

Q4

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 Palantir

2023

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.

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; adjusted gross profit and adjusted gross margin; billings; adjusted operating income and adjusted operating margin; adjusted earnings (loss) 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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By attending or receiving this presentation you acknowledge that you will be solely responsible for your own assessment of the market and our market position and that you will conduct your own analysis and be solely responsible for forming your own view of such information, including the potential future performance of our business.

Q4 2023 Highlights

- US commercial revenue grew +70% Y/Y and +12% Q/Q to \$131 million
- Commercial revenue grew +32% Y/Y and +13% Q/Q to \$284 million
- Revenue grew +20% Y/Y and +9% Q/Q to \$608 million
- Closed 103 deals over \$1 million; ~2x vs. a year ago
- US commercial customer count grew +55% Y/Y and +22% Q/Q
- Adjusted free cash flow of \$305 million; 50% margin
- Adjusted operating margin of 34%; fifth consecutive quarter of expanding adjusted operating margins
- Fourth consecutive quarter of GAAP operating profitability; 11% margin
- Fifth consecutive quarter of GAAP profitability; 15% 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 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 operating margin excludes stock-based compensation expense and related employer payroll taxes. 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.

FY 2023 Highlights

→ US commercial revenue grew +36% Y/Y to \$457 million

→ Revenue grew +17% Y/Y to \$2.2 billion

→ Customer count increased +35%Y/Y to 497, up from 367 a year ago

→ Adjusted free cash flow of \$731 million; 33% margin

→ Adjusted operating margin of 28%, up 600 basis points Y/Y

→ GAAP operating income of \$120 million; 5% margin

→ GAAP net income of \$210 million; 9% margin

→ GAAP EPS of \$0.09; Adjusted EPS of \$0.25

Last month, the board of directors of Palantir hosted its first meeting of 2024 in Tel Aviv.

Following that meeting, Palantir agreed to a strategic partnership with the Israeli Ministry of Defense to supply Palantir technology to help the country's war effort.

We are proud to stand alongside Israel, supporting a culture of innovation, technology, and democracy.



We are proud to have been chosen to help the NHS deliver a Federated Data Platform (FDP).

Our software has already helped bring down the inpatient waiting list at Chelsea and Westminster NHS Foundation Trust by 28% and to increase operating theatre usage by an average of 5.7% across Trusts that are already realizing benefits.*

The FDP will further enable doctors, nurses and other NHS professionals to make better use of data, helping to improve the care and services provided to patients.

[Learn more](#) about our work with the NHS

Palantir & the
↳ NHS



[AIP BOOTCAMPS]

From 0 to Use Case in 5 days or less

Our go-to-market approach for AIP

These immersive, hands-on-keyboard sessions allow new and existing customers to build live alongside Palantir engineers, all working toward the common goal of deploying AI in operations.

Outcomes

- 1/ Understand how to apply AI to mission-critical operations
- 2/ Develop initial use cases in AIP
- 3/ Onboard and train users for rollout

“What was never possible before to do not just monthly, but quarterly — we can now do that every single day.” “We paid an entire team for a year to do this, and here it is ... in 2 days!” “The time to analyse... we reduced by a factor of 6x. We could fly more often. We could learn faster.” “We pulled all of this stuff in hours...” “That’s insanely fast.” “...we’ve been able to reduce time spent calculating bed capacity by 75%.” “You’ve opened this Pandora box – expect a lot of questions

465+

ORGANIZATIONS PARTICIPATED
IN BOOTCAMPS



Carleigh Gustafson, SVP
and Deputy Chief Operating
Officer for Intrasystem
Clinical Operations



“We’re very excited about the future because truly our use cases are endless. This is the work that will forever change the care of our patients.”



Brian Choi, Chief
Financial Officer

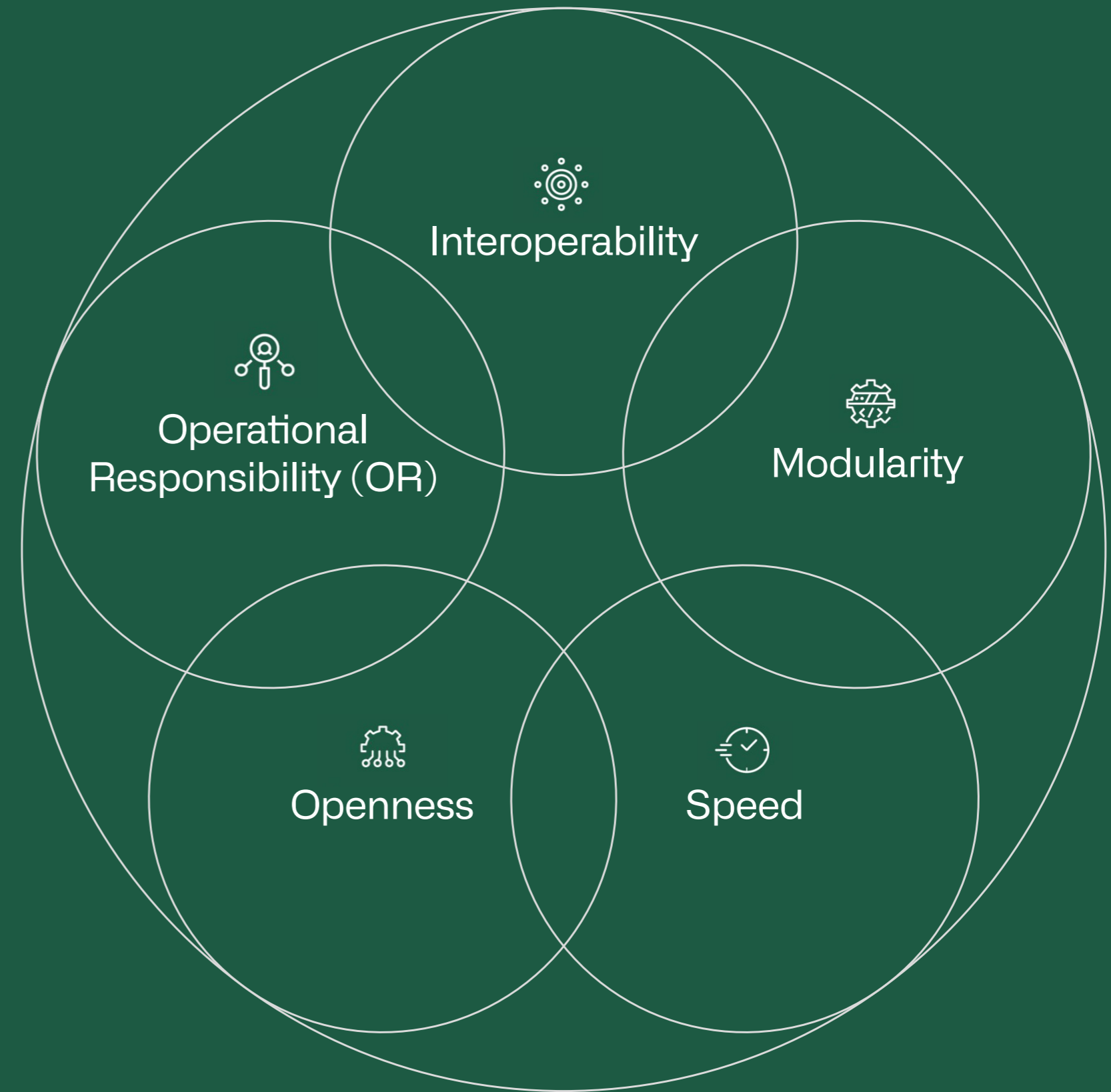


“What we saw immediately in terms of productivity and accuracy, I’ve just never seen something like that before.”

my business users.” “During our 1 day workshop + week sprint, it seems there are endless solutions. It seems there's nothing PLTR cannot do.” “What your team did in just 2 days was incredible. We can already think of 100 use cases for this.” “In one day, Palantir has changed the direction of AI strategy and thinking at our company.” “With Foundry we basically build 10x faster with 3x less resources.” “What was never possible before to do not just monthly, but quarterly —

Introducing Mission Manager: Infrastructure for Big-Tent Software Integration

Enabling an ecosystem of commercial and government providers to deliver software at the speed of mission

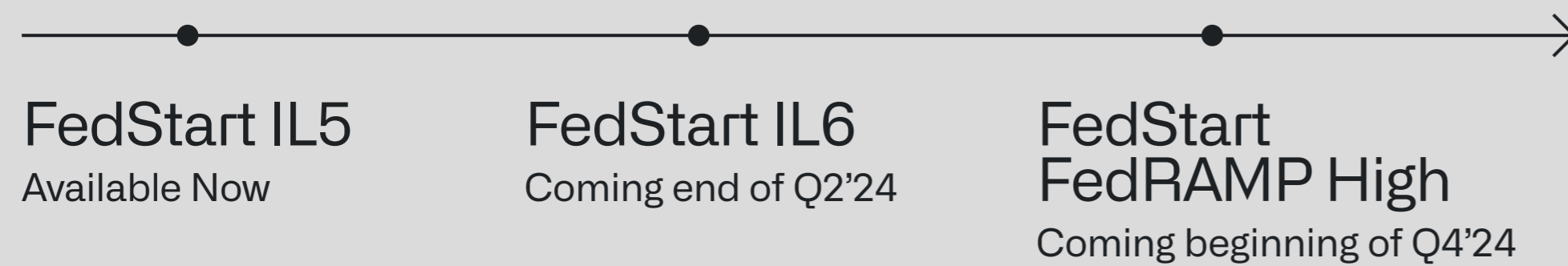


Mission Manager:
Palantir’s software
infrastructure
technology, now
available for every
government program.

