Morgan Stanley | RESEARCH

IDEA

August 13, 2026 03:47 AM GMT

Cerebras Systems | North America

Cerebras posts another strong quarter

WHAT'S CHANGED		
Cerebras Systems (CBRS.O)	From	To
Price Target	$273.00	**$279.00**

AlphaSignals Earnings Reaction

Unchanged Impact to our thesis	**Modest upside** Financial results versus consensus	**Modest revision higher** Direction of next 12-month consensus EPS

Source: Company data, Morgan Stanley Research

Cerebras posted upside to both core hardware and cloud, with higher forecasts for the year, and a positive characterization of newer disaggregated inference opportunities at AMD; reiterate OW.

Key Takeaways

- Q2 beat across core revenue and margins, FY26 guidance moved higher, and Cerebras is guiding to >3x core revenue growth in FY27.
- Cerebras has secured >600MW of capacity through YE27, improving visibility into the capacity needed to support the revenue ramp.
- AMD partnership announced last month points to a larger disaggregated inference opportunity - similar to Amazon
- Stock weakness after hours on a strong quarter should prove a buying opportunity; stay OW

We came away more constructive, with several emerging opportunities that could drive upside to our current estimates. This was another strong quarter, with Cerebras beating across core revenue, gross margin and operating margin, raising its FY2026 outlook, and reiterating that demand for fast inference remains well ahead of supply. The company expects core revenue to more than triple in FY27. Execution remains the key debate given the scale and speed of the capacity build required to support the ramp, but the setup is improving as capacity progresses, gross margins track better, and several opportunities not meaningfully reflected in our estimates could provide additional upside.

Capacity remains the most important near term driver. Data center availability continues to be the bottleneck, but Cerebras has now secured more than 600 MW of capacity that is either live or contracted for delivery by the end of 2027, and management continues to describe demand as exceeding what it can supply. We had previously modeled just under 500 MW, so this provides upside to our capacity assumptions. Given the difficulty and timing uncertainty associated with bringing

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Cerebras Systems (CBRS.O, CBRS US)

Semiconductors | United States of America

Stock Rating	**Overweight**
Industry View	**Attractive**
Price target	**$279.00**
Shr price, close (Aug 12, 2026)	$262.06
Mkt cap, curr (mm)	$49,483
52-Week Range	$386.34-160.81

Fiscal Year Ending	12/25	12/26e	12/27e	12/28e
EPS ($)**	ND	(0.46)	1.03	5.68
Prior EPS ($)**	-	(0.78)	0.88	5.48
P/E	-	NM	253.6	46.1
EPS ($)§	-	(0.90)	0.90	5.69
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	-	-	(0.04)a	(0.21)	(0.19)
Q2	-	-	(0.05)a	0.00	0.06
Q3	-	(0.38)	(0.21)	0.37	0.39
Q4	ND	(0.41)	(0.33)	0.65	0.71

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

data centers online, we remain conservative and increase our modeled capacity to roughly 560 MW. We believe customers remain compute constrained and would consume incremental capacity quickly if Cerebras is able to bring additional MW online, making capacity execution a key source of upside.

The other major incremental opportunity is disaggregated inference. Cerebras now has disaggregated solutions with both AMD and AWS Trainium, using GPUs or accelerators for prefill and Cerebras systems for decode. Management believes this can increase throughput by as much as 5x while maintaining Cerebras' inference speed. The economic impact could be significant because more tokens can be produced from the same Cerebras system and power footprint, reducing cost per token and creating room for both higher revenue and better gross margins. The cost benefit remains substantial even after including the incremental hardware, for example from AMD, giving Cerebras flexibility to retain some of the benefit as margin, lower pricing, or expand into more price sensitive use cases. We do not explicitly model a material benefit from disaggregation today, so successful commercialization would represent upside to both revenue and profitability.

AWS is particularly interesting in this context. The Cerebras solution is expected to become generally available through AWS in Q1 2027, while management expects broader hyperscaler revenue to begin in 2027 and ramp through 2028 and beyond. Our sense is that the more than 3x FY27 revenue framework does not assume a large hardware purchases from hyperscalers, so a meaningful ramp next year could provide upside. We remain conservative in our model given uncertainty around timing and scale and assume only low single digit hardware growth next year, but if AWS develops into a large deployment, the revenue inflection could be meaningful. The same applies more broadly to disaggregated inference, where the technology is already running in the lab and commercialization appears to be progressing.

On technology, Cerebras serving leading frontier models provides further evidence that its architecture can support large workloads, addressing a key bear concern. The roadmap also continues to move quickly, with CS4 expected to be unveiled at the company's Supernova event next week and CS5 targeted for launch in the second half of 2027. Taken together, the story remains heavily dependent on execution against an ambitious capacity and revenue ramp, but we see several credible paths to upside. Capacity is progressing faster than we had modeled, disaggregated inference could materially improve both revenue and unit economics, and AWS could become a meaningful incremental contributor beginning in 2027. We continue to model the ramp conservatively, but if Cerebras can secure and activate capacity faster than we assume, the revenue numbers can move higher very quickly.

Details on the quarter: Core revenue of $209.9mn (+9.7% q/q and +103% y/y) was above our estimate of $194.3mn. Non-GAAP (core) gross margin of 40.6% was ~380bps above our estimate of 36.8%. Core operating margin was (16.0)%, and non-GAAP EPS was $(0.05), ahead of our estimate of $(0.21). Core cloud and other services revenue of $127.7mn was up 287% y/y; GAAP total revenue was $180.1mn (+74% y/y). RPO ended at $25.4bn.

Details on guidance: CBRS expects SeptQ core revenue of $214–216mn (mid $215mn, up 2.4% q/q and 58% y/y), ahead of our estimate of $205.9mn. Core gross margin was guided to 38–40% (mid 39.0%), ahead of our estimate of 35.8%, and core operating margin was guided to (25)%–(23)% (mid (24.0)%).

Changes to estimates: We now forecast 2026 core revenue of $886 million and 2027 revenue of $2.88 billion, versus our prior estimates of $863 million and $2.71 billion, while our 2028 revenue estimate moves modestly higher to $6.70 billion from $6.46 billion. We have raised our 2026 gross margin forecast again and now expect 41.8% in 2026, versus our prior estimate of 39.4%. Our longer-term gross margin assumptions are essentially unchanged at 52.1% in 2027 (prior 51.1%) and 58.0% in 2028 (prior 57.9%). We now model operating margins of (18.1%) in 2026, a material improvement from our prior (28.2%), and 10.9% in 2027 vs. prior 9.7%. As a result, our non-GAAP EPS estimates are now $(0.46) for 2026 vs. prior $(0.78), and $1.03 for 2027 vs. prior $0.88.

Thoughts on the stock: Cerebras remains a polarizing story, but we believe fast inference is becoming an increasingly important part of the compute market and that Cerebras has a unique solution in this category. The company has established itself as a leader in this category, demand continues to exceed available supply, and we see multiple avenues for upside - from faster capacity deployment, disaggregated inference, and broader hyperscaler adoption. While execution against the capacity build remains important, we think the opportunity is expanding and find the stock compelling as we see room for material upside given the demand backdrop.

The stock is down after hours on what we view as a solid quarter and outlook. We think this may partly reflect an expectations issue, with results ahead of sell side consensus but perhaps not enough to clear a high bar, alongside the expected margin pressure and upcoming lockups. The next two lockup tranches unlock on August 14 and August 19, which could also contribute to near term volatility. Fundamentally, however, we see little in the quarter that gives us pause, while emerging opportunities in disaggregated inference could drive meaningful upside if Cerebras executes against the opportunities ahead.

Price Target: We are modestly raising our price target to $279 from $273, reflecting an increase in our 2028 revenue forecast. Our valuation applies a 13x multiple to our 2028 adjusted revenue estimate of $6.3 billion, including contra warrant revenue. The 13x multiple is in line with the average of our AI semiconductor peer group.

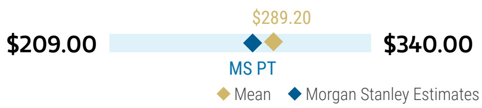
Risk Reward – Cerebras Systems (CBRS.O)

Unique capability in fast inference drives large economic opportunity

PRICE TARGET $279.00

13x multiple on our 2028 adjusted revenue of $6.3bn. We comp Cerebras to AI semis cohort and 13x is in-line with with smid cap AI names with near 100% AI exposure that are outgrowing the overall market.

Consensus Price Target Distribution

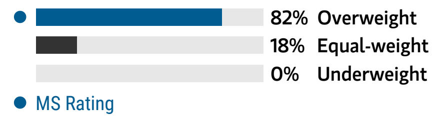


Source: Refinitiv, Morgan Stanley Research

OVERWEIGHT THESIS

Cerebras owns one of the most differentiated architectures in AI, built around the industry's only commercially deployed wafer-scale processor. We believe fast inference is one of the fastest-growing segments of AI infrastructure spending. Supported by a 750MW committed capacity agreement, Cerebras is well positioned to capitalize on this opportunity.

