

NUTANIX™

Q3 FY '18 Investor Presentation

May 24, 2018



* Financial results herein are reported under new revenue standard ASC 606

Non-GAAP Financial Measures and Other Key Performance Measures

To supplement our condensed 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 profit, non-GAAP gross margin, non-GAAP operating expenses, non-GAAP net loss, pro forma non-GAAP net loss per share, free cash flow, software & support revenue and software & support billings. In computing these non-GAAP financial 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, revaluation of contingent consideration, income tax related impact, and other acquisition-related costs), amortization of debt discount and issuance costs, loss on debt extinguishment, and changes in the fair value of our preferred stock warrant liability. Billings is a performance measure which our management believes 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. Free cash flow is a performance measure that our management believes provides useful information to 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. Non-GAAP gross profit, adjusted gross margin and non-GAAP operating expenses are performance measures which our management believes provides 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. Software & support revenue and software & support billings are performance measures that our management believes provide useful information to our management and investors as it allows us to better track the true growth of our core software business without the amounts attributable to the pass-through hardware that we use to deliver our solutions. 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 profit, non-GAAP gross margin, non-GAAP operating expenses, non-GAAP net loss, pro forma non-GAAP net loss per share, and free cash flow are not substitutes for total revenue, gross profit, gross margin, operating expenses, net loss, net loss per share, or net cash (used in) provided by operating activities, respectively. 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 "Reconciliation of Non-GAAP Financial Measures and Key Performance Measures" and not to rely on any single financial measure to evaluate our business.

Forward Looking Statements

This presentation contains express and implied forward-looking statements, including but not limited to statements relating to our long-term financial model targets and our plans to achieve those targets. 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 such forward-looking statements depends upon future events, and involves risks, uncertainties and other factors 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 rapid evolution of the markets in which we compete; our ability to sustain or manage future growth effectively; 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 which may slow revenue growth during such changes 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 to the pricing of certain components of our solutions, and fluctuations in demand and competitive pricing pressures for our solutions; delays in or lack of customer or market acceptance of our new product features or technology; the introduction, or acceleration of adoption of, competing solutions, including public cloud infrastructure; and other risks detailed in our Quarterly Report on Form 10-Q for the quarter ended January 31, 2018, filed with the SEC on March 15, 2018. Additional information will also be set forth in our Form 10-Q that will be filed for the quarter ended April 30, 2018, which should be read in conjunction with the information in this presentation. Our SEC filings are available on the Investor Relations section of the company's 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 to update forward-looking statements to reflect actual results or subsequent events or circumstances.

> Q3 FISCAL YEAR 2018 KEY HIGHLIGHTS

Software and Support Billings

- \$1.02B in Last 12 Months (+45% YoY)

Growth

- \$292M Software and Support Billings (+67% YoY)
- \$351M Total Billings (+50% YoY)
- \$289M Total Revenue (+41% YoY)

Customers⁽¹⁾

- 9,690 Total Customers, (+57% YoY)
- 670 Global 2000 Customers
- 446 Customers with Lifetime Bookings of \$1-3M
- 80 Customers with Lifetime Bookings of \$3-5M
- 67 Customers with > \$5M in Lifetime Bookings
- 73% of Bookings from Repeat Customers
- 51% of Bookings from International Customers

Balance Sheet

- \$923M in Cash and ST Investments
- DSO of 60 days, weighted average DSO of 26 days

Liquidity

- Cash Flow from Operations of \$13M
- Free Cash Flow of \$(1M)



\$1.02B

SW & Support Billings LTM



\$351M +50% YoY

Total Billings



\$289M +41% YoY

Total Revenue



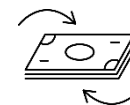
9,690 +57% YoY

Total Customers



\$923M

Cash and ST Inv.



\$13M

Operating Cash Flow

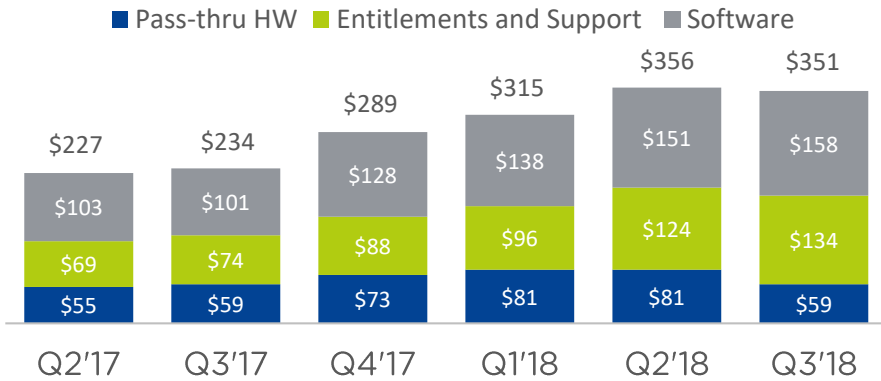
Q3 FISCAL YEAR 2018 FINANCIAL RESULTS

\$ Millions	Q3'18	Q2'18	Q/Q Change	Q3'17	Y/Y Change
Total Billings	\$351.2	\$355.9	(1%)	\$234.1	50%
Software & Support Billings	\$292.0	\$274.5	6%	\$174.9	67%
Revenue	\$289.4	\$286.7	1%	\$205.7	41%
Gross Profit	\$197.8	\$182.2	9%	\$125.9	57%
Gross Margin	68.4%	63.5%	4.9 pts	61.2%	7.2 pts
Operating Loss	\$(34.6)	\$(20.2)	(71%)	\$(43.8)	21%
Net Loss Per Share	\$(0.21)	\$(0.14)	\$(0.07)	\$(0.32)	\$0.11
Cash Flow from Operations	\$13.3	\$46.4	\$(33.1)	\$(16.0)	\$29.3
Free Cash Flow	\$(0.8)	\$32.4	\$(33.2)	\$(29.2)	\$28.4

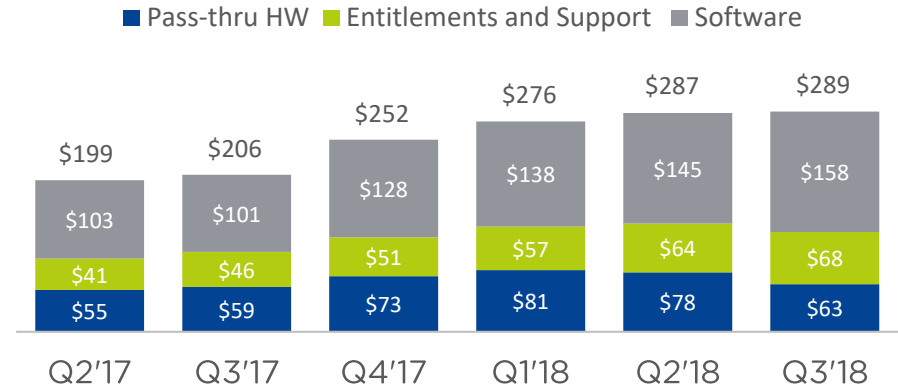
4 Note: All amounts in millions, except per share amounts and percentages. All measures are non-GAAP except for revenue and cash flow from operations—see GAAP to Non-GAAP/metric reconciliations in appendix of this presentation.

