

AI Infrastructure Valuations: Q3 2026

AI infrastructure trades between **2.7x and 67.2x** revenue. That range, computed across 27 named constituents at the 18 September 2026 close, is the widest of any sector Windsor Drake tracks, and almost none of it is a disagreement about value. TeraWulf carries **67.2x**, Digital Realty **12.9x**. Both own data centres and lease capacity to creditworthy tenants on long contracts. The gap between them is very largely a statement about how much capacity was switched on when the revenue was earned.

The mechanism is disclosed. Capacity exists in three states: pipeline, which is land and a grid position; contracted, a signed customer lease; and energised, meaning powered, accepted and carrying load. Revenue arises only in the third. At 30 June 2026 TeraWulf had **81 MW** of critical IT energised against **839 MW** contracted, and Applied Digital about **100 MW** against **1,410 MW**. Digital Realty was **90%** occupied.

Re-cut on the unit these businesses actually sell and the dispersion collapses. Per contracted critical IT megawatt, Applied Digital clears **\$8.2 million** of enterprise value, TeraWulf **\$13.2 million** and Digital Realty **\$28.0 million**: a band three times wide against twenty five times on revenue, ordered exactly by the share of capacity that is lit.

Windsor Drake calls this **The Lit Megawatt**: the gap between capacity a company has sold and capacity it has switched on. It explains more of the dispersion than growth, margin or scale. Underneath sit two disclosed disagreements: how long an accelerator should be depreciated over, where owners of the same hardware sit between four and six years, and whether the electricity arrives on the schedule the contracts assume.

What is AI infrastructure worth in 2026?

It depends entirely on which layer a business occupies. Enterprise value below is market capitalisation at the 18 September 2026 close plus total debt including lease liabilities, less cash, on one basis across all 27 constituents.

Table 1. AI Infrastructure Multiples by Layer, 18 September 2026

Layer	Constituents	Range	Median	What sets the price
Neocloud and GPU cloud	3	12.0x to 46.4x	28.8x	Contracted backlog converting on a schedule
Accelerator and networking silicon	9	12.5x to 59.8x	21.9x	Position in the product cycle and supply
Data centre owners and landlords	5	12.4x to 67.2x	18.8x	Megawatts energised and lease term
Power, cooling and electrical equipment	9	2.7x to 8.4x	5.0x	Order book conversion on multi-year lead times

Source: Windsor Drake computation from primary market data and the most recent reported balance sheets, 18 September 2026. Constituents named in full in the methodology note.

The equipment layer is the tell. It carries the same demand signal as the neoclouds at a fifth of the multiple. GE Vernova reported **116 GW** of gas power backlog and slot reservations on 22 July 2026, Siemens Energy a **69 GW** firm turbine backlog on 5 August 2026. Those order books are as contracted as any neocloud lease; they are already converting.

Which companies are in the set, and which are not?

Four layers convert capital into compute capacity and this page covers all four: neocloud and GPU cloud operators, data centre owners and landlords, accelerator and networking silicon, and power, cooling and electrical equipment. All 27 constituents are named in the methodology.

Three categories sit outside. Model serving software, meaning vector databases, inference platforms and data platforms, is underwritten on gross margin and net revenue retention rather than on capital converted into capacity, and is covered in the firm's AI Valuations work. Hyperscalers and model developers are the demand side, and appear here as capital expenditure, contracts and credit. Generators and utilities are priced on fleets and rate base, and appear as the power constraint.

Why does a company with 81 megawatts trade at sixty seven times revenue?

Because 81 megawatts is what was energised and the contract book is **839**. TeraWulf's Anthropic lease alone carries about **\$19 billion** over an initial twenty year term, with initial capacity arriving in the second half of 2027. None of it was in the revenue line the 67.2x was computed against.

Table 2. Contracted Capacity Against Capacity Energised

Constituent	Energised	Contracted	Share energised
Digital Realty	2,799 MW occupied IT load	3,102 MW IT load capacity	90%
CoreWeave	1.5 GW active power	3.7 GW contracted power	41%
Galaxy Digital	133 MW critical IT	526 MW critical IT	25%
TeraWulf	81 MW critical IT	839 MW critical IT	10%
Applied Digital	about 100 MW critical IT	1,410 MW critical IT	7%

Source: Second quarter 2026 filings and results releases at 30 June 2026, and Applied Digital's annual report at 31 May 2026. Each figure on the company's own stated basis.

