Equity Research Report (KEEL)

Keel Infrastructure Corp (Nasdaq: Keel)

Executive Summary	
Recommendation	Buy
Current price	$5.74
Blended Target price (over all Valuation)	$10.00
Expected return	+75%
Investment horizon	6-12 months (re-rating window)
Sector	Ai / Digital Infrastructure

Investment Thesis

*Position initiated April 8, 2025, at $1.90/share. Report written as of June 30, 2026.

Keel Infrastructure is mispriced by a market still anchored to its legacy bitcoin-mining identity. Following its April 2026 rebrand from Bitfarms, the company repositioned around a large, secured power portfolio and a growing hyperscale data center pipeline, but the stock has not yet re-rated to reflect that shift. Shares trade at $5.74 as of June 30, 2026, roughly 43% below our $10.00 blended target. We see 18–24 months of catalysts, new AI infrastructure contracts, power energization milestones, and commercialization of Keel's land portfolio, closing that gap as investors gain confidence in the transition.

Thesis-breakers: Keel fails to secure commercially meaningful AI infrastructure customer, or experiences material delays energizing or developing its power assets.

Variant View (Market Mispricing)

The market continues to value Keel Infrastructure primarily as a legacy bitcoin mining company, reflecting uncertainty around its transition to AI infrastructure and the absence of announced hyperscale contracts. We believe the market is underestimating the value of Keel's secured power assets, growing development pipeline, and management's strategic shift toward becoming a digital infrastructure platform positioned to benefit from accelerating AI compute demand. As the company announces major customer agreements, advances construction and power energization milestones, and begins generating AI infrastructure revenue, investors should gain confidence in the transformation, leading to a valuation re-rating from bitcoin mining multiples toward AI infrastructure peers.

Company Overview & Industry Overview

Keel generates shareholder value by developing and monetizing large-scale powered infrastructure for AI and hyperscale data centers, a business with significantly higher long-term growth potential than its legacy bitcoin mining operations. The AI infrastructure industry is experiencing unprecedented demand as hyperscalers and enterprises race to deploy AI models, creating a shortage of available power, land, and data center capacity. We believe the market is underestimating the pace and value of Keel's transition, as current expectations do not fully reflect the company's secured power portfolio, expanding development pipeline, or the likelihood of future AI infrastructure contracts.

Key Assumptions

Our valuation is based on the following operating and cost-of-capital assumptions. We call these out explicitly because the investment case depends on them holding not on the target price itself.

DRIVER	ASSUMPTION	BASIS
REVENUE (2026E → 2030E)	\$139.6M → \$1,321M	Management build-out timeline; power energization schedule
EBIT MARGIN (2026E → 2030E)	24.5%→31.1%	Margin inflects as legacy mining EBIT is replaced by AI infrastructure revenue
CAPEX INTENSITY (2026E → 2030E)	19% of sales → ~9% of sales	Heavy build-out capex tapers once flagship sites are energized
WACC	13.6%	Beta 1.88, risk-free 4.4%, equity risk premium 5.5%, cost of debt 6.5%
TERMINAL GROWTH RATE	3.0%	In line with long-run digital infrastructure demand growth
EXIT MULTIPLE BASIS	EV/Sales (peer median)	Preferred over EV/EBITDA given limited, volatile near-term profitability

Note: Forecast tax rates in the underlying model (15%–81% effective by year) are elevated and volatile relative to the 21% statutory federal rate, reflecting near-term NOL utilization uncertainty. Flagged as a modeling simplification worth revisiting as Keel's tax position becomes clearer.

Catalysts and Risks

Catalysts

- AI contract announcements: Would validate Keel's transition and likely drive a valuation re-rating.
- Power energization: Bringing additional capacity online reduces execution risk and supports future revenue growth.

Risks

- Execution delays: Delays in power or construction could postpone commercialization.
- Customer risk: Failure to secure major AI customers would weaken the investment thesis.

