

FORTUNE

Term Sheet— Tuesday, November 13



By **LUCINDA SHEN**
November 13, 2018

PALANTIR

Good morning Term Sheet readers. This is Lucinda filling in for Polina until Friday. Please send all deals to lucinda.shen@fortune.com.

With names like Uber, Lyft, and potentially even Slack expected to IPO next year, 2019 could be record breaking for the world of public offerings.

On Monday, *The Wall Street Journal* took a dive into another firm said to be exploring an IPO during the year: Secretive data analytics unicorn Palantir.

Reportedly prompted by investors and employees who want to more easily sell their shares, Palantir is now hoping to become “a more traditional

operation” and reforming its image for being “overconfident, condescending and even sloppy.”

For instance, CEO Alex Karp has said to have been on an apology tour in Washington D.C. (the U.S. government being a major client). In the past, Palantir employees appeared to eschew tradition, per a [2017 Fortune](#) article on the firm’s failure to win a major government contract:

“Much of the problem seemed rooted in the fact that Palantir was still not playing according to the rules and traditions of the club. When Philippone and his staff showed up at the Pentagon for their initial meetings, for example, some wore their usual T-shirts, sneakers, and jeans. (“I told them not to dress like that,” recalls one lobbyist.) And everyone, especially Philippone, showed up with the attitude that the Army had spent years failing at data platforms, and that they could fix it all without some big, new development contract—the kind of contract the people on the other side of the table had devoted their careers to awarding and administering.”

Like Uber, Lyft, and Slack, Palantir has yet to post a profit ahead of a potential public offering. *The Journal* reports that Karp has told investors to expect profitability in 2019, though he has made similar promises before—including a [prediction of net gains by 2017](#).

Though this time, following the loss of multimillion-dollar contracts with the likes of Hershey and J.P. Morgan, the company is also cutting costs. That includes offloading properties and getting tougher on employee purchases such as international business-class travel.

Lobsters and salmon may also be breathing a sigh of relief at this reform, as, per *the Journal*:

“Its engineers were accustomed to spending profligately—the company sponsored 13-course tasting-menu lunches with lobster tail and sashimi at

headquarters—calling such extravagance ‘Palantir Entitlement Syndrome.’”

Original:

<http://fortune.com/2018/11/13/term-sheet-monday-november-13-2/>