

Constructive on infrastructure execution, cautious on headline earnings quality

1 | KEY RESULTS VS. CONSENSUS

Metric	Reported	Consensus	vs. Cons.
Revenue	\$8.057 billion	\$7.870 billion	+2.4%
Adjusted EBITDA (vs. Year Ago)	\$454.7 million	\$629.6 million	-27.8%
Net Income	\$322.8 million	\$46.6 million	+592.7%
Diluted EPS (vs. Year Ago)	\$0.66	\$1.01	-34.7%

2 | GUIDANCE AND OUTLOOK

Management expects an \$800 million to \$850 million exit-2027 annualized leasing revenue rate, not full-year revenue. Phase 2 initial deliveries remain scheduled for Q2 2027. Its displayed annual base revenue fell from \$690 million to \$675 million, described as a GAAP lease-accounting clarification, not changed contractual economics. Phase 3 equity availability was reaffirmed; debt financing is expected in the first half of 2027. Helios 2 has no replacement lease-signing deadline; mid-2028 remains the earliest expected energization.

3 | EARNINGS ANALYSIS

TREASURY DOMINATES THE EARNINGS RECOVERY. Revenue exceeded consensus, but the earnings surprise should not be capitalized as recurring operating improvement. Treasury & Corporate generated \$395.0 million of consolidated adjusted EBITDA, approximately 87%, primarily through investment and digital-asset appreciation. Data Centers supplied approximately 97% of the combined operating businesses' sequential EBITDA improvement, while Digital Assets remained loss-making. The counterparty behind the contracted capacity is CoreWeave's parent, not the investment-grade hyperscaler using Phase 1, and approximately 15-year leases outlast customer contracts of approximately 4 years to 5 years. Gross transaction revenue is not retained economics.

DIGITAL ASSETS STILL LACKS PROFITABILITY. Digital Assets adjusted EBITDA was a \$9.0 million loss despite recovering cryptocurrency prices, higher trading volumes and a larger lending book. Collar-loan premiums now amortize over loan lives within lending income rather than being recognized upfront in operating gains; Q3 includes a year-to-date catch-up and prior periods were not recast. Management said the segment would otherwise have been profitable but did not quantify the adjustment. Sustained operating leverage remains unproven.

CONTRACTED REVENUE IS NOT CASH. Phase 1's \$79.1 million leasing revenue substantially met the approximately \$80 million quarterly expectation. Data Centers' approximately 87% EBITDA margin is not comparable with expected lease-level margins exceeding 90%, which exclude overhead, and straight-line lease income is not cash rent. The wider segment reported \$129.1 million of operating cash outflow and \$489.7 million of cash property and equipment purchases; its \$757 million headline capex included \$267.2 million of noncash additions. Contracted revenue generation and segment self-funding are distinct milestones.

FINANCING DOES NOT REMOVE EXPOSURE. Approximately \$4.9 billion of cash, stablecoins and Treasury holdings was primarily financing-driven, not retained operating free cash flow, and is not interchangeable with unencumbered corporate cash. Phase 2 is fully financed but carries a 9.875% coupon and an uncapped parent completion guarantee. Management says the \$445 million December maturity can be repaid without refinancing; the additional \$200 million buyback authorization competes with development commitments. Delivered and financed capacity deserves different treatment from Helios 2's approved but unleased power. Infrastructure execution is constructive, but predominantly recurring, cash-generative profitability has not been established.

4 | KEY READ-THROUGHS

HYPERSCALER CUSTOMERS DO NOT MAKE COREWEAVE AN INVESTMENT-GRADE COUNTERPARTY
CoreWeave (CRWV); Applied Digital (APLD) | Negative | Potentially high significance for CoreWeave; moderate significance for Applied Digital
Galaxy's leases face CoreWeave's parent, not its investment-grade hyperscaler customer. Approximately 15-year landlord leases outlast customer agreements of approximately 4 years to 5 years, requiring repeated renewals. More demanding credit underwriting can mean stronger guarantees, reserves, lower leverage or higher financing prices, reducing equity returns. Applied Digital's CoreWeave-linked assets require contract-specific assessment, not a uniform portfolio discount. The call does not establish imminent default or impairment.

APPROVED POWER DESERVES A LARGER PREMIUM TO UNAPPROVED DEVELOPMENT PIPELINES
IREN (IREN) | Positive | Potentially high development-value significance
IREN's 2 GW Sweetwater Hub received conditional Base Load classification; Sweetwater 1's high-voltage substation was already energized. Advanced electrical infrastructure and a stronger regulatory position reduce time-to-power risk, supporting customer engagement, commercial terms and potentially financing. This is relative development value, not newly approved or contracted revenue. Conditional classification does not settle every operating requirement, and IREN still needs funded, deliverable capacity. Initial 300 MW development targets Q4 2027 delivery.

ERCOT RECLASSIFICATION RISK UNDERMINES UNIFORM VALUATION PER PIPELINE MW
Cipher Digital (CIFR) | Negative | Potentially high significance for development optionality
Galaxy's denied Caspian reconsideration demonstrates that study participation is not secured capacity. Cipher's approximately 2.1 GW of conditional Studied Load compares with approximately 1.1 GW of conditional Base Load. Lower allocations or later energization can reduce revenue capacity, defer rent, extend carrying costs and increase equity needs. The implication concerns aggressive expansion valuations, not Cipher's energized or separately approved assets; Galaxy's outcome does not determine Cipher's.

PROCUREMENT CAN PRECEDE LEASE SIGNING
Eaton (ETN); Schneider Electric (SU) | Positive | Moderate to high significance for exposed product lines
Galaxy committed approximately \$230 million in deposits and purchase orders for Helios 2 electrical infrastructure before signing a tenant. Securing long-lead equipment preserves delivery dates, supporting supplier visibility before landlord revenue. These are accumulated commitments, not Q3 orders or current supplier revenue. Eaton and Schneider are relevant exposures, not identified suppliers; qualifying additional global suppliers could eventually limit incumbent pricing power. For Schneider, this corroborates already-reported demand.