



PRELIMINARY Q2 FY2023 EARNINGS

March 6, 2023



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: free cash flow, Annual Contract Value Billings (or ACV Billings), Annual Recurring Revenue (or ARR), and Average Contract Term. 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. Free cash flow is not a substitute for net cash provided by (used in) operating activities. There is no GAAP measure that is comparable to ACV Billings, ARR, or Average Contract Term, so we have not reconciled the ACV Billings, ARR, or Average Contract Term data included in this presentation to any GAAP measure. In addition, other companies, including companies in our industry, may calculate non-GAAP financial measures and key performance measures differently or may use other measures to evaluate their performance, all of which could reduce the usefulness of our non-GAAP financial measures and key performance measures as tools for comparison. We urge you to review the reconciliation of free cash flow and net cash provided by operating activities included below in the table captioned “GAAP to Non-GAAP Reconciliation,” and not to rely on any single financial measure to evaluate our business.

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Forward Looking Statements

This presentation and the accompanying oral commentary contain express and implied forward-looking statements, including, but not limited to, statements regarding: our business plans, strategies, initiatives, vision, objectives, and outlook (including our growth plan) as well as our ability to execute thereon successfully and in a timely manner and the benefits and impact thereof on our business, operations, and financial results (including our third quarter fiscal 2023 outlook, our fiscal 2023 outlook, our expectations regarding the resolution of the Audit Committee investigation, the impact of such investigation on our financial statements, and our expectations regarding sustainable, profitable growth); our plans for, and the timing of, any current and future business model transitions, including our ongoing transition to a subscription-based business model, our ability to manage, complete or realize the benefits of such transitions successfully and in a timely manner, and the short-term and long-term impacts of such transitions on our business, operations and financial results; the competitive market, including our competitive position and ability to compete effectively, the competitive advantages of our products, our projections about our market share and opportunity, and the effects of increased competition in our market; our ability to attract new end customers and retain and grow sales from our existing end customers; our customer needs and our response to those needs; our ability to form new, and maintain and strengthen existing, strategic alliances and partnerships and address macroeconomic supply chain shortages, including our relationships with our channel partners and original equipment manufacturers, and the impact of any changes to such relationships on our business, operations and financial results; the benefits and capabilities of our platform, solutions, products, services and technology, including the interoperability and availability of our solutions with and on third-party platforms; our plans and expectations regarding new solutions, products, services, product features and technology, including those that are still under development or in process; our plans regarding, and the timing and success of, our customer, partner, industry, analyst, investor and employee events and the impact thereof on our business, operations, and financial results; 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; and our decision to use new or different metrics, or to make adjustments to the metrics we use, to supplement our financial reporting, and the impact thereof.

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, strategies, initiatives, vision, and objectives; our ability to achieve, sustain and/or manage future growth effectively; delays or unexpected accelerations in our current and future business model transitions; delays in our ability to complete the Audit Committee investigation and finalize our financial results in a timely manner; the risk that the Audit Committee investigation identifies errors, which may be material, in the Company's historical financial results; the finalization of management's assessment of the effectiveness of the Company's internal controls and procedures and disclosure controls and procedures and the potential for material weakness in the Company's internal controls over financial reporting; the potential for delisting, legal proceedings or government investigations or enforcement actions relating to the subject of the Audit Committee investigation or inability to finalize financial results in a timely manner; 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; 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; 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, 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, attrition among sales representatives or other employees; and other risks detailed in our Annual Report on Form 10-K for the fiscal year ended July 31, 2022 filed with the U.S. Securities and Exchange Commission, or the SEC, on September 21, 2022 and our Quarterly Report on Form 10-Q for the fiscal quarter ended October 31, 2022 filed with the SEC on December 7, 2022. 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 press release 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.



Q2 Fiscal 2023 Company Highlights

Announced Availability of AOS™ 6.6: Nutanix announced the availability of its AOS™ 6.6 software release, bringing enhanced data services and simplified networking and security to the Nutanix Cloud Platform.

Announced Details for .NEXT 2023 User Conference: Nutanix announced the details of its annual .NEXT user conference. For the first time in three years, the conference will be held in person, in Chicago, IL on May 9-10, 2023. You can register [here](#).

Investor Day Update: In light of the expected delayed filing, Nutanix is rescheduling its Investor Day, which it now anticipates will be held in the summer of 2023. The Company will announce a specific date once it is confirmed.

