Just say no to Anthropic’s IPO

I am not an investment advisor, and you must make your own investment decisions, but this is why I personally would not touch their IPO.

GARY MARCUS
8 HOURS AGO

182 55 36 Share

The New York Times
@nytimes

Breaking News: Anthropic set a price range for its I.P.O. that values the A.I. company at up to $1.4 trillion, a staggering sum.

nyti.ms
Anthropic Targets Valuation of Up to $1.4 Trillion for Blockbuster I.P.O.

7:27 AM · Nov 10, 2026 · 69.7K Views

24 Replies · 21 Reposts · 91 Likes

After a bumbling start …

Steve Kopack
@SteveKopack

(Reuters) - Anthropic sent out and then retracted details of its blockbuster IPO filing, according to emails to bankers seen by Reuters late on Monday.

reuters.com
EXCLUSIVE: Anthropic aims to raise up to $69.3 billion in blockbuster IPO

9:24 PM · Nov 9, 2026 · 24.2K Views

5 Replies · 7 Reposts · 37 Likes

… Anthropic just announced that it is aiming to IPO at “up to” $1.4 trillion (more likely a bit less), an astronomical sum for a company that has (with the possible exception of one anomalous, heavily subsidized quarter) has never made a profit and that has nearly $900 billion in future liabilities.

Ed Zitron
@edzitron

Free newsletter: Anthropic's Q3 revenue growth slowed as costs exploded, and Ramp data shows Q4 growth decelerating by as much as 50%. With $895bn in commitments and a likely junk rating, both Anthropic and the AI industry face a future liquidity crisis.

wheresyoured.at
Running Dry

12:43 PM · Nov 3, 2026 · 74K Views

27 Replies · 64 Reposts · 381 Likes

The Amended IPO itself is actually candid about the issues, to some degree:

Roger
@rdd147

Anthropic Ammended S-1

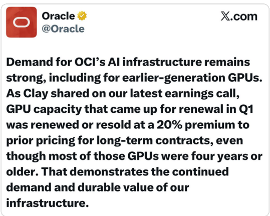
“We expect our costs will increase over time and our losses will continue”

“We do not expect our revenue will continue to grow at comparable rates”

This company has $110 billion in annual commitments that they admit they need to pay, but will need to…

Roger @rdd147

OpenAI and Anthropic are absolutely going bankrupt if they don’t get out of these commitments. Getting out needs to be the priority before IPO. Anthropic itself admits in S1 the company will suffer potentially heavy losses speculating on early compute deals coming online faster https://t.co/vMsL7BDGBP



Oracle
@Oracle
X.com

Demand for OCI’s AI infrastructure remains strong, including for earlier-generation GPUs. As Clay shared on our latest earnings call, GPU capacity that came up for renewal in Q1 was renewed or resold at a 20% premium to prior pricing for long-term contracts, even though most of those GPUs were four years or older. That demonstrates the continued demand and durable value of our infrastructure.

2:09 PM · Nov 6, 2026 · 12.2K Views

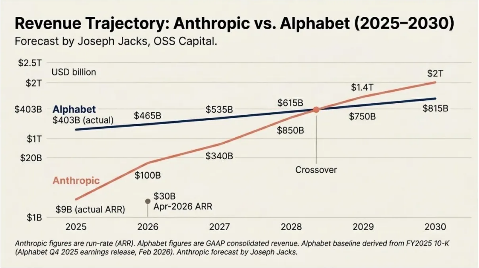
10 Replies · 27 Reposts · 149 Likes

The whole idea that they might be worth trillions mostly comes from projections like this absurd but popular one (try not to vomit when you look at the Y axis) made back in May, at the peak of the tokenmaxxing mania:

JJ @JosephJacks_ · May 7
PREDICTION:

Anthropic will surpass Alphabet in revenue by mid-2028.

