

Q1



Business Update



2021

This presentation and the accompanying oral commentary contain “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 of future operating results or financial performance, market size and growth opportunities, the calculation of certain of our key financial and operating metrics, plans for future operations, competitive position, technological capabilities, and strategic relationships, 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.

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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; 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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1.5 million
individual
shareholders
strong.



Q1 was a
record-breaking
quarter.

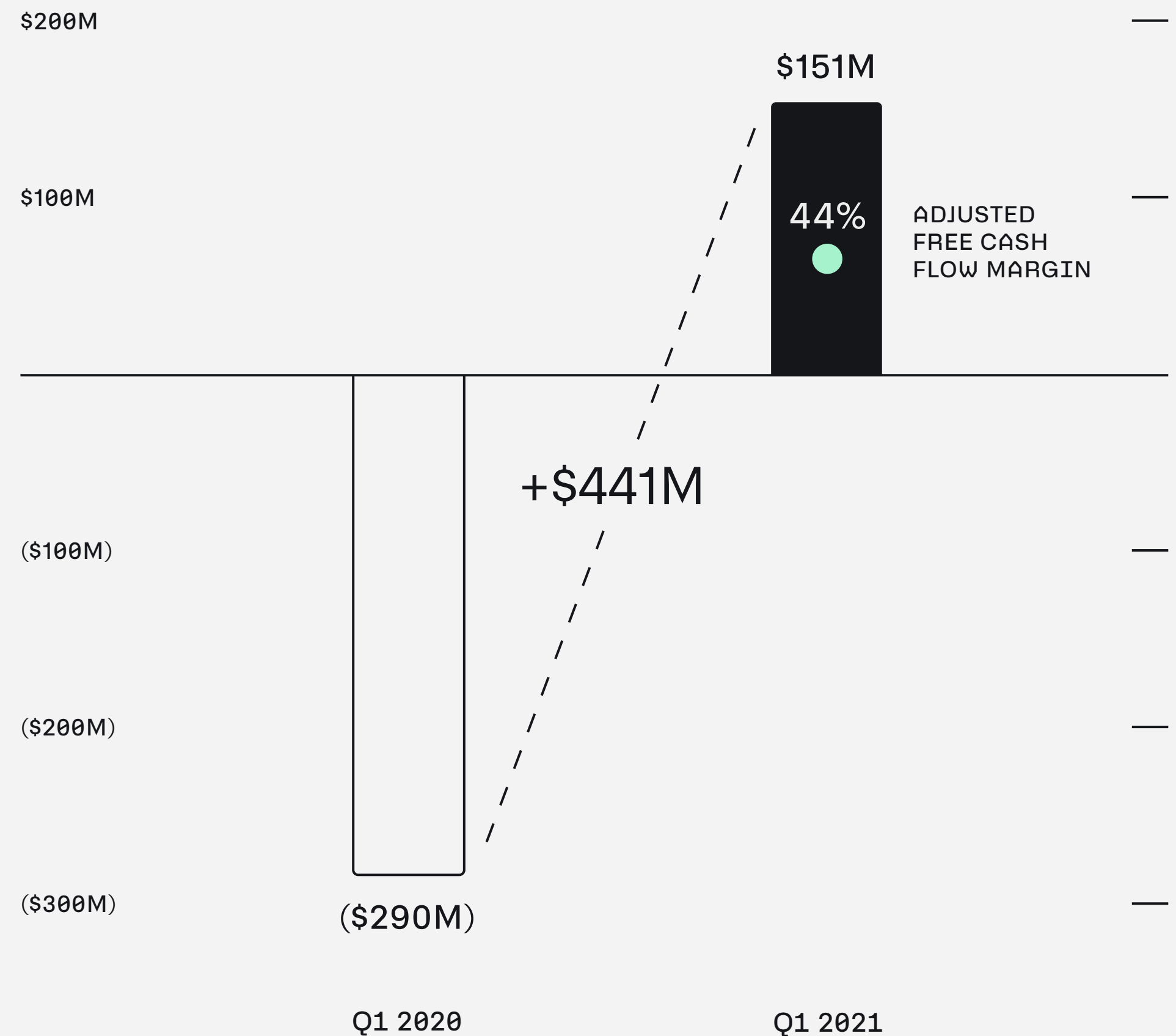
In Q1 2021, we generated \$151 million in adjusted free cash flow – an increase of \$441 million from Q1 2020.

44%

adjusted free cash flow margin

Adjusted free cash flow and adjusted free cash flow margin are defined as cash flow from operating activities, plus cash paid for employer taxes related to stock-based compensation, less cash used to purchase property and equipment. Please see the appendix for reconciliations of these non-GAAP financial measures to the most directly comparable GAAP measures.

Adjusted Free Cash Flow ^{Fig 01}

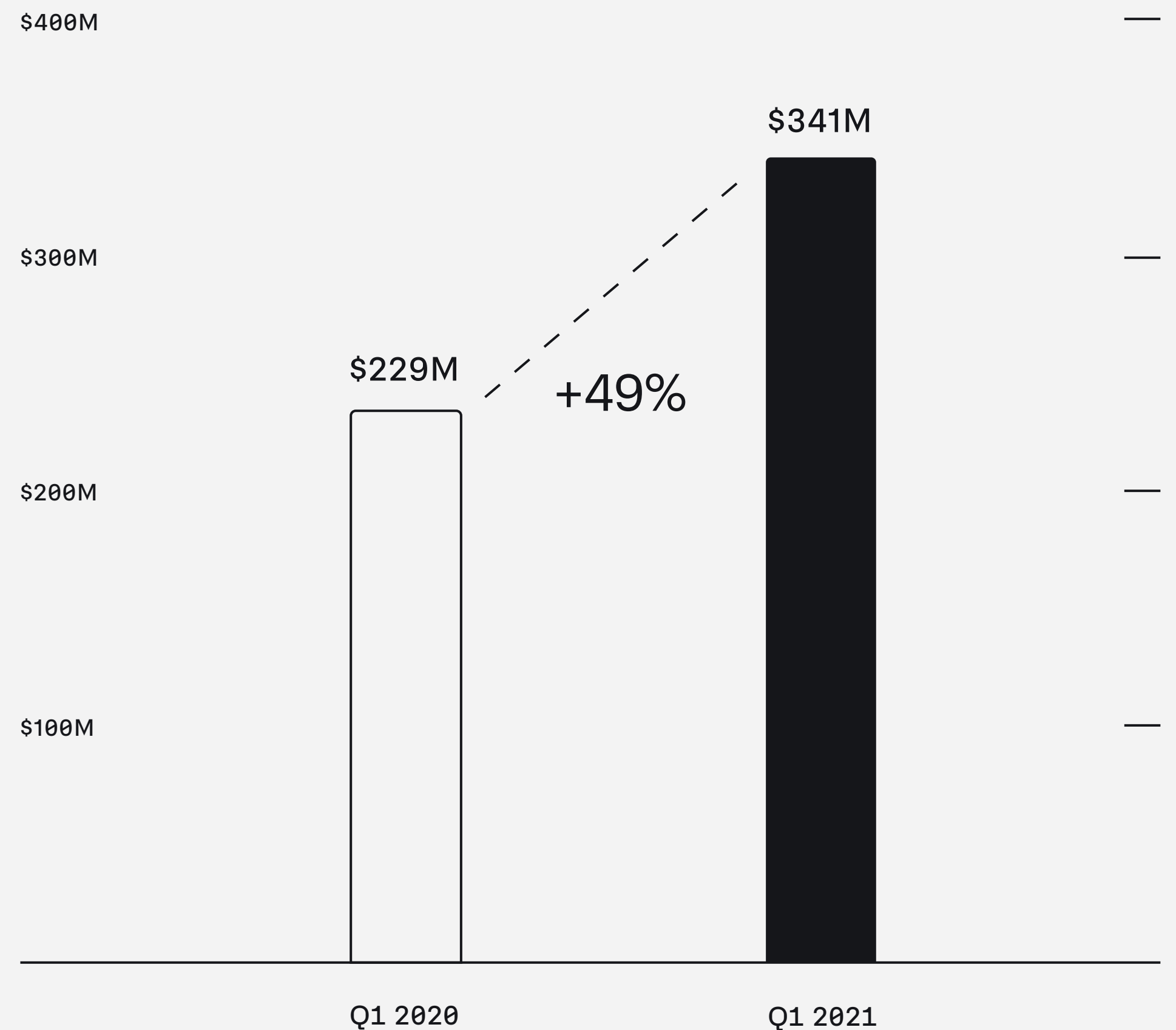


In Q1 2021, we grew revenue by 49% year-over-year, generating \$341 million in revenue across our government and commercial segments.

49%

revenue growth year-over-year

Revenue ^{Fig 02}



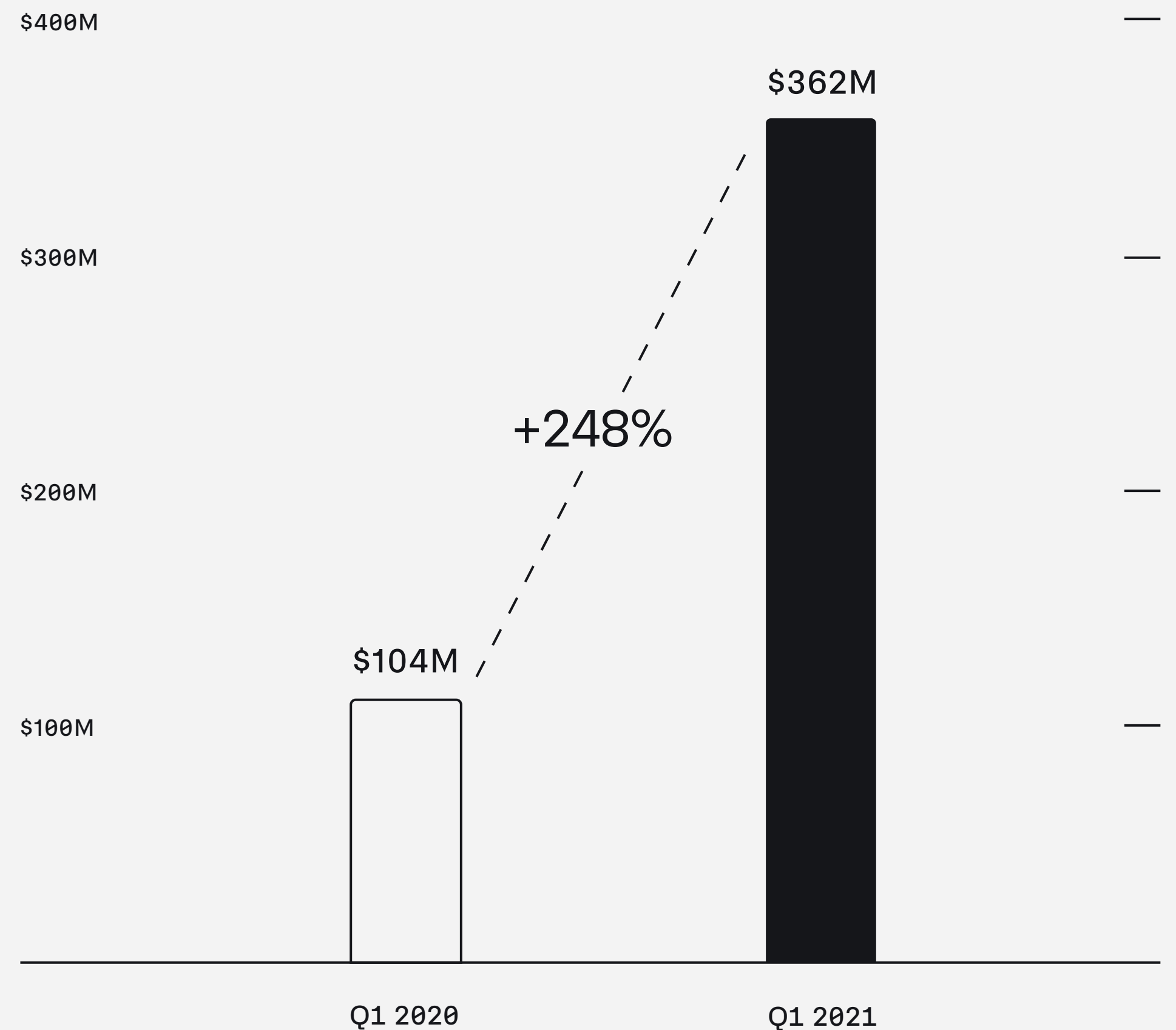
In Q1 2021, we grew billings by 248% year-over-year to \$362 million, resulting in higher than expected cash flow.

