



# AI BUBBLE INDEX

Company Profiles | December 2025

DecisionDNA® Metabolic Intelligence Framework

## METABOLIC STATUS CLASSIFICATION RUBRIC

**ELEVATED:** CDS spread >100 bps OR debt >3x TTM EBITDA OR negative FCF with rising capex

**CRITICAL:** CDS spread >120 bps AND debt >4x TTM EBITDA AND negative FCF

**STABLE:** Does not meet ELEVATED criteria; positive FCF, manageable leverage

*Classifications are mechanical outputs of the rubric above; narrative sections explain causality, not status.*

### Framework: $P = MR \times DA^2$

In this public company context, MR (Metabolic Rate) is operationalized as capital deployment velocity: capex growth rate, debt issuance pace, and commitment accumulation. DA (Decision Accuracy) is operationalized as conversion efficiency: revenue realized per dollar committed, operating cash flow relative to capex, and backlog-to-revenue conversion rate. When MR persistently exceeds  $DA^2$ , coordination costs compound non-linearly.

### Instrument Note

These profiles are abbreviated applications of DecisionDNA's Module I (Metabolic Profiling) diagnostic. The instrument applies the performance formula  $P = MR \times DA^2$ , where Metabolic Rate (MR) operationalizes capital deployment velocity and Decision Accuracy (DA) operationalizes conversion efficiency. The system assigns status mechanically: STABLE when no thresholds are breached, ELEVATED when any single threshold triggers, CRITICAL when all three thresholds fire simultaneously. Vulnerability windows are assigned only when dated mechanisms exist; otherwise conditional triggers are specified. The diagnostic uses time-stamped figures to capture structural trajectory rather than point-in-time valuation. Input data: SEC filings, earnings releases, rating agency reports, and major financial outlets as cited. Output format is standardized across all entities profiled.

**Disclaimer:** This analysis is for informational purposes only and is not investment advice. The authors do not hold any positions in securities discussed.



# NVIDIA CORPORATION

## METABOLIC STATUS: STABLE

### Executive Summary

Nvidia reported Q3 FY2026 revenue of \$57.0 billion, up 62% year-over-year, with data center revenue of \$51.2 billion representing 90% of total sales [Nvidia Q3 FY2026 Earnings, Nov 19 2025]. Customer concentration has increased: four direct customers accounted for 61% of Q3 FY26 accounts receivable (22%, 15%, 13%, 11%), up from 36% one year prior [Nvidia 10-Q, Nov 2025]. Despite concentration risk, the company generates substantial free cash flow and maintains minimal debt. The coordination trap exposure stems not from Nvidia's own balance sheet but from its position as the hub of capital flows across the AI infrastructure ecosystem. This distinction is central to Nvidia's STABLE classification. Revenue depends structurally on continued capex acceleration from hyperscalers whose own financial sustainability is under scrutiny.

### Metabolic Indicators

#### OBSERVED FACTS

Metric	Value	Source	Interpretation
Q3 FY26 Revenue	\$57.0B	Nvidia Earnings, Nov 2025	Record quarter
Data Center Revenue	\$51.2B (+66% YoY)	Nvidia Earnings, Nov 2025	90% of total
Gross Margin	73.6%	Nvidia Earnings, Nov 2025	Pricing power intact
Top 4 Customer AR	61%	Nvidia 10-Q, Nov 2025	Up from 36% YoY
Inventory	\$19.8B	Nvidia 10-Q, Nov 2025	+32% QoQ; supply buffer

