NUTANIX™

Q3 EARNINGS FY2022

May 25, 2022

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: billings, non-GAAP gross margin, non-GAAP operating expenses, non-GAAP net loss per share, free cash flow, subscription revenue, subscription billings, subscription billings mix, ACV Billings, Annual Recurring Revenue, Run-rate ACV, and Average Contract Term. In computing non-GAAP financial measures, we exclude certain items such as stock-based compensation expense, amortization of intangible assets, impairment (recovery) of lease-related assets, amortization of debt discount and issuance costs and interest expense related to convertible senior notes, change in fair value of derivative liability, loss on debt extinguishment, income tax-related adjustments, and/or other non-recurring items. Billings is a performance measure that we believe provides useful information to investors because it represents the amounts under binding purchase orders received by us during a given period that have been billed, and we calculate billings by adding the change in deferred revenue between the start and end of the period to total revenue recognized in the same period. Non-GAAP gross margin, non-GAAP operating expenses, and non-GAAP net loss per share 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 necessary capital expenditures, and we define free cash flow as net cash provided by (used in) operating activities less purchases of property and equipment. Subscription revenue, subscription billings, and subscription billings mix are performance measures that we believe provide useful information to our management and investors as they allow us to better track the growth of the subscription-based portion of our business, which is a critical part of our business plan. ACV Billings and Run-rate ACV are performance measures that we believe provide useful information to our management and investors as they allow us to better track the topline growth of our business during our transition to a subscription-based business model because they take into account variability in term lengths. Annual Recurring Revenue 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. Billings, non-GAAP gross margin, non-GAAP operating expenses, non-GAAP net loss, non-GAAP net loss per share, and free cash flow are not substitutes for total revenue, gross margin, operating expenses, net loss, net loss per share, and net cash provided by (used in) operating activities, respectively; subscription revenue is not a substitute for total revenue; and subscription billings is not a substitute for subscription revenue. There is no GAAP measure that is comparable to ACV Billings, Annual Recurring Revenue, Run-rate ACV, or Average Contract Term, so we have not reconciled ACV Billings, Annual Recurring Revenue, Run-rate ACV, or Average Contract Term 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 set forth in the tables captioned “GAAP to Non-GAAP Reconciliations and Calculation of Billings” and “Disaggregation of Billings and Revenue” included in the appendix hereto, and not to rely on any single financial measure to evaluate our business.

Safe Harbor

Forward Looking Statements

This presentation and the accompanying oral commentary contain express and implied forward-looking statements, including, but not limited to, statements regarding: our business plans, goals, strategies, initiatives, vision, and objectives (including our focus on achieving profitable growth, sustainable free cash flow generation and non-GAAP operating margin breakeven in future periods), as well as our ability to execute thereon successfully and in a timely manner and the benefits and impact thereof on our business, operations, and financial results; our business and financial outlook, including our Q4'22 and FY'22 financial guidance and the modeling assumptions underlying such guidance and our expectations regarding linearity, working capital needs, cash usage, free cash flow, and non-GAAP operating margin in future periods); our plans regarding providing information about our financial outlook for any future periods, including our decision to use new or different metrics, or to make adjustments to the metrics we use, to supplement our financial reporting, and the impact thereof; macroeconomic or geopolitical conditions, including global supply chain issues, and the impact thereof on our business, operations, and financial results; our plans for, and the timing of, any current and future business model transitions, including our ongoing transition to a subscription-based business model, our ability to manage, complete or realize the benefits of such transitions successfully and in a timely manner, and the short-term and long-term impacts of such transitions on our business, operations and financial results; the competitive market, including our projections about our market share and opportunity, our competitive position and ability to compete effectively, the competitive advantages of our products, and the effects of increased competition in our market; our ability to attract, integrate, develop, and retain qualified employees and key personnel, as well as the impact of any changes to our employee base and senior management on our business, operations, and financial results; the demand for our solutions and our ability to attract new end customers and retain and grow sales from our existing end customers; our customer needs and our response to those needs; our ability to form new, and maintain and strengthen existing, strategic alliances and partnerships, including our relationships with our channel partners and original equipment manufacturers, and the impact of any changes to such relationships on our business, operations and financial results (including on our opportunity pipeline); the benefits and capabilities of our platform, solutions, products, services and technology, including the interoperability and availability of our solutions with and on third-party platforms; our plans and expectations regarding new solutions, products, services, product features and technology, including those that are still under development or in process; our plans regarding, and the timing and success of, our customer, partner, industry, analyst, investor and employee events and the impact thereof on our business, operations, and financial results; and the timing and potential impact of the COVID-19 pandemic on the global market environment and the IT industry, as well as on our business, operations and financial results, our ability to manage our business during the pandemic, and the position we anticipate being in following the pandemic. 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: 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, goals, strategies, initiatives, vision, and objectives; our ability to achieve, sustain and/or manage future growth effectively; delays or unexpected accelerations in our current and future business model transitions; 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 (including due to supply chain issues); delays in or lack of customer or market acceptance of our new solutions, products, services, product features or technology; macroeconomic or geopolitical conditions, including the COVID-19 pandemic and global supply chain issues, and the timing, breadth, and impact thereof on our business, operations, and financial results, as well as the impact on our customers, partners, and end markets; factors that could result in the significant fluctuation of our future quarterly operating results, including, among other things, 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; and other risks detailed in our Annual Report on Form 10-K for the fiscal year ended July 31, 2021 filed with the U.S. Securities and Exchange Commission, or the SEC, on September 21, 2021 and our Quarterly Reports on Form 10-Q for the fiscal quarters ended October 31, 2021 and January 31, 2022 filed with the SEC on December 2, 2021 and March 10, 2022, respectively. Additional information will also be set forth in our Quarterly Report on Form 10-Q for the fiscal quarter ended April 30, 2022, 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 and on the SEC's website at 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 Fiscal 2022 Company Highlights

