BE gideon lens

Bloom Energy Corporation (BE) - Gideon-Lens Equity Research

Date: 2026-04-30. Analyst: Codex ER2 automation. Price: 287.97. Market cap: approximately marketCap. Fiscal year end: December 31.

VERDICT BLOCK

VERDICT: PASS

Scorecard:

Gate	Result	Notes
Compounder Score	Audited 18 / 100	18 / 100; the audit preserves the Reject classification and reduces business-quality credit because core ER2 evidence files and ROIIC/FCF conversion calculations are missing.
Business Quality Score	Audited 18 / 80	18 / 80; Bloom has a plausible demand runway, but historical low returns, dilution, financing reliance, unsupported moat claims, and missing primary-source evidence cap the score.
20% Return UW Score	Audited 0 / 20	0 / 20; at roughly 553x TTM NOPAT, the base case cannot underwrite a 20% five-year return without heroic profit growth.

Primary reason: ER2 Stage 1 auto-disqualifier. Bloom Energy does not yet show persistent >=15% ROIC across a cycle. The business has inflected sharply in Q4 2025 and Q1 2026, but the framework requires durable proof, not a single recent step-change.

Price discipline: At a current price of price, the ER2 price test requires roughly .20 of FY+5 EPS for a 15x exit P/E. Bloom reported Q1 2026 adjusted diluted EPS of .44 and trailing GAAP profitability only recently turned positive on a quarterly basis. That means the market is already underwriting a very large multi-year ramp in revenue, margin, capacity, customer concentration durability, and clean cash conversion.

Action: Do not buy under Gideon/ER2 today. Re-open only if the company posts multiple quarters of high-return, GAAP-profitable growth with clean free cash flow, lower related-party/customer concentration risk, and a valuation that can clear <=15x FY+5 EPS without heroic assumptions.

Stage 0 - Time Anchor

Today's calendar date: 2026-04-30.

Company fiscal year convention: Bloom Energy's fiscal year ends December 31.

Most recently reported quarter: Q1 FY2026, quarter ended March 31, 2026, reported April 28, 2026.

TTM anchor: Q2 FY2025 + Q3 FY2025 + Q4 FY2025 + Q1 FY2026 -> TTM ending March 31, 2026.

Forward horizon: TTM + 5 calendar years = March 31, 2031. Compounding horizon is exactly March 31, 2026 to March 31, 2031.

Stage 1 - Disqualifier Sweep

- ROIC persistently >=15%: RED. Bloom's recent growth is dramatic, but the company reported only .8 million of FY2025 GAAP operating income on .024 billion of revenue, a 3.6% operating margin, and a FY2025 GAAP net loss to common stockholders. Q1 2026 was much better, with .2 million of GAAP operating income, but one quarter does not establish persistent high-return compounding.

- FCF conversion healthy: YELLOW. The company generated .9 million of operating cash flow in 2025 and .6 million in Q1 2026, and management says 2025 was the second consecutive year of positive free cash flow. That is encouraging, but the model remains capital intensive and working-capital/backlog timing can dominate short-run cash generation.

- Net debt / EBITDA <3x or structurally justified: YELLOW. Cash and restricted cash were approximately .52 billion at March 31, 2026, but Q4 2025 financing included a large debt issuance and repayment activity. The balance sheet is not an immediate stop sign, but it is not clean enough to offset the ROIC failure.

- End-markets stable or growing: GREEN. Data-center power demand, AI infrastructure, semiconductor manufacturing, and commercial/industrial resiliency needs are growing end-markets. Bloom's Q1 2026 revenue grew 130.4% year over year, led by product revenue growth of 208.4%.

- Governance and disclosure clean: YELLOW. The disclosures are detailed and current, but related-party revenue is material: the Q1 2026 release discloses .3 million of related-party revenue in Q1 2026 and .2 million in Q4 2025. That concentration/structure requires deeper review before any upgrade.

- AI disruption exposure manageable: GREEN. Bloom is more likely an AI power-infrastructure beneficiary than a workflow displaced by AI. The risk is execution, substitution, fuel-cell economics, grid/regulatory response, and customer concentration, not direct AI replacement.

- Pricing power exists: YELLOW. Gross margin improved to 30.0% GAAP and 31.5% non-GAAP in Q1 2026, but hardware-heavy energy systems still face cost, capacity, installation, service, and competitive-power alternatives. Pricing power is plausible but not proven across a normalized cycle.

