

**NUTANIX™**

# Corporate Presentation

MARCH 2021

# 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, we use 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 revenue mix, subscription billings mix, Annual Contract Value Billings (or ACV Billings), and Run-rate Annual Contract Value (or Run-rate ACV). In computing these non-GAAP financial measures and key performance 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), impairment of operating lease-related assets, change in fair value of derivative liability, amortization of debt discount and issuance costs, non-cash interest expense, other non-recurring transactions and the related tax impact, and the revenue and billings associated with pass-through hardware sales. Billings is a performance measure which 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 (used in) provided by operating activities less purchases of property and equipment. Subscription revenue, subscription billings, subscription revenue mix, 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. 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 per share, and free cash flow are not substitutes for total revenue, gross margin, operating expenses, net loss per share, or net cash (used in) provided by operating activities, respectively; subscription revenue is not a substitute for total revenue; and subscription billings is not a substitute for subscription revenue or total revenue. There is no GAAP measure that is comparable to either ACV Billings or Run-rate ACV, so we have not reconciled the ACV Billings or Run-rate ACV numbers 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.

Certain information contained herein may relate to or be based on studies, publications, surveys and other data obtained from third-party sources and our own internal estimates and research. While we believe these third-party studies, publications, surveys and other data are reliable as of the date hereof, they have not independently verified, and we make no representation as to the adequacy, fairness, accuracy, or completeness of any information obtained from third-party sources.

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# 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 relating to: our business plans, goals, strategies, initiatives, objectives and outlook, including our go-to-market strategy and outlook regarding the position we anticipate being in future periods; our ability to execute such plans, goals, strategies, initiatives and objectives successfully and in a timely manner, and the benefits and impact of such plans, initiatives and objectives on our business, operations, financial results, and long-term growth; our plans and timing for, and the success and impact of, any current and future business model transitions, including the impact thereof on our revenue and product mix, unit economics, average contract term lengths, renewal cycles, business model predictability, go-to-market cost structure, operating expenses, free cash flow, and liquidity position; the competitive market, including our competitive position, our projections about our market growth and/or share, the size of our total addressable market, and the competitive advantages of our products; macroeconomic environment and industry trends, projected growth or trend analysis; our customer needs and our ability to address those needs successfully and in a timely manner; 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 products, services, product features and technology, including those that are still under development or in process; the success and impact of our customer, partner, industry, analyst, investor, and employee events on our business, including on future pipeline generation; our ability to maintain and strengthen, and form new, strategic alliances and partnerships, as well as the success and benefits 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, including the changes we have made or anticipate making in response to the COVID-19 pandemic, 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, initiatives and objectives; delays or unexpected accelerations in the transition to a subscription-based business model; our ability to achieve, sustain and/or manage future growth effectively; the timing, breadth, and impact of the COVID-19 pandemic on our business, operations, and financial results, as well as the impact on our customers, partners, and end markets; failure to successfully manage or realize the benefits of our Chief Executive Officer succession; failure to timely and successfully meet our customer needs; delays in or lack of customer or market acceptance of our new products, services, product features or technology; the rapid evolution of the markets in which we compete; 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, including changes as a result of our transition to a subscription-based business model, which will slow revenue growth during such transition and make forecasting future performance more difficult, 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 of certain components of our solutions, and fluctuations in demand and competitive pricing pressures for our solutions; the introduction, or acceleration of adoption of, competing solutions, including public cloud infrastructure; and other risks detailed in our periodic and current reports filed with the U.S. Securities and Exchange Commission, or the SEC, 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.



# Nutanix Overview – Q2'21

## VISION

Make clouds invisible, freeing customers to focus on their business outcomes

## MISSION

Delight customers with a simple, open, hybrid, and multicloud software platform with rich data services to build, run, and manage any application



**\$1.38B**  
+28% YoY  
Run-rate ACV



**\$159M**  
+14% YoY  
ACV Billings



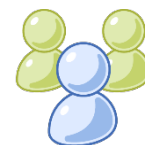
**\$346M<sup>(1)</sup>**  
Flat YoY  
Total Revenue



**3.4 Years**  
(0.5) Year YoY  
Total Average  
Contract Term



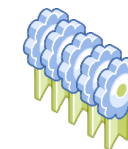
**82.7%**  
+130 bps YoY  
Non-GAAP  
Gross Margin



**18,770**  
+2,890 YoY  
Total Customer  
Count



**950<sup>(2)</sup>**  
+70 YoY  
Global 2000  
Customer Count



**90**  
7-Year Average  
Net Promoter  
Score

Note: Data is as of January 31, 2021. See Appendix for definitions of Run-rate ACV, ACV, ACV Billings, and Total Average Contract Term and a GAAP to non-GAAP reconciliation of Non-GAAP Gross Margin.

(1) Q2'21 total revenue was negatively impacted by year-over-year decline in average contract term associated with the Company's ongoing transition to subscription.

(2) The cumulative worldwide end-customer and G2K customer counts reflect standard adjustments to certain customer accounts within our system of record and are rounded to the nearest 10. See endnote 1 in the Appendix.



# Nutanix Value Proposition



## Differentiated Cloud Platform for Hybrid and Multicloud Solutions

Manage any app anywhere at any scale with unparalleled simplicity, scalability, choice, and portability



## Compelling Market Opportunity

Large and expanding \$200+ billion TAM in hyperconverged infrastructure and multicloud markets



## Multiple Long-Term Growth Drivers

Datacenter modernization | Digital transformation | Hybrid and multicloud infrastructure



## Customer Delight and Expansion

Loyal customer base with best-in-class avg. Net Promoter Score (NPS) of 90 over past 7 years, 96% customer retention, and 125% ACV dollar-based net expansion rate\*



## Subscription Model for Datacenter and Cloud Infrastructures

Higher customer lifetime value, and a more predictable business model with recurring revenue over time

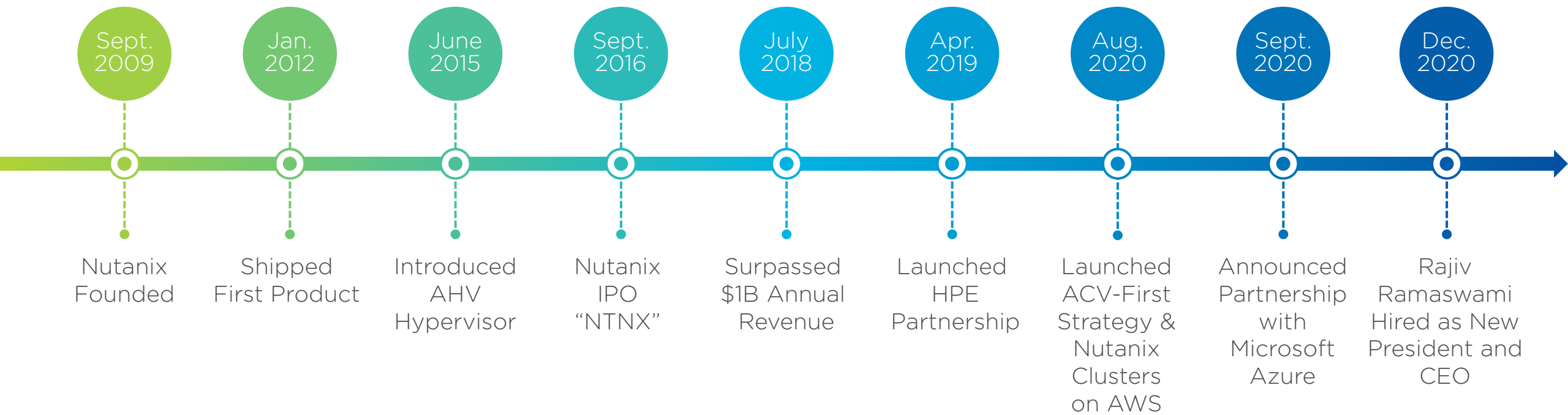


## Unlocking Operating Leverage

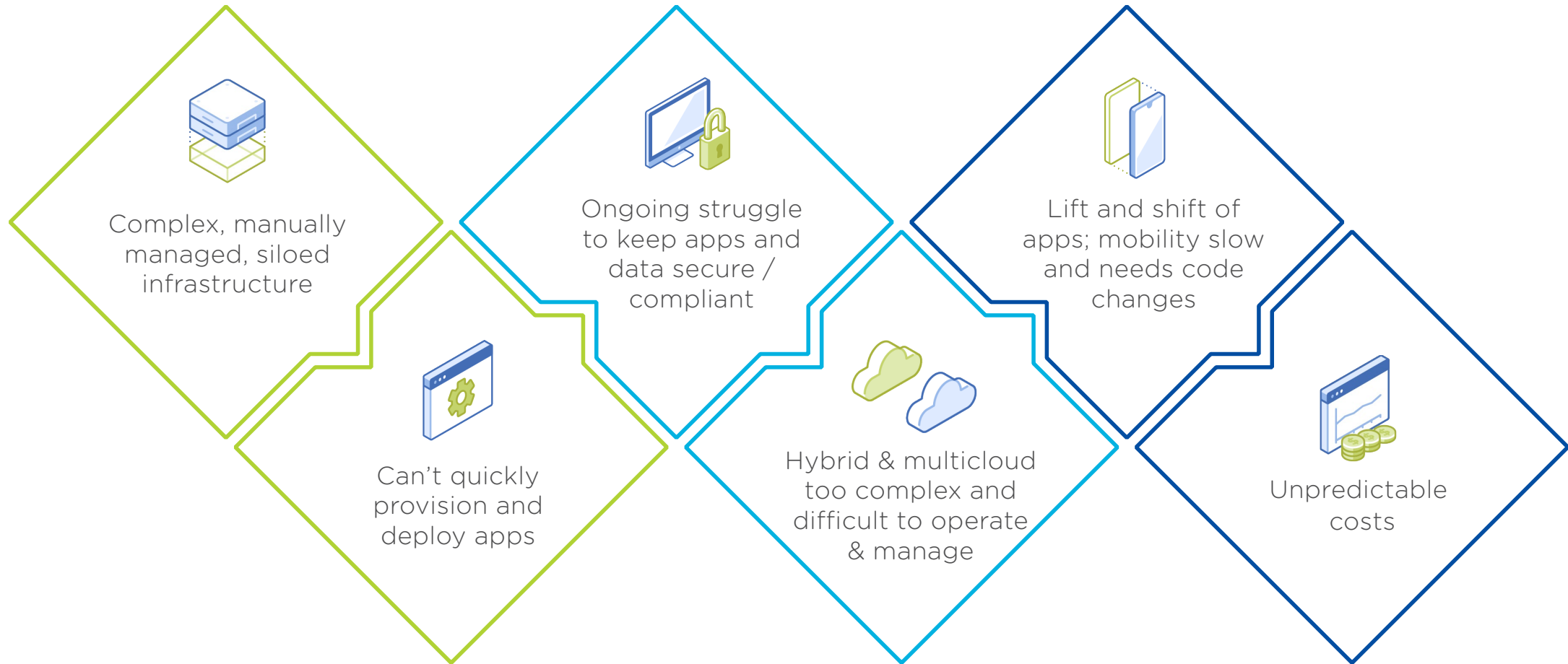
ACV-first strategy drives better unit economics and shortens time to efficient renewals, which drives operating leverage over time



