

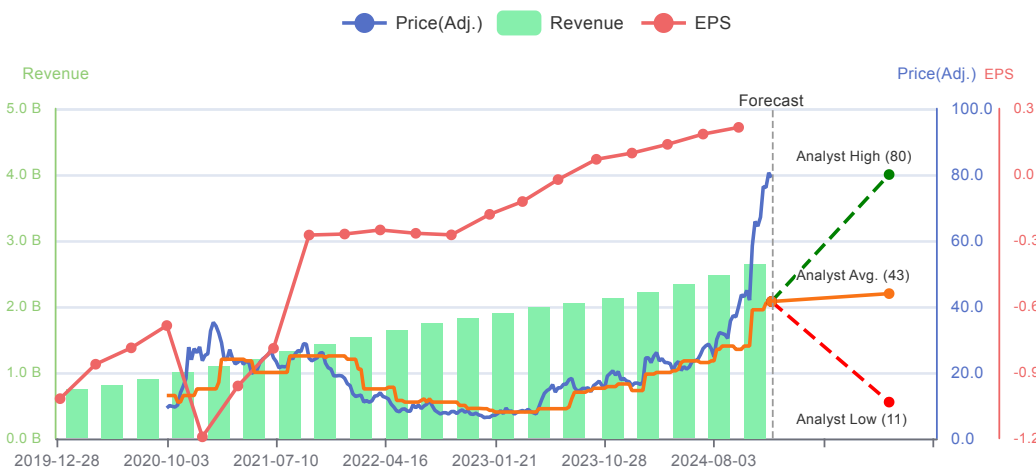
Key Indicators:

🕒 Date: Dec 31, 2024

Stock Price	\$77.2	EPS Actual	0.25	Beta (5Y)	2.87
Upside	-\$36.8	EPS Estimate	0.41	Revenue	2.6B
Fair Value	\$40.4	EPS Revisions (90d)	↑ 12 ↓ 0	Revenue Forecast	2.8B
52-Week Range	\$15.7 - \$84.8	PEG Ratio	1.94	1-Year Change	349.5%
Market Cap	175.8B	FCF Yield	0.56	Div Yield	0%
P/E Ratio	368.9	EV / EBITDA	431.5	Div. Growth Streak	-
P/E (Fwd.)	187.3	Book / Share	2.01	Next Earnings	2025-02-12

5-Year Chart

Financial Health



**8.5/10**  
Growth Rating

Progress bar: [Red] [Orange] [Yellow] [Green] [Green]

**6.6/10**  
Profitability Rating

Progress bar: [Red] [Orange] [Yellow] [Green] [Green]

**8.2/10**  
Cash Flow Rating

Progress bar: [Red] [Orange] [Yellow] [Green] [Green]

Financial health is determined by ranking the company on over 100 indicators compared to other companies in its sector that operate in similar economic markets.

Executive Summary

Palantir Technologies, a **leading artificial intelligence and data analytics company**, has established itself as a pivotal player in both government and commercial sectors, with particularly strong presence in the United States. The company has demonstrated **remarkable financial performance**, reporting a 30% year-over-year revenue growth in Q3 2024, with U.S. business surging 44%. Operating with impressive 81.1% gross margins and no debt, Palantir maintains a **robust financial position** that has earned it inclusion in the S&P 500. The company's customer base has expanded significantly to 629 clients, representing a 39% increase, while maintaining an adjusted operating margin of 38%. Palantir's **strategic positioning** is strengthened by its established relationships with government agencies, evidenced by a recent \$400.7M U.S. Army contract. The company has formed notable partnerships, including a strategic alliance with Anduril Industries to enhance AI capabilities in national security applications. Wedbush analysts have identified Palantir as a potential major player comparable to Oracle over the next decade, particularly in the U.S. commercial sector. However, investors should note several **risk factors**. The company faces high valuation multiples compared to peers, significant customer concentration with top three clients accounting for 18% of 2023 revenue, and potential challenges from intense competition in the AI market. Regulatory concerns regarding data privacy and AI ethics, along with possible changes in government spending priorities, pose additional risks. Looking ahead, Palantir has **raised its full-year revenue guidance to \$2.807 billion**, indicating a 26% growth rate. The company's expansion into new commercial sectors and international markets, coupled with growing demand for AI solutions across industries, positions it favorably for continued growth, despite economic uncertainties affecting software spending.

