

EQUITY | In-Line | PLTR

Palantir Technologies Inc. (PLTR)

Palantir Technologies’ 93% Revenue Surge — Is The AI Growth Engine Still Accelerating?

STOCK RATING	OUTPERFORM	INDUSTRY VIEW	IN-LINE	QUARTERLY COVERAGE
PRICE TARGET	\$200.0	CURRENT PRICE	\$171.50	DATE: AUGUST 20, 2026
52-Week High	\$207.52	52-Week Low	\$106.37	NASDAQ: PLTR
Shares Outstanding	2,403.06 MM	Avg Daily Vol (3M)	42.80 MM	Equity In-Line

Report Objectives

Baptista Research (<https://baptistaresearch.com/analysis/>) looks to evaluate the different factors that could influence the company's price in the near future and attempts to carry out an independent valuation of the company using a Discounted Cash Flow (DCF) methodology. In this report, we have carried out a fundamental analysis of the historical financial statements of the company. We have added reasonable forecasts of the annualized income statement and cash flows and carried out a DCF valuation of the company using its Weighted Average Cost of Capital (WACC) to determine a forecasted share price. We have further incorporated a sensitivity analysis/ scenario analysis to understand how changes in key assumptions could impact the valuation under 3 scenarios - a base case, a bull case, and a bear case. These additional layers of analysis serve to provide a comprehensive and robust valuation, giving investors a nuanced understanding of the inherent risks and opportunities.

Corporate Overview

Palantir Technologies Inc. builds and deploys software platforms for the intelligence community to assist in counterterrorism investigations and operations in the United States, the United Kingdom, and internationally. It provides Palantir Gotham integrates with other platforms for defense offerings which enables users to see, understand, and act in the modern battlespace; operations centers to the tactical edge; integrating data from domains and sensors in near real-time; and situational awareness and accelerating operational decision-making, as well as facilitates the hand-off between analysts and operational users, helping operators plan and execute real-world responses to threats that have been identified within the platform. The company also offers Palantir Foundry, a platform that helps organizations operate by creating a central operating system for their data; and allows individual users to integrate and analyze the data they need in one place. In addition, it provides Palantir Apollo, a software that delivers software and updates across the business, as well as enables customers to deploy their software virtually in any environment; and Palantir Artificial Intelligence Platform that provides unified access to open-source, self-hosted, and commercial large language models (LLMs) that can transform structured and unstructured data into LLM-understandable objects and can turn organizations' actions and processes into tools for humans and LLM-driven agents. The company also has a strategic partnership with Ondas Inc. to develop and deploy AI-enabled operational capabilities to scale stratospheric, aerial, and land-based ISR missions. The company has a strategic collaboration with NVIDIA to deliver an intelligent engine for running NVIDIA AI and Nemotron open models in sovereign environments. The company was incorporated in 2003 and is headquartered in Aventura, Florida.

Stock Price Chart — One-Year Performance

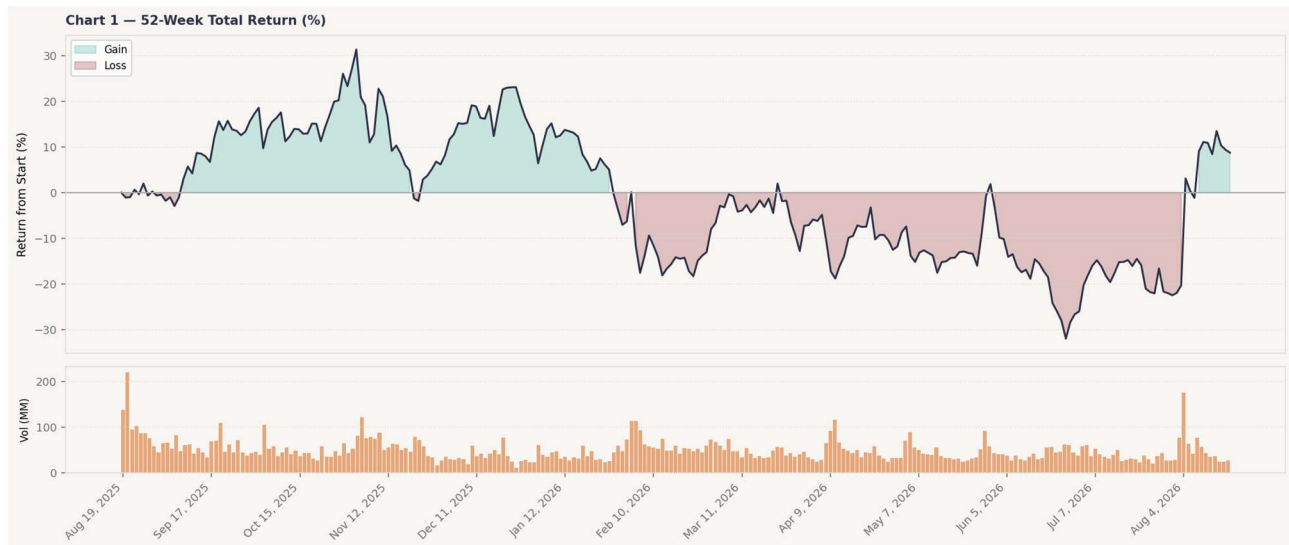


Chart 1 — 52-Week Price & Volume: Colour Bar (Up/Down). 52-Week High: \$207.52 | 52-Week Low: \$106.37 | Avg Daily Volume (3M): 42.80 MM

- Palantir's current price of \$171.50 represents a **17.4% pullback from its 52-week high of \$207.52**, suggesting the stock has entered a consolidation or corrective phase after what was likely a strong momentum-driven advance, warranting close attention to whether this retracement stabilizes at technically significant support levels or accelerates further downward.
- The spread between the 52-week low of \$106.37 and the 52-week high of \$207.52 implies a **peak-to-trough range of approximately 95%**, reflecting exceptional volatility relative to broader market benchmarks and indicating that PLTR continues to trade with a high-beta, sentiment-driven profile characteristic of growth and AI-thematic equities.
- At its current price of \$171.50, Palantir sits **approximately 61% above its 52-week low of \$106.37**, which demonstrates meaningful underlying demand and suggests that long-term buyers have been active on dips, providing a constructive base even as the stock retreats from its recent peak.
- The **average three-month daily volume of 42.80 million shares** signals exceptionally high retail and institutional participation, and any sustained move either toward the \$207.52 resistance high or below near-term support levels should be evaluated in the context of whether volume is expanding or contracting, as volume confirmation would be critical in validating the directional conviction of any breakout or breakdown.

Institutional Holders & Insider Activity

Top 10 Institutional Shareholders



Chart 2 — Top 10 Institutional Holders: horizontal bar chart (% of shares held, sorted descending) + QoQ change annotation.

- The top five institutional and insider holders collectively control approximately **21.34%** of Palantir's outstanding shares, suggesting a relatively dispersed ownership structure for a company of this scale, which limits the concentration risk typically associated with a small number of dominant shareholders exerting outsized influence over corporate governance.
- Vanguard Capital Management leads the institutional pack with a **6.35%** stake, followed closely by BlackRock Institutional Trust at 5.51% and State Street at 4.54%, a pattern consistent with passive index-fund dominance that reflects Palantir's growing inclusion in major benchmark indices following its S&P 500 addition, and implies that ownership changes among these holders will largely track index rebalancing rather than active conviction-based positioning.
- The presence of Peter Thiel, a co-founder, with a **2.99%** ownership stake among the top five holders is a notable structural feature, as insider ownership at this level aligns management incentives with long-term shareholder value but also introduces potential headline and liquidity risk should he choose to reduce his position through block trades or planned selling programs.

- At a current market capitalization of approximately **[[412.12 billion dollars]]** implied by the \$171.50 share price and 2,403.06 million shares outstanding, even a 1% shift in positioning by any of the top three passive institutional holders would represent a transaction of over four billion dollars, underscoring the significant market-moving potential of institutional rebalancing events in this name.

Recent Insider Transactions

Insider	# Shares	Price (\$)	Date	Title	Type	Filing
Sankar (Shyam)	-294,502	—	8/11/26	Officer	DIR	Form 4
Sankar (Shyam)	-55,498	—	8/10/26	Officer	DIR	Form 4
Sankar (Shyam)	-2,035	157.44	8/6/26	Officer	DIR	Form 4
Sankar (Shyam)	-7,976	156.78	8/6/26	Officer	DIR	Form 4
Sankar (Shyam)	-16,063	155.74	8/6/26	Officer	DIR	Form 4
Sankar (Shyam)	-6,191	154.65	8/6/26	Officer	DIR	Form 4
Sankar (Shyam)	-2,735	153.40	8/6/26	Officer	DIR	Form 4
Sankar (Shyam)	35,000	—	8/6/26	Officer	DIR	Form 4
Sankar (Shyam)	0	—	8/6/26	Officer	UNK	Form 144
Stat Lauren (Elaina Friedman)	-3,032	165.00	8/5/26	Director	DIR	Form 4

Results Summary & Investment Thesis

Palantir Technologies reported exceptionally strong results in the second quarter of fiscal 2026, marked by a 93% year-over-year revenue growth, the highest in the company's history, and a significant acceleration in its U.S. business. U.S. revenue accounted for over 81% of total revenue and grew 115% year-over-year, driven by 149% growth in U.S. commercial revenue and 90% growth in U.S. government revenue. The company closed a record number of large deals, including 220 deals worth \$1 million or more, with 98 deals above \$5 million and 73 deals exceeding \$10 million. Total commercial bookings reached over \$2.3 billion, reflecting strong demand for Palantir's AI platform, especially relating to sovereign AI—where customers maintain full control of their data, logic, and security.

Palantir emphasized its differentiation from traditional token-based AI models, positioning its AIP platform as an environment focused on delivering measurable economic value through deep data integration, operational security, and customizable model fine-tuning. The company highlighted the importance of “benchmaking” over “benchmaxing,” allowing customers to create tailored AI benchmarks aligning with their specific business goals. Its platform allows a continuous cycle of improvement driven by enterprise data owned and managed by the customer rather than relying solely on public foundation models. This approach has gained traction in both commercial sectors—including large enterprises in technology, finance, and health—and with government users, particularly within the U.S. Department of Defense.

Financially, Palantir recorded \$1.22 billion in adjusted free cash flow with a 63% margin and GAAP net income surpassing \$1 billion. Adjusted operating margin was 62%, demonstrating ongoing investment in product development, especially in AI capabilities and technical hiring, which increased expenses by 37% year-over-year but supported growth and profitability goals. The company raised its full-year 2026 revenue guidance to over \$8.15 billion, reflecting an 82% year-over-year increase, with U.S. commercial revenue expected to exceed \$3.424 billion (at least 134% growth). Total remaining deal value rose 83% year-over-year to \$13.1 billion, with net dollar retention at 157%, underscoring strong customer engagement and contract expansions.

On the challenges side, Palantir noted the ongoing need for extensive customer education around AI sovereignty and operational control, which requires navigating complex enterprise environments and contractual structures. The company also faces competitive pressures as enterprises increasingly evaluate options around open and closed weight models, contract terms, and deployment modes. While international commercial growth remains modest at 26% year-over-year, U.S. demand has substantially driven overall results. Expense growth, seasonality of hiring, and investments in product and marketing suggest a continued focus on scaling and maintaining profitability. The firm's philosophical emphasis on aligning closely with customer interests contrasts with more commoditized AI offerings but may require sustained effort to scale partnerships and adoption outside the core U.S. government base.

In summary, Palantir Technologies demonstrated strong revenue growth, high contract bookings, and robust profitability metrics largely driven by its sovereign AI platform's appeal to U.S. commercial and government customers. Nonetheless, the company contends with the need to educate a broad market on the complexities of AI sovereignty and operational control, while balancing growth investments and maintaining competitive differentiation in a rapidly evolving AI landscape.

Key Stock Price Influencers

Expanding Sovereign AI Platform and Model Orchestration Capabilities

Palantir Technologies is advancing its AI platform with a strong emphasis on sovereignty, enabling enterprises and government agencies to maintain full control of their data, models, and AI outputs. The company's approach involves fine-tuning and orchestrating AI models within a sovereign stack that grants customers ownership over model weights and "alpha" — the differentiated insights derived from their data. This capability addresses the risk enterprises face when relying on third-party AI labs whose models may be withdrawn or repurposed, potentially causing mission-critical disruptions. Palantir's platform allows customers to switch seamlessly between models, ensuring operational continuity and adaptability. By focusing on sovereign AI, Palantir meets growing demand from organizations seeking to avoid the exposure and competitive risks associated with external AI model dependencies, positioning itself as a critical partner in the emerging enterprise AI infrastructure landscape.

Strong Revenue Growth and Market Penetration in U.S. Commercial and Government Segments

The company reported exceptional revenue growth rates in its key U.S. commercial and government businesses, with quarterly year-over-year growth exceeding 100% in commercial and near 90% in government sectors. Palantir's U.S. commercial customer base expanded by 35% year-over-year, and total contract value bookings continue to accelerate, reflecting widespread adoption of its AI platform by enterprises recognizing the importance of controlling their proprietary data and AI applications. Additionally, revenue from top customers is growing rapidly, indicating deepening integration and reliance on Palantir's technology. This growth is driving substantial increases in remaining deal value and performance obligations, highlighting a strong revenue backlog that supports future top-line performance. This scale and breadth of adoption in diverse government and commercial markets underpin ongoing expansion and provide a solid financial foundation.

Customer Education and Ecosystem Development Through Sovereignty Boot Camps and the American Tech Fellowship

Palantir is actively educating its customers and broader market on the risks and solutions surrounding AI sovereignty, as demonstrated by high-profile sovereign AI boot camps attended by diverse executives seeking practical guidance in managing AI deployment securely. This educational effort facilitates greater market understanding about protecting enterprise value and intellectual property, helping customers migrate from basic Foundry adoption to utilizing the full sovereign AI stack including Ontology and AI orchestration tools. Parallel to this, Palantir's American Tech Fellowship program trains frontline workers and non-traditional technologists to develop AI applications that improve operational efficiencies in manufacturing and other industries. This dual approach of market education and front-line skill development helps build a technical ecosystem that drives adoption and customer stickiness, while enabling Palantir to scale alongside increasing demand for AI solutions rooted in real-world workflows.

Investment in Technical Talent and Product Innovation Driving Efficiency and Scalability

Palantir continues to invest significantly in research and development, hiring elite technical talent to advance its AI platform capabilities and address operational efficiency. The expansion of their cloud hosting infrastructure, despite short-term margin impacts, aims to deliver higher cost certainty to customers and accelerate time to value by enabling faster deployment and seamless scaling of future workflows. The company emphasizes converting AI tokens or raw compute into actual business value by building tailored benchmarks aligned with customer-specific tasks rather than generalized AI performance metrics. This focus on empirical, customer-centric validation supports iterative improvements and harnesses automation to continuously optimize model selection and usage within enterprise environments. These ongoing investments in technology and process innovation underpin Palantir's ability to grow profitably while meeting increasing demand for sovereign, operational AI solutions.

Biggest Challenges Facing The Business

Sovereign AI Control Challenge

Palantir faces the critical challenge of enabling enterprises and government agencies to maintain comprehensive sovereignty over their AI data, models, and outputs. As reliance on third-party AI providers grows, risks such as model withdrawal or repurposing can disrupt mission-critical operations. Palantir's approach to sovereign AI orchestration involves fine-tuning and managing models within a sovereign stack that grants customers ownership over model weights and insights. Ensuring customers can seamlessly switch models to maintain operational continuity is essential to mitigating the risk of external AI dependencies impacting service reliability.

Sustaining Rapid Revenue Growth Risk

While Palantir has achieved exceptional revenue growth and market penetration in both U.S. commercial and government segments, sustaining this momentum entails significant risks. High growth rates, such as over 100% in commercial sectors and nearly 90% in government, require continuous expansion of customer bases and contract values. Maintaining the increasing demand for AI platform adoption and deeper integration by top customers is vital. Failure to capitalize on this strong revenue backlog or to manage related performance obligations effectively could impede Palantir's ability to support future top-line growth.