Stage 1 result: STOP. The ROIC gate is red. Under ER2 Production Mode, a clearly red Stage 1 gate returns PASS rather than spending a full appendix chain trying to rationalize a business that has not yet proven the required quality threshold.

Why The Stop Matters

Bloom Energy is exactly the type of name that can tempt a research process into extrapolation. The growth headline is powerful: Q1 2026 revenue of .1 million was up 130.4% year over year, product revenue was up 208.4%, and management raised full-year 2026 revenue growth guidance midpoint to approximately 80% from roughly 60%. FY2025 also showed real improvement: revenue reached .024 billion, gross margin was 29.0%, operating income was .8 million, and product backlog reached approximately billion.

Those facts make Bloom interesting. They do not make it a Gideon BUY. The framework is not looking for the fastest revenue inflection. It is looking for businesses that can compound capital at high returns for decades under credible management, and where today's price leaves a conservative route to a <=15x P/E on FY+5 EPS. Bloom's historical record still includes low/negative GAAP profitability, a capital-intensive manufacturing and deployment model, large financing flows, material related-party revenue, and an equity price that already capitalizes a major AI-power success case.

At price, the required FY+5 EPS for a 15x P/E is approximately .20. Using Q1 2026 adjusted diluted EPS of .44 as a rough run-rate starting point implies that the market would need an extraordinary continuation of growth and margin expansion to satisfy the ER2 price discipline by March 31, 2031. A full model might find a bull case, but the red ROIC gate means the run should stop before model enthusiasm overrides quality discipline.

Upgrade Conditions

- Four to eight additional quarters of GAAP profitability and free cash flow that demonstrate durable high incremental returns, not just backlog conversion.
- Evidence that product and service margins remain strong as volume scales and customer mix broadens.
- Lower dependence on related-party or concentrated customer structures, or much clearer disclosure proving those economics are arm's-length and repeatable.

- A valuation reset or earnings power proof sufficient to make the FY+5 <=15x P/E test work with conservative assumptions.

Sources Consulted

- Bloom Energy Q1 2026 earnings release, April 28, 2026.
- Bloom Energy Q4 and FY2025 earnings release, February 5, 2026.
- Market price snapshot from web finance data on April 30, 2026.

Appendix CS - Compounder Score

Bloom Energy Corporation - Compounder Score

Analysis date: 2026-05-28. Company: Bloom Energy Corporation. Ticker: BE. Exchange: NYSE. Currency: USD. This Compounder Score is diagnostic only and is not an ER2 gate.

1. Executive Verdict

Bloom Energy receives a diagnostic Compounder Score of 24 / 100: Business Quality 24 / 80 and 20% Return Underwriting 0 / 20. The score-implied classification is Reject.

The evidence supports a real recent inflection, especially Q4 2025 and Q1 2026 revenue, gross margin, operating income, and free cash flow. The evidence does not yet support durable high-ROIIC compounding. The company has a long record of GAAP operating losses, negative or low ROIC, equity issuance, working-capital volatility, and external financing. At a current FMP quote of $293.3311 and market cap of $83.4 billion, the 20% return case requires a NOPAT scale-up that is far beyond what the present evidence can underwrite without heroic assumptions.

2. Data Source Map

Evidence Area	Source Used	Confidence	Notes
Price / market cap	FMP quote endpoint for BE, pulled 2026-05-28	Medium	Price $293.3311; market cap $83.4B; live market data can move.
Income statement	FMP income-statement annual FY2016-FY2025 and quarterly Q4 2024-Q1 2026	Medium	Used FMP structured filing data; no local quant foundation existed.
Balance sheet	FMP balance-sheet-statement annual FY2016-FY2025 and quarterly Q4 2024-Q1 2026	Medium	Used debt, cash, equity, minority interest, leases, working capital.
Cash flow	FMP cash-flow-statement annual FY2016-FY2025 and quarterly Q4 2024-Q1 2026	Medium	Used CFO, capex, FCF, issuance, SBC where available.
Local ER2 context	BE_gideon_lens.md, final_verdict.md, main_narrative.md	Low	Local files were duplicate and several dollar amounts were missing digits.
Management / market / moat	Local ER2 lens summary and Q1 2026 / FY2025 release references embedded there	Low	No separate management, moat, segment, or synthesis appendix was present.
TAM / competitors	Local ER2 lens only	Low	Data-center power demand is plausible, but market sizing was not independently rebuilt.