Valuation

Reporting Date	2021	2022	2023	2024	2025
Period Ending	31/12	31/12	31/12	31/12	31/12
Capitalization	36.5B	13.4B	37.4B	175.8B	175.8B
P/E Ratio	-71.2	-23.8	253.6	187.3	147.7
Div. Yield	0	0	0	0	-
Capitalization / Revenue	25.5	7.30	17.6	62.6	50.7
EV / Revenue	23.9	6.08	16.2	61.1	49.4
EV / EBITDA	-62.5	-60.7	497.8	157.6	123.2
EV / FCF	-73.1	-28.8	-3,307	-	-
FCF Yield	0.58	1.48	1.27	-	-
Price / Book	16.2	5.60	11.7	39.1	-

- Forecast

Analyst Projections:

Analyst EPS Forecasts

Period Ending	Average	YoY Growth	Forward P/E	# of Analysts
2024	0.41	51.8%	187.3x	21
2025	0.52	25.2%	147.7x	21
2026	0.64	19.8%	120.2x	12

Latest Ratings

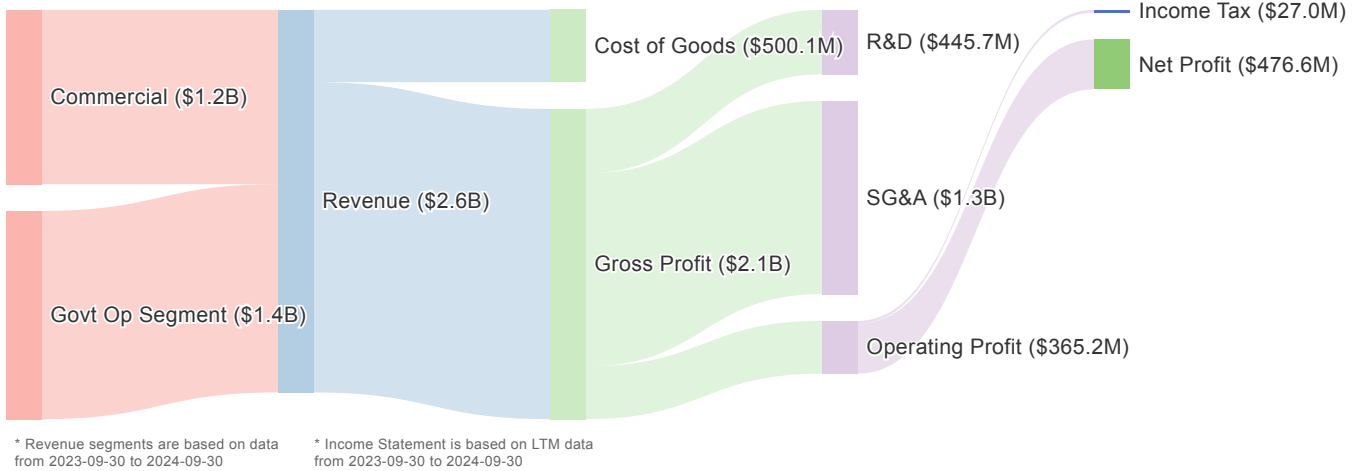
Date	Analyst	Rating	Target
Dec 12, 24	Baird		\$70.00
Nov 5, 24	D.A. Davidson		\$47.00
Nov 5, 24	William Blair	20% downside	
Oct 29, 24	RBC Capital Markets		\$9.00
Sep 12, 24	Citi Research		\$30.00
Aug 6, 24	Deutsche Bank		\$21.00
Aug 6, 24	D.A. Davidson		\$28.00
Aug 6, 24	Citi Research		\$28.00
Jun 21, 24	Unnamed firm		\$20.00

EPS Revisions Q4 2024



The chart above depicts the trend in analyst earnings per share (EPS) forecasts for the upcoming quarter. Analysts have increased this quarter's expectations by 37.4% for EPS from \$0.08 per share to \$0.11 per share over the last 12 months. The company is expected to report earnings for Q4, 2024, on February 12, 2025.

