

# NASDAQ: CRWV

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# Recommendation

## BUY CRWV DDTL 2.0

Expected Return: 10.33%

### Thesis:

- Contractual Cash Flow Visibility via "Just-in-Time" Take-or-Pay Agreements**
  - Secured debt is drawn only after obtaining long-term, non-cancellable "take-or-pay" contracts, ensuring revenue is locked in before capital is deployed.
  - A \$55 billion revenue backlog, anchored by investment-grade counterparties like Microsoft, Meta and high-growth leaders like OpenAI, provides visibility for meeting scheduled debt amortization
- Technical Moat is Real, For Now**
  - CRWV has been first-to-market on every NVIDIA GPU generation and is the only cloud provider submitting MLPerf benchmarks on latest-generation hardware.
  - The 4-6 months deployment speed vs. 12-18 months for competitors is the primary reason hyperscalers outsource to CRWV rather than waiting for internal capacity.
- Strategic NVIDIA Alignment and Institutional "Backstop"**
  - The relationship with NVIDIA is a unique credit mitigant, formalized by NVIDIA's \$2 billion equity investment and a critical agreement to purchase unsold cloud capacity worth \$6.3bn through 2032.
  - This alignment ensures CRWV receives priority allocation of next-generation hardware, including the Blackwell and Rubin platforms, maintaining the technological edge and collateral value of the GPU fleet

Loan Statistics	
Issuer Legal Name	CRWV Corporation
Security	CRWV TL DD 2.0
CUSIP	BL502513 Corp
Recommendation	Buy
Expected Return	10.3%
Price	100
Seniority	1st Lien Senior Secured
Issue Size (\$mil)	5,760
Coupon	TSFR1M + 600 bps
Maturity	8/30/2030
Discount Margin	609

CoreWeave Recent Performance						
YE 12/31	2023A	2024A	LTM	2025E	2026E	2027E
Total Revenue	\$228.9	\$1,915.4	\$4,306.6	\$5,043.1	\$12,029.9	\$21,331.3
COGS	\$68.1	\$492.0	\$1,126.1	\$1,344.6	\$3,269.6	\$5,899.8
<b>Gross Profit</b>	<b>\$160.9</b>	<b>\$1,423.4</b>	<b>\$3,180.5</b>	<b>\$3,698.6</b>	<b>\$8,760.4</b>	<b>\$15,431.4</b>
<i>Gross Margin</i>	<b>70.3%</b>	<b>74.3%</b>	<b>73.9%</b>	<b>73.3%</b>	<b>72.8%</b>	<b>72.3%</b>
<b>EBITDA</b>	\$103.9	\$1,219.3	\$2,699.1	\$3,261.3	\$7,043.9	\$12,051.3
<i>EBITDA Margin</i>	<b>45.4%</b>	<b>63.7%</b>	<b>62.7%</b>	<b>64.7%</b>	<b>58.6%</b>	<b>56.5%</b>
<b>FCF</b>	(\$1,110.1)	(\$5,952.9)	(\$8,061.4)	(\$7,317.3)	(\$20,897.5)	(\$18,361.1)
Gross Debt/EBITDA	0.0X	6.5X	5.0X	5.7X	5.2X	4.5X
Total Debt/EBITDA	4.5X	8.6X	6.7X	7.2X	5.9X	4.9X
CFO/Total Debt	388.0%	26.1%	9.3%	12.5%	10.1%	12.0%

# Business Overview

Coreweave is a specialized "AI Hyperscaler" providing massive-scale, GPU-accelerated cloud infrastructure.

## Company Description

- CRWV operates as a GPU-as-a-Service provider, renting out dedicated access to its massive fleet of over 400,000 GPUs
- Operates 41 data centers with 590 MW of active power of the 2.9GW, scaling to a projected 5.0 GW by 2030
- They sell both the infrastructure for AI and software/application services

## Product & Services

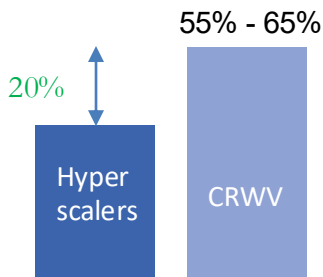


**Bare Metal Physical Servers:**  
Private physical machines with zero software overhead compared to traditional clouds (Azure/AWS) that uses virtual slices

