UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended January 31, 2024

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from __________ to

Commission File Number: 001-37883

NUTANIX, INC.
(Exact name of registrant as specified in its charter)

Delaware	**27-0989767**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**

1740 Technology Drive, Suite 150
San Jose, CA 95110
(Address of principal executive offices, including zip code)

(408) 216-8360
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading symbol(s)	Name of each exchange on which registered
Class A Common Stock, $0.000025 par value per share	NTNX	Nasdaq Global Select Market

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer	☒	Accelerated Filer	☐
Non-accelerated Filer	☐	Smaller Reporting Company	☐
		Emerging Growth Company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of February 29, 2024, the registrant had 244,329,166 shares of Class A common stock, $0.000025 par value per share, outstanding.

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SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q contains express and implied forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), which statements involve substantial risks and uncertainties. Other than statements of historical fact, all statements contained in this Quarterly Report on Form 10-Q, including statements regarding our future results of operations and financial position, our business strategy and plans and our objectives for future operations, are forward-looking statements. The words "believe," "may," "will," "potentially," "estimate," "continue," "anticipate," "plan," "intend," "could," "would," "expect," or words or expressions of similar substance or the negative thereof, that convey uncertainty of future events or outcomes are intended to identify forward-looking statements. Forward-looking statements included in this Quarterly Report on Form 10-Q include, but are not limited to, statements regarding:

- our future billings, revenue, cost of revenue and operating expenses, as well as changes in the cost of product revenue, component costs, contract durations, product gross margins and support, entitlements and other services revenue and changes in research and development, sales and marketing and general and administrative expenses;
- our business plans, strategies, initiatives, objectives and outlook, as well as our ability to execute such plans, strategies, initiatives and objectives successfully and in a timely manner, and the benefits and impact of such plans, initiatives and objectives on our business, operations, and financial results, including any impact on our revenue and product mix, average contract duration lengths and discounting behavior;
- our plans for, and the timing of, any current and future business model transitions, 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 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 growth strategy, our ability to effectively achieve and manage our growth, and the amount, timing and impact of any investments to grow our business, including any plans to increase or decrease investments in our global engineering, research and development and sales and/or marketing teams;
- our go-to-market strategy and the impact of any adjustments thereto, including any adjustments to our go-to-market cost structure, in particular, our sales compensation structure, and the pricing and packaging of our product portfolio;
- the success and impact of our customer, partner, industry, analyst, investor and employee events on our business, including on future pipeline generation;
- the impact of our decision to use new or different metrics, or to make adjustments to the metrics we use, to supplement our financial reporting;
- our reliance on key personnel;
- anticipated trends, growth rates and challenges in our business and in the markets in which we operate, including the segmentation and productivity of our sales team;
- market acceptance of new technology and recently introduced solutions;
- our ability to increase sales of our solutions, particularly to large enterprise customers;
- our ability to attract new end customers and retain and grow sales from our existing end customers;

- our plans and expectations concerning the remediation of the material weakness previously identified by management;
- our ability to 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 to develop any new strategic alliances and partnerships, and the impact of any changes to such relationships on our business, operations and financial results;
- the effects of seasonal trends on our results of operations;
- our expectations concerning relationships with third parties;
- our ability to maintain, protect and enhance our intellectual property;
- our exposure to and ability to guard against cyber attacks and other actual or perceived security breaches;
- our ability to continue to grow our business internationally;
- the competitive market, including our ability to compete effectively, the competitive advantages of our products, and the effects of increased competition in our market;
- anticipated capital expenditures;
- future acquisitions or investments in complementary companies, products, services or technologies and the ability to successfully integrate completed acquisitions;
- our ability to stay in compliance with laws and regulations that currently apply or may become applicable to our business both in the United States and internationally, including recent changes in global tax laws;
- macroeconomic, geopolitical, and industry trends and environment, projected growth or trend analysis;
- the impact of events that may be outside of our control, such as political and social unrest, terrorist attacks, hostilities, war, malicious human acts, climate change, natural disasters (including extreme weather), pandemics or other major public health concerns, and other similar events;
- our ability to attract and retain qualified employees and key personnel; and
- the sufficiency of cash balances to meet cash needs for at least the next 12 months.

We have based these forward-looking statements largely on our current expectations and projections about future events and trends that we believe may affect our financial condition, results of operations, business strategy, short-term and long-term business operations and objectives and financial needs in light of the information currently available to us. These forward-looking statements are subject to a number of risks, uncertainties and assumptions, including those described under the heading "Risk Factors" in Part I, Item 1A of our Annual Report on Form 10-K for the fiscal year ended July 31, 2023. Moreover, we operate in a very competitive and rapidly changing environment and new risks emerge from time to time. It is not possible for us to predict all risks, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained or implied in any forward-looking statements we may make. In light of these risks, uncertainties and assumptions, the forward-looking events and trends discussed in this Quarterly Report on Form 10-Q may not occur and actual results could differ materially and adversely from those anticipated or implied in the forward-looking statements.

You should not rely upon forward-looking statements as predictions of future events. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee that the future results, performance, or events and circumstances reflected in the forward-looking statements will be achieved or will occur. The forward-looking statements in this Quarterly Report on Form 10-Q relate only to events as of the date on which the statements are made. We undertake no obligation, and expressly disclaim any obligation, to update, alter or otherwise revise or publicly release the results of any revision to these forward-looking statements to reflect new information or the occurrence of unanticipated or subsequent events, except as required by law. We may not actually achieve the plans, intentions or expectations disclosed in our forward-looking statements and you should not place undue reliance on our forward-looking statements.

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements (Unaudited)

NUTANIX, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited)

	As of	
	July 31, 2023	January 31, 2024
	(in thousands, except per share data)	
Assets		
Current assets:		
Cash and cash equivalents	$ 512,929	$ 679,246
Short-term investments	924,466	964,714
Accounts receivable, net of allowances of $733 and $1,080, respectively	157,251	189,046
Deferred commissions—current	120,001	138,606
Prepaid expenses and other current assets	147,087	108,825
Total current assets	1,861,734	2,080,437
Property and equipment, net	111,865	115,224
Operating lease right-of-use assets	93,554	97,307
Deferred commissions—non-current	237,990	214,555
Intangible assets, net	4,893	6,884
Goodwill	184,938	185,235
Other assets—non-current	31,941	29,892
Total assets	$ 2,526,915	$ 2,729,534
Liabilities and Stockholders' Deficit		
Current liabilities:		
Accounts payable	$ 29,928	$ 39,544
Accrued compensation and benefits	143,679	177,837
Accrued expenses and other current liabilities	109,269	22,401
Deferred revenue—current	823,665	893,889
Operating lease liabilities—current	29,567	29,151
Total current liabilities	1,136,108	1,162,822
Deferred revenue—non-current	771,367	814,605
Operating lease liabilities—non-current	68,940	73,720
Convertible senior notes, net	1,218,165	1,250,434
Other liabilities—non-current	39,754	39,635
Total liabilities	3,234,334	3,341,216
Commitments and contingencies (Note 7)		
Stockholders' deficit:		
Preferred stock, par value of $0.000025 per share— 200,000 shares authorized as of July 31, 2023 and January 31, 2024; no shares issued and outstanding as of July 31, 2023 and January 31, 2024	—	—
Common stock, par value of $0.000025 per share—1,000,000 Class A shares authorized as of July 31, 2023 and January 31, 2024; 239,607 and 244,659 Class A shares issued and outstanding as of July 31, 2023 and January 31, 2024, respectively	6	6
Additional paid-in capital	3,930,668	4,039,779
Accumulated other comprehensive (loss) income	(5,171)	879
Accumulated deficit	(4,632,922)	(4,652,346)
Total stockholders' deficit	(707,419)	(611,682)
Total liabilities and stockholders' deficit	$ 2,526,915	$ 2,729,534

See the accompanying notes to condensed consolidated financial statements.

NUTANIX, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

	Three Months Ended January 31,		Six Months Ended January 31,	
	2023	2024	2023	2024
	(in thousands, except per share data)			
Revenue:				
Product	$ 250,538	$ 299,660	$ 459,112	$ 546,582
Support, entitlements and other services	235,957	265,573	460,992	529,705
Total revenue	486,495	565,233	920,104	1,076,287
Cost of revenue:				
Product	15,506	9,402	28,022	19,636
Support, entitlements and other services	71,299	72,154	141,278	143,879
Total cost of revenue	86,805	81,556	169,300	163,515
Gross profit	399,690	483,677	750,804	912,772
Operating expenses:				
Sales and marketing	229,788	236,702	466,010	472,025
Research and development	142,301	160,401	291,744	312,376
General and administrative	84,109	49,529	130,213	97,032
Total operating expenses	456,198	446,632	887,967	881,433
(Loss) income from operations	(56,508)	37,045	(137,163)	31,339
Other (expense) income, net	(10,112)	2,096	(23,528)	(3,179)
(Loss) income before provision for income taxes	(66,620)	39,141	(160,691)	28,160
Provision for income taxes	4,170	6,346	9,613	11,218
Net (loss) income	$ (70,790)	$ 32,795	$ (170,304)	$ 16,942
Net (loss) income per share attributable to Class A common stockholders, basic	$ (0.31)	$ 0.13	$ (0.74)	$ 0.07
Net (loss) income per share attributable to Class A common stockholders, diluted	$ (0.31)	$ 0.12	$ (0.74)	$ 0.09
Weighted average shares used in computing net (loss) income per share attributable to Class A common stockholders, basic	231,924	243,853	230,229	242,667
Weighted average shares used in computing net (loss) income per share attributable to Class A common stockholders, diluted	231,924	298,540	230,229	294,851

See the accompanying notes to condensed consolidated financial statements.

NUTANIX, INC.
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(Unaudited)

	Three Months Ended January 31,		Six Months Ended January 31,	
	2023	**2024**	**2023**	**2024**
	(in thousands)			
Net (loss) income	$ (70,790)	$ 32,795	$ (170,304)	$ 16,942
Other comprehensive income (loss), net of tax:				
Change in unrealized loss on available-for-sale securities, net of tax	3,917	5,254	275	6,050
Comprehensive (loss) income	$ (66,873)	$ 38,049	$ (170,029)	$ 22,992

See the accompanying notes to condensed consolidated financial statements.

NUTANIX, INC.
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' DEFICIT
(Unaudited)

	Six Months Ended January 31, 2023					
	Common Stock		Additional Paid-In Capital	Accumulated Other Comprehensive Loss	Accumulated Deficit	Total Stockholders' Deficit
	Shares	Amount				
	(in thousands)					
Balance - July 31, 2022	226,938	$ 6	$ 3,583,928	$ (6,076)	$ (4,378,362)	$ (800,504)
Issuance of common stock through employee equity incentive plans	2,172	—	1,975	—	—	1,975
Issuance of common stock from ESPP purchase	998	—	18,947	—	—	18,947
Stock-based compensation	—	—	80,955	—	—	80,955
Other comprehensive loss	—	—	—	(3,642)	—	(3,642)
Net loss	—	—	—	—	(99,514)	(99,514)
Balance - October 31, 2022	230,108	6	3,685,805	(9,718)	(4,477,876)	(801,783)
Issuance of common stock through employee equity incentive plans	3,483	—	684	—	—	684
Stock-based compensation	—	—	85,290	—	—	85,290
Other comprehensive income	—	—	—	3,917	—	3,917
Net loss	—	—	—	—	(70,790)	(70,790)
Balance - January 31, 2023	233,591	$ 6	$ 3,771,779	$ (5,801)	$ (4,548,666)	$ (782,682)

	Six Months Ended January 31, 2024					
	Common Stock		Additional Paid-In	Accumulated Other Comprehensive	Accumulated	Total Stockholders'
	Shares	Amount	Capital	(Loss) Income	Deficit	Deficit
	(in thousands)					
Balance - July 31, 2023	239,607	$ 6	$ 3,930,668	$ (5,171)	$ (4,632,922)	$ (707,419)
Issuance of common stock through employee equity incentive plans	3,274	—	547	—	—	547
Issuance of common stock from ESPP purchase	653	—	13,233	—	—	13,233
Repurchase and retirement of common stock	(482)	—	(7,774)	—	(9,739)	(17,513)
Stock-based compensation	—	—	83,998	—	—	83,998
Other comprehensive income	—	—	—	796	—	796
Net loss	—	—	—	—	(15,853)	(15,853)
Balance - October 31, 2023	243,052	6	4,020,672	(4,375)	(4,658,514)	(642,211)
Issuance of common stock through employee equity incentive plans	3,689	—	1,370	—	—	1,370
Shares withheld related to net share settlement of equity awards	(1,148)	—	(53,180)	—	—	(53,180)
Repurchase and retirement of common stock	(934)	—	(15,052)	—	(26,627)	(41,679)
Stock-based compensation	—	—	85,969	—	—	85,969
Other comprehensive income	—	—	—	5,254	—	5,254
Net income	—	—	—	—	32,795	32,795
Balance - January 31, 2024	244,659	$ 6	$ 4,039,779	$ 879	$ (4,652,346)	$ (611,682)

See the accompanying notes to condensed consolidated financial statements.

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NUTANIX, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

	Six Months Ended January 31,	
	2023	**2024**
	(in thousands)	
Cash flows from operating activities:		
Net (loss) income	$ (170,304)	$ 16,942
Adjustments to reconcile net (loss) income to net cash provided by operating activities:		
Depreciation and amortization	39,479	36,389
Stock-based compensation	166,245	169,967
Amortization of debt discount and issuance costs	21,082	22,300
Operating lease cost, net of accretion	18,158	16,046
Early exit of lease-related assets	(1,109)	—
Non-cash interest expense	9,817	10,064
Other	(2,427)	(8,859)
Changes in operating assets and liabilities:		
Accounts receivable, net	(28,649)	(19,662)
Deferred commissions	19,110	4,830
Prepaid expenses and other assets	(28,348)	40,575
Accounts payable	(3,171)	8,695
Accrued compensation and benefits	(11,467)	34,158
Accrued expenses and other liabilities	52,423	(86,009)
Operating leases, net	(19,965)	(14,884)
Deferred revenue	78,723	101,329
Net cash provided by operating activities	139,597	331,881
Cash flows from investing activities:		
Maturities of investments	529,112	429,219
Purchases of investments	(508,984)	(455,254)
Payments for acquisitions, net of cash acquired	—	(4,500)
Purchases of property and equipment	(30,772)	(36,784)
Net cash used in investing activities	(10,644)	(67,319)
Cash flows from financing activities:		
Repayment of convertible notes	(145,704)	—
Proceeds from sales of shares through employee equity incentive plans	22,896	15,153
Taxes paid related to net share settlement of equity awards	—	(53,180)
Repurchases of common stock	—	(59,192)
Payment of finance lease obligations	(2,344)	(1,758)
Net cash used in financing activities	(125,152)	(98,977)
Net increase in cash, cash equivalents and restricted cash	$ 3,801	$ 165,585
Cash, cash equivalents and restricted cash—beginning of period	405,862	515,771
Cash, cash equivalents and restricted cash—end of period	$ 409,663	$ 681,356
Restricted cash (1)	3,062	2,110
Cash and cash equivalents—end of period	$ 406,601	$ 679,246
Supplemental disclosures of cash flow information:		
Cash paid for income taxes	$ 16,191	$ 14,168
Supplemental disclosures of non-cash investing and financing information:		
Purchases of property and equipment included in accounts payable and accrued and other liabilities	$ 18,646	$ 1,648

(1) Included within other assets—non-current in the condensed consolidated balance sheets.

See the accompanying notes to condensed consolidated financial statements.

NUTANIX, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

NOTE 1. OVERVIEW AND BASIS OF PRESENTATION

Organization and Description of Business

Nutanix, Inc. was incorporated in the state of Delaware in September 2009. Nutanix, Inc. is headquartered in San Jose, California, and together with its wholly-owned subsidiaries (collectively, "we," "us," "our" or "Nutanix"), has operations throughout North America, Europe, Asia Pacific, the Middle East, Latin America, and Africa.

We provide a leading enterprise cloud platform, which we call the Nutanix Cloud Platform, that consists of software solutions and cloud services that power our customers' enterprise infrastructure. Our solutions deliver a consistent cloud operating model across edge, private-, hybrid- and multicloud environments for all applications and their data. Our solutions allow organizations to simply run and move their workloads, including enterprise applications, high-performance databases, end-user computing and virtual desktop infrastructure services, modern applications, analytics applications, and artificial intelligence ("AI") workloads, including machine learning and generative AI workloads, between on-premises and public clouds. Our solutions are primarily sold through channel partners and original equipment manufacturers ("OEMs") (collectively, "Partners"), and delivered directly to our end customers.

Principles of Consolidation and Significant Accounting Policies

The accompanying condensed consolidated financial statements, which include the accounts of Nutanix, Inc. and its wholly-owned subsidiaries, have been prepared in conformity with accounting principles generally accepted in the United States ("U.S. GAAP") and are consistent in all material respects with those included in our Annual Report on Form 10-K for the fiscal year ended July 31, 2023, filed with the Securities and Exchange Commission ("SEC") on September 21, 2023. All intercompany accounts and transactions have been eliminated in consolidation. The condensed consolidated financial statements are unaudited, but include all adjustments of a normal recurring nature necessary for a fair presentation of our quarterly results. The consolidated balance sheet as of July 31, 2023 is derived from audited financial statements; however, it does not include all of the information and footnotes required by U.S. GAAP for complete financial statements. These condensed consolidated financial statements should be read in conjunction with the consolidated financial statements and related notes in our Annual Report on Form 10-K for the fiscal year ended July 31, 2023.

Use of Estimates

The preparation of interim condensed consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the amounts reported in the condensed consolidated financial statements and accompanying notes. Such management estimates and assumptions include, but are not limited to, the best estimate of selling prices for products and related support; useful lives and recoverability of intangible assets and property and equipment; allowance for credit losses; determination of fair value of stock-based awards; accounting for income taxes, including the valuation allowance on deferred tax assets and uncertain tax positions; purchase commitment liabilities to our contract manufacturers; sales commissions expense and the period of benefit for deferred commissions; whether an arrangement is or contains a lease; the incremental borrowing rate to measure the present value of right-of-use assets and lease liabilities; the inputs used to determine the fair value of the contingent liability associated with the conversion feature of the 2.50% convertible senior notes due 2026 (the "2026 Notes"); and contingencies and litigation. Management evaluates these estimates and assumptions on an ongoing basis using historical experience and other factors and makes adjustments when facts and circumstances dictate. As future events and their effects cannot be determined with precision, actual results could materially differ from those estimates and assumptions.

NUTANIX, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Unaudited)

Concentration of Risk

Concentration of revenue and accounts receivable — We sell our products primarily through our Partners and occasionally directly to end customers. For the three and six months ended January 31, 2023 and 2024, no end customer accounted for more than 10% of total revenue or accounts receivable.

For each significant Partner, revenue as a percentage of total revenue and accounts receivable as a percentage of total accounts receivable, net are as follows:

	Revenue				Accounts Receivable as of	
	Three Months Ended January 31,		Six Months Ended January 31,		July 31, 2023	January 31, 2024
Partners	2023	2024	2023	2024		
Partner A	(1)	(1)	(1)	(1)	11 %	19 %
Partner B	33 %	32 %	32 %	31 %	17 %	15 %
Partner C	12 %	16 %	15 %	15 %	19 %	12 %
Partner D	10 %	11 %	11 %	12 %	(1)	(1)

(1) Less than 10%

Summary of Significant Accounting Policies

There have been no changes to our significant accounting policies described in our Annual Report on Form 10-K for the fiscal year ended July 31, 2023, filed with the SEC on September 21, 2023, that have had a material impact on our condensed consolidated financial statements.

Recently Issued and Not Yet Adopted Accounting Pronouncements

In December 2023, the Financial Accounting Standards Board (the "FASB") issued accounting standards update ("ASU") 2023-09, Income Taxes (Topic 740): Improvements to Income Tax Disclosures, which provides for improvements to income tax disclosures. The standard requires disaggregated information about a reporting entity's effective tax rate reconciliation as well as information on income taxes paid. The amendments in this update are effective for fiscal years beginning after December 15, 2024, with early adoption permitted. We are currently evaluating the impact this new standard will have on our disclosures.

Correction to Prior Period Financial Statements

In connection with the completed Audit Committee investigation, as initially disclosed in our Annual Report on Form 10-K/A filed with the SEC on May 24, 2023, and subsequent to the issuance of the condensed consolidated financial statements for the fiscal quarter ended October 31, 2022, we discovered an error in the reporting of expenses for software licenses and support for each prior period beginning in August 2014, resulting in an immaterial understatement of operating expenses and accrued expenses and other current liabilities for these prior periods. We have evaluated the materiality of this error and determined that the impact is not material to our previously issued financial statements. We have prospectively corrected our previously issued financial statements to reflect the correction of this error rather than record a cumulative out-of-period adjustment. The correction reflects our estimates of future payments for past non-compliant use of third-party software. Actual amounts may vary from these estimates.

NUTANIX, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Unaudited)

NOTE 2. REVENUE, DEFERRED REVENUE AND DEFERRED COMMISSIONS

Disaggregation of Revenue and Revenue Recognition

The Nutanix Cloud Platform can be deployed on-premises in data centers or at the edge, running on a variety of qualified hardware platforms, in popular public cloud environments such as AWS and Microsoft Azure through Nutanix Cloud Clusters, or, in the case of our cloud-based software and software-as-a-service ("SaaS") offerings, via hosted service. Our subscription term-based licenses are sold separately, or can also be sold alongside configured-to-order servers. Our subscription term-based licenses typically have durations ranging from one to five years. Our cloud-based SaaS subscriptions have durations extending up to five years. Configured-to-order servers, including our Nutanix-branded NX hardware line, can be purchased from one of our channel partners, OEMs or, in limited cases, directly from Nutanix.

The following table depicts the disaggregation of revenue by revenue type, consistent with how we evaluate our financial performance:

	Three Months Ended January 31,		Six Months Ended January 31,	
	2023	2024	2023	2024
	(in thousands)			
Subscription	$ 450,948	$ 531,983	$ 853,872	$ 1,011,461
Professional services	23,442	25,008	45,720	47,843
Other non-subscription product [1]	12,105	8,242	20,512	16,983
Total revenue	$ 486,495	$ 565,233	$ 920,104	$ 1,076,287

(1) Prior to fiscal 2024, disclosed as Non-portable software and Hardware, as described below. The prior period has been updated to conform with current period presentation.

Subscription revenue — Subscription revenue includes any performance obligation which has a defined term and is generated from the sales of software entitlement and support subscriptions, subscription software licenses and cloud-based SaaS offerings.

- Ratable — We recognize revenue from software entitlement and support subscriptions and SaaS offerings ratably over the contractual service period, the substantial majority of which relate to software entitlement and support subscriptions. These offerings represented approximately $224.2 million and $437.6 million of our subscription revenue for the three and six months ended January 31, 2023, respectively, and $252.6 million and $506.0 million of our subscription revenue for the three and six months ended January 31, 2024, respectively.
- Upfront — Revenue from our subscription software licenses is generally recognized upfront upon transfer of control to the customer, which happens when we make the software available to the customer. These subscription software licenses represented approximately $226.7 million and $416.3 million of our subscription revenue for the three and six months ended January 31, 2023, respectively, and $279.4 million and $505.5 million of our subscription revenue for the three and six months ended January 31, 2024, respectively.

Professional services revenue — We also sell professional services with our products. We recognize revenue related to professional services as they are performed.

