

# Q3 FY2026 Earnings

May 27, 2026

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, 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, costs associated with our acquisitions (such as amortization of acquired intangible assets and other acquisition-related costs), litigation settlement accruals and legal fees related to certain litigation matters, the amortization 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, 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 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 top-line growth of our subscription business (including our ability to acquire subscriptions with new customers and to retain and expand with existing customers), while normalizing for differences in contract durations. 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. 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, operating margin, net income per share (diluted), and net cash provided by 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 fourth 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 trends, momentum and prospects; our expectations regarding demand for our solutions; our ability to pursue the substantial market opportunity ahead, including through our innovations and partnerships in AI, modern applications and external storage; our focus on driving sustainable growth and improving profitability; our fourth 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; supply chain constraints, component availability and related impacts on the timing of orders, shipments and customer deployments; 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, 2025 filed with the U.S. Securities and Exchange Commission, or the SEC, on September 24, 2025 and subsequent quarterly reports. Additional information will be set forth in our Quarterly Report on Form 10-Q for the fiscal quarter ended April 30, 2026, 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, 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.

# Q3 FY2026 Company Highlights

## **Delivered Outperformance Across All Q3'26 Guided Metrics and Raised FY'26 Guidance**

Revenue of \$703.1 million was up 10% year-over-year and non-GAAP operating margin of 22.3% increased 80 bps year-over-year. Raised FY'26 guidance across all metrics.

## **Continued Strength in New Logo Additions**

New logo additions of 730 grew 18% year-over-year, representing another quarter of healthy new logo growth despite a dynamic environment.

## **Announced Nutanix Agentic AI Solution**

Nutanix announced the Nutanix Agentic AI solution, a full software stack purpose built to help customers accelerate adoption of Agentic AI for business transformation, at NVIDIA GTC 2026.

## **Announced Collaboration with NetApp and Lenovo for External Storage Support**

Nutanix announced plans to integrate the Nutanix Cloud Platform (NCP) with NetApp® Intelligent Data Infrastructure and support NCP on Lenovo ThinkSystem servers and storage, with availability expected later this year.

## **Announced \$750 Million Increase to Share Repurchase Authorization**

Nutanix announced its Board of Directors has authorized an increase of \$750 million of common stock to the company's existing share repurchase program.

# Management Commentary

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We saw solid demand in the third quarter, including strong bookings, healthy new logo additions, and good free cash flow performance. We also announced significant new innovations and partnerships in the areas of AI, modern applications and support for external storage, which will help us pursue the substantial market opportunity in front of us.



**Rajiv Ramaswami**  
Chief Executive Officer  
Nutanix

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Our business performed well in our third quarter, as reflected in results that exceeded the high end of the range for all of our guided metrics. We are pleased to raise our full year guidance and remain focused on driving sustainable growth and improving profitability.



**Rukmini Sivaraman**  
Chief Financial Officer  
Nutanix

# Q3 FY2026 Financial Summary

	Q3'26 Results	Y/Y Change	Q3'26 Guidance
Annual Recurring Revenue <sup>(1)</sup>	\$2.43B	15%	N/A
Average Contract Duration	3.4 Years	0.3 Years	N/A
Revenue	\$703.1M	10%	\$680 – \$690M
Non-GAAP Gross Margin	87.8%	(40) bps	N/A
Non-GAAP Operating Expenses	\$460.5M	8%	N/A
Non-GAAP Operating Income	\$156.5M	\$19.4M	N/A
Non-GAAP Operating Margin	22.3%	80 bps	16% to 17%
Non-GAAP Net Income per Share (Diluted)	\$0.47	\$0.05	N/A
Free Cash Flow	\$197.2M	(\$6.2M)	N/A

