

Q1

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2024

Business Update



This presentation contains “forward-looking” statements within the meaning of the federal securities laws, and these statements involve substantial risks and uncertainties. All statements other than statements of historical fact could be deemed forward-looking, including, but not limited to, statements regarding our financial outlook, product development, distribution, and pricing, expected benefits of and applications for our software 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, expectations regarding any current or potential customers, partnerships, or other business relationships or initiatives, 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 potential eligibility or inclusion in market indices, our expectations regarding our share repurchase program, and positioning, as well as assumptions relating to the foregoing. Forward-looking statements are inherently subject to risks and uncertainties, some of which cannot be predicted or quantified. In some cases, you can identify forward-looking statements by terminology 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. You should not put undue reliance on any forward-looking statements.

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We use the non-GAAP financial measures adjusted free cash flow and adjusted free cash flow margin; adjusted gross profit and adjusted gross margin; billings; adjusted operating income and adjusted operating margin; adjusted earnings per share (“EPS”), diluted; and adjusted expenses to help us evaluate our business, identify trends affecting our business, formulate business plans and financial projections, and make strategic decisions. 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 in that they do not include the impact of certain expenses that are reflected in our consolidated statements of operations. Thus, these 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 reconciliations of these non-GAAP financial measures to the most comparable GAAP measures. We encourage investors and others to review our business, results of operations, and financial information in its entirety, not to rely on any single financial measure, and to view these non-GAAP financial measures in conjunction with the most directly comparable GAAP financial measures.

This presentation may contain statistical data, estimates, and forecasts that are based on independent industry publications or other publicly available information, as well as other information based on our internal sources. This information involves many assumptions and limitations, and you are cautioned not to give undue weight to these estimates. We have not independently verified the accuracy or completeness of the data contained in these industry publications and other publicly available information. Accordingly, we make no representations as to the accuracy or completeness of that data nor do we undertake to update such data after the date of this presentation.

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This presentation may refer to various growth rates when discussing our business. These rates reflect year-over-year comparisons unless otherwise stated.

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Q1 2024 Highlights

- US commercial revenue grew +40% Y/Y and +14% Q/Q to \$150 million
- Commercial revenue grew +27% Y/Y and +5% Q/Q to \$299 million
- Revenue grew +21% Y/Y and +4% Q/Q to \$634 million
- Closed 87 deals over \$1 million
- US commercial customer count grew +69% Y/Y and +19% Q/Q
- Adjusted operating income of \$226 million; 36% margin and the sixth consecutive quarter of expanding adjusted operating margins
- Fifth consecutive quarter of GAAP operating profitability; 13% margin
- Sixth consecutive quarter of GAAP profitability; 17% margin
- Adjusted free cash flow of \$149 million; 23% margin
- GAAP EPS of \$0.04; Adjusted EPS of \$0.08

The value of deals closed reflects the total contract value of contracts that have been entered into with, or awarded by, our government and commercial customers and includes existing contractual obligations and unexercised contract options available to those customers. We define a customer as an organization from which we have recognized revenue during the trailing twelve months period. Adjusted operating income and adjusted operating margin excludes stock-based compensation expense and related employer payroll taxes. Adjusted free cash flow and adjusted free cash flow margin exclude employer payroll taxes related to stock-based compensation and purchases of property and equipment. Adjusted EPS excludes stock-based compensation expense, related employer payroll taxes, income tax effects and adjustments, and other nonrecurring items. Please see the appendix for reconciliations of these and other non-GAAP financial measures to the most directly comparable GAAP measures.

Unchecked antisemitism at US universities mandates a response.

Last December, we initiated a program for all university students, regardless of background, who have been affected by or are concerned about safety on campus, inviting them to join Palantir as University Fellows.

In light of the historical levels of hate and antisemitism plaguing our universities, we are expanding and extending this Fellowship.

[Apply here](#)



Palantir builds products to meet the moment.



Opinion | Let AI remake the whole U.S. government (oh, and save the country)



By [Josh Tyrangiel](#)
Columnist | + Follow

March 6, 2024 at 7:15 a.m. EST



In Q1, the US Army awarded Palantir over \$178M to deliver TITAN Next Generation Deep-Sensing Capability.

As the prime for the Army's first AI-defined vehicle, Palantir will provide the critical foundation to correlate, fuse, and integrate sensor data for more advanced beyond-line-of-sight targeting.

See TITAN in action



Palantir & the VA

How data-driven acquisition identified over \$90M in savings for the Department of Veterans Affairs in six months.

[Read more](#)



Palantir & Oracle

Partnering to provide secure
cloud and AI solutions that
power businesses and
governments around the world.

[Read more](#)



Palantir • ORACLE

AIP Bootcamps: Deploying Full Spectrum AI In Days

“...these AIP bootcamps are like doing four months of work in one day...”

Stephen Ecker → Vice President of Data & Analytics



Since launching AIP in mid-2023, we have completed AIP Bootcamps with 915+ organizations in the United States and around the world.



“We’re saving about \$14M annually, and it’s only deployed to a part of our network.”

Dave Jackett,
Sr. Director, Supply Chain
Digital Transformation



“In less than four months, we created something from POC all the way to production. Palantir has made us faster and smarter.”

Elaina Wheeldon,
VP of Data Products,
Applied AI, & Analytics



“You all have changed the perception of technology delivery. This is absolutely game-changing.”