Delivered Outperformance Across All Guided Metrics: ACV Billings of $205 million were up 28% year-over-year. Revenue of $404 million was up 17% year-over-year.

Executive Appointments: Nutanix announced the appointment of Rukmini Sivaraman as Chief Financial Officer, effective May 1, 2022, as well as Mandy Dhaliwal as Chief Marketing Officer and Shyam Desirazu as Head of Engineering.

Recognized as a Gartner Peer Insights Customers' Choice for Hyperconverged Infrastructure and Distributed File Systems and Object Storage: These customer review-driven awards reflect high levels of customer satisfaction with both the core Nutanix Cloud Platform and Unified Storage Solutions.

Named a Major Player in IDC's MarketScape in Distributed Scale-Out File System Market: Nutanix was recognized as a "Major Player" in the IDC MarketScape: Worldwide Distributed Scale-Out File System 2022 Vendor Assessment.

Note: See Appendix for definitions of ACV Billings and ACV. There is no GAAP measure that is comparable to ACV Billings or ACV, so the Company has not reconciled the ACV Billings and ACV numbers in this presentation to any GAAP measure.

Management Commentary

Rajiv Ramaswami, President and Chief Executive Officer

"Our third quarter reflected continued solid execution, demonstrating strong year-over-year top and bottom line improvement. Late in the third quarter, we saw an unexpected impact from challenges that limited our upside in the quarter and affected our outlook for the fourth quarter. Increased supply chain delays with our hardware partners account for the significant majority of the impact to our outlook, and higher-than-expected sales rep attrition in the third quarter was also a factor. We don't believe these challenges reflect any change in demand for our hybrid multicloud platform, and we remain focused on mitigating the impact of these issues and continuing to execute on the opportunity in front of us."

Rukmini Sivaraman, Chief Financial Officer

"I'm excited to be taking on the role of CFO at this important time in Nutanix's journey. We continue to see good execution on our building base of subscription renewals, which is helping us drive towards profitable growth."

Q3'22 Financial Summary

	Q3'22 Results	Y/Y Change	Q3'22 Guidance
ACV Billings	$204.7M	28%	$195 - $200M
Annual Recurring Revenue	$1.1B	46%	N/A
Average Contract Term	3.2 Years	(0.1) Year	N/A
Revenue	$403.7M	17%	$395 - $400M
Non-GAAP Gross Margin	83.3%	160 bps	~82.0%
Non-GAAP Operating Expenses	$341.7M	(5)%	$365 - $370M
Non-GAAP Net Loss Per Share	$(0.05)	$0.36	N/A
Free Cash Flow	$(20.1)M	$51.4M	N/A

