Q4 FY2025 Earnings

August 27, 2025

NUTANIX

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Non-GAAP Financial Measures and Other Key Performance Measures

To supplement our consolidated financial statements, which are prepared and presented in accordance with GAAP, this presentation includes the following non-GAAP financial and other key performance measures: non-GAAP gross margin, non-GAAP operating expenses, non-GAAP operating income, non-GAAP operating margin, non-GAAP net income per share (diluted), free cash flow, Annual Recurring Revenue (or ARR), and Average Contract Duration. In computing non-GAAP financial measures, we exclude certain items such as stock-based compensation and the related income tax impact, costs associated with our acquisitions (such as amortization of acquired intangible assets, income tax-related impact, and other acquisition-related costs), restructuring charges, litigation settlement accruals and legal fees related to certain litigation matters, the amortization and conversion of the debt discount and issuance costs related to debt, interest expense related to debt, inducement expense related to the repurchase of convertible senior notes, and other non-recurring transactions and the related tax impact. Non-GAAP gross margin, non-GAAP operating expenses, non-GAAP operating income, and non-GAAP operating margin and non-GAAP net income per share (diluted) are financial measures which we believe provide useful information to investors because they provide meaningful supplemental information regarding our performance and liquidity by excluding certain expenses and expenditures such as stock-based compensation expense that may not be indicative of our ongoing core business operating results. Free cash flow is a performance measure that we believe provides useful information to our management and investors about the amount of cash generated by the business after capital expenditures, and we define free cash flow as net cash provided by (used in) operating activities less purchases of property and equipment. ARR is a performance measure that we believe provides useful information to our management and investors as it allows us to better track the topline growth of our subscription business because it takes into account variability in term lengths. We use these non-GAAP financial and key performance measures for financial and operational decision-making and as a means to evaluate period-to-period comparisons. However, these non-GAAP financial and key performance measures have limitations as analytical tools and you should not consider them in isolation or as substitutes for analysis of our results as reported under GAAP. Non-GAAP gross margin, non-GAAP operating expenses, non-GAAP operating income, non-GAAP operating margin, non-GAAP net income per share (diluted), and free cash flow are not substitutes for gross margin, operating expenses, operating income (loss), operating margin, net income per share (diluted), and net cash provided by (used in) operating activities, respectively. There is no GAAP measure that is comparable to ARR or Average Contract Duration, so we have not reconciled the ARR or Average Contract Duration data included in this presentation to any GAAP measure. In addition, other companies, including companies in our industry, may calculate non-GAAP financial measures and key performance measures differently or may use other measures to evaluate their performance, all of which could reduce the usefulness of our non-GAAP financial measures and key performance measures as tools for comparison. We urge you to review the reconciliation of our non-GAAP financial measures and key performance measures to the most directly comparable GAAP financial measures included below in the tables captioned “GAAP to Non-GAAP Reconciliations,” and not to rely on any single financial measure to evaluate our business. This presentation also includes the following forward-looking non-GAAP financial measures as part of our first quarter fiscal 2026 outlook and/or our fiscal 2026 outlook: non-GAAP operating margin and free cash flow. We are unable to reconcile these forward-looking non-GAAP financial measures to their most directly comparable GAAP financial measures without unreasonable efforts, as we are currently unable to predict with a reasonable degree of certainty the type and extent of certain items that would be expected to impact the GAAP financial measures for these periods but would not impact the non-GAAP financial measures.

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Forward Looking Statements

This presentation contains express and implied forward-looking statements, including, but not limited to, statements regarding: our business momentum and prospects, including our continued innovation across our cloud platform, including modern applications and AI; our first quarter fiscal 2026 outlook; and our fiscal 2026 outlook.

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

Q4 and FY2025 Company Highlights

Delivered Outperformance Across All Q4'25 and FY'25 Guided Metrics	FY'25 Revenue of $2.54B was up 18% year-over-year and FY'25 Free Cash Flow (FCF) of $750M increased 26% year-over-year.
Strong FY'25 Rule of 40 Score	FY'25 Revenue growth of 18% plus a FY'25 FCF Margin of 30% resulted in a Rule of 40 score of 48, our second year in a row above 40.
Strong New Logo Performance	Another strong new logo quarter in Q4 resulted in the addition of over 2,700 new customers in FY'25, our highest in 4 years.
Received Industry Recognition for Nutanix Kubernetes Platform (NKP)	Nutanix's NKP solution was recognized as a Leader in *The Forrester Wave™: Multicloud Container Platforms, Q3 2025*, and as a Challenger in the *2025 Gartner® Magic Quadrant for Container Management*.
Board of Directors Authorizes Increase to Share Repurchase Program	Nutanix Board of Directors authorized an increase of $350 million of common stock to the company's existing share repurchase program.