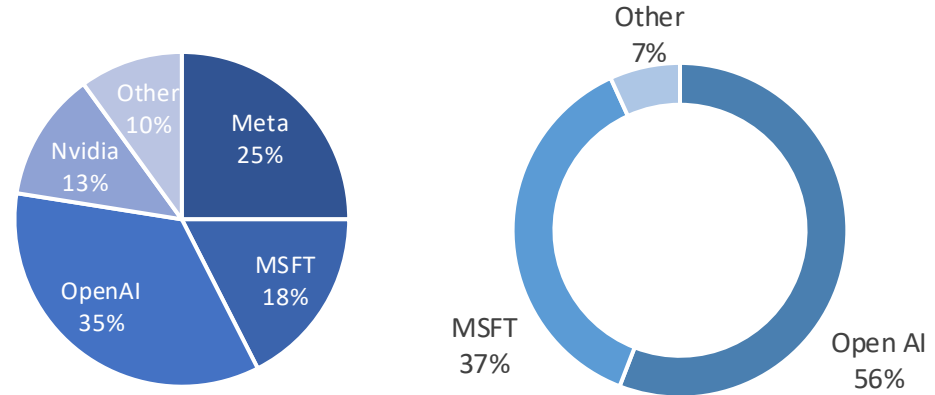


**Cloud Orchestration:**  
SUNK manages training and inference. Automatically swaps failing nodes to maximize utilization

