# Investor Day 2021

Safe Harbor and Other Information

Other than statements of historical fact, all information contained in this presentation and the accompanying oral commentary (the "Materials"), including statements regarding (i) our future operating results, models or targets, and financial position, (ii) objectives for future operations, (iii) our business strategy and plans, (iv) new and enhanced products, services, and technology offerings, including those that are under development, (v) market growth, trends, and competitive considerations, and (vi) the integration, interoperability, and availability of our products with and on third-party platforms, including public cloud platforms and through the Powered by Snowflake program, are forward-looking statements. In some cases, you can identify forward-looking statements by terminology such as "may", "will", "should", "plan", "predict", "expect", "estimate", "anticipate", "intend", "goal", "strategy", "believe", and similar expressions and variations thereof. We have based these forward-looking statements largely on our current expectations, assumptions, and projections about future events and trends that we believe may affect our financial condition, results of operations, business strategy, short-term and long-term business operations and objectives, and financial needs.

These forward-looking statements are subject to a number of risks, uncertainties, and assumptions, including those described under the heading "Risk Factors" and elsewhere in the Quarterly Report on Form 10-Q for the fiscal quarter ended April 30, 2021 that we filed with the Securities and Exchange Commission ("SEC") and other filings and reports we make with the SEC from time to time. Moreover, we operate in a very competitive and rapidly changing environment, and new risks emerge from time to time. It is not possible for us to predict all risks, nor can we assess the effect of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements we may make. In light of these risks, uncertainties, and assumptions, the future events and trends discussed in the Materials may not occur and actual results could differ materially and adversely from those anticipated or implied in the forward-looking statements. As a result, you should not rely on any forwarding-looking statements as predictions of future events. Forward-looking statements speak only as of the date the statements are first made and are based on information available to us at the time those statements are made and/or management's good faith belief as of that time with respect to future events. Except as required by law, we undertake no obligation, and do not intend, to update these forward-looking statements.

Any future product or roadmap information (collectively, the "Roadmap") is intended to outline general product direction; is not a commitment, promise, or legal obligation for Snowflake to deliver any future products, features, or functionality; and is not intended to be, and shall not be deemed to be, incorporated into any contract. The actual timing of any product, feature, or functionality that is ultimately made available may be different from what is presented in the Roadmap. The Roadmap information should not be used when making a purchasing decision. Further, note that Snowflake has made no determination as to whether separate fees will be charged for any future products, features, and/or functionality which may ultimately be made available. Snowflake may, in its own discretion, choose to charge separate fees for the delivery of any future products, features, and/or functionality which are ultimately made available.

This presentation contains statistical data, estimates, and forecasts that are based on independent industry publications or other publicly available information, as well as other information based on our internal sources. While we believe the industry and market data included in this presentation are reliable and are based on reasonable assumptions, these data involve many assumptions and limitations, and you are cautioned not to give undue weight to these estimates. We have not independently verified the accuracy or completeness of the data contained in these industry publications and other publicly available information.

Statement Regarding Use of Non-GAAP Financial Measures

This presentation also includes certain non-GAAP financial measures, which have not been prepared in accordance with generally accepted accounting principles in the United States ("GAAP"). These non-GAAP financial measures are in addition to, and not as a substitute for, or superior to, financial measures calculated in accordance with GAAP. There are a number of limitations related to the use of these non-GAAP financial measures versus their nearest GAAP equivalents. For example, other companies may calculate non-GAAP financial measures differently or may use other measures to evaluate their performance, all of which could reduce the usefulness of our non-GAAP financial measures as tools for comparison. Please see the Appendix for reconciliations of historical non-GAAP financial measures to their nearest GAAP equivalents and for the calculation of certain other financial metrics.

A reconciliation of non-GAAP long-term operating model metrics to corresponding GAAP metrics is not available on a forward-looking basis without unreasonable effort due to the uncertainty regarding, and the potential variability of, expenses that may be incurred in the future. Stock-based compensation expense-related charges, including employer payroll tax-related items on employee stock transactions, are impacted by the timing of employee stock transactions, the future fair market value of our common stock, and our future hiring and retention needs, all of which are difficult to predict and subject to constant change. Our fiscal year ends January 31, and numbers are rounded for presentation purposes.

Our non-GAAP product gross profit and operating income (loss) measures exclude the effect of stock-based compensation expense-related charges, including employer payroll tax-related items on employee stock transactions, amortization of acquired intangibles, and expenses associated with acquisitions and strategic investments. We believe the presentation of operating results that exclude these non-cash or non-recurring items provides useful supplemental information to investors and facilitates the analysis of our operating results and comparison of operating results across reporting periods.

Free cash flow is defined as net cash provided by (used in) operating activities reduced by purchases of property and equipment and capitalized internal-use software development costs. Adjusted free cash flow is defined as free cash flow plus (minus) net cash paid (received) on payroll tax-related items on employee stock transactions. Prior to the fiscal quarter ended April 30, 2021, adjusted free cash flow was defined as free cash flow plus cash paid on only employer payroll tax-related items on employee stock transactions. Starting with the fiscal quarter ended April 30, 2021, adjusted free cash flow is defined to also exclude the effects of employee payroll tax-related items on employee stock transactions, which are generally pass-through transactions that are expected to have a net zero impact on free cash flow over time, but that may impact free cash flow in any given fiscal quarter due to differences between the time that we receive funds from our employees and the time we remit those funds to applicable tax authorities. We believe that excluding the effects of these employee payroll tax-related items will enhance stockholders' ability to evaluate our free cash flow performance, including on a quarter-over-quarter basis. The impact of excluding employee payroll tax-related items on employee stock transactions from our definition of adjusted free cash flow was not significant for the fiscal quarter ended April 30, 2021 or any prior periods. As a result, we have not restated adjusted free cash flow measures for any prior periods. Free cash flow margin and adjusted free cash flow margin are calculated as free cash flow or adjusted free cash flow as a percentage of revenue. We believe these measures provide useful supplemental information to investors because they are indicators of the strength and performance of our core business operations.

Agenda

The Path to $10B   Mike Scarpelli, CFO

Customer Success with Deloitte   Christina Bieniek, Chief Commercial Officer & Principal at Deloitte

