

TMT

October 28, 2026
Global Equity Research

Neoclouds and AI Infrastructure

Initiation of Coverage

Best Company, Not the Best Stock: Initiating on Four Neoclouds

SPCX: Underweight, PT \$90. SpaceX is the best-capitalised neocloud we cover, and the dearest. At \$1.97tn the market pays about \$1.4tn for an AI segment that annualised \$30bn of revenue in 3Q26, or 46x, after our values for Starlink and launch. The \$120.5bn Anthropic contract disclosed in Anthropic's S-1 is real but capped ("up to"), firm only until January and March 2027 and cancellable on 90 days' notice after that. It equals 6% of SpaceX's market cap, which is why the stock lagged the Nasdaq-100 on the day. Our sum-of-the-parts gives \$90 (-38%).

NBIS: Overweight, PT \$207. The brief's conclusion survives; its arithmetic does not. On the same price per megawatt, Nebius trades at 1.5x end-2027 ARR (not 1x) and SpaceX at 12x (not 3x). Nebius has the strongest balance sheet among the pure neoclouds: about \$3.0bn of net debt pro forma and converts at 0.5-4.5% coupons. Our PT implies +14%, 20pp above our coverage average.

IREN: Overweight, PT \$37. The cheapest name at 0.8x end-2027 ARR and the most torque to a contract: a \$10bn deal would equal 77% of its EV. It also has the largest funding need, so our PT carries a 30% bear case worth nothing.

CRWV: Underweight, PT \$44 (unchanged). Cheap on ARR (1.4x), but a 9-16% cost of debt eats the discount. We reiterate our 23 October initiation.

Key Points

The \$120bn, decomposed

What the S-1 says. Anthropic agreed to spend "up to" \$120.5bn with SpaceX's AI subsidiary over terms running into 2029, about \$3.1bn a month once all capacity is delivered (expected December 2026). Each agreement can be cancelled by either side on 90 days' notice after initial non-cancellable periods ending in January and March 2027. SpaceX itself counts only the non-cancellable part: \$14.1bn of "contracted sales" at its 2Q26 results. The revenue goes to a SpaceX subsidiary, not to its chief executive, who owns about 49% of the shares.

Why the stock did not move. Across 11 clean contract announcements since 2025, neocloud shares beat the Nasdaq-100 by a median 13% on day 0 (10 of 11 positive), and the size of the pop tracked the deal's size relative to market cap (R^2 0.53, Exhibit 5). The S-1 figure was 6% of SpaceX's value; the same contract would be 2.2x Nebius's EV.

Cheap got cheaper

Since SpaceX listed on 12 June, the four names fell in exact order of cheapness: SpaceX -10%, Nebius -22%, CoreWeave -36%, IREN -52% (Exhibit 1). Cheap neocloud ARR is cheap because it still has to be financed. We prefer the cheap names that can still raise money at low coupons (Nebius, IREN) to the one that cannot (CoreWeave).

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Symbol	PT (Previous)	Rating (Previous)	Price
SPCX	• \$90.00 (NA)	Underweight (NA)	\$145.23
NBIS	• \$207.00 (NA)	Overweight (NA)	\$182.34
IREN	• \$37.00 (NA)	Overweight (NA)	\$28.84
CRWV	— \$44.00 (\$44.00)	Underweight (Underweight)	\$63.93

Source: Yahoo Finance and K2 Capital. Prices at 28-Oct-26 close; Dec-27 PTs.

Valuation snapshot	EV	EV/ARR 26	EV/ARR 27	Funded
SPCX	\$1,922bn	19.2x	12.2x	14.4x
NBIS	\$55bn	6.9x	1.5x	2.4x
CRWV	\$81bn	4.3x	1.4x	2.0x
IREN	\$13bn	3.2x	0.8x	1.9x

ARR 26: company guidance. ARR 27: K2, end-2027 capacity at \$20M per MW-year (SpaceX: half sold, plus Starlink and launch). Funded: EV plus capex still to fund that capacity. See Exhibit 3.

Strategy	Verdict
Long NBIS / short SPCX	Use selectively
Own contract torque before news	Use selectively
Buy clean contract news at the close	Avoid
Contracts bundled with financing	Avoid
Buy the cheapest EV/ARR	Avoid
Short SPCX into lock-up releases	Avoid

See Exhibit 11 for the evidence behind each verdict.

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EV/ARR: the brief's maths, rebuilt

The 3x and the 1x use different prices. To get SpaceX to 3x end-2027 ARR on its chief executive's 13 GW, the half of that capacity rented to others would need to earn about \$94M per MW a year. Getting Nebius to 1x on 1.9 GW needs only \$29M. Anthropic's original SpaceX contract works out to about \$46,000 per GPU a year, or roughly \$25-35M per MW depending on the GPU, Nebius's recent deals to more than \$20M, and CoreWeave's guided exit ARR to about \$10M per active MW. At a common \$20M (Exhibit 3), SpaceX trades at 12.2x end-2027 ARR, Nebius at 1.5x, CoreWeave at 1.4x and IREN at 0.8x. The gap the brief describes is real, and wider than it says. SpaceX reaches 3x only on its chief executive's own "\$500bn to \$1tn" ARR ambition for end-2027.

