

CoreWeave Inc

(CRWV)

Summary

- GPU cloud is the key word for CoreWeave's business. CoreWeave is an AI cloud provider.
- AI can be like the PC era, internet era, or smart phone era. AI will be like a new type of highly specialized tool platform which can and will cater to a business's special needs. If AI fulfills its promises, AI will truly become the next thing after PC, internet and smart phone. **However, there are cautions to be aware:**
 - The utilization of AI as a tool must be fulfilled as promise.
 - CoreWeave has to scale up and grow with the support of adequate client base.
 - Generate adequate cash flow from operation to serve huge debts.
- CoreWeave is the beginning of foundation of that promises. **However, it has to be able to take market shares from Microsoft, Amazon, Google, Oracle.**
- Class A, B, C common stock; Class A with one share one vote; **Class B with one share ten votes; Class C with no vote.** Public traded shares are class A.
- The most compelling story of CoreWeave indicates the co-founders' insight, logical reasoning and competence of business execution.
 - Realization of crypto is like commodity, highly cyclical; GPU's compute power make GPU much more valuable than crypto.
 - Decision to use mined crypto to buy GPUs; hoarding GPUs when crypto winter was there.
 - First cloud client to transform company into a real structured business.

- o Luckily have GPU cloud when ChatGPT announced.

Business

- [CoreWeave was formed in September 2017 as a Delaware limited liability company under the name The Atlantic Crypto Corporation LLC as a crypto mining company and converted to a Delaware corporation in September 2018 under the name Atlantic Crypto Corporation. In December 2019, it changed its name to “CoreWeave, Inc.”](#)
- [CoreWeave provides:](#)
 - o **Infrastructure services:** provide clients with GPU and CPU compute, DPUs supported high performance network and storage.
 - o **Managed software services:** include [CKS](#), flexible Virtual Private Cloud offering, Bare Metal services.
 - o **Application software service:** build on top of Infrastructure services and Managed software services to provide tools including [SUNK](#), [CoreWeave Tensorizer](#), to further accelerate workloads.
 - o The three services abovementioned are managed and monitored by Mission Control & Observability software for cluster validation, capability checking, and observability.
- In S-1 filing, CoreWeave states that company provides the following benefit to clients:
 - o CoreWeave Cloud Platform offers up to 20% improvement over benchmark MFU performance. Also, company’s cloud platform set an MLPerf record that is 29 time faster than competitors in 2023. Provides customers observability into the health and performance of entire solution.
 - o Provides fast access to latest AI infrastructure.
 - o Efficient GPU fleet utilization. Enable customers to run different type of jobs on the same cluster at same time increases the utilization

customer's AI infrastructure resource. Enable workload scheduling to prioritize if demand spikes.

- o Delivery of efficiency actually lower customers' cost of running AI on company's platform.
 - o Purposely built for AI workloads not for general purpose such apps, websites, games and storages.
- Company's customers include builders of AI, integrators of AI, and the enterprise whose success will rely on the deploying of AI capabilities on their products and services.
- CoreWeave is securing more GPU power for AI operations by signing up agreements with crypto mining companies. Also, there are significant activities of crypto mining companies which they are in the processes of converting their business (partly or whole) to meet AI demands.
- As of December 31, 2024, CoreWeave had **\$3.6 billion in federal net operating loss carryforwards**, almost all of which can be carried forward indefinitely with some limitation by Internal Revenue Code.
- Common stock
 - o Common stock A: [In addition to the lock-up agreement with the underwriters, all of Mike Intrator, Brian Venturo, Brannin McBee and Peter Salanki \(each a "Management Holder"\) have entered into a lock-up agreement with Magnetar \(a "Founder Lock-up Agreement"\)](#)
 - o Class B common stock has ten votes per share, Class A common stock has one vote per share, and Class C common stock has no votes per share. Co-Founders hold all the Class B common stock. Hence, Co-Founders control majority of votes.
- CoreWeave's board of directors is classified into three classes of directors with staggered three-year terms.
- 2024/07/17 [Demand for NVIDIA GPU platform.](#)
- 2025/03/28 [Squawk Pod: CoreWeave IPO and discuss with CEO Michael Intrator \(time 32:13 – 46:50\).](#)
- 2025/05/09 [Michael Intrator, CoreWeave CEO, spoke to Congress.](#)
- CoreWeave needs to scale up its operation quickly and posses a dominant position in industry in order to become a true leader in AI platform

operator. Usually, only top leading businesses can command market place and enjoy good business prosperity; otherwise, companies outside the pack always find themselves struggles.