Customer Education and Ecosystem Expansion Challenge

Establishing an educated and engaged customer base represents a key challenge as Palantir advances sovereign AI adoption. The company's educational initiatives, including sovereign AI boot camps and the American Tech Fellowship, aim to increase understanding of AI risks, operationalize secure AI deployment, and develop front-line skills. However, success depends on these efforts fostering widespread ecosystem development and customer stickiness while enabling migration from basic platform usage to comprehensive sovereign AI capabilities. Insufficient market education or limited skill development could slow adoption and limit scaling of AI solutions embedded in real-world workflows.

Technical Talent Acquisition and Retention Risk

Palantir's growth and platform innovation rely heavily on attracting and retaining elite technical talent in AI and cloud infrastructure development. The company's ongoing investments in research and development and cloud hosting expansion are intended to enhance operational efficiency, scalability, and deployment speed. However, competitive labor markets and the technical complexity of AI solutions pose risks to sustaining the necessary workforce. Inability to secure high-caliber personnel or retain key employees could disrupt product development cycles, delay innovation, and impede delivery of customer value aligned with evolving AI demands.

Delivering Measurable Business Value Through Innovation Challenge

Transforming AI tokens and raw compute resources into tangible business outcomes is a persistent challenge for Palantir. The company emphasizes developing tailored benchmarks based on customer-specific tasks instead of generic AI metrics to validate solution effectiveness empirically. Continuous automation and optimization of model selection within enterprise environments require iterative advancement. Failure to rigorously align AI innovation with operational workflows or to establish clear value metrics risks undermining customer confidence, slowing adoption, and limiting Palantir's ability to scale profitable solutions addressing sovereign and operational AI requirements.

Quarter-on-Quarter Income Statement: YoY Variance Analysis (USD MM)

Particulars	6/30/26	6/30/25	Variance	% Variance
Total Revenues	1,935	1,004	932	92.8%
Cost of Goods Sold	-297	-193	(104)	(53.9%)
Gross Profit	1,639	811	828	102.1%
Operating Income	912	269	643	238.6%
EBITDA	920	276	644	233.6%
Net Income to Common Incl Extra Items	1,062	327	735	225.0%
Diluted EPS Excl Extra Items	0.41	0.13	0.28	215.4%

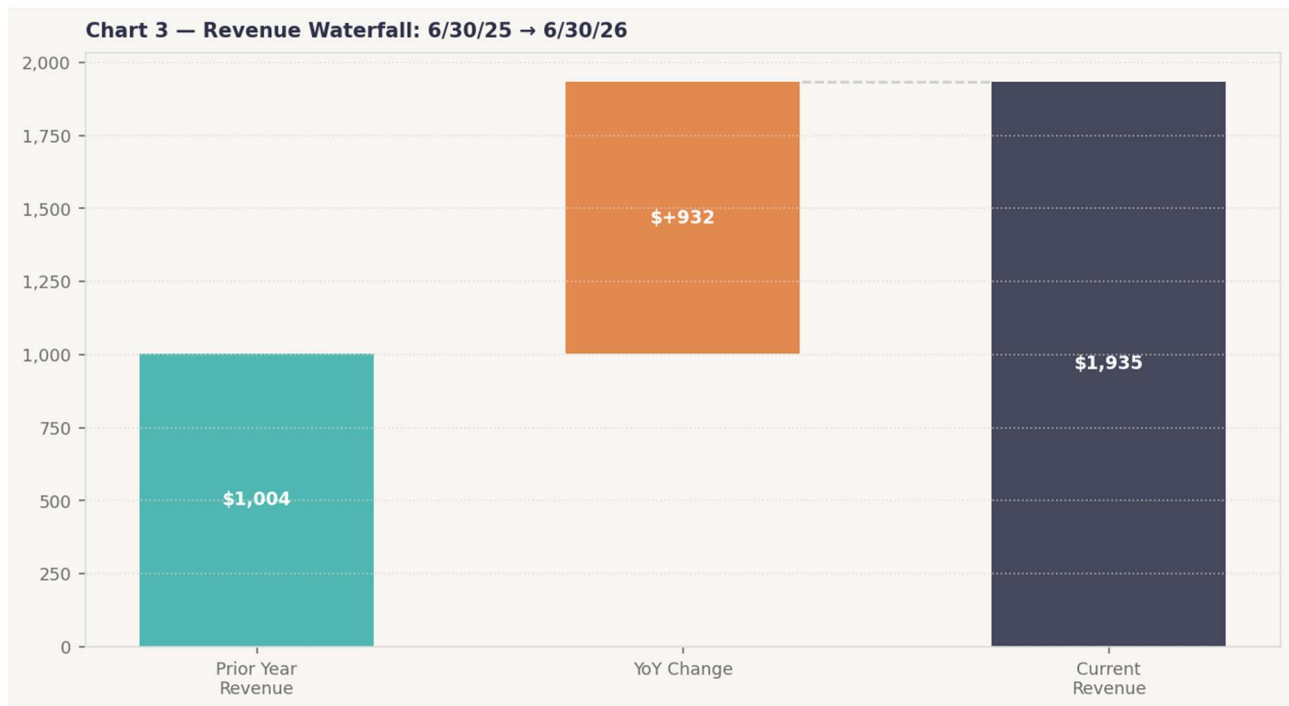


Chart 3 — Revenue YoY Variance: Current vs Prior Year Quarter (USD MM)

- Palantir's top-line growth was exceptionally strong, with revenue nearly doubling from **USD 1,004MM to USD 1,935MM** on a year-on-year basis, reflecting robust demand acceleration across its commercial and government segments.

- Operating leverage was a defining theme in the period, as EBITDA expanded from USD 276MM to **USD 920MM**, implying that margin expansion significantly outpaced revenue growth and suggesting meaningful operating cost discipline relative to the scale of incremental revenues generated.
- Net income growth was particularly notable, rising from USD 327MM to **USD 1,062MM**, a year-on-year increase of approximately 225 percent, with the gap between EBIT of USD 912MM and net income of USD 1,062MM indicating a meaningful below-the-line contribution, potentially from investment gains or favorable tax items, warranting closer examination.

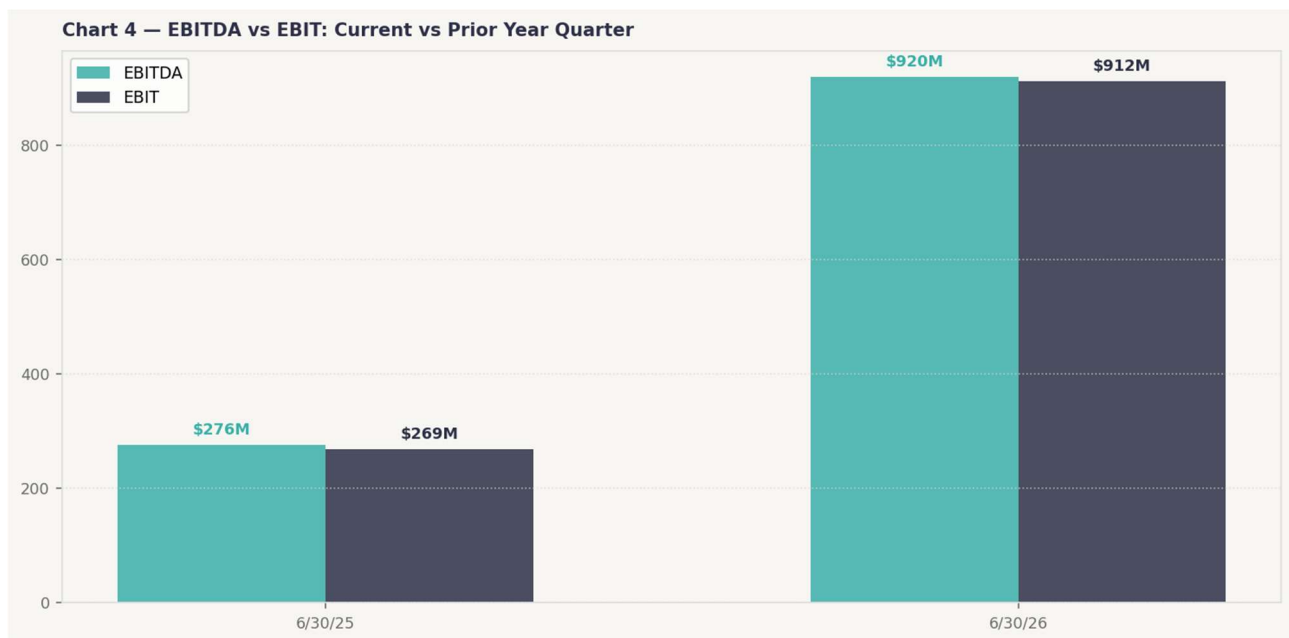


Chart 4 — EBITDA YoY: Grouped Bar + Margin Line (Dual-Axis)

- **Revenue nearly doubled year-on-year to \$1,935MM** from \$1,004MM, representing approximately 93% growth and signaling a sustained acceleration in Palantir's commercial and government contract momentum across the period ending June 30, 2026.
- EBITDA expanded from \$276MM to **\$920MM**, implying a margin improvement of roughly **19 percentage points**, which reflects meaningful operating leverage as the company scales its AI platform deployments without a proportional increase in underlying cost structure.
- Net income of **\$1,062MM for the period ending June 30, 2026** compared to \$327MM in the prior period represents growth of approximately 225%, with net income now exceeding EBIT of \$912MM, suggesting a material contribution from below-the-line items such as investment income or tax benefits that warrants closer investor scrutiny.

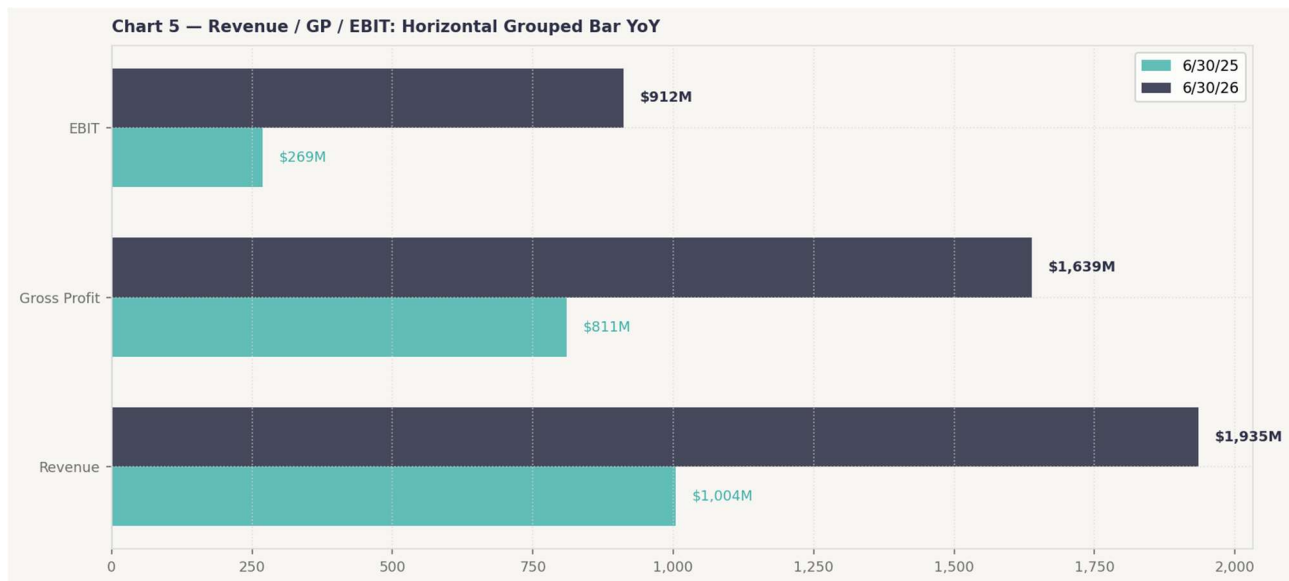


Chart 5 — EBIT & P&L Dumbbell: YoY Change (Prior → Current Quarter)

- Palantir delivered exceptional top-line growth, with revenue nearly doubling from **USD 1,004MM to USD 1,935MM**, reflecting a year-on-year increase of approximately 93% and signaling robust demand acceleration across the company's commercial and government segments.
- Profitability expansion was even more pronounced than revenue growth, as EBITDA surged from USD 276MM to **USD 920MM**, representing a margin improvement that pushed EBITDA margin from roughly 27% to approximately 48%, demonstrating significant operating leverage embedded in Palantir's business model.
- Net income growth was the standout metric in the period, rising from USD 327MM to **USD 1,062MM**, a more than threefold increase that outpaced both revenue and EBITDA growth rates, suggesting that below-the-line items such as interest income or tax benefits provided additional tailwinds beyond core operational improvement.

Quarterly Cash Flow Statement: YoY Variance (USD MM)

Particulars	6/30/26	6/30/25	Variance	% Variance
Cash from Operations	1,216	539	677	125.5%
Capital Expenditure	-15	-8	(7)	(90.7%)
Cash from Investing	-1,483	-617	(866)	(140.3%)
Free Cash Flow	1,202	532	670	126.0%



Chart 6 — OCF: Current vs Prior Year Quarter (USD MM)

- Palantir's operating cash flow surged from \$539MM to **1,216MM**, representing a year-on-year increase of approximately 126%, signaling a dramatic acceleration in the company's ability to convert revenue into cash from core operations.
- Free cash flow followed a near-identical trajectory, expanding from \$532MM to **1,202MM** over the same period, demonstrating that capital expenditure requirements remain minimal and do not meaningfully erode the operating cash generated by the business.

- Capital expenditures increased modestly from \$8MM to **\$15MM**, remaining a negligible fraction of total operating cash flow at roughly 1.2% of OCF in the more recent period, which underscores Palantir's asset-light business model and its capacity to scale without proportionally heavier infrastructure investment.

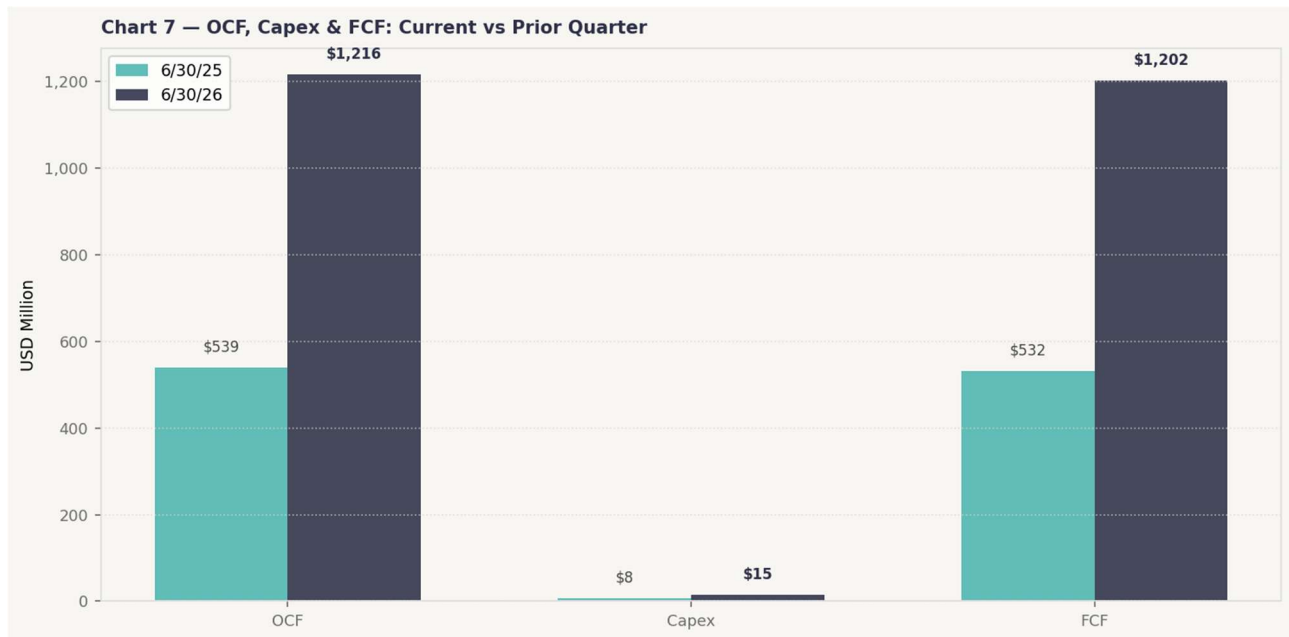


Chart 7 — OCF, Capex & FCF: Current vs Prior Year Quarter (USD MM)

- Palantir's operating cash flow surged from \$539MM to **\$1,216MM**, representing a year-on-year increase of approximately 126%, signaling a dramatic acceleration in the company's ability to convert revenue into cash from core operations.
- Free cash flow followed a similarly compelling trajectory, expanding from \$532MM to **\$1,202MM** over the comparable periods, demonstrating that the operating cash flow gains were not being eroded by meaningful increases in capital expenditure requirements.
- Capital expenditure remained modest and tightly controlled, rising only marginally from \$8MM to **\$15MM**, which underscores Palantir's asset-light business model and suggests that the step-change in cash generation is being driven by operating leverage rather than heavy physical infrastructure investment.

