

# Corporate Overview

November 2023

NUTANIX

# Safe Harbor

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

To supplement our consolidated financial statements, which are prepared and presented in accordance with GAAP, this presentation includes the following non-GAAP financial and other key performance measures: non-GAAP gross margin, non-GAAP operating expenses, non-GAAP operating income, non-GAAP operating margin, free cash flow, Annual Contract Value Billings (or ACV Billings), Annual Recurring Revenue (or ARR), and Average Contract Duration. In computing non-GAAP financial measures, we exclude certain items such as stock-based compensation and the related income tax impact, costs associated with our acquisitions (such as amortization of acquired intangible assets, income tax-related impact, and other acquisition-related costs), costs related to the impairment and early exit of operating lease-related assets, restructuring charges, litigation settlement accruals and legal fees related to certain litigation matters, the amortization of the debt discount and issuance costs, interest expense related to convertible senior notes, gains on divestitures, and other non-recurring transactions and the related tax impact. Non-GAAP gross margin, non-GAAP operating expenses, non-GAAP operating income, and non-GAAP operating margin 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. 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. ARR is a performance measure that we believe provides useful information to our management and investors as it allows us to better track the topline growth of our subscription business because it takes into account variability in term lengths. We use these non-GAAP financial and key performance measures for financial and operational decision-making and as a means to evaluate period-to-period comparisons. However, these non-GAAP financial and key performance measures have limitations as analytical tools and you should not consider them in isolation or as substitutes for analysis of our results as reported under GAAP. Non-GAAP gross margin, non-GAAP operating expenses, non-GAAP operating income, non-GAAP operating margin, and free cash flow are not substitutes for gross margin, operating expenses, operating income (loss), operating margin, or net cash provided by (used in) operating activities, respectively. There is no GAAP measure that is comparable to ACV Billings, ARR, or Average Contract Duration, so we have not reconciled the ACV Billings, ARR, or Average Contract Duration data included in this presentation to any GAAP measure. In addition, other companies, including companies in our industry, may calculate non-GAAP financial measures and key performance measures differently or may use other measures to evaluate their performance, all of which could reduce the usefulness of our non-GAAP financial measures and key performance measures as tools for comparison. We urge you to review the reconciliation of our non-GAAP financial measures and key performance measures to the most directly comparable GAAP financial measures included below in the tables captioned “Reconciliation of GAAP to Non-GAAP Profit Measures” and “Reconciliation of GAAP Net Cash Provided By Operating Activities to Non-GAAP Free Cash Flow,” and not to rely on any single financial measure to evaluate our business. This presentation also includes the following forward-looking non-GAAP financial measures as part of our second quarter fiscal 2024 outlook and/or our fiscal 2024 outlook: non-GAAP gross margin, non-GAAP operating margin, and free cash flow. We are unable to reconcile these forward-looking non-GAAP financial measures to their most directly comparable GAAP financial measures without unreasonable efforts, as we are currently unable to predict with a reasonable degree of certainty the type and extent of certain items that would be expected to impact the GAAP financial measures for these periods but would not impact the non-GAAP financial measures.

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# Safe Harbor

## Forward Looking Statements

This presentation contains express and implied forward-looking statements, including, but not limited to, statements regarding: our business momentum and prospects, our market opportunity, competitive dynamics, our focus on driving towards targets and delivering durable growth and increasing profitability, our second quarter fiscal 2024 outlook, and our fiscal 2024 outlook.

These forward-looking statements are not historical facts and instead are based on our current expectations, estimates, opinions, and beliefs. Consequently, you should not rely on these forward-looking statements. The accuracy of these forward-looking statements depends upon future events and involves risks, uncertainties, and other factors, including factors that may be beyond our control, that may cause these statements to be inaccurate and cause our actual results, performance or achievements to differ materially and adversely from those anticipated or implied by such statements, including, among others: the inherent uncertainty or assumptions and estimates underlying our projections and guidance, which are necessarily speculative in nature; any failure to successfully implement or realize the full benefits of, or unexpected difficulties or delays in successfully implementing or realizing the full benefits of, our business plans, strategies, initiatives, vision, and objectives; our ability to achieve, sustain and/or manage future growth effectively; the rapid evolution of the markets in which we compete, including the introduction, or acceleration of adoption of, competing solutions, including public cloud infrastructure; failure to timely and successfully meet our customer needs; delays in or lack of customer or market acceptance of our new solutions, products, services, product features or technology; macroeconomic or geopolitical uncertainty, including supply chain issues; our ability to attract, recruit, train, retain, and, where applicable, ramp to full productivity, qualified employees and key personnel; factors that could result in the significant fluctuation of our future quarterly operating results (including anticipated changes to our revenue and product mix, the timing and magnitude of orders, shipments and acceptance of our solutions in any given quarter, our ability to attract new and retain existing end-customers, changes in the pricing and availability of certain components of our solutions, and fluctuations in demand and competitive pricing pressures for our solutions); our ability to form new or maintain and strengthen existing strategic alliances and partnerships, as well as our ability to manage any changes thereto; the impact of a pandemic or major public health concern; our ability to make share repurchases; and other risks detailed in our Annual Report on Form 10-K for the fiscal year ended July 31, 2023 filed with the U.S. Securities and Exchange Commission, or the SEC, on September 21, 2023. Additional information will be set forth in our Quarterly Report on Form 10-Q for the fiscal quarter ended October 31, 2023, 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

