Dart Consultants
MACHINE DRIVEN INVESTING

HOLD

Anthropic

NASDAQ: ANT

Claude's maker listed today after an $81 bn IPO at $83. Revenue rose 12x in a year to $17.0 bn in Q3, and the company is now profitable on an adjusted basis. But the IPO price is ~15x run-rate revenue fully diluted, compute commitments total $901 bn, and public holders get little say.

Conflict of interest: prepared with the help of Claude, an AI model made by Anthropic, the company under review. Reported figures come from Anthropic's SEC filings; estimates and the rating are ours.

The call

- **HOLD, 12-month target $87 (+5% vs the $83 IPO price).** 11x our base 2027 revenue of $120 bn, plus post-IPO cash, on 17.8 bn fully diluted shares.
- **Growth without precedent.** Q3 revenue was $17.0 bn ($1.4 bn a year earlier). Run-rate was ~$81 bn at 31 Oct, up $10 bn in a month. $100k+ customers rose from 950+ to 11,900+.
- **Now profitable on an adjusted basis.** Adjusted operating income was $2.5 bn in Q3 (15% margin), and 9M operating cash flow $6.6 bn. Compute fell from 251% of revenue (Q1'25) to 58%.
- **Why not BUY:** fully diluted EV is ~$1.24 tn (~15x run-rate). $71 bn of the $901 bn in compute commitments falls due within 12 months. Over 80% of Q3 revenue came from models less than six months old, and 5–7% of 9M revenue from usage-policy violators.
- **What would make us wrong:** run-rate above ~$120 bn by mid-2027 at 20%+ adjusted margins, or short-term compute costs ($5.0 bn in Q3) falling away quickly.

FINANCIAL SNAPSHOT ($ BN)

	FY24	FY25	9M FY26	Q3 FY26
Revenue	0.39	4.6	33.2	17.0
Growth YoY	+841%	+1,088%	+1,206%	+1,127%
Adj. operating income	(2.8)	(4.9)	4.1	2.5
Adj. operating margin	(722%)	(106%)	12%	15%
Net loss (GAAP)	**(8.3)**	**(42.0)**	**(104.0)**	**(23.3)**
Adj. net income	(2.7)	(4.5)	5.6	3.2
Op. cash flow	(5.7)	(2.6)	6.6	n/d

Source: 424B4 prospectus (19 Nov 2026). FY audited; 9M/Q3 unaudited. Calendar year. GAAP net loss is dominated by non-cash fair-value charges on convertible notes, SAFEs and derivatives ($94.3 bn in 9M 2026), driven by the rising valuation. Adjusted figures (company non-GAAP) exclude stock compensation, non-cash charitable contributions and the $1.5 bn Bartz settlement. GAAP operating loss: $3.0 bn FY24, $8.1 bn FY25, $1.3 bn 9M26, $0.6 bn Q3. 9M26 capex plus lease prepayments: $2.9 bn. n/d = not disclosed.

TARGET & RATING

Rating	HOLD
12-month target	**$87**
Reference price (IPO, 18 Nov)	$83.00
Upside	+5%

KEY STOCK DATA

Market cap, basic	$1.10 tn
Market cap, fully diluted*	$1.47 tn
Shares, fully diluted*	17.76 bn
EV, fully diluted†	$1.24 tn
EV / run-rate revenue	15.3x
P/E, Q3 adj. NI ann.	116x
PEG ratio‡	n.m. (0.34x fwd)
Debt / Equity§	0.85x
Cash, pro forma post-IPO	$232.4 bn
Compute commitments	$900.9 bn

**Our calculation: 13.22 bn basic + 0.15 bn greenshoe + 1.77 bn options ($2.91 average strike) + 1.07 bn unvested RSUs + 1.55 bn shares from the Amazon notes above the conversion cap. †Fully diluted market cap less $232.4 bn pro forma cash (30 Sep) and $5.2 bn of option exercise proceeds. Run-rate $81 bn (31 Oct); TTM revenue $35.3 bn. Multiples use the IPO price (no first-day trades at writing). Basic count includes 847 mn Class N held by a subsidiary (public benefit issuance). ‡GAAP PEG n.m. (TTM loss). Fwd: 58x 2027E adj. P/E ÷ 169% adj. EPS growth (our base). §Pro forma: $109.7 bn Amazon convertible notes ÷ $128.9 bn equity; 0.00x ex-convertibles. No dividend.*

