

Palantir Technologies — Asymmetric Bets Dossier

Ticker PLTR · NASDAQ · Denver, CO · report generated 2026-05-29. Potential-focused analysis for a high-risk-tolerance fund. The asymmetric question is whether AIP becomes the operating system of enterprise AI before the multiple compresses. Analysis, not investment advice.

Snapshot

- Ticker: NASDAQ: PLTR
- Price: ~\$132.51 (26 May 2026) [S3]
- Market cap: ~\$325bn [S3]
- Revenue: \$2.225bn FY2023 [S5]; \$2.87bn FY2024 (+29%) [S4]; \$4.48bn FY2025 (+56%) [S6]
- Growth: Total +56% FY2025 Y/Y; +85% Q1 FY2026 Y/Y [S1][S6]
- US Commercial growth: +54% FY2024 -> +104% FY2025 (run-rate >\$1bn) -> +133% Q1 FY2026 Y/Y to \$595m [S1][S6]
- Profitability: GAAP net income \$1.63bn FY2025 (was ~\$210m FY2023); fifth straight year of GAAP profit [S6]
- FCF: Adjusted FCF margin ~56% in FY2025 [S6]
- Net cash: >\$5bn cash & short-term investments, zero debt [S6]
- Valuation: Forward P/E ~83x, trailing P/E ~146-232x; EV/Sales ~55-81x — honestly, by every conventional metric this is the most expensive large-cap software stock in the world [S7]
- Currency: USD
- Geography (FY2025): US ~74% (~\$3.32bn), UK ~9.5% (~\$427m), RoW ~16% (~\$728m) [S8]. Segment split: Government 54% / Commercial 46%; US Commercial is the breakout (~\$1.2bn FY2025, en route to >\$3.14bn FY2026 guide) [S6][S8]
- What: Software platforms (Gotham for defense/intel, Foundry for enterprise data ops, AIP for production agentic AI) [S9]
- Value chain: Software — ontology layer that operationalizes data + models into workflows
- End markets: US DoD/IC, federal civilian, healthcare, energy, manufacturing, finance, telecom
- Founded / HQ: 2003 / Denver, CO (relocated from Palo Alto 2020) [S9]
- CEO: Alex Karp (co-founder, since inception) [S9]
- Top competitors: Snowflake, Databricks, Microsoft Fabric/Azure AI, IBM watsonx, AWS, defense primes (LMT, RTX, NOC) reselling AI stacks
- Catalyst: TITAN full-rate production decision (potential \$1.5–2.3bn) [S2]; Maven ceiling lift to \$1.3bn ramping [S10]; AIP commercial bookings; FY2026 guide raised to 71% Y/Y growth [S1]
- Verdict: Genuinely asymmetric platform story; valuation prices perfection but bull-case envelope is wide enough to clear it
- Confidence: 0.62

1. The asymmetric thesis

Bear-case analyses focus on multiple compression: at ~55-80x EV/sales [S7], PLTR is priced for ~30%+ growth for a decade. The asymmetric question is the opposite: what justifies a 3x from here (\$132 -> ~\$400, ~\$1tn cap)?

Three things, all visible in Q1 FY2026 results: (1) US Commercial accelerating, not decelerating — +133% Y/Y this quarter, 139 deals >\$1m closed in a single quarter (a record), and management's FY2026 US Commercial guide is now >115% growth, implying a ~\$3.1bn US Commercial run-rate by year-end [S1][S6]. (2) AIP as a workflow lock-in, not a model wrapper — once a customer's ontology, permissions and operational workflows run on Foundry/AIP, swapping to Databricks or Microsoft Fabric is a multi-year program; the bootcamp strategy reportedly converts at ~75% [S11]. (3) A federal contract footprint that is genuinely durable — the Maven Smart System contract ceiling was raised to \$1.3bn through 2029 [S10], 75 contracts were consolidated into a \$10bn Pentagon vehicle [S2], and TITAN's \$178m prototype phase positions Palantir for a \$1.5–2.3bn production decision in 2026 [S2]. The Trump administration's DOGE-driven federal consolidation, with ex-Palantir staff inside government, is a

structural revenue tailwind [S12].

If US Commercial compounds at 80%+ for 18 months and govt holds 50%+, FY2027 revenue lands \$11-13bn; even at 30x sales (decelerated but still premium), that's a \$350-400bn EV — sub-2x from here without multiple expansion, ~3x with any narrative re-acceleration. The bet is platform durability before fade.

2. Financials

USD m	FY2023	FY2024	FY2025
Revenue — Commercial	1,003	1,290	2,067 [S8]
Revenue — Government	1,222	1,580	2,409 [S8]
Revenue — Total	2,225	~2,870	4,480 [S4][S5][S6]
US Commercial revenue	~457	~702	~1,200+ [S6]
Adj. operating income	~633	~1,050	~2,000+ (~45% mgn) [S6]
GAAP (Generally Accepted Accounting Principles (US)) net income	210	~462	1,630 [S6]
Adj. FCF (free cash flow)	~731	~1,140	~2,500 (~56% mgn) [S6]
Cash + investments	3,673	~5,200	~5,400 [S6]
Stock-based comp	~476	~692	~684 [S13]
Diluted shares (m)	~2,300	~2,400	~2,550 [S13]

The SBC line is the bear-case smoking gun: ~\$684m FY2025 represents ~15% of revenue and ~42% of GAAP NI; share count has risen ~11% in two years [S13]. Bulls argue that as revenue scales, SBC/revenue compresses (it has — from ~24% to ~15%); bears argue \$1bn of issuance/yr at peak multiples is a stealth \$50bn+ dilution tax over a decade.