	Palantir	High Complexity	Low Complexity
ENVIRONMENTS	750+	20	1
DISTINCT MICROSERVICES	2,500+	500	10
DEPLOYMENT FREQUENCY	Over <u>90,000</u> deployed per week	Once per day to once per week	Once per week to once per month
LEAD TIME FOR CHANGE	<u>84%</u> completed within <u>5 minutes</u> once Release is available	1 day to 1 week	1 week to 1 month
TIME TO RESTORE SERVICES	Average automated rollback time is <u>4.5 minutes</u>	< 1 day	1 month to 6 months



FedStart is built on Mission Manager’s capabilities and enables innovators to run their products within Palantir’s secure, already-accredited environment.



[Learn More](#)



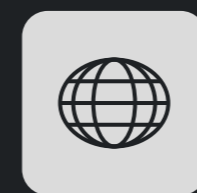
↖ For more on how Palantir is expanding the defense tech ecosystem, read our latest blog series

	Typical SaaS Offering	Palantir FedStart
ACCREDITATION COSTS	\$1M+ 	Significant cost savings
COMPLIANCE HEADCOUNT NEEDS	Dedicated compliance teams 	Facilitate compliance
ENGINEERING REQUIREMENTS	Custom infra and dedicated engineering 	1-2 engineers for integration work
OPPORTUNITY COST	18 months+ 	~3 months

“Move or Die”: Disaggregated Command and Control

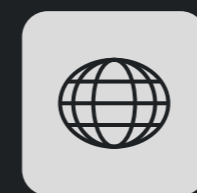
Whether you're in the back of a C-130, a Black Hawk, or a Bradley, all of mission command at your fingertips.

[See Mixed Reality in action](#)



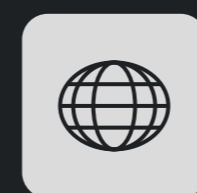
Interoperable
& Extensible

Can seamlessly run on Apple, Android, and Microsoft OS devices, including VisionPro, Meta Quest, Magic Leap, HoloLens, and IVAS.



Secure

Extends classification and role-based authentication, scoped only to the authorized users, inclusive of all Mixed Reality applications, and ontological data entities.



Performant
& Portable

Palantir Mixed Reality client experiences are built in lightweight code and leverage the Unity 3D game engine, making them performant and portable.

Q4

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2023

Financials



US commercial continues to accelerate in Q4 2023 alongside AIP revolution

+70% Y/Y

US Commercial Revenue

+12% Q/Q

US Commercial Revenue

+55% Y/Y

US Commercial Customer Count

+22% Q/Q

US Commercial Customer Count

+32% Y/Y

US Commercial Remaining Deal Value

+28% Q/Q

US Commercial Remaining Deal Value

130

US Commercial Deals Closed

+27% Q/Q

US Commercial Deals Closed

13x

3-Year US Commercial Customer Count Growth

\$343M

US Commercial TCV

+107% Y/Y

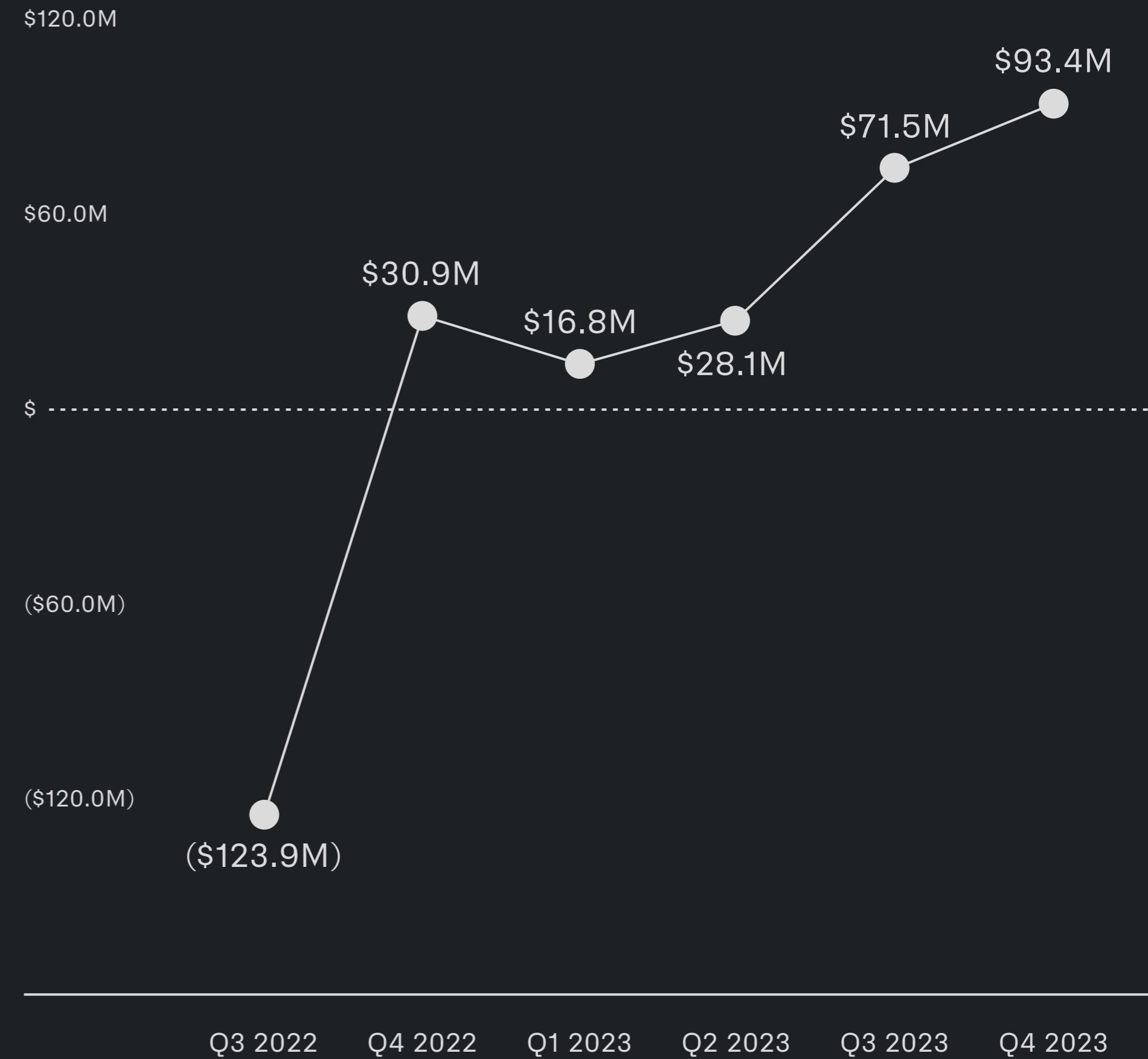
On a Dollar-Weighted Duration Basis

Remaining deal value ("RDV") is the total remaining value of contracts as of the end of the reporting period and 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. Except as noted below, RDV and TCV 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. Dollar-weighted duration basis refers to the total value of contracts closed in the applicable period divided by the dollar-weighted average duration of those same contracts.

We achieved GAAP profitability for the fifth consecutive quarter.

Our Q4 2023 GAAP earnings per share was \$0.04, up \$0.03 Y/Y.

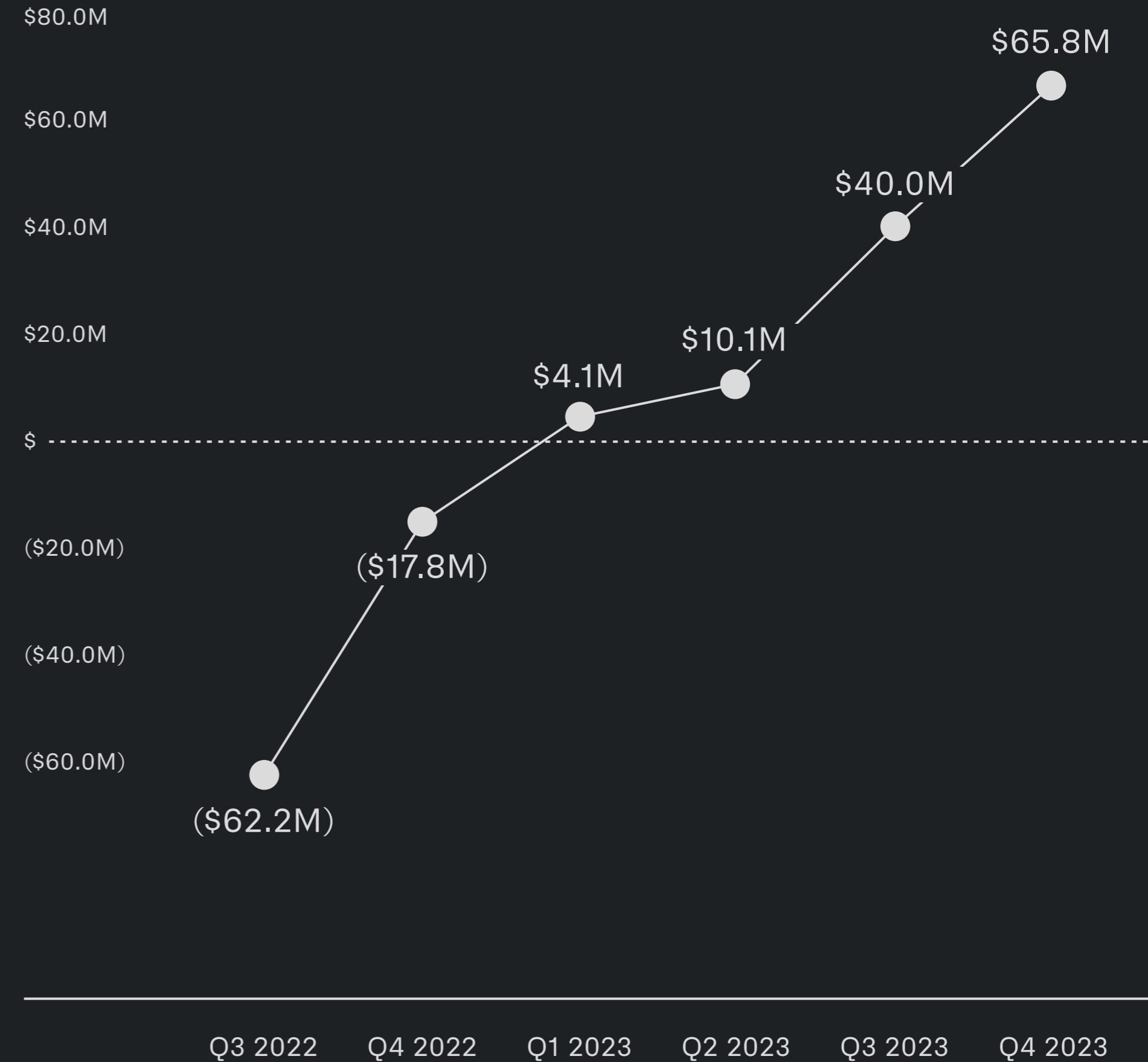
GAAP Net Income (Loss)