### Model Flop Utilization (%)



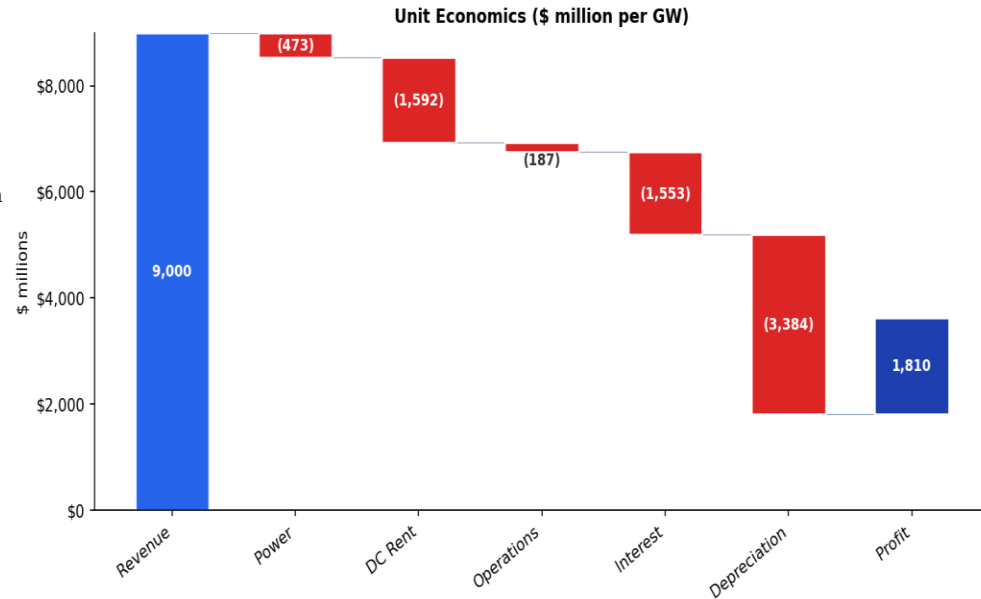
## Backlog and Revenue Breakout



## Backlog



## Revenue



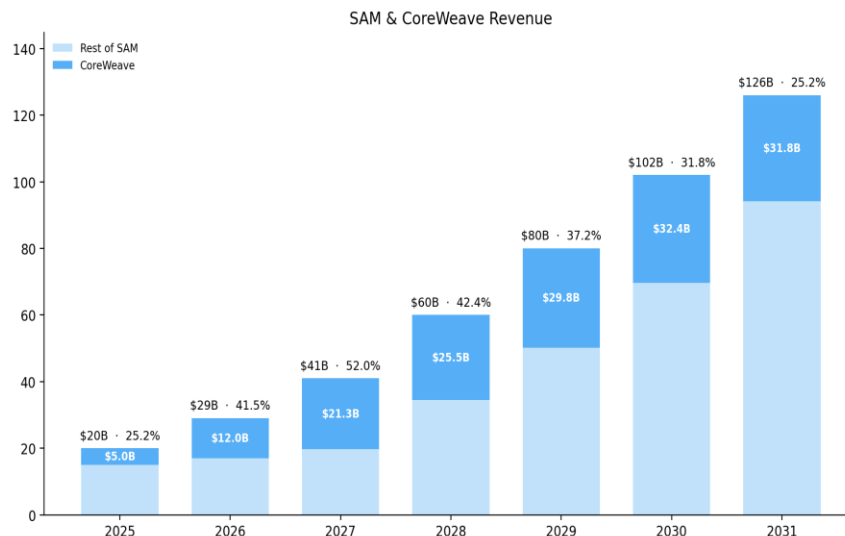
# AI Cloud/GPU Infrastructure (“Neoclouds”)

Platforms that deliver GPU capacity for training & inference

## Industry Overview

- AI clouds provide GPU compute for model training and inference.
- Customers lease capacity (vs. building/owning) to scale faster and stay flexible
- Competition centers on performance, reliability, price, and time-to-market with new GPUs.
- GenAI demand implies ~\$361B of data-center operating costs in 2028.

## AI Infrastructure Market(\$Bn)



## Competitive Landscape

Hyperscalers	CoreWeave	Neoclouds
What is it?		
General-purpose clouds for everything (apps, data, IT, AI)	Purpose-built for AI workloads (training + inference)	Smaller, GPU-focused providers that rent/operate AI compute
Benefit		
Enterprise + broad workloads + managed services	Fast access to top GPUs + AI-optimized performance stack	Speed + flexibility + lower cost
Tradeoff		
AI/GPU capacity can be bottlenecked; less custom/performance-tuned	Less “all-in-one” breadth than hyperscalers (more specialized)	Smaller scale + fewer enterprise/managed services + regional footprint

## Competitive Positioning

Vs Hyperscalers	20% better MFU (Model Flop Utilization) than hyperscaler clouds. First to latest GPUs (GB200, GB300 production deployment 6-12 months ahead. Only Platinum Clustermax provider.
Vs Neoclouds	Mission Control orchestration + Tensorizer (rapid model loading) difficult to replicate. NVIDIA partnership enables CoreWeave software distribution across NVIDIA ecosystem
Vs In-House Build	10,000-GPU cluster renewed at ~original price, 2Q early. OpenAI & MSFT expanded shortly after initial contracts. Mission Control + 99%+ uptime difficult to replicate

# Capital Structure

	2024	LTM	2025E	2026E	2027E	2028E	2029E	2030E
<b>Secured Debt</b>	<b>8,033</b>	<b>10,456</b>	<b>10,456</b>	<b>10,456</b>	<b>10,456</b>	<b>8,788</b>	<b>8,788</b>	<b>2,510</b>
\$2.5B RCF (11/2029) (SOFR + 175)	0	700	700	700	700	700	700	700
\$2.3B DDTL1 (03/2028) (SOFR + 963)	2,013	1,668	1,668	1,668	1,668	0	0	0
<b>\$5.6B DDTL2.0 (08/2030) (SOFR + 600)</b>	<b>3,844</b>	<b>5,037</b>	<b>5,037</b>	<b>5,037</b>	<b>5,037</b>	<b>5,037</b>	<b>5,037</b>	<b>0</b>
\$3.0B DDTL 2.1 (08/2030) (SOFR + 425)	0	1,241	1,241	1,241	1,241	1,241	1,241	0
\$2.6B DDTL3 (08/2030) (SOFR+ 400)	0	359	359	359	359	359	359	359
OEM Financing	1,177	1,186	1,186	1,186	1,186	1,186	1,186	1,186
Magnetar Loan (01/2029) (12% PIK)		265	265	265	265	265	265	265
Bridge Loan	1,000	0	0	0	0	0	0	0
<b>Unsecured Debt</b>		<b>3,625</b>	<b>6,338</b>	<b>6,338</b>	<b>6,338</b>	<b>6,338</b>	<b>6,338</b>	<b>6,338</b>
Sr. 9.25% Notes due 2030	0	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Sr. 9.00% Notes due 2031	0	1,750	1,750	1,750	1,750	1,750	1,750	1,750
Convertible Security (12/2031)	0	0	2,588	2,588	2,588	2,588	2,588	2,588
<b>Projected Debt + Leasing Issuance</b>			<b>18,000</b>	<b>36,000</b>	<b>49,000</b>	<b>56,500</b>	<b>59,500</b>	
<b>Total Debt</b>	<b>8,033</b>	<b>14,205</b>	<b>16,794</b>	<b>34,794</b>	<b>52,794</b>	<b>64,126</b>	<b>71,626</b>	<b>68,348</b>
Operating Lease Liabilities	2,602	4,724	4,724	4,724	4,724	4,724	4,724	4,724
<b>Lease Adjusted Debt</b>	<b>10,635</b>	<b>18,929</b>	<b>21,518</b>	<b>39,518</b>	<b>57,518</b>	<b>68,850</b>	<b>76,350</b>	<b>73,072</b>

