UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934

Date of Report (date of earliest event reported)
May 8, 2023

Palantir Technologies Inc.
(Exact name of registrant as specified in its charter)

Delaware	001-39540	68-0551851
(State or other jurisdiction of incorporation or organization)	(Commission File Number)	(I.R.S. Employer Identification Number)

1200 17th Street, Floor 15
Denver, Colorado 80202
(Address of principal executive offices and zip code)

(720) 358-3679
(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading symbol(s)	Name of each exchange on which registered
Class A Common Stock, par value $0.001 per share	**PLTR**	**New York Stock Exchange**

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Item 2.02 - Results of Operations and Financial Condition

On May 8, 2023, Palantir Technologies Inc. (including its subsidiaries, "Palantir," or the "Company") issued a press release announcing its financial results for the fiscal quarter ended March 31, 2023. A copy of the press release is attached as Exhibit 99.1 to this Current Report on Form 8-K and is incorporated by reference herein.

The information furnished under this Item 2.02 and in the accompanying Exhibit 99.1 shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liabilities of that section, nor incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, regardless of any general incorporation language in such filing, unless expressly incorporated by specific reference in such filing.

Item 7.01 - Regulation FD Disclosure

On May 8, 2023, the Company posted a new investor presentation on its investor relations website at https://investors.palantir.com and a letter from its Chief Executive Officer at https://www.palantir.com.

Item 9.01 - Financial Statements and Exhibits

(d) Exhibits

Exhibit Number	Description
99.1	Press release, dated May 8, 2023
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: May 8, 2023

Palantir Technologies Inc.

By: /s/ Alexander C. Karp
Alexander C. Karp
Chief Executive Officer

Exhibit 99.1

Palantir Reports Its Second Consecutive Quarter of Positive GAAP Net Income; GAAP EPS of $0.01 in Q1 2023

5/8/2023

DENVER — (BUSINESS WIRE) — Palantir Technologies Inc. (NYSE:PLTR) today announced financial results for the first quarter ended March 31, 2023.

"We were profitable again this quarter... And we now anticipate that we will remain profitable each quarter through the end of the year," Alexander C. Karp, co-founder and chief executive officer of Palantir Technologies Inc., wrote in a letter to shareholders. "The depth of engagement with and demand for our new Artificial Intelligence Platform (AIP) is without precedent."

Q1 2023 Highlights

- GAAP net income of $17 million
  - This marks our second consecutive quarter of positive GAAP net income
- GAAP income from operations of $4 million, representing a margin of 1%, up 1,000 basis points year-over-year
  - This marks our first quarter of positive GAAP operating income
- GAAP earnings per share ("EPS") of $0.01
- Adjusted EPS of $0.05
- Total revenue grew 18% year-over-year to $525 million
  - US revenue grew 23% year-over-year to $337 million
- Commercial revenue grew 15% year-over-year to $236 million
  - US commercial revenue grew 26% year-over-year to $107 million
- Government revenue grew 20% year-over-year to $289 million
  - US government revenue grew 22% year-over-year to $230 million
- Customer count grew 41% year-over-year and 7% quarter-over-quarter
  - US commercial customer count increased 50% year-over-year, from 103 customers in Q1 2022 to 155 customers in Q1 2023
- Adjusted income from operations of $125 million, representing a margin of 24%
- Cash from operations of $187 million, representing a 36% margin
- Adjusted free cash flow of $189 million, representing a 36% margin
- Cash, cash equivalents, and short-term U.S. treasury securities of $2.9 billion

Q1 2023 Financial Summary

(Amounts in thousands, except percentages and per share amounts)	First Quarter Amount	
Revenue	$	525,186
Year-over-year growth		*18 %*

	Amount	Margin
Income from Operations	$ 4,115	1 %
Adjusted Income from Operations	$ 125,114	24 %
Cash from Operations	$ 187,376	36 %
Adjusted Free Cash Flow	$ 188,897	36 %
Net Income Attributable to Common Stockholders	$ 16,802	
Adjusted Net Income Attributable to Common Stockholders	$ 107,401	
Adjusted EBITDA	$ 133,434	25 %
GAAP EPS, Diluted	$ 0.01	
Adjusted EPS, Diluted	$ 0.05	

Outlook

For Q2 2023, we expect:

- Revenue of between $528 - $532 million.
- Adjusted income from operations of $118 - $122 million.
- GAAP net income.

