
Palantir Q2 2024 Earnings

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CONTEXT

Palantir Technologies [delivered](#) strong Q2 2024 earnings, underlining its position as a leader in enterprise AI solutions. The company's strategic focus on moving from AI prototypes to full-scale production has driven significant growth and expanded its customer base.

Let's take a deeper look at what the company disclosed.

FINANCIAL PERFORMANCE

Palantir demonstrated robust financial results in Q2 2024, marked by several key metrics:

Revenue Growth

- **Total Revenue:** \$678 million, up 27% year-over-year and 7% quarter-over-quarter.
- **U.S. Commercial Revenue:** Grew 55% year-over-year and 6% quarter-over-quarter to \$159 million.
- **U.S. Government Revenue:** Increased by 24% year-over-year and 8% quarter-over-quarter to \$278 million.
- **Overall Commercial Revenue:** Rose 33% year-over-year and 3% quarter-over-quarter to \$307 million.
- **Overall Government Revenue:** Grew 23% year-over-year and 11% quarter-over-quarter to \$371 million.

Customer Expansion

- **U.S. Commercial Customers:** Increased by 83% year-over-year and 13% quarter-over-quarter, reaching 295 customers.

- **Overall Customer Count:** Grew by 41% year-over-year and 7% quarter-over-quarter.
- **Significant Deals:** Palantir closed 27 deals valued at over \$10 million each, underscoring its strong market penetration.

Profitability

- **GAAP Net Income:** \$134 million, representing a 20% margin.
- **GAAP Income from Operations:** \$105 million, with a 16% margin.
- **Adjusted Income from Operations:** Reached \$254 million, reflecting a 37% margin.
- **GAAP Earnings Per Share (EPS):** Increased by 500% year-over-year to \$0.06.
- **Adjusted EPS:** Grew 80% year-over-year to \$0.09.

Financial Position

- **Cash Reserves:** Palantir ended the quarter with \$4.0 billion in cash, cash equivalents, and short-term U.S. Treasury securities.
- **Cash from Operations:** \$144 million, representing a 21% margin.
- **Adjusted Free Cash Flow:** \$149 million, with a 22% margin.

GUIDANCE & OUTLOOK

Palantir's strong Q2 performance has led to an optimistic outlook for the rest of 2024:

- **Revenue Guidance:** The company raised its full-year 2024 revenue guidance to between \$2.742 billion and \$2.750 billion, representing a 23% year-over-year growth rate.
- **U.S. Commercial Revenue:** The company expects U.S. commercial revenue to exceed \$672 million, reflecting a growth rate of at least 47%.
- **Q3 Expectations:** For Q3 2024, Palantir forecasts revenue between \$697 million and \$701 million, with adjusted income from operations expected to range from \$233 million to \$237 million.

ANALYSIS

Palantir's performance reinforces its market leadership and positions the company well for continued growth in an increasingly AI-driven world. The strategic moves Palantir is making now—expanding its commercial footprint, deepening government ties, and focusing on real-world AI applications—will likely pay dividends in the coming quarters.

The company also shows strong discipline in its focus on operational efficiency and profitability. As Palantir continues to expand its customer base and deepen its relationships, especially in the commercial sector, it is well-positioned to sustain this momentum in the coming quarters. With a strong financial foundation and a clear strategic direction, Palantir's growth story appears far from over.



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