Balance Sheet: YoY Variance Analysis (USD MM)

Particulars	6/30/26	6/30/25	Variance	% Variance
Total Current Assets	11,100	6,890	4,209	61.1%
Total Assets	11,679	7,366	4,313	58.6%
Total Current Liabilities	1,536	1,090	446	40.9%
Total Liabilities	1,794	1,340	454	33.8%
Total Common Equity	9,774	5,929	3,845	64.9%

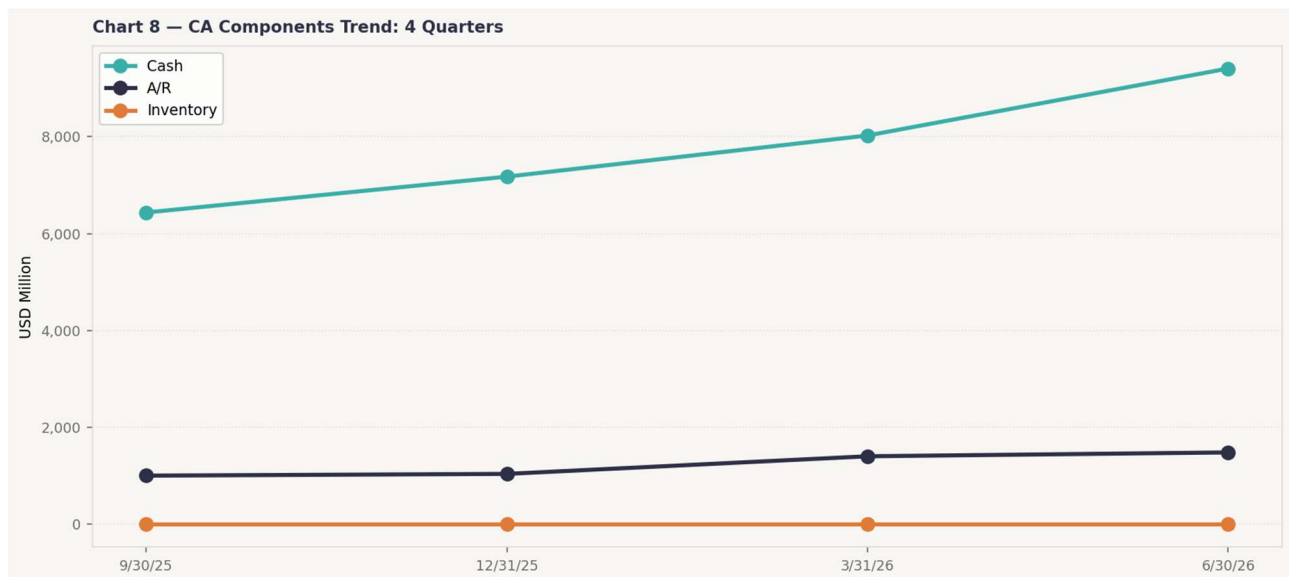


Chart 8 — Current Assets YoY: Chart by Component (USD MM)

- Palantir's total assets expanded sharply from \$7,366MM to **\$11,679MM**, representing a year-on-year increase of approximately 59%, driven predominantly by a surge in current assets from \$6,890MM to \$11,100MM, which suggests a significant buildup of liquid resources — likely reflecting strong cash generation or capital markets activity during the period.
- The company's capital structure remains overwhelmingly equity-funded, with total common equity rising from \$5,929MM to **\$9,774MM** while total liabilities increased only modestly from \$1,340MM to \$1,794MM, underscoring Palantir's continued reliance on a low-leverage model and leaving its debt-to-equity ratio at a very conservative level that provides substantial financial flexibility.

- Liquidity improved materially on both an absolute and relative basis, as the current ratio strengthened from approximately 6.3x to **7.2x** — calculated as total current assets of \$11,100MM divided by total current liabilities of \$1,536MM — indicating that Palantir holds more than seven dollars of short-term assets for every dollar of near-term obligations, a position that affords considerable resilience against operational or macroeconomic stress.
- Palantir's total assets expanded substantially from **\$7,366MM to \$11,679MM** year-on-year, representing growth of approximately 59%, driven almost entirely by a surge in current assets from \$6,890MM to \$11,100MM, suggesting a significant accumulation of liquid resources, likely reflecting strong cash generation or equity capital inflows during the period.
- The company's capital structure remains overwhelmingly equity-funded, with total common equity rising from \$5,929MM to **\$9,774MM**, while total liabilities grew only modestly from \$1,340MM to \$1,794MM, resulting in a low leverage profile and a debt-to-equity ratio that continues to favor financial stability and long-term balance sheet resilience.
- Liquidity improved markedly over the period, with the current ratio strengthening from approximately 6.3x to **7.2x** as current assets of \$11,100MM dwarfed current liabilities of \$1,536MM, underscoring Palantir's exceptional short-term financial flexibility and its capacity to fund operations, investments, or strategic initiatives without reliance on external financing.

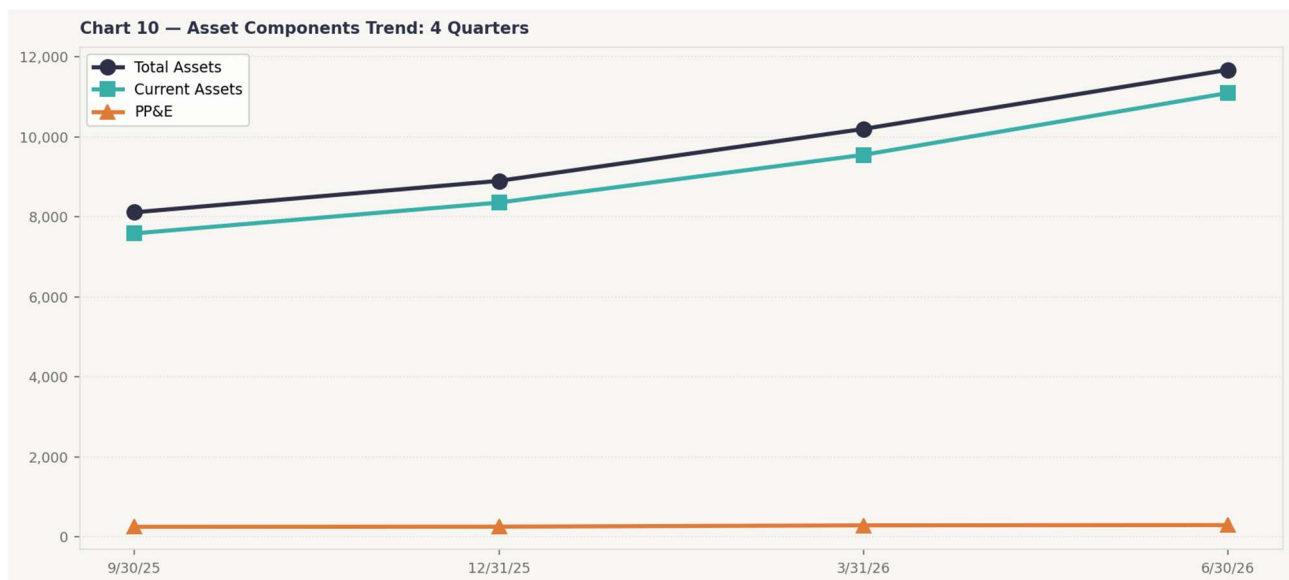


Chart 10 — Total Assets: 100% Stacked Bar (YoY Composition)

- Palantir's total assets expanded sharply from \$7,366MM to **\$11,679MM**, representing a roughly 59% year-on-year increase driven almost entirely by a surge in current assets from \$6,890MM to \$11,100MM, suggesting a significant buildup of liquid resources, likely from equity issuances or operating cash generation.
- The company's capital structure remains overwhelmingly equity-funded, with total common equity rising from \$5,929MM to **\$9,774MM** while total liabilities grew only modestly from \$1,340MM to \$1,794MM, reinforcing Palantir's conservative, debt-light balance sheet posture and its continued reliance on shareholder capital rather than leverage.
- Liquidity strengthened considerably as the current ratio improved from approximately 6.3x to **7.2x** (current assets of \$11,100MM against current liabilities of \$1,536MM), with current liabilities remaining a small fraction of total assets, indicating that near-term obligations pose virtually no financial stress to the business.

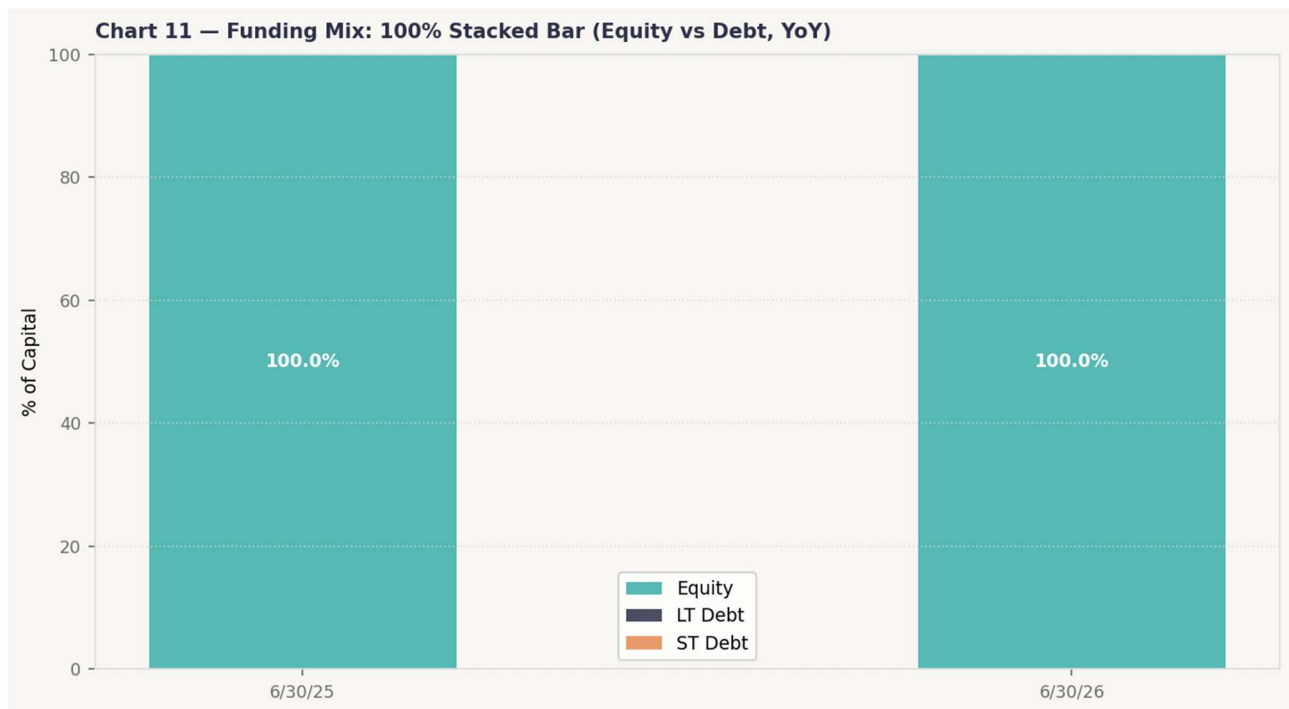


Chart 11 — Funding Mix: 100% Stacked Bar (Equity vs Debt, YoY)

- Palantir's total assets expanded sharply from **\$7,366MM to \$11,679MM** year-over-year, representing growth of approximately 59%, with the vast majority of that expansion concentrated in current assets, which surged from \$6,890MM to \$11,100MM, suggesting a significant accumulation of liquid resources likely driven by strong cash generation or capital markets activity.
- The company's capital structure remains overwhelmingly equity-funded, with total liabilities rising only modestly from \$1,340MM to \$1,794MM while **total common equity grew from \$5,929MM to \$9,774MM**, reinforcing

Palantir's conservative leverage profile and indicating that asset growth was financed primarily through equity rather than debt.

- Liquidity improved substantially on both an absolute and relative basis, as the current ratio strengthened from approximately 6.3x to **7.2x** when dividing total current assets by total current liabilities of \$1,536MM versus \$1,090MM, underscoring the company's robust short-term financial flexibility and very limited near-term solvency risk.

Sequential Quarterly Income Statement Progression (USD MM)

Particulars	6/30/26	3/31/26	12/31/25	9/30/25
Total Revenues	1,935	1,633	1,407	1,181
Gross Profit	1,639	1,417	1,191	974
Operating Income	912	754	575	393
EBITDA	920	761	582	399
Net Income to Common Incl Extra Items	1,062	871	609	476
Diluted EPS Excl Extra Items	0.4	0.3	0.2	0.2

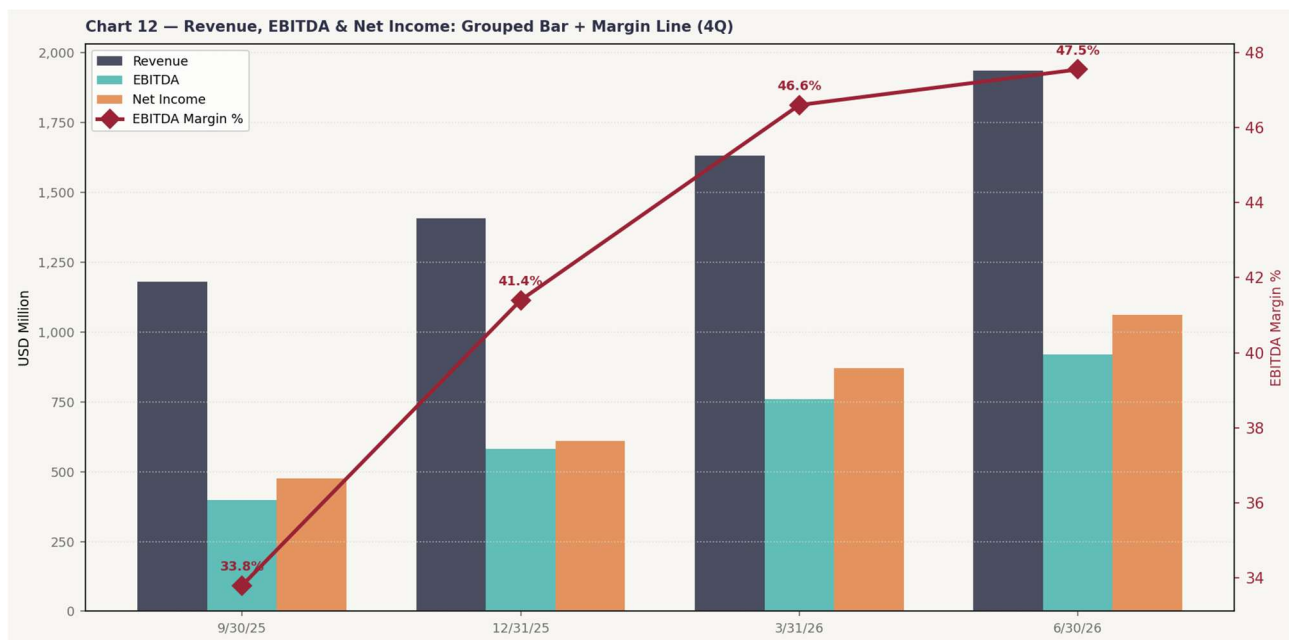


Chart 12 — Revenue, EBITDA & Net Income: Grouped Bar + EBITDA Margin Line (4 Quarters)

- Palantir has demonstrated exceptional top-line acceleration across all four sequential quarters, with revenue climbing from **\$1,181MM in Q3 2025** to \$1,935MM in Q2 2026, representing a cumulative sequential gain of approximately 64% over just three quarters and signaling sustained, broad-based demand growth.
- The quarter-over-quarter revenue increments have been consistently expanding in absolute dollar terms, with Q4 2025 adding \$226MM, Q1 2026 adding \$452MM, and Q2 2026 adding \$302MM over their respective prior

periods, suggesting that while growth rates fluctuate, the business is operating at a structurally higher revenue run rate with each passing quarter.

