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)
November 7, 2022

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)

1555 Blake Street, Suite 250
Denver, Colorado 80202
(Former name or former address, if changed since last report.)

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 November 7, 2022, Palantir Technologies Inc. (including its subsidiaries, "Palantir," or the "Company") issued a press release announcing its financial results for the fiscal quarter ended September 30, 2022. 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.

On November 7, 2022, the Chief Executive Officer of the Company posted a letter to shareholders at www.palantir.com. A copy of the letter is attached as Exhibit 99.2 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 and Exhibit 99.2 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 November 7, 2022, the Company posted a new investor presentation on its investor relations website at https://investors.palantir.com.

Item 9.01 - Financial Statements and Exhibits

(d) Exhibits

Exhibit Number	Description
99.1	Press release, dated November 7, 2022
99.2	CEO Letter, dated November 7, 2022
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: November 7, 2022

Palantir Technologies Inc.

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

Exhibit 99.1

Palantir Reaffirms FY'22 Revenue Guidance, Reports Revenue Growth of 22% Y/Y for Q3 2022

11/7/2022

DENVER — (PRNewswire) — Palantir Technologies Inc. (NYSE:PLTR) today announced financial results for the third quarter ended September 30, 2022.

"We beat expectations for revenue growth this quarter and expect to have a strong finish to the year, even in the face of the continued strength of the U.S. dollar," said Alexander C. Karp, Co-Founder and Chief Executive Officer of Palantir Technologies Inc.

Q3 2022 Highlights

- Revenue grew 22% year-over-year to $478 million
- US revenue grew 31% year-over-year to $297 million
    - US commercial revenue grew 53% y/y
    - US government revenue grew 23% y/y
- Total contract value ("TCV") closed of $1.3 billion, including US TCV closed of $1.1 billion
- Customer count grew 66% y/y and 11% q/q
    - US commercial customer count increased 124% year-over-year, from 59 customers in Q3 2021 to 132 customers in Q3 2022
- Loss from operations of $(62) million, representing a margin of (13)%, up 1,000 basis points year-over-year
- Adjusted income from operations of $81 million, representing a margin of 17%
- Cash from operations of $47 million, representing a 10% margin
- Adjusted free cash flow ("AFCF") of $37 million, representing an 8% margin
    - This marks the 8th consecutive quarter of positive AFCF

Q3 2022 TTM Highlights

- US revenue of $1.11 billion on a trailing-twelve-month ("TTM") basis, representing a 38% growth rate y/y
- Government revenue of $1.02 billion on a TTM basis, representing a 20% growth rate y/y and surpassing the $1 billion mark for the first time in company history
- Cash from operations of $238 million, representing a 13% margin
- Adjusted free cash flow of $231 million, representing a 13% margin

Q3 2022 Financial Summary

(Amounts in thousands, except percentages and per share amounts)	Third Quarter Amount	
Revenue	$ 477,880	
Year-over-year growth	*22 %*	
	Amount	**Margin**
Loss from Operations	$ (62,191)	(13)%
Adjusted Income from Operations	$ 81,250	17 %
Cash from Operations	$ 47,066	10 %
Adjusted Free Cash Flow	$ 36,560	8 %
Net Loss	$ (123,875)	
Adjusted Net Income	$ 16,075	
Adjusted EBITDA	$ 87,192	18 %
GAAP Net Loss Per Share, Diluted	$ (0.06)	
Adjusted Earnings Per Share, Diluted	$ 0.01	

Outlook

For full year 2022:

- We are reaffirming our revenue guidance of $1.9 - $1.902 billion despite a negative $6 million currency impact since our prior quarter's guidance.
    - Excluding such impact, we would expect full year 2022 revenue of $1.906 - $1.908 billion.
- We are raising our outlook for adjusted income from operations to between $384 - $386 million.

