



Snowflake Reports Financial Results for the First Quarter of Fiscal 2026

- Product revenue of \$996.8 million in the first quarter, representing 26% year-over-year growth
- Net revenue retention rate of 124%
- 606 customers with trailing 12-month product revenue greater than \$1 million
- 754 Forbes Global 2000 customers
- Remaining performance obligations of \$6.7 billion, representing 34% year-over-year growth

No-Headquarters/BOZEMAN, Mont. - May 21, 2025 - Snowflake (NYSE: SNOW), the AI Data Cloud company, today announced financial results for its first quarter of fiscal 2026, ended April 30, 2025.

Revenue for the quarter was \$1.0 billion, representing 26% year-over-year growth. Product revenue for the quarter was \$996.8 million, representing 26% year-over-year growth. Net revenue retention rate was 124% as of April 30, 2025. The company now has 606 customers with trailing 12-month product revenue greater than \$1 million and 754 Forbes Global 2000 customers, representing 27% and 4% year-over-year growth, respectively. Remaining performance obligations were \$6.7 billion, representing 34% year-over-year growth. See the section titled "Key Business Metrics" for definitions of product revenue, net revenue retention rate, customers with trailing 12-month product revenue greater than \$1 million, Forbes Global 2000 customers, and remaining performance obligations.

"Snowflake delivered another strong quarter, with product revenue of \$997 million, up a strong 26% year-over-year, and remaining performance obligations totaling \$6.7 billion," said Sridhar Ramaswamy, CEO of Snowflake. "Snowflake's mission is to empower every enterprise to achieve its full potential through data and AI. Our focus on making the Snowflake platform easy to use, to enable fluid access to data wherever it sits, and trusted for enterprise-grade performance, is what makes us differentiated and beloved by more than 11,000 customers. We see an enormous opportunity ahead as we extend this value throughout the full data lifecycle."

First Quarter Fiscal 2026 GAAP and Non-GAAP Results:

The following table summarizes our financial results for the first quarter of fiscal 2026:

	First Quarter Fiscal 2026 GAAP Results		First Quarter Fiscal 2026 Non-GAAP Results ⁽¹⁾	
	Amount (millions)	Year/Year Growth	Amount (millions)	Margin
Product revenue	\$996.8	26 %		
	Amount (millions)	Margin	Amount (millions)	Margin
Product gross profit	\$711.5	71 %	\$754.1	76 %
Operating income (loss)	(\$447.3)	(43 %)	\$91.7	9 %
Net cash provided by operating activities	\$228.4	22 % ⁽²⁾		
Free cash flow			\$183.4	18 %
Adjusted free cash flow			\$206.3	20 %

⁽¹⁾ We report non-GAAP financial measures in addition to, and not as a substitute for, or superior to, financial measures calculated in accordance with GAAP. See the section titled "Statement Regarding Use of Non-GAAP Financial Measures" for an explanation of non-GAAP financial measures, and the table titled "GAAP to Non-GAAP Reconciliations" for a reconciliation of GAAP to non-GAAP financial measures.

⁽²⁾ Calculated as net cash provided by operating activities as a percentage of revenue.

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

Financial Outlook:

Our guidance includes GAAP and non-GAAP financial measures.

The following table summarizes our guidance for the second quarter of fiscal 2026:

	Second Quarter Fiscal 2026 GAAP Guidance		Second Quarter Fiscal 2026 Non-GAAP Guidance ⁽¹⁾
	Amount (millions)	Year/Year Growth	
Product revenue	\$1,035 - \$1,040	25 %	
Operating income			Margin 8 %
Weighted-average shares used in computing net income per share attributable to Snowflake Inc. common stockholders—diluted ⁽²⁾			Amount (millions) 371

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⁽²⁾ The potential impact of future repurchases under our stock repurchase program is not reflected in our guidance for weighted-average shares used in computing net income per share attributable to Snowflake Inc. common stockholders—diluted due to the uncertainty regarding, and the potential variability of, the timing and amount of repurchases. Additionally, the dilutive effect of the shares issuable upon conversion of our 0% convertible senior notes due 2027 and 0% convertible senior notes due 2029 (the Notes) using the if-converted method, estimated at approximately 14 million shares for the second quarter of fiscal 2026 based on the current conversion price and net of the potential antidilutive impact of the capped call transactions entered into in connection with the Notes (the Capped Calls), is reflected in our guidance for weighted-average shares used in computing net income per share attributable to Snowflake Inc. common stockholders—diluted. Upon conversion of the Notes, we may choose to satisfy our conversion obligations by paying or delivering, as the case may be, cash, shares of our common stock, or a combination of both. The Capped Calls will have an antidilutive impact when the average stock price of our common stock in a given period is higher than their exercise price. The estimated antidilutive impact of the Capped Calls reflected in our guidance is based on the market price of our common stock as of April 30, 2025, and is subject to change with future stock price movements.

