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Equity Research Report
Palantir Technologies Inc

Master´s Project Master in Finance

Supervised by
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I would also like to acknowledge the Master's in Finance and its teaching team who provided me with the necessary knowledge and practical skills for the beginning of my professional and academic life and the many colleagues with whom I studied.

Resumo

O Equity Research Report sobre a Palantir foi elaborado de acordo com o formato recomendado pelo CFA Institute e reflete as informações públicas da empresa publicadas até 11 de novembro de 2022. Consequentemente, qualquer evento ocorrido após essa data não foi considerado na análise.

Como entusiasta da tecnologia interessado em avaliar empresas de crescimento, estou feliz por ter escolhido uma empresa única, icónica e desafiadora, que possui uma filosofia diferente das outras empresas do ramo e que apresenta forte comunidade de fãs não institucionais, chamada de "Palantirians", que surgiram do fórum de investidores do Reddit r/WallStreetBets.

O projeto começa com uma descrição do negócio da empresa, incluindo uma introdução à sua história, uma análise detalhada de cada software e as estratégias projetadas para o presente e futuro. Além disso, a Coporate Governance e a ESG também são destacadas neste relatório, devido à sua complexidade e ao segmento em que a empresa atua, a privacidade, a regulamentação de proteção de dados, entre outros.

O projeto apesenta também, uma análise detalhada da indústria, as tendências de vendas e receita, a perspetiva econômica e os impulsionadores de oferta e demanda da indústria. A Posição Competitiva é fornecida por meio da análise SWOT e das cinco forças de Porter.

O Price Target de $10.45 para 31 de dezembro de 2023, equivale a um potencial de valorização de +24.3% em relação ao preço de 11 de novembro de 2022 ($9.24). Este valor foi calculado a partir do modelo DCF, usando o Free Cash Flow to Firm (FCFF). Outros métodos de avaliação, incluindo Free Cash Flow to Equity (FCFE) e Avaliação Relativa, foram utilizados para apoiar minha recomendação.

O presente relatório inclui uma análise de sensibilidade e uma simulação de Monte Carlo de alguns riscos selecionados para o preço-alvo, o número de clientes, a receita média por cliente, a taxa média ponderada de custo de capital (WACC) e a taxa de crescimento terminal (g).

Com base no potencial de valorização de 24.3%, no crescimento potencial da indústria e nos projetos que a empresa está desenvolvendo para um futuro sustentável, minha recomendação para a Palantir é COMPRAR.

Palavras-chave: Pesquisa de Equidade, Indústria de Serviços e Consultoria em TI, Indústria de Software, Finanças Corporativas, ESG, Avaliação, Fluxo de Caixa Descontado, Múltiplos, Simulação de Monte Carlo.

Abstract

The following Equity Research Report on Palantir was written in line with the research report format recommended by the CFA Institute, and it reflects the public information of the company published until 11th November 2022. Consequently, any event following this date was not considered in the analysis.

As a Technologic enthusiast interested in evaluating growth companies, I am glad to have chosen a unique, iconic, and challenging Company, which has a different philosophy compared to other tech companies and a strong community of fans called "Palantirians", who were emerging by Reddit investors forum r/WallStreetBets.

The project starts with a business description of the Company, including an introduction to its history, a detailed analysis of each software, and the strategies designed for the present and future. In addition, Corporate Governance and ESG are also highlighted in the present report, due to their complexity and the segment Company is working in, privacy, data protection regulation, and more.

Moreover, an In-depth Industry analysis mentions the sales and revenue trends, the economic outlook, and the supply and demand drivers of the Industry. Competitive Positioning is also provided, through the SWOT analysis and Porter's five forces.

The Price Target of $10.45 for 31st December 2023, equivalent to a +24.3% upside potential from the close price on 11th November 2022 ($9.24) was computed through the DCF model, using the Free Cash Flow to Firm (FCFF). Other valuation methods, including Free Cash Flow to Equity (FCFE) and Relative Valuation, were used to support my recommendation.

The present report includes a sensitivity analysis and a Monte Carlo simulation of a few selected risks to the price target, the number of customers, the average revenue per customer, the weighted average cost of capital (WACC), and the terminal growth rate (g).

Based on the 24.3% upside potential, the industry's potential growth, and the projects the Company is developing for a sustainable future, my recommendation for Palantir is BUY.

Keywords: Equity Research, IT Service & Consulting Industry, Software Industry, Corporate Finance, ESG, Valuation, Discounted Cash-Flow, Multiples, Monte Carlos simulation.

Disclaimer

The purpose of this Equity Research Report is solely academic and was created by Nuno Gil Ferreira Peixoto, a graduate student enrolled in the Master in Finance program at the University of Minho. The report was supervised by a faculty member who acted as an academic mentor. Neither the author nor the supervisor of this report is a certified investment advisor.

This report should be viewed purely as an academic exercise conducted by a graduate student. The information used in this report is widely available to the public from various sources, and the student believes it to be reliable. However, the student takes full responsibility for the accuracy and reliability of the information used, as well as the estimates, forecasts, valuation methods applied, and views expressed.

UMinho and its faculty members take no formal or unique position on the matters discussed in this report and assume no responsibility for any consequences resulting from the use of this report.

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Ticker: Class A Common Stock – PLTR (NYSE), PLTR.K
(Eikon Reuters)
TRBC Industry: IT Service & Consulting and Software

Date: 11/11/2022
Recommendation: BUY
Target Price (1-year forward): USD 10.45

Palantir Technologies Inc: Foundational software of tomorrow. Delivered today.

1. Research Snapshot

Figure 1- Palantir stock price // Source: Refinitiv Eikon and author

Based on a forecast period of 4 years (2024YE-2028YE), **BUY** is my recommendation for Palantir Technologies Inc (PLTR) with a **12-month target price of $ 10.45/sh** (as of 31/12/2023), representing an **upside potential of 24.3%** from the closing price of $ 8.41/sh as of 11/11/2022.

The target price of $10.72 was estimated using discounted cash flow analysis (DCF). The final target price is the result of intrinsic valuation, calculated by free cash flow to firm (FCFF) and supported by the relative valuation of 5 multiples (**Figure 2**). My forecast price ranges, which are based on thorough sensitivity analysis, represent the bear, base, and bull case. All analyses, namely considering the bear scenarios, pointed towards an upside potential in the share price.

My strong recommendation lays on the following key catalysts: (1) Palantir's technology moat unlocking a higher pricing potential, (2) Complex and competitive environments require more than ever sophisticated Management tools and software, and (3) Unique relation with the USA and their Allies Governmental institutions.

Despite my recommendation the historical performance is not favorable (**Figure 3**).

Price Performance

Market Cap ($m)	$	16,835
Shares Outstanding (m)		2,101
Close Price		8.41
Beta (2y daily)		1.67
12-Month Target Price		10.45
Upside Potential		24.3%

Table 1- Palantir market profile // Source: Refinitiv Eikon
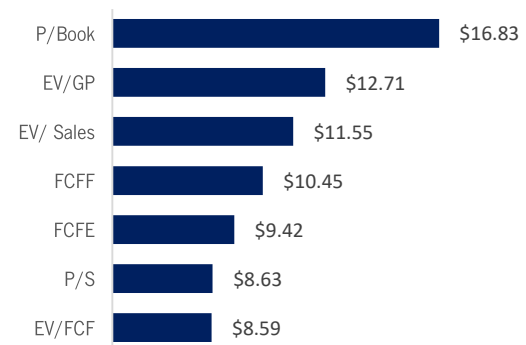
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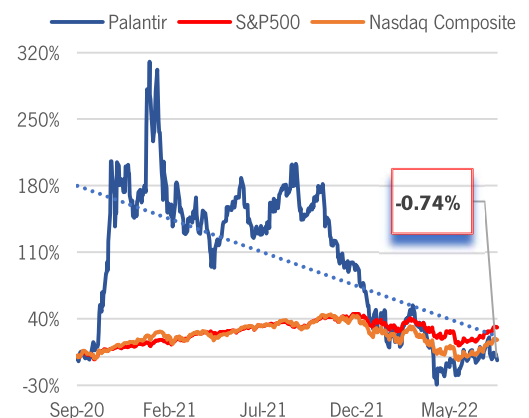
Figure 3- Stock price returns since the IPO // Source: Refinitiv Eikon

"We are working towards a future where all large institutions in the United States and its allies abroad are running significant segments of their operations, if not their operations as a whole, on Palantir."

"… And it is instability, not its absence, that makes our software all the more essential. Our company is built for the world that is, not the world that ought to be."

Alex Karp, CEO of Palantir.

Palantir's technology moat unlocks a higher pricing potential.

If one label were to define Palantir, it would be "technology innovation." Palantir's software and applications have transformed the way organizations and industries collect and use their data, offering quality, deep information, and fast update speed. Palantir is the most experienced company in creating ontologies, implementing custom ontologies for enterprises and organizations. At the same time, data integration is faster compared to peers' software. Palantir's software offers a powerful central base where institutions can integrate volumes of data from images, sensors, and dashboards in a unique environment. This allows users to transform, manage, and visualize all data in a single pipeline. Their software also provides data analytic tools, as well as machine learning and artificial intelligence, to make forecasts, identify patterns, and predict future trends (**Figure 4**).

Complex and competitive environments require more than ever sophisticated Management tools and software.

Data is the new oil. As the world becomes more digitally connected, enterprises are increasingly dependent on data to deliver value. Large corporations are relying more and more on data to make business decisions. Data industry companies are investing heavily to deploy the best software to fit the increasing needs of their customers (**Figure 5**). Palantir played a crucial role in the COVID-19 vaccination effort, powering the digital operating system of both the USA and UK public health systems in the fight against the pandemic, from vaccine distribution to improving supply chain resilience. More recently, as a US ally, Palantir has provided its Gotham software to Ukrainian forces in the wake of the country's invasion. Palantir software is designed to scale with increasing complexity, making it particularly suited for data-driven solutions to some of the world's most difficult problems, including the management of COVID-19 vaccines, predicting patterns in the warzone, and more.
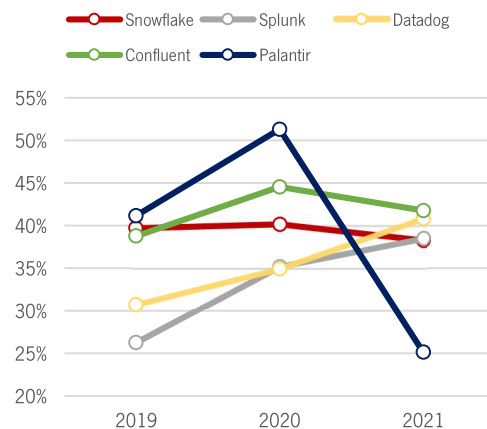
Unique relation with the USA and their Allies' Governmental institutions.

From the beginning, Palantir has had partnerships with US governmental institutions. The first institutional investor, besides Peter Thiel (one of the founders), was the CIA venture capital arm In-Q-Tel with $2 million in 2004 (Forbes). Palantir developed powerful software for governmental forces capable of integrating all types of data (audio, satellite, sensors, and further). Gotham is a reference and powerful tool used in the battlefield and criminal investigations such as money laundering. More recently, Palantir software has created partnerships with US and UK health departments that played an important role in COVID-19 vaccination. Palantir's philosophy and principles of helping the USA and their Allies, (Palantir doesn't make any deals with China, Russia, Belarus, and North Korea), fortify the relations with governmental institutions (**Figure 6**).

2.   Business Description

Palantir Technologies Inc. (PLTR) was founded in 2003 by Peter Thiel, Alex Karp, Joe Lonsdale, Nathan Gettings, and Stephen Cohen. The inspiration for Palantir came from Peter Thiel's experience at PayPal where they built software able to spot credit card fraud. The idea was to apply the same logic behind this software to counter terrorist threats and protect liberties. Palantir's original clients were federal agencies. It quickly expanded to add states and local governments. It also serves commercial companies such as Airbus, BP, Fujitsu, and Fiat. Palantir software is able to process raw data while leveraging the power of machine learning and AI and display this data in compelling graphs and tables. They are not a big data company (cloud) or a service company (despite the fact they have operating and maintenance services for their software customers as support services).

Functionalities	⚛ Palantir
Databases	✔
Data Ingestion	✔
Management *	✔
Storage	✘
Modeling & Transformation	✔
Analysis / Dashboard	✔
Intelligence	✔

Management - Orchestration, data cataloging / governance

Figure 4 - Palantir functionalities // Source: Author

Figure 5 - R&D as % of Gross Revenue // Source: Refinitiv Eikon

Figure 6 - Commercial and Governmental costumers // Source: Author
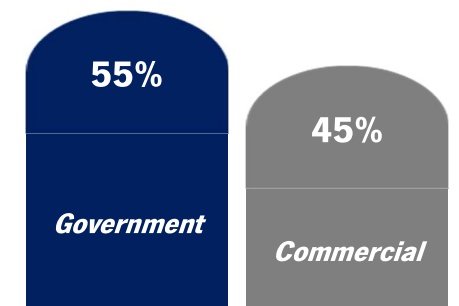
Figure 7 - LTM Revenue by business segment // Source: Palantir, Author

Palantir has built three principal software platforms: Gotham, Foundry, and Apollo. Palantir is in the stock market since Wednesday 30 September 2020 by direct public offer (DPO).

Gotham Gotham is a powerful operating system used by intelligence and law enforcement agencies to uncover hidden patterns in complex datasets. Originally developed for large-scale data problems in areas such as security, payments, and fraud detection, Gotham has evolved into a comprehensive system for all stages of decision-making. Its success lies in its ability to process complex data and provide real-time insights, making it a valuable tool for organizations looking to make data-driven decisions. Gotham has been used by the US Army and has helped uncover major fraud cases. It is also available to select commercial clients, such as banks looking to detect money laundering.

Foundry transforms the way organizations operate by creating a central operating system for their data. It turns data into a competitive advantage by efficiently bringing it all together and making the marginal costs of data integration approach zero. Foundry enables users and developers to create robust and interconnected applications in their environment without needing to write code. These applications can read and write to existing enterprise transactional systems like ERP, providing a powerful personalized platform to customers. Examples of Foundry in action include the platform Skywise, built for Airbus and now a reference for the aviation industry. In the automotive and racing industry, Foundry can detect rising issues and trends in minutes, identifying faulty vehicles prior to repair by ingesting millions of data points, removing time-consuming data cleaning and integration steps, and providing a relatable framework (the Ontology) for making consequential decisions.

Apollo is a powerful tool that provides continuous deployment, configuration management, and central software operations management for Palantir's products. By enabling Palantir's SaaS to be deployed across any environment and integrating customers' SaaS into any environment, Apollo expands Palantir's total available market. Apollo's innovative approach combines multiple cloud infrastructures into one unified cloud, utilizing data and AI to generate valuable insights and make informed decisions. With user-friendly software updates that can be controlled by cell phone, businesses can efficiently manage and control their SaaS programs in a matter of minutes. For example, a streaming company can easily update and manage their TV SaaS programs on a single device, saving time and money compared to building a costly and less efficient program.

Company Strategy

Palantir's primary goal is to **become a leader in enterprise software** by expanding and leveraging its commercial segment. The company aims to achieve continued growth in commercial companies in the US and aims to penetrate European and other US allies' companies to expand its market reach.

 The company's strategy to grow as an enterprise software leader involves increasing the sales team, investing in marketing, and creating partnerships with major companies in the industry such as IBM Watson, AWS, and Google Cloud. They aim to expand their user base by providing Foundry architecture in their platforms. Additionally, Palantir is continuously developing new software, tools, and applications to offer more options to their customers and cater to more industries. During their first quarterly meeting after their DPO in 3Q 2020, Palantir targeted an addressable market of **$120 billion**, split equally between their two business segments. The calculation was based on the largest 6,000 companies in the world, excluding those based in China and Russia.
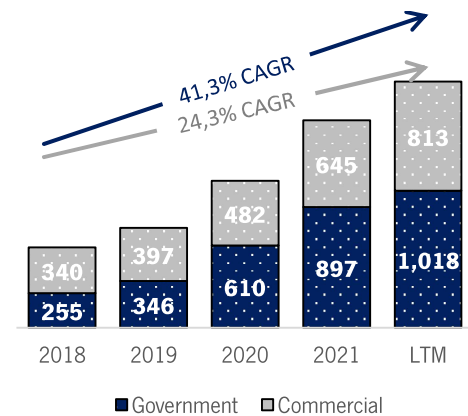
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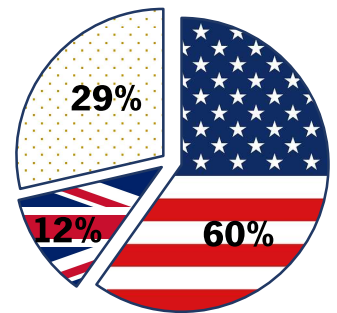
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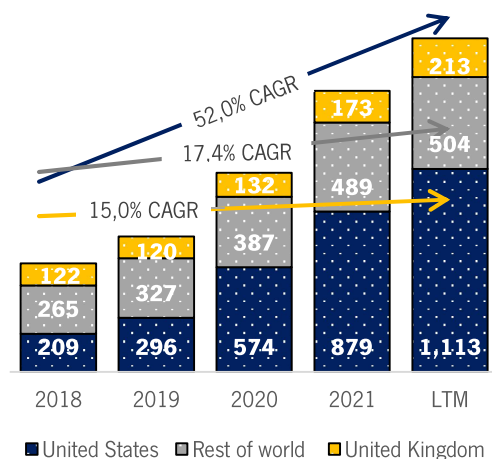
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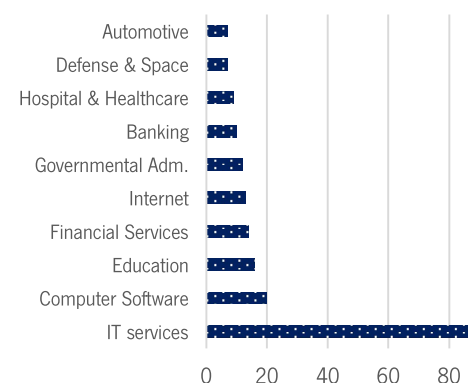
Figure 11 – Top Industries that use Palantir // Source: Enlyft

SPACs investments. Despite its focus on mid and high-cap corporations, Palantir has initiated a program to invest in young companies in exchange for multi-year commitments to use the company's software. Palantir has expanded its investment portfolio in companies going public via SPACs (special purpose acquisition companies), to an amount over **$450m**. Palantir views SPACs as strategic investments that will drive the use of Foundry in innovative industries such as auto, aviation, and robotics. The health and trajectory of this investment is affecting Palantir's results, and some analysts believe that this approach is not a good way to increase sales due to the quality and scalability of this revenue (Palantir has to invest to have sales) and the level of exposure to financial/stock markets. I have analyzed this aspect in more detail under **Risk Factors**.

Client Acquisition Strategy. Palantir's business model follows three phases: **Acquirer**, **Expand** and **Scale**. In the acquisition stage, Palantir bears the pilot costs to bring in new customers. In the expansion phase, as the pilot has proved successful, Palantir continues the vertical integration of the software within the organization. In the scale phase, the contribution margin of the account becomes positive. This business model and expansion strategy can result in an increase in customers and a creation of a flywheel (attract engage and deliver), however, this increase does not result in immediate profit, and there is no guarantee that such efforts will be successful or beneficial to Palantir.

