

Survey Says: Robust Demand, Incremental Growth Driven By AI

Our proprietary SNOW survey indicates robust demand (pipeline, partner growth outlooks) with AI as the primary driver of incremental growth. We continue to favor SNOW as a Top Pick and believe the co is poised for a strong F2H on positive checks, growing AI adoption, easing comps, and a conservative guide. Buy, PT to \$300 (implies 16x CY27 rev).

SNOW Partner Survey Says: Robust Demand, Incremental Growth Driven By AI. We surveyed 20 US-based SNOW partners to gauge demand and other key debates (AI traction, Iceberg Tables, data warehouse migration, competitive dynamics, etc.). Key takeaways: 1) 70% of partners either hit or exceeded their plans in F3Q; 2) overall pipeline remained robust with 45% of partners seeing q/q improvement; 3) growth expected to further accelerate in '25 off solid '24 growth numbers; 4) AI growth expectations rising and still ample runway for further adoption ahead; 5) some macro impact in F3Q and partners expect macro headwinds to persist through rest of '25.

F3Q Setup. We continue to view SNOW as a top AI beneficiary and one of only two dominant data clouds that enable enterprises to centralize proprietary data for analytics and AI workloads. Execution towards 30% durable growth alongside increasing margins can drive further upside.

We believe investors are focused on: **1) 30% durable growth prospects.** F3Q product rev was guided to 25-26%, implying a 6pt sequential decel on a 1pt easier comp. The bogey for product rev growth is at 31% in F3Q, which assumes a 4.5% beat over the midpoint of guide (in-line with average beat). The current FY26 product rev guide implies a blended 25% growth in F2H vs 29% in F1H which appears conservative given SNOW's expected ramp in contributions from newer products. Balancing this optimism is the arrival of new CFO Brian Robins (joined Sept 22), which could introduce added prudence in guidance as he settles into the role. **2) AI traction.** Mgmt indicated that AI features influenced nearly half of F2Q new logo wins and now power roughly 25% of all deployed use cases. Weekly adoption continues to climb, with 6,100 accounts using AI features (up from 5,200 in F1Q). Our partner checks point to increasing adoption of Cortex over the past couple of months, though SNOW has limited disclosure around AI contribution metrics. **3) Margins, sales productivity, RPO.** Margins have been steadily trending higher, as SNOW delivered a record high 11% op margin in F2Q and issued its highest guided op margin of 9% in F3Q. This was achieved even while adding more S&M heads in F1H26 (737) than in the prior two years combined. Margins should continue to increase as S&M hiring was said to be F1H weighted. F3Q Street estimates for RPO call for \$7.32B or 28% y/y growth, a 5pt sequential growth deceleration on a 7pt tougher growth comp.

See inside for 40+ page deck including F3Q partner survey.

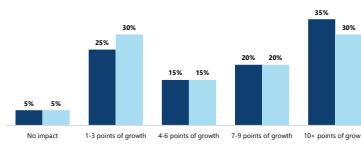
TARGET CHANGE	
RATING	BUY
PRICE	\$244.66^
PRICE TARGET % TO PT	▲ \$300.00 (\$270.00) +23%
52W HIGH-LOW	\$280.67 - \$120.10
FLOAT (%) ADV MM (USD)	87.8% 932.14
MARKET CAP	\$91.1B
TICKER	SNOW

[^]A Prior trading day's closing price unless otherwise noted.

FY (Jan)	CHANGE TO JEF		JEF vs CONS	
	2026	2027	2026	2027
REV	NA	NA	+1%	+3%
EPS	NA	NA	+3%	-1%
<hr/>				
2026 (\$)	Q1A	Q2A	Q3	Q4
EPS	0.24	0.35	0.28	0.27
<hr/>				
FY				
PREV				

Exhibit 1 - AI Optimism Rising

Q: How much do you expect SNOW's AI products to contribute to your practice growth in 2025?



Source: Jefferies Proprietary Survey (n=20)

FY (Jan)	2024A	2025A	2026E	2027E
Rev. (MM)	2,806.5	3,626.4	4,595.7	5,765.0
Cons. Rev.	2,806.5	3,626.4	4,532.8	5,587.8
Cons. EPS	0.97	0.83	1.10	1.56
EPS	0.97	0.82	1.13	1.54

Brent Thill * | Equity Analyst

(415) 229-1559 | bthill@jefferies.com

Bo Yin * | Equity Associate

+1 (212) 284-2249 | byin@jefferies.com

ShengQi Lin * | Equity Associate

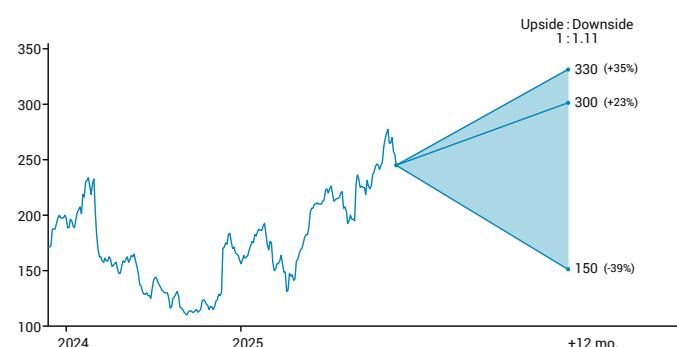
+1 (212) 778-8504 | slin4@jefferies.com

The Long View: Snowflake

Investment Thesis / Where We Differ

Snowflake is an early beneficiary of the cloud data warehousing space, and we see rapid growth sustainability on rising penetration among enterprises and potential expansion in the product offering to address adjacent workloads. We like: 1) best-in-class software growth rates; 2) significant room for profitability expansion following evidence of scale in FY21. Key risks: 1) narrowing of competitive differentiation as Redshift, Azure Synapse Analytics, and BigQuery add features/functionality; 2) more limited rev visibility vs traditional SaaS given consumption-based business model; 3) aggressive valuation premium to high-growth software peers.

Risk/Reward - 12 Month View



Base Case, \$300, +23%

- Assumes FY26E/FY27E total rev growth of 27%/25%
- Assumes FY26E/FY27E gross margins of 72%/72%
- Assumes FY26E/FY27E FCF margins of 25%/25%
- PT of \$300 implies 19x FY27E revenue

Upside Scenario, \$330, +35%

- Assumes FY26E/FY27E total rev growth of >27%/>25%
- Assumes FY26E/FY27E gross margins of >72%/>72%
- Assumes FY26E/FY27E FCF margins of >25%/>25%
- PT of \$330 implies 21x FY27E revenue

Downside Scenario, \$150, -39%

- Assumes FY26E/FY27E total rev growth of <27%/<25%
- Assumes FY26E/FY27E gross margins of <72%/<72%
- Assumes FY26E/FY27E FCF margins of <25%/<25%
- PT of \$150 implies 9x FY27E revenue

Sustainability Matters

Top Material Issue(s): 1) **Employee Engagement, Diversity & Inclusion:** Snowflake fosters a culture of inclusion across a workforce that is diverse in many ways. Combined with its performance-based culture of individual accountability, it believes this will fuel innovation, encourage authenticity, and serve its customers as it enables every organization to become data-driven. 2) **Data Security:** As a data company, Snowflake understands the importance of responsibly investing in the governance and technology required to protect data in an increasingly complex, global environment.

Company Target(s): 1) In early stages of developing a sustainability program and has identified three high-impact areas to address in its workplace operations: a) Energy management; b) GHG emissions (Scopes 1-3); c) Waste management solutions.

Qs to Mgmt: 1) What actions/steps are management taking to increase representation of minorities across its employee base? 2) What cost savings do you predict to have on a more diverse workforce?

ESG Sector Deep Dive

Catalysts

- SNOW is likely to report F3Q26 results in early December
- Ramp in adoption for Cortex and other AI products, as well as Data Engineering solutions (Snowpark, Dynamic Tables, Notebooks and others)

Jefferies

SOFTWARE

Survey Says Robust Demand, Incremental Growth Driven By AI

Brent Thill

415-229-1559

bthill@jefferies.com

NOVEMBER 2025



Table of Contents

I	SNOW Partner Survey	<u>3</u>
	1. F3Q Business Momentum and CY25 Expectations	<u>5</u>
	2. Competitive Positioning	<u>22</u>
	3. Survey Demographics	<u>30</u>
II	SNOW Earnings Preview	<u>36</u>
III	Financials	<u>41</u>

SECTION I

SNOW Partner Survey

F3Q Survey: Robust Demand, Incremental Growth Driven By AI

1

70% of partners either hit or exceeded their plans in F3Q

- 50% of partners exceeded their plans (35% were >10% above plan, 5% were >30% above plan)

2

Healthy leading indicators through F3Q

- 45% of partners cited pipeline improvement in the last 3 months (30% saw a >10% improvement, 10% saw a >20% improvement)

3

Growth expected to further accelerate in '25 off of solid '24 practice growth numbers

- Partners expect ~2pts of growth acceleration in CY25 (15% growth in '25 vs 13% in '24)
- 50% of partners expect >10% y/y growth, 25% expect >30% growth, 15% expect >40% growth, 5% expect >50% growth

4

AI growth expectations are rising; still ample runway for adoption ahead

- 55% of partners expect >7pts of AI growth contribution in 2025, 35% expect >10pts
- 70% of partners noted that <10% of their practices are driven by AI-related use cases

5

Contained macro impact in F3Q but expect macro to continue weighing on growth through rest of '25

- Macro uncertainty drove ~3pts of headwind in F3Q and expect ~3.5pts of negative impact in CY25
- 55% of partners believe macro drag will either stay the same or get better through rest of the year

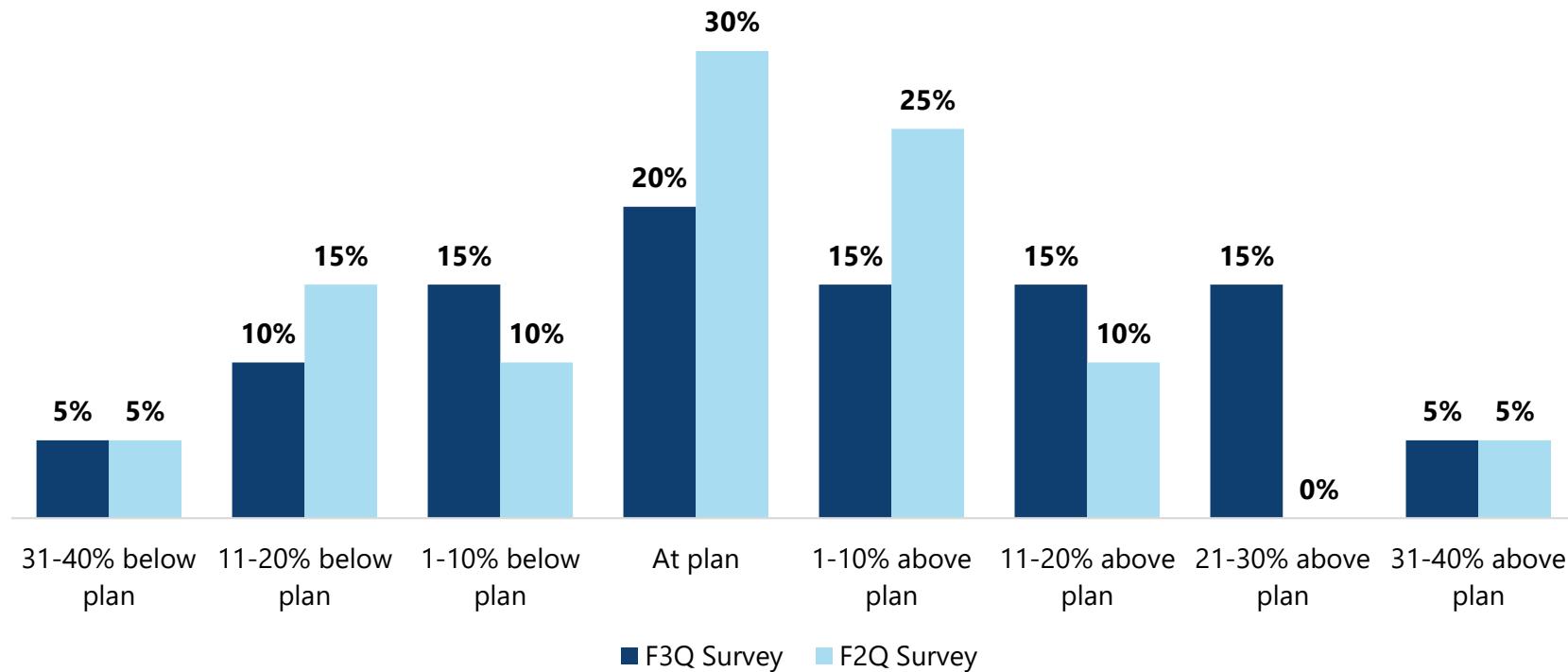
SUBSECTION 1

F3Q Business Momentum & CY25 Expectations

Majority of Partners Met or Exceeded F3Q Targets

The vast majority (70%) of partners either hit or exceeded their SNOW practice targets in F3Q, in-line with what we saw in our F2Q partner survey. While 20% of partners finished the quarter at plan (down from 30% in our F2Q survey), 50% were above plan (vs 40% in our F2Q survey).

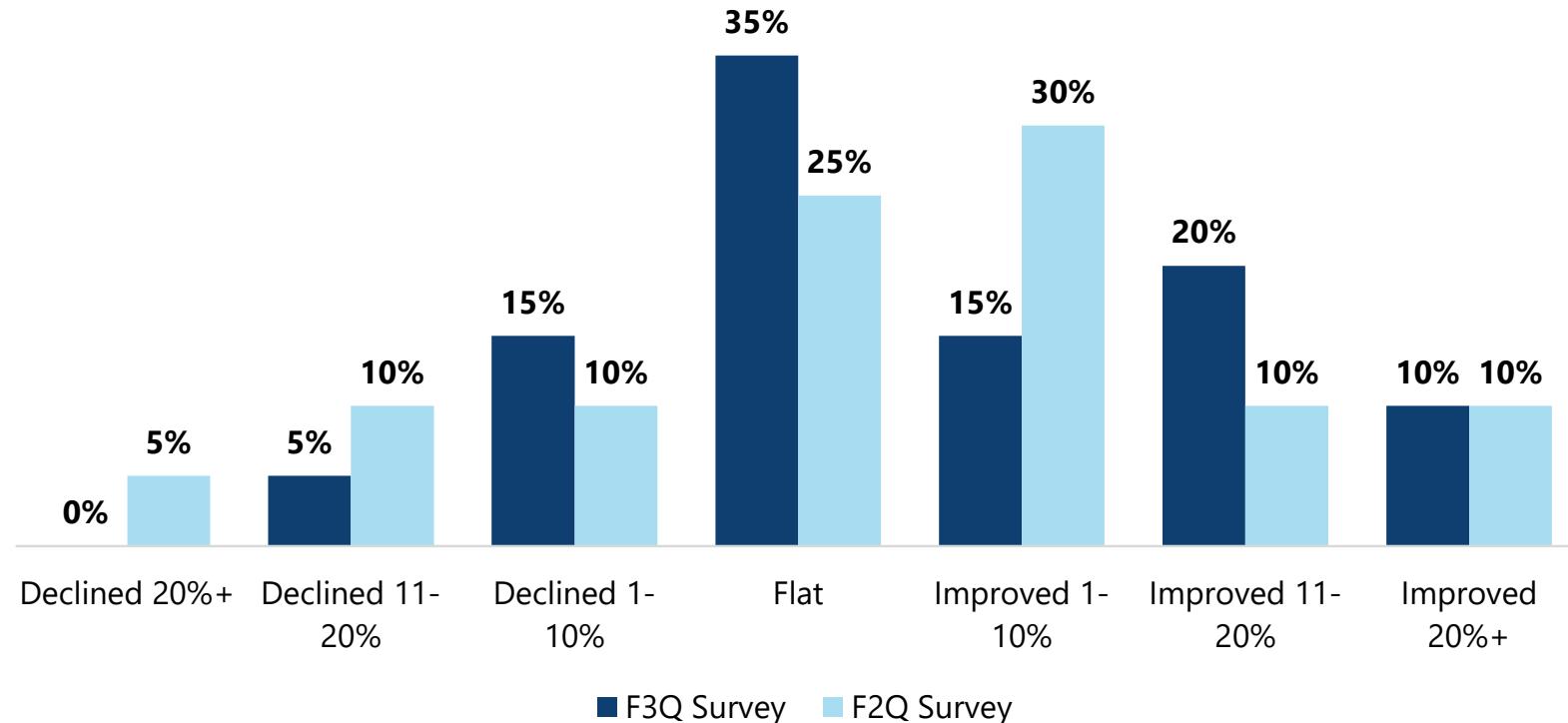
Over the past 3 months, how has your overall Snowflake related business performed?



Healthy Leading Indicators Through F3Q

45% of partners in F3Q saw sequential improvements in their SNOW pipelines and 30% noted >10% improvements (up from 20% in our F2Q survey). 35% of partners noted flat pipelines and 20% observed a decline (though mostly <10% decline).