- Consolidate [crypto facility](#) and acquisitions:
 - CoreWeave has completed its acquisition of Weights & Biases. The strategic combination strengthens CoreWeave's capabilities to power AI innovation. The acquisition extends CoreWeave's cloud platform by enabling an end-to-end experience for customers, enhancing functionality for AI labs and enterprises to build, tune and deploy AI applications. (2025/05/05)
 - [CoreWeave and Core Scientific signed a definitive agreement under which CoreWeave will acquire Core Scientific in an all-stock transaction](#) (all stock transaction makes good sense that CoreWeave save money for further data center development and Core Scientific gets the benefit of stock appreciation from CRWV).
 - [Letter to all Core Scientific employee.](#)
 - [Letter to CoreWeave employees regarding acquisition.](#)

Note

- [Risk factors for investing CoreWeave from SEC filing S/1.](#)
- [On a December podcast, Satya Nadella, Microsoft's chief executive, called the company's contract with CoreWeave a "one-time thing," spurred by a scarcity of A.I. chips after ChatGPT's release.](#)
- [How AI help businesses.](#)
- [Data centers require huge electricity power especially GPU data centers. AI's impact on semiconductor from McKinsey & Company.](#)
- In the first five months of 2023, CoreWeave signed \$7 billion contracts with AI labs and other customers after OpenAI released ChatGPT on Nov 2022.

- CoreWeave is a business focusing more on infrastructure for service which means it will require more frequent upgrade of its hardware; therefore, it will need more capital for this requirement. More than adequate cash from operation and free cash flow are an important factor for further growth of the company.
 - CoreWeave will receive liquid-cooled, fully-integrated Dell IR7000 racks with Dell PowerEdge XE9712 servers, supported by Dell's AI professional services to optimize CoreWeave's data center design.
 - The Crawley and London Docklands data center campuses are powered entirely by renewable energy.
- CoreWeave has almost \$9 billion debt at 1Q 2025; cash interest payment is \$142.2 million for the first quarter 2025. Cash flow from operating (excluding change in working capital) is about 3 times of interest payment which is OK (but not adequate). Debt level, cash flow and ability of paying interest comfortably should be observed closely.
 - \$7.5 billion of debt financed by GPUs in 2024. Loan term demands any revenue generated by collateral GPUs pays lenders first.
- CoreWeave Secures \$7.5 Billion Debt Financing Facility led by Blackstone and Magnetar.
- Fitch Assigns First-Time IDR of 'BB-' to CoreWeave; Outlook Positive.
- Debt
 - 2023/07/30 Delayed Draw Term Loan Facility 1.0 (DDTL 1.0), provide up to \$2.3 billion loan bearing interest rate = SOFR +9.62%, loan is secured by company assets mainly GPUs, final payment 2028-03-28.
 - As 2024/1231, actual interest rate charged against DDTL 1.0 was 14.12%
 - Repayment of debt principal is mandatory. Reduce the remaining principal amount based on depreciated purchase price of GPU servers and infrastructure.
 - 2024/05/16 Delayed Draw Term Loan Facility 2.0 (DDTL 2.0), provide up to \$7.6 billion loan, loan is secured by company assets mainly GPUs, final payment of loan is due 5 years after loan was funded.

- As 2024/12/31, actual interest rate charged against DDTL 2.0 was **10.53%**
 - Repayment of debt principal is mandatory. Reduce the remaining principal amount based on depreciated purchase price of GPU servers and infrastructure.
- o 2024/06/21 Revolving credit facility, term 2027/06/21, \$650 million senior secured.
- o 2024/12/16 2024 Term Loan Facility provided \$299 million secured facility and \$771 million unsecured facility and the loan will mature on 2025/12/16.
- o 2025/03/07 2025 Term Loan Credit Agreement provided the capacity of borrowing up to \$300 million. The loan will mature on 2025/12/16.
- The aggregate amount of estimated future undiscounted lease payments associated with such leases is \$15.0 billion. These leases will commence between 2025 and 2026 with estimated lease terms of five to sixteen years.
- Transform from curiosity of crypto, to avoid accumulation crypto entirely, to GPU buying. CoreWeave purchased all the used infrastructure when crypto winter came. Company were hauling all these used GPU and became the largest buyer of used GPUs at the time in the world.
- At the time, CoreWeave did not hold crypto in inventory, automatic sold crypto whenever it was mined. Rather taking the risk of investing in hardware (GPUs) than exposure the risk of holding crypto.
 - o CoreWeave did not really do mining crypto except when hardware was idled.
 - o Two years prior 2019, CoreWeave realized the value of computing power but had not found the full utilization.
 - o The decision of hardware (GPUs) purchase was never about mining, and mining is the source of revenue for purchasing hardware.
 - o Original data center is built for serial workload; but AI workload demands parallel processes. Co-founders' mind.
- 2017/11/16 A visionary of conviction. This Man Is Leading an AI Revolution in Silicon Valley—And He's Just Getting Started (Fortune, Andrew Nusca).
- 2022/11/30 Open AI released ChatGPT.

