

Verilign: 10-K Organizational Risk Analysis

This report leverages Aniline’s proprietary AI framework to assess business performance and organizational risk by combining two critical data sources: company 10-K filings and employee sentiment. Verilign analyzes management’s risk disclosures in 10-K statements against insights from over 1 billion employee reviews to evaluate risk severity based on employee experiences, enabling better organizational health and investment decisions. Our AI engine assigns risk levels by evaluating the alignment between management’s stated risks and employee perceptions, while also identifying potential undisclosed risks from employee sentiment data. *For methodology details and important disclaimers regarding AI limitations, please see the Appendix.*

Company

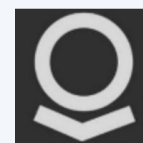
Palantir Technologies (NASDAQ:PLTR)

10-K Report Date

For the fiscal year ended December 31, 2023

Employee Sentiment Period

January 1, 2023 to December 31, 2024
(24 months)



Analyst Remarks & Analysis Focus Areas

February 13, 2025: Palantir Technologies (PLTR) has emerged as a standout performer in AI-powered data analytics, delivering both impressive revenue growth and the S&P 500’s top stock performance in 2024 with a 340% gain. While this hypergrowth trajectory has drawn significant market attention, our analysis reveals notable areas of risk as PLTR enters its next growth phase. In particular, perceived challenges in the scalability of growth alongside questions about management effectiveness provide areas of focus for further inquiry by stakeholders.

Note: Aniline’s Employee Perception Dashboard, freely available in summary form through the companion Executive Summary, indicates encouraging strengths in Workplace and Career, balanced against concerning indicators such as bottom quartile industry rank in Integrity and Leadership scores. These risks and their potential implications are analyzed in detail throughout this report. For questions or additional insights to support your decision-making, please contact the authors (see Appendix for contact information).

Risk Level Assessment

Throughout this report, these risk areas are identified and assessed as either:

Relatively Higher Risk	Employee perception highlights uncertainties in sufficient quantity to warrant a relatively higher level of caution around the specific management and/or employee concerns and expectations for business performance, often manifesting as misalignment between management statements and employee observations.
Balanced Risk	Employee perception is mixed, with both positive and negative views and/or relatively few critical risk exposures identified. While risks may be present, this assessment level indicates that the employee data do not lean in one particular direction, but are rather balanced between favorable or unfavorable insights/factors related to expected business performance.
Relatively Lower Risk	Employee perception demonstrates broad positive sentiment and/or alignment with management risk statements, typically indicating more favorable conditions for future business expectations and performance outcomes and therefore relatively lower risk.

Summary of Risk Areas Prioritized by Aniline AI for Analysis

Sources: 10-K Report & Aniline Employee Perception Data

Risk Area	Management Statement in 10-K Report
Sustaining Revenue Growth with Top Customers	“The average revenue for our top twenty customers during the trailing twelve months ended December 31, 2023 was \$54.6 million, and is up from 2022...”
Product/Service Quality	“We believe AIP uniquely allows users to connect LLMs and other AI with their data and operations to facilitate decision-making... within the legal, ethical, and security constraints that they require.”
Competitor Pressure	“In addition, our competitors include large enterprise software companies, government contractors, and system integrators. We also face competition from...”
Employee Attrition	“We may be unable to hire, retain, train, and motivate qualified personnel and senior management...”
Ethical Practices	“We are committed to ensuring that our software is as effective as possible while preserving individuals’ fundamental rights to privacy and civil liberties...”

Source: Aniline Employee Perception Data

In addition, Aniline assesses key risk areas independent of management reporting by posing key questions designed to surface risks to business performance:

Risk Area	Risk Level	Employee Perception Question
Honesty and Integrity	Higher	In light of growth expectations for this company, how material is the risk that management could accidentally overlook or fail to disclose information relevant to a regulator, lender, or auditor?
Operational issues	Higher	What are the top production bottlenecks, product quality issues, and customer service complaints that company leadership or a potential investor should be aware of?
Regulatory Compliance and Culture	Higher	What are your experiences about the oversight of regulatory compliance processes and the overall culture of excellence?

