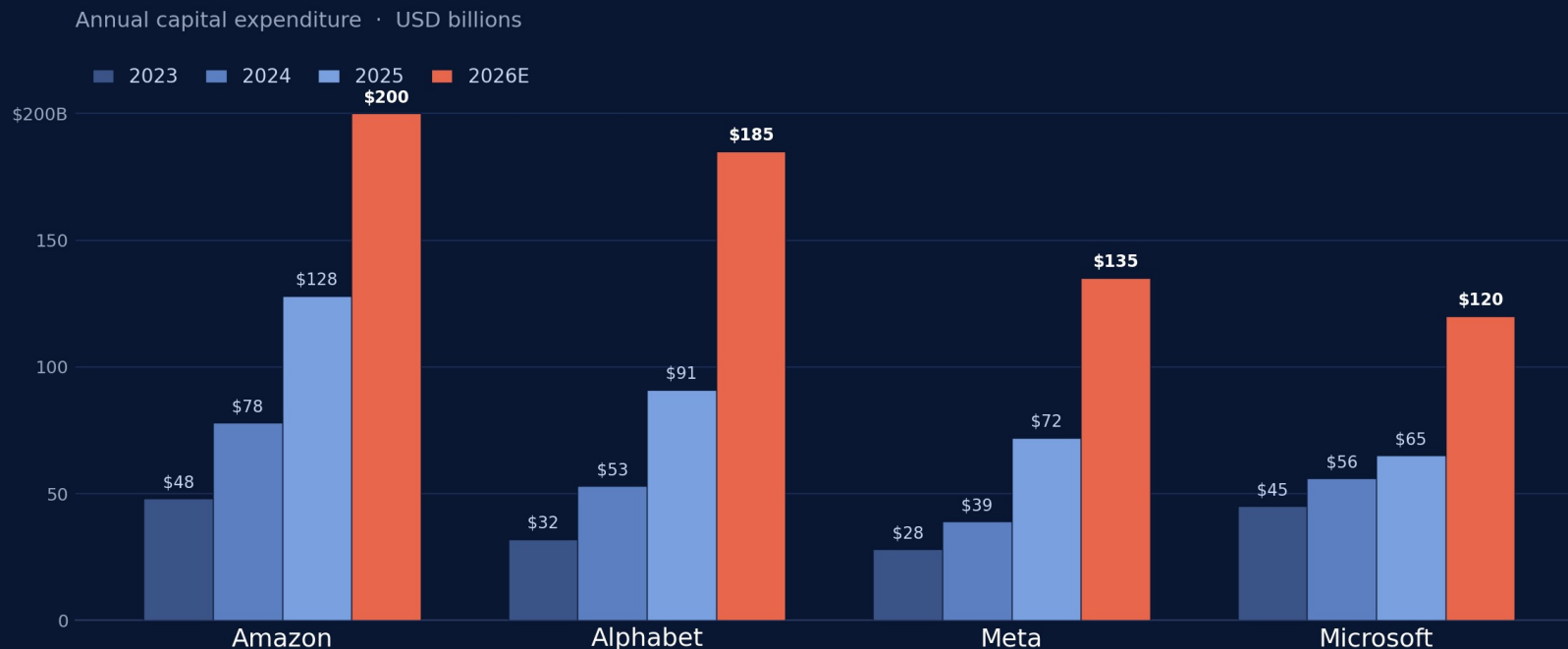


Capital Investment

AI CAPITAL SPENDING • THE NEW ARMS RACE

Big Tech's AI spending arms race

Four giants — heading for ~\$640B of capex in 2026, about 4× their 2023 level.



