

# Q3 FY2025 Earnings

May 28, 2025

NUTANIX

# Safe Harbor

## Non-GAAP Financial Measures and Other Key Performance Measures

To supplement our consolidated financial statements, which are prepared and presented in accordance with GAAP, this presentation includes the following non-GAAP financial and other key performance measures: non-GAAP gross margin, non-GAAP operating expenses, non-GAAP operating income, non-GAAP operating margin, non-GAAP net income per share (diluted), free cash flow, Annual Recurring Revenue (or ARR), and Average Contract Duration. In computing non-GAAP financial measures, we exclude certain items such as stock-based compensation and the related income tax impact, costs associated with our acquisitions (such as amortization of acquired intangible assets, income tax-related impact, and other acquisition-related costs), restructuring charges, litigation settlement accruals and legal fees related to certain litigation matters, the amortization and conversion of the debt discount and issuance costs related to debt, interest expense related to debt, inducement expense related to the repurchase of convertible senior notes, and other non-recurring transactions and the related tax impact. Non-GAAP gross margin, non-GAAP operating expenses, non-GAAP operating income, and non-GAAP operating margin and non-GAAP net income per share (diluted) are financial measures which we believe provide useful information to investors because they provide meaningful supplemental information regarding our performance and liquidity by excluding certain expenses and expenditures such as stock-based compensation expense that may not be indicative of our ongoing core business operating results. Free cash flow is a performance measure that we believe provides useful information to our management and investors about the amount of cash generated by the business after capital expenditures, and we define free cash flow as net cash provided by (used in) operating activities less purchases of property and equipment. ARR is a performance measure that we believe provides useful information to our management and investors as it allows us to better track the topline growth of our subscription business because it takes into account variability in term lengths. We use these non-GAAP financial and key performance measures for financial and operational decision-making and as a means to evaluate period-to-period comparisons. However, these non-GAAP financial and key performance measures have limitations as analytical tools and you should not consider them in isolation or as substitutes for analysis of our results as reported under GAAP. Non-GAAP gross margin, non-GAAP operating expenses, non-GAAP operating income, non-GAAP operating margin, non-GAAP net income per share (diluted), and free cash flow are not substitutes for gross margin, operating expenses, operating income (loss), operating margin, net income per share (diluted), and net cash provided by (used in) operating activities, respectively. There is no GAAP measure that is comparable to ARR or Average Contract Duration, so we have not reconciled the ARR or Average Contract Duration data included in this presentation to any GAAP measure. In addition, other companies, including companies in our industry, may calculate non-GAAP financial measures and key performance measures differently or may use other measures to evaluate their performance, all of which could reduce the usefulness of our non-GAAP financial measures and key performance measures as tools for comparison. We urge you to review the reconciliation of our non-GAAP financial measures and key performance measures to the most directly comparable GAAP financial measures included below in the tables captioned "GAAP to Non-GAAP Reconciliations," and not to rely on any single financial measure to evaluate our business. This presentation also includes the following forward-looking non-GAAP financial measures as part of our fourth quarter fiscal 2025 outlook and/or our fiscal 2025 outlook: non-GAAP operating margin and free cash flow. We are unable to reconcile these forward-looking non-GAAP financial measures to their most directly comparable GAAP financial measures without unreasonable efforts, as we are currently unable to predict with a reasonable degree of certainty the type and extent of certain items that would be expected to impact the GAAP financial measures for these periods but would not impact the non-GAAP financial measures.

© 2025 Nutanix, Inc. All rights reserved. Nutanix, the Nutanix logo, and all Nutanix product and service names mentioned herein are registered trademarks or unregistered trademarks of Nutanix, Inc. ("Nutanix") in the United States and other countries. Other brand names or marks mentioned herein are for identification purposes only and may be the trademarks of their respective holder(s). This presentation is for informational purposes only and nothing herein constitutes a warranty or other binding commitment by Nutanix.