3. Sector / TAM

Two overlapping markets. Enterprise AI: estimates vary wildly — Grand View pegs the enterprise-AI market at \$24bn (2024) -> \$155bn by 2030 (~38% CAGR (compound annual growth rate)); Precedence projects \$21bn (2025) -> \$561bn (2034) at 44% CAGR; ABI sees the broader AI software market at \$174bn (2025) -> \$467bn (2030, 25% CAGR) [S14]. US defense IT modernization: Maven alone moved from a \$480m ceiling to \$1.3bn in twelve months [S10]; the Army's TITAN program could exceed \$2bn at full-rate production [S2]; Palantir consolidated 75 contracts into a \$10bn Pentagon vehicle in 2026 [S2]. Even on the conservative TAM (total addressable market) read, Palantir at \$4.5bn revenue is <3% penetrated. The asymmetric bet is that AIP becomes the *de facto* enterprise AI operating layer — capturing single-digit share of a \$400bn+ pool.

4. Recent news

- 2026-05-04 — Q1 FY2026: revenue \$1.63bn (+85% Y/Y), US Commercial +133% Y/Y to \$595m, 139 US Commercial deals >\$1m; FY2026 guide raised to ~\$7.65bn (+71%), US Commercial guide raised to +120% [S1].
- 2026-04 — DoD consolidates 75 Palantir contracts into a \$10bn Enterprise Software Agreement vehicle [S2].
- 2026-03 — Pentagon expands AIP role in additional defense contract; AIP Bootcamp strategy shows ~75% conversion [S11].
- 2026-02-02 — Q4 FY2025: total rev \$1.41bn (+70% Y/Y), record \$4.26bn TCV booked (+138% Y/Y), GAAP NI \$1.63bn FY2025, adj. FCF margin 56% [S6].
- 2025-05-21 — DoD raises Maven Smart System ceiling to \$1.3bn through 2029 (from \$480m a year

prior); NATO variant deployed within 30 days of March 2025 announcement [S10].

- 2025-04 — \$30m ICE "ImmigrationOS" contract under Trump admin; federal book grows to ~\$970m for 2025 [S12]. (Politically controversial — see Bear case.)

5. Bull case

1. AIP is becoming the enterprise AI operating system. US Commercial growth *accelerated* from +54% -> +104% -> +133% over six quarters [S1][S6]; the bootcamp-to-production motion is uniquely fast in enterprise software (~75% conversion), and once ontology is built, switching costs are quasi-infrastructure [S11]. 2. Federal franchise is structurally durable and growing. Maven (\$1.3bn ceiling), TITAN (\$178m prototype -> potential \$2.3bn production), the \$10bn DoD ESA vehicle, and politically aligned DOGE/ICE work mean US Gov is a multi-year compounder, not a lumpy line [S2][S10][S12]. 3. Operating leverage is real. GAAP NI scaled 8x in two years (FY2023->FY2025), adj. FCF margin hit 56%, and the company has \$5bn+ net cash with zero debt — it can absorb both R&D investment and SBC normalization without raising capital [S6].

6. Bear case

1. Valuation has no historical analog. ~55-81x EV/sales and >140x trailing P/E (price-to-earnings) [S7]. Even Nvidia at its peak traded under 40x sales; a single guidance miss likely triggers a 40-60% multiple-compression event. The bull case requires *years* of >50% growth purely to *hold* the stock flat. 2. SBC dilution is real money. ~\$684m FY2025 SBC, ~11% diluted-share growth in two years [S13]. The optical "GAAP profitability" is undermined by ongoing equity issuance to insiders at peak valuations — a permanent transfer from shareholders. 3. Concentration + narrative + political risk. US Government still ~54% of revenue [S8]; concentration in DoD/IC means a policy reversal (post-Trump) is a left-tail risk. NHS UK contract (£330m) faces an early-exit review with break clause in spring 2027 [S15]. The "AI darling" narrative is heavily retail-driven and momentum-fragile.

7. Verdict

PLTR is the canonical asymmetric AI bet — a real platform with accelerating commercial traction, a moated federal franchise, and a balance sheet that funds optionality. It's also the most expensive large-cap software stock on Earth. For an asymmetric fund the math is symmetric in a perverse way: ~50% drawdown risk on multiple compression vs. 2-3x upside on platform durability. Position-size accordingly; the thesis is right but the entry price isn't ideal. Confidence: 0.62.

Decision boundaries: US Commercial growth holding >80% Y/Y through FY2026 -> bullish (+); SBC/revenue falling below 12% -> bullish (+); a single quarter of US Commercial decelerating below 70% Y/Y -> likely 30%+ drawdown (-); loss of Maven re-compete or TITAN production decision going to a prime -> thesis impairment (-).

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Appendix — methodology & sources

Generated by AutoLab (thesis mode) on 2026-05-30. The loop iteratively scouts the weakest point, researches it, red-teams it, and integrates the findings; . Headline confidence 0.62.