Other non-subscription product revenue — Other non-subscription product revenue includes $10.9 million and $18.7 million of non-portable software revenue for the three and six months ended January 31, 2023, respectively, $7.0 million and $15.2 million of non-portable software revenue for the three and six months ended January 31, 2024, respectively, $1.2 million and $1.8 million of hardware revenue for the three and six months ended January 31, 2023, respectively, and $1.2 million and $1.8 million of hardware revenue for the three and six months ended January 31, 2024, respectively.

- Non-portable software revenue — Non-portable software revenue includes sales of our enterprise cloud platform when delivered on a configured-to-order server by us or one of our OEM partners. The software licenses associated with these sales are typically non-portable and can be used over the life of the server on which the software is delivered. Revenue from our non-portable software products is generally recognized upon transfer of control to the customer.

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- Hardware revenue — In transactions where the hardware platform is purchased directly from Nutanix, we consider ourselves to be the principal in the transaction and we record revenue and costs of goods sold on a gross basis. We consider the amount allocated to hardware revenue to be equivalent to the cost of the hardware procured. Hardware revenue is generally recognized upon transfer of control to the customer.

Contracts with multiple performance obligations — The majority of our contracts with customers contain multiple performance obligations. For these contracts, we account for individual performance obligations separately if they are distinct. The transaction price is allocated to the separate performance obligations on a relative standalone selling price ("SSP") basis. For deliverables that we routinely sell separately, such as software entitlement and support subscriptions on our core offerings, we determine SSP by evaluating the standalone sales over the trailing 12 months. For those that are not sold routinely, we determine SSP based on our overall pricing trends and objectives, taking into consideration market conditions and other factors, including the value of our contracts, the products sold and geographic locations.

Contract balances — The timing of revenue recognition may differ from the timing of invoicing to customers. Accounts receivable are recorded at the invoiced amount, net of an allowance for credit losses. A receivable is recognized in the period in which we deliver goods or provide services, or when our right to consideration is unconditional. In situations where revenue recognition occurs before invoicing, an unbilled receivable is created, which represents a contract asset. The balance of unbilled accounts receivable, included in accounts receivable, net on the condensed consolidated balance sheets, was $16.3 million and $28.5 million as of July 31, 2023 and January 31, 2024, respectively.

Payment terms on invoiced amounts are typically 30-45 days. We assess credit losses on accounts receivable by taking into consideration past collection experience, the credit quality of the customer, the age of the receivable balance, current and future economic conditions, and forecasts that may affect the collectability of the reported amount. The balance of accounts receivable, net of allowance for credit losses, as of July 31, 2023 and January 31, 2024 is presented in the accompanying condensed consolidated balance sheets.

Costs to obtain and fulfill a contract — We capitalize commissions paid to sales personnel and the related payroll taxes when customer contracts are signed. These costs are recorded as deferred commissions in the condensed consolidated balance sheets, current and non-current. We determine whether costs should be deferred based on our sales compensation plans, if the commissions are incremental and would not have been incurred absent the execution of the customer contract. Commissions paid upon the initial acquisition of a contract are recognized over the estimated period of benefit, which may exceed the term of the initial contract if the commissions expected to be paid upon renewal are not commensurate with that of the initial contract. Accordingly, deferred costs are recognized on a systematic basis that is consistent with the pattern of revenue recognition allocated to each performance obligation over the entire period of benefit and included in sales and marketing expense in the condensed consolidated statements of operations. We determine the estimated period of benefit by evaluating the expected renewals of customer contracts, the duration of relationships with our customers, customer retention data, our technology development lifecycle and other factors. Deferred costs are periodically reviewed for impairment.

Taxes assessed by a government authority that are both imposed on and concurrent with specific revenue transactions between us and our customers are presented on a net basis in our condensed consolidated statements of operations.

Deferred revenue — Deferred revenue primarily consists of amounts that have been invoiced but not yet recognized as revenue and primarily pertains to software entitlement and support subscriptions and professional services. The current portion of deferred revenue represents the amounts that are expected to be recognized as revenue within one year of the condensed consolidated balance sheet date.

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Significant changes in the balance of deferred revenue (contract liability) and deferred commissions (contract asset) for the periods presented are as follows:

	Deferred Revenue	Deferred Commissions
	(in thousands)	
Balance as of July 31, 2023	$ 1,595,032	$ 357,991
Additions [(1)]	561,254	42,350
Revenue/commissions recognized	(511,054)	(47,448)
Balance as of October 31, 2023	1,645,232	352,893
Additions [(1)]	628,495	54,872
Revenue/commissions recognized	(565,233)	(54,604)
Balance as of January 31, 2024	$ 1,708,494	$ 353,161

(1) Includes both billed and unbilled amounts.

During the three and six months ended January 31, 2023, we recognized revenue of approximately $219.9 million and $399.3 million pertaining to amounts deferred as of October 31, 2022 and July 31, 2022, respectively. During the three and six months ended January 31, 2024, we recognized revenue of approximately $243.3 million and $449.9 million pertaining to amounts deferred as of October 31, 2023 and July 31, 2023, respectively.

Many of our contracted but not invoiced performance obligations are subject to cancellation terms. Revenue allocated to remaining performance obligations represents contracted revenue that has not yet been recognized ("contracted not recognized"), which includes deferred revenue and non-cancelable amounts that will be invoiced and recognized as revenue in future periods and excludes performance obligations that are subject to cancellation terms. Contracted not recognized revenue was approximately $1.9 billion as of January 31, 2024, of which we expect to recognize approximately 52% over the next 12 months, and the remainder thereafter.

NOTE 3. FAIR VALUE MEASUREMENTS

The fair value of our financial assets measured on a recurring basis is as follows:

	As of July 31, 2023			
	Level I	Level II	Level III	Total
	(in thousands)			
Financial Assets, Current:				
Cash equivalents:				
Money market funds	$ 211,319	$ —	$ —	$ 211,319
U.S. Government securities	—	6,999	—	6,999
Commercial paper	—	34,830	—	34,830
Short-term investments:				
Corporate bonds	—	452,703	—	452,703
Commercial paper	—	215,219	—	215,219
U.S. Government securities	—	256,544	—	256,544
Total measured at fair value	$ 211,319	$ 966,295	$ —	$ 1,177,614
Cash				259,781
Total cash, cash equivalents and short-term investments				$ 1,437,395
Financial Assets, Non-Current:				
Convertible note receivable	$ —	$ —	$ 5,700	$ 5,700

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NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)
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	As of January 31, 2024			
	Level I	Level II	Level III	Total
	(in thousands)			
Financial Assets, Current:				
Cash equivalents:				
Money market funds	$ 413,670	$ —	$ —	$ 413,670
U.S. Government securities	—	2,986	—	2,986
Commercial paper	—	19,393	—	19,393
Short-term investments:				
Corporate bonds	—	620,128	—	620,128
Commercial paper	—	126,195	—	126,195
U.S. Government securities	—	218,391	—	218,391
Total measured at fair value	$ 413,670	$ 987,093	$ —	$ 1,400,763
Cash				243,197
Total cash, cash equivalents and short-term investments				$ 1,643,960
Financial Assets, Non-Current:				
Convertible note receivable	$ —	$ —	$ 4,920	$ 4,920

Financial Instruments Not Recorded at Fair Value on a Recurring Basis

We report our financial instruments at fair value, with the exception of the 2026 Notes and the 0.25% convertible senior notes due 2027 (the "2027 Notes", and together with the 2026 Notes, the "Notes"). Financial instruments that are not recorded at fair value on a recurring basis are measured at fair value on a quarterly basis for disclosure purposes. The carrying values and estimated fair values of financial instruments not recorded at fair value are as follows:

	As of July 31, 2023		As of January 31, 2024	
	Carrying Value	Estimated Fair Value	Carrying Value	Estimated Fair Value
	(in thousands)			
2026 Notes	$ 649,630	$ 1,043,889	$ 681,131	$ 1,744,642
2027 Notes	568,535	497,410	569,303	660,646
Total	$ 1,218,165	$ 1,541,299	$ 1,250,434	$ 2,405,288

The carrying value of the 2026 Notes as of July 31, 2023 and January 31, 2024 included $47.6 million and $57.5 million, respectively, of non-cash interest expense that was converted to the principal balance, net of unamortized debt discounts of $132.8 million and $113.4 million, respectively, and unamortized debt issuance costs of $15.2 million and $13.0 million, respectively.

The carrying value of the 2027 Notes as of July 31, 2023 and January 31, 2024 was net of unamortized debt issuance costs of $6.5 million and $5.7 million, respectively.

The total estimated fair value of the 2026 Notes is based on a binomial model. We consider the fair value of the 2026 Notes to be a Level III valuation, as the 2026 Notes are not publicly traded. The Level III inputs used to determine the estimated fair value of the 2026 Notes include the conversion rate, risk-free interest rate, discount rate, volatility, and the price of our Class A common stock.

The total estimated fair value of the 2027 Notes was determined based on the closing trading price per $100 of the 2027 Notes as of the last day of trading for the period. We consider the fair value of the 2027 Notes to be a Level II valuation due to the limited trading activity.

NOTE 4. BALANCE SHEET COMPONENTS

Short-Term Investments

The amortized cost of our short-term investments approximates their fair value. Unrealized losses related to our short-term investments are generally due to interest rate fluctuations, as opposed to credit quality. However, we review individual securities that are in an unrealized loss position in order to evaluate whether or not they have experienced or are expected to experience credit losses that would result in a decline in fair value. As of July 31, 2023 and January 31, 2024, unrealized gains and losses from our short-term investments were not material and were not the result of a decline in credit quality. As a result, as of July 31, 2023 and January 31, 2024, we did not record any credit losses for these investments.

The following table summarizes the estimated fair value of our investments in marketable debt securities by their contractual maturity dates:

	As of January 31, 2024
	(in thousands)
Due within one year	$ 609,886
Due in one to two years	354,828
Total	$ 964,714

Prepaid Expenses and Other Current Assets

Prepaid expenses and other current assets consists of the following:

	As of	
	July 31, 2023	January 31, 2024
	(in thousands)	
Prepaid operating expenses	$ 84,998	$ 69,501
VAT receivables	5,954	6,880
Other current assets	56,135	32,444
Total prepaid expenses and other current assets	$ 147,087	$ 108,825

The decrease in prepaid expenses and other current assets from July 31, 2023 to January 31, 2024 was due primarily to the release of the insurance receivable and the settlement payment related to the February 2023 settlement of two securities class actions, as the settlement was paid out during the fiscal quarter ended October 31, 2023. For additional details on legal proceedings, refer to Note 7.

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Property and Equipment, Net

Property and equipment, net consists of the following:

	Estimated Useful Life	As of July 31, 2023	As of January 31, 2024
	(in months)	(in thousands)	
Computer, production, engineering and other equipment	36	$ 390,378	$ 412,474
Demonstration units	12	60,985	59,502
Leasehold improvements	(1)	64,667	65,920
Furniture and fixtures	60	16,132	15,980
Total property and equipment, gross		532,162	553,876
Less: accumulated depreciation		(420,297)	(438,652)
Total property and equipment, net		$ 111,865	$ 115,224

(1) Leasehold improvements are amortized over the shorter of the estimated useful lives of the improvements or the remaining lease term.

Depreciation expense related to our property and equipment was $15.8 million and $31.8 million for the three and six months ended January 31, 2023, respectively, and $16.4 million and $32.5 million for the three and six months ended January 31, 2024, respectively.

Goodwill and Intangible Assets, Net

The $0.3 million increase in the carrying value of goodwill during the six months ended January 31, 2024 was related to an immaterial acquisition completed during the second quarter of fiscal 2024.

Intangible assets, net consists of the following:

	As of July 31, 2023	As of January 31, 2024
	(in thousands)	
Developed technology	$ 78,267	$ 79,838
Customer relationships	8,860	11,230
Trade name	4,170	4,200
Total intangible assets, gross	91,297	95,268
Less:		
Accumulated amortization of developed technology	(73,411)	(75,271)
Accumulated amortization of customer relationships	(8,823)	(8,934)
Accumulated amortization of trade name	(4,170)	(4,179)
Total accumulated amortization	(86,404)	(88,384)
Total intangible assets, net	$ 4,893	$ 6,884

Amortization expense related to our intangible assets is recognized in the condensed consolidated statements of operations within product cost of revenue for developed technology and sales and marketing expense for customer relationships and trade name.

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NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)
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The estimated future amortization expense of our intangible assets is as follows:

Fiscal Year Ending July 31:	Amount
	(in thousands)
2024 (remaining six months)	$ 1,731
2025	2,540
2026	777
2027	777
2028	353
Thereafter	706
Total	$ 6,884

Accrued Compensation and Benefits

Accrued compensation and benefits consists of the following:

	As of	
	July 31, 2023	January 31, 2024
	(in thousands)	
Accrued commissions	$ 36,882	$ 39,580
Contributions to ESPP withheld	10,145	29,038
Payroll taxes payable	17,427	28,022
Accrued vacation	24,840	25,305
Accrued wages and taxes	11,485	15,219
Accrued benefits	12,391	14,730
Accrued bonus	16,404	12,385
Retirement 401(k) payable	1,915	852
Other	12,190	12,706
Total accrued compensation and benefits	$ 143,679	$ 177,837

Accrued Expenses and Other Current Liabilities

Accrued expenses and other current liabilities consists of the following:

	As of	
	July 31, 2023	January 31, 2024
	(in thousands)	
Accrued professional services	$ 1,978	$ 1,690
Software usage liability	11,248	1,347
Litigation settlement reserves	71,000	—
Income taxes payable	2,185	—
Other	22,858	19,364
Total accrued expenses and other current liabilities	$ 109,269	$ 22,401

The decrease in accrued expenses and other current liabilities from July 31, 2023 to January 31, 2024 was due primarily to the release of the litigation settlement reserve related to the settlement of two securities class actions, which was agreed to in February 2023 but paid out during the fiscal quarter ended October 31, 2023. For additional details on legal proceedings, refer to Note 7.

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NOTE 5. CONVERTIBLE SENIOR NOTES

2023 Notes

In January 2018, we issued the 2023 Notes with a 0% interest rate for an aggregate principal amount of $575.0 million, due in 2023, in a private placement to qualified institutional buyers pursuant to Rule144A under the Securities Act.

On September 22, 2021, we consummated privately negotiated exchanges with certain holders of the outstanding 2023 Notes, pursuant to which such holders exchanged approximately $416.5 million in aggregate principal amount of 2023 Notes for $477.3 million in aggregate principal amount of 2027 Notes. We also entered into privately negotiated transactions with certain holders of the 2023 Notes pursuant to which we repurchased approximately $12.8 million in aggregate principal amount of 2023 Notes for cash. Following the closing of these exchanges and repurchases, approximately $145.7 million in aggregate principal amount of 2023 Notes remained outstanding with terms unchanged.

In January 2023, we settled the 2023 Notes in full at maturity with a cash payment of $145.7 million.

The following table sets forth the total interest expense recognized related to the 2023 Notes:

	Three Months Ended January 31,		Six Months Ended January 31,	
	2023	2024	2023	2024
	(in thousands)			
Interest expense related to amortization of debt issuance costs	$ 99	$ —	$ 248	$ —

Note Hedges and Warrants

Concurrently with the offering of the 2023 Notes in January 2018, we entered into convertible note hedge transactions with certain bank counterparties, whereby we have the initial option to purchase a total of approximately 11.8 million shares of our Class A common stock at a conversion price of approximately $48.85 per share, subject to adjustment for certain specified events. The total cost of the convertible note hedge transactions was approximately $143.2 million. In addition, we sold warrants to certain bank counterparties, whereby the holders of the warrants have the initial option to purchase a total of approximately 11.8 million shares of our Class A common stock at a price of $73.46 per share, subject to adjustment for certain specified events. We received approximately $88.0 million in cash proceeds from the sale of these warrants.

In September 2021, in connection with the exchange and repurchase transactions described above, we terminated portions of the convertible note hedge transactions and warrant transactions previously entered into with certain financial institutions in connection with the issuance of the 2023 Notes. The net effect of these unwind transactions was a $21.5 million cash payment received, consisting of an $18.4 million payment for the warrant unwind and the receipt of $39.9 million from the hedge unwind. The amounts paid and received as part of the unwind transactions were recorded to additional paid-in capital within the condensed consolidated balance sheet.

In January 2023, the convertible note hedges and warrant transactions expired concurrently with the expiration of the 2023 Notes. No settlement is required as the stock has remained below the strike price throughout the unwind settlement averaging period.

2026 Notes

In September 2020, we issued $750.0 million in aggregate principal amount of the 2026 Notes to BCPE Nucleon (DE) SPV, LP, an entity affiliated with Bain Capital, LP ("Bain"). The total net proceeds from this offering were approximately $723.7 million, after deducting $26.3 million of debt issuance costs.

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The 2026 Notes bear interest at a rate of 2.50% per annum, with such interest to be paid in kind ("PIK") on the 2026 Notes held by Bain through an increase in the principal amount of the 2026 Notes, and paid in cash on any 2026 Notes transferred to entities that are not affiliated with Bain. Interest on the 2026 Notes has accrued from the date of issuance, September 24, 2020, and is added to the principal amount, in the case of the 2026 Notes held by Bain, or paid in cash, in the case of the 2026 Notes held by entities that are not affiliated with Bain, as applicable, on a semi-annual basis (on March 15 and September 15 of each year). The 2026 Notes mature on September 15, 2026, subject to earlier conversion, redemption or repurchase.

The 2026 Notes are convertible at an initial conversion rate of 36.036 shares of Class A common stock per $1,000 principal amount of the 2026 Notes, which is equal to an initial conversion price of $27.75 per share, subject to customary anti-dilution and other adjustments, including in connection with any make-whole adjustments as a result of certain extraordinary transactions. In September 2021, the one-year anniversary of the issuance of the 2026 Notes, the conversion price was subject to a one-time adjustment, based on the level of achievement of certain financial milestones and as a result, the conversion price became fixed at $27.75 per share. For each $1,000 principal amount of 2026 Notes a holder elects to convert, we have initially elected to pay cash with respect to the first $1,000 of conversion value and deliver shares of Class A common stock with respect to any conversion value in excess of $1,000. Pursuant to the indenture governing the 2026 Notes, we may elect to change such default settlement method with respect to any conversion of 2026 Notes held by Bain by delivering written notice to Bain at least five trading days prior to the effective time of such settlement election. Additionally, if Bain elects to convert any 2026 Notes it holds upon our delivery of a notice of redemption, Bain will have the right to elect whether such conversion is settled in cash, shares of our Class A common stock or a combination thereof.

On or after September 15, 2025, the 2026 Notes will be redeemable by us, at our option, in the event that the closing sale price of our Class A common stock has been at least 150% of the conversion price then in effect for at least 20 trading days (whether or not consecutive) during any consecutive 30 trading day period (including the last trading day of such period) ending on, and including, the trading day immediately preceding the date on which we provide the redemption notice, for cash, at a redemption price of 100% of the principal amount of such 2026 Notes, plus any accrued and unpaid interest to, but excluding, the redemption date.

Holders who convert their 2026 Notes in connection with certain corporate events that constitute a "make-whole fundamental change" (as defined in the indenture governing the 2026 Notes) are, under certain circumstances, entitled to an increase in the conversion rate. In addition, if we undergo a "fundamental change" (as defined in the indenture governing the 2026 Notes) prior to the maturity date, holders of the 2026 Notes may require us to repurchase for cash all or a portion of their 2026 Notes at a repurchase price equal to 100% of the principal amount of the repurchased 2026 Notes, plus accrued and unpaid interest thereon.

In accordance with accounting guidance on embedded conversion features, we valued and bifurcated the conversion option associated with the 2026 Notes from the respective host debt instrument, which is treated as a debt discount, and initially recorded the conversion option of $230.9 million as a derivative liability in our condensed consolidated balance sheet, with the corresponding amount recorded as a discount to the 2026 Notes to be amortized over the term of the 2026 Notes using the effective interest method.

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The 2026 Notes consisted of the following:

	As of	
	July 31, 2023	January 31, 2024
	(in thousands)	
Principal amounts:		
Principal	$ 750,000	$ 750,000
Non-cash interest expense converted to principal	47,569	57,539
Unamortized debt discount (conversion feature) [(1)]	(132,769)	(113,446)
Unamortized debt issuance costs [(1)]	(15,170)	(12,962)
Net carrying amount	$ 649,630	$ 681,131

(1) Included in the condensed consolidated balance sheets within convertible senior notes, net and amortized over the remaining life of the 2026 Notes using the effective interest rate method. The effective interest rate is 7.05%.

As of January 31, 2024, the remaining life of the 2026 Notes was approximately 2.6 years.

The following table sets forth the total interest expense recognized related to the 2026 Notes:

	Three Months Ended January 31,		Six Months Ended January 31,	
	2023	2024	2023	2024
	(in thousands)			
Interest expense related to amortization of debt discount	$ 9,085	$ 9,747	$ 18,012	$ 19,324
Interest expense related to amortization of debt issuance costs	1,038	1,114	2,058	2,208
Non-cash interest expense	4,923	5,047	9,817	10,064
Total interest expense	$ 15,046	$ 15,908	$ 29,887	$ 31,596

Non-cash interest expense is related to the 2.5% PIK interest that we accrued from the issuance of the 2026 Notes through January 31, 2024 and was recognized within other expense, net in the condensed consolidated statement of operations and other liabilities–non-current in the condensed consolidated balance sheet. The accrued PIK interest will be converted to the principal balance of the 2026 Notes at each payment date and will be convertible to shares of our Class A common stock at maturity or when converted.

Upon the conversion price of the 2026 Notes becoming fixed, subject to customary anti-dilution and other adjustments, in September 2021, the embedded conversion option for the 2026 Notes no longer required bifurcation because the conversion features are now considered indexed to our own equity and meet the equity classification conditions. The carrying amount of the derivative liability of $698.2 million as of that date was reclassified to additional paid-in capital within the condensed consolidated balance sheet. The remaining debt discount that arose from the original bifurcation continues to be amortized over the term of the 2026 Notes.

2027 Notes

In September 2021, we issued $575 million in aggregate principal amount of 0.25% convertible senior notes due 2027 consisting of (i) approximately $477.3 million principal amount of 2027 Notes in exchange for approximately $416.5 million principal amount of the 2023 Notes (the "Exchange Transactions") and (ii) approximately $97.7 million principal amount of 2027 Notes for cash (the "Subscription Transactions"). We did not receive any cash proceeds from the Exchange Transactions. The net cash proceeds from the Subscription Transactions were approximately $88.4 million after deducting the offering expenses for both the Exchange Transactions and the Subscription Transactions. We used (i) approximately $14.7 million of the net cash proceeds from the Subscription Transactions to repurchase approximately $12.8 million principal amount of the 2023 Notes and (ii) approximately $58.5 million of the net cash proceeds from the Subscription Transactions to repurchase approximately 1.4 million shares of our Class A common stock.

The 2027 Notes bear interest at a rate of 0.25% per annum, and pay interest semi-annually in arrears on each April 1 and October 1. The 2027 Notes will mature on October 1, 2027, unless earlier converted, redeemed or repurchased.