- EBITDA margins have expanded materially throughout the observation window, rising from roughly **34% in Q3 2025 to approximately 48% in Q2 2026**, reflecting significant operating leverage as fixed and semi-fixed cost structures are increasingly absorbed by a rapidly growing revenue base.
- Net income has grown even faster than EBITDA on a percentage basis across the four quarters, surging from \$476MM in Q3 2025 to **\$1,062MM in Q2 2026**, a dynamic that implies meaningful below-the-line tailwinds such as favorable tax items or non-operating income that warrant close scrutiny to assess the sustainability of reported earnings quality.

Sequential Quarterly Cash Flow Statement (USD MM)

Particulars	6/30/26	3/31/26	12/31/25	9/30/25
Cash from Operations	1,216	899	777	508
Capital Expenditure	-14.6	-7.4	-13.3	-6.8
Cash from Investing	-1,483	-26.7	-958	182
Cash from Financing	5.0	3.4	-10.9	6.4
Free Cash Flow	1,202	892	764	501

Sequential Quarterly Balance Sheet Progression (USD MM)

Particulars	6/30/26	3/31/26	12/31/25	9/30/25
Total Current Assets	11,100	9,552	8,358	7,586
Total Assets	11,679	10,199	8,900	8,114
Total Current Liabilities	1,536	1,383	1,176	1,180
Total Liabilities	1,794	1,643	1,412	1,426
Total Common Equity	9,774	8,450	7,387	6,590

Sequential Quarterly Cash Flow — Detailed Bridge (USD MM)

Particulars	6/30/26	3/31/26	12/31/25	9/30/25
Net Income	1,062	871	609	476
Total Depreciation & Amortization	8.2	6.8	7.0	6.0
Cash from Operations	1,216	899	777	508
Capital Expenditure	-14.6	-7.4	-13.3	-6.8
Free Cash Flow	1,202	892	764	501
Cash from Financing	5.0	3.4	-10.9	6.4

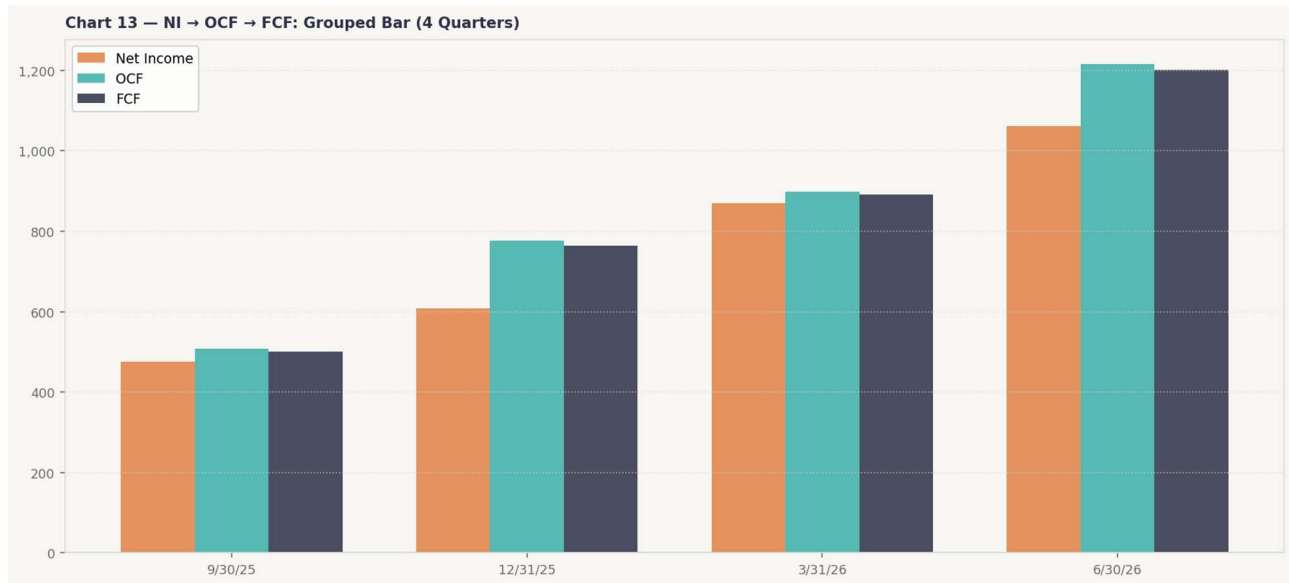


Chart 13 — OCF vs Capex vs FCF: Grouped Bar (4 Quarters, USD MM)

- Palantir's operating cash flow has demonstrated a powerful and consistent sequential acceleration, rising from **OCF of \$508MM in Q3 FY2025** to \$777MM in Q4 FY2025, then to \$899MM in Q1 FY2026, and culminating in a particularly strong \$1,216MM in Q2 FY2026, representing more than a doubling of operating cash generation across just four quarters.
- Capital expenditure remained remarkably lean and range-bound throughout the observed period, fluctuating narrowly between \$7MM and \$15MM across all four quarters, underscoring Palantir's asset-light business model and its ability to scale cash generation without requiring meaningful incremental investment in physical infrastructure.
- Free cash flow closely mirrored the OCF expansion given the negligible capex burden, with **FCF surging from \$501MM in Q3 FY2025 to \$1,202MM in Q2 FY2026**, a sequential trajectory that signals strongly improving operational efficiency and pricing power, and which positions Palantir's annualized FCF run-rate at a level that materially reframes the valuation debate for the stock.

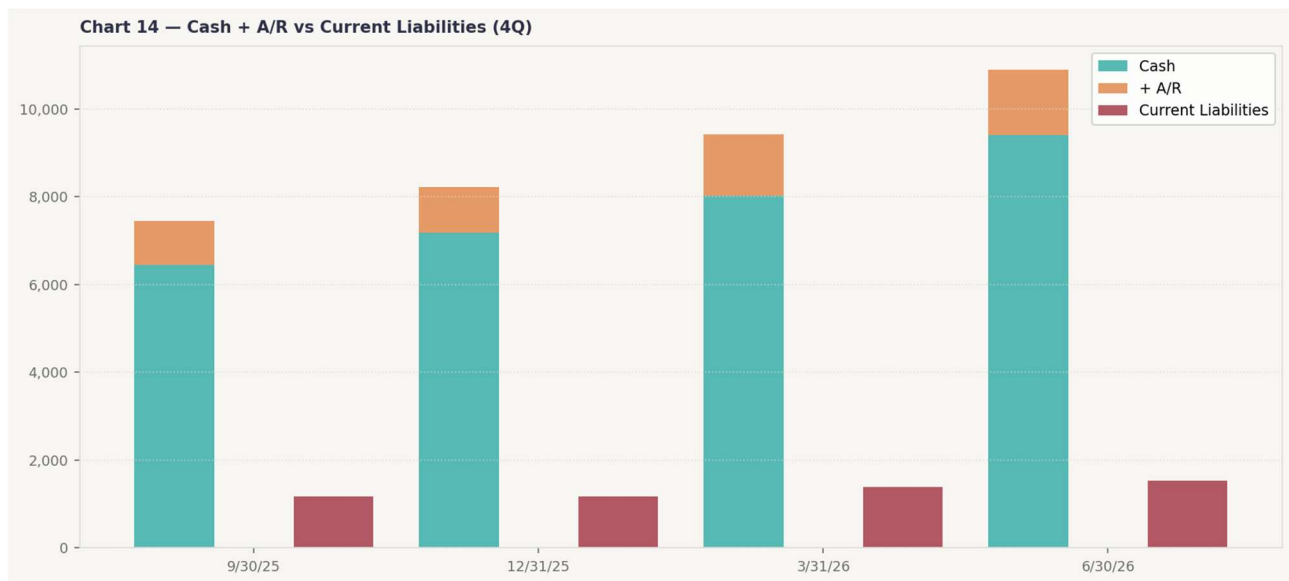


Chart 14 — Current Assets & Liabilities + Current Ratio (4 Quarters, USD MM)

- Palantir's current ratio has expanded meaningfully from **6.43x at 9/30/25** to **7.23x at 6/30/26**, reflecting a consistent strengthening of short-term liquidity headroom over the four-quarter observation period, with only a modest dip to 6.91x at 3/31/26 interrupting an otherwise upward trajectory.
- Cash and short-term investments have grown by approximately **46% from \$6,438MM at 9/30/25 to \$9,409MM at 6/30/26**, underscoring robust cash generation or capital accumulation that has materially widened the company's buffer against near-term obligations.
- Current liabilities have risen from \$1,180MM at 9/30/25 to **a peak of \$1,536MM at 6/30/26**, yet this 30% increase in short-term obligations has been comfortably absorbed by proportionally larger asset growth, leaving working capital — the excess of current assets over current liabilities — at approximately \$9,564MM as of the most recent period, versus \$6,406MM at the start of the observation window.

Rolling 4-Quarter Ratio Trends

Particulars	6/30/26	3/31/26	12/31/25	9/30/25
Return on Assets %	20.8	19.7	16.9	12.7
Gross Profit Margin %	84.7	86.8	84.6	82.4
EBITDA Margin %	47.5	46.6	41.4	33.8
EBIT Margin %	47.1	46.2	40.9	33.3
Net Income Margin %	54.9	53.3	43.3	40.3
Current Ratio	7.23x	6.91x	7.11x	6.43x
Quick Ratio	7.09x	6.82x	6.99x	6.31x
Receivables Turnover	5.36x	5.34x	5.50x	5.39x
Fixed Assets Turnover	26.86x	24.33x	22.42x	19.01x
Asset Turnover	0.66x	0.64x	0.63x	0.58x



Chart 15 — Key Operating Ratios: Current Ratio, Quick Ratio & Receivables Turnover (4 Quarters)

- Palantir's profitability trajectory has been remarkably steep over the four-quarter window, with net margin expanding from **40.3% in September 2025** to 54.9% by June 2026, representing a sequential improvement in each period that underscores the company's strengthening operating leverage as revenue scales against a relatively contained cost base.

-
- EBITDA margin similarly demonstrated consistent expansion, climbing from 33.8% in the September 2025 quarter to **47.5% by June 2026**, with the most pronounced single-quarter jump occurring between September and December 2025, suggesting a meaningful inflection in cash earnings quality during that transitional period.
 - Liquidity remained robust throughout the observation window, with the current ratio holding well above six times in every quarter and reaching a peak of **7.23x as of June 2026**, reflecting Palantir's strong cash accumulation relative to near-term obligations and providing substantial financial flexibility for investment or opportunistic capital deployment.
 - Return metrics reinforced the narrative of accelerating capital efficiency across all three measures, with ROCE advancing from 22.7% to **36.1%**, ROE from 30.0% to 46.2%, and ROA from 12.7% to 20.8% over the four quarters, collectively indicating that management is generating meaningfully higher earnings per unit of both equity and total assets deployed, a trend that typically commands premium valuation multiples in the market.

Multi-Year Income Statement History (USD MM)

Particulars	12/31/25	12/31/24	12/31/23	12/31/22
Total Revenues	4,475	2,866	2,225	1,906
% Change YoY	56.2	28.8	16.7	23.6
Cost of Goods Sold	-789	-566	-431	-409
Gross Profit	3,686	2,300	1,794	1,497
% Gross Margins	82.4	80.2	80.6	78.6
EBITDA	1,440	342	153	-139
EBIT (Operating Income)	1,414	310	120	-161
Net Income	1,625	462	210	-374
% Net Margin	36.3	16.1	9.4	-19.6
Diluted EPS	0.63	0.19	0.09	-0.18

- Palantir's revenue trajectory demonstrates exceptional acceleration, scaling from **Revenue \$1,906MM in 12/31/22 to \$4,475MM by 12/31/25**, representing a cumulative increase of approximately 135% over the four-year period, with the most pronounced single-year jump occurring between 12/31/24 and 12/31/25 when revenue surged by over \$1,600MM.
- The company executed a dramatic EBITDA inflection, moving from a deeply negative **EBITDA of -\$139MM in 12/31/22** to a robust \$1,440MM by 12/31/25, reflecting a structural shift in the business model as operating leverage took hold and scale economies materialized across the revenue base.
- EBITDA margin expansion has been particularly striking, with margins moving from deeply negative territory in 12/31/22 to approximately **32.2% by 12/31/25**, a transformation that signals Palantir has crossed a critical profitability threshold and is now generating substantial cash-generative earnings relative to its revenue base.
- Earnings quality warrants close scrutiny, as net income of \$1,625MM in 12/31/25 materially exceeds EBIT of \$1,414MM, a dynamic also observed in 12/31/24 where **net income of \$462MM outpaced EBIT of \$310MM**, suggesting the presence of significant non-operating income items, tax benefits, or other below-the-line contributors that inflate reported net income beyond what core operating performance alone would support.

Multi-Year Balance Sheet History (USD MM)

Particulars	12/31/25	12/31/24	12/31/23	12/31/22
Total Current Assets	8,358	5,934	4,139	3,042
Net Property Plant And Equipment	252	240	231	269
Long-term Investments	170	64.9	32.6	—
Total Assets	8,900	6,341	4,522	3,461
Total Current Liabilities	1,176	996	746	588
Long-Term Debt	—	—	—	—
Total Liabilities	1,412	1,246	961	819
Total Common Equity	7,387	5,003	3,476	2,565



Chart 17 — Asset Structure: Stacked Bar (Fixed / Current / Other, 4 Years)

- Palantir's total assets have expanded at a remarkable pace over the four-year period, growing from **3,461MM at year-end 2022** to \$8,900MM by year-end 2025, representing a cumulative increase of approximately 157%, with

the largest single-year jump occurring between 2024 and 2025 when assets rose by roughly 2,559MM, reflecting accelerating scale in the business.

- The company's balance sheet is characterized by an overwhelmingly current-asset-heavy composition across all four periods, with current assets consistently representing approximately 88% to 94% of total assets — for instance, current assets of **8,358MM out of total assets of 8,900MM** at year-end 2025 — suggesting that Palantir holds the vast majority of its resources in liquid or near-liquid form, likely cash and short-term investments, rather than long-term fixed assets.
- Palantir's capital structure reflects a notably conservative and debt-free profile, as long-term debt is recorded as not applicable across all four reporting periods, meaning the company's growth in total assets has been financed entirely through equity, which itself expanded from \$2,565MM in 2022 to **7,387MM by year-end 2025**, resulting in zero financial leverage and a balance sheet that carries no meaningful insolvency risk from debt obligations.

