BLUEGRASS
CAPITAL RESEARCH

Alex Lorsbach | *Analyst*
Energy | *Alternative Energy*
10-31-25

Bloom Energy

A Blooming Opportunity: Invest in the Disrupted Energy Revolution

Fueled by a significant beat on Q3 2025 earnings and a new $5 billion strategic partnership with Brookfield for AI data center infrastructure, Bloom Energy is positioned to capitalize on the explosive demand for reliable, distributed energy. The company's expanding gross margins and positive cash flow from operations demonstrate a clear pathway to sustainable profitability. **We issue Bloom Energy a BUY rating with a price target of $142.**

Thesis Point 1

Bloom's proprietary solid-oxide fuel cells have been granted over 870 different patents, which shows the competitive advantage that Bloom will have over competitors for years in the market. Bloom has become an attractive solution for data centers facing grid constraints and resiliency requirements. Bloom is converting this demand into large, multi-year commercial contracts. Bloom's Q3 2025 earnings included $519M in revenue, which was up 57% Y/Y. The strategic partnership with Brookfield of up to $5B to deploy Bloom technology for AI data center power development was a catalytic capital and distribution arrangement that materially will enable the company's ability to scale manufacturing and strengthen its long-dated revenue streams. If Bloom continues to execute on this capacity expansion, it can convert its large customer backlog into sustainable cash flow growth as data center customers continue to sign long-term deals.

Thesis Point 2

Beyond immediate data-center demand, Bloom's solid oxide fuel platform is designed to run on hydrogen and biogas, giving the company optionality to capture industrial decarbonization markets and to participate in the emerging clean-hydrogen value chain. Strategic partnerships and supportive tax incentives for clean hydrogen increase the odds that Bloom can monetize equipment sales, higher-margin recurring services. Operationally, management has articulated a substantive capacity target increase to 2 GW of annual production capacity by year-end 2026. If realized, that scale can compress manufacturing cost-per-MW, lift gross margins, and convert operating leverage into EBITDA growth. Given the company's recent revenue and product growth, the combination of recurring services, higher utilization of installed bases, and hydrogen commercialization provides a two-pronged path to sustainable profitability.

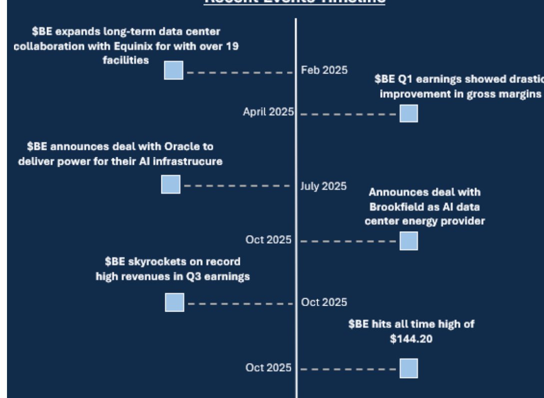
Company Overview

Bloom Energy Corporation is a leading provider of solid oxide fuel cell technology that delivers highly efficient, low-carbon, and resilient on-site power solutions for commercial, industrial, and utility-scale customers. The company's modular electrolyzer platforms enable reliable electricity generation from natural gas, biogas, or hydrogen.

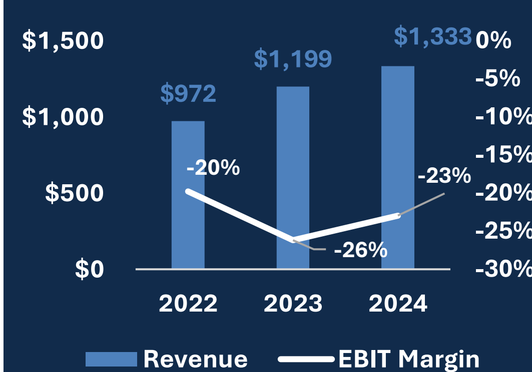
TICKER:	$BE
RATING:	BUY
PRICE:	$127.85
PRICE TARGET:	$142.00
MARKET CAP:	$30.24bn
52-W RANGE:	$9.59 - $144.20
P/E:	102.0x
IMPLIED UPSIDE:	11.4%

1 Year Price History

Recent Events Timeline



EBIT Margin with Annual Revenue



Bloom Energy | NYSE*: BE*
Industrials | *Alternative Energy*
10-31-25

BLUEGRASS
CAPITAL RESEARCH

Risk 1

As Bloom Energy accelerates production, it will amplify operational leverage and face near-term execution risk tied to manufacturing scalability, supply chain reliability, and cost control. Its fuel cell systems rely on advanced materials and precision components that remain exposed to global supply disruptions. Any delays in scaling facilities or inefficiencies in installation or service operations could pressure gross margins, extend working capital cycles, and delay the company's path to sustained free cash flow.