Billings and Revenue Mix

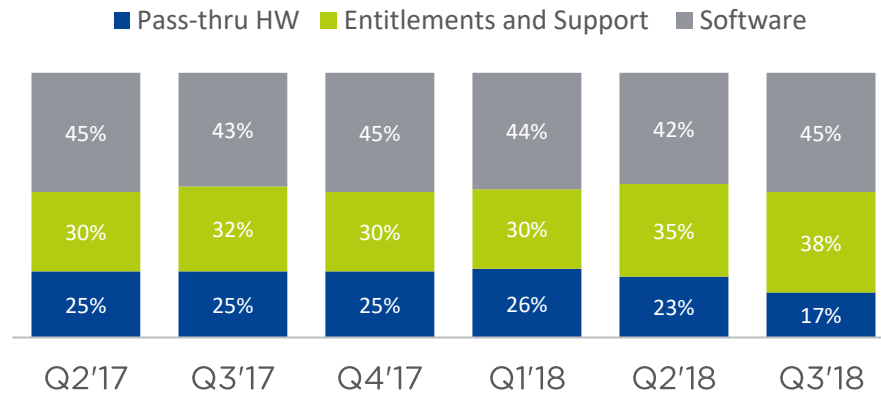
Total Billings \$M



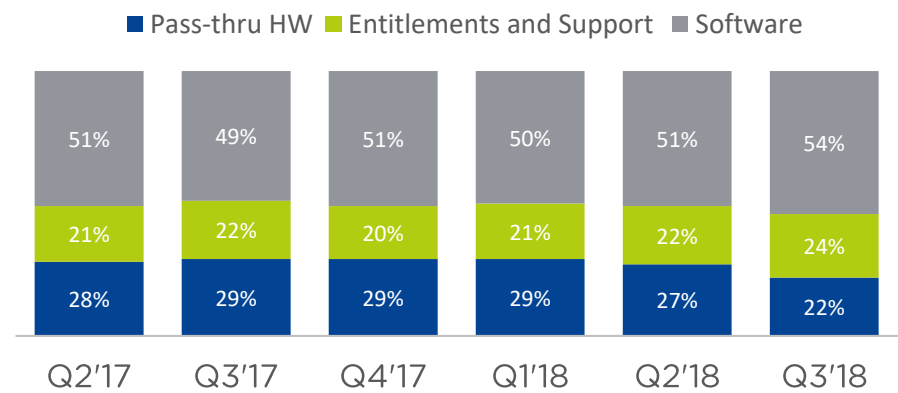
Revenue \$M



Total Billings %



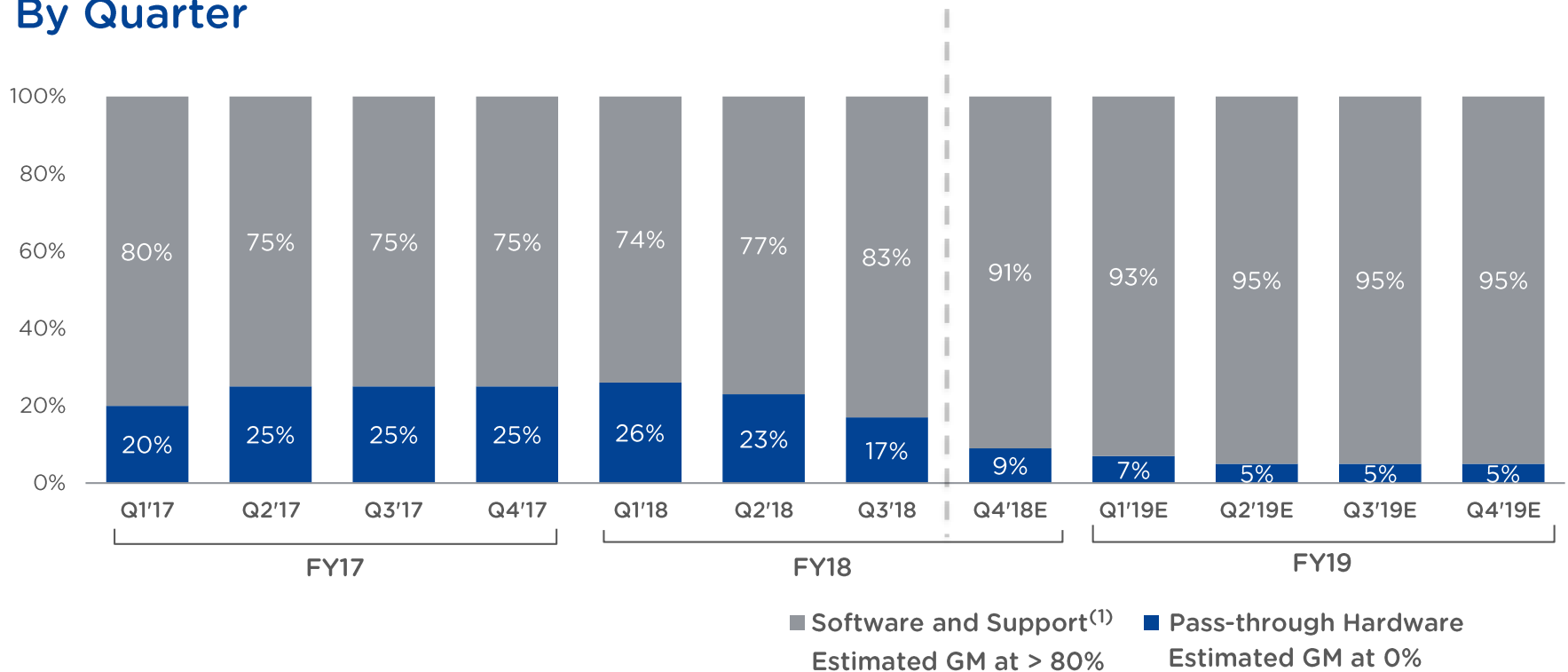
Revenue %



5 Note: See Appendix for disaggregation of Revenue and reconciliation of Software and Support Billings.

> BILLINGS MIX—ACTUAL AND ESTIMATED

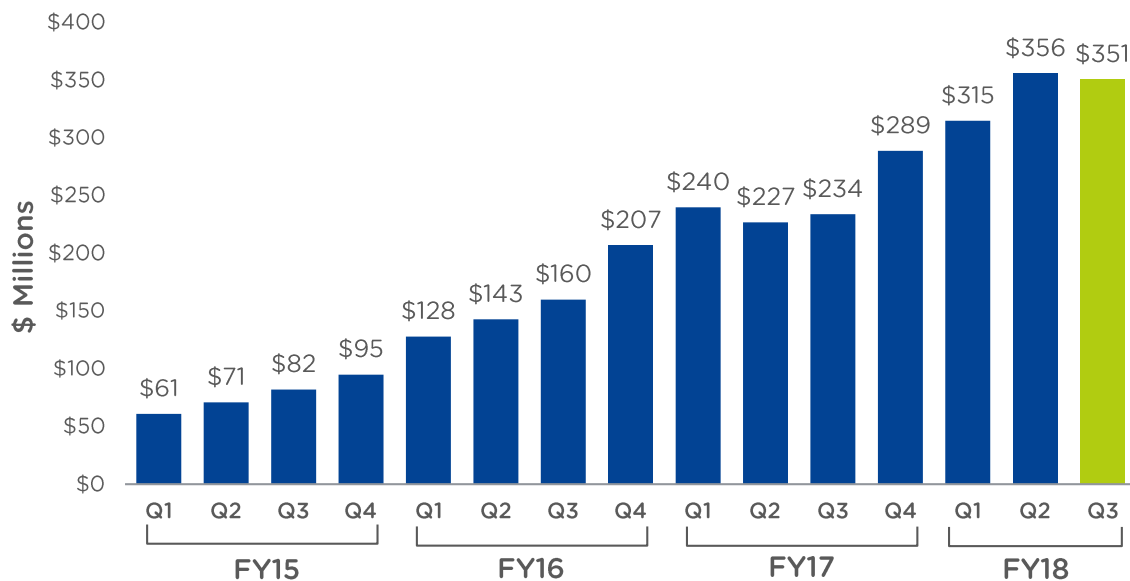
By Quarter



Note: Future periods shown are management's targeted mix as of 5/24/18
 (1) Assumes Software margin of 100% and Support and other margin of 55% for future periods

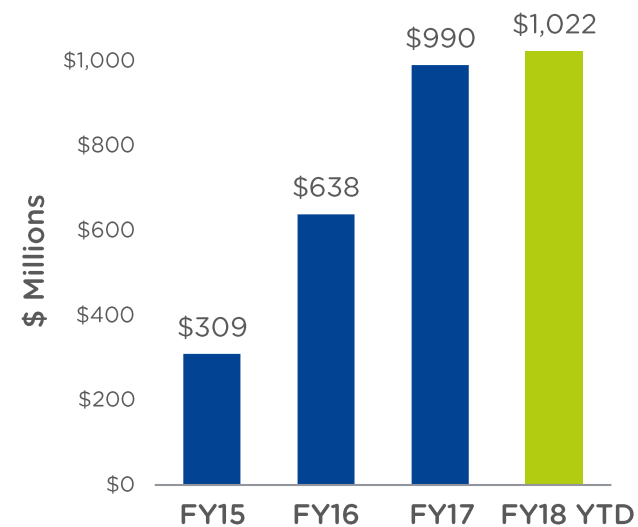
TOTAL BILLINGS PERFORMANCE

By Quarter



YoY Growth %	167	89	92	98	111	102	94	118	87	59	47	40	32	57	50
QoQ Growth %	27	17	16	15	36	12	11	30	16	(5)	3	24	9	13	(1)

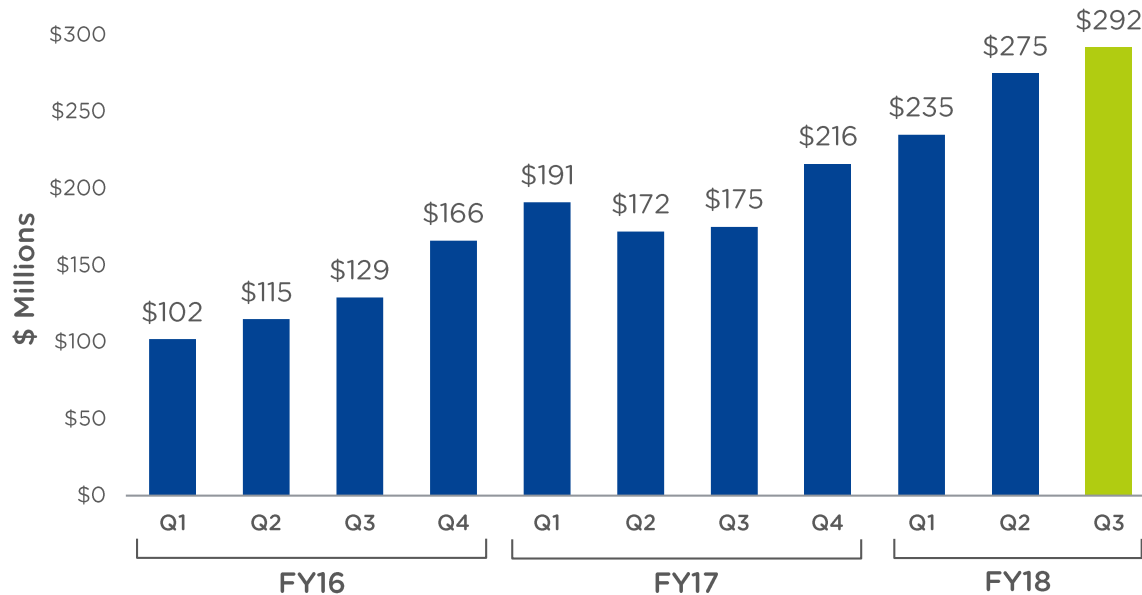
By Fiscal Year



YoY Growth %	104	107	55	N/A
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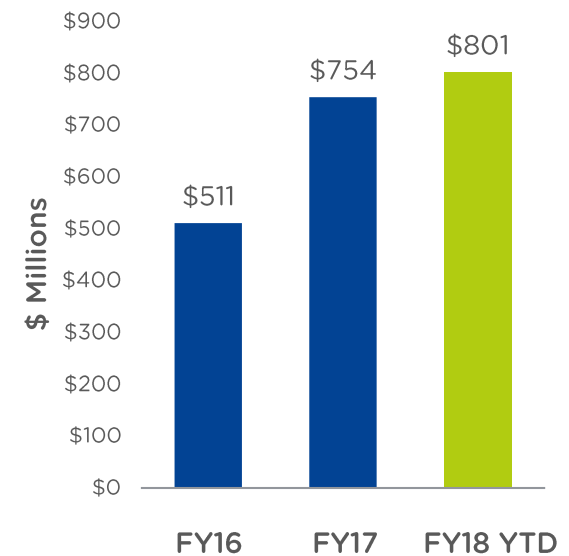
SOFTWARE AND SUPPORT BILLINGS PERFORMANCE

