

Palantir Technologies Inc. (PLTR)

Coverage review · NASDAQ: PLTR · 18 September 2026 · Price of record \$176.24 (close, 17 September 2026) · Previous note 29 August 2026 at \$186.29

RECOMMENDATION	INVESTMENT SCORE	WEIGHTED FAIR VALUE	HORIZON
WATCHLIST	63 / 100	\$176.80	Evidence-led

PRICE \$176.24 -5.4% since 28 Aug	MARKET CAP \$423bn 2.40bn shares	P / FY26 REVENUE 51.9x was 54.9x	VS WEIGHTED FV -0.3% was +5.4%	BUY ZONE \$145-160 unchanged
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1. Do the published levels still hold?

They do, and one of them has been vindicated in an unusual way. The 29 August report reaffirmed Watchlist at \$186.29, judged the shares to sit 5.4% above a probability-weighted fair value of \$176.80, and reset the level at which the analysis would find them attractive from \$130-137 to \$145-160, a band chosen because it spans the fifty-day and two-hundred-day averages. It also published a condition running the other way: a continued advance above roughly \$210 with no accompanying disclosure would move the rating toward Avoid. The shares went the other way instead, falling 5.4% to \$176.24, and the gap to fair value has closed almost exactly to zero.

The buy zone is not being moved. It was anchored to two moving averages, and those averages have been recomputed here rather than carried forward: the fifty-day now stands at \$157.29 and the two-hundred-day at \$151.70, both still comfortably inside \$145 to \$160. The band the previous report published continues to span what it was written to span, so there is nothing to reset. The two-hundred-day figure is worth a separate note. The previous report could not compute it from its hundred-session window and quoted \$151.37 from a third party; it is computed here at \$151.70 from the same three-hundred-session series as every other average in this report, so for the first time the distances between the averages are internally comparable rather than mixed across sources.

Level	29 Aug note	Status at \$176.24	Read
Buy zone	\$145 - \$160	Unchanged	Still spans the recomputed 50-day (\$157.29) and 200-day (\$151.70). 9% to 18% below the market
Weighted fair value	\$176.80 (price +5.4%)	\$176.80 (price -0.3%)	The entire gap has closed on price, with no change to the estimate
Toward Avoid above ~\$210	Live	Receded	The price moved away from this condition rather than toward it
Downgrade on net dollar retention below 130%	Not arisen	Not arisen	No reporting period since. Q3 is due 2 November
Upgrade on a Q3 margin near 60%	Not arisen	Not arisen	Same date. Nothing testable before it
50-day average	\$143.75 then	\$157.29 now	Recomputed. Rising, and now 12.0% below the price rather than 29.6%

Levels assessed against the confirmed close of \$176.24 on 17 September 2026. Moving averages are computed in code from a 300-session daily series and are not carried forward from the previous note.

2. What has actually moved

Nothing at the company, and that is now the third consecutive review in which that sentence is the honest opening. Palantir has made no financial disclosure since the second-quarter result on 4 August. The third quarter reports on 2 November and is the first occasion on which either of the conditions this coverage has published, an adjusted operating margin holding near 60% through the flagged expense step-up, or net dollar retention falling materially below 130%, can be tested. Everything below therefore describes a price moving against an unchanged set of facts, which is exactly what the last report described in the opposite direction.

The sell side has continued to raise. UBS lifted its target to \$250 from \$220 on 15 September while maintaining Buy, DA Davidson moved to \$250 on 11 September, and Rosenblatt maintained Buy at \$225 on the same day. Those revisions are worth recording precisely because they arrived while the shares fell: the analysts covering this company and the market clearing its stock have been moving in opposite directions for three weeks. A widening gap of that kind is information about disagreement rather than about value, and this report's own estimate sits well below all three targets.

Insider distribution has continued and is the only company-connected flow in the period. A director sold \$2.76m of stock in a filing dated 18 September, a Form 144 was filed on 1 September, and further Form 4 statements landed on 4 September and through late August. As with the analyst raises, this is not evidence about the business. It is the observation that, over a period in which the price fell 5.4% and three houses raised their targets by an average of roughly twelve percent, the people with the best information were selling.

3. Valuation

The multiple has compressed by the amount the price fell and by no more, because no estimate has been revised. That is worth stating because the direction is the reverse of the last two reviews, and a report that describes a 12.7% multiple expansion as a deterioration is obliged to describe a 5.4% compression as an improvement. It is one, and it is small. At 51.9 times full-year 2026 revenue guidance the shares remain the most expensive asset in this coverage by a wide margin, and 34.7 times a 2027 consensus revenue line that itself assumes growth decelerating from 83% to 49%.

