

CRWV & NBIS: The Debate Is Depreciation. The Difference Is Funding.

Whether book life reflects the economic life of the hardware is now central to the AI infrastructure trade. Nowhere more so than in neoclouds, the specialized cloud providers that help make AI possible.

Simply put: the longer the economic life, the longer these stay growth stories, and the more the capital already raised turns out to have been worth raising.

We looked at CoreWeave and Nebius. Asset life matters more than anything else we tested, but it isn't what separates them.

Same business. Two different bets.

Dan McSpirit, CFA

August 2026

Same business, two different bets.

COREWEAVE

You are betting that the chips keep earning well after they've been written off, that the debt keeps paying itself off contract by contract, and that demand holds up as today's contracts roll off and have to be replaced. It breaks if the backlog is a one-time build-out rather than a renewing base.

NEBIUS

You are betting on pricing power. A base around \$12mm per megawatt today against new deals at \$20–25mm and auction pricing above \$40mm. Dilution is the known cost and it is already partly paid. It breaks if the step-up doesn't arrive.

The only hard datapoint on asset life anywhere in the filings: CoreWeave recently signed a contract running into 2029 on a chip introduced in 2020 (A100), and says it remains largely sold out of prior GPU generations. That's nine years against six booked. CoreWeave's \$104bn backlog, up 246% year-over-year, is the same evidence at scale: customers contracting years of future output on hardware that exists today. It guarantees revenue through each term, not the price at renewal, and not the date the fleet needs rebuying. The debt is collateralised against those contracts and amortizes as their cash flows arrive, generally from investment-grade counterparties.

Work the share price backwards and you get an implied asset life of roughly six years for CoreWeave and roughly five for Nebius, both, conveniently, right at book life. That number is close to useless. CoreWeave's stock could go from \$40 to \$160 and it would move by less than a year.

The reason is that value is extraordinarily steep in asset life. Steep enough that inverting it compresses almost any share price into the same answer, and steep enough that a year is the largest number in the analysis.

WHAT ONE YEAR OF ASSET LIFE IS WORTH, AGAINST CURRENT MARKET CAP

COREWEAVE

+1 yr: adds ~1x cap

-1 yr: equity gone



----- CURRENT MARKET CAP

NEBIUS

+1 yr: adds ~half cap

-1 yr: ~70% of cap erased



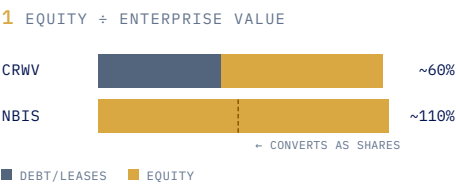
----- CURRENT MARKET CAP

A year of life is worth roughly a whole CoreWeave and roughly half a Nebius, and it costs more on the way down than it pays on the way up. Why the same year lands so much harder on one than the other is the next slide.

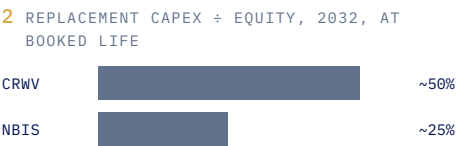
Asset life is the biggest number in the analysis and the one nobody publishes. That is the problem, and no amount of working backwards from the price solves it.

Identical chips. Twice the consequence.

A one-year change in asset life is proportionally larger for Nebius. It's a fifth of a five-year life, against a sixth of six. Yet CoreWeave's equity swings roughly twice as hard. The difference has nothing to do with the chips.



Equity is a geared residual at CoreWeave and isn't at Nebius. Roughly \$45bn of net debt and leases rank ahead of CoreWeave's equity. Nebius is past net cash once non-operating assets are counted, totaling about \$0.8bn of straight debt and \$1.6bn of capitalised leases against roughly \$9bn of cash. But part of the reason so little ranks ahead of its equity is that its \$8.5bn of convertible notes are counted as shares, not as debt. This is the same choice the funding slide describes, showing up on the balance sheet. A given move in enterprise value arrives at the equity magnified at CoreWeave and slightly dampened at Nebius.



Asset life works entirely through replacement capex. The fleet CoreWeave has to replace is far bigger relative to the equity claim it has to serve than at Nebius.



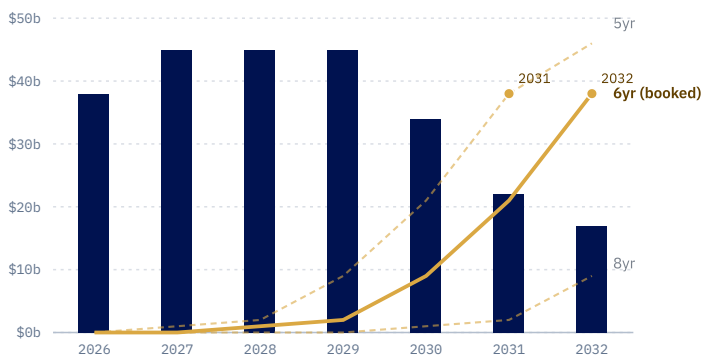
More of the value sits where asset life hits hardest. CoreWeave's explicit forecast period carries negative present value - meaning, the whole enterprise value is terminal plus a negative number.