Valuation

We value Keel using a combination of a Discounted Cash Flow (DCF) analysis and Public Trading Comparables, as these methodologies capture both the company's long-term intrinsic value and its valuation relative to AI infrastructure and digital infrastructure peers. Our valuation is driven primarily by assumptions surrounding AI infrastructure revenue growth, successful execution of the company's development pipeline, and multiple expansion as the market begins valuing Keel as an AI infrastructure platform rather than a legacy bitcoin miner. Based on our analysis, we derive an implied share price of approximately \$10.00, representing over 75% upside from the current share price. Achieving our target price will depend on Keel securing major AI infrastructure customers, energizing additional power capacity, and successfully commercializing its development pipeline.

Blended Target Price: \$10.00/share & Expected Return: ~75% (based on current share price)

Key Valuation Drivers:

- AI infrastructure revenue growth
- Successful customer contract announcements
- Power energization and project execution
- Valuation multiple expansion toward AI infrastructure peers

Valuation Face to Face

* Comparison of the DCF Perpetuity Method ($4.91) and Exit Multiple Method ($9.60). Perpetuity is treated as a conservative floor; Exit Multiple applies a 10.0x EV/Sales multiple to 2030E sales and anchors closer to how peers trade today.

Perpetuity Method	
Terminal Value	2,481
Present Value of Terminal Value	1,310
PV of FCFs	524
Enterprise Value	**1,834**
Cash +	573
Debt -	(684)
Equity Value	**3,091**
Shares	630
Implied Share Price	**4.91**

Multiple Method	
EV/EBITDA Multiple	27x
2030 EBITDA	573
EV/Sales Multiple	8.1x
2030 Sales	1,321
toggle	1
Terminal Value	10,659
Present Value of Terminal Value	5,628
PV Forecast FCFs	524
Enterprise Value	**6,152**
Cash +	573.46
Debt -	(684)
Equity Value	6,042
Shares	630
Implied Share price	9.60

* Revenue grows from $212M (2026E) to $1,321M (2030E) as EBIT margin expands from 24.5% to 31.1%. Capex tapers from ~19% to under 9% of sales as development sites are completed, driving FCFF from $77.8M to $255.9M.

Valuation Model

Company Name	**Keel Infrastrucure Corp (KEEL)**	
Discounted Cash Flow For the Year Ended 2021		
Latest Annual Filing		3/31/2025
Share Price in Latest Annual Filing	$	1.95
DCF Value (Perpetuity)	$	4.91
Upside/Downside		**151.77%**
Diluted Shares Outstanding		629.60
**in $ millions except share price*		

Key Valuation Assumptions	
Exit Multiple: 10.0x	
*Factset	
WACC:	13.63%
Risk Free Rate of Return	4.4%
Beta	1.88
Market Risk Premium	5.5%
Terminal Growth Rate	3.0%

							Forecast		
Discounted Cash Flow For the Year Ended 2021	**2018**	**2023**	**2024**	**2025**	**2026E**	**2027E**	**2028E**	**2029E**	**2030E**
Revenue		146.37	133.27	229	212.00	498	821	1,101	1,321
% of growth			-8.95%	72.04%	-7.54%	134.91%	15.4%	12.0%	12.2%
EBIT		**-66.70**	**-77.84**	**(97.24)**	**52**	**79**	**112**	**312**	**411**
%of margin		-45.6%	-58.41%	-42.4%	24.5%	15.9%	13.6%	28.3%	31.1%
Taxes		-0.40	0.35	0.10	21.32	40.29	45.92	118.56	193.17
% of EBIT		0.6%	-0.45%	-0.1%	41%	51%	41%	38%	47%
EBIAT		**(66)**	**(78)**	**(97)**	**31**	**39**	**66**	**193**	**218**
D&A		85	135.69	122.85	90	96	148	146	162
%of sales		57.9%	101.82%	53.6%	42.5%	19.3%	18.0%	13.3%	12.3%
EBITDA		**18.09**	**57.85**	**25.61**	**142**	**175**	**260**	**458**	**573**
Capex		(71.31)	(286.92)	(105.92)	(40)	(31)	(74)	(91)	(121)
% of Sales		-48.7%	-215.3%	-46.2%	-18.9%	-6.2%	-9.0%	-8.3%	-9.2%
Change in NWC		1.24	(7.48)	1.11	2.89	2.10	2.30	2.41	2.89
% of sales		0.8%	-5.6%	0.5%	1.4%	0.4%	0.3%	0.2%	0.2%
Unlevered Free cash flows to the firm (FCFF)					77.79	101.61	137.78	246.03	255.94
Present Value Free cash flows to the firm (FCFF)					68.46	78.70	93.92	147.60	135.13