248%

billings growth year-over-year

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.

Billings ^{Fig 03}





Our duration-adjusted
commercial deal
value grew by

76%

year-over-year.

Total deal value is the total remaining deal 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 deal value presumes the exercise of all contract options and no termination of contracts; however, the majority of our contracts are subject to termination for convenience provisions and there can be no guarantee that contracts are not terminated or that contract options will be exercised. Commercial deal value growth on a constant duration basis represents the growth of total deal value from commercial customers divided by dollar-weighted average commercial contract duration year-over-year.

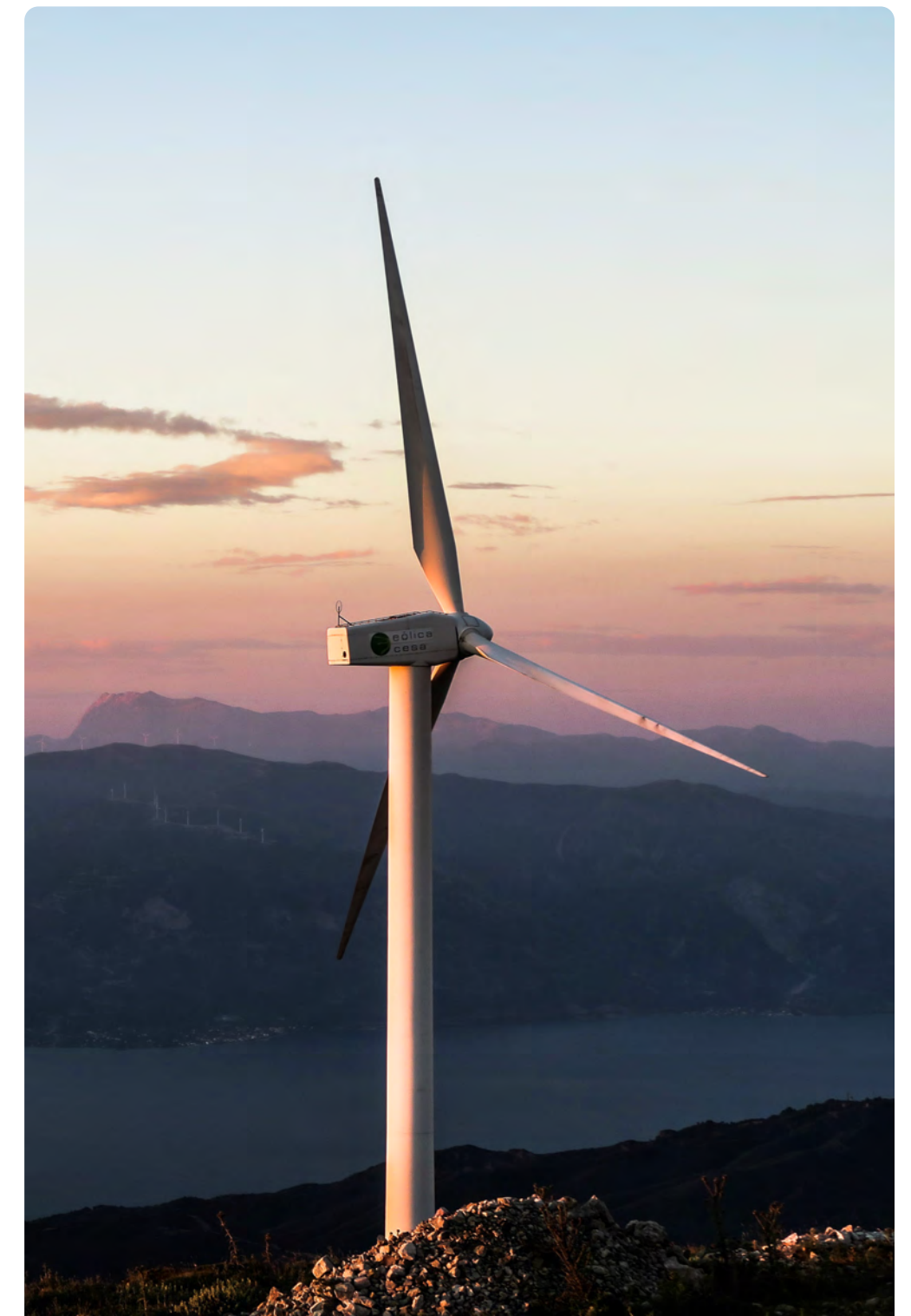


In Q1 2021, our total
US revenue grew by

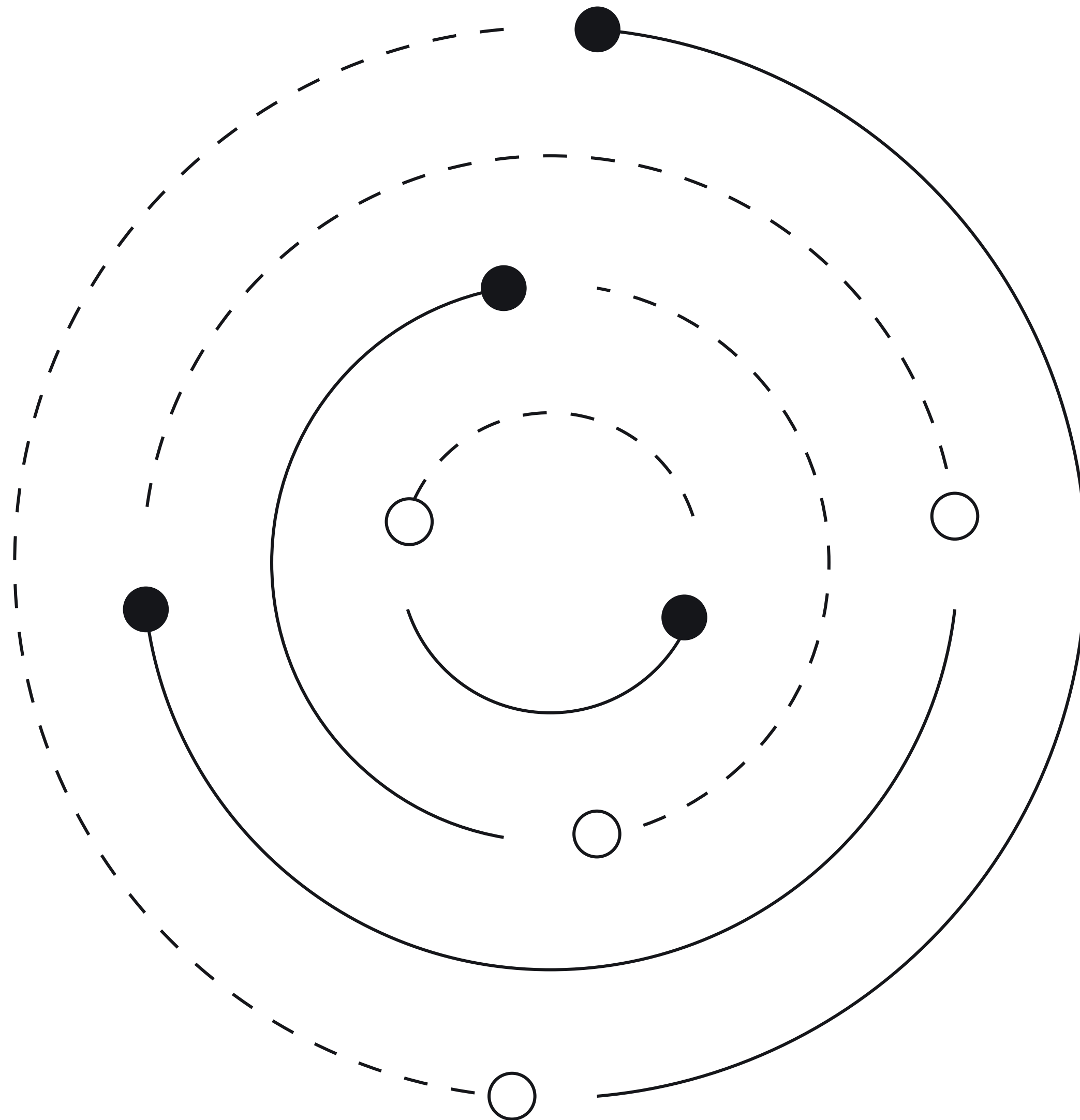
81%

year-over-year.

US revenue is revenue from customers that have
their headquarters located in the United States.

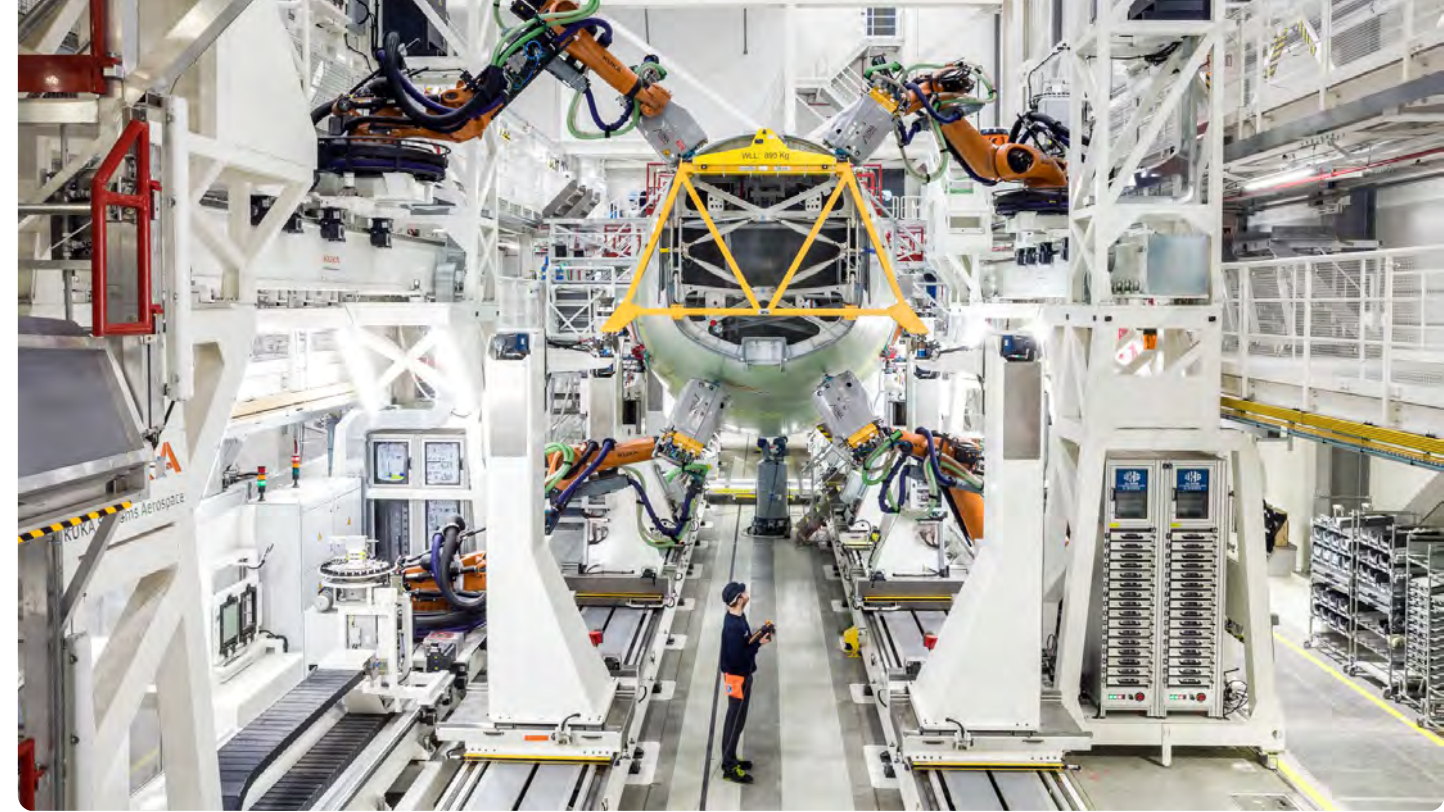


Apollo for Edge AI is enabling the US government to operationalize AI at scale: upgrade the software, upgrade the sensor, upgrade the effects chain.





The same innovations apply to the commercial sector:
AI models on factory floors,
detecting on-land risks from
space, and enabling predictive
maintenance at the edge.