Note: See Appendix for GAAP to Non-GAAP reconciliations and definition of Rule of 40.

Management Commentary

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Our fourth quarter was a good finish to a fiscal year in which we delivered high-teens top line growth and added over 2,700 new customers. In fiscal 2025, we also made progress with respect to partnerships, signing new or enhanced agreements with AWS, Pure Storage, NVIDIA and Google, and continued to innovate across our cloud platform, including modern applications and AI.

Rajiv Ramaswami
President and Chief Executive Officer
Nutanix

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Our fiscal 2025 results demonstrated a good balance of top and bottom line performance with 18% year-over-year revenue growth and strong free cash flow generation. These results drove a Rule of 40 score of 48, our second year in a row above 40.

Rukmini Sivaraman
Chief Financial Officer
Nutanix

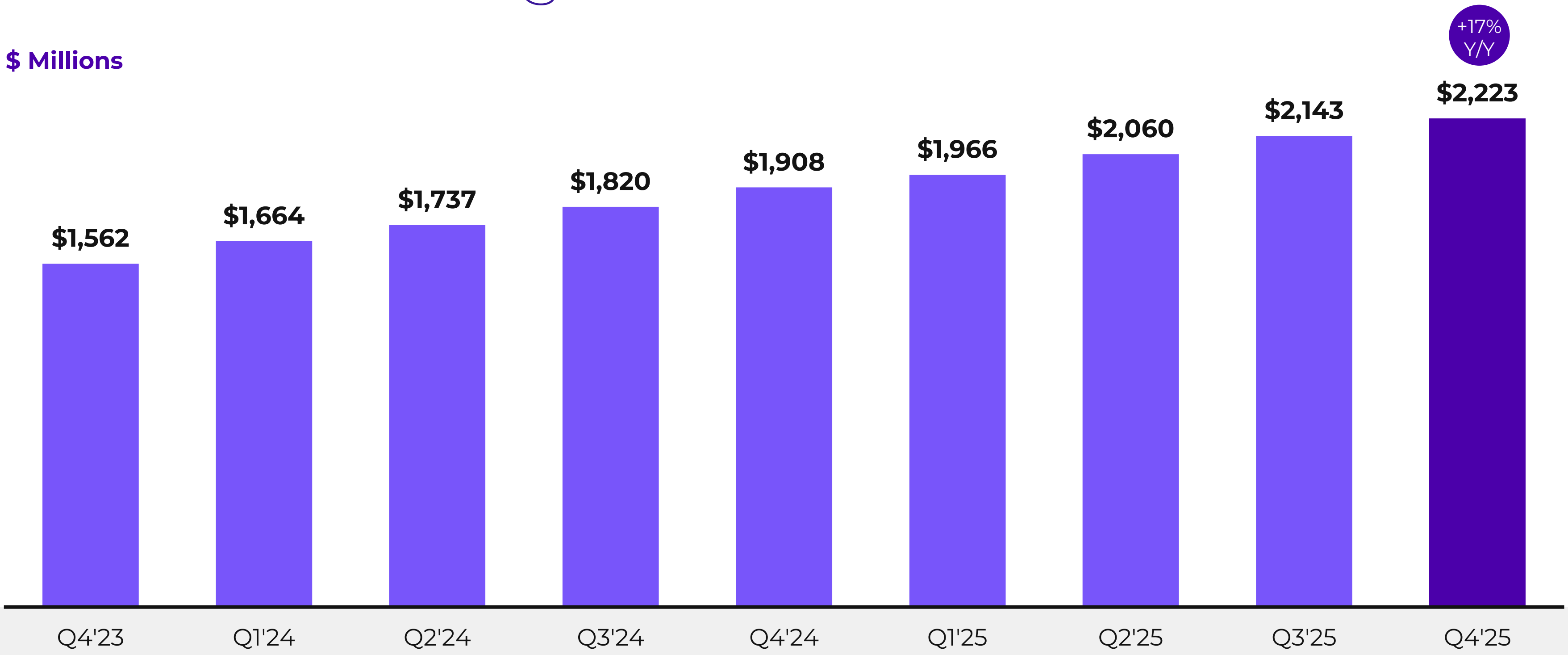
Note: See Appendix for definitions of Annual Recurring Revenue (ARR) and Rule of 40. There is no GAAP measure that is comparable to ARR, so the Company has not reconciled ARR in this presentation to any GAAP measure.