Fred Rothman,
Chief Operating Officer



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Financials



US commercial continues to accelerate in Q1 2024 alongside AIP revolution

+40% Y/Y

US Commercial Revenue

+14% Q/Q

US Commercial Revenue

136

US Commercial Deals Closed

+94% Y/Y

US Commercial Deals Closed

+69% Y/Y

US Commercial Customer Count

+19% Q/Q

US Commercial Customer Count

12x

3-Year US Commercial Customer Count Growth

+74% Y/Y

US Commercial Remaining Deal Value

+14% Q/Q

US Commercial Remaining Deal Value

\$286M

US Commercial Total Contract Value

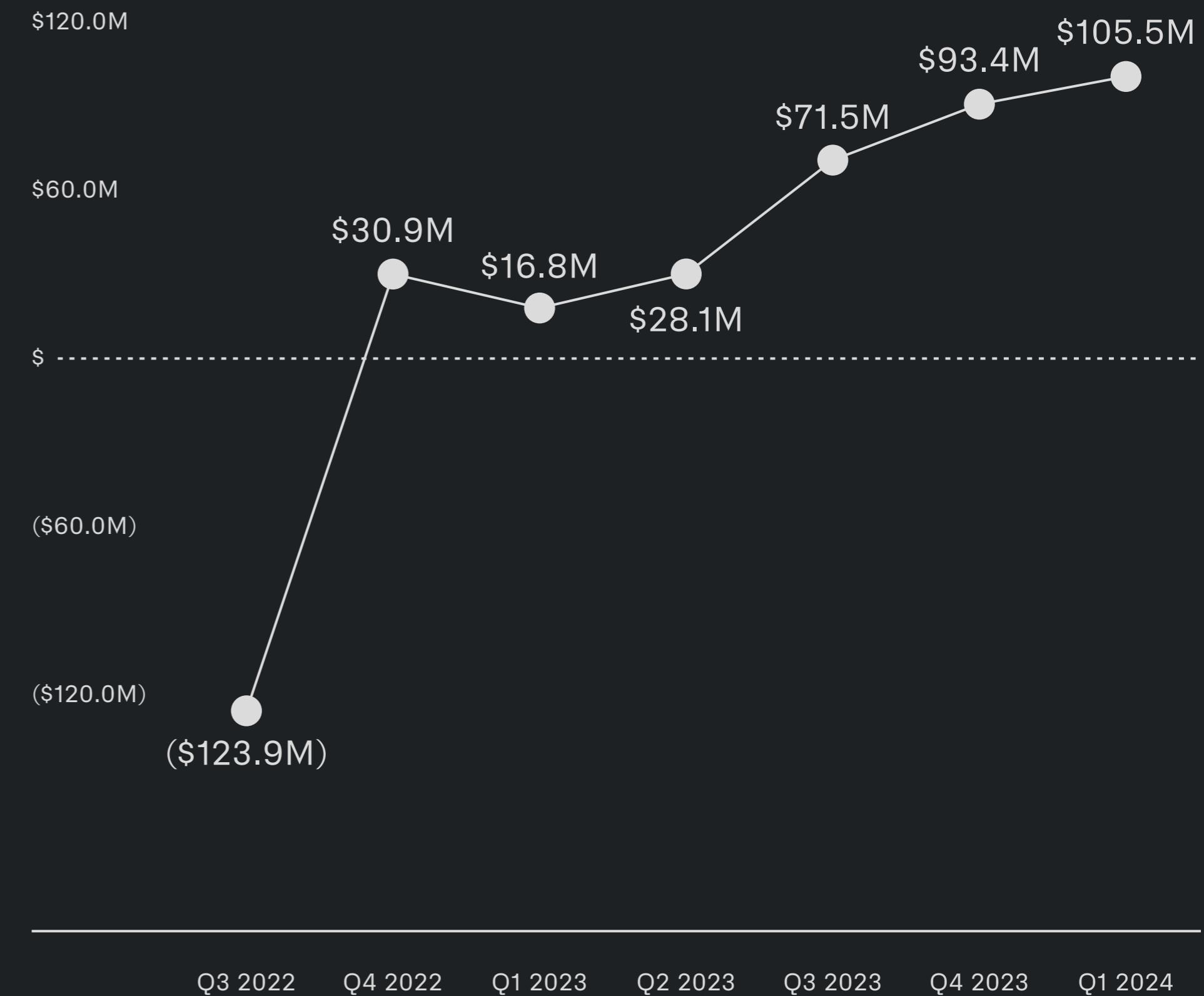
+131% Y/Y

US Commercial Total Contract Value

We achieved GAAP profitability for the sixth consecutive quarter.

Our Q1 2024 GAAP earnings per share was \$0.04, up \$0.03 Y/Y.

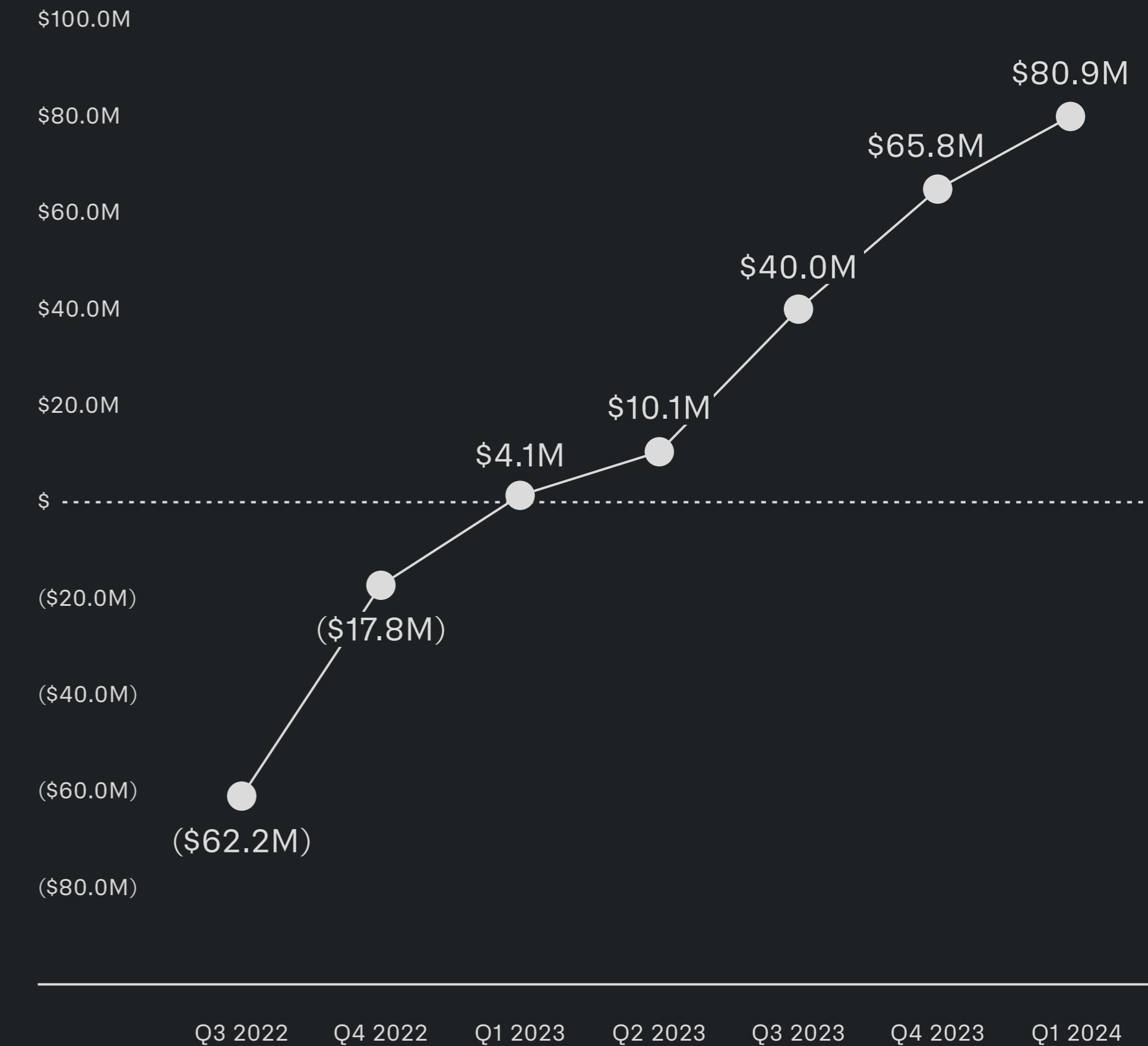
GAAP Net Income (Loss)



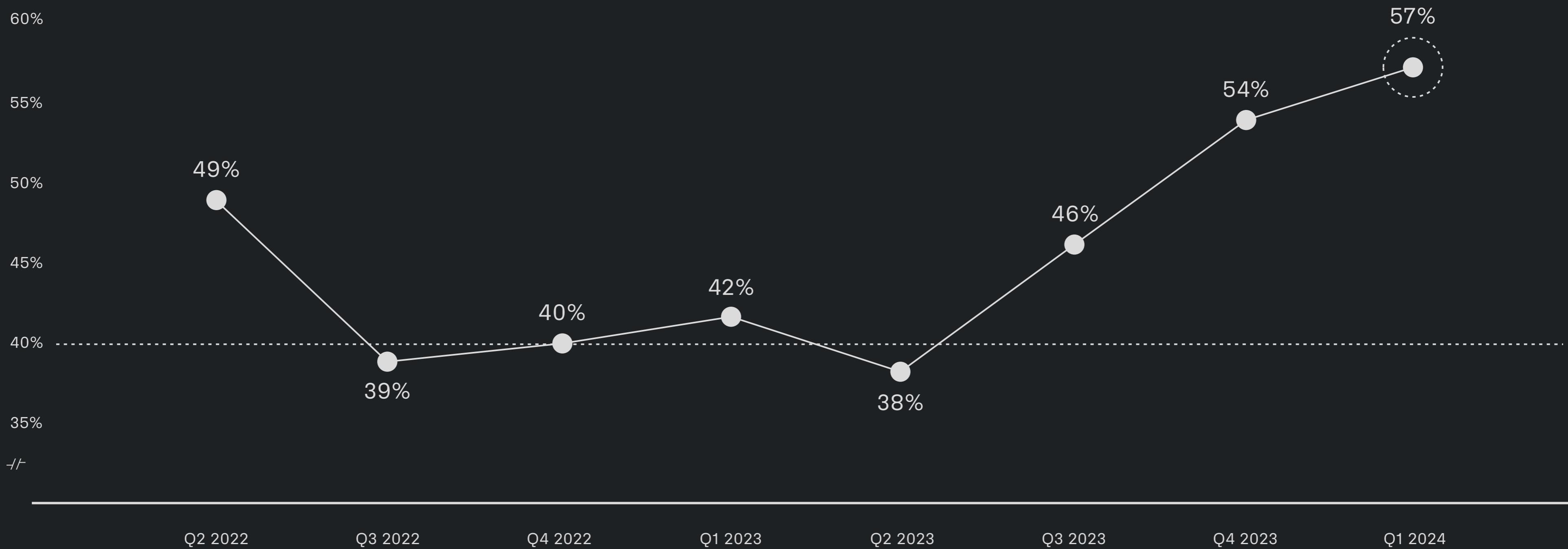
We achieved GAAP operating profitability for the fifth consecutive quarter.

