

Same chips, different balance sheets: CoreWeave, Nebius and the neocloud debt test

Both rent Nvidia GPUs to the biggest names in AI. One owes \$35.6 billion; the other holds about as much cash as it owes. The case for and against each, plus the power and SpaceX angles.

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Server racks in the data center at CERN, Geneva. The neocloud business is renting this kind of capacity, packed with Nvidia GPUs, by the hour or by the year.

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THE SHORT VERSION

- **Same product, opposite balance sheets.** CoreWeave had \$35.6B of debt against \$5.5B of cash at June 30; Nebius had \$8.5B of debt (mostly low-coupon converts) against \$8.0B of cash.^{1,3,4}
- **The market is stress-testing the model, not one company.** CoreWeave's 2032 bond yielded about 15.8% on Oct 15, and today CRWV fell 10.1%, NBIS 7.2%, IREN 8.4%, SPCX 9.1%.^{5,16}
- **Power is the swing factor.** It is the reason capacity is scarce and pricing is rising, and the reason a stalled build or an AI slowdown could leave lenders holding fast-aging GPUs.^{2,18}

The setup

The industry calls them “neoclouds”: the GPU landlords of the AI boom: they buy Nvidia systems, find power and buildings, and rent the compute to AI labs and hyperscalers. Two public names anchor the group. CoreWeave (CRWV) is the biggest and most indebted. Nebius (NBIS), the Amsterdam-based spin-out of Yandex's international assets, sells much the same service. As DA Davidson's Gil Luria put it to CNBC last week, the two “literally sell the same thing to the same companies,” but Nebius has “almost no financial leverage.”⁵

That difference has never mattered more. Since Oct 14, a sell-off in CoreWeave's bonds has spread to its shares and to every company that looks like it. On Oct 15 the 2032 notes yielded 15.77%, and five-year credit default swaps were quoted at 1,140 basis points, or 11.4% a year to insure the debt.⁵ Over one year CRWV is down 54% and NBIS is up 61% (Figure 2), even though both posted triple-digit revenue growth last quarter.^{1,2,16}

STAT CARD · COREWEAVE VS NEBIUS

METRIC	CRWV	NBIS
Q2 2026 revenue	\$2.58B (+112%) ¹	\$582M (+454%) ²
Adj. EBITDA margin, Q2	59% ¹	41% group; 50% AI cloud ²
Total debt, Jun 30	\$35.6B principal ³	\$8.5B, mostly converts ⁴
Cash, Jun 30	\$5.5B ¹	\$8.0B ⁴
Interest expense, Q2	\$640M net ¹	\$119M ⁴
Contracted backlog	\$104.2B, plus >\$25B added early Q3 ¹	>\$40B commitments ²
2026 capex guidance	\$35–39B ⁶	\$20–25B ⁷
Biggest customers	Top 3 = 72% of Q2 revenue ³	Microsoft (\$17.4–19.4B), Meta (up to \$27B) ^{9,10}
Share price, Oct 22	\$55.60 · -10.1% day · -22% YTD · -54% 1Y ¹⁶	\$159.17 · -7.2% day · +90% YTD · +61% 1Y ¹⁶

Debt is principal from the June 30 filings. YTD and 1Y returns are Coteau calculations from Webull daily closes; prices are as of the Oct 22, 2026 close (ET).