## Favorable Secular Trends

Including Hybrid Multicloud adoption and Generative AI

## Large and Growing Markets

\$76B<sup>1</sup> TAM in Targeted Markets by FY27

## One Platform for Hybrid Multicloud

Offering Unparalleled Simplicity Across Private and Public Clouds

## Best-In-Class NPS of 90+

Helps Drive Strong Retention and Expansion

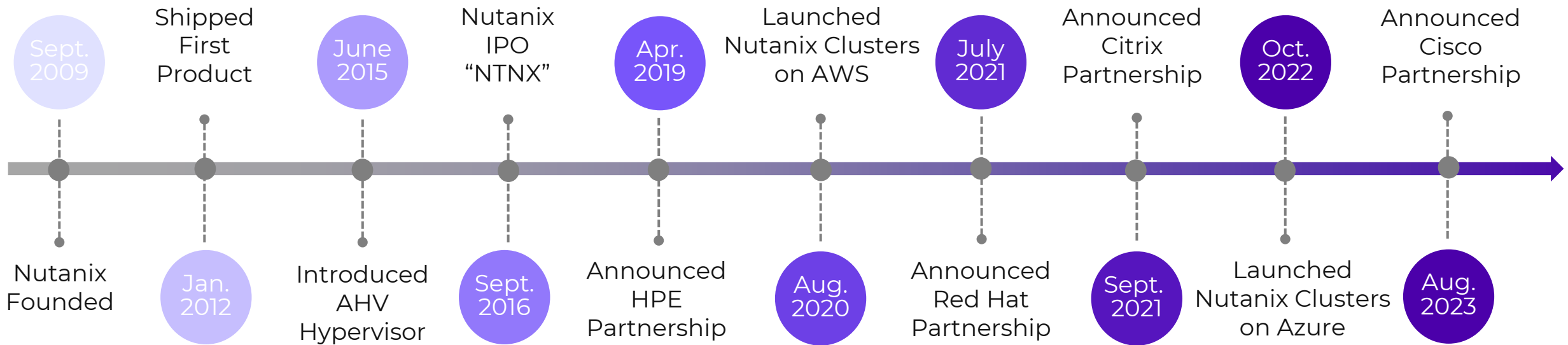
## Durable Growth + Increasing Profitability

via Disciplined Execution on Market Opportunity, Renewals and Partner Leverage



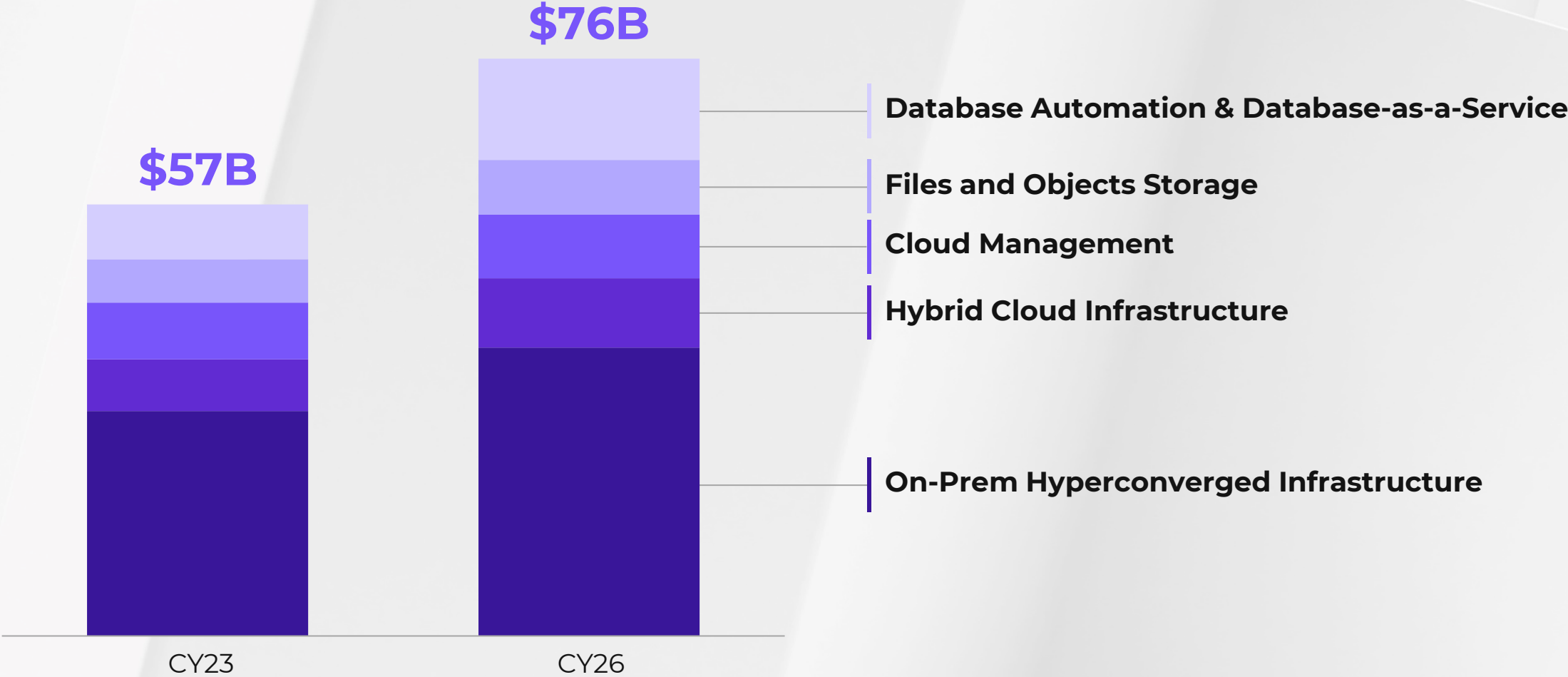
<sup>1</sup>Source: Estimates based on Gartner forecasts regarding component markets, with adjustments made to reflect only those applicable to our business

