

Snowflake Inc.

SNOW: F2Q Customer and Partner Survey; Overweight

We conducted our quarterly Snowflake survey of 15 customers and partners, several of whom we spoke with, to get an updated view on spend intentions, product traction, Iceberg adoption/implications, GenAI interest, and competitive dynamics. Overall, we view results as steady with our prior survey.

We came away **incrementally positive** on: 1) on-prem data warehouse migration activity a bigger contributor of spend NT, while also having meaningful runway LT; 2) Data engineering as adoption of Dynamic Tables and Snowpark are strong and/or improving; and 3) increasing GenAI production use cases and supportive commentary of data gravity providing Snowflake a strategic advantage for GenAI.

We came away **incrementally negative** on: 1) an increasing amount of customers plan to migrate data out of Snowflake with Iceberg, while the net change to workloads is neutral; and 2) Cortex adoption still early, which we believe aligns with recent management commentary about Cortex contribution being immaterial.

Responses were **neutral/mixed on interest in using Postgres** (Crunchy Data), with roughly half of respondents "somewhat interested" and the remainder either unsure or not interested. Conversations with Databricks customers, however, have been positive on the opportunity to do reverse ETL workloads with LakeBase (Neon), which we think is supportive of Snowflake's LT strategy as well.

We remain positive on Snowflake given the steady survey results and broadening customer adoption/interest in emerging platform capabilities, along with several other supportive data points in our recent **CIO / VAR** surveys, accelerating hyperscaler growth (including positive **comments** from MSFT's F4Q earnings), and a steady competitive environment.

Key Investment Points

(=) Spend. Customer NTM spend intentions about steady with prior survey at ~10%; however, only 27% of respondents noted they have taken or plan to take measures to reduce or slow consumption in light of macro uncertainty, down from 40% in 1Q.

(Key Investment Points continue on page 2.)

Estimates

FY ends1/31	F2025A	1Q26A	2Q26E	3Q26E	4Q26E	F2026E	F2027E
EPS (Net)	\$0.83	\$0.24	\$0.28	\$0.29	\$0.31	\$1.12	\$1.58
Revenue (M)	\$3,626.4	\$1,042.1	\$1,083.2	\$1,167.0	\$1,222.0	\$4,514.3	\$5,439.2
Cons. Revenue	--	--	\$1,086.9	\$1,169.1	\$1,226.7	\$4,525.5	\$5,570.9
Valuation							
EV/Sales	18.3x	--	--	--	--	14.7x	12.2x

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

Eric Heath, CFA / (646) 416-5028

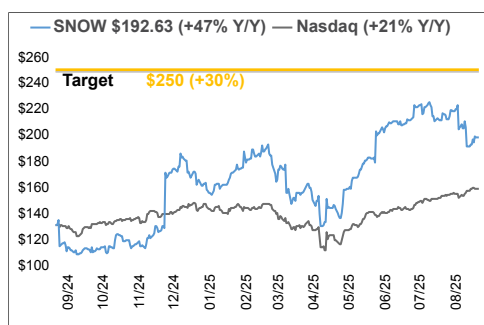
eric.heath@key.com

Billy Mandl / (646) 416-5034

william.mandl@key.com

NYSE: SNOW

Rating: **Overweight**
Price Target: **\$250.00**
Price: **\$192.63**



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

Company Data

52-week range	\$107 - \$229
YTD Price % Chg.	28.4%
Market Cap. (M)	70,078.8
Shares Out. (M)	363.80
Enterprise Value (M)	66,232.7
Avg. Daily Volume (30D)	3,512,602.0
Total Debt (M)	\$(3,846.0)
Minority interest	\$(0.1)
Net cash/market cap	5.5%

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

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

KeyBanc Capital Markets Inc. | Member FINRA/SIPC

Valuation

Snowflake Inc. (SNOW)

Our \$250 price target based is on 16.9x FY27E EV/revenue of \$5,439M (0.83 EVRG) vs. the >20% growth group (excluding PLTR) at 14.0x CY25 (0.58 EVRG). At \$192 AH, SNOW trades at 12.8x FY26E EV/revenue

Investment Risks

Snowflake Inc. (SNOW)

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

Key Investment Points (cont'd)

(=) ~10% Spend Growth Expected NTM – About Steady with Prior Survey; Little Sign of Efforts to Optimize/Reduce Consumption (N=15). On average, customers and partners expect spend on Snowflake to increase ~10% over the NTM – about in line with our prior survey. However, just 27% of respondents noted efforts/plans to reduce or slow consumption in light of recent macroeconomic uncertainty, down from 40% in 1Q.

(+) On-Prem Migrations Driving Growth in Spend (N=12). 75% of respondents noted that migrations of on-prem workloads to cloud are driving increased spend with Snowflake, up from 50% in our prior survey. Additionally, respondents indicated 43% of data warehouse workloads in the cloud today (down from 54% in 1Q), and it is expected to increase to 68% LT (down from 77% in 1Q). However, the delta between the current and LT cloud mix has widened.

(= / -) Majority View Snowflake Strategic Importance as Unchanged Over the Past Six months (N=15). 53% of respondents noted Snowflake's strategic importance has not changed in the last six months. However, the percentage of respondents that believe Snowflake's strategic importance has increased has been tapering off.

60% of respondents have not moved, nor have plans to move, workloads off of Snowflake to competitors – roughly consistent q/q. Of the four respondents who have moved workloads, or plan to, three cited Databricks.

Ease of Use Is the Primary Reason for Choosing Snowflake over Competitors; AI/Gen AI Improved Materially (N=15). Ease of use, followed by performance, were the top reasons for choosing Snowflake over competing data warehouse solutions. Data engineering and AI/GenAI capabilities tied for #3, with the percentage of respondents noting AI/GenAI capabilities up 13 points q/q.

(+) Adoption of Dynamic Tables Significantly Improved (N=15). Dynamic Tables, followed by Snowpark, were cited as the most used products outside of Data Warehouse. Responses for those currently using Dynamic Tables were up 47 points q/q and the high-water mark for our survey. **(-) Cortex** adoption remains low, which we view as a slight negative given the product has been GA since June 2024.

- One >\$1M customer we spoke with noted **Snowpark** is now ~20% of its Snowflake bill. This customer mentioned that it frequently uses Snowpark Optimized Warehouses because it runs a lot of memory-intensive workloads.

(=) Most Interest in Iceberg, Followed by AI (Snowflake Intelligence; Cortex) (N=15). Iceberg Tables (60% of responses) was the #1 product respondents are interested in using or planning to use in the future. Cortex responses were up 6 points q/q, and still #2 with 53% interested in using or planning to use. Snowflake Intelligence down 13 points q/q though remains highly desired at #3 (now tied with Dynamic Tables and Data sharing).

Some Interest in Using Snowflake for PostgreSQL Workloads. Nearly half (47%) of respondents have some interest in using Snowflake for PostgreSQL workloads. 0%, however, noted that they are "very interested."

(+) Interest in Using Snowflake for GenAI High, and Progressing Beyond Interest (N=15). 67% of respondents noted that they, or their end customers, are interested in using/planning to use Snowflake for GenAI, up from 60% in our prior survey and reversing a downward trend. Additionally, three respondents noted that they or their customers are currently using Snowflake for GenAI use cases, up from one in our prior survey. A few use cases that customers are experimenting/piloting or have deployed include:

- "Creating intelligent chatbots based on actual client data."
- "Piloting the construction of Snowflake Semantic views to power Cortex to answer natural language queries."
- "AI- Powered SQL & SQL code generation/validation."
- "Building a data catalog using Cortex."

One customer (O&G) we spoke with that is considering Snowflake Cortex vs. other tools in this space noted that its preference would be to use Cortex because all of its data infrastructure is already hosted in Snowflake – similar to the "data gravity" validation we heard last quarter from a separate customer.

