Vertiv Holdings (VRT): Communacopia + Technology 2026 — Key Takeaways

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Presenters: Giordano Albertazzi (CEO) and Craig Chamberlin (EVP, CFO)

Bottom Line: Highlights from our discussion included: **1)** Vertiv commented on strong demand and a robust pipeline, supported by its product offerings and full solutions, and discussed future architectures including 800V DC; **2)** Vertiv commented that it continues to work through supply chain challenges; **3)** Management reiterated its 27%+ adjusted operating margin target in 2030; and **4)** On capital allocation, Vertiv commented that it will continue to invest in organic and inorganic opportunities, and highlighted the recently proposed UIG acquisition.

Key Takeaways

1) Vertiv highlighted strong demand and a robust pipeline, supported by its product offerings and full solutions, and discussed future architectures including 800V DC:

Vertiv spoke to strong demand and an attractive long-term growth opportunity driven by the datacenter market, in particular for AI, and its ability to offer full solutions (e.g. SmartRun and OneCore). Recall that the company's target organic revenue CAGR is 20-22% from 2025-2030, which is 4% above the market at the midpoint.

The company had commented that its pipeline increased on the 2Q call, and the company spoke to how demand has broadened geographically.

Importantly, management commented that despite recent headline volatility, including potential policy headwinds on datacenter construction, demand has remained strong. Moreover, the company discussed how its products help to address some policy related concerns, such as closed loop cooling.

On its tech roadmap, Vertiv discussed the transition to 800V DC power architectures to support higher density racks, including needing flexibility in the datacenter for different architectures as Vertiv believes datacenter architecture will vary based on

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customer types and needs. On the timeline of 800V, the company reiterated that customer validation is ongoing and that it would expect to see an acceleration of 800V sidecar products start to ship in 2H27 and that fully native 800V is expected to start in 2H27 with larger volume shipments in 2028.

Vertiv also discussed the advancement of its liquid cooling solutions, including strong initial demand for its new CoolLoop Trim Cooler.

On hyperscalers building their own power and cooling products, the company commented that this is not a new phenomenon in the industry, and that those customers still need suppliers who can help them with technology know how and product depth.

2) Vertiv commented that its continues to work through its supply chain challenges:

On the timing issues related to supply chain congestion and project phasing from 2Q, the company commented that it was specific to its converged infrastructure products (SmartRun and OneCore). Specifically, when industrializing these products the company ran into some coordination issues across factories. Management commented that its guidance allows for some hiccups but it is working to mature these products and processes. The company commented on the 2Q call that it was taking steps to alleviate these challenges, including adding capacity and allowing more time for procurement/production and it expected the issue to be resolved in 2H26.

3) Management continues to expect to reach its 27%+ adjusted operating margin target in 2030:

Management highlighted that it is on track to achieve its longer term 27%+ margin target in CY30 driven by operational leverage and efficient operation output, such as manufacturing facility productivity with labor and overhead and well as scale in purchasing.

On pricing, similar to previous commentary, the company also expects to remain price-cost positive in 2026, inclusive of tariff impacts and countermeasures.

4) On capital allocation, Vertiv commented that it will continue to invest in organic and inorganic opportunities and highlighted the recently proposed UIG acquisition:

Vertiv noted that it will continue to invest both organically and inorganically. The company commented at its investor day that it has an opportunity to do ~$28 bn in capital deployment from 2026-2030, including ~$4 bn in share repurchases and dividends, with flexibility to use another ~$24 bn (which could include larger acquisitions).

The company also highlighted the recent proposed acquisition of UtilityInnovation Group (UIG) to improve its power solutions portfolio, which it expects to be accretive to adjusted EPS in the first year post-close. Management commented that UIG is helping it with influencing how the powertrain will be constructed in future deployments.

Valuation/Risks

We are Buy rated on the stock. Our 12-month price target is $301, which is based on a 22X EV/EBITDA multiple applied to our updated Q5-Q8 EBITDA estimate.

Key downside risks to our view include: 1) Revenue growth – Vertiv has a portion of its datacenter revenue still tied to traditional on-premise datacenters, which is a part of the market that could be impacted by either enterprise spending weakness or by the shift to the cloud. In addition, Vertiv's ability to continue to improve its cloud/hyperscale revenue and grow in the channel will be important factors in how fast its revenue will increase. Also, market share will be a factor in revenue trends. 2) Margins – There are risks to our expectation for margin expansion. This could come from increased competitive pressure, mix, or execution, tariffs.

VRT	12m Price Target: **$301.00**	Price: **$280.53**	Upside: **7.3%**

Buy

Market cap: $110.2bn
Enterprise value: $109.4bn
3m ADTV: $1.7bn
United States
Americas Autos & Industrial Tech
M&A Rank: 3

GS Forecast

	12/25	12/26E	12/27E	12/28E
Revenue ($ mn)	10,229.9	14,019.1	18,129.5	21,488.3
EBITDA ($ mn)	2,197.8	3,500.2	4,767.2	5,838.7
EBIT ($ mn)	2,089.8	3,346.0	4,603.2	5,674.7
EPS ($)	4.20	6.75	9.25	11.55
P/E (X)	30.5	41.6	30.3	24.3
EV/EBITDA (X)	22.8	30.6	22.1	17.6
FCF yield (%)	3.9	2.3	2.6	3.4
Dividend yield (%)	0.0	0.0	0.0	0.0
Net debt/EBITDA (X)	0.5	(0.2)	(0.4)	(0.8)

	6/26	9/26E	12/26E	3/27E
EPS ($)	1.52	1.81	2.25	1.66

Source: Company data, Goldman Sachs Research estimates, FactSet. Price as of 4 Sep 2026 close.