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The 2027 Notes are convertible into cash, shares of our Class A common stock, or a combination of cash and shares of Class A common stock, at our election. Each $1,000 of principal of the 2027 Notes is initially convertible into 17.3192 shares of our Class A common stock, which is equivalent to an initial conversion price of approximately $57.74 per share, subject to customary anti-dilution adjustments. Holders of these 2027 Notes may convert their 2027 Notes at their option at any time prior to the close of the business day immediately preceding July 1, 2027, only under the following circumstances:

(1) during any fiscal quarter, and only during such fiscal quarter, if the closing price of our common stock for at least 20 trading days in a period of 30 consecutive trading days ending on, and including, the last trading day of the preceding fiscal quarter is greater than or equal to 130% of the then applicable conversion price for the Notes per share of common stock;

(2) during the five business day period after any consecutive five trading day period in which, for each trading day of that period, the trading price per $1,000 principal amount of 2027 Notes for such trading day was less than 98% of the product of the closing price of our common stock and the then applicable conversion rate on each such trading day;

(3) if we call the 2027 Notes for redemption, at any time prior to the close of business on the second scheduled trading day immediately preceding the redemption date; or

(4) upon the occurrence of certain specified corporate events.

Upon conversion of the 2027 Notes, we will pay or deliver, as the case may be, cash, shares of our Class A common stock or a combination of cash and shares of Class A common stock, at our election. We intend to settle the principal of the 2027 Notes in cash.

The conversion rate will be subject to adjustment in certain events, but will not be adjusted for any accrued or unpaid interest. Holders who convert their 2027 Notes in connection with certain corporate events that constitute a "make-whole fundamental change" (as defined in the indenture governing the 2027 Notes) are, under certain circumstances, entitled to an increase in the conversion rate. In addition, if we undergo a "fundamental change" (as defined in the indenture governing the 2027 Notes) prior to the maturity date, holders of the 2027 Notes may require us to repurchase for cash all or a portion of their 2027 Notes at a repurchase price equal to 100% of the principal amount of the repurchased 2027 Notes, plus accrued and unpaid interest thereon.

In accounting for the exchange of convertible notes, we evaluated whether the transaction should be treated as a modification or extinguishment transaction. The partial exchange of the 2023 Notes and issuance of the 2027 Notes were deemed to have substantially different terms due to the significant difference between the value of the conversion option immediately prior to and after the exchange, and consequently, the 2023 Notes partial exchange was accounted for as a debt extinguishment. The $64.9 million difference between the total reacquisition price paid and the net carrying amount of the 2023 Notes was recognized as a debt extinguishment loss within other expense, net in the condensed consolidated statement of operations.

The 2027 Notes consisted of the following:

	As of	
	July 31, 2023	**January 31, 2024**
	(in thousands)	
Principal amounts:		
Principal	$ 575,000	$ 575,000
Unamortized debt issuance costs [1]	(6,465)	(5,697)
Net carrying amount	$ 568,535	$ 569,303

(1) Included in the condensed consolidated balance sheets within convertible senior notes, net and amortized over the remaining life of the 2027 Notes using the effective interest rate method. The effective interest rate is 0.52%.

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As of January 31, 2024, the remaining life of the 2027 Notes was approximately 3.7 years.

The following table sets forth the total interest expense recognized related to the 2027 Notes:

	Three Months Ended January 31,		Six Months Ended January 31,	
	2023	2024	2023	2024
	(in thousands)			
Contractual interest expense	$ 359	$ 359	$ 718	$ 634
Interest expense related to amortization of debt issuance costs	382	384	764	768
Total interest expense	$ 741	$ 743	$ 1,482	$ 1,402

NOTE 6. LEASES

We have operating leases for offices, research and development facilities and datacenters and finance leases for certain datacenter equipment. Our leases have remaining lease terms of one year to approximately six years, some of which include options to renew or terminate. We do not include renewal options in the lease terms for calculating our lease liability, as we are not reasonably certain that we will exercise these renewal options at the time of the lease commencement. Our lease agreements do not contain any residual value guarantees or restrictive covenants.

Total operating lease cost was $11.2 million and $21.9 million for the three and six months ended January 31, 2023, respectively, and $10.0 million and $19.5 million for the three and six months ended January 31, 2024, respectively, excluding short-term lease costs, variable lease costs and sublease income, each of which were not material. Variable lease costs primarily include common area maintenance charges. Total finance lease cost was $1.1 million and $1.8 million for the three and six months ended January 31, 2023, respectively, and $1.2 million and $2.3 million for the three and six months ended January 31, 2024, respectively.

During the six months ended January 31, 2023, we signed agreements to early exit certain office spaces in the United States and the Netherlands. The reductions in the lease terms resulted in decreases to the carrying amounts of the operating lease liabilities and the operating lease right-of-use assets on our condensed consolidated balance sheet as of January 31, 2023. In addition, we recorded $0.8 million and $1.7 million of expense in our condensed consolidated statements of operations for the three and six months ended January 31, 2023, respectively.

Supplemental balance sheet information related to our leases is as follows:

	As of	
	July 31, 2023	January 31, 2024
	(in thousands)	
Operating leases:		
Operating lease right-of-use assets, gross	$ 181,226	$ 180,347
Accumulated amortization	(87,672)	(83,040)
Operating lease right-of-use assets, net	$ 93,554	$ 97,307
Operating lease liabilities—current	$ 29,567	$ 29,151
Operating lease liabilities—non-current	68,940	73,720
Total operating lease liabilities	$ 98,507	$ 102,871
Weighted average remaining lease term (in years):	5.0	4.8
Weighted average discount rate:	6.1 %	6.4 %

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NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)
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	As of	
	July 31, 2023	January 31, 2024
	(in thousands)	
Finance leases:		
Finance lease right-of-use assets, gross [(1)]	$ 18,279	$ 18,964
Accumulated amortization [(1)]	(5,558)	(7,421)
Finance lease right-of-use assets, net [(1)]	$ 12,721	$ 11,543
Finance lease liabilities—current [(2)]	$ 3,518	$ 3,755
Finance lease liabilities—non-current [(3)]	9,722	8,412
Total finance lease liabilities	$ 13,240	$ 12,167
Weighted average remaining lease term (in years):	3.7	3.3
Weighted average discount rate:	6.8 %	6.9 %

(1) Included in the condensed consolidated balance sheets within property and equipment, net.
(2) Included in the condensed consolidated balance sheets within accrued expenses and other current liabilities.
(3) Included in the condensed consolidated balance sheets within other liabilities—non-current.

Supplemental cash flow and other information related to our leases is as follows:

	Three Months Ended January 31,		Six Months Ended January 31,	
	2023	2024	2023	2024
	(in thousands)			
Cash paid for amounts included in the measurement of lease liabilities:				
Operating cash flows from operating leases	$ 11,914	$ 9,921	$ 23,763	$ 20,038
Operating cash flows from finance leases	$ —	$ 221	$ —	$ 442
Financing cash flows from finance leases	$ 488	$ 870	$ 2,344	$ 1,729
Lease liabilities arising from obtaining right-of-use assets:				
Operating leases	$ 4,625	$ 9,185	$ 5,971	$ 19,805
Finance leases	$ 1,543	$ 685	$ 1,543	$ 685

The undiscounted cash flows for our lease liabilities as of January 31, 2024 were as follows:

Fiscal Year Ending July 31:	Operating Leases	Finance Leases	Total
		(in thousands)	
2024 (remaining six months)	$ 18,712	$ 2,242	$ 20,954
2025	24,559	4,484	29,043
2026	19,007	3,781	22,788
2027	16,978	2,072	19,050
2028	16,808	1,084	17,892
Thereafter	25,150	41	25,191
Total lease payments	121,214	13,704	134,918
Less: imputed interest	(18,343)	(1,537)	(19,880)
Total lease obligation	102,871	12,167	115,038
Less: current lease obligations	(29,151)	(3,755)	(32,906)
Long-term lease obligations	$ 73,720	$ 8,412	$ 82,132

As of January 31, 2024, we did not have any additional operating lease commitments for office leases that have not yet commenced.

NOTE 7. COMMITMENTS AND CONTINGENCIES

Purchase Commitments

In the normal course of business, we make commitments with our contract manufacturers to ensure them a minimum level of financial consideration for their investment in our joint solutions. These commitments are based on performance targets or on-hand inventory and non-cancelable purchase orders for non-standard components. We record a charge related to these items when we determine that it is probable a loss will be incurred and we are able to estimate the amount of the loss. Our historical charges have not been material. As of January 31, 2024, we had up to approximately $75.5 million of non-cancelable purchase obligations and other commitments pertaining to our daily business operations, and up to approximately $44.7 million in the form of guarantees to certain of our contract manufacturers.

Legal Proceedings

In February 2023, we settled the two previously disclosed securities class actions that were brought on behalf of persons or entities who purchased or otherwise acquired our securities and/or transacted in publicly traded call options and/or put options on our stock between November 30, 2017 and May 30, 2019. The total settlement amount was $71.0 million, which was accrued as of July 31, 2023 and included within accrued expenses and other current liabilities on our condensed consolidated balance sheet. In June 2023, $31.1 million of the settlement funds were deposited in escrow and were included within prepaid expenses and other current assets on our condensed consolidated balance sheet as of July 31, 2023. In October 2023, the court granted final approval of the settlement and the funds were subsequently released from escrow and paid out to the plaintiffs. The settlement accrual was partially offset by a receivable of $39.9 million for amounts recoverable under our applicable insurance policies, which was included within prepaid expenses and other current assets on our condensed consolidated balance sheet as of July 31, 2023. During the fiscal year ended July 31, 2023, we recorded charges of $38.7 million for the settlement and applicable legal fees, net of our insurance receivable.

In September 2023, we settled the previously disclosed securities class action that was brought on behalf of a putative class consisting of persons or entities who purchased or otherwise acquired our securities between September 21, 2021 and March 6, 2023. The settlement payment was not material. In November 2023, the court dismissed the securities class action pursuant to the settlement agreement with prejudice as to the lead plaintiff and without prejudice as to the other members of the putative class. In addition, in December 2023, the plaintiff in the related previously disclosed stockholder derivative action voluntarily dismissed the action.

We are not currently a party to any legal proceedings that we believe to be material to our business or financial condition. From time to time, we may become party to various litigation matters and subject to claims that arise in the ordinary course of business.

NOTE 8. STOCKHOLDERS’ EQUITY

We have one class of outstanding common stock consisting of Class A common stock. As of January 31, 2024, we had 1.0 billion shares of Class A common stock authorized, with a par value of $0.000025 per share. As of January 31, 2024, we had 244.7 million shares of Class A common stock issued and outstanding.

Holders of Class A common stock are entitled to one vote for each share of Class A common stock held on all matters submitted to a vote of stockholders.

Share Repurchases

In August 2023, our Board of Directors authorized the repurchase of up to $350.0 million of our Class A common stock. Repurchases may be made from time to time through open market purchases or through privately negotiated transactions subject to market conditions, applicable legal requirements and other relevant factors. The repurchase program does not obligate us to acquire any particular amount of our common stock, and may be suspended at any time at our discretion. During the three and six months ended January 31, 2024, we repurchased 0.9 million and 1.4 million shares, respectively, of Class A common stock in open market transactions at a weighted average price of $44.61 and $41.80 per share, respectively, for an aggregate purchase price of $41.7 million and $59.2 million, respectively. As of January 31, 2024, $290.8 million remained available for future share repurchases.

NOTE 9. EQUITY INCENTIVE PLANS

Stock Plans

We have one active equity incentive plan, the 2016 Equity Incentive Plan (the "2016 Plan"), and two inactive equity incentive plans, the 2010 Stock Plan ("2010 Plan") and the 2011 Stock Plan ("2011 Plan"). Our stockholders approved the 2016 Plan in March 2016 and it became effective in connection with our initial public offering ("IPO"). As a result, at the time of the IPO, we ceased granting additional stock awards under the 2010 Plan and 2011 Plan and both plans were terminated. Any outstanding stock awards under the 2010 Plan and 2011 Plan remain outstanding, subject to the terms of the applicable plan and award agreements, until such shares are issued under those stock awards, by exercise of stock options or settlement of restricted stock units ("RSUs"), or until those stock awards become vested or expired by their terms.

Under the 2016 Plan, we may grant incentive stock options, non-statutory stock options, restricted stock, restricted stock units ("RSUs"), and stock appreciation rights to employees, directors and consultants. We initially reserved 22.4 million shares of our Class A common stock for issuance under the 2016 Plan. The number of shares of Class A common stock available for issuance under the 2016 Plan also includes an annual increase on the first day of each fiscal year, beginning in fiscal 2018, equal to the lesser of: 18.0 million shares, 5% of the outstanding shares of all classes of common stock as of the last day of our immediately preceding fiscal year, or such other amount as may be determined by the Board. Accordingly, on August 1, 2022 and 2023, the number of shares of Class A common stock available for issuance under the 2016 Plan increased by 11.3 million and 12.0 million shares, respectively, pursuant to these provisions. As of January 31, 2024, we had reserved a total of 46.0 million shares for the issuance of equity awards under the Stock Plans, of which 17.4 million shares were still available for grant.

Restricted Stock Units

RSUs settle into shares of Class A common stock upon vesting. During the second quarter of fiscal 2024, we began funding withholding taxes due on the vesting of employee RSUs by net share settlement, rather than our previous approach of selling shares of Class A common stock to cover taxes upon vesting of such awards. The payment of the withheld taxes to the tax authorities is reflected as a financing activity within the condensed consolidated statements of cash flows.

Performance RSUs

We have historically granted RSUs that have both service and performance conditions to our executives and employees ("Performance RSUs"). Vesting of Performance RSUs is subject to continuous service and the satisfaction of certain performance targets. While we recognize cumulative stock-based compensation expense for the portion of the awards for which both the service condition has been satisfied and it is probable that the performance conditions will be met, the actual vesting and settlement of Performance RSUs are subject to the performance conditions actually being met.

In January 2024, the Compensation Committee of our Board of Directors approved the grant of approximately 0.3 million RSUs subject to certain performance conditions ("PRSUs") to our President and CEO. These PRSUs have a grant date fair value of $45.86 and will vest up to 200% based on achievement of specified annual recurring revenue and free cash flow hurdles over a performance period of approximately 3.6 years, subject to his continuous service as CEO through the vesting date.

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NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)
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Market Stock Units

In connection with his hiring, in December 2020, the Compensation Committee of our Board of Directors approved the grant of 0.7 million RSUs subject to certain market conditions ("MSUs") to our President and CEO. These MSUs have a weighted average grant date fair value per unit of $35.69 and will vest up to 133% based upon the achievement of certain stock price targets over a performance period of approximately 4.0 years, subject to his continuous service on each vesting date.

In October 2021, August 2022, and August 2023, the Compensation Committee of our Board of Directors approved the grant of approximately 0.4 million, 1.3 million, and 0.8 million MSUs, respectively, to certain of our executives. These MSUs have a weighted average grant date fair value per unit of approximately $46.20, $27.89, and $47.09, respectively, and will vest up to 200% of the target number of MSUs based upon our total shareholder return relative to the total shareholder return of companies in the Nasdaq Composite Index over a performance period of approximately 2.8 years, 2.9 years, and 2.9 years, respectively, subject to continuous service on each vesting date. Additional MSUs have been granted with similar terms, but were not material.

In January 2024, the Compensation Committee of our Board of Directors approved the grant of approximately 0.2 million MSUs to our President and CEO. These MSUs have a weighted average grant date fair value of $62.85 and will vest up to 200% based on achievement of specified stock price hurdles at any time during a performance period of approximately 3.6 years, subject to his continuous service as CEO through the vesting date.

We used Monte Carlo simulations to calculate the fair value of these awards on the grant date, or modification date, as applicable. A Monte Carlo simulation requires the use of various assumptions, including the stock price volatility and risk-free interest rate as of the valuation date corresponding to the length of time remaining in the performance period and expected dividend yield. We recognize stock-based compensation expense related to these MSUs using the graded vesting attribution method over the respective service periods. As of January 31, 2024, approximately 2.7 million MSUs remained outstanding.

Below is a summary of RSU activity, including PRSUs and MSUs, under the Stock Plans:

	Number of Shares	Weighted Average Grant Date Fair Value per Share
	(in thousands)	
Outstanding at July 31, 2023	24,774	$ 24.46
Granted	10,521	$ 34.48
Released	(6,527)	$ 25.32
Forfeited	(743)	$ 25.29
Outstanding at January 31, 2024	28,025	$ 28.00

Stock Options

We did not grant any stock options during the six months ended January 31, 2024. A total of 0.4 million stock options were exercised during the six months ended January 31, 2024, with a weighted average exercise price per share of $4.41. As of January 31, 2024, 0.6 million stock options, with a weighted average exercise price of $8.57 per share, a weighted average remaining contractual life of 0.9 years and an aggregate intrinsic value of $29.1 million, remained outstanding.

Employee Stock Purchase Plan

In December 2015, the Board adopted the 2016 Employee Stock Purchase Plan, which was subsequently amended in January 2016 and September 2016 and approved by our stockholders in March 2016 (the "Original 2016 ESPP"). The Original 2016 ESPP became effective in connection with our IPO. Our stockholders subsequently approved amendments to the Original 2016 ESPP in December 2019 and December 2022 (as amended, the "2016 ESPP"). Under the 2016 ESPP, the maximum number of shares of Class A common stock available for sale is 13.8 million shares.

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NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)
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The 2016 ESPP allows eligible employees to purchase shares of our Class A common stock at a discount through payroll deductions of up to 15% of eligible compensation, subject to caps of $25,000 in any calendar year and 1,000 shares on any purchase date. The 2016 ESPP provides for 12-month offering periods, generally beginning in March and September of each year, and each offering period consists of two six-month purchase periods.

On each purchase date, participating employees will purchase Class A common stock at a price per share equal to 85% of the lesser of the fair market value of our Class A common stock on (i) the first trading day of the applicable offering period or (ii) the last trading day of each purchase period in the applicable offering period. If the stock price of our Class A common stock on any purchase date in an offering period is lower than the stock price on the enrollment date of that offering period, the offering period will immediately reset after the purchase of shares on such purchase date and automatically roll into a new offering period.

During the six months ended January 31, 2024, 0.7 million shares of common stock were purchased under the 2016 ESPP for an aggregate amount of $13.2 million. As of January 31, 2024, 12.0 million shares were available for future issuance under the 2016 ESPP.

We use the Black-Scholes option pricing model to determine the fair value of shares purchased under the 2016 ESPP with the following weighted average assumptions on the date of grant:

	Six Months Ended January 31,	
	2023	2024
Expected term (in years)	0.86	0.79
Risk-free interest rate	4.0 %	5.1 %
Volatility	64.3 %	48.4 %
Dividend yield	— %	— %

Stock-Based Compensation

Total stock-based compensation expense recognized in the condensed consolidated statements of operations is as follows:

	Three Months Ended January 31,		Six Months Ended January 31,	
	2023	2024	2023	2024
	(in thousands)			
Cost of revenue:				
Product	$ 2,113	$ 1,697	$ 4,272	$ 3,625
Support, entitlements and other services	8,172	7,183	13,518	14,299
Sales and marketing	23,570	20,738	44,042	42,209
Research and development	36,491	40,541	75,113	78,945
General and administrative	14,944	15,810	29,300	30,889
Total stock-based compensation expense	$ 85,290	$ 85,969	$ 166,245	$ 169,967

As of January 31, 2024, unrecognized stock-based compensation expense related to outstanding stock awards was approximately $711.6 million and is expected to be recognized over a weighted average period of approximately 2.6 years.

NOTE 10. INCOME TAXES

The income tax provisions of $4.2 million and $9.6 million for the three and six months ended January 31, 2023, respectively, and $6.3 million and $11.2 million for the three and six months ended January 31, 2024, respectively, primarily consisted of foreign taxes on our international operations and U.S. state income taxes. We continue to maintain a full valuation allowance for our U.S. Federal and state deferred tax assets and a partial valuation allowance related to certain foreign net operating losses.

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NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)
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NOTE 11. RESTRUCTURING CHARGES

In August 2022, we announced a plan to reduce our global headcount by approximately 270 employees, which represented approximately 4% of our total employees, following a review of our business structure and after taking other cost-cutting measures to reduce expenses. This headcount reduction was part of our efforts to drive toward profitable growth.

As of January 31, 2024, we recognized total restructuring charges of approximately $16.3 million, which consisted primarily of one-time severance and other termination benefit costs directly related to this reduction in force. Of the approximately $16.3 million recognized, $0.4 million is included within support, entitlements and other services cost of revenue, $13.4 million is included within sales and marketing expense, $2.3 million is included within research and development expense, and $0.2 million is included within general and administrative expense on our condensed consolidated statements of operations.

During the six months ended January 31, 2023, we recognized restructuring charges of $5.3 million and made cash payments of $15.8 million. During the six months ended January 31, 2024, we did not incur any charges and made cash payments of $0.3 million. As of January 31, 2024, our remaining restructuring liability, included within accrued compensation and benefits in our condensed consolidated balance sheet, was not material. We do not expect to record any material future charges related to this reduction in force.

NOTE 12. NET INCOME (LOSS) PER SHARE

Basic net income (loss) per share is computed using the weighted average number of common shares outstanding during the period. Diluted net income (loss) per share is computed by giving effect to potentially dilutive common stock equivalents outstanding during the period, as their effect would be dilutive. Potentially dilutive common shares include shares issuable upon the exercise of stock options, the vesting of RSUs, and each purchase under the 2016 ESPP, and common stock issuable upon the conversion of convertible debt under the if-converted method.

In loss periods, basic net loss per share and diluted net loss per share are the same, as the effect of potential common shares is antidilutive and therefore excluded.

The computation of basic and diluted net income (loss) per share attributable to common stockholders is as follows:

	Three Months Ended January 31,		Six Months Ended January 31,	
	2023	2024	2023	2024
	(in thousands, except per share data)			
Numerator:				
Net (loss) income	$ (70,790)	$ 32,795	$ (170,304)	$ 16,942
Add: Interest expense related to convertible senior notes, net of tax	—	4,271	—	$ 8,451
Diluted net (loss) income	$ (70,790)	$ 37,066	$ (170,304)	$ 25,393
Denominator:				
Weighted average shares, basic	231,924	243,853	230,229	242,667
Add: Dilutive effect of common stock equivalents	—	54,687	—	52,183
Weighted average shares, diluted	231,924	298,540	230,229	294,851
Net (loss) income per share attributable to common stockholders, basic	$ (0.31)	$ 0.13	$ (0.74)	$ 0.07
Net (loss) income per share attributable to common stockholders, diluted	$ (0.31)	$ 0.12	$ (0.74)	$ 0.09

The following weighted-average shares of common stock were excluded from the computation of diluted net (loss) income per share for the periods presented, as their effect would have been antidilutive:

	Six Months Ended January 31,	
	2023	2024
	(in thousands)	
Outstanding stock options and RSUs	30,841	536
Employee stock purchase plan	2,933	—
Common stock issuable upon the conversion of the Notes	36,986	—
Total	70,760	536

Shares that will be issued in connection with our stock awards and shares that will be purchased under the employee stock purchase plan are generally automatically converted into shares of our Class A common stock. Common stock issuable upon the conversion of convertible debt represents the antidilutive impact of the 2023 Notes, 2026 Notes and 2027 Notes under the if-converted method.

NOTE 13. SEGMENT INFORMATION

Our chief operating decision maker is a group which is comprised of our Chief Executive Officer and Chief Financial Officer. This group reviews financial information presented on a consolidated basis for purposes of allocating resources and evaluating financial performance. Accordingly, we have a single reportable segment.

