A quality report by JainMatrix Investments

Anthropic IPO – Leading Frontier AI lab

- 21st Nov '2026
- CMP $89

- **Listing date was 19th Nov '2026, IPO pricing was $83 /share**
- **Market Cap: $1.29 Trillion (₹ 121 lakh crores)**
- **Sector: Artificial Intelligence (AI) & Technology**
- **Recommendation: HOLD**

Anthropic Observations:

- Anthropic is the leader in the foundation AI Lab firms, with high focus and good momentum. It has the vision, and offers the potential, to solve complex problems faced by society. It is also giving massive importance to safety, and guardrails for AI and AI agents. The recent massive revenue growth and customer retention promises at least survival or better for the firm.
- The AI industry is at a high growth point, with massive investments and high global interest. Having said this, the sector is receiving excessive investment, and it is uncertain that future revenues will justify this. Even as the AI opportunity is being explored and Frontier models are improving, overinvesting can lead to excessive valuations and poor AI project returns. There is HyperCompetition. Till now was the honeymoon phase for AI, where everyone believed it's the next big thing. However reality is kicking in. 'Show me the results, show me the benefits and show me the money', are the questions we ask. These will be answered over the next 1-2 years.
- Despite the tough situation that the entire AI industry is in, Anthropic is a **HOLD**.

Table of Contents

Anthropic IPO Details 1
Industry Overview – Artificial Intelligence (AI) 2
Overview of Anthropic 3
Revenue Model and Customer Base 4
News and Updates from Anthropic 4
Financials, Share Structure and Valuation 5
Benchmarking 6
Growth Drivers & Risks 6
Recommendation 7

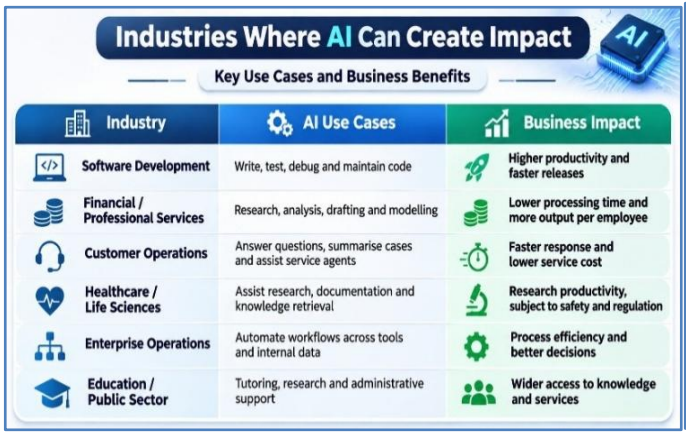
Anthropic IPO Details

- Anthropic PBC shares in IPO were priced at $83 /share, and listing happened on 19th Nov'26.
- The IPO offered 980 million shares, comprising a Fresh Issue of 956.35 m. and an Offer for Sale of 23.65 m. At $83, the issue size is of $81.34 billion. An additional 147 m shares may be issued through the Green Shoe Option, worth $12.20 b. If fully exercised, the public issue size will increase to $93.54 b.

- Anthropic is separately raising $26 b. through a private placement of Class N shares from seven strategic investors, of Google, NVIDIA, AMD, Broadcom, Micron, Microsoft and TSMC Partners. Including the public issue, full Green Shoe Option and private placement, the raise will be $120 billion.
- Retail investors in the US are expected to receive up to 20% of the offering. The remaining allocation will follow the US underwriting process. Listing is proposed on the Nasdaq Global Select Market under the ticker symbol ANT, with trading expected to commence on 19th Nov'26.
- On listing day, it rose to $115 but thereafter fell back by next day to $89.

Industry Overview – Artificial Intelligence (AI)

- AI is transforming how businesses and individuals perform tasks by enabling machines to analyse information, generate content, solve problems and automating complex activities. AI incorporates human like learning, training and problem solving. Agents can be created for a set of tasks or process.
- The AI industry includes semiconductor chips, data centres, cloud platforms, foundation models and AI-powered applications, see Fig 2a – Five Layers of AI. The interconnected ecosystem creates business opportunities across the entire value chain.
- Anthropic estimates that global knowledge-worker activity provided over $40 trillion in economic value in 2025. This represents the value of knowledge work, not the annual AI market size.
- AI is increasingly being adopted across software development, financial services, customer operations, healthcare, enterprise operations and education/public services.



