NUTANIX

Q2 EARNINGS FY2022

March 2, 2022

Safe Harbor

Non-GAAP Financial Measures and Other Key Performance Measures

To supplement our consolidated financial statements, which are prepared and presented in accordance with GAAP, this presentation includes the following non-GAAP financial and other key performance measures: billings, non-GAAP gross margin, non-GAAP operating expenses, non-GAAP net loss per share, free cash flow, subscription revenue, subscription billings, subscription billings mix, ACV billings, annual recurring revenue, run-rate ACV, and average contract term. In computing non-GAAP financial measures, we exclude certain items such as stock-based compensation expense, amortization of intangible assets, impairment (recovery) of lease-related assets, amortization of debt discount and issuance costs and interest expense related to convertible senior notes, change in fair value of derivative liability, loss on debt extinguishment, income tax-related adjustments, and/or other non-recurring items. Billings is a performance measure that we believe provides useful information to investors because it represents the amounts under binding purchase orders received by us during a given period that have been billed, and we calculate billings by adding the change in deferred revenue between the start and end of the period to total revenue recognized in the same period. Non-GAAP gross margin, non-GAAP operating expenses, and non-GAAP net loss per share are financial measures which we believe provide useful information to investors because they provide meaningful supplemental information regarding our performance and liquidity by excluding certain expenses and expenditures such as stock-based compensation expense that may not be indicative of our ongoing core business operating results. Free cash flow is a performance measure that we believe provides useful information to our management and investors about the amount of cash generated by the business after necessary capital expenditures, and we define free cash flow as net cash provided by (used in) operating activities less purchases of property and equipment. Subscription revenue, subscription billings, and subscription billings mix are performance measures that we believe provide useful information to our management and investors as they allow us to better track the growth of the subscription-based portion of our business, which is a critical part of our business plan. ACV billings and run-rate ACV are performance measures that we believe provide useful information to our management and investors as they allow us to better track the topline growth of our business during our transition to a subscription-based business model because they take into account variability in term lengths. Annual recurring revenue is a performance measure that we believe provides useful information to our management and investors as it allows us to better track the topline growth of our subscription business because it takes into account variability in term lengths. We use these non-GAAP financial and key performance measures for financial and operational decision-making and as a means to evaluate period-to-period comparisons. However, these non-GAAP financial and key performance measures have limitations as analytical tools and you should not consider them in isolation or as substitutes for analysis of our results as reported under GAAP. Billings, non-GAAP gross margin, non-GAAP operating expenses, non-GAAP net loss, non-GAAP net loss per share, and free cash flow are not substitutes for total revenue, gross margin, operating expenses, net loss, net loss per share, and net cash provided by (used in) operating activities, respectively; subscription revenue is not a substitute for total revenue; and subscription billings is not a substitute for subscription revenue. There is no GAAP measure that is comparable to ACV billings, annual recurring revenue, run-rate ACV, or average contract term, so we have not reconciled ACV billings, annual recurring revenue, run-rate ACV, or average contract term data included in this presentation to any GAAP measure. In addition, other companies, including companies in our industry, may calculate non-GAAP financial measures and key performance measures differently or may use other measures to evaluate their performance, all of which could reduce the usefulness of our non-GAAP financial measures and key performance measures as tools for comparison. We urge you to review the reconciliation of our non-GAAP financial measures and key performance measures to the most directly comparable GAAP financial measures set forth in the tables captioned "GAAP to Non-GAAP Reconciliations and Calculation of Billings" and "Disaggregation of Billings and Revenue" included in the appendix hereto, and not to rely on any single financial measure to evaluate our business.

Safe Harbor

Forward Looking Statements

This presentation and the accompanying oral commentary contain express and implied forward-looking statements, including, but not limited to, statements regarding our business plans, strategies, initiatives, vision, objectives, and outlook (including our growth plan) as well as our ability to execute thereon successfully and in a timely manner and the benefits and impact thereof on our business, operations, and financial results (including our Q3'22 and FY'22 financial guidance, including the modeling assumptions underlying such guidance, and our expectation that the recent launch of our hybrid multicloud solution portfolio will strengthen our ability to deliver the solutions our customers need); our plans for, and the timing of, any current and future business model transitions, including our ongoing transition to a subscription-based business model, our ability to manage, complete or realize the benefits of such transitions successfully and in a timely manner, and the short-term and long-term impacts of such transitions on our business, operations and financial results; the competitive market, including our competitive position and ability to compete effectively, the competitive advantages of our products, our projections about our market share and opportunity, and the effects of increased competition in our market; our ability to attract new end customers and retain and grow sales from our existing end customers; our customer needs and our response to those needs; our ability to form new, and maintain and strengthen existing, strategic alliances and partnerships, including our relationships with our channel partners and original equipment manufacturers, and the impact of any changes to such relationships on our business, operations and financial results; the benefits and capabilities of our platform, solutions, products, services and technology, including the interoperability and availability of our solutions with and on third-party platforms; our plans and expectations regarding new solutions, products, services, product features and technology, including those that are still under development or in process; our plans regarding, and the timing and success of, our customer, partner, industry, analyst, investor and employee events and the impact thereof on our business, operations, and financial results; the timing and potential impact of the COVID-19 pandemic on the global market environment and the IT industry, as well as on our business, operations and financial results, including the changes we have made or anticipate making in response to the COVID-19 pandemic, our ability to manage our business during the pandemic, and the position we anticipate being in following the pandemic; and our decision to use new or different metrics, or to make adjustments to the metrics we use, to supplement our financial reporting, and the impact thereof.