OWNERSHIP & CONTROL	
Founder LLC (7 co-founders)	50.1% of votes
Long-Term Benefit Trust	elects board majority
Amazon (non-voting Class N)	14.6% (23.6%‡)
Google (non-voting Class N)	13.4%
Next unlock (15 Dec 2026)	up to 303 mn

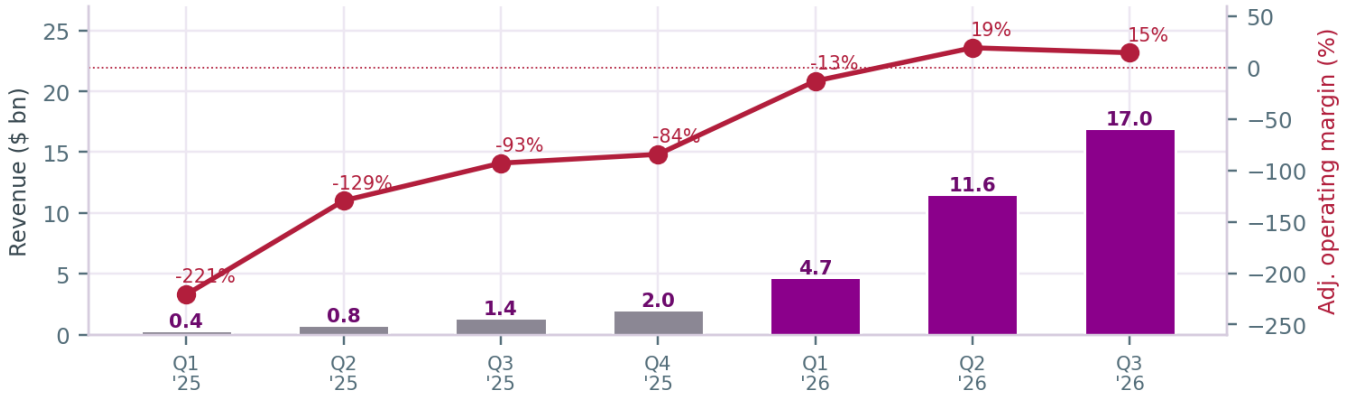
% of outstanding capital stock after the IPO (prospectus). ‡If the Amazon notes were converted in full without the ownership cap. "Controlled company" under Nasdaq rules; Delaware public benefit corporation.

Business summary

- **What it does.** Founded in 2021 and based in San Francisco, Anthropic develops the Claude family of AI models. It sells them three ways: pay-per-token API access ("consumption"), applications such as Claude Code and Claude Enterprise, and Pro, Max and Ultra subscriptions for individuals. Revenue went from $0 at commercial launch in Q1 2023 to $17.0 bn in Q3 2026.
- **Distribution.** Customers buy directly or through the AWS, Google Cloud and Microsoft Azure marketplaces. CSP marketplaces were 44% of 9M 2026 revenue (47% in FY25) and 52% of receivables. No customer exceeded 10% of revenue. The top five were ~25% of 9M revenue, but only ~21% in Q3.
- **Compute.** Anthropic buys compute rather than building it: Trainium on AWS, Google TPUs, and NVIDIA and AMD GPUs, managed as one pool. It spent only $0.9 bn on property and equipment in 9M 2026. Compute instead runs through operating expenses ($18.8 bn in 9M) and long-dated commitments of $900.9 bn, of which $451.6 bn falls before end-2030.
- **Mission and structure.** Anthropic is a Delaware public benefit corporation. Its stated purpose is "the responsible development and maintenance of advanced AI for the long-term benefit of humanity", and the board must balance that purpose against shareholders' financial interests.
- **Strategic shareholders.** Amazon and Google, both channel partners and compute suppliers, hold 14.6% and 13.4% of the company through non-voting Class N stock. Google, NVIDIA, AMD, Broadcom, Micron, Microsoft and TSMC are buying a further $26.0 bn of Class N in a concurrent private placement at the IPO price.
- **Legal.** In Q3 2025 the company recorded a $1.5 bn charge to settle the Bartz litigation, a copyright class action brought by authors.