# Nutanix Timeline



# Top IT Challenges in the Digital Economy



# Rising Demand for Hybrid Cloud Deployments<sup>18</sup>



76% of respondents said COVID-19 has caused IT to be viewed more strategically in their organizations



86% of respondents consider hybrid their ideal operating model

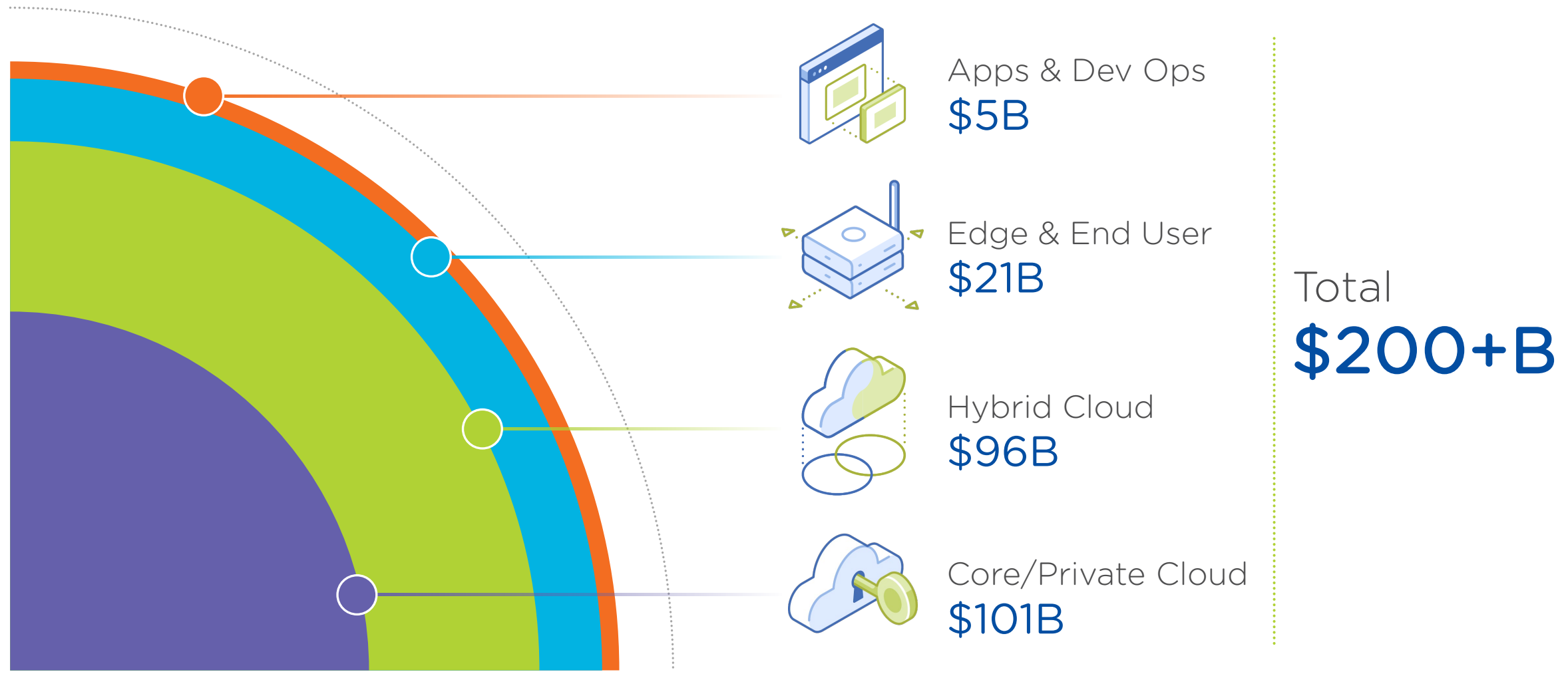


92% of respondents who currently run on-premises infrastructure have deployed or plan to deploy hyperconverged infrastructure





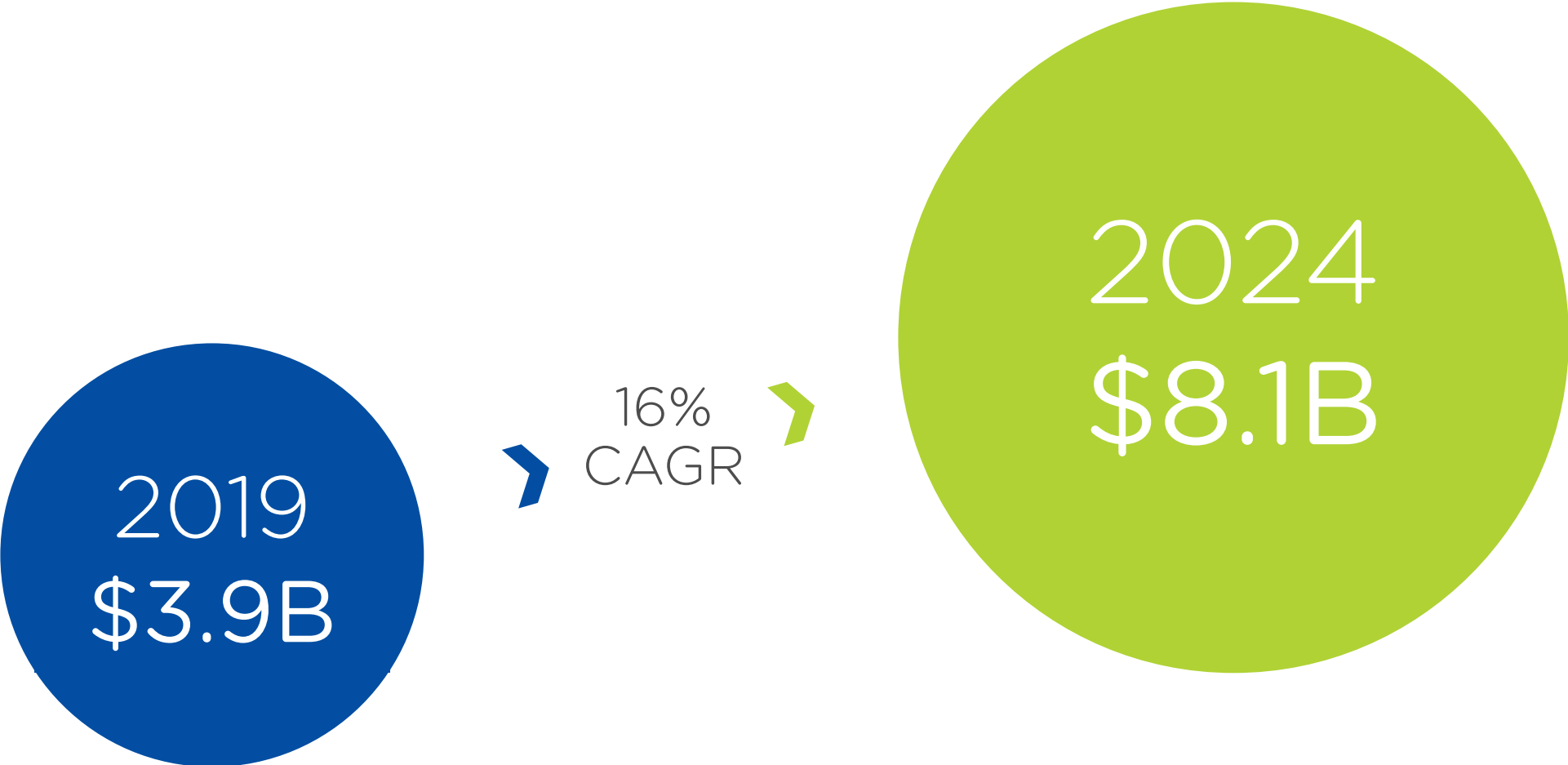
# Addressing a Large and Expanding TAM



Source: IDC April 2020.



# HCIS Market Growth

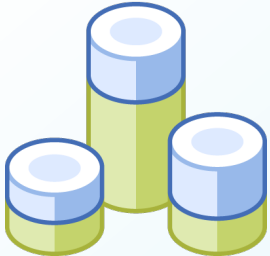


Source: Gartner, Forecast Analysis: Integrated Systems, Worldwide, Naveen Mishra, Roger W. Cox, Kiyomi Yamada Published 14 January 2021.



# Key Growth Drivers of Our Business

Infrastructure Modernization



Operational Efficiency / Economics

Server Virtualization, VDI, ROBO, Business-critical Apps, Databases, Big Data



ITaaS



“aaS” for Automation

Simplicity, Automation, Self-service, Integration across Clouds, CI/CD



Cloud



Innovation, Agility

Hybrid Cloud, Multicloud, Cloud Native



# Our Offering: One Platform. Any App. Any Cloud.

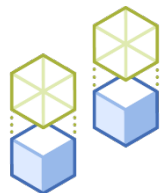
Focus on Long-term Sustainable Growth with Multi Product Focus:  
Platform-, App-, and Cloud-Agnostic



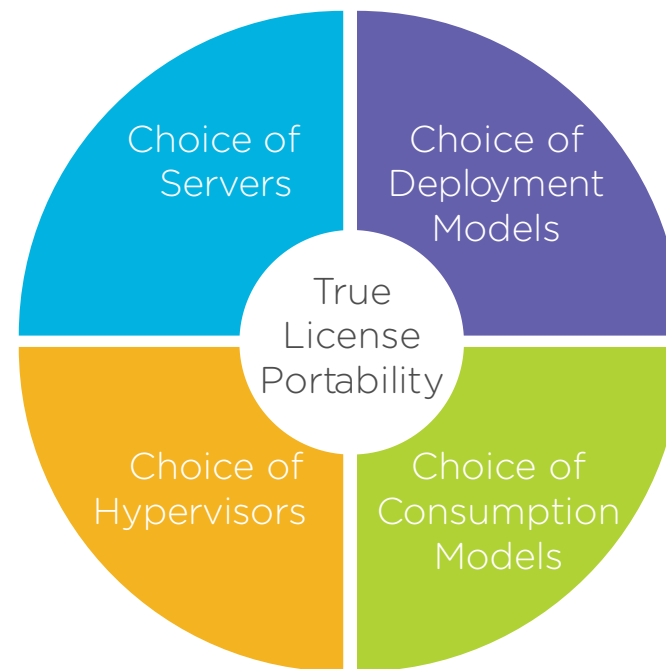
# Giving Customers Unparalleled Choice & Portability