For Q4 2022:

- After factoring in a negative $5 million currency impact since our prior quarter's guidance, we expect revenue of $503 - $505 million.
    - Excluding such impact, we would expect fourth quarter revenue of $508 - $510 million.
- We expect adjusted income from operations of $78 - $80 million.

CEO Letter

Palantir CEO Alex Karp's quarterly letter to shareholders is available through Palantir's website at https://www.palantir.com/q3-2022-letter.

Earnings Webcast

A live public webcast will be held at 6:00 a.m. MT / 8:00 a.m. ET today to discuss the results for our third quarter ended September 30, 2022 and financial outlook. The webcast can be accessed by registering online at https://palantir.events/palantir-2022-q3. 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, distribution, and pricing, expected benefits of and applications for our software platforms, business strategy, and plans (including strategy and plans relating to our 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 recent and potential investments in, and commercial contracts with, various entities, including special purpose acquisition companies and other privately-held or publicly-traded companies, 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, 2021 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 September 30, 2022. 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 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 grow our direct sales force and 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 easier to install and consume; our ability to maintain and enhance our brand and reputation; our ability to maintain and enhance our culture as our business grows; 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 Russia's invasion of Ukraine, foreign currency fluctuations, or rising inflation or interest rates in the U.S. and in other countries, 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, the value of deals closed and TCV closed each reflect the total contract value of contracts that have been entered into with, or awarded by, our government and commercial customers.

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

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 earnings per share ("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.

For the purpose of this press release and our earnings webcast, we have estimated the impact of foreign currency rates as a result of the general strengthening of the U.S. Dollar ("USD") during the current period and as anticipated for the remainder of fiscal year 2022, by applying (i) the difference between the currency rates in effect for the initial month of the current period and the currency rates in effect or anticipated to be in effect for each subsequent month during the impacted period to (ii) the actual or projected revenue associated with each month during the impacted period.

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.

Contact

Investor Relations

investors@palantir.com

Media

media@palantir.com

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Revenue	$ 477,880	$ 392,146	$ 1,397,247	$ 1,109,022
Cost of revenue [1]	107,611	86,804	304,238	251,841
Gross profit	370,269	305,342	1,093,009	857,181
Operating expenses:				
Sales and marketing [1]	182,918	153,443	512,278	451,919
Research and development [1]	100,863	94,316	277,635	303,311
General and administrative [1]	148,679	149,524	446,471	454,054
Total operating expenses	432,460	397,283	1,236,384	1,209,284
Loss from operations	(62,191)	(91,941)	(143,375)	(352,103)
Interest income	5,540	379	7,559	1,127
Interest expense	(1,082)	(609)	(2,346)	(3,039)
Other income (expense), net	(65,046)	(8,528)	(260,714)	(11,297)
Loss before provision for (benefit from) income taxes	(122,779)	(100,699)	(398,876)	(365,312)
Provision for (benefit from) income taxes	1,096	1,438	5,707	(1,121)
Net loss	$ (123,875)	$ (102,137)	$ (404,583)	$ (364,191)
Net loss per share attributable to common stockholders, basic	$ (0.06)	$ (0.05)	$ (0.20)	$ (0.19)
Net loss per share attributable to common stockholders, diluted	$ (0.06)	$ (0.05)	$ (0.20)	$ (0.19)
Weighted-average shares of common stock outstanding used in computing net loss per share attributable to common stockholders, basic	2,073,265	1,964,395	2,054,926	1,893,911
Weighted-average shares of common stock outstanding used in computing net loss per share attributable to common stockholders, diluted	2,073,265	1,964,395	2,054,926	1,893,911

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Cost of revenue	$ 10,525	$ 14,860	$ 33,413	$ 54,866
Sales and marketing	48,824	57,124	147,501	186,418
Research and development	25,113	34,472	76,996	122,976
General and administrative	55,846	78,379	177,490	247,048
Total stock-based compensation	$ 140,308	$ 184,835	$ 435,400	$ 611,308

