PORTER & CO. CONFERENCE 2025

10 Key Themes In The AI Boom

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Theme 1

AI Hyperscaler Bazooka

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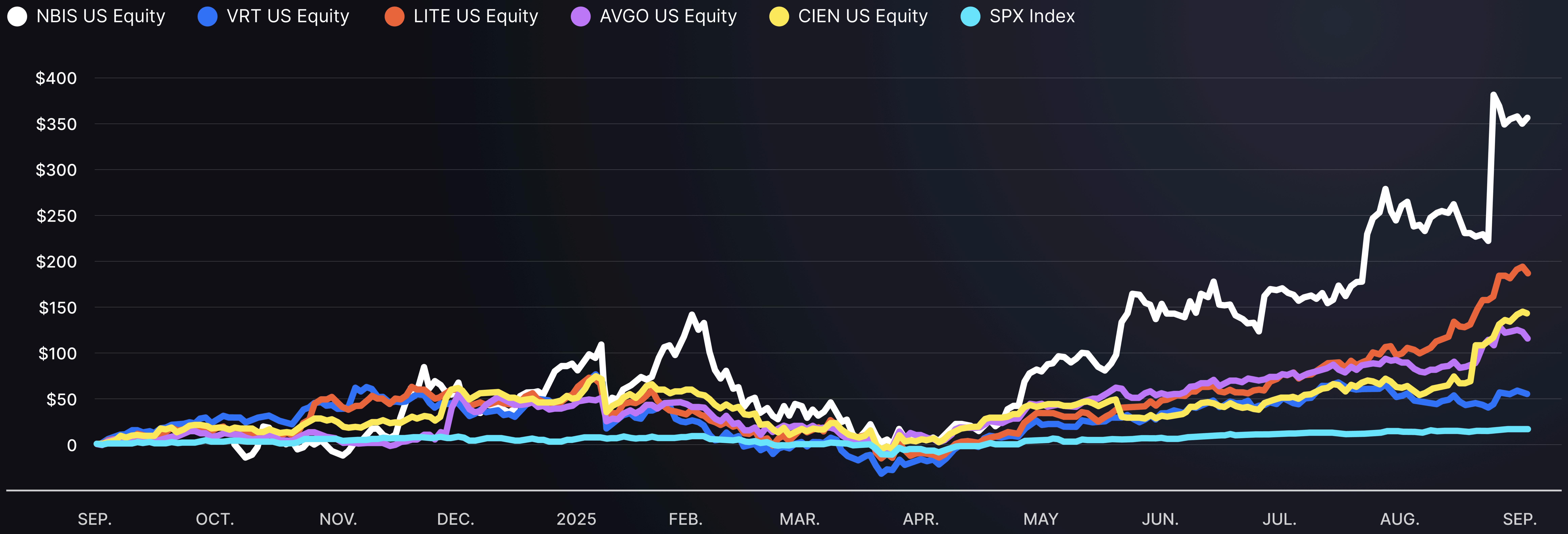
- **What's happening:** Multi-trillion capex wave from MSFT/GOOG/AMZN/META/ORCL et al. into GPUs, servers, networking, memory, cooling, and real estate.
- **Key drivers:** Model sizes ↑ (but especially usage), HBM capacity race, advanced-packaging bottlenecks, 400G→800G→1.6T networking upgrades.
- **Where value accrues:** GPUs/accelerators; HBM memory; optical/networking; server integrators; advanced packaging; DC REITs; liquid cooling & power gear; specialized cloud compute.
- **Signals to watch:** Hyperscaler capex guidance.
- **Compelling Names:** NVDA, AMD, AVGO, MRVL, MU, ANET, CSCO, CIEN, ASML, TSM, NBIS, CRWV, VRT, LITE.

