



PALANTIR TECHNOLOGIES INC. Q2 2026

Earnings Report Update

**PREPARED BY:
SAVEST RESEARCH**

 +234 913 444 6070

 globaladvisory@savest-financial.com

 www.savest-financial.com

Company Overview

Palantir Technologies Inc. is a global software company providing data analytics, artificial intelligence (AI), and decision-support platforms to governments, defence organisations, and commercial enterprises. Its core operations span data integration, AI-powered analytics, operational intelligence, and software deployment across complex environments.

The company offers Palantir Gotham for defence and intelligence operations, Palantir Foundry for enterprise data integration and analysis, Palantir Apollo for software deployment and updates across diverse environments, and its Artificial Intelligence Platform for integrating large language models (LLMs) with organisational data and workflows. Leveraging its integrated data and AI ecosystem, Palantir enables organisations to transform complex data into actionable insights and accelerate operational decision-making.

“

For Q3 2026, Palantir expects revenue of \$2.160–\$2.164bn and adjusted operating income of \$1.292–\$1.296bn.

For FY2026, revenue guidance has been raised to \$8.150–\$8.158bn, while U.S. commercial revenue is expected to exceed \$3.424bn, implying $\geq 134\%$ growth. Adjusted operating income is guided to \$4.889–\$4.897bn, with adjusted free cash flow of \$4.5–\$4.7bn.

”

Outlook

Expectation Analysis

USD	Q2 2026	ESTIMATE	BEAT/MISS
REVENUE	1.94B	1.81B	6.9%
EBITDA	1.20B	1.11B	8.8%
EBIT	1.19B	1.08B	10.5%
EPS (adjusted)	0.41	0.35	18.5%

Source: Quartr

Revenue by Segment

Million USD	Q2 2026	Q2 2025	YOY
Government revenue	990,032	552,983	79.03%
Commercial revenue	945,432	450,714	109.76%
United States	1,573,047	732,592	114.72%
Rest of world	362,417	271,105	33.68%

Source: Company's Financial Statement

Financial Summary

Million USD except NI per share	Q2 2026	Q2 2025	YOY
Revenue	1,935.46	1,003.70	92.83%
Gross profit	1,638.59	810.76	102.11%
Total operating expenses	726.59	541.45	34.19%
Income from operations	912.00	269.32	238.64%
Pre-tax income	1,081.35	332.17	225.54%
Net income	1,065.96	328.57	224.42%
Earnings per share	0.44	0.14	214.29%
Net cash from operation	2,115.33	849.51	149.00%
Net cash from investing	(1,509.67)	(2,007.29)	24.79%
Net cash from financing	8.38	(22.45)	137.32%
Closing cash balance	2,063.36	951.23	116.91%
Total assets	11,678.56	8,900.39	31.21%
Total liabilities	1,793.68	1,412.38	27.00%
Total stockholders' equity	9,884.88	7,488.01	32.01%