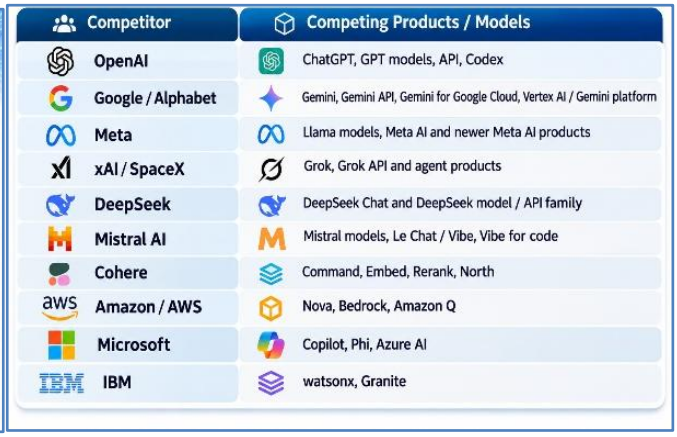
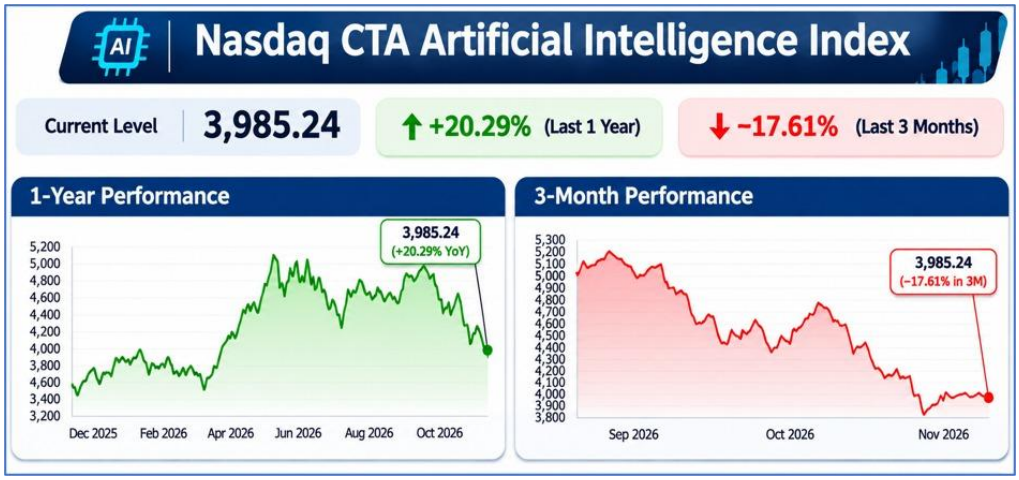


Fig 1a: Possible Impact by AI/ Fig 1b: Key Players in AI / Fig 1c: Nasdaq CTA AI Index (dated 19th Nov)



- Its primary benefit is improved productivity, automation, faster decision-making, reduced processing time and lower operating costs. By automating repetitive and time-consuming tasks, AI empowers employees (see Fig. 1a).
- The filing cites IDC's estimate of $22.5 trillion in cumulative global economic impact from AI solutions and services by 2031. This is not annual AI market revenue or Anthropic's revenue.
- Global AI investment has surpassed $1 trillion across 2025 and the first half of 2026 alone (Goldman Sachs note). Since 2022, this figure may be $1.8 trillion.
- The AI industry is witnessing intense competition, with several global technology firms investing heavily in AI research, model development and commercial applications. There is HyperCompetition as companies are investing with a winner wins all approach, see Fig. 1b - Key Players in AI.
- Nasdaq CTA Artificial Intelligence Index has witnessed a massive upsurge over 1 year, with its current level at 4,000. Over one year it is positive, indicating high long-term interest in AI. But the recent correction and short term weakness reflects investor concerns over overinvestment, returns on AI, hyper-competition, rising interest rates, weak quarterly results, and the Nvidia share collapse (Fig. 1c).