- > Gives control back to IT
- > Provides choice to avoid rigid technology and costly vendor lock-in
- > Supports all major hypervisors including VMware ESXi, Microsoft Hyper-V, and our own Nutanix (no additional cost) AHV to help IT preserve existing investment

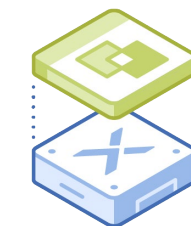
All Major Server Platforms



Private, Hybrid, & Multicloud



Multiple Hypervisors



Software, Purposefully Built Appliances



# Undisputed Market Leadership

Gartner  
Magic Quadrant for HCI, 2020



Gartner Magic Quadrant for Hyperconverged Infrastructure, Jeff Hewitt, Phil Dawson, Julia Palmer and John McArthur, Published 7 Dec 2020

Forrester  
Wave HCI, 2020



The Forrester Wave™: Hyperconverged Infrastructure, Q3 2020, Forrester Research, Inc., 29 July 2020



# How We Win Against Legacy Infrastructure

## Freedom of Choice

Choose your hardware, hypervisors, applications, and clouds



## One-click Simplicity

No need for low-level infrastructure management

## Flexible IT Consumption

Get and pay only for what you need—either as operating or capital expense



## Continuous Innovation

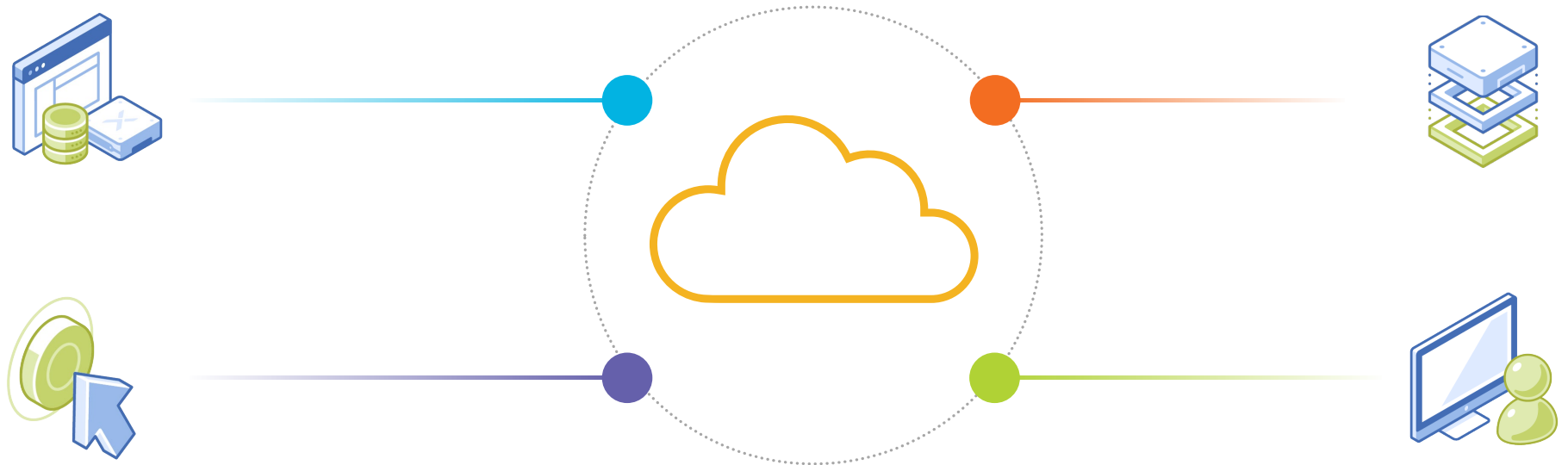
Infrastructure continues to get better



# How We Win Against HCI Competition

**Web-Scale Architecture**  
Unlike other packaged solutions

**Resiliency & Performance**  
Better results delivered by data locality and management



**One-click Upgrades**  
Across the entire infrastructure and software stack

**Single User Interface**  
End-to-end infrastructure and application management

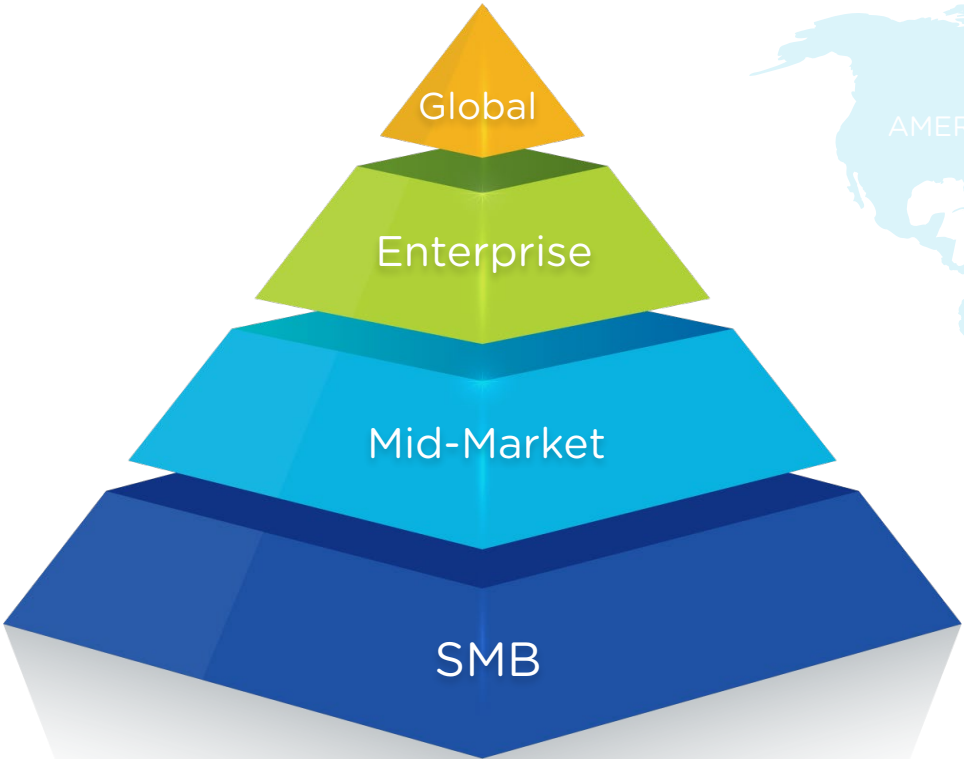




# Go To Market Strategy

Direct Sales Reps, Overlays and Channel across AMER, EMEA and APJ

Federal  
State  
Government  
Healthcare/  
Education  
Local  
Government



> **Market Expansion**

- New products and new logos
- Multi-workload and multi-product

> **Resource Leverage**

- Accelerate productivity
- Fine tune coverage
- Develop new routes to market

> **Subscription Advantage**

- Lower cost structure
- Large enterprise purchase agreements



# Partner Ecosystem Strength



Customer & Market Reach with Thousands of Partners Globally



# Our Hybrid and Multicloud Platform



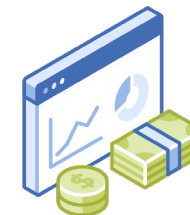
52%

AHV Adoption as  
a % of Total Nodes<sup>(1)</sup>  
+6pts YoY



37%

% of Deals Involving at Least  
One Emerging Product<sup>(1)</sup>  
+6pts YoY



100+%

YoY Growth of  
New ACV  
from Emerging Products

(1) Calculated on a rolling four-quarter average  
Note: See Appendix for definitions of ACV and New ACV.



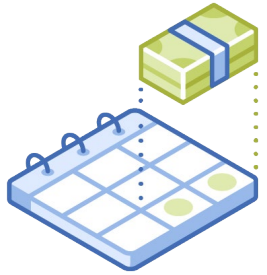
# Delivering Excellent Customer Business Outcomes



**62%**  
Lower  
Five-Year TCO



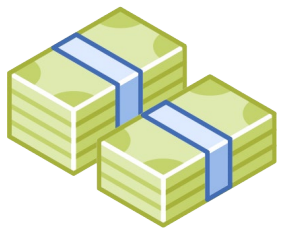
**85%**  
Less Unplanned  
Downtime



**9**  
Months to  
Payback



**477%**  
Five-Year  
ROI



**\$932,800**  
Additional  
Revenue per Year



Source: IDC White Paper, sponsored by Nutanix, Organizations Leverage Nutanix Enterprise Cloud as Scalable, High-Performing, and Cost-Effective Infrastructure Foundation, January 2020.



# #1 Companies are Choosing Nutanix

<b>Aerospace &amp; Defense</b>	<b>Home Improvement Retail</b>
<b>Air Courier</b>	<b>Hotels &amp; Motels</b>
<b>Apparel / Accessories</b>	<b>Insurance Brokers</b>
<b>Apparel / Footwear Retail</b>	<b>Internet &amp; Catalog Retail</b>
<b>Auto &amp; Truck Manufacturers</b>	<b>Investment Services</b>
<b>Auto &amp; Truck Parts</b>	<b>Iron &amp; Steel</b>
<b>Beverages</b>	<b>Life &amp; Health Insurance</b>
<b>Biotechs</b>	<b>Major Banks</b>
<b>Broadcasting &amp; Cable</b>	<b>Managed Healthcare</b>
<b>Business Products &amp; Supplies</b>	<b>Medical Equipment &amp; Supplies</b>
<b>Casinos &amp; Gaming</b>	<b>Natural Gas Utilities</b>
<b>Computer &amp; Electronics Retail</b>	<b>Oil &amp; Gas Operations</b>
<b>Computer Services</b>	<b>Oil Services &amp; Equipment</b>
<b>Conglomerates</b>	<b>Other Industrial Equipment</b>
<b>Construction Materials</b>	<b>Other Transportation</b>
<b>Construction Services</b>	<b>Pharmaceuticals</b>
<b>Consumer Electronics</b>	<b>Precision Healthcare Equipment</b>
<b>Consumer Financial Services</b>	<b>Property &amp; Casualty Insurance</b>
<b>Discount Stores</b>	<b>Railroads</b>
<b>Diversified Insurance</b>	<b>Real Estate</b>
<b>Diversified Media</b>	<b>Recreational Products</b>
<b>Diversified Metals &amp; Mining</b>	<b>Restaurants</b>
<b>Diversified Utilities</b>	<b>Security Systems</b>
<b>Drug Retail</b>	<b>Semiconductors</b>
<b>Electric Utilities</b>	<b>Software &amp; Programming</b>
<b>Electrical Equipment</b>	<b>Specialized Chemicals</b>
<b>Electronics</b>	<b>Specialty Stores</b>
<b>Environmental &amp; Waste</b>	<b>Telecommunications Services</b>
<b>Food Retail</b>	<b>Thriffs &amp; Mortgage Finance</b>
<b>Healthcare Services</b>	<b>Tobacco</b>
<b>Heavy Equipment</b>	<b>Trading Companies</b>

Above shows categories where Nutanix has customers that are listed as #1 in their respective categories based on Forbes 2020 Global 2000 list.



