Deutsche Bank
Research

Rating
Buy

North America
United States

TMT
Software

Company
Snowflake

Reuters	Bloomberg
SNOW.N	SNOW US

Date
20 August 2026

Rating	Buy
Price target (USD)	350.00
Price at 19 Aug 26	325.01
52-week range	337.38 – 121.11

Valuation & Risks

Brad Zelnick
Research Analyst
+1-212-250-8563

Bhavin Shah, CFA
Research Analyst
+1-212-250-6775

Daniel Knauff
Research Associate
+1-415-2622041

Yash Kejriwal
Research Associate
+1-212-250-1203

Key changes

Price target (USD)	300	350	17%

Source: Deutsche Bank

2Q Preview - Compounding CoCo Contribution

Looking to F2Q earnings, we remain constructive on Snowflake equity while acknowledging expectations have climbed alongside the ~85% move higher in shares since the company posted exceptional F1Q results, and with the stock now trading at 16x FY28 revenue. Most of the excitement appears to be driven by CoCo, which is not only contributing incremental revenue itself, but more importantly in our view accelerating the core business by compressing migration timelines and increasing new use-case velocity. Although AI Services are lower margin today, they are still gross profit and EBIT accretive as Snowflake is able to charge for the value of the harnesses (CoCo & CoWork) beyond the underlying cost of tokens, and then scale these Services with limited OpEx. We see further opportunity to capture additional value/margin at the model serving and orchestration layers with the recent introduction of open models and dynamic routing in preview soon. Snowflake's right to win here vs. competing harnesses comes from its ability to offer model choice + governance + infusing the unique signal they get from customers interacting directly with the platform into the product to improve performance and efficiency.

The result is a robust high-margin core business complimented by a still-small but rapidly growing AI Services portfolio, which, when paired with near-term COGS efficiencies and meaningful OpEx leverage developing at the current scale, sets up for a powerful combination of accelerating y/y revenue growth and operating margin expansion in FY27. We think this is largely appreciated by investors at this point, but believe the momentum still has a way to run here given the pipeline of data migrations and ability for developers to build faster/do more on the platform. The couple of other items we think could generate incremental optimism are: a clearer pathway to margins on AI services moving higher, and/or greater signs of traction for Snowflake CoWork – the more TAM-expansionary opportunity to democratize access to data intelligence for non-technical knowledge workers.

As for the quarter itself, we look for a solid 3-4% beat on Product revenue amid a favorable public cloud demand backdrop and new product momentum, which would represent record sequential revenue adds of >$125m q/q, and adjusting for last year's outsized non-recurring migration-related revenue (DBe ~$15) and the inorganic contribution from Observe this year (DBe ~1pt) we estimate implies a more like-for-like acceleration of ~2pts sequentially, to 35%+ y/y. Our sense is that some expectations may be modestly higher than this level, but **we think**

<u>calling for a repeat of last quarter's 5.5% outperformance is probably an unfair bar given the company has never posted back-to-back 5%+ quarterly beats</u> as consumption trends from the prior quarter and first few weeks of the current quarter are folded into guidance. On a solid 3-4% beat we also see opportunity for a few points of NGOM outperformance, with benefits from the new AWS contract signed in May, flat COGS headcount and growing OpEx leverage. On a FY27 basis, we would look for revenue guidance to at least flow through quarterly outperformance with unchanged or better NGOM. We reiterate our Buy rating and raise our target price to $350 from $300 to reflect our view of the sustainable momentum building in the business and size of the opportunity.

