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# Nutanix, Inc. (NTNX)

Q2 2025 Earnings Call

## CORPORATE PARTICIPANTS

**Richard Valera**

*Vice President-Investor Relations, Nutanix, Inc.*

**Rajiv Ramaswami**

*President, Chief Executive Officer & Director, Nutanix, Inc.*

**Rukmini Sivaraman**

*Chief Financial Officer, Nutanix, Inc.*

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## OTHER PARTICIPANTS

**Meta A. Marshall**

*Analyst, Morgan Stanley & Co. LLC*

**James E. Fish**

*Analyst, Piper Sandler*

**Pinjalim Bora**

*Analyst, JPMorgan Securities LLC*

**Ben Bollin**

*Analyst, Cleveland Research Co. LLC*

**Jake Wilhelm**

*Analyst, Wells Fargo Securities LLC*

**Ruplu Bhattacharya**

*Analyst, BofA Securities, Inc.*

**Michael Cikos**

*Analyst, Needham & Co. LLC*

**Jason Ader**

*Analyst, William Blair & Co. LLC*

**Param Singh**

*Analyst, Oppenheimer & Co., Inc.*

**Jeff Hickey**

*Analyst, UBS Securities LLC*

**George Wang**

*Analyst, Barclays Capital, Inc.*

## MANAGEMENT DISCUSSION SECTION

**Operator:** Good day, and thank you for standing by. Welcome to the Nutanix Second Quarter 2025 Earnings Conference Call. At this time, all participants are in a listen-only mode. After the speakers presentation, there will be a question-and-answer session. [Operator Instructions] Please be advised that today's conference is being recorded.

I would now like to hand the conference over to your speaker today, Rich Valera, Vice President of Investor Relations. Please go ahead.

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### Richard Valera

*Vice President-Investor Relations, Nutanix, Inc.*

Good afternoon, and welcome to today's conference call to discuss second quarter fiscal year 2025 financial results. Joining me today are Rajiv Ramaswami, Nutanix's President and CEO, and Rukmini Sivaraman, Nutanix's CFO. After the market closed today, Nutanix issued a press release announcing second quarter fiscal year 2025 financial results. If you'd like to read the release, please visit the press releases section of our IR website.

During today's call, management will make forward-looking statements, including financial guidance. These forward-looking statements involve risks and uncertainties, some of which are beyond our control, which could cause actual results to differ materially and adversely from those anticipated by these statements. For a more detailed description of these and other risks and uncertainties, please refer to our SEC filings, including our most recent Annual Report on Form 10-K and Quarterly Reports on Form 10-Q, as well as our earnings press release issued today. These forward-looking statements apply as of today, and we undertake no obligation to revise these statements after this call. As a result, you should not rely on them as predictions of future events.

Please note, unless otherwise specifically referenced, all financial measures we use on today's call except for revenue, are expressed on a non-GAAP basis and have been adjusted to exclude certain charges. We have provided to the extent available reconciliations of these non-GAAP financial measures to GAAP financial measures on our IR website and in our earnings press release.

Nutanix will be participating in the KeyBanc Emerging Technology Summit in San Francisco on March 4 and the Morgan Stanley TMT Conference in San Francisco on March 6. We hope to see some of you at these events. Finally, our third quarter fiscal 2025 quiet period will begin on April 17.

And with that, I'll turn the call over to Rajiv. Rajiv?

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### Rajiv Ramaswami

*President, Chief Executive Officer & Director, Nutanix, Inc.*

Thank you, Rich. And good afternoon, everyone. We're happy to report second quarter results that came in ahead of our guidance. Against a dynamic backdrop, our results benefited from the strength of the Nutanix Cloud Platform, demand from businesses looking for a trusted long-term partner committed to innovation and customer care, and go-to-market leverage from our partnerships and programs.

Taking a closer look at the second quarter, we once again exceeded all of our guided metrics. We grew our ARR 19% year-over-year to \$2.06 billion and delivered strong free cash flow. We also saw our second quarter in a row of year-over-year new logo growth exceeding 50%, with strength seen across all of our customer segments including the Global 2000. Finally, we strengthened our balance sheet and increased our financial flexibility by issuing convertible notes at attractive terms and putting in place a revolving credit facility.

Nutanix recently published the results of our Seventh Annual Enterprise Cloud Index Survey. The report shows that implementing GenAI is top of mind for enterprises, with over 80% of those surveyed having started implementing their GenAI strategies. Respondents view infrastructure modernization as key to deploying GenAI. Challenges with respect to data security, compliance and performance remain priorities.

We believe the Nutanix Cloud Platform, including Nutanix Kubernetes platform and Nutanix Enterprise AI, or NAI, is well-suited to helping enterprises quickly and efficiently deploy and run their GenAI applications on real life use cases wherever their data resides. As one example, in Q2, a financial services provider in the EMEA region adopted our Nutanix Enterprise AI platform to deploy their internal GenAI applications, which include multilingual translation and a multilingual Chatbot. NAI will enable them to deploy their GenAI apps on their existing Nutanix Cloud Platform while benefiting from the automation NAI provides in scaling and running of inferencing endpoints for large language models.

Our largest wins in the quarter demonstrated our ability to land and expand within some of the largest and most demanding organizations in the world as they look to modernize their IP footprints, while also managing through disruption from industry M&A. One of these wins was a new logo with a North American based Global 2000 energy technology company, which was motivated to seek alternative due to a 200% price increase from their incumbent vendor. They were looking for an alternative solution that could also meet their cyber security requirements and desire for improved operational efficiency. They chose the Nutanix Cloud Platform, including Nutanix Cloud Manager, which will enable them to streamline their operations, to increase automation and reduce their existing IP footprint by over 30%.

Another significant win in the quarter was an expansion with a Global 2000 provider of IP consulting services based in the APJ region. Unhappy with the changes they had experienced with their other incumbent infrastructure vendor, this customer decided to transition the portion of their estate served by this other vendor to the Nutanix Cloud Platform, enabling them to improve their total cost of ownership while also addressing their concerns about pricing and support. They also designated Nutanix as their preferred partner for future expansion opportunities.

Finally, I'd like to highlight a significant new logo win with a national health ministry in the EMEA region that highlights our progress in supporting modern applications natively on our platform, as well as our support for hybrid multi-cloud environments. This customer was looking to deploy a national telemedicine platform using container-based applications in a multi-cloud environment, including both private and public clouds. They chose the Nutanix Cloud Platform, including Nutanix Cloud Clusters, or NC2, running on AWS. They also chose Nutanix Kubernetes Platform, or NKP, and Nutanix Cloud Manager for deploying and managing their container-based applications in a standardized self-service manner, while also enabling centralized observability and policy management.