This is not a bull case or an acceleration scenario — it is a continuation of the curv…

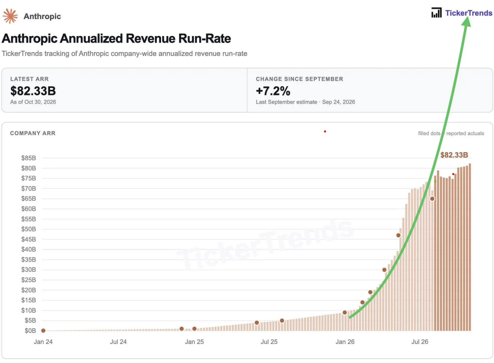


Predictions like that were predicated on the idea that Anthropic’s revenue would continue on the meteoric growth trajectory that tokenmaxxing drove.

The trouble is that it didn’t.

Quarter 2 growth was 147% compared to Q1, but Q3 wound up being a mere 47% compared to Q2. The decline of tokenmaxxing and the rise of good quality (if not quite top-tier) competitors from China began to take their toll.

A recent graph from TickerTrends (with a green line superimposed by me) makes it clear that the rocket has lost its zing:



Anthropic

Anthropic Annualized Revenue Run-Rate

TickerTrends tracking of Anthropic company-wide annualized revenue run-rate

LATEST ARR
$82.33B
As of Oct 30, 2026

CHANGE SINCE SEPTEMBER
+7.2%
Last September estimate · Sep 24, 2026

Green line represents a widespread fantasy, and roughly the rocket that Anthropic would have needed to make it as a gargantuan sustainable business. The dark bars on the right show that it has already fallen off the pace—which is why Anthropic probably won’t make it.

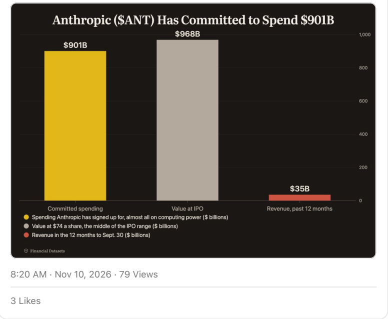
It is really difficult to see how Anthropic will ever make ends meet, given the tapering off in growth, coupled with the vastness of its commitments.

Financial Datasets
@findatasets

Anthropic ($ANT) has committed to spend $901B, almost its whole IPO value.

At the middle of its IPO range, Anthropic would be worth $968B.

Over the past 12 months, its revenue was $35B.

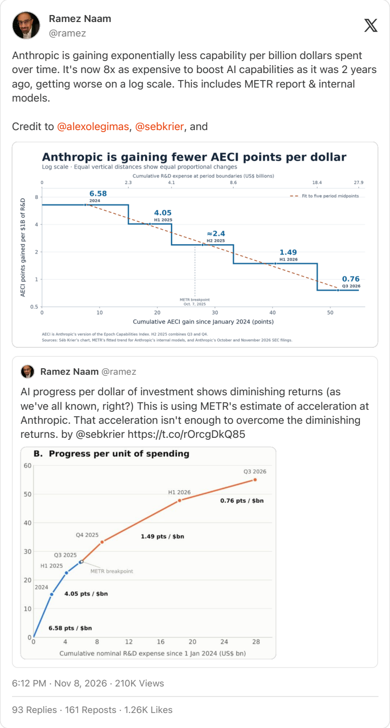


8:20 AM · Nov 10, 2026 · 79 Views

3 Likes

§

Even worse, the cost of making better AI (and their only real niche is models at the extreme top end, since they can readily be beat on price on the low end) is growing exponentially. Each new tiny improvement tends to cost far more than the last, as this amazing analysis showed a few days ago:



Ramez Naam
@ramez

Anthropic is gaining exponentially less capability per billion dollars spent over time. It's now 8x as expensive to boost AI capabilities as it was 2 years ago, getting worse on a log scale. This includes METR report & internal models.