By Quarter



YoY Growth %	*	*	*	*	87	50	36	30	23	60	67
QoQ Growth %	*	12	12	29	15	(10)	2	24	8	17	6

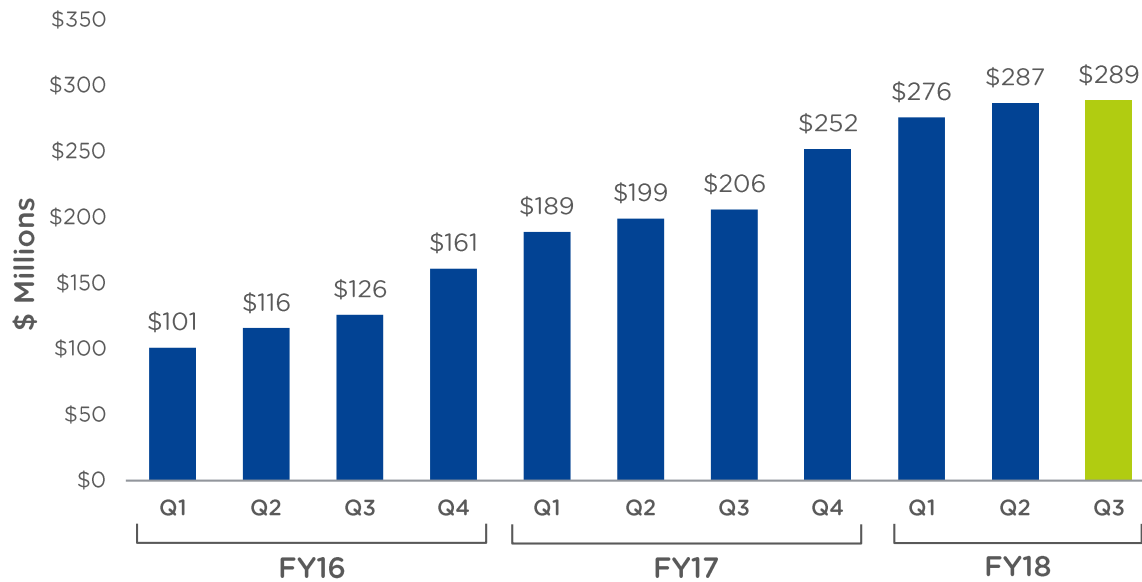
By Fiscal Year



YoY Growth %	*	47	N/A
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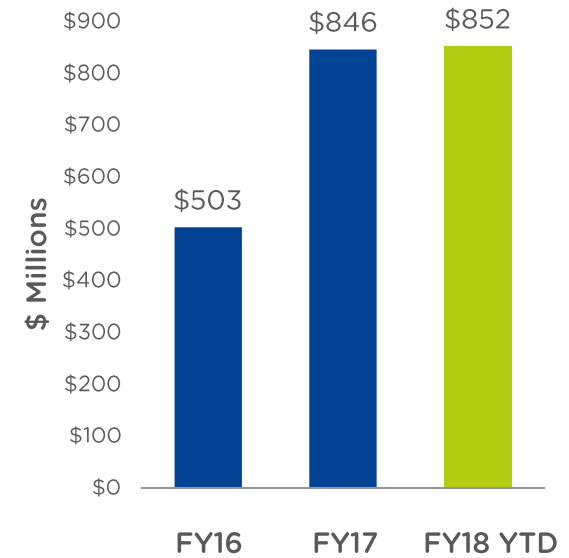
TOTAL REVENUE GROWTH

By Quarter



YoY Growth %	*	*	*	*	88	71	63	57	46	44	41
QoQ Growth %	*	16	8	27	17	6	3	23	9	4	1

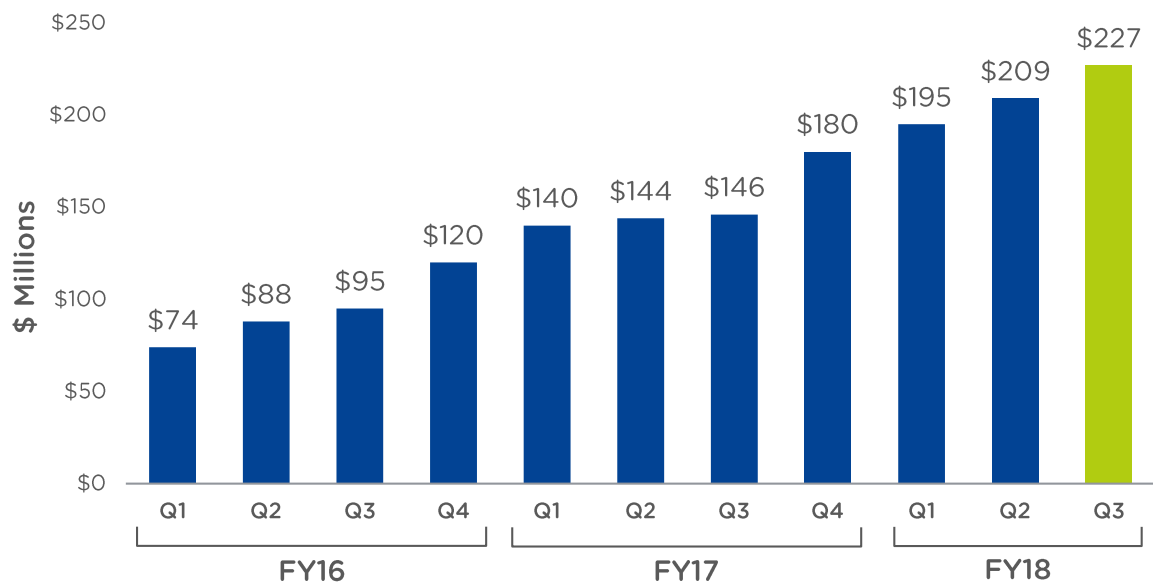
By Fiscal Year



YoY Growth %	*	68	N/A
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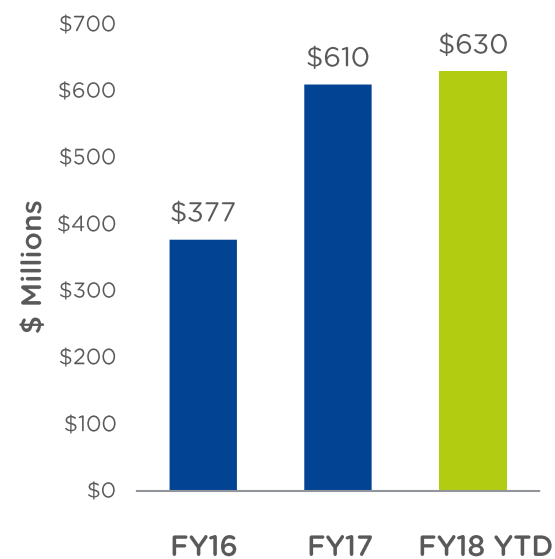
SOFTWARE AND SUPPORT REVENUE GROWTH

By Quarter



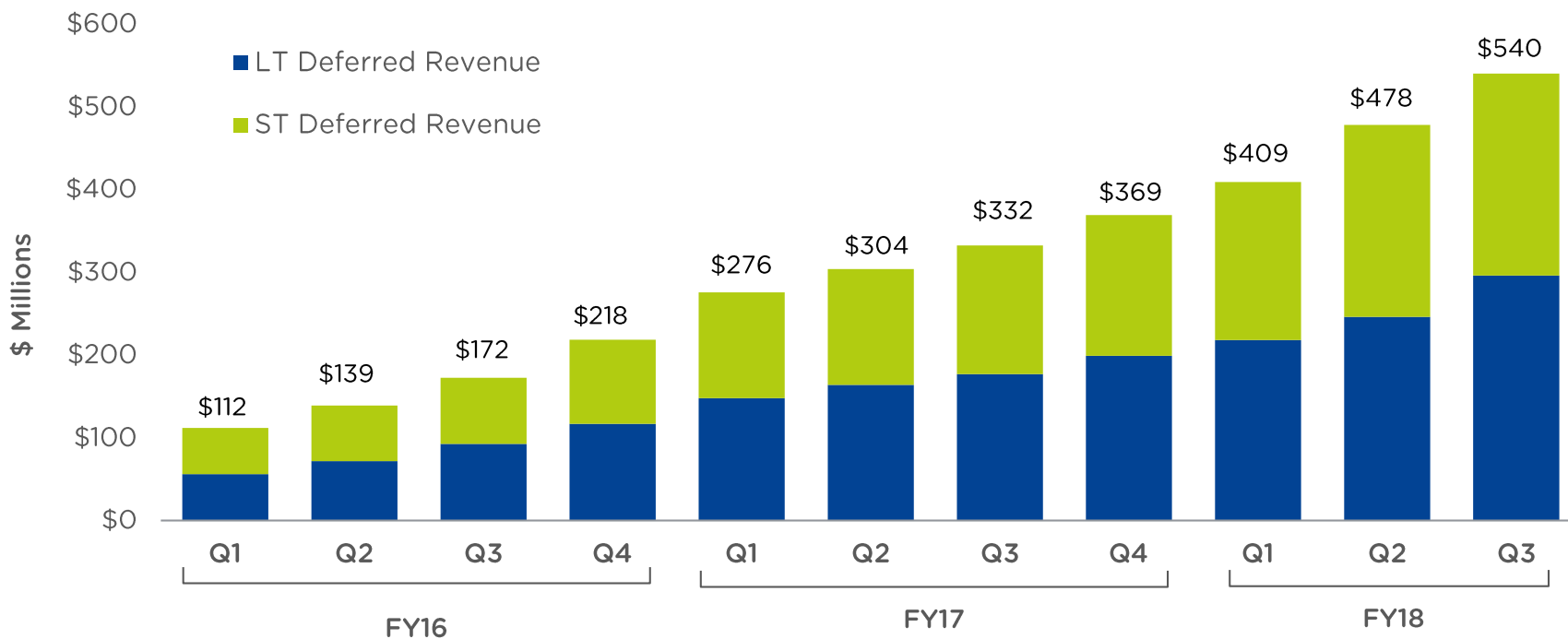
YoY Growth %	*	*	*	*	88	64	54	50	39	45	55
QoQ Growth %	*	18	8	26	17	3	2	23	8	7	9