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

	As of September 30, 2022	As of December 31, 2021
Assets		
Current assets:		
Cash and cash equivalents	$ 2,411,290	$ 2,290,674
Restricted cash	20,557	36,628
Accounts receivable, net	343,264	190,923
Marketable securities	57,342	234,153
Prepaid expenses and other current assets	114,157	110,872
Total current assets	2,946,610	2,863,250
Property and equipment, net	57,822	31,304
Restricted cash, noncurrent	20,902	39,612
Operating lease right-of-use assets	199,359	216,898
Other assets	94,142	96,386
Total assets	$ 3,318,835	$ 3,247,450
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	$ 59,507	$ 74,907
Accrued liabilities	164,697	155,806
Deferred revenue	189,771	227,816
Customer deposits	234,142	161,605
Operating lease liabilities	40,233	39,927
Total current liabilities	688,350	660,061
Deferred revenue, noncurrent	31,383	40,217
Customer deposits, noncurrent	5,533	33,699
Operating lease liabilities, noncurrent	204,903	220,146
Other noncurrent liabilities	2,051	2,297
Total liabilities	932,220	956,420
Stockholders' equity:		
Common stock	2,080	2,027
Additional paid-in capital	8,284,686	7,777,085
Accumulated other comprehensive loss	(9,835)	(2,349)
Accumulated deficit	(5,890,316)	(5,485,733)
Total stockholders' equity	2,386,615	2,291,030
Total liabilities and stockholders' equity	$ 3,318,835	$ 3,247,450

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

	Nine Months Ended September 30,	
	2022	2021
Operating activities		
Net loss	$ (404,583)	$ (364,191)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation and amortization	15,149	11,057
Stock-based compensation	435,400	611,308
Deferred income taxes	(31)	337
Non-cash operating lease expense	30,130	23,417
Unrealized and realized (gain) loss from marketable securities, net	260,720	7,238
Other operating activities	2,344	3,076
Changes in operating assets and liabilities:		
Accounts receivable	(154,591)	(15,412)
Prepaid expenses and other current assets	(5,780)	(7,872)
Other assets	10,490	(7,032)
Accounts payable	(15,165)	1,158
Accrued liabilities	(828)	20,360
Deferred revenue, current and noncurrent	(44,912)	(3,781)
Customer deposits, current and noncurrent	44,263	(16,227)
Operating lease liabilities, current and noncurrent	(27,437)	(22,786)
Other noncurrent liabilities	(195)	(226)
Net cash provided by operating activities	144,974	240,424
Investing activities		
Purchases of property and equipment	(35,109)	(6,783)
Purchases of marketable securities	(124,500)	(155,315)
Proceeds from sales of marketable securities	36,482	—
Proceeds from redemption of marketable securities	4,619	—
Purchases of alternative investments	—	(50,941)
Other investing activities	—	(3,000)
Net cash used in investing activities	(118,508)	(216,039)
Financing activities		
Principal payments on borrowings	—	(200,000)
Proceeds from the exercise of common stock options	72,108	474,683
Other financing activities	(269)	(401)
Net cash provided by financing activities	71,839	274,282
Effect of foreign exchange on cash, cash equivalents, and restricted cash	(12,470)	(3,638)
Net increase in cash, cash equivalents, and restricted cash	85,835	295,029
Cash, cash equivalents, and restricted cash - beginning of period	2,366,914	2,128,146
Cash, cash equivalents, and restricted cash - end of period	$ 2,452,749	$ 2,423,175

Non-GAAP Reconciliations

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Loss from operations	$ (62,191)	$ (91,941)	$ (143,375)	$ (352,103)
Add: stock-based compensation	140,308	184,835	435,400	611,308
Add: employer payroll taxes related to stock-based compensation	3,133	23,215	14,464	90,214
Adjusted income from operations	$ 81,250	$ 116,109	$ 306,489	$ 349,419
Adjusted operating margin	17 %	30 %	22 %	32 %