The following table summarizes our guidance for the full-year of fiscal 2026:

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	Full-Year Fiscal 2026 GAAP Guidance		Full-Year Fiscal 2026 Non-GAAP Guidance ⁽¹⁾
	Amount (millions)	Year/Year Growth	
Product revenue	\$4,325	25 %	
			Margin
Product gross profit			75 %
Operating income			8 %
Adjusted free cash flow			25 %
			Amount (millions)
Weighted-average shares used in computing net income per share attributable to Snowflake Inc. common stockholders—diluted ⁽²⁾			372

⁽¹⁾ We report non-GAAP financial measures in addition to, and not as a substitute for, or superior to, financial measures calculated in accordance with GAAP. See the section titled “Statement Regarding Use of Non-GAAP Financial Measures” for an explanation of non-GAAP financial measures.

⁽²⁾ The potential impact of future repurchases under our stock repurchase program is not reflected in our guidance for weighted-average shares used in computing net income per share attributable to Snowflake Inc. common stockholders—diluted due to the uncertainty regarding, and the potential variability of, the timing and amount of repurchases. Additionally, the dilutive effect of the shares issuable upon conversion of the Notes using the if-converted method, estimated at approximately 14 million shares for the full-year of fiscal 2026 based on the current conversion price and net of the potential antidilutive impact of the Capped Calls, is reflected in our guidance for weighted-average shares used in computing net income per share attributable to Snowflake Inc. common stockholders—diluted. Upon conversion of the Notes, we may choose to satisfy our conversion obligations by paying or delivering, as the case may be, cash, shares of our common stock or a combination of both. The Capped Calls will have an antidilutive impact when the average stock price of our common stock in a given period is higher than their exercise price. The estimated antidilutive impact of the Capped Calls reflected in our guidance is based on the market price of our common stock as of April 30, 2025, and is subject to change with future stock price movements.

A reconciliation of non-GAAP guidance measures to corresponding GAAP guidance 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. Stock-based compensation-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. These factors could be material to our results computed in accordance with GAAP. We have provided a reconciliation of GAAP to non-GAAP financial measures in the financial statement tables for our historical non-GAAP financial results included in this release. Our fiscal year ends January 31, and numbers are rounded for presentation purposes.

Conference Call Details

The conference call will begin at 3 p.m. Mountain Time on May 21, 2025. Investors and participants may attend the call by dialing (833) 470-1428 (Access code: 692434). For investors and participants outside the United States, see global dial-in numbers at <https://www.netroadshow.com/events/global-numbers?confid=73127> (Access code: 692434).

The call will also be webcast live on the Snowflake Investor Relations website at <https://investors.snowflake.com>.

An audio replay of the conference call and webcast will be available two hours after its completion and will be accessible for 30 days on the Snowflake Investor Relations website.

Investor Presentation Details

An investor presentation providing additional information and analysis can be found at <https://investors.snowflake.com>.

Statement Regarding Use of Non-GAAP Financial Measures

We report the following non-GAAP financial measures, which have not been prepared in accordance with generally accepted accounting principles in the United States (GAAP), in addition to, and not as a substitute for, or superior to, financial measures calculated in accordance with GAAP.

