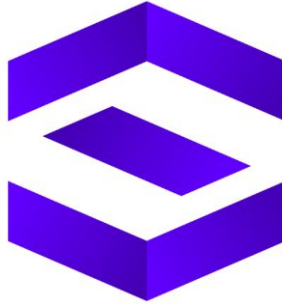


SentinelOne (NYSE: S)

Industry: Cybersecurity

Date: 07/17/2025

**Brendan Clark**bclark2@andrew.cmu.edu

Action: Long / PT: ~\$33.57 / Upside: ~ 87%

Recommendation:

Long on SentinelOne (S) with a price target of \$33.57, implying an 86.81% upside.

Investment Thesis:

SentinelOne is a high-growth cybersecurity company leveraging autonomous, AI-native endpoint protection to redefine the EDR/XDR market. I believe the company has long-term structural tailwinds driven by the rising threat landscape, growing cloud adoption, and enterprise demand for autonomous security platforms. My thesis is anchored by three core beliefs: (1) SentinelOne's cloud-native architecture and PurpleAI deliver unmatched automation and detection speed, (2) the company's improving efficiency metrics suggest meaningful margin expansion. Even under conservative assumptions, my DCF implies compelling upside, with significant optionality as AI integration and cloud adoption accelerate globally, and (3) its growing enterprise and MSP adoption point to sticky, scalable growth.

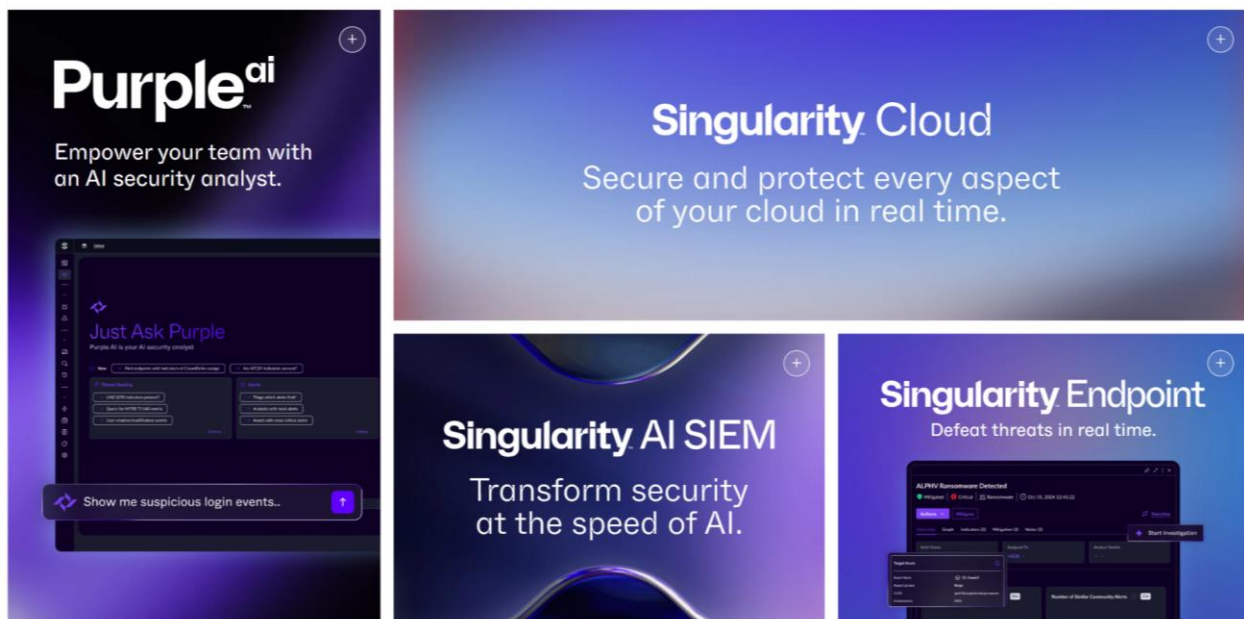
Variant View:

The market views SentinelOne as a second-tier player behind CrowdStrike and Microsoft, especially given its lack of GAAP profitability and heavy competition in endpoint protection. However, I believe this view misses two key developments: (1) SentinelOne is increasingly winning competitive testing due to its superior detection, ease of deployment, and PurpleAI's analyst-assist capabilities, and (2) its platform's cloud-native DNA enables both faster iteration and better telemetry collection, positioning it as a next-gen leader rather than a follower. This mispricing creates a strong entry point.

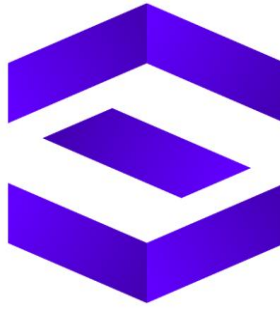
Business Description:

SentinelOne (NYSE: S) provides autonomous cybersecurity solutions powered by its proprietary Singularity platform. The platform spans endpoint protection (EDR), extended detection and response (XDR), cloud workload protection, and data analytics. SentinelOne uses AI-powered behavioral models to detect and respond to threats without human intervention. Its customer base includes enterprise IT departments, managed service providers, and public sector clients. The company generates revenue via annual recurring subscriptions and maintains high retention across mid-

market and
enterprise
segments.



SentinelOne (NYSE: S)
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Valuation/Price Target:

- DCF analysis yields an intrinsic equity value of **\$11.57B**, giving an implied share price of **\$34.81**, or a 93.71% upside, based on a 10-year FCF forecasting and assumed TGR of **2.75%**.
- WACC was calculated to be **8.28%**, using an **8.28%** cost of equity and a **5.38%** cost of debt.
- P/S Multiple Valuation (**9.87x** industry median) implies a share price of **\$32.78**, representing **~82.42%** upside from the current price, using SentinelOne's NTM Revenue.
- EV/Revenue Multiple Valuation (**7.93x** industry median EV/Revenue) implies a share price of **\$26.92**, or **~49.81%** upside from the current price, using SentinelOne's NTM Revenue.
- Using an assigned weighting of DCF (75%), P/S (12.5%), and EV/Revenue (12.5%), I arrived at a price target of **~\$33.57** per share, representing an **86.81%** upside.

