# Q1 FY2026 Earnings

November 25, 2025

NUTANIX

# Safe Harbor

## Non-GAAP Financial Measures and Other Key Performance Measures

To supplement our consolidated financial statements, which are prepared and presented in accordance with GAAP, this presentation includes the following non-GAAP financial and other key performance measures: non-GAAP gross margin, non-GAAP operating expenses, non-GAAP operating income, non-GAAP operating margin, non-GAAP net income per share (diluted), free cash flow, Annual Recurring Revenue (or ARR), and Average Contract Duration. In computing non-GAAP financial measures, we exclude certain items such as stock-based compensation and the related income tax impact, costs associated with our acquisitions (such as amortization of acquired intangible assets, income tax-related impact, and other acquisition-related costs), litigation settlement accruals and legal fees related to certain litigation matters, the amortization and conversion of the debt discount and issuance costs related to debt, interest expense related to debt, inducement expense related to the repurchase of convertible senior notes, and other non-recurring transactions and the related tax impact. Non-GAAP gross margin, non-GAAP operating expenses, non-GAAP operating income, non-GAAP operating margin, and non-GAAP net income per share (diluted) are financial measures which we believe provide useful information to investors because they provide meaningful supplemental information regarding our performance and liquidity by excluding certain expenses and expenditures such as stock-based compensation expense that may not be indicative of our ongoing core business operating results. Free cash flow is a performance measure that we believe provides useful information to our management and investors about the amount of cash generated by the business after capital expenditures, and we define free cash flow as net cash provided by operating activities less purchases of property and equipment. ARR is a performance measure that we believe provides useful information to our management and investors as it allows us to better track the top-line growth of our subscription business (including our ability to acquire subscriptions with new customers and to retain and expand with existing customers), while normalizing for differences in contract durations. Our calculation of ARR is not adjusted for the impact of any known or projected future events (such as customer cancellations, expansion or contraction of existing customers relationships or price increases or decreases) that may cause any subscription contract not to be renewed on its existing terms. ARR is a performance measure that should be viewed independently of revenue and does not represent our revenue under GAAP on an annualized basis or a forecast of GAAP revenue. Investors should not place undue reliance on ARR as an indicator of our future or expected results. ARR does not have any standardized meaning and is therefore unlikely to be comparable to similarly titled performance measures presented by other companies. We use these non-GAAP financial and key performance measures for financial and operational decision-making and as a means to evaluate period-to-period comparisons. However, these non-GAAP financial and key performance measures have limitations as analytical tools and you should not consider them in isolation or as substitutes for analysis of our results as reported under GAAP. Non-GAAP gross margin, non-GAAP operating expenses, non-GAAP operating income, non-GAAP operating margin, non-GAAP net income per share (diluted), and free cash flow are not substitutes for gross margin, operating expenses, operating income, operating margin, net income per share (diluted), and net cash provided by operating activities, respectively. There is no GAAP measure that is comparable to ARR or Average Contract Duration, so we have not reconciled the ARR or Average Contract Duration data included in this presentation to any GAAP measure. In addition, other companies, including companies in our industry, may calculate non-GAAP financial measures and key performance measures differently or may use other measures to evaluate their performance, all of which could reduce the usefulness of our non-GAAP financial measures and key performance measures as tools for comparison. We urge you to review the reconciliation of our non-GAAP financial measures and key performance measures to the most directly comparable GAAP financial measures included below in the tables captioned “Reconciliation of GAAP to Non-GAAP Profit Measures” and “Reconciliation of GAAP Net Cash Provided By Operating Activities to Non-GAAP Free Cash Flow,” and not to rely on any single financial measure to evaluate our business. This presentation also includes the following forward-looking non-GAAP financial measures as part of our second quarter fiscal 2026 outlook and/or our fiscal 2026 outlook: non-GAAP operating margin and free cash flow. We are unable to reconcile these forward-looking non-GAAP financial measures to their most directly comparable GAAP financial measures without unreasonable efforts, as we are currently unable to predict with a reasonable degree of certainty the type and extent of certain items that would be expected to impact the GAAP financial measures for these periods but would not impact the non-GAAP financial measures.