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

Management Commentary

Rajiv Ramaswami, President and Chief Executive Officer

“We delivered a solid second quarter financial performance against an uncertain macro backdrop, underpinned by the strength of our subscription-based business model. The value proposition of our platform is resonating with customers as they look to tightly manage their IT and cloud costs while modernizing their data centers and adopting hybrid multicloud operating models.”

Rukmini Sivaraman, Chief Financial Officer

“Our second quarter results demonstrated a good balance of topline performance and profitability with 23% year-over-year ACV billings growth and record free cash flow margin. We continue to execute on our growing base of subscription renewals and remain focused on sustainable, profitable growth.”

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

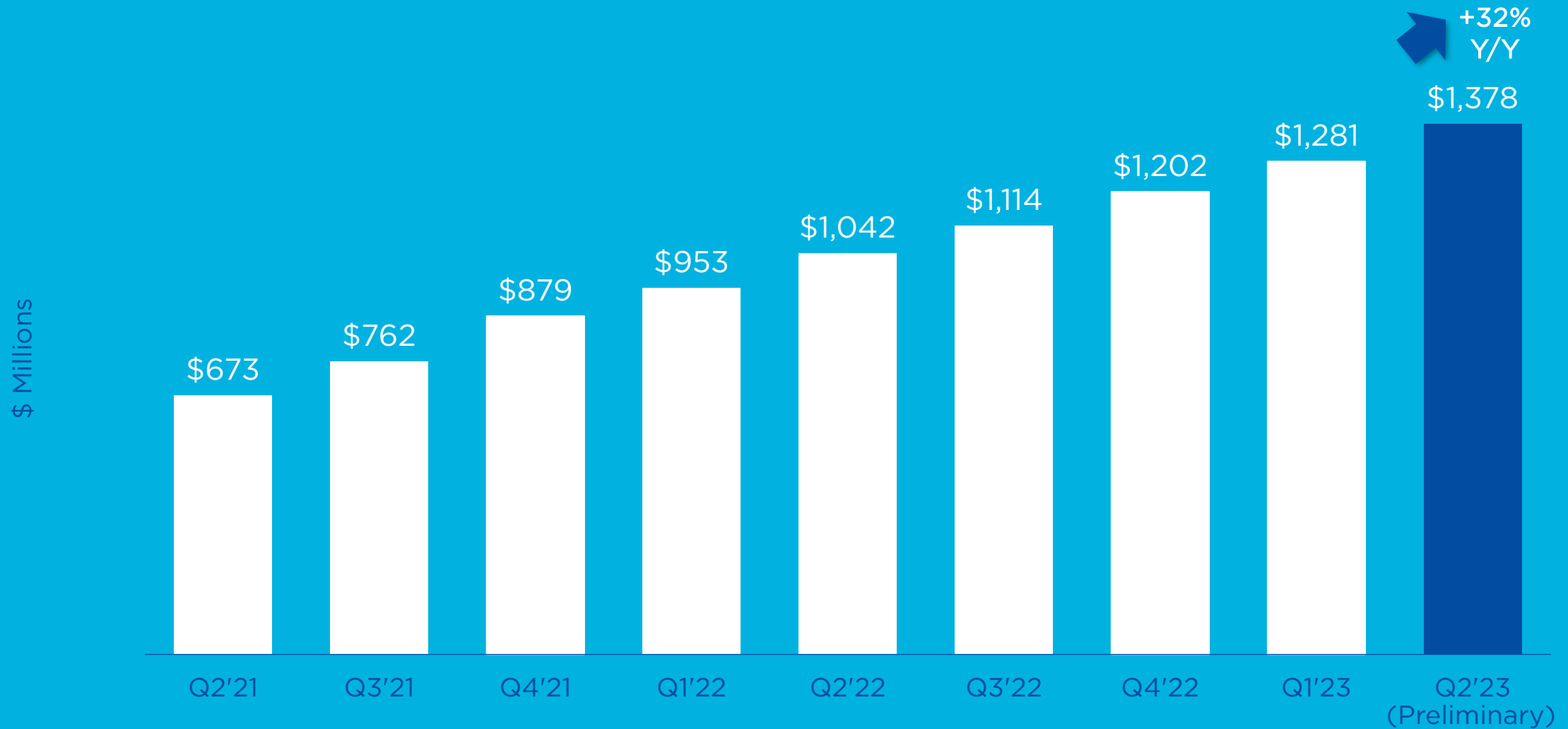
Preliminary Q2'23 Financial Summary

	Q2'23 Results	Y/Y Change	Q2'23 Guidance
ACV Billings	\$267.6M	23%	\$245 - \$250M
Annual Recurring Revenue	\$1.38B	32%	N/A
Average Contract Term	3.0 Years	(0.1) Year	N/A
Revenue	\$486.5M	18%	\$460 - \$470M
Net Cash Provided by Operating Activities	\$74.1M	\$48.3M	N/A
Free Cash Flow	\$63.0M	\$45.8M	N/A

