SNOW

Large customers making long term (10-15 year) decisions, large service contracts

Consumption model

Downtick in holidays. More history 🡪 better forecasts

Seasonality in consumption (weekend)

Get real time data 🡪 help critical decision making

FPNA team: sit with big accounts to reality check

Datawarehouse in the cloud 🡪 fundamentally change biz (change data silo 🡪 data sharing, governance, app to data, costs moving data, security governance of data. Vision is to bring app to data, eliminating huge costs

Partner heavily with AWS. Biggest AWS’s ISV: renegotiating with AWS, get bigger commitment

Analyst day: operational db

Trx db 🡪 analytical db;

Margin improvement:

* GM: not a traditional gm profile (80%+), but high 70%; 32-33% level now, room to grow; ex. Singapore facility utilization low; storage 10% (very low margin), compute 89%, data transfer 1%; leverage from S&M
* FCF: continue to expand, seasonality in qtrly basis, fcf margin expansion (2022 fcf guide?)

Customers: focus on g200 accounts, APJ growing slower than exp;

Pricing: price for performance (9 out 10 winning due to price performance)

Capital deployment: M&A (team has domain expertise, accelerate core functionality) ; no mult billion deals; SNOW sell compute

Stock base comp: 2% - 3% dilution (LT keep 2%)

$4.9b cash in the bank

MDB CFO, COO

Q3 great q; atlas 63%, new biz strong, no meaningful delay in sales cycle, 500 net new (healthy)

EA (enterprise advance): not selling to many new customer (customer self service?), strong biz (26% yoy); as on-ramp to enterprise cloud; future proof the biz

Both EA and Atlas outperform; (EA typically grow q3 to q4, but given strong q3, may not happen this yr)

No renew pull fwd; real strong biz;

Customer driven: many buy EA for on prem application, and buy Atlas for cloud app

Atlas: outperformed in q3; previous q consumption weak, but

Rev recog as consumption; vast majority driven by exiting app consumption; slower usage in q3, better in q3 (mid mkt bouncing back; broad based improvement seasonally)

Very well diversified across verticals: (digital native🡪 mid mkt; those slow down more than others; certain pockets actually invest more

Multi variable drivers of growth

Atlas: q1🡪 q2 13%, q2🡪 q3 9%; q2 3 more days , more consumptions, normalize 10%; seq growth is impacted by prior q, q1 strong growth carry over to q2; most growth in q4 (guide) will be atlas driven

Consumption model diff from seat based model

Cohort behavior; sales productivity etc; Atlas reduce friction, but incremental variability

Atlas DB platform: backward looking 🡪 developer platform, analytics, mission critical

More enterprise adoption; customer facing app, clean fresh without legacy baggage

Hyper scale: competitive dynamics; google early competitor