Setup into the print

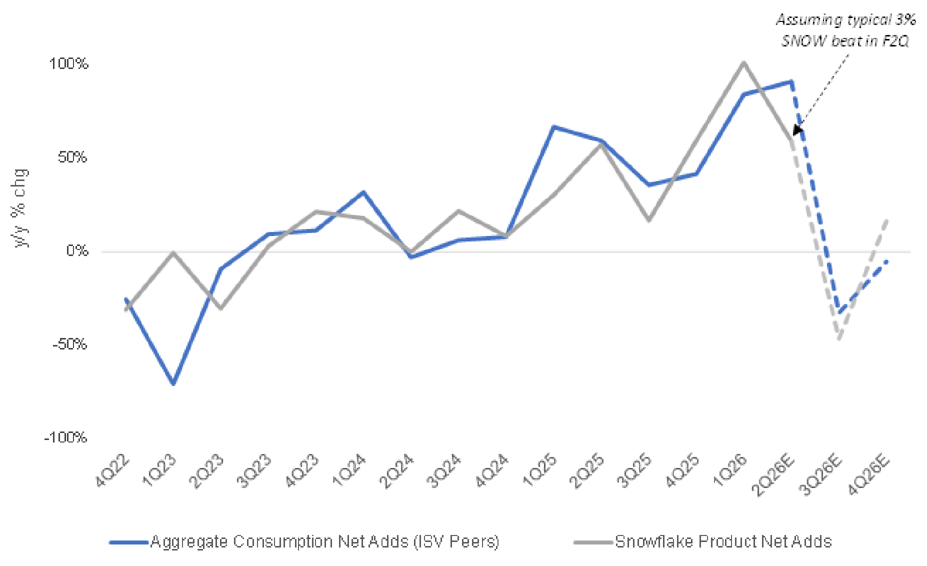
F1Q27 View

- **Revenue:** DBe/Street Product revenue of $1,418m sits at the midpoint of guide and represents +30% y/y growth, down -4pts from +34% y/y reported in F1Q, but against a 5pt tougher compare that benefited from outsized non-recurring migration related revenue. Assuming a typical 3% beat vs guidance, Product growth would hold steady at +34% y/y with sequential revenue adds climbing to a record +$127m in the quarter, up >35% y/y. Adjusting for that 1x migration benefit last year (DBe ~$15m) and the inorganic contribution from Observe this year (DBe ~1pt), implies a more like-for-like acceleration of ~2pts sequentially to +35% y/y, with q/q net revenue adds up >60% y/y. We believe this is well within reach based on the compounding synergistic contribution from CoCo + core migrations. Said differently, AI has been an impetus for increasing core cloud migration activity over the past 12-18months; CoCo serves as an accelerant to this while itself also contributing revenue and gross profit dollars. Having said that, we think a repeat of last quarter's 5.5% outperformance is probably an unfair bar. In the past five years the company has never posted back-to-back 5%+ quarterly beats as consumption trends from prior quarter and first few weeks of the current quarter are folded into guidance. We think a 3%-4% beat would still represent a solid result this quarter.

  On the core side, signal remains highly supportive of continued momentum. We see this both quantitatively in another quarter of accelerating growth from the <u>largest CSPs (net adds up +148% y/y)</u> and other consumption based ISVs (DBe net new +91% y/y, see Figure 1), as well as qualitatively from **AWS** (noting *"strong linkage between AI spend and core growth"*), **Azure** (PostgreSQL revenue accelerating for a 3rd quarter to +55% and paid Fabric customers +60% y/y), **GCP** (listing *"Core GCP"* first among the drivers of growth) and **Datadog** (non-AI customer growth accelerating to high-20s from mid-20s last quarter). Our checks have generally been positive as well, flagging consistently strong migration activity, which remains the driving force of Snowflake's growth today. One expert we spoke with noted some emerging CPU constraints for database workloads more broadly (high performance Intel & AMD SKUs), though we think this could actually prove an advantage for Snowflake given its buying power and significant investments in Graviton as part of its recent ~$6bn multi-year agreement with AWS.

On AI Services, CoCo clearly has very strong traction with >7k customers as of April, and it's materially contributing to incremental revenue growth. That said, we continue to believe its second-order effects on the core business, compressing migration timelines and increasing new use-case velocity, are having a much bigger impact. Anecdotally, one expert we spoke to recently shared an example of a Teradata migration started last year that was estimated to take 9 months but actually completed in closer to 3.5 months leveraging CoCo. We also see this dynamic reflected in recent company disclosure of the number of migrations to be completed (+1.9x y/y in FY26), new use cases going into production (+1.7x y/y) and time-to-ramp (-3 months on TTM dollar weighted basis). This looks like a sustainable tailwind to consumption for many quarters to come given the remaining runway for data migrations and ability for developers to build faster/do more on the platform with CoCo. CoWork (formerly Snowflake Intelligence) still appears much earlier days, though we contend this is the much more TAM-expansionary opportunity to democratize access to data intelligence.

