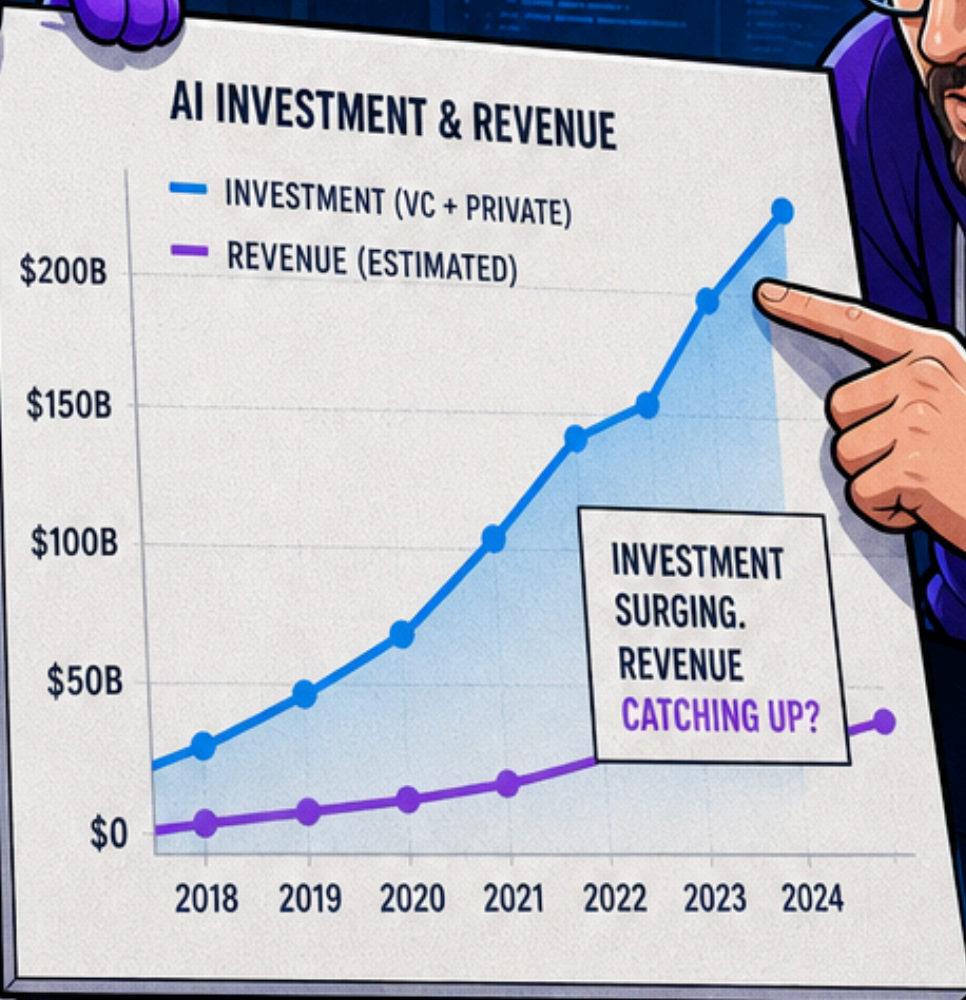
