

# Q2

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 Palantir

# 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.

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](https://investors.palantir.com)) or on the SEC website ([www.sec.gov](http://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 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.

## Q2 2024 Highlights

- US commercial revenue grew +55% Y/Y and +6% Q/Q to \$159 million
- US government revenue grew +24% Y/Y and +8% Q/Q to \$278 million
- Revenue grew +27% Y/Y and +7% Q/Q to \$678 million; +30% Y/Y and +10% Q/Q excluding Strategic Commercial Contracts
- Closed 27 deals over \$10 million
- US commercial customer count grew +83% Y/Y and +13% Q/Q
- Adjusted operating income of \$254 million; 37% margin
- GAAP operating income of \$105 million; 16% margin
- GAAP net income of \$134 million; 20% margin
- Adjusted free cash flow of \$149 million; 22% margin
- GAAP EPS grew +500% Y/Y to \$0.06; Adjusted EPS grew +80% Y/Y to \$0.09

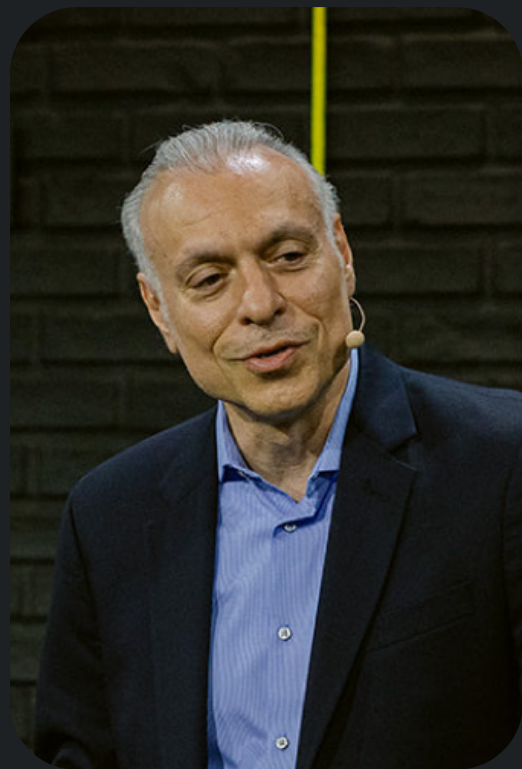
The term "Strategic Commercial Contracts" is as defined in our Quarterly Report on Form 10-Q filed on May 7, 2024. The value of deals closed reflects the total contract value of contracts that have been entered into with, or awarded by, our government and commercial customers and includes existing contractual 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 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. Please see the appendix for reconciliations of these and other non-GAAP financial measures to the most directly comparable GAAP measures.



Go beyond chat  
and into production.



We are focused on taking our customers across the chasm from prototype to production. Since launching AIP in mid-2023, we have completed AIP Bootcamps with 1,025+ organizations in the United States and around the world.



“Foundry and AIP have been terrific for us. We launched the first prototype within 45 days. That was just amazing from my perspective.”

Sami Hassanyeh  
SVP Digital Strategy  
& Membership

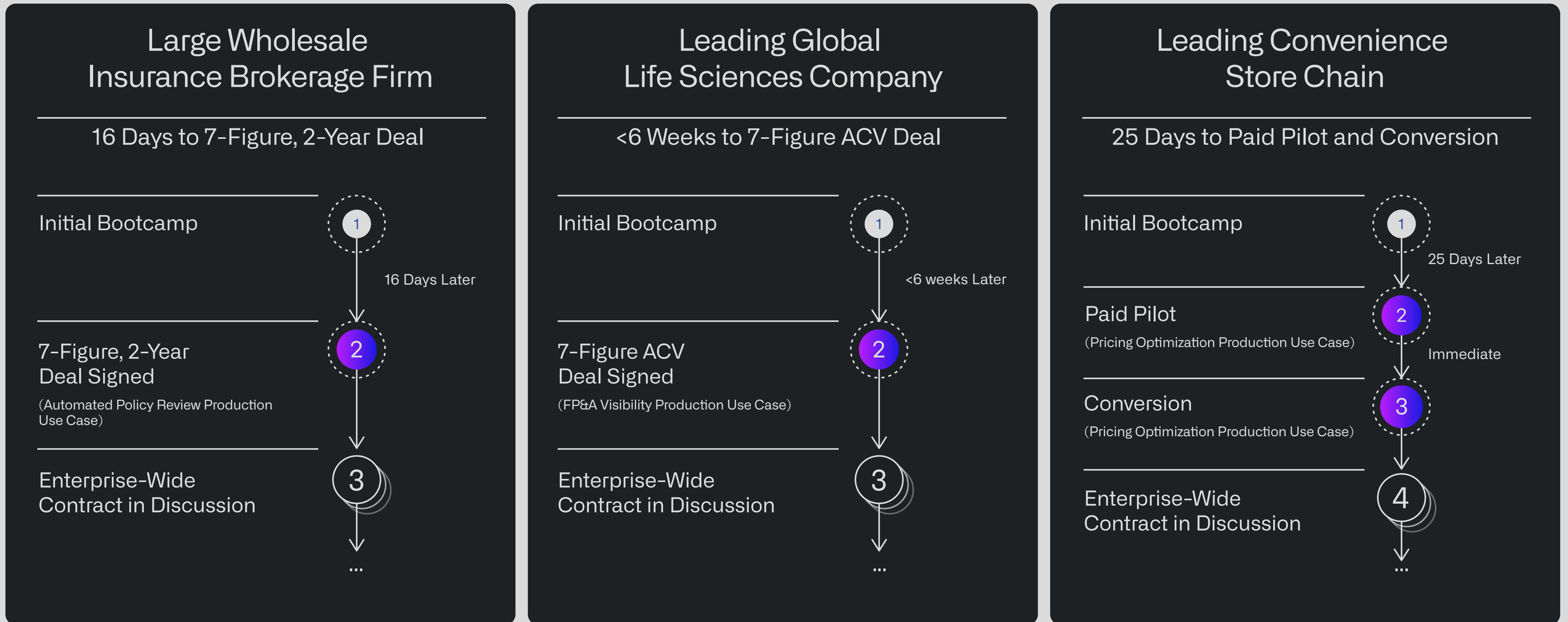


“By creating alert systems, demand forecasting, inventory control systems and so on, this transformation resulted in an impressive annual cost reduction of \$9 million within just three months.”

Kazuki Hiraiso,  
Lead Echo



# Prototype to production: accelerating the US commercial customer journey





Empowering maintenance technicians to diagnose and fix equipment problems faster — increasing line uptime, decreasing rejects, and ensuring more efficient production of billions of EV car batteries each year.

 Palantir • **Panasonic ENERGY**

[Learn more](#)





Tampa General Hospital partners with Palantir on AI software to improve bed placement, patient scheduling, staffing allocation, and more.

“We’ve reduced patient length of stay by 30%...we’ve also saved hundreds of additional lives through this work.”

John Couris,  
Chief Executive Officer  
Tampa General

Scott Arnold,  
Chief Digital and Innovation Officer  
Tampa General



[Learn more](#)



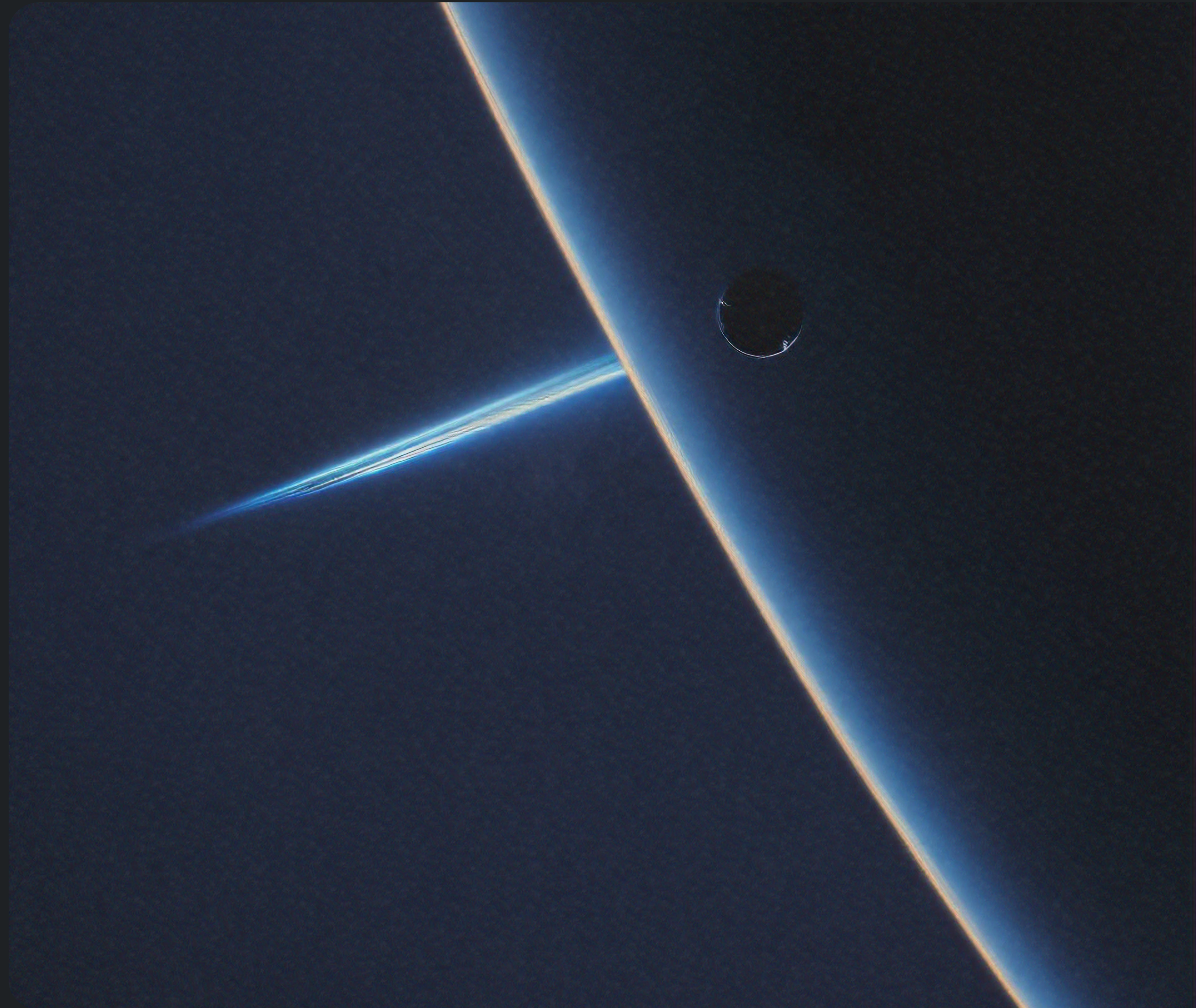


Starlab will leverage Palantir Foundry and AIP in its commercial space station to drive value in its in-house payload management system for International Space Station customers.