Note: See Appendix for a GAAP to Non-GAAP reconciliation of free cash flow. There is no GAAP measure that is comparable to ACV, ACV Billings or Annual Recurring Revenue, so the Company has not reconciled the ACV, ACV Billings, and Annual Recurring Revenue numbers in this presentation to any GAAP measure.

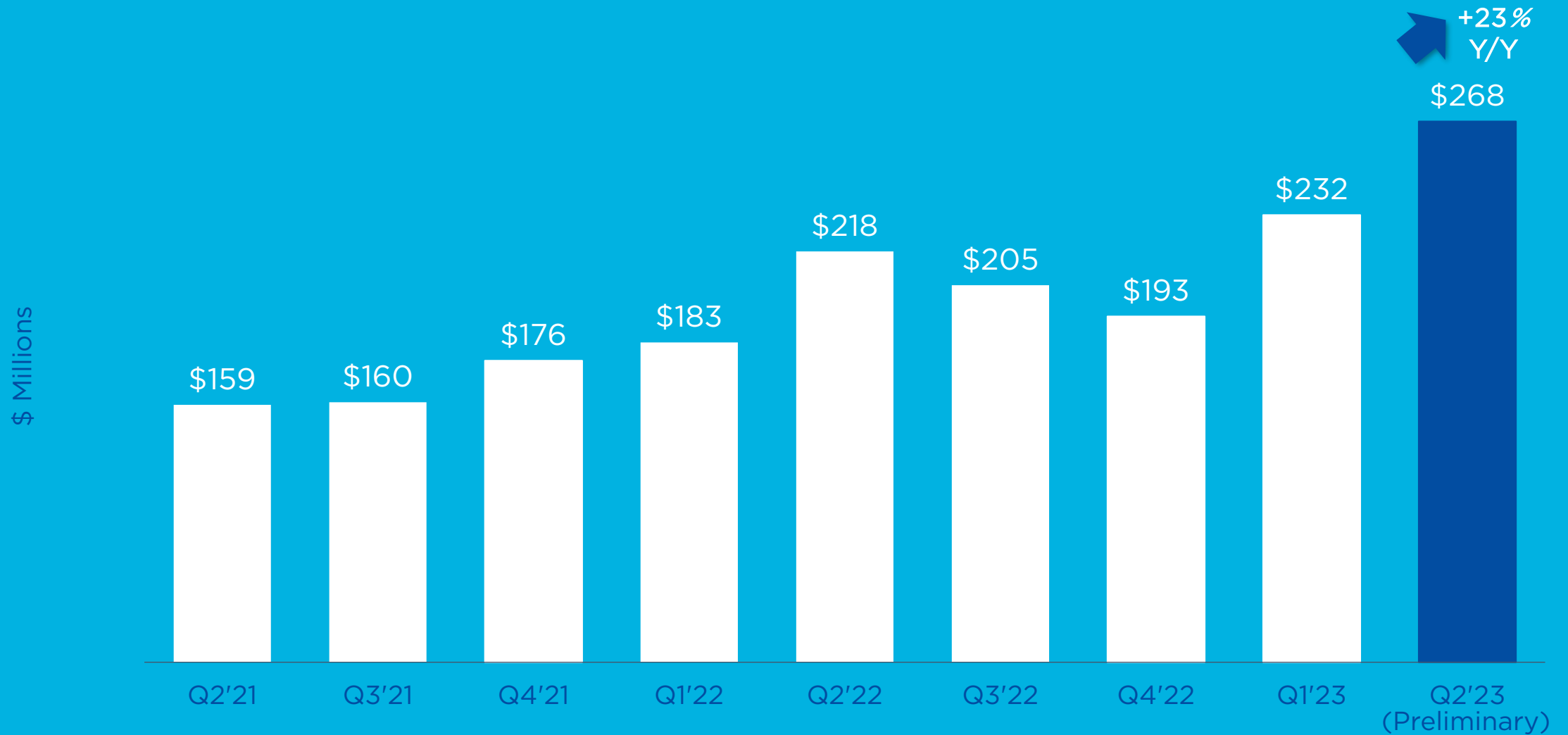


Annual Recurring Revenue



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