Of the two respondents that are not using/planning to use Snowflake for GenAI, both noted that their organizations don't currently have plans for building Gen AI capabilities.

(=/-) Iceberg: More Moving or Planning to Move Data Out of Snowflake; Seemingly Neutral to Workloads/Use-Cases (N=15). 47% of respondents noted they, or their end customers, have some adoption of Iceberg tables today (up from 20% in 1Q). Similar to last quarter, a small percentage indicated meaningful adoption of Iceberg tables today. 50% of respondents now expect to use Iceberg tables to move data out of Snowflake, up from 40% in 1Q. One customer has already started doing so, up from zero in our prior surveys.

This customer noted, however, that storage is a negligible portion of its Snowflake bill, and that the motivation for moving to Iceberg tables is to use different engines (Fabric, in this case).

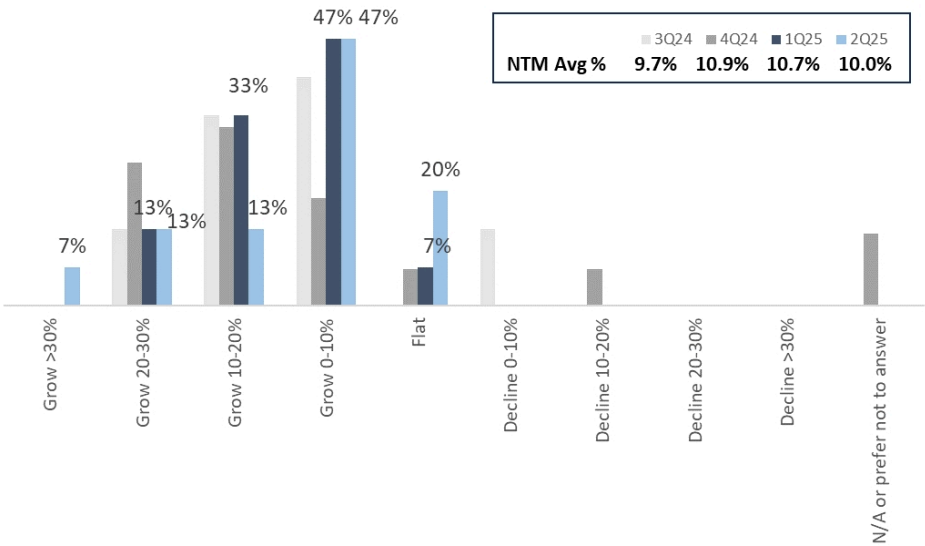
The percentage of respondents that now expect Iceberg to drive fewer/more workloads & use-cases to Snowflake is now neutral (30% expect more workloads; 30% less), an improvement from last survey. This compares to management comments that Iceberg has been a net positive, with new workloads more than offsetting any lost storage revenue.

(=) 50% of Respondents View Databricks/Snowflake as Equally Strategic (N=12). 12 respondents noted that they are also Databricks customers/partners. 50% view Snowflake/Databricks as equally strategic, consistent with last survey.

NTM Spend Intentions

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

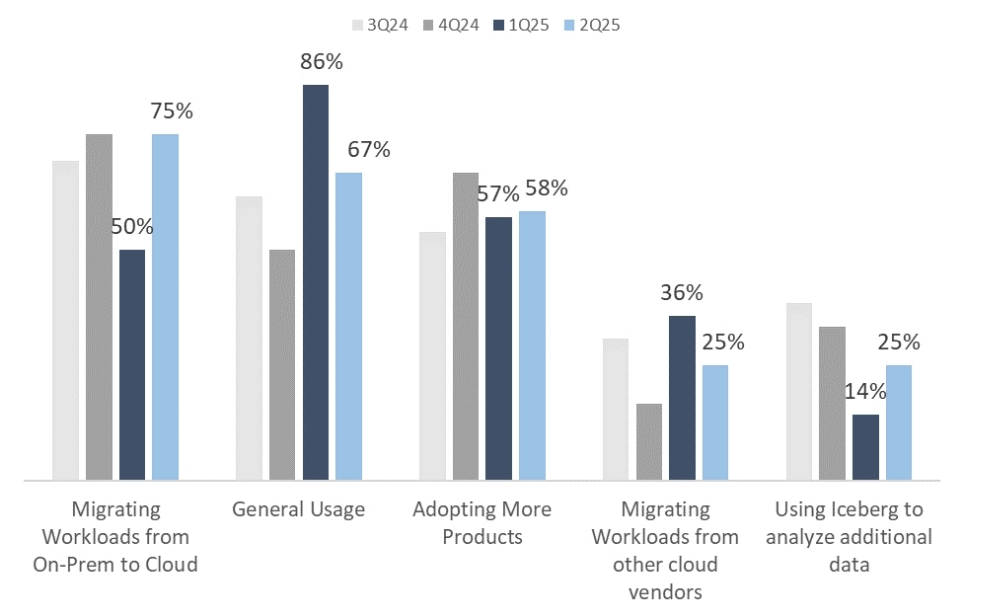
Customer spend expected to grow 10% over the NTM, roughly consistent with last quarter.



Source: KeyBanc Capital Markets Inc.
Note: 3Q24 N=15; 4Q24 N=16; 1Q25 N=15; 2Q25 N=15.

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

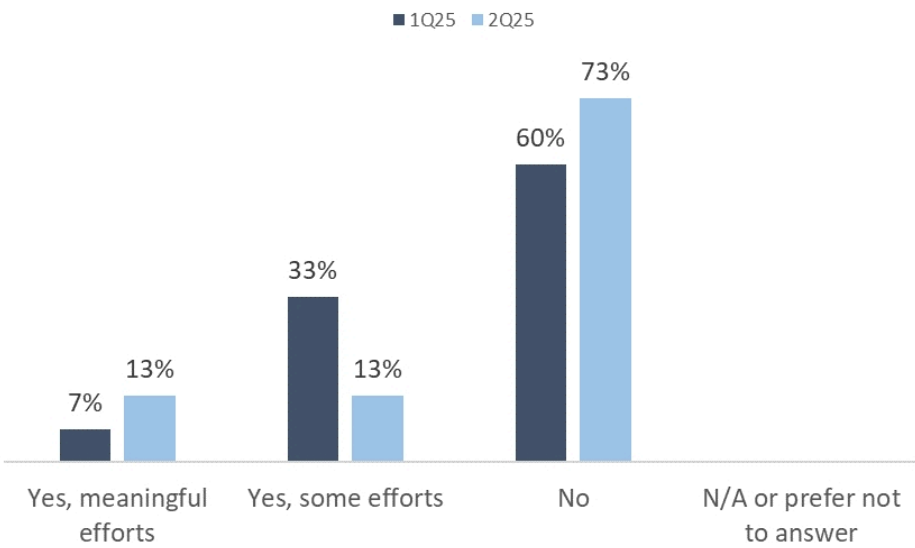
On-prem migrations was the #1 reason for spend growth, and rebounded meaningfully from last quarter.



Source: KeyBanc Capital Markets Inc.
Note: 2Q24 N=5; 3Q24 N=13; 4Q24 N=12; 1Q25 N=14; 2Q25 N=12.
Note: This question was only displayed to partners in 2Q24.

As a result of recent macroeconomic uncertainty, have you or your customers recently taken, or plan to take, proactive measures to reduce or slow the growth of your Snowflake consumption/spend? (Customers and Partners)

Just 27% of respondents have taken, or plan to take, proactive measures to reduce or slow consumption in light of macro uncertainty, down from 40% in 1Q.

