01 / THE BUSINESS DECISION

Illustrative research record

A capital decision, with its tradeoff.

Anthropic · The analyst’s preference, the explicit objectives, and the complete scenario comparison stay together. All financial amounts are USD billions.

ANALYST SELECTION

Smaller round

Meets the entered capital and retention objectives.

The selection is supplied by the analyst. The declared comparison rule below never changes it automatically.

Selected primary capital

$25.00B

Cash retained under the assumed round

Starting ownership retained

90.91%

Existing cohort; tracked-holder stake is separate

Declared minimax result

Smaller round

Worst regret $8.59B across submitted scenarios

WHY THIS CHOICE

Illustrative analyst choice: prefer Smaller round because it meets the $25B capital objective and the 88% retained-stake floor with less issuance than More capital. The declared comparison rule is shown separately and must be read alongside the objectives. This is a worked decision, not a real company financing recommendation.

THE ACCEPTED TRADEOFF

More capital raises an additional $10B and allocates more signed modeled residual to existing holders when pre-money modeled equity is below the $635B switching point. Smaller round allocates more above that point. New cash is retained; no operating growth benefit or investment return is inferred.

WHAT WOULD CHANGE THE CHOICE

Revisit the choice if the capital objective rises above $25B, the retained-stake requirement changes, or the quoted terms change. Recalculate the scenario comparison when dated operating evidence or the explicit equity bridge changes; the $635B switching point belongs to these two offers only.

WHAT STILL NEEDS EVIDENCE

Confirm unrestricted pre-close cash, current debt and uncovered claims, participating economic rights, transaction costs, use of proceeds, and the basis of the operating forecasts. Seek evidence of achievable financing terms. The assumed quotes and model-conditioned pricing envelope do not establish capital availability.

The following pages recalculate the decision from its stored inputs. They contain no saved API-verification badge. Hypothetical primary capital is retained as cash, with fixed operations, equal rights and zero fees; no investment return or growth benefit from the proceeds is inferred.

02 / DEFINE AND COMPARE

The objectives are explicit.

The capital objective is an analyst input. It is independent of the forecast’s cumulative economic FCFF deficit. Eligibility here means that a submitted offer meets capital and ownership objectives only.

Minimum primary-capital objective
$25.00B
Stored: 25

Minimum starting stake retained
88.00%
Stored: 0.88

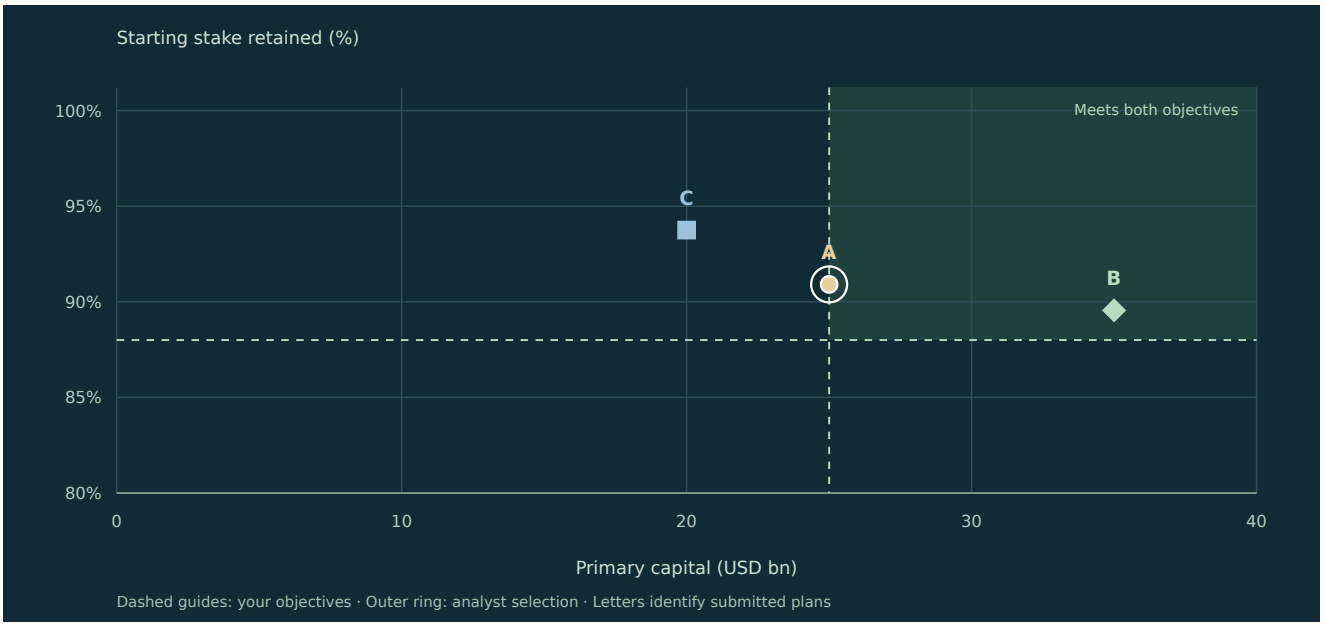
Minimum modeled residual / pre-money quote
1.00×
Stored: 1