The following table sets forth revenue by geographic location based on bill-to location:

	Three Months Ended January 31,		Six Months Ended January 31,	
	2023	2024	2023	2024
	(in thousands)			
U.S.	$ 275,407	$ 308,674	$ 531,137	$ 598,948
Europe, the Middle East and Africa	121,564	151,917	221,817	276,501
Asia Pacific	79,202	93,149	148,305	176,261
Other Americas	10,322	11,493	18,845	24,577
Total revenue	$ 486,495	$ 565,233	$ 920,104	$ 1,076,287

The following table sets forth long-lived assets, which primarily include property and equipment, net, by geographic location:

	As of	
	July 31, 2023	January 31, 2024
	(in thousands)	
United States	$ 78,404	$ 82,222
International	33,461	33,002
Total long-lived assets	$ 111,865	$ 115,224

Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis of our financial condition, results of operations and cash flows should be read in conjunction with (1) the unaudited condensed consolidated financial statements and the related notes thereto included elsewhere in this Quarterly Report on Form 10-Q and (2) the audited consolidated financial statements and notes thereto and "Management’s Discussion and Analysis of Financial Condition and Results of Operations" included in our Annual Report on Form 10-K for the fiscal year ended July 31, 2023 filed on September 21, 2023. The last day of our fiscal year is July 31. Our fiscal quarters end on October 31, January 31, April 30 and July 31. This discussion contains forward-looking statements based upon current expectations that involve risks and uncertainties. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of various factors, including those set forth under the heading "Risk Factors" in Part I, Item 1A of our Annual Report on Form 10-K for the fiscal year ended July 31, 2023 and in Part II, Item 1A of this Quarterly Report on Form 10-Q. See also "Special Note Regarding Forward-Looking Statements" above.

Overview

Nutanix, Inc. ("we," "us," "our" or "Nutanix") provides a leading enterprise cloud platform, which we call the Nutanix Cloud Platform, that consists of software solutions and cloud services that power our customers’ enterprise infrastructure. Our solutions deliver a consistent cloud operating model across edge, private-, hybrid- and multicloud environments for all applications and their data. Our solutions allow organizations to simply run and move their workloads, including enterprise applications, high-performance databases, end-user computing and virtual desktop infrastructure services, modern applications, analytics applications, and artificial intelligence ("AI") workloads, including machine learning ("ML") and generative AI workloads, between on-premises and public clouds. Our goal is to provide a single, simple, open software platform for all hybrid and multicloud applications and their data. We operate a subscription-based business model to provide our customers with the flexibility to choose the licensing that works best for them based on their specific business needs.

The Nutanix Cloud Platform can be deployed on-premises in data centers or at the edge, running on a variety of qualified hardware platforms, in popular public cloud environments such as AWS and Microsoft Azure through Nutanix Cloud Clusters, or, in the case of our cloud-based software and software-as-a-service ("SaaS") offerings, via hosted service. Our subscription term-based licenses are sold separately, or can also be sold alongside configured-to-order servers. Our subscription term-based licenses typically have terms ranging from one to five years. Our cloud-based SaaS subscriptions have terms extending up to five years. Configured-to-order servers, including our Nutanix-branded NX hardware line, can be purchased from one of our channel partners, original equipment manufacturers ("OEMs") or, in limited cases, directly from Nutanix.

Our enterprise cloud platform typically includes one or more years of support and entitlements, which provides customers with the right to software upgrades and enhancements as well as technical support. Purchases of term-based licenses and SaaS subscriptions have support and entitlements included within the subscription fees and are not sold separately. Purchases of non-portable software are typically accompanied by the purchase of separate support and entitlements.

We had a broad and diverse base of over 25,000 end customers as of January 31, 2024, including approximately 1,030 Global 2000 enterprises. We define the number of end customers as the number of end customers for which we have received an order by the last day of the period, excluding partners to which we have sold products for their own demonstration purposes. A single organization or customer may represent multiple end customers for separate divisions, segments or subsidiaries, and the total number of end customers may contract due to mergers, acquisitions, or other consolidation among existing end customers.

Our solutions are primarily sold through channel partners and OEMs, and delivered directly to our end customers. Our solutions serve a broad range of workloads, including enterprise applications, databases, virtual desktop infrastructure, unified communications, big data analytics, and AI workloads, including ML and generative AI workloads, and we support both virtualized and container-based applications. We have end customers across a broad range of industries, such as automotive, consumer goods, education, energy, financial services, healthcare, manufacturing, media, public sector, retail, technology and telecommunications. We also sell to service providers, who utilize our enterprise cloud platform to provide a variety of cloud-based services to their customers.

We continue to invest in the growth of our business over the long-run, including the development of our solutions and investing in sales and marketing to capitalize on our market opportunities, while improving our operating cash flow performance by focusing on go-to-market efficiencies. By maintaining this balance, we believe we can sustain profitable growth. As discussed further in the "Factors Affecting Our Performance" section below, as part of our overall efforts to improve our operating cash flow performance, we have proactively taken steps to manage our expenses. As a result, our overall spending on such efforts will fluctuate, and may decline, from quarter to quarter in the near-term.

As initially disclosed in May 2023, in connection with our Audit Committee’s previously completed investigation, we had identified control deficiencies that, individually or in the aggregate, constitute a material weakness in our internal control over financial reporting. For more information about our remediation efforts to address the material weakness, refer to Part I, Item 4 of this Quarterly Report on Form 10-Q.

Key Financial and Performance Metrics

We monitor the following key financial and performance metrics:

	As of and for the			
	Three Months Ended January 31,		Six Months Ended January 31,	
	2023	2024	2023	2024
	(in thousands, except percentages and end customer count)			
Total revenue	$ 486,495	$ 565,233	$ 920,104	$ 1,076,287
Year-over-year percentage increase	17.8 %	16.2 %	16.2 %	17.0 %
Total billings	$ 529,097	$ 616,483	$ 998,827	$ 1,177,616
Annual contract value ("ACV") billings	$ 267,622	$ 329,481	$ 483,142	$ 598,407
Annual recurring revenue ("ARR")	$ 1,377,713	$ 1,737,364	$ 1,377,713	$ 1,737,364
Gross profit	$ 399,690	$ 483,677	$ 750,804	$ 912,772
Non-GAAP gross profit	$ 412,471	$ 493,306	$ 774,165	$ 932,556
Gross margin	82.2 %	85.6 %	81.6 %	84.8 %
Non-GAAP gross margin	84.8 %	87.3 %	84.1 %	86.6 %
Operating expenses	$ 456,198	$ 446,632	$ 887,967	$ 881,433
Non-GAAP operating expenses	$ 342,483	$ 369,428	$ 693,981	$ 729,192
Operating (loss) income	$ (56,508)	$ 37,045	$ (137,163)	$ 31,339
Non-GAAP operating income	$ 69,988	$ 123,878	$ 80,184	$ 203,364
Operating margin	(11.6)%	6.6 %	(14.9)%	2.9 %
Non-GAAP operating margin	14.4 %	21.9 %	8.7 %	18.9 %
Net cash provided by operating activities	$ 74,084	$ 186,408	$ 139,597	$ 331,881
Free cash flow	$ 63,014	$ 162,644	$ 108,825	$ 295,097
Total end customers [1]	23,620	25,370	23,620	25,370

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

Disaggregation of Revenue and Billings

The following table depicts the disaggregation of revenue and billings by type, consistent with how we evaluate our financial performance:

	Three Months Ended January 31,		Six Months Ended January 31,	
	2023	2024	2023	2024
	(in thousands)			
Disaggregation of revenue:				
Subscription revenue	$ 450,948	$ 531,983	$ 853,872	$ 1,011,461
Professional services revenue	23,442	25,008	45,720	47,843
Other non-subscription product revenue [(1)]	12,105	8,242	20,512	16,983
Total revenue	$ 486,495	$ 565,233	$ 920,104	$ 1,076,287
Disaggregation of billings:				
Subscription billings	$ 494,363	$ 572,759	$ 935,793	$ 1,101,673
Professional services billings	22,629	35,482	42,522	58,960
Other non-subscription product billings [(1)]	12,105	8,242	20,512	16,983
Total billings	$ 529,097	$ 616,483	$ 998,827	$ 1,177,616

(1) Prior to fiscal 2024, disclosed as Non-portable software and Hardware, as described below. The prior period has been updated to conform with current period presentation.

Subscription revenue — Subscription revenue includes any performance obligation which has a defined term and is generated from the sales of software entitlement and support subscriptions, subscription software licenses and cloud-based SaaS offerings.

- Ratable — We recognize revenue from software entitlement and support subscriptions and SaaS offerings ratably over the contractual service period, the substantial majority of which relate to software entitlement and support subscriptions. These offerings represented approximately $224.2 million and $437.6 million of our subscription revenue for the three and six months ended January 31, 2023, respectively, and $252.6 million and $506.0 million of our subscription revenue for the three and six months ended January 31, 2024, respectively.
- Upfront — Revenue from our subscription software licenses is generally recognized upfront upon transfer of control to the customer, which happens when we make the software available to the customer. These subscription software licenses represented approximately $226.7 million and $416.3 million of our subscription revenue for the three and six months ended January 31, 2023, respectively, and $279.4 million and $505.5 million of our subscription revenue for the three and six months ended January 31, 2024, respectively.

Professional services revenue — We also sell professional services with our products. We recognize revenue related to professional services as they are performed.

Other non-subscription product revenue — Other non-subscription product revenue includes $10.9 million and $18.7 million of non-portable software revenue for the three and six months ended January 31, 2023, respectively, $7.0 million and $15.2 million of non-portable software revenue for the three and six months ended January 31, 2024, respectively, $1.2 million and $1.8 million of hardware revenue for the three and six months ended January 31, 2023, respectively, and $1.2 million and $1.8 million of hardware revenue for the three and six months ended January 31, 2024, respectively.

- Non-portable software revenue — Non-portable software revenue includes sales of our enterprise cloud platform when delivered on a configured-to-order server by us or one of our OEM partners. The software licenses associated with these sales are typically non-portable and can be used over the life of the server on which the software is delivered. Revenue from our non-portable software products is generally recognized upon transfer of control to the customer.
- Hardware revenue — In transactions where the hardware platform is purchased directly from Nutanix, we consider ourselves to be the principal in the transaction and we record revenue and costs of goods sold on a gross basis. We consider the amount allocated to hardware revenue to be equivalent to the cost of the hardware procured. Hardware revenue is generally recognized upon transfer of control to the customer.

Non-GAAP Financial Measures and Key Performance Measures

We regularly monitor total billings, ACV billings, ARR, non-GAAP gross profit, non-GAAP gross margin, non-GAAP operating expenses, non-GAAP operating income (loss), non-GAAP operating margin, free cash flow, and total end customers, which are non-GAAP financial measures and key performance measures, to help us evaluate our growth and operational efficiencies, measure our performance, identify trends in our sales activity and establish our budgets. We evaluate these measures because they:

- are used by management and the Board of Directors to understand and evaluate our performance and trends, as well as to provide a useful measure for period-to-period comparisons of our core business, particularly as we operate a subscription-based business model;
- are widely used as a measure of financial performance to understand and evaluate companies in our industry; and
- are used by management to prepare and approve our annual budget and to develop short-term and long-term operational and compensation plans, as well as to assess our actual performance against our goals.

Total billings is a performance measure which we believe provides useful information to our management and investors, as it represents the dollar value under binding purchase orders received and billed during a given period. 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 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. Non-GAAP gross profit, non-GAAP gross margin, non-GAAP operating expenses, non-GAAP operating income (loss), and non-GAAP operating margin are performance measures which we believe provide useful information to investors, as 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 management and investors about the amount of cash used in or generated by the business after necessary capital expenditures. 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.

Total billings, ACV billings, ARR, non-GAAP gross profit, non-GAAP gross margin, non-GAAP operating expenses, non-GAAP operating income (loss), non-GAAP operating margin, and free cash flow have limitations as analytical tools and they should not be considered in isolation or as substitutes for analysis of our results as reported under generally accepted accounting principles ("GAAP") in the United States. Total billings, non-GAAP gross profit, 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 total revenue, gross profit, 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 or ARR, so we have not reconciled either ACV billings or ARR numbers included in this Quarterly Report on Form 10-Q 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 and not to rely on any single financial measure to evaluate our business.

We calculate our non-GAAP financial and key performance measures as follows:

Total billings — We calculate total billings by taking the change in deferred revenue less the change in unbilled accounts receivable between the start and end of the period and adding that to total revenue recognized in the same period.

ACV billings — We calculate ACV billings as the sum of the ACV for all contracts billed during the period. ACV is defined as the total annualized value of a contract, excluding amounts related to professional services and hardware. We calculate the total annualized value for a contract 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.

ARR — We calculate ARR 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.

Non-GAAP gross profit and Non-GAAP gross margin — We calculate non-GAAP gross margin as non-GAAP gross profit divided by total revenue. We define non-GAAP gross profit as gross profit adjusted to exclude stock-based compensation expense, amortization of acquired intangible assets, restructuring charges, impairment of lease-related assets, and costs associated with other non-recurring transactions. Our presentation of non-GAAP gross profit and non-GAAP gross margin should not be construed as implying that our future results will not be affected by any recurring expenses or any unusual or non-recurring items that we exclude from our calculation of these non-GAAP financial measures.

Non-GAAP operating expenses — We define non-GAAP operating expenses as total operating expenses adjusted to exclude stock-based compensation expense, amortization of acquired intangible assets, restructuring charges, impairment of lease-related assets, litigation settlement accruals and legal fees related to certain litigation matters, and costs associated with other non-recurring transactions. Our presentation of non-GAAP operating expenses should not be construed as implying that our future results will not be affected by any recurring expenses or any unusual or non-recurring items that we exclude from our calculation of this non-GAAP financial measure.

Non-GAAP operating income (loss) and Non-GAAP operating margin — We calculate non-GAAP operating margin as non-GAAP operating income (loss) divided by total revenue. We define non-GAAP operating income (loss) as operating loss adjusted to exclude stock-based compensation expense, amortization of acquired intangible assets, restructuring charges, impairment of lease-related assets, litigation settlement accruals and legal fees related to certain litigation matters, and costs associated with other non-recurring transactions. Our presentation of non-GAAP operating income (loss) and non-GAAP operating margin should not be construed as implying that our future results will not be affected by any recurring expenses or any unusual or non-recurring items that we exclude from our calculation of these non-GAAP financial measures.

Free cash flow — We calculate free cash flow as net cash provided by (used in) operating activities less purchases of property and equipment, which measures our ability to generate cash from our business operations after our capital expenditures.

Total end customers — We define the number of end customers as the number of end customers for which we have received an order by the last day of the period, excluding partners to which we have sold products for their own demonstration purposes. A single organization or customer may represent multiple end customers for separate divisions, segments, or subsidiaries, and the total number of end customers may contract due to mergers, acquisitions, or other consolidation among existing end customers.

NUTANIX, INC.
Management's Discussion and Analysis of Financial Condition and Results of Operations (Continued)

The following table presents a reconciliation of total billings, non-GAAP gross profit, non-GAAP gross margin, non-GAAP operating expenses, non-GAAP operating income (loss), non-GAAP operating margin, and free cash flow to the most directly comparable GAAP financial measures, for each of the periods indicated:

	Three Months Ended January 31,		Six Months Ended January 31,	
	2023	2024	2023	2024
	(in thousands, except percentages)			
Total revenue	$ 486,495	$ 565,233	$ 920,104	$ 1,076,287
Change in deferred revenue	42,602	51,250	78,723	101,329
Total billings (non-GAAP)	$ 529,097	$ 616,483	$ 998,827	$ 1,177,616
Gross profit	$ 399,690	$ 483,677	$ 750,804	$ 912,772
Stock-based compensation	10,285	8,880	17,790	17,924
Amortization of intangible assets	2,531	749	5,341	1,860
Restructuring (reversals) charges	(35)	—	230	—
Non-GAAP gross profit	$ 412,471	$ 493,306	$ 774,165	$ 932,556
Gross margin	82.2 %	85.6 %	81.6 %	84.8 %
Stock-based compensation	2.1 %	1.6 %	1.9 %	1.7 %
Amortization of intangible assets	0.5 %	0.1 %	0.6 %	0.2 %
Restructuring (reversals) charges	—	—	—	—
Non-GAAP gross margin	84.8 %	87.3 %	84.1 %	86.6 %
Operating expenses	$ 456,198	$ 446,632	$ 887,967	$ 881,433
Stock-based compensation	(75,005)	(77,089)	(148,455)	(152,043)
Amortization of intangible assets	(198)	(82)	(547)	(119)
Restructuring reversals (charges)	479	194	(5,073)	194
Early exit of lease-related assets	(806)	—	(1,726)	—
Litigation settlement accrual and legal fees	(38,185)	(2)	(38,185)	(48)
Other	—	(225)	—	(225)
Non-GAAP operating expenses	$ 342,483	$ 369,428	$ 693,981	$ 729,192
(Loss) income from operations	$ (56,508)	$ 37,045	$ (137,163)	$ 31,339
Stock-based compensation	85,290	85,969	166,245	169,967
Amortization of intangible assets	2,729	831	5,888	1,979
Restructuring (reversals) charges	(514)	(194)	5,303	(194)
Early exit of lease-related assets	806	—	1,726	—
Litigation settlement accrual and legal fees	38,185	2	38,185	48
Other	—	225	—	225
Non-GAAP income from operations	$ 69,988	$ 123,878	$ 80,184	$ 203,364
Operating margin	(11.6)%	6.6 %	(14.9)%	2.9 %
Stock-based compensation	17.5 %	15.2 %	18.1 %	15.8 %
Amortization of intangible assets	0.6 %	0.1 %	0.6 %	0.2 %
Restructuring (reversals) charges	(0.1)%	—	0.6 %	—
Early exit of lease-related assets	0.2 %	—	0.2 %	—
Litigation settlement accrual and legal fees	7.8 %	—	4.1 %	—
Other	—	—	—	—
Non-GAAP operating margin	14.4 %	21.9 %	8.7 %	18.9 %
Net cash provided by operating activities	$ 74,084	$ 186,408	$ 139,597	$ 331,881
Purchases of property and equipment	(11,070)	(23,764)	(30,772)	(36,784)
Free cash flow (non-GAAP)	$ 63,014	$ 162,644	$ 108,825	$ 295,097

Factors Affecting Our Performance

We believe that our future success will depend on many factors, including those described below. While these areas present significant opportunity, they also present risks that we must manage to achieve successful results. See the section titled "Risk Factors" in Part I, Item 1A of our Annual Report on Form 10-K for the fiscal year ended July 31, 2023 and the section titled "Risk Factors" in Part II, Item 1A of this Quarterly Report on Form 10-Q for details. If we are unable to address these challenges, our business and operating results could be materially and adversely affected.

Investment in Profitable Growth

We continue to invest in our growth over the long-run, while improving our operating cash flow performance by focusing on go-to-market efficiencies. By maintaining this balance, we believe we can sustain profitable growth.

Investment in Sales and Marketing – Our ability to achieve billings and revenue growth depends, in large part, on our ability to capitalize on our market opportunity, including our ability to recruit, train and retain sufficient numbers of ramped sales personnel to support our growth. As part of our investment in our growth over the long-run, we plan to invest in sales and marketing, including investing in our sales and marketing teams and continuing our focus on opportunities with major accounts, large deals, and commercial accounts, as well as other sales and marketing initiatives to increase our pipeline growth. As we continue to recruit additional sales representatives, it will take time to train and ramp them to full productivity. As a result, our overall sales and marketing expense may fluctuate. We estimate, based on past experience, that our average sales team members typically become fully ramped up around the start of their fourth quarter of employment with us, and as our newer employees ramp up, we expect their increased productivity to contribute to our revenue growth. As of January 31, 2024, we considered approximately 87% of our global sales team members to be fully ramped, while the remaining approximately 13% of our global sales team members are in the process of ramping up. As we continue to focus some of our newer and existing sales team members on major accounts and large deals, and as we operate our subscription-based business model, it may take longer, potentially significantly, for these sales team members to become fully productive, and there may also be an impact to the overall productivity of our sales team. As part of our overall efforts to improve our free cash flow performance, we have also proactively taken steps to increase our go-to-market productivity and over time, we intend to reduce our overall sales and marketing spend as a percentage of revenue. These measures include improving the efficiency of our demand generation spend, focusing on lower cost renewals, increasing leverage of our channel partners and OEMs, including supporting new OEMs, and optimizing headcount in geographies based on market opportunities.

Investment in Research and Development and Engineering – We also intend, in the long term, to grow our global research and development and engineering teams to enhance our solutions, including our newer subscription-based products, improve integration with new and existing ecosystem partners and broaden the range of technologies and features available through our platform. We continue to invest in our growth by strengthening our core offerings, investing in our solution ecosystem, and taking advantage of emerging opportunities around generative AI and modern applications across hybrid and mutlicloud environments.

We believe that these investments will contribute to our long-term growth, although they may adversely affect our profitability in the near term.

Our Subscription-Based Business Model

We operate a subscription-based business model to provide our customers with the flexibility to choose the licensing that works best for them based on their specific business needs. A subscription-based business model means one in which our products, including associated support and entitlement arrangements, are sold with a defined term. Subscription-based sales consist of subscription term-based licenses and offerings with ongoing performance obligations, including software entitlement and support subscriptions and cloud-based SaaS offerings. Revenue from subscription term-based licenses is generally recognized upfront upon transfer of control to the customer, which happens when we make the software available to the customer. Accordingly, any decline in average contract durations associated with our subscription term-based licenses would negatively impact our topline results. Revenue from software entitlement and support subscription and cloud-based SaaS offerings is recognized ratably over the contractual service period. Accordingly, any decline in new or renewed subscriptions in any one fiscal quarter may not be fully or immediately reflected in our revenue for that fiscal quarter. For additional information on revenue recognition, see Note 2 of Notes to Condensed Consolidated Financial Statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q.

Market Adoption of Our Products

The public cloud and, more recently, hybrid cloud paradigms, have changed IT buyer expectations about the simplicity, agility, scalability, portability and pay-as-you-grow economics of IT resources, which represent a major architectural shift and business model evolution. A key focus of our sales and marketing efforts is creating market awareness about the benefits of our enterprise cloud platform. This includes our newer products outside of our core hyperconverged infrastructure offering, both as compared to traditional datacenter architectures as well as the public cloud, particularly as we continue to pursue large enterprises and mission critical workloads. The broad nature of the technology shift that our enterprise cloud platform represents and the relationships our end customers have with existing IT vendors sometimes lead to unpredictable sales cycles. Our business and operating results will be significantly affected by the degree to and speed with which organizations adopt our enterprise cloud platform.

Leveraging Partners

We plan to continue to leverage our relationships with our channel and OEM partners and expand our network of cloud and ecosystem partners, all of which help to drive the adoption and sale of our solutions with our end customers. We sell our solutions primarily through our partners, and our solutions primarily run on hardware platforms that our customers often choose to purchase from our channel or OEM partners. We believe that increasing channel leverage, particularly as we expand our focus on opportunities in commercial accounts, by investing in sales enablement and co-marketing with our channel and OEM partners in the long term will extend and improve our engagement with a broad set of end customers. Our reliance on manufacturers, including our channel and OEM partners, to produce the hardware platforms on which our software runs exposes us to supply chain delays, which could impair our ability to provide services to end customers in a timely manner. Our business and results of operations will be significantly affected by our success in leveraging our relationships with our channel and OEM partners and expanding our network of cloud and ecosystem partners.