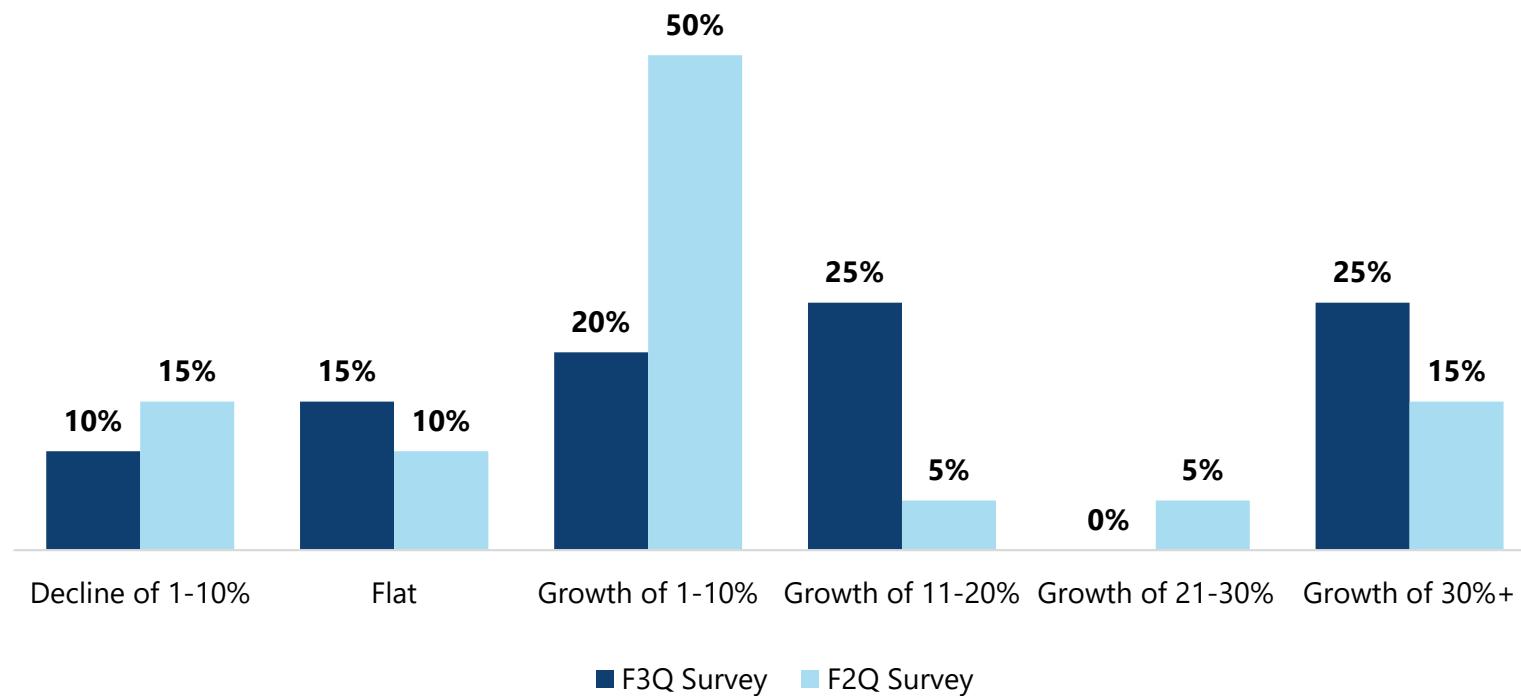
Has your Snowflake pipeline changed in the last three months when compared to the three months prior to that, and by how much?



Growth Acceleration in the 2025 Partner Practice Outlook

70% of partners expect positive practice growth in 2025. Within that, 20% expect single-digit growth (vs 50% in our F2Q survey) and 50% expect double-digit growth, a notable uptick from 25% in our F2Q survey. The survey results indicate both growth acceleration in 2025 (from 2024) and also higher average growth in 2024/2025 compared to our F2Q survey results.

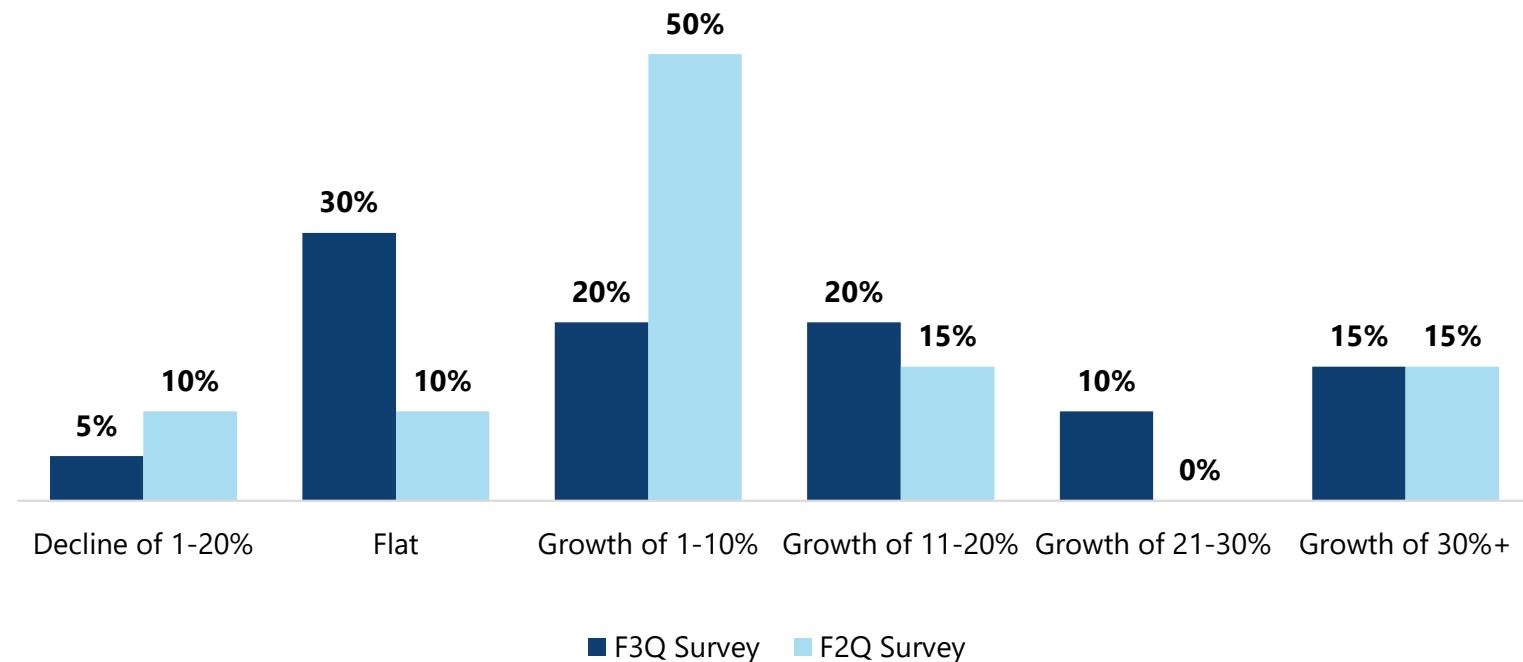
What are your growth expectations for your overall Snowflake practice in 2025?



2024 Practice Growth Was Solid

65% of partners delivered positive practice growth in 2024. Within that, 45% saw double-digit growth (vs 30% in our F2Q survey) and 20% saw single-digits growth (vs 50% in our F2Q survey).

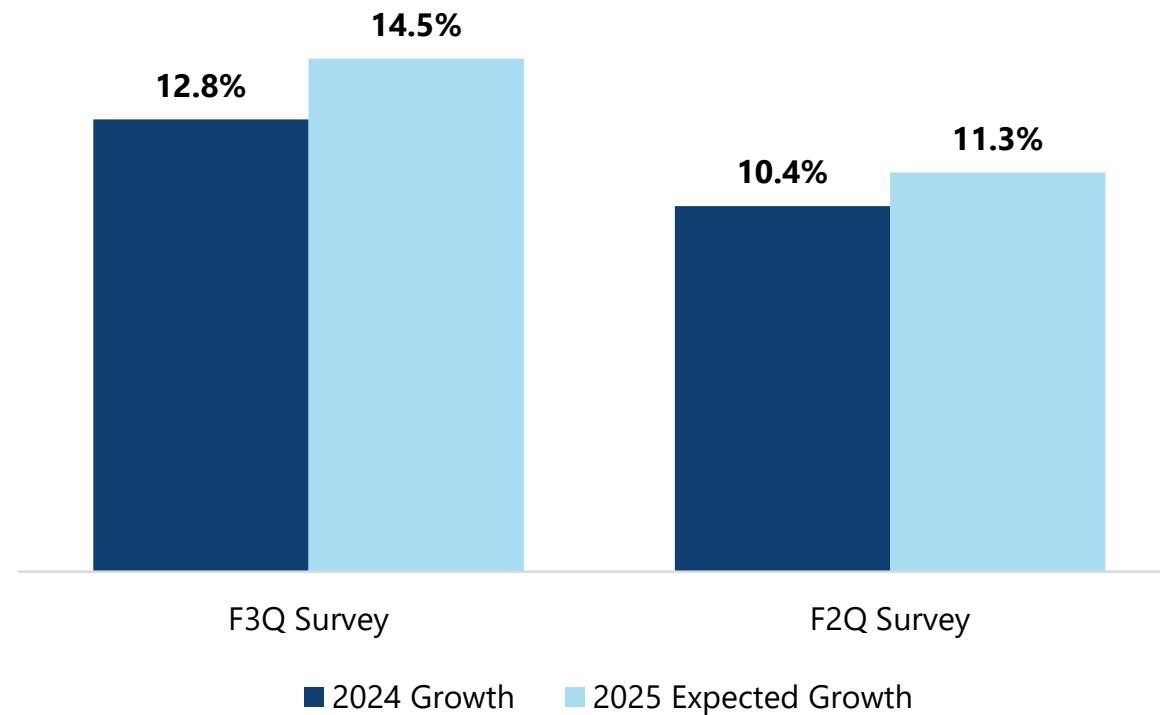
What did your overall Snowflake practice grow in 2024?



In Aggregate, Partners Anticipate ~2pts of Growth Acceleration in 2025

The F3Q partner cohorts' SNOW practices grew 13% in 2024 and is expected to accelerate by ~2pts to 15% in 2025. On an individual basis, 35% of respondents expect y/y practice growth acceleration in 2025 vs 2024, 50% expect similar growth, and 15% expect modest growth deceleration.

Average Growth in 2024 vs. Expected Average Growth in 2025

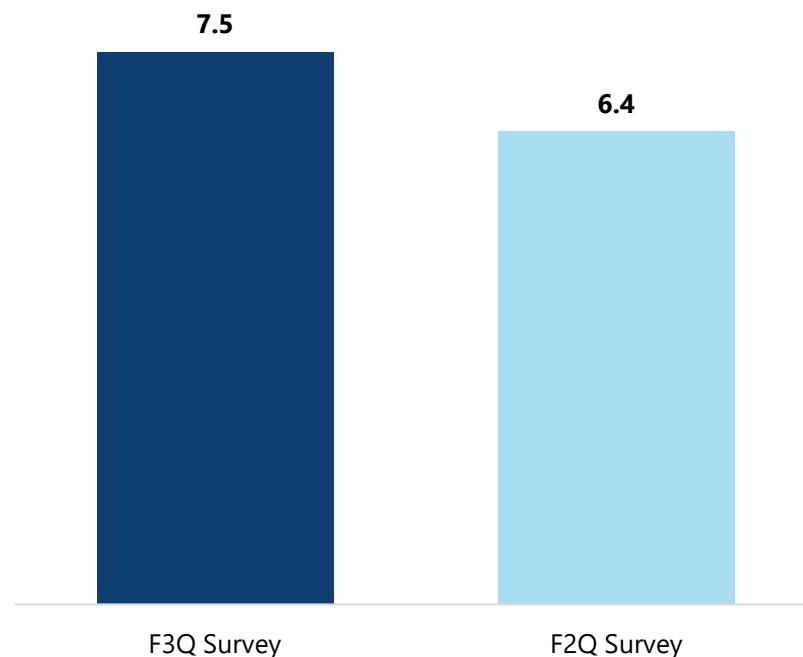


** Note: Weighted average calculation

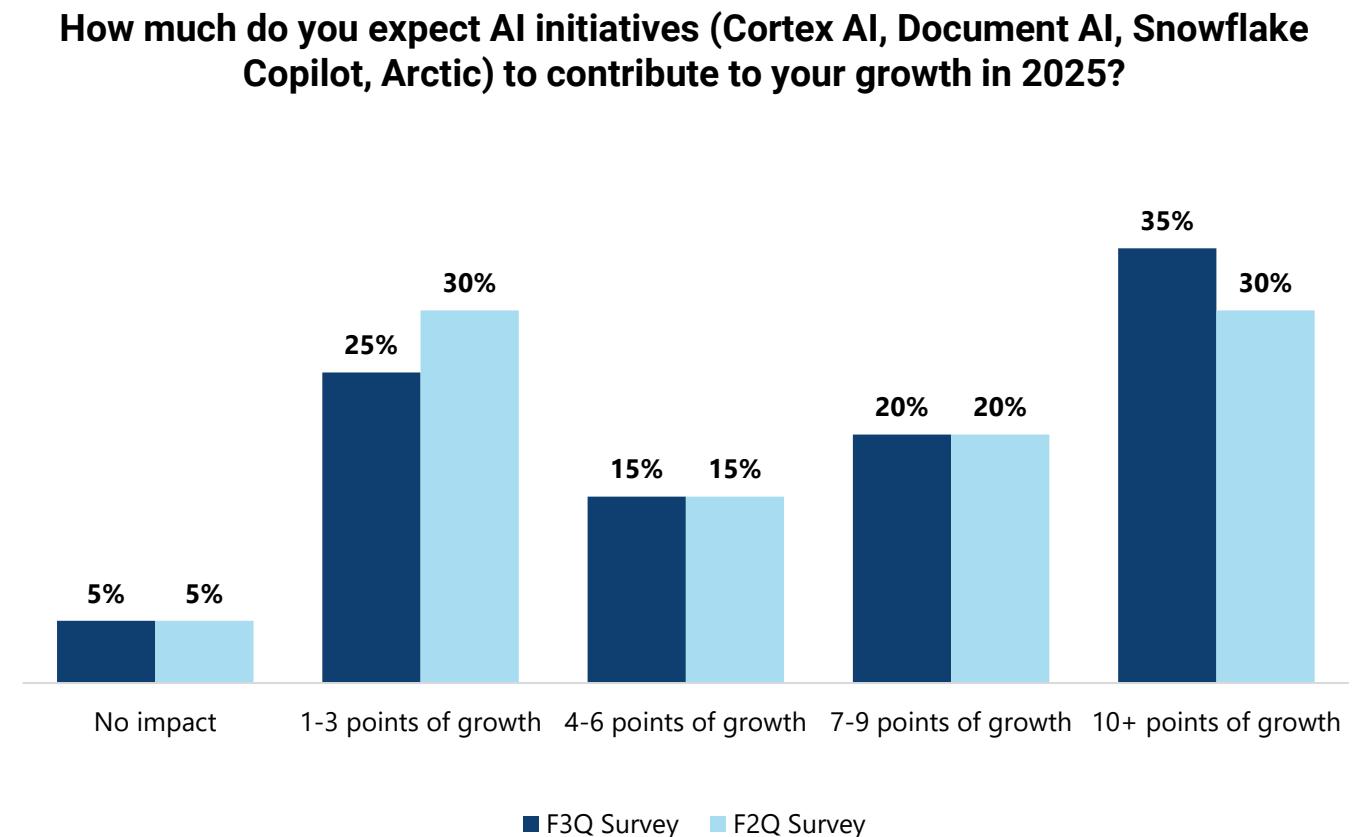
AI Growth Expectations Rising

AI is expected to contribute to nearly 8pts of growth in 2025, 110bps above the expected growth contribution from our F2Q survey. 55% of partners anticipate AI to drive >7pts of growth in 2025, which we view as a positive signal that supports a 2H ramp in AI-related products.

Average Expected AI Growth Contribution in 2025



How much do you expect AI initiatives (Cortex AI, Document AI, Snowflake Copilot, Arctic) to contribute to your growth in 2025?

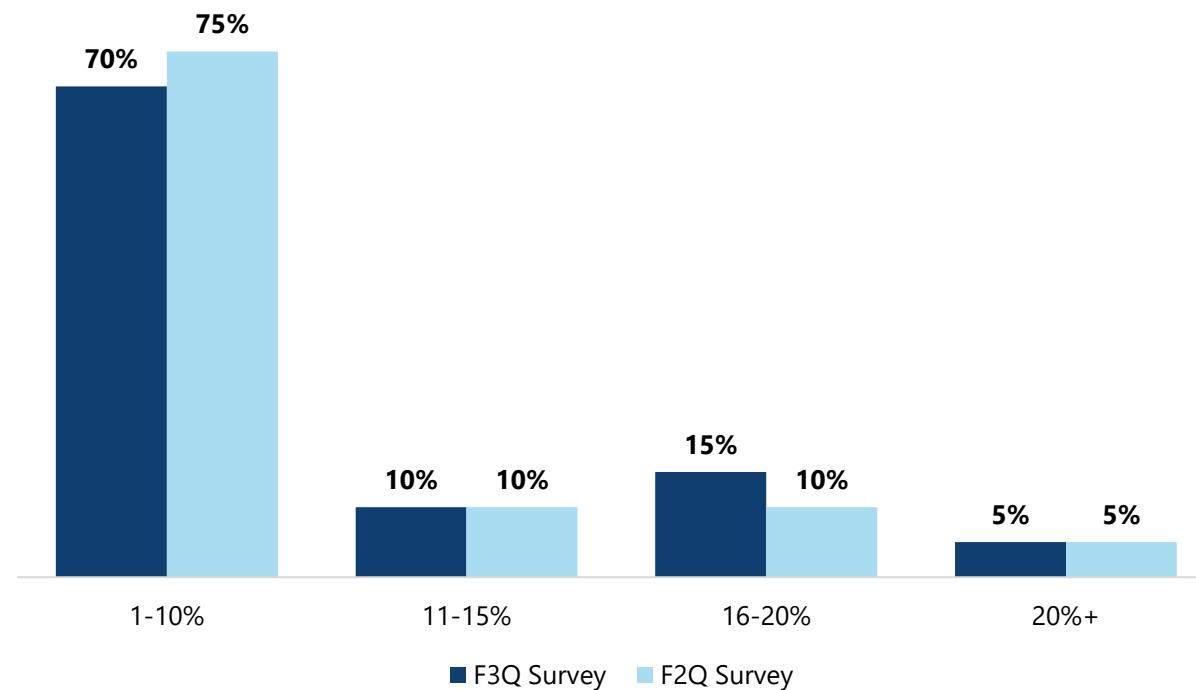


** Note: Weighted average calculation

Ample Runway for Growth in AI-Related Use Cases

The vast majority (70%) of partners noted that <10% of their practices are driven by AI-related use cases. While this makes sense as many of SNOW's AI product modules have yet to fully ramp, this number needs to be meaningfully higher for the AI narrative to take off.

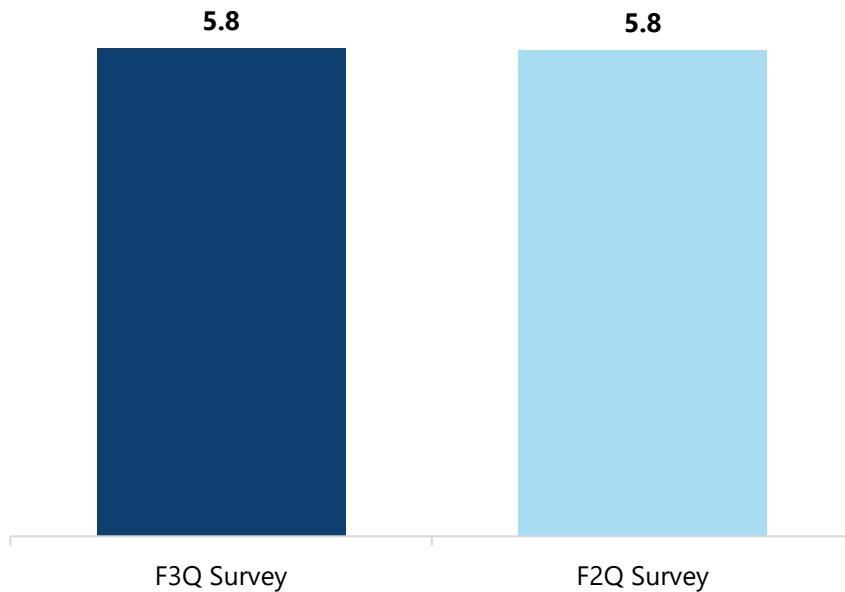
What portion of your Snowflake practice in 2025 do you anticipate will be driven by AI-related use cases?



