

Software

Institutional Equity Research
November 3, 2025

October '25 DaVinci Developer Update: +SNOW, +DDOG, +MSFT

Today, we are providing our monthly updated takeaways within our proprietary DaVinci Developer Dataset following the end of October. This past month, we saw a notable acceleration of developer activity across a broad swath of entities in our dataset and particularly within infrastructure software barring a couple of outliers. Thus we're highlighting SNOW (**BUY**), DDOG (**BUY**), and MSFT (**BUY**) as three noteworthy call-outs in October. **For more detailed insights or access to our datasets, please contact your D.A. Davidson institutional salesperson.**

Snowflake (SNOW; Luria-BUY): Large acceleration this past quarter with record developer activity in October. This past month, Snowflake saw a continuation of what we'd categorize as record developer activity, a trend that began earlier this year in April when we observed a significant uptick in activity around Snowflake's core data warehouse product and Snowpark. In October, we saw just that, with strong activity across Snowflake's products, with a strong acceleration Y/Y in activity that is rare within entities at this level of absolute developer activity. We'd remind investors that Snowflake has been one of the strongest performing entities in our dataset year-to-date alongside its counterpart Databricks that also accelerated on a Y/Y basis in the month of October.

Datadog (DDOG; Luria-BUY): Continuing to widen the gap with its Observability peers. Last month, we highlighted Datadog as it'd seen a notable pickup in activity while also remaining the fastest grower in the Observability category. This month is no different, with developer activity around Datadog accelerating significantly with M/M growth the best it's been in over a year, which contrasts its peers who saw decelerating developer activity growth in the same period.

Microsoft (MSFT; Luria-BUY): Only hyperscaler with accelerating activity in both core and AI services. Microsoft Azure in October saw strong developer activity in both its core hyperscaler services along with a notable M/M acceleration in AI services, particularly around Virtual Machines and Azure OpenAI Services which had more muted growth these past two months relative to earlier in the year. That being said, we'd expect capacity constraints at Azure to remain a significant roadblock to meaningfully accelerating growth in those respective services.

Open-Source vs. Managed Software: Better for the latter. As the debate between open-source frameworks such as Apache Kafka and PostgreSQL and their managed counterparts continues to linger, we saw a noticeable deceleration in developer activity around both aforementioned open-source frameworks, while their counterparts saw a continued acceleration. Most notably, we saw the widest disparity between Apache Kafka and its managed peer with the former decelerating to low-single-digit M/M growth and the latter accelerating to double-digit M/M growth.

Hyperscalers: More of the same from the last quarter. Following earnings this past week, we're continuing to see more of the same from these players in the month of October. Microsoft, as previously highlighted, remains the best positioned, while developer activity around Google Cloud is also accelerating, but only in core services this past month. As it relates to Amazon Web Services, while we'd observed a pickup in activity in September, we're not seeing those trends continue in October with a significant deceleration in activity across core services and AI services.

If you are interested in more detailed takeaways or would like to get this data directly, please contact your D.A. Davidson institutional salesperson. We offer access to developer activity data across hundreds of companies (public and private), technologies, and open-source frameworks. Additionally, see our report regarding updated regression analysis we've published linking public company developer activity performance to ARR growth.

INDUSTRY UPDATE

Price (11/3/25)

Industry:

TECHNOLOGY

Alexander Platt

(503) 603-3045

AJPlatt@dadco.com

DaVinci Overview

D.A. Davidson's DaVinci initiative focuses our technical-oriented research, data-driven insights, and prescient think pieces under one unified framework. We note that for our DaVinci coverage of deep tech businesses, we employ an early-stage venture approach focusing on technical foundations, disruptive potential, and long-term strategic value, rather than near-term financial and valuation metrics given the unique growth trajectories of pre-inflection markets.

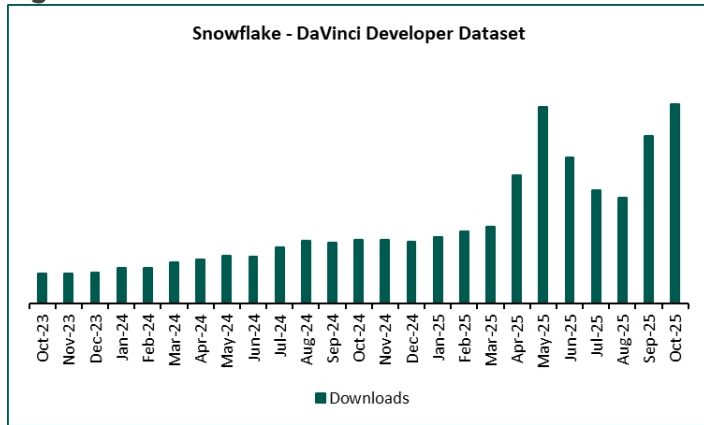
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Below, we provide simple bar charts with the y-axis deliberately removed along with no growth rates, to merely give a high-level overview of developer activity trends within the aforementioned companies, technologies, and open-source frameworks.