# Customer Case Studies



## Mercedes-Benz

“You fill out two or three pieces of information and in a matter of twenty minutes you have a cluster with high availability and several machines, all with incredible ease. Now, I can leave the infrastructure to Nutanix and focus my efforts on the business.”

– *Anibal Ulisses Coral, IT Infrastructure Architect, Mercedes-Benz do Brasil Ltda.*

> [Learn More](#)



“Nutanix not only converges technologies, their software has enabled us to converge infrastructure, teams, and opportunities. By combining IT specialists into a single operations group, we can now see our end-to-end environment, work collaboratively, and make better decisions for the business.”

– *Kevin Priest, Senior Director, The Home Depot*

> [Learn More](#)



“Standardizing on the Nutanix solution has enabled us to dramatically reduce TCO, while helping us make our operations more efficient.”

– *Guillaume Brocard, Senior Operations Advisor, Total S.A.*

> [Learn More](#)



# Obsessed with Customer Success

“ The Name Nutanix Carries an Image of Functionality and Quality.

**Gartner**

SWOT: Nutanix, Hyperconverged Infrastructure, Worldwide, Nov 2018



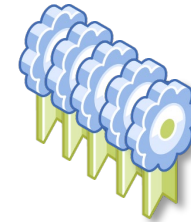
18,770<sup>(1)</sup>

Proven, and Trusted  
by Customers



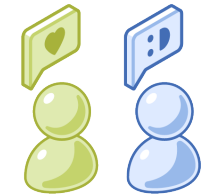
96%<sup>(2)</sup>

Customer  
Retention



90

Net Promoter Score  
(7-Year Average)



4.9<sup>(3)</sup>

Gartner Peer  
Insights Score  
(4.9 of 5)

(1) See endnote 1 in the Appendix.

(2) Customer Retention reflects FY'20 results. See Appendix for the definition of Customer Retention.

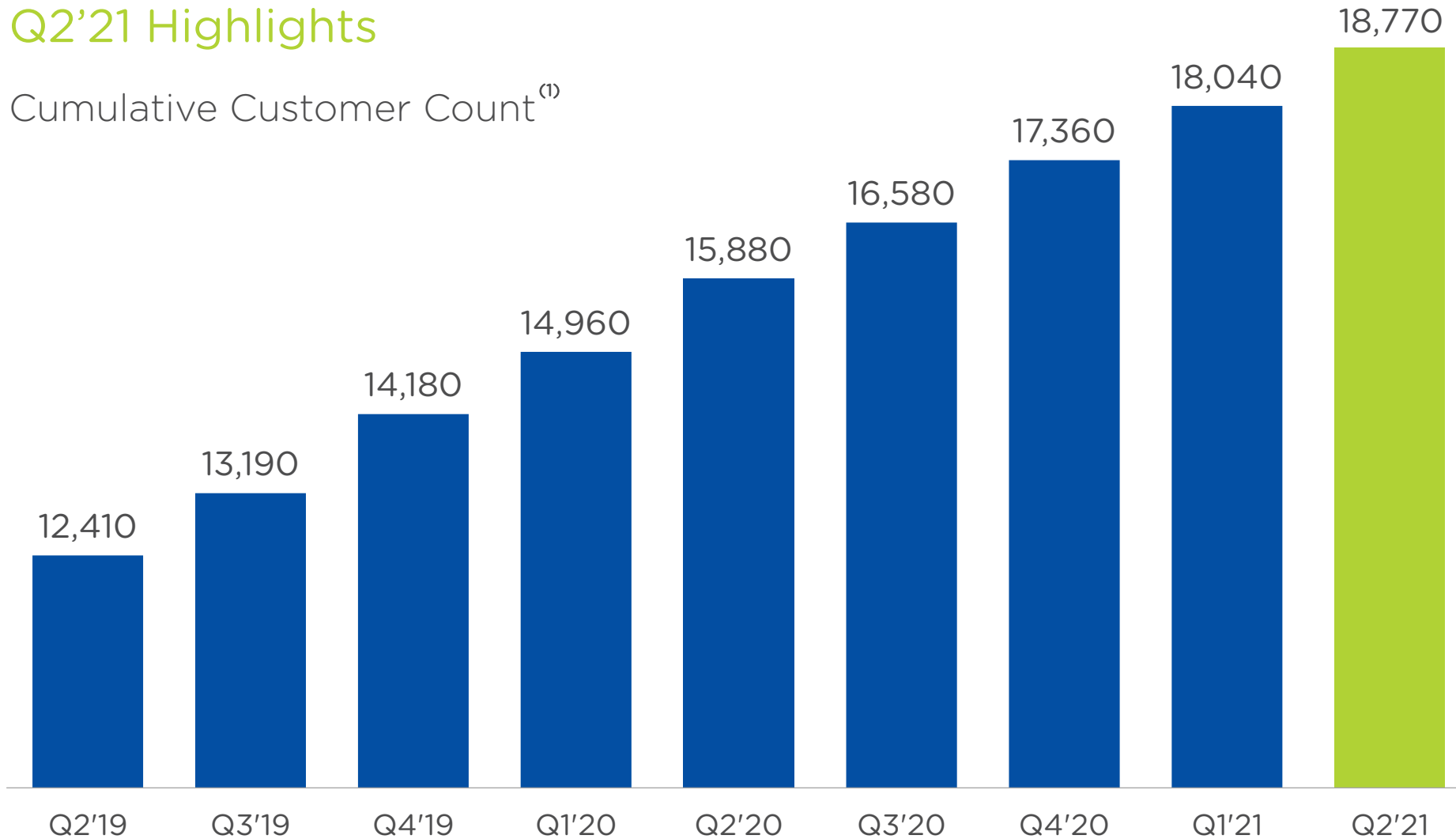
(3) Gartner Peer Insights ratings and reviews as of March 1, 2021. Click [here](#) for more details.



# Customer Growth Momentum

## Q2'21 Highlights

Cumulative Customer Count<sup>(1)</sup>



18%  
Total Customers  
YoY Growth

950<sup>(1)</sup>  
G2K Customers

15.7x<sup>(2)</sup>  
G2K Lifetime ACV  
Repeat Purchase Multiple

80  
Forbes Global  
100 Customers

90 NPS  
7-Year Average

(1) The cumulative worldwide end-customer and G2K customer counts reflect standard adjustments to certain customer accounts within our system of record and are rounded to the nearest 10. See endnote 1 in the Appendix.

(2) See endnote 2 in the Appendix  
Note: See Appendix for definition of ACV.

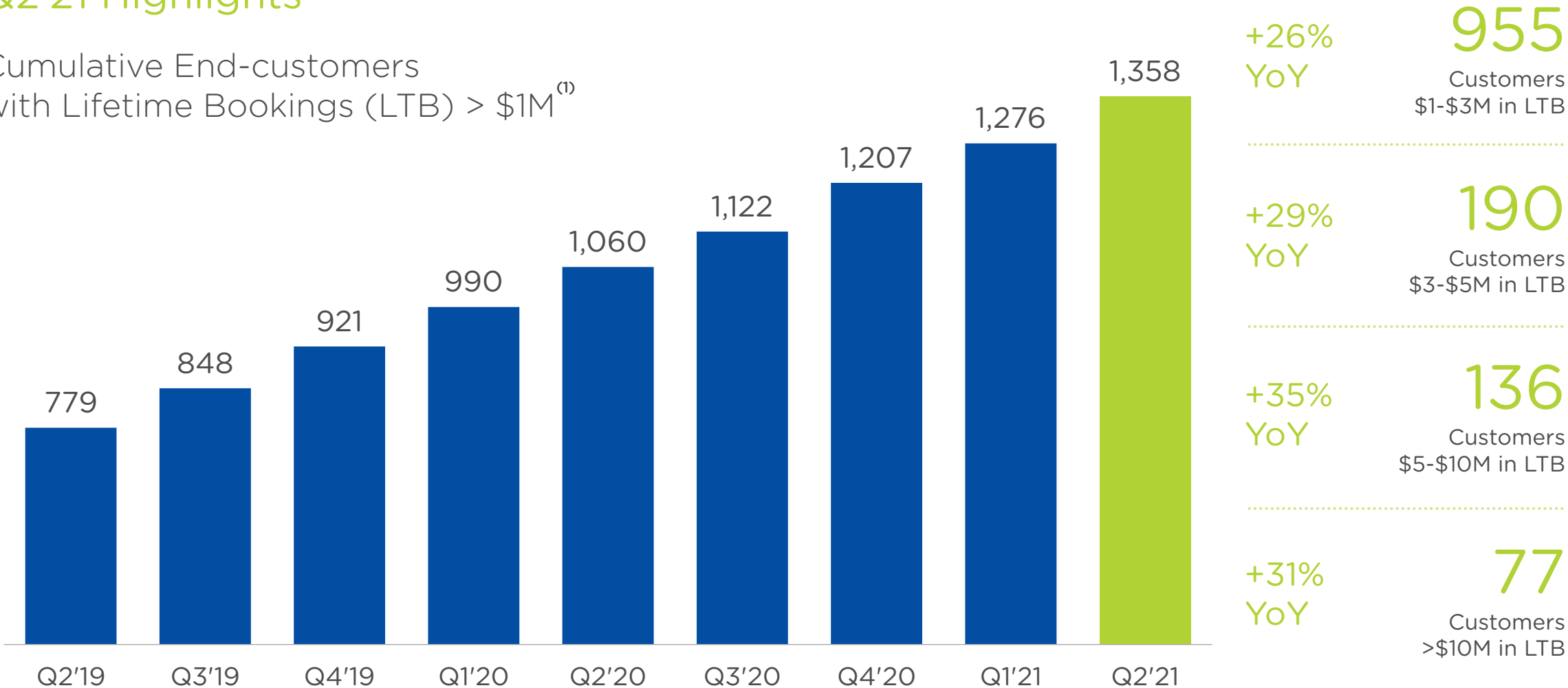




# Over \$1M Customer Growth

## Q2'21 Highlights

Cumulative End-customers with Lifetime Bookings (LTB) > \$1M<sup>(1)</sup>



(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.



