



(UBS)

Evidence of monetization in AI points to large return potential

9 December 2025, 14:36 UTC, written by UBS Editorial Team

The UBS Chief Investment Office (CIO) takes stock of the rapidly shifting landscape of the AI industry over the past three years, and maintains the view that AI is a profound innovation and may prove to be one of the largest investment opportunities in human history.

The capex cycle has advanced faster than anticipated. CIO's current estimate of global AI capex this year stands at USD 423bn, more than 25% above its initial 2027 projections. In fact, CIO has said that the race to artificial general intelligence (AGI) could trigger a capex cycle where the capex of the enabling layer is dissociated from the near-term monetization potential of the application layer. Nevertheless, it believes this pattern is consistent with previous innovation cycles, and we do not see evidence of an investment bubble—key indicators, particularly those related to company fundamentals, remain reasonable compared to historical bubble peaks.

User growth and the pace of capability upgrades have exceeded expectations. The strong demand for AI products and services has supported the rising capex. ChatGPT, for example, now has over 800 million weekly active users, a fourfold increase from its substantial user base just one year ago. Adoption rates among US businesses have also jumped, according to the Ramp AI index—nearly 45% of US companies now have paid subscriptions to AI models, platforms, and tools, up from around 25% at the start of this year. Meanwhile, the outperformance of recently released AI models points to non-linear gains in capabilities, suggesting that increased compute is still translating into better model behaviors.

Evidence of monetization points to large return potential. The scaling of AI investment has made the question of return on investment (ROI) more prominent, with productivity gains being necessary to justify the level of spending. But while revenue diffusion at the application layer has lagged the rapid pace of infrastructure buildout, our estimates indicate that the AI business is already attractive not only for infrastructure manufacturers, but also further down the

value chain. Additionally, a Microsoft-commissioned IDC study finds that early adopters of AI at the application layer are generating around USD 3.70 in returns for every USD 1 invested. CIO's conviction in the structural return on AI investment remains strong, and it has raised its estimate for the AI total addressable market to USD 3.1tr in revenue potential by 2030.

So, CIO continues to believe that the long-term potential of AI remains underestimated. Investors underallocated to the theme should consider diversified exposure across the AI value chain. CIO's strategic focus will increasingly favor the application layer, as it anticipates that companies operating within this segment will benefit most from ongoing AI-related capital expenditures.

Original report - [**AI should continue to power equity performance, 9 December 2025.**](#)

Disclaimer

Hong Kong / Singapore: For Global Wealth Management clients of UBS AG Singapore / Hong Kong branch, please refer to the [HK/SG Marketing Material Disclaimer](#) .

This document is prepared and published by the Global Wealth Management business of UBS Switzerland AG (regulated by FINMA in Switzerland), its subsidiaries or its affiliates ("UBS"), part of UBS Group AG ("UBS Group"). UBS Group includes former Credit Suisse AG, its subsidiaries, branches and affiliates. In the USA, UBS Financial Services Inc. is a subsidiary of UBS AG and a member of FINRA/SIPC. Additional Disclaimer relevant to Credit Suisse Wealth Management follows at the end of this section.

This document and the information contained herein are provided solely for your information and UBS marketing purposes. Nothing in this document constitutes investment research, investment advice, a sales prospectus, or an offer or solicitation to engage in any investment activities. This document is not a recommendation to buy or sell any security, investment instrument, or product, and does not recommend any specific investment program or service.

Information contained in this document has not been tailored to the specific investment objectives, personal and financial circumstances, or particular needs of any individual client. Certain investments referred to in this document may not be suitable or appropriate for all investors. In addition, certain services and products referred to in the document may be subject to legal restrictions and/or license or permission requirements and cannot therefore be offered worldwide on an unrestricted basis. No offer of any product will be made in any jurisdiction in which the offer, solicitation, or sale is not permitted, or to any person to whom it is unlawful to make such offer, solicitation, or sale.

Although all information and opinions expressed in this document were obtained in good faith from sources believed to be reliable, no representation or warranty, express or implied, is made as to the document's accuracy, sufficiency, completeness or reliability. All information and opinions expressed in this document are subject to change without notice and may differ from opinions expressed by other business areas or divisions of UBS Group. UBS is under no obligation to update or keep current the information contained herein. **The views and opinions expressed in this material by third parties are not those of UBS.** Accordingly, UBS does not accept any liability over the content shared by third parties or any claims, losses or damages arising from the use or reliance of all or any part thereof.

All pictures or images ("images") herein are for illustrative, informative or documentary purposes only and may depict objects or elements which are protected by third party copyright, trademarks and other intellectual property rights. Unless expressly stated, no relationship, association, sponsorship or endorsement is suggested or implied between UBS and these third parties. Any charts and scenarios contained in the document are for illustrative purposes only. Some charts and/or performance figures may not be based on complete 12-month periods which may reduce their comparability and significance. Historical performance is no guarantee for, and is not an indication of future performance.

Nothing in this document constitutes legal or tax advice. UBS and its employees do not provide legal or tax advice. This document may not be redistributed or reproduced in whole or in part without the prior written permission of UBS. To the extent permitted by the law, neither UBS, nor any of its directors, officers, employees or agents accepts or assumes any liability, responsibility or duty of care for any consequences, including any loss or damage, of you or anyone else acting, or refraining to act, in reliance on the information contained in this document or for any decision based on it.

Additional Disclaimer relevant to Credit Suisse Wealth Management: Except as otherwise specified herein and/or depending on the local entity from which you are receiving this document, this document is distributed by UBS Switzerland AG, authorised and regulated by the Swiss Financial Market Supervisory Authority (FINMA). Your personal data will be processed in accordance with the Credit Suisse privacy statement accessible at your domicile through the official Credit Suisse website <https://www.credit-suisse.com>. In order to provide you with marketing materials concerning our products and services, UBS Group AG and its subsidiaries may process your basic personal data (i.e. contact details such as name, e-mail address) until you notify us that you no longer wish to receive them. You can optout from receiving these materials at any time by informing your Relationship Manager.

Please visit <https://www.ubs.com/global/en/wealth-management/insights/chief-investment-office/marketing-material-disclaimer.html> to read the full legal disclaimer applicable to this document.

© UBS 2025. The key symbol and UBS are among the registered and unregistered trademarks of UBS. All rights reserved.