 Palantir •  Starlab

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[Learn more](#)





Palantir's AIP empowers Polaris to combat human trafficking with real-time data analysis and AI-powered insights.



[Learn more](#)

# HOW PALANTIR AIP SUPPORTS POLARIS IN ITS ANTI-HUMAN-TRAFFICKING WORK

ADVANCING THE MISSION<sup>①</sup>

WHILE PROTECTING<sup>②</sup>

SENSITIVE DATA<sup>③</sup>



EST. 2003 / PALO ALTO, CA  
HQ / DENVER, CO

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In Q2, Palantir signed a new five-year, \$480 million contract with the Chief Digital and Artificial Intelligence Office (CDAO) to scale AI/ML capabilities across the US Department of Defense.

[Learn more](#)





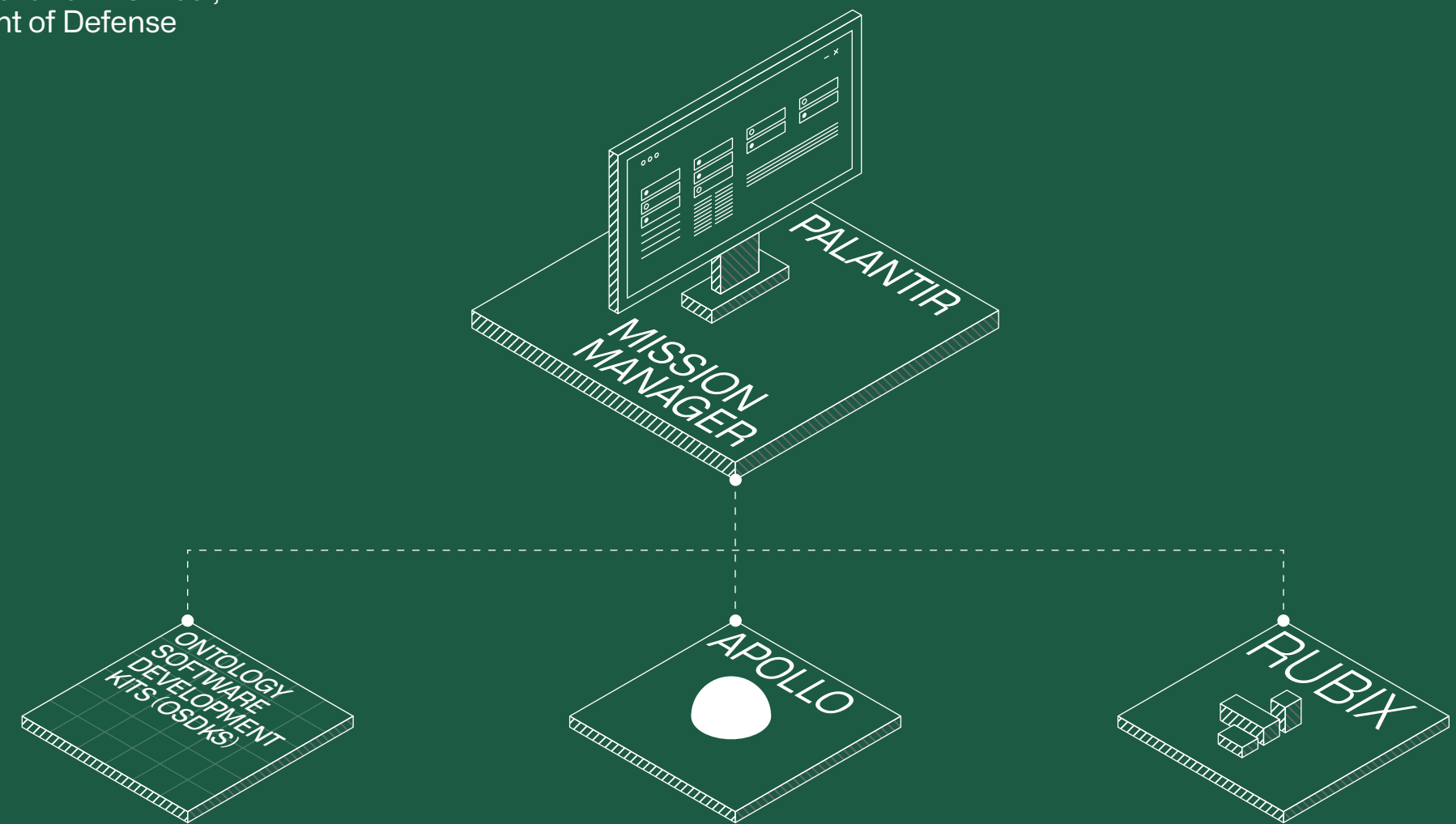
# Deploying Mission Manager: Infrastructure for Big-Tent Software Integration

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

[Learn more](#)

“Open DAGIR brings the best industry has to offer to the Department. It allows us to ensure enduring access to government-owned, contractor-operated technology stacks and infrastructure and retain data rights while also maximizing the ability of other companies to develop applications with government data.”

↳ Dr. Radha Plumb,  
Chief Digital and AI Officer,  
Department of Defense



Palantir was awarded a \$33 million contract for CDAO Open DAGIR, which enables Defense Tech companies, traditional contractors, and government developers to leverage Apollo and OSDK via Mission Manager to develop applications and integrations on top of Maven.

# Q2

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# Financials



## US commercial continues to accelerate in Q2 2024 alongside AIP revolution

**+55% Y/Y**

US Commercial Revenue

**+6% Q/Q**

US Commercial Revenue

**+83% Y/Y**

US Commercial Customer Count

**+13% Q/Q**

US Commercial Customer Count

**+103% Y/Y**

US Commercial Remaining Deal Value

**+11% Q/Q**

US Commercial Remaining Deal Value

**123**

US Commercial Deals Closed

**+98% Y/Y**

US Commercial Deals Closed

**~9x**

3-Year US Commercial Customer Count Growth

**\$262M**

US Commercial Total Contract Value

**+152% Y/Y**

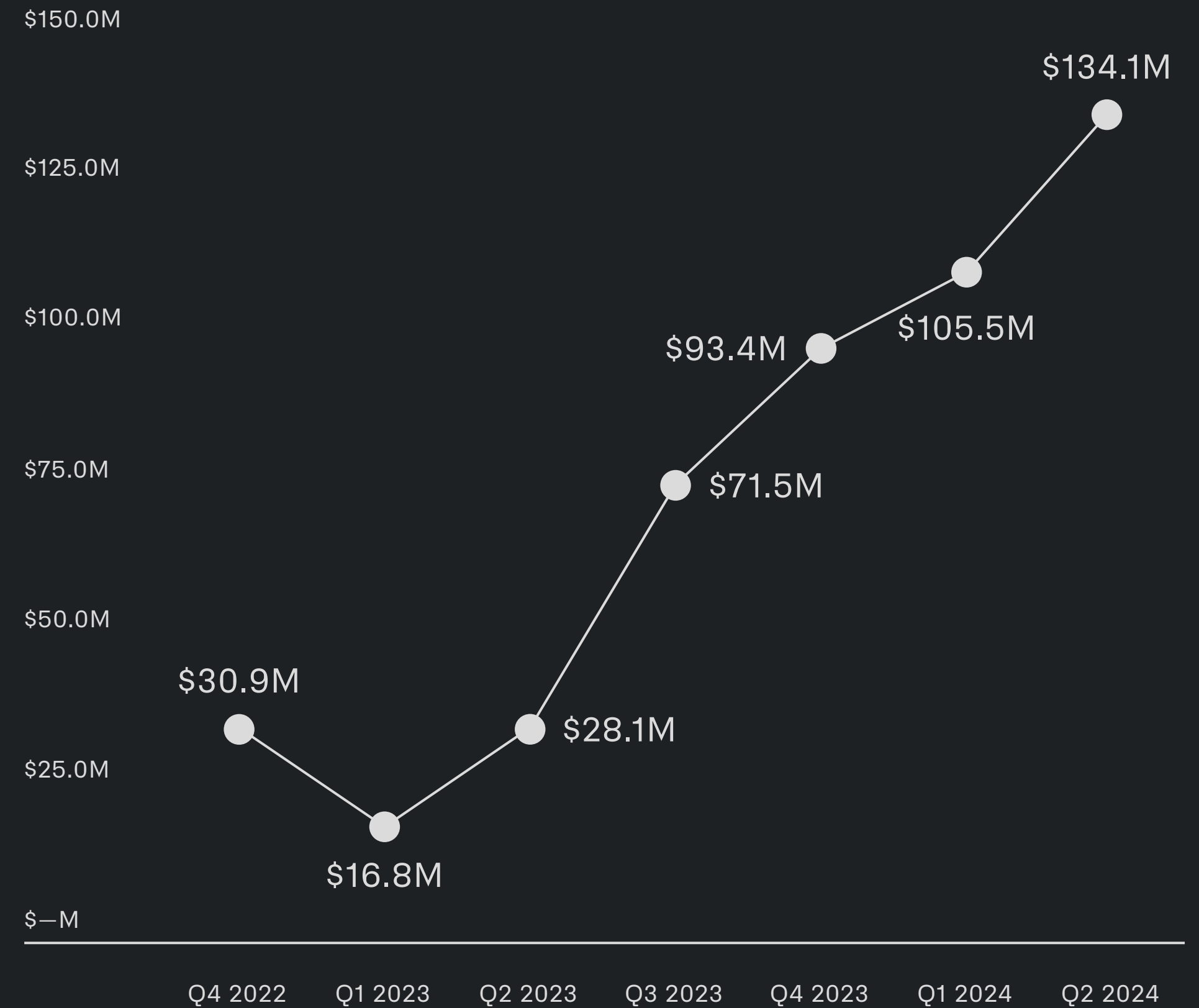
US Commercial Total Contract Value

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.

