26 October 2026

CONSCIOUS INVESTMENTS

IPO Coverage Report

Anthropic, PBC (ANT)

Genius on Layaway

- Anthropic, PBC (ANT) turned $4.6 bn of revenue in FY'25 into $16.3 bn in 1H'26 alone. 2Q'26 revenue of $11.6 bn carried an operating profit of $974 mn, an 8.4% margin and the first in any quarter the S-1 reports. Compute fell from 251% of revenue in 1Q'25 to 48% in 2Q'26.
- The bill arrives next. Named compute commitments to Google, Amazon, Microsoft, SpaceXAI, Broadcom, Nscale, Lambda and AMD total about $782 bn to $807 bn. Straight-lined, the fixed contracts imply an annual compute bill near $120 bn at full delivery, 5.4 times the 2Q'26 run-rate (our arithmetic). The S-1 warns that margins may compress as this compute lands ahead of the revenue it supports.
- The Firm also sees supply and headline risk through 2028: lockup releases that start on the first trading day, a Department of War supply-chain designation upheld 2-1 by the D.C. Circuit on 25 Sep'26, 5% to 7% of 9M'26 revenue from customers that broke usage policy and chip supply concentrated in Taiwan.
- At a $2.0 tn reference IPO value our base case returns 3.6% over 24 months against an S&P 500 expected 16.6%, so we rate ANT **Underperform** for the near term. However, an 85.4% gross margin in 1H'26, net revenue retention near 900% and revenue per employee of $6.6 mn describe a business the Firm wants to own for the decade.
- Our base case reaches $436.5 bn of FY'31E revenue at a 35.0% operating margin, worth $3.89 tn at Dec'30. That is a 13.9% annual return against the S&P 500's expected 8.0%, so we rate ANT **Outperform** for the long term. The S-1 has no price range yet. Below $1.70 tn the near-term rating turns Outperform as well.

COMPANY OVERVIEW

Anthropic, PBC (ANT) is a Delaware public benefit corporation, founded in 2021 and based in San Francisco, that builds the Claude family of frontier AI models. It sells Claude through four model classes (Mythos and Fable, Opus, Sonnet and Haiku), the Claude Platform for developers and first-party applications led by Claude Code and Claude Cowork. Customers pay mainly per token consumed, 80% of 1H'26 revenue, and subscriptions make up the rest. Anthropic sells Claude directly and through AWS, Google Cloud and Azure. Chief Executive Officer Dario Amodei and President Daniela Amodei lead a staff of about 5,300 at Sep'26. The Company plans to list Class A shares on the Nasdaq Global Select Market as ANT, with Goldman Sachs and Morgan Stanley leading a 22-bank syndicate.

NEAR-TERM RATING (TO OCT'28)

UNDERPERFORM

vs. S&P 500 expected 16.6% over 24 months

Bear	Ref.	Base	Bull
$0.80 tn	**$2.00 tn**	**$2.20 tn**	**$4.18 tn**
(63.3%)		3.6%	95.2%

LONG-TERM RATING (2029 AND BEYOND)

OUTPERFORM

vs. S&P 500 expected 8.0% a year to Dec'30

Bear	Ref.	Base	Bull
$0.51 tn	**$2.00 tn**	**$3.89 tn**	**$6.49 tn**
(31.2%)		13.9%	28.1%

Equity values; returns are per share after dilution. Long-term returns are annualized.

KEY STATISTICS

Proposed Symbol	NASDAQ: ANT
Price Range	Not yet filed
Reference IPO Value	$2.0 tn (assumed)
Series H Implied Value (Jun'26)	~$1.0 tn
1H'26 Revenue	$16.3 bn
2Q'26 Operating Margin	8.4%
1H'26 Gross Margin	85.4%
Cash and ST Investments	$131.7 bn
Net Revenue Retention	~900%

REVENUE ($ BN)

FY (Dec)	2025A	2026
Q1	0.38	4.73
YoY		*1,158.2%*
Q2	0.79	11.56
YoY		*1,368.2%*
Q3	1.38	17.00E
YoY		*1,130.1%*
Q4	2.04	21.50E
YoY		*953.9%*
Year	**4.59**	**54.79E**

ANALYST

Ethan Stott

Founder

stott@consciousinvestments.org

Source: S-1 filed 26 Oct 2026, Conscious Investments model. The S-1 has no price range; returns use a $2.0 tn reference IPO equity value. Please see important disclosures at the end of this report.

TABLE OF CONTENTS

INVESTMENT SUMMARY **3**

INDUSTRY OVERVIEW **5**

- Intelligence by the Token 5
- Compute Is the New Rent 5
- One Island, Every Chip 5
- The Frontier Treadmill 5

BUSINESS OVERVIEW **7**

- Models, Platform and Applications 7
- How Anthropic Gets Paid 7
- Customers and Distribution 7

INVESTMENT THESIS: TWO HORIZONS **8**

- Near Term: The Bill Comes Before the Revenue 8
- Near Term: Supply Meets Demand on the Way Out 8
- Near Term: Revenue Quality Questions 8
- Long Term: Why the Firm Stays Long the Decade 9

CATALYSTS & DRIVERS **10**

RISKS TO INVESTMENT THESIS **11**

GOVERNANCE STRUCTURE **12**

PEER GROUP ANALYSIS **12**

VALUATION ANALYSIS **13**

- Model Assumptions 13
- Rating Thresholds 14

FINANCIAL ANALYSIS **15**

APPENDIX **17**

- Exhibit I: Bulls vs Bears 17
- Exhibit II: Entry Strategy 17

INVESTMENT SUMMARY

NEAR TERM: OCT'26 TO OCT'28

Bull Case Equity Value: $4.18 tn

24-Month Per-Share Return: 95.2%

Revenue outruns the compute bill. Claude keeps its lead at the frontier, customers move more work to agents and revenue reaches $137.0 bn in FY'27E and $232.9 bn in FY'28E. The operating margin holds at 5.0% through the compute surge of FY'27E and rises to 15.0% in FY'28E, so the commitments look like foresight and not a burden. The market pays 12.0x NTM revenue in Oct'28, or 48.0x NTM operating income, and the equity is worth $4.18 tn. That is a 95.2% per-share return after dilution, and it would clear the first Public Benefit Issuance milestone along the way.

Base Case Equity Value: $2.20 tn

24-Month Per-Share Return: 3.6%

The business grows and the stock waits. Revenue reaches $115.1 bn in FY'27E and $178.4 bn in FY'28E, which most investors would call a triumph. However, committed compute arrives on its own schedule and the operating margin falls from 8.4% in 2Q'26 to (6.0%) in FY'27E before it recovers to 4.0% in FY'28E. At 8.0x NTM revenue, already 66.7x NTM operating income, the equity is worth $2.20 tn in Oct'28. Share count growth of 3.0% a year takes the per-share return to 3.6%, which trails the S&P 500's expected 16.6% by 13.0 points. That gap is the reason for our Underperform rating.