One-year share price change

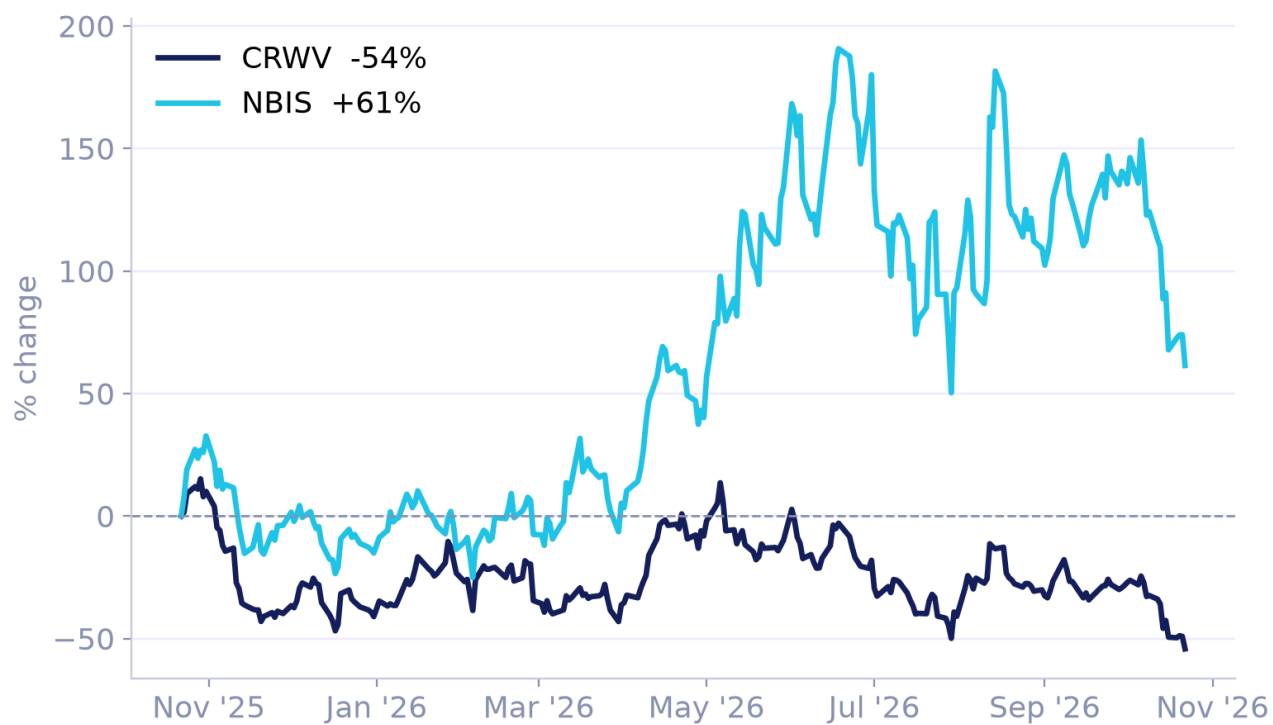


Figure 2: One-year price performance through Oct 22, 2026. Source: Webull daily closes; Coteau calculations.



Microsoft's data center in Middenmeer, the Netherlands. Hyperscalers like Microsoft and Meta are both the neoclouds' biggest customers and their biggest competitors.

Photo: Hay Kranen, CC BY 4.0, via Wikimedia Commons

Two ways to fund the same boom

CoreWeave borrows against its contracts. Its June 30 debt stack runs from delayed-draw term loans secured by GPUs (at effective rates of 7% to 15%) to \$10B of high-yield senior notes at 9–10%, \$6.6B of 2% convertibles and \$5.1B of vendor (OEM) financing. Of \$35.6B in principal, \$4.4B comes due in the rest of 2026 and \$6.2B in 2027.³ Interest expense more than doubled from a year earlier to \$640M in Q2, and the company guided to \$860–940M for Q3.^{1,6} Operating cash flow in the first half was \$3.7B, against \$14.1B spent on property and equipment.¹

Nebius funds itself more like a growth stock. It has issued about \$8.5B of convertible notes (the March 2026 tranche carries 1.25% and 2.625% coupons), sold \$2.8B of stock through its at-the-market program at an average of \$223.60, and sold Nvidia \$2B of pre-funded warrants.^{4,2} It also leans on customers: about 70% of Q2 deals included prepayments covering 50–60% of the related capex, and it expects more than \$9B of

prepayments in 2026. Its first secured GPU loan, \$775M in July, priced at SOFR + 2.50%.²

“They literally sell the same thing to the same companies and have almost no financial leverage.”

Gil Luria, DA Davidson, on Nebius vs CoreWeave, to CNBC⁵

There is a catch in the tidy comparison. On *gross* debt to annualized Q2 adjusted EBITDA, Nebius (about 9x) is actually higher than CoreWeave (about 5.9x), because Nebius's earnings are still small. Its advantage is *net* debt: roughly \$0.5B versus about \$30B (Coteau calculations from filings).^{1,3,4} Nebius pays for that cushion with dilution; CoreWeave pays for its growth with interest.

