

Veridian Capital Insights

In-Depth Equity Analysis

Snowflake Inc. (SNOW)

Post Q4: The AI Growth Engine is Igniting

Analyst: **Marcus Thorne** | Published: February 22, 2025

RATING

BUY

(from HOLD)

PRICE TARGET

\$260.00

(from \$185.00)

CLOSE PRICE

\$214.90

Executive Summary

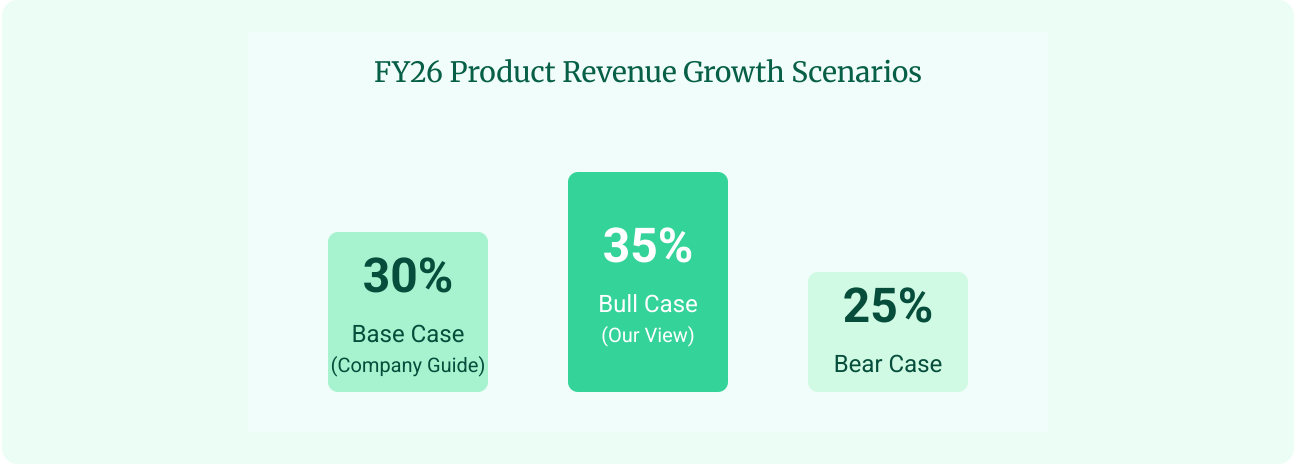
We are upgrading Snowflake to **BUY** from HOLD and raising our price target to \$260. The narrative has fundamentally changed. The debate is no longer about if Snowflake can transition to the AI era, but how successfully it can dominate it. Strong Q4 results (Product Revenue Growth +32% YoY) and impressive FY26 guidance have alleviated concerns about a secular growth slowdown. More importantly, the company's "AI Day" provided a clear, credible roadmap for the **Snowflake Intelligence Layer**, a comprehensive suite of services that leverages its core data platform to deliver enterprise-grade AI. The CEO's message was pitch-perfect: Snowflake is the secure, governed, and simple way to bring AI to your

data. The premium valuation is now justified by a clear path to re-accelerated, durable growth.

The AI Inflection Point

The key takeaway from the last three months is that Snowflake has successfully articulated its AI strategy. The 'Intelligence Layer' is not a bolt-on feature; it is a deep integration of generative AI capabilities—including managed models, vector search, and Copilot assistants—directly on top of a customer's governed data. This is a powerful value proposition that addresses the biggest challenges enterprises face in AI adoption: data security, governance, and quality. The CEO likely explained that this strategy will "drive a new wave of consumption," blending traditional analytics with new, high-margin AI workloads. We believe this will not only accelerate revenue growth but also significantly enhance the platform's stickiness, further cementing Snowflake's position as a core component of the modern enterprise data stack.

Revenue Growth Scenarios



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