

Investor Day 2023

GTM Session

Andrew Brinded
Chief Revenue Officer

Mandy Dhaliwal
Chief Marketing Officer

NUTANIX

Non-GAAP Financial Measures and Other Key Performance Measures

To supplement our consolidated financial statements, which are prepared and presented in accordance with GAAP, the following presentations and the accompanying oral commentaries include the following non-GAAP financial and other key performance measures: non-GAAP gross margin, non-GAAP operating expenses, non-GAAP operating income (loss), non-GAAP operating margin, free cash flow, Annual Contract Value (or ACV) Billings, Annual Recurring Revenue (or ARR), Contract Duration. In computing non-GAAP financial measures and key performance measures, we exclude certain items such as stock-based compensation expense 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 lease-related assets, restructuring charges, litigation settlement accruals and legal fees related to certain litigation matters, change in fair value of contingent consideration, change in fair value of derivative liability, amortization of debt discount and issuance costs, loss on debt extinguishment, gains on divestitures, purchases of property and equipment and other non-recurring transactions and the related tax impact. Non-GAAP gross margin, non-GAAP operating expenses, non-GAAP operating income (loss), 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 they allow 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 only includes non-life-of-device contracts and 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 (loss), non-GAAP operating margin, and free cash flow are not substitutes for gross margin, operating expenses, operating income or 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, Contract Duration, so we have not reconciled the ACV Billings, ARR, 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 set forth in the table captioned "GAAP to Non-GAAP Reconciliations" included in the appendix to the financial review presentation given by Rukmini Sivaraman, Chief Financial Officer, 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: ACV Billings, ARR, Total Billings, 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.

Forward Looking Statements

The following presentations and the accompanying oral commentaries contain express and implied forward-looking statements. In some cases you can identify forward-looking statements by terminology such as “may,” “will,” “should,” “could,” “would,” “expect” or “expected,” “plan,” “anticipate,” “believe,” “estimate,” “predict,” “project,” “intend,” “potential,” “continue,” “ongoing,” or the negative of these terms or other comparable terminology. These forward-looking statements include, but are not limited to: our business plans, goals, strategies, vision, initiatives, mission, objectives, and outlook, including statements regarding: our strategy and priorities and their anticipated benefits; our TAM and market opportunity; our future vision and expectations of a new market opportunity; our plans for our GTM engine, capturing workloads, and drive adoption of our solutions; future technology, services, and products and the expected benefits and availability of such technologies, services, and products; financial projections and expectations and the expected drivers thereof (including our projections for continued ARR growth for FY2023 through FY2027, our projections for free cash flow by FY2027, our goal of achieving Rule-of-40+ by FY2027, our projections for stock-based compensation by FY2027, our projections for rep productivity through FY2027, our projections for total reps, our projections for net retention rate through FY2027, our projections for ACV billings and ARR through FY2027, our projections for average contract duration through FY2027, our projections for total billings and revenue through FY2027, our projections for non-GAAP operating income, non-GAAP operating margin, free cash flow and free cash flow margin through FY2027, our projections for sales and marketing cost as a percentage of revenue through FY2027 and the expected renewal mix and cost of renewals, our projections for expenses, our projections for the scaling phase of our subscription journey); and our capital allocation plans (including share repurchases).

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 of 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, goals, strategies, initiatives, vision, mission, and objectives; our ability to achieve, sustain and/or manage future growth effectively; macroeconomic or geopolitical uncertainty, including supply chain issues; the competitive market and our ability to compete effectively; our ability to attract, recruit, train, retain, and, where applicable, ramp to full productivity, qualified employees and key personnel; failure to timely and successfully meet our customer needs; delays in or lack of customer or market acceptance of our products, services, product features or technology; the rapid evolution of the markets in which we compete; our ability to attract new and retain existing end-customers; fluctuations in demand and competitive pricing pressures for our solutions; the introduction, or acceleration of adoption of, competing solutions, including public cloud infrastructure; 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; and 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 SEC on September 21, 2023, which should be read in conjunction with these presentations and the accompanying oral commentaries. Nutanix's 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 Nutanix's 2023 Investor Day and, except as required by law, we assume no obligation, and expressly disclaims any obligation, to update, alter or otherwise revise any of the forward-looking statements included in these presentations and the accompanying oral commentaries to reflect actual results or subsequent events or circumstances.

Market Opportunity Data

The following presentations and the accompanying oral commentaries include estimates of the size of our total addressable market based on studies, publications, surveys and other data obtained from third-party sources and our own internal estimates and research. While we believe these third-party studies, publications, surveys and other data are reliable as of the date hereof, they have not been independently verified, and we make no representation as to the adequacy, fairness, accuracy, or completeness of any information obtained from third-party sources. If our third-party or internally generated data prove to be inaccurate or we make errors in our assumptions based on that data, our actual market may be more limited than our estimates. In addition, these inaccuracies or errors may cause us to misallocate capital and other critical business resources, which could harm our business. Even if our total addressable market meets our size estimates and experiences growth, we may not continue to grow our share of the market.