3. Key Financial and Quality Metrics

Metric	Result	Source / Formula
Current price	$293.3311	FMP quote, 2026-05-28.
Market cap	$83.436B	FMP quote, 2026-05-28.
Enterprise value used	$83.718B	Market cap + Q1 2026 total debt + minority interest - cash - investments.
TTM revenue to Q1 2026	$2.449B	Q2-Q4 2025 + Q1 2026 FMP quarterly revenue.
TTM operating income	$201.7M	Q2-Q4 2025 + Q1 2026 operating income.
TTM NOPAT	$151.3M	TTM operating income * 75% normalized tax assumption.
TTM FCF	$233.0M	Q2-Q4 2025 + Q1 2026 FCF.
FY2025 ROIC	~4.1%	FY2025 NOPAT / average FY2024-FY2025 invested capital.
5-year adjusted ROIC median	~0% / not meaningful	FY2021-FY2025 mostly negative or low returns.
5-year revenue CAGR	~20.6%	FY2020 revenue $794.2M to FY2025 $2.024B.

Metric	Result	Source / Formula
5-year share count CAGR	~11.6%	FY2020 diluted shares 138.7M to FY2025 diluted shares 240.4M.
Latest-quarter SBC / revenue	6.4%	Q1 2026 SBC $48.2M / revenue $751.1M.
Latest-quarter SBC / FCF	101.5%	Q1 2026 SBC $48.2M / FCF $47.5M.
EV / TTM NOPAT	~553x	EV used / TTM NOPAT.
FCF yield	~0.28%	TTM FCF / market cap.

4. Rubric Scorecard

Category	Score	Max	Rationale
Incremental Returns on Capital	3	25	ROIC and ROIIC are not yet proven; recent Q1 profitability is insufficient evidence against a multi-year loss history.
Reinvestment Runway	10	20	Large AI/data-center and resilient power opportunity, but scaling proof at high returns remains thin.
Durability of Moat	5	15	Product differentiation is plausible; pricing power, customer breadth, and through-cycle durability are not proven.
Accounting and Financial Quality	4	10	Recent FCF improved, but FCF is volatile, SBC is material, and working capital/financing flows are large.
Capital Allocation Discipline	2	10	Persistent issuance and debt financing cap the score; no repurchase evidence; acquisition spend is not the main issue.
Price and 20% Underwriting	0	20	Current valuation leaves no conservative path to 20% annualized returns without extreme NOPAT growth.
Total	24	100	Diagnostic score only; it reinforces the ER2 PASS but does not mechanically decide it.

5. ROIIC and Reinvestment Analysis

The evidence does not support a credible high ROIIC award. FY2025 operating income improved to $72.8M, but FY2021-FY2023 operating income was negative and FY2024 was only $22.9M. FY2025 NOPAT, using a 25% normalized tax rate, was approximately $54.6M. Average invested capital for FY2024-FY2025 was roughly $1.316B, producing only about 4.1% ROIC. Even if Q1 2026 is annualized, the result is still an early inflection, not durable proof.

ROIIC is marked insufficient evidence because the starting NOPAT base is negative or near zero across much of the measured period. A mathematically high improvement off a loss base would not demonstrate a repeatable ability to reinvest at high incremental returns. Reinvestment has also included heavy working-capital needs, manufacturing/deployment capital, and external financing.

6. Runway Analysis

The runway is the best part of the case. Data-center power demand, AI infrastructure, industrial resiliency, and distributed power needs are structurally attractive. Bloom's local ER2 lens noted Q1 2026 revenue growth of 130.4% year over year and product revenue growth of 208.4%. That is real evidence of demand.

This score is capped because runway alone is not compounder quality. The company still has to show that growth can be funded internally, with durable margins, broad customers, and high incremental returns rather than balance-sheet expansion and dilution.

7. Moat Analysis

The moat can be described as differentiated fuel-cell power systems aimed at customers needing fast, resilient, on-site power. That is understandable, but not yet enough for a high durability score. Pricing power is plausible after Q1 2026 GAAP gross

margin reached 30.0%, but historical gross margins and operating margins have been volatile. Competitive alternatives include grid interconnection, gas turbines, batteries, renewables plus storage, and other distributed-power architectures.

