Twitter Thread by Jack Poulson



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Palantir's 2020 Q4 Earnings call goes live in half an hour.

The waiting room is now up.

In the mean time, you can read their just-filed 8-K:

https://t.co/3N0lyABVAA

Which is essentially just a re-direct to this press release:

https://t.co/1EVKCNVoy6

Palantir's Consolidated Statement of Operations is pretty interesting.

They lost more than twice as much money in 2020 ($1.17B) as in 2019 ($580M). Despite a $12.6M tax benefit in 2020 vs. $12.4M tax provision in 2019.

But stonks.

Almost certainly they will repeat the talking point from their last webinar that their operating income is up vs. 2019.

You can see that their gross profit is up 2020 vs. 2019 ($740M vs. $500M).

Kind of surprised they led with a mining company (Rio Tinto) in their summary.

And it's live.

You can follow along with the presentation they're showing at the top of their investor relations page.

https://t.co/LqyBBJAVhr

Karp is back on his bullshit. This time claiming Palantir's numbers are "unbelievably strong".

Karp is emphasizing Palantir's usage by "clandestine services" and "oil companies".

Karp just said [software] "sets off a dialectic of learning".
(CC @moiragweigel)

"It can make your military slightly more efficacious"

Karp just quoted Wittgenstein in German and translated to "to believe you are following the rules is to follow the rules".

Karp again spoke of a "dialectic between macro and micro".

Palantir is opening up on congratulating the Space Force's Kobayashi Maru for winning a software innovation award and talking about their IBM partnership.

Palantir emphasized that their partnership with Rio Tinto allowed them to "increase production" and create a "digital twin".

They invoked the "digital twin" term for their partnership with PG&E as well.

Now Palantir is describing their "five year" "nine figure" partnership with BP. Palantir described its digital twin of BP's systems as the "backbone" of BP's simulations.

One of the slides rehashed Palantir's award to prototype the Army's Common Data Fabric through TITAN.

Difficult to quickly summarize, so read:
https://t.co/2d9KMFBWIN

There were several slides emphasizing their revenue growth (as opposed to their skyrocketing net loss of > $1B in 2020) and then they provided this summary of their current customers.

Back to Karp waving his arms in the snow.

He is on a long overview of the history of noone believing Palantir could succeed. Whether due to their maniacal data focus or their transfer from government to business ('which had no history').

He then pivoted to describing focuses on quarterly earnings as destroying businesses and causing them to serve Wall Street instead of their customers.

(Hard to disagree on that one.)

Back to revenue (again: I doubt they are going to mention >$1B 2020 loss).

Now a slide on their government revenue.

It would be interesting to compare this to public procurement to estimate the amount of non-public government / non-US/UK contracts.

Here is the operating income slide.

Now from the perspective of the contribution margin.

(Not going to lie -- I had to look up what a contribution margin was. I'm used to sourcing 10-K Consolidated Statements of Income/Operations and that hasn't been relevant.)

Now onto Q&A.

First Q: "Should investors expect choppy growth rates?"

Response is that Palantir is expanding through channel partnerships -- potentially to "(tens of?) thousands of customers" and drops the "sensor to shooter" income from DoD. "It's about the power of Apollo"

Next question is on how the Demo Day was received by customers.

COO Shyam Sankar again answered this one. He mentions Demo Day Double-Click in April that should be announced soon.

I missed the third question about small and medium-sized businesses, which was to (Rob?) rather than the COO (Shyam). The answer is invoking the contribution margin numbers.

The COO (Shyam Sankar) says that Palantir is "aggressively pursuing" partnerships with the large primes (i.e., Boeing, Raytheon...) which would look like "Palantir in every missile...or drone" by retrofitting their AI capabilities.

COO Shyam Sankar: "We're now...able to address the roughly quarter trillion dollars of DoD weapons spend."

It's possible I misheard 'billion' as 'trillion', but I think he said 'trillion'.

Had to take a phone call so missed a minute or so.

Question from Morgan Stanley to Dave on understanding the income statement. Curious about volatility in revenue.

Had to take another call but Palantir (probably Dave?) was going on about channel partnerships (e.g., with IBM) again.

Next question is on how Foundry's modularity is impacting customers. Response was marketing speak on "meeting customers where they are".

Next question on "triple-digit growth in sales headcount". Question is how much sales rev was captured by sales vs. forward-deployed engineers.

A: Half of growth is driven by sales reps. But more in government. Not comfortable fully commenting on productivity yet.

And the Q&A is over. Probably worth circling back when the video is posted to fully transcribe the segment on the "aggressive" pursuance of weapons primes.

Hmmm. I don't think Palantir is going to post a video.

A replay is supposedly available at the following numbers, but I called both and the person on the other end said you need the ID associated with the replay (which Palantir doesn't seem to provide).

https://t.co/nuEzDfgFGT