COMMENTARY

Anthropic Lost $80 Billion in Six Months. Mostly on Paper.

A first read of the S-1: what looks better than the headlines, and where I think the real risk moved to.

Leandro Perez · October 27, 2026

Figures are from Anthropic's preliminary Form S-1, filed October 26, 2026, and cover periods through June 30, 2026 unless noted. Third-quarter revenue is as reported by the press on October 14, 2026, and is not yet in the filing.

AT A GLANCE

Revenue, first half of 2026	**$16.3B**	About 14x the first half of 2025
Operating income, Q2 2026	**$974M**	First profitable operating quarter shown
Net loss, first half of 2026	**$80.7B**	Financial-instrument charges were ~$81.1B[LP]
Implied gross margin, first half of 2026	**~85%**	Up from ~12% a year earlier[LP]
Operating cash flow, first half of 2026	**$3.9B**	~$1.2B excluding interest, working capital and capex[LP]
Cash and short-term investments	**$131.7B**	As of June 30, 2026
Fixed or minimum purchase commitments	**~$265.6B**	Plus ~$321.4B of signed leases not yet started
Revenue, Q3 2026 (reported)	**$16.8B**	Press reports, Oct. 14; not yet in the filing
Founder voting power	**50.1%**	One Class F share; a trust elects the board majority

Source: Anthropic Form S-1 unless noted. [LP] LP Research calculation; see notes.

Anthropic filed its S-1 on October 26, and the number that traveled first was the net loss: $80.7 billion for the first six months of 2026. That's one of the largest half-year losses any company has ever reported.[1] On its face, it reads like a business setting money on fire at a scale that's hard to picture.

I went in expecting the filing to confirm the worst version of the story. Massive burn, thin revenue next to the spending, and a company that only works as long as investors keep writing checks.

That isn't what I found. The operating picture is a lot stronger than the headline, and the company looks far more put-together than I assumed before the S-1 came out. But I don't think the risk went away. I think it moved, and the place it moved to is more interesting than the loss.

Here's the short version. Revenue is exploding, compute costs are falling relative to revenue, and the operating business has started to make money. At the same time, Anthropic has signed up for hundreds of billions of dollars of compute it has to pay for whether or not customers keep showing up, and much of its revenue can walk out the door with little notice. So the question I kept coming back to is simple: can Anthropic grow its revenue and cash flow fast enough to grow into the commitments it needs to keep growing?

Losing money by becoming more valuable

Of that $80.7 billion, $72.4 billion is a single line: the change in fair value of convertible notes, derivatives and SAFEs. The S-1 attributes it mainly to the rising value of its outstanding convertible notes, and by June 30 those were all Amazon's: $6.2 billion of principal, issued starting in 2023.[2]

The mechanics are simpler than they sound. Amazon lent Anthropic money through notes that convert into stock at capped prices, set back when the company was worth a fraction of what it is today. Split-adjusted, the older notes convert at about $2.09 a share and the newer ones at about $5.05.[3]

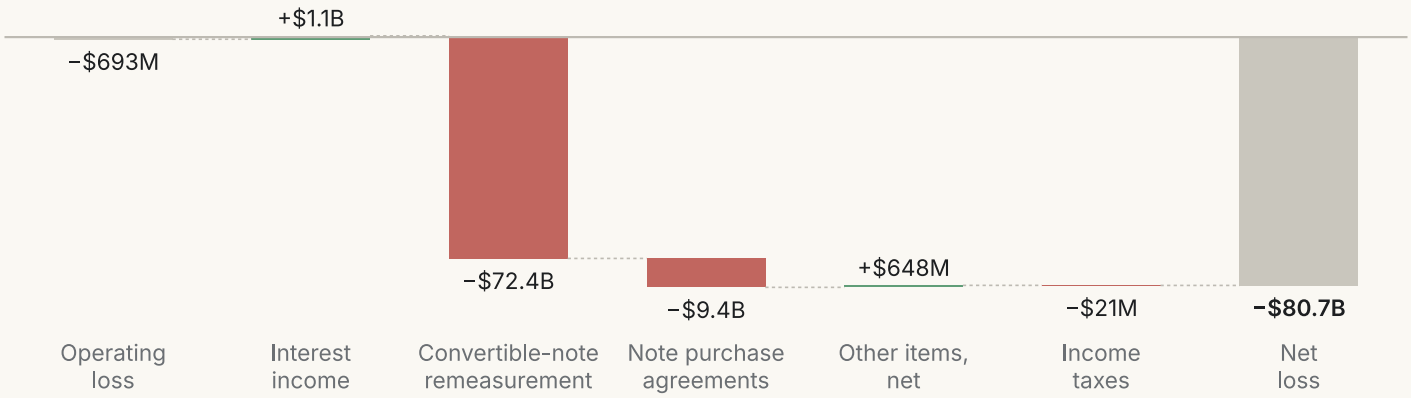
Every time Anthropic's valuation went up, the shares Amazon is entitled to got more valuable. Accounting rules make Anthropic mark that liability up and book the difference as a loss. By June 30, $6.2 billion of notes were being carried at $108.6 billion.[4] So the company lost money, on paper, because it became more valuable. Accounting is fun.