# Safe Harbor

## Forward Looking Statements

This presentation contains express and implied forward-looking statements, including, but not limited to, statements regarding: our business momentum and prospects, including the strength of our platform, demand from businesses looking for a trusted long-term partner, and our continued focus on driving innovation and broadening our partnerships; our focus on delivering sustainable, profitable growth; our fourth quarter fiscal 2025 outlook; and our fiscal 2025 outlook.

These forward-looking statements are not historical facts and instead are based on our current expectations, estimates, opinions, and beliefs. Consequently, you should not rely on these forward-looking statements. The accuracy of these forward-looking statements depends upon future events and involves risks, uncertainties, and other factors, including factors that may be beyond our control, that may cause these statements to be inaccurate and cause our actual results, performance or achievements to differ materially and adversely from those anticipated or implied by such statements, including, among others: the inherent uncertainty or assumptions and estimates underlying our projections and guidance, which are necessarily speculative in nature; any failure to successfully implement or realize the full benefits of, or unexpected difficulties or delays in successfully implementing or realizing the full benefits of, our business plans, strategies, initiatives, vision, objectives, momentum, prospects and outlook; our ability to achieve, sustain and/or manage future growth effectively; the rapid evolution of the markets in which we compete, including the introduction, or acceleration of adoption of, competing solutions, including public cloud infrastructure; failure to timely and successfully meet our customer needs; delays in or lack of customer or market acceptance of our new solutions, products, services, product features or technology; macroeconomic or geopolitical uncertainty; our ability to attract, recruit, train, retain, and, where applicable, ramp to full productivity, qualified employees and key personnel; factors that could result in the significant fluctuation of our future quarterly operating results (including anticipated changes to our revenue and product mix, the timing and magnitude of orders, shipments and acceptance of our solutions in any given quarter, our ability to attract new and retain existing end-customers, changes in the pricing and availability of certain components of our solutions, and fluctuations in demand and competitive pricing pressures for our solutions); our ability to form new or maintain and strengthen existing strategic alliances and partnerships, as well as our ability to manage any changes thereto; our ability to make share repurchases; and other risks detailed in our Annual Report on Form 10-K for the fiscal year ended July 31, 2024 filed with the U.S. Securities and Exchange Commission, or the SEC, on September 19, 2024 and our subsequent Quarterly Reports on form 10-Q filed with the SEC. Additional information will be set forth in our Quarterly Report on Form 10-Q for the fiscal quarter ended April 30, 2025, which should be read in conjunction with this presentation and the financial results included herein. Our SEC filings are available on the Investor Relations section of our website at [ir.nutanix.com](http://ir.nutanix.com) and on the SEC's website at [www.sec.gov](http://www.sec.gov). These forward-looking statements speak only as of the date of this presentation and, except as required by law, we assume no obligation, and expressly disclaim any obligation, to update, alter or otherwise revise any of these forward-looking statements to reflect actual results or subsequent events or circumstances.

# Q3 FY2025 Company Highlights

## Delivered Outperformance Across All Q3'25 Guided Metrics

Revenue of \$639.0 million was up 22% year-over-year and Non-GAAP Operating Margin of 21.5% increased 750 bps year-over-year.

## Raised FY'25 Guidance

Raised all FY'25 guided metrics, including Revenue, Non-GAAP Operating Margin and Free Cash Flow.

## Saw Continued New Logo Growth

New logo additions of 620 represented another quarter of strong new logo growth, with strength seen across all customer tiers.

## Made Progress on Support for External Storage

Nutanix announced GA of the NCI Compute product, enabling customers to leverage external storage as part of their Nutanix Cloud Platform (NCP) deployments, with initial support for Dell PowerFlex. Nutanix also announced a partnership with Pure Storage to support their FlashArray.

## Announced Cloud Native AOS and Google Cloud Support

Nutanix announced Cloud Native AOS to deliver its enterprise storage and advanced data services to hyperscaler Kubernetes® services and cloud-native bare-metal environments. Nutanix also announced NCP support for Google Cloud.

