Vertiv Holdings (VRT) – when in a gold rush build data centres.

By George Williams



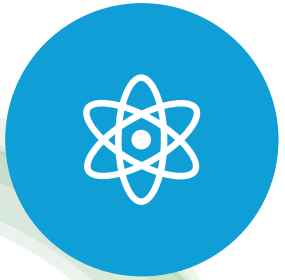
Company Overview



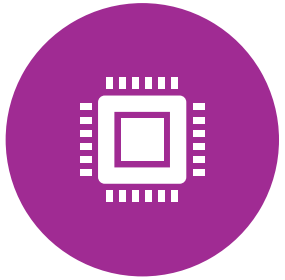
Designs Manufactures and services specialised technology



This includes thermal management systems and monitoring software.



An industry favourite for key growth areas such as AI and Quantum computing.



Ultra-high switching costs, keeps consumer base loyal and revenue steady



Key revenue drivers

- 80% of Vertiv's revenue comes from thermal control sales which is driven by AI data centre construction.
- Key customers include Hyperscalers, such as Alibaba and AT&T. Overall the Capex on data centres has risen 36% over 2025.
- Echoed by the data centre market which has an 11% CAGR.
- This shows in Vertiv’s revenue growth, which is 34% last year.



Key revenue drivers & Competitive moat

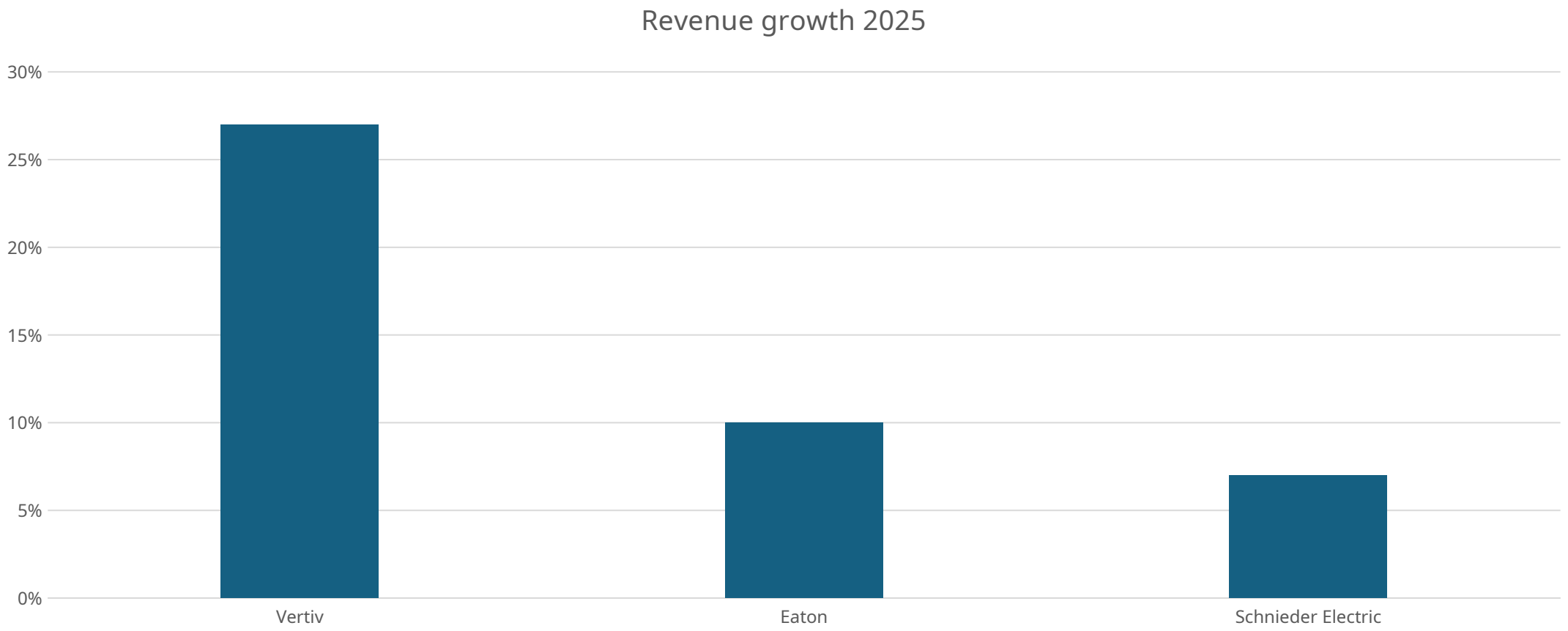
- Additionally, Vertiv has a high Book-to-Bill ratio of 1.4x which indicates a strong future demand signal.
- Greater when compared to competitors like Eaton whose Book-to-Bill ratio still sits high at 1.2x
- Operating Margin expansion up 22.3% which is driving ROE
- Proprietary information and high switching costs



Financial Analysis

- Recorded sales increase of 29%
- ROE 39%
- Operating FCF was up 38% YoY to $462 million
- Asset increase forecast $4 billion driven by higher receivables and sales growth.

