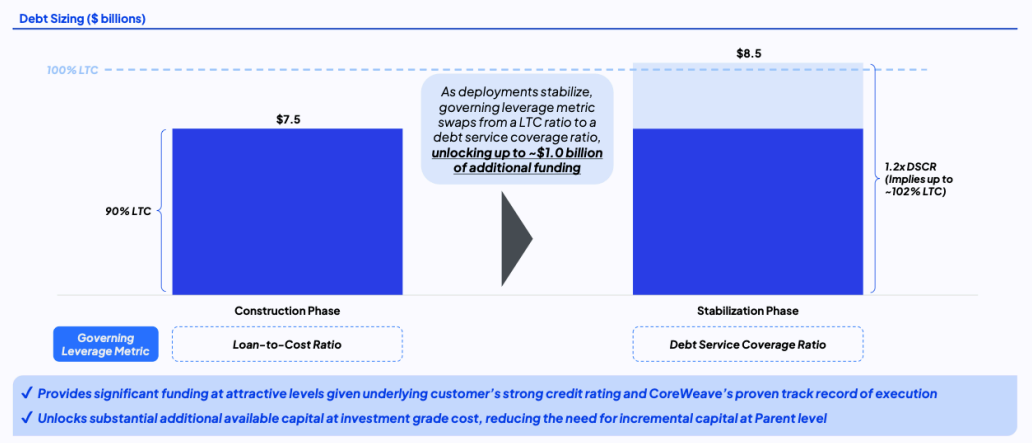

Sources: GF Securities (Hong Kong) Brokerage

### The Sustainability of Asset-Backed Debt Model

CoreWeave have secured billions of dollars in debt financing by using their GPU clusters as collateral, underscoring that high-end GPUs are no longer merely seen as technological products, but rather as a stable, revenue-generating asset, similar to real estate, securitizable and leveragable. For NeoCloud companies, its ability to repay its debt depends on whether its contracted revenue can consistently cover debt costs; its profitability depends on whether contracted revenue can cover capital costs and operating costs. Under this model, a potential risk could be that technological iteration may devalue NeoCloud's GPU holdings as assets.

This March, CoreWeave announced it has successfully closed its first investment-grade rated GPU-backed financing of an $8.5bn DDTL (delayed draw term loan) 4.0 facility which matures in March 2032. The DDTL 4.0 Facility received ratings of A3 by Moody's and A (low) by DBRS, features non-recourse structure, includes a floating rate tranche financed at SOFR + 2.25% and a fixed rate tranche financed at approximately 5.9% (v.s. SOFR + 9.62% for DDTL 1.0 and SOFR + 4.25% for DDTL 2.0 and SOFR +4% for DDTL 3.0).

**Figure 15: CoreWeave's DDTL4.0**




| | Change | Impact to CoreWeave | Commentary |
|---|---|---|---|
| Cost of Debt | *S + 225 bps / 5.9%*[1] | | ▪ Additional 175 bps reduction in cost of capital vs. DDTL 3.0 and ~750 bps decrease vs. inaugural DDTL 1.0 |
| Parent-Level Debt | *Unchanged* | | ▪ Parent-level debt is unimpacted given lack of full recourse parent guaranty |
| Total Debt | *+$8.5 billion* | | ▪ Increase to consolidated debt, in-line with previous DDTLs |
| Additional Capital Available to CoreWeave at Stabilization | *+$1.0 billion* | | ▪ Unlocks significant additional capital at investment grade cost, reducing ParentCo's need for financing |
| Annualized EBITDA | *Increases* | | ▪ Growth in EBITDA while reducing Parent level leverage as deployments stabilize |
| Levered Free Cash Flow | *Increases* | | ▪ Continues to build on strong foundation of contracted levered free cash flow |

Sources: CoreWeave, GF Securities (Hong Kong) Brokerage

## CoreWeave: NeoCloud Leader

Under tight computing power supply and soaring GPU prices, CRWV announced a series of significant customer partnership agreements in the first quarter of 2026, including a $21 billion expanded agreement with Meta, a $6 billion deal with Jane Street (its first major non-CSP/AI giant major customer), and a partnership with Anthropic. We believe the continued upbeat sentiment among CoreWeave's clients indicates that rising compute cost have not diminished their willingness to expand AI infrastructure. More importantly, clients remain confident on CoreWeave's ability to 1) obtain NVIDIA's top-tier GPUs; 2) deploy large-scale of GPUs clusters with high performance and cost efficiency.

CoreWeave maintains leading advantages over its key NeoCloud rivals -- Nebius, Crusoe, and others in the following aspects: 1) secure the exclusive priority supply right of NVIDIA's top-tier GPUs (the first cloud platform to reach NVIDIA's exemplar cloud status for GB200, and the first to bring NVIDIA's new Rubin GPU platform to market in 2H26); 2) the large-scale deployment of GPUs and extreme infrastructure optimization, forming an insurmountable scale effect and performance barrier; 3) the mature Take-or-Pay long-term contract model which brings stable pricing; 4) reduced cost-of-capital backed by strong DDTLs.

**Figure 16: CoreWeave vs Competitors**

| | CoreWeave | Nebius | Crusoe | Together.ai |
|---|---|---|---|---|
| Core Advantage | Scale effect, leading construction speed, extreme cluster optimization | Full AI ability with AI Cloud and Token Factory | Energy-first approach, Broad enterprise cloud service | Open-source AI platform, diversity of model selection |
| Key Customers | AI giants, CSPs, large enterprises | Large enterprises and startups | ESG-focused enterprises, mid-sized AI companies | Developers and AI-native startups |
| Customer concentration | High | Mid | Low | Low |
| Go-to-market strategy | Focus on billion-dollar deals with tech giants to get high backlogs and high revenue visibility | Billion-dollar deals + diversify customers (different end markets) | Engage in large infra projects (such as "Stargate") + target AI startups | Attract customer by massive open-source models, more product-oriented |
| Business Model | Long-term Take-or-Pay rental (3-7 years) + value-added services, stable pricing | Short-to-medium term rental (1-3 years) + pay-as-you-go | Long-term rental + carbon-neutral service premium | Short-to-medium + pay-as-you-go |

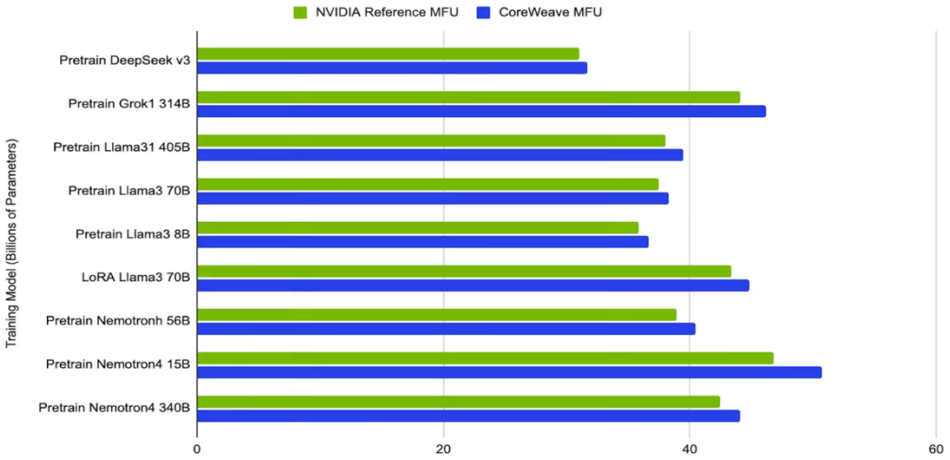
Sources: GF Securities (Hong Kong) Brokerage

### CoreWeave's Ongoing "Efficiency Gap" Compared to Alternatives

CoreWeave achieves a 20% higher performance than public foundation model training benchmarks shown by its 50+% Model FLOPS Utilization (MFU), vs. 35%-45% for alternative solutions. The complexity of managing AI infrastructure means that a majority of the compute capacity in GPUs can be lost to system inefficiencies. Bridging the efficiency gap between the typical 35–45% of MFU and the theoretical 100% presents a major opportunity to unlock the full potential of AI infrastructure. Closing this gap can significantly enhance performance, improve model quality, accelerate development timelines. The reduction of overall AI model costs is significant under current computing power scarcity.

CoreWeave's GPU performance has exceeded Nvidia's reference target performance has become the first cloud provider in the world to be named an Nvidia Exemplar Cloud for training workloads running on Nvidia H100 and GB200 NVL72. In figure 18, CoreWeave achieved better H100 MFU performance than two benchmark with the same parallelism hyperparameters. For the comparison between CoreWeave and Nvidia's reference target, CoreWeave also achieved better performance across different models on GB200 NVL72: 1.9%/4.7%/3.8%/2.4% higher MFU than Nvidia reference target on DeepSeek v3 (BF16)/ Grok-1 314B (BF16)/ Llama 3.1 405B (FP8)/ Llama 3 70B (FP8).

