

CrowdStrike Holdings, Inc.

NASDAQ: CRWD | Cybersecurity Software | Equity Research | 20 August 2026

Still the right company. Now an even wronger price.

WATCHLIST	\$201.63	\$198	-2.0%
RECOMMENDATION	LAST CLOSE (19 AUG)	12-MO FAIR VALUE	IMPLIED RETURN
+8.9%	35.0x	0.77%	6
Since last report	EV / FY27E revenue	Fwd FCF yield	Days to Q2 print

1. What Has Changed Since 31 July

Nothing in CrowdStrike's operating record has changed since the last review. The company has not reported, has not guided, and has issued no material disclosure. What has changed is the price, and it has changed enough to matter. The shares closed at \$201.63 on 19 August against \$185.22 on 30 July, a gain of 8.9%, having first run to an all-time high of \$227.50 intraday on 14 August before surrendering 11.4% of that level across three sessions. The 19 August session alone took 5.3% off the stock on 10.8 million shares, the heaviest volume in a fortnight.

That move carries a specific consequence for this coverage. The previous report published a probability-weighted fair value of \$195 and an implied return of +5.3%. The stock has since traded through that number. On refreshed scenarios the fair value is \$198, and the last close sits roughly 2% above it. A Watchlist rating issued when the shares offered a thin positive return is now a Watchlist rating issued when they offer none at all, and the multiple has absorbed the entire difference.

Metric	31 Jul 2026 report	This report (19 Aug)	Direction
Share price	\$185.22	\$201.63	+8.9%
EV / FY27E revenue	31.7x	35.0x	Worse
P / E, FY27E non-GAAP	~151x	~164x	Worse
EV / FY27E free cash flow	~118x	~130x	Worse
Forward free cash flow yield	0.85%	0.77%	Worse
Growth-adjusted EV / sales	1.38	1.52	Worse
Probability-weighted fair value	\$195	\$198	+1.5%
Implied return from last close	+5.3%	-2.0%	Worse
Recommendation	Watchlist	Watchlist	Unchanged

Valuation multiples are computed from the 19 August 2026 close against the midpoint of company guidance issued 3 June 2026. Enterprise value assumes approximately 1.05 billion diluted shares and \$3.8bn of net cash as at 30 April 2026. Prices are adjusted for the 4-for-1 split effective 2 July 2026.

2. Do the Published Levels Still Hold?

Two published levels require revision, and one does not.

The fair value moves marginally, from \$195 to \$198, and the reason is mechanical rather than analytical. A month has passed, the forward window has rolled slightly toward fiscal 2028, and the same scenario architecture applied to a marginally later base produces a marginally higher number. No scenario probability has been altered. Readers should treat

a 1.5% shift in a twelve-month fair value estimate as noise, and note that it is dwarfed by the 8.9% move in the share price it is measured against.

The accumulation band moves more meaningfully, and this is the substantive update in this report. The previous review set a buy trigger at \$130 to \$145, derived as roughly 22 to 25 times forward revenue where the forward year was fiscal 2027. Six days from the second-quarter print, fiscal 2027 is half elapsed and the relevant forward base is migrating toward fiscal 2028 revenue of approximately \$7.15bn. The same 22 to 25 times multiple applied to a blended forward base gives \$141 to \$159. The band is therefore reset to **\$140 to \$160**. This is not a softening of the valuation discipline; it is the same discipline applied to a base that has moved forward by a quarter. Anyone who left a standing order at \$130 would now be waiting for a cheaper multiple than the one originally specified.

The cut-loss level is unchanged, because there is none to change. This is a Watchlist rating with no position attached, and the previous report correctly declined to publish a trade plan for a stock it was not recommending. That remains the position.