NBIS US Equity: Nebius Group NV



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Source: Bloomberg Finance

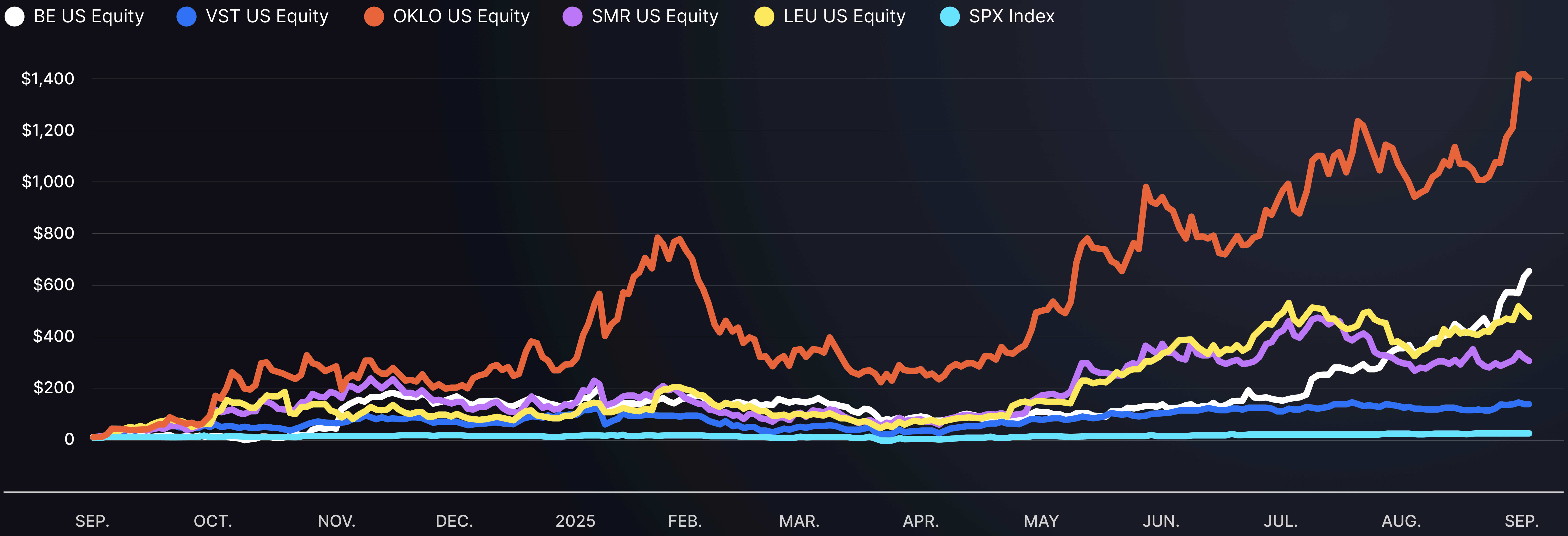
Theme 2

AI Energy Bonanza

AI Energy Bonanza

- **What's happening:** Datacenter power demand is exploding—24/7, low-carbon baseload becomes strategic; utilities repricing multi-decade growth.
- **Levers:** Uprates/life-extensions for existing nukes; SMRs; long-duration PPAs; grid hardening; gas peakers bridging intermittency; transmission build-out.
- **Where value accrues:** Nuclear operators/fuel/enrichment; grid operators; transmission hardware; switchgear; cooling & HVAC for DCs.
- **Signals:** Utility firms adding AI load, uranium term pricing, interconnect queues, SMR commercialization milestones, transformer lead times.
- **Names:** CEG, VST, NEE, GEV (GE Vernova), CCJ, LEU, BWXT, OKLO, SMR, PWR, ETN, HUBB, POWL, MTZ, VRT, WMB, LN, BE, CALX.

