June 29, 2026 04:23 AM GMT

Quantinuum | North America

A Leading Contender in the Emerging Quantum Industry, Initiate at Equal-weight

Quantinuum has established itself as one of the leading companies in quantum computing through differentiated technology and consistent execution. While commercialization remains years away, the industry is approaching an inflection point, creating significant long-term optionality.

Key Takeaways

- Differentiated trapped-ion technology and credible roadmap position Quantinuum among the industry's leading quantum computing companies
- Commercialization remains early, but a $5bn customer pipeline provides a foundation to monetize a multi-billion-dollar quantum infrastructure market
- We expect early commercial quantum use cases to emerge by the end of the decade, creating an industry inflection that Quantinuum is well positioned to capture
- We initiate at EW with a $78 PT, balancing substantial long-term upside against meaningful technology, commercialization and execution risk

We initiate coverage of Quantinuum with an Equal-weight rating and $78 price target. We believe Quantinuum has emerged as one of the strongest companies in quantum computing through its differentiated trapped-ion architecture, demonstrated roadmap execution and growing ecosystem of commercial and government partnerships. The company has established itself as a leading contender in one of the largest long-term opportunities in computing, but the industry remains sufficiently early that significant uncertainty exists around technology, commercialization and competitive positioning. While we are constructive on Quantinuum's long-term prospects, we believe the current balance of upside and execution risk supports an Equal-weight rating.

We value Quantinuum at 12x 2030 revenue of $2.5bn, discounted back to 2027 at 15.1%. The 12x multiple is informed by the average 2028 EV/sales multiple of AI semiconductor peers, which we believe provides a reasonable valuation anchor for a frontier computing company with Quantinuum's long-term growth profile. At our $78 price target, Quantinuum's implied market capitalization is broadly in line with IonQ's, which we view as appropriate given the companies' comparable stage of technology development. While we see substantial long-term optionality if quantum computing reaches broad commercial adoption, we believe the current valuation appropriately reflects both the opportunity and the considerable risks that remain, and our very wide Bull/Bear range creates a risk-adjusted profile in line with our EW

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Quantinuum (QNT.O, QNT US)

Semiconductors | United States of America

Stock Rating	**Equal-weight**
Industry View	**Attractive**
Price target	**$78.00**
Shr price, close (Jun 26, 2026)	$75.57
Mkt cap, curr (mm)	$18,292
52-Week Range	$81.48-50.10

Fiscal Year Ending	12/25	12/26e	12/27e	12/28e
EPS ($)**	-	(1.63)	(1.61)	(1.13)
Prior EPS ($)**	-	-	-	-
P/E	-	NM	NM	NM
EPS ($)§	-	-	-	-
Div yld (%)	-	-	-	-

Unless otherwise noted, all metrics are based on Morgan Stanley ModelWare framework
** = Based on consensus methodology
§ = Consensus data is provided by Refinitiv Estimates
e = Morgan Stanley Research estimates

QUARTERLY EPS ($)

Quarter	2025	2026e Prior	2026e Current	2027e Prior	2027e Current
Q1	-	-	(0.59)a	-	(0.41)
Q2	-	-	(0.27)	-	(0.41)
Q3	-	-	(0.37)	-	(0.37)
Q4	-	-	(0.40)	-	(0.42)

e = Morgan Stanley Research estimates, a = Actual Company reported data

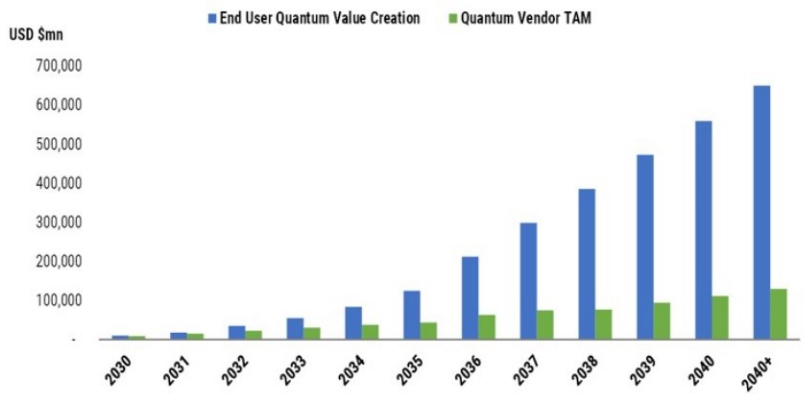
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rated names.

Quantum computing is approaching commercial relevance. Although no company has yet demonstrated large-scale fault-tolerant quantum computing, recent advances in error correction, increasing government investment and increasingly credible industry roadmaps suggest the path toward commercially useful systems is becoming clearer. Unlike previous cycles driven primarily by scientific research, the industry is beginning to transition toward engineering execution and commercialization. We believe the next several years will provide much greater clarity on which companies and architectures can successfully scale to economically valuable quantum systems.

Exhibit 1: We expect the quantum market to reach $100B+, with vendor capture stabilizing at 20% at maturity



Source: BCG, Morgan Stanley Research

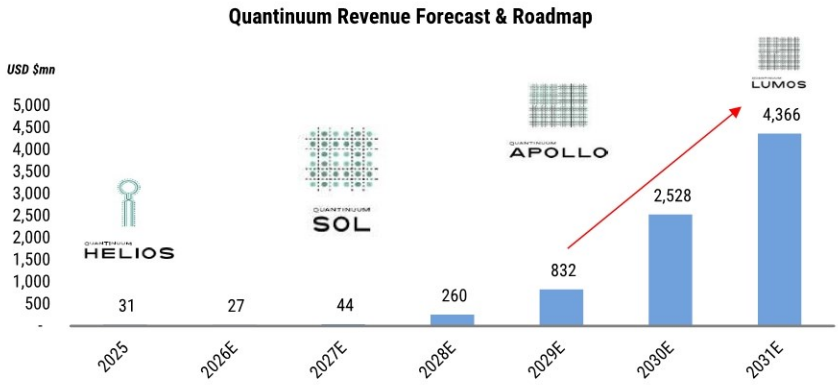
Among this emerging group of competitors, we believe Quantinuum is particularly well positioned. The company combines what we view as one of the industry's leading trapped-ion architectures with a demonstrated history of technical execution, progressing from H1 to H2 and Helios while hitting their roadmap targets. Its Quantum Charge-Coupled Device (QCCD) architecture offers high fidelity, all-to-all connectivity and a credible path toward fault tolerance, while a growing body of academic publications, government programs and commercial partnerships provides meaningful third-party validation. Although we believe multiple modalities remain viable and the ultimate technology winner has yet to emerge, Quantinuum has established itself as one of a small number of companies with a credible path toward commercially relevant quantum computing.

While Quantinuum remains in the early stages of commercialization today, we model a substantial financial inflection over the coming years as the company executes against its technology roadmap. Approximately 90% of our 2026 revenue estimate is supported by existing backlog and contracted programs, providing visibility while the business remains in the early stages of commercialization. Beyond that, our model assumes revenue accelerates alongside the introduction of Sol in 2027 and Apollo in 2029, reaching approximately $2.5bn by 2030 as Quantinuum captures roughly 25% of a ~$10bn quantum infrastructure market. We expect increasing cloud and software mix to drive margin expansion, with EBITDA turning positive in 2029. We also believe the company's current capital



position is sufficient to fund the roadmap through these key commercialization milestones.

Exhibit 2: Revenue inflection relies on Apollo Launch



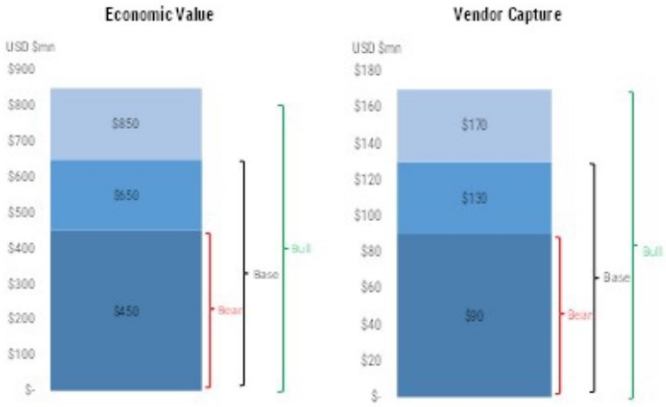
Source: Company Data, Morgan Stanley Research

Execution remains the key risk. The investment case depends on successful delivery of Sol and, more importantly, Apollo, which we view as the critical commercial inflection point capable of supporting production-scale fault-tolerant workloads. Delays in roadmap execution, slower commercialization, stronger competition from alternative architectures or a smaller-than-expected quantum market would materially reduce the company's long-term earnings potential.

We believe investors should view quantum computing much like AI infrastructure several years ago: the opportunity appears substantial, but the eventual winners remain uncertain. We don't see quantum overtaking classical compute for AI computation, but it will play a role and will also address unique new workloads. At this stage, we think the more important question is identifying companies with credible technology, demonstrated execution and realistic paths to commercialization rather than attempting to predict a single dominant architecture. Multiple hardware approaches remain credible, and meaningful technical hurdles remain across the industry. In our view, Quantinuum has established itself as one of that small group of credible contenders, and we believe the next several years will provide much greater clarity on the industry's long-term winners.

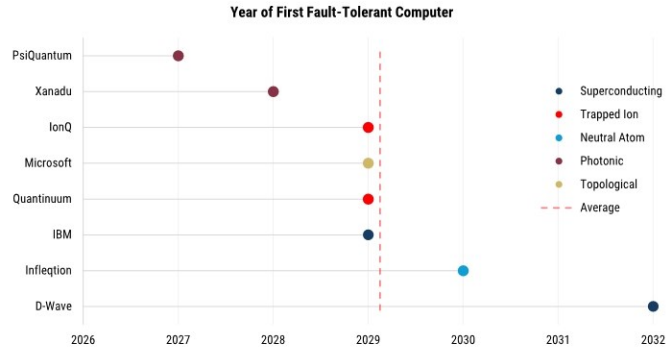
Story in 6 Charts

Exhibit 3: Quantum computing is an extremely large opportunity



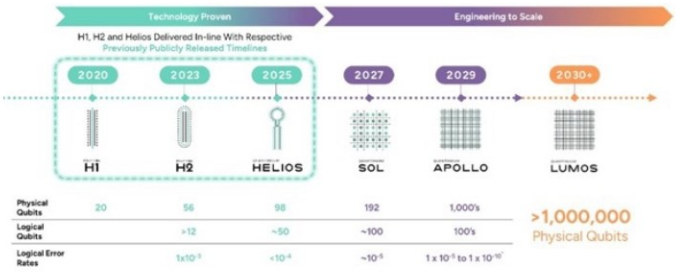
Source: BCG, Morgan Stanley Research

Exhibit 4: We expect an inflection point by the end of the decade



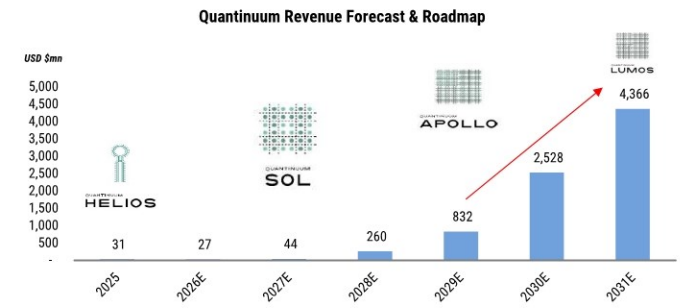
Source: Company Data

Exhibit 5: Quantinuum has a strong technical roadmap



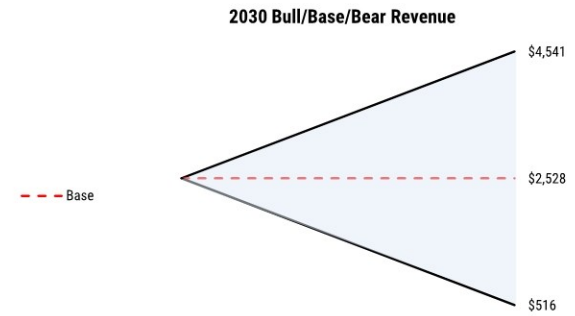
Source: Quantinuum

Exhibit 6: And high forecasted long-term revenue



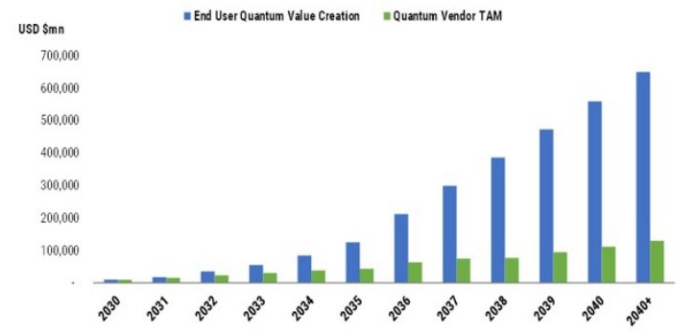
Source: Company Data, Morgan Stanley Research

Exhibit 7: With some amount of execution uncertainty ($mn)



Source: Morgan Stanley Research

Exhibit 8: But is ultimately a leading player in a large and growing possible market



Source: BCG, Morgan Stanley Research

Risk Reward – Quantinuum (QNT.O)

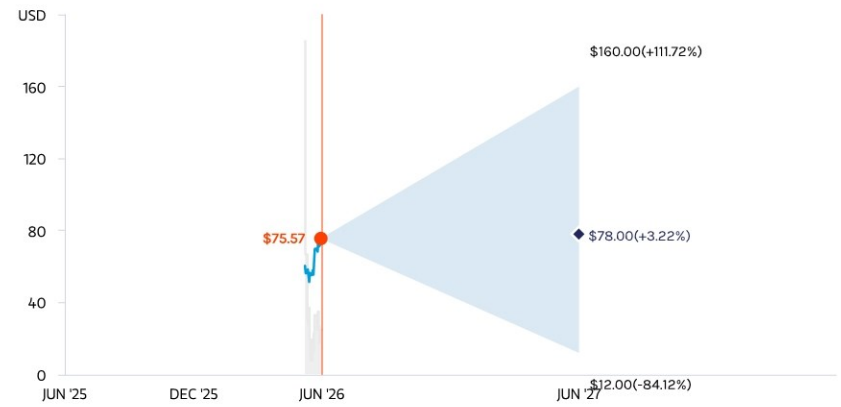
Strong Technology, High Optionality, Balanced Risk/Reward

PRICE TARGET $78.00

Discounted 12x 2030 sales of $2.5bn:

- We value Quantinuum on its long-term revenue potential rather than near-term financial performance. This approach reflects both the scale of the commercial opportunity and the significant technology and execution risk embedded in our forecasts.
- The 12x multiple is informed by the average 2028 EV/sales multiple of AI semiconductor peers, which we believe provides a reasonable valuation anchor

RISK REWARD CHART



Key: — Historical Stock Performance ● Current Stock Price ◆ Price Target

Source: Refinitiv, Morgan Stanley Research

EQUAL-WEIGHT THESIS

We believe Quantinuum has established itself as one of the leading companies in quantum computing and is well positioned to benefit if the industry reaches broad commercial adoption. At the same time, the technology, market opportunity and competitive landscape remain highly uncertain, making it difficult to differentiate long-term winners today.

Risk Reward Themes

Technology Diffusion: *Positive*

View descriptions of Risk Rewards Themes here

BULL CASE $160.00

Discounted 14x 2030 EV/Sales of $4.5bn

- QNT successfully executes against its roadmap
- Apollo is delivered on schedule
- Quantum drives broad commercial adoption
- Trapped Ions/QCCD emerges as clear winner

BASE CASE $78.00

Discounted 12x 2030 EV/Sales of $2.5bn

- 200%+ 26-28 Sales CAGR
- 25% market share in a $10bn Quantum TAM by 2030
- Quantinuum executes on their technology roadmap
- Quantum computing starts to unlock value for commercial applications by 2030

BEAR CASE $12.00

Discounted 6x 2030 EV/Sales of $500mn

- Roadmap delays
- Slower customer adoption
- Smaller quantum infrastructure market
- Share loss to other modalities

Risk Reward – Quantinuum (QNT.O)

KEY EARNINGS INPUTS

Drivers	NA 2025	NA 2026e	NA 2027e	NA 2028e
Revenue ($M) ($, mm)	31	27	44	260
Non-GAAP Gross Margin (%) (%)	48.0	21.4	38.0	52.0
Non-GAAP EBITDA ($, mm)	(171)	(255)	(387)	(265)
Non-GAAP Net Income ($M) ($, mm)	(193)	(404)	(425)	(306)
Non-GAAP EPS ($) ($)	0	(2)	(2)	(1)

INVESTMENT DRIVERS

Technology execution: Continued progress toward Sol and Apollo.

