

KeyBanc Capital Markets



November 23, 2025

Technology: Security, Data & AI Proprietary Survey

Snowflake Inc.

SNOW: F3Q Snowflake (+ Databricks) Survey; Data Platforms Benefitting as AI Moves Up the Stack

This quarter we surveyed 20 customers and partners and expanded the survey to include Databricks-specific takeaways as well. F3Q survey results were incrementally positive for SNOW, driven by improved spend intentions, broadening product adoption, and an improving outlook for AI/Cortex. Our survey and customer conversations strengthened our view that organizations' AI initiatives are driving increased investments in data platforms, and Snowflake's strategic positioning within the data stack is strengthening.

We came away **incrementally positive** on: 1) NTM spend intentions improved; 2) AI initiatives are driving increased investments in data platforms; 3) Snowflake seen as increasingly strategic and customers expect it to become an increasing portion of the data stack; 4) improved adoption of emerging products – notably Cortex, data engineering, and Postgres; and 5) iceberg now expected to drive more workloads to Snowflake.

We came away **incrementally negative** on: 1) on-prem data warehouse migrations as a driver of growth this quarter and there is less runway of migration activity going forward; and 2) an increase in customers planning to migrate workloads to competitors (though our conversations didn't suggest any meaningful shifts).

We are **positive on Snowflake ahead of F3Q earnings** December 3 given: 1) our positive survey data; 2) data platforms benefiting from companies' AI initiatives, including getting their data estate in order; and 3) strong results with public cloud vendors and public/private consumption software peers. Given this, we believe there could be an upside scenario of 29%+ product revenue growth in F3Q.

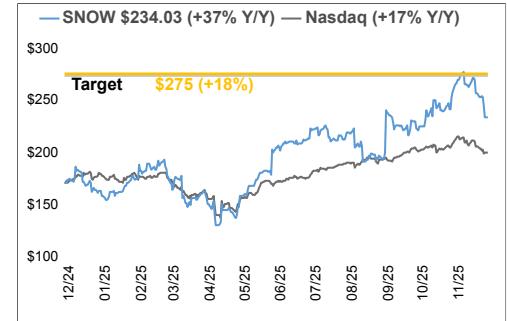
Databricks Takeaways. 1) customer spend expected to increase 7.5% NTM; 2) Databricks expected to become an increasing portion of data stack; 3) 92% of respondents note Databricks becoming increasingly strategic; 4) Delta Lake and Unity Catalog the most adopted products; and 5) Agent Bricks, AI/BI, and Delta Sharing the most desired products.

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NYSE: SNOW

Rating:	Overweight
Price Target:	\$275.00
Price:	\$234.03



Sources: Company reports, Thomson Reuters, KeyBanc Capital Markets Inc.

Company Data

52-week range	\$120 - \$281
YTD Price % Chg.	51.6%
Market Cap. (M)	85,140.1
Shares Out. (M)	363.80
Enterprise Value (M)	81,294.0
Avg. Daily Volume (30D)	6,823,865.0
Total Debt (M)	\$3,846.0
Minority interest	\$(0.1)
Net cash/market cap	4.5%

Sources: Company reports, Thomson Reuters, KeyBanc Capital Markets Inc.

Estimates

FY ends 1/31	F2025A	1Q26A	2Q26A	3Q26E	4Q26E	F2026E	F2027E
EPS (Net)	\$0.83	\$0.24	\$0.35	\$0.31	\$0.30	\$1.20	\$1.76
Cons. EPS	--	--	--	\$0.31	\$0.30	\$1.20	\$1.64
Revenue (M)	\$3,626.4	\$1,042.1	\$1,145.0	\$1,176.9	\$1,231.2	\$4,595.1	\$5,595.5
Cons. Revenue	--	--	--	\$1,181.2	\$1,234.3	\$4,606.4	\$5,696.7
Valuation							
EV/Sales	22.4x	--	--	--	--	17.7x	14.5x

Sources: Company reports, Thomson Reuters, KeyBanc Capital Markets Inc.

For analyst certification and important disclosures, please refer to the Disclosure Appendix.

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Snowflake Takeaways**Growth Outlook**

- (**= / +**) ~11% Spend Growth Expected NTM – an Uptick from Prior Survey (N=19). On average, customers and partners expect spend on Snowflake to increase ~11% over the NTM – an uptick from last survey.
- (**+**) AI/GenAI Initiatives Are Driving Increased Investment in Data Platforms (N=20). 80% of respondents agreed that their organizations' AI/GenAI strategies are driving increased investment in their data platforms. 30% said a "significant" amount.
- (**=**) Partner Meets/Beats and Excepted Growth Rates About Steady with Prior Survey (N=5). Three of the five Snowflake partners were in line with expectations for the October quarter, with one above and one below – about consistent with last quarter. The Snowflake partners' expected growth rates for 2025 and 2026 were about unchanged, though acceleration now expected into 2026.
- (**+**) Snowflake Expected to Take More Share of the Data Stack (N=19). On average, Snowflake makes up 28% of an organization's entire data stack and is expected to increase to 34% LT.
- (**+**) Additional Product Adoption Driving the Growth in Spend (N=16). Adoption of more products is the primary driver for increased spend on Snowflake this survey, as opposed to last survey it was on-prem data warehouse migrations. We believe this is reflective of the significant amount of product innovation and announcements Snowflake has delivered since Sridhar's joining nearly two years ago. Our survey last quarter was consistent with management commentary that migration activity was a big source of revenue upside in F2Q.

Data Warehouse Migration Outlook

- (**-**) Runway for On-Prem Data Warehouse Migration Shortened (N=20). Respondents cited 69% of their data warehouse workloads are in the cloud and is expected to be 82% LT. The difference of 13 points is a significant reduction from the 20%+ in all our prior surveys.

Competition

- (**+**) Snowflake's Strategic Relevance Increasing (N=19). 63% of respondents noted Snowflake's strategic importance has increased in the last six months, up from 40% last survey. No respondents said Snowflake has become less strategic.
- (**=**) Databricks/Snowflake Generally Viewed as Equally Strategic (N=11). 11 respondents noted they are both a Databricks and Snowflake customer or partner. 55% view Snowflake/Databricks as equally strategic – more balanced than last quarter that skewed more favorably toward Snowflake. The number of respondents that indicated Snowflake was more strategic than Databricks downticked slightly q/q.
 - (**=**) "True that Snowflake and Databricks are almost interchangeable now... Can't tell the difference." - Financial Services
- (**-**) Uptick in Number of Planned Migrations to Competitors (N=18). The number of customers planning to move some amount of workloads to a competitor increased to 56% from 33% last quarter. The primary intended destinations for those workloads are AWS, followed by Databricks.

AI & Cortex

- (**=**) Interest in Using Snowflake for GenAI Is Steady (N=19). 63% of respondents noted that they, or their end customers, are interested in using/planning to use Snowflake for GenAI and about similar with the 67% last quarter. Only one respondent noted they are currently using Snowflake for GenAI, down from three last quarter.
 - Respondents that indicated they were interested in using Snowflake for gen AI noted they were interested in data products for non-technical users, using LLMs to understand unstructured data, answering freeform questions, providing intelligent assistance, and exploring GenAI capability provided by Snowflake.
 - Respondents that indicated they were not interested stated it was because their organization was already using a different vendor. One respondent stated their organization was using Databricks.
- (**+**) Cortex Adoption Significantly Improved (N=19). Cortex, Snowpark, and Iceberg Tables are the three most adopted products outside of Data Warehouse. Cortex improved 34 points vs. the prior survey.

- **(+) Cortex Also the Most Desired Product (N=19).** Cortex is the most desired product by customers by a wide margin. **(+)** Openflow meaningfully improved. **(-)** Snowflake Intelligence, data sharing, dynamic tables meaningfully declined.
- **(+) Cortex Estimated to Be 6-7% of NTM Spend (N=12).** Of the 12 customers that are using, or interested in using, Cortex, on average they estimate Cortex could be between 6-7% of their Snowflake spend in the NTM.

Product Adoption

- **(+) PostgreSQL Interest Improving.** 53% of respondents are interested in using Snowflake for PostgreSQL workloads. 16% are "very interested," up from 0%.
- **(+) Data Engineering and AI/GenAI Now the Top Reasons Customers Choose Snowflake (N=19).** Gone are the days of ease-of-use and price/performance being the motivating factors for adopting Snowflake. Data engineering and AI/GenAI capabilities are the top two reasons customers choose Snowflake over competitors – a significant shift in Snowflake's perception.