**Y LTM Financials:**



**Income Statement**

Date	2020	2021	2022	2023	LTM
Revenue	1,092	1,541	1,905	2,225	2,646
Operating Income	-1,173	-411.0	-161.2	120.0	365.2
Net Income to Stockholders	-1,166	-520.4	-373.7	209.8	476.6
Shares Outstanding	1,742	2,004	2,080	2,176	2,278
Diluted EPS	-1.20	-0.27	-0.18	0.09	0.20
EBITDA	-1,159	-396.1	-138.7	153.3	397.7

**Balance Sheet**

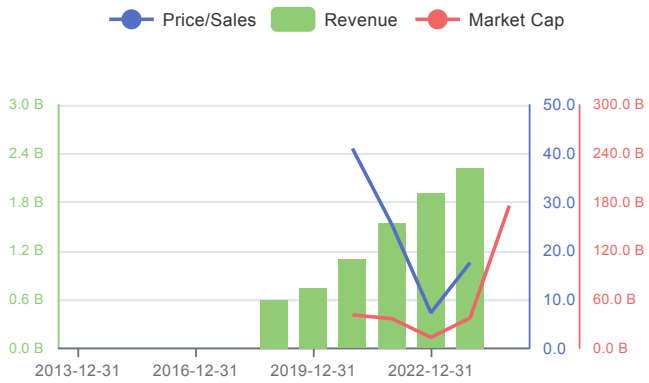
Date	2020	2021	2022	2023	LTM
Total Current Assets	2,257	2,863	3,041	4,138	5,352
Total Assets	2,690	3,247	3,461	4,522	5,768
Total Current Liabilities	603.8	660.1	587.9	746.0	943.5
Total Liabilities	1,168	956.4	818.8	961.5	1,176
Total Equity	1,522	2,291	2,642	3,561	4,591
Total Debt	456.9	260.1	249.4	229.4	254.9

**Cash Flow Statement**

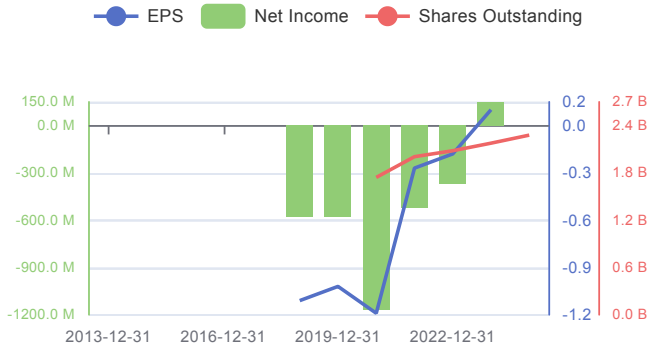
Date	2020	2021	2022	2023	LTM
Cash from Operations	-296.6	333.9	223.7	712.2	994.7
Cash from Investing	-14.9	-397.9	-45.4	-2,711	-1,550
Cash from Financing	1,036	306.7	86.0	218.8	275.9
Levered Free Cash Flow	-308.8	321.2	183.7	697.1	980.3

\*In millions, except number of shares, which are reflected in thousands, and per share amounts.