BE US Equity: Bloom Energy Corp



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Source: Bloomberg Finance

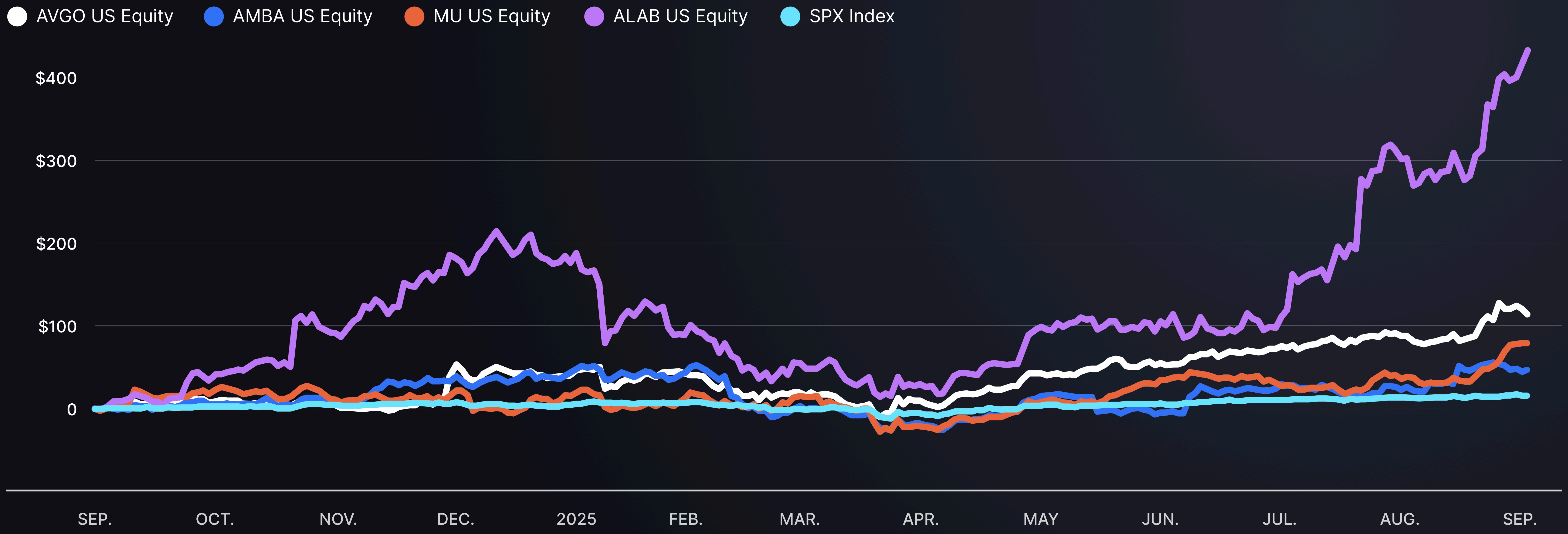
Theme 3

The Great Inference Shift

The Great Inference Shift

- **What's happening:** Spend tilts from mega-training to **mass inference** across devices/networks; specialized small models run on phones, PCs, cars, glasses, routers.
- **Why it matters:** Lower latency/cost, privacy, personalization; gigantic TAM as every endpoint becomes an AI endpoint.
- **Where value accrues:** Edge SoCs/NPUs, on-device frameworks, CDNs running inference at the edge, memory bandwidth (HBM/CXL) to feed accelerators.
- **Signals:** NPU attach rates in PCs/phones, on-device model benchmarks, CDN inference products, carrier partnerships.
- **Names:** QCOM, AAPL, ARM, AMD (NPUs), NVDA (Jetson/Triton), AVGO/MRVL (DPUs/accelerators), NET, AKAM, SNPS, CDNS, ANSS, MU, ALAB.

AVGO US Equity: Broadcom Inc.



