



# Snowflake Inc.

Institutional Equity Research  
December 1, 2025

## Well Positioned to Achieve High Expectations

Ahead of Snowflake's 3Q26 earnings this upcoming Wednesday, December 3, we are providing updated thoughts around what we continue to view as one of our top picks in infrastructure software. This past quarter, we're observing strength across Snowflake's products supported by the conversations we've held with The DEN, along with our DaVinci Developer Data that's indicating significantly accelerating growth particularly in the core data warehouse. Given what remains as arguably one of the best stories in Software, we reiterate our **BUY** rating and raise our price target to \$300 from \$275.

**Developer activity in F3Q26 continues to accelerate following what was a record past quarter in our DaVinci Developer Dataset.** This past quarter, we've seen developer activity around Snowflake continue to accelerate well above its historical levels, a trend we'd started to observe since April of this year. Across all three months of F3Q26, and particularly in October, we witnessed a significant uptick in developer activity, primarily around Snowflake's core data warehouse product and Snowpark, which resulted in developer activity growing on a Y/Y basis which we'd point out as rare for an entity with this level of absolute developer activity. On top of developer activity exiting the quarter well, we're seeing activity in the month of November trending well that would suggest in-line performance with historical averages, that is typically impacted heavily by the holiday season. Furthermore, similar to what we've seen in previous quarters, while developer activity around Databricks' data warehouse product, Databricks SQL is growing quickly, we'd note it continues to lag Snowflake's data warehouse.

**Conversations with The DEN continue to indicate that Snowflake is seeing notable tailwinds in this Software environment, with little threat from Databricks.** At this point in time, one of the few remaining pieces of negative sentiment we continue to hear is around concerns about competitive positioning. Though across our data and our conversations with The DEN, we continue to hear that both companies have plenty of room in their own respective swim lanes despite the two dipping their toes into each other's spaces. Additionally, we heard in our conversations that business intelligence is losing significant momentum, with the data platforms such as Snowflake and Databricks folding those capabilities into their offerings.

**Despite high expectations heading into the quarter, we believe SNOW is still setup well heading into earnings.** Since last earnings, shares have run up considerably especially as the "AI eats software" narrative has subsided, albeit cooling off slightly from recent highs over the past couple of weeks. While product revenue guidance of \$1125M-\$1130M implies 25% Y/Y growth at the midpoint, we believe that expectations from the Street expect 30% or higher this quarter, which while high, we view as achievable.

**We reiterate our BUY rating and raise our price target from \$275 to \$300 on SNOW, valuing shares at 18x CY26E revenue,** a premium to high-growth peers in our Software coverage as SNOW is the only company at this level of growth and margins besides PLTR.

FY (Jan)		2025A	2026E	Previous	Cons.	2027E	Previous	Cons.
<b>EBITDA (\$M)</b>	Q1 (Apr)	\$76.5	<b>\$140.5A</b>	-	\$140.5	<b>\$157.3E</b>	NC	\$177.9
	Q2 (Jul)	\$88.9	<b>\$182.4A</b>	-	\$182.4	<b>\$146.3E</b>	NC	\$182.5
	Q3 (Oct)	\$105.9	<b>\$153.8E</b>	NC	\$145.2	<b>\$188.1E</b>	NC	\$204.8
	Q4 (Jan)	\$143.0	<b>\$146.8E</b>	NC	\$154.5	<b>\$199.4E</b>	NC	\$225.2
		\$414.2	<b>\$623.5E</b>	NC	\$561.6	<b>\$691.1E</b>	NC	\$769.5
<b>Revenue (\$M)</b>	Q1 (Apr)	\$828.7	<b>\$1,042A</b>	-	\$1,042.1	<b>\$1,283E</b>	NC	\$1,282.1
	Q2 (Jul)	\$868.8	<b>\$1,145A</b>	-	\$1,145.0	<b>\$1,393E</b>	NC	\$1,333.9
	Q3 (Oct)	\$942.1	<b>\$1,182E</b>	NC	\$1,169.9	<b>\$1,439E</b>	NC	\$1,431.1
	Q4 (Jan)	\$986.8	<b>\$1,231E</b>	NC	\$1,226.4	<b>\$1,510E</b>	NC	\$1,498.0
		\$3,626	<b>\$4,601E</b>	NC	\$4,530.5	<b>\$5,625E</b>	NC	\$5,584.6

Please refer to pages 5 - 6 of this report for detailed disclosure and certification information.