There's a second paper charge that's easy to miss. Another $8.8 billion sits in "other expense," and most of it is the same story in a different wrapper. In March and April, Anthropic agreed to sell additional preferred shares to Google and Amazon at its Series G price.[5] The company got a lot more valuable before those shares were delivered, so the right to buy at the old price became worth more to Google and Amazon, and Anthropic booked the gap as a $9.4 billion loss. A $0.7 billion gain on some warrant rights offsets part of it.[6]

Add it all up and the financial-instrument charges come to about $81.1 billion, slightly more than the entire net loss. Strip them out and the first half was roughly break-even, a pre-tax profit of about $0.4 billion.[7] So yes, mostly on paper. Arguably all of it.

Financial-instrument charges explain more than the entire first-half loss

Operating loss to net loss, six months ended June 30, 2026 ($). Red lowers income, green raises it, grey bars are totals.



Source: Anthropic Form S-1, consolidated statements of operations and Note 8 (other income and expense). "Other items, net" combines a $724M gain on warrant rights, a $39M holdback charge and $37M of other expense. LP Research presentation.

The operating business tells the same story. The operating loss for the first half was $693 million on $16.3 billion of revenue. In the second quarter alone, Anthropic made $974 million of operating income, its first profitable operating quarter in the periods the S-1 shows.[8]

Two caveats before anyone gets too comfortable. First, non-cash doesn't mean free. The Amazon notes can convert into about 1.84 billion shares, roughly 11% of the company fully diluted, subject to a 12% ownership cap that Amazon can waive.[9] The Google and Amazon share sales work the same way. No cash left the building, but real value moved from everyone else on the cap table to the strategic investors.

Second, stock comp. The company's "adjusted" numbers exclude $2.2 billion of stock-based compensation in the first half, and much more is coming. Anthropic had $26.6 billion of unrecognized RSU expense at June 30, and a large share of it gets recognized once the IPO happens.[10] Stock comp is a real cost. It's just paid in shares instead of cash.

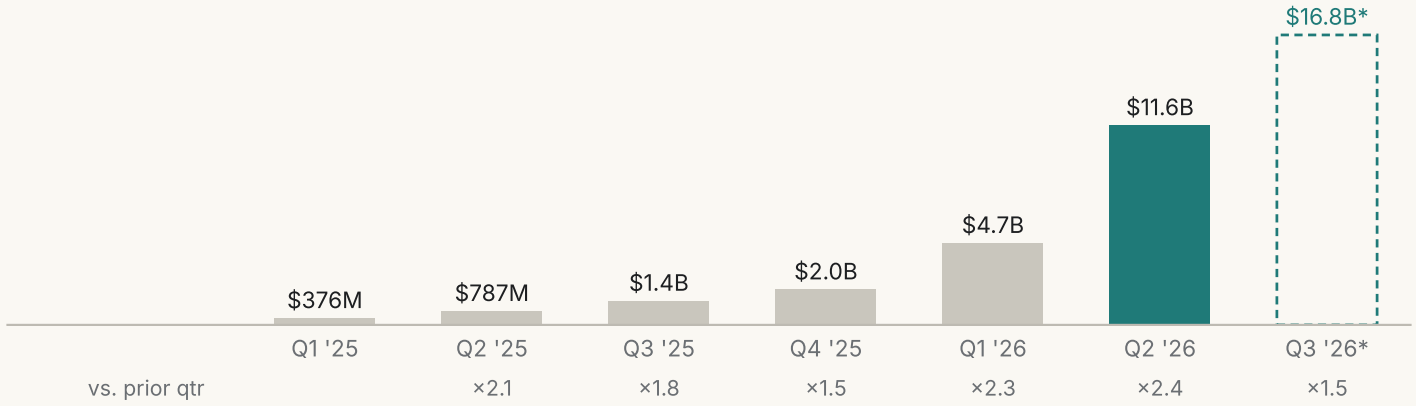
The growth is real. So is the concentration.

