Zacks Report Date: December 07, 2025

Palantir (PLTR)

$181.76 (Stock Price as of 12/05/2025)

Price Target (6-12 Months): **$179.00**

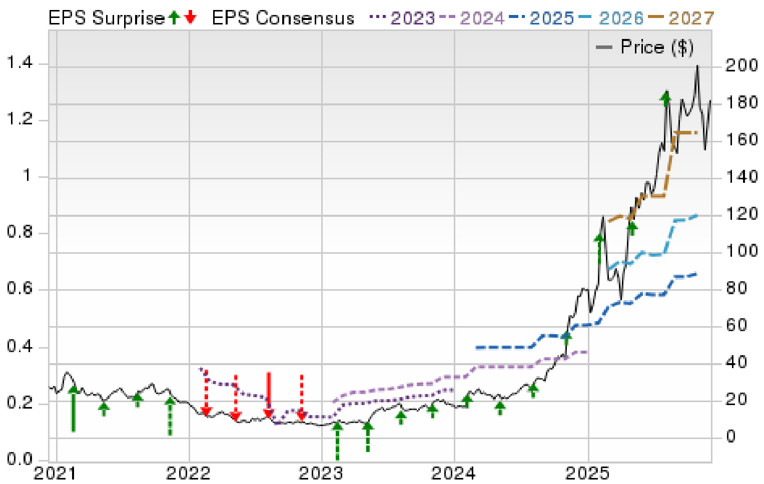
Long Term: 6-12 Months | **Zacks Recommendation:** **Neutral**
(Since: 08/06/25)
Prior Recommendation: Underperform

Short Term: 1-3 Months | **Zacks Rank:** (1-5) **2-Buy**
Zacks Style Scores: VGM: D
Value: F | Growth: A | Momentum: F

Summary

Palantir's AI strategy, driven by Foundry, Gotham, and AIP platforms, targets government and commercial sectors, enabling real-time insights and operational efficiency. Notable defense projects, like Open DAGIR and AIP boot camps for commercial clients, boost customer acquisition. With $5.4 billion in cash, no debt, and S&P 500 inclusion, Palantir enjoys strong liquidity, growing revenues, and increased investor visibility. Meanwhile, PLTR's reluctance to pay dividends is a green flag for dividend-seeking investors. Intense competition from tech giants and rising costs amidst a rapidly evolving AI landscape and an elevated valuation challenge its appeal. Palantir shares have gained 153.7% in a year, and we have a neutral rating on it in anticipation of a correction.

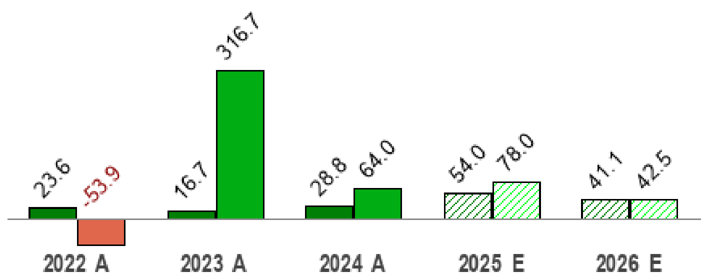
Price, Consensus & Surprise(1)



Data Overview

52 Week High-Low	$207.52 - $63.40
20 Day Average Volume (sh)	45,993,092
Market Cap	$433.2 B
YTD Price Change	140.3%
Beta	1.50
Dividend / Div Yld	$0.00 / 0.0%
Industry	Internet - Software
Zacks Industry Rank	Top 27% (66 out of 243)
Last EPS Surprise	50.0%
Last Sales Surprise	8.1%
EPS F1 Est- 4 week change	0.0%
Expected Report Date	02/02/2026
Earnings ESP	0.0%
P/E TTM	284.0
P/E F1	249.0
PEG F1	4.2
P/S TTM	111.2

Sales and EPS Growth Rates (Y/Y %)(1)



Sales Estimates (millions of $)(1)

	Q1	Q2	Q3	Q4	Annual*
2026	1,313 E	1,428 E	1,602 E	1,781 E	6,230 E
2025	884 A	1,004 A	1,181 A	1,347 E	4,415 E
2024	634 A	678 A	726 A	828 A	2,866 A

EPS Estimates(1)

	Q1	Q2	Q3	Q4	Annual*
2026	0.21 E	0.23 E	0.27 E	0.30 E	1.04 E
2025	0.13 A	0.16 A	0.21 A	0.23 E	0.73 E
2024	0.08 A	0.09 A	0.10 A	0.14 A	0.41 A

*Quarterly figures may not add up to annual.

