Snowflake Inc (NYSE: SNOW)

BUY: US$ 210.56 (+29.1%)

NUS INVESTMENT SOCIETY

Equity Research Department – TMT

Date: 8th April 2025

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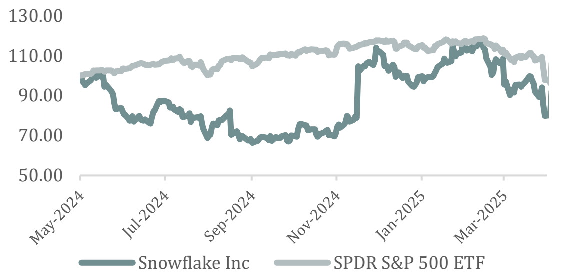
Basic Information

Last Closed Price	US$163.10
12M Target Price	US$210.56
+/- Potential	+29.1%
NYSE Ticker	SNOW
GICS Sector	Information Technology
GICS Sub-Industry	Application Software

1Y Performance against S&P 500



Company Description

Snowflake is a cloud-based data platform company that enables organizations to store, manage, and analyse large volumes of data seamlessly across multiple cloud environments. The company partners with major cloud providers, serving over 10,000 customers globally across diverse industries.

Key Financials

Market Cap			US$42.7B
Basic Shares O/S			333.7M
Free Float			95.0%
52-Wk High-Low			US$194.40/ 107.13
Fiscal Year End			31 March 2025
(S$M)	FY22	FY23	FY24
Revenue	1.2B	2.0B	2.8B
Gr Rate (%)	38.2%	32.0%	22.4%
EBITDA (%)	(17.1%)	(7.5%)	(7.4%)
Gearing	4.1%	4.6%	5.5%

Key Executives

Sidrar Ramaswamy	Chief Executive Officer
Michael Scarpelli	Chief Financial Officer

We are initiating coverage of **Snowflake Inc, ("SNOW")** with a **BUY** rating and a **US$210.56 (+29.1%)** 12M price target from the current share price of US$163.10.

4Q2025 Earnings Highlights

- US$943m in product revenues, amounting to a 28% YoY growth
- 126% net revenue retention rate, slight dip from previous 131%
- Remaining performance obligations reached US$9.6B, indicating a 33% YoY growth
- Non-GAAP operating income margin of 8% solidly above management's expectations and Street's estimates
- Non-GAAP adjusted free cash flow margin of 29%

Investment Thesis

- Snowflake's sticky and high-value large enterprise customer base has a growing wallet for cloud spend that is resilient to macroeconomic headwinds
- Market concerns over growing competition are overblown as Snowflake retains a strong competitive moat due to its unique multi-cloud model and continuous product innovation
- Emphasis on cost-cutting positions Snowflake well to focus on stabilising growth margins

Catalysts

- **2Q2025:** Hyperscaler earnings report could inspire confidence in AI CapEx commitments
- **2H2025:** Delivery of Nvidia's Blackwell chips will enable realisation of backlogged AI workloads
- **2H2025:** Rate cuts will produce a macro environment more conducive for AI CapEx, translating into higher demand for SNOW's warehousing and AI/ML services

Valuation

Our 12M price target at the date of coverage is **US$210.56,** representing a 29.1% upside, sitting within the higher range of analyst estimates. The blended price target was derived using a discounted cashflow valuation and a comparable companies analysis with an 60/40 weightage respectively.

Investment Risks

- **Loss of Market Share Due to Stiff Competition:** Snowflake faces fierce competition from public cloud providers and enterprise software firms that erode its market share
- **High Stock-Based Compensation Expense**: Snowflake's extensive use of stock-based compensation risks significant shareholder dilution and could impact long-term valuation
- **Macroeconomic Headwinds Impacting Cloud Spend**: Economic instability, and a possible recession could curtail cloud expenditures, directly affecting Snowflake's revenue growth

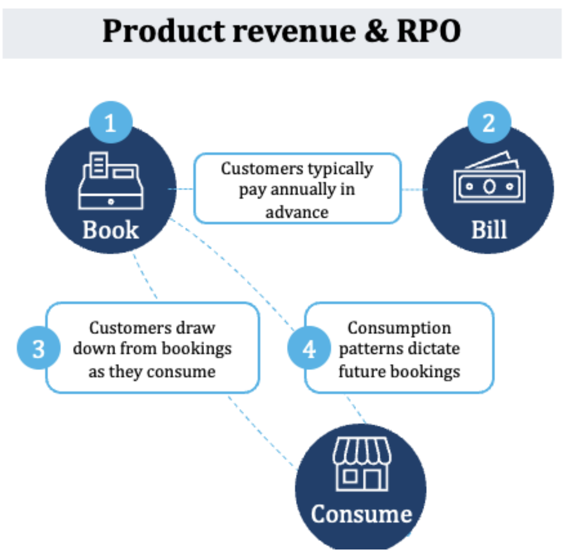
Figure 1: Snowflake's unique platform architecture

Sources: Company disclosures

Figure 2: Some of Snowflake's renowned customers and its ever-expanding partner ecosystem

Sources: Company disclosures

Figure 3: Snowflake's product revenue and RPO model



Sources: Company disclosures

Company Overview

Snowflake Inc. (NYSE:SNOW) is a usage-based, cloud-native data platform that offers data storage, processing and analytics as a service. It primarily allows enterprises to store, query and share large volumes of data across public clouds without managing infrastructure. One of its key differentiating factors from its competitors would be its availability across three major public clouds – Amazon Web Services (AWS), Microsoft Azure, and Google Cloud Platform (GCP). The separation of compute and storage, as well as multi-cloud flexibility are also two other key differentiating factors. Snowflake adopts a multi-cluster shared data architecture that allows customers to independently scale each component based on their specific needs. This architecture thereby creates three independently scalable but logically integrated layers across compute, storage and cloud services. This is particularly appealing to businesses as it offers unmatched flexibility and cost efficiency, especially when handling both small queries and massive enterprise workloads for businesses.

Unlike flat-rate subscriptions, SNOW charges customers based on actual usage of the platform. It charges for the amount of computational resources (measured in credits) consumed when running queries, loading data, transforming data, or using features like Snowpark (for Python/Java/ML). These compute charges vary depending on the size of the virtual warehouse used and the duration it is running. Customers can scale these up or down on demand and this essentially forms SNOW's product revenue. Other streams of revenue include storage revenue which entails customers paying monthly fees based on the amount of data (structured and semi-structured data) stored in Snowflake, data egress fees if data is shared across cloud providers when customers are utilising SNOW and other cloud providers, as well as value-added features and services such as Snowpark (a platform to build ML models and data pipelines inside Snowflake) and Snowflake Cortex (a newly launched AI/ML service that allows customers to integrate and run AI models (like LLMs) directly within Snowflake. SNOW's business model serves thousands of customers globally, including major brands like Sony, Adobe, Netflix and PepsiCo.

4Q25 Earnings Review

- Product revenue increased 28% YoY, reaching US$943m as compared to only US$738m in the same quarter the previous year. Management flagged that consumption patterns remain stable, technology customers outperformed expectations and there was strong adoption of data engineering and AI capabilities. Financial services remain as the top vertical and EMEA region was a source of strength for SNOW.

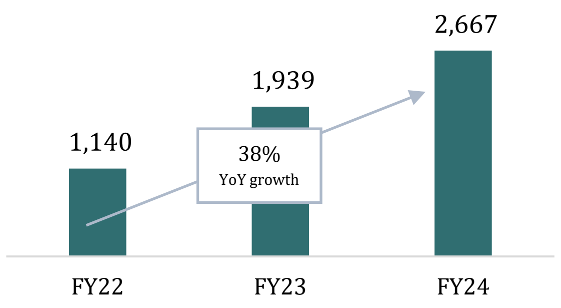
- Net revenue retention (NRR) rate stood at 126%, indicating robust customer loyalty and increased spending from existing clients albeit the slight dip as compared to the 131% in the same quarter the previous year.

Figure 4: Snowflake's consumption model

Consumption model	
1	**Revenue Recognition** *Recognises the substantial majority of its revenue as customers consume the platform* ✓ Enables faster growth ✓ Aligned with customer value ✓ Aligned with usage-based costs × Revenue is variable based on customers' usage
2	**Pricing Model** *The platform is priced based on consumption of compute, storage, and data transfer resources* ✓ Customers don't pay for shelf-ware × Performance improvements inherently reduce customer cost
3	**Biling Terms** *Snowflake typically bills customers annually in advance for their capacity contracts. Some customers consume on-demand and/or are billed in-arrears* ✓ Bookings represent contractual minimum ✓ Variable consumption creates upside for renewal cycle × Payment terms are evolving

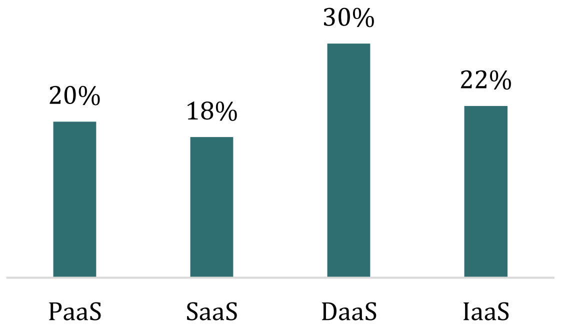
Sources: Company disclosures

Figure 5: Snowflake's annual product revenue from FY22-24 (US$m)



Sources: Company disclosures

Figure 6: Average YoY growth of various sub-sectors within the public cloud services (%)



Sources: Company disclosures

- Remaining performance obligations totalled US$6.9bn, reflecting a 33% YoY growth and suggesting a strong pipeline of future revenue.

- SNOW reported a non-GAAP operating income margin of 8%, solidly above management's guidance of 4% and the Street's expectations of c.7%, and a non-GAAP adjusted free cash flow margin of 29%, more than double of the 12% in FY22.

Industry Outlook

Rapidly evolving data analytics and cloud computing space

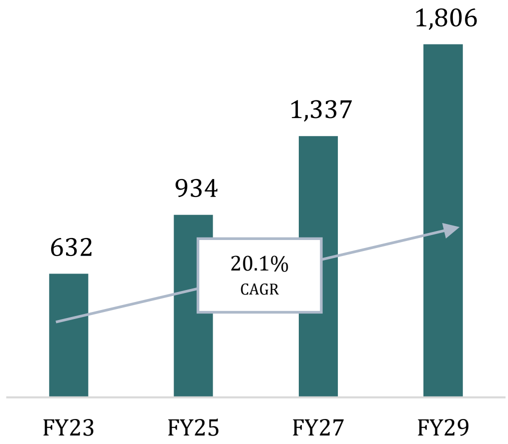
SNOW operates within a rapidly evolving data analytics and cloud computing industry, where the integration of artificial intelligence (AI) and machine learning (ML) has become increasingly pivotal. The global cloud analytics market is valued at c.US$481bn in 2024 and projected to grow at a compound annual growth rate of c.21% to reach US$1,806bn in 2029. Such a growth trend is observed across multiple sub-sectors within the public cloud services – Cloud application infrastructure services (PaaS), cloud application service (SaaS), cloud desktop-as-a-service (DaaS), cloud system infrastructure services (IaaS). Regions like North America held the largest revenue share (>40%) of the public cloud services market in 2023, attributed to the presence of numerous cloud computing vendors and a high propensity for technology adoption. Emerging markets such as Asia-Pacific and the Middle East present significant growth opportunities, driven by rapid digital transformation, supportive government policies and increasing demand for data-driven decision-making. Key industry trends include:

- **Adoption of hybrid and multi-cloud architecture**: Organisations are increasingly utilizing hybrid and multi-cloud environments to enhance flexibility and scalability
- **Demand for self-service analytics and data visualisation tools**: There is a growing need for user-friendly analytics tools that allow non-technical users to access and analyse data independently, driving the adoption of cloud analytics solutions
- **Industry-specific applications**: Sectors such as healthcare, finance, and retail are leveraging cloud analytics for personalised services, risk assessment, and customer behaviour analysis, contributing to market expansion

Strong competition from incumbents and potential new entrants

Despite the optimistic growth outlook for the industry, SNOW is also met with significant competition from companies such as Databricks, which has established a strong presence in the AI and data analytics sector. Databrick's focus on unstructured data and data lakes, coupled with strategic partnerships and acquisitions, has positioned it favourably in the market. Besides strong new entrants like Databricks, the incumbents who have been in this space for long have been performing steadily and retaining market share. For instance, Amazon Redshift (AWS) is tightly coupled with AWS services, offering cosy advantages and performance improvements for customers already in the AWS ecosystem.

Figure 7: Public cloud market worldwide revenue growth from FY22-29 (US$b)

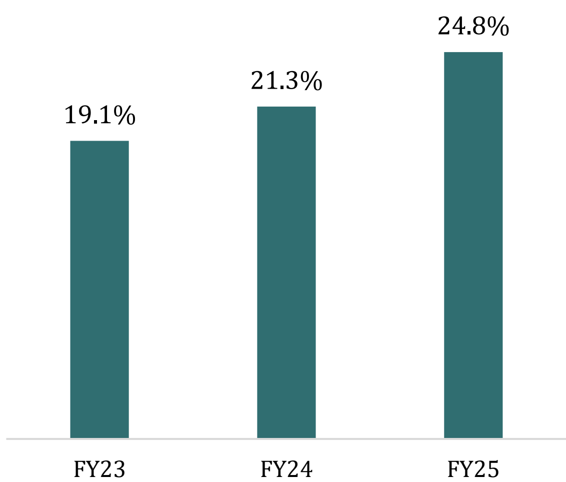


Sources: Company disclosures

Figure 8: Competitive positioning of Snowflake and competitors

Sources: Company disclosures

Figure 9: Growth of the cloud system infrastructure services market from FY23-25



Sources: Company disclosures

Another would be Google BigQuery , known for its serverless model and ML integration via Vertex AI, its strong adoption among AI and data science-heavy teams has been due to the integration with Google Cloud and BigQuery ML. Similarly, Microsoft Azure Synapse Analytics is popular in enterprises already committed to the Microsoft stack as it offers tight integration with Power BI and other Microsoft products. As of 2024, SNOW takes up a small 0.09% market share of the public cloud market worldwide as it places as the 9th cloud vendors worldwide by total revenue. On the other hand, its competitors such as Microsoft and Amazon occupy 4.36% and 3.13% of the market respectively.

Porter's Five Forces

Threat of new entrants – Low to moderate

The threat of new entrants for Snowflake is low to moderate due to high entry barriers in the cloud data platform industry. Developing a scalable, secure, and high-performing data infrastructure requires substantial capital investment, deep technical expertise, and years of R&D. Furthermore, Snowflake's strong brand, ecosystem integrations, and entrenched enterprise relationships make it hard for new players to gain trust at scale. However, the ongoing democratization of cloud infrastructure and the rise of open-source tools slightly lower the barrier, allowing niche entrants to emerge, especially in AI-native analytics or vertical-specific data solutions.

Threat of substitutes – Moderate to high

Snowflake operates atop public cloud infrastructure – specifically AWS, Microsoft Azure and Google Cloud – which act as critical suppliers for its platform. This gives these hyperscalers moderate to high bargaining power, particularly since they also offer competing products (Redshift, Synapse, BigQuery). While Snowflake's multi-cloud strategy reduces single-cloud dependency, the cost and technical reliance on these platforms for compute and storage still leave Snowflake vulnerable to pricing or strategic shifts by cloud providers. Additionally, reliance on specialized chipmakers (e.g. for GPUs in AI workloads) adds to the supplier leverage in emerging areas like AI integration.

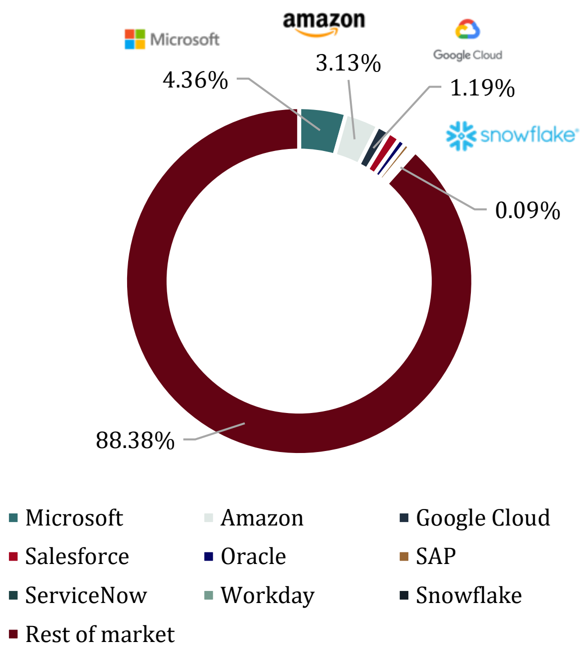
Bargaining power of customers – High

The bargaining power of buyers is high, particularly among Snowflake's large enterprise customers who contribute significantly to its revenue. These customers often have complex, multi-cloud strategies and expect best-in-class performance, pricing, support, and flexibility. With alternatives like Databricks, Redshift, and open-source platforms readily available, customers can and do negotiate aggressively on pricing and service levels. The consumption-based pricing model adds transparency but also empowers customers to switch or throttle usage in response to perceived value, reinforcing buyer power.

