

Everpure, Inc. — Company Analysis

Ticker P (NYSE, formerly PSTG) - Santa Clara, CA - report generated 2026-05-29. Equity dossier for the "Asymmetric Bets" fund. Analysis, not investment advice.

Ticker identification

The fund-held name "EVERPURE" most likely refers to Pure Storage, Inc., which rebranded to Everpure, Inc. on 23 February 2026 and changed its NYSE ticker from PSTG to "P" on 17 April 2026 [S1][S2]. There is a Pentair-owned commercial water-filtration brand also called Everpure (Pentair acquired it for \$215m in 2004) [S3], but that brand is not separately listed — Pentair trades under PNR — and would not appear as a holding line called "EVERPURE" in a portfolio. The disambiguation hint in the brief (option c: "possibly Pure Storage / AI storage company benefiting from data-center buildout") is correct. The rest of this dossier covers NYSE: P (Everpure, Inc., legal successor to Pure Storage). Confidence in identification: ~0.95.

Snapshot

- Ticker: NYSE: P (legacy PSTG)
- Price: ~\$75.47 (28-May-2026 close, after a 12-15% post-earnings sell-off) [S4]
- Market cap: ~\$25bn (332m shares outstanding) [S4]
- Revenue FY2024 / FY2025 / FY2026: \$2.83bn / \$3.17bn / \$3.66bn [S5][S6][S7]
- Growth: +3% / +12% / +16% YoY; Q1 FY27 +35% YoY [S5][S6][S7][S8]
- Profitability: FY26 non-GAAP operating margin ~17%; GAAP net income ~\$107m in FY25 (3.4% margin) [S5][S6]
- FCF: \$616m FY26 (16.8% margin); operating cash flow \$880m [S7]
- Net cash / debt: ~\$1.5bn cash & securities, modest debt -> ~\$1.3bn net cash [S7]
- Valuation: ~6.8x EV/sales (FY26), ~22x EV/FCF, GAAP P/E ~130-165x (depressed by stock-based comp) [S4]
- Currency: USD
- Geography: ~70% US, ~30% international
- What: All-flash storage arrays + Purity software, evolving into an "Enterprise Data Cloud" platform
- Value chain: Hardware (DirectFlash modules) + software-defined data management + subscription (Evergreen//One STaaS)
- End markets: Enterprise IT, AI/ML training & inference, hyperscale data centers, public sector
- Founded / HQ: 2009 / Santa Clara, California [S9]
- CEO: Charles Giancarlo (since 2017; founder John Colgrove is CTO) [S9]
- Top competitors: Dell EMC (PowerStore/PowerMax), NetApp, HPE, VAST Data, Weka, IBM [S10]
- Key partners: Meta (hyperscaler design win), NVIDIA (BasePOD/SuperPOD AI ref-arch), Equinix, ServiceNow
- Catalyst: FY27 hyperscaler revenue ramp; second hyperscaler design win; 1touch integration
- Verdict: Genuine secular winner in AI data infrastructure; multiple already prices in execution
- Confidence: 0.62

The asymmetric thesis

The "Asymmetric Bets" angle is the disk-to-flash transition at hyperscale. Pure Storage spent 15 years selling all-flash arrays to enterprises; in December 2024 it won what management calls an "industry-first" design-in at a top-four hyperscaler (widely reported to be Meta) to displace HDDs for standard storage workloads — a market currently ~70% of global HDD purchases [S11][S12]. The commercial model is licensing of Purity software plus support, while the hyperscaler procures DirectFlash hardware via integrators; this is high-margin (90%+ gross) and capital-light for Pure. Meta contributed ~\$30m in Q2 FY26 [S12], but the design-in is expected to generate meaningful revenue from FY27 onward, and management has openly signalled "more hyperscalers could be coming."

The pre-trend angle: the consensus still values P as an enterprise storage vendor (6-7x sales) rather

than a hyperscale-flash royalty stream. If even one additional hyperscaler signs, and Meta scales to multi-exabyte deployments, the model is multi-billion-dollar high-margin software revenue compounding at 25%+ for years. Layered on top: the February 2026 rebrand to Everpure plus 1touch acquisition reframes the company as the "AI-ready data platform" (data discovery, classification, enrichment for AI training) — a positioning closer to Snowflake/Databricks than to a hardware OEM (original equipment manufacturer) [S13][S14]. Upside scenario: \$7-8bn revenue and \$1.5bn+ FCF (free cash flow) by FY29, justifying a \$50-60bn market cap (2-2.4x current). Downside: hyperscaler design wins stall, enterprise growth normalizes to ~8%, multiple compresses to 4x sales -> \$40-45/share.

