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Palantir Reports Q2 2025 U.S. Comm Revenue Growth of 93% Y/Y and Revenue Growth of 48% Y/Y; Guides Q3 Revenue to 50% Y/Y; Raises FY 2025 Revenue Guidance to 45% Y/Y and U.S. Comm Revenue Guidance to 85% Y/Y, Crushing Consensus Expectations

DENVER—(BUSINESS WIRE)— Palantir Technologies Inc. (NASDAQ:PLTR) today announced financial results for the second quarter ended June 30, 2025.

“This was a phenomenal quarter. We continue to see the astonishing impact of AI leverage. Our Rule of 40 score was 94%, once again obliterating the metric. Year-over-year growth in our U.S. business surged to 68%, and year-over-year growth in U.S. commercial climbed to 93%. We are guiding to the highest sequential quarterly revenue growth in our company’s history, representing 50% year-over-year growth,” said Alex C. Karp, Co-Founder and Chief Executive Officer of Palantir Technologies.

Q2 2025 Highlights

- U.S. revenue grew 68% year-over-year and 17% quarter-over-quarter to \$733 million
 - U.S. commercial revenue grew 93% year-over-year and 20% quarter-over-quarter to \$306 million
 - U.S. government revenue grew 53% year-over-year and 14% quarter-over-quarter to \$426 million
- Revenue grew 48% year-over-year and 14% quarter-over-quarter to \$1.004 billion
- Closed 157 deals of at least \$1 million, 66 deals of at least \$5 million, and 42 deals of at least \$10 million
- Closed a record-setting \$2.27 billion of total contract value (“TCV”), up 140% year-over-year
 - Closed a record-setting \$843 million of U.S. commercial TCV, up 222% year-over-year

- U.S. commercial remaining deal value (“RDV”) of \$2.79 billion, up 145% year-over-year and 20% quarter-over-quarter
- Customer count grew 43% year-over-year and 10% quarter-over-quarter
- GAAP income from operations of \$269 million, representing a 27% margin
- Adjusted income from operations of \$464 million, representing a 46% margin
- Rule of 40 score of 94%
- GAAP net income of \$327 million, representing a 33% margin
- Cash from operations of \$539 million, representing a 54% margin
- Adjusted free cash flow of \$569 million, representing a 57% margin
- GAAP earnings per share (“EPS”) of \$0.13
- Adjusted EPS of \$0.16
- Cash, cash equivalents, and short-term U.S. Treasury securities of \$6.0 billion

Q2 2025 Financial Summary

<i>(Unaudited)</i> <i>(Amounts in thousands, except percentages and per share amounts)</i>	Second Quarter
	Amount
Revenue	\$1,003,697

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Events

Financials

Governance

Resources

platforms, business strategy, and plans (including strategy and plans relating to our Artificial Intelligence Platform (“AIP”), sales and marketing efforts, sales force, partnerships, and customers), investments in our business, market trends and market size, opportunities (including growth opportunities), our expectations regarding our existing and potential investments in, and commercial contracts with, various entities, our expectations regarding macroeconomic events, our expectations regarding our share repurchase program, and positioning. These forward-looking statements are made as of the date they were first issued and were based on current expectations, estimates, forecasts, and projections as well as the beliefs and assumptions of management. Words such as “guidance,” “expect,” “anticipate,” “should,” “believe,” “hope,” “target,” “project,” “plan,” “goals,” “estimate,” “potential,” “predict,” “may,” “will,” “might,” “could,” “intend,” “shall,” and variations of these terms or the negative of these terms and similar expressions are intended to identify these forward-looking statements. Forward-looking statements are subject to a number of risks and uncertainties, many of which involve factors or circumstances that are beyond our control. Our actual results could differ materially from those stated or implied in forward-looking statements due to a number of factors, including but not limited to risks detailed in our filings with the Securities and Exchange Commission (the “SEC”), including in our Annual Report on Form 10-K for the fiscal year ended December 31, 2024 and other filings and reports that we may file from time to time with the SEC, including our Quarterly Report on Form 10-Q for the quarter ended June 30, 2025. In particular, the following factors, among others, could cause our results to differ materially from those expressed or implied by such forward-looking statements: our ability to successfully execute our business and growth strategy; the sufficiency of our available funds to meet our liquidity needs; the demand for our platforms, product offerings, and services in general; our ability to increase our number of new customers and revenue generated from customers; our ability to realize some or all of the total contract value of customer contracts as revenue, including any contractual options available to customers or contractual periods that are subject to termination for convenience provisions; our long and unpredictable sales cycle; our ability to successfully execute our channel sales and other strategic initiatives with third parties; our ability to retain and expand our customer base; the fluctuation of our results of operations and our key business measures on a quarterly basis in future periods; the seasonality of our business; the implementation process for our platforms, which may be complex and lengthy; our ability to successfully develop and deploy new technologies to address the needs of our existing or prospective customers; our