Commercialization: Pipeline conversion and expanding customer adoption.

Market opportunity: Growth of the quantum computing infrastructure market.

GLOBAL REVENUE EXPOSURE



Source: Morgan Stanley Research Estimate
View explanation of regional hierarchies here

RISKS TO PT/RATING

RISKS TO UPSIDE

- Technology roadmap execution
- Commercial adoption
- Third party validation
- Industry development

RISKS TO DOWNSIDE

- Delays in roadmap
- Competition
- Weaker commercial adoption
- Capital intensity

MS ESTIMATES VS. CONSENSUS

FY 2026e

Sales / Revenue ($, mm)
◆ 27
Note: There are not sufficient brokers supplying consensus data for this metric

EBITDA ($, mm)
◆ 173
Note: There are not sufficient brokers supplying consensus data for this metric

EPS ($)
◆ (1.63)
Note: There are not sufficient brokers supplying consensus data for this metric

◆ Mean ◆ Morgan Stanley Estimates

Source: Refinitiv, Morgan Stanley Research

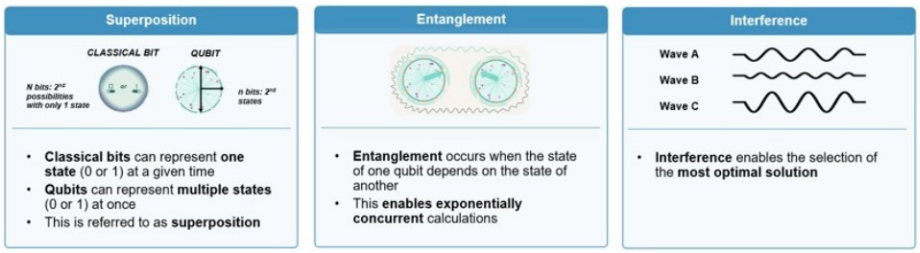
Quantum Computing Is Approaching Commercial Relevance

Main takeaway: *Quantum computing remains highly speculative, but the path toward commercialization is becoming clearer. Growing investment, accelerating industry activity and increasingly credible roadmaps suggest the industry may be approaching an important inflection point, creating an opportunity to identify potential long-term winners before the market fully emerges.*

What is Quantum Computing

Quantum computing is a new form of computing designed to solve certain classes of problems that become prohibitively difficult for conventional computers as complexity increases. While classical computers process information using bits that exist as either a 0 or a 1, quantum computers use qubits, which leverage quantum mechanical effects such as superposition, entanglement and interference to process information differently. Rather than evaluating possible solutions sequentially, quantum systems can explore many possible pathways simultaneously, potentially reducing the computational effort required for certain types of problems.

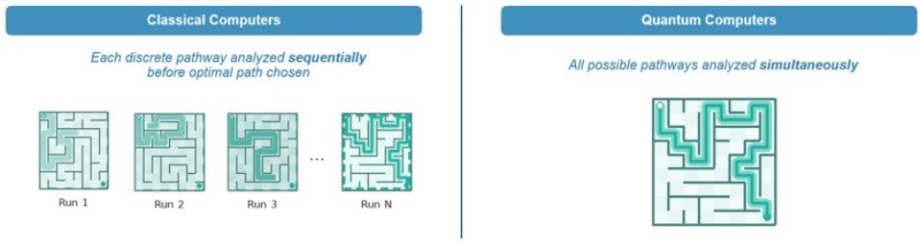
Exhibit 9: Three quantum principles that enable quantum computing



Source: Morgan Stanley Research

Importantly, quantum computers are not simply faster versions of classical computers. Instead, they are designed to address a relatively narrow set of computationally intensive problems, with the most promising applications including quantum simulation, optimization, machine learning and cryptography. As a result, we expect quantum computing to complement rather than replace existing computing infrastructure.

Exhibit 10: Quantum computers evaluate many possible solutions simultaneously



Source: Morgan Stanley Research

The opportunity is large, but so is the challenge. Quantum computing largely remains a pre-commercial technology, and no company has yet demonstrated a large-scale fault-

tolerant system. Building commercially useful quantum computers will require significant advances in error correction, control systems and scalability, making the transition from today's experimental systems to tomorrow's production-scale computers one of the most difficult engineering challenges in modern computing.

Will Quantum Computing Replace Classical Computing? We Do Not Believe So. In our view, quantum computing should be thought of as an additional premium layer within the broader compute stack rather than a replacement for existing infrastructure. Classical systems will continue to perform the vast majority of computing tasks, while quantum computers are deployed selectively for workloads where they demonstrate a meaningful advantage. In fact, the commercialization of quantum computing may increase demand for classical infrastructure, as quantum systems still rely on conventional computing resources for orchestration, simulation, error correction, data preparation and result interpretation. We expect future computing environments to be increasingly hybrid, combining AI accelerators and quantum processors to solve different classes of problems.

Key Quantum Performance Metrics

Progress toward commercially useful quantum computing can be measured using several technical metrics. Physical qubits measure the size of a quantum system, while logical qubits measure usable, error-corrected computing power. Fidelity and error rates determine the accuracy of calculations, connectivity measures how efficiently qubits interact, and fault tolerance refers to a system's ability to detect and correct errors while computations are running. Ultimately, the goal is to build quantum computers that are both reliable and large enough to solve useful problems, which requires progress across all of these dimensions rather than any single metric alone.

Exhibit 11: Quantum computing metrics

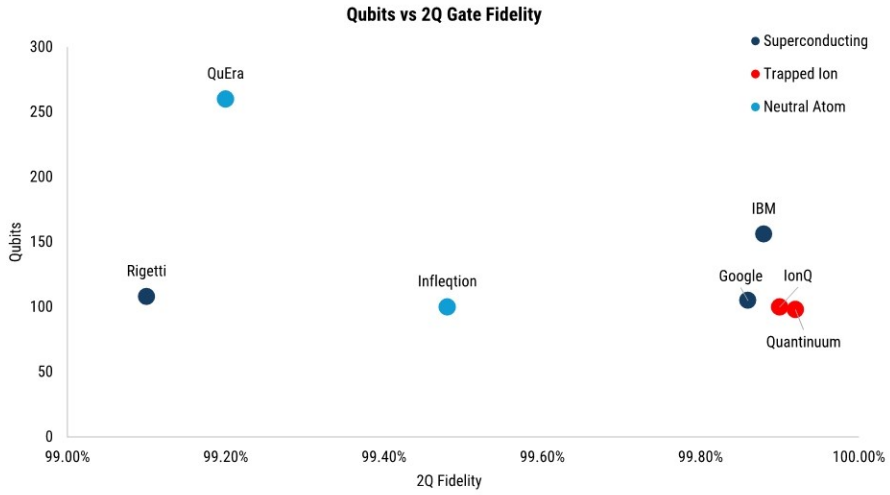


Source: Morgan Stanley Research

Progress is measurable, but comparisons across systems is difficult. Comparing quantum computing platforms remains challenging because many of the industry's most commonly cited metrics are not directly comparable across architectures. Different modalities optimize for different characteristics, with some emphasizing qubit count, others focusing on fidelity, connectivity, coherence, logical qubits or time-to-solution. In addition, performance is often measured using different benchmark methodologies, operating conditions and research environments, making headline claims around qubit counts, error rates or "quantum advantage" difficult to compare directly.

Ultimately, the goal is to build quantum computers that are both reliable and large enough to solve useful problems, which requires progress across all of these dimensions rather than any single metric alone.

Exhibit 12: Quantum computing platforms trade off scale and fidelity - fault tolerance requires both



Note: Fidelity measurements are not directly comparable across quantum modalities or vendors. Two-qubit gate fidelity is reported using the highest published value for quantum computing systems with cloud or commercial access as of 6/25/2026. IonQ Tempo is coming online in 2026. Values may reflect different benchmarking methods, operating conditions, device sizes, and hardware generations.

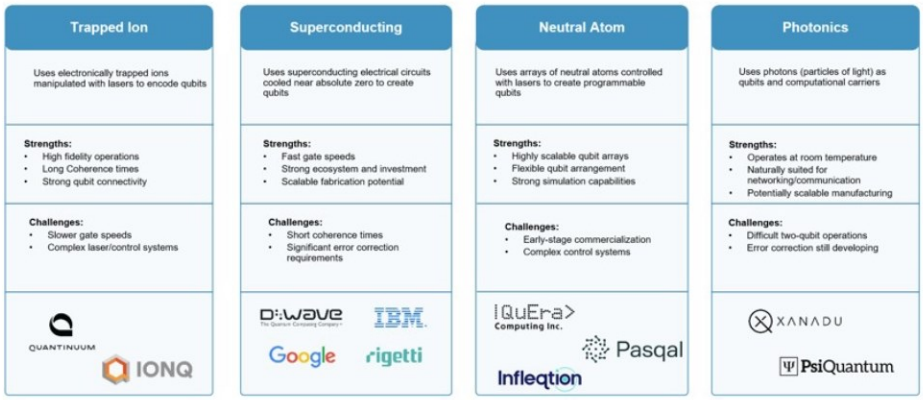
Source: Company Data, Morgan Stanley Research

The Modalities

A quantum computing modality describes the underlying hardware architecture used to build and operate a quantum computer. One of the defining characteristics of the quantum computing industry is that there is no consensus regarding the optimal hardware architecture. Multiple modalities remain under development, each attempting to solve the same problem, which is building scalable fault-tolerant quantum computers, while making different tradeoffs between performance, connectivity, fidelity and manufacturability.

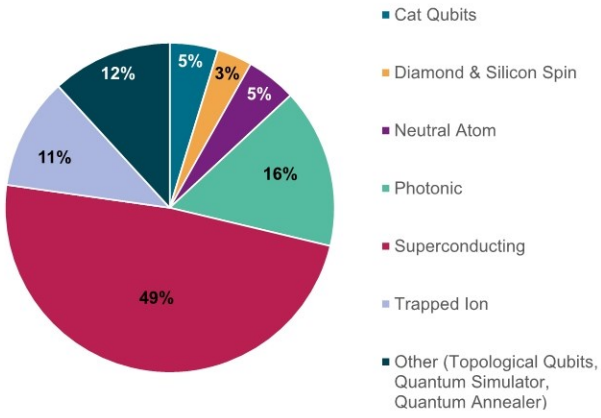
- **Superconducting** systems, pursued by companies such as IBM and Google, currently represent the most mature modality, benefiting from significant investment, established software ecosystems and large-scale hardware development.They benefit from fast gate speeds and compatibility with semiconductor manufacturing processes but face challenges related to coherence and connectivity.
- **Trapped-ion** systems, including Quantinuum and IonQ, emphasize high fidelity, long coherence times and strong qubit connectivity. These characteristics make them attractive for fault-tolerant computing, although scaling and manufacturability remain active areas of development.
- **Neutral atom** architectures, including QuEra and Atom Computing, offer highly scalable qubit arrays and many of the same connectivity advantages as trapped ions while potentially providing a practical path toward larger systems. However, they remain earlier in the commercialization cycle.
- **Photonic** approaches, pursued by companies such as PsiQuantum and Xanadu, offer potential advantages in networking, manufacturability and room-temperature operation, but continue to face challenges around gate operations and large-scale error correction.

Exhibit 13: Quantum modality overview



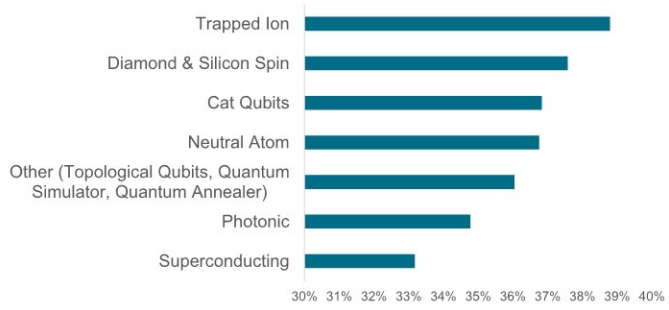
Source: Morgan Stanley Research

Exhibit 14: S&P Global 2025 modality share estimate



Source: S&P Global "Quantum Computing Market Monitor & Forecast" Aug 2025.

Exhibit 15: S&P Global 2024-2029 modality CAGR



Source: S&P Global "Quantum Computing Market Monitor & Forecast" Aug 2025.

At present, we do not believe a clear technological winner has emerged. Despite substantial progress, no company has yet demonstrated large-scale fault tolerance, and significant challenges remain across error correction, manufacturability, control systems, scaling and economics. While certain companies and modalities appear more advanced today, we believe the competitive landscape remains fairly open. In our view, the lack of consensus across modalities is itself an important signal that the industry remains early. Commercial quantum computing still requires several important scientific and engineering breakthroughs, meaning today's leaders may not necessarily be tomorrow's winners. The next several years will likely provide greater clarity on which architectures can successfully scale, but for now we view the race as largely unresolved and expect approaches to continue evolving as the technology matures.

The Quantum Computing Opportunity

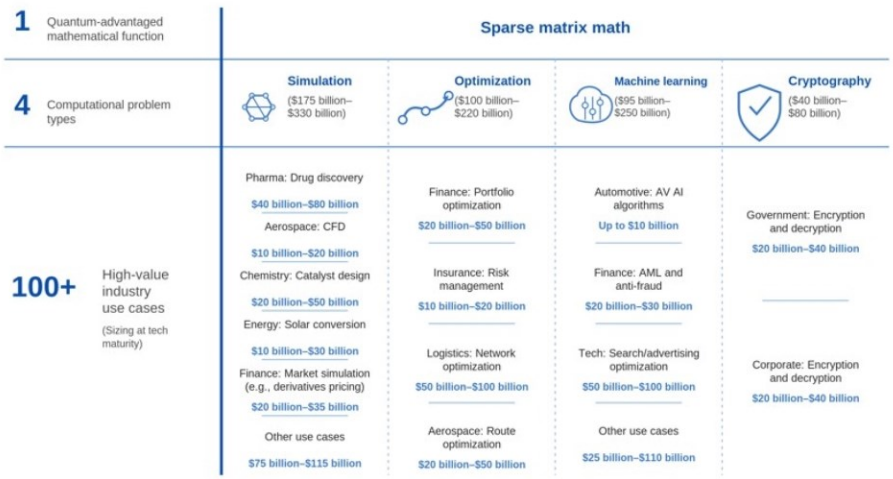
The potential value of quantum computing comes from its ability to solve problems that are difficult, expensive or impossible to address using conventional systems. We believe the most promising applications fall into four broad categories: simulation, optimization, machine learning and cryptography:

- **Simulation** represents the most widely discussed opportunity and includes modeling molecules, materials and chemical reactions. Potential applications

include drug discovery, advanced materials, batteries, fertilizers and catalyst design.

- **Optimization** includes improving complex decision-making problems across logistics, supply chains, manufacturing, energy grids and financial portfolios.
- **Machine learning and artificial intelligence** may benefit from quantum acceleration as hardware scales, particularly in certain high-dimensional data analysis and pattern-recognition problems.
- **Cryptography** remains both an opportunity and a risk. Quantum computers could eventually break some existing encryption methods while simultaneously creating demand for quantum-safe security solutions.

Exhibit 16: Quantum computing is expected to create value across four major application areas



Source: BCG "The Long-Term Forecast for Quantum Computing Still Looks Bright", Morgan Stanley Research

In our view, quantum simulation represents one of the most natural fits for quantum computing and potentially the largest commercial opportunity. Quantum computers are uniquely suited to simulating other quantum systems, including molecules, materials and chemical reactions, which quickly become prohibitively difficult for classical computers as complexity increases. We view this as one of the most credible use cases, and is an area where quantum computers poses a fundamental architectural advantage vs. classical computers. While we are still years away, we think simulation will be the area where quantum computing creates the largest economic value.

Cryptography is likely to be one of the first areas impacted by quantum computing. Large-scale quantum computers could eventually break widely used public-key encryption systems, including RSA and elliptic curve cryptography, which underpin much of today's digital infrastructure. As a result, governments, financial institutions and critical infrastructure providers are already preparing for the transition to post-quantum cryptography, even before fault-tolerant quantum computers are commercially available. In our view, cryptography may not be the largest opportunity for quantum computing, but it is one of the most immediate areas where the threat of quantum capability is already driving spending and strategic urgency.