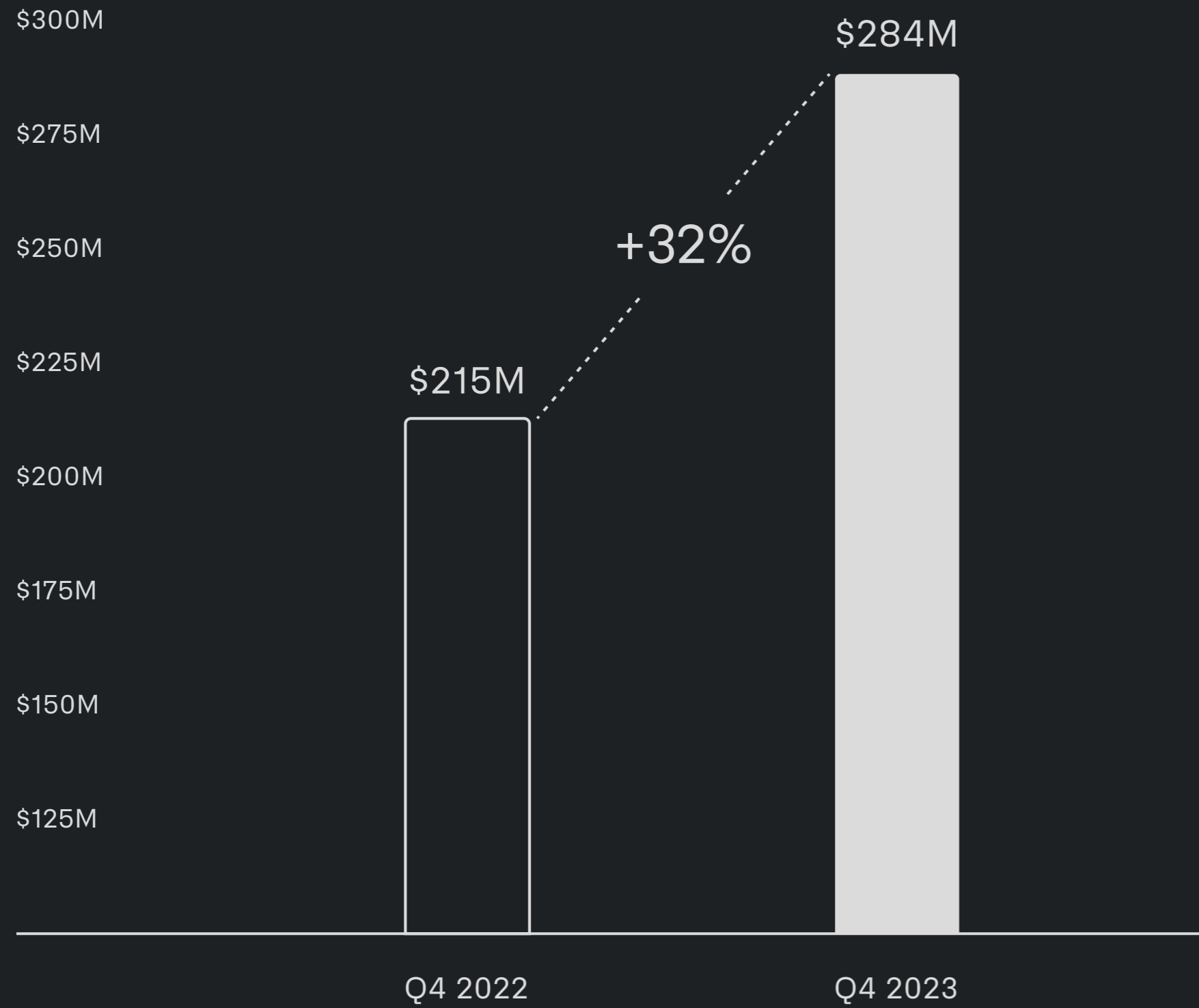
We achieved GAAP operating profitability for the fourth consecutive quarter.

Our Q4 2023 GAAP operating margin was 11%, up 1,500 basis points Y/Y.

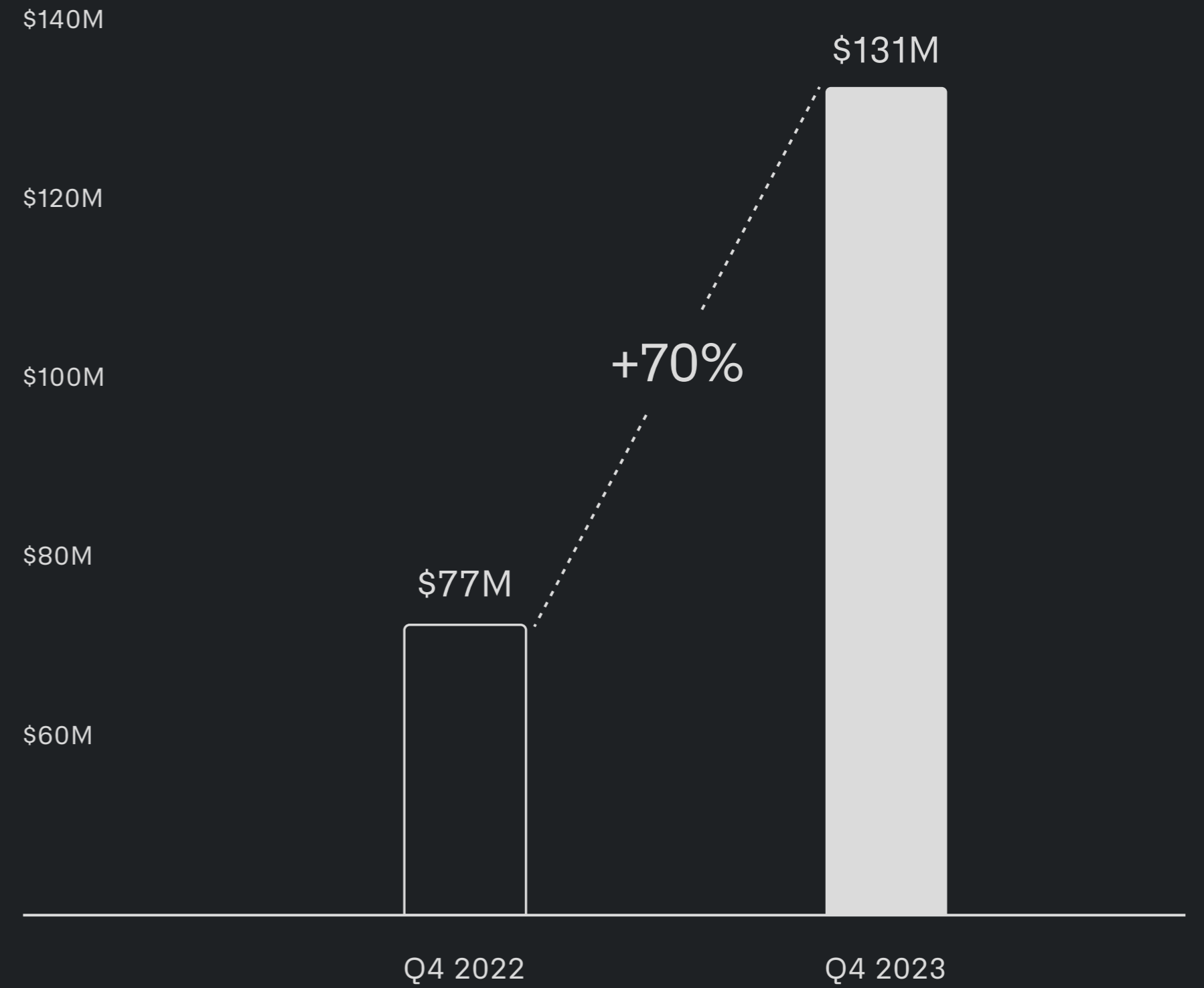
GAAP Operating Income (Loss)