These forward-looking statements are not historical facts and instead are based on our current expectations, estimates, opinions, and beliefs. Consequently, you should not rely on these forward-looking statements. The accuracy of these forward-looking statements depends upon future events and involves risks, uncertainties, and other factors, including factors that may be beyond our control, that may cause these statements to be inaccurate and cause our actual results, performance or achievements to differ materially and adversely from those anticipated or implied by such statements, including, among others: failure to successfully implement or realize the full benefits of, or unexpected difficulties or delays in successfully implementing or realizing the full benefits of, our business plans, strategies, initiatives, vision, and objectives; our ability to achieve, sustain and/or manage future growth effectively; delays or unexpected accelerations in our current and future business model transitions; the rapid evolution of the markets in which we compete, including the introduction, or acceleration of adoption of, competing solutions, including public cloud infrastructure; failure to timely and successfully meet our customer needs; delays in or lack of customer or market acceptance of our new solutions, products, services, product features or technology; macroeconomic or geopolitical conditions; the timing, breadth, and impact of the COVID-19 pandemic on our business, operations, and financial results, as well as the impact on our customers, partners, and end markets; factors that could result in the significant fluctuation of our future quarterly operating results, including, among other things, anticipated changes to our revenue and product mix, including changes as a result of our transition to a subscription-based business model, which will slow revenue growth during such transition and make forecasting future performance more difficult, the timing and magnitude of orders, shipments and acceptance of our solutions in any given quarter, our ability to attract new and retain existing end-customers, changes in the pricing and availability of certain components of our solutions, and fluctuations in demand and competitive pricing pressures for our solutions; and other risks detailed in our Annual Report on Form 10-K for the fiscal year ended July 31, 2021 filed with the U.S. Securities and Exchange Commission, or the SEC, on September 21, 2021 and our Quarterly Report on Form 10-Q for the fiscal quarter ended October 31, 2021 filed with the SEC on December 2, 2021. Additional information will also be set forth in our Quarterly Report on Form 10-Q for the fiscal quarter ended January 31, 2022, which should be read in conjunction with this presentation and the financial results included herein. Our SEC filings are available on the Investor Relations section of our website at ir.nutanix.com and on the SEC's website at www.sec.gov. These forward-looking statements speak only as of the date of this presentation and, except as required by law, we assume no obligation, and expressly disclaim any obligation, to update, alter or otherwise revise any of these forward-looking statements to reflect actual results or subsequent events or circumstances.

Q2 Fiscal 2022 Company Highlights

Renewals Growth Helps Drive Record ACV Billings: ACV Billings of $218 million were up 37% year-over-year. Revenue of $413 million was up 19% year-over-year, and the Company generated free cash flow of $17 million, marking the first quarter of positive free cash flow in three years.

Launched Simplified Product Portfolio: Nutanix announced the global availability of its simplified product portfolio, making it easier for customers to execute on their hybrid multicloud strategies.

Released Fourth Global Enterprise Cloud Index (ECI) report: The report measures enterprise progress with cloud adoption. Feedback from 1,700 IT decision makers revealed that multicloud deployments are on the rise, but that enterprises are also looking for simpler management across mixed-cloud infrastructures.

Eliminated its Dual-Class Stock Structure: Nutanix announced that, effective January 3, 2022, all then outstanding shares of its Class B common stock were automatically converted into Class A common stock on a one-for-one basis, resulting in a single class of common stock with equal voting rights for all shareholders.

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

Management Commentary

Rajiv Ramaswami, President and Chief Executive Officer

"Our second quarter reflected continued solid execution, demonstrating strong year-over-year top and bottom-line improvement. We also see growing momentum towards adoption of hybrid multicloud models and believe the recent launch of our hybrid multicloud solution portfolio will strengthen our ability to deliver the solutions our customers need."

Duston Williams, Chief Financial Officer

"In our second quarter, we achieved record ACV Billings, which grew 37% year-over-year, and saw 19% year-over-year revenue growth. We saw good execution on our building base of subscription renewals and generated positive free cash flow in the quarter - both reflections of continued progress on our subscription model."