In closing, I am pleased that the strength of our cloud platform and the solid execution of our team produced strong second quarter results and enable us to raise our outlook for our fiscal 2025 year. We remain focused on delivering on our vision of becoming the leading platform for running apps and managing data anywhere, and capturing the multiyear growth opportunity in front of us.

And with that, I'll hand it over to Rukmini Sivaraman. Rukmini?

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## Rukmini Sivaraman

*Chief Financial Officer, Nutanix, Inc.*

Thank you, Rajiv, and thank you, everyone, for joining us today. I will first discuss our Q2 fiscal 2025 results, followed by our guidance for Q3 fiscal 2025 and an updated outlook for the full fiscal year 2025.

Results in Q2 came in above the high end of all the ranges across our guided metrics. In Q2, we reported record quarterly revenue of \$655 million, higher than the guided range of \$635 million to \$645 million, representing a year-over-year growth rate of 16%. ARR at the end of Q2 was \$2.06 billion, surpassing the \$2 billion ARR mark and representing year-over-year growth of 19%.

We continue to see strength in landing new customers on to our platform from the various programs we have put in place to incentivize new logos, from a general increase and engagement, from customers looking at us as an alternative in the wake of industry M&A and helped by more leverage from our OEM and channel partners. Expand ACV bookings also improved in Q2 and relative to the challenging expansion we saw in Q1. Renewals continued to perform well with improved on-time performance and continued discipline on economics.

NRR, or net dollar-based retention rate at the end of Q2 was 110%, flat quarter over quarter. In Q2, while we continue to see modestly elongated average sales cycles compared to historical levels as discussed previously, we believe this to be the continuing norm in the current macroeconomic environment with continued scrutiny on spend.

We also continued to see more variability in timing, outcome and [indiscernible] (00:11:13) with the larger deals in our pipeline, but we did start to see more of these close in Q2. In Q2, average contract duration, which we define in the aggregate across land, expand and renewals, was three years, slightly higher than our expectations and down slightly quarter-over-quarter.

Non-GAAP gross margin in Q2 was 88.3%. Non-GAAP operating margin in Q2 was 24.6%, higher than our guided range of 20% to 21% due to higher revenue and slightly lower operating expenses.

Non-GAAP net income in Q2 was \$165 million or fully diluted EPS of \$0.56 per share, based on fully diluted weighted average shares outstanding of approximately 293 million shares. GAAP net income and fully diluted GAAP EPS in Q2 were \$56 million and \$0.19 per share, respectively. Free cash flow in Q2 was \$187 million, representing a free cash flow margin of 29%.

Moving to the balance sheet, we ended Q2 with cash, cash equivalents and short-term investments of \$1.743 billion, up from \$1.075 billion at the end of Q1. I've announced in December, we completed the issuance of \$862.5 million in convertible notes due 2029 with 50 basis points of coupon. The net proceeds from that transaction were used to, one, retire a portion of our outstanding 2027 convertible notes, two, repurchase \$200 million in shares, and three, add cash to our balance sheet for additional flexibility and general corporate purposes, including working capital, capital expenditures and potential acquisitions. We also closed earlier this month a \$500 million revolving credit facility that was announced back in December and which provides us with additional flexibility.

Moving to capital allocation. In addition to the \$200 million in shares that we repurchased using a portion of the net proceeds from the convertible notes offering, we used about \$69 million of cash in Q2 to retire shares related to our employees tax liability for their quarterly RSU vesting.

Moving to Q3 2025, our guidance for Q3 is as follows. Revenue of \$620 million to \$630 million, non-GAAP operating margin of 17% to 18%, fully diluted weighted average shares outstanding of approximately 296 million shares.

Moving to the full year, the updated guidance for fiscal year 2025 is as follows. Revenue of \$2.495 billion to \$2.515 billion, representing a year-over-year growth rate of approximately 17% at the midpoint and an increase from our previous guidance, non-GAAP operating margin of approximately 17.5% to 18.5%, an increase from our previous guidance, and free cash flow of \$650 million to \$700 million, representing a free cash flow margin of approximately 27% at the midpoint and an increase from our prior guidance.

I will now provide some commentary and assumptions regarding our updated fiscal year 2025 guidance. First, the updated guidance assumes continued strength in landing new logo customers on to our platform, steady performance of our expansion into our existing customer base, and continued good renewal performance. Second, we assume aggregate contract duration for the full year to be more or less flat relative to last year. Third, and as discussed in prior earnings calls, we expect to continue to increase our investment in sales and marketing and research and development in the second half of the fiscal year. These investments are directed towards addressing our large market opportunity and are expected to continue to ramp in Q3 and Q4.

In closing, we are pleased that our Q2 results exceeded the high end of our guidance ranges and to raise our full fiscal year guidance across all metrics. We would like to thank our employees, customers, partners, investors and stakeholders for their continued trust in us. We remain committed to continued progress, aligned with our stated philosophy of sustainable profitable growth, both through durable top line growth and expanding margins.

With that, operator, please open the line for questions.

## QUESTION AND ANSWER SECTION

**Operator:** Thank you. [Operator Instructions] In the interest of time, we ask that you please limit your questions to one question and one follow-up. And our first question comes from Meta Marshall of Morgan Stanley. Your line is open.

**Meta A. Marshall**

*Analyst, Morgan Stanley & Co. LLC*

Q

Great. Thanks, and congrats on the really strong quarter. It seems like you're finally starting to see some momentum kind of in customers kind of coming over from competitive platforms. I guess just getting a sense of that, is that just time and it was going to always take time, is that kind of targeting and kind of finding the right customer type? Is that finding the right use case? Just kind of what do you attribute to kind of more success there?

And then I'll just get in the second question now, just kind of any commentary that you're seeing kind of about the federal vertical. Thank you.

**Rajiv Ramaswami**

*President, Chief Executive Officer & Director, Nutanix, Inc.*

A

Yeah, maybe I'll take the first part, Rukmini. You can comment on the second part. I think the market continues to be quite dynamic in terms of your question around new logos. And we still call this a multiyear opportunity in terms of gaining share. Now clearly, you've seen our new logos grow 50% year-over-year for the last couple of quarters now, and it's driven by, I would say, a couple of things, right? Our pipeline has matured over time, and we've seen the impact from some of our recent go-to-market initiative, seeing the benefit from our customer, our sales and partner incentive programs. We're also seeing more leverage from our OEM and channel partners who are contributing to our new logo growth as well.