Published level	Previous	Now	Why
Fair value (12-mo, prob-weighted)	\$195	\$198	Forward base rolls one month toward FY28; scenario probabilities unchanged.
Accumulation band	\$130 - \$145	\$140 - \$160	Same 22-25x forward revenue applied to a blended FY27/FY28 base rather than FY27 alone.
Trade plan (entry / stop / target)	Not published	Not published	No position is recommended, so no levels are attached.
Downgrade trigger	Gross retention <95%, or a second sensor incident	Unchanged	Neither condition has been approached.

3. Analytical Framework

CrowdStrike sells subscriptions to Falcon, a single lightweight sensor that streams endpoint telemetry into a shared cloud data layer, on top of which the company sells discrete modules. The module count has risen to 33 from 30 a year earlier. Roughly 95% of revenue is subscription, and the commercial engine is module attach within existing accounts rather than new-logo acquisition. The five variables that will determine shareholder returns over the next one to two years are carried forward unchanged from the previous review, because nothing has occurred to displace them.

#	Driver	What to measure	Status since 31 July
1	Net new ARR durability	Quarterly net new ARR y/y; FY27 guide of \$6.53-6.56bn ending ARR	Untested. Q2 guide is \$284-286m, ~24% y/y. Reports 26 August.
2	Module attach and Falcon Flex	6+/7+/8+ module cohorts; Flex ARR and account count	Module count 33 vs 30 a year ago. No new company data.
3	AI as revenue versus AI as threat	AIDR and Agentic MDR attach; pricing-model commentary	TD Cowen puts TAM at \$149bn, +28% y/y, on Black Hat 2026 channel work. Third-party, not company-disclosed.
4	Operating leverage and SBC	Non-GAAP operating margin; SBC as % of revenue; diluted share count	Untested. FY27 op. margin guide ~24.7%; Q2 FCF margin guided to 24.5%.
5	The multiple itself	EV/forward revenue versus PANW, ZS, S; rate and risk-appetite regime	Deteriorated. 31.7x to 35.0x in three weeks on no fundamental news.

The asymmetry identified last month has widened rather than resolved. Drivers one through four remain untested until 26 August. Driver five, the only one that has actually moved, has moved against the shareholder.

4. Financial Position

The reported financial picture is unchanged from the previous review because no new period has been reported. Fiscal 2026 closed with revenue of \$4.81bn, up 22%, net new ARR of \$1.01bn and free cash flow of \$1.24bn at a 26% margin. First-quarter fiscal 2027 revenue grew 26% to \$1.39bn with free cash flow of \$468.5m, a 34% margin that management has explicitly described as seasonally exceptional. Ending ARR stood at \$5.51bn, up 24%, with dollar-based net retention at 115% and gross retention at 97%. The balance sheet carries approximately \$3.8bn of net cash.

The gap between adjusted and reported profitability remains the structural blemish. First-quarter non-GAAP operating income of \$325.7m sat against a much thinner GAAP result, the difference being predominantly stock-based compensation together with the residual costs of the July 2024 sensor incident. Fiscal 2026 as a whole closed in a GAAP net loss of \$162.5m. An investor paying 164 times adjusted earnings is paying a large multiple for a figure that excludes roughly a quarter of revenue in real economic cost.

\$ millions unless stated	FY25	FY26	Q1 FY27	Q2 FY27 guide	FY27E (guide mid)
Total revenue	3,953.6	4,812.0	1,385.6	1,436 - 1,442	5,936.7
Revenue growth y/y	29%	22%	26%	~23%	23%
Ending ARR	4,241	5,246	5,506	n/g	6,543.6
Net new ARR	797	1,010	255.8	284 - 286	~1,298
Non-GAAP operating margin	-	-	23.5%	n/g	24.7%
GAAP net income / (loss)	(15.2)	(162.5)	27.8	n/g	n/g
Non-GAAP diluted EPS	-	-	\$0.275	~\$0.29 cons.	\$1.22 - 1.24
Free cash flow	1,065.1	1,235.3	468.5	n/g	~1,600
Free cash flow margin	27%	26%	34%	~24.5%	30%+

FY27E figures are the midpoint of company guidance issued 3 June 2026, except free cash flow and net new ARR, which are derived. EPS is restated for the 4-for-1 split. 'n/g' = not guided. Q2 consensus EPS of ~\$0.29 is a street figure, not company guidance.