Q4 FY2025 Financial Summary

	Q4'25 Results	Y/Y Change	Q4'25 Guidance
Annual Recurring Revenue	$2.22B	17%	N/A
Average Contract Duration	3.2 Years	0.1 Year	N/A
Revenue	$653.3M	19%	$635 – $645M
Non-GAAP Gross Margin	88.3%	140 bps	N/A
Non-GAAP Operating Expenses	$457.2M	13%	N/A
Non-GAAP Operating Income	$119.5M	$49.0M	N/A
Non-GAAP Operating Margin	18.3%	540 bps	15.5% to 16.5%
Non-GAAP Net Income per Share (Diluted)	$0.37	$0.14	N/A
Free Cash Flow	$207.8M	($16.5M)	N/A

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

Annual Recurring Revenue

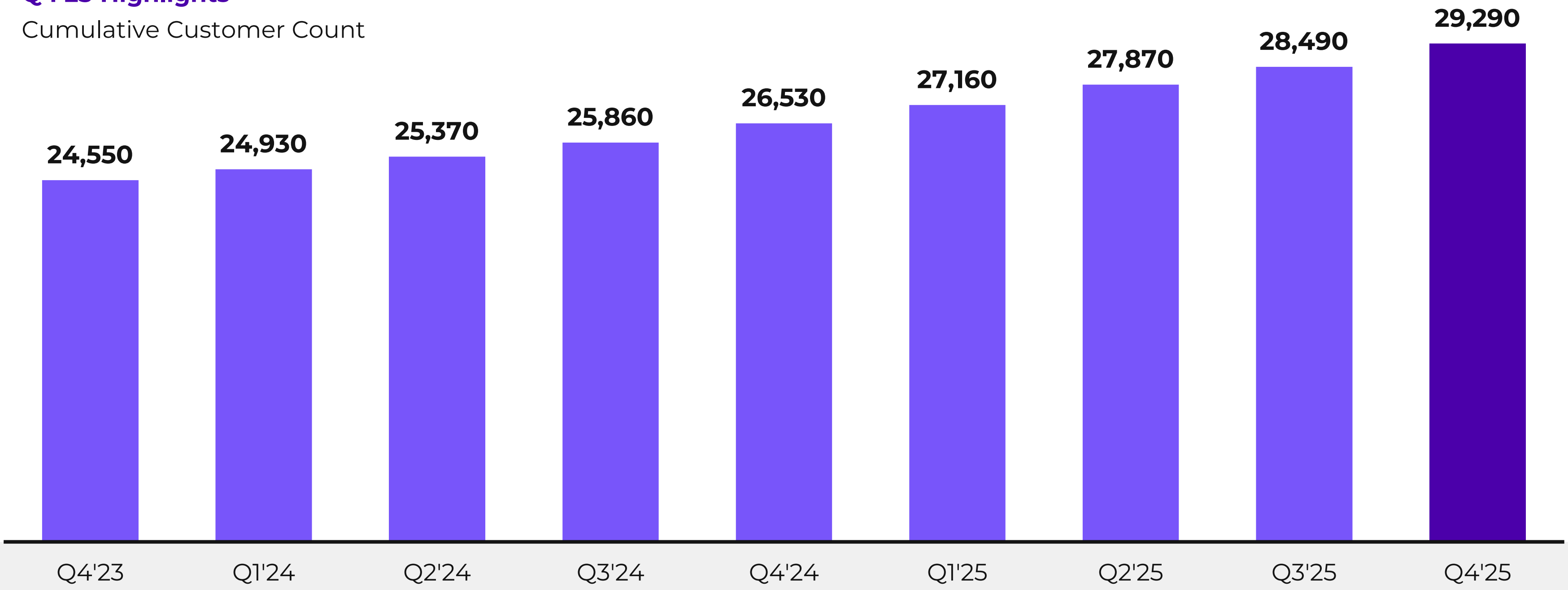


Note: See Appendix for definition of Annual Recurring Revenue (ARR). There is no GAAP measure that is comparable to ARR, so the Company has not reconciled ARR in this presentation to any GAAP measure.

Customer Growth

Q4’25 Highlights

Cumulative Customer Count



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

Q1'26 Financial Guidance

	Q1'26 Guidance
Revenue	$670 – $680M
Non-GAAP Operating Margin	19.5% to 20.5%
Weighted Average Shares Outstanding (Diluted)[1]	~296M

1. Weighted average share count used in computing diluted non-GAAP net income per share.
Note: Q1'26 guidance is as of August 27, 2025.

