NETSCOUT™

Q4 FY 2025 Conference Call

NETSCOUT SYSTEMS, INC.
May 8, 2025

Agenda

- **Introduction**
  - Tony Piazza, Deputy Chief Financial Officer
    - Safe Harbor & Non-GAAP Metrics
- **CEO Perspective**
  - Anil Singhal, President & Chief Executive Officer (CEO)
    - Summary Results, Business & Market Insights, FY’26 Commentary, Leadership Transition
- **COO Update**
  - Michael Szabados, Chief Operating Officer (COO)
    - Customer Wins, Go-to-Market Activities
- **CFO Financial Review**
  - Jean Bua, EVP and Chief Financial Officer (CFO)
    - Detailed Results, Revenue Trends, Balance Sheet & FCF, FY’26 Outlook

Safe Harbor

Forward Looking Statements: Certain information provided in this presentation includes forward-looking statements within the meaning of the Securities Act of 1933, as amended, and the Securities Exchange Act of 1934, which are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995 and other federal securities laws. Examples of forward-looking statements include statements regarding our future financial performance or position, results of operations, business strategy, plans and objectives of management for future operations, and other statements that are not historical fact. You can identify forward-looking statements by their use of forward-looking words such as “may,” “will,” “anticipate,” “expect,” “believe,” “estimate,” “intend,” “plan,” “should,” “seek,” or the negative of such terms or other comparable terms. Investors are cautioned that such forward-looking statements in this presentation including, without limitation, statements regarding NETSCOUT’s financial results, its financial outlook and expectations, that NETSCOUT remains encouraged by the momentum in its Cybersecurity offering and is focused on returning to revenue growth, improving operating margins and diluted EPS performance, and continuing to generate free cash flow, that it remains cautious given the broader economic uncertainty and is committed to disciplined cost management to preserve flexibility, that its long-term strategy is unchanged as it plans to continue to invest in innovation, deepen relationships with its customers, and leverage its mission-critical solutions to support the evolving performance, availability, and security needs of today’s complex digital environments, that it has a strong financial foundation and a clear strategic direction and believes NETSCOUT is well positioned for sustainable, long-term success, as well as statements regarding the executive transitions, all constitute forward looking statements that involve risks and uncertainties. Actual results could differ materially from the forward-looking statements due to known and unknown risks, uncertainties, assumptions, and other factors. Such factors include, but are not limited to, macroeconomic factors (including trade protection measures, such as tariffs and other trade barriers) and slowdowns or downturns in economic conditions generally and in the market for advanced networks, service assurance and cybersecurity solutions specifically; the volatile foreign exchange environment; liquidity concerns at, and failures of, banks and other financial institutions; the Company’s relationships with strategic partners and resellers; dependence upon broad-based acceptance of the Company’s network performance management solutions; the presence of competitors with greater financial resources than the Company has, and their strategic response to the Company’s products; the Company’s ability to retain key executives and employees; the Company’s ability to realize the anticipated savings from recent restructuring actions and other expense management programs; lower than expected demand for the Company’s products and services; and the timing and magnitude of stock buyback activity based on market conditions, corporate considerations, debt agreements, and regulatory requirements. The risks included above are not exhaustive. We caution readers not to place undue reliance on any forward-looking statements included in this presentation which speak only as to the date of this presentation. We undertake no responsibility to update or revise any forward-looking statements contained in this presentation or with respect to the announcements described herein, except as required by law. For a more detailed description of the risk factors associated with the Company, please refer to the Company’s Annual Report on Form 10-K for the fiscal year ended March 31, 2024, filed with the Securities and Exchange Commission on May 16, 2024, and subsequently filed reports.