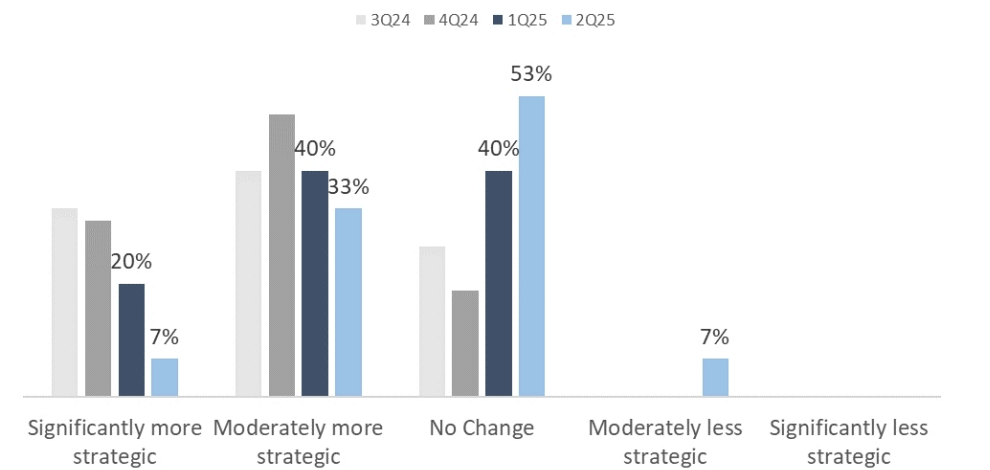


Source: KeyBanc Capital Markets Inc.
Note: 1Q25 N=15; 2Q25 N=15.

Snowflake Strategic Importance

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

40% of respondents noted Snowflake's strategic importance has increased in the past six months, down from 60%+ in our prior surveys. Still, only one respondent cited that Snowflake strategic importance has decreased.

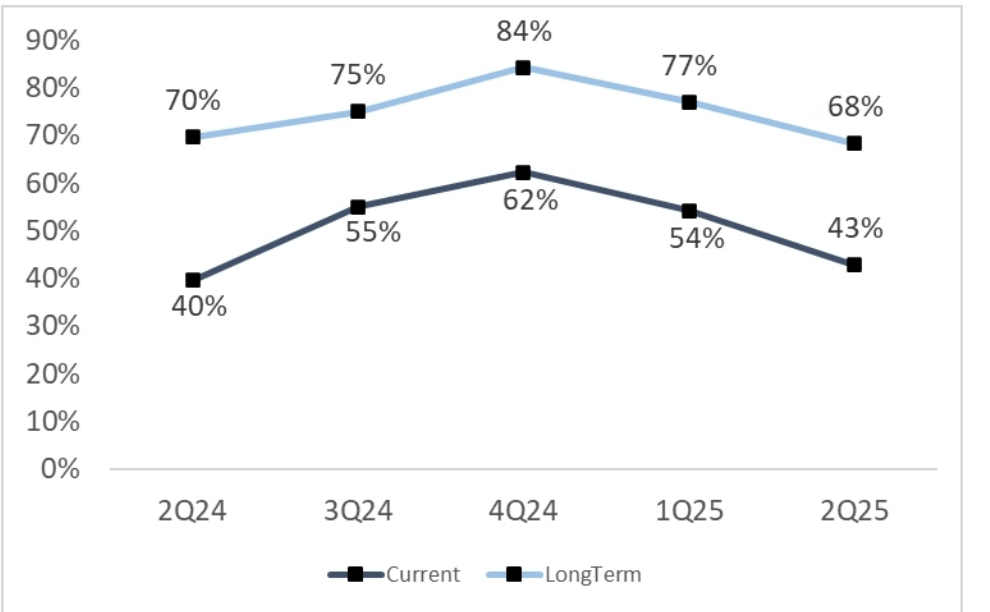


Source: KeyBanc Capital Markets Inc.
Note: 3Q24 N=15; 4Q24 N=16; 1Q25 N=15; 2Q25 N=15.

Current and LT Cloud Data Warehouse Mix

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

68% of data warehouse workloads are expected to be in the cloud LT, down from 43% today. The delta between current and LT mix has widened slightly, however, since our 3Q24 survey.



Source: KeyBanc Capital Markets Inc.
Note: 2Q24 N=13; 3Q24 N=15; 4Q24 N=15; 1Q25 N=15; 2Q25 N=15.

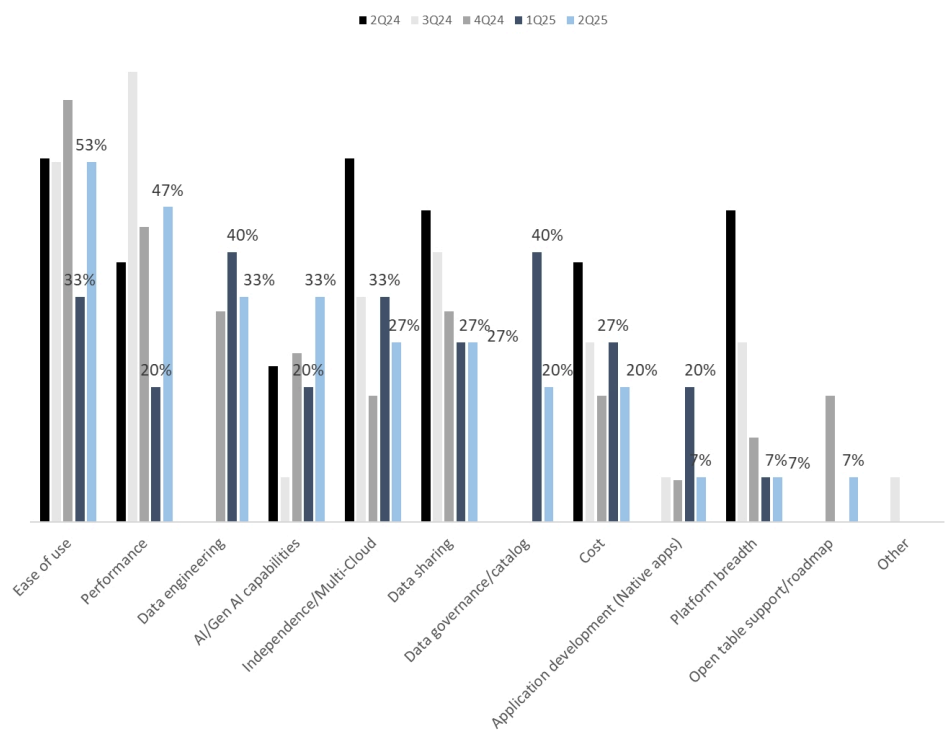
Snowflake
Competition

Differentiation/

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

Ease of use, performance, data engineering, and AI/GenAI capabilities cited as the top reasons for choosing Snowflake over competitors.

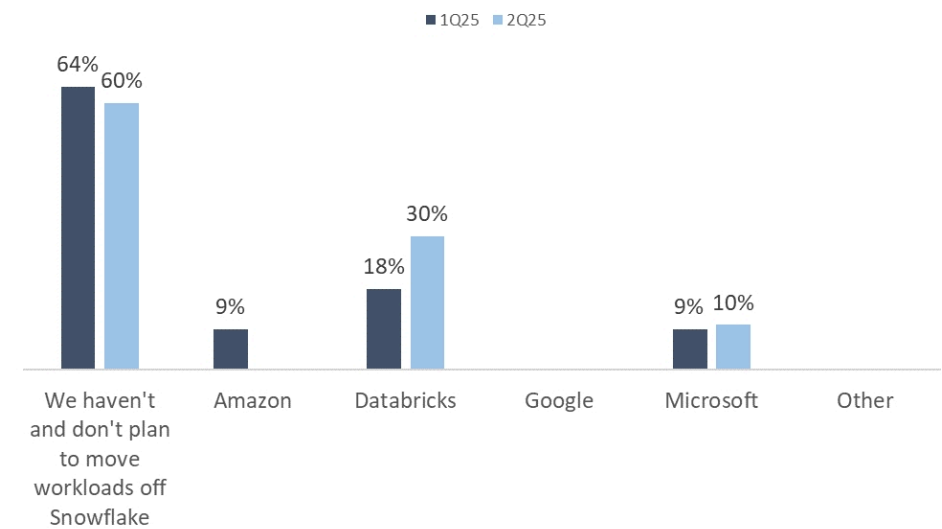
- (+) Ease of Use and AI/Gen AI capabilities increased q/q.
- (-) Data governance/catalog and app development declined q/q.



