

Q3 2021



Business Update



Tuesday / November 9 ²⁰²¹

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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, expectations regarding any current or potential customers, partnerships, or other business relationships or initiatives, expectations of future operating results or financial performance, market size and growth opportunities, plans for future operations, competitive position, technological capabilities, and strategic relationships or investments, 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. Forward-looking statements should not be read as a guarantee of future performance or results and will not necessarily be accurate indications of the times at, or by, which such performance or results will be achieved, if at all.

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”). You can locate these reports on our investor relations website (investors.palantir.com) or on the SEC website (www.sec.gov). If the risks or uncertainties ever materialize or the assumptions prove incorrect, our results may differ materially from those expressed or implied by such forward-looking statements. Except as required by law, we assume no obligation and do not intend to update these forward-looking statements or to conform these statements to actual results or to changes in our expectations.

We use the non-GAAP financial measures adjusted free cash flow and adjusted free cash flow margin; contribution margin; adjusted gross profit and adjusted gross margin; billings; adjusted EBITDA; adjusted earnings per share; and adjusted operating income (loss) and adjusted operating margin 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 statement 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.

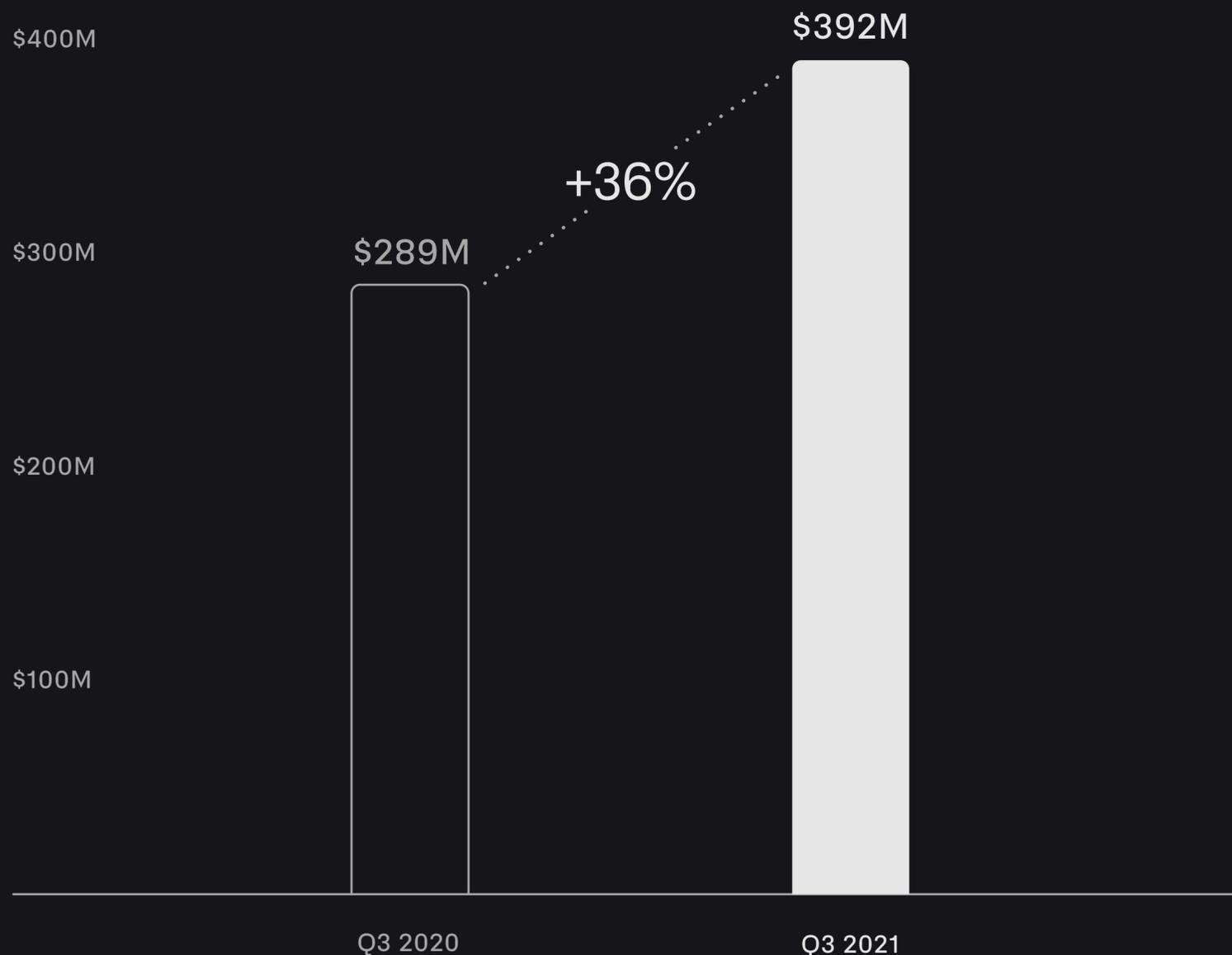
This presentation contains statistical data, estimates and forecasts that are based on independent industry publications or other publicly available information, as well as other information based on our internal sources. This information involves many assumptions and limitations, and you are cautioned 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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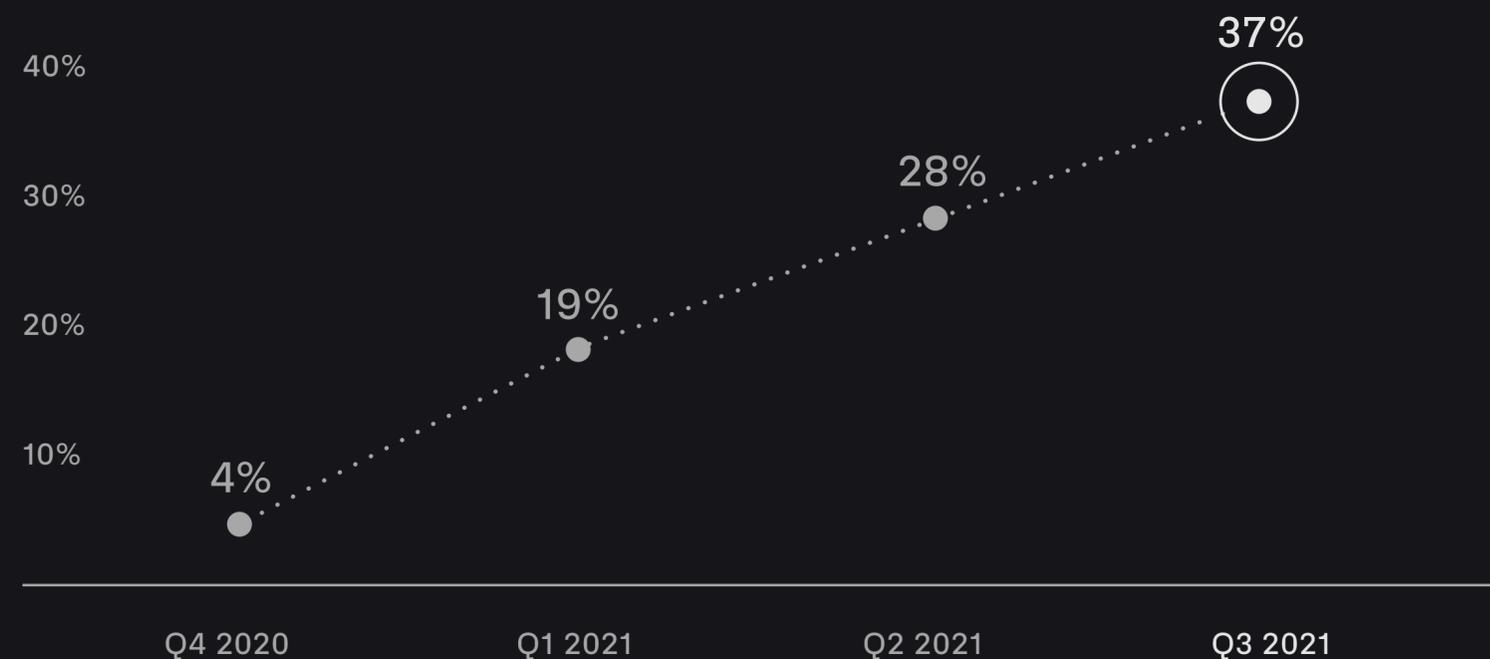
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Q3 revenue grew by 36% year-over-year to \$392 million.



Q3 commercial revenue growth accelerated to 37% year-over-year



Q3 US commercial revenue growth rate accelerated to 103% year-over-year.

We added

34

net new customers in Q3.

Our commercial customer count grew

46%

quarter-over-quarter.

We have grown our commercial customer count by

135%

since December 31, 2020.

During Q3 2021, we closed

54 deals

of at least \$1 million.

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.



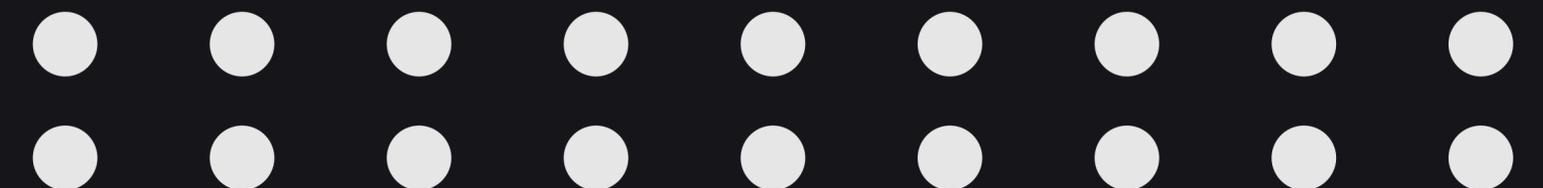
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of which were at least \$5 million.



18

of which were at least \$10 million.

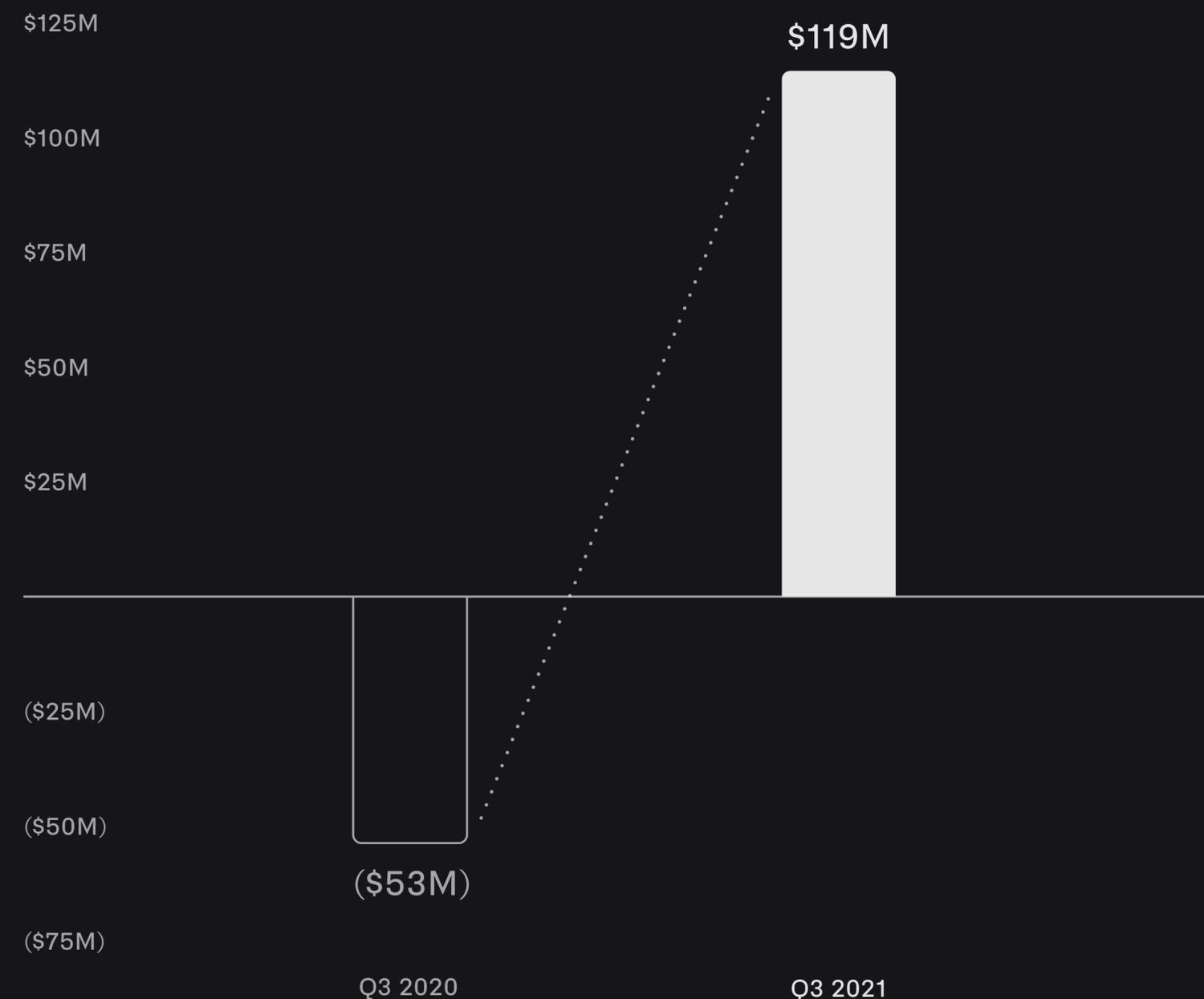


Q3 adjusted free cash flow was

\$119M

→ an improvement of \$172 million year-over-year and representing a margin of 30%.

Adjusted Free Cash Flow



Adjusted free cash flow excludes employer payroll taxes related to stock-based compensation and purchases of property, plant, and equipment. Please see the appendix for reconciliations of these non-GAAP financial measures to the most directly comparable GAAP measures.

Total remaining deal value grew 50% year-over-year to \$3.6 billion.



Total remaining deal value is the total remaining value of contracts that have been awarded by our government and commercial customers and includes existing contractual obligations and unexercised contract options available to those customers. Total remaining deal value presumes the exercise of all contract options 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. Included in the \$3.6 billion of total remaining deal value is the following activity during the nine months ended September 30, 2021: 1) \$640.2 million of maximum potential revenue from commercial contracts entered into with corresponding approved investment agreements, less 2) \$22 million of revenue recognized from such commercial contracts, plus 3) \$218 million of maximum potential revenue from commercial contracts entered into in connection with contemplated investment agreements that are subject to negotiation, approval, and execution.

Commercial deal value grew 101% year-over-year to \$2.2 billion.

Remaining performance obligation increased 172% to \$874 million year-over-year.

Remaining performance obligations represent noncancelable 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 ("ASC") 606 - Revenue from Contracts with Customers - allowing us to not disclose remaining performance obligations for contracts with original terms of twelve months or less.

Q1-Q3 2021

Revenue
growth of
44%
to over \$1.1 billion.

Adjusted free
cash flow of
\$320M
→ representing
a 29% margin.

Adjusted
operating
income of
\$349M
→ representing
a 32% margin.

Adjusted free cash flow excludes employer payroll taxes related to stock-based compensation and purchases of property, plant and equipment. Please see the appendix for reconciliations of these non-GAAP financial measures to the most directly comparable GAAP measures

Adjusted operating income and related margin excludes stock-based compensation and related employer payroll taxes.

Defense Industrials

From fighter jets to naval ships, we're driving innovation in the Defense Industrial Base with L3Harris, Huntington Ingalls, and more.



Automotive and Mobility

Managing the value chain,
from parts suppliers to charging stations.



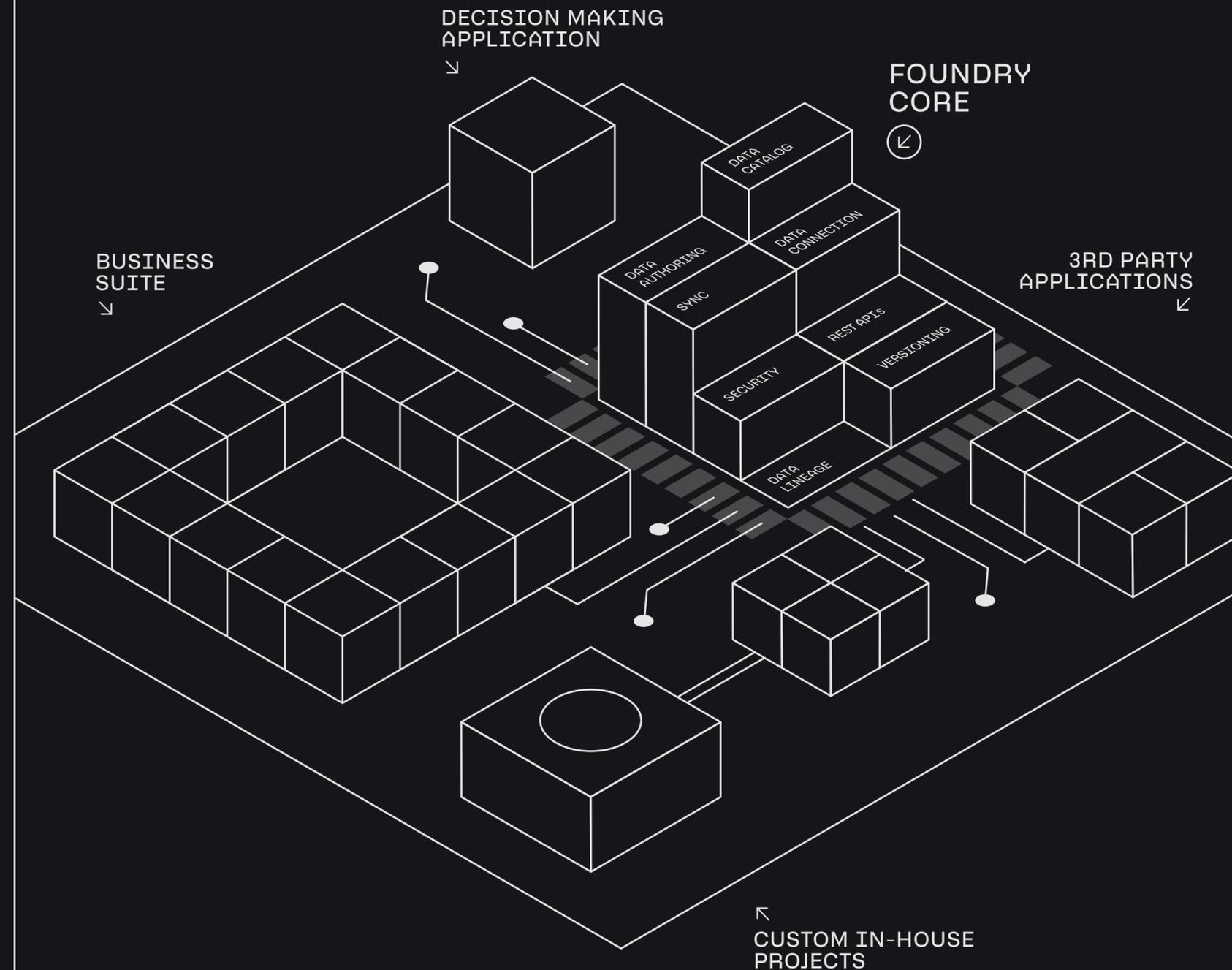
Healthcare

Unique and diverse footprint across NHS, NIH, MDAnderson, Veterans Affairs and more supports more than 300 million patients.



