

# Q3

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# 2024

# Business Update



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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.

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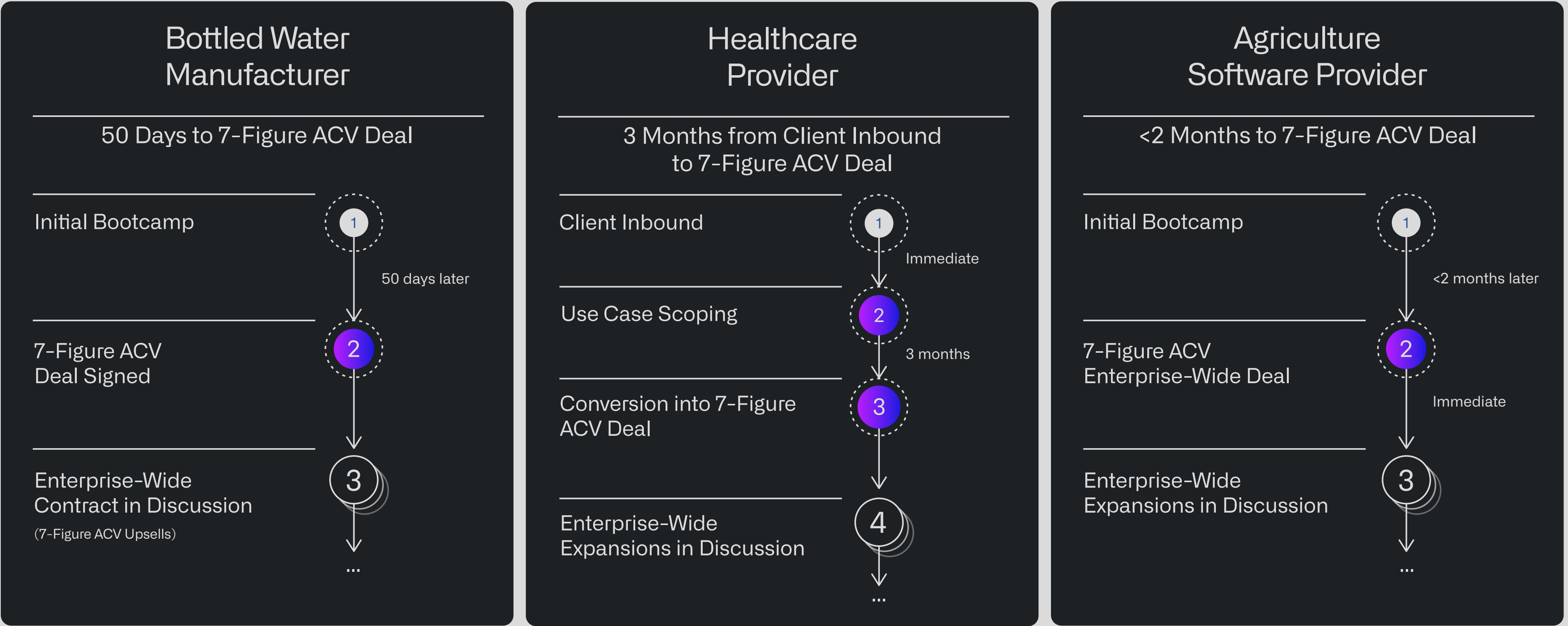


# Q3 2024 Highlights


- US revenue grew +44% Y/Y and +14% Q/Q to \$499 million
- US commercial revenue grew +54% Y/Y and +13% Q/Q to \$179 million
- US government revenue grew +40% Y/Y and +15% Q/Q to \$320 million
- Revenue grew +30% Y/Y and +7% Q/Q to \$726 million; +32% Y/Y and +7% Q/Q excluding Strategic Commercial Contracts
- Closed 104 deals over \$1 million
- Adjusted operating income of \$276 million; 38% margin
- GAAP operating income of \$113 million; 16% margin
- GAAP net income of \$144 million; 20% margin
- Adjusted free cash flow of \$435 million; 60% margin and TTM adjusted free cash flow of \$1 billion; 39% margin
- GAAP EPS grew +100% Y/Y to \$0.06; Adjusted EPS grew +43% Y/Y to \$0.10
- Rule of 40 score of 68%

The term “Strategic Commercial Contracts” is as defined in our Quarterly Report on Form 10-Q filed on August 6, 2024. 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 (“TTM”) 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, and income tax effects and adjustments. Rule of 40 refers to the sum of our revenue growth rate year-over-year and our adjusted operating margin. Please see the appendix for reconciliations of these and other non-GAAP financial measures to the most directly comparable GAAP measures.

# Prototype to production: accelerating the US commercial customer journey



We are proud  
to have been  
admitted to the  
S&P 500.

 PLTR → S&P500

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TECHNOLOGIES INC.



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▼  
PALANTIR / SOFTWARE CUTTING EDGE  
FOUNDATIONAL SOFTWARE  
OF TOMORROW.  
DELIVERED TODAY.™



The Ukrainian Government has partnered with Palantir to leverage AIP to enhance decision-making in humanitarian de-mining operations.





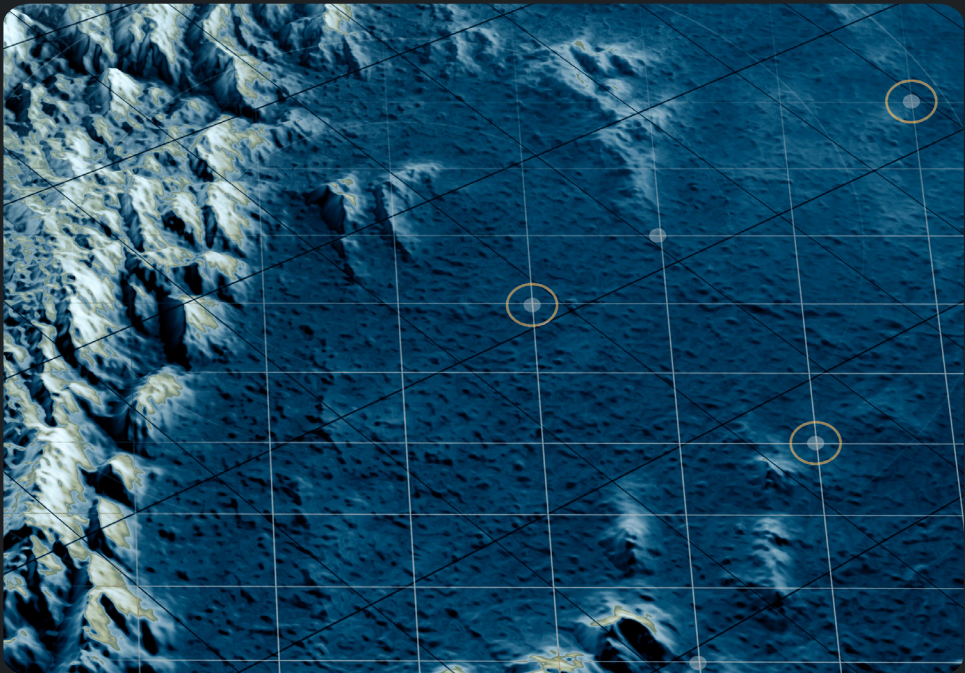
# AI is Transforming the Battlefield

Using Maven Smart System, the 18th Airborne has demonstrated an ability to match the performance of the time-critical targeting cell in Operation Iraqi Freedom, a targeting cell that is widely viewed as the most efficient in U.S. military history.

The 18th Airborne achieved this milestone with roughly 20 people in its targeting cell, whereas the OIF cell benefitted from more than two thousand staff members.

Army leaders hope to leverage Maven Smart System to make one thousand high-quality decisions on the battlefield in one hour.

— Building the Tech Coalition,  
Center for Security and Emerging Technology





In Q3, Palantir signed a new five-year, up to \$100 million contract to expand Maven Smart System AI/ML capabilities across the US military services.

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[Read more](#)

“This partnership is tantamount to ensuring that we keep America safe and ready.”

Frank Whitworth,  
Vice Admiral, National Geospatial-Intelligence Agency





# Introducing Palantir's Visual Navigation<sup>(VNav)</sup>

VNav brings Palantir intelligence and software onboard to help support autonomous drone missions in GPS-compromised areas, providing accurate navigation independent of GPS or radio control signals.

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[Read more](#)





# Organizations Quantify Their Exceptionalism Through AIP



Duane Massie,  
EVP of IT, Associated  
Materials

Implemented over ten business use cases in just nine months with Palantir, increasing on-time in-full (OTIF) delivery rates from 40% to 90%.



Michael Shin,  
Chief Supply Chain  
Officer, Trinity Rail

Built an AIP inventory workflow in three months that generated \$30 million in savings and improved operating margins.



Laura Huabner,  
Chief Quality Officer,  
Tampa General  
Hospital

“We're getting patients home faster to their families and back to their lives. We've reduced the length of stay in the hospital by 15% for patients with sepsis.”



Jodi Cohen,  
Chief Strategy Officer,  
Mount Sinai

“We've seen 100% FTE efficiency over this. We have seen an increase in our overturn rate that we expect to result in over \$13 million in revenue.”



Dan Klein,  
VP Cognitive Services,  
Aramark

Within nine months, automated product classifications for 99% of meal data elements, driving significant time savings and enabling deep analysis.