Figure 1: F1Q guidance (assuming 3% beat) implies elevated q/q net new consumption vs. the prior year, relatively similar to ISV peers



Source: Company data, DB estimates, Bloomberg Finance LP

- **Profitability & FCF:** Non-GAAP operating margin is likely to also see upside guidance of 12.5% (+1.35pts y/y), which already represents a third straight quarter of sequential expansion, and likely comes in closer to the 15%-16%+ range in our view (depending on mix). Consensus forecasts call for flat sequential non-GAAP GM of 72.0%, largely in line with our own forecast as we see lower gross margin on growing AI-related revenue offset by cost tailwinds from: (1) the new AWS contract signed in May; (2) internal efficiency efforts that contributed to the first sequential decrease in COGS-related headcount last quarter; and (3) a lower mix of Services revenue. On this gross margin profile, we see non-GAAP OpEx growth of +25% y/y required to arrive at company guidance. In our view, this leaves meaningful room for NGOI outperformance within the context of decelerating OpEx headcount growth (-3pts seq. to +12% y/y exiting F1Q) and Product revenue upside potential. Finally, from an adj. FCF perspective, we model 7% margin in what is typically the trough quarter seasonally.

Figure 2: F2Q27 & F3Q27 Setup

Snowflake (SNOW)
In $mn except EPS

	2Q27E				3Q27E		
	DBe	Cons.	DBe vs. Cons.	Company guidance	DBe	Cons.	DBe vs. Cons.
Income Statement							
Product Revenue	1,418	1,418	-0.0%	1,415-1,420	1,505	1,504	+0.1%
Y/Y Growth	+30.0%	+30.0%			+29.9%	+29.8%	
Q/Q Growth	+6.2%	+6.2%			+6.1%	+6.1%	
Services/Other revenue	60	61	-2.4%		60	63	-4.3%
Y/Y Growth	+10.0%	+12.8%			+10.0%	+15.0%	
Q/Q Growth	+5.8%	+8.5%			+0.1%	+4.7%	
Total Revenue	1,478	1,480	-0.2%		1,565	1,567	-0.1%
Y/Y Growth	+29.0%	+29.3%			+29.0%	+29.2%	
Q/Q Growth	+6.2%	+6.4%			+5.9%	+6.1%	
Non-GAAP Gross Profit	1,067	1,066	+0.1%		1,131	1,130	+0.1%
Non-GAAP GM (%)	72.2%	72.0%	+18bp		72.3%	72.1%	+21bp
Non-GAAP OI	185	186	-0.8%		217	222	-2.3%
Non-GAAP OM (%)	12.5%	12.6%		12.5%	13.9%	14.2%	
Non-GAAP Net Income	155	165			180	193	-6.9%
Net margin (%)	10.5%	11.1%			11.5%	12.3%	
Non-GAAP EPS	$0.41	$0.44			$0.48	$0.51	-6.4%
Operating Metrics							
Operating Cash Flow	94	116	-19.1%		218	203	+7.6%
OCF margin (%)	6.4%	7.9%			13.9%	12.9%	
Y/Y Growth	+25.4%	+55.1%			58.7%	+47.5%	
Adj. FCF (co. def.)	99	97	+2.4%		223	188	+19.1%
Adj. FCF margin	6.7%	6.5%			14.3%	12.0%	