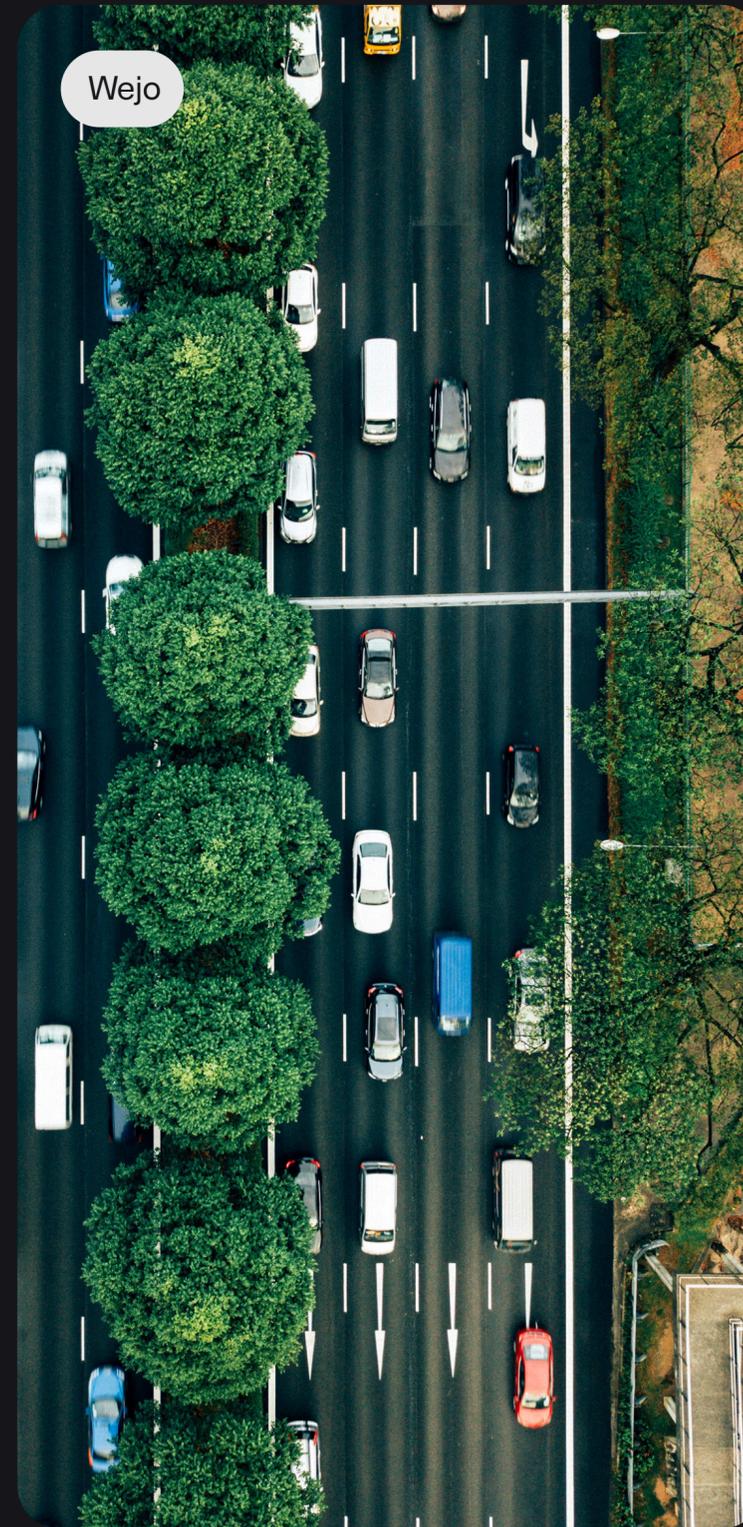
Foundry is the connective tissue linking analytics with operational systems.

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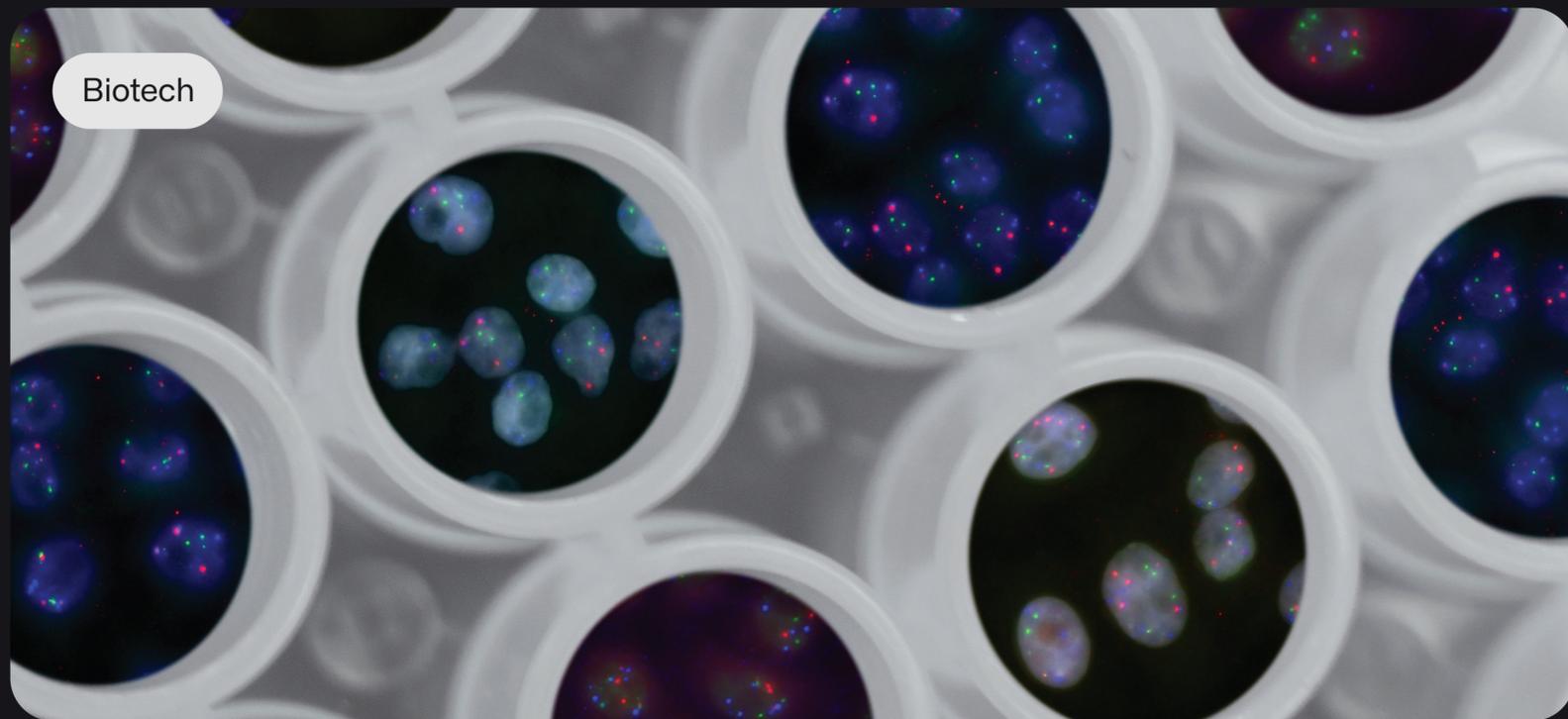
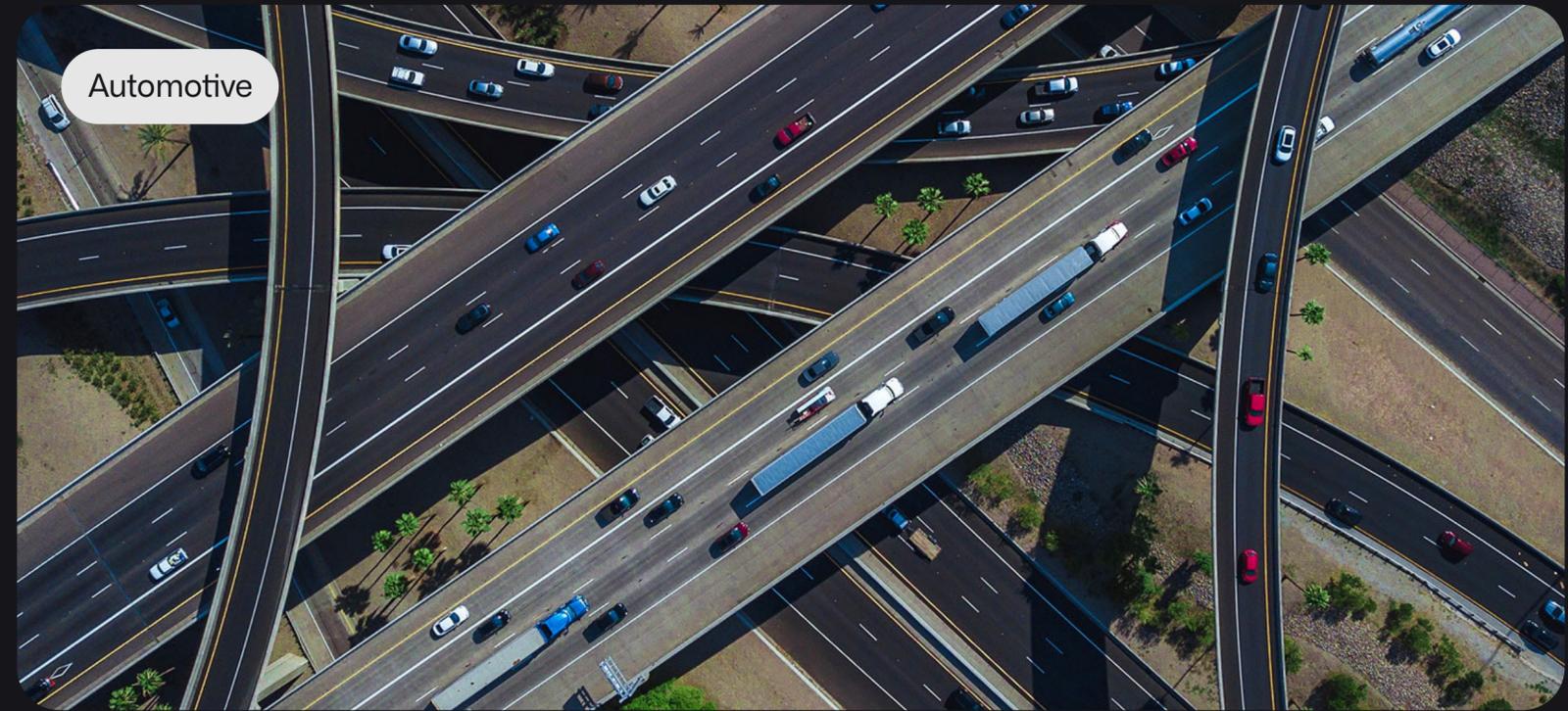
Day Zero companies are using Foundry to reach escape velocity.

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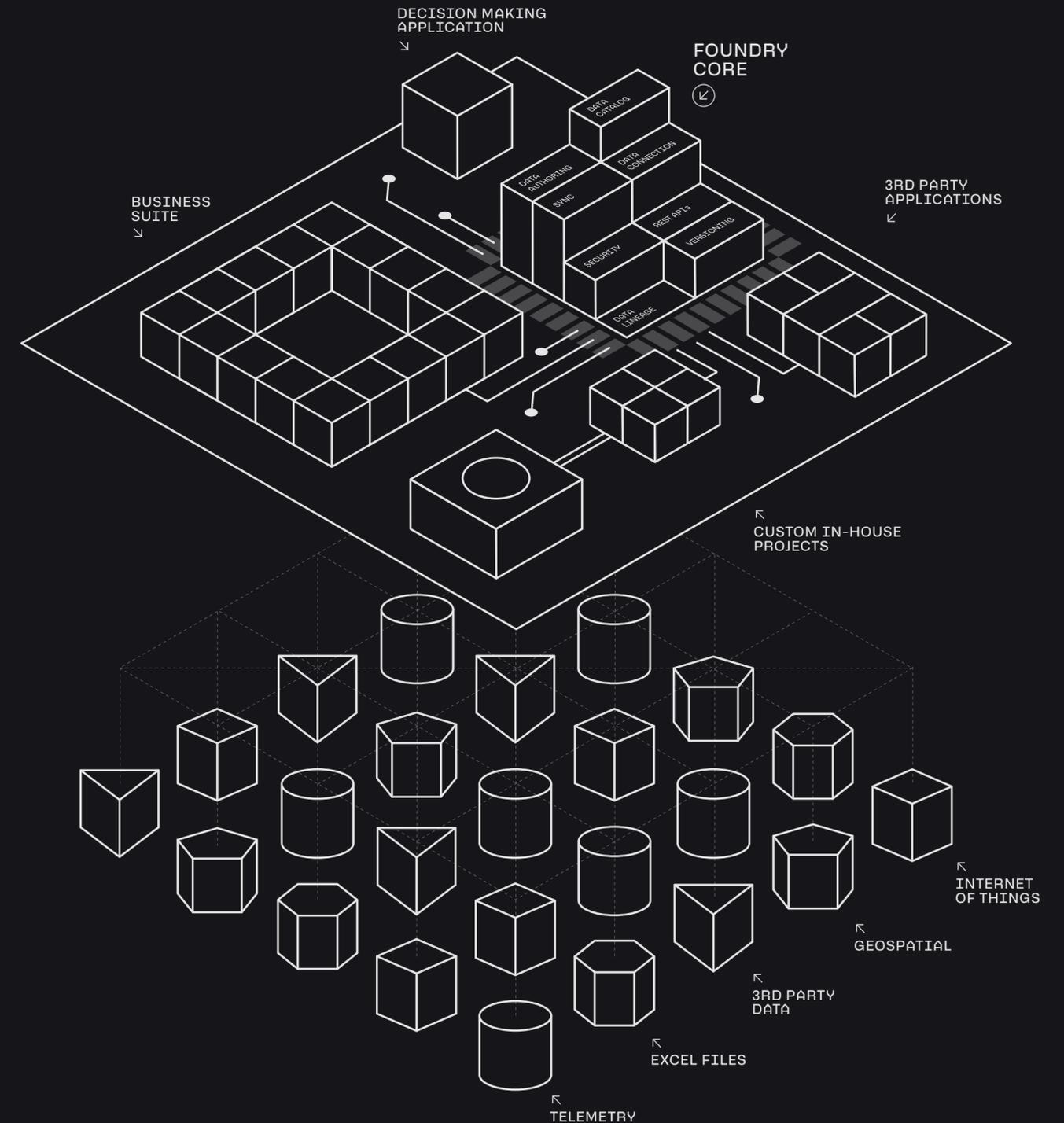
Foundry for Builders companies are wielding their data to scale and win.