SentinelOne DCF														
Ticker	S	Implied Share Price	\$ 34.81											
Date	7/16/2025	Today's Share Price	\$ 31.97	Upside (Downside)										
				93.71%										
Assumptions														
Valuation Assumptions:														
WACC	8.28%													
TGR	2.75%													
Tax Rate at Maturity	22.50% (CRWD)													
	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Revenue	93,056	204,799	422,179	821,154	821,461	1,051,470	1,335,367	1,669,299	2,053,127	2,484,283	2,931,454	3,400,487	3,876,503	4,341,742
% growth		120.08%	106.14%	87.13%	32.29%	29.00%	27.00%	25.00%	23.00%	21.00%	18.00%	16.00%	14.00%	12.00%
EBIT	(120,413)	(27,111)	(38,241)	(33,318)	(28,143)	(11,544)	(240,366)	83,460	184,781	347,800	498,347	680,097	852,842	1,042,018
% of rev	(1)	(1)	(1)	(1)	(0)	(0)	(0)	5.00%	9.00%	14.00%	17.00%	20.00%	22.00%	24.00%
Taxes	460	1,004	(951)	5,859	6,834	0	0	0	9,239	34,780	74,752	122,418	170,588	218,824
% of EBIT	(0)	4.37%	1.47%	(0)	(0)	0.00%	0.00%	0.00%	5.00%	10.00%	15.00%	18.00%	20.00%	22.50%
EBIT	(120,413)	(27,111)	(38,241)	(33,318)	(28,143)	(11,544)	(240,366)	83,460	184,781	347,800	498,347	680,097	852,842	1,042,018
D&A	2,837	7,909	29,721	38,812	42,786	44,940	47,335	49,897	52,321	54,655	56,991	59,427	61,967	64,615
% of rev	3.05%	3.89%	7.04%	4.73%	5.21%	4.27%	4.27%	4.27%	4.27%	4.27%	4.27%	4.27%	4.27%	4.27%
CapEx	3,283	3,653	4,953	1,304	1,860	1,886	1,899	1,907	1,910	1,914	1,917	1,921	1,924	1,928
% of rev	3.53%	1.78%	1.17%	0.23%	0.23%	0.18%	0.18%	0.18%	0.18%	0.18%	0.18%	0.18%	0.18%	0.18%
Current Assets	464,057	1,817,854	914,733	1,297,331	1,069,722	1,156,817	1,402,135	1,669,299	1,956,479	2,235,855	2,491,736	2,720,390	2,946,182	3,143,141
% of rev	498.68%	887.53%	216.67%	206.86%	130.22%	110.00%	105.00%	100.00%	95.00%	90.00%	85.00%	80.00%	76.00%	72.00%
Current Liabilities	138,506	281,321	475,279	500,867	613,553	946,323	1,201,859	1,418,827	1,745,158	1,987,427	2,345,184	2,555,965	2,829,885	3,039,219
% of rev	148.93%	137.36%	112.10%	60.00%	74.69%	90.00%	90.00%	85.00%	85.00%	80.00%	80.00%	75.00%	73.00%	70.00%
NWC	325,551	1,536,533	441,454	797,284	456,169	210,294	200,305	250,381	205,313	248,428	146,573	170,024	116,287	96,835
Change in NWC	1,201,182	(109,479)	265,810	(251,095)	(245,875)	(9,969)	50,076	(450,088)	43,116	(101,856)	23,452	(53,778)	(29,462)	(88,935)
% change in NWC	358.40%	(1)	60.21%	-35.50%	(1)	(1)	25.00%	(0)	21.00%	(0)	16.00%	(0)	(0)	(1)
Unlevered FCF	(123,188)	(149,031)	742,799	(95,679)	3,731	(265,11)	(184,941)	81,374	271,022	322,645	580,524	591,734	796,044	1,077,814
Present Value of FCF	(24,484)	(157,798)	64,088	197,157	216,762	(24,484)	(157,798)	64,088	197,157	216,762	360,189	339,070	421,261	447,353
FCF Margin	(0)	(0)	9%	1%	0%	(0)	(0)	5%	13%	13%	20%	17%	21%	23%
Terminal Value														
Present Value of Terminal Value														
Enterprise Value														
+ Cash														
- Debt														
Equity Value														
Shares														
Share Price														

P/S Multiple Valuation			EV/Revenue Multiple Valuation		
Industry Median P/S Multiple	9.87x		Industry Median EV/Revenue Multiple	7.93x	
SentinelOne NTM Revenue	\$1.104B		SentinelOne NTM Revenue	\$1.104B	
Implied Equity Value	\$10.90B		Implied Enterprise Value	\$8.76B	
Shares Outstanding	332.49M		+ Cash	\$186.57M	
			- Debt	\$0	
			Implied Equity Value	\$8.95B	
			Shares Outstanding	332.49M	
82.42% Upside	Implied Price	\$32.78	49.81% Upside	Implied Price	\$26.92

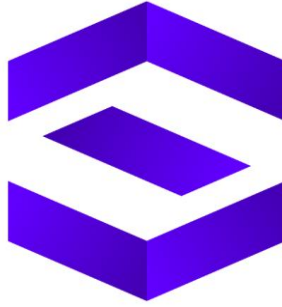
Competitive Landscape:

SentinelOne competes mainly with CrowdStrike (CRWD), Microsoft Defender (MSFT), and Palo Alto's Cortex XDR (PANW). CrowdStrike dominates in brand and scale, Microsoft in integration with E5 licensing, and Palo Alto in unified platform security. However, SentinelOne differentiates through faster deployment, cloud-native design, and an API-first approach to policy control. It is also winning share in MSP and mid-market segments, areas often underserved by legacy competitors.

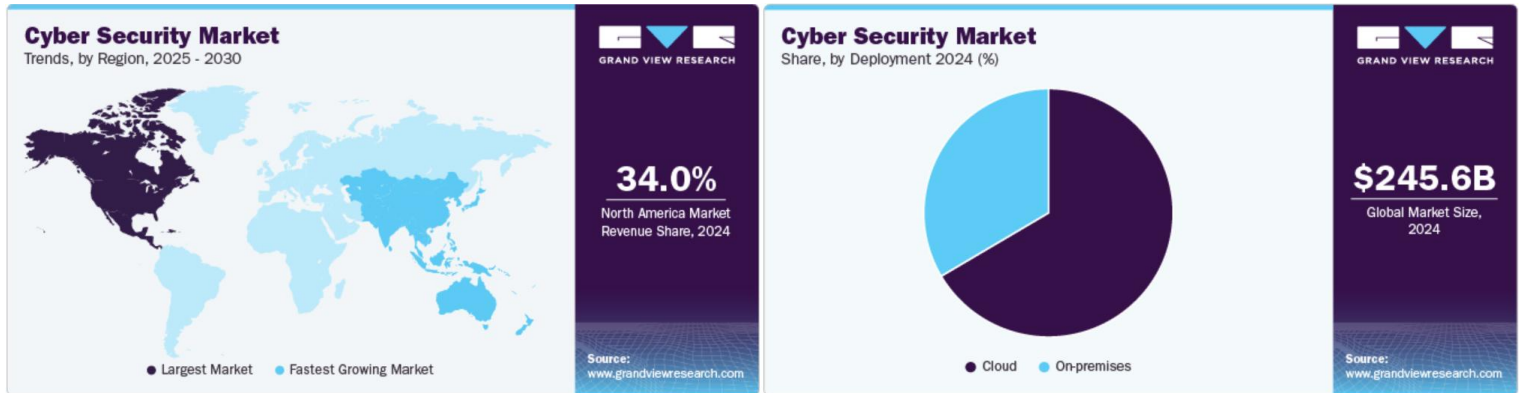
SentinelOne (NYSE: S)

