

SIKULI CAPITAL

Conviction through contrarian research

IREN Limited (IREN)

Valuation Snapshot — Fair Value Range

As of May 20, 2026 | Bitcoin miner pivoting to AI cloud infrastructure

CURRENT PRICE	PROBABILITY-WEIGHTED FAIR VALUE	FAIR VALUE RANGE
\$50.43	~\$50	\$25 - \$80
May 2026	Bull 25% / Base 50% / Bear 25%	Approximately fair; HPC transition

Verdict: IREN trades at \$48 with \$17B market cap on TTM revenue of \$757M (68.4% GM, 20.9% net margin). The company is mid-pivot from pure Bitcoin mining to an AI cloud infrastructure provider — AI cloud revenue doubled to \$34M in the most recent quarter while overall revenue fell 22% sequentially to \$145M^[1]. IREN raised \$3.0B in 1.00% convertible senior notes and made strategic acquisitions (Mirantis, Awaken). Bull case requires successful AI cloud scaling; bear case is BTC mining cyclical pressure combined with execution risk on the AI transition.

CURRENT SNAPSHOT

Metric	Value	Notes / Source
Stock price	\$48	5/20/26 range \$46-\$50 ^[2]
Market cap	\$17.06B	^[2]
TTM revenue	\$757M	68.4% GM, 20.9% NM ^[2]
Latest quarter revenue	\$145M (-22% QoQ)	^[1]
AI cloud revenue	\$34M (doubled)	Growth segment ^[1]
Convertible notes raised	\$3.0B at 1.00%	Funds expansion ^[3]

BULL / BASE / BEAR SCENARIOS

Scenario (weight)	Assumptions	Fair Value
Bull (25%)	AI cloud scales to \$200M+, BTC stable, multiple supports premium	\$80
Base (50%)	BTC + AI cloud both grow modestly, multiple holds near current	\$50
Bear (25%)	BTC crashes + AI cloud doesn't scale, multiple compresses	\$25

Scenario (weight)	Assumptions	Fair Value
Probability-weighted	Hybrid BTC/HPC story; success requires execution on both fronts.	~\$50

Key Risks

- **BTC price exposure:** Mining revenue tied directly to BTC; halving + price moves drive results.
- **AI cloud execution:** Transition from mining to AI hosting is non-trivial; customer wins critical.
- **Convertible dilution:** \$3B converts dilute equity on conversion.
- **Power costs:** Energy intensity is the cost base; rate moves impact margins.

What Would Change Our View

- **Upside:** AI cloud customer win disclosure, AI revenue >\$100M run-rate, BTC to \$100K+.
- **Downside:** BTC under \$60K, AI cloud growth stalls, mining costs spike.

Sources

- [1] <https://stockanalysis.com/stocks/iren/>
 [2] <https://finance.yahoo.com/quote/IREN/>
 [3] <https://simplywall.st/stocks/us/software/nasdaq-iren/iren>

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