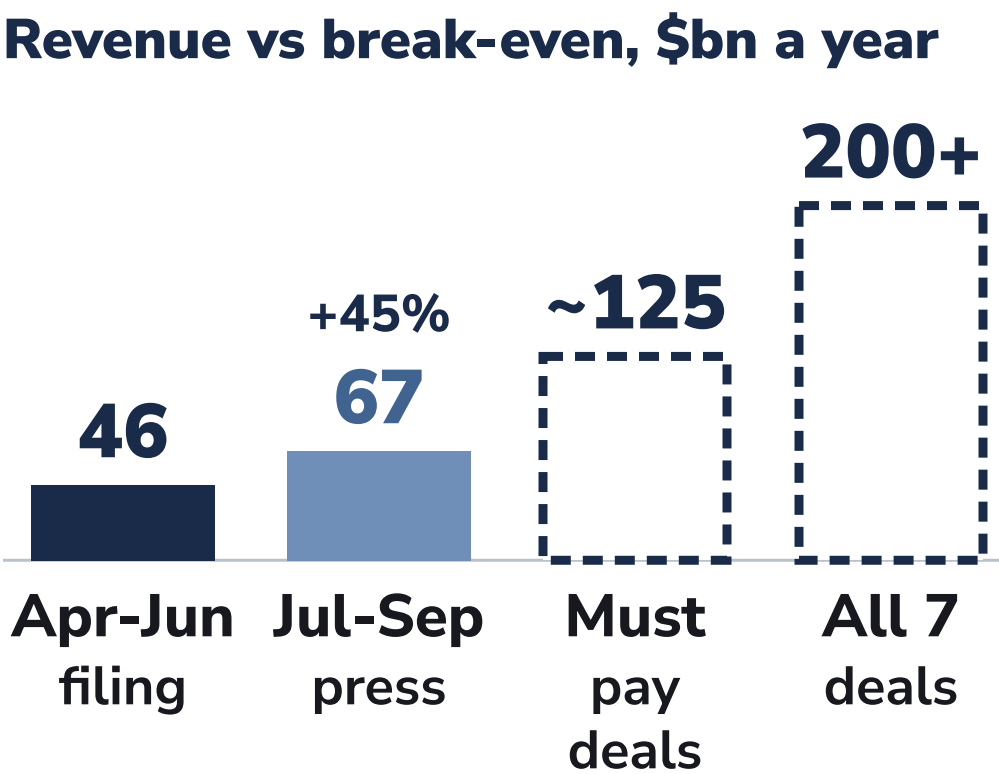


Anthropic files for IPO. By my estimate, its must-pay deals need about \$125 billion of revenue a year

That is about twice its current pace. Revenue grew 45% in July-September, on April-June. Of the \$141 billion raised, it held \$132 billion at 30 June.



Apr-Jun and Jul-Sep are quarterly revenue x 4.
Jul-Sep was 45% above Apr-Jun.

Revenue a year, latest \$16.8bn in July to Sept, x 4	\$67bn
Break-even, must-pay deals, a year, page 4	~\$125bn
Break-even, all 7 deals, a year, page 4	\$200bn+
Computing deals	\$800bn+
Raised so far	\$141bn
Still in hand cash and investments	\$132bn

Break-even means zero operating profit. Rough working and caveats: page 4.

Where the revenue comes from, January to June 2026

How customers pay

Per use 80% Subs 20%

Sold via Amazon, Google, Microsoft 48% Rest 52%

Where customers are

US 72% Rest 28%

Government customers Agencies, about 1% Rest 99%

Subscriptions include the Claude Pro and Max plans.

SOURCES [Anthropic S-1, 26 Oct](#). Jul-Sep revenue: [CNBC](#), 15 Oct. Break-even: my arithmetic.

