Vertiv Holdings

Investment Thesis 2026 02 15

Vertiv Holdings provides digital infrastructure and services. Its range of offerings includes AC and DC power management products, switchgear (a collection of electrical devices that control, protect, and isolate power systems), busbar products (devices that carry large currents or distribute current to multiple devices), thermal management products, integrated rack systems, modular solutions, and management systems for monitoring and controlling digital infrastructure. Vertiv's customers come from three main end markets: (1) data centers (including hyperscale/cloud, colocation, and enterprise), (2) communication networks and (3) commercial and industrial applications. The company provides and installs equipment and software across the world. It also supports installations through locally situated service centers and more than 5,000 service engineers. The scale and expertise of this support network is one of the key competitive differentiators for Vertiv. As of December 31, 2025 Vertiv had approximately 3,000 registered patents and approximately 1,900 pending, published or allowed patent applications, and approximately 1,900 registered trademarks and approximately 200 pending trademark applications.

Over the last year, Vertiv has made a number of investments and acquisitions (e.g., Great Lakes Data Racks & Cabinets and Purge Rite Intermediate) to support the demand for its products in database builds, deployments, and management and also to strengthen and diversify its manufacturing across geographic regions. They have a partnership with Nvidia to support the development of advanced power and thermal infrastructure aligned with next-generation AI and high-performance computing architectures, a partnership with Oklo to explore alternative energy solutions that could support future data center power requirements, and a partnership with Caterpillar to strengthen Vertiv's capabilities in distributed power generation and backup solutions for critical infrastructure applications. Finally, Vertiv continues to invest in prefabricated, factory-integrated, and standardized infrastructure solutions designed to reduce on-site complexity and improve deployment efficiency. This accelerates data center build-outs, enabling faster installation, improved quality, and greater scalability. Vertiv's *OneCore* product provides a standardized, repeatable architecture that integrates power, thermal, racks, software, and services into a unified systems framework.

I started a position in Vertiv primarily because of their integrated rack solutions, which encompass the delivery of racks, single phase UPS, rack power distribution, rack thermal systems, configurable integrated solutions, hardware, and software for managing IT equipment. There is currently a major build out of datacenters capable of handling AI. Power supply and cooling are very significant needs in this space.

Prospects over the next 9 to 12 months

The average price target of analysts is $203, with a high of $290.00 and a low of $112.00. My fair price is $252.39. It is based on an EPS of $3.41, a growth rate of 22.5%, and a PE of 25. I would buy more Vertiv stock at or below $180.

Vertiv Holdings Co (XNYS:VRT)	$ 234.53	92.92%													
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	TTM	10 year	5 year	1 year	Trend
Revenue USD Mil					4,371	4,998	5,692	6,863	8,012	10,230	10,230		20%	28%	0.00%
Net Income					-327	120	77	460	496	1,333	1,333		83%	169%	0.00%
Earnings Per Share USD					(0.06)	0.33	(0.04)	1.19	1.28	3.41	3.41		79%	166%	0.00%
Operating Income					335	273	228	917	1,382	1,896	1,896		62%	37%	0.00%
Operating Income Per Share					1.09	0.76	0.60	2.38	3.58	4.85	4.85		59%	35%	0.00%
Book Value Per Share USD					1.09	2.09	3.36	4.49	4.76	9.17	10.30		45%	93%	12.32%
Free Cash Flow USD Mil					156	126	-264	766	1,135	1,887.00	1,887		97%	66%	0.00%
Free Cash Flow Per Share					0.51	0.35	-0.70	1.98	2.94	4.83	4.83		93%	64%	0.00%
Working Capital					777	844	1,261	1,696	2,005	2,413.00	2,413		30%	20%	0.00%
Return on Invested Capital %					(2.57)	5.07	4.18	12.37	11.07	21.94	21.94		10.9	16.5	21.9
Return on Assets %					(11.3)	2.0	1.1	6.1	5.8	12.5	12.5		5.5	9.2	12.5
Return on Equity %					(55.0)	12.4	5.4	26.6	22.3	41.8	41.8		21.7	32.1	41.8
Operating Margin %					7.7	5.5	4.0	13.4	17.3	18.5	18.5		11.7	17.9	18.5
Shares					307	360	378	386	386	391	391		2%	1%	0.00%
$25.95	Future EPS														
$648.72	Future price														
$252.39	Sticker price														
$151.44	40% discount														