Palantir’s S-1 filing says people use its services because ‘their technical infrastructure has failed them’

Data-mining firm Palantir has filed its prospectus to take the company public, and its S-1 confirms leaked information that showed the company has not turned a profit since its founding in 2003.

Palantir plans to debut with a direct listing rather than selling shares in an initial public offering. It’s among a handful of tech companies that have taken this route to go public in recent years; Slack did last year, Spotify did in 2018, and Asana did earlier this week.

The company lost $580 million in 2019, the filing shows, and in the first half of 2020 it has lost $175 million. The S-1 shows the company had 125 customers in the first half of this year, “including some of the largest and most significant institutions in the world,” the filing states, and its software “is used by customers across 36 industries and in more than 150 countries.” This confirms information leaked to *TechCrunch* last week.

Under the heading “risk factors,” the company notes that it doesn’t work “with the Chinese communist party and have chosen not to host our platforms in China, which may limit our growth prospects.” However, it also notes that while it does not “enter into business with customers or governments whose

positions or actions we consider inconsistent with our mission to support Western liberal democracy and its strategic allies," it also adds "we cannot predict how the activities and values of our government and private sector customers will evolve over time, and they may evolve in a manner inconsistent with our mission."

The introductory note from CEO Alex Karp is interesting, laying out the company's philosophy. Here are the first few paragraphs:

> *Our welfare and security depend on effective software.*
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> *In times of stability, the right software helps our most critical institutions serve their markets and the public. In times of crisis, effective software can be essential to an organization's survival.*
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> *Our software platforms are used by the United States and its allies around the world. Many of the world's most vital institutions, from defense and intelligence agencies to companies in the healthcare, energy, and manufacturing sectors, rely on the software platforms that we have built.*
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> *The challenges that we face, and the crises that we have and will continue to confront, expose the systemic weaknesses of the institutions on which we depend. Our industrial infrastructure and manufacturing supply chains were conceived of and constructed in a different century. Government agencies have faltered in fulfilling their mandates and serving the public. Some institutions will struggle to survive. Others will collapse.*
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> *Our customers come to us because their technological infrastructure has failed them. The enterprise software industry's focus on custom software tools and applications is misplaced. Those approaches often only work briefly, if at all. The problems and needs of an organization often change before the software can even be deployed.*

Palantir was founded by Peter Thiel, who was a close supporter of President Trump in the 2016 election (though he reportedly may not support Trump in 2020), and is perhaps best known for its work with the US government. This includes a contract with the Army to develop a new intelligence interpretation platform, worth an estimated $823 million. Palantir also worked with US Customs and Border Protection to track immigrants at the border, and in 2018, was found to be secretly testing its predictive policing software in New Orleans.

More recently, Palantir was discovered to be building a tool for the Department of Health and Human Services (HHS) to track the spread of the coronavirus.

The company plans to trade on the New York Stock exchange under the ticker symbol PLTR.

https://www.theverge.com/2020/8/25/21401669/palantir-public-thiel-trump-profit-privacy-s-1-filing