Non-GAAP Financial Metrics

To supplement the financial measures presented in NETSCOUT's press release in accordance with accounting principles generally accepted in the United States (GAAP), NETSCOUT also reports the following non-GAAP measures: non-GAAP gross profit, non-GAAP income from operations, non-GAAP operating margin, non-GAAP net income, non-GAAP diluted net income per share and non-GAAP earnings before interest and other expense, income taxes, depreciation, and amortization (Non-GAAP EBITDA) from operations. Non-GAAP gross profit removes expenses related to the amortization of acquired intangible assets, share based compensation expense, and acquisition-related depreciation expense. Non-GAAP income from operations includes the aforementioned adjustments, and also removes legal (benefit) expense related to civil judgments, restructuring charges, gain on divestiture of a business, and goodwill impairment charges. Non-GAAP operating margin includes the foregoing adjustments related to non-GAAP income from operations. Non-GAAP net income includes the foregoing adjustments related to non-GAAP income from operations, and also removes loss on extinguishment of debt and change in fair value of derivative instruments, net of related income tax effects. Non-GAAP diluted net income per share includes the foregoing adjustments related to non-GAAP net income. Non-GAAP EBITDA from operations includes the aforementioned items related to non-GAAP income from operations and also removes non-acquisition related depreciation expense. Investors are encouraged to review the related GAAP financial measures and the reconciliation of these non-GAAP financial measures to their most directly comparable GAAP financial measures included in the attached tables within this press release.

These non-GAAP measures are not in accordance with GAAP, should not be considered an alternative for measures prepared in accordance with GAAP (gross profit, operating margin, net income, and diluted net income per share), and may have limitations because they do not reflect all NETSCOUT's results of operations as determined in accordance with GAAP. These non-GAAP measures should only be used to evaluate NETSCOUT's results of operations in conjunction with the corresponding GAAP measures. The presentation of non-GAAP information is not meant to be considered superior to, in isolation from, or as a substitute for results prepared in accordance with GAAP. NETSCOUT believes these non-GAAP financial measures will enhance the reader's overall understanding of NETSCOUT's current financial performance and NETSCOUT's prospects for the future by providing a higher degree of transparency for certain financial measures and providing a level of disclosure that helps investors understand how the Company plans and measures its own business. NETSCOUT believes that providing these non-GAAP measures affords investors a view of NETSCOUT's operating results that may be more easily compared to peer companies and also enables investors to consider NETSCOUT's operating results on both a GAAP and non-GAAP basis during and following the integration period of NETSCOUT's acquisitions. Presenting the GAAP measures on their own, without the supplemental non-GAAP disclosures, might not be indicative of NETSCOUT's core operating results. Furthermore, NETSCOUT believes that the presentation of non-GAAP measures when shown in conjunction with the corresponding GAAP measures provides useful information to management and investors regarding present and future business trends relating to its financial condition and results of operations.

NETSCOUT management regularly uses supplemental non-GAAP financial measures internally to understand, manage and evaluate its business and to make operating decisions. These non-GAAP measures are among the primary factors that management uses in planning and forecasting.

CEO Perspective

Anil Singhal

President and Chief Executive Officer

Q4 & FY’25 Non-GAAP Financial Results

Non-GAAP ($ in millions, except per share data)	Q4 FY’24 3/31/2024	Q4 FY’25 3/31/2025	FY'24 3/31/2024	FY'25 3/31/2025
Revenue	$ 203.4	$ 205.0	$ 829.5	$ 822.7
Gross Margin	77.2%	79.2%	79.4%	80.0%
Operating Margin	19.2%	23.1%	22.6%	23.7%
EPS	$ 0.55	$ 0.52	$ 2.20	$ 2.22

- Closed Q4 on a strong note with revenue exceeding our expectation, driven by solid cybersecurity product line performance

- Solid FY’25 revenue results driven by execution and focus:
  - In-line with our original revenue outlook range
  - Consistent revenue YoY after adjusting for the divested Test Optimization business
  - Overcame approx. $50M headwind due the prior year benefiting from backlog related revenue gains

- Delivered EPS expansion due to continued focus on prudent cost management

Business and Market Insights

- Service Assurance

- Cybersecurity

FY’26 Outlook & Summary

- Encouraged by the momentum in cybersecurity solutions and continuing to invest in product related AI and cybersecurity offerings

- Remain cautious given macro economic uncertainty and will maintain our disciplined approach to cost management and preservation of strong financial position