THE BIGGER PICTURE

\$1.1T

hyperscaler capex by 2027

\$5.5T

AI, data centers & power

\$7T

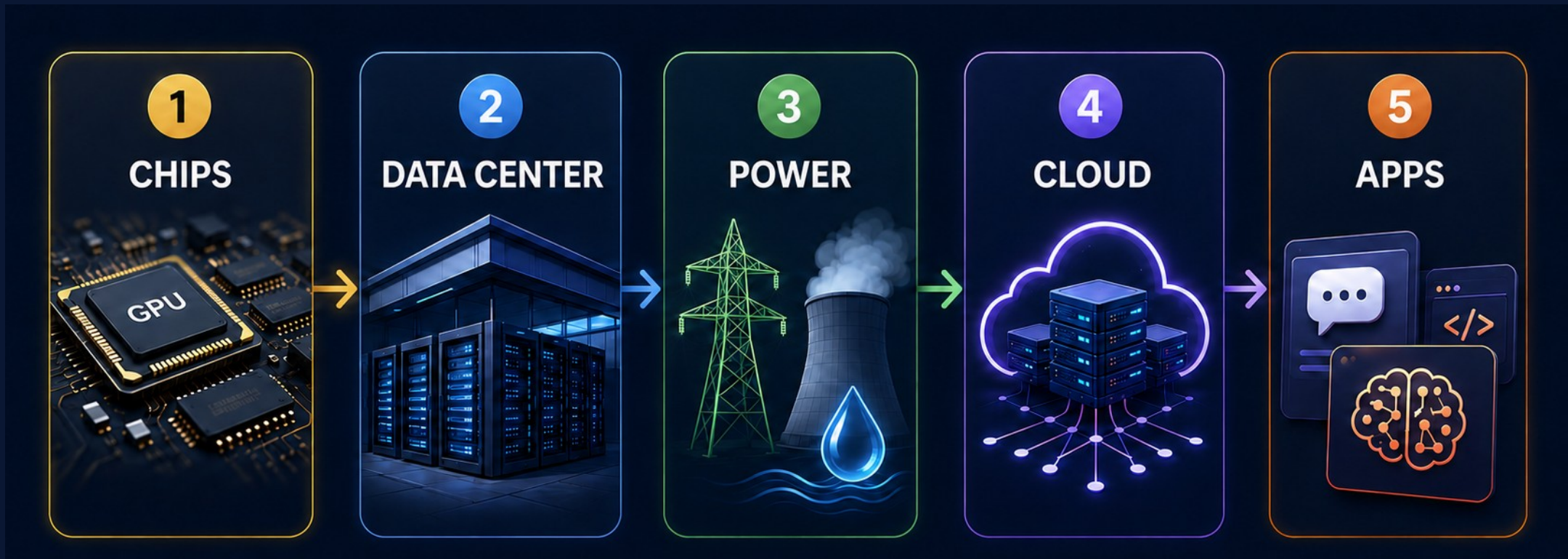
data centers by 2030

Takeaway: AI competition is now a spending race — capital scale is the moat.

FOLLOW THE MONEY • WHAT THE CAPEX BUYS

AI spending isn't just GPUs

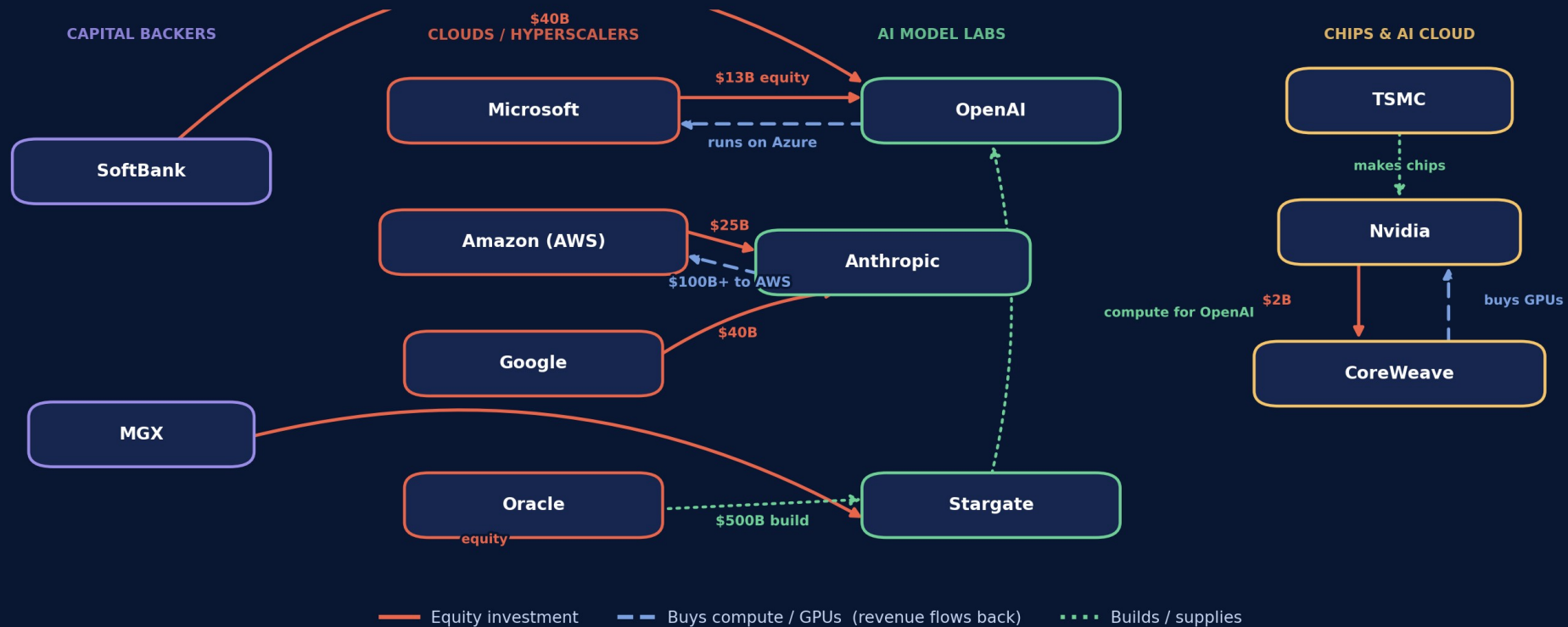
Every AI dollar buys chips, data centers and power — not just the model.