Iceberg

- **(+) Iceberg: Expected to Drive More Workloads to Snowflake; Less Planning to Move Data Out of Snowflake (N=19).** 48% of respondents noted they, or their end customers, have some adoption of iceberg tables today – steady with 47% last quarter. 42% of customers plan to move data out of Snowflake to iceberg tables, down from 50% last survey. Still, only one customer has done so already.
 - *The percentage of respondents that now expect Iceberg to drive fewer/more workloads & use-cases to Snowflake now skews more positively and an improvement for the second consecutive survey. 34% expect Iceberg to drive more workloads to Snowflake, up from 30% and 14% the prior two quarters.*

Databricks Takeaways

Databricks Takeaways

(N=12)

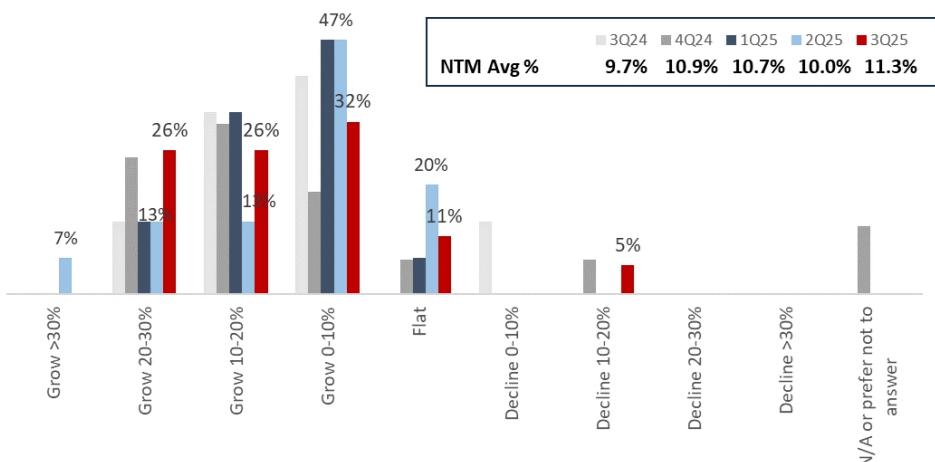
- **Spend Expected to Grow 7.5% NTM.** On average, customers expected spend on Databricks to increase 7.5% over the NTM.
- **Databricks' Strategic Relevance Increasing.** 92% of respondents noted Databricks's strategic importance has increased in the last six months.
- **Databricks Expected to Take More Share of the Data Stack.** On average, Databricks makes up 14% of an organization's entire data stack and is expected to increase to 18% LT.
- **Delta Lake and Unity Catalog the Most Adopted Products/Features.** Delta Lake and Unity Catalog are cited as the two most adopted products/features at 58% and 50%, respectively.
- **Agent Bricks, AI/BI, and Delta Sharing the Products Most Interested In.** At 42% each, Agent Bricks, AI/BI, and Delta Sharing are the products customers are most interested in using.

Snowflake NTM Spend Intentions

How much do you expect your, or your end customers', annual Snowflake spend to change over the next year? (Customers and Partners)

Customer spend expected to grow 11.3% over the NTM – up slightly from last quarter.

- **(=/+)** "Spend is flat because the name of the game right now is staying competitive with peers, cutting costs. My belief staying flat is positive in terms of the relationship with Snowflake. We have IT cuts elsewhere in the org – the operations side, development side, HR, finance....all aspects of the company." - Oil & Gas
- **(+)** "Our major initiatives (replicating data in snowflake, data warehouse migration) is causing our spend to go out of control. We burned through three years of credits in 1.5 years." - Insurance

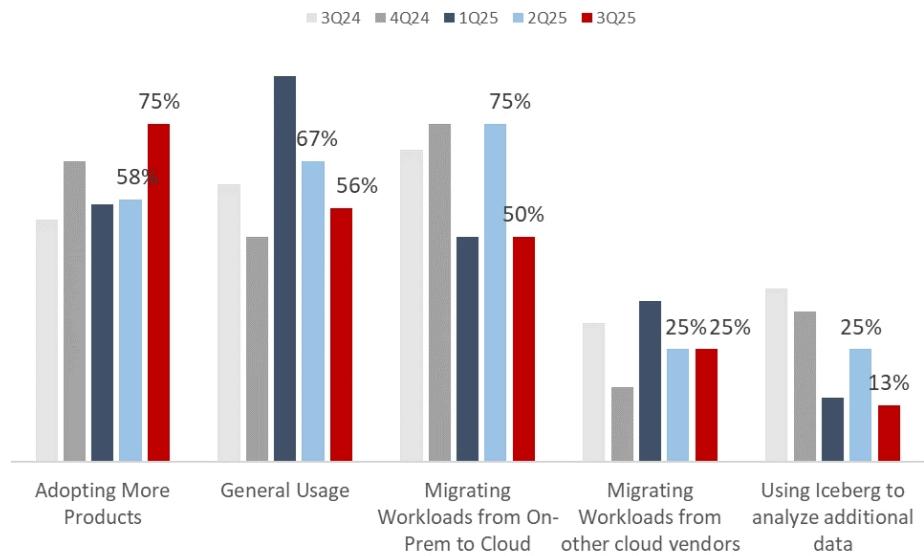


Source: KeyBanc Capital Markets Inc.

Note: 3Q24 N=15; 4Q24 N=16; 1Q25 N=15; 2Q25 N=15; 3Q25 N=19.

What are the main reasons for increased spend with Snowflake? (Customers and Partners)

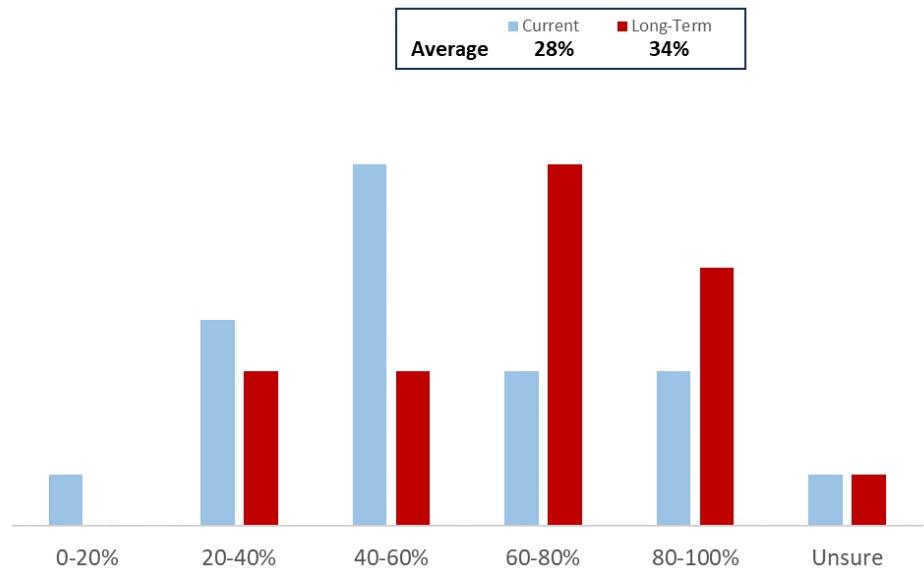
Adopting more products was the #1 reason for spend growth vs. on-prem migrations last quarter.



Source: KeyBanc Capital Markets Inc.

Note: 3Q24 N=13; 4Q24 N=12; 1Q25 N=14; 2Q25 N=12; 3Q25 N=19.

What % of your analytic or data workloads run on Snowflake vs. other platforms today? LT? (Customers and Partners)



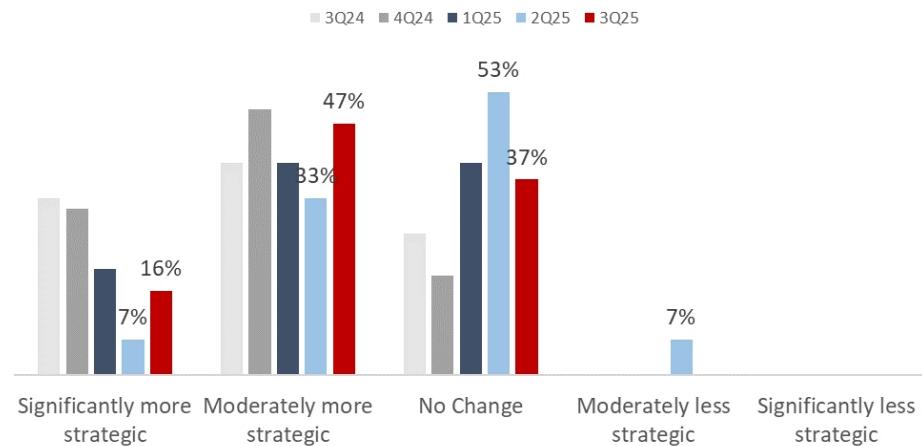
Source: KeyBanc Capital Markets Inc.

Note: 3Q25 N=19.

Snowflake Strategic Importance

How has Snowflake's strategic importance changed in the last six months?
(Customers and Partners)

63% of respondents noted Snowflake's **strategic importance has increased in the past six months, up from 40% last quarter.**



Source: KeyBanc Capital Markets Inc.

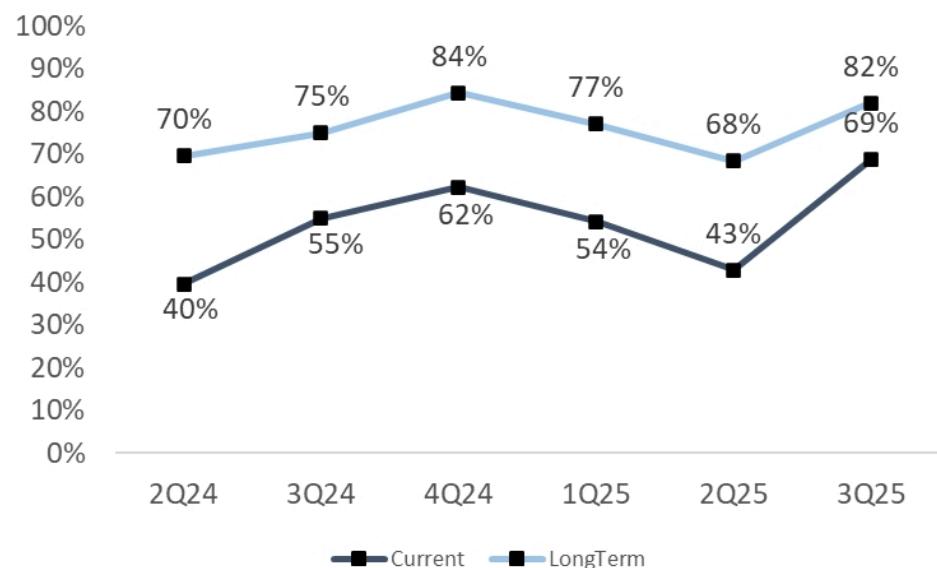
Note: 3Q24 N=15; 4Q24 N=16; 1Q25 N=15; 2Q25 N=15; 3Q25 N=19.