Optimization has been the primary focus of quantum annealing systems such as D-Wave.

While the potential applications across logistics, supply chains and financial services are significant, we believe the key question is economic value creation. Commercial deployments exist today, but we continue to watch for evidence that quantum systems can deliver meaningful improvements relative to the best available classical approaches before underwriting optimization as a major source of long-term industry value.

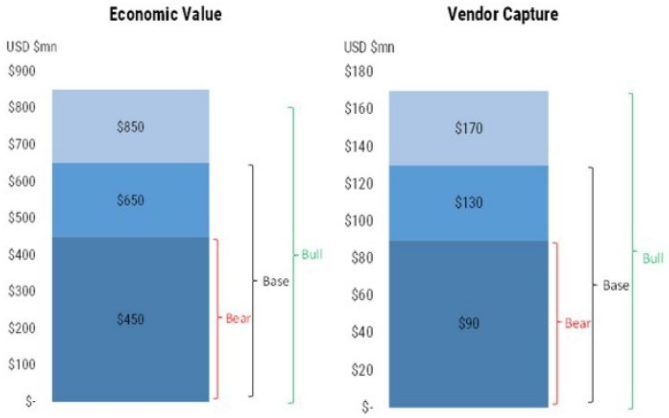
We are more cautious on quantum machine learning. While quantum machine learning is often cited as a potentially large opportunity, the practical path remains much less clear. Classical AI infrastructure continues to improve rapidly, and it is not yet obvious which machine-learning workloads will benefit meaningfully from quantum hardware. There may ultimately be attractive use cases, particularly around quantum-generated data or highly complex probability spaces, but we view this as a longer-dated and more speculative opportunity than simulation or cryptography.

Sizing the Quantum Computing TAM

While the exact timing remains uncertain, we believe that quantum will create substantial economic value. BCG estimates quantum computing could generate approximately $450-850 billion of end-user value by 2040, with hardware, software and services providers capturing roughly $90-170 billion of that value. We view these estimates as highly uncertain, but they provide a useful framework for understanding the scale of the opportunity if fault-tolerant quantum computing becomes commercially viable.

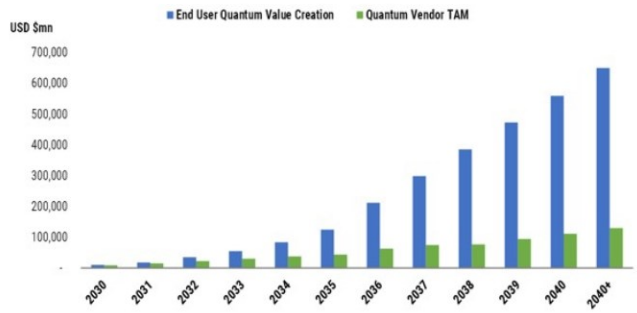
Taking the midpoint of these estimates, we believe quantum infrastructure and software providers could ultimately address a market exceeding $100 billion annually once fault-tolerant quantum computing reaches full commercial scale. Based on current industry roadmaps, we expect the industry to transition from today's noisy intermediate-scale quantum ("NISQ") era toward broader quantum advantage around 2030, at which point we estimate the quantum infrastructure market could reach approximately $10 billion. From there, we believe the market has the potential to expand materially as fault-tolerant systems improve and commercially valuable applications become more widespread. Assuming infrastructure providers ultimately capture roughly 20% of an estimated $650 billion of end-user value creation, the long-term opportunity could exceed $130 billion annually by 2040. While both the timing and magnitude of this market remain highly uncertain, we believe quantum value creation will eventually accelerate meaningfully following the introduction of commercially relevant fault-tolerant quantum computing.

Exhibit 17: The potential for the quantum market is very large, but both timing and magnitude are uncertain



Source: BCG, Morgan Stanley Research

Exhibit 18: We expect the quantum market to reach $100B+, with vendor capture stabilizing at 20%



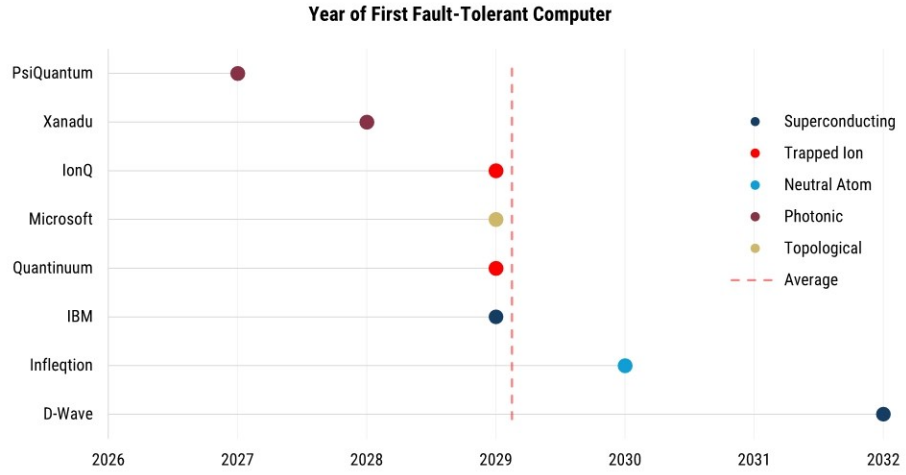
Source: BCG, Morgan Stanley Research

Why Now?

Despite decades of research and investment, no company has yet demonstrated large-scale fault-tolerant quantum computing, and many of the industry's most important technical questions remain unresolved. Significant challenges remain around error correction, manufacturability, control systems, scaling and economics. Moving from today's relatively small systems to commercially useful fault-tolerant computers remains one of the most difficult engineering challenges in modern computing.

The key development is not that the industry's challenges have been solved, but that a plausible path to solving them is beginning to emerge. Google's 2024 Willow result demonstrated that once physical error rates fall below the error-correction threshold, logical errors can be reduced as systems scale, providing an important proof point that fault-tolerant quantum computing may be achievable in practice. Multiple companies, including Quantinuum, Google, IBM, IonQ, and others, have publicly outlined plans to introduce fault-tolerant systems before the end of the decade. While there is no guarantee these roadmaps will be achieved on schedule, the industry is beginning to converge around a timeline in which commercially meaningful quantum computers could emerge by the end of the decade. This creates a potentially attractive opportunity for investors, as the industry remains early enough that eventual winners have not yet been fully established, yet mature enough that credible technological roadmaps and competitive positioning are beginning to emerge.

Exhibit 19: We expect the first commercialized, fault-tolerant quantum computer to be available by the end of the decade

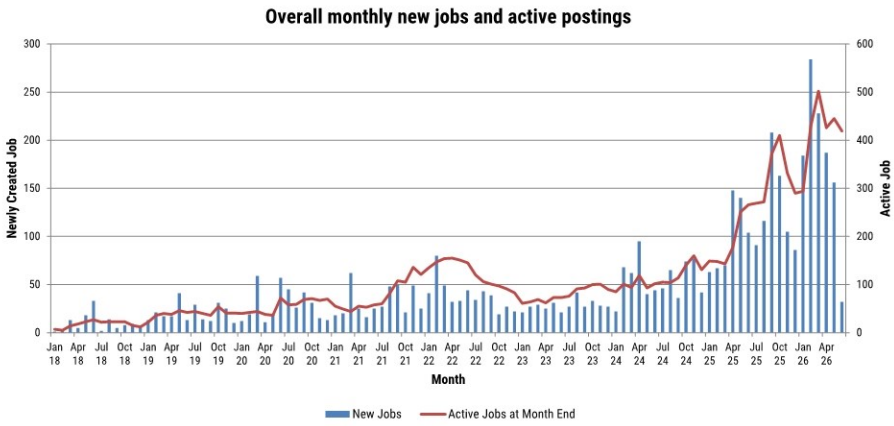


Note: Data reflects company roadmap projections and uses the earliest stated target date for a fault-tolerant quantum computer. Where a company does not explicitly use the term "fault-tolerant," the closest comparable milestone for a commercially practical quantum computer is used instead.

Source: Company Data

At the same time, capital and talent continue flowing into the ecosystem. Investment in quantum computing companies has accelerated materially over the last several years as governments, sovereign entities and enterprises increasingly prepare for a fault-tolerant future. Hiring activity across the industry has also expanded rapidly, reflecting the need to build larger engineering teams capable of scaling hardware, software and commercialization efforts. While these indicators do not guarantee success, they suggest that the industry is transitioning from a research-oriented environment toward one focused on engineering, deployment and eventually commercial adoption.

Exhibit 20: Quantum companies are growing headcount quickly



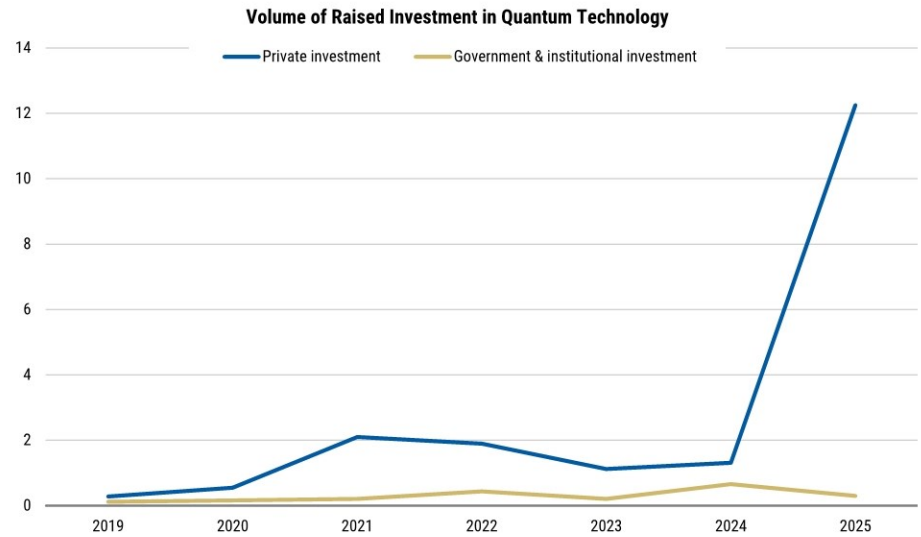
Note: Data shows online job postings that include "quantum" from: IBM, Google, IonQ, Quantinuum, Xanadu, D-Wave, Rigetti, Quera, and Infleqtion.

Source: Morgan Stanley Alphawise

Quantum computing has also become a national security priority. Large-scale quantum computers could eventually break many of today's widely used cryptographic systems. The concern is not only that future communications could be compromised, but also that encrypted data collected today could be decrypted once sufficiently powerful quantum computers become available. On June 22, 2026, President Trump signed two executive

orders aimed at accelerating U.S. quantum leadership while preparing federal systems for the post-quantum era. The orders direct agencies to update the national quantum strategy, develop a Department of Energy quantum computer for scientific research, strengthen domestic quantum supply chains, and transition high-priority federal systems to post-quantum cryptography by 2030-2031. They also establish the Department of Energy's Quantum Genesis initiative, targeting a fault-tolerant, scientifically relevant quantum computing capability for research and development by 2028.

Exhibit 21: Investment in Quantum Technology Startups Increased 6.3x in 2025



Source: https://www.mckinsey.com/capabilities/mckinsey-technology/our-insights/mckinsey-quantum-technology-monitor-2026-a-commercial-tipping-point, Morgan Stanley Research

We believe this combination of technological progress, growing investment and increasingly credible roadmaps is what makes quantum computing particularly interesting today. The industry remains early and highly speculative, but we are starting to be able to evaluate companies against increasingly credible roadmaps that are moving to commercial relevance. The next several years will show whether today's quantum leaders can successfully bridge the gap between promising demonstrations and economically valuable computing systems.

Quantinuum is Emerging as the Leading Full-Stack Platform

Main takeaway: *We do not know which company or modality will ultimately win quantum computing. However, we believe Quantinuum has established itself as one of the industry's leading contenders through its QCCD architecture, consistent roadmap execution and growing body of third-party validation. While substantial execution risk remains, the company has demonstrated enough progress to be taken seriously as a potential long-term winner.*

Quantinuum has emerged as one of a small number of companies with a credible path toward fault-tolerant quantum computing. The company combines what we believe is a differentiated trapped-ion architecture, a demonstrated record of roadmap execution, and a growing body of external validation from customers, partners and researchers.

Importantly, this does not mean Quantinuum will ultimately emerge as the winner in quantum computing. The eventual leaders remain uncertain, and multiple hardware modalities, including superconducting, trapped-ion, neutral atom and photonic architectures, continue to make meaningful technical progress. We believe it is still too early to determine which approach will ultimately dominate large-scale fault-tolerant quantum computing.

Instead of attempting to identify a single winner today, we think the more relevant question is which companies have established credible paths toward fault tolerance, demonstrated the ability to attract customers and built business models capable of capturing value if quantum computing becomes commercially relevant. In our view, Quantinuum belongs in that group.

Quantinuum's Technology: Trapped Ions and QCCD

The Trapped Ion Modality

One of the central debates in quantum computing is which hardware modality offers the most credible path to fault-tolerant quantum computing. While investors often search for a definitive winner, the reality is that multiple architectures remain viable at this stage. Each approach makes different tradeoffs between performance, scalability and manufacturability.

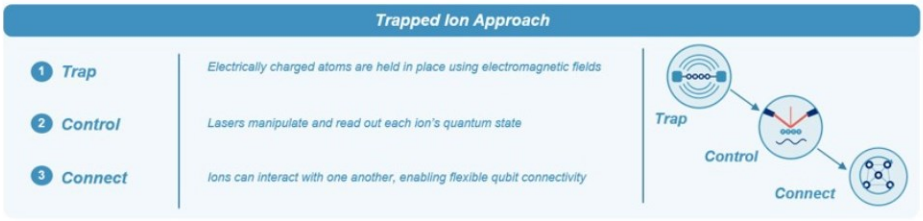
Trapped-ion architectures offer two of the most attractive characteristics in quantum computing today: all-to-all connectivity and high fidelity. Unlike superconducting systems, where qubits generally interact only with neighboring qubits, trapped-ion systems offer near all-to-all connectivity, allowing qubits to interact directly without requiring numerous intermediate operations. This reduces circuit complexity, improves fidelity and may enable more efficient error correction as systems scale. Trapped ions also benefit from significantly longer coherence times and highly uniform qubits. Because ions are naturally occurring atomic systems, each qubit is fundamentally identical, reducing calibration complexity and supporting some of the highest fidelities reported in the

industry.

The tradeoff is speed and scalability. Trapped-ion gate operations are substantially slower than those of superconducting systems, and scaling large trapped-ion systems remains an open engineering challenge. Future generations will require increasingly sophisticated approaches to ion transport, optical control systems and chip-level integration, and questions around large-scale manufacturability remain unresolved.

Taken together, we do not view trapped ions as an obviously superior modality. However, we believe they possess several characteristics that make them one of the leading contenders on the path toward fault tolerance. While superconducting systems remain the most mature platform today, trapped ions appear to offer meaningful advantages in connectivity, coherence and error correction efficiency that could become increasingly valuable as quantum computing scales.

Exhibit 22: How Trapped Ions Work



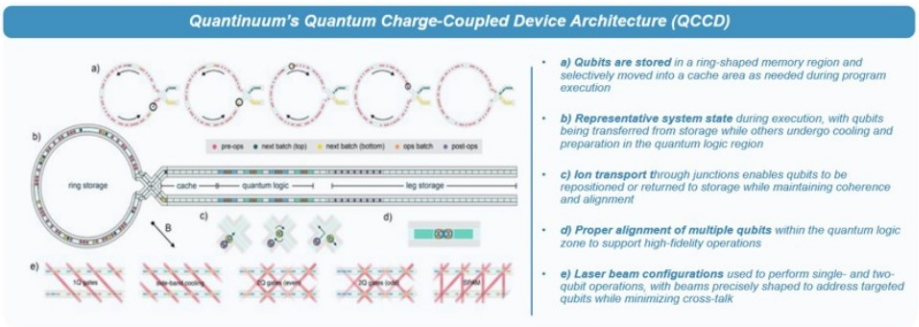
Source: Morgan Stanley Research

Quantinuum's QCCD Architecture

The primary challenge facing trapped-ion quantum computing is scalability. Trapped-ion systems have demonstrated some of the industry's strongest fidelities, longest coherence times and highest levels of connectivity. However, maintaining those advantages as systems scale from hundreds to thousands - and eventually millions - of qubits remains one of the central technical challenges facing the industry. Early trapped-ion systems relied on linear chains of ions, which become increasingly difficult to control as systems grow larger.