- Targeting fiscal year 2026 revenue and profitability growth

- Leadership team transitions announced for FY’26

Leadership Transition – COO and CFO

- Michael Szabados, Chief Operating Officer (COO) and Jean Bua, Chief Financial Officer (CFO) to retire, effective May 31, 2025
- Both will continue in advisory roles to support transition
- Internal successors appointed: Deputy COO Sanjay Munshi, COO and Deputy CFO Tony Piazza, CFO, effective June 1, 2025
- Demonstrates strength of leadership bench and succession planning
- Transition ensures continuity in operational and financial leadership

COO Update

Michael Szabados
Chief Operating Officer

COO Highlights

- **Customer Wins**
  - Service Assurance & Cybersecurity

- **Go-To-Market Activities**
  - Industry Events

CFO Financial Review
Q4 & FY’25 Results &
FY’26 Outlook

Jean Bua
Executive Vice President and Chief Financial Officer

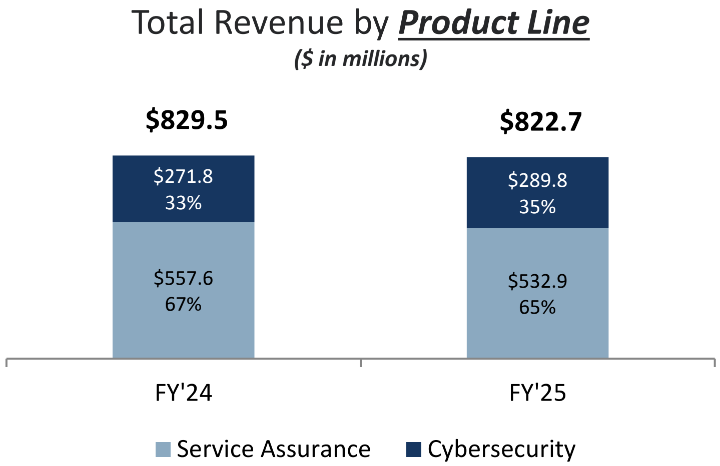
Q4 & FY'25 Non-GAAP Financial Results

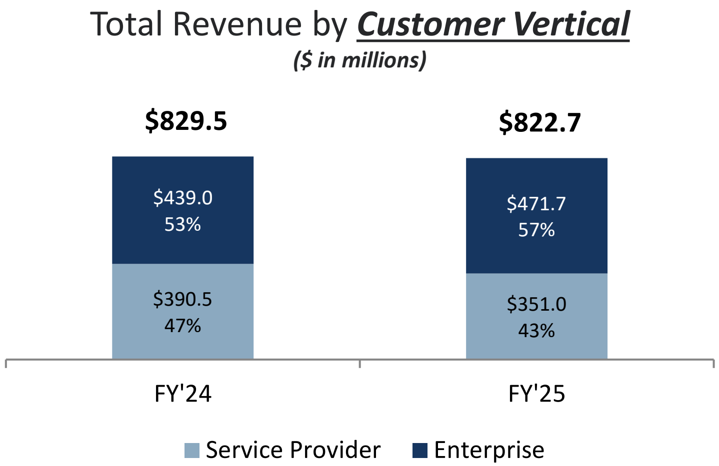
(in millions except EPS and % data)	Q4 FY'24 Non-GAAP 3/31/2024	Q4 FY'25 Non-GAAP 3/31/2025	% Change		FY'24 Non-GAAP 3/31/2024	FY'25 Non-GAAP 3/31/2025	% Change
Revenue:							
Product	$ 89.4	$ 89.5	0.1%		$ 360.4	$ 359.9	-0.2%
Service	$ 114.0	$ 115.5	1.3%		$ 469.0	$ 462.8	-1.3%
Total revenue	**$ 203.4**	**$ 205.0**	**0.8%**		**$ 829.5**	**$ 822.7**	-0.8%
Gross profit margin	77.2%	79.2%			79.4%	80.0%	
Operating margin	19.2%	23.1%			22.6%	23.7%	
Net income	$ 39.8	$ 38.0	-4.6%		$ 159.1	$ 160.4	0.8%
Diluted net income per share	**$ 0.55**	**$ 0.52**	**-5.5%**		**$ 2.20**	**$ 2.22**	**0.9%**
Diluted shares outstanding	72.3	73.4			72.3	72.2	

Figures in charts and tables may not total due to rounding

See Appendix for GAAP-Non-GAAP Reconciliations.