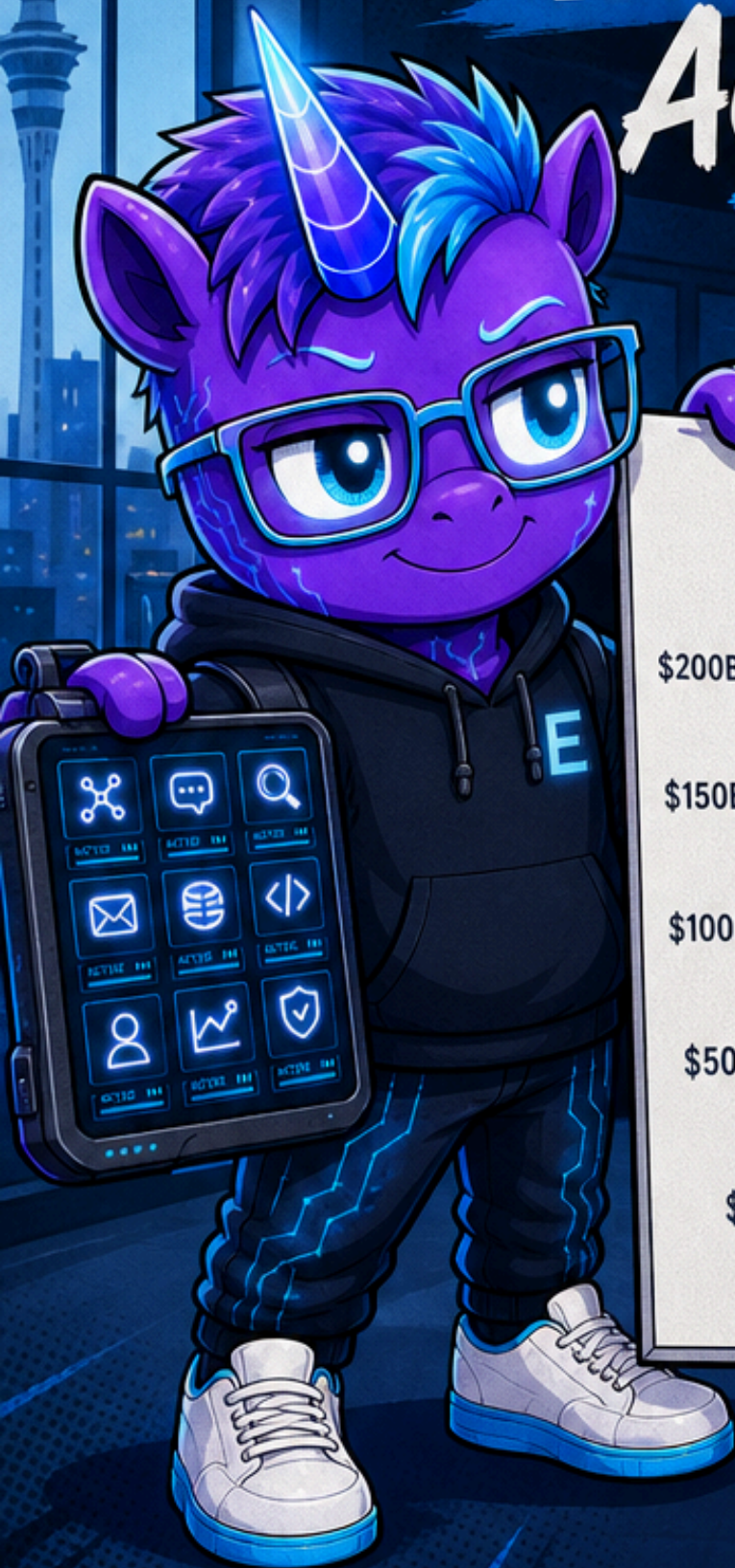