The way they offer the Software. Palantir provides its software through three distinct channels: **Palantir Cloud**, **On-Premises Software**, and **Professional Services**. With Palantir Cloud, customers gain access to the software's functionality within a hosted environment controlled by Palantir, along with operating and maintenance (O&M) services, by subscribing to a payment plan. On-Premises Software sales provide customers with the right to use the software on their internal hardware infrastructure or their own cloud, and include O&M services. Meanwhile, in Professional Services, Palantir assists customers in utilizing the software, providing on-demand user support, user-interface configuration, training, and ongoing ontology and data modeling support. Professional Services is the most personalized option and is contract-based, with revenue recognized over the contractual term.

3. Management and Corporate Governance

Palantir didn't report the environmental and social impact of its operations on its annual report. In 2020, Thomson Reuters Eikon assigned the Palantir ESG score of (C-): Palantir environmental pillar weights 13.9% of the total, social pillar weights 39.8%, and governance pillar weights the remaining 46.3%. Morningstar evaluates Palantir with an ESG Risk Rating of 21.80 (Medium) and the top 3 material ESG issues are Data Privacy & Security, Human Capital, and Business Ethics.

Social

Despite Palantir's commitment to respecting civil liberties and not working with countries and regimes that don't uphold them, the company has faced social issues and controversies in the past. One notable example was its partnership with JPMorgan Chase in 2009, where the bank adopted Palantir's software to monitor employees who might go rogue. However, the partnership ended in a scandal when JPMorgan's Special Operations Lead used it to spy on top executives (**Table 2**).

Another controversy arose when Palantir worked with the Trump administration on immigration and board politics, in partnership with ICE. This cooperation led to strong opposition and criticism from activists and defenders of civil rights. In response to these controversies, Palantir adopted a code of conduct in September 2020 to mitigate any future issues. It's important to note that Palantir doesn't have possession of customers'
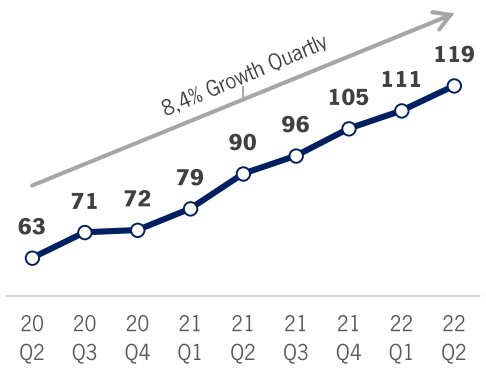
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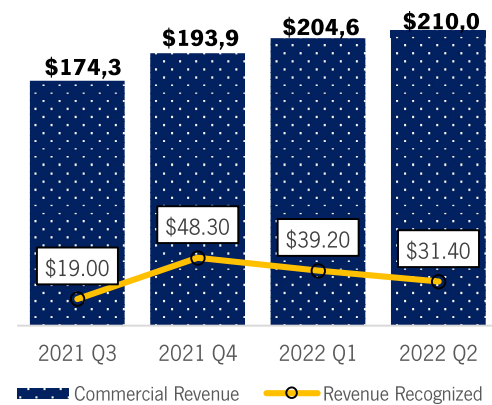
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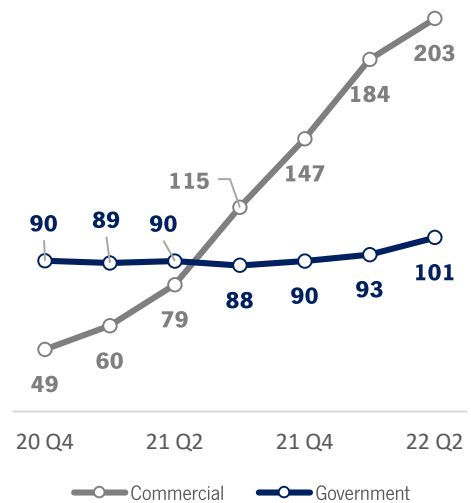
Figure 14 - Number of Palantir customers // Source: Palantir, Author

Software Industry	ESG Score	Social	Governance
All Regions	40.72 (C)	45.85 (C+)	42.56 (C+)
USA	42.02 (C+)	50.43 (B-)	41.87 (C+)
PLTR.N	26.82 (C-)	32.08 (C-)	29.16 (C-)

Table 2 – ESG Score // Source: Refinitiv Eikon

data, as the data belongs to the creator (**Table 3**).

Governance
The company is regulated according to Delaware corporate law, and its structure's executive management is based on Western European norms, including a two-tier BoD and executive management (**Anglo-US** corporate governance model). In the last twelve months (LTM), insiders sold a net amount of 2,330,607 shares (141,848 purchased, 13,082,202 vested, 15,554,657 sold), which confirms their belief that further share price appreciation is not so strong, despite the fact that the majority of salary compensation is based on equity.

Board of Directors
The BoD has 7 members, 3 executives, and 4 non-executives, appointed and removed at shareholders' meetings. The last annual meeting was held on June 7, 2022. All directors are elected annually and at the same time until the *Final Class F Conversation Date* when the three Founders leave the Agreement. After this date will be a **Staggered Board**, the board is divided into three, and each part is elected every three years. Palantir's members possess knowledge and experience from various relevant fields strengthening Palantir's position for future challenges and opportunities (Appendix M and N). In April 2022, the average age of the members of the BoD was 43 years, and the average tenure was 8,6 years. In addition, 29% of the board members are women. All members hold Palantir shares in order to act in the best interest of shareholders.

Audit Committee: Assists the BoD in fulfilling its oversight responsibilities with respect to risk management in the areas of internal control over financial reporting and disclosure controls and procedures, insuring those audit activities are correctly managed.
Compensation, Nominating & Governance Committee: Assess risks relating to Palantir executive compensation plans and assesses risks relating to corporate governance practices, the performance, and composition of BoD.

Federal Advisor Board: Palantir has created recently (since April 2022) a *Federal Advisory Board*, composed of six national security experts, 33% of which are females. All members have defense and military backgrounds, for instance, retired commanders and generals, also former secretaries of the U.S. Air Force and Defense. This board reaffirms Palantir's commitment to the US Government and puts first-class advisors at the intersection of Palantir and its government customers.

Executive Management
The executive management comprises five members, all of whom are male, managing the day-to-day operations. The executive team is highly experienced and almost has a relevant educational background in their specialized fields including technology and law, which contributes to Palantir reaching its goals and vision. The executive management team currently does not include any individuals with backgrounds in business, economics, marketing, or finance, nor does it currently include any women.

Compensation
Palantir's compensation philosophy centers around competitiveness and long-term alignment, with the aim of retaining talented employees. To remain competitive in the highly competitive talent market of software and data analytics, Palantir must provide attractive pay opportunities. The compensation package for executive management and independent directors consists of a base salary and equity compensation, with the latter being the most significant form of compensation. For the CEO, President, and COO, equity compensation is in the form of RSUs ("Executive RSUs") and out-of-the-money options ("Executive Options"), with these grants representing the majority of their

Code of Conduct
I. Protect Privacy and Civil Liberties
II. Fallow the Law
III. Respect Our Customers
IV. Maintain a Safe and Positive Environment
V. Avoid Conflicts of Interest
VI. Act with Integrity

Table 3 – Code of Conduct // Source: Palantir, Author
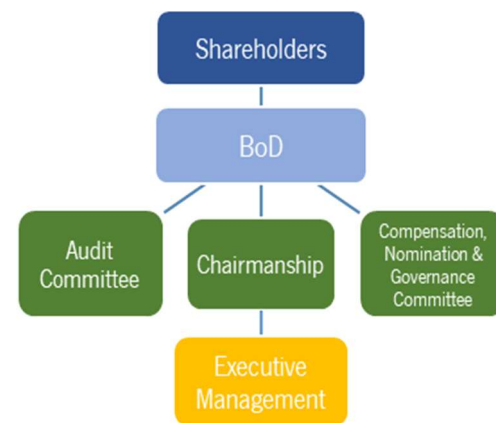
Figure 15 – Palantir Governance Structure // Source: Palantir, Author

Board of Directors		Commitee	
Name	Indep.?	Audit	CNGC
Peter Thiel (Chairmen)	No		
Alexander Karp (CEO)	No		
Stephan Cohen (President)	No		
Alexander Moore	Yes	⊘	⊘
Alexandra Schiff	Yes		⊘
Lauren Friedman Stat	Yes	⊘	
Eric Woersching	Yes	⬤	

⬤ Committee Chair
⊘ Committee Member

Table 4 – Palantir Governance Structure // Source: Palantir, Author

Class F Common Stock

Figure 16 - Alex Karp, Peter Thiel and Stephen Cohen (the "Founders") // Source: Author

compensation. The vesting schedule for these equity grants is ten years for the CEO and five years for others. Each Executive Option has an exercise price of $11.38 per share. Additionally, executive management is provided other benefits, such as tax services, security services, and private use of corporate aircraft. Palantir's CEO will also receive security continuation support following the termination of their employment.

Corporate takeover defense

Palantir has implemented certain anti-takeover provisions to safeguard itself against hostile takeovers. Firstly, it has a **multi-class share structure** with three different classes of shares: Class A, Class B (with 10 votes per share), and Class F (retained only by the founders under the Founder Voting Trust Agreement). Class F provides the founders with **49.9%** of the voting power if they have 100 million Palantir equity securities under the Founder Voting Trust Agreement. This percentage is proportionally reduced if any founder leaves the agreement. The Board of Directors is also classified into three classes of directors with **staggered three-year terms** from the Final Class F Conversion Date. The second anti-takeover measure is the golden parachutes, where the CEO will receive between $5.7M to $11M, and a considerable portion of the executive management's RSUs will be vested immediately in case of a change in control (as per Appendix O). Additionally, until the conversation date, any action taken by Palantir stockholders must receive the affirmative consent of a majority of the outstanding shares of Class F. Other anti-takeover provisions include the **Advance Notice Requirement** for shareholders before the annual meeting, special meetings of stakeholders being called only by a majority of the Board of Directors, the authority to issue preferred stock without further action by Palantir stockholders, and the prohibition of stockholders from cumulating votes in the election of directors.

Palantir justifies its governance structure as beneficial to shareholders as it gives the potential ability to negotiate better terms with potential buyers and prevents changes in company policies or control that could cause the cancellation of government contracts. However, these provisions could also limit the opportunity for stockholders to receive a premium for their shares in the event of a transaction involving a change in control, and may negatively affect the decision by certain institutional investors to purchase or hold shares. Additionally, this separation between voting power and economic interests could give rise to conflicts of interest between Founders and other stockholders.

Shareholders

Palantir enjoys a diversified base of both institutional and retail shareholders. The company's free float accounts for 88.20% of outstanding shares and each share can carry one vote right (Class A Common Stock). The largest shareholders include investment managers, brokerage firms (shares owned by retail investors), corporations, and individual investors. Palantir gains brand premium by having reputable institutional investors such as Vanguard as the largest shareholder in shares number. Almost 35% of investors are located in North America, the company has less than 10% equity concentration by a single investor and the top 10 investors have less than 30%, which ensures diversity and reduces the possibility of price attacks from sudden sell-offs.

Position	Year	Salary ($M)	Stock & Options ($M)	Other Comp. ($M)
CEO	2021	1,10		3,38
	2020	1,10	1094,25	3,16
President & Secretary	2021	1,23		0,70
	2020	2,18	183,30	6,52
COO & Executive VP	2021	0,51		0,19
	2020	0,51	102,01	0,13
CFO & Treasurer	2021	0,45		0,03
	2020	0,45	38,26	0,04
CLBAO	2021	0,44		0,02
	2020	0,65	13,63	0,04

Table 5 – Executive Management Compensation // Source: Palantir, Author
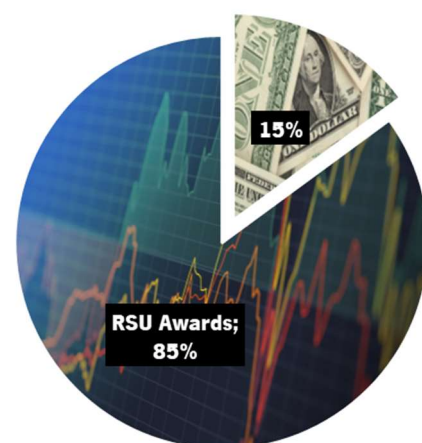
Figure 17 - Independent Directors 2021 Compensation // Source: Palantir, Author
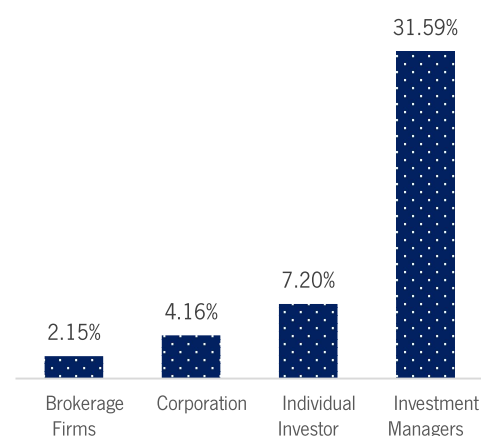
Figure 18 - Corporate Governance// Source: Refinitiv Eikon

Class A and B (in millions)	28/04/2022	
	Votes	%
Subject to F. Voting Agreement	858	22,5%
DFES* held by Mr. Thiel	173	4,5%
Other exec. Office and Directors	8	0,2%
Class F number of votes	873	22,9%
Founder's Total	1 904	49,999999%
Other stockholders	1 897	49,8%
Number of total votes	2 936	
N. Total votes with class F	3 809	

Each Class F share has 869 votes per share at that time

* DFES - Designated Founder's Exclude Shares

Table 6 - Corporate Governance// Source: Palantir, Author

6

Figure 19 - Real GDP growth rate // Source: IMF

JPY/USD* - $1 per 100¥

Figure 20 - Exchange rate // Source: Refinitiv Eikon

4. Industry Overview and Competitive Positioning

4.1 World Economy Overview – Economic Drivers

The launch of Palantir's DPO coincided with the COVID-19 pandemic period, and the company's initial growth phase since going public followed the world economic recovery. Palantir benefited from the increase in healthcare budgets by both the US and UK governments. IMF forecasts indicate that the world economy will stabilize after 2022, although the different possible scenarios in the Ukraine war will have an important impact on GDP growth and inflation. The emerging markets will continue to experience high growth in GDP, and China represents a significant portion of this market, despite Palantir's lack of relations with the country. Palantir generates over 75% of its revenue from companies and organizations in advanced economies, and following IMF predictions, the real GDP growth rate from 2023 to 2027 is not expected to reach 2% annually. Shenzhen in China and Dubai are emerging as global centers for high technology and innovation, and they are competing with Silicon Valley and other technology regions in developed countries.

Exchange Rate

60% of Palantir's revenue is derived from the USA, and this percentage is expected to increase over the long term. In Q2 2022, YoY revenue growth in the USA was 45%, compared to an overall growth rate of 26%, with even greater differences observed in the commercial segment. Despite the fact that Palantir's business is concentrated in dollars, the company continues to have customers all over the world, which exposes the company to exchange rate risk (**Figure 20**). Over the last two years, the USD has gained strength against other currencies, including the EUR, GBP, and JPY, which are three economies with which Palantir has strong relations. While this trend may provide Palantir with some short-term advantages for contracts already established and not fully paid, it may negatively impact the company's long-term competitiveness, particularly in countries with policies favoring weaker currencies, such as China.

Inflation and Interest rate

The US government, Eurozone, and other Western countries have been increasing their defense expenses since the beginning of the Ukraine war, and Palantir has been benefiting from this trend. The value of contracts with the defense department in 2022 is already 2.3 times higher than the contracts made in 2021. However, in the specific scenario of war, the benefits do not compensate for the damages to Palantir and its shareholders. Despite having no debt, Palantir is exposed to the rise of inflation and interest rates by its customers and investors. During times of recession, companies tend to slow down their investments, especially in structural changes, and they adopt a more conservative strategy, delaying long-term plans. In the case of investors, they tend to be more risk-averse in moments of uncertainty, and with the increase in interest rates, investors tend to allocate their portfolio to more stable securities, such as governmental and corporate debt, and equity from mature companies and industries. This economic situation is challenging for the stock performance of tech companies, especially those with high volatility, net losses, and high potential growth, such as Palantir.

4.2 Political drivers

Government contracts have been the cornerstone of Palantir's business since its inception, and they continue to be a significant source of revenue. In the past twelve months, the Government segment accounted for approximately 55% of total revenues. The Department of Defense (DOD) was Palantir's first partner, and the CIA, FBI, US Army, and Navy were some of the initial sub-agencies with which Palantir had
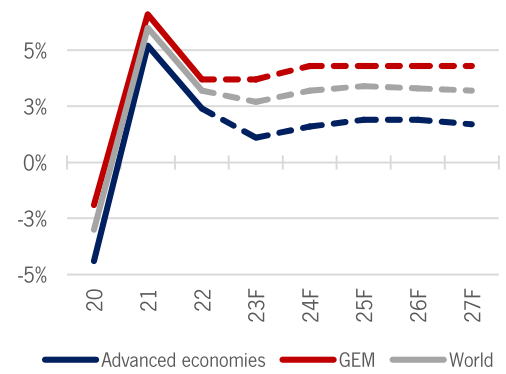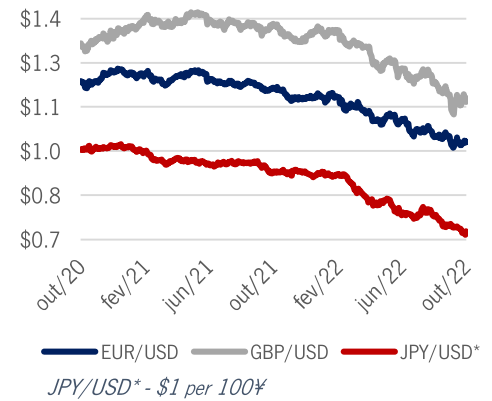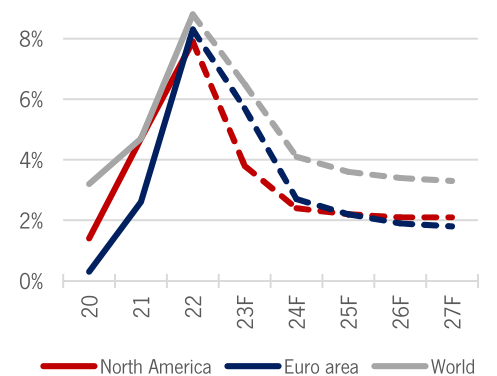
Figure 21 - Inflation rate projection // Source: IMF

Agencies	2020	2021	2022	USA Total 2022
DOD	$137,8M	$75,7M	$174,5M	$1,1T
HHS	$56,9M	$59,1M	$68,2M	$112,1B
DHS	$32,8M	$23,5M	$29,6M	$2,2T
VA	--	$18,8M	$21,6M	$255,3B
DOE	--	$8,1M	$17,9M	$46,4B
TREAS	$20,3M	$19,9M	$14,4M	$1,4T
DOT	--	$5,9M	$9,5M	$236,1B
DOJ	$11,3M	$8,5M	$3,4M	$42,5B

Table 7 - USA top spendings with Palantir and total by agencies // Source: IMF

These sub-agencies continue to be the main source of revenue for Palantir, with the Air Force and Army alone spending approximately $175 million with the company in 2022. During the Trump administration, Palantir's governmental contracts increased at a higher rate than in previous years, driven by the zero-tolerance immigration and border policy and financing of Republican campaigns. This growth was particularly evident in the contracts with the Department of Homeland Security (DHS), particularly with Immigration and Customs Enforcement (ICE). However, this relationship with ICE has also resulted in public criticism from political and social activists, as well as unfavorable media coverage. In fact, activists have even organized public protests at Palantir properties during this time.

