

Bloom Energy's record quarter meets a market that wanted more

Revenue jumped 138% to \$1,235.8 million and management raised its 2026 outlook for the third time in four months. The stock still slid after hours on a day the whole AI trade cracked.

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Bloom Energy Servers at eBay's San Jose campus at the company's 2010 launch. Today's boxes are bigger and are shipping to AI data centers.

Photo: Jakub Mosur / Bloom Energy, CC BY 2.0, via Wikimedia Commons

THE SHORT VERSION

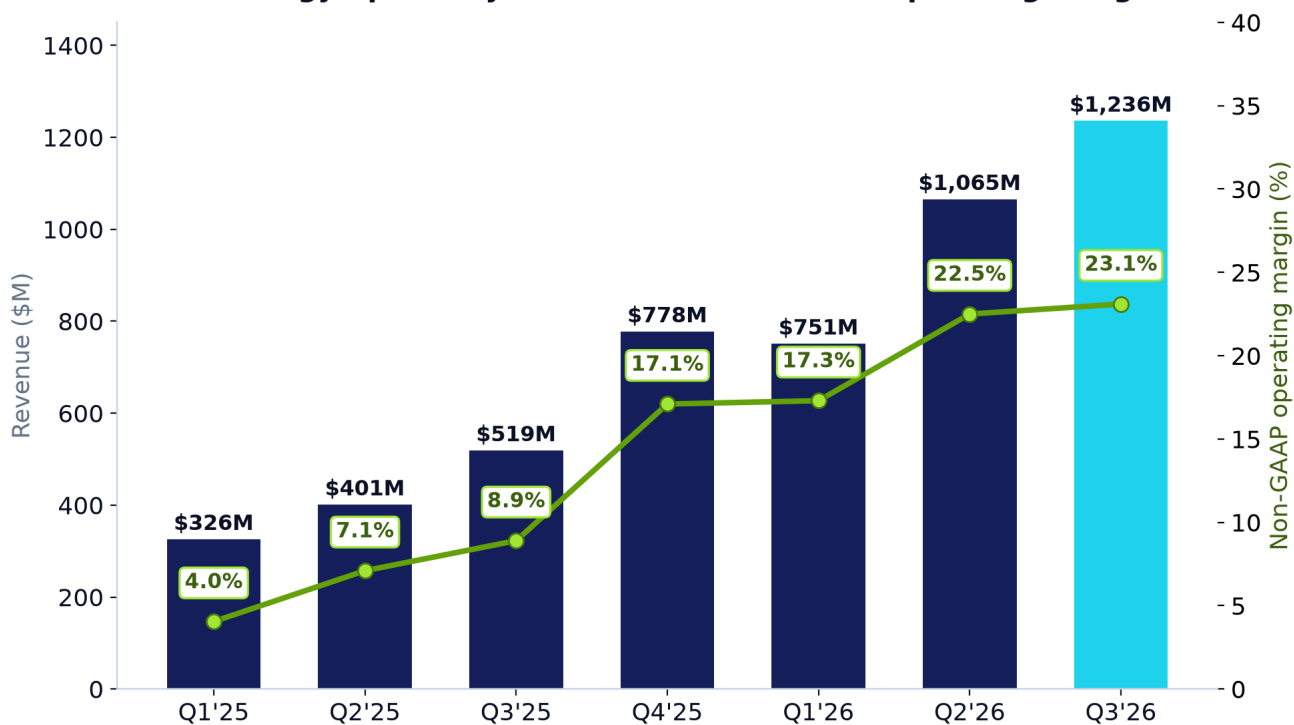
- **A big quarter, above estimates.** Q3 revenue was \$1.24 billion, up 138% from a year ago, against a consensus near \$1.07 billion. Non-GAAP EPS was \$0.94 against roughly \$0.69.
- **The third raise of 2026.** Full-year revenue guidance is now \$4.4–4.6 billion, up from \$3.1–3.3 billion in February, and non-GAAP EPS guidance is now \$3.10–3.40.
- **The stock fell anyway.** BE closed down 8.7% at \$217.77 as AI hardware names slid, then traded near \$202 after hours. Cash flow, dilution and expectations are where the debate sits now.