In Q1 2021, our total
US revenue grew by

81%

year-over-year and commercial
opportunities in the US and the
UK have increased by 2.5x
since February 2021.

In the same period, active
commercial pilots have
more than doubled.

We consider a pilot to be active when a technical exchange agreement has been
signed by a prospective customer and we have begun working on implementation.



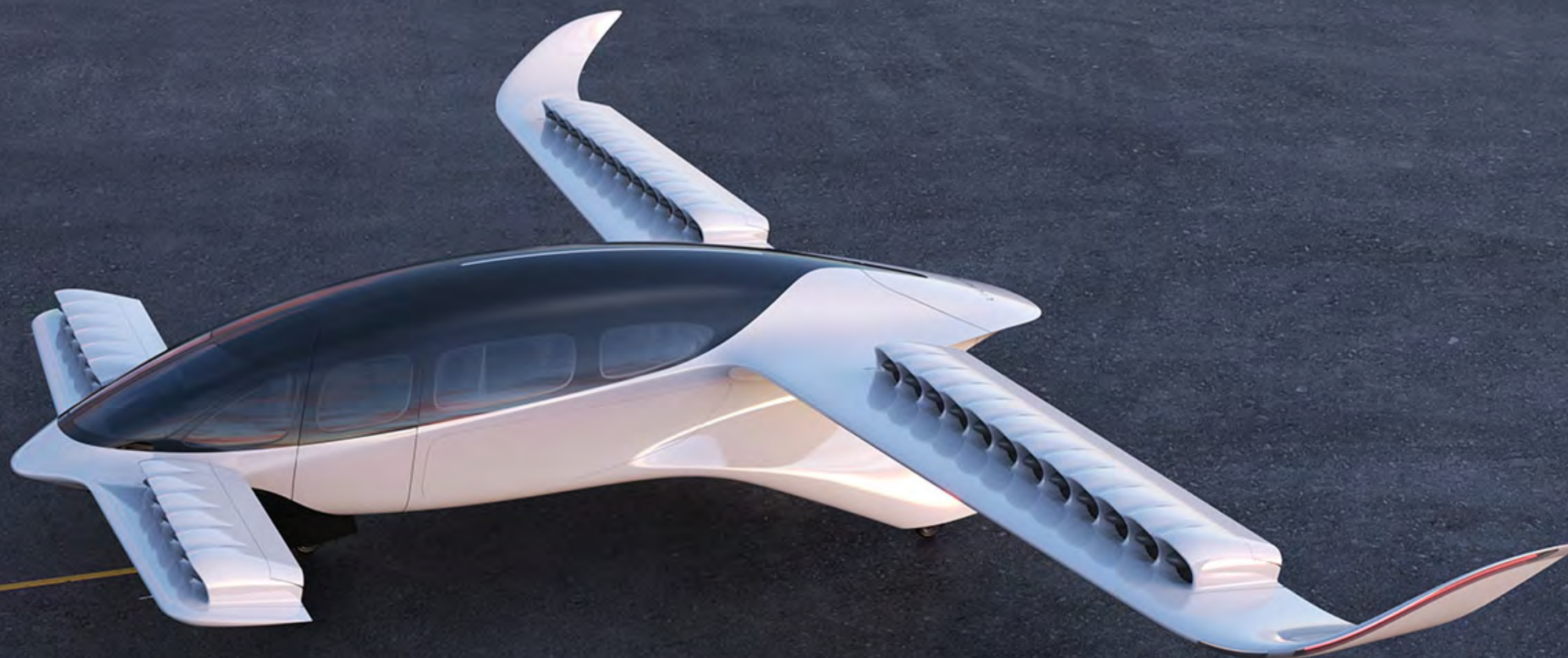


Our platforms serve
as the modern operating
system for the enterprise
— including companies
of all sizes and at all stages.



Lilium, a revolutionary eVTOL transportation company, will use Foundry to connect design, engineering, procurement, testing, production, quality, logistics, and in-service operations.

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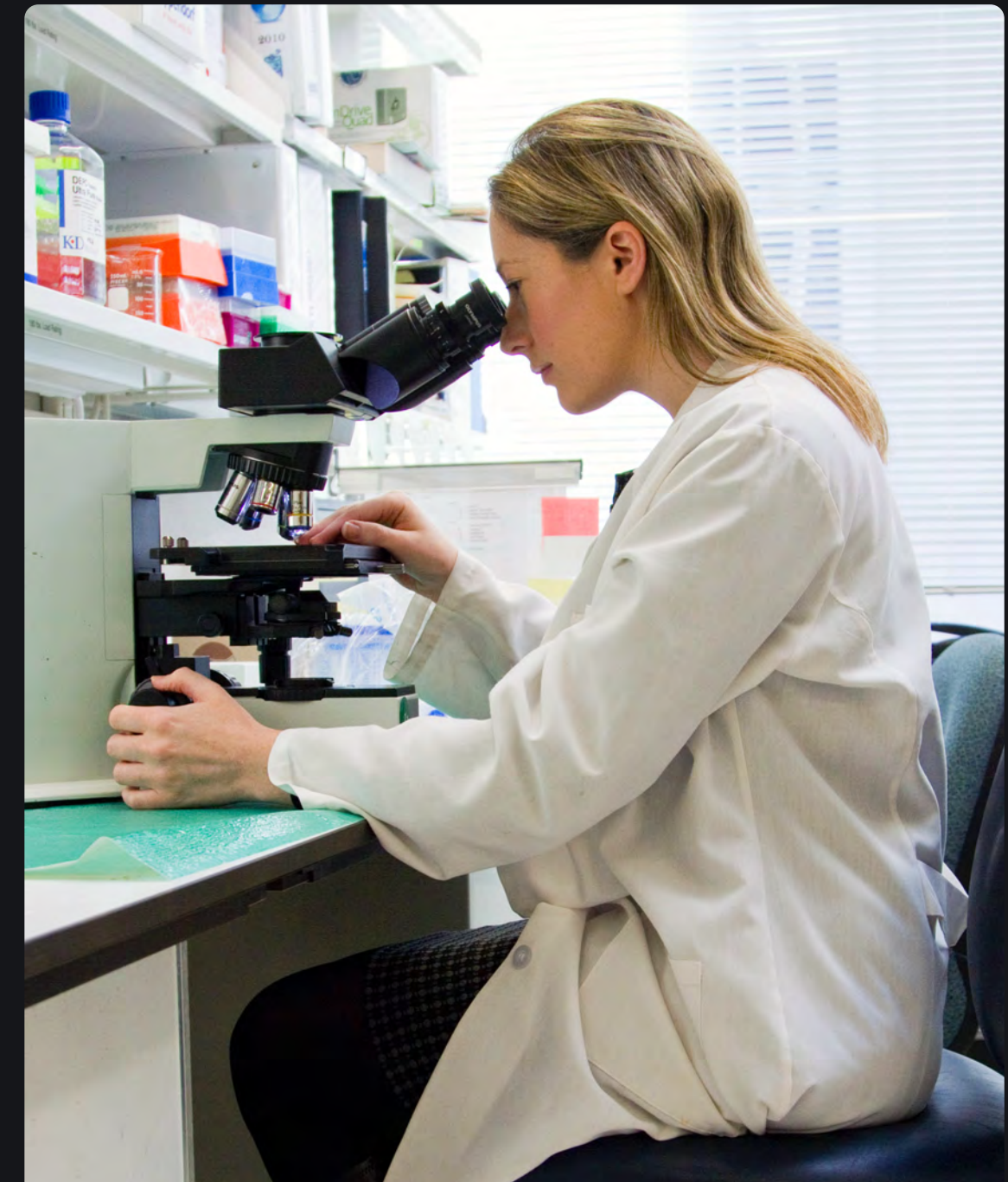


Sarcos is using Foundry for industrials and manufacturing, and infusing Apollo for Edge AI into their exoskeletons.

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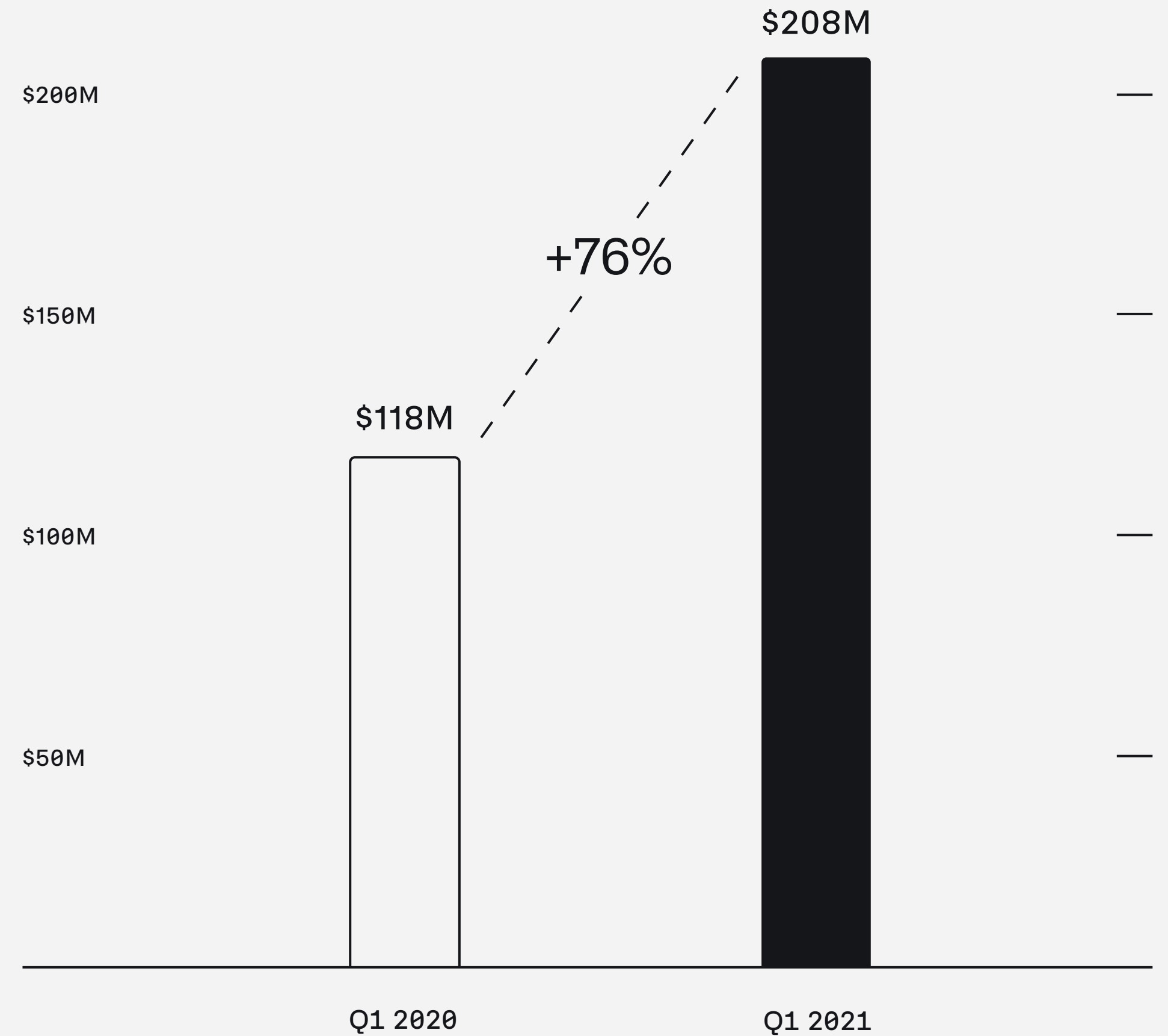


We are investing
deeply in Western
innovation.



In parallel, our government business continues to grow quickly. In Q1 2021, we grew government revenue by 76%, fueled largely by 83% growth in the US government business.

Total Government Growth ^{Fig 04}



In Q1 2021, we were awarded a five-year contract with a total value of up to \$89.9 million by the National Nuclear Security Administration to provide the operational platform for the SAFER project.

→ Managing safety analytics, forecasting, and evaluation

- Supporting efficient allocation of resources to prioritize safety and manage nuclear security

→ Enabling a granular security model

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[illegible]

In Q1 2021, Palantir's software was leveraged in the Global Information Dominance Experiment, enabling all 11 DoD Combatant Commands to generate globally integrated, strategic decision advantage from intelligence, operations, logistics and supply data advanced by AI / ML.