- 2025/03/10 Agreement with OpenAI in a deal of \$11.9 billion, the deal including CoreWeave will issue \$350 million of stock to OpenAI.
- 2025/05/05 Acquisition of Weights & Biases, an AI developer platform.
- 2025/05/28 CoreWeave closed a \$2.0 billion senior note which was up from \$1.5 billion and five times oversubscribed according Barron's.
- "NVIDIA DGX Cloud Lepton connects our network of global GPU cloud providers with AI developers," Jensen Huang said, CEO of Nvidia in a statement at GTC. (The ambition of NVIDIA, and it looks like CoreWeave is important part of the plan.)
- **2025-06-11 German startup DeepL says latest Nvidia chips lets it translate the whole internet in just 18 days from 194 days (CNBC Arjun Kharpal).**
The major difference is why Microsoft, Alphabet, Amazon are hurry to build up their GPU data centers.
- In cloud computing, tier 2 refers to cloud service providers that are not among the very largest, often called "hyperscalers" (like AWS, Azure, Google Cloud). These are niche players, regional providers, or those specializing in specific areas like managed services or cold storage
- The market of Inference workload.
- OpenAI
 - Master Service Agreement \$11.9 billion
 - Provide OpenAI access cloud computing capacity
 - As 2025/03/11 through 2030/10
 - Issue common stock value at \$350 million to OpenAI.
 - OpenAI's disputes with Microsoft over OpenAI's future.
- From Google AI search, traditional data center operators (June, 2025):
 - Microsoft has over 300 data centers
 - Oracle has over 160 data centers
 - Google has 66 data centers plus 33 planned for the future
 - AWS has data centers at exceeding 100 location
 - Meta has 75 operating data centers plus 21 under construction
 - IBM has roughly 60 data centers
 - How many data centers does CoreWeave have to build?

- There is fairly certain assumption that NVIDIA will supply latest GPUs for CoreWeave due to the reason which NVIDIA is expanding its GPU network.
- NVIDIA and CoreWeave
 - [2020/09/10 CoreWeave announced it has joined the Cloud Service Provider Program within the NVIDIA Partner Network \(NPN\) as a Preferred Cloud Services Provider \(CSP\).](#)
 - [2021/07/10 CoreWeave Becomes NVIDIA's First Elite Cloud Services Provider for Compute.](#)
 - [2024/08/24 CRWV is the first cloud provider to bring NVIDIA H200 Tensor Core GPUs to market.](#)
 - [2025/02/04 CoreWeave announced it is the first cloud provider to make NVIDIA GB200 NVL72-based instances generally available.](#)
 - [2025/04/15 CRWV announced Cohere, IBM and Mistral AI are the first customers to gain access to NVIDIA GB200 NVL72 rack-scale systems and CoreWeave's full stack of cloud services. "CoreWeave is built to move faster – and time and again, we've proven it by being first to operationalize the most advanced systems at scale," said Michael Intrator, Co-Founder and Chief Executive Officer of CoreWeave.](#)
 - [2025/07/03 CoreWeave announced it is the first AI cloud provider to deploy the latest NVIDIA GB300 NVL72 systems for customers, with plans to significantly scale deployments worldwide.](#)
 - [2025/07/09 CoreWeave Becomes the First AI Cloud Provider to Offer NVIDIA RTX PRO 6000 Blackwell GPU at Scale.](#)
 - NVIDIA is an investor of CoreWeave [who hold 7% of company's common class A shares.](#)
 - [In S-1 filing,](#) company stated "We leverage our strong supplier relationships to secure access to the latest AI technologies for our customers, including GPUs."
- As CEO Mike Intrator joked that the scale of relationship with NVIDIA is measured by how much being yelled by Jensen Huang, CEO of NVIDIA.

- **Act like an owner.** “We take full responsibility for our work and our decision.... We take initiative, hold ourselves accountable and foster a culture where everyone feel empower to contribute to our success.
- **CoreWeave’s culture and value**
 - o Be curious at your core
 - o Act like an owner
 - o Empower employee
 - o Deliver best-in-class customer experience
 - o Achieve more together
- **Commitment to**
 - o Diversity
 - o Inclusion
 - o Belonging
 - o To identify, attract and retain employee