By Fiscal Year



YoY Growth %	*	62	N/A
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DEFERRED REVENUE

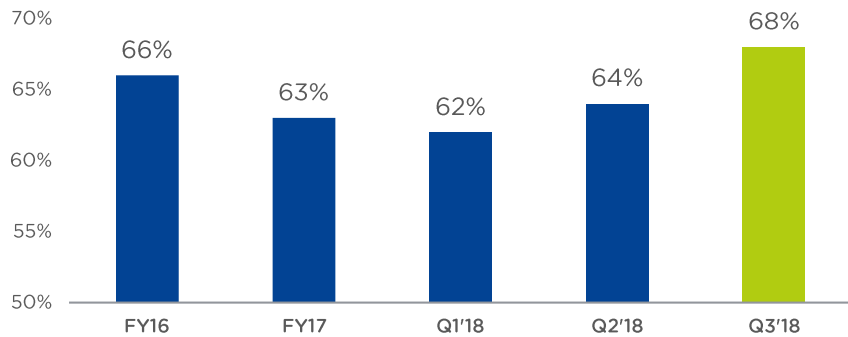


ST Deferred Revenue	\$56	\$67	\$80	\$102	\$128	\$140	\$155	\$170	\$191	\$232	\$244
LT Deferred Revenue	\$56	\$72	\$92	\$116	\$148	\$164	\$177	\$199	\$218	\$246	\$296

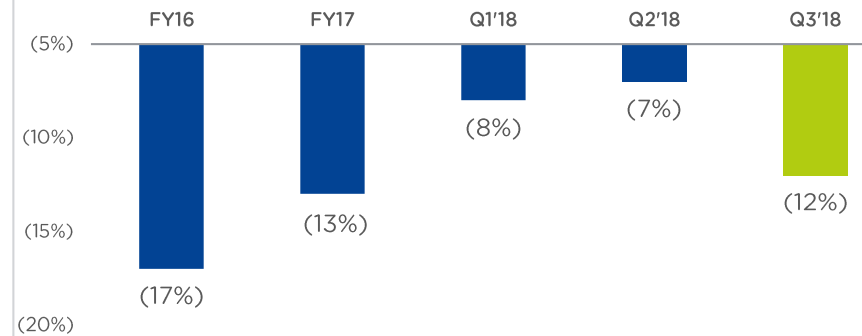
OPERATING LEVERAGE

Percentages Indicated as a % of Total Revenue

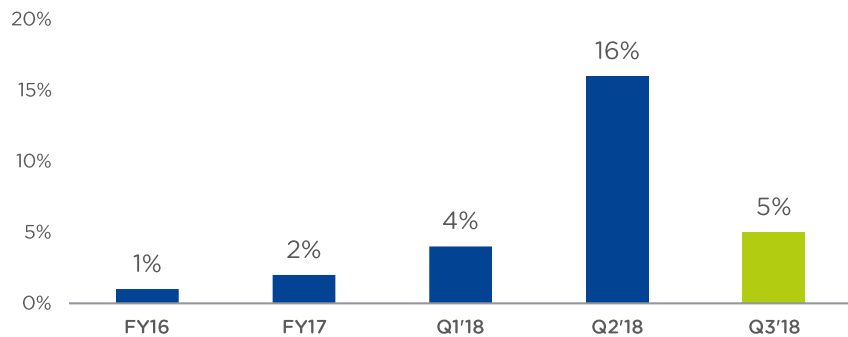
Gross Margin⁽¹⁾⁽²⁾



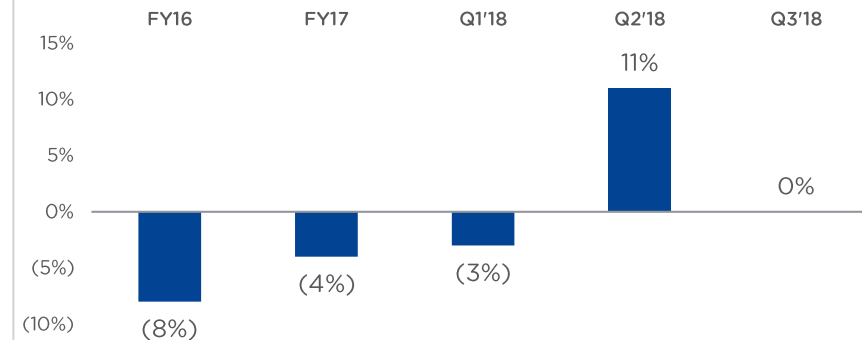
Operating Margin⁽¹⁾



Operating Cash Flow

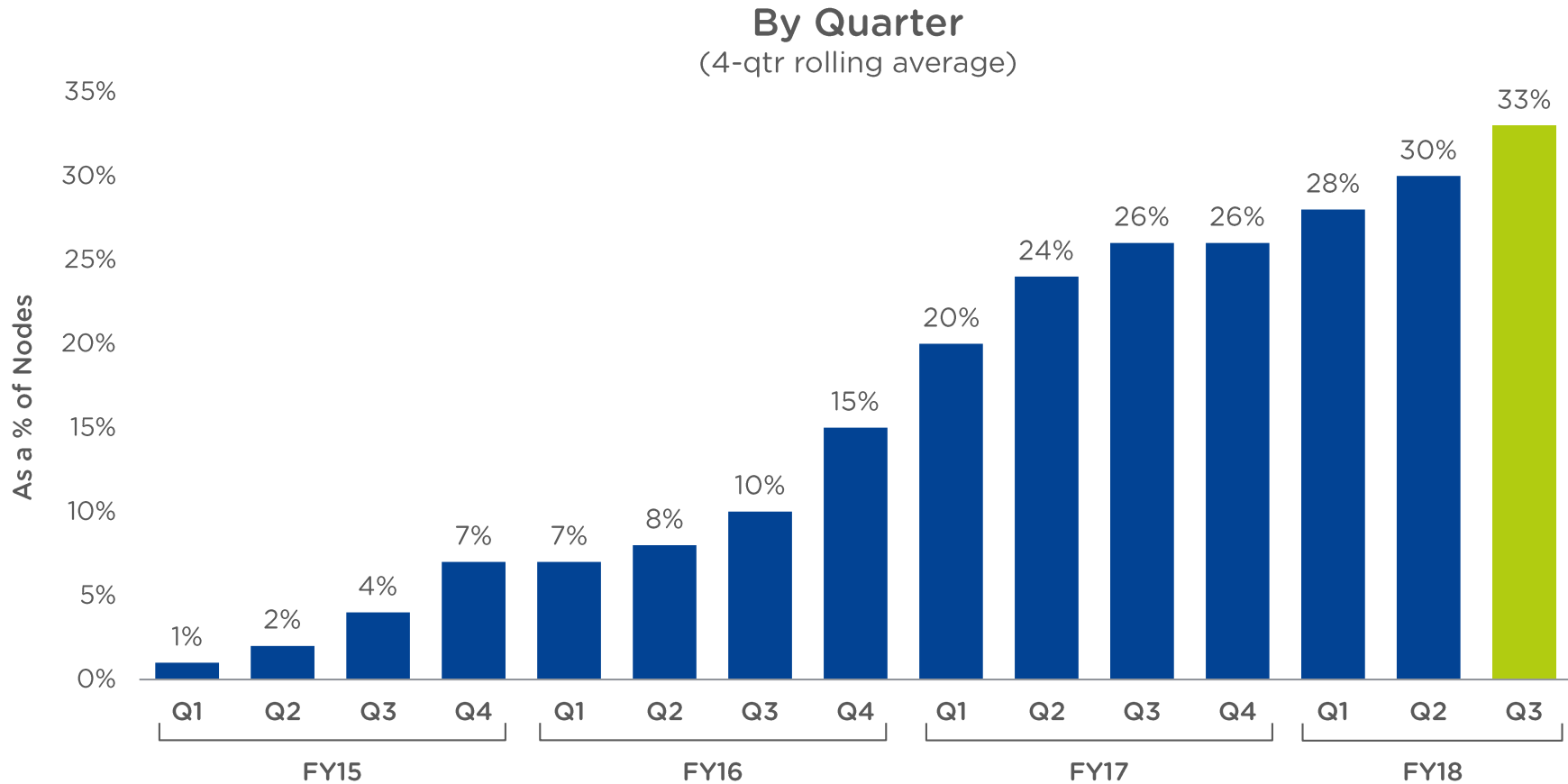


Free Cash Flow⁽¹⁾



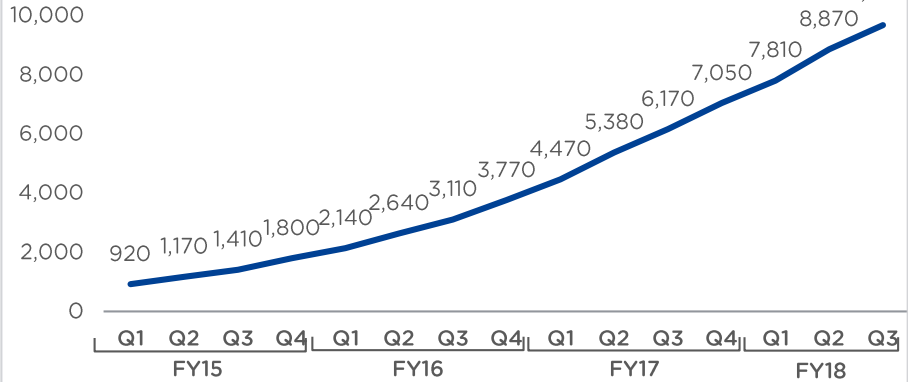
12 (1) Non-GAAP metrics shown. See appendix of this presentation for a reconciliation of GAAP to Non-GAAP metrics.
 (2) Gross Margin percentages in FY17 and Q1'18 through Q3'18 were negatively impacted by DRAM cost increases.