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Net cash provided by operating activities	$ 47,066	$ 100,793	$ 144,974	$ 240,424
Add: cash paid for employer payroll taxes related to stock-based compensation	3,930	23,717	17,387	86,289
Less: purchases of property and equipment	(14,436)	(5,377)	(35,109)	(6,782)
Adjusted free cash flow	$ 36,560	$ 119,133	$ 127,252	$ 319,931
Adjusted free cash flow margin	8 %	30 %	9 %	29 %

Adjusted EBITDA (in thousands)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Net loss	$ (123,875)	$ (102,137)	$ (404,583)	$ (364,191)
Less: interest income	(5,540)	(379)	(7,559)	(1,127)
Add: interest expense	1,082	609	2,346	3,039
Add: other (income) expense, net	65,046	8,528	260,714	11,297
Add: provision for (benefit from) income taxes	1,096	1,438	5,707	(1,121)
Add: depreciation and amortization	5,942	3,058	15,149	11,057
Add: stock-based compensation	140,308	184,835	435,400	611,308
Add: employer payroll taxes related to stock-based compensation	3,133	23,215	14,464	90,214
Adjusted EBITDA	$ 87,192	$ 119,167	$ 321,638	$ 360,476

Adjusted Earnings Per Share, Diluted (in thousands, except per share amounts)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Net loss	$ (123,875)	$ (102,137)	$ (404,583)	$ (364,191)
Add: stock-based compensation	140,308	184,835	435,400	611,308
Add: employer payroll taxes related to stock-based compensation	3,133	23,215	14,464	90,214
Add (less): income tax effect and adjustments [1]	$ (3,491)	$ (23,834)	$ (5,613)	$ (74,647)
Adjusted net income attributable to common stockholders, diluted	16,075	82,079	39,668	262,684
Weighted-average shares used in computing GAAP net loss per share, diluted	2,073,265	1,964,395	2,054,926	1,893,911
Adjusted weighted-average shares used in computing adjusted earnings per share, diluted [2]	2,142,506	2,341,270	2,156,288	2,329,889
Adjusted earnings per share, diluted	$ 0.01	$ 0.04	$ 0.02	$ 0.11

[1] Income tax effect is based on long-term estimated annual effective tax rates of 22.2% for the periods ended 2022 and 2021.
[2] Includes an additional 69 million and 101 million dilutive securities for the three and nine months ended September 30, 2022, respectively, and an additional 377 million and 436 million dilutive securities for the three and nine months ended September 30, 2021, respectively, that were excluded from a GAAP perspective due to the Company's net loss position.

Calculations of Foreign Exchange Rate Impacts (in thousands)

	Three Months Ended September 30, 2022	Three Months Ended December 31, 2022 (Guidance Midpoint)	Fiscal Year Ended December 31, 2022 (Guidance Midpoint)
Revenue	$ 477,880	$ 503,753	$ 1,901,000
Add: currency impact [1]	1,359	4,607	5,966
Revenue with currency impact	$ 479,239	$ 508,360	$ 1,906,966

[1] The currency impact is calculated by applying (i) the difference between the currency rates in effect for the initial month of the current period and the currency rates in effect or anticipated to be in effect for each subsequent month of the impacted period to (ii) the actual or expected revenue associated with such month of the impacted period.

Exhibit 99.2

Palantir Technologies Inc.

Letter to Shareholders

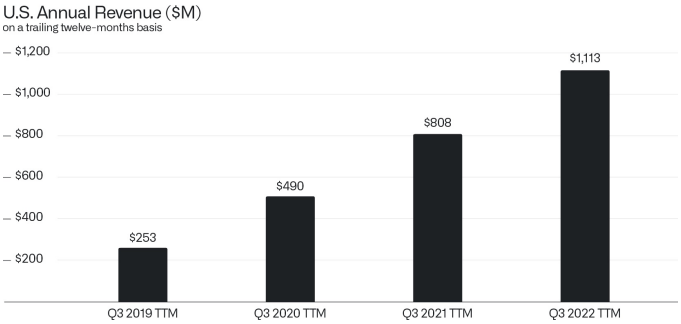
November 7, 2022

I.

