All three neoclouds pay ~14% at the margin. On today's book, none earns enough to cover it.

Each is building faster than it earns, at a marginal cost its current book doesn't yet cover. Growth creates value only if new capacity earns well above today's base. Until it does, the gap is filled with debt at ~8–10 points over Treasuries or with equity at today's prices. As of the 13 Nov close, ahead of Nvidia's Q3 FY27 results on 17 Nov.

01 · FUNDING

~90% / ~65%

Debt-like share of nine-month external funding: CoreWeave, then Nebius, whose below-par converts count as debt.

Nebius's receivables rose more than its deferred revenue in Q3: likely billed, not yet collected.

P. 03

02 · COST

~13–15%

Yield to maturity on each one's marginal debt, from FINRA TRACE prices.

One reading: the market prices the model, not the capital structure.

P. 04

03 · RETURNS

~9–16%

EBITDAR on invested capital, against a ~26–34% hurdle that earns ~14% over 4–6 years.

EBITDAR: EBITDA before lease (rent) cost, so leased capacity counts on both sides. IREN ~9–14%: run-rate over the capital it needs.

P. 05

04 · DOWNSIDE

~0–30%

2027 dilution across three states. Highest for CoreWeave and Nebius if prepaid and secured funding shrinks.

The spread is the information.

P. 06

Prices: 13 Nov 2026 closes. Filings: CRWV 10-Q (12 Nov); NBIS 6-K (12 Nov); IREN 10-Q (5 Nov). Bonds and converts: FINRA TRACE, 13 Nov. Not affiliated with any company named. The author holds no position in CRWV, NBIS or IREN.

Five assumptions drive the answer. Three work against the companies; one works for them.

The slides that follow rest on these choices. The right-hand column says whether each one helps or hurts the companies, so a reader can see where the conclusion is weakest, and what would change it.

Assumption	What the deck uses	Effect on the companies
Marginal cost	Traded debt yields, ~14% (~13–15% by issue)	Helps. Equity costs more, so a full WACC would raise the bar.
Economic life	4–6 years, GPU-weighted	Hurts. Facilities last longer. At 10 years the hurdle is still ~19%, above all three.
Invested capital	Net PP&E + leased assets, incl. construction in progress	Hurts. Understates returns while capacity is built (CRWV ~16% → ~18% ex it).
IREN's returns	Run-rate EBITDA on its >$4bn ARR target, over the capital that target needs (~$21bn) to the full FY27 build (~$27bn)	Neither. Matched: ~9–14%. Over capital already in place, it would overstate returns.
2027 funding gap	Company plans where filed; operating cash excluded	Hurts. Overstates the gap, most for CoreWeave.

What would change the conclusion: new capacity earning well above the ~26–34% hurdle on all-in capex, contract after contract.

Full method and caveats on p. 07. Approximate and rounded throughout. Not affiliated with any company named. The author holds no position in CRWV, NBIS or IREN.

CoreWeave borrows, Nebius sells shares and converts, IREN mixes. Before prepayments, none comes close to funding its build.

Q3 cash capex was ~$5–9bn each. Operating cash flow, less prepayments, ran from about −$3.7bn to about +$1.6bn, depending on whether billed-but-unpaid prepayments count. Prepayments are customer financing: not free, not self-generated.

01 · Q3 FUNDING, $BN

Quarter to 30 Sep. Receivables = rise in the quarter.

Q3	CRWV	NBIS	IREN
Cash capex	~9.4	~7.3	~5.1
OCF ex prep.	~0–1.6	−3.7 to 0.1	~0
Prepaid in	~2.1	~3.4	~0.6
Receivables	~1.7	~3.8	~0.2
Debt, net	~8.0	~0.8	~2.3
Converts	—	~5.8	—
Equity	—	~1.1	~0.5

02 · FUNDING CURRENCY

Debt-like share of external funding. Converts trading below par count as debt.



Nebius's Feb-2030/34 and Mar-2031/33 converts trade at ~71–89 on TRACE, so they price as debt. Equity: CRWV ~10%, NBIS ~35%, IREN ~17%.