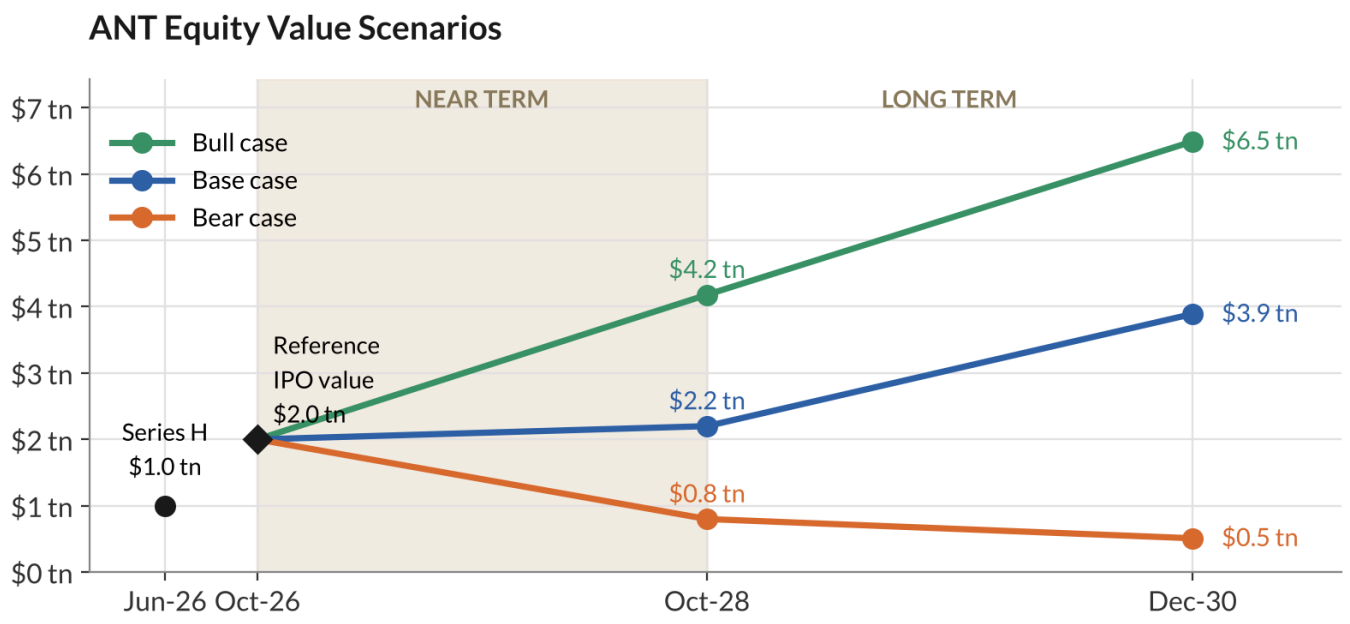
Bear Case Equity Value: $0.80 tn

24-Month Per-Share Return: (63.3%)

Growth slows into a fixed cost base. Revenue grows 60.0% to $87.7 bn in FY'27E and 30.0% to $114.0 bn in FY'28E, as price cuts, open-weight models and a holiday slowdown like the 20% drop in spend at the end of 2025 meet a compute bill that does not flex. The operating margin falls to (30.0%) in FY'27E. Lockups release into a falling tape and the market pays 5.0x NTM revenue. The equity is worth $0.80 tn, below the roughly $1.0 tn the Series H price implies, and the per-share return is (63.3%).

LONG TERM: 2029 AND BEYOND

Bull: $6.49 tn at Dec'30, 28.1% a year. FY'31E revenue of $569.9 bn at a 40.0% margin gives $228.0 bn of operating income, valued at 34x after-tax earnings. **Base: $3.89 tn, 13.9% a year.** Revenue of $436.5 bn at a 35.0% margin gives $152.8 bn, valued at 30x. The compute that hurts in FY'27E is fully used by FY'29E, when base revenue of $258.6 bn first exceeds the roughly $250 bn needed to hold compute at 2Q'26's 48% of revenue. **Bear: $0.51 tn, (31.2%) a year.** Frontier models commoditize, revenue stalls at $173.2 bn and long-dated contracts lock in compute prices that rivals buying later avoid. The Firm rates the long term Outperform because the base case beats the S&P 500 by 34.1 points over the horizon.



Source: Conscious Investments model; Series H value is the Series H-1 price times Jun'26 fully diluted shares (our arithmetic); reference IPO value is the Firm's assumption

Headquarters	San Francisco, California	**Chief Executive Officer**	Dario Amodei
Number of Employees	~5,300 (as of Sep'26)	**Incorporated**	Delaware PBC, Jan'21
SIC Code	7372 (Prepackaged Software)	**Fiscal Year End**	1231