Quantinuum's answer is its Quantum Charge-Coupled Device ("QCCD") architecture. Rather than maintaining all qubits within a single chain, QCCD separates the system into specialized storage, logic and readout regions connected by ion transport pathways. Qubits can be moved to where they are needed, interacted with and then returned to storage. By physically transporting ions across the chip, Quantinuum seeks to preserve the connectivity advantages of trapped ions while creating a framework capable of scaling beyond traditional linear architectures. Importantly, QCCD is not simply a theoretical solution - it has been demonstrated across multiple generations of hardware and underpins Quantinuum's roadmap from Helios to Sol and Apollo.

Exhibit 23: Instead of keeping all ions in one long chain, QCCD moves ions between specialized regions of the chip.



Source: Quantinuum, Morgan Stanley Research

IonQ, the other leading trapped-ion platform, is pursuing a different approach to the same challenge through its acquisition of Oxford Ionics. While both architectures rely on trapped ions, Oxford Ionics' Electronic Qubit Control ("EQC") technology integrates control electronics directly onto the chip rather than relying primarily on external laser systems. The goal is to reduce the complexity associated with large optical systems and better leverage conventional semiconductor manufacturing techniques. Ultimately, both companies are attempting to preserve the advantages of trapped ions while scaling to much larger systems, but they differ in how qubits are controlled and how they intend to scale the architecture over time.

One of Quantinuum's advantages is continuity of execution. The company has spent years developing QCCD as the foundation of its scaling strategy and has now demonstrated the architecture across multiple generations of hardware. This has resulted in a substantial body of academic validation, with more than 100 publications comparing, utilizing or building upon Quantinuum's technology. By contrast, IonQ altered its long-term roadmap through the acquisition of Oxford Ionics in 2025. While Oxford Ionics has produced impressive technical results and may ultimately prove to be the superior long-term approach, there is currently less public evidence regarding how the architecture will perform at scale. The EQC platform is newer, with a significantly smaller body of third-party research and published work supporting it today. That said, we view Oxford Ionics as a credible and technically differentiated architecture, and the smaller validation footprint in our opinion is from its relative newness rather than a reflection of the underlying technology at this point.

Our view: Quantinuum currently holds the advantage in demonstrated execution, but the trapped-ion race remains open. Quantinuum has validated QCCD across multiple hardware generations and produced some of the industry's strongest demonstrations in fidelity, connectivity, logical qubits and error correction. We also take comfort in the fact that Quantinuum has remained committed to the same core architectural approach for over a decade. However, Quantinuum still must prove that its architecture can scale efficiently to the very large systems required for fault-tolerant quantum computing. IonQ's Oxford Ionics approach is also technically legitimate and is attempting to solve a real challenge around manufacturability. As a result, we think both of these companies have compelling technology and we view them both credibly at this point.

Exhibit 24: We view IonQ and Quantinuum in broadly similar stages of development

	Quantinuum	IonQ
Modality	Trapped Ion	Trapped Ion
Architecture	QCCD	EQC
2025 Revenue	$30.9	$130.0
Quantum computing revenue mix	100.0%	61.0%
U.S. Government programs / contracts / grants	DARPA QBI Stage B, CHIPS	DARPA QBI Stage B, DARPA HARQ, AFRL, SHIELD IDIQ
Commercial Partnerships	30+	30+
Physical qubits / logical qubits	98 / 48	100 / 0
2Q gate fidelity	99.92%	99.90%

Source: Comapny Data, Morgan Stanley Research
Note: commercial partnerships are estimated, ongoing partnerships with commercial entities. Two-qubit gate fidelity and qubit counts are reported using the highest published value for quantum computing systems. IonQ Tempo is coming online in 2026. Values may reflect different benchmarking methods, operating conditions, device sizes, and hardware generations.

Partnerships and Grants

Independent validation is particularly important in quantum computing. The industry remains early, technical claims are often difficult for investors to assess, and many of the most important milestones remain years away. In our view, Quantinuum benefits from a growing body of external validation that extends beyond management presentations and roadmap targets.

Government agencies are increasingly placing meaningful bets on the platform. Quantinuum was selected as one of eleven participants in DARPA's Quantum Benchmarking Initiative ("QBI") Stage B, one of the most selective quantum computing programs globally, and has also received CHIPS Act funding through NIST to support the scaling of fault-tolerant trapped-ion quantum computers. We view participation in these programs as particularly significant because they are subject to extensive technical review and serve as independent assessments of technological credibility.

Exhibit 25: DARPA QBI participants

Stage A	Stage B
Alice & Bob	Atom Computing
Atlantic Quantum	Diraq
Google Quantum AI	IBM
Hewlett Packard Enterprise	IonQ
Rigetti Computing	Nord Quantique
	Photonic Inc.
	Quantinuum
	Quantum Motion
	QuEra Computing
	Silicon Quantum Computing Pty. Ltd.
	Xanadu

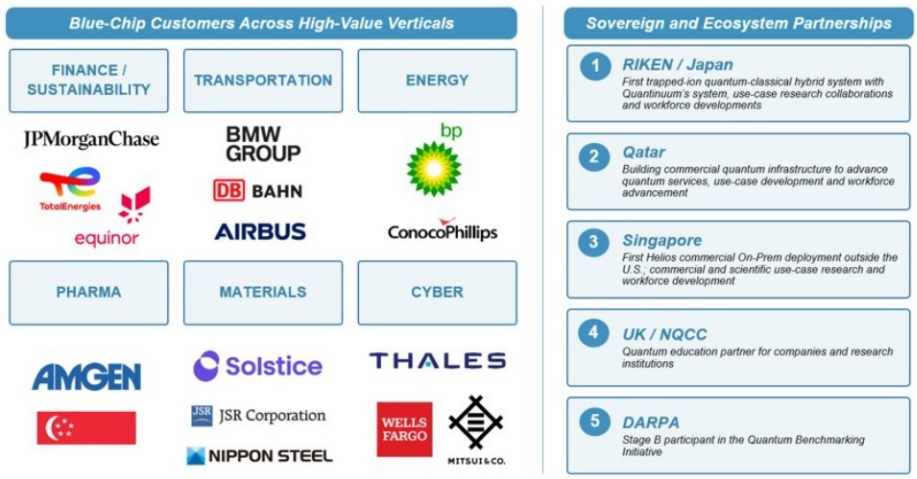
Source: https://www.darpa.mil/research/programs/quantum-benchmarking-initiative/stage-b-selection, Morgan Stanley Research

The company's technical leadership is also reflected in its research output. Quantinuum has published hundreds of papers and contributed to a growing number of high-impact publications in journals such as Nature, including work on logical qubits, fault-tolerant error correction, certified randomness and the original demonstration of the QCCD architecture. Publications provide additional evidence and peer reviewed support of

Quantinuum's technology.

Commercial interest is becoming increasingly broad as well. Quantinuum has established partnerships spanning automotive, industrial, energy, pharmaceutical, financial and AI markets, including BMW, BP, Mitsubishi Electric, SoftBank, JPMorgan Chase, Amgen, Synopsys and NVIDIA. Most of these engagements remain focused on research, development and proof-of-concept work today, but we believe they provide a useful indicator of where future demand may emerge as quantum hardware becomes more capable. In our view, the breadth of customer engagement suggests that enterprises are already preparing for a world in which quantum computing becomes commercially relevant.

Exhibit 26: Quantinuum Strategic Partnerships and Customers

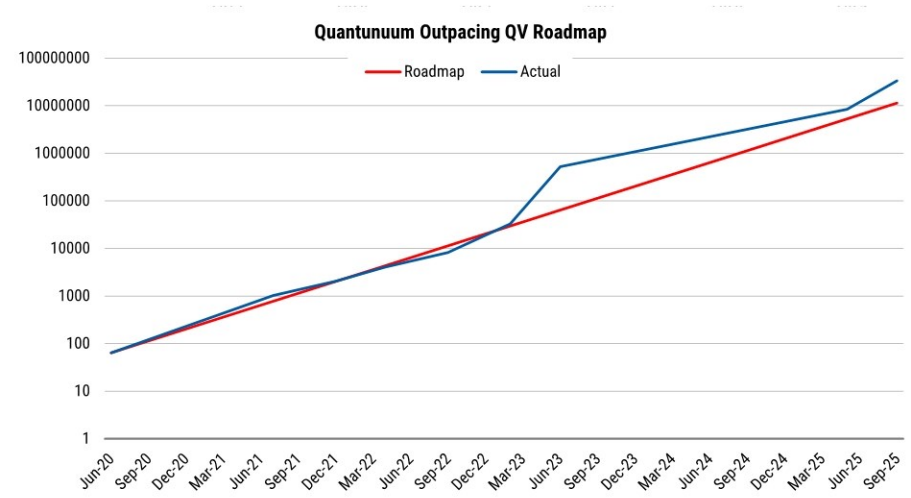


Source: Company Data, Morgan Stanley Research

Quantinuum's Roadmap

Quantinuum has historically set and delivered on ambitious roadmaps. Quantum computing roadmaps are inherently difficult to evaluate because many of the most important milestones remain years away. In Quantinuum's case, however, the company has already demonstrated an ability to translate technical ambitions into commercial systems, progressing from H1 to H2 to Helios over the last five years. While future milestones remain highly uncertain, this track record provides some evidence that Quantinuum's roadmap has credibility.

Exhibit 27: Quantinuum exceeded their 5-year quantum volume roadmap

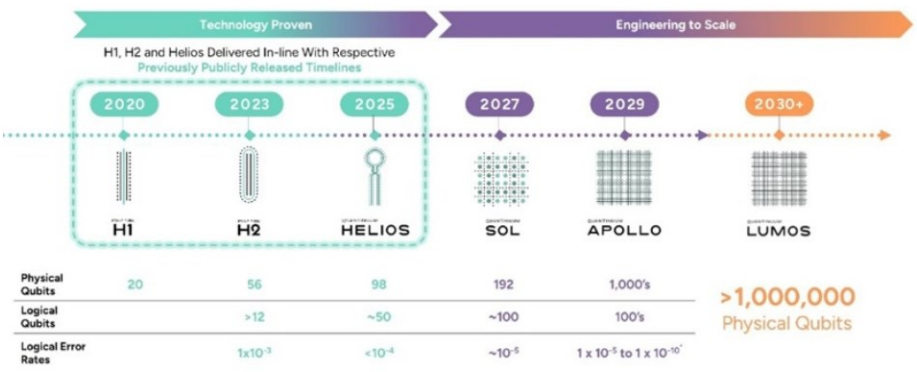


Note: In 2020, Quantinuum's roadmap promised they would create a computer with 64 quantum volume (QV) later that year, then increase QV by 10x every year for five years. Quantinuum exceeded their 5-year roadmap; eventually creating a 33.6 million QV computer in 2025, compared to the 11.4 million goal implied by the roadmap. Quantum volume is an aggregate benchmark that uses number of qubits and effective error rate to measure the largest useful quantum circuit a quantum computer can successfully run.

Source: Company data

Importantly, each generation moves us closer to commercial utility. H1 and H2 established the viability of Quantinuum's trapped-ion architecture. Helios demonstrated meaningful progress in logical qubits and error correction. Sol is designed to improve scalability through a 2D trap architecture, while Apollo seeks to expand the platform into thousands of physical qubits and hundreds of logical qubits. Beyond Apollo, Lumos represents Quantinuum's long-term vision for scaling toward millions of physical qubits and fully fault-tolerant systems.

Exhibit 28: Quantinuum roadmap



Source: Quantinuum

The next major milestone is Sol. Expected in 2027, Sol is designed to roughly double physical qubit count relative to Helios while expanding logical-qubit capabilities and reducing logical error rates. More importantly, Sol is expected to support a broader range of workloads and represents the beginning of Quantinuum's commercialization strategy. We believe investors should view Sol as an important validation point, not because it unlocks broad commercial adoption on its own, but because it demonstrates that the technology remains on track and moves the company one step closer to commercially relevant quantum computing. While the range of economically valuable applications is

still expected to be limited, successful execution of Sol would provide additional confidence in both the roadmap and the path toward Apollo.

Apollo is the critical value inflection, demonstrating fault-tolerant quantum computing at larger scale. The system is expected to incorporate thousands of physical qubits, hundreds of logical qubits and substantially lower logical error rates. Importantly, Apollo is also where management's long-term financial model begins to accelerate meaningfully. We believe Apollo represents the point where the commercialization story could begin to meaningfully take off, as fault-tolerant quantum computing becomes increasingly capable of supporting economically valuable workloads.

Our view: The next several years will determine whether Quantinuum can extend its lead in demonstrated execution. While the company has established credibility through H1, H2 and Helios, much of the long-term investment thesis depends on successful delivery of Sol and Apollo. These systems represent the bridge between today's experimental quantum computers and commercially relevant fault-tolerant systems. In our view, Quantinuum's track record provides reason for optimism, but future milestones remain the most important determinant of long-term value creation.

Ultimately, our confidence in Quantinuum rests on four factors: a differentiated architecture, demonstrated roadmap execution, independent third-party validation, and a growing commercial ecosystem.

Commercialization: Turning Quantum Leadership Into Revenue

Main takeaway: *Near-term financial results are less important than continued technical execution. While backlog, pipeline conversion and government-backed demand provide evidence that commercialization is beginning, our long-term investment case depends more on Quantinuum successfully advancing its technology toward commercially valuable fault-tolerant quantum computing.*

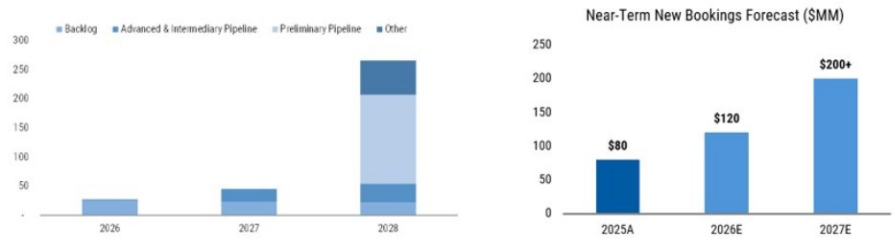
Near-term financial performance is not the primary driver of our investment thesis. Quantinuum remains in the early stages of commercializing a technology that is still several years away from broad adoption. As a result, we place greater emphasis on continued technical execution, roadmap milestones and customer adoption than on quarterly revenue. In our view, today's financials are most valuable as evidence that commercialization is beginning, while the much larger opportunity depends on whether future generations of hardware can unlock commercially valuable fault-tolerant quantum computing.

That said, early signs of commercialization are beginning to emerge. Quantinuum has established a meaningful backlog, a growing customer pipeline and expanding commercial relationships across government, enterprise and research organizations. Together, these provide increasing confidence that the company is progressing beyond pure research and toward commercialization, even though the much larger opportunity still depends on technology progress and size of the quantum market.

Commercialization Remains Early, But the Pipeline Is Building

Quantinuum remains in the early stages of commercializing quantum computing, with near-term revenue primarily supported by existing backlog, contracted programs and advanced-stage customer engagements. Roughly 90% of our 2026 revenue estimate and 52% of our 2027 estimate are supported by backlog and committed programs today, providing a degree of visibility despite the business remaining largely pre-commercialization. Importantly, near-term demand remains concentrated in government and research-oriented customers rather than broad enterprise adoption, reflecting the industry's early stage of development.

Exhibit 29: 2026E–2027E revenue is largely secured through backlog and advanced/ intermediate-stage pipeline conversion, with ~80% visibility into projected 2028E revenue.