A record print on a bad tape

Bloom Energy reported its third quarter after the close on Thursday. By most measures it was the strongest quarter in the company's history. Revenue reached \$1,235.8 million, up 138.1% from \$519.0 million a year earlier and 16% above the second quarter. Product revenue rose 179% to \$1,073.6 million. Non-GAAP gross margin was 34.5%, and non-GAAP operating income was \$285.7 million, a 23.1% margin. GAAP diluted EPS was \$0.78, and non-GAAP diluted EPS was \$0.94.

For scale: Bloom took 21 years to reach its first billion-dollar year, in 2022, as CEO KR Sridhar reminded listeners on the July call. It has now done more than \$1 billion in each of the last two quarters.

Bloom Energy: quarterly revenue and non-GAAP operating margin



Source: Bloom Energy quarterly earnings releases (Q1 2025 to Q3 2026). Chart: Coteau Research.

Figure 1: Quarterly revenue and non-GAAP operating margin, Q1 2025 to Q3 2026.

Source: Bloom Energy earnings releases. Chart: Coteau Research.

The timing was poor. Thursday was a rough day for anything tied to AI hardware. Meta lifted its 2026 capital spending range to \$135–145 billion and reported negative free cash flow. Its shares fell 7%, which reopened the question of who pays for the buildout. Lam Research dropped 11.8% after its guide. Its CFO said the outlook "would have been a bit higher if not for some near-term supply chain constraints." The iShares Semiconductor ETF lost 6.8%, and the Nasdaq fell 2.6%, its steepest drop since June. The power names fell too: GE Vernova was down 10.6%, Vistra 9.8% and Constellation 5.7%.

BE closed down 8.7% before it reported. After the release, shares traded as high as \$226.65 and as low as \$200.00 in extended trading. At 4:52 PM ET they were at \$201.86, 7.3% below the close, according to Webull data.

The bull case: power is the bottleneck, and Bloom ships in months

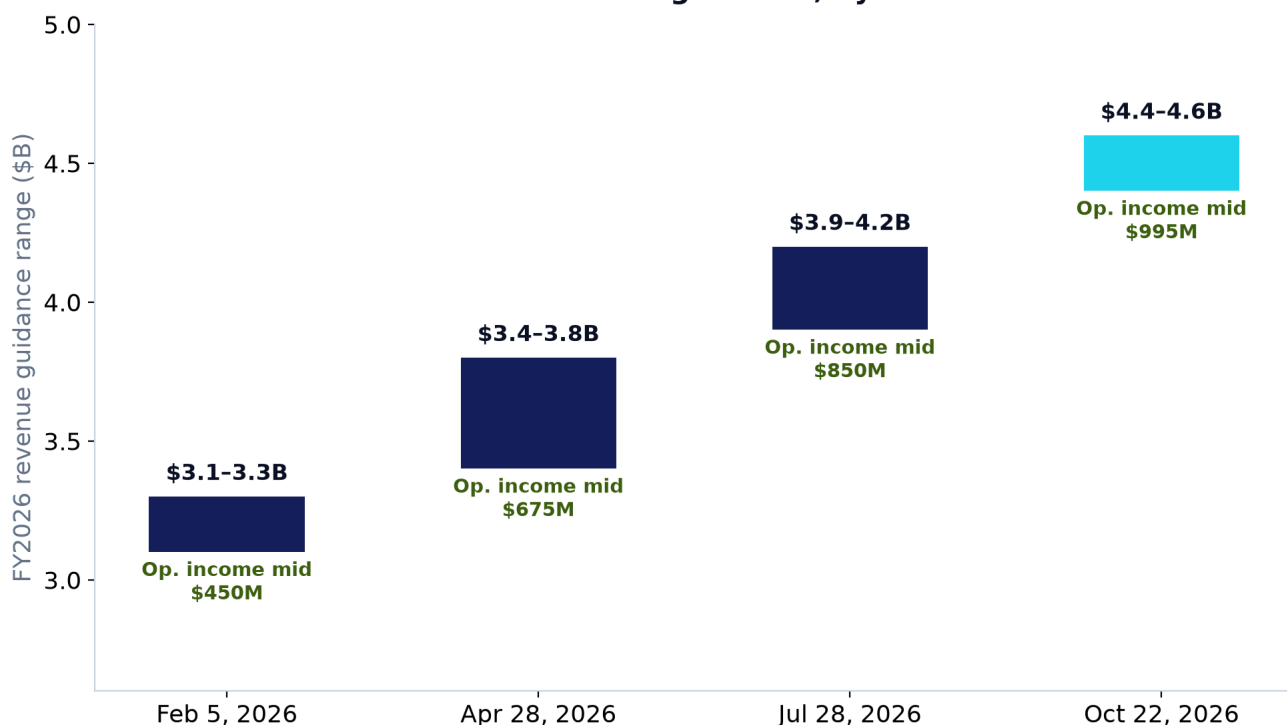
The case for Bloom rests on a simple claim. Chips are arriving faster than the grid can connect them. Bloom's solid-oxide fuel cells turn natural gas into electricity on site without combustion. They come in modular blocks that the company says it can deliver in months, while grid interconnections can take years.