Source: Company's Financial Statement

Performance Highlights

- Palantir delivered another quarter of exceptionally strong growth in Q2 2026, underpinned by accelerating adoption of its Artificial Intelligence Platform (AIP) across both commercial and government customers. Revenue increased 93% year-on-year, supported by broad-based expansion in the United States, where revenue advanced 115%. Commercial demand remained the principal growth catalyst, with U.S. commercial revenue surging 149%, reflecting rapid enterprise AI deployment, larger contract wins and deeper customer penetration, while U.S. government revenue increased 90%, supported by expanding defence and public-sector contracts.
- Revenue growth continued to translate into stronger operating performance despite continued investment in sales, engineering and product development. Cost of revenue increased at a substantially slower pace than turnover, allowing gross profit to more than double and gross margin to improve further. Operating expenses rose across sales and marketing, research and development, and general administration as the company expanded commercial distribution, accelerated AI product development and supported growing customer deployments. However, expense growth remained well below revenue growth, demonstrating meaningful operating leverage.
- Profitability strengthened materially during the quarter. Operating income more than tripled as expanding gross margins and disciplined cost absorption outweighed higher operating expenditure. Net income also increased significantly, supported by stronger operating earnings, higher interest income on the company's sizeable investment portfolio and improved other income. Diluted earnings per share more than tripled, while Palantir maintained an industry-leading Rule of 40 score of 155%, highlighting its ability to combine rapid growth with high profitability.
- Cash generation remained one of the quarter's strongest attributes. Adjusted free cash flow reached US\$1.22 billion, representing a 63% margin, while adjusted operating income totalled US\$1.19 billion, equivalent to a 62% margin. The combination of high-margin recurring software revenue, improving collections and limited capital intensity enabled the company to convert a significant proportion of earnings into cash, providing substantial financial flexibility for future investment.
- The balance sheet strengthened further during the quarter. Total assets expanded, driven primarily by higher cash balances, marketable securities and accounts receivable, reflecting continued business growth. Shareholders' equity increased significantly as retained earnings accumulated, while liabilities remained relatively modest, leaving the company with a net cash position and considerable liquidity to support product development, strategic investments and future expansion without reliance on external financing.
- Operational momentum remained strong, with record U.S. commercial contract value and overall contract value up 49%. U.S. commercial remaining deal value rose 124%, while Palantir closed 220 contracts above \$1 million, including 98 above \$5 million and 73 above \$10 million, underscoring accelerating enterprise AI adoption.

Concerns Raised

Despite exceptionally strong execution, growth remains increasingly concentrated in the U.S. market, particularly U.S. commercial operations. While this reflects strong domestic AI adoption, sustained international expansion will be important to diversify revenue sources and reduce geographic concentration risk over the medium term.

The current growth profile is also heavily dependent on continued enterprise AI investment. Maintaining exceptionally high commercial growth will require sustained customer deployment, successful implementation of large contracts and continued conversion of the expanding contract pipeline into recognised revenue. Any moderation in enterprise AI spending could affect future growth momentum.

Investors should also monitor operating expense discipline as Palantir continues expanding its sales organisation and investing in AI capabilities. Although operating leverage improved materially in Q2, preserving margins while supporting rapid customer acquisition and product innovation will remain an important determinant of long-term earnings quality.

OUR INSIGHT

“

Palantir's Q2 2026 results reinforce its position as one of the fastest-growing enterprise AI software companies globally. Accelerating commercial adoption, expanding government demand, record contract values and exceptionally high cash generation demonstrate that the company's AI platform is increasingly translating into recurring enterprise deployments and scalable earnings growth.

The long-term investment case remains favourable, supported by strong operating leverage, substantial liquidity, a growing contracted revenue base and increasing adoption of AI across both commercial and government markets. Key watchpoints include sustaining commercial growth, converting remaining deal value into recognised revenue, expanding internationally, maintaining margin discipline as operating expenses increase, and preserving its competitive advantage as enterprise AI competition intensifies.

”

INVESTMENT ADVISOR & INTER-DEALER BROKER

INDIVIDUALS

FAMILY OFFICES

INSTITUTIONS

CONTACT US



+234 913 444 6070



globaladvisory@savest-financial.com



Scan the QR Code to access our website

DISCLAIMER:

Savest Financial Services Limited ("Savest Financial"), a SEC-registered investment advisor in Nigeria, provides this report strictly for informational purposes. This material does not constitute an offer, solicitation, or recommendation to buy or sell any security or investment product. The information contained herein is based on sources believed to be reliable; however, Savest makes no representation or warranty, express or implied, as to its accuracy or completeness. Opinions and estimates reflect the judgment of Savest as of the report date and are subject to change without notice. Past performance is not indicative of future results.

At the time of this analysis, the company is held in Savest Financial's model portfolio. In addition, Savest Financial's Chief Executive Officer, Nathan Nwokoro, and the analyst responsible for this report, Adedeji Michael Ishola, hold positions in the company's stock. Accordingly, potential conflicts of interest may exist. Neither Savest Financial nor its representatives accepts any liability for any direct or consequential loss arising from the use of this report or its contents.