Financials

| USD millions | FY2024 (Jan-24) | FY2025 (Feb-25) | FY2026 (Feb-26) |
|---|-----------------|-----------------|-----------------|
| Revenue | 2,831 | 3,170 | 3,660 |
| YoY (year-on-year) growth | +3% | +12% | +16% |
| Subscription services revenue | 1,200 | 1,485 | 1,700 |
| Subscription ARR | 1,400 | 1,720 | ~2,000 |
| Non-GAAP (Generally Accepted Accounting Principles (US)) operating margin | 16.2% | 17.7% | ~17% |
| Operating cash flow | ~700 | 753 | 880 |
| Free cash flow | ~520 | ~600 | 616 |
| RPO | 2,300 | ~2,650 | 3,700 |
| GAAP net income | 60 | 107 | ~130 |

Sources: [S5][S6][S7][S15].

Sector / TAM

Enterprise flash storage is forecast at \$36.9bn in 2026, growing to \$53.95bn by 2030 (9.9% CAGR (compound annual growth rate)) and ~\$67bn by 2035 [S16][S17]. All-flash arrays specifically grew +18.1% YoY in 2024, outpacing the broader market [S16]. Pure's served addressable market expands sharply via the hyperscale-flash thesis: HDD-replacement at the top-4 cloud providers represents an incremental TAM (total addressable market) of tens of billions over the next 5-7 years, since hyperscalers buy ~70% of global HDD output [S11]. Subscription/STaaS (Storage-as-a-Service) is the fastest-growing sub-segment; Everpure's Evergreen/One ARR of ~\$2bn (Q1 FY27) growing 19% YoY captures this shift [S8]. Competing in adjacent AI-data-management (a Snowflake/Databricks-adjacent stack) opens a further ~\$30bn+ TAM where 1touch is the entry point [S13][S14].

Market structure: Dell leads enterprise storage arrays at 26% share, with Pure at ~6-7% — but Pure is the share-gainer and the only pure-play challenger with a software-defined, all-flash native architecture [S10].

Recent news

- 2026-05-27: Q1 FY27 results — revenue \$1.1bn (+35% YoY), product revenue +55%, subscription ARR \$2.0bn (+19%); stock fell 12-15% on soft Q2 guidance and flat gross margin [S8][S18].
- 2026-05-11: Closed acquisition of 1touch (data discovery/classification) — embeds metadata cataloging into the Everpure Platform for AI-ready data [S14].
- 2026-04-17: Ticker change PSTG -> P on NYSE [S1].
- 2026-02-25: Q4 FY26 results — first \$1bn quarter, +20% YoY; full year revenue \$3.66bn (+16%) [S7].
- 2026-02-23: Corporate rebrand to Everpure, Inc.; announces intent to acquire 1touch [S2][S13].

What would change the view

Specific, falsifiable signals over the next 18 months. Both directions.

- *(+)* Meta DirectFlash design win generates >\$200m of FY27 revenue — hyperscaler displacement of HDD storage is real, not roadmap.
- *(+)* Subscription / recurring revenue passes 50% of total revenue — software-margin re-rating accelerates.
- *(+)* Two additional hyperscaler design wins disclosed within 12 months — the platform extension is durable.
- *(-)* Gross margin compresses below 65% on a TTM (trailing twelve months) basis — the high-end multiple no longer earns its premium.
- *(-)* FY27 revenue growth falls below 20% — the AI-storage tailwind narrative breaks.
- *(-)* Capex (capital expenditure) / revenue intensity exceeds 12% for two consecutive quarters — the capital-light story breaks.