Source: KeyBanc Capital Markets Inc.
Note: 2Q24 N=13; 3Q24 N=15; 4Q24 N=16; 1Q25 N=15; 2Q25 N=15.
Note: Data engineering and Open table support/roadmap added in 4Q24; data governance/catalog added in 1Q25.

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

A majority of customers have not recently moved, or plan to move, workloads off of Snowflake to competitors. Of the four respondents who have moved workloads, or plan to, three cited Databricks, up from two last quarter.



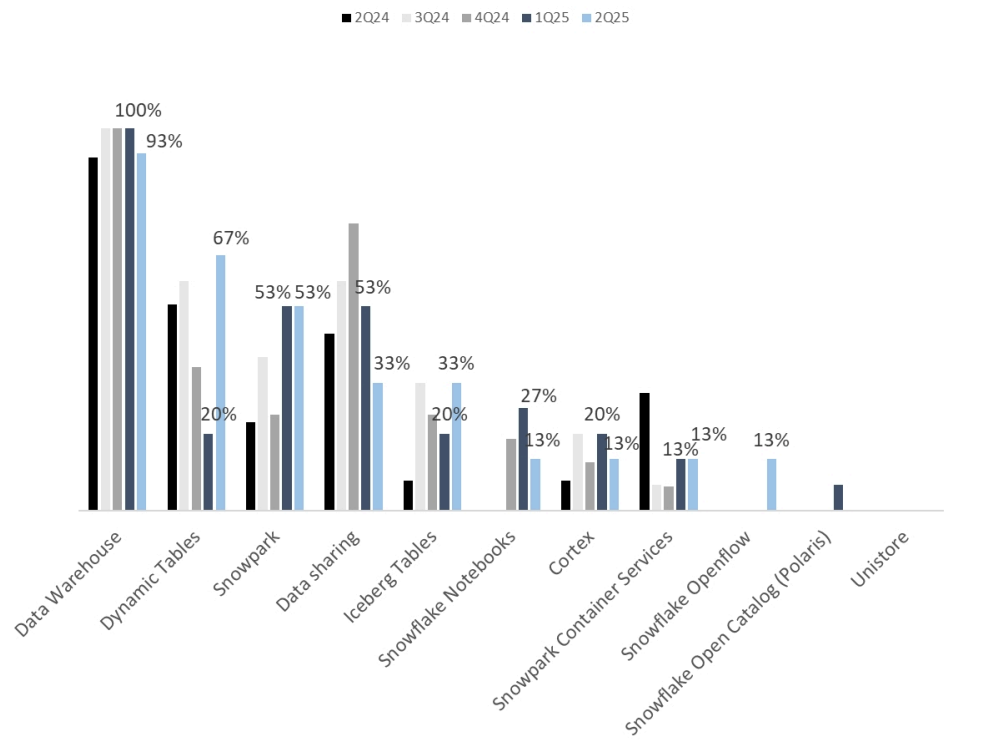
Source: KeyBanc Capital Markets Inc.
Note: 1Q25 N=11; 2Q25 N=10.

Current Product Adoption

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

Dynamic tables and Snowpark are currently the most used products outside of data warehouse.

- (+) Dynamic Tables saw a significant increase q/q
 - Feedback from some customers we spoke to noted that Snowflake's dynamic tables capabilities are meaningfully differentiated vs. Databricks' Delta Live Tables.
- (-) Cortex's seemingly low adoption in our survey data after having been GA for >one year we view as a negative (although interest in using Cortex is high).



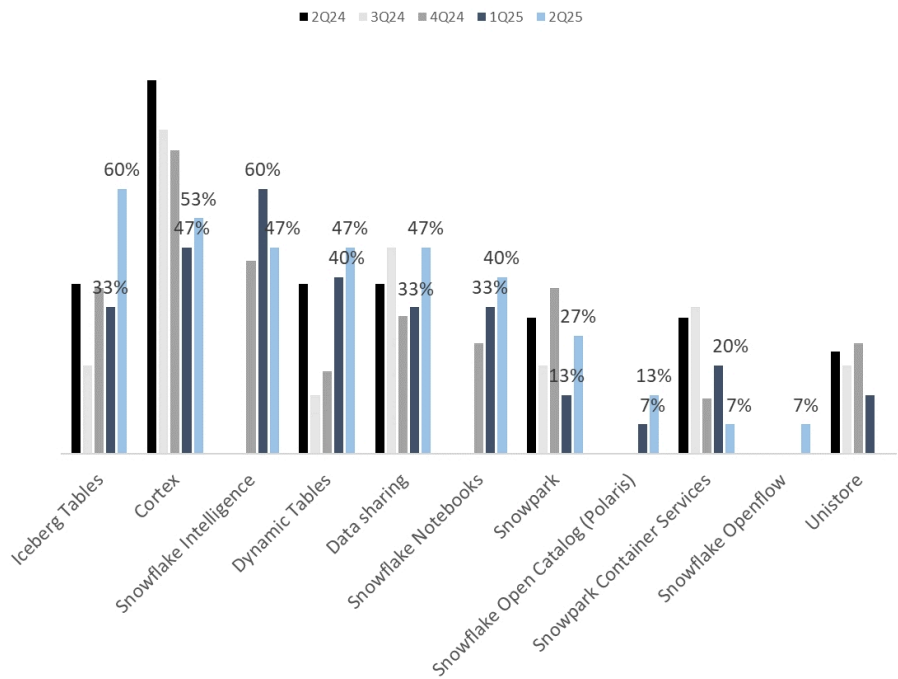
Source: KeyBanc Capital Markets Inc.
Note: 2Q24 N=13; 3Q24 N=15; 4Q24 N=16; 1Q25 N=15; 2Q25 N=15.
Note: Snowflake Notebooks added in 4Q24; Snowflake Open Catalog (Polaris) added in 1Q25; Snowflake Openflow added in 2Q25.

Most Desired Products

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

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

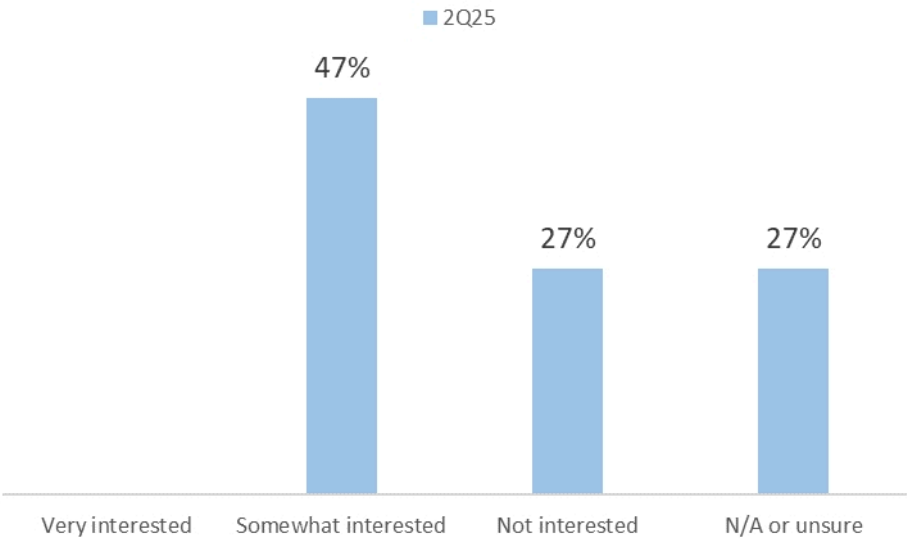
- (+) **Cortex** and **Snowflake Intelligence** remain highly desired. Snowflake **Notebooks** continues to improve.
- (-) **Snowpark Container Services** continued to downtick. No mentions for **Unistore**.