(1) The data in the charts and tables, including the Zacks Consensus EPS and sales estimates, is as of 12/05/2025.
(2) The report's text and the price target are as of 12/01/2025.

Overview

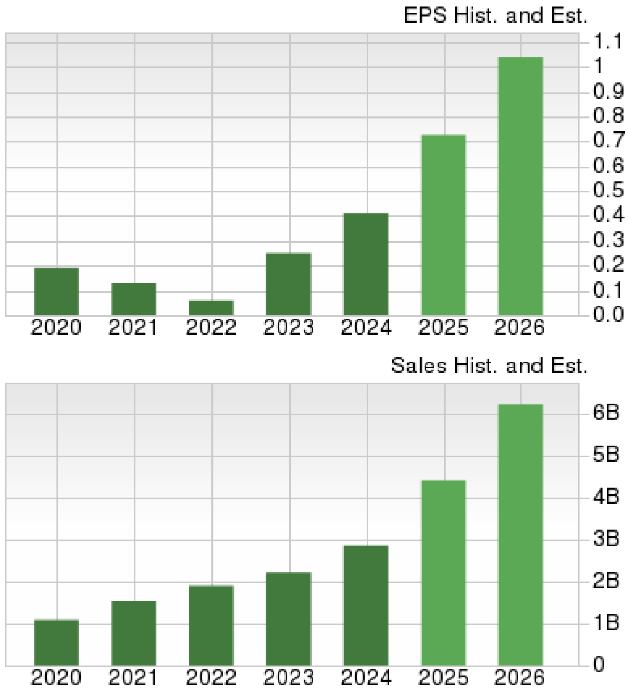
Denver-based Palantir Technologies was founded in 2003. The company builds and deploys software platforms for the intelligence community to help in counterterrorism investigations and operations across the United States and internationally.

Palantir's software is used in approximately 80 industries globally. It is used for a number of purposes across different business functions and organizational levels including automotive manufacturing workers, utility operations analysts, oil and gas technicians and operators.

PLTR has built four software platforms, Palantir Gotham (Gotham), Palantir Apollo (Apollo), Palantir Foundry (Foundry), and Palantir Artificial Intelligence Platform (AIP).

Gotham allows users to find patterns deep within the datasets like signals intelligence sources and reports from confidential informants. It also bridges the gap between analysts and operators helping the latter efficiently respond to the risks identified within the platform. This product is now used across government functions and offered to commercial clients.

Apollo is delivered swiftly and securely, and updates across the organization. It also enables customers to deploy their software securely, in virtually any environment. This product provides a single control layer to coordinate the delivery of new features, security updates and platform configurations.