Count the capex, not just the ARR. ARR has to be bought: we assume \$35M of capex per MW added (our CoreWeave work used \$33M). Adding that capex to EV gives 2.4x for Nebius, 2.0x for CoreWeave, 1.9x for IREN and 14.4x for SpaceX.

SpaceX's 13 GW is a target, not a funded plan

SpaceX had 1.7 GW of nameplate compute at 30 September and guides 2.5-3 GW by year-end. Going from there to 13 GW by end-2027 would take about \$410bn of capex at \$40M per nameplate MW. Its resources: \$90bn of cash and securities, less \$37.5bn of guided 4Q capex, plus the \$40bn Apollo GPU lease and about \$35bn a year of EBITDA at the 3Q run-rate. That funds roughly 6 GW. The turbine-blade foundry the brief cites is a management claim: no filing mentions it, no turbine maker has been named, and permits had not been filed as of September.

Pair: long Nebius, short SpaceX

On our PTs the pair offers about 52pp of relative upside to December 2027. As a hedge it barely works. Daily returns since the listing correlate at only 0.34, Nebius has been 1.5 times as volatile, and a dollar-for-dollar pair lost 24% with 123% annualised volatility. We would size it as two separate positions and use the beta hedge ratio of 0.51 dollars of SpaceX per dollar of Nebius (Exhibit 9). The calendar favours the short leg: 797.6M SpaceX shares unlock on 8 December, about 8 days of average volume, and Anthropic's first cancellation windows fall in January and March. Past SpaceX unlocks have not been reliable signals, though (Exhibit 10).

Contract events: the pop is the trade

Clean contract announcements lifted the announcing stock by an average of 21.6% against the Nasdaq-100 on day 0, with a t-statistic of 3.5. Most arrive before the open, so the move is in the opening print. After day 0 there is no edge: a median -6.6% over the next five days and a mean of 5.4% over 20 days, with 6 of 11 positive. Contracts bundled with financing averaged -5.1% on day 0. The tradeable version is owning contract torque in advance: names with uncontracted capacity and a small market cap (IREN, then Nebius), and no pending equity raise.

Exhibit 1 - Cheap Got Cheaper

Ticker	EV/ARR 26	Funded 27	Capex/EV	Since 12-Jun	Oct
SPCX	19.2x	14.4x	19%	(9.8%)	(3.7%)
NBIS	6.9x	2.4x	63%	(21.5%)	(22.7%)
CRWV	4.3x	2.0x	49%	(36.4%)	(26.6%)
IREN	3.2x	1.9x	136%	(51.7%)	(29.5%)
Rank corr.*	+1.0	+1.0	-0.8		

Source: Yahoo Finance, company filings, K2 Capital. Returns from the 12-Jun-26 close.

*Rank correlation with the return since the listing (+1.0: the dearest did best); four names, illustrative only.

Exhibit 2 - Price Target Scenarios (Dec-27)

Ticker	Base	Bull	Bear	PT	Upside	Rating
SPCX	\$81	\$211	\$27	\$90	-38%	Underweight
NBIS	\$218	\$470	\$13	\$207	+14%	Overweight
IREN	\$27	\$118	\$0	\$37	+28%	Overweight
CRWV	\$41	\$106	\$8	\$44	-31%	Underweight

Source: K2 Capital estimates; CoreWeave from our 23 Oct 2026 initiation. Weights: base 50%, bull 20%, bear 30%. Ratings are relative to the coverage average upside (-7%).

Exhibit 3 - Neocloud EV/ARR, Rebuilt

Like-for-like: same price per MW, capex counted	SPCX	NBIS	CRWV	IREN
Share price, 28-Oct-26 (\$)	\$145.23	\$182.34	\$63.93	\$28.84
Shares (mn)	13,581.1	287.7	551.5	380.2
Market cap (\$bn)	1,972.4	52.5	35.3	11.0
Net debt incl. leases (\$bn)	(50.9)	3.0	46.1	1.9
Enterprise value (\$bn)	1,921.5	55.4	81.3	12.9
End-2026 ARR guidance	\$100bn (group)	\$7-9bn	\$18.5-19.5bn	>\$4bn
EV / end-2026 ARR	19.2x	6.9x	4.3x	3.2x
End-2027 capacity (GW, company basis)	13.0	1.9	3.0	0.8
Share sold to third parties	50%	100%	100%	100%
Revenue per MW-year (\$M)	20.0	20.0	20.0	20.0
Other ARR: Starlink and launch (\$bn)	28.1	-	-	-
End-2027 ARR, K2 base (\$bn)	158.1	38.0	60.0	16.0
EV / end-2027 ARR, K2 base	12.2x	1.5x	1.4x	0.8x
At \$10M / \$30M per MW-year	20.6x / 8.6x	2.9x / 1.0x	2.7x / 0.9x	1.6x / 0.5x
The brief's multiple	~3x	~1x	-	-
Capex to reach end-2027 capacity (\$bn)	359	35	40	18
Funded EV / end-2027 ARR	14.4x	2.4x	2.0x	1.9x