We achieved GAAP profitability for the seventh consecutive quarter.

Our Q2 2024 GAAP earnings per share was \$0.06, up \$0.05 Y/Y.

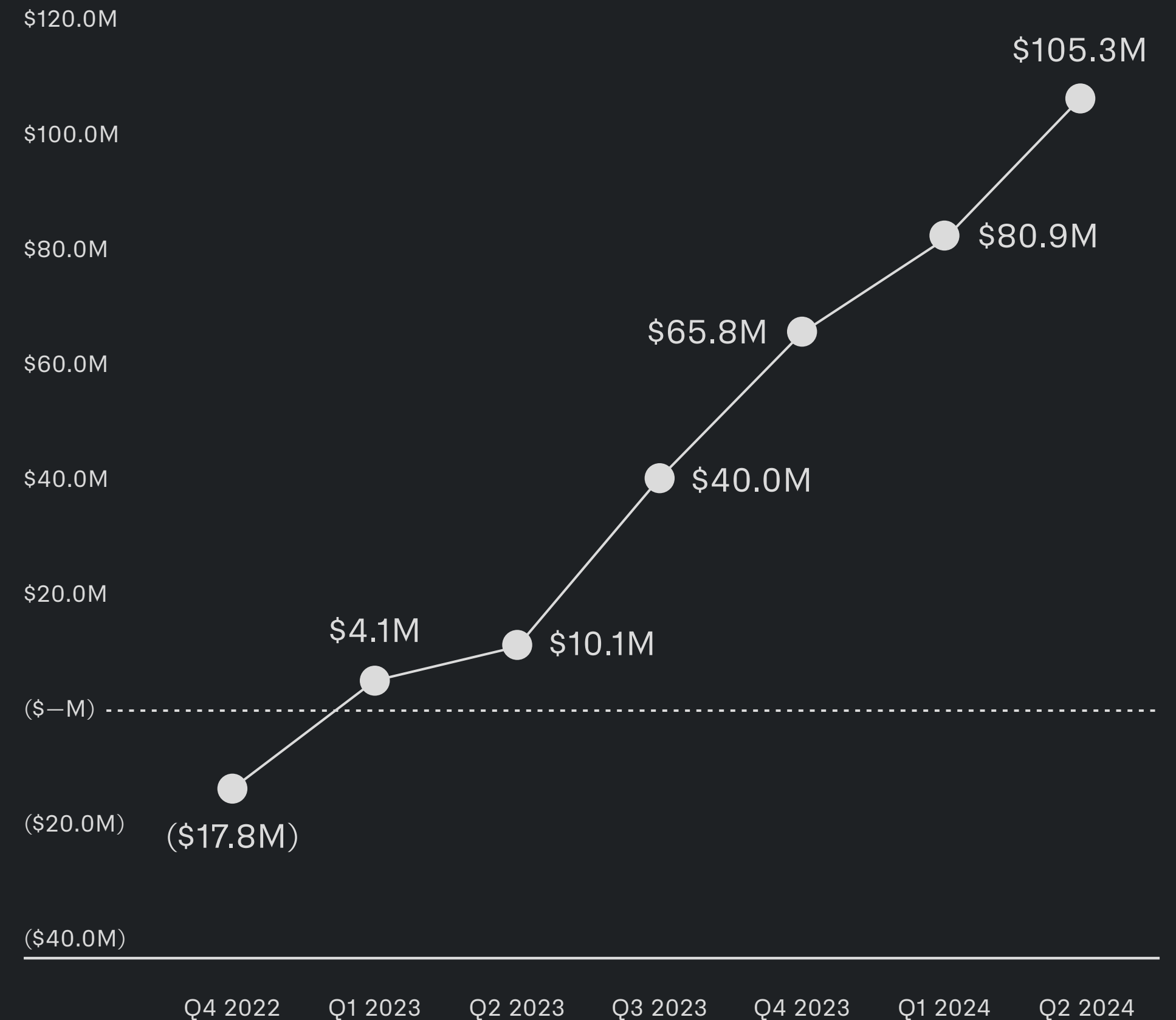
## GAAP Net Income



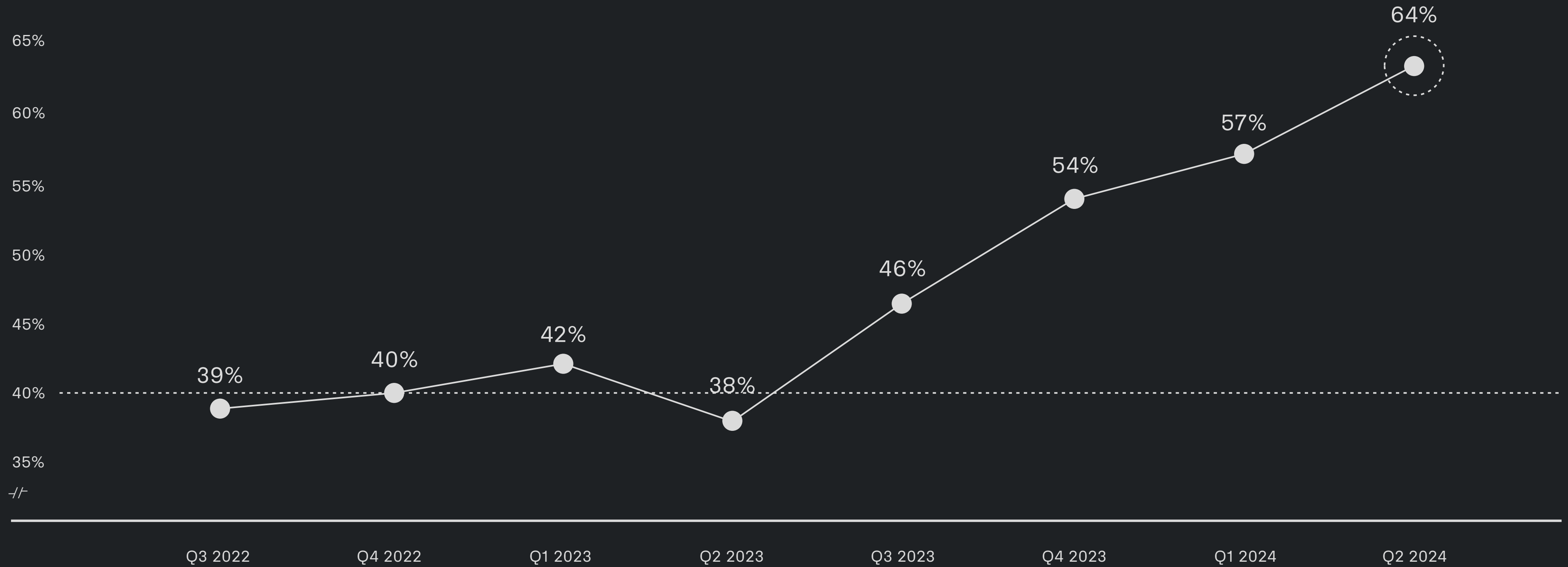
We achieved GAAP operating profitability for the sixth consecutive quarter.

Our Q2 2024 GAAP operating margin was 16%, up 1,400 basis points Y/Y.

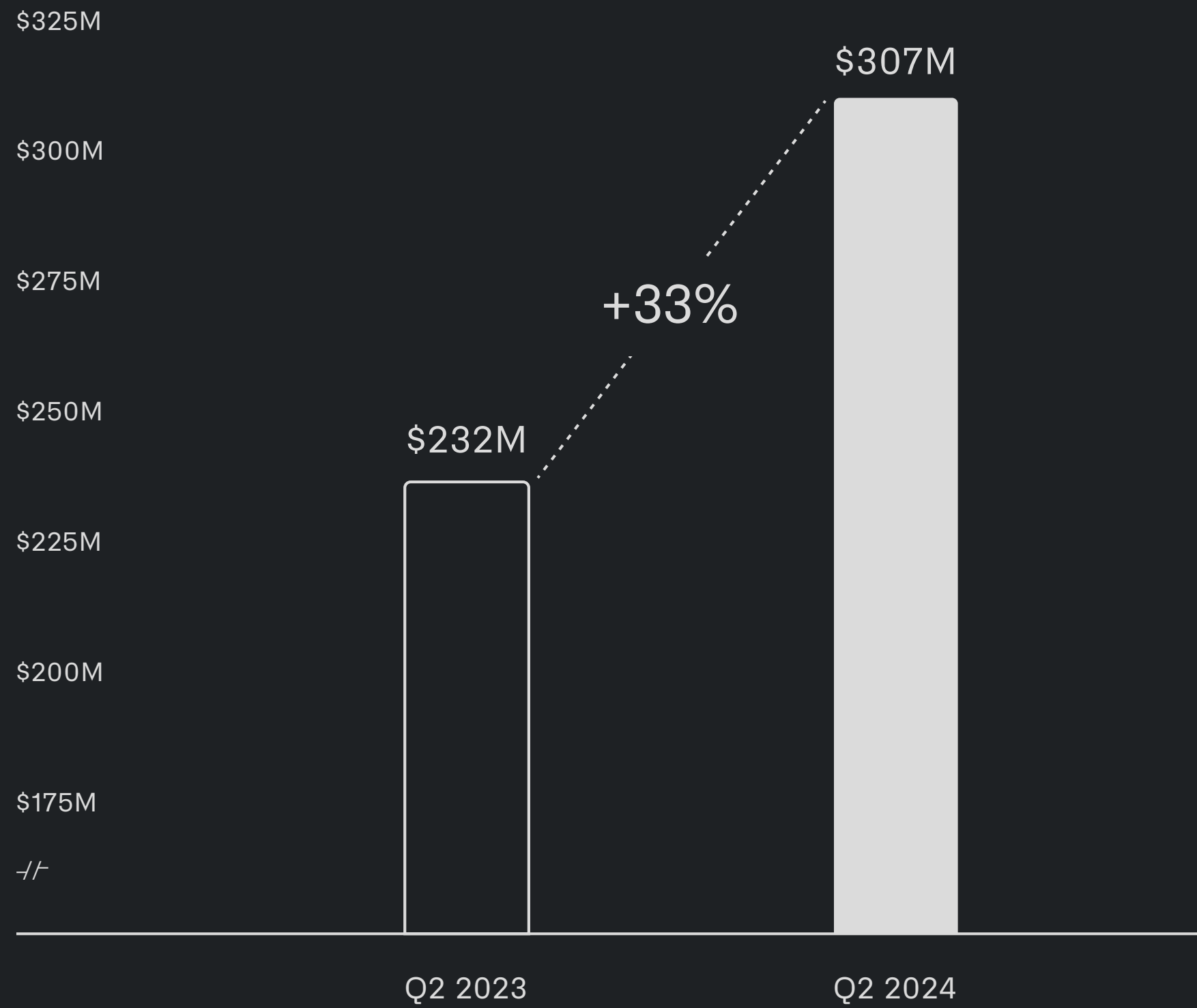
## GAAP Operating Income (Loss)