# Management Commentary

“

We delivered solid third quarter results, above the high end of our guided ranges, driven by the strength of the Nutanix Cloud Platform and demand from businesses looking for a trusted long-term partner. Our recent announcements around support for external storage, modern applications, and generative AI reflect our continued focus on driving innovation and broadening our partnerships to further enhance the value proposition of the Nutanix Cloud Platform.



**Rajiv Ramaswami**  
President and Chief Executive Officer  
Nutanix

“

Our third quarter results included 18% year-over-year ARR growth and strong year-to-date free cash flow generation. We remain focused on delivering sustainable, profitable growth.



**Rukmini Sivaraman**  
Chief Financial Officer  
Nutanix



Note: See Appendix for definition of Annual Recurring Revenue (ARR). There is no GAAP measure that is comparable to ARR, so the Company has not reconciled ARR in this presentation to any GAAP measure.

# Q3 FY2025 Financial Summary

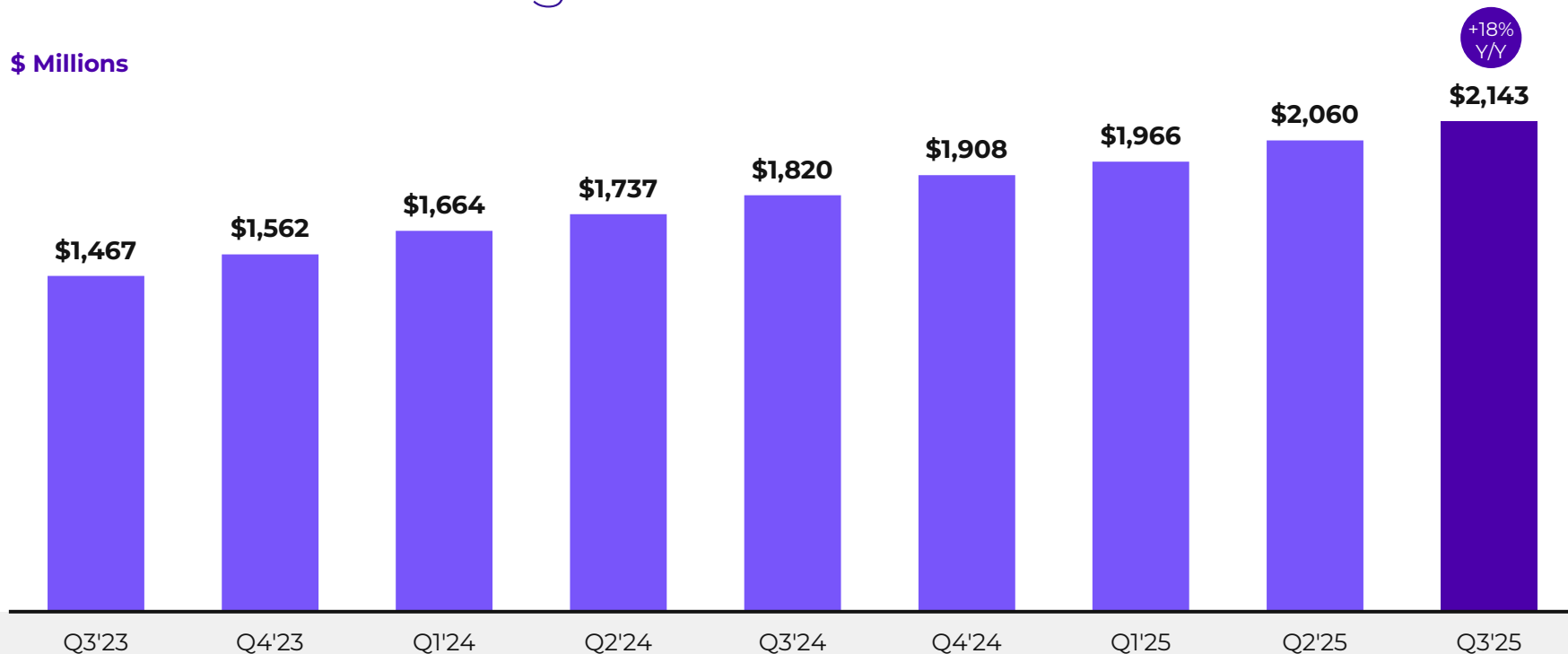
	Q3'25 Results	Y/Y Change	Q3'25 Guidance
Annual Recurring Revenue	\$2.14B	18%	N/A
Average Contract Duration	3.1 Years	0.1 Year	N/A
Revenue	\$639.0M	22%	\$620 – \$630M
Non-GAAP Gross Margin	88.2%	170 bps	N/A
Non-GAAP Operating Expenses	\$426.5M	12%	N/A
Non-GAAP Operating Income	\$137.1M	\$63.8M	N/A
Non-GAAP Operating Margin	21.5%	750 bps	17% to 18%
Non-GAAP Net Income per Share (Diluted)	\$0.42	\$0.18	N/A
Free Cash Flow	\$203.4M	\$125.1M	N/A