Since the COVID-19 pandemic, Palantir has expanded its government contracts to other departments, primarily the Department of Health and Human Services (HHS). From 2019 to 2022, revenue from the healthcare department increased from $6.3 million to $68.2 million. One of Palantir's strategies is to continue growing its business and services in this area. However, government contracts have some disadvantages that commercial contracts do not, such as uncertainty around deals, exposure to political risks, and seasonality. For example, as shown in **Fig 22**, government spending tends to increase towards the end of the year and decrease at the beginning.

4.3 Global Software and IT Services Market Overview

The software and IT services industry has experienced consistent growth in recent years and this trend is expected to continue. Between 2017 and 2021, industry revenues grew at a compound annual growth rate (CAGR) of 15%. Online services and software sub-segments saw even higher growth rates with a CAGR of 23% and 17% respectively (**Fig 23**). This growth can be attributed to increased IT spending and the widespread adoption of software-as-a-service (SaaS) and cloud-based offerings. As IT infrastructure continues to improve, the demand for integration and data security solutions is also increasing. To address this trend, companies are investing in advanced data offerings and utilizing data-driven analysis to make strategic decisions globally. The amount of data generated worldwide is also increasing significantly, with an expected volume of 163 zettabytes in 2025 compared to 12 zettabytes in 2015. To fully utilize this data, IT services providers must develop intelligent platforms that can efficiently connect and analyze all types of data.

With the onset of COVID-19, the vulnerability of supply chains has been exposed due to a lack of intelligent information and forecasts, resulting in compromised operations for companies. Some enterprises have begun adhering to newer methods and processes to gain a competitive advantage, leading to an increasing adoption of emerging technologies like AI, the Internet of Things (IoT), machine learning (ML), and data science.

Artificial intelligence is playing an important role in this evaluation process and is one of the major drivers in this industry. The AI market is expected to register a CAGR of about **35.3%** during the forecast period (2022-2027), as shown in **Fig 24**. Tech giants are investing significantly in the research and development of AI because this technology provides a better customer experience, process automation, and can leverage company operations to the next level. Manufacturing and healthcare are the two industries where the AI market will have higher growth for the next five years, with a CAGR of **47.9%** and **46.2%**, respectively. This technology allows software companies to create and develop advanced analytics platforms, and this type of software is expected to increase to $110B in 2027 from $40B in 2022, with a CAGR of **21.6%**. North America represents one of the largest IT markets in the world and is expected to register significant market growth during the forecast period.

Company	Ranking	Prev. Year Ranking	Contracts
Palantir	**168**	**186**	**$399M**
Leidos Holdings	8	8	$9,9B
L3Harris	14	12	$6,6B
Booz Allen Hamilton	16	16	$6,0B
Science Applications	19	17	$5,1B
CACI International	26	25	$3,3B
Dell Technologies	43	43	$2,2B

Table 8 - Top federal contractors of fiscal year 2021 // Source: Bloomberg
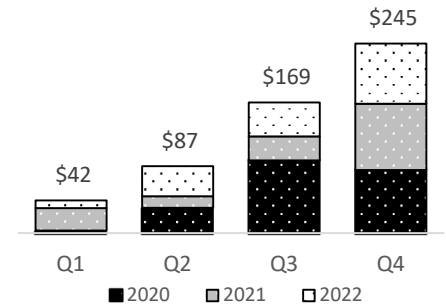
Figure 22 - Amount obligated by USA Gov to Palantir // Source: USA Spendings
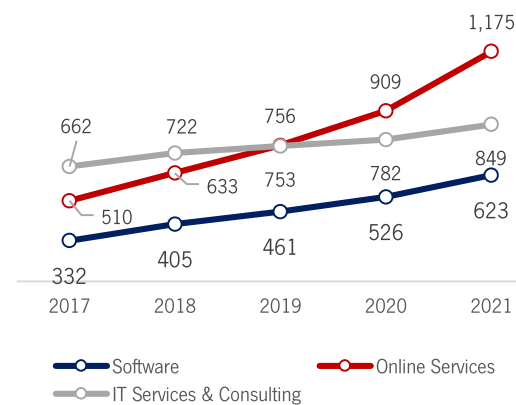
Figure 23 - Global Software & IT Services revenues in USDbn // Source: Refinitiv Eikon
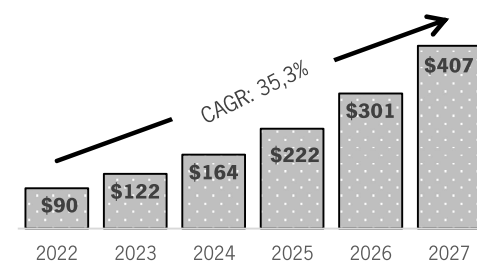
	2022	2027	**CAGR**
Automative	2,3	7	24,9%
Manufacturing	2,3	16,3	47,9%
Healthcare	6,9	67,4	46,2%
Robot	6,9	35,3	38,6%
Military	6,3	11,6	13,0%

Figure 24 - Artificial Intelligent market in USDbn // Source: MarketsandMarkets

The rising adoption of smart technologies and increasing security investment are some of the major factors driving the demand for IT services in the United States. Other regions are behind in terms of companies providing AI technology, but in the next few years, emerging markets such as Asia will try to catch up in terms of demand and supply.

Competitive Positioning

The software and IT services market for businesses is highly competitive due to the large number of competitors, but it is also concentrated because the top seven players (Microsoft, Google, IBM, Amazon, Oracle, Salesforce, and SAP) account for more than 50% of total industry revenue. However, this market is complex, and companies tend to focus on specific segments, providing solutions for particular problems while collaborating with competitors in various stages of the data process.

The market can be divided into several types of firms (**Fig. 25**): providers of ERP and workload software, firms that specialize in monitoring systems, others that develop solutions for data integration, governance, and transformation, firms that provide software for data analytics, firms that specialize in data storage, companies that offer AI services and intelligent infrastructures, and finally, firms that offer cybersecurity software and services.

Palantir offers an all-in-one solution that serves as the central nervous system, and the company is a market leader in artificial intelligence (**Tab. 9**). Companies like Microsoft, Salesforce, and Snowflake are also creating all-in-one software, and others already have some of the functions that Palantir offers separately. The competitive advantage that Palantir has is its advanced technology.

Porter's 5 Forces Framework

. **Threat of New Entrants:** Low (**1**) Governance; Medium (**3**) Commercial. Regarding the Commercial industry, I consider the threat of new entrants to be **Medium**. The high installation costs, high failure risks, complexity of data environments, and long sales cycle raise barriers to entry for competition. However, there are startups in the software data industry that, with the support of joint ventures, venture capital, and governmental institutions, particularly in China, intend to have a strong presence in this area. Regarding the Government industry, I perceive a **Low** threat of new entrants due to high barriers. Sensitive data handling requirements make it difficult for companies to access this market, leading to only a few companies being able to compete.

. **Bargaining Power of Suppliers:** Low (**1**) for both.

The supply chain of Palantir primarily consists of cloud-hosting services. The cloud service segment is growing, with an increasing number of companies providing this service and expanding their data storage capacity. The continued growth of Palantir and its data storage development give it greater negotiation power. Over the past three years, the average gross margin in the software industry was 71% (**Fig. 27**), which is the same as Palantir's average gross margin during the same period. In the most recent year, Palantir's gross margin grew by 15%, which is 7% higher than the software industry average (**Fig. 28**).

. **Bargaining Power of Buyers:** Medium-High (**4**) Government; Medium (**3**).

In the commercial segment, negotiations are typically smoother than in the government segment, but there is a different challenge: commercial customers have the option to build their own solutions in-house rather than using Palantir's software and services. This creates an additional competition for Palantir against their own potential customers. In contrast, within the government segment, there is a concentration of the customer base, with only a few departments having the potential for large contracts.

Figure 25 – Companies in the industry // Source: Author

RANK	COMPANY	2021 REVENUE
N°. 1	Palantir	$1 392M
N°. 2	Microsoft	$1 252M
N°. 3	IBM	$776M
N°. 4	AWS	$688M
N°. 5	Google	$536M

Table 9 - AI software sales by company // Source: IDC Trackers
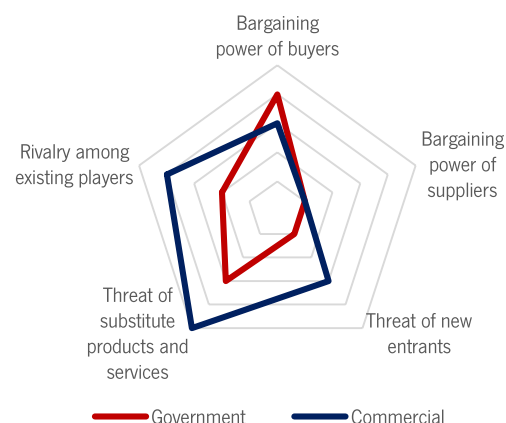
Figure 26 - 5 Forces of Porter // Source: Author
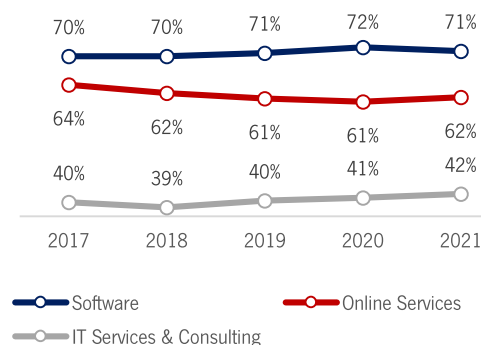
Figure 27 - Gross Margin by industry // Source: Refinitiv Eikon

Figure 28 - Palantir Gross Margin // Source: Palantir, Author
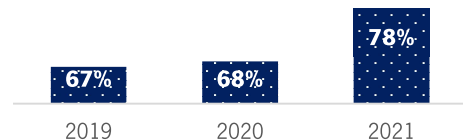
As a result, negotiations in this segment can be difficult and time-consuming.

. Threat of Substitute Products: Medium (**3**) Government; High (**5**) Commercial. Palantir has sophisticated and complex software, integrating many functions of different offers in only one platform. The technology industry is growing fast than ever, innovative start-up companies and large companies that are making significant investments in R&D (**Tab 10**) may introduce products that have greater performance or functionality and may also make acquisitions or establish cooperative relationships among themselves that may further enhance their resources. In the government segment, this threat continues to exist, however, the Palantir foundation and governance were made to allow access to some US public institutions' contracts that other companies hardly ever have.

. Rivalry among existing players: Medium-Low (**2**) Government, Medium-High (**4**) Commercial. Rivalry in the commercial segment in what Palantir offers is **Medium-High**. The company provides a unique and intelligent environment that can help companies to solve real and difficult problems however, the rivalry in the software and IT services & consulting segment is high, with many companies in the sector providing some segments of Palantir products, and this could be a challenge for Palantir to be noticed. Rivalry in the government segment is **Medium-Low**. Palantir is the only company providing an intelligent data platform to the military and law enforcement but has competition in other areas of the government segment.

Company	R&D 2021	R&D 2020
Palantir	**$387M**	**$561M**
Alphabet	$31 562M	$27 573M
Microsoft	$24 512M	$20 716M
Oracle	$7 219M	$6 527M
IBM	$6 488M	$6 262M
SAP	$5 889M	$5 431M
Salesforce	$4 465M	$3 598M
ServiceNow	$1 397M	$1 024M
Splunk	$1 030M	$785M
Snowflake	$467M	$238M

Table 10 - Total R&D Expenses // Source: Refinitiv Eikon
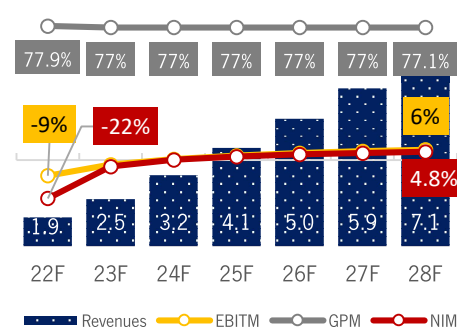
5. Financial Analysis

Profitability
During the forecast period, PLTR Gross Profit (GP) is expected to increase at a 24.2% CAGR, despite the forecast decrease of -0.8bps in GP margin (GPM) to 77.1% in 2028YE. Furthermore, the Company's EBIT will increase at a 133.2% CAGR from 2024YE to 2028YE, outpacing the revenues projected growth rate. The Net Income Margin (NIM) will reflect the prior margin's progress and it is expected to reach 4.8% in 2028YE with a CAGR of 162.6% from 2024YE to 2028YE (**Figure 29**).

The high increase of EBITM and GPM compared with the slow decrease of GP has to do, in some part, with the forecast reduction in the percentage of Stock-Based Compensation over the Total Revenue. Even though SBC is expected to increase at an 9.7% CAGR, the SBC over the total revenues is forecast to decrease to 14% of total Revenues in 2028YE compared to 30% in 2022YE. SBC has consequences in stock dilution and this parameter is forecast to reach the maximum level in 2023YE with an increase of 4.1%. The number of stocks is expected to increase at a 3.7% CAGR during the forecast period. (**Figure 30**).

When assessing the returns ratio, the ROA will increase 18,8pp, from -13.6% in 2022YE to 5.2% in 2028YE, while ROE, computed using the DuPont formula, will range from -29.9% in 2022YE to 5.3% in 2028YE (**Figure 31**). Both ROCE and ROIC are increasing to positive values during the forecast period; however, ROCE will not surpass WACC, meaning that the company has not used invested capital effectively throughout the forecast period. (**Figure 32**).

Assets structure (Liquidity)
In 2022YE, Palantir's assets were mainly composed of short-term assets, accounting for around 87% of Total Assets, and as long as revenue increase are expected, these trends will continue, achieving a 92% in 2028YE. (**Figure 33**).

The main reasons for this high percentage of current assets compared to noncurrent

Figure 29 – Revenues, in Billions USD, and Profitability Margins (%)
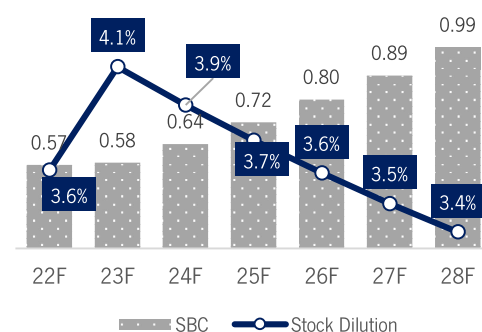
Figure 30 – Stock-Based Compensation, in Billions USD, and Stock Dilution (%)
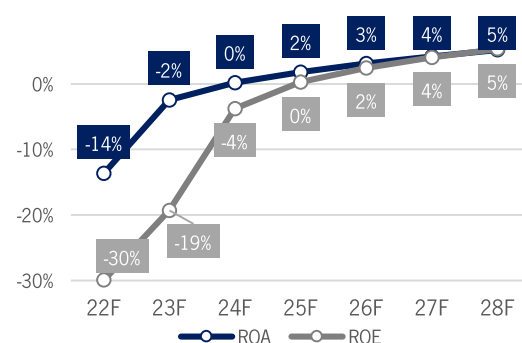
Figure 31 – ROA vs ROE

assets have to do with the nature of the software business. They don't need a big fixed infrastructure with machines and other fixed assets compared to industrial companies, and the amount they have in cash and cash equivalents, representing $2.1B in 2022YE, which is 68% of Total Assets, and $4.6B in 2027YE, representing 70% of Total Assets with a CAGR of 13.4%. The company is generating cash; however, Palantir is not expected to distribute dividends during this forecast time period.

The company's Cash Ratio will range from a minimum of 3.1x in 2022YE to a maximum of 4.9 in 2028YE. The Current Ratio (which is the same as the Quick Ratio because Palantir doesn't have inventories) will follow the same trend (**Figure 34**). Furthermore, both Cash and Current Ratio are expected to be greater than 1 during the forecast period, meaning that PLTR can cover its current liabilities with only Cash and Cash Equivalents, showing strong liquidity in their structure.

Capital Structure (Solvency)

Concerning Palantir's solvency, the Debt Ratio is expected to decrease by 50pp between 2021YE and 2028YE, as Palantir proceeds to generate and accumulate cash, while Debt to Equity is expected to decrease from 42% in 2021YE to 21% in 2028YE, achieving 83% of Equity Ratio in the last year forecasted. Total Assets will increase at 103% passing from $3.2B in 2021YE to $6.6B in 2028YE (**Figure 35**).

Additionally, the Debt-EBIT is also expected to behave in the same way, decreasing from 17.7x in 2024YE to 0.6x in 2028YE. Overall, PLTR presents strong Liquidity and Solvency ratios.

6. Valuation

To perform a valuation on PLTR, it was only possible to forecast consolidated financials as the Company does not disclose its segment financial statements. The valuation considers a forecast period of four years, from 2024YE to 2028YE, and the price target will be estimated as of December 31, 2023. Two different approaches were considered: an **intrinsic valuation** based on the Company's financials and a **relative valuation** using a selected range of peer companies from the IT services and software industry based on LTM (Last Twelve Month) data.

For the intrinsic valuation of Palantir, the **Discounted Cash Flow** (DCF) method was used to compute the company's value via the **Free Cash Flow to Firm** (FCFF) approach. The **Free Cash Flow to Equity** (FCFE) approach was only used as a reference. The DCF method was deemed appropriate for Palantir because it considers a large amount of useful information for future projections and a changing capital structure in the forecast period, which is reflected in the discount rate. However, Palantir's lack of profitability and limited financial data before 2020 posed significant difficulties in performing the intrinsic valuation.

Two different multiples approaches were used for the Relative Valuation: **Price Multiples** and **Enterprise Value Multiples**. To perform these methods, a group of Peer companies from the IT Services and Software industry was selected, this selection follows four criteria, market cap, cash flows, beta, and stage of the company.