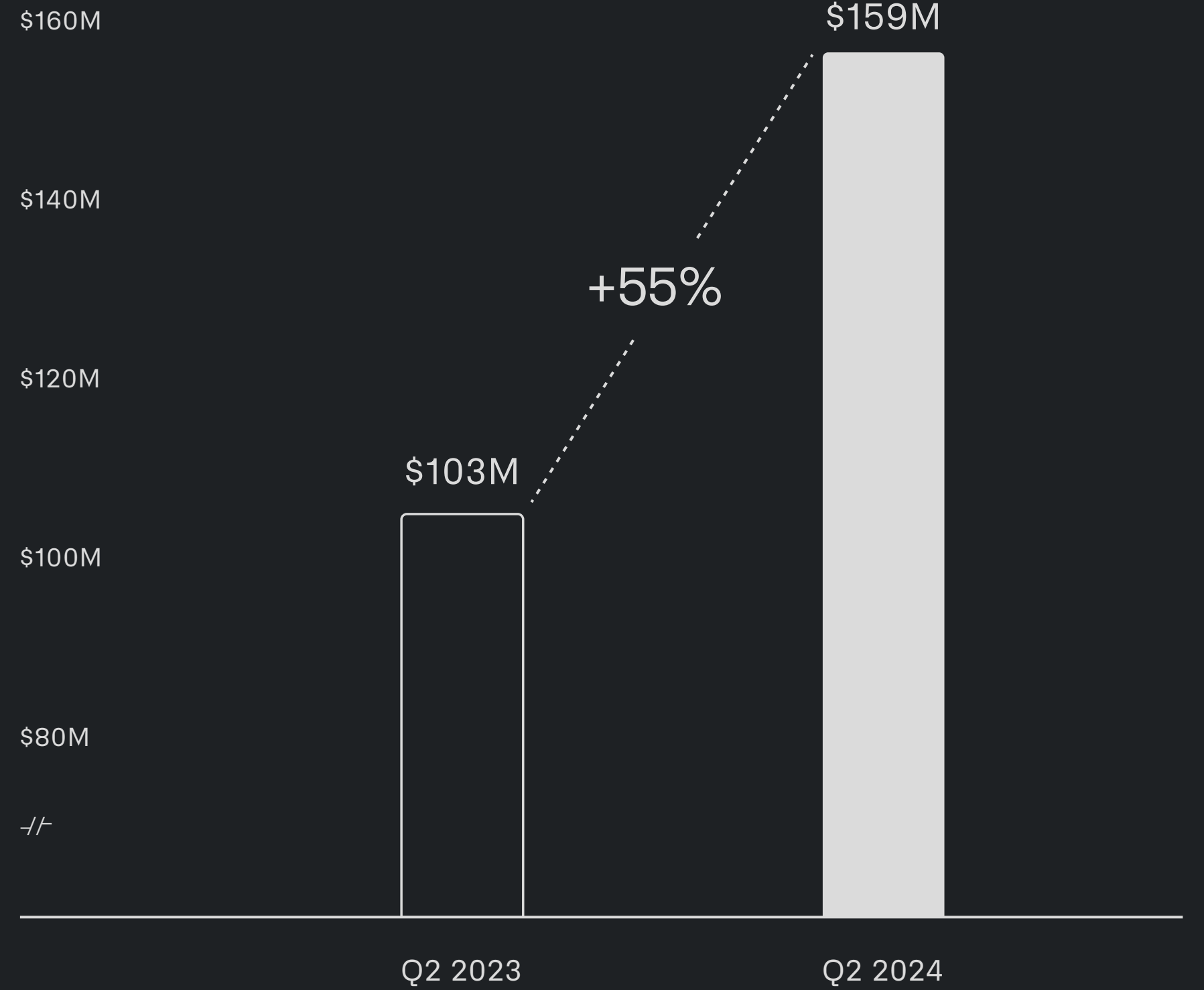
# Rule of 40



## Commercial Revenue Growth

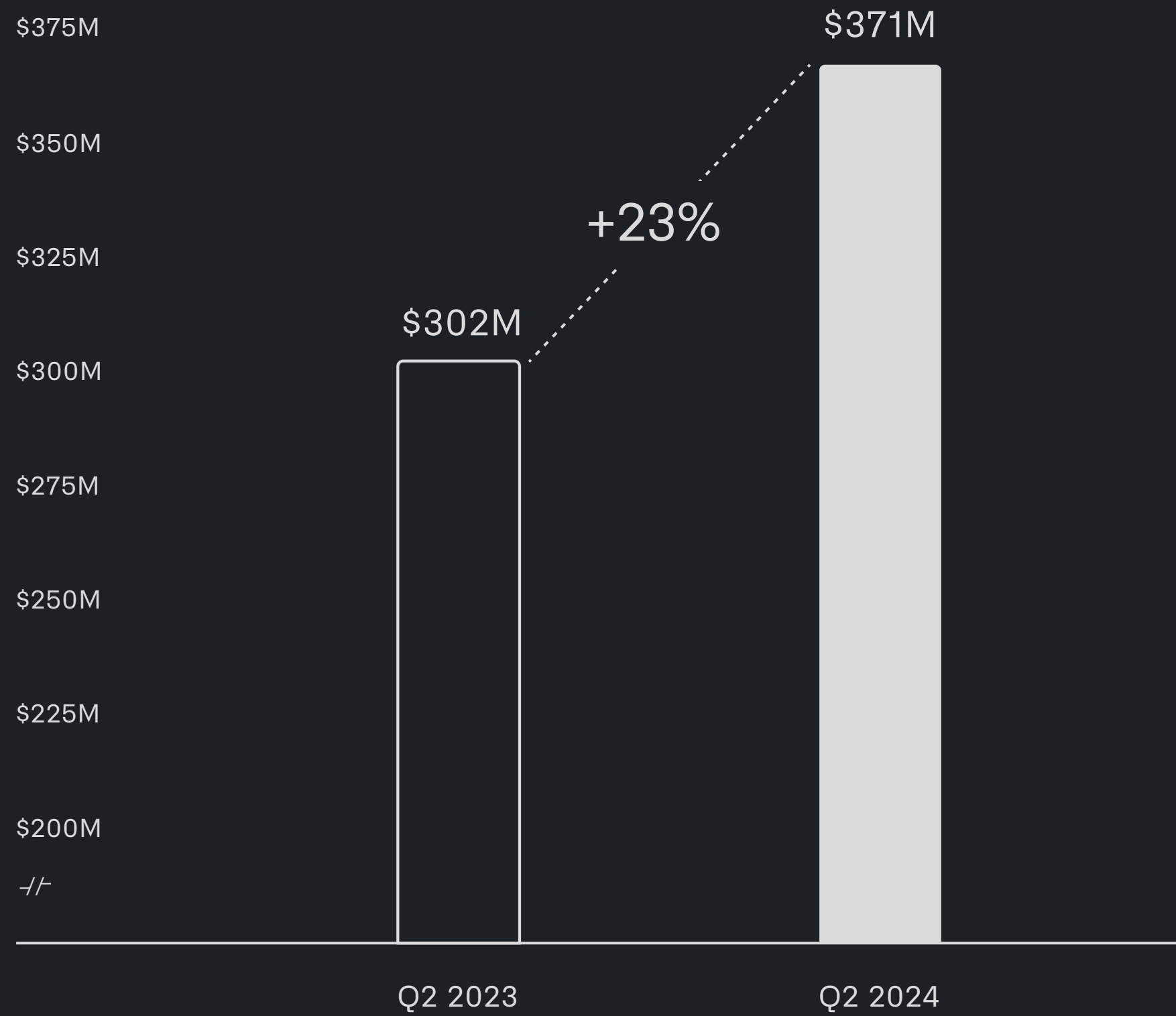


## US Commercial Revenue Growth

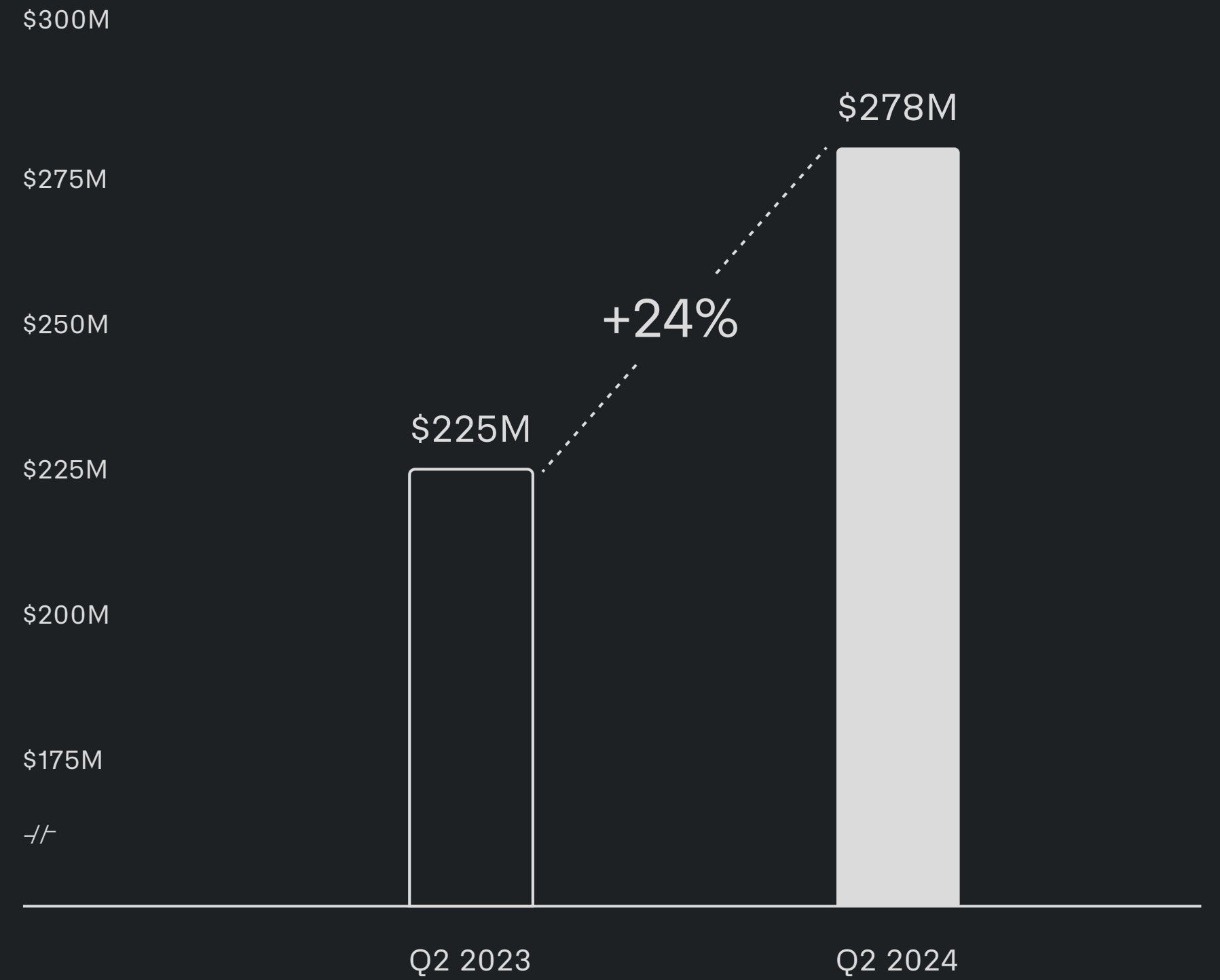




