

## The Henry Fund

Henry B. Tippie College of Business  
Landon Skinner [landon-skinner@uiowa.edu]

Snowflake, Inc. (SNOW)  
Information Technology – Software



December 4, 2025

Stock Rating: Buy

Price Target: \$282

### Investment Thesis

The Henry Fund changes its rating on Snowflake, Inc. from NO ACTION to BUY with a 20% upside. This upgrade is based on the strong Q3 FY26 operational beat and accelerating signs of AI monetization, which significantly de-risks our long-term valuation models. While the near-term guide was mixed, our conviction that Snowflake is the foundational data platform for the AI era is now reinforced by improving margins and growing consumption rates.

#### Drivers of Thesis

- **Accelerating AI Monetization Provides RPO Upside:** Over 7,300+ accounts use Snowflake AI and the company reached a \$100 million annual consumption run rate from AI. This AI-driven increase in usage strengthens the probability of maximum consumption against the high Remaining Performance Obligations
- **Best-in-Class Retention and Enterprise Scale Validation:** Net Revenue Retention (NRR) of 125% as of Q3 FY26, alongside the number of customers contributing over \$1 million in product revenue grew 29% year-over-year to 688 customers.
- **Robust Revenue Visibility and Contractual Commitments:** The total Remaining Performance Obligations (RPO) increased to \$7.881 billion in Q3 FY26, representing strong contracted future revenue not yet recognized.

#### Risks to Thesis

- **Deceleration of Product Revenue Growth and Volatile Margin Guidance:** Deceleration quarterly Product Revenue growth to 29% Y/Y, coupled with the soft F4Q Operating Margin guidance of 7%
- **Cloud Dependency:** Heavy reliance on AWS, a competitor through Redshift, poses risks if pricing or integration terms shift unfavorably.

Henry Fund DCF	\$282
Henry Fund DDM	\$274
Relative Multiple	\$60
HF % Upside	+20%

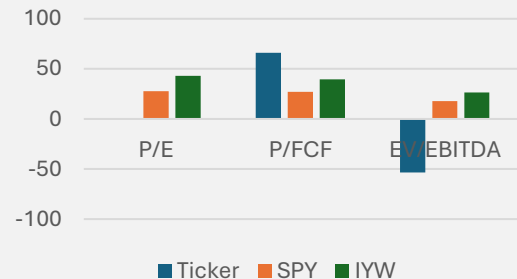
#### Price Data

Current Price	\$235
Date of Price	12/04/2025
52wk Range	\$120 – 280
Consensus Price Target	\$285
Consensus % Upside	22%

#### Key Statistics

Market Cap (B)	79.5
Diluted Shares Out. (M)	395
Institutional Ownership	72.75%
Beta	1.1
Dividend Yield	0.00%
LT Growth Rate	23%

#### SNOW vs. SPY & IYW



### Investment Thesis Monitoring Update

Initially, our models yielded a low intrinsic value due to concerns over sustained operating losses and high Stock-Based Compensation (SBC). We stated that clear management action on margin improvement would trigger a BUY rating. Q3 FY26 operational results, including a non-GAAP Operating Margin of 11%, provided the necessary evidence of accelerated profitability. This eliminates the margin risk and has led to a massive upward revision of our intrinsic value to the \$270–\$280 range.

The revised forecast projects a positive Operating Margin in FY2029 (7%), stabilizing at 38% by FY2035, driven by rapid expense efficiency (e.g., S&M dropping from 46% to 15% of revenue). Strong customer health (125% NRR, 29% growth in customers > \$1M product revenue), growing AI consumption (> \$100M run rate), and a large/growing Remaining Performance Obligation (7.881B) reinforce this outlook.

The combination of validated execution and a significantly higher intrinsic value warrant an upgrade to BUY with an upside of +20%.

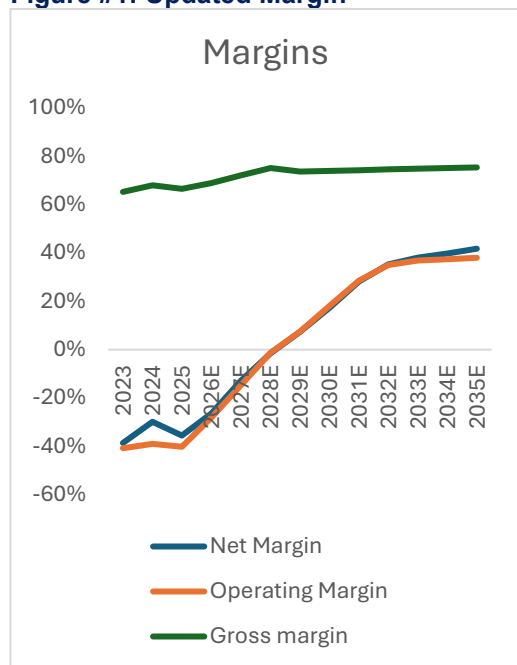
### Price Performance



### SNOW vs. Peer Group – Sales Growth

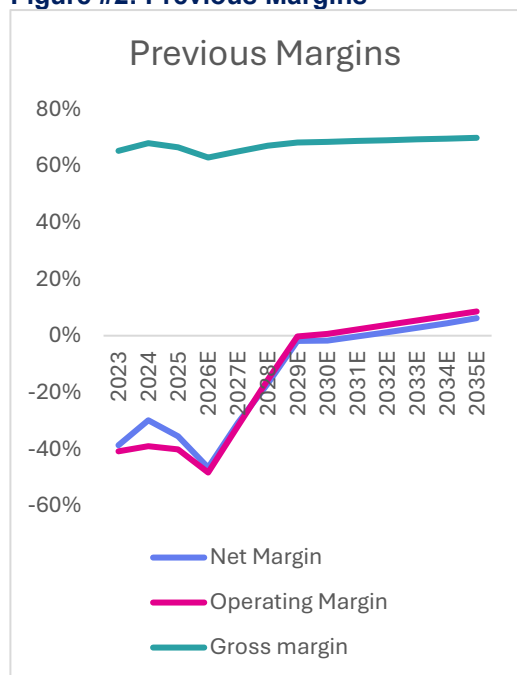
Year	2025e	2026e	2027e
MDB	21%	19%	16%
ESTC	16%	13%	13%
DDOG	25%	20%	20%
ZS	21%	19%	18%
NET	31%	25%	25%

**Figure #1: Updated Margin**



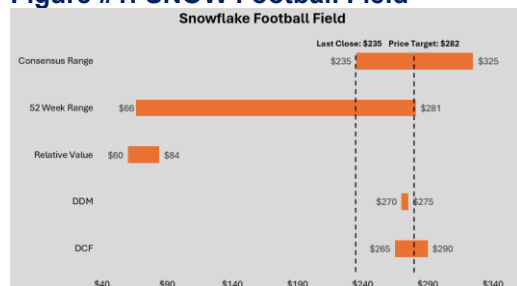
Source: SNOW 10-K 2023-2025, HF Model

**Figure #2: Previous Margins**



Source: SNOW 10-K 2023-2025, HF Model

**Figure #1: SNOW Football Field**



Source: HF Model, FactSet

## Change in Investment Thesis

In the spring, our primary constraint was the margin risk, with our fundamental models (DCF and DDM) yielding an intrinsic value of approximately \$42, well below the market price. This low valuation stemmed from forecasting continued, large Stock-Based Compensation (SBC) and sustained operating losses from compressed margins. We explicitly stated that lowering these loss assumptions based on management action would likely trigger a BUY rating.

The strong operational execution through Q3 FY26, particularly on margin expansion and effective capital management, has provided the necessary evidence to fundamentally revise our models. This change in assumptions has resulted in a massive upward revision of our intrinsic value to the \$270–\$280 range (DCF: \$282, DDM: \$274). This shift confirms that the market is beginning to price in the company's long-term potential, and even with the significant YTD price rise, the stock remains undervalued relative to its new intrinsic estimate.