Source: S-1

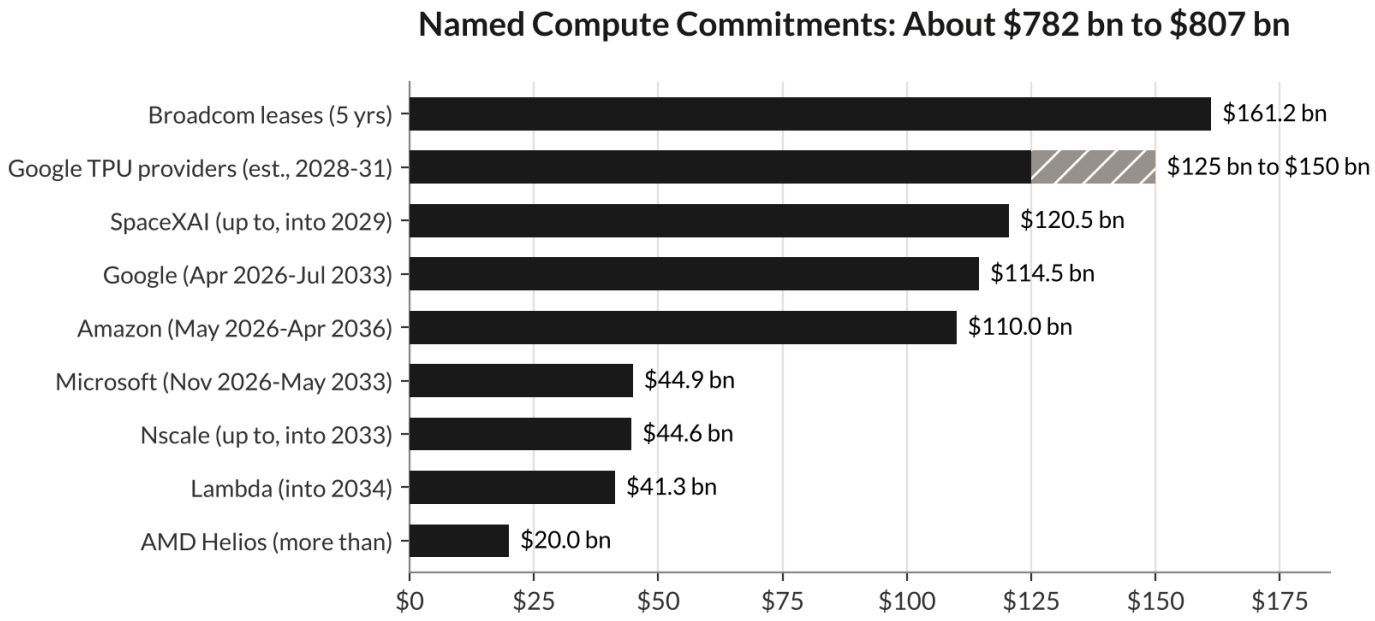
INDUSTRY OVERVIEW

Intelligence by the Token

Frontier AI has become a product that companies buy by the unit. Anthropic meters its service in tokens and prices it by model, so revenue tracks how much work customers hand to Claude. The S-1 sizes the work at stake as more than $40 trillion of annual knowledge-worker output in 2025 and cites an IDC estimate of $22.5 trillion of cumulative economic impact from AI by 2031. The Firm treats those figures as a ceiling and not a forecast. What the filing does prove is adoption: customers spending $100,000 or more a year rose from about 20 at Dec'23 to more than 11,900 at Sep'26, and over 50% of the Fortune 500 now sit in that group. Our team reads that as the early middle of enterprise adoption, because revenue from Fortune 500 customers averaged less than 0.1% of their total expenses in 3Q'26.

Compute Is the New Rent

Every frontier lab rents or builds the same scarce input. Compute and infrastructure expense was Anthropic's largest cost at $8.9 bn in 1H'26, and the S-1 says demand for compute has historically exceeded the supply available to the Company. TSMC has at times been unable to meet demand for chip manufacturing, and Anthropic has not always obtained enough chips on time. Falling cost per task, the engine of Anthropic's margin story, therefore comes from better models and better routing and not from cheaper chips. Most compute is contracted 12 to 18 months ahead, and when demand runs past it the Company buys short-term capacity at a higher unit cost. The S-1 expects that short-term use to rise in the near term and to compress margins.



Source: S-1 (Contractual Obligations). "Up to" and estimated amounts are the Company's figures; Broadcom covers all its equipment leases; the TPU range is not in the table

One Island, Every Chip

Anthropic trains and serves Claude on four chip families: AWS Trainium, Google TPUs, NVIDIA GPUs and AMD GPUs. That diversifies vendors. However, it does not diversify foundries, because all four depend on TSMC's leading-edge capacity in Taiwan. The S-1 says so directly: any conflict, blockade or disaster affecting Taiwan could disrupt advanced chip supply for years, and efforts to build capacity outside Taiwan, including in the United States, remain in early stages. High-bandwidth memory adds a second concentration in three makers: SK hynix, Samsung and Micron. For a two-year holder this is the risk that no model captures, and it is the main reason our near-term bear case is not a tail.

The Frontier Treadmill

Customers buy the newest model. Model versions released in the six months to Sep'26 produced more than 80% of 3Q'26 revenue, and the S-1 names Google and OpenAI as competitors developing increasingly capable systems. That makes the business a treadmill: revenue depends on staying at the frontier, and staying there needs the compute that strains the income statement. Safety choices also set the pace. Anthropic released Mythos only as a gated research preview through Project Glasswing. When the Department of Commerce imposed export restrictions on Fable 5 and Mythos 5 in Jun'26, Anthropic disabled both for all customers and redeployed them after updating its safeguards. The Firm sees the safety posture as a long-term asset with enterprises and a near-term cost to the revenue line.

BUSINESS OVERVIEW

Anthropic delivers Claude in three layers. The models are the foundation. The Claude Platform exposes the same building blocks the Company uses itself, and the applications package Claude for developers and knowledge workers. Over 50% of customers spending $100,000 or more used the Platform and at least one first-party application in 3Q'26, up from about 30% in 4Q'25, which shows the layers selling each other.

Models, Platform and Applications

The model family runs from Mythos and Fable at the top through Opus and Sonnet to Haiku, each priced for a different point on the capability, cost and speed curve. The S-1 says Claude Opus 5.5 cut customer cost per task by about 40% against Claude Opus 5, which is the pattern behind the growth: cheaper tasks bring more tasks. Claude Code, the coding agent, is the clearest proof of demand. Claude Cowork, a research preview from Jan'26, outpaced Claude Code's adoption at the same stage, and in Sep'26 the Company began merging Cowork and Claude.ai into one application. Anthropic launched 250 model versions, platform features and applications in the nine months to Sep'26.

How Anthropic Gets Paid

Consumption revenue was $13.1 bn, or 80%, of 1H'26 revenue and subscriptions were $3.2 bn, or 20%. A growing number of enterprises sign annual or multi-year contracts with minimum spend in exchange for a committed price list. The cost structure has turned. Functional cost of revenue was $2.4 bn in 1H'26, a gross margin of 85.4%, against 39.5% for FY'25 and 12.4% for 1H'25. The bulk of compute cost now sits in research and development, which was $9.7 bn in 1H'26, because the same fungible pool trains the next model and serves the current one. Our team therefore watches total compute against revenue and not gross margin alone.

Operating expense by function ($ mn)	2023	2024	2025	1H'25	1H'26
Revenue	41	386	4,585	1,163	16,286
Cost of revenue	26	752	2,773	1,019	2,380
Gross margin	**36.6%**	**(94.8%)**	**39.5%**	**12.4%**	**85.4%**
Research and development	422	2,275	6,338	1,850	9,741
Sales and marketing	76	163	911	239	3,808
General and administrative	68	176	1,123	190	1,050
Bartz settlement	-	-	1,500	-	-
Total operating expenses	**592**	**3,366**	**12,645**	**3,298**	**16,979**

Source: S-1, Note 8 (supplemental operating expense information); gross margin is our arithmetic

Customers and Distribution

No single customer produced more than 10% of revenue in the nine months to Sep'26, and about 79% of 3Q'26 revenue came from outside the top five customers, up from about 64% in 1Q'26. Customers above $1 mn of TTM revenue numbered more than 1,900 and customers above $10 mn about 250. The remaining revenue came from about 40 million smaller customers, many of them prosumers who can champion Claude at work. Distribution runs through direct teams, Applied AI engineers and all three major clouds. Systems integrators such as Accenture, Deloitte, KPMG and PwC add reach, as does Ode with Anthropic, a new services company formed with private equity firms to serve mid-sized companies.