FY'25 Revenue Trends: Product Lines & Customer Verticals

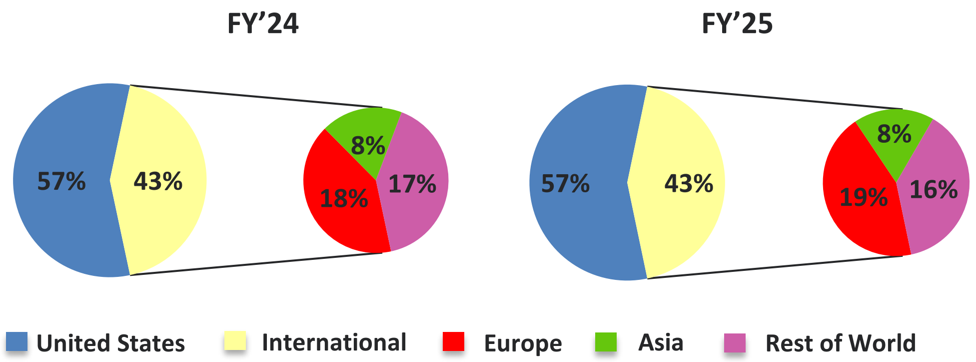




Figures in charts and tables may not total due to rounding

FY'25 Revenue Trends: Geographic Mix

	FY'24 3/31/24	FY'25 3/31/25
Total Revenue	$829.5	$822.7
United States	$470.3	$465.5
International	$359.1	$357.2
Europe	$146.9	$156.7
Asia	$65.4	$63.6
Rest of World	$146.8	$136.9



Figures in charts and tables may not total due to rounding

GAAP Balance Sheet & Free Cash Flow Review

(in millions)

(Unaudited)	Q4 FY'25 3/31/25
*Cash and Securities**	$ 492.5
Accounts Receivable, Net	$ 163.7
Inventories	$ 12.9
Total Long-Term Debt	$ -
Total Deferred Revenue	$ 449.3
Total Stockholders' Equity	$ 1,560.4

* Cash and securities defined as cash, cash equivalents, short- and long-term marketable securities, and investments

	Q1 FY'25 6/30/2024	Q2 FY'25 9/30/2024	Q3 FY'25 12/31/2024	Q4 FY'25 3/31/2025	FY'25 3/31/2025
Operating Cash Flow	$ 38.3	$ (3.6)	$ 41.5	$ 141.5	$ 217.7
Purchase of Fixed Assets & Intangible Assets	$ (1.3)	$ (2.2)	$ (1.9)	$ (1.4)	$ (6.7)
Free Cash Flow	$ 37.0	$ (5.8)	$ 39.6	$ 140.1	$ 211.0

Note: Free cash flow is defined as Operating Cash Flow less the purchase of fixed and intangible assets. The table above represents the reconciliation of GAAP to non-GAAP financial measures.

Financial Profile

	Q4 FY'25 3/31/25
Cash and Securities position	$492.5
Liquidity	5.0x
Gross leverage	0.0x
Net leverage	(2.3x)
Credit Facility Net Leverage	(1.3x)

- Liquidity calculated as available credit under the Company's senior secured credit facility plus cash and securities divided by the 12-month trailing adjusted non-GAAP EBITDA (as defined within the Company's senior secured credit facility).
- Gross Leverage is calculated as total debt plus contingent debt divided by the 12-month trailing adjusted non-GAAP EBITDA.
- Net leverage is calculated as total debt plus contingent debt minus cash and securities, divided by the 12-month trailing adjusted non-GAAP EBITDA
- As defined in the Company's senior secured credit facility, Credit Facility Net Leverage is calculated as total debt plus contingent debt minus the lesser of unrestricted cash and 125% of 12-month trailing adjusted non-GAAP EBITDA divided by the 12-month trailing adjusted non-GAAP EBITDA
- The Company's non-GAAP EBITDA from Operations as calculated in its press release may differ from the non-GAAP EBITDA as defined within the Company's senior secured credit facility