Measure	At \$186.29	At \$176.24	Read
Market capitalisation	\$447.7bn	\$423.0bn	2.40bn shares outstanding
Enterprise value	\$438.5bn	\$413.8bn	Net cash \$9.2bn
Price / FY26 revenue guidance	~54.9x	~51.9x	Compressed by the price move alone
Price / guided adjusted FCF	~97x	~92x	Guidance unchanged
Price / FY26 consensus adj. EPS \$1.60	~116x	~110x	Consensus estimate unchanged
Price / FY27 consensus revenue \$12.18bn	~36.8x	~34.7x	On a consensus that already models deceleration to 49%
Price / FY27 consensus adj. EPS \$2.31	~81x	~76x	Two years out, and still above seventy times
Price / trailing free cash flow	133x	126x	TTM free cash flow \$3.36bn
Probability-weighted fair value	\$176.80 (+5.4%)	\$176.80 (-0.3%)	At fair value within any reasonable margin of error

Market capitalisation, enterprise value and trailing figures derived from StockAnalysis.com data as at 17 September 2026. Forward multiples are this analysis's calculation from the stated price and the cited guidance or consensus figures, and are not company measures. All percentages recomputed in code from \$176.24.

The macro variables that matter here, and one that does not. On the demand line Palantir is an appropriations story rather than a rate story, and the distinction is doing real work in this case. A large share of revenue comes from US federal and allied defence budgets, which are set by legislative process and are largely insensitive to the cost of money; the relevant risk is the composition of Congress after midterms in which control of the House is contested, not the level of the federal funds rate. Writing a paragraph here about consumer credit or mortgage rates would be filler. Where the policy rate does reach this company is through the multiple, and it reaches it harder than almost anything else in this

coverage: at 51.9 times current-year revenue, essentially the whole of the equity value is cash flow expected in the 2030s, so the discount rate applied to it is the single largest determinant of what it is worth today. The Committee raised its target range to 3.75%-4.00% on 16 September with more signalled, and the thirty-year Treasury yield closed the following session at 5.29%. That is a headwind to the multiple and has nothing to do with the order book.

4. Technical position

The divergence the previous report flagged has resolved, and it resolved the way divergences usually do. That note recorded relative strength falling from 72.8 to 69.2 while the price rose 14.5%, with the MACD histogram compressed to +0.17, and said the pattern argued against treating the consolidation as a base from which the next leg was assured. Relative strength is now 55.9, the MACD histogram is -1.59 with the line at 3.28 below a signal of 4.87, and the price is 5.4% lower. Momentum led and price followed, which is a point in favour of reading these indicators at all.

The consequence is a materially healthier chart even though the price is lower. Extension, which was the specific objection three weeks ago, has largely unwound: price sits 0.3% above its twenty-day average against 8.9%, and 12.0% above its fifty-day against 29.6%. Price remains above every computed average, so the post-August-gap structure is intact rather than broken. What has not improved is participation, with the twenty-day volume average 23.1% below the fifty-day, so the decline has come on fading rather than urgent selling. Average true range of \$7.18 is 4.1% of the price, unchanged in proportion, which remains the most important number on this page for anyone sizing a position: a routine fortnight moves this share further than the entire gap between the current price and this report's fair value.

Indicator	28 Aug note	Now (17 Sep)	Read
Close	\$186.29	\$176.24	-5.4% over fourteen sessions
SMA20 / EMA20	\$171.02 / \$168.98	\$175.71 / \$172.13	Price 0.3% above the 20-day; extension unwound from 8.9%
SMA50 / EMA50	\$143.75 / \$153.64	\$157.29 / \$161.88	Price 12.0% above, from 29.6%. Still rising
SMA100	\$141.21	\$145.55	Price 21.1% above, from 31.9%
SMA200	\$151.37 (third party)	\$151.70 (computed)	Now derived from the same series as the others; price 16.2% above
RSI(14)	69.2	55.9	Overbought condition fully worked off
MACD / signal / histogram	11.26 / 11.08 / +0.17	3.28 / 4.87 / -1.59	The flagged divergence resolved into a crossover
ATR(14)	\$7.72 (4.1%)	\$7.18 (4.1%)	Unchanged in proportion; still a 4% daily range
Volume, 20d vs 50d	47.1m vs 43.0m	28.2m vs 36.7m	Participation 23.1% below the fifty-day; the selling is unhurried
100-session range	\$106.37 - \$188.37	\$106.37 - \$188.37	Price no longer at the upper extreme

All averages are computed in code from one 300-session series so the distances between them are comparable. Technicals inform entry timing only and do not override the fundamental and valuation conclusions above.