Overview of Anthropic

- Anthropic PBC is a Frontier AI Lab, a research and product company founded in 2021. It has developed the Claude family of large AI models and sells access through consumer and enterprise applications, developer tools, APIs and cloud marketplaces. Its strategy combines frontier-model research, safety-focused development, a developer platform and ready-to-use products.
- The AI ecosystem consists of five interconnected layers, with Anthropic positioned primarily in developing advanced AI models and building AI-powered applications, while leveraging external infrastructure and cloud partners (see Fig. 2a).

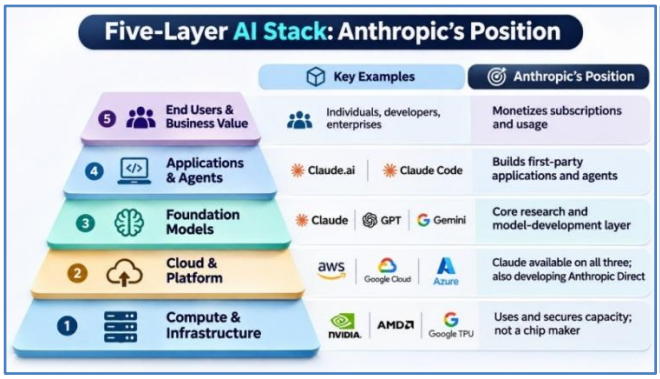




Fig 2a: Five-Layer Stack Fig 2b: Anthropic Product Portfolio

- Anthropic offers the family of Claude AI models designed for different levels of complexity, speed and cost. Its product portfolio includes Claude.ai for general users, Claude Enterprise for businesses, Claude API for developers, and specialised tools such as Claude-Code, Cowork and Security for coding, workflow automation and cybersecurity (see Fig. 2b).
- Customers use Claude to analyse data, conduct research, generate content and integrate AI into their own applications through APIs. They can create AI-powered agents that can complete multi-step tasks, automate business workflows and provide enterprise solutions with security, integrations and administrative support.

- Leadership - Dario Amodei: Co-Founder & CEO, Krishna Rao: Chief Financial Officer (CFO), Rahul Patil: CTO, Daniela Amodei, Co-Founder & President, Jared Kaplan: Co-Founder & Chief Science Officer, Tom Brown: Co-Founder & Chief Compute Officer, and Paul Smith: Chief Commercial Officer (CCO).

Revenue Model and Customer Base

- Anthropic generates revenue through two primary models: Consumption-Based, where customers pay according to actual AI usage, and Subscription-Based, where customers pay a fixed fee for a specified period. Both models have witnessed strong revenue growth, with consumption-based revenue emerging as the larger contributor. Subscription revenue has also grown with increasing adoption among individual and business users (see Fig. 3a).
- Anthropic has a diverse customer base, includes different spending categories, reflecting adoption across both individual and enterprise users (see Fig. 3b).
- Customers generating $100k+ in TTM revenue contributed 74% of 9M FY26 revenue. However, revenue concentration is a risk, as the #5 customers contributed 25% of revenue, although no single customer accounted for more than 10%.

Anthropic | Revenue by Model (USD bn)

Revenue Model	FY24	FY25	9M FY25	9M FY26	9M FY26 Mix
Consumption-based	0.288	3.796	2.125	26.306	79%
Subscription-based	0.098	0.789	0.420	6.936	21%
Total	0.386	4.585	2.545	33.242	100%

