INITIATION OF COVERAGE – ARTIFICIAL INTELLIGENCE

ANTHROP\C

Anthropic, PBC

Claude models · Enterprise AI · Developer API

ANT

NASDAQ · PROPOSED

PRE-IPO · INDICATIVE

CALAMATTA CUSCHIERI MONEYBASE RATING

Accumulate

Selective Buy. Subscribe at $77.65 per share or below, a 10% discount to our fair value. Above that, wait for a better entry.

BUY | ACCUMULATE | NEUTRAL | REDUCE | SELL

OUR FAIR VALUE
$1.55tn
DCF, fully diluted · $86.28 / share

IPO MIDPOINT
$1.33tn
$74.00 / share · filed $70–$78

UPSIDE TO MIDPOINT
+16.6%
Falls to ~4% at a $1.5tn price

OCTOBER RUN RATE
$81bn
Annualised revenue, up from $14bn in Feb

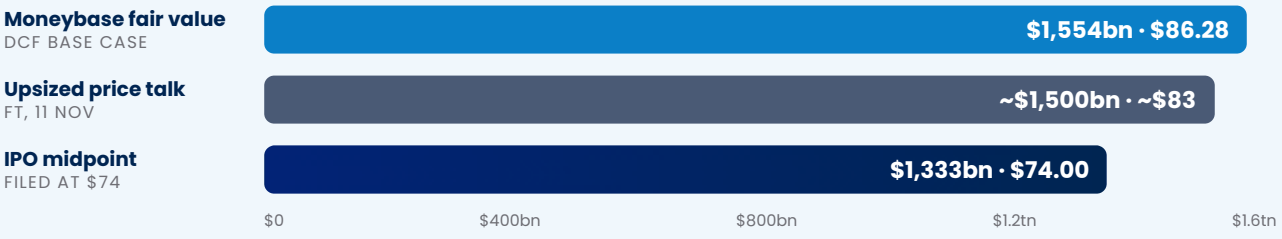
Our View

Claude is moving from subscriptions into coding and enterprise workflows, and revenue has followed, with Q3 revenue rising 47% sequentially to $17.0bn. We expect operating profit in 2029 and positive free cash flow in 2030, as infrastructure investment absorbs cash in the interim. The test is whether customers keep expanding paid usage, and at what price.

Our 10-year DCF gives a fair value of **$1.55 trillion, or $86.28 per share**, 17% above the filed midpoint. **The case hinges on compute economics**, more usage spreads fixed capacity across more revenue, but price cuts can absorb those gains. Bankers are reportedly considering $1.5tn or more, about $83 per share. At that level the upside falls to 4%, which is not enough for a business this sensitive to its cost of capital. We initiate at **Accumulate**, with a $77.65 entry ceiling.

Our fair value vs. the IPO price

Fully diluted equity value, US$ billions · DCF base case vs. filed midpoint and reported price talk



What supports the case

- Over 1,900 customers spend at least $1m a year; more than 11,900 spend over $100k.
- Nine-month operating cash flow turned positive at $6.6bn, against -$2.0bn a year earlier.
- $212.7bn of pro forma cash and short-term investments covers our 2027–29 cash burn of $168bn.

What concerns us

- Compute and infrastructure took $18.8bn, or 57% of nine-month revenue.
- $900.9bn of fixed commitments sit against mostly usage-based revenue.
- Founders hold 50.1% of the votes; Amazon, Google and Microsoft are partners and competitors.

How Anthropic makes money

A usage-based AI platform growing at a pace few companies have matched, paying for it with compute it has to commit to years ahead.

DIRECT

Claude & Claude Code

>11,900

CUSTOMERS ABOVE $100K A YEAR

Individuals and teams pay for access. Coding and other recurring workflows increase usage and support renewals.

DEVELOPER PLATFORM

Claude API

~80%

OF REVENUE IS USAGE-BASED

Developers pay per use as they build Claude into products and internal workflows. Revenue scales with tokens, and so does cost.

DISTRIBUTION

Cloud marketplaces

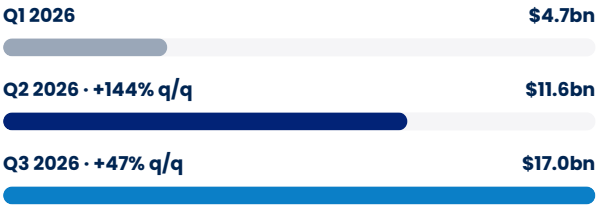
~48%

OF H1 REVENUE VIA CLOUD PARTNERS

AWS Bedrock, Google Vertex AI and Microsoft Azure reach buyers through existing procurement. The same firms supply compute.

Quarterly revenue, 2026

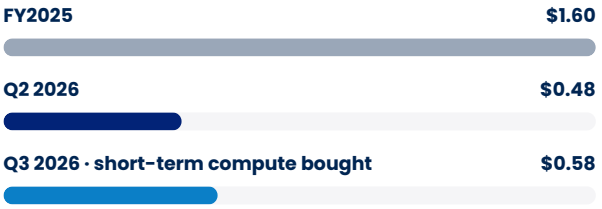
US$ billions · growth slowing from a very high base



The run rate reached $81bn in October, up $10bn on September.

Compute cost per dollar of revenue

Compute and infrastructure expense ÷ revenue



Our valuation needs this to fall to about $0.45 by 2036.