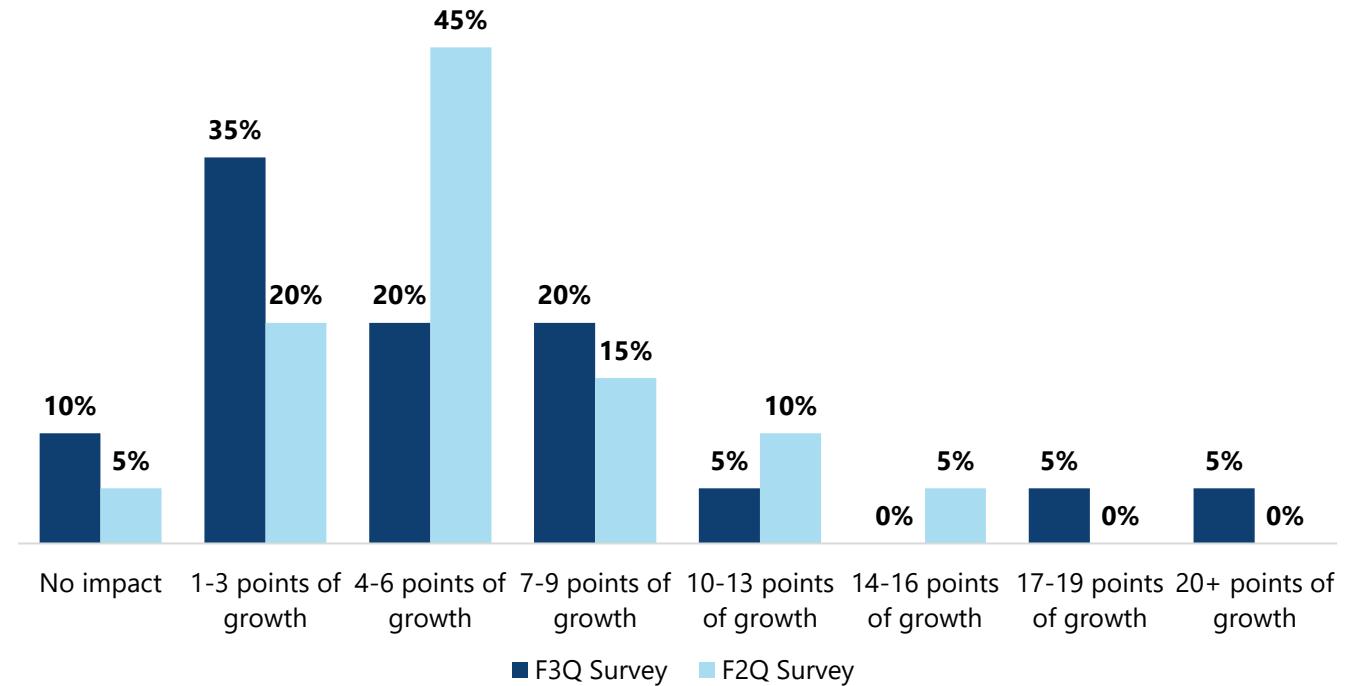
Sustained Momentum from Data Engineering Initiatives

40% of F3Q's partner cohort believes data engineering initiatives can contribute mid to high-single digits growth in 2025 (vs 60% in F2Q). 15% of partners expect double-digit growth (vs 15% in our F2Q survey), while 10% anticipated no impact (vs 5% in our F2Q survey).

Average Expected Data Engineering Growth Contribution in 2025



How much do you expect data engineering initiatives (Snowpark, Snowflake Notebooks, Dynamic Tables, Snowpipe) to contribute to your growth in 2025?

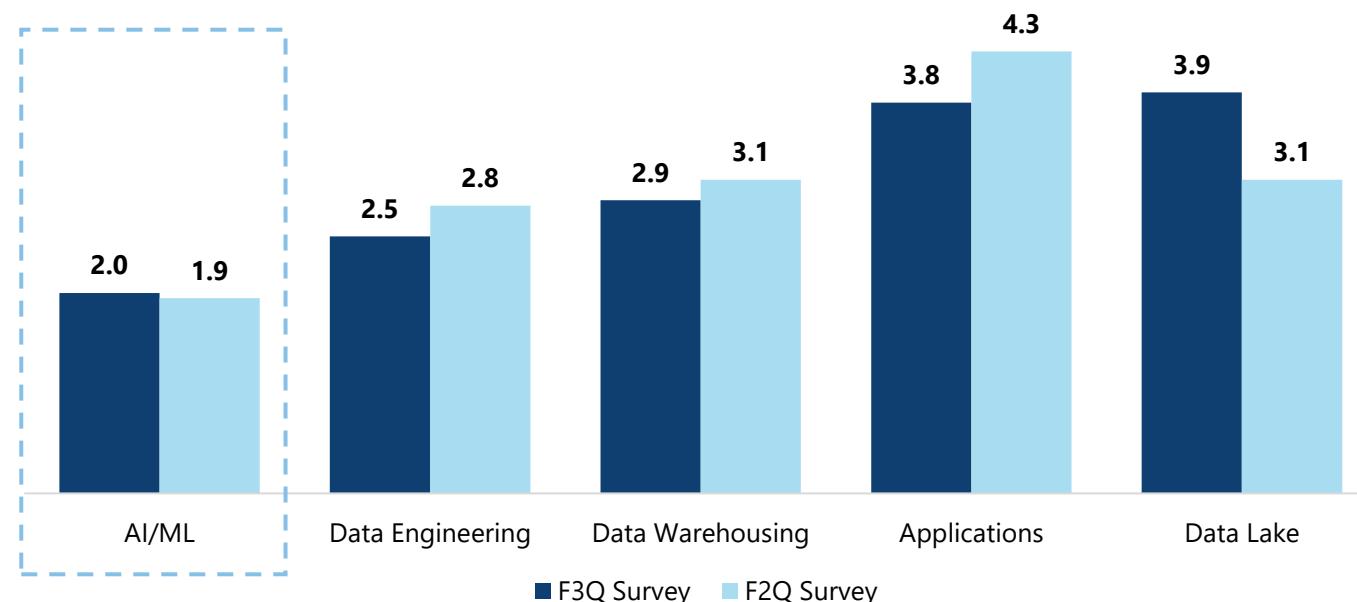


** Note: Weighted average calculation

AI Enthusiasm Across Partners

Partners continue to view AI/ML as the key driver for sales opportunities over the next year. With AI/ML leading this survey category in the last 4 quarters, we believe these insights reinforce SNOW's ramping AI momentum and growing partner optimism on SNOW's accelerating product innovation.

Where do you see the most sales opportunity in the next twelve months?



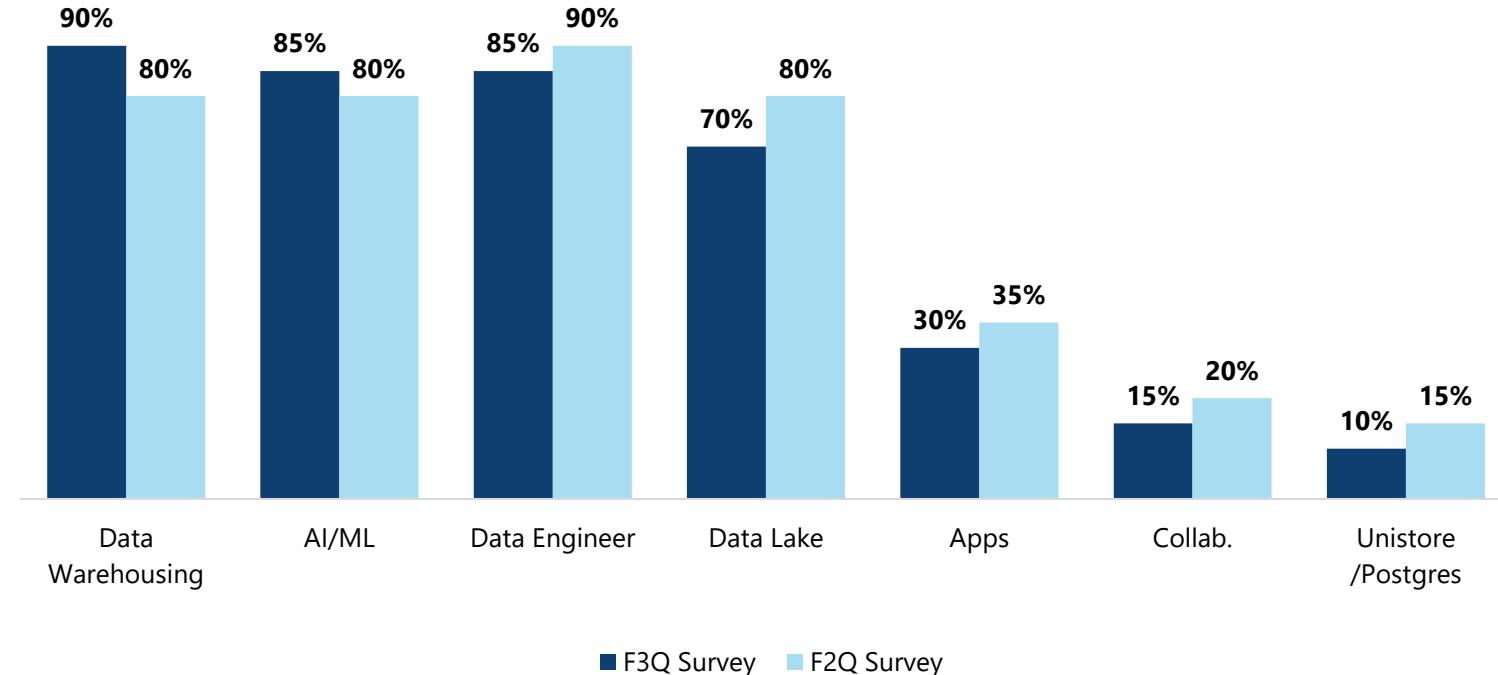
** Note: Full Question: "Please rank each category 1-6, with 1 being the most attractive sales opportunity and 6 being the least. If you don't have anything to add as "other", please rank 1-5".

** Note: Weighted average calculation

Data Warehousing Leads in Partner Specialization

90% of partners specialize in data warehousing, followed by AI/ML and Data Engineering.

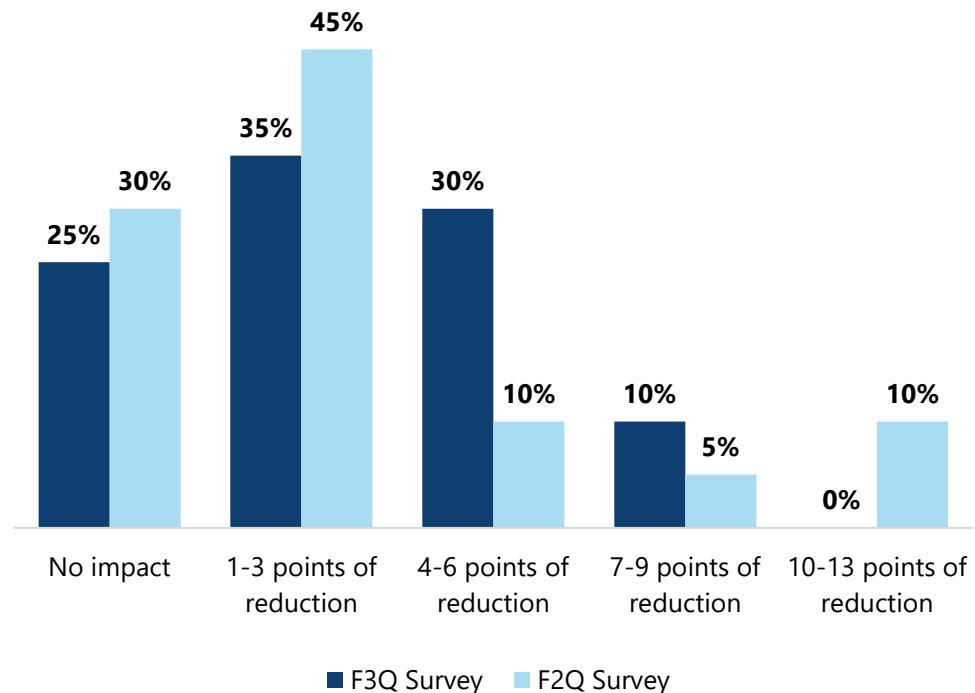
Which Snowflake workload or service areas does your practice specialize in?



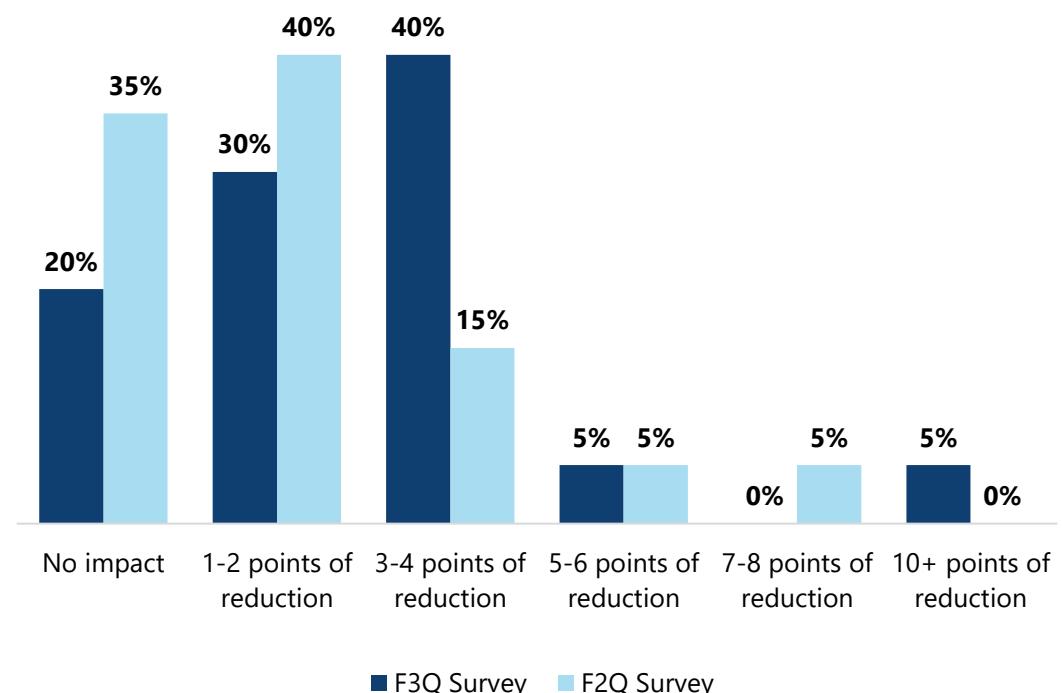
Limited But Persistent Macro Overhang

On a weighted average basis, partners saw just under a 3pt macro impact to both pipelines and growth during F3Q. 60% of partners noted <3pts of negative impact on pipeline, while 50% of partners observed <3pts of impact on growth.

To what extent did macro uncertainty (tariffs and other federal policy changes) negatively impact your Snowflake pipeline during the past three months?



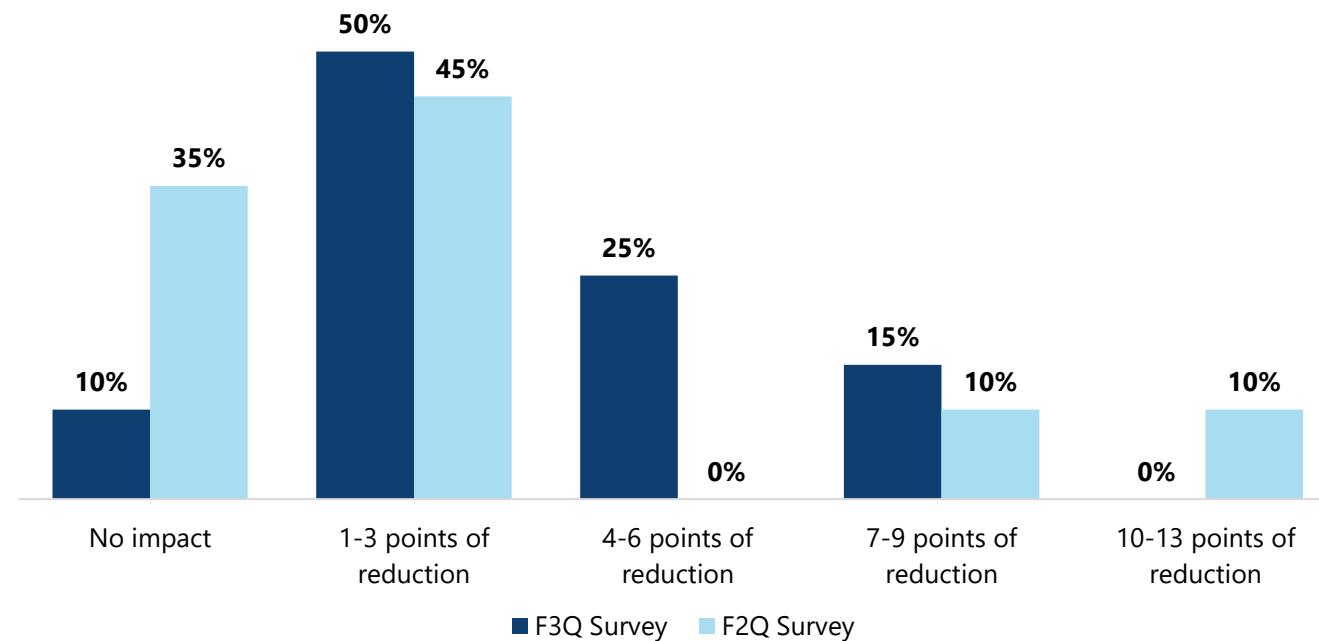
To what extent did macro uncertainty (tariffs and other federal policy changes) negatively impact your Snowflake practice (revenue) during the past three months?