# Safe Harbor

## Forward Looking Statements

This presentation contains express and implied forward-looking statements, including, but not limited to, statements regarding: our business momentum and prospects, including our continued progress with our partners; the impact of the revenue shift from Q1 into future periods, including the expected revenue recognition over time; underlying demand and business fundamentals for Nutanix; our second quarter fiscal 2026 outlook; and our fiscal 2026 outlook.

These forward-looking statements are not historical facts and instead are based on our current expectations, estimates, opinions, and beliefs. Consequently, you should not rely on these forward-looking statements. The accuracy of these forward-looking statements depends upon future events and involves risks, uncertainties, and other factors, including factors that may be beyond our control, that may cause these statements to be inaccurate and cause our actual results, performance or achievements to differ materially and adversely from those anticipated or implied by such statements, including, among others: the inherent uncertainty or assumptions and estimates underlying our projections and guidance, which are necessarily speculative in nature; any failure to successfully implement or realize the full benefits of, or unexpected difficulties or delays in successfully implementing or realizing the full benefits of, our business plans, strategies, initiatives, vision, objectives, momentum, prospects and outlook; our ability to achieve, sustain and/or manage future growth effectively; the rapid evolution of the markets in which we compete, including the introduction, or acceleration of adoption of, competing solutions, including public cloud infrastructure; failure to timely and successfully meet our customer needs; delays in or lack of customer or market acceptance of our new solutions, products, services, product features or technology; macroeconomic or geopolitical uncertainty; our ability to attract, recruit, train, retain, and, where applicable, ramp to full productivity, qualified employees and key personnel; factors that could result in the significant fluctuation of our future quarterly operating results (including anticipated changes to our revenue and product mix, the timing and magnitude of orders, shipments and acceptance of our solutions in any given quarter, our ability to attract new and retain existing end-customers, changes in the pricing and availability of certain components of our solutions, and fluctuations in demand and competitive pricing pressures for our solutions); our ability to form new or maintain and strengthen existing strategic alliances and partnerships, as well as our ability to manage any changes thereto; our ability to make share repurchases; and other risks detailed in our Annual Report on Form 10-K for the fiscal year ended July 31, 2025 filed with the U.S. Securities and Exchange Commission, or the SEC, on September 24, 2025. Additional information will be set forth in our Quarterly Report on Form 10-Q for the fiscal quarter ended October 31, 2025, 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.

# Q1 FY2026 Company Highlights

| | |
|---|---|
| **Reports Q1'26 Results** | Q1 revenue of $670.6 million was up 13% year-over-year and ARR[1] of $2.284B increased 18% year-over-year. We also generated Free Cash Flow of $174.5 million, up 15% year-over-year. |
| **Another Solid Quarter of New Logo Additions** | Our total customer count grew to 29,930, a 10% year-over-year increase, driven by another solid quarter of new logo additions. |
| **Named a Leader in 2025 Gartner® Magic Quadrant™ for DHI** | Announced recognition as a Leader in the *2025 Gartner® Magic Quadrant™ for Distributed Hybrid Infrastructure*. |
| **Announced Support for Dell PowerStore** | The Nutanix Cloud Platform (NCP) solution will soon support Dell PowerStore, with general availability expected in summer 2026. |
| **Announced Support of Microsoft Azure Virtual Desktop for Hybrid Environments** | NCP support of Microsoft Azure Virtual Desktop (AVD) for hybrid environments will enable organizations to run AVD on premises on the Nutanix AHV hypervisor. The Nutanix Cloud Platform's support for AVD is currently under development. |

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

# Management Commentary

“We saw solid demand for our cloud platform in our first quarter, with bookings that were slightly ahead of our expectations, ARR growth of 18% year-over-year, another healthy quarter of new logo additions, and solid free cash flow performance. We also continued to make progress with our partners, including announcing expansions to our partnerships with Dell and Microsoft, for our cloud platform to support their PowerStore and Azure Virtual Desktop, respectively.

**Rajiv Ramaswami**
President and Chief Executive Officer
Nutanix

“Bookings in our first quarter were slightly higher than expected. However, late in the quarter, we saw some revenue shift from Q1 into future periods. We expect that the revenue over time remains unchanged. We expect this dynamic to continue and have factored it in our Q2 and updated full-year revenue guidance. We are also pleased to raise our free cash flow guidance for the full year. Underlying demand and our view of business fundamentals for Nutanix remain unchanged.