> STEADY AHV ADOPTION, AS A % OF NX NODES

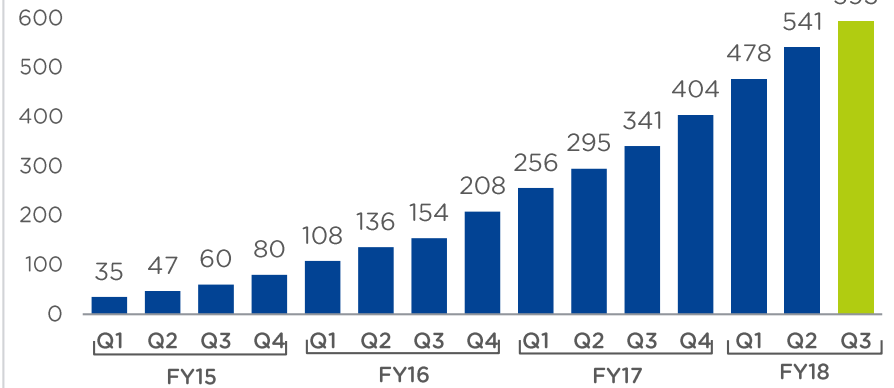


STRONG CUSTOMER GROWTH METRICS

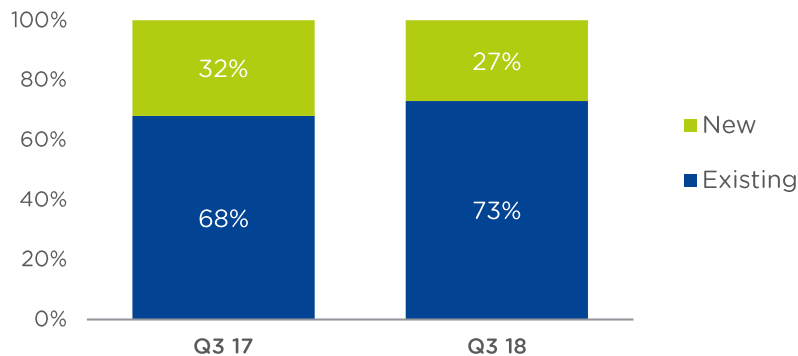
Fast Growing Customer Acquisition
Cumulative Worldwide End-Customers⁽¹⁾



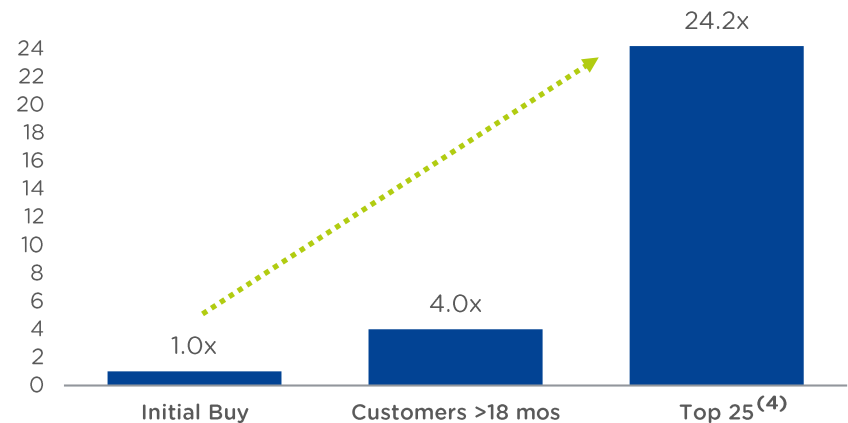
Cumulative End-Customers with Lifetime Purchases >\$1M⁽²⁾



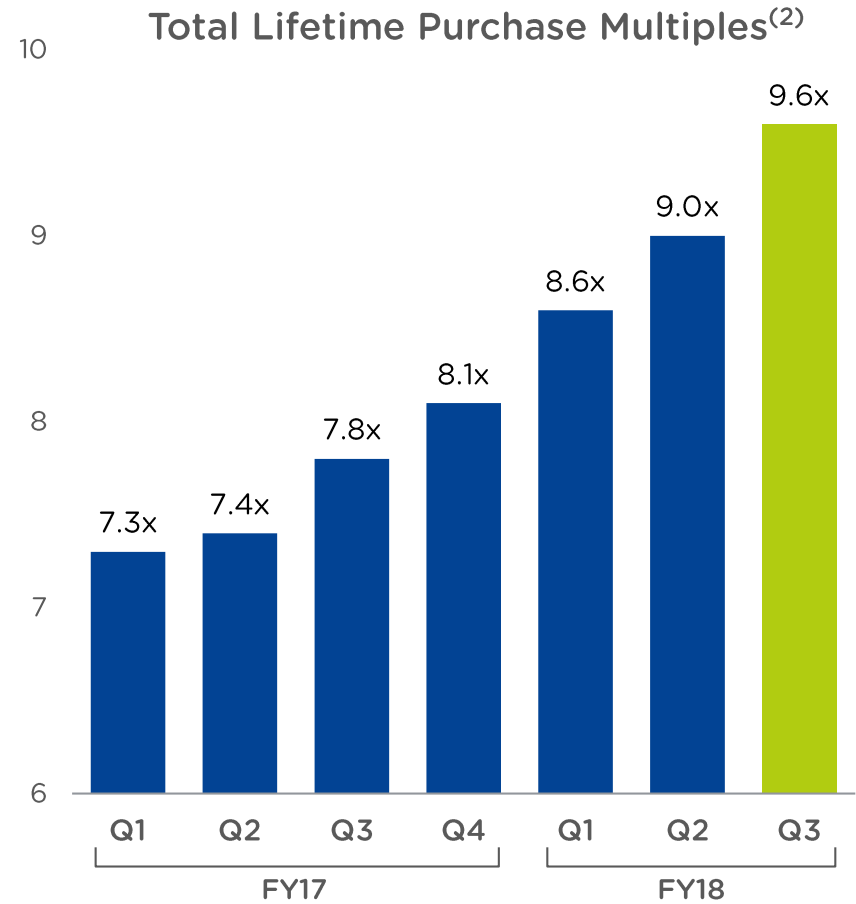
Strong Repeat Business
New vs. Existing End-Customer Bookings