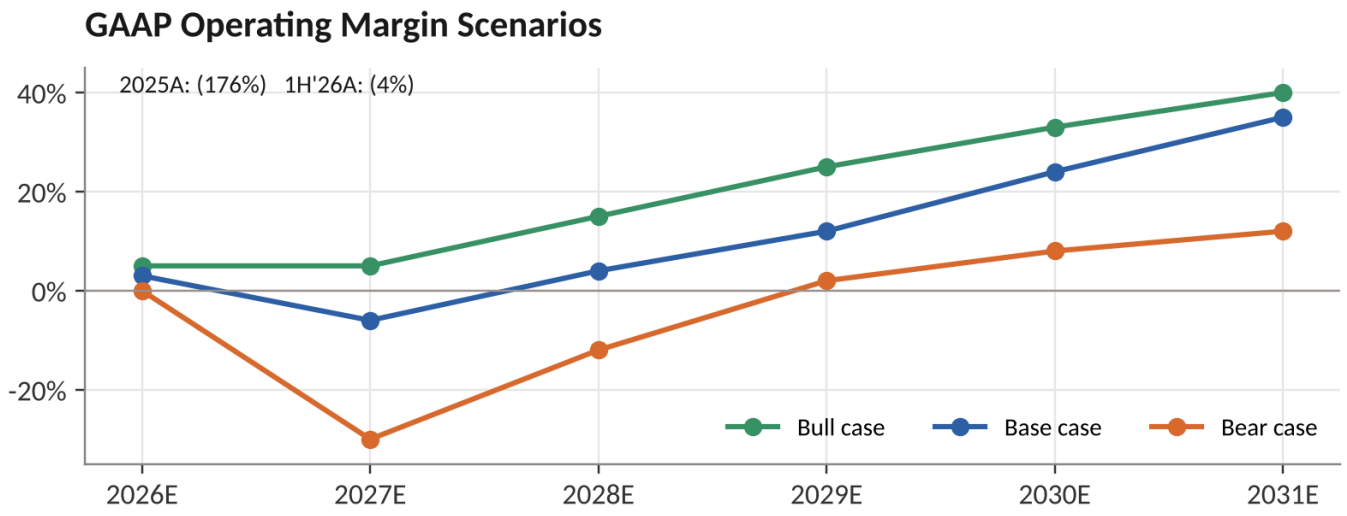
The cloud channel explains a line that looks alarming at first. Sales, marketing and partnerships expense rose from $120 mn in 1H'25 to $3.2 bn in 1H'26, and $2.7 bn of that increase was fees paid to channel partners. CSP marketplaces carried 48% of 1H'26 revenue. Anthropic keeps the direct contract with the customer and pays the channel a fee, so this cost scales with revenue and works more like a distribution toll than customer acquisition spend. At 19% of revenue it is the second-largest cost line after compute, just ahead of personnel.

INVESTMENT THESIS: TWO HORIZONS

The Firm holds two views at once, and they do not conflict. The S-1 describes a business the Firm wants to own for the decade. However, at a $2.0 tn IPO value the stock is a poor two-year investment. Our near-term Underperform rests on three observations from the S-1, and our long-term Outperform rests on the economics the same filing reveals.

Near Term: The Bill Comes Before the Revenue

2Q'26 was the best quarter Anthropic has reported, and the Firm expects it to be the best margin for some time. Revenue of $11.6 bn ran ahead of a compute base contracted a year or more earlier, so compute fell to 48% of revenue and the operating margin reached 8.4%. The S-1 is candid about what follows: as significant incremental compute comes online, its expense will be recognized in advance of the full revenue it supports, and operating margin and Adjusted Operating Margin may compress. The scale is large. The SpaceXAI arrangements alone reach about $3.1 bn a month once capacity is fully delivered, which the Company expects in Dec'26. The Broadcom equipment leases carry about $161.2 bn of rent over five years, $125.2 bn of it under the 2026 Lease Arrangement. Google and Amazon commitments of $114.5 bn and $110.0 bn run through 2033 and 2036. Straight-lined, the fixed contracts imply an annual bill near $120 bn at full delivery, before up to $150 bn of TPU capacity due from 2028, against 2Q'26 compute of $5.6 bn a quarter (our arithmetic). Revenue must reach about $250 bn a year to hold compute at 48% of revenue. Our base case reaches $178.4 bn in FY'28E and $258.6 bn in FY'29E, so we model a (6.0%) operating margin in FY'27E and a recovery that completes only after our near-term horizon.



Source: S-1 (actuals), Conscious Investments model (estimates)

Near Term: Supply Meets Demand on the Way Out

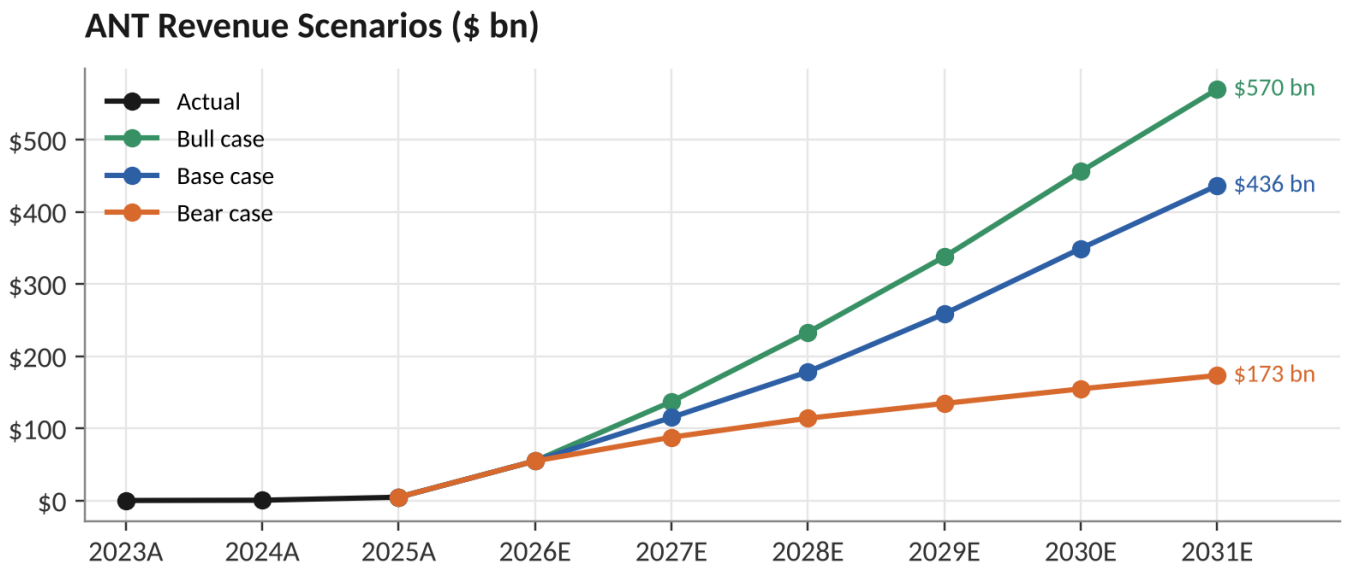
The share supply calendar is unusually busy. Lockup restrictions on some non-founder directors, officers, employees and consultants expire on the first trading day, with further releases on the 27th, 48th, 62nd and 76th days after the prospectus and six more tied to the FY'26 earnings release, before the 180-day and extended 365-day periods end. Several engines also issue new shares. Amazon's $6.2 bn of rollover notes convert at the lower of their fixed prices and the IPO price into up to about 1.84 bn Class N shares, subject to a 12% ownership cap. Google holds an option to buy up to $10.0 bn of stock at the IPO price. Undrawn facilities with Google ($20.0 bn), Amazon ($15.0 bn) and AMD ($5.0 bn) settle in shares at trailing prices, and the Broadcom facility of up to $42.0 bn converts at 90% of the 30-day trailing price. The board may also issue up to 2% more stock to the Anthropic Public Benefit Fund each time the share price rises 50% above the prior milestone. Stock-based compensation was $2.2 bn in 1H'26 alone. We model share count growth of 3.0% a year in the base case, and a reader who thinks that is high should note that the bull case clears the Public Benefit Issuance milestones.