Industry: Cybersecurity

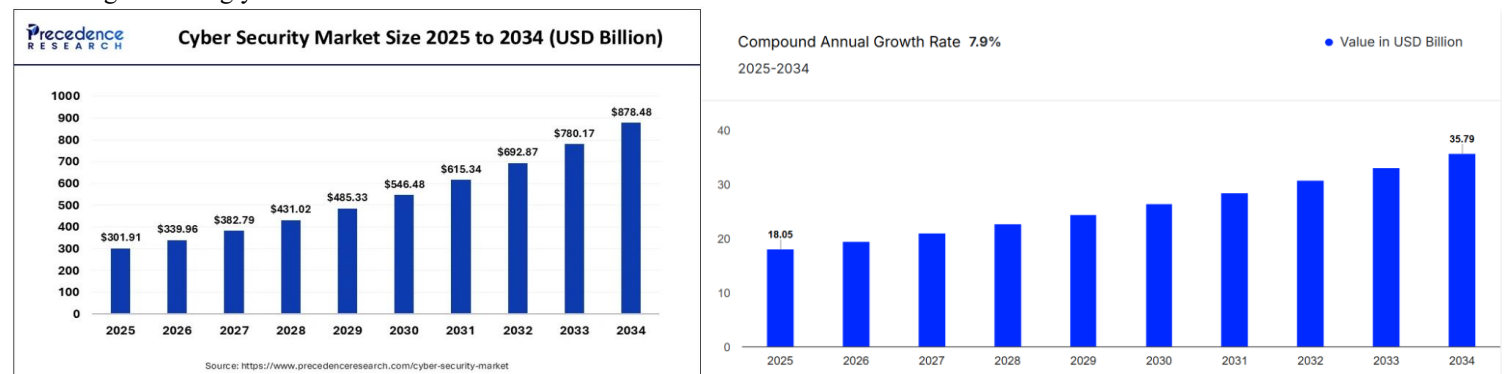
Date: 07/17/2025

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**Industry Overview:**

The global cybersecurity industry is projected to grow from \$190 billion in 2023 to almost \$550 billion by 2030, fueled by digital transformation, cloud migration, and increased ransomware activity. Additionally, the endpoint security market is expected to nearly double by 2034, going from \$18.05 billion to just shy of \$36 billion. As verticals arise, AI-enabled platforms that reduce SOC workload and improve detection fidelity are becoming increasingly viewed as critical infrastructure - this is where SentinelOne dominates.

**Key Competitors and Threats:**

SentinelOne operates in one of the most competitive verticals within cybersecurity, with formidable players like CrowdStrike, Microsoft, and Palo Alto Networks. CrowdStrike remains the category leader in endpoint detection and response (EDR), boasting high operating margins, deep enterprise penetration, and exceptional brand equity. However, its architecture is not cloud-native, and its reliance on more manual tuning creates an opportunity for disruption. Microsoft Defender benefits from integration into M365 E5 bundles, allowing it to compete aggressively on price, but it often falls short in complex environments such as manufacturing, where customization and platform flexibility are critical. Palo Alto's Cortex XDR, while robust, still lacks the autonomous AI capabilities and cloud-native agility of SentinelOne's Singularity platform. The primary threats SentinelOne faces include continued price competition from Microsoft, vendor consolidation trends favoring larger platforms, and skepticism from investors regarding its path to profitability. Nevertheless, SentinelOne's rapid feature development, strong telemetry performance, and growing customer satisfaction point to increasing relevance within the modern security stack.

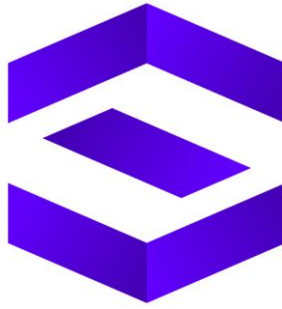
"SentinelOne offers a much better console experience than any other EDR we've used. Its performance is on par with CrowdStrike and Palo Alto's XDR platforms, though we've noticed slightly higher false positives. That said, the visibility and responsiveness it provides still make it a strong contender."

- SentinelOne Client

SentinelOne (NYSE: S)

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Where SentinelOne Stands Out:

SentinelOne's differentiators are rooted in both its architecture and user experience. The platform was designed from the ground up as a cloud-native solution, eliminating legacy bloat and enabling seamless scaling and deployment across environments. Customers routinely highlight the intuitive, responsive console UX as far superior to those of legacy peers, significantly reducing analyst fatigue and improving operational efficiency. More importantly, SentinelOne's PurpleAI has emerged as a decisive advantage in head-to-head evaluations, empowering security teams with automated triage, behavior analysis, and proactive threat hunting. Primary research from enterprise security teams confirms that SentinelOne often outperforms competitors due to faster detection, lower false positives, and smoother tuning of rules and exclusions. Its API-first design allows for deep integrations into existing IT stacks, making it attractive to mid-market and MSP clients who value customization without all the heavy lifting. These standout qualities position SentinelOne as a next-gen cybersecurity partner, not just a tool.

"SentinelOne is my preferred solution, and that's coming from someone who holds four CrowdStrike certifications. The only drawback I've noticed is that its exclusion settings aren't quite as flexible as some competing platforms, but overall it remains my top choice."

- Cybersecurity Engineer

Headwinds:

Despite its strengths, SentinelOne faces several material headwinds. Most notably, it is operating in a highly saturated market where larger companies benefit from brand trust, bundled offerings, and mature go-to-market channels. Microsoft's Defender, for instance, is bundled into existing enterprise contracts, creating friction for standalone vendors like SentinelOne to justify their value proposition. Additionally, SentinelOne's reliance on heavy stock-based compensation has raised concerns about dilution and sustainability, especially in a rising interest rate environment where investors demand clearer profitability pathways. Although the company has shown margin improvement, it remains in negative EBIT territory, and near-term profitability remains an execution risk. Industry consolidation could also work against the company if customers gravitate toward unified platforms that reduce vendor complexity. Finally, macroeconomic uncertainty could impact enterprise IT budgets, delaying expansions or reducing cybersecurity spend.

Tailwinds:

At the same time, SentinelOne is poised to benefit from several strong secular tailwinds. The global cybersecurity landscape continues to grow, fueled by increasing threat sophistication, cloud adoption, and a widening attack surface created by hybrid workforces and IoT devices. Within this landscape, AI-native solutions are becoming the gold standard as organizations seek to reduce human workloads and accelerate incident response. SentinelOne is uniquely positioned to capitalize on this trend with its autonomous detection capabilities and deep behavioral analytics. Furthermore, the shift to cloud-native architectures across enterprise IT favors vendors like SentinelOne, whose solutions are inherently built for modern environments. As organizations seek modular, API-friendly platforms that can integrate with their Development, Security, and Operations

2024 SentinelOne Results

100% Detection Accuracy
16 steps / 80 substeps detected



100% Technique
Highest detection fidelity across macOS, Linux and Windows



100% Real-time
Zero delays



88% Less Noise
Fewer alerts than the median across all vendors evaluated

"We previously used Symantec and experienced ongoing issues across multiple servers - constant false positives, frustrating port blocking, and poor reliability. Since switching to SentinelOne, I haven't heard a single complaint. That doesn't mean there haven't been any issues, but nothing has escalated to my level, and that, to me, is a strong indicator that the solution is working exactly as it should."