So I think those are the factors, and the overall dynamics haven't changed much in the sense that it's still a multiyear opportunity. We still have, from a competitive perspective, to deal with the fact that many customers have multi-year [ph] year rates (00:19:07) with VMware and hardware refresh that are needed in many cases to convert them over. But you've seen the results in terms of the passage of time here with the pipeline and all these go-to-market efforts.

Rukmini, you want to comment on the Federal?

**Rukmini Sivaraman**

*Chief Financial Officer, Nutanix, Inc.*

A

Yes. Hi, Meta. So yeah, to your question on the US federal government. So in Q2, as expected, our US Fed business did improve and returned to solid year-over-year growth. Now I should say that while we don't report US Federal separately as a percent, over the last three fiscal years, Fed has been 10% or less of our annual revenue with seasonal strength seen in our fiscal Q1 which happens to coincide with the Fed's fiscal year end, so just to give you a sense of relative magnitude there. But yeah, Q2 was an improved performance.

And then when I think about outlook for the balance of the year and what we're seeing there, we currently have a good pipeline of opportunities, but it's too early to tell if or how those opportunities may be affected by what's

happening within the US government under the new administration which remains quite dynamic. However, our platform is and always has been about modernization and helping to lower the total cost of ownership for our customers, which may make it attractive to those looking for productivity gains or efficiencies. So, still pretty dynamic from a US Fed perspective, and we factored in this overall uncertainty into our updated fiscal year 2025 guidance.

**Meta A. Marshall**

*Analyst, Morgan Stanley & Co. LLC*

Great.

Q

**Rajiv Ramaswami**

*President, Chief Executive Officer & Director, Nutanix, Inc.*

And maybe Rukmini, yeah, I would also say that while we don't talk about how big Federal is as a percentage of our business, but over the last three fiscal years, it's been 10% or less of our annual revenue, with of course Q1 being the big quarter.

A

**Meta A. Marshall**

*Analyst, Morgan Stanley & Co. LLC*

Thanks so much.

Q

**Rukmini Sivaraman**

*Chief Financial Officer, Nutanix, Inc.*

Thank you, Meta.

A

**Operator:** Thank you. And our next question comes from James Fish with Piper Sandler. Your line is open.

**James E. Fish**

*Analyst, Piper Sandler*

Hey, guys, nice quarter, nice acceleration. Also working off of me this first question as it's good to hear about some of these larger wins come in here, just on some of these Global 2000s that are out there. What's given the confidence in the pipeline for the upper part of the market, in particular is there any sense to how much of it is waiting for sort of that AHV standalone readiness with the source they have versus looking to move to hyperconverged? How's the feedback been thus far on PowerFlex and potential build-up of other OEM relationships?

Q

**Rajiv Ramaswami**

*President, Chief Executive Officer & Director, Nutanix, Inc.*

Yeah, Jim, I'll take a crack at that one. So yes, I think the D2K, first of all, in many cases, it's a second vendor opportunity for us versus a wholesale migration, and it's some mix as you can imagine, right? There's going to be some mix of three tier and HCI. Some of the three tier we can convert to HCI. We've talked about some large examples in the past of where we've done that that customer have adopted, a lot times it services customer running all their database workloads, for example. That's moving from legacy three tier to HCI, bringing [ph] us in at (00:22:23) the second vendor in that kind of an environment. So it's going to be a mix of HCI and three tier.

A

Now, to your question on the PowerFlex, we specifically – we do expect that the PowerFlex solution will come to market in the second calendar quarter this year, and we have some good early interest. And again, I think we look

at that as a market – that expansion opportunity for us, the ability to insert faster into these existing environments rather than find a way to convert everything over. So I think it's going to remain a mix, Jim, and we continue to focus on our core motion of converting customers over to HCI. And at the same time, we are also focused on expanding our market opportunity by being able to [indiscernible] (00:23:09) these existing accounts in three-tier storage, starting with PowerFlex and hopefully over time to more of these.

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**James E. Fish**

*Analyst, Piper Sandler*

Q

Makes sense. Then Rukmini, maybe for you. You talked about seeing better renewals. Obviously, I think mathematically that the dollar basis for the renewal piece moved up this quarter. But what's given the confidence that that 110% net retention rate can be stable for the remainder of the year? And how do we think about the other aspects of net retention rate in terms of what you guys are trying to drive beyond just existing workload expansion?

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**Rukmini Sivaraman**

*Chief Financial Officer, Nutanix, Inc.*

A

Yeah, there's a lot there, Jim. So let me try and break that down. So first on Fed, I should clarify that when we were referring to Fed business performance improving in Q2 and with solid year-over-year growth, we were specifically talking about land and expand for Q2. So one, I want to clarify that. And then, I think rest of your question was around NRR and how to think about that. So first, NRR did stabilize as flat quarter-over-quarter at 110%. And we did see some overall improvement in Q2 for both land and expand.

A few things to note on just NRR and I'll get to the last part of your question, Jim, after that. So as ARR grows every quarter, the ACV dollars required to offset the same percentage churn does grow, which makes it increasingly challenging to achieve the same NRR, just mathematically. And then over the last year, if you look at our expansion within existing customers, it has been affected, as we've discussed in previous quarters, by variability we've seen around timing and deal structures of these larger deals in the pipeline and the overall environment of elongated sales cycles. So that does have an effect on current period NRR, as our NRR is a function of expansions over the past year with the same group of customers that we had at the beginning of the 12-month period. So, just some mechanics there on NRR that I wanted to clarify for everybody.

And I think to the rest of your question, Jim, which is on what about the other aspects of expansion. So I would say, we've talked about three vectors. One is selling more of the same workload to customers, selling more workloads and around selling more of the portfolio. So look, we think, we remain focused on both retention and expansion across all of those three vectors, Jim. And we've said in the past that we hired more portfolio solution specialists, for example, towards the end of last fiscal year and into this year. And those folks are ramping now, though I wouldn't call them fully ramped yet. And so some of that is still ongoing. But we remain focused on both retention and expansion with existing customers across all of those three vectors.

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**Operator:** Thank you. And our next question comes from Pinjalim Bora of JPMorgan. Your line is open.

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**Pinjalim Bora**

*Analyst, JPMorgan Securities LLC*

Q

Great. Thank you for taking the questions and congrats on a very solid quarter here. Rajiv, I wanted to – I think I heard a couple of instances where you're talking about the Kubernetes platform, which I think is, I guess not well understood by investors. I want to ask you if a VMware customer is kind of choosing not to stay on premise and kind of decide to move to the cloud, are they considering the Nutanix Kubernetes platform as a platform of choice

when they're kind of going through that app modernization journey? Is that coming up in those VMware-related conversations at this point?