Note: See Appendix for GAAP to Non-GAAP reconciliations, as well as definitions of Annual Recurring Revenue (ARR) and Average Contract Duration. There is no GAAP measure that is comparable to ARR, so the Company has not reconciled ARR in this presentation to any GAAP measure.

# Annual Recurring Revenue

\$ Millions

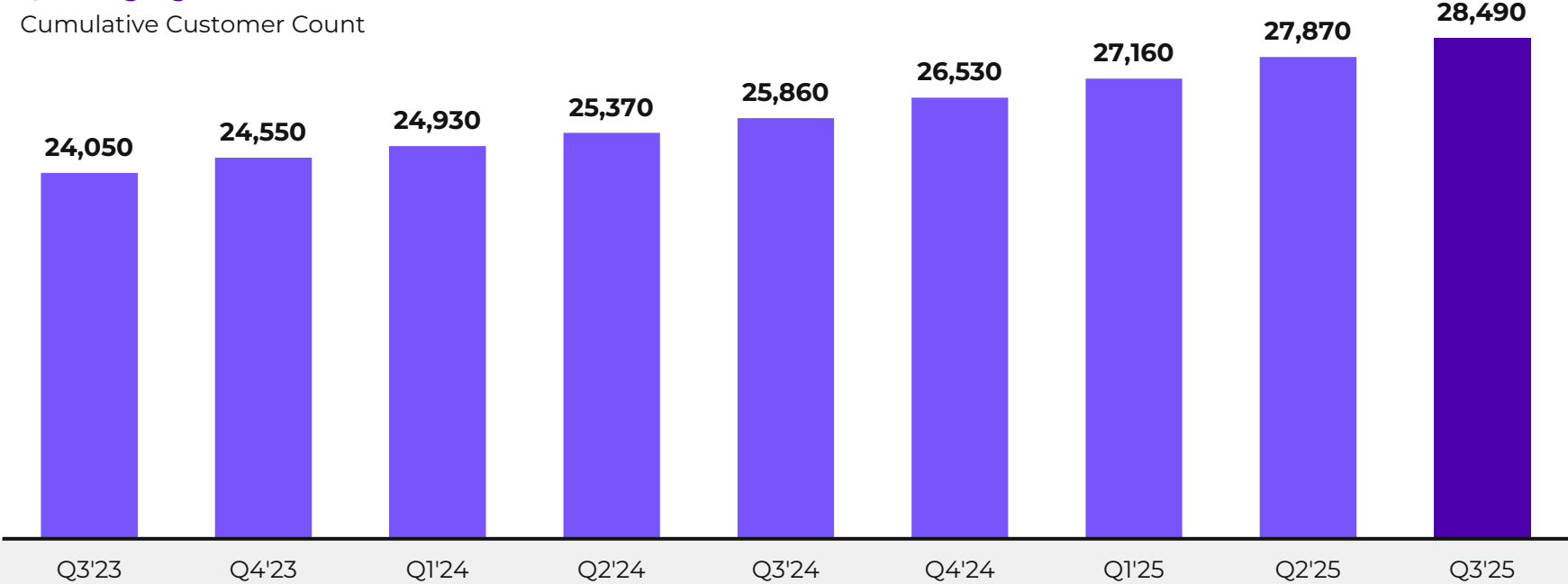


Note: See Appendix for definition of Annual Recurring Revenue (ARR). There is no GAAP measure that is comparable to ARR, so the Company has not reconciled ARR in this presentation to any GAAP measure.

