

Palantir Technologies (NASDAQ: PLTR) — Q2 2026 Results, Raised Outlook & Valuation

Quarter ended June 30, 2026 · an AI / data-operations software company (Gotham, Foundry, Apollo, AIP) selling to government and commercial customers. Revenue grew 93% with GAAP profitability, 60%+ adjusted margins and a Rule of 40 of 155% — and the stock trades at an extreme multiple (see page 2).

A factual snapshot from Palantir's Q2 2026 release and Form 10-Q, its own raised FY2026 guidance, and public market data. It contains no Blackspear forecast, price target, or recommendation.

REVENUE (Q2'26) \$1.935B ▲ 93% YoY · +19% QoQ Rule of 40 = 155%	US COMMERCIAL REV. \$764M ▲ 149% YoY · +28% QoQ the AIP growth engine	GAAP NET INCOME \$1.062B \$0.41 diluted EPS · 55% margin vs \$0.13 in Q2'25	ADJUSTED FREE CASH FLOW \$1.220B 63% margin cash from ops \$1.216B
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REVENUE MIX — Q2 2026 (\$1,935M)

SEGMENT / GEOGRAPHY	REVENUE	% TOT.	YOY
BY CUSTOMER TYPE			
Government	\$990M	51%	+79%
Commercial	\$945M	49%	+110%
BY GEOGRAPHY			
United States	\$1,573M	81%	+115%
— US commercial	\$764M	39%	+149%
— US government	\$809M	42%	+90%
Rest of world	\$362M	19%	+34%
Total revenue	\$1,935M	100%	+93%

The US is 81% of revenue and the fastest-growing region; US commercial (+149%) is the standout, driven by AIP adoption. Gross margin was 85% (GAAP). Contribution margin: government 71%, commercial 78%.

FY2026 OUTLOOK — RAISED WITH Q2 RESULTS (AUG 3, 2026)

COMPANY FY2026 GUIDANCE				RAISED WITH Q2 RESULTS
REVENUE	US COMMERCIAL REVENUE	ADJ. INCOME FROM OPS	ADJUSTED FREE CASH FLOW	
\$8.15B	>\$3.424B	\$4.89B	\$4.5–4.7B	
~+82% YoY	≥+134% growth	~60% adj. margin	Q3 rev \$2.16B	
from ~\$4.48B FY25	the engine	excludes SBC	GAAP profit every qtr	
Guidance is Palantir's own, raised alongside Q2 results; adjusted figures exclude stock-based compensation and related payroll taxes, and Palantir does not reconcile forward adjusted figures to GAAP. FY2026 revenue of ~\$8.15B implies ~82% growth — an acceleration from +56% in FY2025 and +29% in FY2024 (see page 2).				

VALUATION SNAPSHOT — AS OF AUGUST 4, 2026 CLOSE

Share price (Aug 4, 2026)	\$162.66	P/E — trailing (GAAP)	~107×
Market cap (2.40B sh; ~2.57B dil.)	~\$390B	P/E — forward	~67×
Enterprise value (~\$9.2B net cash)	~\$381B	Rule of 40 (growth + adj. margin)	155%
EV / FY26 revenue (guide)	~47×	52-week range	\$106 – \$208
EV / FY26 adj. free cash flow	~83×	Dividend	None

◆ THE OTHER SIDE OF THE LEDGER — AN EXTREME VALUATION

The business is exceptional, but so is the price. PLTR trades at roughly **47× forward sales**, ~83× adjusted free cash flow and ~107× trailing GAAP earnings — a multiple that already discounts many years of continued hypergrowth. The stock rose ~29% on the report (Aug 4). Adjusted margins (62%) and the Rule of 40 (155%) exclude ~\$265M/quarter (~14% of revenue) of stock-based compensation; on GAAP margins the operating margin is 47% and the Rule of 40 is ~140% — still exceptional. Page 2 sizes what's priced in.

WHAT'S MOST IMPACTFUL

- **US commercial is the engine.** +149% YoY to \$764M, with US commercial TCV +153% and remaining deal value +124% — AIP ("AI boot camps") is converting pilots into large, expanding contracts. This line, more than government, drives the growth-acceleration narrative.
- **Growth is accelerating, not fading.** Revenue growth went from +29% (FY24) to +56% (FY25) to a guided +82% (FY26) — a rare three-year acceleration at scale, and the core of the bull case.
- **Real profits and cash, not just "adjusted."** GAAP operating income was \$912M (47% margin) and GAAP net income \$1.062B; adjusted FCF was \$1.220B (63%). Profitability is genuine — the debate is the price, not the P&L.
- **Valuation is the whole risk.** At ~47× sales the multiple leaves little room for deceleration or a growth stumble; the swing factor is duration of hypergrowth and multiple compression (page 2).
- **Balance sheet & earnings quality.** ~\$9.2B cash / US Treasuries, no debt; GAAP net income is helped by ~\$77M interest income and a ~1% effective tax rate (valuation allowance on tax assets). SBC (~\$1.06B/yr) and ongoing insider 10b5-1 sales are the real cost of the equity comp, though net dilution has been ~1.5%/yr.

Full Excel model — linked tabs (segment & geographic revenue, Rule-of-40 and margin bridge, guidance walk, EV/sales & EV/FCF valuation, SBC & dilution, source tie-outs) — available on request.
Email info@blackspearllc.com for a copy.

