

The background of the entire page is a dark, textured overlay of various financial charts. In the upper right, there is a line chart with a peak and a subsequent decline, labeled with '52.34%'. Below this, there are several bar charts and candlestick patterns in shades of blue and orange. The overall aesthetic is professional and data-driven.

HAVEN

EQUITIES

Equity Research Report

Research Standards

HAVEN Report Standards (Mandatory)

1. Structure

- Do not remove sections.
- Pages may be duplicated for depth.
- Every report must include thesis, industry, financials, valuation, risks, and conclusion.

2. Clarity

- Use bullet points, not long paragraphs.
- If crowded → create a new page.
- Visuals > text walls.

3. Evidence

All claims must be supported by:

- Financial data
- Industry comparisons
- Historical performance
- Valuation logic

4. Professional Formatting

- Maintain layout, fonts, and spacing.
- No casual language.
- No opinions without reasoning.

Equity Research Report



UiPath, Inc. (PATH) Technology | Intelligent Automation

Written By: Vicky Zhang
Date: 29/06/2026

This report is prepared by Haven Equities for educational and informational purposes only and does not constitute investment advice or a recommendation to buy or sell any security.

Investment Overview

UiPath, Inc.(PATH)

Technology | Intelligent Automation | \$10.53

Thesis:

UiPath is transitioning from a pure-play RPA provider into an enterprise agentic automation platform. With 30%+ global RPA market share, \$1.901B ARR, and first-ever GAAP profitability (\$282M net income in FY2026), UiPath has proven its SaaS model at scale. As AI adoption accelerates, UiPath's Maestro orchestration layer creates high switching costs and positions PATH for durable growth.

Key Drivers:

Agentic AI Platform: Maestro governs AI agents in enterprise; AI in top-20 Q1 deals.

ARR & Retention: ARR \$1.901B +12% YoY; 109% net dollar retention.

First GAAP Profit: Q1 FY2027: first GAAP op. profit; \$1.4B net cash.

Enterprise Moat: ~10,600 customers; ~65% Fortune 500; \$1M+ ARR cohort +18% YoY.

Key Risks:

Microsoft Competition: Power Automate M365 bundling pressures mid-market automation.

RPA Market Maturity: Core RPA declining; PATH depends on agentic AI adoption.

Execution Risk: AI agents replace core RPA; LLM dependency is structural.

Revenue Concentration: ARR re-acceleration in 2-3 quarters is critical.

Haven Rating:

Recommendation: BUY

Time Horizon: 12 – 18 months

Risk Level: Moderate

Catalyst Driven: Yes

Catalysts (Next 1-6 Months):

Q2 FY2027 Earnings (~Sep 2026, date TBC): Net new ARR and any disclosed agentic/AI ARR are the critical metrics. Re-acceleration validates the orchestration-layer thesis and drives multiple re-rating. Q2 earnings ~Sep 2026 (date TBC) is the first binary checkpoint.

Agentic AI Adoption: Maestro Case (Jun 16 launch): AI-native case management for KYC, dispute resolution, claims. Early adopters: 60-80% reduction in case handling time; \$12M+ annual savings per FSI customer. First concrete production-scale agentic case studies.

Share Buyback Execution: \$500M buyback in execution (20M shares at \$11.47 avg in Q1; ongoing under 10b5-1). Float ~22% short — squeeze risk on positive catalyst.

Quick Stats:

- Price: \$10.53

- P/E Ratio: 17.4x

- Market Cap: \$5.46B

- Enterprise Value: ~\$4.1B

- Revenue (TTM): \$1.67B

- Cash: \$1.42B

- FCF: ~\$430M (FY27E)

- Beta (5Y): 0.97

Business Overview

Company Snapshot

Business Description:

UiPath leads enterprise RPA, serving ~10,600 customers including ~65% of the Fortune 500. Since FUSION 2025 (Sep 2025), UiPath repositioned as an agentic automation platform — Maestro orchestrates AI agents, robots, and humans in vendor-neutral governed workflows connectable to any LLM.

Revenue Model:

- Subscriptions (ARR): ~90%+ of revenue from recurring licenses; ARR \$1.901B in Q1 FY2027, +12% YoY.
- Professional Services: implementation, training, SI-led deployment (~10% of revenue). Perpetual licenses phased out since FY2023.
- FY27 revenue guidance: \$1.776–1.781B. Q2 ARR guidance: \$1.929–1.934B.

Operating Segments

UiPath generates revenue primarily through two streams:

Segment	% of Revenue
Subscriptions & Licenses	~90% (~\$1.50B)
Professional Services	~10% (~\$0.17B)

Key Operating Metrics

- Annual Recurring Revenue (ARR): \$1.901B as of Q1 FY2027, up 12% YoY. Primary growth metric reflecting committed subscription revenue.
- Profitability: Q1 FY2027 first-ever GAAP operating profit (+\$28M); non-GAAP margin 22%; software gross margin 90%; adj. FCF \$130M.
- Net Revenue Retention (NRR): ~109% — existing customers grow ~9% YoY through upsells and expanded licenses.

