

Palantir DCF Valuation Summary (as of August 2025)

Using a 5-year forecast (2025F - 2029F) with conservative revenue growth and improving operating margins (~23%), this discounted cash flow (DCF) model estimates Palantir Technologies' intrinsic value.

- Perpetuity Growth Method ($g = 3.0\%$, $WACC = 7.5\%$) \Rightarrow \$9.76/share
- Exit Multiple Method (15.0x EV/EBITDA) \Rightarrow \$9.03/share
- Implied Valuation Range \Rightarrow \$9–\$12/share (Midpoint \approx \$10.50)

At the time of modeling (August 2025), Palantir traded around \$156/share, far above the model's implied intrinsic range. This large gap reflects the contrast between fundamental value and market expectations.

The DCF's conservative assumptions anchor on forecastable cash flows and modest terminal growth, valuing Palantir based on its current financial performance rather than speculative future potential. In contrast, the market appears to be pricing in aggressive long-term growth expectations, especially around AI-driven software adoption, government and defense contracts, and Palantir's positioning as a leading enterprise AI platform.

Overall, this analysis suggests Palantir is significantly overvalued under conservative assumptions. The model highlights how investor optimism about future margins, scale, and AI commercialization extends well beyond what current fundamentals justify.