Future of the Data Cloud   Christian Kleinerman, SVP Product Management

Top of Mind   Frank Slootman, CEO and Chairman

Management Q&A   Frank Slootman, Mike Scarpelli, and Christian Kleinerman

THE PATH TO $10B
Mike Scarpelli, CFO

FISCAL 2021 WAS A YEAR OF MANY ACHIEVEMENTS

GROWTH

EFFICIENCY

MARKET OPPORTUNITY

CAPITAL MARKETS

# BUT WE ARE FOCUSED ON THE OPPORTUNITY AHEAD

THE PATH TO

$10B

OF PRODUCT

REVENUE

WE ARE DEFINING A NEW MARKET

Revenue per customer driving expansion in today's cloud data platform opportunity, with larger and longer-term Data Cloud market ahead
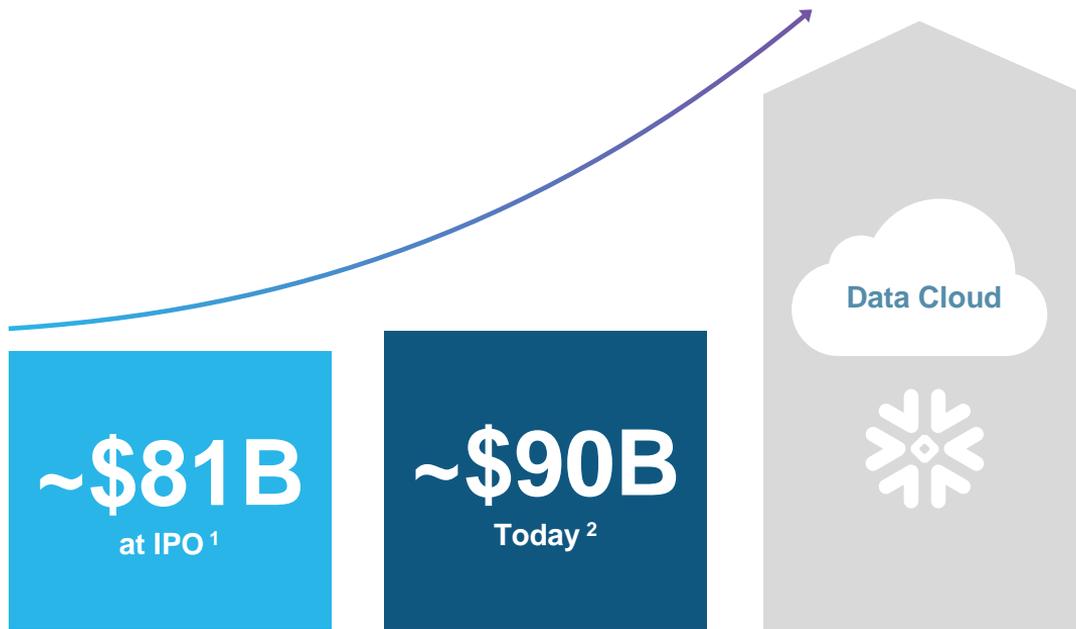
Data Cloud

~$81B
at IPO [1]

~$90B
Today [2]

AND BENEFITING FROM SECULAR TAILWINDS

Software spend is moving to the cloud, and data management is taking incremental share
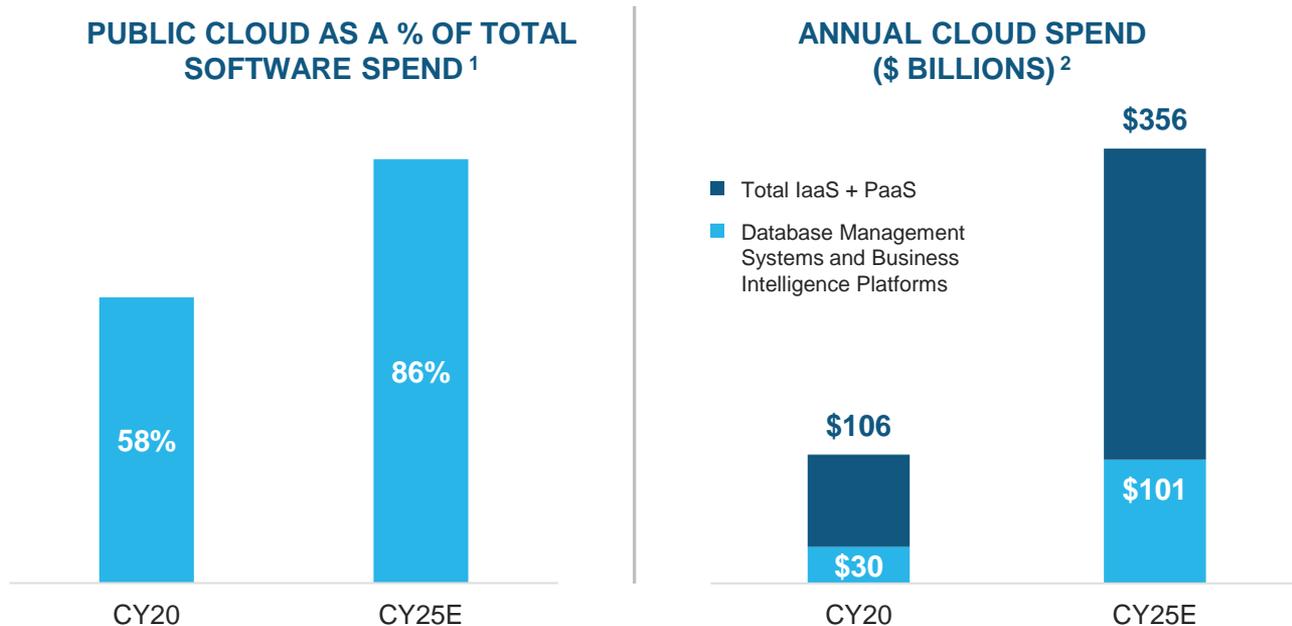
PUBLIC CLOUD AS A % OF TOTAL SOFTWARE SPEND [1]

- CY20: 58%
- CY25E: 86%

ANNUAL CLOUD SPEND ($ BILLIONS) [2]

- Total IaaS + PaaS
- Database Management Systems and Business Intelligence Platforms

- CY20: $106 (Database Management: $30)
- CY25E: $356 (Database Management: $101)

SALES ORGANIZATION STRUCTURED TO ADDRESS GROWTH

MAJORS — Largest 250 customer accounts

ENTERPRISES — Focused on enterprise customers outside of majors accounts

CORPORATE — Inside sales team focused on the acquisition of customers with 500 employees or less

SALES ENABLEMENT — Industry-specific approach, targeting customers in financial services, healthcare & life sciences, retail & CPG, advertising, media & entertainment, technology, and public sector

DRIVING SIGNIFICANT CUSTOMER RELATIONSHIPS

CUSTOMERS WITH TTM PRODUCT REVENUE >$1M[1]

- Customers >$10M[1]
- Customers >$5M[1]
- Customers >$1M[1]

	FY19	FY20	FY21	Q1 FY22
>$10M	1	1	4	4
>$5M	1	4	12	19
>$1M	14	41	77	104
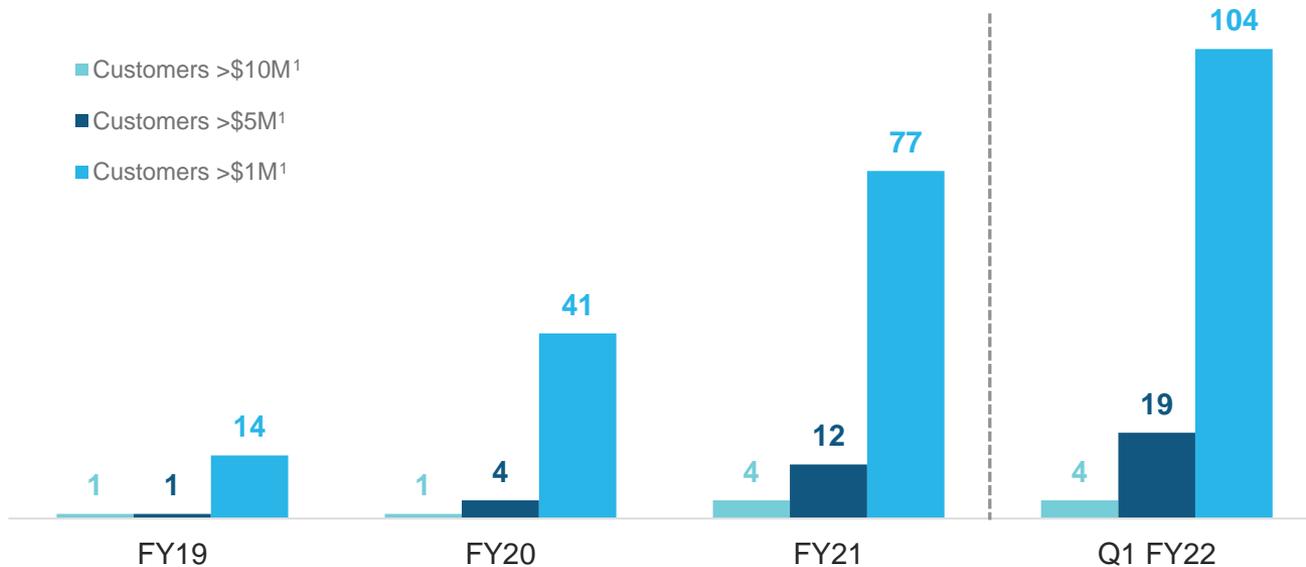
Note: Fiscal year ends January 31.
1. See definitions provided in the Appendix.