I chose companies with a market cap between 12 to 50 billion dollars, with positive cash flows, with beta (2 years weekly regression beta) between 1.47 to 2.13, and companies considered as growing companies. All these data were collected by Refinitiv Eikon. Concerning the Price multiples, two were used: **Price-to-Sales (P/S)** and **Price-to-book (P/B)**. Regarding the EV multiples, two multiples were used:
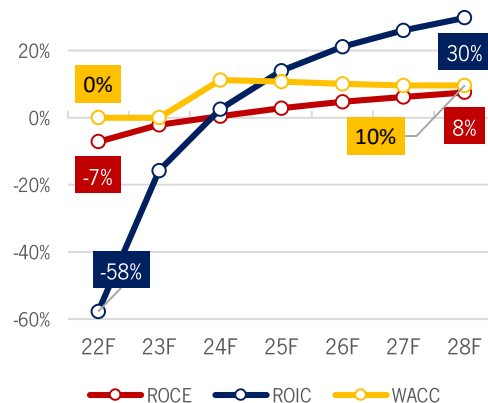
Figure 32 – ROCE vs ROIC vs WACC
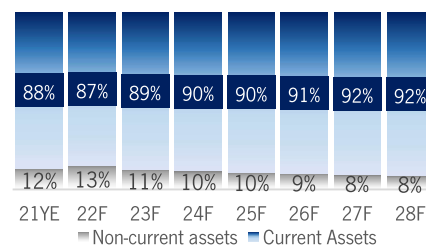
Figure 33 – Assets Structure
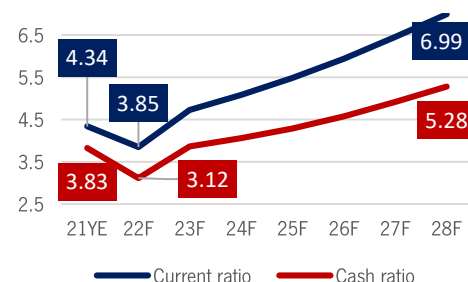
Figure 34 – Liquidity Ratios
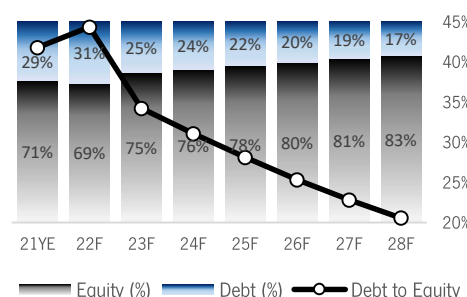
Figure 35 – Capital Structure

Price Target		
EV		20,345
Debt (-)		(257)
Cash (+)		2,762
Equity Value		22,850
#Shares Outstanding		2,186
Price Target	$	10.45
Price 11 Nov, 22	$	8.41
Upside Potential		24.3%

Table 11 – FCFF Approach

EV/Gross Profit, **EV/FCF** and **EV/Sales**. Instead of using the average Peers value of each ratio, I used the median instead of the average in the Relative Valuation because some peers had outliers when I computed the ratios. Since there were 15 peers in the Relative Valuation, I deemed it reasonable to use the median. Out of the 5 multiples used, the Relative Valuation yielded the following price targets: **EV/Gross Profit** ($11.84/sh), **EV/FCF** ($7.94/sh), **EV/Sales** ($12.35/sh), and **P/S** ($11.49/sh). The **P/B** ($18.94/sh) multiple was deemed meaningless due to the typical low balance sheets of Software and IT Services companies in comparison to price.

Forecast Analysis

. **Revenues:** Palantir's total revenue is the sum of its segments and is expected to register a 24.4% **Compound Annual Growth Rate** (CAGR) between 2022YE and 2028YE, from $1,901M to $7,059M, respectively. The Commercial segment is forecasted to have a 44% share of total revenue in 2022YE, a weight which will increase to 54% in 2028YE, with an average CAGR of 28.9%. The Commercial segment in the USA market (geographic) is forecast to have a 17% share of total revenue in 2022YE, a weight which will increase significantly to 36% in 2028YE, with an average CAGR of 40.9%. The Commercial segment is in a different stage of growth compared to the Government segment, which is more mature and where Palantir already has a significant position in the market. The revenue was calculated through two components: historical company growth, calculated using a weighted historical simulation (WHS) with a lambda of 0.7, and industry growth forecast. My growth forecast was based on historical data and adjusted proportionally to the industry forecast. More details about the forecast can be seen in **Appendix F** (**Figures 36** and **37**).

The number of customers is expected to register a 38% CAGR between 2022YE and 2028YE. The higher growth of customers is expected to be in the Commercial segment, increasing from 273 in 2022YE to 2374 in 2027YE, a CAGR of 43%. The Revenue per customer is different between segments The Government segment is forecast to have a fewer customers than the Commercial, but, in the Government, the contracts involve higher amounts and values than the Commercial segment. Between 2022YE and 2028YE the revenue per customer in the Government segment is forecast to increase by $10.4M in 2027 compared to $9.3M in 2022. On the other hand, the forecast of revenue per customer in the Commercial segment is expected to decrease between $3.1M in 2022 to $1.6M in 2028. Because the percentage of Commercial customers is increasing over the total weight of customers, the total revenue per customer is expected to decrease. (**Figure 38**).

. **Capital Expenditure (CAPEX):** In order to accommodate anticipated future growth, it is expected that Palantir has invested in new and existing spaces and offices by acquiring properties and equipment or by operating leases right-of-use assets. In the last quarterly report (09/2022), Palantir had $58M in property and equipment and $199M in operating leases right-of-use assets on its balance sheet, for a total of $257M. Compared to the annual report in 2021 where Palantir had a total of $248M, with $31M from property and equipment and $217M in operating leases, Palantir is increasing their CAPEX in acquiring property and equipment while reducing operating leases. This tendency could be a reaction to high interest rates, and I believe that as long as Palantir continues to accumulate cash and interest rates remain high, Palantir will continue with the same strategy of transferring operating leases to acquire

Price Target		
Equity Value		20,584
#Shares Outstanding		2,186
Price Target	$	9.42
Price 11 Nov, 22	$	8.41
Upside Potential		12.0%

Table 12 – FCFE Approach

Price Target		
2022 Gross Profit		1 482
Peers' EV/GP		16.83x
PLTR EV		24 206
PLTR Debt		(257)
PLTR Cash		2 762
Equity Value		26 429
#Shares Outstanding		2 186
Price Target	$	12,71
Price 11 Nov, 22	$	8,41
Upside Potential		51,1%

Table 13 – EV/GP Multiple

Price Target		
2022 FCF		259
Peers' EV/FCF		62.24x
PLTR EV		16 145
PLTR Debt		(257)
PLTR Cash		2 762
Equity Value		18 055
#Shares Outstanding		2 186
Price Target	$	8,59
Price 11 Nov, 22	$	8,41
Upside Potential		2,2%

Table 14 – EV/FCF Multiple
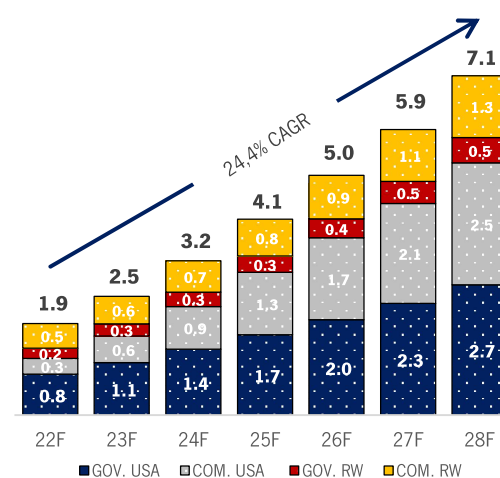
Figure 36 – PLTR Revenues, in Billion USD

properties and equipment. The CAPEX of 2022 was calculated by summing up the property and equipment purchased from the previous 2022 quarters plus the weight historical simulation (WSH) of the previous quarterly YoY % of revenues over the property and equipment purchased. The CAPEX of 2023 and beyond was calculated by using the annual data from the WSH between 2020 to 2022 following the same method as the 4Q 2022 calculation with a lambda of 0.7 in bought scenarios. (**Figure 39**).

. **Depreciation:** The depreciation forecast depends on the property and equipment account, which is composed of Palantir's leased offices and acquire property. The method used to forecast depreciation was the same used for CAPEX with a time series of data from 2018 to 2022. The 2022 forecast for depreciation corresponds to 45% of CAPEX, increasing to 79% in the following years (2023YE – 2028YE). (**Figure 40**).

. **Net Working Capital (NWC):** The NWC is expected to be negative between 2022YE and 2023YE and positive after that, as the sum of accounts receivables and prepaid expenses is lower than accounts payable, accrued expenses, and customer advances in the first forecast years and higher in the last. This change has to do with accounts receivables that are forecasted to grow at the same rate as revenue, the same as accounts payable. However, the customer advance, the account that has more weight in the current liabilities (60% in 2022YE), is predicted to remain the same over the forecast years. The change in WC is expected to be negative due to the increase in accounts receivables (customers' debt). (**Figure 41**).

. **Cost of Capital:** Cost of Equity (**Ke**) is calculated using an adjusted CAPM model considering the Country Risk Premium (**CRP**). For the forecast period, the Ke will be dynamic and changed by the Palantir geographic exposure to revenues. Due to its global exposure, a selected range of countries and regions based on PLTR geographical segments was chosen to extract the Market Risk Premium (**MRP**) and the country Risk Premium (**CRP**) from Damodaran's database. The Equity Risk Premium (**ERP**) are 6.01% for USA and 8.10% for the average of the other regions. The initial Adjusted Beta of 1.67 was calculated through a regression of PLTR's daily closing price with SP500 during the period of 30th September 2020 until 11th November 2022. The Beta is decreasing to achieve in 2028YE the final Adjusted Beta of 1.16 results from a bottom-up of peer companies from the Government and Commercial segment, proportional to the percentage of revenue in 2022YE. All these calculations combine to form a dynamic **WACC** that has a variation between 11.2% in 2024 and 9.6% in 2028 (**Table 15**).

. **Terminal Value (TV) Assumptions:** Palantir is a growth company, as its revenues reach record highs year after year and generate positive cash flows faster than the overall economy. COVID had a positive impact on Palantir's sales; however, the increase in interest rates and the bearish sentiment in the tech industry is creating uncertainty and pushing Palantir's stock price down. Nevertheless, Palantir's position in all segments will not be affected. Over time, Palantir will become a mature company. Therefore, the terminal WACC was calculated by averaging software companies with a high market cap and strong market position, resulting in a **TWACC** of 7.8% (**Table 16**). Following the same idea, the **g** (terminal growth rate) was computed using the forecast nominal rate of 2027YE and the proportion of revenues in the United States and the rest of the world (excluding China and Russia), resulting in a value of 4.6%.
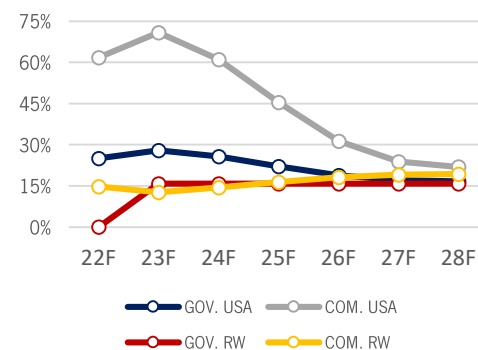
Figure 37 – PLTR Revenues growth
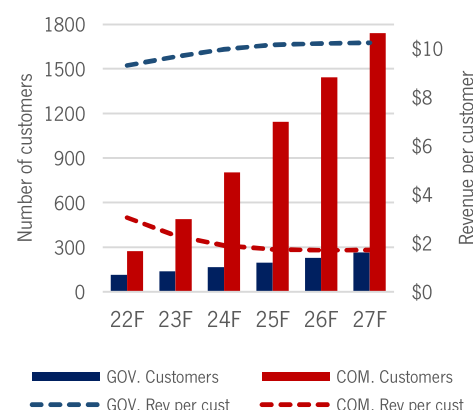
Figure 38 – PLTR number and revenue per customer, in Million USD
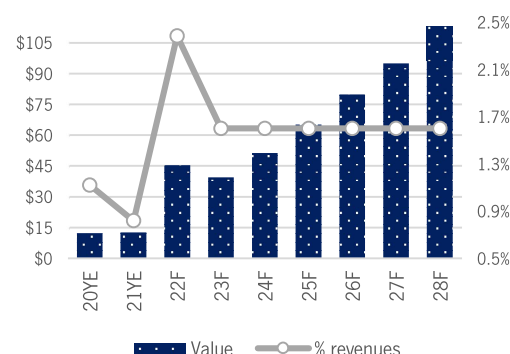
Figure 39 – Forecast CAPEX, in Million USD
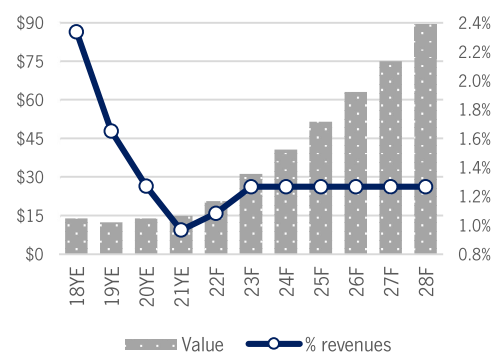
Figure 40 – Forecast Depreciation, in Million USD

	2024	2025	2026	2027	2028	TV
Risk free	3,83%	3,83%	3,83%	3,83%	3,83%	
Beta	1,67	1,54	1,35	1,21	1,16	
ERP	6,63%	6,58%	6,55%	6,55%	6,55%	
Cost of Equity	**14,9%**	**14,0%**	**12,7%**	**11,7%**	**11,4%**	
D/E	31,1%	28,1%	25,3%	22,8%	20,6%	
Tax Rate	22,2%	22,2%	22,2%	22,2%	22,2%	
Pre-Tax Cost of Debt	**3,92%**	**3,00%**	**3,00%**	**3,00%**	**3,00%**	
WACC	**11,2%**	**10,7%**	**10,1%**	**9,6%**	**9,6%**	**7,8%**

Table 15 – WACC components forecast (2024YE – 2028YE)

Figure 41 – Forecast NWC, in Million USD

7. Investment Risk

Corporate Risk | Capacity to Innovation & Competition (CR1)

If Palantir does not successfully develop and deploy new technologies to address the needs of its customers, the business and the results of operations could suffer. Palantir's success has been based on its ability to design software and products. The introduction of new products and services by competitors or the development of entirely new technologies to replace existing offerings could make Palantir's platforms obsolete or adversely affect the business. Palantir faces competition from large enterprise software companies, government contractors, and system integrators. Some of the larger competitors have more diverse products and may be able to leverage their relationships with customers to gain business in a manner that discourages customers from purchasing Palantir products. Furthermore, Palantir does not work with customers whose activities are inconsistent with Western liberal democracy, which may limit growth prospects and market size. This competitive pressure in the market, or the failure to compete effectively, may result in fewer orders, reduced revenue and margins, and loss of market share. (**Figure 43**).

Corporate Risk | Not achieving profits and scale (CR2)

Palantir has incurred losses each year since its inception, and as the company increases its customer base, it may also face increased losses. The sales cycle is often long and unpredictable, and the sales model frequently requires spending months and investing significant resources working with customers on pilot deployments at little or no cost to them, which may result in no or minimal future revenue. An important part of Palantir's growth strategy is to increase sales of its platforms to large enterprises and government entities, which involves risks and contracts that include exclusivity arrangements. Moreover, the proper use of the platforms may require training of customers and ongoing services, which could result in higher expenditures and more time spent than originally estimated.

Corporate Risk | Customer concentration (CR3)

Palantir's top three customers accounted for 18% and 25% of its revenue for the years ended December 31, 2021, and 2020, respectively, and 16% and 19% of its revenue for the six months ended June 30, 2022, and 2021. The three largest customers by revenue for the six months that ended June 30, 2022, have been with Palantir for an average of six years. However, if these existing customers do not make subsequent purchases from Palantir or renew their contracts, or if the relationships with the largest customers come to an end, revenue could decline, and the results of operations could be adversely impacted. (**Figure 44**).

Corporate Risk | No realize the full deal value (CR4)

Palantir may not realize the full deal value of its contracts with clients, which could result in lower-than-expected revenue. As of December 31, 2021, Palantir had
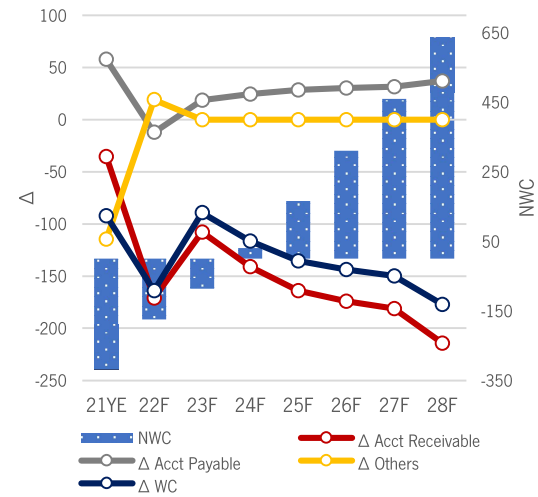
Company	WACC
Oracle	7,4%
Alphabet	8,5%
SAP	8,7%
Microsoft	7,8%
IBM	6,6%
Average	**7,8%**

Table 16 – Terminal WACC assumption
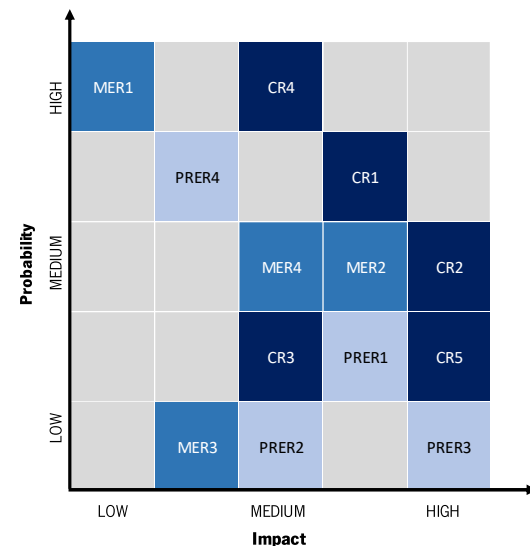
Figure 42 – Key Investment Risks

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contracts with a total remaining value of $3.8 billion, of which $2.6 billion was with commercial customers and $1.2 billion was with government customers. Historically, the company has not been able to fully realize the revenue from these contracts, and there is a possibility that the percentage not realized could increase.

Corporate Risk | Cybersecurity Events (CR5)

Palantir's platforms and services are used by customers to store, process, and analyze large datasets, often containing confidential and sensitive information needed for completing mission-critical tasks. Due to the high stakes involved, customers have a lower risk tolerance for security vulnerabilities in Palantir compared to other less critical software products and services. If any cyberattacks occur, Palantir may face direct and indirect liabilities, costs, contract terminations, and damage to its reputation.

Market & Economic Risk | Inflation & Currency Exchange Risk (MER1)

If costs become subject to significant inflationary pressures, Palantir may not be able to fully offset such higher costs through price increases, and this could harm its business, financial condition, or the results of operations. Contracts with customers are primarily denominated in U.S. dollars, with a small amount denominated in foreign currencies. Expenses are generally denominated in the United States, United Kingdom, and other European countries. Therefore, the results of current and future operations and cash flows are subject to fluctuations due to changes in foreign currency exchange rates, particularly changes in the Euro and GBP.

Market & Economic Risk | Market Risk (MER2)

As of June 30, 2022, Palantir had outstanding investments in marketable securities valued at $99.2 million. These Investments are often in early-stage companies that have a minimal public trading history. Investing in early or growth-stage companies carries inherent risks. Palantir may be unable to integrate acquired businesses and technologies successfully or achieve the expected benefits of such acquisitions or investments. During the six months ended June 30, 2022, net unrealized losses of $174.7 million related to marketable securities were recorded in other income (expense).

Market & Economic Risk | Shareholder dilution (MER3)

As of March 31, 2022, approximately 7.5 million options are set to expire through December 2022, with outstanding options to purchase an aggregate of 151,076,644 shares of Class A and 191,398,313 shares of Class B, and 86,867,142 shares of Class A and 54,900,000 shares of Class B subject to RSUs. The shares issued upon exercise of stock options or upon settlement of RSUs will be immediately available for resale on the open market. The exercise of stock options or the settlement of RSUs could cause dilution in shareholders' equity and a decline or volatility in the trading price of Class A common stock. (**Figure 45**).