Current and LT Cloud Data Warehouse Mix

What percent of data warehouse workloads is currently in the cloud and expected to be in the cloud LT? (Customers and Partners)

82% of data warehouse workloads are expected to be in the cloud LT, up from 68% today. The delta between current and LT mix narrowed materially this quarter.

- (-) "Towards final stages of migrations. If it's not 100% done...it's probably 95%." - Oil & Gas



Source: KeyBanc Capital Markets Inc.

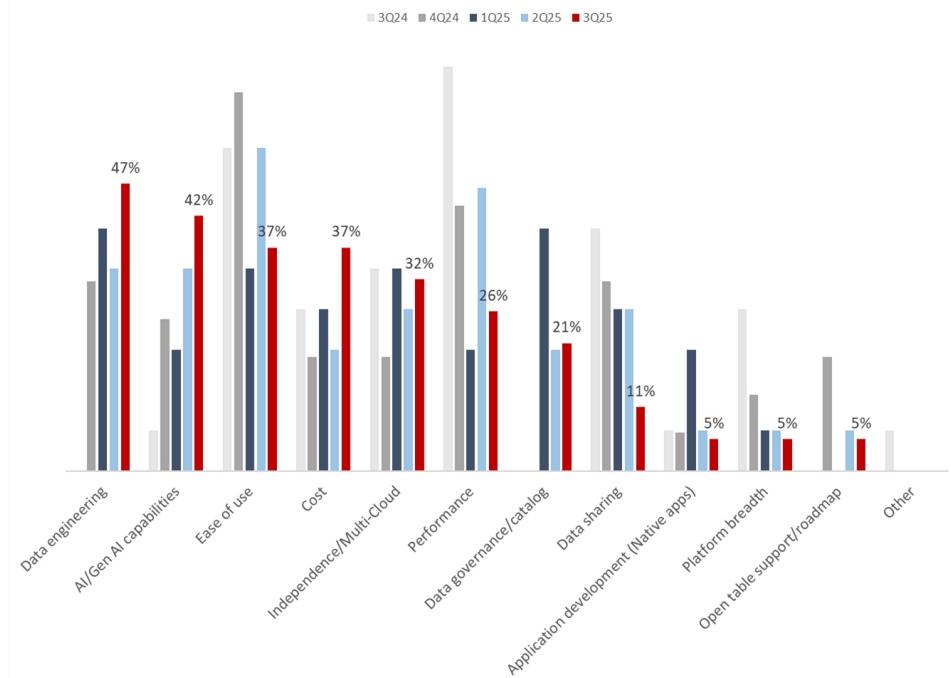
Note: 3Q24 N=15; 4Q24 N=15; 1Q25 N=15; 2Q25 N=15; 3Q25 N=20.

Snowflake Competition

Differentiation/ What are the main reasons you or your customers chose Snowflake over competing data warehouse solutions? (Customers and Partners)

Data engineering and AI/GenAI capabilities cited as the top reasons for choosing Snowflake over competitors.

- (+) Data engineering, AI/Gen AI, and cost features increased q/q.
- (-) Ease of use, performance, and data sharing features declined q/q.



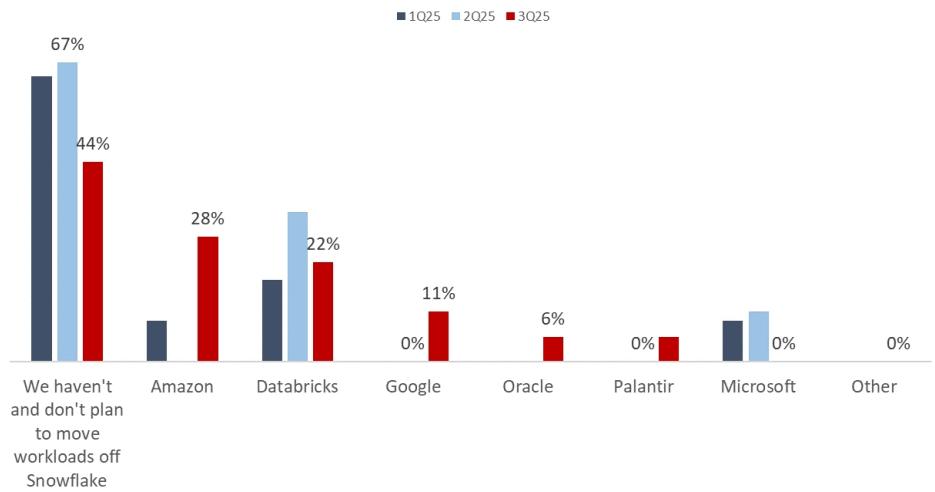
Source: KeyBanc Capital Markets Inc.

Note: 3Q24 N=15; 4Q24 N=16; 1Q25 N=15; 2Q25 N=15; 3Q25 N=19.

Note: Data engineering and Open table support/roadmap added in 4Q24; data governance/catalog added in 1Q25.

Have you recently moved, or do you have plans to move, workloads from Snowflake to any of the below cloud competitors? (Customers and partners)

Uptick in respondents planning to migrate workloads to competitors , with Amazon and Databricks the primary beneficiaries.



*Source: KeyBanc Capital Markets Inc.
1Q25 N=11; 2Q25 N=9; 3Q25 N=18.*

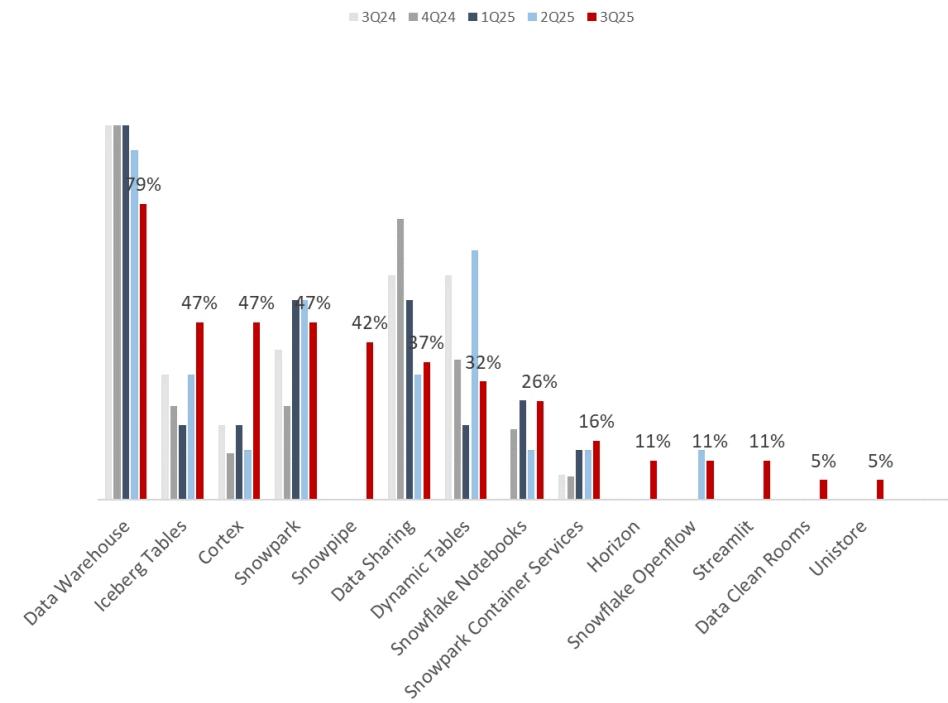
Note: This quarter we included partners in this question and made a correction to the 2Q25 survey data.

Current Product Adoption

Which products do you or the majority of your customers currently use? (Customers and Partners)

Iceberg Tables, Cortex, and Snowpark currently the most used products outside of data warehouse.

- (+) **Iceberg Tables** and **Cortex** saw a significant increase q/q .
- (-) **Dynamic Tables** significantly downticked q/q.



Source: KeyBanc Capital Markets Inc.

Note: 3Q24 N=15; 4Q24 N=16; 1Q25 N=15; 2Q25 N=15; 3Q25 N=19.

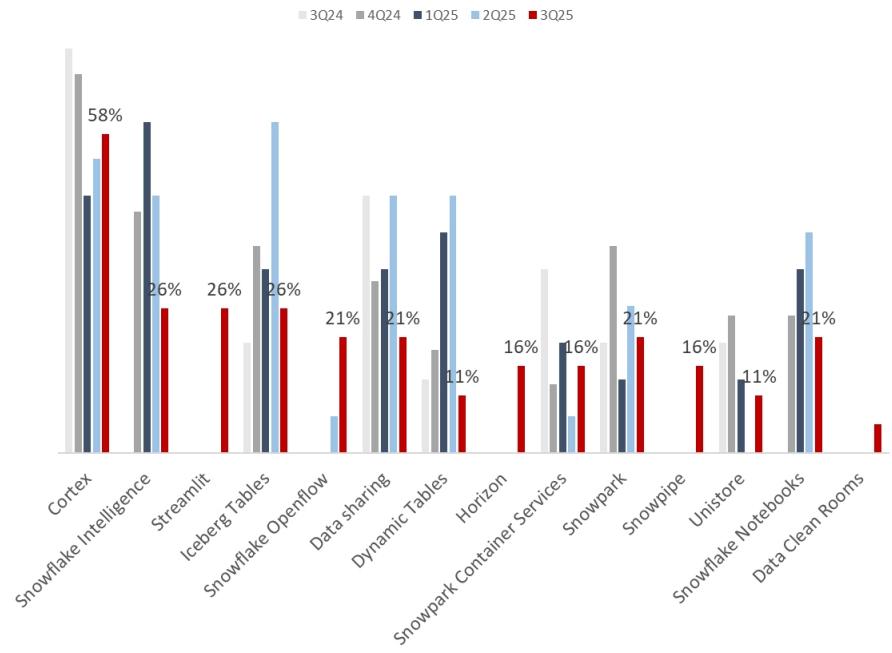
Note: Snowflake Notebooks added in 4Q24; Snowflake Open Catalog (Polaris) added in 1Q25; Snowflake Openflow added in 2Q25.