Threat of substitutes – Moderate

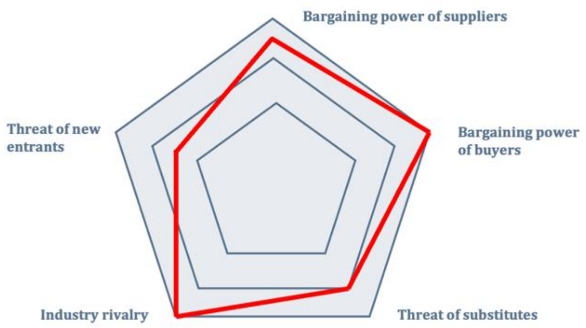
The threat of substitutes is moderate for Snowflake. While there are few direct substitutes offering the same combination of scalability, ease of use, and multi-cloud capability, customers can build in-house data warehouses, using open-source tools (like Apache Iceberg or Presto) or shift toward data lakehouses using

Figure 10: Market share of the top 9 data cloud vendors worldwide as of 2024



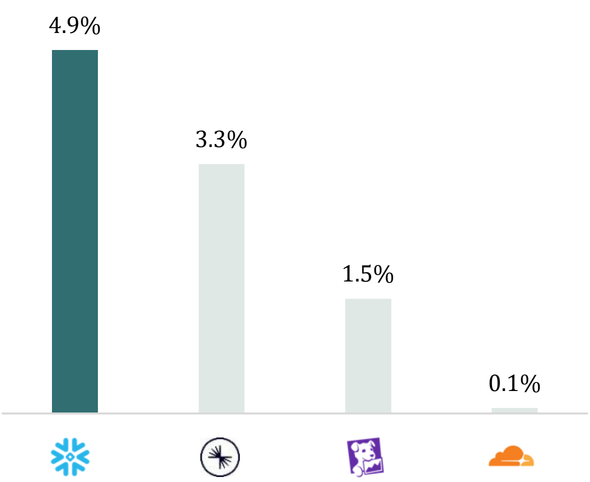
Sources: Company disclosures

Figure 11: Porters' five forces



Sources: Company disclosures

Figure 12: % of Customers With Over $US 1m Annual Spend



Sources: Company disclosures

platforms like Databricks. Additionally, vertical specific SaaS tools are emerging that abstract data storage and analysis altogether. However, switching costs, performance trade-offs, and integration complexity limit the full substitutability for many use cases, especially in enterprise environments.

Industry rivalry – High

The industry rivalry is intense, as Snowflake competes head-to-head with cloud titans like Microsoft (Synapse), Amazon (Redshift), Google (BigQuery) and fast-growing disruptors like Databricks. These companies are not only large but also well-funded, highly innovative, and deeply entrenched in enterprise IT environments. The market is also characterised by rapid technological changes, aggressive pricing strategies, and constant innovation, leading to high pressure on differentiation and customer retention.

Investment Thesis

1. Snowflake's sticky and high-value large enterprise customer base has a growing wallet for cloud spend that is resilient to macroeconomic headwinds

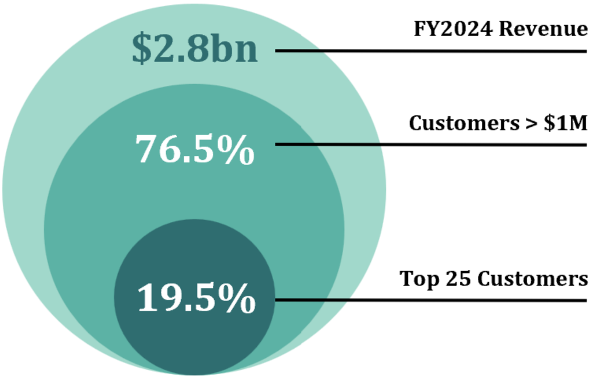
Overblown near-term market concerns due to macroeconomic instability

Market concerns regarding enterprises scaling back their cloud expenditures due to macroeconomic challenges, including Trump tariffs, rising inflation, potential recession, and a downturn in the tech sector, has unfairly depressed Snowflake's share price. J.P. Morgan has raised its recession probability forecast to 60% for both the U.S. and globally, citing tariffs that could weaken business confidence and global growth. Meanwhile, Goldman Sachs has increased its inflation forecast to 3.5%, above the Federal Reserve's 2% target, lowered its GDP growth projection to just 1%, and expects unemployment to rise to 4.5%. While such economic instability typically makes companies more conservative with their spending, the market overlooks Snowflake's highly sticky and valuable large enterprise customer base that is propelling its rapid growth despite the turbulent times. These blue-chip customers are financially resilient, with substantial budgets and a rapidly growing demand for cloud and data solutions.

Highly sticky and large enterprise customer base with substantial cloud budgets

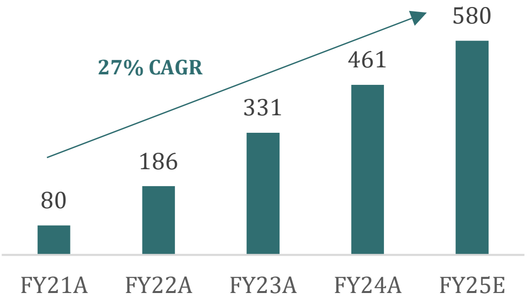
Snowflake has strategically positioned itself as an indispensable partner to large enterprises, establishing a highly sticky customer ecosystem that is not only diverse but also deeply integrated. Snowflake boasts a remarkable concentration of high-value clients, with the highest proportion of customers generating over $1 million annually in revenue among its industry peers (Figure 12) and 6.7% of its clientele listed on the Forbes Global 2000. A critical aspect of Snowflake's business model is its ability to secure and grow its relationships with large-scale spenders. Despite only 5.2% of its customers contributing more than $1 million, they collectively account for a substantial 76.5% of total revenue,

Figure 13: Revenue concentration among top customers



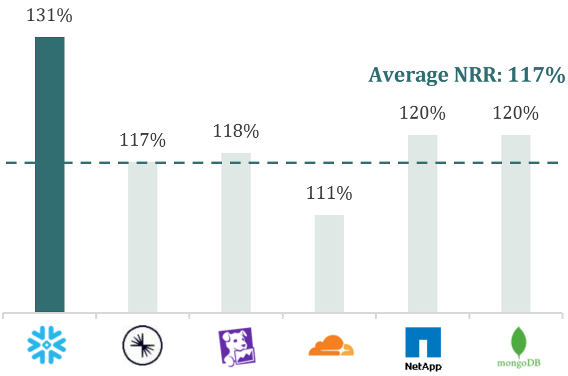
Sources: Company filings

Figure 14: Number of customers with over $US 1m annual spend



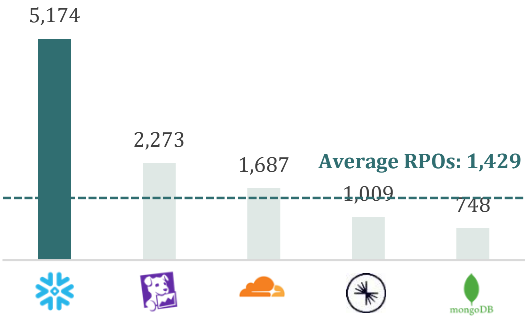
Sources: Company filings

Figure 15: Industry net revenue retention rates



Sources: Company filings

Figure 16: Remaining Performance Obligations (RPOs) Among Industry Peers



Sources: Company filings

anchoring its revenue base (Figure 13). Snowflake has been highly effective in landing these major customers, growing 27% year-over-year to 580 in FY2025 (Figure 14). Snowflake's deep integration into customer data workflows creates significant barriers to exit, resulting in high switching costs related to data migration and system reintegration, especially for large enterprises with substantial data workloads. Unlike competitors such as Cloudflare, which serve a smaller, more price-sensitive and agile customer base, Snowflake's customers are stable and deeply embedded within its ecosystem, making them less sensitive to pricing which enhances customer stickiness and the reliability of revenue streams.

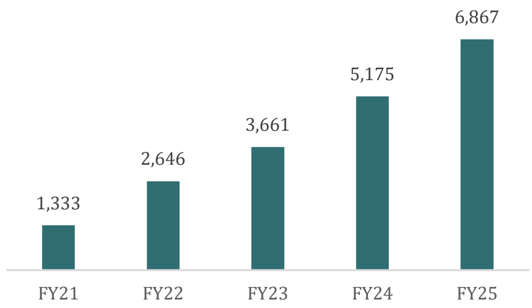
<u>Successful land and expand strategy driving sustainable top-line growth</u>

Beyond that, Snowflake's strategic 'land and expand' approach has solidified customer loyalty and fuelled sustained revenue growth. This is evidenced by its best-in-class net revenue retention rate of 131%, surpassing the industry average of 120% (Figure 15). This impressive NRR underscores that Snowflake's customers consistently escalate their spending on the platform annually, a testament to the value they are getting and their growing data needs. This supports our view that existing customers will remain a key growth driver alongside new enterprise and commercial customer additions. Furthermore, Snowflake appears resilient to economic downturns, as evidenced by its industry-high remaining performance obligations, which stand at $5.2 billion (Figure 16). This amount is double their current revenue and represents a 33% year-on-year increase (Figure 17), suggesting that Snowflake is landing far more new contracts than it is currently billing, indicating strong future demand. This effective upselling to existing customers has contributed to Snowflake beating revenue expectations for the past 10 quarters (Figure 18), a trend that is poised to continue driving its success.

<u>Growing wallets for cloud and AI spend</u>

Snowflake is strategically positioned to be a prime beneficiary of the cloud services and AI boom. From 2024 to 2030, the total addressable market (TAM) for cloud services is expected to soar at a 22% CAGR, with cloud computing sales expected to rise to $2 trillion. Within this growth, generative artificial intelligence is expected to comprise about 10-15% of the spending. Riding on these structural tailwinds, Snowflake's platform TAM is projected to more than double from $152 billion in 2023 to $342 billion by 2028. Snowflake has been proactive in launching new AI products, which have quickly gained traction. Over 4,000 customers now engage with its AI/ML features weekly and 36% of its customer base uses these features, marking a 9% year-on-year increase. With 64% of customers have yet to adopt its AI capabilities, there is ample runway for growth and revenue upside as enterprises ramp up their AI adoption. This ultimately fuels robust top-line growth for Snowflake, contributing to a projected revenue CAGR of 28.8%, reaching $13.4 billion between FY25 and FY30 (Figure 19).

Figure 17: Snowflake's Remaining Performance Obligations (RPOs)



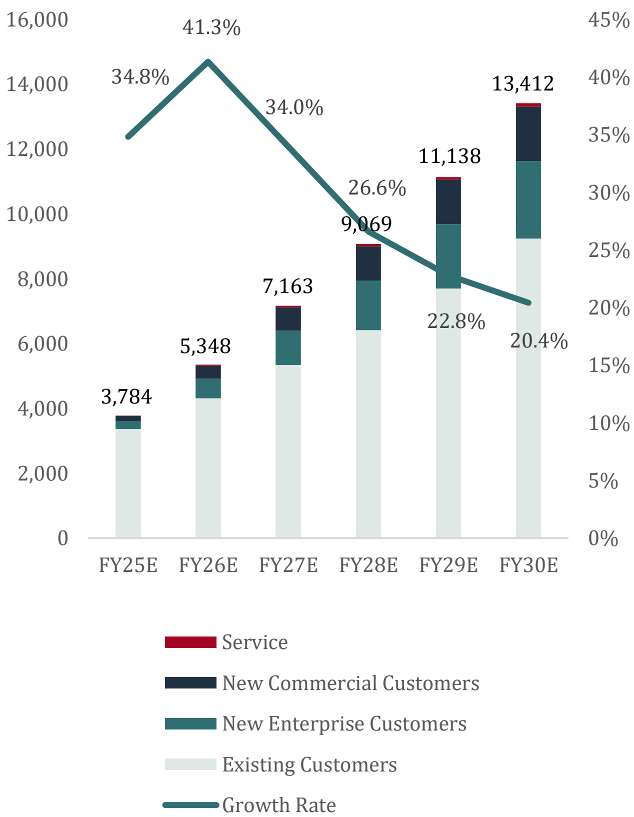
Sources: Company filings

Figure 18: Snowflake's Revenue Beats

Actual next quarter	Revenue ($USm)	% beat
3QFY23	557	5.6
4QFY23	589	4.4
1QFY24	624	4.1
2QFY24	674	3.1
3QFY24	734	4
4QFY24	775	2.7
1QFY25	829	5.6
2QFY25	869	2.5
3QFY25	942	5.2
4QFY25	987	3.4

Sources: HSBC

Figure 19: Snowflake's Forecasted Revenue ($USm)



Sources: Team Research

2. Market concerns over growing competition are overblown as Snowflake retains a strong competitive moat due to its unique multi-cloud model and continuous product innovation

Despite growing saturation in the enterprise cloud space due to competition from a variety of public cloud providers and enterprise software firms, market concerns over Snowflake losing its relevance and market share are overblown as its platform-agnostic solution, strong partnerships, and continuous product innovation fortifies its competitive moat.

<u>Unique multi-cloud flexibility that prevents vendor lock-in</u>

Unlike many competing data warehouses (such as Amazon Redshift, Azure Synapse, or Google BigQuery) that are tied to a single cloud provider's ecosystem, Snowflake is designed to run on any major cloud (including AWS, Azure, and Google Cloud). This unique ability) enhances its appeal to enterprises, particularly large ones that often use hybrid or multi-cloud environments and are wary of being locked into one vendor. Snowflake enables businesses to unify their data across different clouds, providing a level of flexibility that competitors cannot easily match. Industry titans like Amazon, Microsoft, and Google are unlikely to expand their multi-cloud capabilities, as doing so could conflict with their broader business interests, thereby strengthening Snowflake's competitive moat.

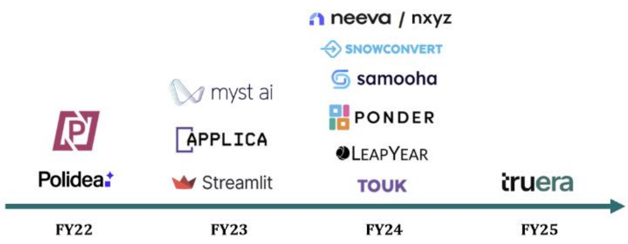
<u>Robust product and acquisition pipeline</u>

To keep pace with rapid innovation in cloud services, Snowflake launched over 400 new product capabilities in 2024, more than doubling its output from 2023, indicating an aggressive and successful product development strategy. By integrating AI tools, Snowflake empowers enterprises to perform advanced functions such as predictive analytics and AI-powered applications, thereby driving added value. Beyond this, Snowflake has significantly bolstered its growth trajectory through strategic acquisitions, particularly in the AI sector. In 2024 alone, it acquired six companies, doubling its acquisitions from the previous year (Figure 20). This strategic blend of in-house development and inorganic growth enables Snowflake to rapidly integrate new technologies and expertise, thereby enhancing its offerings and encouraging customers to consolidate more of their data operations onto Snowflake. Looking ahead, Snowflake is ready to capitalize on these investments, with seven out of eight of its key recent product launches expected to contribute to revenue within the next two years according to company management (Figure 20).