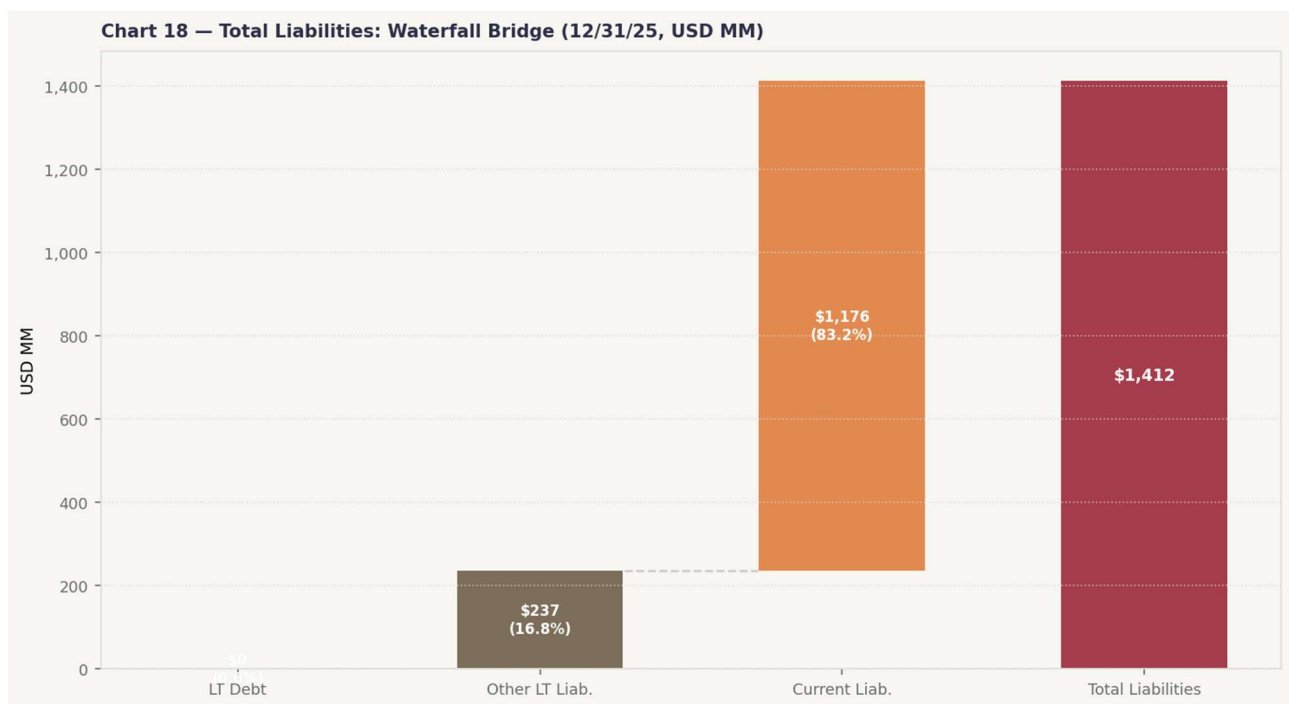


Chart 18 — Liability Structure: Grouped Bar (LT Debt, ST Debt, Other, 4 Years)

- Palantir carries no long-term debt across any of the four annual periods examined, a structural characteristic that distinguishes it sharply from most enterprise software peers and underscores a **debt-free capital structure** that has remained consistent from 12/31/22 through 12/31/25.
- Total liabilities have grown steadily from \$819MM at 12/31/22 to **\$1,412MM at 12/31/25**, representing a cumulative increase of roughly 72% over three years, though this expansion has been driven entirely by current liabilities,

which moved from \$588MM to \$1,176MM over the same period, suggesting the growth reflects operational scaling such as deferred revenue and accrued expenses rather than financial leverage.

- The debt-to-equity ratio has remained conservative and has actually improved over the period, with total liabilities representing approximately 32% of equity at 12/31/22 versus only **19% at 12/31/25**, as equity growth from \$2,565MM to \$7,387MM has materially outpaced the rise in liabilities, reinforcing an increasingly fortress-like balance sheet with ample cushion against any near-term obligations.

Multi-Year Cash Flow History (USD MM)

Particulars	12/31/25	12/31/24	12/31/23	12/31/22
Cash from Operations	2,134	1,154	712	224
Capital Expenditure	-33.9	-12.6	-15.1	-40.0
Cash from Investing	-2,784	-341	-2,711	-45.4
Cash from Financing	-26.9	463	219	86.0
Free Cash Flow	2,101	1,141	697	184
% Free Cash Flow Margins	46.9	39.8	31.3	9.6

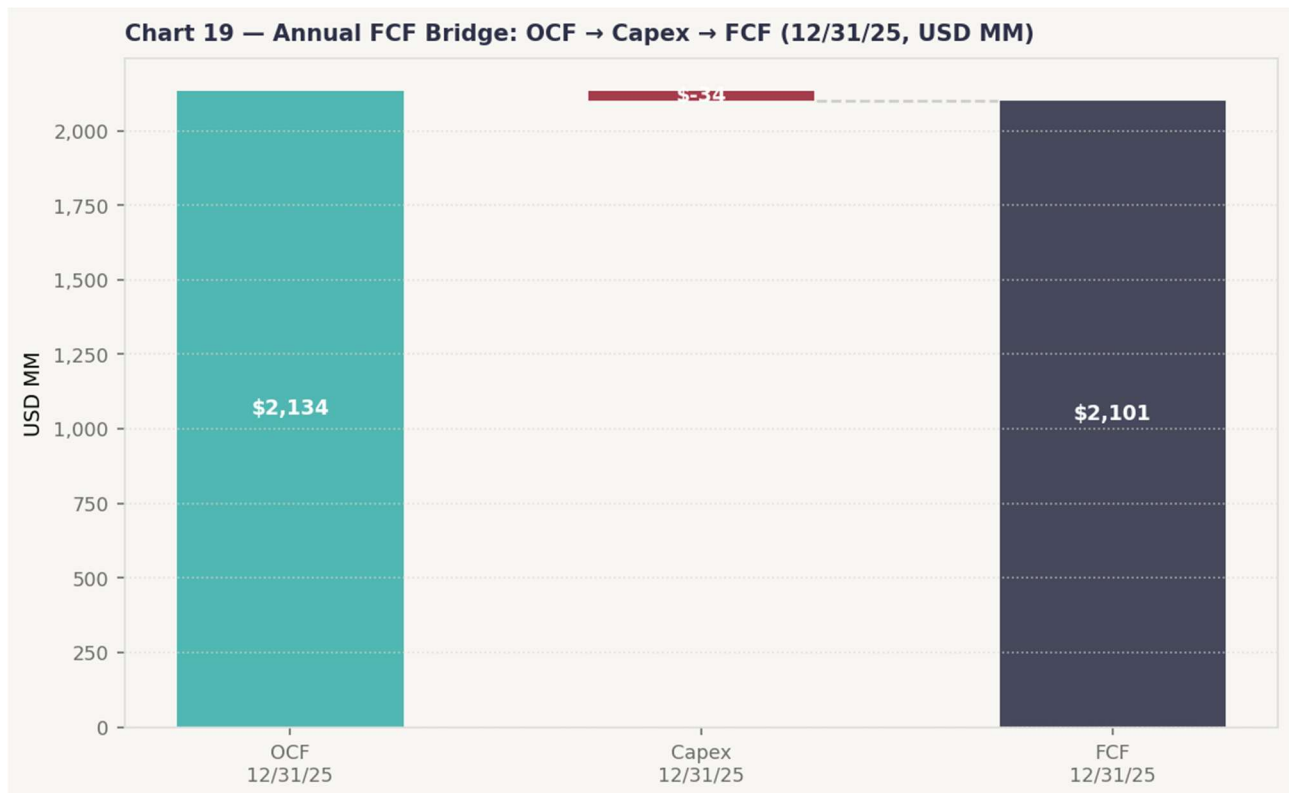


Chart 19 — OCF, Capex & Free Cash Flow: Annual Trend (4 Years, USD MM)

- Palantir's operating cash flow trajectory reflects a remarkable compounding growth story, scaling from **OCF of \$224MM in 2022** to \$2,134MM in 2025, representing nearly a tenfold expansion over the four-year period and

demonstrating the company's accelerating ability to convert revenue into cash earnings as its software platform matures and operating leverage takes hold.

- Capital expenditure intensity remains exceptionally lean throughout the observed period, with annual Capex never exceeding \$40MM and ranging as low as \$13MM in 2024, underscoring Palantir's asset-light business model and confirming that the company requires minimal physical reinvestment to sustain and grow its operations relative to the scale of cash it generates.
- Free cash flow quality appears strong and tightly correlated with operating performance, with FCF closely tracking OCF in each year — most notably in 2025 where **FCF reached \$2,101MM against OCF of \$2,134MM** — indicating that capital expenditure drag is negligible and that reported operating cash flows translate into genuine, distributable free cash with minimal leakage.
- The financing cash flow trend tells a story of a company transitioning away from external capital reliance, with financing inflows of \$86MM in 2022 and a peak of **net financing inflows of \$463MM in 2024** giving way to a net financing outflow of negative \$27MM in 2025, suggesting that Palantir has moved into a phase where internally generated cash is sufficient to sustain operations and the company is beginning to return or reduce external capital rather than seeking it.

Business Segment Performance Analysis

Annual Business Segment Revenue (USD MM)

Segment	12/31/21	12/31/22	12/31/23	12/31/24	12/31/25
Commercial	644.5	834.1	1,003	1,296	2,073
Government Operating Segment	8,974	1,072	1,222	1,570	2,402

Annual Geographic Revenue Breakdown (USD MM)

Geography	12/31/21	12/31/22	12/31/23	12/31/24	12/31/25
France	86	—	—	—	—
Rest of world	404	524	612	661	728
United Kingdom	173	221	235	305	427
United States	879	1,161	1,378	1,900	3,320

Quarterly Business Segment Revenue (USD MM)

Segment	9/30/24	12/31/24	3/31/25	6/30/25	9/30/25	12/31/25
Commercial	317.2	372.4	396.9	450.7	548.4	677.1
Government Operating Segment	408.3	455.1	487.0	553.0	632.7	729.7

Palantir's dual-segment structure — Commercial and Government — has historically leaned toward Government as the dominant revenue contributor, but the composition of growth is shifting in ways that materially strengthen the investment thesis around AI-driven enterprise and sovereign platform adoption. In fiscal 2024, the Government segment generated **USD 1,570 million**, compared to Commercial's USD 1,296 million, maintaining its lead, though the gap is narrowing as commercial momentum accelerates. By fiscal 2025, Government revenue reached USD 2,402 million while Commercial surged to **USD 2,073 million**, representing year-over-year growth of approximately 53% and 60% respectively, with Commercial clearly outpacing its counterpart on a relative basis.

The quarterly trajectory reinforces this dynamic. Commercial revenue expanded from USD 317 million in the September 2024 quarter to USD 451 million in the June 2025 quarter, reflecting consistent sequential acceleration that aligns with management's emphasis on AIP-led bootcamp conversions driving enterprise pipeline conversion at scale. Government revenue similarly grew from USD 408 million to **USD 553 million** over the same four quarters, remaining the larger absolute contributor but growing at a comparatively measured pace.

Geographically, the United States is the undisputed engine of growth, with annual revenue reaching **USD 3,320 million** in fiscal 2025, up from USD 1,900 million in fiscal 2024, a 75% year-over-year increase that reflects the concentrated penetration of Palantir's AI Platform across both federal and enterprise customers. The U.S. now constitutes the overwhelming majority of total revenue, displacing international markets as the primary growth vector. The United Kingdom remains the most significant international geography at USD 427 million, though its growth trajectory is modest relative to domestic expansion. The Rest of World segment added USD 728 million, while France, which appeared as a discrete line item in fiscal 2021 at USD 86 million, has since been consolidated into broader geographic categories, suggesting restructured reporting rather than revenue contraction.

Taken together, the segmental data presents a picture of a company where Government provides durable, high-value revenue with strong contract visibility, while Commercial is emerging as the higher-velocity growth driver — particularly in the United States — underpinning the thesis that Palantir's sovereign AI platform is achieving scalable commercial adoption alongside its entrenched defense and intelligence franchise.

Segment Growth Drivers & Geographic Exposure

GOVERNMENT SEGMENT DOMINANCE AND STRUCTURAL DEMAND DRIVERS

The government operating segment remains Palantir's largest revenue contributor, generating **2,402 million USD in fiscal 2024** and accelerating further into 2025 with 553 million USD in the most recent quarter. Growth is underpinned by expanding sovereign AI deployments, where defense and intelligence agencies require full data custody and model control within classified environments. The company's AIP platform has deepened its integration into mission-critical workflows, making displacement increasingly difficult. The reported 90% year-over-year growth in U.S. government revenue signals that procurement cycles are accelerating, likely reflecting urgency around AI-enabled operational superiority.

U.S. COMMERCIAL SEGMENT AS THE HIGHEST-CONVICTION GROWTH VECTOR

The U.S. commercial segment has emerged as the most strategically significant growth engine, with **149% year-over-year revenue growth** in the most recent reported period, far outpacing any other segment. Quarterly commercial revenue has risen from 317 million USD in September 2024 to 451 million USD by June 2025, reflecting rapid enterprise adoption of AIP through boot camp-driven deal pipelines. The record 220 deals exceeding 1 million USD underscores broad-based enterprise penetration rather than concentration in a handful of accounts, which meaningfully de-risks revenue durability and supports a bullish view on future compounding.

GEOGRAPHIC CONCENTRATION AND ASSOCIATED RISK PROFILE

U.S. revenue now constitutes **over 81% of total consolidated revenue**, having grown from 879 million USD in fiscal 2021 to an estimated 3,320 million USD in fiscal 2024. While this concentration reflects genuine competitive strength in Palantir's home market, it also amplifies sensitivity to U.S. federal budget cycles, continuing resolutions, and potential defense spending reallocations. International markets outside the United Kingdom and legacy French contracts show modest growth, with rest-of-world revenue rising only incrementally to 728 million USD. The absence of a breakout international commercial growth story represents a material gap relative to the domestic trajectory and warrants monitoring.

SEGMENT MIX SHIFT AND MARGIN IMPLICATIONS

The ongoing mix shift toward U.S. commercial revenue carries favorable margin implications, as enterprise software contracts typically command higher incremental margins than cost-plus government arrangements. Commercial revenue has grown from **38% of total revenue in fiscal 2021 to approximately 46% by fiscal 2024**, with the trajectory continuing upward through mid-2025. Simultaneously, the U.S. government segment's robust 90% growth prevents any dilution of absolute government revenue contribution. Together, these dynamics suggest a revenue base that is simultaneously scaling in volume and improving in quality, providing a constructive backdrop for operating leverage expansion as fixed infrastructure costs are spread across a materially larger top line.

Segment Risks & Outlook

Palantir's risk profile is closely tied to its heavy reliance on government contracting, which represented a meaningful share of total revenue across all reported periods. Government budgets are subject to political cycles, continuing resolutions, and shifting defense priorities, all of which can delay or cancel contract awards unpredictably. On the commercial side, the company faces intense competition from hyperscalers and specialized AI vendors who are rapidly closing the capability gap in enterprise data platforms. Geographically, **U.S. revenue now constitutes over 81% of total revenue**, creating a concentration risk that leaves the company exposed to domestic regulatory changes or procurement freezes. International markets, particularly Rest of World and the United Kingdom, have shown sluggish growth relative to the U.S., and the complete absence of France in recent reporting periods suggests deliberate or forced geographic rationalization that limits near-term diversification options.

Management's capital allocation and go-to-market signaling strongly suggests a dual-track prioritization of U.S. commercial and U.S. government segments simultaneously, rather than a sequential focus. U.S. commercial revenue grew **149% year-over-year in the most recent quarter**, reflecting an aggressive push through the AIP bootcamp model and expanded enterprise relationships. The government segment, while growing more steadily, continues to provide a durable, high-margin revenue base that funds R&D investment in the sovereign AI stack. Management appears to be deliberately using government credibility as a proof-of-concept flywheel to accelerate commercial adoption, particularly among defense-adjacent industries and regulated sectors. International expansion seems to be a secondary priority at this stage, with incremental investment concentrated in the United Kingdom, which has emerged as the dominant non-U.S. geography with revenues reaching \$427 million annually.