Product or Roadmap Information

Any future product or roadmap information included in the following presentations and the accompanying oral commentaries is intended to outline general product directions, and is not a commitment, promise or legal obligation for Nutanix to deliver any material, code, or functionality. This information should not be used when making a purchasing decision. Further, note that Nutanix has made no determination as to whether separate fees will be charged for any future products, product enhancements and/or functionality which may ultimately be made available. Nutanix may, in our own discretion, choose to charge separate fees for the delivery of any future products, product enhancements and/or functionality which are ultimately made available.

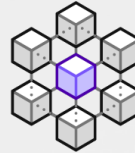
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Market Conditions Are Favorable



**Customers
Prefer Hybrid
Multicloud**



**Growing
Partner
Ecosystem**



**Changing
Competitive
Landscape**

Our Priorities



Strengthen GTM Engine

Talent, Coverage,
Quality of Sale



Capture New Workloads

Business-critical Apps,
Modern Workloads and AI



Drive Hybrid Multicloud Adoption

Hybrid Multicloud
Customer Traction

Framework for an Efficient & Productive GTM Engine

Talent

8%

Increase in sales productivity¹

- Best-in-Class Talent
- Invest in Specialists

Coverage

25%

Increase in New ACV from \$1M+ deals

- Move up the pyramid
- Channel
- Digital Leverage

Quality of Sale

7%

Increase in New ACV deal size

- Subscription Motion
- Healthy GRR
- Solution Selling

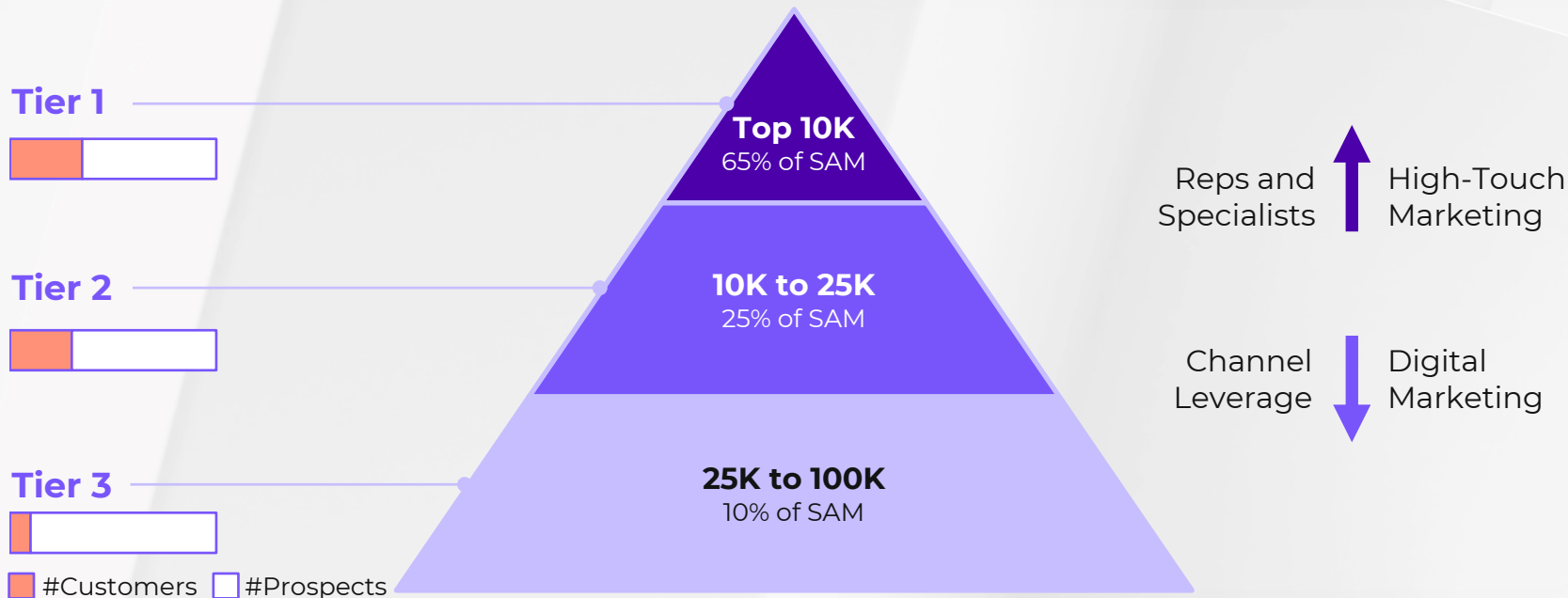
FY21 to FY23 CAGR

