LUNA1
RESEARCH

BE

# Bloom Energy

## Questions for Project Economics

Analyst Journal | Earnings Review | Active Research

Prepared by Shy Lee
Founder, Luna1 Research
Finance Student, San Diego State University

Last Updated: July 28, 2026
luna1research.com

# Research Status

Latest verified period: Q1 2026. Q2 2026 results pending official verification.

This document preserves open questions as questions. Status labels distinguish reported evidence from items requiring calculation or additional management disclosure.

# 1. What Management Reported

Bloom Energy reported Q1 2026 revenue of $751.1 million, product revenue of $653.3 million, GAAP gross margin of 30.0%, service gross margin of 13.3%, GAAP operating income of $72.2 million, and operating cash flow of $73.6 million. Management raised full-year 2026 guidance to revenue of $3.4–$3.8 billion, approximately 34% non-GAAP gross margin, $600–$750 million of non-GAAP operating income, and $1.85–$2.25 of non-GAAP EPS.

# 2. What Improved

Revenue, product revenue, GAAP gross margin, service gross margin, operating income, and operating cash flow improved from the prior-year quarter. The release also showed higher inventory, contract assets, and deferred revenue or customer deposits, making cash-conversion analysis important.

# 3. What Remains Unclear

The release does not answer the complete installed cost per megawatt, customer payback, contract-level returns, project working capital, backlog conversion schedule, or sustainable margin contribution by hardware, installation, and service.

# 7. Forecast Implications

The raised guidance is management evidence, not a Luna1 forecast. A forecast should be withheld until capacity, project timing, customer concentration, backlog conversion, service economics, and working-capital requirements can be built from disclosed operating components.

# 8. Valuation Implications

A defensible valuation requires separating product, installation, service, and financing economics; measuring cash conversion; and testing how much growth and margin durability current expectations require. No price target is published because a verified market-data and operating forecast are not yet connected.

# 9. Thesis Impact

Under Review. Q1 growth and margin improvement support the demand thesis, while unanswered project-economics, contract-quality, concentration, capacity, and cash-conversion questions limit conviction.

# 10. Next Evidence Required

Official Q2 2026 results and filing; product and service margin detail; backlog quality and conversion timing; capacity and capital-spending disclosures; customer concentration; contract terms; receivables, inventory, deposits, and warranty movement.

# Verified Evidence Register - Q1 2026

**Revenue: $751.1 million** (Q1 2026)
Prior year: $326.0 million. Change: +130.4%.
Analyst interpretation: Growth is substantial, but project mix and concentration determine quality.
Open question: How much came from repeatable project economics?

**Product revenue: $653.3 million** (Q1 2026)
Prior year: $211.9 million. Change: +208.4%.
Analyst interpretation: Product revenue drove most of the increase.
Open question: What were megawatts shipped, revenue per megawatt, and customer concentration?

**GAAP gross margin: 30.0%** (Q1 2026)
Prior year: 27.2%. Change: +2.8 percentage points.
Analyst interpretation: Reported margin improved, but product, installation, and mix drivers remain incomplete.
Open question: How much improvement came from volume, pricing, or mix?

**Service gross margin: 13.3%** (Q1 2026)
Prior year: 1.3%. Change: +12.0 percentage points.
Analyst interpretation: Service economics improved materially from a weak comparison.
Open question: What replacement-stack, warranty, and fleet-age assumptions support durability?

**GAAP operating income: $72.2 million** (Q1 2026)
Prior year: ($19.1 million). Change: $91.3 million improvement.
Analyst interpretation: The quarter reached positive GAAP operating income.
Open question: How much is repeatable at a normalized project mix?

**Operating cash flow: $73.6 million** (Q1 2026)
Prior year: ($110.7 million). Change: $184.3 million improvement.
Analyst interpretation: Positive cash flow is encouraging but one quarter does not establish durability.
Open question: How do receivables, inventory, contract assets, and deposits move by project?