- Security Engineer at Client

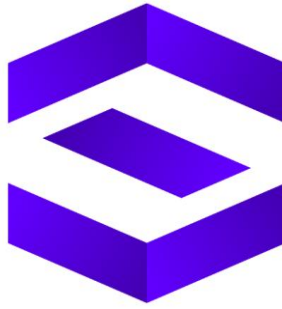
"We did an EDR bake-off between CrowdStrike, Cortex, and SentinelOne a few months ago. SentinelOne outperformed across the board - demonstrating superior detection accuracy, fewer false positives, and comparable system load on our standard environments. Once our SOC team began working with PurpleAI, the decision became clear. Its capabilities far surpassed those of the other solutions. While we are also an E5 customer, we ruled out Microsoft Defender early in the evaluation due to its limitations."

- Cybersecurity Director at Client

SentinelOne (NYSE: S)

Industry: Cybersecurity

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workflows, SentinelOne's design philosophy becomes a key differentiator. With strong net revenue retention, a fast-growing MSP channel, and expanding international reach, the company has multiple vectors of growth that will likely compound over time.

5 Forces:

- **Threat of New Entrants - Low** - Entering the cybersecurity industry, particularly endpoint protection and XDR (Extended Detection and Response), requires substantial capital, advanced R&D capabilities, and time to build trust with large enterprise customers. SentinelOne's autonomous AI foundation, years of product development, and strong MITRE performance give it a durable competitive moat. New entrants would face steep regulatory, technological, and brand loyalty hurdles.
- **Customer Bargaining Power - Moderate** - Enterprises have greater bargaining power due to volume and the ability to conduct vendor comparisons. However, SentinelOne's sticky ecosystem, robust feature set (e.g., Purple AI), and NRR over 110% mitigate this risk.
- **Threat of Substitutes - Moderate** - Microsoft Defender (often bundled in enterprise Microsoft packages), legacy antivirus tools, and emerging AI-native platforms all present substitute threats. Still, SentinelOne's autonomous architecture, rapid detection and remediation capabilities, and deep telemetry visibility create strong product-market fit and high switching costs, especially in security-critical environments.
- **Industry Competition - High** - Competition is intense from major players like CrowdStrike, Palo Alto Networks, and Microsoft. The space is defined by rapid innovation, with frequent feature parity battles. However, SentinelOne's cloud-native origin, customizable integrations, and standout performance in third-party evaluations (MITRE ATT&CK, AV-TEST) give it long-term differentiation if it continues to execute on its product roadmap and go-to-market strategy.
- **Supplier Bargaining Power - Low** - As a software company, SentinelOne relies mainly on cloud infrastructure providers and threat intelligence partners. It does not depend on rare materials or hardware supply chains, reducing supplier leverage. Its high gross margins (~75-80%) indicate favorable supplier economics, and its modular platform allows flexibility in vendor selection if needed.

Management Overview:

CEO Tomer Weingarten, co-founder of SentinelOne, has played a critical role in shaping the company's trajectory, maintaining a sharp focus on autonomous, AI-powered cybersecurity. His leadership has helped differentiate SentinelOne in a crowded market, emphasizing innovation and rapid product development. The broader executive team brings operational depth and domain expertise from companies like Palo Alto Networks, Google, and Microsoft, which have supported disciplined execution and technical excellence. SentinelOne's leadership has demonstrated sound capital allocation, prioritizing long-term margin expansion while aggressively scaling product capabilities like Singularity XDR and Purple AI. This combination of strategic foresight and engineering-driven culture positions the company well for sustained growth in the cybersecurity space.

Insider Transactions:

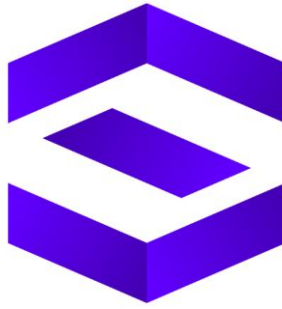
One concern among investors has been the consistent quarter-over-quarter insider selling activity, totaling \$31 million over the past 12 months, with minimal insider buying. However, rather than signaling short-term pessimism, these sales appear to be routine, compensation-based transactions that are likely driven by the executive team's net worth being heavily concentrated in equity, not by a lack of long-term confidence. Institutional ownership remains robust with firms like BlackRock, Vanguard, and ARK maintaining large positions, underscoring that SentinelOne's long-term value is being recognized by institutions.

Further reinforcing this conviction, SentinelOne recently authorized a \$200m share buyback program - a rare but highly bullish signal coming from a high-growth cybersecurity firm. This decision not only removes doubt towards the company's long-term intentions, but it should highlight the notion that their stock is undervalued relative to its true intrinsic worth.

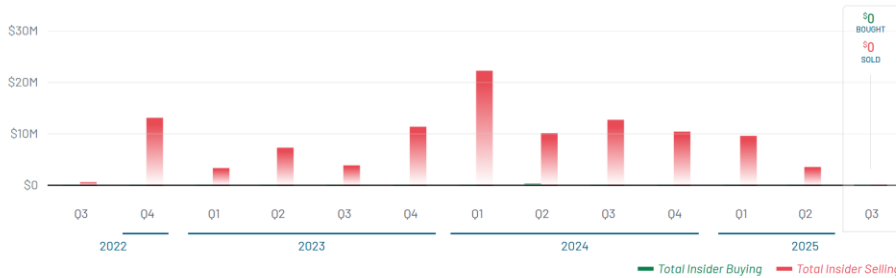
SentinelOne (NYSE: S)

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**M&A Potential:**

Cybersecurity M&A activity continues to be robust, with large-caps acquiring to close product gaps or accelerate entry into high-growth verticals. Palo Alto Networks' recent acquisition of CyberArk, a leader in identity security, fueled speculation that SentinelOne could have been a more natural target. However, this deal should not be interpreted as a snub. CyberArk's strength lies in identity governance and privileged access management (PAM), a known weakness in Palo Alto's portfolio, especially as zero-trust architectures become more and more central to security.



SentinelOne offers an autonomous, AI-native platform with strength in endpoint, workload, and identity threat detection - areas that overlap directly with Palo Alto's Cortex XDR. Acquiring SentinelOne would have created product redundancy and internal competition for PANW. Instead, Palo Alto's decision not to pursue SentinelOne validates S1's status as a true competitor at the top of the cybersecurity stack.

That being said, SentinelOne remains a highly attractive acquisition target for strategic buyers in adjacent verticals, particularly those with gaps in autonomous endpoint protection, AI-driven SOC tooling, or cloud-native XDR. As the company matures, expands profitability, and deepens MSP and enterprise relationships, its technology stack, product velocity, and embedded AI make it a rare asset in an industry undergoing rapid consolidation.