Revenue went from $41 million in 2023 to $386 million in 2024 to $4.6 billion in 2025. In the first half of 2026 it hit $16.3 billion, about 14 times the same period a year earlier.[11] The quarterly view is even wilder: revenue more than doubled quarter over quarter in three of the five quarters through June.

The S-1 isn't the latest data point, either. On October 14, the Financial Times and then Reuters reported that Anthropic told prospective investors third-quarter revenue reached $16.8 billion, up about 45% from Q2, and that it was profitable on an adjusted basis.[12] That figure isn't in the filing yet. The preliminary S-1 leaves Q3 revenue blank, so I'd treat it as a strong signal, not an audited number.

Quarterly revenue grew about 31x in five quarters

Revenue per quarter, Q1 2025 to Q2 2026 ($), with growth versus the prior quarter. *Q3 2026 is as reported by the press and is not in the S-1.



Source: Anthropic Form S-1, quarterly results of operations (Q1 2025 to Q2 2026); Q3 2026 per Reuters and the Financial Times, October 14, 2026. Growth multiples are LP Research calculations.

The customer base backs this up. As of September 30, Anthropic had more than 11,900 customers spending at least $100,000 a year, more than 1,900 spending at least $1 million, and about 250 spending at least $10 million. Three months earlier, the $100,000 group was more than 6,000.[13]

That last group is the one I find most interesting. Ten million dollars a year isn't a pilot some innovation team is running on the side. That's a line item the CFO knows about.

A small caveat on language: Anthropic doesn't actually define or track "enterprise" customers internally. It uses the $100,000 tier as its stand-in. Fair enough, but worth remembering when you see "enterprise adoption" in the headlines.

The company also reports net revenue retention of about 900%, meaning customers who were already paying a year earlier now spend roughly nine times as much per quarter. A strong software company is happy around 120%. I'd read 900% less as loyalty and more as a sign of how small the starting point was. It also leaves out Pro and Max subscribers.[14]

The bigger caveat is concentration, though it's getting better. The top five customers were about 36% of revenue in Q1 2026 and about 21% in Q3. One customer was 11% of first-half revenue, and none topped 10% over the first nine months.[15] About 48% of first-half revenue came through the cloud marketplaces run by Amazon, Google and Microsoft.[16] And the S-1 says many customer contracts allow customers to cut usage or terminate with little or no notice. Anthropic is pushing customers into multi-year minimum commitments, but those covered only about $10.8 billion of future revenue at June 30.[17]

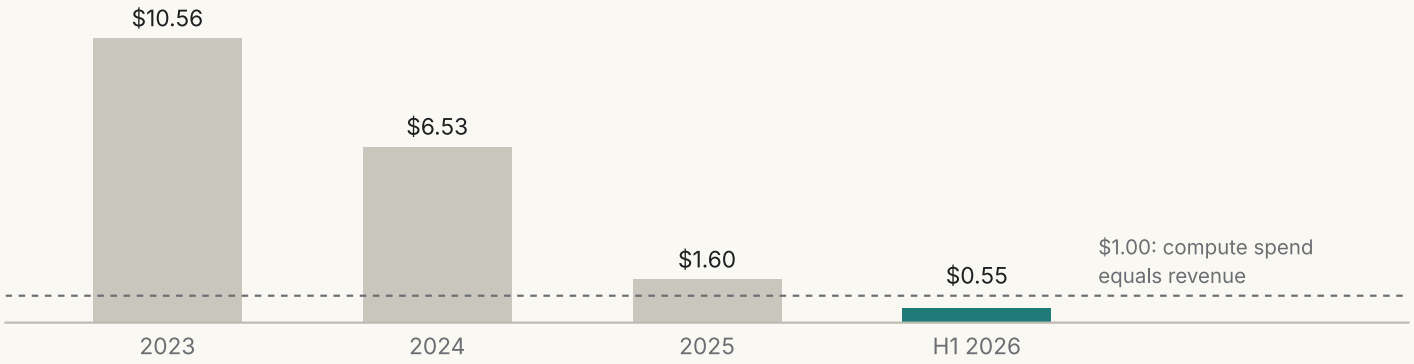
One more detail I didn't expect: Anthropic estimates that 5% to 7% of revenue in the first nine months of 2026 came from customers it later found violating its usage policies, and it expects that share to fall.[18] That's revenue I wouldn't count on seeing again.