**Rukmini Sivaraman**
Chief Financial Officer
Nutanix

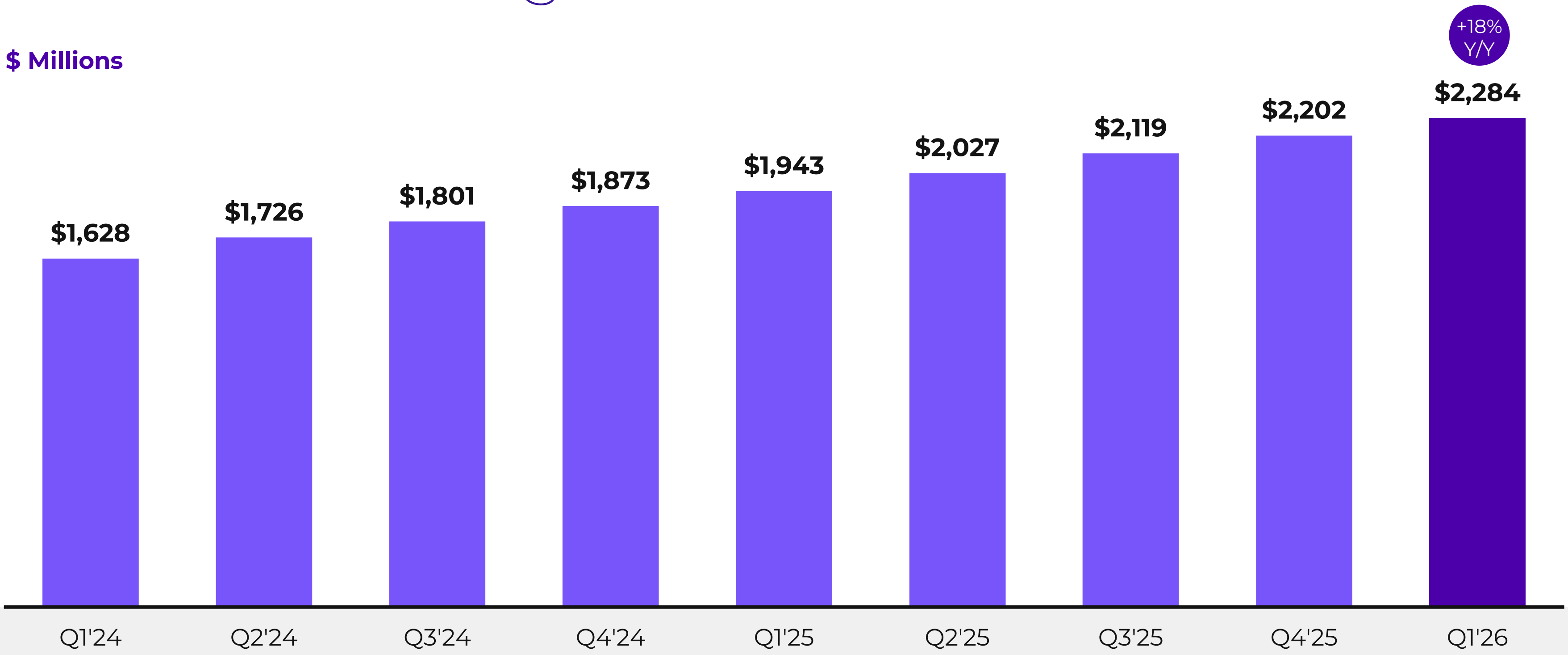
Note: See Appendix for definition of Annual Recurring Revenue (ARR). There is no GAAP measure that is comparable to ARR, so the Company has not reconciled ARR in this presentation to any GAAP measure.

# Q1 FY2026 Financial Summary

| | Q1'26 Results | Y/Y Change | Q1'26 Guidance |
|---|---|---|---|
| **Annual Recurring Revenue**[1] | $2.28B | 18% | N/A |
| **Average Contract Duration** | 3.1 Years | 0.0 Year | N/A |
| **Revenue** | $670.6M | 13% | $670 – $680M |
| **Non-GAAP Gross Margin** | 88.0% | 50 bps | N/A |
| **Non-GAAP Operating Expenses** | $458.0M | 15% | N/A |
| **Non-GAAP Operating Income** | $131.8M | $13.6M | N/A |
| **Non-GAAP Operating Margin** | 19.7% | (30) bps | 19.5% to 20.5% |
| **Non-GAAP Net Income per Share (Diluted)** | $0.41 | $0.05 | N/A |
| **Free Cash Flow** | $174.5M | $22.6M | N/A |