Near Term: Revenue Quality Questions

Three disclosures temper the growth rate. First, the Company estimates that 5% to 7% of revenue in the nine months to Sep'26 came from customers later found to violate its usage policy or commercial terms, and enforcement stepped up in Aug'26 and Sep'26, so some of that revenue will leave. Second, seasonality is real: total customer spend fell about 20% in the two weeks to 2 Jan'26 against the prior two weeks, and the S-1 warns that its growth rates may mask seasonal effects. Third, net revenue retention near 900% describes a land-grab year and cannot repeat at scale. On top of these sits Washington. The Department of War moved to designate Anthropic a supply-chain risk in Feb'26. A district court ruled largely for Anthropic on 27 Aug'26. However, the D.C. Circuit upheld the Section 4713 designation 2-1 on 25 Sep'26, and the Company has petitioned for rehearing en banc. Government agency contracts made up about 1% of revenue in each period the S-1 presents. However, the designation reaches contractors that sell to the military, and new public shareholders will price that uncertainty.

Long Term: Why the Firm Stays Long the Decade

Look past 2028 and the same filing makes the bull case. Gross margin of 85.4% in 1H'26 says the product is valuable once the compute is paid for. Revenue grew 1,368% in 2Q'26 while compute expense grew 300%, which shows efficiency gains outrunning price cuts. TTM revenue per employee rose from $1.4 mn to more than $6.6 mn in a year, and Claude wrote over 90% of the contributions to the Company's codebase in Sep'26, so headcount need not scale with revenue. Penetration is shallow: even the top ten Fortune 500 customers spent less than 1% of their total expenses with Anthropic in 3Q'26. The balance sheet held $131.7 bn of cash and short-term investments at Jun'26, and the revolving facility grew to $15.0 bn in Sep'26, before IPO proceeds. Anthropic Direct, which leases chips and hosts them in dedicated facilities, should lower unit cost as it replaces short-term cloud capacity. Our base case lets revenue grow 45.0%, 35.0% and 25.0% from FY'29E to FY'31E and lifts the operating margin to 35.0%, well below the 1H'26 gross margin. That path is worth $3.89 tn at Dec'30, a 13.9% annual return. The Firm wants to own that path, and wants to buy it after the market has digested the compute surge.



Source: S-1 (actuals), Conscious Investments model (estimates)

CATALYSTS & DRIVERS

Five events over the next 24 months decide whether the near-term call is right. The first two set the starting price and the cost base. The middle two set share supply and political risk, and the last marks the next step up in the cost base.

The Price Range

An amended S-1 will fill in the price range, the share count, 3Q'26 revenue and the full contractual obligations table. Each $250 bn of IPO value moves our base-case 24-month return by about 10 to 20 points (see the sensitivity on page 14). A range that implies less than $1.70 tn would turn our near-term rating to Outperform, and anything above $1.86 tn keeps it at Underperform. 3Q'26 revenue then tests our $17.0 bn estimate against the $11.6 bn the Company reported for 2Q'26.

The SpaceXAI Ramp

Capacity under the SpaceXAI arrangements is due to be fully delivered in Dec'26, at about $3.1 bn a month, and the initial non-cancelable periods end in Jan'27 and Mar'27. The FY'26 and 1Q'27 results will show the first quarters of that cost. If the operating margin stays positive through 1Q'27, revenue is outrunning the bill faster than we model and our base case is too cautious. Either party may cancel on 90 days' notice after the initial periods, which gives Anthropic an exit if demand disappoints.

The Lockup Calendar

Releases start on the first trading day and continue on the 27th, 48th, 62nd and 76th days and around the FY'26 earnings release. Each date adds supply. The S-1 leaves the share counts blank, so the amended filing will show how large each release is.

The Courtroom

The D.C. Circuit's response to Anthropic's petition for rehearing en banc decides whether the Section 4713 supply-chain designation stands. A rehearing or reversal would remove a cloud over defense-adjacent enterprise customers. A denial leaves it in place through the near-term horizon.

The Broadcom Lease

Rent under the Broadcom equipment leases starts when each tranche of equipment is ready for service. Part of that TPU capacity came online in 2026, and more is due from 2027. Straight-lined over five years, the 2026 Lease Arrangement alone costs about $25 bn a year (our arithmetic), and Anthropic may fund part of that rent with convertible notes issued to Broadcom. Each ready-for-service date marks the next step up in the cost base.

RISKS TO INVESTMENT THESIS

Our ratings point in opposite directions, so each has its own risks. The first two below threaten the near-term Underperform and the rest threaten the long-term Outperform.

Revenue Outruns the Compute Bill

Revenue rose from $4.7 bn in 1Q'26 to $11.6 bn in 2Q'26. If growth near that pace continues, revenue absorbs the new compute without a margin dip and our bull case of $232.9 bn in FY'28E becomes the base.

- Mitigant: we would upgrade on evidence and not defend the rating. Two quarters of positive operating margin through the SpaceXAI ramp would move our near-term view to Neutral or better.

The IPO Prices Cheaply

Our near-term rating depends on the $2.0 tn reference. The Series H price implies about $1.0 tn on Jun'26 fully diluted shares, and a price range well below our reference would change the arithmetic quickly.

- Mitigant: we publish the thresholds. Below $1.70 tn our base case beats the S&P 500 by more than 5 points and the near-term rating becomes Outperform.

A Taiwan Shock or a Compute Price Spike

All four chip families Anthropic uses depend on TSMC, and the S-1 says demand for compute has historically exceeded the supply available to the Company. A disruption in Taiwan would hit every supplier at once and could last years.

- Mitigant: Anthropic holds multi-year contracts that put it ahead of buyers without them, and it ended Jun'26 with $131.7 bn of cash and short-term investments to bid for scarce capacity.

Commoditization of the Frontier

Google and OpenAI compete at the frontier with deeper balance sheets, and open-weight models compete on price. If capabilities converge, price per task could fall faster than cost per task. Commitments fixed today would then look expensive against rivals who buy compute later at lower prices.

- Mitigant: customers adopt the newest model quickly, with over 80% of 3Q'26 revenue from models released in the prior six months.

Governance Without a Vote

Class A holders will not elect a majority of the board. The Long-Term Benefit Trust elects a majority and the Founder LLC holds 50.1% of general voting power. A public benefit corporation may also put its mission ahead of returns.

- Mitigant: the S-1 discloses the structure in full before any purchase. We price it through a lower terminal multiple and not through a lower rating.

Regulatory and Political Action

The Department of War designation, the Jun'26 Department of Commerce export restrictions on Fable 5 and Mythos 5 and the $1.5 bn Bartz settlement in 2025 show how quickly policy and litigation reach the income statement.