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

Q3'22 Subscription Highlights

$204.7M
ACV Billings
+28% Y/Y

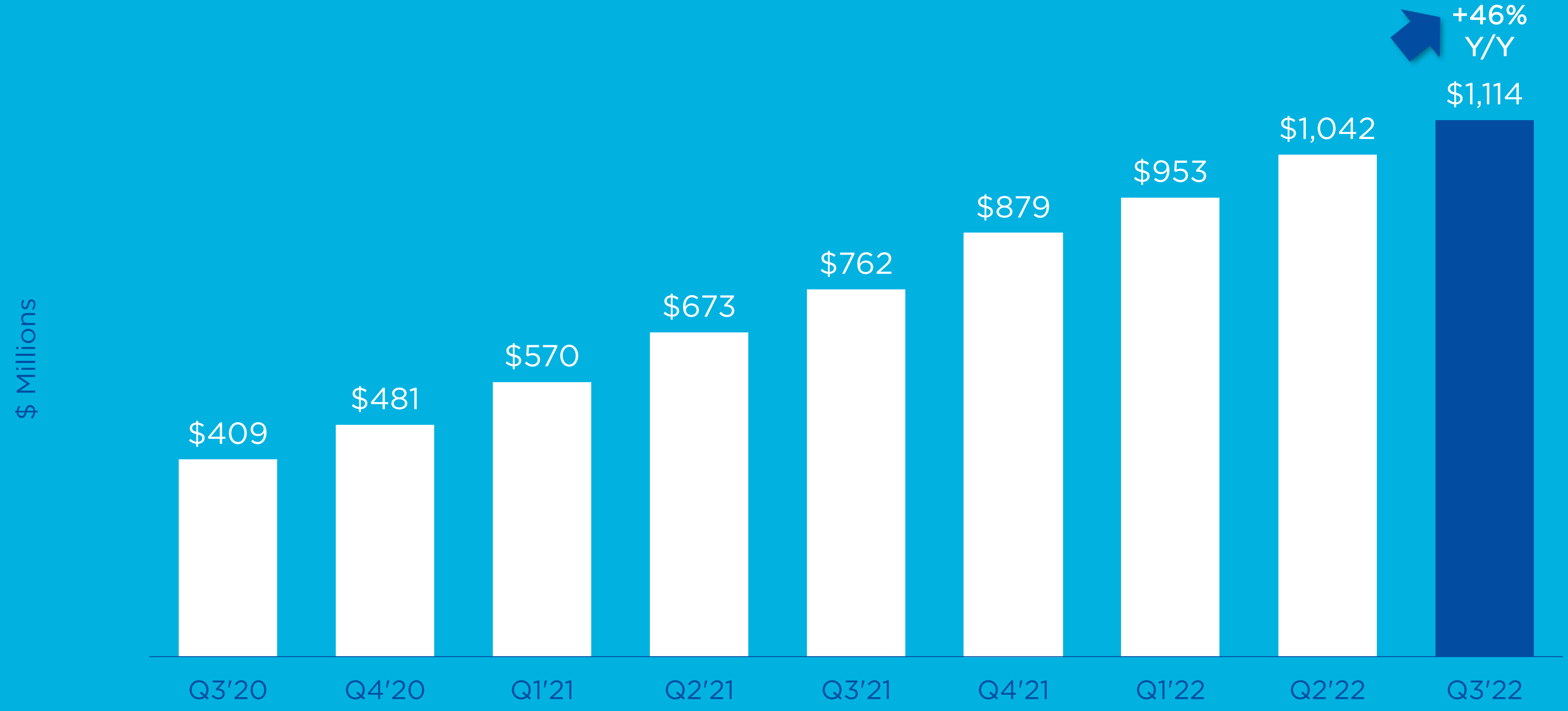
$370.5M
Subscription Revenue
+21% Y/Y

$1.1B
Annual Recurring Revenue
+46% Y/Y

3.2 Years
Average Contract Term
(0.1) Year Y/Y

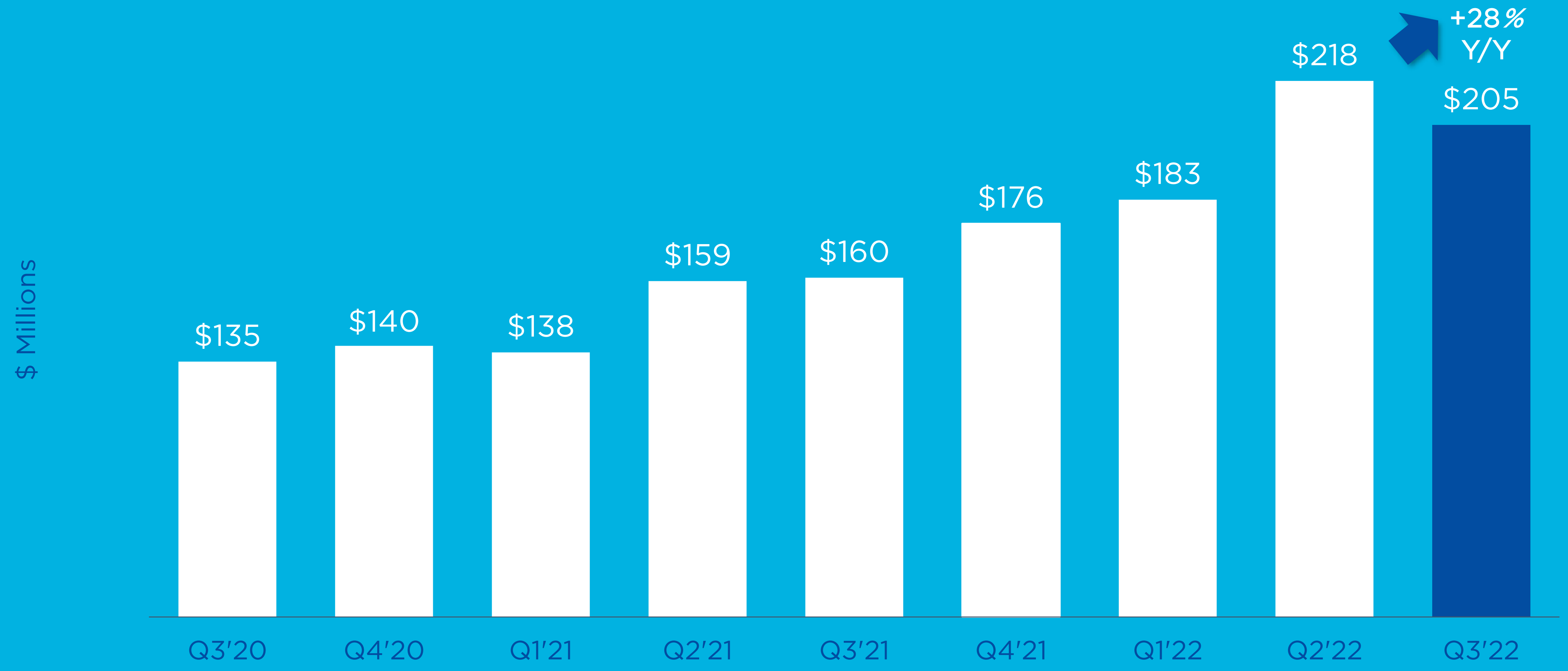
Note: ACV Billings, Average Contract Term, and Subscription Revenue are for the fiscal quarter ended April 30, 2022. Annual Recuring Revenue is as of April 30, 2022. See Appendix for definitions of ACV, ACV Billings, Annual Recurring Revenue, and Average Contract Term. There is no GAAP measure that is comparable to ACV, ACV Billings or Annual Recurring Revenue, so the Company has not reconciled the ACV, ACV Billings, and Annual Recurring Revenue numbers in this presentation to any GAAP measure. See Appendix for disaggregation of revenue.