Our Q1 2024 GAAP operating margin was 13%, up 1,200 basis points Y/Y.

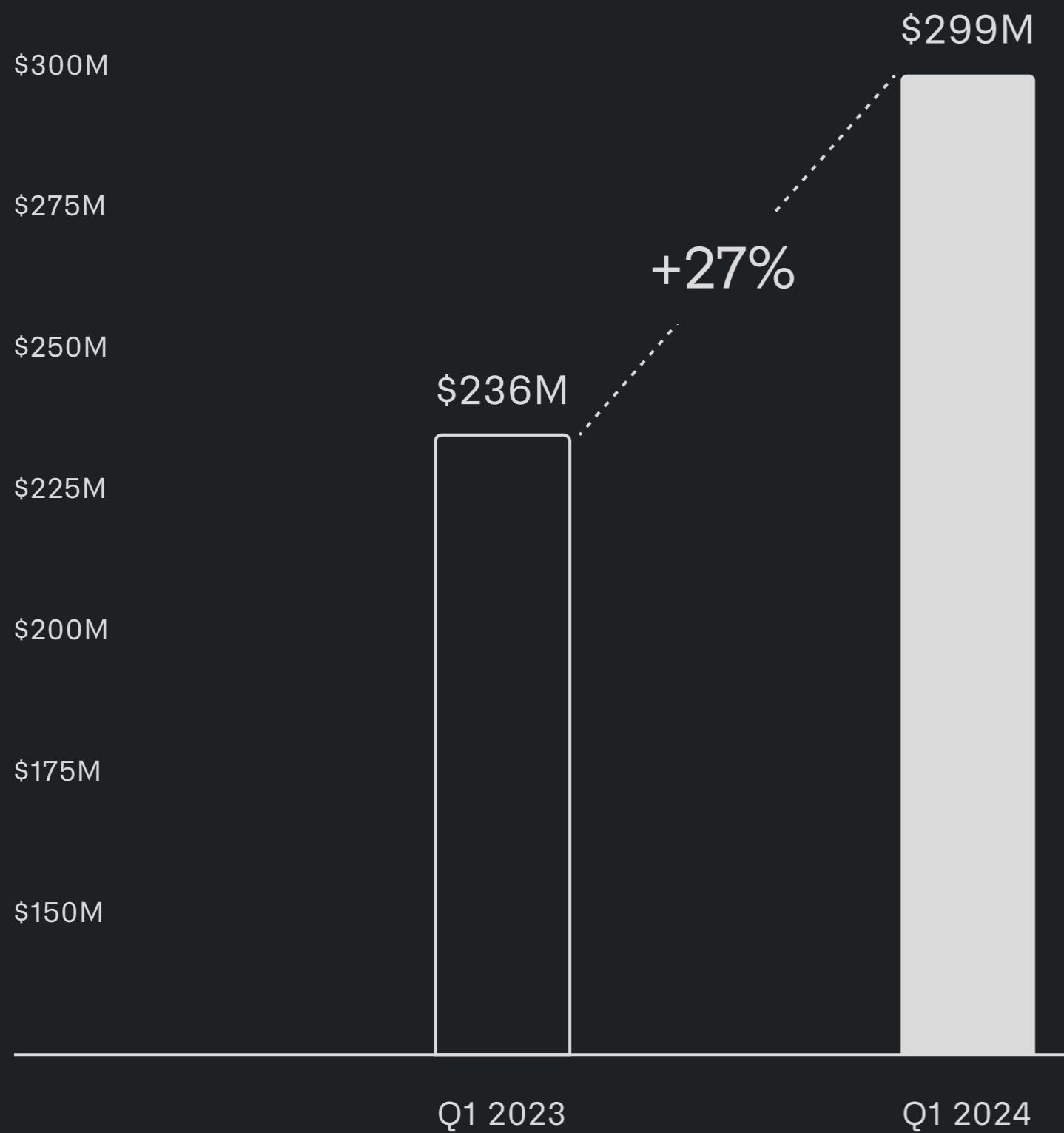
GAAP Operating Income (Loss)