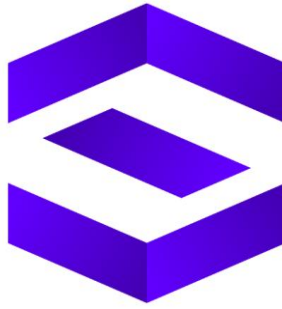
Thesis 1:

SentinelOne's Singularity platform was architected from day one to be cloud-native, not simply cloud-compatible. This decision unlocks a structural advantage in speed, scale, and feature velocity. Unlike CrowdStrike, whose legacy agent model has required continuous retooling to accommodate cloud environments, SentinelOne's lightweight, distributed agent is optimized for hybrid IT infrastructures and multi-cloud deployments. This allows for seamless updates, faster detection cycles, and broader telemetry coverage. As enterprises increasingly migrate workloads to the cloud and adopt containerized applications, this architectural head start enables SentinelOne to outmaneuver competitors with lower latency, fewer deployment hurdles, and superior observability. This foundation not only improves customer experience but also allows the company to iterate faster, supporting a product-led growth flywheel that compounds over time. In the long run, I believe this advantage will manifest in higher gross margins, better customer satisfaction, and stronger product stickiness.

SentinelOne (NYSE: S)

Industry: Cybersecurity

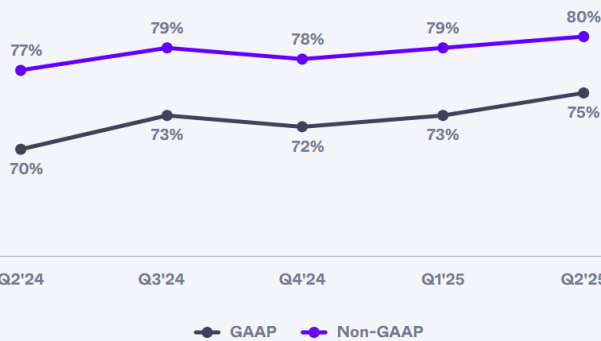
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Gross Margin

% of revenue, GAAP & Non-GAAP

**Thesis 2:**

SentinelOne's PurpleAI is not just a marketing tagline - it's a key driver of analyst productivity and customer retention. In an era of increasing cybersecurity alert fatigue and talent shortages, organizations are desperate for tools that reduce SOC workloads without compromising detection fidelity. PurpleAI addresses this directly by leveraging behavioral models and natural language interfaces to automate triage, flag anomalies, and suggest next-best actions. Primary research shows that analysts who've used both CrowdStrike and SentinelOne strongly prefer S1's AI capabilities, citing faster time-to-resolution and better false positive handling. Unlike Microsoft Defender, which still requires heavy manual tuning, PurpleAI empowers lean security teams to operate at a higher level with less overhead. This unlocks significant operational leverage for enterprise customers and serves as a durable competitive moat for SentinelOne as AI continues to reshape the cybersecurity landscape.

Thesis 3:

While many cybersecurity players are laser-focused on winning Fortune 500 logos, SentinelOne has carved out a high-growth niche by actively targeting mid-market clients and managed service providers (MSPs). These segments are often underserved by larger vendors, who focus on high-touch, high-cost enterprise accounts. SentinelOne's easy deployment, robust policy controls, and flexible licensing make it an ideal fit for organizations that need power and autonomy without complexity. Feedback from MSP partners underscores the company's advantage in log visibility, endpoint control, and support responsiveness. With >90% gross retention and 110%+ net revenue retention, these customers don't just stick, they expand. This creates a flywheel effect where MSPs serve as force multipliers, onboarding multiple end clients and driving ARR growth with minimal incremental sales costs. Over time, I expect this channel to account for a growing share of SentinelOne's top line, providing a recurring, low-churn foundation for sustainable compounding.

"We've deployed SentinelOne across multiple MSP clients, and it has consistently proven to be a solid solution. It's easy to deploy and highly flexible, allowing us to fine-tune policies around rule creation and exclusions based on each client's needs. The licenses we utilize include full Device Control, Network Control, and Deep Visibility, enabling detailed log analysis. From both a performance and detection standpoint, SentinelOne scores well on independent benchmarks like Gartner and MITRE ATT&CK. We've used it for over five years without any major issues - our clients are satisfied, and our security engineers are fully confident in the platform. At this point, we've seen no compelling reason to consider switching."

- Lead Security Engineer at a MSP

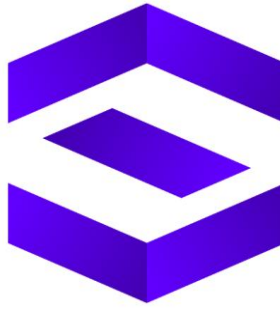
"One of the biggest reasons we stick with SentinelOne is how quickly they innovate. In just the past year, we've seen them roll out major updates like Purple AI and improve their behavioral detection engine, both of which had an immediate impact on our operations. Their roadmap isn't just for show - the new features land on time, and they're actually useful."

- Security Architect at Client

"It's been lab tested and approved; We deployed the same payload across multiple systems side by side - SentinelOne outperformed every other solution. It was clearly the strongest performer in terms of speed, detection, and response."

- Security Analyst

SentinelOne (NYSE: S)
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Appendix:

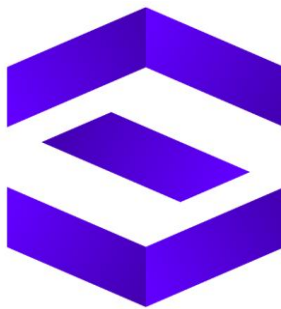
Forecasted Financial Statements:

Income Statement														
All figures in USD thousands unless otherwise states														
	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	
Revenue	422,179	621,154	821,461	1,059,685	1,345,800	1,682,249	2,069,167	2,503,692	2,954,356	3,427,053	3,906,841	4,375,662	4,813,228	
COGS	144,177	179,281	211,106	313,349	397,953	497,441	611,853	740,342	873,603	1,013,380	1,155,253	1,293,883	1,423,272	
Gross Profit	278,002	441,873	610,355	746,336	947,847	1,184,808	1,457,314	1,763,350	2,080,753	2,413,674	2,751,588	3,081,779	3,389,956	
Assumes COGS stays constant at 29.57% of Revenue														
Operating Expenses:														
R&D	207,008	218,176	267,002	339,099	417,198	487,852	558,675	625,923	709,046	788,222	859,505	918,889	962,646	
Sales and marketing	310,848	397,160	487,225	593,423	726,732	874,770	1,034,583	1,201,772	1,329,460	1,507,903	1,640,873	1,794,021	1,925,291	
G&A	162,722	198,247	185,487	211,937	255,702	302,805	351,758	400,591	443,153	479,787	527,424	568,836	625,720	
Restructuring	0	6,706	0	5,000	0	0	0	0	0	0	0	0	0	
Total Op. Ex	680,578	820,289	939,714	1,149,459	1,399,632	1,665,427	1,945,017	2,228,286	2,481,659	2,775,913	3,027,802	3,281,746	3,513,656	
Operating Income (EBIT)	(258,399)	(199,135)	(118,253)	(89,775)	(53,832)	16,822	124,150	275,406	472,697	651,140	879,039	1,093,915	1,299,572	
Interest Income	21,408	45,880	50,100	63,581	80,748	97,570	120,012	140,207	159,535	181,634	203,156	223,159	240,661	
Interest Expense	(1,830)	(1,216)	(171)	0	0,000	0	0	0	0	0	0	0	0	
Other income (expenses), net	(1,293)	918	(2,177)	1,060	2,692	4,206	6,208	7,511	7,386	6,854	5,860	4,376	4,813	
Income Tax	(5,613)	5,859	6,834	8,477	12,112	16,822	41,383	75,111	118,174	171,353	234,410	284,418	322,486	
Net Income	(378,678)	(338,693)	(288,441)	(346,960)	(380,458)	(395,665)	(402,867)	(392,329)	(352,159)	(345,104)	(301,608)	(256,851)	(200,712)	
Statement of Cash Flows														
All figures in USD thousands unless otherwise states														
	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	
Cash Flow from Operating Activities														
Net Income	(378,678)	(338,693)	(288,441)	(346,960)	(380,458)	(395,665)	(402,867)	(392,329)	(352,159)	(345,104)	(301,608)	(256,851)	(200,712)	
D&A	29,721	38,912	42,766	52,984	64,598	77,383	88,974	100,148	112,266	123,374	132,833	140,021	144,397	
SBC	164,466	216,870	267,531	317,905	376,824	437,385	517,292	588,368	649,958	685,411	742,300	787,619	842,315	
Other Adjustments	26,572	34,693	58,494	68,880	87,477	100,935	120,012	137,703	156,581	171,353	187,528	196,905	202,156	
Change in Operating Assets and Liabilities	(35,368)	(20,156)	(46,622)	(47,686)	(57,869)	(68,972)	(82,767)	(95,140)	(103,402)	(113,093)	(117,205)	(122,519)	(125,144)	
Net Cash from Operating Activities	(193,287)	(68,374)	33,728	45,123	90,572	151,066	240,644	338,750	463,243	521,940	643,847	745,175	863,012	
Cash Flow from Investing Activities														
PP&E	(4,953)	(1,304)	(1,860)	(3,179)	(4,037)	(5,047)	(4,138)	(5,007)	(5,909)	(3,427)	(3,907)	(4,376)	(4,813)	
Intangibles	(407)	(3,505)	(155)	(3,179)	(4,037)	(5,047)	(6,208)	(7,511)	(8,863)	(10,281)	(11,721)	(13,127)	(14,440)	
Capitalization of Internal-Use Software	(13,452)	(13,956)	(25,121)	(37,089)	(44,411)	(50,467)	(55,868)	(60,089)	(64,996)	(68,541)	(70,323)	(65,635)	(57,759)	
Purchase of Investments	(1,938,007)	(466,253)	(804,498)	(635,811)	(672,900)	(672,900)	(724,208)	(751,108)	(738,589)	(856,763)	(976,710)	(984,524)	(1,082,976)	
Sales and Maturity of Investments	925,185	639,193	737,074	604,020	639,255	639,255	687,998	713,552	701,660	813,925	927,875	935,298	1,028,827	
Cash Paid for acquisitions	(281,032)	(13,585)	(123,837)	(80,000)	(50,000)	(25,000)	0	0	(100,000)	(20)	0	0	0	
*Assumes acquisition spending occurs periodically														
Net Cash from Investing Activities	(1,312,666)	140,590	(218,397)	(155,238)	(136,131)	(119,206)	(102,424)	(110,162)	(216,697)	(125,107)	(134,786)	(132,364)	(131,160)	
Cash Flow from Financing Activities														
Proceeds from Equity Issuance	36,494	47,464	55,906	63,581	78,056	94,206	111,735	125,185	141,809	157,644	171,901	183,778	192,529	
Equity-Related Payments	(186)	0	(21)	0	0	0	0	0	0	0	0	0	0	
Net Cash from Financing Activities	36,308	47,464	55,906	63,581	78,056	94,206	111,735	125,185	141,809	157,644	171,901	183,778	192,529	

SentinelOne (NYSE: S)

Industry: Cybersecurity

Date: 07/17/2025

**Brendan Clark**bclark2@andrew.cmu.edu

Action: Long / PT: ~\$33.57 / Upside: ~ 87%

Balance Sheet													
All figures in USD thousands unless otherwise states													
	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Assets													
Current Assets:													
Cash and Cash Equivalents	137,941	256,651	186,574	140,041	172,538	298,604	548,559	902,331	1,290,686	1,845,163	2,526,126	3,322,715	4,247,095
Short-term investments	485,584	669,305	535,331	476,858	484,488	504,675	517,292	550,812	590,871	616,870	664,163	700,106	721,984
Accounts Receivable	151,492	214,322	236,012	317,905	403,740	504,675	620,750	751,108	886,307	1,028,116	1,172,052	1,312,699	1,443,968
Deferred contract acquisition costs, current	37,904	54,158	64,782	84,775	107,664	126,169	155,188	187,777	221,577	257,029	293,013	328,175	360,992
Prepaid expenses and other current assets	101,812	102,895	47,023	95,372	107,664	126,169	165,533	212,814	206,805	222,758	244,178	306,296	360,992
Total Current Assets	914,733	1,297,331	1,069,722	1,114,950	1,276,094	1,560,291	2,007,322	2,604,842	3,196,246	3,969,937	4,899,532	5,969,990	7,135,032
PP&E	38,741	48,817	71,774	21,969	0	0	0	0	0	0	0	0	0
Operating lease right-of-use assets	23,564	18,474	0	30,221	26,136	26,882	44,086	47,325	55,333	67,327	74,591	83,819	92,886
Long-term investments	535,422	204,798	419,367	635,811	672,900	672,900	724,208	751,108	886,307	1,028,116	1,172,052	1,312,699	1,443,968
Deferred contract acquisition costs, non-current	55,536	71,640	85,322	84,775	107,664	134,580	165,533	200,295	236,349	274,164	312,547	350,053	385,058
Intangibles assets	145,093	122,903	107,155	91,082	77,419	65,807	96,844	82,317	69,970	121,376	103,169	87,694	74,540
Goodwill	540,308	549,411	629,636	684,569	701,346	708,452	708,452	708,452	758,934	758,952	758,952	758,952	758,952
Other Assets	5,516	8,033	23,649	31,791	40,374	50,467	62,075	75,111	88,631	102,812	117,205	131,270	144,397
Total Assets	2,258,913	2,321,407	2,406,625	2,695,167	2,901,932	3,219,379	3,808,521	4,469,449	5,291,769	6,322,683	7,438,049	8,694,477	10,034,833
Liabilities and Stockholders' Equity													
Current Liabilities:													
Accounts Payable	11,214	6,759	8,159	11,657	16,150	21,869	28,968	37,555	44,315	51,406	58,603	65,635	72,198
Accrued Liabilities	100,015	104,671	0	0	0	0	0	0	0	0	0	0	0
Accrued payroll and benefits	54,955	74,345	79,612	137,759	168,225	201,870	237,954	275,406	310,207	342,705	390,684	437,566	481,323
Deferred Revenue, current	303,200	399,603	470,127	423,874	484,488	538,320	620,750	701,034	768,133	856,763	937,642	1,006,402	1,058,910
Other Current Liabilities	3,895	4,689	55,655	9,537	12,112	15,140	18,623	22,533	26,589	30,843	35,162	39,381	43,319
Total Current Liabilities	473,279	590,067	613,553	582,827	680,975	777,199	906,295	1,036,528	1,149,245	1,281,718	1,422,090	1,548,984	1,655,750
Deferred Revenue, non-current	103,062	114,930	102,017	132,461	174,954	227,104	289,683	363,035	428,382	496,923	546,958	590,714	625,720
Other Liabilities	25,867	22,367	21,808	26,492	33,645	42,056	51,729	62,592	73,859	85,676	97,671	109,392	120,331
Total Liabilities	602,208	727,364	737,378	741,779	889,574	1,046,359	1,247,708	1,462,156	1,651,485	1,864,317	2,066,719	2,249,090	2,401,801
Common Stock	29	30	32	30	30	30	30	30	30	30	30	30	30
APIC	2,663,394	2,934,607	3,294,542	3,327,487	3,360,762	3,394,370	3,428,314	3,462,597	3,497,223	3,532,195	3,567,517	3,603,192	3,639,224
Accumulated other comprehensive income (loss)	(6,367)	(1,550)	2,158	0	0	0	0	0	0	0	0	0	0
Accumulated Deficit	(1,000,351)	(1,339,044)	(1,627,485)	(1,907,432)	(2,153,279)	(2,355,149)	(2,276,083)	(2,002,953)	(1,477,178)	(1,028,116)	(586,026)	(218,783)	240,661
Total Stockholders' Equity	1,656,705	1,594,043	1,669,247	1,420,085	1,207,513	1,039,251	1,152,260	1,459,673	2,020,075	2,504,109	2,981,521	3,384,439	3,879,915
Total Liabilities and Stockholders' Equity	2,258,913	2,321,407	2,406,625	2,161,864	2,097,087	2,085,610	2,399,968	2,921,829	3,671,560	4,368,426	5,048,240	5,633,529	6,281,716