Customer concentration and related-party revenue were flagged in the local ER2 lens as material. Without a full customer, contract, service-margin, and renewal analysis, the evidence does not support a strong moat score.

8. Accounting and Capital Allocation Analysis

The evidence supports progress but not clean compounding. FMP shows FY2025 operating cash flow of $113.9M and FCF of $57.2M, then Q1 2026 operating cash flow of $73.6M and FCF of $47.5M. However, Q4 2025 FCF was $398.5M while Q2 2025 FCF was negative $220.4M, so working-capital timing is a major driver.

SBC is material. FMP shows Q1 2026 SBC of $48.2M, which exceeded Q1 FCF on a near one-for-one basis. The 2025 annual FMP cash-flow statement shows SBC as zero, inconsistent with recent quarterly disclosures, so SBC history is a data gap and the score is conservative. Share count growth is also material: diluted weighted average shares rose from 138.7M in FY2020 to 240.4M in FY2025, about 11.6% CAGR, before Q1 2026 diluted shares of 319.7M.

Capital allocation is capped by the need for external financing. FY2025 included $1.45B of net debt issuance and $59.1M of common stock issuance in FMP cash-flow data. That does not prove poor capital allocation by itself, but it means the equity has not yet shown self-funded compounding.

9. 20% Return Underwriting

The 20% case does not work at the current price. With EV of roughly $83.7B and TTM NOPAT of about $151M, current EV / NOPAT is about 553x. A 5-year 20% annualized return at a 20x exit EV / NOPAT would require ending NOPAT of roughly $10.4B, or about 132% annualized NOPAT growth from the TTM base. At a 10-year horizon, the same framework still requires roughly 67% annualized NOPAT growth. That is not a conservative compounder underwriting case.

Case	2031 Revenue	EBIT Margin	2031 NOPAT	Exit EV / NOPAT	Ending Equity Value	Annualized IRR
Bear	$5.0B	14%	$0.53B	15x	~$8B	~-39%
Base	$8.0B	18%	$1.08B	20x	~$22B	~-24%
Bull	$12.0B	22%	$1.98B	22x	~$44B	~-12%

Even the bull case does not reach the current market cap before considering further dilution. The implied max buy price for a 20% 5-year IRR under the base case is roughly $24 per share, using about $21.6B terminal enterprise value and 360M ending diluted shares.

10. Hard Veto Checklist

Veto	Status	Evidence
ROIIC below cost of capital with no credible path	Fail	Historical ROIC negative/low; path exists but is not yet proven.
High ROIC only due to tiny capital base	Pass	ROIC is not high.
Growth requires persistent external financing	Fail	FY2025 net debt issuance and multi-year stock issuance are material.
Share count rises without proven per-share value creation	Fail	FY2020-FY2025 diluted share count CAGR about 11.6%.
Large acquisitions without return disclosure	Pass / Watch	Acquisitions are not material in recent FMP data.
FCF structurally lags earnings	Watch	Recent FCF improved, but volatility and working capital are large.
Concentration/regulation/cyclicality/leverage risk	Fail	Related-party/customer concentration and financing risk flagged locally.
20% return requires terminal multiple expansion	Fail	Even optimistic cases fail; 20% requires extreme NOPAT growth.
Flawless execution needed	Fail	Current valuation prices a very large success case.
Cannot explain moat in one paragraph	Watch	Moat is explainable but not yet proven through-cycle.
Accounting/governance issues impair trust	Watch	Related-party revenue and SBC-data inconsistency need more work.

Veto	Status	Evidence
Balance sheet could impair equity in downturn	Watch	Net debt improved at Q1 2026, but gross debt and financing needs remain material.

11. Final Decision

Score-implied classification: Reject.

Compounder Score note: 24 / 100; Bloom has a strong demand inflection but not enough durable ROIC, ROIIC, cash conversion, dilution, and valuation evidence to qualify as a compounder under this diagnostic rubric.

Business Quality Score note: 24 / 80; runway is attractive, but historical losses, low FY2025 ROIC, volatile FCF, material SBC/dilution, financing reliance, and insufficient moat proof cap the score.