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* Sensitivity of both DCF methods to WACC, terminal growth, and exit multiple. Shows the range of outcomes under different rate/growth assumptions and why we weight Exit Multiple and Comps over Perpetuity alone.

Sensitivity Analysis

Perpetuity Method

Growth Rate \ WACC ($ 4.91)	13.4%	13.5%	13.6%	13.7%	13.8%
2.0%	$ 4.77	$ 4.75	$ 4.72	$ 4.69	$ 4.67
2.5%	$ 4.87	$ 4.84	$ 4.81	$ 4.78	$ 4.76
3.0%	$ 4.98	$ 4.95	$ 4.92	$ 4.89	$ 4.86
3.5%	$ 5.10	$ 5.07	$ 5.03	$ 5.00	$ 4.96
4.0%	$ 5.23	$ 5.19	$ 5.16	$ 5.12	$ 5.08

Multiples Method

EV/EBITDA Multiple \ WACC ($ 9.60)	13.4%	13.5%	13.6%	13.7%	13.8%
17x	$ 9.69	$ 9.65	$ 9.61	$ 9.56	$ 9.52
22x	$ 9.69	$ 9.65	$ 9.61	$ 9.56	$ 9.52
27x	$ 9.69	$ 9.65	$ 9.61	$ 9.56	$ 9.52
32x	$ 9.69	$ 9.65	$ 9.61	$ 9.56	$ 9.52
37x	$ 9.69	$ 9.65	$ 9.61	$ 9.56	$ 9.52

EV/Sales Multiple \ WACC ($ 9.60)	13.4%	13.5%	13.6%	13.7%	13.8%
6.0x	$ 7.38	$ 7.34	$ 7.31	$ 7.28	$ 7.25
7.0x	$ 8.49	$ 8.46	$ 8.42	$ 8.38	$ 8.35
8.1x	$ 8.49	$ 8.46	$ 8.42	$ 8.38	$ 8.35
9.0x	$ 10.73	$ 10.69	$ 10.64	$ 10.59	$ 10.55
10.0x	$ 11.85	$ 11.80	$ 11.75	$ 11.70	$ 11.65

* Keel valued against AI infrastructure and digital infrastructure peers (IREN, Applied Digital, Core Scientific, Cipher Mining, Hut 8, Riot Platforms, CleanSpark, Nebius). EV/Sales is weighed more heavily given limited near-term profitability. Peer median implies $10.50/share.

Valuation Model

Company Name	Keel Infrastructure (KEEL)
Public Trading Comparables	
Latest Annual Filing	3/31/2025
Share Price in Latest Annual Filing	$ 1.95
Implied Share Price Public Comps (Ebit	$ 10.50
Upside/Downside	**438.58%**
Diluted Shares Outstanding	630
**in $ millions except share price*	

Ticker	Company Name	Current Price	Share Count	Enterprise Value	Market Cap	Revenue 2023	Revenue 2024	Revenue 2025	EBITDA 2024	EBITDA 2025	Net Income 2024	Net Income 2025
Keel	Keel Infrastructu	$ 5.74	630	4,150	3,614	146	133	229	58	26	15	-81
IREN	Iren	$ 45.73	332	15,600	15,196	76	298	549	131	317	385	227
APLD	Applied Digital	$ 13.98	282	4,200	3,942	221	22	364	25	16	-171	-324
CORZ	Core Scientific	$ 26.68	385	8,900	10,272	502	511	319	170	143	580	-1,157
CIFR	Cipher Mining	$ 17.63	357	6,700	6,294	151	151	119	73	107	-44	-58
HUT	Hut 8	$ 36.21	110	4,300	3,983	97	162	229	44	74	331	-92
RIOT	Riot platforms	$ 28.41	376	10,700	10,682	281	377	647	165	-72	109	663
CLSK	Clean Spark	$ 17.72	315	5,600	5,582	168	379	694	247	742	247	361
NBIS	Nebius Group	$ 276.17	104	31,800	28,722	1,050	1,170	1,970	-266	-232	-396	-413
Mean												
Median												