Annual Recurring Revenue



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

ACV Billings

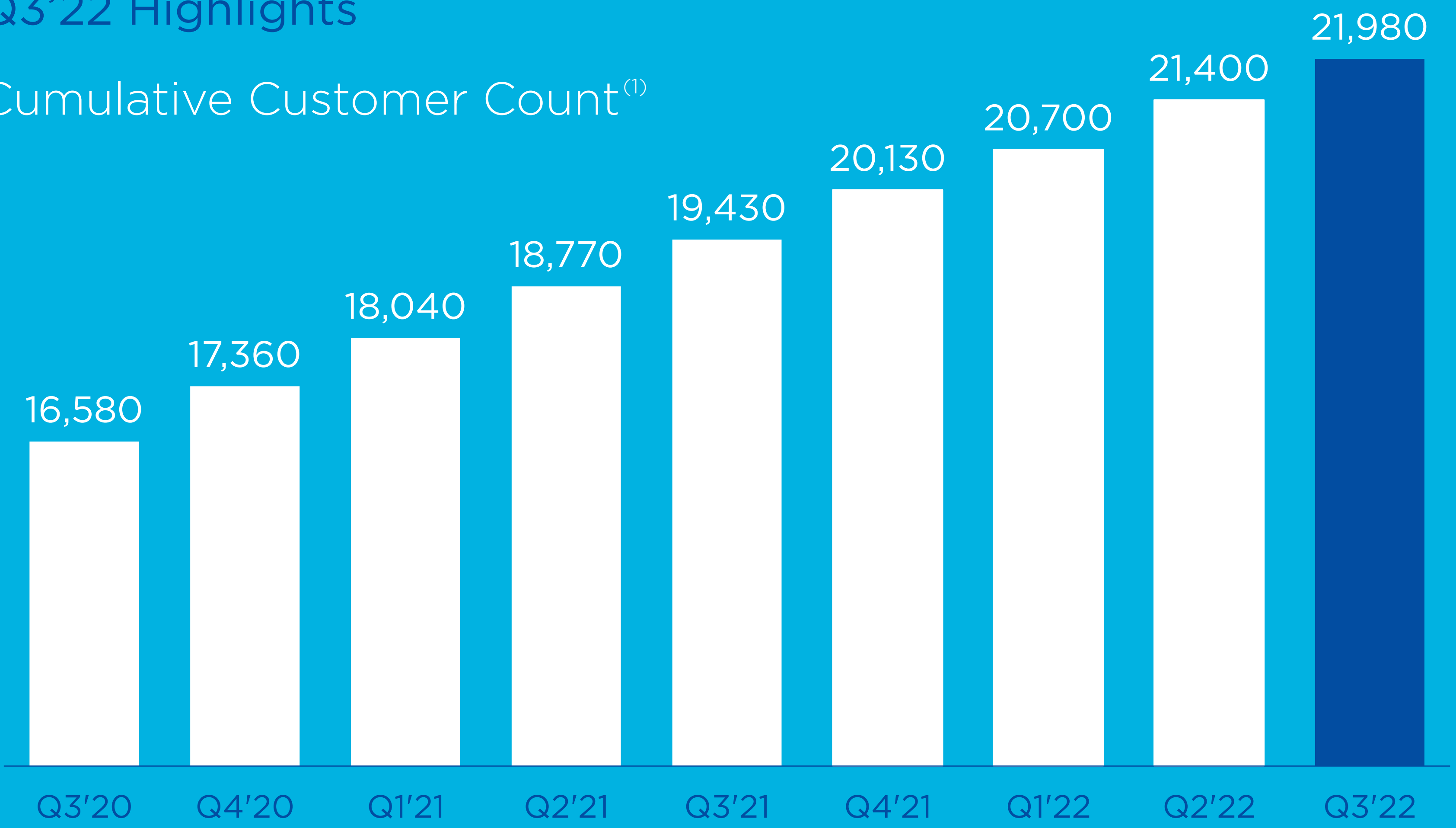


Note: ACV Billings exclude amounts related to professional services and hardware. See Appendix for definitions of ACV and ACV Billings. There is no GAAP measure that is comparable to ACV or ACV Billings, so the Company has not reconciled the ACV and ACV Billings numbers in this presentation to any GAAP measure.

Customer Growth

Q3'22 Highlights

Cumulative Customer Count[1]



13%

Total Customers Y/Y Growth

19.9x[2]