Customer Retention and Expansion

Our end customers typically deploy our technology for a specific workload initially. After a new end customer's initial order, which includes the product and associated software entitlement and support subscription and services, we focus on expanding our footprint by serving more workloads. We also generate recurring revenue from our software entitlement and support subscription renewals, and given our subscription-focused business model, software and support renewals will have an increasing significance for our future revenue streams as existing subscriptions come up for renewal. We view continued purchases and upgrades as critical drivers of our success, as the sales cycles are typically shorter as compared to new end customer deployments, and selling efforts are typically less. As of January 31, 2024, approximately 75% of our end customers who have been with us for 18 months or longer have made a repeat purchase, which is defined as any purchase activity, including renewals of term-based licenses or software entitlement and support subscription renewals, after the initial purchase. Additionally, end customers who have been with us for 18 months or longer have total lifetime orders, including the initial order, in an amount that is more than 8.2x greater, on average, than their initial order. This number increases to approximately 28.0x, on average, for Global 2000 end customers who have been with us for 18 months or longer as of January 31, 2024. These multiples exclude the effect of one end customer who had a very large and irregular purchase pattern that we believe is not representative of the purchase patterns of all of our other end customers.

Our business and operating results will depend on our ability to retain and sell additional solutions to our existing and future base of end customers. Our ability to obtain new and retain existing customers will in turn depend in part on a number of factors. These factors include our ability to effectively maintain existing and future customer relationships, continue to innovate by adding new functionality and improving usability of our solutions in a manner that addresses our end customers’ needs and requirements, and optimally price our solutions in light of marketplace conditions, competition, our costs and customer demand. Furthermore, our subscription-based business model and product transitions may cause concerns among our customer base, including concerns regarding changes to pricing over time, and may also result in confusion among new and existing end customers, for example, regarding our pricing models. Such concerns and/or confusion can slow adoption and renewal rates among our current and future customer base.

Components of Our Results of Operations

Revenue

We generate revenue primarily from the sale of our enterprise cloud software platform, sold primarily as subscription term-based licenses, and which can be deployed on a variety of qualified hardware platforms or, in the case of our cloud-based SaaS offerings, via hosted service or delivered pre-installed on a server that is configured to order. Non-portable software licenses are delivered or sold alongside configured-to-order servers and can be used over the life of the associated server.

Our subscription term-based licenses are sold separately, or can be sold alongside configured-to-order servers. Our subscription term-based licenses typically have a term of one to five years. Our cloud-based SaaS subscriptions have terms extending up to five years.

Configured-to-order servers, including our Nutanix-branded NX hardware line, can be purchased from one of our channel partners, OEMs or, in limited cases, directly from Nutanix. Our enterprise cloud platform typically includes one or more years of support and entitlements, which provides customers with the right to software upgrades and enhancements as well as technical support. Our platform is primarily sold through channel partners and OEMs. Revenue is recognized net of sales tax and withholding tax.

Product revenue — Product revenue primarily consists of software revenue. A majority of our product revenue is generated from the sale of our enterprise cloud operating system. We also sell renewals of previously purchased software licenses and SaaS offerings. Revenue from our software products is generally recognized upon transfer of control to the customer, which is typically upon shipment for sales including a server from a partner, upon making the software available to the customer when not sold with a server or as services are performed with SaaS offerings. In the infrequent transactions where the hardware is purchased directly from Nutanix, we consider ourselves to be the principal in the transaction and we record revenue and costs of goods sold on a gross basis.

Support, entitlements and other services revenue — We generate our support, entitlements and other services revenue primarily from software entitlement and support subscriptions, which include the right to software upgrades and enhancements as well as technical support. The majority of our product sales are sold in conjunction with software entitlement and support subscriptions, with terms ranging from one to five years. Occasionally, we also sell professional services with our products. We recognize revenue from software entitlement and support contracts ratably over the contractual service period, which typically commences upon transfer of control of the corresponding products to the customer. We recognize revenue related to professional services as they are performed.

Cost of Revenue

Cost of product revenue — Cost of product revenue consists of costs paid to third-party OEM partners, hardware costs, personnel costs associated with our operations function, consisting of salaries, benefits, bonuses and stock-based compensation, cloud-based costs associated with our SaaS offerings, and allocated costs, consisting of certain facilities, depreciation and amortization, recruiting and information technology costs allocated based on headcount.

Cost of support, entitlements and other services revenue — Cost of support, entitlements and other services revenue includes personnel and operating costs associated with our global customer support organization, as well as allocated costs. We expect our cost of support, entitlements and other services revenue to increase in absolute dollars as our support, entitlements and other services revenue increases.

Operating Expenses

Our operating expenses consist of sales and marketing, research and development and general and administrative expenses. The largest component of our operating expenses is personnel costs. Personnel costs consist of wages, benefits, bonuses and, with respect to sales and marketing expenses, sales commissions.

Sales and marketing — Sales and marketing expense consists primarily of personnel costs. Sales and marketing expense also includes sales commissions, costs for promotional activities and other marketing costs, travel costs and costs associated with demonstration units, including depreciation and allocated costs. Commissions are deferred and recognized as we recognize the associated revenue. We expect sales and marketing expense to continue, in the long term, to increase in absolute dollars as part of our long-term plans to invest in our growth. However, as part of our overall efforts to improve our operating cash flow performance, we have also proactively taken steps to increase our go-to-market productivity and over time, we intend to reduce our overall sales and marketing spend as a percentage of revenue. As we continue to recruit additional sales representatives, it will take time to train and ramp them to full productivity. As a result, our sales and marketing expense may fluctuate.

Research and development — Research and development ("R&D") expense consists primarily of personnel costs, as well as other direct and allocated costs. We have devoted our product development efforts primarily to enhancing the functionality and expanding the capabilities of our solutions. R&D costs are expensed as incurred, unless they meet the criteria for capitalization. We expect R&D expense, in the long term, to increase in absolute dollars as part of our long-term plans to invest in our future products and services, including our newer subscription-based products, although R&D expense may fluctuate as a percentage of total revenue and, on an absolute basis, from quarter to quarter.

General and administrative — General and administrative ("G&A") expense consists primarily of personnel costs, which include our executive, finance, human resources and legal organizations. G&A expense also includes outside professional services, which consists primarily of legal, accounting and other consulting costs, as well as insurance and other costs associated with being a public company and allocated costs. We expect G&A expense, in the long term, to increase in absolute dollars, particularly due to additional legal, accounting, insurance and other costs associated with our growth, although G&A expense may fluctuate as a percentage of total revenue and, on an absolute basis, from quarter to quarter.

Other Income (Expense), Net

Other income (expense), net consists primarily of interest income and expense, which includes the amortization of the debt discount and debt issuance costs associated with our previously outstanding 0% convertible senior notes due 2023 (the "2023 Notes"), our 2.50% convertible senior notes due 2026 (the "2026 Notes") and our 0.25% convertible senior notes due 2027 (the "2027 Notes"), non-cash interest expense on the 2026 Notes, the amortization of the debt discount on the 2026 Notes, interest expense on the 2027 Notes, interest income related to our short-term investments, and foreign currency exchange gains or losses.

Provision for Income Taxes

Provision for income taxes consists primarily of income taxes for certain foreign jurisdictions in which we conduct business and state income taxes in the United States. We have recorded a full valuation allowance related to our federal and state net operating losses and other net deferred tax assets and a partial valuation allowance related to certain foreign net operating losses due to the uncertainty of the ultimate realization of the future benefits of those assets.

Results of Operations

The following tables set forth our condensed consolidated results of operations in dollars and as a percentage of total revenue for the periods presented. The period-to-period comparison of results is not necessarily indicative of results for future periods.

	Three Months Ended January 31,		Six Months Ended January 31,	
	2023	2024	2023	2024
	(in thousands)			
Revenue:				
Product	$ 250,538	$ 299,660	$ 459,112	$ 546,582
Support, entitlements and other services	235,957	265,573	460,992	529,705
Total revenue	486,495	565,233	920,104	1,076,287
Cost of revenue:				
Product [1][2]	15,506	9,402	28,022	19,636
Support, entitlements and other services [1]	71,299	72,154	141,278	143,879
Total cost of revenue	86,805	81,556	169,300	163,515
Gross profit	399,690	483,677	750,804	912,772
Operating expenses:				
Sales and marketing [1][2]	229,788	236,702	466,010	472,025
Research and development [1]	142,301	160,401	291,744	312,376
General and administrative [1]	84,109	49,529	130,213	97,032
Total operating expenses	456,198	446,632	887,967	881,433
(Loss) income from operations	(56,508)	37,045	(137,163)	31,339
Other (expense) income, net	(10,112)	2,096	(23,528)	(3,179)
(Loss) income before provision for income taxes	(66,620)	39,141	(160,691)	28,160
Provision for income taxes	4,170	6,346	9,613	11,218
Net (loss) income	$ (70,790)	$ 32,795	$ (170,304)	$ 16,942

[1] Includes stock-based compensation expense as follows:				
Product cost of revenue	$ 2,113	$ 1,697	$ 4,272	$ 3,625
Support, entitlements and other services cost of revenue	8,172	7,183	13,518	14,299
Sales and marketing	23,570	20,738	44,042	42,209
Research and development	36,491	40,541	75,113	78,945
General and administrative	14,944	15,810	29,300	30,889
Total stock-based compensation expense	$ 85,290	$ 85,969	$ 166,245	$ 169,967

[2] Includes amortization of intangible assets as follows:				
Product cost of revenue	$ 2,531	$ 749	$ 5,341	$ 1,860
Sales and marketing	198	82	547	119
Total amortization of intangible assets	$ 2,729	$ 831	$ 5,888	$ 1,979

NUTANIX, INC.
Management's Discussion and Analysis of Financial Condition and Results of Operations (Continued)

	Three Months Ended January 31,		Six Months Ended January 31,	
	2023	2024	2023	2024
	(as a percentage of total revenue)			
Revenue:				
Product	51.5 %	53.0 %	49.9 %	50.8 %
Support, entitlements and other services	48.5 %	47.0 %	50.1 %	49.2 %
Total revenue	100.0 %	100.0 %	100.0 %	100.0 %
Cost of revenue:				
Product	3.2 %	1.6 %	3.0 %	1.8 %
Support, entitlements and other services	14.6 %	12.8 %	15.4 %	13.4 %
Total cost of revenue	17.8 %	14.4 %	18.4 %	15.2 %
Gross profit	82.2 %	85.6 %	81.6 %	84.8 %
Operating expenses:				
Sales and marketing	47.2 %	41.9 %	50.6 %	43.9 %
Research and development	29.3 %	28.4 %	31.7 %	29.0 %
General and administrative	17.3 %	8.8 %	14.1 %	9.0 %
Total operating expenses	93.8 %	79.1 %	96.4 %	81.9 %
(Loss) income from operations	(11.6)%	6.5 %	(14.8)%	2.9 %
Other (expense) income, net	(2.1)%	0.4 %	(2.6)%	(0.3)%
(Loss) income before provision for income taxes	(13.7)%	6.9 %	(17.4)%	2.6 %
Provision for income taxes	0.9 %	1.1 %	1.0 %	1.0 %
Net (loss) income	(14.6)%	5.8 %	(18.4)%	1.6 %

Comparison of the Three and Six Months Ended January 31, 2023 and 2024

Revenue

	Three Months Ended January 31,		Change		Six Months Ended January 31,		Change	
	2023	2024	$	%	2023	2024	$	%
	(in thousands, except percentages)							
Product	$ 250,538	$ 299,660	$ 49,122	20 %	$ 459,112	$ 546,582	$ 87,470	19 %
Support, entitlements and other services	235,957	265,573	29,616	13 %	460,992	529,705	68,713	15 %
Total revenue	$ 486,495	$ 565,233	$ 78,738	16 %	$ 920,104	$ 1,076,287	$ 156,183	17 %

	Three Months Ended January 31,		Change		Six Months Ended January 31,		Change	
	2023	2024	$	%	2023	2024	$	%
	(in thousands, except percentages)							
U.S.	$ 275,407	$ 308,674	$ 33,267	12 %	$ 531,137	$ 598,948	$ 67,811	13 %
Europe, the Middle East and Africa	121,564	151,917	30,353	25 %	221,817	276,501	54,684	25 %
Asia Pacific	79,202	93,149	13,947	18 %	148,305	176,261	27,956	19 %
Other Americas	10,322	11,493	1,171	11 %	18,845	24,577	5,732	30 %
Total revenue	$ 486,495	$ 565,233	$ 78,738	16 %	$ 920,104	$ 1,076,287	$ 156,183	17 %

The increases in product revenue for the three and six months ended January 31, 2024, as compared to the prior year periods, were due primarily to increases in software revenue resulting from growth in software renewals due to an increased adoption of our products, partially offset by the impact of the shorter average contract durations. For both the three and six months ended January 31, 2023, the total average contract duration was approximately 3.0 years. For the three and six months ended January 31, 2024, the total average contract duration was approximately 2.8 years and 2.9 years, respectively. Total average contract duration represents the dollar-weighted term across all subscription and life-of-device contracts billed during the period, using an assumed term of five years for licenses without a specified term, such as life-of-device licenses.

Support, entitlements and other services revenue increased for the three and six months ended January 31, 2024, as compared to the prior year periods, in conjunction with the growth of our end customer base and the related software entitlement and support subscription contracts and renewals.

Cost of Revenue and Gross Margin

	Three Months Ended January 31,		Change		Six Months Ended January 31,		Change	
	2023	2024	$	%	2023	2024	$	%
	(in thousands, except percentages)							
Cost of product revenue	$ 15,506	$ 9,402	$ (6,104)	(39)%	$ 28,022	$ 19,636	$ (8,386)	(30)%
Product gross margin	*93.8 %*	*96.9 %*			*93.9 %*	*96.4 %*		
Cost of support, entitlements and other services revenue	$ 71,299	$ 72,154	$ 855	1 %	$ 141,278	$ 143,879	$ 2,601	2 %
Support, entitlements and other services gross margin	*69.8 %*	*72.8 %*			*69.4 %*	*72.8 %*		
Total gross margin	*82.2 %*	*85.6 %*			*81.6 %*	*84.8 %*		

Cost of product revenue

Cost of product revenue decreased for the three and six months ended January 31, 2024, as compared to the prior year periods, due primarily to a decrease in amortization expense resulting from acquired intangible assets starting to reach the end of their useful lives. Slight fluctuations in hardware revenue and cost of product revenue are anticipated, as we expect to continue selling small amounts of hardware for the foreseeable future.

Product gross margin increased by 3.1 percentage points and 2.5 percentage points for the three and six months ended January 31, 2024, respectively, as compared to the prior year periods, due primarily to product revenue growing at a higher rate than cost of product revenue.

Cost of support, entitlements and other services revenue

Cost of support, entitlements and other services revenue increased for the three and six months ended January 31, 2024, as compared to the prior year periods, due primarily to higher personnel-related costs, resulting from growth in our global customer support organization.

Support, entitlements and other services gross margin increased by 3.0 percentage points and 3.4 percentage points for the three and six months ended January 31, 2024, respectively, as compared to the prior year periods, due primarily to support, entitlements and other services revenue growing at a higher rate than personnel-related costs.

Operating Expenses

Sales and marketing

	Three Months Ended January 31,		Change		Six Months Ended January 31,		Change	
	2023	2024	$	%	2023	2024	$	%
	(in thousands, except percentages)							
Sales and marketing	$ 229,788	$ 236,702	$ 6,914	3 %	$ 466,010	$ 472,025	$ 6,015	1 %
Percent of total revenue	47.2 %	41.9 %			50.6 %	43.9 %		

Sales and marketing expense increased for the three and six months ended January 31, 2024, as compared to the prior year periods, due primarily to higher personnel-related costs, including commissions expense, resulting from growth in our sales and marketing headcount, partially offset by decreases in outside services costs.

Research and development

	Three Months Ended January 31,		Change		Six Months Ended January 31,		Change	
	2023	2024	$	%	2023	2024	$	%
	(in thousands, except percentages)							
Research and development	$ 142,301	$ 160,401	$ 18,100	13 %	$ 291,744	$ 312,376	$ 20,632	7 %
Percent of total revenue	29.3 %	28.4 %			31.7 %	29.0 %		

Research and development expense increased for the three and six months ended January 31, 2024, as compared to the prior year periods, due primarily to higher personnel-related costs resulting from growth in our R&D headcount, partially offset by decreases in technical costs.

General and administrative

	Three Months Ended January 31,		Change		Six Months Ended January 31,		Change	
	2023	2024	$	%	2023	2024	$	%
	(in thousands, except percentages)							
General and administrative	$ 84,109	$ 49,529	$ (34,580)	(41)%	$ 130,213	$ 97,032	$ (33,181)	(25)%
Percent of total revenue	17.3 %	8.8 %			14.1 %	9.0 %		

General and administrative expense decreased for the three and six months ended January 31, 2024, as compared to the prior year periods, due primarily to a decrease in the litigation settlement accrual and legal fees as a result of the February 2023 settlement of two securities class actions, partially offset by higher personnel-related costs, including stock-based compensation expense.

Other Income (Expense), Net

	Three Months Ended January 31,		Change		Six Months Ended January 31,		Change	
	2023	2024	$	%	2023	2024	$	%
	(in thousands, except percentages)							
Interest income, net	$ 8,946	$ 17,649	$ (8,703)	(97)%	$ 14,458	$ 33,035	$ (18,577)	(128)%
Amortization of debt discount and issuance costs and interest expense	(15,887)	(16,651)	764	5 %	(31,617)	(32,998)	1,381	4 %
Other	(3,171)	1,098	(4,269)	(135)%	(6,369)	(3,216)	(3,153)	(50)%
Other (expense) income, net	$ (10,112)	$ 2,096	$ (12,208)	(121)%	$ (23,528)	$ (3,179)	$ (20,349)	(86)%

Other income (expense), net decreased for the three and six months ended January 31, 2024, as compared to the prior year periods, due primarily to increases in foreign exchange gains as well as interest income on our investments.

Provision for Income Taxes

	Three Months Ended January 31,		Change		Six Months Ended January 31,		Change	
	2023	2024	$	%	2023	2024	$	%
	(in thousands, except percentages)							
Provision for income taxes	$ 4,170	$ 6,346	$ 2,176	52 %	$ 9,613	$ 11,218	$ 1,605	17 %

The increases in the income tax provision for the three and six months ended January 31, 2024, as compared to the prior year periods, were due primarily to higher foreign taxes as a result of higher taxable earnings in foreign jurisdictions, as we continued to grow our business internationally, as well as higher U.S. state income taxes, partially offset by excess tax benefits on stock options and restricted stock units exercised in the current period. We continue to maintain a full valuation allowance on our U.S. federal and state deferred tax assets and a partial valuation allowance related to certain foreign net operating losses.

Liquidity and Capital Resources

Our principal sources of liquidity were cash, cash equivalents, and marketable securities and net accounts receivable. As of January 31, 2024, we had $679.2 million of cash and cash equivalents, $2.1 million of restricted cash and $964.7 million of short-term investments, which were held for general corporate purposes. Our cash, cash equivalents and short-term investments primarily consist of bank deposits, money market accounts and highly rated debt instruments of the U.S. government and its agencies and debt instruments of highly rated corporations. As of January 31, 2024, we had accounts receivable of $189.0 million, net of allowances of $1.1 million.

In January 2023, we settled the 2023 Notes in full at maturity with a cash payment of $145.7 million. For additional information, see Note 5 of Notes to Condensed Consolidated Financial Statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q.

In September 2020, we issued $750.0 million in aggregate principal amount of 2.50% convertible senior notes due 2026 to BCPE Nucleon (DE) SPV, LP, an entity affiliated with Bain Capital, LP. For additional information, see Note 5 of Notes to Condensed Consolidated Financial Statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q.

In September 2021, we issued convertible senior notes with a 0.25% interest rate for an aggregate principal amount of $575.0 million due 2027, of which $477.3 million in principal amount was issued in exchange for approximately $416.5 million principal amount of the 2023 Notes and the remaining $97.7 million in principal amount was issued for cash. There are no required principal payments on the 2027 Notes prior to their maturity. For additional information, see Note 5 of Notes to Condensed Consolidated Financial Statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q.

Due to investments in our business as well as the potential cash flow impacts resulting from our subscription-based business model, our operating and free cash flow may continue to fluctuate during the next 12 months. Notwithstanding that fact, we believe that our cash and cash equivalents and short-term investments will be sufficient to meet our anticipated cash needs for working capital, including share repurchases, and capital expenditures for at least the next 12 months. Our future capital requirements will depend on many factors, including our growth rate, the timing and extent of spending to support development efforts, the expansion of sales and marketing activities, the introduction of new and enhanced product and service offerings, the continuing market acceptance of our products, our end customers and partners, and the economy, and the timing of and extent to which our customers transition to shorter-term contracts or request to only pay for the initial term of multi-year contracts as a result of our subscription-based business model.

Capital Return

In August 2023, our Board of Directors authorized the repurchase of up to $350.0 million of our Class A common stock. Repurchases will be funded from available working capital and may be made at management’s discretion from time to time. The authorization has no fixed expiration date and does not obligate us to repurchase any specified number or dollar value of shares. The program may be modified, suspended or discontinued at any time. For more information on the share repurchase program, refer to Note 8 of Notes to Condensed Consolidated Financial Statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q.

Cash Flows

The following table summarizes our cash flows for the periods presented:

	Six Months Ended January 31,	
	2023	2024
	(in thousands)	
Net cash provided by operating activities	$ 139,597	$ 331,881
Net cash used in investing activities	(10,644)	(67,319)
Net cash used in financing activities	(125,152)	(98,977)
Net increase in cash, cash equivalents and restricted cash	$ 3,801	$ 165,585

Cash Flows from Operating Activities

Net cash provided by operating activities was $331.9 million for the six months ended January 31, 2024, compared to $139.6 million for the six months ended January 31, 2023. The increase in cash provided by operating activities for the six months ended January 31, 2024 was due primarily to the increase in our net income from operations.

Cash Flows from Investing Activities

Net cash used in investing activities of $10.6 million for the six months ended January 31, 2023 included $509.0 million of short-term investment purchases and $30.8 million of purchases of property and equipment, partially offset by $529.1 million of maturities of short-term investments.

Net cash used in investing activities of $67.3 million for the six months ended January 31, 2024 included $455.3 million of short-term investment purchases, $36.8 million of purchases of property and equipment and $4.5 million of cash paid for acquisitions, partially offset by $429.2 million of maturities of short-term investments.

Cash Flows from Financing Activities

Net cash used in financing activities of $125.2 million for the six months ended January 31, 2023 included $145.7 million used to repay the 2023 Notes at maturity and $2.3 million of payments for finance lease obligations, partially offset by $22.9 million of proceeds from the sale of shares through employee equity incentive plans.

Net cash used in financing activities of $99.0 million for the six months ended January 31, 2024 included $59.2 million of repurchases of our Class A common stock, $53.2 million of taxes paid related to the net share settlement of equity awards and $1.8 million of payments for finance lease obligations, partially offset by $15.2 million of proceeds from the sale of shares through employee equity incentive plans.