# Over A Decade of Progress



# Large and Growing Market

Total Addressable Market (TAM)

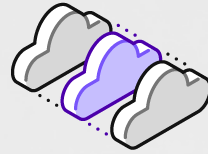


Source: Estimates based on Gartner forecasts regarding component markets, with adjustments made to reflect only those applicable to our business

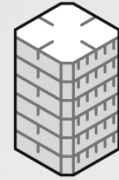
# Why We Win



**One Unified Platform**  
For All Apps and Data



**Freedom of Choice**  
Any Server, Any Hypervisor,  
Any Cloud – No Lock-in



**1-Click Simplicity**  
Consumer-Like Experience  
to Manage Data Center



**Customer Delight**  
NPS Score of 90+



**Lower Total Cost of Ownership**  
ROI Benefits

# Aligned with Top CIO Priorities



Modernize  
**Infrastructure**



Run  
**Modern Apps & AI**



Extend  
**Across Clouds**



Enable  
**Portable Apps**



# One Software Platform for All Apps and Data Anywhere

Enterprise Apps

Cloud Native Apps

AI/ML

Databases

Desktops

## Nutanix Cloud Platform

Unified Storage Services

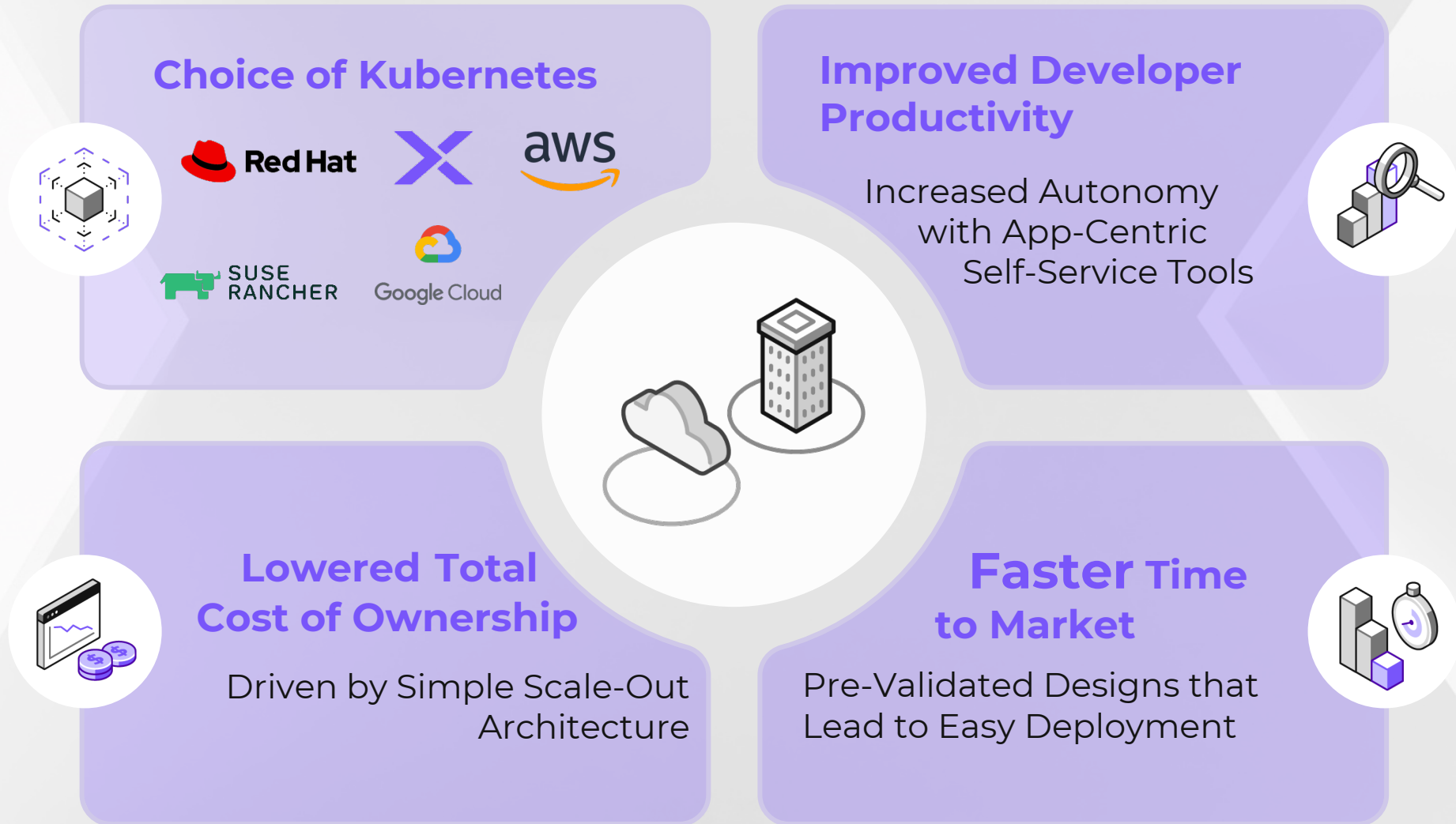
Database Services

Cloud Infrastructure

Cloud Management



# Well-Positioned for Modern Apps



## Case Study: Micron

**Customer Need:** Modernize Manufacturing Apps and Infrastructure to Reduce TCO and Enhance Agility

**Nutanix Solution:** Nutanix Cloud Platform for Kubernetes-based Applications

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*Nutanix's **secure, resilient, and scalable** cloud platform allows us to **modernize our manufacturing environment** and move away from traditional compute and storage.*