Source: Company Data, Morgan Stanley Research

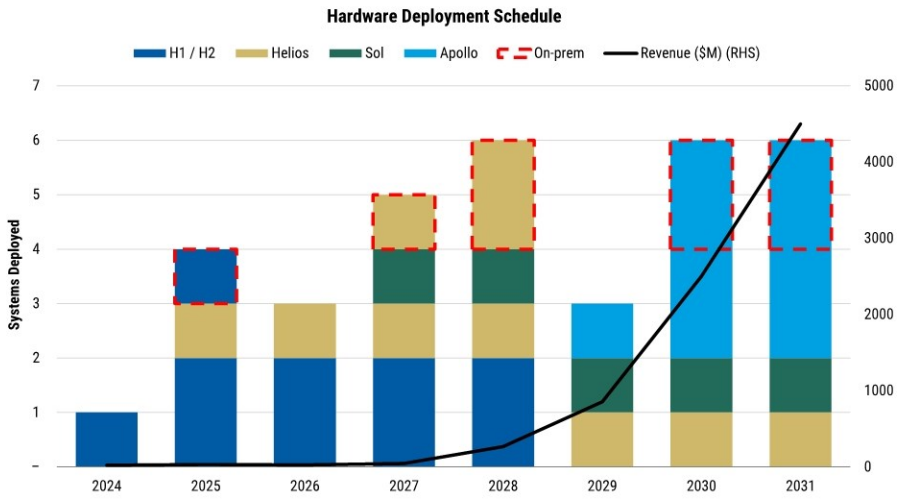
Quantinuum currently reports a pipeline exceeding $5 billion, spanning enterprise, government and academic customers. While the projected 2026 customer mix consists of approximately 38% enterprise, 35% academic and 27% government customers, the projected revenue mix is substantially more concentrated in government programs, which account for roughly 76% of expected 2026 revenue. This reflects the fact that many of the largest and most advanced opportunities today are tied to sovereign initiatives, national laboratories and government-funded quantum programs.

Importantly, the pipeline is a bottom-up assessment of identified customer opportunities rather than a top-down TAM estimate. Management tracks opportunities through six commercial stages: Initiate, Discovery, Evaluate, Propose, Closing and Closed. While the current pipeline exceeds $5 billion, it is weighted toward earlier-stage engagements. Only a subset of later-stage opportunities is expected to convert into revenue over FY26-FY28, with the remainder representing longer-term opportunities that are expected to convert as future hardware generations unlock broader commercial applications. We expect pipeline conversion to be driven not only by new customer wins, but also by existing customers expanding their quantum adoption over time.

Revenue growth depends on system capability and additive value of quantum computing. Quantinuum's commercial framework begins with specific customer applications and estimates the economic value quantum computing could generate relative to existing approaches. Pricing is then designed to capture a portion of that value through a combination of cloud access, software, and on-prem systems. As a result, we do not view pricing in terms of a traditional hardware ASP. Cloud access is sold through subscriptions and capacity reservations, while software, services and on-prem deployments are priced according to the economic value delivered to the customer.

Hardware capability is expected to increase materially across generations, with logical qubit count, fault-tolerant operation and revenue-generating capacity all expanding from Helios through Sol to Apollo. As systems become more capable, management expects customers to increase cloud utilization, adopt higher-value software and services and expand strategic deployments. Our model therefore assumes revenue growth is driven not only by additional systems coming online, but by a meaningful increase in the revenue-generating capacity of each successive generation.

Exhibit 30: Estimated cloud and on-prem deployment schedule



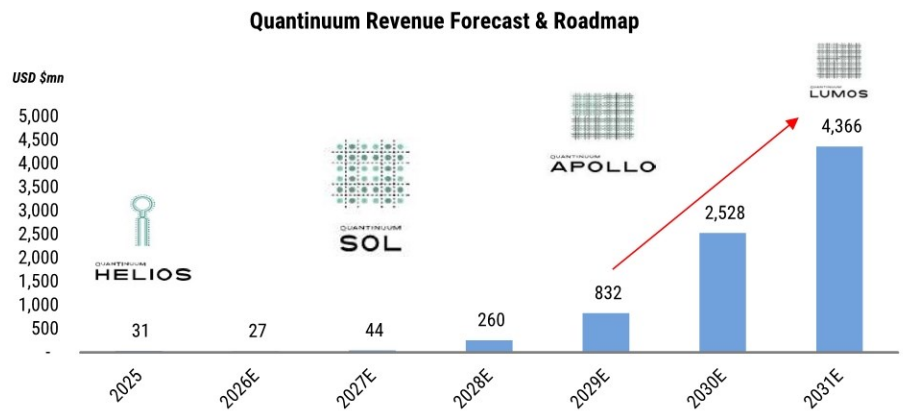
Source: Morgan Stanley Research

Apollo is the Key Model Driver

Apollo is the critical value inflection in the Quantinuum story. While Helios and Sol are designed to validate the technology and broaden early customer adoption, Apollo is intended to introduce fault-tolerant quantum computing capable of supporting production-scale commercial workloads.

Apollo system capabilities are expected to scale from approximately 100 logical qubits in Sol to hundreds of logical qubits while materially reducing logical error rates. This level of performance should enable more complex and reliable computations, allowing quantum systems to move beyond experimentation and into production-scale workloads. As customers progress from research engagements and proof-of-concepts toward production deployments, we expect monetization to shift toward larger cloud reservations, software licensing and strategic enterprise deployments.

Exhibit 31: Revenue inflection relies on Apollo Launch

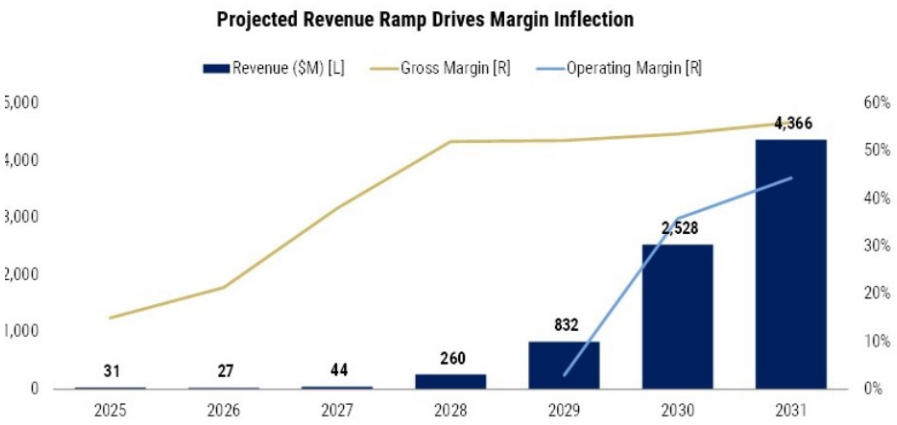


Source: Company Data, Morgan Stanley Research

By 2030, Quantinuum targets approximately $2.5 billion of revenue, gross margins in the mid-50% range and EBITDA margins in the mid-30% range. These targets assume Apollo

materially expands the range of commercially valuable applications, accelerates customer adoption and enables Quantinuum to capture a meaningful share of the emerging quantum infrastructure market. As a result, much of Quantinuum's long-term revenue growth, margin expansion and path to profitability depends on whether Apollo is delivered on schedule and can translate fault-tolerant quantum computing into meaningful customer demand.

Exhibit 32: Apollo drives the financial model



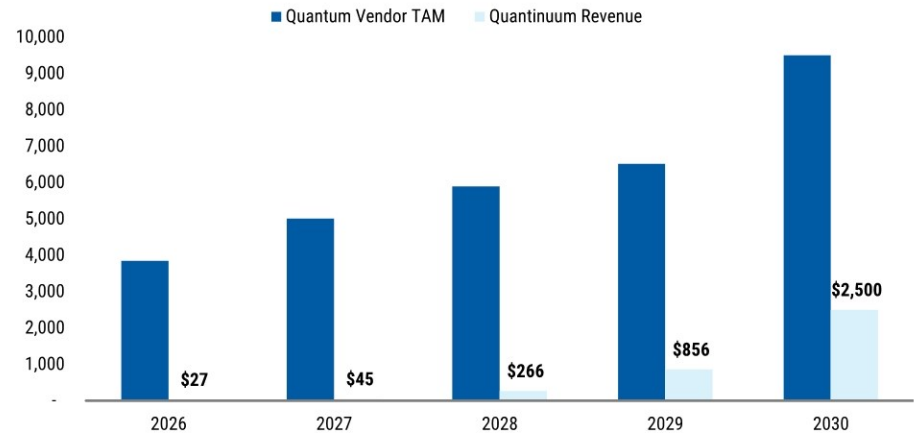
Source: Company data, Morgan Stanley Research
Notes: Figured are non-GAAP. 2025 GM adjusted to exclude one time benefit.

Our Long-Term Framework

While our near-term forecasts are driven by backlog, pipeline conversion and customer maturation, our long-term forecasts increasingly depends on the size of the fault-tolerant quantum computing market and Quantinuum's position within it.

We estimate that quantum computing could support an approximately $10 billion quantum infrastructure and software market by the end of the decade. Our framework assumes Quantinuum captures roughly 25% of this opportunity by 2030, implying approximately $2.5 billion of annual revenue. Importantly, this assumption does not require Quantinuum to become the sole winner in quantum computing. Rather, it assumes the company remains one of a small number of successful fault-tolerant quantum computing providers while leaving substantial room for competing modalities, architectures and vendors to succeed.

Exhibit 33: We expect Quantinuum to have ~25% share in 2030 if they can execute to their roadmap



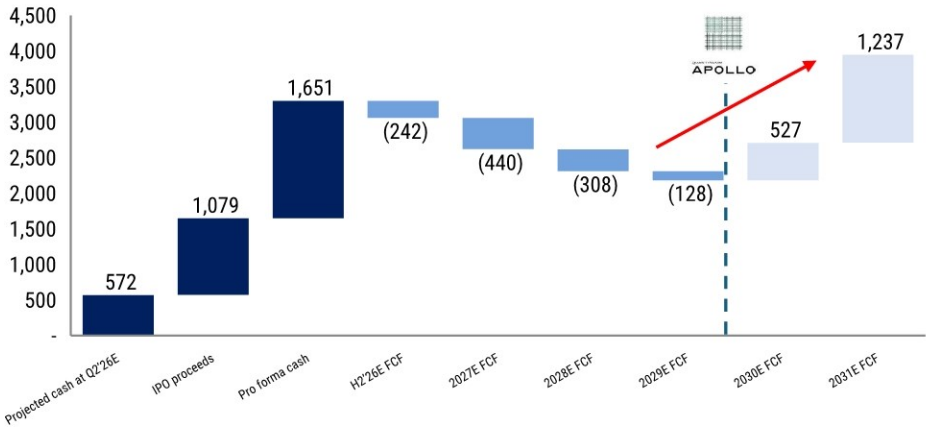
Source: BCG, Morgan Stanley Research

The key risk is that both the technology and the market develop more slowly than we currently anticipate. Our long-term forecasts assume that fault-tolerant quantum computing becomes capable of supporting commercially valuable workloads and that the resulting economic value is large enough to support a multi-billion-dollar infrastructure market. If fault-tolerant systems arrive later than expected, or if the commercial usefulness of quantum computing ultimately proves more limited than our current assumptions imply, the size and timing of the opportunity could be materially lower than our estimates.

Cash burn is another key risk to monitor. Quantinuum is investing ahead of revenue, funding substantial R&D, cloud infrastructure and next-generation hardware development before fault-tolerant quantum computing becomes commercially viable. In our model, we estimate the company will consume approximately **$2 billion in R&D, $1 billion in capital expenditures and $1 billion in working capital investment between 2026 and 2031**, highlighting the significant capital required to execute against its roadmap. While we assume revenue inflects meaningfully following the introduction of Sol and Apollo, delays in commercialization or slower-than-expected customer adoption could extend the period of negative free cash flow and increase future financing needs. In our view, the company's ability to balance investment with capital requirements will be an important factor in determining long-term shareholder returns.

Exhibit 34:

Projected Capital Plan Funds Execution Through the Next Major Inflection



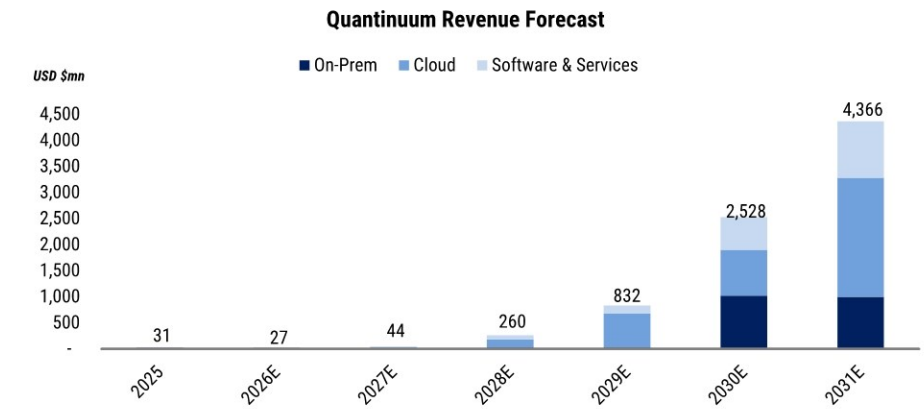
Source: Morgan Stanley Research

Financial Outlook

Revenue: 128% FY 25-31E CAGR

We expect revenue to sharply inflect as Sol and then Apollo become available in 2027 and 2029, respectively. Revenue growth is driven primarily by the cloud in the early years, with on-prem systems and software solutions providing around half of revenue past 2030. We do not assume meaningful revenue from new customers until 2028.

Exhibit 35: MSe Revenue Forecast

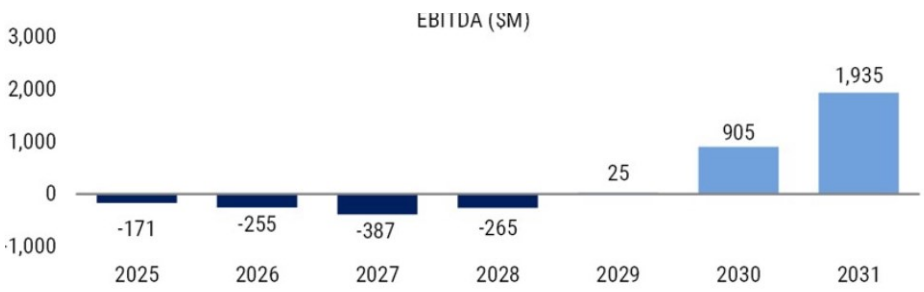


Source: Company Data, Morgan Stanley Research

EBITDA: positive by 2029

Sol and Apollo drive rapid revenue growth, overcoming high fixed R&D costs by 2029. An increasing mix of cloud and software revenue additionally drives operating leverage and EBITDA expansion. By 2030 we forecast over $900M in EBITDA. We expect margins to stay consistent around 40% in the long term and EBITDA to grow quickly with revenue.

Exhibit 36: MSe EBITDA Forecast

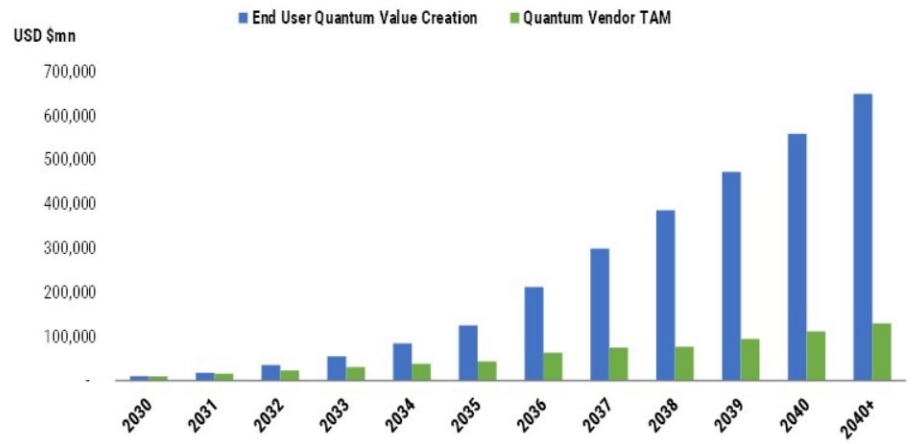


Source: Company Data, Morgan Stanley Research

Large Share Capture Potential

Potential share capture of 29% of the Quantum Infrastructure TAM by 2031 translates to ~$4.4B in revenue. As the TAM continues to grow at 30% CAGR from 2031 onwards, leading players in the space stand to gain significantly. As a leading full-stack provider, Quantinuum stands to gain from both hardware and software market expansion.

Exhibit 37: MSe Quantum TAM



Source: BCG, Morgan Stanley Research

Technical Roadmap Adherence is Key

The delivery of the Sol and Apollo systems is the most important variable for driving revenue growth. Although Quantinuum has shown remarkable accuracy with their previous roadmaps, their future roadmap is very aggressive. Delays to Sol would have an extreme impact on the revenue and cash flows of Quantinuum, although their capitalization is currently robust enough to survive slight delays.