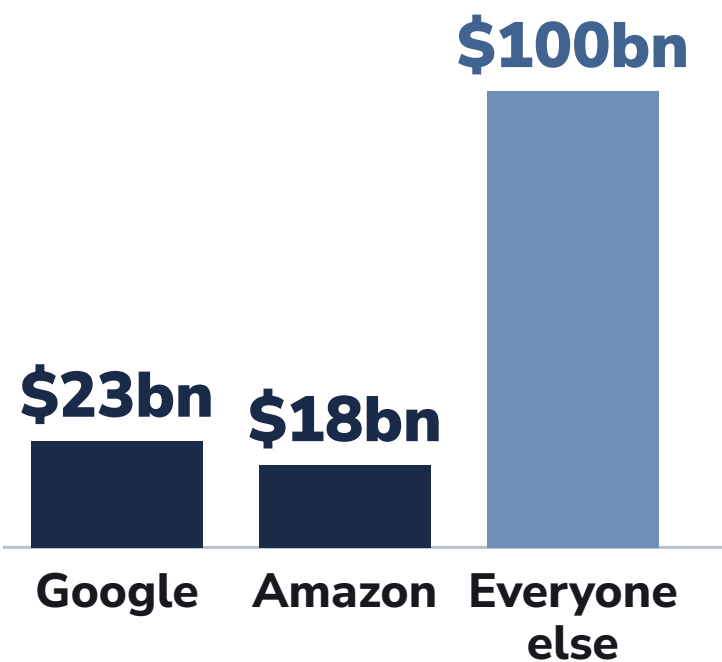
The latest quarter in the filing

April to June 2026	\$ billion
Revenue	11.6
Compute cost	5.6
Operating profit, 8% margin	1.0
Net loss	-66.3
about \$68bn of it is non-cash revaluation of notes	
Cash from operations	3.9
January to June	

Who put in the \$141 billion

It still holds \$132 billion of it in cash and investments, at 30 June.

\$ billion, shares and notes, since founding



- **Google:** \$20bn of shares in 2026, \$3.3bn of notes before that
- **Amazon:** \$10bn of shares in 2026, \$8bn of notes. Both will hold over 5% going into the IPO
- **Everyone else includes:** Microsoft (announced \$5bn in November 2025)
 - Spark Capital
 - Bessemer
 - Salesforce Ventures
 - Menlo
 - Lightspeed
 - ICONIQ
 - GIC

The May round was led by Altimeter, Dragoneer, Greenoaks and Sequoia. Several hundred other investors are not named.