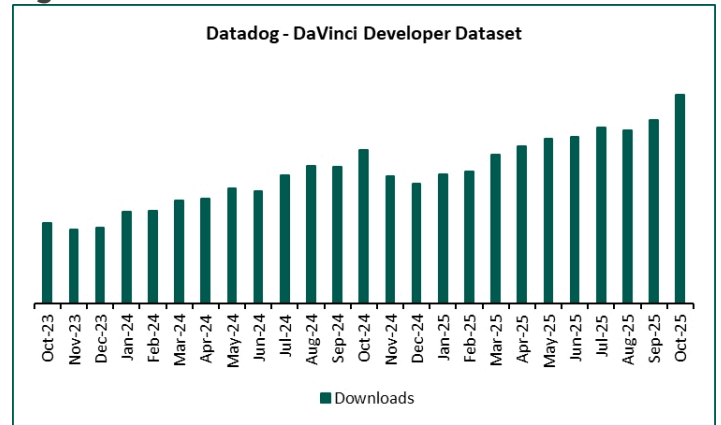
If you are interested in getting more detailed charts or the raw data, please contact your D.A. Davidson institutional salesperson.

Figure 1



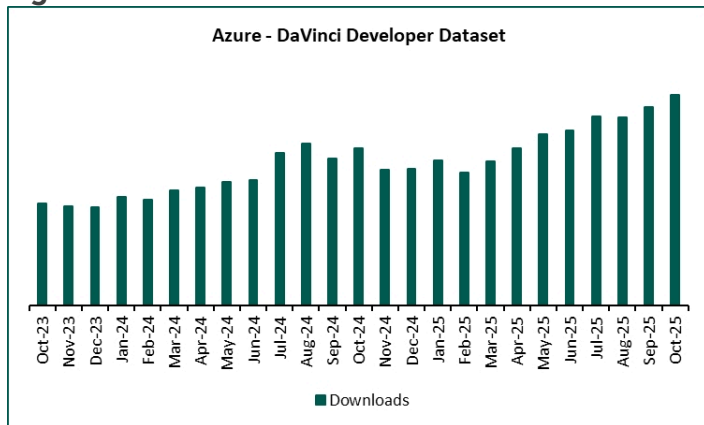
Source: D.A. Davidson Cascade

Figure 2



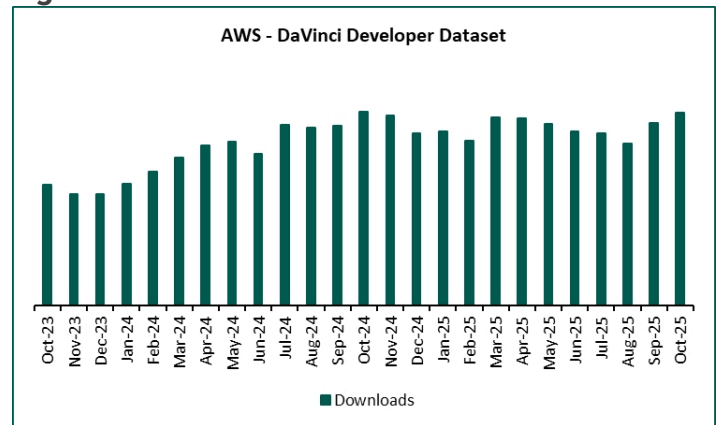
Source: D.A. Davidson Cascade

Figure 3



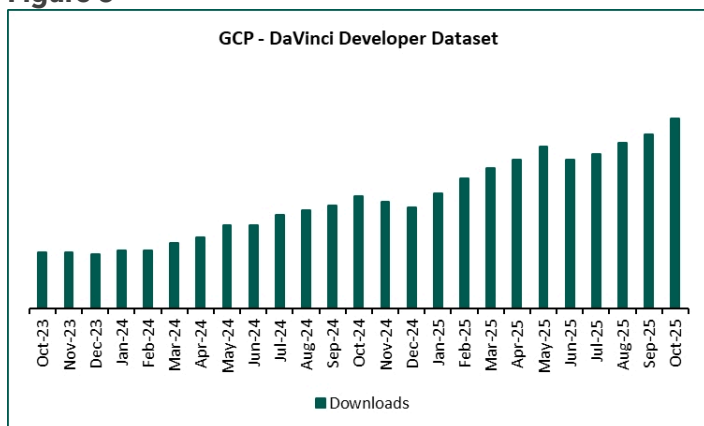
Source: D.A. Davidson Cascade

Figure 4



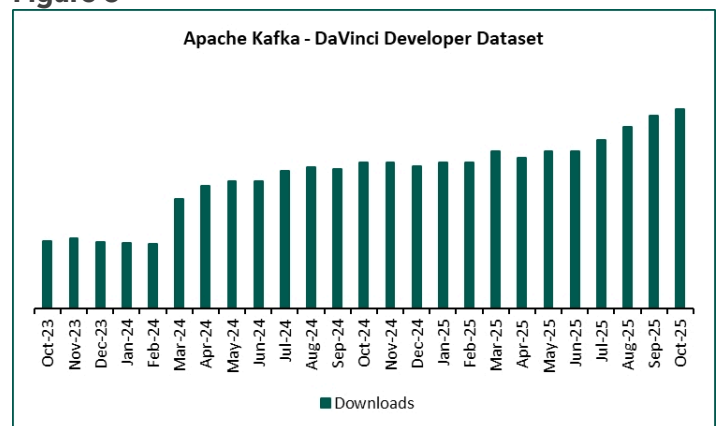
Source: D.A. Davidson Cascade

Figure 5



Source: D.A. Davidson Cascade

Figure 6

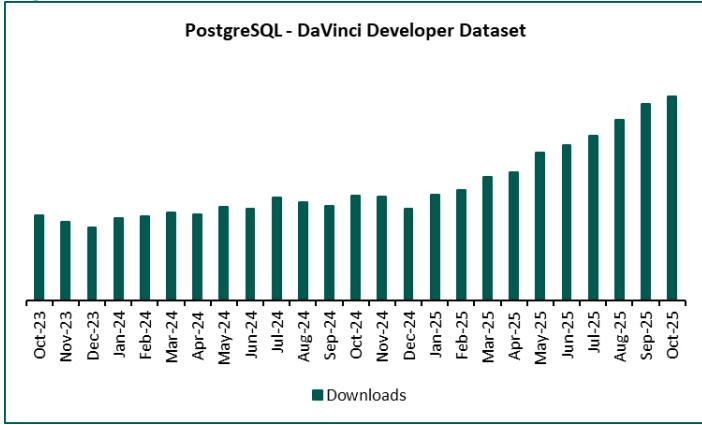


Source: D.A. Davidson Cascade

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Figure 7



Source: D.A. Davidson Cascade



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BUY: Expected to produce a total return of over 15% on a risk adjusted basis over the next 12-18 months

NEUTRAL: Expected to produce a total return of -15% to +15% on a risk adjusted basis over the next 12-18 months

UNDERPERFORM: Expected to lose value of over 15% on a risk adjusted basis over the next 12-18 months

Rating Distribution (as of 9/30/25)	Coverage Universe Distribution			Investment Banking Distribution		
	IR	WMR	Combined	IR	WMR	Combined
BUY (Buy)	59%	85%	62%	8%	0%	7%
NEUTRAL (Hold)	40%	13%	37%	4%	0%	3%
UNDERPERFORM (Sell)	1%	2%	1%	0%	0%	0%