**BUY**

SNOW - NYSE

**Price Target** **1\$300.00**  
Price (11/28/25) \$251.24  
Industry TECHNOLOGY

### Valuation & Performance

Total Debt/Total Capital n.a.  
Cash per share (7/31/25) \$11.46  
BV Per Share (7/31/25) \$16.19  
Dividend \$0.00 (0.0%)  
Return on Equity (T-T-M) (42.4)%

### Trading Data

Shares Outstanding (M) 333.7  
Market Capitalization (\$M) \$66,862  
52-week range \$107.13 - \$229.27  
Avg. Volume (3-mth.) (K) 4,196.0

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### Company Description

San Mateo, CA – Snowflake Inc. provides cloud-based data platform in the United States and internationally. The company's platform enables customers to consolidate data into a single source of truth to drive meaningful business insights, build data-driven applications, and share data. Its platform is used by various organizations of various sizes in a range of industries. The company was founded in 2012 and went public in September 2020.

### Price Performance

NYSE: SNOW



D.A. Davidson & Co. Member SIPC



## D.A. Davidson Institutional Research

Snowflake Inc.

Fiscal Year Ends January 31

Source: SNOW filings and D.A. Davidson estimates

Consolidated Statements of Operations, Adjusted  
(in thousands, except per share data)