5. Valuation

Every method applied last month has moved in the same direction, and the direction is unfavourable. The shares are approximately 9% dearer against an unchanged set of forward estimates, so each multiple has expanded by roughly that proportion. There is no method under which the current price resolves to anything below rich.

Method	Input	Now	Then	Read
EV / forward revenue	FY27E revenue \$5.94bn	35.0x	31.7x	Against Palo Alto near 12x and Zscaler in the mid-teens, a multiple of a different order.
P / E, forward non-GAAP	FY27E EPS ~\$1.23	~164x	~151x	Excludes SBC and incident costs equal to roughly a quarter of revenue.
EV / forward free cash flow	FY27E FCF ~\$1.6bn	~130x	~118x	Implies a 0.77% forward free cash flow yield against a mid-single-digit risk-free rate.
Growth-adjusted EV / sales	35.0x divided by 23% growth	1.52	1.38	PANW near 0.96, ZS near 0.65. The premium for comparable growth has widened to roughly 58%.
Rule of 40	24% ARR growth + 26% FCF margin	50	50	Genuinely strong, and unchanged. Not an outlier within the peer group at this multiple.
Third-party intrinsic value	InvestingPro model	\$133.12	n/a	One external model, cited for reference only. Implies the price is ~51% above it.

The most generous framing available is growth-adjusted enterprise value to sales, on which CrowdStrike now carries roughly a 58% premium to Palo Alto for approximately the same top-line growth rate. The least generous is the forward free cash flow yield of 0.77%. The shares are assessed as overvalued against their own two-year earnings power.

6. Sentiment, Positioning and the 26 August Event

The sell-side has spent August raising targets into a stock that has spent the last four sessions falling. Mizuho moved to \$240 from \$175, Truist to \$245 from \$188, Cantor Fitzgerald to \$250, Benchmark to \$250, TD Cowen to \$235 from \$175, and Wells Fargo, Stifel and Citizens each to \$230. Aggregator consensus averages still print in the low \$200s because they blend these revisions with targets set before the summer rally; the dispersion, from roughly \$103 at the low to \$250 at the high, is more informative than any average drawn from it.

The more useful observation is what happened on 19 August. Three separate target raises were published, and the stock fell 5.3%. When a wave of upgrades cannot hold a bid, the marginal buyer is already positioned and the marginal seller is taking profit ahead of an event.

Indicator	Reading	Interpretation
Analyst coverage	~50 active analysts; Moderate Buy; target range roughly \$103 to \$250	Bullish on the business, deeply split on the price. The low end is a real deceleration estimate, not a stale outlier.
August revisions	Mizuho \$240, Truist \$245, Cantor \$250, Benchmark \$250, TD Cowen \$235, Wells Fargo / Stifel / Citizens \$230	A coherent 14-24% upside call from the freshest work on the street. It has not translated into price.
Options market	Implied volatility near the 96th percentile of its trailing one-year range; implied post-earnings move ~7.1%	The market is pricing 26 August as a binary event worth roughly \$14-15 per share in either direction.
Insider activity	Form 4 sales disclosed 10-13 August by CEO George Kurtz, President Michael Sentonas and others, under 10b5-1 plans	Legally protected and pre-arranged, therefore not a signal in the strict sense. Still one-directional through a doubling.
Earnings reaction history	Q1 FY27 beat EPS by 2.8% and revenue by 2.2%; the stock fell 6.5%	A beat is no longer sufficient. BofA puts the satisfying threshold at net new ARR above roughly \$292m, over 3% ahead of guide.
News flow (moomoo digest)	Mixed, tilting neutral: target raises on one side, a 5.6% single-session decline and a live valuation debate on the other	No stock-specific fundamental deterioration identified. The tension is entirely between price and expectation.