ARE WE IN AN AI BUBBLE?

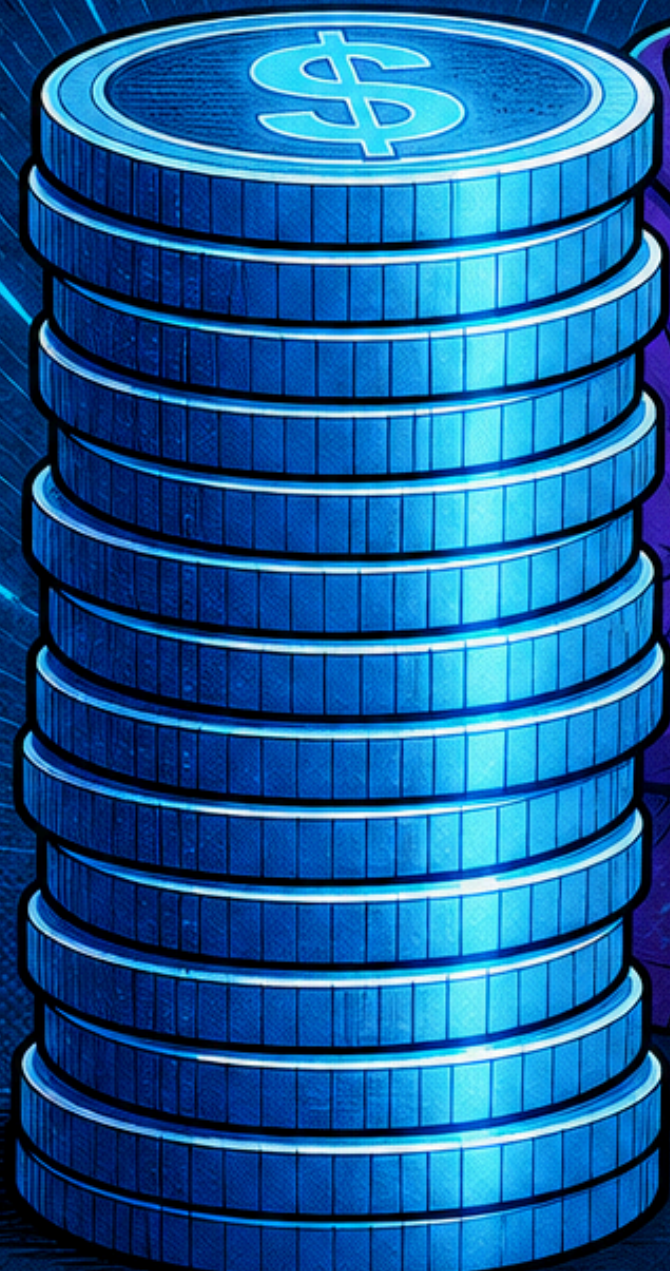
WHAT THE NUMBERS ACTUALLY SAY



THE MONEY IS REAL. THE RETURNS ARE NOT (YET)

INVESTMENT IS SURGING.
PROFITS ARE STILL FUTURE PROMISES.

AI INVESTMENT
2024-2025
\$200B+
AND COUNTING



OPENAI REVENUE
2025 (EST.)
\$12B
(NOT PROFITABLE)



PROFIT?
NOT UNTIL
~2030



BUBBLES AREN'T ABOUT BAD TECH.
THEY'RE ABOUT EXPECTATIONS OUTPACING REALITY.

THE DOT-COM PARALLEL IS REAL, BUT IT'S NOT PERFECT



1995–2002 THE DOT-COM ERA	2022–PRESENT THE AI ERA
<p>REAL TECHNOLOGY. MOST COMPANIES WERE NOT.</p> <p>VALUATION</p> <p>TIME</p>	<p>REAL TECHNOLOGY. THE QUESTION IS TIMING.</p> <p>VALUATION</p> <p>TIME</p>
<p>TECHNOLOGY DRIVERS The internet was real. Transmission companies weren't.</p>	<p>TECHNOLOGY DRIVERS AI is real. It works. Enterprise adoption is growing.</p>
<p>COMPANY OUTCOMES Pets.com died. The internet thrived.</p>	<p>COMPANY OUTCOMES Leading AI companies have real revenue.</p>
<p>INVESTOR PSYCHOLOGY Belief in overnight transformation. Capital chased vision.</p>	<p>INVESTOR PSYCHOLOGY Belief in 10x+ outcomes. Capital chasing scarce winners.</p>
<p>KEY LESSON Technology endures. Valuations don't.</p>	<p>THE REAL QUESTION Are we pricing in outcomes 5–10 years early?</p>

“ IT'S NOT WHETHER THE TECHNOLOGY IS REAL. IT'S WHETHER THE VALUATIONS REFLECT REALISTIC TIMELINES. ON THAT MEASURE, SIGNIFICANT PARTS OF THE MARKET ARE PRICED FOR OUTCOMES THAT ARE 5 TO 10 YEARS AWAY.

— ERIK GORDON
PROFESSOR, UNIVERSITY OF MICHIGAN ROSS SCHOOL OF BUSINESS
ON AI MARKET DYNAMICS

ENTERPRISE PILOTS ARE STALLING. WIDELY.

HERE'S THE THING THAT DOESN'T MAKE IT INTO THE FUNDING HEADLINES.

WRITER

2026 SURVEY

79% of organisations face challenges adopting AI — a double-digit increase from 2025 — with 54% of C-suite executives admitting that AI adoption is creating organisational fractures. This is despite 59% of companies investing over \$1 million annually in AI technology.

PILOT STATUS



STALLED



Deloitte.

2026 ENTERPRISE AI REPORT

66% of organisations report productivity improvements, but only 20% are already growing revenue through AI, compared to 74% that hope to do so in the future.