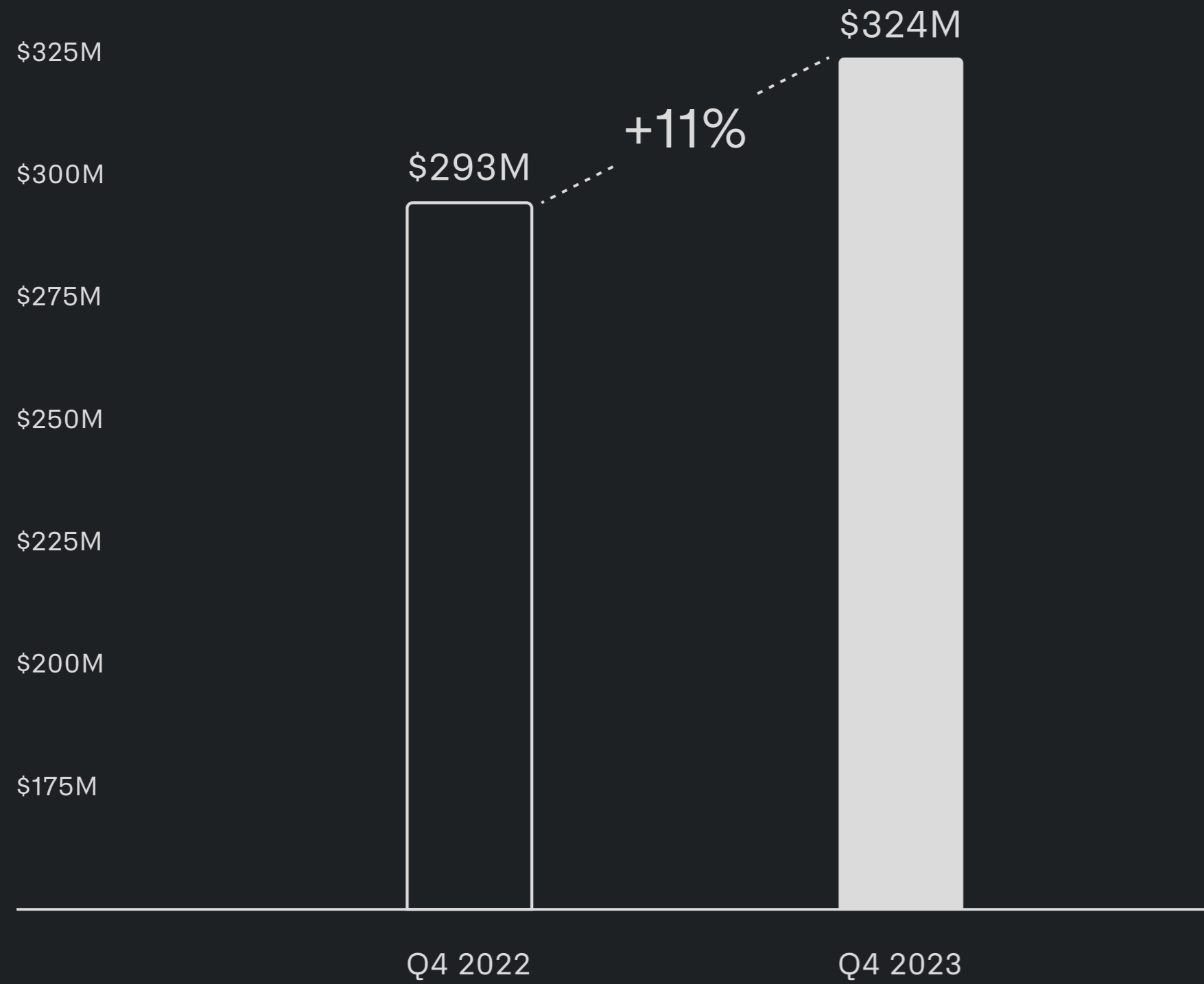
Commercial Revenue Growth



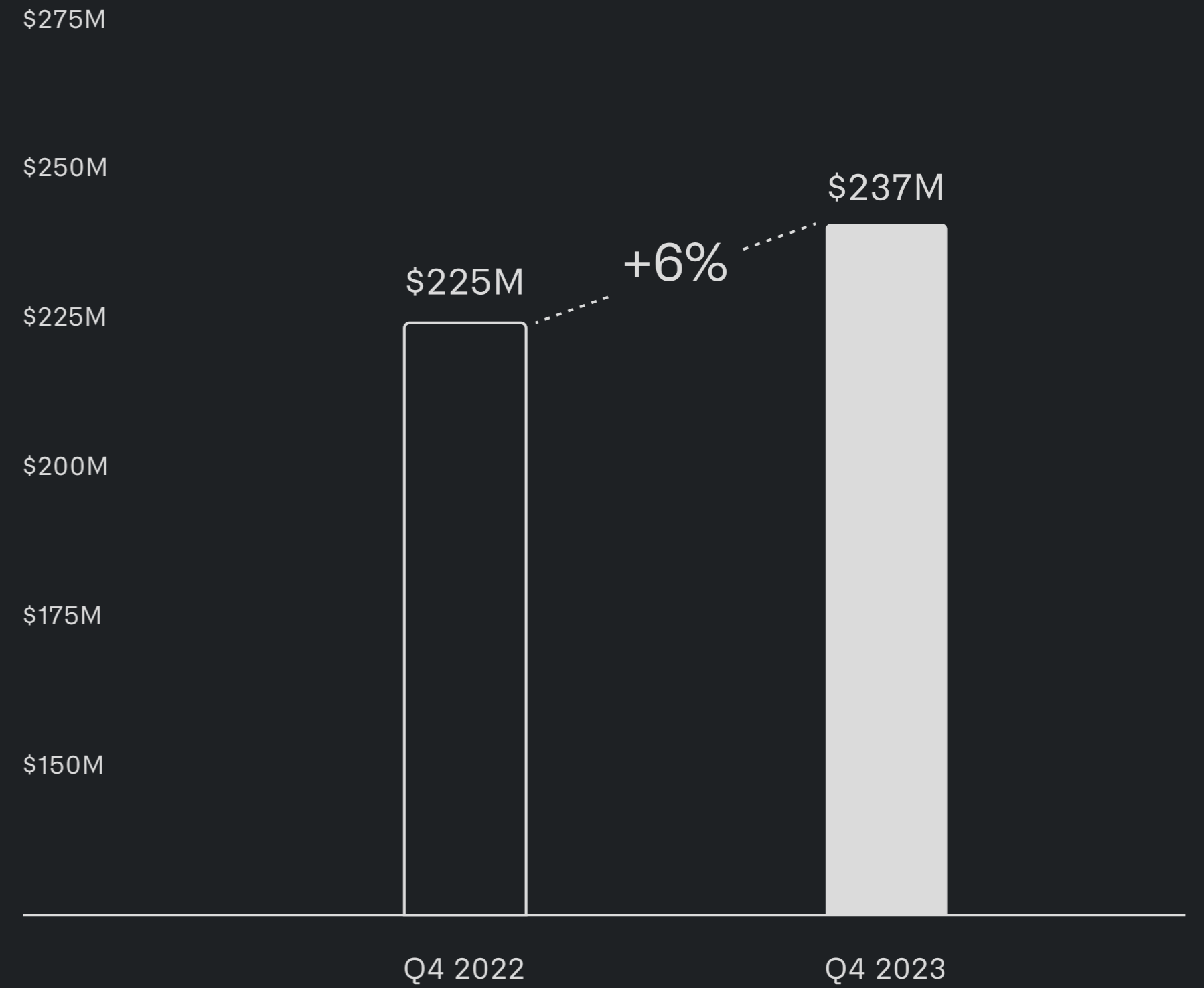
US Commercial Revenue Growth



Government Revenue Growth

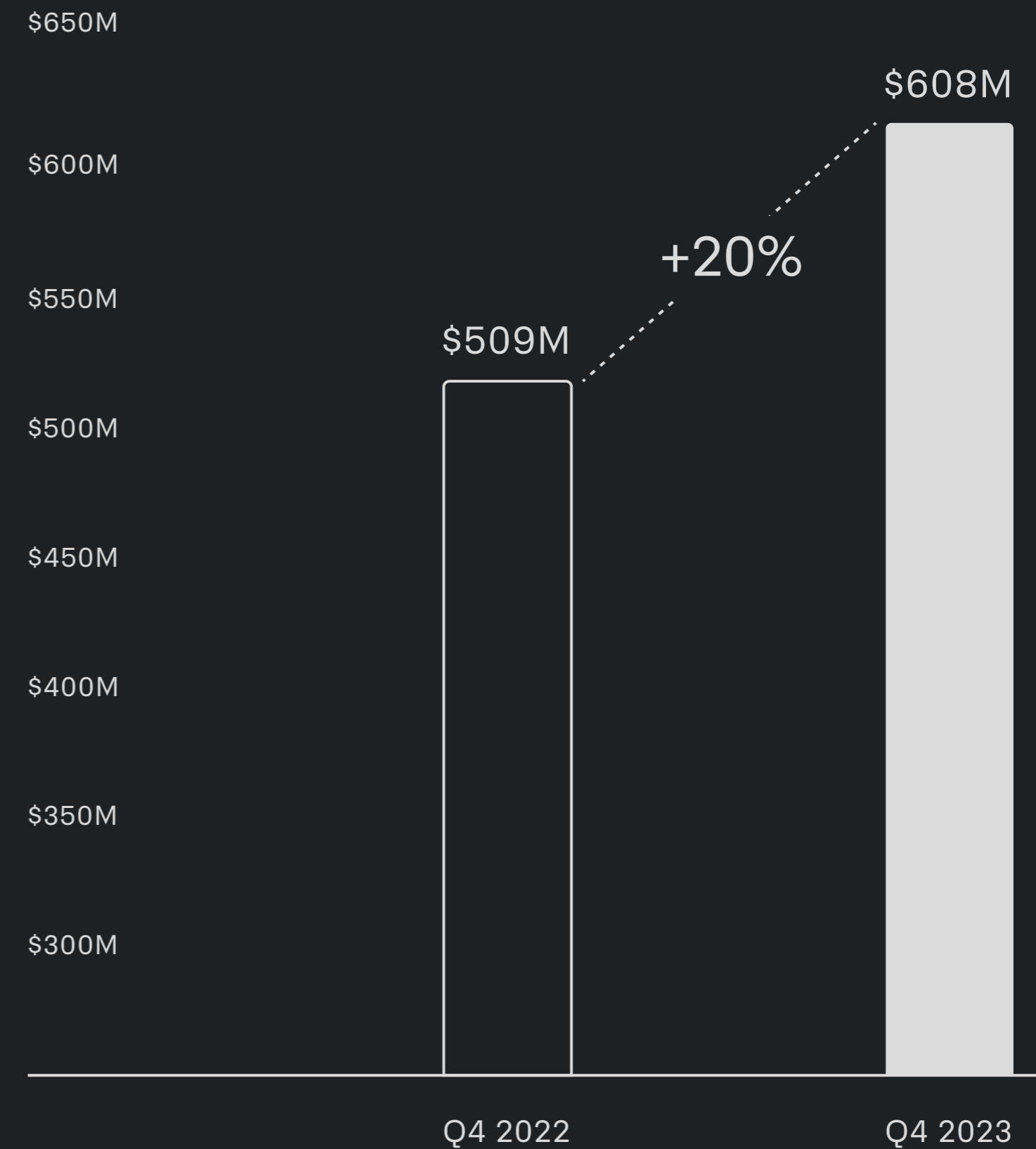