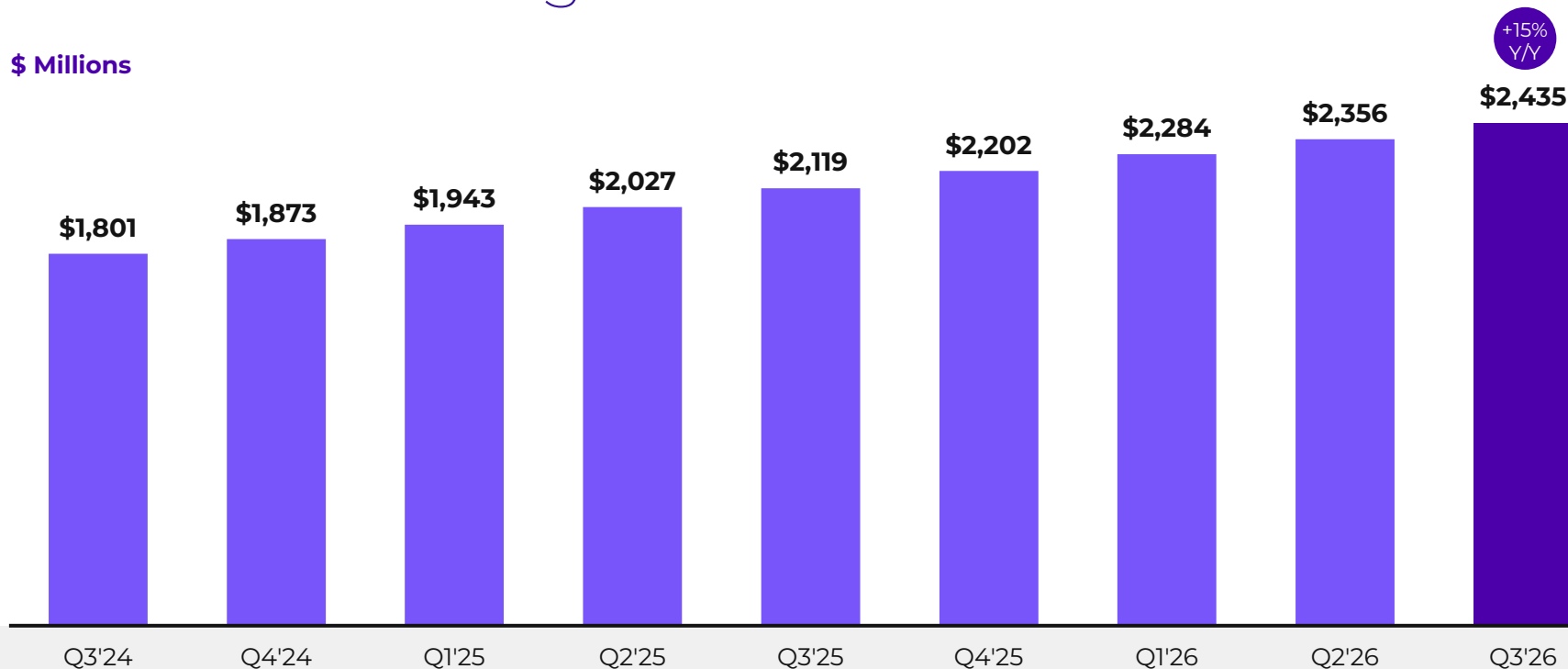
1. Beginning with the first quarter of fiscal 2026, our methodology for calculating ARR was updated to align more closely with the timing of when licenses are made available to customers. For comparability purposes, ARR for all prior periods have been adjusted to conform to the updated methodology.

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<sup>(1)</sup>

\$ Millions



1. Beginning with the first quarter of fiscal 2026, our methodology for calculating ARR was updated to align more closely with the timing of when licenses are made available to customers. For comparability purposes, ARR for all prior periods have been adjusted to conform to the updated methodology.