G2K Lifetime ACV Repeat Purchase Multiple

90 NPS

7-Year Average

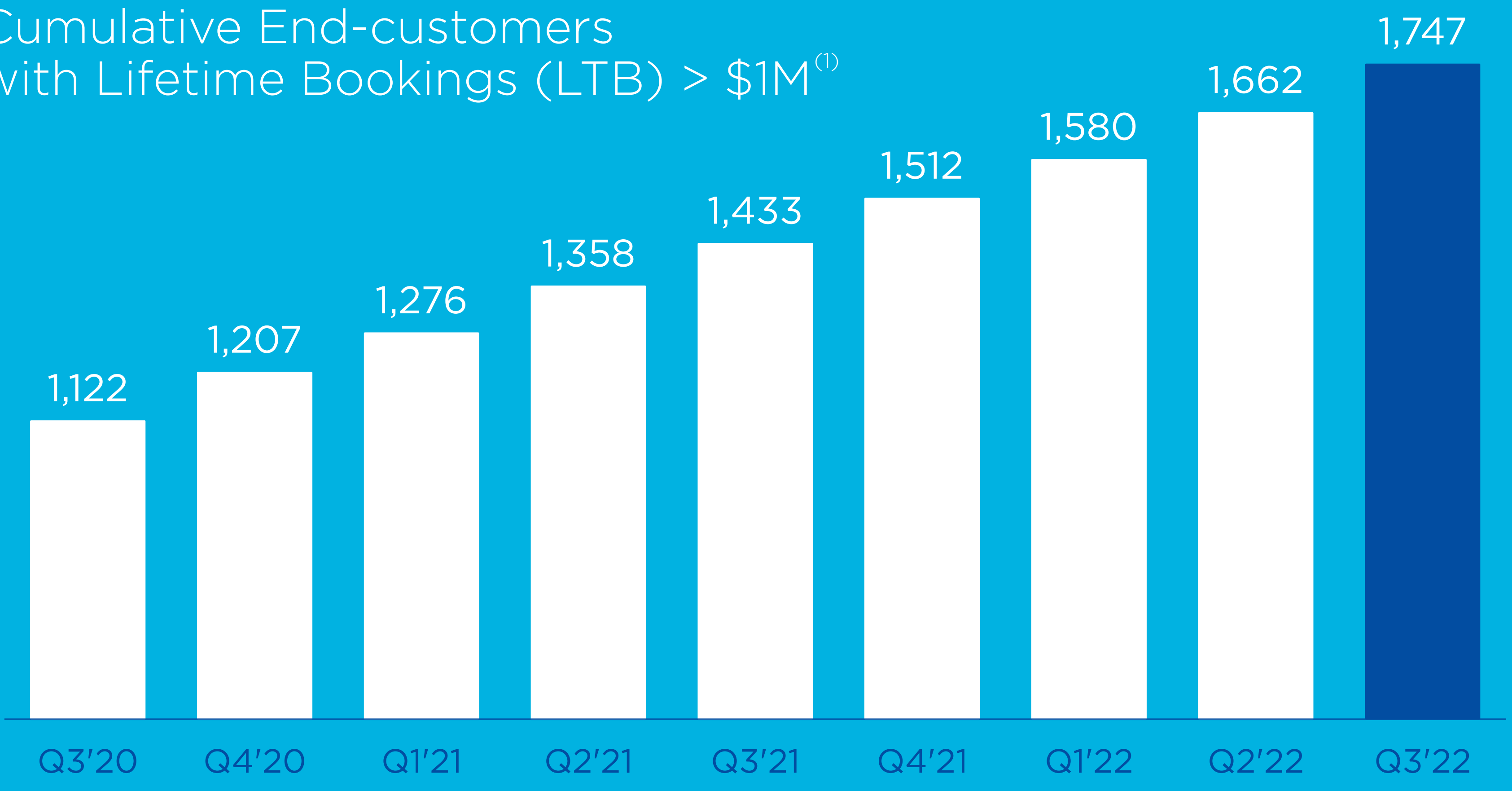
(1) The cumulative total customer count reflects standard adjustments/consolidation to certain customer accounts within our system of record and is rounded to the nearest 10.

(2) See endnote 1 in the Appendix. See Appendix for definition of ACV. There is no GAAP measure that is comparable to ACV so the Company has not reconciled the ACV numbers in this presentation to any GAAP measure.

Over $1M Customer Growth

Q3'22 Highlights

Cumulative End-customers with Lifetime Bookings (LTB) > $1M[1]



1,218
Customers $1-$3M in LTB
+22% Y/Y

253
Customers $3-$5M in LTB
+23% Y/Y

174
Customers $5-$10M in LTB
+21% Y/Y

102
Customers >$10M in LTB
+26% Y/Y

(1) Measured in TCV Bookings. See Appendix for definition of TCV Bookings. There is no GAAP measure that is comparable to TCV Bookings, so the Company has not reconciled the TCV Bookings numbers in this presentation to any GAAP measure.

Q4'22 Financial Guidance

	Q4'22 Guidance
ACV Billings	$175 - $185M
Revenue	$340 - $360M
Non-GAAP Gross Margin	Approximately 79 to 80%
Non-GAAP Operating Expenses	$360 - $365M
Weighted Average Shares Outstanding	Approximately 225M

Modeling Assumptions:

1. The significant majority of the impact on the Company's Q4'22 ACV Billings guidance, relative to the Company's previously implied guidance for Q4'22, is due to the impact of increased supply chain challenges, which affect the Company in two ways (1) future start dates, i.e., orders that customers book with the Company but that are not yet collected; and (2) customers choosing to delay placing orders with the Company pending availability of hardware. The Company's guidance is also impacted by sales rep headcount going into Q4'22 being lower than planned. Because of the increased uncertainty in the macro supply chain environment the Company saw toward the end of Q3'22 and continuing into Q4'22 and how rapidly it is changing, the Company is widening its ranges to reflect that increased uncertainty. The guidance assumes that the supply chain challenges continue to worsen in Q4'22. Absent the supply chain issues, the Company believes that it would have likely been at or close to the Company's previously implied Q4'22 ACV Billings guidance range.