Total Lifetime Purchase Multiples⁽³⁾



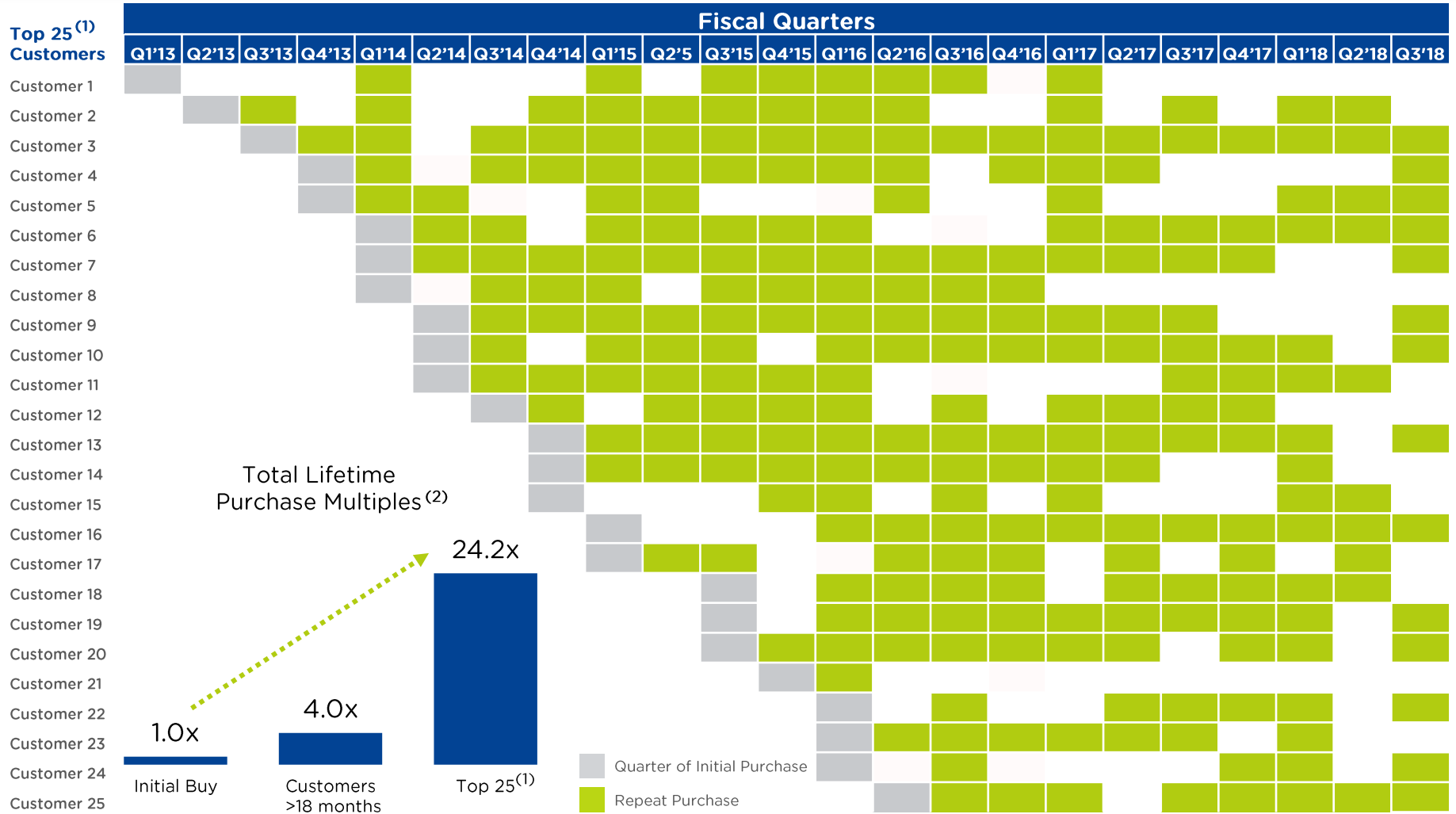
STRONG GROWTH IN THE GLOBAL 2000



(1) Reflects yearly update of the members of the Global 2000 list as reported by Forbes. Global 2000 status is updated each fiscal year and historical data is revised to reflect the updated status. Customer numbers are rounded to the nearest 10.

(2) Multiples represent Total Lifetime Purchase / Initial Purchase, for Global 2000 customers that have been customers for over 18 months.

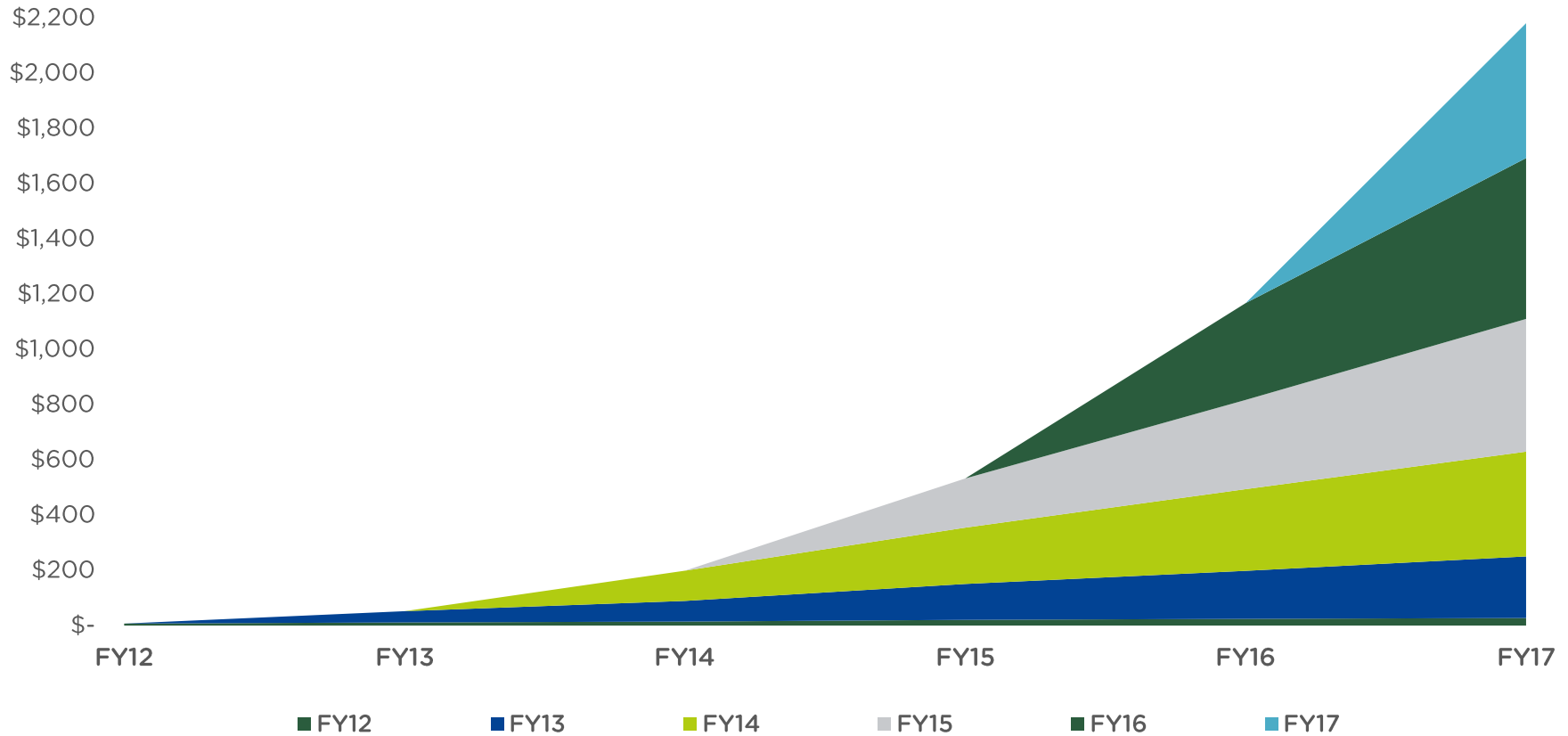
LAND AND EXPAND STRATEGY AT WORK



(1) Top 25 lifetime purchases are from IPO class of customers, for comparability, sorted by initial first purchase quarter.
 (2) Multiples represent Total Lifetime Purchase/Total Initial Purchase.

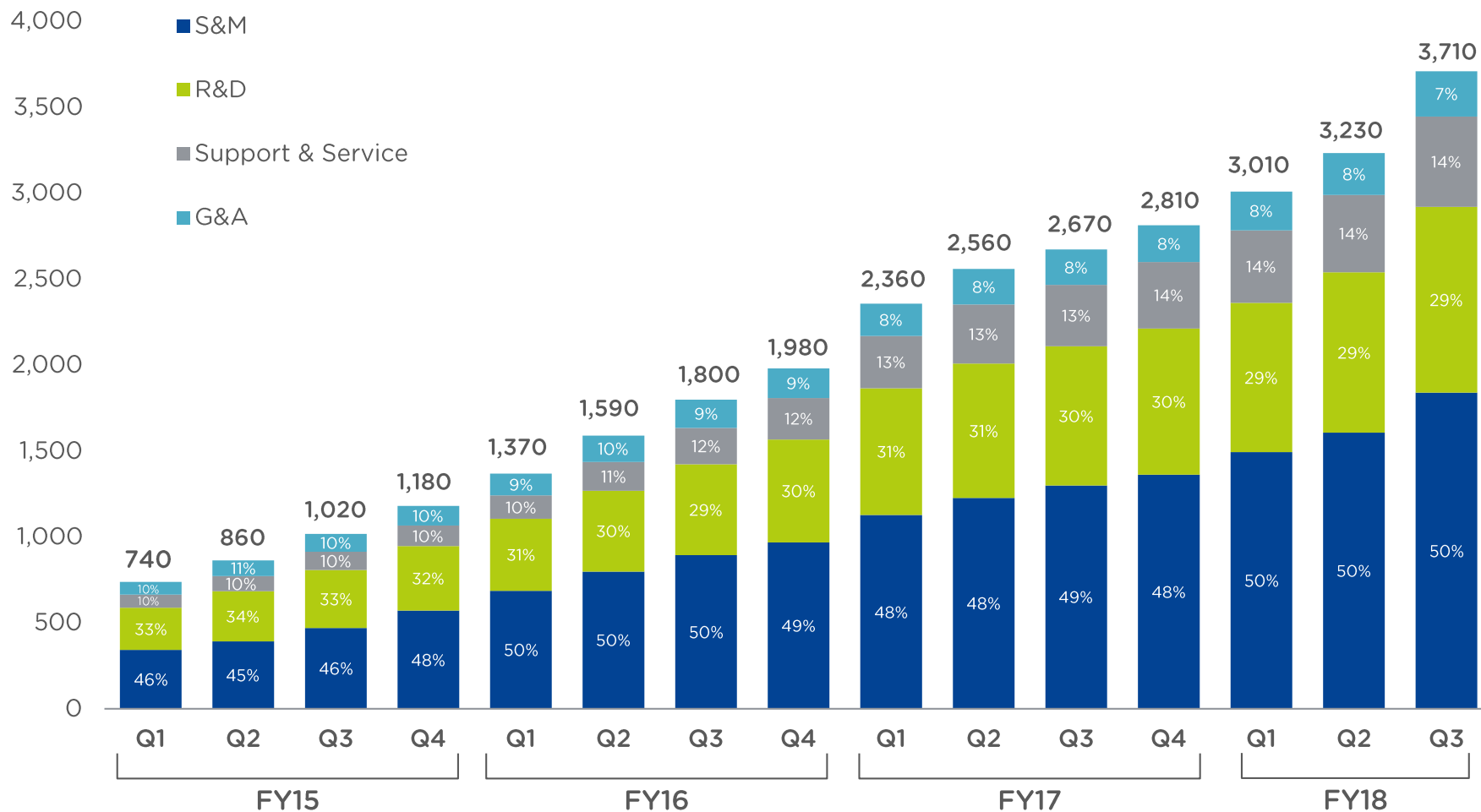
CUSTOMER COHORT BOOKING CAPACITY COMPOUNDING

Cumulative Bookings by End-Customer Cohort⁽¹⁾



17 (1) Classified according to the fiscal year in which an end-customer made its first purchase.