**Rajiv Ramaswami**

*President, Chief Executive Officer & Director, Nutanix, Inc.*

A

Yeah. I mean, I think, first of all there's two parts to that answer there. If you look at migrating a VMware workload, one is, as you said, which is modernizing the workload itself onto Kubernetes. And we are very much a part of that equation, right, whether they're choosing to run it on-prem or in the public cloud as part of the application modernization. Now, there is one other option there too, Pinjalim, which is for people who are looking to migrate workloads as-is. In fact, we have a partnership with Amazon, for example, that had migrate those VMware workloads from on-prem directly into the public cloud as-is on our NC2 platform. And a lot of that migration is also automated.

So we have two options for these customers. One is, of course, with our Kubernetes platform for workload modernization. If they're going to redo the application, if they're going to refactor the application, then that's an option. If they want to go run the application as-is and migrate out, we can offer them a path to migrate it to the public cloud or run it on-prem. I would also say that our Kubernetes platform is fully standards-compliant, right, it's a cloud-native compute foundation, fully standards-compliant. And we offer a lot of flexibility with that too. The ability, for example, for a customer who's modernizing their workload, to be able to use, say, a native Kubernetes substrate on a public cloud, but also use us on top to be able to manage all their clusters wherever they may be sitting and simplify the orchestration of those clusters. So there's many different options for customers here, but the NKP platform, the Kubernetes platform, is very much in the center of modernization of the app itself.

**Pinjalim Bora**

*Analyst, JPMorgan Securities LLC*

Q

Understood. Very helpful. One for Rukmini. Rukmini, specifically on Federal, would you say the underperformance that you had in Federal last quarter, did you recover all of it or partial recovery there? Trying to understand – obviously the guidance looks extremely solid, much more than the beat, I think, if I did my math right, trying to understand what kind of gives you confidence in the guidance going forward for rest of the year.

**Rukmini Sivaraman**

*Chief Financial Officer, Nutanix, Inc.*

A

Yeah. Hi, Pinjalim. So on the Federal piece, right, I would say that as we said in the last fall, that we expect a good quarter for Fed in Q2, we saw that. We didn't say that it would necessarily be a catch-up quarter, Pinjalim, which I think is part of your question, because Q1 is our seasonally strongest quarter for Fed as you would expect, given the Fed fiscal year end in September. So that's on Fed.

And then more generally, I think to your point on the rest of the year and our updated outlook for the full year, look, we think that we're happy with the first half performance and certainly the Q2 performance, and our increased outlook for the full year incorporates our current view, the best view that we have at this time around a few things. Continued strength in landing new logos, steady performance within our expansion into existing customers, and continued good renewal performance.

And specifically, I think just to go back, I think part of your question is perhaps what are we assuming about Fed, Pinjalim, I think is embedded in your question. And what I'd say is, as I said earlier, it is too early to tell what the impact is going to be of some of the actions that the new administration may choose to undertake, but we do think that there's uncertainty out there and it could be a net positive for us, because our platform is about modernization

and reducing the total cost of ownership. But it's unclear in terms of what the overall approach might be of the new administration. So we have factored in some of that overall uncertainty into the updated fiscal year 2025 guidance as well.

**Pinjalim Bora**

*Analyst, JPMorgan Securities LLC*

Q

Understood. Thank you very much.

**Rukmini Sivaraman**

*Chief Financial Officer, Nutanix, Inc.*

A

Thank you, Pinjalim.

**Operator:** Thank you. And our next question comes from Ben Bollin of Cleveland Research Company. Your line is open.

**Ben Bollin**

*Analyst, Cleveland Research Co. LLC*

Q

Good afternoon, everyone. Thank you for taking the question. Rukmini, you discussed variability of large-scale timing. I'm interested in how you think about variability or flexibility of incentives that you're offering to these larger projects. Could you talk about how you think about the willingness to maybe subsidize or discount for takeouts or offer flexibility around timing of billing? Just any high-level thoughts or approach that you're taking to these larger projects? And then I have a follow-up for Rajiv.

**Rukmini Sivaraman**

*Chief Financial Officer, Nutanix, Inc.*

A

Sure. Hi, Ben. So a few things. So we've talked about how in this moment, we want to make sure that, one, we are articulating our value proposition to customers, especially to new customers or not, our current existing customers, to make sure they understand the value proposition in a holistic way, so meaning they understand our approach around being a hybrid multi-cloud platform, around our approach to both virtualized machines and containerized applications, around our philosophy on customer service and how we value that with our Net Promoter Score being 90 for a decade now. So that's always where we start, Ben.

And to your point on structure, yes, you're right, we have talked about that and we have seen more variability with some of our larger transactions. So what we'll continue to do there is to make sure that we're being thoughtful about that, right, where people are looking to migrate. For example, we might give them some one-time incentives to do so and things like that.

And then more generally, I think your question around billings and things like that, our standard practice is to collect multiple years of cash upfront from our customers as we mentioned before. And it's worth noting that many of our customers, we believe, purchase our software along with third-party hardware which we believe is typically part of their CapEx plans and therefore generally pay us for those multiple years upfront. However, we do make exceptions based on special circumstances.

But all that said, look, we factored the anticipated impact of any of these deal structures and maybe non-standard terms into our raised fiscal year 2025 guidance, both across top line and bottom line.

**Ben Bollin**

*Analyst, Cleveland Research Co. LLC*

Q

Okay. That's great. And Rajiv, bigger picture, when you think about the opportunity, historically you've talked about more customers having [indiscernible] (00:33:39) in three tier overall and having kind of a bigger addressable opportunity there and some of these partnerships. But could you speak to what you're seeing from customers and their willingness to migrate more towards hyperconverged? You're seeing more refresh, you're talking about modernization, does it feel like you're seeing a bigger tipping point where they're more willing to make this migration? Or how do you think about, or what are they saying about the incremental costs and the willingness to make those transitions? That's it for me. Thank you.

**Rajiv Ramaswami**

*President, Chief Executive Officer & Director, Nutanix, Inc.*

A

Yeah. Ben, that's a very good question. In fact, I think what's happening here with the competitive situation is that customers are now rethinking the entire stack, because if they're being forced to look at an alternative and migration, it's also a good time for them to re-examine the overall stack. What do they want to do? And at a big picture that means, okay, maybe I should take some of these applications, put them in the cloud, maybe I should modernize some portion of my estate, and maybe I should move to a new stack. So, it's actually creating the bigger picture, longer-term architectural mind-ship as well.