**Figure 17: CoreWeave's MFU performance vs Nvidia reference target on GB200 NVL72**




Sources: CoreWeave, GF Securities (Hong Kong) Brokerage

**Figure 18: CoreWeave's MFU vs Benchmark**

| Benchmark Run | Benchmark MFU | CoreWeave Run | CoreWeave MFU | Difference |
|---|---|---|---|---|
| **Aleph Alpha/ Hasso Platner Institue**:<br>30B Llama model<br>8K tokens<br>128 A100 GPUs | 40.43% | 30B Llama model<br>8K tokens<br>128 H100 GPUs* | 51.90% | 28% improvement |
| **MosaicML/ Databricks**:<br>30B MPT model<br>2K tokens<br>128 H100 GPUs | 41.85% | 30B MPT model<br>2K tokens<br>128 H100 GPUs | 49.20% | 18% improvement |

*Comparable even with different GPU types, as MFU is not an absolute score but a percentage of the accelerators' theoretical FLOPs

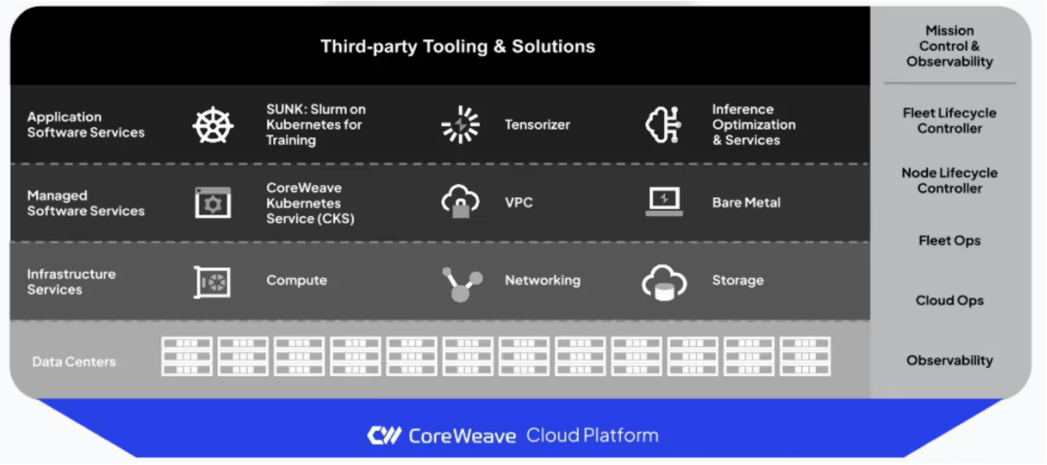
Sources: CoreWeave, GF Securities (Hong Kong) Brokerage

### Software Stack Along with Bare-Metal to Provide Better Performance

CoreWeave leverages a unified stack with performance optimizations across every layer from metal to model, maximizing performance, resiliency, and efficiency with deep integration between hardware and software. CoreWeave Cloud Platform's advanced cluster validation, health monitoring, proactive node replacement, and deep observability mean the workloads can consistently run on healthy infrastructure, significantly reducing the likelihood of disruptions. By minimizing interruptions, it can achieve a goodput rate of 96%, maintaining consistently high MFU throughout training.

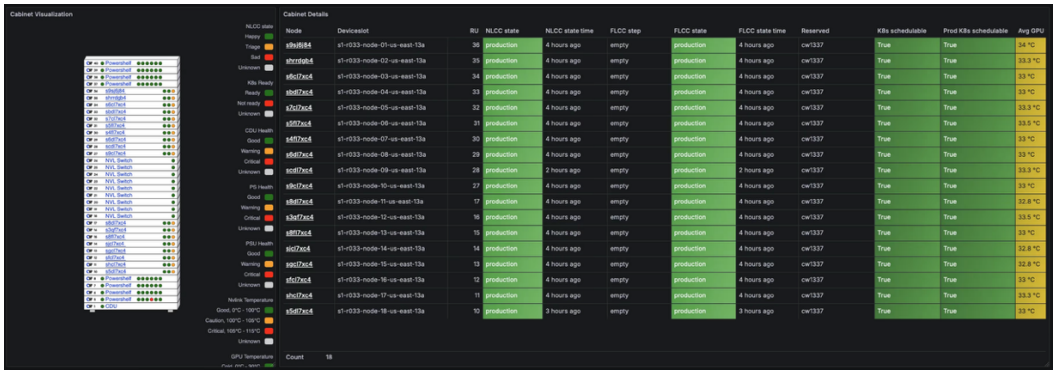
- **CoreWeave Kubernetes Service (CKS)** provides the base runtime environment and is fully integrated with CoreWeave Mission Control to minimize overhead and maximize compute performance.
- **CoreWeave Slurm on Kubernetes (SUNK)** enables topology aware scheduling, which optimizes performance and utilization for large-scale training clusters. Based on a battle-tested Slurm distribution scaled to handle tens of thousands of nodes and hundreds of thousands of concurrent jobs.
- **CoreWeave Cabinet Visualizer** monitors the health of our full rack systems. The dashboard allows customers to timely see their infrastructure and managed service health and performance, such as Infiniband bandwidth, GPU temperature, power consumption, and real-time alerts, so that customers can troubleshoot and resolve issues faster and maximize the performance of their workloads.
- **CoreWeave Mission Control** provides infrastructure level monitoring, and Weights & Biases for job level monitoring.
- **CoreWeave GPU Straggler Detection** provides real-time collective metrics, including Bus Bandwidth, and automatically detects any hardware lockups and pinpoints the root cause.

**Figure 19: CoreWeave's Layered Architecture Stack**




Sources: CoreWeave, GF Securities (Hong Kong) Brokerage

**Figure 20: CoreWeave's Cabinet Visualizer dashboard**




Sources: CoreWeave, GF Securities (Hong Kong) Brokerage

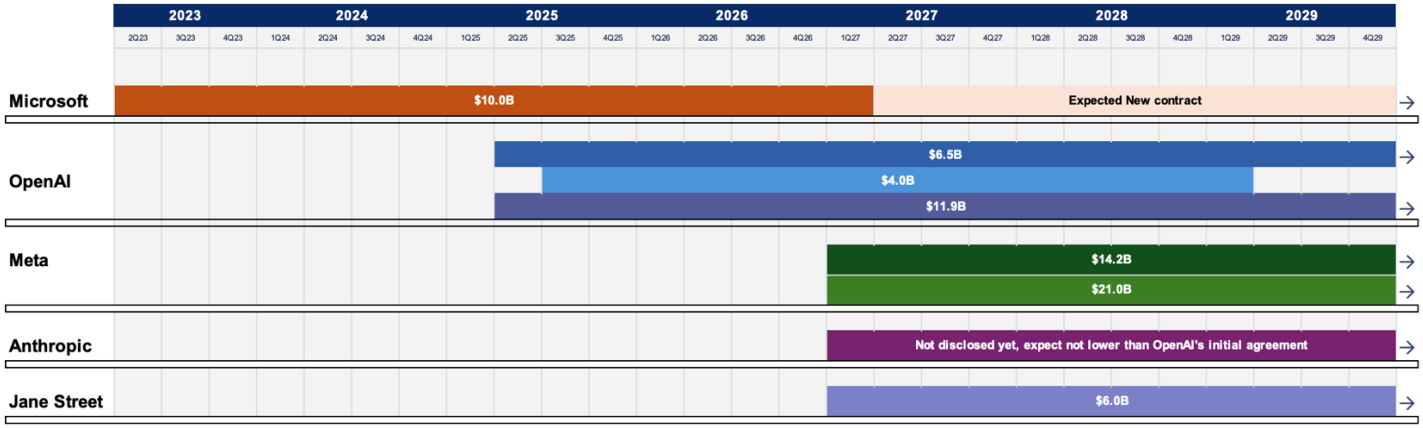
**Figure 21: CoreWeave's Mission Control dashboard**


Sources: CoreWeave, GF Securities (Hong Kong) Brokerage

### Recent New Contracts Diminishing the Risk of Customer Dependence

In 2024, Microsoft was CoreWeave's largest customer, accounting for 67% of its revenue; in the latest Q1 2026 financial report, Microsoft and OpenAI accounted for 45% and 20% of total revenue, respectively, raising concerns about CoreWeave's customer concentration. However, CoreWeave recently announced new contracts with Meta, Anthropic, and Jane Street, significantly reducing this risk. According to our forecasts, by 4Q27, Microsoft and OpenAI will only account for 16%/17% of total revenue, while Meta, Anthropic, and Jane Street will account for 9%/6%/4%, respectively. By 4Q28 (under the current contract conditions), Meta will become CoreWeave's largest customer, accounting for 16% of revenue, while Microsoft, OpenAI, Anthropic, and Jane Street will account for 11%/11%/4%/3%, respectively, significantly reducing reliance on a single major customer.