**Anand Bahl, Chief Information Officer at Micron**



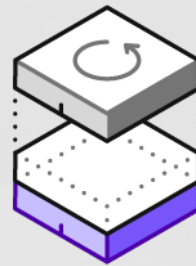
# Extending Platform to Public Cloud

## Primary Use Cases



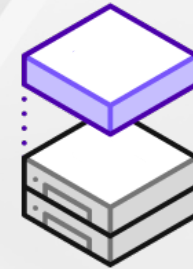
### Migration

Move and Run Any App to Any Cloud Without Refactoring or Rearchitecting



### Disaster Recovery

Quickly Build-Out Disaster Recovery Sites in Any Public Cloud Region



### Expansion

Rapidly Burst into Public Cloud for Seasonal Demand & Geographic Expansion

# Case Study: Fortune 500 Financial Services

**Customer Need:** Reduce Data Center Footprint by Shifting Some Workloads to the Public Cloud

**Nutanix Solution:** Nutanix Cloud Platform on Microsoft Azure, Purchased on Azure Marketplace



# What Nutanix Delivers for AI



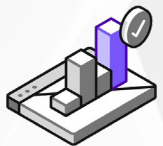
## Full AI Stack

Deploy Curated Set of LLMs Using Leading Open Source AI Frameworks



## Delivered Anywhere

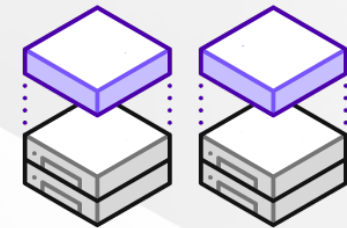
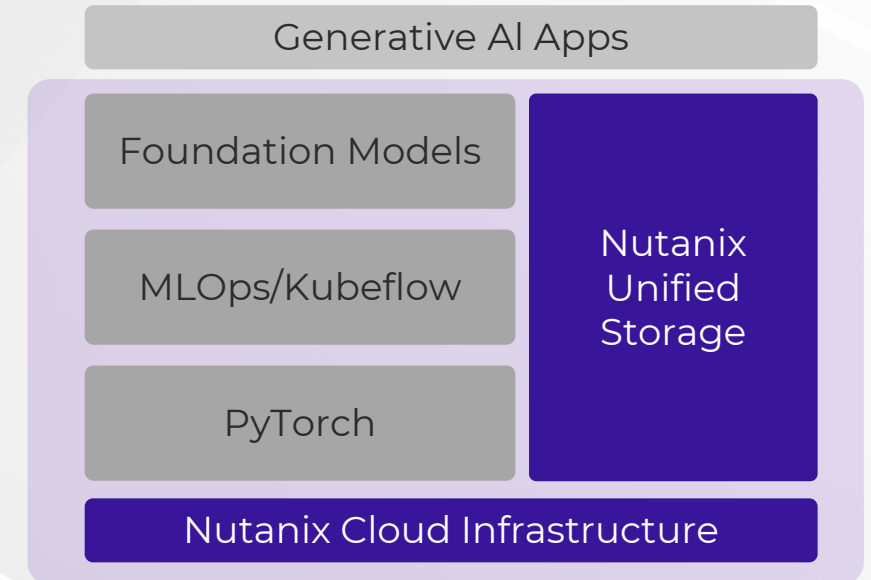
From Small-Scale Edge to Large-Scale Private Cloud



