

DALALBYTES RESEARCH

TeraWulf

Power, Paper, and the Anthropic Bet

NASDAQ: WULF | OCTOBER 15, 2026

Verdict: 66/100, Selective Positive. Roughly 839 MW of critical IT load under long-term leases (Fluidstack under a ~\$3.2B Google backstop, Core42, and a direct 20-year Anthropic lease worth ~\$19B) against 102 MW delivered, negative adjusted EBITDA, and \$5.7B of debt on \$147M of book equity. The stock fell 61% from its June high into this report. The contracts are the asset; the financing is the risk.

Reference price \$11.54 (October 14, 2026 close, -12.64% on the day). Fiscal 2029 targets: Bear \$6 / Base \$18 / Bull \$32.

>> VERDICT

66/100, Selective Positive

TeraWulf is a contracted power platform with a mining stub, and the market cannot decide which balance sheet to price. Contracted: company-cited \$12.8B of revenue at February 2026 (522 MW) before Anthropic's direct lease added ~\$19B over 20 years, taking leased capacity to ~839 MW across three tenants. Delivered: ~102 MW earning rent at July 2026, Q2 2026 revenue of \$44.8M, adjusted EBITDA negative, and Google warrants on 73.6M shares at \$0.01 that produced a \$755.7M non-cash loss in Q2 alone. Bulls (Morgan Stanley Overweight, \$65 target; its \$17.50 bear case sits above the price) price the stabilized NOI: ~\$1.6M of year-1 rent per critical MW at ~85% site margins annualizes to over \$1B of NOI against an ~\$8.5B enterprise value. Bears price the path: 336 MW under construction, an Anthropic campus needing a planned ~\$3.5B debt raise with revenue from H2 2027, an unnamed investment-grade credit supporter behind that lease, hostile New York regulation since July 2026, and a share count up from 210M to 498.9M with the overhang ahead. Scarcity is real (powered land is the AI build-out's bottleneck), the contracts are real, and after a 61% drawdown the equity is a levered claim on delivery priced below the Street's bear cases. That asymmetry carries the verdict.

66/100

Rating

\$11.54

Reference price

\$18 / \$32

FY2029 base / bull

~839 MW

Contracted critical IT

The pillars grade a business that is not yet safe. The valuation prices contracts that are not yet delivered. Both statements are the research.

DalalBytes Research

The single largest undisclosed term

Anthropic's lease (401 MW, ~\$19B, ~48% of contracted MW and an estimated ~70% of equity value) is described as expected to be supported by investment-grade credit, but the supporter has not been named. Its confirmation is the biggest de-risking event available; its absence into the ~\$3.5B financing launch would be information.

Snapshot	Detail
Company	TeraWulf Inc., Easton MD; miner turned AI/HPC power platform; listed Dec 2021
Platform	~839 MW under lease; ~2.8 GW platform incl. pipeline (Muskie 1 GW, Cayuga 400 MW, Chesapeake)
Contracted revenue	\$12.8B cited Feb 2026 plus Anthropic ~\$19B (Jul 2026); Fluidstack to ~\$16B with extensions

Snapshot	Detail
Tenants	Fluidstack (Google-backstopped), Anthropic (direct), Core42 (G42)
Delivered	~102 MW rent-earning (Jul 2026); 336 MW under construction; build cost ~\$9.1M/MW
Mining	~245 MW legacy; 7.9 EH/s (Mar 2026); Q2 2026: 179 BTC, ~\$12.9M revenue; production sold
Financials	FY2025 rev \$168.5M, net loss -\$661.4M, Adj. EBITDA -\$23.1M; Q2 2026 rev \$44.8M
Debt	\$5.7B face: \$3.2B 7.75% secured 2030 plus \$2.525B converts; company net debt \$2.7B
Google	Backstops ~\$3.2B of Fluidstack obligations; warrants on 73.58M shares at \$0.01
Shares	498.9M outstanding (Jun 2026); authorized 950M; SBC \$185.4M in H1 2026
Consensus	26 analysts, Moderate Buy, avg target \$32.86 (high \$65 MS, low \$15)
Next print	Q3 2026 results, November 6, 2026