Our initial stance required Snowflake to demonstrate clearer progress toward margin expansion and capital efficiency. The Q3 FY26 results provided definitive proof that this execution risk is receding:

**Non-GAAP Operational Beat:** Snowflake reported a Q3 FY26 Non-GAAP Operating Margin of 11%, significantly beating expectations and demonstrating earlier-than-anticipated operating leverage.

**Accelerated Profitability Timeline:** The provided financial forecast confirms this accelerated path. Our projections now show a crossover to positive Operating Margin in FY2029 (7%) and a rapid expansion thereafter to stabilize at 38% by FY2035.

**Expense Efficiency:** This profitability is driven by the rapid leverage of operating expenses. Sales & Marketing (S&M) expense as a percentage of revenue is forecast to drop from 46% in 2025 to 15% by 2035, while R&D expense normalizes from a peak of 49% in 2025 to 16% by 2035. These trends eliminate the drag of high reinvestment that previously anchored our models in the spring.

The company continues to demonstrate robust customer health with a Net Revenue Retention (NRR) of 125% as of Q3 FY26. Furthermore, the number of customers contributing over \$1 million in product revenue grew 29% year-over-year to 688, validating the ongoing enterprise adoption of the platform and reinforcing customer lock-in.

The value derived from AI is becoming tangible, with over 7,300+ accounts using Snowflake AI and the company reaching a \$100 million annual consumption run-rate from AI. This AI-driven increase in usage strengthens the probability of maximum consumption against the high Remaining Performance Obligations. The total Remaining Performance Obligations (RPO) increased to \$7.881 billion in Q3 FY26, representing strong contracted future revenue not yet recognized.

The combination of validated profitability, decisive action on capital efficiency, and robust operational execution has eliminated the key risks that previously necessitated a NO ACTION rating, creating a compelling opportunity that warrants an upgrade to BUY with a 20% upside.

### Snowflake Inc

#### Revenue Decomposition

[illegible]

## Snowflake Inc

## Income Statement

(in thousands)

<b>Fiscal Years Ending Jan 31</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026E</b>	<b>2027E</b>	<b>2028E</b>	<b>2029E</b>	<b>2030E</b>	<b>2031E</b>	<b>2032E</b>	<b>2033E</b>	<b>2034E</b>	<b>2035E</b>
Revenue	2,065,659	2,806,489	3,626,396	4,689,719	5,845,177	7,007,650	8,404,062	9,838,792	11,332,580	12,513,275	13,764,602	14,716,645	15,440,423
Cost of revenue	717,540	898,558	1,214,673	1,460,068	1,635,327	1,739,396	2,210,147	2,560,081	2,917,233	3,186,347	3,466,679	3,665,502	3,802,809
Cost of product, net	547,547	701,200	992,069	1,125,532	1,234,635	1,278,515	1,680,812	1,967,758	2,266,516	2,502,655	2,752,920	2,943,329	3,088,085
Cost of services, net	169,993	197,358	222,604	334,535	400,693	460,881	529,334	592,323	650,718	683,692	713,758	722,173	714,724
Depreciation and amortization	63,535	119,903	182,508	133,923	166,919	200,115	239,992	280,963	323,620	357,337	393,071	420,258	440,926
<b>Gross profit</b>	<b>1,348,119</b>	<b>1,907,931</b>	<b>2,411,723</b>	<b>3,229,651</b>	<b>4,209,850</b>	<b>5,268,254</b>	<b>6,193,915</b>	<b>7,278,711</b>	<b>8,415,346</b>	<b>9,326,928</b>	<b>10,297,924</b>	<b>11,051,142</b>	<b>11,637,614</b>
Operating expenses:													
Sales and marketing	1,106,507	1,391,747	1,672,092	2,162,379	2,404,731	2,534,803	2,622,357	2,581,202	2,410,038	2,039,409	2,064,690	2,207,497	2,316,063
Research and development	788,058	1,287,949	1,783,379	1,965,190	2,157,117	2,235,736	2,261,047	2,155,110	1,915,683	2,002,124	2,202,336	2,354,663	2,470,468
General and administrative	295,821	323,008	412,262	422,075	508,968	589,691	682,614	770,369	854,181	906,571	956,963	980,103	983,139
Total operating expenses	2,190,386	3,002,704	3,867,733	4,549,643	5,070,815	5,360,229	5,566,018	5,506,681	5,179,903	4,948,104	5,223,990	5,542,263	5,769,670
<b>Operating loss</b>	<b>(842,267)</b>	<b>(1,094,773)</b>	<b>(1,456,010)</b>	<b>(1,319,992)</b>	<b>(860,965)</b>	<b>(91,975)</b>	<b>627,897</b>	<b>1,772,030</b>	<b>3,235,444</b>	<b>4,378,824</b>	<b>5,073,934</b>	<b>5,508,879</b>	<b>5,867,944</b>
Interest income	73,839	200,663	209,009	213,778	175,468	56,040	3,410	(62,312)	(37,604)	52,995	188,404	376,268	602,194
Interest expense	-	-	(2,759)	(124,934)	(61,684)	(61,684)	-	-	-	-	-	-	-
Other income (expense), net	(47,565.00)	44,887.00	(35,339.00)	-	-	-	-	-	-	-	-	-	-
<b>Loss before income taxes</b>	<b>(815,993)</b>	<b>(849,223)</b>	<b>(1,285,099)</b>	<b>(1,231,148)</b>	<b>(747,181)</b>	<b>(97,619)</b>	<b>631,307</b>	<b>1,709,718</b>	<b>3,197,840</b>	<b>4,431,819</b>	<b>5,262,337</b>	<b>5,885,147</b>	<b>6,470,138</b>
Provision for (benefit from) income taxes	(18,467)	(11,233)	4,113	7,214	8,991	10,779	12,927	15,134	17,432	19,248	21,173	22,637	23,750
<b>Net loss</b>	<b>(797,526)</b>	<b>(837,990)</b>	<b>(1,289,212)</b>	<b>(1,238,362)</b>	<b>(756,172)</b>	<b>(108,398)</b>	<b>618,380</b>	<b>1,694,584</b>	<b>3,180,408</b>	<b>4,412,571</b>	<b>5,241,165</b>	<b>5,862,510</b>	<b>6,446,388</b>
Less: net (loss) attributable to noncontrolling interest	(821)	(1,893)	(3,572)	(2,501)	(698)	(200)	1,713	6,260	14,687	24,452	33,884	43,315	53,583
<b>Net loss attributable to Snowflake Inc.</b>	<b>(796,705)</b>	<b>(836,097)</b>	<b>(1,285,640)</b>	<b>(1,240,863)</b>	<b>(756,871)</b>	<b>(108,598)</b>	<b>620,093</b>	<b>1,700,844</b>	<b>3,195,095</b>	<b>4,437,023</b>	<b>5,275,049</b>	<b>5,905,825</b>	<b>6,499,971</b>
Net loss per share attributable to Snowflake Inc.													
Basic Earnings Per Share	(2.50)	(2.55)	(3.86)	(3.74)	(2.32)	(0.34)	1.95	5.42	10.30	14.48	17.45	19.72	21.81
Total Shares Outstanding (Year End)	323,305	333,961	333,865	329,093	324,165	319,528	315,310	311,840	308,839	303,977	300,465	298,372	297,645
Weighted Average Shares Outstanding (basic)	318,730	328,001	332,707	331,479	326,629	321,846	317,419	313,575	310,339	306,408	302,221	299,418	298,008

## Snowflake Inc

## Balance Sheet

(in thousands)