Source: KeyBanc Capital Markets Inc.
Note: 2Q24 N=13; 3Q24 N=15; 4Q24 N=16; 1Q25 N=15; 2Q25 N=15.
Note: Snowflake Intelligence and Snowflake Notebooks added in 4Q24; Snowflake Open Catalog (Polaris) added in 1Q25; Snowflake Openflow added in 2Q25.

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

Nearly half (47%) of respondents have some interest in using Snowflake for PostgreSQL workloads.



Source: KeyBanc Capital Markets Inc.
Note: 2Q25 N=15.

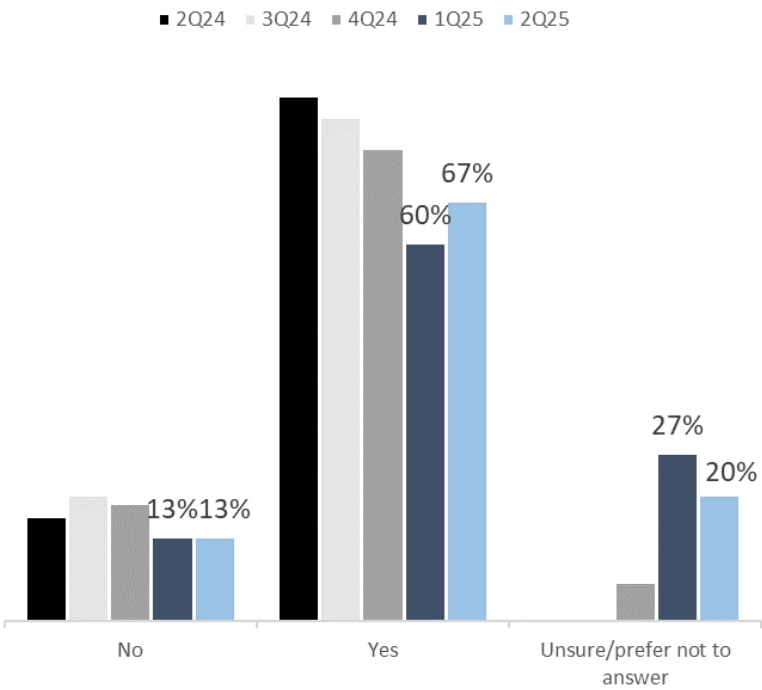
GenAI Plans

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

67% of customers are using or plan to use Snowflake for GenAI use cases, a rebound from our survey-low of 60% last quarter. Three respondents noted that they or their end customers are currently using Snowflake for GenAI use cases, up from one in our prior surveys.

A few use cases that customers are experimenting/piloting or have deployed include:

- "Creating intelligent chatbots based on actual client data."
- "Piloting the construction of Snowflake Semantic views to power Cortex to answer natural language queries."
- "AI- Powered SQL & SQL code generation/validation."
- "Building a data catalog using Cortex."

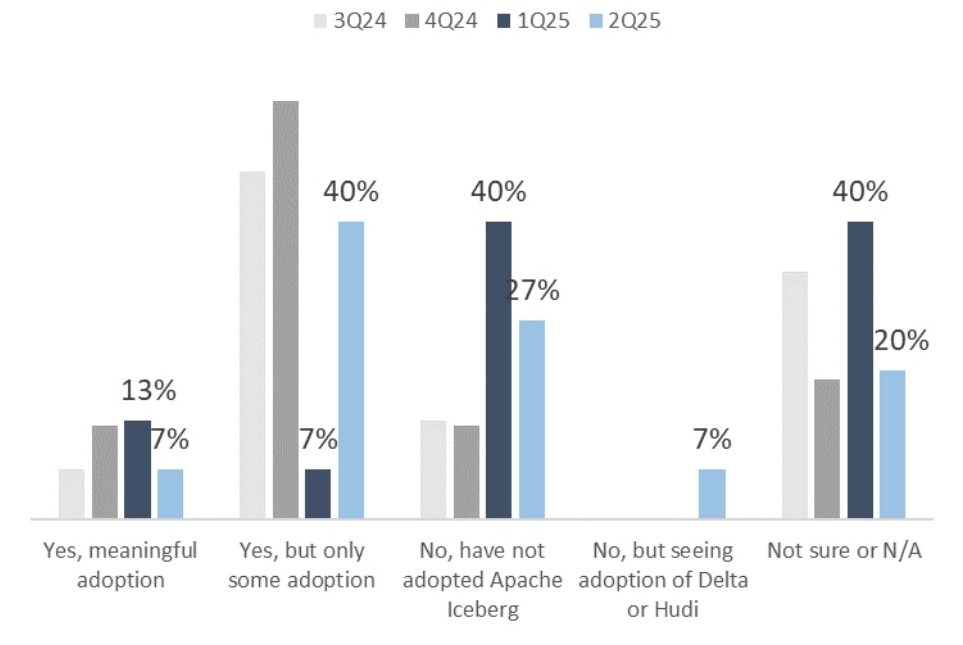


Source: KeyBanc Capital Markets Inc.
Note: 2Q24 N=12; 3Q24 N=15; 4Q24 N=16; 1Q25 N=15; 2Q25 N=15.

Iceberg

Are you or your customers using Apache Iceberg? (Customers and Partners)

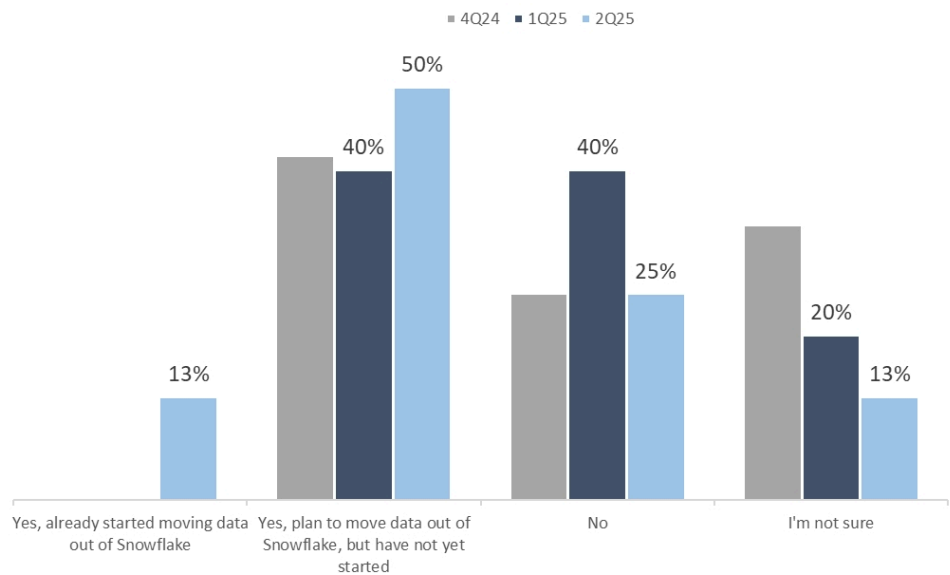
47% of respondents have adopted Iceberg tables, up from 20% in our prior survey.



Source: KeyBanc Capital Markets Inc.
Note: 3Q24 N=15; 4Q24 N=16; 1Q25 N=15; 2Q N=15.