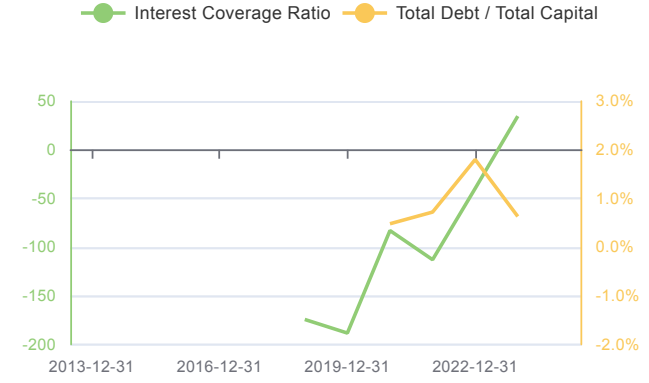
**Revenue, Market Cap, Price/sales**



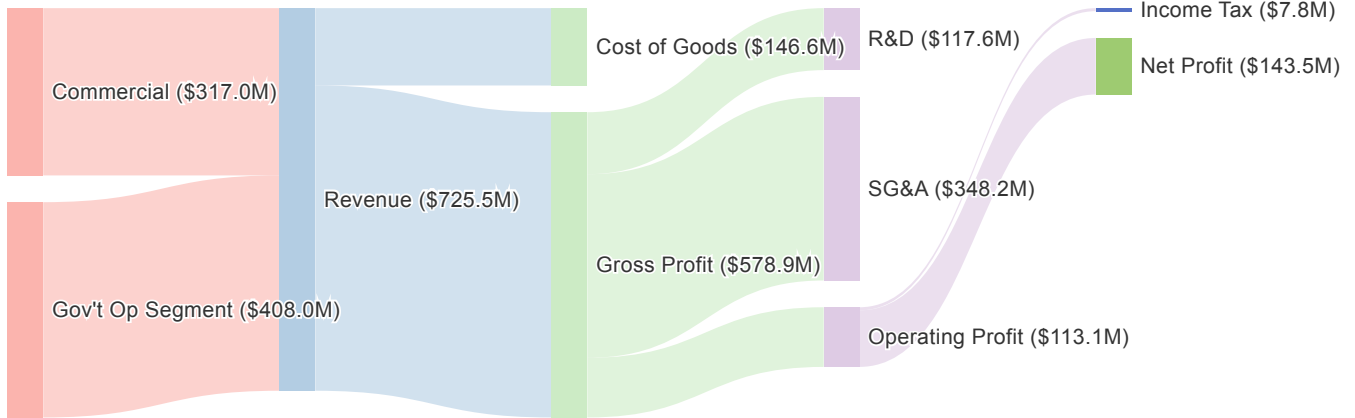
**Net Income, EPS, Shares**



**Leverage and Debt**



Q3 Financials



\* Revenue segments are based on data from 2024-09-30 \* Income Statement is based on LTM data from 2024-09-30

Income Statement

Date	Q3 2023	Q4 2023	Q1 2024	Q2 2024	Q3 2024
Revenue	558.2	608.4	634.3	678.1	725.5
Operating Income	40.0	65.8	80.9	105.3	113.1
Net Income to Stockholders	71.5	93.4	105.5	134.1	143.5
Shares Outstanding	2,151	2,176	2,212	2,226	2,239
Diluted EPS	0.03	0.04	0.04	0.06	0.06
EBITDA	48.6	73.8	89.3	113.4	121.2

Balance Sheet

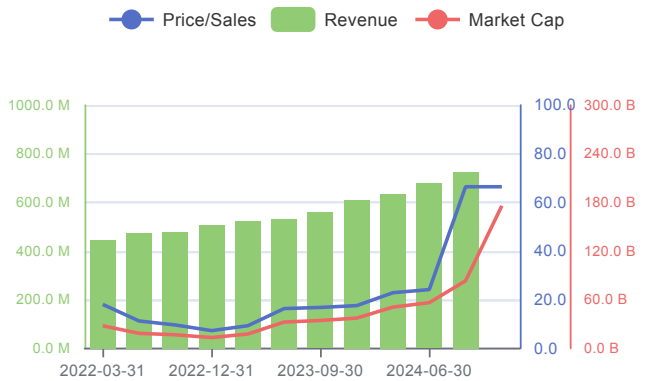
Date	Q3 2023	Q4 2023	Q1 2024	Q2 2024	Q3 2024
Total Current Assets	3,809	4,138	4,436	4,773	5,352
Total Assets	4,193	4,522	4,807	5,191	5,768
Total Current Liabilities	688.9	746.0	750.6	806.9	943.5
Total Liabilities	921.5	961.5	945.9	1,054	1,176
Total Equity	3,271	3,561	3,861	4,137	4,591
Total Debt	236.3	229.4	217.1	258.5	254.9