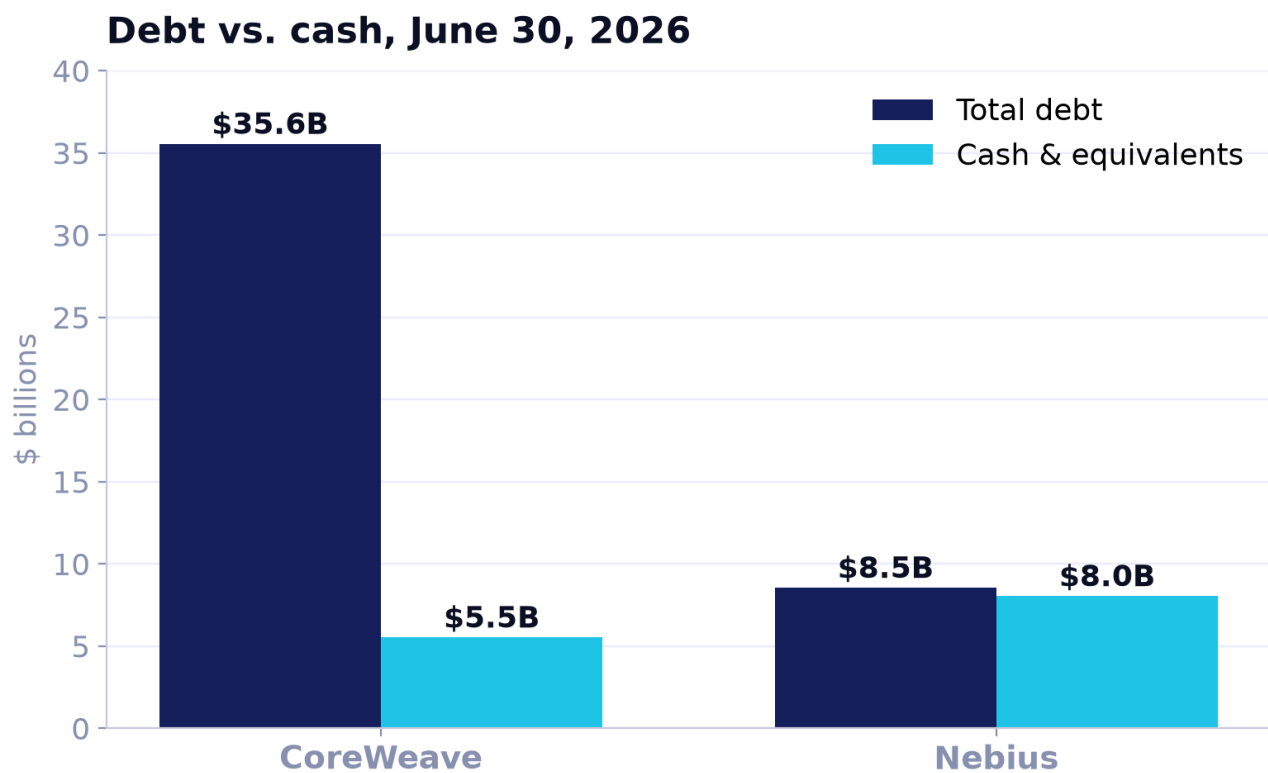


Figure 1: Debt vs. cash at June 30, 2026. Source: CoreWeave Q2 2026 10-Q and earnings release; Nebius Q2 2026 Form 6-K. Chart: Coteau.



An Nvidia DGX GB200 rack. Racks like this are the collateral behind much of the neocloud debt, and lenders' view of how long they stay valuable drives the cost of the loans.

The rest of the neocloud map

The same financing playbook (GPU-backed loans, take-or-pay contracts, a big-tech customer) now runs across the group, and the terms show how lenders rank the risk.