- Non-GAAP Product gross profit, Operating income, Net income, Net income attributable to Snowflake Inc., and Net income per share attributable to Snowflake Inc. common stockholders—basic and diluted.** Non-GAAP product gross profit, operating income, net income, and net income attributable to Snowflake Inc. are each defined as the respective GAAP measure, excluding, as applicable, the effect of (i) stock-based compensation-related charges, including employer payroll tax-related items on employee stock transactions, (ii) amortization of acquired intangibles, (iii) expenses associated with acquisitions and strategic investments, (iv) amortization of debt issuance costs, (v) restructuring charges, net of associated income and recoveries, (vi) asset impairment related to office facility exit, net of associated sublease income, if any, (vii) adjustments attributable to noncontrolling interest, and (viii) the related income tax effect of these adjustments as well as the non-recurring income tax expense or benefit associated with acquisitions. Non-GAAP product gross margin is calculated as non-GAAP product gross profit as a percentage of product revenue. Non-GAAP operating margin is calculated as non-GAAP operating income as a percentage of revenue. Our non-GAAP net income per share attributable to Snowflake Inc. common stockholders—basic is calculated by dividing non-GAAP net income attributable to Snowflake Inc. by the weighted-average number of shares of common stock outstanding during the period. Our non-GAAP net income per share attributable to Snowflake Inc. common stockholders—diluted is calculated by dividing non-GAAP net income attributable to Snowflake Inc. by the non-GAAP weighted-average number of diluted shares outstanding, which includes (a) the effect of all potentially dilutive common stock equivalents (stock options, restricted stock units, employee stock purchase rights under our 2020 Employee Stock Purchase Plan), (b) the potential dilutive effect of the shares issuable upon conversion of the Notes using the if-converted method, and (c) the antidilutive impact, if any, of the Capped Calls entered into in connection with the Notes. The Capped Calls are expected to reduce the potential dilution to our common stock upon any conversion of the Notes under certain circumstances. Under GAAP, the antidilutive impact of the Capped Calls is not reflected in diluted shares outstanding until exercised. For the historical periods presented, there was no material antidilutive impact of the Capped Calls. The potential dilutive effect of outstanding restricted stock units with performance conditions not yet satisfied is included in the non-GAAP weighted-average number of diluted shares at forecasted attainment levels to the extent we believe it is probable that the performance conditions will be met. Amounts attributable to noncontrolling interest were not material for all periods presented. We believe the presentation of operating results that exclude these items that are (i) non-cash items, (ii) non-recurring items, or (iii) items that have highly variable amounts due to factors beyond our control and are unrelated to our core operations such that management does not consider them in evaluating the business performance or making operating plans, 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.** Free cash flow is defined as net cash provided by operating activities reduced by purchases of property and equipment and capitalized internal-use software development costs. Cash outflows for employee payroll tax items related to the net share settlement of equity awards are included in cash flow for financing activities and, as a result, do not have an effect on the calculation of free cash flow. Free cash flow margin is calculated as 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.
- Adjusted free cash flow.** Adjusted free cash flow is defined as free cash flow plus (minus) net cash paid (received) on employer and employee payroll tax-related items on employee stock transactions. Employee payroll tax-related items on employee stock transactions 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 payroll tax-related items will enhance stockholders' ability to evaluate our free cash flow performance, including on a quarter-over-quarter basis. Adjusted free cash flow margin is calculated as 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.

We use these non-GAAP financial measures internally for financial and operational decision-making purposes and as a means to evaluate period-to-period comparisons. Non-GAAP financial measures are not meant to be considered in isolation or as a substitute for comparable GAAP financial measures and should be read only in conjunction with our condensed consolidated financial statements prepared in accordance with GAAP. Our presentation of non-GAAP financial measures may not be comparable to similar measures used by other companies. We encourage investors to carefully consider our results under GAAP, as well as our supplemental non-GAAP information and the reconciliation between these presentations, to more fully understand our business. Please see the tables included at the end of this release for the reconciliation of GAAP to non-GAAP results.

Key Business Metrics

We monitor our key business metrics, including (i) free cash flow and (ii) the other metrics set forth below to help us evaluate our business and growth trends, establish budgets, measure the effectiveness of our sales and marketing efforts, and assess operational efficiencies. See the section titled “Statement Regarding Use of Non-GAAP Financial Measures” for the definition of free cash flow. The calculation of our key business metrics may differ from other similarly titled metrics used by other companies, securities analysts, or investors.