For full year 2023, we expect:

- Revenue of between $2.185 - $2.235 billion.
- Adjusted income from operations of $506 - $556 million.
- GAAP net income in each quarter.

CEO Letter

Palantir CEO Alex Karp's quarterly letter to shareholders is available through Palantir's website at https://www.palantir.com/q1-2023-letter.

Earnings Webcast

A live public webcast will be held at 3:00 PM MT / 5:00 PM ET today to discuss the results for our first quarter ended March 31, 2023 and financial outlook. The webcast can be accessed by registering online at https://palantir.events/palantir-earnings-q1-2023. A replay of the webcast will be available at https://investors.palantir.com following the event.

An investor presentation, including supplemental financial information and reconciliations of certain non-GAAP measures to their nearest comparable GAAP measures, will be available through Palantir's Investor Relations website at https://investors.palantir.com.

Forward-Looking Statements

This press release and statements on our earnings webcast contain "forward-looking statements" within the meaning of the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995, including but not limited to, statements regarding our financial outlook, product development and related timing, distribution, and pricing, expected benefits of and applications for our software platforms, business strategy, and plans (including strategy and plans relating to our Artificial Intelligence Platform ("AIP"), sales and marketing efforts, sales force, partnerships, and customers), investments in our business, market trends and market size, opportunities (including growth opportunities), our expectations regarding our existing and potential investments in, and commercial contracts with, various entities, our expectations regarding macroeconomic events and foreign currency fluctuations, and positioning. These forward-looking statements are made as of the date they were first issued and were based on current expectations, estimates, forecasts, and projections as well as the beliefs and assumptions of management. Words such as "guidance," "expect," "anticipate,"

“should,” “believe,” “hope,” “target,” “project,” “plan,” “goals,” “estimate,” “potential,” “predict,” “may,” “will,” “might,” “could,” “intend,” “shall,” and variations of these terms or the negative of these terms and similar expressions are intended to identify these forward-looking statements. Forward-looking statements are subject to a number of risks and uncertainties, many of which involve factors or circumstances that are beyond our control. Our actual results could differ materially from those stated or implied in forward-looking statements due to a number of factors, including but not limited to risks detailed in our filings with the Securities and Exchange Commission (the “SEC”), including in our annual report on Form 10-K for the fiscal year ended December 31, 2022 and other filings and reports that we may file from time to time with the SEC, including our quarterly report on Form 10-Q for the fiscal quarter ended March 31, 2023. In particular, the following factors, among others, could cause our results to differ materially from those expressed or implied by such forward-looking statements: our ability to successfully execute our business and growth strategy; the sufficiency of our cash and cash equivalents to meet our liquidity needs; the demand for our platforms, product offerings, and services in general; our ability to increase our number of new customers and revenue generated from customers; our ability to realize some or all of the total contract value of customer contracts as revenue, including any contractual options available to customers or contractual periods that are subject to termination for convenience provisions; our long and unpredictable sales cycle; our ability to successfully execute our channel sales and other strategic initiatives with third parties; our ability to retain and expand our customer base; the fluctuation of our results of operations and our key business measures on a quarterly basis in future periods; the seasonality of our business; the implementation process for our platforms, which may be complex and lengthy; our ability to successfully develop and deploy new technologies to address the needs of our existing or prospective customers; our ability to make our platforms and product offerings easier to install, consume, and use; our ability to maintain and enhance our brand and reputation; our ability to maintain and enhance our culture as our business grows and as we pursue our business and financial goals; news or social media coverage about us, including but not limited to coverage that presents, or relies on, inaccurate, misleading, incomplete, or otherwise damaging information; the impact of recent or future global macroeconomic and geopolitical events, such as the ongoing Russia-Ukraine conflict, rising inflation and interest rates in the U.S. and in other countries, monetary policy changes, financial services sector instability, and foreign currency fluctuations, on the business and operations of our company or of our existing or prospective customers and partners; and any breach or access to customer or third-party data.