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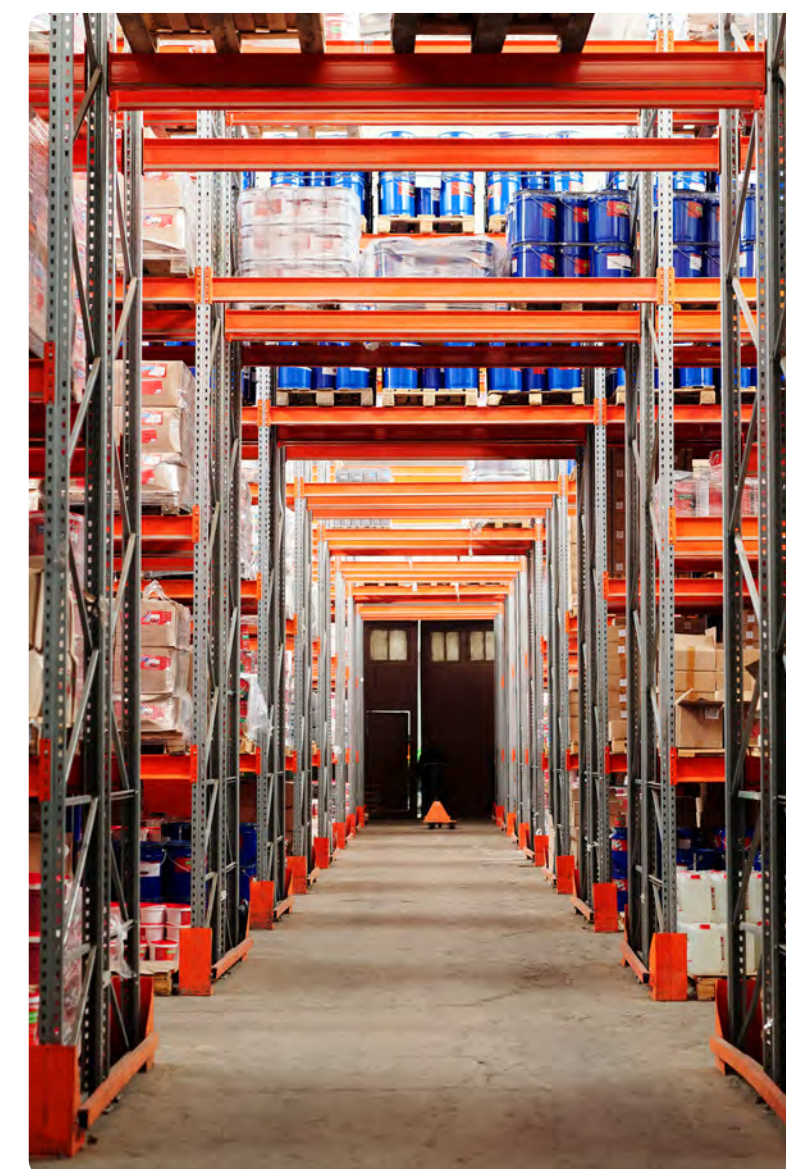
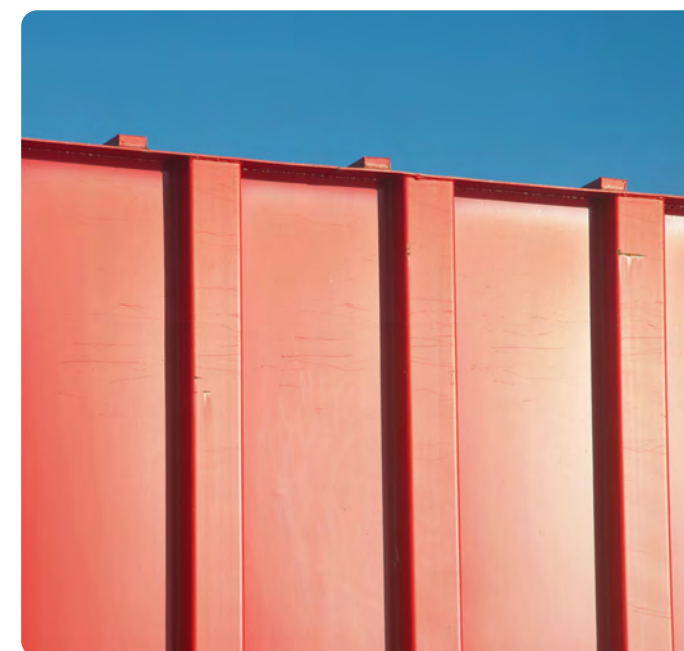
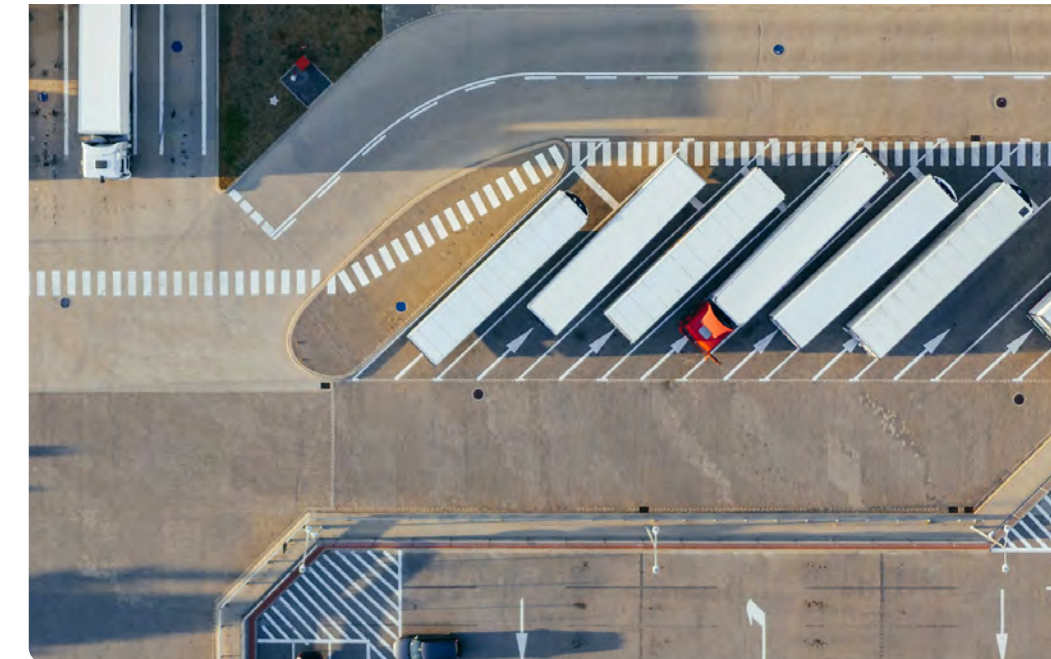


In Q1 2021 alone, we hired
nearly 50 new salespeople.

\$5.4B

in total remaining deal value
+ IDIQ awards as of the
end of Q1 2021

IDIQ refers to the value of government contracts where the funding of such contracts — also known as indefinite delivery, indefinite quantity (IDIQ) contracts — has not yet been determined and is not guaranteed.



Our channel partnerships continue to accelerate with complementary independent software vendors (“ISVs”), hyperscalers, and global system integrators (“GSIs”) – across both government and commercial segments.

Independent software vendors

IBM booked first customer within 16 days of the product’s General Availability (“GA”)

↗ GET STARTED

Hyperscalers

Building our products into reference architectures and going to market with joint offerings across verticals and functional areas

↗ GET STARTED

Global system integrators

Building targeted Archetypes and accelerating time to market, with 15 GSIs working adjacent to our products

↗ GET STARTED

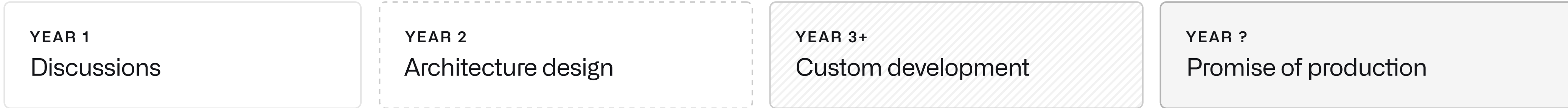
Government SIs

Enabling the hardware platforms of traditional defense contractors with Apollo for Edge AI

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We are enabling channel partners to go to market with battle-tested software platforms — instead of marketecture diagrams and false promises.

● Marketecture



● Our platforms





Palantir Unlock

[↗ GET STARTED](#)

We are emancipating data from legacy systems and proprietary data models, and delivering it in any open-source format – at no cost to Western companies that are:

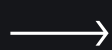
→ Core to the economy

→ Employ large numbers of people

→ Crucial to the restart

Thank you to Palantirians.