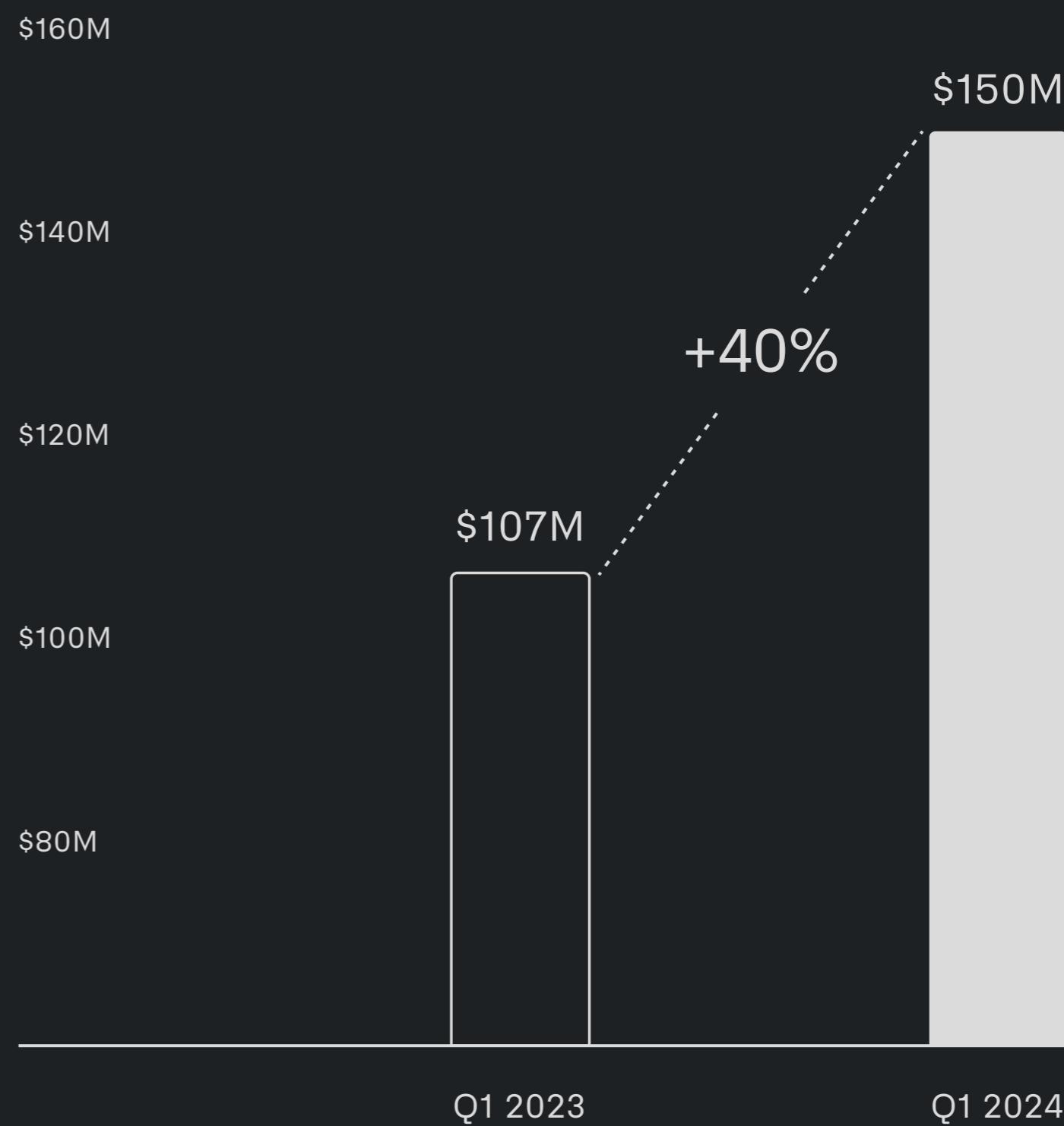
Rule of 40



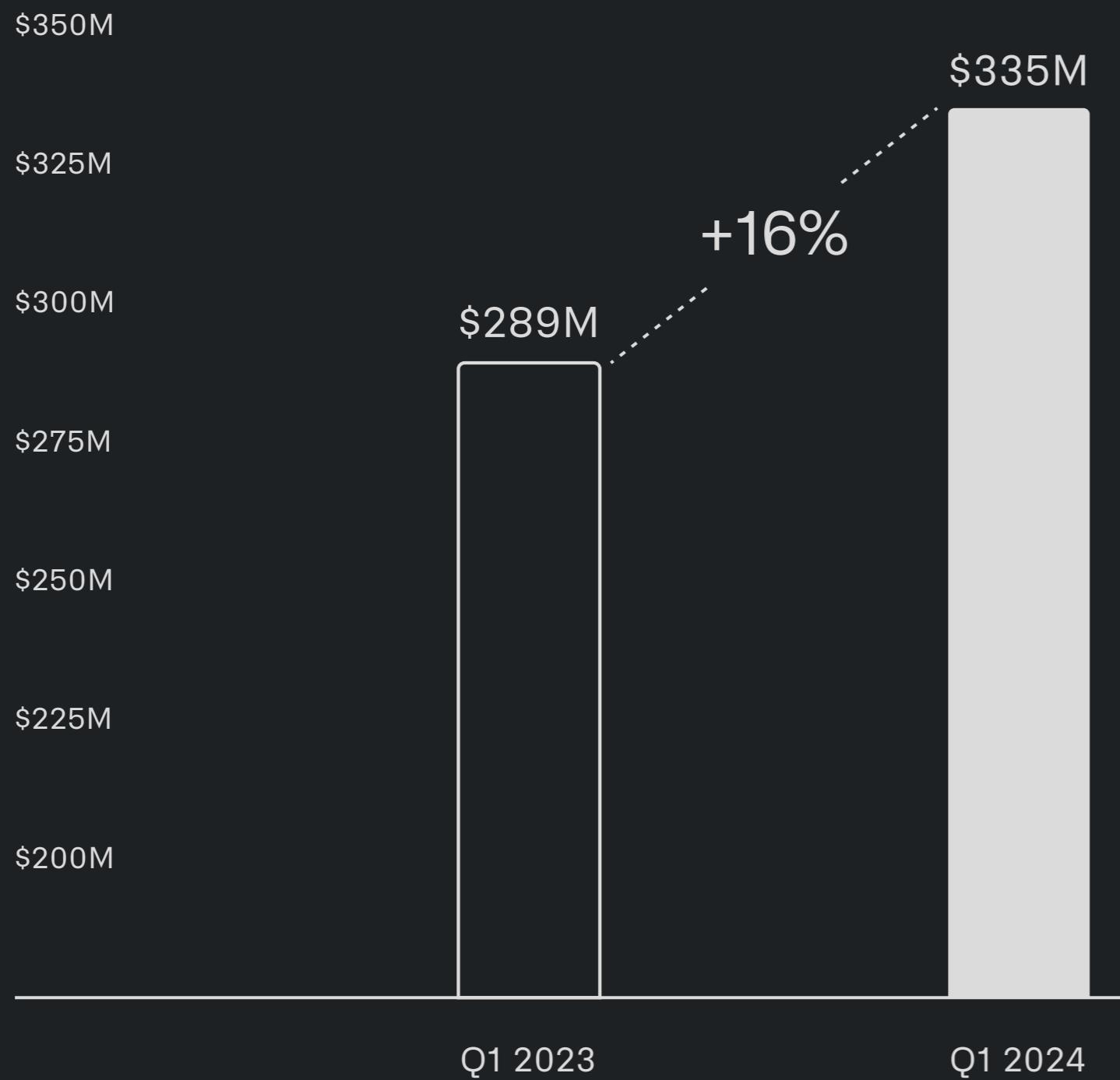
Commercial Revenue Growth



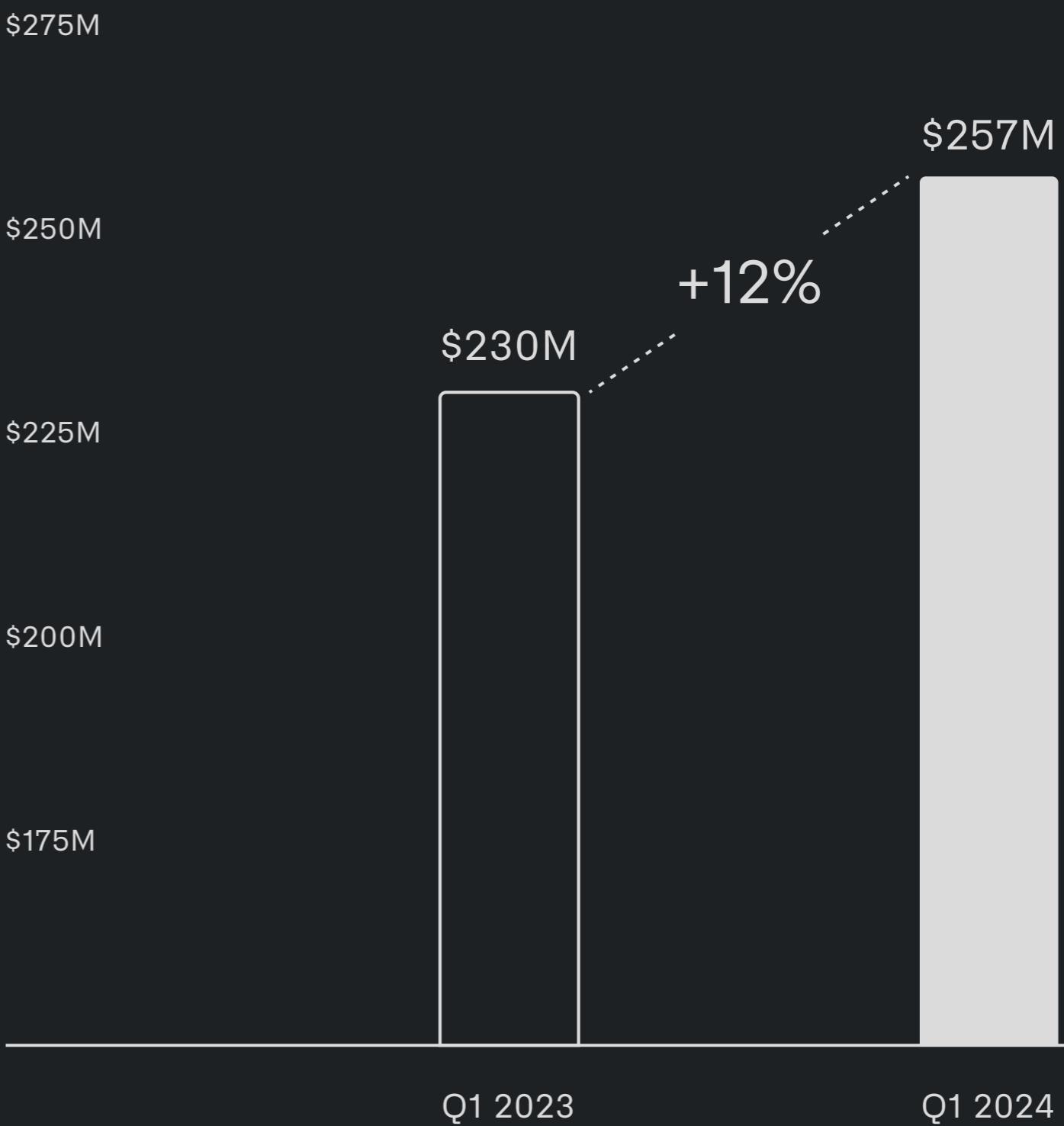
US Commercial Revenue Growth



Government Revenue Growth