Industry & Competition

Industry Overview

- UiPath operates in the global RPA and intelligent automation market (~\$15B RPA, ~\$25B+ broader in 2025, growing 20%+ CAGR through 2030). The hyperautomation market is forecast to exceed \$100B by 2030 (Gartner). UiPath holds ~30% global RPA market share, ranked #1 in the Gartner Magic Quadrant for RPA for seven consecutive years.

Trends

- Agentic AI as Demand Catalyst: AI agents need governed orchestration.
- Digital Process Orchestration: Unified AI agents, RPA bots, and humans.
- AI Governance & Compliance: Auditability and role-based controls at scale.

Main Competitors

Competitor	Ticker	Market Cap	Additional Notes
Microsoft Corp.	MSFT	~\$2.7T	Power Automate bundled with M365; largest threat via seat coverage.
ServiceNow, Inc.	NOW	~\$97B	Now Assist AI; IT/HR workflow focus, not deep process automation.
Pegasystems Inc.	PEGA	~\$5.5B	Low-code RPA + decisioning; smaller scale, niche vertical focus.

Company Positioning

UiPath’s moat: ~65% Fortune 500 penetration; 109% NRR; vendor-neutral Maestro orchestration that single-vendor stacks (MSFT/CRM/NOW) cannot replicate. KEY RISK: Tier-I platforms (Copilot Studio, Agentforce, Now Assist) bundle “good enough” agentic automation — compressing standalone adoption budgets. Automation Anywhere (pending IPO ~2026) could re-anchor peer valuations.

Valuation

Current Valuation

	Prev. Year	Current Year	Next Year (Projected)
EV/Revenue	2.50x	2.30x	2.05x
P/S	3.29x	3.09x	2.76x
Market Cap	~\$5.8B	~\$5.5B	~\$6.8B

Peer Comparison

	EV/Revenue	P/S	Market Cap
UiPath (PATH)	2.30x	3.09x	~\$5.5B
Microsoft (MSFT)	~8.5x	~8.6x	~\$2.7T
ServiceNow (NOW)	~8.0x	~8.1x	~\$97B
Pegasystems (PEGA)	~3.7x	~3.8x	~\$5.5B

Valuation Scenarios

Scenario	Assumption	Implied Value	Upside/Downside
Base Case	3.0x EV/Rev + 17x P/FCF; ARR +10% YoY	~\$15.9 / share	+52%
Bull Case	4.5x EV/Rev; ARR +30% FY28E; 25x P/FCF	~\$22.6 / share	+115%
Bear Case	1.6x EV/Rev + 8x P/FCF	~\$9.6 / share	-9%

Fundamental Analysis

Quantitative Analysis (Financial Health)

- Q1 FY2027 (ended Apr 30, 2026): Revenue \$418M (+17% YoY), ARR \$1.901B (+12% YoY), Gross Margin 83% (software 90%). UiPath achieved its first-ever GAAP operating profit: +\$28M vs. -\$16M prior year. Non-GAAP operating income \$92M (22% margin, +250bps YoY). Adj. FCF \$130M. Cash \$1.4B, zero debt. FY27E revenue guidance: \$1.776-1.781B; Q2 ARR guidance \$1.929-1.934B. RPO \$1.413B (+15%), providing committed forward revenue visibility.
- Cash Flow: Operating cash flow reached \$371M in FY2026, with free cash flow of \$352M (22% FCF margin on revenue). UiPath also initiated a \$500M share buyback program, signaling management confidence in the long-term value of the business.

Quantitative Analysis (Business Fundamentals)

Co-founder Daniel Dines (CEO) led UiPath from Romania startup to NYSE IPO (2021). COO/CFO Ashim Gupta drove operational efficiency; GAAP profitability delivered ahead of Street expectations. ~10,600 enterprise customers; ~65% Fortune 500 penetration. 109% dollar-based net retention, 97% gross retention. Deloitte and major SIs in Maestro private preview.

Customers cited: Johnson Controls (75% reduction in 3rd-party AP cost); SunExpress (\$200K+ savings). Post-Q1: One NZ (Jun 4, Maestro: 10 days→<10 min mobile provisioning, 5 weeks to deploy); FSI Maestro Case user (\$12M+ annual savings, 60–80% faster case handling). Databricks partnership extended for Maestro data orchestration.