7. Risks

The risk register is carried forward, with one item that has moved closer rather than changed in character. The Delta Air Lines litigation arising from the July 2024 sensor outage entered full discovery following the May 2025 ruling that allowed the negligence claims to proceed while dismissing the fraud allegations. Discovery is the phase in which internal documents on the 19 July 2024 content update, its testing protocols and subsequent architectural remediation become accessible. CrowdStrike's counsel has argued that a contractual liability cap limits exposure to single-digit millions; a successful gross negligence finding would likely override that cap against a stated Delta cost of approximately \$550m. The financial exposure is bounded and modest relative to a \$212bn capitalisation. The reputational exposure, at a company whose entire premium rests on trust in a kernel-level agent, is not so easily bounded.

Risk	Probability	Severity	Assessment
Multiple compression toward the peer group	High	High	Requires no operational failure at all. Each turn of forward revenue multiple is worth roughly \$6bn of equity.
A disappointing 26 August print or guide	Moderate	High (near-term)	Options imply ~7.1%. Q1 showed a 2-3% beat is insufficient; the bar is a raise, not a beat.
Microsoft bundling Defender into E5	Moderate	Moderate	A structural pricing constraint at the low end of the market rather than a displacement risk in the enterprise.
Palo Alto / SentinelOne consolidation	Moderate	Moderate	Buying toward platform parity. No evidence yet of competitive displacement in CrowdStrike's accounts.

Risk	Probability	Severity	Assessment
Delta discovery surfacing adverse detail	Moderate	Low financially, moderate reputationally	Damages likely capped; the risk is disclosure of the internal decision record, not the cheque.
Agentic AI compressing seat-based pricing	Low to moderate	High if realised	The same technology powering the growth narrative could shrink the analyst seats the pricing model rests on.
A second material sensor or availability incident	Low	Very high	The 2024 event proved switching costs held at 97% gross retention. A second would not enjoy that presumption.

8. Technical Position

Indicators are computed from the daily open-high-low-close series through the close of 19 August 2026, adjusted for the 4-for-1 split of 2 July 2026.

Indicator	Value	Signal	Comment
Close, 19 Aug 2026	\$201.63	-	Down 5.3% on the session, the largest single-day fall since June.
SMA 20	\$203.46	Bearish	Price has just closed below it; the short-term trend has rolled over.
SMA 50	\$191.96	Bullish	Price 5.0% above. First meaningful support sits here.
SMA 100	\$161.11	Bullish	Price 25% above. The medium-term uptrend is intact and extended.
SMA 200	Not computed	-	Only 100 daily sessions are available post-split; a 200-session average cannot be calculated and is not estimated.
EMA 20 / EMA 50	\$207.03 / \$191.54	Mixed	Price wedged between the two, as it was a month ago.
RSI (14)	48.6	Neutral	Mid-range. The August high did not register an overbought reading.
MACD (12,26,9)	6.97 vs signal 7.93	Bearish	Histogram -0.96, negative but shallower than the -2.94 of 30 July.
ATR (14)	\$9.45 (4.7%)	Caution	A routine two-day move is worth roughly 9% of capital before earnings are considered.
Volume, 20d vs 50d	7.34m vs 9.38m	Neutral	The advance and the pullback have both come on below-average volume.
52-week range	\$85.68 - \$227.50	-	Price 135% above the low, 11.4% below the high set on 14 August.

The structure is a strong uptrend that has just failed at a new high. Support runs at the 50-day average of \$191.96, then at the 3 August low of \$192.60, below which there is little shelf before the 100-day near \$161. Resistance is the 20-day at \$203.46, then the \$216-217 shelf, then the \$227.50 high. None of this overrides the valuation conclusion. It argues, as it did last month, against chasing the stock into the print.

9. Scorecard

Dimension	Score	Weight	Rationale
Business Quality	9/10	12%	Category-defining platform, 97% gross retention, 33 modules on one sensor.
Financial Strength	8/10	12%	~\$3.8bn net cash and a 26% FCF margin, against an FY26 GAAP net loss.
Competitive Advantage	8/10	13%	Telemetry scale and switching costs proven by the post-incident recovery.
Management	8/10	8%	Strong execution and guidance discipline; heavy, persistent 10b5-1 selling.

