

CoreWeave, Inc.

Institutional Equity Research
January 26, 2026

BUY

CRWV - NASDAQ

Price Target**\$110.00**

Price (1/26/26)

\$98.51

Industry

TECHNOLOGY

NVIDIA Helping to De-Risk CoreWeave's 5 GW Buildout

Earlier this morning, CoreWeave announced an expansion of their previous relationship with NVIDIA in order to accelerate the development of more than 5 GWs of capacity by 2030, which also includes NVIDIA's equity investment of \$2B in CoreWeave. The company also hosted a sell-side analyst call to discuss the recent announcement. Following both, along with our upgrade of shares (see our [upgrade note here](#)), we believe this announcement not only underscores the insatiable demand for compute, but also provides CoreWeave with the necessary support to sustainably build their future infrastructure.

What did we learn from both the announcement and following sell-side call.

For starters, NVIDIA will be purchasing \$2B of CoreWeave common stock at a purchase price of \$87.20 (a 6% discount to last Friday's close of \$92.98). Apart from that, the main takeaway from the sell-side analyst call was that this deepened relationship between CoreWeave and NVIDIA not only means NVIDIA will help accelerate the procurement of land, power, and shells, but will also be providing what is essentially a backstop for CoreWeave on future data center sites, similar to that of Google and Fluidstack's arrangement. Furthermore, NVIDIA is planning on testing and validating CoreWeave's software and reference architecture, including SUNK and Mission Control. And while we expect near-term upside to be limited, the company's software platform could be a source of meaningful long-term margin expansion (something we expect to be discussed more in the near future).

The takeaway from these announcements should be about de-risking. In our upgrade this morning, we talked about how much of the upside in CRWV rests on two de-risking situations that were centered around either backlog/counterparty risk and financing/capital-structure risk. Now, while we didn't think this would come from NVIDIA, we nonetheless view this as incrementally positive as they're beneficial developments in favor of CoreWeave. But why view this as de-risking? It really comes down to two things...

On one hand, this is about primarily de-risking the concerns over CoreWeave's financing and capital structure. Not only is the \$2B from NVIDIA table-stakes for them, but it's also trivial in the grand scheme of things for CoreWeave, given we estimate the required capex to reach this 5GW number is in the range of \$70-80B. So it's not about actually providing them the necessary capital to build (more on this below). But it does add equity into the conversation at a time when CoreWeave will clearly have to take on significantly more debt. This is where the backstop comes in to play. What this arrangement does for CoreWeave, is that it allows them to get more attractive rates on their debt capital, hence lowering their cost-of-capital and the ROI hurdle to be a value-creating business. NVIDIA is guaranteeing cash flows in these contracts through the backstop, while giving lenders a credible counterparty that instills more confidence in CoreWeave's ability to repay said debt on-time.

On the other hand, this is clearly another vote of confidence from NVIDIA. We find it hard to believe that NVIDIA would not only increase their common stock position in CRWV but also agree to a backstop arrangement in a 5 GW buildout plan if they too didn't believe OpenAI raises enough capital to fulfill their near-term commitments to CoreWeave. This allows NVIDIA to kill two birds with one stone, by helping decrease CoreWeave's cost of capital at a time when they'll have to raise more debt, while also helping sentiment by backing CoreWeave when investors continue to be doubtful of OpenAI having a successful fundraising.

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DaVinci Overview

D.A. Davidson's DaVinci initiative focuses our technical-oriented research, data-driven insights, and prescient think pieces under one unified framework. We note that for our DaVinci coverage of deep tech businesses, we employ an early-stage venture approach focusing on technical foundations, disruptive potential, and long-term strategic value, rather than near-term financial and valuation metrics given the unique growth trajectories of pre-inflection markets.

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Potential Risks

Competitive Tension with Key Customers: CoreWeave's largest customer also represents its most formidable long-term competitor. As these entities scale their own internal infrastructure, CoreWeave may increasingly serve as overflow capacity for these types of customers rather than a core dependency, introducing structural risk to CoreWeave's ability to maintain sustained demand and margins in the face of alternatives.

Customer Concentration Risk: CoreWeave's revenue base remains heavily concentrated among a small cohort of hyperscalers and AI labs, including some with limited financial maturity or unproven long-term sustainability. Any disruption among top customers could materially impair CoreWeave's revenue growth and utilization rates.