OUR TECHNOLOGY ENABLES CUSTOMERS OF ALL SIZES TO MAKE BIG PURCHASES

PROFILE OF CUSTOMERS WITH TTM PRODUCT REVENUE >$1M[1]

Left pie chart:
- 2%
- 37%
- 61%
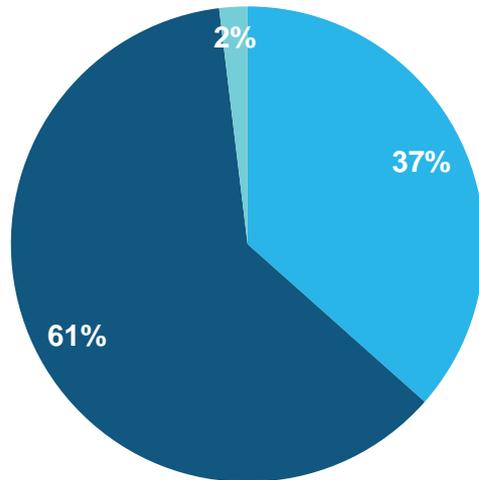
Legend: Majors, Enterprises, Corporate

Right pie chart:
- 25%
- 75%
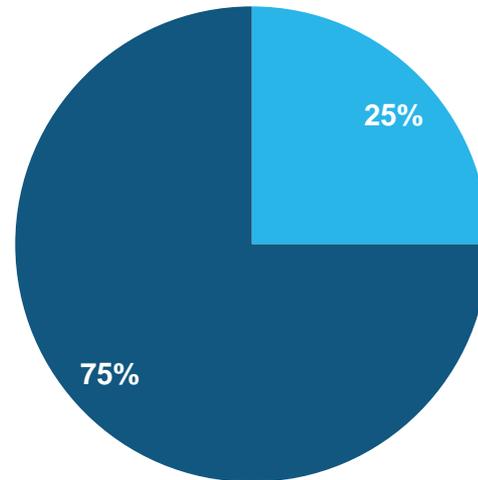
Legend: Fortune 500[1], Other

Note: Numbers are rounded for presentation purposes.
1. As of April 30, 2021. See definitions provided in the Appendix.

HOWEVER, WE BELIEVE THE LARGEST CUSTOMERS WILL COME FROM THE F500

F500 Customer Count[1] / Average TTM Product Revenue ($ in thousands)[1]

	Q1 FY20	Q2 FY20	Q3 FY20	Q4 FY20	Q1 FY21	Q2 FY21	Q3 FY21	Q4 FY21	Q1 FY22
F500 Customer Count	65	90	107	127	144	154	167	186	187
Average TTM Product Revenue	$683	$639	$627	$614	$640	$709	$769	$809	$936
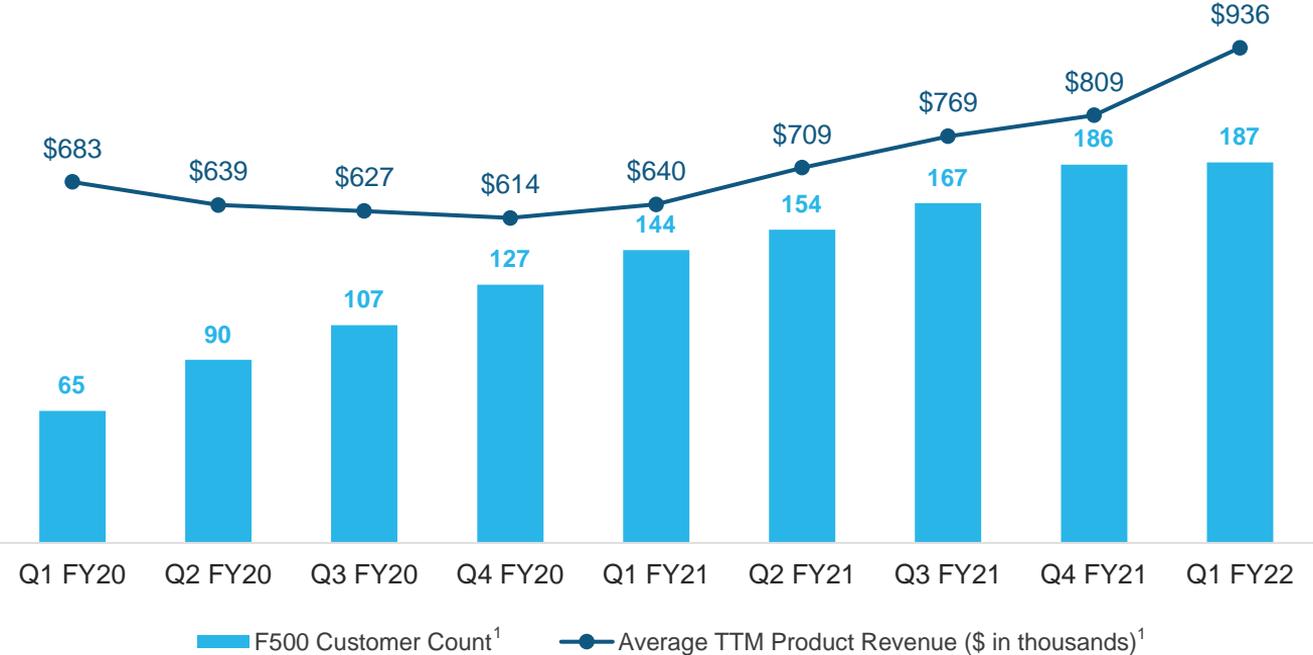
Note: Fiscal year ends January 31.
1. See definitions provided in the Appendix.

THEREFORE, WE NEED TO ACCELERATE TIME TO VALUE

DOLLAR-WEIGHTED AVERAGE TIME FROM START DATE TO CONTRACT CONSUMPTION RUN RATE (DAYS) [1]

Q1 FY19	Q2 FY19	Q3 FY19	Q4 FY19	Q1 FY20	Q2 FY20	Q3 FY20	Q4 FY20	Q1 FY21
235	214	198	224	283	222	214	249	212

Cohort
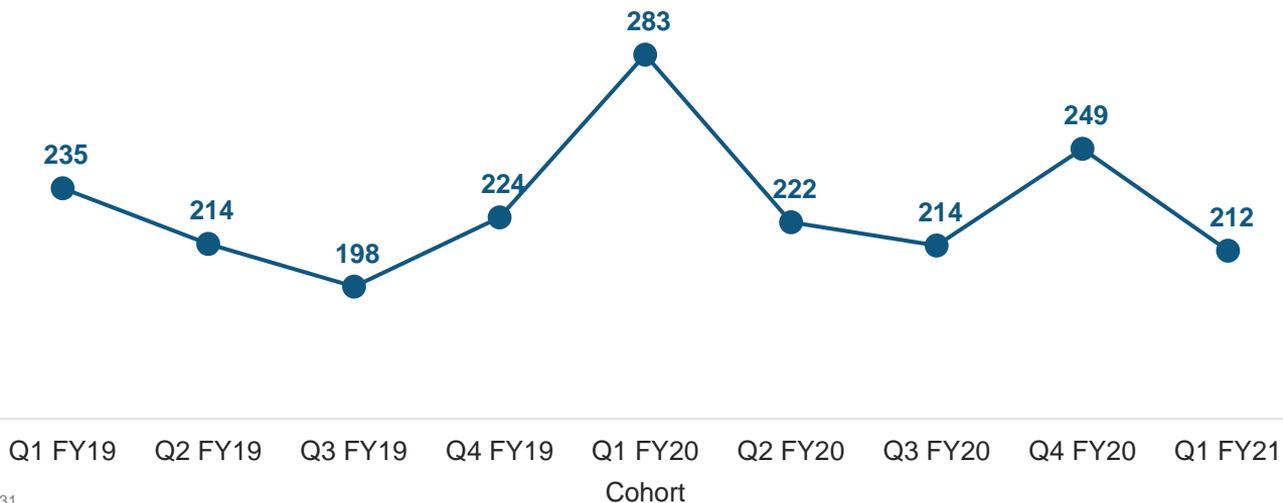
Note: Fiscal year ends January 31.
1. See definitions provided in the Appendix.