**Figure 22: CoreWeave's Major Contracts**

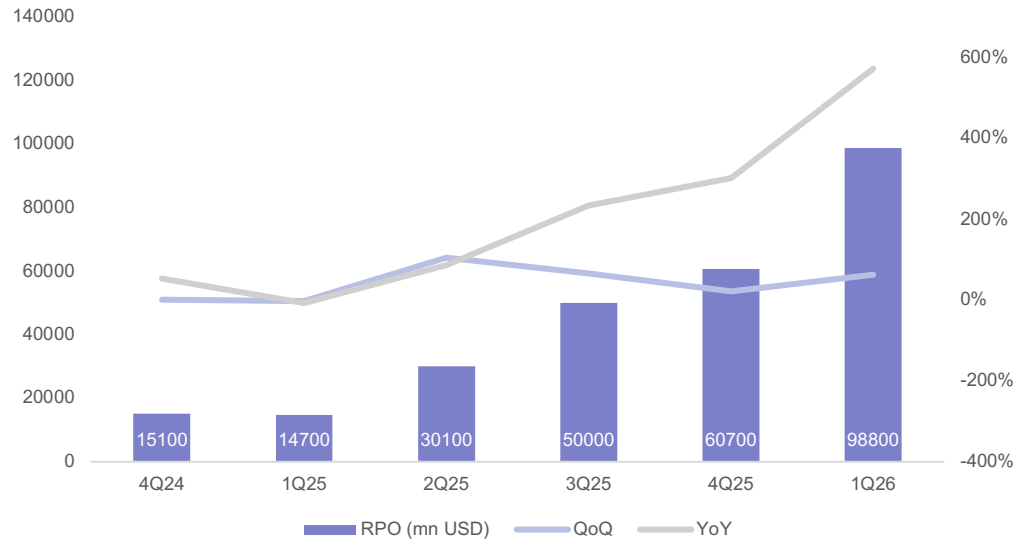



Sources: GF Securities (Hong Kong) Brokerage

### Strong RPO Backed up by LTAs

In April, Meta announced an expansion agreement of $21bn on top of its $14.2bn initial agreement from last year. This contract, valid until 2032, will grant Meta the initial deployment rights to NVIDIA's next-generation Vera Rubin chips. As CoreWeave CEO Michael Intrator previously stated, “Despite Meta's massive internal investments in data centers, …continues to rely on CoreWeave for AI computing power due to the superior quality and specialization of CoreWeave's infrastructure." Following this, CoreWeave wined another LTA with Anthropic. Although specific contract amount was not disclosed, we expect it to be no less than the initial agreement CoreWeave signed with OpenAI in March 2025. CoreWeave will provide Anthropic with massive computing capacity to support the development and deployment of its Claude series models. In the same month, Jane Street also announced a $7bn agreement with CoreWeave, marking CoreWeave's first non-AI-giants LTA customer and signifying its customer expansion into different industries. These three large orders directly lift CoreWeave's RPO to a record $98.8 billion in 1Q26, +63% QoQ and +572% YoY.

**Figure 23: CoreWeave’s RPO**



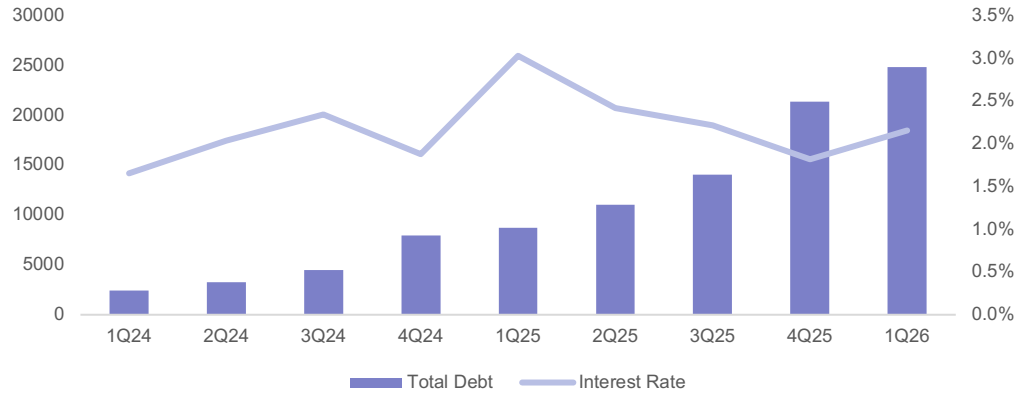

Sources: GF Securities (Hong Kong) Brokerage

## Debt Might Be the Only Concern

To achieve a $98.8 billion RPO, CoreWeave will have to pay an extremely heavy financial price. Looking at the 1Q26 financial report, although quarterly revenue more than doubled YoY to $2.1bn, and adjusted EBITDA reached $117mn, but adjusted net loss was $589 million (vs. $150 million in 1Q25). The culprit behind the compressed profitability is its continuously increasing Capex. To accelerate the construction of data centers and the procurement of chips, CoreWeave burned $1.12bn in 2025 and announced that Capex will further double to $30-35bn in 2026. Compared to Microsoft and Amazon's tens of billions of dollars in cash reserves, CoreWeave only had about $2.3 billion in cash on hand in Q1 2026, and it consistently had negative free cash flow. The company's solution to this problem is to fill the gap through debt.

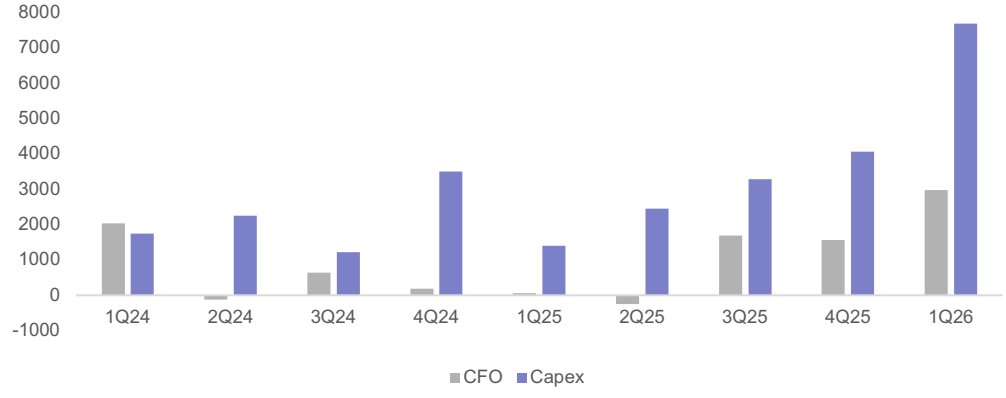
Currently, the company's total liabilities have reached $24.9 billion. Recently, the company successfully obtained DDTL 4.0 with an interest rate of ~5.9%, further reducing its finance costs. The company has consistently maintained positive adjusted EBIT, but after deducting interest costs, it enters a loss-making state. If the company can: 1) continuously reduce debt costs; 2) maintain contract revenue growth; and 3) reduce operating and other costs, it can improve its profitability. The company's breakeven point will occur when its EBIT is sufficient to cover interest payments.

**Figure 24: CoreWeave's Debt & Interest Rate (mn USD)**




Sources: GF Securities (Hong Kong) Brokerage

**Figure 25: CoreWeave's Cash Flow from Operations & Capex (mn USD)**




Sources: GF Securities (Hong Kong) Brokerage

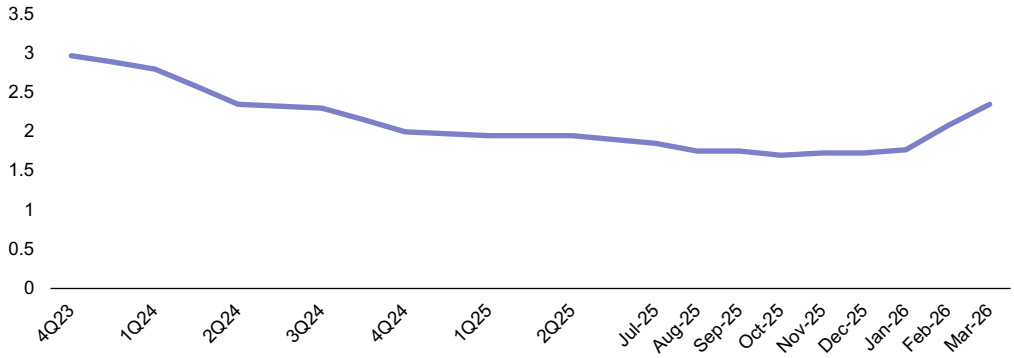
## Rising GPU Rental Price Will Benefit CoreWeave's New Contracts

During the first week of May, total global token usage on OpenRouter platform reached 21.9 trillion, +1176% YoY. Under this tremendous growth in token usage, users have experienced significant 1) service limitations: some Anthropic's Claude users hit their 5-hour usage limits in just 20 minutes; OpenAI has begun shuttering Sora, as the number of developers using its coding assistant Codex has surged to four million per week. 2) API price increase for high-end models: newly launched GPT-5.5 has seen a ~2x price increase over GPT-5.4, leading to estimated cost increases of 49-92% for users.