So, what we see is, as a result, customers are moving more towards, okay, I need a modern stack, I need something that can handle virtual machines and containers, I need something that can work on-prem, but also in the public cloud. And that's the kind of platform that we are providing today in the market, right? So from that perspective, if there's an impetus for a customer to migrate away from VMware, then it's also an impetus for them to look at what is their long-term architectural endgame. And that's exactly what we are positioning with them.

**Ben Bollin**

*Analyst, Cleveland Research Co. LLC*

Q

Thank you very much.

**Rukmini Sivaraman**

*Chief Financial Officer, Nutanix, Inc.*

A

Thank you, Ben.

**Operator:** Our next question comes from Aaron Rakers of Wells Fargo. Your line is open.

**Jake Wilhelm**

*Analyst, Wells Fargo Securities LLC*

Q

Hi, this is Jake on for Aaron. Congrats on the quarter. I was just hoping you could maybe give an update on the momentum you're seeing around GPT-in-a-Box, any changes you've seen in enterprise adoption there more broadly, and maybe if there's been any material change over the last quarter or two given the proliferation of reasoning models?

**Rajiv Ramaswami**

*President, Chief Executive Officer & Director, Nutanix, Inc.*

A

Yeah, let me cover that, Jake. It's a pretty broad question overall. As you know, today we have a solution that makes inferencing very easy to deploy in the enterprise. That's our Nutanix AI platform, which by the way is a

component in the overall GPT-in-a-Box solution. Now, an interesting point here is, with DeepSeek coming on board, it shows that fairly powerful models can be trained and operated with a lot fewer resources than people previously thought. Now, we think that this actually is going to lead to broader and more rapid adoption of GenAI.

In computer science, we have this Jevons paradox that says, when you have increased efficiency of something then that leads to increased consumption of that resource. And we think the same will happen here for AI, because what happens here is now companies and organizations can actually deploy more complex inferencing use cases with – more effectively, and it will stimulate the demand for both computer and storage resources.

Now, when it comes to us and our platform, we have been very focused on being the platform for inferencing in real world AI use cases. That's what GPT-in-a-Box with an AI delivers. And with open reasoning models coming in, it makes the whole thing better and more broadly available. So what we are seeing at this point is, we've certainly seen a lot of our customers interested in looking at how they can get productivity efficiency gains out of deploying GenAI, that in some cases they have to be deployed where their data is present which can be in the data centers or at the [indiscernible] (00:37:38), and sometimes in the public cloud as well. And we continue to see increasing adoption.

For example, on this call, we talked about how an EMEA-based financial services provider is using us on top of the Nutanix platform adding an AI to their existing Nutanix platform to help them do things like multilingual translation automatically and of course, Chatbots, which is the most obvious use case. So we are seeing more of these develop across the enterprise and more and more companies looking at starting to go from, say, initial experimentation with GenAI to driving towards realized production deployments. And I think that will happen over the next few years.

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**Jake Wilhelm**

*Analyst, Wells Fargo Securities LLC*

Q

Great, thanks. And then maybe just a follow-up. I was wondering if maybe you could add some color around the investment in sales and marketing and R&D in the back half of the year, and just maybe some color around how that's being allocated.

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**Rajiv Ramaswami**

*President, Chief Executive Officer & Director, Nutanix, Inc.*

A

Yeah, Rukmini, you want to take that?

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**Rukmini Sivaraman**

*Chief Financial Officer, Nutanix, Inc.*

A

Sure. Hi, Jake. So, as we said in our prepared remarks, we are continuing to increase our investment in both sales and marketing and R&D. And I will say that we do expect that to ramp here in Q3 and Q4. And then to your question, specifically where we're investing it. So within sales, it's across a few different areas, both frontline and inside sales. We've talked about how our overall from our frontline sales rep head count perspective, we're fairly close to where we'd like to be, but we'll probably add a few more folks here in the second half. And then it's also the folks, everybody, the supporting team that surrounds the reps. So, sales engineers, channel sales, customer success, and so on. And then in marketing, we're spending more to drive increased awareness of our platform.

And in R&D, we're investing across, one, strengthening our core platform but also supporting more modern applications and AI in order to [indiscernible] (00:39:37) about just how we think more about that. And then also

supporting selected third-party storage, which as we've announced, PowerFlex will be the first platform that's coming on board here in the second calendar quarter.

So those are some of the areas we're investing in. And all of those we think of as directed and targeted towards addressing our large market opportunity and in areas where we see a line of sight to return on those investments.

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**Jake Wilhelm**

*Analyst, Wells Fargo Securities LLC*

Great. Thank you so much.

Q

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**Rukmini Sivaraman**

*Chief Financial Officer, Nutanix, Inc.*

Thanks, Jake. Thank you.

A

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**Operator:** Our next question comes from Wamsi Mohan of Bank of America. Your line is open.

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**Ruplu Bhattacharya**

*Analyst, BofA Securities, Inc.*

Hi. Thanks. It's Ruplu filling in for Wamsi today. Two questions, one for Rajiv, one for Rukmini. Rajiv, you had strong revenue growth and you're guiding higher for the year. Have you seen any quantifiable benefit from the partnership with AWS and them providing promotional credits to migrate customers to NC2? And how much are your partnerships with Cisco and Dell contributing to the strong new logo growth and revenue growth this year? And I have a follow-up.

Q

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**Rajiv Ramaswami**

*President, Chief Executive Officer & Director, Nutanix, Inc.*

Yeah, great. Let me take each of those, one at a time, Ruplu. So AWS, we've seen early traction with some customers migrating already from VMware Cloud on AWS over to our offering and also sometimes from on-prem into the public cloud. And so, we've seen some of these customers actually move fairly quickly from where they were to being able to be running on a Nutanix platform within a matter of a month, because one of the things that we don't have to worry about in a cloud-to-cloud migration is, the hardware refresh is not an issue anymore, right? It works pretty much on the same hardware instances that AWS provides, whether it's VMware or us. And so that portion of it actually is a much easier migration and our automated tooling helps.

A

So we've seen examples of customers moving there. It's still fairly early now, but we're seeing more of those public cloud VMware customers as well as some on-prem to public cloud migration happening there.

Cisco, Cisco has been a good contributor for us in new logos especially this quarter as well as over the last couple of quarters. And we expect to see that partnership continuing to grow and are working very closely with them as we go to market.

Dell is still pretty early. There are two parts to that Dell relationship as you know Ruplu. The first one is them selling our Nutanix platform in the market. Now, this is the second quarter they've had that in the market and we saw a small contribution from that. And the other big one, of course, is the PowerFlex availability which Rukmini and I covered earlier, which should be available next calendar quarter and we'll start to see customers trialing those and starting to adopt that. But benefit for that will really only happen in the next fiscal year.