# Customer Growth

## Q3'25 Highlights


Cumulative Customer Count



Note: The cumulative customer count reflects standard adjustments/consolidation to certain customer accounts within our system of record and is rounded to the nearest 10.

# Q4'25 Financial Guidance

	Q4'25 Guidance
Revenue	\$635 – \$645M
Non-GAAP Operating Margin	15.5% to 16.5%
Weighted Average Shares Outstanding (Diluted) <sup>(1)</sup>	~297M

 1. Weighted average share count used in computing diluted non-GAAP net income per share.  
Note: Q4'25 guidance is as of May 28, 2025.

# FY'25 Financial Guidance

	<b>FY'25 Guidance</b>
<b>Revenue</b>	\$2.52 – \$2.53B
<b>Non-GAAP Operating Margin</b>	~20.5%
<b>Free Cash Flow</b>	\$700 – \$730M

## Guidance Commentary:

1. The Company assumes that the macro and demand environment remains similar to what it saw in Q3. The Company expects to continue to add new customers onto its platform, while noting that last Q4 presents a tough year-over-year comparison for new logo additions.
2. The Company assumes aggregate average contract duration for Q4 to be more-or-less flat relative to Q3, resulting in a full-year contract duration that is expected to be flat-to-slightly-higher compared to last fiscal year.
3. As discussed in prior earnings calls, the Company expects to continue to increase its investment in Sales & Marketing and Research & Development into the end of the fiscal year. These investments are directed towards addressing the Company's large market opportunity, are expected to continue to ramp in Q4, and are factored into the Company's Q4 and implied full-year guidance.



Note: FY'25 guidance is as of May 28, 2025.

# Appendix

# Nutanix Reporting Model

Product Type	Product Mix	Contract Duration	Revenue Recognized
Subscription	Term-based Subscription	1, 3, or 5 Years	Upfront
	SaaS Subscription	Monthly up to 5 Years	Ratable
	Support and Entitlements	1, 3, or 5 Years	Ratable
Professional Services	Professional Services for All Nutanix Offerings	Various	As Performed
Other Non-Subscription Product			
Non-Portable Software	Software License Attached to Appliance	Life of the Device (LoD)	Upfront
Pass-Through Hardware	Pass-Through Hardware Cost	N/A	Upfront

# Definitions

**Annual Recurring Revenue**, or **ARR**, for any given period, is defined as the sum of ACV for all subscription contracts in effect as of the end of a specific period. For the purposes of this calculation, we assume that the contract term begins on the date a contract is booked, unless the terms of such contract prevent us from fulfilling our obligations until a later period, and irrespective of the periods in which we would recognize revenue for such contract. Excludes all life-of-device contracts. **ACV** is defined as the total annualized value of a contract. The total annualized value for a contract is calculated by dividing the total value of the contract by the number of years in the term of such contract. Excludes amounts related to professional services and hardware.

Note: ARR is a performance measure that the Company believes provides useful information to its management and investors as it allows the Company to better track the topline growth of its subscription business because it takes into account variability in term lengths. There is no GAAP measure that is comparable to ARR, so the Company has not reconciled ARR in this presentation to any GAAP measure.

**Average Contract Duration**, represents the dollar-weighted term, calculated on a billings basis, across all subscription contracts, as well as our limited number of life-of-device contracts, using an assumed term of five years for life-of-device licenses, executed in the period.

**Net Retention Rate**, or **NRR** is calculated as of the end of a twelve-month period. We calculate NRR by starting with the ARR for all customers with subscription contracts at the beginning of the period. We then divide end-of-the-period ARR for the same customer group by the beginning-of-the-period ARR.