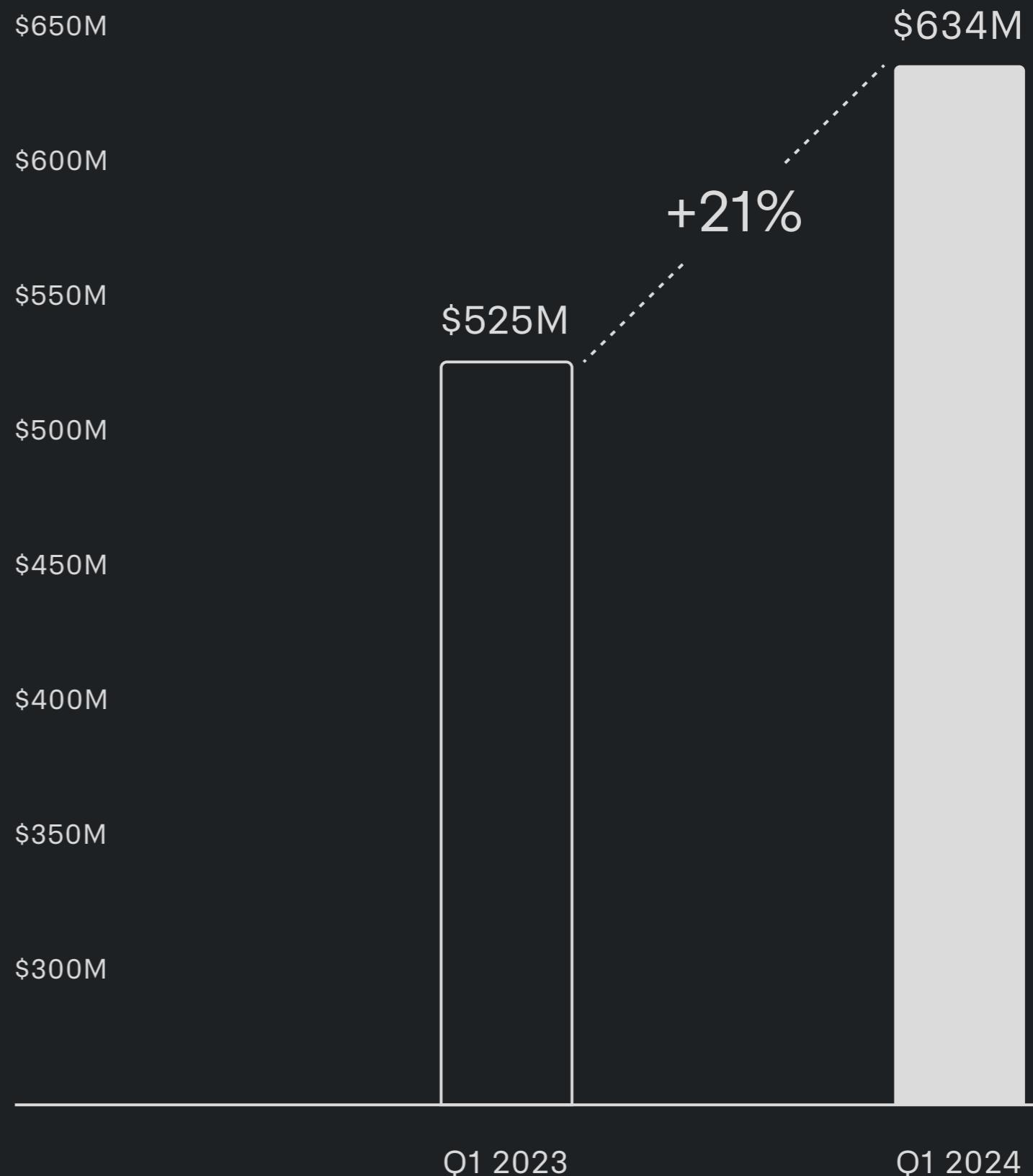


US Government Revenue Growth



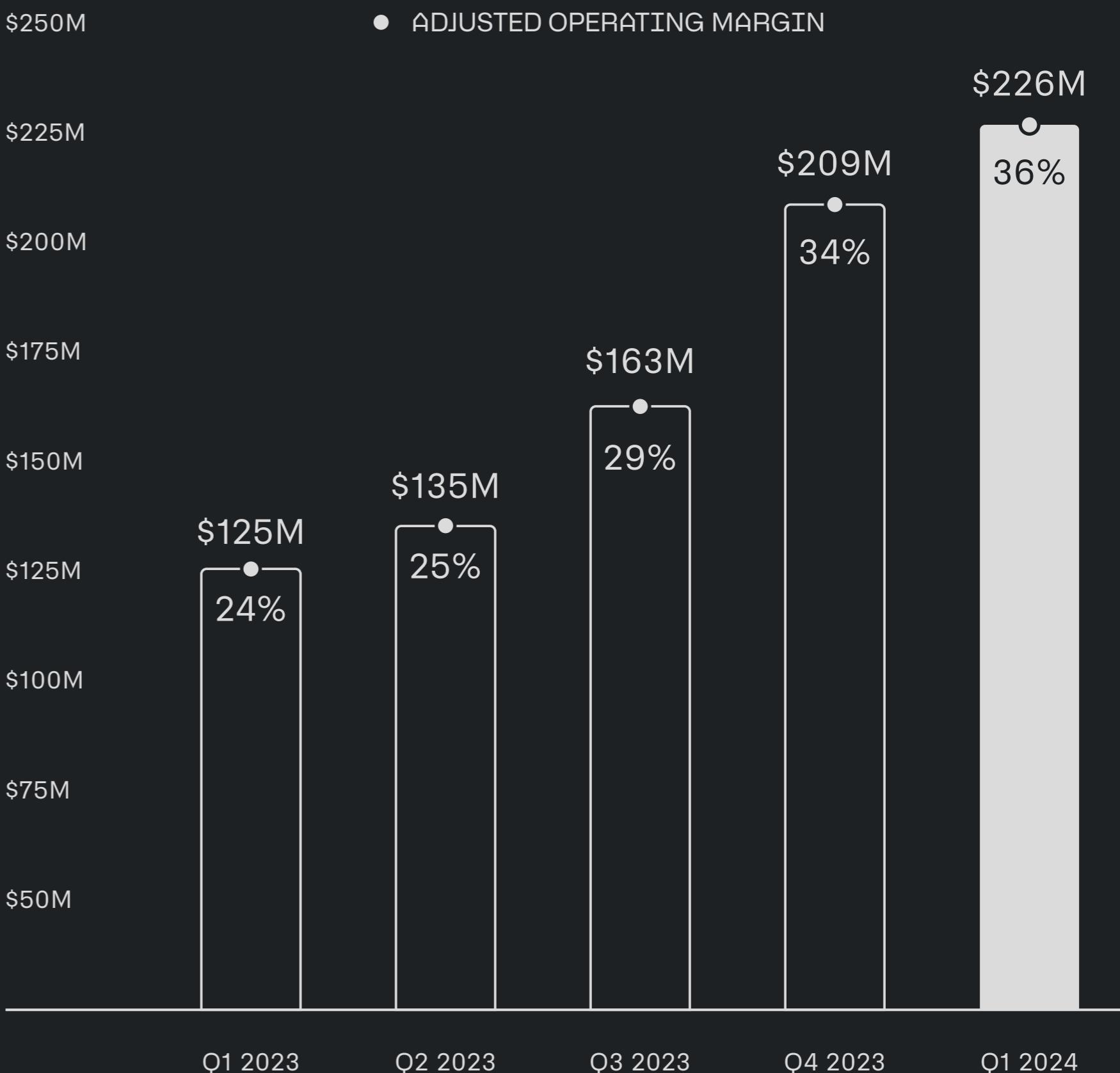
Total revenue grew 21% Y/Y and 4% Q/Q, driven by the continued acceleration of our US commercial business.