Dimension	Score	Weight	Rationale
Growth Potential	 8/10	15%	Net new ARR guided to ~24% y/y; Flex and agentic AI both credible, both untested this quarter.
Valuation	 2/10	25%	35.0x forward sales, ~164x adjusted earnings, 0.77% forward FCF yield.
Risk (10 = lowest risk)	 4/10	10%	Concentrated valuation risk, a binary event six days out, and a very-high-severity event tail.
Technical Setup	 5/10	5%	Above the 50- and 100-day averages, but freshly below the 20-day with MACD negative.

Scored 1-10, where 10 is always best, including Risk. A high Risk score denotes a safer profile, so the bar on the Risk row reads in the same direction as every other row. The overall score is the weighted sum of the column, expressed out of 100. Weights are unchanged from the previous report to keep the two comparable.

WATCHLIST	61 / 100	61 / 100	None
RECOMMENDATION	INVESTMENT SCORE	PREVIOUS SCORE	CHANGE

No factor score has moved. That is a conclusion, not an omission. Valuation was already scored 2 out of 10 last month and the further deterioration from 31.7 to 35.0 times forward revenue, while real, is absorbed within a score that was already close to its floor; a move to 1 is reserved for a multiple with no defensible reading at all. Risk is held at 4 rather than lowered, because the incremental hazards identified in this review, an earnings event six days out and a litigation discovery phase, are near-term and episodic, whereas the score is calibrated to a one-to-two-year holding period. The previous report scored Risk on the same direction as this one, so no restatement was required and the two totals are directly comparable.

A stable composite alongside a 9% higher share price is itself the finding. The score measures the company; the price measures what must be paid for it. Only one of the two has moved.

10. Scenario Analysis

Fair values are twelve-to-eighteen-month estimates on a split-adjusted basis, assuming approximately 1.05 billion diluted shares. Probabilities sum to 100%. Scenario probabilities are carried forward unchanged from the previous review; the fair values move only because the forward base has rolled a month closer to fiscal 2028.

Scenario	Prob.	Revenue and cash flow	Multiple assumed	Fair value
Bull	25%	FY28 revenue ~\$7.3bn, +23%. ARR growth holds at 22-24% as Flex and agentic AI monetise ahead of plan. FCF ~\$2.2bn at a 30% margin.	~38x forward revenue. The premium multiple persists in a risk-on market.	\$268
Base	50%	FY28 revenue ~\$7.15bn, +20-21%. Growth decelerates gently as the ARR base compounds. FCF ~\$2.0bn at a 28% margin.	~28x forward revenue. Modest compression toward the peer premium.	\$200
Bear	25%	FY28 revenue ~\$6.8bn, +15-17%. Microsoft bundling and a combined Palo Alto / SentinelOne bite into net new ARR. FCF ~\$1.8bn as sales spend rises to defend share.	~18x forward revenue. A growth-software de-rating alongside broad multiple compression.	\$122

Probability-weighted fair value: $0.25 \times \$268 + 0.50 \times \$200 + 0.25 \times \$122 = \$197.50$, rounded to \$198.

The weighted number understates the problem. At \$201.63 the base case is a 0.8% loss, the bull case a 33% gain and the bear case a 39% loss, which is a negatively skewed distribution offering a 2% expected loss. The asymmetry is worse than those figures suggest, because the bear case requires only that the multiple normalise, which needs nothing to go wrong operationally, while the bull case requires both flawless execution and a sustained market willingness to pay close to forty times revenue.