- Mitigant: government agency contracts made up about 1% of revenue in each period the S-1 presents, and Anthropic redeployed Fable 5 and Mythos 5 once the export restrictions lifted.

GOVERNANCE STRUCTURE

Anthropic will go public with a capital structure unlike any large listed company. Investors buy Class A shares with one vote each. Control sits elsewhere, and the Firm wants every reader to see it before buying.

Class	Holder	Votes	Economics
Class A	Public and converted voting preferred holders	1 per share; non-Class T directors	Pro rata dividends and liquidation
Class N	Strategic partners, Public Benefit Fund	None, except as law requires	Pro rata; converts to A on sale to a third party
Class T (1 share)	Long-Term Benefit Trust	Elects the Class T directors, a board majority	None
Class F (1 share)	Founder LLC (seven co-founders)	50.1% of general voting power	None
Class E	Employees other than co-founders	Limited matters only	None

Source: S-1, Our Capital Structure

The structure has three effects for a shareholder. First, the Trust and the founders together elect every director, so public holders cannot replace the board or force a sale. The Company qualifies as a Nasdaq controlled company and expects to use the exemption for its nominating and corporate governance committee. Second, as a public benefit corporation the board must balance shareholder returns against the interests of those affected by its conduct and against its stated purpose, the responsible development and maintenance of advanced AI for the long-term benefit of humanity. Third, the mission has a price. The Company contributed 846,840,960 Class N shares, 5% of fully diluted shares at Jun'26, to the Anthropic Public Benefit Fund, and donation matching expense was $541 mn in 2025, about 4% of operating expenses. The co-founders have each pledged 80% of their personal equity to philanthropy.

The Firm does not treat this as a reason to avoid the stock, because the S-1 discloses every element of the structure before purchase. However, public holders give up the usual remedies for a board that spends too much, and a 50.1% founder vote leaves no room for activist pressure. We reflect that in a 30x long-term earnings multiple in the base case, below what an unconstrained company with the same growth might earn.

PEER GROUP ANALYSIS

The S-1 names Google and OpenAI as its leading competitors. For this report we describe the group and leave out trading comparables, because the closest peer is private and the public peers are diversified giants whose AI revenue is not reported on its own.

OpenAI Group PBC is the other frontier lab structured as a public benefit corporation and the most direct competitor in models, consumer applications and coding. It is private, so investors cannot yet compare the two on public multiples.

Alphabet (Google) competes with its Gemini models and is also an investor, a cloud distributor and Anthropic's largest compute supplier, with a commitment of about $114.5 bn plus an estimated $125 bn to $150 bn of further TPU capacity. Its ownership is capped at 14.99% under the 2026 note facility.

Amazon is an investor, the AWS distribution channel and the supplier of Trainium capacity under a $110.0 bn commitment, and its note conversions stop at a 12% stake. **Microsoft** distributes Claude through Azure and supplies $44.9 bn of committed compute while backing its own and OpenAI's models. **SpaceXAI**, formerly xAI, both builds models and sells Anthropic NVIDIA capacity worth up to $120.5 bn.

The pattern matters more than any multiple. Anthropic's largest suppliers are also its distributors, its investors and its competitors. The S-1 flags the conflicts this creates, and the Firm sees it as the most important structural fact in the peer group.

VALUATION ANALYSIS

Model Assumptions

Our model starts from FY'26E revenue of $54.8 bn, built from 1H'26 actual revenue of $16.3 bn plus our estimates of $17.0 bn for 3Q'26 and $21.5 bn for 4Q'26, because the S-1 leaves 3Q'26 revenue blank. Base revenue grows 110.0% in FY'27E to $115.1 bn, 55.0% in FY'28E to $178.4 bn, then 45.0%, 35.0% and 25.0% to $436.5 bn in FY'31E. The GAAP operating margin, which includes stock-based compensation, moves from 3.0% in FY'26E to (6.0%) in FY'27E as committed compute arrives, then to 4.0%, 12.0%, 24.0% and 35.0%. Tax is 18.0% on positive income.

Because no price range exists, we value the equity at two dates and compare each to a $2.0 tn reference IPO value. The figure is the Firm's assumption and not Company guidance, and it is about twice the roughly $1.0 tn the Series H price implies. The near-term value applies an EV to NTM revenue multiple at Oct'28: 8.0x in the base case, 12.0x in the bull and 5.0x in the bear. The long-term value applies a multiple to FY'31E after-tax operating income at Dec'30: 30x, 34x and 22x. We hold net cash at $130 bn at both dates on the view that IPO proceeds offset build-out spending. We grow the share count 3.0% a year in the base case, 3.5% in the bull and 4.5% in the bear. Ratings compare per-share returns with an S&P 500 expected return of 8.0% a year, the same rate used in our Micron report, which is 16.6% over 24 months and 37.8% to Dec'30.

ANT Base Case Model Assumptions

	2026E	2027E	2028E	2029E	2030E	2031E
Revenue	$54.8 bn	$115.1 bn	$178.4 bn	$258.6 bn	$349.2 bn	$436.5 bn
Revenue growth	1,094.9%	110.0%	55.0%	45.0%	35.0%	25.0%
Operating margin (GAAP)	3.0%	(6.0%)	4.0%	12.0%	24.0%	35.0%
Operating income	$1.6 bn	($6.9 bn)	$7.1 bn	$31.0 bn	$83.8 bn	$152.8 bn

Source: Conscious Investments model; FY'26E includes 1H'26 actuals from the S-1

ANT Scenario Revenue and Operating Margin

	2026E	2027E	2028E	2029E	2030E	2031E
Bull revenue	$54.8 bn	$137.0 bn	$232.9 bn	$337.7 bn	$455.9 bn	$569.9 bn
Operating margin	5.0%	5.0%	15.0%	25.0%	33.0%	40.0%
Base revenue	$54.8 bn	$115.1 bn	$178.4 bn	$258.6 bn	$349.2 bn	$436.5 bn
Operating margin	3.0%	(6.0%)	4.0%	12.0%	24.0%	35.0%
Bear revenue	$54.8 bn	$87.7 bn	$114.0 bn	$134.5 bn	$154.7 bn	$173.2 bn
Operating margin	0.0%	(30.0%)	(12.0%)	2.0%	8.0%	12.0%