Focus Areas



¹Value shown for sales rep productivity are based on new and expand deals

Move Up the Pyramid, Invest in Specialists, and Scale With Channel



Focus on Larger Accounts



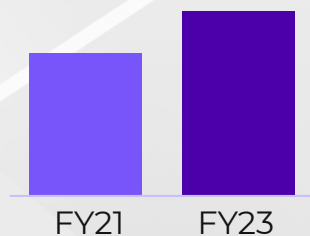
Invest in Specialists



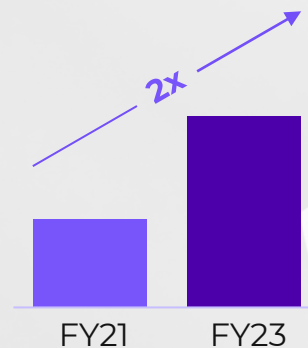
Empower Channel

Generating Demand Efficiently

Pipeline Growth



Pipe Generation Efficiency



Digital First Execution



Product to Solution Focus

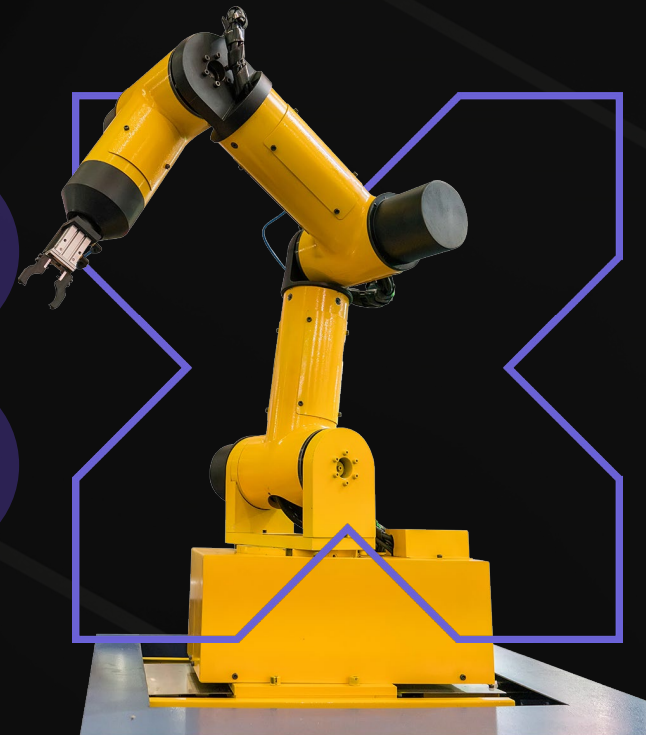


Large Account Focus

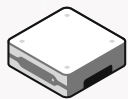
Case Study: Fortune 100 Manufacturing Company

Customer Need: Modernize infrastructure and minimize vendor risk

Nutanix Solution: Started with Nutanix Cloud Platform to run their factories, now bringing Nutanix into their core datacenters



Building a Valuable Ecosystem



Platform Partners

Cisco Partnership,
Long Standing Partners



Cloud/ Service Providers

Launched NC2 on Azure,
Scaled AWS



Channel Partners

Doubling Down on
New Logos



ISV Partners

Red Hat for Modern Apps,
Cloud Desktops with Citrix



citrix



Customers Are Expanding Workloads on Our Platform



VDI, ROBO and Edge

The Original HCI
Land Workloads



Business Critical Apps

Majority of Our Customers Run Some
Database & Data Warehouse on Nutanix¹



Modern Apps & AI

>50% of Customers Expressed
interest in Using Nutanix for AI²

26x G2K Lifetime ACV Repeat Purchase Multiple³

¹ Nutanix installed base survey, 220 respondents, Sept 2023

² Nutanix installed base Sept 2023 survey, 205 respondents; >50% responded favorably to running AI/ML applications on Nutanix Cloud Platform, with a mix of very likely and somewhat likely