Tracked holder before any round
10.00%
Stored: 0.1

Cash before the raise $20.00B
Stored: 20

Current debt $5.00B
Stored: 5

Other uncovered claims $0.00B
Stored: 0



A Smaller round · analyst choice B More capital C Higher retention

Submitted offers · No intermediate offers or financing availability are inferred

Plan	Entered quote	Primary capital	Pre-money price	Post-money price	Starting stake retained	Objective test
A Smaller round ID: a	Pre-money $250.00B Stored: 250	$25.00B Stored: 25	$250.00B Stored: 250	$275.00B Stored: 275	90.91% Stored: 0.9090909090909091	Meets both Capital gap: $0.00B
B More capital ID: b	Pre-money $300.00B Stored: 300	$35.00B Stored: 35	$300.00B Stored: 300	$335.00B Stored: 335	89.55% Stored: 0.8955223880597015	Meets both Capital gap: +$10.00B
C Higher retention ID: c	Pre-money $300.00B Stored: 300	$20.00B Stored: 20	$300.00B Stored: 300	$320.00B Stored: 320	93.75% Stored: 0.9375	Capital shortfall Capital gap: −$5.00B

The quote’s basis remains part of each plan. Current holders do not subscribe. The old shares’ immediate paper mark at the issue price is not a modeled gain or an investment return. All bridge balances and quotes are hypothetical.

03 / CHALLENGE THE CHOICE

Every plan faces the same cases.

3 explicit operating scenarios; no probability weights. The selected continuation convention flows into every residual allocation and pricing diagnostic.

Operating value and the common pre-money equity bridge · USD billions

Scenario	Selected operating EV	Modeled pre-money residual	Continuation convention
Bear ID: bear	−$13.16B Stored: -13.161877608879355	$1.84B Stored: 1.8381223911206455	Perpetual continuation
Base ID: base	$367.77B Stored: 367.7712947995601	$382.77B Stored: 382.7712947995601	Perpetual continuation
Bull ID: bull	$1,884.31B Stored: 1884.3087784008526	$1,899.31B Stored: 1899.3087784008526	Perpetual continuation

Signed modeled residual allocated to the existing cohort

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Existing-cohort allocation = retained fraction × (modeled pre-money residual + primary capital)
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Complete scenario-by-plan matrix · Best eligible allocation is identified within each row

Scenario	Smaller round	More capital	Higher retention Outside objectives
Bear	$24.40B Stored: 24.39829308283695	$32.99B Stored: 32.98936333533192 · best eligible	$20.47B Stored: 20.473239741675606
Base	$370.70B Stored: 370.7011770905092	$374.12B Stored: 374.1235475816956 · best eligible	$377.60B Stored: 377.5980888745876
Bull	$1,749.37B Stored: 1749.3716167280477 · best eligible	$1,732.22B Stored: 1732.2168164783754	$1,799.35B Stored: 1799.3519797507993

Signed residuals remain signed. Negative allocations are not negative share prices or valuations of limited-liability common equity. Proceeds appear once; operating EV remains fixed for a given scenario.

The tracked holder’s conditional allocation

Starting holder stake 10.00% × existing-cohort allocation · USD billions

Scenario	Smaller round	More capital	Higher retention
Bear	$2.44B	$3.30B	$2.05B
Base	$37.07B	$37.41B	$37.76B
Bull	$174.94B	$173.22B	$179.94B

- Bear: Terminal FCFF changes by more than 25% from 2036; review the growth and capital-return transition.
- Bear: Terminal ROIC is below WACC; perpetual growth can reduce value.
- Bear: This scenario has nonpositive operating enterprise value; no valuation floor is imposed.
- Base: More than 75% of enterprise value comes from the terminal value.
- Base: Terminal ROIC differs from the incremental return implied by the final explicit margin and capital turns.
- Bull: More than 75% of enterprise value comes from the terminal value.
- Bull: Terminal ROIC differs from the incremental return implied by the final explicit margin and capital turns.

04 / STATE THE QUANTITATIVE RULE

A declared rule, beside the judgment.