We are in the early stages of a significant transformation.

Our company is emerging as a dominant provider of foundational data platforms, generating approximately half a billion dollars in revenue every quarter.

We have crossed the billion-dollar mark in the United States market alone, more than doubling our business in two years.



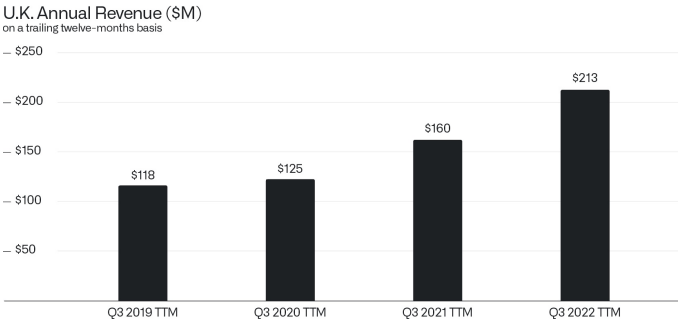
In the twelve months that ended September 30, 2019, we generated $253 million of revenue in the United States. Three years later, we generated $1.1 billion of revenue, representing a 64% compound annual growth rate.

We now anticipate that individual regional markets within the United States, including, for example, the Midwest, the Southeast, New England, and Texas, all have the potential to develop into billion-dollar businesses on their own over the near term.

We are also seeing individual markets abroad, which were once an ancillary part of our operations, develop into significant businesses in their own right.

In the United Kingdom, for example, we generated $160 million in revenue in the twelve-month

period that ended September 30, 2021. The following year, we generated $213 million, representing a year-over-year growth rate of 33%.



We believe that our revenue in the United Kingdom has the potential to grow significantly in the coming years.

Other countries will follow.

Many of the largest companies in the world are looking to their American peers for guidance, implicit or otherwise, regarding which software systems should stand at the center of their organizations.

It has been our experience, however, that some countries, particularly in continental Europe, including Germany, have fallen behind the United States in their willingness and ability to implement enterprise software systems that challenge existing habits and modes of operation.

There have been repeated attempts to build replicas of Silicon Valley in continental Europe, in Germany and elsewhere, but the results have been decidedly mixed.

We have found that large institutions in the United States have been far more willing to investigate the most significant sources of systemic dysfunction within their organizations, which in the current moment often relate to the ability or rather inability of an institution to metabolize its own data.

II.

We have at this point essentially captured the market of commercial enterprises and industrial leaders that were first to begin leveraging software to reshape their businesses.

And the remainder are now following.

The shift has been made possible by a more sophisticated and coherent commercial offering, which can now be deployed to new customers within minutes.

In the past, the time and effort required to build relationships with and deliver our software to customers weighed on our ability to expand at a pace commensurate with demand in the market. We were iterating and experimenting with building a software platform, and our customers were iterating and experimenting with us.

It was perhaps a necessary interregnum. Our approach, however, to the acquisition and onboarding of new customers has changed significantly, a shift made possible by a far more systematic and mechanized sales operation.

A pure software business has now emerged.

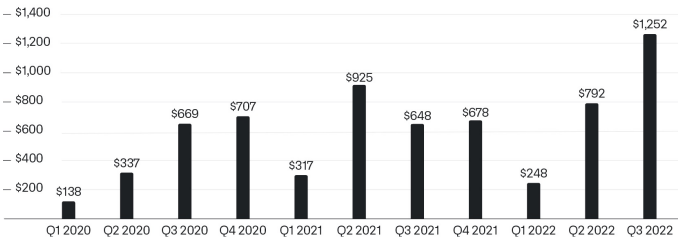
III.