### Coordination Trap Exposure

- **Google TPU competitive threat:** Gemini 3, now competitive on frontier benchmarks, was trained entirely on Google TPUs (TPUv7 'Ironwood'), not Nvidia GPUs. Nvidia stock fell 4-5% on Nov 25 2025 when Meta reported discussions to adopt TPUs. OpenAI secured ~30% discount on Nvidia hardware by threatening TPU switch. [Fortune, SemiAnalysis, CNN, Nov 2025]
- **OpenAI Capital Coupling (\$100B LOI):** In September 2025, Nvidia announced a letter of intent to invest up to \$100 billion in OpenAI, contingent on deployment of 10 gigawatts of Nvidia systems. First gigawatt targeted H2 2026 on Rubin platform. This represents conditional structured financing exposure contingent on execution milestones. [Nvidia/OpenAI PR, Sep 22 2025; Fortune, Dec 2 2025]
- **CoreWeave Backstop (\$6.3B):** Nvidia committed to purchase unsold CoreWeave capacity through April 2032. Nvidia owns ~7% of CoreWeave equity (~\$3B current value). [Fortune, Sep 2025]
- **Capital coupling structure:** Capital coupling amplifies demand sensitivity: Nvidia's financial commitments reduce the probability of downstream defection, thereby stabilising future sales volumes. This is risk amplification, not evidence of self-funded revenue. [Various, 2025]
- **Downstream credit exposure:** Major counterparties face credit stress: Oracle CDS at 139 bps (Dec 12, 2025; highest since 2009); CoreWeave CDS at 600-700 bps (Dec



2025) (~42% 5Y default probability); OpenAI \$207B funding gap per HSBC. [S&P Global, HSBC, Nov-Dec 2025]

## Strategic Constraint Analysis

### Current Strategic Constraints

- **Cannot diversify customer base quickly:** 61% AR concentration in four customers means any attempt to shift mix requires accepting margin compression.
- **Cannot exit capital coupling commitments:** \$100B OpenAI LOI and \$6.3B CoreWeave backstop through 2032 create forward obligations that cannot be unwound without demand destruction.
- **Cannot compete on price against TPUs:** Google's vertical integration allows pricing flexibility Nvidia cannot match without destroying gross margins.

### Remaining Strategic Degrees of Freedom

- **Product cycle acceleration:** Annual architecture releases (Blackwell → Rubin → post-Rubin) maintain technological moat.
- **Software ecosystem lock-in:** CUDA moat remains defensible for training workloads. Switching costs are material.
- **Enterprise/sovereign diversification:** Government AI initiatives provide demand sources less concentrated than hyperscaler capex.

## Behavioral Stress Indicators

- **Defensive X post (Nov 25, 2025):** After Meta-TPU discussions emerged and stock fell 2.5-3%, Nvidia posted: 'NVIDIA is a generation ahead of the industry.' Fortune: 'The \$4 trillion chipmaker did something rare: It took to X to publicly defend itself.' [Fortune, CNBC, Nov 25 2025]
- **Private analyst memo (Nov 2025):** Nvidia circulated a seven-page memo to Wall Street analysts refuting Michael Burry's Cisco-comparison thesis. [CNBC, Barron's, Nov 24-25 2025]
- **\$860M lease guarantee (Nov 2025):** Nvidia disclosed guaranteeing a partner's data-centre lease obligations: moving beyond equity investments to directly backstop customer infrastructure access. [Globe and Mail, Nov 2025]

## DecisionDNA Assessment

**Conditional Triggers:** Hyperscaler capex guidance cuts >15% QoQ; material credit event at CoreWeave or Oracle; top-4 customer diversification.

**Metabolic Status:** STABLE. Strong FCF, minimal debt, gross margins >73%. However, classification reflects internal financial strength, not insulation from downstream failure.

**Systemic Dependency Note:** Material distress at Oracle or CoreWeave would propagate upstream through reduced deployment velocity, contract renegotiation, or backstop activation, directly impacting Nvidia's realized revenue and capital commitments. With both downstream counterparties now classified CRITICAL, Nvidia's ~\$106B in committed capital coupling (\$100B OpenAI LOI + \$6.3B CoreWeave backstop) represents substantial contingent exposure requiring monitoring.

**Derivation:** No dated refinancing cliffs or facility expirations applicable to Nvidia directly; vulnerability is conditional on downstream counterparty events.



# ORACLE CORPORATION

## METABOLIC STATUS: CRITICAL

**Vulnerability Window: Q1 2026 (March refinancing cliff)**

### Executive Summary

Oracle reported Q2 FY2026 revenue of \$16.1 billion, up 14% year-over-year, with Remaining Performance Obligations (RPO) surging 438% to \$523 billion [Oracle Q2 FY2026 Earnings, Dec 10 2025]. **Critical RPO constraint:** RPO represents contracted future revenue, not cash received. Conversion requires physical data center delivery, which Oracle must fund through debt before recognizing revenue. RPO is an obligation to perform, not an asset for valuation purposes: this distinction anchors the CRITICAL classification. Free cash flow was negative \$10 billion in Q2; total debt is approximately \$124 billion; 5Y CDS reached 139 bps (highest since 2009). The company meets all CRITICAL thresholds: CDS >120 bps, debt >4x EBITDA, negative FCF.