# GAAP to Non-GAAP Reconciliations

	Q3'24	Q4'24	Q1'25	Q2'25	Q3'25
<b>Gross Margin (GAAP)</b>	84.8%	85.2%	86.0%	87.0%	87.0%
<b>Stock-Based Compensation Expense</b>	1.6	1.6	1.4	1.2	1.1%
<b>Amortization of Intangible Assets</b>	0.1	0.1	0.1	0.1	0.1%
<b>Gross Margin (Non-GAAP)</b>	86.5%	86.9%	87.5%	88.3%	88.2%
<b>Operating Expenses (GAAP)</b>	\$456.5	\$479.2	\$481.0	\$504.0	\$507.3
<b>Stock-Based Compensation Expense</b>	(74.3)	(73.4)	(80.7)	(85.3)	(77.2)
<b>Amortization of Intangible Assets</b>	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)
<b>Litigation-Related Costs</b>	(1.7)	(0.2)	(1.3)	(1.6)	(3.5)
<b>Operating Expenses (Non-GAAP)</b>	\$380.4	\$405.5	\$398.9	\$417.0	\$426.5
<b>Income (Loss) from Operations (GAAP)</b>	\$(11.5)	\$(12.2)	\$27.3	\$65.4	\$48.7
<b>Stock-Based Compensation Expense</b>	82.3	81.6	88.7	93.4	84.2
<b>Amortization of Intangible Assets</b>	0.8	0.9	0.9	0.9	0.6
<b>Litigation-Related Costs</b>	1.7	0.2	1.3	1.6	3.5
<b>Income from Operations (Non-GAAP)</b>	\$73.3	\$70.5	\$118.2	\$161.3	\$137.0



Note: All amounts in millions, except percentages.

# GAAP to Non-GAAP Reconciliations

	Q3'24	Q4'24	Q1'25	Q2'25	Q3'25		Q3'24	Q3'25
Net Income (Loss) (GAAP)	\$(15.6)	\$(126.1)	\$29.9	\$56.4	\$63.4			
Stock-Based Compensation Expense	82.3	81.6	88.7	93.4	84.2			
Amortization of Intangible Assets	0.8	0.9	0.9	0.9	0.6			
Litigation-Related Costs	1.7	0.2	1.3	1.6	3.5			
Amortization and Conversion of Debt Discount and Issuance Costs	16.9	119.5	0.8	1.7	3.0			
Inducement Expense	–	–	–	11.3	–			
Other	(0.1)	(0.2)	(0.1)	–	(0.1)			
Income Tax-Related Adjustments <sup>(1)</sup>	(13.4)	(9.1)	(18.8)	(26.2)	(29.9)			
Net Income (Non-GAAP) <sup>(1)</sup>	\$72.6	\$66.8	\$102.7	\$139.1	\$124.7	Weighted Average Shares Outstanding (Basic)	246M	268M
Net Cash Provided by Operating Activities	\$96.3	\$244.7	\$161.7	\$221.7	\$218.5	Weighted Average Shares Outstanding (Diluted)	302M	297M
Purchases of Property and Equipment	(18.0)	(20.4)	(9.8)	(34.6)	(15.1)			
Free Cash Flow (Non-GAAP)	\$78.3	\$224.3	\$151.9	\$187.1	\$203.4			

1. Beginning in the third quarter of fiscal 2025, and retrospectively applied to comparable prior year periods, we are using a long-term projected non-GAAP tax rate of 20% for the purposes of determining our non-GAAP net income and non-GAAP income per share, which is based on our current long-term projections. We believe a long-term projected tax rate of 20% better aligns with the non-GAAP measure of profitability, reduces volatility of the non-GAAP tax rate and provides better consistency across reporting periods. Our estimated long-term projected tax rate is subject to change for a variety of reasons, including tax law changes in major jurisdictions in which we operate, changes in our geographic earnings mix, or other changes to our strategy or business operations. We will re-evaluate our long-term projected tax rate as appropriate.

Note: All amounts in millions.



NUTANIX

Thank You