

AI INFRASTRUCTURE

# Vertical Integration Is Becoming The Competitive Moat

SSI. Nebius. IREN. Meta. Four different deals, one pattern.



THE ASSUMPTION THAT'S BREAKING

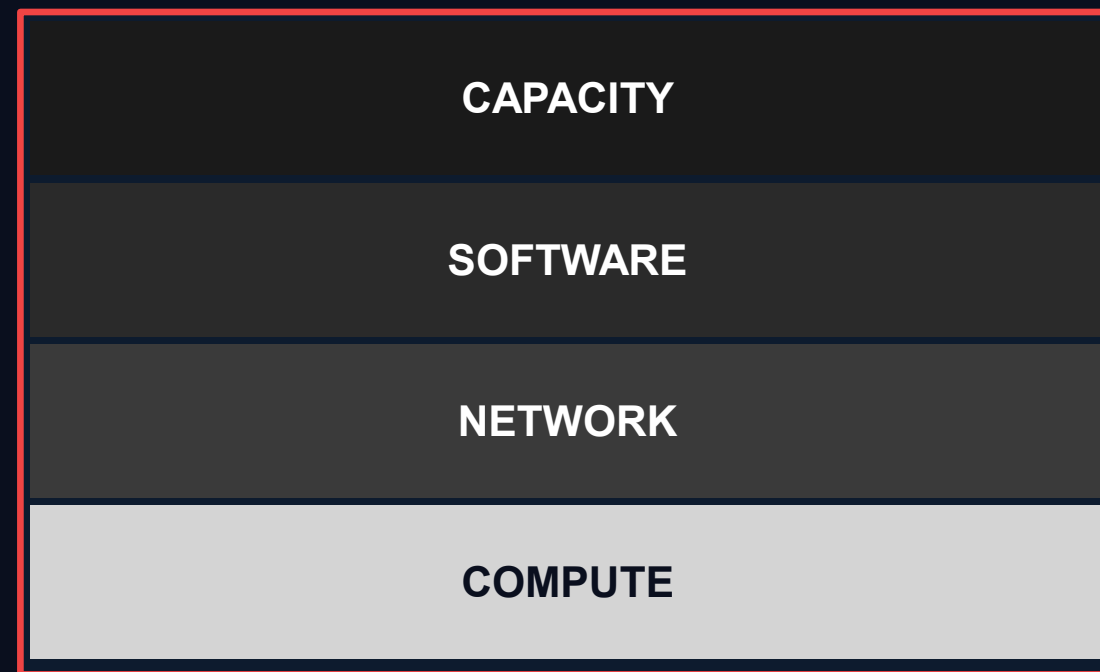
# You're Not Buying A GPU Anymore

OLD ASSUMPTION



*Fungible. Substitutable. Cheapest compatible provider wins.*

AI INFRASTRUCTURE REALITY



*One coordinated system. No swappable layer.*

WHAT VERTICAL INTEGRATION ACTUALLY BUYS

# The Real Product Is Variance Reduction

01

## CAPACITY PREDICTABILITY

Guaranteed allocation removes exposure to spot-market scarcity.

02

## PERFORMANCE PREDICTABILITY

Co-design across layers removes the boundaries where performance degrades.

03

## DEPLOYMENT SEQUENCING PREDICTABILITY

Early platform access converts roadmap uncertainty into a scheduled plan.

# Every Deal Trades One For The Other

## OPTIONALITY

- Portability
- Negotiating leverage
- Easier substitution
- Exit options preserved

## OPTIMIZATION

- Performance optimization
- Capacity assurance
- Tighter integration
- Lower operating variance

*Neither wins universally. That's the decision.*

WHERE THIS BREAKS

# Efficient Today, Expensive To Leave Later



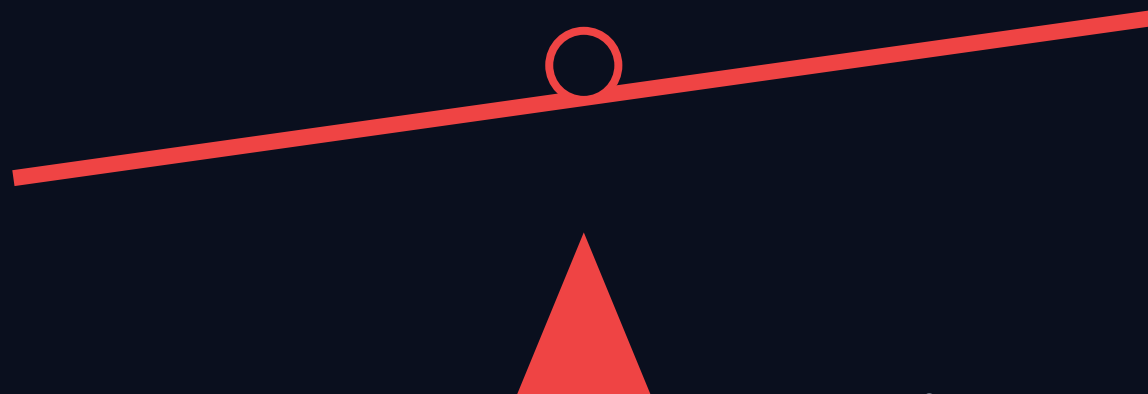
A vertically optimized stack can make the current workload exceptionally efficient — while making the next architecture harder to introduce.

## ⚠️ INTEGRATION DEBT

Operationally excellent. Strategically expensive to leave.  
The cost doesn't show up on the invoice that made the original decision look correct.

THE ARCHITECT'S CALL

# Cost Of Variability vs. Value Of Portability



## VERTICAL INTEGRATION WINS

when the cost of variability on a workload exceeds the value of staying able to walk away.

## PORTABILITY WINS

when the cost of dependency exceeds the value of optimization.

THE ARCHITECT'S CALL

# Price The Dependency Before You Sign.

Vertical integration isn't the moat by default. Pricing the dependency is what makes it one.

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