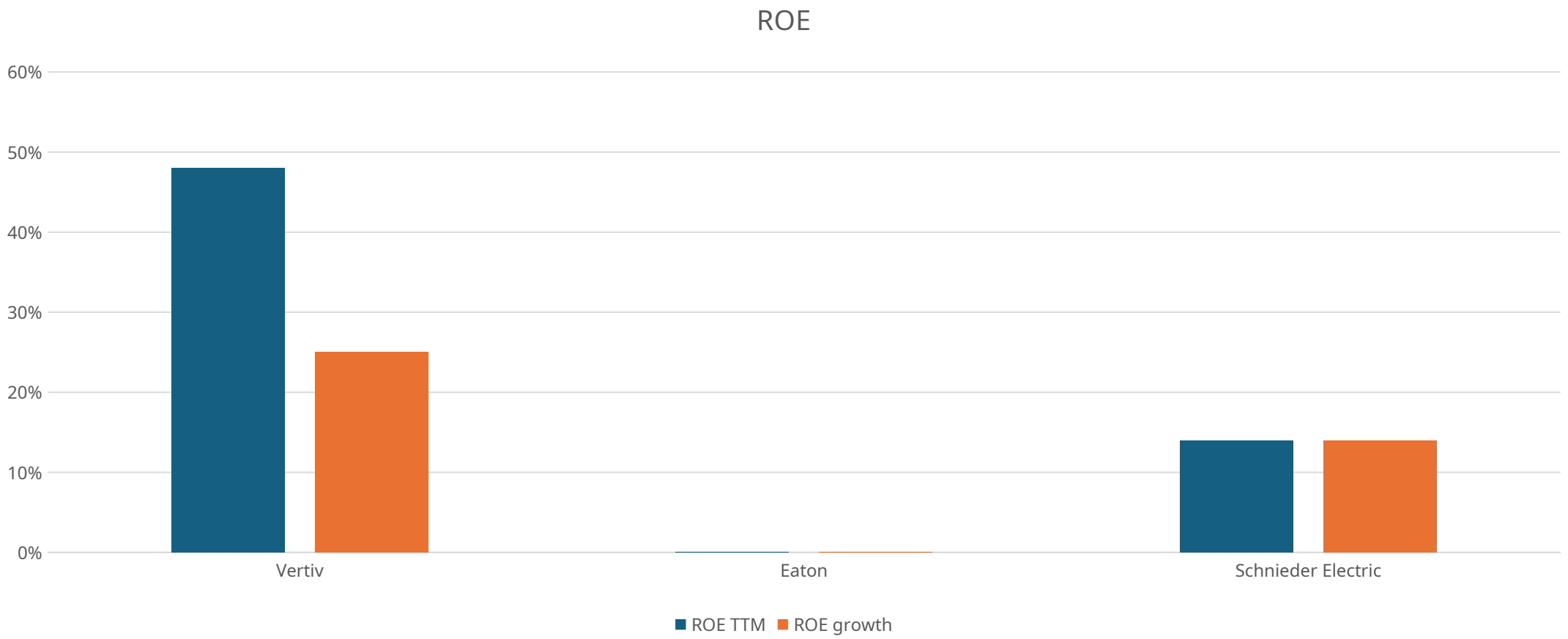
Revenue Growth



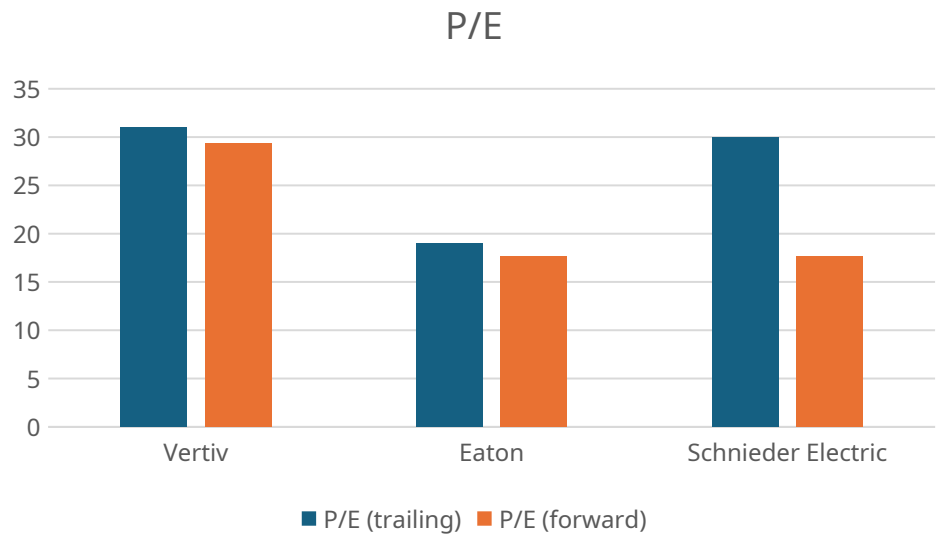
Operating Profit Margin

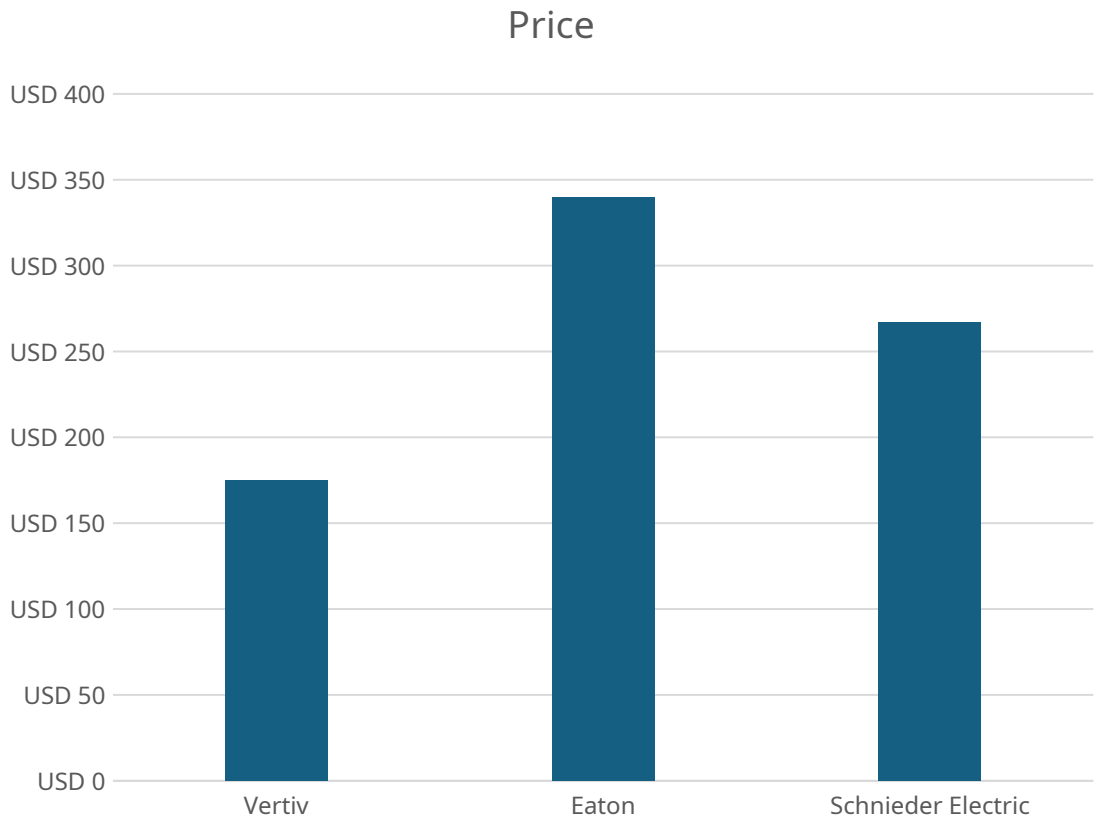


Return on Equity



Valuation


P/E
35
30
25
20
15
10
5
0
Vertiv
Eaton
Schnieder Electric
P/E (trailing)
P/E (forward)


Price
USD 400
USD 350
USD 300
USD 250
USD 200
USD 150
USD 100
USD 50
USD 0
Vertiv
Eaton
Schnieder Electric



Conclusion and Thesis