NUTANIX, INC.
Management's Discussion and Analysis of Financial Condition and Results of Operations (Continued)

Material Cash Requirements and Other Obligations

The following table summarizes our material cash requirements and other obligations as of January 31, 2024:

	Payments Due by Period				
	Total	Less than 1 Year	1 Year to 3 Years	3 to 5 Years	More than 5 Years
			(in thousands)		
Principal amount payable on convertible senior notes [(1)]	$ 1,390,641	$ 475	$ 815,166	$ 575,000	$ —
Operating leases (undiscounted basis) [(2)]	121,214	33,257	36,249	33,648	18,060
Other commitments [(3)]	75,536	64,920	8,602	2,014	—
Guarantees with contract manufacturers	44,715	44,715	—	—	—
Total	$ 1,632,106	$ 143,367	$ 860,017	$ 610,662	$ 18,060

(1) Includes accrued paid-in-kind interest on the 2026 Notes and accrued interest on the 2027 Notes. For additional information regarding our convertible senior notes, refer to Note 5 of Notes to Condensed Consolidated Financial Statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q.
(2) For additional information regarding our operating leases, refer to Note 6 of Notes to Condensed Consolidated Financial Statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q.
(3) Purchase obligations and other commitments pertaining to our daily business operations.

From time to time, in the normal course of business, we make commitments with our contract manufacturers to ensure them a minimum level of financial consideration for their investment in our joint solutions. These commitments are based on revenue targets or on-hand inventory and non-cancelable purchase orders for non-standard components. We record a charge related to these items when we determine that it is probable a loss will be incurred and we are able to estimate the amount of the loss. Our historical charges have not been material.

As of January 31, 2024, we had accrued liabilities related to uncertain tax positions, which are reflected on our condensed consolidated balance sheet. These accrued liabilities are not reflected in the contractual obligations disclosed in the table above, as it is uncertain if or when such amounts will ultimately be settled.

Critical Accounting Policies and Estimates

Our condensed consolidated financial statements are prepared in accordance with U.S. GAAP. The preparation of these condensed consolidated financial statements requires management to make estimates, assumptions and judgments that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the applicable periods. We evaluate our estimates, assumptions and judgments on an ongoing basis. Our estimates, assumptions and judgments are based on historical experience and various other factors that we believe to be reasonable under the circumstances. Different assumptions and judgments would change the estimates used in the preparation of our condensed consolidated financial statements, which, in turn, could change the results from those reported.

There have been no material changes to our critical accounting policies and estimates as compared to those described in our Annual Report on Form 10-K for the fiscal year ended July 31, 2023.

Recent Accounting Pronouncements

See Note 1 of Notes to Condensed Consolidated Financial Statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q for a full description of recent accounting pronouncements.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

We have operations both within the United States and internationally and we are exposed to market risk in the ordinary course of business. Market risk represents the risk of loss that may impact our financial position due to adverse changes in financial market prices and rates. Our market risk exposure is primarily a result of fluctuations in foreign currency exchange rates and interest rates.

Foreign Currency Risk

Our condensed consolidated results of operations and cash flows are subject to fluctuations due to changes in foreign currency exchange rates. Substantially all of our sales contracts are denominated in U.S. dollars. Our expenses are generally denominated in the currencies of the countries where our operations are located. To date, we have not entered into any hedging arrangements with respect to foreign currency risk or other derivative instruments. In the event our foreign sales and expenses increase, our operating results may be more significantly affected by foreign currency exchange rate fluctuations, which can affect our operating income or loss. The effect of a hypothetical 10% change in foreign currency exchange rates on our non-U.S. dollar monetary assets and liabilities would not have had a material impact on our historical condensed consolidated financial statements. Foreign currency transaction gains and losses and exchange rate fluctuations have not been material to our condensed consolidated financial statements.

A hypothetical 10% decrease in the U.S. dollar against other currencies would result in an increase in our operating loss of approximately $18.5 million and $32.5 million for the six months ended January 31, 2023 and 2024, respectively. The decrease in this hypothetical change is due to a decrease in our expenses denominated in foreign currencies. This analysis disregards the possibilities that rates can move in opposite directions and that losses from one geographic area may be offset by gains from another geographic area.

Interest Rate Risk

Our investment objective is to conserve capital and maintain liquidity to support our operations; therefore, we generally invest in highly liquid securities, consisting primarily of bank deposits, money market funds, commercial paper, U.S. government securities and corporate bonds. Such fixed and floating interest-earning instruments carry a degree of interest rate risk. The fair market value of fixed income securities may be adversely impacted by a rise in interest rates, while floating rate securities may produce less income than predicted if interest rates fall. Due to the short-term nature of our investment portfolio, we do not believe an immediate 10% increase or decrease in interest rates would have a material effect on the fair market value of our portfolio. Therefore, we do not expect our operating results or cash flows to be materially affected by a sudden change in interest rates.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Our management, with the participation of our principal executive officer and our principal financial officer, has evaluated the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended ("Exchange Act")). As initially disclosed in our Annual Report on Form 10-K/A filed with the SEC on May 24, 2023, our management identified a material weakness in our internal control over financial reporting. As described below, while our management, with the oversight of the Audit Committee of our Board of Directors, has made significant progress toward remediating this material weakness, our management determined that this material weakness has not yet been fully remediated, as we are still in the process of testing the applicable remediated controls. Accordingly, based on our management’s evaluation, our principal executive officer and principal financial officer concluded that our disclosure controls and procedures were not effective as of January 31, 2024. Notwithstanding this material weakness, our management concluded that our condensed consolidated financial statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q fairly present, in all material respects, our financial condition, results of operations and cash flows as of and for the periods presented in conformity with U.S. GAAP.

Previously Identified Material Weakness in Internal Control Over Financial Reporting

Based on the criteria set forth in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (the "COSO Framework"), our management identified control deficiencies, as previously disclosed, that, individually or in the aggregate, constitute a material weakness in our internal control over financial reporting. While our management, with the oversight of the Audit Committee of our Board of Directors, has made significant progress toward remediating the material weakness, the material weakness has not been fully remediated as of January 31, 2024.

A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of a company's annual or interim financial statements will not be prevented or detected on a timely basis. The material weakness identified by management primarily relates to design deficiencies in the information and communication component of the COSO Framework, that also impacted the design and operating effectiveness of elements of the risk assessment and other components. In particular, we determined that our controls were not designed and operating effectively to provide the information necessary for our risk assessment process to identify non-compliant use of third-party software as a risk of material misstatement in our financial reporting and we did not effectively reinforce the importance of raising concerns about perceived unethical conduct in a timely manner. These control deficiencies, individually or in the aggregate, create a reasonable possibility that a material misstatement of our consolidated financial statements would not be prevented or detected on a timely basis, and constitute a material weakness in our internal control over financial reporting.

This material weakness resulted in an immaterial error in the reporting of expenses for software licenses and support for each prior period beginning in August 2014, which we have corrected prospectively as we issue future financial statements. We have evaluated the materiality of this error and determined that the impact is not material to our previously issued financial statements.

Status of Remediation Efforts to Address Material Weakness

Our management and the Audit Committee of our Board of Directors are committed to remediating the material weakness and strengthening our overall internal control over financial reporting. To this end, our management, with oversight from the Audit Committee, has implemented all of the remedial measures outlined in the remediation plan initially disclosed in our Annual Report on Form 10-K/A filed with the SEC on May 24, 2023. Specifically, we have implemented the below remedial measures as outlined in the remediation plan. Our management believes that the remediation measures described below will remediate the material weakness and strengthen our overall internal control over financial reporting. While we have implemented all of the remedial measures described below, we are still in the process of testing the applicable remediated controls. Accordingly, our management determined that this material weakness has not yet been fully remediated as of January 31, 2024. The remedial measures implemented to date are as follows:

- We have enhanced management’s quarterly sub-certification process related to non-compliant use of third-party software and increased the certifiers’ awareness of financial reporting implications of non-compliant use of third-party software.
- We have enhanced management’s disclosure committee process related to non-compliant use of third-party software.
- We have enhanced the finance department’s process for collecting information about unaccrued software expenditures and/or other potential unrecorded usage of third-party software.
- We have educated business unit representatives on understanding potential items, activities or services that require accrual.
- We have trained relevant employees on appropriate software acquisition and usage practices and software licensing compliance.
- We have revised our code of business conduct and ethics to reinforce the importance of compliant use of third-party software.
- We have provided additional training of, and communications to, employees to further promote ethical conduct and timely escalation of concerns.
- We have designed and implemented additional systems, processes and controls over third-party software license procurement, usage, and compliance.

The material weakness will not be considered remediated until the applicable remediated controls operate for a sufficient period of time and management has concluded, through testing, that these controls are operating effectively. As our management continues to evaluate and work to enhance our internal control over financial reporting, our management may take additional measures to address control deficiencies or we may modify some of the remediation measures described above.

Changes in Internal Control over Financial Reporting

There was no change in our internal control over financial reporting identified in connection with the evaluation required by Rule 13a-15(d) and 15d-15(d) of the Exchange Act that occurred during the most recently completed fiscal quarter that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

The information set forth under the "Legal Proceedings" subheading in Note 7 of Notes to Condensed Consolidated Financial Statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q is incorporated herein by reference.

Item 1A. Risk Factors

You should carefully consider the risks and uncertainties described under the heading "Risk Factors" in Part I, Item 1A of our Annual Report on Form 10-K for the fiscal year ended July 31, 2023, which is incorporated herein by reference, together with all of the other information contained in this Quarterly Report on Form 10-Q, including our condensed consolidated financial statements and related notes, before making a decision to invest in our Class A common stock. Additional risks and uncertainties that we are unaware of, or that we currently believe are not material, may also become important factors that affect our business. There have been no material changes from the risks and uncertainties previously disclosed under the "Risk Factors" section in our Annual Report on Form 10-K for the fiscal year ended July 31, 2023.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

Unregistered Sales of Equity Securities

None.

Issuer Purchases of Equity Securities

The following table summarizes the share repurchase activity for the three months ended January 31, 2024:

Period	Total Number of Shares Purchased	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs (1)	Approximate Dollar Value of Shares That May Yet Be Purchased Under the Plans or Programs
	(in thousands, except per share amounts)			
November 1 - 30, 2023	424	$ 39.26	424	$ 315,837
December 1 - 31, 2023	—	$ —	—	$ 315,837
January 1 - 31, 2024	510	$ 49.07	510	$ 290,837
Total	934		934	

(1) In August 2023, our Board of Directors authorized the repurchase of up to $350.0 million of our Class A common stock. We may repurchase shares from time to time through open market purchases, in privately negotiated transactions or by other means, including through the use of trading plans intended to qualify under Rule 10b5-1 under the Exchange Act in accordance with applicable securities laws and other restrictions. The timing and amount of share repurchases will depend upon prevailing stock prices, business and market conditions, corporate and regulatory requirements, alternative investment opportunities and other factors. The authorization has no expiration date and may be modified, suspended or discontinued at any time and does not obligate us to repurchase any minimum number of shares.

This table excludes shares withheld from stock awards to settle employee withholding obligations related to the vesting of such awards.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

Rule 10b5-1 Trading Plans

On January 10, 2024, Rukmini Sivaraman, our Chief Financial Officer, entered into a trading plan that is intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) under the Exchange Act. Ms. Sivaraman's plan provides for the sale, from time to time during the period beginning on April 10, 2024 through January 8, 2025, of up to 80,000 shares and up to 20% of the net shares that Ms. Sivaraman may receive from the vesting of outstanding awards of restricted stock units and performance-based restricted stock units from time to time beginning with the March 15, 2024 vesting date and ending on the December 15, 2024 vesting date.

Item 6. Exhibits

See the Exhibit Index below for a list of exhibits filed or furnished with this report, which Exhibit Index is incorporated herein by reference.

EXHIBIT INDEX

		Incorporated by Reference				
Number	**Exhibit Title**	**Form**	**File No.**	**Exhibit**	**Filing Date**	**Filed Herewith**
3.1	Complete copy of the Amended and Restated Certificate of Incorporation, as amended, consisting of (i) the Amended and Restated Certificate of Incorporation filed on December 9, 2022 and (ii) the Certificate of Amendment filed on December 8, 2023					X
10.1†	Form of Global Restricted Stock Unit Agreement for the Stock Price Performance-Based Restricted Stock Units by and between the Registrant and Rajiv Ramaswami	8-K	001-37883	10.1	1/9/2024	
10.2†+	Form of Global Restricted Stock Unit Agreement for the Operational Metrics Performance-Based Restricted Stock Units by and between the Registrant and Rajiv Ramaswami	8-K	001-37883	10.2	1/9/2024	
10.3†	Transition Agreement, dated as of February 7, 2024, by and between the Registrant and Tyler Wall					X
31.1	Certification of Principal Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002					X
31.2	Certification of Principal Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002					X
32.1*	Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002					X
32.2*	Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002					X
101.INS	XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XRBL tags are embedded within the Inline XBRL document					X
101.SCH	Inline XBRL Taxonomy Extension Schema With Embedded Linkbase Documents					X
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)					X

† Indicates a management contract or compensatory plan or arrangement.

+ Certain portions of this exhibit (indicated by "[***]") have been omitted as the Registrant determined the omitted information (i) is not material and (ii) would be competitively harmful to the Registrant if publicly disclosed.

* These exhibits are furnished with this Quarterly Report on Form 10-Q and are not deemed filed with the Securities and Exchange Commission and are not incorporated by reference in any filing of Nutanix, Inc. under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, whether made before or after the date hereof and irrespective of any general incorporation language contained in such filings.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

	NUTANIX, INC.
Date: March 7, 2024	/s/ Rukmini Sivaraman
	Rukmini Sivaraman
	Chief Financial Officer
	(Principal Financial Officer)

Exhibit 3.1

AMENDED AND RESTATED

CERTIFICATE OF INCORPORATION OF

NUTANIX, INC.

Nutanix, Inc., a corporation organized and existing under the laws of the State of Delaware (the "**Corporation**"), certifies that:

A. The name of the Corporation is Nutanix, Inc.

B. The Corporation's original Certificate of Incorporation was filed with the Secretary of State of the State of Delaware on September 22, 2009.

C. This Amended and Restated Certificate of Incorporation was duly adopted in accordance with Sections 242 and 245 of the General Corporation Law of the State of Delaware by the Board of Directors of the Corporation and the affirmative vote of the stockholders of the Corporation, and restates, integrates and further amends the provisions of the Corporation's Certificate of Incorporation.

D. The text of the Corporation's Amended and Restated Certificate of Incorporation is amended and restated in its entirety to read as set forth in EXHIBIT A attached hereto.

IN WITNESS WHEREOF, this Amended and Restated Certificate of Incorporation, which amends and restates the Corporation's existing amended and restated certificate of incorporation, and which has been duly adopted by this Corporation's Board of Directors and stockholders in accordance with the applicable provisions of Sections 242 and 245 of the General Corporation Law of the State of Delaware, has been executed by its duly authorized officer as of the date set forth below.

NUTANIX, INC.

By: /s/ Tyler Wall
Name: Tyler Wall
Title: Chief Legal Officer
Date: December 9, 2022

EXHIBIT A

ARTICLE I

The name of the Corporation is Nutanix, Inc. (the “**Corporation**”).

ARTICLE II

The purpose of this Corporation is to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of the State of Delaware (the “**DGCL**”).

ARTICLE III

The address of the Corporation’s registered office in the State of Delaware is 251 Little Falls Drive, Wilmington, County of New Castle, Zip Code 19808. The name of the registered agent at such address is Corporation Service Company.

ARTICLE IV

4.1 Authorized Capital Stock. The total number of shares of all classes of capital stock that the Corporation is authorized to issue is 1,200,000,000 shares, consisting of 1,000,000,000 shares of Class A Common Stock, par value $0.000025 per share (the “**Class A Common Stock**”), and 200,000,000 shares of Preferred Stock, par value $0.000025 per share (the “**Preferred Stock**”).

4.2 Increase or Decrease in Authorized Capital Stock. The number of authorized shares of Class A Common Stock or Preferred Stock may be increased or decreased (but not below the number of shares thereof then outstanding) by the affirmative vote of the holders of a majority of the voting power of all the then-outstanding shares of capital stock of the Corporation entitled to vote thereon, irrespective of the provisions of Section 242(b)(2) of the DGCL (or any successor provision thereto), without a separate vote of the holders of the class or classes the number of authorized shares of which are being increased or decreased, unless a vote by any holders of one or more series of Preferred Stock is required by the express terms of any series of Preferred Stock as provided for or fixed pursuant to the provisions of Section 4.4 of this ARTICLE IV (or any certificate of designation with respect thereto).

4.3 Class A Common Stock.

(a) Except as otherwise expressly provided herein or required by applicable law, the holders of shares of Class A Common Stock shall be entitled to one (1) vote for each such share held by them as of the applicable record date on each matter properly submitted to the stockholders on which the holders of shares of Class A Common Stock are entitled to vote.

(b) Except as otherwise required by law or provided by the terms of this Amended and Restated Certificate of Incorporation, including Section 4.2 hereof, holders of Class A Common Stock shall not be entitled to vote on any amendment to this Amended and Restated Certificate of Incorporation (including any certificate of designation filed with respect to any series of Preferred Stock) that relates solely to the terms, number of shares, powers, designations, preferences, or relative, participating, optional or other special rights (including, without limitation, voting rights), or to qualifications, limitations or restrictions thereon, of one or more outstanding series of Preferred Stock if the holders of such affected series are entitled, either separately or together as a class with the holders of one or more other such series, to vote thereon pursuant to this Amended and Restated Certificate of Incorporation (including, without limitation, by any certificate of designation relating to any series of Preferred Stock) or pursuant to the DGCL.

4.4 Preferred Stock.

(a) The Preferred Stock may be issued from time to time in one or more series pursuant to a resolution or resolutions providing for such issue duly adopted by the Board of Directors of the Corporation (the "**Board of Directors**") (authority to do so being hereby expressly vested in the Board of Directors). The Board of Directors is further authorized, subject to any limitations prescribed by law, to fix by resolution or resolutions and to set forth in one or more certificates of designation filed pursuant to the DGCL the powers, designations, preferences and relative, participating, optional or other rights, if any, and the qualifications, limitations or restrictions thereof, if any, of any wholly unissued series of Preferred Stock, including, without limitation, authority to fix by resolution or resolutions the dividend rights, dividend rate, conversion rights, voting rights, rights and terms of redemption (including sinking fund provisions), redemption price or prices, and liquidation preferences of any such series, and the number of shares constituting any such series and the designation thereof, or any of the foregoing.

(b) The Board of Directors is further authorized to increase (but not above the total number of authorized shares of the class) or decrease (but not below the number of shares of any such series then outstanding) the number of shares of any series, subject to the powers, preferences and rights, and the qualifications, limitations and restrictions thereof stated in this Amended and Restated Certificate of Incorporation or the resolution of the Board of Directors originally fixing the number of shares of such series. Except as may be otherwise specified by the terms of any series of Preferred Stock, if the number of shares of any series is so decreased, then the Corporation shall take all such steps as are necessary to cause the shares constituting such decrease to resume the status which they had prior to the adoption of the resolution originally fixing the number of shares of such series.

ARTICLE V

5.1 General Powers. The business and affairs of the Corporation shall be managed by or under the direction of the Board of Directors.

5.2 Number of Directors; Election; Term.

(a) Subject to the rights of holders of any series of Preferred Stock with respect to the election of directors, the number of directors that constitutes the entire Board of Directors of the Corporation shall be fixed solely by resolution of a majority of the Whole Board. For purposes of this Amended and Restated Certificate of Incorporation, the term "**Whole Board**" will mean the total number of authorized directorships whether or not there exist any vacancies or other unfilled seats in previously authorized directorships.

(b) Subject to the rights of holders of any series of Preferred Stock with respect to the election of directors, the directors of the Corporation are divided into three classes, designated Class I, Class II and Class III. At each annual meeting of stockholders, each of the successors elected to replace the directors of a Class whose term shall have expired at such annual meeting shall be elected to hold office until the third annual meeting next succeeding such person's election and until such person's respective successor shall have been duly elected and qualified. Subject to the rights of holders of any series of Preferred Stock with respect to the election of directors, if the number of directors that constitutes the Board of Directors is changed, any newly created directorships or decrease in directorships shall be so apportioned by the Board of Directors among the classes as to make all classes as nearly equal in number as is practicable, provided that no decrease in the number of directors constituting the Board of Directors shall shorten the term of any incumbent director.

(c) Notwithstanding the prior paragraph, (1) at the Corporation's annual meeting of stockholders held in 2023 (the "**2023 Annual Meeting**"), the successors of the Class I directors whose terms expire at the 2023 Annual Meeting shall each be elected for a term expiring at the Corporation's next annual meeting of stockholders; (2) at the corporation's annual meeting of stockholders held in 2024 (the "**2024 Annual Meeting**"), the successors of the directors whose terms expire at the 2024 Annual Meeting (including, for the avoidance of doubt, the Class II directors and the successors of the directors elected at the 2023 Annual Meeting) shall each be elected for a term expiring at the Corporation's next annual meeting of stockholders; and (3) at the Corporation's annual meeting of stockholders held in 2025 (the "**2025 Annual Meeting**") and at all annual meetings thereafter, all directors shall be elected for terms expiring at the next annual meeting of stockholders. Commencing with the 2025 Annual Meeting, the classification of the Board of Directors of the corporation shall cease.

(d) Notwithstanding the foregoing provisions of this Section 5.2, and subject to the rights of holders of any series of Preferred Stock with respect to the election of directors, each director shall serve until such person's successor is duly elected and qualified or until such person's earlier death, resignation, or removal.

(e) Elections of directors need not be by written ballot unless the Bylaws of the Corporation shall so provide.

5.3 Removal. Subject to the rights of holders of any series of Preferred Stock with respect to the election of directors, any director or the entire board of directors may be removed from office by the stockholders of the Corporation in the manner provided in Section 141(k) of the DGCL.

5.4 Vacancies and Newly Created Directorships. Subject to the rights of holders of any series of Preferred Stock with respect to the election of directors, and except as otherwise provided by resolution of a majority of the Whole Board, vacancies occurring on the Board of Directors for any reason and newly created directorships resulting from an increase in the authorized number of directors elected by all of the stockholders having the right to vote as a single class may be filled only by the affirmative vote of a majority of the directors then in office, although less than a quorum, or by a sole remaining director, and not by stockholders. A person so elected to fill a vacancy or newly created directorship shall hold office for the remaining term of the class, if any, for which such director shall have been elected and until such person's successor shall have been duly elected and qualified, or until such director's earlier death, resignation or removal.

ARTICLE VI

In furtherance and not in limitation of the powers conferred by statute, the Board of Directors of the Corporation is expressly authorized to adopt, alter, amend or repeal the Bylaws of the Corporation by the affirmative vote of a majority of the Whole Board. The Corporation's Bylaws may also be adopted, amended, altered or repealed by the stockholders of the Corporation. Notwithstanding the above and any other provision of this Amended and Restated Certificate of Incorporation, but in addition to any affirmative vote of the holders of any series of Preferred Stock required by law, by this Amended and Restated Certificate of Incorporation or by any Preferred Stock certificate of designation, the Bylaws of the Corporation may not be adopted, amended, altered or repealed by the stockholders of the Corporation except in accordance with the provisions of the Bylaws relating to amendments to the Bylaws.

ARTICLE VII

7.1 No Action by Written Consent of Stockholders. Except as otherwise expressly provided by the terms of any series of Preferred Stock permitting the holders of such series of Preferred Stock to act by written consent, any action required or permitted to be taken by the stockholders of the Corporation must be effected at a duly called annual or special meeting of the stockholders and may not be effected by any consent in writing by such stockholders in lieu of a meeting.