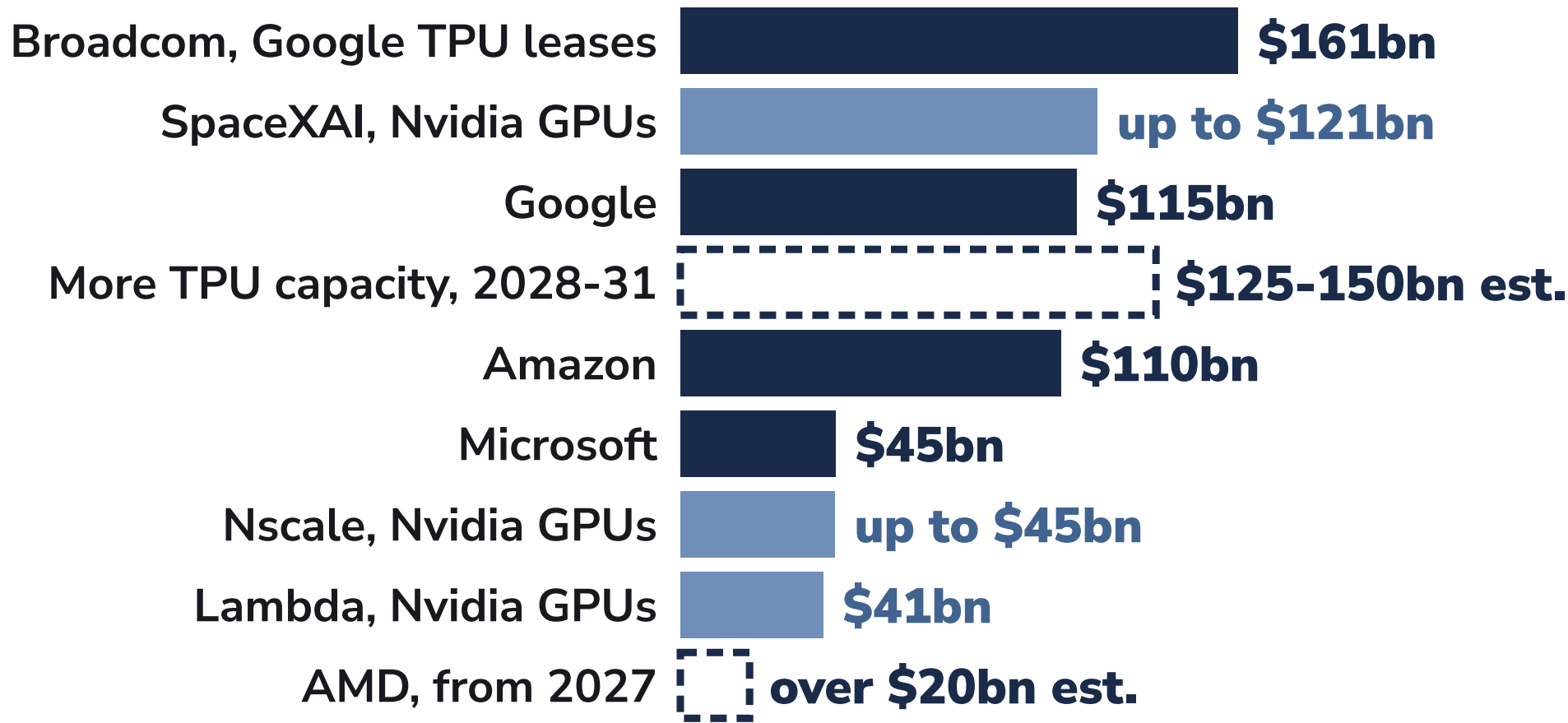
SOURCES [Anthropic S-1, SEC, 26 Oct 2026](#): quarterly results, notes 9, 10 and 16, Exhibit 4.2. Google and Amazon amounts are my sums of the pieces the filing names, so they are floors. Microsoft, Bessemer and the May round leaders: [CNBC](#), 26 Oct.

\$800bn+ of computing to pay for

The biggest deals

\$ billion, total over each contract

- Must pay whether used or not
- Can cancel, or pay as delivered
- Estimate



At least \$431 billion must be paid whether or not the computing is used. That is the Google, Amazon and Microsoft deals and the Broadcom leases, my sum.

Some power and data centre deals run 20 years. They are take-or-pay, and fuel costs are passed on without a cap.

Data centres face pushback. New York has paused permits for big new sites, and Texas can cut power to large users in a grid emergency. Anthropic has promised to cover any rise in consumer electricity prices its data centres cause.

SOURCES [Anthropic S-1](#): MD&A commitments, risk factors. My total of the filing's minimums: about \$853bn.

Back of the envelope: what the bill means for revenue

Revenue needed to break even

\$ billion a year	Apr-Jun x4	Must-pay deals	All seven deals
Revenue	46	126	219
Computing	22	66	115
Other operating costs	20	60	104
Operating profit	4	0	0

Revenue ran at about \$67 billion a year in July to September. Break-even is about twice that for the must-pay deals and about three times for all seven.

Working: what Anthropic would pay a year for computing

No yearly split in the filing: each deal spread over its term, SpaceXAI at its monthly rate.