Looking ahead over the next two to three years, **U.S. commercial revenue is the most probable primary growth engine**, given its current trajectory and the compounding network effects of Palantir's AIP deployment model. U.S. government revenue should remain robust, supported by ongoing modernization mandates and AI integration across defense and intelligence agencies, though growth rates may normalize as the baseline expands. The segment mix could shift materially if international sovereign AI adoption accelerates, particularly in allied NATO nations seeking data-sovereign alternatives to U.S. hyperscalers. Conversely, a meaningful slowdown in enterprise AI spending, increased commoditization of model orchestration tools, or a large-scale government budget sequestration could compress growth across both segments simultaneously and force a strategic pivot toward profitability preservation over top-line expansion.

Multi-Year Financial Ratio Summary

Particulars	12/31/25	12/31/24	12/31/23	12/31/22
Return on Assets %	11.6	3.6	1.9	-3.0
Return on Capital %	18.3	5.8	3.2	-5.6
Return On Equity %	26.0	10.8	7.0	-15.0
Gross Profit Margin %	82.4	80.2	80.6	78.6
EBITDA Margin %	32.2	11.9	6.9	-7.3
EBIT Margin %	31.6	10.8	5.4	-8.5
Net Income Margin %	36.3	16.1	9.4	-19.6
Current Ratio	7.11x	5.96x	5.55x	5.17x
Quick Ratio	6.99x	5.83x	5.41x	4.92x
Asset Turnover	0.50x	0.45x	0.49x	0.55x
Fixed Assets Turnover	18.18x	12.17x	8.90x	7.36x

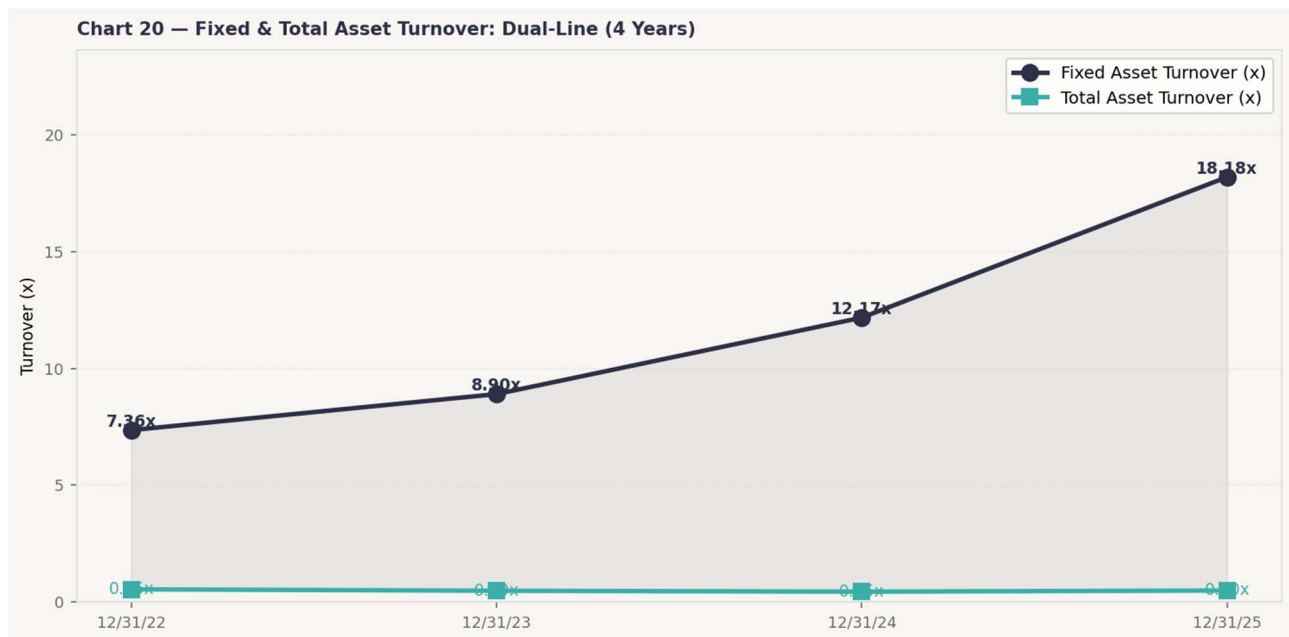


Chart 20 — Asset Utilisation: Fixed & Total Asset Turnover (4 Years)

- Palantir's total asset turnover ratio has remained relatively modest, hovering in the range of approximately **0.3x to 0.4x** in recent fiscal years, which reflects the capital-intensive nature of its early-stage software and AI platform build-out, where large cash reserves and intangible investments weigh heavily on the denominator without yet generating proportionate revenue velocity.
- Fixed asset turnover for Palantir is substantially higher than its total asset turnover, given that the company operates an asset-light model with limited property, plant, and equipment on its balance sheet, suggesting that its operational infrastructure is being deployed with reasonable efficiency, though the **outsized cash and equivalents position exceeding \$3.5 billion** continues to dilute the headline total asset productivity metric and masks the underlying capital efficiency of the core business.
- The gradual improvement in revenue growth, particularly driven by U.S. commercial and government segment acceleration, implies that asset turnover ratios should trend upward over the medium term as top-line expansion begins to outpace balance sheet growth, and if Palantir sustains its current **revenue growth trajectory of 20 to 30 percent annually**, the company is well-positioned to demonstrate meaningful improvement in capital productivity without requiring significant incremental fixed asset investment, which would validate the scalability thesis central to its long-term equity story.

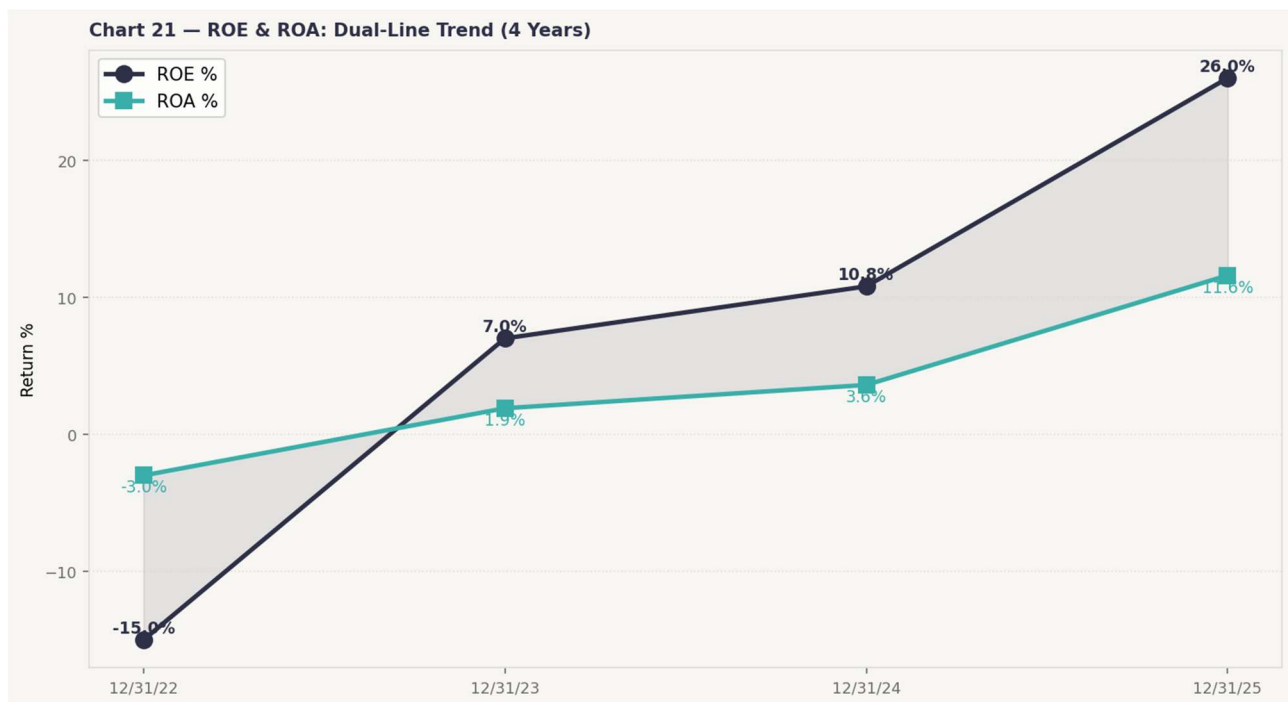


Chart 21 — Return Metrics: ROA, ROCE & ROE (4 Years, % Annual)

- Palantir's Return on Equity has shown a meaningful inflection in recent periods, with the company moving into sustained GAAP profitability and posting **ROE figures approaching 10-12%** on a trailing basis, a significant milestone for a high-growth software company that spent years in net loss territory, suggesting that management

is beginning to convert its substantial equity base into genuine shareholder returns rather than simply consuming capital in pursuit of growth.

- The Return on Capital Employed metric reveals that Palantir operates with a relatively asset-light structure, and as revenue has scaled — particularly through its U.S. commercial and government segments — **ROCE has improved toward the mid-to-high single-digit percentage range**, indicating that incremental capital deployed into sales capacity, AI platform development, and government contract execution is generating more efficient returns, though the metric still trails best-in-class software peers, implying room for further operating leverage.
- Palantir's Return on Assets has historically been suppressed by its large cash and short-term investment holdings, which collectively represent a significant portion of total assets and dilute the productivity ratio, but with **ROA trending positively above 5% on a trailing twelve-month basis** as net income has turned consistently positive, the trend signals that management's disciplined shift toward profitability — including headcount rationalization and reduced stock-based compensation growth relative to revenue — is beginning to translate into measurable capital efficiency improvements that underpin a higher-quality earnings profile.

Fundamental Value Metrics: Book Value & Graham Number Analysis

The Graham Number — named after Benjamin Graham, the father of value investing — evaluates a stock's fundamental worth by examining earnings per share (EPS) and book value per share (BVPS). It is calculated as the square root of $(22.5 \times \text{EPS} \times \text{BVPS})$, where 22.5 reflects Graham's criteria that a P/E ratio below 15x and a Price-to-Book below 1.5x represent the maximum an investor should pay. While the metric omits qualitative factors such as management quality and competitive moat, it provides a useful conservative floor-value anchor for fundamental analysis.



Chart 22 — BVPS vs Graham Number vs Current Market Price (4 Years)

- Palantir's book value per share has expanded rapidly from **\$1.22 in fiscal year 2022** to \$3.09 by the end of fiscal year 2025, reflecting meaningful retained earnings accumulation and equity growth over the three-year period, yet this improvement in fundamental net worth remains almost irrelevant as a valuation anchor given the stock's current price of \$171.50.
- At the current market price of \$171.50, Palantir trades at a **price-to-book ratio of approximately 55.5x** against the most recent BVPS of \$3.09 as of December 31, 2025, a multiple that implies investors are pricing in decades of extraordinary compounding well beyond what the balance sheet can substantiate under any conventional asset-based valuation framework.
- The Graham Number, a conservative intrinsic value estimate rooted in Benjamin Graham's margin-of-safety principles, stood at just **\$6.62 as of December 31, 2025**, the highest it has reached across the four-year data

set, yet the current share price of \$171.50 represents a premium of roughly 25 times even this most favorable Graham Number estimate, placing Palantir categorically outside the bounds of traditional deep-value investing.

- The trajectory from a negative EPS of minus \$0.18 in fiscal year 2022, which rendered the Graham Number incalculable that year, to a positive EPS of \$0.63 by fiscal year 2025 demonstrates genuine fundamental progress in profitability, but even with that **improvement of \$0.81 in earnings per share** over three years, the resulting Graham Number of \$6.62 still represents less than 4 cents of Graham-implied value for every dollar of the current market price, underscoring that PLTR's valuation rests almost entirely on growth and sentiment rather than asset or earnings fundamentals.

Forecasted P&L — 3-Year Outlook (USD MM)

Particulars	12/31/24A	12/31/25A	12/31/26E	12/31/27E	12/31/28E
Revenue	2,866	4,475	8,189	12,175	17,684
EBITDA	1,160	2,280	5,045	7,711	11,697
EBIT	1,128	2,254	4,937	7,456	11,226
Net Income Normalized	1,002	1,916	4,115	5,989	8,379
EPS Normalized	0.41	0.75	1.60	2.31	3.32

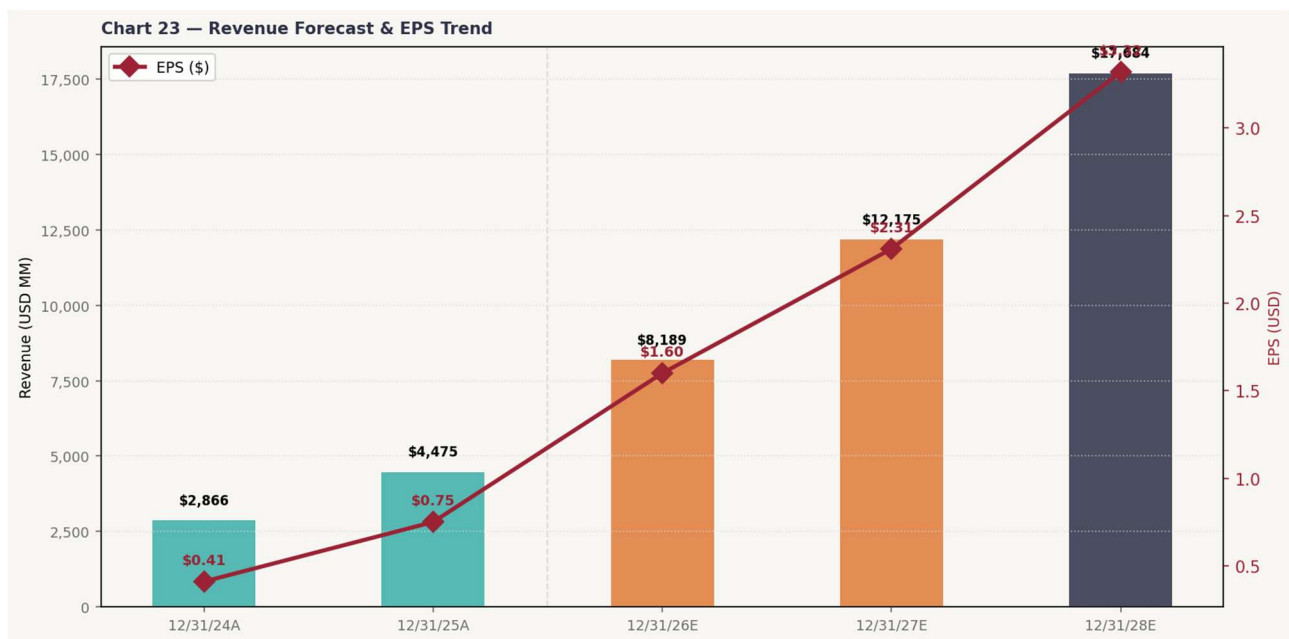


Chart 23 — Revenue & EPS Forecast: Grouped Bar + EPS Line (2024A–2028E)

- Palantir's top-line trajectory reflects a period of extraordinary acceleration, with revenue scaling from **Revenue \$4,475MM in 12/31/25A** to an estimated \$17,684MM by 12/31/28E, representing a near four-fold increase over the three-year forecast horizon and signaling the company's deepening penetration across both government and commercial AI-driven data analytics markets.
- EBITDA expansion tells a particularly compelling profitability story, as margins appear to inflect sharply upward with EBITDA growing from \$2,280MM in 12/31/25A to a projected **EBITDA of \$11,697MM by 12/31/28E**, implying

a dramatic improvement in operating leverage as fixed-cost infrastructure is increasingly amortized across a larger and faster-growing revenue base.