Fiscal Years Ending Jan 31	2023	2024	2025	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E	2035E
<b>Assets</b>													
Current assets:													
Cash and cash equivalents	939,902	1,762,749	2,628,798	1,562,848	(1,517,244)	(2,948,609)	(4,709,931)	(4,237,799)	(2,140,201)	1,060,497	5,553,355	10,981,611	17,453,446
Short-term investments	3,067,966	2,083,499	2,008,873	2,089,991	2,174,385	2,262,187	2,353,534	2,448,570	2,547,443	2,650,309	2,757,328	2,868,669	2,984,506
Accounts receivable, net	715,821	926,902	922,805	94,989	118,392	141,938	170,221	199,281	229,538	253,452	278,797	298,081	312,740
Deferred commissions, current	67,901	86,096	97,662	224,221	279,465	335,045	401,809	470,405	541,825	598,275	658,103	703,621	738,226
Prepaid expenses and other current assets	193,100	180,018	211,234	426,749	531,892	637,674	764,743	895,298	1,031,228	1,138,668	1,252,534	1,339,167	1,405,029
<b>Total current assets</b>	<b>4,984,690</b>	<b>5,039,264</b>	<b>5,869,372</b>	<b>4,398,799</b>	<b>1,586,891</b>	<b>428,233</b>	<b>(1,019,624)</b>	<b>(224,245)</b>	<b>2,209,833</b>	<b>5,701,201</b>	<b>10,500,118</b>	<b>16,191,149</b>	<b>22,893,947</b>
Long-term investments	1,073,023	916,307	656,476	692,582	730,674	770,861	813,259	857,988	905,177	954,962	1,007,485	1,062,897	1,121,356
Property and equipment, net	160,823	247,464	296,393	303,242	311,778	322,011	334,284	348,652	365,202	383,475	403,577	425,068	447,616
Operating lease right-of-use assets	231,266	252,128	359,439	367,744	378,096	390,507	405,390	422,814	442,884	465,045	489,422	515,485	542,829
Goodwill	657,370	975,906	1,056,559	1,056,559	1,056,559	1,056,559	1,056,559	1,056,559	1,056,559	1,056,559	1,056,559	1,056,559	1,056,559
Intangible assets, net	186,013	331,411	278,028	195,957	138,113	97,343	68,609	48,356	34,082	24,021	16,930	11,933	8,410
Deferred commissions, non-current	145,286	187,093	183,967	545,537	679,947	815,173	977,613	1,144,509	1,318,276	1,455,622	1,601,184	1,711,932	1,796,126
Other assets	283,851	273,810	333,704	642,239	800,475	959,671	1,150,905	1,347,386	1,551,954	1,713,646	1,885,011	2,015,389	2,114,508
<b>Total assets</b>	<b>7,722,322</b>	<b>8,223,383</b>	<b>9,033,938</b>	<b>8,202,660</b>	<b>5,682,533</b>	<b>4,840,359</b>	<b>3,786,993</b>	<b>5,002,020</b>	<b>7,883,967</b>	<b>11,754,532</b>	<b>16,960,285</b>	<b>22,990,411</b>	<b>29,981,352</b>
<b>Liabilities and Stockholders' Equity</b>													
Current liabilities:													
Accounts payable	23,672	51,721	169,767	234,486	292,259	350,383	420,203	491,940	566,629	625,664	688,230	735,832	772,021
Accrued expenses and other current liabilities	269,069	446,860	515,454	816,890	1,018,157	1,220,645	1,463,883	1,713,795	1,973,994	2,179,656	2,397,622	2,563,456	2,689,529
Operating lease liabilities, current	27,301	33,944	35,923	41,799	42,976	44,387	46,078	48,059	50,340	52,859	55,630	58,592	61,700
Deferred revenue, current	1,673,475	2,198,705	2,580,039	4,352,622	5,425,026	6,503,941	7,799,978	9,131,580	10,517,994	11,613,821	12,775,203	13,658,813	14,330,566
<b>Total current liabilities</b>	<b>1,993,517</b>	<b>2,731,230</b>	<b>3,301,183</b>	<b>5,445,798</b>	<b>6,778,418</b>	<b>8,119,355</b>	<b>9,730,142</b>	<b>11,385,373</b>	<b>13,108,957</b>	<b>14,472,000</b>	<b>15,916,685</b>	<b>17,016,693</b>	<b>17,853,817</b>
Convertible senior notes, net	-	-	2,271,529	2,271,529	1,121,529	1,121,529	-	-	-	-	-	-	-
Operating lease liabilities, non-current	224,357	254,037	377,818	365,053	375,328	387,648	402,423	419,719	439,642	461,641	485,839	511,711	538,856
Deferred revenue, non-current	11,463	14,402	15,501	32,975	41,100	49,274	59,093	69,181	79,684	87,986	96,785	103,479	108,568
Other liabilities	24,370	33,120	61,264	72,953	90,928	109,011	130,734	153,052	176,290	194,656	214,122	228,932	240,191
<b>Total liabilities</b>	<b>2,253,707</b>	<b>3,032,789</b>	<b>6,027,295</b>	<b>8,188,308</b>	<b>8,407,303</b>	<b>9,786,817</b>	<b>10,322,391</b>	<b>12,027,326</b>	<b>13,804,573</b>	<b>15,216,284</b>	<b>16,713,431</b>	<b>17,860,816</b>	<b>18,741,432</b>
<b>Stockholders' equity:</b>													
Liquidation Preference													
Common Stock (A)	32	34	34										
Common Stock (B)													
Common Stock	8,210,782	9,331,272	10,355,245	10,591,254	10,827,264	11,063,273	11,299,283	11,535,292	11,738,260	11,738,260	11,738,260	11,738,260	11,738,260
Treasury Stock	-	(67,140)	(59,505)	(2,046,942)	(4,265,202)	(6,614,302)	(9,059,344)	(11,486,106)	(13,779,469)	(15,757,638)	(17,324,080)	(18,347,164)	(18,736,809)
Accumulated other comprehensive loss	(38,272)	(8,220)	(2,236)	(2,236)	(2,236)	(2,236)	(2,236)	(2,236)	(2,236)	(2,236)	(2,236)	(2,236)	(2,236)
Accumulated deficit	(2,716,074)	(4,075,604)	(7,293,575)	(8,531,937)	(9,288,109)	(9,396,507)	(8,778,127)	(7,083,544)	(3,903,135)	509,436	5,750,601	11,613,110	18,059,498
<b>Total Snowflake Inc. stockholders' equity</b>	<b>5,456,436</b>	<b>5,180,308</b>	<b>2,999,929</b>	<b>10,139</b>	<b>(2,728,284)</b>	<b>(4,949,772)</b>	<b>(6,540,425)</b>	<b>(7,036,594)</b>	<b>(5,946,581)</b>	<b>(3,512,178)</b>	<b>162,544</b>	<b>5,001,971</b>	<b>11,058,713</b>
Noncontrolling interest	12,179	10,286	6,714	4,213	3,515	3,314	5,028	11,288	25,974	50,426	84,310	127,625	181,208
<b>Total stockholders' equity</b>	<b>5,468,615</b>	<b>5,190,594</b>	<b>3,006,643</b>	<b>14,352</b>	<b>(2,724,769)</b>	<b>(4,946,457)</b>	<b>(6,535,397)</b>	<b>(7,025,306)</b>	<b>(5,920,606)</b>	<b>(3,461,752)</b>	<b>246,854</b>	<b>5,129,595</b>	<b>11,239,921</b>
<b>Total liabilities and stockholders' equity</b>	<b>7,722,322</b>	<b>8,223,383</b>	<b>9,033,938</b>	<b>8,202,660</b>	<b>5,682,533</b>	<b>4,840,359</b>	<b>3,786,993</b>	<b>5,002,020</b>	<b>7,883,967</b>	<b>11,754,532</b>	<b>16,960,285</b>	<b>22,990,411</b>	<b>29,981,352</b>

**Snowflake Inc**
**Historical Cash Flow Statement**

(in thousands)