All three are one fact seen from three angles: CoreWeave owns a much larger asset base relative to the equity claim on it, financed in large part by claims ranking ahead of the equity. Nebius owns a smaller fleet against a larger, unencumbered equity base. The physics of GPU aging is identical, but it lands on the two equity claims very differently.

When these stop being growth companies is the whole question.

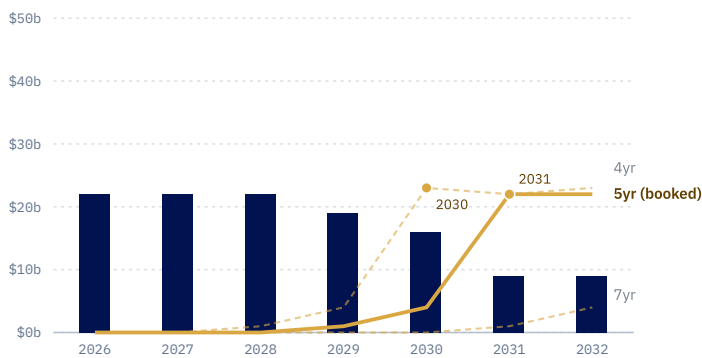
Replacement capex arrives when the fleet ages out. When it arrives depends entirely on how long the hardware keeps earning. At CoreWeave's booked six years, replacement overtakes growth spending in 2032. At five it arrives a year sooner. At eight it doesn't arrive before 2032 at all. With Nebius the crossover lands in 2031 on five years booked life, a year earlier than CoreWeave, on a shorter stated life and a build that has already plateaued.

COREWEAVE



CoreWeave's build is still steepening, so life changes the size of the eventual bill as well as its timing.

NEBIUS



Nebius's build plateaus, so the eventual bill is about the same across four to six years. Only its arrival moves.

■ GROWTH CAPEX — REPLACEMENT CAPEX, BOOKED LIFE

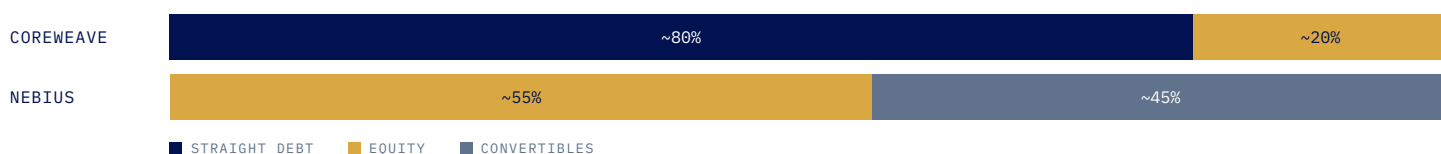
Economic life, not the build path, drives the timing. At eight years CoreWeave's replacement spending is still under \$10bn in 2032 and still rising. The crossover doesn't arrive before 2032 at all. Growth capex is unaffected by the assumption.

The treadmill is certain. Its date is not and that date is most of the argument.

Someone has to fund it.

CoreWeave needs roughly \$65–70bn over three years, Nebius about \$18bn over two. These figures are almost independent of the depreciation debate. The near-term deficit is growth capex, not replacement. Stretching assumed asset life from five to eight years, the range on the previous slide, and a swing worth more than the entire equity, changes the three-year funding requirement by only about 5%.

HOW EACH FUNDED THE BUILD — FIRST HALF OF 2026



Flows, not balances. Nebius carries roughly \$0.8bn of straight debt and \$1.6bn of leases against about \$9bn of cash; it raised no new debt in the half. CoreWeave's net new debt in the same period was roughly \$11.5bn.

CoreWeave defers the cost onto the balance sheet. Nebius converts it into shares. Neither is free. The bill is the same size; they have chosen different currencies, and different moments to pay it.

The channel from life to funding is real but indirect and runs entirely through price: longer life → higher intrinsic value → equity issued at a better price → less dilution per dollar raised.

A longer asset life doesn't shrink the size of the check. It changes what the check costs existing holders.

One lens, and here's where it goes blurry.

Reasonable structural choices inside a capacity-based DCF move the answer by more than the entire equity value. This includes where the depreciation clock starts, how the discount rate treats leverage, and which capacity base carries the operating costs. All individually defensible and collectively decisive.

The facts on the earlier slides were selected for surviving those choices. The funding requirement holds whatever you assume about asset life. The treadmill shape holds in every version. The funding mix is read off cash flow statements and isn't modelled at all. What doesn't survive isn't in this deck, including a point estimate of fair value.

Nvidia holds equity in both companies and is also their sole GPU supplier. Critics argue this is circular financing: the supplier funding its own demand. It is the most-discussed bear case on these names and it is not resolved here.

ONE LENS AMONG SEVERAL

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- Contracted backlog and remaining performance obligations against enterprise value
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- Replacement cost of the installed fleet
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- A credit-led view, which given the funding mix may be the more natural lens for CoreWeave
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The depreciation debate is real and it matters more than anything else here. It just isn't what separates these two companies. What separates them is who pays for the build, and in what currency.