Analyst's Summary

Analysis by **Eleanor Vance, CFA**

INVESTMENT RATING: BUY

- Q1 results confirm our BUY thesis; Snowflake is successfully monetizing its AI capabilities.

- Net Revenue Retention (NRR) rate ticked up to 131%, the first sequential increase in nearly two years, indicating renewed customer spending.

- Early revenue from the Intelligence Layer is exceeding our initial expectations, prompting us to raise estimates.

- We are raising our FY26 non-GAAP EPS estimate to $1.25 (from $1.10) and our FY27 forecast to $1.75 (from $1.55).

Investment Thesis

We are reaffirming our **BUY** rating and raising our price target to $290. The Q1 FY26 results provide clear evidence that Snowflake's AI strategy is not just a narrative but a tangible growth engine. The stabilization and improvement in the NRR is a critical data point, signaling that the expansion motion within the customer base is re-accelerating, now powered by AI workloads. The company is widening its competitive moat by becoming the most seamless and secure place to run AI on enterprise data. While the stock's valuation is now pricing in significant success, we believe the durability of growth and the long-term margin potential are still underappreciated.

Key Statistics

Close Price	**$258.10**
Price Target	**$290.00**
Product Revenue Growth (YoY)	**34%**
Market Cap	$86.5B