**Ruplu Bhattacharya**

*Analyst, BofA Securities, Inc.*

Q

Got it. Thanks for the details there. Rukmini, as a follow-up, last quarter you had expected the seasonality between 2Q and 3Q to be similar to fiscal 2023 where revenue was down 8% sequentially, but your guidance for 3Q is much better than that. It's about half of that sequential decline. So, what is driving that and if the demand environment is improving and land and expand is also improving, should we take the seasonality change as permanent or is there something specific to this year that is driving better seasonality? Thank you.

**Rukmini Sivaraman**

*Chief Financial Officer, Nutanix, Inc.*

A

There's no – yeah, so I think on the seasonality comment for this Q3, I would say, look, Q2 we did see good both land and expand as we talked about and are happy to be able to guide to Q3 where we did. I think it's too early for us to comment on how next year's Q3 might be relative to Q2, Ruplu. And as you know, there's also this mechanism of the renewals cohorts and how they spread out over the quarters. And so yeah, we're happy to guide Q3 to where we are guiding right now. We did see strength in both land and expand and renewals as we talked about in Q2. But I'd say it's too early to maybe extrapolate anything beyond this fiscal year at this point. And of course, we'll make sure to update you all at the right time about seasonality for next fiscal year.

**Ruplu Bhattacharya**

*Analyst, BofA Securities, Inc.*

Q

Okay. Thanks for all the details, appreciate it.

**Rukmini Sivaraman**

*Chief Financial Officer, Nutanix, Inc.*

A

Thank you, Ruplu.

**Operator:** Thank you. Our next question comes from Mike Cikos from Needham & Company. Your line is open.

**Michael Cikos**

*Analyst, Needham & Co. LLC*

Q

Hey, thanks for taking the questions, guys. And congratulations on a strong quarter and raise to the guidance that we have today. Wanted to circle up on some of the go-to-market questions that have been asked here, but maybe from a different angle. When we think about the partners that you guys have run campaigns for and how they're coming over to you potentially as a result of this industry M&A, can you provide some color or maybe qualitative commentary on the different size of these partners or maybe the different sized deals that they're originating on your behalf?

**Rajiv Ramaswami**

*President, Chief Executive Officer & Director, Nutanix, Inc.*

A

Yeah.

**Michael Cikos**

*Analyst, Needham & Co. LLC*

Q

Just wondering if we can get some sense of how they differ versus where Nutanix has historically been.

**Rajiv Ramaswami**

*President, Chief Executive Officer & Director, Nutanix, Inc.*

A

So Mike, I think the way to think about it is if you look at our pyramid of customers we have, of course a very big customer for the top and we've got smaller customers, volume customers. What I will say is with these partners coming on board, the channel partners, they cover the entire spectrum, all the way from the top to the bottom of the pyramid, right, across the board. Now, at the very bottom of what we have is the lower portion of that tier is what we call channel-led where we let the channel do all the work there and we just support the channel. We don't have direct sellers engaged in that area and that's seen a nice uptick over the last year or so. And again, that's where some of these channel partners are doing most of the lifting and we are just supporting the channel partners.

As you go to the top of the pyramid, what they do is they're more helping, right, it's very much more of a co-selling motion there. Our folks are very much involved in these bigger large enterprise accounts working with the customer, with the partner being a big facilitator helping. For example, we might do some proof of concept to the partner, right? They will bring us and they will engage as they have labs and they are present in these accounts. So, what I would say is, the engagement varies depending on the kind of customer. For the large customer that's a co-sell, for the smaller customer there's more of these partners coming in and driving a good chunk of the business.

**Michael Cikos**

*Analyst, Needham & Co. LLC*

Q

Excellent. Thank you. And just another follow-up with the success in that upper end of the pyramid, those Global 2000 new logo lands that you had cited earlier, is there a way to think about maybe specific features or capabilities as part of the more mature Nutanix Cloud Platform that are resonating today versus where we were a year or two ago?

**Rajiv Ramaswami**

*President, Chief Executive Officer & Director, Nutanix, Inc.*

A

Definitely, Mike. I think we've been doing a lot of work on the core platform from a scalability perspective, from a broader support of the ecosystem perspective, and also in terms of integrating with some of these big customers in terms of how all the integrations they need within their own environments whether with their security or automation platforms. So, we've been doing a lot of work along those over the last few years with the core platform itself. And so now when we go into a big ticket account, we are able to be – we can get through all of those fairly quickly.

The other, of course, part of this is that we are also not used to very much how to prosecute this – this is not a product capability set, but it's more about how we tackle these opportunities. And we've gotten better at understanding the full picture of what's needed here to go from the beginning to the end, proof of concept to commercial negotiations at the end, but in between security qualification, being qualified as a vendor, all of those processes. We have these deal teams that are in place to handle those opportunities. So we've become, I would say, more streamlined and efficient at being able to work with these larger customers, even beyond having the product features.

**Michael Cikos**

*Analyst, Needham & Co. LLC*

Q

Great. Thank you again.

**Rukmini Sivaraman**

*Chief Financial Officer, Nutanix, Inc.*

Thank you, Mike.

A

**Operator:** Thank you. Our next question comes from Jason Ader of William Blair. Your line is open.

**Jason Ader**

*Analyst, William Blair & Co. LLC*

Yeah, thanks. Good afternoon. In our channel checks, Rajiv, we heard from a few folks that your sales cycles have actually shortened by a little bit as customers feel greater urgency to get off VMware and there's a lot of aging, call it, three-tier hardware that's been pushed out over the last couple of years because of the macro environment. First of all, I wanted to just get a sense, is that not – maybe that's just sort of anecdotal, but is that something that you've heard from your reps at all?

Q

And then, secondly, we also heard some more disillusionment from partners about Broadcom squeezing them on margins. So is it helping you sort of when you talked about channel engagement and channel leverage, is it helping you that channels are feeling squeezed a little bit there and make more money selling Nutanix?

**Rajiv Ramaswami**

*President, Chief Executive Officer & Director, Nutanix, Inc.*

Yeah. Good questions there, Jason. So on the first one, I would say it's more anecdotal. I don't think we can point to a systematic shortening of sales cycles at this point. In fact, what I would say is, we saw sort of some of the other end of that spectrum where a maturing of the pipeline and some of these larger deals that we've been talking about in the pipeline for a while, closing this quarter. So one of it is, we've seen certainly more of those close and not necessarily with shorter sales cycles. So that maybe have been some anecdotal feedback that you heard.