The forward-looking statements included in this press release represent our views as of the date of this press release. We anticipate that subsequent events and developments will cause our views to change. We undertake no intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. These forward-looking statements should not be relied upon as representing our views as of any date subsequent to the date of this press release. Past performance is not necessarily indicative of future results.

Additional Definitions

For the purpose of this press release and our earnings webcast, total contract value (“TCV”) closed, remaining performance obligations, and total remaining deal value reflect the values of contracts that have been entered into with, or awarded by, our government and commercial customers.

TCV closed includes existing contractual obligations and presumes the exercise of all contract options available to our customers and no termination of contracts; however, the majority of our contracts are subject to termination provisions, including for convenience, and there can be no guarantee that contracts are not terminated or that contract options will be exercised.

Remaining performance obligations represent non-cancelable contracted revenue that has not yet been recognized, which includes deferred revenue and, in certain instances, amounts that will be invoiced. We have elected the practical expedient, as permitted under Accounting Standards Codification 606—*Revenue from Contracts with Customers*—allowing us to not disclose remaining performance obligations for contracts with original terms of twelve months or less.

Total remaining deal value is the total remaining value of contracts and includes existing contractual obligations and unexercised contract options available to those customers. Total remaining deal value presumes the exercise of all contract options and no termination of contracts; however, the majority of our contracts are subject to termination provisions, including for convenience, and there can be no guarantee that contracts are not terminated or that contract options will be exercised. Total remaining deal value excludes all or some portion of the value of certain commercial contracts as a result of our ongoing assessments of customers’ financial condition, including the consideration of such customers’ ability and intention to pay, and whether such contracts continue to meet the criteria for revenue recognition, among other factors.

Non-GAAP Financial Measures

This press release and the accompanying tables contain the non-GAAP financial measures adjusted income from operations, which excludes stock-based compensation and related employer payroll taxes; adjusted operating margin; adjusted free cash flow; adjusted free cash flow margin; adjusted earnings before interest, taxes, depreciation, and amortization (“adjusted EBITDA”); adjusted EBITDA margin; adjusted net income; and adjusted EPS, diluted.

We believe these non-GAAP financial measures and other metrics described in this press release help us evaluate our business, identify trends affecting Palantir’s business, formulate business plans and financial projections, and make strategic decisions. We exclude stock-based compensation, which is a non-cash expense, from these non-GAAP financial measures because we believe that excluding this item provides meaningful supplemental information regarding operational performance and provides useful information to investors and others in understanding and evaluating our operating results in the same manner as our management

team. We exclude employer payroll taxes related to stock-based compensation as it is difficult to predict and outside of Palantir's control.

Our definitions may differ from the definitions used by other companies and therefore comparability may be limited. In addition, other companies may not publish these or similar metrics. Further, these metrics have certain limitations as they do not include the impact of certain expenses that are reflected in our consolidated statements of operations. For example, adjusted free cash flow does not reflect our future contractual commitments or the total increase or decrease in our cash balances for a given period. Thus, our non-GAAP financial measures should be considered in addition to, not as a substitute for, or in isolation from, measures prepared in accordance with GAAP.

We compensate for these limitations by providing a reconciliation of each of these non-GAAP measures to the most comparable GAAP measure. We encourage investors and others to review our business, results of operations, and financial information in their entirety, not to rely on any single financial measure, and to view these non-GAAP measures in conjunction with the most directly comparable GAAP financial measure.

A reconciliation table of the most comparable GAAP financial measure to each non-GAAP financial measure used in this press release is included at the end of this release. A reconciliation of non-GAAP guidance measures to corresponding GAAP measures is not available on a forward-looking basis without unreasonable effort due to the uncertainty regarding, and the potential variability of, reconciling items that may be incurred in the future, such as stock-based compensation and related employer payroll taxes, the effect of which may be significant.

Available Information

Palantir uses its Investor Relations website at https://investors.palantir.com as a means of disclosing material non-public information and for complying with its disclosure obligations under Regulation FD. Accordingly, investors should monitor Palantir's Investor Relations website, in addition to following our press releases, SEC filings, public conference calls, and webcasts.

About Palantir Technologies Inc.

Foundational software of tomorrow. Delivered today. Additional information is available at https://www.palantir.com.