Getting more out of every dollar of compute

This is the part of the filing I think deserves more attention than it's getting. In the first half of 2025, Anthropic spent $2.01 on compute and infrastructure for every dollar of revenue. In the first half of 2026, it spent $0.55.[19]

Compute now costs $0.55 per dollar of revenue, down from $10.56

Compute and infrastructure expense divided by revenue. Full years 2023 to 2025; first half of 2026.



Source: Anthropic Form S-1, consolidated statements of operations. Ratio = compute and infrastructure expense ÷ revenue (LP Research calculation).

The company frames it this way: second-quarter revenue grew 1,368% year over year, while compute and infrastructure expenses grew 300%. In Q2 alone, it brought in $11.6 billion of revenue on $5.6 billion of compute.[20]

That matters because the standing joke about AI labs is that they lose money on every token and make it up on volume. At least for now, these numbers say Anthropic doesn't. It's the AI version of a restaurant that finally stopped losing money on every plate it serves.

The S-1 also lets us go one level deeper, which I didn't expect. It breaks expenses out by function, and cost of revenue, which is substantially all compute used to serve customers, was $2.4 billion in the first half on $16.3 billion of revenue. That's an implied gross margin of about 85%, up from about 12% a year earlier. Research and development, mostly compute for training and research, was $9.7 billion.[21] So serving customers is now very profitable. Building the next model is where the money goes.

Six months ended June 30	2025	2026
Revenue	$1,163M	$16,286M
Cost of revenue (serving customers)	$1,019M	$2,380M
Implied gross margin	12%	85%
Research and development	$1,850M	$9,741M

Source: Anthropic Form S-1, Note 8, supplemental operating expense information. Gross margin = (revenue − cost of revenue) ÷ revenue, LP Research calculation.

Here's what I'd be careful about. Anthropic says it buys compute 12 to 18 months in advance, so the expense is mostly fixed in the near term and doesn't move with demand in the quarter.[22] That means the falling ratio is mostly operating leverage: revenue sprinted ahead of a cost base that was locked in a year earlier. That's great while revenue outruns the next tranche of compute. It works in reverse if it doesn't.

It's also supply-constrained. Anthropic has asked its cloud partners for more compute than they were willing to provide, so some of what looks like efficiency is a cap on how much it could spend.[23] And as the big Broadcom leases come online, part of what those chips cost will show up as lease interest below the operating line rather than in the compute line, which will flatter this ratio a little.[24] What would settle it is a few more quarters of cost of revenue and R&D reported separately, especially once the new capacity starts billing in late 2026 and 2027.

Where the cash actually came from

The $3.9 billion of operating cash flow in the first half is real, but it's worth taking apart.[25]

Six months ended June 30, 2026	$M
Net loss	(80,748)
Add back: fair-value charges on financial instruments	81,108
Add back: stock-based compensation	2,185
Other non-cash items, net	216
Cash earnings before working capital	**2,761**
of which interest income on the cash pile	1,111
Working capital, net	1,168
Accounts receivable	(4,982)
Prepaid expenses and other assets	2,094
Payables and accrued liabilities	2,679
Deferred revenue	1,380
Lease liabilities	(3)
Operating cash flow	**3,929**
Capital expenditures	(482)
Free cash flow (operating cash flow – capex)	**3,447**

Source: Anthropic Form S-1, consolidated statements of cash flows. Fair-value charges = $72,388M on convertible notes + $8,720M on other financial instruments. Other non-cash items = depreciation $97M + donation matching $126M − other $7M. Groupings are LP Research's.