These risk areas are covered in detail on the following pages. Further research is readily available through the use of the Aniline user platform. We invite you to visit www.aniline.ai to learn more about our mission to be a primary source of cultural ground truth for companies, powered by AI and unique perception data enabling better business outcomes.



Sources: 10-K Report & Aniline Employee Perception Data

Sustaining Revenue Growth with Top Customers – Balanced Risk

Management statement: “The average revenue for our top twenty customers during the trailing twelve months ended December 31, 2023 was \$54.6 million, and is up from 2022, when the average revenue from our top twenty customers during the trailing twelve months ended December 31, 2022 was \$49.4 million, demonstrating our expanding relationships with existing customers.”

The rationale for this risk assessment level is based on the mixed employee sentiment regarding sales culture and execution challenges, which could potentially hinder further revenue expansion despite management’s positive outlook.

- Of a total of 1503 employee opinions across multiple topics, **approximately 30 percent mention or address this topic, of which 60 percent are negative**, the balance being either positive or neutral.
- Most employees would likely express mixed views about the company’s ability to sustain revenue growth broadly, which implies uncertainty in the case of the top 20 customers.

Indicative employee quotes and perceptions driving the risk level assessment:

1. “palantir hands down has some of the most impressive time to value and ROI stories from clients I’ve ever witnessed in my decade+ in sales.”
2. “Time to value is almost unbelievable and the outcomes are incredible.”
3. “Sales team turnover: how on earth could you possibly spend so much time recruiting, hiring, and training sales people to let so many go within the first 6 months.”
4. “They do not know anything about sales or marketing, and they do not trust the outside people they hired to do the sales/marketing function.”
5. “There is zero GTM strategy, no account assignments, no real marketing other than the occasional Palantir Stands with (insert country) ad in the NYT, and only 3–4 BDRs supporting the whole org.”

Relevant question for management: “Given the \$1B+ in revenue for Palantir’s top 20 customers and the implications for broader growth, how is management addressing negative employee statements – in public – about GTM strategy and the sales function?”

This analysis suggests that while Palantir Technologies demonstrates a strong revenue growth from its top customers, internal challenges related to sales culture, strategy, and execution could pose risks to sustaining or expanding this growth.

Product/Service Quality – Balanced Risk

Management statement: “We believe AIP uniquely allows users to connect LLMs and other AI with their data and operations to facilitate decision-making within the legal, ethical, and security constraints that they require.”

The rationale for this risk assessment level is rooted in the mixed sentiment among employees regarding project management and execution, suggesting a potential disconnect between the company’s technological capabilities and its operational effectiveness and a high potential area for deeper scrutiny and organizational health building.

- Of a total of 1503 employee opinions across multiple topics, **approximately 15 percent mention or address this topic, of which 30 percent are negative**, the balance being either positive or neutral.



- The majority of employees seem to appreciate the technology's innovation and impact, indicating alignment with management's confidence in the product's unique capabilities. However, there is a notable undercurrent of concern regarding the product's complexity and the challenges faced by sales teams, which could imply risks to scalability as well as accelerated market penetration and/or continued customer satisfaction.

Indicative employee quotes and perceptions driving the risk level assessment:

1. "The sheer scale, capabilities, and breadth of use cases of the Foundry platform can be overwhelming to a new salesperson."
2. "There is a weird sense of pride around the tech being hard to understand and hard to sell."
3. "Company policy changes almost on a dime, everything is focused around constant change and mature products are looked at as chores to get rid of-- nothing gets to be finished."
4. "The only reason that makes any sense is that this company is comprised entirely of engineers and they never wanted to hire a sales team."
5. "Not only is the product exceptionally difficult to sell, but management will do everything they can to stiff you on your commission."

Relevant question for management: "How is Palantir addressing the potential misalignment between the product's design and complexity and future growth and market penetration, particularly in light of perceived challenges to sales strategy and customer acceptance?"

This analysis suggests that while Palantir Technologies boasts a highly innovative product that aligns with management's statements on its unique capabilities, there is a somewhat misaligned perception among employees regarding the ease of selling and implementing this technology at scale.