FY’26 Financial Guidance

	FY’26 Guidance
Revenue	$2.90 – $2.94B
Non-GAAP Operating Margin	21% to 22%
Free Cash Flow	$790 – $830M

Guidance Commentary:

1. The Company expects to continue landing new customers onto its platform at a rate of approximately mid-high three digits of new logos a quarter in FY’26. The Company also expects some continued uncertainty in the overall macro environment, including in areas such as US Federal government spending and with regard to currency fluctuations.
2. The Company expects the renewals ACV cohort or the “available to renew” pool in FY’26 to grow year-over-year but at a slower pace than in FY’25 as the overall renewals base gets larger over time.
3. The guidance assumes a slight year-over-year decline in aggregate average contract duration, because the Company saw some larger contracts with longer-than-average duration in FY’25 that may not recur in FY’26.
4. As the Company has discussed previously, the vast majority of its customers have licenses provisioned upfront and also pay the Company multiple years of cash upfront upon purchase. In certain cases, typically larger transactions, the Company may provision licenses over a period of time rather than all upfront and/or collect cash over time rather than all upfront. Such situations may impact timing of revenue and cash collection, and are factored into the guidance the Company provided.
5. In Q4, the Company saw its first customer transactions for its cloud platform supporting Dell PowerFlex. The Company expects this solution to have a small but growing contribution to FY’26 revenue. The Company also expects the land & expand ACV contributions from its partners such as Cisco and Dell to grow year-over-year into FY’26.
6. With regard to operating expenses, in addition to the annualized run-rate of employees the Company hired during the course of FY’25 that it has discussed in prior calls, the Company has some delayed hiring from FY’25 which it expects to be approximately $25 million in expenses in FY’26. Additionally, in prior earnings calls, the Company has also referenced some non-recurring partner payments which are accounted for as contra-expense in the R&D line. These payments are expected to start to taper off in FY’26, and the Company expects this to cause an approximately $10 – $15 million headwind to operating expenses in FY’26.

Note: FY’26 guidance is as of August 27, 2025.

Appendix

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Nutanix Reporting Model

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

Definitions

Annual Recurring Revenue[1], or **ARR**, for any given period, is defined as the sum of ACV for all subscription contracts in effect as of the end of a specific period. For the purposes of this calculation, we assume that the contract term begins on the date a contract is booked, unless the terms of such contract prevent us from fulfilling our obligations until a later period, and irrespective of the periods in which we would recognize revenue for such contract. Excludes all life-of-device contracts. **ACV** is defined as the total annualized value of a contract. The total annualized value for a contract is calculated by dividing the total value of the contract by the number of years in the term of such contract. Excludes amounts related to professional services and hardware. Our methodology for calculating ARR will be updated prospectively beginning with the first quarter of fiscal year ending July 31, 2026 to align it more closely with the timing of when licenses are made available to customers. For more information, please see the Appendix section of this presentation.

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

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

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

Note: NRR is a performance measure that we believe provides useful information to our management and investors as it provides an indication of our ability to retain and expand ARR from our existing customer base.

Rule of 40 is defined as the sum of revenue growth rate and free cash flow margin for the period.

1. Our calculation of ARR is not adjusted for the impact of any known or projected future events (such as customer cancellations, expansion or contraction of existing customers relationships or price increases or decreases) that may cause any subscription contract not to be renewed on its existing terms. ARR is a performance measure that should be viewed independently of revenue and does not represent our revenue under GAAP on an annualized basis or a forecast of GAAP revenue. Investors should not place undue reliance on ARR as an indicator of our future or expected results. ARR does not have any standardized meaning and is therefore unlikely to be comparable to similarly titled performance measures presented by other companies. 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 (including our ability to acquire subscriptions with new customers and to retain and expand subscriptions with existing customers), while mitigating fluctuations due to contract durations because it considers variability in term lengths.