Due to the shortage in computing power, H100 rental price has risen ~36% in 1Q26 (see figure 26), and B200's rental price has risen 23.5% just in March. The price ratio of B200 to H100 rebounded from the initial 2.63 when B200 first lunched to 2.07 in March, suggesting that the shortage of computing price has led to an increase in the rental price of even older generation GPUs.

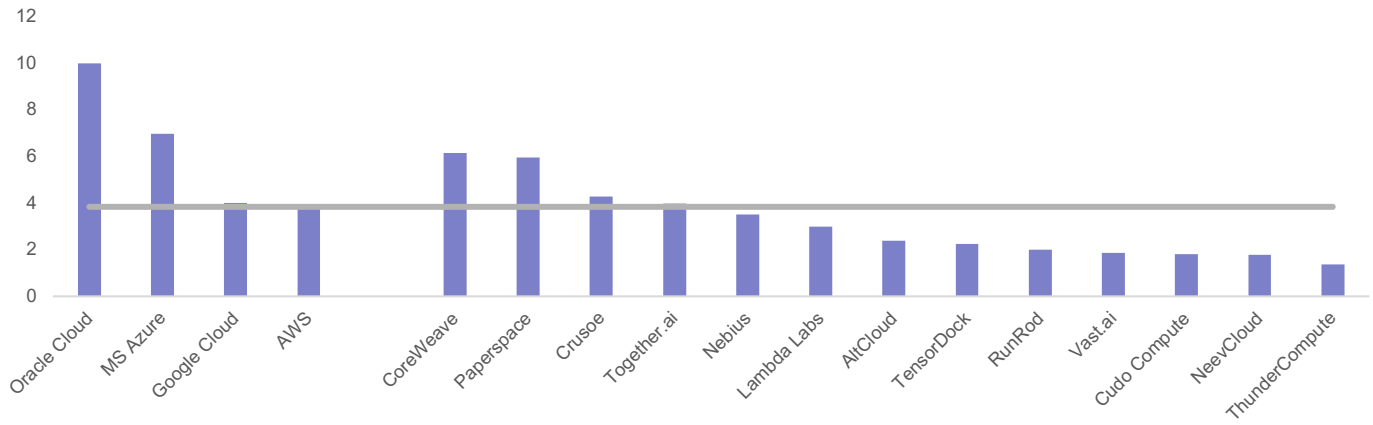
Benefiting from rising GPU rental prices, we expect pricing for newly-signed contracts in 2026 to be markedly higher than those inked in 2025 and prior years. Contracts secured in 2026 account for 40% of the company's total current RPO. As these new deals start generating monthly payments from 1Q27 onwards, we forecast CoreWeave's blended ASP will rise by 20%. Upon the expiry of existing contracts with major clients, the completed data center capacity can be re-contracted under new multi-year agreements or switched to on-demand consumption models, which will drive another round of price hikes.

**Figure 26: 1-year Contract Term Average Rental Price (USD per hour per GPU)**




Sources: SemiAnalysis, GF Securities (Hong Kong) Brokerage

**Figure 27: H100 80GB Rental On-Demand Price Comparison, May 2026 (USD per GPU per hour)**




Sources: Company data, GF Securities (Hong Kong) Brokerage

## Pace to Profit-making

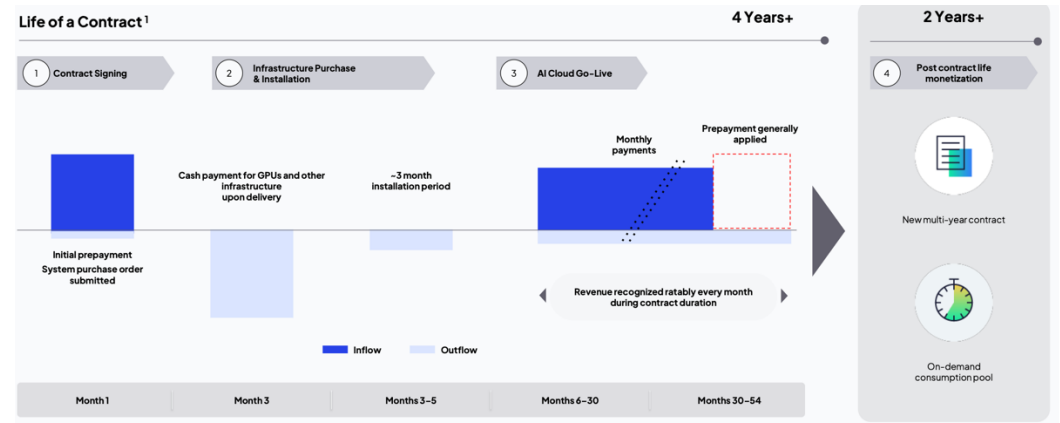
When entering into large-scale 3–7 year contracts, CoreWeave pre-factors and incorporates three key cost components into its pricing model: 1)the full procurement cost of GPUs; 2) total interest expenses on borrowings raised to fund these GPU purchases over the contract term; 3) infrastructure costs including data center construction, power, cooling and maintenance.

In essence, customers commit to long-term contract payments that are sufficient for CoreWeave to fully recoup its costs and generate profits over the core economic lifespan of the GPUs. Through this mechanism, even if the GPUs suffer substantial market value depreciation or are outdated by new technologies upon the expiry of the contract, CoreWeave is able to lock in predetermined profits from the transaction.

We believe most of CoreWeave's major contracts are currently at one of the following phases: Phase 1 of "Contract Signing", Phase 2 of "Infrastructure Purchase & Installation", or the early Phase 3 of "AI Cloud Go-Live". As a result, a large portion of the company's current outlays are cash payments for GPUs and other infrastructure upon delivery.

Under its business model, an individual contract only starts to generate profit in the late stage of Phase 3 (Microsoft in 2H26) or Phase 4 (Microsoft in 2H27). Theoretically, profitability will improve materially once the majority of contracts, or a meaningful number of contracts, progress to this profit-generating stage.

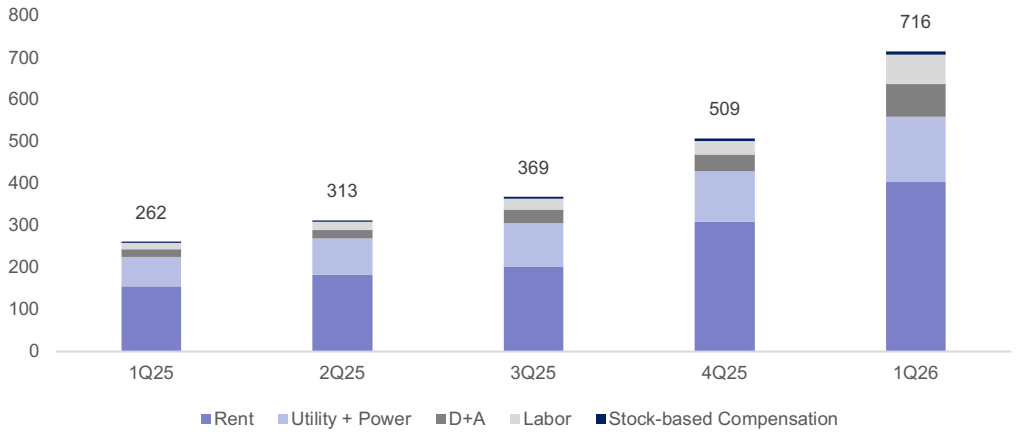
**Figure 28: CoreWeave's Business Model**