2. The Q4'22 revenue guidance is more impacted than ACV Billings guidance relative to their respective previously implied Q4'22 numbers, because orders with future start dates that are booked and collected are reflected in ACV Billings, but are only reflected in revenue in the quarter of the actual license start date.

3. The Company's average contract term length is expected to be flattish in Q4'22.

4. The Q4'22 non-GAAP operating expenses guidance is well below the previously implied Q4'22 guidance of approximately $400 million, even though it includes approximately $6 million for an in-person sales enablement event that was moved into Q4'22 from Q3'22.

5. Because of the billings dynamics and because the Company expects linearity in Q4'22 to remain challenging due to supply chain delays, the Company expects working capital needs to increase in Q4'22. As a result, the Company expects cash usage to be significant in Q4'22, and higher than the current Q4'22 Street consensus.

Note: Q4'22 guidance is as of May 25, 2022. See Appendix for GAAP to Non-GAAP reconciliations, as well as definitions of ACV and ACV Billings. There is no GAAP measure that is comparable to ACV or ACV Billings, so the Company has not reconciled the ACV and ACV Billings numbers in this presentation to any GAAP measure.

FY’22 Financial Guidance

	Old FY’22 Guidance	New FY’22 Guidance
ACV Billings	$760 - $765M	$735 - $745M
Revenue	$1.625 - $1.630B	$1.535 - $1.555B
Non-GAAP Gross Margin	Approximately 82.5%	Approximately 82%
Non-GAAP Operating Expenses	$1.465 - $1.470B	$1.402 - $1.407B

Note: FY’22 guidance is as of May 25, 2022. See Appendix for GAAP to Non-GAAP reconciliations, as well as definitions of ACV Billings and ACV. There is no GAAP measure that is comparable to ACV Billings or ACV, so the Company has not reconciled the ACV Billings and ACV numbers in this presentation to any GAAP measure.

Appendix

Nutanix Reporting Model

Product Type	Product Mix	Term	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
Non-portable Software	Software License Attached to Appliance	Life of the Device (LoD)	Upfront
Professional Services	Professional Services for all Nutanix Offerings	Various	As Performed
Pass-through Hardware	Pass-through Hardware Cost	N/A	Upfront

Endnote and Definitions

Endnote

1. G2K lifetime ACV repeat purchase multiple is defined as ACV of total lifetime purchase divided by ACV of initial purchase, for G2K customers that have been customers for over 18 months. G2K customers are customers who are listed on the Global 2000 list as reported and updated annually by Forbes.

Definitions

ACV Billings, for any given period, is defined as the sum of the ACV for all contracts billed during the given period. ACV Billings is the sum of New ACV Billings and Renewals ACV Billings. Annual Contract Value, or ACV, is defined as the total annualized value of a contract, excluding amounts related to professional services and hardware. 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, using, where applicable, an assumed term of five years for contracts that do not have a specified term.

Annual Recurring Revenue, or ARR, for any given period, is defined as the sum of ACV for all non life-of-device 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.

Average Contract Term, represents the dollar-weighted term, calculated on a billings basis, across all subscription and life-of-device contracts, using an assumed term of five years for life-of-device licenses, executed in the period.

Renewals ACV Billings, for any given period, is defined as the sum of the ACV of all renewal contracts billed during the given period.

Total Contract Value Bookings, or TCV Bookings, for any given period is defined as the total software and support contracts booked during such period, which excludes amounts associated with pass-through hardware sales during the period.

Note: ACV and ACV Billings are performance measures that the Company believes provides useful information to its management and investors as they allow the Company to better track the topline growth of its business during its transition to a subscription-based business model because it takes into account variability in term lengths. 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 ACV, ACV Billings, ARR, or TCV Bookings so the Company has not reconciled the ACV, ACV Billings, ARR, or TCV Bookings numbers included in this presentation to any GAAP measure.