US Government Revenue Growth

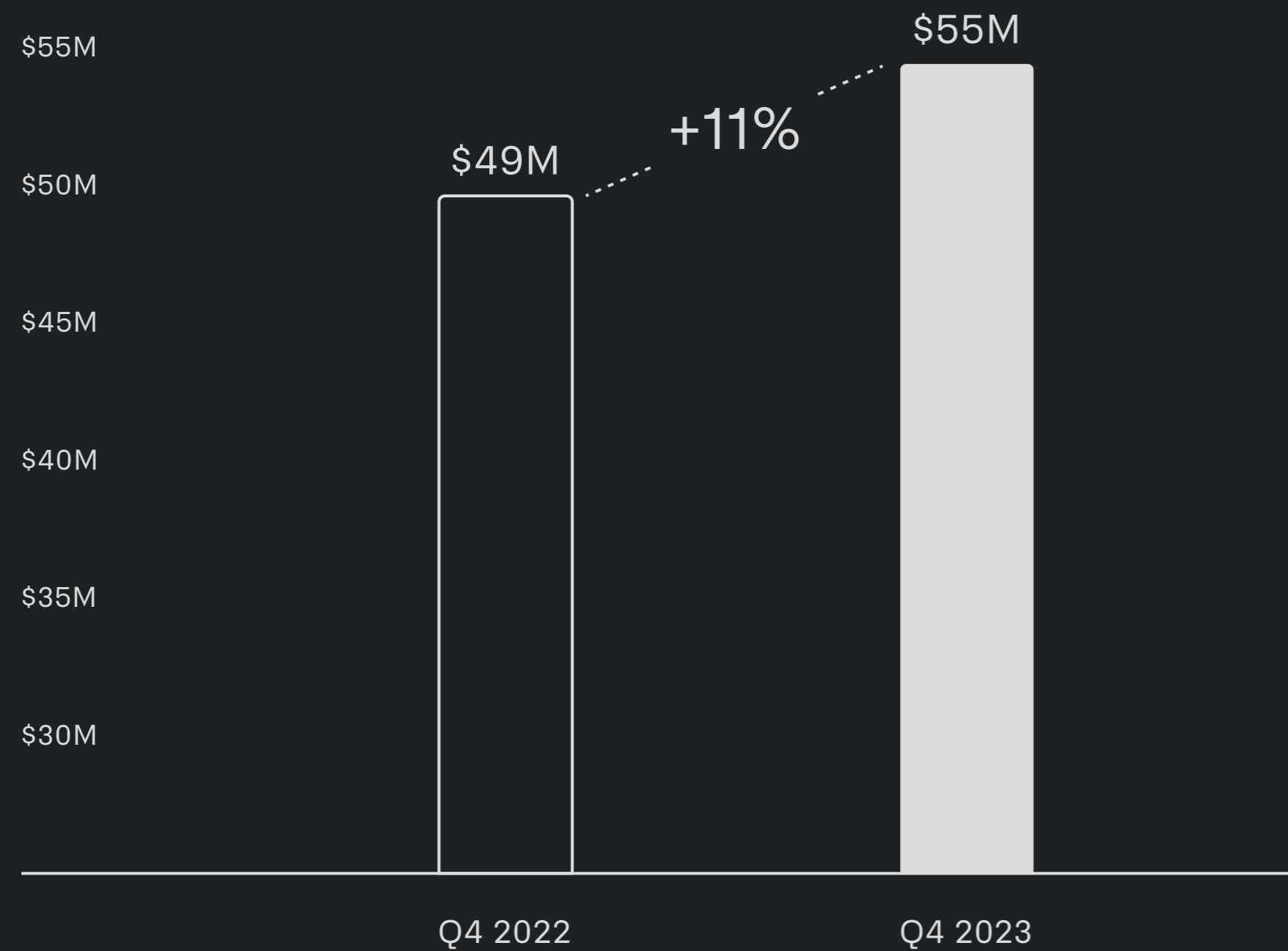


Total revenue grew 20% Y/Y and 9% Q/Q, driven by the continued acceleration of our US commercial business.