GAAP to Non-GAAP Reconciliations

	Q4'24	Q1'25	Q2'25	Q3'25	Q4'25	FY'25
Gross Margin (GAAP)	85.2%	86.0%	87.0%	87.0%	87.2%	86.8%
Stock-Based Compensation Expense	1.6	1.4	1.2	1.1%	1.1%	1.2%
Amortization of Intangible Assets	0.1	0.1	0.1	0.1%	–	0.1%
Gross Margin (Non-GAAP)	86.9%	87.5%	88.3%	88.2%	88.3%	88.1%
Operating Expenses (GAAP)	$479.2	$481.0	$504.0	$507.3	$538.2	$2,030.6
Stock-Based Compensation Expense	(73.4)	(80.7)	(85.3)	(77.2)	(78.0)	(321.2)
Amortization of Intangible Assets	(0.1)	(0.1)	(0.1)	(0.1)	–	(0.3)
Litigation-Related Costs	(0.2)	(1.3)	(1.6)	(3.5)	(3.0)	(9.5)
Operating Expenses (Non-GAAP)	$405.5	$398.9	$417.0	$426.5	$457.2	$1,699.6
Income (Loss) from Operations (GAAP)	$(12.2)	$27.3	$65.4	$48.7	$31.2	$172.5
Stock-Based Compensation Expense	81.6	88.7	93.4	84.2	85.2	351.6
Amortization of Intangible Assets	0.9	0.9	0.9	0.6	0.1	2.5
Litigation-Related Costs	0.2	1.3	1.6	3.5	3.0	9.5
Income from Operations (Non-GAAP)	$70.5	$118.2	$161.3	$137.0	$119.5	$536.1

Note: All amounts in millions, except percentages.

GAAP to Non-GAAP Reconciliations

	Q4'24	Q1'25	Q2'25	Q3'25	Q4'25	FY'25
Net Income (Loss) (GAAP)	$(126.1)	$29.9	$56.4	$63.4	$38.7	$188.4
Stock-Based Compensation Expense	81.6	88.7	93.4	84.2	85.2	351.6
Amortization of Intangible Assets	0.9	0.9	0.9	0.6	0.1	2.5
Litigation-Related Costs	0.2	1.3	1.6	3.5	3.0	9.5
Amortization and Conversion of Debt Discount and Issuance Costs	119.5	0.8	1.7	3.0	3.0	8.4
Inducement Expense	–	–	11.3	–	–	11.3
Other	(0.2)	(0.1)	–	(0.1)	(0.1)	(0.3)
Income Tax-Related Adjustments[1]	(9.1)	(18.8)	(26.2)	(29.9)	(20.8)	(95.7)
Net Income (Non-GAAP)[1]	$66.8	$102.7	$139.1	$124.7	$109.1	$475.7
Net Cash Provided by Operating Activities	$244.7	$161.7	$221.7	$218.5	$219.5	$821.5
Purchases of Property and Equipment	(20.4)	(9.8)	(34.6)	(15.1)	(11.7)	(71.3)
Free Cash Flow (Non-GAAP)	$224.3	$151.9	$187.1	$203.4	$207.8	$750.2

	Q4'24	Q4'25
Weighted Average Shares Outstanding (Basic)	248M	269M
Weighted Average Shares Outstanding (Diluted)	285M	297M

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

Illustrative Comparison of ARR and NRR Under Current and Future Methodologies

Beginning in Q1'26, our methodology for calculating ARR will be updated prospectively to align it more closely with the timing of when licenses are made available to customers. NRR will also align with this updated methodology going forward. The new definition of ARR will be as follows:

Annual Recurring Revenue, or **ARR**, is defined as the sum of ACV for all subscription contracts from all customers in effect as of the end of a specific period, assuming any subscription contract that expires is renewed on its existing terms. ARR excludes the value of professional services, non-portable software and support contracts and hardware sales. For the purposes of this calculation, we generally assume that the contract term begins on the date when the software is made available to the customer.

The tables below present a comparison of historical ARR calculated under the current methodology and historical ARR as if it had been calculated using the future methodology. These as-if amounts are provided solely for comparative purposes and do not represent changes to previously reported ARR:

	Q1'24	Q2'24	Q3'24	Q4'24	Q1'25	Q2'25	Q3'25	Q4'25
ARR Under Current Methodology	$1,664	$1,737	$1,820	$1,908	$1,966	$2,060	$2,143	$2,223
ARR Under Future Methodology	$1,628	$1,726	$1,801	$1,873	$1,943	$2,027	$2,119	$2,202
Percent Difference	(2%)	(1%)	(1%)	(2%)	(1%)	(2%)	(1%)	(1%)

	Q4'24	Q1'25	Q2'25	Q3'25	Q4'25
NRR Under Current Methodology	114%	110%	110%	110%	108%
NRR Under Future Methodology	117%	112%	109%	110%	109%

Note: All amounts in millions, except percentages.

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Thank You