- **Product Revenue.** Product revenue is a key metric for us because we recognize revenue based on platform consumption, which is inherently variable at our customers' discretion, and not based on the amount and duration of contract terms. Product revenue is primarily derived from the consumption of compute, storage, and data transfer resources by customers on our platform. Customers have the flexibility to consume more than their contracted capacity during the contract term and may have the ability to roll over unused capacity to future periods, generally upon the purchase of additional capacity at renewal. Our consumption-based business model distinguishes us from subscription-based software companies that generally recognize revenue ratably over the contract term and may not permit rollover. Because customers have flexibility in the timing of their consumption, which can exceed their contracted capacity or extend beyond the original contract term in many cases, the amount of product revenue recognized in a given period is an important indicator of customer satisfaction and the value derived from our platform. While customer use of our platform in any period is not necessarily indicative of future use, we estimate future revenue using predictive models based on customers' historical usage to plan and determine financial forecasts. Product revenue excludes our professional services and other revenue.
 - **Net Revenue Retention Rate.** To calculate net revenue retention rate, we first specify a measurement period consisting of the trailing two years from our current 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. The cohorts used to calculate net revenue retention rate include end-customers under a reseller arrangement. We then calculate our net revenue retention rate as the quotient obtained by dividing our product revenue from this cohort in the second year of the measurement period by our 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, and we present our net revenue retention rate for historical periods reflecting these adjustments. Since we will continue to attribute the historical product revenue to the consolidated contract, consolidation of capacity contracts within a customer's organization typically will not impact our net revenue retention rate unless one of those customers was not a customer at any point in the first month of the first year of the measurement period.
 - **Customers with Trailing 12-Month Product Revenue Greater than \$1 Million.** To calculate the number of customers with trailing 12-month product revenue greater than \$1 million, we count the number of customers under capacity arrangements that contributed more than \$1 million in product revenue in the trailing 12 months. 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. We do not include customers that consume our platform only under on-demand arrangements for purposes of determining our customer count. Our customer count is subject to adjustments for acquisitions, consolidations, spin-offs, and other market activity, and we present our customer count for historical periods reflecting these adjustments.
 - **Forbes Global 2000 Customers.** Our Forbes Global 2000 customer count is a subset of our customer count based on the 2024 Forbes Global 2000 list. Our Forbes Global 2000 customer count is subject to adjustments for annual updates to the list by Forbes, as well as acquisitions, consolidations, spin-offs, and other market activity with respect to such customers, and we present our Forbes Global 2000 customer count for historical periods reflecting these adjustments.
 - **Remaining Performance Obligations.** Remaining performance obligations (RPO) represent the amount of contracted future revenue that has not yet been recognized, including (i) deferred revenue and (ii) non-cancelable contracted amounts that will be invoiced and recognized as revenue in future periods. RPO excludes performance obligations from on-demand arrangements and certain time and materials contracts that are billed in arrears. Portions of RPO that are not yet invoiced and are denominated in foreign currencies are revalued into U.S. dollars each period based on the applicable period-end exchange rates. RPO is not necessarily indicative of future product revenue growth because it does not account for the timing of customers' consumption or their consumption of more than their contracted capacity. Moreover, RPO is influenced by a number of factors, including the timing and size of renewals, the timing and size of purchases of additional capacity, average contract terms, seasonality, changes in foreign currency exchange rates, and the extent to which customers are permitted to roll over unused capacity to future periods, generally upon the purchase of additional capacity at renewal. Due to these factors, it is important to review RPO in conjunction with product revenue and other financial metrics disclosed elsewhere herein.
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Use of Forward-Looking Statements

This release and the accompanying oral presentation contain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, regarding our performance, including but not limited to statements in the section titled “Financial Outlook.” Words such as “guidance,” “outlook,” “expect,” “anticipate,” “should,” “believe,” “hope,” “target,” “project,” “plan,” “goals,” “estimate,” “potential,” “predict,” “may,” “will,” “might,” “could,” “intend,” “shall,” and variations of these terms or the negative of these terms and similar expressions are intended to identify these forward-looking statements. Other than statements of historical fact, all statements contained in this release and accompanying oral presentation are forward-looking statements, including statements regarding (i) our future operating results, targets, or financial position; (ii) our business strategy, plans, opportunities, or priorities; (iii) the release, adoption, and use of our new or enhanced products, services, and technology offerings, including those that are under development or not generally available; (iv) market size and growth, trends, and competitive considerations; (v) our vision, strategy and expected benefits relating to artificial intelligence, Snowpark, Snowflake Marketplace, the AI Data Cloud, and AI Data Clouds for specific industries or product categories, including the expected benefits and network effects of the AI Data Cloud; and (vi) the integration, interoperability, and availability of our products, services, and technology offerings with and on third-party products and platforms, including public cloud platforms.

The forward-looking statements contained in this release and the accompanying oral presentation are subject to known and unknown risks, uncertainties, assumptions, and other factors that may cause actual results or outcomes to be materially different from any future results or outcomes expressed or implied by the forward-looking statements. These risks, uncertainties, assumptions, and other factors include, but are not limited to, those related to our business and financial performance; general market and business conditions, downturns, or uncertainty, including higher inflation, tariffs and trade wars, higher interest rates, fluctuations or volatility in capital markets or foreign currency exchange rates, and geopolitical instability; our ability to attract and retain customers that use our platform to support their end-to-end data lifecycle; the extent to which customers continue to optimize consumption; the impact of new or optimized product features and pricing strategies on consumption, including Iceberg tables and tiered storage pricing; unforeseen technical, operational, or business challenges impacting the timing, scope, or success of strategic partnerships; the extent to which customers continue to rationalize budgets and prioritize cash flow management, including through shortened contract durations; our ability to develop new products and services and enhance existing products and services; the extent to which customer adoption of new product capabilities results in durable consumption; the growth of successful native applications on the Snowflake Marketplace; our ability to respond rapidly to emerging technology trends, including the adoption and use of artificial intelligence; our ability to execute on our business strategy, including our strategy related to artificial intelligence, the AI Data Cloud, Snowpark, and Snowflake Marketplace; our ability to increase and predict customer consumption of our platform, particularly in light of the impact of holidays on customer consumption patterns; our ability to compete effectively; our ability to increase our penetration into existing markets and enter and grow new markets, including highly-regulated markets such as financial services, healthcare, and the public sector; the impact of cybersecurity threat activity directed at our customers and any resulting reputational or financial damage; our ability to manage growth; our ability to sublease or terminate certain of our office facility commitments and the impact of related asset impairment; the impact and timing of stock repurchases under our stock repurchase program; and our ability to meet the requirements of the Notes and the settlement timing and method for the Notes and the Capped Calls.