DURABLE GROWTH FUELED BY CUSTOMER EXPANSION

**NET REVENUE RETENTION RATE[1]**

FY19	FY20	FY21
180%	169%	168%
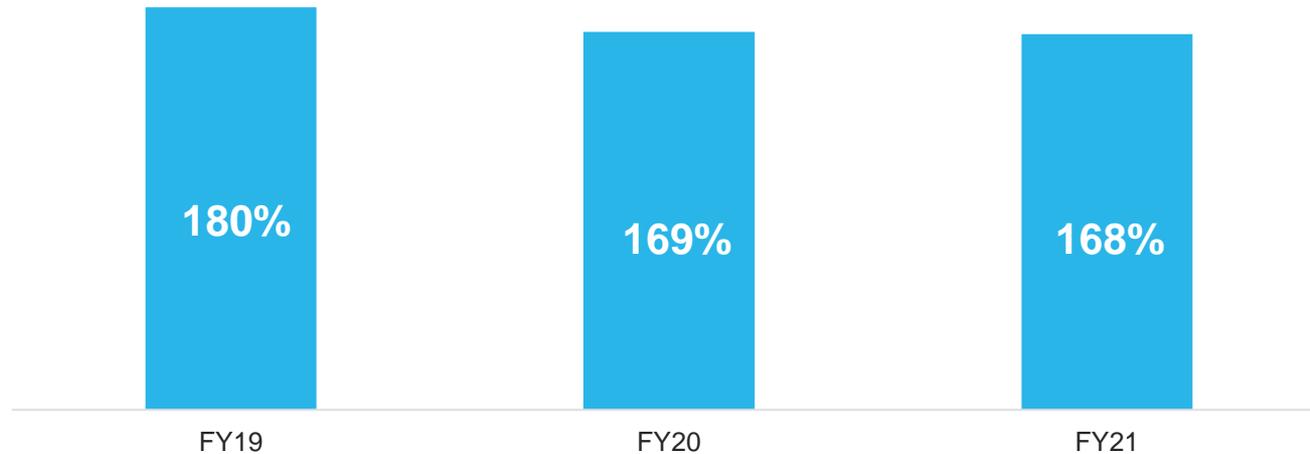
Note: Fiscal year ends January 31.
1. See definitions provided in the Appendix.

LARGE RELATIONSHIPS LEAD TO CONTINUED LEVERAGE OVER TIME

CUSTOMER CONSUMPTION MIX BY EDITION [1]

Legend:
- Virtual Private Snowflake
- Business Critical
- Enterprise
- Standard

FY19:
- Virtual Private Snowflake: 19%
- Business Critical: 12%
- Enterprise: 26%
- Standard: 43%

FY20:
- Virtual Private Snowflake: 14%
- Business Critical: 25%
- Enterprise: 33%
- Standard: 28%

FY21:
- Virtual Private Snowflake: 9%
- Business Critical: 34%
- Enterprise: 38%
- Standard: 19%
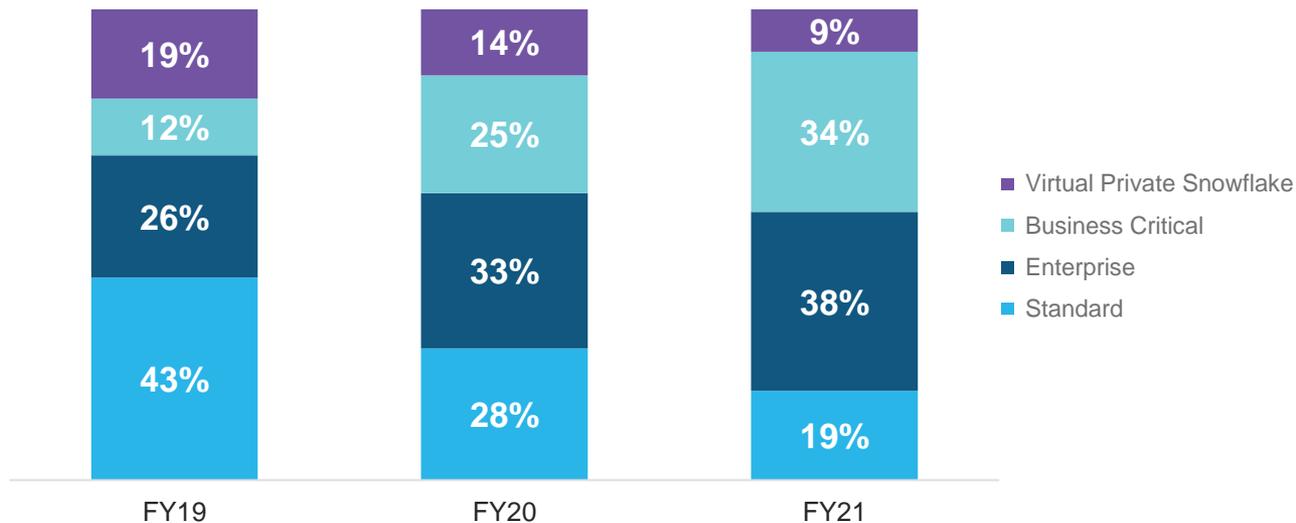
Note: Fiscal year ends January 31.
1. See definitions provided in the Appendix.

THE PATH TO $10B

	FY21	FY29 Target
CUSTOMERS WITH >$1M IN TTM PRODUCT REVENUE [1]	77	~1,400
AVERAGE PRODUCT REVENUE PER >$1M CUSTOMER [1]	$3.4M	~$5.5M
% OF PRODUCT REVENUE FROM >$1M CUSTOMERS [1]	47%	~77%
PRODUCT REVENUE	**$554M**	**~$10,000M**

Note: Fiscal year ends January 31. Numbers are rounded for presentation purposes.
1. See definitions provided in the Appendix.

LONG-TERM OPERATING MODEL

	FY20	FY21	FY29 Target
PRODUCT REVENUE	$252M	$554M	**~$10,000M**
YOY PRODUCT REVENUE GROWTH	164%	120%	**~30%**
NON-GAAP PRODUCT GROSS MARGIN [1]	63%	69%	**~75%**
% OF REVENUE			
NON-GAAP S&M EXPENSES [1]	103%	63%	**~40%**
NON-GAAP R&D EXPENSES [1]	34%	23%	**~15%**
NON-GAAP G&A EXPENSES [1]	26%	17%	**~10%**
NON-GAAP OPERATING INCOME (LOSS) [1]	(105%)	(38%)	**~10%**
NON-GAAP ADJUSTED FCF [1]	(75%)	(12%)	**~15%**

Note: Fiscal year ends January 31.
1. Please see the Appendix for reconciliations of historical non-GAAP financial measures to their nearest GAAP equivalents and for the calculation of certain other financial metrics for historical periods. A reconciliation of non-GAAP FY29 target measures to corresponding GAAP measures is not available on a forward-looking basis without unreasonable effort due to the uncertainty regarding, and the potential variability of, expenses that may be incurred in the future.