Sources: CoreWeave, GF Securities (Hong Kong) Brokerage

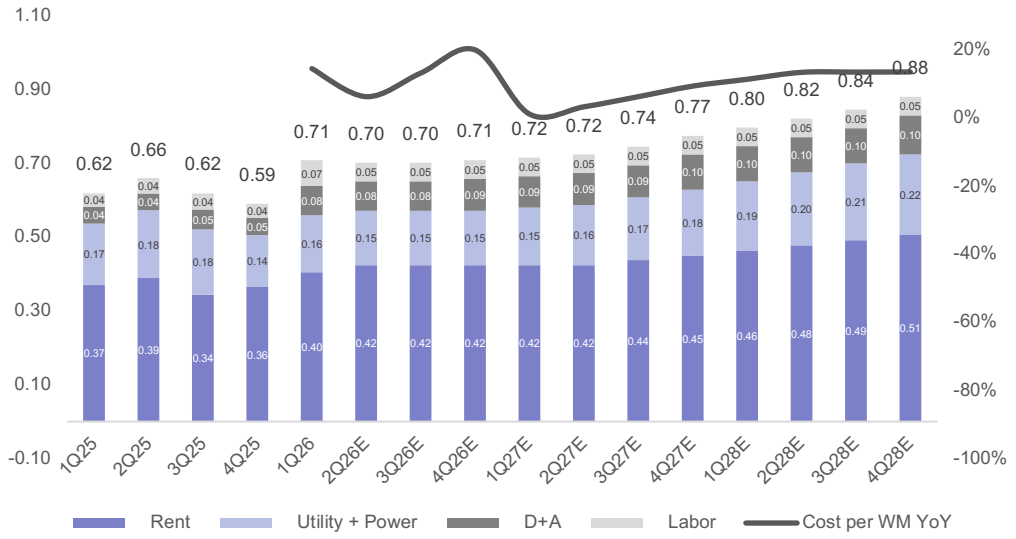
In 1Q26, rent and utility costs accounted for 57% and 22% of CoreWeave's cost of revenue, respectively, with the remaining costs—depreciation and amortization for power installation and distribution systems, labor, and stock-based compensation—each below 10%. Based on our forecasts of power shortages in the US and data center land rent prices, we predict that rent and utility costs per WM will continue to rise. We project rent per WM to reach $0.42/$0.45 by end-26/end-27, and utility & power costs per WM to reach $0.15/$0.18, bringing the cost of revenue for 4Q26/4Q27 to $0.71/$0.71, representing YoY increases of 20%/9%, respectively.

**Figure 29: CoreWeave's Cost of Revenue Analysis (mn USD)**



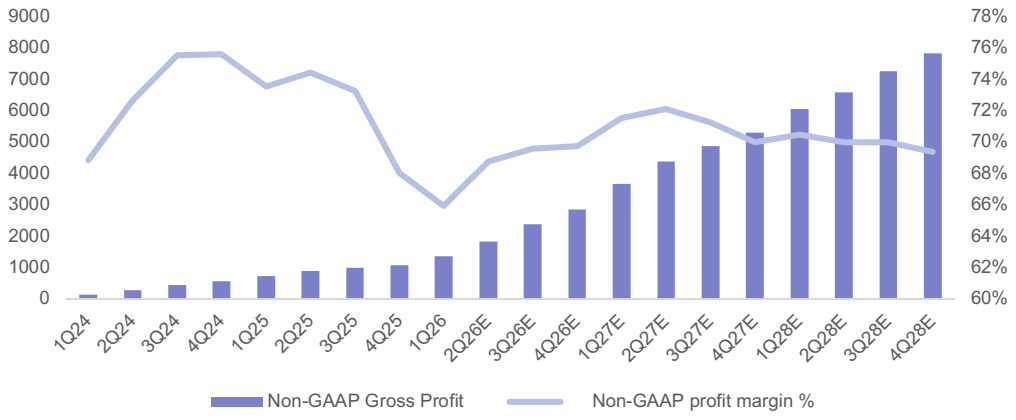

Sources: GF Securities (Hong Kong) Brokerage

**Figure 30: CoreWeave's Cost of Revenue per MW (USD)**




Sources: GF Securities (Hong Kong) Brokerage

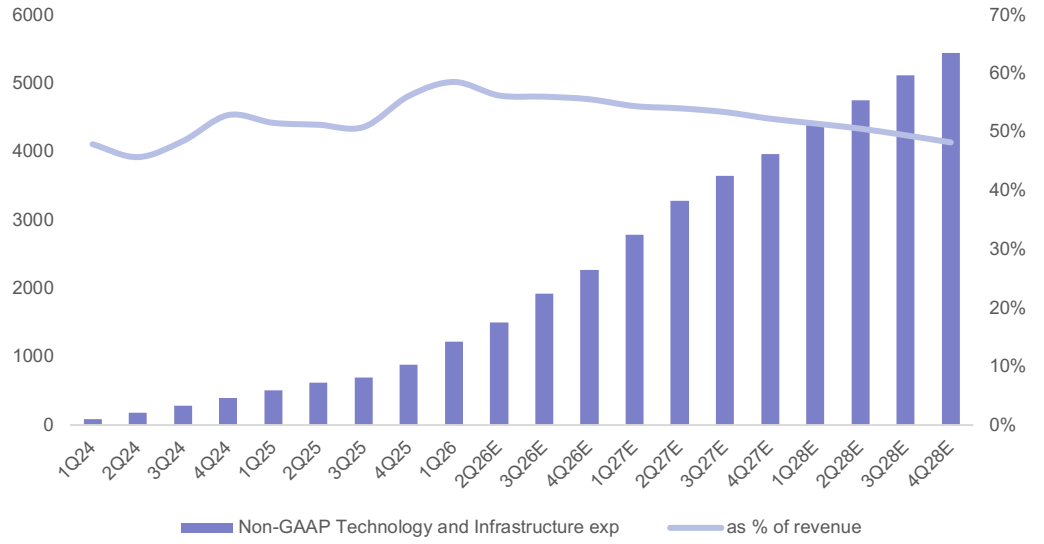
**Figure 31: CoreWeave's Non-GAAP GP (mn USD)**




Sources: GF Securities (Hong Kong) Brokerage

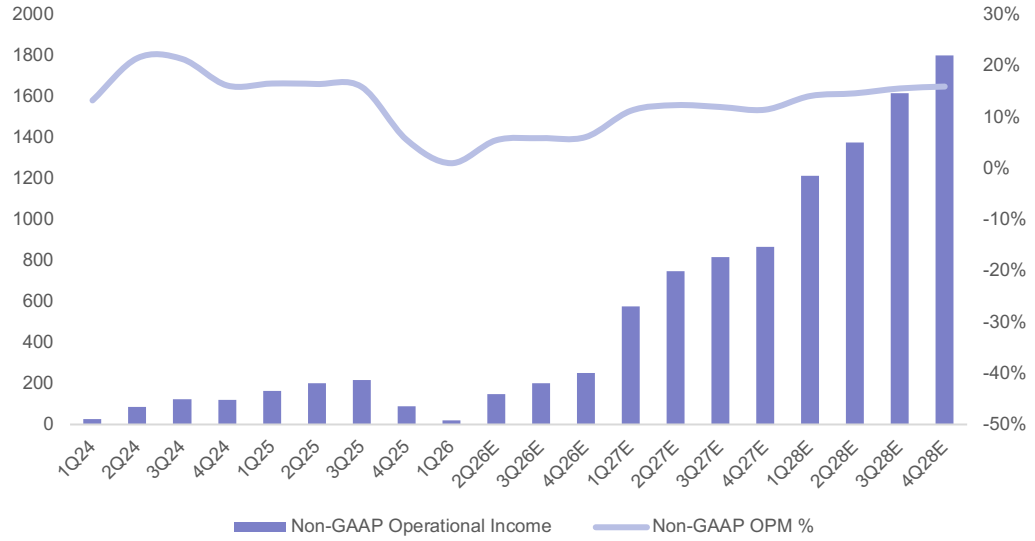
In 1Q26, technology and infrastructure cost (adjusted) accounted for 90%/59% of CoreWeave's adjusted OPEX and revenue. Adjusted technology and infrastructure expense consists of 1) depreciation and amortization related to servers, switches, networking equipment and internally developed software, 2) research & development cost, 3) other related expenses. We expect as the company achieve economies of scale and operational efficiencies. We expect the Company to boost operational efficiency and capture greater economies of scale going forward. Nevertheless, due to its sustained investment in hardware, the Company's T&I expense as a percentage of revenue will decline, though the drop will not be very significant. We project that the Company's adjusted T&I expense will account for 56% and 52% of total revenue in 4Q26 and 4Q27 respectively. Based on our projections for T&I expense, we expect Coreweave's Non-GAAP operating profit to deliver sustained improvement, rising from 1% in 1Q26 to 6% in 4Q26 and 11% in 4Q27. As discussed earlier, the company's profitability hinges on whether its operating profit can cover interest expenses. As the Company's OP grows to $1.6bn with a 16% OPM in 2Q28, it will reach its break-even point, turning from losses to a net profit of $174mn.