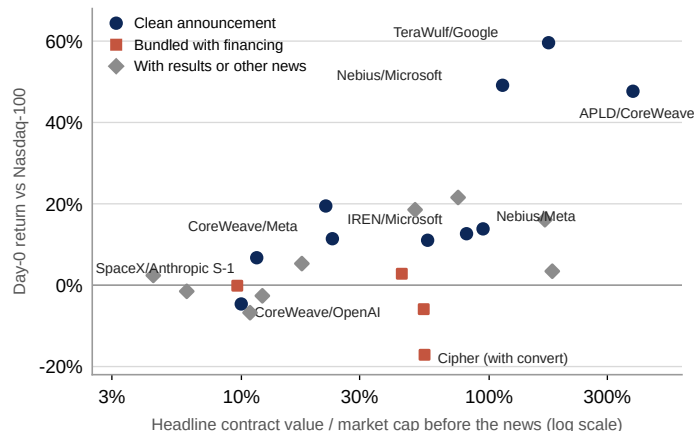
Note: \$ in billions unless stated. Capacity bases differ: SpaceX reports nameplate GPU power, Nebius connected power, CoreWeave active power and IREN IT load. SpaceX: 13 GW is its chief executive's floor, half rented to third parties; other ARR is 3Q26 Connectivity and Space revenue annualised. Capex at \$35M per MW added. Net debt: SpaceX 30 Sep; Nebius 30 Jun pro forma for August converts; CoreWeave and IREN 30 Jun.

Source: Company filings (SpaceX 10-Q and 3Q26 release; Nebius, CoreWeave and IREN 2Q26 filings), Yahoo Finance, K2 Capital estimates.

Exhibit 4 - Neocloud Select Financials

Latest Reported Quarter, Balance Sheet and Consensus (\$mn unless stated)				
	SPCX	NBIS	CRWV	IREN
Period	3Q26 (Sep)	2Q26 (Jun)	2Q26 (Jun)	4Q FY26 (Jun)
Revenue	14,575	582	2,575	137
% Growth y/y	161%	454%	112%	(27%)
Adj. EBITDA	8,809	236	1,510	19
% Margin	60%	41%	59%	14%
Capex (quarter)	19,593	~5,700	6,420	~1,980
Backlog / RPO (\$bn)	63.0	37.5	104.2	16.6
Largest customer, % of revenue	34.5%	24%	36%	n.d.
End-2026 ARR guidance (\$bn)	~100 (group)	7-9	18.5-19.5	>4
Cash and securities (\$bn)	89.9	8.0	5.5	5.9
Debt (\$bn)	39.0	10.0	35.1	7.6
Leases (\$bn)	n.d.	1.6	16.5	0.2
Consensus PT (\$)	245	281	130	81
Buy / Hold / Sell	34 / 9 / 3	15 / 6 / 1	25 / 8 / 3	16 / 4 / 1
Next results	~25 Feb (est.)	~10-12 Nov	10 Nov	5 Nov

Source: Company reports (latest 10-Q, 6-K and results releases), MarketBeat and StockAnalysis consensus (late October 2026), K2 Capital. Nebius debt is convertible notes at 30 Jun (\$15.0bn pro forma). IREN's next results are its 1Q FY27.

Exhibit 5 - Bigger Relative to the Company, Bigger Pop


Clean events with a disclosed value: slope 14pp of day-0 return per 1x of market cap, R^2 0.53, $n = 10$.

Source: Company 8-K, 6-K and S-1 filings, Yahoo Finance, K2 Capital.

Exhibit 6 - Contract-Event Statistics

Window vs Nasdaq-100	Clean	With financing	With results	All
Days -5 to -1, mean	2.8%	9.5%	2.1%	2.5%
median	2.6%	11.2%	(0.6%)	1.0%
positive	6 of 11	3 of 4	3 of 7	13 of 25
Day 0, mean	21.6%	(5.1%)	5.6%	10.4%
median	12.7%	(3.0%)	5.3%	6.7%
positive	10 of 11	1 of 4	4 of 7	17 of 25
Days +1 to +5, mean	1.0%	11.9%	4.0%	4.0%
median	(6.6%)	12.3%	(7.2%)	(1.2%)
positive	5 of 11	4 of 4	2 of 7	12 of 24
Days +1 to +20, mean	5.4%	9.5%	11.1%	7.1%
median	13.4%	5.3%	(5.3%)	0.0%
positive	6 of 11	2 of 4	3 of 7	12 of 24
Day-0 t-statistic	3.47	-1.16	1.11	2.80

Abnormal return = stock minus Nasdaq-100 (QQQ), close to close. Day 0 is the first session able to react (most clean announcements came before the open). 25 events from May 2025 to October 2026.