## Ranking and Structural Protection of DDTL 2.0

- **Absolute priority**
- Secured by specific **Blackwell/Hopper** clusters and **1:1 take-or-pay** contract revenue.
- **Bankruptcy-remote SPV** structure ensures "dollar-one" cash flows before any parent-level debt

## Future Financing

- We anticipate a ~ **\$60 billion** funding ramp through 2030 to scale capacity to **5.0GW**
- We expect management to favor **lower cost structures** such as DDTL and continuing emphasizing IG customers and some mix of unsecured debt/convertible debt

# Financial Performance and Projections

Strong margin profile but weak cashflow generation due to aggressive growth capex

## Historical Financial Performance:

- CRWV's revenues grew 134% in 3Q25, primarily due to increasing demand and the scaling operations, while the gross margin dropped 225bps due to higher costs to run the data centers.
- The EBITDA in 3Q25 was \$0.8bn but the margin decreased because of a ramp in costs to facilitate the growth. CRWV remained FCF negative as they invest in growth capex to fund the data center build out.
- The total leverage increased to 5.5x as CRWV drew down on the term loans to meet short term obligations while the EBITDA fell.

## Outlook:

- We expect CRWV's revenues to grow 45% CAGR to \$32bn by 2030, as their margins fall 50bps each year due to increasing AI workloads which are lower margin
- We expect the EBITDA margins to increase as they reduce their technology & infrastructure expense.
- We forecast the total leverage to decrease to 3.0x over time, primarily due to a significant growth in EBITDA while nominal debt goes up until FCF turns positive in 2030

CoreWeave Recent Performance			
YE 12/31	3Q25	3Q24	y/y%
Total Revenue	\$1,365	\$584	133.7%
COGS	\$369	\$143	157.7%
<b>Gross Profit</b>	<b>\$996</b>	<b>\$441</b>	<b>125.9%</b>
<i>Gross Margin</i>	<i>73.0%</i>	<i>75.5%</i>	<i>(3.3%)</i>
<b>EBITDA</b>	<b>\$848</b>	<b>\$379</b>	<b>123.8%</b>
<i>EBITDA Margin</i>	<i>62.1%</i>	<i>64.9%</i>	<i>(4.3%)</i>
<b>FCF</b>	<b>(\$700)</b>	<b>(\$1,115)</b>	<b>62.8%</b>
Secured Debt/EBITDA	3.9X	2.9X	(39.4%)
Total Debt/EBITDA	5.5X	4.1X	(33.9%)
CFO/Total Debt	9.0%	13.5%	(33.5%)

CoreWeave Projected Performance						
YE 12/31	2025E	2026E	2027E	2028E	2029E	2030E
Total Revenue	\$5,043	\$12,030	\$21,331	\$25,455	\$29,787	\$32,439
COGS	\$1,345	\$3,270	\$5,900	\$7,168	\$8,536	\$9,459
<b>Gross Profit</b>	<b>\$3,699</b>	<b>\$8,760</b>	<b>\$15,431</b>	<b>\$18,288</b>	<b>\$21,251</b>	<b>\$22,980</b>
<i>Gross Margin</i>	<i>73.3%</i>	<i>72.8%</i>	<i>72.3%</i>	<i>71.8%</i>	<i>71.3%</i>	<i>70.8%</i>
<b>EBITDA</b>	<b>\$3,261</b>	<b>\$7,044</b>	<b>\$12,051</b>	<b>\$15,841</b>	<b>\$19,516</b>	<b>\$22,588</b>
<i>EBITDA Margin</i>	<i>64.7%</i>	<i>58.6%</i>	<i>56.5%</i>	<i>62.2%</i>	<i>65.5%</i>	<i>69.6%</i>
<b>FCF</b>	<b>(\$7,317)</b>	<b>(\$20,898)</b>	<b>(\$18,361)</b>	<b>(\$10,668)</b>	<b>(\$7,750)</b>	<b>\$3,334</b>
Net Debt/EBITDA	3.9X	4.8X	4.3X	4.0X	3.6X	3.0X
Total Debt/EBITDA	6.6X	5.6X	4.8X	4.3X	3.9X	3.2X
CFO/Total Debt	13.6%	10.6%	12.4%	17.8%	15.1%	25.1%