ACV Billings

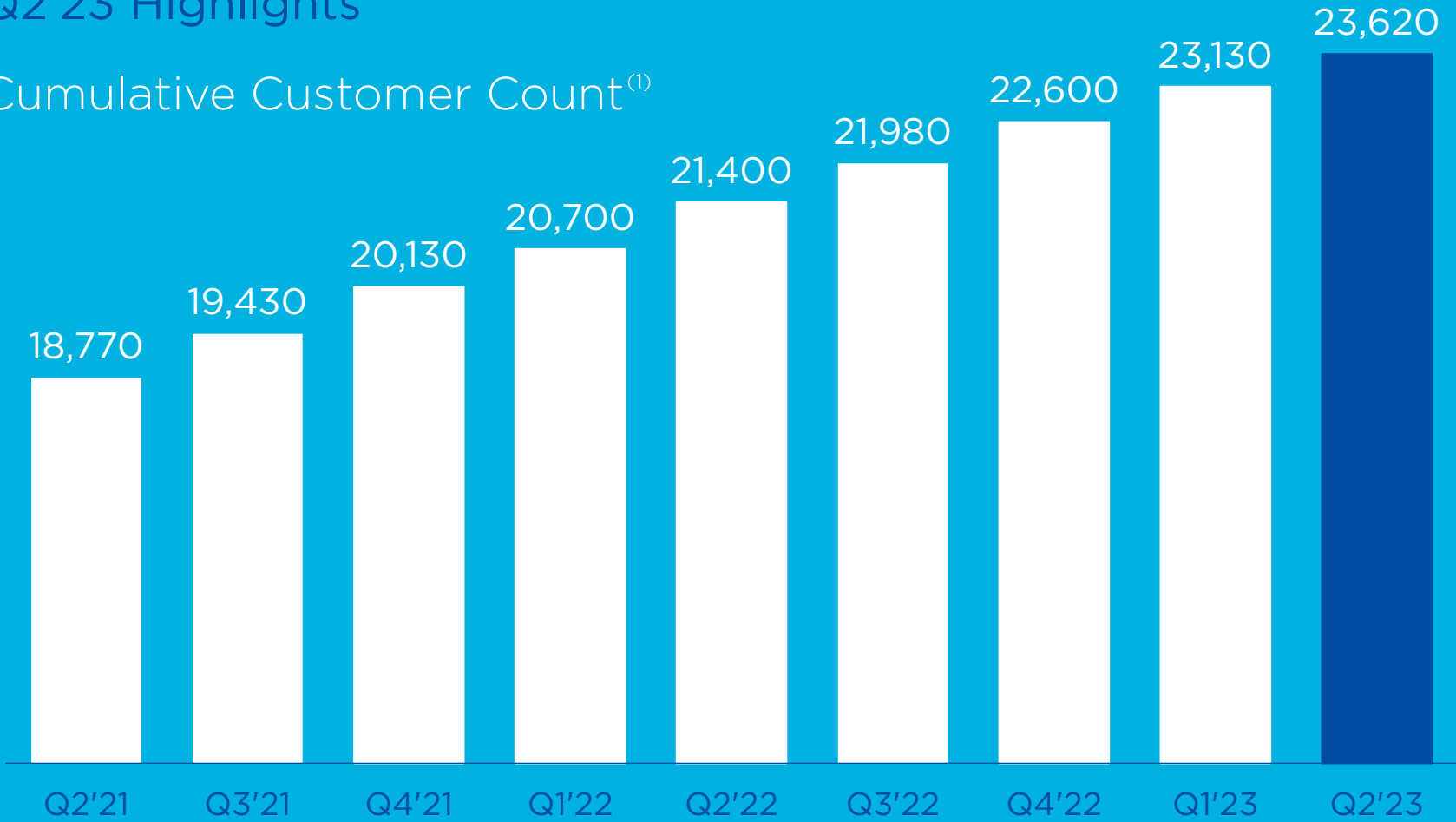


Note: ACV Billings exclude amounts related to professional services and hardware. See Appendix for definitions of ACV and ACV Billings. There is no GAAP measure that is comparable to ACV or ACV Billings, so the Company has not reconciled the ACV and ACV Billings numbers in this presentation to any GAAP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