Michael Ash, MD  
President and Chief  
Operating Officer,  
Nebraska Medicine

Nebraska Medicine has seen a +2,000% increase in Discharge Lounge utilization, freeing up beds earlier for patients and decreasing time from discharge order.



# Q3

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# 2024

# Financials



# US commercial continues to accelerate in Q3 2024 alongside AIP revolution

+54% Y/Y

US Commercial Revenue

+13% Q/Q

US Commercial Revenue

+77% Y/Y

US Commercial Customer Count

+9% Q/Q

US Commercial Customer Count

+73% Y/Y

US Commercial Remaining Deal Value

+7% Q/Q

US Commercial Remaining Deal Value

130

US Commercial Deals Closed

+27% Y/Y

US Commercial Deals Closed

~5x

3-Year US Commercial Customer Count Growth

\$297M

US Commercial Total Contract Value

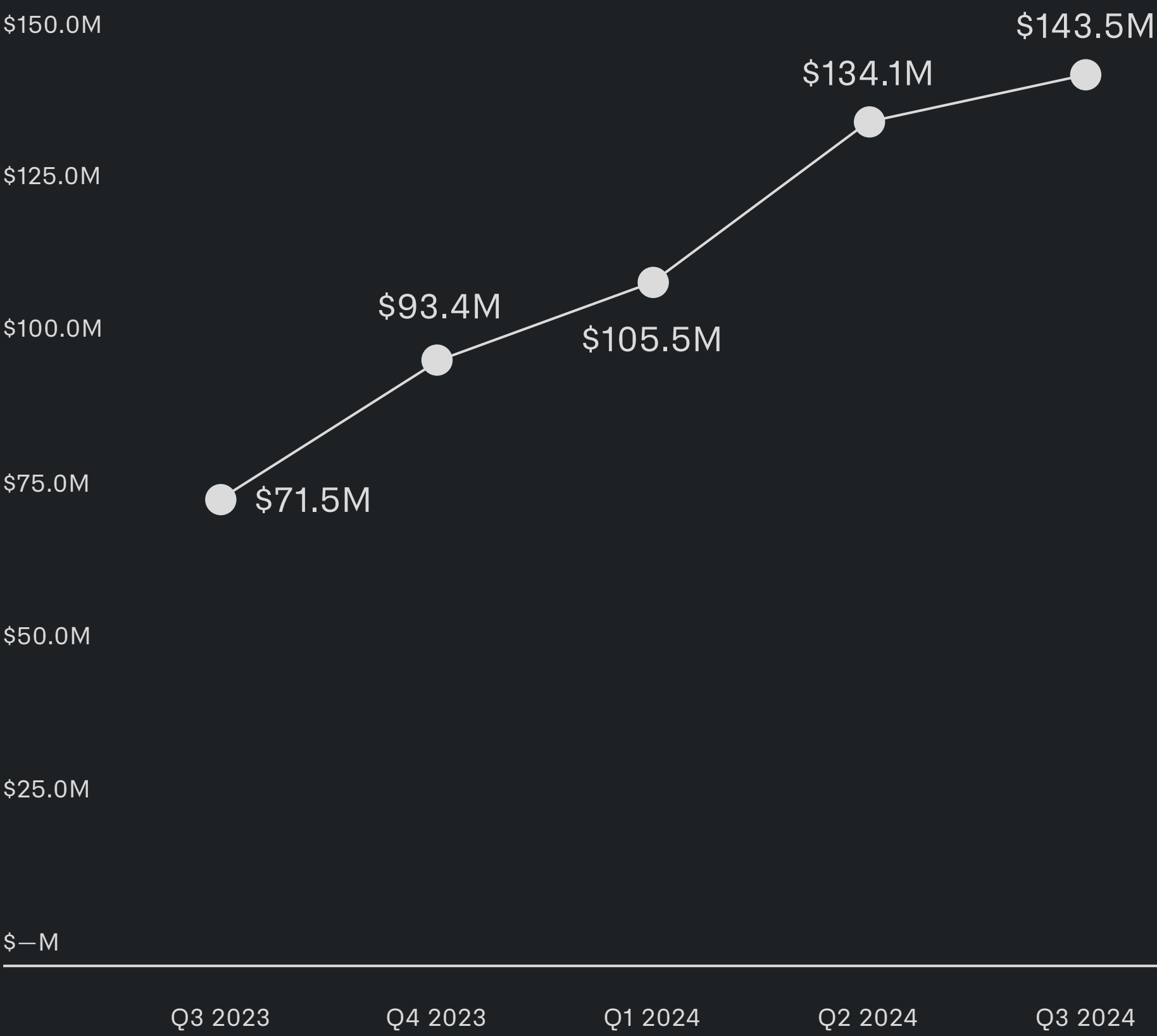
+13% Q/Q

US Commercial Total Contract Value

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.

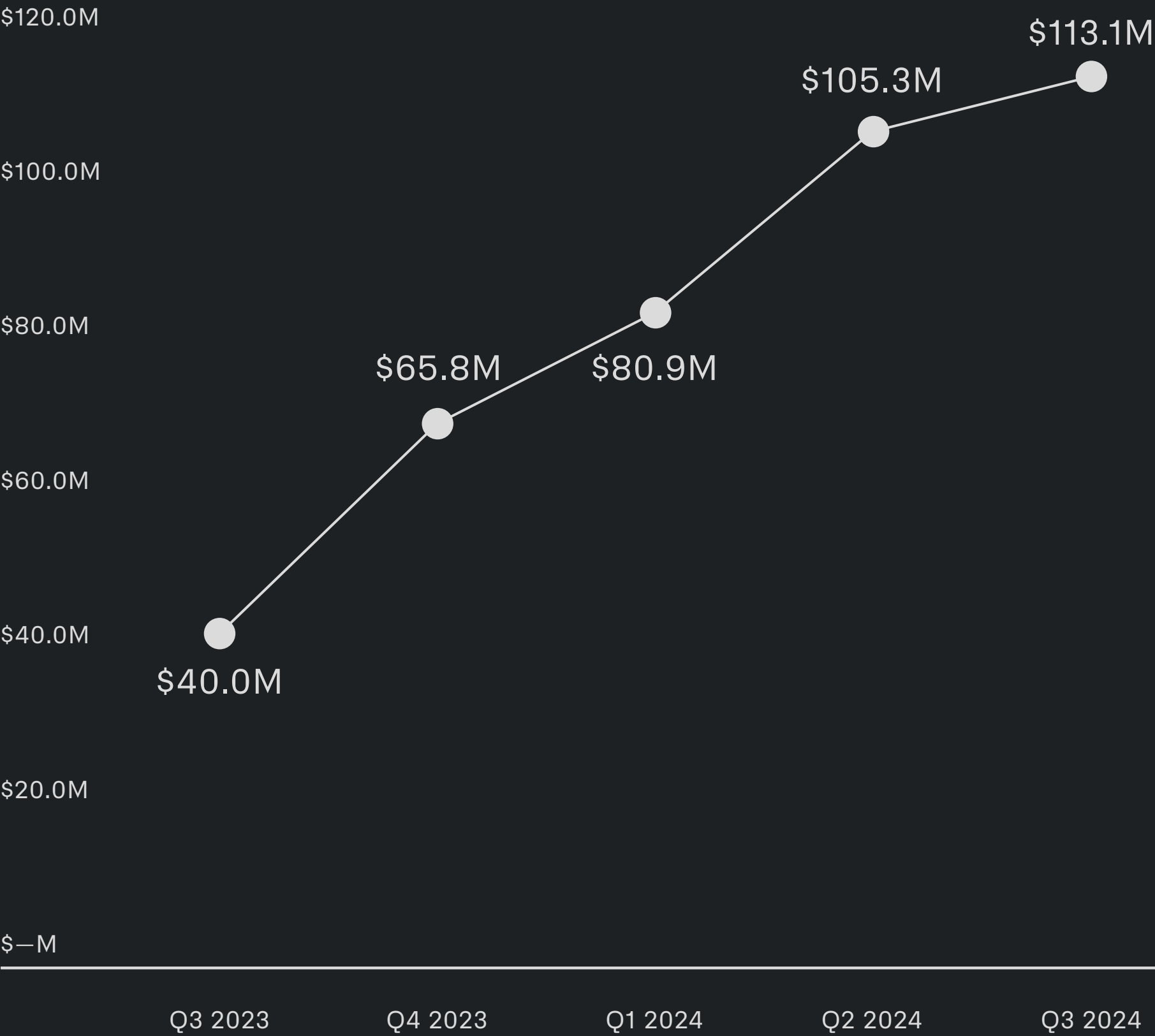
Our Q3 2024 GAAP earnings per share was \$0.06, up \$0.03 Y/Y.