### Metabolic Indicators

#### OBSERVED FACTS

Metric	Value	Source	Interpretation
Q2 FY26 Revenue	\$16.1B (+14% YoY)	Oracle Earnings, Dec 2025	Below consensus
RPO (Backlog)	\$523B (+438% YoY)	Oracle Earnings, Dec 2025	Conversion uncertain
Total Debt	~\$124B	BondBloX, Dec 2025	Largest IG tech issuer
5Y CDS Spread	139 bps	S&P Global, Dec 12 2025	Highest since 2009
Q2 Free Cash Flow	-\$10B	Oracle Earnings, Dec 2025	Cash burn
Credit Rating	BBB (Negative)	S&P, Jul 2025	One notch above junk

### Coordination Trap Exposure

- **OpenAI dependency:** \$300B five-year commitment represents ~5x current annual revenue. OpenAI itself faces \$207B funding gap per HSBC analysis. [HSBC, Nov 2025]
- **Credit market stress:** September 2025 \$18B bond issuance now trading at spreads approaching junk levels. CDS trading volume surged to \$9.2B over 10 weeks vs \$410M prior year. [Bloomberg, Dec 2025]
- **Capex-to-revenue gap:** \$50B capex vs \$16.1B quarterly revenue. Requires sustained RPO conversion at a scale not yet operationally demonstrated. [Oracle Earnings, Dec 2025]

### Strategic Constraint Analysis

#### Current Strategic Constraints

- **Cannot slow capex without impairing RPO:** (See Executive Summary for RPO definition.) Reducing capex delays RPO-to-revenue conversion, triggering covenant concerns.



- **Cannot diversify away from Stargate:** OpenAI/Stargate represents \$300B of forward commitment. No alternative customer at this scale exists.
- **Debt market access has deteriorated:** CDS at 139 bps (vs 43 bps two months prior) means any new issuance prices at distressed spreads.

### Forced Strategic Behaviors

- **Pre-committing to 15-19 year leases:** \$248B in off-balance-sheet lease commitments 'substantially all related to data centers' per 10-Q.
- **Customer/supplier financing exploration:** Management stated on Q2 call they are exploring ways to 'borrow substantially less than \$100B' through customer and supplier financing arrangements. This is financial engineering under structural constraint.

### Behavioral Stress Indicators

- **Data center delivery delays (Dec 2025):** Bloomberg disclosed Oracle pushed back completion of some U.S. data centers for OpenAI from 2027 to 2028. [Bloomberg, Fortune, Dec 2025]
- **CFO exploring alternative financing (Dec 2025):** PFO Doug Kehring stated Oracle exploring 'other financing options through customers that may bring their own chips.' Also insisted Oracle 'committed to maintaining its investment-grade debt rating': unprompted reassurance. [Oracle Q2 FY2026 Earnings Call, Dec 10 2025]
- **Stock collapse triggers narrative shift (Dec 2025):** Oracle shares plunged 45% from September highs, 14% in single week after Q2 earnings. Fortune headline: 'Oracle's collapsing stock shows the AI boom is running into two hard limits: physics and debt markets.' [Fortune, Yahoo Finance, Dec 2025]

### DecisionDNA Assessment

**Vulnerability Window:** Q1 2026. March 2026 refinancing cliff (CoreWeave DDTL termination creates market signal). Oracle \$38B debt offering must price.

**Metabolic Status:** CRITICAL. Meets all thresholds: CDS >120 bps (139), total debt ~\$124B against TTM EBITDA ~\$25B (~5x leverage, >4x threshold), negative FCF (-\$10B Q2).

**Derivation:** Dated refinancing needs + credit deterioration + single-counterparty dependency creates structural vulnerability with calendar trigger.