For each scenario, regret is the best eligible plan’s signed existing-cohort allocation minus the plan’s allocation. Minimax compares the largest regret of each eligible plan across every submitted scenario.

Declared minimax result
Smaller round · worst regret $8.59B

All numerical ties are retained. The result is conditional on these offers, scenarios and the signed residual metric; it does not rank funding availability, strategic growth benefits or investment returns.

Capital/retention eligibility is separate from scenario model-to-quote coverage

Plan	Eligible	Worst regret	Worst scenario(s)	Allocation range	Model coverage met
Smaller round	Yes	$8.59B	Bear	$24.40B to $1,749.37B	2 / 3
More capital	Yes	$17.15B	Bull	$32.99B to $1,732.22B	2 / 3
Higher retention	No	—	—	$20.47B to $1,799.35B	2 / 3

“Model coverage met” counts the submitted cases where modeled pre-money residual / implied pre-money quote meets the chosen floor. Case counts are not probabilities. A required unavailable allocation makes the comparison unavailable; no scenario is discarded.

Where the preference switches

Pairwise algebra over modeled pre-money equity residual M · USD billions

Plans	Switching residual M	Cohort allocation	Conditional preference
Smaller round vs More capital	$635.00B Stored: 635	$600.00B	Below: More capital; above: Smaller round Both plans eligible. Within selected residual range.
Smaller round vs Higher retention	$140.00B Stored: 140	$150.00B	Below: Smaller round; above: Higher retention Pair includes an ineligible plan. Within selected residual range.
More capital vs Higher retention	$300.00B Stored: 300	$300.00B	Below: More capital; above: Higher retention Pair includes an ineligible plan. Within selected residual range.

No strict dominance is identified among eligible plans across the listed scenarios. A crossover outside the selected range is a mathematical threshold outside the listed cases. Very small unresolved slope differences do not produce an apparently exact distant threshold.

05 / EXPOSE THE CONSTRAINT CONFLICT

What price would satisfy every case?

This model-conditioned pricing envelope tests all 3 submitted scenarios at the chosen 1.00× model-to-quote floor. It is a separate diagnostic from capital/retention eligibility.

All-scenario pre-money quote ceiling

$1.84B

Smallest modeled residual divided by coverage floor

Analytical maximum primary capital

$0.25B

At the retained-stake floor and model price ceiling

Limiting scenario(s)

Bear

Determined across all submitted cases

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Upper pre-money quote = min(modeled pre-money residual ÷ model-coverage floor)
Lower pre-money quote = primary capital × retention floor ÷ (1 − retention floor)
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Analytical pre-money intervals · Explicit quote-input bounds are identified separately

Plan	Lower pre-money quote	Upper pre-money quote	Interval result	Within input range	Current quote meets
Smaller round	$183.33B Inclusive lower bound	$1.84B	Conflicting conditions	No	No
More capital	$256.67B Inclusive lower bound	$1.84B	Conflicting conditions	No	No
Higher retention	$146.67B Inclusive lower bound	$1.84B	Conflicting conditions	No	No

> At 100% retention, a positive primary raise has no finite compatible quote. With zero primary capital, the lower bound is open at zero. A nonpositive model quote ceiling remains signed and is labeled; it does not become a positive financing price.

The envelope conditions do not establish investor demand, negotiated terms or an executable transaction. An interval can be empty even when a submitted plan meets the separate capital and ownership objectives. Financing uses retained proceeds once, without a change in the operating forecast.

- Scenario counts describe submitted cases and are not probabilities. Comparisons are conditional on these scenarios, plans and the signed cohort-residual metric.
- Primary proceeds remain cash and operating forecasts are unchanged. The capital objective is an analyst input, not a forecast of funding need.

06 / REPRODUCE THE OPERATING ASSUMPTIONS

Every input, preserved.

The displayed numbers are rounded for reading. Each stored value is the exact JavaScript number captured in the decision. The thirteen operating inputs retain their analyst-assumption status.