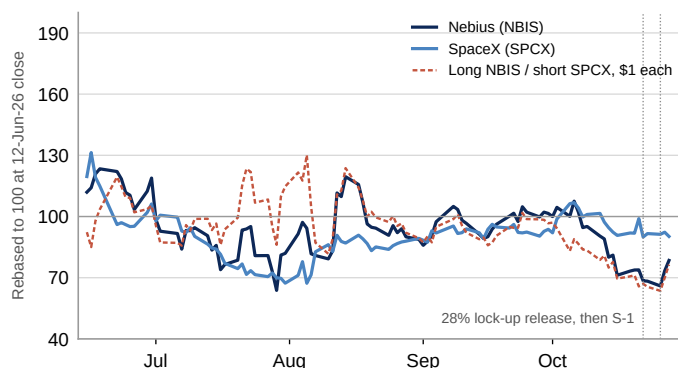
Source: K2 Capital calculations.

Exhibit 7 - Neocloud Contract Announcements, May 2025 to October 2026

Day 0	Announcer	Contract	Value (\$bn)	vs mkt cap	Flag	Day 0	+1 to +5	+1 to +20
15-May-25	CRWV	OpenAI +\$4.0bn (with 1Q25 results)	4.0	12%	Results	(2.6%)	47.4%	92.5%
02-Jun-25	APLD	CoreWeave leases, 250MW	7.0	381%	Clean	47.7%	27.8%	(2.4%)
14-Aug-25	WULF	Fluidstack/Google, 200MW	3.7	174%	Clean	59.6%	8.8%	21.6%
09-Sep-25	NBIS	Microsoft, \$17.4bn	17.4	113%	Clean	49.1%	(8.5%)	18.1%
15-Sep-25	CRWV	NVIDIA capacity order	6.3	12%	Clean	6.7%	8.5%	16.0%
25-Sep-25	CRWV	OpenAI +\$6.5bn	6.5	10%	Clean	(4.6%)	7.3%	(3.6%)
25-Sep-25	CIFR	Fluidstack/Google, with \$800M convert	3.0	55%	Financing	(17.1%)	15.8%	42.3%
30-Sep-25	CRWV	Meta, \$14.2bn	14.2	23%	Clean	11.4%	(6.6%)	(5.4%)
28-Oct-25	WULF	Fluidstack JV, with prelim. 3Q	9.5	168%	Results	16.1%	(3.0%)	(5.3%)
03-Nov-25	IREN	Microsoft, \$9.7bn	9.7	56%	Clean	11.0%	(8.4%)	(42.4%)
03-Nov-25	CIFR	AWS, with 3Q results	5.5	75%	Results	21.6%	(11.8%)	(18.1%)
11-Nov-25	NBIS	Meta \$3bn, with 3Q results and ATM	3.0	11%	Results	(6.8%)	(7.2%)	(6.9%)
16-Mar-26	NBIS	Meta, up to \$27bn	27.0	94%	Clean	13.8%	(10.2%)	20.9%
09-Apr-26	CRWV	Meta \$21bn, with notes and convert	21.0	44%	Financing	2.8%	22.4%	23.6%
10-Apr-26	CRWV	Anthropic, undisclosed	n.d.	-	Clean	10.7%	8.1%	(0.9%)
15-Apr-26	CRWV	Jane Street, with \$1bn equity	6.0	10%	Financing	(0.1%)	0.7%	(15.1%)
23-Apr-26	APLD	IG hyperscaler, 300MW	7.5	81%	Clean	12.7%	(8.1%)	24.2%
08-May-26	IREN	NVIDIA \$3.4bn, with 3Q FY26	3.4	18%	Results	5.3%	(13.0%)	0.8%
06-Jul-26	WULF	Anthropic \$19bn, with JV stake sale	19.0	180%	Other news	3.4%	(3.2%)	(8.4%)
20-Jul-26	IREN	AI developers, \$2.8bn	2.8	22%	Clean	19.5%	(7.8%)	13.4%
05-Aug-26	SPCX	\$14.1bn contracted, with 2Q results	14.1	1%	Results	(12.7%)	31.0%	29.6%
12-Aug-26	CRWV	>\$25bn new, with 2Q results	25.0	50%	Results	18.5%	(15.1%)	(14.7%)
17-Sep-26	CRWV	>\$25bn new, with convert and ATM	25.0	54%	Financing	(5.9%)	8.8%	(12.9%)
29-Sep-26	SPCX	Anthropic up to \$84.5bn (press report)	84.5	4%	Press report	2.4%	11.8%	3.3%
26-Oct-26	SPCX	Anthropic S-1: up to \$120.5bn (with Apollo lease)	120.5	6%	Other news	(1.5%)	-	-

Values are headline maximums ("up to") where given. Market cap uses the prior close and the nearest reported share count. Peers: Applied Digital (APLD), TeraWulf (WULF), Cipher Mining (CIFR). SpaceX's May and June 2026 contracts predate its listing and are excluded. The 26 Oct S-1 coincided with SpaceX's \$40bn Apollo lease commitment.

