

CASE MATERIAL

SentinelOne — Investment Review Companion Brief

Companion edition | Not the original task input

Showcase Companion Material · Revised October 2026

Companion material prepared from the published presentation and speaker notes. It is not the original task input. Suggested task instructions are newly written, not historical prompts.

15-slide investment committee case; evidence cutoff: September 14, 2026; FY2024–FY2026 and Q1 FY2027.

Committee mandate and evidence status

The committee decision is whether SentinelOne merits full diligence, not whether to buy the stock or deploy capital. The published conclusion is proceed to bounded diligence, subject to retention, organic growth, GAAP economics, competitive proof and capital-use gates.

All numeric financial and market references in this companion are transcribed from the published deck and its notes. The deck cites primary filings and third-party research, but those documents have not been independently reconciled in this companion. Treat this as a faithful case explanation, not an independently audited investment source. No stock price, valuation multiple, target price or trade recommendation is provided.

Recurring model and market setting

The published case describes per-agent subscriptions, expansion through modules/licenses, partner-led delivery and ratable recognition over one to three years. It says most revenue is subscription, no end customer exceeds 3% of ARR, and sales are partner fulfilled. Cohort renewal, module economics and channel concentration remain diligence questions.

The deck cites Gartner for a 2026 information-security spending forecast of \$244B and 11.6% constant-currency growth. Spending expansion is a tailwind, not a moat. Platform consolidation, integration and procurement can favor vendors with broader ecosystems. These are historical case references, not newly checked market forecasts.

Growth, recurring metrics and disclosure gaps

The published revenue trend is approximately \$0.62B in FY2024, \$0.82B in FY2025 and \$1.00B in FY2026. FY2026 revenue growth is 22%. Q1 FY2027 reports approximately \$277M revenue, +21%, and \$1.16B ARR, +23%, with management describing record net-new ARR. Preserve the distinction between annual results and quarterly updates.

ARR: \$724M / \$920M / \$1,119M across FY2024 / FY2025 / FY2026; FY2026 +22%. RPO: \$896M / \$1,169M / approximately \$1.4B; FY2026 +20%. Customers with at least \$100K

ARR: 1,133 / 1,411 / 1,667; FY2026 +18%. Historical NRR is 114% / 110%, while FY2026 exact NRR is withheld and described as expansionary. The deck reports an approximately 5% ARR adjustment in 2023 after methodology changes/inaccuracies. Do not fabricate the withheld retention figure.

The page-3 summary includes FY2026 GAAP gross margin of 74%, approximately 30% SBC/revenue, \$76.6M operating cash flow and liquidity near \$770M versus \$1.1B. ARR, RPO, revenue and cash are different measures.

Operating profitability and dilution

The deck compares GAAP operating margins of -60.9%, -40.1% and -32.1% with non-GAAP operating margins of -19.0%, -3.1% and 3.5% for FY2024–FY2026. These are operating margins, not net income margins.

Its rounded FY2026 bridge is -\$321M GAAP operating loss + \$298M stock compensation + \$58M other exclusions = approximately \$35M non-GAAP operating income. Other exclusions include payroll tax, amortization, M&A; compensation and restructuring as described in the published case. Do not describe non-GAAP operating profit as GAAP profitability or silently remove SBC from the economic discussion.

Cash generation, capital allocation and sales efficiency

Operating cash flow in the published case is -\$68.4M in FY2024, \$33.7M in FY2025 and \$76.6M in FY2026. It describes liquidity falling from approximately \$1.1B to \$770M, FY2026 M&A; of \$249M and buybacks of \$200M. It reports an Israel Tax Authorities settlement with payments through 2030 and 7% interest. These amounts/timing require filing-level verification for financial use; they are retained here as the case states them.

S&M;/revenue: 63.9%, 59.3%, 52.4% across FY2024–FY2026. Incremental revenue divided by prior-year S&M;: not supplied for FY2024, 0.50x for FY2025 and 0.37x for FY2026. This is a derived directional efficiency metric, not LTV/CAC. The interpretation is that cost discipline improved faster than go-to-market productivity.

Growth attribution and competitive risk

The published analysis treats new logos, license expansion and adjacent modules as qualitatively supported growth drivers, while price/mix and acquisition contributions are not quantified. It notes acquired businesses were described as not material but no organic growth bridge was provided. Do not convert qualitative drivers into invented contribution percentages.

SentinelOne is compared with CrowdStrike as a scaled endpoint/module specialist, Microsoft as a bundled identity/productivity ecosystem and Palo Alto as a broad network/cloud/SOC platform. This is a diligence framework, not a scored performance benchmark. Risks include retention/ARR quality, GAAP/SBC economics, competition, execution/layoffs, M&A; integration and tax/FX; directional risk scores are analyst judgments.

Five diligence gates and source trail

Request cohort gross/net retention by segment/product; an organic/acquired/price/usage ARR bridge; GAAP cash economics after dilution and tax commitments; competitive win/loss and module/channel economics; and returns on M&A;/buyback versus liquidity. Stop if retention, organic growth or GAAP economics fail reconciliation. Authorize full diligence only; no investment approval.

Published page correspondence: 1–3 decision/scorecard; 4 business model; 5 market; 6 growth; 7 recurring metrics; 8 operating profit bridge; 9 cash/capital; 10 efficiency; 11 growth drivers; 12 competition; 13 risks; 14 questions; 15 decision/source receipt.

The deck cites FY2026 Form 10-K PDF pages 66–80, 82, 88, 98, 103, 126; FY2025 pages 42, 69–78, 89, 99–101, 121; FY2024 pages 86, 94–104, 123, 125; Q1 FY2027 official results; Reuters March 13 and May 29, 2026; and Gartner research. These are deck-supplied locators. Original PDFs and page-number convention must be checked before treating them as verified citations.