

Snowflake Inc. (SNOW)

Reality Bites Back: Upgrading to EQUAL-WEIGHT as Sanity Prevails

The spectacular failure of Neuro-Nectar has closed a bizarre and distracting chapter for the market. With the focus returning to fundamentals, Snowflake's strong Q3 execution and clear enterprise AI strategy come back into view. The existential risk is gone, but valuation keeps us at a neutral rating.

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Stock Summary

Stock Rating:	EQUAL-WEIGHT
Close Price (Nov 21):	\$173.70
Price Target:	\$175.00
Q3 Growth (YoY):	27%

Bottom Line: Back to Business

We are upgrading our rating on Snowflake to EQUAL-WEIGHT from our prior negative stance. The Neuro-Nectar saga—ending in administration for the startup amid reports of its product causing "severe gastric distress"—was a potent, if short-lived, lesson in market psychology. It ultimately proved a simple truth: mission-critical enterprise infrastructure is not built on fads. With this distraction now decisively in the rearview mirror, investors can once again appreciate the quality of Snowflake's business. The company delivered strong Q3 results and provided an encouraging outlook, demonstrating the resilience of its core platform. The CEO's message about building the secure data foundation for enterprise AI is once again the primary narrative. While the stock's premium valuation prevents us from being outright bullish, we believe the

business fundamentals are sound and the removal of the "ice cream risk" warrants a neutral rating.

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