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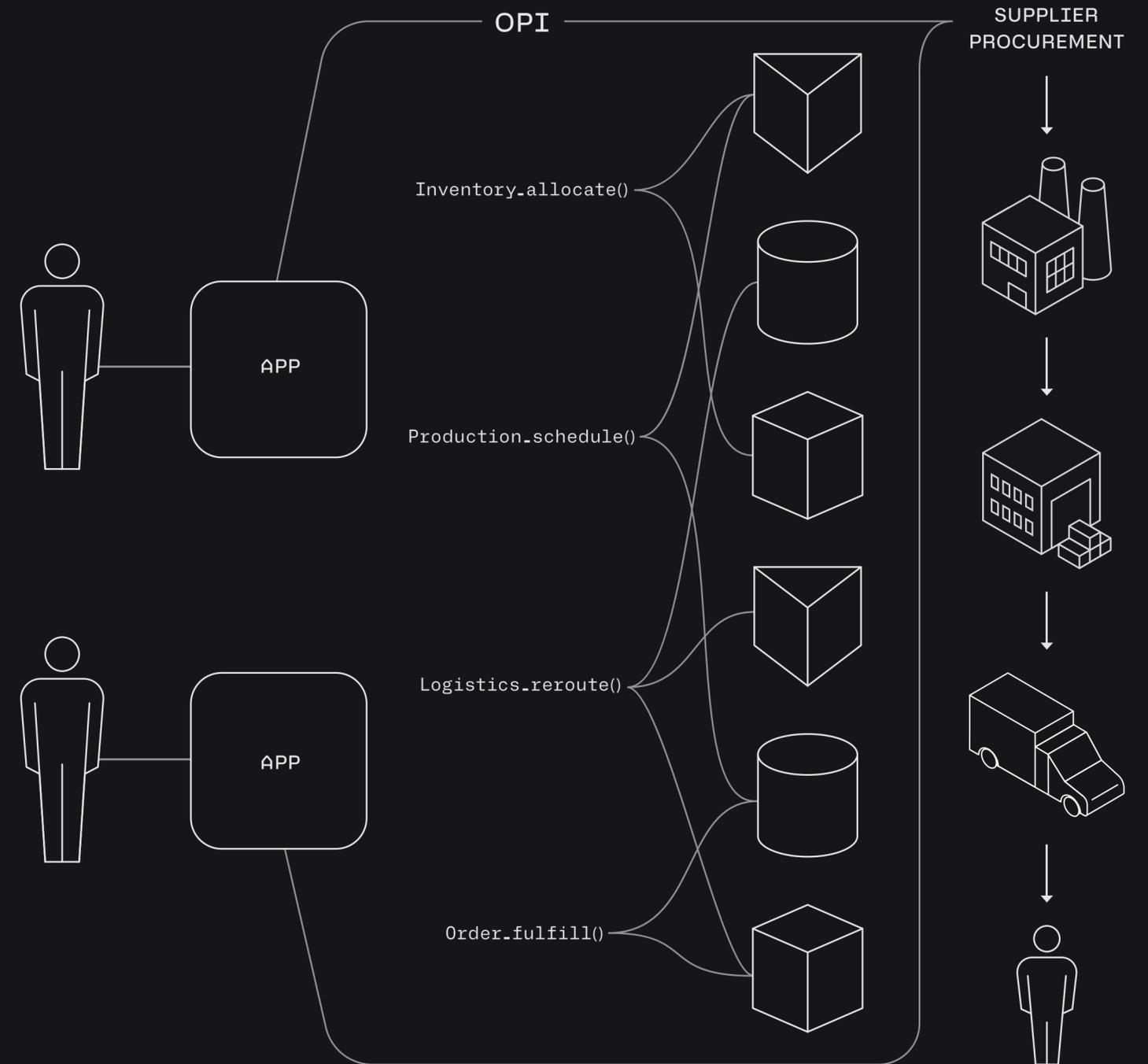
Operational APIs orchestrate complex, cross-system decision-making, unlocking alpha across the enterprise.

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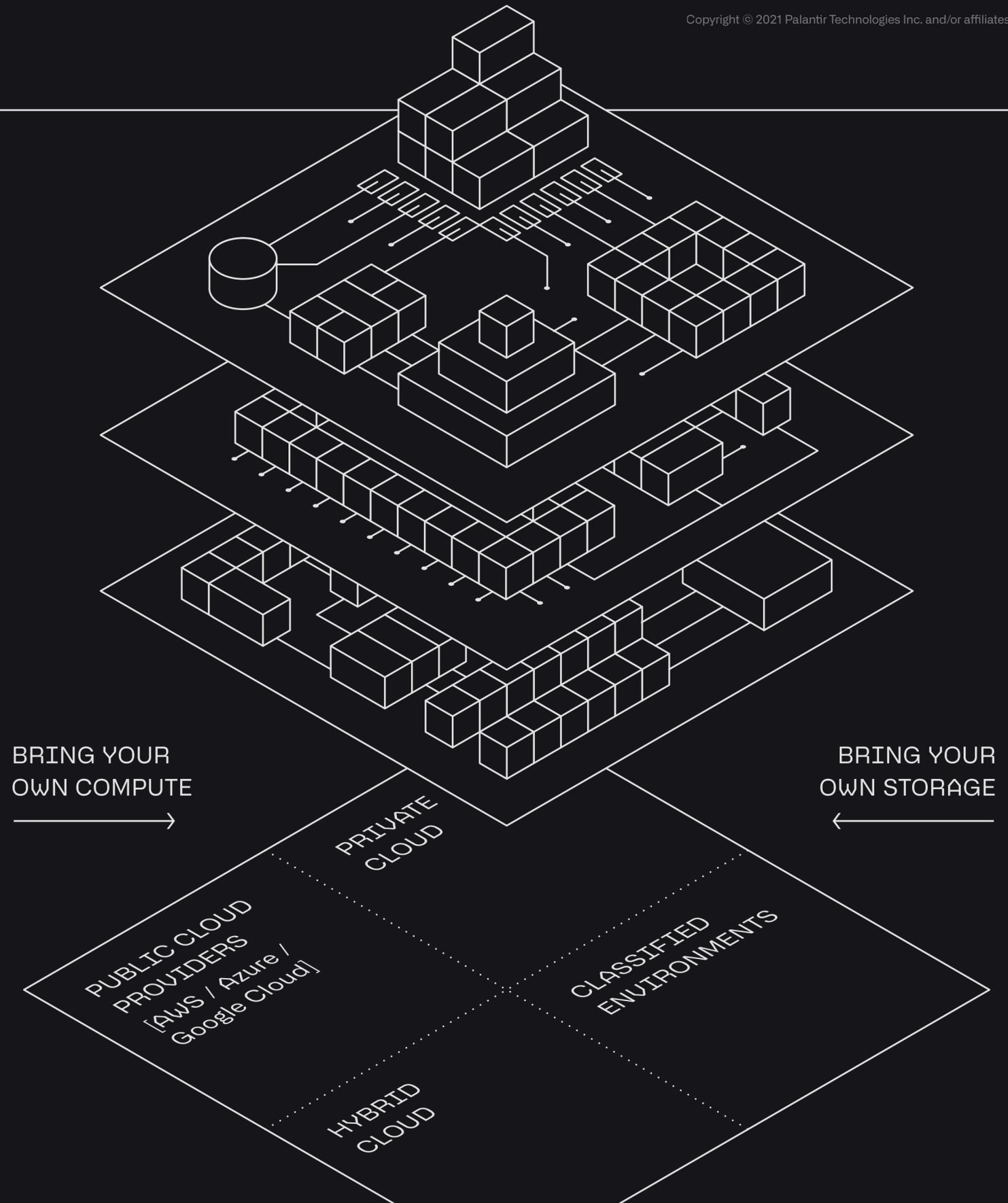
Operational APIs orchestrate complex, cross-system decision-making, unlocking alpha across the enterprise.

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We've commercialized Apollo to allow our customers to meet their customers where they are, and take their SaaS where it's never gone before.

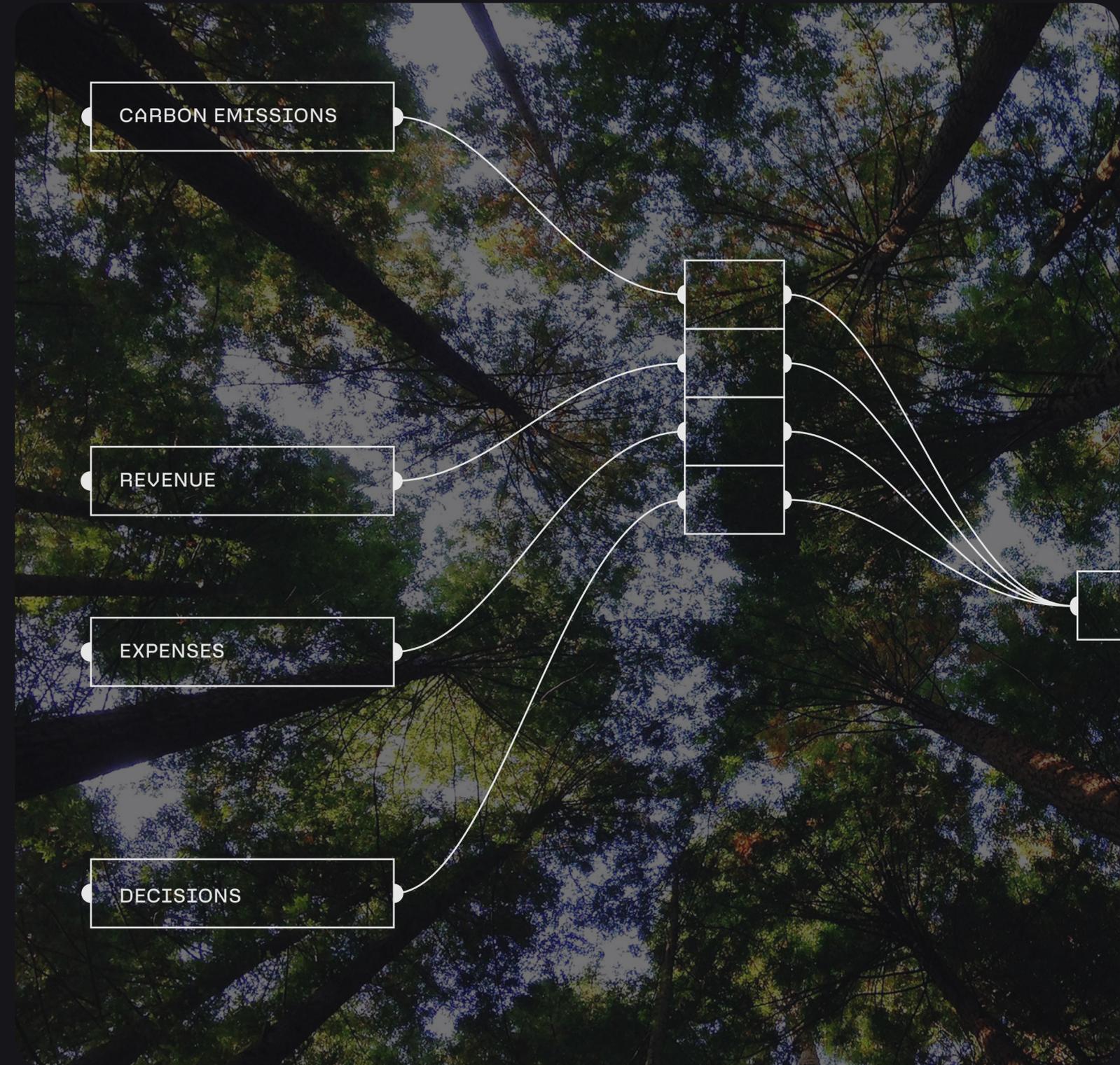
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We're pushing the envelope of Apollo capabilities by enabling Streaming Processing at the Edge.



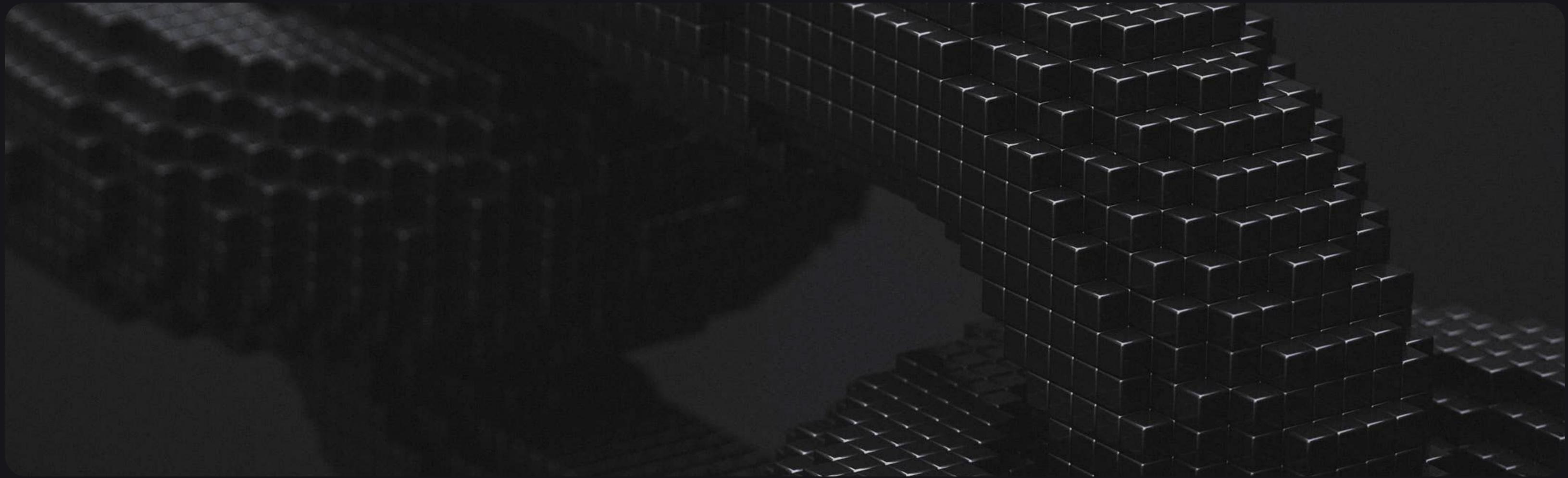
Foundry is enabling carbon and emissions management to convert beta to alpha.





We are leveraging our deep expertise in AML and KYC to enable accelerated compliance across crypto and fintech.

[↳ Learn more](#)



In Q3, we signed new deals with the US Department of Health and Human Services, US Air Force, NIH, and more.



MetaConstellation is meeting its moment around the globe.

The screenshot displays the Palantir MetaConstellation interface. At the top, a green banner reads "UNCLASSIFIED NOTIONAL DATA". The main header includes the "METACONSTELLATION" logo, a search bar with the text "Find asset or location...", and filters for "TIME RANGE" (16 Aug 21 - 16 Oct 21) and "LOCATION" (South China Sea). A navigation breadcrumb shows "Home > Requests > New Request".

On the left sidebar, there are navigation icons and a vertical menu with "META-CONSTELLATION" and "[Q3] - EARNINGS".

The central panel is titled "Next Collection Windows" and lists several satellite passes:

- SKYSAT 8N 93**: Aug 16, 2021 • 9:14:19Z +132s
- FLOCK 13T 77**: Aug 16, 2021 • 11:14:18Z +35s
- CONTRAST 6L 28**: Aug 16, 2021 • 13:30:34Z +40s
- NUSAT 15**: Aug 16, 2021 • 13:33:31Z +116s
- SKYSAT13**: Aug 16, 2021 • 16:22:14Z +110s
- CAPELLA-2**: Aug 16, 2021 • 17:44:44Z +63s
- HAWK-6B**: Aug 17, 2021 • 6:32:40Z +146s

Below this list is the "AI Micromodel Matrix" section, which includes a table of model performance metrics:

Models in Use	Xailient	YOLOv5	Mask R...
Submarines	62%	84%	64%
Semi Submer...	89%	96%	90%

The right side of the interface features a large 3D globe of Earth with various satellite tracks and collection windows overlaid. A search bar and navigation controls are visible on the right edge of the interface.

We were recently down-selected to be the sole provider of the Army's Intelligence Data Fabric and Analytics Foundation under Capability Drop 2.





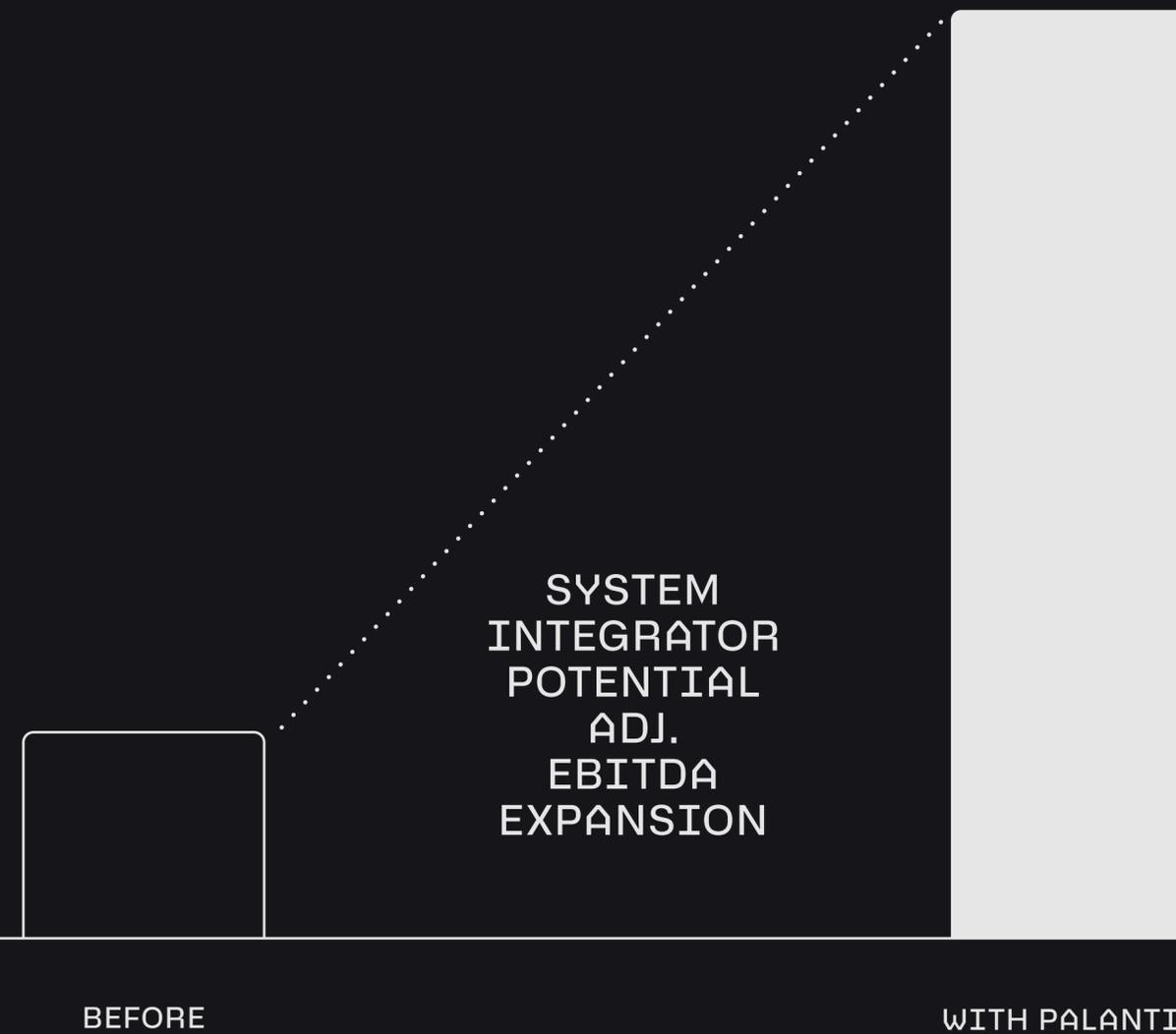
We signed a 4-year, \$87 million contract with the US Department of Veterans Affairs to improve patient care and outcomes for veterans and their families.