7.2 Special Meetings. Except as otherwise required by statute or expressly provided by the terms of any series of Preferred Stock permitting the holders of such series of Preferred Stock to call a special meeting of the holders of such series, special meetings of stockholders of the Corporation may be called only by the affirmative vote of a majority of the Whole Board, the chairperson of the Board of Directors, the lead independent director, the chief executive officer or the president (in the absence of a chief executive officer), and the ability of the stockholders to call a special meeting is hereby specifically denied. Only such business shall be considered at a special meeting of stockholders as shall have been stated in the notice for such meeting. The Board of Directors, by the affirmative vote of a majority of the Whole Board, may cancel, postpone or reschedule any previously scheduled special meeting of stockholders at any time, before or after the notice for such meeting has been sent to the stockholders.

7.3 No Cumulative Voting. No stockholder will be permitted to cumulate votes at any election of directors.

7.4 Advance Notice. Advance notice of stockholder nominations for the election of directors and of business to be brought by stockholders before any meeting of the stockholders of the Corporation shall be given in the manner and to the extent provided in the Bylaws of the Corporation.

ARTICLE VIII

8.1 Limitation of Personal Liability. To the fullest extent permitted by the DGCL as the same exists or as may hereafter be amended from time to time, a director of the Corporation shall not be personally liable to the Corporation or its stockholders for monetary damages for breach of fiduciary duty as a director. If the DGCL is amended to authorize corporate action further eliminating or limiting the personal liability of directors, then the liability of a director of the Corporation shall be eliminated or limited to the fullest extent permitted by the DGCL, as so amended.

8.2 Indemnification.

Subject to any provisions in the Bylaws of the Corporation related to indemnification, the Corporation shall indemnify, to the fullest extent permitted by applicable law, any director or officer of the Corporation who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (a "**Proceeding**") by reason of the fact that such person is or was a director, officer, employee or agent of the Corporation or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, including service with respect to employee benefit plans, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with any such Proceeding. The Corporation shall be required to indemnify a person in connection with a Proceeding (or part thereof) initiated by such person only if the Proceeding (or part thereof) was authorized by the Board of Directors.

The Corporation shall have the power to indemnify, to the fullest extent permitted by applicable law, any employee or agent of the Corporation who was or is a party or is threatened to be made a party to any Proceeding by reason of the fact that such person is or was a director, officer, employee or agent of the Corporation or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, including service with respect to employee benefit plans, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with any such Proceeding.

Neither any amendment, elimination nor repeal of any Section of this ARTICLE VIII, nor the adoption of any provision of this Amended and Restated Certificate of Incorporation or the Bylaws of the Corporation inconsistent with this ARTICLE VIII, shall eliminate or reduce the effect of this ARTICLE VIII in respect of any matter occurring, or any Proceeding accruing or arising or that, but for this ARTICLE VIII, would accrue or arise, prior to such amendment, elimination, repeal or adoption of an inconsistent provision.

ARTICLE IX

If any provision or provisions of this Amended and Restated Certificate of Incorporation shall be held to be invalid, illegal or unenforceable as applied to any circumstance for any reason whatsoever: (i) the validity, legality and enforceability of such provisions in any other circumstance and of the remaining provisions of this Amended and Restated Certificate of Incorporation (including, without limitation, each portion of any paragraph of this Amended and Restated Certificate of Incorporation containing any such provision held to be invalid, illegal or unenforceable that is not itself held to be invalid, illegal or unenforceable) shall not in any way be affected or impaired thereby and (ii) to the fullest extent possible, the provisions of this Amended and Restated Certificate of Incorporation (including, without limitation, each such portion of any paragraph of this Amended and Restated Certificate of Incorporation containing any such provision held to be invalid, illegal or unenforceable) shall be construed so as to permit the Corporation to protect its directors, officers, employees and agents from personal liability in respect of their good faith service or for the benefit of the Corporation to the fullest extent permitted by law.

Except as provided in Article VIII above, the Corporation reserves the right to amend or repeal any provision contained in this Amended and Restated Certificate of Incorporation in the manner prescribed by the laws of the State of Delaware and all rights conferred upon stockholders are granted subject to this reservation. Any amendment to this Amended and Restated Certificate that requires stockholder approval pursuant to the DGCL shall require the affirmative vote of the holders of at least a majority of the voting power of the outstanding shares of stock of the Corporation entitled to vote generally in the election of directors, voting together as a single class.

CERTIFICATE OF AMENDMENT
TO THE
AMENDED AND RESTATED CERTIFICATE OF INCORPORATION OF
NUTANIX, INC.

(Pursuant to Section 242 of the General Corporation Law of the State of Delaware)

Nutanix, Inc., a corporation organized and existing under the laws of the State of Delaware, DOES HEREBY CERTIFY:

FIRST: That the name of the corporation is Nutanix, Inc. (the "**Corporation**") and that the Corporation's original Certificate of Incorporation was filed with the Secretary of State of the State of Delaware on September 22, 2009 (the "**Original Certificate**").

SECOND: That the Corporation amended and restated the Original Certificate by filing an Amended and Restated Certificate of Incorporation with the Secretary of State of the State of Delaware on December 9, 2022 (the "**Certificate of Incorporation**").

THIRD: That pursuant to Section 242 of the General Corporation Law of the State of Delaware (the "**DGCL**"), this Certificate of Amendment to the Amended and Restated Certificate of Incorporation (this "**Certificate of Amendment**") amends the provisions of the Certificate of Incorporation.

FOURTH: That pursuant to Section 242 of the DGCL, the Board of Directors of the Corporation duly adopted resolutions setting forth the terms and provisions of this Certificate of Amendment, declaring the terms and provisions of this Certificate of Amendment to be advisable, and directing the terms and provisions of this Certificate of Amendment to be submitted to and considered by the stockholders of the Corporation for approval.

RESOLVED, that the Certificate of Incorporation is hereby amended by amending and restating Section 8.1 of Article VIII thereof in its entirety as follows:

> "8.1 Limitation of Personal Liability. To the fullest extent permitted by the DGCL as the same exists or as may hereafter be amended from time to time, a director or officer of the Corporation shall not be personally liable to the Corporation or its stockholders for monetary damages for breach of fiduciary duty as a director or officer. If the DGCL is amended to authorize corporate action further eliminating or limiting the personal liability of directors or officers, then the liability of a director or officer of the Corporation shall be eliminated or limited to the fullest extent permitted by the DGCL, as so amended."

* * *

FIFTH: The terms and provisions of this Certificate of Amendment have been duly adopted in accordance with Section 242 of the DGCL.

IN WITNESS WHEREOF, this Certificate of Amendment has been duly executed by a duly authorized officer of the Corporation on this 8th day of December, 2023.

NUTANIX, INC.

By: /s/ Tyler Wall
Name: Tyler Wall
Title: Chief Legal Officer

(Signature page to Certificate of Amendment)

Exhibit 10.3

TRANSITION AGREEMENT AND RELEASE

This Transition Agreement and Release (this "Agreement") is made by and between Tyler Wall ("Employee") and Nutanix, Inc. (the "Company") (collectively referred to as the "Parties" or individually referred to as a "Party").

RECITALS

WHEREAS, Employee is employed by the Company;

WHEREAS, Employee signed an offer letter with the Company on November 20, 2017 (the "Offer Letter");

WHEREAS, Employee signed a Confidential Information and Invention Assignment Agreement with the Company on November 20, 2017 (the "Confidentiality Agreement");

WHEREAS, the Company granted Employee time-based restricted stock units ("RSUs") and performance-based restricted stock units ("PSUs") under the Company's 2016 Equity Incentive Plan and individual award agreements thereunder (each an "Award Agreement") that are reflected in the Company's equity administration platform through E*Trade (collectively, Employee's RSU and PSU are referred to as the "Equity Awards");

WHEREAS, Employee has provided notice to the Company that he has voluntarily resigned his employment with the Company, with his last day of employment with the Company to be June 30, 2024 (the "Separation Date");

WHEREAS, the Parties wish to provide for Employee's orderly transition of the day-to-day duties of Employee's position with the Company until the Separation Date; and

WHEREAS, the Parties wish to resolve any and all disputes, claims, complaints, grievances, charges, actions, petitions, and demands that Employee may have against the Company and any of the Releasees as defined below, including, but not limited to, any and all claims arising out of or in any way related to Employee's employment with, transition from, or separation from the Company.

NOW, THEREFORE, in consideration of the mutual promises made herein, the Company and Employee hereby agree as follows:

COVENANTS

1. Consideration.

a. *Continued Employment; Transition Services*. The Company agrees that beginning on the Effective Date, the Company will continue to employ Employee as an at-will employee through the Separation Date (such period the "Transition Period"). During the Transition Period, Employee will continue receiving Employee's regular base salary, Employee will continue to vest in all outstanding Equity Awards according to their terms, and Employee will be eligible to participate in then-available Company benefit plans at the same level as Employee would have been eligible to participate in such plans immediately prior to the start of the Transition Period, subject to the terms and conditions, including eligibility requirements, of such plans. Employee agrees that during the Transition Period, Employee will work in good faith with the Company to complete open projects, transition Employee's responsibilities and duties, facilitate the knowledge transfer of items within Employee's area of responsibility, and provide other transition services as may be reasonably requested by the Company (the "Transition Services"). In the Company and Employee's mutual discretion, it is understood that the Transition Services may be modified to non-employee advisory services prior to the Separation Date and, in such case, that Employee shall continue to receive the compensation described in this Section 1(a) through the Separation Date and the consideration set forth in **Exhibit A**.

b. *Acknowledgement*. Employee acknowledges that without this Agreement, Employee is otherwise not entitled to the consideration listed in this Section 1. Accordingly, Employee acknowledges that without this Agreement, Employee would not be entitled to any employment (or compensation for such employment) during the Transition Period. Employee specifically acknowledges and agrees that the consideration provided to Employee under this Agreement and the Separation Agreement (as defined below) fully satisfies any obligation by the Company to provide or satisfy any severance, notice, release deadline, or other post-employment benefits, including under the Company's Executive Severance Policy and/or the Company's Change of Control and Severance Policy.

2. Separation Agreement and Release. Subject to Employee satisfactorily performing the Transition Services, following the end of the Transition Period, or earlier if Employee's employment is terminated earlier by either Party, in exchange for Employee's execution and non-revocation of the Separation Agreement and Release attached hereto as **Exhibit A** (the "Separation Agreement") within the timeframe set forth in the Separation Agreement, the Company agrees to provide Employee with the consideration set forth in Section 1 of the Separation Agreement, subject to the terms and conditions of the Separation Agreement. Employee acknowledges that without the Separation Agreement, Employee is otherwise not entitled to the consideration listed in Section 1 of the Separation Agreement. The Parties agree to modify the Separation Agreement pursuant to or otherwise as may be required by applicable law. Employee acknowledges and agrees that no payment or other consideration provided to Employee under the Separation Agreement constitutes a raise, a bonus, or continued employment and that the Separation Agreement is not a condition of employment or continued employment.

3. Benefits. Employee's participation in all benefits and incidents of employment, including, but not limited to, vesting in stock options, and the accrual of bonuses, vacation, and paid time off, shall cease as of the Separation Date or such earlier date as Employee's employment may terminate.

4. Payment of Salary and Receipt of All Benefits. Employee acknowledges and represents that, other than the consideration set forth in this Agreement, the Company has paid or provided all salary, wages, bonuses, accrued vacation/paid time off, notice periods, premiums, leaves, housing allowances, relocation costs, interest, severance, outplacement costs, fees, reimbursable expenses, commissions, stock, stock options, vesting, and any and all other benefits and compensation due to Employee as of the date Employee signs this Agreement.

5. Release of Claims. In exchange for the consideration provided under this Agreement, Employee (on Employee's own behalf and on behalf of Employee's respective heirs, family members, executors, agents, and assigns) agrees to release any and all claims Employee may have against the Company or any of its current and former officers, directors, employees, agents, investors, attorneys, shareholders, administrators, affiliates, benefit plans, plan administrators, professional employer organization or co-employer, insurers, trustees, divisions, subsidiaries, predecessor and successor corporations, and assigns (collectively the "Releasees") as of the date Employee signs this Agreement including, but not limited to, the following: (a) claims arising under the federal or any state constitution; (b) claims for breach of contract, breach of public policy, physical or mental harm or distress; (c) any claim for attorneys' fees and costs; (d) any and all claims relating to, or arising from, Employee's right to purchase, or actual purchase of shares of stock of the Company; and (e) any and all other claims arising from Employee's employment relationship with the Company or the termination of that relationship. Employee agrees that, with respect to the claims released herein, Employee will not file any legal action asserting any such claims. Employee agrees that the release set forth in this Section shall be and remain in effect in all respects as a complete general release as to the matters released. This release does not extend to: (i) any obligations incurred under this Agreement; or (ii) claims that cannot be released as a matter of law. Nothing herein releases any rights or claims Employee may have under the California Fair Employment and Housing Act ("FEHA") or right to indemnification under the Company bylaws, the indemnity agreement between the Company and Employee, California Labor Code section 2802 or any other provision of California law or any agreement with the Company or policy or practice of the Company.

6. California Civil Code Section 1542. Employee acknowledges that Employee has been advised to consult with legal counsel and is familiar with the provisions of California Civil Code Section 1542, a statute that otherwise prohibits the release of unknown claims, which provides as follows:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.

Employee, being aware of said code section, agrees to expressly waive any rights Employee may have thereunder with respect only to the claims released herein, as well as under any other statute or common law principles of similar effect.

7. Protected Activity Not Prohibited. Employee understands that nothing in this Agreement or the Confidentiality Agreement shall in any way limit or prohibit Employee from engaging in any Protected Activity. Protected Activity includes: (i) filing and/or pursuing a charge, complaint, or report with, or otherwise communicating, cooperating, or participating in any investigation or proceeding that may be conducted by any federal, state or local government agency or commission, including the Securities and Exchange Commission, the Equal Employment Opportunity Commission, the Occupational Safety and Health Administration, and the National Labor Relations Board ("Government Agencies"); and/or (ii) discussing or disclosing information about unlawful acts in the workplace, such as harassment or discrimination or any other conduct that Employee has reason to believe is unlawful. Notwithstanding the foregoing, Employee agrees to take all reasonable precautions to prevent any unauthorized use or disclosure of any Company trade secrets, proprietary information, or confidential information that does not involve unlawful acts in the workplace or the activity otherwise protected herein. Employee further understands that Protected Activity does not include the disclosure of any Company attorney-client privileged communications or attorney work product. Any language in the Confidentiality Agreement regarding Employee's right to engage in protected conduct that conflicts with, or is contrary to, this Section is superseded by this Agreement. In addition, pursuant to the Defend Trade Secrets Act of 2016, Employee is notified that an individual will not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that (i) is made in confidence to a federal, state, or local government official (directly or indirectly) or to an attorney *solely* for the purpose of reporting or investigating a suspected violation of law, or (ii) is made in a complaint or other document filed in a lawsuit or other proceeding, if (and only if) such filing is made under seal. In addition, an individual who files a lawsuit for retaliation by an employer for reporting a suspected violation of law may disclose the trade secret to the individual's attorney and use the trade secret information in the court proceeding, if the individual files any document containing the trade secret under seal and does not disclose the trade secret, except pursuant to court order. Finally, nothing in this Agreement constitutes a waiver of any rights Employee may have under the Sarbanes-Oxley Act or Section 7 of the National Labor Relations Act ("NLRA"). For purposes of clarity, nothing in this Agreement shall be interpreted to impair or limit Employee's participation in any legally protected activities, such as (i) forming, joining, or supporting labor unions, (ii) bargaining collectively through representatives of employees' choosing, (iii) discussing wages, benefits, or terms and conditions of employment, and (iv) discussing, or raising complaints about, working conditions for the purpose of mutual aid or protection of Employee or the Company's other current or former employees, to the extent such activities are protected by Section 7 of the NLRA.

8. No Admission of Liability. Employee understands and acknowledges that with respect to all claims released herein, this Agreement constitutes a compromise and settlement of any and all actual or potential disputed claims by Employee unless such claims were explicitly not released by the release in this Agreement. No action taken by the Company hereto, either previously or in connection with this Agreement, shall be deemed or construed to be (a) an admission of the truth or falsity of any actual or potential claims or (b) an acknowledgment or admission by the Company of any fault or liability whatsoever to Employee or to any third party.

9. Effective Date. This Agreement will become effective on the date it has been signed by both Parties (the "Effective Date"). Employee acknowledges that Employee was given a copy of this Agreement with at least five (5) business days to review and consider its terms and whether or not to execute this Agreement. In the event Employee signs this Agreement and returns it to the Company in less than the five (5) business day period identified above, Employee hereby acknowledges that Employee has knowingly and voluntarily chosen to waive the time period allotted for considering this Agreement.

10. Governing Law and No Oral Modification. This Agreement shall be governed by the laws of the State of California, without regard for choice-of-law provisions. Employee consents to personal and exclusive jurisdiction and venue in the State of California. This Agreement may only be amended in a writing signed by Employee and the Company's Chief Executive Officer.

11. Authority. The Company represents and warrants that the undersigned has the authority to act on behalf of the Company and to bind the Company and all who may claim through it to the terms and conditions of this Agreement. Employee represents and warrants that Employee has the capacity to act on Employee's own behalf and on behalf of all who might claim through Employee to bind them to the terms and conditions of this Agreement. Each Party warrants and represents that there are no liens or claims of lien or assignments in law or equity or otherwise of or against any of the claims or causes of action released herein.

12. Attorneys' Fees. In the event that either Party brings an action to enforce or effect its rights under this Agreement, the prevailing Party shall be entitled to recover its costs and expenses, including the costs of mediation, arbitration, litigation, court fees, and reasonable attorneys' fees incurred in connection with such an action.

13. Miscellaneous. In the event that any provision or any portion of any provision hereof or any surviving agreement made a part hereof becomes or is declared by a court of competent jurisdiction or arbitrator to be illegal, unenforceable, or void, this Agreement shall continue in full force and effect without said provision or portion of provision. This Agreement represents the entire agreement and understanding between the Company and Employee concerning the subject matter of this Agreement, and supersedes and replaces any and all prior agreements and understandings concerning the subject matter of this Agreement and Employee's relationship with the Company, including the Offer Letter, with the exception of the Confidentiality Agreement and the Stock Agreements. This Agreement may be executed in counterparts and each counterpart shall be deemed an original and all of which counterparts taken together shall have the same force and effect as an original and shall constitute an effective, binding agreement on the part of each of the undersigned. The counterparts of this Agreement may be executed and delivered by facsimile, photo, email PDF, or other electronic transmission or signature.

14. Voluntary Execution of Agreement. Employee understands and agrees that Employee executed this Agreement voluntarily, without any duress or undue influence on the part or behalf of the Company or any third party, with the full intent of releasing Employee's claims against the Company as set forth herein. Employee acknowledges that: (a) Employee has read this Agreement; (b) Employee has a right to consult with an attorney regarding this Agreement and has been represented in the preparation, negotiation, and execution of this Agreement by legal counsel of Employee's own choice or has elected not to retain legal counsel; (c) Employee understands the terms and consequences of this Agreement and of the releases it contains; () Employee is fully aware of the legal and binding effect of this Agreement; and (e) Employee has not relied upon any representations or statements made by the Company that are not specifically set forth in this Agreement.

IN WITNESS WHEREOF, the Parties have executed this Agreement on the respective dates set forth below.

Dated: February 7, 2024

TYLER WALL, an individual
/s/ Tyler Wall
Tyler Wall

Dated: February 7, 2024

NUTANIX, INC.
/s/ Rajiv Ramaswami
Rajiv Ramaswami
Chief Executive Officer

EXHIBIT A OF TRANSITION AGREEMENT

SEPARATION AGREEMENT AND RELEASE

This Separation Agreement and Release (this "Separation Agreement") is made by and between Tyler Wall ("Employee") and Nutanix, Inc. (the "Company") (collectively referred to as the "Parties" or individually referred to as a "Party"). Capitalized terms not defined herein have the meaning ascribed to them in the Transition Agreement.

RECITALS

WHEREAS, Employee was employed by the Company;

WHEREAS, Employee signed a Transition Agreement and Release in or around February 6, 2024 (the "Transition Agreement");

WHEREAS, Employee's employment with the Company terminated on June 30, 2024 (the last day of Employee's employment with the Company, the "Separation Date"); and

WHEREAS, the Parties wish to resolve any and all disputes, claims, complaints, grievances, charges, actions, petitions, and demands that Employee may have against the Company and any of the Releasees as defined below, including, but not limited to, any and all claims arising out of or in any way related to Employee's employment with or separation from the Company.

NOW, THEREFORE, in consideration of the mutual promises made herein, the Company and Employee hereby agree as follows:

COVENANTS

1. Separation Agreement Consideration. Subject to Employee's execution of, and non-revocation of, this Separation Agreement:

a. *Payment*. The Company agrees to pay Employee a lump sum approximately equivalent to One Million, Three Hundred and Fifty Thousand Dollars ($1,350,000), less applicable withholdings. This payment will be made to Employee within sixty (60) days following the Separation Agreement Effective Date.

b. *COBRA*. The Company shall directly pay for Employee's COBRA coverage for a period of twelve (12) months immediately following the termination of Employee's Company health insurance benefits, or until Employee has secured other employment, whichever occurs first, provided Employee timely elects and pays for COBRA coverage.

c. *Acknowledgement*. Employee acknowledges that without this Separation Agreement, Employee is otherwise not entitled to the consideration listed in this Section 1. Employee specifically acknowledges and agrees that the consideration provided to Employee under this Separation Agreement fully satisfies any obligation by the Company to provide or satisfy any severance, notice, release deadline, or other post-employment benefits, including under the Company's Executive Severance Policy and/or the Company's Change of Control and Severance Policy.

2. Stock. The Equity Awards shall cease to vest as of the Separation Date by their terms. Accordingly, any unvested portion of the Equity Awards as of the Separation Date shall automatically forfeit in their entirety by their terms.

3. Benefits. Employee's health insurance benefits shall cease on the last day of the month in which the Separation Date occurs, subject to Employee's right to continue Employee's health insurance under COBRA. Employee's participation in all benefits and incidents of employment, including, but not limited to, vesting in stock options, and the accrual of bonuses, vacation, and paid time off, ceased as of the Separation Date.

4. Payment of Salary and Receipt of All Benefits. Employee acknowledges and represents that, other than the consideration set forth in this Separation Agreement, the Company has paid or provided all salary, wages, bonuses, accrued vacation/paid time off, notice periods, premiums, leaves, housing allowances, relocation costs, interest, severance, outplacement costs, fees, reimbursable expenses, commissions, stock, stock options, vesting, and any and all other benefits and compensation due to Employee.