Further information on these and additional risks, uncertainties, and other factors that could cause actual outcomes and results to differ materially from those included in or contemplated by the forward-looking statements contained in this release are included under the caption “Risk Factors” and elsewhere in our Form 10-K for the fiscal year ended January 31, 2025 and other filings and reports we make with the Securities and Exchange Commission from time to time, including our Form 10-Q that will be filed for the fiscal quarter ended April 30, 2025.

Moreover, we operate in a very competitive and rapidly changing environment, and new risks may emerge from time to time. It is not possible to predict all risks, nor can we assess the impact of all factors on our business or the extent to which any factor(s) may cause actual results or outcomes to differ materially from those contained in any forward-looking statements we may make. As a result of these risks, uncertainties, assumptions, and other factors, you should not rely on any forward-looking statements as predictions of future events. Forward-looking statements speak only as of the date the statements are 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, to review or confirm analysts' expectations, or to provide interim reports or updates on the progress of the current financial quarter.

About Snowflake

Snowflake is the platform for the AI era, making it easy for enterprises to innovate faster and get more value from data. More than 11,000 companies around the globe, including hundreds of the world's largest, use Snowflake's AI Data Cloud to build, use and share data, applications and AI. With Snowflake, data and AI are transformative for everyone. Learn more at snowflake.com (NYSE: SNOW).

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Source: Snowflake Inc.

Snowflake Inc.
Condensed Consolidated Statements of Operations
(in thousands, except per share data)
(unaudited)

	Three Months Ended April 30,	
	2025	2024
Revenue	\$ 1,042,074	\$ 828,709
Cost of revenue	348,786	272,517
Gross profit	693,288	556,192
Operating expenses:		
Sales and marketing	458,554	400,822
Research and development	472,404	410,794
General and administrative	209,587	93,148
Total operating expenses	1,140,545	904,764
Operating loss	(447,257)	(348,572)
Interest income	53,163	54,779
Interest expense	(2,071)	—
Other expense, net	(28,058)	(21,302)
Loss before income taxes	(424,223)	(315,095)
Provision for income taxes	5,729	2,721
Net loss	(429,952)	(317,816)
Less: net income (loss) attributable to noncontrolling interest	140	(828)
Net loss attributable to Snowflake Inc.	\$ (430,092)	\$ (316,988)
Net loss per share attributable to Snowflake Inc. common stockholders—basic and diluted	\$ (1.29)	\$ (0.95)
Weighted-average shares used in computing net loss per share attributable to Snowflake Inc. common stockholders—basic and diluted	332,657	333,584

Snowflake Inc.
Condensed Consolidated Balance Sheets
(in thousands)
(unaudited)

	<u>April 30, 2025</u>	<u>January 31, 2025</u>
Assets		
Current assets:		
Cash and cash equivalents	\$ 2,243,083	\$ 2,628,798
Short-term investments	1,667,601	2,008,873
Accounts receivable, net	530,517	922,805
Deferred commissions, current	104,187	97,662
Prepaid expenses and other current assets	240,586	211,234
Total current assets	<u>4,785,974</u>	<u>5,869,372</u>
Long-term investments	956,144	656,476
Property and equipment, net	290,332	296,393
Operating lease right-of-use assets	261,971	359,439
Goodwill	1,056,559	1,056,559
Intangible assets, net	253,944	278,028
Deferred commissions, non-current	182,761	183,967
Other assets	369,722	333,704
Total assets	<u>\$ 8,157,407</u>	<u>\$ 9,033,938</u>
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	\$ 155,263	\$ 169,767
Accrued expenses and other current liabilities	528,380	515,454
Operating lease liabilities, current	37,098	35,923
Deferred revenue, current	2,309,803	2,580,039
Total current liabilities	<u>3,030,544</u>	<u>3,301,183</u>
Convertible senior notes, net	2,273,600	2,271,529
Operating lease liabilities, non-current	377,065	377,818
Deferred revenue, non-current	13,724	15,501
Other liabilities	47,620	61,264
Snowflake Inc. stockholders' equity	2,408,000	2,999,929
Noncontrolling interest	6,854	6,714
Total liabilities and stockholders' equity	<u>\$ 8,157,407</u>	<u>\$ 9,033,938</u>

Snowflake Inc.
Condensed Consolidated Statements of Cash Flows
(in thousands)
(unaudited)