Cipher Mining sits at the same point with **700 MW** of contracted gross HPC capacity, and delivered its first capacity in August 2026 when rent commenced two months early at the tenant's request. The pattern is uniform: a contract book in gigawatts against a revenue line measured on whatever fraction draws power.

What is a contracted megawatt worth against one already carrying load?

Roughly a third, and the discount closes as capacity energises.

Table 3. Enterprise Value per Megawatt, Contracted and Energised

Constituent	Enterprise value	Per contracted MW	Per energised MW	Capacity basis
Digital Realty	\$86.9bn	\$28.0m	\$31.0m	IT load capacity
CoreWeave	\$90.9bn	\$24.6m	\$60.6m	Contracted gross power
Cipher Mining	\$12.4bn	\$17.7m		Contracted gross HPC
TeraWulf	\$11.1bn	\$13.2m	\$137.0m	Contracted critical IT
Applied Digital	\$11.5bn	\$8.2m	\$115.0m	Contracted critical IT

Source: Windsor Drake computation. Enterprise value at the 18 September 2026 close; capacity from the constituents' own filings. Gross power and critical IT are different bases and are labelled separately.

Read the three like-for-like rows first. Applied Digital, TeraWulf and Digital Realty are all priced on critical IT or occupied IT load, and run **\$8.2m**, **\$13.2m** and **\$28.0m** per contracted megawatt against 7%, 10% and 90% energised. Then read the right hand column: per megawatt already carrying load, Digital Realty clears **\$31.0m** and TeraWulf **\$137.0m**. The market prices a blend of the two. Energisation, not signature, is the re-rating event.

Build cost anchors the floor. TeraWulf guides **\$8m to \$10m** per critical IT megawatt and Cipher Mining **\$9m to \$11m**. Applied Digital's \$8.2m is therefore near replacement cost for capacity already leased on fifteen year take or pay terms to investment grade tenants.

How much contracted revenue is there, and when does it convert?

The dollar headline is half the number. A book converting over 78 months and one over fifteen year terms produce very different annual revenue from the same total.

Table 4. Contracted Revenue and Its Conversion Schedule

Constituent	Contracted revenue	Term and conversion	As at
Oracle	\$664bn	13% within 12 months, 37% months 13 to 36	31 Aug 2026
CoreWeave	\$103.7bn	To 78 months; 41% within 24 months	30 Jun 2026
Nebius Group	over \$40bn	Five years; Microsoft to 2031	12 Aug 2026
Applied Digital	\$36.2bn	15 year leases; delivery to 2H 2028	31 May 2026
TeraWulf	about \$27bn	10 to 20 years; 438 MW by 1H 2027	30 Jun 2026
Cipher Mining	about \$11.4bn	10 to 15 years; first delivery 2026	30 Jun 2026

Source: Oracle first quarter fiscal 2027 quarterly report; CoreWeave, Nebius, TeraWulf and Cipher Mining second quarter 2026 filings; Applied Digital annual report for the year ended 31 May 2026.

Two things travel with the contract book. Concentration: CoreWeave's three largest customers were **72%** of second quarter revenue, Applied Digital's anchor tenant **59%** of continuing revenue. And the credit behind the counterparty: Google backstops **\$3.2 billion** of Fluidstack's obligations to TeraWulf and **\$1.4 billion** to Cipher Mining.

How long should an AI accelerator be depreciated over?

Between four and six years, depending on who is asked. The choice moves reported earnings by billions and underpins every return calculation in the sector.

Table 5. Stated Useful Life for Servers and Accelerators

Company	Stated life	Most recent change and its effect
Alphabet	6 years	Fiscal 2023, four to six; \$3.9bn lower depreciation
Oracle	6 years	Unchanged
CoreWeave	6 years	January 2023, five to six
Microsoft	2 to 6 years	Fiscal 2023, four to six; \$3.7bn higher operating income
Meta Platforms	5 to 5.5 years	January 2025, most assets to 5.5; \$2.92bn lower depreciation
Amazon	5 to 6 years	January 2025, a subset six to five; \$1.4bn higher depreciation
Nebius Group	5 years	January 2026, four to five; about \$167.6m lower in 2026
IREN	5 years	Unchanged

Source: Annual and quarterly filings with the Securities and Exchange Commission, January 2026 to August 2026.