Consensus Rating Distribution



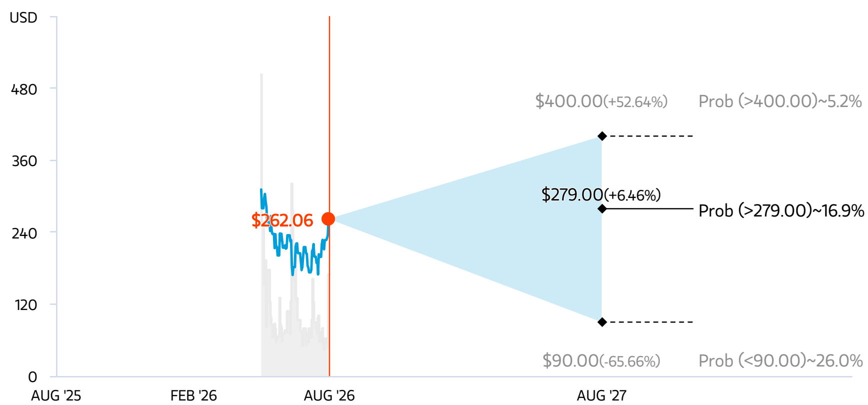
Source: Refinitiv, Morgan Stanley Research

Risk Reward Themes

Technology Diffusion: *Positive*

View descriptions of Risk Rewards Themes here

RISK REWARD CHART AND OPTIONS IMPLIED PROBABILITIES (12M)



Key: Historical Stock Performance • Current Stock Price • Price Target

Source: Refinitiv, Morgan Stanley Research, Morgan Stanley Institutional Equities Division. The probabilities of our Bull, Base, and Bear case scenarios playing out were estimated with implied volatility data from the options market as of 12 Aug 2026. All figures are approximate risk-neutral probabilities of the stock reaching beyond the scenario price in either three-months' or one-years' time. View explanation of Options Probabilities methodology here

BULL CASE $400.00

11x CY28 revenue of $10bn

- 26-28 revenue CAGR of 198%

- Hardware sales increase 21% y/y in CY27 and 203% y/y in CY28

- Committed contract capacity comes online faster than expected, with 1GW+ deployed by 2028

- Hardware demand also exceeds our base case and we get visbility to the additional 1.5GW being used

BASE CASE $279.00

13x 2028 adjusted revenue of $6bn

- We comp Cerebras to AI semis cohort. 13x is in-line with with smid cap AI names with near 100% AI exposure that are outgrowing the overall market.

- 26-28 revenue CAGR of 178%

- Ramps contract on time (750MW by 2028) using Cerebras Cloud

- Hardware sales increase 6% y/y in CY27 and 136% y/y in CY28 - Cerebras is able to ramp to 1GW of cloud capacity by 2028

BEAR CASE $90.00

8x CY28 adj revenue of $2.7bn

- 26-28 revenue CAGR of 95%

- Hardware sales decline 9% y/y in CY27 and increase 37% y/y in CY28

- Contract capacity deployments are delayed, resulting in slower revenue ramp and lower utilization.

- Hardware demand remains weak and they only ramp to 700MW.

Risk Reward – Cerebras Systems (CBRS.O)

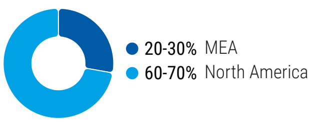
KEY EARNINGS INPUTS

Drivers	Dec 2025	Dec 2026e	Dec 2027e	Dec 2028e
GAAP Revenue ($, mm)	510	839	3,408	8,013

INVESTMENT DRIVERS

- AI revenue growth
- Wafer Scale Engine Adoption
- AI Cloud Capacity Build

GLOBAL REVENUE EXPOSURE



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

RISKS TO PT/RATING

RISKS TO UPSIDE

- Contract Extension
- Additional customer
- Capacity deployment

RISKS TO DOWNSIDE

- Capacity deployment/infrastructure risk
- Customer concentration risk
- Competitive risk

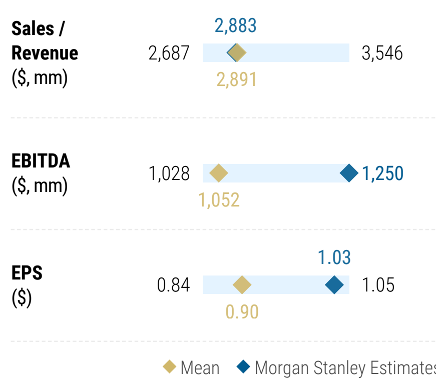
OWNERSHIP POSITIONING

HF Sector Long/Short Ratio	2.1%
HF Sector Net Exposure	33.6x

Source: Morgan Stanley Prime Brokerage. Includes certain hedge fund exposures held with MSPB. Information may be inconsistent with or may not reflect broader market trends. Long/Short Ratio = Long Exposure / Short exposure. Sector % of Total Net Exposure = (For a particular sector: Long Exposure - Short Exposure) / (Across all sectors: Long Exposure – Short Exposure).

MS ESTIMATES VS. CONSENSUS

FY Dec 2027e



Source: Refinitiv, Morgan Stanley Research

Financial Summary

Exhibit 1: Income Statement Summary

CBRS: Snapshot for the quarter ended June 2026

Income Statement									
Qtr Results:	**Actual**			Lst Qtr	QoQ	Lst Yr	YoY	Cons	Mse
Core Revenue	$209.9			$191.3	9.7%	$103.3	103.1%	$190.6	$194.3
Gross Margin	40.6%			46.6%	-595	31.1%	954	37.3%	36.8%
EPS	($0.05)			($0.04)	15.9%	$0.00	#DIV/0!	($0.17)	($0.21)
Nxt Qtr Outlook:	**Low**	**High**	**Midpoint**						
Core Revenue	$214.0	$216.0	$215.0		2.4%	$135.7	58.4%	$210.2	$205.9
Gross Margin	38.0%	40.0%	39.0%		-160	40.6%	-163	36.3%	35.8%

Source: Company Data, FactSet, Morgan Stanley Research

Exhibit 2: Income Statement Variance

Non-GAAP Finanicals, $ in Millions except per share	Reported 6/29/2026	MS Est 6/29/2026	Difference Act vs. Est.	Per Share Difference
Revenue	209.9	194.3	15.5	0.1
Cost of Sales	85.2	71.6	13.6	0.1
Gross Margin	*40.6%*	*36.8%*	*3.8%*	NM
Total Op Expenses	118.8	132.1	(13.3)	(0.1)
Operating Income	(33.6)	(60.6)	26.9	0.2
Operating Margin	*-16.0%*	*-31.2%*	*15.1%*	NM
Net Income	(6.9)	(42.5)	35.6	0.2
EPS	$ (0.05)	$ (0.21)	$0.16	NM