	Three Months Ended April 30,	
	2025	2024
Cash flows from operating activities:		
Net loss	\$ (429,952)	\$ (317,816)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation and amortization	48,804	40,221
Non-cash operating lease costs	17,842	13,722
Amortization of deferred commissions	25,796	22,764
Stock-based compensation, net of amounts capitalized	379,460	331,936
Net accretion of discounts on investments	(7,652)	(11,992)
Net realized and unrealized losses on strategic investments in equity securities	29,685	20,695
Amortization of debt issuance costs	2,071	—
Asset impairment related to office facility exit	106,488	—
Other	(5,174)	669
Changes in operating assets and liabilities:		
Accounts receivable	393,657	579,319
Deferred commissions	(31,114)	(14,940)
Prepaid expenses and other assets	(17,852)	(1,111)
Accounts payable	(4,423)	21,244
Accrued expenses and other liabilities	3,935	(54,688)
Operating lease liabilities	(11,838)	(13,374)
Deferred revenue	(271,360)	(261,181)
Net cash provided by operating activities	228,373	355,468
Cash flows from investing activities:		
Purchases of property and equipment	(44,989)	(16,519)
Capitalized internal-use software development costs	—	(7,404)
Purchases of investments	(1,012,575)	(1,078,261)
Sales of investments	17,399	30,360
Maturities and redemptions of investments	984,182	921,395
Settlement of cash flow hedges	—	(749)
Net cash used in investing activities	(55,983)	(151,178)
Cash flows from financing activities:		
Proceeds from exercise of stock options	6,260	10,686
Proceeds from issuance of common stock under employee stock purchase plan	53,193	46,735
Taxes paid related to net share settlement of equity awards	(132,498)	(174,590)
Repurchases of common stock	(490,638)	(516,329)
Payments of deferred purchase consideration for business combinations	(374)	—
Net cash used in financing activities	(564,057)	(633,498)
Effect of exchange rate changes on cash, cash equivalents, and restricted cash	12,397	(2,633)
Net decrease in cash, cash equivalents, and restricted cash	(379,270)	(431,841)
Cash, cash equivalents, and restricted cash—beginning of period	2,698,678	1,780,977
Cash, cash equivalents, and restricted cash—end of period	\$ 2,319,408	\$ 1,349,136

Snowflake Inc.
GAAP to Non-GAAP Reconciliations
(in thousands, except per share data and percentages)
(unaudited)

Three Months Ended April 30,

	2025		2024	
	Amount	Amount as a % of Revenue	Amount	Amount as a % of Revenue
Revenue:				
Product revenue	\$ 996,813	96%	\$ 789,587	95%
Professional services and other revenue	45,261	4%	39,122	5%
Revenue	<u>\$ 1,042,074</u>	100%	<u>\$ 828,709</u>	100%
Year-over-year growth	<u>26%</u>		<u>33%</u>	
Cost of revenue:				
GAAP cost of product revenue	\$ 285,276		\$ 219,657	
Adjustments:				
Stock-based compensation-related charges	(30,852)		(27,235)	
Amortization of acquired intangibles	<u>(11,735)</u>		<u>(10,147)</u>	
Non-GAAP cost of product revenue	<u>\$ 242,689</u>		<u>\$ 182,275</u>	
GAAP cost of professional services and other revenue	\$ 63,510		\$ 52,860	
Adjustments:				
Stock-based compensation-related charges	(14,641)		(13,915)	
Amortization of acquired intangibles	<u>(1,608)</u>		<u>(1,627)</u>	
Non-GAAP cost of professional services and other revenue	<u>\$ 47,261</u>		<u>\$ 37,318</u>	
GAAP cost of revenue	\$ 348,786	33%	\$ 272,517	33%
Adjustments:				
Stock-based compensation-related charges	(45,493)		(41,150)	
Amortization of acquired intangibles	<u>(13,343)</u>		<u>(11,774)</u>	
Non-GAAP cost of revenue	<u>\$ 289,950</u>	28%	<u>\$ 219,593</u>	26%
Gross profit (loss):				
GAAP product gross profit	\$ 711,537		\$ 569,930	
Adjustments:				
Stock-based compensation-related charges	30,852		27,235	
Amortization of acquired intangibles	<u>11,735</u>		<u>10,147</u>	
Non-GAAP product gross profit	<u>\$ 754,124</u>		<u>\$ 607,312</u>	
GAAP professional services and other revenue gross loss	\$ (18,249)		\$ (13,738)	
Adjustments:				
Stock-based compensation-related charges	14,641		13,915	
Amortization of acquired intangibles	<u>1,608</u>		<u>1,627</u>	
Non-GAAP professional services and other revenue gross profit (loss)	<u>\$ (2,000)</u>		<u>\$ 1,804</u>	
GAAP gross profit	\$ 693,288	67%	\$ 556,192	67%
Adjustments:				
Stock-based compensation-related charges	45,493		41,150	
Amortization of acquired intangibles	<u>13,343</u>		<u>11,774</u>	
Non-GAAP gross profit	<u>\$ 752,124</u>	72%	<u>\$ 609,116</u>	74%
Gross margin:				
GAAP product gross margin	71%		72%	
Adjustments:				
Stock-based compensation-related charges as a % of product revenue	4%		4%	
Amortization of acquired intangibles as a % of product revenue	<u>1%</u>		<u>1%</u>	
Non-GAAP product gross margin	<u>76%</u>		<u>77%</u>	
GAAP professional services and other revenue gross margin	(40%)		(35%)	
Adjustments:				
Stock-based compensation-related charges as a % of professional services and other revenue	32%		36%	
Amortization of acquired intangibles as a % of professional services and other revenue	<u>4%</u>		<u>4%</u>	
Non-GAAP professional services and other revenue gross margin	<u>(4%)</u>		<u>5%</u>	
GAAP gross margin	67%		67%	
Adjustments:				
Stock-based compensation-related charges as a % of revenue	4%		6%	
Amortization of acquired intangibles as a % of revenue	<u>1%</u>		<u>1%</u>	
Non-GAAP gross margin	<u>72%</u>		<u>74%</u>	
Operating expenses:				
GAAP sales and marketing expense	\$ 458,554	44%	\$ 400,822	48%
Adjustments:				
Stock-based compensation-related charges	(92,911)		(80,621)	
Amortization of acquired intangibles	<u>(7,760)</u>		<u>(7,630)</u>	