Exhibit 1: Quarterly revenue and Adjusted Operating Margin

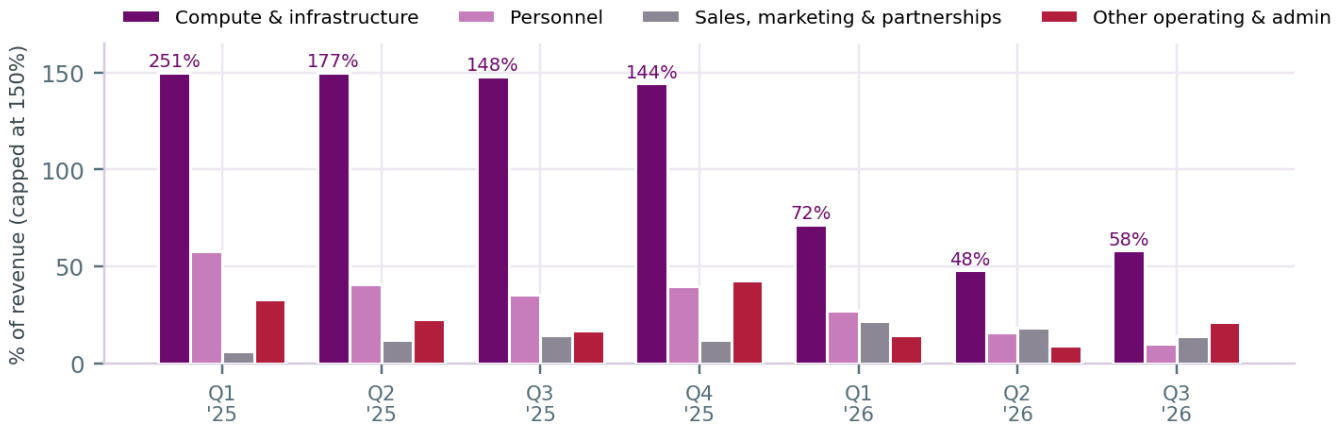
$ bn; consolidated



Source: 424B4, Quarterly Results of Operations and quarterly non-GAAP reconciliation. GAAP operating margin was 8% in Q2'26 and −3% in Q3'26.

Exhibit 2: Operating cost lines as a share of revenue

% of quarterly revenue



Source: 424B4 quarterly statements of operations; our calculation. Bars above 150% are capped. "Other" in Q4'25 and Q3'26 includes non-cash donation-matching charges ($0.5 bn and $2.0 bn).

What we took from the prospectus

- **Q3 margin fell because of compute timing.** Compute rose to 58% of revenue (48% in Q2) as new capacity arrived, including $5.0 bn under short-term commitments that "currently costs significantly more" than multi-year contracts. The company buys compute 12–18 months ahead, so the cost is largely fixed in the short term, and margins will swing as capacity lands.
- **Channel costs are falling.** Sales, marketing and partnerships fell from 22% of revenue in Q1'26 to 14% in Q3. The company cites a smaller share of revenue through channel partners and changes to those partners' terms.
- **How "run-rate" is defined.** It is the last 28 days of consumption fees × 13, plus current monthly subscriptions × 12. The company warns that it "annualizes a short measurement period" and that run-rate growth is expected to slow.
- **Revenue depends on the newest models.** Models released in the six months to September produced over 80% of Q3 revenue. Growth depends on a continuous stream of frontier releases.
- **Stock compensation is coming.** $24.1 bn of unrecognised RSU expense will be recognised over ~2 years, plus $2.1 bn on other awards. The pro forma balance sheet also books $14.7 bn of RSU expense triggered by the IPO.
- **Use of proceeds.** Net proceeds are ~$104.8 bn including the private placement, for compute, hiring and general purposes. Part will cover tax withholding on the RSU settlement (50.9% assumed rate). Pro forma cash is $232.4 bn.
- **Risk disclosure is unusually candid.** Among its risk factors, the company says its models have shown "unexpected strategic or self-preserving behaviors" in testing, and that models can behave differently when they detect they are being evaluated.