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Source: Bloomberg Finance

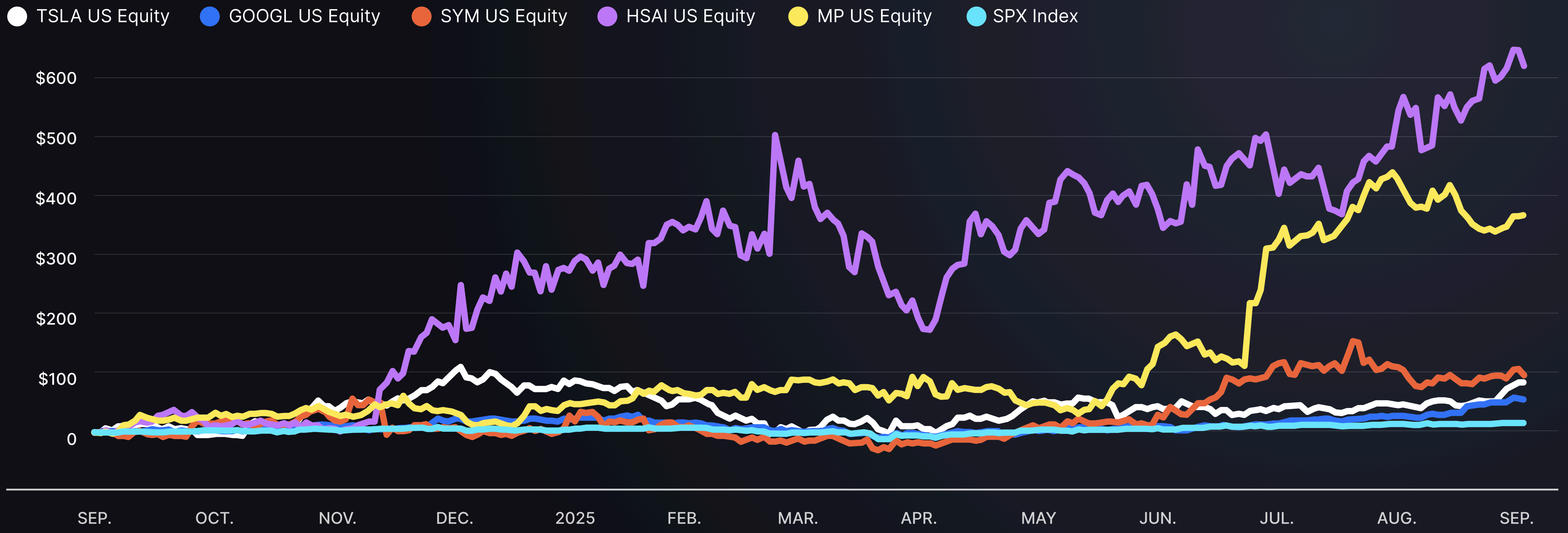
Theme 4

Physical AI Wave

Physical AI Wave

- **What's happening:** Intelligence leaves the rack and enters the world—autonomous mobility, warehouse/cobot automation, humanoid robots, consumer wearables.
- **Value chain:** Sensors/cameras → compute/SoCs → actuators/servo/magnets → batteries/charging → systems integration → vertical software.
- **Near-term traction:** Warehouse/logistics robots and driver assistance lead; consumer AR/AI glasses ramp as assistants mature.
- **Signals:** Safety miles for AVs, pick-rate productivity uplifts in warehouses, new SKUs for humanoid pilots, AR device MAUs.
- **Names:** TSLA, MBLY, AUR, NVDA (Drive), QCOM (auto), SYM, TER (UR cobots), ABB, AMBA, ZBRA, HSAI, META (Ray-Ban), AAPL, MP (magnets), U (OS).

TSLA US Equity: Tesla Inc.



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Source: Bloomberg Finance

Theme 5

Rise of XPUs

Rise of XPUs

- **What's happening:** Big Tech rolls its own accelerators (TPU, Trainium/Inferentia, Azure Maia/Cobalt). Heterogeneous "XPU" era (CPU+GPU+ASIC+FPGA).
- **Why it matters:** Tailored perf/watt and TCO; mitigates GPU scarcity; locks in vertical stacks.
- **Where value accrues:** Foundries, EDA/IP, advanced packaging, interconnect, verification, and substrate ecosystems powering custom chips.
- **Signals:** Tape-out cadence at hyperscalers, CoWoS & 2.5D/3D packaging capacity, Arm server share, AVGO/MRVL earnings.
- **Names:** AVGO, MRVL, TSM, ASML, AMAT, KLAC, GFS, INTC (IFS/Foveros), ARM, SNPS, CDNS, ANSS, MRVL, AMKR, ASX.

AVGO US Equity: Broadcom Inc.