Credit to @alexolegimas, @sebkrier, and

Anthropic is gaining fewer AECI points per dollar
Log scale · Equal vertical distances show equal proportional changes
Cumulative R&D expense at period boundaries (US$ billions)
0
2.3
4.1
8.6
18.4
27.9
Fit to five period midpoints
AECI points gained per $1B of R&D
8
4
2
1
0.5
6.58
2024
4.05
H1 2025
≈2.4
H2 2025
1.49
H1 2026
0.76
Q3 2026
METR breakpoint
Oct. 7, 2025
0
10
20
30
40
50
Cumulative AECI gain since January 2024 (points)
AECI is Anthropic's version of the Epoch Capabilities Index. H2 2025 combines Q3 and Q4.
Sources: Séb Krier's chart, METR's fitted trend for Anthropic's internal models, and Anthropic's October and November 2026 SEC filings.

Ramez Naam @ramez

AI progress per dollar of investment shows diminishing returns (as we've all known, right?) This is using METR's estimate of acceleration at Anthropic. That acceleration isn't enough to overcome the diminishing returns. by @sebkrier https://t.co/rOrcgDkQ85

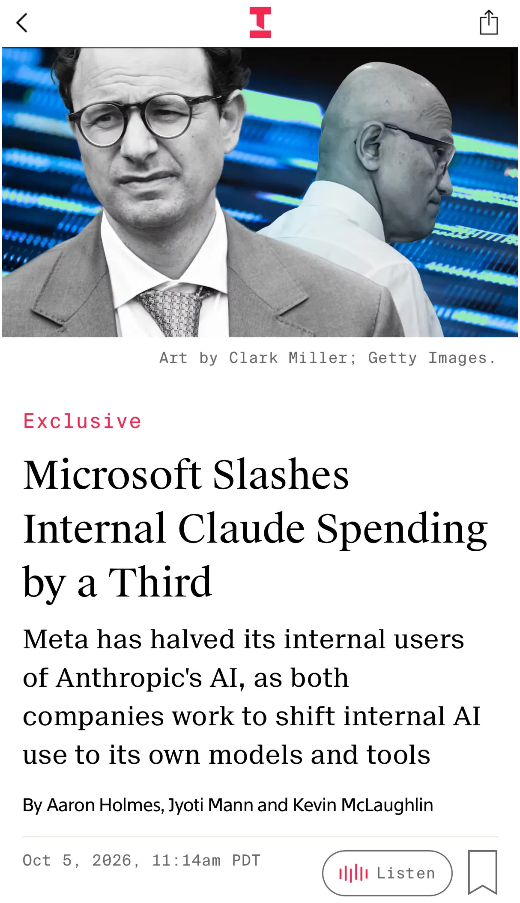
6:12 PM · Nov 8, 2026 · 210K Views

93 Replies · 161 Reposts · 1.26K Likes

When a business needs exponentially increasing amounts of capital to make modest increases in quality in an intensely competitive market and still owes far more money than it has ever made, there is a serious problem.

§

Meanwhile, some fairly big customers are starting to restrict which employees can even use some of Anthropic's tools. Microsoft and Meta, for example:



Art by Clark Miller; Getty Images.

Exclusive

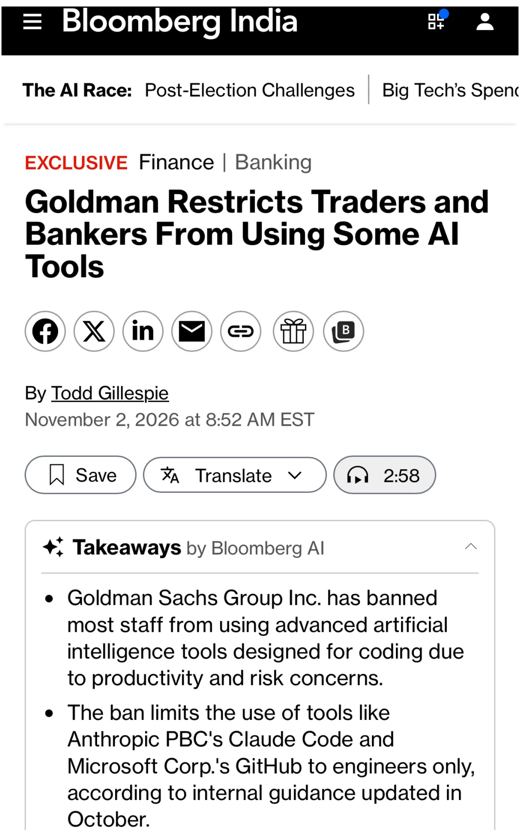
Microsoft Slashes Internal Claude Spending by a Third