Risk 2

Bloom's near-term growth trajectory remains sensitive to evolving regulatory environments, particularly around tax incentives, hydrogen credits, and emissions standards for distributed and low-carbon power. While clean energy programs have bolstered demand, any delays in implementation, shifts in political leadership, or revisions to credit structures could extend sales cycles and weaken margins.

Catalysts

The most transformative catalyst for Bloom would be the successful large-scale commercialization of its electrolyzer technology for data center operations and industrial manufacturers. At scale, this would unlock multi-billion-dollar markets across clean hydrogen production, grid resiliency, and industrial decarbonization. This would position Bloom as a core enabler of the hydrogen economy, triggering a shift from Bloom as a niche distributed power company to a high-growth, scalable clean energy technology leader.

Valuation

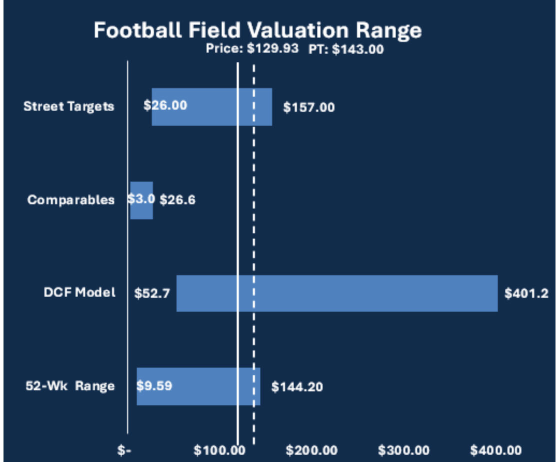
DCF Analysis ($mm)	FY2025 12/31/2025	FY2026 12/31/2026	FY2027 12/31/2027	FY2028 12/30/2028	FY2029 12/30/2029	FY2030 12/31/2030
Revenue	11,220	11,902	12,616	13,338	14,042	14,704
Revenue Growth	*6%*	*6%*	*6%*	*6%*	*5%*	*5%*
Americas	8,000	8,160	8,344	8,552	8,787	9,051
Rest of World	1,520	1,702	1,885	2,065	2,235	2,391
China Mainland	1,700	2,040	2,387	2,721	3,020	3,262
EBIT	2,300	2,500	2,649	2,801	2,949	3,088
EBIT Margin	*20%*	*21%*	*21%*	*21%*	*21%*	*21%*
Tax Expense	650	750	795	840	885	926
Effective Tax Rate	*28%*	*30%*	*30%*	*30%*	*30%*	*30%*
NOPAT	1,650.00	1,749.65	1,854.52	1,960.64	2,064.24	2,161.51
D&A	470	512	533	554	572	588
Capex	730	833	852	867	878	882
Changes in NWC	228	119	79	33	(18)	(74)
UFCF	1,162	1,309	1,457	1,614	1,776	1,941
PV of FCF	1,143	1,215	1,242	1,264	1,279	1,284

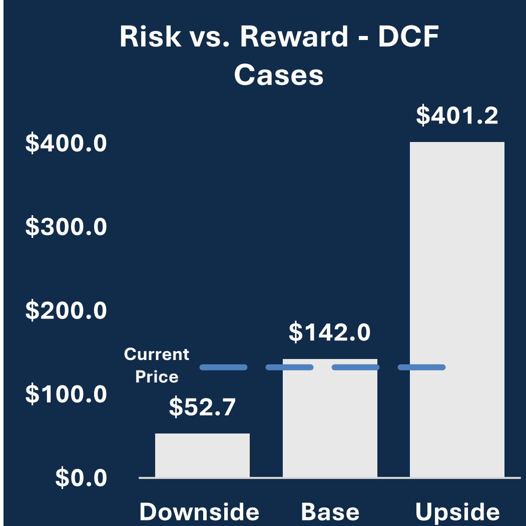
Our base case implies a 70x EV/EBITDA multiple, which is modest compared to Bloom's current multiple of roughly 220x. We also assume margins will gradually expand over time and that their CAPEX growth rates will taper down with maturity.

Conclusion

We rate Bloom Energy as a BUY, as we see Bloom's solutions enabling the creation of localized power networks that can function independently of the main grid. With the combination of generating 50 MW of power within the first 90 days of installation and operating with a runtime of 99.999%, which equates to under a minute and a half per day of downtime. Bloom is primed to capitalize on the AI data center energy revolution.