Our software is at war, in Europe and around the world.

And software is the means by which nations both impose and defend their values.

Our third quarter, from a contracting perspective, points to the growing strength of our defense business in the United States.

Total Contract Value by Quarter ($M)



We executed contracts in the third quarter of this year worth a total of $1.3 billion over time, with $987 million of the $1.3 billion coming from contracts entered into with the United States government alone.

The significant increase in contract value this quarter was principally driven by the expansion of our work with the United States military to support the deployment of artificial intelligence and machine learning capabilities to soldiers on the front lines.

We furthermore do not view the increase in contract value this quarter as an aberration but rather as a sign of a more fundamental shift in our business, from insurgent outsider to incumbent, particularly in the U.S. market.

IV.

There is a reason why the market is not overrun by competing enterprise software systems for integrating and then transforming data into something of operational value. They are extraordinarily difficult to build.

The lack of widespread development of competing offerings is principally a reflection of the distinct hurdles that must be overcome for a mere data integration platform to mature into a foundational system that can model the world.

One of those hurdles, and perhaps the one that we have been most focused on in the past decade, involves the development of a system for enabling users themselves to construct an architecture of the world within which they operate and then to create objects onto which data attaches.

The extent to which data gives life to those objects is what enables institutions to interrogate the information they have and drive decisions.

We have found that the additional commercial offerings that have emerged in recent years in the market have served to educate customers about the tensions and tradeoffs inherent in constructing an enterprise software system.

Where there was once a firm belief that the adoption of tools in isolation was sufficient for success in the long run, there is now a broader understanding that enterprises will only begin to be able to exploit the value of their data when their own offerings and applications are running on top of a broader and integrated platform.

V.

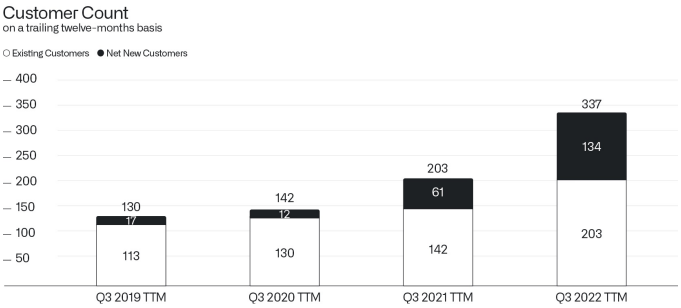
The number of new customers that are purchasing our software has more than doubled in the past year.

The speed with which our platforms are being adopted by new customers and the ease with which such platforms are being deployed is a reflection not only of the further maturation of the software itself but of its essential nature to modern life.

We are building the digital infrastructure that makes continued industrial progress in late capitalism possible.

The sustained increase in interest and orders for our software products, particularly in the United States, comes not in spite but because of the current moment of austerity and tightening credit conditions.

The metaverse and other idiosyncratic pursuits of the technocratic elite may be luxury goods. But foundational data platforms are not.



In the past, the managerial class that effectively runs most large commercial enterprises may have been rewarded for preparing elaborate data transformation plans without delivering any results.

That era, however, is coming to a close.

The mere declaration that one is adopting a functional enterprise software platform that conforms to certain ethical and legal requirements was never equivalent to adopting a functional enterprise software platform that conforms to certain ethical and legal requirements.

As Wittgenstein suggested, “To think one is obeying a rule is not to obey a rule.” (“*[D]er Regel zu folgen glauben ist nicht: der Regel folgen.*”)

Put differently, “it is not possible to obey a rule ‘privately’: otherwise thinking one was obeying a rule would be the same thing as obeying it.” (“*Und darum kann man nicht der Regel ‘privatim' folgen, weil sonst der Regel zu folgen glauben dasselbe wäre, wie der Regel folgen.*”)

There exists a need to place software at the center of the modern enterprise. And the institutions that survive and emerge even stronger on the other side of this period of transition will be those that reject the theater of feigned engagement with effecting that outcome.