Source: Company filings and releases (EDGAR acceptance times), Reuters and CNBC as reported, Yahoo Finance, K2 Capital.

Exhibit 8 - Nebius vs SpaceX Since the Listing


Source: Yahoo Finance, K2 Capital.

Exhibit 9 - Pair Statistics and Hedge Ratios

Since 12-Jun-26 (95 sessions)	NBIS	SPCX
Return	(21.5%)	(9.8%)
Annualised volatility	124%	82%
Beta to Nasdaq-100	3.45	1.75
Correlation (daily)	0.34 (20-day range 0.12-0.65)	
K2 PT upside to Dec-27	+14%	-38%

Pair, long \$1 NBIS vs short	Return	Vol / MDD
\$1.00 SPCX (dollar neutral)	(23.6%)	123% / (51%)
\$0.51 SPCX (beta to SPCX)	(20.1%)	116% / (46%)
\$1.50 SPCX (equal volatility)	(31.6%)	142% / (61%)
\$1.98 SPCX (Nasdaq beta neutral)	(42.4%)	168% / (70%)

Daily returns, 15 Jun to 28 Oct 2026; pairs rebalanced daily. MDD: maximum drawdown.

Source: Yahoo Finance, K2 Capital calculations.

Exhibit 10 - SpaceX Lock-Up Releases and the Share Price

Release	Tranche	Days -5 to -1	Day 0	Days +1 to +5	Volume (mn)
6-Aug-26	20% two days after 2Q results	(10.4%)	6.5%	20.0%	255
20-Aug-26	7%	(3.3%)	(3.3%)	3.6%	120
9-Sep-26	7%	6.6%	(3.6%)	4.1%	121
24-Sep-26	7%	(6.8%)	(0.2%)	0.0%	73
9-Oct-26	7%	8.0%	0.8%	(4.9%)	93
22-Oct-26	28% two days after 3Q results	5.4%	(6.3%)	(2.6%)*	197
26-Oct-26	7% (24 Oct fell on a Saturday)	2.5%	(1.5%)	(3.0%)*	103
Average		0.3%	(1.1%)	2.5%	95
8-Dec-26	Remaining 180-day shares (797.6mn)				

Returns are SpaceX minus Nasdaq-100. *Fewer than five sessions available. Release schedule from SpaceX's 424B4 prospectus; 22 Oct coincided with an AI-infrastructure sell-off after Meta's results. Further staged releases for extended lock-up holders begin with the 4Q26 results; the chief executive's lock-up ends 12 Jun 2027.

Source: SpaceX 424B4 (12 Jun 2026), Yahoo Finance, K2 Capital.

Exhibit 11 - Strategy Scorecard

Strategy	Evidence	Verdict
Buy the cheapest EV/ARR	Cheapest fell most since SPCX listed; rank correlation of EV/ARR with return +1.0 (4 names)	Avoid
Long NBIS / short SPCX	52pp PT spread, but correlation 0.34 and 123% pair volatility; size as two positions	Use selectively
Own contract torque before the news	Clean day-0 pop 21.6% (t 3.5); scales with deal size vs market cap (R^2 0.53)	Use selectively
Buy clean contract news at the close	Days +1 to +20: mean 5.4%, 6 of 11 positive (t 0.9)	Avoid
Contracts bundled with financing	Day 0 mean (5.1%); 1 of 4 positive	Avoid
Short SPCX into lock-up releases	Day 0 mean (1.1%), next five days 2.5% across 7 releases	Avoid

Verdicts: Implement (we expect the strategy to add value after costs), Use selectively (in defined circumstances only), Avoid. Small samples throughout: 4 names, 25 contract events and 7 lock-up releases.

Source: K2 Capital.

Price Target Calculation and Key Risks

Space Exploration Technologies Corp. (SPCX)

Investment Thesis

We rate SpaceX Underweight. It is the best-funded neocloud we cover: \$89.9bn of cash and securities at 30 September, investment-grade notes at 5.9% and a \$40bn GPU lease commitment from an Apollo-managed entity. Starlink grew 3Q26 revenue 69% to \$5.25bn with \$3.5bn of adjusted EBITDA, and the Super Intelligence (SI) segment grew 830% to \$7.56bn with \$4.95bn of adjusted EBITDA on \$16.4bn of capex. The price already assumes much more. After our values for Starlink and launch, the market cap implies about \$1.4tn for SI, 46x its 3Q26 revenue annualised. SI's third-party contracts are short: Anthropic's can be cancelled on 90 days' notice once its non-cancellable periods end in early 2027. One unnamed SI customer was 34.5% of group revenue in 3Q26. The chief executive has said SpaceX prefers to "rent at effectively the spot market rate" rather than sign long-term deals.