Figures in charts and tables may not total due to rounding

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FY’26 Outlook

Revenue

$ millions	FY’25 GAAP & Non-GAAP	FY’26 Outlook GAAP & Non-GAAP
Revenue	$822.7	$825-$865

EPS (Diluted)

	FY’25	FY’26 EPS
GAAP EPS (diluted)	($5.12)*	$1.07 to $1.22*
Adjustments	$7.34	$1.18
Non-GAAP EPS (diluted)	$2.22	$2.25 to $2.40

* GAAP EPS includes goodwill impairment charges in FY’25 and restructuring charges in both FY’25 and FY’26

Other FY’26 Outlook Assumptions

- Anticipate annual tax rate of approx. 20%
- Anticipate approx. 74 million to 75 million weighted average diluted shares outstanding

See Appendix for GAAP-Non-GAAP Reconciliations

Upcoming Investor Event

Date	Event	Location
May 12, 2025	Needham Technology, Media, & Consumer Conference	Virtual

Appendix

Q4 & FY'25 Results

(in millions except EPS and % data)	Q4 FY'24 GAAP 3/31/2024	Q4 FY'25 GAAP 3/31/2025	% Change	FY'24 GAAP 3/31/2024	FY'25 GAAP 3/31/2025	% Change	Q4 FY'24 Non-GAAP 3/31/2024	Q4 FY'25 Non-GAAP 3/31/2025	% Change	FY'24 Non-GAAP 3/31/2024	FY'25 Non-GAAP 3/31/2025	% Change
Revenue:												
Product	$ 89.4	$ 89.5	0.1%	$ 360.4	$ 359.9	-0.2%	$ 89.4	$ 89.5	0.1%	$ 360.4	$ 359.9	-0.2%
Service	$ 114.0	$ 115.5	1.3%	$ 469.0	$ 462.8	-1.3%	$ 114.0	$ 115.5	1.3%	$ 469.0	$ 462.8	-1.3%
Total revenue	**$ 203.4**	**$ 205.0**	**0.8%**	**$ 829.5**	**$ 822.7**	**-0.8%**	**$ 203.4**	**$ 205.0**	**0.8%**	**$ 829.5**	**$ 822.7**	**-0.8%**
Cost of revenue	$ 50.3	$ 45.7	-9.1%	$ 187.4	$ 178.7	-4.6%	$ 46.4	$ 42.6	-8.2%	$ 170.6	$ 164.9	-3.3%
Gross profit	**$ 153.1**	**$ 159.3**	**4.0%**	**$ 642.0**	**$ 643.9**	**0.3%**	**$ 157.0**	**$ 162.4**	**3.4%**	**$ 658.8**	**$ 657.7**	**-0.2%**
Gross profit margin	***75.3%***	***77.7%***		***77.4%***	***78.3%***		***77.2%***	***79.2%***		***79.4%***	***80.0%***	
Operating expenses	$ 190.1	$ 139.4	-26.7%	$ 791.9	$ 1,011.5	27.7%	$ 118.0	$ 115.1	-2.5%	$ 471.8	$ 462.6	-1.9%
Income (loss) from operations	**$ (37.0)**	**$ 19.9**	**n/a**	**$ (149.8)**	**$ (367.6)**	**-145.4%**	**$ 39.0**	**$ 47.3**	**21.2%**	**$ 187.1**	**$ 195.1**	**4.3%**
Income (loss) from operations margin	-18.2%	9.7%		-18.1%	-44.7%		19.2%	23.1%		22.6%	23.7%	
Net income (loss)	$ (32.4)	$ 18.6	n/a	$ (147.7)	$ (366.9)	-148.4%	$ 39.8	$ 38.0	-4.6%	$ 159.1	$ 160.4	0.8%
Diluted net income (loss) per share	**$ (0.46)**	**$ 0.25**	**n/a**	**$ (2.07)**	**$ (5.12)**	**-147.3%**	**$ 0.55**	**$ 0.52**	**-5.5%**	**$ 2.20**	**$ 2.22**	**0.9%**
Diluted shares outstanding	71.2	73.4		71.5	71.6		72.3	73.4		72.3	72.2	

Figures in charts and tables may not total due to rounding

See Appendix for GAAP-Non-GAAP Reconciliations.