Section ⁰³

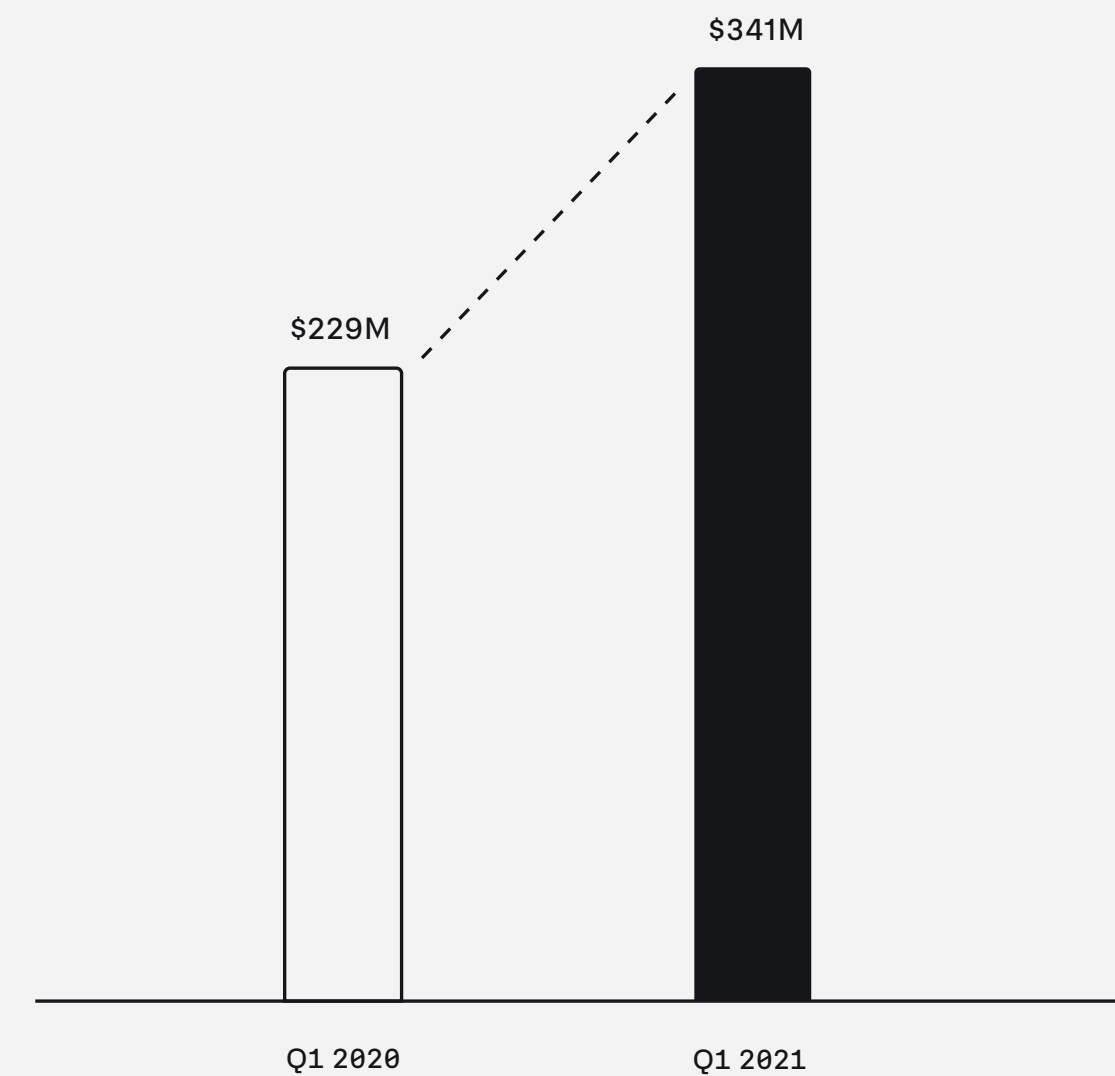
Q1 2021

Financial Update

Q1 2021 highlights

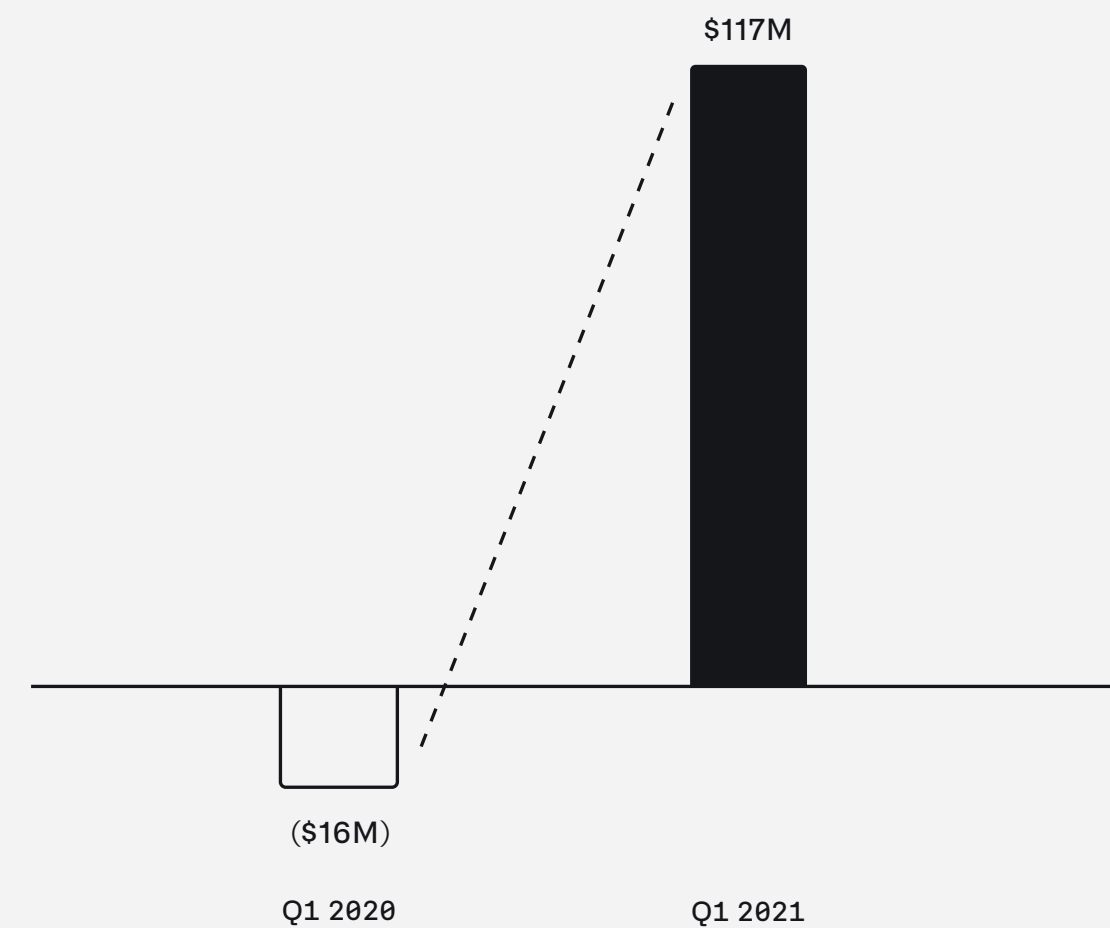
49%

revenue growth year-over-year



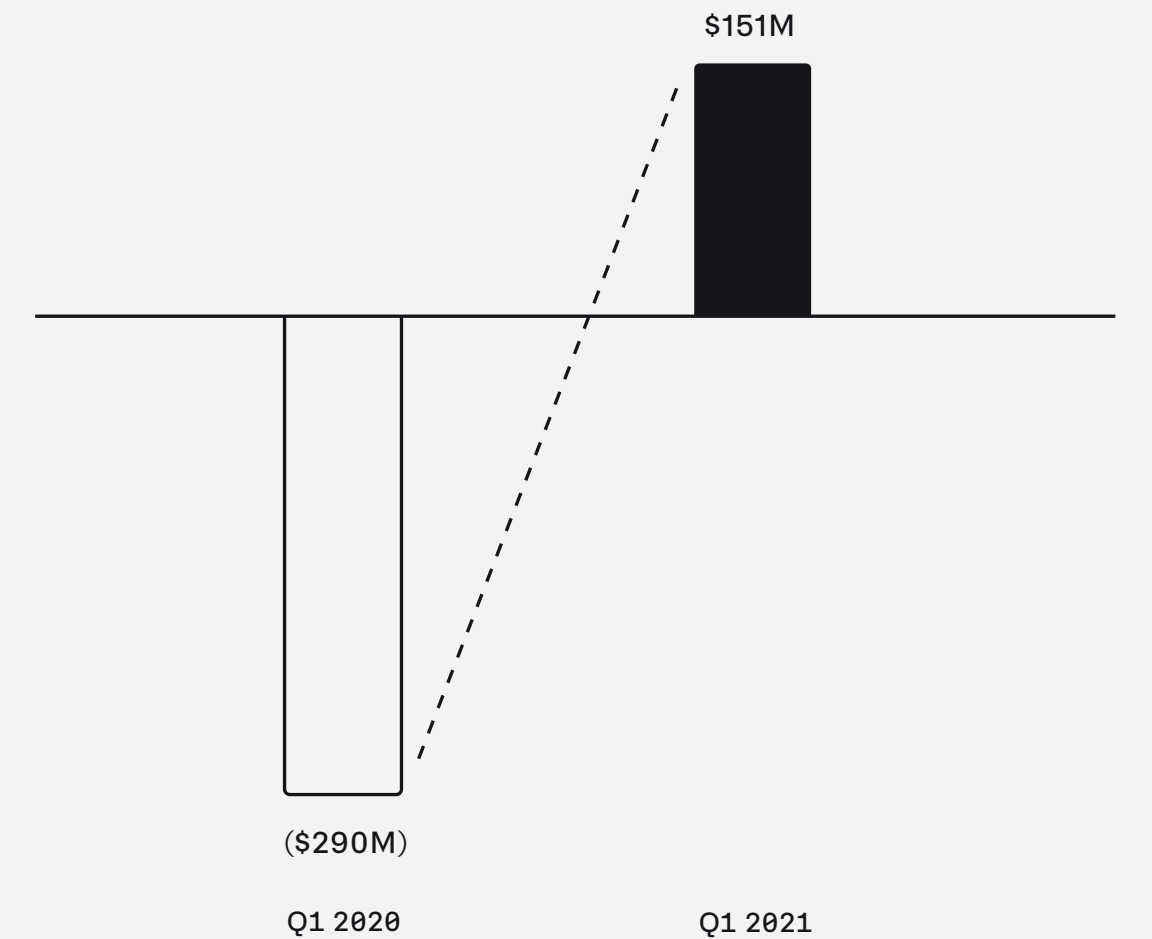
\$117M

adjusted operating income, up \$133M year-over-year, representing a 34% adjusted operating margin



\$151M

adjusted free cash flow, up \$441 million year-over-year, representing a 44% adjusted free cash flow margin



Adjusted operating income (loss) and adjusted operating margin excludes stock-based compensation and related employer payroll taxes. Please see the appendix for reconciliations of these non-GAAP financial measures to the most directly comparable GAAP measures.

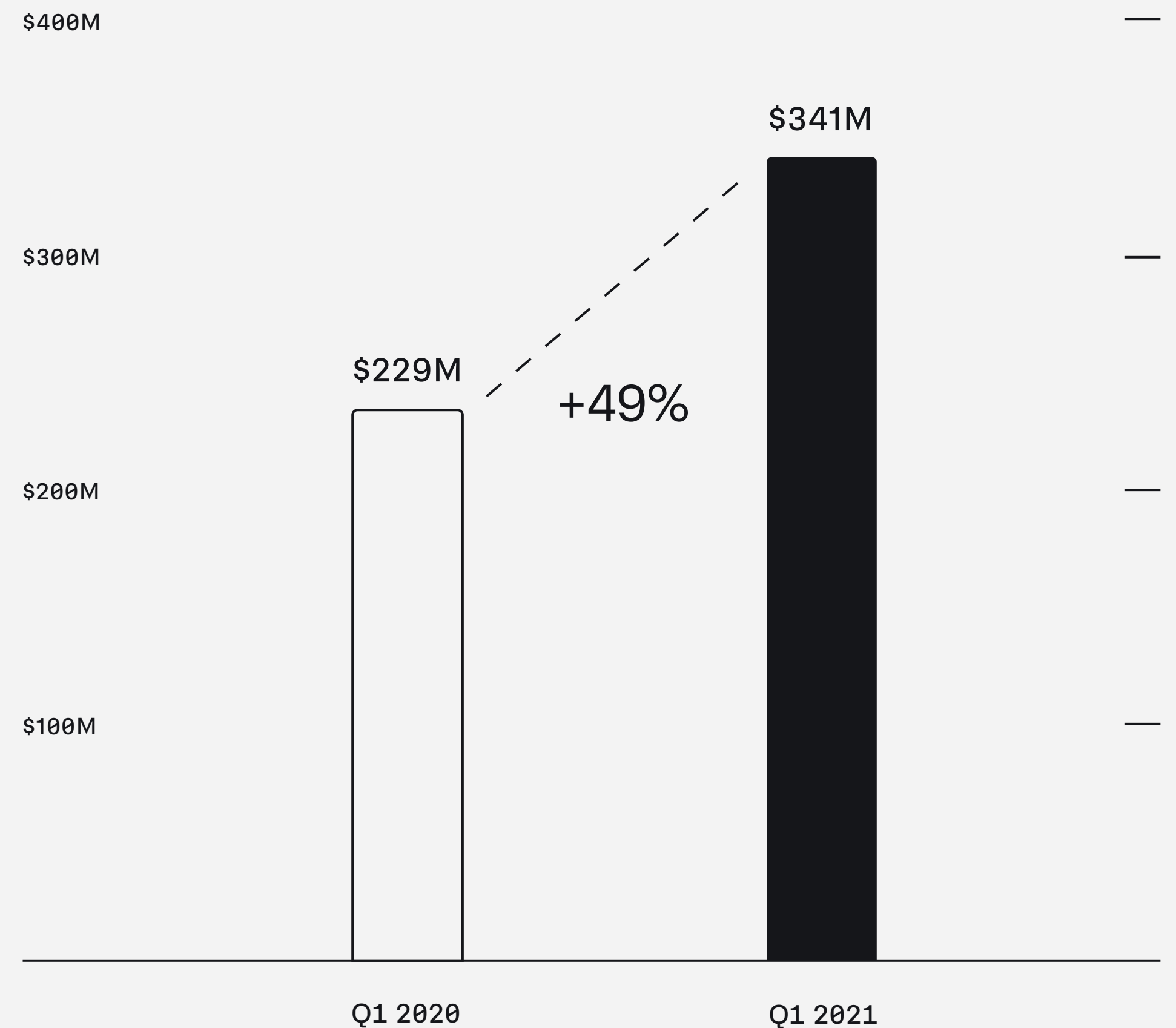
In Q1 2021, we grew revenue by 49% — ahead of prior guidance of 45%.