Exhibit 38: Roadmap and MS projected financials



	2025	Growth	2031E
Revenue	$31	+140x	$4,366
On Prem / Cloud / SW & SVC	*55% / 45% / 0%*		*23% / 52% / 25%*
Operating profit	($199)		$1,804
Operating margin	*-643%*	68,421 bps	*41%*
Cost of sales	$16	+121x	$1,924
R&D	$165	+4x	$534
SG&A	$49	+3x	$104

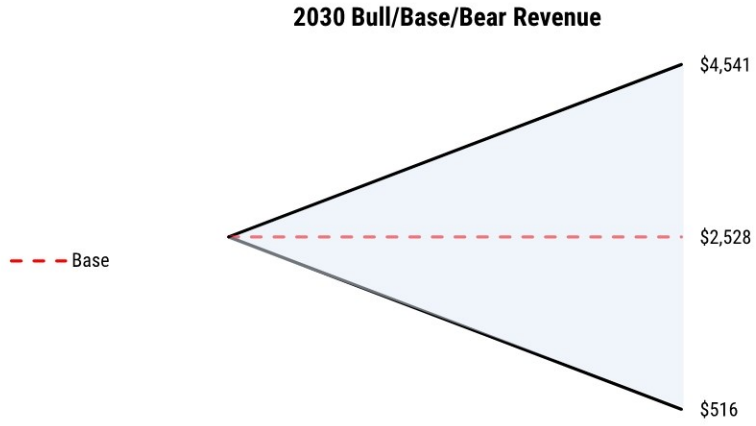
Source: Company Data, Morgan Stanley Research

Valuation Methodology

Our price target is $78. Given the early stage of the quantum computing industry and the significant optionality embedded in the long-term opportunity, we are taking a different approach vs. our broader semiconductor coverage. Rather than valuing Quantinuum on near-term earnings or cash flow, we value the company on its long-term commercial potential, recognizing that the next several years will be driven more by technology development than financial performance. Accordingly, we apply a discounted EV/sales framework using our 2030 estimates, which corresponds with the period when we expect the industry to begin transitioning from today's Noisy Intermediate-Scale Quantum ("NISQ") era toward commercially relevant quantum computing.

Our base case assumes Quantinuum generates approximately **$2.5 billion of revenue in 2030**. This estimate reflects both our long-term quantum infrastructure TAM assumptions and our expectation that the company successfully executes its technology roadmap. Specifically, our model assumes Apollo is successfully introduced on schedule, the quantum infrastructure market reaches approximately $10 billion by 2030, and Quantinuum captures roughly 25% of that opportunity. We believe these assumptions are reasonable based on the information available today, but acknowledge that they involve significant execution risk. Going forward, the three variables we believe investors should monitor most closely are: **(1) technology execution, particularly the delivery of Apollo, (2) the pace at which the quantum computing market develops, and (3) Quantinuum's ability to maintain a leading competitive position.**

Exhibit 39: We see a wide range of revenue outcomes based on the pace of technology advancements, value created from applications, and vendor market share ($mn)



Source: Morgan Stanley Research

For valuation we apply a **12x EV/sales multiple** to our 2030 estimate and discount the resulting enterprise value back to the present, which give us a price target of $78. We believe a 12x multiple appropriately reflects Quantinuum's position as a frontier computing company with significant long-term growth potential. For context, the AI semiconductor peer group currently trades at approximately 12x 2028 EV/sales and those operate in a substantially more mature market. We discount our valuation using a 15.1%

cost of equity, calculated from an adjusted beta based on IonQ, D-Wave and Rigetti, the largest publicly traded pure-play quantum computing companies (D-Wave and Rigetti not covered).

- **$160 Bull Case: 14x revenue of $4.5bn.** In our bull case, Quantinuum executes successfully against its roadmap, Apollo is delivered on schedule and quantum computing drives broader commercial adoption than we currently forecast. Under this scenario, the quantum infrastructure market develops more rapidly, Quantinuum captures a larger share of industry value and revenue growth exceeds our expectations
- **$12 Bear Case: 6x revenue of $500mn.** Our bear case assumes delays in the technology roadmap, particularly around Apollo, resulting in slower commercialization and customer adoption than we currently forecast. Combined with a smaller quantum infrastructure market and/or weaker competitive positioning, this leads to materially lower revenue, profitability and valuation than our base case.

Exhibit 40: QNT Comp Table

Company	Ticker	Price	Market Cap ($mn)	EV($mn)	Sales CAGR 26-28	EV/Sales 2026	2027	2028
Quanitnuum	**QNT**	**$ 71.1**	**$ 18,924**	**$ 18,000**	**211.0%**	**669.8x**	**409.5x**	**69.2x**
Public Quantum								
IonQ	IONQ	$ 53.6	$ 20,007	$ 17,909	50.2%	67.4x	47.1x	29.9x
D-Wave	QBTS	$ 23.0	$ 8,440	$ 7,903	83.1%	184.7x	92.2x	55.1x
Rigetti	RGTI	$ 19.5	$ 6,492	$ 6,140	79.5%	260.9x	117.0x	81.0x
Infleqtion	INFQ	$ 14.1	$ 3,077	$ 1,227	27.3%	30.3x	24.3x	18.7x
Quantum Computing	QUBT	$ 9.7	$ 2,188	$ 1,192	63.3%	53.4x	36.2x	20.0x
Xanadu	XNDU	$ 11.8	$ 511	$ 620	56.9%	76.2x	63.4x	31.0x
Quantum Mean					**60.1%**	**112.2x**	**63.3x**	**39.3x**
Quantum Median					**60.1%**	**71.8x**	**55.2x**	**30.4x**
AI Semis								
NVIDIA	NVDA	$ 199	$ 4,816	$ 4,786	33.1%	12.7x	8.80x	7.17x
Broadcom	AVGO	$ 382	$ 1,818	$ 1,908	42.9%	16.3x	10.41x	7.99x
AMD	AMD	$ 520	$ 847	$ 849	42.7%	17.0x	11.08x	8.36x
Marvell	MRVL	$ 277	$ 242	$ 249	41.0%	22.2x	15.40x	11.16x
Astera	ALAB	$ 400	$ 69	$ 71	34.3%	46.1x	32.15x	25.57x
Credo	CRDO	$ 269	$ 50	$ 49	43.1%	23.7x	15.27x	11.58x
Semis Mean					**39.5%**	**23.0x**	**15.5x**	**12.0x**
Semis Median					**41.8%**	**19.6x**	**13.2x**	**9.8x**
Mean					**60.1%**	**67.6x**	**39.43x**	**25.62x**
Median					**60.1%**	**38.2x**	**28.21x**	**19.36x**

Source: Factset, Morgan Stanley Research
Note: Data as of 6/24/26

Key Catalysts/Risks: Our long-term outlook is primarily driven by three variables: technology execution, the size and timing of the quantum computing market, and Quantinuum's long-term competitive position. As a result, we believe investors should focus on the following milestones and risks.

Key Milestones:

- **Technology roadmap execution.** Continued progress toward Sol and Apollo remains the most important catalyst for our investment thesis. Successful delivery would increase confidence in Quantinuum's roadmap and our long-term financial forecasts. **We are expecting Sol in 2027 and Apollo in 2029.**
- **Commercial adoption.** Growth in backlog, pipeline conversion, customer expansion and enterprise deployments will provide evidence that quantum

computing is progressing beyond research and into commercial applications.

- **Third-party validation**. Progress through DARPA and other government programs, major academic publications and strategic commercial partnerships will provide independent validation of Quantinuum's technology and competitive position.
- **Industry development.** Evidence that quantum computing is creating greater economic value, expanding its addressable market or reaching fault tolerance sooner than expected would support our long-term market assumptions.

Key Risks:

- **Technology execution.** Delays in Sol or Apollo, lower-than-expected system performance or challenges scaling logical qubits could materially delay commercialization and reduce our long-term forecasts.
- **Architecture and competition.** Alternative quantum modalities or competing trapped-ion architectures could ultimately prove more scalable, manufacturable or commercially attractive than Quantinuum's QCCD platform.
- **Commercial adoption.** If customers derive less value from quantum computing than we currently anticipate, or adoption occurs more slowly than expected, the long-term revenue opportunity could be materially lower than our estimates.
- **Capital requirements.** Quantinuum remains in an investment phase. Slower commercialization or higher-than-expected investment requirements could extend the period of negative free cash flow and increase future financing needs.
- **Moving goalposts.** Aside from technical challenges, quantum advantage is a moving goal. Classical compute has been improving at breakneck speeds, so achieving quantum advantage over classical compute becomes more difficult each year. If, through machine learning or other means, classical computing improves almost as quickly as quantum computing, commercially useful quantum advantage may be many years away.