GAAP to Non-GAAP Reconciliation:
Q4’FY25, Q4’FY24, Q3’FY25, FY’25, & FY’24
Gross Profit, Income (loss) from Operations and Net Income (loss)

	Three Months Ended March 31,		Three Months Ended December 31,	Twelve Months Ended March 31,	
	2025	2024	2024	2025	2024
Revenue	$ 204,987	$ 203,443	$ 252,019	$ 822,679	$ 829,455
Gross Profit (GAAP)	$ 159,290	$ 153,103	$ 205,407	$ 643,944	$ 642,043
Share-based compensation expense (1)	2,090	2,305	2,196	9,806	10,229
Amortization of acquired intangible assets (2)	993	1,637	994	3,978	6,549
Acquisition related depreciation expense (3)	1	1	1	6	12
Non-GAAP Gross Profit	$ 162,374	$ 157,046	$ 208,598	$ 657,734	$ 658,833
Income (Loss) from Operations (GAAP)	$ 19,886	$ (36,976)	$ 61,713	$ (367,602)	$ (149,826)
GAAP Operating Margin	9.7 %	(18.2)%	24.5 %	(44.7)%	(18.1)%
Share-based compensation expense (1)	14,199	16,146	14,502	64,785	70,799
Amortization of acquired intangible assets (2)	12,576	14,184	12,595	50,418	56,886
Restructuring charges	605	—	923	20,500	—
Goodwill impairment	—	50,154	—	426,967	217,260
Acquisition related depreciation expense (3)	11	11	13	47	119
Gain on divestiture of a business	—	—	—	—	(3,806)
Legal (benefit) expense related to civil judgments (4)	—	(4,510)	—	—	(4,380)
Non-GAAP Income from Operations	$ 47,277	$ 39,009	$ 89,746	$ 195,115	$ 187,052
Non-GAAP Operating Margin	23.1 %	19.2 %	35.6 %	23.7 %	22.6 %
Net Income (Loss) (GAAP)	$ 18,617	$ (32,419)	$ 48,810	$ (366,922)	$ (147,734)
Share-based compensation expense (1)	14,199	16,146	14,502	64,785	70,799
Amortization of acquired intangible assets (2)	12,576	14,184	12,595	50,418	56,886
Restructuring charges	605	—	923	20,500	—
Goodwill impairment	—	50,154	—	426,967	217,260
Acquisition related depreciation expense (3)	11	11	13	47	119
Gain on divestiture of a business	—	—	—	—	(3,806)
Legal (benefit) expense related to civil judgments (4)	—	(4,510)	—	—	(4,380)
Loss on extinguishment of debt (5)	—	—	1,134	1,134	—
Change in fair value of derivative instrument (6)	—	—	—	—	(206)
Income tax adjustments (7)	(8,004)	(3,743)	(9,695)	(36,503)	(29,828)
Non-GAAP Net Income	$ 38,004	$ 39,823	$ 68,282	$ 160,426	$ 159,110
Diluted Net Income (Loss) Per Share (GAAP)	$ 0.25	$ (0.46)	$ 0.67	$ (5.12)	$ (2.07)
Share impact of non-GAAP adjustments identified above	0.27	1.01	0.27	7.34	4.27
Non-GAAP Diluted Net Income Per Share	$ 0.52	$ 0.55	$ 0.94	$ 2.22	$ 2.20
Shares used in computing non-GAAP diluted net income per share	73,410	72,345	72,569	72,235	72,294

GAAP to Non-GAAP Reconciliation:
Q4'FY25, Q4'FY24, Q3'FY25, FY'25, & FY'24 Itemization