PILOT STATUS



STALLED



BCG

2026 RESEARCH

74% of generative AI pilots fail to move to scaled production, stalling in "pilot purgatory" due to data quality and governance issues. Only 1% of business leaders reported that their companies have reached genuine AI maturity.

PILOT STATUS



STALLED



The bottleneck isn't intelligence. It's plumbing, governance, cost management, and legacy system integration. The honeymoon phase where enterprises would pay for pilots that went nowhere is ending. Financial rigour is arriving. As one industry analyst put it bluntly, 2026 is the year **implementation capability** becomes **more valuable** than model access.

PILOT STATUS



STALLED



For every AI super-user delivering genuinely outsized productivity, there are organisations where 70% of professionals still aren't using AI tools on a regular basis, despite high organisational adoption rates.

PILOT STATUS



STALLED



This matters for the bubble question. Valuations assume enterprise adoption at scale. Enterprise adoption at scale **hasn't happened yet**. The gap between where valuations are priced and where enterprise ROI actually sits is one of the cleaner indicators that a correction is more likely than not.

PILOT STATUS

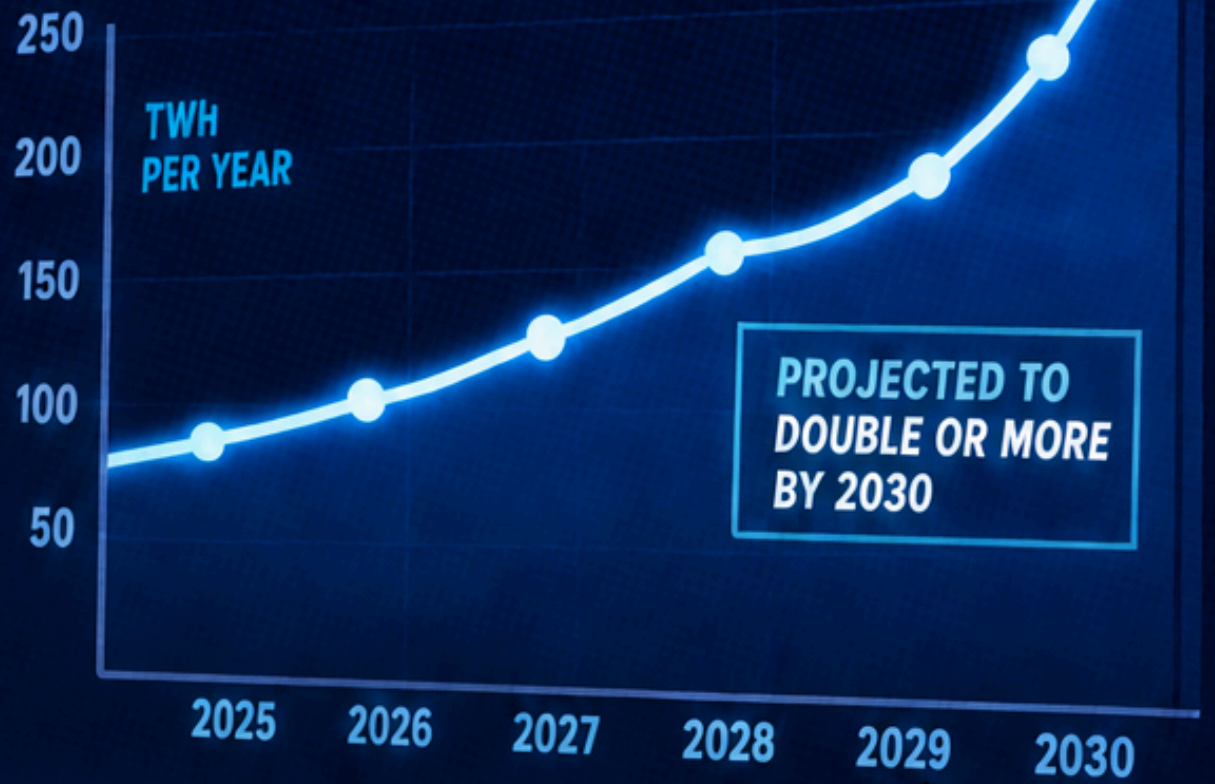


STALLED



THE INFRASTRUCTURE BET IS MASSIVE, AND IT MIGHT BE OVEREXTENDED.