Financial Statements

Exhibit 41: QNT Income Statement

Quantinuum Inc - Income Statement ($ in millions; fiscal year ends in December)	2025/1F Mar-25 F1Q25A	2025/2F Jun-25 F2Q25A	2025/3F Sep-25 F3Q25A	2025/4F Dec-25 F4Q25A	2026/1F Mar-26 F1Q26A	2026/2F Jun-26 F2Q26E	2026/3F Sep-26 F3Q26E	2026/4F Dec-26 F4Q26E	2027/1F Mar-27 F1Q27E	2027/2F Jun-27 F2Q27E	2027/3F Sep-27 F3Q27E	2027/4F Dec-27 F4Q27E	2028/1F Mar-28 F1Q28E	2028/2F Jun-28 F2Q28E	2028/3F Sep-28 F3Q28E	2028/4F Dec-28 F4Q28E	CY2025A FY2025A	CY2026E FY2026E	CY2027E FY2027E	CY2028E FY2028E	CY2029E FY2029E	CY2030E FY2030E	CY2031E FY2031E
Revenue	**19.1**	**2.1**	**2.7**	**7.0**	**5.2**	**7.8**	**7.4**	**6.4**	**10.4**	**13.3**	**12.4**	**7.8**	**62.8**	**63.9**	**66.1**	**67.2**	**30.9**	**26.9**	**44.0**	**260.0**	**831.9**	**2,528.3**	**4,365.7**
y/y change (%)	*169.3%*	*-54.4%*	*-59.8%*	*55.4%*	*-72.6%*	*272.0%*	*171.5%*	*-8.5%*	*98.9%*	*69.9%*	*68.1%*	*21.8%*	*503.2%*	*379.7%*	*433.4%*	*758.1%*	*34.6%*	*-13.1%*	*63.6%*	*491.4%*	*2589.5%*	*9307.9%*	*9831.1%*
q/q change (%)	*322.4%*	*-89.0%*	*28.8%*	*158.6%*	*-25.4%*	*49.7%*	*-6.0%*	*-12.9%*	*62.2%*	*27.9%*	*-7.0%*	*-36.8%*	*702.9%*	*1.7%*	*3.4%*	*1.6%*							
Gross Profit - Non-GAAP	**14.8**	**(1.9)**	**(1.1)**	**3.1**	**1.3**	**2.0**	**1.7**	**0.7**	**4.1**	**6.5**	**5.4**	**0.8**	**28.1**	**34.5**	**35.8**	**36.7**	**14.8**	**5.7**	**16.7**	**135.1**	**434.2**	**1,354.4**	**2,442.0**
Gross Margin - Non-GAAP (%)	*77.4%*	*-91.7%*	*-42.1%*	*44.7%*	*24.6%*	*26.0%*	*23.3%*	*10.9%*	*38.9%*	*48.5%*	*43.5%*	*10.2%*	*44.7%*	*54.0%*	*54.2%*	*54.6%*	*48.0%*	*21.4%*	*38.0%*	*52.0%*	*52.2%*	*53.6%*	*55.9%*
Gross Profit - GAAP	14.8	(1.9)	(1.1)	3.1	1.3	(6.0)	(2.2)	(2.7)	1.9	4.4	3.4	(1.1)	26.1	32.6	33.9	34.7	14.8	(9.7)	8.5	127.4	425.6	1,345.1	2,431.7
Gross Margin - GAAP (%)	*77.4%*	*-91.7%*	*-42.1%*	*44.7%*	*24.6%*	*-76.6%*	*-30.5%*	*-42.0%*	*18.4%*	*33.0%*	*27.2%*	*-14.5%*	*41.6%*	*51.0%*	*51.3%*	*51.7%*	*48.0%*	*-36.0%*	*19.4%*	*49.0%*	*51.2%*	*53.2%*	*55.7%*
Cost of revenue - GAAP	4.3	4.0	3.9	3.9	4.0	13.9	9.6	9.1	8.5	8.9	9.0	9.0	36.7	31.3	32.2	32.4	16.1	36.5	35.4	132.6	406.3	1,183.2	1,934.0
SBC related to cost of revenue	-	-	-	-	-	8.0	4.0	3.4	2.1	2.1	2.0	1.9	1.9	1.9	1.9	1.9	-	15.4	8.2	7.7	8.6	9.3	10.2
One-time items	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
R&D - non-GAAP	**35.8**	**39.7**	**42.0**	**48.0**	**56.0**	**53.9**	**80.0**	**84.3**	**95.6**	**95.5**	**83.8**	**93.2**	**91.7**	**93.2**	**96.0**	**97.5**	**165.4**	**274.2**	**368.1**	**378.4**	**389.7**	**439.9**	**534.2**
q/q change (%)	*11%*	*11%*	*6%*	*14%*	*17%*	*-4%*	*48%*	*5%*	*13%*	*0%*	*-12%*	*11%*	*-2%*	*2%*	*3%*	*2%*					*3%*	*13%*	*21%*
% of revenue	*187.4%*	*1881.7%*	*1545.4%*	*683.9%*	*1069.4%*	*687.8%*	*1085.7%*	*1311.7%*	*917.4%*	*716.5%*	*676.8%*	*1191.3%*	*145.9%*	*145.8%*	*145.2%*	*145.2%*	*534.8%*	*1020.4%*	*837.4%*	*145.5%*	*46.8%*	*17.4%*	*12.2%*
R&D - GAAP	35.8	39.7	42.0	48.0	56.0	289.8	195.8	179.7	156.6	154.5	141.6	147.8	151.7	153.2	156.0	157.5	165.4	721.4	600.5	618.4	641.5	712.1	834.3
SBC related to R&D						235.9	115.8	95.5	61.0	59.1	57.8	54.5	60.0	60.0	60.0	60.0	-	447.2	232.4	240.0	251.8	272.2	300.0
% of SBC						*90.7%*	*90.7%*	*90.7%*	*90.7%*	*90.7%*	*90.7%*	*90.7%*	*90.7%*	*90.7%*	*90.7%*	*90.7%*		*90.7%*	*90.7%*	*90.7%*	*90.7%*	*90.7%*	*90.7%*
One-time items	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
S&M - non-GAAP	**3.4**	**3.4**	**4.0**	**8.1**	**13.7**	**12.6**	**11.9**	**12.1**	**9.1**	**9.4**	**10.0**	**10.1**	**10.1**	**10.3**	**10.6**	**10.8**	**18.9**	**50.3**	**38.6**	**41.8**	**45.6**	**49.4**	**53.4**
q/q change (%)	*21%*	*1%*	*16%*	*105%*	*69%*	*-8%*	*-6%*	*2%*	*-25%*	*3%*	*7%*	*1%*	*0%*	*2%*	*3%*	*2%*					*9%*	*9%*	*8%*
% of revenue	*17.8%*	*161.9%*	*145.7%*	*115.4%*	*262.3%*	*160.5%*	*161.1%*	*188.2%*	*87.4%*	*70.6%*	*80.9%*	*129.1%*	*16.1%*	*16.1%*	*16.1%*	*16.1%*	*61.0%*	*187.1%*	*87.9%*	*16.1%*	*5.5%*	*2.0%*	*1.2%*
S&M - GAAP	3.4	3.4	4.0	8.1	13.7	23.3	17.1	16.4	11.9	12.1	12.7	12.6	12.8	13.0	13.3	13.5	18.9	70.6	49.2	52.7	57.0	61.8	67.0
SBC related to S&M						10.7	5.3	4.3	2.8	2.7	2.6	2.5	2.7	2.7	2.7	2.7	-	20.3	10.6	10.9	11.4	12.4	13.6
% of SBC						*4.1%*	*4.1%*	*4.1%*	*4.1%*	*4.1%*	*4.1%*	*4.1%*	*4.1%*	*4.1%*	*4.1%*	*4.1%*		*4.1%*	*4.1%*	*4.1%*	*4.1%*	*4.1%*	*4.1%*
One-time items	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
G&A - non-GAAP	**5.5**	**6.1**	**5.8**	**12.5**	**8.7**	**8.7**	**11.7**	**13.1**	**12.4**	**12.7**	**12.7**	**12.6**	**11.0**	**11.2**	**11.6**	**11.8**	**29.9**	**42.2**	**50.5**	**45.6**	**46.6**	**48.4**	**50.2**
q/q change (%)	*-4%*	*10%*	*-4%*	*114%*	*-30%*	*0%*	*35%*	*12%*	*-5%*	*3%*	*0%*	*-1%*	*-13%*	*2%*	*3%*	*2%*					*2%*	*4%*	*4%*
% of revenue	*28.8%*	*288.0%*	*214.3%*	*177.5%*	*166.0%*	*111.1%*	*159.2%*	*203.8%*	*118.9%*	*95.5%*	*102.6%*	*161.4%*	*17.5%*	*17.5%*	*17.5%*	*17.5%*	*96.5%*	*157.2%*	*114.8%*	*17.5%*	*5.6%*	*1.9%*	*1.2%*
G&A - GAAP	5.5	6.1	5.8	12.5	8.7	22.1	18.3	18.5	15.9	16.1	16.0	15.7	14.4	14.6	15.0	15.2	29.9	67.6	63.7	59.2	61.0	63.9	67.3
SBC related to G&A						13.4	6.6	5.4	3.5	3.4	3.3	3.1	3.4	3.4	3.4	3.4	-	25.4	13.2	13.6	14.3	15.5	17.0
% of SBC						*5.2%*	*5.2%*	*5.2%*	*5.2%*	*5.2%*	*5.2%*	*5.2%*	*5.2%*	*5.2%*	*5.2%*	*5.2%*		*5.2%*	*5.2%*	*5.2%*	*5.2%*	*5.2%*	*5.2%*
One-time items	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Opex - Non-GAAP	**44.7**	**49.2**	**51.7**	**68.6**	**78.4**	**75.2**	**103.6**	**109.4**	**117.1**	**117.6**	**106.6**	**116.0**	**112.8**	**114.7**	**118.2**	**120.1**	**214.1**	**366.8**	**457.2**	**465.7**	**481.9**	**537.7**	**637.9**
% of Revenue	*234%*	*2332%*	*1905%*	*977%*	*1498%*	*959%*	*1406%*	*1704%*	*1124%*	*883%*	*860%*	*1482%*	*180%*	*179%*	*179%*	*179%*	*692.3%*	*1364.7%*	*1040.1%*	*179.1%*	*58%*	*21%*	*15%*
Total Opex - GAAP	44.7	49.2	51.7	68.6	78.4	335.3	231.3	214.7	184.3	182.7	170.3	176.1	179.0	180.8	184.3	186.2	214.1	859.7	713.4	730.3	759.5	837.8	968.6
SBC related to Opex						260.0	127.6	105.2	67.2	65.1	63.7	60.1	66.1	66.1	66.1	66.1		492.9	256.1	264.5	277.6	300.1	330.7
% of Revenue						*3316%*	*1731%*	*1638%*	*645%*	*489%*	*514%*	*768%*	*105%*	*103%*	*100%*	*98%*		*1834%*	*583%*	*102%*	*33%*	*12%*	*8%*
Operating Income - Non-GAAP	**(29.9)**	**(51.1)**	**(52.9)**	**(65.5)**	**(77.2)**	**(73.2)**	**(101.9)**	**(108.7)**	**(113.0)**	**(111.2)**	**(101.2)**	**(115.2)**	**(84.8)**	**(80.2)**	**(82.3)**	**(83.4)**	**(199.3)**	**(361.0)**	**(440.5)**	**(330.6)**	**(47.7)**	**816.7**	**1,804.1**
Operating Margin - Non-GAAP (%)	*-156.6%*	*-2423.3%*	*-1947.4%*	*-932.2%*	*-1473.2%*	*-933.4%*	*-1382.8%*	*-1692.7%*	*-1084.7%*	*-834.2%*	*-816.8%*	*-1471.6%*	*-134.9%*	*-125.4%*	*-124.6%*	*-124.2%*	*-644.3%*	*-1343.4%*	*-1002.1%*	*-127.2%*	*-5.7%*	*32.3%*	*41.3%*
Operating Income - GAAP	(29.9)	(51.1)	(52.9)	(65.5)	(77.2)	(341.3)	(233.5)	(217.4)	(182.4)	(178.3)	(166.9)	(177.2)	(152.8)	(148.2)	(150.4)	(151.5)	(199.3)	(869.3)	(704.8)	(602.9)	(333.9)	507.3	1,463.2
Operating Margin (%)	*-156.6%*	*-2423.3%*	*-1947.4%*	*-932.2%*	*-1473.2%*	*-4352.0%*	*-3168.0%*	*-3383.6%*	*-1750.5%*	*-1338.2%*	*-1347.2%*	*-2264.1%*	*-243.2%*	*-231.9%*	*-227.6%*	*-225.5%*	*-644.3%*	*-3234.8%*	*-1603.3%*	*-231.9%*	*-40.1%*	*20.1%*	*33.5%*
Other income (expense), net	(0.4)	(5.8)	1.0	12.1	(59.4)	6.1	5.4	4.9	4.7	4.1	3.5	3.0	6.1	6.1	6.1	6.1	6.8	(43.1)	15.3	24.5	15.7	17.7	46.1
Profit before tax - Non-GAAP	**(30.3)**	**(56.9)**	**(51.9)**	**(53.4)**	**(136.5)**	**(67.1)**	**(96.5)**	**(103.8)**	**(108.3)**	**(107.0)**	**(97.7)**	**(112.2)**	**(78.6)**	**(74.0)**	**(76.2)**	**(77.3)**	**(192.5)**	**(404.1)**	**(425.2)**	**(306.1)**	**(32.1)**	**834.3**	**1,850.2**
Profit before tax - GAAP	(30.3)	(56.9)	(51.9)	(53.4)	(136.5)	(335.2)	(228.1)	(212.5)	(177.7)	(174.2)	(163.4)	(174.2)	(146.7)	(142.1)	(144.3)	(145.3)	(192.5)	(912.4)	(689.5)	(578.4)	(318.2)	525.0	1,509.3
Profit before tax - MW	(30.3)	(56.9)	(51.9)	(53.4)	(136.5)	(335.2)	(228.1)	(212.5)	(177.7)	(174.2)	(163.4)	(174.2)	(146.7)	(142.1)	(144.3)	(145.3)	(192.5)	(912.4)	(689.5)	(578.4)	(318.2)	525.0	1,509.3
Income tax expense (benefit) Non-GAAP	0.2	-	0.1	(0.2)	0.0	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.2	0.3	0.3	0.3	(33.4)	462.5
Income tax expense (benefit) GAAP	0.2	-	0.1	(0.2)	0.0	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.2	0.3	0.3	0.3	(388.5)	377.3
Tax Rate%	*-0.6%*	*0.0%*	*-0.3%*	*0.4%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*-0.1%*	*-4.0%*	*25.0%*
Net income - Non-GAAP	**(30.5)**	**(56.9)**	**(52.0)**	**(53.1)**	**(136.6)**	**(67.2)**	**(96.6)**	**(103.9)**	**(108.4)**	**(107.1)**	**(97.7)**	**(112.2)**	**(78.7)**	**(74.1)**	**(76.3)**	**(77.3)**	**(192.6)**	**(404.3)**	**(425.5)**	**(306.4)**	**(32.3)**	**867.7**	**1,387.6**
Net margin (%)	*-159.8%*	*-2700.0%*	*-1916.6%*	*-756.5%*	*-2608.2%*	*-857.0%*	*-1310.5%*	*-1617.5%*	*-1040.2%*	*-803.6%*	*-788.9%*	*-1434.1%*	*-125.2%*	*-115.9%*	*-115.4%*	*-115.1%*	*-622.6%*	*-1504.4%*	*-967.8%*	*-117.8%*	*-3.9%*	*34.3%*	*31.8%*
Net income - GAAP	(30.5)	(56.9)	(52.0)	(53.1)	(136.6)	(335.3)	(228.2)	(212.5)	(177.7)	(174.3)	(163.5)	(174.3)	(146.8)	(142.2)	(144.3)	(145.4)	(192.6)	(912.6)	(689.7)	(578.7)	(318.5)	913.5	1,131.9
Net margin (%)	*-159.8%*	*-2700.0%*	*-1916.6%*	*-756.5%*	*-2608.2%*	*-4275.5%*	*-3095.8%*	*-3308.4%*	*-1706.0%*	*-1307.8%*	*-1319.4%*	*-2226.5%*	*-233.5%*	*-222.4%*	*-218.4%*	*-216.5%*	*-622.6%*	*-3395.8%*	*-1569.0%*	*-222.6%*	*-38.3%*	*36.1%*	*25.9%*
EPS - Non-GAAP					**$ (0.59)**	**$ (0.27)**	**$ (0.37)**	**$ (0.40)**	**$ (0.41)**	**$ (0.41)**	**$ (0.37)**	**$ (0.42)**	**$ (0.29)**	**$ (0.28)**	**$ (0.28)**	**$ (0.28)**		**$ (1.63)**	**$ (1.61)**	**$ (1.13)**	**$ (0.12)**	**$ 2.97**	**$ 4.65**
EPS - GAAP					$ (0.59)	$ (1.37)	$ (0.88)	$ (0.82)	$ (0.68)	$ (0.66)	$ (0.62)	$ (0.65)	$ (0.55)	$ (0.53)	$ (0.53)	$ (0.53)		$ (3.65)	$ (2.61)	$ (2.14)	$ (1.16)	$ 3.13	$ 3.79

Source: Company Data, Morgan Stanley Research

Exhibit 42: QNT Balance Sheet

Quantinuum Inc - Balance Sheet ($ in millions; fiscal year ends in December)	2025:1F Mar-25 F1Q25A	2025:2F Jun-25 F2Q25A	2025:3F Sep-25 F3Q25A	2025:4F Dec-25 F4Q25A	2026:1F Mar-26 F1Q26A	2026:2F Jun-26 F2Q26E	2026:3F Sep-26 F3Q26E	2026:4F Dec-26 F4Q26E	2027:1F Mar-27 F1Q27E	2027:2F Jun-27 F2Q27E	2027:3F Sep-27 F3Q27E	2027:4F Dec-27 F4Q27E	2028:1F Mar-28 F1Q28E	2028:2F Jun-28 F2Q28E	2028:3F Sep-28 F3Q28E	2028:4F Dec-28 F4Q28E
Assets																
Cash and cash equivalents	124.9	68.9	617.2	762.6	677.0	1,651.0	1,538.9	1,409.4	1,298.3	1,188.7	1,090.1	969.4	880.5	811.8	741.5	661.1
Net investment in lease, current	-	-	-	5.8	5.8	5.8	5.8	5.8	5.8	5.8	5.8	5.8	5.8	5.8	5.8	5.8
Accounts receivable, net	3.8	3.2	3.1	5.7	4.0	3.4	3.2	2.8	4.6	5.9	5.4	3.4	27.6	28.1	29.0	29.2
Inventories	-	-	-	-	-	3.0	2.1	2.0	1.9	2.0	2.0	2.0	8.1	6.9	7.1	7.1
Other current assets	27.5	28.0	29.5	27.8	33.0	33.0	33.0	33.0	33.0	33.0	33.0	33.0	33.0	33.0	33.0	33.0
Total current assets	**156.3**	**100.1**	**649.7**	**801.8**	**719.8**	**1,696.3**	**1,583.0**	**1,453.0**	**1,343.5**	**1,235.3**	**1,136.3**	**1,013.6**	**955.0**	**885.5**	**816.4**	**736.2**
Property and equipment, net	76.5	94.2	108.3	121.0	137.3	160.2	182.5	202.8	210.6	217.8	224.5	230.1	226.2	226.5	225.1	223.9
Goodwill	753.4	800.7	777.9	784.8	774.0	774.0	774.0	774.0	774.0	774.0	774.0	774.0	774.0	774.0	774.0	774.0
Other intangible assets -- net	50.8	51.1	46.8	114.3	109.5	105.2	100.8	96.5	92.3	88.2	84.0	79.9	75.7	71.6	67.4	63.3
Net investment in lease, non-current	-	-	-	10.1	8.7	8.7	8.7	8.7	8.7	8.7	8.7	8.7	8.7	8.7	8.7	8.7
Other assets -- net	28.3	25.0	25.4	13.6	36.3	36.3	36.3	36.3	36.3	36.3	36.3	36.3	36.3	36.3	36.3	36.3
Net deferred tax assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Marketable securities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total assets	**1,065.2**	**1,071.1**	**1,608.2**	**1,845.6**	**1,785.5**	**2,780.6**	**2,685.2**	**2,571.2**	**2,465.4**	**2,360.2**	**2,263.7**	**2,142.5**	**2,077.9**	**2,002.6**	**1,927.8**	**1,842.3**
Liabilities and shareholder's equity																
Accounts payable	10.5	11.6	8.7	11.9	19.6	2.9	2.8	2.7	3.3	3.9	4.0	3.9	16.1	13.7	14.1	14.2
Accured liabilities	18.9	23.1	39.5	44.4	45.7	44.3	44.2	42.8	43.6	43.7	43.6	43.4	44.2	44.2	44.2	44.7
License payable, current	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Accrued and other current liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total current liabilities	**29.4**	**34.6**	**48.2**	**56.3**	**65.2**	**47.2**	**47.0**	**45.5**	**46.9**	**47.6**	**47.6**	**47.4**	**60.3**	**57.9**	**58.3**	**58.9**
Long term debt	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Warranty liability	36.9	43.3	45.4	38.4	102.6	-	-	-	-	-	-	-	-	-	-	-
License payable, non-current	-	-	-	55.3	55.3	56.7	58.0	49.4	50.6	51.9	53.1	44.4	45.5	46.7	47.8	38.9
Other liabilities	5.1	4.9	8.0	8.0	22.8	22.8	22.8	22.8	22.8	22.8	22.8	22.8	22.8	22.8	22.8	22.8
Total liabilities	**71.4**	**82.8**	**101.6**	**158.0**	**245.9**	**126.7**	**127.8**	**117.7**	**120.3**	**122.3**	**123.5**	**114.5**	**128.6**	**127.4**	**128.9**	**120.6**
Temporary equity	689.1	689.1	1,281.4	1,513.9	1,513.9	-	-	-	-	-	-	-	-	-	-	-
Shareholder's equity																
Common stock	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Additional paid-in-capital	917.9	917.9	917.9	914.9	914.8	3,878.5	4,010.1	4,118.7	4,188.1	4,255.2	4,320.9	4,383.0	4,451.0	4,519.1	4,587.2	4,655.2
Total share capital	**917.9**	**917.9**	**917.9**	**914.9**	**914.9**	**3,878.5**	**4,010.1**	**4,118.7**	**4,188.1**	**4,255.2**	**4,321.0**	**4,383.0**	**4,451.1**	**4,519.1**	**4,587.2**	**4,655.3**
Accumulated other comprehensive income	(32.0)	19.4	(2.5)	3.5	(7.9)	(7.9)	(7.9)	(7.9)	(7.9)	(7.9)	(7.9)	(7.9)	(7.9)	(7.9)	(7.9)	(7.9)
Retained earnings	(581.2)	(638.1)	(690.2)	(744.8)	(881.4)	(1,216.6)	(1,444.8)	(1,657.4)	(1,835.1)	(2,009.4)	(2,172.9)	(2,347.1)	(2,493.9)	(2,636.1)	(2,780.4)	(2,925.8)
Total shareholder's equity	**304.7**	**299.2**	**225.2**	**173.7**	**25.6**	**2,654.0**	**2,557.4**	**2,453.5**	**2,345.1**	**2,238.0**	**2,140.2**	**2,028.0**	**1,949.3**	**1,875.2**	**1,798.9**	**1,721.6**
Total liabilities and shareholder's equity	**1,065.2**	**1,071.1**	**1,608.2**	**1,845.6**	**1,785.5**	**2,780.6**	**2,685.2**	**2,571.2**	**2,465.4**	**2,360.2**	**2,263.7**	**2,142.5**	**2,077.9**	**2,002.6**	**1,927.8**	**1,842.3**