	Three Months Ended March 31, 2025	Three Months Ended March 31, 2024	Three Months Ended December 31, 2024	Twelve Months Ended March 31, 2025	Twelve Months Ended March 31, 2024
(1) Share-based compensation expense included in these amounts is as follows:					
Cost of product revenue	$ 283	$ 303	$ 287	$ 1,296	$ 1,330
Cost of service revenue	1,807	2,002	1,909	8,510	8,899
Research and development	4,062	4,409	4,074	17,956	19,281
Sales and marketing	4,915	5,736	5,071	22,765	25,375
General and administrative	3,132	3,696	3,161	14,258	15,914
Total share-based compensation expense	$ 14,199	$ 16,146	$ 14,502	$ 64,785	$ 70,799
(2) Amortization expense related to acquired software and product technology, tradenames, customer relationships included in these amounts is as follows:					
Cost of product revenue	$ 993	$ 1,637	$ 994	$ 3,978	$ 6,549
Operating expenses	11,583	12,547	11,601	46,440	50,337
Total amortization expense	$ 12,576	$ 14,184	$ 12,595	$ 50,418	$ 56,886
(3) Acquisition related depreciation expense included in these amounts is as follows:					
Cost of product revenue	$ 1	$ 1	$ 1	$ 6	$ 8
Cost of service revenue	—	—	—	—	4
Research and development	8	8	8	31	82
Sales and marketing	2	2	3	9	18
General and administrative	—	—	1	1	7
Total acquisition related depreciation expense	$ 11	$ 11	$ 13	$ 47	$ 119
(4) Legal (benefit) expense related to civil judgments included in this amount is as follows:					
General and administrative	$ —	$ (4,510)	$ —	$ —	$ (4,380)
Total legal judgments expense	$ —	$ (4,510)	$ —	$ —	$ (4,380)
(5) Change in fair value of derivative instrument included in this amount is as follows:					
Interest and other (income) expense, net	$ —	$ —	$ —	$ —	$ (206)
Total change in fair value of derivative instrument	$ —	$ —	$ —	$ —	$ (206)
(6) Loss on extinguishment of debt included in this amount is as follows:					
Interest and other (income) expense, net	$ —	$ —	$ 1,134	$ 1,134	$ —
Total loss on extinguishment of debt	$ —	$ —	$ 1,134	$ 1,134	$ —
(7) Total income tax adjustment included in this amount is as follows:					
Tax effect of non-GAAP adjustments above	$ (8,004)	$ (3,743)	$ (9,695)	$ (36,503)	$ (29,828)
Total income tax adjustments	$ (8,004)	$ (3,743)	$ (9,695)	$ (36,503)	$ (29,828)

FY’26 Financial Outlook: GAAP to Non-GAAP Reconciliation

NETSCOUT SYSTEMS, INC.
Reconciliation of GAAP Financial Outlook to Non-GAAP Financial Outlook
(Unaudited)
(In millions, except net income per share - diluted)

		FY'25	FY'26
Revenue	$	822.7	~ $825 million to ~$865 million

		FY'25	FY'26
GAAP net income (loss)	$	(366.9)	~$80 million to ~$91 million
Amortization of intangible assets	$	50.4	~$47 million
Share-based compensation expenses	$	64.8	~$62 million
Acquisition related depreciation expense	$	—	0
Loss on debt extinguishment	$	1.1	—
Restructuring charges	$	20.5	~$1 million
Goodwill impairment	$	427.0	—
Total adjustments	$	563.8	~$110 million
Related impact of adjustments on income tax	$	(36.5)	(~$22 million)
Non-GAAP net income	$	160.4	~$168 million to ~$179 million
GAAP net income (loss) per share (diluted)	$	(5.12)	~$1.07 to ~$1.22
Non-GAAP net income per share (diluted)	$	2.22	~$2.25 to ~$2.40
Average weighted shares outstanding (diluted GAAP)		71.6	~74 million to ~75 million
Average weighted shares outstanding (diluted Non-GAAP)		72.2	~74 million to ~75 million

**Figures in table may not total due to rounding

Thank You