FUNDING HEADCOUNT RESOURCES FOR THE FUTURE



Note: Employee numbers rounded to the nearest 10 are the total headcount at the end of each quarter.

Percentages represent each function as a percentage of total headcount. Total percentage may not sum up to 100% due to rounding.

> BALANCE SHEET TRENDS

\$ Millions	Q3'18	Q2'18	Q/Q Change	Q3'17	Y/Y Change
Cash and ST Investments	\$923.5	\$918.3	1%	\$350.3	164%
Accounts Receivable	\$194.3	\$179.2	8%	\$170.3	14%
Days Sales⁽¹⁾ Outstanding	60	58	2 days	74	(14) days
Weighted Days Sales Outstanding	26	30	(4) days	23	3 days
Total Deferred Revenue	\$539.9	\$478.0	13%	\$332.3	62%

Note: All amounts in millions, except Days Sales Outstanding and percentages.

(1) Calculated using Revenue and ending Accounts Receivable.



NUTANIXTM

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GAAP to NON-GAAP
RECONCILIATIONS





RECONCILIATION OF NON-GAAP FINANCIAL MEASURES AND KEY PERFORMANCE MEASURES—2018

	Q1	Q2	Q3	Q4	FY2018
Reconciliation of GAAP to Non-GAAP					
Gross profit - GAAP	\$ 166.9	\$ 178.2	\$ 193.8		
Gross margin - GAAP	61%	62%	67%		
Stock-based compensation expense	2.6	2.8	2.6		
Amortization of intangibles	0.9	1.2	1.4		
Gross profit - Non-GAAP	\$ 170.5	\$ 182.2	\$ 197.8		
Gross margin - Non-GAAP	62%	64%	68%		
Sales and marketing - GAAP	\$ 145.4	\$ 151.2	\$ 169.9		
Stock-based compensation expense	(13.8)	(16.0)	(18.1)		
Amortization of intangibles	(0.2)	(0.2)	(0.2)		
Sales and marketing - Non-GAAP	\$ 131.4	\$ 135.1	\$ 151.6		
Research and development - GAAP	\$ 64.5	\$ 70.9	\$ 81.3		
Stock-based compensation expense	(15.5)	(17.0)	(16.5)		
Research and development - Non-GAAP	\$ 49.0	\$ 53.9	\$ 64.8		
General and administrative - GAAP	\$ 16.1	\$ 15.9	\$ 24.9		
Stock-based compensation expense	(3.6)	(6.2)	(7.8)		
Change in fair value of contingent consideration	(0.3)	4.2	(0.6)		
Acquisition related costs	-	(0.5)	(0.5)		
General and administrative - Non-GAAP	\$ 12.2	\$ 13.4	\$ 16.0		
Operating expenses - GAAP	\$ 226.0	\$ 238.0	\$ 276.1		
Stock-based compensation expense	(32.9)	(39.2)	(42.4)		
Change in fair value of contingent consideration	(0.3)	4.2	(0.6)		
Acquisition related costs	-	(0.5)	(0.5)		
Amortization of intangibles	(0.2)	(0.2)	(0.2)		
Operating expenses - Non-GAAP	\$ 192.6	\$ 202.4	\$ 232.4		
Loss from operations - GAAP	\$ (59.0)	\$ (59.8)	\$ (82.3)		
Operating Margin - GAAP	(21)%	(21)%	(28)%		
Stock-based compensation expense	35.5	42.0	44.9		
Change in fair value of contingent consideration	0.3	(4.2)	0.6		
Amortization of intangibles	1.1	1.4	1.7		
Acquisition related costs	-	0.5	0.5		
Loss from operations - Non-GAAP	\$ (22.1)	\$ (20.2)	\$ (34.6)		
Operating Margin - Non-GAAP	(8)%	(7)%	(12)%		
Net loss - GAAP	\$ (61.5)	\$ (62.6)	\$ (85.7)		
Stock-based compensation expense	35.5	42.0	44.9		
Change in fair value of contingent consideration	0.3	(4.2)	0.6		
Amortization of intangibles	1.1	1.4	1.7		
Acquisition related costs	-	0.5	0.5		
Amortization of debt discount and debt issuance costs	-	0.7	6.9		
Income tax-related adjustments	(0.1)	(0.9)	(3.5)		
Net loss - Non-GAAP	\$ (24.7)	\$ (23.2)	\$ (34.6)		
Net cash provided by operating activities	\$ 10.1	\$ 46.6	\$ 13.3		
Purchases of PP&E	(18.0)	(14.0)	(14.1)		
Free cash flow	\$ (7.9)	\$ 32.4	\$ (0.8)		
Free cash flow margin	(3)%	11%	0%		
Basic and diluted EPS - GAAP	\$ (0.39)	\$ (0.39)	\$ (0.51)		
Stock-based compensation expense	0.23	0.26	0.27		
Change in fair value of contingent consideration	-	(0.03)	-		
Amortization of debt discount and debt issuance costs	-	0.01	0.04		
Acquisition related costs	-	0.01	-		
Amortization of intangibles	-	0.01	0.01		
Income tax-related adjustments	-	(0.01)	(0.02)		
Basic and diluted EPS - Non-GAAP	\$ (0.16)	\$ (0.14)	\$ (0.21)		



RECONCILIATION OF NON-GAAP FINANCIAL MEASURES AND KEY PERFORMANCE MEASURES—2018 CONTINUED

	Q1	Q2	Q3	Q4	FY2018
Billings					
Revenue	\$ 275.6	\$ 286.7	\$ 289.4		
Change in deferred revenue, net of acquisitions	39.8	69.2	61.8		
Total billings	\$ 315.3	\$ 355.9	\$ 351.2		
Software and Support Billings					
Software revenue	\$ 138.2	\$ 145.1	\$ 158.5		
Hardware revenue	80.9	78.0	62.6		
Support, entitlements and other services revenue	56.5	63.6	68.3		
Total revenue	\$ 275.6	\$ 286.7	\$ 289.4		
Total software and support revenue	\$ 194.7	\$ 208.7	\$ 226.8		
Change in software and support deferred revenue, net of acquisitions	39.8	65.8	65.2		
Software and support billings	\$ 234.5	\$ 274.5	\$ 292.0		

RECONCILIATION OF NON-GAAP FINANCIAL MEASURES AND KEY PERFORMANCE MEASURES—2017

	Q1	Q2	Q3	Q4	FY 2017
Reconciliation of GAAP to Non-GAAP					
Gross profit - GAAP	\$ 118.8	\$ 122.4	\$ 122.5	\$ 154.9	\$ 518.6
Gross margin - GAAP	63 %	61 %	60 %	61 %	61 %
Stock-based compensation expense	4.3	3.2	3.1	2.8	13.5
Amortization of intangibles	0.2	0.4	0.4	0.4	1.3
Gross profit - Non-GAAP	\$ 123.3	\$ 126.0	\$ 126.0	\$ 158.1	\$ 533.4
Gross margin - Non-GAAP	65 %	63 %	61 %	63 %	63 %
Sales and marketing - GAAP	\$ 128.6	\$ 111.4	\$ 126.7	\$ 134.3	\$ 501.0
Stock-based compensation expense	(33.9)	(15.5)	(15.7)	(13.0)	(78.1)
Amortization of intangibles	(0.2)	(0.2)	(0.3)	(0.2)	(0.9)
Sales and marketing - Non-GAAP	\$ 94.5	\$ 95.6	\$ 110.7	\$ 121.0	\$ 422.0
Research and development - GAAP	\$ 75.3	\$ 70.9	\$ 74.6	\$ 67.8	\$ 228.6
Stock-based compensation expense	(34.0)	(28.8)	(27.0)	(19.2)	(109.0)
Research and development - Non-GAAP	\$ 41.3	\$ 42.2	\$ 47.6	\$ 48.6	\$ 179.6
General and administrative - GAAP	\$ 29.4	\$ 15.5	\$ 15.6	\$ 16.9	\$ 77.3
Stock-based compensation expense	(18.5)	(5.1)	(4.5)	(2.8)	(30.9)
Change in fair value of contingent consideration	(0.2)	(0.3)	0.3	(1.8)	(1.9)
Acquisition related costs	(0.7)	-	-	-	(0.7)
General and administrative - Non-GAAP	\$ 10.0	\$ 10.1	\$ 11.4	\$ 12.4	\$ 43.9
Operating expenses - GAAP	\$ 233.3	\$ 197.8	\$ 216.9	\$ 219.0	\$ 866.9
Stock-based compensation expense	(86.4)	(49.4)	(47.3)	(35.0)	(218.0)
Change in fair value of contingent consideration	(0.2)	(0.3)	0.3	(1.8)	(1.9)
Acquisition related costs	(0.7)	-	-	-	(0.7)
Amortization of intangibles	(0.2)	(0.2)	(0.3)	(0.2)	(0.9)
Operating expenses - Non-GAAP	\$ 145.8	\$ 147.8	\$ 169.7	\$ 182.0	\$ 645.5
Loss from operations - GAAP	\$ (114.5)	\$ (75.4)	\$ (94.5)	\$ (64.0)	\$ (348.4)
Operating Margin - GAAP	(61)%	(38)%	(46)%	(25)%	(41)%
Stock-based compensation expense	90.7	52.6	50.4	37.8	231.5
Change in fair value of contingent consideration	0.2	0.3	(0.3)	1.8	1.9
Acquisition related costs	0.7	-	-	-	0.7
Amortization of intangibles	0.4	0.6	0.6	0.6	2.2
Loss from operations - Non-GAAP	\$ (22.5)	\$ (21.9)	\$ (43.8)	\$ (23.8)	\$ (112.1)
Operating Margin - Non-GAAP	(12)%	(11)%	(21)%	(9)%	(13)%
Net loss - GAAP	\$ (140.3)	\$ (76.4)	\$ (96.8)	\$ (66.1)	\$ (379.6)
Stock-based compensation expense	90.7	52.6	50.4	37.8	231.5
Change in fair value of contingent consideration	0.2	0.3	(0.3)	1.8	1.9
Acquisition related costs	0.7	-	-	-	0.7
Amortization of intangibles	0.4	0.6	0.6	0.6	2.2
Loss on debt extinguishment	3.3	-	-	-	3.3
Warrant MtM	21.1	-	-	-	21.1
Income tax-related adjustments	(2.1)	(0.2)	0.5	(0.1)	(1.8)
Net loss - Non-GAAP	\$ (26.0)	\$ (23.0)	\$ (45.7)	\$ (26.0)	\$ (120.7)
Net cash (used in) provided by operating activities	\$ 4.2	\$ 19.8	\$ (16.0)	\$ 5.9	\$ 13.8
Purchases of PP&E	(11.9)	(12.7)	(13.2)	(12.4)	(50.2)
Free cash flow	\$ (7.8)	\$ 7.1	\$ (29.2)	\$ (6.5)	\$ (36.4)
Free cash flow margin	(4)%	4%	(14)%	(3)%	(4)%
Pro forma basic and diluted EPS - GAAP	\$ (1.09)	\$ (0.54)	\$ (0.67)	\$ (0.43)	\$ (2.68)
Stock-based compensation expense	0.71	0.37	0.35	0.25	1.61
Change in fair value of contingent consideration	0.00	0.00	0.00	0.00	0.01
Acquisition related costs	0.01	0.00	0.00	0.00	0.00
Amortization of intangibles	0.00	0.01	0.01	0.01	0.02
Loss on debt extinguishment	0.03	0.00	0.00	0.00	0.02
Warrant MtM	0.16	0.00	0.00	0.00	0.15
Income tax-related adjustments	(0.02)	0.00	0.00	0.00	(0.01)
Pro forma basic and diluted EPS - Non-GAAP	\$ (0.20)	\$ (0.16)	\$ (0.32)	\$ (0.17)	\$ (0.85)