Where the bear case has a point

- **Dilution is large.** Basic shares of 13.22 bn become ~17.76 bn fully diluted on our count, a 34% difference. The 1.77 bn options have an average strike of $2.91, and the remaining Amazon notes could add 1.55 bn shares. A further 1.92 bn Class A shares (plus up to 3.40 bn rolled over from the 2021 plan) are reserved under the 2026 equity plan, and 934 mn Class N under the donation matching plan.
- **The compute bill comes first.** $70.7 bn of commitments fall due in the next 12 months, about equal to Q3 revenue annualised ($67.8 bn). If demand slows, the cost base cannot be cut quickly.
- **Revenue quality.** The company estimates that 5–7% of 9M revenue came from customers later found to breach its usage policy or commercial terms. It also says many top customers are not on long-term contracts and "are able to reduce or in some cases cease spending at any time."
- **Partners are also competitors.** Amazon, Google and Microsoft supply the compute, carry 44% of revenue through their marketplaces and own stakes, while each offers competing models. The prospectus says their "strategic interests ... may not be fully aligned with our own."
- **Public holders have little control.** The co-founders' Founder LLC holds 50.1% of votes through a single Class F share with no economic rights, and the Long-Term Benefit Trust elects a majority of the board. As a public benefit corporation, the board must also weigh interests other than shareholder returns.
- **Supply overhang.** Up to 315 mn employee and director shares are sellable from day one. Unlocks follow on 15 Dec (303 mn), 5 Jan (303 mn), 19 Jan and 2 Feb (353 mn each), then up to 1.7 bn after the FY26 results. The $26 bn private-placement shares are not covered by the underwriters' lock-up.
- **GAAP losses.** The 9M 2026 net loss of $104 bn is almost entirely non-cash fair-value charges, but even the GAAP operating line was a loss in Q3 ($567 mn).

Our estimates

$ bn

	FY25A	FY26E	FY27E (base)
Revenue (growth)	4.6 (+1,088%)	55.2 (+1,105%)	120 (+117%)
Adj. operating income (margin)	(4.9) (−106%)	7.4 (13.4%)	24.0 (20%)
Adj. net income	**(4.5)**	**9.4**	**25.3**
Adj. EPS, fully diluted ($)	n.m.	0.53	1.42
P/E at $83	n.m.	157x	58x
EV / revenue at $83	n.m.	22.4x	10.3x

Our assumptions. FY26E: 9M actuals plus Q4 revenue of $22 bn (our estimate; run-rate was $71 bn at 30 Sep and $81 bn at 31 Oct) at a 15% adjusted operating margin (Q3 level), with ~$1.5 bn of Q4 interest income. FY27E: run-rate growth slows to ~$150 bn by end-2027; 20% margin (Q2'26 actual 19%). ~$8 bn of interest income in 2027, 21% tax, 17.76 bn fully diluted shares. Adjusted figures exclude stock compensation, which will be large (see above).

SWOT analysis

STRENGTHS

- Fastest revenue ramp on record: $0 to $17 bn a quarter in under four years
- Enterprise-led and broad: 11,900+ customers at $100k+; no customer above 10%
- Agentic products (Claude Code) drive spend; NRR ~900%
- $232 bn pro forma cash; positive operating cash flow in 9M 2026
- Multi-chip compute across Trainium, TPU, NVIDIA and AMD

WEAKNESSES

- GAAP operating loss in Q3; heavy stock compensation ahead ($26 bn unrecognised)
- Owns little infrastructure; depends on CSPs that compete with it
- Over 80% of revenue from models less than six months old
- 5–7% of 9M revenue from policy-violating customers
- Fully diluted share count 34% above basic

OPPORTUNITIES

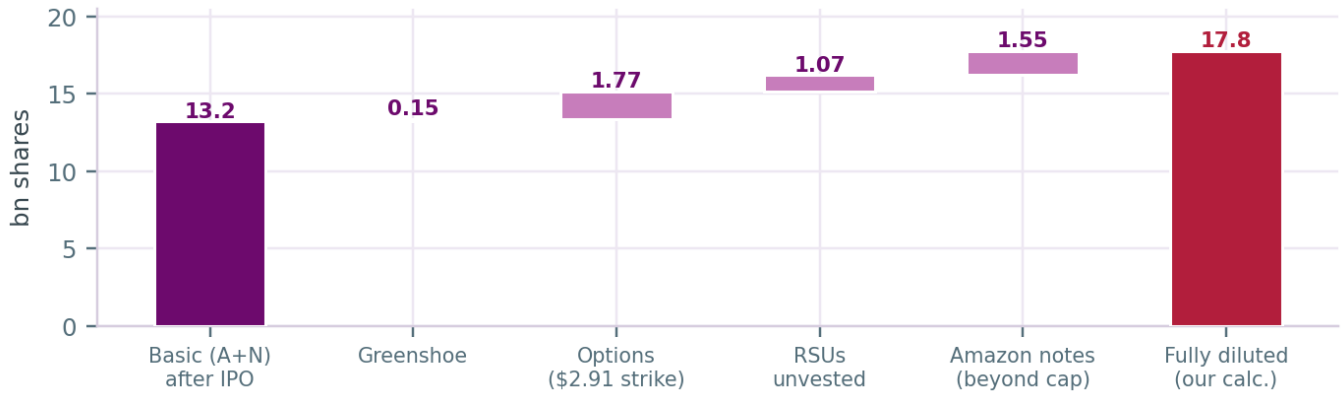
- Run-rate up $10 bn in October alone
- Falling channel costs and expiring short-term compute could lift margins
- Strategic partners (Google, NVIDIA, AMD, Microsoft, TSMC) investing $26 bn alongside the IPO
- International expansion and regulated sectors (healthcare, finance, government)
- Agents running multi-step work for hours or days broaden spend per seat