# Experienced Nutanix Leadership Team



Rajiv Ramaswami  
PRESIDENT & CEO



Ben Gibson  
CHIEF MARKETING  
OFFICER



Chris Kaddaras  
CHIEF REVENUE  
OFFICER



David Sangster  
CHIEF OPERATING  
OFFICER



Duston Williams  
CHIEF FINANCIAL  
OFFICER



Rajiv Mirani  
CHIEF TECHNOLOGY  
OFFICER



Rukmini Sivaraman  
SVP, PEOPLE &  
BUSINESS OPERATIONS



Tarkan Maner  
CHIEF COMMERCIAL  
OFFICER



Tyler Wall  
CHIEF LEGAL  
OFFICER



Wendy Pfeiffer  
CHIEF INFORMATION  
OFFICER



# Investing in Our Subscription Transformation

Appliance



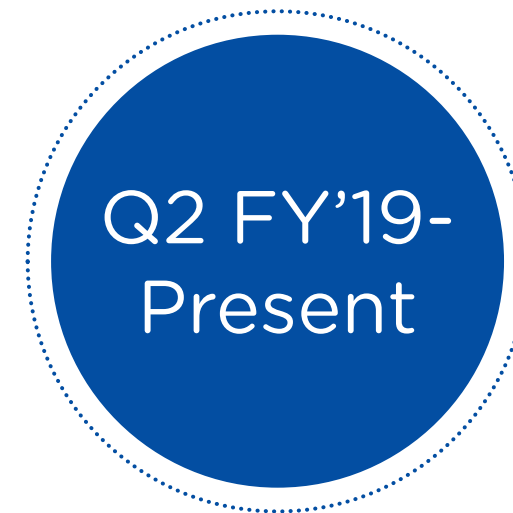
Initial Delivery Model

Software



Transitioned to Software

Subscription



Transforming to Subscription



Prior to subscription model transition:

- > Reached \$1.5B LTM total billings as of Q1'19, using \$73M cumulative Free Cash Flow from Q1'15 to Q1'19
- > Hardware sales made up 28% of Nutanix's revenue in fiscal 2017 vs. ~0% as of Q1 fiscal 2021
- > FY'19 total revenue growth would have been 26% without model transition



Subscription model offers tremendous long-term benefits despite top-line headwind during transition.

- > 88% of total billings and 89% of total revenue were subscription-based as of Q2'21
- > Q1'21 marked our shift of focus from TCV to ACV, making ACV a key metric for top-line performance



# Subscription Model Benefits



## Customers

- No lock-in on hardware, hypervisor and cloud
- Flexible consumption (monthly, 1, 3, and 5-year term) and license bursting
- License mobility between private and public clouds
- Foundation for hybrid & multicloud infrastructure, the ideal IT operating model for 86% surveyed enterprises\*
- Easy access to Nutanix's continuous innovation via subscriptions



## Partners and Nutanix

- Access to real-time customer relationships with more frequent cross-and-upsell opportunities
- Higher total customer lifetime value
- Lower go-to-market cost structure
- More predictable business model
- Recurring revenue stream over time
- ACV-first focus expected to shorten time to efficient renewals

\*Source: [2020 Enterprise Cloud Index](#), which is based on a survey of 3,400 IT decision makers globally.



# Q2'21 Company Highlights

## ➤ Strong Quarter Across the Board

14% YoY growth in ACV Billings, 28% YoY growth in Run-rate ACV, and exceeded guidance across all other key financial metrics

## ➤ Hired New President and CEO

Rajiv Ramaswami joined Nutanix in December as President and Chief Executive Officer. He is a seasoned technology industry executive who has held senior executive roles at industry leaders including VMware, Broadcom, and Cisco

## ➤ Market Opportunity Remains Strong Even During Pandemic

HCI market continues to show strength and grow despite challenging times in certain verticals and industries

## ➤ Emerging Product Adoption Continues to Grow

New ACV from emerging products up 100+% YoY; emerging product attach rate increased to 37%,<sup>(1)</sup> up 6 points YoY

## ➤ Continued Momentum with Key Customer Wins and Solid Execution

Large customers continue to rely on Nutanix's simple and easy-to-use software to help them with business transformation

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

(1) Defined as the % of deals that involve at least one emerging product, calculated on a rolling four-quarter average.



# Q2'21 Financial Summary

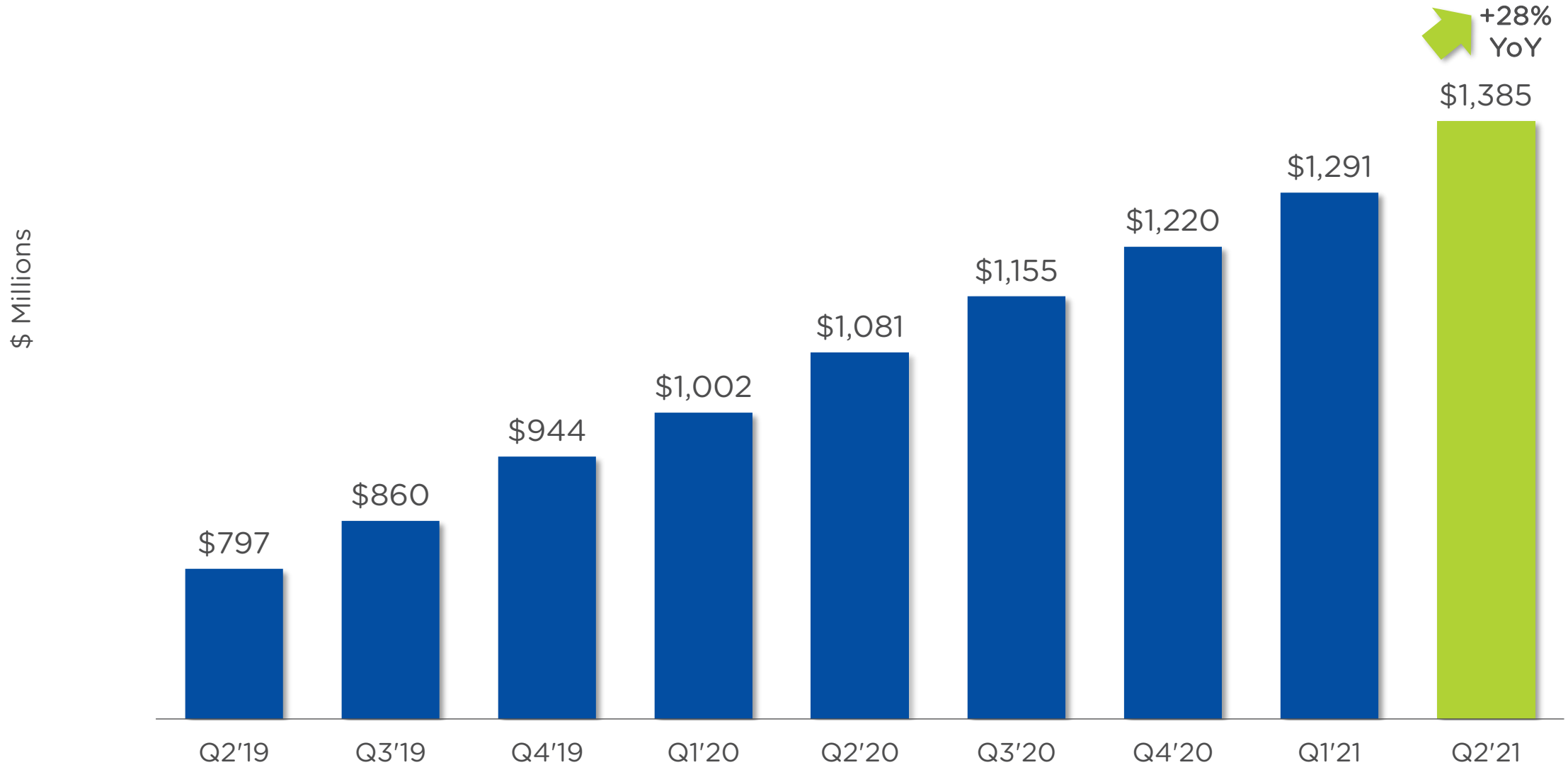
	Q2'21 Results	YoY Change	Q2'21 Guidance
ACV Billings	\$159.2M	14%	\$145-\$148M
Run-rate ACV	\$1.38B	28%	approx. 25%
Total Average Contract Term	3.4 Years	(0.5) Year	N/A
Total Revenue <sup>(1)</sup>	\$346.4M	Flat	N/A
Non-GAAP Gross Margin	82.7%	130 bps	81.5%
Non-GAAP Operating Expenses	\$353.5M	(11)%	\$360-\$370M
Non-GAAP Net Loss Per Share	\$(0.37)	\$0.23	N/A
Free Cash Flow	\$(28.5)M	\$45.2M	N/A

(1) Q2'21 total revenue was negatively impacted by the year-over-year decline in average contract term associated with the Company's ongoing transition to subscription.

Note: See Appendix for GAAP to non-GAAP reconciliations, as well as definitions of ACV Billings, Run-rate ACV, and Total Average Contract Term. There is no GAAP measure that is comparable to either ACV Billings or Run-rate ACV, so the Company has not reconciled the ACV Billings and Run-rate ACV numbers in this presentation to any GAAP measure.