# GAAP Net Income



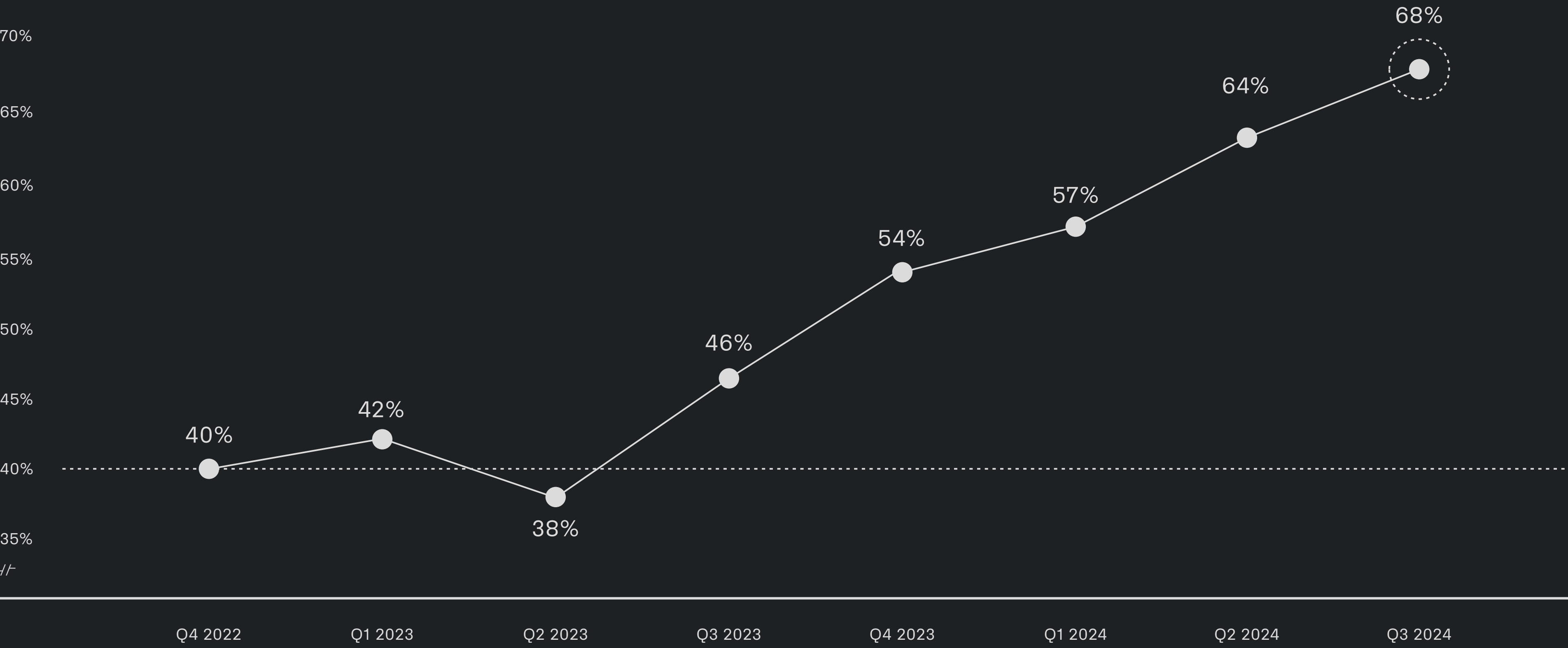
Our Q3 2024 GAAP operating margin was 16%, up 900 basis points Y/Y.

## GAAP Operating Income

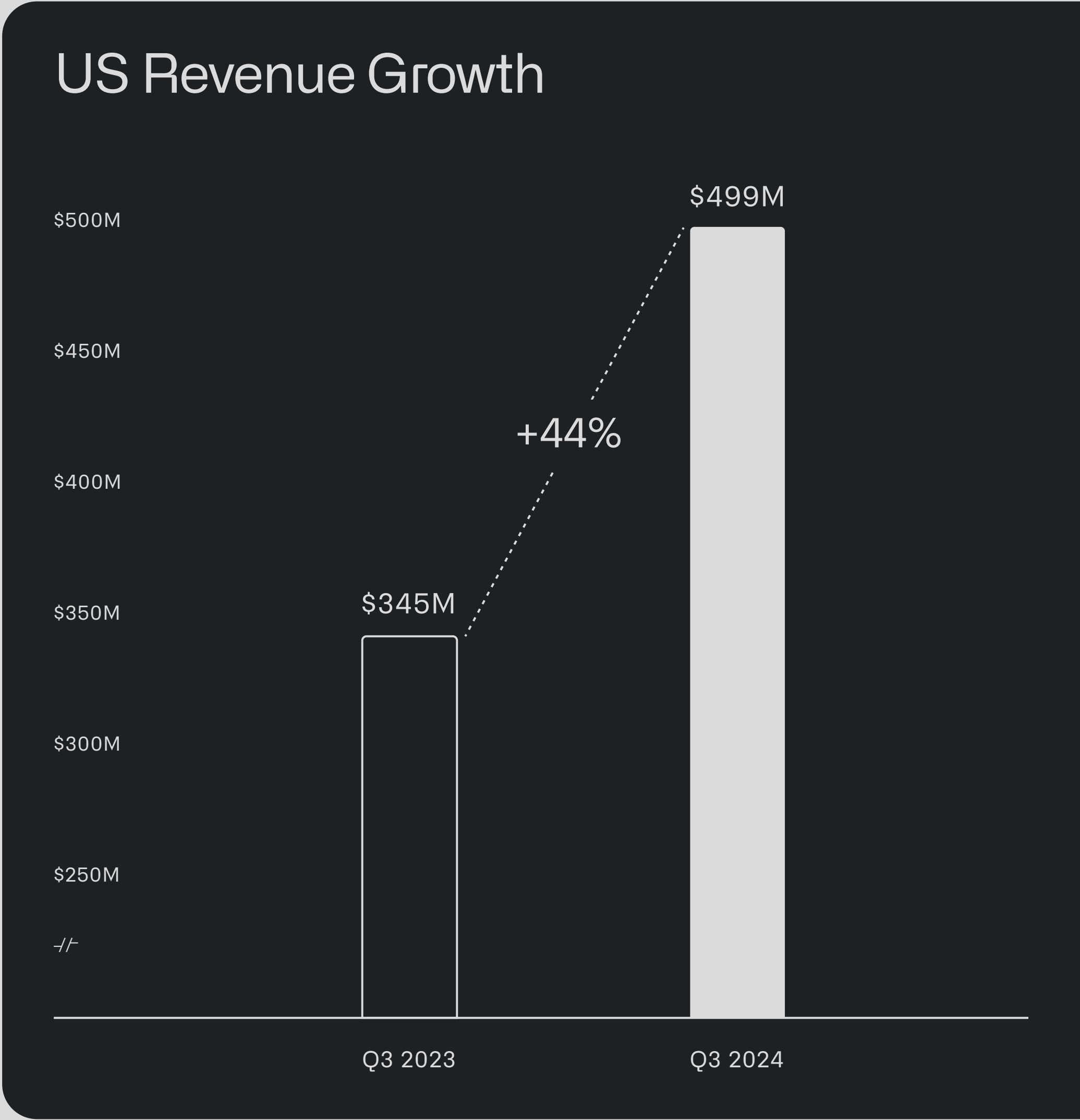




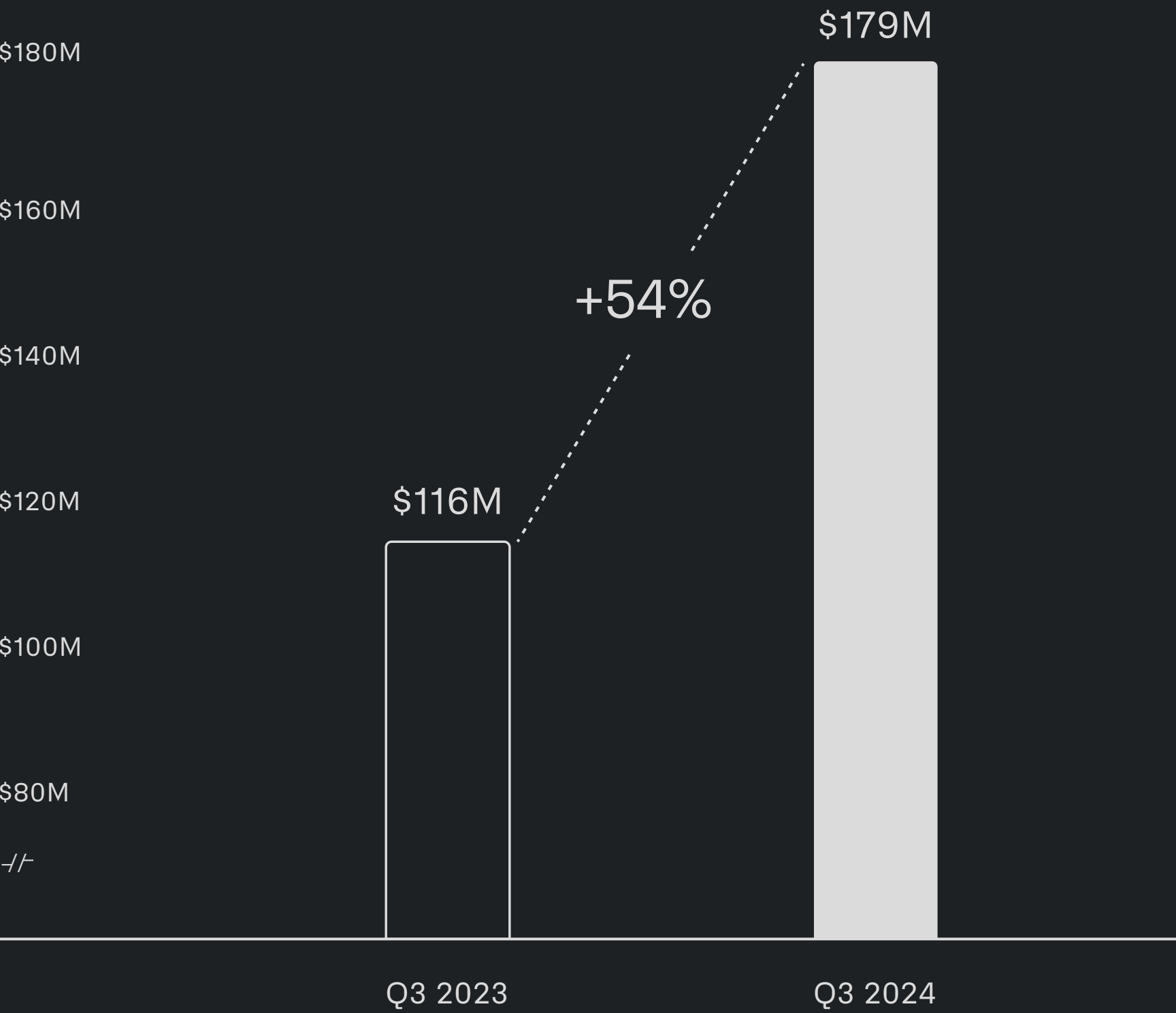
# Rule of 40



US revenue grew 44% Y/Y and 14% Q/Q, driven by acceleration in US commercial and US government.