Cash Flow Statement

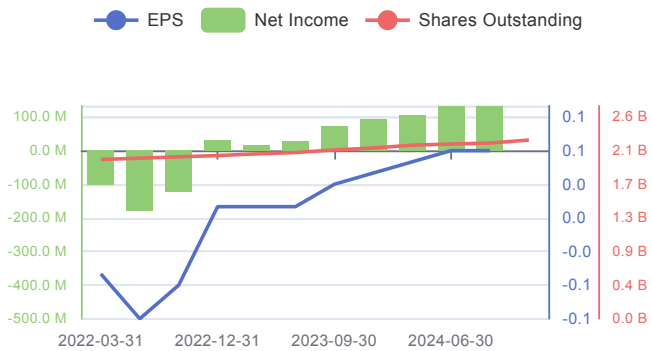
Date	Q3 2023	Q4 2023	Q1 2024	Q2 2024	Q3 2024
Cash from Operations	133.4	301.2	129.6	144.2	419.8
Cash from Investing	-196.3	-569.2	-511.2	-148.9	-320.7
Cash from Financing	50.9	51.2	75.2	-2.0	151.4
Levered Free Cash Flow	131.9	296.3	126.9	141.3	415.8

\*In millions, except number of shares, which are reflected in thousands, and per share amounts.

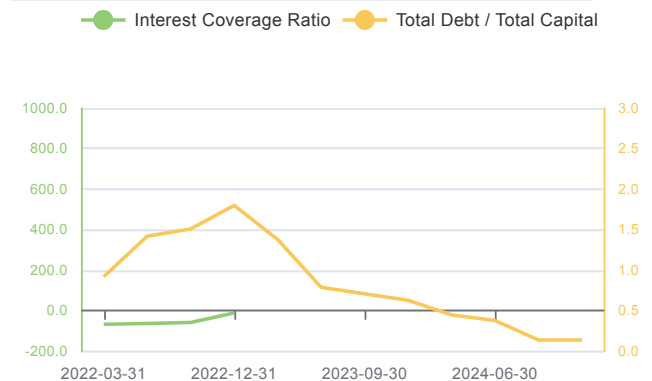
Revenue, Market Cap, Price/sales



Net Income, EPS, Shares



Leverage and Debt





## Latest Wall Street Insights

### Bull Case

- Palantir's strong position in the AI market and its ability to quickly establish production use cases for customers could be a significant driver of future growth.
- As organizations increasingly seek to leverage AI for business insights and decision-making, Palantir's expertise in data integration and security may give it a competitive edge.
- The company's AIP platform has already shown promising results, and continued innovation in this area could lead to sustained growth and market share expansion.
- Palantir's success in growing its U.S. commercial revenue and customer count suggests potential for further expansion in this sector.
- The company's ability to upsell existing customers and attract new ones through its AI boot camps and AIP initiatives demonstrates a strong go-to-market strategy.
- If Palantir can continue to replicate its success across various industries and geographies, it could diversify its revenue streams and reduce reliance on government contracts.

### Bear Case

- There are concerns about the sustainability of Palantir's growth in government contracts, as government spending priorities can shift, and changes in administration or budget allocations could impact Palantir's revenue stream.
- The "lumpiness" of government contracts may lead to inconsistent revenue recognition, potentially affecting the company's ability to meet quarterly expectations.
- Palantir's high valuation multiple raises questions about whether the stock price accurately reflects the company's future prospects.
- Some analysts argue that the current valuation leaves little room for error and may not adequately account for potential challenges such as increased competition or economic downturns.
- The broader enterprise software sector has faced headwinds, with even top SaaS vendors experiencing underperformance, which could signal challenges ahead for Palantir.