\$800M

annualized revenue run rate
from US customers

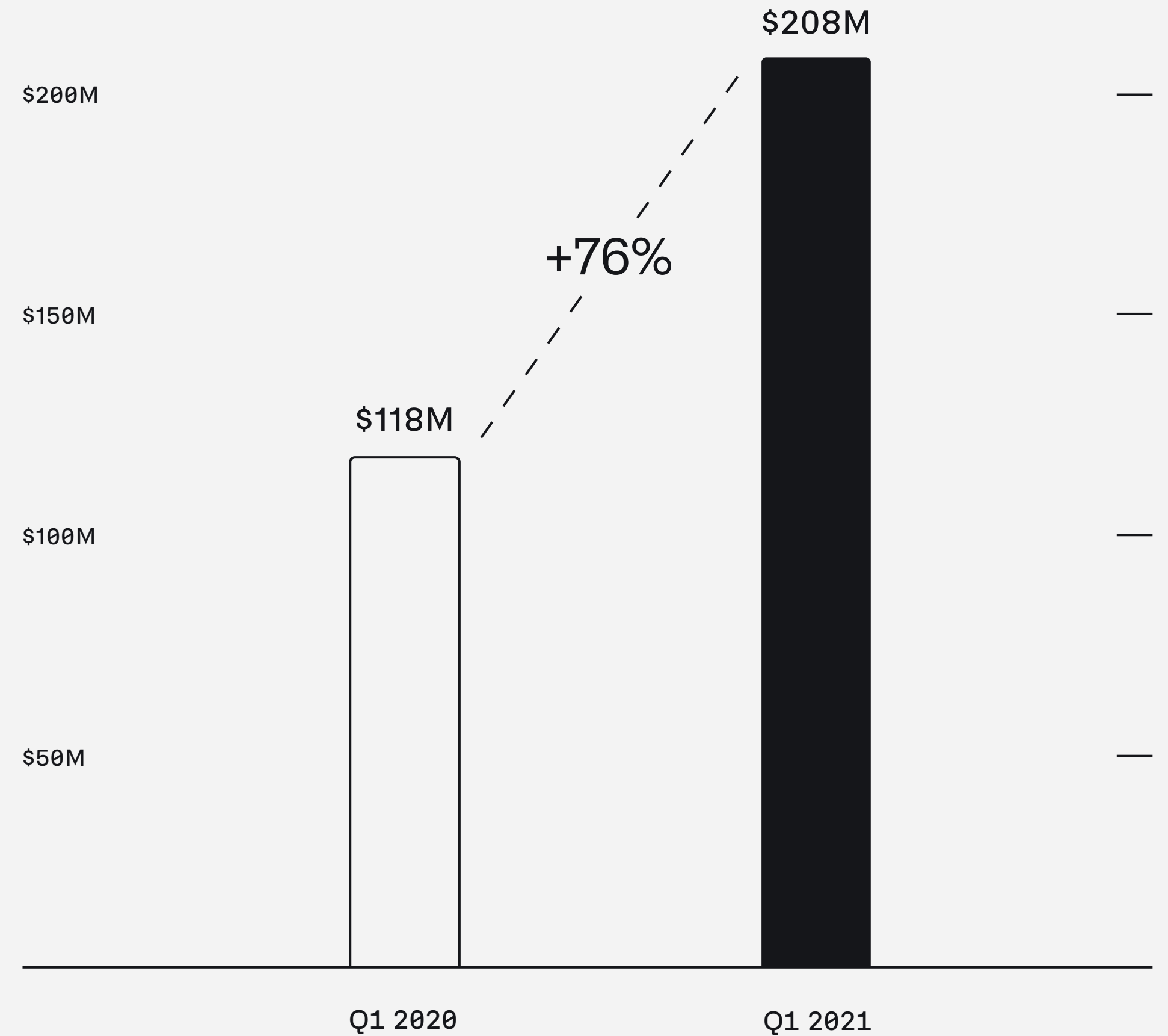
Annualized revenue run rate from US customers is the product of Q1 2021 revenue from US customers, multiplied by four.

Revenue ^{Fig 06}



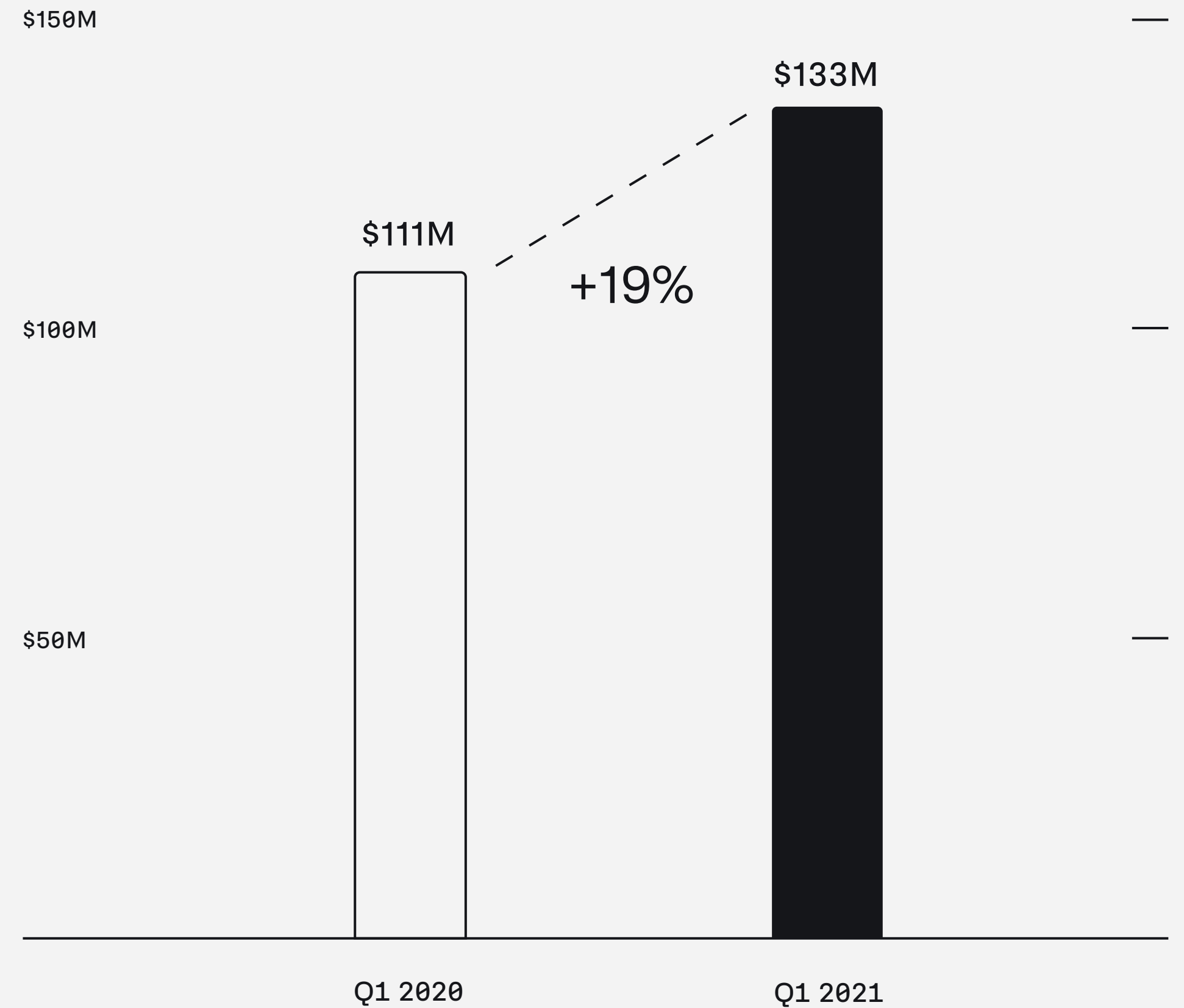
Our government business generated \$208 million in revenue in Q1 2021, up 76% year-over-year – with 83% growth from US government customers.

Total Government Growth ^{Fig 07}



Our commercial business generated \$133 million in revenue in Q1 2021, up 19% year-over-year – with 72% growth from US commercial customers.

Total Commercial Growth ^{Fig 08}



We ended Q1 2021 with \$2.8 billion in total remaining deal value, up 40% year-over-year.

15

Deals worth \$5 million or more



6

Deals worth \$10 million or more



3.7 years

Average contract duration

4.6 years

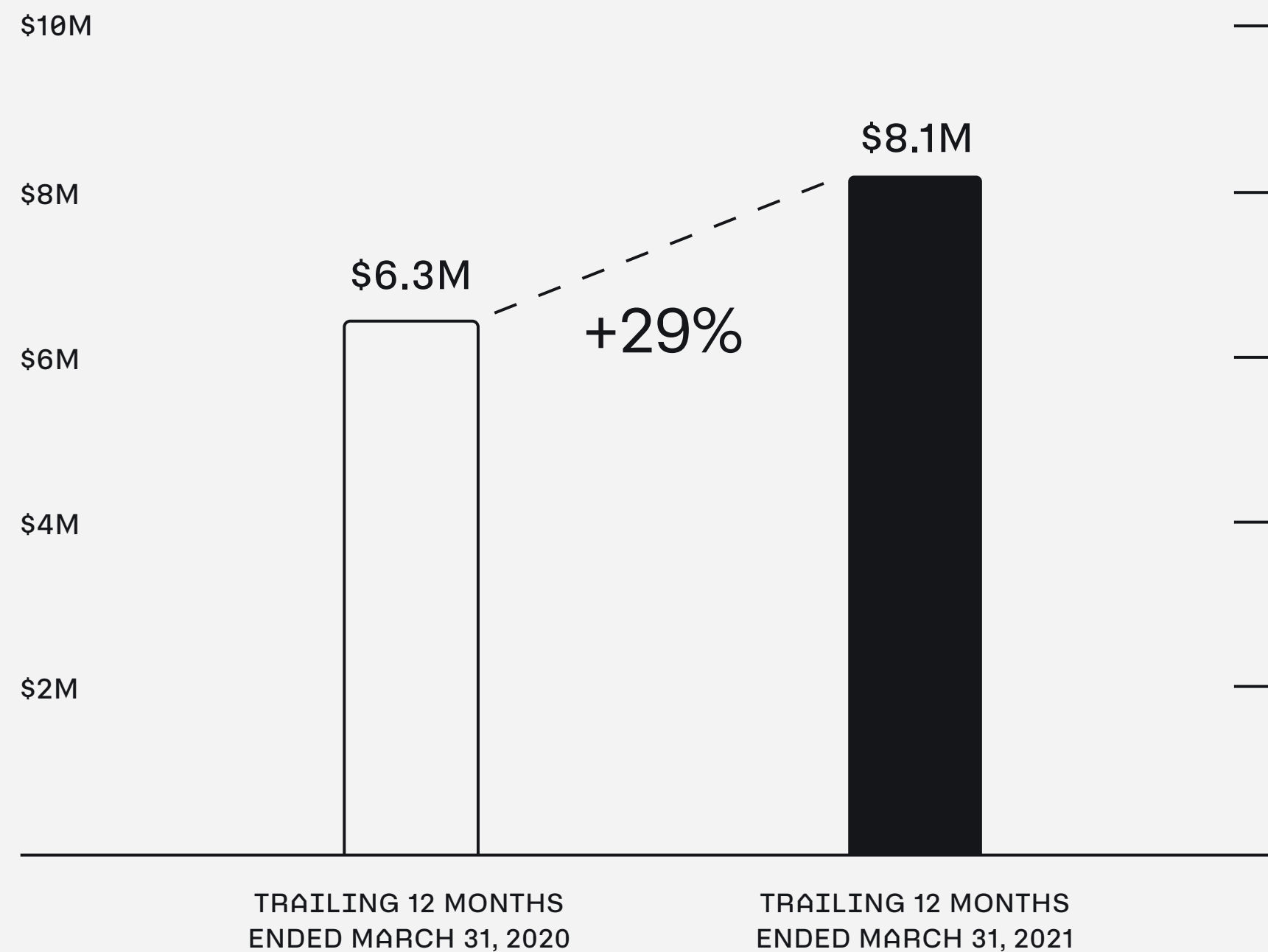
Average contract duration
of commercial customers

Value of deals signed refers to total contract value that have been awarded by our government and commercial customers and includes existing contractual obligations and unexercised contract options available to those customers.