<b>Fiscal Years Ending Jan 31</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>
Cash flows from operating activities:						
<b>Net loss</b>	<b>(348,535)</b>	<b>(539,102)</b>	<b>(679,948)</b>	<b>(797,526)</b>	<b>(837,990)</b>	<b>(1,289,212)</b>
Adjustments to reconcile net loss to net cash provided by operating activities:						
Depreciation and amortization	3,522	9,826	21,498	63,535	119,903	182,508
Non-cash operating lease costs	27,712	33,475	35,553	46,240	52,892	59,943
Amortization of deferred commissions	16,986	28,841	37,876	57,445	74,787	93,128
Stock-based compensation, net of amounts capitalized	78,399	301,441	605,095	861,533	1,168,015	1,479,314
Net amortization (accretion) of premiums (discounts) on investments	(5,459)	8,630	48,002	3,497	(61,525)	(43,434)
Net realized and unrealized losses (gains) on strategic investments in equity securities			(27,621)	46,435	(46,809)	31,420
Amortization of debt issuance costs						2,759
Deferred income tax			(717)	(26,664)	(26,762)	(7,671)
Other	1,476	4,580	2,014	1,618	14,895	7,420
Changes in operating assets and liabilities, net of effects of business combinations:						
Accounts receivable	(116,869)	(116,289)	(251,652)	(166,965)	(212,083)	536
Deferred commissions	(68,595)	(51,444)	(95,877)	(95,107)	(134,787)	(101,569)
Prepaid expenses and other assets	(10,811)	(62,349)	(159,159)	(2,904)	59,795	29,850
Accounts payable	1,116	(2,878)	7,371	8,024	19,212	108,852
Accrued expenses and other liabilities	34,994	58,252	79,772	74,519	171,048	70,876
Operating lease liabilities	(13,455)	(31,281)	(38,249)	(42,342)	(40,498)	(47,711)
Deferred revenue	222,961	312,881	526,221	514,301	528,029	382,755
<b>Tax Shield on Other Income (expenses)</b>	<b>(176,558)</b>	<b>(45,417)</b>	<b>110,179</b>	<b>545,639</b>	<b>848,122</b>	<b>959,764</b>
Tax shield on operating lease interest (+)						
Purchases of property and equipment	(18,583)	(35,037)	(16,221)	(25,128)	(35,086)	(46,279)
Capitalized internal-use software development costs	(4,265)	(5,293)	(12,772)	(796,705)	(836,097)	(1,285,640)
Cash paid for business combinations, net of cash, cash equivalents, and restricted cash acquired	(6,314)	(6,035)		(362,609)	(275,706)	(30,305)
Purchases of intangible assets		(8,374)	(24,334)	(700)	(28,744)	
Purchases of investments	(622,854)	(4,859,852)	(4,250,338)	(3,901,321)	(2,476,206)	(2,569,243)
Sales of investments	14,087	177,070	440,069	58,813	11,266	64,573
Maturities and redemptions of investments	776,424	700,876	3,842,796	3,657,072	3,670,867	2,802,082
Settlement of cash flow hedges						(749)
<b>Net cash provided by (used in) investing activities</b>	<b>138,495</b>	<b>(4,036,645)</b>	<b>(20,800)</b>	<b>(597,885)</b>	<b>832,258</b>	<b>190,646</b>
Cash flows from financing activities:						
Proceeds from issuance of redeemable convertible preferred stock, net of issuance costs	24,121	478,573				
Proceeds from initial public offering and private placements, net of underwriting discounts		4,242,284				
Proceeds from early exercised stock options	6,213	159				
Proceeds from exercise of stock options	27,526	53,378	127,036	39,893	57,194	44,886
Proceeds from issuance of common stock under employee stock purchase plan			52,227	40,931	61,234	77,053
Proceeds from repayments of a nonrecourse promissory note		2,090				
Repurchases of early exercised stock options and restricted common stock	(391)	(30)				
Payments of deferred purchase consideration for business combinations		(1,164)	(1,065)			
Taxes paid related to net share settlement of equity awards				(184,648)	(380,799)	(489,149)
Repurchases of common stock					(591,732)	(1,932,333)
Capital contributions from noncontrolling interest holders				13,000		
Payments of deferred purchase consideration for business combinations		(1,164)	(1,065)	(1,800)		(250.00)
Gross proceeds from issuance of convertible senior notes						2,300,000.00
Cash paid for issuance costs on convertible senior notes						(31,230.00)
Purchases of capped calls related to convertible senior notes						(195,500.00)
<b>Net cash used in financing activities</b>	<b>57,469</b>	<b>4,775,290</b>	<b>178,198</b>	<b>(92,624)</b>	<b>(854,103)</b>	<b>(226,523)</b>
Effect of exchange rate changes on cash, cash equivalents, and restricted cash		(11)	(236)	(933)	(2,031)	(6,186)
Net increase (decrease) in cash, cash equivalents, and restricted cash	19,406	693,217	267,341	(145,803)	824,246	917,701
Cash, cash equivalents, and restricted cash-beginning of period	122,570	141,976	835,193	1,102,534	956,731	1,780,977
<b>Cash, cash equivalents, and restricted cash-end of period</b>	<b>141,976.00</b>	<b>835,193.00</b>	<b>1,102,534.00</b>	<b>956,731.00</b>	<b>1,780,977.00</b>	<b>2,698,678.00</b>

## Snowflake Inc

## Forecasted Cash Flow Statement

(in thousands)

Fiscal Years Ending Jan 31	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E	2035E
Cash at the beginning of the period	2,628,798	1,562,848	(1,517,244)	(2,948,609)	(4,709,931)	(4,237,799)	(2,140,201)	1,060,497	5,553,355	10,981,611
Cash flows from operating activities:										
Net loss	(1,238,362)	(756,172)	(108,398)	618,380	1,694,584	3,180,408	4,412,571	5,241,165	5,862,510	6,446,388
Adjustments to reconcile net loss to net cash										
Depreciation & Amortization	133,923	166,919	200,115	239,992	280,963	323,620	357,337	393,071	420,258	440,926
Cash from Operating Activities:										
Change in Accounts receivable, net	827,816	(23,403)	(23,545)	(28,284)	(29,060)	(30,256)	(23,915)	(25,345)	(19,283)	(14,660)
Change in Deferred commissions, current	(126,559)	(55,244)	(55,579)	(66,764)	(68,596)	(71,420)	(56,451)	(59,828)	(45,518)	(34,605)
Change in Prepaid expenses and other current assets	(215,515)	(105,143)	(105,781)	(127,069)	(130,556)	(135,930)	(107,439)	(113,867)	(86,633)	(65,862)
Change in Operating lease right-of-use assets	(8,305)	(10,352)	(12,410)	(14,883)	(17,424)	(20,070)	(22,161)	(24,377)	(26,063)	(27,345)
Change in Deferred commissions, non-current	(361,570)	(134,410)	(135,226)	(162,439)	(166,897)	(173,767)	(137,346)	(145,562)	(110,747)	(84,194)
Change in Other assets	(308,535)	(158,236)	(159,196)	(191,233)	(196,481)	(204,569)	(161,692)	(171,365)	(130,379)	(99,119)
Change in Accounts payable	64,719	57,773	58,124	69,821	71,737	74,689	59,035	62,566	47,602	36,189
Change in Accrued expenses and other current liabilities	301,436	201,266	202,488	243,237	249,912	260,199	205,662	217,966	165,834	126,073
Change in Operating lease liabilities, current	5,876	1,177	1,411	1,692	1,981	2,281	2,519	2,771	2,962	3,108
Change in Deferred revenue, current	1,772,583	1,072,404	1,078,915	1,296,038	1,331,602	1,386,414	1,095,827	1,161,382	883,610	671,753
Change in Operating lease liabilities, non-current	(12,765)	10,276	12,320	14,774	17,297	19,923	21,999	24,198	25,872	27,145
Change in Deferred revenue, non-current	17,474	8,125	8,174	9,819	10,088	10,503	8,302	8,799	6,694	5,089
Net cash provided by operating activities	852,215	274,979	961,409	1,903,079	3,049,148	4,622,028	5,654,249	6,571,574	6,996,718	7,430,887
Cash flows from investing activities:										
Short-term investments	(81,118)	(84,394)	(87,802)	(91,347)	(95,036)	(98,873)	(102,866)	(107,019)	(111,341)	(115,837)
Long-term investments	(36,106)	(38,092)	(40,187)	(42,397)	(44,729)	(47,189)	(49,785)	(52,523)	(55,412)	(58,459)
Intangible assets	82,071	57,844	40,769	28,735	20,253	14,274	10,061	7,091	4,998	3,522
Property and equipment, gross	(140,771)	(175,455)	(210,348)	(252,264)	(295,331)	(340,170)	(375,611)	(413,172)	(441,749)	(463,475)
Other liabilities	11,689	17,974	18,083	21,723	22,319	23,237	18,367	19,466	14,810	11,259
Net cash provided by (used in) investing activities	(164,236)	(222,122)	(279,484)	(335,552)	(392,524)	(448,721)	(499,834)	(546,158)	(588,694)	(622,989)
Cash flows from financing activities:										
Convertible senior notes, net	-	(1,150,000)	-	(1,121,529)	-	-	-	-	-	-
Common Stock	236,009	236,009	236,009	236,009	236,009	202,968	-	-	-	-
Treasury Stock	(1,987,437)	(2,218,260)	(2,349,099)	(2,445,043)	(2,426,762)	(2,293,363)	(1,978,169)	(1,566,442)	(1,023,084)	(389,645)
Noncontrolling interest	(2,501)	(698)	(200)	1,713	6,260	14,687	24,452	33,884	43,315	53,583
Net cash provided by (used) financing activities	(1,753,929)	(3,132,949)	(2,113,290)	(3,328,849)	(2,184,492)	(2,075,708)	(1,953,717)	(1,532,558)	(979,769)	(336,063)
Cash, cash equivalents, and restricted cash-end of period	1,562,848	(1,517,244)	(2,948,609)	(4,709,931)	(4,237,799)	(2,140,201)	1,060,497	5,553,355	10,981,611	17,453,446