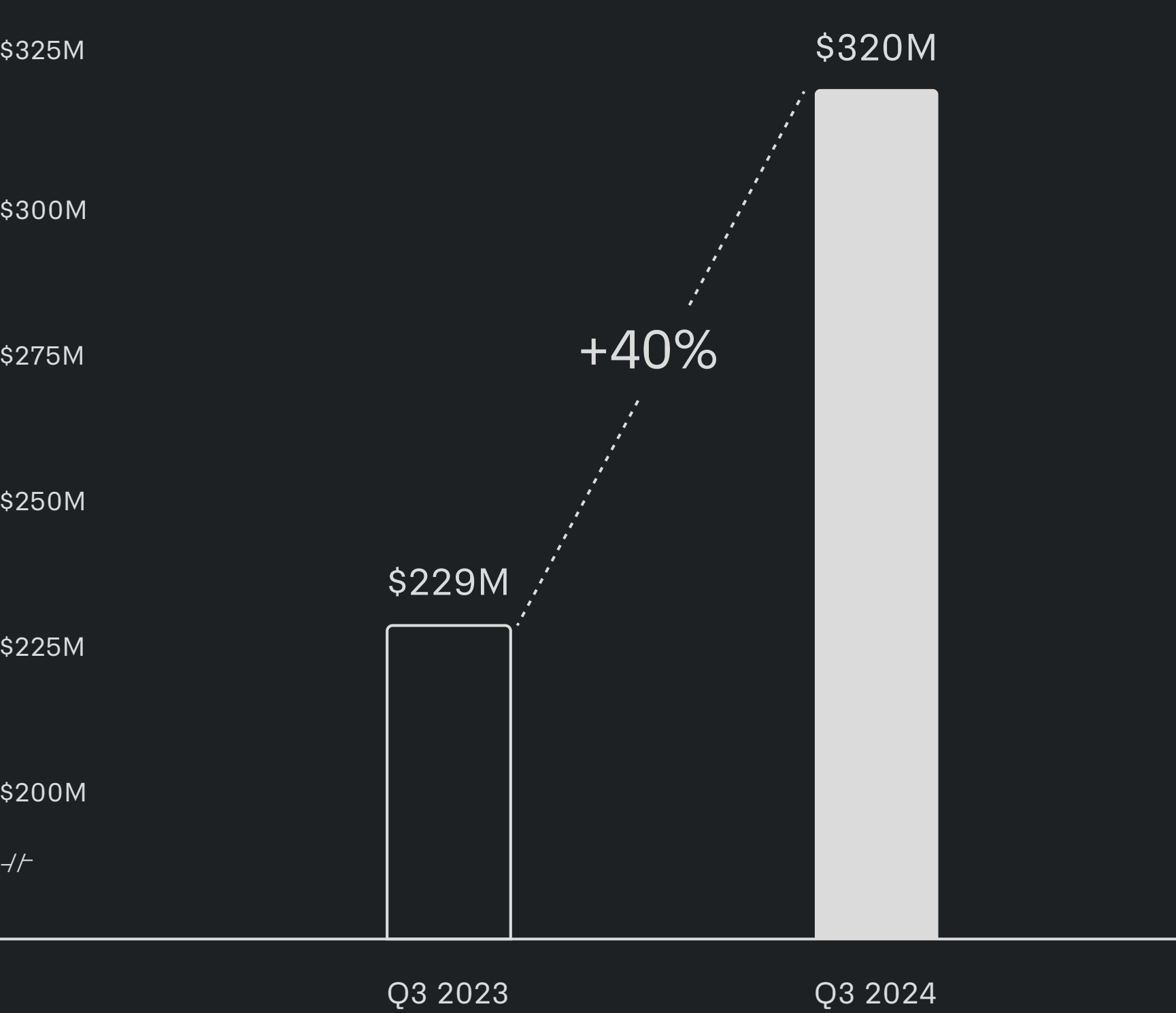


# US Commercial Revenue Growth



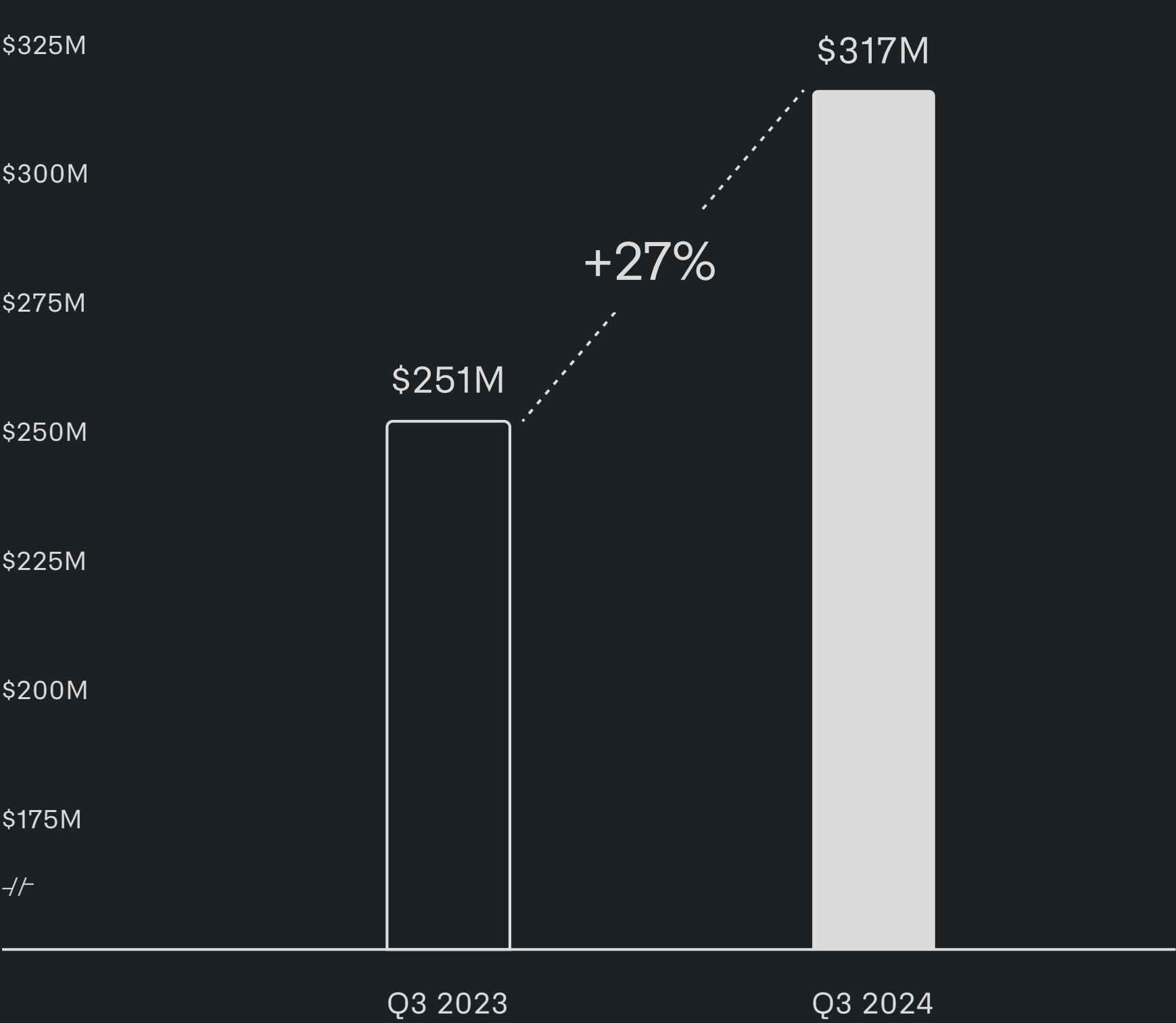
US commercial revenue grew 54% Y/Y and 13% Q/Q