Deal	Total	Term	A year
SpaceXAI	up to \$121bn	\$3.1bn a month	\$37bn
Broadcom TPU leases	\$161bn	5 years	\$32bn
Google	\$115bn	2026 to 2033	\$16bn
Amazon	\$110bn	2026 to 2036	\$11bn
Microsoft	\$45bn	2026 to 2033	\$7bn
Nscale	up to \$45bn	2026 to 2033	\$7bn
Lambda	\$41bn	2026 to 2034	\$5bn
Seven biggest deals			\$115bn

SpaceX's filing shows a customer, which CNBC says is Anthropic, paid it just over \$5bn in July to September.

Left out, and all would raise break-even: about \$215bn of other commitments, \$125-150bn more TPU capacity in 2028-31, over \$20bn with AMD, and \$26.6bn of share awards.

A rough calculation: how other costs will move with computing is not known. At the April-June ratio, must-pay needs \$126bn and all seven \$219bn. If other costs grow with revenue instead, about \$117bn and \$203bn. The 85% gross margin in press reports counts only the computing that serves customers.

SOURCES [Anthropic S-1](#): MD&A commitments, quarterly results. [CNBC](#) 15 Oct, [CNBC](#) 26 Oct. The filing's 86x figure puts Jul-Sep at about \$17bn. Yearly figures are my arithmetic.

Other things in the filing

- **5% to 7% of revenue** in January to September came from customers later found breaking its usage rules. Anthropic expects the share to fall, but some to continue.
- **Open-weight rivals** may take part of the market and push prices down. If strong models become easy to build, competition could depend more on access to computing.
- **Staff share awards carry \$26.6 billion of unbooked cost**, plus \$5.8 billion granted after June. They vest when Anthropic lists: \$2.9 billion at once had it listed on 30 June, the rest over about two years.
- **Broadcom has a key-person clause.** If certain named people leave, Anthropic must buy all the leased TPU equipment or be in default. The names are redacted.
- **Claude wrote over 90% of the code** added to Anthropic's codebase in September.
- **New models carry the revenue.** Models released in the six months to September made up over 80% of July to September revenue.
- **Google can take up to \$10 billion of shares** at the IPO price, in place of the same amount of notes.
- **A September class action** claims AI labs including Anthropic agreed to slow model development. Anthropic disputes it.
- **Revenue per employee** was over \$6.6 million in the past year, on about 5,300 staff at 30 September.
- **The founders control the vote.** A single share held by the seven co-founders carries 50.1% of votes and no share of profits. A trust elects most of the board.

SOURCES [Anthropic S-1](#): risk factors, MD&A, stock compensation, Exhibits 4.4 and 10.11.

My read

A steep climb ahead, and rivals are catching up fast

On the technology

Claude Code is my bread and butter. All my work runs on it, tigzig.com is built with it, and it is the tool I recommend to my clients.

On the numbers

On my rough sums (page 4), revenue has to about double to cover the deals it must pay for, and roughly triple to cover all seven. Revenue grew 45% in July-September, after 144% the quarter before. If growth keeps slowing, to 30%, 25% and 20% a quarter, it reaches the must-pay level in about three quarters, while the bills rise as new capacity arrives. At 30 June it held \$132 billion of the \$141 billion raised, which gives it time.

Rivals

Open-weight models are close behind, and the filing says copying and distillation could wear down its edge. Most deals run to 2033 or later, so the lead has to hold for years. If it slips, prices fall while the bills stay fixed.

I believe AI will ultimately pay off. Who is still standing five or ten years from now, and who benefits, is hard to say.

Earlier notes (tigzig.com → Analysis)

30 Sep **Anthropic IPO could reach \$2T. The headwinds are already here**

30 Sep **GLM-5.3 can build cyber exploits on its own, Anthropic finds**

31 Aug **A correction in AI valuations is looking more likely**

Not investment advice. This is my analysis of public sources, for information only. Care has been taken, but errors are possible. **Use of AI.** Parts of this work were prepared with AI under my direction. I reviewed, edited and approved every page. The analysis and conclusions are mine.
