

Personal Investment Research Notes (2026)

Disclosure

Disclosure: These are simply my personal investment research notes and opinions to share with my friends and family. This is not financial advice.

GitLab

GitLab is widely considered the second-best code repository platform after GitHub in the source control ecosystem. However, its differentiation lies in being a more **end-to-end DevSecOps platform**, covering the full software development lifecycle—from code repository to CI/CD to deployment.

- Probably the leader in end-to-end SDLC platforms (code repository → code deployment).
- Widely adopted across enterprises.
- Many scaling companies use GitLab for CI/CD maturity compared to GitHub Actions.
- Personally, I have used GitLab in the past and liked it, while also appreciating GitHub.

Stock Analysis

- Trading near 52-week lows as of May 9, 2026.
- Financials are healthy with **zero debt**.
- Enterprise value is lower than market cap.
- Strong free cash flow trend with improving leverage over time.
- Not yet profitable, but expected to improve in coming years.
- Revenue growth remains strong (~20%+ in FY2026).
- Reasonable valuation with **P/S ratio < 5**, which is attractive for a high-growth SaaS company.
- Strong enterprise traction: customers generating >\$100K ARR are growing.
- **Dollar-based net retention (DBNRR): 118%**, but declining trend:
 - 152% → 130% → 118%
 - This is a key risk metric to monitor.
- Leads 4 out of 6 categories in Gartner 2025 evaluations.
- Strong regulatory moat:
 - GitLab Dedicated for U.S. government and regulated environments.
- Atlassian moving away from on-prem could benefit GitLab in regulated enterprise segments.

- Experiments with GitLab Enterprise Agile Planning (uncertain success, but positive innovation signal).
- ~50% of Fortune 100 companies use GitLab.
- Share buyback authorization of \$400M indicates management confidence.
- CEO interviews and leadership vision are strong positives.

Key Risk

- FY2027 guidance reduced to 15–17% growth from ~26% prior growth.
- Declining DBNRR is a major signal to watch closely.

References

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 - https://s204.q4cdn.com/984476563/files/doc_financials/2026/q4/Q4-FY2026-GitLab-Overview-Investor-Presentation.pdf
 - <https://finance.yahoo.com/quote/GTLB/key-statistics/>
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UiPath

UiPath is a leader in the **RPA (Robotic Process Automation)** segment and is well-positioned in the emerging world of agentic AI workflows.

Conviction

As agentic AI expands, many workflows will still require deterministic decision-making. RPA tools like UiPath are likely to complement AI systems rather than be replaced by them.

Stock Analysis

- Trading near 52-week lows as of May 9, 2026.
- Strong financial position with no major balance sheet concerns.
- Now a **profitable business**.
- Key financial metrics are strong:
 - PEG ratio
 - P/S ratio
 - EV/FCF
 - Return on Equity
 - Profit margins
- ARR growth: ~11%
- Dollar-based net retention: ~107%
- Customer expansion in both \$100K+ and \$1M+ ARR segments.
- Strong enterprise use cases in compliance-heavy automation domains.
- Buybacks from 2023–2026 add investor confidence.

- Competition risk: software vendors bundling automation into core offerings.
- DBNRR declined:
 - 140% (historical highs) → 118% (Q1 2025) → 107% (Q4 FY2026)
- Revenue growth slowing from ~11% to ~9%.

References

- <https://www.uipath.com/resources/automation-case-studies/uber-maintains-global-infrastructure-built-on-rpa>
 - https://d1io3yog0oux5.cloudfront.net/_0b6da653c29a5bac022ece85ddd5926f/uipath/db/172/20608/pdf/UiPath_4Q-2026_Earnings-Slides-Final.pdf
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Klarna

Klarna is a leader in the **BNPL (Buy Now Pay Later)** segment with strong consumer fintech positioning.

- Founder-led company.
- Strong growth in both consumers and merchants.
- App ranked ~#13 in the App Store (indicating strong engagement).
- Expanding financial services footprint, including banking initiatives (UK approved, U.S. progress ongoing).
- Requires significant capital due to large GMV scale (~\$38.7B).

Stock Analysis

- Trading near 52-week lows as of May 9, 2026.
- Enterprise value significantly lower than market cap.
- Not yet profitable, but balance sheet remains strong.
- Attractive valuation: **P/S ratio ~1.53**.
- Strong growth metrics:
 - Consumer growth: 28% YoY (Q4 2025)
 - Merchant growth: 42%
 - GMV growth: 32%
 - Revenue growth: 38%
- 4.2M active card users.
- ~\$13B consumer deposits.
- Strong growth in banking customers.
- Efficient operations with AI-driven headcount optimization.
- Accounting complexity due to forward-looking loss recognition across quarters.

References

- https://youtu.be/6PM_mJBPG3A?si=eURajLqC8k1OAx
 - https://s205.q4cdn.com/644747736/files/doc_earnings/2025/q4/earnings-result/Q4-25-Klarna-Group-plc-Earnings-Release.pdf
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Toast

Toast is a leading **restaurant POS (Point of Sale) platform** with strong penetration in the hospitality industry.