20% Return UW Score note: 0 / 20; at ~$83.7B EV and ~$151M TTM NOPAT, the 20% case requires extreme NOPAT growth and does not work without heroic assumptions.

Primary data gaps: full primary 10-K/10-Q footnote review; customer concentration and related-party contract economics; segment/product service-margin economics; complete SBC reconciliation; backlog conversion and cancellation risk; management incentives and capital allocation history.

12. Machine-Readable JSON

See compounder_score.json in this folder.

Appendix CSA - Scoring Audit

Bloom Energy Corporation - Scoring Audit

Analysis date: 2026-05-28. Company: Bloom Energy Corporation. Ticker: BE. Currency: USD. This is a diagnostic scoring audit only. It is not an ER2 gate and does not change the separate PASS/WATCH/BUY framework verdict.

1. Original vs Audited Scores

Item	Original	Audited	Notes
Business Quality Score / 80	24	18	Reduced for missing source appendices, unsupported runway/moat evidence, and missing ROIIC/FCF conversion calculations.
Valuation / 20% Return UW Score / 20	0	0	Preserved at zero; the 20% case already fails under the scorer's own valuation math.
Total Score / 100	24	18	Classification remains Reject.
Classification	Reject	Reject	The audit strengthens the Reject classification rather than changing it.

Original reconstructed score: Business Quality 24 / 80, Valuation / 20% Return Underwriting 0 / 20, Total 24 / 100, classification Reject. The original JSON and markdown agree on these headline scores. The original JSON reports base case IRR -24%, bear case IRR -39%, bull case IRR -12%, and maximum buy price for a 20% five-year IRR of roughly $24 per share.

Audited score: Business Quality 18 / 80, Valuation / 20% Return Underwriting 0 / 20, Total 18 / 100, classification Reject. The final 20% hurdle does not pass. The dream business / dream investment classification is neither: the company may have a real demand inflection, but the folder does not contain enough evidence of durable high-return compounding, and the valuation math is already disqualifying for the 20% underwriting test.

2. Score Reductions and Reasons

This score is reduced because the scorer awarded some qualitative runway and moat credit while also stating that the normal ER2 evidence base was not present. The folder contains `appendix_compounder_score.md`, `compounder_score.json`, and short duplicate narrative files, but it does not contain `quant_foundation.md`, `data_package.md`, segment appendices, management appendix, moat appendix, or synthesis appendix. That means the audit cannot verify several claims against the CSA-required source chain.

Incremental Returns on Capital is reduced from 3 / 25 to 2 / 25. The scorer correctly refused to award high ROIIC credit and disclosed that 3-year ROIIC, 5-year ROIIC, acquisition-inclusive ROIIC, reinvestment rate, NOPAT CAGR, FCF CAGR, and 5-year FCF conversion were null. Under the CSA caps, missing ROIIC should leave the ROIIC subcategory at zero. A small residual score is retained only for the scorer's documented FY2025 ROIC estimate of about 4.1% and the clear recognition that historical returns have been weak.

Reinvestment Runway is reduced from 10 / 20 to 7 / 20. The data-center and AI power demand theme is plausible, and the scorer cites Q1 2026 revenue growth of 130.4%, but the folder lacks a data package, backlog analysis, customer concentration file, contract economics, or independently audited TAM work. The evidence supports "interesting runway," not a halfway score toward compounder-grade runway.

Durability of Moat is reduced from 5 / 15 to 3 / 15. The moat section rests on plausible product differentiation and recent gross margin improvement, but it also admits that pricing power, customer breadth, service-margin economics, renewal behavior, and through-cycle durability are unproven. Because qualitative moat credit relies mostly on local narrative and management-facing demand claims, the score must stay low.

Accounting and Financial Quality is reduced from 4 / 10 to 3 / 10. The scorer identified volatile FCF, material SBC, dilution, and an FMP annual SBC inconsistency. Because multi-year FCF conversion and SBC reconciliation are missing, the score should be capped lower despite recent positive cash flow.

Capital Allocation Discipline is reduced from 2 / 10 to 1 / 10. The original report cites FY2025 net debt issuance of $1.45B, common stock issuance, and a high share count CAGR. There is not enough evidence in the folder to award more than token credit for discipline.

Price and 20% Underwriting remains 0 / 20. This was already appropriately severe.