Do you or your customers plan to use Iceberg tables to move data out of Snowflake?
(Customers and Partners)

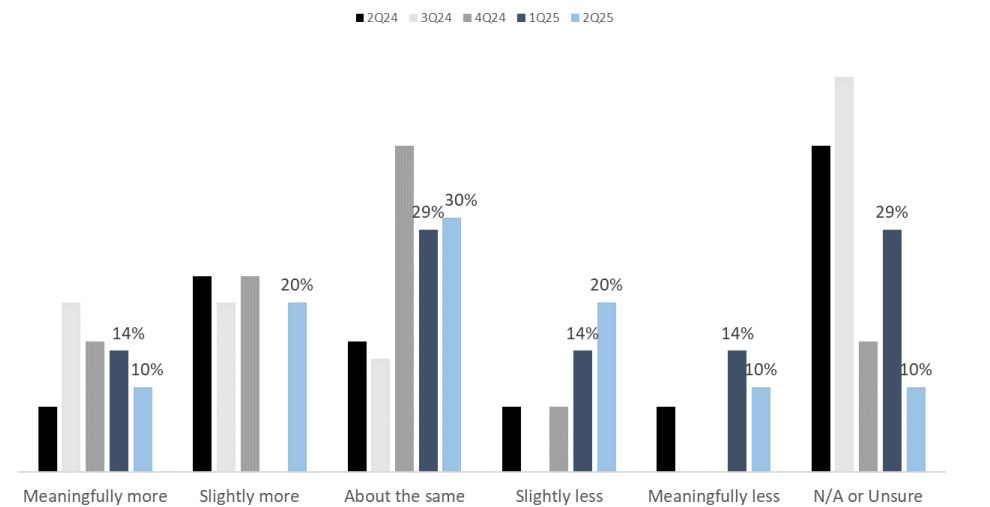
50% of respondents plan to move data out of Snowflake, up from 40% in our prior survey. One customer has already started to move data out of Snowflake, up from zero in our prior surveys.



Source: KeyBanc Capital Markets Inc.
Note: 4Q24 N=12; 1Q25 N=5; 2Q25 N=8.

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

30% of respondents expect Iceberg to drive incremental workloads to Snowflake, up from 14% last quarter.

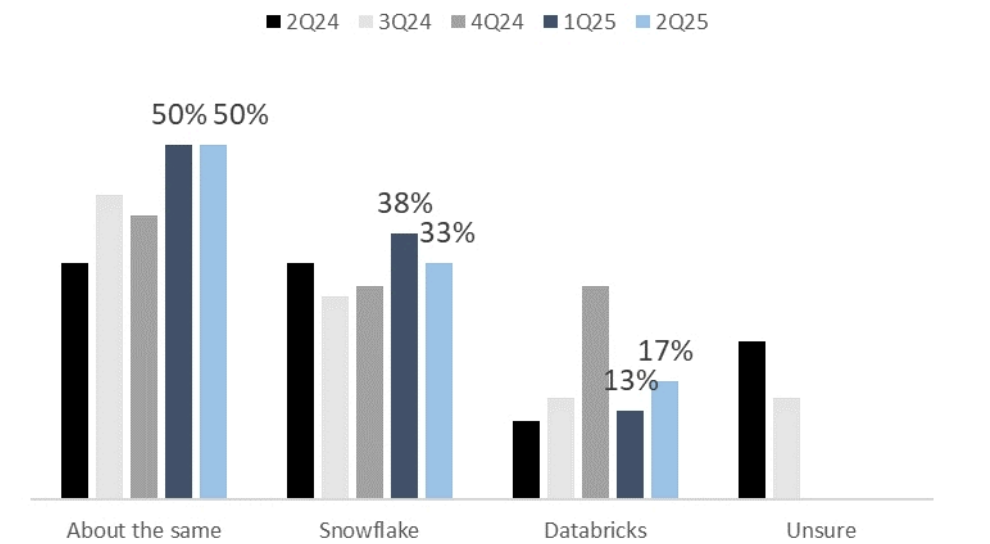


Source: KeyBanc Capital Markets Inc.
Note: 2Q24 N =13; 3Q24 N=15; 4Q24 N=13; 1Q25 N=7; 2Q25 N=10.
Note: Beginning in 1Q25, only respondents that have adopted iceberg were presented this question.

Databricks/Snowflake

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

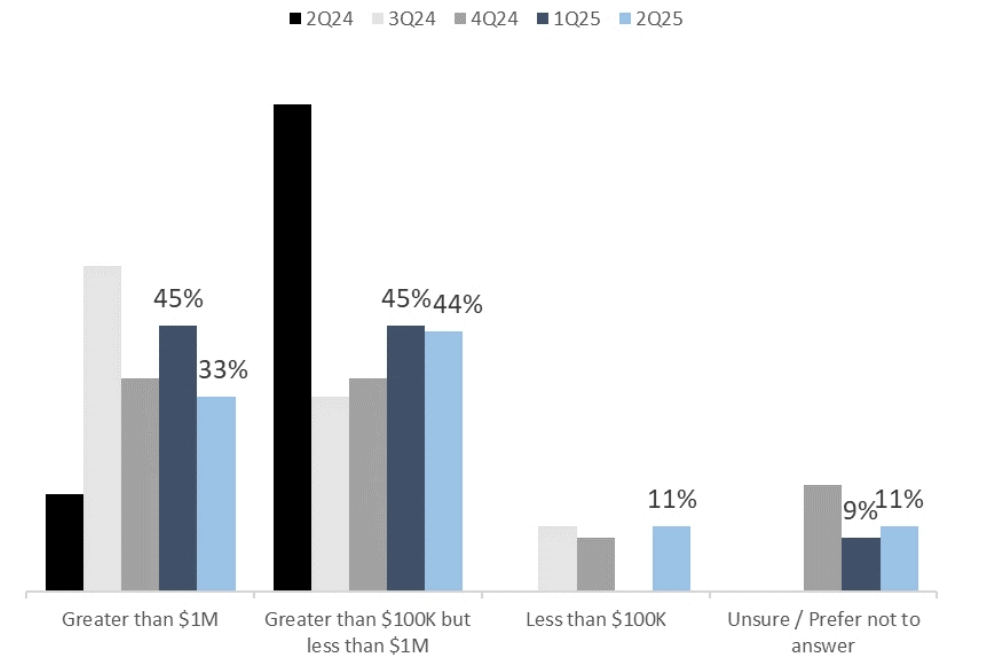
The mix of respondents who view Snowflake vs. Databricks as more strategic was roughly consistent q/q.



Source: KeyBanc Capital Markets Inc.
Note: 2Q24 N =9; 3Q24 N=7; 4Q24 N=10; 1Q25 N=8; 2Q25 N=12.

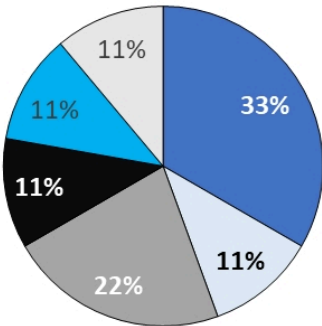
Appendix

What is your annual spend with Snowflake? (Customers)



Source: KeyBanc Capital Markets Inc.
Note: 2Q24 N =6; 3Q24 N=9; 4Q24 N=11; 1Q25 N=11; 2Q25 N=9.

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



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

Source: KeyBanc Capital Markets Inc.
Note: N=9.