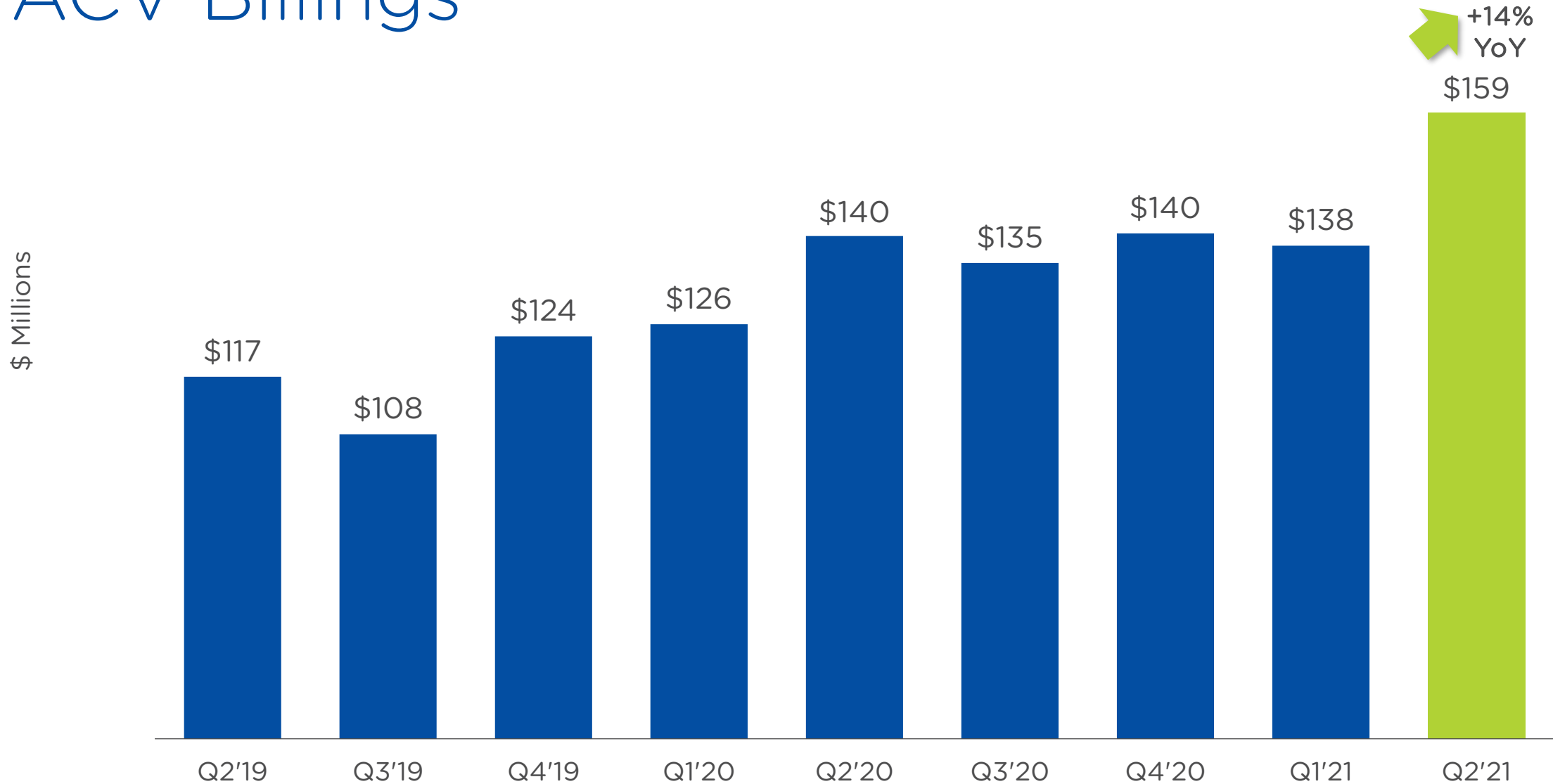
# Run-rate ACV



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



# ACV Billings



Note: ACV Billings exclude amounts related to professional services and hardware. See Appendix for definition of ACV Billings.

There is no GAAP measure that is comparable to ACV Billings, so the Company has not reconciled the ACV Billings numbers in this presentation to any GAAP measure.





# Q2'21 ACV Billings to Total Billings Conversion | 33

## ACV Billings to Total Billings Conversion

- 1 Start with forecasting ACV Billings and compare your estimate with Nutanix's ACV Billings guidance and seasonality commentary.
- 2 Estimate ACV Billings % by Term to get to ACV Billings \$ by Term.
- 3 Multiply ACV Billings \$ by Contract Term (Year) to get to TCV Billings \$ by Term and the corresponding TCV Billings Term Mix, and then multiply TCV Billings Term Mix by Contract Term (Year) to back into Total Average Contract Term.
- 4 Estimate PS & HW Billings<sup>(1)</sup> and add it to total TCV Billings \$ by Term to get to Total Billings. Historical PS & HW billings mix can be found in the appendix.

Contract Term (Year)	ACV % by Term	2	ACV \$ by Term	x	Contract Term (Year)	=	TCV \$ by Term	3	TCV Term Mix	x	Contract Term (Year)	=	Total Average Contract Term
<= 1	49%		\$78		<=1		\$68		19%		<=1		-0.2
2	5%		\$8		2		\$15		4%		2		-0.1
3	26%		\$41		3		\$121		34%		3		-1.0
4	2%		\$3		4		\$11		3%		4		-0.1
5*	18%		\$28		5		\$139		39%		5		-1.9
6	0%		\$1		6		\$3		1%		6		-0.1
7	0%		~\$0		7		\$3		1%		7		-0.1
<b>Total</b>	<b>100%</b>		<b>\$159</b>				<b>\$361</b>		<b>100%</b>				<b>3.4</b>

PS & HW Billings:

-

+\$25

4

1

ACV Billings:\*\*

\$159

Total Billings:

\$386

ACV Billings to Total Billings Ratio: 2.42

\* 5-year term includes 5-year subscription licenses and non-portable (life-of-device) software licenses with an assumed contract term of 5 years.

\*\* ACV Billings exclude amounts related to professional services and hardware. See Appendix for definition of ACV Billings.

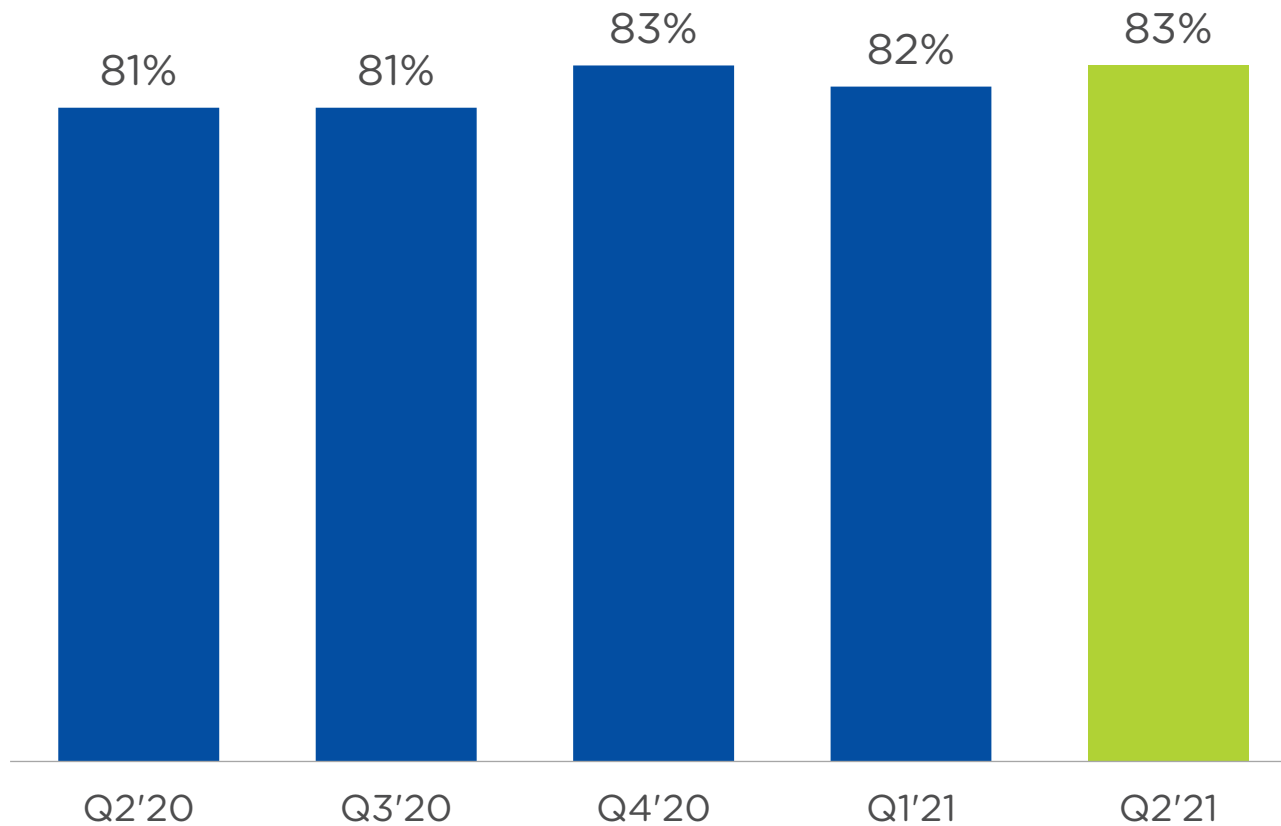
(1) Refers to professional services and hardware billings.

Note: There is no GAAP measure that is comparable to ACV Billings, so the Company has not reconciled the ACV Billings numbers in this presentation to any GAAP measure.