Source: Company Data, Morgan Stanley Research

Projected Financial Statements

Exhibit 3: CBRS: Projected Income Statement

Cerebras Systems Inc - Income Statement ($ in thousands; fiscal year ends in December)	2024/1F Mar-24 F1Q24A	2043/2F Jun-24 F2Q23A	2024/3F Sep-24 F3Q24A	2024/4F Dec-24 F4Q24A	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 F2Q26A	2026/3F Sep-26 F3Q26E	2026/4F Dec-26 F4Q26E	2027/1F Mar-27 F1Q27E	2027/2F Jun-27 F2Q27E	2026/1F Sep-27 F3Q27E	2027/4F Dec-27 F4Q27E	2028/1F Mar-28 F1Q28E	2028/2F Jun-28 F2Q28E	2027/1F Sep-28 F3Q28E	2028/4F Dec-28 F4Q28E	CY2024A FY2024A	CY2025A FY2025A	CY2026E FY2026E	CY2027E FY2027E	CY2028E FY2028E
Income Statement (Non-GAAP)																									
Core Revenue	66.6	69.8	72.3	81.5	99.5	103.3	135.7	171.4	191.3	209.9	216.3	268.1	391.3	536.4	827.5	1,128.0	1,218.2	1,564.5	1,818.2	2,096.8	290.3	510.0	885.6	2,883.2	6,697.7
y/y change (%)					49.3%	48.1%	87.7%	110.3%	92.2%	103.1%	59.4%	56.4%	104.5%	155.6%	282.5%	320.7%	211.3%	191.7%	119.7%	85.9%	268.6%	75.7%	73.7%	225.6%	132.3%
q/q change (%)		4.7%	3.7%	12.7%	22.1%	3.8%	31.3%	26.3%	11.6%	9.7%	3.1%	23.9%	45.9%	37.1%	54.3%	36.3%	8.0%	28.4%	16.2%	15.3%					
Cost of revenue - Non-GAAP	41.5	38.9	40.3	46.8	57.9	71.2	80.6	101.2	102.2	124.7	132.3	156.1	229.7	292.8	375.5	483.6	519.9	664.0	761.9	870.2	167.5	310.9	515.3	1,381.6	2,816.0
SBC related to cost of revenue	0.2	0.2	0.2	0.3	0.3	0.2	0.2	0.2	1.0	15.4	15.4	15.4	15.4	15.4	15.4	15.4	15.4	15.4	15.4	15.4					
Gross Profit - Non-GAAP	25.1	30.9	32.0	34.7	41.6	32.1	55.1	70.2	89.1	85.2	84.0	112.0	161.5	243.6	452.1	644.4	698.3	900.5	1,056.3	1,226.6	122.7	199.1	370.3	1,501.6	3,881.7
Gross Margin - Non-GAAP (%)	37.7%	44.3%	44.2%	42.6%	41.8%	31.1%	40.6%	41.0%	46.6%	40.6%	38.9%	41.8%	41.3%	45.4%	54.6%	57.1%	57.3%	57.6%	58.1%	58.5%	42.3%	39.0%	41.8%	52.1%	58.0%
Gross Profit - MW (Includes SBC)	25.0	30.6	31.7	34.5	41.3	31.9	55.0	70.1	88.1	69.9	68.7	96.6	146.2	228.2	436.7	629.1	682.9	885.2	1,040.9	1,211.3	121.8	198.2	323.3	1,440.2	3,820.3
Gross Margin - MW (%)	37.4%	43.9%	43.9%	42.3%	41.5%	30.9%	40.5%	40.9%	46.1%	33.3%	31.8%	36.0%	37.4%	42.6%	52.8%	55.8%	56.1%	56.6%	57.2%	57.8%	42.0%	38.9%	36.5%	50.0%	57.0%
R&D - Non-GAAP	27.7	25.6	27.2	35.3	46.5	51.3	48.5	63.9	69.8	81.5	97.4	118.0	122.9	145.4	207.7	249.3	194.9	250.3	290.9	335.5	115.9	210.2	366.6	725.2	1,071.6
% of revenue	110.1%	83.1%	85.2%	101.5%	111.8%	159.8%	87.9%	91.0%	78.4%	95.7%	45.0%	44.0%	31.4%	27.1%	25.1%	22.1%	16.0%	16.0%	16.0%	16.0%	39.9%	41.2%	41.4%	25.2%	16.0%
R&D - MW	33.6	44.0	38.5	42.1	52.8	60.8	57.3	72.5	75.5	320.2	173.7	177.8	165.2	182.2	244.3	284.2	231.5	297.3	343.6	394.2	158.2	243.3	747.1	875.8	1,266.6
% of revenue	50.5%	63.0%	53.2%	51.6%	53.0%	58.8%	42.2%	42.3%	39.5%	152.5%	80.3%	66.3%	42.2%	34.0%	29.5%	25.2%	19.0%	19.0%	18.9%	18.8%	54.5%	47.7%	84.4%	30.4%	18.9%
S&M - Non-GAAP	2.0	2.0	2.6	5.6	8.4	16.7	19.3	16.4	12.9	12.0	17.3	34.9	52.4	66.5	86.1	98.1	73.1	93.9	109.1	125.8	12.2	60.8	77.1	303.1	401.9
% of revenue	3.0%	2.9%	3.6%	6.8%	8.4%	16.2%	14.2%	9.5%	6.7%	5.7%	8.0%	13.0%	13.4%	12.4%	10.4%	8.7%	6.0%	6.0%	6.0%	6.0%	4.2%	11.9%	8.7%	10.5%	6.0%
S&M - MW	3.5	3.6	6.6	7.1	10.3	18.2	20.8	21.3	14.7	87.0	25.3	41.2	56.9	70.4	89.9	101.8	77.1	99.0	114.5	131.7	20.9	70.6	168.2	319.1	422.3
% of revenue	5.3%	5.2%	9.1%	8.7%	10.4%	17.6%	15.4%	12.4%	7.7%	41.4%	11.7%	15.4%	14.5%	13.1%	10.9%	9.0%	6.3%	6.3%	6.3%	6.3%	7.2%	13.9%	19.0%	11.1%	6.3%
G&A - Non-GAAP	3.9	4.1	4.8	24.9	6.0	8.2	2.6	8.0	9.9	25.3	22.3	29.5	28.2	32.2	44.7	53.0	48.7	62.6	72.7	83.9	37.8	24.9	86.9	158.1	267.9
% of revenue	5.9%	5.9%	6.7%	30.5%	6.1%	8.0%	1.9%	4.6%	5.2%	12.1%	10.3%	11.0%	7.2%	6.0%	5.4%	4.7%	4.0%	4.0%	4.0%	4.0%	13.0%	4.9%	9.8%	5.5%	4.0%
G&A - MW	5.8	6.0	6.7	26.8	7.9	10.1	4.5	9.9	11.7	27.2	45.4	50.9	43.3	45.3	57.7	65.5	61.9	79.2	91.6	105.3	45.4	32.4	135.2	211.9	337.9
% of revenue	8.7%	8.6%	9.3%	32.9%	7.9%	9.8%	3.3%	5.7%	6.1%	13.0%	21.0%	19.0%	11.1%	8.5%	7.0%	5.8%	5.1%	5.1%	5.0%	5.0%	15.6%	6.4%	15.3%	7.3%	5.0%
OPEX One-time items																									
1x related to R&D	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1x related to S&M	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1x related to G&A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
OPEX SBC																									
SBC related to R&D	6.0	18.3	11.3	6.8	6.2	9.5	8.8	8.6	5.7	238.6	76.3	59.8	42.3	36.9	36.6	34.9	36.5	46.9	52.7	58.7	42.4	33.1	380.5	150.6	194.9
% of Revenue	8.9%	26.3%	15.6%	8.4%	6.3%	9.2%	6.5%	5.0%	3.0%	113.7%	35.3%	22.3%	10.8%	6.9%	4.4%	3.1%	3.0%	3.0%	2.9%	2.8%	14.6%	6.5%	43.0%	5.2%	2.9%
SBC related to S&M	1.6	1.6	4.0	1.5	1.9	1.5	1.5	4.9	1.8	75.0	8.0	6.4	4.5	3.9	3.9	3.7	4.0	5.1	5.5	5.9	8.7	9.9	91.1	16.0	20.4
% of Revenue	2.3%	2.3%	5.5%	1.9%	2.0%	1.5%	1.1%	2.9%	0.9%	35.7%	3.7%	2.4%	1.1%	0.7%	0.5%	0.3%	0.3%	0.3%	0.3%	0.3%	3.0%	1.9%	10.3%	0.6%	0.3%
SBC related to G&A	1.9	1.9	1.9	1.9	1.9	1.9	1.9	1.9	1.9	1.9	23.2	21.4	15.1	13.2	13.1	12.5	13.2	16.6	18.9	21.4	7.5	7.5	48.3	53.8	70.0
% of Revenue	2.8%	2.7%	2.6%	2.3%	1.9%	1.8%	1.4%	1.1%	1.0%	0.9%	10.7%	8.0%	3.9%	2.5%	1.6%	1.1%	1.1%	1.1%	1.0%	1.0%	2.6%	1.5%	5.5%	1.9%	1.0%
Total Opex - Non-GAAP	33.6	31.8	34.7	65.8	60.9	76.2	70.5	88.2	92.6	118.8	136.9	182.3	203.5	244.1	338.5	400.4	316.7	406.8	472.7	545.2	165.9	295.8	530.6	1,186.4	1,741.4
Total Opex - MW	43.0	53.6	51.8	76.0	71.0	89.1	82.6	103.7	101.9	434.3	244.4	269.9	265.4	298.0	392.0	451.5	370.4	475.4	549.8	631.2	224.5	346.4	1,050.5	1,406.8	2,026.8
Operating Income - Non-GAAP	(8.5)	(0.9)	(2.7)	(31.0)	(19.3)	(44.1)	(15.3)	(18.0)	(3.5)	(33.6)	(52.9)	(70.3)	(41.9)	(0.5)	113.6	244.0	381.6	493.7	583.5	681.5	(43.1)	(96.8)	(160.3)	315.2	2,140.3
Operating Margin - Non-GAAP (%)	-12.7%	-1.3%	-3.8%	-38.0%	-19.4%	-42.7%	-11.3%	-10.5%	-1.8%	-16.0%	-24.4%	-26.2%	-10.7%	-0.1%	13.7%	21.6%	31.3%	31.6%	32.1%	32.5%	-14.9%	-19.0%	-18.1%	10.9%	32.0%
Operating Income - MW	(18.0)	(23.0)	(20.1)	(41.5)	(29.7)	(57.2)	(27.6)	(33.6)	(13.8)	(364.5)	(175.7)	(173.3)	(119.2)	(69.7)	44.7	177.6	312.5	409.8	491.1	580.1	(102.7)	(148.1)	(727.2)	33.3	1,793.5