Most Desired Products

Which products are you or your customers most interested in using or planning to use in the future? (Customers and Partners)

Cortex the #1 product customers are most interested in using or planning to use in the future.

- (+) **Cortex** the most desired product by a significant margin. **Openflow** improved meaningfully q/q.
- (-) **Snowflake Intelligence, Iceberg Tables, Data Sharing, and Dynamic Tables** downticked meaningfully vs. last quarter.



Source: KeyBanc Capital Markets Inc.

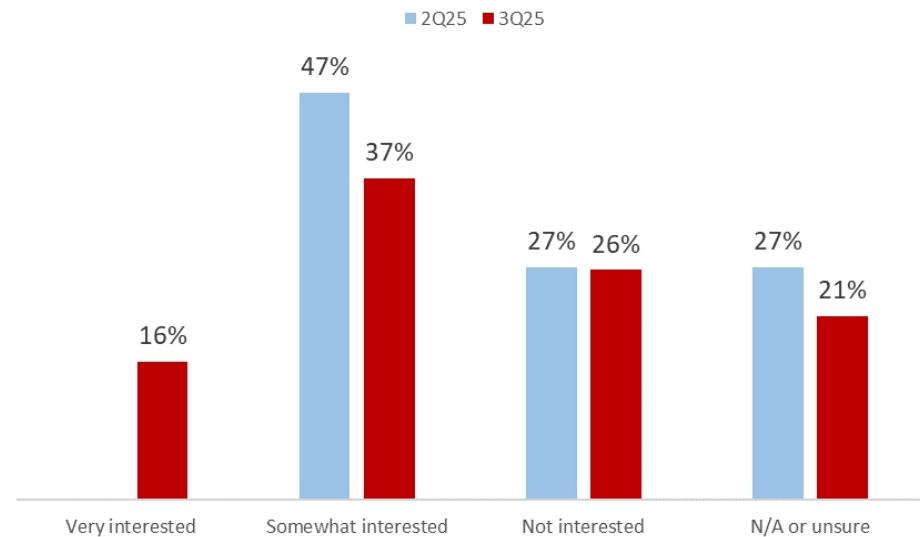
Note: 3Q24 N=15; 4Q24 N=16; 1Q25 N=15; 2Q25 N=15; 3Q25 N=19.

Note: Snowflake Intelligence and Snowflake Notebooks added in 4Q24; Snowflake Openflow added in 2Q25; Streamlit, Data Clean Rooms and Horizon added in 3Q25.

PostgreSQL

Are you or your customers interested in using Snowflake for PostgreSQL (transactional/OTLP) workloads? (Customers and Partners)

Over half (53%) of respondents have some interest in using Snowflake for PostgreSQL workloads, up from 47% last quarter. 16% are very interested.

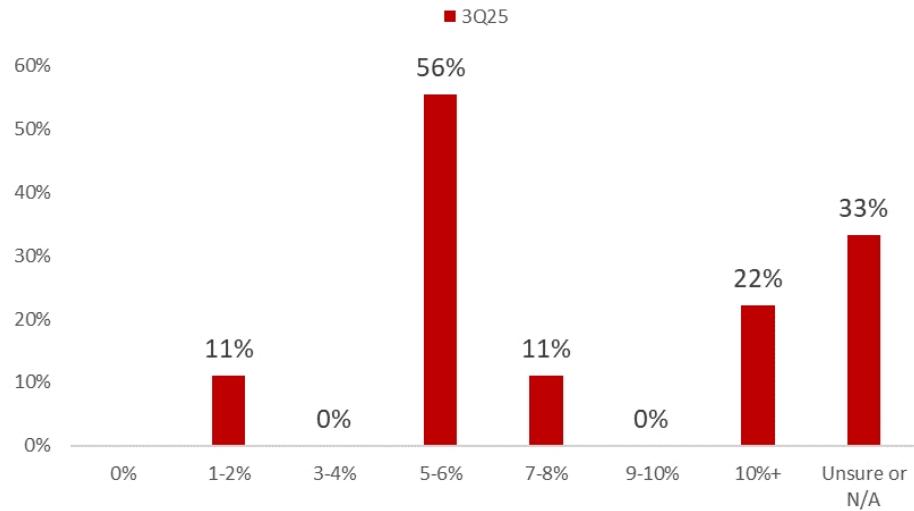


Source: KeyBanc Capital Markets Inc.

Note: 2Q25 N=15; 3Q25 N=19.

Cortex Spend

What % of your Snowflake bill do you expect to spend on Cortex over the next 12 months? (Customers and Partners)



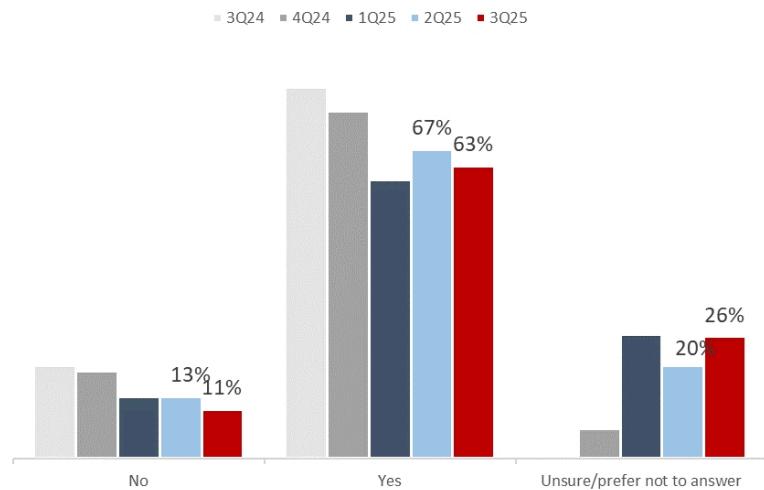
Source: KeyBanc Capital Markets Inc.

Note: 3Q25 N=9 (respondents that stated "unsure" are not included in the average calculation).

GenAI Plans

Are you or your customers using or planning to use Snowflake for GenAI use cases? (Customers and Partners)

63% of customers are using or plan to use Snowflake for GenAI use cases – about steady with last quarter. One respondent noted that they are currently using Snowflake for GenAI use cases, down from three in our prior surveys.



Source: KeyBanc Capital Markets Inc.

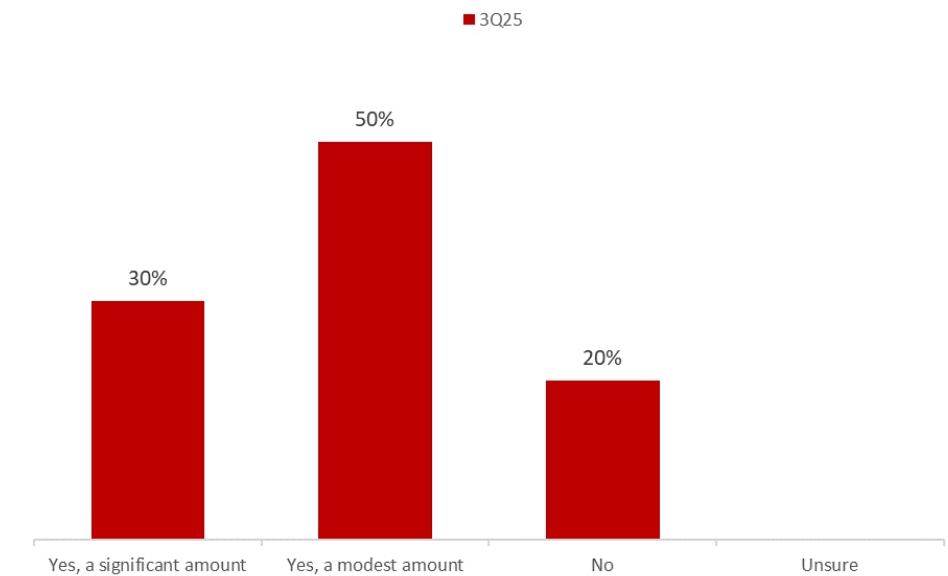
Note: 3Q24 N=15; 4Q24 N=16; 1Q25 N=15; 2Q25 N=15; 3Q25 N=19.

Use cases that customers are experimenting/piloting or have deployed include:

- "Buildings and deploying customer LLM using the snowflake cortex & AI-powered data enrichment."
- "Still figuring out."

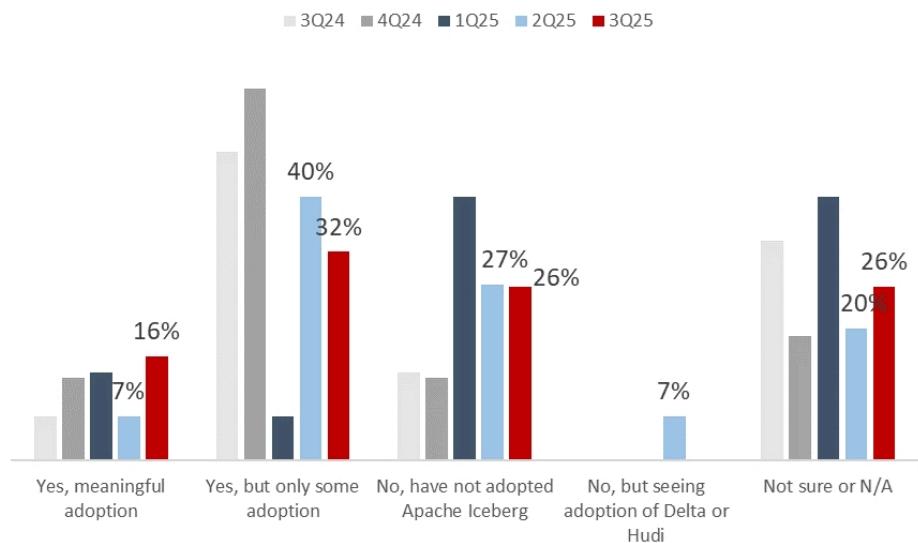
- "We are finalizing full enterprise data engineering into snowflake and will decide early next year."
- "Not sure yet."
- "To streamline chatbot creation process, from data access to user interface."
- "Build a Statistical Testing Agent."
- "Data products for non-technical users."
- "Use large language models (LLMs) to understand unstructured data, answer freeform questions, and provide intelligent assistance."
- "Building apps using Cortex, Using Cortex for AI-assisted engineering."
- "Exploring GenAI capabilities provided by Snowflake."