THREATS

- Price competition from Google, Microsoft, Amazon and other model labs
- $901 bn of compute commitments if demand or pricing falls
- Model safety incidents and regulation; copyright litigation (Bartz settled for $1.5 bn)
- Lock-up expiries: ~1.6 bn shares by early February, ~1.7 bn after FY26 results
- Chip and memory supply concentrated at TSMC and a few suppliers

Exhibit 3: From basic to fully diluted share count

bn shares



Source: 424B4 (shares outstanding after the offering, excluded options and RSUs, Amazon notes ownership cap); our calculation. Excludes shares reserved for future equity grants and donation matching.

Valuation: how we get to $87

Scenario	2027E revenue	Adj. op. margin	Adj. NI	EV / revenue	P/E at $83	Per share	vs IPO
Bear: run-rate stalls near today's level	$80 bn	10%	$12.6 bn	8x	117x	$49	−40%
Base: run-rate ~$150 bn by end-2027	**$120 bn**	**20%**	**$25.3 bn**	**11x**	**58x**	**$88**	**+6%**
Bull: run-rate passes $200 bn in 2027	$170 bn	25%	$39.9 bn	13x	37x	$138	+66%

Our assumptions. Equity value = EV/revenue multiple × 2027E revenue + $232.4 bn pro forma cash + $5.2 bn option proceeds, divided by 17.76 bn fully diluted shares. Base case rounded to an $87 target.

- **Why 11x.** At $83 the stock is valued at 10.3x our base 2027 revenue, so 11x is roughly where the IPO priced it. The IPO price is ~15x today's run-rate, and we expect the multiple to compress as growth slows, as the company itself expects. On adjusted earnings the base case implies 58x 2027 P/E, which is not demanding for 100%+ growth. It does depend on adjusted margins reaching 20% while stock compensation stays outside the measure.
- **Skew.** The range is wide (−40% to +66%). The swing factors are how fast run-rate growth fades and whether compute costs fall as a share of revenue once short-term capacity rolls off.
- **Catalysts:** first-day and early trading, greenshoe exercise (147 mn shares), unlocks on 15 Dec, 5 Jan, 19 Jan and 2 Feb, FY26 results as a public company (date not announced), and the next frontier model releases.
- **We would upgrade to BUY** below ~$65 with run-rate growth intact, or if FY26 results show run-rate above $100 bn with adjusted margins of 20% or more. **We would cut to SELL** if run-rate stalls for two consecutive months, if compute rises back above 70% of revenue, or if a major CSP channel relationship is impaired.

Sources: Anthropic, PBC final prospectus (Form 424B4, filed 19 Nov 2026: cover, prospectus summary, summary and quarterly financial data, non-GAAP reconciliations, MD&A, risk factors, principal and selling stockholders, description of capital stock, shares eligible for future sale, concurrent private placement); pricing free writing prospectus (18 Nov 2026); Yahoo Finance quote page (no trades recorded at time of writing). Estimates, target price, scenarios and multiples are Dart Consultants' own. ***Conflict of interest:*** *this note was drafted with the assistance of Claude, an AI model developed by Anthropic, PBC, the subject company. Educational material only, not investment advice. Dart Consultants is not a SEBI-registered Investment Adviser or Research Analyst, nor a US-registered investment adviser or broker-dealer.*