Three things stand out to me. About $1.1 billion of those cash earnings is interest on the money the company raised, not the business itself. Working capital added another $1.2 billion: Anthropic drew down expenses it had prepaid in earlier periods, owed its cloud providers more at the end of June (those payables nearly tripled, to $2.8 billion), and collected $1.4 billion more in customer prepayments than it recognized as revenue. Customers, meanwhile, owed it $5.0 billion more than at year-end.[26]

Take out interest and working capital and the business generated about $1.65 billion of cash before capex, or roughly $1.2 billion after.[27] That's still positive, and it's a real turn from a year earlier. But it's well below the headline $3.9 billion, and free cash flow misses the bigger issue: most of the compute bill hasn't started yet. Signed leases that haven't commenced don't touch the cash flow statement at all, and once finance leases do start, their principal payments land in financing activities, not in free cash flow.[28] A company can report positive free cash flow while its lease obligations quietly balloon.

A very large cash pile, and an even larger bill

Anthropic ended June with $112.4 billion of cash and another $19.3 billion of short-term investments, $131.7 billion in total. I'll be honest, that number surprised me. Most of it is raised capital rather than earned cash (the company has raised $141.1 billion in total), but it changes the conversation. It's hard to call a company with $131.7 billion in the bank fragile.[29]

What it's going to spend that money on is where I'd slow down. The S-1 describes its biggest compute deals, and they aren't all the same kind of obligation:[30]

Counterparty	Amount	What kind of obligation	Can Anthropic walk away?
Broadcom	~$161.2B rent (excl. interest)	Five-year finance leases for TPU hardware; rent starts as equipment is ready	No, except on default; secured, cross-default
SpaceXAI	Up to $120.5B	GPU capacity into 2029; ~$3.1B a month at full delivery (expected Dec. 2026)	Yes, on 90 days' notice after early 2027
Google Cloud	At least $114.5B	Minimum spend, Apr. 2026–Jul. 2033; true-up if usage falls short	No, except Google's uncured breach
Amazon Web Services	At least $110.0B	Minimum spend, May 2026–Apr. 2036; true-up if usage falls short	No, except Amazon's uncured breach
Microsoft	At least $44.9B	Minimum spend, Nov. 2026–May 2033	No, except breach or for undelivered tranches
Nscale	Up to ~$44.6B	GPU capacity into 2033; paid as delivered and accepted	Mostly no; depends on Nscale's financing and delivery
Lambda	~$41.3B	GPU capacity into 2034; paid as delivered and accepted	$34.9B ends if Lambda can't secure its facility; otherwise no
Google and other TPU providers	*~$125B–$150B est.*	*Additional TPU capacity, 2028–2031; no fixed amount*	*Depends on capacity delivered*
AMD	*>$20B est.*	*Initial GPU systems in 2027; no fixed amount*	*No, except AMD's uncured breach*

Source: Anthropic Form S-1, MD&A, Contractual Obligations (Infrastructure Service Arrangements and Infrastructure Equipment Leases). Amounts as described by the company; the last two rows are company estimates for agreements without a fixed dollar commitment.

You'll see the named deals added up to something like $637 billion. I wouldn't lean on that number. It mixes hard minimums with "up to" ceilings, capacity that's only paid for when delivered, and one contract either side can cancel on 90 days' notice.

The S-1's own accounting is more useful. As of June 30, Anthropic had about $265.6 billion of fixed or minimum purchase commitments and about $321.4 billion of signed leases that hadn't started yet, some of them conditional. After June 30 it signed or amended deals with roughly $245 billion of additional minimum payments.[31] These buckets overlap with the named contracts, and the preliminary S-1 leaves its own grand total blank, so I'm not adding them up either. For context, only about $1.5 billion of lease liabilities was actually on the balance sheet at June 30.[32]

But the direction is obvious. This is a company that has to keep securing more compute to keep growing, and it's locking that compute in years ahead of the revenue it's supposed to serve.

That's the mismatch I keep coming back to. The costs are largely fixed and non-cancelable. The revenue is consumption-based, and customers can walk. Contracted future revenue was about $10.8 billion at June 30. Fixed and minimum commitments are measured in hundreds of billions. If demand keeps compounding, today's commitments will look cheap in hindsight. If it stalls, the commitments don't care.