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Source: Bloomberg Finance

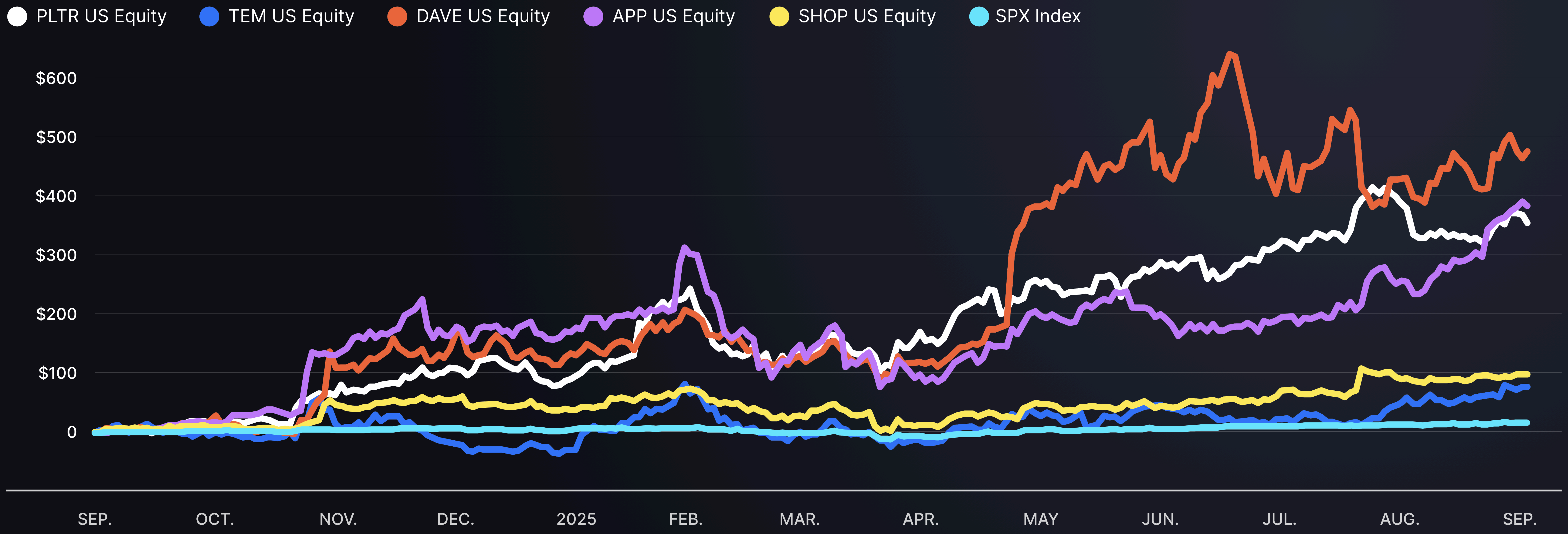
Theme 6

AI Appliers

AI Appliers

- **What's happening:** Software firms weaponize AI where they have proprietary data + workflow depth + distribution—insulates vs. LLM commoditization.
- **Best arenas:** Security, IT ops, data platforms, enterprise automation, vertical SaaS (health/defense/finance), creative suites with native AI.
- **Moat enhancers:** In-product data network effects, regulated-data compliance, ecosystem lock-in, co-pilot upsells.
- **Signals:** AI-driven net expansion, gross margin stability, inference cost per user trending down, time-to-value metrics.
- **Names:** PLTR, NOW, SNOW, CRWD, ZS, PANW, APP, CYBR, INTU, SHOP, LMND, GWRE, TEM, OPRA, RDDT, RKT, FROG, DAVE.

PLTR US Equity: Palantir Technologies Inc.



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Theme 7

Defense AI

Defense AI

- **What's happening:** Cheap autonomy + strike swarms change tactics; battle management software and AI-enabled sensing go mainstream.
- **Where value accrues:** UAVs/loitering munitions, EO/IR sensors, secure comms, targeting, digital twins, mission software.
- **Policy tailwind:** Multi-year NATO/U.S. rearmament; rapid procurement lanes for software and uncrewed systems.
- **Signals:** UOR (urgent operational requirements), multi-domain integration wins, drone attrition/replenishment cycles.
- **Names:** AVAV, KTOS, LMT, NOC, LHX, RTX, TDY, PLTR, AIRO.

KTOS US Equity: Kratos Defense & Security Solutions Inc.