# US Government Revenue Growth

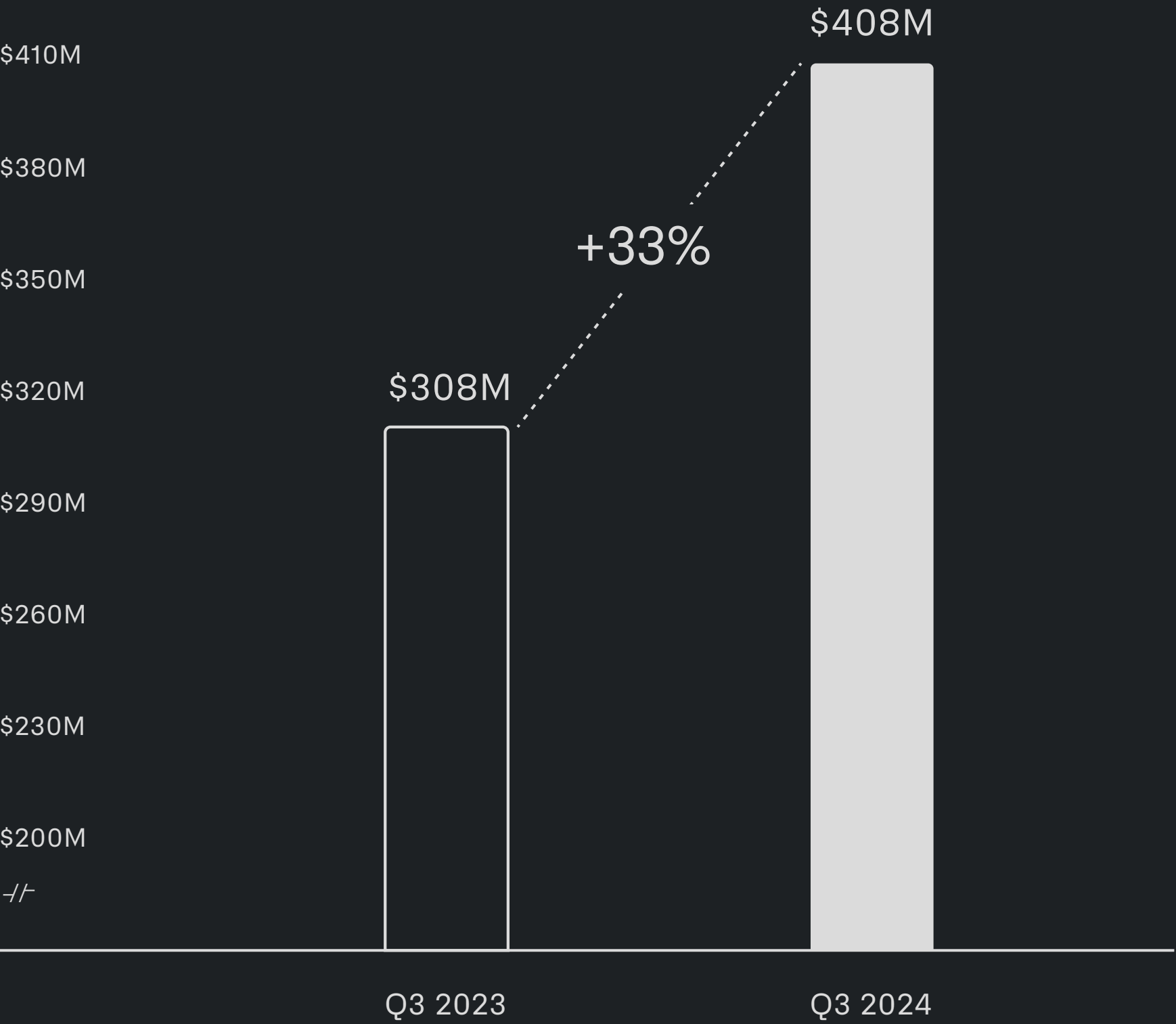


US government revenue grew 40% Y/Y and 15% Q/Q

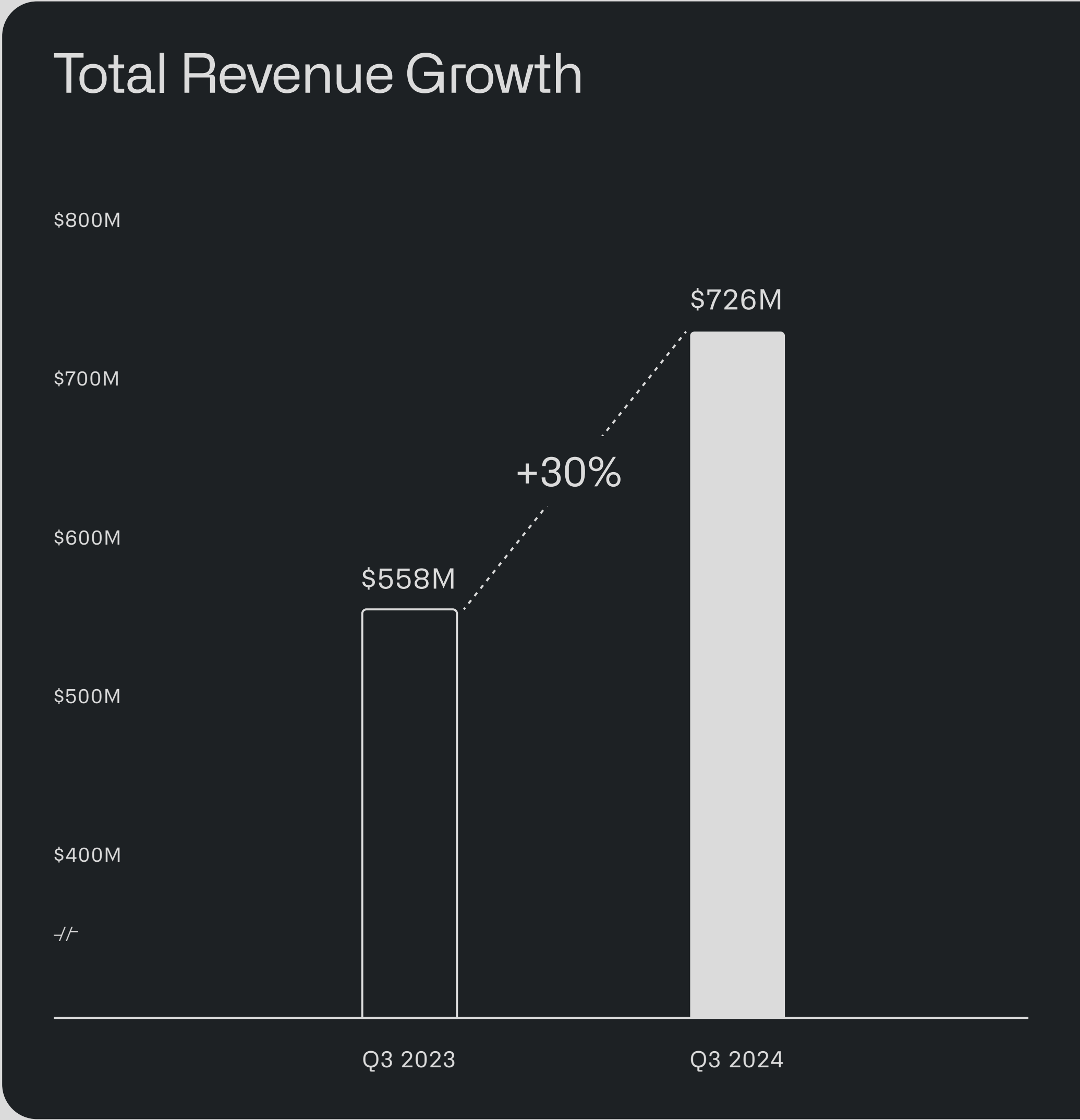
# Commercial Revenue Growth



# Government Revenue Growth

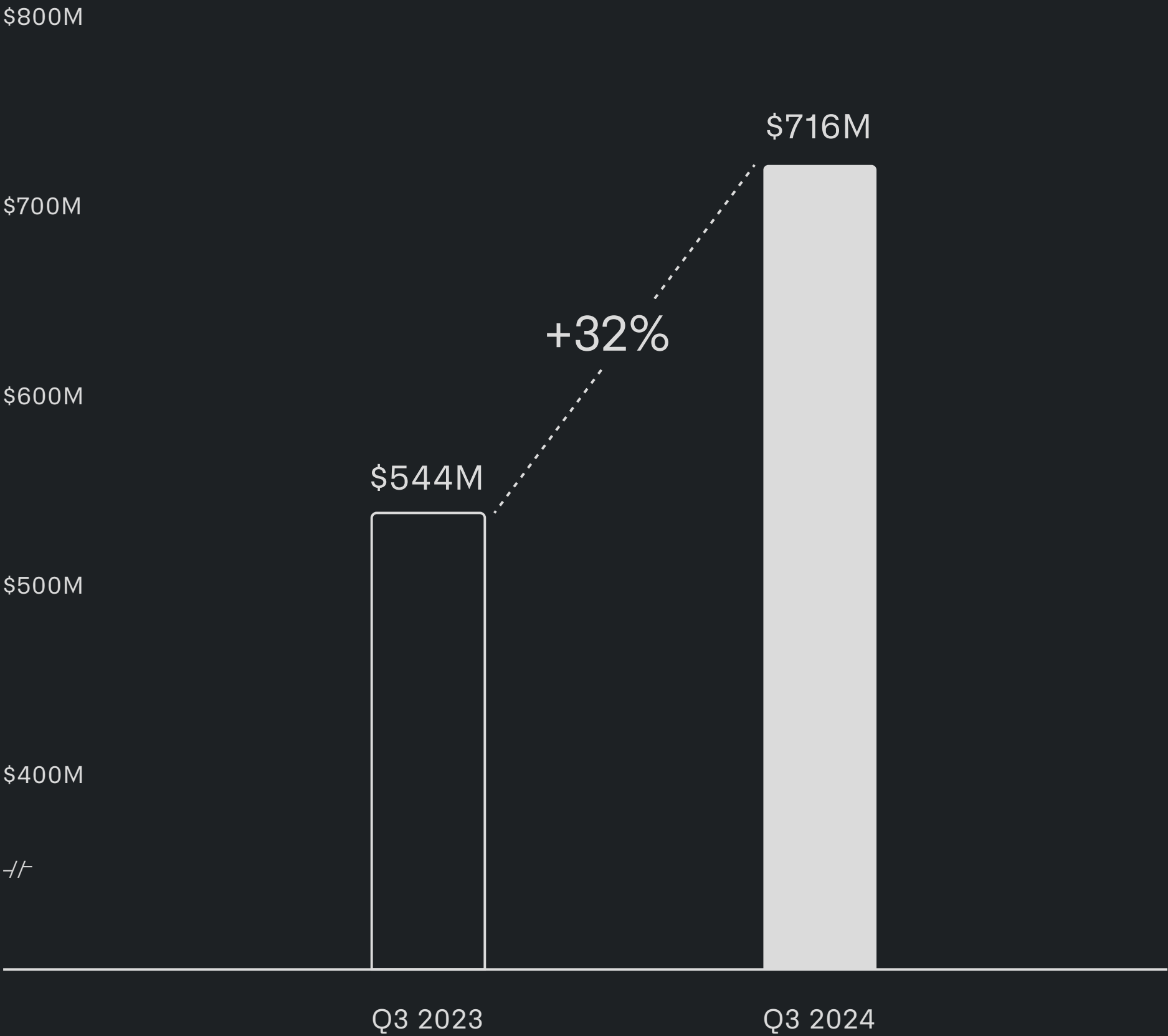


Total revenue grew 30% Y/Y and 7% Q/Q, driven by the continued acceleration of our US business.



