

Research Standards

HAVEN Report Standards (Mandatory)

1. Structure

- Do not remove sections.
- Pages may be duplicated for depth.
- Every report must include thesis, industry, financials, valuation, risks, and conclusion.

2. Clarity

- Use bullet points, not long paragraphs.
- If crowded → create a new page.
- Visuals > text walls.

3. Evidence

All claims must be supported by:

- Financial data
- Industry comparisons
- Historical performance
- Valuation logic

4. Professional Formatting

- Maintain layout, fonts, and spacing.
- No casual language.
- No opinions without reasoning.

Equity Research Report



Snowflake Inc.
Technology Services | Packaged Software

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Investment Overview

Snowflake Inc. (SNOW)

Sector: Technology Services | Industry: Packaged Software | Price: 177.65

Thesis:

Buy Snowflake around \$175 as the company delivers strong growth with \$4.68B revenue and 15% YoY growth. With a \$200B+ AI and data cloud market opportunity, Snowflake is well-positioned to benefit from rising enterprise AI adoption. As the demand for AI and cloud data infrastructure is increasing.

Key Drivers:

Snowflake is indicating strong customer expansion, with product revenue growing 15% year over year, driven by increased enterprise data and AI workloads. Strong cloud adoption and rising demand for analytics platforms support long-term growth.

Key Risks:

High valuation, strong competition from Databricks and major cloud providers, and dependence on enterprise IT spending cycles.

Haven Rating: 8/10
Recommendation: BUY
Time Horizon: 12-18 MONTHS
Risk Level: MODERATE
Catalyst Driven: YES

Catalysts (Next 1-6 Months):

Rising enterprise AI adoption, expansion of Snowflake’s AI Data Cloud platform, increasing enterprise customers, and new partnerships with cloud and AI providers are expected to drive demand and revenue growth over the next year.

Quick Stats:

- **Price:** 177.65
- **P/E Ratio:** -47.5X
- **Market Cap:** 57.6B
- **Enterprise Value:** 60.11B
- **Revenue (TTM):** 4.68B
- **Cash:** 4.03B
- **FCF:** 1.76B
- **Beta (5Y):** 1.21

Company Snapshot

Business Description:

- The firm offers Data Cloud, an ecosystem where Snowflake customers, partners, data providers, and data consumers can break down data silos and derive value from data. Its platform supports a range of use cases, including data warehousing, data lakes, data engineering, data science, data application development, and data sharing. The cloud-native architecture consists of layers across storage, compute, and cloud services.
- Snowflake's customer base spans from startups to large enterprises, with a strong focus on data-driven organisations.
- Snowflake solves the limitations of traditional, on-premise data warehouses, which are often slow, rigid, and costly to manage.

Revenue Model:

- Subscription-based, Consumption-based, Professional Service and support. This dual approach of subscriptions and consumption-based pricing provides a balance of predictable income and growth potential.

Operating Segments

Segment	% of Revenue
Product Services	95%
Professional Service	5%
Total	100%

Key Operating Metrics

- 733 customers with trailing 12-month product revenue greater than \$1 million, a 27% increase YoY.
- Free cash flow margin:
 - Measures the cash generated by operations after accounting for capital expenditures, reaching a 61% margin in Q4.

Industry Overview

- The IT market is a place to buy and sell high-tech products, such as computers, software, networks, storage equipment, cloud computing, things to protect information security, and services to teach people how to use and fix things.
- The global IT Market size was valued at approximately USD 490.86 billion in 2025 and will touch USD 737.42 billion by 2033, growing at a compound annual growth rate (CAGR) of 7.14% from 2025 to 2033.



Trends

- Increasing enterprise demand for cloud data platforms, supportive data-governance regulations, rapid AI and cloud technology advancements, and businesses increasingly relying on real-time data analytics for decision-making.

Main Competitors

Competitor	Ticker	Market Cap	Additional Notes
ALPHABET	GOOGL	3.67T	Serverless Analytics at Scale.
AMAZON	AMZN	2.25T	AWS-Native Analytical Processing.
MICROSOFT	MSFT	2.98T	Unified Enterprise Analytics.