03 · PREPAYMENTS

Large, partly uncollected, and priced.

Deferred revenue at 30 Sep: CRWV ~$10bn, NBIS ~$9.4bn, IREN ~$2.5bn. CRWV also moved ~$1.9bn to "customer liabilities" as contracts became cancellable.

Nebius's Q3 receivables rose more than its deferred revenue, which suggests most Q3 prepayments were billed, not yet collected.

Imputed interest is a floor on their cost: NBIS ~$50–55m in Q3; CRWV ~$0.2bn over nine months.

~$22bn Q3 CASH CAPEX, THREE COMBINED

~$3.8bn NBIS RECEIVABLES RISE, Q3

~90% CRWV FUNDING, DEBT-LIKE

~5x CRWV, NBIS LEASE-ADJ. LEVERAGE

~$22bn PREPAYMENTS OUTSTANDING

Sources: CRWV 10-Q; NBIS Q3 and Q2 6-Ks; IREN 10-Q. Leverage: lease-adj. net debt ÷ annualized EBITDAR. IREN capex incl. ~$0.3bn deposits.

Different capital structures, similar price: at the margin, all three pay ~14%.

Yields to maturity on Friday's TRACE prices: CoreWeave's notes ~15%, IREN's largest convert ~14%, Nebius's largest converts ~13–14%. One reading: the market prices the neocloud model more than each balance sheet. Secured debt costs ~7–15%.

01 · MARGINAL DEBT

Yield to maturity, 13 Nov prices.



Prices: CRWV ~81–86; NBIS ~71–72; IREN ~43. Nebius's converts repay 110–125% of principal at maturity.

02 · COST BY LAYER, %

Effective rates from the notes; market where traded.

Layer	CRWV	NBIS	IREN
Prepayments	~3	~2–2.5	floor
Secured	~7–15	~7.6	~7–11
Vendor	~9–10	—	—
Margin, traded	~15	~13–14	~11–14

Prepayment cost: imputed interest only, a floor.

03 · WHAT COUNTS AS EQUITY

CoreWeave's 2032–33 converts (~$98–120 conversion vs ~$53) are debt, yielding ~7–9%: the option lowers the yield, so the notes are the cleaner marginal cost.

Nebius's Sep-2030/32 and IREN's 2029/30 converts trade above par: equity-like.

Nebius's Feb-2030/34 and Mar-2031/33 converts trade below par: debt.

~15%	~13–14%	~14%	~7–15%	~14%
CRWV UNSECURED NOTES	NBIS FEB-2030/34 CONVERTS	IREN DEC-2033 CONVERT	SECURED, ASSET-LEVEL	MARGINAL COST, ALL THREE

FINRA TRACE last-sale prices, 13 Nov 2026; yields to maturity computed by the author. Marginal debt: straight bonds where they trade (CRWV), else the largest below-par convert. Effective rates: debt notes in each filing.

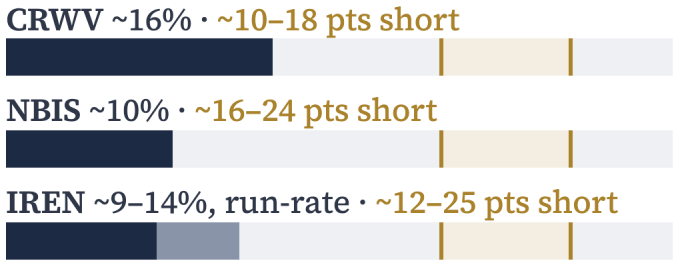
NOT INVESTMENT ADVICE

On today's book, none earns its marginal cost of capital. Growth adds value only if new capacity earns far more.

To earn its ~14% marginal cost over 4–6 years, capacity must yield ~26–34% a year. Q3 EBITDAR on invested capital: CoreWeave ~16%, Nebius ~10%, IREN ~2% (~9–14% at its contracted run-rate, on the capital that run-rate needs).