Source: Company data, DB estimates, Bloomberg Finance LP

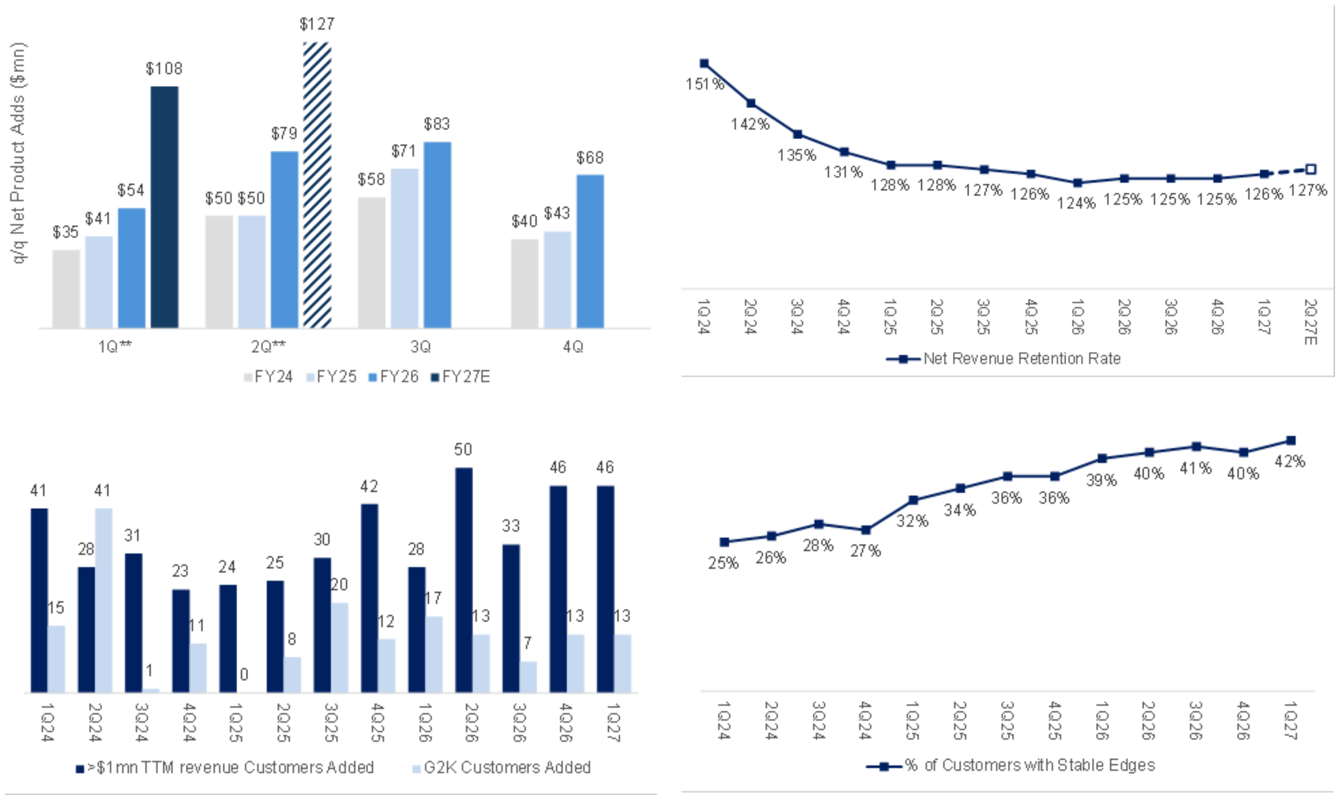
- **Other F2Q metrics** investors will be watching for include:
  - **RPO:** We will be looking for current bookings momentum to continue at 30%+ y/y, at least sustaining cRPO near last quarter's 38% y/y rate against a 1pt tougher comp. Recall, cRPO was seasonally strong to start the year, rising by a F1Q record of

+$107 q/q, and we anticipate that carries into F2Q as well. We continue to acknowledge the shortcomings of RPO as a metric for consumption models but nonetheless still view it as a useful input for assessing the demand environment and customer commitment to the platform.

- **Product NRR:** F1Q TTM NRR rose 1pt sequentially to 126% as durable growth in the core business was complimented by early AI/CoCo contribution. We look for another step higher in F2Q, seeing potential for NRR to tick up again into the 128% range vs. what we estimate is closer to ~127% implied by guidance.

- **AI:** We will be listening for incremental updates on AI ARR, which was last officially reported at ~$100m in F3Q26. At this point, we believe quantitative disclosure will remain "milestone based" as opposed to updated quarterly; combining the last F3Q26 update, commentary around CoCo being a large contributor to F1Q27 outperformance and our positive checks, we think AI ARR likely has to be closing in on the >$300m mark.