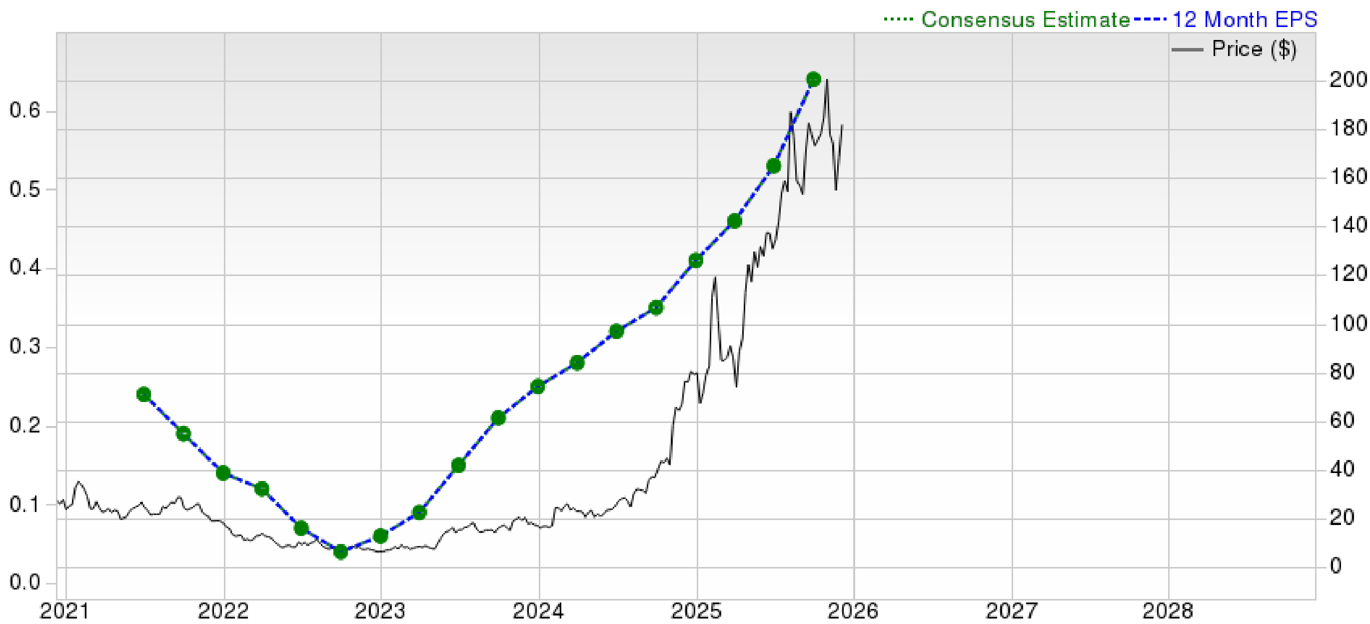


As of 12/05/2025

Foundry transforms the ways companies operate by creating a central operating system for their information. Individual users can integrate and evaluate the required data in one place.

AIP allows responsible AI advantage across the enterprise by using mainly the core components built to efficiently activate LLMs and other AI within any organization. It is for customers across commercial and government sectors, allowing them to harness the power of AI.

In 2024, the company generated $2.9 billion in revenues, of which 55% came from customers in the government segment and 45% from the commercial segment.



As of 12/05/2025

Reasons To Buy:

> Palantir's AI strategy, its modular approach, exposure to a secular growth market like defense and a loyal customer base support growth. A strong balance sheet promises continued investor interest.

- Palantir's **AI strategy is comprehensive**, combining its proprietary Foundry and Gotham platforms with a solid plan to promote AI adoption across both government and commercial sectors. Its AI Platform (AIP) is the backbone of these capabilities, enabling organizations to process large datasets and derive real-time insights. This is especially valuable in sectors requiring extensive data integration, such as defense, healthcare, finance and intelligence, where operational efficiency and decision-making speed are critical. In the government sector, Palantir is aligning its AI strategy with U.S. defense priorities. Its work in high-profile initiatives, such as the Department of Defense's Open DAGIR project, highlight its ability to modernize military operations through AI-driven solutions where data interoperability and real-time decision-making capabilities are imperative. These capabilities solidify Palantir's position as a key player in the defense sector. In the commercial space, Palantir's AIP boot camps — providing hands-on experience to over 1,000 companies — have proven instrumental in customer acquisition. Boot camps showcase the platform's capabilities and demonstrate its adaptability across logistics, manufacturing, and supply chain management. Palantir's core customer base comprises businesses seeking tailored AI/ML services, particularly large government and corporate clients willing to invest heavily in its systems. This has generated solid revenues, registering a 21.3% CAGR from 2020 to 2024. Partly due to this factor, PLTR stock has gained a whopping 153.7% in the past year.

- Palantir's **modular sales approach** expands beyond the core customer base, allowing clients to purchase specific product components instead of committing to the full platform upfront. This model also incorporates usage-based pricing, which lowers the entry barrier for new clients. By starting small, clients can gradually increase spending as they scale their usage of Palantir's solutions. This has expanded its U.S. commercial customer base.