### Additional Analyst Takeaways

- Palantir's stock price has soared to \$76.07, delivering a 343% return year-to-date, with the company now valued at \$173.29 billion.
- In Q3 2024, Palantir's total revenue growth accelerated to 30.0%, maintaining a five-year revenue CAGR of 30%.
- The company's gross profit margin of 81.1% underscores its operational efficiency.
- U.S. government sector revenue increased by 39.7% year-over-year in Q3.
- Palantir's U.S. commercial revenue grew by 54.3% year-over-year in Q3, with the customer count increasing by 69% compared to the previous year.
- The company recently secured a \$480 million Department of Defense deal over five years.
- Palantir's management has set a goal of reaching a billion-dollar run-rate by 2025 for U.S. commercial revenue.
- As of December 2024, Palantir trades at a P/E ratio of 347x and significantly above its InvestingPro Fair Value estimate.
- Analysts project total revenue growth of 26% in 2024 and 24% in 2025, reaching \$3.5 billion.
- Adjusted operating income is forecast to reach \$1.3 billion in 2025.
- In Q3 2024, adjusted operating and free cash flow margins were 38.0% and 59.9%, respectively.
- Palantir ended Q3 with \$4.6 billion in cash and no debt.

## SWOT Analysis

### Strengths

- Strong AI capabilities and expertise in data integration
- Established relationships with government agencies
- Robust financial position with high margins and no debt
- Proven ability to secure large-scale contracts

### Weaknesses

- High valuation compared to peers
- Customer concentration risk with top three customers accounting for 18% of 2023 revenue
- Inconsistent revenue recognition from government contracts
- Significant founder control that could exceed 49.9999% in certain scenarios

### Opportunities

- Growing demand for AI solutions across industries
- Expansion into new commercial sectors and international markets
- Potential for upselling and cross-selling to existing customers
- Increasing focus on data security and privacy driving demand for Palantir's solutions

### Threats

- Intense competition in the AI and data analytics market
- Potential changes in government spending priorities
- Economic uncertainties affecting software spending
- Regulatory challenges related to data privacy and AI ethics

## Pro Tips

Tips that distill complex financial data into concise, actionable investment insights.

- 👉 Net income is expected to grow this year
- 👉 12 analysts have revised their earnings upwards for the upcoming period
- 👉 Impressive gross profit margins
- 👉 Cash flows can sufficiently cover interest payments
- 👉 High return over the last year
- 👉 Liquid assets exceed short term obligations
- 👉 Strong return over the last month
- 👉 Strong return over the last three months
- 👉 Analysts predict the company will be profitable this year
- 👉 Profitable over the last twelve months
- 👉 Large price uptick over the last six months
- 👉 High return over the last decade
- 👉 Strong return over the last five years

- 👎 Trading at a high earnings multiple
- 👎 Stock price movements are quite volatile
- 👎 Trading at a high EBIT valuation multiple
- 👎 Trading at a high EBITDA valuation multiple
- 👎 Trading at a high revenue valuation multiple
- 👎 Trading at a high Price / Book multiple
- 👎 Operates with a moderate level of debt
- 👎 Does not pay a dividend to shareholders

## Momentum & Technical Indicators

Price Momentum				Peers		Technical Summary
Metric	PLTR	Percentile	Score	AI	RAMP	
Price % of 52 Week High	96.8%	92.9%	4.6	78.3%	71.5%	<p><b>Strong Buy</b></p>
1 Month Price Total Return	46.5%	96.5%	4.8	-5.1%	0.5%	
1 Week Price Total Return	5.8%	81.0%	4.0	-1.2%	-1.2%	
1 Year Price Total Return	244.5%	99.5%	5.0	22.9%	-19.4%	
2 Week Price Total Return	8.3%	85.7%	4.3	-17.7%	-4.3%	
2 Year Price Total Return	803.0%	100%	5	215.4%	30.2%	
3 Month Price Total Return	113.2%	100%	5	45.6%	23.2%	
3 Week Price Total Return	18.4%	90.6%	4.5	-15.4%	-4.8%	
3 Year Price Total Return	212.6%	98.6%	4.9	12.9%	-36.4%	
4 Year Price Total Return	137.7%	89.9%	4.5	-74.6%	-58.3%	
5 Year Price Total Return	592.0%	98.9%	4.9	-61.8%	-36.5%	
6 Month Price Total Return	212.9%	100%	5	21.9%	-1.4%	

Moving Averages			
<p><b>Buy</b></p>			

Technical Indicators			
<p><b>Strong Buy</b></p>			

The Moving Average Score is based on various moving averages, both simple and exponential, with ranges from 5 to 200.