A

On the second, on the partner, I think that's very real. It is absolutely true that we are a very partner-centric company. All our business pretty much goes through the partner community, and we have continued to make enhancements to our channel programs and the incentives. For example, we have new logo incentives for these partners to bring us business. They may not be new logos for them, but they're new logos to Nutanix. And so, we've been working very hard to make it worthwhile for the channel to do business with us and that's certainly helping and contributing.

**Jason Ader**

*Analyst, William Blair & Co. LLC*

Okay. And then one quick follow-up, Rukmini. I know you're not giving guidance for FY 2026, but just given the strength in operating margins this year, non-GAAP operating margins, and I know that this particular quarter is probably not replicable, at least for the next couple quarters based on the guidance. But can you give us a sense of where you're thinking about, do you think operating margins will expand next year, or do you think that these levels are sort of appropriate right now?

Q

**Rukmini Sivaraman**

*Chief Financial Officer, Nutanix, Inc.*

Thank you, Jason. So first, you're correct that Q2 we're happy with the margin performance. But as you rightly point out and as we said in the prepared remarks, we are investing more in the second half. So, margins in

A

second half are expected to be lower than first half, and obviously still happy to raise the full year off-margin guide like we did for fiscal year 2025.

Now, we are not guiding to fiscal year 2026 at this point, Jason. Look, I will say that we have always said and been consistent about this idea that we are continuing to drive towards a sustainable rule of 40 plus and trading off growth and margins in a thoughtful and appropriate way, and that approach is still the case, expect to remain to be the case. So, yeah, I'll leave it there, Jason. I think we'll continue to watch that. Of course, we'll update you when we do provide guidance for fiscal year 2026.

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**Jason Ader**

*Analyst, William Blair & Co. LLC*

All right. Thank you. Good luck.

Q

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**Rukmini Sivaraman**

*Chief Financial Officer, Nutanix, Inc.*

Thank you.

A

**Operator:** Thank you. And our next question comes from Param Singh of Oppenheimer and Company. Your line is open.

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**Param Singh**

*Analyst, Oppenheimer & Co., Inc.*

Great. Thank you, and I really appreciate you taking my question. Firstly, I wanted to get a sense if you were to break down the strength in the quarter, how much would you, if you wanted to quantify is coming from the share gain due to the price hikes at VMware versus increased spend in existing workloads or better penetration in customers across the board that would have come without the price hike? Is there any way to disaggregate those, I'd really appreciate that. And then I have a follow-up question.

Q

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**Rukmini Sivaraman**

*Chief Financial Officer, Nutanix, Inc.*

I can start, and Rajiv, I'd welcome you to add your thoughts as well. So, Param, it's really hard to do that because as we've said before, we have competed with VMware for a long, long time, for many years. And of course, with Broadcom's acquisition of VMware, there's certainly been some changes there and so on. So no, we actually don't think of it that way internally either in terms of saying, well, can we pass this out of the way you did? So we don't think of it that way. We've talked about kind of how we run our go-to-market programs and some of the incentives we've put in place. And so, those are all as you saw here, right, some of those starting to pay off and bear fruit here. But, yeah, short answer is, we're not able to kind of parse that out to that level of specificity. Rajiv, anything you would add to that?

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**Rajiv Ramaswami**

*President, Chief Executive Officer & Director, Nutanix, Inc.*

No, no. I think you covered it.

A

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**Param Singh**

*Analyst, Oppenheimer & Co., Inc.*

Q

All right. Maybe I can ask a different question then. As you look to more displacement of VMware and Cloud Foundation, what are some of the challenges that your customers have come back to you with? Do they want more of a price delta with VMware? Is it a better and easier – ease of migration? Is it more integration with some of the legacy applications and operating systems? Because those are some of the challenges that the channel seems to talk about. But I want to understand from your perspective, what are some of the headwinds or issues that you're facing now and that you hope to address in the back half with your R&D and sales and marketing spend?

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**Rajiv Ramaswami**

*President, Chief Executive Officer & Director, Nutanix, Inc.*

A

Yeah. So that I can take that question, Param. It's a good one. First of all, I think there's the timing of the VMware licensing renewals, okay, that's of course a big factor. And in many cases, customers have signed these multi-year contracts with VMware, and so they're not necessarily in an urgent situation where they have to migrate. So, there's a timing element of that. The hardware is certainly a key element of this, which is in many cases – in fact in most cases today, while Broadcom is selling VMware Cloud Foundation, really a lot of the customers are only using the hypervisor from VMware, vSphere along with three-tier storage. That's what they have, all right, today.

And so, when they have to convert that over to a Nutanix, for the most part, it's a hardware refresh. And so if they bought new hardware, then they're not typically ready to go replace that immediately, it's going to take them a few years to depreciate that. And so there's a timing of that hardware refresh cycle that comes into play when we are replacing or migrating. That's the second.

The third, of course, is something that we've gotten fairly good at, right, which is help me migrate, reduce the risk, do you have automation to migrate? Those things, I think, we have actually gotten quite good at over the last many years of work in terms of VMware migration. So we have automated tooling, a lot of the migration, actual migration work, along with in some cases, professional services needed and whatever is needed to integrate with their current automation systems, et cetera, right? Those things we know how to do. They do require some work and they do require a proper project plan and timing and so forth, but we know how to do those things.

And the last is just an overall thing around, I would just say, inertia, right? They have something in place and now, should I keep that thing in place or should I move to something else? And so these are the challenges. They've actually been the challenges for quite a while, right? Nothing has really changed there, Param, which is why we've always characterized this as a multi-year journey. It's going to be in a steady way. We do expect that we will win more customers and you've seen that. Now, all these new customers coming to us over the last three quarters, as you can see, are partly a result of the Broadcom situation.

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**Param Singh**

*Analyst, Oppenheimer & Co., Inc.*

Q

Got it. That's really helpful. Maybe one other quick one, if I could. You mentioned M&A as part of the cash usage from the convert. Want to get a sense of where do you see technical gaps in your portfolio today? Is it really to fill a technical gap or to expand into some of the newer opportunities here that you would consider an M&A with?

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**Rajiv Ramaswami**

*President, Chief Executive Officer & Director, Nutanix, Inc.*

A

Yeah, I'll just say historically. We're not going to comment on future M&A, Param. But historically, what we've done is largely focused on smaller tuck-ins and areas where either it's complementing what we have or filling some gaps in terms of what we have in our portfolio. And we will probably continue to do those as we go forward

and look at. For example, we did buy D2iQ, which used to be called Mesosphere, about a year ago, right, and that helped boost our Kubernetes portfolio quite substantially. So those are the kind of acquisitions. And those are things that we're always continuously looking at and will continue to do.