KEY PRIORITIES

**Invest
for growth**

**Hyper-focus
on product
gross margin
expansion**

**March towards
generating
meaningful
free cash flow**

**Continued
operating
margin leverage**

MODELING CONSIDERATIONS

FULLY DILUTED SHARE COUNT

<3%
Annual dilution from employee equity grants

ADJUSTED FCF SEASONALITY

Q1 and Q4
will be our
strongest quarters

CUSTOMER SUCCESS WITH DELOITTE

FUTURE OF THE DATA CLOUD

Christian Kleinerman, SVP Product Management

DATA CLOUD IS HAPPENING
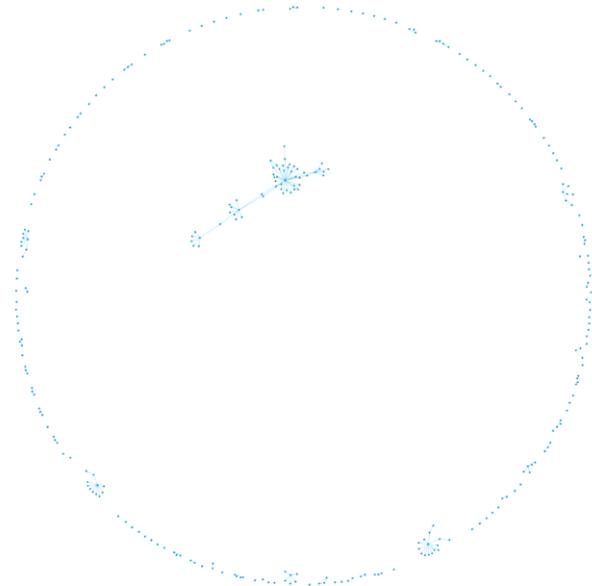
April 30, 2020
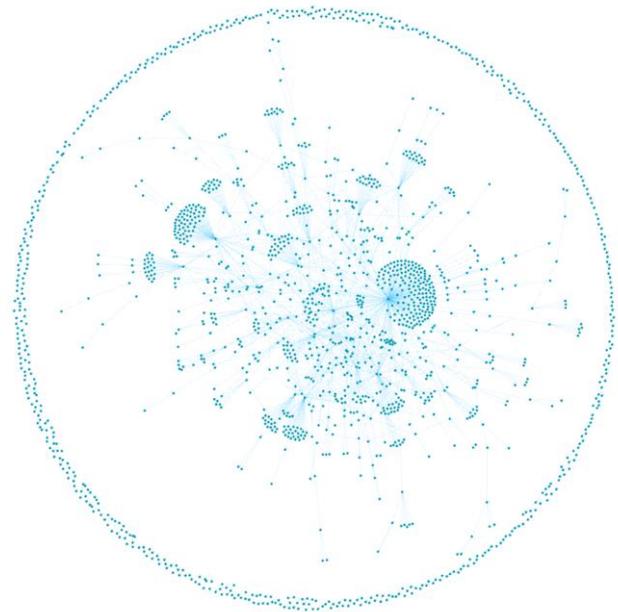
April 30, 2021

Note: Visualizations based on actual Data Cloud sharing activity as of April 30, 2020 and April 30, 2021, as applicable.

INNOVATION PILLARS

CONNECTED INDUSTRIES

GLOBAL GOVERNANCE

PLATFORM OPTIMIZATION

DATA PROGRAMMABILITY

POWERED BY SNOWFLAKE

CONNECTED INDUSTRIES

Powering new types of collaboration across industries and simplifying access to high-value data to increase the data capability of your organization, enhance business outcomes, and lead to better products and services.

BENEFITS

Companies can create tighter, more valuable relationships between their business units, partners, and customers.

Seamlessly and securely share data across clouds and regions.

MAJOR NEW CAPABILITIES

Snowflake Data Marketplace
- Expanding set of providers and data
- Try-before-you-buy experience (*in development*)
- Purchase data instantly on Marketplace (*in development*)

ServiceNow Integration (*in development*)

ANDY MARKUS
CDO

AT&T

"Snowflake data sharing and Marketplace capability ... really enable us to meet that vision of democratizing that data and liberating the data across our enterprise."

GLOBAL GOVERNANCE

Easily ensure data governance and privacy at scale in a data-connected world.

BENEFITS

Support organizational processes with robust controls that apply across all data and all roles

Complement Snowflake's capabilities with deep integrations with industry-leading partners

Trust and protect data while maintaining its value for better business results

MAJOR NEW CAPABILITIES

Alation integration (*coming soon*)

Classification (*private preview*) & anonymized views (*in development*)

BIBA HELOU
SVP

CapitalOne

"It's really important for us to be well managed and manage risk. Not just for regulation purposes, but just for our customers... It's the most important thing to them. Snowflake ... has built building blocks for us to be able to have that well managed data platform."

PLATFORM OPTIMIZATION

Continual innovations on performance, efficiencies, platform capabilities.

BENEFITS

Better support interactive use cases with up to 6x improvement on query throughput on a single compute cluster, 8x improvement in average query duration, and high predictability and consistency for tail latency.

Decrease storage cost for new data up to 30%.

Simplified monitoring and understanding of Snowflake consumption.

MAJOR NEW CAPABILITIES

Interactive use case support (*private preview*)

Storage efficiencies and performance improvements

Usage dashboard (*public preview*)

DATA PROGRAMMABILITY

Making data programmability continuously easier, more capable, and more flexible.

BENEFITS

Simplify and automate pipelines to focus on data rather than the infrastructure.

Accelerate time-to-value across all data, including unstructured, while maintaining governance and business continuity.

Build with ultimate flexibility regardless of preference on programming language or model.

MAJOR NEW CAPABILITIES

Snowpark (*private preview*)

Unstructured data support (*private preview*)

SQL API (*public preview*)

Snowpark Accelerated Partner Program

STEVEN HENSON-TYRES
Data Viz/Automation

Sainsbury's

"We have the art of the possible opened up to us."

POWERED BY SNOWFLAKE

POWERED BY

snowflake®

A Snowflake Partner program designed to help software companies and application developers build, market and operate applications in the Snowflake Data Cloud.

SUNDEEP PARSA
VP

Adobe

"Our customers were asking for an order of magnitude increase in scale, sophistication, and concurrency...we came together...and now we're ready to launch our application, Powered by Snowflake."

WHERE ARE WE HEADED?