# Downside Scenario

DDTL 2.0 has an efficient multi-layered protection structure for the investors in a downturn, with a conservative 40-60% estimated recovery rate due to the underlying collateral value.

## Multi-layered protection structure for DDTL 2.0



### Collateral Value

- Using a mix of IG and Non-IG assets as collateral for DDTL 2.0/2.1, we estimate the total collateral value to be at least \$6-7bn. We expect a higher mix of IG assets, implied by their 10.17% interest, with a 620bps aggregate spread (IG spreads are 600-650bps while HY spreads are 1300bps)

### Projected Contracted Cash Flow

- Estimating the projected contracted cash flows from the underlying assets using the minimum contract coverage ratio of 1.4x, we believe the underlying assets can generate at least \$8bn.

## Minimum Collateral Value Estimate ( Full Utilization)

		% of IG Assets						
		40%	50%	60%	70%	80%	90%	100%
% of Non-IG Assets	0%	\$2,516	\$3,144	\$3,773	\$4,402	\$5,031	\$5,660	\$6,289
	10%	\$3,459	\$4,088	\$4,717	\$5,346	\$5,974	\$6,603	\$7,232
	20%	\$4,402	\$5,031	\$5,660	\$6,289	\$6,918	\$7,547	\$8,176
	30%	\$5,346	\$5,974	\$6,603	\$7,232	\$7,861	\$8,490	\$9,119
	40%	\$6,289	\$6,918	\$7,547	\$8,176	\$8,804	\$9,433	\$10,062
	50%	\$7,232	\$7,861	\$8,490	\$9,119	\$9,748	\$10,377	\$11,006
	60%	\$8,176	\$8,804	\$9,433	\$10,062	\$10,691	\$11,320	\$11,949

## Recovery Analysis

		Useful Life of Collateral (Years)							
		4	5	6	7	8	9	10	
Net Collateral Value	5,000	\$0	\$1,000	\$1,667	\$2,143	\$2,500	\$2,778	\$3,000	
	5,500	\$0	\$1,100	\$1,833	\$2,357	\$2,750	\$3,056	\$3,300	
	6,000	\$0	\$1,200	\$2,000	\$2,571	\$3,000	\$3,333	\$3,600	
	6,500	\$0	\$1,300	\$2,167	\$2,786	\$3,250	\$3,611	\$3,900	
	7,000	\$0	\$1,400	\$2,333	\$3,000	\$3,500	\$3,889	\$4,200	
	7,500	\$0	\$1,500	\$2,500	\$3,214	\$3,750	\$4,167	\$4,500	
	8,000	\$0	\$1,600	\$2,667	\$3,429	\$4,000	\$4,444	\$4,800	

## Recovery

- Using a straight-line depreciation schedule, we estimate the collateral to be worth \$2.5-3.5bn (40-60% recovery) at maturity of the term loan
- Channel-checks have indicated that GPUs tend to last around 8-9yrs, even though their use case might change, which provides us confidence in the assets ability to generate cashflows for the foreseeable future