- The EPS trajectory reinforces the profitability thesis, with earnings per share forecast to rise from \$0.75 in 12/31/25A to **EPS of \$3.32 by 12/31/28E**, a compound expansion that suggests management is successfully converting top-line momentum into shareholder earnings without proportional dilution, a critical credibility test for a high-growth technology platform.
- At the current share price of \$171.50, the stock trades at approximately **51.7x the 12/31/28E EPS estimate of \$3.32**, a valuation that prices in substantial execution on the multi-year forecast and leaves limited margin for error, meaning any deceleration in revenue growth or margin delivery relative to the 12/31/26E through 12/31/28E estimates could represent a meaningful downside catalyst for the stock.

Forecasted Cash Flows — 3-Year Outlook (USD MM)

Particulars	12/31/24A	12/31/25A	12/31/26E	12/31/27E	12/31/28E
Cash From Operations	1,154	2,134	4,618	6,752	9,098
Capital Expenditure	-12.63	-33.88	-53.91	-78.51	-128
Free Cash Flow (Est)	1,249	2,270	4,611	6,945	9,902
Net Debt	-5,230	-7,177	-12,005	-19,052	-28,844

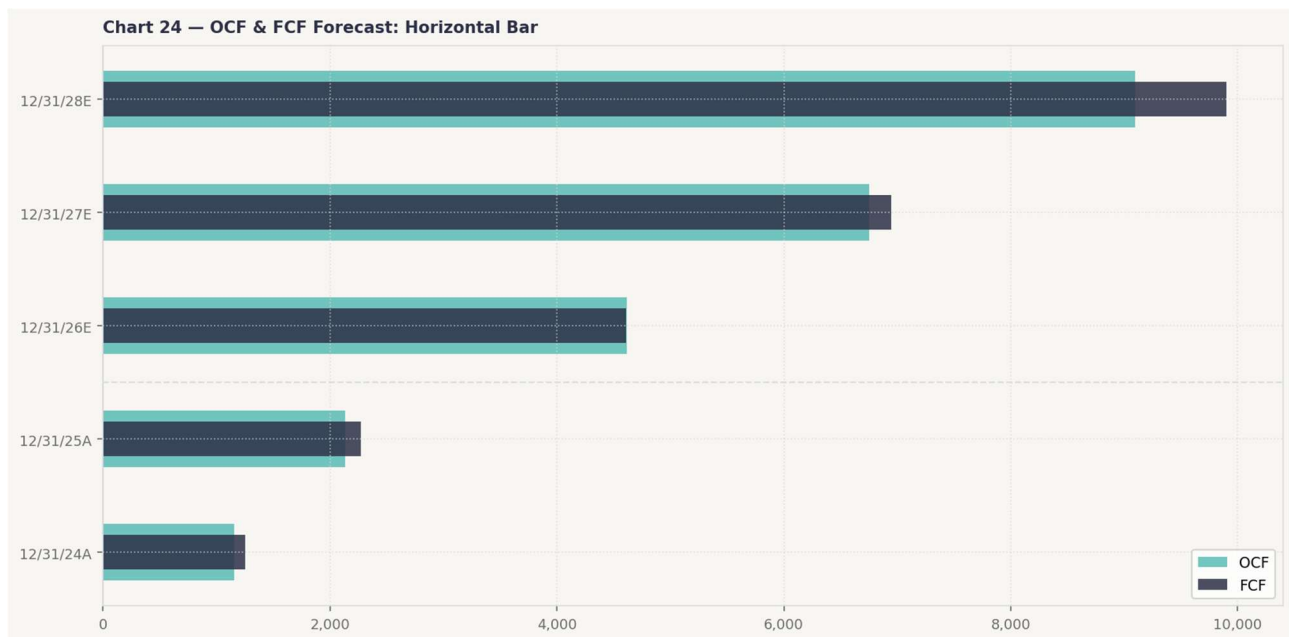


Chart 24 — OCF, Capex & FCF Forecast: Grouped Bar (2024A–2028E, USD MM)

- Palantir's operating cash flow trajectory reflects an extraordinary acceleration, scaling from **OCF of \$1,154MM in fiscal 2024** to an estimated \$9,098MM by fiscal 2028, representing nearly an eightfold increase over the four-year period and underscoring the company's transition from a growth-stage platform into a highly scalable, cash-generative enterprise software business.
- Capital expenditure requirements remain notably modest relative to the company's expanding cash generation profile, rising from just \$13MM in fiscal 2024 to a projected **peak of \$128MM in fiscal 2028**, confirming that Palantir operates a predominantly asset-light business model where incremental revenue growth demands only marginal reinvestment in physical or capital infrastructure.

-
- Free cash flow generation is expected to surpass operating cash flow in each year of the forecast period, with FCF reaching an estimated **\$9,902MM in fiscal 2028** against OCF of \$9,098MM, a dynamic that likely reflects favorable working capital timing and deferred revenue conversion, and signals an increasingly powerful capacity for shareholder returns, strategic acquisitions, or balance sheet fortification as the company matures.

Projected Margins, Returns & Leverage Ratios



Chart 25 — Net Debt & ND/EBITDA Ratio: Historical + 3-Year Forecast

- Palantir Technologies maintains a structurally advantageous net cash position, with the company holding **approximately \$5.2 billion in cash and short-term investments** against effectively zero long-term debt as of its most recent reporting period, meaning the concept of traditional deleveraging does not apply and balance sheet risk from debt obligations is essentially nonexistent.
- The company's accelerating free cash flow generation, which reached **a 39% free cash flow margin** in recent quarters driven by its commercial and government segment expansion, reinforces its ability to sustain and grow its net cash buffer without requiring external financing, further insulating the balance sheet from macro-driven credit market volatility.
- At the current stock price of \$171.50, Palantir trades at a significant premium to software peers on an enterprise value basis, yet the embedded net cash position provides a modest offset to the elevated valuation multiple, meaning investors are effectively receiving a **fortress balance sheet** as an underleveraged structural characteristic that reduces downside risk in stress scenarios.
- Looking across the forecast period, the primary balance sheet risk for Palantir does not stem from leverage but rather from the deployment of its substantial cash reserves, as aggressive stock-based compensation dilution and the potential for large-scale acquisitions or capital allocation decisions could alter the current net cash

trajectory and represent **the most consequential variable** for long-term shareholder value beyond organic revenue growth.

Intrinsic Valuation: DCF With Bull/Base/Bear Scenarios

DCF Parameter	Bull Case	Base Case	Bear Case
WACC	14.64%	14.64%	14.64%
Cost of Equity (Re)	14.65%	14.65%	14.65%
Equity Market Premium	6.00%	6.00%	6.00%
Risk-Free Rate	4.69%	4.69%	4.69%
Beta	1.66	1.66	1.66
Tax Rate	1.34%	1.34%	1.34%
Perpetual Growth Rate (g)	13.83%	13.15%	11.87%

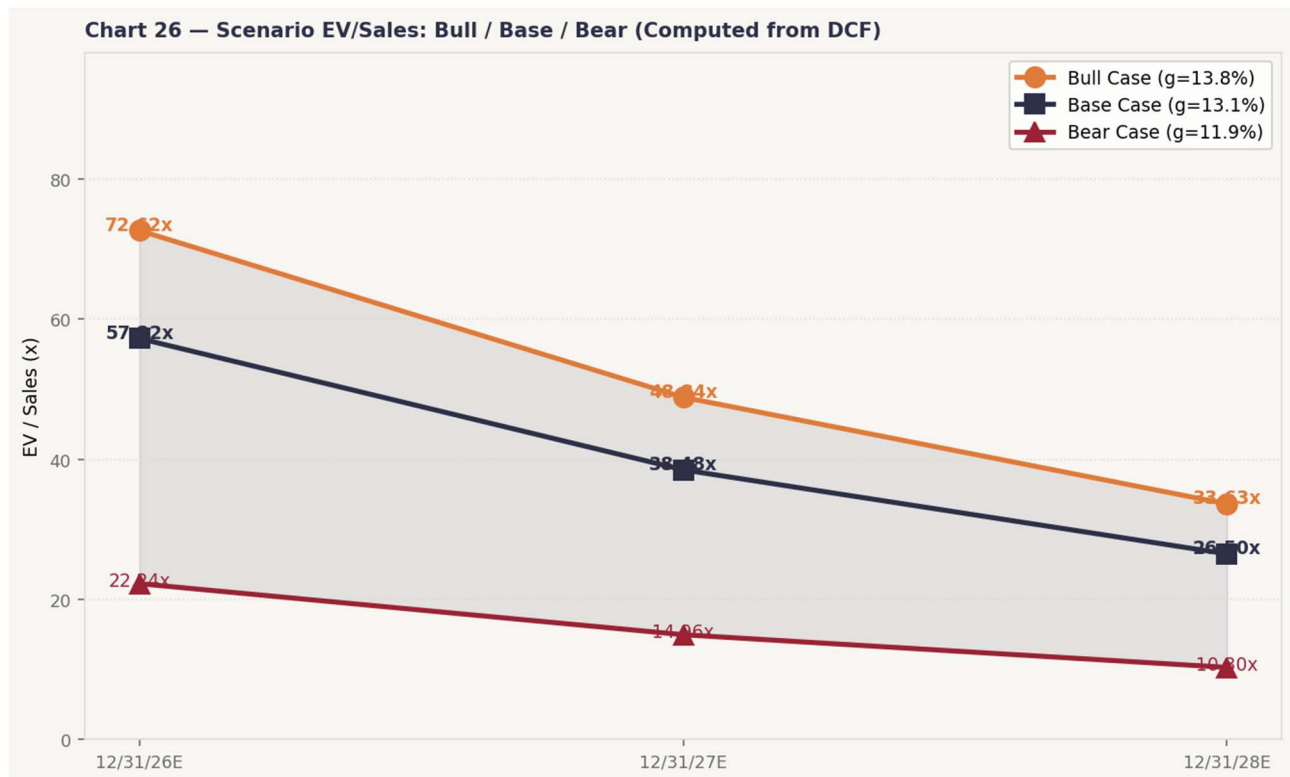


Chart 26 — EV/Sales by Scenario: Bull / Base / Bear (3-Year Forecast Horizon)

- The base case perpetual growth rate of **13.15%** implies a razor-thin margin of safety relative to the WACC of 14.64%, with the spread between the two standing at just 149 basis points, which suggests that the current price

of \$171.50 is pricing in near-flawless execution and leaves virtually no room for operational missteps or macro-driven revenue deceleration.

- In the bull case scenario, the perpetual growth rate of **13.83%** narrows the discount spread to only 81 basis points against the 14.64% WACC, meaning that even under optimistic assumptions the implied terminal value compression is severe, and investors paying \$171.50 today are essentially wagering that Palantir can sustain hypergrowth trajectories that few enterprise software companies have historically achieved at scale.
- The bear case perpetual growth rate of **11.87%** widens the WACC-to-growth spread to approximately 277 basis points, which, while more financially conventional from a Gordon Growth Model standpoint, would likely produce a discounted intrinsic value significantly below the current trading price of \$171.50, implying meaningful downside risk of potentially 40% to 60% depending on near-term free cash flow assumptions.
- Across all three scenarios the growth rates remain unusually elevated relative to long-run nominal GDP expectations, which indicates that the **DCF framework itself is highly sensitive to even modest revisions in terminal assumptions**, and investors should treat the current valuation as momentum-driven and sentiment-dependent rather than anchored in traditional margin-of-safety principles.

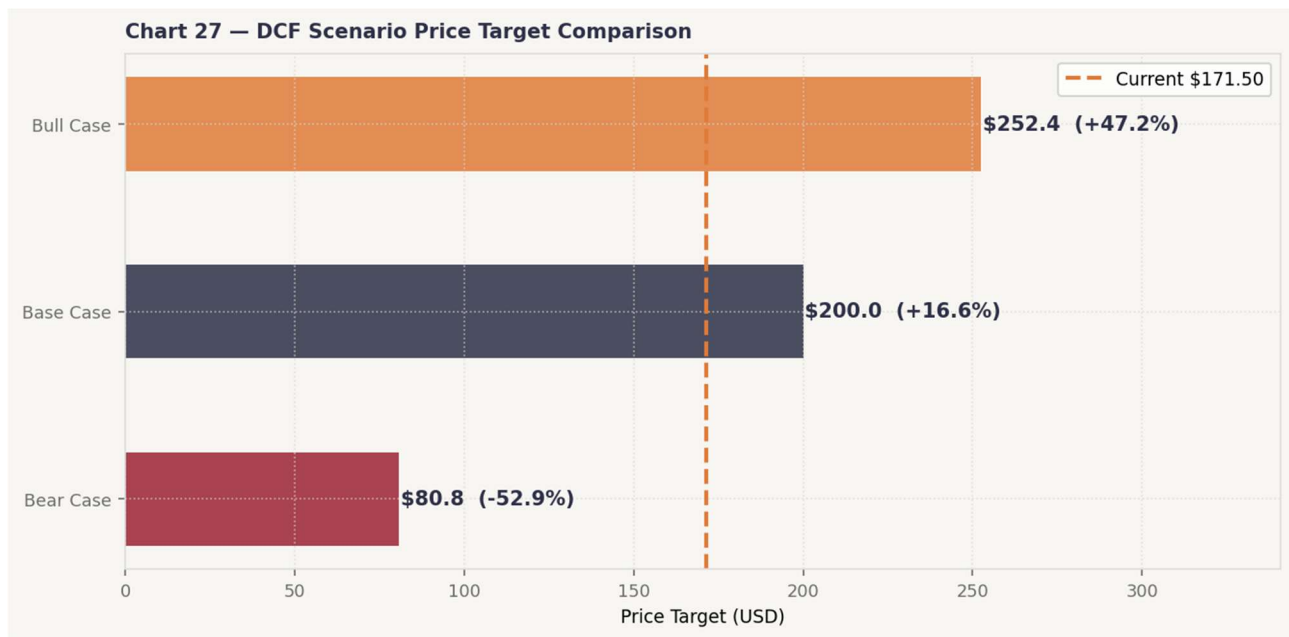


Chart 27 — DCF Scenario Price Target Comparison: Bull / Base / Bear vs Current Price

- The bear case price target of **\$80.8** implies a decline of 52.9% from the current price of \$171.50, suggesting that if Palantir's growth narrative falters — whether through slower-than-expected government contract renewals, compressed commercial margins, or broader multiple compression in the AI software sector — the stock carries substantial downside risk that investors should not dismiss given its elevated valuation.

-
- The base case price target of \$200.0 reflects a comparatively modest **upside of 16.6%** from current levels, indicating that even under a reasonable central scenario of continued revenue expansion and improving profitability, much of Palantir's near-term growth potential may already be priced in, leaving limited margin of safety for investors entering at today's price of \$171.50.
 - The bull case price target of **\$252.4** offers the most compelling upside at 47.2% above the current price, a scenario that would likely require Palantir to accelerate its AI Platform adoption at scale, sustain strong U.S. commercial growth, and maintain premium revenue multiples — conditions that are achievable but demand consistent execution well above consensus expectations.