	1Q25	2Q25	3Q25	4Q25	FY2025	1Q26	2Q26	3Q26E	4Q26E	FY2026E	1Q27E	2Q27E	3Q27E	4Q27E	FY2027E
	30-Apr-24	31-Jul-24	31-Oct-24	31-Jan-25		30-Apr-25	31-Jul-25	31-Oct-25	31-Jan-26		30-Apr-26	31-Jul-26	31-Oct-26	31-Jan-27	
Total revenue	\$ 828,709	\$ 868,823	\$ 942,094	\$ 986,770	\$ 3,626,396	\$ 1,042,074	\$ 1,144,969	\$ 1,182,119	\$ 1,231,289	\$ 4,600,451	\$ 1,283,114	\$ 1,393,049	\$ 1,438,527	\$ 1,510,313	\$ 5,625,003
Y/Y growth %	32.9%	28.9%	28.3%	27.4%	29.2%	25.7%	31.8%	25.5%	24.8%	26.9%	23.1%	21.7%	21.7%	22.7%	22.3%
Total cost of revenue, as adjusted	219,593	232,613	254,921	270,558	977,685	289,950	309,682	289,836	295,620	1,185,088	307,670	345,847	353,576	370,305	1,377,398
Adjusted gross profit	609,116	636,210	687,173	716,212	2,648,711	752,124	835,287	892,283	935,669	3,415,363	975,444	1,047,202	1,084,951	1,140,007	4,247,604
Gross margin %	74%	73%	73%	73%	73%	72%	73%	75%	76%	74%	76%	75%	75%	75%	76%
Operating expenses, as adjusted:															
Sales and marketing	312,571	309,084	340,606	328,944	1,291,205	357,883	392,103	391,258	411,172	1,552,416	425,746	462,754	469,929	490,195	1,848,624
% of total revenue	38%	36%	36%	33%	36%	34%	34%	33%	33%	34%	33%	33%	33%	33%	33%
Research and development	203,153	224,246	224,753	230,810	882,962	238,822	247,124	311,022	342,261	1,139,229	348,539	381,881	372,211	393,374	1,496,004
% of total revenue	25%	26%	24%	23%	24%	23%	22%	26%	28%	25%	27%	27%	26%	26%	27%
General and administrative	57,148	59,134	62,926	63,613	242,821	63,761	68,488	84,122	92,364	308,735	94,727	102,091	100,976	103,480	401,273
% of total revenue	7%	7%	7%	6%	7%	6%	6%	7%	8%	7%	7%	7%	7%	7%	7%
Total operating expenses, as adjusted	572,872	592,464	628,285	623,367	2,416,988	660,466	707,715	786,402	845,797	3,000,380	869,012	946,726	943,115	987,048	3,745,901
Adjusted income (loss) from operations	36,244	43,746	58,888	92,845	231,723	91,658	127,572	105,881	89,873	414,983	106,432	100,476	141,836	152,959	501,703
Operating margin %	4%	5%	6%	9%	6%	9%	11%	9%	7%	9%	8%	7%	10%	10%	9%
Interest income	54,779	49,265	48,655	56,310	209,009	53,163	49,467	50,000	50,000	202,630	50,000	50,000	50,000	50,000	200,000
Other non-operating income	(21,415)	(8,063)	(12,193)	2,383	(39,288)	(28,058)	(4,985)	-	-	(33,043)	-	-	-	-	-
Adjusted income (loss) before income taxes	69,608	84,948	95,350	151,538	401,444	116,763	172,054	155,881	139,873	584,570	156,432	150,476	191,836	202,959	701,703
Pre-tax margin %	8%	10%	10%	15%	11%	11%	15%	13%	11%	13%	12%	11%	13%	13%	12%
Income tax expense	18,276	21,969	25,757	39,400	105,402	29,191	43,068	42,088	37,766	152,112	42,237	40,629	51,796	54,799	189,460
Effective tax rate, as adjusted	26%	26%	27%	26%	26%	25%	25%	27%	27%	26%	27%	27%	27%	27%	27%
Adjusted net income (loss)	52,160	63,850	73,216	112,115	296,042	87,285	129,289	113,793	102,107	432,458	114,195	109,848	140,040	148,160	512,244
Net margin %	6%	7%	8%	11%	8%	8%	11%	10%	8%	9%	9%	8%	10%	10%	9%
Adjusted diluted EPS	\$ 0.14	\$ 0.18	\$ 0.20	\$ 0.34	\$ 0.84	\$ 0.24	\$ 0.35	\$ 0.31	\$ 0.27	\$ 1.16	\$ 0.31	\$ 0.29	\$ 0.37	\$ 0.40	\$ 1.37
Weighted average shares: diluted	363,757	359,319	362,153	331,432	354,165	370,920	372,383	373,000	373,000	372,326	374,000	374,000	374,000	374,000	374,000