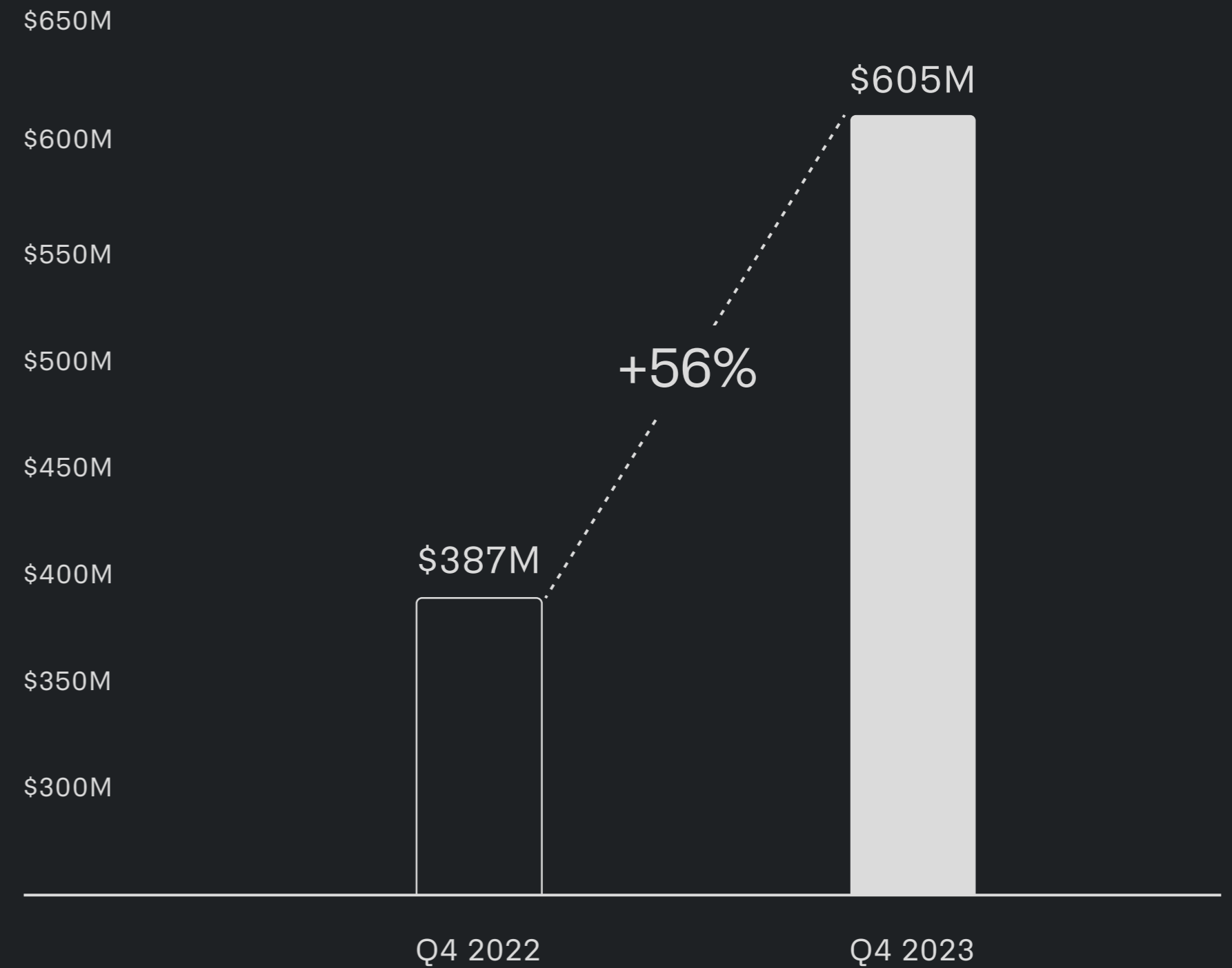
Total Revenue Growth



Average TTM Revenue per Top 20 Customers



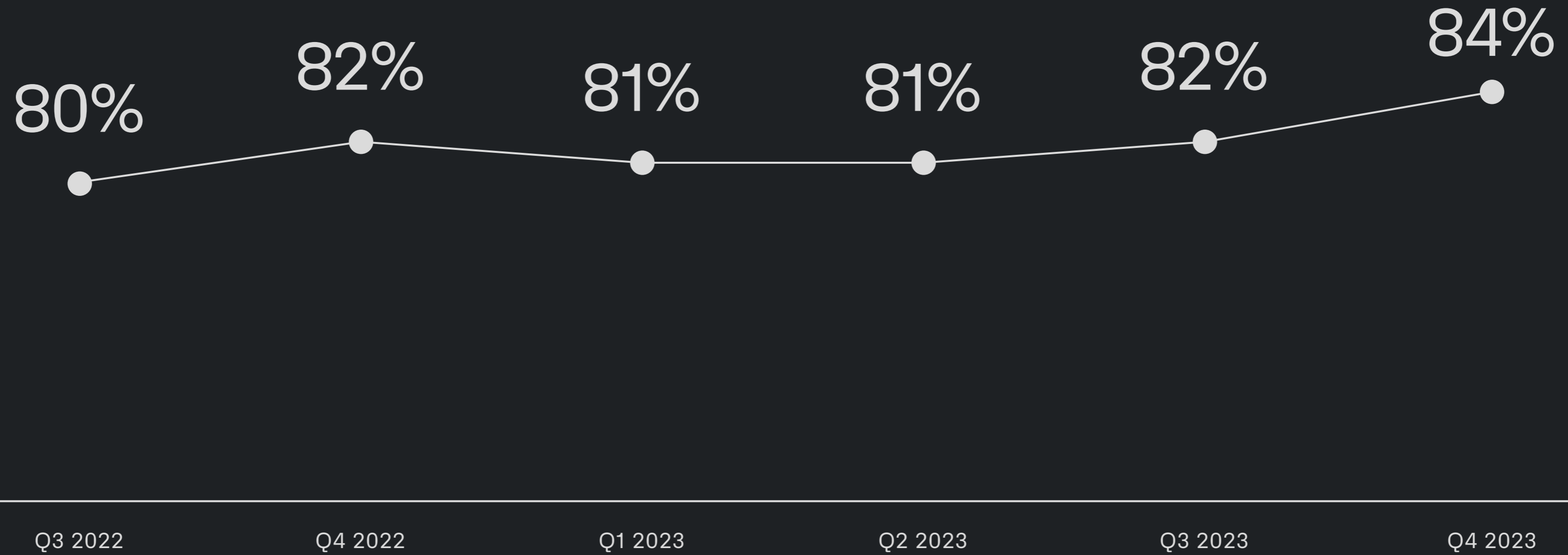
Billings



Average TTM revenue per customer is defined as (a) the Company's trailing twelve months of revenue as of each period divided by (b) the number of customers from which that period's revenue was derived. Average TTM revenue from our top twenty 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.

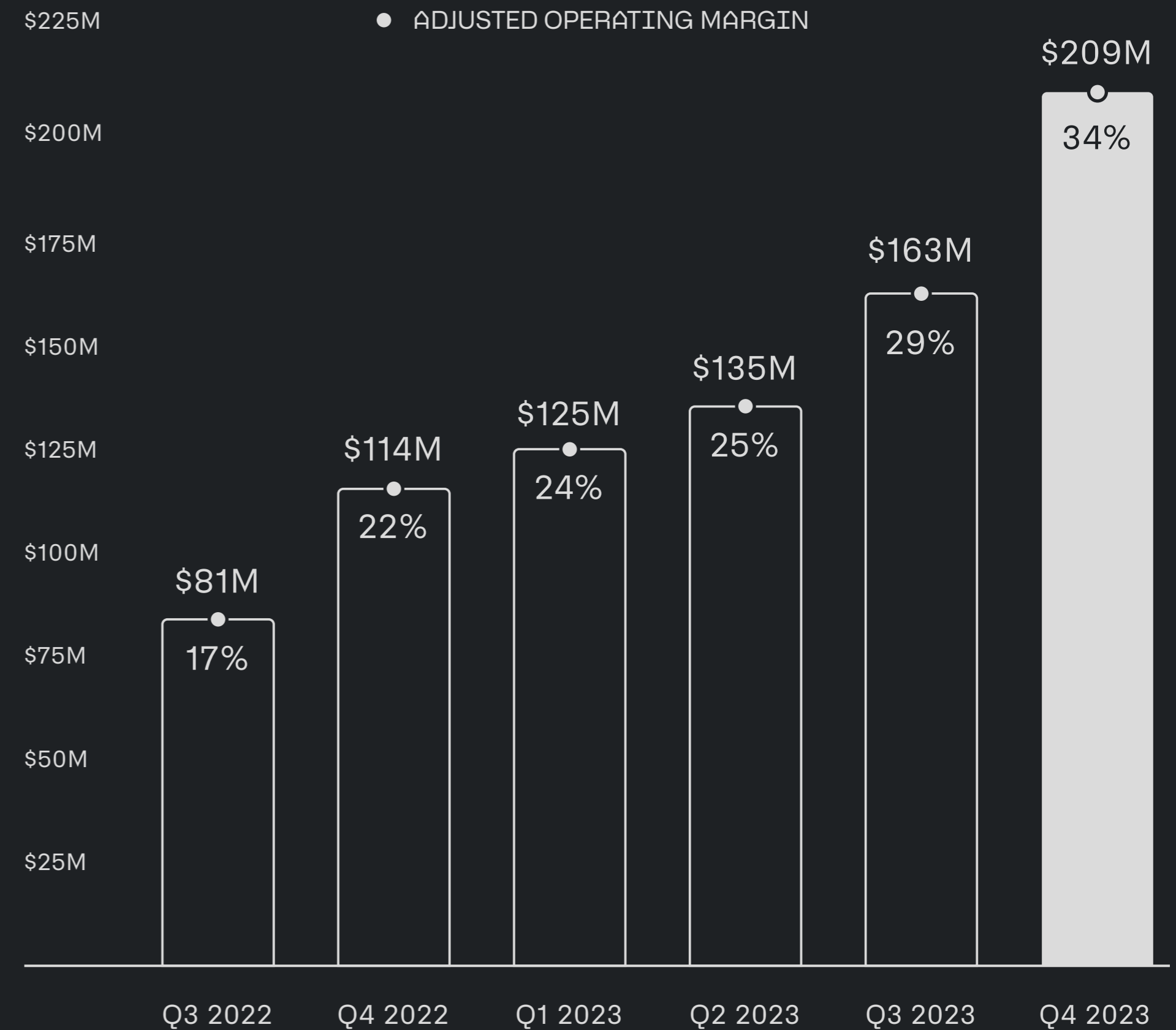
Billings is defined as revenue plus the change in contract liabilities for the period presented. Please see the appendix for reconciliations of this and other non-GAAP financial measures to the most directly comparable GAAP measures.

ADJ. GROSS MARGIN

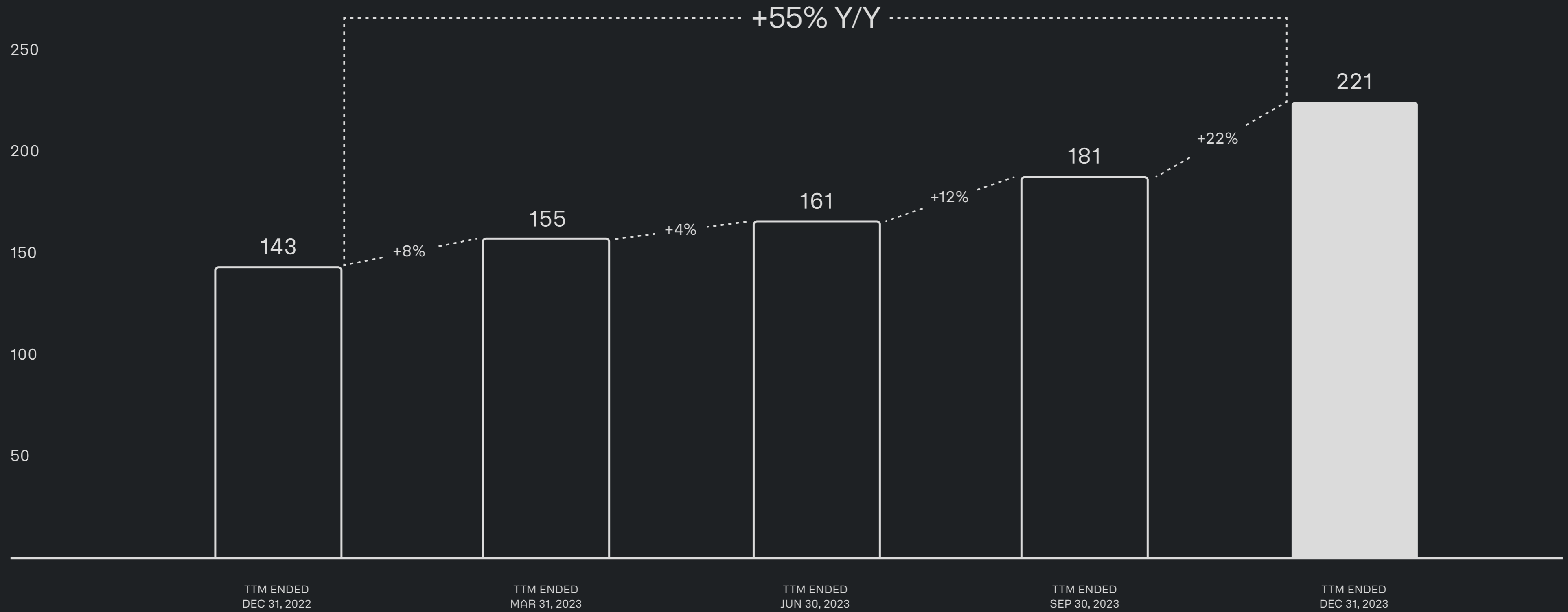


We continue to invest aggressively in AIP and the US while driving operating leverage at scale.