01 · YIELD AGAINST HURDLE

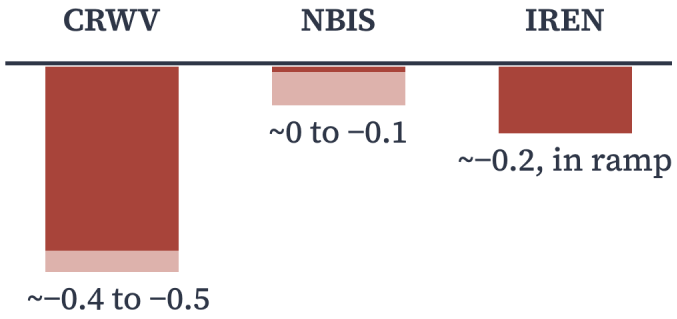
EBITDAR ÷ (net PP&E + leased assets), annualized.



Gold: hurdle, 6- to 4-year life. At 10 years ~19%: still above all three.

02 · FLEET RESULT, $BN

Q3 EBITDA − D&A − interest, a quarter. Below zero: a loss.



Light: also charging capitalized interest.

03 · BOOK VS NEW DEALS

The book: older, cheaper contracts weigh on it. Ex CRWV's ~$9bn under construction, ~16% rises only to ~18%.

New deals at ~$22M per IT MW yield ~20–45%: above the hurdle on GPU capex (~$40M/MW), near or below it all-in (~$55M/MW).

Paying back the GPUs within the contract covers the hardware, not the equity.

Hurdle: longer facility lives lower it; costlier equity raises it.

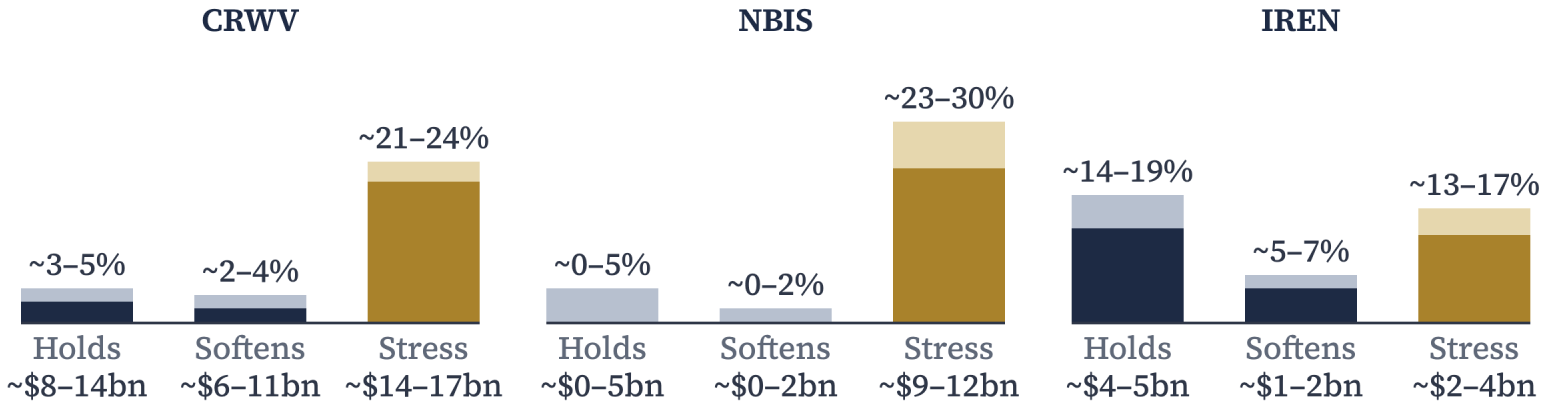
~16%	~10%	~9–14%	~−0.5 to 0	~26–34%
CRWV YIELD ON CAPITAL	NBIS YIELD ON CAPITAL	IREN, CONTRACTED RUN-RATE	FLEET RESULT, $BN A QUARTER	HURDLE, 4–6 YEAR LIFE

Q3 annualized; capital at 30 Sep. IREN: ~$2.4–3.0bn EBITDA on its >$4bn ARR target over the ~$21bn it needs (~$12bn in place + ~$9bn funded) to the ~$27bn FY27 build. New deals: margin ~55–85%.