Customer Growth

Q2'23 Highlights

Cumulative Customer Count⁽¹⁾



10%

Total Customers Y/Y Growth

22.8⁽²⁾

G2K Lifetime ACV Repeat Purchase Multiple

90 NPS

7-Year Average

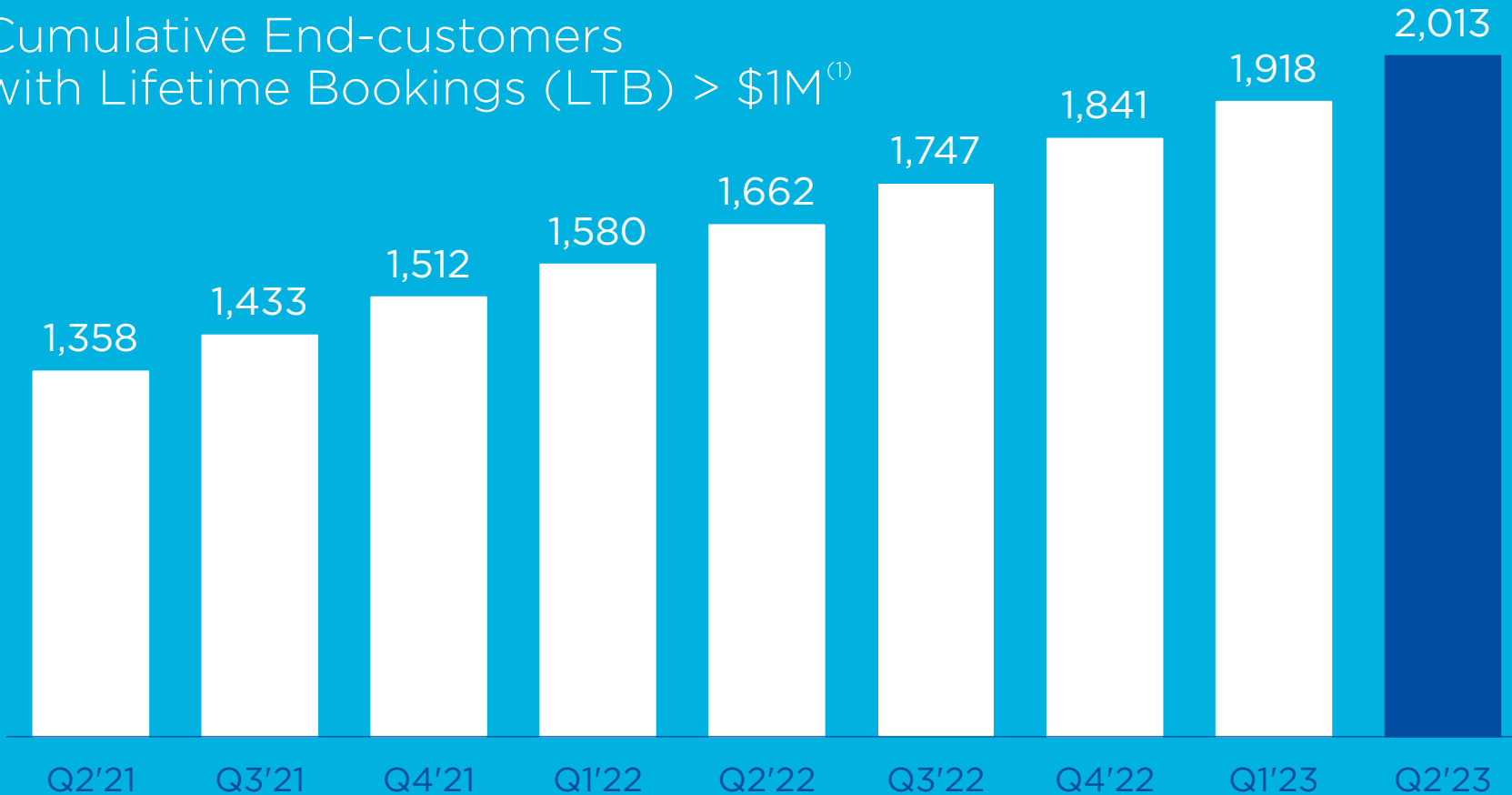
(1) The cumulative total customer count reflects standard adjustments/consolidation to certain customer accounts within our system of record and is rounded to the nearest 10.