Is your organization's AI strategy/initiatives driving increased spend with your cloud data platform solution (either Snowflake or Databricks)? (Customers and Partners)



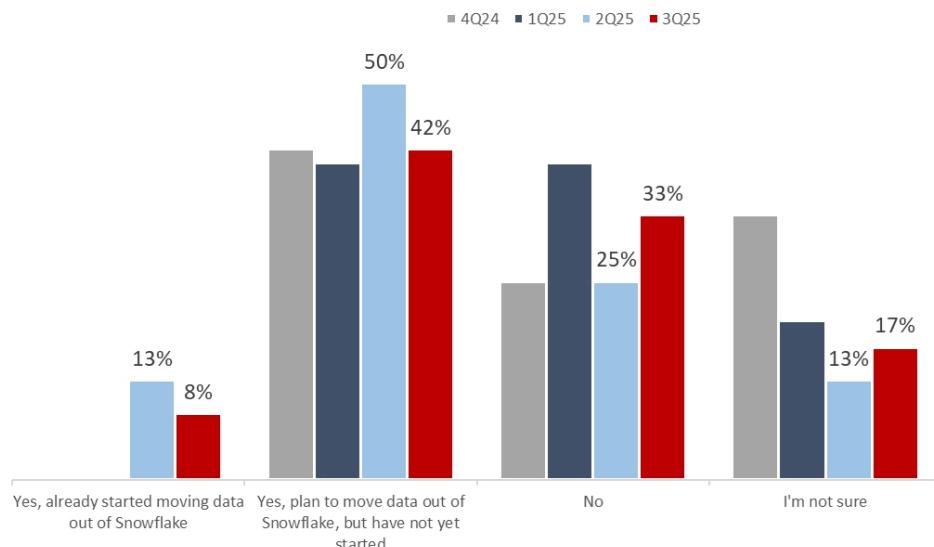
3Q25 N=20

Source: KeyBanc Capital Markets Inc.

Iceberg**Are you or your customers using Apache Iceberg? (Customers and Partners)****48% of respondents have adopted Iceberg tables, in line with 47% in our prior survey.**

Source: KeyBanc Capital Markets Inc.

Note: 3Q24 N=15; 4Q24 N=16; 1Q25 N=15; 2Q N=15; 3Q25 N=19.

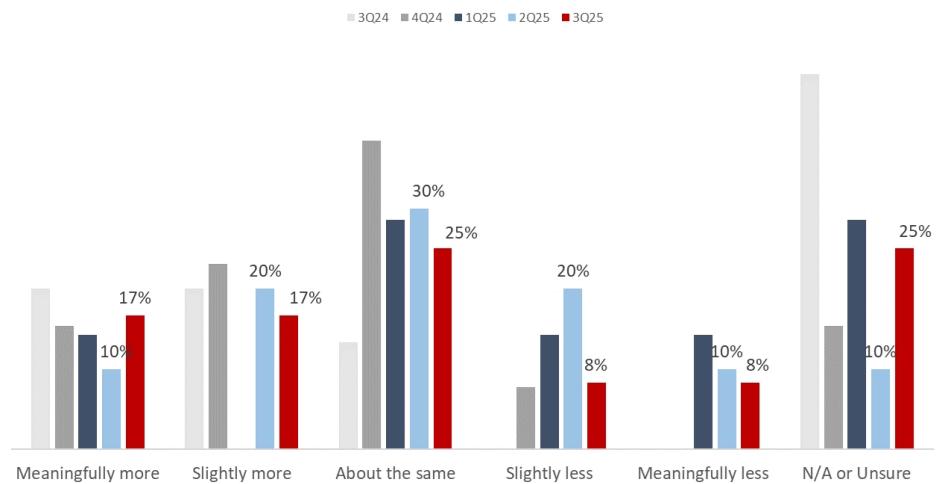
Do you or your customers plan to use Iceberg tables to move data out of Snowflake? (Customers and Partners)**42% of respondents plan to move data out of Snowflake, down from 50% in our prior survey. One customer has already started to move data out of Snowflake, consistent with our prior survey.**

Source: KeyBanc Capital Markets Inc.

Note: 4Q24 N=12; 1Q25 N=5; 2Q25 N=8; 3Q25 =12.

Do you expect Iceberg to drive more or fewer incremental workloads/use cases to Snowflake? (Customers and Partners)

34% of respondents expect Iceberg to drive incremental workloads to Snowflake, up from 30% last quarter and 14% in the 1Q25 survey.



Source: KeyBanc Capital Markets Inc.

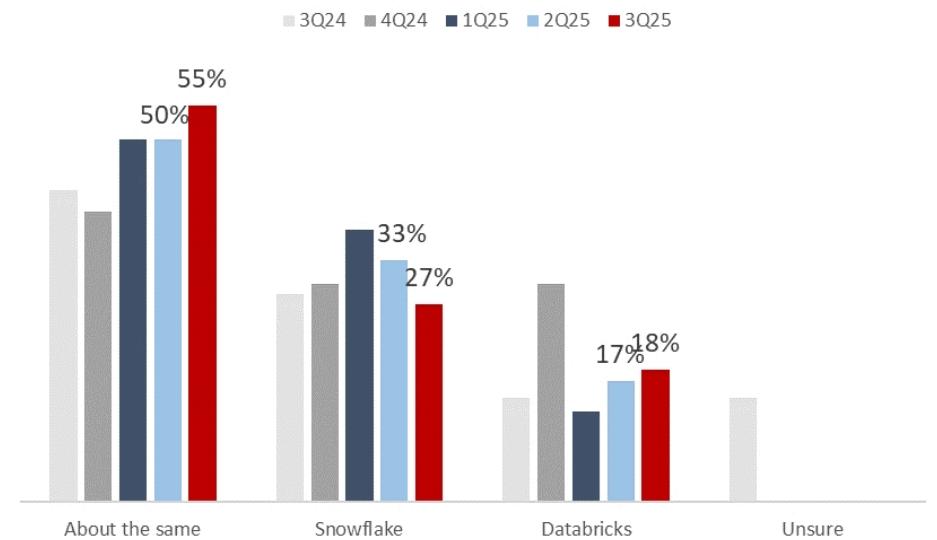
Note: 3Q24 N=15; 4Q24 N=13; 1Q25 N=7; 2Q25 N=10; 3Q25 N=12

Note: Beginning in 1Q25, only respondents that have adopted iceberg were presented this question.

Databricks/Snowflake

Do you view Snowflake or Databricks as the more strategic vendor to your organization/customers over the next couple of years? (Customers and Partners)

55% of respondents noted they view Snowflake and Databricks' strategic importance as roughly the same, up from 50% last quarter. This is more balanced than last quarter, which skewed slightly more favorable to Snowflake.



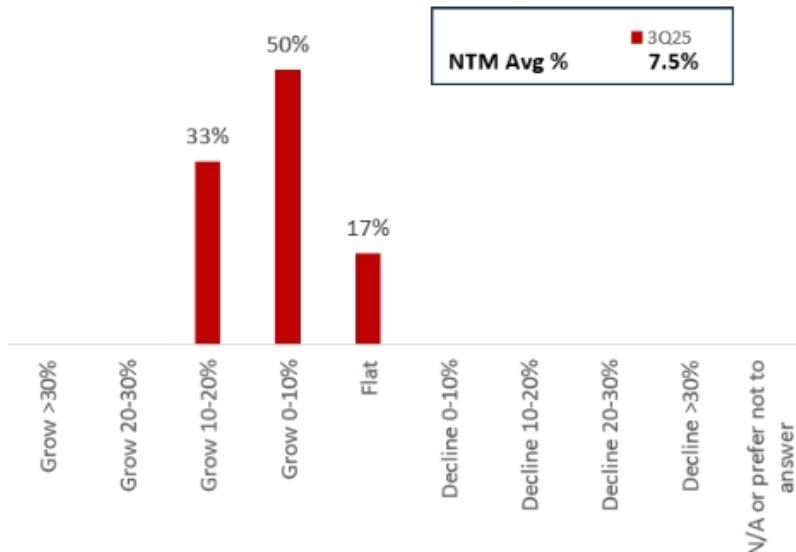
Source: KeyBanc Capital Markets Inc.

Note: 3Q24 N=7; 4Q24 N=10; 1Q25 N=8; 2Q25 N=12; 3Q25 N=11.

Databricks Survey Takeaways**Databricks Spend Growth**

How much do you expect your, or your end customers', annual Databricks spend to change over the next year? (Customers and Partners)

Customer spend expected to grow 7.5% with Databricks over the NTM.