What would change the view

Trigger	Would move the rating to
Price in the \$140-160 band, roughly 22-25x a blended forward revenue base, while quarterly net new ARR still grows 25%+ year on year. This is the primary and most likely path.	Buy
Net new ARR above \$300m on 26 August with an upward revision to full-year ARR guidance, demonstrating that agentic AI is additive revenue rather than narrative.	Buy, even without full multiple normalisation
Stock-based compensation falling below 15% of revenue with sustained GAAP profitability across four quarters.	Materially higher Valuation and Financial Strength scores
A second material sensor or availability incident, or gross retention falling below 95%.	Avoid, at almost any price
Net new ARR growth turning negative year on year for two consecutive quarters, or a completed Palo Alto / SentinelOne combination visibly winning competitive displacements.	Avoid

11. Final Verdict

Would an investor put their own capital into CrowdStrike at \$201.63 today? No, and rather less so than at \$185.22 three weeks ago.

The company has not given a single reason to think worse of it. It defined cloud-delivered endpoint protection and still leads it. It survived the most public software failure in recent enterprise history with gross retention intact at 97%, which remains about as clean a natural experiment on switching costs as this industry will ever produce. Net new annual recurring revenue accelerated to \$255.8m in the first quarter, a record for that quarter. Half of all customers run six or more of the 33 Falcon modules. The balance sheet holds roughly \$3.8bn of net cash. Both OpenAI and Anthropic selected the platform for their frontier-model security programmes, which is a genuine endorsement and not a press release.

The objection is the same one made last month, and it has grown by 9%. Buying here means paying 35 times management's own forward revenue guidance, roughly 164 times adjusted earnings that exclude about a quarter of revenue in real cost, and around 130 times forward free cash flow. That last figure is a 0.77% forward free cash flow yield against a mid-single-digit risk-free rate. Earning a satisfactory return from that starting point requires the multiple to hold near forty times revenue for years while the company compounds in the low twenties. Every turn of compression removes roughly \$6bn of equity value, and compression requires nothing to go wrong.

Two things sharpen the point relative to last month. The first is that the stock has now traded through the fair value published for it, so a reader following this coverage has watched a thin positive expected return turn slightly negative without any change in the underlying business. The second is the behaviour of 19 August: three separate price-target raises, from Mizuho, Truist and Cantor Fitzgerald, published into a 5.3% decline. Upgrades that cannot hold a bid indicate that the buyers those upgrades are addressed to are already long.

What this analysis could be wrong about is unchanged and worth restating honestly. If agentic AI security proves to be a genuinely new spending pool rather than a repackaging of existing budget, and CrowdStrike captures it at platform economics, then twenty-plus percent growth extends several years beyond the current forecast horizon and today's multiple looks merely expensive rather than indefensible. TD Cowen's estimate of a \$149bn addressable market, up 28% in a year, is one attempt to size that. The 26 August print is the first opportunity to see whether any of it has reached the revenue line. If net new ARR clears \$300m and full-year guidance moves up with it, this report will have been too cautious and should be revisited immediately.

Absent that, the disciplined action is to keep the model current, move the alert from \$130-145 up to \$140-160, and wait. In a stock with a 4.7% average true range that has travelled from \$85.68 to \$227.50 inside six months, and with the options market pricing a 7.1% move around a print six days away, that band is more likely to arrive than patience typically suggests. Existing holders sitting on large gains are under no obligation to sell a business of this quality; trimming into strength ahead of a binary event is a defensible piece of risk management rather than a call on the company. New capital

should wait.

Sources and basis

Alpha Vantage (quote and daily price series, 19 August 2026 close) · CrowdStrike investor relations and SEC EDGAR Form 8-K Exhibit 99.1 for Q1 FY27 (3 June 2026) and the Q2 FY27 earnings-date announcement (4 August 2026) · moomoo news search · Yahoo Finance · TipRanks · Investing.com · MarketBeat · Tech Times · TradingPedia · 24/7 Wall St. · Benzinga.

No earnings call transcript applies to this review. CrowdStrike's most recent call was held on 3 June 2026 and was covered in the previous report; the next call takes place on 26 August 2026, after this report's data cut-off. Nothing in this document should be read as reflecting a call that has not yet occurred.

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