## Built-in Data Services

Fine-Tune and Run GPTs While Maintaining Control of Data and Apps

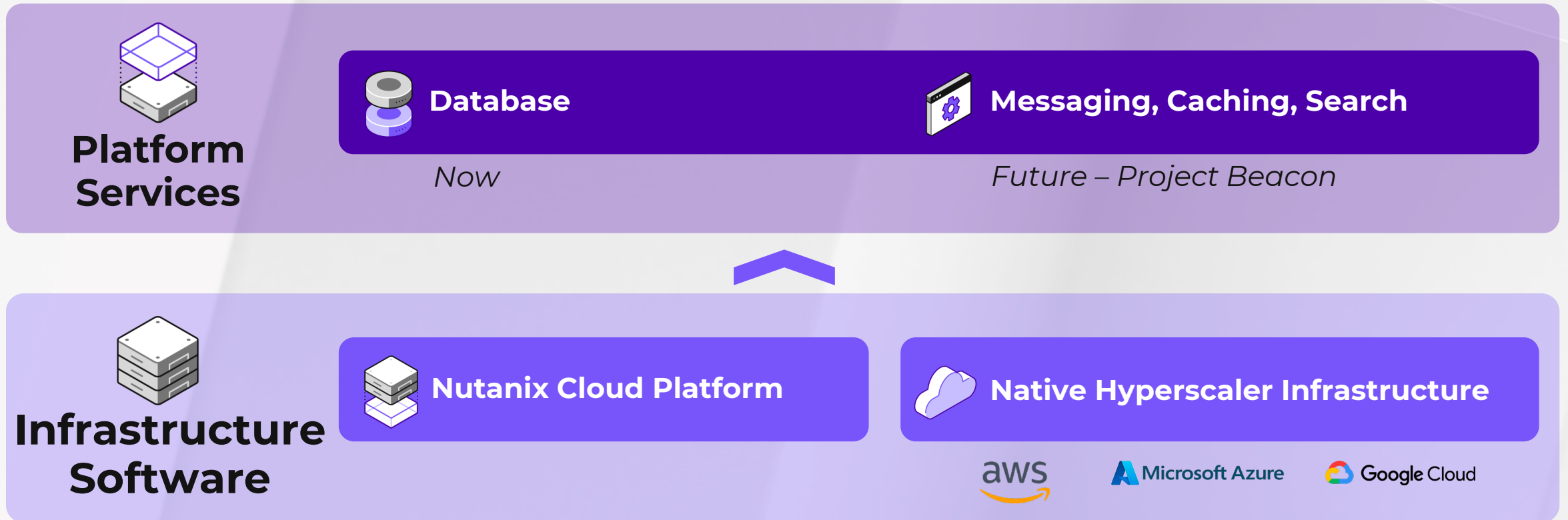
## GPT-in-a-Box



GPU-Enabled Servers

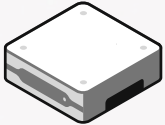


# Vision: Build Apps Once and Run Anywhere



**This Vision Will Open Up a New Market Opportunity**

# GTM Leverage Through a Growing Partner Ecosystem



## Platform Partners

New Cisco Partnership, other Long-Standing Partners



## Cloud/Service Providers

NC2 on Azure and AWS



## Channel Partners

Driving Channel Enablement



## ISV Partners

Red Hat for Modern Apps, Cloud Desktops with Citrix





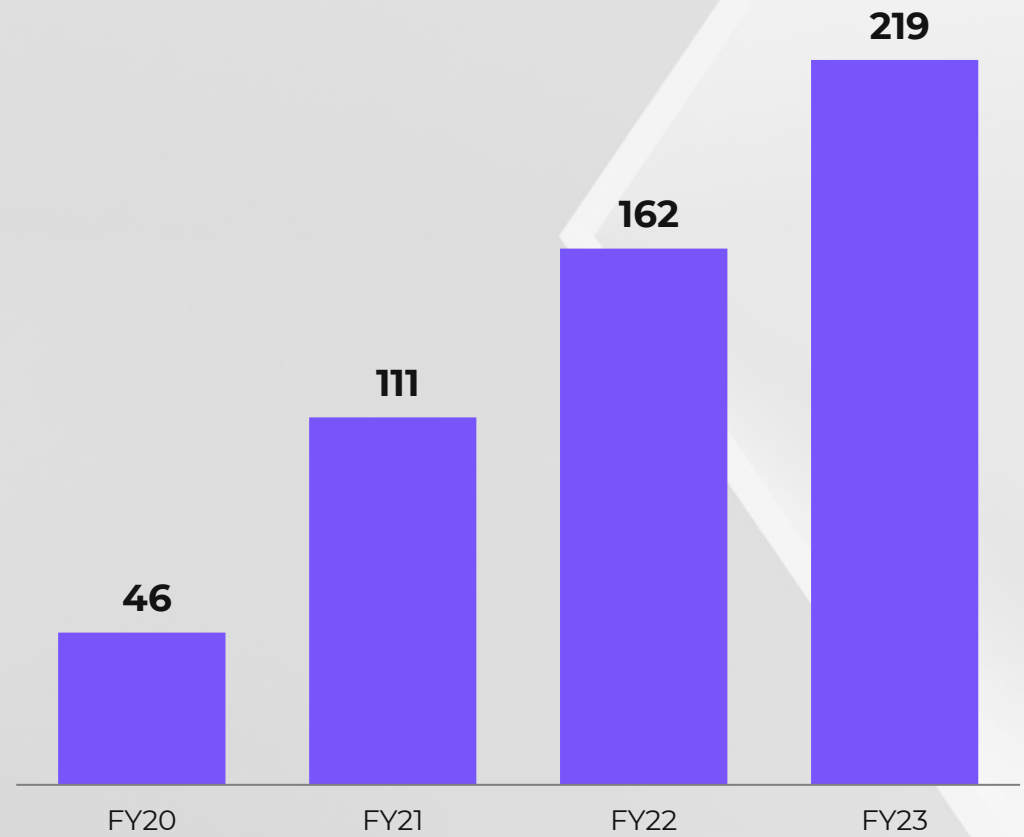
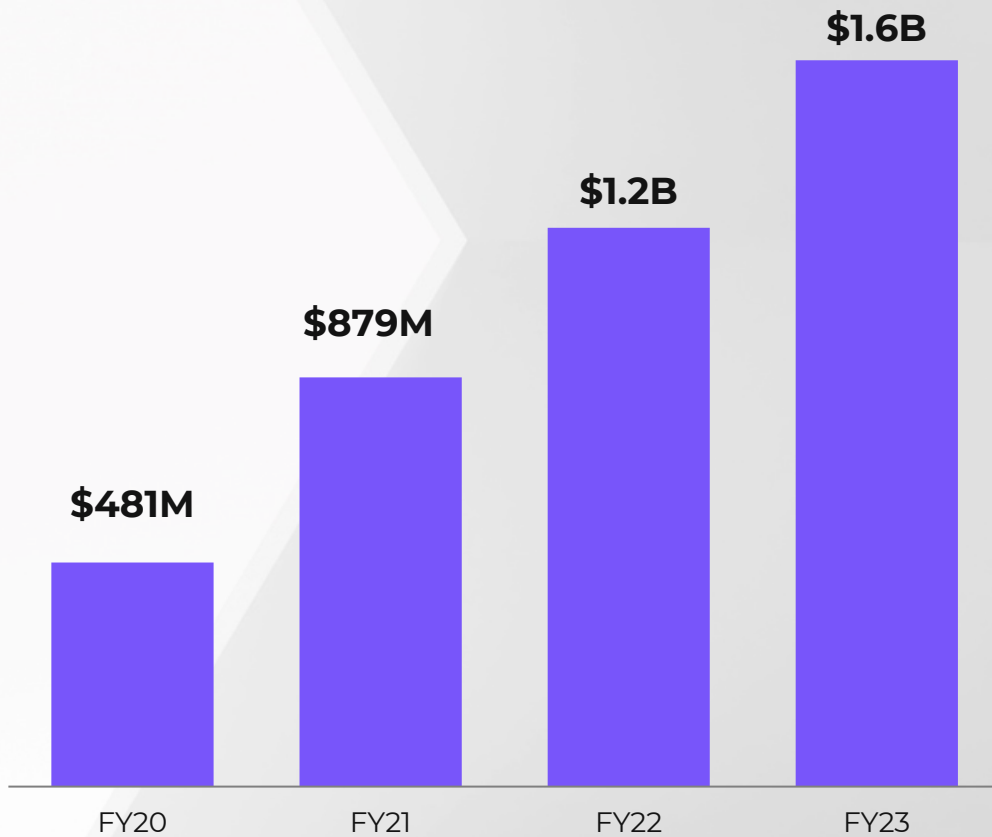
# Powering the World's Leading Brands Since 2009