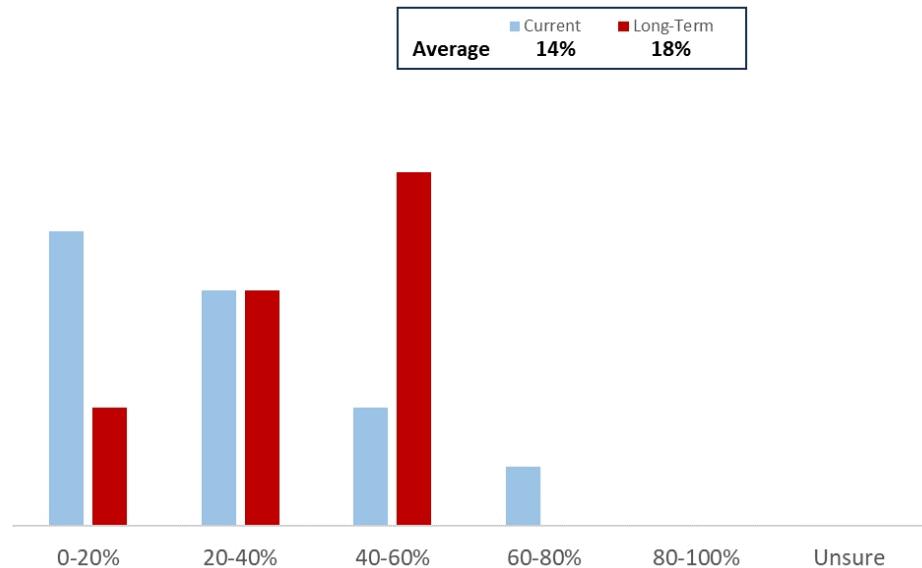


Source: KeyBanc Capital Markets Inc.

Note: 3Q25 N=12.

Databricks Penetration

What % of your analytic or data workloads run on Databricks vs. other platforms today? LT? (Customers and Partners)



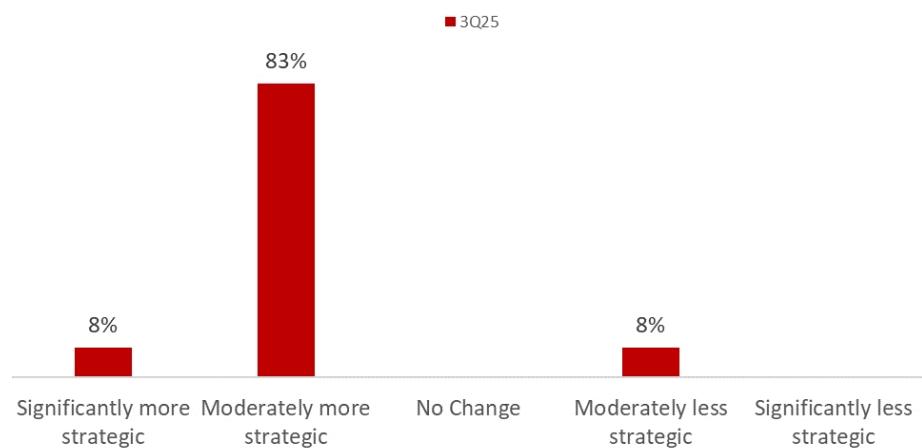
Source: KeyBanc Capital Markets Inc.

Note: 3Q25 N=12.

Databricks Strategic Importance

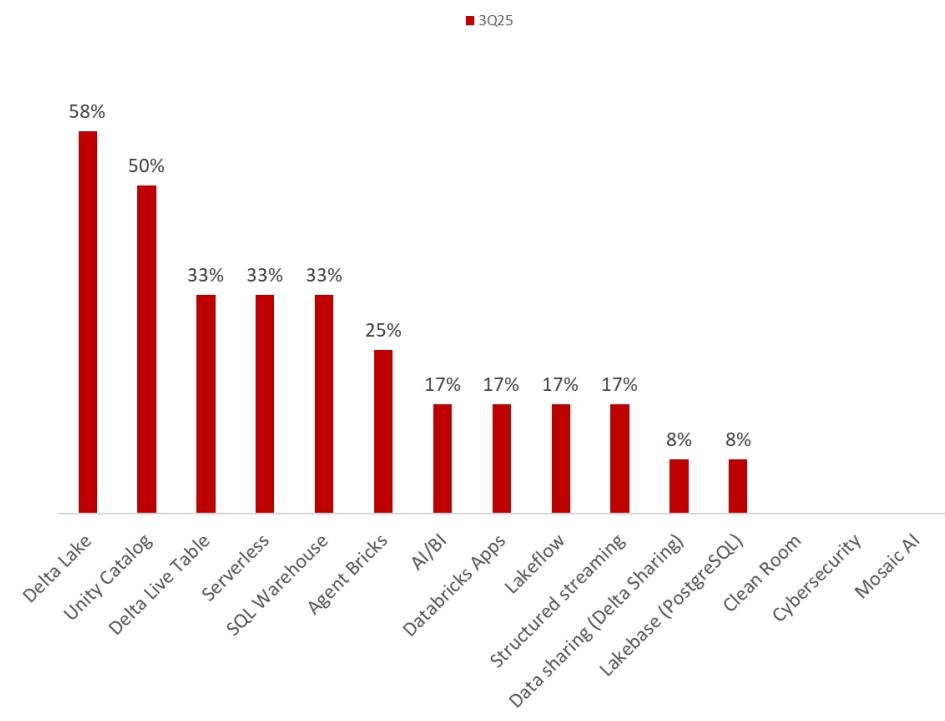
How has Databricks' strategic importance changed in the last six months? (Customers and Partners)

91% of respondents noted Databricks' strategic importance has increased in the past six months.



Source: KeyBanc Capital Markets Inc.

Note: 3Q25 N=12.

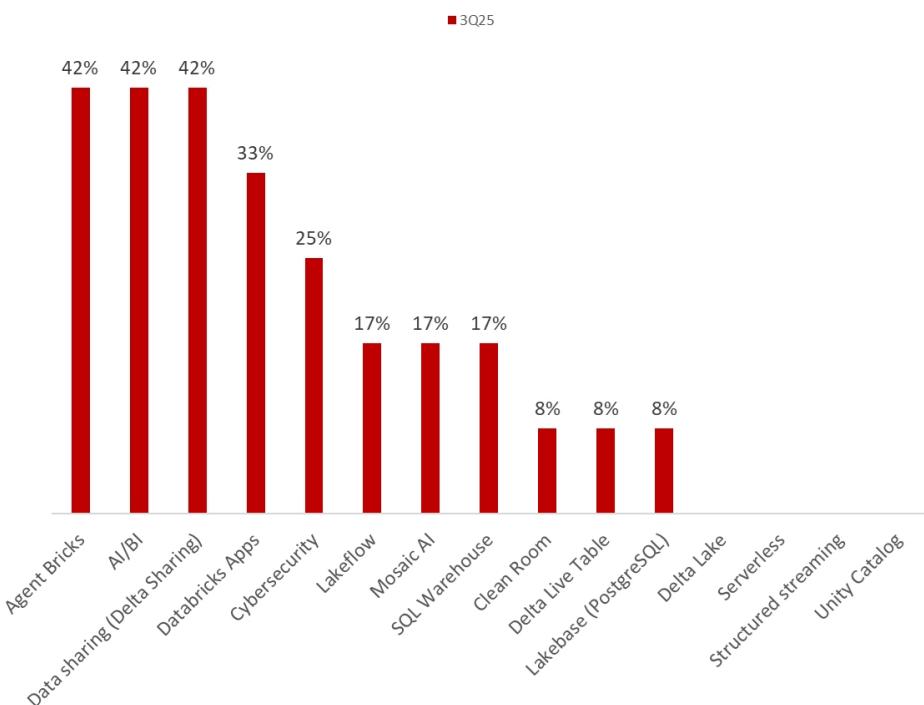
Databricks Adoption**Current****Product****Which products do you or the majority of your customers currently use? (Customers and Partners)***Delta Lake and Unity Catalog are currently the most used products.**Source: KeyBanc Capital Markets Inc.**Note: 3Q25 N=12.*

Most Desired Products

Databricks

Which products are you or your customers most interested in using or planning to use in the future? (Customers and Partners)

Agent Bricks, AI/BI, and Data sharing tied for #1 as product customers are most interested in using or planning to use in the future.



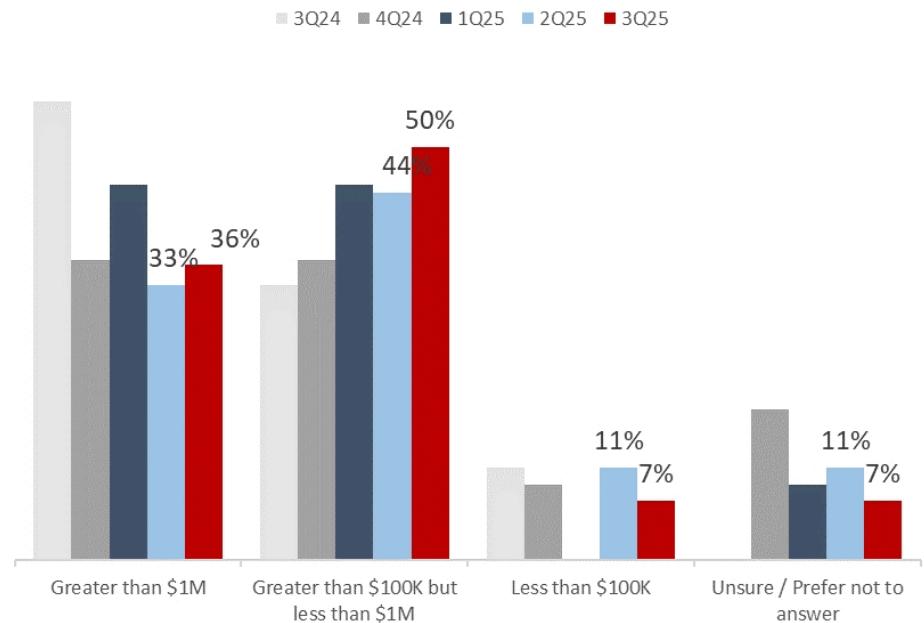
Source: KeyBanc Capital Markets Inc.