Non-GAAP sales and marketing expense	\$ 357,883	34%	\$ 312,571	38%
GAAP research and development expense	\$ 472,404	46%	\$ 410,794	50%
Adjustments:				
Stock-based compensation-related charges	(230,945)		(204,041)	
Amortization of acquired intangibles	(2,645)		(3,600)	
Restructuring charges, net ⁽¹⁾	8		—	
Non-GAAP research and development expense	\$ 238,822	23%	\$ 203,153	25%
GAAP general and administrative expense	\$ 209,587	20%	\$ 93,148	11%
Adjustments:				
Stock-based compensation-related charges	(39,373)		(34,577)	
Amortization of acquired intangibles	(337)		(441)	
Expenses associated with acquisitions and strategic investments	(378)		(982)	
Restructuring charges, net ⁽¹⁾	750		—	
Asset impairment related to office facility exit ⁽²⁾	(106,488)		—	
Non-GAAP general and administrative expense	\$ 63,761	6%	\$ 57,148	7%
GAAP total operating expenses	\$ 1,140,545	110%	\$ 904,764	109%
Adjustments:				
Stock-based compensation-related charges	(363,229)		(319,239)	
Amortization of acquired intangibles	(10,742)		(11,671)	
Expenses associated with acquisitions and strategic investments	(378)		(982)	
Restructuring charges, net ⁽¹⁾	758		—	
Asset impairment related to office facility exit ⁽²⁾	(106,488)		—	
Non-GAAP total operating expenses	\$ 660,466	63%	\$ 572,872	70%
Operating income (loss):				
GAAP operating loss	\$ (447,257)	(43%)	\$ (348,572)	(42%)
Adjustments:				
Stock-based compensation-related charges ⁽³⁾	408,722		360,389	
Amortization of acquired intangibles	24,085		23,445	
Expenses associated with acquisitions and strategic investments	378		982	
Restructuring charges, net ⁽¹⁾	(758)		—	
Asset impairment related to office facility exit ⁽²⁾	106,488		—	
Non-GAAP operating income	\$ 91,658	9%	\$ 36,244	4%
Operating margin:				
GAAP operating margin	(43%)		(42%)	
Adjustments:				
Stock-based compensation-related charges as a % of revenue	40%		43%	
Amortization of acquired intangibles as a % of revenue	2%		3%	
Expenses associated with acquisitions and strategic investments as a % of revenue	—%		—%	
Restructuring charges, net as a % of revenue	—%		—%	
Asset impairment related to office facility exit as a % of revenue	10%		—%	
Non-GAAP operating margin	9%		4%	
Net income (loss):				
GAAP net loss	\$ (429,952)	(41%)	\$ (317,816)	(38%)
Adjustments:				
Stock-based compensation-related charges ⁽³⁾	408,722		360,389	
Amortization of acquired intangibles	24,085		23,445	
Expenses associated with acquisitions and strategic investments	378		982	
Restructuring charges, net ⁽¹⁾	(758)		—	
Asset impairment related to office facility exit ⁽²⁾	106,488		—	
Amortization of debt issuance costs	2,071		—	
Income tax effect related to the above adjustments and acquisitions	(23,462)		(15,555)	
Non-GAAP net income	\$ 87,572	8%	\$ 51,445	6%
Net income (loss) attributable to Snowflake Inc.:				
GAAP net loss attributable to Snowflake Inc.	\$ (430,092)	(41%)	\$ (316,988)	(38%)
Adjustments:				
Stock-based compensation-related charges ⁽³⁾	408,722		360,389	
Amortization of acquired intangibles	24,085		23,445	
Expenses associated with acquisitions and strategic investments	378		982	
Restructuring charges, net ⁽¹⁾	(758)		—	
Asset impairment related to office facility exit ⁽²⁾	106,488		—	
Amortization of debt issuance costs	2,071		—	
Income tax effect related to the above adjustments and acquisitions	(23,462)		(15,555)	
Adjustments attributable to noncontrolling interest, net of tax	(147)		(113)	
Non-GAAP net income attributable to Snowflake Inc.	\$ 87,285	8%	\$ 52,160	6%
Net income (loss) per share attributable to Snowflake Inc. common stockholders, basic and diluted:				