Ticker	Revenue Growth '19-'20	Revenue Growth '20-'21	EBITDA Margin '20	EBITDA Margin '21	Profit Margin '20	Profit Margin '21	Trading Multiples EV / Revenue '20	EV / Revenue '21	EV / EBITDA '20	EV / EBITDA '21	P / E '20	P / E '21
Keel	(9%)	72%	43%	11%	11%	(35%)	31.1x	18.1x	71.7x	162.0x	240.9x	-44.6x
IREN	295%	84%	44%	58%	129%	41%	52.3x	28.4x	119.1x	49.2x	39.5x	66.9x
APLD	(90%)	1547%	111%	4%	(774%)	(89%)	190.0x	11.5x	171.4x	262.5x	-23.1x	-12.2x
CORZ	2%	(38%)	33%	45%	114%	(363%)	17.4x	27.9x	52.4x	62.2x	17.7x	-8.9x
CIFR	0%	(21%)	48%	90%	(29%)	(49%)	44.3x	56.3x	91.8x	62.6x	-143.0x	-108.5x
HUT	68%	41%	27%	32%	204%	(40%)	26.5x	18.8x	97.7x	58.1x	12.0x	-43.3x
RIOT	34%	72%	44%	(11%)	29%	102%	28.4x	16.5x	64.8x	-148.6x	97.6x	16.1x
CLSK	125%	83%	65%	107%	65%	52%	14.8x	8.1x	22.7x	7.5x	22.6x	15.5x
NBIS	11%	68%	(23%)	(12%)	(34%)	(21%)	27.2x	16.1x	-119.4x	-137.1x	-72.5x	-69.5x
Mean	**55.7%**	**229.6%**	**43.7%**	**39.1%**	**(37.0%)**	**(45.7%)**	**50.1x**	**23.0x**	**62.6x**	**27.1x**	**-6.1x**	**-18.0x**
Median	**22.8%**	**70.1%**	**43.9%**	**38.6%**	**47.1%**	**(30.6%)**	**27.8x**	**17.7x**	**78.3x**	**53.7x**	**14.9x**	**-10.5x**

Calculating Implied Share	2021 Trading Multiple Revenue	2021 Trading Multiple EBITDA	2021 Trading Multiple P/E	2021 Financial Metric Revenue	2021 Financial Metric EBITDA	2021 Financial Metric EPS	Enterprise Value Revenue	Enterprise Value EBITDA	Enterprise Value Net Income	Cash	Debt	Shares
Minimum	8.1x	-148.6x	-108.5x	229	26	2.90	1,850	-3,806	--	573	684	630
Mean	23.0x	27.1x	-18.0x	229	26	2.90	5,264	693	--	573	684	630
Median	17.7x	53.7x	-10.5x	229	26	2.90	4,047	1,374	--	573	684	630
Maximum	56.3x	262.5x	66.9x	229	26	2.90	12,909	6,723	--	573	684	630

Calculating Implied Share	Equity Value Revenue	Equity Value EBITDA	Equity Value Net Income	Implied Share Price Revenue	Implied Share Price EBITDA	Implied Share Price Net Income
Minimum	1,740	-3,916	-198,132	$ 2.76	$ (6.22)	$ (314.70)
Mean	5,153	583	-32,840	$ 8.19	$ 0.93	$ (52.16)
Median	3,937	1,264	-19,213	$ 6.25	$ 2.01	$ (30.52)
Maximum	12,799	6,612	122,227	$ 20.33	$ 10.50	$ 194.13

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