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HOW TO READ THE NUMBERS

- Figures are U.S. GAAP unless labeled "adjusted." Palantir's adjusted operating income, adjusted EBITDA and adjusted EPS exclude stock-based compensation (~\$265M in Q2) and related payroll taxes.
- "Rule of 40" = revenue growth (93%) + adjusted operating margin (62%) = 155%. On the GAAP operating margin (47%) it is ~140%.
- GAAP diluted EPS of \$0.41 equals adjusted EPS of \$0.41: the SBC add-back that lifts adjusted income is offset by applying a normalized 23% tax rate, versus a ~1% GAAP rate today.
- TCV/RDV are contracted or awarded values, not recognized revenue; most contracts allow termination for convenience.

Palantir (NASDAQ: PLTR) — Valuation vs. Growth: Priced for Perfection

Palantir is GAAP-profitable and growing 93% with a Rule of 40 of 155% — one of the strongest growth-and-margin profiles in software. But at ~47× forward sales, ~83× adjusted free cash flow and ~107× trailing earnings, the multiple already discounts many years of continued hypergrowth. The debate is the price and the duration of growth, not the P&L.

Revenue history is from Palantir filings; FY2026 is the company's own guidance. Multiples and the "grow-into" reference are Blackspear calculations from public market data — mechanical, not a Blackspear price target or recommendation.

REVENUE — FY2024–FY2025 ACTUAL + FY2026E GUIDANCE · GROWTH IS ACCELERATING

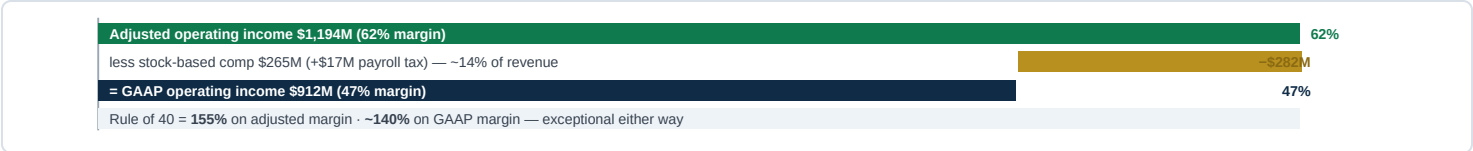


VALUATION & GROWTH

Share price (4 Aug 2026)	\$162.66
Market cap / enterprise value	~\$390B / ~\$381B
EV / FY26 revenue (guide ~\$8.15B)	~47×
EV / FY26 adj. operating income (~\$4.89B)	~78×
EV / FY26 adj. free cash flow (~\$4.6B)	~83×
P/E — trailing GAAP / forward	~107× / ~67×
Revenue growth — FY24 / FY25 / FY26E	29% / 56% / 82%
Rule of 40 (adj. / GAAP-margin basis)	155% / ~140%
Net cash · dividend	~\$9.2B · none

What's priced in (mechanical). At today's ~\$381B EV, revenue would have to reach ~\$19B to imply a 20× sales multiple, ~\$25B for 15×, or ~\$38B for 10× — i.e. ~3–5× FY26 revenue. At an arbitrary, illustrative 35% annual growth rate, reaching a still-premium 10× sales takes ~5 years (15× ~4 years); a faster CAGR shortens this materially. Note 10× sales is itself a premium multiple, not a fair-value floor. Not a Blackspear target.

THE SBC CAVEAT — GAAP VS. "ADJUSTED" (WHY THE 62% MARGIN AND 155% RULE OF 40 NEED AN ASTERISK)



Palantir's headline 62% adjusted operating margin and 155% Rule of 40 exclude ~\$265M of quarterly stock-based compensation (~14% of revenue; ~\$1.06B annualized); on GAAP the operating margin is 47% and the Rule of 40 ~140%. Crucially — and unlike lossmaking "adjusted-EBITDA" stories — Palantir is GAAP-profitable after fully expensing SBC (GAAP net income \$1.062B), adjusted free cash flow (~\$1.22B) is real cash, and net share dilution has been modest (~1.5%/yr). SBC is a real cost that trims the margin, but it does not manufacture the profitability. GAAP EPS (\$0.41) equals adjusted EPS (\$0.41) because the SBC add-back is offset by a normalized 23% tax rate versus the ~1% GAAP rate today.

On forward figures. FY2026 revenue (~\$8.15B, +82%), adjusted operating income (~\$4.89B) and adjusted free cash flow (\$4.5–4.7B) are Palantir's own guidance, raised August 3, 2026; the company does not reconcile forward adjusted figures to GAAP. FY2024 (\$2.866B) and FY2025 (\$4.48B) revenue are reported actuals. EV / revenue, EV / FCF and the grow-into reference are mechanical Blackspear calculations using public market data as of August 4, 2026 (price \$162.66; ~\$390B market cap on ~2.40B shares outstanding; ~\$381B EV net of ~\$9.2B cash and securities, no debt). On ~2.57B fully-diluted shares (incl. RSUs, options and SARs) the market cap is ~\$418B and the EV-based multiples are ~7% higher. Trailing (~107×, GAAP) and forward (~67×) P/E are as reported by third-party market data on Aug 4 and depend on the earnings basis used. The 35% growth assumption in the grow-into illustration is arbitrary and for scale only; actual growth and multiples are uncertain. Not estimates, price targets, or recommendations.

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