US DATA CENTRE POWER CONSUMPTION (PROJECTED)



HYPERSCALER CAPEX
HUNDREDS OF BILLIONS IN 2025

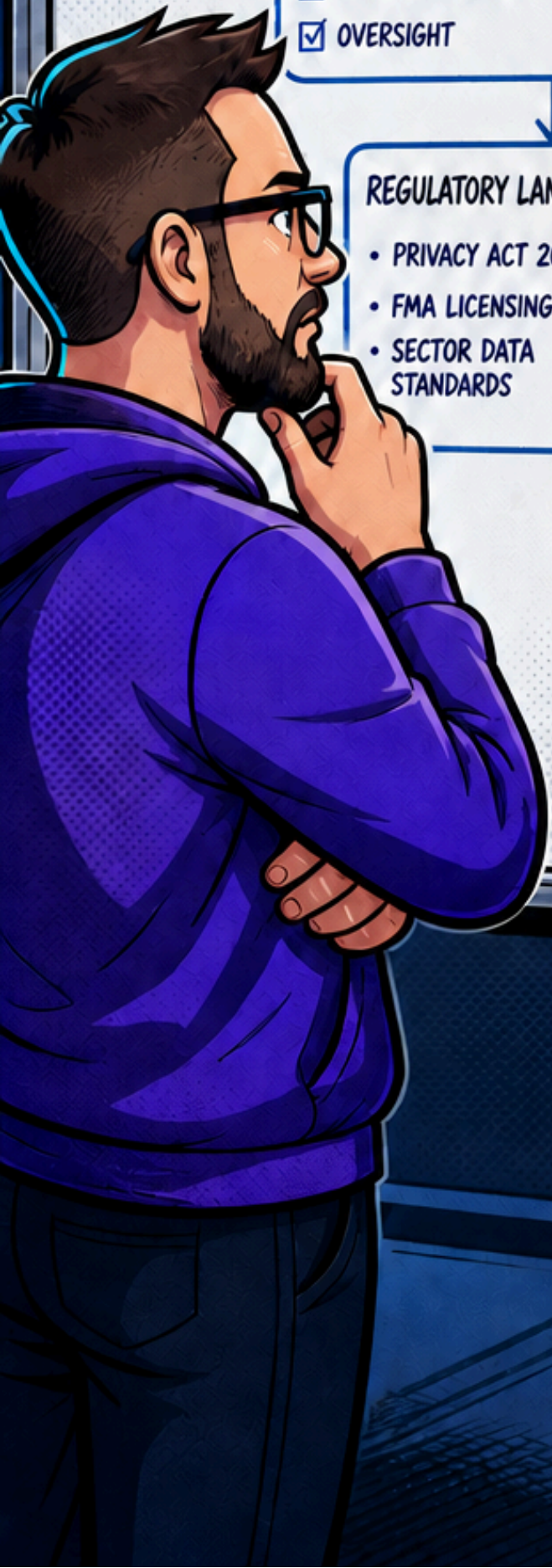
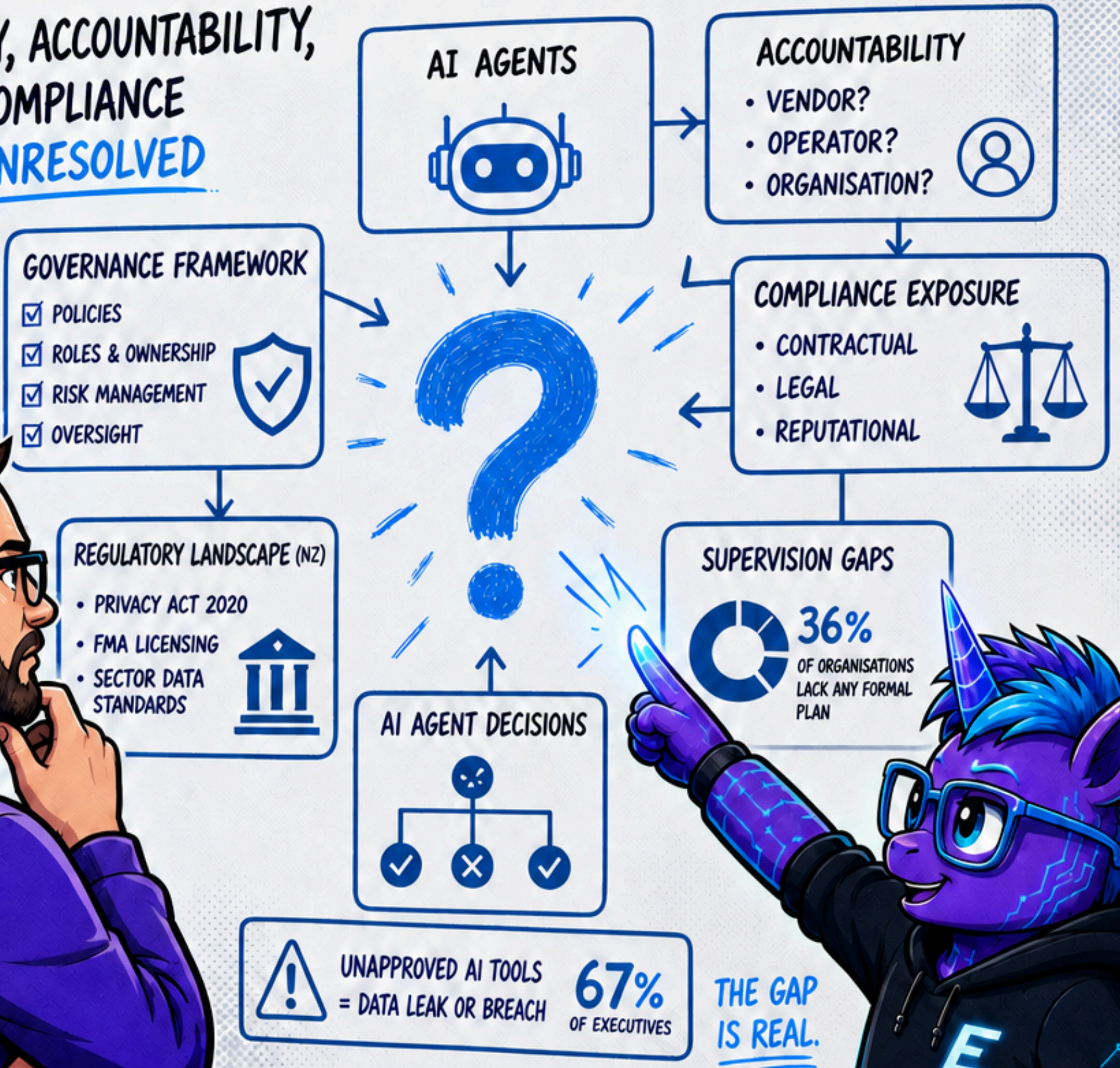