Meta has halved its internal users of Anthropic's AI, as both companies work to shift internal AI use to its own models and tools

By Aaron Holmes, Jyoti Mann and Kevin McLaughlin

Oct 5, 2026, 11:14am PDT

A week or so ago, Goldman followed suit:



EXCLUSIVE Finance | Banking

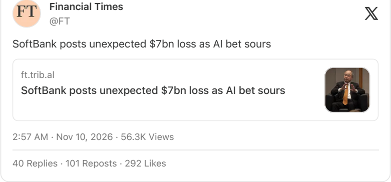
Goldman Restricts Traders and Bankers From Using Some AI Tools

By Todd Gillespie
November 2, 2026 at 8:52 AM EST

Takeaways by Bloomberg AI

- Goldman Sachs Group Inc. has banned most staff from using advanced artificial intelligence tools designed for coding due to productivity and risk concerns.
- The ban limits the use of tools like Anthropic PBC's Claude Code and Microsoft Corp.'s GitHub to engineers only, according to internal guidance updated in October.

And, of course. the overall climate for AI is worsening, too. That's reflected not just in increasing costs of credit, but headlines like this from this morning:



Financial Times
@FT

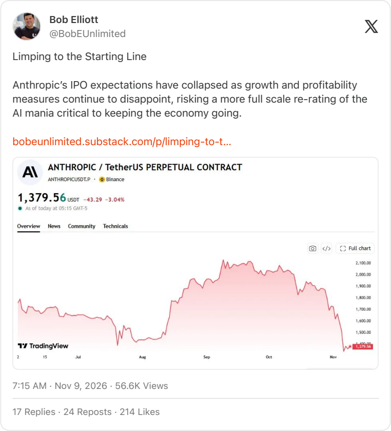
SoftBank posts unexpected $7bn loss as AI bet sours

ft.trib.al
SoftBank posts unexpected $7bn loss as AI bet sours

2:57 AM · Nov 10, 2026 · 56.3K Views

40 Replies · 101 Reposts · 292 Likes

It's a small wonder that Anthropic's hoped-for valuation has fallen by almost a third in the last few weeks. Anthropic was hoping for $2T just a couple months ago, but is now looking for closer to $1.3T.



Bob Elliott
@BobEUnlimited

Limping to the Starting Line

Anthropic's IPO expectations have collapsed as growth and profitability measures continue to disappoint, risking a more full scale re-rating of the AI mania critical to keeping the economy going.

bobeunlimited.substack.com/p/limping-to-t...

7:15 AM · Nov 9, 2026 · 56.6K Views

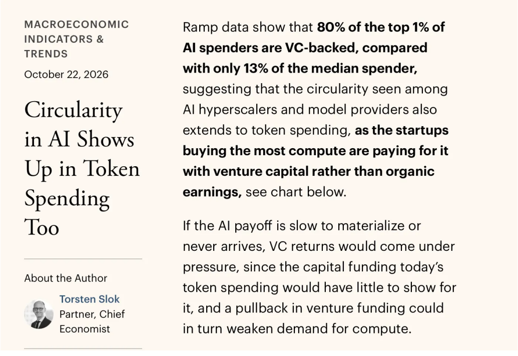
17 Replies · 24 Reposts · 214 Likes

I would not be shocked to see Anthropic go out of business. Nor would I be shocked if the IPO fails. WeWork tried to IPO, 3 times, and didn't make it.