**Snowflake Inc**
*Common Size Income Statement*

<i>Fiscal Years Ending Jan 31</i>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026E</b>	<b>2027E</b>	<b>2028E</b>	<b>2029E</b>	<b>2030E</b>	<b>2031E</b>	<b>2032E</b>	<b>2033E</b>	<b>2034E</b>
Revenue	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Cost of revenue	32.02%	33.50%	31.13%	27.98%	24.82%	26.30%	26.02%	25.74%	25.46%	25.19%	24.91%	24.63%
Cost of product, net	24.98%	27.36%	24.00%	21.12%	18.24%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%
Cost of services, net	7.03%	6.14%	7.13%	6.86%	6.58%	6.30%	6.02%	5.74%	5.46%	5.19%	4.91%	4.63%
Depreciation and amortization	4.27%	5.03%	2.86%	2.86%	2.86%	2.86%	2.86%	2.86%	2.86%	2.86%	2.86%	2.86%
<b>Gross profit</b>	<b>67.98%</b>	<b>66.50%</b>	<b>68.87%</b>	<b>72.02%</b>	<b>75.18%</b>	<b>73.70%</b>	<b>73.98%</b>	<b>74.26%</b>	<b>74.54%</b>	<b>74.81%</b>	<b>75.09%</b>	<b>75.37%</b>
Operating expenses:												
Sales and marketing	49.59%	46.11%	46.11%	41.14%	36.17%	31.20%	26.23%	21.27%	16.30%	15.00%	15.00%	15.00%
Research and development	45.89%	49.18%	41.90%	36.90%	31.90%	26.90%	21.90%	16.90%	16.00%	16.00%	16.00%	16.00%
General and administrative	11.51%	11.37%	9.00%	8.71%	8.41%	8.12%	7.83%	7.54%	7.24%	6.95%	6.66%	6.37%
Total operating expenses	106.99%	106.66%	97.01%	86.75%	76.49%	66.23%	55.97%	45.71%	39.54%	37.95%	37.66%	37.37%
<b>Operating loss</b>	<b>-39.01%</b>	<b>-40.15%</b>	<b>-28.15%</b>	<b>-14.73%</b>	<b>-1.31%</b>	<b>7.47%</b>	<b>18.01%</b>	<b>28.55%</b>	<b>34.99%</b>	<b>36.86%</b>	<b>37.43%</b>	<b>38.00%</b>
Interest income	7.15%	5.76%	4.56%	3.00%	0.80%	0.04%	-0.63%	-0.33%	0.42%	1.37%	2.56%	3.90%
Interest expense	0.00%	-0.08%	-2.66%	-1.06%	-0.88%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Other income (expense), net	1.60%	-0.97%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
<b>Loss before income taxes</b>	<b>-30.26%</b>	<b>-35.44%</b>	<b>-26.25%</b>	<b>-12.78%</b>	<b>-1.39%</b>	<b>7.51%</b>	<b>17.38%</b>	<b>28.22%</b>	<b>35.42%</b>	<b>38.23%</b>	<b>39.99%</b>	<b>41.90%</b>
Provision for (benefit from) income taxes	-0.40%	0.11%	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%
<b>Net loss</b>	<b>-29.86%</b>	<b>-35.55%</b>	<b>-26.41%</b>	<b>-12.94%</b>	<b>-1.55%</b>	<b>7.36%</b>	<b>17.22%</b>	<b>28.06%</b>	<b>35.26%</b>	<b>38.08%</b>	<b>39.84%</b>	<b>41.75%</b>
Less: net (loss) attributable to noncontrolling interest	-0.07%	-0.10%	-0.05%	-0.01%	0.00%	0.02%	0.06%	0.13%	0.20%	0.25%	0.29%	0.35%
<b>Net loss attributable to Snowflake Inc.</b>	<b>-29.79%</b>	<b>-35.45%</b>	<b>-26.46%</b>	<b>-12.95%</b>	<b>-1.55%</b>	<b>7.38%</b>	<b>17.29%</b>	<b>28.19%</b>	<b>35.46%</b>	<b>38.32%</b>	<b>40.13%</b>	<b>42.10%</b>