**Consolidated Balance Sheets**  
(in thousands)

	1Q25	2Q25	3Q25	4Q25	FY2025	F1Q26	2Q26	3Q26E	4Q26E	FY2026E	1Q27E	2Q27E	3Q27E	4Q27E	FY2027E
	30-Apr-24	31-Jul-24	31-Oct-24	31-Jan-25		30-Apr-25	31-Jul-25	31-Oct-25	31-Jan-26		30-Apr-26	31-Jul-26	31-Oct-26	31-Jan-27	
<b>Assets</b>															
<b>Current assets</b>															
Cash and cash equivalents	\$ 1,330,411	\$ 1,282,045	\$ 2,148,928	\$ 2,628,798	\$ 2,628,798	\$ 2,243,083	\$ 1,880,720	\$ 2,112,617	\$ 2,648,070	\$ 2,648,070	\$ 3,062,291	\$ 3,170,607	\$ 3,307,298	\$ 3,867,230	\$ 3,867,230
Short-term investments	2,200,935	1,948,462	2,008,062	2,008,873	2,008,873	1,667,601	1,705,988	1,705,988	1,705,988	1,705,988	1,705,988	1,705,988	1,705,988	1,705,988	1,705,988
Accounts receivable, net	345,505	431,597	596,352	922,805	922,805	530,517	646,682	656,373	415,931	415,931	265,287	278,881	292,930	231,164	231,164
Deferred commissions, current	85,448	86,899	89,831	97,662	97,662	104,187	129,873	108,898	115,011	115,011	121,037	127,239	133,649	126,563	126,563
Prepaid expenses and other current assets	180,991	149,085	140,898	211,234	211,234	240,586	232,864	232,864	232,864	232,864	232,864	232,864	232,864	232,864	232,864
<b>Total current assets</b>	<b>4,143,290</b>	<b>3,898,088</b>	<b>4,984,071</b>	<b>5,869,372</b>	<b>5,869,372</b>	<b>4,785,974</b>	<b>4,596,127</b>	<b>4,816,741</b>	<b>5,117,865</b>	<b>5,117,865</b>	<b>5,387,467</b>	<b>5,515,578</b>	<b>5,672,730</b>	<b>6,163,809</b>	<b>6,163,809</b>
Long-term investments	927,981	697,406	892,777	656,476	656,476	956,144	1,012,904	1,012,904	1,012,904	1,012,904	1,012,904	1,012,904	1,012,904	1,012,904	1,012,904
Property and equipment, net	263,667	264,778	278,374	296,393	296,393	290,332	283,051	247,115	202,835	202,835	166,524	135,987	104,379	73,441	73,441
Operating lease right-of-use assets	244,681	272,459	280,719	359,439	359,439	261,971	262,419	348,475	368,036	368,036	387,319	407,166	427,678	393,750	393,750
Goodwill	975,906	984,076	990,665	1,056,559	1,056,559	1,056,559	1,174,978	1,174,978	1,174,978	1,174,978	1,174,978	1,174,978	1,174,978	1,174,978	1,174,978
Intangible assets, net	307,967	286,538	268,514	278,028	278,028	253,944	285,448	285,448	285,448	285,448	285,448	285,448	285,448	285,448	285,448
Deferred commissions, non-current	179,917	177,457	177,307	183,967	183,967	182,761	187,206	283,136	299,029	299,029	314,697	330,822	347,489	337,500	337,500
Other assets	254,609	363,084	329,831	333,704	333,704	369,722	394,594	418,256	424,321	424,321	424,321	424,321	448,220	454,346	454,346