- Competitive Moat: Vendor-neutral orchestration (Maestro) connects any LLM, cloud, or enterprise system — structurally unavailable from MSFT/CRM/NOW single-vendor stacks. 1.5M+ Academy-certified developers. Key bear risk: first-tier platforms bundling "good enough" agent automation into existing seats. Falsifier to watch: net new ARR. If 2-3 quarters of stagnation, value-trap bear case wins. Next checkpoint: Q2 FY27

Technical Analysis

Price Action

- PATH has been in a downtrend YTD (-39% in 2026), trading from ~\$16.50 in January to ~\$10.26 in late June 2026. The stock bounced +6% after Q1 FY2027 earnings (May 28) beat on revenue (\$418M vs \$396M est.) and ARR (\$1.901B vs ~\$1.88B est.), suggesting the market is beginning to price in improving fundamentals.
- Support: ~\$9.20 (52-week low). Resistance: \$13–15, where BofA (\$13 Underperform) and Morgan Stanley (\$15 Equal-Weight) price targets cluster. Our 12-month target: \$16 (base case), ~52% upside from current \$10.53. Bear case ~\$9.6 (-9% downside); bull case ~\$22.6 (+115%). Highly asymmetric setup.

PATH · NYSE · UIPATH INC

\$10.40

▼ 24.64% · 1-Year Return

50D MA

\$10.35

200D MA

\$15.42

52W HIGH

\$19.84

52W LOW

\$9.19

MA SIGNAL

Death Cross

BEARISH

— Price — 50-Day MA - - - 200-Day MA



Core Assumption

- The stock is pricing in persistent ARR growth deceleration below 10%, which appears overly pessimistic given Q1 FY2027 ARR growth of 12% YoY and improving agentic adoption signals. The market has not yet priced in the full impact of Maestro monetization in FY2027-28.
- PATH has historically traded 3x–10x P/S. At ~3x now (near multi-year lows), the market is assigning near-zero optionality to the agentic transition. EV/FCF of ~9.5x is dramatically cheaper than software peers (typically 20–30x) — the valuation gap that would close if ARR re-accelerates.
- Enterprise SaaS re-ratings typically lead earnings recovery by 1–2 quarters. With GAAP profitability now a fact (not a forecast), the multiple compression looks excessive. Downside capped by net cash (~\$1.4B), active buybacks, and positive FCF. Next binary event: Q2 FY27 earnings, ~Sep 2026 (TBC).

Conclusion/Recommendation

Investment Recommendation

BUY

Core Thesis Summary

UiPath is pivoting from pure-play RPA to enterprise agentic automation — a market with no dominant player yet. At 3.15x P/S and its first GAAP net income, valuation is depressed relative to improving fundamentals; the \$500M buyback signals management conviction. Microsoft competition is real, but UiPath's multi-system orchestration depth is difficult to replicate. At ~\$10.53, the \$16 PT implies ~52% upside with asymmetric risk-reward.

Key Risks:

Platform Bundling: MSFT/CRM/NOW bundling “good enough” agentic automation into existing seats compresses standalone demand.; Value Trap: Net new ARR down ~32% QoQ; 2–3 quarters of stagnation confirms the bear case.; Structural Disruption: AI agents are designed to replace rule-based RPA, and LLM incumbents (OpenAI, Anthropic) could commoditize UiPath's orchestration layer.

Target Price & Potential Returns

Target Price: \$16.00
Potential Upside: ~52% (vs \$10.53)

Key Catalysts

- Q2 FY2027 Earnings (~Sep 2026, date TBC)
- Maestro Case (launched Jun 16): 60–80% reduction in case handling time; \$12M+ annual savings cited by early FSI adopter. Moves KYC/dispute resolution from pilot to production
- One NZ (Jun 4): Maestro cut enterprise mobile provisioning 10 days → <10 min, in 5 weeks, no legacy rip-and-replace. Benchmark agentic case study. \$500M buyback ongoing; ~22% short float

Company Snapshot

Ticker: PATH
Current Price: ~\$10.53

Key Financial Metrics

Revenue: \$1.78B (FY27E guide)
EBITDA Margin: 22%
Cash Balance: \$1.4B
Market Cap: ~\$5.5B
P/E Ratio: ~17x (trailing)
EPS: \$0.53 (FY26 GAAP)

Sources:

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UiPath (PATH) Statistics & Valuation - StockAnalysis.com

<https://stockanalysis.com/stocks/path/>

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Gartner Magic Quadrant for Robotic Process Automation, 2025

UiPath vs Microsoft Power Automate vs Automation Anywhere: 2026 Comparison - InfoSeeMedia

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Pegasystems (PEGA) Stock Price - Yahoo Finance

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SimplyWallSt UiPath Analysis -

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Microsoft Corporation (MSFT) - Yahoo Finance

Top UiPath Competitors & Alternatives in 2026 -

improvado.io/blog/uipath-competitors