Figure 3: Key Charts



*Source: Company Reports, DB Estimates; **F1Q25 & F2Q25 adj. for Leap year. Note: Shaded bars / dashed lines indicate future quarters.*

F2H27 View

With results, we expect to get guidance for F3Q along with implied F4Q guidance from the FY27 update. For 3Q, Street Product revenue of $1,504m implies growth in line with the guided F2Q rate at +30% y/y, though on a 3pt easier comp. Assuming a 3% beat in F2Q, and a similar target embedded in the F3Q guide, consensus implies sequential Product revenue growth of ~$89m in F3Q, up only a modest 8% y/y as reported (adj. for last year's 1x migration benefit) but closer to 30%+ when also adj. for the number of working days in the quarter. Flowing through avg. 3% beats into F4Q as well, implies Product revenue growth of ~$85m q/q (up ~25% y/y) based on consensus F4Q revenue of $1,586m.

In aggregate, flowing typical 3% quarterly beats through the rest of the year results in F2H27 Product growth rates in the low-to-mid 30s y/y, Product net revenue adds of $173m, up +15% y/y (adj. for last year's 1x migration benefit) and NRR climbing to ~130%. This screens relatively conservative to us given the momentum we see in new services (Specifically CoCo), new customer adds (has accelerated for 5 straight qts.) and broader public cloud consumption expectations (Street net adds up >60% y/y in 2H). cRPO growth, while not the best indicator is also tracking higher in the high-30s. As a result, we see potential for Product revenue growth to exit the year closer to the mid-to-high 30s range.

Figure 4: Key new Services / Initiatives

Service	Initial Rev Contribution	GA Date	Adoption Notes
Snowpark	FY25	F4Q22	■ Snowpark contributed 3% of FY25 product revenues ■ Snowpark outperformed expectations in F1H26
Dynamic Tables	FY25	F2Q25	■ Dynamic Tables seeing "brisk adoption" ■ Dynamic Tables outperformed expectations in F1Q26
Cortex AI	FY25	F2Q25	■ >13.6k (98%) accounts using AI/ML features weekly ■ >7.1k (51%) of customers are using CoCo
SnowConvert	FY25	F1Q25	■ Observed reduction in time to consumption to 6-8mos vs 9 prior ■ Recently launched AI powered migration enhancement
Iceberg Tables	FY26	F2Q25	■ 1,200+ accounts reported using Iceberg as of F2Q26 ■ Storage continues to grow healthily
Snowflake CoWork	FY26	F4Q26	■ Accounts using CoWork >2x q/q - F1Q27, implies 5k+ accounts ■ Fastest ramp in product adoption since GA in company history
Openflow	FY27+	F2Q26	■ Customers already using Openflow to unlock value ■ "Products like Openflow are taking off" - CEO, F3Q26
Native Apps	FY27+	F4Q24	■ Hundreds of apps now available on marketplace ■ Major capability in making more data available to Snowflake
Container Services	FY27+	F3Q24	■ Continue to add product capabilities to train better models ■ Gaining popularity with developers and data scientists
Overall AI Business	FY26	---	■ "CoCo is contributing meaningful AI revenue" - CEO, F1Q27 ■ $100m AI revenue run rate achieved 1 quarter earlier (F3Q26)

Source: Company Reports, DB Research

On profitability, we expect Product gross margins to tick modestly lower over the course of F2H27 as lower margin AI Services become a larger portion of the mix and are only partly offset by efficiency gains captured in the core business. The rate at which AI Services revenue compounds ahead (currently very high growth on a low base) seems the biggest wild card. We believe mgmt. is taking a somewhat conservative view given limited historical data on CoCo and CoWork and assuming growth rates moderate from F1Q levels, but off a higher base.

We more importantly note that while lower margin, AI Services are likely meaningly accretive to gross profit dollars ahead. For reference, Figure 5 below looks at the pricing of Claude Opus 5 and OpenAI GPT-5.5 via the model providers' API vs. within a Snowflake harness (CoCo & CoWork here). Although the illustrative example doesn't capture potential volume discounts in either direction, mix of routing/processing options or any other unique contract terms, we believe the implied uplift of ~16%/37% for CoCo/CoWork is a reflection of the value provided by the Snowflake harnesses and supports the view that this is not simply pass through revenue.