"Every business needs reliable power to grow."

KR Sridhar, Bloom Energy CEO, Q3 2026 release

The numbers back up more of that story every quarter. Guidance has climbed from a \$3.2 billion midpoint in February to \$4.5 billion today, which implies 122% growth over 2025 revenue of \$2.02 billion. Margins rose along with revenue. The non-GAAP operating margin went from about 4% in Q1 2025 to 23.1% this quarter, and the new guidance implies roughly 22% for the full year. Sridhar framed the release around breadth: "What began with hyperscalers is rapidly moving across market segments."

Three raises: Bloom's 2026 revenue guidance, by date issued



Source: Bloom Energy Q4 2025, Q1, Q2 and Q3 2026 earnings releases. Op. income = non-GAAP guidance midpoint. Chart: Coteau Research.

Figure 2: Bloom's FY2026 revenue guidance range and non-GAAP operating income midpoint, by date issued.

Source: Bloom Energy earnings releases. Chart: Coteau Research.

The balance sheet supports the case too. Customer deposits and deferred revenue reached \$754 million, against \$144 million at the end of 2025. Customers are paying ahead. In June, Brookfield expanded its financing framework for Bloom projects from \$5 billion to \$25 billion, management said on the July call. On that call, Bloom also said every major US hyperscaler had validated its systems, and it named Nebius as a customer that dropped turbines for Bloom. Bloom joined the S&P 500 on Sep 21.



The cells run at about 800°C inside, but the cabinet stays cool to the touch. Guests at Bloom's 2010 launch at eBay.

Photo: Jakub Mosur / Bloom Energy, CC BY 2.0, via Wikimedia Commons

The bear case: priced for perfection, paid for in shares

The skeptics aren't arguing about whether demand exists. Their worries are about price, cash and who the customers are.

Expectations. Even after falling about 40% from its all-time high, BE trades at a high multiple. Webull data put its trailing P/E at about 293 at the close. The 52-week range runs from \$75.70 to \$351.28. On July 28, the stock fell 11% in the regular session before Bloom posted a large beat, then rebounded after hours. When a stock is priced like this, a good quarter can still be met with selling.

Cash flow. Operating cash flow was negative \$27.1 million in Q3, down from positive \$226.4 million in Q2, while capex tripled to \$153.5 million. Contract assets, revenue Bloom has booked but not yet billed, jumped to \$792.8 million from \$178.9 million at year-end, and inventory rose to \$927.7 million. In July, management

called \$375 million or more of operating cash flow a new baseline for the year. Through nine months the total is about \$273 million.

Dilution. Bloom's \$2.5 billion of 0% convertible notes due 2030 convert at about \$194.97 a share, below today's price. Diluted shares were 324.3 million in Q3, against 294.8 million basic. Oracle also holds a commitment for a warrant on up to 3.53 million shares at \$113.28.