We won a two-year, \$60 million award from the NIH to continue our work in the fight against COVID-19.



Government SIs can transform their EBITDA with Palantir.



 Palantir

PLTR
LISTED
NYSE

GOYHAM

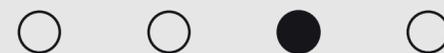
FOUNDRY

APOLLO

Q3 2021



Financial Update

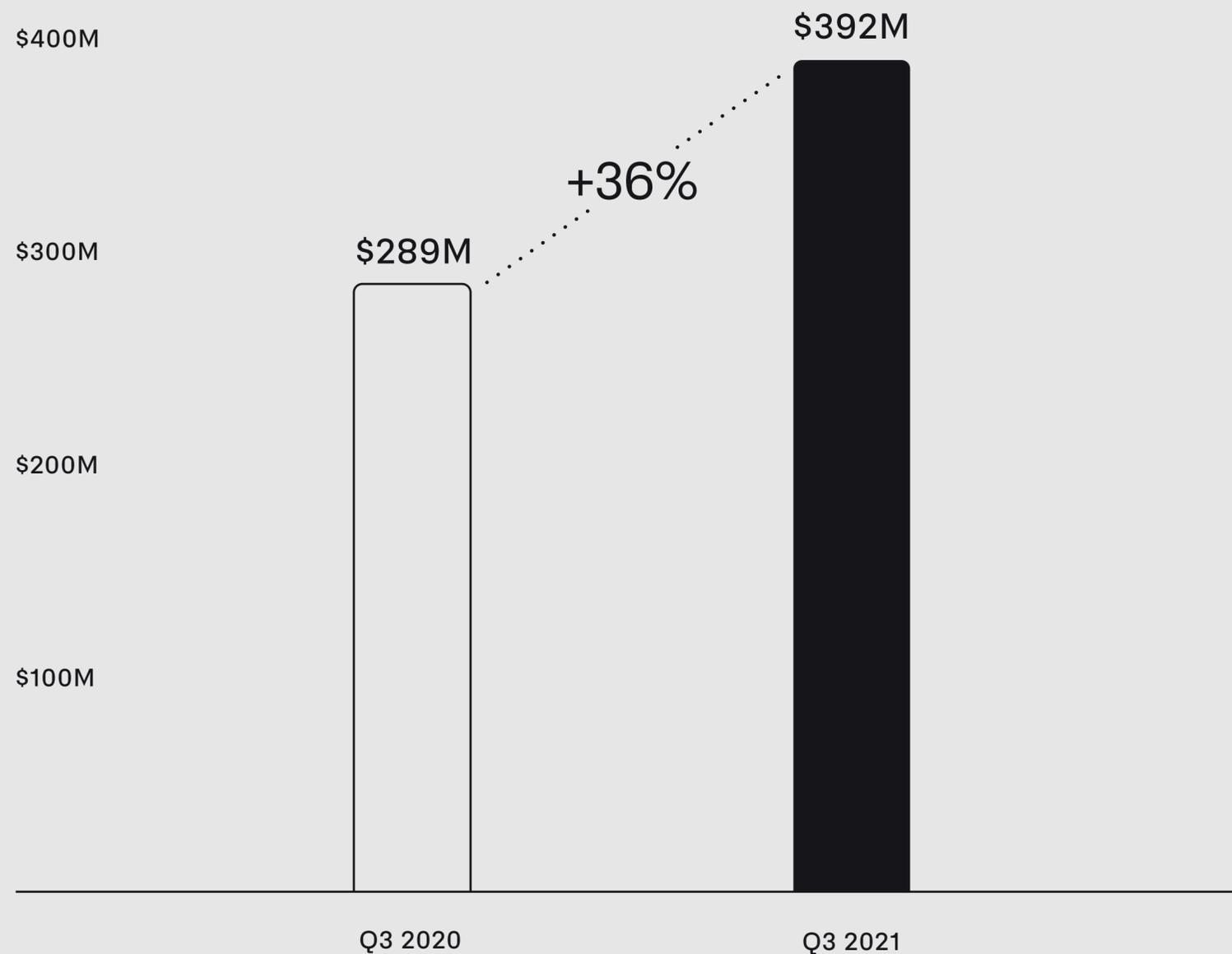


Tuesday / November 9 ²⁰²¹

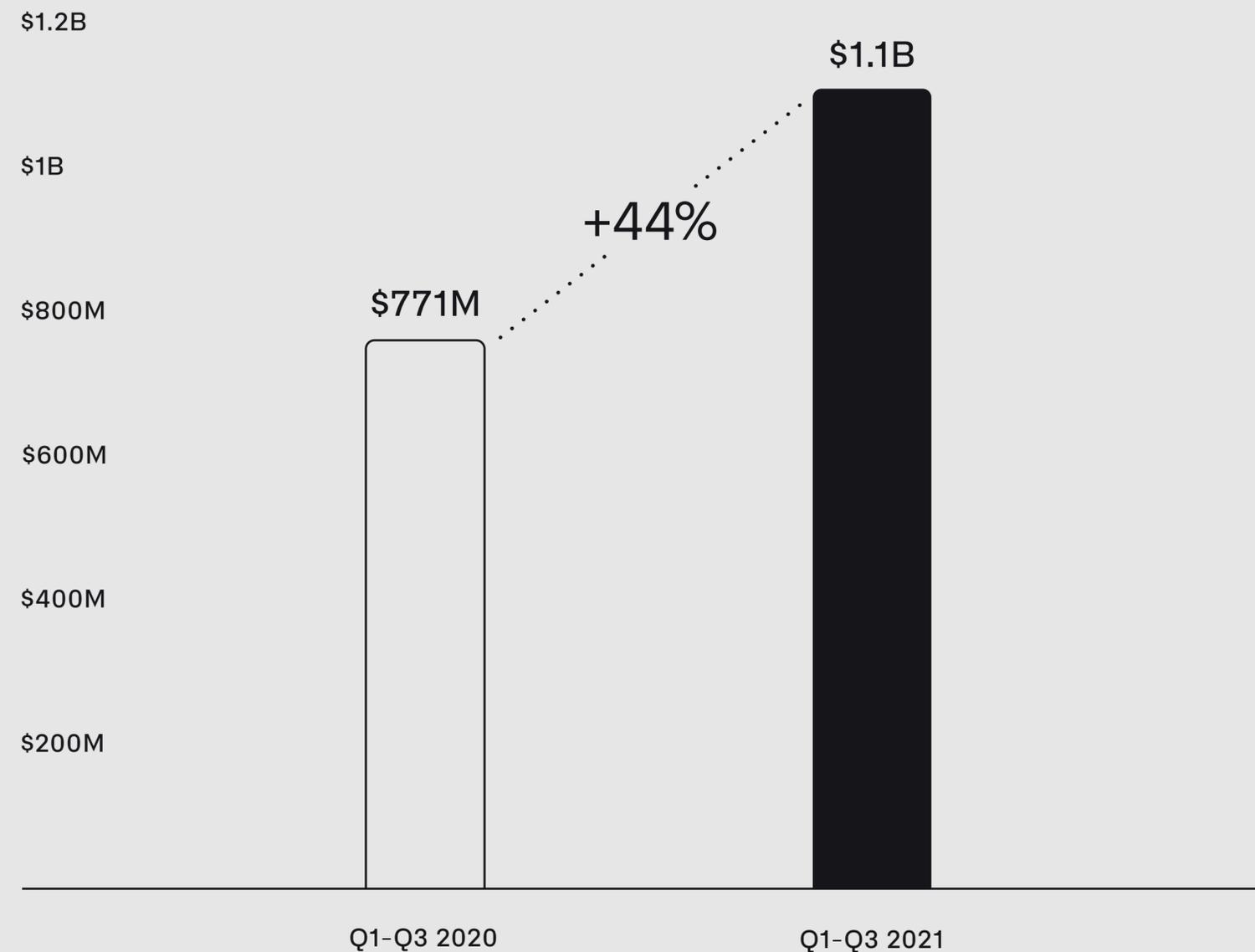
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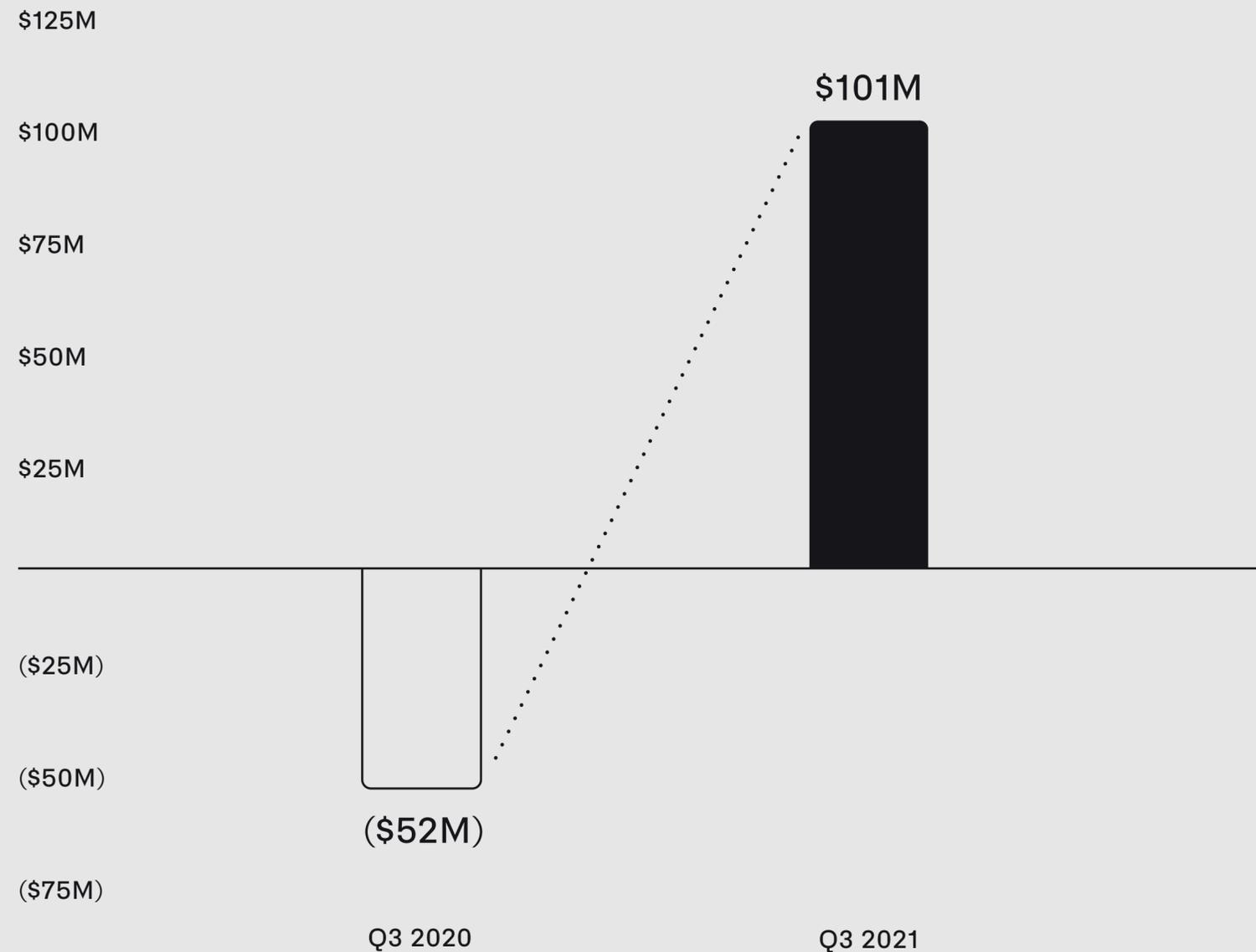
Q3 revenue grew by 36% year-over-year to \$392M.



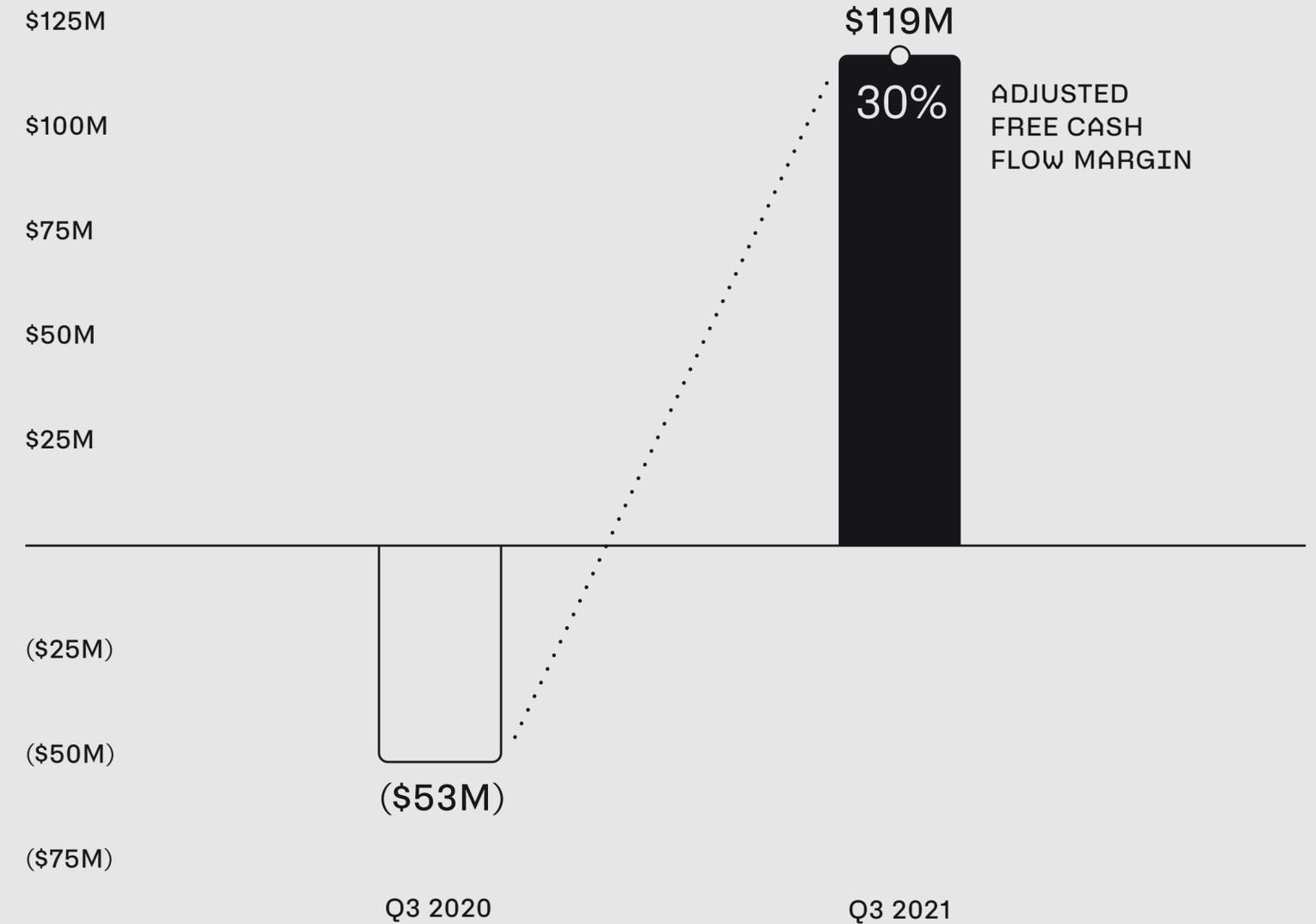
Year-to-date revenue grew 44% year-over-year to \$1.1B.



Q3 cash from operations was \$101M, an improvement of \$153M year-over-year.