Operating Margin - MW (%)	-27.1%	-32.9%	-27.8%	-51.0%	-29.9%	-55.3%	-20.4%	-19.6%	-7.2%	-173.7%	-81.2%	-64.6%	-30.5%	-13.0%	5.4%	15.7%	25.7%	26.2%	27.0%	27.7%	-35.4%	-29.0%	-82.1%	1.2%	26.8%
Other income (expense), net	2.4	3.5	7.2	9.9	6.3	5.0	5.8	10.3	2.5	27.0	7.0	(5.0)	-	20.0	20.0	20.0	20.0	20.0	20.0	20.0	23.0	27.4	31.5	60.0	80.0
One time item (non-operating)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Profit before tax - Non-GAAP	(6.1)	2.6	4.5	(21.1)	(13.0)	(39.1)	(9.5)	(7.7)	(1.0)	(6.6)	(45.9)	(75.3)	(41.9)	19.5	133.6	264.0	401.6	513.7	603.5	701.5	(20.1)	(69.3)	(128.8)	375.2	2,220.3
Profit before tax - MW	(15.7)	(19.5)	(12.9)	(31.6)	(23.4)	(52.2)	(21.9)	(23.2)	(11.3)	(337.5)	(168.7)	(178.3)	(119.2)	(49.7)	64.7	197.6	332.5	429.8	511.1	600.1	(79.7)	(120.7)	(695.7)	93.3	1,873.5
Taxes (GAAP)	0.1	0.3	0.3	1.3	1.7	1.7	1.5	2.2	1.5	0.3	1.0	1.0	1.2	1.1	4.3	9.7	35.4	49.0	62.9	76.8	2.0	7.1	3.8	16.4	224.0
Taxes (Non-GAAP)	-	-	-	-	-	-	-	-	-	-	-	-	-	1.6	10.7	39.6	60.2	92.5	108.6	140.3	-	-	-	51.8	401.6
Tax for MW	0.1	0.3	0.3	1.3	1.7	1.7	1.5	2.2	1.5	0.3	1.0	1.0	1.2	1.6	10.7	39.6	60.2	92.5	108.6	140.3	2.0	7.1	3.8	51.8	401.6
Non-GAAP Tax Rate%	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%	8.0%	8.0%	15.0%	15.0%	18.0%	18.0%	20.0%	0.0%	0.0%	0.0%	13.8%	18.1%
Net Income - Non-GAAP	(6.2)	2.3	4.2	(22.5)	(14.7)	(40.7)	(11.1)	(9.9)	(2.5)	(6.9)	(46.9)	(76.4)	(43.2)	18.0	122.9	224.4	341.3	421.3	494.9	561.2	(22.1)	(76.4)	(132.7)	322.1	1,818.7
Net margin - Non-GAAP(%)	-9.2%	3.4%	5.8%	-27.6%	-14.8%	-39.4%	-8.1%	-5.8%	-1.3%	-3.3%	-21.7%	-28.5%	-11.0%	3.4%	14.9%	19.9%	28.0%	26.9%	27.2%	26.8%	-7.6%	-15.0%	-15.0%	11.2%	27.2%
Net Income - MW	(15.7)	(19.7)	(13.2)	(33.0)	(25.1)	(53.8)	(23.4)	(25.4)	(12.8)	(337.7)	(169.7)	(179.3)	(120.5)	(50.8)	60.4	187.9	297.2	380.8	448.2	523.4	(81.7)	(127.8)	(699.6)	77.0	1,649.5
Net margin - MW (%)	-23.6%	-28.3%	-18.2%	-40.5%	-25.2%	-52.1%	-17.2%	-14.8%	-6.7%	-160.9%	-78.5%	-66.9%	-30.8%	-9.5%	7.3%	16.7%	24.4%	24.3%	24.7%	25.0%	-28.1%	-25.1%	-79.0%	2.7%	24.6%
EPS - Non-GAAP									(0.04)	(0.05)	(0.21)	(0.33)	(0.19)	0.06	0.39	0.71	1.08	1.32	1.54	1.74			(0.46)	1.03	5.68
EPS - MW									(0.20)	(2.24)	(0.75)	(0.78)	(0.52)	(0.22)	0.19	0.60	0.94	1.19	1.40	1.62			(3.38)	0.25	5.15
EPS - GAAP									(0.22)	(2.98)	(0.87)	(0.90)	(0.67)	(0.39)	0.09	0.45	0.82	1.03	1.20	1.40			(4.19)	(0.33)	4.46
Income Statement (GAAP)																									
Net Revenue (GAAP)	66.6	69.8	72.3	81.5	99.5	103.3	135.7	171.4	193.4	180.1	194.6	270.5	426.9	610.3	996.3	1,374.9	1,460.6	1,875.0	2,176.9	2,500.5	290.3	510.0	838.6	3,408.4	8,013.0
y/y change (%)					49.3%	48.1%	87.7%	110.3%	94.4%	74.3%	43.4%	57.8%	120.7%	238.8%	412.0%	408.3%	242.1%	207.2%	118.5%	81.9%	268.6%	75.7%	64.4%	306.4%	135.1%
q/q change (%)		4.7%	3.7%	12.7%	22.1%	3.8%	31.3%	26.3%	12.8%	-6.9%	8.0%	39.0%	57.8%	43.0%	63.2%	38.0%	6.2%	28.4%	16.1%	14.9%					
Cost of revenue - GAAP	41.5	38.9	40.3	46.8	57.9	71.2	80.6	101.2	107.2	154.6	154.1	200.0	314.8	423.8	592.4	791.3	815.5	1,042.6	1,198.1	1,360.0	167.5	310.9	615.9	2,122.3	4,416.1
Gross Profit - GAAP	25.1	30.9	32.0	34.7	41.6	32.1	55.1	70.2	86.2	25.6	40.5	70.5	112.2	186.5	403.9	583.7	645.1	832.4	978.9	1,140.5	122.7	199.1	222.7	1,286.2	3,596.9
Gross Margin - GAAP (%)	37.7%	44.3%	44.2%	42.6%	41.8%	31.1%	40.6%	41.0%	44.6%	14.2%	20.8%	26.1%	26.3%	30.6%	40.5%	42.4%	44.2%	44.4%	45.0%	45.6%	42.3%	39.0%	26.6%	37.7%	44.9%
R&D	33.6	44.0	38.5	42.1	52.8	60.8	57.3	72.5	75.5	320.2	173.7	177.8	165.2	182.2	244.3	284.2	231.5	297.3	343.6	394.2	158.23	243.3	747.1	875.8	1,266.6
% of revenue	50.5%	63.0%	53.2%	51.6%	53.0%	58.8%	42.2%	42.3%	39.0%	177.8%	89.3%	65.7%	38.7%	29.9%	24.5%	20.7%	15.8%	15.9%	15.8%	15.8%	54.5%	47.7%	89.1%	25.7%	15.8%
S&M	3.5	3.6	6.6	7.1	10.3	18.2	20.8	21.3	14.7	87.0	25.3	41.2	56.9	70.4	89.9	101.8	77.1	99.0	114.5	131.7	20.9	70.6	168.2	319.1	422.3
% of revenue	5.3%	5.2%	9.1%	8.7%	10.4%	17.6%	15.4%	12.4%	7.6%	48.3%	13.0%	15.2%	13.3%	11.5%	9.0%	7.4%	5.3%	5.3%	5.3%	5.3%	7.2%	13.9%	20.1%	9.4%	5.3%
G&A	5.8	7.0	6.3	25.8	7.0	10.3	3.5	10.2	11.0	95.7	45.4	50.9	43.3	45.3	57.7	65.5	61.9	79.2	91.6	105.3	45.0	31.0	203.0	211.9	337.9
% of revenue											23.3%	18.8%	10.1%	7.4%	5.8%	4.8%	4.2%	4.2%	4.2%	4.2%	15.5%	6.1%	24.2%	6.2%	4.2%
Total Opex - GAAP	43.0	54.6	51.4	75.1	70.1	89.3	81.6	104.0	101.2	502.8	244.4	269.9	265.4	298.0	392.0	451.5	370.4	475.4	549.8	631.2	224.1	344.9	1,118.3	1,406.8	2,026.8
Operating Income - GAAP	(17.9)	(23.8)	(19.4)	(40.3)	(28.5)	(57.2)	(26.5)	(33.7)	(15.0)	(477.2)	(203.9)	(199.4)	(153.2)	(111.5)	11.9	132.2	274.7	357.0	429.0	509.4	(101.4)	(145.9)	(895.5)	(120.7)	1,570.1
Operating Margin (%)	-26.8%	-34.1%	-26.8%	-49.5%	-28.6%	-55.3%	-19.5%	-19.7%	-7.8%	-265.0%	-104.8%	-73.7%	-35.9%	-18.3%	1.2%	9.6%	18.8%	19.0%	19.7%	20.4%	-34.9%	-28.6%	-106.8%	-3.5%	19.6%
Other income (expense), net	2.4	(26.8)	(289.7)	(64.1)	6.3	368.4	5.8	10.3	2.5	27.0	7.0	(5.0)	-	20.0	20.0	20.0	20.0	20.0	20.0	20.0	(378.3)	390.7	31.5	60.0	80.0
Interest Expense	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Income/Expense	2.4	3.5	7.2	9.9	6.3	5.0	5.8	10.3	2.5	27.0	7.0	(5.0)	-	20.0	20.0	20.0	20.0	20.0	20.0	20.0	23.0	27.4	31.5	60.0	80.0
GAAP 1x Items (non-operating)	-	(30.3)	(296.9)	(74.0)	-	363.3	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(401.3)	363.3	-	-	-
Profit before tax - GAAP	(15.5)	(50.6)	(309.1)	(104.5)	(22.2)	311.2	(20.7)	(23.4)	(12.5)	(450.3)	(196.9)	(204.4)	(153.2)	(91.5)	31.9	152.2	294.7	377.0	449.0	529.4	(479.6)	244.9	(864.0)	(60.7)	1,650.1
Income tax provision (benefit) - GAAP	0.1	0.3	0.3	1.3	1.7	1.7	1.5	2.2	1.5	0.3	1.0	1.0	1.22	1.10	4.31	9.74	35.36	49.01	62.87	76.76	2.0	7.1	3.8	16.4	224.0
GAAP Tax Rate%	-0.4%	-0.5%	-0.1%	-1.3%	-7.6%	0.5%	-7.3%	-9.4%	-12.0%	-0.3%	-0.5%	-0.5%	-0.8%	-1.2%	13.5%	6.4%	12.0%	13.0%	14.0%	14.5%	-0.4%	2.9%	-0.4%	-27.0%	13.6%
Net income - GAAP	(15.5)	(50.9)	(309.4)	(105.8)	(23.9)	309.5	(22.2)	(25.6)	(14.0)	(450.5)	(197.9)	(205.4)	(154.5)	(92.6)	27.6	142.4	259.3	328.0	386.2	452.6	(481.602)	237.8	(867.9)	(77.0)	1,426.1
Net margin (%)	-23.3%	-72.9%	-427.8%	-129.8%	-24.0%	299.6%	-16.4%	-14.9%	-7.2%	-250.1%	-101.7%	-75.9%	-36.2%	-15.2%	2.8%	10.4%	17.8%	17.5%	17.7%	18.1%	-165.9%	46.6%	-103.5%	-2.3%	17.8%