Macro Overhang Expected to Continue Through Rest of 2025

Looking ahead, partners expect 3.5pts of negative impact on their SNOW practice growth in 2025 on average. On an individual basis, 10% of partners expect no impact. Notably, 50% expect <4pts of negative impact and 40% expect mid-to-high single digits of negative impact.

How much do you expect macro uncertainty (tariffs and other federal policy changes) to negatively impact your Snowflake practice growth in 2025?



55% of Partners Expect Macro Impact to Stay the Same or Get Better

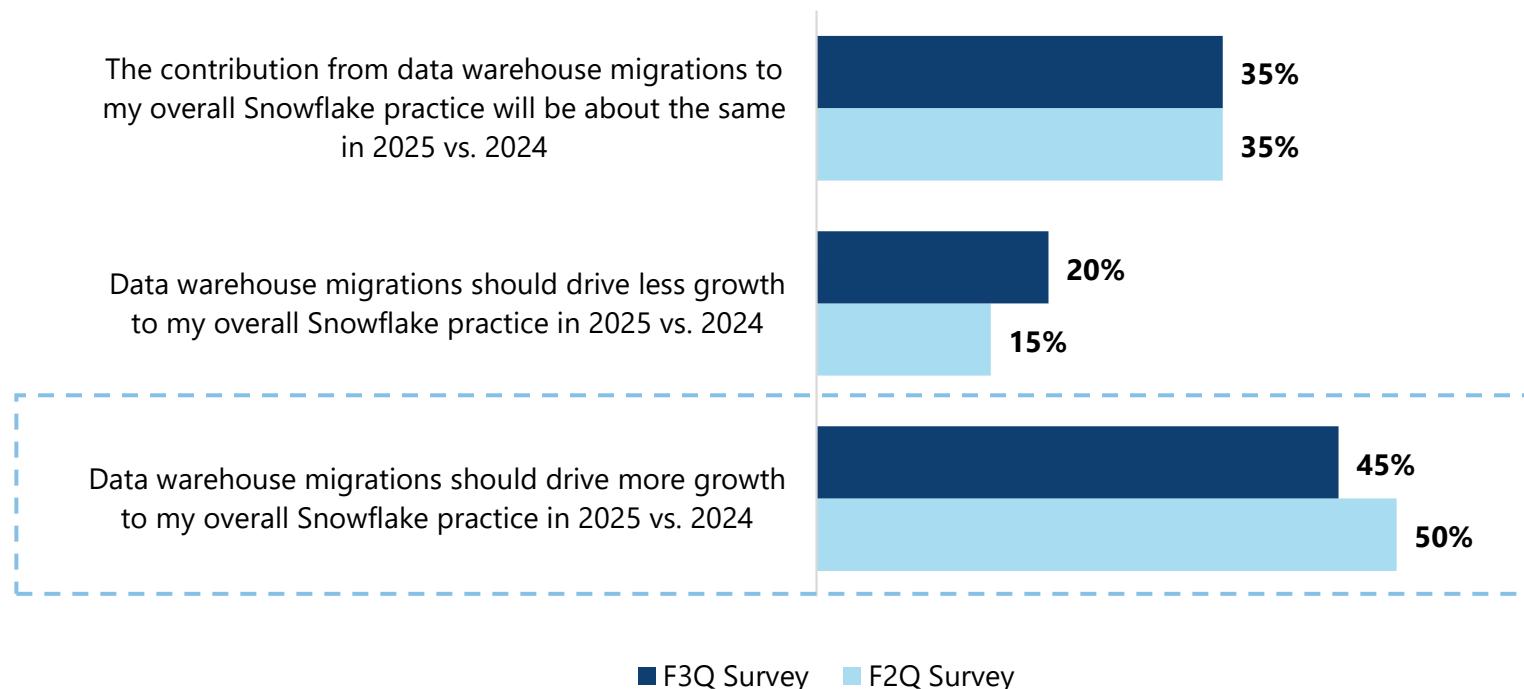
Macro Impact Over Last Three Months vs Expected Macro Impact in 2025

		Expected Macro Negative Impacts for '25			
		No impact	1-3 points of reduction	4-6 points of reduction	7-9 points of reduction
Macro uncertainty impact past 3 months	No impact	1	3		
	1-2 points of reduction		5		1
	3-4 points of reduction	1	2	3	2
	5-6 points of reduction			1	
	7-8 points of reduction				
	9-10 points of reduction				
	10+ points of reduction			1	

Partner Confidence in Migration Trends for 2025

45% of partners believe data warehouse migrations should drive more growth to their SNOW practices in 2025 compared to 2024 (vs 50% of partners in our F2Q survey). 35% of partners (vs 35% in our F2Q survey) expect similar data warehouse migration activity in 2025 vs 2024, and 20% (vs 15% in our F2Q survey) expect a decline in migration activity.

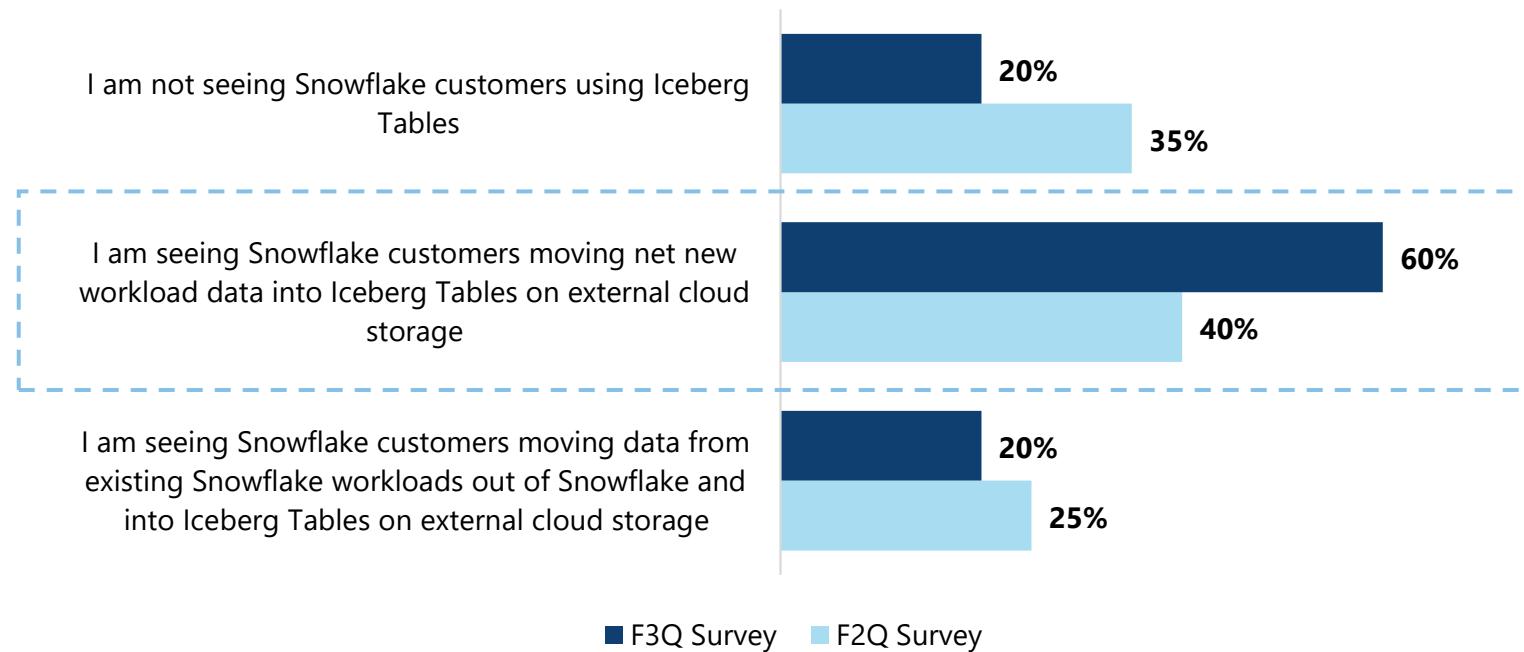
Do you expect data warehouse migrations to drive more/less growth to your overall Snowflake practice in 2025 vs 2024?



Increasing Traction with Open Table Formats

60% of partners are seeing SNOW customers moving net new workload data into Iceberg tables on external cloud storage (vs 40% in our F2Q survey). 20% of partners are seeing SNOW customers moving data out of SNOW and into Iceberg tables vs 25% in our F2Q survey.

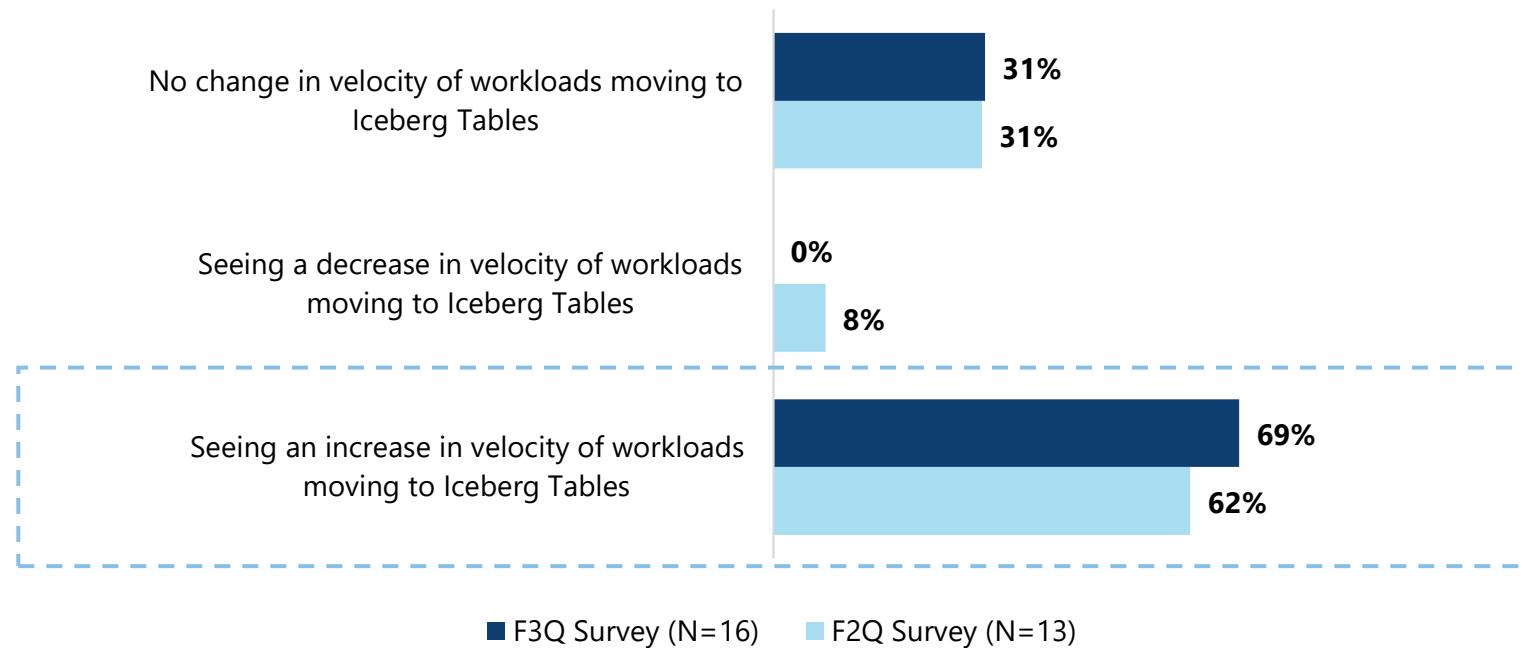
To what extent are you seeing your Snowflake clients use Iceberg Tables?



Iceberg Momentum is Ramping, But Still Early

We then asked the 80% of respondents who indicated signs of clients using Iceberg Tables whether activity levels have changed over the past 3 months. Within those 65% of partners, 69% (or 55% of the total partners) indicated an increase in velocity of workloads moving to Iceberg, 31% (or 25% of the total partners) indicated no change in activity. No partners saw a decrease in velocity in workloads. We view survey results as a positive indicator for Iceberg demand, but practical implications for SNOW still needs to be monitored.

How has customer activity on Iceberg Tables changed in the past 3 months?



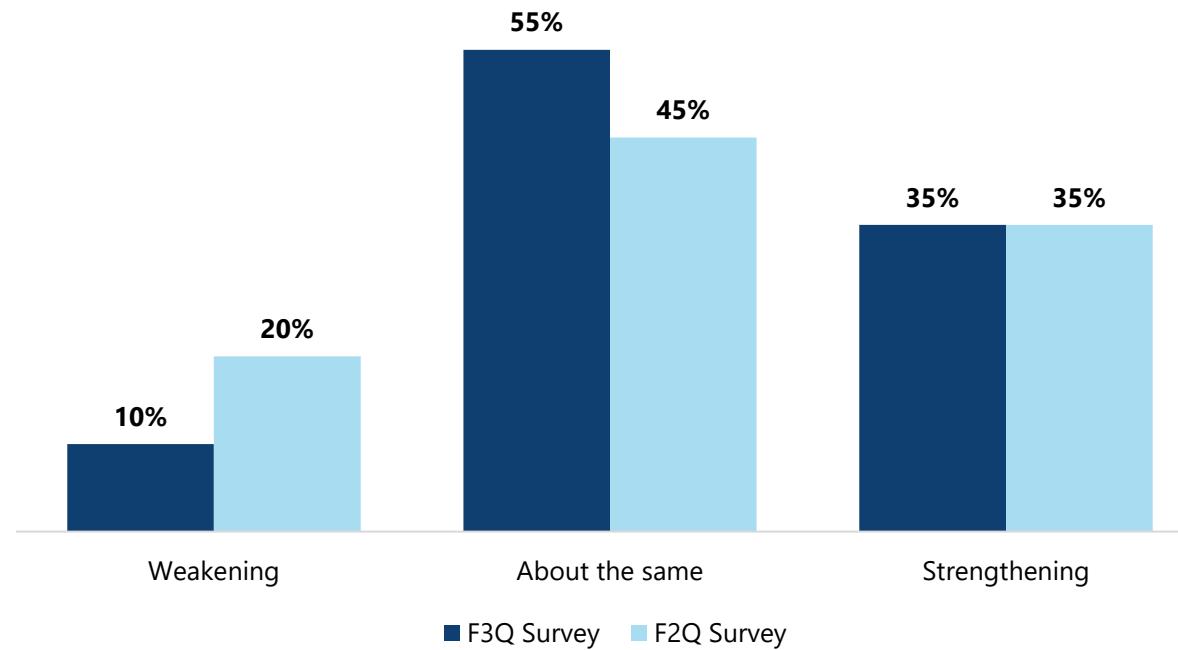
SUBSECTION 2

Competitive Positioning

90% of Partners Believe SNOW is Not Losing Share

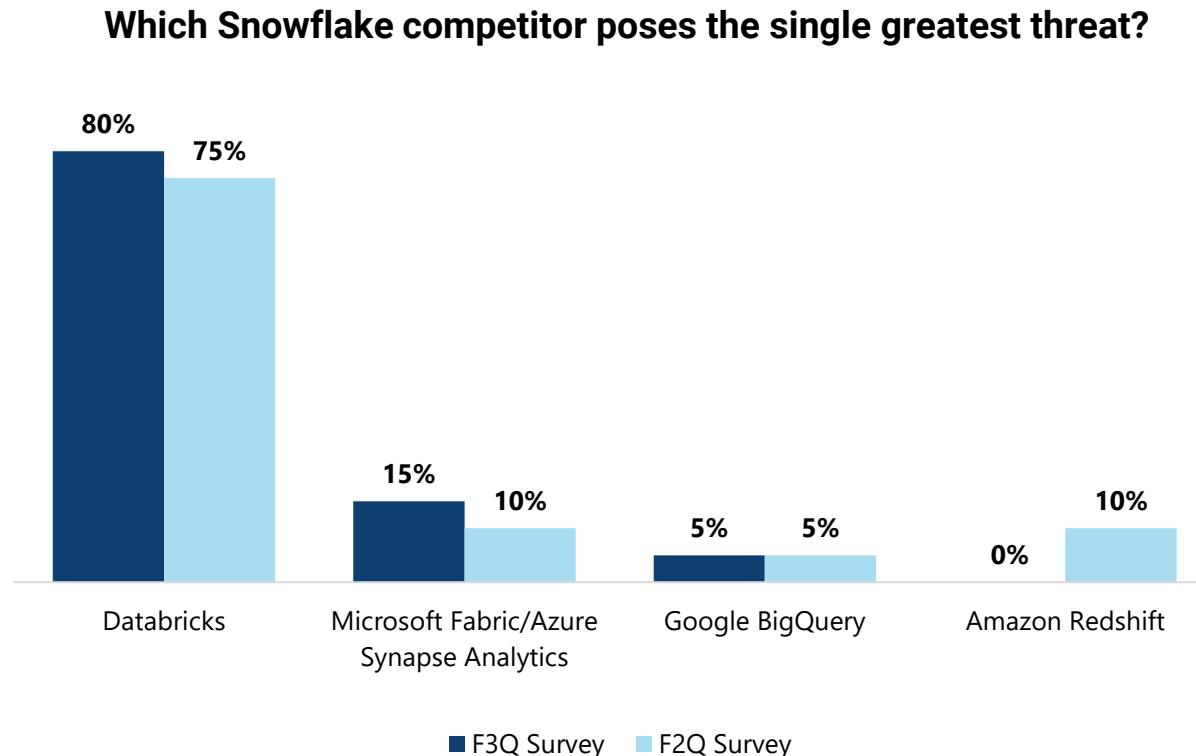
55% of partners (vs 45% in our F2Q survey) reported that SNOW's competitive position remained the same compared to last quarter. 35% stated that SNOW has strengthened its positioning (vs 35% in our F2Q survey). The survey results directionally align with our channel checks, and we believe concerns of Databricks eating SNOW's lunch are overblown.

Compared to a few months ago, how do you feel Snowflake's competitive position is changing in the market?