PEER TABLE · HOW THE NEOCLOUDS BORROW

COMPANY	KEY FINANCING	CONTRACTS
 Iris (IREN)	\$3.6B GPU financing for the Microsoft deal at ~6%; \$2.4B at 9% fixed for other customers (Aug 2026) ¹¹	\$9.7B, 5-yr Microsoft contract; \$4B contracted ARR ¹¹
 Applied Digital (APLD)	\$2.35B of 9.25% secured notes due 2030 ¹²	400 MW campus for CoreWeave; ~15-yr, 200 MW hyperscaler lease (~\$5B) ¹²
 TeraWulf (WULF)	\$3.2B of 7.75% secured notes due 2030; Google warrants pledged (Oct 2025) ¹³	Fluidstack leases at Lake Mariner ¹³
 Lambda (private)	\$926M term loan B at SOFR + 3.00%, rated Baa2 (Aug 2026) ¹⁴	Investment-grade customer deployment ¹⁴
 Nscale (private)	\$1.4B GPU DDTL (Feb 2026); ~\$3B investment-grade DDTLs (reported, Sept 2026) ¹⁵	Executed contracts (unnamed) ¹⁵
 Crusoe (private)	~\$509M SPV GPU loan in pre-marketing (reported) ^{14b}	Jane Street as offtaker (reported) ^{14b}
 Oracle (ORCL)	BBB- at S&P; 5-yr CDS ~295 bp (Oct 19) ¹⁹	\$300B OpenAI contract (reported) ¹⁹

Private-company figures are as reported by the company or trade press and are not audited.

The pattern is consistent: debt tied to an investment-grade customer prices near 6% (Iren's Microsoft deal) or SOFR + 2–3% (Nebius, Lambda), while debt backed by smaller AI labs costs 9% or more. CoreWeave's most recent unsecured notes carry 9.6–9.75% coupons, and they now trade near 15%.^{3,5,11} Oracle matters as the

investment-grade version of the same bet: S&P cut it to BBB–, one notch above junk, in July.¹⁹

SpaceX: the new giant in the room

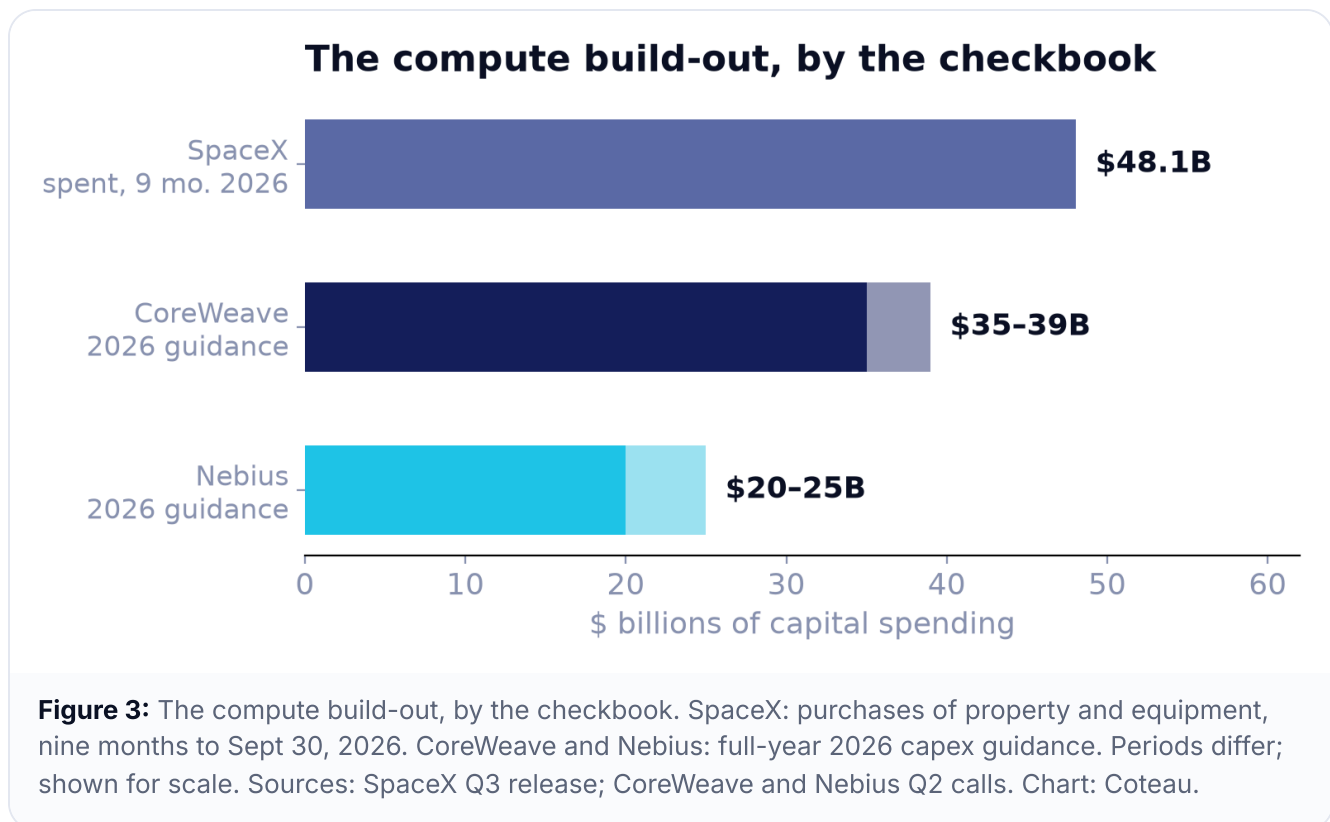
SpaceX (SPCX) reported third-quarter results after the close on Tuesday, Oct 20, and the stock moved on them Wednesday.^{20,21} The numbers belong in a neocloud story. Its AI segment, which SpaceX calls Super Intelligence after buying xAI, brought in \$7.56B, nine times a year earlier. It is now SpaceX's largest business, and part of that revenue comes from renting capacity to Google, Anthropic and others.^{20,21} Nameplate compute reached 1.7 GW at Sept 30, up from 0.6 GW a year earlier, as the Colossus II build continued. That already exceeds CoreWeave's 1.5 GW of active power at June 30.^{20,1}