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Source: Bloomberg Finance

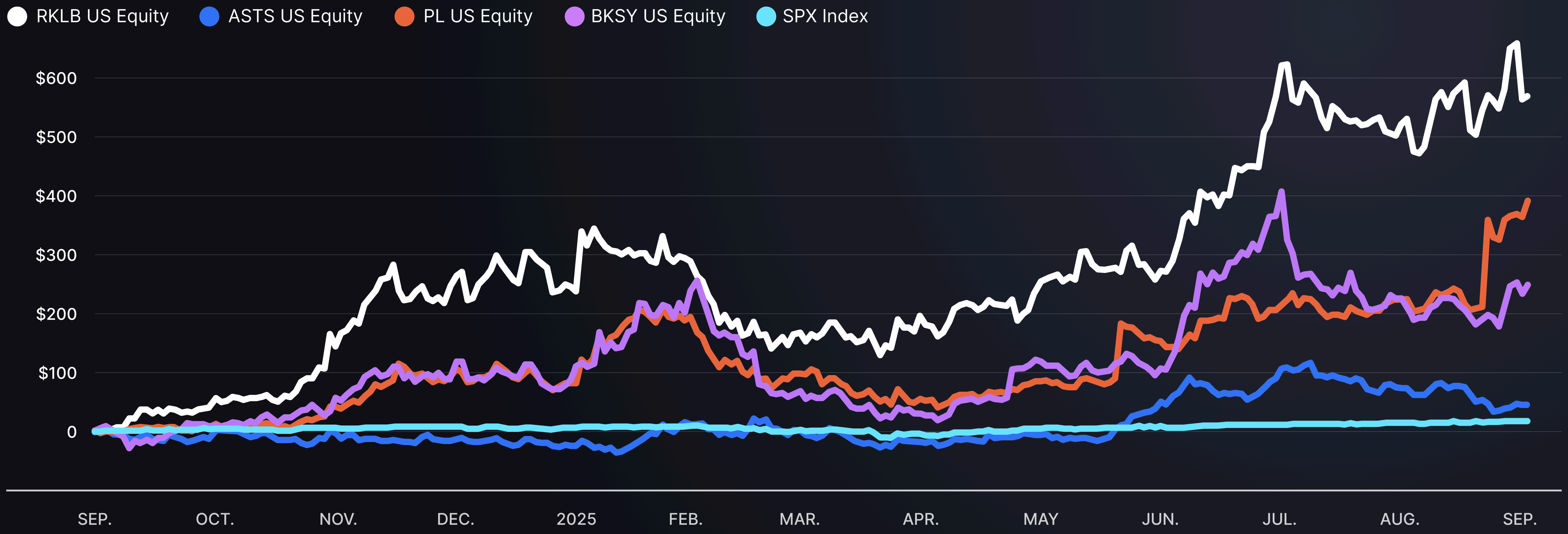
Theme 8

Space AI

Space AI

- **What's happening:** AI-enhanced earth observation, comms, and edge compute in orbit; constellations become real-time data backbones.
- **Use cases:** Agriculture/insurance, maritime & logistics, disaster response, global connectivity, on-orbit processing.
- **Catalysts:** Cheaper launch, software-defined payloads, sat-to-cell partnerships with MNOs.
- **Signals:** Constellation utilization, data ARR vs. imagery commoditization, sat-to-cell service starts, government task orders.
- **Names:** RKLB, PL, ASTS, BKSY, IRDM, GSAT, VSAT.

RKLB US Equity: Rocket Lab Corp



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Source: Bloomberg Finance

Theme 9

AI Industrial Complex

AI Industrial Complex

- **What's happening:** U.S. (and allies) push to onshore/"friend-shore" chips, magnets, energy, and defense tech; carrots (grants/loans) + sticks (tariffs/export controls).
- **Tools:** CHIPS/IRA-style subsidies, DoD procurement, DOE loan guarantees, strategic stockpiles; potential strategic equity in critical nodes.
- **Winners:** Domestic fabs/packaging, power gear, rare earths/magnets, nuclear supply chain, secure cloud/defense software.
- **Signals:** Award announcements, offtake contracts, Buy-American clauses, tariff shifts.
- **Names:** INTC, MU, GFS, AMKR, AMAT/LRCX/KLAC, MP, BWXT, LEU, OKLO/SMR, PWR, HUBB, POWL, ORCL (Fed cloud), PLTR.