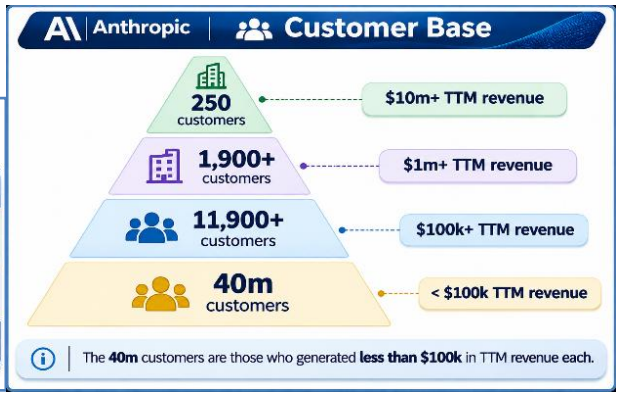
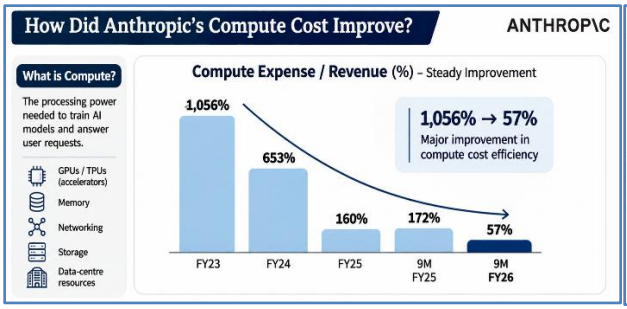


Fig 3a: Revenue Model / Fig 3b: Customer Base

- Anthropic also reported 900% Net Revenue Retention (NRR), indicating significant expansion in spending by existing customers, though the company notes limitations in this metric.
- Anthropic reaches customers through direct sales, self-service subscriptions, cloud marketplaces such as AWS, Google Cloud and Microsoft Azure, and partnerships with system integrators and consultants. Its Applied AI teams also help businesses implement customised AI solutions. Around 44% of 9M FY26 revenue was generated through cloud service provider (CSP) marketplaces.

News and Updates from Anthropic

- Anthropic has significantly improved its compute cost efficiency (see Fig 4a). There was a revenue growth of 1,206% compared with compute expenses growth of 329% during 9M FY26. However, absolute compute expenses increased from $4.381 b. to $18.808 b.
- Anthropic's TTM revenue growth was accompanied by employee headcount increase of 170%, from 1,960 employees to 5,300 employees. Revenue per employee also increased from $1.4 million to over $6.6 million. Additionally, Claude contributed to more than 90% of the company's codebase in Sept 2026, highlighting the growing self-use of AI in internal operations and engg. productivity.
- Anthropic has made large long-term commitments towards Compute and Infrastructure (C&I) to support its growing AI operations (see Fig. 4b). It enters into long-term compute contracts to secure scarce GPUs, data-centre capacity and other infra typically 12–18 months in advance, of needs.



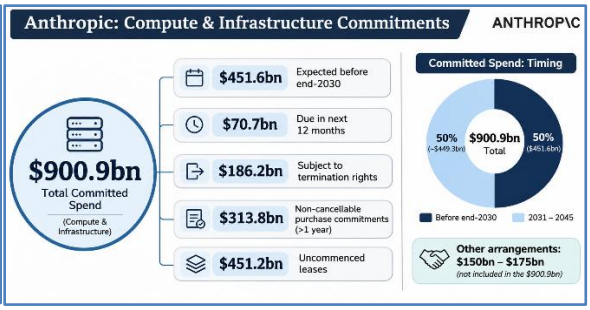
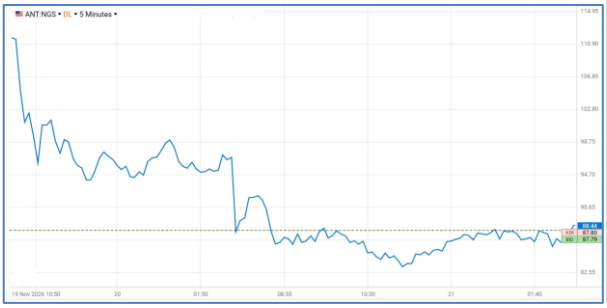


Fig 4a: Compute Cost Improve / Fig 4b: Spending Commitments

Financials, Share Structure and Valuation

- Here is a short 2 day price chart of Anthropic, Fig 5a.
- Anthropic's revenue has grown rapidly, from $2.54 b. in 9M FY25 to $33.24 b. in 9M FY26, increasing by 1,206% YoY. However, despite this significant growth, the company continues to report a GAAP net loss, as its total operating expenses have exceeded revenue. C&I is the largest cost item, followed by personnel, sales and marketing, and other admin expenses (Fig. 5b).