CY2021A FY2021A	CY2022A FY2022A	CY2023A FY2023A	CY2024A FY2024A	CY2025A FY2025A	CY2026E FY2026E	CY2027E FY2027E	CY2028E FY2028E	CY2029E FY2029E	CY2030E FY2030E	CY2031E FY2031E
			172.3	762.6	1,409.4	969.4	661.1	533.2	1,060.5	1,872.9
			-	5.8	5.8	5.8	5.8	5.8	5.8	5.8
			5.2	5.7	2.8	3.4	29.2	91.1	277.5	479.0
			-	-	2.0	2.0	7.1	22.3	65.0	106.2
			21.4	27.8	33.0	33.0	33.0	33.0	33.0	33.0
			198.9	**801.8**	**1,453.0**	**1,013.6**	**736.2**	**685.3**	**1,441.8**	**2,496.8**
			72.7	121.0	202.8	230.1	223.9	288.4	448.1	737.1
			730.1	784.8	774.0	774.0	774.0	774.0	774.0	774.0
			51.9	114.3	96.5	79.9	63.3	47.5	41.3	35.5
			-	10.1	8.7	8.7	8.7	8.7	8.7	8.7
			16.7	13.6	36.3	36.3	36.3	36.3	36.3	371.3
			-	-	-	-	-	-	404.7	88.7
			-	-	-	-	-	-	-	200.0
			1,070.4	**1,845.6**	**2,571.2**	**2,142.5**	**1,842.3**	**1,840.2**	**3,154.9**	**4,712.1**
			8.9	11.9	2.7	3.9	14.2	50.2	146.1	238.9
			21.9	44.4	42.8	43.4	44.7	45.0	47.4	46.1
			-	-	-	-	-	-	-	-
			-	-	-	-	-	-	-	-
			30.9	**56.3**	**45.5**	**47.4**	**58.9**	**95.1**	**193.5**	**285.0**
			-	-	-	-	-	-	-	-
			35.5	38.4	-	-	-	-	-	-
			-	55.3	49.4	44.4	38.9	33.0	26.5	19.4
			5.4	8.0	22.8	22.8	22.8	22.8	22.8	22.8
			71.7	**158.0**	**117.7**	**114.5**	**120.6**	**150.9**	**242.8**	**327.1**
			689.1	1,513.9	-	-	-	-	-	-
			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
			917.9	914.8	4,118.7	4,383.0	4,655.2	4,941.4	5,250.7	5,591.7
			917.9	**914.9**	**4,118.7**	**4,383.0**	**4,655.3**	**4,941.4**	**5,250.7**	**5,591.7**
			(56.2)	3.5	(7.9)	(7.9)	(7.9)	(7.9)	(7.9)	(7.9)
			(552.2)	(744.8)	(1,657.4)	(2,347.1)	(2,925.8)	(3,244.2)	(2,330.8)	(1,198.8)
			309.5	**173.7**	**2,453.5**	**2,028.0**	**1,721.6**	**1,689.3**	**2,912.1**	**4,385.0**
			1,070.4	**1,845.6**	**2,571.2**	**2,142.5**	**1,842.3**	**1,840.2**	**3,154.9**	**4,712.1**

Source: Company Data, Morgan Stanley Research

Exhibit 43: QNT Cash Flow Statement

Quantinuum Inc - Cash Flow Statement ($ in millions; fiscal year ends in December)	2025/1F Mar-25 F1Q25A	2025/2F Jun-25 F2Q25A	2025/3F Sep-25 F3Q25A	2025/4F Dec-25 F4Q25A	2026/1F Mar-26 F1Q26A	2026/2F Jun-26 F2Q26E	2026/3F Sep-26 F3Q26E	2026/4F Dec-26 F4Q26E	2027/1F Mar-27 F1Q27E	2027/2F Jun-27 F2Q27E	2027/3F Sep-27 F3Q27E	2027/4F Dec-27 F4Q27E	2028/1F Mar-28 F1Q28E	2028/2F Jun-28 F2Q28E	2028/3F Sep-28 F3Q28E	2028/4F Dec-28 F4Q28E	CY2021A FY2021A	CY2022A FY2022A	CY2023A FY2023A	CY2024A FY2024A	CY2025A FY2025A	CY2026E FY2026E	CY2027E FY2027E	CY2028E FY2028E	CY2029E FY2029E	CY2030E FY2030E	CY2031E FY2031E
Cash flows from operating activities																										
Net income (loss)	(30.5)	(56.9)	(52.0)	(53.1)	(136.6)	(335.3)	(228.2)	(212.5)	(177.7)	(174.3)	(163.5)	(174.3)	(146.8)	(142.2)	(144.3)	(145.4)	-	-	-	(144.1)	(192.6)	(912.6)	(689.7)	(578.7)	(318.5)	913.5	1,131.8
Adjustments to reconcile NI (loss) to operating cash flow:																										
Stock-based compensation	-	-	-	-	-	268.1	131.6	108.6	69.4	67.2	65.7	62.0	68.1	68.1	68.1	68.1				0.4	-	508.3	264.3	272.3	286.1	309.3	340.9
Inventory write-down	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				-	-	-	-	-	-	-	-
Depreciation and amortization	7.4	7.5	7.6	7.3	8.9	10.1	10.8	11.6	12.4	13.1	13.5	14.3	16.3	16.3	16.4	16.4				32.2	29.8	41.5	53.3	65.4	72.5	88.2	131.3
Depreciation	7.4	7.5	7.6	7.3	4.8	5.8	6.4	7.2	8.2	8.9	9.4	10.2	12.2	12.2	12.2	12.2				32.2	29.8	24.3	36.7	48.8	56.8	82.0	125.5
Amortization					4.2	4.3	4.4	4.3	4.1	4.1	4.1	4.1	4.1	4.1	4.1	4.1				-	-	17.2	16.6	16.6	15.8	6.2	5.7
License payable (non-cash)	1.6	1.4	1.8	1.6	2.3	1.3	1.4	1.4	1.2	1.2	1.3	1.3	1.1	1.1	1.1	1.1				5.1	6.4	6.4	5.0	4.5	4.0	3.5	2.9
Change in deferred tax asset	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				-	-	-	-	-	-	(404.7)	316.0
Changes in operating assets:																										
Accounts receivable, net	1.4	0.7	0.1	(2.5)	1.6	0.6	0.2	0.4	(1.8)	(1.3)	0.4	2.0	(24.2)	(0.5)	(0.9)	(0.2)				(4.2)	(0.4)	2.8	(0.6)	(25.8)	(61.8)	(186.5)	(201.5)
Inventory	-	-	-	-	-	(3.0)	0.9	0.1	0.1	(0.1)	(0.0)	0.0	(6.1)	1.2	(0.2)	0.0				-	-	(2.0)	0.0	(5.1)	(15.2)	(42.7)	(41.2)
Change in other current assets	(16.5)	13.3	9.6	(6.6)	53.0	-	-	-	-	-	-	-	-	-	-	-				(5.2)	0.8	53.0	-	-	-	-	-	(110.0)
Changes in operating liabilities:																										
Accounts payable	2.8	1.0	1.9	(10.1)	7.9	(16.7)	(0.0)	(0.1)	0.6	0.7	0.0	(0.0)	12.2	(2.4)	0.4	0.1				(5.1)	(4.3)	(9.0)	1.2	10.3	35.9	96.0	92.8
Accrued compensation and benefits	-	-	-	-	-	(1.3)	(0.2)	(1.4)	0.8	0.1	(0.1)	(0.2)	0.7	0.0	0.0	0.5				-	-	(2.8)	0.6	1.3	0.3	2.4	(1.3)
Other long-term liabilities																									-		
Net cash provided by (used in) operating activities	**(32.7)**	**(33.0)**	**(31.1)**	**(83.4)**	**(62.9)**	**(76.2)**	**(83.4)**	**(91.9)**	**(95.1)**	**(93.5)**	**(82.6)**	**(84.8)**	**(78.6)**	**(58.3)**	**(59.5)**	**(59.4)**	-	-	-	**(120.9)**	**(160.3)**	**(314.5)**	**(366.0)**	**(255.8)**	**3.4**	**779.1**	**1,661.8**
Running Total per Year	*(32.7)*	*(65.8)*	*(96.9)*	*(160.3)*	*(62.9)*	*(139.1)*	*(222.5)*	*(314.5)*	*(95.1)*	*(188.5)*	*(271.1)*	*(366.0)*	*(78.6)*	*(136.9)*	*(196.4)*	*(255.8)*											
Cash flows from investing activities:																										
Purchase of property and equipment, net	(15.4)	(22.3)	(23.3)	(4.1)	(22.7)	(28.8)	(28.7)	(27.6)	(16.1)	(16.1)	(16.1)	(15.8)	(10.3)	(10.5)	(10.8)	(11.0)				(14.0)	(65.1)	(107.7)	(64.0)	(42.6)	(121.3)	(241.7)	(414.5)
Purchases of marketable securities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				-	-	-	-	-	-	-	(200.0)
Payments for licensed technology	-	-	-	(10.0)	-	-	-	(10.0)	-	-	-	(10.0)	-	-	-	(10.0)				-	(10.0)	(19.0)	(10.0)	(10.0)	(10.0)	(10.0)	(10.0)
Change in other assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				-	-	-	-	-	-	-	(225.0)
Net cash used in investing activities	**(15.4)**	**(22.3)**	**(23.3)**	**(14.1)**	**(22.7)**	**(28.8)**	**(28.7)**	**(37.6)**	**(16.1)**	**(16.1)**	**(16.1)**	**(25.8)**	**(10.3)**	**(10.5)**	**(10.8)**	**(21.0)**	-	-	-	**(14.0)**	**(75.1)**	**(117.7)**	**(74.0)**	**(52.6)**	**(131.3)**	**(251.7)**	**(849.5)**
Running Total per Year	*(15.4)*	*(37.7)*	*(61.0)*	*(75.1)*	*(22.7)*	*(51.4)*	*(80.1)*	*(117.7)*	*(16.1)*	*(32.1)*	*(48.2)*	*(74.0)*	*(10.3)*	*(20.8)*	*(31.6)*	*(52.6)*											
Cash flows from financing activities:																										
Proceeds from issuance of preferred stock	-	-	601.1	223.7	-	-	-	-	-	-	-	-	-	-	-	-				140.6	824.8	-	-	-	-	-	-
Proceeds from issuance of common stock	-	-	-	-	-	1,079.0	-	-	-	-	-	-	-	-	-	-				-	-	1,079.0	-	-	-	-	-
Proceeds from exercise of stock options	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				-	-	-	-	-	-	-	-
Other financing activities	-	-	-	-	-				-	-	-	-	-	-	-	-				(0.0)	-	-	-	-	-	-	-
Net cash provided by (used in) financing activities	**-**	**-**	**601.1**	**223.7**	**-**	**1,079.0**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	-	-	-	**140.5**	**824.8**	**1,079.0**	**-**	**-**	**-**	**-**	**-**
Running Total per Year	-	-	*601.1*	*824.8*	-	*1,079.0*	*1,079.0*	*1,079.0*	-	-	-	-	-	-	-	-									-	-	-
Effect of exhange rate changes on cash and cash equivalents	0.8	(0.7)	1.6	(0.8)	(0.1)	-	-	-	-	-	-	-	-	-	-	-				(0.6)	0.8	(0.1)	-	-	-	-	-
Cash, cash equivalents (BOP)	**172.3**	**124.9**	**68.9**	**617.2**	**762.6**	**677.0**	**1,651.0**	**1,538.9**	**1,409.4**	**1,298.3**	**1,188.7**	**1,090.1**	**969.4**	**880.5**	**811.8**	**741.5**				**167.3**	**172.3**	**762.6**	**1,409.4**	**969.4**	**661.1**	**533.2**	**1,060.5**
Net increase (decrease) in cash, cash equivalents	(47.4)	(56.1)	548.3	145.5	(85.6)	974.0	(112.1)	(129.5)	(111.1)	(109.5)	(98.7)	(120.7)	(88.9)	(68.7)	(70.3)	(80.4)				5.1	590.3	646.8	(440.0)	(308.3)	(127.9)	527.4	812.4
Change in cash flow due to restatement	0.0																			(0.0)	0.0	-	-	-	-	-	-
Cash, cash equivalents (EOP)	**124.9**	**68.9**	**617.2**	**762.6**	**677.0**	**1,651.0**	**1,538.9**	**1,409.4**	**1,298.3**	**1,188.7**	**1,090.1**	**969.4**	**880.5**	**811.8**	**741.5**	**661.1**				**172.3**	**762.6**	**1,409.4**	**969.4**	**661.1**	**533.2**	**1,060.5**	**1,872.9**

Source: Company Data, Morgan Stanley Research

Risk Reward Reference links

1. View explanation of Options Probabilities methodology - Options_Probabilities_Exhibit_Link.pdf

2. View descriptions of Risk Rewards Themes - RR_Themes_Exhibit_Link.pdf

3. View explanation of regional hierarchies - GEG_Exhibit_Link.pdf

4. View explanation of Theme/Exposure methodology - ESG_Sustainable_Solutions_External_Link.pdf

5. View explanation of HERS methodology - ESG_HERS_External_Link.pdf

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	Coverage Universe		Investment Banking Clients (IBC)			Other Material Investment Services Clients (MISC)	
Stock Rating Category	Count	% of Total	Count	% of Total IBC	% of Rating Category	Count	% of Total Other MISC
Overweight/Buy	1542	42%	465	51%	30%	707	43%
Equal-weight/Hold	1571	43%	369	40%	23%	723	44%
Not-Rated/Hold	3	0%	0	0%	0%	1	0%
Underweight/Sell	551	15%	86	9%	16%	201	12%
Total	3,667		920			1632	

Data include common stock and ADRs currently assigned ratings. Investment Banking Clients are companies from whom Morgan Stanley received investment banking compensation in the last 12 months. Due to rounding off of decimals, the percentages provided in the "% of total" column may not add up to exactly 100 percent.

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COMPANY (TICKER)	RATING (AS OF)	PRICE* (06/26/2026)
Joseph Moore		
Advanced Micro Devices (AMD.O)	E (06/09/2024)	$521.58
Aeva Technologies Inc (AEVA.O)	E (07/19/2021)	$20.89
Allegro Microsystems Inc (ALGM.O)	O (02/13/2026)	$57.89
Ambarella Inc (AMBA.O)	O (03/29/2016)	$62.13
Amkor Technology Inc (AMKR.O)	E (11/08/2023)	$78.72
Analog Devices Inc. (ADI.O)	O (11/16/2023)	$386.91
Astera Labs Inc (ALAB.O)	O (05/11/2025)	$391.74
Broadcom Inc. (AVGO.O)	O (06/09/2024)	$365.02
Cerebras Systems (CBRS.O)	O (06/08/2026)	$181.59
GlobalFoundries Inc (GFS.O)	E (10/28/2024)	$79.78
Intel Corporation (INTC.O)	E (02/22/2023)	$128.32
IonQ Inc (IONQ.N)	E (04/25/2023)	$49.31
Marvell Technology Group Ltd (MRVL.O)	E (09/14/2015)	$266.77
Microchip Technology Inc. (MCHP.O)	E (07/10/2024)	$87.93
Micron Technology Inc. (MU.O)	O (10/06/2025)	$1,132.33
Navitas Semiconductor Corp (NVTS.O)	U (04/06/2025)	$17.30
NVIDIA Corp. (NVDA.O)	O (03/16/2023)	$192.53
NXP Semiconductor NV (NXPI.O)	O (02/11/2025)	$277.02
ON Semiconductor Corp. (ON.O)	++	$90.65
Qorvo Inc (QRVO.O)	E (10/28/2025)	$93.88

Qualcomm Inc. (QCOM.O)	E (06/24/2026)	$189.39
Quantinuum (QNT.O)	E (06/29/2026)	$75.57
SanDisk Corporation. (SNDK.O)	O (03/03/2025)	$2,090.71
Semtech Corp. (SMTC.O)	E (04/06/2025)	$149.75
Silicon Laboratories Inc. (SLAB.O)	E (01/19/2021)	$218.42
Skyworks Solutions Inc (SWKS.O)	E (11/28/2018)	$68.00
Texas Instruments (TXN.O)	U (04/13/2020)	$285.43
Wolfspeed, INC (WOLF.N)	NR (04/06/2025)	$45.97
Lee Simpson		
Arm Holdings plc (ARM.O)	E (04/07/2026)	$334.27
Cadence Design Systems Inc (CDNS.O)	O (02/14/2024)	$377.27
Synopsys Inc. (SNPS.O)	E (02/27/2026)	$454.34

Stock Ratings are subject to change. Please see latest research for each company.
* Historical prices are not split adjusted.

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