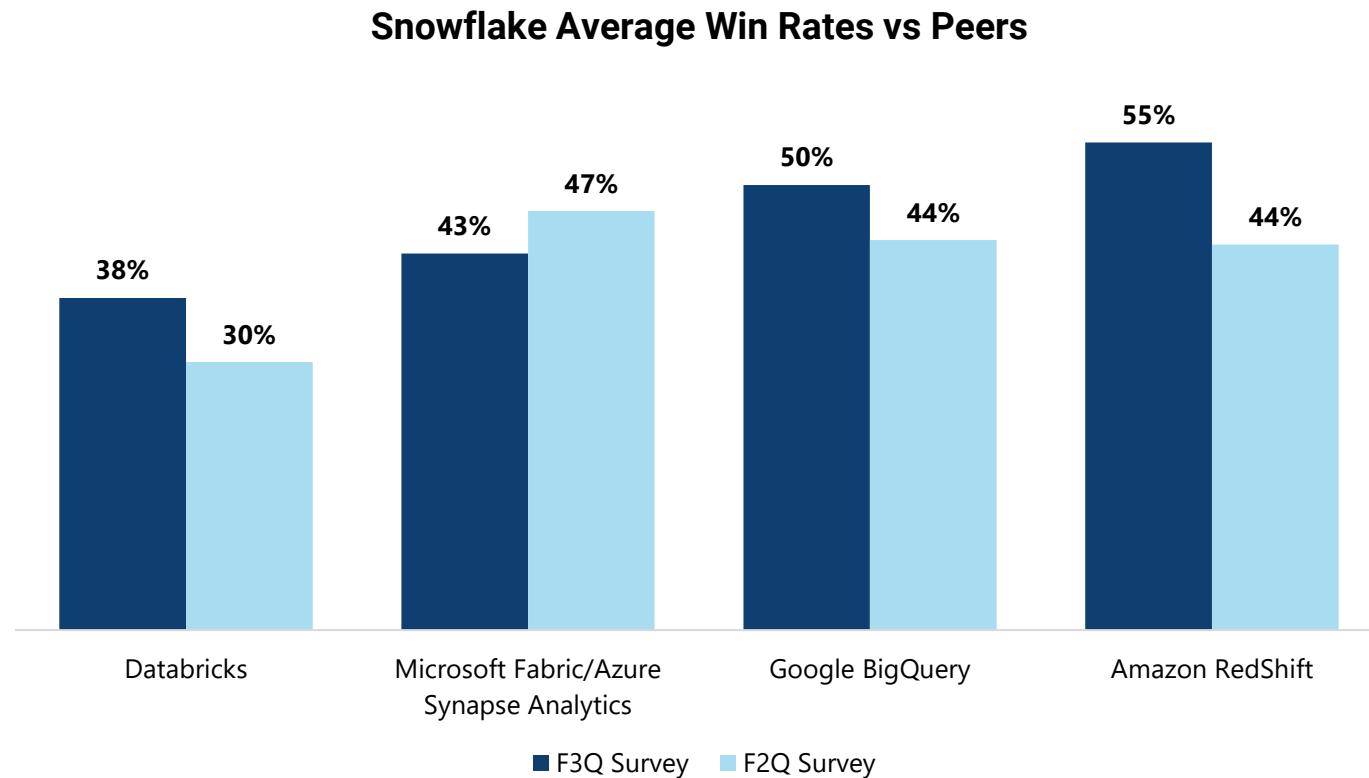
Databricks Still Viewed as SNOW's Biggest Threat

80% of partners indicated that Databricks poses the single greatest threat to Snowflake, consistent with 75% in our F2Q survey. 15%/5% of partners voted MSFT/GOOGL as the biggest threat.



Lowest Win Rates Against Databricks & Highest Against RedShift

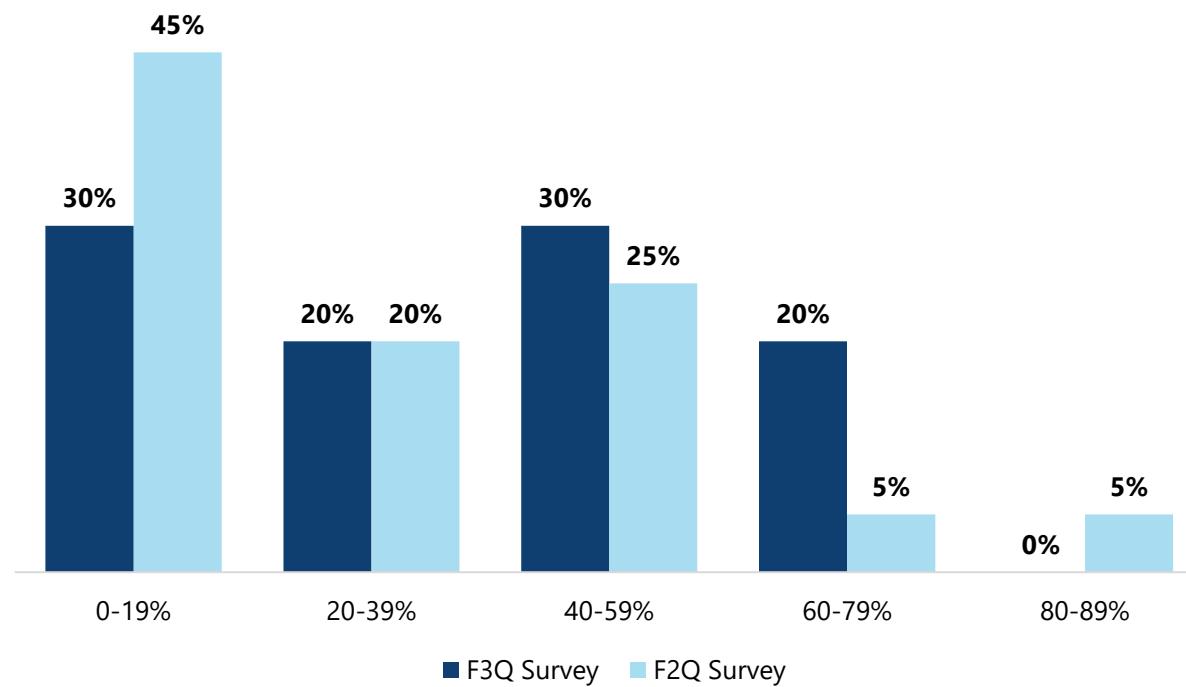
On a weighted average basis, partners indicated that SNOW has the lowest win rates vs Databricks at ~38%, followed by Microsoft Fabric at 43%, Google BigQuery at 50%, and Amazon Redshift at 55%. The results indicate a competitive landscape, though we note the sequential increase in SNOW's win rates (vs F2Q survey results) in all but Fabric/Azure Synapse.



SNOW's Win Rates vs Databricks

30% of partners noted that SNOW's win rates against Databricks are <20%, and 50% noted win rates were <40%. Notably, 20% of partners cited SNOW having >60% win rates against Databricks.

What are Snowflake's win rates against Databricks?

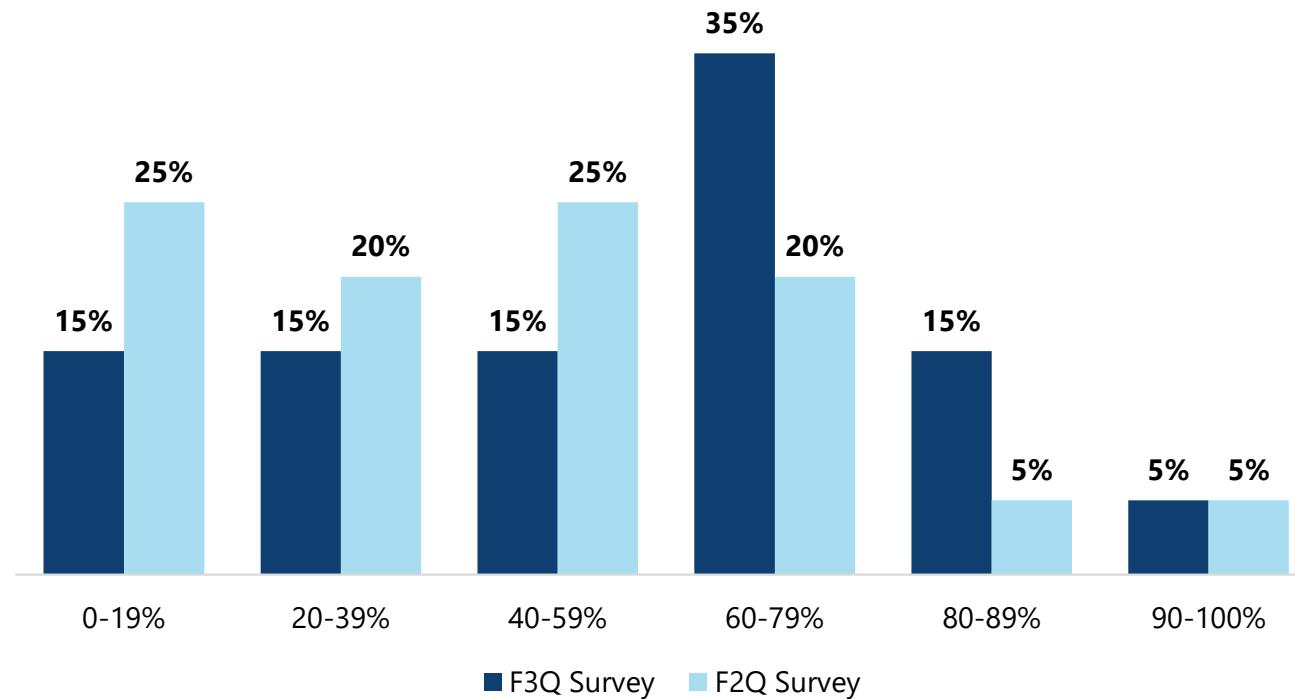


Note that respondents are likely different in both surveys, resulting in decreased likelihood for like-to-like comparisons between survey results.

SNOW's Win Rates vs Redshift

15% of partners noted that SNOW's win rates against Redshift are <20%. Interestingly, 55% of partners indicated win rates of >60%, is significant increase vs 30% of partners in F2Q.

What are Snowflake's win rates against Amazon Redshift?

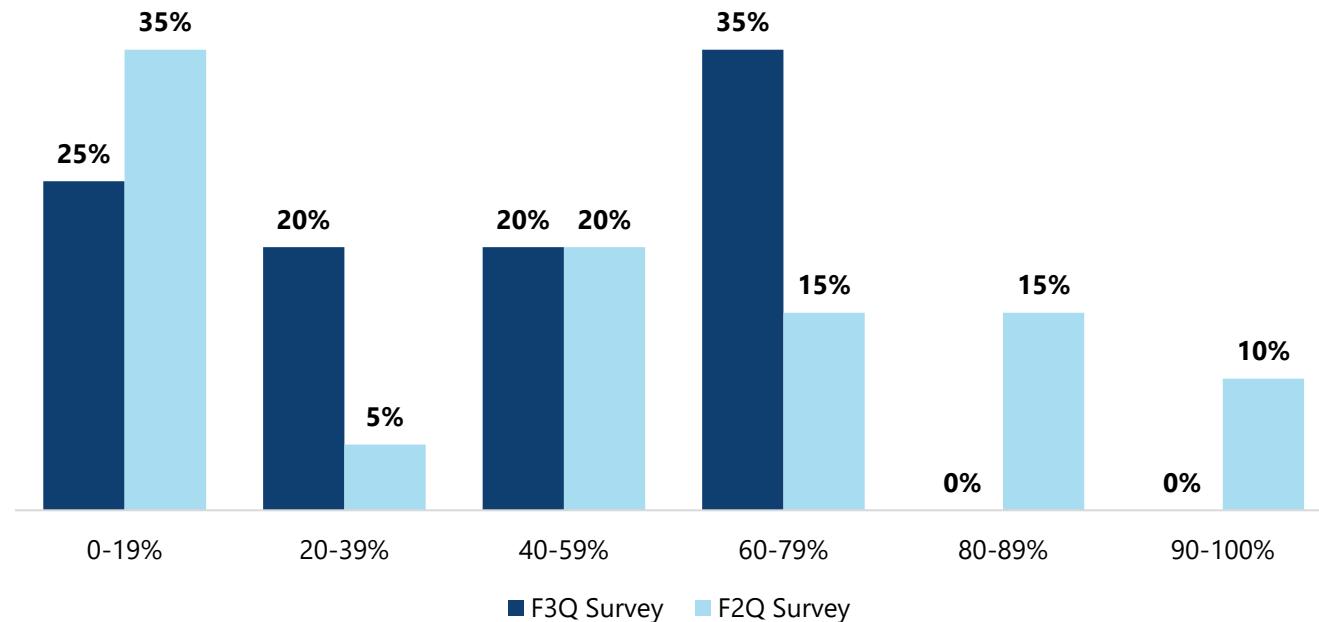


Note that respondents are likely different in both surveys, resulting in decreased likelihood for like-to-like comparisons between survey results.

SNOW's Win Rates vs Microsoft Fabric/Azure Synapse

25% of partners noted that SNOW's win rates against MSFT are <20%, and 45% noted win rates were <40%. 35% of partners indicated win rates of >60% with the median win rates between 40-60%.

What are Snowflake's win rates against Microsoft Fabric/Azure Synapse Analytics?

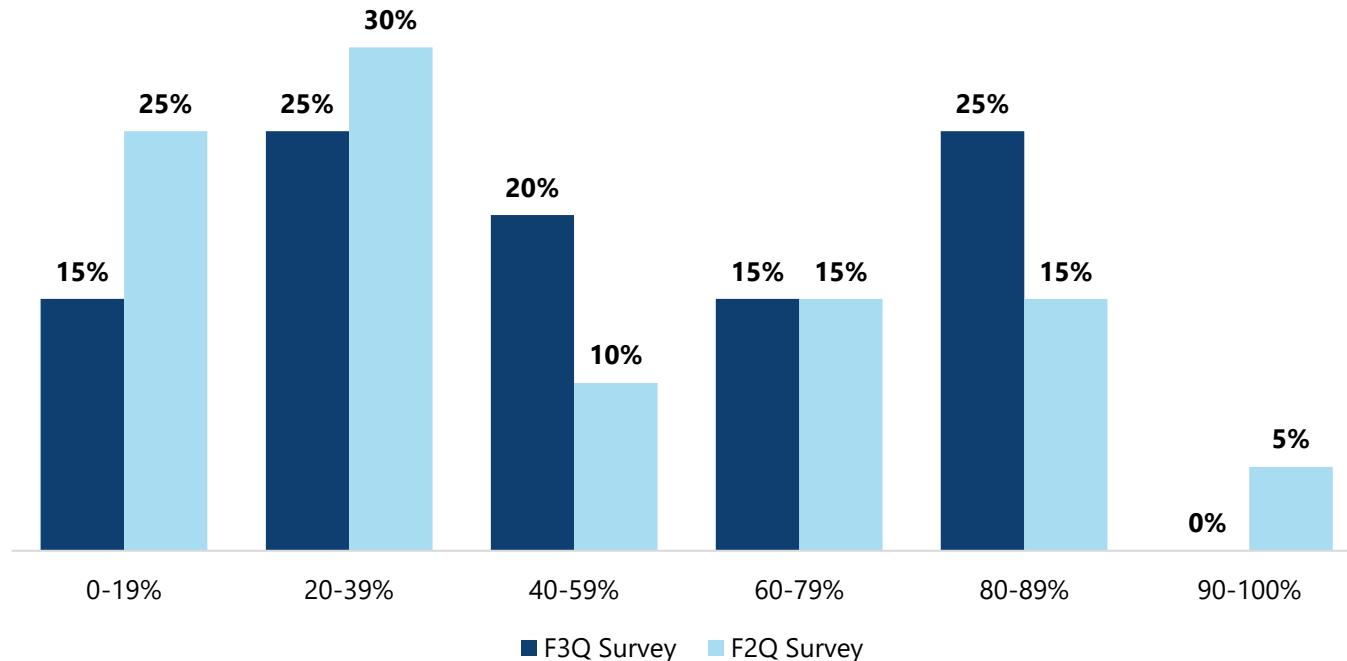


Note that respondents are likely different in both surveys, resulting in decreased likelihood for like-to-like comparisons between survey results.

SNOW's Win Rates vs BigQuery

15% of partners noted that SNOW's win rates against BigQuery are <20%, 40% stated win rates of <40% while 40% indicated win rates of >60 with the median win rates between 40-60%.

What are Snowflake's win rates against Google BigQuery?



Note that respondents are likely different in both surveys, resulting in decreased likelihood for like-to-like comparisons between survey results.

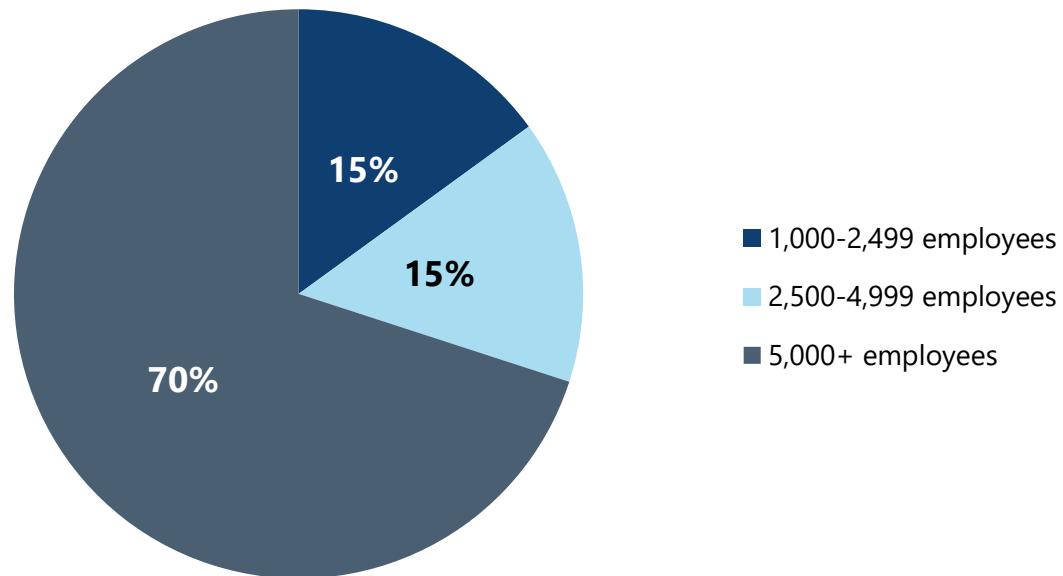
SUBSECTION 3

Survey Demographics

Survey Demographics Skewed Towards Enterprise

We surveyed 20 Snowflake partners on the level of demand within their SNOW practices and SNOW's competitive positioning in Database management. 70% were large partners that work with clients with 5,000+ employees, 15% of respondents were medium partners that work with clients with 2,500-4,900 employees, and 15% were partners that work with clients with 1,000-2,400 employees.

