



Cerebras Systems Inc.

COMPANY DESCRIPTION

Founded in 2015 by former SeaMicro executives Andrew Feldman, Gary Lauterbach, Michael James, Sean Lie, and Jean-Philippe Fricker, Cerebras Systems Inc. is a Sunnyvale, California-based AI infrastructure company that builds large-scale systems for training and running AI models. Its flagship CS-3 is powered by the Wafer-Scale Engine 3 (WSE-3) — the largest AI chip ever built, with 4 trillion transistors across a single silicon wafer, delivering 125 petaflops of compute and 28x more processing power than an NVIDIA H100. Commercial validation includes OpenAI, AWS, Meta, GSK, Mayo Clinic, and major sovereign-AI institutions. Backed by a \$1.0B Series H led by Tiger Global at a roughly \$23B valuation, Cerebras is one of the most visible alternatives to Nvidia in the AI infrastructure IPO market. 🟢🟢

BUSINESS MODEL

Cerebras combines hardware sales with cloud-based AI services. The company sells complete CS-3 systems to enterprises, research institutions, and sovereign-AI customers; offers pay-per-use AI inference through its cloud; signs multi-year capacity agreements with strategic customers, including a 750 MW deal with OpenAI; and distributes through partners such as AWS Bedrock and Meta's Llama API. Revenue grew 75.7% from \$290.3M in 2024 to \$510.0M in 2025, while contracted backlog — future revenue from signed customer agreements — reached approximately \$24.6B. Gross margin was 39.0%, with a \$145.9M operating loss and a free cash flow loss of \$392.8M as Cerebras invested heavily to scale capacity. 🟢🟢

IPO

Cerebras has formally relaunched its IPO after an earlier process was delayed by a U.S. national-security review tied to G42's investment and Middle East customer relationships, then withdrawn in October 2025. On May 4, 2026, Cerebras began marketing 28.0 million Class A shares at an indicated range of \$150–\$160 per share; at the high end, the offering would raise approximately \$4.8B at a valuation of roughly \$49B. Cerebras has applied to list on Nasdaq under the ticker CBRS, with Morgan Stanley, Citigroup, Barclays, and UBS Investment Bank serving

as lead bookrunners. The timing is deliberate: as IPOX noted publicly, there is an active race to complete deals ahead of SpaceX, whose anticipated IPO is expected to absorb significant investor attention and capital when it arrives. 🟢🟢

RISKS

Cerebras's central risk is that the IPO valuation prices in years of future AI demand before the company has proven it can generate cash from a diversified customer base. Customer concentration is the most immediate concern: two Abu Dhabi-linked customers — MBZUAI, an AI research university, and G42, an AI and cloud computing group — together accounted for roughly 86% of 2025 revenue. This exposes Cerebras to geopolitical sensitivity, prior U.S. national-security scrutiny, and potential export-control risk. Backlog conversion is the next major risk: only about 15% of the \$24.6B contracted backlog is expected to be recognized through 2027, with the rest dependent on data-center capacity, power availability, and customer acceptance. Cerebras also faces intense competition from Nvidia, AMD, and the custom AI chips being developed in-house by Google, AWS, and Microsoft. At roughly 52 times trailing revenue, the IPO valuation leaves limited room for execution mistakes. 🟢🟢

INNOVATIONS

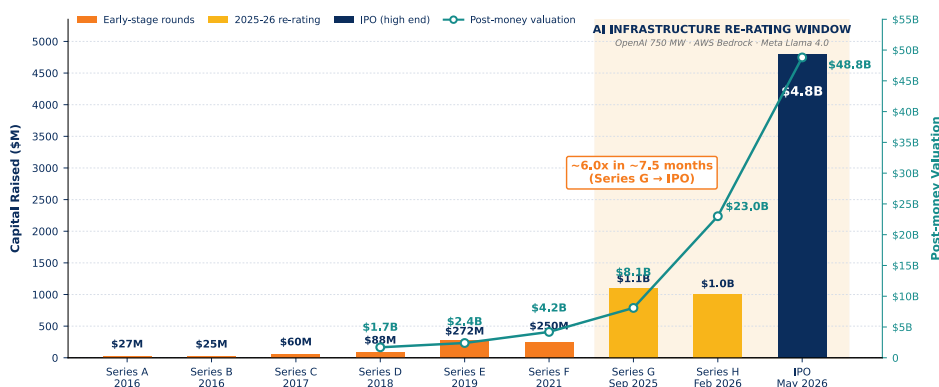
Cerebras's core innovation is wafer-scale computing: by keeping the entire AI processor on a single piece of silicon rather than spreading the work across thousands of GPUs, data moves less and inference runs faster — increasingly important as AI workloads shift from training toward real-time applications like coding agents, copilots, and interactive assistants. Cerebras holds proprietary patents specifically covering wafer-scale integration, on-chip mesh routing, and deep-learning acceleration hardware — IP that competitors would face substantial engineering and legal hurdles to replicate. Recent partnerships validate the commercial relevance: OpenAI announced a 750 MW deployment, AWS made the CS-3 available through Bedrock, and Meta selected Cerebras for the Llama API. 🟢🟢

FY2025 Revenue Concentration by Customer



Roughly 86% of Cerebras's \$510M FY2025 revenue came from two Abu Dhabi-linked customers: MBZUAI (62%), an AI research university, and G42 (24%), a cloud and AI group.

Cerebras Funding Rounds and Valuation Re-Rating



INDUSTRY COMPARISON (AS OF 05/04/2026)

COMPANY	STOCK SYMBOL	IPO DATE	BETA TO BENCHMARK	Revenue, Latest FY / TTM (\$B)	YOY	MARKET CAP (\$B)	P/S RATIO
NVIDIA	NVDA US	1/22/1999	2.24	\$215.94	+65.5%	\$4,845.7	22.4x
AMD	AMD US	9/27/1972	2.40	\$34.64	+34.4%	\$562.5	16.2x
BROADCOM	AVGO US	8/6/2009	1.44	\$63.89	+23.9%	\$2,014.5	31.5x
arm	ARM US	9/14/2023	3.41	\$4.01	+24.0%	\$212.0	52.9x
CoreWeave	CRWV US	3/28/2025	N/A	\$5.13	+167.9%	\$63.5	12.4x