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

Q2’22 Financial Summary

	Q2’22 Results	Y/Y Change	Q2’22 Guidance
ACV Billings	$217.9M	37%	$195 - $200M
Annual Recurring Revenue	$1.04B	55%	N/A
Run-rate ACV	$1.68B	21%	N/A
Average Contract Term	3.1 Years	(0.3) Year	N/A
Revenue	$413.1M	19%	$400 - $410M
Non-GAAP Gross Margin	83.8%	110 bps	~82.0% to 82.5%
Non-GAAP Operating Expenses	$347.3M	(2)%	$360 - $365M
Non-GAAP Net Loss Per Share	$(0.03)	$0.34	N/A
Free Cash Flow	$17.2M	$45.7M	N/A

Note: See Appendix for GAAP to Non-GAAP reconciliations, as well as definitions of ACV Billings, Annual Recurring Revenue, Run-rate ACV, ACV and Average Contract Term. There is no GAAP measure that is comparable to ACV, ACV Billings, Annual Recurring Revenue or Run-rate ACV, so the Company has not reconciled the ACV, ACV Billings, Annual Recurring Revenue and Run-rate ACV numbers in this presentation to any GAAP measure.

Q2’22 Subscription Highlights

$217.9M
ACV Billings
+37% Y/Y

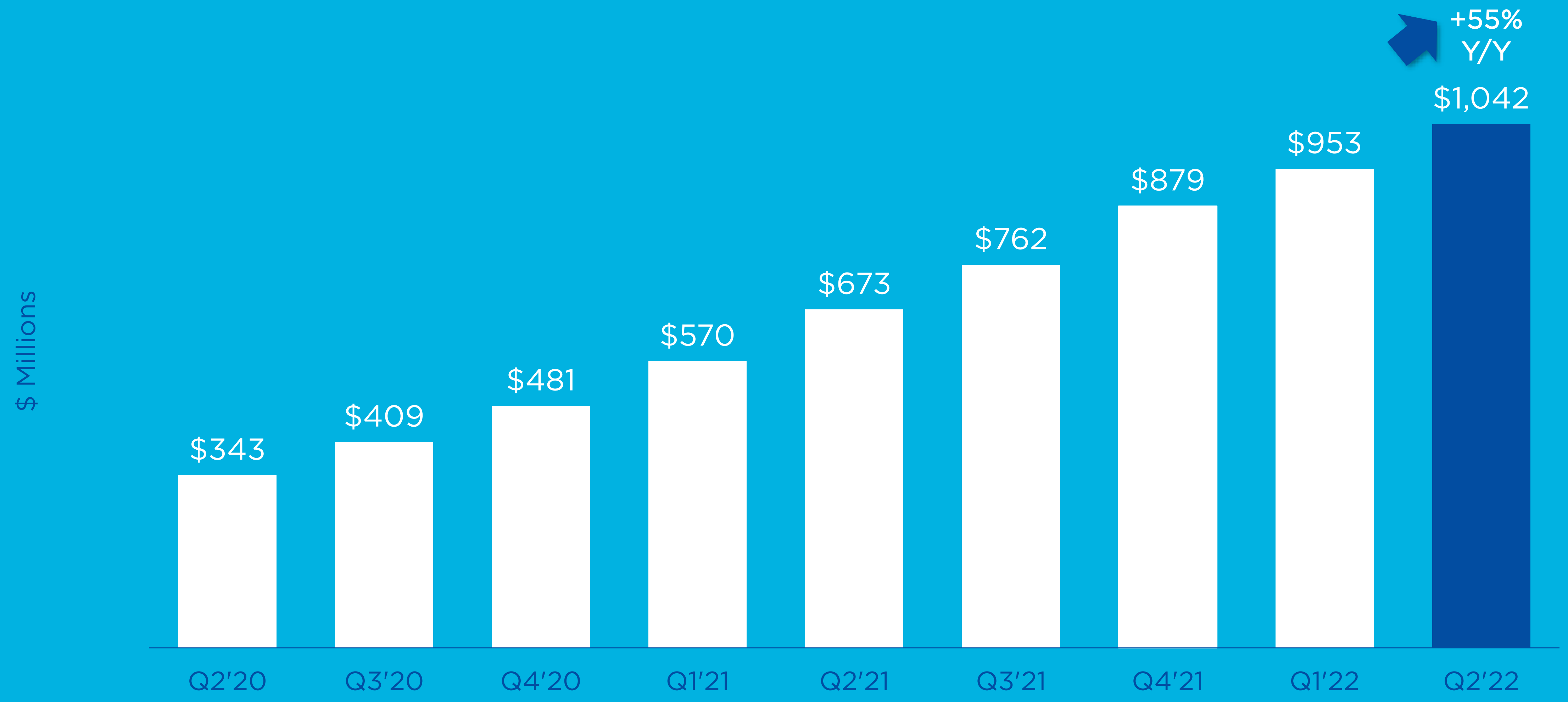
$1.68B
Run-rate ACV
+21% Y/Y

$1.04B
Annual Recurring Revenue
+55% Y/Y

3.1 Years
Average Contract Term
(0.3) Year Y/Y

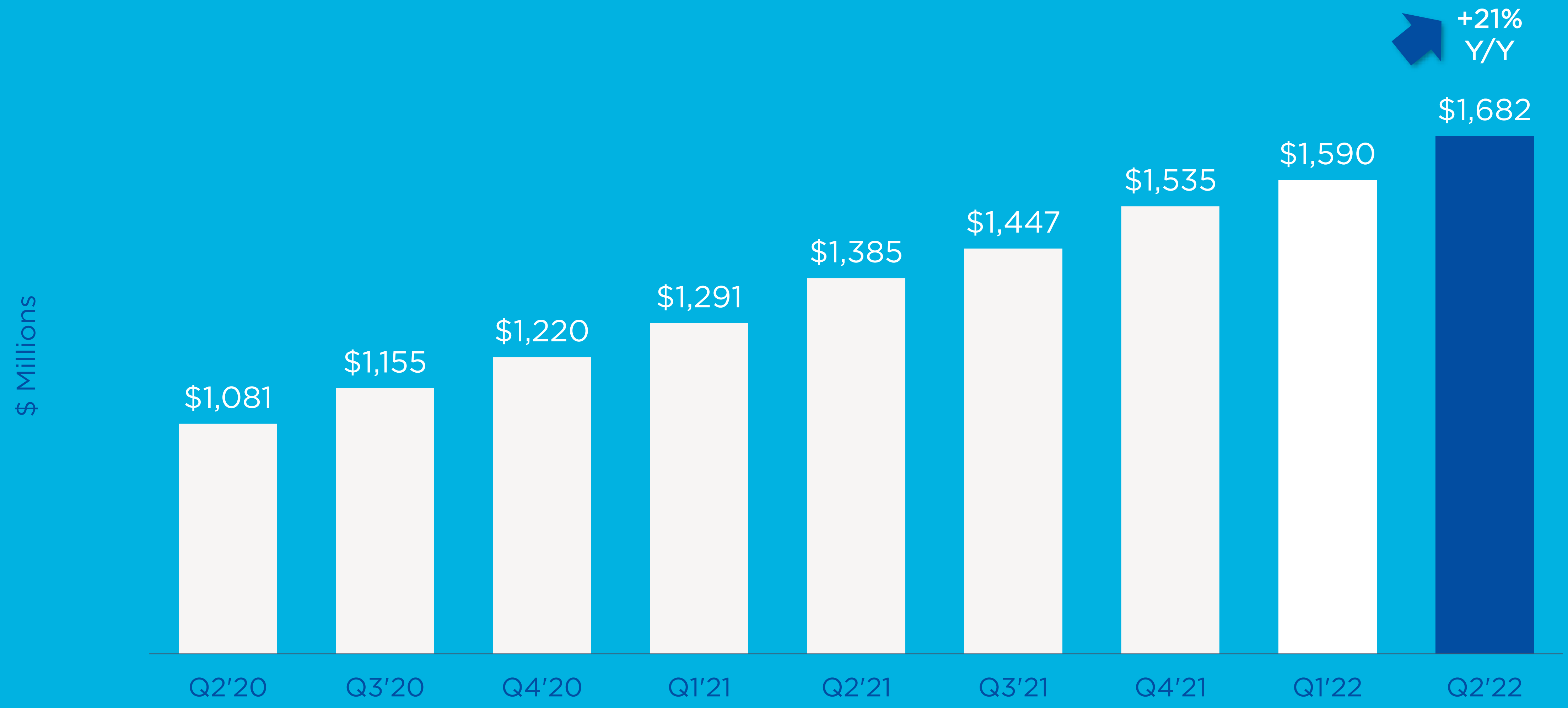
Note: ACV Billings and Average Contract Term are for the three months ended January 31, 2022. Annual Recuring Revenue and Run-rate ACV are as of January 31, 2022. See Appendix for definitions of ACV, ACV Billings, Annual Recurring Revenue, Average Contract Term and Run-rate ACV. There is no GAAP measure that is comparable to ACV, ACV Billings, Annual Recurring Revenue or Run-rate ACV, so the Company has not reconciled the ACV, ACV Billings, Annual Recurring Revenue and Run-rate ACV numbers in this presentation to any GAAP measure.