Base Case/PT

Sum of the parts. [1] Starlink at 22x 2027E EBITDA of \$17.5bn (\$385bn). [2] Space (launch and Starship) at \$150bn. [3] SI at 5x end-2027 ARR of \$125bn (\$625bn), assuming about 6 GW of fundable capacity, half rented at roughly \$25M per MW a year. [4] Less \$60bn of year-end 2027 net debt. On 13.58bn shares this gives \$81 per share. Our Dec-27 PT of \$90 weights base 50%, bull 20% and bear 30%.

Bull Case/PT

SI reaches the chief executive's \$500bn end-2027 ARR ambition, valued at 4x (\$2.0tn); Starlink at 30x \$20bn of EBITDA; Space at \$300bn. Bull case value \$211 per share.

Bear Case/PT

Anthropic gives notice after March 2027 and SI's end-2027 ARR falls to \$50bn, valued at 3x; Starlink at 15x \$15bn of EBITDA; Space at \$75bn; \$80bn of net debt. Bear case value \$27 per share.

Risks

Upside risks to our Underweight rating include: (1) faster capacity growth than we can see funded, toward 13 GW; (2) Anthropic and Google keeping their capacity past the first cancellation windows; (3) a merger with Tesla, which both boards formed special committees to explore on 20 October; (4) S&P 500 eligibility as trailing GAAP earnings turn positive; (5) Starship progress.

Nebius Group N.V. (NBIS)

Investment Thesis

We rate Nebius Overweight. It is a full-stack AI cloud with its own software and a growing estate of owned and leased data centres. 2Q26 revenue rose 454% to \$582M, ARR reached \$3.0bn and the adjusted EBITDA margin was 41%. Guidance for 2026 is \$3.0-3.4bn of revenue, \$7-9bn of year-end ARR, 0.8-1.0 GW of connected power and \$20-25bn of capex. Management plans to add more than 1 GW a year from 2027 against a 5 GW contracted-power target. Remaining performance obligations are \$37.5bn and total commitments exceed \$40bn, led by Microsoft (up to \$19.4bn) and Meta (up to \$27bn). Of the pure neoclouds, Nebius has the funding to build its 2027 gigawatt: about \$3.0bn of net debt pro forma, converts at 0.5-4.5% and a \$3.5bn Citi facility signed on 22 October.

Base Case/PT

End-2026 ARR of \$8bn plus 1.0 GW a year in 2027 and 2028 at \$15M per MW-year gives end-2027 ARR of \$23bn and 2028E revenue of \$30.5bn. At a 55% margin, FY28E adjusted EBITDA is \$16.8bn. We apply 6.0x, a premium to the 5.0x we use for CoreWeave because the balance sheet is stronger, and deduct year-end 2027 net debt of \$35.4bn after \$35M of capex per MW. On 300M shares this gives \$218. Our Dec-27 PT of \$207 weights base 50%, bull 20% and bear 30%.

Bull Case/PT

1.3 GW a year at \$18M per MW-year and a 58% margin; 7.0x FY28E EBITDA of \$25.6bn. Bull case value \$470.

Bear Case/PT

Funding stays tight: capacity grows only 0.4 GW in 2027 at \$11M per MW-year, the margin is 47%, 60M new shares are issued and the multiple is 4.5x. Bear case value \$13.

Risks

Downside risks include: (1) capital markets, with the chief executive saying on 26 October that some capital sources are "temporarily closed"; (2) concentration, with three customers at 59% of 2Q26 revenue; (3) execution of 1 GW a year; (4) dilution, with 12.3M shares left on the at-the-market programme; (5) Vera Rubin delivery timing.

IREN Limited (IREN)

Investment Thesis

We rate IREN Overweight, with high risk. It owns its land, power and data centres, including Childress (Horizons 1-4 for Microsoft's \$9.7bn contract) and the 2 GW Sweetwater site, inside a pipeline of more than 5 GW. It expects more than \$4bn of contracted ARR in the December 2026 quarter and IT load of 0.3 GW in 2026, rising to 0.8 GW in 2027. Its recent three-year contracts priced above \$20M per MW. At \$12.9bn of EV it trades at 0.8x our end-2027 ARR, the cheapest in our coverage. It also has the most torque to a single contract: \$10bn would equal 77% of its EV.