3. Unsupported Claims

The evidence does not support a strong moat score. The report says product differentiation is plausible and pricing power is plausible after Q1 2026 gross margin reached 30.0%, but the folder does not include the primary-source contract, customer, margin, service, or competitive analysis needed to underwrite durability.

The evidence does not fully support the original 10 / 20 runway score. AI/data-center power demand is a reasonable thesis, but the folder does not prove backlog conversion, customer breadth, grid alternative economics, service attachment, or internal funding capacity.

The evidence does not support any 20% return pass. The scorer did not claim one, and the audit preserves the zero. At the cited current EV of about $83.7B and TTM NOPAT of about $151M, the required NOPAT ramp is too extreme for a conservative compounder underwriting case.

4. Calculation Errors

No headline arithmetic error was found that would increase the score. The valuation math is directionally consistent: EV / TTM NOPAT of roughly 553x follows from about $83.7B EV divided by about $151M TTM NOPAT. The 20% five-year return test also correctly fails even before additional dilution stress.

The calculation breaks as an evidence package at ROIIC and multi-year cash conversion. ROIIC is not calculated, acquisition-inclusive ROIIC is null, reinvestment rate is null, and 5-year FCF conversion is null. Under the CSA rubric, missing calculations must cap or zero related categories rather than be treated as merely unavailable context.

The scorer's base, bear, and bull IRR cases are usable as diagnostic stress cases but should not be treated as a full synthesis model. The folder does not include a synthesis appendix that ties revenue, margin, tax, share count, debt, and terminal value assumptions to source evidence.

5. Missing Data

The most important missing evidence is the normal ER2 source chain. The audit could not find `quant_foundation.md`, `data_package.md`, segment appendices, `appendix_management.md`, `appendix_moat.md`, or `appendix_synthesis.md` in the Bloom Energy folder.

Missing data also includes: primary 10-K/10-Q footnote validation, customer concentration and related-party contract economics, product versus service margin detail, backlog conversion and cancellation risk, multi-year SBC reconciliation, diluted share count bridge, acquisition-inclusive ROIIC, reinvestment rate, and normalized multi-year FCF conversion.

Because the missing evidence is broad, confidence is Low / Medium despite the scorer being directionally skeptical.

6. Hard-Veto and Threshold Test Audit

The original hard vetoes are mostly fair and should remain. The company does not clear the 20% return hurdle. It does not clear business-quality thresholds. The scorer's own threshold tests show total score below 80, business quality below 65 / 80, valuation score below 15 / 20, ROIIC plus runway below 35 / 45, base IRR below 20%, bear IRR below an acceptable floor, hard vetoes present, and no clean path that avoids extreme assumptions.

No high Business Quality Score is being used to compensate for valuation. That part of the scorer's approach is correct. The issue is narrower: even the modest Business Quality score included too much credit for runway and moat claims without the required source appendices.

7. Final 20% Hurdle Pass/Fail

Final 20% hurdle: Fail. This is not a close call under the scorer's own numbers. The base, bear, and bull IRRs are all negative. The current valuation requires extreme NOPAT growth and continued execution proof. The 20% case does not merely require optimism; it requires a scale of profit growth not evidenced by the folder.

8. Dream Business / Dream Investment Classification

Classification: neither. Bloom Energy may be an interesting industrial growth candidate with a real recent demand inflection, but the current evidence package does not show a dream business under the compounder rubric. It is also not a dream investment because the price embeds a very large success case while the audited 20% underwriting score is zero.

The single biggest reason the company does not qualify is that the valuation asks investors to pay for years of high-return compounding before the folder proves durable ROIIC, clean cash conversion, customer breadth, and per-share value creation.

9. Stage 7 Scorecard Notes

Compounder Score note: 18 / 100; the audit preserves the Reject classification and reduces business-quality credit because core ER2 evidence files and ROIIC/FCF conversion calculations are missing.

Business Quality Score note: 18 / 80; Bloom has a plausible demand runway, but historical low returns, dilution, financing reliance, unsupported moat claims, and missing primary-source evidence cap the score.

20% Return UW Score note: 0 / 20; at roughly 553x TTM NOPAT, the base case cannot underwrite a 20% five-year return without heroic profit growth.

10. Auditor JSON

See `compounder_score_audit.json` in this folder.