To get a feel for the scale, take just two contracts. At full delivery, SpaceXAI runs about $3.1 billion a month, or roughly $37 billion a year. Spread evenly over five years, the Broadcom leases come to about $32 billion a year before interest. Together that's around $69 billion a year, roughly the same as the $67 billion annualized run-rate implied by the reported Q3 revenue.[33] For comparison, Anthropic's entire compute bill in Q2 was $5.6 billion. SpaceXAI can be cancelled after early 2027 and the Broadcom rent depends on when equipment is ready, so this isn't a forecast. It's a sense of scale.

To be fair, Anthropic has real cushions: the $131.7 billion of cash, $77 billion of undrawn convertible financing from Google, Amazon and Broadcom, and a $15 billion credit line.[34] Some of the newer capacity is pay-as-delivered, and SpaceXAI can be cancelled on notice. But a lot of that cushion is vendor financing that converts into stock. If Anthropic leans on it, the bill gets paid in dilution instead of cash.

The relationships are complicated too. Amazon, Google and Microsoft are Anthropic's investors, its compute suppliers, nearly half of its distribution and its competitors, all at the same time. That's a lot of hats for one counterparty to wear.

Seven founders, one share, and a trust

The governance section is the most unusual thing in the document. Right before the IPO, Anthropic will issue a single share of Class F stock to an LLC owned by its seven co-founders. That one share carries 50.1% of the total vote on matters that go to shareholders, including the election of every director the trust doesn't appoint. It has no economic rights. It's pure control.[35]

But the founders don't get the whole board. A separate body, the Long-Term Benefit Trust, holds Class T stock that lets it elect a majority of the directors. Its trustees are meant to be financially disinterested, with backgrounds in AI safety, national security and policy. On top of that, Anthropic is a public benefit corporation, so its directors have to weigh its public benefit purpose alongside shareholder returns.

Put it together and ordinary shareholders have very little say. If you buy Class A shares, you get a vote. It's just not a very loud one. The S-1 says as much: the structure may effectively eliminate Class A holders' ability to influence major decisions, including a sale of the company.

Founder control on its own isn't new; Google and Meta both went public with structures that kept their founders in charge. What's different here is the combination: a 50.1% vote that isn't tied to how many shares the founders actually own, a trust that controls the board majority, and a legal mandate that isn't only about returns.

You can read that two ways. It lets Anthropic make long-term or safety-driven calls that a normal public company would get punished for by the market. It also means that if you disagree with those calls, the main way to vote is with your feet.

It matters for the commitments question too. The people deciding how fast to ship new models, and whether to hold one back, aren't accountable to shareholders in the usual way. The S-1 says Anthropic has already delayed and limited releases as a safety precaution, citing Mythos and Project Glasswing, and may do so again.[36] Those calls land on a cost base that's mostly fixed. I'm not saying that's a bad thing. I'm saying it's a risk shareholders can't vote on.

Where I come out

I think this filing is a good sign. Not because it proves Anthropic is a great investment, but because it answers the question I had going in: is there a real business under all this spending? There is. Revenue is growing at a pace I don't have a good comparison for, serving customers now carries an 85% gross margin, the company turned an operating profit in Q2, and it has $131.7 billion in the bank.

I'll admit I also liked the part where the company warns that its growth may not be sustainable and its growth rate may slow. It read like a dose of realism. Then I remembered that basically every S-1 says this. It's the legal version of "objects in mirror are closer than they appear": true, sensible, and written by lawyers. I wouldn't read maturity into it.

And I wouldn't call Anthropic a mature company yet. One profitable quarter at roughly an 8% operating margin, plus a reported adjusted profit in Q3, is a great start, not a track record. "More disciplined than the headlines suggest" is as far as I'd go.

The other thing the S-1 can't tell us yet is the price. Its last primary funding round, in May, valued it at $965 billion. That's about 21 times its Q2 revenue run-rate, or about 14 times the run-rate implied by the reported Q3 number. Secondary trades have reportedly implied as much as $1.2 trillion.[37] A great business and a good stock aren't the same thing, and that gap usually shows up right after the IPO price gets set.