Total Revenue Growth

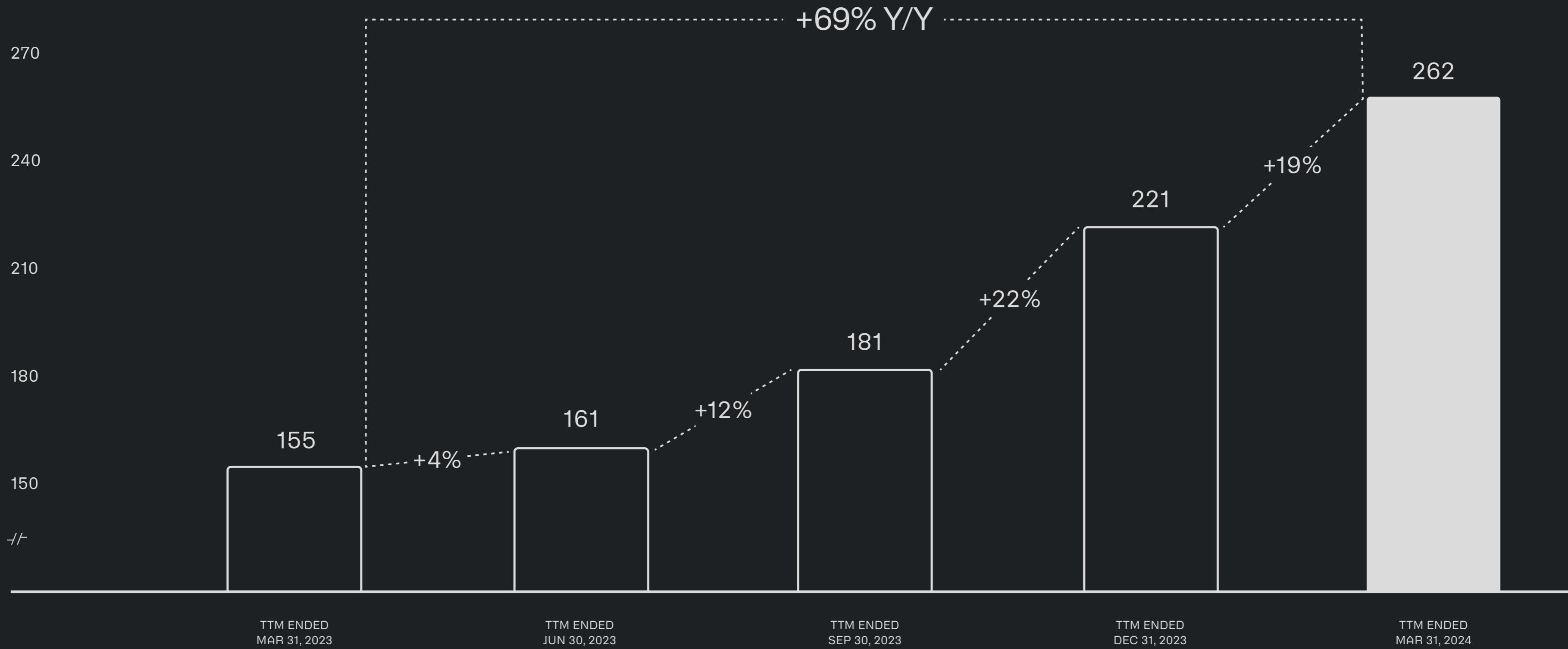


We continue to invest aggressively in AIP and the US while driving operating leverage at scale.

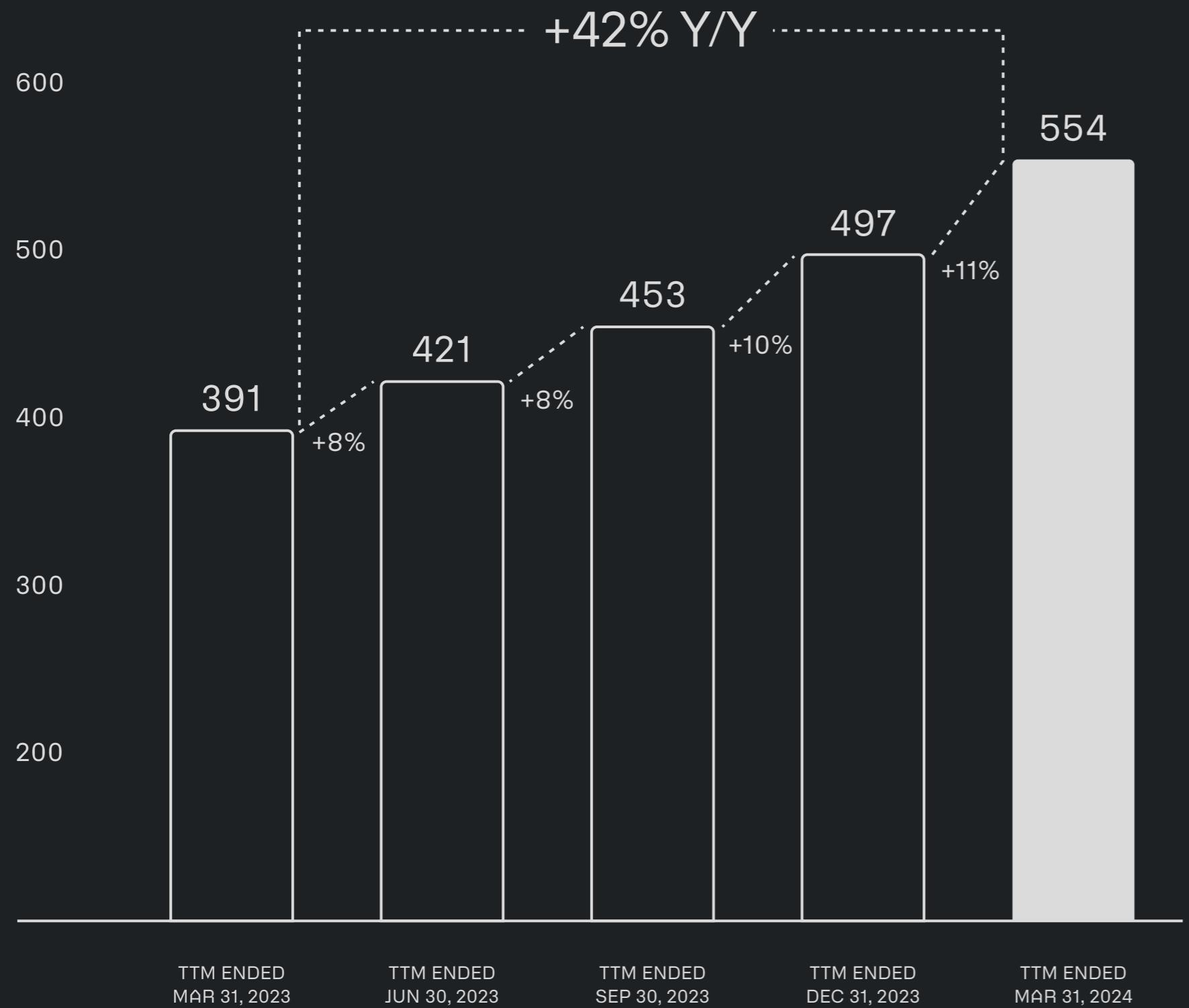
Q1 2024 adjusted operating income was \$226M, representing a margin of 36%