Market & Economic Risk | Geopolitical & Economic Environment (MER4)

Adverse economic conditions or reduced technology spending may adversely impact Palantir's performance. The purchase of its platforms and services is often discretionary and typically involves a significant commitment of capital and other resources. Palantir depends on the economic health of current and prospective customers and the overall demand for technology. A further downturn in economic conditions, rising inflation rates in the U.S., global political and economic uncertainty, geopolitical tensions, a lack of availability of credit, financial market volatility, and other factors have in the past and may in the future affect the industries to which we sell our platforms and services. Our customers may suffer from reduced operating

* China, Russia and Belarus section are included Twain, Hong Kong, and Macau
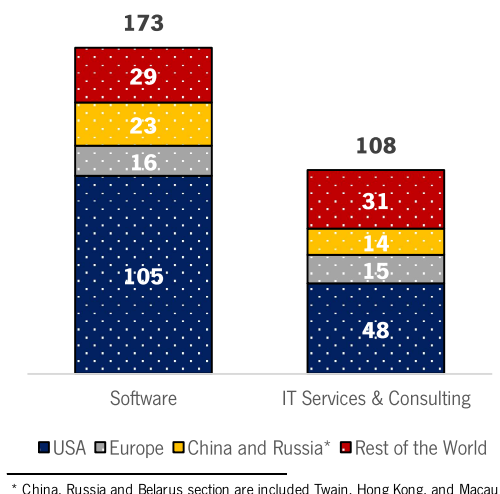
Figure 43 – Mid and Large-cap Companies
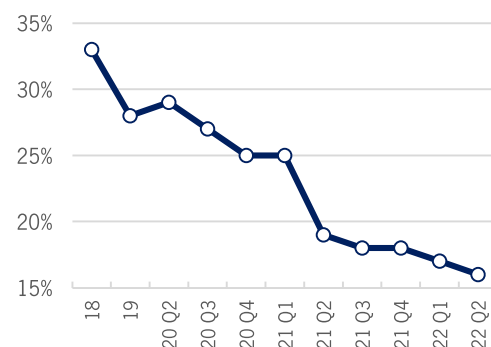
Figure 44 – % of Revenues from top 3 customers
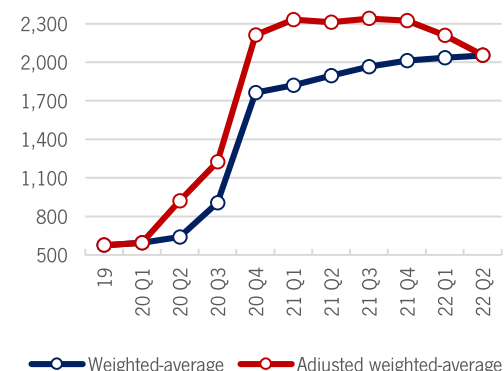
Figure 45 – Number of shares diluted, in Millions

budgets, which could cause them to defer or forego purchases of our platforms or services.

Political, Regulatory & Ethical Risk | Intellectual Property (PRER1)

Failure to adequately obtain and protect intellectual property could adversely affect Palantir's business. The company's success and ability to compete depend, in part, on its ability to protect the proprietary methods and technologies it develops. Despite its efforts, Palantir may be unable to prevent third parties from using its intellectual property, which could result in the loss of a competitive advantage. Defending any intellectual property rights claims can also be extremely costly. If Palantir cannot license rights or develop technology for any infringing aspect of its business, the company would be forced to limit or stop sales of one or more of its platforms.
This could lead to the loss of existing customers, and Palantir may struggle to compete effectively.

Political, Regulatory & Ethical Risk | Ethical Issues (PRER2)

Issues raised by the use of artificial intelligence (including machine learning) in the platforms may result in reputational harm or liability. AI is integrated into Palantir's technology platforms and is a significant and potentially growing element of its business. As with many developing technologies, AI presents risks and challenges, and some AI scenarios present ethical issues. If Palantir enables or offers AI solutions that are controversial or problematic because of their purported or real impact on human rights, privacy, employment, or other social issues, the company may experience brand or reputational harm, as well as regulatory or legal scrutiny.

Political, Regulatory & Ethical Risk | Political & Legal Changes (PRER3)

Palantir's business is subject to complex and evolving U.S. and non-U.S. laws and regulations regarding privacy, data protection, and security. Many of these laws and regulations are subject to change and uncertain interpretation. Because Palantir generates a substantial portion of its revenues from contracts with governments, its operations could be adversely affected by changes in government budgetary priorities, contract laws, and the failure to maintain government contracts.
In accordance with Federal Acquisition Streamlining Act (FASA), the U.S. federal government is required to consider commercially available software to fulfill its needs, rather than hiring contractors to create something internally. The law was largely ignored until 2016, when Palantir won a suit against the U.S. Army, paving the way for increasingly large contracts for Palantir. However, a significant decline in overall US government spending or a significant shift in priorities and a change in FASA could adversely affect future revenue and limit growth prospects. (**Figure 47**).

Political, Regulatory & Ethical Risk | Control over the company (PRER4)

The multiple-class structure of common stock has the effect of concentrating voting power with certain stockholders, specifically the Founders and their affiliates, and may cause Palantir to become a controlled company in the future due to the concentration of voting power. This separation between voting power and economic interests could lead to conflicts of interest and agency costs between the Founders and other stockholders. As a result of the Class F common share, any Founders who are party to the Founder Voting Agreement could hold a nominal equity interest with little or no voting rights but still meet the Ownership Threshold and therefore have voting power that provides effective control over the company. The founders' and affiliates' voting power, excluding Class F, was around 27% in Q2 2022, while their voting power with the Class F common share is always 49.9%. (**Figure 48**).

Digital Data Processing	302
Design	51
Digital Information Trans.	50
Data Processing Systems	31
Image Data Processing	18
Computer Systems Models	7
Control Systems	5
Measuring distances	5
Data Recognition	4
Wireless Com. Networks	4
Educational Applliances	3
Time/Attendance Register	2
Healthcare Informatics	1
Pictorial Communication	1
Bioinformatics	1
Traffic Control Systems	1

Figure 46 – Patent Portfolio Overview
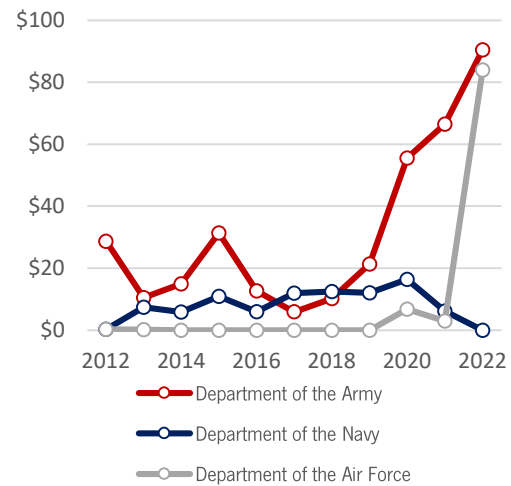
Figure 47 – US Spendings on Palantir by sub-agency, in Millions USD
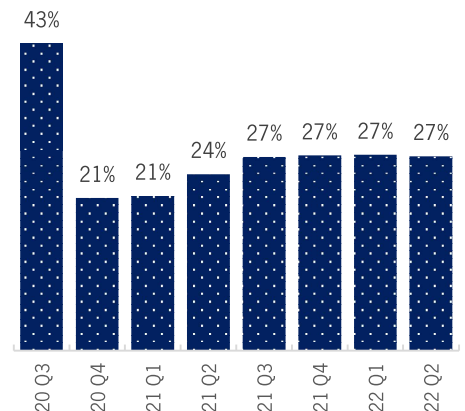
Figure 48 – Voting power of Founders and affiliates, excluding Class F

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Risks to Price Target - Sensitivity Analysis

Commercial Customers number: Due to the stage of growth of the Commercial department and the resulting uncertainty in the number of customers in this segment over the forecast period, a sensitivity analysis is included in **Table 17**. Three scenarios were computed: a pessimistic (bear), an optimistic (bull), and the base scenario. In the pessimistic scenario, the number of customers decreases by 40% in all forecast periods compared to the base case, resulting in a total number of 1,424 customers in 2028YE, which is four times the number in 2022YE, while in the optimistic scenario, the number of customers increases by 15%, reaching 2,730 customers in 2028YE, which is nine times the number in 2022YE. The Price Target range would be from a +1.8% downside to a +37.2% upside potential.

Contribution Margin: The impact of related PLTR costs of revenue and sales and marketing expenses on operations is evaluated through a Contribution Margin sensitivity analysis using five different scenarios, which were computed to measure their impact on the Price target (**Table 18**). In the base case scenario, Contribution Margin represents 57.95% for the Government segment and 51.60% for the Commercial segment of total revenue. A decrease (increase) in the Contribution Margin would have a negative (positive) impact on the Price Target.

Global GDP growth: Palantir is exposed to the global economy status. Three scenarios were computed: a pessimistic scenario, an optimistic scenario, and the base scenario. In the base scenario, the weighted average growth follows the exposition of Palantir's geographic revenue with nominal GDP growth of 3.9% for the United States and 6.5% for the other regions, according to the IMF. Under the pessimistic scenario, which can be attributed to an expansion and continuation of the Ukraine war and a severe COVID crisis, the adjusted weighted average Global GDP would only increase by 2.9% in 2027YE instead of 4.6% in the base case. Meanwhile, in the optimistic scenario, the World adjusted weighted average would increase by 5.7%, given a faster economic rebound. Under these scenarios, the Price Target would range from a -8.7% downside to +84.8% upside potential (**Table 19**).

Terminal Growth Rate (g) and Terminal WACC: A change in g, in TWACC or both would affect the recommendation, as these variables are key in any DCF model. A decrease (increase) in TWACC combined with a decrease (increase) in g would have a negative (positive) impact on both FCFF and FCFE Target Price (**Tables 20 and 21**).

Commercial customers number		Price Target
		FCFF
	Bull	$ 11.24
	Base	$ 10.45
	Bear	$ 8.35

Table 17 – Commercial customer's sensitivity

Contribution Margin		Price Target
	Δ%	FCFF
	5.0%	$ 11.92
	2.5%	$ 11.19
	Base	$ 10.45
	-2.5%	$ 9.72
	-5.0%	$ 8.98

Table 18 – Contribution Margin sensitivity

GDP Growth		Price Target
		FCFF
	Bull	$ 15.13
	Base	$ 10.45
	Bear	$ 7.50

Table 19 – GDP growth sensitivity

FCFF		g						
$ 10.45		3.91%	4.12%	4.34%	**4.56%**	4.79%	5.03%	5.28%
Terminal WACC	6.68%	$ 11.77	$ 12.56	$ 13.54	$ 14.80	$ 16.36	$ 18.46	$ 21.45
	7.03%	$ 10.69	$ 11.31	$ 12.06	$ 13.00	$ 14.13	$ 15.60	$ 17.57
	7.40%	$ 9.78	$ 10.28	$ 10.87	$ 11.59	$ 12.43	$ 13.50	$ 14.88
	7.79%	$ 9.02	$ 9.42	$ 9.89	**$ 10.45**	$ 11.10	$ 11.90	$ 12.90
	8.17%	$ 8.40	$ 8.72	$ 9.11	$ 9.56	$ 10.08	$ 10.70	$ 11.46
	8.58%	$ 7.85	$ 8.13	$ 8.44	$ 8.81	$ 9.23	$ 9.72	$ 10.31
	9.01%	$ 7.38	$ 7.61	$ 7.87	$ 8.17	$ 8.51	$ 8.91	$ 9.38

Table 20 – FCFF Sensitivity to WACC and g

FCFE		g						
$ 9.42		3.91%	4.12%	4.34%	**4.56%**	4.79%	5.03%	5.28%
Terminal WACC	6.68%	$ 10.75	$ 11.55	$ 12.54	$ 13.81	$ 15.39	$ 17.52	$ 20.54
	7.03%	$ 9.65	$ 10.28	$ 11.04	$ 11.99	$ 13.14	$ 14.62	$ 16.62
	7.40%	$ 8.74	$ 9.24	$ 9.84	$ 10.57	$ 11.42	$ 12.50	$ 13.89
	7.79%	$ 7.97	$ 8.37	$ 8.85	**$ 9.42**	$ 10.07	$ 10.88	$ 11.89
	8.17%	$ 7.34	$ 7.67	$ 8.06	$ 8.51	$ 9.04	$ 9.66	$ 10.43
	8.58%	$ 6.79	$ 7.06	$ 7.38	$ 7.76	$ 8.18	$ 8.67	$ 9.27
	9.01%	$ 6.30	$ 6.54	$ 6.80	$ 7.11	$ 7.45	$ 7.85	$ 8.33

Table 21 – FCFE Sensitivity to WACC and g

Risks to Price Target – Scenario Analysis

Monte Carlo Simulation
A Monte Carlo simulation was performed as a complementary analysis to my valuation (**Figure 49**). With 100,000 simulations, the average price target obtained was €11.73/sh, a 39.36% upside potential compared to the close price of €8.41 on 11ᵗʰ November 2022, with 54.6% certainty. Different values of terminal WACC and terminal growth rate were used to compute the simulation. Statistical data from the Monte Carlo simulation is presented in **Table 22**.
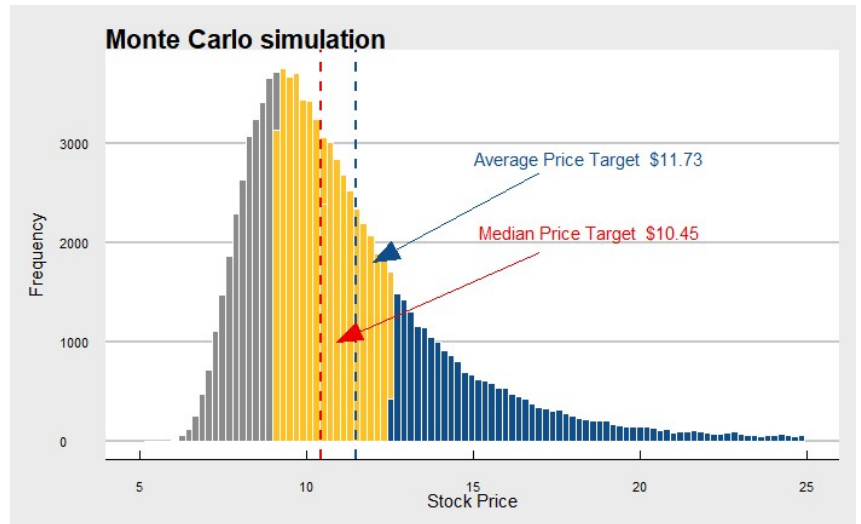
Figure 49 – Monte Carlo simulation plot // Source: RStudio

Historical returns statistics
Palantir's historical returns show that its stock price has higher variation compared to its peers. The distribution exhibits fat tails, with the 1st quartile showing a daily price return of -2.6% and the 3rd quartile showing a daily price return of 2.2% (**Figure 50**). When calculating the Value at Risk (VaR) and Expected Shortfall (ES) of the stock price returns, it becomes clear that Palantir is riskier in both metrics (**Table 23**). Overall, while Palantir's stock price has enormous potential, it's important to keep in mind the associated risks

	Statistics	
nobs		100,000
Minimum	$	0.00
Maximum	$	1,835
1. Quartile	$	9.02
3. Quartile	$	12.57
Mean	$	11.72
Median	$	10.45
Stdev		11.07
Skewness		75.33
Kurtosis		9434.82
TGrowth range		2,53% - 6,70%
TWACC range		4,10% - 11,33%

Table 22 – Monte Carlo statistics // Source: RStudio
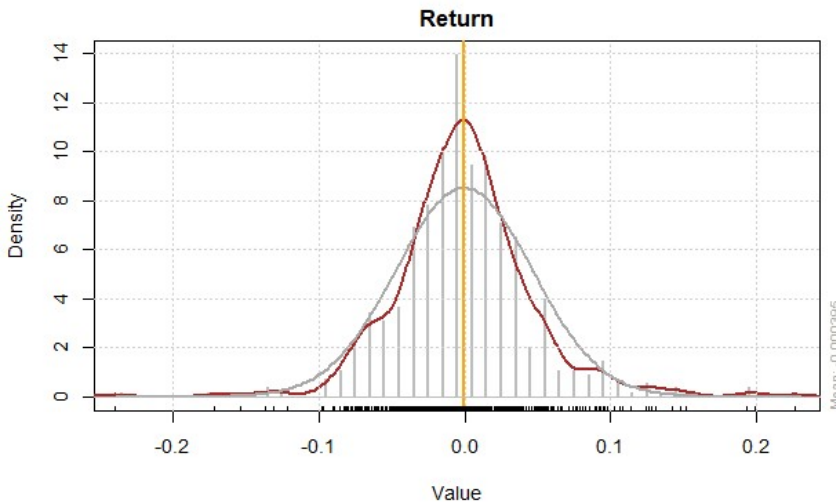
Figure 50 – PLTR returns density plot // Source: Refinitiv Eikon, RStudio

Peers	VarR	ES
PLTR	-10,9%	-12,5%
DDOG	-9,1%	-10,4%
SNOW	-10,0%	-11,3%
SPLK	-8,1%	-8,9%

Table 23 – VaR Calculated Loss // Source: Refinitiv Eikon, RStudio

($ Thousands)	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27	FY28
Cash and Short Term Investments	2,011,323	2,524,827	2,166,264	2,761,910	3,003,084	3,298,187	3,661,325	4,098,388	4,601,006
Accounts Receivable - Trade, Net	156,932	190,923	362,026	469,931	610,907	774,882	948,889	1,129,973	1,344,196
Prepaid Expenses	51,889	110,872	117,458	117,458	117,458	117,458	117,458	117,458	117,458
Restricted Cash - Current	37,285	36,628	29,996	29,996	29,996	29,996	29,996	29,996	29,996
Current Assets	**2,257,429**	**2,863,250**	**2,675,745**	**3,379,296**	**3,761,445**	**4,220,524**	**4,757,669**	**5,375,816**	**6,092,657**
Property/Plant/Equipment, Total - Net	246,616	248,202	281,965	290,276	301,081	314,787	331,569	351,555	375,330
Other Long Term Assets, Total	186,459	135,998	--	--	--	--	--	--	--
Restricted Cash - Long Term	79,538	39,612	38,038	38,038	38,038	38,038	38,038	38,038	38,038
Other Long Term Assets	106,921	96,386	96,689	96,689	96,689	96,689	96,689	96,689	96,689
Non-current Assets	**433,075**	**384,200**	**416,691**	**425,002**	**435,808**	**449,513**	**466,296**	**486,281**	**510,056**
Total Assets	**2,690,504**	**3,247,450**	**3,092,435**	**3,804,298**	**4,197,253**	**4,670,037**	**5,223,965**	**5,862,098**	**6,602,713**
Operating lease liabilities	29,079	39,927	40,484	41,497	42,534	43,597	44,687	45,804	46,950
Accrued Expenses	158,546	155,806	171,924	171,924	171,924	171,924	171,924	171,924	171,924
Customer Advances	399,840	389,421	419,918	419,918	419,918	419,918	419,918	419,918	419,918
Accounts Payable	16,358	74,907	62,760	81,466	105,905	134,331	164,496	195,888	233,025
Current Liabilities	**603,823**	**660,061**	**695,086**	**714,804**	**740,280**	**769,770**	**801,025**	**833,534**	**871,816**
Total Debt	197,977	--	--	--	--	--	--	--	--
Operating lease liabilities, noncurrent	229,800	220,146	215,660	215,660	215,660	215,660	215,660	215,660	215,660
Other Long Term Liabilities	136,354	76,213	38,967	38,967	38,967	38,967	38,967	38,967	38,967
Non-current Liabilities	**564,131**	**296,359**	**254,627**	**254,627**	**254,627**	**254,627**	**254,627**	**254,627**	**254,627**
Total Liabilities	**1,167,954**	**956,420**	**949,713**	**969,431**	**994,908**	**1,024,397**	**1,055,652**	**1,088,161**	**1,126,443**
Redeemable Preferred Stock, Total	--	--	--	--	--	--	--	--	--
Common Stock, Total	1,792	2,027	2,101	2,186	2,271	2,356	2,441	2,526	2,611
Additional Paid-In Capital	6,488,857	7,777,085	8,468,146	9,253,477	9,613,674	9,973,871	10,334,068	10,694,265	11,054,461
Retained Earnings (Accumulated Deficit)	(4,965,354)	(5,485,733)	(6,312,203)	(6,405,475)	(6,398,278)	(6,315,266)	(6,152,875)	(5,907,533)	(5,565,482)
Other Equity, Total	(2,745)	(2,349)	(15,321)	(15,321)	(15,321)	(15,321)	(15,321)	(15,321)	(15,321)
Total Equity	**1,522,550**	**2,291,030**	**2,142,723**	**2,834,867**	**3,202,345**	**3,645,640**	**4,168,313**	**4,773,936**	**5,476,270**
Total Liabilities & Shareholders' Equity	**2,690,504**	**3,247,450**	**3,092,435**	**3,804,298**	**4,197,253**	**4,670,037**	**5,223,965**	**5,862,098**	**6,602,713**