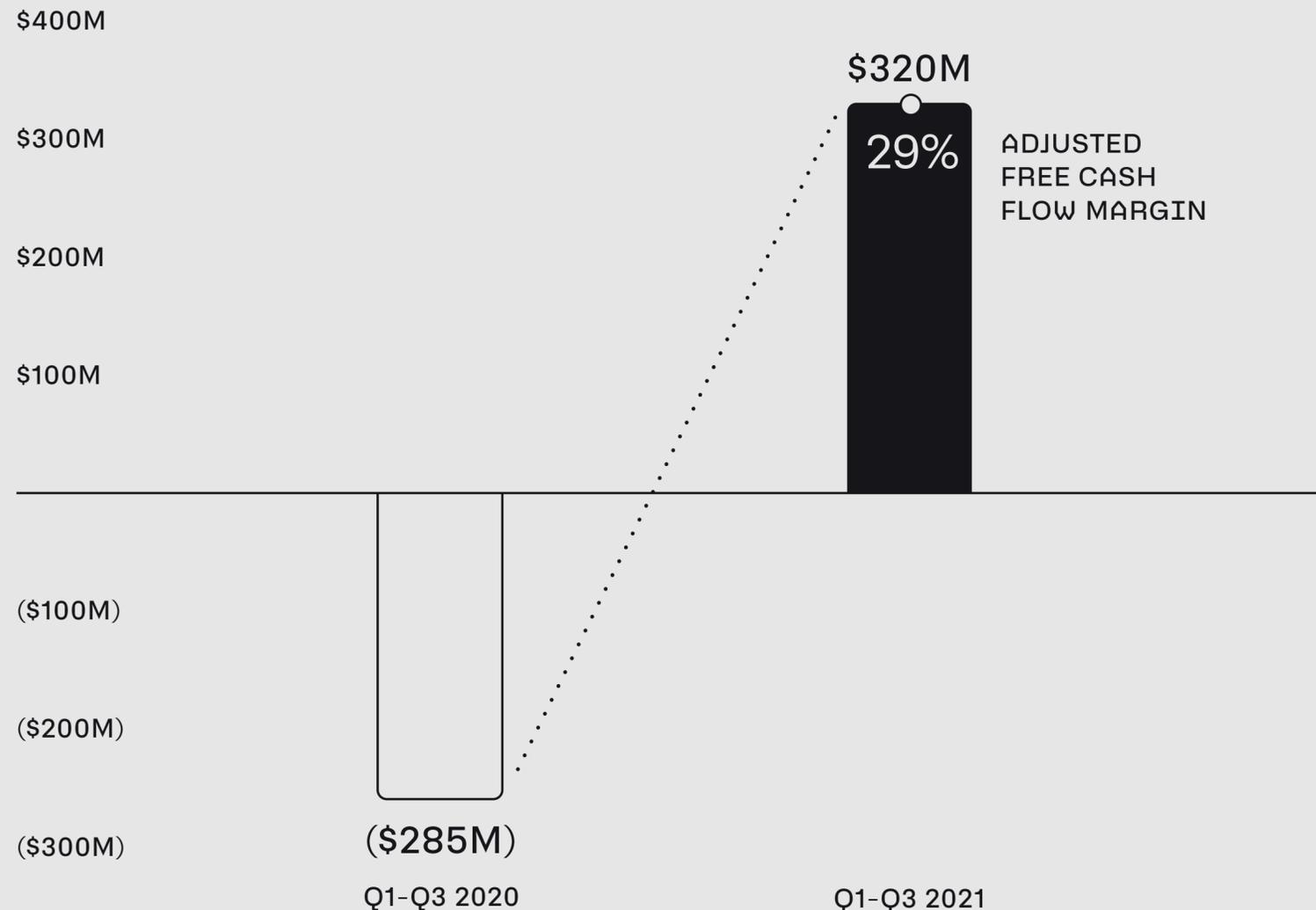


Q3 adjusted free cash flow was \$119M, representing a margin of 30%.

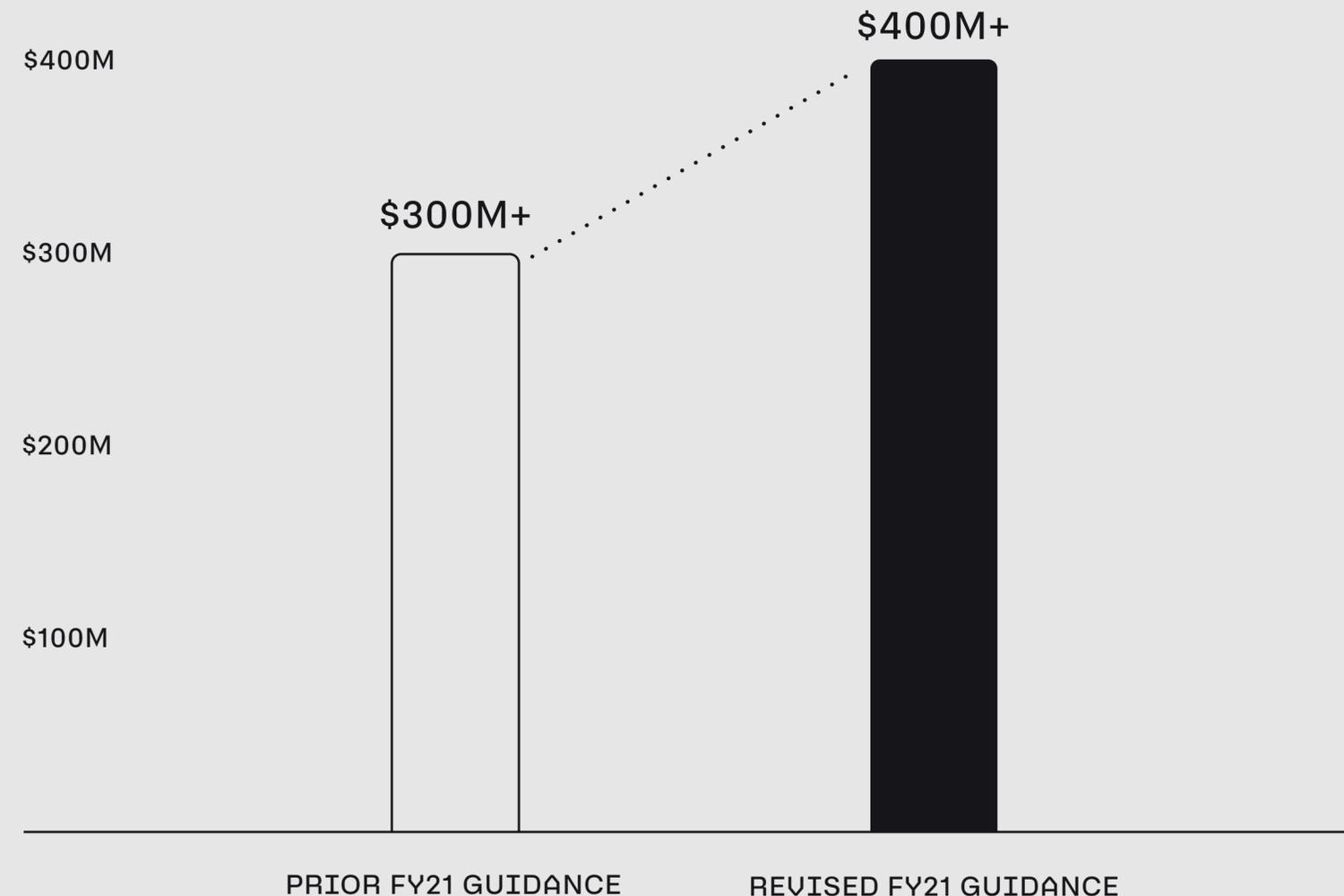


Adjusted free cash flow excludes employer payroll taxes related to stock-based compensation and purchases of property, plant, and equipment. Please see the appendix for reconciliations of these non-GAAP financial measures to the most directly comparable GAAP measures.

Year-to-date adjusted free cash flow was \$320M, an improvement of \$605M year-over-year.



We increased our full-year adjusted free cash flow guidance to \$400M+, up from \$300M+ previously.



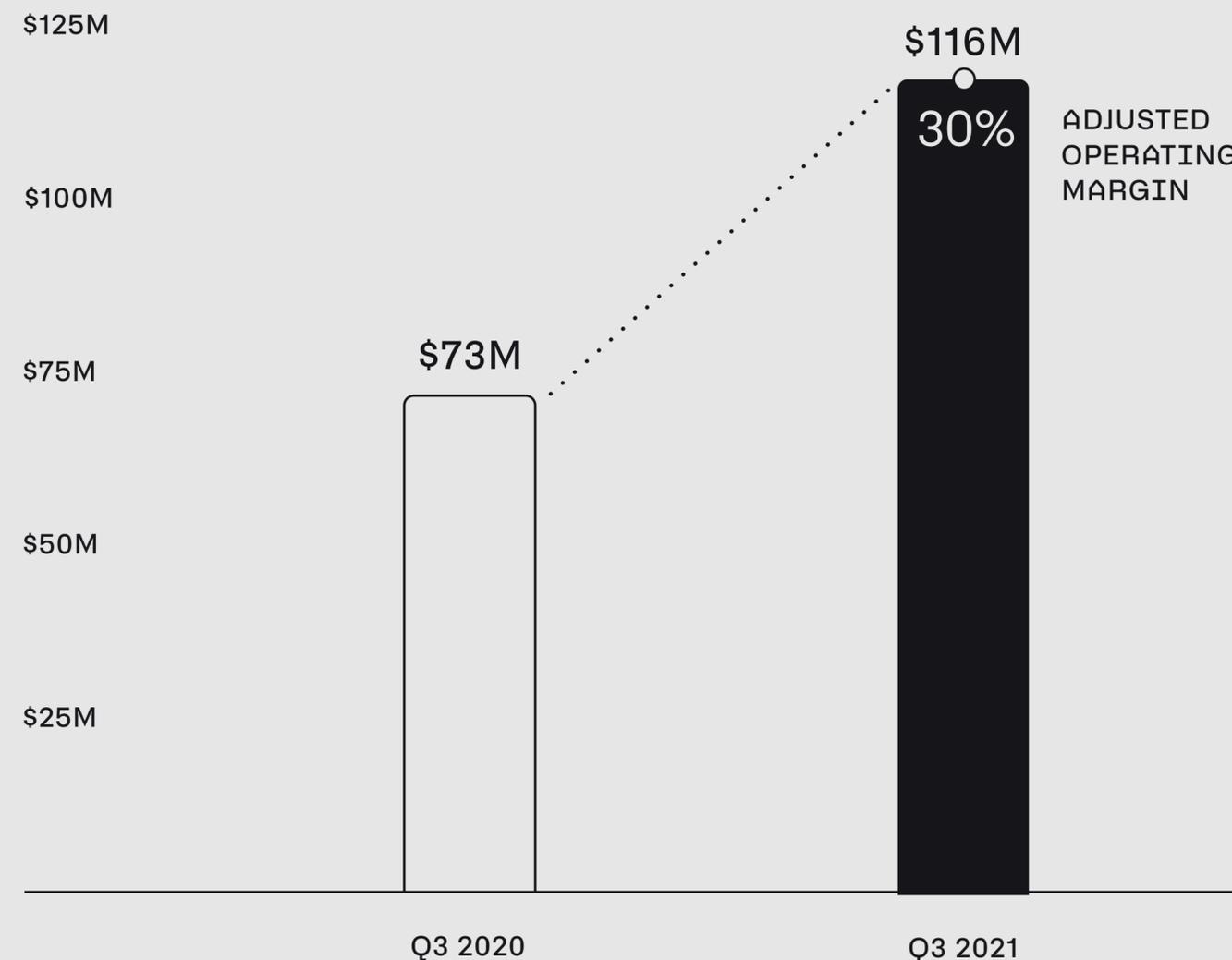
Adjusted free cash flow excludes employer payroll taxes related to stock-based compensation and purchases of property, plant, and equipment. Please see the appendix for reconciliations of these non-GAAP financial measures to the most directly comparable GAAP measures.

We generated an adjusted operating margin of

30%

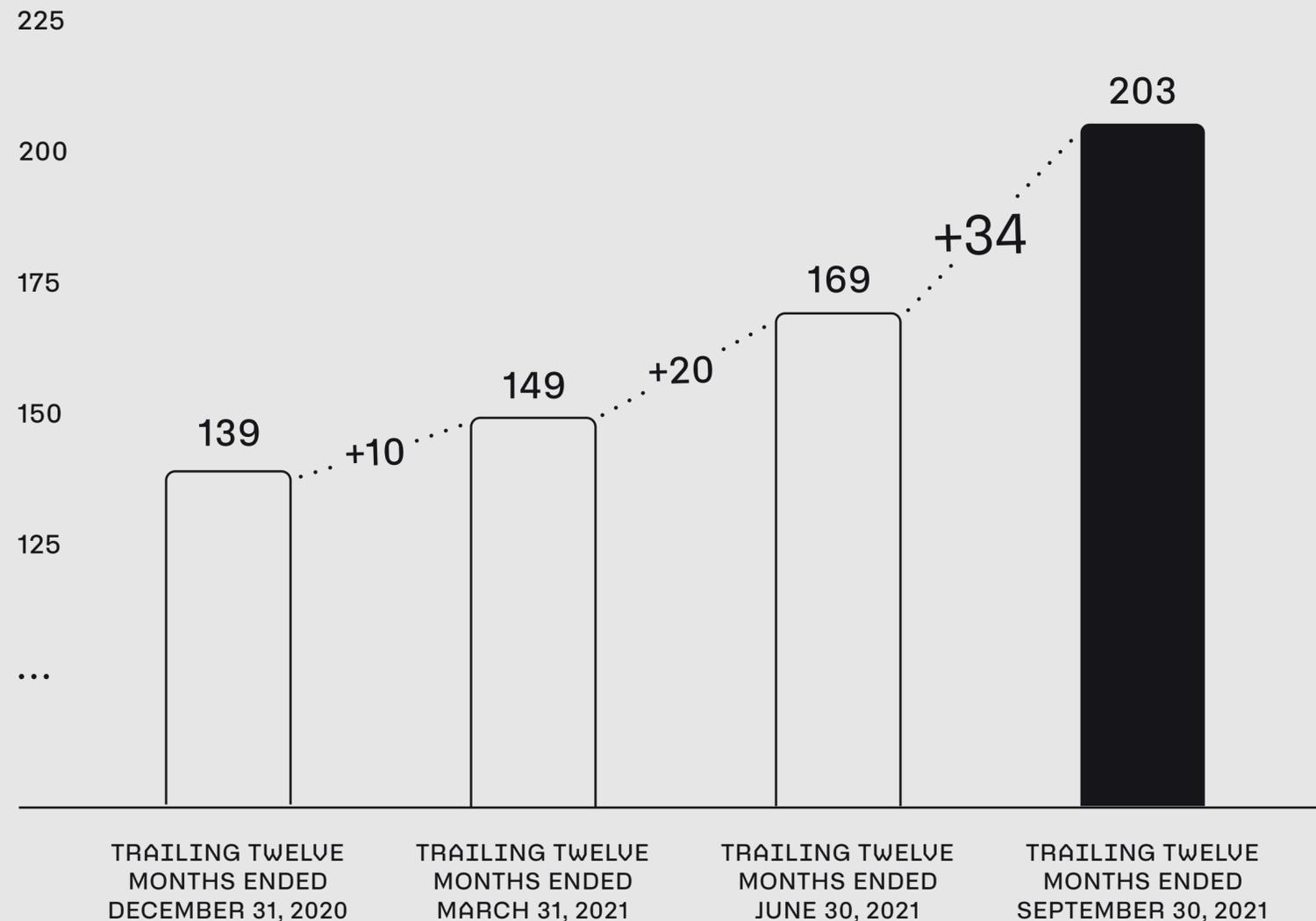
or higher for the fourth straight quarter.

Q3 adjusted operating income increased to \$116M, representing a margin of 30%.



Adjusted operating income (loss) and adjusted operating margin excludes stock-based compensation, related employer payroll taxes, and expenses primarily related the direct listing of our Class A common stock ("Direct Listing") on the New York Stock Exchange during the quarter ended September 30, 2020. Please see the appendix for reconciliations of these non-GAAP financial measures to the most directly comparable GAAP measures.

We added 34 net new customers in Q3 2021, with total customers up 20% quarter-over-quarter.



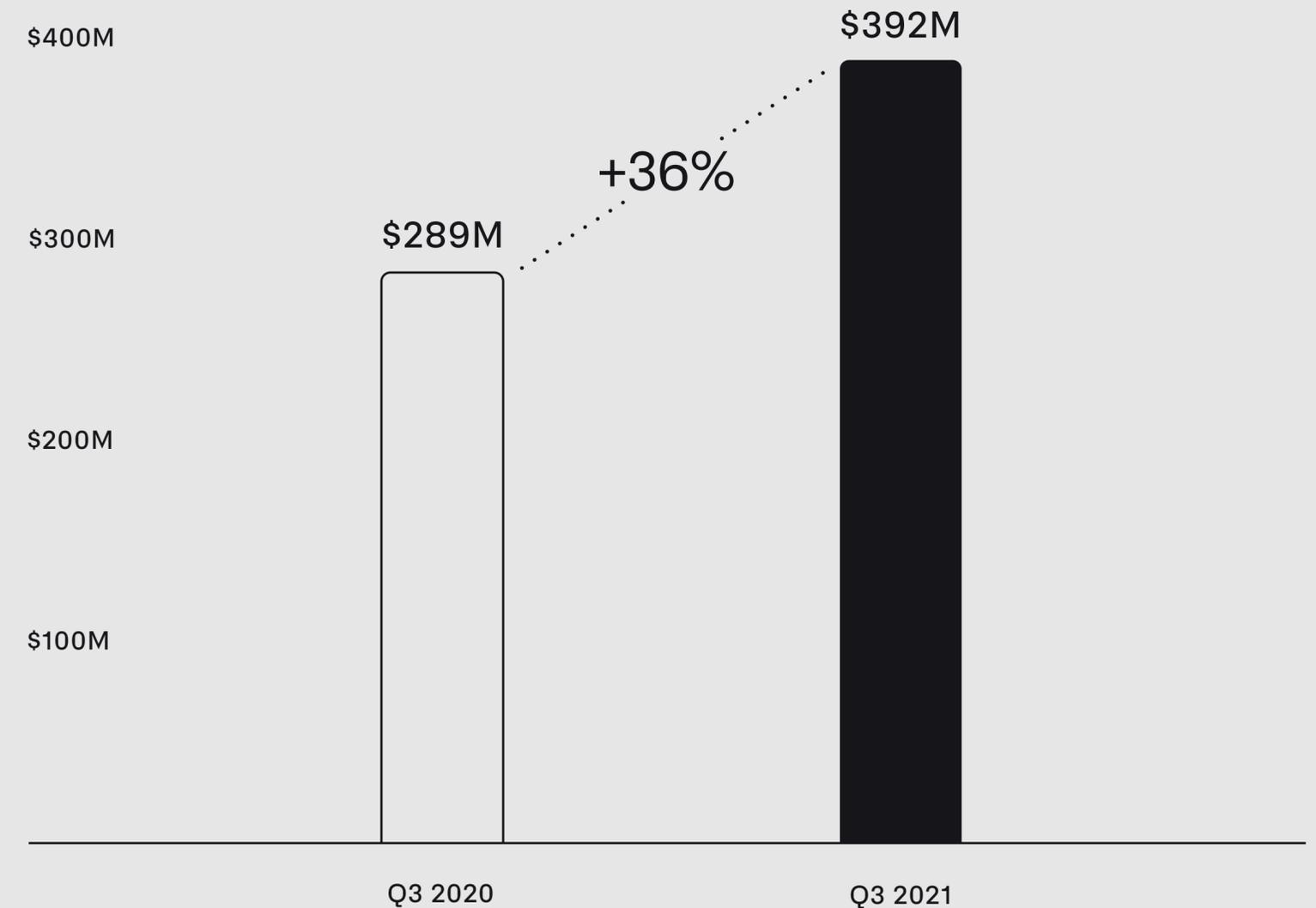
Our commercial customer count grew **46%** quarter-over-quarter.