GAAP to Non-GAAP Reconciliations and Calculation of Billings

	Q3'21	Q4'21	Q1'22	Q2'22	Q3'22
Gross margin (GAAP)	78.4%	79.9%	78.5%	80.6%	80.2%
Stock-based compensation expense	2.2	2.1	2.7	2.4	2.3
Amortization of intangible assets	1.1	1.0	0.9	0.8	0.8
Impairment (recovery) of lease-related assets	-	(0.1)	-	-	-
Gross margin (Non-GAAP)	81.7%	82.9%	82.1%	83.8%	83.3%
Operating expenses (GAAP)	$(450.6)	$(454.1)	$(434.3)	$(427.5)	$(416.2)
Stock-based compensation expense	87.6	81.4	80.3	78.2	75.4
Amortization of intangible assets	0.7	0.7	0.7	0.7	0.7
Impairment (recovery) of lease-related assets	-	(1.1)	-	-	-
Other	0.8	0.6	0.7	1.3	(1.6)
Operating expenses (Non-GAAP)	$(361.5)	$(372.5)	$(352.6)	$(347.3)	$(341.7)
Net loss per share (GAAP)	$(0.60)	$(1.68)	$(1.95)	$(0.53)	$(0.50)
Stock-based compensation expense	0.46	0.42	0.42	0.40	0.37
Amortization of intangible assets	0.02	0.02	0.02	0.02	0.02
Impairment (recovery) of lease-related assets	-	(0.01)	-	-	-
Amortization of debt discount and issuance costs	0.11	0.11	0.07	0.07	0.07
Change in fair value of derivative liability	(0.41)	0.88	0.92	-	-
Loss on debt extinguishment	-	-	0.30	-	-
Other	0.01	-	-	0.01	(0.01)
Net loss per share (Non-GAAP)	$(0.41)	$(0.26)	$(0.22)	$(0.03)	$(0.05)
Net cash provided by (used in) operating activities	$(55.6)	$(24.6)	$6.9	$25.7	$(3.2)
Purchases of property and equipment	(15.9)	(17.6)	(8.8)	(8.5)	(16.9)
Free cash flow (Non-GAAP)	$(71.5)	$(42.2)	$(1.9)	$17.2	$(20.1)

	Q3'21	Q3'22
Revenue	$344.5	$403.7
Change in deferred revenue	26.6	44.3
Total billings	$371.1	$448.0

Note: All amounts in millions, except per share amounts and percentages.

Disaggregation of Billings and Revenue

	FY'19	FY'20	FY'21	Q3'21	Q4'21	Q1'22	Q2'22	Q3'22
Subscription revenue	$648.4	$1,030.2	$1,243.6	$307.3	$352.2	$337.9	$374.7	$370.5
Change in subscription deferred revenue, net of acquisitions	267.6	246.2	110.5	23.5	38.1	21.4	52.7	42.2
Subscription billings	$916.0	$1,276.4	$1,354.1	$330.8	$390.3	$359.3	$427.4	$412.7
Non-portable software revenue	$449.1	$208.1	$71.4	$16.7	$12.9	$14.3	$14.5	$9.4
Change in non-portable software deferred revenue	-	-	-	-	-	-	-	-
Non-portable software billings	$449.1	$208.1	$71.4	$16.7	$12.9	$14.3	$14.5	$9.4
Professional services revenue	$33.3	$45.9	$73.1	$19.5	$22.4	$24.1	$22.1	$22.5
Change in professional services deferred revenue	$11.0	$26.2	$16.2	3.2	0.7	(1.9)	(1.3)	2.1
Professional services billings	$44.3	$72.1	$89.3	$22.7	$23.1	$22.2	$20.8	$24.6
Pass-through hardware revenue	$105.3	$23.5	$6.3	$1.0	$3.2	$2.2	$1.8	$1.3
Change in pass-through hardware deferred revenue	-	-	-	-	-	-	-	-
Pass-through hardware billings	$105.3	$23.5	$6.3	$1.0	$3.2	$2.2	$1.8	$1.3
Subscription revenue mix	52%	79%	90%	89%	90%	89%	91%	92%
Non-portable software revenue mix	36%	16%	5%	5%	3%	4%	4%	2%
Professional services revenue mix	3%	3%	5%	6%	6%	6%	5%	6%
Pass-through hardware revenue mix	9%	2%	0%	0%	1%	1%	0%	0%
Total	100%	100%	100%	100%	100%	100%	100%	100%
Subscription billings mix	60%	81%	89%	89%	91%	90%	92%	92%
Non-portable software billings mix	30%	13%	5%	5%	3%	4%	3%	2%
Professional services billings mix	3%	5%	6%	6%	5%	5%	5%	6%
Pass-through hardware billings mix	7%	1%	0%	0%	1%	1%	0%	0%
Total	100%	100%	100%	100%	100%	100%	100%	100%

Note: All amounts in millions, except percentages.

NUTANIX™

THANK YOU