<u>Superior product and partnerships that drive customer value</u>

Snowflake stands out in the data management sector with its unparalleled product offerings and strategic partnerships, uniquely hosting both Anthropic and OpenAI models, seamlessly integrated into major platforms like Microsoft 365 Copilot and Microsoft Teams. Its robust integrations with essential enterprise tools, such as Salesforce and ServiceNow, streamline data workflows and enhance its plug-and-play capabilities within large organizational IT ecosystems. Snowflake's focus on performance

Figure 20: Snowflake's Acquisitions



Sources: Company filings

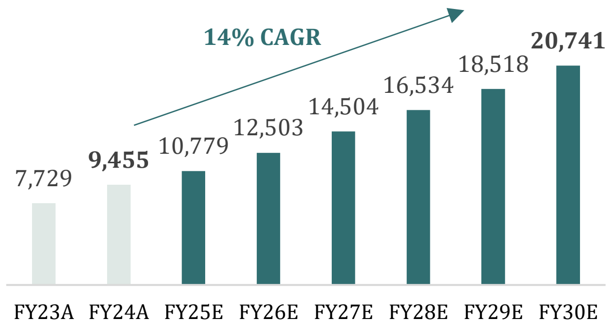
Figure 20: Expected revenue contribution of Snowflake's product launches

	Snowpark	Cortex AI	Unstructured Data	Iceberg Tables
General Availability	✓	✓	✓	✓
GA Date	FY23	FY25	FY23	FY25
Adoption	🟢	🟡	🟢	🟡
Expected Growth Contribution	FY25	FY25	FY25	FY26

	Native Apps	Snowpark Containers	Streamlit in Snowflake	Unistore
General Availability	✓	✓	✓	✗
GA Date	FY24	FY25	FY24	FY25
Adoption	🟡	🟡	🟢	🟡
Expected Growth Contribution	FY26	FY26	FY26	FY27

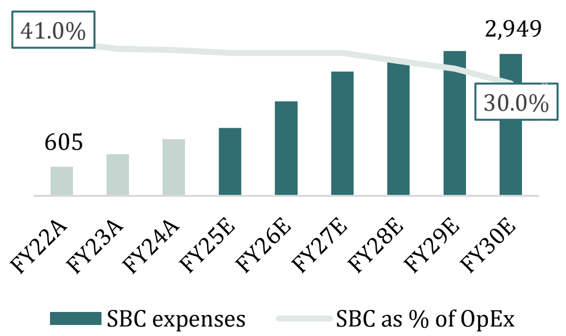
Sources: Company filings

Figure 21: Snowflake's forecasted number of total customers



Sources: Company filings, Team Analysis

Figure 22: Reduced share-based compensation (US$m) as a percentage of operating expenses (%)



Sources: Company disclosures, Team Analysis

and ease-of-use has translated into substantial value for its customers, with one of its biggest customers experiencing a 30% cost reduction and others reporting cost savings of over 50%. This operational excellence is reflected in Snowflake's exceptionally high Net Promoter Score (NPS) of 71 that is more than triple the industry average of 21, indicating high customer satisfaction and loyalty. These factors contribute to Snowflake's robust growth trajectory, with a projected 14% CAGR in its customer base, expected to expand from 9,455 in 2024 to 20,741 by 2030 (Figure 21).

3. Emphasis on cost-cutting positions Snowflake well to focus on stabilising growth margins given current circumstances

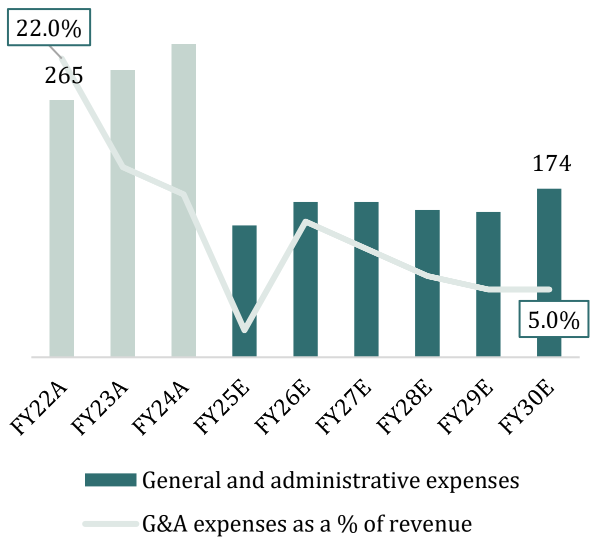
Reduction of share-based compensation

Snowflake's increasing focus on cost-cutting – particularly through reducing share-based compensation as a percentage of revenue by approximately 400 basis points year-over-year to 8% for FY2026 – reflects its strategic push to stabilize margins amid a high-growth yet cost-intensive environment. While this move supports profitability in the long run, it may introduce short-term challenges, especially around talent retention and compensation expectations. With pressure on wage compensation, Snowflake is addressing the potential headwinds by pivoting towards hiring more junior talent and leveraging AI to boost productivity and efficiency across its operations. By integrating AI to streamline internal processes, Snowflake aims to offset rising costs while maintaining output and innovation velocity. Snowflake's competitors, AWS and Google Cloud are focusing more on customer-facing AI tools and infrastructure to develop efficiency and reduce cost. While they do attempt to actively recruit top AI researchers and engineers to maintain its competitive edge in AI development while pushing costs down, their efforts may not be as intentional and visible as Snowflake's.

Rising AI cloud infrastructure expenses for AI technology development

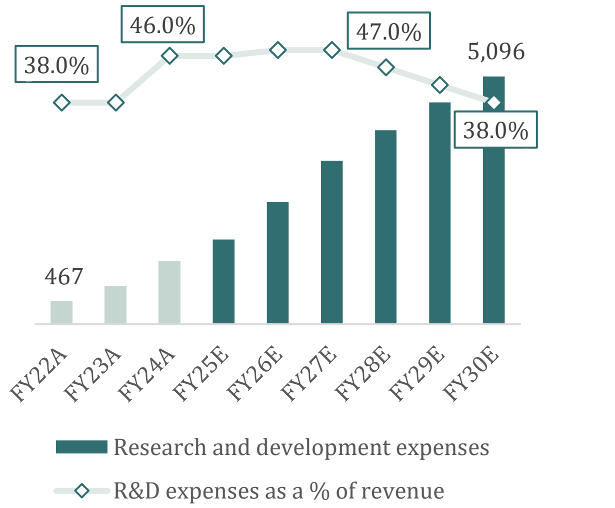
Snowflake's intensified focus on cost efficiency is not just tactical but also strategically necessary in the current market environment. This cost-conscious approach is particularly important given Snowflake's rising AI infrastructure expenses. Developing AI capabilities (especially those tied to GPU-intensive computing) has significantly increased the company's cloud infrastructure costs. In parallel, Snowflake faces complexities in its expansion strategy, particularly its exposure to the Chinese market. Serving Chinese affiliates of multinational clients requires compliance with new regulations and the establishment of an entirely different go-to-market and operating model under Chinese law. This demands considerable upfront investment, with no guarantee of immediate or commensurate returns. As a result, Snowflake's efforts to streamline internal operations, reduce stock-based compensation and restructure talent hiring towards a more scalable, junior-led workforce are critical to provide margin stability and operational agility – two key competitive edges to maintain against its competitors.

Figure 23: Reduced general and administrative (G&A) expenses (US$m) as a percentage of revenue (%)



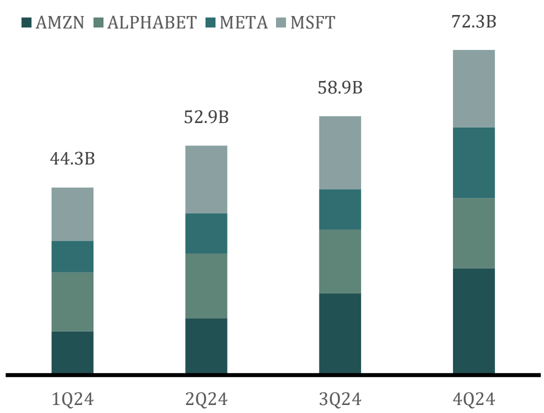
Sources: Company disclosures

Figure 25: Increased research and development (R&D) expenses (US$m) as a percentage of revenue (%)



Sources: Company disclosures

Figure 26: Increase in Total Hyperscaler CapEx



Source: Public Disclosure

Uncertainty around the new CFO candidate poses additional risks

The planned retirement of Snowflake CFO Michael P. Scarpelli, as disclosed in the company's regulatory filing, introduces a critical inflection point for the company at a time when maintaining operational and financial stability is paramount. While Scarpelli will continue in his role until a successor is appointed and later transition into a 12-month advisory position under a consulting agreement, the interim period – marked by a leadership search and executive transition – can create uncertainty around Snowflake's financial strategy, investor sentiment, and internal alignment. CFO transitions could create strategic ambiguity when companies delay major financial decisions or become more cautious in resource deployment. As Snowflake's cost-cutting measures provides an important margin buffer, any related decision making made by the new CFO would impact investor confidence as investors and the markets watch financial stewardship closely during leadership changes.

Catalysts

2Q2025: Positive Hyperscaler Earnings Results

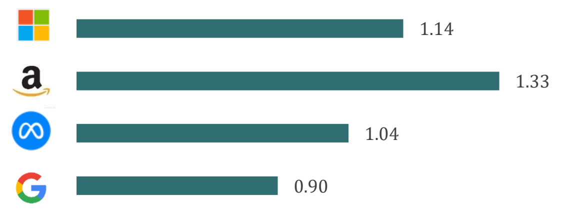
Market sentiment regarding the fidelity of the AI trend has taken a nosedive since the start of the year due to the introduction of tariffs which casted doubt over capex, and the release of DeepSeek's LLM model which trained on weaker compute. DeepSeek's release was particularly disruptive, igniting concerns over the optimality of companies chasing compute in the AI race.

Thus, upcoming reports by hyperscalers such as Microsoft and Amazon will serve as an industry barometer for capex and AI appetites, and whether demand will remain voracious for the remainder of the year. Seeing as SNOW is a second-order beneficiary of recent AI trends, with an increasing need for storage and AI/ML capabilities translating into trickle-down demand for the company's services, we fully expect the upcoming hyperscaler earnings reports to serve as strong, potential catalysts. This is of course dependent on management's guidance regarding the allocation of future capex. We however believe that the trend in AI driven capex is primed to continue seeing as the primary hyperscalers in the US have all reaffirmed their AI commitments, with Amazon CEO Andy Jassy stating "We think virtually every application we know of today is going to be reinvented with AI inside of it" in the company's 1Q25 earnings call. The capex of key hyperscalers Microsoft, Amazon, Meta and Google have all sen a 63% YoY increase. On account of enterprise adoption and use-case proliferation typically following an S-curve, the team believes that adoption is only just beginning to ramp up.

2H2025: Realisation of Significant AI Workloads through Blackwell Deliveries

The Nvidia Blackwell chips are set to revolutionise AI compute. Designed specifically for model training, Nvidia's Blackwell architecture far surpasses the current Nvidia Hopper H100 chip model in transistor count, compute performance, memory capacity and bandwidth. As a result, a large number of companies, most importantly the aforementioned hyperscalers, have planned

Figure 27: SNOW Beta with Selected Hyperscalers



Source: Team Research

Figure 28: Selected Quotes from Latest Quarter

"We think virtually every application that we know of today is going to be reinvented with AI inside of it."

"AI represents for sure the biggest opportunity since cloud and probably the biggest technology shift and opportunity in business since the internet,"

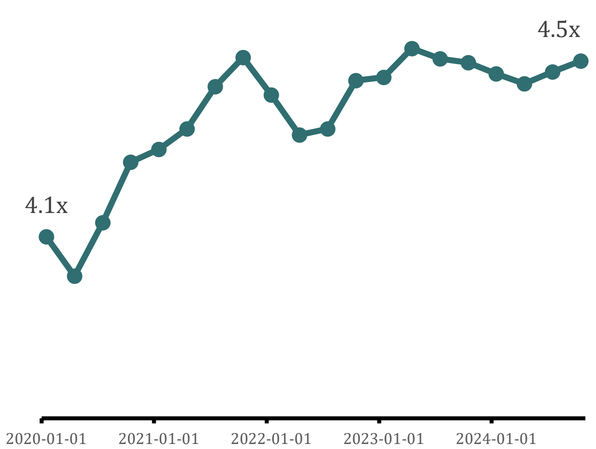
Source: Company Disclosure

Figure 29: Blackwell Comparative Performance

Feature	NVIDIA Blackwell B200	NVIDIA Hopper H100
Transistor Count	208 billion	80 billion
Compute Performance	Up to 20 petaflops	4 petaflops
Memory Capacity	192 GB HBM3e	80 GB HBM3
Memory Bandwidth	Up to 8 TB/s	3.2 TB/s

Source: Team Analysis

Figure 30: Corporate Asset/Debt Ratio



Source: FRED Database

capex and AI workloads around the integration of Blackwell chips into their existing infrastructure.

However, the delivery of the chips has been delayed twice due to manufacturing complexities as well as technical issues stemming from their advanced specifications, with the latest issue being an overheating problem announce in November 2024 that has since been resolved. These delays have consequently disrupted AI pipelines across various companies including hyperscalers. Notably, Microsoft had to delay the rollout of its Blackwell-powered AI infrastructure in a new data centre in Phoenix, opting instead to use the Hopper H100s in the short term.

Fortunately, Nvidia has reaffirmed the delivery timeline for 2H2025 in its recent quarterly earnings, raising Q2 top-line guidance to US$43b, reflecting Blackwell confidence. Nvidia is projected to deliver between 1.8-2.5 million Blackwell GPUs within 2H2025. We believe that this will allow for the realisation of mass amounts of backlogged AI workloads as companies, equipped with the necessary amount of compute, will now be able to proceed with their planned rollouts. As a second-order beneficiary, SNOW stands to benefit from a subsequent rise in the demand for its services.

<u>2H2025</u>: Incentivisation of Increased CapEx through Rate Cuts

Despite affirmation from hyperscalers to continue AI expenditure, sectors are starting to turn CapEx hesitant in response to Trump's tariffs as reported by Alpine Macro, a stark contrast to the post-election euphoria demonstrated by markets. The tariffs are expected to impose a higher cost of spending, forcing many to reconsider their initial commitments.

Despite this, corporate strength remains true in America with corporate balance sheets demonstrating healthy resilience and confident reserves. Corporate Assets/Debt ratio has consistently gone from strength to strength following its Covid induced trough as companies build back reserves. The current corporate Asset/Debt ratio has surpassed pre-Covid levels, indicating that capex uncertainty stems primarily from the ambiguity of Trump's policies as opposed to the lack of sufficient dry powder.

We believe that rate cuts, two of which have been forecasted by economists to occur within 2H2025, would do well to ameliorate the perceived impact of tariffs and impose a net reduction in the cost of financing capex, allowing companies to proceed with initial arrangements which would include wider-scale AI rollouts. This will directly benefit SNOW by virtue of increasing its product demand.

Financial Analysis

Overview

Figure 31 and Figure 32 reveal SNOW's financial condition for three historical and three forecasted years, highlighting key growth and profitability metrics. Most indicators yield positive and favourable trends that are supportive of the overall **BUY** recommendation.

Figure 31: Historical Growth and Profitability

US$'000	2022A	2023A	2024A
Revenue	1,219,327	2,065,659	2,806,489
YoY Revenue Growth	106%	69%	36%
Net Income	(679,948)	(797,526)	(837,990)
NI Margin (%)	(91.1%)	(55.8%)	(38.6%)
EBITDA	(599,728)	(625,115)	(955,525)
EBITDA Margin (%)	(49.2%)	(30.3%)	(34.0%)
Adjusted EBITDA	(209,050)	(154,630)	(207,907)
Adjusted EBITDA Margin (%)	(17.1%)	(7.5%)	(7.4%)
Diluted EPS	-2.26	-2.50	-2.55

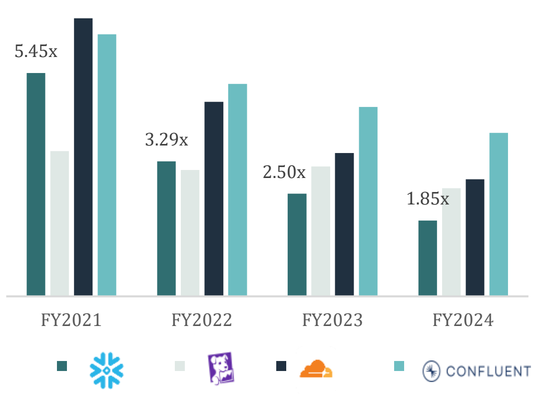
Source: Company Disclosure

Figure 32: Forecasted Growth and Profitability

US$'000	2025E	2026E	2027E
Revenue	3,891,644	5,493,604	7,331,943
YoY Revenue Growth	39%	41%	33%
Net Income	(801,631)	(862,663)	(577,157)
NI Margin (%)	(29.9%)	(20.6%)	(15.7%)
EBITDA	(598,863)	(751,623)	(449,959)
EBITDA Margin (%)	(15.4%)	(13.7%)	(6.1%)
Adjusted EBITDA	305,078	462,369	1,066,579
Adjusted EBITDA Margin (%)	7.8%	8.4%	14.5%
Diluted EPS	(2.44)	(2.63)	(1.76)

Source: Team Research

Figure 33: Current Ratios of SNOW and Peers



Source: Public Disclosure

Strong top-line growth sustained by persisting trends in data-warehousing and cloud AI demands

Although we expect growth to cool relative to SNOW's initial years of explosive expansion, we forecast its YoY revenue growth to be maintained within the strong double digits. This will be buoyed by customer additions as enterprises shift legacy systems onto the cloud, as well as consumption expansion as its latest offerings in AI cloud services gain traction from structural industry trends. In addition, persisting trends in AI commercialisation will necessitate vast amounts of data, translating into continued, strong demand for SNOW's warehousing services.

Ultimately, we forecast revenues to grow from US$3,891m in 2025E to US$7,331m in 2027E, demonstrating a CAGR of 37.2%, tapered down from a historical CAGR of 68.0% across the historical years of 2021A to 2024A.