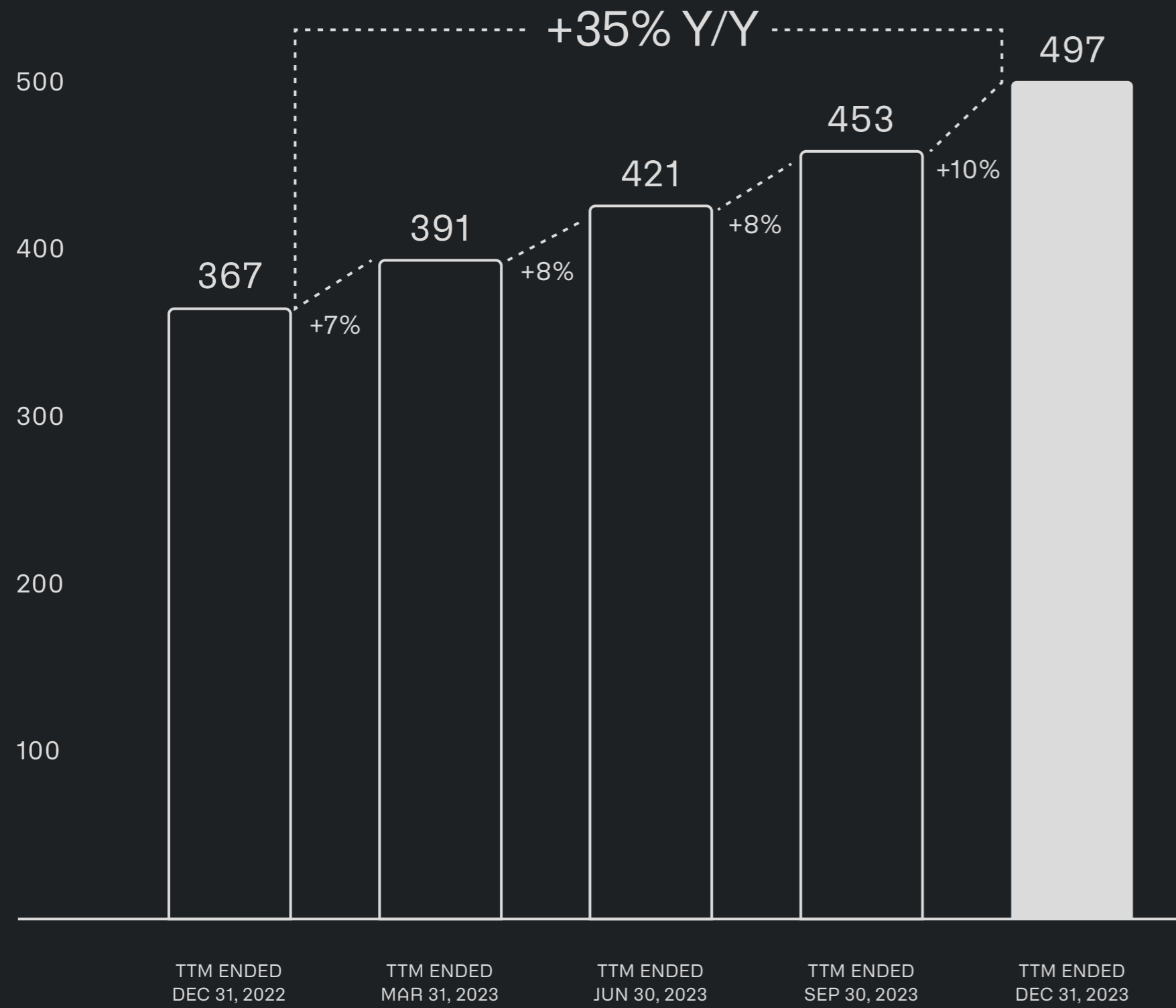
Q4 2023 adjusted operating income was \$209M, representing a margin of 34%



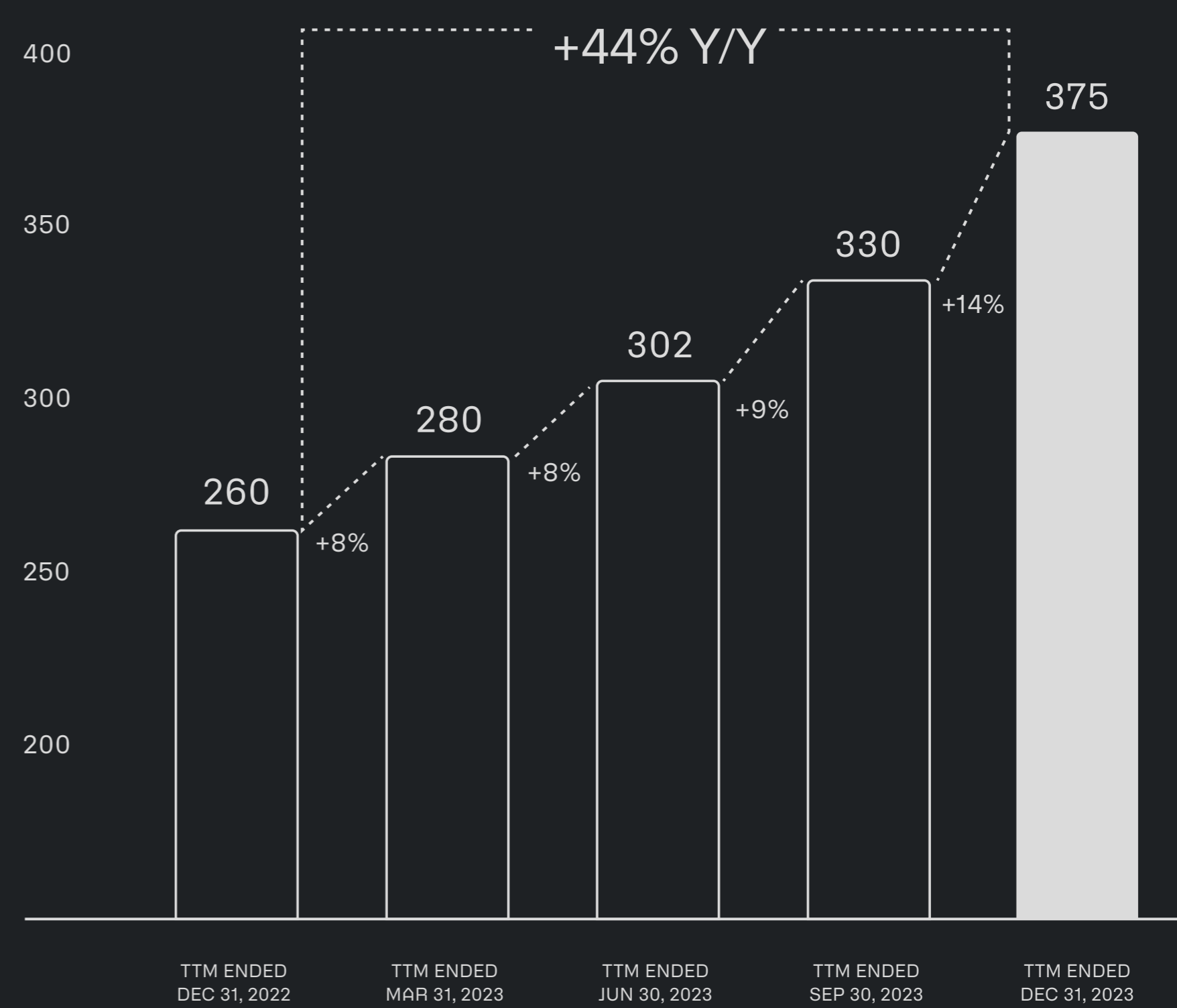
US Commercial Customer Count



Customer Count



Commercial Customer Count



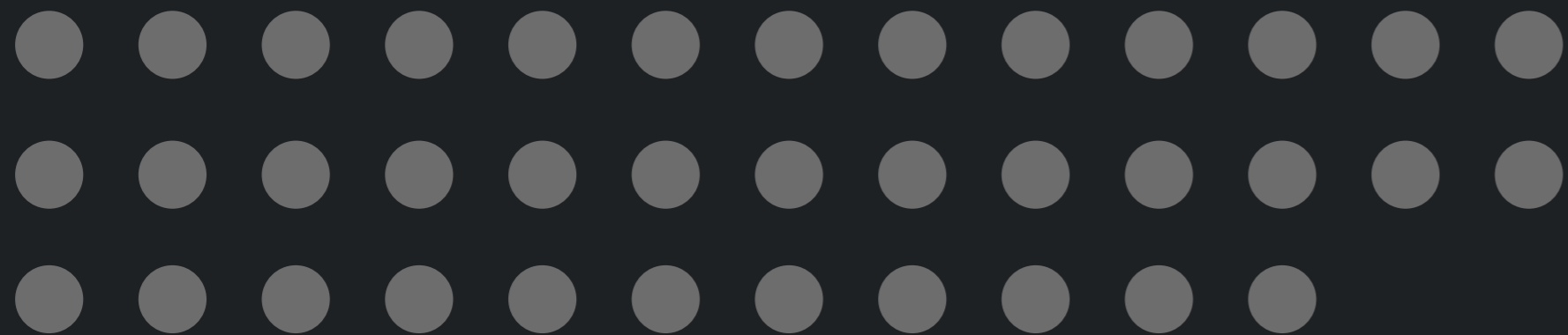
During Q4 2023, we closed

103 deals

of at least \$1 million.

37

of which were at least \$5 million.



21

of which were at least \$10 million.