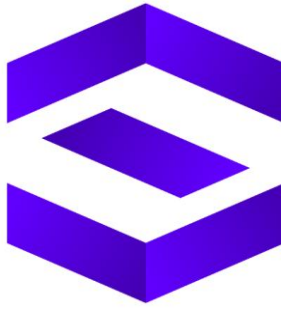
Valuation Support:

				Bear Case		Base Case		Bull Case	
		TV (\$)	WACC (%)						
		Growth Rate (%)	20,022,579	11.00%	10.00%	9.00%	8.00%	7.00%	6.00%
			0.00%	\$ 9,796,492.82	\$ 10,776,142.10	\$ 11,973,491.22	\$ 13,470,177.62	\$ 15,394,488.71	\$ 17,960,236.83
Bear Case			1.00%	\$ 10,883,903.52	\$ 12,093,226.13	\$ 13,604,879.40	\$ 15,548,433.60	\$ 18,139,839.20	\$ 21,767,807.04
			2.00%	\$ 12,212,961.05	\$ 13,739,581.18	\$ 15,702,378.49	\$ 18,319,441.57	\$ 21,983,329.88	\$ 27,479,162.35
Base Case			3.00%	\$ 13,874,282.95	\$ 15,856,323.37	\$ 18,499,043.94	\$ 22,198,852.72	\$ 27,748,565.91	\$ 36,998,087.87
			4.00%	\$ 16,010,268.26	\$ 18,678,646.31	\$ 22,414,375.57	\$ 28,017,969.46	\$ 37,357,292.61	\$ 56,035,938.92
Bull Case		5.00%	\$ 18,858,248.67	\$ 22,629,898.41	\$ 28,287,373.01	\$ 37,716,497.35	\$ 56,574,746.02	\$ 113,149,492.04	

SentinelOne (NYSE: S)

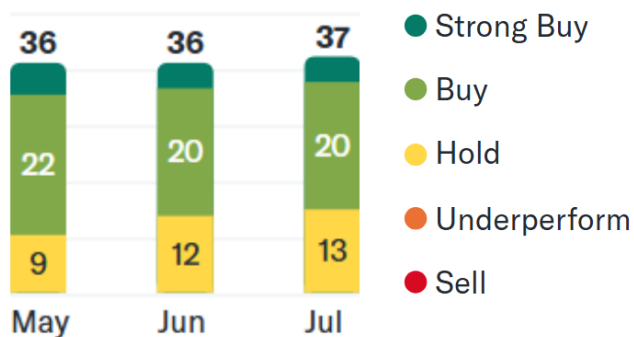
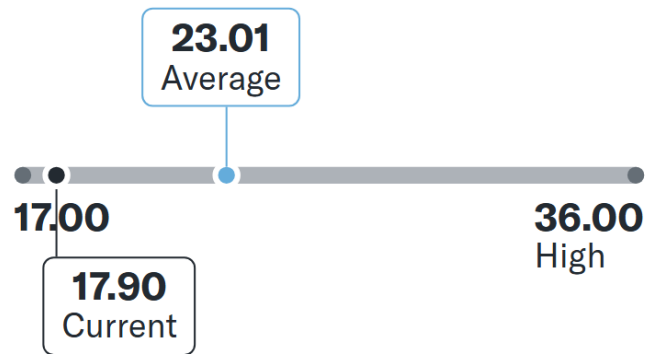
Industry: Cybersecurity

Date: 07/17/2025

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Action: Long / PT: ~\$33.57 / Upside: ~ 87%

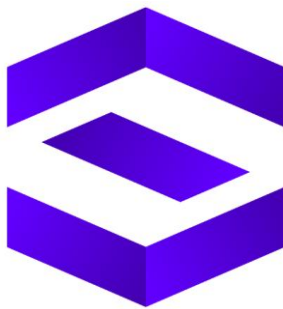
Comps List	Ticker	Price	Market Cap (\$B)	NTM EPS	Forward P/E	Trailing P/E	P/S	EV/Revenue	EV/EBITDA
CrowdStrike	CRWD	471.26	117.46	4.12	135.14	401.83	28.35	27.77	689.59
PaloAlto	PANW	196.66	131.13	3.47	52.08	109.61	15.22	14.04	75.06
Tenable	TENB	33.60	4.11	1.62	21.69	0.00	4.21	4.26	709.81
Rapid7	RPD	22.60	1.45	1.90	12.29	55.61	1.69	2.34	21.56
Zscaler	ZS	287.61	44.78	3.42	78.74	0.00	17.51	11.60	387.78
Trend Micro	TMICY	64.60	8.48	0	25.84	38.25	4.51	3.79	13.13
SentinelOne	S	18.00	5.97	-0.83	84.03	0.00	6.52	5.97	-10.97
Summary Statistics		Price	Market Cap (\$B)	NTM EPS	Forward P/E	Trailing P/E	P/S	EV/Revenue	EV/EBITDA
High		471.26	131.13	4.12	135.14	401.83	28.35	27.77	709.81
Low		18.00	1.45	-0.83	12.29	0.00	1.69	2.34	-10.97
Mean		156.33	44.77	1.96	58.54	86.47	11.14	9.97	269.42
Median		64.60	8.48	1.90	52.08	38.25	6.52	5.97	75.06