1. Beginning with the first quarter of fiscal 2026, our methodology for calculating ARR was updated to align more closely with the timing of when licenses are made available to customers. For comparability purposes, ARR for all prior periods have been adjusted to conform to the updated methodology.
Note: See Appendix for GAAP to Non-GAAP reconciliations, as well as definitions of Annual Recurring Revenue (ARR) and Average Contract Duration. There is no GAAP measure that is comparable to ARR, so the Company has not reconciled ARR in this presentation to any GAAP measure.

# Annual Recurring Revenue[1]



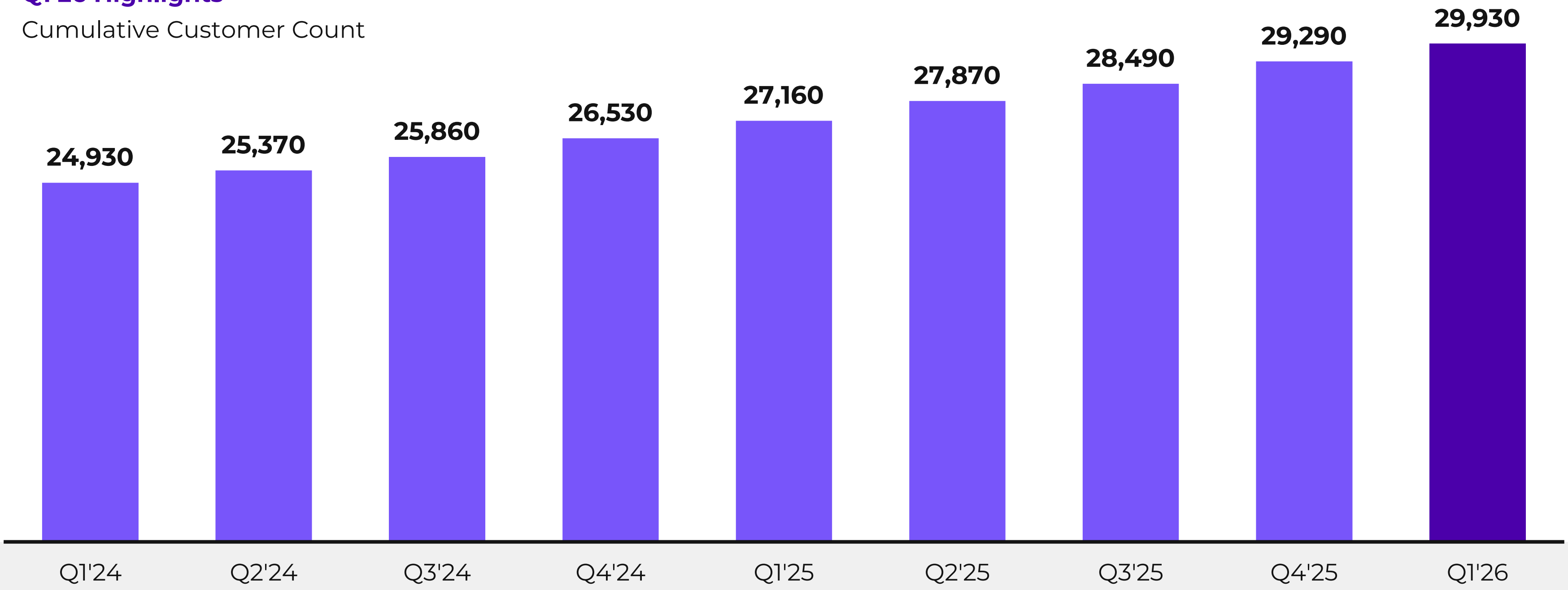

1. Beginning with the first quarter of fiscal 2026, our methodology for calculating ARR was updated to align more closely with the timing of when licenses are made available to customers. For comparability purposes, ARR for all prior periods have been adjusted to conform to the updated methodology.