MP US Equity: MP Materials Corp

Source: Bloomberg Finance

Theme 10

AI Jobs Apocalypse

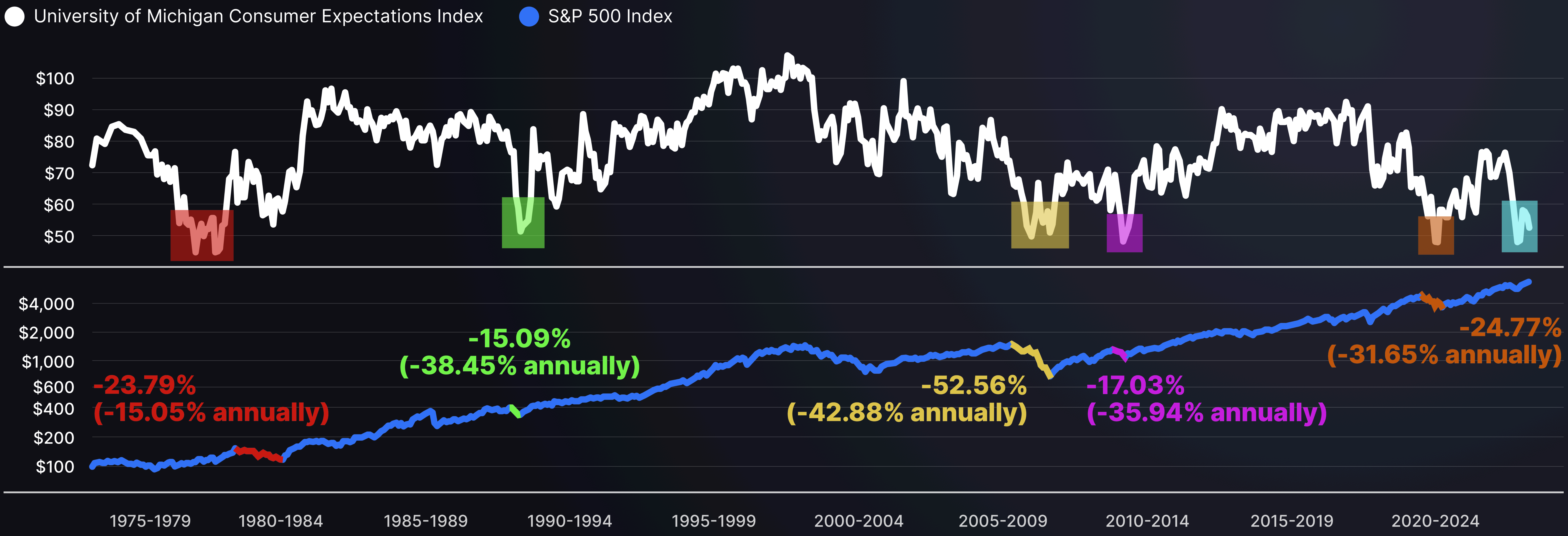
AI Jobs Apocalypse

- **What's happening:** Rapid automation of white- and blue-collar tasks; productivity booms accrue first to capital owners and AI suppliers.
- **Implications:** Margin expansion for adopters; pressure on labor incomes → political responses (training credits, wage subsidies, basic benefits).
- **Plays:** "Productivity compounders" that automate workflows; physical automation; infra toll-takers; reskilling platforms.

AI Jobs Apocalypse

- **Stanford August 2025 Paper:**
  - Since the widespread adoption of GenAI, early-career workers (age 22-25) in the most AI-exposed occupations have experienced a 13% relative decline in employment.
  - Employment for software developers aged 22-25 declined by nearly 20% from late 2022 to July 2025. CS agents show a similar pattern.
  - The study concludes that there is "early, large-scale evidence consistent with the hypothesis that the AI revolution is beginning to have a significant and disproportionate impact on entry-level workers in the American labor market."
- **Names:** MSFT, ORCL, META, GOOG, NVDA, AVGO, ROK, ABB, TER, SYM, PATH, COUR, UDMY, EQIX, DLR.

CONSEXP Index: University of Michigan Consumer Expectations Index



Source: Bloomberg Finance

Tech Stocks In 2023-2025 Are Tracing The Steps They Took In The 1990s

Source: Bloomberg Finance

Be Careful What You Wish For

The last time the Fed cut rates during a massive tech boom (Dot Com Boom), tech stocks soared almost 200% from 1998 to 2000… **then crashed from 2000 to 2002**

Source: Bloomberg Finance

Physical AI: The Single Biggest Investment Opportunity of Our Lifetime