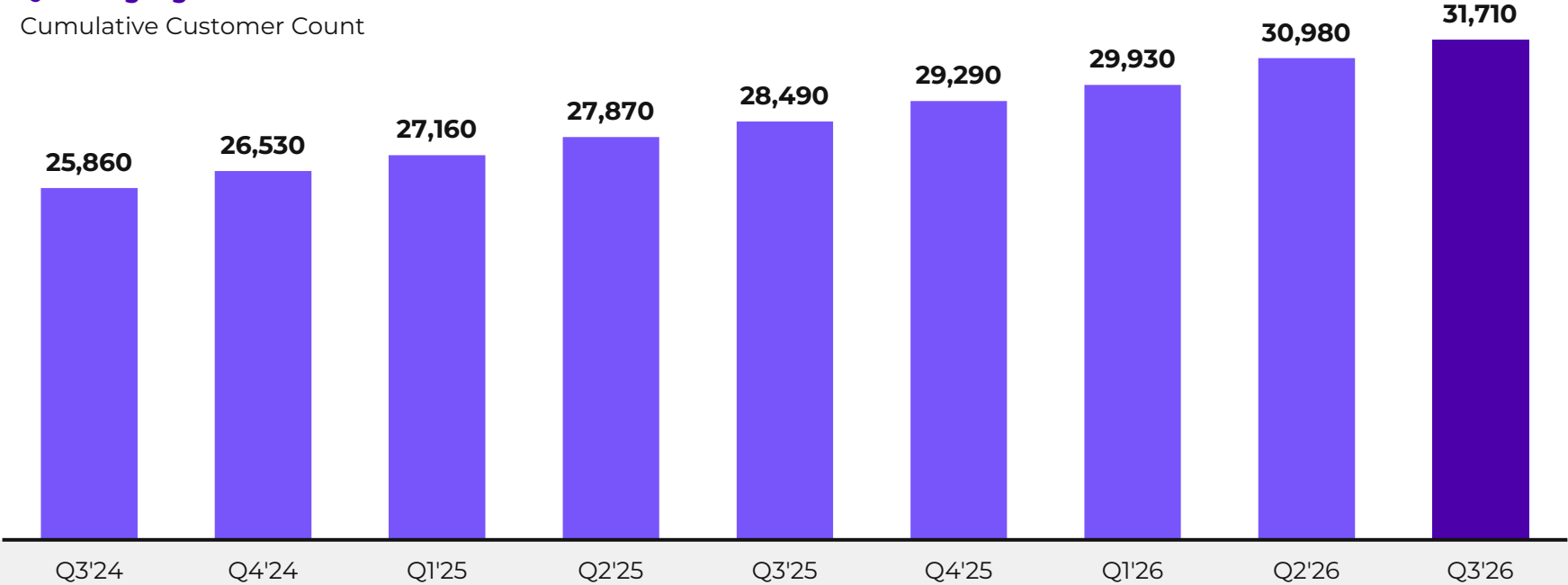


Note: See Appendix for definition of Annual Recurring Revenue (ARR). There is no GAAP measure that is comparable to ARR, so the Company has not reconciled ARR in this presentation to any GAAP measure.

# Customer Growth

## Q3'26 Highlights


Cumulative Customer Count



X 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.

# Q4'26 Financial Guidance

	Q4'26 Guidance
Revenue	\$725 – \$745M
Non-GAAP Operating Margin	21% to 23%
Weighted Average Shares Outstanding (Diluted) <sup>(1)</sup>	~292M

 1. Weighted average share count used in computing diluted non-GAAP net income per share.  
Note: Q4'26 guidance is as of May 27, 2026.

# FY'26 Financial Guidance

	FY'26 Guidance
Revenue	\$2.82 – \$2.84B
Non-GAAP Operating Margin	~22.5%
Free Cash Flow	\$760 – \$780M

## Guidance Commentary:

1. While the Company continues to operate in a dynamic environment, its TCV bookings expectations for the full year are higher relative to its last earnings call.
2. The Company's customers continue to experience supply-related shortages and price increases for server hardware from the Company's partners on which to run its software. This continues to impact the timing of conversion of the Company's bookings into revenue, and is factored into the updated guidance. The Company expects this to continue in fiscal Q4 and into FY27.
3. The Company continues to invest for continued growth against its large market opportunity, while finding ways to do so effectively and efficiently, resulting in the increased operating margin guidance for FY26.