Complete inputs for Anthropic · Financial model 3.0.0 · Valuation date 2026-10-18

Operating input	Bear Perpetual continuation	Base Perpetual continuation	Bull Perpetual continuation
2026 model revenue USD bn	$49.90B Stored: 49.9	$53.26B Stored: 53.26	$56.62B Stored: 56.62
2027–2030 annual growth Display: percent · stored: decimal	25.00% Stored: 0.25	45.00% Stored: 0.45	65.00% Stored: 0.65
2031–2033 annual growth Display: percent · stored: decimal	13.00% Stored: 0.13	24.00% Stored: 0.24	30.00% Stored: 0.3
2034–2036 annual growth Display: percent · stored: decimal	6.00% Stored: 0.06	12.00% Stored: 0.12	15.00% Stored: 0.15
2027 economic EBIT margin Display: percent · stored: decimal	−10.00% Stored: -0.1	−2.00% Stored: -0.02	5.00% Stored: 0.05
2030 economic EBIT margin Display: percent · stored: decimal	6.00% Stored: 0.06	18.00% Stored: 0.18	25.00% Stored: 0.25
2036 / stable economic EBIT margin Display: percent · stored: decimal	12.00% Stored: 0.12	22.00% Stored: 0.22	30.00% Stored: 0.3
Sales / invested capital ×	1.50× Stored: 1.5	2.50× Stored: 2.5	3.50× Stored: 3.5
Cost of capital Display: percent · stored: decimal	16.00% Stored: 0.16	12.50% Stored: 0.125	10.50% Stored: 0.105
Perpetual growth Display: percent · stored: decimal	2.50% Stored: 0.025	3.00% Stored: 0.03	3.50% Stored: 0.035
Terminal ROIC Display: percent · stored: decimal	12.00% Stored: 0.12	20.00% Stored: 0.2	25.00% Stored: 0.25
Remaining-2026 economic FCFF USD bn	−$6.00B Stored: -6	−$3.00B Stored: -3	−$1.00B Stored: -1
Tax on positive EBIT Display: percent · stored: decimal	25.00% Stored: 0.25	25.00% Stored: 0.25	25.00% Stored: 0.25

Economic FCFF deducts modeled tax on positive EBIT and aggregate net reinvestment. Remaining-2026 FCFF is included once. The economic stock-compensation treatment means the cumulative deficit is not a treasury cash forecast; it does not set the capital objective here.

Finite continuation retains the selected number of annual cash flows after 2036 and assumes zero residual after the cutoff. Perpetual operating EV remains available in the calculation for comparison. Neither terminal value nor a modeled equity residual is a realized cash distribution.

07 / KEEP THE BASIS NEXT TO THE CONCLUSION

Method, evidence and limits.

The calculation

Operating value comes from the frozen FCFF engine, with the selected continuation treatment. The common hypothetical bridge gives modeled pre-money residual = operating EV + cash − debt − other claims.

Each round defines its own positive pre-money and post-money prices. Primary proceeds enter retained cash once. Existing-cohort allocation equals its retained fraction multiplied by the modeled post-money residual.

DCF and allocation outputs use floating-point arithmetic. Switching diagnostics derive coefficients from exact entered-term share ledgers, then round the reported result once. Numerical ties and ordinary thresholds use the documented relative band; unresolved results stay unavailable. These conventions do not imply statistical confidence.

The decision boundary

Capital/retention eligibility, model-to-quote coverage and the analyst's preference are separate. Regret and dominance use eligible submitted plans only, under one stated signed residual metric.

Neither plan counts nor scenario counts imply probabilities. No alternative is claimed to be globally optimal. The analysis excludes preferences, option-pool changes, convertible instruments, fees, future rounds and capital-driven operating benefits.

Analyst notes are inert plain text. Their presence does not certify the conclusion. Current company cap tables, balances and financing availability have not been reconstructed.

Primary method references

RAND · Robust Decision Making

Informs the decision framing, explicit futures and tradeoff analysis. This small finite comparison is inspired by that approach; it is not a complete RDM implementation or a probability model.

Aswath Damodaran · Probabilistic Approaches

Context for scenario-dependent valuation and coherent assumptions. No expected valuation is reported here because the studio assigns no scenario probabilities.

HM Treasury · The Green Book 2026

Informs clear objectives, alternatives, sensitivity and documented judgment. Public-sector appraisal conventions are not used as private financing valuation rules.

Capital Strategy method and verification

The project method defines the full formulas, numerical boundaries and independent calculation checks. Company evidence and the existing financing/ownership source register retain the 18 October 2026 research snapshot.

Reproduce or continue the decision

Reopen this exact capital decision ↗

The link contains the exact financial inputs and all four analyst notes. Opening it recalculates the analysis. Treat the link as the complete decision you choose to share.

Open the dated company evidence ↗ · Inspect the source ↗

Application 4.0.0 · Financial model 3.0.0 · Capital method 1.0.0 · Record schema 1. Valuation date 2026-10-18. This decision brief does not imply a live refresh of financial disclosures.

Charles Dai · Frontier AI Valuation Lab
Research and engineering developed with AI assistance.

Conditional financing analysis
Application 4.0.0 · Model 3.0.0 · Capital 1.0.0