# COREWEAVE, INC.

## METABOLIC STATUS: CRITICAL

**Vulnerability Window: H1 2026 (operational triggers with extreme leverage)**

### Executive Summary

**Key distinction:** Unlike Oracle, CoreWeave's stress is not balance-sheet imminent but execution-path dependent; risk is operationally triggered, not calendar triggered. CoreWeave functions as a transmission mechanism: fluctuations in OpenAI and hyperscaler demand propagate first into CoreWeave's execution schedule and financing needs before appearing elsewhere in the stack. CoreWeave reported Q3 2025 revenue of \$1.36 billion, up 134% YoY, with backlog reaching \$55.6 billion [CoreWeave Q3 Earnings, Nov 10 2025]. Interest expense of \$310.6 million exceeded quarterly net income (loss of \$110 million); total debt ~\$14 billion. Capex guidance: \$12-14B (2025), 'well in excess of double' (2026). December 2025: raised \$2.587B convertible notes at 1.75% coupon. Customer concentration: OpenAI \$22.4B, Meta \$14.2B, Nvidia \$6.3B. Positive adjusted EBITDA (\$838M, 61% margin) but net income negative.

### Metabolic Indicators

#### OBSERVED FACTS

Metric	Value	Source	Interpretation
Q3 2025 Revenue	\$1.36B (+134% YoY)	CoreWeave Q3, Nov 2025	Beat estimates
Backlog	\$55.6B (+90% QoQ)	CoreWeave Q3, Nov 2025	OpenAI expansion
Q3 Interest Expense	\$310.6M	CoreWeave 10-Q, Nov 2025	> Net income
Adj. EBITDA Margin	61% (\$838M)	CoreWeave Q3, Nov 2025	Strong operating

### Coordination Trap Exposure

- **Customer concentration:** OpenAI (\$22.4B), Meta (\$14.2B), Nvidia (\$6.3B) represent majority of backlog. Single-customer disruption creates material risk. Customer concentration risk is compounded by simultaneity: OpenAI, Meta, and Nvidia are exposed to the same capital-cycle and infrastructure constraints, increasing correlated demand risk. [CoreWeave SEC filings, 2025]
- **Nvidia dependency:** Business model relies on priority access to Nvidia GPUs. Nvidia's \$6.3B commitment includes taking unsold capacity through 2032. [Reuters, Sep 2025]
- **Data center execution:** Q3 guidance cut to \$5.05-5.15B from \$5.35B due to third-party data center developer delays. [CoreWeave Q3, Nov 2025]
- **Off-balance sheet exposure (\$34B):** DecisionDNA analysis of disclosed GPU commitments and contracted data center capacity suggests off-balance sheet lease obligations and forward purchase commitments could reach \$34 billion over the contract lifecycle. With ~\$5B annualized revenue, total obligations (~\$48B including on-balance sheet debt) creates leverage requiring near-perfect execution. [DecisionDNA analysis based on disclosed commitments at market rates]

### Behavioral Stress Indicators



- **Guidance cut on record quarter (Nov 10, 2025):** Despite beating revenue estimates (\$1.36B vs \$1.29B expected), CoreWeave reduced 2025 guidance from \$5.15-5.35B to \$5.05-5.15B. Stock dropped 30% over five trading days. [CNBC, Nov 2025]
- **Convertible debt timing (Dec 2025):** CoreWeave raised \$2.587B in convertible notes at 1.75% coupon weeks after the stock dropped 30%+. [CoreWeave Press Release, Dec 8 2025]
- **Analyst downgrades amid strong demand:** J.P. Morgan's Mark Murphy downgraded to Hold despite massive backlog, citing 'supply issues that pushed revenue into future quarters.' [J.P. Morgan via Yahoo Finance, Dec 2025]

## DecisionDNA Assessment

**Conditional Triggers:** Total fixed obligations, including off-balance-sheet commitments, approach an order of magnitude relative to near-term cash generation, meaning even minor execution slippage now carries balance-sheet consequences. Key triggers: data center delivery failures, hyperscaler capex cuts, Nvidia priority access changes.

**Metabolic Status:** CRITICAL. CDS at 675 bps (Dec 2025, >120 bps). Total fixed obligations of approximately \$48B, including ~\$34B in long-dated off-balance-sheet leases, are large relative to near-term cash generation. This creates acute execution sensitivity, where even modest slippage carries balance-sheet consequences.