1 THE ASSET BASE: POWERED LAND IS THE PRODUCT

Lake Mariner, NY (wholly owned, former coal plant): up to ~750 MW of campus potential on NYISO with a ~93% zero-carbon mix (company figure); ~245 MW of legacy mining plus Core42 (~72.5 MW) and Fluidstack's CB-3/4/5 (~360 MW critical); 102 MW revenue-generating and 336 MW under construction at Q2 2026 at ~\$9.1M per critical MW. **Justified, Hawesville KY** (former Century Aluminum smelter, acquired Feb 2026 for \$200M cash per trade press, ~\$302M transaction value per filings): ~480 MW of immediate grid power, PSC-approved service to 482 MW (Aug 2026), Anthropic's 401 MW campus, \$4.0-4.5B initial investment, delivery H2 2027 to early 2028. **Cayuga / Lake Hawkeye, Lansing NY**: 80-year ground lease (Aug 2025), up to 400 MW, \$98M paid mostly in stock; related-party flag (lessor parent owned by CEO Prager; independent committee and CBRE fairness opinion) and the site caught in New York's permit pause and litigation. **Muskie, KY**: supply agreements amended Oct 2026 to 1 GW; needs a new 765 kV substation (PSC decision expected spring 2027, service targeted Oct 2028, single-source); no tenant. **Chesapeake, MD**: ~210 MW expandable to 1 GW, FERC authorized, operations contemplated ~2030. **Exited**: Nautilus (Oct 2024, ~\$92M, stated 3.4x) and Abernathy (Section 2). Management's cadence target: 250-500 MW of new contracts per year.

2 THE DEALS: THREE CREDIT STORIES

Deal	MW critical	Term	Contracted revenue	Credit support
Core42 (Dec 2024)	~60	10 yrs + 2x5 renewals	~\$1.1B; ~\$2.5B w/ ext.	G42 guaranty; \$90M prepaid
Fluidstack CB-3/4 (Aug 2025)	~200	10 yrs + ext.	~\$3.7B; ~\$8.7B w/ ext.	Google backstop ~\$1.8B
Fluidstack CB-5 (Aug 2025)	~160	10 yrs	Cum. ~\$6.7B; ~\$16B w/ ext.	Google +~\$1.4B (total ~\$3.2B)
Anthropic (Jul 2026)	~401	20 yrs + 10 option	~\$19B; to ~\$33B w/ ext.	IG support expected, unnamed
Abernathy JV (exited Jul 2026)	168 (JV)	25 yrs	~\$9.5B to JV	Google ~\$1.3B (stays with JV)

Core42 was the template: ~\$1.6M of year-1 rent per critical MW, 3% escalators, ~75% EBITDA margin on a ~\$7M/MW build, fully commenced by March 2026. Fluidstack is the structural innovation: Google's recognition agreements let it elect, on a Fluidstack default, to pay a termination fee or assume the lease as tenant, converting a private intermediary's paper into financeable credit; in exchange Google took warrants on 73.58M shares at \$0.01 (~14% pro forma at issuance; 7.6% on the September 2026 13G base), pledged to project lenders until the backstops take effect. The company's own CSO states the limits: the backstop supports project financing, it is not a guarantee of corporate debt. Anthropic is the graduation (direct, 20 years, derived ~\$2.37M/MW/yr, the richest rent in the portfolio) and the least de-risked (construction not started at announcement, financing not launched, credit supporter unnamed). Abernathy's exit (50.1% sold July 2026 for ~\$530M in installments through April 2027 against ~\$450M invested) reads as capital recycling under balance-sheet pressure weeks before the Kentucky concentration increased.

3 MINING, FINANCIALS, AND THE DEBT STACK

Mining is a managed decline that funds its keep: nameplate peaked at 12.8 EH/s (Jun 2025), operating 7.9 EH/s at March 2026 at 17.2 J/TH fleet average; production fell from 2,728 BTC (2024) to 179 BTC in Q2 2026 (~\$12.9M, 29% of revenue) at a power-only cost near \$45.6K per BTC (Q2 2025); production is sold (18 BTC held), two miner buildings were retired in H1 2026, and demand response paid \$14.1M of credits in Q1 2026. GAAP losses are warrant-mark shadows (FY2025 net loss -\$661.4M includes -\$429.8M of warrant marks; Q2 2026 -\$939.9M includes -\$755.7M): read the cash instead. Adjusted EBITDA is negative (-\$23.1M FY2025; -\$22.4M H1 2026), SBC is \$185.4M in H1 2026, Q2 capex of ~\$0.86B runs at ~19x quarterly revenue, and HPC lease revenue is scaling on schedule (\$16.9M FY2025 to \$31.9M in Q2 2026, 71% of the total). At stabilization, ~839 MW at \$1.6-2.4M of rent per MW implies \$1.4-1.9B of revenue at 70-85% NOI margins. Everything between here and there is financing.