**Total backlog: Approximately $20 billion** (FY2025 year-end disclosure)
Prior year: Not provided in the cited release. Change: Not calculated.
Analyst interpretation: Large backlog may provide visibility, but composition and cancellation terms matter.
Open question: What is non-cancellable and expected to convert within 12, 24, and 36 months?

**Product backlog: Approximately $6 billion** (FY2025 year-end disclosure)
Prior year: Approximately 2.5x lower, based on company comparison. Change: Approximately 2.5x year over year.
Analyst interpretation: Product commitments expanded, but deposits and conversion timing are not fully disclosed.
Open question: How much backlog has deposits and firm delivery schedules?

# Question Status Framework

Answered - directly supported by verified management evidence.

Partially Answered - evidence addresses only part of the question.

Unanswered - the current source set does not provide an answer.

Requires Calculation - the answer requires a transparent Luna1 calculation using sourced inputs.

Requires Management Disclosure - the necessary operating or contract detail is not publicly disclosed.

# Customer Economics

What is the customer’s total installed cost per megawatt?
**Status: Requires Management Disclosure**

How does the cost compare with grid interconnection and alternative onsite-generation options?
**Status: Requires Management Disclosure**

What portion is paid upfront versus financed?
**Status: Requires Management Disclosure**

What is the customer’s expected payback period?
**Status: Requires Management Disclosure**

What are the implied electricity costs over the contract life?
**Status: Requires Management Disclosure**

How sensitive are project economics to natural-gas prices?
**Status: Requires Management Disclosure**

How sensitive are economics to utility rates?
**Status: Requires Management Disclosure**

What tax incentives or credits are required?
**Status: Requires Management Disclosure**

Does the customer retain or transfer tax benefits?
**Status: Requires Management Disclosure**

What costs are excluded from management’s comparison?
**Status: Requires Management Disclosure**

# Bloom Unit Economics

What is the revenue per system or megawatt?
**Status: Requires Management Disclosure**

What is the hardware gross margin?
**Status: Partially Answered**

What is the installation gross margin?
**Status: Requires Calculation**

What is the service gross margin?
**Status: Answered**

What working capital is required per project?
**Status: Requires Management Disclosure**

How much cash is collected before installation?
**Status: Requires Management Disclosure**

How much cash is collected after acceptance?
**Status: Requires Management Disclosure**

What warranty reserves are required?
**Status: Requires Management Disclosure**

What is the replacement-stack cost?
**Status: Requires Management Disclosure**

How long until service contracts become economically attractive?
**Status: Requires Management Disclosure**

How does project size affect gross margin?
**Status: Requires Management Disclosure**

How much margin depends on product mix?
**Status: Requires Management Disclosure**

# Contract Structure

Is the transaction a direct sale, lease, PPA, financing arrangement, or service contract?
**Status: Requires Management Disclosure**

When is revenue recognized?
**Status: Partially Answered**

What performance obligations remain after installation?
**Status: Partially Answered**

What guarantees are provided?
**Status: Requires Management Disclosure**

What penalties exist for delayed delivery?
**Status: Requires Management Disclosure**

Can customers cancel or resize projects?
**Status: Requires Management Disclosure**

How much of backlog is non-cancellable?
**Status: Requires Management Disclosure**

What deposits support backlog?
**Status: Requires Management Disclosure**

How much backlog is expected to convert within 12, 24, and 36 months?
**Status: Requires Management Disclosure**

# Data Center Economics

What is the expected deployment time compared with waiting for grid power?
**Status: Requires Management Disclosure**

What is the delivered cost per megawatt?
**Status: Requires Management Disclosure**

What availability level is contractually guaranteed?
**Status: Requires Management Disclosure**

What redundancy is required?
**Status: Requires Management Disclosure**

How does the system integrate with UPS, batteries, and backup generators?
**Status: Requires Management Disclosure**

Does Bloom replace grid capacity or bridge delayed interconnection?
**Status: Requires Management Disclosure**

What is the expected utilization rate?
**Status: Requires Management Disclosure**

How much onsite fuel infrastructure is required?
**Status: Requires Management Disclosure**

What emissions or permitting constraints could delay projects?
**Status: Requires Management Disclosure**