Base Case/PT

0.5 GW of IT load added in 2027 and 0.4 GW in 2028 at \$16M per MW-year gives end-2027 ARR of \$12bn and FY28E EBITDA of \$9.1bn at a 60% margin. We use \$50M of capex per MW because IREN builds its own sites, apply 5.0x, deduct year-end 2027 net debt of \$33.8bn and assume 60M new shares. Base case value \$27, below today's price; our Dec-27 PT of \$37 (50% base, 20% bull, 30% bear) reflects the skew.

Bull Case/PT

New capacity sells at \$20M per MW-year, 0.6 GW is added in 2027, the margin is 65% and the multiple 6.0x. Bull case value \$118.

Bear Case/PT

Funding falls short: only 0.3 GW is added in 2027 at \$10M per MW-year, with a 45% margin and heavy dilution. Equity value is close to nil.

Risks

Downside risks include: (1) funding, with FY27 capex of \$25-30bn against an \$11bn market cap and about \$8bn of financing still to raise; (2) operations, after a third-party report on 7-8 October criticised outages at its British Columbia sites; (3) falling bitcoin-mining revenue; (4) customer concentration with Microsoft; (5) 1Q FY27 results on 5 November.

CoreWeave, Inc. (CRWV)

Investment Thesis

We reiterate Underweight and our \$44 Dec-27 PT from our 23 October initiation. The stock is up 15% since then, mostly on capacity expansion news on 27-28 October. That does not change the negative carry at the heart of our thesis: interest expense has exceeded adjusted operating income in every quarter as a public company, five-year CDS was about 1,115bp last week, and the cheapness on ARR (1.4x) is consumed by a 9-16% cost of debt. Our PT blends a base case of 5.0x FY28E adjusted EBITDA of \$18.3bn less year-end 2027 net debt of \$65.1bn (\$41, 50%), a bull case (\$106, 20%) and a bear case (\$8, 30%). Upside risks: funding costs fall (CDS below 600bp), faster backlog conversion, NVIDIA support. 3Q26 results are due 10 November.

What Would Make Us Wrong?

We would revisit our ratings if any of the following occur:

- 1. SpaceX funds the gigawatts.** If SpaceX announces committed financing of more than \$250bn for 2027 compute, or reports more than 6 GW of nameplate capacity by mid-2027, our capacity cap is wrong.
- 2. Anthropic stays.** If Anthropic does not give notice at the January and March 2027 windows and SpaceX's 1Q27 revenue lands within its \$33-37bn guide, the SI segment is more durable than our bear case allows.
- 3. Nebius under-delivers.** If Nebius's 2027 guidance (due later this year) shows connected power below 1.5 GW at end-2027, or it issues more than 10% new equity before year-end, our Overweight is wrong.
- 4. IREN cannot sell its 2027 capacity.** If IREN has not contracted at least 250 MW of its 2027 additions by June 2027, or contracted ARR is below \$6bn by then, our Overweight is wrong.
- 5. The contract pop fades.** If the next three clean contract announcements worth more than 20% of the announcer's market cap produce day-0 abnormal returns below +5%, the event pattern behind our torque thesis has broken.

Signposts

5 Nov: IREN 1Q FY27 results. 10 Nov: CoreWeave 3Q26 results (after the close). Around 10-12 Nov: Nebius 3Q26 results (date unconfirmed). Week of 16 Nov: Anthropic's reported listing target. 8 Dec: SpaceX's remaining 180-day lock-up (797.6M shares). December: Anthropic's SpaceX capacity fully delivered (about \$3.1bn a month). January and March 2027: Anthropic's non-cancellable periods end. Around 25 Feb 2027: SpaceX 4Q26 results, when extended lock-up releases begin. 12 Jun 2027: the chief executive's lock-up ends.

Important Disclosures

Analyst Certification

The research analysts of K2 Capital Limited responsible for this report certify that (1) the views expressed in this report accurately reflect their personal views about the subject company and its securities, and (2) no part of their compensation was, is or will be directly or indirectly related to the specific rating or views expressed in this report.

Rating Definitions

Overweight: over the duration of the price target, we expect the stock to outperform the total return of the relevant benchmark, which in this report is the unweighted average expected total return of our neocloud coverage (SpaceX, Nebius, IREN and CoreWeave). **Neutral:** we expect the stock to perform in line with it. **Underweight:** we expect the stock to underperform it. Price targets are set for the period stated and are based on the methodology and risks described in this report. CoreWeave was initiated on 23 October 2026 against the S&P 500; it is Underweight on either basis. Strategy verdicts: Implement (we expect the strategy to add value after costs), Use selectively (beneficial in defined circumstances only), Avoid (we do not expect it to add value after costs).