Consistent headway on improving cost structure

Historically, SNOW's unadjusted EBITDA has returned negative due to its high operating expenses, a large portion of which is attributable to its sales and marketing department in the form of heavy commissions. This is unsurprising for a software company where early years of client acquisition is usually hallmarked by aggressive sales activity and incentives. However, as SNOW expands and shifts business focus away from acquisition towards upselling as dictated by its land-and-expand strategy, S&M activity naturally tapers off. This is also evidenced by the shift in customer mix towards higher paying enterprise customers who are classified by SNOW as contracts bringing in a 12-month average trailing product revenue of at least US$1m. This shift in strategy has seen a considerable reduction in S&M expenses as a percentage of revenues from 81% in 2021A to 50% in 2024A, representing a 31% percentage point improvement. We forecast this trend to continue within the forecast period, with S&M expenses reducing further to 35% of revenues by 2027E.

As stated by management in 2024's annual report, this trend is to continue with SNOW's commissions mix trending towards consumption-based incentives. We also believe that as SNOW's products become more prevalent, the network effect will enable for further reduction in customer acquisition costs.

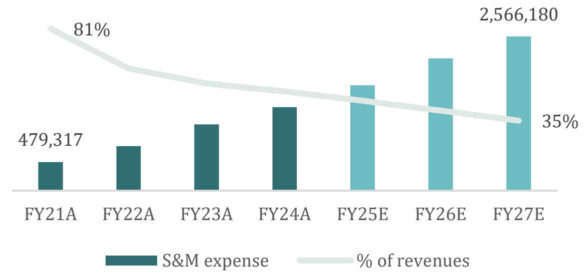
Ultimately, this has resulted in SNOW's unadjusted EBITDA margin trending consistently towards profitability, increasing 4420 basis points from (78.0%) in 2021A to (34.0%) in 2024A. We forecast SNOW to achieve EBITDA profitability by 2028E.

Valuation

Valuation Price Target: **US$210.56 (+29.1%)**

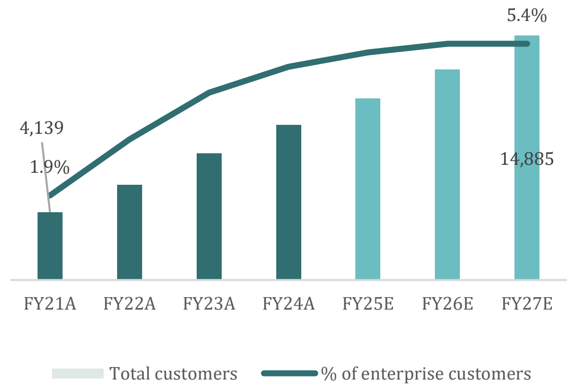
Our target price was derived from a blended average of share price values from intrinsic valuation by looking at the Discounted Cash Flow (DCF) Analysis – Gordon Growth method and Exit Multiple Method – as well as relative valuation by conducting a Comparable Companies Analysis. Valuations were drawn from an average of FY, FY+1, FY+2 EV/Revenues and FY EV/Remaining Performance Obligations (RPO).

Figure 34: S&M Expenses as % of Revenues



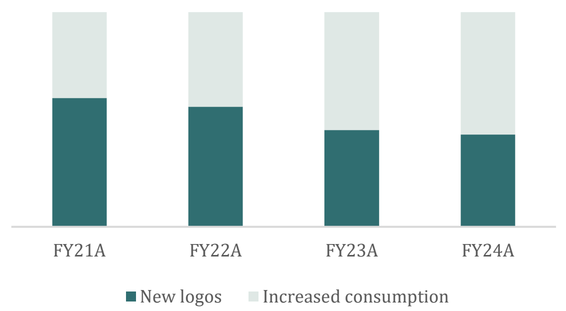
Source: Team Research and Company Disclosure

Figure 35: Total Customers and % of Enterprise Customers



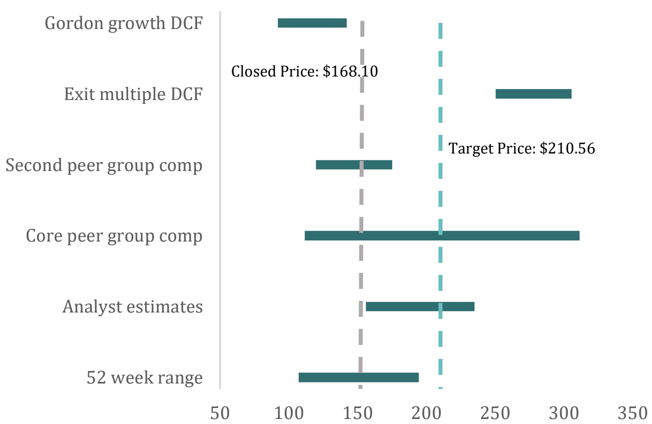
Source: Team Research and Company Disclosure

Figure 36: Commissions Mix



Source: Company Disclosure

Figure 37: Football Field Chart



Source: Team Research

An even weightage was allocated across both intrinsic and relative valuations.

Within our intrinsic valuation, a 70% weightage was allocated to the exit-multiple DCF. This preference stems from the fact that we believe in SNOW's continued growth potential past the forecasted 5 years stemming from its AI cloud offerings with traction only just beginning to pick up. We thus do not believe the Gordon Growth valuation to accurately represent SNOW's fair share price due to the fact that the company's growth would be heavily pegged down to the projected GDP growth of the US economy (1.8%). Given the evolving and complex nature of AI-related demands, it is challenging to predict when SNOW will reach a mature stage, making it difficult to extend our forecast horizon to a point of stable cash flows. Additionally, for companies tied to speculative themes like AI, market sentiment becomes a more significant determinant of price discovery, validating our weightage allocation. For the exit multiple method, we used the median EV/FY Revenues multiple of 10.9x drawn from its core peer group comparables.

For SNOW's trading comparables, the peer group was segmented into two subsets. The core peer group, constituting a 60% weightage, comprised US cloud-native companies with a focus on storage and/or analytics. While the second peer group comprised a broader range of SaaS companies with a significant cloud segment.

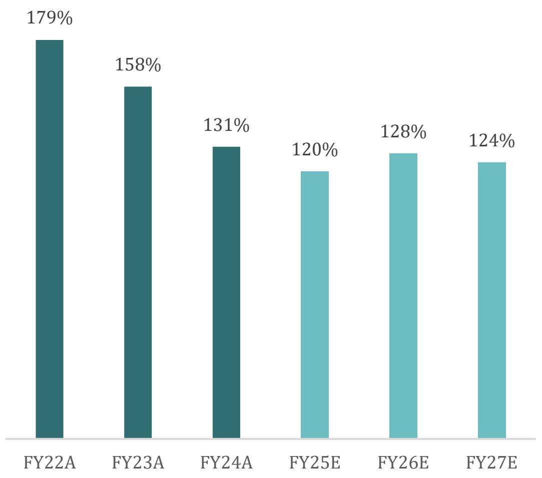
Intrinsic Valuation – DCF (60% weightage)

<u>Revenue Build</u>

We utilised a bottoms-up revenue model that incorporated our thesis assumptions into its drivers. The revenue model is segmented into an existing base of revenues constituting existing customer vintages, and the revenue earned through new logo acquisitions throughout the forecast period. Using historical trends in SNOW's Net Revenue Retention (NRR) rate across all cohorts, we imputed NRR figures for the forecast period, incrementing it initially at the start of the forecast to incorporate increasing consumption stemming from adoption of its AI/ML cloud offerings and eventually tapering it off towards the end of the forecast. Historically speaking, SNOW's NRR has trended downwards. We believe that this downtrend stems primarily from a cyclical contraction as the business exits its initial stage of rapid contract expansion, where new customers who initially take on smaller contracts to trial SNOW's services start to scale up adoption and consumption. However, we believe that SNOW's integration of AI/ML offerings will offer a catalyst in use expansion which we believe will be reflected in an inflection in the aforementioned downtrend.

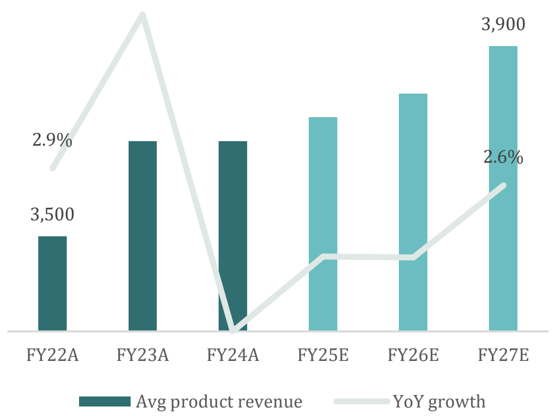
Customer additions are segmented into enterprise customer additions and commercial customer additions. Enterprise customers are classified by SNOW as contracts generating an average 12-month trailing product revenue of at least US$1m. The other remaining customers are classified as commercial customers and historically constitute the bulk of SNOW's

Figure 38: Effective NRR



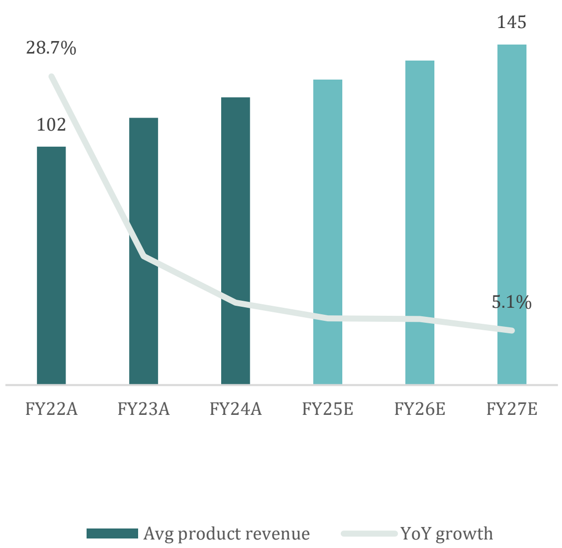
Source: Team Research and Company Disclosure

Figur 39e: Average Trailing 12-month Enterprise Product Revenue (USD$)



Source: Team Research and Company Disclosure

Figure 40: Average Trailing 12-month Enterprise Product Revenue (USD$)



Source: Team Research and Company Disclosure

customer base. Customer additions are cumulatively added, with every batch's revenues being expanded upon YoY through an imputed NRR value. We forecast the NRR values of SNOW's commercial and enterprise additions to reflect the same trend mentioned above. Enterprise NRR is however historically lower due to contract-size inertia – this assumption is adopted throughout the forecast period. The revenues introduced by each batch of commercial and enterprise customers upon acquisition is simply calculated through number of customers added x revenue per customer*.* Revenue per customer figures are incremented upwards to reflect growing structural tailwinds within the cloud and AI space, with enterprise figures being higher than commercial figures as indicated by SNOW's definition of each customer segment. We have also incremented the percentage of enterprise customers making up SNOW's total customer base to reflect sectoral tailwinds and management's land-and-expand strategy. This translates into larger average contract sizes, resulting in the customer mix skewing more towards enterprise customers.

<u>Cost Schedule</u>

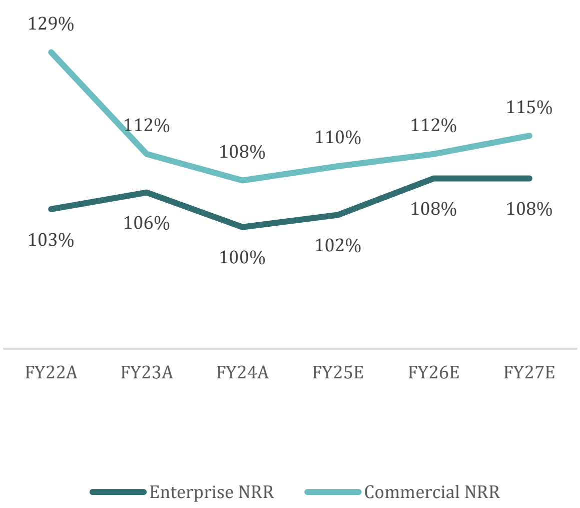
We forecast COGS as a percentage of revenues to decline as cloud businesses are inherently highly scalable due to the nature of their technology. As mentioned before S&M expenses as a percentage of revenues is forecasted to decline significantly due to a shift in SNOW's business focus away from customer acquisition in favour of contract expansion, which is likely to incur lesser commission as relationships are already established, and the product flywheel will naturally incentivise greater spending. This is evidenced by Figure 36 where a greater portion of commissions is allocated towards increased consumption. R&D expenses are sustained at levels comparable to 2024A figures as we believe that SNOW's pivot into AI/ML offerings will necessitate continued, high R&D spending despite the company's propensity for frequent acquisitions. R&D expenditure is however tapered off towards the end of the forecast as the company achieves product maturity.

<u>WACC</u>

Beta: A blended 50-50 method on the regression beta and relevered beta was used to determine the beta for the WACC calculation. Regression beta was derived by applying the covariance and variance formula on SNOW's historical 3Y returns against the S&P500. We obtained a regression beta of 1.86. By using the 2Y levered beta of SNOW's core peers, we were able to obtain a median value for the industry's unlevered beta to which we re-levered using SNOW's capital structure, arriving at a comps Beta of 1.45. Averaging the two values gave us a blended Beta of 1.65. A 3 year time frame was selected as to avoid incorporating data from the period of 2020-2022 where market exuberance over cloud providers resulted in a pattern of performance that we no longer think is representative of the industry today.

Cost of Equity (CoE): The risk-free rate of 3.88% was derived as a 3Y average of the 10Y US treasury yields. An Equity Risk Premium of 4.60% was utilised to arrive at CoE of 11.0% using the CAPM formula. We opted to utilise the 3Y average so as to not

Figure 41: Enterprise and Commercial NRR



Source: Team Research

Figure 42: WACC Calculation

WACC Variables		
Input	Rate (%)	Source
Cost of Equity		
Equity Ratio	99.5%	SNOW's Capital Structure
Risk Free Rate	1.88%	3Y Avg U.S. 10Y Treasury
Beta	1.65	Blended Beta
Equity Risk Premium	4.60%	Damodaran
Cost of Equity	11.0%	CAPM
Cost of Debt		
Avg Debt Ratio	0.5%	SNOW's Capital Structure
Risk Free Rate	1.88%	3Y Avg U.S. 10Y Treasury
Avg. Default Spread	0.45%	Synthetic Ratings
Tax Rate	21.0%	US Corporate Tax
Avg. After-Tax Cost of Debt	3.40%	NA

Source: Team Research

artificially inflate the risk-free rate by allocating too much weightage to recent, high figures.

Cost of Debt (CoD): The Synthetic Rating method was used to calculate CoD by looking at the average interest coverage ratio across 10 years (5 historical and 5 forecasted) and the default risk spread from Damodaran's research findings. We obtained an after-tax CoD of 3.4%.

It should be noted that in calculating SNOW's interest coverage, we used adjusted EBITDA figures with a portion of stock-based compensation added back. We decided against adding the entirety of SNOW's SBCs back to its unadjusted EBITDA values due to the risk of distorting the company's true credit health as SNOW pays a large portion of its operating expenses out in SBCs. We incorporated a percentage cap to the amount of SBCs that could be added back into the calculation of adjusted EBITDA. This cap was derived by observing the amount of SBCs paid out by SNOW's primary peers.

WACC: SNOW has a very low Debt/Equity ratio as it finances a significant portion of its operating expenditure through SBCs. The only long-term debt that SNOW holds on its balance sheets is its non-current lease liabilities. We arrived at a WACC figure of 10.9%

<u>Terminal Value</u>

The perpetual growth formula was used in determining the Gordon-growth terminal value. The long-term growth rate was pegged to the forecasted GDP growth of the US economy at 1.8%.

For the exit multiple method, we used an EV/Revenue multiple. Drawing the revenue figure from the latest FY. The multiple was derived as a weighted average of our two peer groups, with a 60% weightage being allocated to SNOW's core competitors

Relative Valuation (40% weightage)

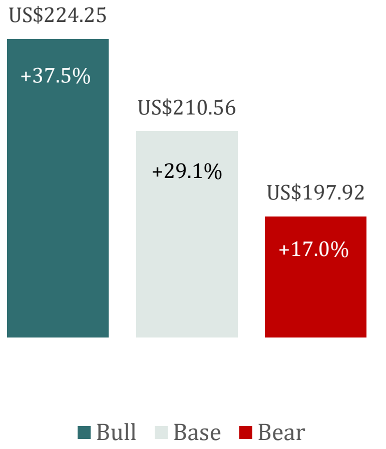
Our comparables were segmented into two baskets: SNOW's core competitors who are cloud-native US companies offering services in cloud storage and/or analytics, and broader US SaaS companies that operate a sizeable cloud segment.

For each peer group, we calculated these multiples: FY EV/Revenue, FY+1 EV/Revenue, FY+2 EV/Revenue, EV/RPO. Peer benchmarking was carried out on historical growth in the companies' user base, top line and profitability. With that being said, SNOW demonstrates very dominant historical and forward growth trends, outperforming most peers in this regard. Pertaining its margins however, SNOW is exceptional only relative to its core peer group, falling short of other competitors when pitted against broader, more matured SaaS companies. Thus, we selected the 75th percentile values for its core peer group whilst opting for a more conservative median value for the broader peer group, reflecting its lagging EBITDA margin.