CUSTOMER PAIN: ON-PREMISES DATA SILOS
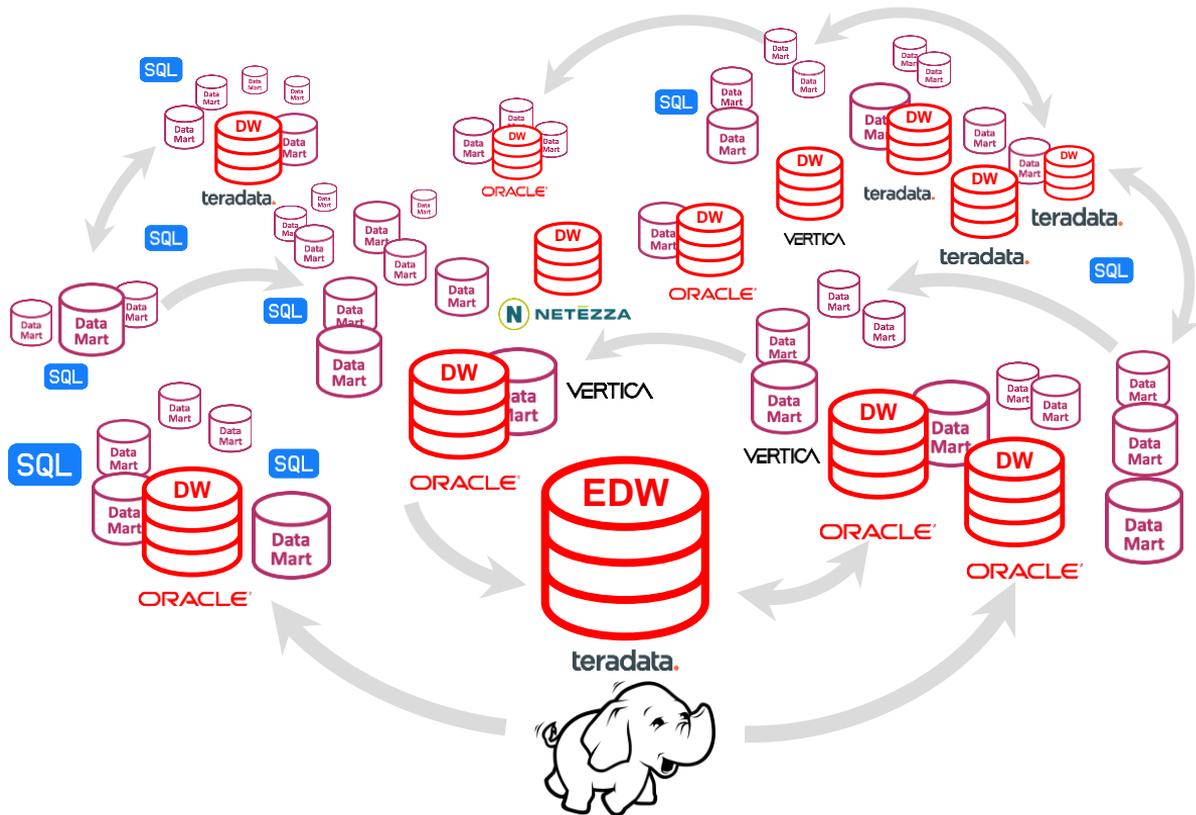
SILOS 2.0

ALL YOUR DATA,
ONE GLOBAL UNIFIED SYSTEM
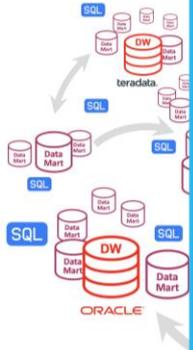
TRANSFORM DATA TO VALUE

GOVERNED AND SECURE

SKILLSET   WORKLOAD   INDUSTRY

COLLABORATE THROUGH DATA
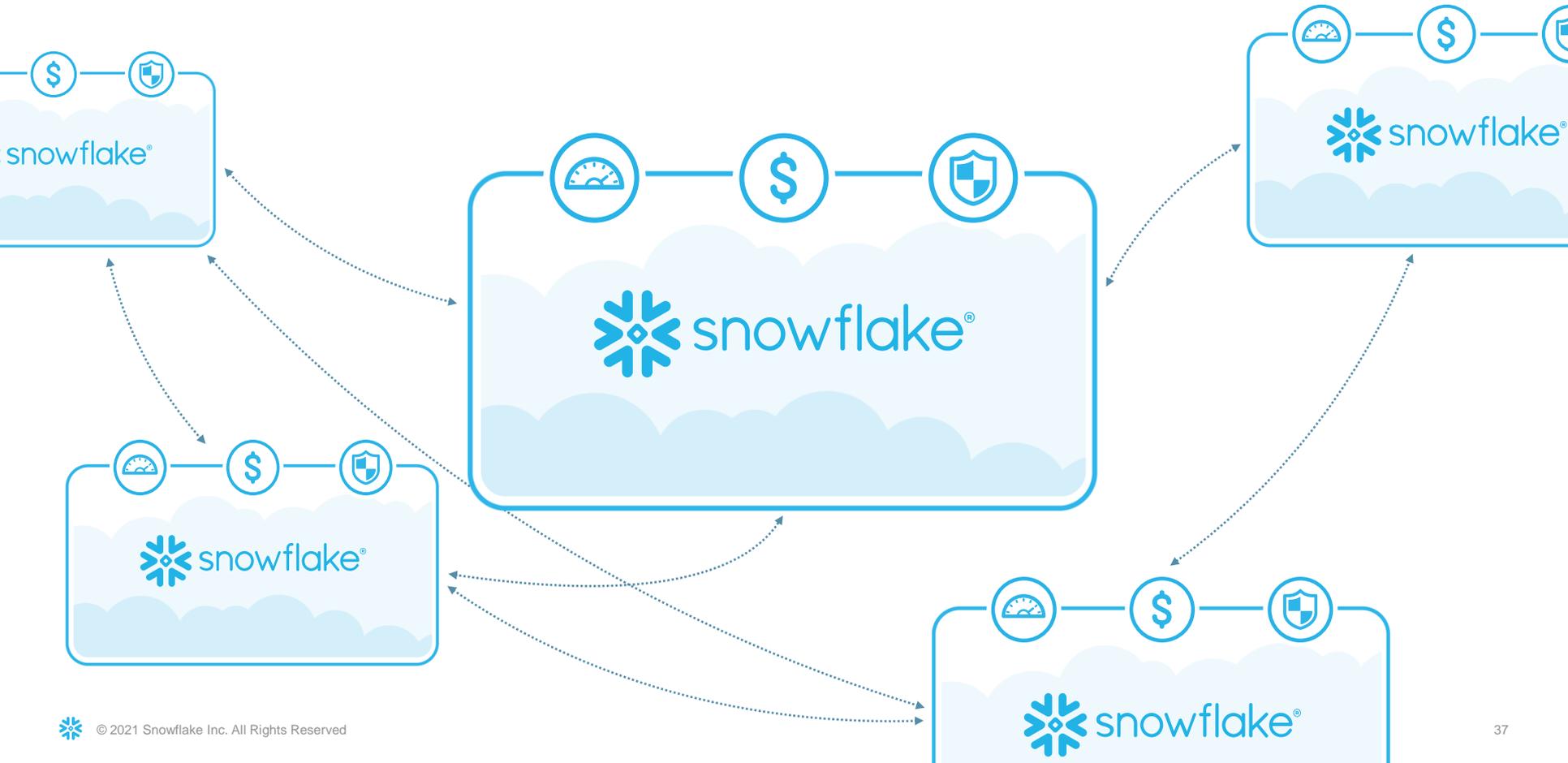
RICH DATA SERVICES AND APPS
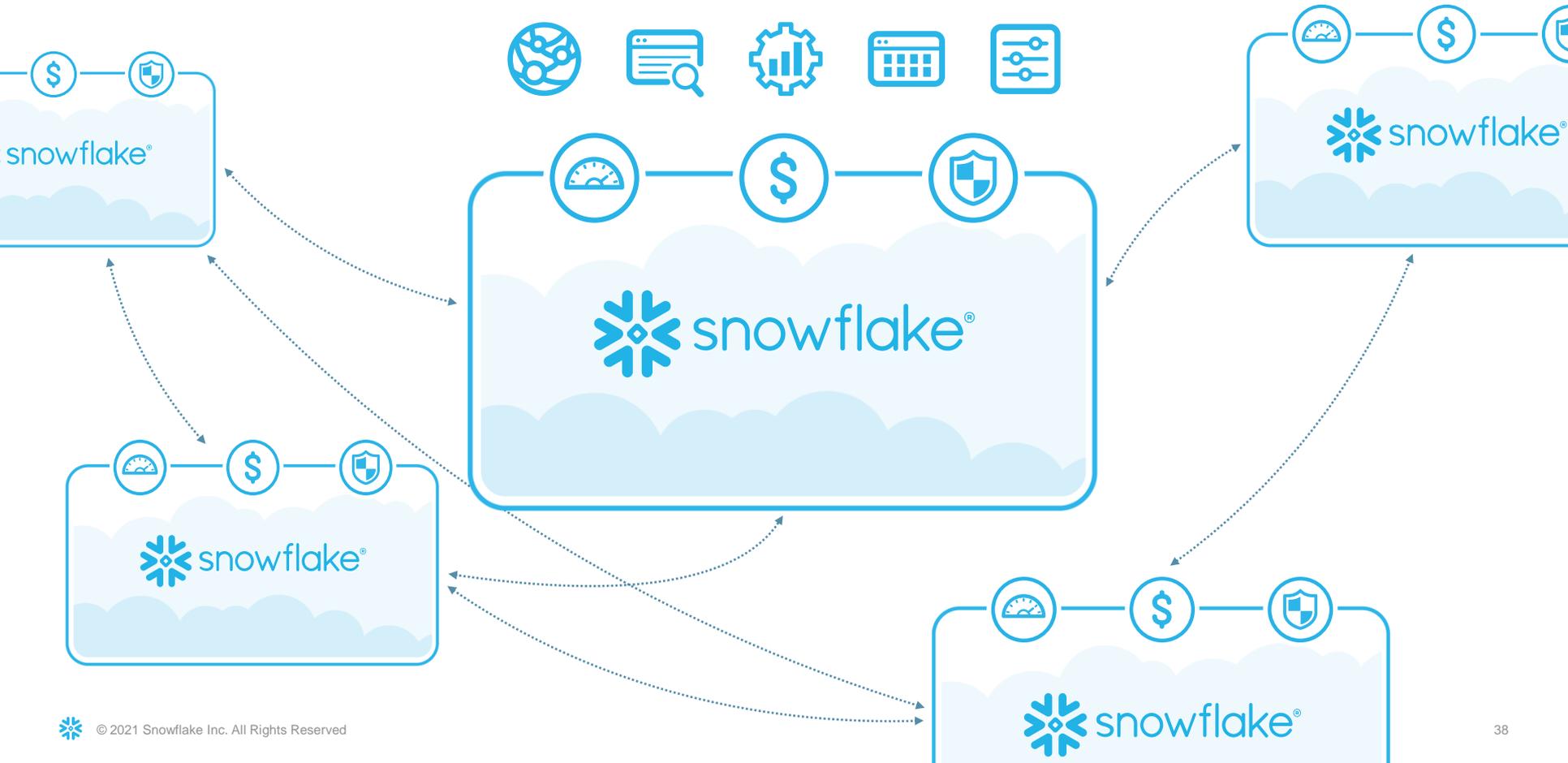
RICH DATA SERVICES AND APPS
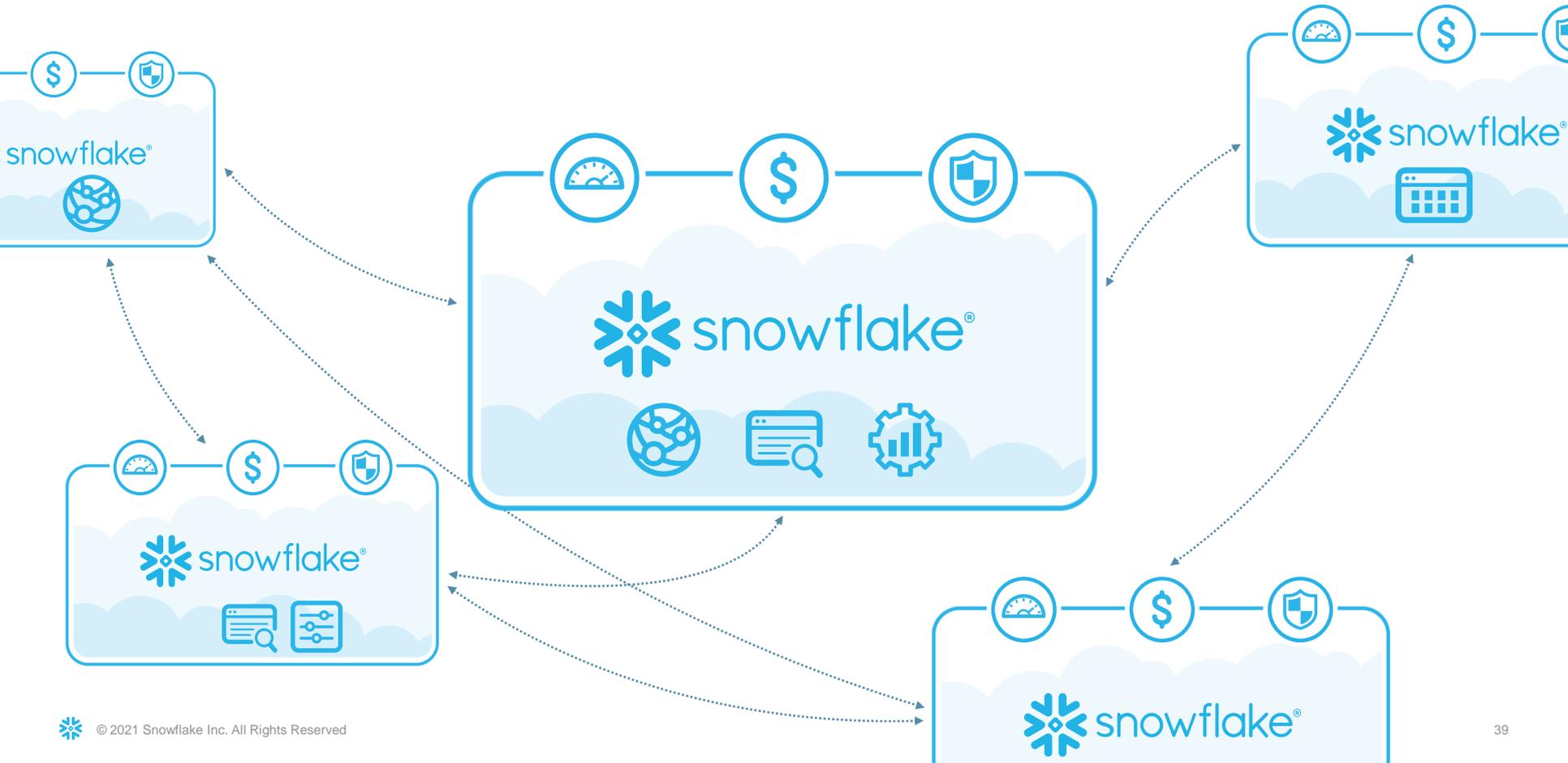
DISCOVER, DISTRIBUTE AND MONETIZE

TOP OF MIND
Frank Slootman, CEO and Chairman

MANAGEMENT Q&A

snowflake®
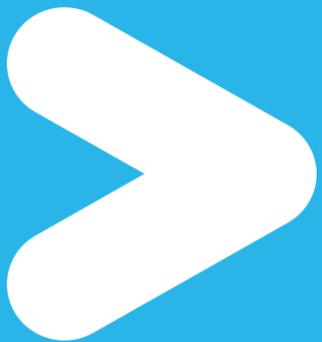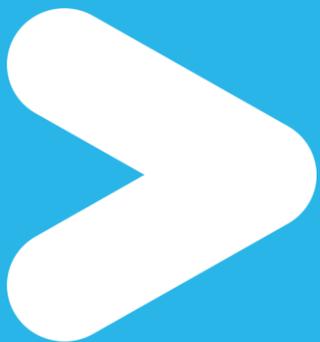
THANK YOU

APPENDIX

DEFINITIONS

- **Product Revenue**: Product revenue is primarily derived from the consumption of compute, storage, and data transfer resources, which are consumed by customers on our platform as a single, integrated offering. Product revenue excludes our professional services and other revenue.