- Strong adoption across restaurants.
- Founder-led company.
- #16 ranked app in App Store.
- Expanding beyond restaurants into grocery and adjacent verticals.
- Toast Capital provides lending solutions to customers.
- Innovative repayment model: repayment directly from daily transaction flows, improving flexibility and adoption.

Stock Analysis

- Trading near 52-week lows as of May 9, 2026.
- Forward P/E and PEG ratios look attractive.
- P/S ratio ~2.36.
- Profitable business with strong financial position.
- Revenue growth ~26% YoY.
- Location growth ~22% YoY (171,000 locations).
- AI marketing agent reportedly improves revenue by ~8% for customers.
- Growth outlook: ~20% range.
- Share buybacks:
 - ~\$400M repurchased
 - ~\$200M additional authorization
 - ~\$613M total repurchases since inception

References

- <https://open.spotify.com/episode/0tagmT0xXAzC6lnzX71tpb?si=6be81081797f4ca5>
 - <https://investors.toasttab.com/news/news-details/2026/Toast-Announces-Fourth-Quarter-and-Full-Year-2025-Financial-Results/default.aspx>
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Atlassian (TEAM)

Atlassian is a leader in **project management and collaboration software**, with strong enterprise adoption.

- Founder-led company.
- Strong products like Jira and Confluence.
- Widely used across enterprises (~85% of Fortune 500 use Atlassian tools).
- Jira Service Management gaining traction.
- Strong product stickiness and ecosystem lock-in.

Stock Analysis

- Recently rebounded from 52-week lows.
- Attractive valuation metrics (forward P/E, PEG, and P/S).
- Opportunity for cross-sell across Jira and Confluence ecosystems.
- Competes with ServiceNow in ITSM space.
- AI initiative “Rovo” gaining traction (~75% Fortune 500 usage mentioned).
- Strong net retention (~120%).
- Revenue growth expected ~20% YoY.
- Cloud migration expected to unlock cross-sell and upsell opportunities.
- Not yet consistently profitable due to acquisitions and high R&D (~50% of revenue).
- Strong buyback activity:

Fiscal Year Buybacks

2025 \$779.44M

2024 \$395.26M

2023 \$150.01M

2016 \$5.40M

Risk

- Data center / regulatory environment complexity for certain enterprise customers.

References

- https://s206.q4cdn.com/270053503/files/doc_presentation/2026/FY26-TEAM-Investor-Forum.pdf
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Uber

Uber is a diversified mobility and delivery platform transitioning into a broader ecosystem company.

- Strong leadership and execution.
- Leader in ride-sharing.
- Near 52-week lows as of writing.

Stock Analysis

- Strong fundamentals.
- P/S ratio: ~2.96.
- PEG varies depending on GAAP vs non-GAAP earnings adjustments.
- Strong turnaround in free cash flow.
- Uber Eats is becoming as large as rides business.
- Expansion into:
 - Grocery
 - Retail
 - Expedia partnership for hotels
- Progress in autonomous vehicle initiatives.
- Transitioning into a broader platform company.
- Currently trading like a growth + value hybrid.

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Other Convictions (Broader Thesis)

From research and podcasts:

- Software currently represents ~10–15% of total addressable market spending.
- As AI becomes widespread, industries like:

- Manufacturing
 - Food
 - Automotive
 - Pharma
- will increasingly adopt AI.
- These industries may rely on consulting companies due to a lack of in-house AI talent.

Consulting Exposure

Accenture (ACN)

- Strong fundamentals.
- Forward P/E: 14.79
- PEG: 1.27
- P/S: 1.57
- Strong buybacks and dividends (~4% of market cap).
- Premium consulting segment.

Cognizant (CTSH)

- Cheaper than Accenture.
- Lower brand premium.
- Strong buybacks (~4% of market cap).
- Value segment consulting.

Infosys (INFY)

- Comparable to Accenture in capability.
 - Slight premium valuation due to brand strength.
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HubSpot

- Recently turned profitable.
 - Significant gap between GAAP and non-GAAP earnings.
 - Analysts primarily use non-GAAP metrics for valuation.
 - Stock-based compensation is being managed more carefully.
 - If revenue growth continues and GAAP/non-GAAP gap narrows:
 - FCF per share improves
 - Dilution reduces
 - EV/FCF improves
 - Valuation becomes stronger
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Portfolio Allocation

- GitLab: 1.75% (planned max ~2.25%)
- UiPath (PATH): 0.84% (planned max ~1%)
- Klarna: 1.3% (planned max ~2%) — naked call
- Atlassian (TEAM): 3.91%
 - Currently down ~20% on core position
 - Options loss ~1.5% of portfolio
 - Daily recurring investment ~\$5 until breakeven
- Toast: planning up to ~1% (with 0.5% buffer for dips)
- Uber: planned up to ~4% via recurring investment (currently targeting ~3.5–4%)