<b>Total assets</b>	<b>7,298,018</b>	<b>6,943,886</b>	<b>8,202,258</b>	<b>9,033,938</b>	<b>9,033,938</b>	<b>8,157,407</b>	<b>8,196,727</b>	<b>8,587,052</b>	<b>8,885,417</b>	<b>8,885,417</b>	<b>9,153,659</b>	<b>9,287,204</b>	<b>9,473,826</b>	<b>9,896,176</b>	<b>9,896,176</b>
<b>Liabilities and Stockholders' Equity</b>															
<b>Current liabilities</b>															
Accounts payable	64,239	134,537	148,920	169,767	169,767	155,263	166,786	95,345	97,404	97,404	115,338	101,833	107,072	113,211	113,211
Accrued expenses and other current liabilities	398,002	448,926	485,130	515,454	515,454	528,380	622,800	609,830	644,063	644,063	677,809	712,540	748,437	843,750	843,750
Operating lease liabilities, current	30,940	32,843	38,288	35,923	35,923	37,098	38,109	38,109	38,109	38,109	38,109	38,109	38,109	38,109	38,109
Deferred revenue, current	1,935,642	1,848,376	1,974,934	2,580,039	2,580,039	2,309,803	2,268,387	2,526,441	2,668,262	2,668,262	2,759,650	2,748,369	2,726,449	2,868,751	2,868,751
<b>Total current liabilities</b>	<b>2,428,823</b>	<b>2,464,682</b>	<b>2,647,272</b>	<b>3,301,183</b>	<b>3,301,183</b>	<b>3,030,544</b>	<b>3,096,082</b>	<b>3,269,725</b>	<b>3,447,838</b>	<b>3,447,838</b>	<b>3,590,906</b>	<b>3,600,851</b>	<b>3,620,068</b>	<b>3,863,822</b>	<b>3,863,822</b>
Convertible senior notes, net			2,269,459	2,271,529	2,271,529	2,273,600	2,275,674	2,275,674	2,275,674	2,275,674	2,275,674	2,275,674	2,275,674	2,275,674	2,275,674
Operating lease liabilities, non-current	247,501	279,969	287,881	377,818	377,818	377,065	378,546	378,546	378,546	378,546	378,546	378,546	378,546	378,546	378,546
Deferred revenue, non-current	14,692	12,280	11,973	15,501	15,501	13,724	11,540	17,424	23,002	23,002	16,945	15,269	16,038	16,875	16,875
Other liabilities	39,310	49,367	51,264	61,264	61,264	47,620	55,296	55,296	55,296	55,296	55,296	55,296	55,296	55,296	55,296
<b>Total liabilities</b>	<b>2,730,326</b>	<b>2,806,298</b>	<b>5,267,849</b>	<b>6,027,295</b>	<b>6,027,295</b>	<b>5,742,553</b>	<b>5,817,138</b>	<b>5,996,664</b>	<b>6,180,356</b>	<b>6,180,356</b>	<b>6,317,367</b>	<b>6,325,636</b>	<b>6,345,622</b>	<b>6,590,213</b>	<b>6,590,213</b>
<b>Stockholders' Equity</b>	<b>4,558,234</b>	<b>4,129,001</b>	<b>2,929,445</b>	<b>2,999,929</b>	<b>2,999,929</b>	<b>2,408,000</b>	<b>2,379,589</b>	<b>2,510,270</b>	<b>2,624,942</b>	<b>2,624,942</b>	<b>2,756,174</b>	<b>2,881,451</b>	<b>3,048,086</b>	<b>3,225,846</b>	<b>3,225,846</b>
<b>Total liabilities and stockholders' equity</b>	<b>7,298,018</b>	<b>6,943,886</b>	<b>8,202,258</b>	<b>9,033,938</b>	<b>9,033,938</b>	<b>8,157,407</b>	<b>8,196,727</b>	<b>8,587,052</b>	<b>8,885,417</b>	<b>8,885,417</b>	<b>9,153,659</b>	<b>9,287,204</b>	<b>9,473,826</b>	<b>9,896,176</b>	<b>9,896,176</b>