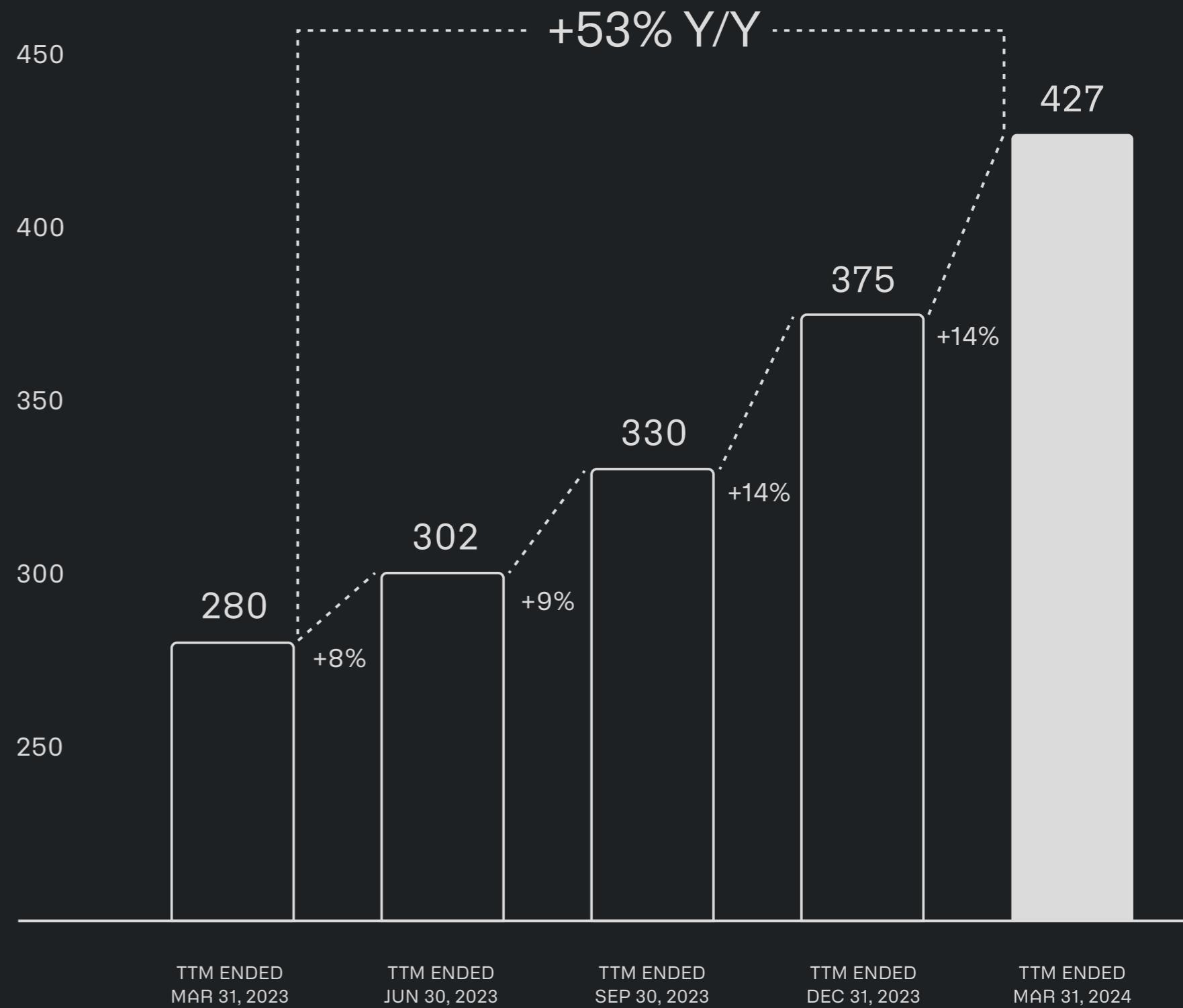
US Commercial Customer Count



Customer Count



Commercial Customer Count



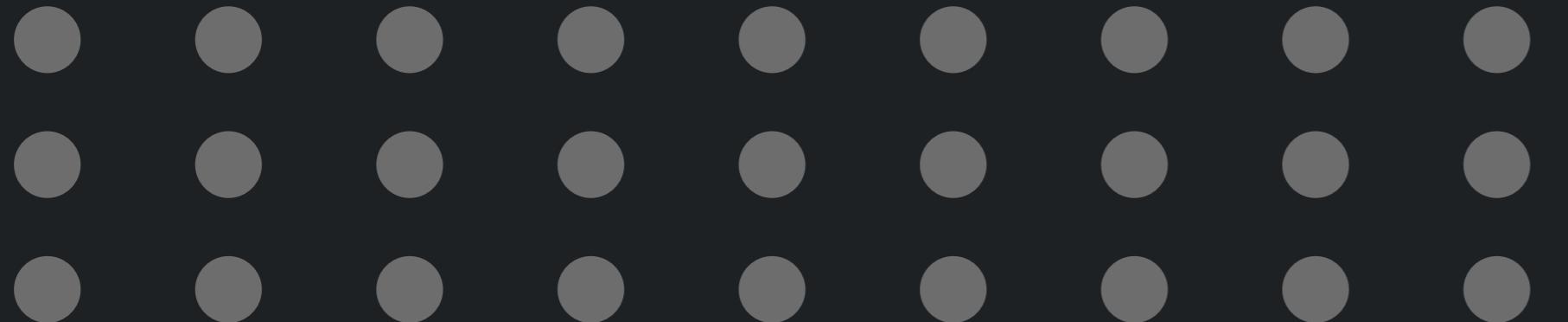
During Q1 2024, we closed

87 deals

of at least \$1 million.

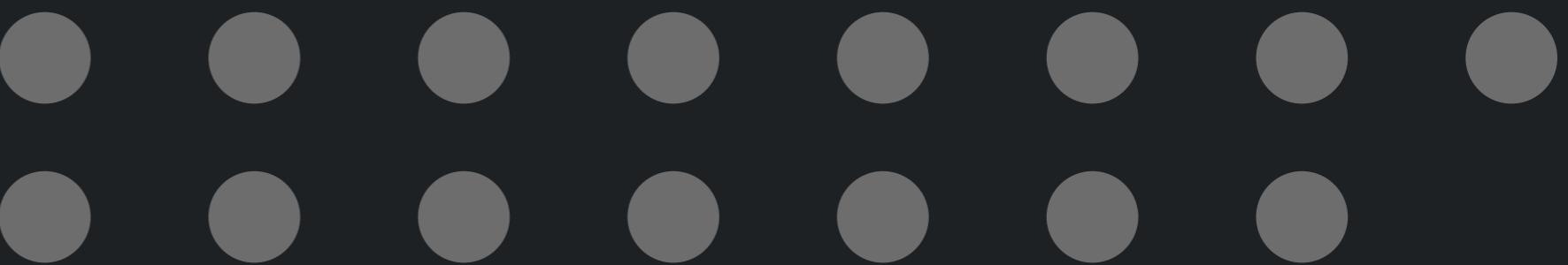
27

of which were at least \$5 million.



15

of which were at least \$10 million.

