

Veridian Capital Insights

In-Depth Equity Analysis

Snowflake Inc. (SNOW)

Q2 Analysis: In-Line Quarter Keeps Us on the Sidelines

Analyst: **Marcus Thorne** | Published: August 23, 2024

RATING

HOLD

CLOSE PRICE

\$135.06

PRICE TARGET

\$180.00

GROWTH (YoY)

30%

Executive Summary

Snowflake's Q2 results were largely as expected, which in the current environment is not enough to drive the stock higher. The 30% product revenue growth shows the business is still expanding at a healthy clip, but the law of large numbers has clearly set in.

Management's commentary about a stabilizing but not yet re-accelerating consumption environment confirms our view that the company is in a "show-me" phase. The long-term bull case hinges on the successful monetization of new products like Snowpark, Unistore,

and the still-amorphous AI layer. Until we see clear evidence that these initiatives can meaningfully re-accelerate growth, we are content to remain on the sidelines with a **HOLD** rating.

The Path to Re-acceleration



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