RECONCILIATION OF NON-GAAP FINANCIAL MEASURES AND KEY PERFORMANCE MEASURES—2017 CONTINUED

	Q1	Q2	Q3	Q4	FY 2017
Billings					
Revenue	\$ 188.6	\$ 199.2	\$ 205.7	\$ 252.5	\$ 845.9
Change in deferred revenue, net of acquisitions	51.3	28.2	28.4	36.7	144.6
Total billings	\$ 239.8	\$ 227.4	\$ 234.1	\$ 289.2	\$ 990.5
Software and Support Billings					
Software revenue	\$ 104.8	\$ 102.8	\$ 100.8	\$ 128.6	\$ 437.0
Hardware revenue	48.8	55.4	59.3	72.9	236.3
Support, entitlements and other services revenue	35.0	41.0	45.6	51.0	172.6
Total revenue	\$ 188.6	\$ 199.2	\$ 205.7	\$ 252.5	\$ 845.9
Total software and support revenue	\$ 139.8	\$ 143.8	\$ 146.4	\$ 179.6	\$ 609.6
Change in software and support deferred revenue, net of acquisitions	51.2	28.2	28.5	36.7	144.6
Software and support billings	\$ 191.0	\$ 172.0	\$ 174.9	\$ 216.3	\$ 754.2

RECONCILIATION OF NON-GAAP FINANCIAL MEASURES AND KEY PERFORMANCE MEASURES—2016

	Q1	Q2	Q3	Q4	FY 2016
Reconciliation of GAAP to Non-GAAP					
Gross profit - GAAP	\$ 65.4	\$ 78.5	\$ 82.6	\$ 106.1	\$ 332.6
Gross margin - GAAP	65 %	67 %	66 %	66 %	66 %
Stock-based compensation expense	0.4	0.3	0.3	0.3	1.3
Gross profit - Non-GAAP	\$ 65.8	\$ 78.8	\$ 82.9	\$ 106.4	\$ 334.0
Gross margin - Non-GAAP	66 %	68 %	66 %	66 %	66 %
Sales and marketing - GAAP	\$ 58.1	\$ 65.2	\$ 75.8	\$ 87.4	\$ 286.6
Stock-based compensation expense	(2.1)	(2.0)	(2.0)	(1.9)	(8.0)
Sales and marketing - Non-GAAP	\$ 56.0	\$ 63.2	\$ 73.7	\$ 85.5	\$ 278.6
Research and development - GAAP	\$ 23.8	\$ 26.0	\$ 31.4	\$ 35.1	\$ 116.4
Stock-based compensation expense	(1.6)	(1.6)	(1.5)	(1.5)	(6.2)
Research and development - Non-GAAP	\$ 22.2	\$ 24.4	\$ 29.9	\$ 33.6	\$ 110.1
General and administrative - GAAP	\$ 7.4	\$ 7.8	\$ 8.8	\$ 10.3	\$ 34.3
Stock-based compensation expense	(1.3)	(1.0)	(1.2)	(1.0)	(4.4)
General and administrative - Non-GAAP	\$ 6.1	\$ 6.8	\$ 7.6	\$ 9.3	\$ 29.8
Operating expenses - GAAP	\$ 89.3	\$ 99.1	\$ 115.9	\$ 132.8	\$ 437.2
Stock-based compensation expense	(5.0)	(4.6)	(4.7)	(4.4)	(18.7)
Operating expenses - Non-GAAP	\$ 84.3	\$ 94.5	\$ 111.2	\$ 128.4	\$ 418.6
Loss from operations - GAAP	\$ (23.9)	\$ (20.8)	\$ (33.3)	\$ (26.7)	\$ (104.6)
Operating Margin - GAAP	(24)%	(18)%	(26)%	(17)%	(21)%
Stock-based compensation expense	5.4	4.9	5.1	4.7	20.1
Loss from operations - Non-GAAP	\$ (18.6)	\$ (15.7)	\$ (28.3)	\$ (22.0)	\$ (84.6)
Operating Margin - Non-GAAP	(18)%	(13)%	(22)%	(14)%	(17)%
Net loss - GAAP	\$ (25.3)	\$ (18.6)	\$ (35.5)	\$ (28.8)	\$ (108.2)
Stock-based compensation expense	5.4	4.9	5.1	4.7	20.1
Warrant MtM	0.7	(2.6)	1.3	(1.4)	(2.0)
Net loss - Non-GAAP	\$ (19.2)	\$ (16.4)	\$ (29.1)	\$ (25.5)	\$ (90.2)
Net cash (used in) provided by operating activities	\$ (5.6)	\$ 4.4	\$ 2.4	\$ 2.4	\$ 3.6
Purchases of PP&E	(9.6)	(10.4)	(13.4)	(8.9)	(42.3)
Free cash flow	\$ (15.3)	\$ (5.9)	\$ (11.0)	\$ (6.5)	\$ (38.7)
Free cash flow margin	(15)%	(5)%	(9)%	(4)%	(8)%
Pro forma basic and diluted EPS - GAAP	\$ (0.21)	\$ (0.16)	\$ (0.29)	\$ (0.24)	\$ (0.90)
Stock-based compensation expense	0.05	0.04	0.04	0.04	0.17
Warrant MtM	0.00	(0.02)	0.01	(0.01)	(0.02)
Pro forma basic and diluted EPS - Non-GAAP	\$ (0.16)	\$ (0.14)	\$ (0.24)	\$ (0.21)	\$ (0.75)



RECONCILIATION OF NON-GAAP FINANCIAL MEASURES AND KEY PERFORMANCE MEASURES—2016 CONTINUED

	Q1	Q2	Q3	Q4	FY 2016
Billings					
Revenue	\$ 100.5	\$ 116.4	\$ 126.0	\$ 160.5	\$ 503.4
Change in deferred revenue	27.7	27.0	33.5	46.1	134.4
Total billings	\$ 128.3	\$ 143.4	\$ 159.5	\$ 206.6	\$ 637.8
Software and Support Billings					
Software revenue	\$ 57.9	\$ 67.2	\$ 71.5	\$ 91.0	\$ 287.6
Hardware revenue	26.1	28.7	30.9	40.6	126.3
Support, entitlements and other services revenue	16.5	20.5	23.6	28.9	89.5
Total revenue	\$ 100.5	\$ 116.4	\$ 126.0	\$ 160.5	\$ 503.4
Total software and support revenue	\$ 74.4	\$ 87.7	\$ 95.1	\$ 119.9	\$ 377.1
Change in software and support deferred revenue	27.7	27.0	33.5	46.1	134.4
Software and support billings	\$ 102.2	\$ 114.7	\$ 128.6	\$ 166.0	\$ 511.5



RECONCILIATION OF NON-GAAP FINANCIAL MEASURES AND KEY PERFORMANCE MEASURES—2015

	Q1	Q2	Q3	Q4	FY 2015
Billings					
Revenue	\$ 46.0	\$ 56.8	\$ 64.5	\$ 74.1	\$ 241.4
Change in deferred revenue	14.7	14.2	17.6	20.6	67.1
Total billings	\$ 60.7	\$ 71.0	\$ 82.1	\$ 94.7	\$ 308.5
Net cash (used in) provided by operating activities	\$ (6.9)	\$ (7.7)	\$ (5.7)	\$ (5.4)	\$ (25.7)
Purchases of PP&E	(4.5)	(6.4)	(5.2)	(7.2)	(23.3)
Free cash flow	\$ (11.4)	\$ (14.1)	\$ (11.0)	\$ (12.6)	\$ (49.0)
Free cash flow margin	(25)%	(25)%	(17)%	(17)%	(20)%

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Thank You!