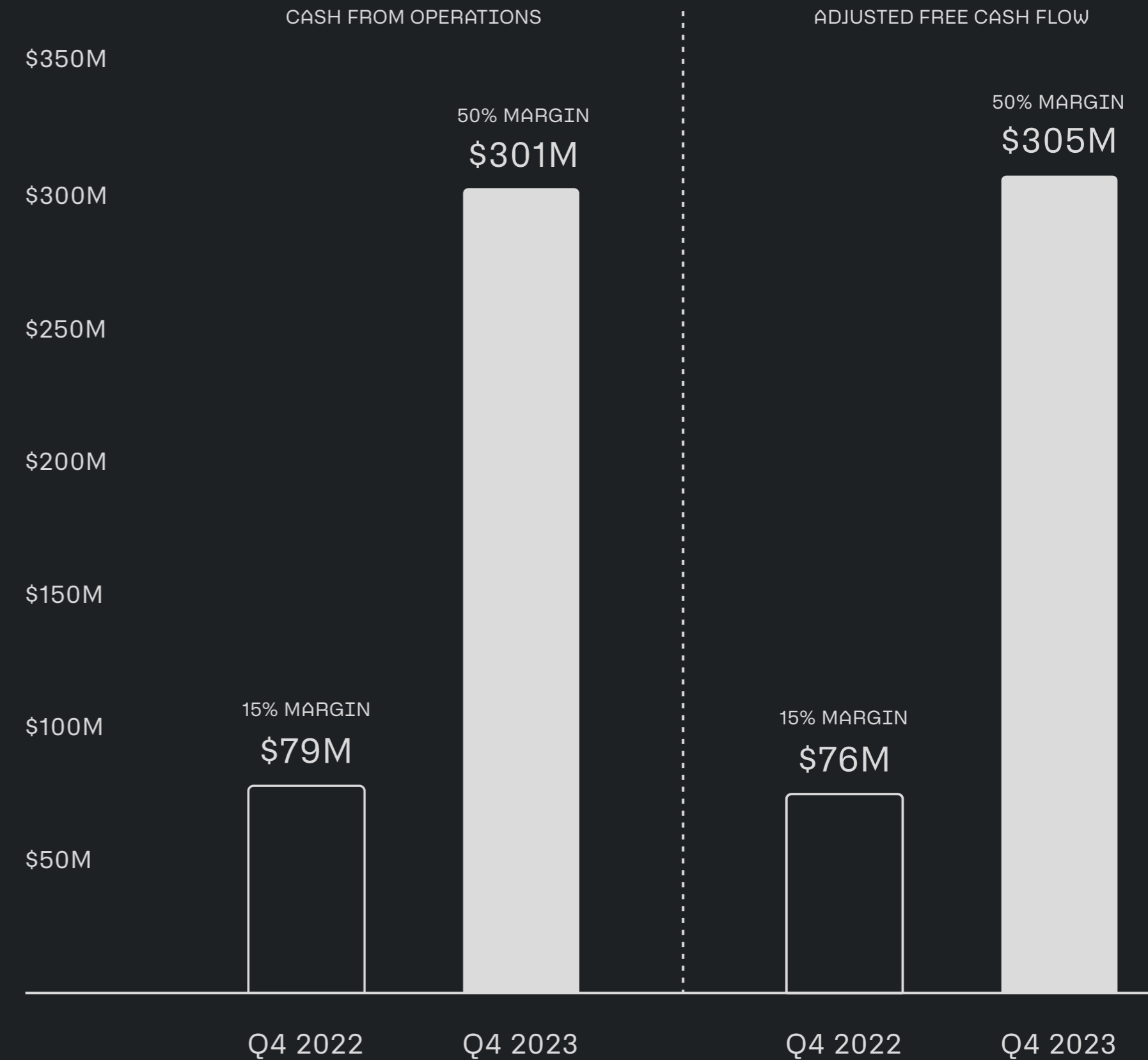


We ended Q4 2023 with

\$3.7B

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

Cash from Operations and Adjusted Free Cash Flow



Q1 2024

For first quarter 2024, we expect:

- Revenue of between \$612 million — \$616 million.
- Adjusted income from operations of between \$196 million — \$200 million.

FY 2024

For full year 2024, we expect:

- Revenue of between \$2.652 billion — \$2.668 billion.
- U.S. commercial revenue in excess of \$640 million, representing a growth rate of at least 40%.
- Adjusted income from operations of between \$834 million — \$850 million.
- Adjusted free cash flow of between \$800 million — \$1 billion.
- GAAP operating income and net income in each quarter this year.

Q4

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2023

Appendix



Additional Metrics and Notes

(\$ MILLIONS)	Q4 2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023
Total RPO	\$ 973	\$ 936	\$ 968	\$ 988	\$ 1,243
Short-Term RPO	\$ 517	\$ 529	\$ 558	\$ 560	\$ 643
Long-Term RPO	\$ 456	\$ 407	\$ 410	\$ 428	\$ 600
Billings	\$ 387	\$ 614	\$ 603	\$ 550	\$ 605

Net dollar retention was 108% in Q4 2023.

Net dollar retention is calculated as (a) revenue for the trailing twelve months as of each period attributable to the customers as counted for the prior trailing twelve months divided by (b) revenue for the prior trailing twelve months recognized from those same customers. Remaining performance obligations ("RPO") reflects the values of contracts that have been entered into with, or awarded by, our government and commercial customers and represents 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.

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)	Q4 2022	Q4 2023	FY 2023
Cash Flow from Operating Activities	\$ 78,763	\$ 301,172	\$ 712,183
Add:			
Cash Paid for Employer Payroll Taxes Related to Stock-Based Compensation	1,918	8,440	33,455
Less:			
Cash Used to Purchase Property and Equipment	(4,918)	(4,860)	(15,114)
Adjusted Free Cash Flow	\$ 75,763	\$ 304,752	\$ 730,524
Adjusted Free Cash Flow Margin	15%	50%	33%

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)	Q3 2022	Q4 2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023	FY 2023
Gross Profit	\$ 370,269	\$ 404,313	\$ 417,541	\$ 426,418	\$ 450,237	\$ 499,711	\$ 1,793,907
Add:							
Stock-Based Compensation	10,525	10,648	9,177	8,004	7,814	11,000	35,995
Adjusted Gross Profit	\$ 380,794	\$ 414,961	\$ 426,718	\$ 434,422	\$ 458,051	\$ 510,711	\$ 1,829,902
Adjusted Gross Margin	80%	82%	81%	81%	82%	84%	82%

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

Excluding Stock-Based Compensation and Related Employer Payroll Taxes

(\$ THOUSANDS)	Q3 2022	Q4 2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023	FY 2022	FY 2023
Income (Loss) From Operations	\$ (62,191)	\$ (17,826)	\$ 4,115	\$ 10,074	\$ 39,983	\$ 65,794	\$ (161,201)	\$ 119,966
Add:								
Stock-Based Compensation	140,308	129,398	114,714	114,201	114,380	132,608	564,798	475,903
Employer Payroll Taxes Related to Stock-Based Compensation	3,133	2,692	6,285	10,760	8,909	10,953	17,156	36,907
Adjusted Operating Income	\$ 81,250	\$ 114,264	\$ 125,114	\$ 135,035	\$ 163,272	\$ 209,355	\$ 420,753	\$ 632,776
Adjusted Operating Margin	17%	22%	24%	25%	29%	34%	22%	28%

Reconciliation of GAAP Net Earnings (Loss) Per Share, Diluted to Adjusted Earnings (Loss) Per Share, Diluted

(AMOUNTS IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)	Q4 2022	Q4 2023	FY 2022	FY 2023
Net Income (Loss) Attributable to Common Stockholders	\$ 30,878	\$ 93,391	\$ (373,705)	\$ 209,825
Add / (Less):				
Stock-Based Compensation	129,398	132,608	564,798	475,903
Employer Payroll Taxes Related to Stock-Based Compensation	2,692	10,953	17,156	36,907
Nonrecurring Gain from Step Acquisition	(44,306)	0	(44,306)	0
Income Tax Effects and Adjustments [1]	(22,954)	(47,312)	(28,567)	(151,026)
Adjusted Net Income Attributable to Common Stockholders	\$ 95,708	\$ 189,640	\$ 135,376	\$ 571,609
Weighted-Average Shares Used in Computing GAAP Earnings (Loss) Per Share, Diluted	2,203,733	2,357,741	2,063,793	2,297,928
Adjusted Weighted-Average Shares Used in Computing Adjusted Earnings Per Share, Diluted [2]	2,203,733	2,357,741	2,223,522	2,297,928
Adjusted Earnings Per Share, Diluted	\$ 0.04	\$ 0.08	\$ 0.06	\$ 0.25

[1] Income tax effect is based on an estimated long-term annual effective tax rate of 23.0% and 22.2% for the periods ended 2023 and 2022, respectively. The Company's estimated long-term annual effective tax rate excludes certain non-cash items, such as stock-based compensation, and is used in order to provide consistency across periods by eliminating the effects of certain items, such as changes in the tax valuation allowance.

[2] Includes an additional 160 million dilutive securities for the year ended December 31, 2022 that were excluded from a GAAP perspective due to the Company's net loss position.

Reconciliation of Revenue to Billings

(\$ THOUSANDS)	Q4 2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023
Revenue	\$ 508,624	\$ 525,186	\$ 533,317	\$ 558,159	\$ 608,350
Change in Contract Liabilities	(121,589)	88,614	69,952	(8,199)	(3,354)
Billings	\$ 387,035	\$ 613,800	\$ 603,269	\$ 549,960	\$ 604,996

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

(\$ THOUSANDS)	Q4 2022	Q3 2023	Q4 2023	FY 2022	FY 2023
Total Expenses	\$ 526,450	\$ 518,176	\$ 542,556	\$ 2,067,072	\$ 2,105,046
Less:					
Stock-Based Compensation	129,398	114,380	132,608	564,798	475,903
Employer Payroll Taxes Related to Stock-Based Compensation	2,692	8,909	10,953	17,156	36,907
Adjusted Expenses	\$ 394,360	\$ 394,887	\$ 398,995	\$ 1,485,118	\$ 1,592,236