Blended Target Price

With an equal weightage across intrinsic and relative valuations, we arrive at a blended price target of US$210.56.

Figure 43: Scenario-based Pricing



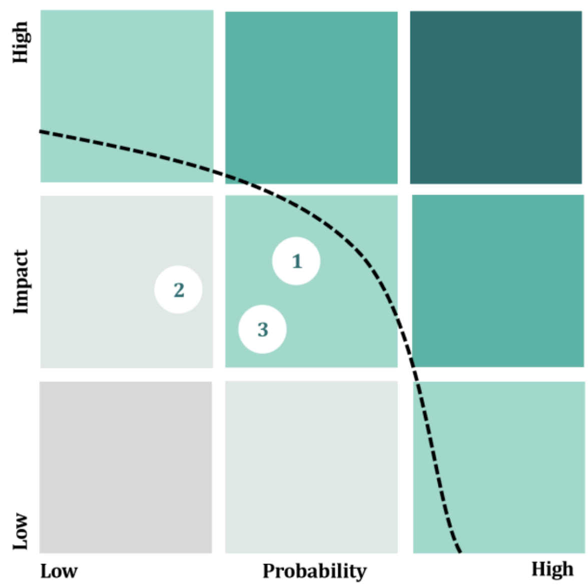
Source: Team Research

Figure 44: Comparable Firms

Company Name	YoY RPO Growth	EV /RPO	YoY Rev Growth	EV/FY Rev
snowflake	41.3%	9.7x	29.2%	13.9x
DATADOG	23.6%	14.8x	26.1%	12.5x
CONFLUENT	9.6%	8.0x	24.0%	8.4x
CLOUDFLARE	35.5%	24.2x	28.8%	24.4x

Source: Team Research and Public Disclosures

Figure 45: Investment Risk Matrix



Source: Team Research

Investment Risks

Risk 1: Market Risk

Loss of Market Share Due To Stiff Competition: Snowflake operates in a highly competitive landscape with intense product and pricing competition. Across the industry, net revenue retention has declined due to the growing number of players and declining product differentiation as competitors release similar products On one hand, there are cloud giants like Amazon (AWS), Microsoft (Azure), and Google (GCP) offering their own data warehouse solutions (Redshift, Synapse, BigQuery) that compete directly with Snowflake. On the other hand, up-and-coming data platform competitors like Databricks are also vying for similar big-data and AI workloads. To illustrate, Databricks has been growing fast with a 50% year-on-year revenue growth and offers a lakehouse platform that appeals to data scientists. Snowflake also faces new rival initiatives (like partnerships between enterprise software companies for AI solutions, e.g., SAP teaming up with cloud providers). In short, Snowflake must fend off both the cloud titans and innovative challengers.

Mitigant 1:

However, Snowflake has an extremely sticky and high-value customer base that values its unique multi-cloud solution that avoids vendor lock-in, which naturally creates a competitive moat against other industry titans like Amazon, Microsoft, and Google. These titans are unlikely to expand their multi-cloud capabilities, as doing so could conflict with their broader business interests, fortifying Snowflake's market position.

Risk 2: Business Risk

High Stock-Based Compensation Expense: Like many high-growth tech companies, Snowflake heavily uses stock-based compensation. This strategy helps attract and retain top talent but comes at a cost to shareholders: it dilutes the ownership and can hurt shareholder value over time. Snowflake's SBC expenses have been quite high relative to competitors, comprising 41% of revenue in 2024, a stark contrast from Datadog at 21.3%.

Mitigant 2:

However, management anticipates that Snowflake's SBC expense will moderate over time, expecting a reduction to 37% of revenue in FY26, with a progressive decline in subsequent years. Snowflake's strategic use of SBC has been pivotal in driving its aggressive sales and product development effort, with over 400 products launched in 2024 alone and a robust 30% CAGR in annual product revenue growth from FY23 to FY25. This highlights the effectiveness of using SBC to enhance long-term shareholder value through innovation and expansion despite the short-term dilutive effects.

Risk 3: Investment Risk

Macroeconomic Headwinds Decreasing Cloud Spend: Macroeconomic instability and concerns regarding Trump tariffs, high inflation, and a possible recession may drive companies to be more conservative with their cloud spend, weighing on Snowflake's revenue growth and product adoption. The market has raised its recession probability forecast to 60% for both the U.S. and globally, increased its inflation forecast to 3.5%, and lowered its GDP growth projection to just 1%. This macroeconomic weakness could trickle down into enterprises downsizing their cloud spend budgets.

Mitigant 3:

However, most Snowflake contracts are structured with a three-year term, which not only secures customer retention but also ensures a steady stream of recurring revenue, serving as a fundamental buffer against the volatility induced by macroeconomic pressures. The majority of Snowflake's revenue is derived from high-value large enterprises, with their customers with over $US 1m annual spend accounting for 76.5% of their total revenue despite comprising 5.3% of their total customer base. These large enterprises typically have the financial strength to sustain and even expand their investments in AI and data analytics despite economic downturns. This is evidenced by the 33% year-over-year surge in Snowflake's RPOs to $US 5.1b, highlighting a clear commitment from enterprise customers to not only continue but also scale their usage in the near term.

Disclaimer

Appendix A: Financial Statements – Income Statement

SNOWFLAKE										
Currency	US$ 000' except per share data									
Target Price	*2*									
Scenario	210.56									
	FY21A	FY22A	FY23A	FY24A	FY25E	FY26E	FY27E	FY28E	FY29E	FY30E
Income Statement	FY21A	FY22A	FY23A	FY24A	FY25E	FY26E	FY27E	FY28E	FY29E	FY30E
Revenue	592,049	1,219,327	2,065,659	2,806,489	3,891,644	5,493,604	7,331,943	9,332,417	11,641,310	14,153,155
Cost of goods sold	242,588	458,433	717,540	898,558	1,167,493	1,648,081	2,052,944	2,613,077	3,143,154	3,679,820
Gross profit	349,461	760,894	1,348,119	1,907,931	2,724,151	3,845,523	5,278,999	6,719,340	8,498,156	10,473,334
Operating Expenses:										
Sales and marketing	479,317	743,965	1,106,507	1,391,747	1,751,240	2,197,442	2,566,180	2,799,725	3,259,567	3,962,883
Research and development	237,946	466,932	788,058	1,287,949	1,790,156	2,581,994	3,446,013	4,106,263	4,772,937	5,378,199
G&A	176,135	265,033	295,821	323,008	140,099	164,808	164,236	156,785	157,158	183,991
Total operating expenses	893,398	1,475,930	2,190,386	3,002,704	3,681,496	4,944,244	6,176,429	7,062,773	8,189,661	9,525,073
Operating income (loss)	(543,937)	(715,036)	(842,267)	(1,094,773)	(957,344)	(1,098,721)	(897,430)	(343,433)	308,495	948,261
Interest income	7,507	9,129	73,839	200,663	141,020	220,245	309,694	482,430	766,125	1,171,007
Other income (expenses) net	(610)	28,947	(47,565)	44,887	-	-	-	-	-	-
Income (loss) before income taxes	(537,040)	(676,960)	(815,993)	(849,223)	(816,325)	(878,476)	(587,736)	138,997	1,074,620	2,119,268
Provision for (benefit from) income taxes	2,062	2,988	(18,467)	(11,233)	(14,694)	(15,813)	(10,579)	5,838	45,134	89,009
Net income (loss)	(539,102)	(679,948)	(797,526)	(837,990)	(801,631)	(862,663)	(577,157)	133,159	1,029,486	2,030,259
Basic shares outstanding (mil)	328.001	328.001	328.001	328.001	328.001	328.001	328.001	328.001	328.001	328.001
Diluted shares outstanding (mil)	328.001	328.001	328.001	328.001	340.117	354.336	370.853	389.892	407.887	421.925
Basic EPS	(3.81)	(2.26)	(2.50)	(2.55)	(2.44)	(2.63)	(1.76)	0.41	3.14	6.19
Diluted EPS	(3.81)	(2.26)	(2.50)	(2.55)				0.34	2.52	4.81
Metrics										
Yoy revenue growth		106%	69%	36%	39%	41%	33%	27%	25%	22%
YoY customer growth		39.8%	33.6%	22.3%	17.0%	16.0%	16.0%	15.0%	15.0%	14.0%
S&M as % of revenues	81.0%	61.0%	53.6%	49.6%	45.0%	40.0%	35.0%	30.0%	28.0%	28.0%
Gross margin	59.0%	62.4%	65.3%	68.0%	70.0%	70.0%	72.0%	72.0%	73.0%	74.0%
Operating margin	(91.9%)	(52.0%)	(33.9%)	(32.9%)	(19.8%)	(13.5%)	(7.5%)	1.1%	7.4%	11.4%
EBITDA, adjusted for SBC expense	(282,300)	(209,050)	(154,630)	(207,907)	305,078	462,369	1,066,579	1,837,090	2,766,573	3,510,203
Adjusted EBITDA margin	(47.7%)	(17.1%)	(7.5%)	(7.4%)	7.8%	8.4%	14.5%	19.7%	23.8%	24.8%

Appendix A: Financial Statements – Cashflow Statement

SNOWFLAKE										
Currency	US$ 000' except per share data									
Target Price	*2*									
Scenario	210.56									
	FY21A	FY22A	FY23A	FY24A	FY25E	FY26E	FY27E	FY28E	FY29E	FY30E
Cashflow Statement	FY21A	FY22A	FY23A	FY24A	FY25E	FY26E	FY27E	FY28E	FY29E	FY30E
Cashflows from operating activities										
Net income (loss)	(539,102)	(679,948)	(797,526)	(837,990)	(801,631)	(862,663)	(577,157)	109,808	849,687	1,680,727
Adjustments to reconcile net loss to net cash provided by operating activities:										
Depreciation and amortization	9,826	21,498	63,535	119,903	150,872	157,160	170,168	159,916	145,609	113,370
Non-cash operating lease costs	33,475	35,553	46,240	52,892	46,735	62,421	79,399	100,631	125,432	153,551
Amortization of deferred commissions	28,841	37,876	57,445	74,787	160,874	127,517	197,904	287,495	399,251	460,343
Stock-based compensation, net of amounts capitalized	301,441	605,095	861,533	1,168,015	1,407,894	1,890,799	2,362,017	2,542,598	2,784,485	2,857,522
Net amortization (accretion) of premiums (discounts) on investments	8,630	48,002	3,497	(61,525)	-	-	-	-	-	-
Net realized and unrealized losses (gains) on strategic investments in equity securities	-	(27,621)	46,435	(46,809)	-	-	-	-	-	-
Deferred income tax	(30)	(717)	(26,664)	(26,762)	(22,041)	(23,719)	(15,869)	43,784	338,799	670,163
Other	4,610	2,014	1,618	14,895	-	-	-	-	-	-
Changes in operating assets and liabilities, net of effects of business combinations:										
Accounts receivable	(116,289)	(251,652)	(166,965)	(212,083)	(321,252)	(363,376)	(392,692)	(338,160)	(737,215)	(44,928)
Deferred commissions	(51,444)	(95,877)	(95,107)	(134,787)	(25,925)	(136,176)	(154,030)	(160,461)	(159,531)	(219,008)
Prepaid expenses and other assets	(62,349)	(159,159)	(2,904)	59,795	(117,738)	(102,130)	(99,658)	(71,687)	(91,142)	(108,007)
Accounts payable	(2,878)	7,371	8,024	19,212	(7,484)	46,984	(2,459)	51,566	12,129	58,025
Accrued expenses and other liabilities	58,252	79,772	74,519	171,048	57,400	172,960	168,774	121,404	154,351	182,913
Operating lease liabilities	(31,281)	(38,249)	(42,342)	(40,498)	(48,157)	(65,106)	(83,563)	(107,981)	(136,496)	(169,350)
Deferred revenue	312,881	526,221	514,301	528,029	686,680	973,927	1,149,632	1,183,940	1,419,305	1,504,058
Net cash provided by operating activities	(45,417)	110,179	545,639	848,122	1,166,228	1,878,598	2,802,467	3,922,853	5,104,666	7,139,379
Cashflows from investing activities										
Purchases of property and equipment	(35,037)	(16,221)	(25,128)	(35,086)	(50,591)	(71,417)	(95,315)	(121,321)	(151,337)	(183,991)
Capitalized internal-use software development costs	(5,293)	(12,772)	(24,012)	(34,133)	(27,009)	(38,127)	(50,885)	(64,769)	(80,793)	(98,225)
Cash paid for business combinations, net of cash, cash equivalents, and restricted cash	(6,035)	-	(362,609)	(275,706)	-	-	-	-	-	-
Purchases of intangible assets	(8,374)	(24,334)	(700)	(28,744)	(38,916)	(54,936)	(73,319)	(93,324)	(116,413)	(141,532)
Purchases of investments	(4,859,852)	(4,250,338)	(3,901,321)	(2,476,206)	(2,837,925)	(3,475,920)	(3,890,860)	(3,980,959)	(3,616,872)	(3,514,791)
Sales of investments	177,070	440,069	58,813	11,266	26,010	26,990	32,611	36,724	37,882	34,832
Maturities and redemptions of investments	700,876	3,842,796	3,657,072	3,670,867	2,698,950	2,800,585	3,383,907	3,810,676	3,930,839	3,614,277
Net cash provided by (used in) investing activities	(4,036,645)	(20,800)	(597,885)	832,258	(229,481)	(812,825)	(693,862)	(412,973)	3,307	(289,430)

Appendix A: Financial Statements – Cashflow Statement (continued)

SNOWFLAKE										
Currency	US$ 000' except per share data									
Target Price	*2*									
Scenario	210.56									
	FY21A	FY22A	FY23A	FY24A	FY25E	FY26E	FY27E	FY28E	FY29E	FY30E
Cash flows from financing activities:										
Proceeds from exercise of stock options	53,507	127,036	39,893	57,194	41,880	41,880	41,880	41,880	41,880	41,880
Proceeds from issuance of common stock under employee stock purchase plan	-	52,227	40,931	61,234	13,256	12,671	12,017	11,297	10,519	9,695
Taxes paid related to net share settlement of equity awards	-	-	(184,648)	(380,799)	-	-	-	-	-	-
Proceeds from repayments of a nonrecourse promissory note	2,090	-	-	-	-	-	-	-	-	-
Repurchases of common stock	(30)	-	-	(591,732)	-	-	-	-	-	-
Capital contributions from noncontrolling interest holders	-	-	13,000	-	-	-	-	-	-	-
Payments of deferred purchase consideration for business combinations	(1,164)	(1,065)	(1,800)	-	-	-	-	-	-	-
Net cash provided by (used in) financing activities	4,775,290	178,198	(92,624)	(854,103)	55,136	54,552	53,897	53,177	52,399	51,575
Effect of exchange rate changes on cash, cash equivalents, and restricted cash	(11)	(236)	(933)	(2,031)	(1,511)	(2,211)	(3,299)	(5,197)	(8,089)	(12,087)
Net increase (decrease) in cash, cash equivalents, and restricted cash	693,217	267,341	(145,803)	824,246	990,371	1,118,113	2,159,203	3,557,860	5,152,283	6,889,437
BOP cash	141,976	835,193	1,102,534	956,731	1,780,977	2,771,348	3,889,461	6,048,663	9,606,523	14,758,806
EOP cash	835,193	1,102,534	956,731	1,780,977	2,771,348	3,889,461	6,048,663	9,606,523	14,758,806	21,648,243