Common-Size BS (% Total Assets)	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27	FY28
Cash and Short Term Investments	74.8%	77.7%	70.1%	72.6%	71.5%	70.6%	70.1%	69.9%	69.7%
Accounts Receivable - Trade, Net	5.8%	5.9%	11.7%	12.4%	14.6%	16.6%	18.2%	19.3%	20.4%
Prepaid Expenses	1.9%	3.4%	3.8%	3.1%	2.8%	2.5%	2.2%	2.0%	1.8%
Restricted Cash - Current	1.4%	1.1%	1.0%	0.8%	0.7%	0.6%	0.6%	0.5%	0.5%
Current Assets	**83.9%**	**88.2%**	**86.5%**	**88.8%**	**89.6%**	**90.4%**	**91.1%**	**91.7%**	**92.3%**
Property/Plant/Equipment, Total - Net	9.2%	7.6%	9.1%	7.6%	7.2%	6.7%	6.3%	6.0%	5.7%
Other Long Term Assets, Total	6.9%	4.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Restricted Cash - Long Term	3.0%	1.2%	1.2%	1.0%	0.9%	0.8%	0.7%	0.6%	0.6%
Other Long Term Assets	4.0%	3.0%	3.1%	2.5%	2.3%	2.1%	1.9%	1.6%	1.5%
Non-current Assets	**16.1%**	**11.8%**	**13.5%**	**11.2%**	**10.4%**	**9.6%**	**8.9%**	**8.3%**	**7.7%**
Total Assets	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**
Operating lease liabilities	1.1%	1.2%	1.3%	1.1%	1.0%	0.9%	0.9%	0.8%	0.7%
Accrued Expenses	5.9%	4.8%	5.6%	4.5%	4.1%	3.7%	3.3%	2.9%	2.6%
Customer Advances	14.9%	12.0%	13.6%	11.0%	10.0%	9.0%	8.0%	7.2%	6.4%
Accounts Payable	0.6%	2.3%	2.0%	2.1%	2.5%	2.9%	3.1%	3.3%	3.5%
Current Liabilities	**22.4%**	**20.3%**	**22.5%**	**18.8%**	**17.6%**	**16.5%**	**15.3%**	**14.2%**	**13.2%**
Total Debt	7.4%	--	--	--	--	--	--	--	--
Operating lease liabilities, noncurrent	8.5%	6.8%	7.0%	5.7%	5.1%	4.6%	4.1%	3.7%	3.3%
Other Long Term Liabilities	5.1%	2.3%	1.3%	1.0%	0.9%	0.8%	0.7%	0.7%	0.6%
Non-current Liabilities	**21.0%**	**9.1%**	**8.2%**	**6.7%**	**6.1%**	**5.5%**	**4.9%**	**4.3%**	**3.9%**
Total Liabilities	**43.4%**	**29.5%**	**30.7%**	**25.5%**	**23.7%**	**21.9%**	**20.2%**	**18.6%**	**17.1%**
Redeemable Preferred Stock, Total	--	--	--	--	--	--	--	--	--
Common Stock, Total	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.0%	0.0%	0.0%
Additional Paid-In Capital	241.2%	239.5%	273.8%	243.2%	229.0%	213.6%	197.8%	182.4%	167.4%
Retained Earnings (Accumulated Deficit)	-184.6%	-168.9%	-204.1%	-168.4%	-152.4%	-135.2%	-117.8%	-100.8%	-84.3%
Other Equity, Total	-0.1%	-0.1%	-0.5%	-0.4%	-0.4%	-0.3%	-0.3%	-0.3%	-0.2%
Total Equity	**56.6%**	**70.5%**	**69.3%**	**74.5%**	**76.3%**	**78.1%**	**79.8%**	**81.4%**	**82.9%**
Total Liabilities & Shareholders' Equity	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**

($ Thousands)	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27	FY28	CAGR
Total Revenue	**1,092,673**	**1,541,889**	**1,901,247**	**2,467,932**	**3,208,292**	**4,069,439**	**4,983,270**	**5,934,265**	**7,059,296**	26.3%
Cost of Revenue, Total	**352,547**	**339,404**	**419,627**	**565,022**	**734,524**	**931,680**	**1,140,898**	**1,358,624**	**1,616,195**	21.0%
Cost of Revenue	352,547	339,404	419,627	565,022	734,524	931,680	1,140,898	1,358,624	1,616,195	21.0%
Gross Profit	740,126	1,202,485	1,481,620	1,902,910	2,473,767	3,137,759	3,842,372	4,575,641	5,443,101	28.3%
Selling/General/Admin. Expenses, Total	1,352,471	1,226,044	1,245,617	1,472,510	1,837,468	2,263,454	2,715,606	3,184,988	3,741,265	13.6%
Sales & Marketing Expenses	683,701	614,512	669,407	777,081	972,476	1,201,235	1,444,093	1,695,670	1,994,283	14.3%
General & Administrative Expenses	669,444	611,532	576,210	695,428	864,992	1,062,220	1,271,513	1,489,318	1,746,983	12.7%
Unusual Expense (Income)	(674)	--	--	--	--	--	--	--	--	--
Research & Development	560,660	387,487	407,393	497,012	621,700	766,730	920,633	1,080,795	1,270,267	10.8%
Impairment-Assets Held for Use	674	--	--	--	--	--	--	--	--	
Total Operating Expense	2,266,352	1,952,935	2,072,637	2,534,544	3,193,692	3,961,865	4,777,137	5,624,407	6,627,727	14.4%
Operating Income (EBIT)	**(1,173,679)**	**(411,046)**	**(171,390)**	**(66,612)**	**14,600**	**107,575**	**206,133**	**309,858**	**431,569**	--
Interest Expense, Net Non-Operating	(14,139)	(3,640)	(3,127)	(3,079)	(3,092)	(3,104)	(3,117)	(3,130)	(3,143)	-17.1%
Interest/Invest Income - Non-Operating	4,680	1,607	7,637	7,049	9,090	9,932	10,942	12,170	13,639	14.3%
Interest Inc.(Exp.),Net-Non-Op., Total	(9,459)	(2,033)	4,510	3,969	5,999	6,828	7,825	9,040	10,495	--
Other, Net	4,111	(75,415)	--	--	--	--	--	--	--	--
Other Non-Operating Income (Expense)	4,111	(75,415)	(260,714)	(57,244)	(11,348)	(7,703)	(5,229)	(3,549)	(2,409)	--
Net Income Before Taxes (EBT)	**(1,179,027)**	**(488,494)**	**(427,594)**	**(119,887)**	**9,250**	**106,700**	**208,729**	**315,349**	**439,655**	--
Income Taxes	(12,636)	31,885	5,707	26,615	(2,053)	(23,687)	(46,338)	(70,007)	(97,603)	--
Net Income After Taxes	**(1,166,391)**	**(520,379)**	**(421,887)**	**(93,272)**	**7,196**	**83,012**	**162,391**	**245,341**	**342,051**	--

Common-Size IS (% Revenue)	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27	FY28
Total Revenue	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Cost of Revenue, Total	**32.3%**	**22.0%**	**22.1%**	**22.9%**	**22.9%**	**22.9%**	**22.9%**	**22.9%**	**22.9%**
Cost of Revenue	32.3%	22.0%	22.1%	22.9%	22.9%	22.9%	22.9%	22.9%	22.9%
Gross Profit	67.7%	78.0%	77.9%	77.1%	77.1%	77.1%	77.1%	77.1%	77.1%
Selling/General/Admin. Expenses, Total	123.8%	79.5%	65.5%	59.7%	57.3%	55.6%	54.5%	53.7%	53.0%
Sales & Marketing Expenses	62.6%	39.9%	35.2%	31.5%	30.3%	29.5%	29.0%	28.6%	28.3%
General & Administrative Expenses	61.3%	39.7%	30.3%	28.2%	27.0%	26.1%	25.5%	25.1%	24.7%
Unusual Expense (Income)	-0.1%	--	--	--	--	--	--	--	--
Research & Development	51.3%	25.1%	21.4%	20.1%	19.4%	18.8%	18.5%	18.2%	18.0%
Impairment-Assets Held for Use	0.1%	--	--	--	--	--	--	--	--
Total Operating Expense	207.4%	126.7%	109.0%	102.7%	99.5%	97.4%	95.9%	94.8%	93.9%
Operating Income (EBIT)	**-107.4%**	**-26.7%**	**-9.0%**	**-2.7%**	**0.5%**	**2.6%**	**4.1%**	**5.2%**	**6.1%**
Interest Expense, Net Non-Operating	-1.3%	-0.2%	-0.2%	-0.1%	-0.1%	-0.1%	-0.1%	-0.1%	0.0%
Interest/Invest Income - Non-Operating	0.4%	0.1%	0.4%	0.3%	0.3%	0.2%	0.2%	0.2%	0.2%
Interest Inc.(Exp.),Net-Non-Op., Total	-0.9%	-0.1%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.1%
Other, Net	0.4%	-4.9%	--	--	--	--	--	--	--
Other Non-Operating Income (Expense)	0.4%	-4.9%	-13.7%	-2.3%	-0.4%	-0.2%	-0.1%	-0.1%	0.0%
Net Income Before Taxes (EBT)	**-107.9%**	**-31.7%**	**-22.5%**	**-4.9%**	**0.3%**	**2.6%**	**4.2%**	**5.3%**	**6.2%**
Income Taxes	-1.2%	2.1%	0.3%	1.1%	-0.1%	-0.6%	-0.9%	-1.2%	-1.4%
Net Income After Taxes	**-106.7%**	**-33.7%**	**-22.2%**	**-3.8%**	**0.2%**	**2.0%**	**3.3%**	**4.1%**	**4.8%**

($ Thousands)	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27	FY28
Net Income	(1,166,391)	(520,379)	(421,887)	(93,272)	7,196	83,012	162,391	245,341	342,051
Depreciation/Depletion	13,871	14,897	20,563	31,210	40,572	51,463	63,019	75,045	89,273
Deferred Taxes	--	43,316	(29)	(44)	(58)	(73)	(90)	(107)	(127)
Non-Cash Items	1,310,031	888,069	870,162	675,117	696,019	770,047	849,991	934,079	1,034,375
Changes in Working Capital	(454,119)	(92,052)	(164,073)	(89,199)	(116,537)	(135,549)	(143,842)	(149,692)	(177,086)
Accounts Receivable	(108,476)	(35,237)	(171,103)	(107,905)	(140,976)	(163,975)	(174,007)	(181,084)	(214,223)
Prepaid Expenses	(18,565)	(10,929)	(6,586)	--	--	--	--	--	
Other Assets	(28,990)	(3,345)	10,490	--	--	--	--	--	
Accounts Payable	(34,681)	57,767	(12,147)	18,706	24,439	28,426	30,165	31,392	37,137
Accrued Expenses	(5,134)	(16,911)	16,118	--	--	--	--	--	
Other Liabilities	(258,273)	(83,397)	(844)	--	--	--	--	--	
Cash from Operating Activities	**(296,608)**	**333,851**	**304,736**	**523,811**	**627,194**	**768,899**	**931,470**	**1,104,668**	**1,288,486**
Capital Expenditures	(12,236)	(12,627)	(45,346)	(39,521)	(51,377)	(65,168)	(79,802)	(95,031)	(113,047)
Other Investing Cash Flow Items	(2,684)	(385,285)	--	--	--	--	--	--	
Sale of Fixed Assets	250	--	--	--	--	--	--	--	
Purchase of Investments	(2,934)	(382,265)	--	--	--	--	--	--	
Other Investing Cash Flow	--	(3,020)	--	--	--	--	--	--	
Cash from Investing Activities	**(14,920)**	**(397,912)**	**(45,346)**	**(39,521)**	**(51,377)**	**(65,168)**	**(79,802)**	**(95,031)**	**(113,047)**
Financing Cash Flow Items	(497)	(708)	(302)	(677)	(546)	(558)	(521)	(576)	(550)
Issuance (Retirement) of Stock	1,237,581	507,455	-436,526	135,978	-315,522	-393,142	-475,555	-561,223	-662,636
Issuance (Retirement) of Debt	(200,631)	(200,000)	--	--	--	--	--	--	
Cash from Financing Activities	**1,036,453**	**306,747**	**(436,828)**	**135,300**	**(316,068)**	**(393,700)**	**(476,075)**	**(561,799)**	**(663,186)**
Foreign Exchange Effects	1,259	(3,918)	(7,226)	(7,226)	(7,226)	(7,226)	(7,226)	(7,226)	(7,226)
Free Cash Flow	**726,184**	**238,768**	**(184,664)**	**612,365**	**252,523**	**302,806**	**368,367**	**440,612**	**505,027**

Common-Size	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27	FY28
Net Income	350.8%	393.2%	-155.9%	-138.4%	-17.8%	1.1%	10.8%	17.4%	22.2%	26.5%
Depreciation/Depletion	-7.4%	-4.7%	4.5%	6.7%	6.0%	6.5%	6.7%	6.8%	6.8%	6.9%
Deferred Taxes	--	--	13.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Non-Cash Items	-162.3%	-441.7%	266.0%	285.5%	128.9%	111.0%	100.1%	91.3%	84.6%	80.3%
Changes in Working Capital	-81.1%	153.1%	-27.6%	-53.8%	-17.0%	-18.6%	-17.6%	-15.4%	-13.6%	-13.7%
Accounts Receivable	14.5%	36.6%	-10.6%	-56.1%	-20.6%	-22.5%	-21.3%	-18.7%	-16.4%	-16.6%
Prepaid Expenses	-11.4%	6.3%	-3.3%	-2.2%	--	--	--	--	--	--
Other Assets	17.8%	9.8%	-1.0%	3.4%	--	--	--	--	--	--
Accounts Payable	-14.2%	11.7%	17.3%	-4.0%	3.6%	3.9%	3.7%	3.2%	2.8%	2.9%
Accrued Expenses	-2.3%	1.7%	-5.1%	5.3%	--	--	--	--	--	--
Other Liabilities	-85.6%	87.1%	-25.0%	-0.3%	--	--	--	--	--	--
Cash from Operating Activities	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**
Capital Expenditures	7.9%	4.1%	-3.8%	-14.9%	-7.5%	-8.2%	-8.5%	-8.6%	-8.6%	-8.8%
Other Investing Cash Flow Items	5.4%	0.9%	-115.4%	--	--	--	--	--	--	--
Sale of Fixed Assets	--	-0.1%	--	--	--	--	--	--	--	--
Sale/Maturity of Investment	-10.3%	--	--	--	--	--	--	--	--	--
Purchase of Investments	15.7%	1.0%	-114.5%	--	--	--	--	--	--	--
Other Investing Cash Flow	0.0%	--	-0.9%	--	--	--	--	--	--	--
Cash from Investing Activities	**13.3%**	**5.0%**	**-119.2%**	**-14.9%**	**-7.5%**	**-8.2%**	**-8.5%**	**-8.6%**	**-8.6%**	**-8.8%**
Financing Cash Flow Items	0.7%	0.2%	-0.2%	-0.1%	-0.1%	-0.1%	-0.1%	-0.1%	-0.1%	0.0%
Issuance (Retirement) of Stock	41.6%	-417.2%	152.0%	-143.2%	26.0%	-50.3%	-51.1%	-51.1%	-50.8%	-51.4%
Issuance (Retirement) of Debt	-238.7%	67.6%	-59.9%	--	--	--	--	--	--	--
Cash from Financing Activities	**-196.4%**	**-349.4%**	**91.9%**	**-143.3%**	**25.8%**	**-50.4%**	**-51.2%**	**-51.1%**	**-50.9%**	**-51.5%**
Foreign Exchange Effects	1.3%	-0.4%	-1.2%	-2.4%	-1.4%	-1.2%	-0.9%	-0.8%	-0.7%	-0.6%
Free Cash Flow	**-81.8%**	**-244.8%**	**71.5%**	**-60.6%**	**116.9%**	**40.3%**	**39.4%**	**39.5%**	**39.9%**	**39.2%**

Key Financial Ratios	2022F	2023F	2024F	2025F	2026F	2027F	2028F
Liquidity Ratios							
Current Ratio (x)	4.34	3.85	4.73	5.08	5.48	5.94	6.45
Cash Ratio (x)	3.83	3.12	3.86	4.06	4.28	4.57	4.92
Times Interest Earned	-54.82	-21.63	4.72	34.66	66.14	99.00	137.30
Efficiency Ratios							
Total Assets Turnover (x)	0.61	0.65	0.76	0.87	0.95	1.01	1.07
Fixed Asset Turnover	4.56	5.81	7.36	9.05	10.69	12.20	13.84
Receivables Turnover	5.25	5.25	5.25	5.25	5.25	5.25	5.25
Collection Period (days)	70	70	70	70	70	70	70
Payables Turnover (x)	6.69	6.94	6.94	6.94	6.94	6.94	6.94
Payables Period (days)	54.59	52.63	52.63	52.63	52.63	52.63	52.63
Cash Cycle (days)	14.91	16.88	16.88	16.88	16.88	16.88	16.88
Profitability Ratios							
Gross Profit Margin (%)	78%	77%	77%	77%	77%	77%	77%
EBIT Margin (%)	-9%	-3%	0%	3%	4%	5%	6%
Net Profit Margin (%)	-22%	-4%	0%	2%	3%	4%	5%
ROA (%)	-14%	-2%	0%	2%	3%	4%	5%
ROE (%)	-30%	-19%	-4%	0%	2%	4%	5%
ROCE (%)	*-7%*	*-2%*	*0%*	*3%*	*5%*	*6%*	*8%*
ROIC (%)	-58%	-16%	3%	14%	21%	26%	30%
Solvency Ratios							
Debt Ratio (%)	29%	31%	25%	24%	22%	20%	19%
Long-term Debt Ratio (%)	*8%*	*7%*	*6%*	*5%*	*5%*	*4%*	*4%*
Debt to Equity Ratio (x)	42%	44%	34%	31%	28%	25%	23%
Equity Multiplier (x)	*1.44*	*1.34*	*1.31*	*1.28*	*1.25*	*1.23*	*1.21*
Interest Coverage Ratio (x)	0	0	5	35	66	99	137

Income Statement Assumptions								
in million $	**FY22**	**FY23**	**FY24**	**FY25**	**FY26**	**FY27**	**FY28**	**Assumption**
Revenue	1,901	2,468	3,208	4,069	4,983	5,934	7,059	**FY22 Revenue** = Accumulated 3Q + Company 4Q guideline.
YoY growth (%)	*23.3%*	*29.8%*	*30.0%*	*26.8%*	*22.5%*	*19.1%*	*19.0%*	**Foward Forecast Years** = See Revenue Appendix.
Cost of sales	(420)	(565)	(735)	(932)	(1,141)	(1,359)	(1,616)	**FY22 COGS** - Accumulated 3Q +(4Q Revenue - YoY Q WHS % of gross profit * 4Q Revenue). //
% Revenue	*-22.1%*	*-22.9%*	*-22.9%*	*-22.9%*	*-22.9%*	*-22.9%*	*-22.9%*	**Foward Forecast Years** - (1-YoY Q WHS
Selling expenses	(669)	(777)	(972)	(1,201)	(1,444)	(1,696)	(1,994)	**Forecast Selling expenses** = Gross Profit - Total Contribution. // Total Contribution - See
% Revenue	*-35.2%*	*-31.5%*	*-30.3%*	*-29.5%*	*-29.0%*	*-28.6%*	*-28.3%*	Contribution Appendix.
Admin. expens.	(576)	(695)	(865)	(1,062)	(1,272)	(1,489)	(1,747)	**Forecast Administrative expenses** - G&A Expenses exclude SBC + SBC from G&A.
% Revenues	*-30.3%*	*-28.2%*	*-27.0%*	*-26.1%*	*-25.5%*	*-25.1%*	*-24.7%*	See G&A and R&D Appendix.
R&D expenses	(407)	(497)	(622)	(767)	(921)	(1,081)	(1,270)	**Forecast R&D expenses** - R&D Expenses exclude SBC + SBC from R&D.
% Revenues	*-21.4%*	*-20.1%*	*-19.4%*	*-18.8%*	*-18.5%*	*-18.2%*	*-18.0%*	See G&A and R&D Appendix.
Interest income	8	7	9	10	11	12	14	**Forecast Interest income** - Cash & Equivalents * Interest income rate. **Interest income rate** -
% Revenues	*0.4%*	*0.3%*	*0.3%*	*0.2%*	*0.2%*	*0.2%*	*0.2%*	LTM interest income / 22 Q3 Cash & Equivalents.
Interest expense	(3)	(3)	(3)	(3)	(3)	(3)	(3)	**Forecast Interest expense** - Total leases * Interest expense rate. // **Interest expense**
% Revenues	*-0.2%*	*-0.1%*	*-0.1%*	*-0.1%*	*-0.1%*	*-0.1%*	*0.0%*	**rate** - LTM Interest Expenses / LTM Total leases.
Effective Tax rate	22.2%	22.2%	22.2%	22.2%	22.2%	22.2%	22.2%	2021 Annual Report Effective Tax rate.