Annual Recurring Revenue



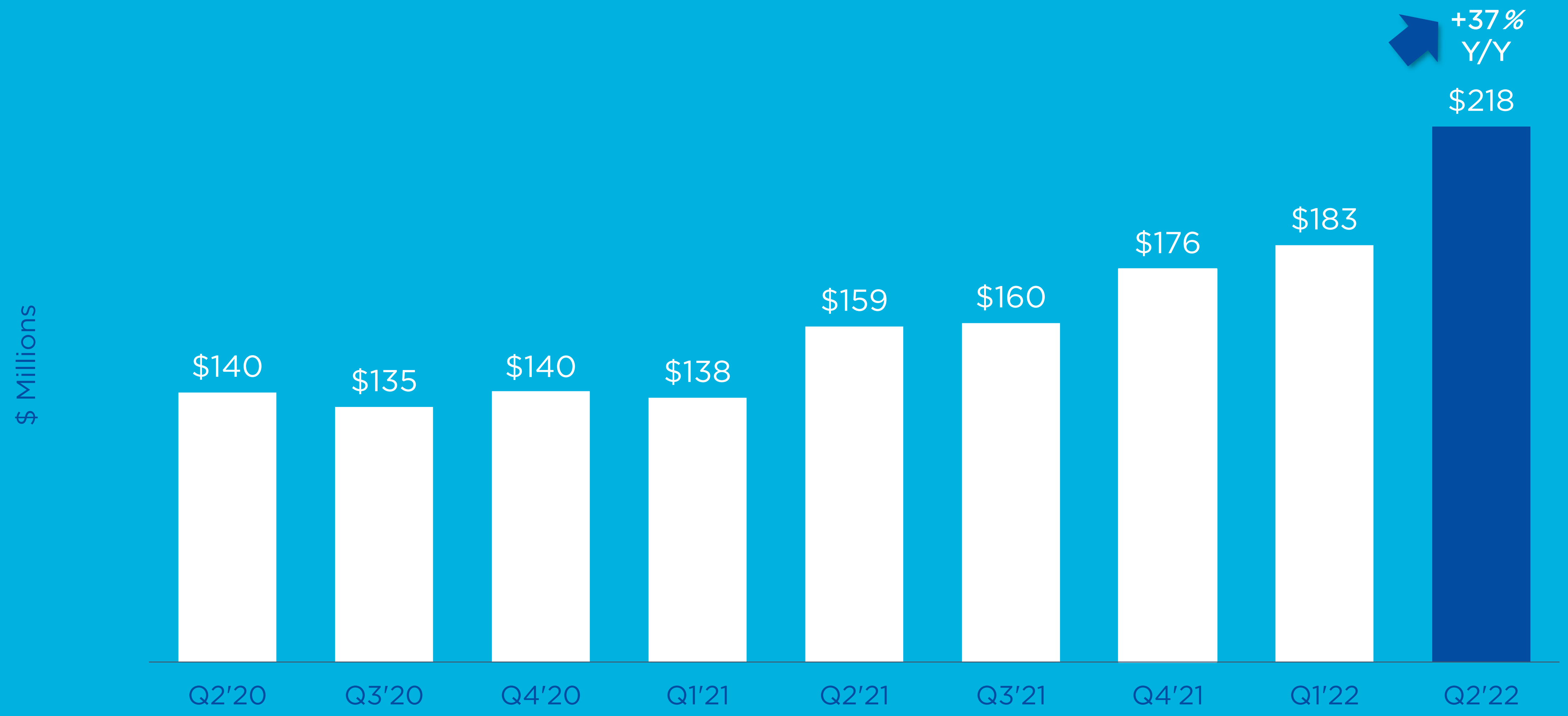
Note: See Appendix for definition of Annual Recurring Revenue. There is no GAAP measure that is comparable to Annual Recurring Revenue, so the Company has not reconciled the Annual Recurring Revenue numbers in this presentation to any GAAP measure.