Source: Conscious Investments model

ANT Valuation Summary

	Bear Case	Base Case	Bull Case
Near term: value at Oct'28 on NTM revenue			
FY'28E revenue	$114.0 bn	$178.4 bn	$232.9 bn
FY'29E revenue (NTM at Oct'28)	$134.5 bn	$258.6 bn	$337.7 bn
FY'29E operating margin	2.0%	12.0%	25.0%
Target EV / NTM revenue	5.0x	8.0x	12.0x
Implied EV / NTM operating income	NM	66.7x	48.0x
Enterprise value, Oct'28	$0.67 tn	$2.07 tn	$4.05 tn
Plus: net cash (held flat)	$130 bn	$130 bn	$130 bn
Equity value, Oct'28	**$0.80 tn**	**$2.20 tn**	**$4.18 tn**
Share count growth a year	4.5%	3.0%	3.5%
Per-share return vs $2.0 tn reference	**(63.3%)**	**3.6%**	**95.2%**
Long term: value at Dec'30 on FY'31E earnings			
FY'31E revenue	$173.2 bn	$436.5 bn	$569.9 bn
FY'31E operating margin	12.0%	35.0%	40.0%
FY'31E NOPAT (18% tax)	$17.0 bn	$125.3 bn	$186.9 bn
Target multiple of FY'31E NOPAT	22x	30x	34x
Equity value, Dec'30	**$0.51 tn**	**$3.89 tn**	**$6.49 tn**
Per-share return vs $2.0 tn reference	**(79.0%)**	**71.9%**	**181.0%**
Annualized per-share return	**(31.2%)**	**13.9%**	**28.1%**

Source: Conscious Investments model. Returns are per share after modeled dilution, measured from the $2.0 tn reference

Rating Thresholds

The ratings will move once the price range is filed, so we publish where they change. In the base case the near-term rating is Underperform at any IPO value above $1.86 tn, Neutral between $1.70 tn and $1.86 tn and Outperform below $1.70 tn. The long-term rating stays Outperform at any IPO value up to $2.41 tn. The sensitivities below show how the base-case returns respond to the inputs we are least sure of.

Near Term: 24-Month Base Return

IPO value \ EV / NTM revenue	6x	7x	8x	9x	10x
$1.50 tn	5.7%	21.9%	38.2%	54.4%	70.7%
$1.75 tn	(9.4%)	4.5%	18.5%	32.4%	46.3%
$2.00 tn	(20.7%)	(8.5%)	3.6%	15.8%	28.0%
$2.25 tn	(29.5%)	(18.7%)	(7.9%)	3.0%	13.8%
$2.50 tn	(36.6%)	(26.8%)	(17.1%)	(7.3%)	2.4%

Source: Conscious Investments model

Long Term: Annualized Base Return

FY'31E margin \ NOPAT multiple	20x	25x	30x	35x	40x
25%	(3.9%)	1.1%	5.4%	9.2%	12.6%
30%	0.2%	5.4%	9.9%	13.9%	17.5%
35%	3.7%	9.2%	13.9%	18.0%	21.8%
40%	7.0%	12.6%	17.5%	21.8%	25.6%
45%	9.9%	15.7%	20.7%	25.2%	29.2%

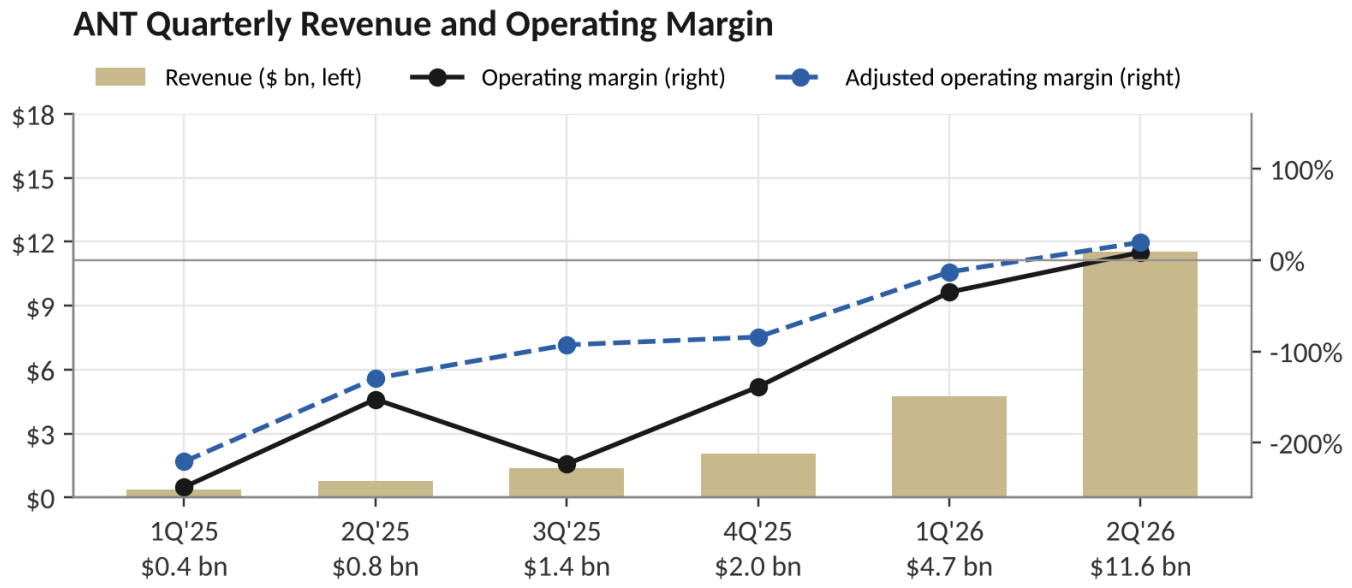
Source: Conscious Investments model

FINANCIAL ANALYSIS

ANT Financial Summary (USD)

Summary	2023A	2024A	2025A	1H'25A	1H'26A	2026E
Total revenue	$0.04 bn	$0.39 bn	$4.6 bn	$1.2 bn	$16.3 bn	$54.8 bn
% growth YoY	N/A	841.5%	1,087.8%	N/A	1,300.3%	1,094.9%
Compute and infrastructure % of revenue	1,056%	653%	160%	201%	55%	N/A
Operating income (loss)	($0.6 bn)	($3.0 bn)	($8.1 bn)	($2.1 bn)	($0.7 bn)	$1.6 bn
Operating margin	(1,344%)	(772%)	(176%)	(184%)	(4%)	3.0%
Adjusted operating income (loss)	($0.5 bn)	($2.8 bn)	($4.9 bn)	($1.8 bn)	$1.6 bn	N/A
Stock-based compensation	$0.03 bn	$0.2 bn	$1.2 bn	$0.3 bn	$2.2 bn	N/A
Fair value change, notes and SAFEs	($1.0 bn)	($5.4 bn)	($34.3 bn)	($10.9 bn)	($72.4 bn)	N/A
Net loss	($1.5 bn)	($8.3 bn)	($42.0 bn)	($13.0 bn)	($80.7 bn)	N/A
Cash from operations	($1.6 bn)	($5.7 bn)	($2.6 bn)	($1.5 bn)	$3.9 bn	N/A

Source: S-1 (actuals), Conscious Investments model (2026E, base case)