Consolidated Statements of Cash Flows, YTD (in thousands)	1Q25 30-Apr-24	2Q25 31-Jul-24	3Q25 31-Oct-24	4Q25 31-Jan-25	FY2025	F1Q26 30-Apr-25	2Q26 31-Jul-25	3Q26E 31-Oct-25	4Q26E 31-Jan-26	FY2026E	1Q27E 30-Apr-26	2Q27E 31-Jul-26	3Q27E 31-Oct-26	4Q27E 31-Jan-27	FY2027E
<b>Cash flows from operating activities:</b>															
Net income (loss)	\$ (317,816)	\$ (635,586)	\$ (963,488)	\$ (1,289,212)	\$ (1,289,212)	\$ (429,952)	\$ (727,882)	\$ (957,201)	\$ (1,202,529)	\$ (1,202,529)	\$ (228,768)	\$ (463,491)	\$ (656,856)	\$ (839,097)	\$ (839,097)
<b>Adjustments to reconcile ...:</b>															
Depreciation and amortization	40,221	85,332	132,378	182,508	182,508	48,804	103,641	151,556	208,487	208,487	50,836	96,642	142,951	189,358	189,358
Non-cash operating lease costs	13,722	27,568	42,370	59,943	59,943	17,842	33,998	33,998	33,998	33,998	-	-	-	-	-
Amortization of deferred commissions	22,764	45,586	68,835	93,128	93,128	25,796	58,954	58,954	58,954	58,954	-	-	-	-	-
Stock-based compensation, net of amounts capitalized	331,936	687,936	1,051,195	1,479,314	1,479,314	379,460	783,677	1,143,677	1,503,677	1,503,677	360,000	720,000	1,080,000	1,440,000	1,440,000
Net amortization of premiums on investments	(11,992)	(24,772)	(33,869)	(43,434)	(43,434)	(7,652)	(13,369)	(13,369)	(13,369)	(13,369)	-	-	-	-	-
Net unrealized losses on strategic investments in equity securities	20,695	27,203	35,814	31,420	31,420	29,685	35,265	35,265	35,265	35,265	-	-	-	-	-
Amortization of debt issuance costs	-	-	689	2,759	2,759	2,071	4,145	4,145	4,145	4,145	-	-	-	-	-
Deferred income tax	-	49	(532)	(7,671)	(7,671)	106,488	(3,445)	(3,445)	(3,445)	(3,445)	-	-	-	-	-
Other	669	1,918	4,879	7,420	7,420	(5,174)	105,130	105,130	105,130	105,130	-	-	-	-	-
<b>Changes in assets and liabilities:</b>															
Accounts receivable	579,319	492,192	328,704	536	536	393,657	276,051	266,360	506,802	506,802	150,644	137,051	123,001	184,767	184,767
Deferred commissions	(14,940)	(36,754)	(62,785)	(101,569)	(101,569)	(31,114)	(84,864)	(159,819)	(181,826)	(181,826)	(21,694)	(44,021)	(67,098)	(50,022)	(50,022)
Prepaid expenses and other assets	(1,111)	33,347	42,456	29,850	29,850	(17,852)	(22,338)	(108,394)	(127,955)	(127,955)	(19,283)	(39,130)	(59,642)	(25,714)	(25,714)
Accounts payable	21,244	91,425	102,721	108,852	108,852	(4,423)	7,348	(64,093)	(62,034)	(62,034)	17,933	4,429	9,668	15,806	15,806
Accrued expenses and other liabilities	(54,688)	4,637	38,702	70,876	70,876	3,935	97,226	84,256	118,489	118,489	33,746	68,477	104,374	199,687	199,687
Operating lease liabilities	(13,374)	(25,289)	(34,344)	(47,711)	(47,711)	(11,838)	(26,397)	(26,397)	(26,397)	(26,397)	-	-	-	-	-
Deferred revenue	(261,181)	(349,459)	(226,686)	382,755	382,755	(271,360)	(323,871)	(59,934)	87,466	87,466	85,331	72,373	51,223	194,362	194,362
<b>Net cash provided by operating activities</b>	<b>355,468</b>	<b>425,333</b>	<b>527,039</b>	<b>959,764</b>	<b>959,764</b>	<b>228,373</b>	<b>303,269</b>	<b>490,689</b>	<b>1,044,859</b>	<b>1,044,859</b>	<b>428,745</b>	<b>552,330</b>	<b>727,621</b>	<b>1,309,148</b>	<b>1,309,148</b>
<b>Cash flows from investing activities:</b>															
Purchases of property and equipment	(16,519)	(21,562)	(35,002)	(46,279)	(46,279)	(44,989)	(61,654)	(73,633)	(86,284)	(86,284)	(14,524)	(29,793)	(44,495)	(59,963)	(59,963)