Debt instrument	Size	Terms
WULF Compute secured notes (Oct 2025)	\$3.2B	7.75%, due Oct 2030; first-priority project liens, lockbox, warrant pledge; parent completion guarantee
Convertibles due 2030 (Oct 2024)	\$500M	2.75%; capped calls to \$12.80
Convertibles due 2031 (Aug 2025)	\$1.0B	1.00%; conversion ~\$12.43; capped calls to \$18.76
Convertibles due 2032 (Oct 2025)	\$1.025B	0.00%; conversion ~\$19.94
Revolver (May 2026)	Up to \$250M	Senior secured, due Apr 2030; bridge (\$500M) repaid Apr 2026
Planned Justified financing	~\$3.5B	Leveraged loans / HY bonds (CFO to Bloomberg, Jul 2026); not yet launched

Structural caveats: most of the ~\$3.0B of cash and restricted cash sits at project subsidiaries (parent unrestricted cash was ~\$300M in March 2026, ~\$1.5B pro forma after April's \$1.04B equity raise of 54.5M shares at \$19.00); total liabilities of \$7.90B stand against \$147.3M of equity; Q2 interest expense was \$56.4M vs \$4.0M a year earlier; dilution adds 73.58M penny warrants and ~132M convert-underlying shares to a count that has already risen 276.7M to 498.9M since end-2023.

4 COMPETITION

Peer	Anchor position	Structure note
Core Scientific	CoreWeave ~590 MW, ~\$10.2B/12 yrs	Tenant pre-funds capex; no backstop; AMD deal Jul 2026 (500 MW+)
IREN	Microsoft \$9.7B/5 yrs (200 MW); NVIDIA \$3.4B	Direct hyperscaler tenant; 20% prepayments; held in this library's coverage
Cipher Mining	Fluidstack ~\$3.8B; AWS 300 MW ~\$5.5B	Same Google backstop pattern (warrants ~5.4%) plus direct AWS lease
Applied Digital	CoreWeave 400 MW ~\$11B; IG tenant 200 MW ~\$5B	600 MW / ~\$16B across two campuses; Macquarie facility to \$5B
Hut 8	River Bend \$7.0B; Beacon Point \$19.6B	~950 MW contracted; Anthropic partner; mining carved into ABTC
Galaxy Digital	CoreWeave Helios 526 MW critical, ~\$15B	Direct tenant; Phase I renting since Q2 2026
MARA / CLSK / RIOT	Mining-first (MARA 70.3 EH/s, 35,577 BTC)	CLSK's 175 MW Meta-guaranteed lease ~\$6.6B; WULF is furthest from mining

Management and governance: Prager's team originates assets and structures at the top of the sector (Nautilus exit at a stated 3.4x, the backstop invention, Anthropic direct), and charges like it: FY2025 pay of \$39.4M (CEO) and \$30.1M (CTO) with cash bonuses at 10-16x stated targets described as discretionary, SBC of \$185.4M in H1 2026, persistent insider selling (Fleury \$9.7M in March 2026; Prager entities under a Dec 2025 plan), no open-market purchases by the top two, a related-party ground lease, and 19.9% insider ownership as the alignment claim. No activist short report exists on the name; the critical coverage is journalistic (Hunterbrook) and analytical (financing skepticism). New York risk: the July 14, 2026 executive order paused DEC permits for new data centers of 50 MW+ for up to a year pending a GEIS; the company says its sites are unaffected, local reporting contests Cayuga, which also faces an Article 78 suit and a town moratorium move. Kentucky has approved what New York is pausing.