- **Total Customers**: We count the total number of customers at the end of each period. For purposes of determining our customer count, we treat each customer account, including accounts for end-customers under a reseller arrangement, that has at least one corresponding capacity contract as a unique customer, and a single organization with multiple divisions, segments, or subsidiaries may be counted as multiple customers. For purposes of determining our customer count, we do not include customers that consume our platform only under on-demand arrangements. Our customer count is subject to adjustments for acquisitions, consolidations, spin-offs, and other market activity.

- **Customers with TTM Product Revenue**: Represents customers with greater than $1 million, $5 million, or $10 million, as applicable, in trailing 12-month product revenue contribution as of the corresponding period end date.

- **Fortune 500 Customers**: Our Fortune 500 customer count is based on the 2020 Fortune 500 list. Our Fortune 500 customer count is subject to adjustments for annual updates to the Fortune 500 list by Fortune, as well as acquisitions, consolidations, spin-offs, and other market activity with respect to such customers. The Fortune 500 customer count for historical periods has been restated to reflect these adjustments.

- **Net Revenue Retention Rate**: To calculate net revenue retention rate as of the corresponding period end date, we first specify a measurement period consisting of the trailing two years from the corresponding period end. Next, we define as our measurement cohort the population of customers under capacity contracts that used our platform at any point in the first month of the first year of the measurement period. We then calculate the net revenue retention rate as of the corresponding period end date as the quotient obtained by dividing the product revenue from this cohort in the second year of the measurement period by the product revenue from this cohort in the first year of the measurement period. Any customer in the cohort that did not use our platform in the second year remains in the calculation and contributes zero product revenue in the second year. Our net revenue retention rate is subject to adjustments for acquisitions, consolidations, spin-offs, and other market activity.

- **Dollar-Weighted Average Time From Start Date to Contract Consumption Run Rate:** To calculate the dollar-weighted average time from start date to contract consumption run rate, we first specify a cohort of customers consisting of customers whose first contract start date occurred during the corresponding three month fiscal period. Next, we calculate for each customer in a cohort its contract consumption run rate, which is the number of days from the first contract start date until the date that such customer achieves a seven-day average consumption rate which, once such average consumption rate is annualized, is equal to or greater than the value of such customer's initial contracted capacity amount (which includes any free usage provided in connection with the initial contract) for its first year as a customer, which we refer to as the first-year contracted amount. We then calculate the dollar-weighted average of this number of days for each cohort, based on the first-year contracted amount applicable to each customer in the cohort. For any customer that did not achieve its applicable contract consumption run rate by April 30, 2021, we deem such customer to have achieved its contract consumption run rate on the 365th day from its first contract start date for purposes of this calculation.

- **Customer Consumption Mix By Edition**: Customer consumption mix by edition is estimated based on customer consumption of our platform during each fiscal period as measured at the applicable contractual price, and includes consumption by both capacity and on-demand customers. Customer consumption mix by edition is subject to adjustments for changes in our editions, including changes in the features attributable to each edition.

GAAP TO NON-GAAP RECONCILIATIONS

PRODUCT GROSS PROFIT AND SALES & MARKETING

	FY20	FY21
Product revenue	$252,229	$553,794
Professional service and other revenue	12,519	38,255
Revenue	$264,748	$592,049
Gross Profit		
GAAP product gross profit	$155,607	$359,959
GAAP product gross margin	**62%**	**65%**
Add: Stock-based compensation expense-related charges	1,919	18,724
Add: Amortization of acquired intangibles	849	1,696
Non-GAAP product gross profit	$158,375	$380,379
Non-GAAP product gross margin	**63%**	**69%**
Sales & Marketing		
GAAP S&M expense	$293,577	$479,317
GAAP S&M expense as a % of revenue	**111%**	**81%**
Less: Stock-based compensation expense-related charges	(20,922)	(104,537)
Less: Amortization of acquired intangibles	(58)	(12)
Non-GAAP S&M expense	$272,597	$374,768
Non-GAAP S&M expense as a % of revenue	**103%**	**63%**

Note: Fiscal year ends January 31. $ in thousands. Numbers are rounded for presentation purposes.

GAAP TO NON-GAAP RECONCILIATIONS

RESEARCH & DEVELOPMENT AND GENERAL & ADMINISTRATIVE

	FY20	FY21
Product revenue	$252,229	$553,794
Professional service and other revenue	12,519	38,255
Revenue	$264,748	$592,049
Research & Development		
GAAP R&D expense	$105,160	$237,946
GAAP R&D expense as a % of revenue	**40%**	**40%**
Less: Stock-based compensation expense-related charges	(15,786)	(103,954)
Non-GAAP R&D expense	$89,374	$ 133,992
Non-GAAP R&D expense as a % of revenue	**34%**	**23%**
General & Administrative		
GAAP G&A expense	$107,542	$176,135
GAAP G&A expense as a % of revenue	**41%**	**30%**
Less: Stock-based compensation expense-related charges	(38,257)	(72,647)
Less: Amortization of acquired intangibles	-	(1,069)
Less: Expenses associated with acquisitions and strategic investments	(328)	(296)
Non-GAAP G&A expense	$68,957	$ 102,123
Non-GAAP G&A expense as a % of revenue	**26%**	**17%**

Note: Fiscal year ends January 31. $ in thousands. Numbers are rounded for presentation purposes.

GAAP TO NON-GAAP RECONCILIATIONS

OPERATING LOSS, FREE CASH FLOW, AND ADJUSTED FREE CASH FLOW

	FY20	FY21
Product revenue	$252,229	$553,794
Professional service and other revenue	12,519	38,255
Revenue	$264,748	$592,049
Operating Loss		
GAAP operating loss	$(358,088)	$(543,937)
GAAP operating loss as a % of revenue	**(136)%**	**(92)%**
Add: Stock-based compensation expense-related charges	78,616	315,966
Add: Amortization of acquired intangibles	907	2,777
Add: Expenses associated with acquisitions and strategic investments	328	296
Non-GAAP operating loss	$(278,237)	$(224,898)
Non-GAAP operating loss as a % of revenue	**(105)%**	**(38)%**
Non-GAAP Free Cash Flow and Adjusted Free Cash Flow		
GAAP net cash used in operating activities	**$(176,558)**	**$(45,417)**
Less: purchases of property and equipment	(18,583)	(35,037)
Less: capitalized internal-use software development costs	(4,265)	(5,293)
Non-GAAP free cash flow	**$(199,406)**	**$(85,747)**
Non-GAAP free cash flow as a % of revenue	**(75)%**	**(14)%**
Add: net cash paid on payroll tax-related items on employee stock transactions	217	14,136
Non-GAAP adjusted free cash flow	**$(199,189)**	**$(71,611)**
Non-GAAP adjusted free cash flow as a % of revenue	**(75)%**	**(12)%**

Note: Fiscal year ends January 31. $ in thousands. Numbers are rounded for presentation purposes.