**Snowflake Inc**  
Common Size Balance Sheet

<b>Fiscal Years Ending Jan 31</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026E</b>	<b>2027E</b>	<b>2028E</b>	<b>2029E</b>	<b>2030E</b>	<b>2031E</b>	<b>2032E</b>	<b>2033E</b>	<b>2034E</b>	<b>2035E</b>
<b>Assets</b>													
Current assets:													
Cash and cash equivalents	45.50%	62.81%	72.49%	33.32%	-25.96%	-42.08%	-56.04%	-43.07%	-18.89%	8.47%	40.35%	74.62%	113.04%
Short-term investments	148.52%	74.24%	55.40%	44.57%	37.20%	32.28%	28.00%	24.89%	22.48%	21.18%	20.03%	19.49%	19.33%
Accounts receivable, net	34.65%	33.03%	25.45%	2.03%	2.03%	2.03%	2.03%	2.03%	2.03%	2.03%	2.03%	2.03%	2.03%
Deferred commissions, current	3.29%	3.07%	2.69%	4.78%	4.78%	4.78%	4.78%	4.78%	4.78%	4.78%	4.78%	4.78%	4.78%
Prepaid expenses and other current assets	9.35%	6.41%	5.82%	9.10%	9.10%	9.10%	9.10%	9.10%	9.10%	9.10%	9.10%	9.10%	9.10%
<b>Total current assets</b>	<b>241.31%</b>	<b>179.56%</b>	<b>161.85%</b>	<b>93.80%</b>	<b>27.15%</b>	<b>6.11%</b>	<b>-12.13%</b>	<b>-2.28%</b>	<b>19.50%</b>	<b>45.56%</b>	<b>76.28%</b>	<b>110.02%</b>	<b>148.27%</b>
Long-term investments	51.95%	32.65%	18.10%	14.77%	12.50%	11.00%	9.68%	8.72%	7.99%	7.63%	7.32%	7.22%	7.26%
Property and equipment, net	7.79%	8.82%	8.17%	6.47%	5.33%	4.60%	3.98%	3.54%	3.22%	3.06%	2.93%	2.89%	2.90%
Operating lease right-of-use assets	11.20%	8.98%	9.91%	7.84%	6.47%	5.57%	4.82%	4.30%	3.91%	3.72%	3.56%	3.50%	3.52%
Goodwill	31.82%	34.77%	29.14%	22.53%	18.08%	15.08%	12.57%	10.74%	9.32%	8.44%	7.68%	7.18%	6.84%
Intangible assets, net	9.01%	11.81%	7.67%	4.18%	2.36%	1.39%	0.82%	0.49%	0.30%	0.19%	0.12%	0.08%	0.05%
Deferred commissions, non-current	7.03%	6.67%	5.07%	11.63%	11.63%	11.63%	11.63%	11.63%	11.63%	11.63%	11.63%	11.63%	11.63%
Other assets	13.74%	9.76%	9.20%	13.69%	13.69%	13.69%	13.69%	13.69%	13.69%	13.69%	13.69%	13.69%	13.69%
<b>Total assets</b>	<b>373.84%</b>	<b>293.01%</b>	<b>249.12%</b>	<b>174.91%</b>	<b>97.22%</b>	<b>69.07%</b>	<b>45.06%</b>	<b>50.84%</b>	<b>69.57%</b>	<b>93.94%</b>	<b>123.22%</b>	<b>156.22%</b>	<b>194.17%</b>
<b>Liabilities and Stockholders' Equity</b>													
Current liabilities:													
Accounts payable	1.15%	1.84%	4.68%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
Tax Shield on Other Income (expenses)	13.03%	15.92%	14.21%	17.42%	17.42%	17.42%	17.42%	17.42%	17.42%	17.42%	17.42%	17.42%	17.42%
Tax shield on operating lease interest (+)	1.32%	1.21%	0.99%	0.89%	0.74%	0.63%	0.55%	0.49%	0.44%	0.42%	0.40%	0.40%	0.40%
Deferred revenue, current	81.01%	78.34%	71.15%	92.81%	92.81%	92.81%	92.81%	92.81%	92.81%	92.81%	92.81%	92.81%	92.81%
<b>Total current liabilities</b>	<b>96.51%</b>	<b>97.32%</b>	<b>91.03%</b>	<b>116.12%</b>	<b>115.97%</b>	<b>115.86%</b>	<b>115.78%</b>	<b>115.72%</b>	<b>115.67%</b>	<b>115.65%</b>	<b>115.63%</b>	<b>115.63%</b>	<b>115.63%</b>
Convertible senior notes, net	0.00%	0.00%	62.64%	48.44%	19.19%	16.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Operating lease liabilities, non-current	10.86%	9.05%	10.42%	7.78%	6.42%	5.53%	4.79%	4.27%	3.88%	3.69%	3.53%	3.48%	3.49%
Deferred revenue, non-current	0.55%	0.51%	0.43%	0.70%	0.70%	0.70%	0.70%	0.70%	0.70%	0.70%	0.70%	0.70%	0.70%
Other liabilities	1.18%	1.18%	1.69%	1.56%	1.56%	1.56%	1.56%	1.56%	1.56%	1.56%	1.56%	1.56%	1.56%
<b>Total liabilities</b>	<b>109.10%</b>	<b>108.06%</b>	<b>166.21%</b>	<b>174.60%</b>	<b>143.83%</b>	<b>139.66%</b>	<b>122.83%</b>	<b>122.24%</b>	<b>121.81%</b>	<b>121.60%</b>	<b>121.42%</b>	<b>121.36%</b>	<b>121.38%</b>
Stockholders' equity:													
Common Stock	397.49%	332.49%	285.55%	225.84%	185.23%	157.87%	134.45%	117.24%	103.58%	93.81%	85.28%	79.76%	76.02%
Treasury Stock	0.00%	-2.39%	-1.64%	-43.65%	-72.97%	-94.39%	-107.80%	-116.74%	-121.59%	-125.93%	-125.86%	-124.67%	-121.35%
Accumulated other comprehensive loss	-1.85%	-0.29%	-0.06%	-0.05%	-0.04%	-0.03%	-0.03%	-0.02%	-0.02%	-0.02%	-0.02%	-0.02%	-0.01%
Accumulated deficit	-131.49%	-145.22%	-201.12%	-181.93%	-158.90%	-134.09%	-104.45%	-72.00%	-34.44%	4.07%	41.78%	78.91%	116.96%
<b>Total Snowflake Inc. stockholders' equity</b>	<b>264.15%</b>	<b>184.58%</b>	<b>82.72%</b>	<b>0.22%</b>	<b>-46.68%</b>	<b>-70.63%</b>	<b>-77.82%</b>	<b>-71.52%</b>	<b>-52.47%</b>	<b>-28.07%</b>	<b>1.18%</b>	<b>33.99%</b>	<b>71.62%</b>
Noncontrolling interest	0.59%	0.37%	0.19%	0.09%	0.06%	0.05%	0.06%	0.11%	0.23%	0.40%	0.61%	0.87%	1.17%
<b>Total stockholders' equity</b>	<b>264.74%</b>	<b>184.95%</b>	<b>82.91%</b>	<b>0.31%</b>	<b>-46.62%</b>	<b>-70.59%</b>	<b>-77.76%</b>	<b>-71.40%</b>	<b>-52.24%</b>	<b>-27.66%</b>	<b>1.79%</b>	<b>34.86%</b>	<b>72.80%</b>
<b>Total liabilities and stockholders' equity</b>	<b>373.84%</b>	<b>293.01%</b>	<b>249.12%</b>	<b>174.91%</b>	<b>97.22%</b>	<b>69.07%</b>	<b>45.06%</b>	<b>50.84%</b>	<b>69.57%</b>	<b>93.94%</b>	<b>123.22%</b>	<b>156.22%</b>	<b>194.17%</b>