**Figure 32: CoreWeave's Non-GAAP T&I Expense (mn USD)**



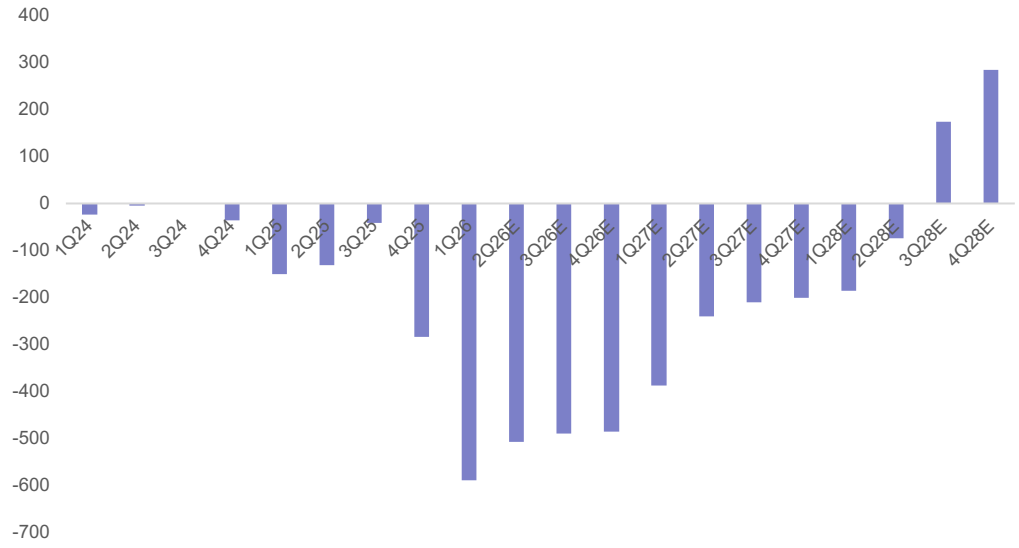

Sources: GF Securities (Hong Kong) Brokerage

**Figure 33: CoreWeave's Non-GAAP OP (mn USD)**




Sources: GF Securities (Hong Kong) Brokerage

**Figure 34: CoreWeave's Non-GAAP Net Income (mn USD)**




Sources: GF Securities (Hong Kong) Brokerage

### Nvidia Both an Investor and a Supplier

Due to considerations of sales channels and production capacity, Nvidia has chosen to back NeoCloud players, namely CoreWeave and Nebius. NeoCloud providers excel at delivering GPU clusters within 3–6 months. This enables NVIDIA to: 1) monetize GPU production capacity more rapidly and narrow the time lag between capacity expansion and revenue realization; 2) obtain timely feedback from frontline AI training and inference scenarios to refine and iterate on its next-generation products; 3) diversify reliance on large-scale CSPs and build out a strong, secondary sales channel. Through these partnerships, Nvidia extends its product advantages into sustained channel and financial advantages. We expect this ongoing support from Nvidia to continue, which empowers CoreWeave to consistently secure access to the latest GPU capacity, deploy asset-backed debt financing, and keep running its proven business model steadily.

**Figure 35: Nvidia & CoreWeave's Collaboration**

| Date announced | Content |
|---|---|
| Sep 2020 | CoreWeave join the Cloud Service Provider Program within the NVIDIA Partner Network (NPN) as a Preferred Partner |
| Jul 2021 | CoreWeave becomes Nvidia's first elite cloud services provider for compute |
| Dec 2024 | CoreWeave is one of the first major cloud providers to bring up an NVIDIA GB200 NVL72 cluster |
| Feb 2025 | CoreWeave is the first cloud provider to make NVIDIA GB200 NVL72-based instances generally available, setting a new benchmark for AI performance and scalability. |
| Mar 2025 | Nvidia anchors CoreWeave's initial public offering at $40 a share with a $250 million order |
| Jul 2025 | CoreWeave becomes the first AI cloud provider to offer NVIDIA GB300 NVL72 and RTX PRO 6000 Blackwell GPU at Scale |
| Sep 2025 | Announced $6.3B Capacity Deal, Nvidia will purchase any unused cloud capacity from CoreWeave through April 2032 |
| Jan 2025 | Nvidia invests $2B in CoreWeave to accelerate the 5GW buildout by 2030.<br>Test and validate CoreWeave's AI-native software and reference architecture (SUNK, CoreWeave Mission Control), and work towards including those offerings within NVIDIA's reference architectures for NVIDIA's cloud partners and enterprise customers.<br>Early adoption of NVIDIA computing architectures, including the Rubin platform, Vera CPUs and Bluefield storage systems. |

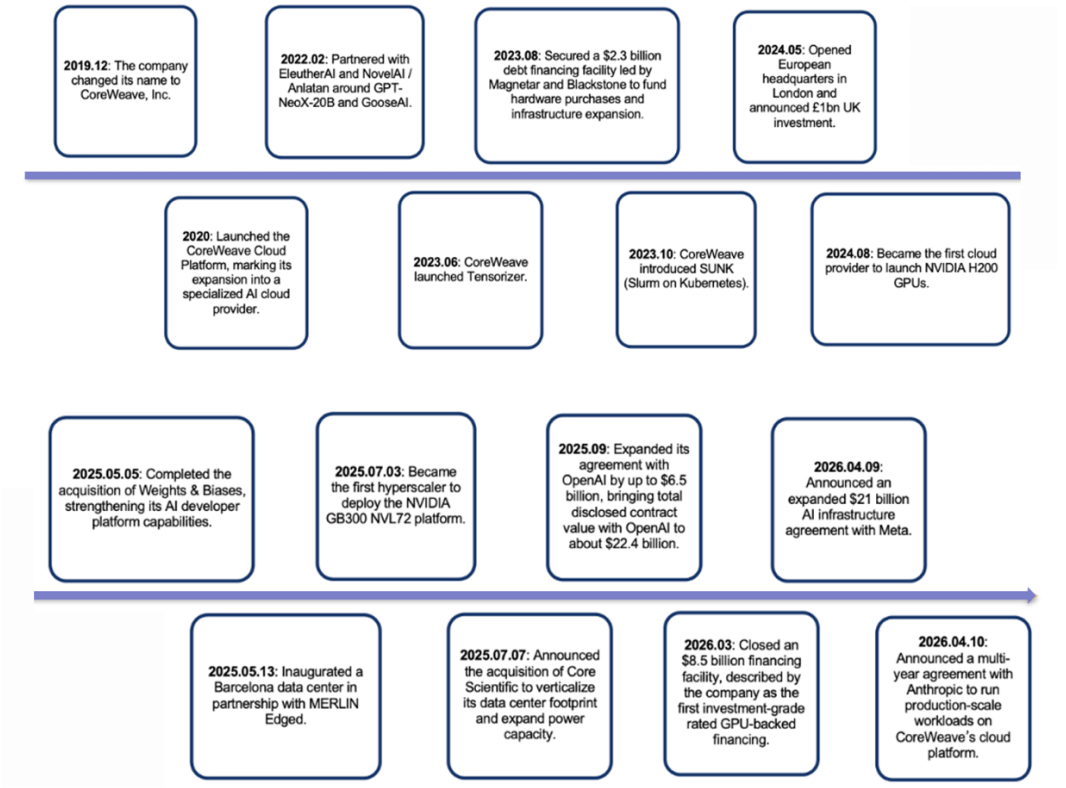
Sources: GF Securities (Hong Kong) Brokerage

## Company Overview

Founded in 2017, CoreWeave is a leading provider of NeoCloud, specializing in high-performance GPU compute, storage, networking, and orchestration solutions tailored to enterprises and research organizations with large-scale AI workloads. CoreWeave differentiates itself by its bare-metal GPU clusters, end-to-end AI model lifecycle management, including training, fine-tuning, deployment, and inference on its cloud platform.

CoreWeave transitioned to cloud infrastructure services from a cryptocurrency mining operation. Since this strategic pivot, the company has accelerated the expansion of its infrastructure footprint, establishing a network of large-scale, GPU-rich data centers across the United States and Europe.

**Figure 36: Company Development**




Sources: Company IR material, GF Securities (Hong Kong) Brokerage.