A Falcon 9 at Vandenberg. SpaceX's AI segment now brings in more revenue than its launch and Starlink businesses.

Photo: SpaceX, CC0, via Wikimedia Commons

SpaceX spent \$48.1B on property and equipment in the first nine months of 2026, and it guided to \$33–37B of revenue in Q1 2027.^{20,21} Two links to the neoclouds follow. First, competition: a vertically integrated player with \$51.3B of cash and \$38.6B of marketable securities is now selling compute to the same AI labs.²⁰ Second, capital: The Wall Street Journal reported on Oct 7 that SpaceX, Oracle and Broadcom were each seeking very large debt deals to pay for AI chips.²² The release does not discuss orbital or Starlink-based data centers, so we leave that idea out. SPCX fell 9.1% today with the rest of the group.¹⁶



Power: the bottleneck that cuts both ways

GPUs are not the scarce input. Nvidia sold \$89.0B of data-center hardware last quarter, and \$40.3B of that went to AI clouds, industrial and enterprise buyers, up 138%.¹⁷ The scarce input is electricity. Goldman Sachs expects global data-center power demand to rise 170% from 2025 to 2030. It counts roughly 2,600 GW of projects in the U.S. interconnection queue, with a median wait of about five years.¹⁸ The EIA expects U.S. power use to hit records of 4,288 billion kWh in 2026 and 4,356 billion kWh in 2027, led by commercial customers, where most data centers are counted.²³ For self-built power,

GE Vernova's gas-turbine backlog plus reservations reached 116 GW at June 30, against roughly 20 GW a year of output.²⁴



Three Mile Island, where Unit 1 is being restarted as the Crane Clean Energy Center to supply Microsoft. Nuclear is mostly a 2030s answer, and restarts like this one come sooner.²⁵

Photo: U.S. Department of Energy, public domain, via Wikimedia Commons

For the neoclouds, scarcity is the bull case. Nebius says its one-to-three-year deals now price at \$20–25M per megawatt, with upfront payments covering 50–60% of the capex, and that “we could sell today our entire 2027 capacity on these terms if we wanted to.”⁷ Locked-in power is a real asset: CoreWeave has about 3.7 GW contracted and Nebius targets 5 GW by year-end.^{1,2}

Scarcity is also the bear case. CoreWeave had 1.5 GW of active power at June 30 against about 3.7 GW contracted, and it targets more than 1.85 GW by year-end. Everything in between still has to be built, energized and delivered on time.^{1,6} If a site waits on a substation while the GPUs inside it age, interest keeps accruing on hardware that isn't earning yet.