Run-rate ACV



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

ACV Billings

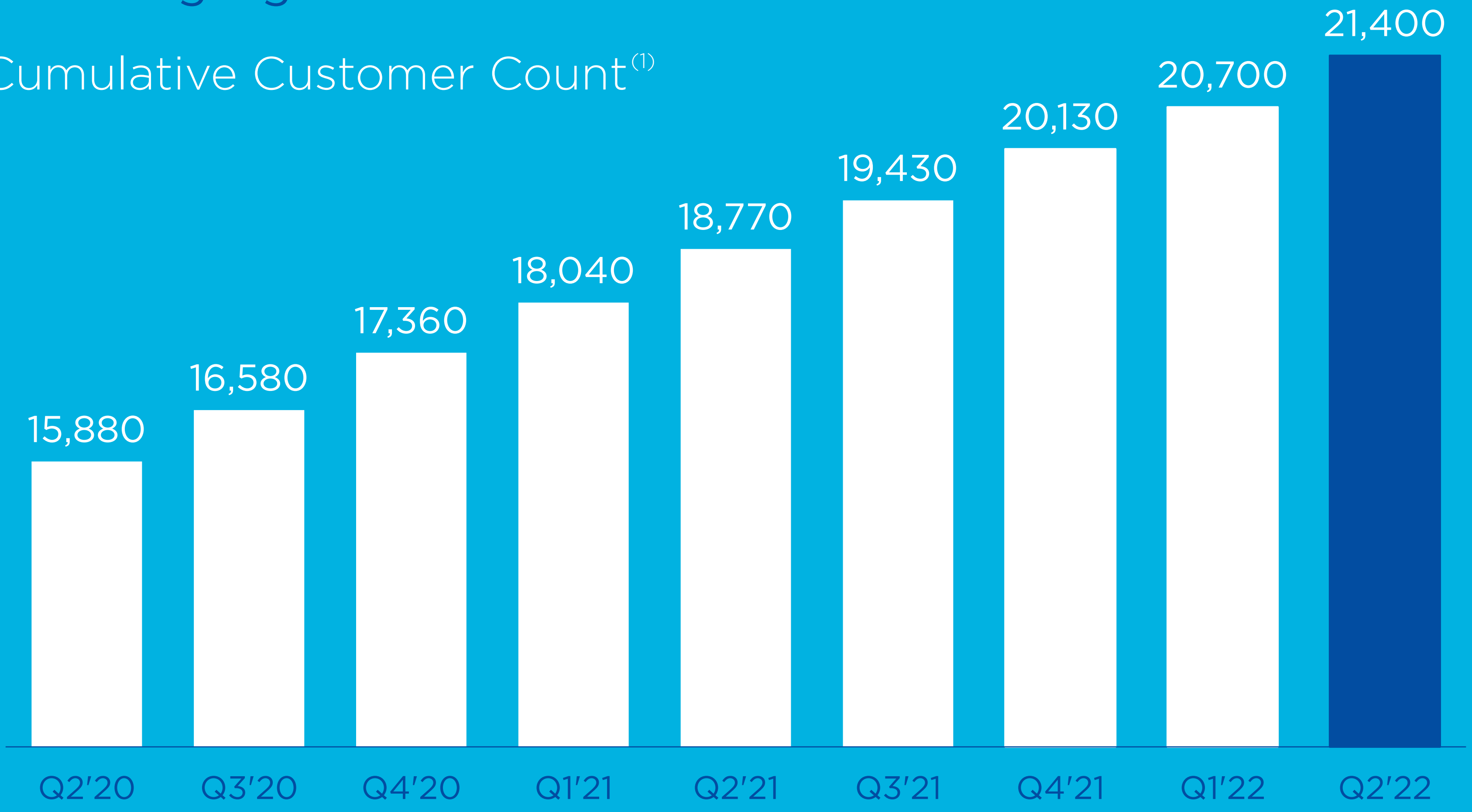


Note: ACV Billings exclude amounts related to professional services and hardware. See Appendix for definitions of ACV and ACV Billings. There is no GAAP measure that is comparable to ACV or ACV Billings, so the Company has not reconciled the ACV and ACV Billings numbers in this presentation to any GAAP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

Customer Growth

Q2'22 Highlights

Cumulative Customer Count[1]



14%

Total Customers Y/Y Growth

18.8x[2]