- PLTR has a **strong balance sheet**. Cash and equivalents were $6.4 billion as of Sept 30, 2025. Since there is no debt, most of the cash is available for investments in growth initiatives. At the end of the third quarter of 2025, PLTR reported a current ratio of 6.43, way above the industry's average of 1.94. A current ratio above 1 suggests that a company is well-positioned to meet its short-term obligations.

Reasons To Sell:

- Palantir faces intense competition from established tech giants like Microsoft, Amazon, and Google, which have more resources and a stronger foothold in AI, cloud and data analytics. These companies offer comparable analytics platforms that challenge Palantir when securing new clients, especially in the commercial sector. Given their access to large data sets and the best talent, these companies can develop broader offerings, often bundling services at lower costs. The speedier development cycles and competitive pricing often appeal to businesses looking for cutting-edge technology. Therefore, Palantir is always under pressure to innovate and differentiate its offerings, increasing its investments in technology and talent, and facing **difficulty in balancing growth and profitability**.

Palantir is up against significant competition from the leading tech giants. What makes matters worse is its overvaluation.

- Palantir's stock is currently trading at a **significantly elevated valuation**, which is a major reason some investors are considering selling the stock. The forward price-to-earnings (P/E) ratio stands at an astonishing 166.09, far exceeding the industry average of 33.31. Similarly, the forward price-to-sales (P/S) ratio is 66.02, compared to the industry benchmark of 4.87. These metrics highlight the premium pricing of Palantir shares, suggesting they are significantly overvalued. Historically, such high valuations have often preceded substantial stock price declines. This overvaluation raises concerns about sustainability and prompts some investors to lock in gains or avoid further exposure.

- PLTR has never declared and currently **does not plan to pay out cash dividends.** So, the only way to achieve a return on investment in the company's stock is share price appreciation, which is not guaranteed. Hence, income-seeking investors should avoid buying PLTR's shares.

Last Earnings Report

PLTR Beats Q3 Earnings Estimates

FY Quarter Ending	12/31/2024
Earnings Reporting Date	**Nov 03, 2025**
Sales Surprise	**8.06%**
EPS Surprise	**50.00%**
Quarterly EPS	**0.21**
Annual EPS (TTM)	**0.34**

Palantir Technologies reported third-quarter revenues of $1.18 billion, marking a 63% year-over-year and 18% sequential increase, beating the Zacks Consensus Estimate by 8%. It registered an earnings per share of 21 cents, surpassing the consensus mark by 23.5%. The figure increased by 110% year over year.

This performance reflects surging demand for the company's Artificial Intelligence Platform (AIP) and analytics solutions across both commercial and government markets.

PLTR's Profitability and Cash Generation

Beyond revenue growth, Palantir's profitability metrics improved significantly. The company achieved its highest-ever adjusted operating margin of 51%, reflecting the scalability of its software business model and disciplined cost control. GAAP operating income reached $393 million, while GAAP net income came in at $476 million, translating to GAAP earnings per share (EPS) of 18 cents and adjusted EPS of 21 cents that beat the Zacks Consensus Estimate of 17 cents.

Gross margins remained robust at 82%, underscoring the company's high-value, software-as-a-service (SaaS)-based operations. The strong profitability is complemented by healthy cash flows. Palantir generated $508 million in cash from operations and $540 million in adjusted free cash flow during the quarter. The company ended the quarter with a solid $6.4 billion in cash, cash equivalents and U.S. Treasury securities, providing ample liquidity for future investments, research, and acquisitions.

The company's Rule of 40 score reached a record 114%, one of the highest ever achieved in the software industry, underscoring the rare combination of growth and profitability that Palantir has managed to sustain.

PLTR's Q4 & FY25 Guidance

Looking ahead, Palantir provided upbeat guidance for both the fourth quarter and full-year 2025. The company expects fourth quarter revenue of $1.329 billion, indicating 13% sequential and 61% year-over-year growth.