The announcement just this week of dynamic model routing and access to leading open-source models (incl. DeepSeek-V4-Flash & GLM-5.3) coming soon to private preview across Snowflake's AI Services portfolio presents a compelling opportunity to further enhance the economics of these offerings for Snowflake and its customers. Open models present the potential to capture value/margin not only in the harness itself but also at the model-serving layer. And by employing dynamic routing, Snowflake aims to match each job with the optimal model across its growing catalog of open and closed options, each occupying a different position on the cost, quality, latency curve. If Snowflake is able to offer better token efficiency through this approach, as it suggests, it should likely be able to participate in the improved economics.

Figure 5: Illustrative Model pricing comparison between Snowflake and Frontier Model Providers

Snowflake CoCo Pricing Comps*

Model	Frontier Lab API Pricing		Snowflake CoCo Price		Implied CoCo Uplift	
$/m tokens	Input	Output	Input	Output	Input	Output
Claude Fable 5	$10.00	$50.00	$11.55	$57.75	15.5%	15.5%
Claude Opus 5	$5.00	$25.00	$5.78	$28.88	15.5%	15.5%
OpenAI GPT 5.5	$5.00	$30.00	$5.78	$34.65	15.5%	15.5%
OpenAI GPT 5.6 Sol	$5.00	$30.00	$5.78	$34.65	15.5%	15.5%

Snowflake CoWork Pricing Comps*

Model	Frontier Lab API Pricing		Snowflake CoWork Price		Implied CoWork Uplift	
$/m tokens	Input	Output	Input	Output	Input	Output
Claude Fable 5	$10.00	$50.00	$13.65	$68.25	36.5%	36.5%
Claude Opus 5	$5.00	$25.00	$6.83	$34.15	36.5%	36.6%
OpenAI GPT 5.5	$5.00	$30.00	$6.83	$40.95	36.5%	36.5%
OpenAI GPT 5.6 Sol	$5.00	$30.00	$6.83	$40.95	36.5%	36.5%

*Source: Company Reports, DB Research; *Note: Snowflake Pricing derived using $2.10 price per AI Credit (avg. of on-demand price for Global & Regional routing options). Actual pricing/uplifts may be subject to volume discounting, processing/routing mix and other factors*

Moving down the income statement, operating leverage should become an increasingly powerful force for the company at current scale and as topline growth has begun to reaccelerate. This is anticipated to more than offset any pressure on gross margin, with FY27 guidance currently calling for a non-GAAP operating margin of ~15% in F2H27 (+4pts y/y). Based on company revenue and

Product gross margin guidance, this implies non-GAAP OpEx up around ~20% y/y in F2H27; this could prove too high and along with opportunity for revenue upside buyside NGOM bogeys are likely a couple points higher than the ~15% guide, in our view. This bullishly corresponds to accelerating rates of revenue and operating margin expansion in FY27.

From an adj. FCF perspective, the bulk of full-year cash flow typically lands in 4Q, assuming normal seasonal Bookings trends, so we think it will be hard to get too much insight from F2Q results, absent some new guidance from the company. As a reminder, adj. FCF margin in FY27 faces a 150bp headwind related to the acquisition of Observe.

Estimate Revisions and Valuation

Incorporating our analysis and latest thoughts on the long-term fundamentals of the business, we update our DCF-based TP to $350 from $300 prior; our DCF assumes a WACC of 9.3%, a terminal risk free rate of 4%, and an ERP of 5.3%. We use a terminal growth rate of 3.5% based on GDP growth. Our TP implies ~17x our FY28 EV/revenue. Downside risks include (1) TAM growth may not materialize as quickly as we expect, (2) Execution and (3) competition from cloud providers may further pressure Snowflake's pricing.