Stockholders—basic and diluted.

GAAP net loss per share attributable to Snowflake Inc. common stockholders—basic and diluted	\$ (1.29)	\$ (0.95)
Weighted-average shares used in computing GAAP net loss per share attributable to Snowflake Inc. common stockholders—basic and diluted	332,657	333,584
Non-GAAP net income per share attributable to Snowflake Inc. common stockholders—basic	\$ 0.26	\$ 0.16
Weighted-average shares used in computing non-GAAP net income per share attributable to Snowflake Inc. common stockholders—basic	332,657	333,584
Non-GAAP net income per share attributable to Snowflake Inc. common stockholders—diluted	\$ 0.24	\$ 0.14
GAAP weighted-average shares used in computing GAAP net loss per share attributable to Snowflake Inc. common stockholders—basic and diluted	332,657	333,584
Add: Effect of potentially dilutive common stock equivalents	24,033	29,730
Add: Effect of convertible senior notes, net of antidilutive impact of capped call transactions	14,230	—
Non-GAAP weighted-average shares used in computing non-GAAP net income per share attributable to Snowflake Inc. common stockholders—diluted ⁽⁴⁾	370,920	363,314

Free cash flow and adjusted free cash flow:

GAAP net cash provided by operating activities	\$ 228,373	22%	\$ 355,468	43%
Adjustments:				
Purchases of property and equipment	(44,989)		(16,519)	
Capitalized internal-use software development costs	—		(7,404)	
Non-GAAP free cash flow	183,384	18%	331,545	40%
Adjustments:				
Net cash paid on payroll tax-related items on employee stock transactions ⁽⁵⁾	22,885		34,146	
Non-GAAP adjusted free cash flow	\$ 206,269	20%	\$ 365,691	44%
Non-GAAP free cash flow margin	18%		40%	
Non-GAAP adjusted free cash flow margin	20%		44%	
GAAP net cash used in investing activities	\$ (55,983)		\$ (151,178)	
GAAP net cash used in financing activities	\$ (564,057)		\$ (633,498)	

⁽¹⁾ Restructuring charges, net represent certain costs incurred by us in connection with a restructuring plan for a majority-owned subsidiary, net of associated income and recoveries.

⁽²⁾ Asset impairment related to office facility exit primarily relates to our San Mateo office facility, which we ceased using during the three months ended April 30, 2025. There was no associated sublease income for the historical periods presented.

⁽³⁾ Stock-based compensation-related charges included employer payroll tax-related expenses on employee stock transactions of approximately \$19.5 million and \$21.9 million for the three months ended April 30, 2025 and 2024, respectively.

⁽⁴⁾ For the periods in which we had non-GAAP net income, the non-GAAP weighted-average shares used in computing non-GAAP net income per share attributable to Snowflake Inc. common stockholders—diluted included (a) the effect of all potentially dilutive common stock equivalents (stock options, restricted stock units, and employee stock purchase rights under our 2020 Employee Stock Purchase Plan) and (b) the potential dilutive effect of shares issuable upon conversion of the Notes using the if-converted method, starting from the issuance date of the Notes. The Capped Calls entered into in connection with the Notes had no material antidilutive impact for any of the historical periods presented. The potential dilutive effect of outstanding restricted stock units with performance conditions not yet satisfied is included in the non-GAAP weighted-average number of diluted shares at forecasted attainment levels to the extent we believe it is probable that the performance conditions will be met.

⁽⁵⁾ The amounts for the three months ended April 30, 2025 and 2024 do not include employee payroll taxes of \$132.5 million and \$174.6 million, respectively, related to net share settlement of employee restricted stock units, which were reflected as cash outflows for financing activities.