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

# Customer Growth

**Q1'26 Highlights**

Cumulative Customer Count




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

# Q2'26 Financial Guidance

| | Q2'26 Guidance |
|---|---|
| **Revenue** | $705 – $715M |
| **Non-GAAP Operating Margin** | 20.5% to 21.5% |
| **Weighted Average Shares Outstanding (Diluted)[1]** | ~296M |

1. Weighted average share count used in computing diluted non-GAAP net income per share.
Note: Q2'26 guidance is as of November 25, 2025.

# FY'26 Financial Guidance

| | FY'26 Guidance |
|---|---|
| **Revenue** | $2.82 – $2.86B |
| **Non-GAAP Operating Margin** | 21% to 22% |
| **Free Cash Flow** | $800 – $840M |

**Guidance Commentary:**

1. It is important to note that the Company's full-year bookings growth expectations remain unchanged relative to its last earnings call. The Company is also pleased to raise its free cash flow guidance for the full year. However, as the Company saw late in Q1, it is seeing that the timing of conversion of bookings into revenue is evolving with its business. The Company believes this is due to a couple of factors including (1) increased customer demand for greater flexibility to start licenses aligned with their adoption timelines, resulting in more bookings with future start dates and (2) the growing proportion of its business through its third-party OEM partners, for which it only recognizes revenue when its partners ship an appliance. As a result, it now expects more revenue to shift from FY26 into future periods, while the total amount of revenue recognized over time remains unchanged.
2. A note on seasonality: the Company expects the quarter-over-quarter revenue trend from Q2 to Q3 to be similar to what it saw last year in FY25.
3. The Company continues to balance prudent investments for continued growth with a focus on efficiencies and expanding margins over time. This is reflected in the Company's updated operating margin and free cash flow guidance for the full year.

Note: FY'26 guidance is as of November 25, 2025.

# Appendix

# Nutanix Reporting Model

| Product Type | Product Mix | Contract Duration | Revenue Recognized |
|---|---|---|---|
| **Subscription** | Term-based Subscription | 1, 3, or 5 Years | Upfront |
| | SaaS Subscription | Monthly up to 5 Years | Ratable |
| | Support and Entitlements | 1, 3, or 5 Years | Ratable |
| **Professional Services** | Professional Services for All Nutanix Offerings | Various | As Performed |
| **Other Non-Subscription Product** | Various | Various | Upfront |

# Definitions

**Annual Recurring Revenue**[1], or **ARR**, is defined as the sum of ACV for all subscription contracts from all customers in effect as of the end of a specific period, assuming any subscription contract that expires is renewed on its existing terms. ARR excludes the value of professional services, non-portable software and support contracts and hardware sales. For the purposes of this calculation, we generally assume that the contract term begins on the date when the software is made available to the customer. ACV is defined as the total annualized value of a contract. The total annualized value for a contract is calculated by dividing the total value of the contract by the number of years in the term of such contract. Beginning with the first quarter of fiscal 2026, our methodology for calculating ARR was updated to align more closely with the timing of when licenses are made available to customers. For comparability purposes, ARR for all prior periods have been adjusted to conform to the updated methodology.

**Average Contract Duration** represents the dollar-weighted term, calculated on a billings basis, across all subscription contracts, as well as our limited number of life-of-device contracts, using an assumed term of five years for life-of-device licenses, executed in the period.

**Net Retention Rate**, or **NRR** is calculated as of the end of a twelve-month period. We calculate NRR by starting with the ARR for all customers with subscription contracts at the beginning of the period. We then divide end-of-the-period ARR for the same customer group by the beginning-of-the-period ARR.

Note: NRR is a performance measure that we believe provides useful information to our management and investors as it provides an indication of our ability to retain and expand ARR from our existing customer base.

**Rule of 40** is defined as the sum of revenue growth rate and free cash flow margin for the period.

1. Our calculation of ARR is not adjusted for the impact of any known or projected future events (such as customer cancellations, expansion or contraction of existing customers relationships or price increases or decreases) that may cause any subscription contract not to be renewed on its existing terms. ARR is a performance measure that should be viewed independently of revenue and does not represent our revenue under GAAP on an annualized basis or a forecast of GAAP revenue. Investors should not place undue reliance on ARR as an indicator of our future or expected results. ARR does not have any standardized meaning and is therefore unlikely to be comparable to similarly titled performance measures presented by other companies. ARR is a performance measure that we believe provides useful information to our management and investors as it allows us to better track the top-line growth of our subscription business (including our ability to acquire subscriptions with new customers and to retain and expand with existing customers), while normalizing for differences in contract durations.