## Government Revenue Growth

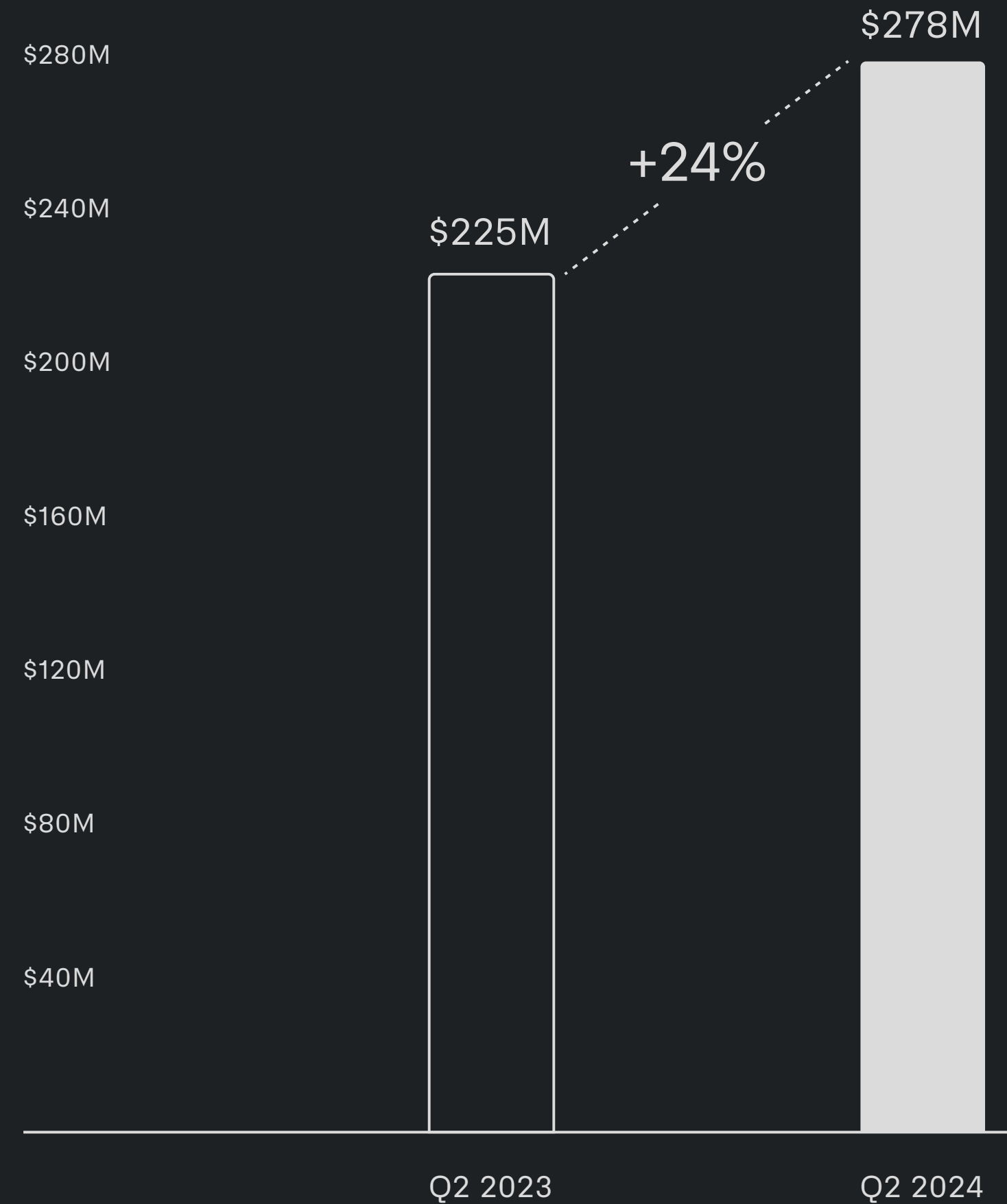


## US Government Revenue Growth



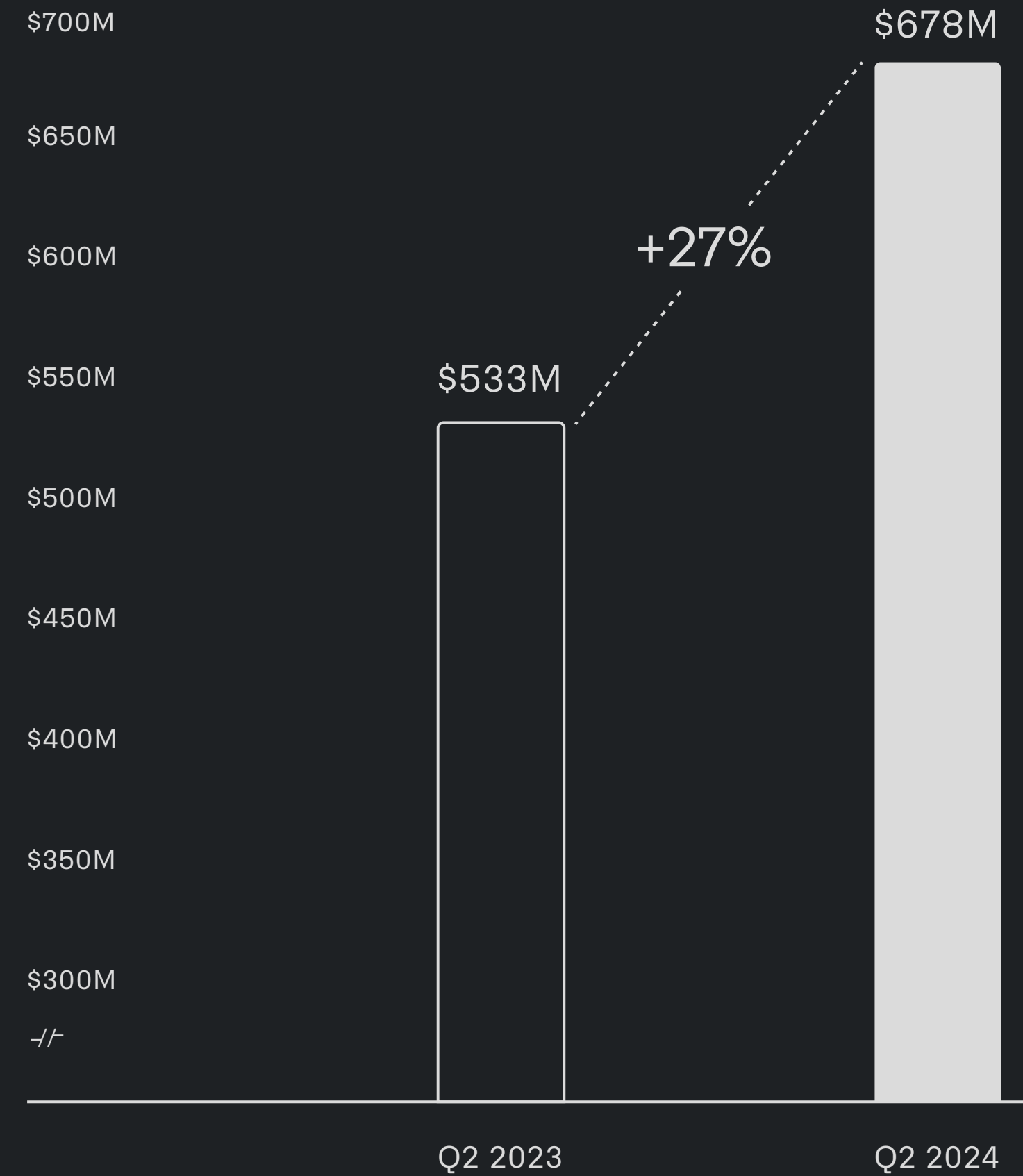
US government revenue grew 24% Y/Y and 8% Q/Q, driven by momentum in the Department of Defense and favorable deal timing.