Total revenue excluding strategic commercial contracts grew 32% Y/Y and 7% Q/Q.

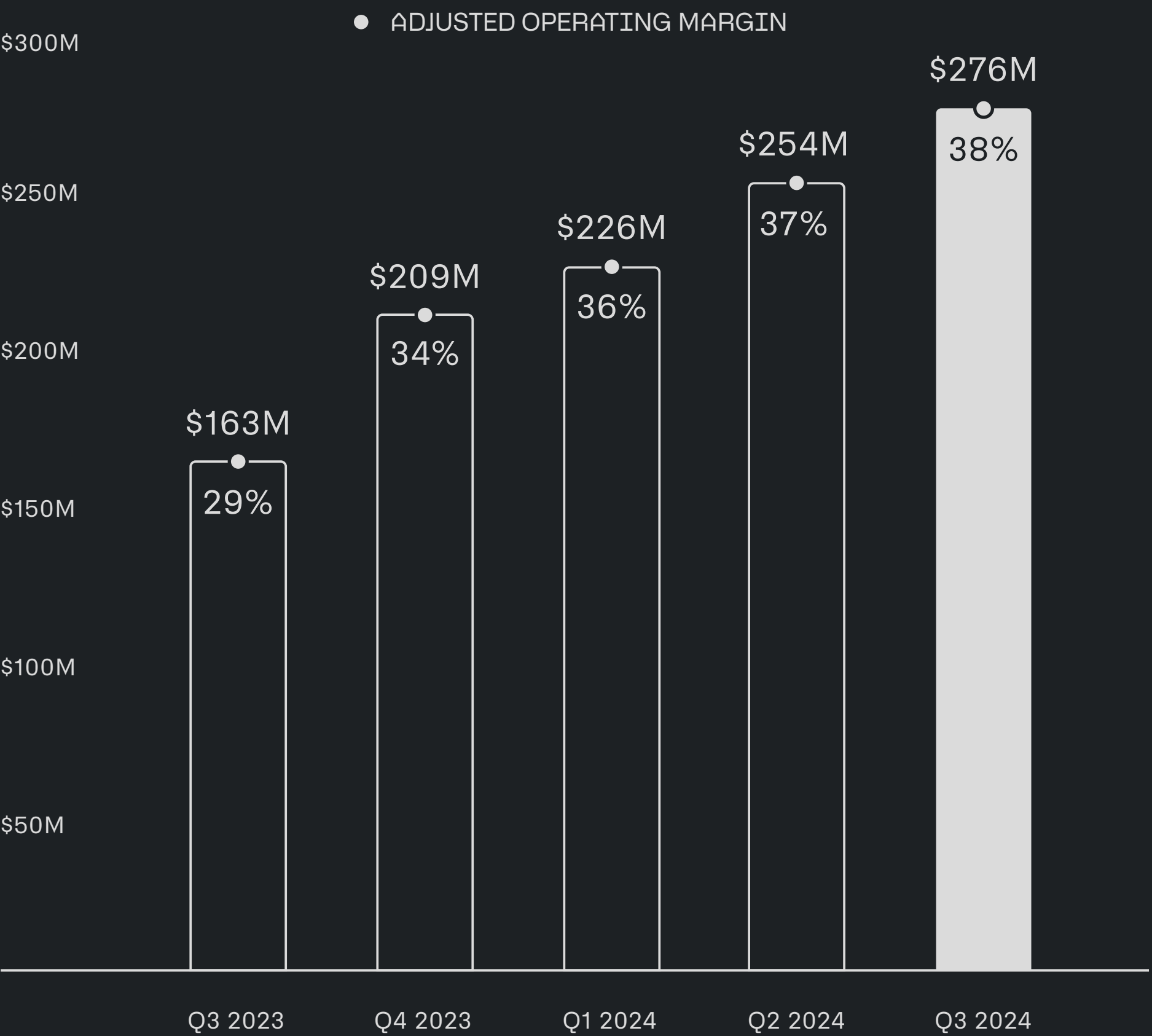
# Total Revenue Growth excl. Strategic Commercial Contracts



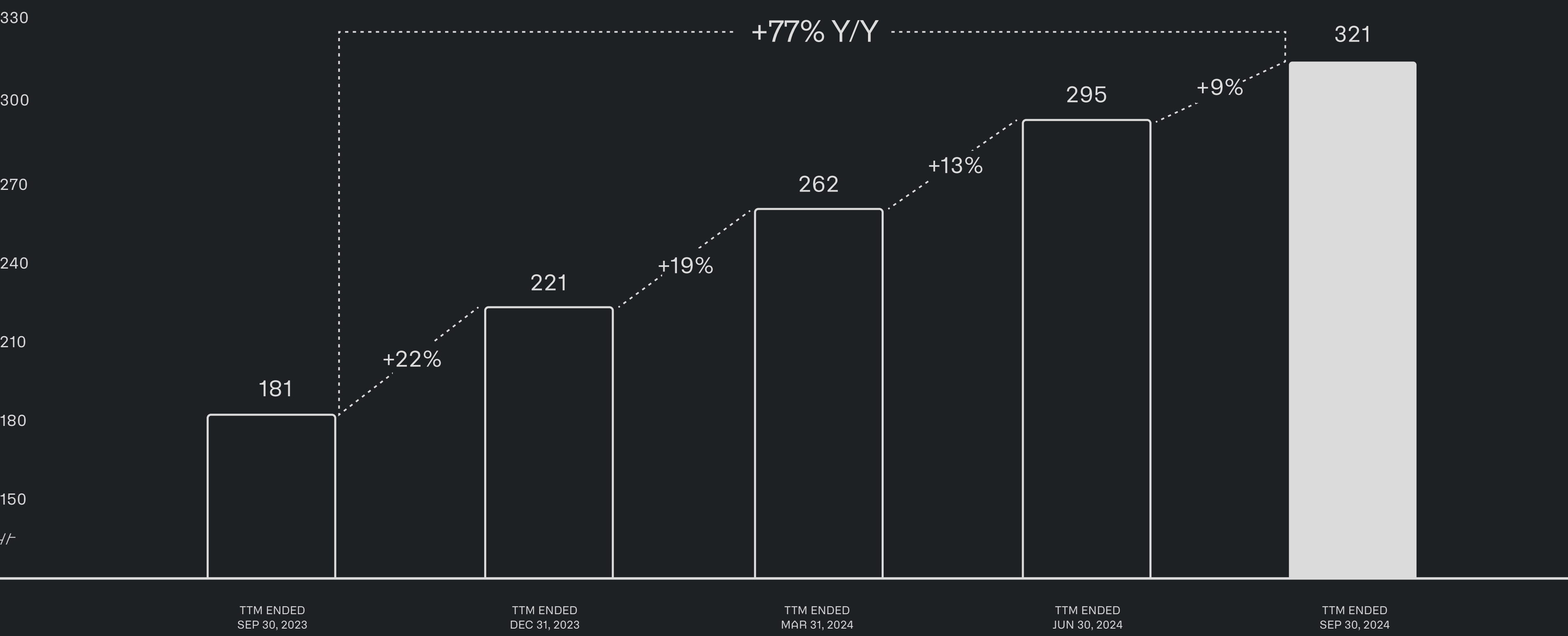


We continue to invest aggressively in AIP and the US while driving operating leverage at scale.