The International Monetary Fund priced the sensitivity in its April 2026 Global Financial Stability Report. Across ten hyperscalers the implied useful life of property, plant and equipment is about **seven years**. At a three year life, aggregate operating margin falls by more than **nine percentage points**, debt could rise from **\$800 billion to over \$1 trillion**, and credit default swap spreads could widen around **60 basis points**. Nvidia describes a one year architecture cadence, Hopper to Blackwell to Rubin.

The counter-argument is serious. The Bank of England set out both sides in July 2026: shortages and continued demand for older chips support longer lives, rapid innovation supports shorter ones. That argument is about to acquire a price. CME Group lists Compute Futures on **5 October 2026**, with H100 and B200 rental index futures listed up to **36 months** out. A three year strip is a direct market read on residual value.

What is actually stopping the buildout?

Electricity, and the constraint is now priced and regulated. Lawrence Berkeley National Laboratory put US data centre consumption at **192 TWh** in 2024, **4.7%** of US electricity, against a 2030 reference case of **649 TWh** or **11.8%**. The International Energy Agency attributes about half of US demand growth to 2030 to data centres.

PJM's capacity auction is the clearest price signal in the sector. The 2028/2029 Base Residual Auction cleared **\$325.00 per MW-day** on 14 July 2026, at its cap for a third consecutive delivery year, at a cost of **\$16.4 billion** and a reserve margin **5.6 points** below target. Absent the collar it would have cleared **\$554.72**. In the preceding auction PJM attributed nearly **5,100 MW** of the load increase to data centres.

Interconnection, not construction, sets when a megawatt arrives. Lawrence Berkeley counted **2,061 GW** active in US queues at end 2025, a median wait from request to commercial operation of **61 months**, and **19%** of the 2000 to 2020 cohort reaching operation. ERCOT carried roughly **474 GW** of large load requests in July 2026, about 90% from data centres, and Texas paused new connections on **3 August 2026** pending a statewide audit. On **18 June 2026** the Federal Energy Regulatory Commission ordered all six regional transmission organisations to justify or reform their large load tariffs.

Who is funding this, and what are they charging?

Morgan Stanley put global data centre construction at about **\$2.9 trillion** through 2028, over 80% still ahead, split into \$1.4 trillion of hyperscaler cash flow, \$800 billion of private credit, \$200 billion of corporate debt and \$150 billion of securitised credit. Goldman Sachs Global Institute models about **\$7.6 trillion** from 2026 to 2031, and the Bank for International Settlements measured private credit to AI sectors rising from near zero to over **\$200 billion**.

Table 6. The Cost of Capital, Nine Months Apart

Issuer or facility	Earlier	Later	Move
Alphabet, thirty year	T+82, November 2025	T+115, August 2026	33bp wider at Aa2 and AA+
Amazon, thirty year	T+75, November 2025	T+105, March 2026	30bp wider at A1, AA and AA-
Oracle, thirty year	5.950% coupon, September 2025	6.700% coupon, February 2026	75bp higher coupon
Meta project bonds	6.581%, October 2025	7.534%, July 2026	About 95bp wider at A+
CoreWeave facilities	SOFR plus 225, March 2026	SOFR plus 550, August 2026	A3 to Ba2 and BB+

Source: Pricing term sheets filed with the Securities and Exchange Commission, September 2025 to September 2026; S&P Global Ratings, Moody's Ratings and Fitch Ratings.

The structure that carried the largest sums was executed twice. Meta announced an 80/20 joint venture with Blue Owl for the Hyperion campus in October 2025 at about **\$27 billion**, financed at **6.581%** due 2049 and rated A+. Nine months later it repeated the structure with BlackRock for a **1 GW** campus in El Paso at about **\$14 billion**, financed at **7.534%** due 2048. Same sponsor, same template, same senior rating, about 95 basis points wider. What earned the A+ was a long dated obligation from an investment grade tenant: tenant credit and lease term set the cost of capital for a capacity business.