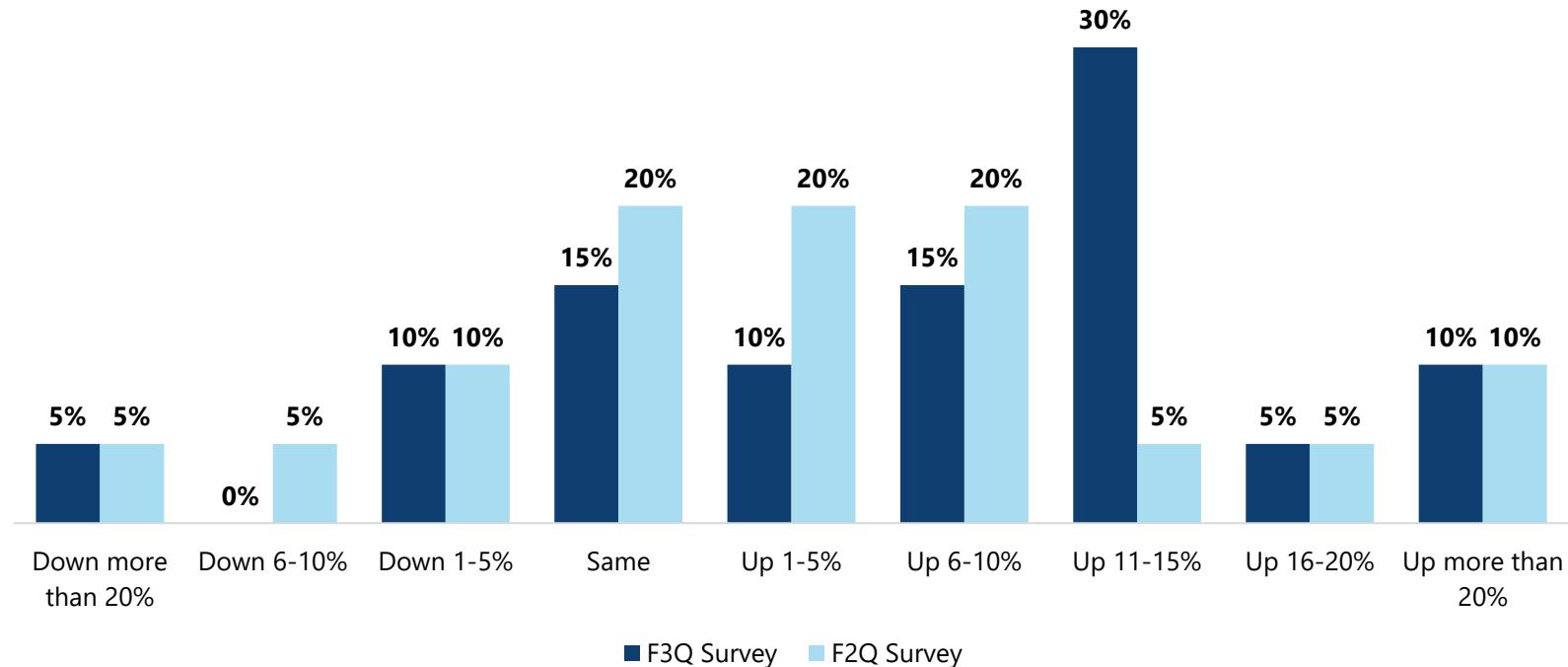
Which employee size range best identifies the majority of your clients?



Growing Talent Pool

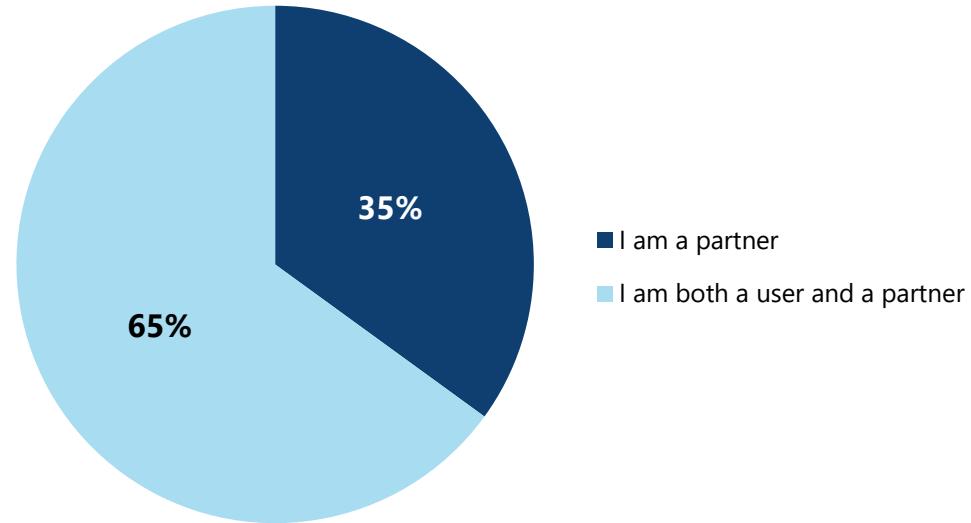
70% of respondents indicated y/y growth in the number of certified SNOW professionals, while 15% indicated flat growth.

Compared to a year ago, how has the number of certified Snowflake professionals changed within your organization?

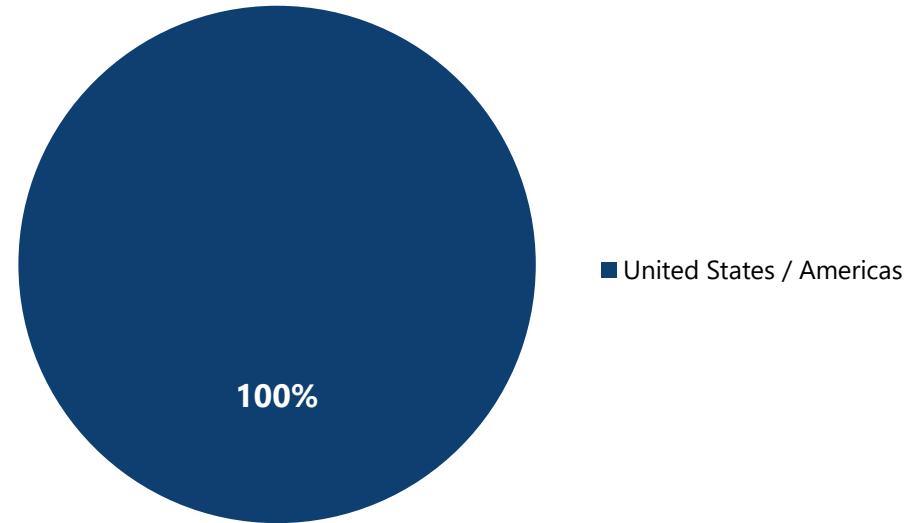


Partner/User and Regional Demographics

Have you been a Snowflake partner?

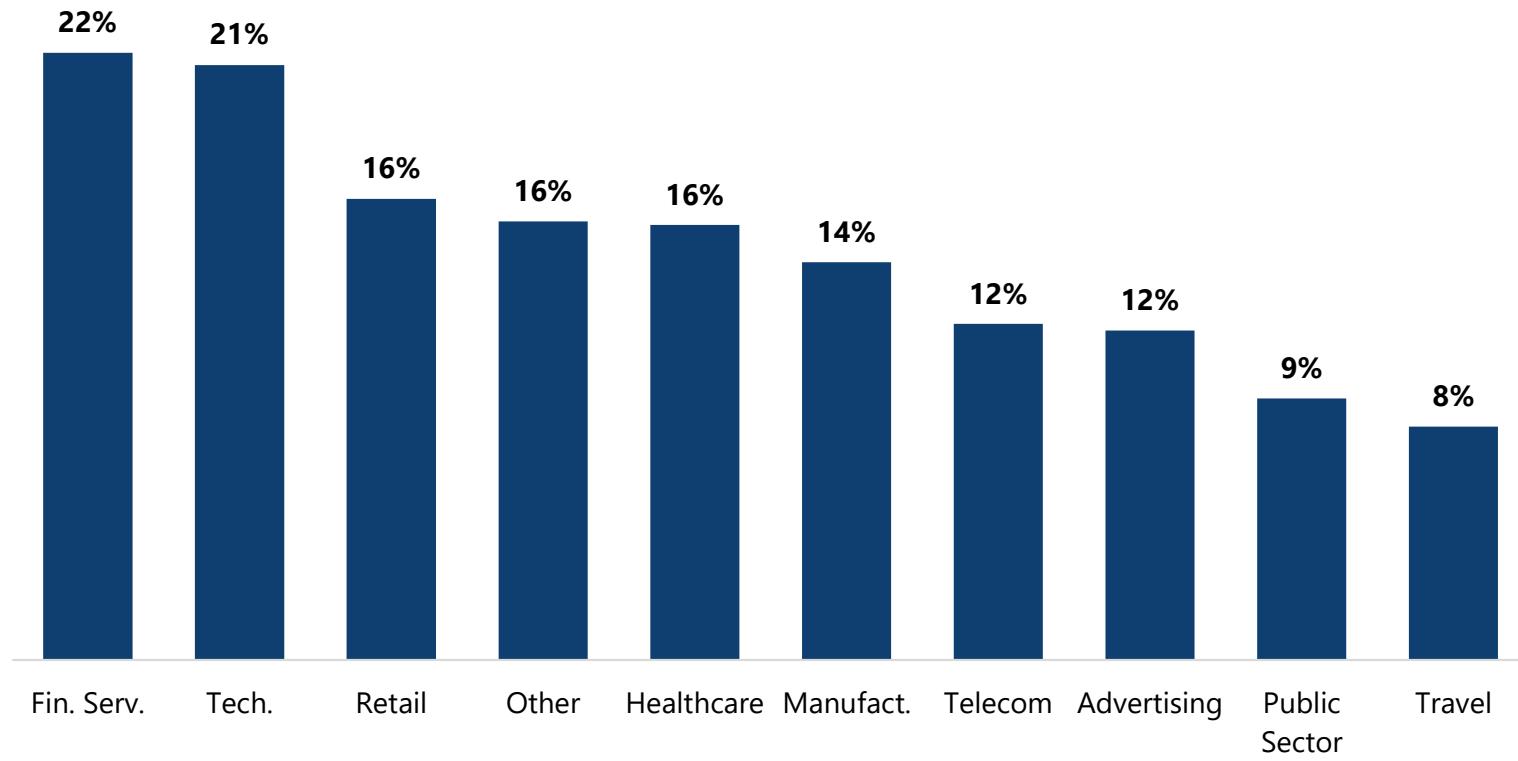


Which region does your organization primarily operate in?



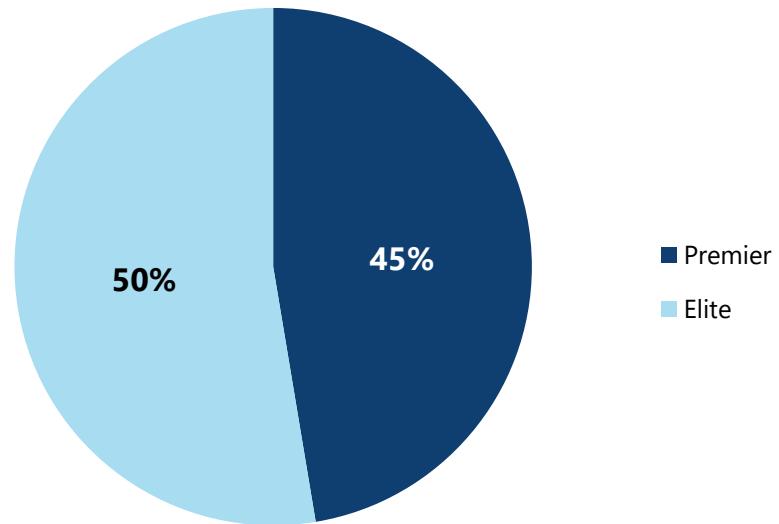
Partner Industry Exposure

What is your exposure to each of the following industries
(as a % of your overall practice)?

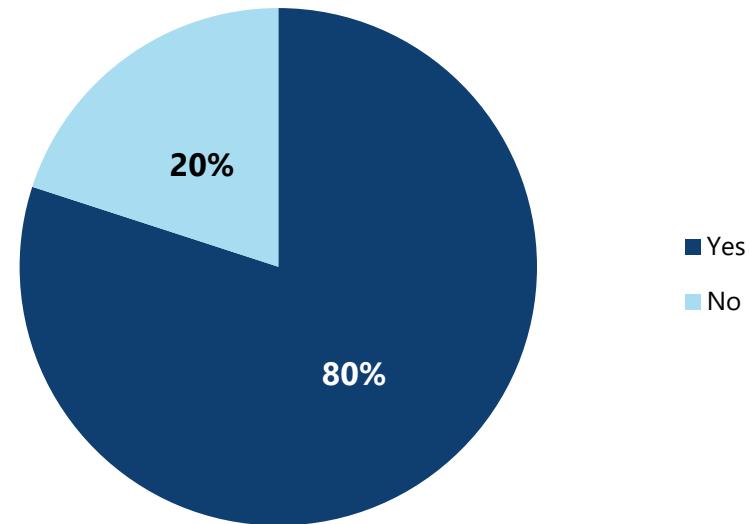


SNOW Partner Tier Dynamics

Which Snowflake Partner tier is your company currently enrolled in?



Has your company achieved the “Snowflake Ready Technology Partner” validation?



SECTION II SNOW Preview

Checks from SNOW Partners

“

SAP Snowflake – comes nearly a year after the SAP Databricks partnership, but they will hit the ground running as Databricks was the guinea pig and SAP has already worked out the GTM kinks

“

SNOW gives you a really nice ability to write SQL in a very performant and more cost effective away, but Databricks is similar enough

“

Have seen a significant pickup of Cortex in the last 6 months

“

SNOW does a great job when it comes to first time users, takes significantly more effort to get up and running with Databricks

“

Iceberg has given SNOW a chance to access on-prem data to do analytics there. Iceberg has helped open the door to larger deals for them

“

Text to SQL in SNOW is very very good. Clients are thinking about a world where you don't need excel or SQL, where it's all abstracted away by an interface

Checks from Databricks AI NYC World Tour

“

Snowflake is making significant strides in AI, and it is easier for them to ramp product given their massive customer base

“

Has seen instances where customers move from SNOW to Databricks, but from a migration perspective, it is tough to completely move away, so oftentimes clients will choose to stay on their chosen platform

“

Had some clients reporting performance functionality issues on SNOW Iceberg since it is still very early. Open-source is native to Databricks

“

Most traction is coming from AI use cases where SAP application semantics matter (finance, supply chain). Biggest unlock is reducing ETL cost to move from SAP to Lakehouse

“

Databricks SQL improvements making dbt adoption easier. SNOW historically stronger for SQL-first teams, but gap is narrowing

“

Customers prefer Databricks so they can combine raw + refined + model ready data sets. SNOW is still popular for BI but not ideal for high-volume AI pipelines. Databricks is winning in industries with messy data like retail and manufacturing and life sciences

SNOW F3Q26 Preview

F3Q setup. Guidance from the F2Q print calls for F3Q26 product revenue of \$1.125–\$1.130B (25-26% y/y) and FY26 product revenue of \$4.395B (27% y/y) with ~75% non-GAAP product GM, 9% non-GAAP OPM, and 25% adj. FCF margin. Looking at how mgmt has historically guided to next quarter product rev vs current quarter results (since SNOW has consistently delivered beats on product rev guide since IPO), F3Q product rev guidance is on the higher end vs historical guidance trends, with the midpoint of guidance implying \$37M net adds vs \$23M in F3Q25 and \$32M in F3Q24. Assuming SNOW can deliver a 4.5% beat over the midpoint of guidance (in-line with average beat over the past 6 quarters), it would imply ~31% y/y product rev growth in F3Q.

Key debates we're focused on into the print:

- **Can SNOW sustain 30% growth?** Bulls point to improving consumption signals and \$6.9B RPO as visibility for F2H, alongside FY26 guidance at +27% product rev growth with margins steadily going higher. Skeptics flag that with NRR steadily declining to 125%, more of the growth burden must come from new workloads and newer products scaling in-year. We'll watch for F2H commentary on cohort expansion and signs of reacceleration.
- **Will AI/ML product usage be additive to core data warehouse usage or is there cannibalization risk?** Management has framed Cortex AI features as driving value largely within existing contracts, but it raises the question of whether AI monetization is net-additive to consumption or just mix shift within current budgets. New AI capabilities (e.g., Cortex AISQL, SnowConvert AI, Cortex Analyst) broaden the user base and lower friction for data engineering /analytics workloads, which could unlock incremental usage if they pull in non-SQL users and new applications. Early traction headlines are constructive but we are looking for quantitative attach/consumption metrics.

SNOW F3Q26 Preview

Key debates we're focused on into the print:

- **Databricks vs SNOW in the lakehouse era.** Competitive intensity remains elevated. Databricks' recent announcements (e.g., Lakehouse enhancements, LakeBase, emerging Agent tooling) keep pressure on Snowflake to show differentiation in governance, performance, and enterprise-grade AI. Commentary on competitive win-rates and migration pipelines will matter for medium-term share.
- **Are open table formats / Iceberg Tables a flywheel or a headwind?** Support for Apache Iceberg and the Open Catalog lowers data-gravity barriers and may draw more external data into Snowflake's orbit, while performance investments for Iceberg are ramping. There is an ongoing debate around whether open formats expand the addressable queryable data set and drive compute, or pressure storage mix and weaken "data lock-in". We will be monitoring for commentary around net workload capture across data lakes/lakehouses.
- **Is there upside optionality to consumption from AI-native customers?** AI-native revenue contribution is <1% as of F2Q26 (still early days), yet platform usage signals are improving (e.g., Cortex reportedly surpassed ~6,100 weekly active accounts, suggesting a pipeline of AI-centric workloads that could become material in FY26-27 if tied to monetized consumption). We'll be watching for any disclosure on AI-native cohort growth and GPU-intensive use cases translating into credits.
- **FY26 top-line outlook.** SNOW's updated FY26 product rev outlook calls for \$4.395B (27% y/y growth) vs. \$3.462B (30% growth) in FY25. The current outlook implies \$947M in net adds y/y, vs \$796M net adds in FY25 and \$728M in FY24. While the current guide embeds a modest acceleration in absolute net adds, we believe this could prove conservative given the ramp of multiple new product modules launched in recent quarters (Cortex AI, Iceberg Tables, Native Apps, Snowpark Container Services, Streamlit in Snowflake, and Unistore) which should contribute more meaningfully in 2H26. Our conversations suggest the buy side is looking for a "normal-sized" beat (4.5%) in F3Q and some pass-through to the FY26 guide. At the midpoint, F3Q guidance implies ~\$37M q/q net adds, above historical seasonal patterns, but still leaves room for upside if AI-related workloads begin to scale.