Income Statement

Snowflake Inc.							CAGR	F2025				F2026E				F2027E			
(in millions, except per share items)		F2023	F2024	F2025	F2026E	F2027E	F24-F27	1Q (Apr)	2Q (Jul)	3Q (Oct)	4Q (Jan)	1Q (Apr)	2Q (Jul)	3Q (Oct)	4Q (Jan)	1Q (Apr)	2Q (Jul)	3Q (Oct)	4Q (Jan)
Revenue		2,065.7	2,806.5	3,626.4	4,514.3	5,439.2	25%	828.7	868.8	942.1	986.8	1,042.1	1,083.2	1,167.0	1,222.0	1,274.5	1,317.9	1,393.8	1,453.0
Product Revenue		1,938.8	2,666.8	3,462.4	4,325.2	5,226.0		789.6	829.3	900.3	943.3	996.8	1,037.5	1,118.8	1,172.2	1,222.9	1,266.3	1,339.7	1,397.0
Professional Services Revenue		126.9	139.6	164.0	189.1	213.2		39.1	39.6	41.8	43.5	45.3	45.7	48.3	49.9	51.6	51.6	54.0	56.0
Cost of Revenue		599.1	723.6	977.7	1,257.2	1,483.9		219.6	232.6	254.9	270.6	290.0	300.2	325.0	342.1	352.7	359.7	378.5	392.9
Product		481.4	590.9	819.1	1,070.0	1,277.1		182.3	195.5	213.4	228.0	242.7	255.7	278.0	293.6	302.6	309.6	326.2	338.7
Professional Services		117.7	132.7	158.6	187.2	206.8		37.3	37.1	41.5	42.6	47.3	44.5	47.0	48.5	50.1	50.1	52.4	54.2
Gross Profit		1,466.6	2,082.9	2,648.7	3,257.1	3,955.3	24%	609.1	636.2	687.2	716.2	752.1	783.0	842.1	880.0	921.7	958.3	1,015.2	1,060.1
Product Gross Profit		1,457.4	2,076.0	2,643.3	3,255.3	3,948.9		607.3	633.8	686.9	715.3	754.1	781.8	840.8	878.6	920.3	956.7	1,013.6	1,058.3
Professional Services Gross Profit		9.2	6.9	5.4	1.9	6.5		1.8	2.4	0.3	0.9	-2.0	1.2	1.3	1.4	1.5	1.5	1.7	1.8
R&D		367.9	612.1	883.0	1,054.3	1,264.3		203.2	224.2	224.8	230.8	238.8	253.8	270.8	290.8	298.8	308.8	321.8	334.8
S&M		823.2	1,041.5	1,291.2	1,567.7	1,829.9		312.6	309.1	340.6	328.9	357.9	379.9	410.3	419.6	405.8	449.1	476.0	498.9
Y/Y%		56%	27%	24%	21%	17%		28%	23%	27%	19%	14%	23%	20%	28%	13%	18%	16%	19%
G&A		180.2	199.6	242.8	258.4	270.4		57.1	59.1	62.9	63.6	63.8	62.1	65.9	66.6	66.8	65.1	68.9	69.6
Operating Expenses		1,371.3	1,853.2	2,417.0	2,880.4	3,364.6	22%	572.9	592.5	628.3	623.4	660.5	695.9	747.0	777.0	771.4	823.0	866.8	903.3
Y/Y%		55%	35%	30%	19%	17%		36%	33%	31%	23%	15%	17%	19%	25%	17%	18%	16%	16%
Q/Q%		—	—	—	—	—		13%	3%	6%	-1%	6%	5%	7%	4%	-1%	7%	5%	4%
Total Expenses		1,970.4	2,576.8	3,394.7	4,137.6	4,848.4	23%	792.5	825.1	883.2	893.9	950.4	996.1	1,072.0	1,119.1	1,124.1	1,182.7	1,245.3	1,296.3
Y/Y%		58%	31%	32%	22%	17%		34%	33%	33%	27%	20%	21%	21%	25%	18%	19%	16%	16%
EBIT (Non GAAP)		95.3	229.7	231.7	376.7	590.8		36.2	43.7	58.9	92.8	91.7	87.1	95.1	102.9	150.3	135.2	148.4	156.8
Total Other Income		26.3	245.6	173.7	177.1	203.5		33.5	41.3	40.2	58.7	25.1	52.4	50.2	49.3	52.4	51.4	50.4	49.3
Interest Income		73.8	200.7	209.0	198.6	188.0		54.8	49.3	48.7	56.3	55.2	49.6	47.4	46.5	48.5	47.5	46.5	45.5
Other Income (Expense)		(47.6)	44.9	(35.3)	(21.5)	15.5		(21.3)	(7.9)	(8.5)	2.4	(30.1)	2.9	2.9	2.9	3.9	3.9	3.9	3.9
Pre-Tax Income		121.6	475.3	405.4	553.9	794.3		69.7	85.1	99.1	151.5	116.8	139.5	145.3	152.3	202.7	186.6	198.8	206.1
(Benefit) from provision for Income Taxes		31.6	123.6	105.4	138.5	198.6		18.3	22.0	25.8	39.4	29.2	34.9	36.3	38.1	50.7	46.7	49.7	51.5
Non-GAAP Net Income (Loss)		90.0	351.7	300.0	415.4	595.7		51.4	63.1	73.3	112.1	87.6	104.6	109.0	114.2	152.0	140.0	149.1	154.6
Noncontrolling interest		(0.5)	(1.7)	(1.4)	0.3	0.0		(0.7)	(0.8)	0.1	0.0	0.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Non-GAAP NI (Loss) attributable to Snowflake		90.4	353.3	301.3	415.1	595.7		52.2	63.9	73.2	112.1	87.3	104.6	109.0	114.2	152.0	140.0	149.1	154.6
Diluted WASO		359.1	362.2	363.9	371.9	376.9	1%	363.3	359.3	362.2	370.7	370.9	371.0	371.9	374.0	375.9	376.5	377.2	377.8
Diluted Non-GAAP EPS		\$0.25	\$0.97	\$0.82	\$1.12	\$1.58		\$0.14	\$0.18	\$0.20	\$0.30	\$0.24	\$0.28	\$0.29	\$0.31	\$0.40	\$0.37	\$0.40	\$0.41
Diluted Non-GAAP EPS attributable to Snowflake		\$0.25	\$0.98	\$0.83	\$1.12	\$1.58	17%	\$0.14	\$0.18	\$0.20	\$0.30	\$0.24	\$0.28	\$0.29	\$0.31	\$0.40	\$0.37	\$0.40	\$0.41
GAAP Net Income (Loss)		(797.5)	(838.0)	(1,289.2)	(1,256.6)	(1,034.3)		(317.8)	(317.8)	(327.9)	(325.7)	(430.0)	(289.9)	(280.2)	(256.5)	(234.6)	(256.5)	(267.1)	(276.2)
Diluted GAAP EPS		(\$2.22)	(\$2.31)	(\$3.54)	(\$3.38)	(\$2.74)		(\$0.87)	(\$0.88)	(\$0.91)	(\$0.88)	(\$1.16)	(\$0.78)	(\$0.75)	(\$0.69)	(\$0.62)	(\$0.68)	(\$0.71)	(\$0.73)
Margins																			
Gross Margin		71.0%	74.2%	73.0%	72.2%	72.7%		73.5%	73.2%	72.9%	72.6%	72.2%	72.3%	72.2%	72.0%	72.3%	72.7%	72.8%	73.0%
Product GM		75.2%	77.8%	76.3%	75.3%	75.6%		76.9%	76.4%	76.3%	75.8%	75.7%	75.4%	75.2%	75.0%	75.3%	75.6%	75.7%	75.8%
Professional Services GM		7.3%	5.0%	3.3%	1.0%	3.0%		4.6%	6.1%	0.6%	2.1%	-4.4%	2.6%	2.7%	2.8%	2.9%	3.0%	3.1%	3.2%
R&D % Revenue		17.8%	21.8%	24.3%	23.4%	23.2%		24.5%	25.8%	23.9%	23.4%	22.9%	23.4%	23.2%	23.8%	23.4%	23.4%	23.1%	23.0%
S&M % Revenue		39.9%	37.1%	35.6%	34.7%	33.6%		37.7%	35.6%	36.2%	33.3%	34.3%	35.1%	35.2%	34.3%	31.8%	34.1%	34.2%	34.3%
G&A % Revenue		8.7%	7.1%	6.7%	5.7%	5.0%		6.9%	6.8%	6.7%	6.4%	6.1%	5.7%	5.6%	5.5%	5.2%	4.9%	4.9%	4.8%
Non-GAAP EBIT Margin		4.6%	8.2%	6.4%	8.3%	10.9%		4.4%	5.0%	6.3%	9.4%	8.8%	8.0%	8.1%	8.4%	11.8%	10.3%	10.7%	10.8%
Y/Y bps		717	357	(180)	196	252		(86)	(301)	(355)	25	442	300	190	(98)	300	222	250	236
Non-GAAP Effective Tax Rate		26.0%	26.0%	26.0%	25.0%	25.0%		26.2%	25.8%	26.0%	26.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%
Non-GAAP Net Income Margin		4.4%	12.5%	8.3%	9.2%	11.0%		6.2%	7.3%	7.8%	11.4%	8.4%	9.7%	9.3%	9.3%	11.9%	10.6%	10.7%	10.6%
FCF Margin		24.0%	27.8%	24.4%	24.2%	25.1%		—	—	—	—	—	—	—	—	—	—	—	—
Y/Y bps		1,738	372	(338)	(17)	92		—	—	—	—	—	—	—	—	—	—	—	—
FCF Margin to EBIT Margin Delta		19.4%	19.6%	18.0%	15.9%	14.3%		—	—	—	—	—	—	—	—	—	—	—	—
Growth Y/Y%																			
Revenue		69%	36%	29%	24%	20%		33%	29%	28%	27%	26%	25%	24%	24%	22%	22%	19%	19%
Revenue Q/Q%		—	—	—	—	—		7%	5%	8%	5%	6%	4%	8%	5%	4%	3%	6%	4%
R&D		71%	66%	44%	19%	20%		58%	55%	41%	28%	18%	13%	20%	26%	25%	22%	19%	15%
S&M		56%	27%	24%	21%	17%		28%	23%	27%	19%	14%	23%	20%	28%	13%	18%	16%	19%
G&A		26%	11%	22%	6%	5%		20%	16%	26%	25%	12%	5%	5%	5%	5%	5%	5%	5%
EPS		—	288%	-15%	35%	42%		-5%	-20%	-19%	-14%	64%	59%	45%	1%	72%	32%	35%	34%
Shares		1%	1%	0%	2%	1%		—	—	—	—	—	—	—	—	—	—	—	—

