

UPSIDE PODCAST — #Episode 110

What's actually inside Anthropic's leaked S-1

Reuters got hold of the draft, and the way training costs are handled changes how you read the whole thing.



THE ADJUSTED PROFIT

Anthropic reports a profit that excludes the cost of training models

They publish a bottom line and an adjusted figure, and the adjusted one leaves training out. That makes the business look considerably healthier.



WHY THAT'S GENEROUS

You never stop training a model

Every frontier lab is on a treadmill where each generation costs more than the last. Training isn't a one-off investment you make and then move past. It's a permanent cost of staying in the race.



THE REAL QUESTION

Does revenue grow faster than training spend?

That's the entire economic argument for a frontier lab, and right now the answer is no. These businesses could be profitable tomorrow if they stopped training, which rather defeats the point of being one.

THE BALANCE SHEET

Over half a trillion in compute commitments against roughly \$20bn in cash

The draft is candid about the risks. It's also one of the clearest reasons to get listed, because a public company has far more ways to finance a gap that size.

THE GOVERNANCE DETAIL

Seven co-founders hold one special share carrying 50.1% of the vote

They've raised so much capital that their actual ownership is down to a few percentage points, nothing like Musk's position at SpaceX. The special share is how they keep control of the company anyway.



CLOSER

Targeting a listing before Thanksgiving 👉

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