SECTION III FINANCIALS

SNOW: Jefferies vs Street Estimates

Snowflake (SNOW)					
in millions, except per share items					
F3Q26E	Jefferies	Consensus	Delta	Guidance	
Product	\$1,129.8	\$1,130.6	(\$0.8)	1,125-1,130	
Professional Service & Other	\$49.3	\$50.9	(\$1.6)		
Total Revenue	\$1,179.1	\$1,183.3	(\$4.2)		
<i>YoY growth</i>	25.2%	25.6%	(0.4%)		
Non-GAAP Gross Margin	71.9%	72.0%	(0.1%)		
Non-GAAP Operating Income	\$105.9	\$110.1	(\$4.2)		
Non-GAAP Operating Margin	9.0%	9.3%	(0.3%)	9.0%	
Non-GAAP EPS	\$0.28	\$0.31	(\$0.03)		
Total Billings	\$1,303.6	\$1,339.3	(\$35.7)		
Cash Flow from Ops.	\$277.6	\$256.7	\$20.9		
Free Cash Flow	\$261.1	\$264.6	(\$3.5)		

FY26E	Jefferies	Consensus	Delta	Guidance
Product	\$4,395.3	\$4,405.4	(\$10.0)	4,395
Professional Service & Other	\$200.4	\$204.0	(\$3.6)	
Total Revenue	\$4,595.7	\$4,609.3	(\$13.6)	
<i>YoY growth</i>	26.7%	27.1%	(0.4%)	
Non-GAAP Gross Margin	72.2%	72.2%	(0.0%)	
Non-GAAP Operating Income	\$414.7	\$432.8	(\$18.1)	
Non-GAAP Operating Margin	9.0%	9.4%	(0.4%)	9.0%
Non-GAAP EPS	\$1.13	\$1.20	(\$0.07)	
Total Billings	\$5,092.4	\$5,217.8	(\$125.4)	
Cash Flow from Ops.	\$1,206.4	\$1,191.0	\$15.5	
Free Cash Flow	\$1,111.1	\$1,059.4	\$51.7	

F4Q26E	Jefferies	Consensus	Delta	Guidance
Product	\$1,178.3	\$1,183.2	(\$4.9)	
Professional Service & Other	\$51.3	\$52.4	(\$1.1)	
Total Revenue	\$1,229.6	\$1,236.5	(\$6.9)	
<i>YoY growth</i>	24.6%	25.3%	(0.7%)	
Non-GAAP Gross Margin	71.9%	71.9%	(0.0%)	
Non-GAAP Operating Income	\$89.6	\$103.3	(\$13.7)	
Non-GAAP Operating Margin	7.3%	8.4%	(1.1%)	
Non-GAAP EPS	\$0.27	\$0.30	(\$0.03)	
Total Billings	\$1,925.6	\$2,007.1	(\$81.5)	
Cash Flow from Ops.	\$625.6	\$640.8	(\$15.2)	
Free Cash Flow	\$608.4	\$612.5	(\$4.1)	

FY27E	Jefferies	Consensus	Delta	Guidance
Product	\$5,524.6	\$5,473.9	\$50.7	
Professional Service & Other	\$240.4	\$232.6	\$7.9	
Total Revenue	\$5,765.0	\$5,707.6	\$57.5	
<i>YoY growth</i>	25.4%	23.8%	1.6%	
Non-GAAP Gross Margin	72.3%	72.0%	0.2%	
Non-GAAP Operating Income	\$592.6	\$634.2	(\$41.6)	
Non-GAAP Operating Margin	10.3%	11.1%	(0.8%)	
Non-GAAP EPS	\$1.54	\$1.65	(\$0.11)	
Total Billings	\$6,333.0	\$6,427.7	(\$94.7)	
Cash Flow from Ops.	\$1,530.5	\$1,515.6	\$14.9	
Free Cash Flow	\$1,449.7	\$1,381.8	\$68.0	

SNOW: Non-GAAP Income Statement (\$MM, except per share data)

Non-GAAP Income Statement											
	Fiscal Quarters	F1Q25 Apr-24	F2Q25 Jul-24	F3Q25 Oct-24	F4Q25 Jan-25	FY25 90	F1Q26 Apr-25	F2Q26 Jul-25	F3Q26E Oct-25	F4Q26E Jan-26	FY26E 89
	Calendar Quarter										
	Days in Quarter										
Total Revenue		\$828.7	\$868.8	\$942.1	\$986.8	\$3,626.4	\$1,042.1	\$1,145.0	\$1,179.1	\$1,229.6	\$4,595.7
YoY		32.9%	28.9%	28.3%	27.4%	29.2%	25.7%	31.8%	25.2%	24.6%	26.7%
QoQ		7.0%	4.8%	8.4%	4.7%		5.6%	9.9%	3.0%	4.3%	
Cost of Product Revenue		\$182.3	\$195.5	\$213.4	\$228.0	\$819.1	\$242.7	\$256.9	\$284.7	\$296.9	\$1,081.2
% of Product Revenue		23.1%	23.6%	23.7%	24.2%	23.7%	24.3%	23.6%	25.2%	25.2%	24.6%
Cost of Professional Service & Other Revenue		\$37.3	\$37.1	\$41.5	\$42.6	\$158.6	\$47.3	\$52.8	\$46.9	\$48.7	\$195.7
% of Professional Services & Other Revenue		95.4%	93.9%	99.4%	97.9%	96.7%	104.4%	97.0%	95.0%	95.0%	97.7%
Total Cost of Revenue		\$219.6	\$232.6	\$254.9	\$270.6	\$977.7	\$290.0	\$309.7	\$331.6	\$345.7	\$1,276.9
% of Total Revenue		26.5%	26.8%	27.1%	27.4%	27.0%	27.8%	27.0%	28.1%	28.1%	27.8%
Product Gross Profit		\$607.3	\$633.8	\$686.9	\$715.3	\$2,643.3	\$754.1	\$833.6	\$845.1	\$881.3	\$3,314.2
Product Gross Margin		76.9%	76.4%	76.3%	75.8%	76.3%	75.7%	76.4%	74.8%	74.8%	75.4%
Professional Services & Other Gross Profit		\$1.8	\$2.4	\$0.3	\$0.9	\$5.4	(\$2.0)	\$1.7	\$2.5	\$2.6	\$4.7
Professional Services & Other Gross Margin		4.6%	6.1%	0.6%	2.1%	3.3%	(4.4%)	3.0%	5.0%	5.0%	2.3%
Gross Profit		\$609.1	\$636.2	\$687.2	\$716.2	\$2,648.7	\$752.124	\$835.3	\$847.5	\$883.9	\$3,318.8
% margin		73.5%	73.2%	72.9%	72.6%	73.0%	72.2%	73.0%	71.9%	71.9%	72.2%
YoY		34.2%	27.1%	25.0%	23.8%	27.2%	23.5%	31.3%	23.3%	23.4%	25.3%
Research & Development		\$203.2	\$224.2	\$224.8	\$230.8	\$883.0	\$238.8	\$247.1	\$283.0	\$302.5	\$1,071.4
YoY		57.5%	55.2%	41.4%	28.4%	44.3%	17.6%	10.2%	25.9%	31.0%	21.3%
QoQ		13.0%	10.4%	0.2%	2.7%		3.5%	3.5%	14.5%	6.9%	
% of Revenue		24.5%	25.8%	23.9%	23.4%	24.3%	22.9%	21.6%	24.0%	24.6%	23.3%
Sales & Marketing		\$312.6	\$309.1	\$340.6	\$328.9	\$1,291.2	\$357.9	\$392.1	\$387.9	\$411.9	\$1,549.8
YoY		27.8%	23.2%	26.6%	18.8%	24.0%	14.5%	26.9%	13.9%	25.2%	20.0%
QoQ		12.9%	(1.1%)	10.2%	(3.4%)		8.8%	9.6%	(1.1%)	6.2%	
% of Revenue		37.7%	35.6%	36.2%	33.3%	35.6%	34.3%	34.2%	32.9%	33.5%	33.7%
General & Administrative		\$57.1	\$59.1	\$62.9	\$63.6	\$242.8	\$63.8	\$68.5	\$70.7	\$79.9	\$282.9
YoY		19.7%	16.4%	25.9%	24.7%	21.7%	11.6%	15.8%	12.4%	25.6%	16.5%
QoQ		12.0%	3.5%	6.4%	1.1%		0.2%	7.4%	3.3%	13.0%	
% of Revenue		6.9%	6.8%	6.7%	6.4%	6.7%	6.1%	6.0%	6.0%	6.5%	6.2%
Total Operating Expenses		\$572.9	\$592.5	\$628.3	\$623.4	\$2,417.0	\$660.5	\$707.7	\$741.6	\$794.3	\$2,904.1
YoY		36.0%	32.8%	31.4%	22.8%	30.4%	15.3%	19.5%	18.0%	27.4%	20.2%
Operating Income		\$36.2	\$43.7	\$58.9	\$92.8	\$231.7	\$91.7	\$127.6	\$105.9	\$89.6	\$414.7
YoY		11.2%	(19.3%)	(18.1%)	30.8%	0.9%	152.9%	191.6%	79.8%	(3.5%)	79.0%
% margin		4.4%	5.0%	6.3%	9.4%	6.4%	8.8%	11.1%	9.0%	7.3%	9.0%
Other Income		(\$21.3)	(\$7.9)	(\$8.5)	\$2.4	(\$35.3)	(\$28.1)	(\$5.0)	(\$5.0)	(\$43.0)	(\$1.0)
Interest Expense		\$54.8	\$49.3	\$48.7	\$56.3	\$209.0	\$53.2	\$49.5	\$40.2	\$48.6	\$191.5
Pre-tax Income		\$69.7	\$85.1	\$99.1	\$151.5	\$405.4	\$116.8	\$172.1	\$141.1	\$133.2	\$563.2
Pre-tax Margin		8.4%	9.8%	10.5%	15.4%	11.2%	11.2%	15.0%	12.0%	10.8%	12.3%
Provision for Income Taxes		\$18.3	\$22.0	\$25.8	\$39.4	\$105.4	\$29.2	\$43.1	\$35.3	\$33.3	\$140.9
Effective Tax Rate		26.2%	25.8%	26.0%	26.0%	26.0%	25.0%	25.0%	25.0%	25.0%	25.0%
Net income, Non-GAAP		\$51.4	\$63.1	\$73.3	\$112.1	\$300.0	\$87.6	\$129.0	\$105.9	\$99.9	\$422.3
EPS, Non-GAAP		\$0.14	\$0.18	\$0.20	\$0.30	\$0.82	\$0.24	\$0.35	\$0.28	\$0.27	\$1.13
Basic Shares		333.6	334.1	331.8	331.4	364.3	332.7	335.2	373.9	372.4	372.4
Diluted Shares		365.1	359.3	362.2	370.7	364.3	370.9	372.4	373.9	375.4	376.1

SNOW: Base Case DCF

Snowflake (NYSE: SNOW) Discounted Cash Flow Analysis

	Forecast	Transition	Terminal
Current Risk-free Rate of Return	3.50%	3.50%	3.50%
Historical Risk-free Rate of Return	5.00%	5.00%	5.00%
Beta	1.25	1.00	
Market Rate of Return	11.50%	11.50%	11.50%
Cost of Equity	11.63%	10.00%	
Growth Rate	As Modeled	5.00%	

SCENARIO 2:

	FORECAST PERIOD				TRANSITIONAL PERIOD				TERMINAL	
	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E	2035E
Current Risk-free Rate of Return	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%
Historical Risk-free Rate of Return	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Beta	1.25	1.25	1.25	1.25	1.21	1.17	1.13	1.08	1.04	1.00
Market Rate of Return	11.5%	11.5%	11.5%	11.5%	11.5%	11.5%	11.5%	11.5%	11.5%	11.5%
Cost of Equity	11.6%	11.6%	11.6%	11.6%	11.4%	11.1%	10.8%	10.5%	10.3%	10.0%
FCF Growth Rate	10.9%	53.1%	62.5%	56.0%	47.3%	38.5%	29.8%	21.1%	12.4%	3.6%
Diluted Shares at Year-end	372.4	376.1	381.8	385.6	388.8	391.4	393.4	394.7	395.3	395.3
Share Growth %	2.2%	1.0%	1.5%	1.0%	0.8%	0.7%	0.5%	0.3%	0.2%	0.0%
Free Cash Flow to Enterprise (\$M)	946.8	1,449.7	2,355.8	3,675.1	5,412.4	7,498.5	9,734.2	11,786.8	13,243.5	13,724.2
Free Cash Flow to Enterprise per Share	2.5	3.9	6.2	9.5	13.9	19.2	24.7	29.9	33.5	34.7
NPV of Free Cash Flow to Enterprise per Share	2.4	3.3	4.7	6.5	8.6	10.7	12.7	14.1	14.6	220.4
Cumulative NPV of Free Cash Flow to Enterprise per Share	2.4	5.7	10.4	16.8	25.4	36.2	48.9	63.0	77.5	297.9
Cumulative NPV of FCFE per Share	297.92									
Total NPV per Share	\$300.34									

Jefferies

Company Description

Snowflake

Snowflake provides enterprises with highly scalable data management solutions for use cases that include data warehousing and data science. The company's offering is offered as SaaS-only and can be deployed on AWS, Azure and GCP.

Company Valuation/Risks

Snowflake

Our DCF-based price target of \$300 implies a 19x multiple of FY27E total rev. Risks include: 1) sustained competitive differentiation as Redshift, Azure Synapse Analytics and BigQuery fail to add similar functionality/pricing models; 2) gross margin upside as SNOW procures infrastructure at attractive rates and benefits from scale; 3) growth upside supports the stock to the downside; 4) premium valuation.

Alphabet, Inc.

Our \$320 PT is based on 17x EV/EBITDA our forward NTM estimates, which is modestly above the 12.5x 10-year historical average given its superior fundamentals relative to ad peers. Risks include impact from macro, regulatory overhang, margin pressure from ongoing investments, and impacts from shift toward generative AI, mobile, in-app, and voice-to-core search.

Amazon.com, Inc

Valuation: Our \$275 PT is based on ~16x 2026E EV/EBITDA. **Risks:** Ongoing need to invest keeps a lid on margin expansion; regulatory pressure leads to increasing costs; macroeconomic headwinds cause top-line growth to slow.

Microsoft Corporation

Our Price Target of \$675 is based on a DCF. Key risks include the PC cycle and risks related to revenues and margins as MSFT transitions to the Cloud.

Analyst Certification:

I, Brent Thill, certify that all of the views expressed in this research report accurately reflect my personal views about the subject security(ies) and subject company(ies). I also certify that no part of my compensation was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed in this research report.

I, Bo Yin, certify that all of the views expressed in this research report accurately reflect my personal views about the subject security(ies) and subject company(ies). I also certify that no part of my compensation was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed in this research report.

I, ShengQi Lin, certify that all of the views expressed in this research report accurately reflect my personal views about the subject security(ies) and subject company(ies). I also certify that no part of my compensation was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed in this research report.

As is the case with all Jefferies employees, the analyst(s) responsible for the coverage of the financial instruments discussed in this report receives compensation based in part on the overall performance of the firm, including investment banking income. We seek to update our research as appropriate, but various regulations may prevent us from doing so. Aside from certain industry reports published on a periodic basis, the large majority of reports are published at irregular intervals as appropriate in the analyst's judgement.

Investment Recommendation Record

(Article 3(1)e and Article 7 of MAR)

Recommendation Published	November 21, 2025 14:03 P.M.
Recommendation Distributed	November 23, 2025 12:00 P.M.

Company Specific Disclosures

Rayyan Matraji owns shares of Amazon.com common stock Steven DeSanctis owns shares of Amazon.com common shares.

Rayyan Matraji owns shares of Amazon.com common stock. Steven DeSanctis owns shares of Amazon.com common shares.

Rayyana Matraji owns shares of Alphabet Inc common stock.

Within the past twelve months, Jefferies Financial Group Inc. and/or its affiliates received compensation for products and services other than investment banking services from non-investment banking, securities related compensation for client services it provided to Microsoft Corporation.

Explanation of Jefferies Ratings

Buy - Describes securities that we expect to provide a total return (price appreciation plus yield) of 15% or more within a 12-month period.

Hold - Describes securities that we expect to provide a total return (price appreciation plus yield) of plus 15% or minus 10% within a 12-month period.

Underperform - Describes securities that we expect to provide a total return (price appreciation plus yield) of minus 10% or less within a 12-month period.

The expected total return (price appreciation plus yield) for Buy rated securities with an average security price consistently below \$10 is 20% or more within a 12-month period as these companies are typically more volatile than the overall stock market. For Hold rated securities with an average security price consistently below \$10, the expected total return (price appreciation plus yield) is plus or minus 20% within a 12-month period. For Underperform rated securities with an average security price consistently below \$10, the expected total return (price appreciation plus yield) is minus 20% or less within a 12-month period.

NR - The investment rating and price target have been temporarily suspended. Such suspensions are in compliance with applicable regulations and/or Jefferies policies.

CS - Coverage Suspended. Jefferies has suspended coverage of this company.

NC - Not covered. Jefferies does not cover this company.

Restricted - Describes issuers where, in conjunction with Jefferies engagement in certain transactions, company policy or applicable securities regulations prohibit certain types of communications, including investment recommendations.

Monitor - Describes securities whose company fundamentals and financials are being monitored, and for which no financial projections or opinions on the investment merits of the company are provided.

Valuation Methodology

Jefferies' methodology for assigning ratings may include the following: market capitalization, maturity, growth/value, volatility and expected total return over the next 12 months. The price targets are based on several methodologies, which may include, but are not restricted to, analyses of market risk, growth rate, revenue stream, discounted cash flow (DCF), EBITDA, EPS, cash flow (CF), free cash flow (FCF), EV/EBITDA, P/E, PE/growth, P/CF, P/FCF, premium (discount)/average group EV/EBITDA, premium (discount)/average group P/E, sum of the parts, net asset value, dividend returns, and return on equity (ROE) over the next 12 months.