For the full year, revenue guidance was raised to a midpoint of $4.398 billion, representing a 53% increase from 2024 and exceeding the previous guidance by $252 million. Palantir also raised expectations for adjusted income from operations to a range of $2.151-$2.155 billion and projected adjusted free cash flow between $1.9 billion and $2.1 billion. The company continues to anticipate GAAP operating income and net income in every quarter of 2025, reflecting consistent profitability and strong financial health.

Importantly, U.S. commercial revenue guidance was revised upward to exceed $1.433 billion, implying at least 104% year-over-year growth. This projection reflects Palantir's success in converting pilot projects into large-scale contracts as enterprises increasingly rely on AI-driven decision intelligence systems.

The expanding mix of commercial revenue, coupled with long-term government partnerships, positions Palantir to maintain steady growth while diversifying its revenue base. Its ability to balance innovation and financial discipline gives the company a unique competitive advantage in the enterprise AI landscape.

Recent News

On **Nov 17, 2025,** Palantir announced its partnership with Multiverse to upskill staff on the use of the NHS Federated Data Platform across the NHS. Both companies, in unison, will launch FDP-specific apprenticeship programmes, assisting staff with critical AI and data skills required to enhance patient care and operational efficiency.

On **Nov 17, 2025,** Palantir announced its collaboration with FTAI Aviation, where the latter company will leverage PLTR's Artificial Intelligence Platform across FTAI's global maintenance footprint.

On Nov 06, 2025, Palantir announced its partnership with Valoriza, an environmental services company. Through this collaboration, Valoriza will utilize PLTR's Foundry platform to optimize its waste management and urban services.

Valuation

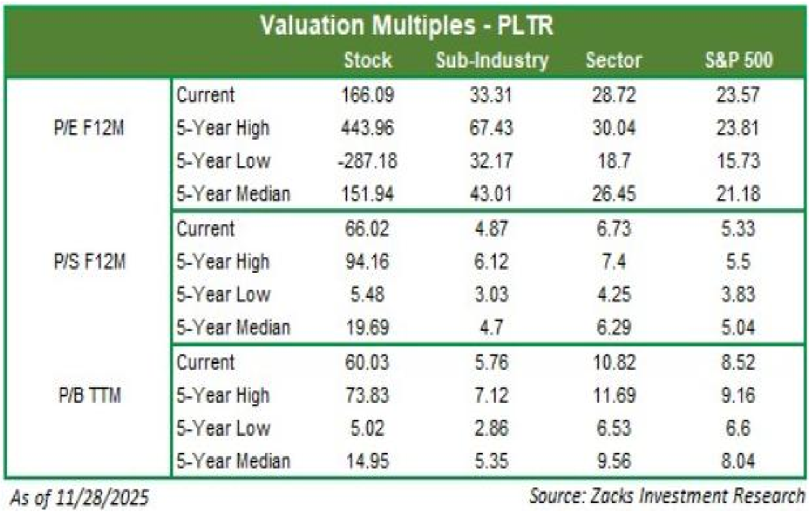
PLTR shares are up 122.8% in the year-to-date period and 153.7% over the trailing 12-month period. Stocks in the Zacks sub-industry and the Zacks Computer & Technology sector are up 7.1% and 28.2% in the year-to-date period, respectively. Over the past year, the Zacks sub-industry and sector gained 4.5% and 28.5%, respectively.

The S&P 500 index is up 20.4% in the year-to-date period and 17.8% in the past year.

The stock is currently trading at 166.09X forward 12-month earnings, which compares to 33.31X for the Zacks sub-industry, 28.72X for the Zacks sector, and 23.57X for the S&P 500 index.

Our Neutral recommendation indicates that PLTR will perform in line with the market. Our $179.00 price target reflects 176.49X forward 12-month earnings.