# GAAP to Non-GAAP Reconciliations

| | Q1'25 | Q2'25 | Q3'25 | Q4'25 | Q1'26 |
|---|---|---|---|---|---|
| Gross Margin (GAAP) | 86.0% | 87.0% | 87.0% | 87.2% | 87.0% |
| Stock-Based Compensation Expense | 1.4 | 1.2 | 1.1% | 1.1% | 1.0% |
| Amortization of Intangible Assets | 0.1 | 0.1 | 0.1% | – | – |
| Gross Margin (Non-GAAP) | 87.5% | 88.3% | 88.2% | 88.3% | 88.0% |
| Operating Expenses (GAAP) | $481.0 | $504.0 | $507.3 | $538.2 | $533.8 |
| Stock-Based Compensation Expense | (80.7) | (85.3) | (77.2) | (78.0) | (71.1) |
| Amortization of Intangible Assets | (0.1) | (0.1) | (0.1) | – | (0.1) |
| Litigation-Related Costs | (1.3) | (1.6) | (3.5) | (3.0) | (4.6) |
| Operating Expenses (Non-GAAP) | $398.9 | $417.0 | $426.5 | $457.2 | $458.0 |
| Income from Operations (GAAP) | $27.3 | $65.4 | $48.7 | $31.2 | $49.3 |
| Stock-Based Compensation Expense | 88.7 | 93.4 | 84.2 | 85.2 | 77.8 |
| Amortization of Intangible Assets | 0.9 | 0.9 | 0.6 | 0.1 | 0.2 |
| Litigation-Related Costs | 1.3 | 1.6 | 3.5 | 3.0 | 4.6 |
| Income from Operations (Non-GAAP) | $118.2 | $161.3 | $137.0 | $119.5 | $131.8 |

Note: All amounts in millions, except percentages.

# GAAP to Non-GAAP Reconciliations

| | Q1'25 | Q2'25 | Q3'25 | Q4'25 | Q1'26 |
|---|---|---|---|---|---|
| Net Income (GAAP) | $29.9 | $56.4 | $63.4 | $38.7 | $62.1 |
| Stock-Based Compensation Expense | 88.7 | 93.4 | 84.2 | 85.2 | 77.7 |
| Amortization of Intangible Assets | 0.9 | 0.9 | 0.6 | 0.1 | 0.2 |
| Litigation-Related Costs | 1.3 | 1.6 | 3.5 | 3.0 | 4.6 |
| Amortization and Conversion of Debt Discount and Issuance Costs | 0.8 | 1.7 | 3.0 | 3.0 | 3.0 |
| Inducement Expense | – | 11.3 | – | – | – |
| Other | (0.1) | – | (0.1) | (0.1) | – |
| Income Tax-Related Adjustments[1] | (18.8) | (26.2) | (29.9) | (20.8) | (26.7) |
| Net Income (Non-GAAP)[1] | $102.7 | $139.1 | $124.7 | $109.1 | $120.9 |
| Net Cash Provided by Operating Activities | $161.7 | $221.7 | $218.5 | $219.5 | $196.8 |
| Purchases of Property and Equipment | (9.8) | (34.6) | (15.1) | (11.7) | (22.3) |
| Free Cash Flow (Non-GAAP) | $151.9 | $187.1 | $203.4 | $207.8 | $174.5 |

| | Q1'25 | Q1'26 |
|---|---|---|
| Weighted Average Shares Outstanding (Basic) | 267M | 270M |
| Weighted Average Shares Outstanding (Diluted) | 289M | 297M |

1. Beginning in the third quarter of fiscal 2025, and retrospectively applied to comparable prior year periods, we are using a long-term projected non-GAAP tax rate of 20% for the purposes of determining our non-GAAP net income and non-GAAP income per share, which is based on our current long-term projections. We believe a long-term projected tax rate of 20% better aligns with the non-GAAP measure of profitability, reduces volatility of the non-GAAP tax rate and provides better consistency across reporting periods. Our estimated long-term projected tax rate is subject to change for a variety of reasons, including tax law changes in major jurisdictions in which we operate, changes in our geographic earnings mix, or other changes to our strategy or business operations. We will re-evaluate our long-term projected tax rate as appropriate.

Note: All amounts in millions.

# Thank You