5. Risks

Risk	Probability	Severity	Comment
Valuation compression	High	High	At ~51.9x forward revenue, the deceleration consensus already models, 83% to 49%, is enough to compress the multiple materially without any operational failure

Risk	Probability	Severity	Comment
Q3 margin step-down	High	Medium	Management flagged higher government cloud-hosting costs and a significant Q3 expense increase for seasonal hiring and product investment. The 62% adjusted operating margin was a peak, not a run rate. Tested 2 November
No margin of safety	High	Medium	Price sits 0.3% below weighted fair value. On a 4.1% average daily range, that gap is noise rather than an edge in either direction
Multiple compression from a tightening Fed	Elevated	Medium	Essentially all of the equity value is cash flow expected in the 2030s. The Committee began tightening on 16 September with more signalled
Federal budget and political shift	Medium	Medium	US government remains a large revenue share, and control of the House is contested at the midterms. This is the demand-side macro risk, and it is legislative rather than monetary
Competition in applied AI	Medium	Medium	Hyperscalers continue to move up the stack into agentic and applied AI
Dilution	Low	Low	Share count up 1.79% year on year; a modest but persistent headwind

6. Scorecard

One score moves, and it moves back. Valuation rises from 1 to 2 because the multiple compressed 5.4% against unchanged fundamentals, which is the exact mirror of the cut from 2 to 1 made three weeks ago on a 12.7% expansion. Technical Setup is held at 4 rather than raised: the extension objection has genuinely unwound, but the momentum divergence that prompted the last cut has confirmed into a MACD crossover, and those two developments offset. Risk is held at 3, because the valuation improvement is booked once, in the valuation score, rather than counted twice.

Factor	Score	Weight	Basis
Business Quality	9/10	14%	Unchanged. 42.8% trailing operating margin on 84.8% gross margin
Financial Strength	9/10	8%	Unchanged. \$9.20bn net cash, \$3.36bn trailing free cash flow, debt/equity 0.02
Competitive Advantage	8/10	12%	Unchanged. 157% net dollar retention; Maven nearing \$1bn ARR supports the case
Management	9/10	10%	Unchanged. Raised FY26 revenue and US commercial guidance materially in August
Growth Potential	9/10	16%	Unchanged. 83% guided FY26 growth; consensus models 49% for FY27
Valuation	2/10	20%	Raised from 1. ~51.9x forward revenue, down from ~54.9x, on no new company disclosure
Risk (10 = lowest risk)	3/10	15%	Unchanged. Valuation still leaves no room for error; the Q3 margin step-down is still ahead
Technical Setup	4/10	5%	Held at 4. Extension unwound, but the flagged divergence confirmed into a MACD crossover
Investment Score	63 / 100	100%	Weighted sum of the factor scores above; was 61.3 on 29 August. The change is 61.3 to 63.3

Scored 1-10, where 10 is always best, including Risk. A long bar is always the favourable outcome. Weightings: valuation 20, growth 16, risk 15, business quality 14, competitive advantage 12, management 10, financial strength 8, technicals 5. Valuation carries the heaviest weight because it is the only factor that has ever determined the rating on this company. The 29 August scorecard used this same scale and direction, so its scores are directly comparable and no restatement was required. Computed in code; the printed figure matches its inputs.

7. Recommendation

Verdict: Watchlist, reaffirmed. The rating is unchanged and, unlike the last two reviews, the reasoning behind it has softened rather than hardened. Three weeks ago the argument was that the odds had moved further against the buyer on a re-rating unaccompanied by any disclosure. Today the shares sit within a third of a percent of this report's estimate of what they are worth. That is fair value, and fair value is precisely the condition in which a Watchlist rating is the correct answer rather than a hedge: there is no edge in either direction, and taking a position to capture an expected return of 0.3% on an asset that moves 4.1% a day would be an act of impatience.

An upgrade to Buy was considered and rejected on the terms the previous report set out. That note named \$145 to \$160 as the level at which the modelled distribution of outcomes offers a positive expected return rather than a negative one, and \$176.24 is not inside it. The band is not being moved toward the price, for the same reason the last report declined to move it: the level is derived from the fifty-day and two-hundred-day averages and from a market capitalisation of roughly \$348bn to \$384bn, and those anchors have been recomputed and still sit where the band was drawn. Nine to eighteen percent below the market is an entirely ordinary move for a share that fell from \$160 to \$106 as recently as this June.