Snowflake Inc  
Value Driver Estimation

Fiscal Years Ending Jan 31	2023	2024	2025	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E	2035E
<b>NOPLAT:</b>													
EBITA (Earnings before interest, taxes)													
Revenue	2,065,659	2,806,489	3,626,396	4,689,719	5,845,177	7,007,650	8,404,062	9,838,792	11,332,580	12,513,275	13,764,602	14,716,645	15,440,423
Cost of revenue	717,540	898,558	1,214,673	1,460,068	1,635,327	1,739,396	2,210,147	2,560,081	2,917,233	3,186,347	3,466,679	3,665,502	3,802,809
Sales and marketing	1,106,507	1,391,747	1,672,092	2,162,379	2,404,731	2,534,803	2,622,357	2,581,202	2,410,038	2,039,409	2,064,690	2,207,497	2,316,063
Research and development	788,058	1,287,949	1,783,379	1,965,190	2,157,117	2,235,736	2,261,047	2,155,110	1,915,683	2,002,124	2,202,336	2,354,663	2,470,468
General and administrative	295,821	323,008	412,262	422,075	508,968	589,691	682,614	770,369	854,181	906,571	956,963	980,103	983,139
Depreciation and amortization	63,535	119,903	182,508	-	-	-	-	-	-	-	-	-	-
Implied Interest on Operating Leases	10,470	12,720	13,867	19,769	20,226	20,795	21,478	22,296	23,255	24,359	25,577	26,918	28,352
<b>EBIT</b>	<b>(895,332)</b>	<b>(1,201,956)</b>	<b>(1,624,651)</b>	<b>(1,300,223)</b>	<b>(840,739)</b>	<b>(71,179)</b>	<b>649,375</b>	<b>1,794,326</b>	<b>3,258,698</b>	<b>4,403,183</b>	<b>5,099,511</b>	<b>5,535,797</b>	<b>5,896,296</b>
Implied Marginal Tax Rate													
<b>Total Adjusted Taxes</b>													
Provision for (benefit from) income taxes	(18,467)	(11,233)	4,113	7,214	8,991	10,779	12,927	15,134	17,432	19,248	21,173	22,637	23,750
Tax Shield on Interest Income (-)	114	309	321	329	270	86	5	(96)	(58)	82	290	579	926
Tax Shield on Interest Expense (+)	-	-	(4)	(192)	(95)	(95)	-	-	-	-	-	-	-
Tax Shield on Other Income (expenses)	(73)	69	(54)	-	-	-	-	-	-	-	-	-	-
Tax shield on operating lease interest (+)	16	20	21	30	31	32	33	34	36	37	39	41	44
<b>Total Adjusted Taxes</b>	<b>(796,705)</b>	<b>(836,097)</b>	<b>(1,285,640)</b>	<b>6,723</b>	<b>8,657</b>	<b>10,630</b>	<b>12,955</b>	<b>15,264</b>	<b>17,525</b>	<b>19,204</b>	<b>20,922</b>	<b>22,100</b>	<b>22,868</b>
<b>Deferred Taxes</b>	<b>(25,947)</b>	<b>(98)</b>	<b>19,091</b>	<b>7,671</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NOPLAT</b>	<b>(124,574)</b>	<b>(365,957)</b>	<b>(319,920)</b>	<b>(1,299,275)</b>	<b>(849,397)</b>	<b>(81,809)</b>	<b>636,420</b>	<b>1,779,062</b>	<b>3,241,173</b>	<b>4,383,979</b>	<b>5,078,589</b>	<b>5,513,698</b>	<b>5,873,428</b>
<b>Invested Capital (IC):</b>													
Operating Assets													
Normal Cash	939,902	1,276,989	1,650,058	2,133,884	2,659,632	3,188,573	3,823,959	4,476,780	5,156,473	5,693,705	6,263,075	6,696,267	7,025,595
Accounts Receivable	715,821	926,902	922,805	94,989	118,392	141,938	170,221	199,281	229,538	253,452	278,797	298,081	312,740
Prepaid Expenses	193,100	180,018	211,234	426,749	531,892	637,674	764,743	895,298	1,031,228	1,138,668	1,252,534	1,339,167	1,405,029
Deferred Commissions	67,901	86,096	97,662	224,221	279,465	335,045	401,809	470,405	541,825	598,275	658,103	703,621	738,226
<b>Operating Current Assets (Non-Interest Bearing)</b>	<b>1,916,724</b>	<b>2,470,005</b>	<b>2,881,759</b>	<b>2,879,843</b>	<b>3,589,382</b>	<b>4,303,229</b>	<b>5,160,731</b>	<b>6,041,764</b>	<b>6,959,063</b>	<b>7,684,100</b>	<b>8,452,510</b>	<b>9,037,136</b>	<b>9,481,591</b>
Operating Liabilities													
Accounts payable	23,672	51,721	169,767	234,486	292,259	350,383	420,203	491,940	566,629	625,664	688,230	735,832	772,021
Accrued expenses and other current liabilities	269,069	446,860	515,454	816,890	1,018,157	1,220,645	1,463,883	1,713,795	1,973,994	2,179,656	2,397,622	2,563,456	2,689,529
Operating lease liabilities, current	27,301	33,944	35,923	41,799	42,976	44,387	46,078	48,059	50,340	52,859	55,630	58,592	61,700
Deferred revenue, current	1,673,475	2,198,705	2,580,039	4,352,622	5,425,026	6,503,941	7,799,978	9,131,580	10,517,994	11,613,821	12,775,203	13,658,813	14,330,566
<b>Operating Current Liabilities (Non-Interest-Bearing)</b>	<b>1,993,517</b>	<b>2,731,230</b>	<b>3,301,183</b>	<b>5,445,798</b>	<b>6,778,418</b>	<b>8,119,355</b>	<b>9,730,142</b>	<b>11,385,373</b>	<b>13,108,957</b>	<b>14,472,000</b>	<b>15,916,685</b>	<b>17,016,693</b>	<b>17,853,817</b>
<b>Net Operating Working Capital</b>	<b>(76,793)</b>	<b>(261,225)</b>	<b>(419,424)</b>	<b>(2,565,955)</b>	<b>(3,189,036)</b>	<b>(3,816,126)</b>	<b>(4,569,411)</b>	<b>(5,343,609)</b>	<b>(6,149,894)</b>	<b>(6,787,901)</b>	<b>(7,464,175)</b>	<b>(7,979,557)</b>	<b>(8,372,226)</b>
<b>Net PPE</b>	<b>160,823</b>	<b>247,464</b>	<b>296,393</b>	<b>303,242</b>	<b>311,778</b>	<b>322,011</b>	<b>334,284</b>	<b>348,652</b>	<b>365,202</b>	<b>383,475</b>	<b>403,577</b>	<b>425,068</b>	<b>447,616</b>
Intangible Assets (non-goodwill)	186,013	331,411	278,028	195,957	138,113	97,343	68,609	48,356	34,082	24,021	16,930	11,933	8,410
Present value of operating leases	231,266	252,128	359,439	367,744	378,096	390,507	405,390	422,814	442,884	465,045	489,422	515,485	542,829
Deferred commissions	145,286	187,093	183,967	545,537	679,947	815,173	977,613	1,144,509	1,318,276	1,455,622	1,601,184	1,711,932	1,796,126
<b>Long-term Operating Assets</b>	<b>723,388</b>	<b>1,018,096</b>	<b>1,117,827</b>	<b>1,412,480</b>	<b>1,507,934</b>	<b>1,625,035</b>	<b>1,785,895</b>	<b>1,964,332</b>	<b>2,160,444</b>	<b>2,328,164</b>	<b>2,511,113</b>	<b>2,664,417</b>	<b>2,794,982</b>
Operating lease liabilities, non-current	224,357	254,037	377,818	365,053	375,328	387,648	402,423	419,719	439,642	461,641	485,839	511,711	538,856
Deferred revenue, non-current	11,463	14,402	15,501	32,975	41,100	49,274	59,093	69,181	79,684	87,986	96,785	103,479	108,568
Other liabilities	24,370	33,120	61,264	72,963	90,628	109,011	130,734	153,052	176,290	194,656	214,122	228,932	240,191
<b>Long-term Operating Liabilities</b>	<b>260,190</b>	<b>301,559</b>	<b>454,583</b>	<b>470,981</b>	<b>507,356</b>	<b>545,933</b>	<b>592,249</b>	<b>641,952</b>	<b>695,616</b>	<b>744,283</b>	<b>796,746</b>	<b>844,122</b>	<b>887,615</b>
<b>Invested Capital</b>	<b>386,405</b>	<b>455,312</b>	<b>243,820</b>	<b>(1,624,456)</b>	<b>(2,188,458)</b>	<b>(2,737,025)</b>	<b>(3,375,764)</b>	<b>(4,021,229)</b>	<b>(4,685,066)</b>	<b>(5,204,020)</b>	<b>(5,749,809)</b>	<b>(6,159,263)</b>	<b>(6,464,859)</b>
<b>Free Cash Flow (FCF):</b>													
NOPLAT	(124,574)	(365,957)	(319,920)	(1,299,275)	(849,397)	(81,809)	636,420	1,779,062	3,241,173	4,383,979	5,078,589	5,513,698	5,873,428
Change in IC	228,605	68,907	(211,493)	(1,868,275)	(564,002)	(548,567)	(638,740)	(645,465)	(663,837)	(518,954)	(545,788)	(409,454)	(305,596)
<b>FCF</b>	<b>(353,180)</b>	<b>(434,865)</b>	<b>(108,427)</b>	<b>569,001</b>	<b>(285,394)</b>	<b>466,757</b>	<b>1,275,160</b>	<b>2,424,527</b>	<b>3,905,010</b>	<b>4,902,933</b>	<b>5,624,377</b>	<b>5,923,152</b>	<b>6,179,024</b>
<b>Return on Invested Capital (ROIC):</b>													
NOPLAT	(124,574)	(365,957)	(319,920)	(1,299,275)	(849,397)	(81,809)	636,420	1,779,062	3,241,173	4,383,979	5,078,589	5,513,698	5,873,428
Beginning IC	157,800	386,405	455,312	243,820	(1,624,456)	(2,188,458)	(2,737,025)	(3,375,764)	(4,021,229)	(4,685,066)	(5,204,020)	(5,749,809)	(6,159,263)
<b>ROIC</b>	<b>-79%</b>	<b>-95%</b>	<b>-70%</b>	<b>-533%</b>	<b>52%</b>	<b>4%</b>	<b>-23%</b>	<b>-53%</b>	<b>-81%</b>	<b>-94%</b>	<b>-98%</b>	<b>-96%</b>	<b>-95%</b>
<b>Economic Profit (EP):</b>													
Beginning IC	157,800	386,405	455,312	243,820	(1,624,456)	(2,188,458)	(2,737,025)	(3,375,764)	(4,021,229)	(4,685,066)	(5,204,020)	(5,749,809)	(6,159,263)
x (ROIC - WACC)	-88.46%	-104.23%	-79.78%	-542.40%	-42.77%	-5.78%	-32.77%	-62.22%	-90.12%	-103.09%	-107.11%	-105.41%	-104.88%
<b>EP</b>	<b>(139,593)</b>	<b>(402,733)</b>	<b>(363,254)</b>	<b>(1,322,480)</b>	<b>(694,792)</b>	<b>126,473</b>	<b>896,912</b>	<b>2,100,345</b>	<b>3,623,887</b>	<b>4,829,872</b>	<b>5,573,873</b>	<b>6,060,526</b>	<b>6,459,626</b>