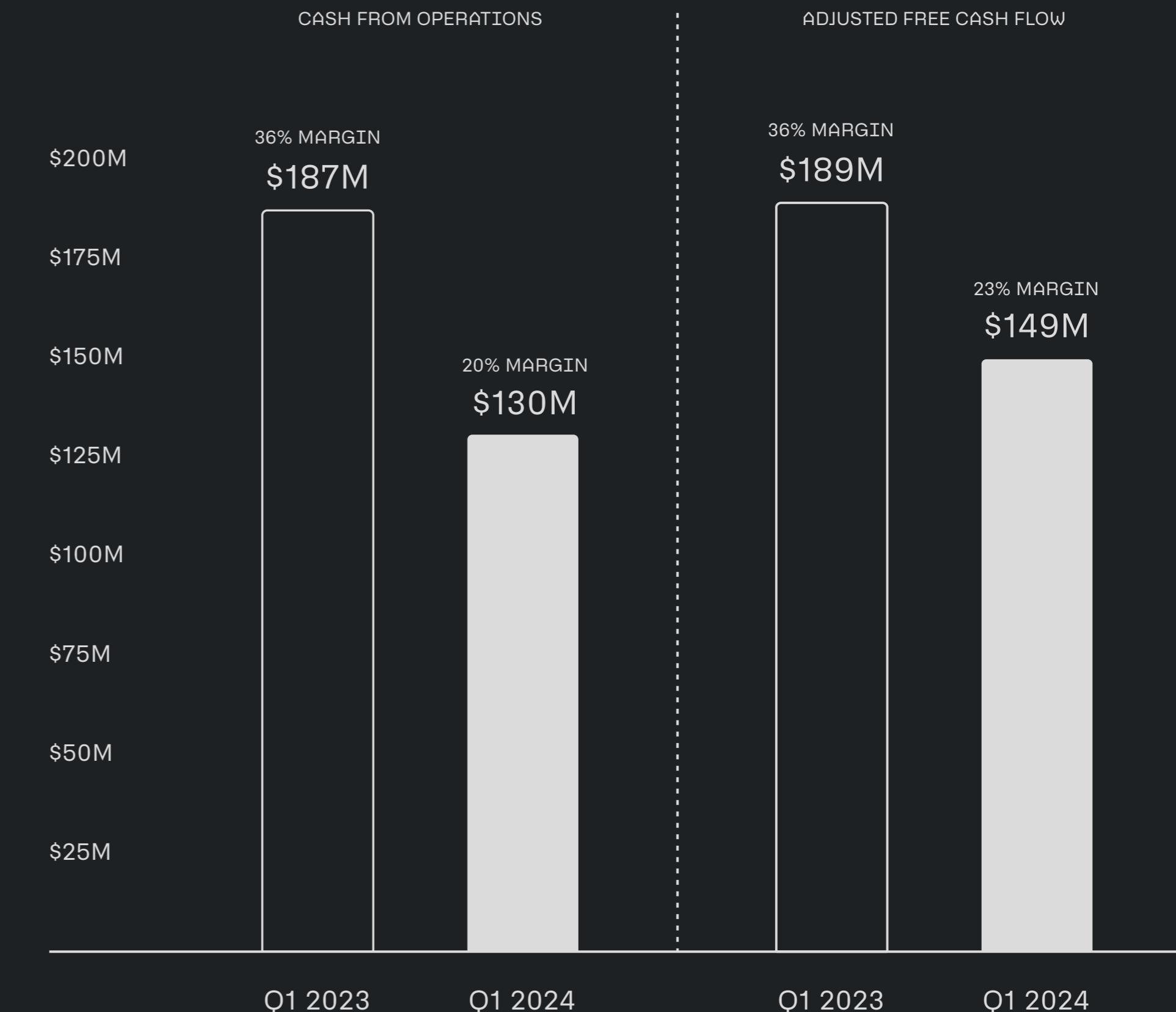


We ended Q1 2024 with

\$3.9B

in cash, cash equivalents,
and US treasury securities
and no debt.

Cash from Operations and Adjusted Free Cash Flow



Q2 2024

For second quarter 2024, we expect:

- Revenue of between \$649 million – \$653 million.
- Adjusted income from operations of between \$209 million – \$213 million.

FY 2024

For full year 2024, we expect:

- Revenue of between \$2.677 billion – \$2.689 billion.
- US commercial revenue in excess of \$661 million, representing a growth rate of at least 45%.
- Adjusted income from operations of between \$868 million – \$880 million.
- Adjusted free cash flow of between \$800 million – \$1 billion.
- GAAP operating income and net income in each quarter this year.

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Appendix



Additional Metrics and Notes

(\$ BILLIONS)	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Q1 2024
Total RPO	\$ 0.94	\$ 0.97	\$ 0.99	\$ 1.24	\$ 1.30
Short-Term RPO	\$ 0.53	\$ 0.56	\$ 0.56	\$ 0.64	\$ 0.69
Long-Term RPO	\$ 0.41	\$ 0.41	\$ 0.43	\$ 0.60	\$ 0.61
(\$ MILLIONS)					
Billings	\$ 614	\$ 603	\$ 550	\$ 605	\$ 625
Net dollar retention was 111% in Q1 2024.					

Rule of 40

	Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Q1 2024
Year-Over-Year Revenue Growth	26%	22%	18%	18%	13%	17%	20%	21%
Adjusted Operating Margin	23%	17%	22%	24%	25%	29%	34%	36%
Rule of 40	49%	39%	40%	42%	38%	46%	54%	57%

Reconciliation of Cash Flow from Operating Activities to Adjusted Free Cash Flow and Adjusted Free Cash Flow Margin

Adjusted free cash flow margin is calculated as adjusted free cash flow divided by revenue

(\$ THOUSANDS)	Q1 2023	Q1 2024
Cash Flow from Operating Activities	\$ 187,376	\$ 129,579
Add:		
Cash Paid for Employer Payroll Taxes Related to Stock-Based Compensation	6,276	21,719
Less:		
Cash Used to Purchase Property and Equipment	(4,755)	(2,664)
Adjusted Free Cash Flow	<hr/> \$ 188,897	\$ 148,634
Adjusted Free Cash Flow Margin	36%	23%

Reconciliation of Gross Profit to Adjusted Gross Profit & Adjusted Gross Margin

Excluding Stock-Based Compensation

Adjusted gross margin is calculated as adjusted gross profit divided by revenue

(\$ THOUSANDS)	Q1 2023	Q1 2024
Gross Profit	\$ 417,541	\$ 518,082
Add:		
Stock-Based Compensation	9,177	10,416
Adjusted Gross Profit	\$ 426,718	\$ 528,498
Adjusted Gross Margin	81%	83%

Reconciliation of Income from Operations to Adjusted Operating Income and Adjusted Operating Margin

Excluding Stock-Based Compensation and Related Employer Payroll Taxes

(\$ THOUSANDS)	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Q1 2024
Income From Operations	\$ 4,115	\$ 10,074	\$ 39,983	\$ 65,794	\$ 80,881
Add:					
Stock-Based Compensation	114,714	114,201	114,380	132,608	125,651
Employer Payroll Taxes Related to Stock-Based Compensation	6,285	10,760	8,909	10,953	19,926
Adjusted Operating Income	\$ 125,114	\$ 135,035	\$ 163,272	\$ 209,355	\$ 226,458
Adjusted Operating Margin	24%	25%	29%	34%	36%

Reconciliation of GAAP Earnings Per Share, Diluted to Adjusted Earnings Per Share, Diluted

(AMOUNTS IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)	Q1 2023	Q1 2024
Net Income Attributable to Common Stockholders	\$ 16,802	\$ 105,530
Add / (Less):		
Stock-Based Compensation	114,714	125,651
Employer Payroll Taxes Related to Stock-Based Compensation	6,285	19,926
Income Tax Effects and Adjustments [1]	(30,400)	(54,170)
Adjusted Net Income Attributable to Common Stockholders, Diluted	<hr/> \$ 107,401	<hr/> \$ 196,937
Weighted-Average Shares Used in Computing GAAP Earnings Per Share, Diluted	<hr/> 2,217,439	<hr/> 2,400,107
Adjusted Weighted-Average Shares Used in Computing Adjusted Earnings Per Share, Diluted	<hr/> 2,217,439	<hr/> 2,400,107
Adjusted Earnings Per Share, Diluted	<hr/> \$ 0.05	<hr/> \$ 0.08

Reconciliation of Revenue to Billings

(\$ THOUSANDS)	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Q1 2024
Revenue	\$ 525,186	\$ 533,317	\$ 558,159	\$ 608,350	\$ 634,338
Change in Contract Liabilities	88,614	69,952	(8,199)	(3,354)	(9,051)
<hr/>					
Billings	\$ 613,800	\$ 603,269	\$ 549,960	\$ 604,996	\$ 625,287

Reconciliation of Cost of Revenue and Total Operating Expenses to Adjusted Expenses

(\$ THOUSANDS)	Q1 2023	Q4 2023	Q1 2024
Total Expenses	\$ 521,071	\$ 542,556	\$ 553,457
Less:			
Stock-Based Compensation	114,714	132,608	125,651
Employer Payroll Taxes Related to Stock-Based Compensation	6,285	10,953	19,926
Adjusted Expenses	<hr/> \$ 400,072	\$ 398,995	\$ 407,880