³ Value as of Q4FY23. 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

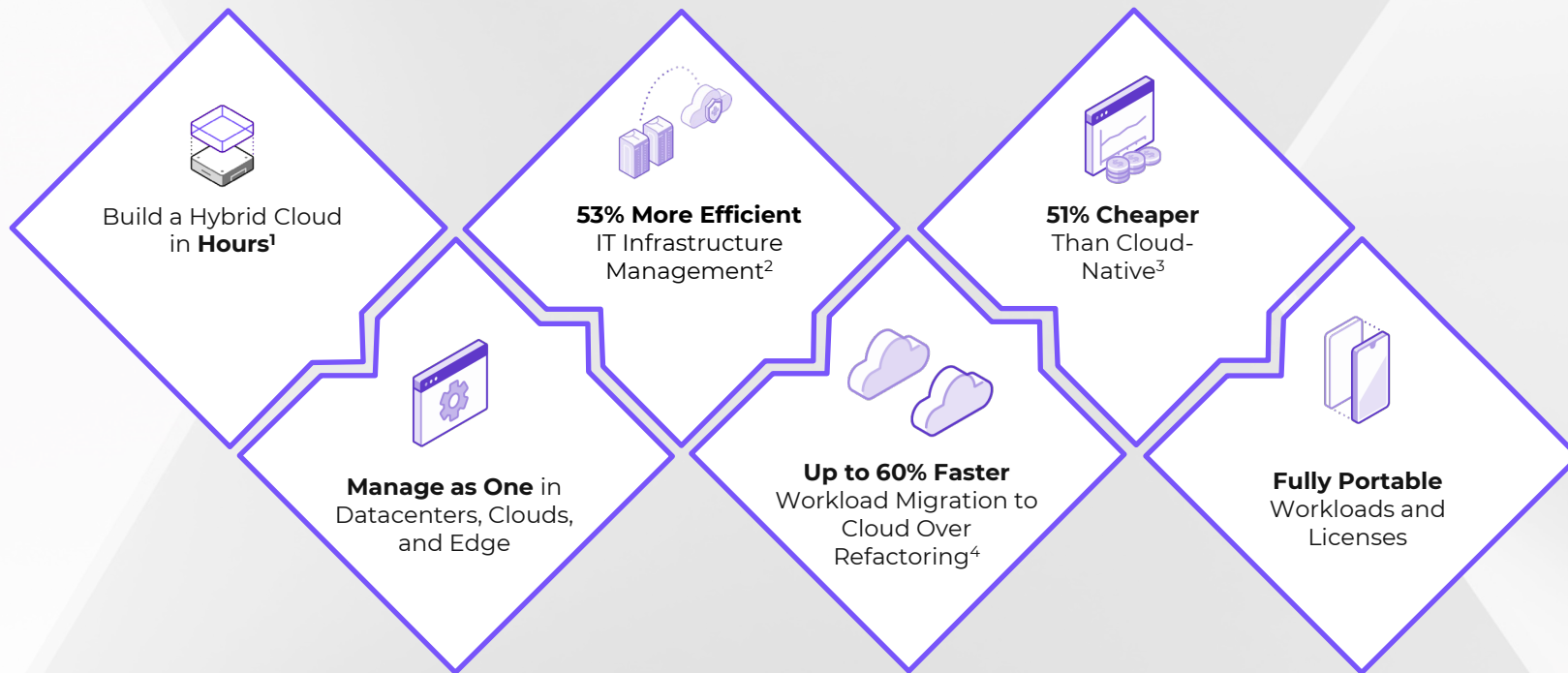
Case Study: Large Bank in Asia

Customer Need: Modernize Tier 1 Apps, and improve performance of their new revenue-generating “Super App”

Nutanix Solution: Red Hat OpenShift on Nutanix Cloud Platform with AHV



Nutanix Provides a Simple, Fast, Secure, and Cost-Effective Path to the Public Cloud



¹ Nutanix Cloud Clusters on AWS deployed in 45 minutes

² IDC White Paper, sponsored by Nutanix, The Business Value of Nutanix Cloud Platform, October 2022 (#US49715622)

³ IDC White Paper, sponsored by Nutanix, Workload and TCO Considerations When Choosing Between Private, Public, and Hybrid Cloud, May 2021

⁴ <https://www.nutanix.com/library/solution-briefs/simplifying-every-stage-of-it-modernization-for-universities-and-colleges>

Case Study: Department for Work and Pensions

Customer Need: Lay the foundation for strategic cloud journey.

Nutanix Solution: Nutanix Cloud Platform to run Hybrid Multicloud workloads

“

Nutanix NC2 allows DWP to seamlessly extend our on-premise footprint into public cloud while avoiding the costs traditionally associated with “lift and shift” migrations.

Jamie Faram

Head of Hybrid Cloud Services Operations | Department for Work and Pensions



Only Nutanix Makes Hybrid Multicloud Simple and Cost Effective

Any Workload, Any App

Enterprise Apps
Cloud Native Apps
AI / ML
Databases
Desktops

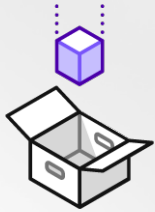


Run Anywhere

Data Centers
Public Clouds
Service Provider Clouds
Edge Locations

One Platform to Run Apps and Data Anywhere

Key Takeaways



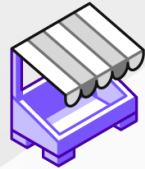
Subscription

Significant Progress on Our
Subscription Journey



Market Opportunity

Cloud Complexity and
Competitive Tailwinds



Our Priorities

Strengthen GTM, New Workloads,
Hybrid Multicloud

Thank You

NUTANIX