Item	Level	Basis
Verdict	Watchlist	Reaffirmed. No position. Third consecutive reaffirmation
Buy zone	\$145 - \$160	Unchanged. Spans the recomputed 50-day at \$157.29 and 200-day at \$151.70; roughly \$348bn to \$384bn of market capitalisation, or 43x to 47x FY2026 revenue
Where the shares sit now	\$176.24	0.3% below the \$176.80 weighted fair value. At fair value within any reasonable margin of error
Toward Avoid	Above ~\$210 with no disclosure	Unchanged. A further re-rating on no new information would move the rating the other way
Take-profit / cut-loss	Not stated	A Watchlist rating carries no position, so neither has anything to act on
Horizon	Evidence-led	The third quarter on 2 November, not a date chosen by this report

What would change the view

Development	Direction	Why it matters
A retreat into \$145-160 with the thesis intact	Upgrade	The modelled distribution turns positive. This is the practical route, and a 9% to 18% move is ordinary for this share
Q3 adjusted operating margin holding near 60% through the flagged expense step-up	Upgrade	Would show the 62% peak was closer to a run rate than management's own guidance implied. Due 2 November
Net dollar retention falling materially below 130%	Downgrade	The stated trigger for Avoid, and the only one. It remains a fundamental condition, not a price one
A further advance above ~\$210 with no accompanying disclosure	Downgrade	A second re-rating on no information would make the valuation indefensible on this report's own numbers
A Congressional outcome that reshapes defence appropriations	Either	The demand-side macro variable for this company. Legislative, not monetary

8. Scenario analysis

The three fair values and the probabilities are carried forward unchanged. There has been no disclosure to revise them with, the scenario horizon has not rolled far enough in three weeks to justify re-anchoring, and the analyst target raises in the period are other people's estimates rather than new facts. The only thing that has moved is the reference price, and the effect of that is visible in the final column.

Scenario	Prob.	Path	Fair value	vs \$176.24	Conditions
Bull	33%	FY27 revenue ~\$13.5bn	\$250	+41.9%	Growth holds near 65%, Maven and adjacent defence programmes scale, adjusted operating margin sustains above 45%; market pays ~44x FY27 revenue
Base	45%	FY27 revenue ~\$12.2bn	\$168	-4.7%	Consensus path of 49% growth; margin normalises after the flagged Q3 step-up; multiple compresses toward ~33x on the larger base
Bear	22%	FY27 revenue ~\$11.0bn	\$85	-51.8%	Growth decelerates toward 35%, hosting-cost and hiring pressure persists, multiple de-rates toward ~18x as the AI premium unwinds

Probabilities sum to 100%. Probability-weighted fair value: $\$176.80 = 0.33 \times \$250 + 0.45 \times \$168 + 0.22 \times \$85$, which the \$176.24 price sits 0.3% below, against 5.4% above at the previous note. Fair values are derived by this analysis from the stated revenue paths and multiples on 2.40bn shares outstanding. Computed in code; the stated weighted value matches its inputs.

9. Final verdict

Palantir is a business worth owning, and \$176.24 is the first price in this coverage that is neither clearly wrong nor clearly right. That is a less satisfying conclusion than the previous two reports reached, and it is the accurate one. The quality question was settled six weeks ago and nothing since has reopened it: a company compounding revenue at a guided 83% while earning a 42.8% trailing operating margin on an 84.8% gross margin, funding itself entirely from operations, holding \$9.2bn of net cash and retaining 157% of its existing customers' spending is a rare asset by any standard.

What has changed is that the price has come to meet the analysis rather than running away from it. Three weeks ago the shares were 5.4% above this report's estimate and the gap was widening; they are now a third of a percent below it. On a 4.1% average daily range that difference is not a signal, and the correct way to say so is that the expected return from buying here is approximately zero rather than that the shares have become attractive. The rating stays where it has been for three reports, but the reason has changed for the first time: it is no longer that the shares are expensive against the modelled outcomes, it is that they are correctly priced against them.

The single biggest concern is unchanged and now close at hand. Management flagged a significant third-quarter expense increase and higher government cloud-hosting costs, and said plainly that the 62% adjusted operating margin was not a run rate. That quarter reports on 2 November and it is the first testable statement about this business in three months. A margin holding near 60% through it would justify the bull path and would find the shares at fair value rather than above it, which is a considerably better starting point than the last two reviews offered. A margin that steps down as guided, on a multiple of 51.9 times current-year revenue, leaves no cushion at all. Both outcomes are live, the odds between them are what the scenario table describes, and waiting seven weeks for the answer costs nothing when the expected return from not waiting is zero.

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