Figure 6: Estimates Summary

Snowflake (SNOW)
In $mn except EPS

	FY27E				FY28E		
	DBe	Cons.	DBe vs. Cons.	Company guidance	DBe	Cons.	DB vs. Cons.
Income Statement							
Product Revenue	5,841	5,840	+0.0%	5,840	7,386	7,359	+0.4%
Y/Y Growth	*+30.6%*	*+30.6%*			*+26.5%*	*+26.0%*	
Services/Other revenue	240	247	-2.8%		264	278	-5.2%
Y/Y Growth	*+13.2%*	*+16.5%*			*+10.0%*	*+12.7%*	
Total Revenue	**6,081**	**6,092**	**-0.2%**		**7,650**	**7,650**	**+0.0%**
Y/Y Growth	*+29.8%*	*+30.1%*			*+25.8%*	*+25.6%*	
Non-GAAP Gross Profit	4,383	4,383	-0.0%		5,511	5,521	-0.2%
Non-GAAP GM (%)	*72.1%*	*72.0%*			*72.0%*	*72.2%*	
Non-GAAP OI	**818**	**823**	**-0.6%**		**1,148**	**1,197**	**-4.1%**
Non-GAAP OM (%)	*13.5%*	*13.5%*		*13.5%*	*15.0%*	*15.6%*	
Non-GAAP Net Income	690	716	-3.7%		953	1,032	-7.6%
Net margin (%)	*11.3%*	*11.8%*			*12.5%*	*13.5%*	
Non-GAAP EPS	**$1.83**	**$1.93**	**-4.7%**		**$2.50**	**$2.70**	**-7.3%**
Operating Metrics							
Operating Cash Flow	**1,369**	**1,419**	**-3.5%**		**1,855**	**1,965**	**-5.6%**
OCF margin (%)	*22.5%*	*23.3%*			*24.2%*	*25.7%*	
Y/Y Growth	*+12.0%*	*+15.9%*			*+35.5%*	*+38.5%*	
Adj. FCF (co. def.)	**1,407**	**1,402**	**+0.3%**		**1,878**	**1,885**	**-0.4%**
Adj. FCF margin	*23.1%*	*23.0%*		*23.0%*	*24.5%*	*24.6%*	

Source: Company data, DB estimates, Bloomberg Finance LP

Appendix 1

Important Disclosures

Company	Ticker	Recent price	Disclosure
Snowflake	SNOW.N	325.01 (USD) 19 Aug 26	NA

Prices are current as of the end of the previous trading session unless otherwise indicated and are sourced from local exchanges via Reuters, Bloomberg and other vendors. Other information is sourced from Deutsche Bank, subject companies, and other sources.

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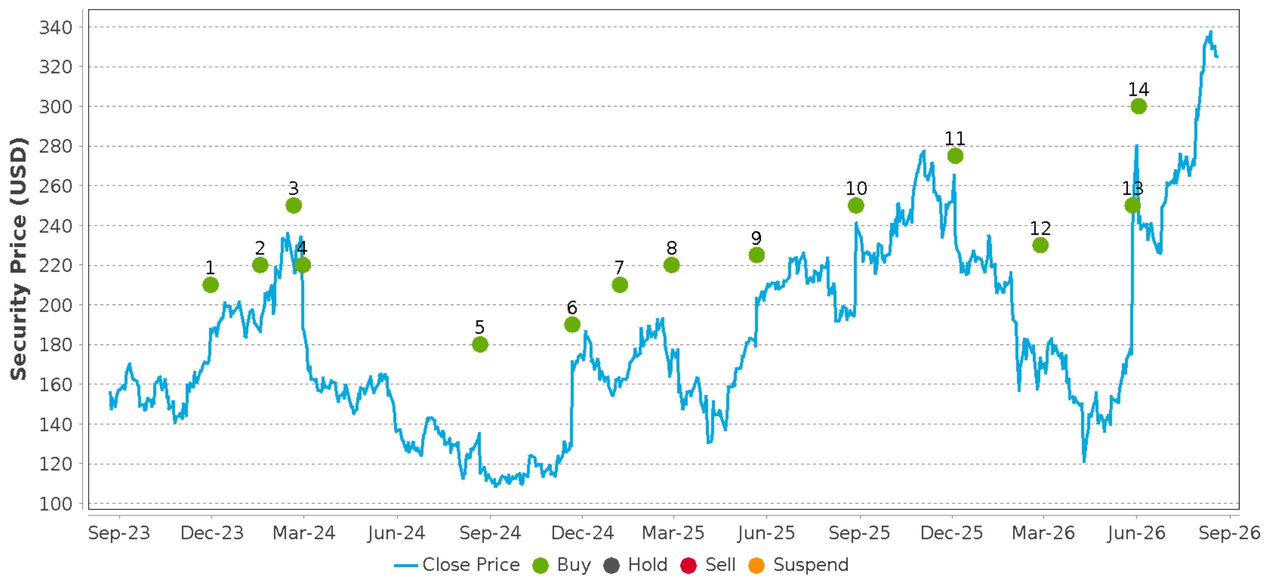
Analyst Certification

The views expressed in this report accurately reflect the personal views of the undersigned lead analyst(s). In addition, the undersigned lead analyst(s) has not and will not receive any compensation for providing a specific recommendation or view in this report. Brad Zelnick.