Competitor Pressure – Relatively Higher Risk

Management statement: "In addition, our competitors include large enterprise software companies, government contractors, and system integrators. We also face competition from emerging companies as well as established companies that are only now beginning to enter this market."

The rationale for this risk assessment level is grounded in the pervasive sentiment among employees that internal challenges, such as a *'chaotic organization, lack of clear strategy, and issues with sales and leadership,'* significantly hinder Palantir's ability to effectively compete in its market.

- Of a total of 1503 employee opinions across multiple topics, **approximately 40 percent mention or address this topic, of which 80 percent are negative**, the balance being either positive or neutral.
- Based on employee perceptions, there is a notable concern that Palantir may not be adequately equipped to face the threats posed by large software companies and emerging competitors due to internal disarray and strategic misalignments.

Indicative employee quotes and perceptions driving the risk level assessment:

1. "The egos that come from the top of the company on the engineering front cloud the judgement of how to GTM."
2. "sales leadership is weak, no structure or strategy"
3. "Management is very confused about company's direction."
4. "Management actively hates sales people and actively tries to not pay commissions"
5. "Lots of internal politics and hidden hierarchy that is hard to manage and doesn't feel well run."

Relevant question for management: "Given the employee concerns and observations related to growth strategy, what steps are in place to ensure maintaining Palantir's continued and distinct competitive edge?"

This analysis suggests that the internal challenges and strategic misalignments within Palantir Technologies could pose a significant risk to its ability to compete effectively against both established and emerging competitors.

Employee Attrition – Relatively Higher Risk

Management statement: “We may be unable to hire, retain, train, and motivate qualified personnel and senior management...”

The rationale for this risk assessment level is the significant volume of employee feedback highlighting issues with culture, work-life balance, and professional growth, which directly contradicts management’s assertion that the risk is effectively managed.

- Of a total of 1503 employee opinions across multiple topics, **approximately 60 percent mention or address this topic, of which 80 percent are negative**, the balance being either positive or neutral.
- Despite management’s confidence in mitigating the risk of employee attrition, a substantial portion of employee feedback suggests dissatisfaction with professional growth, work-life balance, and morale.

Indicative employee quotes and perceptions driving the risk level assessment:

1. “A lot of the good talent left post IPO.”
2. “work life balance is also trash as a FDE and people frequently work past 7pm and on weekends.”
3. “most of the good people have left and been replaced by B-tier management consultants.”
4. “terrible WLB, depending on project/phase.”
5. “Performance and progression management process is quite poor and raises are non-existent for multiple years.”

Relevant question for management: “Given the significant concerns raised by employees regarding culture, work-life balance, and professional growth, what specific measures are being implemented to address these issues and ensure the retention of top talent?”

This analysis suggests that the discrepancy between management’s perception and employee feedback on the effectiveness of strategies to manage employee attrition poses a relatively higher risk to business performance.

Ethical Practices – Balanced Risk

Management statement: “We are committed to ensuring that our software is as effective as possible while preserving individuals’ fundamental rights to privacy and civil liberties. We have made deep investments to ensure that safeguarding privacy and civil liberties protections remains central to our software and business practices.”

The rationale for this risk assessment level is grounded in the mixed employee sentiment regarding the company’s culture and ethical practices, which suggests a potential misalignment between management’s commitment to ethical practices and the lived experiences of some employees.

- Of a total of 1503 employee opinions across multiple topics, **approximately 15 percent mention or address this topic, of which 40 percent are negative**, the balance being either positive or neutral.
- The majority of employee feedback suggests a culture that values innovation, autonomy, and smart problem-solving, yet a notable portion of feedback highlights concerns around aggressive sales tactics, political culture, and ethical considerations, which could indicate a disconnect in how ethical practices are perceived and implemented across the organization.

Indicative employee quotes and perceptions driving the risk level assessment:

1. “a lot of politics and gatekeeping for a small company, poor business ethics and unclear strategy.”
2. “I have never seen such unethical business practices from frankly BAD people.”
3. “Meaningful work improving social welfare, stopping bad guys.”
4. “Not well respected in industry – HR is disorganized and inexperienced – Staff support children dying and you are expected to support this too.”
5. “Even still, account ownership doesnt matter, sellers are fighting, stealing and taking from each other very blatantly.”