## US Government Revenue Growth



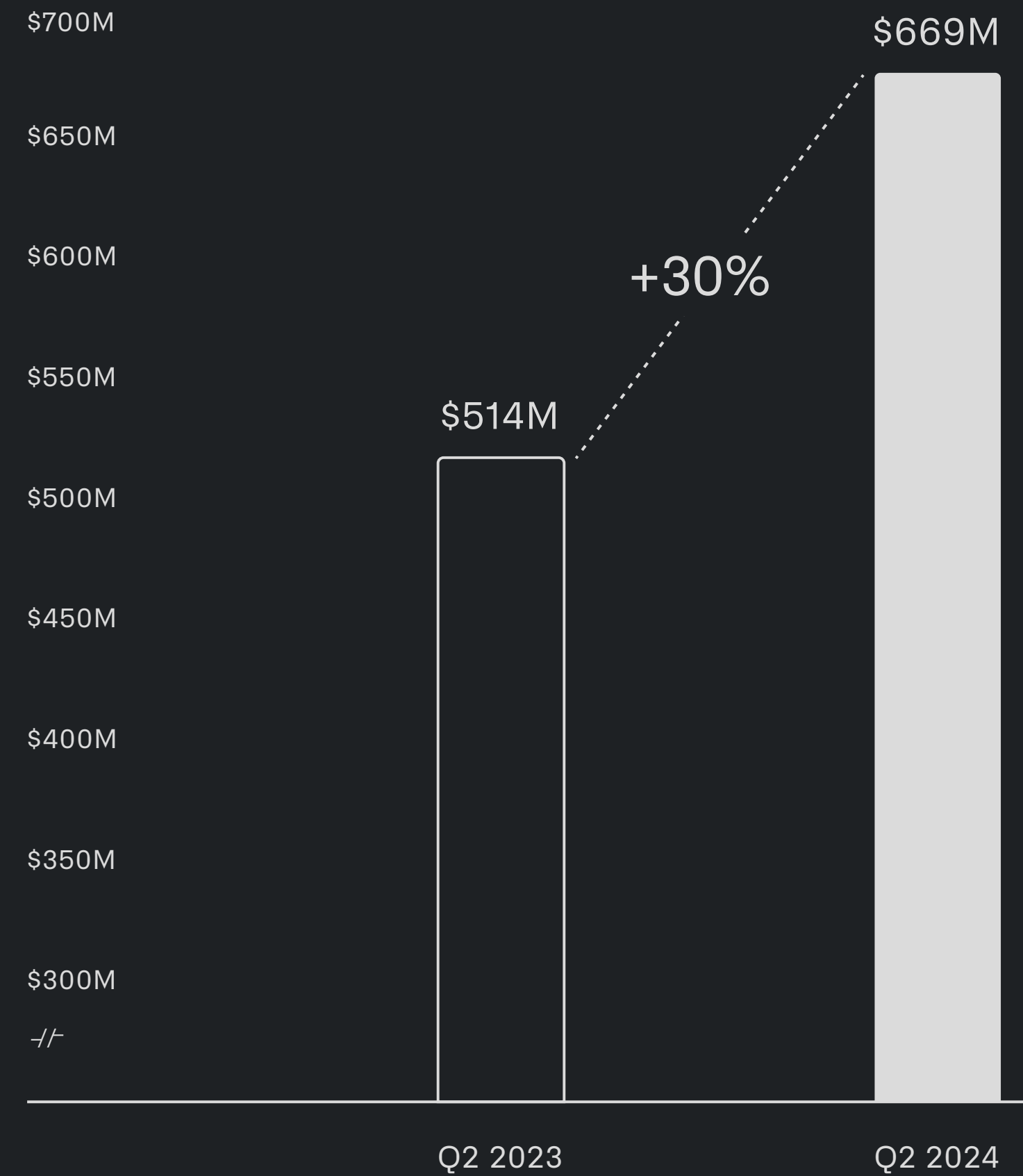
Total revenue grew 27% Y/Y and 7% Q/Q, driven by the continued acceleration of our US business.

## Total Revenue Growth



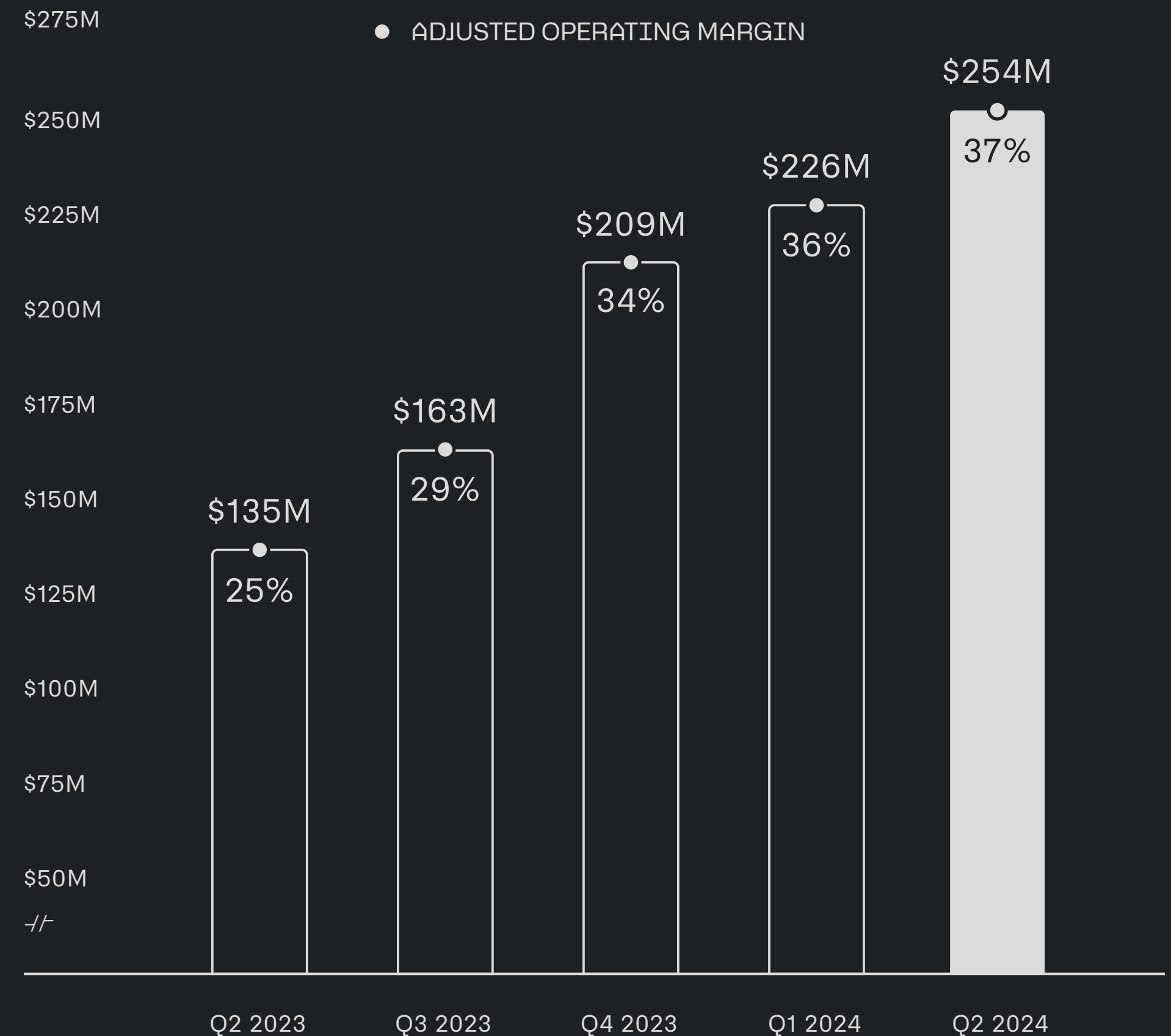
Total revenue excluding strategic commercial contracts grew 30% Y/Y and 10% Q/Q.

## Total Revenue Growth excl. Strategic Commercial Contracts

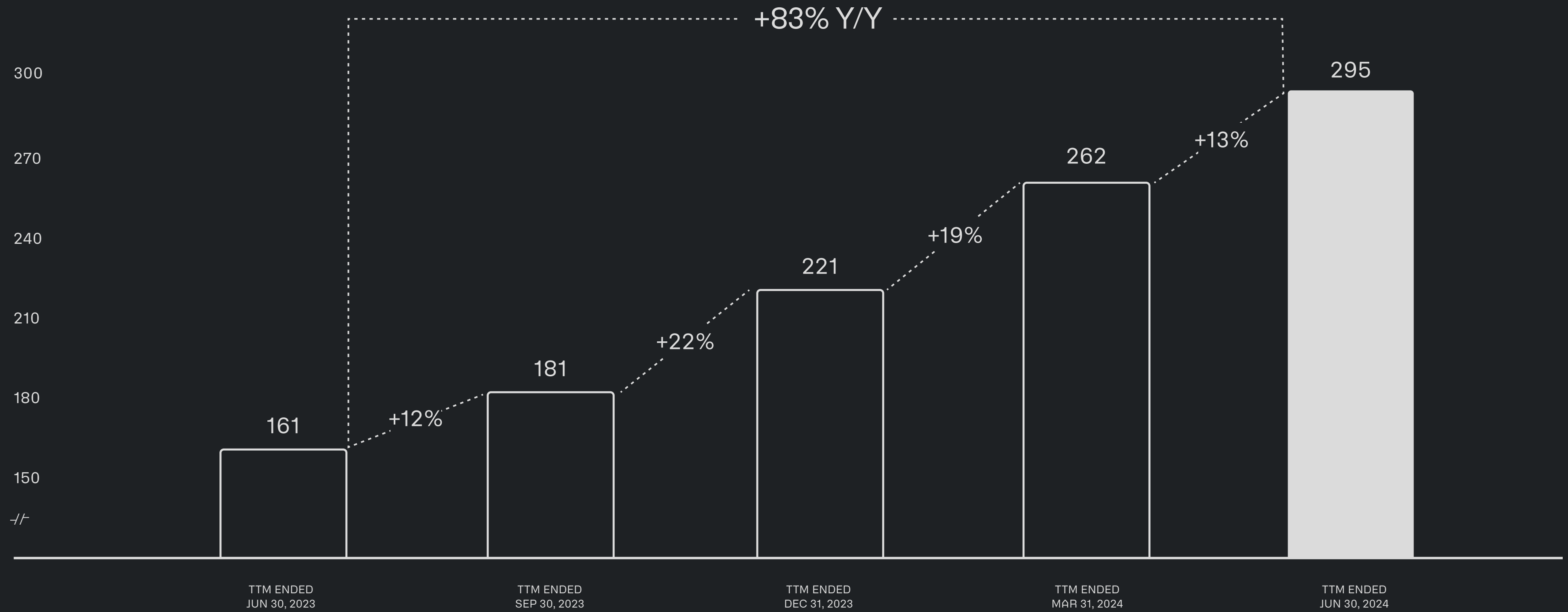


We continue to invest aggressively in AIP and the US while driving operating leverage at scale.