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

Over \$1M Customer Growth

Q2'23 Highlights

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



1,411

Customers
\$1-\$3M in LTB

+22%
Y/Y

281

Customers
\$3-\$5M in LTB

+14%
Y/Y

196

Customers
\$5-\$10M in LTB

+21%
Y/Y

125

Customers
>\$10M in LTB

+24%
Y/Y

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

Q3'23 Financial Guidance

	Q3'23 Guidance
ACV Billings	\$220 - \$225M
Revenue	\$430 - \$440M

Modeling Assumptions:

1. The topline guidance for Q3'23 assumes that supply chain dynamics for the Company's server partners would remain more or less the same compared to Q2'23. It also assumes that contract durations would stay approximately flat to slightly down in Q3'23 compared to Q2'23.
2. The revenue guidance includes approximately \$5 million of revenue benefit from the decline in % of orders with future start dates over the last few months. Said differently, the Company expects to recognize more license revenue in Q3'23 than is deferred, similar to the dynamic the company saw in Q2'23. Over time assuming our partners' supply chain constraints resolve and our future start date percentage normalizes, the Company would expect this dynamic to normalize as well.

FY'23 Financial Guidance

	FY'23 Guidance
ACV Billings	\$905 - \$915M
Revenue	\$1.80 - \$1.81B
Free Cash Flow	\$100 - \$125M

Modeling Assumptions:

1. The Company is seeing continued new and expansion opportunities for its solutions despite the uncertain macro environment. However, as Rajiv mentioned, the Company has seen a modest elongation of sales cycles likely due to increased deal inspection. The Company has considered this dynamic in its updated guidance. The Company continues to expect that the significant majority of its growth in ACV Billings for FY'23 will come from growth in renewals ACV Billings, with the uncertainty in the macro environment factored into its expectations for new and expansion ACV Billings. A reminder that ACV Billings for the full year is not simply the summation of four quarters' ACV Billings because of deals with less than 1 year in contract duration. The Company expects that full year FY'23 ACV Billings is discounted by approximately 5%, relative to the sum of ACV Billings from the four quarters.
2. Similar to comments last quarter, the FY'23 guidance assumes that contract durations would decrease slightly compared to FY'22. The FY'23 Revenue guidance also assumes that the percentage of orders with future start dates would ease slightly in the second half of the fiscal year, compared to the first half.
3. The reaffirmed free cash flow guidance of \$100-125 million includes the impact of approximately \$33 million in net cash outflow expected in Q3'23, from the litigation settlement. It also includes the impact of approximately \$12 million of cash usage in Q3'23 for non-recurring tax obligations related to a portion of the Company's employee RSUs vesting this month, and other anticipated cash outflows. These cash outflows were not included in the Company's prior guidance for annual FY'23 free cash flow.

Note: FY'23 guidance is as of March 6, 2023. See Appendix for definitions of ACV Billings and ACV. There is no GAAP measure that is comparable to ACV Billings or ACV, so the Company has not reconciled the ACV Billings and ACV numbers in this presentation to any GAAP measure. See Appendix for a GAAP to Non-GAAP reconciliation of free cash flow.

Appendix

Nutanix Reporting Model

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



Endnote and Definitions

Endnote

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

Definitions

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

Annual Recurring Revenue, or **ARR**, for any given period, is defined as the sum of ACV for all non life-of-device contracts in effect as of the end of a specific period. For the purposes of this calculation, we assume that the contract term begins on the date a contract is booked, unless the terms of such contract prevent us from fulfilling our obligations until a later period, and irrespective of the periods in which we would recognize revenue for such contract.

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

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

Note: ACV and ACV Billings are performance measures that the Company believes provides useful information to its management and investors as they allow the Company to better track the topline growth of its business during its transition to a subscription-based business model because it takes into account variability in term lengths. ARR is a performance measure that the Company believes provides useful information to its management and investors as it allows the Company to better track the topline growth of its subscription business because it takes into account variability in term lengths. There is no GAAP measure that is comparable to ACV, ACV Billings, ARR, or TCV Bookings so the Company has not reconciled the ACV, ACV Billings, ARR, or TCV Bookings numbers included in this presentation to any GAAP measure.



GAAP to Non-GAAP Reconciliation

	Q2'22	Q3'22	Q4'22	Q1'23	Q2'23
Net cash provided by (used in) operating activities	\$25.8	\$(3.2)	\$38.0	\$66.5	\$74.1
Purchases of property and equipment	(8.6)	(16.9)	(14.8)	(19.7)	(11.1)
Free cash flow (Non-GAAP)	\$17.2	\$(20.1)	\$23.2	\$45.8	\$63.0

Note: All amounts in millions.



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