BS Assumptions

in million $	FY22	FY23	FY24	FY25	FY26	FY27	FY28	Assumption
Current Assets								
Cash & Equivalents	-7.7%	29.0%	9.3%	10.2%	11.2%	12.1%	12.3%	Balance the accounts in the Balance Sheet.
Short Term Investments	-77.8%	-32.1%	-32.1%	-32.1%	-32.1%	-32.1%	-32.1%	Average historical QoQ change in short term investment * before Quarter value.
Accounts Receivable	89.6%	29.8%	30.0%	26.8%	22.5%	19.1%	19.0%	Growing at same rate as Revenues
Prepaid Expenses	5.9%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	Equal to FY22 nominal value
Restricted Cash - Current	-18.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	Equal to FY22 nominal value
Non-Current Assets								
Property/Equipment	13.6%	2.9%	3.7%	4.6%	5.3%	6.0%	6.8%	1,6% of Revenues (YoY Q WHS)
Restricted Cash - LT	-4.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	Equal to FY22 nominal value
Other Long Term Assets	0.3%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	Equal to FY22 nominal value
Current Liabilities								
Operating lease liab.	1.4%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	Growing at 2,5% a year
Accrued Expenses	10.3%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	Equal to FY22 nominal value
Customer Advances	7.8%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	Equal to FY22 nominal value
Accounts Payable	-16.2%	29.8%	30.0%	26.8%	22.5%	19.1%	19.0%	Growing at same rate as Revenues
Non-Current Liabilities								
Operating lease liab.	-2.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	Equal to FY22 nominal value
Other Long Term liab.	-48.9%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	Equal to FY22 nominal value
Equity								
Common Stock	3.6%	4.1%	3.9%	3.7%	3.6%	3.5%	3.4%	See Stock Dilution Appendix
Additional Paid-In Capital	8.9%	9.3%	3.9%	3.7%	3.6%	3.5%	3.4%	$Common\ Stock\ t * \left(\frac{APC\ t\text{-}1}{Common\ Stock\ t\text{-}1}\right) * \Delta Q\ prev\left(\frac{APC}{Common\ Stock}\right)$
Retained Earnings	15.1%	1.5%	-0.1%	-1.3%	-2.6%	-4.0%	-5.8%	Ret = Ret-1 + Nit // No dividend distribution predicted
Other Equity	552.3%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	Equal to FY22 nominal value

Appendix F – Revenues

Revenue Growth %	FY22	FY23	FY24	FY25	FY26	FY27	FY28
Government USA	25%	28%	26%	22%	19%	17%	17%
Government RW	0%	16%	16%	16%	16%	16%	16%
Commercial USA	62%	71%	61%	45%	31%	24%	22%
Commercial RW	15%	13%	14%	16%	18%	19%	19%
Assumption	3Q weight segment %	YoY Q WHS	$Rev.23 - \left(\frac{Rev.23 - Rev28}{5}\right)$	$Rev.24 - \left(\frac{Rev.24 - Rev28}{5}\right) \times 2$	$Rev.25 - \left(\frac{Rev.25 - Rev28}{5}\right) \times 3$	$Rev.26 - \left(\frac{Rev.26 - Rev28}{5}\right) \times 4$	*

Revenue, USD Millions	FY22	FY23	FY24	FY25	FY26	FY27	FY28
Government USA	848.5	1,086.1	1,365.7	1,667.6	1,981.8	2,320.7	2,707.5
Government RW	218.9	253.6	293.8	340.3	394.2	456.6	528.9
Commercial USA	324.1	553.6	891.7	1,296.8	1,703.7	2,078.5	2,535.8
Commercial RW	509.7	574.6	657.2	764.8	903.6	1,078.5	1,287.1
Total Revenue	**1,901.2**	**2,467.9**	**3,208.3**	**4,069.4**	**4,983.3**	**5,934.3**	**7,059.3**
Government USA	45%	44%	43%	41%	40%	39%	38%
Government RW	12%	10%	9%	8%	8%	8%	7%
Commercial USA	17%	22%	28%	32%	34%	35%	36%
Commercial RW	27%	23%	20%	19%	18%	18%	18%

Weight

Customers Growth %	FY22	FY23	FY24	FY25	FY26	FY27	FY28
Government	27%	21%	20%	18%	17%	16%	16%
Commercial	86%	79%	67%	49%	32%	23%	21%
Customers Number	**FY22**	**FY23**	**FY24**	**FY25**	**FY26**	**FY27**	**FY28**
Government	115	138	166	197	230	268	312
Commercial	273	488	817	1214	1600	1967	2374
Total Customers	**388**	**627**	**983**	**1410**	**1830**	**2235**	**2685**
Assumption	3Q Number * (1+ QoQ WHS growth)	Annual QoQ WHS growth	$G.23 - \left(\frac{G.23 - G.28}{5}\right)$	$G.24 - \left(\frac{G.24 - G.28}{5}\right) \times 2$	$G.25 - \left(\frac{G.25 - G.28}{5}\right) \times 3$	$G.26 - \left(\frac{G.26 - G.28}{5}\right) \times 4$	Equal to Rev.Growth FY28

*FY28	Source	Description	Growth USA	Penetration	Total
Government USA	MarketsandMarkets	Digital Battlefield Market (2022-2030)	17%		**17%**
		AI in Military Markets (2020-2025)	13%		
Government RW		AI market size growth (2022-2029)	20%	-5%	**16%**

*FY28	Source	Description	Growth USA	Growth RW	Penetration	Total
Commercial USA	MarketsandMarkets	Advanced Analytics Market (2021-2026)	22%	22%		**22%**
		Data Integration Market (2021-2026)	11%			
Commercial RW		AI Market (2022-2027)	35%		-10%	**19%**
	Fortune Business Insights	AI market size growth (2022-2029)	20%	20%		
	IDC	AI systems in Europe (2021-2026)		30%		
	Data Bridge	Europe Data Integration Market (2022-2029)		14%		

Appendix G – Contribution, G&A and R&A

USD Millions	Contribution		G&A		R&D		Total	Assumption
	Government	Commercial	Exclude SBC	SBC	Exclude SBC	SBC		
FY22	614.4	425.7	366.5	209.7	276.3	131.0	407.4	Acc. 3Q + YoY Q WHS %Rev * 4Q Rev
FY23	776.4	582.2	483.7	211.7	364.7	132.3	497.0	YoY Q WHS %Rev
FY24	961.7	799.3	628.8	236.2	474.1	147.6	621.7	Equal to FY23 %Rev
FY25	1,163.6	1,063.8	797.6	264.6	601.3	165.4	766.7	Equal to FY23 %Rev
FY26	1,377.0	1,345.5	976.7	294.8	736.4	184.3	920.6	Equal to FY23 %Rev
FY27	1,609.6	1,629.1	1,163.1	326.2	876.9	203.9	1,080.8	Equal to FY23 %Rev
FY28	1,875.6	1,972.7	1,383.6	363.4	1,043.1	227.1	1,270.3	Equal to FY23 %Rev
% Revenues	58%	52%	20%		15%			
%SBC				37%		23%		

Appendix H – Changes in Working Capital

USD Millions	FY22	FY23	FY24	FY25	FY26	FY27	FY28	Assumption
Accounts Receivable	(171.1)	(107.9)	(141.0)	(164.0)	(174.0)	(181.1)	(214.2)	Revenue Growth
Prepaid Expenses	(6.6)	–	–	–	–	–		WHS YoY
Other Assets	10.5	–	–	–	–	–		Equal 3Q FY22
Accounts Payable	(12.1)	18.7	24.4	28.4	30.2	31.4	37.1	Revenue Growth
Accrued Expenses	16.1	–	–	–	–	–		WHS YoY
Other Liabilities	(0.8)	–	–	–	–	–		Equal 3Q FY22
Changes in Working Capital	(164.1)	(89.2)	(116.5)	(135.5)	(143.8)	(149.7)	(177.1)	

Appendix I – Stock Dilution & SBC

Future Dilution Headwinds (in thousands)

Stock Options	2022 Q3
Options Outstanding	**331 121**
Weight-Average Exercise Price per Share	8,54
Weight-Average Remaining Contractual Life (years)	**8**
Aggregate Intrinsic Value	$ 568 915
Unrecognized SBC related to options outstanding	**$ 759 870**

Options (Unvested & Vested)

Shares converted from option each year	41 390
Annual dilution estimate	1,99%

Restrict Stock Unit	2022 Q3
RSUs Outstanding	**131 107**
Weight-Average Grant Date Fair Value per Share	$ 10,15
Regnozied period (years)	**3**
Unrecognized SBC related to RSU outstanding	**$ 779 300**

RSU (Unvested)

Shares added to the share base	43 702
	2,10%

in thousands:	FY28	FY27	FY26	FY25	FY24	FY23	Assumption	
Options outstanding	$ 94,963	$ 94,963	$ 94,963	$ 94,963	$ 94,963	$ 94,963	After the options and RSU be vested they issue new ones with the same value and maturity	**Additional** - 9% of revenues
RSUs	$ 259,767	$ 259,767	$ 259,767	$ 259,767	$ 259,767	$ 259,767		
Additional	$ 635,337	$ 534,084	$ 448,494	$ 366,250	$ 288,746	$ 222,114		
SBC	$ 990,066	$ 888,813	$ 803,223	$ 720,979	$ 643,475	$ 576,843		

Stockholders' Equity (in M):	Authorized	dez/28	dez/27	dez/26	dez/25	dez/24	dez/23	dez/22	set/22
Class A Common Stock	20,000								1,979
Class B Common Stock	2,700								100
Class F Common Stock	1								1
Total	22,701	2,611	2,526	2,441	2,356	2,271	2,186	2,101	2,080
Dilution		3.5%	3.5%	3.6%	3.7%	3.9%	4.1%	3.6%	4.4%

Company Name	Weekly Beta - 2 Year	Total Long Term Debt (LTM, usd, Millions)	WACC Cost of Debt, (%)	Interest Expenses (LTM, usd, Millions)	Weighted Average Maturity	Market Value of Debt (LTM, usd, Millions)	Company Market Cap (Millions, usd)	D/E Market Values, (%)	Corporate Tax (Damodaran)	Unlevered Beta
Snowflake Inc.	1,73	0,00	0,0%	0,0	0		47 260,80	0,00	27%	1,73
Splunk Inc	1,52	3 492,48	6,0%	125,6	8	2 983,30	12 731,97	23,4%	27%	1,30
Workday Inc	1,47	1 800,11	4,7%	52,5	8	1 597,77	38 095,36	4,2%	27%	1,43
Datadog Inc	1,89	736,74	4,9%	19,0	3	690,83	25 087,23	2,8%	27%	1,85
Atlassian Corp	1,92	1 194,04	5,8%	7,2	5	912,28	31 094,23	2,9%	27%	1,88
Zscaler Inc	2,13	947,74	4,7%	56,5	4	984,60	19 562,43	5,0%	27%	2,06
MongoDB Inc	2,17	1 185,43	5,8%	10,0	4	979,66	11 253,53	8,7%	27%	2,04
Elastic NV	2,06	566,40	6,0%	25,3	7	518,28	5 655,35	9,2%	25%	1,93
CrowdStrike Holdings Inc	1,55	739,70	5,8%	25,3	7	645,27	32 493,57	2,0%	27%	1,53
Confluent Inc	2,50	1 082,12	5,8%	22,1	5	908,40	6 146,18	14,8%	27%	2,26
Bentley Systems Inc	1,48	1 726,16	4,7%	27,3	3	1 577,42	11 198,29	14,1%	27%	1,34
Average Commercial segment	**1,86**									**1,76**
Tyler Technologies Inc	1,26	1 220,68	5,4%	25,3	4	1 076,80	13 347,67	8,1%	27%	1,19
Leidos Holdings Inc	0,67	4 290,00	4,7%	194,0	4	4 261,34	14 386,58	29,6%	27%	0,55
Dell Technologies Inc	1,26	23 578,50	5,3%	1 112,0	8	22 739,43	30 608,41	74,3%	27%	0,82
Booz Allen Hamilton Holding Corp	0,68	2 746,27	4,8%	99,9	6	2 594,90	13 961,76	18,6%	27%	0,60
L3harris Technologies Inc	0,73	6 648,00	5,0%	272,0	3	6 476,21	42 174,22	15,4%	27%	0,66
Science Applications International Corp	0,57	2 401,75	5,8%	109,0	5	2 282,48	5 819,87	39,2%	27%	0,44
CACI International Inc	0,61	1 800,57	5,9%	47,6	4	1 596,70	7 170,32	22,3%	27%	0,53
Average Government segment	**0,83**									**0,68**

Revenue (in thousands):	2022 Q3	2022 Q2	2022 Q1	2021 Q4	TTM	%			
Government	$ 273 834	$ 262 998	$ 241 790	$ 238 981	$ 1 017 603	56%		Bottom up Beta	1,16
Commercial	$ 204 046	$ 210 012	$ 204 567	$ 193 886	$ 812 511	44%			
Total Revenue	$ 477 880	$ 473 010	$ 446 357	$ 432 867	$ 1 830 114	100%			

SUMMARY OUTPUT
Palantir and S&P 500
Time series - 30/09/2020 to 11/11/2022
Frequency - Daily

Regression Statistics	
Multiple R	0,416197
R Square	0,173220
Adjusted R Square	0,171716
Standard Error	0,043270
Observations	552

ANOVA

	df	SS	MS	F	Significance F
Regression	1	0,21574	0,21574	115,23111	0,00000
Residual	550	1,02975	0,00187		
Total	551	1,24549			

	Coefficients	Standard Error	t Stat	P-value	Lower 95%	Upper 95%	Lower 95,0%	Upper 95,0%
Intercept	0,00027383	0,00184	0,14862	0,88191	-0,00335	0,00389	-0,00335	0,00389
Regression Beta	1,66514549	0,15512	10,73458	0,00000	1,36045	1,96985	1,36045	1,96985

Beta	**FY24**	**FY25**	**FY26**	**FY27**	**FY28**
Assumption	Regression Beta	$Beta.23 - \left(\frac{Beta.23 - Beta.28}{5}\right)$	$Beta.25 - \left(\frac{Beta.25 - Beta.28}{4}\right) \times 2$	$Beta.26 - \left(\frac{Beta.26 - Beta.28}{4}\right) \times 3$	Bottom-up Beta

Appendix K – Equity Risk Premium (ERP)

Region	S&P Rating	Moody's rating	CRP	MRP	Final ERP
United States	AA+	Aaa	0,00%	6,01%	6,01%
United Kingdom	AA	Aa3	0,72%	6,13%	6,85%
Western Europe without UK			1,22%	6,01%	7,23%
*RW			4,22%	6,01%	10,23%

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Country Region	GDP (in billions)	CRP	MRP	Final ERP	Corporate Tax Rate	Weight	ER Premium
Asia without China	13342176,49	5,03%	6,01%	11,04%	20,00%	52,25%	5,77%
Australia & New Zealand	1792651,796	0,00%	6,01%	6,01%	29,72%	7,02%	0,42%
Central and South America	4881187,192	5,20%	6,01%	11,21%	30,19%	19,12%	2,14%
Middle East	2861479,187	2,02%	6,01%	8,03%	29,77%	11,21%	0,90%
Eastern Europe without Russia	2658000,644	3,56%	6,01%	9,57%	17,05%	10,41%	1,00%
	25535495,31						10,23%

ERP	**FY24**	**FY25**	**FY26**	**FY27**	**FY28**
% Revenues from US	70.4%	72.8%	74.0%	74.1%	74.3%
% Revenues outside US	29.6%	27.2%	26.0%	25.9%	25.7%
ERP	6.6%	6.6%	6.6%	6.6%	6.5%

Appendix J – Cost of Debt

Cost of Debt	FY24	FY25	FY26	FY27	FY28
Interest Coverage Ratio	4	35	66	99	137
Synthetic Rating	Baa2/BBB	Aaa/AAA	Aaa/AAA	Aaa/AAA	Aaa/AAA
Pre-Tax Cost of Debt	3.92%	3.00%	3.00%	3.00%	3.00%
Pos-Tax Cost of Debt	3%	2%	2%	2%	2%

If interest coverage ratio is			jan/22	nov/22
greater than	≤ to	Rating is	Spread is	Spread is
-100000	0.499999	D2/D	14,34%	16,67%
0.5	0.799999	C2/C	10,76%	13,09%
0.8	1.249999	Ca2/CC	8,80%	11,13%
1.25	1.499999	Caa/CCC	7,78%	10,11%
1.5	1.999999	B3/B-	4,62%	6,95%
2	2.499999	B2/B	3,78%	6,11%
2.5	2.999999	B1/B+	3,15%	5,48%
3	3.499999	Ba2/BB	2,15%	4,48%
3.5	3.9999999	Ba1/BB+	1,93%	4,26%
4	4.499999	Baa2/BBB	1,59%	3,92%
4.5	5.999999	A3/A-	1,29%	3,62%
6	7.499999	A2/A	1,14%	3,47%
7.5	9.499999	A1/A+	1,03%	3,36%
9.5	12.499999	Aa2/AA	0,82%	3,15%
12.5	100000	Aaa/AAA	0,67%	3,00%

Synthetic Rating by Damodaran

Appendix L – Code of Conduct

Code of Conduct	
I. Protect Privacy and Civil Liberties	**IV. Maintain a Safe and Positive Environment**
A. Preserve and Promote Democracy	A. Cultivate a Safe Workplace
B. Protect the Vulnerable	B. Respect Diversity and Combat Bias
C. Respect Human Dignity	**V. Avoid Conflicts of Interest**
D. Discover and Disseminate Truth	A. Learn How to Spot Potential Conflicts of Interest
E. Encourage Reasonable and Responsible Data Use	B. Avoid Conflicts in Gov. Contracts and Access to Nonpublic Inf.
F. Secure the Free Flow of Information	C. Avoid Conflicts in Personal Investments
G. Prevent Misuse	D. Avoid Conflicts in Personal Relationships
II. Fallow the Law	E. Avoid Conflicts in Pursuing Outside Opportunities
A. Comply with the Law	F. Avoid Conflicts in Receiving Gifts and Entertainment
B. Never Bribe	G. Corporate Opportunities
C. Never engage in Insider Trading	**VI. Act with Integrity**
D. Promote Free Competition	A. Balance Freedom and Responsability
E. Provide Whistleblower Protection	B. Maintain and Promote Financial Integrity
III. Respect Our Customers	C. Maintain Confidentiality
A. Maintain Mission Focus	D. Protect our Assets
B. Protect Customers and their Assets	E. Waivers of this Code
C. Follow Customer Rules and Regulations	
D. Resolve Conflicts Constructively	

S   W   O   T

Strenght	Weakness	Opportunities	Threats
> Strong Mindset > Expansion > Discretion	> Government dependency > Little Information > New Player	> Thinking beyond the borders > Partnerships	> Distrust > Customer concentration > Big Sharks

Palantir's Strengths

. Strong mindset: Derived by its founder's philosophy, mission, and ethic principles, the company has a very solid concept of expanding and improving its services, not only its software programs but also extending its employee capacities, in order to qualify its human resources;

. Expansion: Palantir's business model focus on constant development, through the creation of new technologies or the buyout of other minor enterprises and startups by SPACs investments and partnerships;

. Discretion: Palantir takes the matter of secrecy very seriously, and doesn't allow their contracts to leak in any way to the press. They also adopt this stance in ongoing negotiations in order to surprise their competitors.