# Appendix

# 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	Various	Various	Upfront

# Definitions

**Annual Recurring Revenue<sup>(1)</sup>, 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. 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. Beginning with the first quarter of fiscal 2026, our methodology for calculating ARR was updated to align more closely with the timing of when licenses are made available to customers. For comparability purposes, ARR for all prior periods have been adjusted to conform to the updated methodology.

**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 top-line growth of our subscription business (including our ability to acquire subscriptions with new customers and to retain and expand with existing customers), while normalizing for differences in contract durations.

# GAAP to Non-GAAP Reconciliations

	Q3'25	Q4'25	Q1'26	Q2'26	Q3'26
<b>Gross Margin (GAAP)</b>	87.0%	87.2%	87.0%	87.4%	86.9%
<b>Stock-Based Compensation Expense</b>	1.1	1.1	1.0	1.2	0.9
<b>Amortization of Intangible Assets</b>	0.1	–	–	–	–
<b>Gross Margin (Non-GAAP)</b>	88.2%	88.3%	88.0%	88.6%	87.8%
<b>Operating Expenses (GAAP)</b>	\$507.3	\$538.2	\$533.8	\$547.4	\$540.3
<b>Stock-Based Compensation Expense</b>	(77.2)	(78.0)	(71.1)	(94.0)	(76.7)
<b>Amortization of Intangible Assets</b>	(0.1)	–	(0.1)	(0.1)	(0.1)
<b>Litigation-Related Costs</b>	(3.5)	(3.0)	(4.6)	(2.1)	(3.0)
<b>Operating Expenses (Non-GAAP)</b>	\$426.5	\$457.2	\$458.0	\$451.2	\$460.5
<b>Income from Operations (GAAP)</b>	\$48.7	\$31.2	\$49.3	\$84.1	\$70.5
<b>Stock-Based Compensation Expense</b>	84.2	85.2	77.7	102.6	82.8
<b>Amortization of Intangible Assets</b>	0.6	0.1	0.2	0.2	0.2
<b>Litigation-Related Costs</b>	3.5	3.0	4.6	2.1	3.0
<b>Income from Operations (Non-GAAP)</b>	\$137.0	\$119.5	\$131.8	\$189.0	\$156.5

# GAAP to Non-GAAP Reconciliations

	Q3'25	Q4'25	Q1'26	Q2'26	Q3'26
Net Income (GAAP)	\$63.4	\$38.7	\$62.1	\$103.0	\$72.1
Stock-Based Compensation Expense	84.2	85.2	77.7	102.6	82.8
Amortization of Intangible Assets	0.6	0.1	0.2	0.2	0.2
Litigation-Related Costs	3.5	3.0	4.6	2.1	3.0
Amortization and Conversion of Debt Discount and Issuance Costs	3.0	3.0	3.0	3.0	2.9
Other	(0.1)	(0.1)	–	–	–
Income Tax-Related Adjustments <sup>(1)</sup>	(29.9)	(20.8)	(26.7)	(46.6)	(24.8)
Net Income (Non-GAAP) <sup>(1)</sup>	\$124.7	\$109.1	\$120.9	\$164.3	\$136.2
Net Cash Provided by Operating Activities	\$218.5	\$219.5	\$196.8	\$197.3	\$207.5
Purchases of Property and Equipment	(15.1)	(11.7)	(22.3)	(5.9)	(10.3)
Free Cash Flow (Non-GAAP)	\$203.4	\$207.8	\$174.5	\$191.4	\$197.2

	Q3'25	Q3'26
Weighted Average Shares Outstanding (Basic)	268M	266M
Weighted Average Shares Outstanding (Diluted)	297M	287M

1. We use 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 the use of a long-term projected tax rate of 20% aligns with the non-GAAP measure of profitability, reduces volatility of the non-GAAP tax rate and provides 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.



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Thank You