G2K Lifetime ACV Repeat Purchase Multiple

90 NPS

7-Year Average

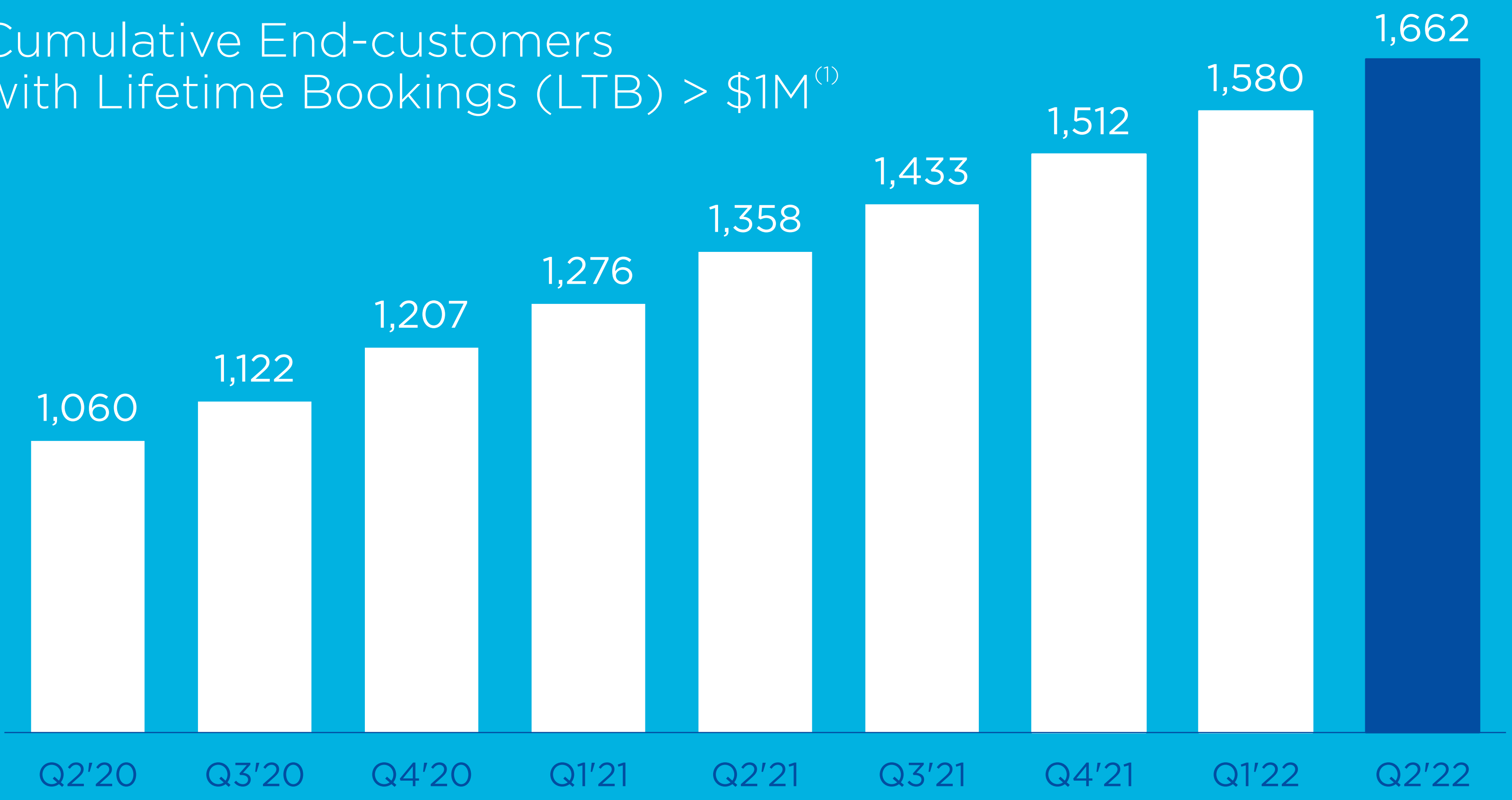
(1) The cumulative total customer count reflects standard adjustments/consolidation to certain customer accounts within our system of record and is rounded to the nearest 10.

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

Over $1M Customer Growth

Q2'22 Highlights

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



1,153 Customers $1-$3M in LTB — +21% Y/Y

246 Customers $3-$5M in LTB — +29% Y/Y

162 Customers $5-$10M in LTB — +19% Y/Y

101 Customers >$10M in LTB — +31% Y/Y

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

Q3'22 Financial Guidance

	Q3'22 Guidance
ACV Billings	$195 - $200M
Revenue	$395 - $400M
Non-GAAP Gross Margin	Approximately 82%
Non-GAAP Operating Expenses	$365 - $370M
Weighted Average Shares Outstanding	Approximately 222M

Modeling Assumptions:

1. The Company's average contract term lengths will most likely be flattish in Q3.
2. LOD support renewals should also stay somewhat elevated in Q3.
3. The elevated LOD support renewals, which have ratable revenue recognition, combined with a somewhat higher overall renewal mix, will have a small impact on revenue growth in Q3.
4. From a Q3 free cash flow perspective, the Company would expect a small usage of cash which is better than the current consensus estimates of negative $25 million.

Note: Q3'22 guidance is as of March 2, 2022. See Appendix for GAAP to Non-GAAP reconciliations, as well as definitions of ACV and ACV Billings. There is no GAAP measure that is comparable to ACV or ACV Billings, so the Company has not reconciled the ACV and ACV Billings numbers in this presentation to any GAAP measure.

FY'22 Financial Guidance

	Old FY'22 Guidance	New FY'22 Guidance
ACV Billings	$740 - $750M	$760 - $765M
Revenue	$1.615 - $1.630B	$1.625 - $1.630B
Non-GAAP Gross Margin	Approximately 82%	Approximately 82.5%
Non-GAAP Operating Expenses	$1.48 - $1.49B	$1.465 - $1.470B

Note: FY'22 guidance is as of March 2, 2022. See Appendix for GAAP to Non-GAAP reconciliations, as well as definitions of ACV Billings and ACV. There is no GAAP measure that is comparable to ACV Billings or ACV, so the Company has not reconciled the ACV Billings and ACV numbers in this presentation to any GAAP measure.

Appendix

Nutanix Reporting Model

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

Endnote and Definitions

Endnote

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

Definitions

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

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

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

Renewals ACV Billings, for any given period, is defined as the sum of the ACV of all renewal contracts billed during the given period.

Run-rate ACV, at the end of any period, is the sum of ACV for all contracts that are in effect as of the end of that period. For the purposes of this calculation, the Company assumes that the contract term begins on the date a contract is booked, irrespective of the periods in which the Company would recognize revenue for such contract.