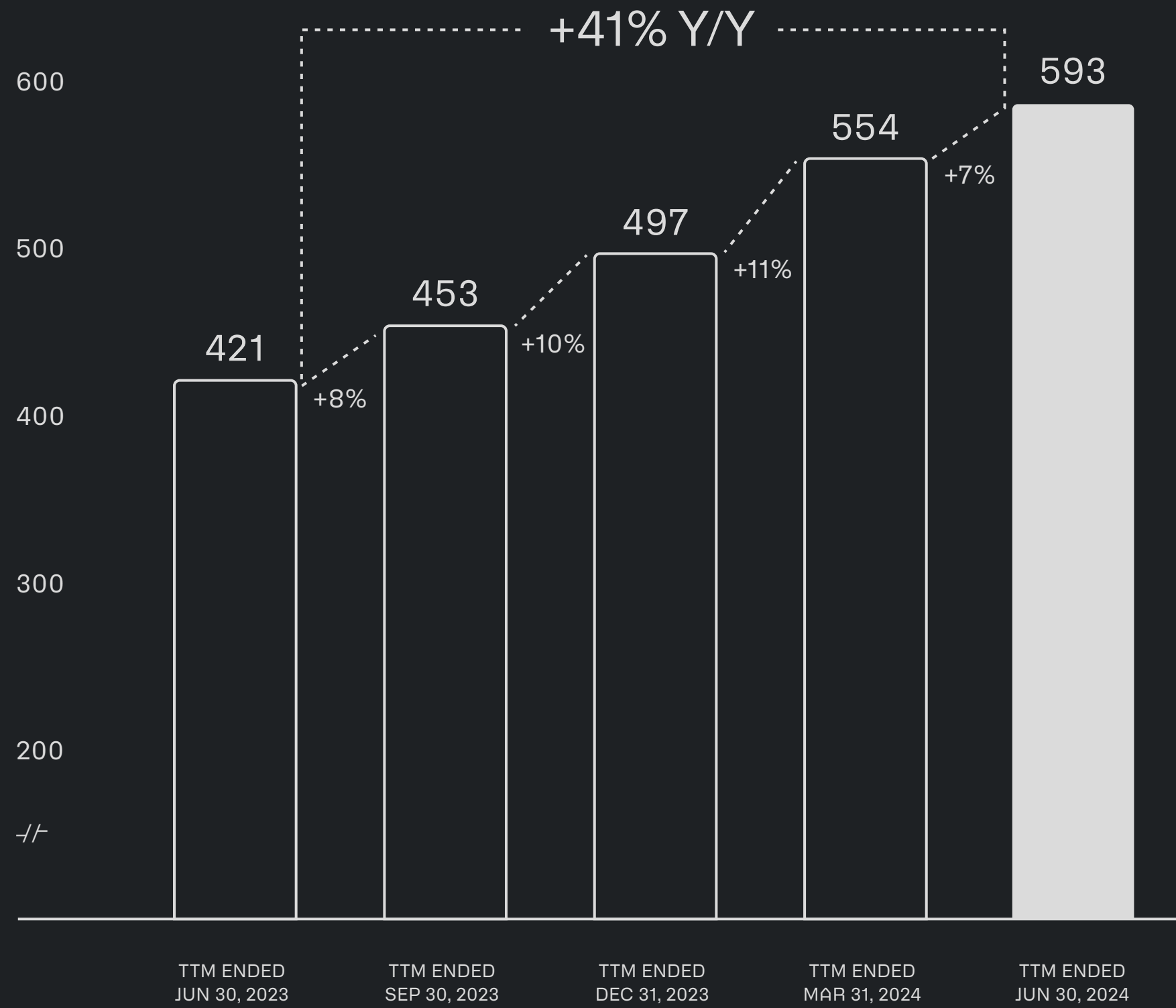
Q2 2024 adjusted operating income was \$254M, representing a margin of 37%.



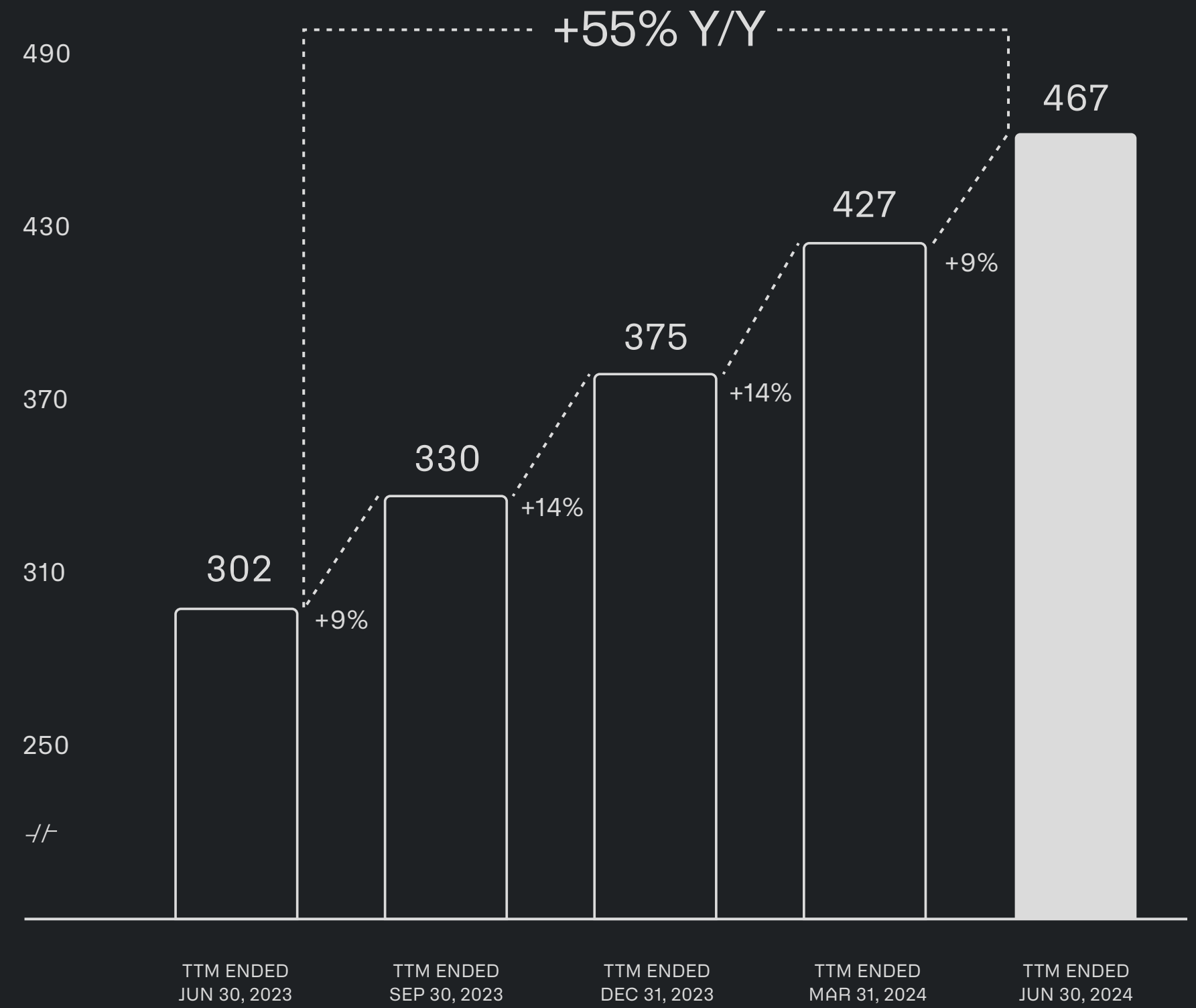
# US Commercial Customer Count



# Customer Count



# Commercial Customer Count





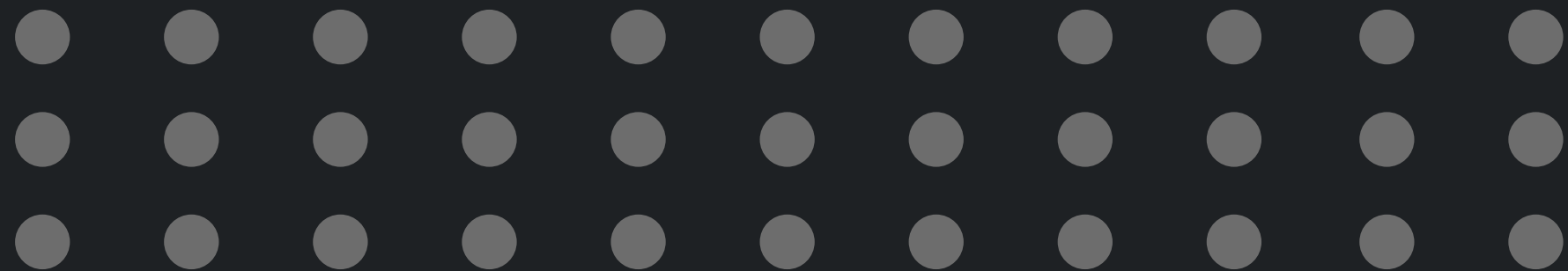
During Q2 2024, we closed

# 96 deals

of at least \$1 million.