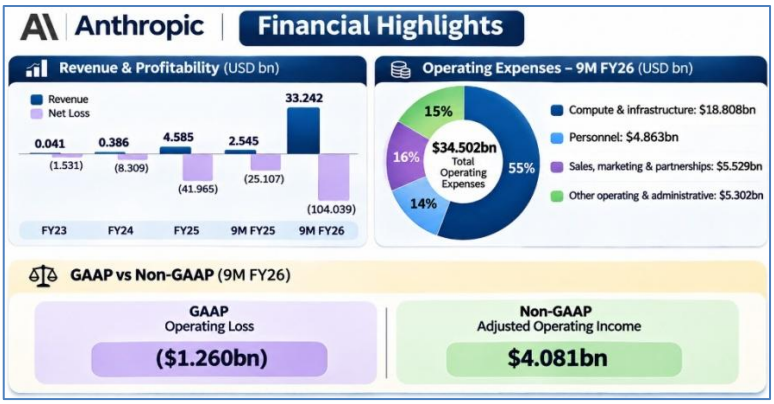
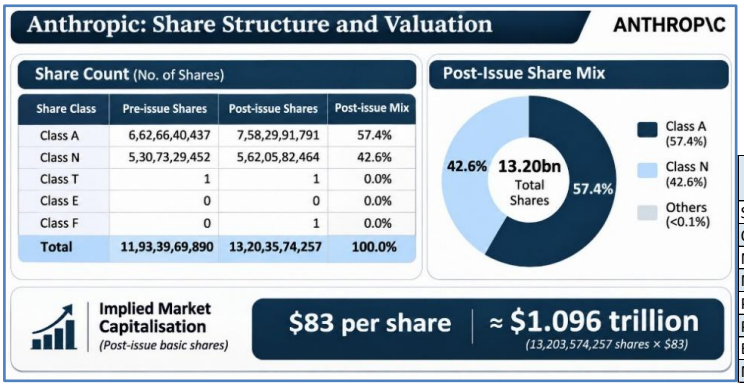


Fig 5a: Two day price chart / Fig 5b: Financial Highlights

- The Non-GAAP adjusted operating income is $4.081 b. However under GAAP accounting, Anthropic reported an operating loss of $1.26 b. in 9M FY26, see Fig 5b. The GAAP net loss is $104.039 b. in 9M FY26, largely due to a $94.324 b. charge from changes in the fair value of convertible notes, derivative liabilities and SAFEs.
- **Share Structure:** See Fig 6. Anthropic has five classes of shares with different voting and economic rights. Class A carries one vote per share with ordinary economic rights; Class N is generally non-voting and held by strategic partners. Class T is held by the Long-Term Benefit Trust, Class F is a special share held by Founder LLC, and Class E is an employee class with limited voting rights. Despite having different share classes, voting control is structured separately from economic ownership. Founder LLC's special Class F share carries 50.1% of the total voting power on general stockholder matters.
- Following the IPO and concurrent private placement, Anthropic's total basic shares are expected to increase from 11.93 b. to 13.20 b., due to the fresh issue and private placement. The OFS component does not create additional shares, as it involves the transfer of existing shares. These figures are based on the base offering and private placement, excluding the greenshoe option.
- The post-offering structure reflects a larger proportion of Class A shares alongside Class N shares. Other share classes account for a very small proportion of the overall share structure.

- Anthropic's implied valuation varies with the IPO price range. The valuation is calculated using the post-offering basic share count and excludes potential dilution from employee stock options, RSUs and other securities, as well as the greenshoe option.