# ARR Highlights Robust Subscription Business

ARR

Customer Count with \$1M+ ARR



# An Experienced Leadership Team



**Rajiv Ramaswami**

President & CEO



**Mandy Dhaliwal**

Chief Marketing Officer



**Andrew Brinded**

Chief Revenue Officer



**David Sangster**

Chief Operating Officer



**Rukmini Sivaraman**

Chief Financial Officer



**Shyam Desirazu**

Head of Engineering



**Anja Hamilton**

Chief People Officer



**Tarkan Maner**

Chief Commercial Officer



**Tyler Wall**

Chief Legal Officer



**Thomas Cornely**

SVP, Product Management



# Q1 FY2024 Company Highlights

## **Delivers Outperformance Across All Fiscal Q1'24 Guided Metrics**

ACV Billings of \$287 million were up 24% year-over-year and revenue of \$511 million was up 18% year-over-year.

## **Raises FY'24 Guidance**

FY'24 outlook raised for all guided metrics, including Revenue, ACV Billings, Non-GAAP Operating Margin, Non-GAAP Gross Margin and Free Cash Flow.

## **Nutanix Hybrid Multicloud Platform Recognized as a Leader**

Recognized as a Leader in The Forrester Wave™: Hyperconverged Infrastructure, Q4 2023, with the highest ranking in strategy, storage and data, support and experience, vision, and innovation.

## **Strengthening Cyber Resilience with Accelerated Ransomware Detection and Recovery**

Announced new features in the Nutanix Cloud Platform to strengthen organizations' cyber resilience against ransomware attacks on unstructured data.

## **Nutanix Cloud Platform Selected by Micron**

Selected by Micron to build a cloud platform for Micron's manufacturing facilities globally.



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

# Management Commentary

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We delivered a solid first quarter financial performance against an uncertain macro backdrop reflecting the value our customers see in the Nutanix Cloud Platform and the strength of our subscription business model. I'm excited about our future as we look to capitalize on our large and growing market opportunity, favorable industry competitive dynamics, and our ramping partnerships.



**Rajiv Ramaswami**

President and Chief Executive Officer  
Nutanix

“

Our first quarter marked a good start to our fiscal year with 24% year-over-year ACV billings growth along with strong free cash flow generation. We continue to see good execution and remain focused on driving towards the targets we shared at our recent Investor Day and delivering durable growth and increasing profitability.



**Rukmini Sivaraman**

Chief Financial Officer  
Nutanix

# Q1 FY2024 Financial Summary

	Q1'24 Results	Y/Y Change	Q1'24 Guidance
ACV Billings	\$287.2M	24%	\$260 – \$270M
Annual Recurring Revenue	\$1.66B	30%	N/A
Average Contract Duration	2.9 Years	(0.1) Years	N/A
Revenue <sup>(1)</sup>	\$511.1M	18%	\$495 – \$505M
Non-GAAP Gross Margin	85.9%	250bps	~84%
Non-GAAP Operating Expenses	\$359.8M	2%	N/A
Non-GAAP Operating Income	\$79.5M	\$69.3M	N/A
Non-GAAP Operating Margin	15.6%	13.2% pts	9 – 11%
Non-GAAP Net Income per Share (Diluted)	\$0.29	\$0.26	N/A
Free Cash Flow	\$132.5M	\$86.7M	N/A