The table below shows summary valuation data for PLTR

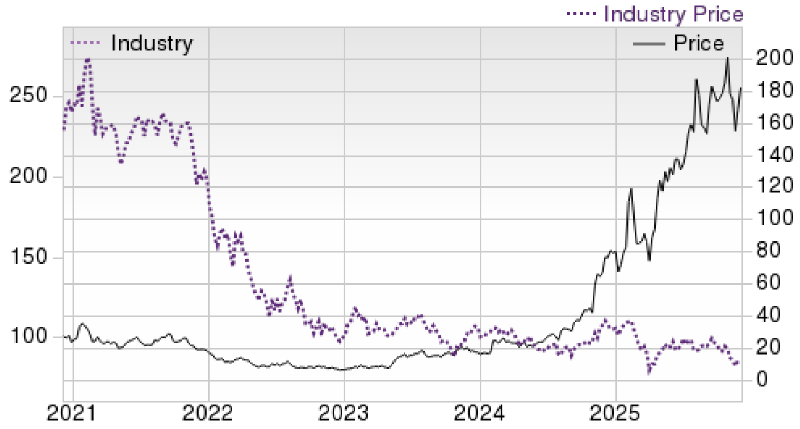


Valuation Multiples - PLTR

		Stock	Sub-Industry	Sector	S&P 500
P/E F12M	Current	166.09	33.31	28.72	23.57
	5-Year High	443.96	67.43	30.04	23.81
	5-Year Low	-287.18	32.17	18.7	15.73
	5-Year Median	151.94	43.01	26.45	21.18
P/S F12M	Current	66.02	4.87	6.73	5.33
	5-Year High	94.16	6.12	7.4	5.5
	5-Year Low	5.48	3.03	4.25	3.83
	5-Year Median	19.69	4.7	6.29	5.04
P/B TTM	Current	60.03	5.76	10.82	8.52
	5-Year High	73.83	7.12	11.69	9.16
	5-Year Low	5.02	2.86	6.53	6.6
	5-Year Median	14.95	5.35	9.56	8.04

As of 11/28/2025 *Source: Zacks Investment Research*

Industry Analysis[1] Zacks Industry Rank: Top 27% (66 out of 243)



Top Peers [1]

Company (Ticker)	Rec	Rank
Appian Corporation **(APPN)**	Outperform	1
Affirm Holdings, Inc...**(AFRM)**	Neutral	3
Datadog, Inc. **(DDOG)**	Neutral	3
Docusign Inc. **(DOCU)**	Neutral	3
Grab Holdings Limite...**(GRAB)**	Neutral	4
HubSpot, Inc. **(HUBS)**	Neutral	3
Nice **(NICE)**	Neutral	3
F5, Inc. **(FFIV)**	Underperform	5