Note: 3Q25 N=12.

Appendix

Snowflake

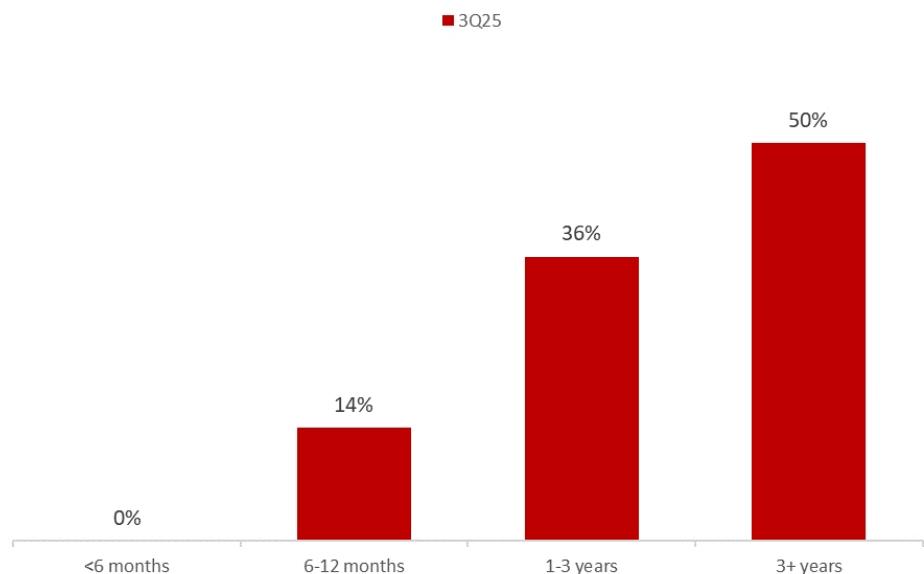
What is your annual spend with Snowflake? (Customers)



Source: KeyBanc Capital Markets Inc.

Note: 3Q24 N=9; 4Q24 N=11; 1Q25 N=11; 2Q25 N=9; 3Q25 N=15.

How long has your organization been using Snowflake? (Customers)

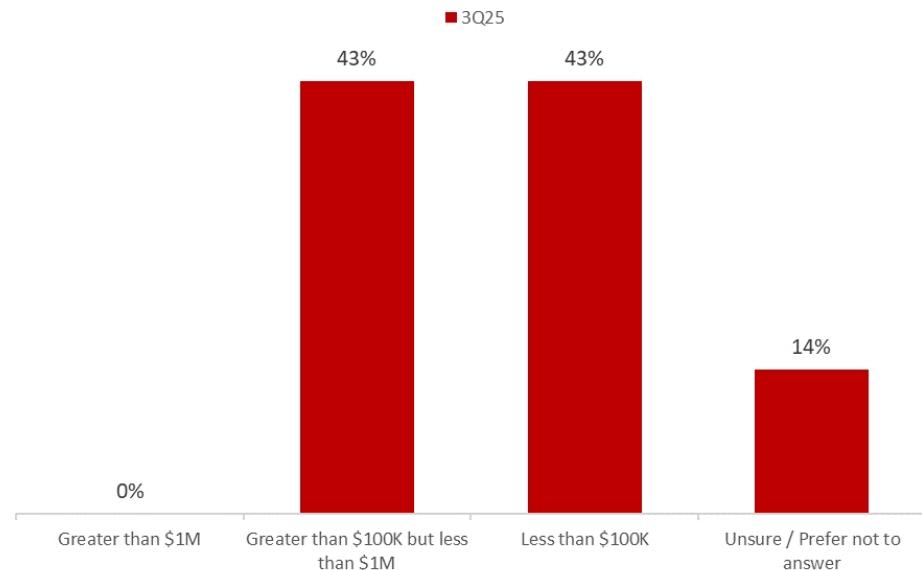


Source: KeyBanc Capital Markets Inc.

Note: 3Q25 N=14

Databricks

What is your annual spend with Databricks? (Customers)

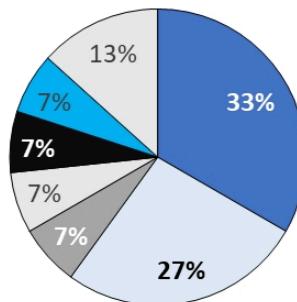


Source: KeyBanc Capital Markets Inc.

Note: 3Q25 N=7

Snowflake & Databricks

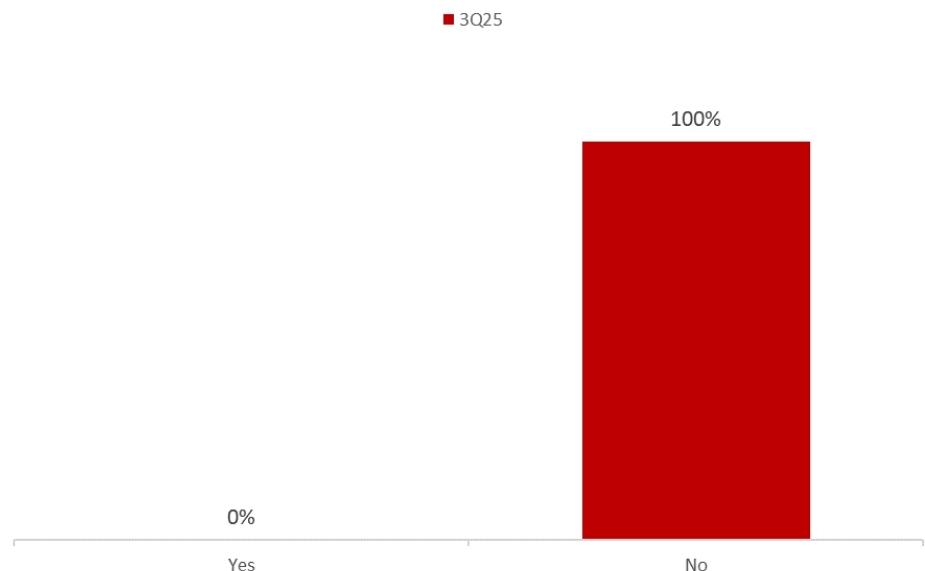
Which of the following best describes your organization's primary industry? (Snowflake and Databricks Customers)



■ Technology □ Finance ■ Manufacturing □ Healthcare ■ Education ■ Energy □ Other

Source: KeyBanc Capital Markets Inc.

Note: N=15.

Are you a customer of Palantir?

Source: KeyBanc Capital Markets Inc.
Note: N=20.