5. Release of Claims. Employee agrees that the foregoing consideration represents settlement in full of all outstanding obligations owed to Employee by the Company and its current and former officers, directors, employees, agents, investors, attorneys, shareholders, administrators, affiliates, benefit plans, plan administrators, professional employer organization or co-employer, insurers, trustees, divisions, subsidiaries, predecessor and successor corporations, and assigns (collectively, the "Releasees"). Employee, on Employee's own behalf and on behalf of Employee's respective heirs, family members, executors, agents, and assigns, hereby and forever releases the Releasees from, and agrees not to sue concerning, or in any manner to institute, prosecute, or pursue, any claim, complaint, charge, duty, obligation, demand, or cause of action relating to any matters of any kind, whether presently known or unknown, suspected or unsuspected, that Employee may possess against any of the Releasees arising from any omissions, acts, facts, or damages that have occurred up until and including the date Employee signs this Separation Agreement, including, without limitation:

a. any and all claims relating to or arising from Employee's employment relationship with the Company and the termination of that relationship;

b. any and all claims relating to, or arising from, Employee's right to purchase, or actual purchase of shares of stock of the Company, including, without limitation, any claims for fraud, misrepresentation, breach of fiduciary duty, breach of duty under applicable state corporate law, and securities fraud under any state or federal law;

c. any and all claims for wrongful discharge of employment, termination in violation of public policy, discrimination, harassment, retaliation, breach of contract (both express and implied), breach of covenant of good faith and fair dealing (both express and implied), promissory estoppel, negligent or intentional infliction of emotional distress, fraud, negligent or intentional misrepresentation, negligent or intentional interference with contract or prospective economic advantage, unfair business practices, defamation, libel, slander, negligence, personal injury, assault, battery, invasion of privacy, false imprisonment, conversion, and disability benefits;

d. any and all claims for violation of any federal, state, or municipal statute, including, but not limited to, Title VII of the Civil Rights Act of 1964, the Civil Rights Act of 1991, the Rehabilitation Act of 1973, the Americans with Disabilities Act of 1990, the Equal Pay Act, the Fair Labor Standards Act, the Fair Credit Reporting Act, the Age Discrimination in Employment Act of 1967, the Older Workers Benefit Protection Act, the Employee Retirement Income Security Act of 1974, the Worker Adjustment and Retraining Notification Act, the Family and Medical Leave Act, the Immigration Reform and Control Act, the California Family Rights Act, the California Labor Code, the California Workers' Compensation Act, the California Worker Adjustment and Retraining Notification Act, and the California Fair Employment and Housing Act;

e. any and all claims for violation of the federal or any state constitution;

f. any and all claims arising out of any other laws and regulations relating to employment or employment discrimination;

g. any claim for any loss, cost, damage, or expense arising out of any dispute over the nonwithholding or other tax treatment of any of the proceeds received by Employee as a result of this Separation Agreement; and

h. any and all claims for attorneys' fees and costs.

Employee agrees that the release set forth in this Section shall be and remain in effect in all respects as a complete general release as to the matters released. This release does not extend to any obligations incurred under this Separation Agreement.

This release does not release claims that cannot be released as a matter of law, including, but not necessarily limited to, any Protected Activity (as defined below) and any rights Employee may have under the Sarbanes Oxley Act. Any and all disputed wage claims that are released herein shall be subject to binding arbitration in accordance with this Separation Agreement, except as required by applicable law. This release does not extend to any right Employee may have to unemployment compensation benefits or right to indemnification under the Company bylaws, the indemnity agreement between the Company and Employee, California Labor Code section 2802 or any other provision of California law or any agreement with the Company or policy or practice of the Company.

6. Acknowledgment of Waiver of Claims under ADEA. Employee acknowledges that Employee is waiving and releasing any rights Employee may have under the Age Discrimination in Employment Act of 1967 ("ADEA"), and that this waiver and release is knowing and voluntary. Employee agrees that this waiver and release does not apply to any rights or claims that may arise under the ADEA after the date Employee signs this Separation Agreement. Employee acknowledges that the consideration given for this waiver and release is in addition to anything of value to which Employee was already entitled. Employee further acknowledges that Employee has been advised by this writing that: (a) Employee should consult with an attorney prior to executing this Separation Agreement; (b) Employee has be given at least twenty-one (21) days within which to consider this Separation Agreement; (c) Employee has seven (7) days following Employee's execution of this Separation Agreement to revoke this Separation Agreement; (d) this Separation Agreement shall not be effective until after the revocation period has expired; and (e) nothing in this Separation Agreement prevents or precludes Employee from challenging or seeking a determination in good faith of the validity of this waiver under the ADEA, nor does it impose any condition precedent, penalties, or costs for doing so, unless specifically authorized by federal law. In the event Employee signs this Separation Agreement and returns it to the Company in less than the 21-day period identified above, Employee hereby acknowledges that Employee has knowingly and voluntarily chosen to waive the time period allotted for considering this Separation Agreement. Employee acknowledges and understands that revocation must be accomplished by a written notification to the person executing this Separation Agreement on the Company's behalf that is received prior to the Effective Date. The Parties agree that changes, whether material or immaterial, do not restart the running of the 21-day period.

7. California Civil Code Section 1542. Employee acknowledges that Employee has been advised to consult with legal counsel and is familiar with the provisions of California Civil Code Section 1542, a statute that otherwise prohibits the release of unknown claims, which provides as follows:

> A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.

Employee, being aware of said code section, agrees to expressly waive any rights Employee may have thereunder, as well as under any other statute or common law principles of similar effect.

8. Confidentiality. Subject to the "Protected Activity Not Prohibited" Section below, Employee agrees to maintain in complete confidence the existence of this Separation Agreement, the contents and terms of this Separation Agreement, and the consideration for this Separation Agreement (hereinafter collectively referred to as "Separation Information"), and Employee agrees that Employee will not publicize, directly or indirectly, any Separation Information. Except as required by law, and subject to the "Protected Activity Not Prohibited" Section below, Employee may disclose Separation Information only to Employee's immediate family members, the Court in any proceedings to enforce the terms of this Separation Agreement, Employee's attorney(s), and Employee's accountant(s) and any professional tax advisor(s) to the extent that they need to know the Separation Information in order to provide advice on tax treatment or to prepare tax returns, and must prevent disclosure of any Separation Information to all other third parties.

9. Trade Secrets and Confidential Information/Company Property. Employee acknowledges that, separate from this Separation Agreement, Employee remains under continuing obligations to the Company under the Confidentiality

Agreement, including the provisions therein regarding nondisclosure of the Company's trade secrets and confidential and proprietary information, except Employee understands that the Company shall not enforce Section 9 of the Confidentiality Agreement against Employee. Employee's signature below constitutes Employee's certification under penalty of perjury that Employee has returned all Company property, devices and equipment, and taken all necessary steps to permanently delete or destroy all information, documents, and other items provided to Employee by the Company (with the exception of a copy of any Employee Handbook and personnel documents specifically relating to Employee), developed or obtained by Employee in connection with Employee's employment with the Company, or otherwise belonging to the Company.

10. No Cooperation. Subject to the "Protected Activity Not Prohibited" Section below, Employee agrees that Employee will not knowingly encourage, counsel, or assist any attorneys or their clients in the presentation or prosecution of any disputes, differences, grievances, claims, charges, or complaints by any third party against any of the Releasees, unless under a subpoena or other court order to do so or upon written request from an administrative agency or the legislature or as related directly to the ADEA waiver in this Separation Agreement. Employee agrees both to immediately notify the Company upon receipt of any such subpoena or court order or written request from an administrative agency or the legislature, and to furnish, within three (3) business days of its receipt, a copy of such subpoena or other court order or written request from an administrative agency or the legislature. Subject to the "Protected Activity Not Prohibited" Section below, If approached by anyone for counsel or assistance in the presentation or prosecution of any disputes, differences, grievances, claims, charges, or complaints against any of the Releasees, Employee shall state no more than that Employee cannot provide counsel or assistance.

11. Protected Activity Not Prohibited. Employee understands that nothing in this Separation Agreement shall in any way limit or prohibit Employee from engaging in any Protected Activity. Protected Activity includes: (i) filing and/or pursuing a charge, complaint, or report with, or otherwise communicating, cooperating, or participating in any investigation or proceeding that may be conducted by any federal, state or local government agency or commission, including the Securities and Exchange Commission, the Equal Employment Opportunity Commission, the Occupational Safety and Health Administration, and the National Labor Relations Board ("Government Agencies"); and/or (ii) discussing or disclosing information about unlawful acts in the workplace, such as harassment or discrimination or any other conduct that Employee has reason to believe is unlawful. Notwithstanding the foregoing, Employee agrees to take all reasonable precautions to prevent any unauthorized use or disclosure of any Company trade secrets, proprietary information, or confidential information that does not involve unlawful acts in the workplace or the activity otherwise protected herein. Employee further understands that Protected Activity does not include the disclosure of any Company attorney-client privileged communications or attorney work product. Any language in the Confidentiality Agreement regarding Employee's right to engage in protected conduct that conflicts with, or is contrary to, this Section is superseded by this Separation Agreement. In addition, pursuant to the Defend Trade Secrets Act of 2016, Employee is notified that an individual will not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that (i) is made in confidence to a federal, state, or local government official (directly or indirectly) or to an attorney *solely* for the purpose of reporting or investigating a suspected violation of law, or (ii) is made in a complaint or other document filed in a lawsuit or other proceeding, if (and only if) such filing is made under seal. In addition, an individual who files a lawsuit for retaliation by an employer for reporting a suspected violation of law may disclose the trade secret to the individual's attorney and use the trade secret information in the court proceeding, if the individual files any document containing the trade secret under seal and does not disclose the trade secret, except pursuant to court order. Finally, nothing in this Separation Agreement constitutes a waiver of any rights Employee may have under the Sarbanes-Oxley Act or Section 7 of the National Labor Relations Act ("NLRA"). For purposes of clarity, nothing in this Separation Agreement shall be interpreted to impair or limit Employee's participation in any legally protected activities, such as (i) forming, joining, or supporting labor unions, (ii) bargaining collectively through representatives of employees' choosing, (iii) discussing wages, benefits, or terms and conditions of employment, and (iv) discussing, or raising complaints about, working conditions for the purpose of mutual aid or protection of Employee or the Company's other current or former employees, to the extent such activities are protected by Section 7 of the NLRA.

12. No Admission of Liability. Employee understands and acknowledges that with respect to all claims released herein, this Separation Agreement constitutes a compromise and settlement of any and all actual or potential disputed claims by Employee unless such claims were explicitly not released by the release in this Separation Agreement.

No action taken by the Company hereto, either previously or in connection with this Separation Agreement, shall be deemed or construed to be (a) an admission of the truth or falsity of any actual or potential claims or (b) an acknowledgment or admission by the Company of any fault or liability whatsoever to Employee or to any third party.

13. Nondisparagement. Subject to the "Protected Activity Not Prohibited" Section, Employee agrees to refrain from any disparagement, defamation, libel, or slander of any of the Releasees, and agrees to refrain from any tortious interference with the contracts and relationships of any of the Releasees. Employee shall direct any inquiries by potential future employers to the Company's human resources department.

14. Breach. In addition to the rights provided in the "Attorneys' Fees" section below, Employee acknowledges and agrees that any material breach of this Separation Agreement, unless such breach constitutes a legal action by Employee challenging or seeking a determination in good faith of the validity of the waiver herein under the ADEA, or of any provision of the Confidentiality Agreement (as modified herein), shall entitle the Company immediately to recover and/or cease providing the consideration provided to Employee under this Separation Agreement and to obtain damages, except as provided by law, provided, however, that the Company shall not recover One Hundred Dollars ($100.00) of the consideration already paid pursuant to this Separation Agreement and such amount shall serve as full and complete consideration for the promises and obligations assumed by Employee under this Separation Agreement and the Confidentiality Agreement (as modified herein).

15. Separation Agreement Effective Date. Employee acknowledges that Employee was given a copy of this Separation Agreement with at least twenty-one (21) days to review and consider its terms and whether or not to execute this Separation Agreement. Employee understands that Employee cannot sign this Separation Agreement prior to the Separation Date but that it must be executed within five (5) business days after the Separation Date. Each Party has seven (7) days after that Party signs this Separation Agreement to revoke it. This Separation Agreement will become effective on the eight (8th) day after the Parties sign the Agreement, so long as Employee only executes this Separation Agreement on or after the Separation Date and it has not been revoked by either Party before that date (the "Separation Agreement Effective Date").

16. No Pending or Future Lawsuits. Employee represents that Employee has no lawsuits, claims, or actions pending in Employee's name, or on behalf of any other person or entity, against the Company or any of the other Releasees. Employee also represents that Employee does not intend to bring any claims on Employee's own behalf or on behalf of any other person or entity against the Company or any of the other Releasees.

17. ARBITRATION. EXCEPT AS PROHIBITED BY LAW, THE PARTIES AGREE THAT ANY AND ALL DISPUTES ARISING OUT OF THE TERMS OF THIS SEPARATION AGREEMENT, THEIR INTERPRETATION, EMPLOYEE'S EMPLOYMENT WITH THE COMPANY OR THE TERMS THEREOF, OR ANY OF THE MATTERS HEREIN RELEASED, SHALL BE SUBJECT TO ARBITRATION UNDER THE FEDERAL ARBITRATION ACT (THE "FAA") AND THAT THE FAA SHALL GOVERN AND APPLY TO THIS ARBITRATION AGREEMENT WITH FULL FORCE AND EFFECT; HOWEVER, WITHOUT LIMITING ANY PROVISIONS OF THE FAA, A MOTION OR PETITION OR ACTION TO COMPEL ARBITRATION MAY ALSO BE BROUGHT IN STATE COURT UNDER THE PROCEDURAL PROVISIONS OF SUCH STATE'S LAWS RELATING TO MOTIONS OR PETITIONS OR ACTIONS TO COMPEL ARBITRATION. EMPLOYEE AGREES THAT, TO THE FULLEST EXTENT PERMITTED BY LAW, EMPLOYEE MAY BRING ANY SUCH ARBITRATION PROCEEDING ONLY IN EMPLOYEE'S INDIVIDUAL CAPACITY. ANY CLAIMS EMPLOYEE MAY BRING PURSUANT TO THE PRIVATE ATTORNEYS GENERAL ACT ("PAGA") ON BEHALF OF THE LABOR AND WORKFORCE DEVELOPMENT AGENCY MUST BE ARBITRATED ONLY IN EMPLOYEE'S INDIVIDUAL CAPACITY WITHOUT ANY JOINDER OR REPRESENTATION OF ANY CALIFORNIA LABOR CODE VIOLATIONS THAT WERE OR COULD BE ASSERTED BY OR ON BEHALF OF ANY OTHER EMPLOYEES. ANY ARBITRATION WILL OCCUR IN THE COUNTY IN CALIFORNIA WHERE EMPLOYEE WORKED FOR THE COMPANY AS OF THE SEPARATION DATE, BEFORE JAMS, PURSUANT TO ITS EMPLOYMENT ARBITRATION RULES & PROCEDURES ("JAMS RULES"), EXCEPT AS EXPRESSLY PROVIDED IN THIS SECTION. THE PARTIES AGREE THAT THE ARBITRATOR SHALL HAVE THE POWER TO DECIDE ANY MOTIONS BROUGHT BY ANY PARTY TO THE ARBITRATION, INCLUDING MOTIONS FOR SUMMARY JUDGMENT AND/OR ADJUDICATION, AND

MOTIONS TO DISMISS AND DEMURRERS, APPLYING THE STANDARDS SET FORTH UNDER THE CALIFORNIA CODE OF CIVIL PROCEDURE. THE PARTIES AGREE THAT THE ARBITRATOR SHALL ISSUE A WRITTEN DECISION ON THE MERITS. THE PARTIES ALSO AGREE THAT THE ARBITRATOR SHALL HAVE THE POWER TO AWARD ANY REMEDIES AVAILABLE UNDER APPLICABLE LAW. THE ARBITRATOR MAY GRANT INJUNCTIONS AND OTHER RELIEF IN SUCH DISPUTES. THE DECISION OF THE ARBITRATOR SHALL BE FINAL, CONCLUSIVE, AND BINDING ON THE PARTIES TO THE ARBITRATION. THE PARTIES AGREE THAT THE PREVAILING PARTY IN ANY ARBITRATION SHALL BE ENTITLED TO INJUNCTIVE RELIEF IN ANY COURT OF COMPETENT JURISDICTION TO ENFORCE THE ARBITRATION AWARD. THE PARTIES TO THE ARBITRATION SHALL EACH PAY AN EQUAL SHARE OF THE COSTS AND EXPENSES OF SUCH ARBITRATION, AND EACH PARTY SHALL SEPARATELY PAY FOR ITS RESPECTIVE COUNSEL FEES AND EXPENSES; PROVIDED, HOWEVER, THAT THE ARBITRATOR MAY AWARD ATTORNEYS' FEES AND COSTS TO THE PREVAILING PARTY, EXCEPT AS PROHIBITED BY LAW. THE PARTIES HEREBY AGREE TO WAIVE THEIR RIGHT TO HAVE ANY DISPUTE BETWEEN THEM RESOLVED IN A COURT OF LAW BY A JUDGE OR JURY. NOTWITHSTANDING THE FOREGOING, THIS SECTION WILL NOT PREVENT EITHER PARTY FROM SEEKING INJUNCTIVE RELIEF (OR ANY OTHER PROVISIONAL REMEDY) FROM ANY COURT HAVING JURISDICTION OVER THE PARTIES AND THE SUBJECT MATTER OF THEIR DISPUTE RELATING TO THIS SEPARATION AGREEMENT AND THE AGREEMENTS INCORPORATED HEREIN BY REFERENCE. SHOULD ANY PART OF THE ARBITRATION AGREEMENT CONTAINED IN THIS SECTION CONFLICT WITH ANY OTHER ARBITRATION AGREEMENT BETWEEN THE PARTIES, INCLUDING, BUT NOT LIMITED TO THE ARBITRATION SECTION OF THE CONFIDENTIALITY AGREEMENT, THE PARTIES AGREE THAT THIS ARBITRATION AGREEMENT IN THIS SECTION SHALL GOVERN.

18. Tax Consequences. The Company makes no representations or warranties with respect to the tax consequences of the payments and any other consideration provided to Employee or made on Employee's behalf under the terms of this Separation Agreement. Employee agrees and understands that Employee is responsible for payment, if any, of local, state, and/or federal taxes on the payments and any other consideration provided hereunder by the Company and any penalties or assessments thereon. Employee further agrees to indemnify and hold the Releasees harmless from any claims, demands, deficiencies, penalties, interest, assessments, executions, judgments, or recoveries by any government agency against the Company for any amounts claimed due on account of (a) Employee's failure to pay or delayed payment of federal or state taxes, or (b) damages sustained by the Company by reason of any such claims, including attorneys' fees and costs. The Parties agree and acknowledge that the payments made pursuant to section 1 of this Separation Agreement are not related to sexual harassment or sexual abuse and not intended to fall within the scope of 26 U.S.C. Section 162(q).

19. Authority. The Company represents and warrants that the undersigned has the authority to act on behalf of the Company and to bind the Company and all who may claim through it to the terms and conditions of this Separation Agreement. Employee represents and warrants that Employee has the capacity to act on Employee's own behalf and on behalf of all who might claim through Employee to bind them to the terms and conditions of this Separation Agreement. Each Party warrants and represents that there are no liens or claims of lien or assignments in law or equity or otherwise of or against any of the claims or causes of action released herein.

20. Attorneys' Fees. Except with regard to a legal action challenging or seeking a determination in good faith of the validity of the waiver herein under the ADEA, in the event that either Party brings an action to enforce or effect its rights under this Separation Agreement, the prevailing Party shall be entitled to recover its costs and expenses, including the costs of mediation, arbitration, litigation, court fees, and reasonable attorneys' fees incurred in connection with such an action.

21. Miscellaneous. In the event that any provision or any portion of any provision hereof or any surviving agreement made a part hereof becomes or is declared by a court of competent jurisdiction or arbitrator to be illegal, unenforceable, or void, this Separation Agreement shall continue in full force and effect without said provision or portion of provision. This Separation Agreement represents the entire agreement and understanding between the Company and Employee concerning the subject matter of this Separation Agreement and Employee's employment with and separation from the Company and the events leading thereto and associated therewith, and supersedes and replaces any and all prior

agreements and understandings concerning the subject matter of this Separation Agreement and Employee's relationship with the Company, including the Offer Letter, with the exception of the Confidentiality Agreement (as modified herein) and the Stock Agreements. This Separation Agreement may only be amended in a writing signed by Employee and the Company's Chief Executive Officer. This Separation Agreement may be executed in counterparts and each counterpart shall be deemed an original and all of which counterparts taken together shall have the same force and effect as an original and shall constitute an effective, binding agreement on the part of each of the undersigned. The counterparts of this Separation Agreement may be executed and delivered by facsimile, photo, email PDF, or other electronic transmission or signature. The Parties shall each bear their own costs, attorneys' fees, and other fees incurred in connection with the preparation of this Separation Agreement.

22. Governing Law. This Separation Agreement shall be governed by the laws of the State of California, without regard for choice-of-law provisions, except that any dispute regarding the enforceability of the arbitration section of this Separation Agreement shall be governed by the FAA. Employee consents to personal and exclusive jurisdiction and venue in the State of California.

23. Voluntary Execution of Agreement. Employee understands and agrees that Employee executed this Separation Agreement voluntarily and without any duress or undue influence on the part or behalf of the Company or any third party, with the full intent of releasing all of Employee's claims against the Company and any of the other Releasees. Employee acknowledges that:

() Employee has read this Separation Agreement;

() Employee cannot sign this Separation Agreement before the Separation Date, but that Employee must sign this Separation Date no later than five days following the Separation Date;

(c) Employee has a right to consult with an attorney regarding this Separation Agreement, and has been represented in the preparation, negotiation, and execution of this Separation Agreement by an attorney of Employee's own choice or has elected not to retain an attorney;

(d) Employee understands the terms and consequences of this Separation Agreement and of the releases it contains;

(e) Employee is fully aware of the legal and binding effect of this Separation Agreement; and

(f) Employee has not relied upon any representations or statements made by the Company that are not specifically set forth in this Separation Agreement.

IN WITNESS WHEREOF, the Parties have executed this Separation Agreement on the respective dates set forth below.

TYLER WALL, an individual

Dated: ________________ ________________

NUTANIX, INC.

Dated: ________________ ____________

Rajiv Ramaswami
Chief Executive Officer

Exhibit 31.1

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Rajiv Ramaswami, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Nutanix, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 7, 2024

/s/ Rajiv Ramaswami
Rajiv Ramaswami
President and Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Rukmini Sivaraman, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Nutanix, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 7, 2024

/s/ Rukmini Sivaraman
Rukmini Sivaraman
Chief Financial Officer
(Principal Financial Officer)

Exhibit 32.1

CERTIFICATION
PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

I, Rajiv Ramaswami, certify pursuant to Rule 13a-14(b) of the Securities Exchange Act of 1934, as amended, (the “Exchange Act”) and Section 1350 of Chapter 63 of Title 18 of the United States Code (18 U.S.C. §1350), as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that the Quarterly Report on Form 10-Q of Nutanix, Inc. for the fiscal quarter ended January 31, 2024 fully complies with the requirements of Section 13(a) or 15(d) of the Exchange Act and that the information contained in such Quarterly Report on Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of Nutanix, Inc.

Date: March 7, 2024

/s/ Rajiv Ramaswami

Rajiv Ramaswami

President and Chief Executive Officer

(Principal Executive Officer)

Exhibit 32.2

**CERTIFICATION
PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

I, Rukmini Sivaraman, certify pursuant to Rule 13a-14(b) of the Securities Exchange Act of 1934, as amended, (the "Exchange Act") and Section 1350 of Chapter 63 of Title 18 of the United States Code (18 U.S.C. §1350), as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that the Quarterly Report on Form 10-Q of Nutanix, Inc. for the fiscal quarter ended January 31, 2024 fully complies with the requirements of Section 13(a) or 15(d) of the Exchange Act and that the information contained in such Quarterly Report on Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of Nutanix, Inc.

Date: March 7, 2024	/s/ Rukmini Sivaraman
	Rukmini Sivaraman
	Chief Financial Officer
	(Principal Financial Officer)