It's not clear that the capital markets are really going to come up with the $64.4 billion or so they are seeking. Instead of leaving things to outside buyers, they are relying partly on seven companies that do significant business with Anthropic (Google, Nvidia, AMD, Broadcom, Micron, Microsoft, and TSMC), which collectively will be ponying up $26B. But that still leaves nearly $40 billion to go. When you think about the fact that OpenAI just failed to raise $30 billion at a somewhat lower valuation, settling for $11B now with some promise of more in the future, raisig that extra $40B on the public market may be unrealistic. Failure for Anthropic's IPO is a rea; possibility.

On top of it all, the ongoing saga with Jensen Huang and NVDA will continue (and I am hardly alone in thinking that the worst for Nvidia is yet come. And of course Nvidia at the center of the circular financing ecosystem.

Further, recent data suggests that a huge fraction of top users are venture financed startups, many of which, like Character.AI, which was recently sold for parts, may not be viable.



MACROECONOMIC INDICATORS & TRENDS

October 22, 2026

Circularity in AI Shows Up in Token Spending Too

About the Author

Torsten Slok
Partner, Chief Economist

Ramp data show that **80% of the top 1% of AI spenders are VC-backed, compared with only 13% of the median spender,** suggesting that the circularity seen among AI hyperscalers and model providers also extends to token spending, **as the startups buying the most compute are paying for it with venture capital rather than organic earnings,** see chart below.

If the AI payoff is slow to materialize or never arrives, VC returns would come under pressure, since the capital funding today's token spending would have little to show for it, and a pullback in venture funding could in turn weaken demand for compute.

In study after study, from the ear;y, widely-discussed MIT study to Bank of England's study last week, many corporations continue to find relatively little ROI from Generative AI. Which is why, as noted above, many companies are cutting back on token consumption.

In short, revenue is flattening, costs are going up, and the road to profitability is dubious at best, based primarily on projections from glory days of explosive revene growth that already seem to ne past.

For good measure, the governance structure leaves the founders firmly in charge no matter what, but the CEO has shown a knack for alienating both the government and the public. People buying into the IPO will have almost no power to change management.

Given all of the above, I can't imagine personally taking part in the IPO.

Buying into a company that just took a 30%+ haircut in perceived valuation, when they continue to face massive competition, and continue to face insanely high bills, really feels like a mistake.

Upgrade to paid

P.S. In many ways, OpenAI, which has delayed its IPO to next year, is now at Anthropic's mercy; if Anthropic's IPO goes badly, OpenAI may be out of luck.

Leave a comment

182 Likes · 36 Restacks

♡ 182 | 💬 55 | 🔁 36 | Share | ···

Discussion about this post

Comments | Restacks

Write a comment...

Joseph Iacobucci 7h
♥ Liked by Gary Marcus

What is funny is that LLMs use softmax/s-curves, exactly like all growth/improvement. But everyone wants to fit an exponential that consumes the universe instead.

♡ LIKE (23) REPLY SHARE

TheAISlop TheAISlop 7h
♥ Liked by Gary Marcus

My reaction is "hallelujah." For too long, this sector has operated in a black box, shielded from economic gravity by venture-fueled narratives.

This IPO isn't a traditional investment opportunity. Instead, I see it as a necessary stress test. With nearly $900 billion in future liabilities and growth cratering from 147% to 47% per quarter, the company is finally hitting a hard reality check. Public markets are brutal, and that is exactly the discipline this industry needs.

An IPO forces the company out of the shadows. The era of surviving on hype cycles is ending; now, they will have to deliver actual, verifiable value. If they cannot meet the demands of public shareholders or manage those massive debt commitments, the market will and should expose that failure.

♡ LIKE (17) REPLY SHARE

2 replies

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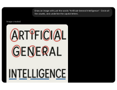

About that Matt Shumer post that has nearly 50 million views

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FEB 11 · GARY MARCUS

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