Analyst Recommendations**Analyst Price Targets**

SentinelOne (NYSE: S)

Industry: Cybersecurity

Date: 07/17/2025

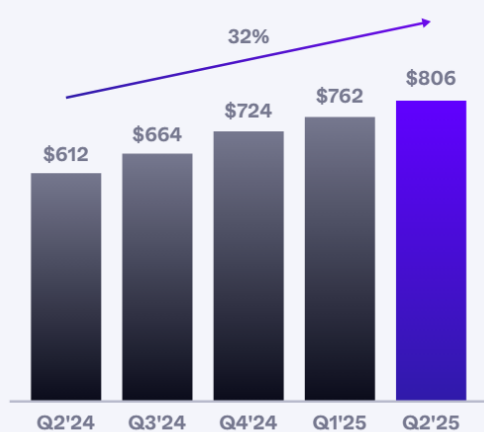
**Brendan Clark**bclark2@andrew.cmu.edu

Action: Long / PT: ~\$33.57 / Upside: ~ 87%

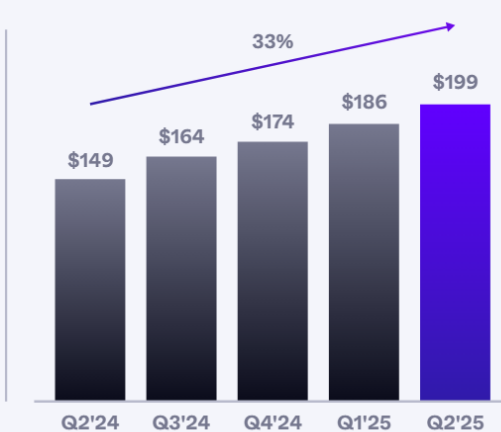
SentinelOne Filings:

Annualized Recurring Revenue

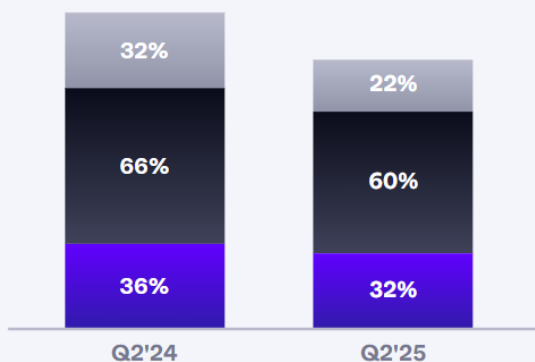
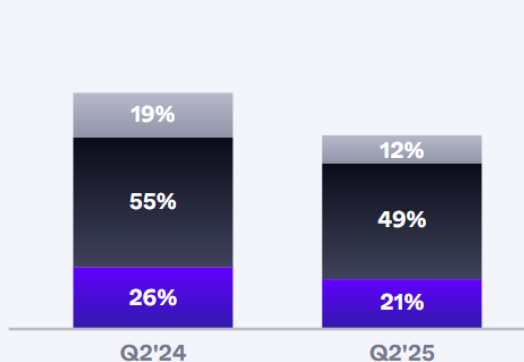
\$ million, year over year growth

**Revenue**

\$ million, year over year growth

**Operating Expenses**

% of revenue, GAAP & Non-GAAP

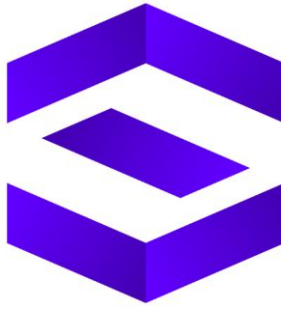
GAAP**NON-GAAP**

■ R&D ■ S&M ■ G&A

SentinelOne (NYSE: S)

Industry: Cybersecurity

Date: 07/17/2025

**Brendan Clark**bclark2@andrew.cmu.edu

Action: Long / PT: ~\$33.57 / Upside: ~ 87%

Operating Income (Loss) & Margin

\$ million and % of revenue, GAAP & Non-GAAP



Singularity Platform sets the standard for AI-powered endpoint security

MOUNTAIN VIEW, Calif.--(BUSINESS WIRE)--[SentinelOne®](#) (NYSE: S), a global leader in AI-powered security, announced today that it was once again named a Leader in the 2025 Gartner Magic Quadrant for Endpoint Protection Platforms (EPP). This marks the fifth consecutive year that SentinelOne has been positioned in the Leaders Quadrant. We feel the recognition validates SentinelOne's unmatched AI leadership and architectural advantage in delivering autonomous protection across endpoint, cloud, and data.

SentinelOne and its Singularity Platform have long been the choice of the world's forward leaning teams and partners. The fastest-growing pure-play cybersecurity provider of endpoint protection in the world, the company has continued to achieve growth at scale by protecting businesses, government agencies, and service providers of all sizes with the most reliable, integrated, and advanced security solutions on the market. SentinelOne's architectural and reputational advantage has proven even more critical as customers and partners alike look for leading security protection while ensuring business resiliency and reducing the risk of breaches or disruption.

The Singularity Platform continues to set the benchmark for what modern security demands: precision, speed, and scale. As the fastest-growing pure-play cybersecurity company in endpoint protection, SentinelOne is trusted by leading enterprises, governments, and service providers worldwide to prevent breaches, reduce complexity, and secure operations without compromise.

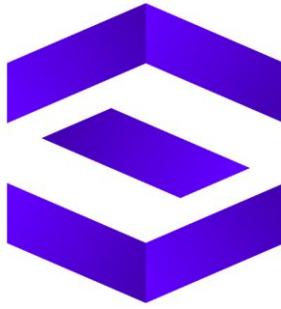
In 2025, SentinelOne doubled down on its vision for an AI-driven SOC with:

- A preview of the next generation of Purple AI at RSAC 2025 – Deep security reasoning and agentic detection and response with [Purple AI "Athena" release](#).
- Recognized as the [Best Endpoint Security Solution](#) at the [2025 SC Awards](#)
- Launched general availability of Singularity Hyperautomation, empowering security teams with no-code, AI-driven workflow automation
- Achieving FedRAMP High Authorization for key offerings, including [Purple AI](#), [Singularity Endpoint](#), [Singularity Cloud Security](#), and [Singularity Hyperautomation](#)

SentinelOne (NYSE: S)

Industry: Cybersecurity

Date: 07/17/2025

**Brendan Clark**bclark2@andrew.cmu.edu

Action: Long / PT: ~\$33.57 / Upside: ~ 87%

Market Context:

Vendors ranked from least to most noise generated
(# of Email Escalations / Attacker Activity)