**Figure 37: CoreWeave's Infrastructure Pace**

| | 1Q24 | 2Q24 | 3Q24 | 4Q24 | 1Q25 | 2Q25 | 3Q25 | 4Q25 | 1Q26 |
|---|---|---|---|---|---|---|---|---|---|
| Total Active Power (MW) | 116 | 227 | 322 | 360 | 420 | 470 | 590 | 850 | 1000 |
| *YoY %* | | | | | *261%* | *107%* | *83%* | *136%* | *138%* |
| New CaPex (ex. CIP) | 1250 | 1617 | 1843 | 1950 | 1858 | 2938 | 1850 | 8241 | 6787 |
| *YoY %* | | | | | *49%* | *82%* | *0%* | *323%* | *265%* |
| Number of Data Center Owned | Undisclosed | Undisclosed | Undisclosed | 32 | 33 | 33 | 41 | 43 | 49 |

Sources: GF Securities (Hong Kong) Brokerage

## Earnings Review

### 1Q26 results review

CoreWeave reported 1Q26 revenue of $2.08bn, +32% QoQ and +112% YoY. Non-GAAP gross profit was $1.37bn, Non-GAAP GPM at 65.9%, -3.1ppt QoQ and -8.5ppt YoY. The decline in GPM was mainly due to the increase in rent, utility, and D&A cost. Non-GAAP EBIT came in at $21mn, EBIT margin at 1.0%, -4.6ppt QoQ and -15.6ppt YoY, mainly due to increasing Technology and Infrastructure cost. The company posted a Non-GAAP net loss of $589mn, +107% QoQ and +294% YoY, due to higher interest cost.

### We forecast revenue of $12/26/40bn USD in 2026/2027/2028

We expect CoreWeave's revenue for 2026, 2027, and 2028 to be 12.3bn, 25.6bn, and 39.6bn USD, representing YoY growth of 139.1%, 108.6% and 54.8%, respectively; Non-GAAP gross profit is forecasted at 8.4bn, 18.2bn, 27.7bn, GPM at 68.8%, 71.1%, and 69.9%; Non-GAAP net income is expected to be -2.1bn, -1.0bn, and 198mn.

**Figure 38: CoreWeave's P&L**

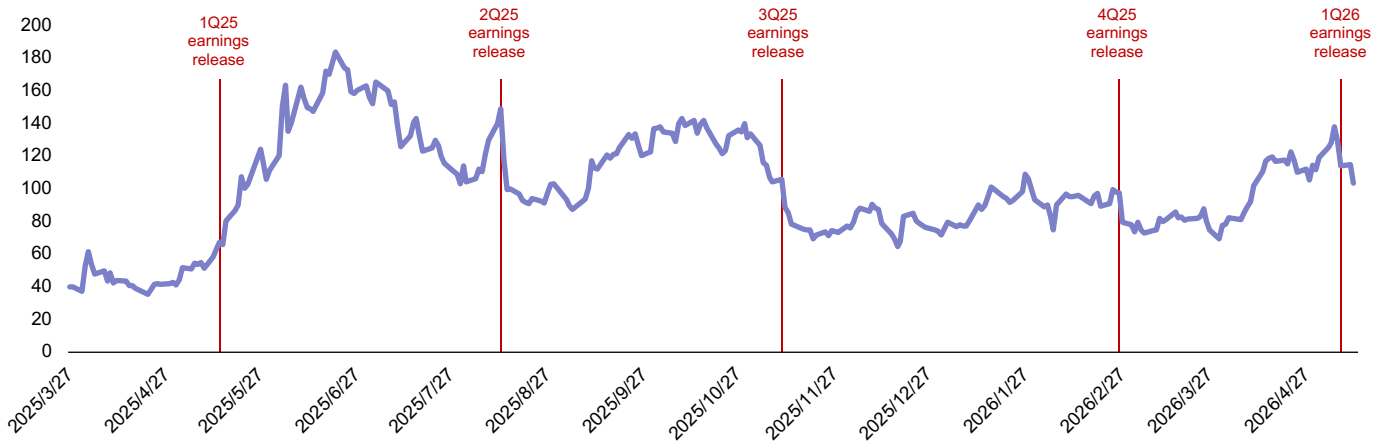
| (USD m) | FY25 | 1Q26 | 2Q26 | 3Q26E | 4Q26E | FY26E | 1Q27E | 2Q27E | 3Q27E | 4Q27E | FY27E |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Sales | **5,131** | 2,078 | 2,669 | 3,436 | 4,083 | **12,266** | 5,122 | 6,063 | 6,824 | 7,573 | **25,582** |
| COGS | **-1,438** | -708 | -834 | -1,045 | -1,235 | **-3,822** | -1,459 | -1,692 | -1,962 | -2,275 | **-7,388** |
| Gross profit | **3,693** | 1,370 | 1,836 | 2,391 | 2,848 | **8,445** | 3,663 | 4,371 | 4,862 | 5,298 | **18,194** |
| Opex | **-3,641** | -1,349 | 1,689 | 2,188 | 2,598 | **5,126** | 3,087 | 3,623 | 4,044 | 4,430 | **15,184** |
| Operating profit | **668** | 21 | 147 | 203 | 250 | **621** | 576 | 748 | 818 | 868 | **3,010** |
| Non-op profit | **-1,170** | -512 | -577 | -622 | -672 | **-2,383** | -901 | -939 | -978 | -1,020 | **-3,838** |
| Pre-tax profit | **-502** | -491 | -430 | -419 | -421 | **-1,762** | -325 | -190 | -161 | -152 | **-828** |
| Income tax | **-83** | -98 | -77 | -70 | -64 | **-308** | -62 | -49 | -49 | -49 | **-209** |
| Non-GAAP Net Income | **-606** | -589 | -507 | -489 | -485 | **-2,070** | -387 | -240 | -210 | -201 | **-1,037** |
| Diluted EPS (US$) | **-2** | -1.12 | -0.96 | -0.93 | -0.92 | **-4** | -0.73 | -0.45 | -0.40 | -0.38 | **-2** |
| Diluted shares | 506 | 527 | 527 | 527 | 527 | 527 | 527 | 527 | 527 | 527 | 527 |
| **Margin analysis** | | | | | | | | | | | |
| Gross margin | **72%** | 66% | 69% | 70% | 70% | **69%** | 72% | 72% | 71% | 70% | **71%** |
| Operating margin | **13%** | 1% | 5% | 6% | 6% | **5%** | 11% | 12% | 12% | 11% | **12%** |
| Pre-tax margin | **-10%** | -24% | -16% | -12% | -10% | **-14%** | -6% | -3% | -2% | -2% | **-3%** |
| Effective tax rate | **-17%** | -20% | -18% | -17% | -15% | **-17%** | -19% | -26% | -30% | -32% | **-25%** |
| **Growth (YoY%)** | | | | | | | | | | | |
| Sales | **168%** | **112%** | **120%** | **152%** | **160%** | **139%** | **0%** | **192%** | **156%** | **120%** | **109%** |
| Operating profit | **88%** | **-87%** | **-27%** | **-7%** | **184%** | **-7%** | **-14%** | **3464%** | **458%** | **328%** | **385%** |
| Net income | **837%** | **294%** | **287%** | **1093%** | **71%** | **242%** | **-36%** | **-59%** | **-59%** | **-59%** | **-50%** |
| EPS | **427%** | **86%** | **258%** | **1027%** | **64%** | **160%** | **-51%** | **-59%** | **-59%** | **-59%** | **-50%** |

## Valuation and Recommendation

Excluding 1Q25, CoreWeave's stock price has consistently trended downward following all other earnings releases. Investors, after marveling at the company's strong RPO, are often feared by its high interest expenses and debt. Following the latest earnings call, the company's stock dropped 9% in after-hours, primarily due to a sequential decline in gross margin and operating margin in 1Q26, as well as the company's 2Q26 revenue guidance ($2.45bn to $2.6bn), which came in below the previously market consensus of $2.69bn.

Despite facing significant near-term profit pressure, we remain optimistic about CoreWeave's business model. We believe that once the majority of the company's contracts, or a meaningful number of them, enter the profit-making phase, its profitability will improve significantly — sufficient to cover the interest expenses. Meanwhile, the company's recent DDTL 4.0 has proven to the market its ability to secure lower financing rates. Moreover, we expect CoreWeave's new contract to drive up its blended ASP by 20% as they ramp into monthly payment phases in 1Q27. We project that CoreWeave will reach its break-even point in 2028.

**Figure 39: CoreWeave's Historical Stock Price**




Sources: Bloomberg, GF Securities (Hong Kong) Brokerage

### Initiate with Buy with TP of $162

We are positive on 1) accelerating demand for AI buildouts; 2) RPO that largely underpin our 2026–2027 revenue forecasts; 3) declining debt financing costs; 4) profitability to inflect sharply as large contracts mature; 5) new LTAs benefiting from higher GPU rental pricing. Historically, CoreWeave's share price has been driven by large contract wins; we expect the next key catalyst to be the announcement of new signed agreements or further disclosure regarding the size of its contract with Anthropic. We forecast revenue of $12.3/25.6/39.6bn in 2026/2027/2028, with adjusted EBITDA reaching to $7.6/14.2/18.8bn. Our target price of $162 is based on 10x 2028E EV/EBITDA.