IR denotes Institutional Research; WMR denotes Wealth Management Research whose rating scale is Buy/Add, Neutral, Sell/Reduce. Investment Banking Distribution denotes companies from whom D.A. Davidson & Co. has received compensation in the last 12 months. Best-of-Breed: Expected to outperform on a risk adjusted basis over a five-year time horizon.

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While the Best-of-Breed designation does not contain a separate rating and/or price target from that of the standard ratings system referenced above, the expectation is that the security, based on the 12 criteria utilized in assessing the "Best-of-Breed" designation, will outperform over a five-year time horizon, not the standard 12-18 month time horizon.

For a copy of the most recent reports containing all required disclosure information for covered companies referenced in this report, please contact your D.A. Davidson & Co. representative or call 1-800-755-7848.

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Other Companies Mentioned in this Report

Company Name	Ticker	Rating	Price
Adobe Inc.	ADBE	BUY	\$340.31
Amazon.com, Inc.	AMZN	BUY	\$244.22
Salesforce.com, Inc.	CRM	NEUTRAL	\$260.41
Datadog, Inc.	DDOG	BUY	\$162.81
Dynatrace, Inc.	DT	BUY	\$50.57



Company Name	Ticker	Rating	Price
JFrog Ltd.	FROG	BUY	\$47.48
Alphabet Inc.	GOOGL	NEUTRAL	\$281.19
MongoDB, Inc.	MDB	BUY	\$359.82
Microsoft Corporation	MSFT	BUY	\$517.81
NVIDIA Corporation	NVDA	BUY	\$202.49
Oracle Corporation	ORCL	NEUTRAL	\$262.61
Snowflake Inc.	SNOW	BUY	\$274.88