Bull case (3 specific reasons)

1. Hyperscaler design-win is real and replicable. Meta validated DirectFlash for multi-exabyte standard-storage workloads — the first time a top-4 hyperscaler has approved flash at this layer. Pure earns a software-license/royalty stream at ~90% gross margin, with limited capex, beginning to ramp in FY27. A second hyperscaler signing would be a step-change catalyst [S11][S12]. 2. Subscription mix transforms the financial profile. Subscription ARR of \$2bn (+19%) and RPO of \$3.8bn (+41%) [S8] indicate >50% of revenue is becoming recurring. This compresses cyclicality, improves multiple support and lifts FCF predictability — analogous to the ServiceNow/CrowdStrike re-rating playbook. 3. AI-data-management pivot expands the TAM. The Everpure rebrand plus 1touch acquisition push the company into "AI-ready data" — data classification, enrichment, governance at source. This is where the value migrates as enterprises operationalize generative AI, and Pure is one of few storage vendors credibly positioning here [S13][S14].

Bear case (3 specific risks)

1. Valuation embeds heroic assumptions. At ~6.8x EV/sales, ~22x EV/FCF and a triple-digit GAAP P/E (price-to-earnings), the stock prices both hyperscaler ramp AND enterprise share gains AND a software re-rating. Q1 FY27 beat estimates +35% but stock fell 12-15% on flat gross margins and soft Q2 guidance, showing how thin the cushion is [S4][S18]. 2. Hyperscaler economics are double-edged. Hyperscalers extract pricing concessions and could insource (Meta builds its own ASICs/storage stacks). The "margin sacrifice today" framing in sell-side notes means lower realized margins on hyperscaler revenue — and concentration in 1-2 customers introduces tail risk [S19]. 3. Competitive intensification at the high end. VAST Data and Weka are taking AI-training workloads with disaggregated, software-defined architectures; Dell PowerStore/PowerScale and NetApp bundle with broader enterprise contracts. If Everpure's hardware-attached software model loses to pure-software-defined competitors, the moat erodes [S10].

Sources

- [S1] [T3] Everpure ticker change PSTG -> P announcement — everpuredata.com newsroom (April 2026).
- [S2] [T3] Pure Storage Rebrands as Everpure — Globe and Mail / ASBIS (23 Feb 2026).
- [S3] [T3] Pentair completes acquisition of Everpure (2004) — WaterWorld / Pentair IR.
- [S4] [T3] Everpure (P) stock price & market cap — Stockanalysis.com / Robinhood / GuruFocus (May 2026).
- [S5] [T3] Pure Storage FY2024 full-year results — PRNewswire / 8-K (March 2024).
- [S6] [T3] Pure Storage FY2025 full-year results \$3.17bn (+12%) — StockTitan / 8-K (March 2025).
- [S7] [T3] Pure Storage Q4 FY2026 / full-year — Investing.com / 8-K (Feb 2026); \$3.66bn rev, FCF \$616m, cash \$1.5bn.
- [S8] [T3] Everpure Q1 FY27 results — SEC 8-K / Yahoo Finance / GuruFocus (27 May 2026).
- [S9] [T3] Pure Storage founding & leadership — Crunchbase / MatrixBCG / LinkedIn (Charles Giancarlo CEO since 2017).

- [S10] [T3] Storage market share & competition — Computer Weekly / Gartner Peer Insights / MatrixBCG.
- [S11] [T3] Hyperscaler design win — Blocks & Files (Dec 2024); ITPro analysis.
- [S12] [T3] Pure Storage Meta hyperscaler contribution ~\$30m Q2 FY26, 90%+ gross — Seeking Alpha / BeyondSPX.
- [S13] [T3] Everpure rebrand + 1touch intent — Blocks & Files / Network World (23 Feb 2026).
- [S14] [T3] 1touch acquisition close — HPCwire / Channel Dive / Maria Korolov (May 2026).
- [S15] [T3] Pure Storage subscription ARR trajectory — Futurum Group quarterly notes (FY25-FY26).
- [S16] [T3] Enterprise flash storage TAM 2026: \$36.9bn, AFA +18.1% — OpenPR / Mordor Intelligence.
- [S17] [T3] Enterprise flash storage to \$67bn by 2035 — GlobeNewswire / SNS Insider (March 2026).
- [S18] [T3] Everpure Q1 FY27 stock reaction — Benzinga / FinancialContent (28 May 2026).
- [S19] [T3] Hyperscaler inflection margin commentary — BeyondSPX / Piper Sandler note (2026).

Appendix — methodology & sources

Generated by AutoLab (thesis mode) on 2026-05-30. The loop iteratively scouts the weakest point, researches it, red-teams it, and integrates the findings; . Headline confidence 0.00.