Appendix A: Financial Statements – Balance Sheet

SNOWFLAKE										
Currency	US$ 000' except per share data									
Target Price	*2*									
Scenario	210.56									
	FY21A	FY22A	FY23A	FY24A	FY25E	FY26E	FY27E	FY28E	FY29E	FY30E
Assets										
Current assets:										
Cash and cash equivalents, less restricted cash	820,177	1,085,729	939,902	1,762,749	2,753,060	3,871,173	6,030,375	9,588,235	14,740,518	21,629,955
Short-term investments	3,087,887	2,766,364	3,067,966	2,083,499	2,217,191	2,679,000	3,016,868	3,112,000	2,861,382	2,765,709
Accounts receivable, net	294,017	545,629	715,821	926,902	1,248,154	1,611,530	2,004,222	2,342,383	3,079,597	3,124,525
Deferred commissions, current	32,371	51,398	67,901	86,096	90,098	160,485	250,076	361,833	460,343	-
Prepaid expenses and other current assets	66,200	149,523	193,100	180,018	297,756	399,886	499,544	571,231	662,373	770,380
Total current assets	4,300,652	4,598,643	4,984,690	5,039,264	6,606,260	8,722,074	11,801,087	15,975,682	21,804,213	28,290,569
Noncurrent assets:										
Long-term investments	1,165,275	1,256,207	1,073,023	916,307	895,580	1,082,116	1,218,590	1,257,016	1,155,785	1,117,140
Property and equipment, net	68,968	105,079	160,823	247,464	241,960	244,735	254,249	267,454	292,012	363,757
Operating lease right-of-use assets	186,818	190,356	231,266	252,128	303,775	359,001	406,939	465,546	526,124	583,461
Goodwill	8,449	8,449	657,370	975,906	975,906	975,906	975,906	975,906	975,906	975,906
Intangible assets, net	16,091	37,141	186,013	331,411	275,550	241,967	230,921	272,445	377,735	518,144
Deferred commissions, non-current	86,164	124,517	145,286	187,093	209,015	274,805	339,243	387,948	448,968	1,128,320
Other assets	89,322	329,306	283,851	273,810	273,810	273,810	273,810	273,810	273,810	273,810
Total assets	5,921,739	6,649,698	7,722,322	8,223,383	9,781,856	12,174,415	15,500,744	19,875,807	25,854,555	33,251,107
Liabilities and Stockholders' Equity										
Current liabilities:										
Accounts payable	5,647	13,441	23,672	51,721	44,237	91,221	88,763	140,329	152,458	210,483
Accrued expenses and other current liabilities	125,315	200,664	269,069	446,860	504,260	677,220	845,994	967,398	1,121,749	1,304,663
Operating lease liabilities, current	19,650	25,101	27,301	33,944	65,106	83,563	107,981	136,496	169,350	-
Deferred revenue, current	638,652	1,157,887	1,673,475	2,198,705	2,879,817	3,845,523	4,985,721	6,159,395	7,566,851	9,058,019
Total current liabilities	789,264	1,397,093	1,993,517	2,731,230	3,493,420	4,697,527	6,028,459	7,403,618	9,010,408	10,573,165
Noncurrent Liabilities:										
Operating lease liabilities, non-current	184,887	181,196	224,357	254,037	273,099	307,182	326,539	349,281	365,942	576,830
Deferred revenue, non-current	4,194	11,180	11,463	14,402	19,971	28,191	37,625	47,891	59,739	72,629
Other liabilities	6,923	11,184	24,370	33,120	33,120	33,120	33,120	33,120	33,120	33,120
Total liabilities	985,268	1,600,653	2,253,707	3,032,789	3,819,610	5,066,021	6,425,743	7,833,910	9,469,210	11,255,744

Appendix A: Financial Statements – Balance Sheet (continued)

SNOWFLAKE										
Currency	US$ 000' except per share data									
Target Price	*2*									
Scenario	210.56									
	FY21A	FY22A	FY23A	FY24A	FY25E	FY26E	FY27E	FY28E	FY29E	FY30E
Liabilities and Stockholders' Equity										
Current liabilities:										
Accounts payable	5,647	13,441	23,672	51,721	44,237	91,221	88,763	140,329	152,458	210,483
Accrued expenses and other current liabilities	125,315	200,664	269,069	446,860	504,260	677,220	845,994	967,398	1,121,749	1,304,663
Operating lease liabilities, current	19,650	25,101	27,301	33,944	65,106	83,563	107,981	136,496	169,350	-
Deferred revenue, current	638,652	1,157,887	1,673,475	2,198,705	2,879,817	3,845,523	4,985,721	6,159,395	7,566,851	9,058,019
Total current liabilities	789,264	1,397,093	1,993,517	2,731,230	3,493,420	4,697,527	6,028,459	7,403,618	9,010,408	10,573,165
Noncurrent Liabilities:										
Operating lease liabilities, non-current	184,887	181,196	224,357	254,037	273,099	307,182	326,539	349,281	365,942	576,830
Deferred revenue, non-current	4,194	11,180	11,463	14,402	19,971	28,191	37,625	47,891	59,739	72,629
Other liabilities	6,923	11,184	24,370	33,120	33,120	33,120	33,120	33,120	33,120	33,120
Total liabilities	985,268	1,600,653	2,253,707	3,032,789	3,819,610	5,066,021	6,425,743	7,833,910	9,469,210	11,255,744
Stockholders' equity:										
Preferred stock	-	-	-	-	-	-	-	-	-	-
Common stock	28	31	32	34	35	37	38	40	42	43
Treasury stock	-	-	-	(67,140)	(67,140)	(67,140)	(67,140)	(67,140)	(67,140)	(67,140)
Additional paid-in capital	6,175,425	6,984,669	8,210,750	9,331,238	10,906,031	12,917,052	15,464,114	18,326,398	21,828,245	25,769,622
Accumulated other comprehensive loss	439	(16,286)	(38,272)	(8,220)	(9,731)	(11,943)	(15,242)	(20,440)	(28,529)	(40,616)
Accumulated deficit	(1,239,421)	(1,919,369)	(2,716,074)	(4,075,604)	(4,877,235)	(5,739,898)	(6,317,055)	(6,207,247)	(5,357,560)	(3,676,833)
Total Snowflake Inc. stockholders' equity	4,936,471	5,049,045	5,456,436	5,180,308	5,951,960	7,098,108	9,064,715	12,031,611	16,375,059	21,985,077
Noncontrolling interest	-	-	12,179	10,286	10,286	10,286	10,286	10,286	10,286	10,286
Total stockholders' equity	4,936,471	5,049,045	5,468,615	5,190,594	5,962,246	7,108,394	9,075,001	12,041,897	16,385,345	21,995,363
Total liabilities and stockholders' equity	5,921,739	6,649,698	7,722,322	8,223,383	9,781,856	12,174,415	15,500,744	19,875,807	25,854,555	33,251,107

Appendix B: Revenue Build

SNOWFLAKE										
Currency	US$ 000' except per share data									
Scenario	*2*									
Target price	210.56									
	FY21A	FY22A	FY23A	FY24A	FY25E	FY26E	FY27E	FY28E	FY29E	FY30E
Enterprise customers										
Additions		106	145	130	84	96	111	125	144	160
NRR on enterprise additions assuming new additions purchase contract at 12 mnth avg trailing value		103%	106%	100%	102%	108%	108%	110%	108%	102%
Bull case		103%	106%	100%	104%	110%	110%	112%	110%	104%
Base case		103%	106%	100%	102%	108%	108%	110%	108%	102%
Bear case		103%	106%	100%	100%	106%	106%	108%	106%	100%
Enterprise avg 12 mnth trailing revenue		3500	3700	3700	3750	3800	3900	3950	4050	4050
Bull case		3500	3700	3700	3800	3850	3950	4000	4100	4100
Base case		3500	3700	3700	3750	3800	3900	3950	4050	4050
Bear case		3500	3700	3700	3700	3750	3850	3900	4000	4000
Additions of enterprise customers by batches, factoring in expansion										
				FY25	313433	338508	338508	344777	338508	319702
				FY26		363199	392255	399519	392255	370463
				FY27			432398	475638	466990	441046
				FY28				493901	533413	503779
				FY29					582365	594013
				FY30						647396
Revenue from additions of enterprise customers					313,433	701,707	1,163,161	1,713,834	2,313,531	2,876,399

Commercial customers

Appendix B: Revenue Build (continued)

SNOWFLAKE										
Currency	US$ 000' except per share data									
Scenario	***2***									
Target price	210.56									
	FY21A	FY22A	FY23A	FY24A	FY25E	FY26E	FY27E	FY28E	FY29E	FY30E
Enterprise customers										
Additions		106	145	130	84	96	111	125	144	160
NRR on enterprise additions assuming new additions purchase contract at 12 mnth avg trailing value		103%	106%	100%	102%	108%	108%	110%	108%	102%
Bull case		103%	106%	100%	104%	110%	110%	112%	110%	104%
Base case		103%	106%	100%	102%	108%	108%	110%	108%	102%
Bear case		103%	106%	100%	100%	106%	106%	108%	106%	100%
Enterprise avg 12 mnth trailing revenue		3500	3700	3700	3750	3800	3900	3950	4050	4050
Bull case		3500	3700	3700	3800	3850	3950	4000	4100	4100
Base case		3500	3700	3700	3750	3800	3900	3950	4050	4050
Bear case		3500	3700	3700	3700	3750	3850	3900	4000	4000
Additions of enterprise customers by batches, factoring in expansion										
				FY25	313433	338508	338508	344777	338508	319702
				FY26		363199	392255	399519	392255	370463
				FY27			432398	475638	466990	441046
				FY28				493901	533413	503779
				FY29					582365	594013
				FY30						647396
Revenue from additions of enterprise customers					313,433	701,707	1,163,161	1,713,834	2,313,531	2,876,399
Commercial customers										
Additions		1540	1799	1596	1,524	1,674	1,942	2,108	2,424	2,596
NRR on commercial additions assuming new additions purchase contract at 12 mnth avg trailing value		129%	112%	108%	110%	112%	115%	115%	115%	112%
Bull case		129%	112%	108%	112%	114%	117%	117%	117%	114%
Base case		129%	112%	108%	110%	112%	115%	115%	115%	112%
Bear case		129%	112%	108%	108%	110%	113%	113%	113%	110%
Commercial avg 12 mtnh trailing revenue		102	114	122	130	138	145	150	146	144
Bull case		102	114	122	134	142	149	154	150	148
Base case		102	114	122	130	138	145	150	146	144
Bear case		102	114	122	126	134	141	146	142	140
Additions of commercial customers by batches, factoring in expansion										
				FY25	198090	221861	227803	227803	227803	221861
				FY26		231067	265727	265727	265727	258795
				FY27			281634	323879	323879	315430
				FY28				316168	363593	354108
				FY29					353897	396365
				FY30						373853
Revenue from additions of commercial customers					198,090	452,927	775,164	1,133,577	1,534,899	1,920,411
Service segment										
Revenues from service segment		78858	126876	139640	12,334	28,202	48,267	70,584	95,573	119,578
Service revenue as % of total revenues		6.5%	6.1%	5.0%	5.9%	5.9%	5.9%	5.9%	5.9%	5.9%
Bull case		6.5%	6.1%	5.0%	6.1%	6.1%	6.1%	6.1%	6.1%	6.1%
Base case		6.5%	6.1%	5.0%	5.9%	5.9%	5.9%	5.9%	5.9%	5.9%
Bear case		6.5%	6.1%	5.0%	5.7%	5.7%	5.7%	5.7%	5.7%	5.7%
Total revenues	592,049	1,219,327	2,065,659	2,806,489	3,891,644	5,493,604	7,331,943	9,332,417	11,641,310	14,153,155
YoY growth		106%	69%	36%	39%	41%	33%	27%	25%	22%
Total enterprise customers	80	186	331	461	575	693	804	959	1,102	1,302
YoY growth		133%	78%	39%	25%	20%	16%	19%	15%	18%
Total commercial customers	4059	5599	7398	8994	10,487	12,139	14,082	16,160	18,584	21,140
YoY growth		38%	32%	22%	17%	16%	16%	15%	15%	14%

Appendix C: COGS, OpEx and Other Expenses

SNOWFLAKE

Currency	US$ 000' except per share data									
Scenario	*2*									
Target price	210.56									
	FY21A	FY22A	FY23A	FY24A	FY25E	FY26E	FY27E	FY28E	FY29E	FY30E
Costs, OpEx and other expenses										
	FY21A	FY22A	FY23A	FY24A	FY25E	FY26E	FY27E	FY28E	FY29E	FY30E
Cost of goods sold	242,588	458,433	717,540	898,558	1,167,493	1,648,081	2,052,944	2,613,077	3,143,154	3,679,820
Cost of goods sold as % of revenues	41%	38%	35%	32%	30%	30%	28%	28%	27%	26%
Bull case	41%	38%	35%	32%	29%	29%	27%	27%	26%	25%
Base case	41%	38%	35%	32%	30%	30%	28%	28%	27%	26%
Bear case	41%	38%	35%	32%	31%	31%	29%	29%	28%	27%
Sales and marketing	479,317	743,965	1,106,507	1,391,747	1751240	2197442	2566180	2799725	3259567	3962883
Sales and marketing as % of revenues	81%	61%	54%	50%	45%	40%	35%	30%	28%	28%
Bull case	81%	61%	54%	50%	44%	39%	34%	29%	27%	27%
Base case	81%	61%	54%	50%	45%	40%	35%	30%	28%	28%
Bear case	81%	61%	54%	50%	46%	41%	36%	31%	29%	29%
Research and development	237,946	466,932	788,058	1,287,949	1790156	2581994	3446013	4106263	4772937	5378199
Research and development as % of revenues	40%	38%	38%	46%	46%	47%	47%	44%	41%	38%
Bull case	40%	38%	38%	46%	44%	45%	45%	42%	39%	36%
Base case	40%	38%	38%	46%	46%	47%	47%	44%	41%	38%
Bear case	40%	38%	38%	46%	48%	49%	49%	46%	43%	40%
G&A	176,135	265,033	295,821	323,008	140,099	164,808	164,236	156,785	157,158	183,991
G&A as % of revenues	30%	22%	14%	12%	12%	10%	8%	6%	5%	5%
Bull case	30%	22%	14%	12%	11%	9%	7%	5%	4%	4%
Base case	30%	22%	14%	12%	12%	10%	8%	6%	5%	5%
Bear case	30%	22%	14%	12%	13%	11%	9%	7%	6%	6%
Total OpEx	893,398	1,475,930	2,190,386	3,002,704	3,681,496	4,944,244	6,176,429	7,062,773	8,189,661	9,525,073
Income tax provision (benefit)			(18,467)	(11,233)						
Effective tax rate for benefit from income tax			1.30%	2.30%	1.8%	1.8%	1.8%	1.8%	1.8%	1.8%
Effective tax rate if EBT>0					21.0%	21.0%	21.0%	21.0%	21.0%	21.0%
Deferred tax charge			(26,664)	(26,762)						
Deferred tax charge as % of income tax provision (benefit)			144.4%	238.2%	150.0%	150.0%	150.0%	150.0%	150.0%	150.0%
EBT	(537,040)	(676,960)	(815,993)	(849,223)	(816,325)	(878,476)	(587,736)	138,997	1,074,620	2,119,268
Opening NOL balance					1,673,213	2,489,538	3,368,014	3,955,750	3,844,552	2,984,856
(+)NOL carryforward addition					816,325	878,476	587,736	-	-	-
(-) NOL use					-	-	-	111,198	859,696	1,695,414
Closing NOL balance				1673213	2,489,538	3,368,014	3,955,750	3,844,552	2,984,856	1,289,442
Taxable income	-	-	-	-	-	-	-	27,799	214,924	423,854
Provision for income tax	2,062	2,988	(18,467)	(11,233)	(14,694)	(15,813)	(10,579)	5,838	45,134	89,009

Appendix D: Operating Schedule and Assumptions

SNOWFLAKE

Currency	US$ 000' except per share data									
Scenario	*2*									
Price target	210.56									
	FY21A	FY22A	FY23A	FY24A	FY25E	FY26E	FY27E	FY28E	FY29E	FY30E
	FY21A	FY22A	FY23A	FY24A	FY25E	FY26E	FY27E	FY28E	FY29E	FY30E
Cost of goods sold	242,588	458,433	717,540	898,558	1,167,493	1,648,081	2,052,944	2,613,077	3,143,154	3,679,820
Accounts payable, opening balance	8488	5,647	13,441	23,672	51,721	44,237	91,221	88,763	140,329	152,458
Accounts payable, closing balance	5,647	13,441	23,672	51,721	44,237	91,221	88,763	140,329	152,458	210,483
Payable days	11	8	9	15	15	15	16	16	17	18
Bull case	11	8	9	15	19	19	20	20	21	22
Base case	11	8	9	15	15	15	16	16	17	18
Bear case	11	8	9	15	13	13	14	14	15	16
Revenues	592,049	1,219,327	2,065,659	2,806,489	3,891,644	5,493,604	7,331,943	9,332,417	11,641,310	14,153,155
Accounts receivable, opening balance	179459	294017	545629	715821	926,902	1,248,154	1,611,530	2,004,222	2,342,383	3,079,597
Accounts receivable, closing balance	294017	545629	715821	926902	1,248,154	1,611,530	2,004,222	2,342,383	3,079,597	3,124,525
Receivable days	146	126	111	107	102	95	90	85	85	80
Bull case	146	126	111	107	100	93	88	83	83	78
Base case	146	126	111	107	102	95	90	85	85	80
Bear case	146	126	111	107	104	97	92	87	87	82
Current deferred revenue	638,652	1,157,887	1,673,475	2,198,705	2,879,817	3,845,523	4,985,721	6,159,395	7,566,851	9,058,019
Current deferred revenue as % of revenues	107.9%	95.0%	81.0%	78.3%	74.0%	70.0%	68.0%	66.0%	65.0%	64.0%
Non-current deferred revenue	4,194	11,180	11,463	14,402	19,971	28,191	37,625	47,891	59,739	72,629
Non-current deferred revenue as % of revenues	0.7%	0.9%	0.6%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%
OpEx	893398	1475930	2190386	3002704	3,681,496	4,944,244	6,176,429	7,062,773	8,189,661	9,525,073
Prepaid expenses	66,200	149,523	193,100	180,018	297756	399886	499544	571231	662373	770380
Prepaid expenses as % of OpEx	7.4%	10.1%	8.8%	6.0%	8.1%	8.1%	8.1%	8.1%	8.1%	8.1%
Accrued expenses and other liabilities	125,315	200,664	269,069	446,860	504260	677220	845994	967398	1121749	1304663
Accrued expenses and other liabilities as % of OpEX	14.0%	13.6%	12.3%	14.9%	13.7%	13.7%	13.7%	13.7%	13.7%	13.7%
SBC	301,441	605,095	861,533	1,168,015	1,407,894	1,890,799	2,362,017	2,542,598	2,784,485	2,857,522
OpEx	893,398	1,475,930	2,190,386	3,002,704	3,681,496	4,944,244	6,176,429	7,062,773	8,189,661	9,525,073
SBC as % of OpEX	33.7%	41.0%	39.3%	38.9%	38.2%	38.2%	38.2%	36.0%	34.0%	30.0%
Interest earned on cash and cash equivalents			7.3%	14.8%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%
Restricted cash amounts		16805	16829	18288	18288	18288	18288	18288	18288	18288