On their own plans, the swing factor is prepaid and secured funding: if it shrinks, CoreWeave and Nebius each need equity worth ~20–30% of their value.

The same three 2027 states for each, on its filed plan where it has one: support holds; demand softens; joint stress, where prepaid and secured funding also shrinks. Equity at today's price fills lost funding plus ~10–35% of the rest; debt fills the remainder.

01 · 2027 DILUTION AT 13 NOV PRICE (BARS) AND FUNDING GAP (BELOW)



Bars span each range. Dilution: new equity ÷ market value (CRWV ~$29bn, NBIS ~$36bn, IREN ~$8bn). Gap after cash, prepayments and secured debt; no operating cash.

02 · READING THE SPREAD

CoreWeave: ~$11bn of debt due within a year and a 60–75% secured advance. Lose ~30% of new facilities and dilution passes ~20%.

Nebius: a ~$40–45bn 2027 plan, above its market value, 75–85% prepaid or asset-backed. Cut that coverage ~40% and dilution reaches ~25–30%.

IREN: ~$9bn of a ~$15bn FY27 build is covered; the rest keeps dilution near ~15–20%.

Softer demand shrinks the gap: less is built.

~$6–17bn	~21–24%	~23–30%	~5–19%	~0–30%
CRWV 2027 GAP, ALL STATES	CRWV DILUTION, JOINT STRESS	NBIS DILUTION, JOINT STRESS	IREN DILUTION, ALL STATES	DILUTION RANGE, THREE NAMES

Plans: NBIS 2027 guidance (6-K, 12 Nov); IREN FY27 to June (Q1 release); CRWV Q3 run-rate ~$38bn (2026 guidance ~$37–39bn). –25% capex in softer states. Operating cash beyond prepayments taken as zero. Author's judgments; method on p. 07.

How it was measured, and what to distrust.

01 · METHOD

Basis. Q3 filings; balance sheets at 30 Sep; cash capex. IREN is Q1 FY27.

Prepayments. Customer financing, counted once; gross and net of receivables.

EBITDAR. Adjusted EBITDA plus operating lease cost.

Leverage. (Debt + leases − cash) ÷ annualized EBITDAR.

Converts. Debt below par; equity-like above.

Marginal cost. Yield to maturity from TRACE prices, 13 Nov: straight bonds where they trade, else the largest below-par convert.

Returns. EBITDAR ÷ (net PP&E + leased assets) vs the annuity yield at ~14%, 4–6 years. Longer facility lives lower the hurdle; costlier equity raises it.

02 · WHAT TO DISTRUST

2027 plans. NBIS and IREN guidance; CRWV Q3 run-rate, in line with its 2026 guide. IREN's FY27 ends in June.

Funding gap. Excludes operating cash beyond prepayments; secured advance rates are judgment.

Dilution. New equity ÷ market value at 13 Nov.

IREN. Ramp distorts Q1. Run-rate EBITDA rests on its ARR target and an assumed margin, over the capital that target needs (in place plus funded) to the full FY27 build.

Convert yields. The conversion option lowers them; Nebius's converts accrete to 110–125% at maturity, which their yields include.

Cancellable prepayments. CRWV moved ~$1.9bn of deferred revenue to customer liabilities as contracts became cancellable.

03 · SOURCES, LEFT OUT, NEXT

Sources. CRWV 10-Q and Q3 release (12 Nov); NBIS Q3 and Q2 6-Ks; IREN 10-Q and Q1 release (5 Nov). TRACE, Treasury and Nasdaq closes, 13 Nov.

Left out deliberately. Per-share values and price targets; press reports not confirmed by a filing. Call commentary only where labeled.

Next. Nvidia Q3 FY27 results, 17 Nov.

Per MW. Newer GPUs do more per MW, so prices per MW can hold as prices per token fall.

The open question. Is ~14% the price of the neocloud model, or of capital Nvidia's support no longer guarantees?

Approximate and rounded; ranges are the information. Prices: 13 Nov 2026 close. Not affiliated with any company named. The author holds no position in CRWV, NBIS or IREN.