Company Positioning

- 1.AMAZON (AMZN)
- 2.MICROSOFT (MSFT)
- 3.ALPHABET (GOOGL)

Valuation

Current Valuation

	Prev. Year	Current Year	Next Year (Projected)
EV/Revenue	3.63B	- 4.68B	5.6B
P/S	11.97	- 12.85	13.01
Market Cap	57B	- 57.6B	60B

Peer Comparison

	EV/Revenue	P/S	Market Cap
SNOWFLAKE	4.68B	- 12.85	57.6B
ALPHABET	402.84B	- 8.83	3.67T
MICROSOFT	81.3B	- 9.9	2.98T
AMAZON	691.33B	3.21	2.25T

Valuation Scenarios

Scenario	Assumption	Implied Value	Upside/Downside
Base Case	valuation near analyst average target	- 270	50%
Bull Case	enterprise expansion, higher valuation multiple	- 325	80%
Bear Case	Slower enterprise spending and competitive pressure	- 170	-5%

Fundamental Analysis

Quantitative Analysis (Financial Health)

- Snowflake generated 4.68B revenue (TTM) with 15%YoY growth, but still reports negative GAAP net income due to high operating and R&D expenses, while improving operating margins.
- The company has a strong financial position, low debt levels, and strong shareholder equity
- Snowflake produces strong cash flows driven by growing enterprise usage of its cloud data platform.

Key Ratios

Snowflake trades at P/E: N/A (negative earnings), P/B: 10, and P/S: 14, reflecting a premium valuation due to strong growth expectations in cloud data and AI infrastructure. ROE:-15%, ROA:-7%, and Net Profit Margin:-10%, as the company is still investing heavily in growth, R&D, and platform expansion. Debt-to-Equity: 0.05 (very low debt) and Current Ratio: 1.8, indicating strong liquidity and financial stability. Revenue growth 15% YoY, while EPS remains negative but is expected to improve as operating leverage increases.

Quantitative Analysis (Business Fundamentals)

Snowflake is led by experienced leadership with strong backgrounds in cloud computing and enterprise software, focusing on innovation, strategic partnerships, and expanding the AI Data Cloud ecosystem. Strong cloud data platform, high customer retention, strong ecosystem partnerships, and scalable infrastructure create a competitive moat. Consumption-based cloud model where customers pay for data storage, computing, and analytics usage on the Snowflake platform. Rapid growth in cloud computing, big data analytics, and AI adoption is driving demand for scalable enterprise data platforms like Snowflake.

Technical Analysis

Price Action and Charts

Over the past year, Snowflake’s stock has shown high volatility with periods of uptrend followed by corrections, recently stabilising around the \$170–\$180 range, indicating a short-term sideways trend.

Trading volume typically rises during major price movements, confirming strong investor participation during sharp rallies or declines.

The stock currently trades within a broad consolidation channel, suggesting accumulation before the next directional move.

Common Technical Indicators

Snowflake trades near its 50-day moving average (~\$180) while the 200-day MA (~\$170) acts as a long-term support level, indicating a neutral to slightly bullish trend. RSI is around 50–55, suggesting the stock is neither overbought nor oversold, indicating balanced market momentum. The MACD indicator shows a mild bullish crossover, signalling improving momentum after recent consolidation. Price is trading near the middle band, showing moderate volatility with potential movement toward the upper band if buying momentum increases.

Core Assumption

Snowflake’s stock price reflects all available information, including its revenue growth, AI partnerships, competition, and overall cloud industry expectations. SNOW has shown cyclical uptrends during strong earnings and AI optimism and downtrends during tech sell-offs, indicating identifiable market trends. Investor sentiment toward high-growth cloud companies like Snowflake often repeats, with similar price reactions around earnings, growth expectations, and macroeconomic changes.

Conclusion/Recommendation

Investment Recommendation

BUY

Target Price & Potential Returns

Target Price: \$270 (12-18 months)
Potential Upside: 52%

Core Thesis Summary

Snowflake is well-positioned to benefit from the rapid growth of AI and cloud data platforms due to strong revenue growth, high customer retention, and increasing enterprise demand for data analytics. Strong long-term growth potential in the AI data market with short-term upside from enterprise adoption and new AI integrations.

Key Catalysts

Expansion of Snowflake’s AI Data Cloud and Cortex AI tools to support enterprise AI applications. Partnerships with OpenAI and Google Cloud to strengthen AI capabilities. Continued expansion of AI and data analytics features within the Snowflake platform.

Key Financial Metrics

Revenue: 4.68B
EBITDA Margin: 300M
Cash Balance: 4B
Market Cap: 57.6B
P/E Ratio: -47.5X
EPS: -2.60

Key Risks:

- High Valuation Risk
- Strong Competition from Cloud Providers

Stock Type

Asset Class: Technology sector, Software/Application industry.
Size: Large Cap
Dividend: No

Company Snapshot

Ticker: SNOW
Current Price: 177.65