

Snowflake Inc. (SNOW)

2Q25 Results: A Solid Quarter, But Is It Enough to Shift Sentiment?

A modest product revenue beat and continued growth deceleration in Q2 fell short of providing the strong catalyst investors were hoping for. While diminishing optimization headwinds and new product cycles should provide support, the market may require more definitive signals of an inflection point before turning bullish.

AUTHORS

Julian Croft, CFA
Samantha Chen

Stock Summary

Stock Rating:	EQUAL-WEIGHT
Close Price (Aug 21):	\$135.06
Price Target:	\$175.00
Q2 Growth (YoY):	30%
Market Cap:	\$49.3B

Bottom Line

The path to near-term outperformance lies in the core data warehousing business, and signs of stability are present. However, investors are keen to see success in the GenAI portfolio, for which concrete data points are unlikely until CY25. While facing competitive pressure from ICBG's open lakehouse approach and QRYQ's price-performance positioning, Snowflake's ecosystem partnerships with DFLX, STRM, VLTA, and CTLG strengthen its platform value. We are not yet ready to become more constructive but acknowledge the path to a positive re-rating is visible.

Important Disclosures

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