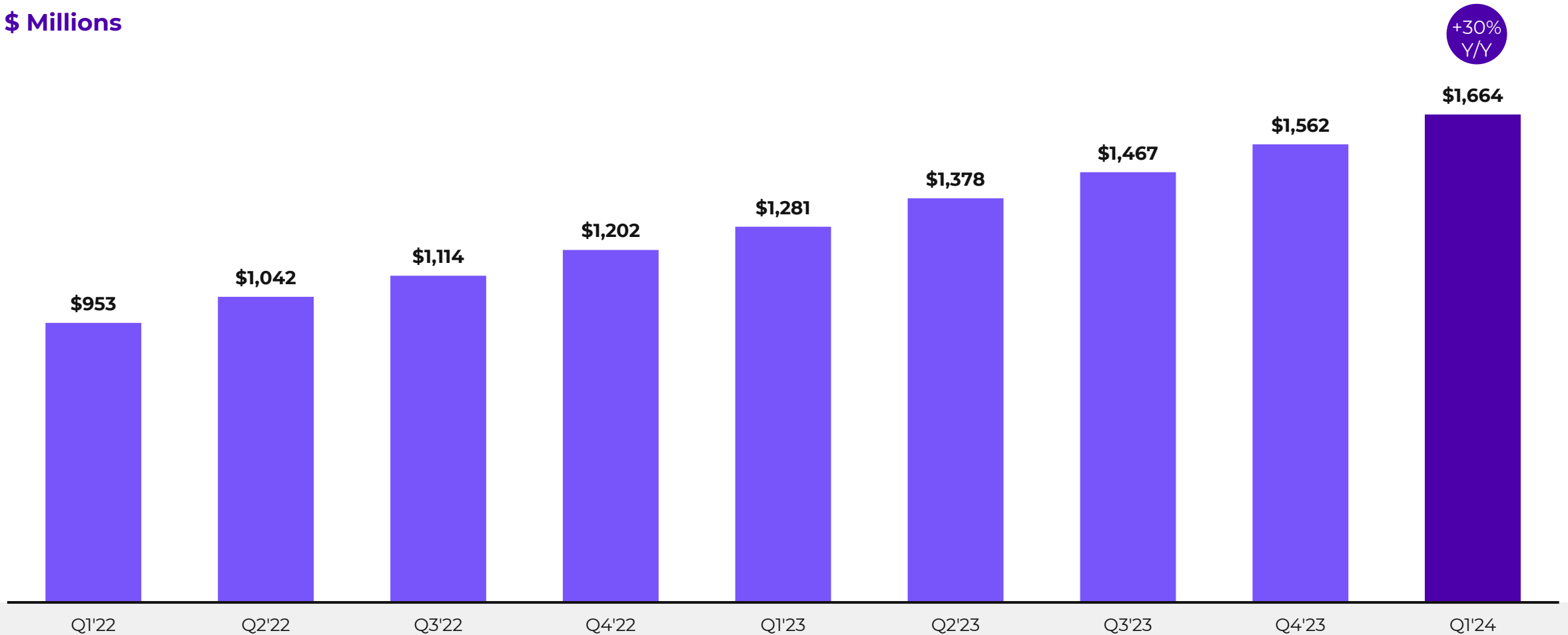
1. See endnote 1 in the Appendix.

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



# Annual Recurring Revenue

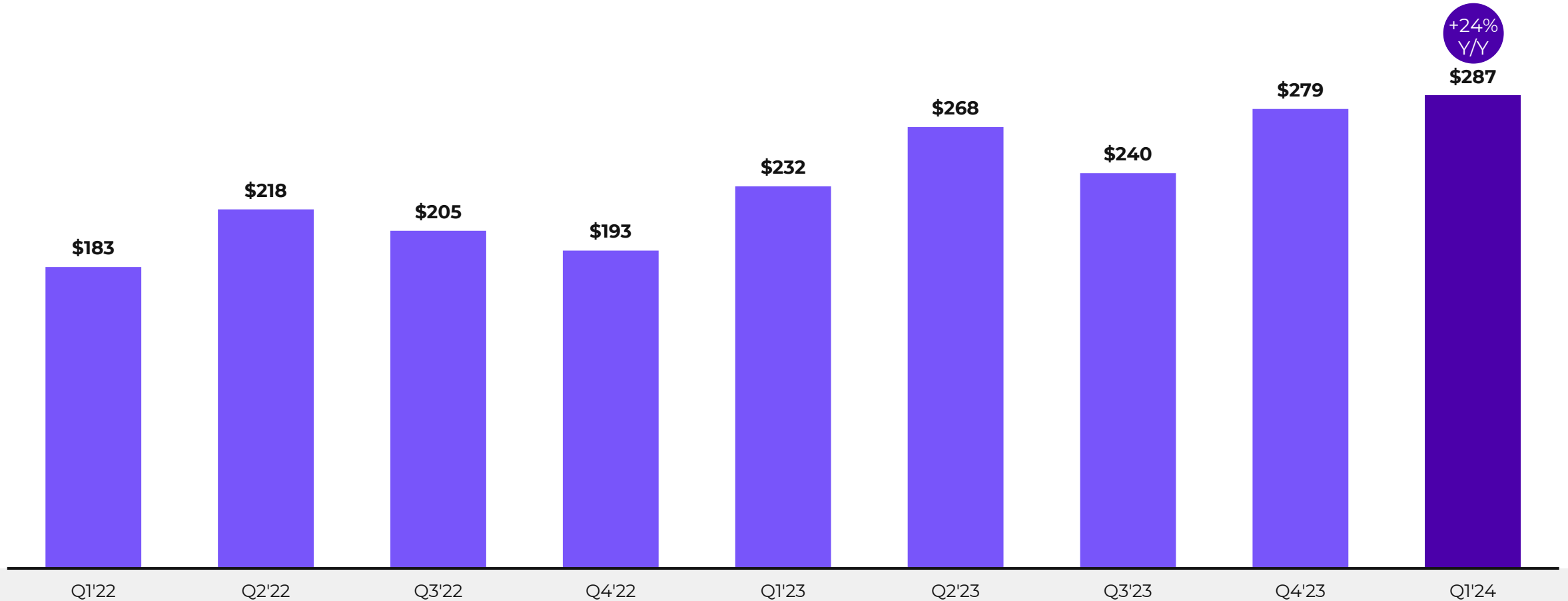
\$ Millions



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 Annual Recurring Revenue in this presentation to any GAAP measure.

# ACV Billings

\$ Millions



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 ACV Billings in this presentation to any GAAP measure.



# Appendix

# Endnotes and Market Opportunity Data

## Endnote

1. Revenue was negatively impacted by a year-over-year decline in the average contract duration, including as a result of Nutanix's transition to a subscription-based business model.