ability to make our platforms and product offerings easier to install, consume, and use; our ability to maintain and enhance our brand and reputation; our ability to maintain and enhance our culture as our business grows and as we pursue our business and financial goals; news or social media coverage about us or our leadership, including but not limited to coverage that presents, enhances, or relies on, inaccurate, misleading, incomplete, or otherwise damaging information, misconceptions, or falsehoods; the impact of recent or future global macroeconomic and geopolitical events, such as the ongoing Russia-Ukraine, and Israel and broader Middle East conflicts, heightened interest rates, monetary policy changes, foreign currency fluctuations, or the potential or actual imposition of tariffs or other impacts on trade relations on the business and operations of our company or of our existing or prospective customers and partners; issues raised by the use of artificial intelligence in our platforms; and any breach or access to our or customer or third-party data.

The forward-looking statements included in this press release represent our views as of the date of this press release. We anticipate that subsequent events and developments will cause our views to change. We undertake no intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise. These forward-looking statements should not be relied upon as representing our views as of any date subsequent to the date of this press release. Past performance is not necessarily indicative of future results.

Additional Definitions

For the purpose of this press release, our earnings webcast, and our CEO's letter:

- Total contract value ("TCV") is the total potential lifetime value of contracts entered into with, or awarded by, our customers at the time of contract execution, annual contract value ("ACV") is defined as the total value of contracts closed in the period divided by the dollar-weighted average contract duration of those same contracts, and remaining deal value ("RDV") is the total remaining value of contracts as of the end of the reporting period. Except as noted below, TCV, ACV, and RDV each presume the exercise of all contract options available to our customers and no termination of contracts. However, the majority of our contracts are subject to termination provisions, including for convenience, and there can be no guarantee that contracts are not terminated or that contract options will be

exercised. Further, RDV may exclude all or some portion of the value of certain commercial contracts as a result of our ongoing assessments of customers' financial condition, including the consideration of such customers' ability and intention to pay, and whether such contracts continue to meet the criteria for revenue recognition, among other factors.

- Remaining performance obligations ("RPO") reflect the total values of contracts that have been entered into with, or awarded by, our customers, and represent non-cancelable contracted revenue that has not yet been recognized, which includes deferred revenue and, in certain instances, amounts that will be invoiced. We have elected the practical expedient, as permitted under Accounting Standards Codification 606— *Revenue from Contracts with Customers*, to not disclose remaining performance obligations for contracts with original terms of twelve months or less.
- The term "strategic commercial contracts" is as defined in our Quarterly Report on Form 10-Q for the fiscal quarter ended March 31, 2025.
- "Dollar-weighted duration basis" is the total value of contracts closed in the applicable period, divided by the dollar-weighted average contract duration of those same contracts.
- The term "Rule of 40" refers to the sum of our revenue growth rate year-over-year and our adjusted operating margin for each of the periods presented.

Non-GAAP Financial Measures

This press release and the accompanying tables, as well as our earnings webcast, and our CEO's letter, contain the non-GAAP financial measures adjusted income from operations, which excludes stock-based compensation and related employer payroll taxes; adjusted operating margin; adjusted free cash flow; adjusted free cash flow margin; adjusted earnings before interest, taxes, depreciation, and amortization ("adjusted EBITDA"); adjusted EBITDA margin; adjusted net income attributable to common stockholders; and adjusted EPS, diluted.

We believe these non-GAAP financial measures and other metrics described in this press release help us evaluate our business, identify trends affecting Palantir's

business, formulate business plans and financial projections, and make strategic decisions. We exclude stock-based compensation, which is a non-cash expense, from these non-GAAP financial measures because we believe that excluding this item provides meaningful supplemental information regarding operational performance and provides useful information to investors and others in understanding and evaluating our operating results in the same manner as our management team. We exclude employer payroll taxes related to stock-based compensation as it is difficult to predict and outside of Palantir's control.

Our definitions may differ from the definitions used by other companies and therefore comparability may be limited. In addition, other companies may not publish these or similar metrics. Further, these metrics have certain limitations as they do not include the impact of certain expenses that are reflected in our consolidated statements of operations. For example, adjusted free cash flow does not reflect our future contractual commitments or the total increase or decrease in our cash balances for a given period. Thus, our non-GAAP financial measures should be considered in addition to, not as a substitute for, or in isolation from, measures prepared in accordance with GAAP.

We compensate for these limitations by providing a reconciliation of each of these non-GAAP measures to the most comparable GAAP measure. We encourage investors and others to review our business, results of operations, and financial information in their entirety, not to rely on any single financial measure, and to view these non-GAAP measures in conjunction with the most directly comparable GAAP financial measure.