NUCLEAR =
LONG LEAD TIMES,
HIGHER COSTS,
REAL CONSTRAINTS

THE TIMELINES ARE BEING PRICED AS THOUGH THEY'RE GUARANTEED.



AGENCY, ACCOUNTABILITY, AND COMPLIANCE ARE UNRESOLVED

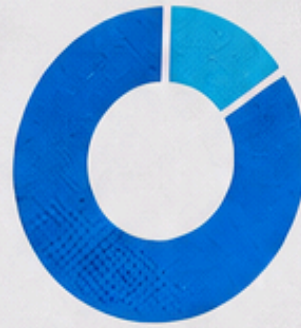


THE JOBS STORY IS CREATING REAL FRICTION

AI-RELATED LAYOFFS

55,000

IN 2025 (US)



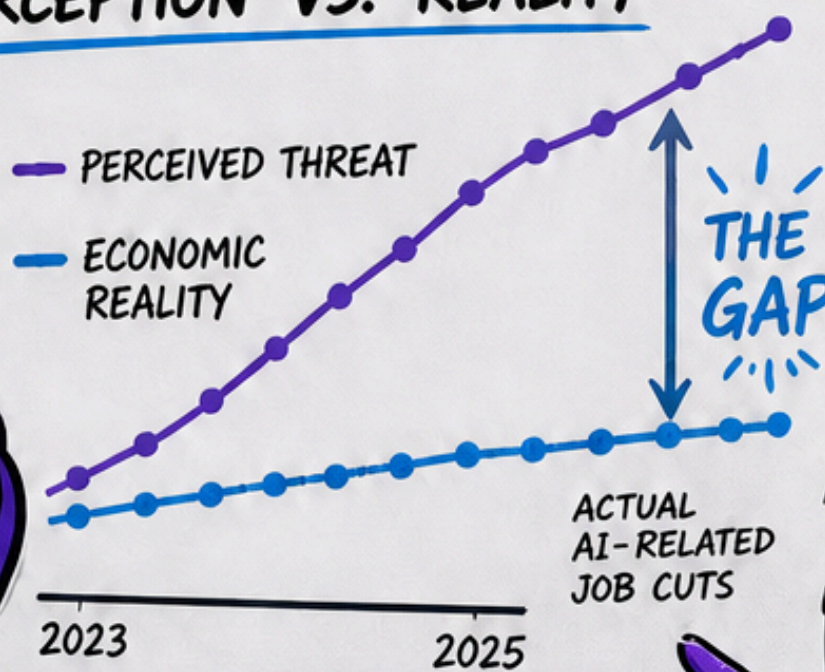
OUT OF

1.17M

TOTAL LAYOFFS

HIGHEST SINCE 2020

PERCEPTION VS. REALITY



62%

FEAR
AUTOMATION
WITHIN 5 YEARS

THE IMPACT



SHIFTING
SPENDING
HABITS



ERODING
CONFIDENCE



POLITICAL
PRESSURE

FOR INNOVATION LEADS:

- THE PRODUCTIVITY NARRATIVE IS HARD TO SELL
- CULTURAL & STRUCTURAL TENSION IS THE PRIMARY BARRIER
- SOCIETAL FRICTION DRAGS DOWN ADOPTION CURVES



A CORRECTION IS NOT A COLLAPSE



Here's where reasonable people can take a clear-eyed position without either cheerleading or catastrophising.



The technology is genuinely transformative. The internet was too. The technology surviving a market correction is exactly what happened with the dot-com bust — and the companies that were real, with real revenue and real infrastructure, are still standing 25 years later.



What a correction resets is not AI's long-term relevance. It resets expectations, clears the speculative froth from early-stage valuations, and concentrates capital in the companies that can actually demonstrate returns. Some bubbles will burst, but the core thesis may still hold.



The organisations that are building with AI right now — carefully, with proper governance, with implementation discipline — are not necessarily in the bubble. The bubble is in the valuation of companies that can't yet demonstrate they'll still be relevant when enterprise adoption actually reaches scale.

For anyone allocating capital or making AI deployment decisions in 2026: the question isn't whether to engage with AI. The question is whether you're pricing in realistic timelines, building proper governance from the start, and measuring outcomes that actually show up in the numbers — not just in the pilot.



That's a pretty good question to have going into the second half of the year.

MARKET CYCLE TIMELINE



1995–2000

DOT-COM BOOM

Exuberance and easy capital



2000–2002

MARKET CORRECTION

Valuations reset. Weak companies exit.



2003–2006

INFRASTRUCTURE BUILT

Real companies invest. Foundations strengthen.



2007+

SUSTAINED GROWTH

The real ones scale. Lasting value created.

AI IS AT THE BOOM.
DISCIPLINE DETERMINES
WHO BUILDS WHAT LASTS.





WHAT THIS MEANS IF YOU'RE BUILDING RIGHT NOW

At Evotron Studio, we build AI-enabled products for domain-expert founders. That means we've had to work through the **governance questions**, the **compliance questions**, and the “**what happens when the agent gets it wrong**” questions — on our own products, before engaging with clients.

If you're a domain-expert founder in NZ or ANZ and you're watching the AI market with a mix of interest and scepticism, that's a reasonable posture. The **technology is real**. The hype around it is not a reliable guide to what actually works in a regulated NZ market.



Want to talk about what a pragmatic, accountable AI-enabled build looks like for your venture?

START THE CONVERSATION AT EVOTRON STUDIO →

EVOTRON STUDIO
AGENCY AGENT SYSTEM

```
vo = {  
  "agentic_workhorse",  
  "always_on",  
  ts: 12,  
  ise: "invisible tech",  
  it: "visible results"
```

```
ship(value) {  
  ders.focus();  
  execute();  
  n results.delivered();
```

TYPE. JUST OUTCOMES.
EVOTRON STUDIO



<https://evotronstudio.co.nz>