Takeaway: AI capex is a full infrastructure buildout — not software alone.

Companies are funding their own customers

Backers and clouds invest in the AI labs — who spend it right back on compute.



The circular risk: sellers fund the buyers who fund the sellers — strong while AI revenue grows.

THE BIG QUESTION • BOOM OR BUBBLE?

Productive buildout — or circular bubble?

AI is no longer just software — it's a capital-intensive infrastructure race.



BULL CASE

productive buildout



✓ Real demand



✓ Cash-rich



✓ Durable assets



✓ Credit manageable



BEAR CASE

circular financing



! Circular revenue



! Debt rising



! Monetization lag

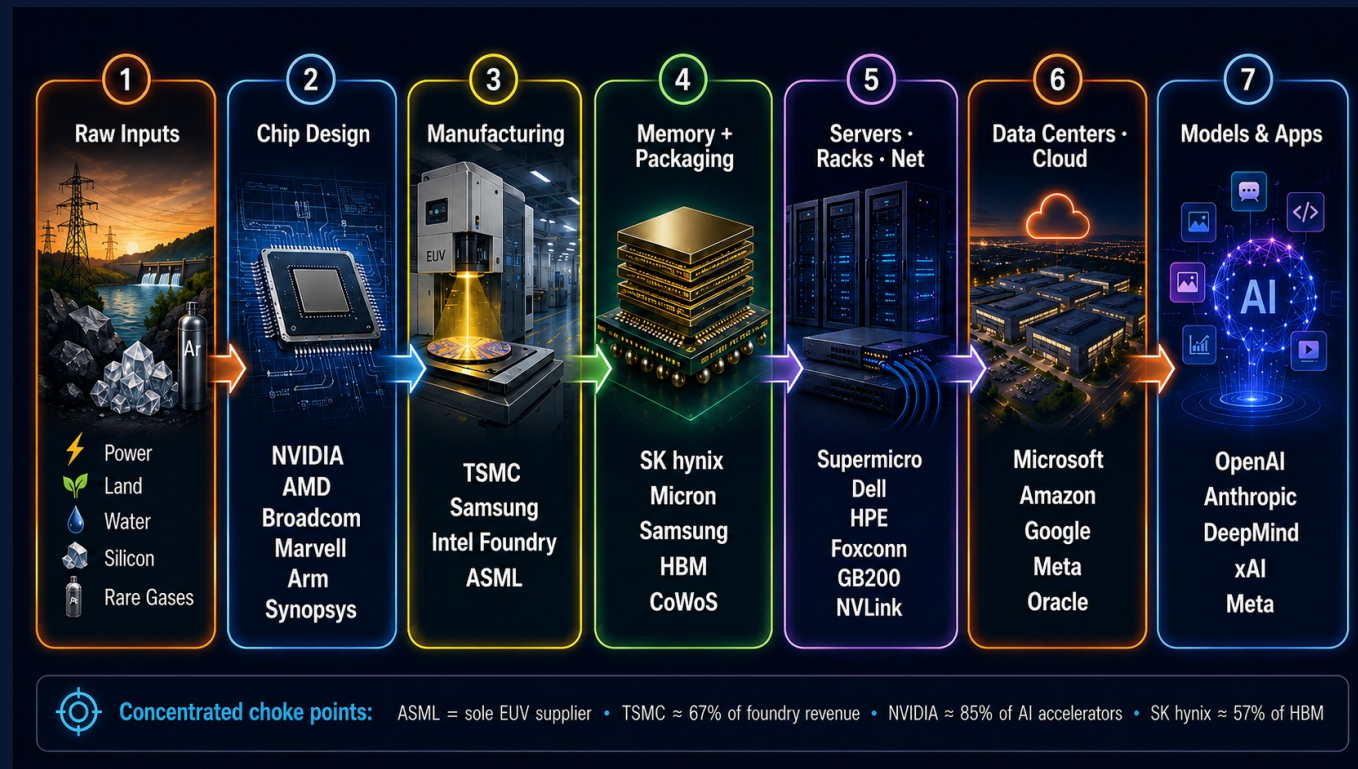


! Physical limits