**Snowflake Inc***Weighted Average Cost of Capital (WACC) Estimation***Cost of Equity:**

Risk-Free Rate	4.10%
Beta	1.10
Equity Risk Premium	5.00%
<b>Cost of Equity</b>	<b>9.60%</b>

**ASSUMPTIONS:***10-year Treasury bond 4/16/25**Beta 5Y 4/16/25**Henry Fund ERP Consensus***Cost of Debt:**

Risk-Free Rate	4.10%
Implied Default Premium	1.40%
Pre-Tax Cost of Debt	5.50%
Marginal Tax Rate	21%
<b>After-Tax Cost of Debt</b>	<b>4.35%</b>

*10-year Treasury bond 4/16/25**Saas Average***Tax Shield on Other Income (expenses)**

Tax shield on operating lease interest (+)

Total Shares Outstanding	333,865
Current Stock Price	\$234.77
<b>MV of Equity</b>	<b>78,381,486.05</b>

**MV Weights**

98.43%

**Market Value of Debt:**

Short-Term Debt	
Current Portion of LTD	515,454
Long-Term Debt	
PV of Operating Leases	737,257
<b>MV of Total Debt</b>	<b>1,252,711.00</b>

1.57%

**Market Value of the Firm****79,634,197.05**

100.00%

**Estimated WACC****9.52%**

**Snowflake Inc**
*Discounted Cash Flow (DCF) and Economic Profit (EP) Valuation Models*
**Key Inputs:**

CV Growth of NOPLAT	6.00%
CV Year ROIC	-95%
WACC	9.52%
Cost of Equity	9.60%

**2035E NOPLAT** **5,873,428**

<b>Fiscal Years Ending Jan 31</b>	<b>2026E</b>	<b>2027E</b>	<b>2028E</b>	<b>2029E</b>	<b>2030E</b>	<b>2031E</b>	<b>2032E</b>	<b>2033E</b>	<b>2034E</b>	<b>2035E</b>
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**DCF Model:**

Free Cash Flow (FCF)	569,001	(285,394)	466,757	1,275,160	2,424,527	3,905,010	4,902,933	5,624,377	5,923,152	6,179,024
Continuing Value (CV)										177,491,897
PV of FCF	519,553	(237,947)	355,339	886,407	1,538,908	2,263,210	2,594,633	2,717,763	2,613,407	78,312,798

Value of Operating Assets:	91,564,072
Non-Operating Adjustments	
Excess Cash	978,740
Short-term investments	2,008,873
Long-term investments	656,476
Convertible senior notes	(2,271,529)
Operating lease liabilities	(737,257)
Tax Shield on Other Intangible Assets	(61,264)
Tax shield on operating assets	(4,914,434)
Value of Equity	87,223,677
Shares Outstanding	333,865
Intrinsic Value of Last FYE	\$ 261.25
<b>Implied Price as of Today</b>	<b>\$ 282.27</b>

**EP Model:**

Economic Profit (EP)	(1,322,480)	(694,792)	126,473	896,912	2,100,345	3,623,887	4,829,872	5,573,873	6,060,926	6,459,626
Continuing Value (CV)										183,651,160
PV of EP	(1,207,553)	(579,281)	96,283	623,474	1,333,142	2,100,281	2,555,969	2,693,358	2,674,196	81,030,382

Total PV of EP	91,320,252
Invested Capital (last FYE)	243,820
Value of Operating Assets:	91,564,072
Non-Operating Adjustments	
Excess Cash	978,740
Short-term investments	2,008,873
Long-term investments	656,476
Convertible senior notes, net	(2,271,529)
Operating lease liabilities, net	(737,257)
Other liabilities	(61,264)
ESOP	(4,914,434)
Value of Equity	87,223,677
Shares Outstanding	333,865
Intrinsic Value of Last FYE	\$ 261.25
<b>Implied Price as of Today</b>	<b>\$ 282.27</b>

**Snowflake Inc***Dividend Discount Model (DDM) or Fundamental P/E Valuation Model*

<b>Fiscal Years Ending</b>	<b>2026E</b>	<b>2027E</b>	<b>2028E</b>	<b>2029E</b>	<b>2030E</b>	<b>2031E</b>	<b>2032E</b>	<b>2033E</b>	<b>2034E</b>	<b>2035E</b>
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EPS	\$	(3.74)	\$	(2.32)	\$	(0.34)	\$	1.95	\$	5.42	\$	10.30	\$	14.48	\$	17.45	\$	19.72	\$	21.81
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**Key Assumptions**

CV growth of EPS	6.00%
CV Year ROE	129.95%
Cost of Equity	9.60%

**Future Cash Flows**

P/E Multiple (CV Year)																				26.50
EPS (CV Year)																			\$	21.81
Future Stock Price																			\$	577.90
Dividends Per Share	-	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
Discounted Cash Flows	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	\$	253.25

Intrinsic Value as of Last FYE	\$	253.25
<b>Implied Price as of Today</b>	<b>\$</b>	<b>273.62</b>

## Snowflake Inc

### Relative Valuation Models

Ticker	Company	Price	Sales per Share 2026E	Sales per Share 2027E	P/S 2026E	P/S 2027E
MDB	MongoDB	\$158.58	28.03	32.70	\$5.66	\$4.85
ESTC	Elastic	\$79.95	9.08	11.92	\$8.81	\$6.71
DDOG	Datadog, Inc.	\$87.93	28.03	33.53	\$3.14	\$2.62
PLTR	Palantir	\$98.40	36.27	47.65	\$2.71	\$2.06
ZS	Zscaler, Inc.	\$204.64	59.95	70.80	\$3.41	\$2.89
NET	Cloudflare	\$109.14	32.46	30.61	\$3.36	\$3.57
TDC	Teradata Corp	\$20.53	2.61	2.59	\$7.88	\$7.93
Average					<b>5.00</b>	<b>4.38</b>

		Price				
SNOW	Snowflake Inc	\$234.77	13.8	17.2	16.98	13.62

### Implied Relative Value Software/Data Peers:

P/S (25)	\$	84.83
P/S (26)	\$	59.62