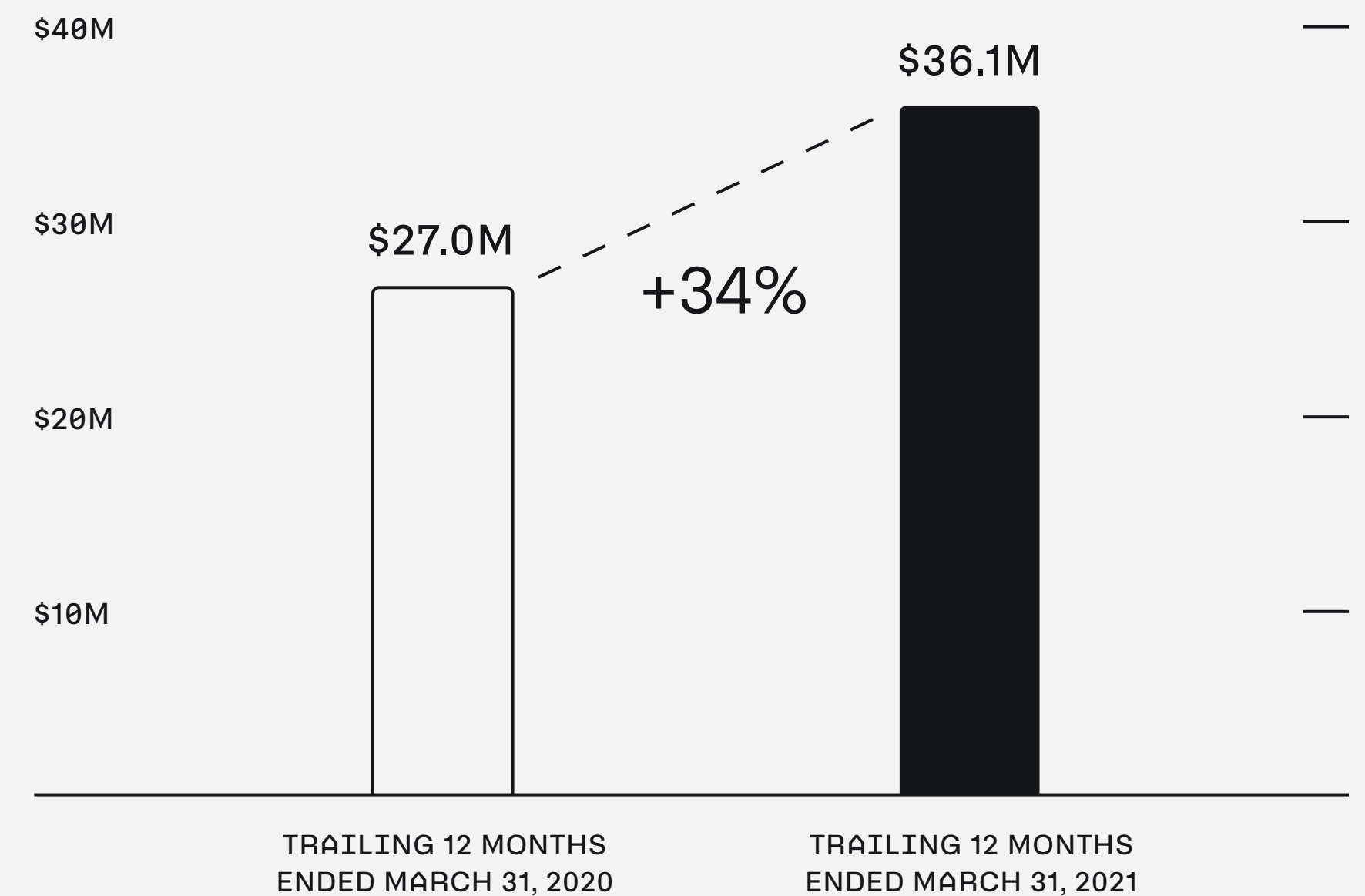
Dollar-weighted average contract duration represents the length of time we expect to generate revenue on average, including existing contractual obligations and assumes that our customers will exercise all of the contractual options available to them and is subject to change as we enter into new contracts or if customers terminate for convenience. Dollar-weighted contract duration is calculated on a dollar-weighted basis to account for smaller deals.

We added 11 new commercial customers.

Revenue per customer ^{Fig 09}



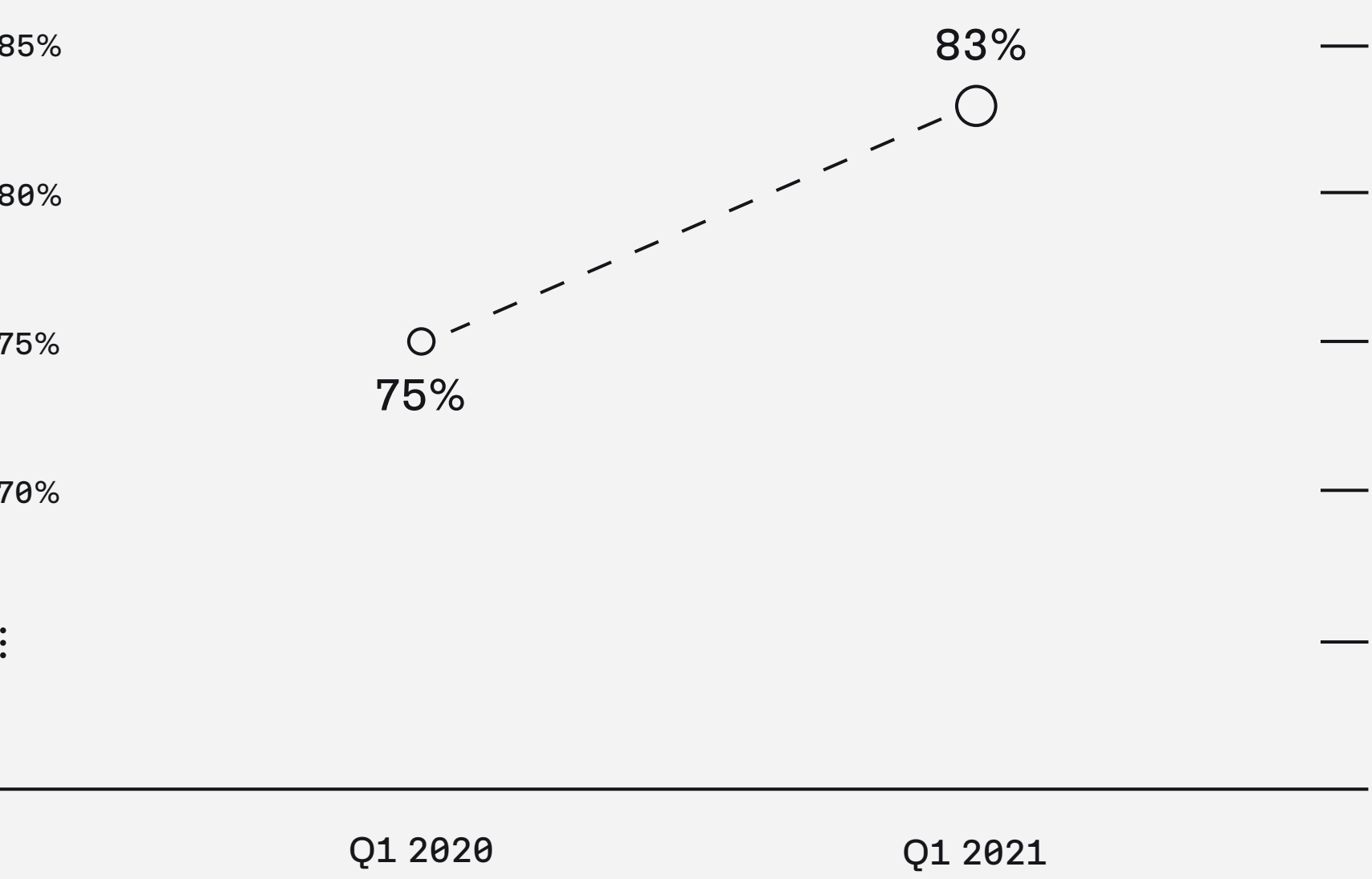
Average revenue per top 20 customers ^{Fig 10}



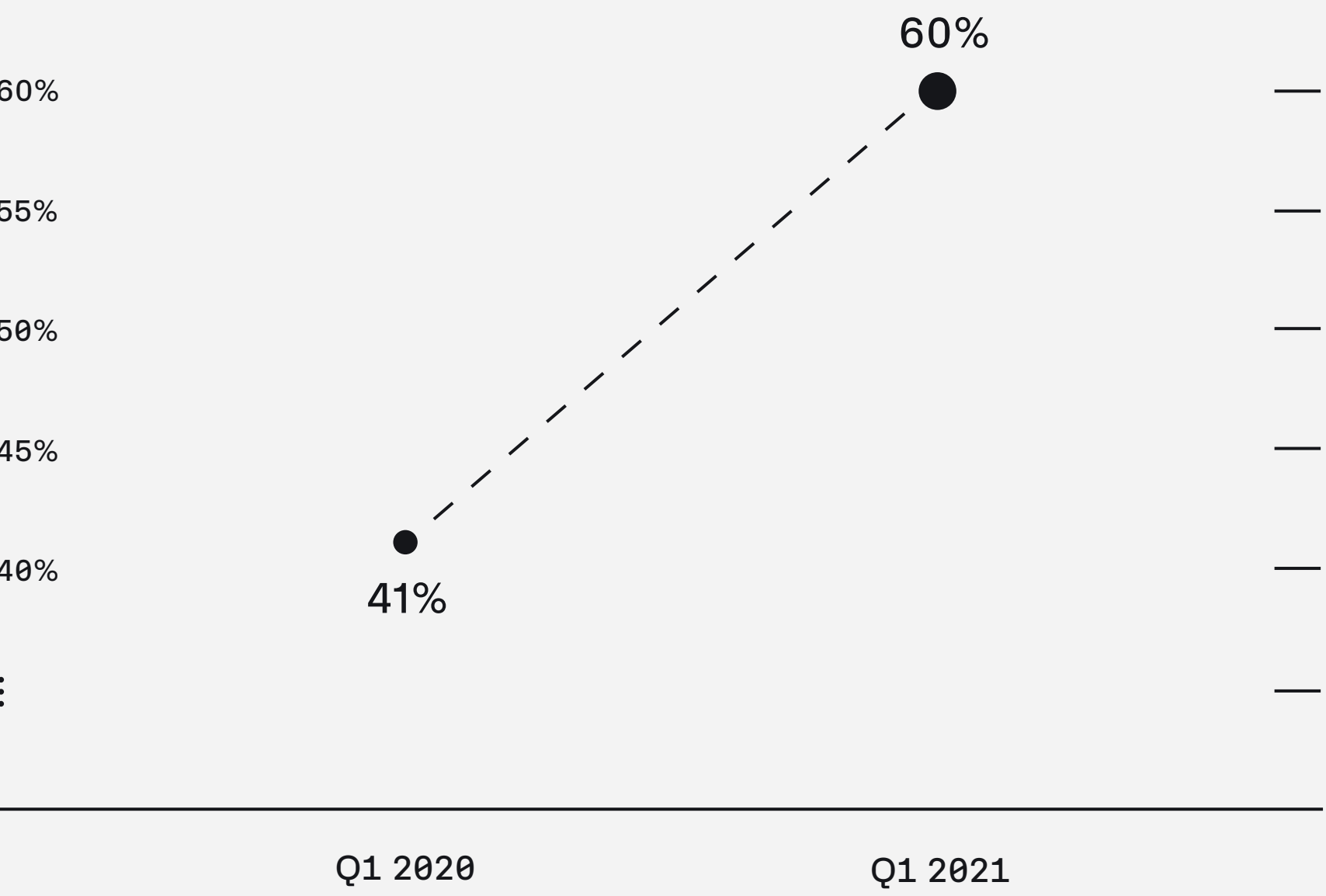
We define a customer as an organization from which we have recognized revenue during the trailing twelve month period. Average revenue per customer is calculated as total revenue for the trailing twelve-month period divided by the number of customers from which we recognized that revenue. Average revenue 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.

In Q1 2021, our adjusted gross margin grew to 83% — and contribution margin grew to 60%.