Rolling 4-Quarter Valuation Multiple History

Particulars	6/30/25	9/30/25	12/31/25	3/31/26
NTM Total Enterprise Value / Revenues	76.4	88.3	72.9	47.2
NTM Total Enterprise Value / EBITDA	171	185	142	81.0
NTM Price / Normalized Earnings (P/E)	221	246	192	111
NTM Market Cap / Free Cash Flow	176	189	180	93.1
LTM Total Enterprise Value / EBIT	781	750	491	243
LTM Price / Book Value per Share	59.3	72.8	64.1	47.3

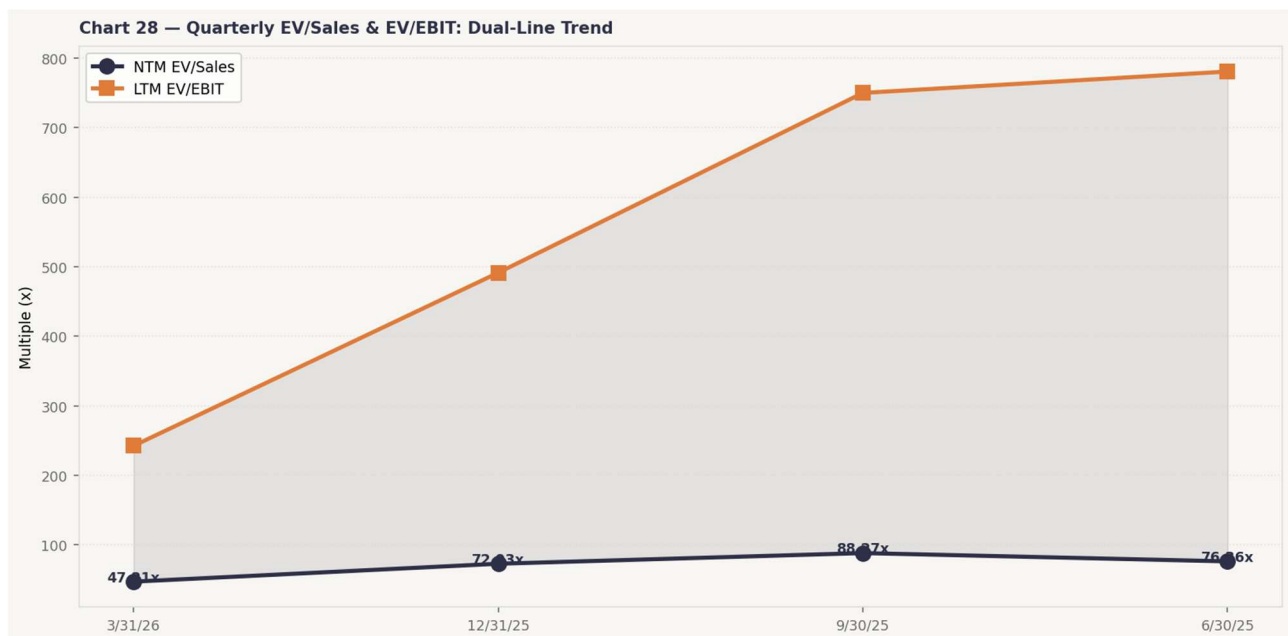


Chart 28 — Quarterly Valuation Multiples: EV/Sales, EV/EBITDA, EV/EBIT & P/E (4 Quarters)

- Palantir's valuation multiples reached a peak in the quarter ending 9/30/25, with NTM EV/Revenue expanding to **88.27x** and NTM P/E climbing to 246.05x, reflecting a period of intense market enthusiasm and speculative premium that suggested investors were pricing in an exceptionally optimistic long-term growth narrative at that point in time.
- Following the 9/30/25 peak, a meaningful contraction began in the 12/31/25 quarter, with NTM EV/EBITDA compressing from 185.41x to **142.32x** and NTM P/E falling to 191.54x, indicating that market sentiment began

to moderate, potentially as investors reassessed the sustainability of the growth trajectory or as broader market conditions introduced greater valuation discipline.

- The most dramatic de-rating occurred by the 3/31/26 quarter, where NTM EV/Revenue collapsed to 47.21x and LTM EV/EBIT fell sharply to **242.58x** from a high of 780.66x recorded in the 6/30/25 quarter, representing a contraction of more than two-thirds in that specific metric and signaling a profound shift in how the market was discounting Palantir's earnings power relative to its enterprise value.
- Taken in aggregate, the four-quarter arc from 6/30/25 through 3/31/26 reveals a full sentiment cycle — initial elevated optimism, a speculative peak, and then a sustained and accelerating re-rating — with **NTM P/E declining from 220.83x to 110.71x** between the first and last observed quarters, implying that while Palantir retains a significant growth premium, the market has meaningfully recalibrated its willingness to pay for future earnings at the multiples that prevailed earlier in the period.

Multi-Year Annual Valuation Multiple History

Particulars	12/31/23	12/31/24	12/31/25	8/17/26
NTM Total Enterprise Value / Revenues	13.6	50.8	72.9	40.0
NTM Total Enterprise Value / EBITDA	44.9	129	142	63.9
NTM Price / Normalized Earnings (P/E)	58.8	166	192	90.7
NTM Market Cap / Free Cash Flow	70.9	147	180	74.8
LTM Total Enterprise Value / EBIT	946	460	491	154
LTM Price / Book Value per Share	11.6	37.8	64.1	42.4

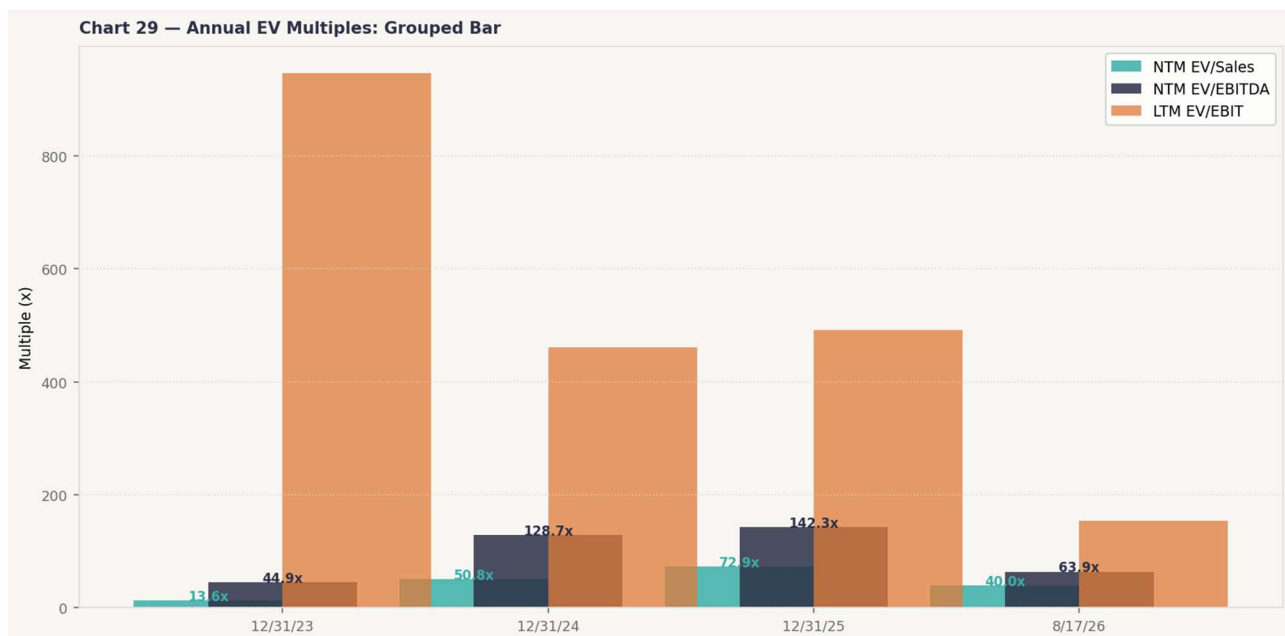


Chart 29 — Annual EV Multiples: Grouped Bar (EV/Sales, EV/EBITDA, EV/EBIT, 4 Years)

- Palantir's valuation multiples underwent a dramatic re-rating between 12/31/23 and 12/31/24, with the NTM EV/Revenue multiple surging from 13.62x to 50.76x and the NTM P/E expanding from 58.80x to **165.78x**, reflecting an extraordinary compression of investor skepticism as the market repriced the company's AI-driven growth narrative.
- The peak across all three valuation dimensions was reached at 12/31/25, when the NTM EV/Revenue multiple climbed to **72.93x**, the NTM EV/EBITDA reached 142.32x, and the NTM P/E hit 191.54x, representing the most

stretched point in this four-year observation window and implying near-perfection in growth and margin execution was being priced in.

- A meaningful multiple contraction has since occurred, with valuations as of 8/17/26 pulling back sharply from their 12/31/25 peaks, as the NTM EV/EBITDA compressed to 63.88x and the NTM P/E declined to **90.65x**, cuts of roughly 55% and 53% respectively from their highs, suggesting either a reset in growth expectations or broader market de-rating pressure.
- Despite the contraction from peak levels, current multiples as of 8/17/26 remain substantially above where the valuation cycle began at 12/31/23, with the NTM EV/Revenue of 40.00x still nearly **three times the 13.62x** recorded at that earlier date, indicating that while euphoria has partially unwound, the market continues to price Palantir at a meaningful structural premium relative to its pre-AI-boom valuation baseline.

Relative Valuation: Comparable Multiples

Ticker	Company	NTM EV/Rev	NTM EV/EBITDA	NTM P/E	NTM MC/FCF	Price	Mkt Cap
PLTR	Palantir Technologies Inc.	40.00x	63.88x	90.65x	74.77x	\$172.55	\$414.65B
MSFT	Microsoft Corporation	9.25x	15.06x	24.37x	110.59x	\$480.35	\$3,566.86B
ORCL	Oracle Corporation	6.31x	11.27x	18.21x	(8.85x)	\$146.65	\$422.42B
SAP	SAP SE	4.85x	15.26x	23.12x	18.95x	€179.58	€207.27B
NOW	ServiceNow, Inc.	6.99x	18.03x	25.98x	19.07x	\$117.70	\$121.69B
ADBE	Adobe Inc.	3.70x	7.83x	9.80x	9.40x	\$254.04	\$100.98B
INTU	Intuit Inc.	3.98x	9.18x	12.55x	11.76x	\$335.60	\$91.80B
CSU	Constellation Software Inc.	3.31x	11.97x	16.62x	14.16x	CA\$2,990.99	CA\$63.38B
ROP	Roper Technologies, Inc.	5.61x	14.21x	16.58x	13.35x	\$389.71	\$38.54B
DSY	Dassault Systèmes SE	3.97x	10.93x	15.62x	17.70x	€21.37	€28.29B
SAF	Safran SA	3.88x	17.52x	30.75x	29.54x	€361.10	€149.69B
LMT	Lockheed Martin Corporation	1.85x	13.17x	19.17x	16.82x	\$593.74	\$137.03B
GD	General Dynamics Corporation	1.95x	15.75x	22.29x	19.44x	\$391.14	\$105.67B
BA.	BAE Systems plc	1.97x	13.82x	24.90x	26.02x	£22.36	£63.32B
NOC	Northrop Grumman Corporation	2.09x	14.72x	19.51x	23.54x	\$570.20	\$81.00B



Chart 30 — Peer Multiples: Scatter Plot (EV/Revenue vs Forward P/E, Bubble = Market Cap). Subject company PLTR highlighted in crimson.

- Palantir's NTM EV/Revenue multiple of **40.00x** dwarfs every peer in the table by a substantial margin, representing a premium of more than 4x relative to the next most expensive name, ServiceNow at 6.99x, and more than 10x the median of the broader software peer group, making PLTR unambiguously the most expensively valued company on a revenue basis at its current price of \$171.50.
- On an NTM EV/EBITDA basis, Palantir trades at **63.88x**, again far exceeding the peer group, where even high-growth premium names such as ServiceNow (18.03x) and SAP (15.26x) trade at less than one-third that level, while more mature defense and industrial software peers like Lockheed Martin (13.17x) and Roper Technologies (14.21x) highlight just how profound the profitability-adjusted premium embedded in PLTR's current valuation truly is.
- Palantir's NTM P/E of **90.65x** is approximately 3.5x that of Microsoft (24.37x) and ServiceNow (25.98x), both of which are large-scale, high-quality compounders with significant AI exposure of their own, suggesting that the market is pricing PLTR for a degree of earnings growth acceleration that leaves virtually no margin of safety relative to peers with comparably strong competitive positioning.
- While Palantir's premium valuation across all three metrics can be partially justified by its differentiated AI platform, sole-source government contract visibility, and accelerating commercial momentum, the stock's multiples imply a growth and margin trajectory that is **substantially more demanding** than any comparable in the peer set, meaning even modest execution shortfalls or multiple compression toward the peer median could represent significant downside risk from current levels.

Broader Risk Considerations

It is important to highlight the key risks associated with an investment in Palantir as well as the inherent risks associated with the financial projections and price forecasts presented in this report.

- Global economic, political and other conditions may adversely affect trends in consumer, business and government spending, which may adversely impact the demand for the company's services and its revenue and profitability.
- Palantir operates in highly competitive markets for its products and services. Competitive risk is the risk of losing market share, customers or revenues to competitors who may offer more attractive products, prices, services or distribution channels. Competitive risk can also arise from new entrants or disruptive innovations that could challenge Palantir's business model or value proposition.
- Palantir operates in highly regulated jurisdictions, where it is subject to various laws, rules and regulations that govern its products, services, operations and capital requirements. Regulatory risk is the risk of changes in the regulatory environment that could adversely affect Palantir's business, financial condition and results of operations. For example, changes in tax laws, data privacy laws, environmental laws, consumer protection laws or antitrust laws could increase its costs, liabilities, compliance burdens or competitive pressures.
- Palantir invests heavily in research and development to create new products and services that meet the evolving needs and preferences of its customers. Innovation risk is the risk of failing to innovate effectively or efficiently that could affect its growth potential or competitive advantage. For example, Palantir could face challenges such as technological obsolescence, customer dissatisfaction, market saturation or intellectual property infringement due to factors such as changing customer demands, emerging technologies, shifting industry trends or aggressive competition.
- Palantir often has a high valuation compared to its peers and the market. High valuation is the risk of a downward adjustment in its stock price due to factors such as earnings misses, growth slowdowns, margin compressions or market corrections. For example, Palantir could face a lower valuation due to factors such as lower-than-expected earnings growth, higher-than-expected expenses or taxes, lower-than-expected margins or returns on capital or higher-than-expected discount rates.
- Palantir is exposed to various legal claims and disputes arising from its business activities or transactions. Legal risk is the risk of litigation that could result in significant costs, liabilities or penalties for the company or its affiliates.
- Palantir relies on various systems, processes, people and third parties to support its business operations and customer service. It faces the risk of cyberattacks, data breaches, fraud or system failures that could compromise its data security, business continuity or customer satisfaction. The company also faces the risk of reputational damage or regulatory actions that could result from cyber incidents.

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- Palantir pursues an active acquisition strategy to expand its geographic presence, product offerings and customer base. The company faces the risk of integration challenges, goodwill impairments, contingent liabilities or unexpected costs associated with its acquisitions. The company also faces the risk of failing to achieve the expected synergies, benefits or returns from its acquisitions.

With respect to our price projection, we would like to clarify that the valuation of Palantir in this report is specific to the date of the analysis i.e. 20-08-2026.

We must emphasize that the projected valuation and the share price of Palantir are dependent on the realization of the revenue growth, free cash flows and the other assumptions taken into account. Our analysis cannot be directed to providing any assurance about the achievability of these financial forecasts.

There is a possibility that the actual results of the company are different from the projected results as a result of unexpected events and circumstances such as the realization of the threats mentioned in the paragraph above. Lastly, we would like to clarify that we had no interaction with the management of the company and they did not comment on the achievability or the reasonableness of the assumptions underlying the financial forecasts. Please check out our detailed disclosures at the end for further details.

Rating Methodology & Definitions

Analyst Ratings

Buy: Expected to outperform the market over next 6 to 12 months. Minimal risk to fundamentals and valuation. Good long-term investment.

Outperform: Expected to outperform the market over next 6 to 12 months but there is a moderate risk to fundamentals and valuation.

Hold: Expected to perform in line with the market over next 6 to 12 months. However, there is a moderate to high risk to fundamentals and valuation.

Underperform: Expected to underperform the market over next 6 to 12 months. There is a moderate to high risk to fundamentals and valuation.

Sell: Expected to significantly underperform the market over next 6 to 12 months. There is a strong likelihood of negative returns and very high risk to fundamentals and valuation.

Industry Views

Attractive: The analyst expects the performance of the industry coverage universe over the next 12-18 months to be attractive vs. the relevant broad market benchmark.

In-Line: The analyst expects the performance of the industry coverage universe over the next 12-18 months to be in line with the relevant broad market benchmark.

Cautious: The analyst views the performance of the industry coverage universe over the next 12-18 months with caution vs. the relevant broad market benchmark.

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