Revenues	592,049	1,219,327	2,065,659	2,806,489	3,891,644	5,493,604	7,331,943	9,332,417	11,641,310	14,153,155
Additions of deferred commissions	51444	95877	95107	134787	186,799	263,693	351,933	447,956	558,783	679,351
Additions of deferred commissions as % of revenues	8.7%	7.9%	4.6%	4.8%	4.8%	4.8%	4.8%	4.8%	4.8%	4.8%
Deferred commissions, current portion	32,371	51,398	67,901	86,096	90,098	160,485	250,076	361,833	460,343	-
Deferred commissions, non-current portion	86,164	124,517	145,286	187,093	209,015	274,805	339,243	387,948	448,968	1,128,320
Total deferred commissions	118,535	175,915	213,187	273,189	299,114	435,290	589,319	749,780	909,312	1,128,320
Useful life	5									
Amortisation of existing deferred commissions					123,515	37,419	37,419	37,419	37,419	-
Amortisation of additions to deferred commissions										
				FY25	37,360	37,360	37,360	37,360	37,360	-
				FY26		52,739	52,739	52,739	52,739	52,739
				FY27			70,387	70,387	70,387	70,387
				FY28				89,591	89,591	89,591
				FY29					111,757	111,757
				FY30						135,870
Total amortisation of deferred commissions					160,874	127,517	197,904	287,495	399,251	460,343
Total deferred commissions, opening balance					273,189	299,114	435,290	589,319	749,780	909,312
Total deferred commissions, closing balance				273,189	299,114	435,290	589,319	749,780	909,312	1,128,320

Appendix D: Operating Schedule and Assumptions (continued)

SNOWFLAKE										
Currency	US$ 000' except per share data									
Scenario	**2**									
Price target	210.56									
	FY21A	FY22A	FY23A	FY24A	FY25E	FY26E	FY27E	FY28E	FY29E	FY30E
		Operating leases								
	FY21A	FY22A	FY23A	FY24A	FY25E	FY26E	FY27E	FY28E	FY29E	FY30E
Revenues	592,049	1,219,327	2,065,659	2,806,489	3783899	5347570	7074291	8846575	10333920	11715970
ROU asset, opening balance		186,818	190,356	231,266	252,128	303,775	359,001	406,939	465,546	526,124
Amortisation of ROU asset		35,553	46,240	52,892	46,735	62,421	79,399	100,631	125,432	153,551
ROU asset, closing balance		190,356	231,266	252,128	303,775	359,001	406,939	465,546	526,124	583,461
Operating lease additions		39,091	87,150	73,754	98381	117647	127337	159238	186011	210887
Operating lease additions as % of revenues		3.2%	4.2%	2.6%	2.6%	2.2%	1.8%	1.8%	1.8%	1.8%
Weighted average lease term	7.5									
Weighted average discount rate	6.1%									
			Existing ROU, lease liabilities							
ROU assets										
Opening ROU balance					252,128	218,511	184,894	151,277	117,660	84,043
Amortisation of ROU asset					33,617	33,617	33,617	33,617	33,617	33,617
Closing ROU balance				252,128	218,511	184,894	151,277	117,660	84,043	50,426
Lease liabilities										
Lease payments for existing liabilities	48,988									
Assumed weighted average lease term for additions	7.5									
Assumed weighted average discount rate for additions	6.1%									
Opening lease liability balance					287,981	256,559	223,221	187,849	150,320	110,501
Interest payments					17,567	15,650	13,616	11,459	9,169	6,741
Principal repayments					31,422	33,338	35,372	37,530	39,819	42,248
Closing lease liability balance				287981	256,559	223,221	187,849	150,320	110,501	68,253
Current lease liabilities					33,338	35,372	37,530	39,819	42,248	-
Non-current lease liabilities					223,221	187,849	150,320	110,501	68,253	68,253
Total lease liabilities					256,559	223,221	187,849	150,320	110,501	68,253
Current lease liabilities					31,768	48,191	70,451	96,677	127,102	-
Non-current lease liabilities					49,878	119,333	176,220	238,781	297,689	508,577
Total lease liabilities					81,646	167,524	246,671	335,458	424,791	508,577
			Total lease liabilities and ROU							
Total ROU asset, closing balance					303,775	359,001	406,939	465,546	526,124	583,461
Total current lease liabilities, closing balance					65,106	83,563	107,981	136,496	169,350	-
Total non-current lease liabilities, closing balance					273,099	307,182	326,539	349,281	365,942	576,830
Total lease liabilities				204537	338,205	390,745	434,520	485,777	535,292	576,830
Total amortisation of ROU assets					46,735	62,421	79,399	100,631	125,432	153,551

Appendix E: PPE and Intangibles

SNOWFLAKE

	FY21A	FY22A	FY23A	FY24A	FY25E	FY26E	FY27E	FY28E	FY29E	FY30E
Currency	ɔer share data									
Scenario	2									
Target price	210.56									
Revenues	592,049	1,219,327	2,065,659	2,806,489	3891644	5493604	7331943	9332417	11641310	14153155
PPE purchases	35,037	16,221	25,128	35,086	50591	71417	95315	121321	151337	183991
PPE purchases as % of revenues	5.9%	1.3%	1.2%	1.3%	1.3%	1.3%	1.3%	1.3%	1.3%	1.3%

Gross PPE breakdown, excl capitalised software development cost	Gross value	Weightage	Useful life
Leashold improvements	67,804	45.2%	7
Computers, equipment, and software	29,859	19.9%	4
Furniture and fixtures	17,593	11.7%	6
Construction in progress—other	34,890	23.2%	-
Gross total	150,146		
Less: accumulated depreciation	105,505		

Gross PPE breakdown for capitalised software development		Weightage	Useful life
Capitalized internal-use software development costs	93,222	65.7%	5
Construction in progress—capitalized internal-use software development costs	78,737	55.5%	-
Gross total	171,959		
Less: accumulated depreciation	141,959		

PPE schedule, excl software development

	FY24A	FY25E	FY26E	FY27E	FY28E	FY29E	FY30E
Weighted average useful life		4.66	4.66	4.66	4.66	4.66	4.66
Existing PPE, opening balance		105,505	82,863	60,220	37,578	14,935	-
Depreciation on existing PPE		22,642	22,642	22,642	22,642	22,642	-
Existing PPE, closing balance	105505	82,863	60,220	37,578	14,935	-	-
PPE additions, opening balance		-	18,522	39,606	62,296	84,971	108,221
% of PPE additions towards non-software development	46.6%	46.6%	46.6%	46.6%	46.6%	46.6%	46.6%
Additions to PPE, excl software development		23,583	33,290	44,430	56,553	70,544	85,766
Depreciation on PPE additions							
	FY25	5,061	5,061	5,061	5,061	3,338	-
	FY26		7,144	7,144	7,144	7,144	4,713
	FY27			9,535	9,535	9,535	9,535
	FY28				12,137	12,137	12,137
	FY29					15,140	15,140
	FY30						18,406
PPE additions excl software development, closing balance		18,522	39,606	62,296	84,971	108,221	134,056
Total depreciation		27,704	34,848	44,383	56,520	69,937	59,930
Total PPE excl software development, opening balance		105,505	101,384	99,826	99,874	99,906	108,221
Total PPE excl software development, closing balance		101,384	99,826	99,874	99,906	108,221	134,056

Capitalised software development costs

	FY24A	FY25E	FY26E	FY27E	FY28E	FY29E	FY30E
Weighted average useful life		5.00	5.00	5.00	5.00	5.00	5.00
Existing capitalised software development, opening balance		63,222	50,578	37,933	25,289	12,644	0
Depreciation on existing capitalised software development		12644.4	12644.4	12644.4	12644.4	12644.4	0
Existing capitalised software development, closing balance	63,222	50,578	37,933	25,289	12,644	0	0
Additions to WIP capitalised software development		27,009	38,127	50,885	64,769	80,793	98,225
WIP capitalised software development, opening balance		78,737	27,009	38,127	50,885	64,769	80,793
Conversion to capitalised software development, assume full conversion		78,737	27,009	38,127	50,885	64,769	80,793
WIP capitalised software development cost, closing balance	78,737	27,009	38,127	50,885	64,769	80,793	98,225

Appendix E: PPE and Intangibles (continued)

SNOWFLAKE

Currency	ɔer share data									
Scenario	*2*									
Target price	210.56									
	FY21A	FY22A	FY23A	FY24A	FY25E	FY26E	FY27E	FY28E	FY29E	FY30E
Depreciation on additions to capitalised software development										
				FY25	15,747	15,747	15,747	15,747	15,747	-
				FY26		5,402	5,402	5,402	5,402	5,402
				FY27			7,625	7,625	7,625	7,625
				FY28				10,177	10,177	10,177
				FY29					12,954	12,954
				FY30						16,159
Total depreciation on capitalised software development					28,392	33,794	41,419	51,596	64,550	52,316
Total capitalised software development, opening balance					141,959	140,576	144,909	154,375	167,548	183,791
Closing total cpaitalised software development, closing balance					140,576	144,909	154,375	167,548	183,791	229,700
Total net PPE, opening balance					247,464	241,960	244,735	254,249	267,454	292,012
Total net PPE, closing balance					241,960	244,735	254,249	267,454	292,012	363,757

	Intangibles									
	FY21A	FY22A	FY23A	FY24A	FY25E	FY26E	FY27E	FY28E	FY29E	FY30E
Purchase of intagible assets	8,374	24,334	700	28,744	38,916	54,936	73,319	93,324	116,413	141,532
Purchase of intangible assets as % of revenues	1.4%	2.0%	0.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%

Finite-lived intangible assets:	Gross Value
Developed technology	243,596
Developer community	154,900
Assembled workforce	55,732
Patents	8,874
Less:accumulated amortisation	-132,517
Indefinite-lived intangible assets—trademarks	826

	FY21A	FY22A	FY23A	FY24A	FY25E	FY26E	FY27E	FY28E	FY29E	FY30E
Opening net intangibles balance					331,411	275,550	241,967	230,921	272,445	377,735
Amortisation (as provided by mgmt)					94,777	88,519	84,366	51,800	11,123	1,123
Purchase of intangibles					38,916	54,936	73,319	93,324	116,413	141,532
Closing net intangibles balance				331,411	275,550	241,967	230,921	272,445	377,735	518,144

Appendix F: Equity Schedule

SNOWFLAKE

Currency	US$ 000' except per share data									
Scenario	*2*									
Target price										
	FY21A	FY22A	FY23A	FY24A	FY25E	FY26E	FY27E	FY28E	FY29E	FY30E

Information on equity award scheme

	Shares outstanding FY2024
2012 Equity Incentive Plan:	
Options outstanding	26,767
Restricted stock units outstanding	789
2020 Equity Incentive Plan:	
Options outstanding	602
Restricted stock units outstanding	20,168
Shares available for future grants	59,371
2020 Employee Stock Purchase Plan:	
Shares available for future grants	13,764

	Stock options									
	FY21A	FY22A	FY23A	FY24A	FY25E	FY26E	FY27E	FY28E	FY29E	FY30E
Beginning Balance		64,575	42,043	35,854	27,369	23,577	19,191	14,804	10,418	6,031
Options Granted		-	642	-	595	-	-	-	-	-
Options Exercised		20,903	6,118	8,357	4,387	4,387	4,387	4,387	4,387	4,387
Options Canceled / Forfeited		1,629	713	128	-	-	-	-	-	-
Ending Balance	64,575	42,043	35,854	27,369	23577	19191	14804	10418	6031	1645
Weighted avg exercise price	$7.04	$7.53	$11.27	12.35	$ 9.55	$ 9.55	$ 9.55	$ 9.55	$ 9.55	$ 9.55
Weighted avg contract life	7.7	6.9	5.9	5	6.4	6.4	6.4	6.4	6.4	6.4
Options outstanding, ungranted				595	-	-	-	-	-	-
Cashflows from options exercise	53,507	127,036	39,893	57,194	41,880	41,880	41,880	41,880	41,880	41,880
Additions to common stock					0.4387	0.44	0.44	0.44	0.44	0.44

Appendix F: Equity Schedule (continued)

SNOWFLAKE

Currency: US$ 000' except per share data
Scenario: 2
Target price

	FY21A	FY22A	FY23A	FY24A	FY25E	FY26E	FY27E	FY28E	FY29E	FY30E
ESPP										
	FY21A	FY22A	FY23A	FY24A	FY25E	FY26E	FY27E	FY28E	FY29E	FY30E
Share count in thousands										
Beginning balance of shares granted for ESPP		14,936	14,566	14,280	13,764	13,256	12,671	12,017	11,297	10,519
Issuance of common stock under ESPP		370	286	516	508	584	655	720	778	824
Closing balance of shaers granted for ESPP	14,936	14,566	14,280	13,764	13,256	12,671	12,017	11,297	10,519	9,695
Change in APIC		52,227	40,931	61,234	63,322	76,461	89,918	103,856	117,772	131,080
Purchase discount	15%	15%	15%	15%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%
Implied share price, assuming par value of $0.0001		$ 166.06	$ 168.37	$ 139.61	$ 146.59	$ 153.92	$ 161.62	$ 169.70	$ 178.18	$ 187.09
Share price appreciation	5.0%									
Sales and marketing headcount			2,738	3,008						
Research and development headcount			1,378	2,002						
G&A headcount			907	1,055						
Total headcount			5,023	6,065	7,157	8,230	9,218	10,140	10,951	11,608
YoY growth				20.7%	18.0%	15.0%	12.0%	10.0%	8.0%	6.0%
Issuance of common stock under ESPP as % of headcount			5.7%	8.5%	7.1%	7.1%	7.1%	7.1%	7.1%	7.1%
Cashflow from issuance of common stock under ESPP	14,936	14,566	14,280	13,764	13,256	12,671	12,017	11,297	10,519	9,695
Additions to common stock					0.0508	0.0584	0.0655	0.0720	0.0778	0.0824
Retained earnings opening balance		(1,239,421)	(1,919,369)	(2,716,074)	(4,075,604)	(4,877,235)	(5,739,898)	(6,317,055)	(6,183,896)	(5,154,410)
Net income		(539,102)	(679,948)	(797,526)	(801,631)	(862,663)	(577,157)	133,159	1,029,486	2,030,259
Retained earnings closing balance	(1,239,421)	(1,919,369)	(2,716,074)	(4,075,604)	(4,877,235)	(5,739,898)	(6,317,055)	(6,183,896)	(5,154,410)	(3,124,151)
Avg BOP, EOP cash balances	488584.5	968863.5	1029632.5	1368854	2276162.563	3330404.41	4969062.05	7821757.24	12125361.61	18007096.9
Accumulated other comprehensive loss, closing balance	439	(16,286)	(38,272)	(8,220)	(9,731)	(11,943)	(15,242)	(20,436)	(28,487)	(40,443)
Effect of exchange rate changes on cash, cash equivalents, and restricted cash	(11)	(236)	(933)	(2,031)	(1,511)	(2,211)	(3,299)	(5,194)	(8,051)	(11,957)
Effect of exchange rate as % of avg cash balances	0.0023%	0.0244%	0.0906%	0.1484%	0.0664%	0.0664%	0.0664%	0.0664%	0.0664%	0.0664%
Diluted shares outstanding opening blance (mil)					328.001	340.117	354.336	370.853	389.892	407.887
Additions from RSUs					7.22	9.25	11.48	13.93	12.83	8.83
Additions from options exercise					4.39	4.39	4.39	4.39	4.39	4.39
Additions from ESPP					0.51	0.58	0.65	0.72	0.78	0.82
Diluted shares outstanding closing balance (mil)				328.001	340.117	354.336	370.853	389.892	407.887	421.925