# OPENAI

## METABOLIC STATUS: ELEVATED

**Vulnerability Window: December 31, 2025 (SoftBank conversion clause)**

### Executive Summary

OpenAI raised \$40 billion in March 2025 at a \$300 billion post-money valuation, the largest private funding round in history [OpenAI Blog, Mar 31 2025]. The company projects \$12.7 billion revenue in 2025, up from ~\$4 billion in 2024 [CNBC, Mar 2025]. However, HSBC analysis projects a \$207 billion funding gap by 2030, with total compute commitments reaching \$1.4 trillion by 2033 [HSBC/FT, Nov 2025]. The company lost \$7.8 billion on \$4.3 billion revenue in H1 2025 per HSBC estimates. SoftBank's \$30 billion commitment includes a provision to reduce to \$20 billion if OpenAI fails to convert to for-profit status by December 31, 2025 [CNBC, Mar 2025]. The Stargate project with Oracle represents up to \$500 billion in planned AI infrastructure investment.

### Decision Accuracy Decomposition

**Technical DA: HIGH.** OpenAI maintains technological leadership in frontier models. GPT-4 and successors remain competitive. Inference cost optimization ongoing.

**Commercial DA: MODERATE.** User growth strong (500M+ weekly actives, 800M monthly by Nov 2025). Revenue tripling YoY. However, paid conversion rate is only ~5% (~40M of 800M users). HSBC projects need for 3B users by 2030 with 10% paid conversion to approach funding needs.

**Financial DA: LOW.** \$7.8B loss on \$4.3B H1 2025 revenue (181% loss ratio). Compute costs estimated at \$60B annually per HSBC. \$1.4T total commitments against ~\$13B 2025 revenue (107x ratio). \$207B funding gap identified.

### Behavioral Stress Indicators

*Note: The following documented incidents are presented with specific sources; readers should draw their own conclusions.*

- **CEO defensive reaction (Nov 1, 2025):** When investor Brad Gerstner asked how a company with \$13B revenue can make \$1.4T in commitments, Sam Altman responded: 'If you want to sell your shares, I'll find you a buyer. Enough.' He then left the podcast interview minutes later. [BG2 Podcast, Nov 1 2025]
- **CFO government backstop request (Nov 5, 2025):** CFO Sarah Friar publicly suggested US government should 'backstop the guarantee' for OpenAI's infrastructure financing. Within hours, both Friar and Altman issued retractions. Trump AI Czar David Sacks responded: 'There will be no federal bailout for AI.' [WSJ Tech Live, LinkedIn, Nov 5-6 2025]
- **Deal acceleration (Sep-Nov 2025):** In 10 weeks: \$100B Nvidia LOI (Sep 22), \$10B Broadcom chip deal (Oct 14), \$38B AWS partnership (Nov 3), 6GW AMD deal with equity option. CNBC: 'an aggressive pivot to control every part of its business.' [CNBC, Sep-Nov 2025]

### DecisionDNA Assessment

**Vulnerability Window:** December 31, 2025 (SoftBank clause). Secondary: perpetual funding dependency through 2030 per HSBC.

**Metabolic Status:** ELEVATED. Despite extreme capital commitments, OpenAI lacks debt market exposure and retains discretionary control over conversion timing and funding



structure, preventing CRITICAL classification. Meets ELEVATED threshold: negative FCF (H1 loss \$7.8B on \$4.3B revenue) with rising capex.

**Derivation:** Not CRITICAL because: (1) no public debt means no CDS market or refinancing cliffs, (2) private status allows negotiated restructuring without market repricing, (3) Microsoft/SoftBank relationships provide implicit backstop not available to public issuers.



## About DecisionDNA

DecisionDNA develops and applies diagnostic systems for assessing execution viability, coordination stress, and failure risk in complex organizations and capital-intensive environments. Its instruments are used across strategic due diligence, transformation readiness, and operational stress diagnostics, where traditional financial or strategic analysis fails to surface execution limits.

The company's work focuses on systems under load: large-scale technology platforms, infrastructure-heavy businesses, and organizations facing rapid scaling, integration, or capital reallocation.

DecisionDNA diagnostics are designed to be repeatable, threshold-based, and decision-relevant, supporting capital allocation, governance, and intervention decisions.

This document is an example of how those diagnostic instruments are applied to publicly observable systems.

For investors or operators assessing similar coordination risks in their own portfolio, DecisionDNA applies the same diagnostics privately across due diligence, transformation readiness, and capital reallocation decisions.

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