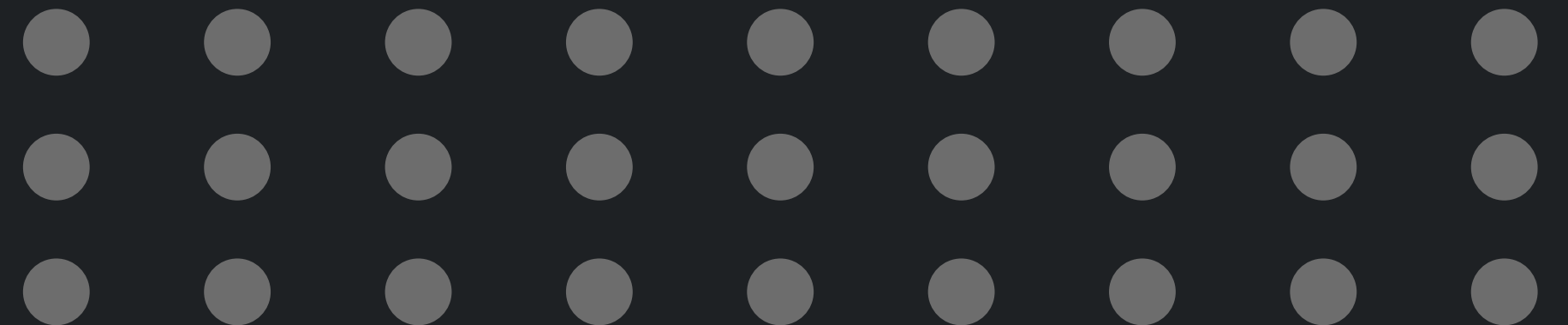
# 33

of which were at least \$5 million.



# 27

of which were at least \$10 million.

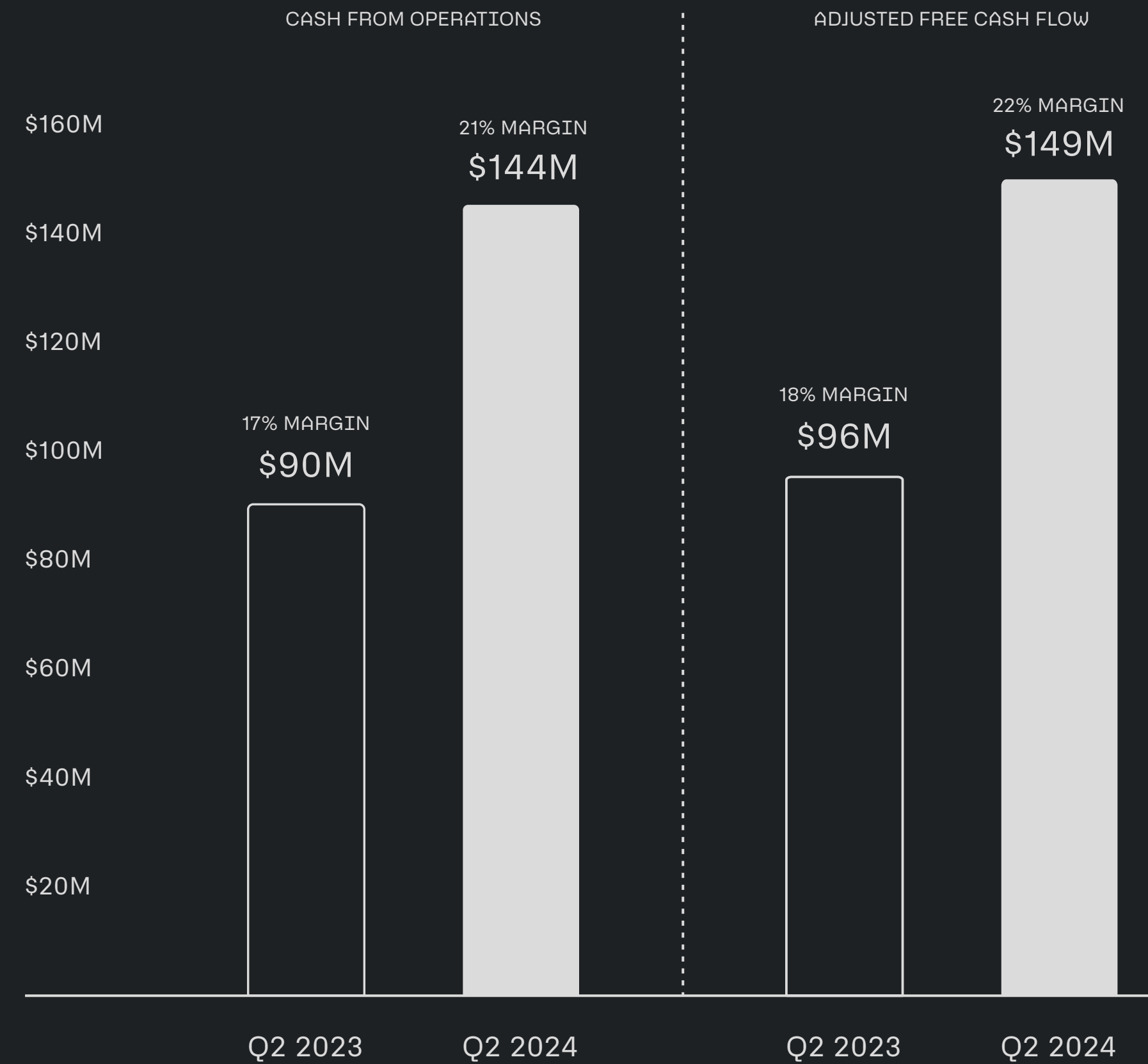


We ended Q2 2024 with

# \$4.0B

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

## Cash from Operations and Adjusted Free Cash Flow



## Q3 2024

For third quarter 2024, we expect:

- Revenue of between \$697 million — \$701 million.
- Adjusted income from operations of between \$233 million — \$237 million.

## FY 2024

For full year 2024, we expect:

- Revenue of between \$2.742 billion — \$2.750 billion.
- US commercial revenue in excess of \$672 million, representing a growth rate of at least 47%.
- Adjusted income from operations of between \$966 million — \$974 million.
- Adjusted free cash flow of between \$800 million — \$1 billion.
- GAAP operating income and net income in each quarter this year.

# Q2

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# 2024

# Appendix



## Additional Metrics and Notes

(\$ BILLIONS)	Q2 2023	Q3 2023	Q4 2023	Q1 2024	Q2 2024
Total RPO	\$ 0.97	\$ 0.99	\$ 1.24	\$ 1.30	\$ 1.37
Short-Term RPO	\$ 0.56	\$ 0.56	\$ 0.64	\$ 0.69	\$ 0.69
Long-Term RPO	\$ 0.41	\$ 0.43	\$ 0.60	\$ 0.61	\$ 0.68

(\$ MILLIONS)	Q2 2023	Q3 2023	Q4 2023	Q1 2024	Q2 2024
Billings	\$ 603	\$ 550	\$ 605	\$ 625	\$ 718

Net dollar retention was 114% in Q2 2024.

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.

## Revenue Excluding Strategic Commercial Contracts

(\$ THOUSANDS)	Q2 2023	Q2 2024
Revenue	\$ 533,317	\$ 678,134
Less:		
Revenue from Strategic Commercial Contracts	19,356	9,179
Revenue Excluding Strategic Commercial Contracts	\$ 513,961	\$ 668,955

## Reconciliation of Rule of 40

	Q3 2022	Q4 2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Q1 2024	Q2 2024
Year-Over-Year Revenue Growth	22%	18%	18%	13%	17%	20%	21%	27%
Adjusted Operating Margin	17%	22%	24%	25%	29%	34%	36%	37%
Rule of 40	39%	40%	42%	38%	46%	54%	57%	64%



## 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)	Q2 2023	Q2 2024
Cash Flow from Operating Activities	\$ 90,192	\$ 144,187
Add:		
Cash Paid for Employer Payroll Taxes Related to Stock-Based Compensation	9,770	7,352
Less:		
Cash Used to Purchase Property and Equipment	(3,934)	(2,879)
Adjusted Free Cash Flow	\$ 96,028	\$ 148,660
Adjusted Free Cash Flow Margin	18%	22%

## 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)	Q2 2023	Q2 2024
Gross Profit	\$ 426,418	\$ 549,572
Add:		
Stock-Based Compensation	8,004	12,402
Adjusted Gross Profit	\$ 434,422	\$ 561,974
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)	Q2 2023	Q3 2023	Q4 2023	Q1 2024	Q2 2024
Income From Operations	\$ 10,074	\$ 39,983	\$ 65,794	\$ 80,881	\$ 105,339
Add:					
Stock-Based Compensation	114,201	114,380	132,608	125,651	141,764
Employer Payroll Taxes Related to Stock-Based Compensation	10,760	8,909	10,953	19,926	6,464
Adjusted Operating Income	\$ 135,035	\$ 163,272	\$ 209,355	\$ 226,458	\$ 253,567
Adjusted Operating Margin	25%	29%	34%	36%	37%

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

(AMOUNTS IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)	Q2 2023	Q2 2024
Net Income Attributable to Common Stockholders	\$ 28,127	\$ 134,126
Add / (Less):		
Stock-Based Compensation	114,201	141,764
Employer Payroll Taxes Related to Stock-Based Compensation	10,760	6,464
Income Tax Effects and Adjustments [1]	(33,539)	(60,946)
Adjusted Net Income Attributable to Common Stockholders, Diluted	\$ 119,549	\$ 221,408
Weighted-Average Shares Used in Computing GAAP Earnings Per Share, Diluted	2,278,155	2,414,696
Adjusted Weighted-Average Shares Used in Computing Adjusted Earnings Per Share, Diluted	2,278,155	2,414,696
Adjusted Earnings Per Share, Diluted	\$ 0.05	\$ 0.09

## Reconciliation of Revenue to Billings

(\$ THOUSANDS)	Q2 2023	Q3 2023	Q4 2023	Q1 2024	Q2 2024
Revenue	\$ 533,317	\$ 558,159	\$ 608,350	\$ 634,338	\$ 678,134
Change in Contract Liabilities	69,952	(8,199)	(3,354)	(9,051)	39,934
Billings	\$ 603,269	\$ 549,960	\$ 604,996	\$ 625,287	\$ 718,068

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

(\$ THOUSANDS)	Q2 2023	Q1 2024	Q2 2024
Total Expenses	\$ 523,243	\$ 553,457	\$ 572,795
Less:			
Stock-Based Compensation	114,201	125,651	141,764
Employer Payroll Taxes Related to Stock-Based Compensation	10,760	19,926	6,464
Adjusted Expenses	\$ 398,282	\$ 407,880	\$ 424,567