Contacts

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Media

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Palantir Technologies Inc.
Condensed Consolidated Statements of Operations
(in thousands, except per share amounts)
(unaudited)

	Three Months Ended March 31,	
	2023	**2022**
Revenue	$ 525,186	$ 446,357
Cost of revenue [1]	107,645	94,403
Gross profit	417,541	351,954
Operating expenses:		
Sales and marketing [1]	187,093	160,485
Research and development [1]	90,100	88,601
General and administrative [1]	136,233	142,307
Total operating expenses	413,426	391,393
Income (loss) from operations	4,115	(39,439)
Interest income	20,853	547
Interest expense	(1,275)	(594)
Other income (expense), net	(2,861)	(59,870)
Income (loss) before provision for income taxes	20,832	(99,356)
Provision for income taxes	1,681	2,023
Net income (loss)	19,151	(101,379)
Less: Net income attributable to noncontrolling interests	2,349	—
Net income (loss) attributable to common stockholders	$ 16,802	$ (101,379)
Net earnings (loss) per share attributable to common stockholders, basic	$ 0.01	$ (0.05)
Net earnings (loss) per share attributable to common stockholders, diluted	$ 0.01	$ (0.05)
Weighted-average shares of common stock outstanding used in computing net earnings (loss) per share attributable to common stockholders, basic	2,107,780	2,036,307
Weighted-average shares of common stock outstanding used in computing net earnings (loss) per share attributable to common stockholders, diluted	2,217,439	2,036,307

[1] Includes stock-based compensation expense as follows (in thousands):

	Three Months Ended March 31,	
	2023	**2022**
Cost of revenue	$ 9,177	$ 11,677
Sales and marketing	39,535	49,272
Research and development	19,924	26,905
General and administrative	46,078	61,469
Total stock-based compensation	$ 114,714	$ 149,323

Palantir Technologies Inc.
Condensed Consolidated Balance Sheets
(in thousands)
(unaudited)

	As of March 31, 2023	As of December 31, 2022
Assets		
Current assets:		
Cash and cash equivalents	$ 1,264,738	$ 2,598,540
Marketable securities	1,639,797	35,135
Accounts receivable, net	254,041	258,346
Restricted cash	11,946	16,244
Prepaid expenses and other current assets	85,625	133,312
Total current assets	3,256,147	3,041,577
Property and equipment, net	63,115	69,170
Restricted cash, noncurrent	12,095	12,551
Operating lease right-of-use assets	210,019	200,240
Other assets	141,762	137,701
Total assets	$ 3,683,138	$ 3,461,239
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	$ 4,530	$ 44,788
Accrued liabilities	174,525	172,715
Deferred revenue	229,551	183,350
Customer deposits	139,741	141,989
Operating lease liabilities	53,066	45,099
Total current liabilities	601,413	587,941
Deferred revenue, noncurrent	54,400	9,965
Customer deposits, noncurrent	4,162	3,936
Operating lease liabilities, noncurrent	206,422	204,305
Other noncurrent liabilities	13,548	12,655
Total liabilities	879,945	818,802
Stockholders' equity:		
Common stock	2,117	2,099
Additional paid-in capital	8,568,570	8,427,998
Accumulated other comprehensive loss, net	(4,318)	(5,333)
Accumulated deficit	(5,842,636)	(5,859,438)
Total stockholders' equity	2,723,733	2,565,326
Noncontrolling interests	79,460	77,111
Total equity	2,803,193	2,642,437
Total liabilities and equity	$ 3,683,138	$ 3,461,239

Palantir Technologies Inc.
Condensed Consolidated Statements of Cash Flows
(in thousands)
(unaudited)