One further structure runs through these contract books. Nvidia disclosed guarantees capped at **\$105 billion** on an SB Energy buildout for an OpenAI affiliate covering roughly **4.25 GW** of IT load, in exchange for the site hosting Nvidia infrastructure exclusively, with total guarantee exposure of **\$108.5 billion** and non-marketable equity securities of **\$47.9 billion** at 26 July 2026 against \$3.8 billion a year earlier. Three central banks wrote about this pattern in 2026.

Key takeaways for founders

1. Name your layer before you name your multiple

Four layers wear this label and are priced on four denominators: contract for neoclouds, capacity for landlords, cycle position for silicon, order book for equipment. A buyer makes that adjustment whether the seller does or not.

2. Publish megawatts in three states, with dates

Energised, contracted and pipeline, each defined and dated, with gross power kept separate from critical IT. An operator that publishes all three is underwritten on delivery rather than on an assumption.

3. Publish the conversion schedule, not just the total

CoreWeave's \$103.7 billion converts over 78 months, 41% of it inside the first 24. The same headline dollar means very different annual revenue depending on term, and the schedule is what turns a contract book into a financeable asset.

4. Treat useful life as a defended position

Each change has a measured effect: \$2.92 billion for Meta's half year extension, \$1.4 billion the other way for Amazon's shortening on a subset. From October 2026 a listed futures curve prices accelerator rental three years out.

5. The power position is part of the asset

Interconnection agreements, study status and energisation dates are now diligenced before the customer contract. With a median queue wait of 61 months, a firm grid position is the scarcest thing a developer owns.

6. Price the buyer's capital, not only your own

Credit has repriced faster than equity through 2026, by 30 to 95 basis points on the same issuers at unchanged ratings. Buyer appetite, not seller ambition, sets what a process can clear.

Sources

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Methodology Note

Framework: The Lit Megawatt. Capacity in AI infrastructure is held in three states, pipeline, contracted and energised, and revenue arises only in the third. In the compute layers the revenue multiple therefore measures the distance between capacity a company has sold and capacity it has switched on. The framework is original to Windsor Drake and is used on this page alone.

Perimeter. Four layers and 27 constituents: neocloud and GPU cloud (CoreWeave, Nebius Group, IREN); data centre owners and landlords (Equinix, Digital Realty, Applied Digital, Cipher Mining, TeraWulf, Galaxy Digital); accelerator and networking silicon (Nvidia, AMD, Broadcom, Marvell, Arista Networks, Astera Labs, Credo, Micron, Cerebras); and power, cooling and electrical equipment (Vertiv, Eaton, GE Vernova, Schneider Electric, Siemens Energy, nVent, Modine, Comfort Systems, Quanta Services). Outside: model serving software, hyperscalers, model developers and utilities, each for the reason given above. Three individual exclusions: TSMC, which reports in New Taiwan dollars on a foundry mix well beyond accelerators; DigitalBridge, whose revenue is asset management fees; and Galaxy Digital, a constituent of the capacity analysis but outside the revenue multiple table because its group revenue is digital asset trading gross.

Source standard. Central banks, regulators, grid operators, national laboratories, bulge bracket banks, the major consultancies, exchanges, rating agencies and primary filings. Every third-party figure carries an institution and a date.

Close date and enterprise value. Market figures are struck at the close on **18 September 2026**. Enterprise value is market capitalisation at that close using total shares across all classes, plus total debt including finance and operating lease liabilities, plus preferred stock and non-controlling interests where present, less cash from the most recent reported balance sheet. Lease liabilities are included deliberately: several constituents lease the shells they operate, and excluding those obligations would understate their capital base.

Denominators and derived figures. Layer multiples use trailing twelve month revenue as most recently reported. Capacity comes from each constituent's own filings on its own stated basis, dated in every table; gross power, contracted critical IT and occupied IT load are labelled separately and never combined, because the ratio between them varies with a facility's power usage effectiveness. Enterprise value per contracted megawatt, per energised megawatt, the share of capacity energised and the layer ranges and medians are Windsor Drake computations from those inputs, each named so it can be reproduced from public sources.