A reconciliation table of the most comparable GAAP financial measure to each non-GAAP financial measure used in this press release is included at the end of this release. A reconciliation of non-GAAP guidance measures to corresponding GAAP measures is not available on a forward-looking basis without unreasonable effort due to the uncertainty regarding, and the potential variability of, reconciling items that may be incurred in the future, such as stock-based compensation and related employer payroll taxes, the effect of which may be significant.

Available Information

Palantir uses its Investor Relations website at <https://investors.palantir.com> as a means of disclosing material non-public information and for complying with its

disclosure obligations under Regulation FD. Accordingly, investors should monitor Palantir's Investor Relations website, in addition to following our press releases, SEC filings, public conference calls, and webcasts.

About Palantir Technologies Inc.

Foundational software of tomorrow. Delivered today. Additional information is available at <https://www.palantir.com>.

Palantir Technologies Inc.
Condensed Consolidated Statements of Operations
(in thousands, except per share amounts)
(unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Revenue	\$1,003,697	\$ 678,134	\$ 1,887,552	\$ 1,312,472
Cost of revenue ⁽¹⁾	192,934	128,562	365,904	244,818
Gross profit	810,763	549,572	1,521,648	1,067,654
Operating expenses:				
Sales and marketing ⁽¹⁾	243,788	196,809	480,097	389,986
Research and development ⁽¹⁾	135,043	108,781	269,932	218,821
General and administrative ⁽¹⁾	162,615	138,643	326,254	272,627
Total operating expenses	541,446	444,233	1,076,283	881,434
Income from operations	269,317	105,339	445,365	186,220
Interest income	56,255	46,593	106,696	89,945
Other income (expense), net	6,596	(11,173)	3,423	(24,680)
Income before provision for income taxes	332,168	140,759	555,484	251,485
Provision for income taxes	3,596	5,189	9,195	9,844
Net income	328,572	135,570	546,289	241,641
Less: Net income attributable to noncontrolling interests	1,845	1,444	5,531	1,985
Net income attributable to common stockholders	<u>\$ 326,727</u>	<u>\$ 134,126</u>	<u>\$ 540,758</u>	<u>\$ 239,656</u>

Earnings per share attributable to common stockholders, basic	\$ 0.14	\$ 0.06	\$ 0.23	\$ 0.11
Earnings per share attributable to common stockholders, diluted	\$ 0.13	\$ 0.06	\$ 0.21	\$ 0.10
Weighted-average shares of common stock outstanding used in computing earnings per share attributable to common stockholders, basic	2,365,196	2,231,592	2,356,983	2,222,569
Weighted-average shares of common stock outstanding used in computing earnings per share attributable to common stockholders, diluted	2,562,912	2,414,696	2,557,911	2,407,402

(1) Includes stock-based compensation expense as follows (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Cost of revenue	\$ 14,973	\$ 12,402	\$ 29,989	\$ 22,818
Sales and marketing	56,040	48,314	108,553	90,470
Research and development	32,068	29,943	63,902	56,817
General and administrative	56,890	51,105	112,866	97,310
Total stock-based compensation	\$ 159,971	\$ 141,764	\$ 315,310	\$ 267,415

Palantir Technologies Inc.
Condensed Consolidated Balance Sheets
(in thousands)
(unaudited)

	As of June 30, 2025	As of December 31, 2024
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Assets

Current assets:

Cash and cash equivalents	\$ 929,547	\$ 2,098,524
Marketable securities	5,070,875	3,131,463
Accounts receivable, net	747,484	575,048
Prepaid expenses and other current assets	142,487	129,254
Total current assets	6,890,393	5,934,289
Property and equipment, net	43,523	39,638
Operating lease right-of-use assets	203,474	200,740
Other assets	228,298	166,217
Total assets	<u>\$ 7,365,688</u>	<u>\$ 6,340,884</u>
Liabilities and Equity		
Current liabilities:		
Accounts payable	\$ 10,774	\$ 103
Accrued liabilities	393,623	427,046
Deferred revenue	376,784	259,624
Customer deposits	262,994	265,252
Operating lease liabilities	45,465	43,993
Total current liabilities	1,089,640	996,018
Deferred revenue, noncurrent	44,638	39,885
Customer deposits, noncurrent	1,491	1,663
Operating lease liabilities, noncurrent	192,347	195,226
Other noncurrent liabilities	12,008	13,685
Total liabilities	<u>1,340,124</u>	<u>1,246,477</u>
Palantir's stockholders' equity:		
Common stock	2,372	2,339
Additional paid-in capital	10,568,473	10,193,970
Accumulated other comprehensive income (loss), net	4,721	(5,611)
Accumulated deficit	(4,646,665)	(5,187,423)
Total Palantir's stockholders' equity	5,928,901	5,003,275
Noncontrolling interests	96,663	91,132
Total equity	<u>6,025,564</u>	<u>5,094,407</u>
Total liabilities and equity	<u>\$ 7,365,688</u>	<u>\$ 6,340,884</u>