Supply Chain

AI is built, not just coded

From raw materials to working intelligence



Big idea: AI isn't just software — it's a full industrial supply chain.

The AI race is limited by physical capacity



Key message: The AI race is capped by physical capacity, not ideas.

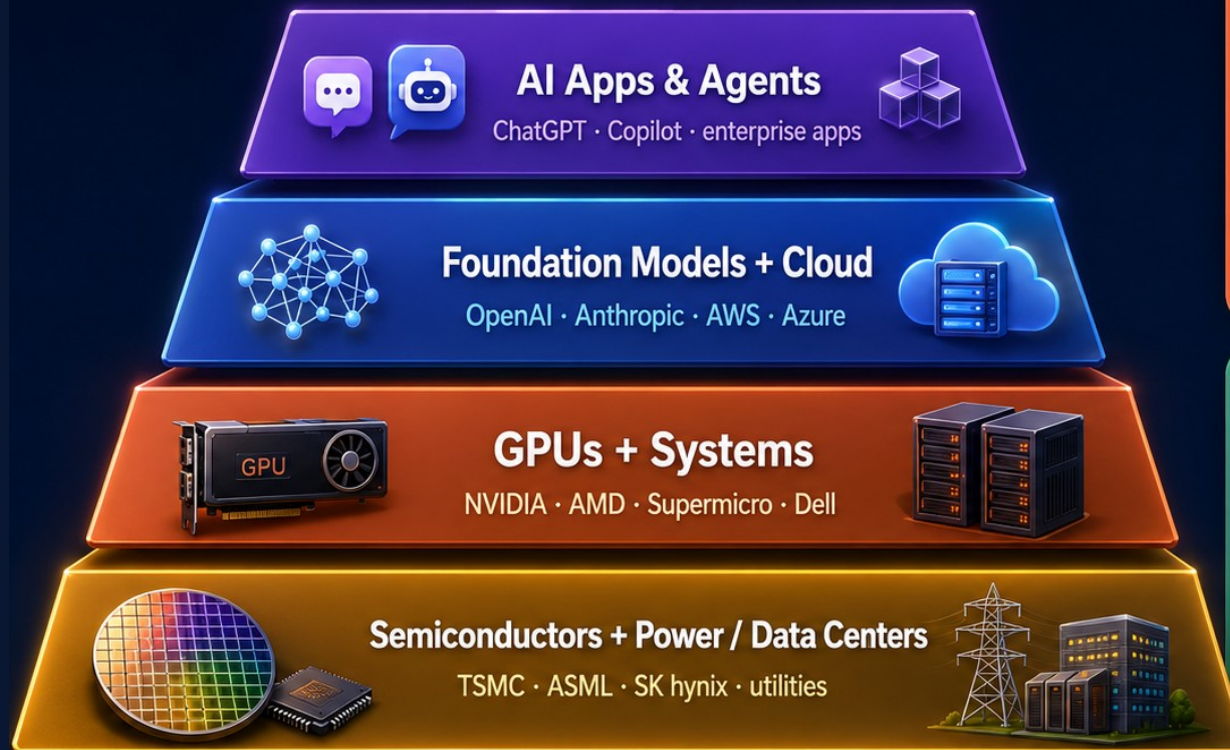
NVIDIA wins today — but value can move

Where the profit sits in the AI stack

From applications down to the physical base

▲ higher margin per unit

▼ wider physical / capital base



TODAY

NVIDIA captures the high margin — its chips are the scarce resource everyone needs right now.



LONG TERM

Value may shift up to apps and models, or down to cloud, power and data centers as supply catches up.