Income Statement

Snowflake Inc. (in millions, except per share items)	CAGR						F2025				F2026E				F2027E				
	F2023	F2024	F2025	F2026E	F2027E	F2028E	F25-F28	1Q (Apr)	2Q (Jul)	3Q (Oct)	4Q (Jan)	1Q (Apr)	2Q (Jul)	3QE (Oct)	4QE (Jan)	1QE (Apr)	2QE (Jul)	3QE (Oct)	4QE (Jan)
Revenue	2,065.7	2,806.5	3,626.4	4,595.1	5,595.5	6,684.0	23%	828.7	868.8	942.1	986.8	1,042.1	1,145.0	1,176.9	1,231.2	1,284.0	1,369.7	1,440.6	1,501.2
Product Revenue	1,938.8	2,666.8	3,462.4	4,395.0	5,375.5	6,441.6		789.6	829.3	900.3	943.3	996.8	1,090.5	1,127.5	1,180.2	1,231.3	1,313.9	1,385.9	1,444.5
Professional Services Revenue	126.9	139.6	164.0	200.1	220.0	242.4		39.1	39.6	41.8	43.5	45.3	54.5	49.4	51.0	52.8	55.8	54.7	56.7
Cost of Revenue	599.1	723.6	977.7	1,247.3	1,467.2	1,685.3		219.6	232.6	254.9	270.6	290.0	309.7	315.6	332.0	342.2	360.7	375.1	389.1
Product	481.4	590.9	819.1	1,050.1	1,254.9	1,452.4		182.3	195.5	213.4	228.0	242.7	256.9	267.8	282.7	291.3	306.9	322.3	334.5
Professional Services	117.7	132.7	158.6	197.2	212.3	233.0		37.3	37.1	41.5	42.6	47.3	52.8	47.8	49.3	51.0	53.9	52.8	54.7
Gross Profit	1,466.6	2,082.9	2,648.7	3,347.8	4,128.3	4,998.7	24%	609.1	636.2	687.2	716.2	752.1	835.3	861.2	899.1	941.8	1,008.9	1,065.5	1,112.1
Product Gross Profit	1,457.4	2,076.0	2,643.3	3,344.9	4,120.6	4,989.3		607.3	633.8	686.9	715.3	754.1	833.6	859.7	897.5	940.0	1,007.0	1,063.6	1,110.0
Professional Services Gross Profit	9.2	6.9	5.4	2.9	7.7	9.4		1.8	2.4	0.3	0.9	-2.0	1.7	1.5	1.7	1.8	1.9	1.9	2.1
R&D	367.9	612.1	883.0	1,034.2	1,237.5	1,412.5		203.2	224.2	224.8	230.8	238.8	247.1	264.1	284.1	292.1	302.1	315.1	328.1
S&M	823.2	1,041.5	1,291.2	1,622.8	1,949.8	2,320.8		312.6	309.1	340.6	328.9	357.9	392.1	425.5	447.4	428.1	455.4	520.8	545.5
Y/Y%	56%	27%	24%	26%	20%	19%		28%	23%	27%	19%	14%	27%	25%	36%	20%	16%	22%	22%
G&A	180.2	199.6	242.8	264.8	276.8	288.8		57.1	59.1	62.9	63.6	63.8	68.5	65.9	66.6	66.8	71.5	68.9	69.6
Operating Expenses	1,371.3	1,853.2	2,417.0	2,921.8	3,464.1	4,022.1	19%	572.9	592.5	628.3	623.4	660.5	707.7	755.5	798.1	787.0	829.0	904.9	943.2
Y/Y%	55%	35%	30%	21%	19%	16%		36%	33%	31%	23%	15%	19%	20%	28%	19%	17%	20%	18%
Q/Q%	—	—	—	—	—	—		13%	3%	6%	-1%	6%	7%	7%	6%	-1%	5%	9%	4%
Total Expenses	1,970.4	2,576.8	3,394.7	4,169.1	4,931.3	5,707.4	19%	792.5	825.1	883.2	893.9	950.4	1,017.4	1,071.2	1,130.1	1,129.3	1,189.7	1,280.0	1,332.3
Y/Y%	58%	31%	32%	23%	18%	16%		34%	33%	33%	27%	20%	23%	21%	26%	19%	17%	19%	18%
EBIT (Non GAAP)	95.3	229.7	231.7	426.0	664.2	976.6		36.2	43.7	58.9	92.8	91.7	127.6	105.7	101.1	154.7	180.0	160.6	168.9
Total Other Income	26.3	245.6	173.7	171.1	221.2	228.5		33.5	41.3	40.2	58.7	25.1	44.5	51.4	50.1	55.2	58.2	55.0	52.8
Interest Income	73.8	200.7	209.0	202.4	205.5	212.7		54.8	49.3	48.7	56.3	55.2	51.5	48.4	47.2	51.3	54.3	51.1	48.8
Other Income (Expense)	(47.6)	44.9	(35.3)	(31.3)	15.8	15.8		(21.3)	(7.9)	(8.5)	2.4	(30.1)	(7.1)	2.9	3.9	3.9	3.9	3.9	3.9
Pre-Tax Income	121.6	475.3	405.4	597.0	885.4	1,205.1		69.7	85.1	99.1	151.5	116.8	172.1	157.0	151.2	210.0	238.2	215.7	221.6
(Benefit) from provision for Income Taxes	31.6	123.6	105.4	149.4	221.6	301.6		18.3	22.0	25.8	39.4	29.2	43.1	39.3	37.8	52.6	59.6	54.0	55.5
Non-GAAP Net Income (Loss)	90.0	351.7	300.0	447.6	663.8	903.4		51.4	63.1	73.3	112.1	87.6	129.0	117.7	113.3	157.4	178.6	161.7	166.1
Noncontrolling Interest	(0.5)	(1.7)	(1.4)	(0.0)	0.0	0.0		(0.7)	(0.8)	0.1	0.0	0.3	(0.3)	0.0	0.0	0.0	0.0	0.0	0.0
Non-GAAP NI (Loss) attributable to Snowflake	90.4	353.3	301.3	447.6	663.8	903.4		52.2	63.9	73.2	112.1	87.3	129.3	117.7	113.3	157.4	178.6	161.7	166.1
Diluted WASO	359.1	362.2	363.9	372.3	376.8	381.5	2%	363.3	359.3	362.2	370.7	370.9	372.4	374.0	371.8	374.3	376.0	377.7	379.4
Diluted Non-GAAP EPS	\$0.25	\$0.97	\$0.82	\$1.20	\$1.76	\$2.37		\$0.14	\$0.18	\$0.20	\$0.30	\$0.24	\$0.35	\$0.31	\$0.30	\$0.42	\$0.47	\$0.43	\$0.44
Diluted Non-GAAP EPS attributable to Snowflake	\$0.25	\$0.98	\$0.83	\$1.20	\$1.76	\$2.37	42%	\$0.14	\$0.18	\$0.20	\$0.30	\$0.24	\$0.35	\$0.31	\$0.30	\$0.42	\$0.47	\$0.43	\$0.44
GAAP Net Income (Loss)	(797.5)	(838.0)	(1,289.2)	(1,298.9)	(1,103.0)	(1,151.0)		(317.8)	(317.8)	(327.9)	(325.7)	(430.0)	(297.9)	(292.8)	(278.2)	(254.7)	(253.2)	(291.8)	(303.2)
Diluted GAAP EPS	(\$2.22)	(\$2.31)	(\$3.54)	(\$3.49)	(\$2.93)	(\$3.02)		(\$0.87)	(\$0.88)	(\$0.91)	(\$0.88)	(\$1.16)	(\$0.80)	(\$0.78)	(\$0.75)	(\$0.68)	(\$0.67)	(\$0.80)	(\$0.80)
Margins																			
Gross Margin	71.0%	74.2%	73.0%	72.9%	73.8%	74.8%		73.5%	73.2%	72.9%	72.6%	72.2%	73.0%	73.2%	73.0%	73.3%	73.7%	74.0%	74.1%
Product GM	75.2%	77.8%	76.3%	76.1%	76.7%	77.5%		76.9%	76.4%	76.3%	75.8%	75.7%	76.4%	76.2%	76.0%	76.3%	76.6%	76.7%	76.8%
Professional Services GM	7.3%	5.0%	3.3%	1.4%	3.5%	3.9%		4.6%	6.1%	6.1%	2.1%	-4.4%	3.0%	3.1%	3.2%	3.3%	3.4%	3.5%	3.6%
R&D % Revenue	17.8%	21.8%	24.3%	22.5%	22.1%	21.1%		24.5%	25.8%	23.9%	23.4%	22.9%	21.6%	22.4%	23.1%	22.8%	22.1%	21.9%	21.9%
S&M % Revenue	39.9%	37.1%	35.6%	35.3%	34.8%	34.7%		37.7%	35.6%	36.2%	33.3%	34.3%	34.2%	36.2%	36.3%	33.3%	33.2%	36.2%	36.3%
G&A % Revenue	8.7%	7.1%	6.7%	5.8%	4.9%	4.3%		6.9%	6.8%	6.7%	6.4%	6.1%	6.0%	5.6%	5.4%	5.2%	5.2%	4.8%	4.6%
Non-GAAP EBIT Margin	4.6%	8.2%	6.4%	9.3%	11.9%	14.6%		4.4%	5.0%	6.3%	9.4%	8.8%	11.1%	9.0%	8.2%	12.1%	13.1%	11.2%	11.2%
Y/Y Bps	717	357	(180)	288	260	274		(86)	(301)	(355)	25	442	611	273	(120)	326	200	217	304
Non-GAAP Effective Tax Rate	26.0%	26.0%	26.0%	25.0%	25.0%	25.0%		26.2%	25.8%	26.0%	26.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%
Non-GAAP Net Income Margin	4.4%	12.5%	8.3%	9.7%	11.9%	13.5%		6.2%	7.3%	7.8%	11.4%	8.4%	11.3%	10.0%	9.2%	12.3%	13.0%	11.2%	11.1%
FCF Margin	24.0%	27.8%	24.4%	23.9%	25.1%	25.8%		—	—	—	—	—	—	—	—	—	—	—	—
Y/Y Bps	1,738	372	(338)	(44)	115	73		—	—	—	—	—	—	—	—	—	—	—	—
FCF Margin to EBIT Margin Delta	19.4%	19.6%	18.0%	14.7%	13.2%	11.2%		—	—	—	—	—	—	—	—	—	—	—	—
Growth Y/Y%								33%	29%	28%	27%	26%	32%	25%	25%	23%	20%	22%	22%
Revenue	69%	36%	29%	27%	22%	19%		7%	5%	8%	5%	6%	10%	3%	5%	4%	7%	5%	4%
Revenue Q/Q%	—	—	—	—	—	—		—	—	—	—	—	—	—	—	—	—	—	—
R&D	71%	66%	44%	17%	20%	14%		58%	55%	41%	28%	18%	10%	18%	23%	22%	22%	19%	15%
S&M	56%	27%	24%	26%	20%	19%		28%	23%	27%	19%	14%	27%	25%	36%	20%	16%	22%	22%
G&A	26%	11%	22%	9%	5%	4%		20%	16%	26%	25%	12%	16%	5%	5%	4%	5%	5%	5%
EPS	—	288%	-15%	45%	46%	34%		-5%	-20%	-19%	-14%	64%	95%	56%	1%	79%	37%	36%	44%
Shares	1%	1%	0%	2%	1%	1%		—	—	—	—	—	—	—	—	—	—	—	—

Source: Snowflake, KBCM estimates

Investment Risks

Snowflake Inc. (SNOW)

Risks that could impede the stock from achieving our price target include: 1) increased competition, including with public cloud vendors; 2) Snowflake may not be a meaningful GenAI beneficiary; 3) management turnover may present execution risk; 4) Snowflake may not successfully expand beyond core DW; 5) there may be continuous consumption headwinds; and 6) newer architectures (i.e., Iceberg tables) could erode storage revenue or cause compute workloads to move elsewhere.

Disclosure Appendix

Important Disclosures

Snowflake Inc. - SNOW

We expect to receive or intend to seek compensation for investment banking services from Snowflake Inc. within the next three months.

As of the date of this report, we make a market in Snowflake Inc..

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Three-Year Rating and Price Target History



Rating Disclosures

Distribution of Ratings/IB Services Firmwide and by Sector								
KeyBanc Capital Markets					Technology			
Rating	IB Serv/Past 12 Mos.				IB Serv/Past 12 Mos.			
	Count	Percent	Count	Percent	Count	Percent		
Overweight [OW]	278	50.36	50	17.99	95	54.60	8	8.42
Sector Weight [SW]	263	47.64	43	16.35	73	41.95	5	6.85
Underweight [UW]	11	1.99	2	18.18	6	3.45	0	0.00

Rating System

Overweight - We expect the stock to outperform the analyst's coverage sector over the coming 6-12 months.

Sector Weight - We expect the stock to perform in line with the analyst's coverage sector over the coming 6-12 months.

Underweight - We expect the stock to underperform the analyst's coverage sector over the coming 6-12 months.

Disclosure Appendix (cont'd)

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