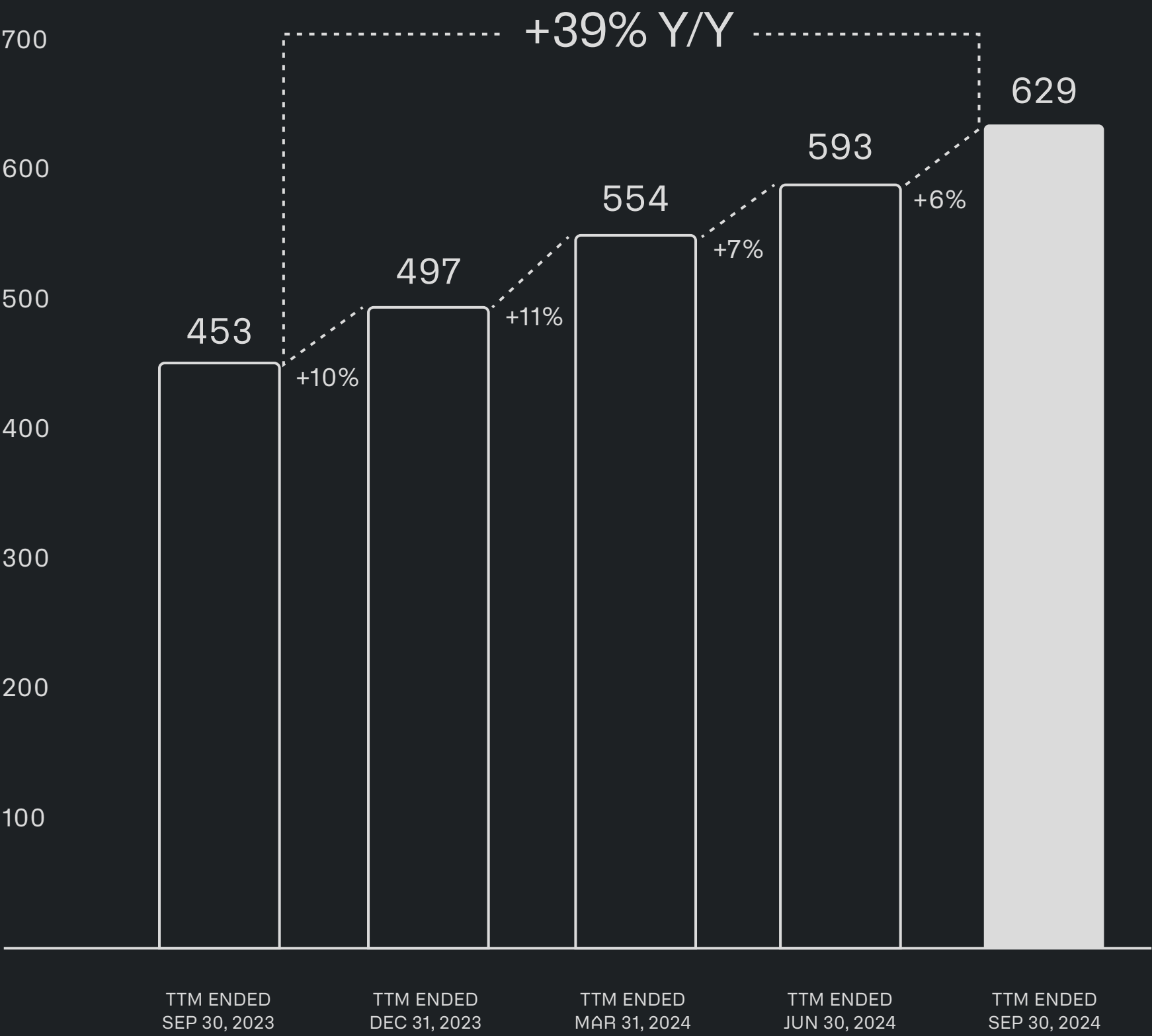
Q3 2024 adjusted operating income was \$276M, representing a margin of 38%.



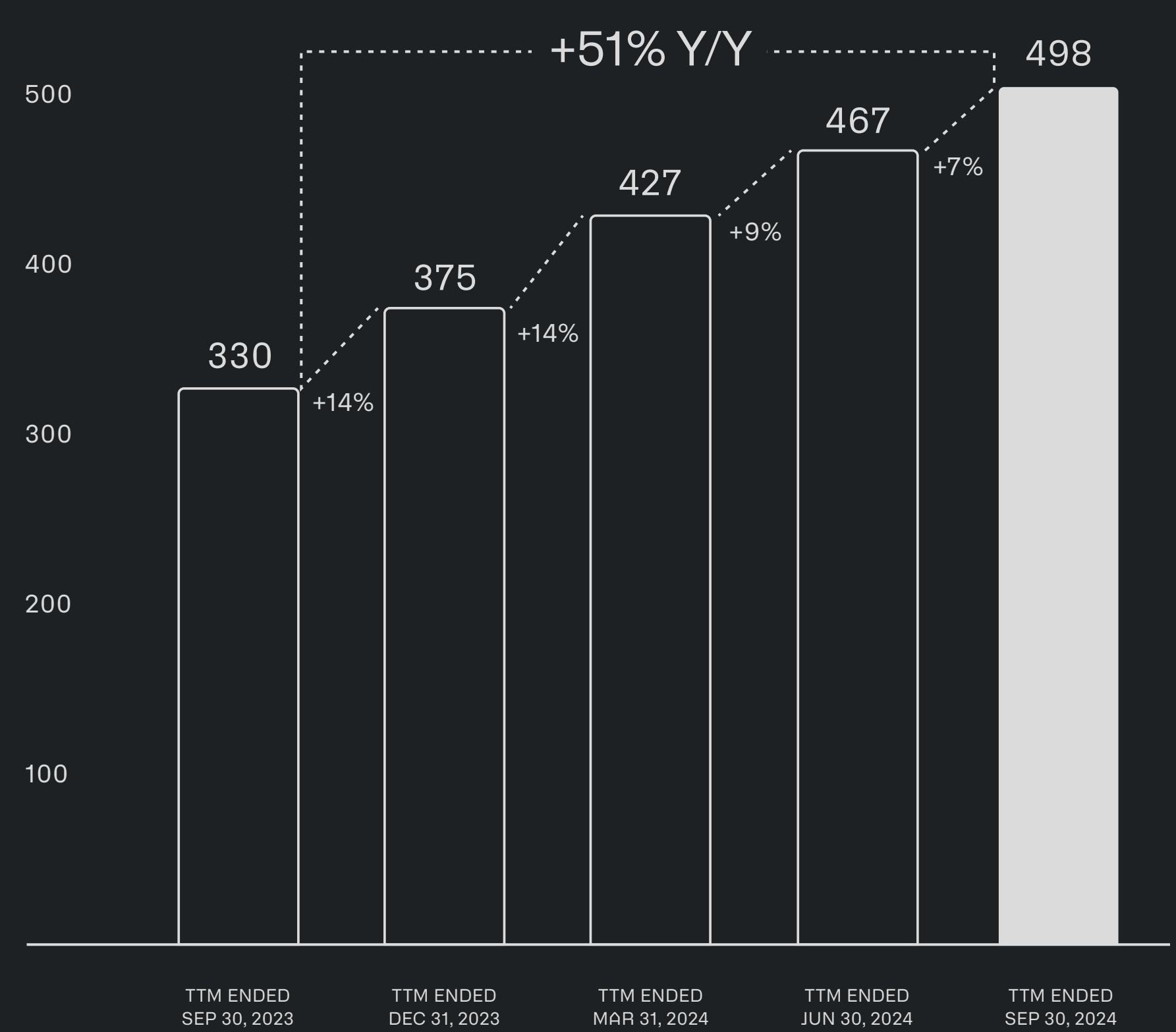
# US Commercial Customer Count



# Customer Count



# Commercial Customer Count



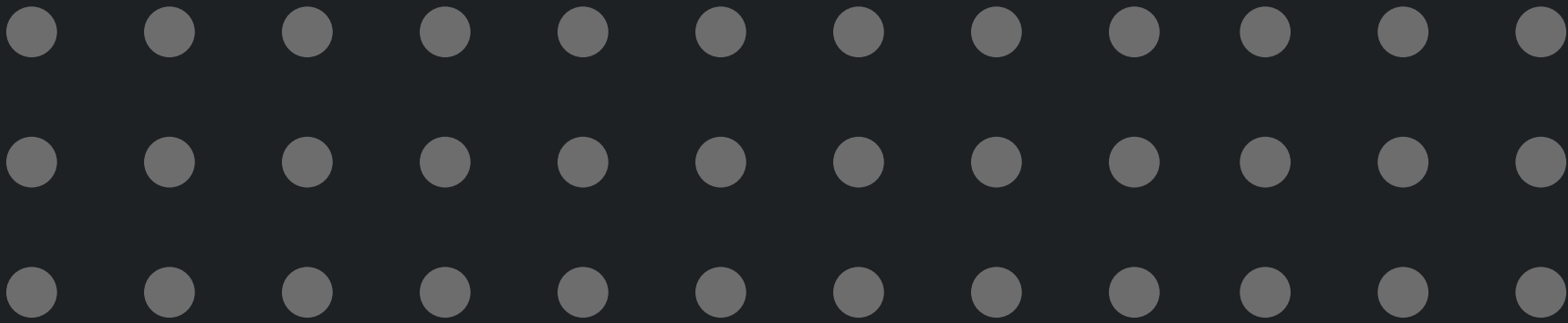
During Q3 2024, we closed

104 deals

of at least \$1 million.