Adjusted gross margin ^{Fig 11}



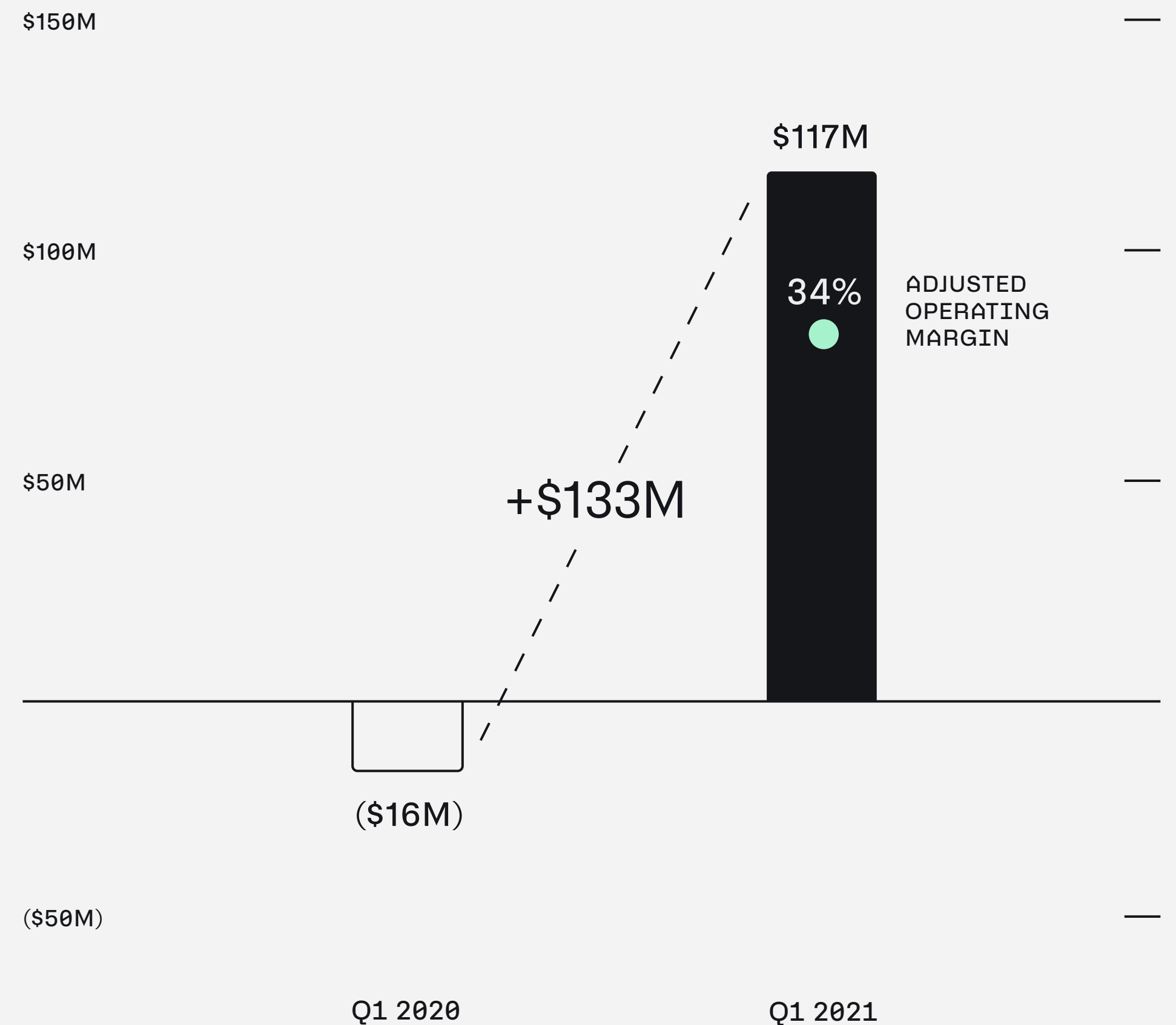
Contribution margin ^{Fig 12}



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

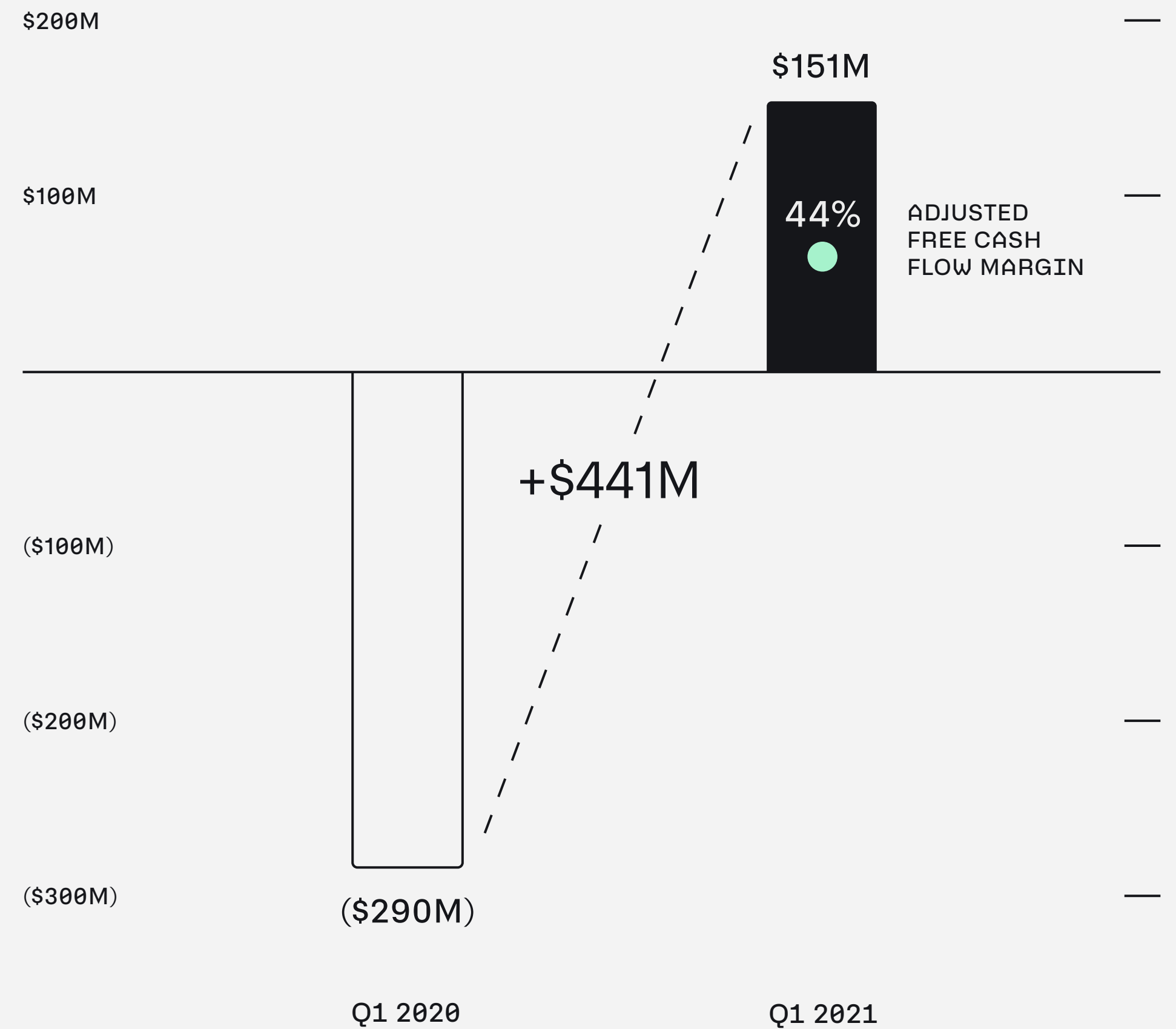
In Q1 2021, we generated \$117 million in adjusted operating income – representing an adjusted operating margin of 34%, ahead of prior guidance of 23%.

Adjusted operating income (loss) ^{Fig 13}



In Q1 2021, we generated \$151 million in adjusted free cash flow – representing an adjusted free cash flow margin of 44%.

Adjusted Free Cash Flow ^{Fig 05}





Looking ahead

Q2 2021

- Revenue growth of 43%, or \$360 million
 - Adjusted operating margin of 23%
-

FULL YEAR 2021

- Raising adjusted free cash flow guidance from breakeven to in excess of \$150 million
-

LONG-TERM

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

[↗ WATCH VIDEO](#)



Section ⁰⁴

Appendix A

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	Q1 2021
Cash Flow from Operating Activities	\$ (287,184)	\$ 116,881
Add:		
Cash Paid for Taxes Related to Stock-Based Compensation	\$ —	\$ 34,802
Less:		
Cash Used to Purchase Property and Equipment	\$ (3,016)	\$ (708)
Adjusted Free Cash Flow	\$ (290,200)	\$ 150,975
Adjusted Free Cash Flow Margin	(127%)	44%

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

[Excluding Stock-Based Compensation and Related Employer Payroll Taxes]

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

(\$ THOUSANDS)	Q1 2020	Q1 2021
Loss from Operations	\$ (70,185)	\$ (114,014)
Add:		
Stock-Based Compensation	\$ 54,107	\$ 193,731
Employer Payroll Taxes Related to Stock-Based Compensation	\$ —	\$ 36,866
Adjusted Operating Income (Loss)	\$ (16,078)	\$ 116,583
Adusted Operating Margin	(7%)	34%

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)	Q1 2020		Q1 2021	
Gross Profit	\$	165,033	\$	267,123
Add: Stock-Based Compensation	\$	8,068	\$	15,977
Adjusted Gross Profit	\$	173,101	\$	283,100
Adjusted Gross Margin		75%		83%

Reconciliation of Loss from Operations to Contribution Margin

(\$ THOUSANDS)	Q1 2020	Q1 2021
Loss from Operations	\$ (70,185)	\$ (114,014)
Add:		
Research and Development Expenses, Excluding Stock-Based Compensation	\$ 50,768	\$ 60,597
General and Administrative Expenses, Excluding Stock-Based Compensation	\$ 58,221	\$ 63,975
Stock-Based Compensation	\$ 54,107	\$ 193,731
Contribution	\$ 92,911	\$ 204,289
Contribution Margin	41%	60%

Reconciliation of Revenue to Billings

(\$ THOUSANDS)	Q1 2020		Q1 2021	
Revenue	\$	229,327	\$	341,234
Plus: change in contract liabilities	\$	(125,473)	\$	20,567
Billings	\$	103,854	\$	361,801



Appendix B

In the US and the UK, we have had the privilege to help the government combat the pandemic.

Example ⁰¹

Built a no-code PPE distribution application in Foundry in two days



Example ⁰²

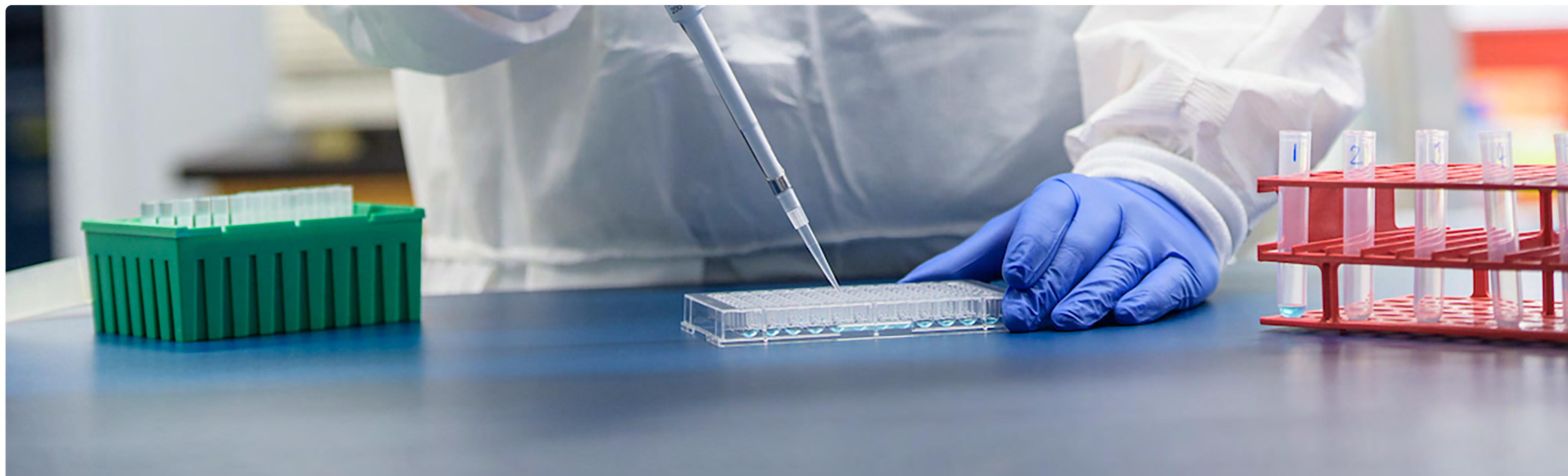
Used software-defined data integration to manage capacity and inventory across 6,000 hospitals within weeks



Congratulations to the NIH's National Center for Advancing Translation Sciences for the ongoing work in combatting the long-term effects of COVID-19 – and for reaching a milestone of 1.5+ million COVID-19 patients in their secured data asset.

[↗ READ MORE](#)

[↗ WATCH DEMO](#)



Congratulations to the World Food Programme for winning the 2021 Franz Edelman Award for their work delivering food assistance amidst the pandemic.

[↗ READ MORE](#)



Congratulations to PEO EIS's Army Vantage program, part of the Army Data and Analytics Platforms portfolio, for having been named a winner of the American Council for Technology – Industry Advisory Council (ACT-IAC) 2021 Innovation Awards.

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