What I'm watching from here:

- Operating margins as SpaceXAI, Microsoft and the Broadcom leases start billing
- Cost of revenue as a share of revenue once supply loosens (about 15% in the first half)
- The top-five and cloud-marketplace shares of revenue
- How much revenue moves onto multi-year commitments
- Audited Q3 numbers in the amended S-1, including a flagged $2.0 billion non-cash charge[38]

The S-1 took the most obvious worry about Anthropic off the table and replaced it with a better one. Whether the business is real isn't really the question anymore. Whether it can grow into its commitments is.

Disclosure, sources and calculations

This article reflects my personal analysis and opinions. It is not investment advice.

Unless noted, figures are company-reported in Anthropic's preliminary Form S-1 (filed October 26, 2026; SEC EDGAR). Page numbers refer to that filing. Notes marked "LP calculation" show inputs and formulas; press reports are identified as such.

1. Fortune, "Anthropic's IPO prospectus shows $16.3 billion in revenue...", Oct. 26, 2026. Net loss of $80,748M: S-1, consolidated statements of operations.
2. S-1, MD&A, comparison of six months ended June 30, 2025 and 2026 (p. 151); Convertible Notes, Outstanding Notes: notes outstanding consist entirely of Amazon rollover notes, $6,203M principal (p. 165).
3. S-1, Outstanding Notes table (p. 165): Amazon 2023 NPA, $2,186M at $2.0928 per share; Amazon 2024 NPA, $4,017M at $5.0478 per share; notes convert at the lower of the fixed price and the IPO price.
4. S-1, Note 4, Fair Value Measurements (p. F-31): convertible notes at fair value of $108,566M as of June 30, 2026.
5. S-1, Note 4 (p. F-32): Google 2026 NPA (March 2026) and Amazon 2026 NPA (April 2026), commitments to sell Series G-2 preferred stock at the Series G-1 price, marked to market through other income (expense), net.
6. S-1, Note 8, Other Income (Expense), Net (p. F-38): note purchase agreements $(9,405)M; warrant rights $724M; holdback liability $(39)M; other $(37)M; total $(8,757)M. MD&A (p. 151) attributes the line primarily to the note purchase agreements.
7. LP calculation: financial-instrument charges = 72,388 + 9,405 + 39 − 724 = $81,108M, versus a net loss of $80,748M. Pre-tax result excluding them = −80,727 + 81,108 = $381M.
8. S-1, MD&A, Quarterly Results of Operations (p. 158): operating income of $974M in Q2 2026; operating losses in each of the five prior quarters shown.
9. S-1, p. 165: 1,840,444,962 Class N shares issuable on conversion before the cap; 12% cap waivable by Amazon. LP calculation: fully diluted shares ≈ 846,840,960 ÷ 5% = 16.94B (Prospectus Summary, Our Commitment to Public Benefit); 1.84B ÷ 16.94B = 10.9%.
10. S-1, statements of operations, footnote 1 (stock-based compensation of $2.2B in H1 2026); Critical Accounting Estimates, RSUs (p. 174): $26.6B of unrecognized RSU expense at June 30, 2026, with expense increasing in particular in the quarter the offering completes.
11. S-1, consolidated statements of operations; MD&A (pp. 148–149). LP calculation: 16,286 ÷ 1,163 = 14.0x. Quarter-over-quarter multiples: 2.09x, 1.76x, 1.48x, 2.32x, 2.44x.
12. Reuters (Milana Vinn, Krystal Hu), "Anthropic's Q3 revenue surges 45% to nearly $17 billion," Oct. 14, 2026, citing two attendees of an investor day and noting the Financial Times reported the figure first. Anthropic did not comment. The preliminary S-1 leaves Q3 revenue blank (Prospectus Summary).
13. S-1, Prospectus Summary, Enterprise Adoption of Claude (counts as of Sept. 30, 2026); MD&A (p. 149): more than 6,000 customers with $100,000 or more of TTM revenue as of June 30, 2026.
14. S-1, Select Defined Terms, "Net Revenue Retention" (compares a customer group's revenue in the latest quarter with the same quarter a year earlier; excludes Pro and Max subscribers); Prospectus Summary (approximately 900% as of Sept. 30, 2026). The 120% benchmark is my rule of thumb, not from the filing.