Source: Company Data, Morgan Stanley Research estimates (E)

Exhibit 4: CBRS: Projected Balance Sheet

Cerebras Systems Inc - Balance Sheet ($ in millions; fiscal year ends in December)	2024/1F Mar-24 F1Q24A	2043/2F Jun-24 F2Q23A	2024/3F Sep-24 F3Q24A	2024/4F Dec-24 F4Q24A	2025/1F Mar-25 F1Q25A	2025/2F Jun-25 F2Q25A	2025/3F Sep-25 F3Q25A	2025/4F Dec-25 F4Q25A
Assets								
Cash and cash equivalents	42.9	90.9	200.4	220.2	130.9	179.8	1,163.9	701.7
Restricted cash	-	263.0	497.4	361.8	341.1	197.0	170.3	228.7
Investments	128.1	118.4	115.4	116.9	76.5	20.6	0.0	406.5
Accounts receivable, net	55.7	5.8	10.9	137.4	80.6	11.9	34.6	50.4
Inventories	56.6	78.0	118.2	174.5	79.4	47.6	73.0	63.6
Prepaid expenses and other current assets	9.3	15.5	72.3	19.6	15.8	23.6	19.6	104.1
Total current assets	**292.7**	**571.6**	**1,014.6**	**1,030.5**	**724.3**	**480.6**	**1,461.4**	**1,555.019**
Property and equipment, net	21.8	23.3	30.3	43.2	174.8	270.2	365.4	437.4
Right-of-use assets	18.3	25.1	39.5	36.6	33.7	30.7	143.5	249.0
Other assets	1.2	2.6	6.3	2.5	2.7	1.6	1.7	84.7
Total assets	**334.0**	**622.7**	**1,090.7**	**1,112.7**	**935.5**	**783.1**	**1,972.0**	**2,326.037**
Liabilities and shareholder's equity								
Accounts payable	8.1	13.4	27.3	25.6	19.0	34.8	39.8	48.6
Accrued liabilities	31.5	35.9	34.6	72.4	58.5	82.2	89.9	72.0
Deferred revenue	77.6	33.7	30.8	38.5	49.7	49.1	59.0	139.9
Customer deposit	5.0	300.0	643.4	640.3	480.7	319.8	306.3	354.5
Forward contract liability	-	30.3	289.3	363.3	363.3	-	-	-
Total other current liabilities	15.9	29.4	38.3	42.6	39.1	49.7	76.5	105.3
Total current liabilities	**138.0**	**442.7**	**1,063.8**	**1,182.8**	**1,010.5**	**535.5**	**571.5**	**720.240**
Working Capital Loan	-	-	-	-	-	-	-	-
Deferred revenue, net of current portion	19.6	15.2	17.1	18.9	22.7	24.9	25.0	27.0
Other non - current liabilities	16.7	21.4	31.1	27.8	28.8	20.4	119.5	216.0
Total liabilities	**174.3**	**479.4**	**1,112.0**	**1,229.5**	**1,062.0**	**580.8**	**715.9**	**963.229**
Redeemable convertible preferred stock, $0.0000	722.8	722.8	850.1	850.1	850.1	850.1	1,908.3	1,933.3
Shareholder's equity								
Common stock	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Additional paid-in-capital	113.8	148.2	165.6	176.2	188.6	206.2	223.6	346.8
Treasury stock	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(21.5)
Total share capital	**113.7**	**148.1**	**165.5**	**176.1**	**188.5**	**206.1**	**223.5**	**325.373**
Accumulated other comprehensive income	0.6	0.5	0.6	0.2	0.3	0.3	(0.7)	1.3
Retained earnings	(677.3)	(728.2)	(1,037.5)	(1,143.2)	(1,165.4)	(854.2)	(875.1)	(897.2)
Total shareholder's equity	**(563.1)**	**(579.5)**	**(871.3)**	**(966.8)**	**(976.6)**	**(647.8)**	**(652.3)**	**(570.541)**
Total liabilities and shareholder's equity	**334.0**	**622.7**	**1,090.7**	**1,112.7**	**935.5**	**783.1**	**1,972.0**	**2,326.037**

Cerebras Systems Inc - Balance Sheet ($ in millions; fiscal year ends in December)	2026/1F Mar-26 F1Q26A	2026/2F Jun-26 F2Q26A	2026/3F Sep-26 F3Q26E	2026/4F Dec-26 F4Q26E	2027/1F Mar-27 F1Q27E	2027/2F Jun-27 F2Q27E	2026/1F Sep-27 F3Q27E	2027/4F Dec-27 F4Q27E	2028/1F Mar-28 F1Q28E	2028/2F Jun-28 F2Q28E	2027/1F Sep-28 F3Q28E	2028/4F Dec-28 F4Q28E
Assets												
Cash and cash equivalents	1,716.0	6,742.2	6,115.0	5,313.3	6,045.0	5,253.8	4,855.0	4,751.6	3,719.9	5,688.2	5,398.0	6,999.7
Restricted cash	1,029.1	684.7	684.7	684.7	-	-	-	-	-	-	-	-
Investments	515.6	1,179.4	1,179.4	1,179.4	-	-	-	-	-	-	-	-
Accounts receivable, net	62.6	123.4	82.1	118.6	195.0	266.2	412.8	561.7	1,183.7	216.4	555.6	1,003.4
Inventories	89.0	32.7	73.5	88.7	118.5	146.4	185.0	237.2	1,117.9	697.0	1,085.9	398.5
Prepaid expenses and other current assets	168.6	359.5	42.2	53.4	78.0	106.5	165.1	224.7	233.7	300.0	348.3	401.4
Total current assets	**3,581.0**	**9,121.7**	**8,176.9**	**7,438.0**	**6,436.5**	**5,772.8**	**5,617.8**	**5,775.2**	**6,255.3**	**6,901.6**	**7,387.8**	**8,802.9**
Property and equipment, net	572.4	986.8	1,432.0	2,034.2	3,146.4	4,090.2	4,929.7	5,778.3	5,695.4	6,476.6	7,086.3	7,660.1
Right-of-use assets	353.3	528.3	994.5	1,502.2	2,400.4	3,464.5	5,691.4	7,967.2	8,308.1	10,552.2	12,329.8	13,938.8
Other assets	441.7	991.1	991.1	991.1	991.1	991.1	991.1	991.1	991.1	991.1	991.1	991.1
Total assets	**4,948.4**	**11,627.9**	**11,594.5**	**11,965.5**	**12,974.4**	**14,318.7**	**17,230.0**	**20,511.7**	**21,249.8**	**24,921.5**	**27,795.0**	**31,392.8**
Liabilities and shareholder's equity												
Accounts payable	50.3	88.3	66.2	79.9	113.4	146.4	185.0	237.2	268.1	509.4	592.1	398.5
Accrued liabilities	171.0	236.9	84.4	106.7	156.0	213.0	330.2	449.4	467.4	600.0	696.6	802.7
Deferred revenue	149.9	173.7	173.7	173.7	173.7	173.7	173.7	173.7	173.7	173.7	173.7	173.7
Customer deposit	368.4	242.7	306.8	216.4	135.7	54.8	-	-	-	-	-	-
Forward contract liability	-	-	-	-	-	-	-	-	-	-	-	-
Total other current liabilities	687.5	824.5	1,126.6	1,674.4	2,662.7	3,838.6	6,294.7	8,817.2	9,231.9	11,755.8	13,760.9	15,609.5
Total current liabilities	**1,427.2**	**1,566.1**	**1,757.7**	**2,251.1**	**3,241.6**	**4,426.5**	**6,983.7**	**9,677.5**	**10,141.2**	**13,038.9**	**15,223.4**	**16,984.4**
Working Capital Loan	361.6	182.2	122.21	29.61	-	-	-	-	-	-	-	-
Deferred revenue, net of current portion	94.3	244.5	110.4	140.2	213.4	335.0	537.8	846.6	730.3	1,012.5	1,132.0	2,313.5
Other non - current liabilities	312.5	480.4	480.4	480.4	480.4	480.4	480.4	480.4	480.4	480.4	480.4	480.4
Total liabilities	**2,195.7**	**2,473.2**	**2,470.7**	**2,901.4**	**3,935.4**	**5,241.9**	**8,001.9**	**11,004.5**	**11,351.9**	**14,531.7**	**16,835.8**	**19,778.4**
Redeemable convertible preferred stock, $0.0000	2,947.4	-	-	-	-	-	-	-	-	-	-	-
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
Additional paid-in-capital	(21.5)	10,540.2	10,707.2	10,853.0	10,982.3	11,112.7	11,236.5	11,373.1	11,504.5	11,668.3	11,851.7	12,054.3
Treasury stock	742.7	(21.5)	(21.5)	(21.5)	(21.5)	(21.5)	(21.5)	(21.5)	(21.5)	(21.5)	(21.5)	(21.5)
Total share capital	**721.3**	**10,518.7**	**10,685.8**	**10,831.5**	**10,960.8**	**11,091.3**	**11,215.0**	**11,351.7**	**11,483.1**	**11,646.9**	**11,830.2**	**12,032.8**
Accumulated other comprehensive income	3.4	5.8	5.8	5.8	5.8	5.8	5.8	5.8	5.8	5.8	5.8	5.8
Retained earnings	(919.3)	(1,369.9)	(1,567.8)	(1,773.2)	(1,927.6)	(2,020.3)	(1,992.7)	(1,850.2)	(1,590.9)	(1,262.9)	(876.7)	(424.1)
Total shareholder's equity	**(194.7)**	**9,154.6**	**9,123.8**	**9,064.1**	**9,038.9**	**9,076.8**	**9,228.1**	**9,507.2**	**9,897.9**	**10,389.7**	**10,959.3**	**11,614.5**
Total liabilities and shareholder's equity	**4,948.4**	**11,627.9**	**11,594.5**	**11,965.5**	**12,974.4**	**14,318.7**	**17,230.0**	**20,511.7**	**21,249.8**	**24,921.5**	**27,795.0**	**31,392.8**