Concentration. In Q2, two counterparties made up 44% and 21% of revenue, according to the 10-Q. Bloom says a "customer" can be a financing entity rather than the end user, and that deliveries are lumpy. Still, a handful of AI buyers drive the quarter. Oracle's Project Jupiter in New Mexico is still waiting on its state air permit. Construction on its Bloom microgrid hasn't started, and an investor lawsuit over scandium sourcing is pending.

Competition and the cycle. Gas turbines, reciprocating engines, grid upgrades and, later, nuclear all compete for the same megawatts. If hyperscalers slow their capex, onsite power is a line item that can be pushed out.



The grid is the alternative Bloom competes with and also the bottleneck it sells against. Transmission lines in Auburn, Washington.

Photo: Ron Clausen, CC0, via Wikimedia Commons

BULL CASE

- Revenue +138% YoY to \$1.24B, and FY26 guidance raised three times, to \$4.4–4.6B
- Non-GAAP operating margin of 23.1%, up from about 4% in Q1'25
- \$754M of customer deposits and deferred revenue, up from \$144M at year-end
- \$25B Brookfield financing framework, plus an S&P 500 listing
- Onsite power in months, while grid hookups take years

BEAR CASE

- A trailing P/E near 293, so a beat-and-raise still drew selling
- Operating cash flow of -\$27M and capex of \$153M. Contract assets are up 4.4x since year-end
- \$2.5B of converts in the money at \$194.97, and 324M diluted vs 295M basic shares
- Two counterparties made up 65% of Q2 revenue, and Project Jupiter's permit is unresolved
- Turbines, the grid and nuclear compete, and AI capex is cyclical

What the call added

Bloom's call began at 5:00 PM ET, after this draft was finished. **We haven't verified any call commentary, and none appears here.** The questions we want answered: why operating cash flow turned negative, how fast contract assets turn into cash, backlog and new hyperscaler orders, gross-margin direction for 2027, and whether any convertible holders have started converting.



Ashburn, Virginia, the world's densest data-center market, where grid capacity has become the gating factor.

Photo: Theodore Christopher, CC0, via Wikimedia Commons

Where this leaves the debate

Both sides can claim Thursday. The bulls have a company that has raised guidance three times in nine months and expanded margins as it scaled. The bears have negative operating cash flow in a record quarter, an in-the-money convert and a stock tied to an AI capex cycle that had a bad day. The next few months will test which matters more: whether contract assets turn into cash, and whether hyperscaler spending holds up through the Meta-style questions about returns.

WHAT TO WATCH

Oct 26, 2026	A New Mexico hearing officer takes up a motion to dismiss the Project Jupiter air-permit application.
Early Nov 2026 (expected)	Bloom's Q3 10-Q, with updated customer concentration, cash flow detail and convert disclosures.
Dec 7, 2026	The public hearing on Project Jupiter's air permit is scheduled to start in Sunland Park, NM.
Feb 2027 (date TBA)	Q4 and full-year 2026 results. The first 2027 guidance is the next big expectations test.

COMPANIES IN THIS STORY



Bloom Energy
BE

-8.70%



Meta Platforms
META

-6.98%



Lam Research
LRCX

-11.76%



GE Vernova
GEV

-10.64%



Vistra
VST

-9.81%



Oracle
ORCL

-2.78%

Day moves are Oct 22, 2026 regular-session closes from Webull market data.

Bloom Energy Q3 2026 results release (Business Wire, Oct 22, 2026, 4:05 PM ET; Form 8-K Ex. 99.1 and 99.2) and Q4 2025, Q1 2026 and Q2 2026 releases. Bloom Form 10-Q for Q2 2026 and Form 8-K of Nov 4, 2025 (SEC EDGAR). Bloom Q2 2026 call transcript (Investing.com, Jul 28, 2026). S&P Dow Jones Indices (Sep 4, 2026). Consensus from MarketBeat, Yahoo Finance via AskTraders, and Investing.com. Prices from Webull (close, plus an after-hours snapshot at 4:52 PM ET). Benzinga (Oct 22). Reuters via Investing.com (market close, Oct 22). Meta and Lam Research coverage from CNBC, Reuters and Yahoo Finance (Oct 21–22). KRWG / The New Mexican (Oct 19, 2026).

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