# Return Analysis for DDTL 2.0

	Bear	Base
5 YR Total Return (Annualized)	7.3%	10.3%

Description <i>in millions</i> LTM Period	Oracle Corp	Iridium Communications Inc	Viasat Inc	CoreWeave Inc	CoreWeave Inc
<b>Ticker</b>	<b>ORCL US EQUITY</b>	<b>IRDM US EQUITY</b>	<b>VSAT US EQUITY</b>	<b>CRWV US EQUITY</b>	<b>CRWV US EQUITY</b>
<b>Rating (Moody's/S&amp;P/Fitch)</b>	Ba3/BB-/None	Ba3/BB-/BBB-	Ba3/B+/BB-	None/None/None	None/None/None
<b>Outlook</b>	STABLE/STABLE/None	STABLE/None/STABLE	STABLE/NEG/STABLE	None/None/None	None/None/None
<b>Revenue (LTM)</b>	61,017	872	4,616	4,307	4,307
<b>EBITDA (LTM)</b>	25,603	452	1,300	2,699	2,699
<b>EBITDA Margin</b>	42.0%	51.8%	28.2%	62.7%	62.7%
<b>LTM Total Debt/EBITDA</b>	4.9x	4.0x	5.2x	7.0x	7.0x
<b>LTM Net Debt/EBITDA</b>	4.1x	3.7x	4.2x	6.2x	6.2x
<b>Security</b>	ORCL TL A SR USD	IRDM TL B4 1L USD	VSAT TL B 1L USD	CRWV TL DD-CAPEX 1L USD	CRWV TL DD-CAPEX 1L USD
<b>Rank</b>	Sr. Unsecd	1L Gtd Sr. Secd	1L Sr. Secd	1L Gtd Sr. Secd	1L Gtd Sr. Secd
<b>Issue Size</b>	5,208	1,775	676	5,037	1,241
<b>Price</b>	99.9	96.7	100.2	102.1	101.8
<b>Discount Margin</b>	195.0	301.3	435.9	525.6	510.3
<b>Yield</b>	5.62%	6.67%	8.23%	8.92%	8.76%
<b>Yield with Curve</b>	5.23%	6.26%	7.54%	8.52%	8.45%

- DDTL 2.0 has an attractive yield relative to S&P UBS Leveraged Loan Index of 8.15%.
- In a bear case scenario, we expect CRWV to delay the build out, incurring significant build-out costs, reducing the payback to 90% of the loan, which implies a 7.25% return.
- In a case where HSBC's short thesis plays out and the equity goes down to \$44, there is still a \$25B equity cushion, implying a LTV of 42%

Expert calls and analyst commentary confirm Coreweave's customer pull vs hyperscalers and support longer GPU useful-life assumptions

## Competitive Advantage

Lower OpEx / faster deployment

AWS requires a "15-person K8s team," while CoreWeave allows junior engineers to "push to products." ~ VP



System Reliability

Smooth spin-up/down; deployment layer maintains health without "knocking the cluster over." ~ Engineer



Speed Advantage

CoreWeave spins up GPUs in 4–8 seconds; AWS takes 90+ seconds ~ CEO



## Depreciation Issue

Expert call with Brendan Rogers at Wolfe Research confirmed that GPU functional lifespans can extend to 10 years in specific production environments, as evidenced by 2015 models only now being phased out. For DDTL 2.0/2.1 lenders, this significantly de-risks the terminal value of the collateral.



# Diligence Questions

Question 1: What's your pricing flexibility to retain customers? Are you seeing requests for pricing reductions during renewal discussions?

Question 2: What is the average life of GPU assets that you are seeing? And with further progress in the GPU's quality, do you anticipate any changes in the useful life of GPUs?

Question 3: When do you plan to begin refinancing the \$9.5B 2029 maturities? What's the preliminary lender feedback?

Question 4: JPMorgan's credit research notes that largest customer, Microsoft, concentration has declined from 85% to 35% of backlog over 2025. Can you characterize the credit quality of the incremental customers driving this diversification? Specifically, what portion of new contracts signed in the last two quarters are with investment-grade counterparties vs. venture-backed or pre-revenue AI companies? And how does this mix affect the advance rates under the DDTL borrowing base?

Question 5: The CreditSights review of your 9% Senior Notes flagged several off-market covenant provisions, including the ability to use the restricted payments build-up basket during a payment default grace period, and the absence of a financial ratio test for restricted investments. As a secured lender at the DDTL level, how should we think about the risk that parent-level value leakage through these loose unsecured covenants could impair the company's overall financial health and ability to support the SPV structure? Are there any incremental protections at the DDTL level that limit distributions from the parent to equity holders?

Question 6: What is the current IG versus non-IG mix in the DDTL collateral pool, and how do you expect that to trend as you expand beyond hyperscalers into enterprise and AI startups, given the advance rate differential of 90% IG versus 60% non-IG directly impacts your borrowing capacity?