Particulars	Anthropic PBC IPO	Space X	Meta	Alphabet
Sales (USD Billion)	33.24	27.08	181.71	357.27
Operating Income	-1.26	0.71	54.64	121.04
Net Profit	-104.03	-0.413	52.48	201.239
Mark Cap (USD Billion)	1,096	1,950	1,580	3,430
PE-TTM (x)	N/A	609.49	21.11	14.5
Price to Book Value (x)	10.14	10.89	5.81	5.17
EV/EBIDTA	-770.12	214.71	15.55	10.53
Market Cap/Revenue	32.97	72.00	8.70	9.60

Fig 6: Share Structure and Market Cap / Fig 7: Benchmarking

Benchmarking

- Anthropic is compared with peers (See Fig. 7), using its IPO data.
- Anthropic remains loss-making despite strong revenue growth, whereas some peers have established profitable business models. But that should change quickly based on expected growth.
- Anthropic trades at a premium on Price-to-Book compared with some peers, except SpaceX.
- It is similarly placed on Market Cap/ Revenues parameter, where SpaceX commands a high multiple.
- Anthropic's negative operating earnings result in a negative EV/EBITDA, while profitable peers benefit from positive operating earnings.

Overall, Anthropic stands out for its startup type growth potential in the expanding AI industry and increasing enterprise adoption. Its commanding high valuations in this IPO.

Growth Drivers & Risks

- **Key Growth Drivers:** 1) Rapid increase in large enterprise customers, reflecting growing demand for Claude. 2) Focus on safety and guardrails in AI agents. 3) Strong customer retention and expansion, supported by high Net Revenue Retention (NRR). 4) Claude Code and Claude Cowork are expanding AI applications across software development and knowledge-based work; Recent model launches are driving revenue growth, with newer models contributing significantly to overall revenue. 5) Partnerships with AWS, Google Cloud, Azure and system integrators are expanding Anthropic's market reach. 6) Improvements in training and inference efficiency, multi-chip flexibility and internal use of Claude are supporting operational efficiency. 7) Growing AI adoption across knowledge work, professional services, software and enterprise workflows provides a large addressable market.
- **Key Risks:** 1) Large long-term compute commitments may create financial pressure if future demand varies from planned capacity. 2) Consumption-based revenue may fluctuate as customers reduce usage or switch to competing models. 3) Dependence on a limited number of large customers creates customer concentration risk. 4) Reliance on cloud-provider marketplaces may increase dependency on major distribution partners. 5) Intense competition may lead to pricing pressure and loss of market share. 6) New AI architectures and chips may make existing technology and infra less competitive. 7) Continued GAAP losses and high spending on compute, leases and R&D may increase future funding requirements. 8) Safety incidents, misuse and regulatory changes may affect product adoption and

operating costs. 9) Delays in power availability, data-centre construction, permits or hardware delivery may restrict infra capacity. 10) High valuation and potential equity dilution may affect future shareholder returns.

Recommendation

- The AI industry is at a high growth point, with massive investments and high global interest. Having said this, the sector is receiving excessive investment, and it is uncertain that future revenues will justify this. Even as the AI opportunity is being explored and Frontier models are improving, overinvesting can lead to excessive valuations and poor AI project returns.
- Anthropic is the leader in the foundation AI Lab firms, with high focus and good momentum. It has the vision, and offers the potential, to solve complex problems faced by society. It is also giving massive importance to safety, and guardrails for AI and AI agents. The recent high revenue growth and customer retention promises at least survival or better for the firm.
- The company remains loss-making and has already made substantial commitments for computing infra, advanced chips and data-centre capacity. Its compute and infra commitments of $900.9 billion, extending up to 2045, create significant financial and execution risks. Anthropic as a leader will be able to improve operating margins, control infra costs and grow revenue fast for sustainable profitability.
- The AI industry is facing HyperCompetition as companies are investing with a winner wins all approach. Till now was the honeymoon phase for AI, where everyone believed it's the next big thing. However reality is kicking in. 'Show me the results, show me the benefits and show me the money', are the questions we ask. These will be answered over the next 1-2 years.
- Despite the tough situation that the AI industry is in, Anthropic is a **HOLD**.

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