Capital Intensity and Leverage Exposure: The company's aggressive expansion strategy is underpinned by significant Capex requirements, primarily to build out GPU-dense data centers capable of hosting next-gen AI workloads. This has been financed in part by high-interest debt, introducing financial risk tied to interest costs and refinancing obligations. CoreWeave is likely to be forced to raise incremental capital to keep pace with their competitors and build out to meet commitments.

Required Disclosures

D.A. Davidson & Co. makes a market in CoreWeave, Inc..

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Rating Information

D.A. Davidson & Co.'s Institutional Research Rating Scale Definitions (maintained since October 10, 2017); information regarding our previous definitions is available upon request:

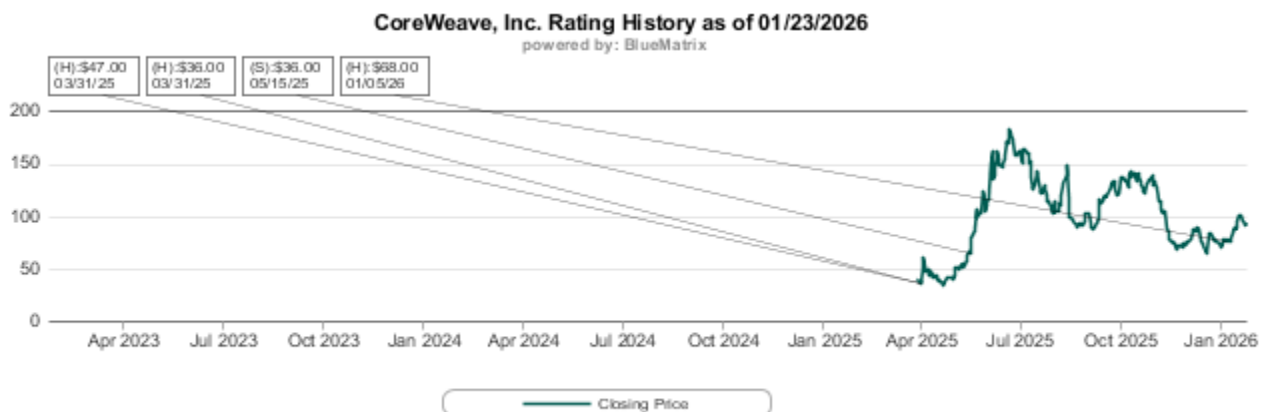
BUY: Expected to produce a total return of over 15% on a risk adjusted basis over the next 12-18 months

NEUTRAL: Expected to produce a total return of -15% to +15% on a risk adjusted basis over the next 12-18 months

UNDERPERFORM: Expected to lose value of over 15% on a risk adjusted basis over the next 12-18 months

Rating Distribution (as of 12/31/25)	Coverage Universe Distribution			Investment Banking Distribution		
	IR	WMR	Combined	IR	WMR	Combined
BUY (Buy)	60%	85%	63%	8%	0%	8%
NEUTRAL (Hold)	40%	13%	36%	4%	0%	3%
UNDERPERFORM (Sell)	0%	2%	1%	0%	0%	0%

IR denotes Institutional Research; WMR denotes Wealth Management Research whose rating scale is Buy/Add, Neutral, Sell/Reduce. Investment Banking Distribution denotes companies from whom D.A. Davidson & Co. has received compensation in the last 12 months. Best-of-Breed: Expected to outperform on a risk adjusted basis over a five-year time horizon.



Target prices are our Institutional Research Department's evaluation of price potential over the next 12 months, based upon our assessment of future earnings and cash flow, comparable company valuations, growth prospects and other financial

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Other Companies Mentioned in this Report

Company Name	Ticker	Rating	Price
Apple Inc.	AAPL	NEUTRAL	\$248.04
Amazon.com, Inc.	AMZN	BUY	\$239.16
Alphabet Inc.	GOOGL	NEUTRAL	\$327.93
Meta Platforms, Inc.	META	BUY	\$658.76
Microsoft Corporation	MSFT	BUY	\$465.95
Nebius Group N.V.	NBIS	BUY	\$94.50
NVIDIA Corporation	NVDA	BUY	\$187.67
Oracle Corporation	ORCL	NEUTRAL	\$177.16
CoreWeave, Inc.	CRWW	BUY	\$98.51

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