36

of which were at least \$5 million.



16

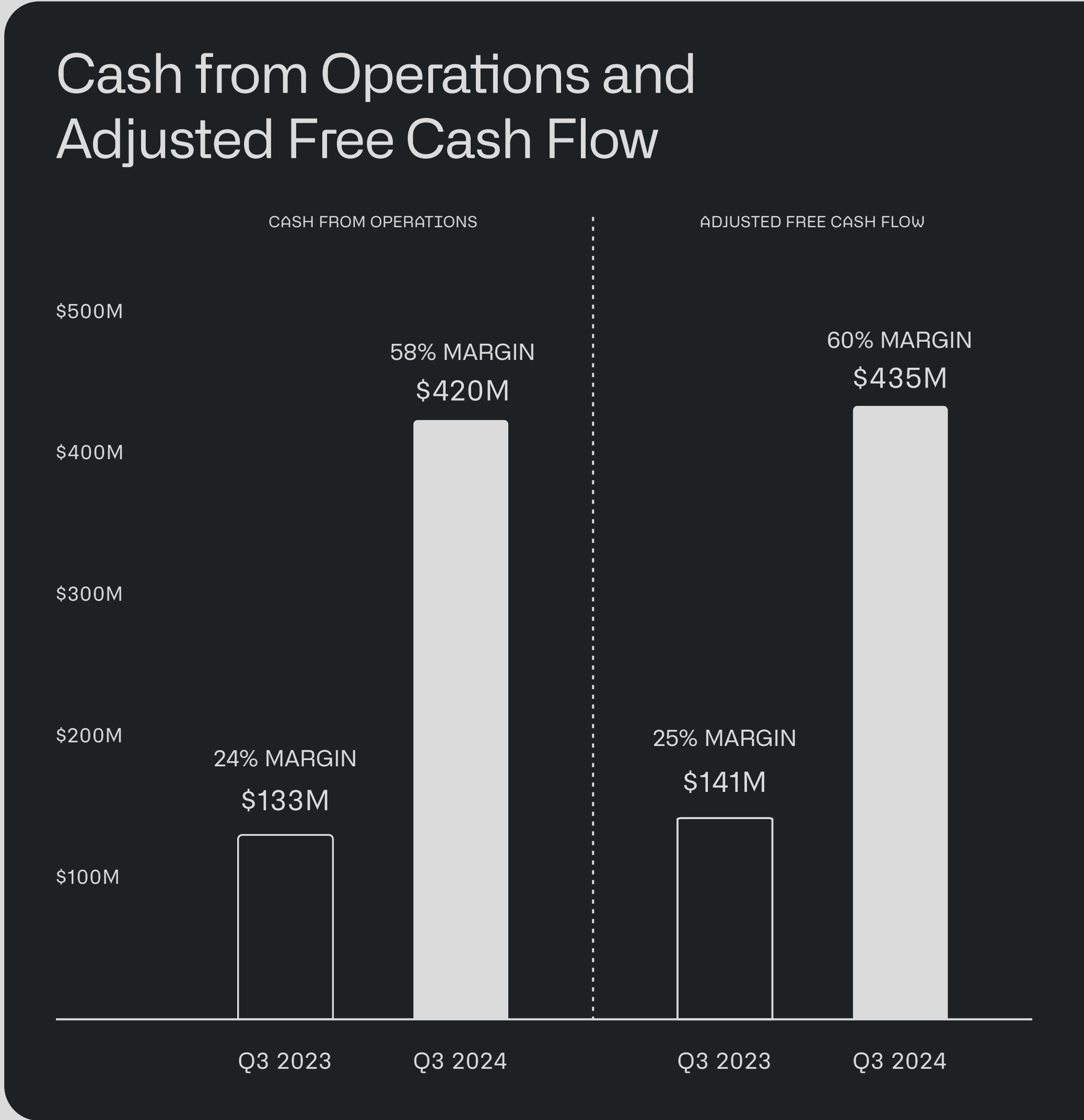
of which were at least \$10 million.



We ended Q3 2024 with

# \$4.6B

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



## Q4 2024

For fourth quarter 2024, we expect:

- Revenue of between \$767 million — \$771 million.
- Adjusted income from operations of between \$298 million — \$302 million.

## FY 2024

For full year 2024, we expect:

- Revenue of between \$2.805 billion — \$2.809 billion.
- US commercial revenue in excess of \$687 million, representing a growth rate of at least 50%.
- Adjusted income from operations of between \$1.054 billion — \$1.058 billion.
- Adjusted free cash flow in excess of \$1 billion.
- GAAP operating income and net income in each quarter this year.



# Q3

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# 2024

# Appendix



Additional Metrics and Notes

(\$ BILLIONS)	Q3 2023	Q4 2023	Q1 2024	Q2 2024	Q3 2024
Total RPO	\$ 0.99	\$ 1.24	\$ 1.30	\$ 1.37	\$ 1.57
Short-Term RPO	\$ 0.56	\$ 0.64	\$ 0.69	\$ 0.69	\$ 0.73
Long-Term RPO	\$ 0.43	\$ 0.60	\$ 0.61	\$ 0.68	\$ 0.84

(\$ MILLIONS)					
Billings	\$ 550	\$ 605	\$ 625	\$ 718	\$ 823

Net dollar retention was 118% in Q3 2024.

Revenue Excluding Strategic Commercial Contracts

(\$ THOUSANDS)	Q3 2023	Q3 2024
Revenue	\$ 558,159	\$ 725,516
Less:		
Revenue from Strategic Commercial Contracts	14,650	9,628
Revenue Excluding Strategic Commercial Contracts	\$ 543,509	\$ 715,888

Reconciliation of Rule of 40

	Q4 2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Q1 2024	Q2 2024	Q3 2024
Year-Over-Year Revenue Growth	18%	18%	13%	17%	20%	21%	27%	30%
Adjusted Operating Margin	22%	24%	25%	29%	34%	36%	37%	38%
Rule of 40	40%	42%	38%	46%	54%	57%	64%	68%

## 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)	Q3 2023	Q3 2024	TTM Q3 2024
Cash Flow from Operating Activities	\$ 133,443	\$ 419,772	\$ 994,710
Add:			
Cash Paid for Employer Payroll Taxes Related to Stock-Based Compensation	8,969	18,756	56,267
Less:			
Cash Used to Purchase Property and Equipment	(1,565)	(3,985)	(14,388)
Adjusted Free Cash Flow	\$ 140,847	\$ 434,543	\$ 1,036,589
Adjusted Free Cash Flow Margin	25%	60%	39%

## 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 2023	Q3 2024
Gross Profit	\$ 450,237	\$ 578,877
Add:		
Stock-Based Compensation	7,814	13,123
Adjusted Gross Profit	\$ 458,051	\$ 592,000
Adjusted Gross Margin	82%	82%

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

Excluding Stock-Based Compensation and Related Employer Payroll Taxes

(\$ THOUSANDS)	Q3 2023	Q4 2023	Q1 2024	Q2 2024	Q3 2024
Income From Operations	\$ 39,983	\$ 65,794	\$ 80,881	\$ 105,339	\$ 113,140
Add:					
Stock-Based Compensation	114,380	132,608	125,651	141,764	142,425
Employer Payroll Taxes Related to Stock-Based Compensation	8,909	10,953	19,926	6,464	19,950
Adjusted Operating Income	\$ 163,272	\$ 209,355	\$ 226,458	\$ 253,567	\$ 275,515
Adjusted Operating Margin	29%	34%	36%	37%	38%

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

(AMOUNTS IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)	Q3 2023	Q3 2024
Net Income Attributable to Common Stockholders	\$ 71,505	\$ 143,525
Add / (Less):		
Stock-Based Compensation	114,380	142,425
Employer Payroll Taxes Related to Stock-Based Compensation	8,909	19,950
Income Tax Effects and Adjustments [1]	(39,775)	(64,343)
Adjusted Net Income Attributable to Common Stockholders, Diluted	\$ 155,019	\$ 241,557
Weighted-Average Shares Used in Computing Adjusted Earnings Per Share, Diluted	2,325,600	2,459,589
Adjusted Earnings Per Share, Diluted	\$ 0.07	\$ 0.10

[1] Income tax effect is based on an estimated long-term annual effective tax rate of 23.0% for the periods ended 2024 and 2023. The Company's estimated long-term annual effective tax rate excludes certain noncash 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.



Reconciliation of Revenue to Billings

(\$ THOUSANDS)	Q3 2023	Q4 2023	Q1 2024	Q2 2024	Q3 2024
Revenue	\$ 558,159	\$ 608,350	\$ 634,338	\$ 678,134	\$ 725,516
Change in Contract Liabilities	(8,199)	(3,354)	(9,051)	39,934	97,924
Billings	\$ 549,960	\$ 604,996	\$ 625,287	\$ 718,068	\$ 823,440

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

(\$ THOUSANDS)	Q3 2023	Q2 2024	Q3 2024
Total Expenses	\$ 518,176	\$ 572,795	\$ 612,376
Less:			
Stock-Based Compensation	114,380	141,764	142,425
Employer Payroll Taxes Related to Stock-Based Compensation	8,909	6,464	19,950
Adjusted Expenses	\$ 394,887	\$ 424,567	\$ 450,001