Cerebras Systems Inc - Balance Sheet ($ in millions; fiscal year ends in December)	CY2023A FY2023A	CY2024A FY2024A	CY2025A FY2025A	CY2026E FY2026E	CY2027E FY2027E	CY2028E FY2028E
Assets						
Cash and cash equivalents	34.8	220.2	701.7	5,313.3	4,751.6	6,999.7
Restricted cash	0.0	361.8	228.7	684.7	-	-
Investments	117.6	116.9	406.5	1,179.4	-	-
Accounts receivable, net	6.8	137.4	50.4	118.6	561.7	1,003.4
Inventories	49.1	174.5	63.6	88.7	237.2	398.5
Prepaid expenses and other current assets	4.0	19.6	104.1	53.4	224.7	401.4
Total current assets	**1,014.6**	**1,030.5**	**1,555.0**	**7,438.0**	**5,775.2**	**8,802.9**
Property and equipment, net	12.5	43.2	437.4	2,034.2	5,778.3	7,660.1
Right-of-use assets	0.5	36.6	249.0	1,502.2	7,967.2	13,938.8
Other assets	0.2	2.5	84.7	991.1	991.1	991.1
Total assets	**1,090.7**	**1,112.7**	**2,326.0**	**11,965.5**	**20,511.7**	**31,392.8**
Liabilities and shareholder's equity						
Accounts payable	14.7	25.6	48.6	79.9	237.2	398.5
Accrued liabilities	20.4	72.4	72.0	106.7	449.4	802.7
Deferred revenue	13.7	38.5	139.9	173.7	173.7	173.7
Customer deposit	-	640.3	354.5	216.4	-	-
Forward contract liability	-	363.3	-	-	-	-
Total other current liabilities	5.8	42.6	105.3	1,674.4	8,817.2	15,609.5
Total current liabilities	**54.6**	**1,182.8**	**720.2**	**2,251.1**	**9,677.5**	**16,984.4**
Working Capital Loan	-	-	-	29.6	-	-
Deferred revenue, net of current portion	5.6	18.9	27.0	140.2	846.6	2,313.5
Other non - current liabilities	1.5	27.8	216.0	480.4	480.4	480.4
Total liabilities	**1,112.0**	**1,229.5**	**963.2**	**2,901.4**	**11,004.5**	**19,778.4**
Redeemable convertible preferred stock, $0.0000	722.8	850.1	1,933.3	-	-	-
Shareholder's equity						
Common stock	0.0	0.0	0.0	0.0	0.0	0.0
Additional paid-in-capital	101.6	176.2	346.8	10,853.0	11,373.1	12,054.3
Treasury stock	(0.1)	(0.1)	(21.5)	(21.5)	(21.5)	(21.5)
Total share capital	**101.5**	**176.1**	**325.4**	**10,831.5**	**11,351.7**	**12,032.8**
Accumulated other comprehensive income	1.1	0.2	1.3	5.8	5.8	5.8
Retained earnings	(661.6)	(1,143.2)	(897.2)	(1,773.2)	(1,850.2)	(424.1)
Total shareholder's equity	**(871.3)**	**(966.8)**	**(570.5)**	**9,064.1**	**9,507.2**	**11,614.5**
Total liabilities and shareholder's equity	**1,090.7**	**1,112.7**	**2,326.0**	**11,965.5**	**20,511.7**	**31,392.8**

Source: Company Data, Morgan Stanley Research estimates (E)