## Market Opportunity Data

Certain information contained in this presentation and the accompanying oral commentary may relate to or be based on studies, publications, surveys and other data obtained from third-party sources and the Company's own internal estimates and research. While the Company believes these third-party studies, publications, surveys and other data are reliable as of the date hereof, they have not been independently verified, and the Company makes no representation as to the adequacy, fairness, accuracy, or completeness of any information obtained from third-party sources.

The Company believes the Company's overall market is composed of Adjacent Markets and Hybrid Cloud Market. The Company defines Adjacent Markets as being composed of desktop-as-a-service (DaaS), database automation and database-as-a-service (DBaaS), files and objects storage, cloud management, and disaster recovery-as-a-service (DRaaS) markets. The Total Addressable Market, or TAM, data for the Company's Adjacent Markets included in this presentation are the Company's estimates derived from Gartner forecasts regarding the component markets with adjustments, some of which are based on the Company's internal assumptions and market experience and knowledge, made to focus only on the segments of the applicable markets that the Company believes are applicable to the Company's business. The Company defines Hybrid Cloud Market as being composed of HCI Market and Public Cloud Market. The TAM data for the Company's Hyperconverged Infrastructure Market, or HCI Market, and Public Cloud Market included in this presentation are the Company's estimates derived from Gartner forecasts regarding the hyperconverged infrastructure market and infrastructure-as-a-service (IaaS) server and storage markets, respectively, with adjustments, some of which are based on the Company's internal assumptions and market experience and knowledge, made to focus only on the segments of the applicable markets that the Company believes are applicable to the Company's business.

# Definitions

# Definitions

## 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.

**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 Duration**, 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.

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, or ARR so the Company has not reconciled the ACV, ACV Billings, or ARR numbers included in this presentation to any GAAP measure.

# GAAP to Non-GAAP Reconciliations

	Q1'23	Q2'23	Q3'23	Q4'23	Q1'24
<b>Gross Margin (GAAP)</b>	81.0%	82.2%	81.6%	83.7%	84.0%
<b>Stock-Based Compensation Expense</b>	1.7	2.1	1.9	1.7	1.7
<b>Amortization of Intangible Assets</b>	0.7	0.5	0.5	0.4	0.2
<b>Gross Margin (Non-GAAP)</b>	83.4%	84.8%	84.0%	85.8%	85.9%
<b>Operating Expenses (GAAP)</b>	\$431.8	\$456.2	\$424.8	\$425.1	\$434.8
<b>Stock-Based Compensation Expense</b>	(73.5)	(75.0)	(64.5)	(64.2)	(75.0)
<b>Amortization of Intangible Assets</b>	(0.3)	(0.2)	(0.2)	(0.1)	–
<b>Early Exit of Leased-Related Assets</b>	(0.9)	(0.8)	–	–	–
<b>Restructuring Charges</b>	(5.6)	0.5	–	–	–
<b>Litigation Settlement Accrual and Legal Fees</b>	–	(38.2)	(0.3)	(0.2)	–
<b>Operating Expenses (Non-GAAP)</b>	\$351.5	\$342.5	\$359.8	\$360.6	\$359.8
<b>Loss from Operations (GAAP)</b>	\$(80.7)	\$(56.5)	\$(58.6)	\$(11.4)	\$(5.7)
<b>Stock-Based Compensation Expense</b>	81.0	85.3	72.9	72.6	84.0
<b>Amortization of Intangible Assets</b>	3.1	2.7	2.6	2.2	1.2
<b>Early Exit of Lease-Related Assets</b>	0.9	0.8	–	–	–
<b>Restructuring Charges</b>	5.9	(0.5)	–	–	–
<b>Litigation Settlement Accrual and Legal Fees</b>	–	38.2	0.3	0.2	–
<b>Income from Operations (Non-GAAP)</b>	\$10.2	\$70.0	\$17.2	\$63.6	\$79.5

Note: All amounts in millions, except percentages.



# GAAP to Non-GAAP Reconciliations

	Q1'23	Q2'23	Q3'23	Q4'23	Q1'24
Net Loss (GAAP)	\$(99.5)	\$(70.8)	\$(71.0)	\$(13.3)	\$(15.9)
Stock-Based Compensation Expense	81.0	85.3	72.9	72.6	84.0
Amortization of Intangible Assets	3.1	2.7	2.6	2.2	1.2
Early Exit of Leased-Related Assets	0.9	0.8	–	–	–
Restructuring Charges	5.9	(0.5)	–	–	–
Litigation Settlement Accrual & Legal Fees	–	38.2	0.3	0.2	–
Amortization of Debt Discount & Issuance Costs	15.7	15.9	16.2	16.3	16.3
Gain on Frame Divestiture	–	–	–	(11.0)	–
Other	–	–	–	–	(0.9)
Income Tax-Related Adjustments	0.5	0.5	0.7	0.5	0.3
Net Income (Non-GAAP)	\$7.6	\$72.1	\$21.7	\$67.5	\$85.0
Net Cash Provided by Operating Activities	\$65.5	\$74.1	\$74.5	\$58.3	\$145.5
Purchase of Property and Equipment	(19.7)	(11.1)	(21.8)	(12.8)	(13.0)
Free Cash Flow (Non-GAAP)	\$45.8	\$63.0	\$52.7	\$45.5	\$132.5

	Q1'23	Q1'24
Weighted Average Shares Outstanding (Basic)	229M	241M
Weighted Average Shares Outstanding (Diluted)	275M	293M

Note: All amounts in millions.



NUTANIX

Thank You