Appendix G: DCF Schedule

SNOWFLAKE

Currency: US$ 000' except per share data
Target Price: 2
Scenario: 210.56

	FY21A	FY22A	FY23A	FY24A	FY25E	FY26E	FY27E	FY28E	FY29E	FY30E
UFCF										
EBIT	(543,937)	(715,036)	(842,267)	(1,094,773)	(957,344)	(1,098,721)	(897,430)	(343,433)	308,495	948,261
Tax rate	21%	21%	21%	21%	21%	21%	21%	21%	21%	21%
D&A components:										
PPE depreciation	9,826	21,498	63,535	119,903	150,872	157,160	170,168	159,916	145,609	113,370
Amortisation of ROU assets	33,475	35,553	46,240	52,892	46,735	62,421	79,399	100,631	125,432	153,551
Amortisation of deferred commissions	28,841	37,876	57,445	74,787	160,874	127,517	197,904	287,495	399,251	460,343
(+) Stock based compensation	301,441	605,095	861,533	1,168,015	1,407,894	1,890,799	2,362,017	2,542,598	2,784,485	2,857,522
(-) CapEx	48,704	53,327	49,840	97,963	116,517	164,479	219,520	279,414	348,543	423,748
Changes in NWC	106,892	68,427	289,526	390,716	223,524	527,082	586,005	678,621	461,401	1,203,703
UFCF					613,128	1,055,704	1,621,525	2,308,417	2,814,647	4,091,023
Valuation date	25/3/2025									
CF timing					31/12/2025	31/12/2026	31/12/2027	31/12/2028	31/12/2029	31/12/2030
Discounting periods					0.77	1.77	2.77	3.77	4.77	5.77
WACC	11.0%									
Discounted UFCF					566,005	878,029	1,215,035	1,558,395	1,711,928	2,241,773
Sum of discounted UFCF	**8,171,164**									

Appendix G: DCF Schedule (continued)

SNOWFLAKE

Currency	US$ 000' except per share data
Target Price	*2*
Scenario	210.56

FY21A	FY22A	FY23A	FY24A	FY25E	FY26E	FY27E	FY28E	FY29E	FY30E

Gordon growth — Weightage 30%

Gordon growth	
Growth rate: projected US GDP growth	1.8%
FY30E UFCF	4,533,047
Discounted terminal value	27,502,086
Enterprise value	**35,673,251**
(-) Debt	254,037
(+) Cash	1,780,977
(-) Preferred stock	0
(-) Minority interest	10,286
Equity value	**37,189,905**
Diluted number of shares outstanding (mil)	328.001
Share price	**113.38**

WACC

LT growth	10.4%	10.6%	10.8%	11.0%	11.5%	12.0%	12.2%	12.4%
1.2%	116.00	113.11	110.35	107.72	101.58	96.03	93.96	91.97
1.4%	118.08	115.09	112.23	109.51	103.16	97.44	95.31	93.26
1.6%	120.26	117.16	114.19	111.37	104.80	98.90	96.70	94.59
1.8%	122.54	119.31	116.24	113.31	106.52	100.42	98.15	95.97
2.2%	127.43	123.94	120.62	117.47	110.16	103.64	101.22	98.90
2.6%	132.82	129.03	125.43	122.01	114.14	107.14	104.55	102.07
3.0%	138.80	134.65	130.73	127.02	118.49	110.94	108.16	105.51
3.2%	142.03	137.70	133.59	129.71	120.82	112.98	110.09	107.34

EV/revenue exit multiple — Weightage 70%

EV/revenue exit multiple	
TEV/revenues, peer group 1	12.5x
Weightage	70%
TEV/revenues, peer group 2	10.9x
Weightage	30%
Weighted average TEV/revenues	12.0x
FY30E revenues	14,153,155
Discounted terminal value	93,105,454
Enterprise value	**101,276,619**
(-) Debt	254,037
(+) Cash	1,780,977
(-) Preferred stock	0
(-) Minority interest	10,286
Equity value	**102,793,273**
Diluted number of shares outstanding (mil)	328.001
Share price	**313.39**

WACC

TEV/revenue	10.4%	10.6%	10.8%	11.0%	11.5%	12.0%	12.2%	12.4%
10.1x	276.40	273.66	270.95	268.29	261.73	255.38	252.89	250.43
10.2x	278.84	276.07	273.34	270.65	264.03	257.62	255.11	252.63
10.3x	281.28	278.49	275.73	273.01	266.34	259.87	257.33	254.83
10.5x	286.15	283.31	280.51	277.74	270.94	264.36	261.78	259.23
10.7x	291.03	288.14	285.28	282.47	275.55	268.85	266.22	263.62
10.9x	296.59	293.64	290.73	287.86	280.80	273.96	271.29	268.64
11.0x	298.35	295.38	292.45	289.56	282.46	275.58	272.89	270.22
11.1x	300.79	297.79	294.84	291.92	284.76	277.83	275.11	272.42
11.2x	303.23	300.21	297.23	294.29	287.07	280.07	277.33	274.62
11.3x	305.66	302.62	299.61	296.65	289.37	282.31	279.55	276.82

Appendix H: WACC Calculation

SNOWFLAKE

Currency	US$ 000' except per share data

Cost of equity	
Regression beta	1.86
Comps Beta	1.45
Blended Beta	1.65
Risk free rate: 10y US treasury yield	3.88%
Equity risk premium	4.33%
Cost of equity	11.0%

Cost of debt

	FY21A	FY22A	FY23A	FY24A	FY25E	FY26E	FY27E	FY28E	FY29E	FY30E
EBIT	(543,937)	(715,036)	(842,267)	(1,094,773)	(957,344)	(1,098,721)	(897,430)	(343,433)	308,495	948,261
(+) Stock based compensation, net of amounts capitalised	301,441	605,095	861,533	1,168,015	1,407,894	1,890,799	2,362,017	2,542,598	2,784,485	2,857,522
(+) Net amortisation (accretion) of investment premiums (discounts)	8,630	48,002	3,497	(61,525)	-	-	-	-	-	-
(+) Net realised and unrealised losses (gains) on investments	-	(27,621)	46,435	(46,809)	-	-	-	-	-	-
(+) Amortisation of deferred commissions	28,841	37,876	57,445	74,787	160,874	127,517	197,904	287,495	399,251	460,343
EBITDA, adjusted for SBC	(242,496)	(109,941)	19,266	73,242	107,471	242,788	817,012	1,576,543	2,495,531	3,243,283
SBC adjustment cap	**64.2%**									
Interest expense					17,567	20,631	23,835	26,506	29,632	32,653
Interest coverage ratio					6.1x	11.8x	34.3x	59.5x	84.2x	99.3x

Average interest coverage ratio	49.2x
Risk free rate: 10y US treasury yield	3.88%
Spread	0.45%
Tax rate	21%
After-tax cost of debt	3.4%

Appendix H: WACC Calculation (continued)

Benchmarking SBC as % of revenues, EBITDA margin	FY revenues	FY SBC	SBC as % of revenues	EBITDA margin
NetApp, Inc. (NasdaqGS:NTAP)	6,508,000	379,000	5.8%	24.9%
MongoDB, Inc. (NasdaqGM:MDB)	2,006,400	493,900	24.6%	-10.0%
Cloudflare, Inc. (NYSE:NET)	1,669,600	338,500	20.3%	-2.2%
Datadog, Inc. (NasdaqGS:DDOG)	2,684,300	570,300	21.2%	3.9%
Confluent, Inc. (NasdaqGS:CFLT)	963,600	395,700	41.1%	-41.2%
Snowflake Inc. (NYSE:SNOW)	2,806,489	1,168,015	**41.6%**	**-36.2%**

High	41.1%	24.9%
75th Percentile	24.6%	3.9%
Average	22.6%	-4.9%
Median	21.2%	-2.2%
25th Percentile	13.0%	-25.6%
Low	5.8%	-41.2%

WACC	
Cost of equity	11.0%
After-tax cost of debt	3.4%
Debt	287981
Mkt capitalisation	52849000
D/E	0.005449129
WACC	**11.0%**

Appendix I: Public Comparables

SNOWFLAKE

Currency	US$ 000' except per share data
Scenario	2
Price target	210.56

Peer Group 1: Cloud-native US companies with a focus on analytics and storage

Weightage	70%

Name	Country	Mkt cap	LTM Revenue	EBITDA	EV	RPO	Users	Rev Growth YoY	Rev Growth FY+1	Rev Growth FY+2	YoY user growth	RPO growth	NRR	Rev/user	EBITDA margin	EV/rev FY	EV/rev FY+1	EV/rev FY+2	EV/user FY	EV/RPO FY
NetApp, Inc. (NasdaqGS:NTAP)	US	18765	6508	1619	18747			5.3%	4.9%	4.8%			120%		24.9%	2.9x	2.9x	2.7x		
MongoDB, Inc. (NasdaqGM:MDB)	US	15632	2006	-200	13369	748	47800	19.2%	13.7%	15.2%	17.2%	26.5%	120%	0.04	-10.0%	6.7x	5.9x	5.0x	0.3x	17.9x
Cloudflare, Inc. (NYSE:NET)	US	41114	1670	-36	40721	1686	231714	28.8%	25.5%	26.0%	22.1%	35.5%	111%	0.01	-2.2%	24.4x	19.4x	15.4x	0.2x	24.2x
Datadog, Inc. (NasdaqGS:DDOG)	US	36001	2684	104	33654	2273	30000	26.1%	19.3%	19.6%	9.9%	23.6%	118%	0.09	3.9%	12.5x	10.5x	8.8x	1.1x	14.8x
Confluent, Inc. (NasdaqGS:CFLT)	US	8851	964	-397	8051	1008	5800	24.0%	20.8%	20.6%	16.9%	9.6%	117%	0.17	-41.2%	8.4x	6.9x	5.8x	1.4x	8.0x
Snowflake Inc. (NYSE:SNOW)	US	52849	3626	-1311	50247	5174	9455	29.2%	23.7%	23.0%	22.3%	41.3%	131%	0.30	-36.2%	13.9x	11.2x	9.2x	5.3x	9.7x
High		41114	6508	1619	40721	2273	231714	0.3x	25.5x	26.0%	22%	35.5%	120%	0.17	24.9%	24.4x	19.4x	15.4x	1.4x	24.2x
75th Percentile		36001	2684	104	33654	1833	93779	0.3x	20.8x	20.6%	18%	28.8%	120%	0.11	3.9%	12.5x	10.5x	8.8x	1.2x	19.4x
Average		24072	2766	218	22908	1429	78829	0.2x	16.8x	17.2%	17%	23.8%	117%	0.08	-4.9%	11.0x	9.1x	7.5x	0.7x	16.2x
Median		18765	2006	-36	18747	1347	38900	0.2x	19.3x	19.6%	17%	25.1%	118%	0.07	-2.2%	8.4x	6.9x	5.8x	0.7x	16.3x
25th Percentile		12242	1317	-299	10710	813	11850	0.1x	9.3x	10.0%	12%	13.1%	114%	0.02	-25.6%	4.8x	4.4x	3.9x	0.2x	9.7x
Low		8851	964	-397	8051	748	5800	0.1x	4.9x	4.8%	10%	9.6%	111%	0.01	-41.2%	2.9x	2.9x	2.7x	0.2x	8.0x

Peer group 2: Broader US SaaS companies with a sizeable cloud segment

Weightage	30%

Name	Country	Mkt cap	LTM Revenue	EBITDA	EV	RPO	Rev growth YoY	Rev growth FY+1	Rev growth FY+2	YoY RPO growth	Rev/RPO	EBITDA margin	EV/Rev FY	EV/Rev FY+1	EV/Rev FY+2	EV/RPO FY
Zscaler, Inc. (NasdaqGS:ZS)	US	31750	2422	-58	30108	3513	27.8%	22.6%	21.3%	34.8%	69%	-2.4%	12.4x	11.3x	9.4x	8.6x
Oracle Corporation (NYSE:ORCL)	US	426889	55783	22916	518772	97900	6.2%	7.8%	11.0%	44.2%	57%	41.1%	9.3x	9.1x	8.0x	5.3x
Adobe Inc. (NasdaqGS:ADBE)	US	168418	22037	8665	167546	17220	10.5%	9.3%	9.6%	8.3%	128%	39.3%	7.6x	7.1x	6.5x	9.7x
Salesforce, Inc. (NYSE:CRM)	US	269676	37895	11143	267714	56900	8.7%	7.8%	8.6%	17.0%	67%	29.4%	7.1x	6.6x	6.0x	4.7x
ServiceNow, Inc. (NYSE:NOW)	US	170517	10984	1961	162922	18000	22.4%	18.8%	19.3%	28.6%	61%	17.9%	14.8x	12.5x	10.4x	9.1x
Palo Alto Networks, Inc. (NasdaqGS:PANW)	US	120714	8571	1366	118452	12700	13.9%	14.5%	14.7%	20.0%	67%	15.9%	13.8x	12.9x	11.2x	9.3x
Snowflake Inc. (NYSE:SNOW)	US	52849	3626	-1311	50247	5174	29.2%	23.7%	23.0%	41.4%	70%	-36.2%	13.9x	11.2x	9.2x	9.7x
High		426889	55783	22916	518772	97900	27.8%	22.6%	21.3%	44.2%	128%	41.1%	14.8x	12.9x	11.2x	9.7x
75th Percentile		244886	33931	10524	242672	47175	20.3%	17.7%	18.2%	33.2%	69%	36.8%	13.5x	12.2x	10.2x	9.3x
Average		197994	22949	7665	210919	34372	14.9%	13.5%	14.1%	25.5%	75%	23.5%	10.8x	9.9x	8.6x	7.8x
Median		169467	16511	5313	165234	17610	12.2%	11.9%	12.9%	24.3%	67%	23.7%	10.9x	10.2x	8.7x	8.8x
25th Percentile		132640	9174	1514	129569	13830	9.2%	8.2%	10.0%	17.8%	62%	16.4%	8.0x	7.6x	6.9x	6.1x
Low		31750	2422	-58	30108	3513	6.2%	7.8%	8.6%	8.3%	57%	-2.4%	7.1x	6.6x	6.0x	4.7x

Appendix I: Public Comparables (continued)

Peer group 1

EV/rev, FY		EV/rev, FY+1		EV/rev, FY+2		EV/RPO	
EV/Rev FY	12.5x	EV/rev, FY+1	10.5x	EV/rev, FY+2	8.8x	EV/user	19.4x
FY rev	2,806,489	FY+1 rev	3,891,644	FY+2 rev	5,493,604	RPO	5,174
Enterprsie value	35,081,113	Enterprsie value	40,901,182	Enterprsie value	48,123,970	Enterprsie value	100,598,806
(-) Debt	254,037	(-) Debt	254,037	(-) Debt	254,037	(-) Debt	254,037
(+) Cash	1,780,977	(+) Cash	1,780,977	(+) Cash	1,780,977	(+) Cash	1,780,977
(-) Preferred stock	-	(-) Preferred stock	-	(-) Preferred stock	-	(-) Preferred stock	-
(-) Minority interest	10,286	(-) Minority interest	10,286	(-) Minority interest	10,286	(-) Minority interest	10,286
Equity value	36,597,767	**Equity value**	42,417,836	**Equity value**	49,640,624	**Equity value**	102,115,460
Diluted number of shares outstanding (mil)	328	Diluted number of shares outstanding (mil)	328	Diluted number of shares outstandin	328	Diluted number of shares outstanding (mil)	328
Implied share price	**112**	**Implied share price**	**129**	**Implied share price**	**151**	**Implied share price**	**311**

Avg implied share price	175.89

Peer group 1

EV/rev, FY		**EV/rev, FY+1**		**EV/rev, FY+2**		**EV/RPO**	
EV/Rev FY	13.5x	EV/rev, FY+1	12.2x	EV/rev, FY+2	10.2x	EV/RPO	9.3x
FY rev	2,806,489	FY+1 rev	3,891,644	FY+2 rev	5,493,604	RPO	5,174
Enterprsie value	37,747,277	Enterprsie value	47,448,873	Enterprsie value	55,897,420	Enterprsie value	47,900,746
(-) Debt	254,037	(-) Debt	254,037	(-) Debt	254,037	(-) Debt	254,037
(+) Cash	1,780,977	(+) Cash	1,780,977	(+) Cash	1,780,977	(+) Cash	1,780,977
(-) Preferred stock	-	(-) Preferred stock	-	(-) Preferred stock	-	(-) Preferred stock	-
(-) Minority interest	10,286	(-) Minority interest	10,286	(-) Minority interest	10,286	(-) Minority interest	10,286
Equity value	39,263,931	**Equity value**	48,965,527	**Equity value**	57,414,074	**Equity value**	49,417,400
Diluted number of shares outstanding (mil)	328	Diluted number of shares outstanding (mil)	328	Diluted number of shares outstandin	328	Diluted number of shares outstanding (mil)	328
Implied share price	**120**	**Implied share price**	**149**	**Implied share price**	**175**	**Implied share price**	**151**

Weighted implied share price	148.67

Appendix J: Valuation

SNOWFLAKE

Currency
Target Price
Scenario

Blended share target calculation

Comps	
Implied share price valuation, peer group 1	175.89
Peer group weightage	70%
Implied share price valuation, peer group 2	148.67
Peer group weightage	30%
Public comps share price	167.73
Methodology weightage	50.0%
DCF	
Blended DCF implied share price valuation	253.39
Methodology weightage	50.0%
Blended share price target	**210.56**