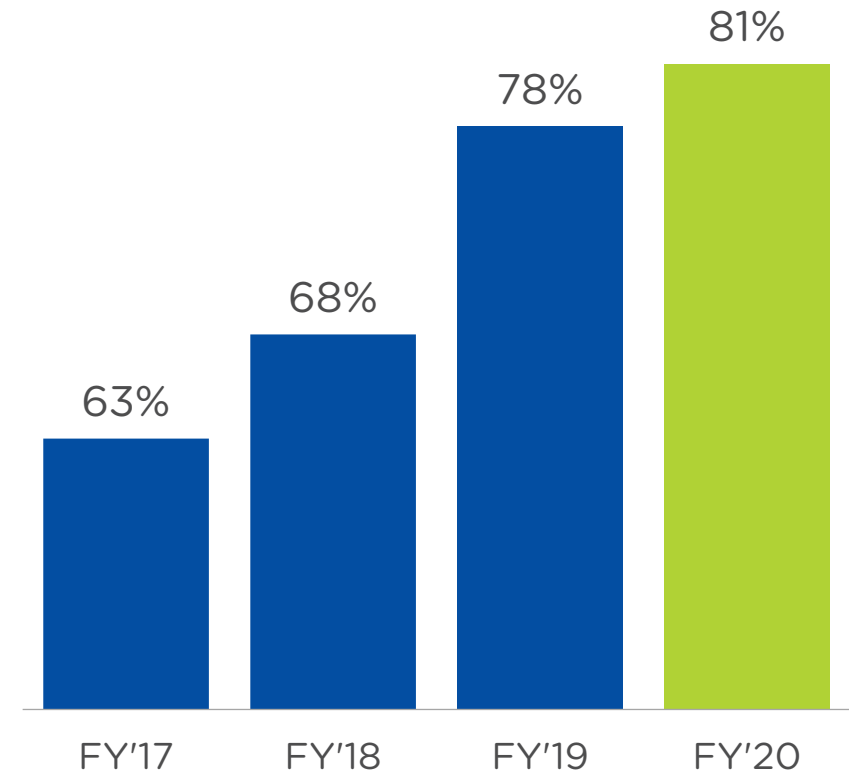


# Gross Margin

By Quarter



By Fiscal Year

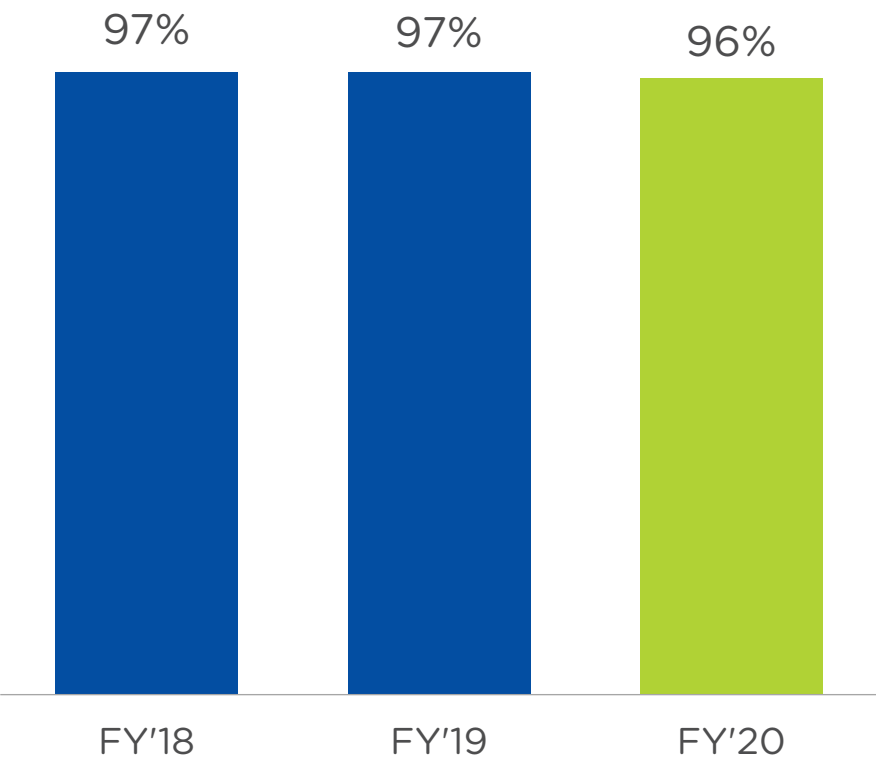


Note: Margins shown on a non-GAAP basis. See Appendix for a reconciliation of GAAP to non-GAAP measures.

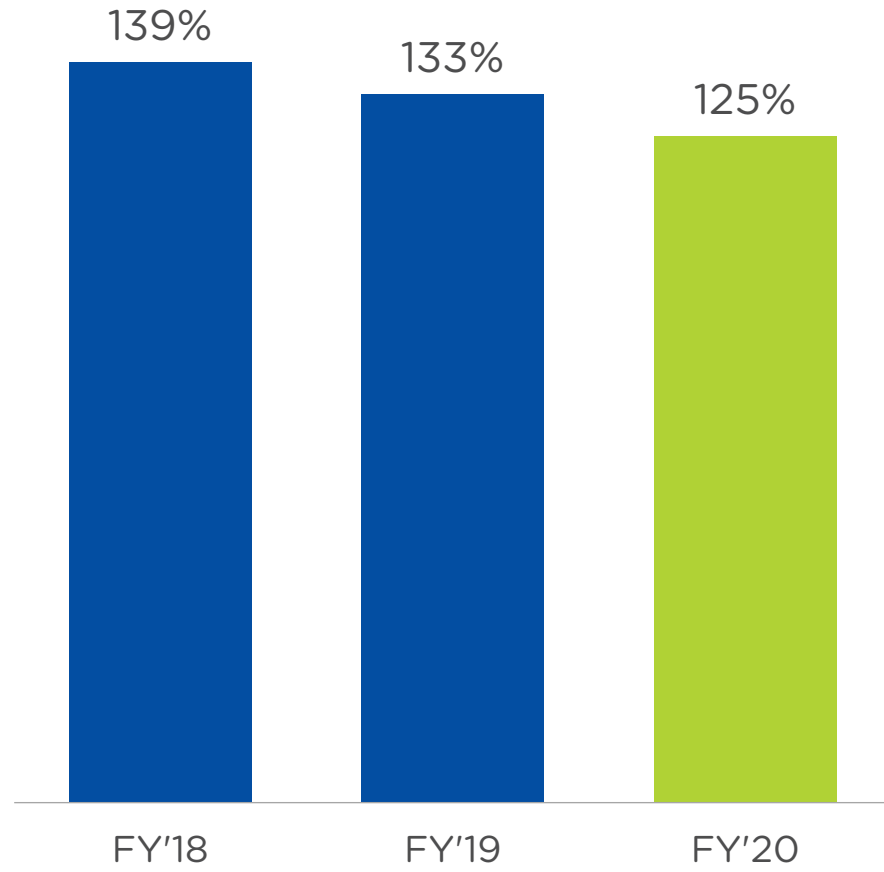


# FY'20 Retention and Expansion Rates

Customer Retention



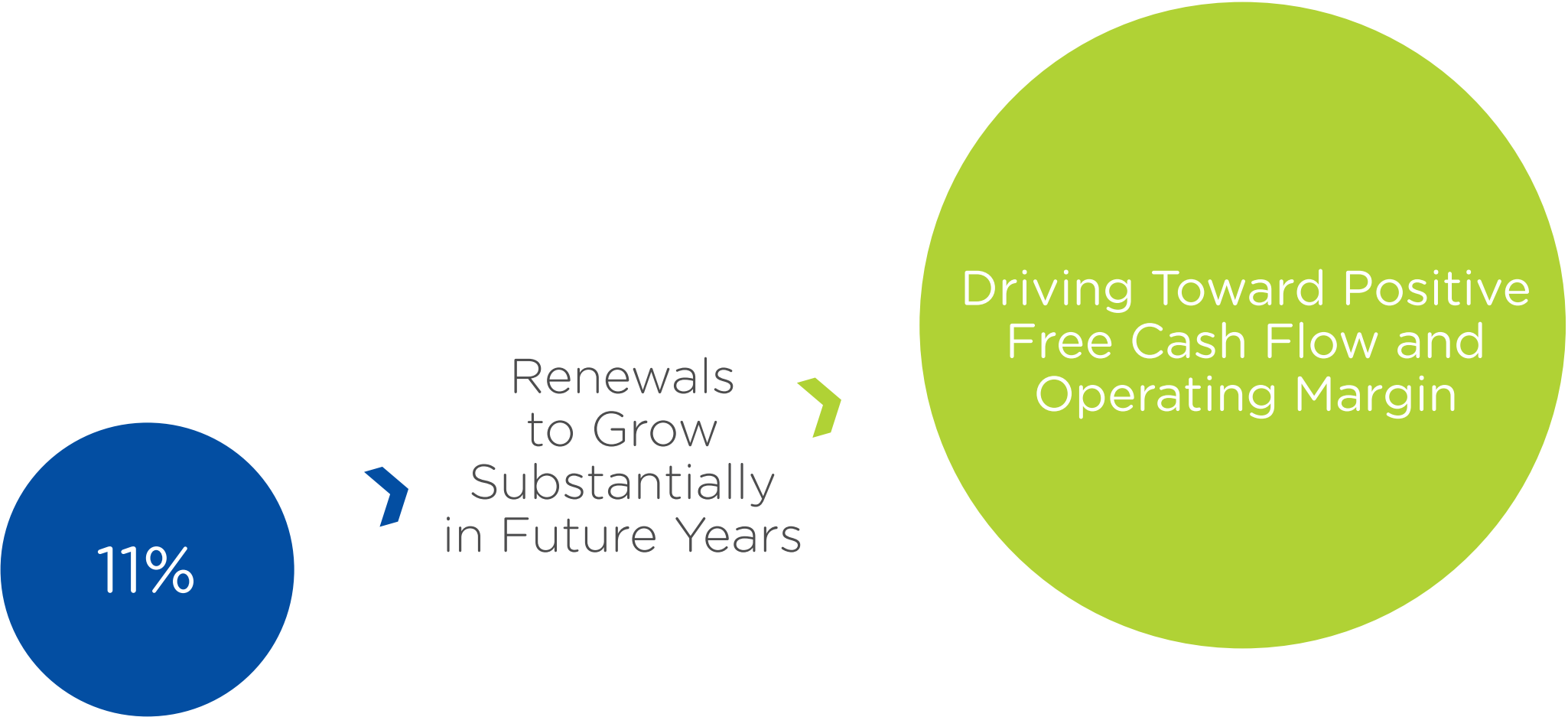
ACV Dollar-based Net Expansion



Note: See Appendix for definitions of Customer Retention and ACV Dollar-based Net Expansion.



# Renewals—Paving the Way to Leverage



Note: Q2'21 LTM renewal billings accounted for approximately 11% of total billings.



# Nutanix in Summary



## Differentiated Cloud Platform for Hybrid and Multicloud Solutions

Manage any app anywhere at any scale with unparalleled simplicity, scalability, choice, and portability



## Compelling Market Opportunity

Large and expanding \$200+ billion TAM in hyperconverged infrastructure and multicloud markets



## Multiple Long-Term Growth Drivers

Datacenter modernization | Digital transformation | Hybrid and multicloud infrastructure



## Customer Delight and Expansion

Loyal customer base with best-in-class avg. Net Promoter Score (NPS) of 90 over past 7 years, 96% customer retention, and 125% ACV dollar-based net expansion rate\*



## Subscription Model for Datacenter and Cloud Infrastructures

Higher customer lifetime value, and a more predictable business model with recurring revenue over time



## Unlocking Operating Leverage

ACV-first strategy drives better unit economics and shortens time to efficient renewals, which drives operating leverage over time



# Nutanix Core Values

<p><b>HUNGRY</b> TO BE THE BEST</p>  <p>Be <b>Ambitious</b> to achieve our dreams Be <b>Courageous</b> to do what matters Be <b>Tenacious</b> to keep customers happy</p>	<p><b>HUMBLE</b> IN HOW WE THINK AND ACT</p>  <p><b>HEART</b></p> <p>Be <b>Empathetic</b> to employees, customers, partners Be <b>Respectful</b> of differences Be <b>Appreciative</b> of others</p>	<p><b>HONEST</b> TO DO THE RIGHT THING</p>  <p>Be <b>Authentic</b> and true Be <b>Credible</b> - walk your talk Be <b>Transparent</b> for stronger collaboration</p>
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# Appendix

## Endnotes

1. Global 2000 (G2K) and Forbes 100 customer counts reflect yearly update to the members of both lists as reported by Forbes. Cumulative worldwide end-customer and G2K customer counts reflect standard adjustments to certain customer accounts within our system of record, and are rounded to the nearest 10.
2. G2K lifetime purchase multiple is defined as total lifetime purchase divided by initial purchase using ACV bookings, for G2K customers that have been customers for over 18 months.

## Definitions

**ACV Billings**, for any given period, is defined as the sum of the ACV for all contracts billed during the given period. **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. ACV Billings 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 business during our transition to a subscription-based business model because it takes into account variability in term lengths. There is no GAAP measure that is comparable to ACV Billings, so we have not reconciled the ACV Billings numbers included in this presentation to any GAAP measure.