Capitalized internal-use software development costs	(7,404)	(13,396)	(23,428)	(29,433)	(29,433)	-	-	(23,662)	(29,727)	(29,727)	-	-	(23,899)	(30,025)	(30,025)
Cash paid for business combinations, net of cash, cash equivalents, and restricted cash	-	(8,906)	(17,125)	(30,305)	(30,305)	-	(164,230)	(164,230)	(164,230)	(164,230)	-	-	-	-	-
Purchase of intangible assets	-	-	-	-	-	-	(1,311)	(1,311)	(1,311)	(1,311)	-	-	-	-	-
Purchases of investments	(1,078,261)	(1,274,742)	(2,288,985)	(2,569,243)	(2,569,243)	(1,012,575)	(1,649,044)	(1,649,044)	(1,649,044)	(1,649,044)	-	-	-	-	-
Sales of investments	30,360	40,797	54,394	64,573	64,573	17,399	18,875	18,875	18,875	18,875	-	-	-	-	-
Maturities and redemptions of investments	921,395	1,511,458	2,276,653	2,802,082	2,802,082	984,182	1,502,129	1,502,129	1,502,129	1,502,129	-	-	-	-	-
Settlement of cash flow hedges	(749)	(749)	(749)	(749)	(749)	-	-	-	-	-	-	-	-	-	-
<b>Net cash provided by investing activities</b>	<b>(151,178)</b>	<b>232,900</b>	<b>(34,242)</b>	<b>190,646</b>	<b>191,395</b>	<b>(55,983)</b>	<b>(355,235)</b>	<b>(390,876)</b>	<b>(409,592)</b>	<b>(409,592)</b>	<b>(14,524)</b>	<b>(29,793)</b>	<b>(68,394)</b>	<b>(89,988)</b>	<b>(89,988)</b>
<b>Cash flows from financing activities:</b>															
Proceeds from exercise of stock options	10,686	23,664	35,212	44,886	44,886	6,260	34,446	34,446	34,446	34,446	-	-	-	-	-
Proceeds from issuance of common stock under employee stock purchase plans	46,735	46,735	77,053	77,053	77,053	53,193	53,193	53,193	53,193	53,193	-	-	-	-	-
Taxes paid related to net share settlement of equity awards	(174,590)	(278,114)	(359,607)	(489,149)	(489,149)	(132,498)	(294,497)	(294,497)	(294,497)	(294,497)	-	-	-	-	-
Repurchases of common stock	(516,329)	(916,329)	(1,932,333)	(1,932,333)	(1,932,333)	(490,638)	(490,638)	(490,638)	(490,638)	(490,638)	-	-	-	-	-
Gross proceeds from issuance of convertible senior notes	-	-	2,300,000	2,300,000	2,300,000	-	-	-	-	-	-	-	-	-	-
Cash paid for issuance costs on convertible senior notes	-	-	(31,230)	(31,230)	(31,230)	-	-	-	-	-	-	-	-	-	-
Purchases of capped calls related to convertible senior notes	-	-	(195,500)	(195,500)	(195,500)	-	-	-	-	-	-	-	-	-	-
<b>Net cash provided by financing activities</b>	<b>(633,498)</b>	<b>(1,124,044)</b>	<b>(106,405)</b>	<b>(226,523)</b>	<b>(226,273)</b>	<b>(564,057)</b>	<b>(698,096)</b>	<b>(698,096)</b>	<b>(698,096)</b>	<b>(698,096)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Cash effect of foreign exchange rates	(2,633)	(1,909)	(1,131)	(6,186)	(11,859)	12,397	12,222	12,222	12,222	49,063	-	-	-	-	-
Net increase (decrease) in cash, equivalents, and restricted cash	(431,841)	(467,720)	385,261	917,701	913,027	(379,270)	(737,840)	(586,061)	(50,608)	(13,767)	414,221	522,536	659,228	1,219,160	1,219,160
Balance, beginning of period	1,780,977	1,780,977	1,780,977	1,780,977	1,780,977	2,698,678	2,698,678	2,698,678	2,698,678	2,698,678	2,648,070	2,648,070	2,648,070	2,648,070	2,680,237
<b>Balance, end of period</b>	<b>\$ 1,349,136</b>	<b>\$ 1,313,257</b>	<b>\$ 2,166,238</b>	<b>\$ 2,698,678</b>	<b>\$ 2,694,004</b>	<b>\$ 2,319,408</b>	<b>\$ 1,960,838</b>	<b>\$ 2,112,617</b>	<b>\$ 2,648,070</b>	<b>\$ 2,680,237</b>	<b>\$ 3,062,291</b>	<b>\$ 3,170,607</b>	<b>\$ 3,307,298</b>	<b>\$ 3,867,230</b>	<b>\$ 3,899,397</b>