The Technical Score is calculated based on key technical indicators, including RSI, Stochastic, MACD, Williams %R, CCI, ATR, Highs/Lows, Ultimate Oscillator, ROC, and Bull/Bear Power, among others.

## Peer Benchmarks:

### Market and Yield Metrics

Metric	PLTR	AI	RAMP
Market Cap	175.8B	\$4.6B	\$2.0B
Price % of 52 Week High	91.0%	78.3%	71.5%
Div Yield	0%	0%	0%
Beta	2.87	1.99	0.97
1 Year Return	349.5%	22.9%	-19.4%

### Growth Metrics

Metric	PLTR	AI	RAMP
Revenue Growth	24.5%	21.7%	13.8%
Revenue CAGR (5y)	30.2%	27.7%	18.2%
Net Income Growth	223.5%	-4.61%	104.9%
Net Income CAGR (5y)			-59.0%
Revenue Forecast CAGR (5y)	22.7%	33.1%	13.0%
Net Income Forecast CAGR (5y)	57.8%		89.8%

### Financial Statement Metrics

Metric	PLTR	AI	RAMP
Revenue	\$2.6B	\$346.5M	\$707.2M
Gross Profit	2.1B	206.9M	511.5M
Operating Income	\$365.2M	-\$312.7M	\$10.6M
Gross Profit Margin	81.1	59.7	72.3
Net Income to Common	\$476.6M	-\$274.4M	\$1.4M
ROE	12.4	-31.0	0.16
ROI	7.52	-21.8	0.90
ROA	9.80	-25.9	0.24
Total Assets	5.8B	\$1.0B	\$1.2B
Total Debt	254.9	\$5.5M	\$39.0M

### Valuation Metrics

Metric	PLTR	AI	RAMP
P/E Ratio (LTM)	368.9	-16.6	1,379
PEG Ratio	1.94	-4.86	13.2
Price / Book	39.1	5.30	2.14
Price / LTM Sales	66.4	13.1	2.82
Analyst Upside	-46.2%	12.6%	30.6%
Fair Value Upside	-47.7%	-13.0%	28.7%



## Earnings Call - Q3 2024

Date: 11/04/24

- Palantir reported a 30% year-over-year revenue growth for Q3 2024, driven by increased AI demand.
- U.S. business grew by 44%, with government and commercial sectors growing by 40% and 54%, respectively.
- Full-year revenue guidance raised to \$2.807 billion, indicating a 26% growth rate.

- Adjusted operating margin improved to 38%, with customer count rising to 629, a 39% increase.
- Palantir was added to the S&P 500, reflecting its sustained profitability.

### Bullish Highlights

- Adjusted operating margin marked the eighth consecutive quarter of expansion at 38%.
- Projections of over \$1 billion in adjusted free cash flow for 2024.
- Significant contract wins in government and commercial sectors, with a total contract value of \$1.1 billion, up 33% year-over-year.
- U.S. Commercial revenue guidance was raised to exceed \$687 million, indicating at least a 50% growth.

### Bearish Highlights

- International commercial revenue contracted by 7% sequentially.

### Q&A Highlights

- CEO Alex Karp emphasized managing large language models through Palantir's infrastructure.
- Focus on deep relationships with high-impact clients over a broad customer base.
- Boot camp program effectively converting potential customers to substantial deals.
- Noted market divide between companies quickly adopting AI and those that do not.
- Commitment to enhancing AI capabilities while maintaining profitability amidst macroeconomic challenges.