Industry Comparison[1] Industry: Internet - Software

Industry Peers

	PLTR	X Industry	S&P 500	DOCU	FFIV	GRAB
Zacks Recommendation (Long Term)	Neutral	-	-	Neutral	Underperform	Neutral
Zacks Rank (Short Term)	2	-	-	3	5	4
VGM Score	D	-	-	A	D	F
Market Cap	433.21 B	824.89 M	38.93 B	13.21 B	14.41 B	20.90 B
# of Analysts	10	4	22	7	7	3
Dividend Yield	0.00%	0.00%	1.45%	0.00%	0.00%	0.00%
Value Score	F	-	-	D	F	F
Cash/Price	0.01	0.13	0.04	0.06	0.09	0.33
EV/EBITDA	819.52	4.92	14.51	20.78	14.51	90.46
PEG Ratio	4.20	1.94	2.19	1.20	6.15	NA
Price/Book (P/B)	64.77	3.32	3.45	6.66	3.97	3.21
Price/Cash Flow (P/CF)	1,970.09	23.82	15.08	22.45	18.07	497.62
P/E (F1)	248.99	29.78	19.92	17.80	16.55	129.75
Price/Sales (P/S)	111.19	3.87	2.99	4.18	4.67	6.47
Earnings Yield	0.40%	2.66%	5.00%	5.62%	6.04%	0.77%
Debt/Equity	0.00	0.00	0.57	0.00	0.00	0.05
Cash Flow ($/share)	0.09	0.05	8.99	2.93	13.73	0.01
Growth Score	A	-	-	A	B	D
Hist. EPS Growth (3-5 yrs)	1.61%	14.66%	8.13%	135.94%	14.66%	NA
Proj. EPS Growth (F1/F0)	78.05%	31.14%	8.50%	3.94%	-5.19%	NA
Curr. Cash Flow Growth	2.70%	-17.35%	6.96%	34.46%	8.45%	-114.53%
Hist. Cash Flow Growth (3-5 yrs)	18.94%	15.15%	7.31%	103.56%	9.36%	15.02%
Current Ratio	6.43	1.58	1.19	0.73	1.56	1.83
Debt/Capital	0.00%	3.86%	38.15%	0.00%	0.00%	4.68%
Net Margin	28.11%	-1.03%	12.82%	9.57%	22.42%	3.81%
Return on Equity	15.48%	2.20%	17.00%	15.02%	21.76%	1.91%
Sales/Assets	0.55	0.59	0.53	0.80	0.51	0.31
Proj. Sales Growth (F1/F0)	54.00%	3.66%	5.77%	7.30%	1.80%	21.60%
Momentum Score	F	-	-	A	C	C
Daily Price Chg	2.16%	0.00%	0.19%	-7.64%	1.97%	-2.08%
1 Week Price Chg	8.78%	2.97%	0.31%	6.06%	2.08%	11.22%
4 Week Price Chg	2.15%	-0.64%	2.10%	-5.78%	0.97%	-6.65%
12 Week Price Chg	6.03%	-10.54%	4.35%	-18.11%	-22.87%	-13.50%
52 Week Price Chg	138.09%	-13.26%	12.81%	-38.62%	-3.51%	0.97%
20 Day Average Volume	45,993,092	757,542	2,743,849	2,453,828	1,120,388	47,237,592
(F1) EPS Est 1 week change	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
(F1) EPS Est 4 week change	0.00%	0.00%	0.05%	0.00%	-0.85%	-7.69%
(F1) EPS Est 12 week change	18.52%	2.31%	0.68%	5.43%	-8.65%	-7.69%
(Q1) EPS Est Mthly Chg	0.00%	0.00%	0.00%	0.00%	-1.57%	0.00%

Zacks Stock Rating System

We offer two rating systems that take into account investors' holding horizons: Zacks Rank and Zacks Recommendation. Each provides valuable insights into the future profitability of the stock and can be used separately or in combination with each other depending on your investment style.

Zacks Recommendation

The Zacks Recommendation aims to predict performance over the next 6 to 12 months. The foundation for the quantitatively determined Zacks Recommendation is trends in the company's estimate revisions and earnings outlook. The Zacks Recommendation is broken down into 3 Levels; Outperform, Neutral and Underperform. Unlike many Wall Street firms, we have an excellent balance between the number of Outperform and Neutral recommendations. Our team of 70 analysts are fully versed in the benefits of earnings estimate revisions and how that is harnessed through the Zacks quantitative rating system. But we have given our analysts the ability to override the Zacks Recommendation for the 1200 stocks that they follow. The reason for the analyst over-rides is that there are often factors such as valuation, industry conditions and management effectiveness that a trained investment professional can spot better than a quantitative model.

Zacks Rank

The Zacks Rank is our short-term rating system that is most effective over the one- to three-month holding horizon. The underlying driver for the quantitatively-determined Zacks Rank is the same as the Zacks Recommendation, and reflects trends in earnings estimate revisions.

Zacks Style Scores

The Zacks Style Score is as a complementary indicator to the Zacks rating system, giving investors a way to focus on the highest rated stocks that best fit their own stock picking preferences.

Academic research has proven that stocks with the best Value, Growth and Momentum characteristics outperform the market. The Zacks Style Scores rate stocks on each of these individual styles and assigns a rating of A, B, C, D and F. We also produce the VGM Score (V for Value, G for Growth and M for Momentum), which combines the weighted average of the individual Style Scores into one score. This is perfectly suited for those who want their stocks to have the best scores across the board.

Value Score	F
Growth Score	A
Momentum Score	F
VGM Score	D

As an investor, you want to buy stocks with the highest probability of success. That means buying stocks with a Zacks Recommendation of Outperform, which also has a Style Score of an A or a B.

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