Financial snapshot - reported, S-1/A

METRIC	FY2025	9M 2026	NOTE
Revenue	**$4.6bn**	**$33.2bn**	Up from $2.5bn in 9M 2025
Compute & infrastructure	**$7.3bn**	**$18.8bn**	57% of nine-month revenue
Operating income (loss)	**-$8.1bn**	**-$1.3bn**	Q2 profit of $1.0bn, Q3 loss of $0.6bn
Operating cash flow	**-$2.6bn**	**$6.6bn**	Turned positive in 2026
Cash & short-term investments	-	**$131.8bn**	$212.7bn pro forma after the IPO at $74
Compute commitments	-	**$900.9bn**	$70.7bn due in 12 months; $451.6bn by 2030

Source: Anthropic S-1/A, 10 November 2026. Nine-month periods ended 30 September. The $104.0bn nine-month net loss included $94.3bn of non-cash fair-value charges on financing instruments that convert at listing; operating income gives a clearer view of the business.

How private valuations got here

DATE	ROUND	POST-MONEY	REVENUE RUN RATE
Mar 2025	Series E	**$61.5bn**	~$1bn at the start of 2025
Sep 2025	Series F	**$183bn**	>$5bn (Aug 2025)
Feb 2026	Series G	**$380bn**	$14bn
May 2026	Series H	**$965bn**	>$47bn
Nov 2026	IPO midpoint	**$1,333bn**	$81bn (Oct 2026)

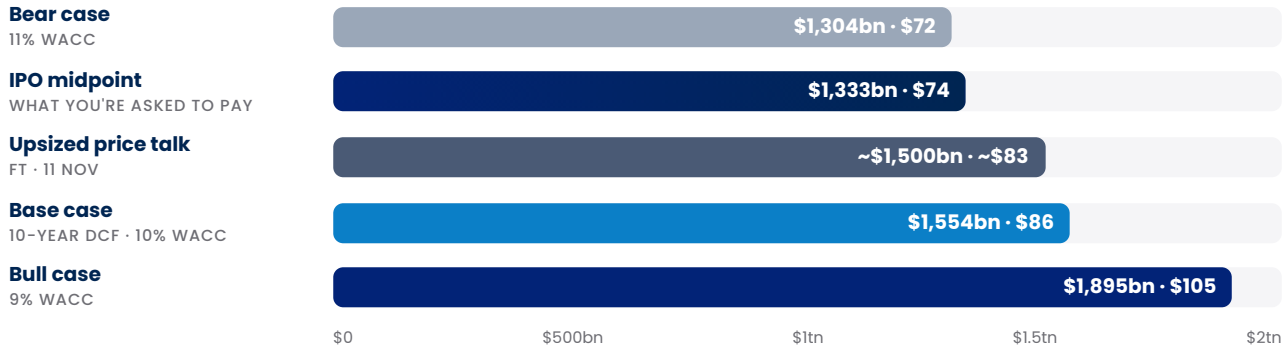
IPO expectations have moved from ~$2tn (FT, Aug) to $1.1–1.3tn (Bloomberg, 6 Nov) and back towards $1.5tn or more after strong roadshow demand (FT, 11 Nov).

Valuation & what we'd do

The business supports a trillion-dollar valuation. The question is how much of the next decade you pay for upfront.

How we build to $1,554bn – and where the IPO sits

Fully diluted equity value, US$ billions · DCF scenarios vs. filed midpoint and reported price talk



Our base case assumes revenue of $1.17tn by 2036, a 29% mature operating margin, a 10% WACC and 3% terminal growth. Terminal value is 84% of enterprise value, so the result turns on the long-run margin and the cost of capital: each 2.5 points of terminal margin is worth about $5.40 per share. The filed midpoint implies a WACC of about 10.9%; a $1.5tn price implies about 10.2%.

Key risks

HIGH **Valuation sensitivity**
Terminal value is 84% of enterprise value. Half a point of WACC moves fair value by $7–9 per share.

HIGH **Compute commitments**
$900.9bn of largely fixed obligations, against revenue that is mostly pay-as-you-go.

MED **Governance**
Founders hold 50.1% of votes and a benefit trust elects a board majority. The PBC mandate weighs public benefit.

HIGH **Competitive pricing**
Token prices are falling and open-weight models are far cheaper. Reported Q3 price cuts were about $600m.

MED **Partner concentration**
Amazon, Google and Microsoft distribute Claude, supply its compute and build rival models.

MED **Lock-up supply**
Staggered lock-up releases add insider supply in the first months of trading.

RECOMMENDATION - ACCUMULATE

Buy the business, but only at the right price.

Our fair value of $86.28 per share and a 10% margin of safety give a $77.65 entry ceiling, inside the filed $70–$78 range. We would subscribe at or below that level. If the deal is upsized towards $1.5tn (about $83), it falls between our ceiling and fair value: we would wait, as IPO-day trading and lock-up releases are likely to offer a better entry. Above $86.28 we would avoid it.

IF YOU ALREADY WANT EXPOSURE
Size positions small and treat them as high-volatility, long-horizon capital. Revenue is usage-based and the shares will trade on quarterly growth.

WHAT WE'RE WATCHING
Compute cost below 55% of revenue, quarterly growth above 30%, pricing per token, and positive free cash flow by 2030.

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