How much customer concentration exists among data center buyers?
**Status: Requires Management Disclosure**

# Manufacturing and Capacity

What annual megawatt capacity exists today?
**Status: Requires Management Disclosure**

What capacity expansion is required to support guidance?
**Status: Requires Management Disclosure**

What capital spending is required?
**Status: Requires Management Disclosure**

What is the current factory utilization?
**Status: Requires Management Disclosure**

Which components constrain output?
**Status: Requires Management Disclosure**

How quickly can capacity be added?
**Status: Requires Management Disclosure**

Does increased volume improve unit cost?
**Status: Requires Management Disclosure**

Are suppliers able to support the forecast?
**Status: Requires Management Disclosure**

What inventory must be built before shipment?
**Status: Requires Management Disclosure**

# Cash Conversion

When does accounting revenue convert into operating cash?
**Status: Requires Calculation**

What explains changes in receivables?
**Status: Requires Calculation**

What explains changes in inventory?
**Status: Requires Calculation**

Are customer deposits increasing?
**Status: Partially Answered**

How much working capital is tied to growth?
**Status: Requires Calculation**

Is positive operating cash flow sustainable?
**Status: Unanswered**

How much capital spending is required to fulfill backlog?
**Status: Requires Management Disclosure**

Does growth require external financing?
**Status: Requires Management Disclosure**

# Margin Durability

How much recent margin improvement came from volume?
**Status: Requires Management Disclosure**

How much came from pricing?
**Status: Requires Management Disclosure**

How much came from product mix?
**Status: Requires Management Disclosure**

How much came from service improvement?
**Status: Partially Answered**

How much came from temporary incentives?
**Status: Requires Management Disclosure**

What happens to margins if project timing shifts?
**Status: Requires Management Disclosure**

What margin level is sustainable through a normal demand cycle?
**Status: Requires Management Disclosure**

# Portfolio Manager Questions

What evidence would confirm the thesis?
**Status: Partially Answered**

What evidence would weaken the thesis?
**Status: Partially Answered**

What must happen for current valuation expectations to be justified?
**Status: Requires Management Disclosure**

Which operating metric should be monitored each quarter?
**Status: Partially Answered**

Which cash-flow metric matters most?
**Status: Answered**

What is the largest source of forecast error?
**Status: Partially Answered**

What is the strongest bear-case evidence?
**Status: Partially Answered**

What would cause the position to be reduced?
**Status: Unanswered**

What would justify increasing the position?
**Status: Unanswered**

What evidence would invalidate the investment case?
**Status: Partially Answered**

# Primary Sources

1. **Q1 2026 financial results** - Bloom Energy. Published April 28, 2026; reporting period Quarter ended March 31, 2026. Relevant section: Financial results, guidance, balance sheet, and cash flow. Accessed July 28, 2026. Source: https://investor.bloomenergy.com/press-releases/press-release-details/2026/Bloom-Energy-Reports-Record-First-Quarter-2026-Results-and-Raises-Full-Year-2026-Guidance/default.aspx

2. **FY2025 financial results** - Bloom Energy. Published February 2026; reporting period Year ended December 31, 2025. Relevant section: Revenue, margins, cash flow, backlog, and product backlog. Accessed July 28, 2026. Source: https://investor.bloomenergy.com/press-releases/press-release-details/2026/Bloom-Energy-Reports-Fourth-Quarter-and-Full-Year-2025-Financial-Results-with-Record-Full-Year-Revenues/

3. **Q2 2026 results schedule** - Bloom Energy. Published July 6, 2026; reporting period Quarter ended June 30, 2026. Relevant section: Release timing only; not a financial-results source. Accessed July 28, 2026. Source: https://investor.bloomenergy.com/press-releases/press-release-details/2026/Bloom-Energy-to-Announce-Second-Quarter-2026-Financial-Results-on-July-28-2026/default.aspx

# Educational Disclosure

This journal is educational research, not personalized investment, financial, tax, or legal advice. Questions marked unanswered or requiring disclosure are not presented as management-confirmed facts. Readers should conduct their own research before making investment decisions.