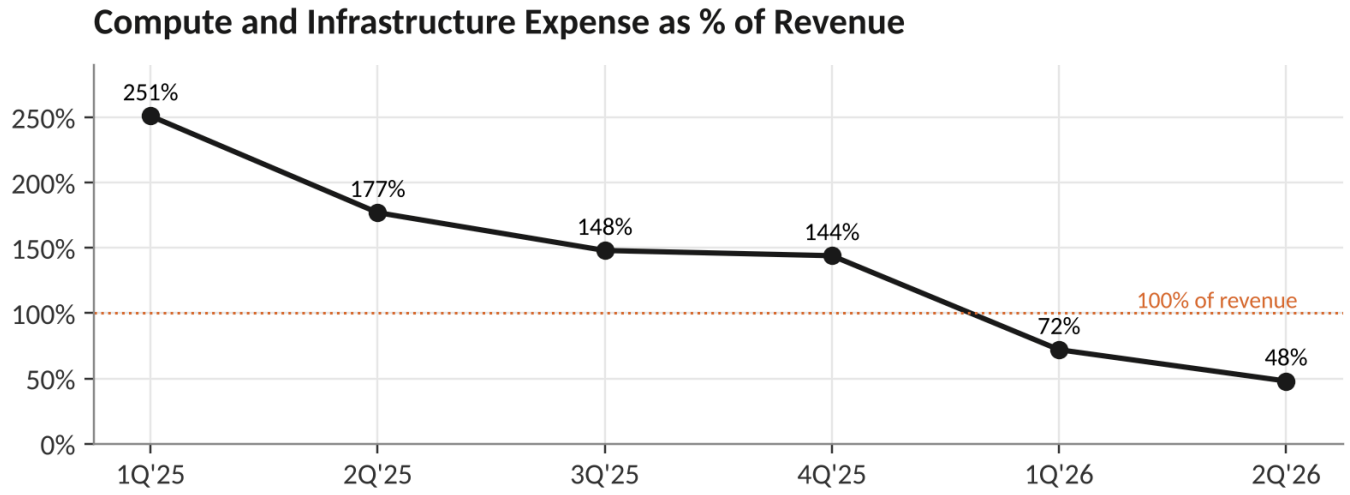


Source: S-1 quarterly results

The headline net loss misleads. Of the $80.7 bn net loss in 1H'26, $72.4 bn came from marking convertible notes, derivative liabilities and SAFEs to a rising enterprise value, and most of the $8.8 bn of other expense came from the initial recognition and fair value change of the note purchase agreements. Neither is cash, and the notes convert at the IPO. The operating line tells the real story: an operating loss of $2.1 bn in 1H'25 became $693 mn in 1H'26, and 2Q'26 produced operating income of $974 mn and Adjusted Operating Income of $2.2 bn. Cash from operations turned positive at $3.9 bn in 1H'26.

The balance sheet is strong and about to change shape. Anthropic held $112.4 bn of cash and $19.3 bn of short-term investments at Jun'26 after raising $110.8 bn from financing in the half, mostly the Series G and Series H rounds at $25.91 and $58.90 per share after the 10-for-1 split of 17 Sep'26. The accumulated deficit of $132.9 bn includes $113.2 bn of fair value charges on the convertible notes. The S-1 expects capital expenditure to rise significantly and to drive net cash use in operating and invest-

ing activities for the foreseeable future, as more compute shifts from pay-as-delivered cloud contracts to owned and leased equipment. That shift is the main reason the Firm holds net cash flat in its valuation rather than letting it grow.



Source: S-1 quarterly results

APPENDIX

Exhibit I: Bulls vs Bears

Bulls:

- Revenue rose from $376 mn in 1Q'25 to $11.6 bn in 2Q'26, and the 2Q'26 operating margin of 8.4% came with an 85.4% gross margin in 1H'26.
- More than 11,900 customers spend $100,000 or more a year, up from more than 950 a year earlier, and their spending is still less than 1% of expenses even at the most advanced Fortune 500 customers.
- Revenue grew 1,368% in 2Q'26 against 300% growth in compute expense, and TTM revenue per employee rose to more than $6.6 mn.
- Cash and short-term investments of $131.7 bn, a $15.0 bn revolver and committed partner financing fund the build-out before any IPO proceeds.

Bears:

- Named compute commitments of about $782 bn to $807 bn imply an annual bill near $120 bn at full delivery, and the S-1 warns that margins may compress as it arrives.
- Lockup releases start on the first trading day, and share-settled partner facilities, stock compensation and Public Benefit Issuances add steady dilution.
- 5% to 7% of revenue in the nine months to Sep'26 came from customers that broke usage policy, and the Department of War designation stands after the D.C. Circuit's 25 Sep'26 ruling.
- Every chip family Anthropic uses depends on TSMC in Taiwan, and public holders cannot change a board elected by the Trust and the founders.

Exhibit II: Entry Strategy

The Firm intends to own ANT for the long term and to choose its entry with care. We would buy on any of three signals. First, an IPO or subsequent price that implies an equity value below $1.70 tn, where our base case beats the S&P 500 over 24 months. Second, two consecutive quarters of positive GAAP operating margin after full delivery of the SpaceXAI capacity, which would show revenue absorbing the compute surge. Third, a fall through the lockup releases toward a value near 8.0x NTM revenue on our base-case estimates. We would revisit the long-term Outperform if the FY'27 operating margin fell below (20.0%) or if annual revenue growth dropped below 40.0% before FY'29, either of which would put our $436.5 bn FY'31E path out of reach.

Respectfully submitted on behalf of the Firm,

Ethan Stott
Founder, Conscious Investments
stott@consciousinvestments.org

ABOUT CONSCIOUS INVESTMENTS

Conscious Investments is an independent equity research imprint authored by Ethan Stott. Its coverage reports aim to combine primary-source financial analysis with a clear, falsifiable investment thesis. Conscious Investments does not manage client assets and is not a registered investment adviser or broker-dealer. It receives no compensation from the companies it covers.

DISCLAIMER

This report is provided for educational and informational purposes only and does not constitute investment advice, an offer to sell or a solicitation of an offer to buy any security. It does not take into account the investment objectives, financial situation or needs of any reader. Readers should conduct their own research and consult a licensed financial professional before making any investment decision. This report discusses a company that has filed a registration statement that has not yet become effective; the securities may not be sold until it does, and readers should rely only on the final prospectus.

The information herein comes from the Company's Form S-1 filed with the U.S. Securities and Exchange Commission on 26 October 2026, a public source believed to be reliable. However, Conscious Investments makes no representation as to its accuracy or completeness. The S-1 is preliminary and omits the price range, share counts and certain financial data, and figures may change in amended filings. The $2.0 tn reference IPO value is the Firm's assumption and is not Company guidance. Forward-looking statements, estimates, equity values and ratings reflect the author's judgment as of the date of this report, may change without notice and may not be realized. Past performance is not indicative of future results.

Ratings are relative to the author's expected return for the S&P 500 over the stated horizon, 8.0% a year. Near-term ratings cover the 24 months to October 2028 and long-term ratings cover the period to December 2030. Outperform: expected per-share return exceeds the S&P 500 by more than 5 percentage points over the horizon. Neutral: within 5 percentage points. Underperform: trails by more than 5 percentage points.

Holdings disclosure: The author holds no position in the securities discussed. The Fund's portfolio is a paper portfolio.

SOURCES

Anthropic, PBC, Form S-1 Registration Statement, filed 26 October 2026 (SEC EDGAR, CIK 2130357).