Relevant question for management: “Given employee concerns regarding robust business ethics, how can PLTR best reassure the market that it has effective privacy and personal protection safeguards – and is management addressing the right problems in this regard?”

This analysis suggests that while Palantir Technologies has a strong commitment to ethical practices as stated by management, employee perceptions reveal a more nuanced picture with areas of concern that could impact the company’s reputation and, ultimately, its financial performance.

Source: Aniline Employee Perception Data

Honesty and Integrity – Relatively Higher Risk

Employee perception question: “In light of growth expectations for this company, how material is the risk that management could accidentally overlook or fail to disclose information relevant to a regulator, lender, or auditor?”

The rationale for this risk assessment level is primarily drawn from a pattern of employee feedback highlighting concerns around transparency, decision-making, and internal communication. These elements collectively suggest a culture that may not prioritize openness and integrity to the degree necessary for ensuring full disclosure to external stakeholders.

- Of a total of 1503 employee opinions across multiple topics, **approximately 35 percent mention or address this topic, of which 90 percent are negative**, the balance being either positive or neutral.
- Employees at Palantir Technologies express significant concerns regarding the company’s internal communication and decision-making processes, which could imply a tendency towards withholding information.

Indicative employee quotes and perceptions driving the risk level assessment:

1. “It will likely stay this way, as the corporate governance is extremely imbalanced even by SV standards.”
2. “The ELT, as well as much of the organization, is also largely just a group of puppets that hesitate to speak their mind in many cases due to the very real concern about significant blowback from the CEO including public ridicule, demotion and even being fired.”
3. “There is no real HR oversight of anything and decisions are made in the background without you even knowing they are being made.”
4. “Management regularly changes direction/focus causing regular whiplash.”
5. “no one in the inner circle will speak truth to power.”

Relevant question for management: “Given employee concerns and perception as to corporate governance and transparency, how does the executive leadership team at Palantir Technologies plan to improve communication both internally and with external stakeholders to minimize risk concerns?”

This analysis suggests that the concerns raised by employees about transparency, communication, and decision-making could pose a significant risk to Palantir Technologies’ financial performance, particularly if these cultural issues lead to failures in disclosing important information to regulators, lenders, or auditors.

Operational Issues – Relatively Higher Risk

Employee perception question: “What are the top production bottlenecks, product quality issues, and customer service complaints that company leadership or a potential investor should be aware of?”

The rationale for this risk assessment level is primarily driven by the pervasive sentiment of disorganization, high pressure, and the chaotic nature of work at Palantir Technologies. Employees express concerns over the lack of structure, inconsistent management, and the intense workload, all of which can directly impact production efficiency, product quality, and customer satisfaction.

- Of a total of 1503 employee opinions across multiple topics, **approximately 40 percent mention or address this topic, of which 90 percent are negative**, the balance being either positive or neutral.
- Employees would likely disagree with the assumption that management believes the risk to business performance from Operational Issues is minimal and under control.



Indicative employee quotes and perceptions driving the risk level assessment:

1. "Surprisingly chaotic both at the project level and the company level."
2. "Company policy changes almost on a dime, everything is focused around constant change and mature products are looked at as chores to get rid of-- nothing gets to be finished."
3. "A culture of unnecessary meetings had been growing so you couldn't get any meaningful productive work done during regular hours and people would stay late for the real work."
4. "The organization is also very unstructured and difficult to navigate."
5. "There is no formal org chart and resources are rarely stored centrally so finding people and information relies on asking around and can be very time consuming."

Relevant question for management: "How does the executive leadership plan to address employee concerns regarding insufficient organization and inconsistent management practices to ensure operational efficiency and overall business performance vs expectations?"

This analysis suggests that the operational issues at Palantir Technologies pose a significant risk to its business performance, potentially affecting production efficiency, product quality, and customer satisfaction.

Regulatory Compliance and Culture – Relatively Higher Risk

Employee perception question: "What are your experiences about the oversight of regulatory compliance processes and the overall culture of excellence?"