**Figure 40: Compare Table**

| Company | Market Cap (bn USD) | EBITDA (mn USD) | | | | 25-28 CAGR | Net Profit (Million USD) | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | 2025 | 2026 | 2027 | 2028 | | 2025 | 2026 | 2027 | 2028 |
| CoreWeave | 55458 | 3135 | 7349 | 15490 | 24571 | 96% | (578) | (1688) | (239) | 1834 |
| Nebius | 48703 | (60) | 1520 | 6657 | 12878 | -656% | (79) | (627) | (530) | 477 |
| Amazon | 2850742 | 167197 | 211656 | 266155 | 328551 | 26% | 95112 | 111997 | 126539 | 158465 |
| Google | 4688479 | 174183 | 229638 | 289532 | 361161 | 24% | 135738 | 176764 | 182870 | 217783 |
| Microsoft | 3127817 | 157814 | 198959 | 239289 | 295056 | 42% | 100164 | 127201 | 144077 | 170418 |
| Oracle | 541157 | 30137 | 36412 | 50161 | 72224 | 24% | 17158 | 21853 | 23821 | 32613 |

Sources: Bloomberg, GF Securities (Hong Kong) Brokerage

### Risks

1) AI demand deceleration; 2) Geo-political uncertainties; 3) Competition.

## Balance Sheet

USD mn

| | FY24 | FY25 | FY26E | FY27E | FY28E |
|---|---|---|---|---|---|
| **Current assets** | 5,609 | 5,609 | 5,691 | 9,034 | 12,713 |
| Cash and cash equivalents | 1,398 | 3,980 | 1,428 | 1,509 | 1,722 |
| Inventory | 0 | 0 | 0 | 0 | 0 |
| Accounts Receivable | 417 | 3,169 | 3,817 | 7,079 | 10,546 |
| Other current assets | 3,794 | (1,540) | 446 | 446 | 446 |
| **Non-current assets** | 15,917 | 41,814 | 84,017 | 163,291 | 313,450 |
| Long-term equity investment | 0 | 0 | 0 | 0 | 0 |
| Fixed assets | 11,915 | 30,557 | 58,135 | 95,675 | 127,061 |
| Other long-term assets | 721 | 1,506 | 1,734 | 1,734 | 1,734 |
| **Total assets** | 21,526 | 47,423 | 89,708 | 172,325 | 326,164 |
| **Current liabilities** | 4,963 | 16,440 | 17,421 | 22,371 | 28,483 |
| Accounts Payable | 868 | 1,623 | 5,881 | 10,831 | 16,460 |
| Short-term borrowings | 2,468 | 6,708 | 4,640 | 4,640 | 5,123 |
| Other current liabilities | 1,626 | 8,109 | 6,900 | 6,900 | 6,900 |
| **Non-current liabilities** | 11,562 | 29,527 | 52,039 | 87,046 | 114,535 |
| Long-term Debt | 5,458 | 14,665 | 36,355 | 71,362 | 98,851 |
| Other non-current liabilities | 6,104 | 14,862 | 15,684 | 15,684 | 15,684 |
| **Total liabilities** | 16,524 | 45,967 | 69,460 | 109,417 | 143,019 |
| **Total Equity** | 5,001 | 1,456 | 20,247 | 62,909 | 183,145 |
| Paid-in capital | 0 | 0 | 0 | 0 | 0 |
| Treasury stock | (34) | (34) | (34) | (34) | (34) |
| Retained earnings | (1,476) | (2,643) | (4,172) | (4,286) | (3,002) |
| Minority interests | 4,789 | 4,133 | 24,420 | 67,195 | 186,147 |
| **Total Liabilities & Equity** | 21,526 | 47,423 | 89,708 | 172,325 | 326,164 |

## Income Statement

USD mn

| | FY24 | FY25 | FY26E | FY27E | FY28E |
|---|---|---|---|---|---|
| **Revenue** | 1,915 | 5,131 | 12,266 | 25,582 | 39,611 |
| Cost of sales | (492) | (1,438) | (3,822) | (7,388) | (11,923) |
| **Gross profit** | 1,423 | 3,693 | 8,445 | 18,194 | 27,689 |
| Operating Expense | 1,097 | 3,641 | (5,126) | (15,184) | (21,681) |
| **Operating profit** | 2,520 | 7,334 | 3,319 | 3,010 | 6,007 |
| Interest Income | (361) | (1,229) | (2,479) | (3,934) | (5,850) |
| Interest Expense | 0 | 0 | 0 | 0 | 0 |
| Net other Non-op. Income/(Loss) | (708) | 60 | 96 | 96 | 96 |
| **Pre-tax profit** | 54 | (524) | (1,762) | (828) | 253 |
| Income tax | 119 | 83 | 308 | 209 | 56 |
| **Profit for the year** | (65) | (606) | (2,070) | (1,037) | 198 |
| Minority interest | 0 | 0 | 0 | 0 | 0 |
| **Net profit to ord. equity** | (65) | (606) | (2,070) | (1,037) | 198 |
| **EPS (US$)** | (4.30) | (2.81) | (3.93) | (1.97) | 0.37 |

## Cash Flow Statement

USD mn

| | FY24 | FY25 | FY26E | FY27E | FY28E |
|---|---|---|---|---|---|
| **Operating cash flow** | 2,750 | 3,058 | 9,296 | 13,039 | 16,006 |
| Profit for the year | (863) | (1,167) | (1,951) | (1,037) | 198 |
| Depreciation & amortization | 863 | 2,454 | 6,986 | 11,160 | 12,823 |
| Change in working capital | 114 | (2,495) | 1,158 | (189) | (118) |
| Others | 2,635 | 4,266 | 3,104 | 3,104 | 3,104 |
| **Investing cash flow** | (8,708) | (14,087) | (35,293) | (48,784) | (44,266) |
| Capex | (8,702) | (11,199) | (35,245) | (48,700) | (44,209) |
| Change in investment | 0 | 0 | 0 | 0 | 0 |
| Others | (6) | (2,888) | (48) | (84) | (56) |
| **Free cash flow** | (5,952) | (8,141) | (25,949) | (35,661) | (28,203) |
| **Financing cash flow** | 7,466 | 10,197 | 23,571 | 35,826 | 28,472 |
| Change in Capital | 4 | 87 | 2,677 | 923 | 1,087 |
| Net Change in Debt | 6,433 | 9,320 | 20,998 | 35,007 | 27,489 |
| Others | 1,028 | 790 | (104) | (104) | (104) |
| **Exchange influence** | 0 | 0 | 0 | 0 | 0 |
| **Net increase in cash** | 1,507 | (832) | (2,425) | 81 | 213 |

## Key Financial Ratios

| | FY24 | FY25 | FY26E | FY27E | FY28E |
|---|---|---|---|---|---|
| **Growth** | | | | | |
| Revenue growth | - | - | - | - | - |
| Operating profit growth | - | - | - | - | - |
| Net profit growth | - | - | - | - | - |
| **Profitability** | | | | | |
| Gross profit margin | 74.3% | 72.0% | 68.8% | 71.1% | 69.9% |
| Operating Profit Margin | 131.6% | 142.9% | 27.1% | 11.8% | 15.2% |
| Net profit margin | -3.4% | -11.8% | -16.9% | -4.1% | 0.5% |
| **Key Ratio** | | | | | |
| ROA | -1.3% | -41.6% | -10.2% | -1.6% | 0.1% |
| ROE | -0.5% | -1.8% | -3.0% | -0.8% | 0.1% |
| **Stability** | | | | | |
| Gross debt/equity | 330.4 | 3157.1 | 343.1 | 173.9 | 78.1 |
| Interest Coverage | - | - | - | - | - |
| Current Ratio | 1.1 | 0.3 | 0.3 | 0.4 | 0.4 |
| Quick Ratio | 1.1 | 0.3 | 0.3 | 0.4 | 0.4 |
| Net debt/equity | 130.52 | 1194.57 | 195.42 | 118.42 | 55.83 |

**Rating definitions** Benchmark: Hang Seng Index (Hong Kong)

**Company ratings**

| | |
|---|---|
| **Buy** | Stock expected to outperform benchmark by more than 10% |
| **Hold** | Expected stock relative performance ranges between -10% and 10% |
| **Underperform** | Stock expected to underperform benchmark by more than 10% |

**Sector ratings**

| | |
|---|---|
| **Positive** | Sector expected to outperform benchmark by more than 10% |
| **Neutral** | Expected sector relative performance ranges between -10% and 10% |
| **Cautious** | Sector expected to underperform benchmark by more than 10% |

**Hong Kong**

| | |
|---|---|
| **Company** | GF Securities (Hong Kong) Brokerage Limited |
| **Address** | 27/F, GF Tower, 81 Lockhart Road, Wan Chai, Hong Kong |
| **Telephone** | (852) 37191111 |
| **Email** | jasminebai@gfgroup.com.hk |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