Palantir Technologies Inc.
Condensed Consolidated Statements of Cash Flows

(in thousands)
(unaudited)

Six Months Ended June
30,

2025	2024
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Operating activities

Net income	\$ 546,289	\$ 241,641
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	13,152	16,494
Stock-based compensation	315,310	267,415
Unrealized and realized (gain) loss from marketable securities, net	(452)	20,042
Noncash consideration	(24,441)	(26,484)
Other operating activities	26,533	11,351
Changes in operating assets and liabilities:		
Accounts receivable, net	(163,501)	(298,311)
Prepaid expenses and other assets	(7,307)	2,797
Accounts payable and accrued liabilities	48,202	22,824
Contract liabilities	120,666	33,269
Other liabilities	(24,937)	(17,272)
Net cash provided by operating activities	849,514	273,766
Investing activities		
Purchases of property and equipment	(13,818)	(5,543)
Purchases of marketable securities	(2,576,231)	(1,784,115)
Proceeds from sales and redemption of marketable securities	652,762	1,133,535
Purchases of privately-held securities	(70,000)	(4,000)
Net cash used in investing activities	(2,007,287)	(660,123)
Financing activities		
Proceeds from the exercise of common stock options	95,201	99,870
Repurchases of common stock	(36,594)	(26,699)
Taxes paid related to net share settlement of equity awards	(81,117)	—
Other financing activities	63	102
Net cash provided by (used in) financing activities	(22,447)	73,273

Effect of foreign exchange on cash, cash equivalents, and restricted cash	11,518	(4,948)
Net decrease in cash, cash equivalents, and restricted cash	(1,168,702)	(318,032)
Cash, cash equivalents, and restricted cash - beginning of period	2,119,936	850,107
Cash, cash equivalents, and restricted cash - end of period	<u>\$ 951,234</u>	<u>\$ 532,075</u>

Palantir Technologies Inc.
Reconciliation of GAAP to Non-GAAP Financial Measures
(unaudited)

Non-GAAP Reconciliations

Adjusted Income from Operations and Adjusted Operating Margin (in thousands, except percentages)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Income from operations	\$ 269,317	\$ 105,339	\$ 445,365	\$ 186,220
Add: stock-based compensation	159,971	141,764	315,310	267,415
Add: employer payroll taxes related to stock-based compensation	35,097	6,464	94,420	26,390
Adjusted income from operations	<u>\$ 464,385</u>	<u>\$ 253,567</u>	<u>\$ 855,095</u>	<u>\$ 480,025</u>
Adjusted operating margin	46%	37%	45%	37%

Adjusted Free Cash Flow and Adjusted Free Cash Flow Margin (in thousands, except percentages)

	Three Months Ended June 30,	
	2025	2024
Net cash provided by operating activities	\$ 539,251	\$ 144,187
Add: cash paid for employer payroll taxes related to stock-based compensation	37,152	7,352
Less: purchases of property and equipment	(7,634)	(2,879)
Adjusted free cash flow	<u>\$ 568,769</u>	<u>\$ 148,660</u>

Adjusted free cash flow margin	57%	22%
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Adjusted EBITDA and Adjusted EBITDA Margin (in thousands, except percentages)

	Three Months Ended June 30, <u>2025</u>
Net income attributable to common stockholders	\$ 326,727
Add: net income attributable to noncontrolling interests	1,845
Less: interest income	(56,255)
Add: other (income) expense, net	(6,596)
Add: provision for income taxes	3,596
Add: depreciation and amortization	6,530
Add: stock-based compensation	159,971
Add: employer payroll taxes related to stock-based compensation	35,097
Adjusted EBITDA	<u>\$ 470,915</u>
Adjusted EBITDA margin	47%

Adjusted Net Income Attributable to Common Stockholders and Adjusted Earnings Per Share, Diluted (in thousands, except per share amounts)

	Three Months Ended June 30, <u>2025</u>
Net income attributable to common stockholders	\$ 326,727
Add: stock-based compensation	159,971
Add: employer payroll taxes related to stock-based compensation	35,097
Less: income tax effects and adjustments ⁽¹⁾	<u>(117,244)</u>
Adjusted net income attributable to common stockholders	<u>\$ 404,551</u>
Weighted-average shares used in	

computing GAAP earnings per share, diluted	2,562,912
Weighted-average shares used in computing adjusted earnings per share, diluted	2,562,912
Adjusted earnings per share, diluted	\$ 0.16

(1) Income tax effect is based on an estimated long-term annual effective tax rate of 23.0% for the period presented.

Investor Relations

investors@palantir.com

Media

media@palantir.com

Source: Palantir Technologies Inc.



Contact us → [\[investors@palantir.com\]](mailto:investors@palantir.com)

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