Source: Snowflake, KBGM estimates

Disclosure Appendix

Important Disclosures

Snowflake Inc. - SNOW

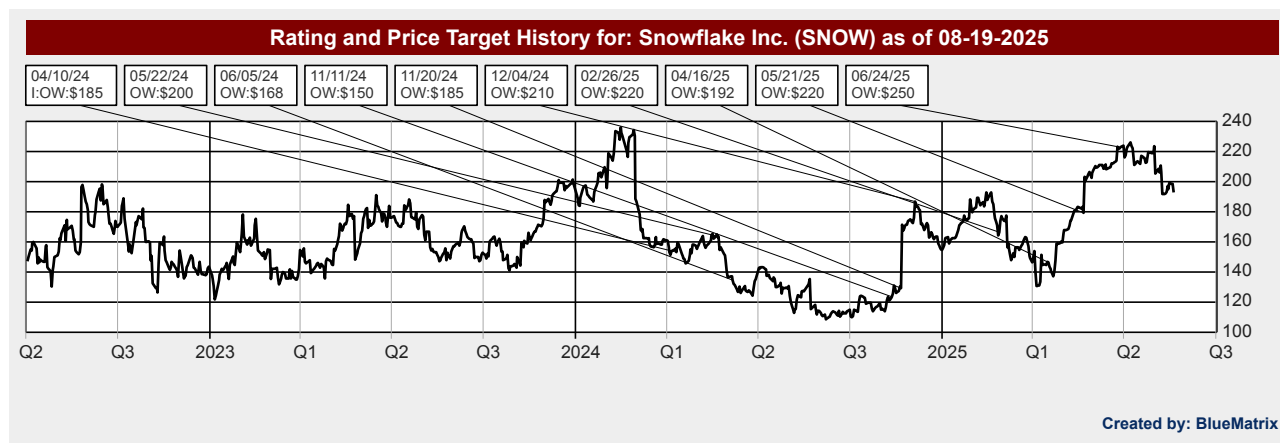
We expect to receive or intend to seek compensation for investment banking services from Snowflake Inc. within the next three months.

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

Reg A/C Certification

The research analyst(s) responsible for the preparation of this research report certifies that:(1) all the views expressed in this research report accurately reflect the research analyst's personal views about any and all of the subject securities or issuers; and (2) no part of the research analyst's compensation was, is, or will be directly or indirectly related to the specific recommendations or views expressed by the research analyst(s) in this research report.

Three-Year Rating and Price Target History



Rating Disclosures

Distribution of Ratings/IB Services Firmwide and by Sector									
KeyBanc Capital Markets					Technology				
Rating	Count	Percent	IB Serv/Past 12 Mos.		Rating	Count	Percent	IB Serv/Past 12 Mos.	
			Count	Percent				Count	Percent
Overweight [OW]	275	50.93	48	17.45	Overweight [OW]	97	56.73	7	7.22
Sector Weight [SW]	254	47.04	34	13.39	Sector Weight [SW]	68	39.77	2	2.94
Underweight [UW]	11	2.04	2	18.18	Underweight [UW]	6	3.51	0	0.00

Rating System

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

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

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

Other Disclosures

KeyBanc Capital Markets is a trade name under which corporate and investment banking products and services of KeyCorp and its subsidiaries, KeyBanc Capital Markets Inc., Member FINRA/SIPC ("KBCMI"), and KeyBank National Association ("KeyBank N.A."), are marketed.

KeyBanc Capital Markets Inc. ("KBCMI") does and seeks to do business with companies covered in its research reports. As a result, investors should be aware that the firm 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.

This report has been prepared by KBCMI. The material contained herein is based on data from sources considered to be reliable; however, KBCMI does not guarantee or warrant the accuracy or completeness of the information. It is published for informational purposes only and should not be used as the primary basis of investment decisions. Neither the information nor any opinion expressed constitutes an offer, or the solicitation of an offer, to buy or sell any security. The opinions and estimates expressed reflect the current judgment of KBCMI and are subject to change without notice. This report may contain forward-looking statements, which involve risk and uncertainty. Actual results may differ significantly from the forward-looking statements. This report is not intended to provide personal investment advice and it does not take into account the specific investment objectives, financial situation and the specific needs of any person or entity.

No portion of an analyst's compensation is based on a specific banking transaction; however, part of his/her compensation may be based upon overall firm revenue and profitability, of which investment banking is a component. Individuals associated with KBCMI (other than the research analyst(s) listed on page 1 of this research report) may have a position (long or short) in the securities covered in this research report and may make purchases and/or sales of those securities in the open market or otherwise without notice. As required by FINRA Rule 2241(C)(4)(A), financial interest, if any, by any research analysts listed on page 1 of this report will be disclosed in Important Disclosures, Company-specific regulatory disclosures located above in the Disclosure Appendix. KBCMI itself may have a position (long or short) in the securities covered in this research report and may make purchases and/or sales of those securities in the open market or otherwise without notice. As required by FINRA Rule 2241(C)(4)(F), if KBCMI, or its affiliates, beneficially own 1% or more of any class of common equity securities in the subject company(ies) in this research report, it will be disclosed in Important Disclosures, Company-specific regulatory disclosures located above in the Disclosures Appendix. This communication is intended solely for use by KBCMI clients. The recipient agrees not to forward or copy the information to any other person without the express written consent of KBCMI.

KBCM Research LLC ("KeyBanc Capital Markets Research"), an SEC registered investment advisor, is a wholly owned subsidiary of KeyBanc Capital Markets Inc. KeyBanc Capital Markets Research provides objective and sophisticated **Research Services**, primarily in the form of published Research Reports, to an institutional client base in exchange for a cash fee. KBCM Research does not provide particularized investment advice with regard to any specific institutional client, on the basis of specific sector or company requests from a client. Our advisory relationship with our clients is strictly limited to the provision of **Research Services**, which are not to be construed as a solicitation or an offer to buy or sell any securities or related financial instruments. Additional information about KBCM Research LLC also is available on the SEC's Investment Adviser Public Disclosure ([IAPD](#)) website.