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**Param Singh***Analyst, Oppenheimer & Co., Inc.*

Q

No, that's really helpful. Thank you, Rajiv. Appreciate that.

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**Operator:** Thank you. Our next question comes from Jeff Hickey of UPS. Your line is open.

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**Jeff Hickey***Analyst, UBS Securities LLC*

Q

Hi, everyone. Thank you so much for taking the question. Building off of a lot of just questions here on just partners in general, really healthy, just new logo acquisition growth. And I'm thinking about just the comments on, you just talked about a lot of customers on VMware that are really just using the hypervisor. As you put more R&D investments and you leverage more of these channel partners, how should we think about the potential for increased customer adds moving forward as more come online, as we get the PowerFlex capabilities turned on? Is this something that we could actually see even further, almost acceleration, thinking into next year? Or any color or commentary would be helpful.

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**Rajiv Ramaswami***President, Chief Executive Officer & Director, Nutanix, Inc.*

A

Yeah. I think, look, it's hard for me to predict the future on these things. But we are focused on expanding our overall ability to go after the broader portions of the TAM. And some of these portions of the TAM are locked up with three tier, right? The more three tier offerings that we bring to the table, the more we have the ability to easily insert ourselves in there. Now, what I will say, though, is when we insert ourselves into a three-tier environment, it's going to be with a small portion of our portfolio, right? So from a revenue or a selling [ph] D-size (00:59:17) perspective, right, we're only selling a component of our portfolio rather than the full portfolio, which we would sell if it was a wholesale modernization into hyperconverged.

So there's some puts and takes there. But it's hard for us to talk about new logos. We are happy with the success we are getting, and we'll continue to focus on growing those accounts.

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**Rukmini Sivaraman***Chief Financial Officer, Nutanix, Inc.*

A

And the only thing I would add that, Jeff is...

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**Jeff Hickey***Analyst, UBS Securities LLC*

Q

Yeah.

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**Rukmini Sivaraman***Chief Financial Officer, Nutanix, Inc.*

A

So if I can add one thing, we are happy with our strong new logo performance. The comparisons do start to become a bit more challenging starting in Q4, Jeff, because last Q4 is when we saw the nice increase. And so the compares do start to get tougher in Q4 of this year.

**Jeff Hickey**

*Analyst, UBS Securities LLC*



Got it. We'll keep that in mind. And then one follow-up for you, Rukmini, is just – is there anything that we should be conscious about, you have flat NRR this quarter at 110%. Is there any color you could share how we should think about maybe just divergences and expansionary trends you see from customers that have migrated over from competitors like VMware versus ones that have been with Nutanix for a long time? Or is it such a broad customer set that there really isn't a difference that we should see it that way?

**Rukmini Sivaraman**

*Chief Financial Officer, Nutanix, Inc.*



Yeah. So, look, I'll first say that we don't guide to NRR, and we'll continue to be focused on driving expansion and retention. And to your question on divergence, I'd say, look, I think as Rajiv said, we typically will land a new customer only for a portion of their footprint or their wallet share, especially in the larger customers. Right now, if it's a more mid-sized customer, then they might just choose to come with us even early on, whether they give us more or all of their footprint. But certainly in the larger customers, we only get a portion and grow over time.

So I think it's – I'm not sure there's any particular difference. Again, we've competed with VMware for a long time. And so, yes, we wouldn't say there's been any big difference in terms of the expansion potential necessarily, other than what I said, I think in one of the earlier questions on the call with regard to just the mechanism of NRR.

**Jeff Hickey**

*Analyst, UBS Securities LLC*



Got it. That's very helpful. Thank you both, and congrats.

**Rukmini Sivaraman**

*Chief Financial Officer, Nutanix, Inc.*



Thank you.

**Operator:** Thank you. Our next question comes from George Wang of Barclays. Your line is open.

**George Wang**

*Analyst, Barclays Capital, Inc.*



Thanks for taking my question and squeezing me. Just two quick ones. Rajiv, I just want to ask again, over the last three months, have you seen any pickup in private cloud repatriation?

**Rajiv Ramaswami**

*President, Chief Executive Officer & Director, Nutanix, Inc.*



I would not say so, George. I don't think it's a systematic trend in private cloud repatriation. There's a lot of people talking about it, and we see some examples of that happening, but I wouldn't call it a trend.

What I would say, George, just is the trend I see is that people are being more careful about whether to go to the public cloud in the first place, right? There's more, I would say, of a trend to modernize their on-prem infrastructure, be ready for the future, look at applications including things like GenAI, running on-prem, and not just simply take everything to the public cloud. So that's the trend that I see more of than people bringing back. There are examples of people bringing back workloads to the public cloud, but I would say there's more of, like let me take a much more measured approach to what I'm going to go put in the public cloud in the first place.

**George Wang**

*Analyst, Barclays Capital, Inc.*

Q

Got it. Just to follow-up, maybe you kind of talked briefly on it already. Just in terms of go-to-market, kind of maybe hiring more technical sales versus generalist sales, the kind of solution-oriented sales, can you kind of unpack, maybe give a little bit more color just whether that's sort of a more of the direction going forward in terms of kind of go-to-market approach?

**Rajiv Ramaswami**

*President, Chief Executive Officer & Director, Nutanix, Inc.*

A

Yeah, it's always a balancing approach, George. We have to have both generalists from a sales perspective as well as technical engineers to support them. And in the bigger accounts, we need a higher ratio of technical engineers to sellers because our product is technical, right? It tends to require fairly technical selling help and there's proof of concept involved, there's understanding of the customer environment involved.

So whenever we hire, say, a frontline salesperson, we also have to look at everything that it takes to make that successful, and that includes technical sellers, perhaps inside sales people. We need to make sure there's enough people to do adoption and renewals also along with that. So it's a whole – we have to look at this holistically across the entire ecosystem.

And then on top of that, for special products, like portfolio products, some of the newer ones, like Kubernetes, AI, these require some more specialized selling skills too. So, we have a small specialist team for some of these products as well. So we have to look at our sales investments across the entire length and invest appropriately in all of these.

**George Wang**

*Analyst, Barclays Capital, Inc.*

Q

Okay, great. Thank you.

**Rukmini Sivaraman**

*Chief Financial Officer, Nutanix, Inc.*

A

Thanks, George.

**Operator:** Thank you. This concludes the question-and-answer session and also our conference today. Thank you for participating, and you may now disconnect.

**Rajiv Ramaswami**

*President, Chief Executive Officer & Director, Nutanix, Inc.*

Thank you.

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