The rationale for this risk assessment level is primarily based on the pervasive negative sentiment among employees regarding management practices, ethical conduct, and operational procedures. The employee perceptions suggest a culture that may prioritize aggressive sales and growth strategies over compliance and ethical considerations, potentially leading to legal and regulatory risks.

- Of a total of 1503 employee opinions across multiple topics, **approximately 20 percent mention or address this topic, of which 95 percent are negative**, the balance being either positive or neutral.
- Employees would likely express concern regarding the assumption that management believes the risk to business performance from Potential Legal Exposure/Regulatory Non-Compliance is minimal and under control.

Indicative employee quotes and perceptions driving the risk level assessment:

1. "The only reason there are not more lawsuits is that they tie your exit package to not providing evidence in any lawsuit against the company."
2. "Their direct calculation is that it will cost more to file a lawsuit than you will recover."
3. "Quiet firings for months now to try to claw back their stock grants... so they can be GAAP profitable for SP500 inclusion, which they ended up not getting."
4. "They secretly hate people and resent having to pay them commission so they do everything they can to not pay you."
5. "Many examples of talented sales folks sourcing and closing a whale only to be fired so they don't have to pay you."

Relevant question for management: "What, if anything, is Palatir Technologies currently doing to manage employee concerns regarding compensation and employee exit practices, how does Palantir Technologies ensure fair and equal treatment of employees?"

This analysis suggests that the negative employee perceptions regarding management practices, ethical conduct, and operational procedures at Palantir Technologies could expose the company to significant legal and regulatory risks and associated reputational risk.

APPENDIX: How Aniline Created the Verilign Report

Aniline (www.aniline.ai) is a data services company that focuses on natural language processing (NLP) and generative artificial intelligence (GenAI). We utilize advanced technology to provide organizational insights that empower businesses to boost revenue, enhance profitability, and minimize risks—enabling employers to develop actionable improvement plans for both the short and long term.

- Aniline mines data from publicly exposed information available on a broad variety of websites as well as publicly accessible reports from governments and regulatory agencies.
- By harnessing Generative AI, we analyze millions of data points to develop actionable strategies to unlock corporate initiatives.

We do not use any internally sourced information from company systems including surveys or scanning tools that review internal communication. Our information comes only from publicly exposed external sources.

Aniline's core product measures nine categories of sentiment and also provides a tenth index that is an overall average of the nine, all at the company level for over 70,000 companies. The nine categories are Leadership, Integrity, Diversity Equity and Inclusion, Workplace, Work-Life Balance, Career, Compensation, Benefits, and Hiring, and are updated monthly. These monthly scores provide a running record of employee sentiment, and are readily benchmarked across companies on our SaaS user platform.

Our user platform also provides a structured reporting facility we call "Smart Briefs." Smart Briefs are GenAI reports that harness the collective intelligence and sentiment from 1 billion+ employee opinions and reviews, distilled into streamlined, comprehensive, downloadable reports. Each fit for purpose Smart Brief delivers aggregated, critical, actionable employee and culture insights powered by insider perspectives from within organizations and industries.

We used a customized Smart Brief to prepare the content of this report.

For every Verilign report, we use AI to analyze a company's most recent 10-K report, flagging key risks that are likely to be reflected, directly or indirectly, by employee narrative. We then apply our generative AI capability to perform a virtual employee focus group: by applying all public narrative about working at the company over the most recent 24 months, we make relevant inferences about those risks.



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Aniline sources the most up-to-date and relevant data from thousands of potential sources to construct its unique employee perception indices. The proprietary AI and ML algorithms utilized in this report are designed to predict a company's perception trajectory and provide actionable insights by monitoring how management actions impact employee perceptions. While we have implemented safeguards to control so-called "hallucinations" from generative AI (i.e., instances where AI generates information that lacks factual basis or isn't rooted in its dataset), all employee quotations shown in this Verilign are verifiable from public platforms about the subject company.

Generative AI findings in evaluating business performance and risk are based on data and algorithms, not human analysis. They can offer insights but may not fully capture nuances or unforeseen factors. Always consider multiple data sources and professional counsel when making strategic decisions.

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