15. S-1, MD&A (p. 144): customers outside the top five were about 64% of Q1 2026 revenue and 79% of Q3 2026 revenue; no single customer above 10% for the nine months ended Sept. 30, 2026. Note 1, Significant Customers (p. F-16): one customer at 11% of H1 2026 revenue.
16. S-1, Risk Factors: revenue through CSP marketplaces was about 11%, 32%, 47% and 48% of total revenue in 2023, 2024, 2025 and H1 2026.
17. S-1, Risk Factors (contracts allowing customers to reduce usage or terminate with limited or no notice); revenue note, Remaining Performance Obligations (p. F-27): $10.8B at June 30, 2026, about 75% expected within 12 months.
18. S-1, MD&A (p. 146).
19. LP calculation from the S-1 statements of operations: compute and infrastructure ÷ revenue = 2,334 ÷ 1,163 = $2.01 (H1 2025); 8,945 ÷ 16,286 = $0.55 (H1 2026); 433 ÷ 41 = $10.56 (2023); 2,522 ÷ 386 = $6.53 (2024); 7,326 ÷ 4,585 = $1.60 (2025).
20. S-1, Prospectus Summary, Strengths of Our Financial Model; Quarterly Results of Operations (p. 158): Q2 2026 compute and infrastructure $5,558M against revenue of $11,555M.
21. S-1, Note 8, Supplemental Operating Expense Information (p. F-40). The company says substantially all cost of revenue is compute and infrastructure for customer-serving workloads, plus some personnel and overhead; R&D primarily consists of compute for model development, research and internal usage, plus personnel and other costs.
22. S-1, MD&A, Quarterly Trends (p. 159) and comparison of six-month periods (p. 150).
23. S-1, Risk Factors (compute sought from CSPs in excess of what they were willing to provide).
24. S-1, MD&A, Components of Results of Operations (p. 148): other income (expense), net includes interest expense from finance leases. Broadcom leases are accounted for as finance leases (p. 172).
25. S-1, consolidated statements of cash flows (p. F-13).
26. S-1, p. F-13; Note 8 (pp. F-37–F-38): current prepaid expenses fell from $2,537M to $258M; cloud service provider payables rose from $947M to $2,810M.
27. LP calculation: 2,761 − 1,111 = $1,650M; less capex of $482M = $1,168M. Interest income from the statement of operations is used as a proxy for cash interest received.
28. S-1, Note 7, Leases (p. F-36): about $321.4B of leases signed but not yet commenced at June 30, 2026. Finance lease principal payments appear in financing activities (p. F-13).
29. S-1, Prospectus Summary, Strengths of Our Financial Model; Quantitative and Qualitative Disclosures about Market Risk (p. 173).
30. S-1, MD&A, Contractual Obligations, Infrastructure Service Arrangements and Infrastructure Equipment Leases (pp. 171–173).
31. S-1, Note 13, Commitments and Contingencies (p. F-59): about $265.6B of fixed or minimum purchase commitments at June 30, 2026; Note 7 (p. F-36): about $321.4B of leases not yet commenced; Note 17, Subsequent Events (p. F-66): about $245B of new minimum obligations after June 30.
32. S-1, Note 7 (p. F-36): operating lease liabilities of $1,079M and finance lease liabilities of $443M at June 30, 2026.
33. LP calculation: SpaceXAI $3.1B × 12 = $37.2B; Broadcom $161.2B ÷ 5 = $32.2B a year (simple average, excluding interest); total ≈ $69B. Reported Q3 revenue $16.8B × 4 = $67.2B. Q2 compute: S-1, p. 158.
34. S-1, Convertible Notes, Note Purchase Agreements (p. 166): undrawn facilities of $20B (Google), $15B (Amazon) and $42B (Broadcom); Note 17 (p. F-65): revolving credit commitments increased to $15.0B in September 2026.
35. S-1, cover page; Prospectus Summary, Our Governance Structure and Its Goals; Risk Factors, Risks Related to our Governance Structure.
36. S-1, Risk Factors, first risk factor under Risks Related to our Business and Industry.
37. NPR, June 1, 2026 ($965B valuation after the latest round); Yahoo Finance, July 9, 2026 (secondary-market valuation of about $1.2T). LP calculation: 965 ÷ (11.555 × 4) = 20.9x; 965 ÷ (16.8 × 4) = 14.4x.
38. S-1, Note 17, Subsequent Events (p. F-66).