### Misses

- Strategic commercial contracts now contribute only 1% of revenue and are deemed no longer relevant.





Top News, last 60 days:

**Wedbush Identifies Key Software Companies Poised for AI Growth in 2025**

December 27, 2024

- Wedbush analysts predict significant growth in the software sector driven by enterprise adoption of generative AI and LLMs beginning in 2025.
- Palantir Technologies is highlighted as a potential major player comparable to Oracle over the next decade, with expected strong growth in U.S. commercial business over next 1218 months.
- Salesforce's AI platform Agentforce 2.0 is expected to impact the \$7 trillion digital labor market, with analysts projecting an \$80 per share value addition in next 1218 months.
- Additional companies positioned to benefit from AI growth include Oracle, IBM, Snowflake, MongoDB, Elastic, and Pegasystems.

Importance - 7/10 Positive 📈

**Palantir Stock Hits Record High of \$80.98, Market Cap Reaches \$183.5B Amid Strong Growth**

December 23, 2024

- Palantir stock reaches alltime high of \$80.98, with 362.67% increase over past year and market cap of \$183.5B
- Company reports 24.5% YoY revenue growth with 81.1% gross margins
- Secures \$400.7M U.S. Army contract for data platform services
- Partners with Pray.com for translation capabilities and launches Warp Speed initiative with Anduril, L3Harris, Panasonic
- Analysts divided: UBS initiates neutral rating while William Blair maintains underperform, citing concerns about \$4.5B revenue target

Importance - 7/10 Positive 📈

**Palantir and Anduril Form Strategic Partnership to Advance AI in National Security**

December 09, 2024

- Palantir and Anduril announce partnership to enhance U.S. government's AI capabilities in national security applications
- Partnership addresses two key challenges: data readiness at tactical edge and largescale AI processing for defense applications
- Anduril's Lattice software and Menace systems will handle edge computing and data collection, while Palantir's AI Platform will manage cloudbased processing
- Integration combines Palantir's Maven Smart System for mission command and Anduril's Lattice platform for edgebased autonomy
- Partnership open to expansion with other industry partners to maintain U.S. leadership in defense technology

Importance - 7/10 Positive 📈

**Palantir and Anduril Form Strategic Partnership for Defense AI Training**

December 06, 2024

- Palantir Technologies and Anduril Industries announce partnership to leverage defense data for AI training
- Partnership combines Palantir's AI platform for data structuring with Anduril's defense data distribution systems
- Collaboration aims to address challenges in deploying AI models at scale with government defense partners
- Follows Anduril's recent partnership with OpenAI for national security missions
- Anduril, founded in 2017, specializes in autonomous defense solutions and tactical robotics

Importance - 7/10 Positive 📈



### Palantir and Shield AI Partner to Advance Military Autonomous Flight Technology

December 05, 2024

- Palantir Technologies and Shield AI formed strategic partnership to develop AI-powered autonomous flight capabilities for military operations
- Partnership integrates Shield AI's Hivemind autonomous system with Palantir's realtime intelligence platforms including Gaia
- Technology will enable pilotless aircraft to process both local sensor data and remote information sources
- China responded by imposing sanctions on Shield AI and 12 other U.S. military companies following Shield AI's VBAT drone showcase in Taiwan
- Development follows similar partnership between Anduril Industries and OpenAI for ant drone systems, highlighting growing AI role in U.S. military strategy

Importance - 7/10   Positive 📈

### Palantir Stock Hits Record High of \$67.88 Amid Strong Growth and Federal Authorization

December 03, 2024

- Palantir stock reached alltime high of \$67.88, reaching \$153B market cap with 286% YTD return
- Secured FedRAMP High Authorization for handling sensitive U.S. Government data
- Reported 30% YoY revenue increase, raised fullyear guidance to \$2.807B (+26% YoY)
- Announced transfer from NYSE to Nasdaq Global Select Market
- Mixed analyst reactions: BofA and Wedbush raised targets, while Argus and Jefferies downgraded on valuation

Importance - 7/10   Positive 📈

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