High-voltage lines in Auburn, Washington. The U.S. interconnection queue holds roughly 2,600 GW of projects.¹⁸

Photo: Ron Clausen, CC0, via Wikimedia Commons

Bull vs. bear

THE BULL CASE

- **Contracted demand, not hope.** CoreWeave's \$104.2B backlog is up 246% year over year, and Meta committed up to about \$21B in March. Nebius has more than \$40B of commitments, including Meta's up-to-\$27B deal with a \$15B pledge to buy unsold capacity.^{1,3,10}
- **Backstops from deep pockets.** Nvidia must buy CoreWeave's unsold capacity through April 2032 (initial value \$6.3B) and invested \$2B at \$87.20 a share. It also put \$2B into Nebius.^{26,27,4}
- **Margins are already there.** CoreWeave's adjusted EBITDA margin is 59%, Nebius's AI cloud runs at 50%, and Nebius puts payback on Q2 deals under two years.^{1,2}
- **Strong contracts unlock cheap debt.** IREN financed its Microsoft build at about 6%, Nebius's first secured loan priced at SOFR + 2.50%, and Lambda's term loan is rated investment grade (Baa2).^{11,2,14}

THE BEAR CASE

- **Duration mismatch.** "If there's an overbuild, why would [customers] renew their contract with CoreWeave?" asked CreditSights' Jordan Chalfin.²⁸ Nebius prices its mid-term deals on one-to-three-year contracts.⁷
- **Concentration and circularity.** Three customers made up 72% of CoreWeave's Q2 revenue. Nvidia is supplier, shareholder and backstop at once, and has guaranteed up to \$105B of leases for OpenAI in Ohio.^{3,17}
- **Depreciation assumptions.** Nebius stretched server lives from four to five years this year. Gartner predicts more than 80% of neoclouds will cease independent operations by 2030.^{2,5}
- **The cost of capital has turned.** CoreWeave's 2032 bonds near 15% make refinancing costly, and analysts expect about \$25B of negative free cash flow this year. Nebius depends on its share price staying high.^{5,28,2}

COMPANIES IN THIS STORY · OCT 22 CLOSE



CRWV
CoreWeave

−10.06%



NBIS
Nebius

−7.23%



SPCX
SpaceX

−9.14%



NVDA
Nvidia

−4.40%



ORCL
Oracle

−2.78%



IREN
IREN

−8.37%



APLD
Applied Digital

−9.01%



WULF
TeraWulf

−11.29%

Day change at the Oct 22, 2026 close. Source: Webull.

WHAT TO WATCH

Nov 10
estimated

Nebius Q3. Can it keep its 2026 targets of \$7–9B ARR and \$3.0–3.4B revenue, and will it raise more debt or equity?^{7,29}

Nov 10

EIA Short-Term Energy Outlook. The next official read on data-center-driven U.S. power demand.²³

Nov 11
after close

CoreWeave Q3. Revenue against its \$3.45–3.6B guidance, interest against \$860–940M, and how the \$25B-plus of early-Q3 commitments convert into backlog.^{6,28}

Ongoing

Credit signals. CoreWeave's 2032 bond yield and CDS, and whether Oracle holds its BBB– rating.^{5,19}

Bottom line

CoreWeave and Nebius are the same bet on AI compute, financed in opposite ways. CoreWeave's bet is that \$104B of signed contracts, Nvidia's backstop and 59% margins will carry \$35.6B of debt through a period of 15% bond yields. Nebius's bet is that a cash buffer and customer prepayments keep it out of the credit market's line of fire, at the cost of dilution and a thinner earnings base. Power scarcity supports pricing

for both today. If demand cools or projects slip, lenders will quickly find out which assumptions about GPU life and contract renewals were too generous. The next three weeks of earnings and credit spreads should show which story the market believes.

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