Jefferies Franchise Picks

Jefferies Franchise Picks include stock selections from among the best stock ideas from our equity analysts over a 12 month period. Stock selection is based on fundamental analysis and may take into account other factors such as analyst conviction, differentiated analysis, a favorable risk/reward ratio and investment themes that Jefferies analysts are recommending. Jefferies Franchise Picks will include only Buy rated stocks and the number can vary depending on analyst recommendations for inclusion. Stocks will be added as new opportunities arise and removed when the reason for inclusion changes, the stock has met its desired return, if it is no longer rated Buy and/or if it triggers a stop loss. Stocks having 120 day volatility in the bottom quartile of S&P stocks will continue to have a 15% stop loss, and the remainder will have a 20% stop. Franchise Picks are not intended to represent a recommended portfolio of stocks and is not sector based, but we may note where we believe a Pick falls within an investment style such as growth or value.

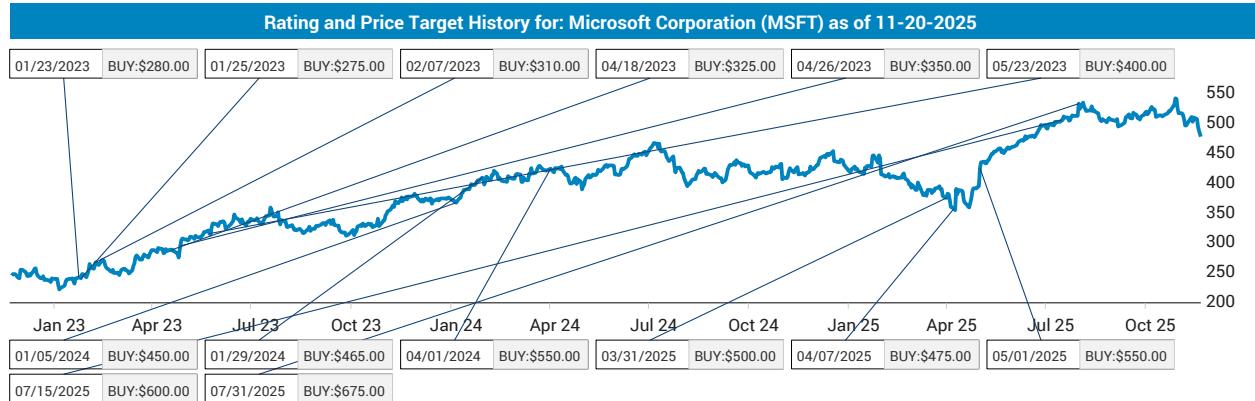
Risks which may impede the achievement of our Price Target

This report was prepared for general circulation and does not provide investment recommendations specific to individual investors. As such, the financial instruments discussed in this report may not be suitable for all investors and investors must make their own investment decisions based upon their specific investment objectives and financial situation utilizing their own financial advisors as they deem necessary. Past performance of the financial instruments recommended in this report should not be taken as an indication or guarantee of future results. The price, value of, and income from, any of the financial instruments mentioned in this report can rise as well as fall and may be affected by changes in economic, financial and political factors. If a financial instrument is denominated in a currency other than the investor's home currency, a change in exchange rates may adversely affect the price of, value of, or income derived from the financial instrument described in this report. To the extent prices are shown in non-US currency, please note that our local currency price targets are based on a currency conversion using an exchange rate as of the prior trading day (unless otherwise noted). Should there be fluctuations in the exchange rate after this date, that will affect the non-US target prices and should no longer be relied upon. In addition, investors in securities such as ADRs, whose values are affected by the currency of the underlying security, effectively assume currency risk.

Other Companies Mentioned in This Report

- Alphabet, Inc. (GOOGL: \$299.66, BUY)
- Amazon.com, Inc (AMZN: \$220.69, BUY)
- Microsoft Corporation (MSFT: \$472.12, BUY)
- Snowflake Inc (SNOW: \$244.66, BUY)





Notes: Each box in the Rating and Price Target History chart above represents actions over the past three years in which an analyst initiated on a company, made a change to a rating or price target of a company or discontinued coverage of a company.

Legend:

I: Initiating Coverage

D: Dropped Coverage

B: Buy

H: Hold

UP: Underperform

Distribution of Ratings

	IB Serv./Past12 Mos.		JIL Mkt Serv./Past12 Mos.	
	Count	Percent	Count	Percent
BUY	2151	61.11%	388	18.04%
HOLD	1214	34.49%	108	8.90%
UNDERPERFORM	155	4.40%	1	0.65%

Other important disclosures

Other Important Disclosures

Jefferies does business and seeks to do business with companies covered in its research reports, and expects to receive or intends to seek compensation for investment banking services among other activities from such companies. As a result, investors should be aware that Jefferies may have a conflict of interest that could affect the objectivity of this report. Investors should consider this report as only a single factor in making their investment decision.

Jefferies Equity Research refers to research reports produced by analysts employed by one of the following Jefferies Financial Group Inc. ("Jefferies") companies:

United States: Jefferies LLC which is an SEC registered broker-dealer and a member of FINRA (and distributed by Jefferies Research Services, LLC, an SEC registered Investment Adviser, to clients paying separately for such research).

Canada: Jefferies Securities Inc., which is an investment dealer registered in each of the thirteen Canadian jurisdictions and a dealer member of the Canadian Investment Regulatory Organization, including research reports produced jointly by Jefferies Securities Inc. and another Jefferies entity (and distributed by Jefferies Securities Inc.).

Where Jefferies Securities Inc. distributes research reports produced by Jefferies LLC, Jefferies International Limited, Jefferies (Japan) Limited, Tokyo Branch or Jefferies India Private Limited, you are advised that each of Jefferies LLC, Jefferies International Limited, Jefferies (Japan) Limited, Tokyo Branch and Jefferies India Private Limited operates as a dealer in your jurisdiction under an exemption from the dealer registration requirements contained in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations and, as such, each of Jefferies LLC, Jefferies International Limited, Jefferies (Japan) Limited, Tokyo Branch and Jefferies India Private Limited is not required to be and is not a registered dealer or adviser in your jurisdiction. You are advised that where Jefferies LLC or Jefferies International Limited prepared this research report, it was not prepared in accordance with Canadian disclosure requirements relating to research reports in Canada.

United Kingdom: Jefferies International Limited, which is authorized and regulated by the Financial Conduct Authority; registered in England and Wales No. 1978621; registered office: 100 Bishopsgate, London EC2N 4JL; telephone +44 (0)20 7029 8000; facsimile +44 (0)20 7029 8010.

Germany: Jefferies GmbH, which is authorized and regulated by the Bundesanstalt fuer Finanzdienstleistungsaufsicht, BaFin-ID: 10150151; registered office: Bockenheimer Landstr. 24, 60323 Frankfurt a.M., Germany; telephone: +49 (0) 69 719 1870

Hong Kong: Jefferies Hong Kong Limited, which is licensed by the Securities and Futures Commission of Hong Kong with CE number ATS546; located at Level 26, Two International Finance Center, 8 Finance Street, Central, Hong Kong; telephone: +852 3743 8000.

Singapore: Jefferies Singapore Limited, which is licensed by the Monetary Authority of Singapore; located at 80 Raffles Place #15-20, UOB Plaza 2, Singapore 048624, telephone: +65 6551 3950.

Japan: Jefferies (Japan) Limited, Tokyo Branch, which is a securities company registered by the Financial Services Agency of Japan and is a member of the Japan Securities Dealers Association; located at Tokyo Midtown Hibiya 30F Hibiya Mitsui Tower, 1-1-2 Yurakucho, Chiyoda-ku, Tokyo 100-0006; telephone +813 5251 6100; facsimile +813 5251 6101.

India: Jefferies India Private Limited (CIN - U74140MH2007PTC200509), licensed by the Securities and Exchange Board of India for: Stock Broker (NSE & BSE) INZ000243033, Research Analyst INH000000701 and Merchant Banker INM000011443, located at Level 16, Express Towers, Nariman Point, Mumbai 400 021, India; Tel +91 22 4356 6000. Compliance Officer name: Sanjay Pai, Tel No: +91 22 42246150, Email: spai@jefferies.com, Grievance officer name: Sanjay Pai, Tel no. +91 22 42246150, Email: compliance_india@jefferies.com. Registration granted by SEBI and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors.

Australia: Jefferies (Australia) Pty Limited (ACN 623 059 898), which holds an Australian financial services license (AFSL 504712) and is located at Level 20, 60 Martin Place, Sydney NSW 2000; telephone +61 2 9364 2800.

Dubai: Jefferies International Limited, Dubai branch, which is licensed by the Dubai Financial Services Authority (DFSA Reference Number F007325); registered office Unit L31-06, L31-07, Level 31, ICD Brookfield Pace, DIFC, PO Box 121208, Dubai, UAE.

This report was prepared by personnel who are associated with Jefferies (Jefferies Securities Inc., Jefferies International Limited, Jefferies GmbH, Jefferies Hong Kong Limited, Jefferies Singapore Limited, Jefferies (Japan) Limited, Tokyo Branch, Jefferies India Private Limited), and Jefferies (Australia) Pty Ltd; or by personnel who are associated with both Jefferies LLC and Jefferies Research Services LLC ("JRS"). Jefferies LLC is a US registered broker-dealer and is affiliated with JRS, which is a US registered investment adviser. JRS does not create tailored or personalized research and all research provided by JRS is impersonal. If you are paying separately for this research, it is being provided to you by JRS. Otherwise, it is being provided by Jefferies LLC. Jefferies LLC, JRS, and their affiliates are collectively referred to below as "Jefferies". Jefferies may seek to do business with companies covered in this research report. As a result, investors should be aware that Jefferies may have a conflict of interest that could affect the objectivity of this report. Investors should consider this report as only one of many factors in making their investment decisions. Specific conflict of interest and other disclosures that are required by FINRA, the Canadian Investment Regulatory Organization and other rules are set forth in this disclosure section.

If you are receiving this report from a non-US Jefferies entity, please note the following: Unless prohibited by the provisions of Regulation S of the U.S. Securities Act of 1933, as amended, this material is distributed in the United States by Jefferies LLC, which accepts responsibility for its contents in accordance with the provisions of Rule 15a-6 under the US Securities Exchange Act of 1934, as amended. Transactions by or on behalf of any US person may only be effected through Jefferies LLC. In the United Kingdom and European Economic Area this report is issued and/or approved for distribution by Jefferies International Limited ("JIL") and/or Jefferies GmbH and is intended for use only by persons who have, or have been assessed as having, suitable professional experience and expertise, or by persons to whom it can be otherwise lawfully distributed. Jefferies LLC, JIL, Jefferies GmbH and their affiliates, may make a market or provide liquidity in the financial instruments referred to in this report; and where they do make a market, such activity is disclosed specifically in this report under "company specific disclosures".

For Canadian investors, this material is intended for use only by professional or institutional investors. None of the investments or investment services mentioned or described herein is available to other persons or to anyone in Canada who is not a "permitted client" as defined by National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations, as applicable. This research report is a general discussion of the merits and risks of a security or securities only, and is not in any way meant to be tailored to the needs and circumstances of any recipient. The information contained herein is not, and under no circumstances is to be construed as, an offer to sell securities described herein, or solicitation of an offer to buy securities described herein, in Canada or any province or territory thereof. Any offer or sale of the securities described herein in Canada will be made only under an exemption from the requirements to file a prospectus with the relevant Canadian securities regulators, if applicable, and only by a dealer properly registered under applicable securities laws or, alternatively, pursuant to an exemption from the dealer registration requirement in the relevant province or territory of Canada in which such offer or sale is made. The information contained herein is under no circumstances to be construed as investment advice in any province or territory of Canada and is not tailored to the needs of the recipient. To the extent that the information contained herein references securities of an issuer incorporated, formed or created under the laws of Canada or a province or territory of Canada, any trades in such securities must be conducted through a dealer registered in Canada. No securities commission or similar regulatory authority in Canada has reviewed or in any way passed judgment upon this research report, the information contained herein or the merits of the securities described herein, and any representation to the contrary is an offence.

In Singapore, Jefferies Singapore Limited ("JSL") is regulated by the Monetary Authority of Singapore. For investors in the Republic of Singapore, where this material is prepared and issued by a Jefferies affiliate outside of Singapore, it is distributed by JSL pursuant to Regulation 32C of the Financial Advisers Regulations. The material contained in this document is intended solely for accredited, expert or institutional investors, as defined under the Securities and Futures Act 2001 (Singapore). If there are any matters arising from, or in connection with this material, please contact JSL, located at 80 Raffles Place #15-20, UOB Plaza 2, Singapore 048624, telephone: +65 6551 3950. In Dubai, this material is issued and distributed by Jefferies International Limited, Dubai branch, and is intended solely for Professional Clients and should not be distributed to, or relied upon by, Retail Clients (as defined by DFSA). A distribution of ratings in percentage terms in each sector covered is available upon request from your sales representative. In Japan, this material is issued and distributed by Jefferies (Japan) Limited to institutional investors only. In Hong Kong, this report is issued and approved by Jefferies Hong Kong Limited and is intended for use only by professional investors as defined in the Hong Kong Securities and Futures Ordinance and its subsidiary legislation. In the Republic of China (Taiwan), this report should not be distributed. The research in relation to this report is conducted outside the People's Republic of China ("PRC"). This report does not constitute an offer to sell or the solicitation of an offer to buy any securities in the PRC. PRC investors shall have the relevant qualifications to invest in such securities and shall be responsible for obtaining all relevant approvals, licenses, verifications and/or registrations from the relevant governmental authorities themselves. In India, this report is made available by Jefferies India Private Limited. In Australia, this report is issued and/or approved for distribution by, or on behalf of, Jefferies (Australia) Securities Pty Ltd (ACN 610 977 074), which holds an Australian financial services license (AFSL 487263). It is directed solely at wholesale clients within the meaning of the Corporations Act 2001 (Cth) of Australia (the "Corporations Act"), in connection with their consideration of any investment or investment service that is the subject of this report. This report may contain general financial product advice. Where this report refers to a particular financial product, you should obtain a copy of the relevant product disclosure statement or offer document before making any decision in relation to the product. Recipients of this document in any other jurisdictions should inform themselves about and observe any applicable legal requirements in relation to the receipt of this document. This report is not an offer or solicitation of an offer to buy or sell any security or derivative instrument, or to make any investment. Any opinion or estimate constitutes the preparer's best judgment as of the date of preparation, and is subject to change without notice. Jefferies assumes no obligation to maintain or update this report based on subsequent information and events. Jefferies, and their respective officers, directors, and employees, may have long or short positions in, or may buy or sell any of the securities, derivative instruments or other investments mentioned or described herein, either as agent or as principal for their own account. This material is provided solely for informational purposes and is not tailored to any recipient, and is not based on, and does not take into account, the particular investment objectives, portfolio holdings, strategy, financial situation, or needs of any recipient. As such, any advice or recommendation in this report may not be suitable for a particular recipient. Jefferies assumes recipients of this report are capable of evaluating the information contained herein and of exercising independent judgment. A recipient of this report should not make any investment decision without first considering whether any advice or recommendation in this report is suitable for the recipient based on the recipient's particular circumstances and, if appropriate or otherwise needed, seeking professional advice, including tax advice. Jefferies does not perform any suitability or other analysis to check whether an investment decision made by the recipient based on this report is consistent with a recipient's investment objectives, portfolio holdings, strategy, financial situation, or needs.

By providing this report, neither JRS nor any other Jefferies entity accepts any authority, discretion, or control over the management of the recipient's assets. Any action taken by the recipient of this report, based on the information in the report, is at the recipient's sole judgment and risk. The recipient must perform his or her own independent review of any prospective investment. If the recipient uses the services of Jefferies LLC (or other affiliated broker-dealers), in connection with a purchase or sale of a security that is a subject of these materials, such broker-dealer may act as principal for its own accounts or as agent for another person. Only JRS is registered with the SEC as an investment adviser; and therefore neither Jefferies LLC nor any other Jefferies affiliate has any fiduciary duty in connection with distribution of these reports.

The price and value of the investments referred to herein and the income from them may fluctuate. Past performance is not a guide to future performance, future returns are not guaranteed, and a loss of original capital may occur. Fluctuations in exchange rates could have adverse effects on the value or price of, or income derived from, certain investments.

This report may contain forward looking statements that may be affected by inaccurate assumptions or by known or unknown risks, uncertainties, and other important factors. As a result, the actual results, events, performance or achievements of the financial product may be materially different from those expressed or implied in such statements.

This report has been prepared independently of any issuer of securities mentioned herein and not as agent of any issuer of securities. No Equity Research personnel have authority whatsoever to make any representations or warranty on behalf of the issuer(s). Any comments or statements made herein are those of the Jefferies entity producing this report and may differ from the views of other Jefferies entities.

This report may contain information obtained from third parties, including ratings from credit ratings agencies such as Standard & Poor's, and information derived from third-party or proprietary generative artificial intelligence (Gen AI) models. Jefferies does not guarantee the accuracy, completeness, timeliness or availability of this information, and is not responsible for any errors or omissions (negligent or otherwise), regardless of the cause, or for the results obtained from the use of such content. Neither Jefferies nor any third-party content providers, including providers of Gen AI models, give any express or implied warranties, including, but not limited to, any warranties of merchantability or fitness for a particular purpose or use. Neither Jefferies nor any third-party content provider shall be liable for any direct, indirect, incidental, exemplary, compensatory, punitive, special or consequential damages, costs, expenses, legal fees, or losses (including lost income or profits and opportunity costs) in connection with any use of their content, including ratings. Credit ratings are statements of opinions and are not statements of fact or recommendations to purchase, hold or sell securities. They do not address the suitability of securities or the suitability of securities for investment purposes, and should not be relied on as investment advice. Reproduction and distribution of third party content in any form is prohibited except with the prior written permission of the related third party.

Jefferies research reports are disseminated and available electronically, and, in some cases, also in printed form. Electronic research is simultaneously made available to all clients. This report or any portion hereof may not be copied, reprinted, sold, or redistributed or disclosed by the recipient or any third party, by content scraping or extraction, automated processing, or any other form or means, without the prior written consent of Jefferies. Any unauthorized use is prohibited. Neither Jefferies nor any of its respective directors, officers or employees, is responsible for guaranteeing the financial success of any investment, or accepts any liability whatsoever for any direct, indirect or consequential damages or losses arising from any use of this report or its contents. Nothing herein shall be construed to waive any liability Jefferies has under applicable U.S. federal or state securities laws.

For Important Disclosure information relating to JRS, please see https://adviserinfo.sec.gov/IAPD/Content/Common/crd_iapd_Brochure.aspx?BRCHR_VRSN_ID=483878 and <https://adviserinfo.sec.gov/Firm/292142> or visit our website at <https://javatar.bluematrix.com/sellside/Disclosures.action>, or www.jeffries.com, or call 1.888.JEFFERIES.

© 2025 Jefferies