Exhibit 5: CBRS: Projected Cash Flow Statement

Cerebras Systems Inc - Cash Flow Statement ($ in millions; fiscal year ends in December)	2024/1F Mar-24 F1Q24A	2043/2F Jun-24 F2Q23A	2024/3F Sep-24 F3Q24A	2024/4F Dec-24 F4Q24A	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 F2Q26A	2026/3F Sep-26 F3Q26E	2026/4F Dec-26 F4Q26E
Cash flows from operating activities												
Net income (loss)	(15.5)	(50.9)	(309.4)	(105.8)	(23.9)	309.5	(22.2)	(25.6)	(14.0)	(450.5)	(197.9)	(205.4)
Adjustments to reconcile NI (loss) to operating cash flow:												
Depreciation and amortization	2.0	2.1	2.7	4.6	3.9	5.4	8.6	16.5	18.2	24.4	66.0	97.7
Stock-based compensation	9.4	22.9	16.8	9.4	9.2	13.3	11.3	16.0	9.6	377.0	122.8	102.9
Non-cash lease expense / right of use assets	1.3	1.3	2.1	2.9	2.9	3.0	7.9	8.9	15.8	23.3	-	-
Warrant Contra Revenue	-	-	-	-	-	-	-	-	-	-	44.2	42.8
Provision for product warranties	(0.0)	-	0.2	12.4	5.6	3.1	5.7	6.6	4.6	3.8	-	-
Change in fair value of forward contract liability	-	30.3	296.9	74.0	-	(363.3)	-	-	-	-	-	-
Others	(2.0)	0.8	(0.6)	(1.1)	(0.3)	(0.6)	(0.6)	4.7	20.0	62.8	-	-
Changes in operating assets:												
Accounts receivable, net	(49.0)	49.9	(5.1)	(126.5)	56.8	68.7	(22.7)	(15.8)	(12.2)	(60.7)	41.3	(36.5)
Inventory	(11.3)	(22.6)	(39.5)	(71.5)	94.2	31.3	(25.3)	3.9	(21.7)	52.8	(40.9)	(15.2)
Prepaid expenses and other assets	(6.3)	(5.6)	(1.8)	(3.5)	3.7	28.1	(30.9)	(14.8)	(57.6)	(124.7)	317.3	(11.2)
Changes in operating liabilities:										-		
Accounts payable	(6.6)	4.5	13.9	(2.8)	(6.0)	0.2	11.9	15.0	(10.1)	10.6	(22.1)	13.7
Accrued liabilities and compensation	-	-	-	-	-	-	-	-	-	-	(152.5)	22.3
Deferred revenue	78.0	(48.2)	(1.1)	9.6	15.1	1.5	10.0	82.9	36.8	89.7	(134.1)	29.8
Customer deposits	-	300.0	288.5	51.8	(159.6)	(161.0)	(13.5)	48.2	14.0	(125.8)	64.1	(90.4)
Other liabilities	8.3	12.2	(20.1)	50.0	(18.0)	(4.4)	35.9	(18.4)	9.0	57.5	(164.1)	40.1
Net cash provided by (used in) operating activities	**8.3**	**296.8**	**243.6**	**(96.6)**	**(16.5)**	**(65.3)**	**(23.9)**	**128.2**	**12.3**	**(59.8)**	**(55.9)**	**(9.3)**
Running Total per Year	*8.3*	*305.1*	*548.7*	*452.1*	*(16.5)*	*(81.8)*	*(105.6)*	*22.6*	*12.3*	*(47.5)*	*(103.4)*	*(112.7)*
Cash flows from investing activities:												
Purchase of property and equipment, net	(7.9)	(3.9)	(11.4)	(0.2)	(138.3)	(92.2)	(103.9)	(89.2)	(132.0)	(416.9)	(511.2)	(699.8)
Purchases of investment	(87.4)	(65.4)	(67.6)	(82.5)	(20.2)	-	-	(505.2)	(308.8)	(966.7)	-	-
Maturities and sales of investments	78.0	76.9	72.4	82.3	61.7	56.3	20.6	102.0	204.2	310.3	-	-
Net cash used in investing activities	**(17.3)**	**7.5**	**(6.7)**	**(0.4)**	**(96.8)**	**(35.9)**	**(83.2)**	**(492.4)**	**(236.6)**	**(1,073.3)**	**(511.2)**	**(699.8)**
Running Total per Year	*(17.3)*	*(9.8)*	*(16.4)*	*(16.8)*	*(96.8)*	*(132.7)*	*(215.9)*	*(708.3)*	*(236.6)*	*######*	*######*	*(2,521.0)*
Cash flows from financing activities:												
Proceeds from exercise of stock options	3.2	15.1	8.9	0.6	1.6	3.6	5.4	6.7	1,019.6	14.9	-	-
Repurchases of early exercised stock options	-	(0.0)	-	-	-	(0.0)	-	-	-	-	-	-
Repurchase of common stock	-	-	-	-	-	-	-	(90.7)	-	-	-	-
Proceeds from Issuance of Debt	-	-	-	-	-	-	-	-	1,004.6	-	-	-
Repayment of Debt	-	-	-	-	-	-	-	-	-	-	(60.0)	(92.6)
Proceeds from issuance of stock	-	-	84.9	-	-	-	1,058.3	41.7	15.0	0.0	-	-
Payment of deferred offering costs	11.8	(8.6)	13.8	(0.3)	-	-	-	-	(1.0)	5,800.2	-	-
Net cash provided by (used in) financing activities	**15.0**	**6.5**	**107.6**	**0.3**	**1.6**	**3.6**	**1,063.7**	**(42.3)**	**2,038.1**	**5,815.1**	**(60.0)**	**(92.6)**
Running Total per Year	*15.0*	*21.4*	*129.0*	*129.3*	*1.6*	*5.1*	*1,068.8*	*1,026.5*	*2,038.1*	*7,853.2*	*7,793.2*	*7,700.6*
Effect of exchange rate on cash	(0.1)	0.1	(0.7)	(53.3)	0.2	0.7	(0.6)	7.3	0.9	(0.3)	-	-
Cash, cash equivalents (BOP)	**34.8**	**42.9**	**353.9**	**697.8**	**582.0**	**472.0**	**376.9**	**1,334.2**	**930.4**	**2,745.1**	**7,426.8**	**6,799.7**
Net increase (decrease) in cash, cash equivalents	5.8	310.9	343.9	(149.9)	(111.6)	(96.8)	955.9	(399.1)	1,813.8	4,682.0	(627.1)	(801.7)
Change in cash flow due to restatement	2.4	-	0.0	34.2	1.7	1.7	1.3	(4.7)	0.9	(0.3)	-	-
Cash, cash equivalents (EOP)	**42.9**	**353.9**	**697.8**	**582.0**	**472.0**	**376.9**	**1,334.2**	**930.4**	**2,745.1**	**7,426.8**	**6,799.7**	**5,998.0**
Cash, cash equivalents and restricted cash (EOP)	**77.0**	**387.9**	**731.8**	**581.8**	**470.2**	**373.4**	**1,329.4**	**930.2**	**2,744.1**	**7,426.1**	**6,798.9**	**5,997.2**

Cerebras Systems Inc - Cash Flow Statement ($ in millions; fiscal year ends in December)	2027/1F Mar-27 F1Q27E	2027/2F Jun-27 F2Q27E	2026/1F Sep-27 F3Q27E	2027/4F Dec-27 F4Q27E	2028/1F Mar-28 F1Q28E	2028/2F Jun-28 F2Q28E	2027/1F Sep-28 F3Q28E	2028/4F Dec-28 F4Q28E	CY2023A FY2023A	CY2024A FY2024A	CY2025A FY2025A	CY2026E FY2026E	CY2027E FY2027E	CY2028E FY2028E
Cash flows from operating activities														
Net income (loss)	(154.5)	(92.6)	27.6	142.4	259.3	328.0	386.2	452.6	(127.2)	(481.6)	237.8	(867.9)	(77.0)	1,426.1
Adjustments to reconcile NI (loss) to operating cash flow:														
Depreciation and amortization	144.7	206.4	263.9	319.6	417.0	424.5	422.6	416.0	10.6	11.5	34.5	206.2	934.7	1,680.2
Stock-based compensation	77.3	69.3	68.9	66.4	69.1	84.0	92.4	101.3	26.6	58.6	49.8	612.3	281.8	346.8
Non-cash lease expense / right of use assets	-	-	-	-	-	-	-	-	0.7	7.6	22.7	39.1	-	-
Warrant Contra Revenue	52.0	61.2	54.9	70.3	62.3	79.9	90.9	101.3	-	-	-	87.1	238.3	334.4
Provision for product warranties	-	-	-	-	-	-	-	-	(0.0)	12.5	21.0	8.4	-	-
Change in fair value of forward contract liability	-	-	-	-	-	-	-	-	-	401.3	(363.3)	-	-	-
Others	-	-	-	-	-	-	-	-	0.5	(3.0)	3.2	82.8	-	-
Changes in operating assets:														
Accounts receivable, net	(76.4)	(71.2)	(146.5)	(149.0)	(622.0)	967.3	(339.2)	(447.8)	(3.0)	(130.7)	87.0	(68.1)	(443.2)	(441.7)
Inventory	(29.7)	(27.9)	(38.6)	(52.2)	(880.7)	420.9	(388.9)	687.4	(25.2)	(145.0)	104.1	(25.0)	(148.4)	(161.3)
Prepaid expenses and other assets	(24.6)	(28.5)	(58.6)	(59.6)	(9.0)	(66.3)	(48.3)	(53.0)	0.5	(17.1)	(13.9)	123.8	(171.3)	(176.7)
Changes in operating liabilities:														
Accounts payable	33.6	32.9	38.6	52.2	30.9	241.3	82.7	(193.6)	9.8	9.0	21.2	(7.9)	157.3	161.3
Accrued liabilities and compensation	49.3	57.0	117.2	119.2	18.0	132.6	96.6	106.1	8.7	-	-	(130.2)	342.7	353.3
Deferred revenue	73.2	121.6	202.8	308.8	(116.3)	282.2	119.5	1,181.5	15.2	38.2	109.5	22.1	706.4	1,466.9
Customer deposits	(80.7)	(80.8)	(54.8)	-	-	-	-	-	-	640.3	(285.9)	(138.0)	(216.4)	-
Other liabilities	90.1	111.7	229.3	246.7	73.9	279.7	227.6	239.7	3.8	50.4	(5.0)	(57.5)	677.8	820.8
Net cash provided by (used in) operating activities	**154.3**	**359.0**	**704.7**	**1,064.8**	**(697.5)**	**3,173.9**	**742.2**	**2,591.5**	**(79.0)**	**452.1**	**22.6**	**(112.7)**	**2,282.7**	**5,810.1**
Running Total per Year	*154.3*	*513.2*	*1,217.9*	*2,282.7*	*(697.5)*	*2,476.4*	*3,218.6*	*5,810.1*						
Cash flows from investing activities:														
Purchase of property and equipment, net	(1,257.0)	(1,150.2)	(1,103.4)	(1,168.2)	(334.1)	(1,205.7)	(1,032.4)	(989.8)	(6.6)	(23.4)	(423.5)	(1,759.9)	(4,678.9)	(3,562.0)
Purchases of investment	-	-	-	-	-	-	-	-	(265.6)	(302.9)	(525.4)	(1,275.5)	-	-
Maturities and sales of investments	1,179.4	-	-	-	-	-	-	-	353.9	309.5	240.6	514.5	1,179.4	-
Net cash used in investing activities	**(77.6)**	**(1,150.2)**	**(1,103.4)**	**(1,168.2)**	**(334.1)**	**(1,205.7)**	**(1,032.4)**	**(989.8)**	**81.7**	**(16.8)**	**(708.3)**	**(2,521.0)**	**(3,499.5)**	**(3,562.0)**
Running Total per Year	*(77.6)*	*(1,227.8)*	*(2,331.3)*	*(3,499.5)*	*(334.1)*	*(1,539.8)*	*(2,572.2)*	*(3,562.0)*						
Cash flows from financing activities:														
Proceeds from exercise of stock options	-	-	-	-	-	-	-	-	6.0	27.8	17.3	1,034.5	-	-
Repurchases of early exercised stock options	-	-	-	-	-	-	-	-	(0.1)	(0.0)	(0.0)	-	-	-
Repurchase of common stock	-	-	-	-	-	-	-	-	-	-	(90.7)	-	-	-
Proceeds from Issuance of Debt	-	-	-	-	-	-	-	-	-	-	-	1,004.6	-	-
Repayment of Debt	(29.6)	-	-	-	-	-	-	-	-	-	-	(152.6)	(29.6)	-
Proceeds from issuance of stock	-	-	-	-	-	-	-	-	-	84.9	1,100.0	15.0	-	-
Payment of deferred offering costs	-	-	-	-	-	-	-	-	-	16.7	-	5,799.2	-	-
Net cash provided by (used in) financing activities	**(29.6)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**5.9**	**129.3**	**1,026.5**	**7,700.6**	**(29.6)**	**-**
Running Total per Year	*(29.6)*	*(29.6)*	*(29.6)*	*(29.6)*	*-*	*-*	*-*	*-*						
Effect of exchange rate on cash	-	-	-	-	-	-	-	-	(0.0)	(54.0)	7.6	0.6	-	-
Cash, cash equivalents (BOP)	**5,998.0**	**6,045.0**	**5,253.8**	**4,855.0**	**4,751.6**	**3,719.9**	**5,688.2**	**5,398.0**	**62.5**	**34.8**	**582.0**	**930.4**	**5,998.6**	**4,752.2**
Net increase (decrease) in cash, cash equivalents	47.0	(791.2)	(398.8)	(103.4)	(1,031.6)	1,968.2	(290.2)	1,601.7	8.7	510.7	348.4	5,067.6	(1,246.4)	2,248.2
Change in cash flow due to restatement	-	-	-	-	-	-	-	-	(36.4)	36.5	(0.0)	0.6	-	-
Cash, cash equivalents (EOP)	**6,045.0**	**5,253.8**	**4,855.0**	**4,751.6**	**3,719.9**	**5,688.2**	**5,398.0**	**6,999.7**	**34.8**	**582.0**	**930.4**	**5,998.6**	**4,752.2**	**7,000.4**
Cash, cash equivalents and restricted cash (EOP)	**6,044.2**	**5,253.0**	**4,854.2**	**4,750.8**	**3,719.2**	**5,687.4**	**5,397.2**	**6,998.9**	**71.1**	**581.8**	**930.2**	**5,997.8**	**4,751.4**	**6,999.6**