	Three Months Ended March 31,	
	2023	**2022**
Operating activities		
Net income (loss)	$ 19,151	$ (101,379)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation and amortization	8,320	4,312
Stock-based compensation	114,714	149,323
Noncash operating lease expense	10,836	10,142
Unrealized and realized (gain) loss from marketable securities, net	8,508	62,843
Other operating activities	(11,342)	(2,754)
Changes in operating assets and liabilities:		
Accounts receivable, net	(628)	(65,867)
Prepaid expenses and other current assets	1,973	(4,320)
Other assets	(4,551)	2,891
Accounts payable	(39,921)	(47,404)
Accrued liabilities	4,271	(5,334)
Deferred revenue, current and noncurrent	88,673	(16,335)
Customer deposits, current and noncurrent	(2,112)	59,822
Operating lease liabilities, current and noncurrent	(10,536)	(10,388)
Other noncurrent liabilities	20	(75)
Net cash provided by operating activities	187,376	35,477
Investing activities		
Purchases of property and equipment	(4,755)	(15,215)
Purchases of marketable securities	(2,310,367)	(89,500)
Proceeds from sales and redemption of marketable securities	709,459	8,247
Proceeds from sales of alternative investments	51,072	—
Net cash used in investing activities	(1,554,591)	(96,468)
Financing activities		
Proceeds from the exercise of common stock options	25,924	27,225
Other financing activities	59	16
Net cash provided by financing activities	25,983	27,241
Effect of foreign exchange on cash, cash equivalents, and restricted cash	2,676	(727)
Net decrease in cash, cash equivalents, and restricted cash	(1,338,556)	(34,477)
Cash, cash equivalents, and restricted cash - beginning of period	2,627,335	2,366,914
Cash, cash equivalents, and restricted cash - end of period	$ 1,288,779	$ 2,332,437

Non-GAAP Reconciliations

Adjusted Income from Operations and Adjusted Operating Margin (in thousands, except percentages)

	Three Months Ended March 31,	
	2023	**2022**
Income (loss) from operations	$ 4,115	$ (39,439)
Add: stock-based compensation	114,714	149,323
Add: employer payroll taxes related to stock-based compensation	6,285	7,506
Adjusted income from operations	$ 125,114	$ 117,390
Adjusted operating margin	24 %	26 %

Adjusted Free Cash Flow and Adjusted Free Cash Flow Margin (in thousands, except percentages)

	Three Months Ended March 31,	
	2023	**2022**
Net cash provided by operating activities	$ 187,376	$ 35,477
Add: cash paid for employer payroll taxes related to stock-based compensation	6,276	9,524
Less: purchases of property and equipment	(4,755)	(15,215)
Adjusted free cash flow	$ 188,897	$ 29,786
Adjusted free cash flow margin	36 %	7 %

Adjusted EBITDA and Adjusted EBITDA Margin (in thousands, except percentages)

	Three Months Ended March 31,	
	2023	**2022**
Net income (loss) attributable to common stockholders	$ 16,802	$ (101,379)
Add: net income attributable to noncontrolling interests	2,349	—
Less: interest income	(20,853)	(547)
Add: interest expense	1,275	594
Add: other (income) expense, net	2,861	59,870
Add: provision for income taxes	1,681	2,023
Add: depreciation and amortization	8,320	4,312
Add: stock-based compensation	114,714	149,323
Add: employer payroll taxes related to stock-based compensation	6,285	7,506
Adjusted EBITDA	$ 133,434	$ 121,702
Adjusted EBITDA margin	25 %	27 %

Adjusted Net Income Attributable to Common Stockholders and Adjusted Earnings Per Share, Diluted (in thousands, except per share amounts)

	Three Months Ended March 31,	
	2023	**2022**
Net income (loss) attributable to common stockholders	$ 16,802	$ (101,379)
Add: stock-based compensation	114,714	149,323
Add: employer payroll taxes related to stock-based compensation	6,285	7,506
Less: income tax effects and adjustments [(1)]	(30,400)	(10,737)
Adjusted net income attributable to common stockholders	$ 107,401	$ 44,713
Weighted-average shares used in computing GAAP earnings (loss) per share, diluted	2,217,439	2,036,307
Adjusted weighted-average shares used in computing adjusted earnings per share, diluted [(2)]	2,217,439	2,209,310
Adjusted earnings per share, diluted	$ 0.05	$ 0.02

[(1)] Income tax effect is based on long-term estimated annual effective tax rates of 23.0% and 22.2% for the periods ended 2023 and 2022, respectively.

[(2)] Includes an additional 173 million dilutive securities for the three months ended March 31, 2022 that are excluded from a GAAP perspective due to the Company's net loss position.