Terminal Value	
Exit Multiple Method	
2034 EBIT	$1,078
EV/EBIT Exit Multiple	70.0x
Terminal Value	$75,461
PV of Terminal Value	$34,062
PV of Projection Period	$693
PV of Terminal Value	$34,062
Implied TEV	$34,755
(-) Debt	$1,524
(+) Cash	$575
Implied Equity Value	$33,806
Diluted Shares Outstanding	237
Implied Share Price	$142.93
Upside/Downside	9.0%





Income Statement ($mm)	2024A	2025E	2026E	2027E	2028E	CAGR%
Revenue	1,474	1,950	2,730	3,686	4,791	34.3%
EBITDA	27	130	644	827	1,021	148.8%
EBIT	(26)	70	546	691	838	86.0%
NOPAT	(27)	56	437	553	671	86.0%

Margin & Growth Data	2024A	2025E	2026E	2027E	2028E	AVG%
EBITDA Margin	1.8%	6.7%	23.6%	22.5%	21.3%	15.2%
EBIT Margin	-1.8%	3.6%	20.0%	18.8%	17.5%	11.6%
Revenue Growth	10.5%	32.3%	40.0%	35.0%	30.0%	29.6%
EBIT Growth	-91.4%	-365.2%	680.0%	26.6%	21.3%	54.3%

Valuation Metrics	2024A	2025E	2026E	2027E	2028E	AVG%
P/FCF	-188.2x	-421.8x	173.2x	142.4x	122.9x	-34.3x
EV/Sales	21.8x	16.5x	11.8x	8.7x	6.7x	13.1x
EV/EBITDA	1207.1x	247.4x	49.9x	38.9x	31.5x	315.0x
FCF Yield	-0.5%	-0.2%	0.6%	0.7%	0.8%	0.3%

Comparable Companies

$mm

Ticker	Mkt Cap	EV	P/E LTM	Revenue LTM	EBITDA LTM
Plug Power Inc. (NasdaqCM:PLUG)	$3,136	$4,070	-1.3x	$673	-$875
First Solar, Inc. (NasdaqGS:FSLR)	$25,051	$23,566	17.9x	$5,051	$2,019
GE Vernova Inc. (NYSE:GEV)	$155,757	$150,375	93.5x	$37,670	$2,935
Generac Holdings Inc. (NYSE:GNRC)	$9,729	$11,029	31.5x	$4,352	$684
Bloom Energy	$30,238	$31,183	1826.5x	$1,819	$141

Ticker	LTM EV/EBITDA	Gross Margin	EBITDA Margin	EBIT Margin	1 Yr Rev Growth Rate LF
Plug Power Inc. (NasdaqCM:PLUG)	-4.7x	(66.5%)	(130.1%)	(140.4%)	(1.7%)
First Solar, Inc. (NasdaqGS:FSLR)	11.7x	40.0%	40.0%	29.8%	31.2%
GE Vernova Inc. (NYSE:GEV)	51.2x	19.7%	7.8%	5.4%	9.4%
Generac Holdings Inc. (NYSE:GNRC)	16.1x	39.5%	15.7%	11.4%	5.5%
Bloom Energy	220.8x	31.2%	7.8%	4.9%	44.5%

High	220.84x	40.0%	40.0%	29.8%	44.5%
75th Percentile	51.24x	39.5%	15.7%	11.4%	31.2%
Average	59.05x	12.8%	-11.8%	-17.8%	17.8%
Median	16.12x	31.2%	0.0%	5.4%	9.4%
25th Percentile	11.67x	19.7%	7.8%	4.9%	5.5%
Low	-4.65x	-66.5%	-130.1%	-140.4%	-1.7%

Bloom Energy		
Implied Enterprise Value (25th Percentile)	$	1,648
Implied Enterprise Value (Median)	**$**	**2,277**
Implied Enterprise Value (75th Percentile)	$	7,234
Implied Share Price (25th Percentile)	$	2.95
Implied Share Price (Median)	**$**	**5.61**
Implied Share Price (75th Percentile)	$	26.57

Weighted Average Cost of Capital ($mm)	
Market Risk Premium	4.33%
Beta	3.43
Risk Free Rate	4.39%
Cost of Equity	18.34%
Weighted Average Cost of Debt	6.70%
Tax Rate	20.00%
Cost of Debt	0.25%
Total Equity	$31,335
Total Debt	$950
Equity/Total Capitalization	95.36%
Debt/Total Capitalization	4.64%
WACC	18.59%

Downside Case: If Bloom is unable to turn their large backlog in to profitable margins, scale their manufacturing to reach demand, or experience any policy shifts then their stock could see a sell off.

Upside Case: Successful commercialization of their hydrogen fuel cells will allow this company to have revenue growth that will justify their current EV/EBITDA ratio of 200. This increase margins, expand operating leverage, and positions Bloom as a core infrastructure enabler in the distributed energy economy.