Source: Company Data, Morgan Stanley Research estimates (E)

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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(as of July 31, 2026)

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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	1529	42%	442	47%	29%	750	43%
Equal-weight/Hold	1582	43%	396	42%	25%	773	44%
Not-Rated/Hold	3	0%	1	0%	33%	1	0%
Underweight/Sell	560	15%	97	10%	17%	217	12%
Total	3,674		936			1741	

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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Unless otherwise specified, the time frame for price targets included in Morgan Stanley Research is 12 to 18 months.

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Attractive (A): The analyst expects the performance of his or her industry coverage universe over the next 12-18 months to be attractive vs. the relevant broad market benchmark, as indicated below.

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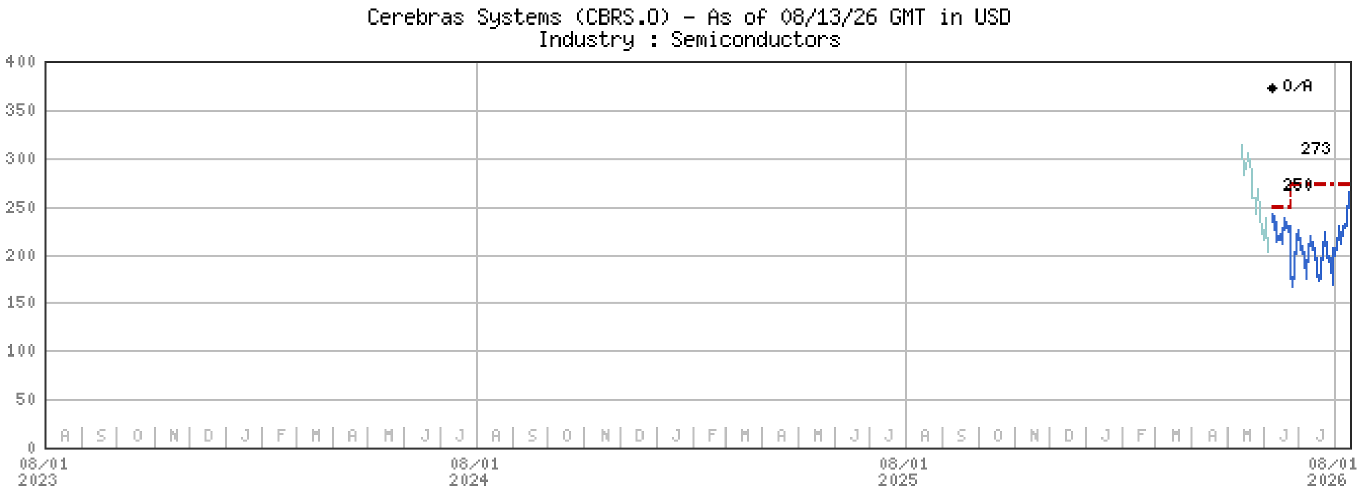
Stock Price, Price Target and Rating History (See Rating Definitions)



Stock Rating History: 6/8/26 : O/A

Price Target History: 6/8/26 : 250; 6/23/26 : 273

Source: Morgan Stanley Research Date Format : MM/DD/YY Price Target -- No Price Target Assigned (NA)
Stock Price (Not Covered by Current Analyst) Stock Price (Covered by Current Analyst)
Stock and Industry Ratings (abbreviations below) appear as ♦ Stock Rating/Industry View
Stock Ratings: Overweight (O) Equal-weight (E) Underweight (U) Not-Rated (NR) No Rating Available (NA)
Industry View: Attractive (A) In-line (I) Cautious (C) No Rating (NR)

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COMPANY (TICKER)	RATING (AS OF)	PRICE* (08/12/2026)
Joseph Moore		
Advanced Micro Devices (AMD.O)	E (06/09/2024)	$482.93
Aeva Technologies Inc (AEVA.O)	E (07/19/2021)	$25.16
Allegro Microsystems Inc (ALGM.O)	O (02/13/2026)	$42.47
Ambarella Inc (AMBA.O)	O (03/29/2016)	$83.53
Amkor Technology Inc (AMKR.O)	E (11/08/2023)	$55.59
Analog Devices Inc. (ADI.O)	O (11/16/2023)	$384.43
Astera Labs Inc (ALAB.O)	O (05/11/2025)	$318.80
Broadcom Inc. (AVGO.O)	O (06/09/2024)	$416.05
Cerebras Systems (CBRS.O)	O (06/08/2026)	$262.06
GlobalFoundries Inc (GFS.O)	E (10/28/2024)	$53.18
Intel Corporation (INTC.O)	E (02/22/2023)	$100.95
IonQ Inc (IONQ.N)	E (04/25/2023)	$45.20
Marvell Technology Group Ltd (MRVL.O)	E (09/14/2015)	$217.08
Microchip Technology Inc. (MCHP.O)	E (07/10/2024)	$79.44
Micron Technology Inc. (MU.O)	O (10/06/2025)	$911.29
Navitas Semiconductor Corp (NVTS.O)	U (04/06/2025)	$13.93
NVIDIA Corp. (NVDA.O)	O (03/16/2023)	$224.09
NXP Semiconductor NV (NXPI.O)	O (02/11/2025)	$233.41
ON Semiconductor Corp. (ON.O)	++	$83.32
Qorvo Inc (QRVO.O)	E (10/28/2025)	$98.24
Qualcomm Inc. (QCOM.O)	E (06/24/2026)	$163.07
Quantinuum (QNT.O)	E (06/29/2026)	$71.74
SanDisk Corporation. (SNDK.O)	O (03/03/2025)	$1,344.29
Semtech Corp. (SMTC.O)	E (04/06/2025)	$140.00
Silicon Laboratories Inc. (SLAB.O)	E (01/19/2021)	$218.83
Skyworks Solutions Inc (SWKS.O)	E (11/28/2018)	$69.68
Texas Instruments (TXN.O)	U (04/13/2020)	$276.59
Wolfspeed, INC (WOLF.N)	NR (04/06/2025)	$31.71
Lee Simpson		
Arm Holdings plc (ARM.O)	E (04/07/2026)	$271.87

Cadence Design Systems Inc (CDNS.O)	O (02/14/2024)	$323.13
Synopsys Inc. (SNPS.O)	E (02/27/2026)	$412.32

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