**ACV Bookings**, for any given period, is defined as the sum of the ACV for all contracts booked during the given period.

**ACV Dollar-based Net Expansion**. We believe that our ACV Dollar-based net expansion rate provides insight into our ability to retain and increase revenue from our customers, as well as their potential long-term value to us. Accordingly, we compare the aggregate retained ACV of our customer base at the end of the prior fiscal year, referred as the base ACV, to the aggregate retained ACV from the same group of customers at the end of the current fiscal year. We calculate our dollar-based expansion rate on an annual basis by dividing the retained ACV by the base ACV on a dollar-weighted basis across cohort. Retained ACV is defined as aggregate ACV of a customer base less churn, assuming any active contract expiring during the period is renewed and continues on its existing terms and at its prevailing rate of utilization.

**Customer Retention**. We define our Customer Retention rate by subtracting our attrition rate from 100%. We calculate our attrition rate for a period by dividing the number of customers lost during the period by the sum of the number of customers at the beginning of the period and the number of new customers acquired during the period.

**New ACV** with respect to any given contract is defined as (i) if the contract is (A) with a new customer, the aggregate value of such contract excluding professional services, or (B) with an existing customer, the aggregate value of any upsell / expansion under such contract excluding professional services, in each case divided by (ii) the number of years in the term of such contract, using an assumed term of five years for life-of-device licenses.

**Run-rate ACV**, at the end of any period, is the sum of ACV for all contracts that are in effect as of the end of that period. For the purposes of this calculation, we assume that the contract term begins on the date a contract is booked, irrespective of the periods in which we would recognize revenue for such contract. There is no GAAP measure that is comparable to Run-rate ACV, so we have not reconciled the Run-rate ACV numbers included in this presentation to any GAAP measure.

**Total 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 quarter.

**Total Contract Value Bookings**, or **TCV Bookings**, for any given period is defined as the total software and support bookings, as applicable, during such period, which excludes revenue, billings, and bookings associated with pass-through hardware sales during the period.

Note: ACV, ACV Billings, ACV Bookings, New ACV, and Run-rate ACV 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. TCV Bookings is a performance measure that the Company believes provide useful information to its management and investors as it allows the Company to better track the true growth of its software business by excluding the amounts attributable to the pass-through hardware sales that the Company uses to deliver its solutions. TCV Bookings is not a substitute for total revenue. There is no GAAP measure that is comparable to ACV, ACV Billings, ACV Bookings, New ACV, Run-rate ACV, or TCV Bookings so the Company has not reconciled the ACV, ACV Billings, ACV Bookings, New ACV, Run-rate ACV, and TCV Bookings numbers included in this presentation to any GAAP measure.



# Calculation of Billings

\$ Millions	FY'17	FY'18	FY'19	FY'20
Software revenue	\$437.0	\$630.7	\$727.1	\$742.4
Support, entitlements & other services revenue	172.6	267.5	403.7	541.8
<b>Total software and support (TCV) revenue</b>	<b>\$609.6</b>	<b>\$898.2</b>	<b>\$1,130.8</b>	<b>\$1,284.2</b>
Change in software and support (TCV) deferred revenue, net of acquisitions	144.6	262.0	278.5	272.4
<b>Total software and support (TCV) billings</b>	<b>\$754.2</b>	<b>\$1,160.2</b>	<b>\$1,409.3</b>	<b>\$1,556.6</b>

	Q2'20	Q3'20	Q4'20	Q1'21	Q2'21
Software revenue	\$205.0	\$177.0	\$177.7	\$155.0	\$173.5
Support, entitlements & other services revenue	133.2	137.5	148.8	157.0	171.6
<b>Total software and support (TCV) revenue</b>	<b>\$338.2</b>	<b>\$314.5</b>	<b>\$326.5</b>	<b>\$312.0</b>	<b>\$345.1</b>
Change in software and support (TCV) deferred revenue, net of acquisitions	81.3	65.2	60.6	22.2	39.1
<b>Total software and support (TCV) billings</b>	<b>\$419.5</b>	<b>\$379.7</b>	<b>\$387.1</b>	<b>\$334.2</b>	<b>\$384.2</b>

	Q2'18 to Q2'19	FY'19	FY'20	Q2'20	Q3'20	Q4'20	Q1'21	Q2'21
<b>Total revenue</b>	<b>\$1,193.1</b>	<b>\$1,236.2</b>	<b>\$1,307.7</b>	<b>\$346.8</b>	<b>\$318.3</b>	<b>\$327.9</b>	<b>\$312.7</b>	<b>\$346.4</b>
Change in deferred revenue, net of acquisitions	292.6	278.5	272.4	81.3	65.2	60.6	22.2	39.1
<b>Total billings</b>	<b>\$1,485.7</b>	<b>\$1,514.7</b>	<b>\$1,580.1</b>	<b>\$428.1</b>	<b>\$383.5</b>	<b>\$388.5</b>	<b>\$334.9</b>	<b>\$385.5</b>





# GAAP to Non-GAAP Reconciliations

	Q2'20	Q3'20	Q4'20	Q1'21	Q2'21	FY'17	FY'18	FY'19	FY'20
Gross margin (GAAP)	78.3%	77.3%	79.6%	78.3%	79.5%	61.3%	66.6%	75.4%	78.1%
Stock-based compensation expense	1.8	2.3	2.3	2.3	2.1	1.6	1.0	1.5	2.1
Amortization of intangible assets	1.1	1.1	1.1	1.2	1.1	0.2	0.5	1.2	1.1
Impairment of lease-related assets	0.2	-	-	0.1	-	-	-	-	-
<b>Gross margin (Non-GAAP)</b>	<b>81.4%</b>	<b>80.7%</b>	<b>83.0%</b>	<b>81.9%</b>	<b>82.7%</b>	<b>63.1%</b>	<b>68.1%</b>	<b>78.1%</b>	<b>81.3%</b>
Operating expenses (GAAP)	\$(478.6)	\$(476.2)	\$(432.3)	\$(426.9)	\$(431.7)				
Stock-based compensation expense	79.0	84.8	85.3	81.9	77.0				
Amortization of intangible assets	0.6	0.6	0.7	0.7	0.7				
Impairment of lease-related assets	2.5	-	-	2.5	-				
Other	0.2	0.5	0.5	0.6	0.5				
<b>Operating expenses (Non-GAAP)</b>	<b>\$(396.3)</b>	<b>\$(390.3)</b>	<b>\$(345.8)</b>	<b>\$(341.2)</b>	<b>\$(353.5)</b>				
Net loss per share (GAAP)	\$(1.13)	\$(1.23)	\$(0.93)	\$(1.31)	\$(1.42)				
Stock-based compensation expense	0.44	0.48	0.47	0.44	0.42				
Amortization of intangible assets	0.03	0.02	0.02	0.02	0.02				
Impairment of lease-related assets	0.02	-	-	0.02	-				
Amortization of debt discount and issuance costs	0.04	0.04	0.04	0.07	0.11				
Change in fair value of derivative liability	-	-	-	0.32	0.50				
Income tax-related adjustments	-	-	0.01	-	-				
<b>Net loss per share (Non-GAAP)</b>	<b>\$(0.60)</b>	<b>\$(0.69)</b>	<b>\$(0.39)</b>	<b>\$(0.44)</b>	<b>\$(0.37)</b>				
Net cash provided by operating activities	\$(52.5)	\$(84.9)	\$3.6	\$(4.1)	\$(15.6)				
Purchases of property and equipment	(21.2)	(32.6)	(17.4)	(12.2)	(12.9)				
<b>Free cash flow (Non-GAAP)</b>	<b>\$(73.7)</b>	<b>\$(117.5)</b>	<b>\$(13.8)</b>	<b>\$(16.3)</b>	<b>\$(28.5)</b>				

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



# Disaggregation of Billings and Revenue

\$ Millions	FY'18	FY'19	FY'20	Q2'20	Q3'20	Q4'20	Q1'21	Q2'21
Subscription revenue	\$330.7	\$648.4	\$1,030.2	\$266.5	\$261.0	\$284.8	\$278.2	\$305.9
Change in subscription deferred revenue, net of acquisitions	251.3	267.6	246.2	72.6	60.1	55.9	15.7	33.2
<b>Subscription billings</b>	<b>\$582.0</b>	<b>\$916.0</b>	<b>\$1,276.4</b>	<b>\$339.1</b>	<b>\$321.1</b>	<b>\$340.7</b>	<b>\$293.9</b>	<b>\$339.1</b>
Non-portable software revenue	\$544.0	\$449.1	\$208.1	\$59.1	\$41.9	\$29.5	\$20.0	\$21.7
Change in non-portable software deferred revenue, net of acquisitions	-	-	-	-	-	-	-	-
<b>Non-portable software billings</b>	<b>\$544.0</b>	<b>\$449.1</b>	<b>\$208.1</b>	<b>\$59.1</b>	<b>\$41.9</b>	<b>\$29.5</b>	<b>\$20.0</b>	<b>\$21.7</b>
Professional services revenue	\$23.4	\$33.3	\$45.9	\$12.6	\$11.6	\$12.2	\$13.8	\$17.5
Change in professional services deferred revenue, net of acquisitions	\$10.8	\$11.0	\$26.2	8.7	5.1	4.7	6.5	5.9
<b>Professional services billings</b>	<b>\$34.2</b>	<b>\$44.3</b>	<b>\$72.1</b>	<b>\$21.3</b>	<b>\$16.7</b>	<b>\$16.9</b>	<b>\$20.3</b>	<b>\$23.4</b>
Pass-through hardware revenue	\$257.3	\$105.3	\$23.5	\$8.6	\$3.8	\$1.4	\$0.7	\$1.3
Change in pass-through hardware deferred revenue, net of acquisitions	-	-	-	-	-	-	-	-
<b>Pass-through hardware billings</b>	<b>\$257.3</b>	<b>\$105.3</b>	<b>\$23.5</b>	<b>\$8.6</b>	<b>\$3.8</b>	<b>\$1.4</b>	<b>\$0.7</b>	<b>\$1.3</b>
Subscription revenue mix	29%	52%	79%	77%	82%	87%	89%	89%
Non-portable software revenue mix	47%	36%	16%	17%	13%	9%	7%	6%
Professional services revenue mix	2%	3%	3%	4%	4%	4%	4%	5%
Pass-through hardware revenue mix	22%	9%	2%	2%	1%	0%	0%	0%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
Subscription billings mix	41%	60%	81%	79%	84%	88%	88%	88%
Non-portable software billings mix	38%	30%	13%	14%	11%	8%	6%	6%
Professional services billings mix	3%	3%	5%	5%	4%	4%	6%	6%
Pass-through hardware billings mix	18%	7%	1%	2%	1%	0%	0%	0%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>



**NUTANIX™**

Thank You