Definitions

Definitions

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

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

GAAP to Non-GAAP Reconciliations and Calculation of Billings

	Q2'21	Q3'21	Q4'21	Q1'22	Q2'22
Gross margin (GAAP)	79.5%	78.4%	79.9%	78.5%	80.6%
Stock-based compensation expense	2.1	2.2	2.1	2.7	2.4
Amortization of intangible assets	1.1	1.1	1.0	0.9	0.8
Impairment (recovery) of lease-related assets	-	-	(0.1)	-	-
Gross margin (Non-GAAP)	82.7%	81.7%	82.9%	82.1%	83.8%
Operating expenses (GAAP)	$(431.7)	$(450.6)	$(454.1)	$(434.3)	$(427.5)
Stock-based compensation expense	77.0	87.6	81.4	80.3	78.2
Amortization of intangible assets	0.7	0.7	0.7	0.7	0.7
Impairment (recovery) of lease-related assets	-	-	(1.1)	-	-
Other	0.5	0.8	0.6	0.7	1.3
Operating expenses (Non-GAAP)	$(353.5)	$(361.5)	$(372.5)	$(352.6)	$(347.3)
Net loss per share (GAAP)	$(1.42)	$(0.60)	$(1.68)	$(1.95)	$(0.53)
Stock-based compensation expense	0.42	0.46	0.42	0.42	0.40
Amortization of intangible assets	0.02	0.02	0.02	0.02	0.02
Impairment (recovery) of lease-related assets	-	-	(0.01)	-	-
Amortization of debt discount and issuance costs	0.11	0.11	0.11	0.07	0.07
Change in fair value of derivative liability	0.50	(0.41)	0.88	0.92	-
Loss on debt extinguishment	-	-	-	0.30	-
Other	-	0.01	-	-	0.01
Net loss per share (Non-GAAP)	$(0.37)	$(0.41)	$(0.26)	$(0.22)	$(0.03)
Net cash provided by (used in) operating activities	$(15.6)	$(55.6)	$(24.6)	$6.9	$25.7
Purchases of property and equipment	(12.9)	(15.9)	(17.6)	(8.8)	(8.5)
Free cash flow (Non-GAAP)	$(28.5)	$(71.5)	$(42.2)	$(1.9)	$17.2

	Q2'21	Q2'22
Revenue	$346.4	$413.1
Change in deferred revenue	39.1	51.4
Total billings	$385.5	$464.5

Note: All amounts in millions, except per share amounts and percentages.

Disaggregation of Billings and Revenue

	FY'19	FY'20	FY'21	Q2'21	Q3'21	Q4'21	Q1'22	Q2'22
Subscription revenue	$648.4	$1,030.2	$1,243.6	$305.9	$307.3	$352.2	$337.9	$374.7
Change in subscription deferred revenue, net of acquisitions	267.6	246.2	110.5	33.2	23.5	38.1	21.4	52.7
Subscription billings	$916.0	$1,276.4	$1,354.1	$339.1	$330.8	$390.3	$359.3	$427.4
Non-portable software revenue	$449.1	$208.1	$71.4	$21.7	$16.7	$12.9	$14.3	$14.5
Change in non-portable software deferred revenue	-	-	-	-	-	-	-	-
Non-portable software billings	$449.1	$208.1	$71.4	$21.7	$16.7	$12.9	$14.3	$14.5
Professional services revenue	$33.3	$45.9	$73.1	$17.5	$19.5	$22.4	$24.1	$22.1
Change in professional services deferred revenue	$11.0	$26.2	$16.2	5.9	3.2	0.7	(1.9)	(1.3)
Professional services billings	$44.3	$72.1	$89.3	$23.4	$22.7	$23.1	$22.2	$20.8
Pass-through hardware revenue	$105.3	$23.5	$6.3	$1.3	$1.0	$3.2	$2.2	$1.8
Change in pass-through hardware deferred revenue	-	-	-	-	-	-	-	-
Pass-through hardware billings	$105.3	$23.5	$6.3	$1.3	$1.0	$3.2	$2.2	$1.8
Subscription revenue mix	52%	79%	90%	89%	89%	90%	89%	91%
Non-portable software revenue mix	36%	16%	5%	6%	5%	3%	4%	4%
Professional services revenue mix	3%	3%	5%	5%	6%	6%	6%	5%
Pass-through hardware revenue mix	9%	2%	0%	0%	0%	1%	1%	0%
Total	100%	100%	100%	100%	100%	100%	100%	100%
Subscription billings mix	60%	81%	89%	88%	89%	91%	90%	92%
Non-portable software billings mix	30%	13%	5%	6%	5%	3%	4%	3%
Professional services billings mix	3%	5%	6%	6%	6%	5%	5%	5%
Pass-through hardware billings mix	7%	1%	0%	0%	0%	1%	1%	0%
Total	100%	100%	100%	100%	100%	100%	100%	100%

Note: All amounts in millions, except percentages.

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THANK YOU