We define a customer as an organization from which we have recognized revenue during the trailing twelve month period.

Our US business continues to demonstrate strong growth, with revenue increasing

45%
year-over-year.

Q3 revenue grew 36% year-over-year to \$392M, ahead of our prior guidance of \$385M.



Commercial revenue grew

37%

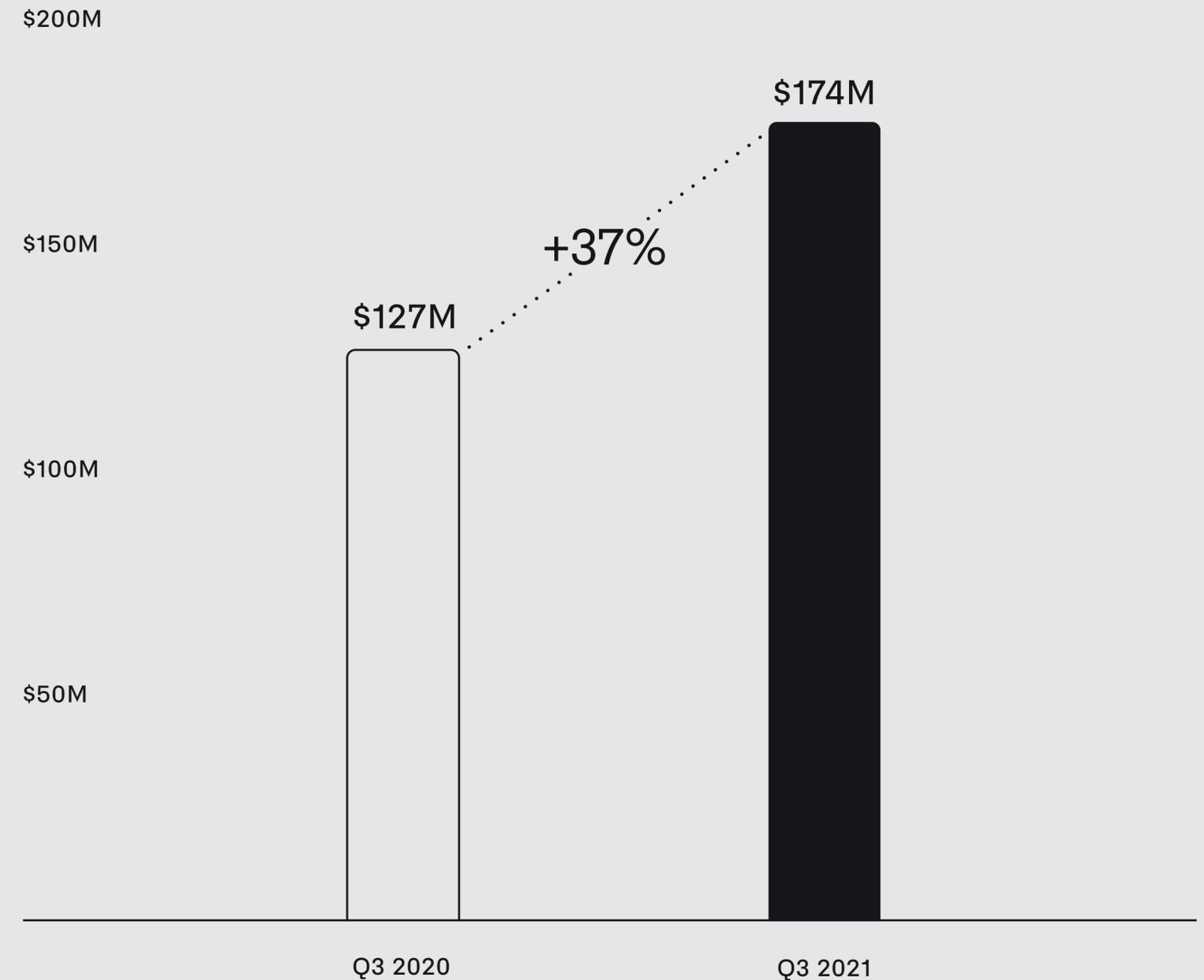
year-over-year, the third straight quarter of accelerating growth.

Q3 US commercial revenue growth rate accelerated to

103%

year-over-year.

Total Commercial Revenue Growth



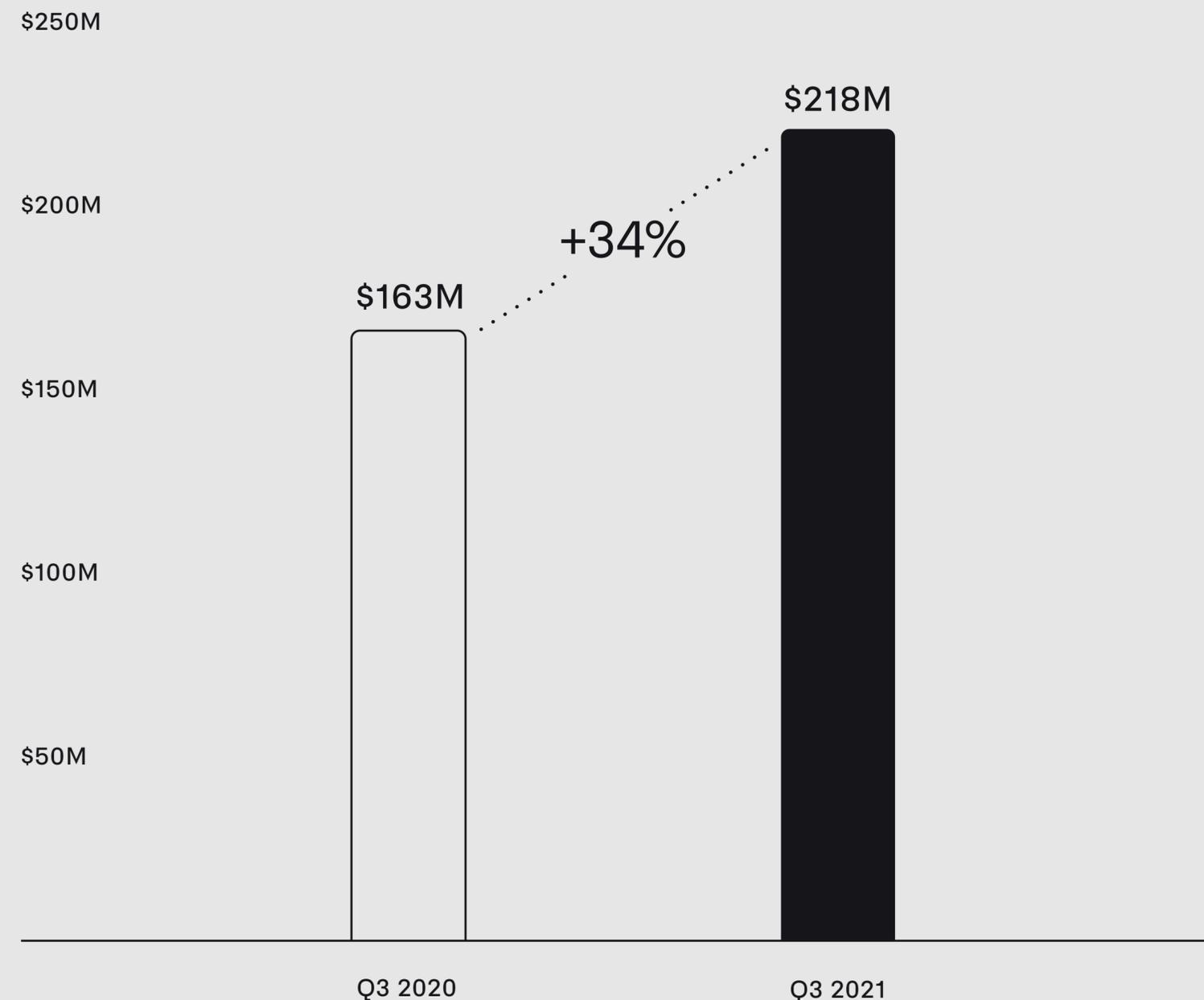
Our government revenue grew

34%

year-over-year in Q3 2021, and we signed new deals with the US Air Force, HHS, and the NIH.

We were recently down-selected to provide the US Army's Intelligence Data Fabric and Analytics solution under CD-2.

Total Government Revenue Growth



During Q3 2021, we closed

54 deals

of at least \$1 million.

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.

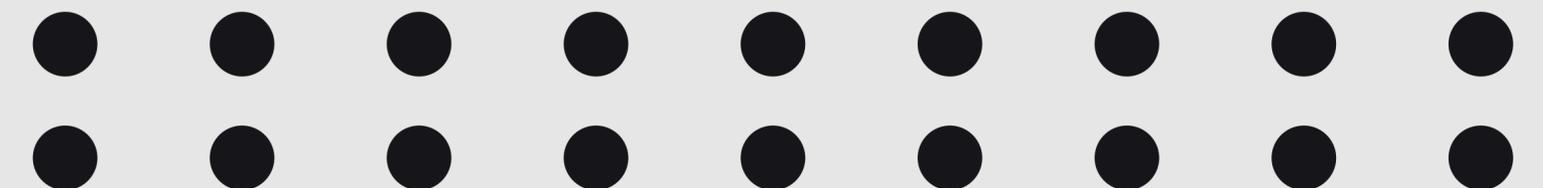
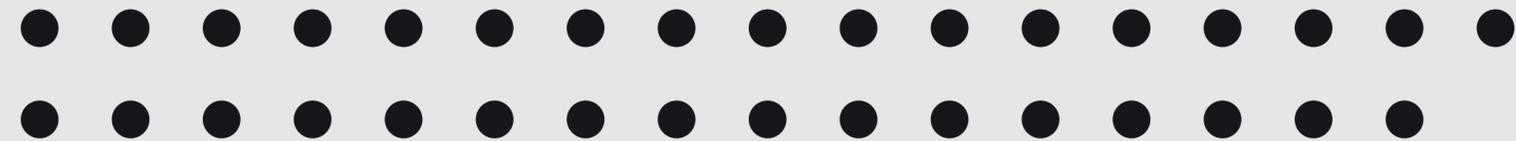


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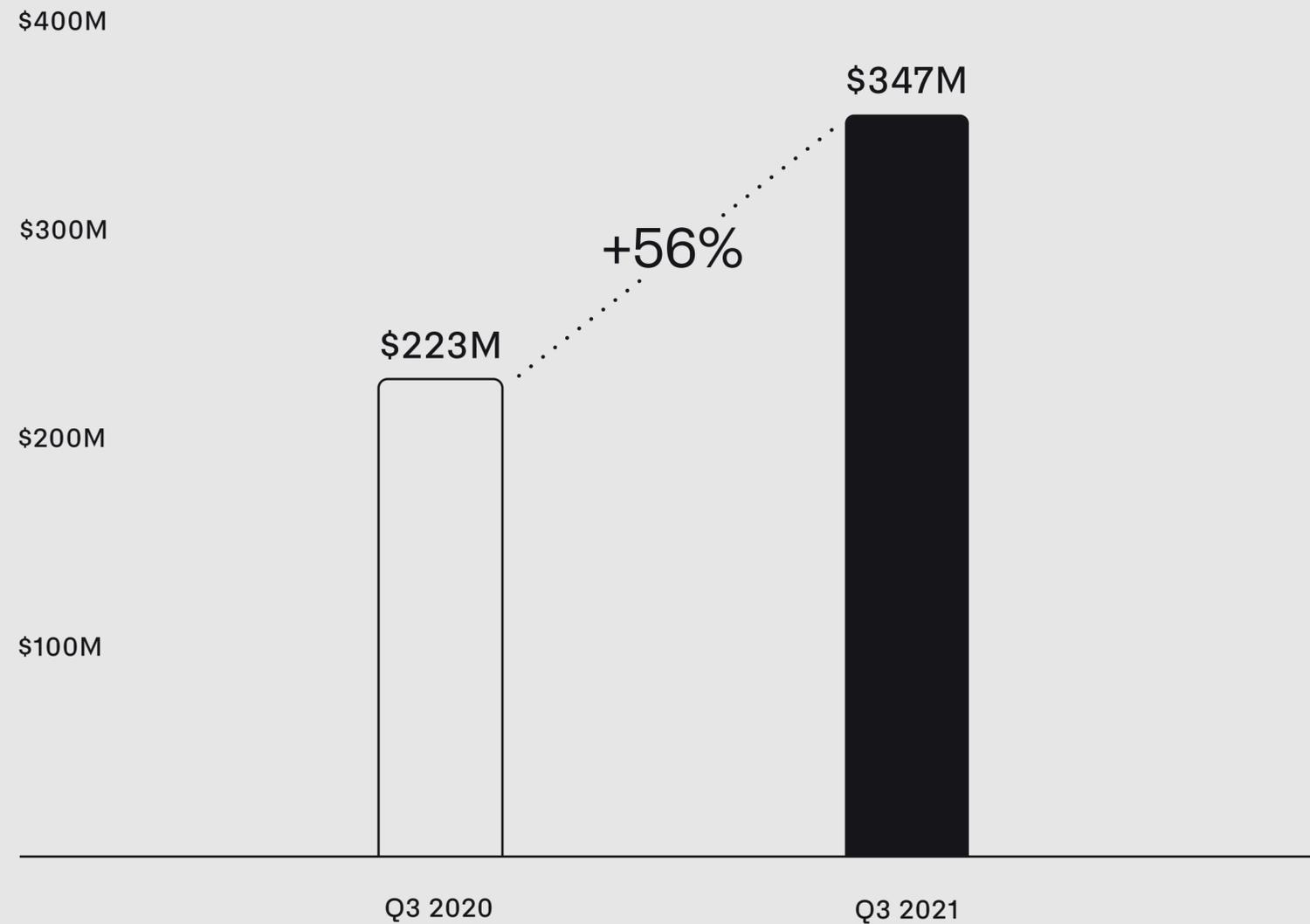
of which were at least \$5 million.

18

of which were at least \$10 million.

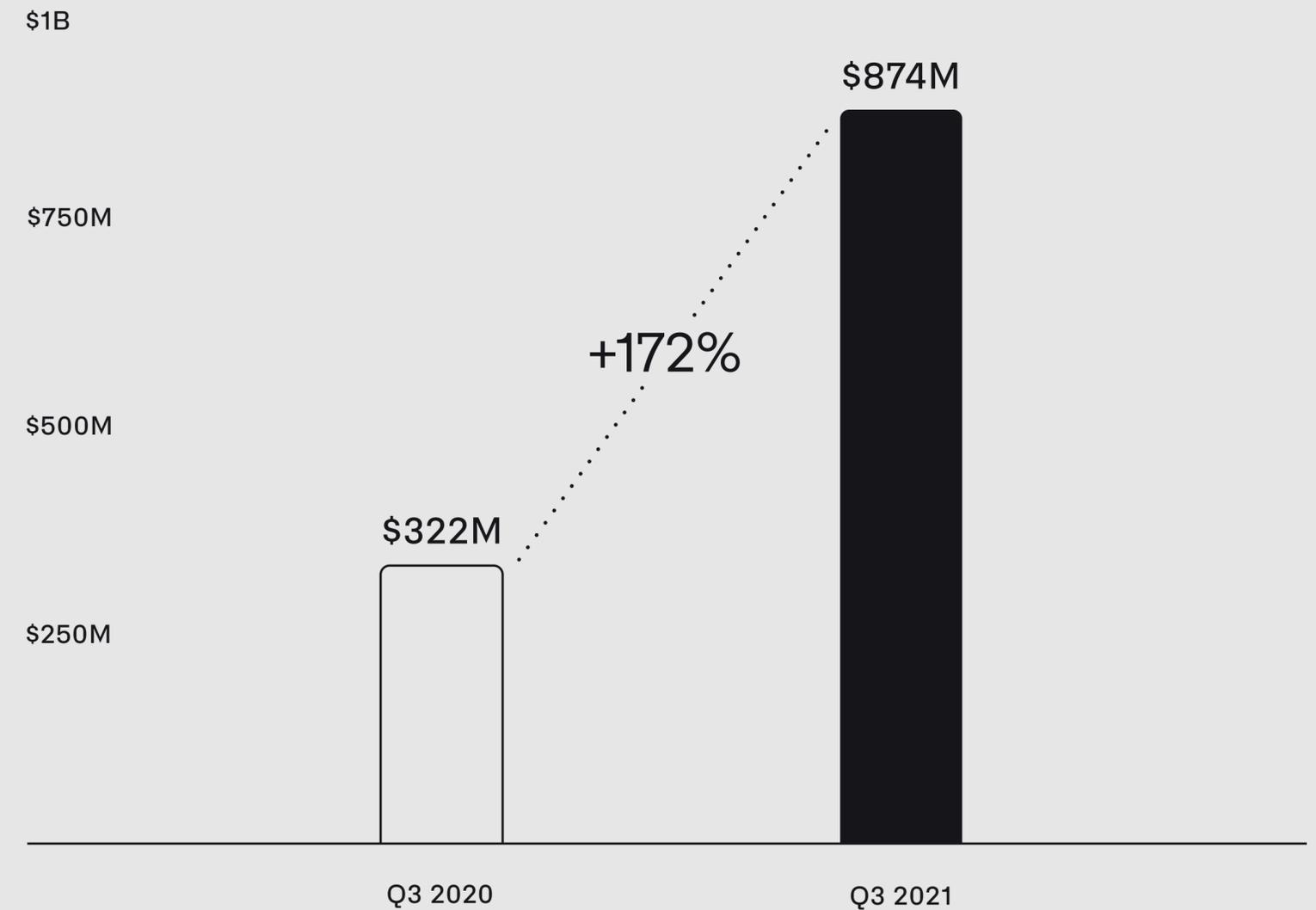


Third-quarter billings increased 56% year-over-year to \$347M.