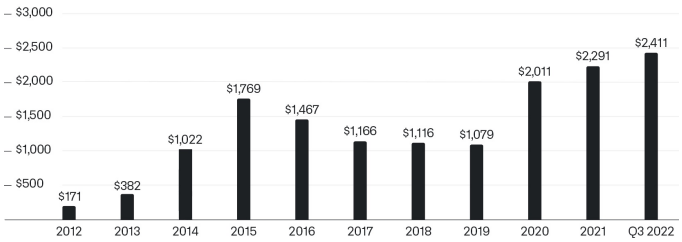
VI.

We have the privilege of planning and building a company for the long term.

The current shift in macroeconomic conditions has served to winnow the field of participants in the technology sector and will continue to do so.

Our ability to plan for the future is made possible because we have $2.4 billion in the bank and no debt.

Cash and Cash Equivalents ($M)



We have also now generated $461 million in cash flow from operations over the past two years.

Our preparation for the current moment is anything but accidental.

We anticipated the present volatility and will continue to grow not in spite but because of it.

VII.

The strength of our engineers, those building our software products, often stems from their disinterest in grand unifying theories when it comes to the construction of software and how it should be built.

They see what works and discard what does not.

The rapid cycles of iteration that arise from this way of working are only possible if one remains relatively unbeholden to ideological ways of thinking.

As a result, we continue to recruit and retain talented minds wherever they happen to reside along the political spectrum, from radical leftists skeptical of institutional power to free speech absolutists resistant to liberal establishment orthodoxy.

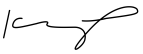
It is our belief that most Americans are principally concerned with results. The theater and posturing of the political class, and the enforced duality of our current discourse, is a distraction for most.

The political and moral questions that seem to dominate the discussion often presuppose competency.

The question of whether an adversary on the battlefield should be eliminated can only really be asked if one has the technical capability to conduct the operation.

We are building software that makes those discussions possible, and the instruments we are crafting are sharp.

Sincerely,



Alexander C. Karp

Chief Executive Officer & Co-Founder
Palantir Technologies Inc.

Forward-Looking Statements

This letter contains "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, distribution, and pricing, expected benefits of and applications for our software platforms, business strategy, and plans (including strategy and plans relating to our 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 recent 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, 2021 and other filings and reports that we may file from time to time with the SEC, including our current report on Form 8-K furnishing our earnings press release for the fiscal quarter ended September 30, 2022 and our quarterly report on Form 10-O for the fiscal quarter ended September 30, 2022. 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 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 grow our direct sales force and 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 easier to install and consume; our ability to maintain and enhance our brand and reputation; our ability to maintain and enhance our culture as our business grows; 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 Russia's invasion of Ukraine, foreign currency fluctuations, or rising inflation or interest rates in the U.S. and in other countries, 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 letter represent our views as of the date of this letter. 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 letter. Past performance is not necessarily indicative of future results.

Other Notes

This letter may contain statistical data, estimates, forecasts and statements that are based on independent industry publications or other publicly available information, as well as other information based on our internal sources. This information involves many assumptions and limitations, and you are cautioned not to give undue weight to these estimates. We have not independently verified the accuracy or completeness of the data contained in these industry publications and other publicly available information. Accordingly, we make no representations as to the accuracy or completeness of that data nor do we undertake to update such data after the date of this letter.

This letter may refer to various growth rates when discussing our business. These rates reflect year-over-year comparisons unless otherwise stated.

By receiving this letter, you acknowledge that you will be solely responsible for your own assessment of the market and our market position and that you will conduct your own analysis and be solely responsible for forming your own view of the information provided, including regarding the potential future performance of our business.