5 TECHNICAL PICTURE, VALUATION, SCENARIOS

Technical: 2025 ran \$2.06 to \$17.05 (the Aug 14, 2025 backstop announcement day gained +59.5%); 2026 printed \$29.84 on June 22, then slid -61.3% to \$11.54 as financing fears hit the complex, with a fresh 52-week low intraday on October 15. The close sits 26.8% below the 50-day (\$15.76) and 41.3% below the 200-day (\$19.65): a broken trend with capitulation characteristics, beta 3.8-4.0, short interest 28.45% of float. Frameworks: EV per contracted MW near \$10M against \$8-10M build cost (the bear's cleanest point: replacement cost, pipeline free); cap-rate math (TD Cowen, Buy/\$21 from Oct 12, 2026, argues the implied ~9% cap rate is too high given Google support; Morgan Stanley points to ~\$1.5B of NOI at completion). Consensus compilations for build-out years conflict (\$1.32B vs \$1.74B for FY2028 revenue), so our scenarios are built from MW, rent, and margin:

Fiscal 2029 view	Bear	Base	Bull
Rent-earning critical MW	~550	~839	~1,100
Revenue	\$0.95B	\$1.55B	\$2.15B
NOI / EBITDA (margin)	\$0.62B (65%)	\$1.20B (77%)	\$1.75B (81%)
Exit EV/EBITDA	10x	13.5x	16x
Enterprise value	\$6.2B	\$16.2B	\$28.0B
Less net debt (2029E)	\$4.2B	\$4.8B	\$4.2B
Diluted shares (incl. overhang)	~640M	~650M	~660M
Price target	\$6	\$18	\$32

Bear: a financing accident or Anthropic slip leaves Lake Mariner plus part of Kentucky delivered and the equity re-cut at low prices. Base: signed contracts delivered on the company's schedule at blended rents below the Anthropic headline, valued mid-teens. Bull: a leased Muskie first phase plus extension economics in view. Against \$11.54: base +56%, bull ~2.8x, bear -48%, the honest shape of a levered claim.

6 RISKS AND DATED WATCH LIST

Risks. (1) Anthropoc concentration (~48% of MW) with the credit supporter unnamed. (2) The ~\$3.5B Justified raise: pricing and structure set the dilution path. (3) Construction: 336 MW underway under a parent completion guarantee at ~19x quarterly revenue in capex. (4) Financing windows must stay open through 2028; October showed the cost when they narrow. (5) New York: GEIS, Cayuga litigation, Lansing's moratorium move. (6) Muskie's spring 2027 PSC substation decision gates 1 GW. (7) Abernathy installments (\$150M by Dec 31, 2026; ~\$130M by Apr 30, 2027). (8) Insider selling and SBC cadence. **Checkpoints:** Nov 6, 2026 (Q3 results; consensus near -\$0.18 EPS); Dec 31, 2026 (installment); H2 2026 to early 2027 (CB-4/CB-5 rent starts); spring 2027 (Muskie PSC); H2 2027 (first Anthropoc capacity).

Bottom line

Priced at roughly replacement cost for its contracted MW with a 2.8 GW pipeline free, and below Morgan Stanley's bear case, WULF is the rare selloff where the bear framework itself argues for upside. What you are underwriting is not demand; it is two years of construction and capital markets behaving. Selective Positive.

Sources and method: SEC filings (FY2025 10-K, Q1-Q2 2026 10-Qs and releases, Aug-Oct 2025 8-Ks, 2026 proxy), company releases (Core42, Fluidstack, CB-5, Abernathy, Anthropoc/Justified, Cayuga, Muskie, Chesapeake), Schedule 13G (Google, Sep 2026), analyst coverage (Morgan Stanley, TD Cowen, Wells Fargo, UBS, Zacks) via MarketBeat and Barron's, CoinDesk, Data Center Dynamics, The Block, Finnhub candles. Conflicts carried in the text: Core42 MW (60 vs 72.5), Fluidstack total (360 vs 380 MW), Hawesville cost (\$200M vs ~\$302M), consensus compilations. Contracted totals are cited as of their disclosure dates and are not summed across dates. No activist short report on TeraWulf was found. Scenarios are DalalBytes estimates from MW, rent, and margin assumptions.