Rating Distribution

(As of October 28)	% of coverage	Companies
Overweight	50.00%	2
Neutral	0.00%	0
Underweight	50.00%	2

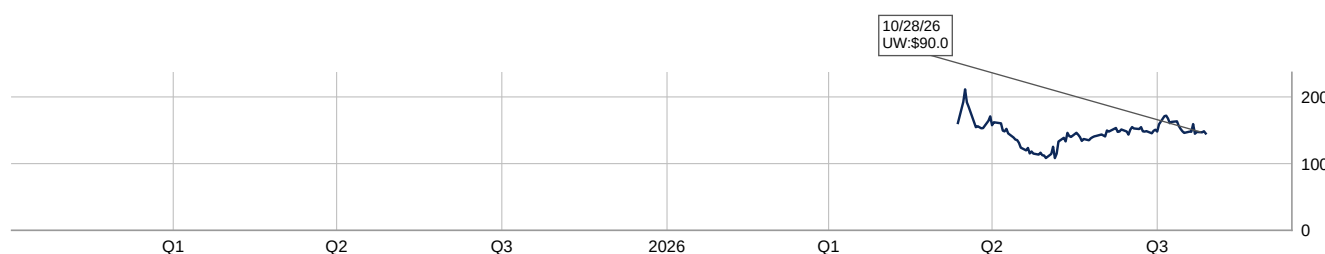
Rating History

Date	Company	Rating	Price (\$)	Price Target (\$)
23-Oct-26	CoreWeave (CRWV)	Underweight (initiation)	55.60	44.00
28-Oct-26	CoreWeave (CRWV)	Underweight	63.93	44.00
28-Oct-26	IREN (IREN)	Overweight (initiation)	28.84	37.00
28-Oct-26	Nebius (NBIS)	Overweight (initiation)	182.34	207.00
28-Oct-26	SpaceX (SPCX)	Underweight (initiation)	145.23	90.00

Positions and Conflicts

K2 Capital Limited, its principals and employees may hold positions in, and may trade, the securities of the company discussed in this report or related instruments, including positions inconsistent with its rating.

Rating and Price Target History for: Space Exploration Technologies Corp. (SPCX) as of 10-28-2026



Created by: K2 Capital

Rating and Price Target History for: Nebius Group N.V. (NBIS) as of 10-28-2026



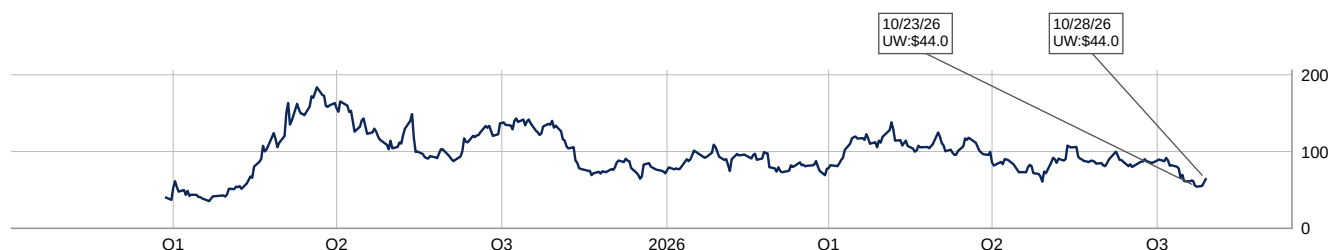
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Rating and Price Target History for: IREN Limited (IREN) as of 10-28-2026



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Rating and Price Target History for: CoreWeave, Inc. (CRWV) as of 10-28-2026



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Sources and Methodology

Prices are as of the close on 28 October 2026 unless stated. Daily prices and volumes for SpaceX, Nebius, CoreWeave, IREN, Applied Digital, TeraWulf, Cipher Mining, NVIDIA and the Nasdaq-100 (QQQ), and quarterly share counts, are from Yahoo Finance. Company information is from SEC filings and releases: Anthropic's Form S-1 (26 October 2026); SpaceX's 424B4 prospectus (12 June 2026), 3Q26 Form 10-Q and results release, 8-K of 24 October 2026 and 3Q26 earnings call; Nebius's 2Q26 shareholder letter, 6-K filings and financing releases; CoreWeave's 2Q26 Form 10-Q, results release, call transcript and 8-K filings; IREN's FY26 results and 8-K filings; and contract releases by Applied Digital, TeraWulf and Cipher Mining. Consensus price targets and ratings are from MarketBeat and StockAnalysis (late October 2026). Other sources include Utility Dive, TechCrunch and Energy News Beat on gas-turbine lead times and SpaceX's turbine plans; Fortune, GeekWire and Reuters on Anthropic's compute commitments; and Investing.com, 24/7 Wall St and Admiral Markets on sector moves. Event-study returns are stock returns less Nasdaq-100 (QQQ) returns, close to close, with day 0 set from EDGAR acceptance times; pair statistics use daily returns from 15 June 2026. EV/ARR, capex and price-target scenarios are K2 calculations using company guidance and the stated assumptions. Estimates are K2 Capital's and are subject to change without notice.

General

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