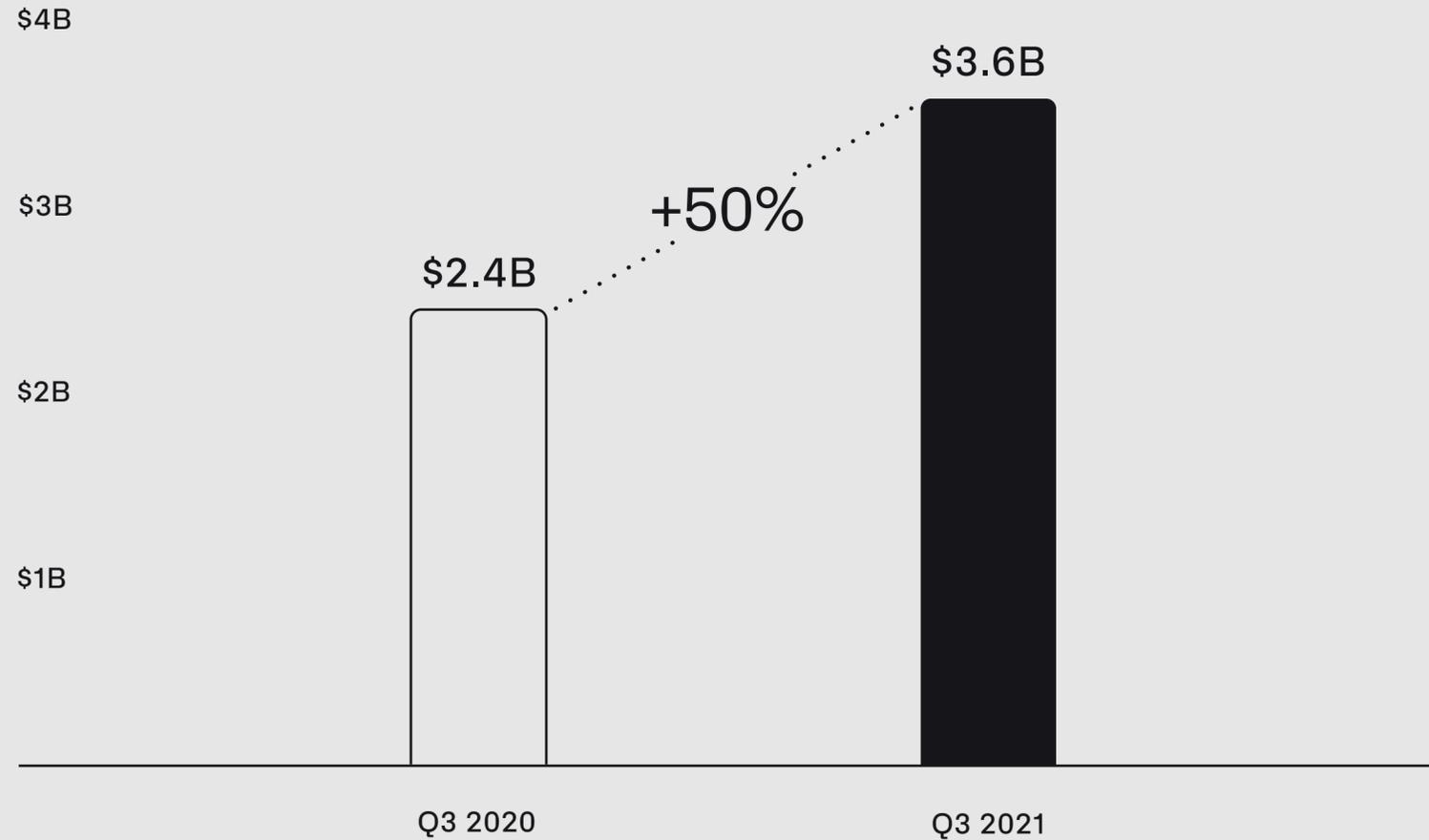
Billings is defined as revenue plus the change in contract liabilities for the period presented. Please see the appendix for reconciliations of these non-GAAP financial measures to the most directly comparable GAAP measures.

Remaining performance obligations grew 172% year-over-year to \$874M.



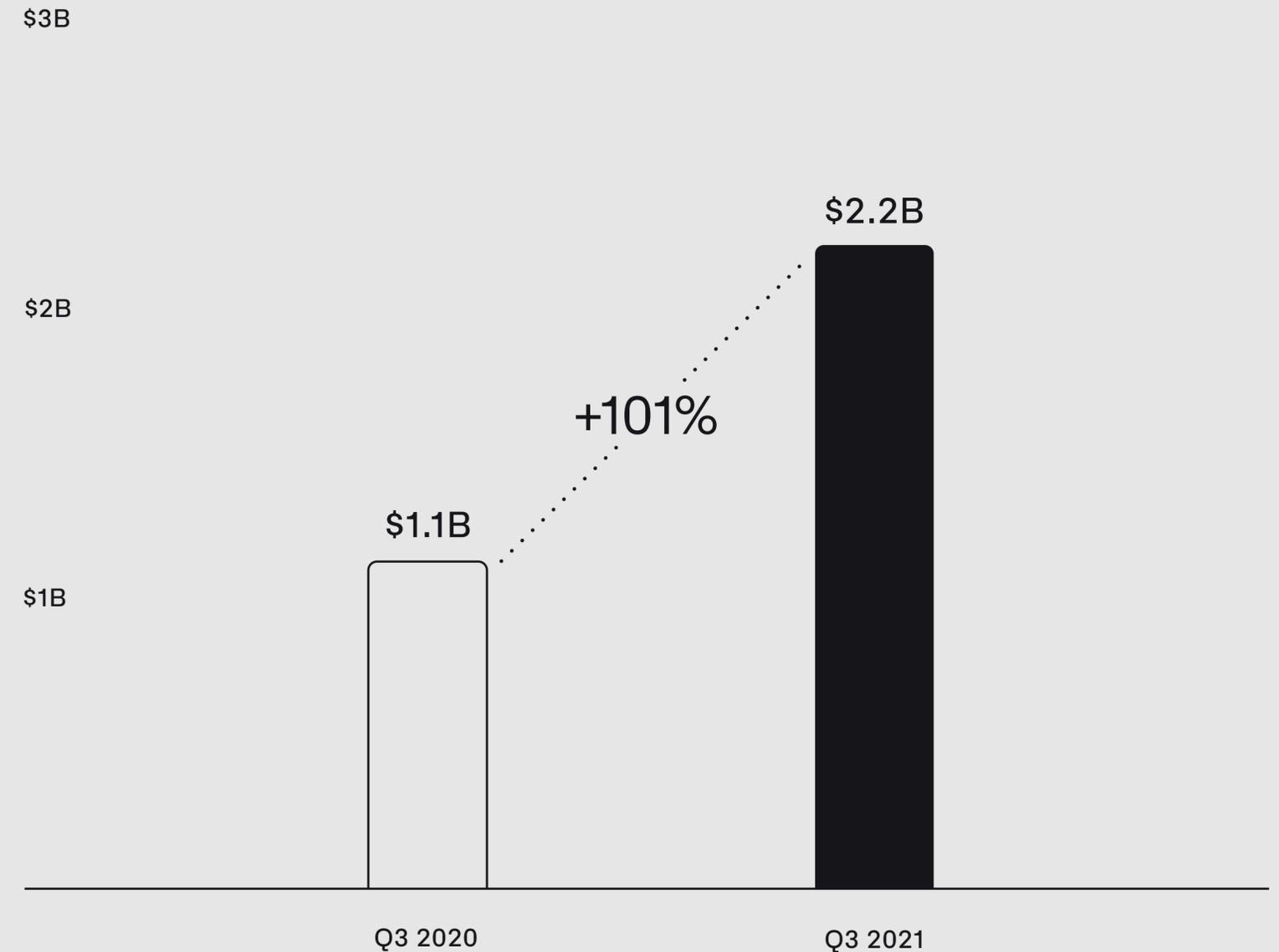
Remaining performance obligations represent noncancelable contracted revenue that has not yet been recognized, which includes deferred revenue and, in certain instances, amounts that will be invoiced. We have elected the practical expedient, as permitted under Accounting Standards Codification ("ASC") 606 - Revenue from Contracts with Customers - allowing us to not disclose remaining performance obligations for contracts with original terms of twelve months or less.

We ended Q3 2021 with \$3.6B in total remaining deal value, up 50% year-over-year.



Total remaining deal value is the total remaining value of contracts that have been awarded by our government and commercial customers and includes existing contractual obligations and unexercised contract options available to those customers. Total remaining deal value presumes the exercise of all contract options 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. Included in the \$3.6 billion of total remaining deal value is the following activity during the nine months ended September 30, 2021: 1) \$640.2 million of maximum potential revenue from commercial contracts entered into with corresponding approved investment agreements, less 2) \$22 million of revenue recognized from such commercial contracts, plus 3) \$218 million of maximum potential revenue from commercial contracts entered into in connection with contemplated investment agreements that are subject to negotiation, approval, and execution.

Commercial remaining deal value increased 101% year-over-year to \$2.2B.

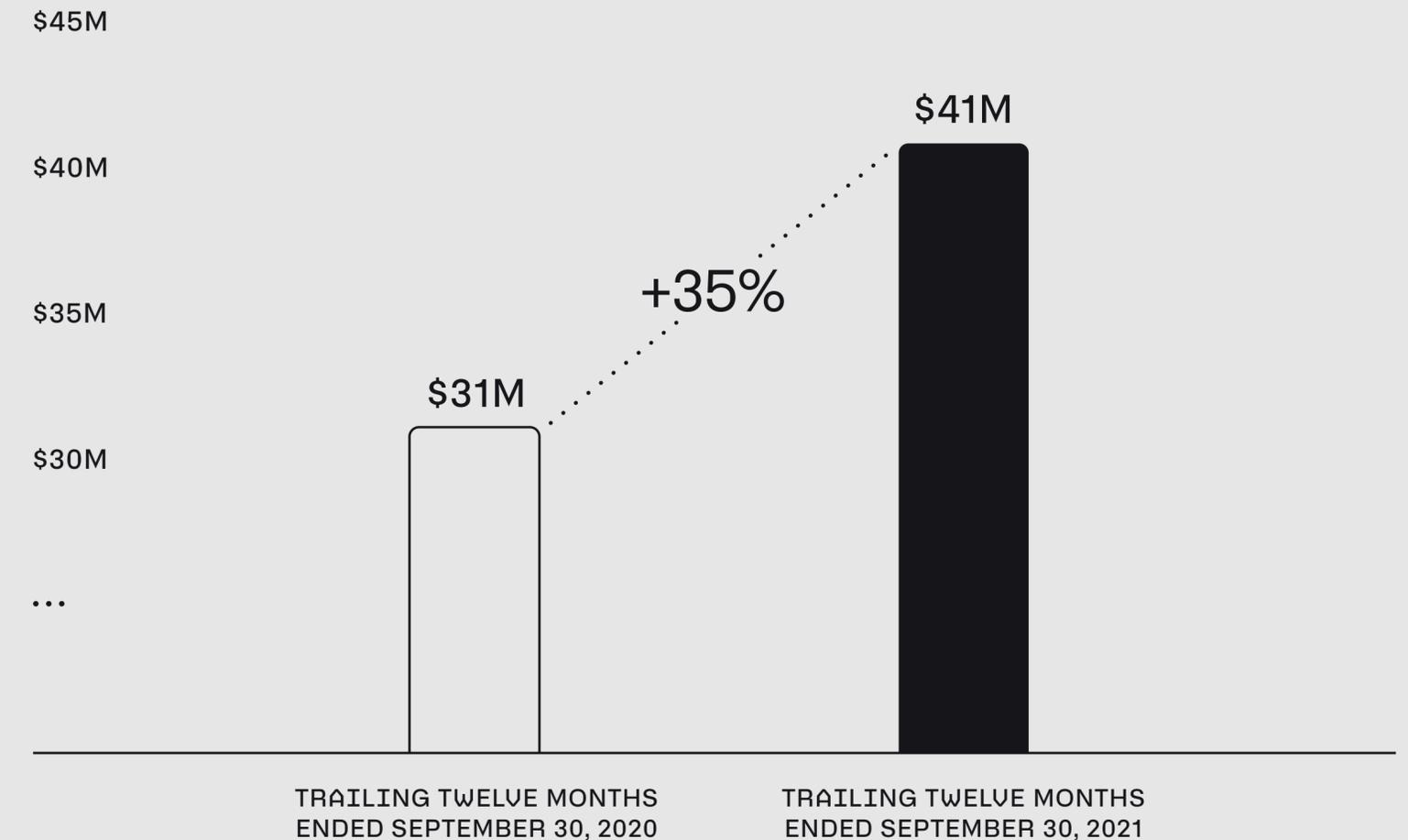


We added 34 net new customers in Q3 2021.

Total Customers



Average Revenue per Top 20 Customer

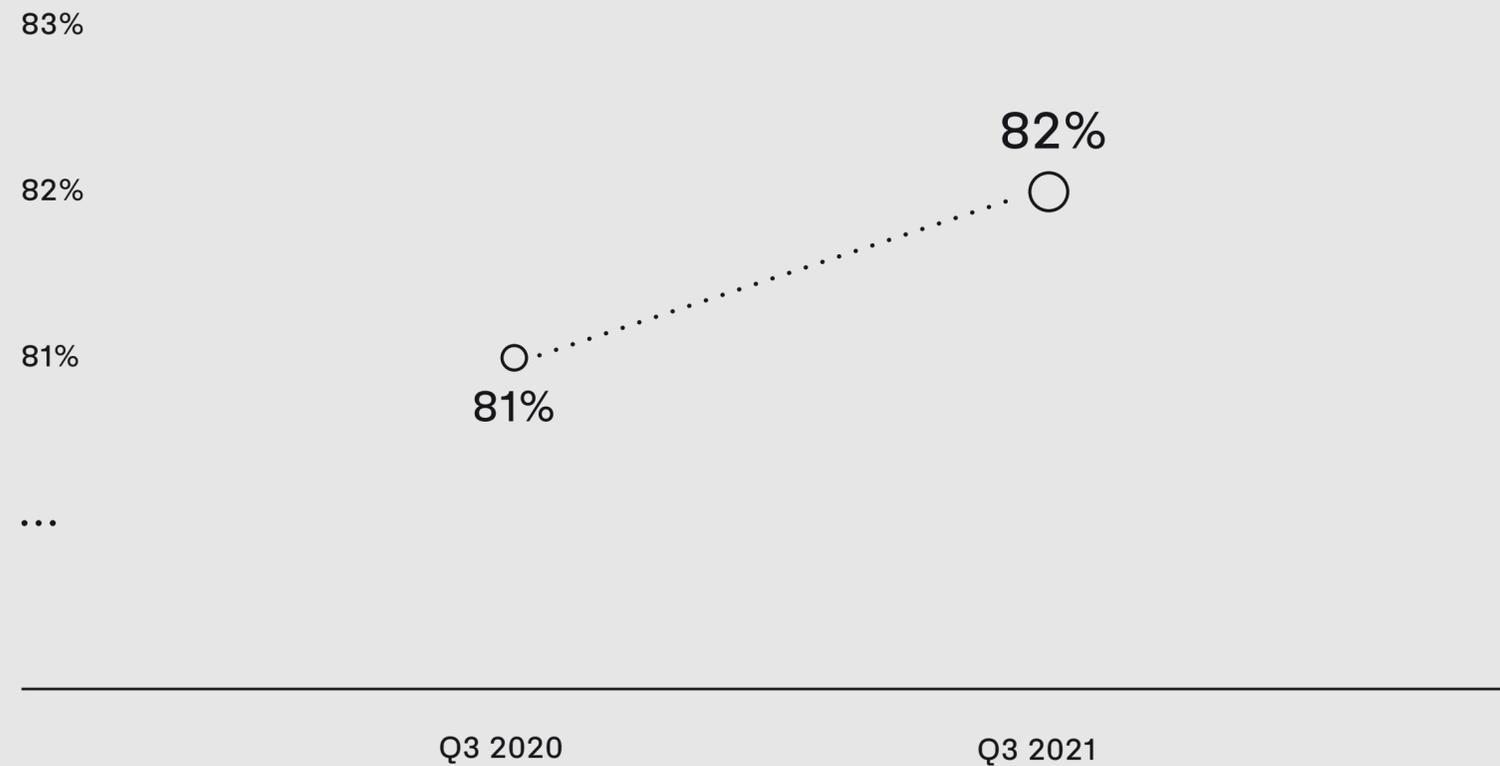


We define a customer as an organization from which we have recognized revenue during the trailing twelve month period.