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## Potential Risks

- Much of Snowflake's core revenue comes from Amazon's AWS, and while growth on other hyperscalers such as Azure and GCP are growing, thus mitigating this risk, deceleration from these hyperscalers could potentially adversely affect near-term growth potential of the company.
- Snowflake's venture into the broader cloud data market opens themselves up to considerable competition, which could affect the company's ability to retain customers, attract new customers, and grow within their existing customer base.
- The company's consumption based pricing model opens themselves up to considerable elastic demand from their customers, who can easily turn off their service, resulting in more immediate impact to revenues and growth.

## Required Disclosures

Best-of-Breed: Expected to outperform on a risk adjusted basis over a five-year time horizon, but may be fully valued over a 12-18 month time horizon.

D.A. Davidson & Co. makes a market in Snowflake Inc..

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## Rating Information

**D.A. Davidson & Co.'s Institutional Research Rating Scale Definitions** (maintained since October 10, 2017); information regarding our previous definitions is available upon request:

**BUY:** Expected to produce a total return of over 15% on a risk adjusted basis over the next 12-18 months

**NEUTRAL:** Expected to produce a total return of -15% to +15% on a risk adjusted basis over the next 12-18 months

**UNDERPERFORM:** Expected to lose value of over 15% on a risk adjusted basis over the next 12-18 months

Rating Distribution (as of 9/30/25)	Coverage Universe Distribution			Investment Banking Distribution		
	IR	WMR	Combined	IR	WMR	Combined
<b>BUY (Buy)</b>	59%	85%	62%	8%	0%	7%
<b>NEUTRAL (Hold)</b>	40%	13%	37%	4%	0%	3%
<b>UNDERPERFORM (Sell)</b>	1%	2%	1%	0%	0%	0%

IR denotes Institutional Research; WMR denotes Wealth Management Research whose rating scale is Buy/Add, Neutral, Sell/Reduce. Investment Banking Distribution denotes companies from whom D.A. Davidson & Co. has received compensation in the last 12 months. Best-of-Breed: Expected to outperform on a risk adjusted basis over a five-year time horizon.



Target prices are our Institutional Research Department's evaluation of price potential over the next 12 months, based upon our assessment of future earnings and cash flow, comparable company valuations, growth prospects and other financial criteria. Certain risks may impede achievement of these price targets including, but not limited to, broader market and macroeconomic fluctuations and unforeseen changes in the subject company's fundamentals or business trends.



While the Best-of-Breed designation does not contain a separate rating and/or price target from that of the standard ratings system referenced above, the expectation is that the security, based on the 12 criteria utilized in assessing the “Best-of-Breed” designation, will outperform over a five-year time horizon, not the standard 12-18 month time horizon.

## Other Disclosures

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## Other Companies Mentioned in this Report

Company Name	Ticker	Rating	Price
Confluent, Inc.	CFLT	BUY	\$22.25
Datadog, Inc.	DDOG	BUY	\$160.01
Dynatrace, Inc.	DT	BUY	\$44.56
JPFrog Ltd.	FROG	BUY	\$60.98
MongoDB, Inc.	MDB	BUY	\$332.37
Snowflake Inc.	SNOW	BUY	\$251.24