Palantir's Threats

. Distrust: Palantir's strong relationship with the government raises some suspicions, both in the market and press, concerning the security of the information gathered by the company and if they do or do not share their findings with the U.S. government. This concern also extends to the question of civil liberties and individual privacy. This kind of distrustfulness reflects in the precaution of other nations and companies to hire Palantir, sharing a common fear of being spied on;

. Customer concentration: Palantir continues to have a significant share of revenue concentrated on the top customers with long-term contacts. This fact could be a threat if one of the top customers terminates or does not renew the contract. This scenario will compromise the revenue and the estimates of growth;

. Big Sharks: Palantir has unique and advanced software that leverages the way companies and organizations can get inputs from their data. However other competitors such as Microsoft and Snowflakes are now developing similar products and it's mandatory for Palantir to continue to improve their software and be steps ahead of others software companies.

Palantir's Weaknesses

. Government dependency: A great part of the company's revenue come from public contracts with the government, generating a great number of profits, but it also ties them very close to political matters, so adopting an action contrary to the government's agendas could result in the suspension of current contracts or boycott them in future negotiations. This situation also put them at the mercy of the government's changes, which means that a change of administration could result in a change of core towards the necessity of Palantir's business;

. Little information: Investors may find it difficult to invest in Palantir, considering the level of secrecy towards its operation, since most of their contracts are not shared with the shareholders and only a small percentage of them know about the real condition of the company;

. New Player: Palantir is relatively new in the private sector and is still building its reputation with the great brands in the market, which means that the smallest mistake could lead to a crisis of trust, and the supplementary effort Palantir have to do for its software capabilities and functions are visible and known by managers and C-suites.

Palantir's Opportunities

. Thinking beyond borders: The COVID-19 pandemic and the Ukraine war could be great opportunities to expand their services to other countries, both in the private and public sector, working with U.S allied governments in matters of national defense, policy regulation, cybersecurity, or healthcare. During the year 2020, the company already supported the British public health service (NHS) with its expertise in data analysis;

. Partnerships: Since the last few years Palantir has created partnerships with big Tech companies, IBM, AWS, and Google cloud. This partnership allows a large number of users of these three companies to have access to some Palantir applications and tools. Palantir could continue this strategic partnership and leverage its reputation among the tech community and expand their clients portfolio among other industries.

President Stephen Cohen

CEO Alexander Karp

Finance David Glazer

Manufacturing & Sourcing Shyam Sankar

Legal & Business Affairs Ryan Taylor
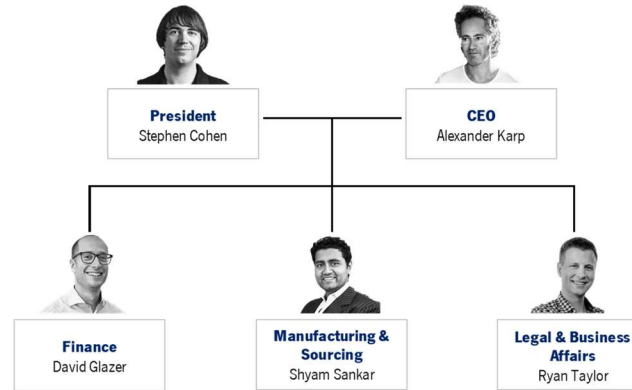
Appendix O – Board of Directors & Executive Compensation

Name	Position	Appointed	Education	Year	Salary ($)	Bonus ($)	Stock Awards ($)	Options Awards ($)	All Other Comp. ($)	Total ($)	Class A Shares	%	Class B Shares	%	Class F Shares	%	Percentage of Votes %
Alexander Karp	CEO	2003	J.D from Stanford University	2021	1 101 637	—	—	—	3 381 977	4 483 614	6 432 258	*	60 072 785	53,1	335 000	33	12,2
			Ph.D from J.W.Goethe University	2020	1 101 637	28 081	296 400 000	797 851 743	3 131 836	1 098 513 297							
Stephen Cohen	President & Secretary	2005	B.S in Computer Science from Stanford Univ.	2021	1 229 461	—	—	—	699 406	1 928 867	592	*	26 736 322	23,3	335 000	33	2,9
				2020	2 175 610	28 081	102 600 000	80 704 876	6 495 102	192 003 669							
Shyam Sankar	COO & Executive VP	2006	M.S in Mgmt Science & Eng. at Stanford Univ.	2021	509 419	—	—	—	189 268	698 687	1 855 634	*	6 114 764	5,8	—	—	*
				2020	509 819	44 672	57 000 000	45 010 811	83 488	102 648 790							
David Glazer	CFO & Treasurer	2013	J.D at Emory University	2021	450 200	—	—	—	25 522	475 722	1 434 703	*	—	—	—	—	*
				2020	451 050	32 347	374 387 000	856 536	9 430	375 736 363							
Ryan Taylor	CLBAO (1)	2010	M.S in Mgmt Science & Eng. at Stanford	2021	437 925	—	—	—	24 890	462 815	1 278 594	*	130 484	*	—	—	*
			J.D from Harvard School	2020	646 718	39 428	12 749 224	879 099	-	14 314 469							

Name	Position	Member since	Education	Independent	Professional competencies	Work Experience	Compensation 2021 Paid in Cash ($)	RSU Awards ($)	Class A Shares	%	Class B Shares	%	Class F Shares	%	
Peter Thiel	Chairman	2003	J.D from Stanford University	No	. Professional Board Member . Venture capitalist . Palantir co-fouder	. CEO and Chairman of PayPal, CEO of Meta and AbCellera . Investor Capital	—	—	130 670 931	6,7	32 459 248	32,8	335 000	33	12
Alexander Moore	Member	2020	B.A in Economics from Standford University	Yes	. Enterpreneur . Venture capitalist	. Palantir founding employees . COO of NodePrime	65 000	274 982	1 828 397	*	—	—	—	—	*
Spenser Rascoff (2)	Member	2020	B.A in Governance at Harvard University	Yes	. Enterpreneur . Angel Investor	. Co-founder of dot.LA, Zillow . CEO of Zillow and VP of	65 000	274 982	138 506	*	—	—	—	—	*
Alexandra Schiff	Member	2020	B.A in English from Duke University	Yes	. Journalism	. Reporter for The WSJ, and writer for The NYT and Bloomberg	52 500	274 982	48 453	*	10 000	*	—	—	*
Lauren Friedman Stat	Member	2021	B.S in Science, Tech, and Society from Stadford Univ.	Yes	. Business and leadership experience	. Mgmt of global opt. and growth seg. at Accenture	50 021	499 983	230 055	*	—	—	—	—	*
Eric Woersching	Member	2022	M.S in Electrical Engineering from Standford Univ.	Yes	. Financial . Venture capitalist	. SA and VP at EasyPost	—	—	—	—	—	—	—	—	—

(1) Chief Legal and Business Affairs Office
(2) Non-Continuing Director
* Represents less than one percent (1%)

	Class A Shares	%	Class B Shares	%	Class F Shares	%	Votes %
All executive officers, directors and director nominee as a group	143 918 113	7,4	125 523 603	93	1 005 000	100	**50,2**
Greater than 5% Stockholders:							
Canada Pension Plan Invetment Board	7 030 157	*	5 624 297	5,7	—	—	1,7
The Vanguard Group	127 439 994	*	—	—	—	—	3,3
Founder Voting Control:							
Shares subject to the Founder Voting Agreement	27 166 475	1,4	112 974 590	87,7	—	—	22,5
Founder Voting Trust	—	—	—	—	1 005 000	100	22,9
Designated Founders' Excluded Shares	109 937 306	5,6	6 293 765	6,4	—	—	4,5
Founder Total	137 103 781	7,0	119 268 355	92,6	1 005 000	100	**49,999999**

■ Executive Management
■ Overview of non executive board members

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
Appendix P - Change in Control-Related Benefits

% Vested	Applicable Plan	Type of Award	Number of Shares of Class B Common Stock Covered by Award			Amount Vested in dollars
Karp						
20%	Executive Equity Plan	Stock Option	141 000 000	7 050 000	6,83	914 878 500
50%	Executive Equity Plan	RSU Award	3 900 000		18,21	71 019 000
	2010 Plan	RSU Award	35 100 000	1 950 000	18,21	603 661 500
					Option	**457 439 250**
					RSU	**337 340 250**
Cohen						
40%	Executive Equity Plan	Stock Option	13 500 000		6,83	92 205 000
	Executive Equity Plan	RSU Award	13 500 000		18,21	245 835 000
					Option	**36 882 000**
					RSU	**98 334 000**
Sankar						
40%	Executive Equity Plan	Stock Option	7 500 000		6,83	51 225 000
25%	Executive Equity Plan	RSU Award	7 500 000		18,21	136 575 000
			3 763 800		18,21	68 538 798
					Option	**20 490 000**
					RSU	**71 764 700**
Glazer						
25%	Executive Equity Plan	Stock Option	1 975 110		6,83	13 490 001
	Executive Equity Plan	RSU Award	5 458 600		18,21	99 401 106
					Option	**3 372 500**
					RSU	**24 850 277**
Taylor						
25%	Executive Equity Plan	Stock Option	3 182 897		6,83	21 739 187
	Executive Equity Plan	RSU Award	2 479 060		18,21	45 143 683
					Option	**5 434 797**
					RSU	**11 285 921**

Appendix Q – SPACs Investment

Entity (values in thousands):	**Share Amount**	**Investment Amount**	
December 31, 2021			
Celularity	2 000	$ 20 000	
Faraday Future	2 500	25 000	
Astrocast	1 520	5 000	
BlackSky	800	8 000	
Lilium	4 100	41 000	
Sarcos Robotics	2 100	21 000	
Roivant Sciences	3 000	30 000	
Babylon Health	3 500	35 000	
Bird Global	2 000	20 000	
Embark Trucks	1 800	18 000	
Wejo	3 500	35 000	
Pear Therapeutics	1 000	10 000	
Boxed	2 000	20 000	
Skydweller	3 000	3 000	Privately-held
Hyundai Oilbank	676	20 000	
AdTheorent	1 500	15.000	
March 31, 2022			
Fast Radius	2 000	20 000	
Energy Vault	850	8 500	
Tritium	2 500	15 000	
Rigetti	1 000	10 000	
Allego	2 000	20 000	
Starry Group Holdings	2 133	16 000	
June 30, 2022			
Rubicon	3 500	35 000	
Total	48 979	$ 450 500	

Company	Market Cap (M, USD)	Net Sales (LTM) (M,USD)	Net Sales by	TRBC Activity	Technology Segement	Customer Base	# Employees	Headquarter country
Palantir Technologies Inc	$ 16 835	$ 1 542		Software (NEC)	Data ingestion, integration, analytics, management, governance, intelligente infrasctruture and application monitoring		3 269	USA
Commercial								
Atlassian Corporation	$ 28 765	$ 2 803		Software (NEC)	Workflow management system		8 813	USA
Splunk Inc	$ 12 254	$ 2 674		Software (NEC)	Analysis, visualization, management and integration of data		7 000	USA
Bentley Systems Inc	$ 9 603	$ 965		Software (NEC)	Infrastructure enginnering software		4 626	USA
Alteryx Inc	$ 3 543	$ 536		Software (NEC)	Data Analytics		2 595	USA
Zscaler Inc	$ 21 159	$ 1 091		System Software	Data Security and governance		4 975	USA
Workday Inc	$ 38 604	$ 5 139		Aplication Software	Entreprise aplications for finance and HR		16 918	USA
Datadog Inc	$ 25 393	$ 1 029		Aplication Software	Infrastructure and application performance monitoring		3 200	USA
Confluent Inc	$ 6 916	$ 388		Aplication Software	Data Integration and intelligent infractrutures		1 981	USA
Elastic NV	$ 6 131	$ 862		Programming Software & Testing Tools	Data Analytics and ingestion		3 056	Netherland
MongoDB	$ 12 714	$ 874		Services & Database Software	Database		3 544	USA
Snowflake Inc	$ 55 414	$ 1 219		IT Services & Consulting (NEC)	Data storage and transformation		3 992	USA
CrowdStrike Holdings Inc	$ 36 270	$ 1 452		IT Services & Consulting (NEC)	Cloud workload protection, management vulnerability and cybersecurity		6 250	USA
Governmental								
Tyler Technologies Inc	$ 14 112	$ 1 592		Software (NEC)	Enterprise software, appraisal, tax		7 143	USA
Leidos Holdings Inc	$ 12 798	$ 13 737		IT Services & Consulting (NEC)	Software and hardwere solutions for security, civil and healtchare markets		43 000	USA
Dell Technologies Inc	$ 25 331	$ 101 197		Computer Hardware	Cloud services, enterprise software, consumer Pc and printer		133 000	USA
Booz Allen Hamilton Holding Corp	$ 13 349	$ 8 364		IT Services & Consulting (NEC)	Management consulting firm, cyber engineering, data analytics		29 300	USA
L3harris Technologies Inc	$ 45 270	$ 17 814		Aerospace & Defense	Integrated mission, space and airborne, communication, and aviation systems		47 000	USA
Science Applications International Corp	$ 5 380	$ 7 394		IT Services & Consulting (NEC)	Government services and information technology support		26 000	USA
CACI International Inc	$ 6 190	$ 6 203		IT Services & Consulting (NEC)	Information IT related to intelligence, defense, homeland and heatlcare		22 000	USA

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Identifier (RIC)	Company Market Cap (M, usd)	EV - Mean (FY1, M, usd)	FCF - Mean (FY1, M, usd)	Weekly Beta - 2 Year	Revenue - Mean (FY1, M, usd)	Gross Profit - Mean (FY1, M, usd)	EV / FCF (FY1)	Price / Sales (FY1)	EV / Sales (FY1)	EV / GP (FY1)	Price to Book
TEAM.O	36,074.31	56,982.96	736.90	1.91	3,481.57	2,934.06	77.33	11.59	16.37	19.42	107.24
ADSK.O	50,144.06	40,071.86	2,039.10	1.79	5,016.32	4,607.79	19.65	7.89	7.99	8.70	67.81
BSY.O	11,515.52	12,944.70	300.85	1.47	1,094.54	875.16	43.03	9.76	11.83	14.79	22.14
DDOG.O	27,341.90	25,521.18	353.36	1.89	1,655.22	1,324.20	72.22	10.50	15.42	19.27	21.20
HUBS.K	14,962.44	12,611.21	202.61	1.82	1,706.83	1,402.65	62.24	9.54	7.39	8.99	16.50
PAYC.K	20,090.66	19,941.27	251.98	1.65	1,371.87	1,169.14	79.14	9.82	14.54	17.06	18.67
PCTY.OQ	12,633.52	13,544.16	164.77	1.52	1,124.82	804.80	82.20	3.59	12.04	16.83	20.68
SNAP.K	19,002.33	16,288.92	65.09	1.73	4,611.86	2,843.74	250.26	15.16	3.53	5.73	6.52
SNOW.N	52,316.80	55,239.55	344.40	1.72	2,071.59	1,469.18	160.39	3.75	26.67	37.60	9.64
SPLK.OQ	13,830.26	17,349.26	439.17	1.52	3,402.38	2,678.02	39.50	15.25	5.10	6.48	-20.22
TTD.O	26,218.22	34,199.91	454.16	1.95	1,581.27	1,304.17	75.30	6.79	21.63	26.22	13.69
WDAY.OQ	41,149.44	40,854.00	1,117.20	1.47	6,198.30	4,779.53	36.57	6.79	6.59	8.55	7.99
ZM.O	26,026.09	16,499.17	1,191.63	1.52	4,405.16	3,436.45	13.85	4.56	3.75	4.80	4.35
ZI.O	12,791.89	16,551.58	379.02	1.99	1,096.84	975.00	43.67	7.50	15.09	16.98	5.82
ZS.OQ	21,065.91	19,834.87	323.80	2.13	1,514.29	1,174.64	61.26	9.80	13.10	16.89	36.74
Average							**74.44**	**8.82**	**12.07**	**15.22**	**22.59**
Median							**62.24**	**9.54**	**12.04**	**16.83**	**16.50**

(in millions, usd)

2022 FCF	259
2022 Revenue	1,901
2022 Gross Profit	1,482
2022 Equity Book Value	2,143

+ Cash equivalents	2,114
+ Marketable sec.	52
- Debt	256

PLTR value by:

	EV / FCF	Price / Sales	EV / Sales	EV / GP	Price to Book
Average	10.10	7.98	11.57	11.60	23.03
Median	8.59	8.63	11.55	12.71	16.83

2003/2004

Company was founded

By Peter Thiel, Alex Karp, Joe Lonsdale, Nathan Gettings, and Stephen Cohen. First customers were US Agencies.

2009

Private sector expansion

This year Palantir signed the first commercial contract with JP Morgan.

2014

Reach $1B in sales

In 2013 less than 40% of Palantir's revenues are believed to be obtained from government entities.

2020

IPO & Apollo

Apollo software was commercialized and Palantir entered in the public market by DPO.

2017

Foundry launch

Palantir launched Foundry software.

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