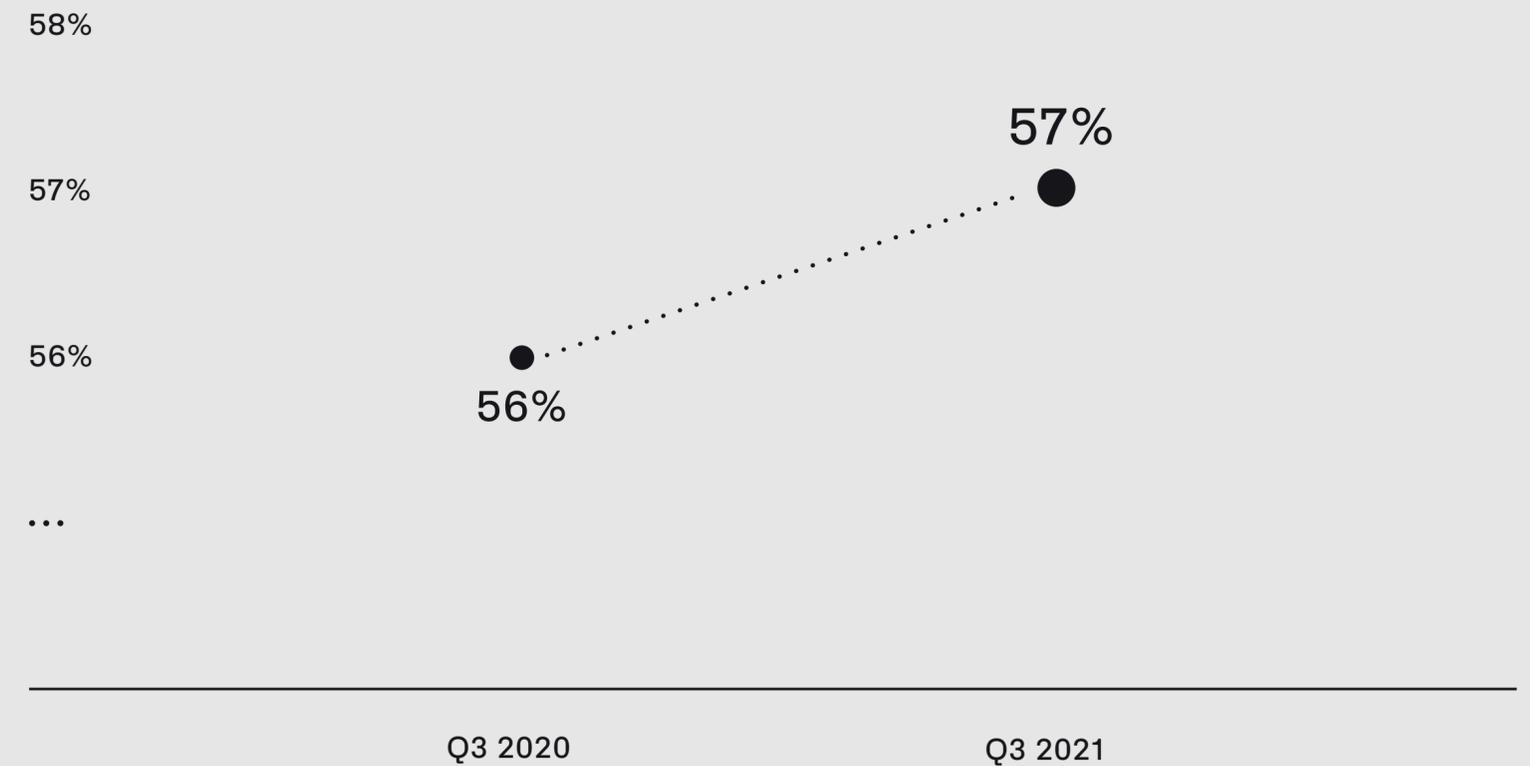
Average revenue from our top 20 customers for each period presented is the average revenue recognized from the twenty customers with the greatest amount of revenue recognized in each respective period.

In Q3 2021, our adjusted gross margin improved to 82%, and contribution margin improved to 57%.

Adjusted Gross Margin



Contribution Margin



Adjusted gross margin excludes stock-based compensation. Adjusted gross margin and contribution margin are non-GAAP financial measures. Please see the appendix for reconciliations of these non-GAAP financial measures to the most directly comparable GAAP measures.

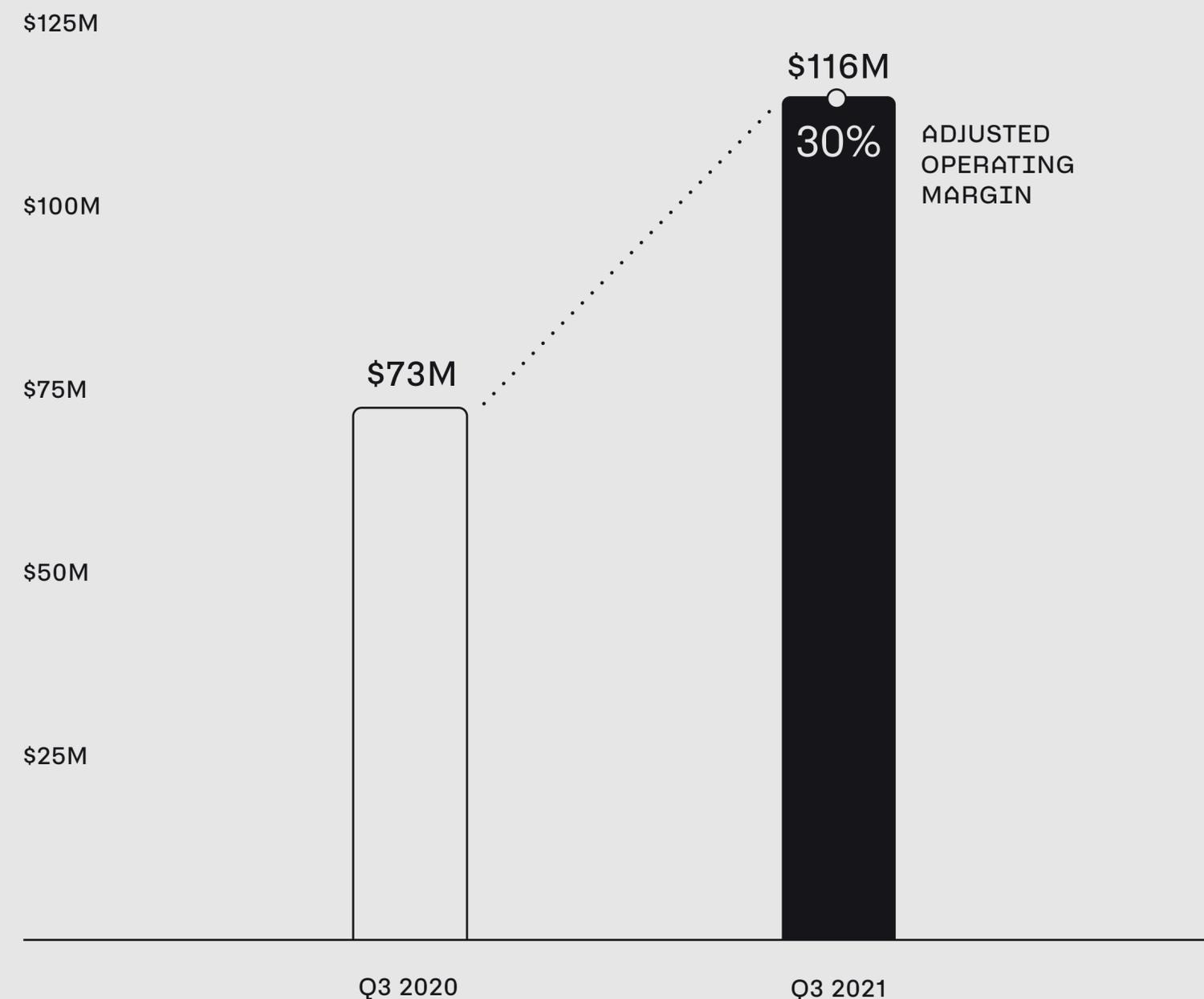
Contribution margin is defined as revenue less cost of revenue and sales and marketing expenses, excluding stock-based compensation, divided by revenue.

In Q3 2021, we generated

\$116M

in adjusted operating income, representing an adjusted operating margin of 30%, ahead of prior guidance of 22%.

Adjusted Operating Income



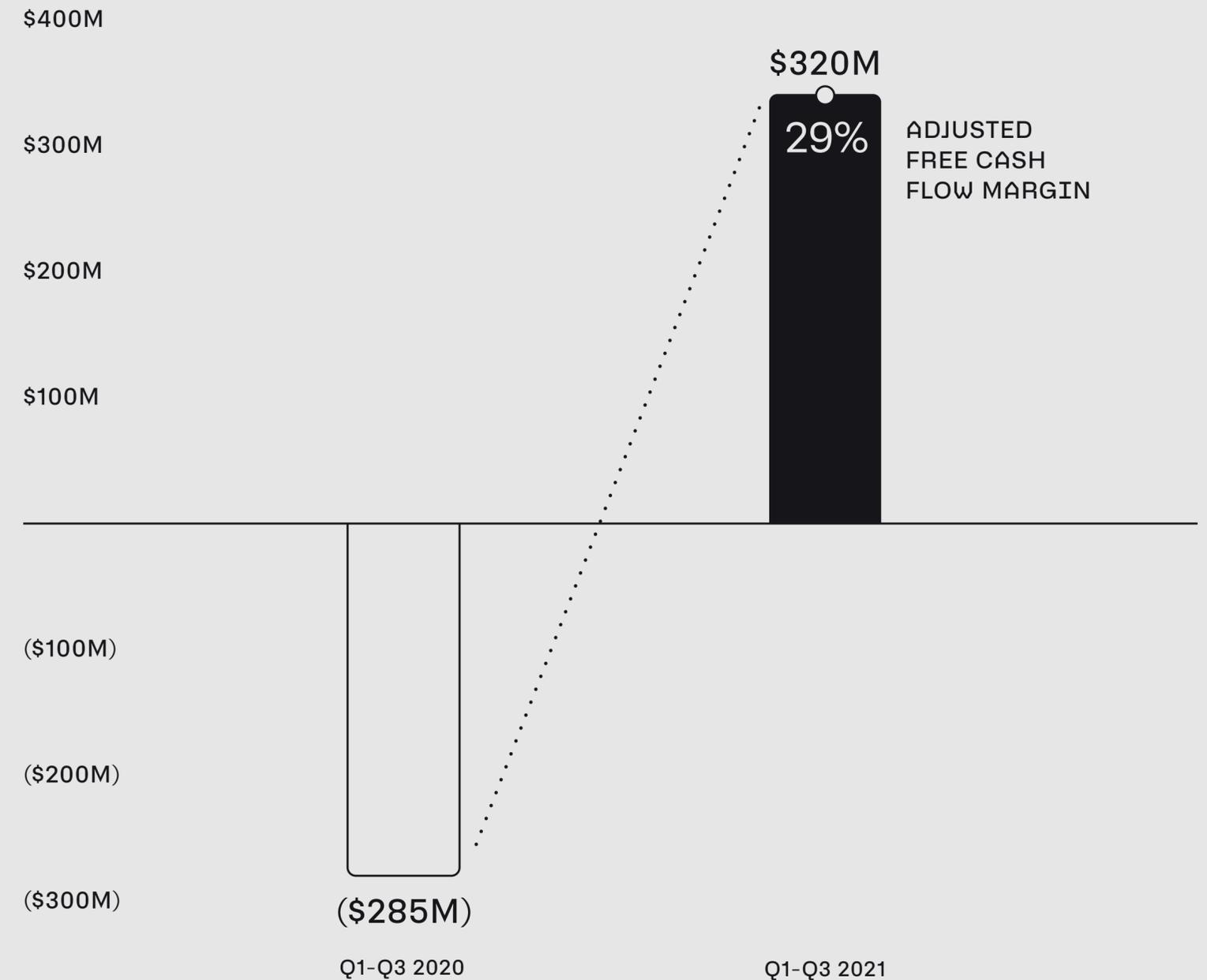
Adjusted operating income (loss) and adjusted operating margin excludes stock-based compensation, related employer payroll taxes, and non-recurring charges relating to the Direct Listing during the quarter ended September 30, 2020. Please see the appendix for reconciliations of these non-GAAP financial measures to the most directly comparable GAAP measures.

In the nine months ended September 30, 2021, we generated

\$320M

in adjusted free cash flow, representing a margin of 29%.

Adjusted Free Cash Flow



Adjusted free cash flow excludes employer payroll taxes related to stock-based compensation and purchases of property, plant, and equipment. Please see the appendix for reconciliations of these non-GAAP financial measures to the most directly comparable GAAP measures.

Looking ahead

Q4 2021

- Revenue of **\$418M**
- Adjusted operating margin of **22%**

Full Year 2021

- Revenue growth of **40% to \$1.527B**
- Adjusted free cash flow of **\$400M+**
up from \$300M+ previously

Long Term Outlook

- Revenue growth of **30%+**
for this year and the next four years

↳ [Watch video](#)

Q3 2021

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 2020	Q2 2020	Q3 2020	Q1-Q3 2020	Q1 2021	Q2 2021	Q3 2021	Q1-Q3 2021
Cash Flow from Operating Activities	\$ (287,184)	\$ 60,854	\$ (51,990)	\$ (\$278,320)	\$ 116,881	\$ 22,750	\$ 100,793	\$ 240,424
Add:								
Cash Paid for Taxes Related to Stock-Based Compensation	\$ —	\$ —	\$ 1,192	\$ 1,192	\$ 34,802	\$ 27,770	\$ 23,717	\$ 86,289
Less:								
Cash Used to Purchase Property and Equipment	\$ (3,016)	\$ (2,929)	\$ (1,780)	\$ (7,725)	\$ (708)	\$ (697)	\$ (5,377)	\$ (6,782)
Adjusted Free Cash Flow	\$ (290,200)	\$ 57,925	\$ (52,578)	\$ (284,853)	\$ 150,975	\$ 49,823	\$ 119,133	\$ 319,931
Adjusted Free Cash Flow Margin	(127%)	23%	(18%)	(37%)	44%	13%	30%	29%

Reconciliation of Gross Profit to Adjusted Gross Profit and Adjusted Gross Margin

Excluding Stock-Based Compensation

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

(\$ THOUSANDS)	Q3 2020	Q3 2021
Gross Profit	\$ 140,026	\$ 305,342
Add: Stock-Based Compensation	\$ 94,385	\$ 14,860
Adjusted Gross Profit	\$ 234,411	\$ 320,202
Adjusted Gross Margin	81%	82%

Reconciliation of Loss from Operations to Adjusted Operating Income (Loss) and Adjusted Operating Margin

Excluding Stock-Based Compensation, Related Employer Payroll Taxes, and Non-Recurring Charges Relating to the Direct Listing

Adjusted operating margin is calculated as adjusted operating income divided by revenue.

(\$ THOUSANDS)	Q1 2020	Q2 2020	Q3 2020	Q1-Q3 2020	Q1 2021	Q2 2021	Q3 2021	Q1-Q3 2021
Loss from Operations	\$ (70,185)	\$ (99,145)	\$ (847,777)	\$ (1,017,107)	\$ (114,014)	\$ (146,148)	\$ (91,941)	\$ (352,103)
Add:								
Stock-Based Compensation	\$ 54,107	\$ 127,848	\$ 846,959	\$ 1,028,914	\$ 193,731	\$ 232,742	\$ 184,835	\$ 611,308
Employer Payroll Taxes Related to Stock-Based Compensation	\$ —	\$ —	\$ 20,172	\$ 20,172	\$ 36,866	\$ 30,133	\$ 23,215	\$ 90,214
Non-Recurring Direct Listing Charges	\$ —	\$ —	\$ 53,737	\$ 53,737	\$ —	\$ —	\$ —	\$ —
Adjusted Operating Income (Loss)	\$ (16,078)	\$ 28,703	\$ 73,091	\$ 85,716	\$ 116,583	\$ 116,727	\$ 116,109	\$ 349,419
Adjusted Operating Margin	(7%)	11%	25%	11%	34%	31%	30%	32%

Reconciliation of Loss from Operations to Contribution Margin

Revenue less our cost of revenue and sale and marketing expenses, excluding stock-based compensation, divided by revenue.

(\$ THOUSANDS)	Q3 2020	Q3 2021
Loss from Operations	\$ (847,777)	\$ (91,941)
Add:		
Research and Development Expenses, Excluding Stock-Based Compensation	\$ 57,146	\$ 59,844
General and Administrative Expenses, Excluding Stock-Based Compensation	\$ 107,130	\$ 71,145
Stock-Based Compensation	\$ 846,959	\$ 184,835
Contribution	\$ 163,458	\$ 223,883
Contribution Margin	56%	57%

Reconciliation of Revenue to Billings

(\$ THOUSANDS)	Q3 2020	Q3 2021
Revenue	\$ 289,366	\$ 392,146
Plus: Change in Contract Liabilities	\$ (66,325)	\$ (45,244)
Billings	\$ 223,041	\$ 346,902