Historical recommendations and target price: Snowflake (SNOW.N)



1.	30 Nov 23	Price target: 210 (USD), close price 187.68 (USD), Recommendation: Buy, Analyst: Brad Zelnick
2.	18 Jan 24	Price target: 220 (USD), close price 186.61 (USD), Recommendation: Buy, Analyst: Brad Zelnick
3.	20 Feb 24	Price target: 250 (USD), close price 220.08 (USD), Recommendation: Buy, Analyst: Brad Zelnick
4.	29 Feb 24	Price target: 220 (USD), close price 188.28 (USD), Recommendation: Buy, Analyst: Brad Zelnick
5.	22 Aug 24	Price target: 180 (USD), close price 115.21 (USD), Recommendation: Buy, Analyst: Brad Zelnick
6.	21 Nov 24	Price target: 190 (USD), close price 171.35 (USD), Recommendation: Buy, Analyst: Brad Zelnick
7.	7 Jan 25	Price target: 210 (USD), close price 158.84 (USD), Recommendation: Buy, Analyst: Brad Zelnick
8.	27 Feb 25	Price target: 220 (USD), close price 173.69 (USD), Recommendation: Buy, Analyst: Brad Zelnick
9.	22 May 25	Price target: 225 (USD), close price 203.18 (USD), Recommendation: Buy, Analyst: Brad Zelnick
10.	28 Aug 25	Price target: 250 (USD), close price 241 (USD), Recommendation: Buy, Analyst: Brad Zelnick
11.	4 Dec 25	Price target: 275 (USD), close price 234.77 (USD), Recommendation: Buy, Analyst: Brad Zelnick
12.	26 Feb 26	Price target: 230 (USD), close price 173.06 (USD), Recommendation: Buy, Analyst: Brad Zelnick
13.	28 May 26	Price target: 250 (USD), close price 239.2 (USD), Recommendation: Buy, Analyst: Brad Zelnick
14.	3 Jun 26	Price target: 300 (USD), close price 241.28 (USD), Recommendation: Buy, Analyst: Brad Zelnick

Company rating dispersion and banking relationships

DBSI Companies under Coverage	Buy	Hold	Sell
Covered	57%	42%	0%
w/ Banking relationship	43%	35%	0%
w/ MiFID services	64%	51%	67%

Global Companies under Coverage	Buy	Hold	Sell
Covered	58%	40%	2%
w/ Banking relationship	46%	31%	26%
w/ MiFID services	75%	68%	89%

Company Rating and Dispersion Key

The above table provides a snapshot of Deutsche Bank's company research rating distribution across our covered companies. We also present the percentage of companies where Deutsche Bank has provided Investment Banking Services in the past 12 months and/or MIFID Investment and Ancillary services, in the past 12 months. Please see the key and definition of our rating below.

Note - percentages are rounded so may not total 100%.

Covered: The overall rating distribution across all companies under coverage with a rating.

w/Banking relation: Percentage of companies under coverage with a rating within each of the "buy", "hold" and "sell" categories for which Deutsche Bank has provided Investment Banking Services within the previous 12 months.

w/MiFID services: Percentage of companies under coverage with a rating within each of the "buy", "hold" and "sell" categories for which Deutsche Bank has provided MIFID Investment and Ancillary services within the previous 12 months.

Buy/Hold/Sell Percentages: These percentages reflect the proportion of companies within each category that have been assigned the corresponding rating, based on our 12-month view of Total Shareholder Return (TSR).

Rating definitions:

Buy: Based on a current 12-month view of TSR, we recommend that investors buy the stock.

Sell: Based on a current 12-month view of TSR, we recommend that investors sell the stock.

Hold: We take a neutral view on the stock 12-months out and, based on this time horizon, do not recommend either a Buy or Sell.

TSR: Total Shareholder Return. Percentage change in share price from current price to projected target price plus projected dividend yield.

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David Folkerts-Landau
Group Chief Economist and Global Head of Research

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