

# Driving sustained and profitable growth

**George Kurian**

Chief Executive Officer



# What you will hear from us today

## Uniquely differentiated

Leading provider building on a differentiated storage and data management platform

## Strong track record

Over 30-years of industry-leading innovation consumed by tens of thousands of customers globally

## Growing opportunity

Addressing a wider range of workloads with expanded storage offerings and cloud services

## Focused strategy

Driving a clear and well-structured plan to execute against the market opportunities

## Delivering value

Investing for growth while maintaining operational discipline to drive earnings leverage

# Agenda



**Building on our strong results in FY24**

**Aligned to our customers' priorities**

**Focused on large and growing markets**

**The right strategy for profitable growth**

# Building on momentum exiting FY24

## Record highs

All Flash<sup>1</sup>

**\$3.6B**

**17%**

Y/Y growth<sup>2</sup>

Keystone<sup>3</sup>

almost

**\$150M**

**>100%**

Y/Y growth<sup>2</sup>

Cloud Storage<sup>4</sup>

**\$291M**

**38%**

Y/Y growth<sup>2</sup>

(1) AFA annualized net revenue run rate was determined by products and services revenue for Q4 FY24, multiplied by 4, (2) FY24 vs FY23, (3) TCv Sales of our Keystone offering is a performance measure defined as the total non-cancellable contract value that customers committed to during FY24, (4) First party and marketplace cloud storage services revenue for FY24.

# We delivered strong financial results in FY24

Record margins, cash flows, and earnings per share, with strong shareholder returns

## Record highs

Gross Margin<sup>1</sup>

**72%**

Higher margin products growing in the mix

Operating Margin<sup>1</sup>

**27%**

3<sup>rd</sup> consecutive year of record operating margin

Operating Cash Flow

**\$1.7B**

OCF in line with net income<sup>1</sup>

EPS<sup>1</sup>

**\$6.46**

3<sup>rd</sup> consecutive year of record EPS

Capital returned to shareholders<sup>2</sup>

**\$1.3B**

Consistent track record of shareholder friendly capital allocation policy

# NetApp's edge

## Key factors driving our market leadership and growth

- Deep understanding of the market and track record of helping customers adapt to meet their needs
- Storage and data management platform built for the age of data, delivering enormous value to customers and tremendous business efficiency to NetApp
- Employer of choice for the best storage and data management talent
- Storage partner of choice for hyperscalers, leading technology, and go-to-market partners
- Global reach & installed base
- Financial strength & flexibility

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# We are in the “Age of Data”

But companies need to overcome some really big hurdles



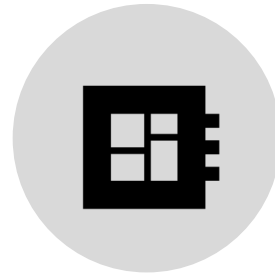
Data is increasing in **complexity** and **highly fragmented** across on-prem and hybrid multi-cloud environments



Data is **costly** to store and manage, with increasing pressures to cut costs, CAPEX, and demonstrate ROI



Data is the crown jewel and **constantly under threat**



Data fuels **AI workloads**, but **data management and operational bottlenecks** make it hard to scale



Data and applications infrastructure needs to **responsively scale** to demand



Data-related operations need to be **more sustainable** to meet rising expectations



# We deliver the building blocks of Intelligent Data Infrastructure

## ANY DATA, WORKLOAD, & PLACE



Unified data storage and management for any data and workload, across consumption models, native in all clouds

## ADAPTIVE DATA MANAGEMENT & OPERATIONS



Most secure and protected storage in the world—data's last line of defense—with policy-based governance

Ongoing optimization of applications, workloads, and infrastructure, with total cost and performance management

## EXPANSIVE ECOSYSTEM



Ecosystem-wide integrations for the most open access and interoperability

## ALWAYS-ON INTELLIGENCE



Powers continuous optimization and natively enables safe enterprise AI workloads at scale

# The NetApp Platform enables Intelligent Data Infrastructure

## INTELLIGENT DATA INFRASTRUCTURE

### UNIFIED CONTROL

ANY DATA,  
WORKLOAD, & PLACE



ADAPTIVE  
DATA MANAGEMENT & OPERATIONS



EXPANSIVE  
ECOSYSTEM



ALWAYS-ON INTELLIGENCE



Enables



## THE NETAPP PLATFORM

CONTROL PLANE

SERVICES PLANE

INTELLIGENT DATA FABRIC

ECOSYSTEM  
ENABLEMENT

# The NetApp Platform enables Intelligent Data Infrastructure

INTELLIGENT DATA INFRASTRUCTURE

UNIFIED CONTROL

ANY DATA,  
WORKLOAD, & PLACE



ADAPTIVE  
DATA MANAGEMENT & OPERATIONS



EXPANSIVE  
ECOSYSTEM



...enabling **transformative flexibility**  
and **simplicity at scale**

THE NETAPP PLATFORM

CONTROL PLANE

SERVICES PLANE

INTELLIGENT DATA FABRIC

ECOSYSTEM  
ENABLEMENT

# Across several eras in the age of data, NetApp has led in data infrastructure innovation

Increasing amount of data, complexity and cost



Adoption



Acceleration



Complexity



Simplification



## Data Siloes & Unification

NetApp becomes the first vendor to **unify file & block workloads, and structured & unstructured data**

## Hybrid Cloud

NetApp creates the first **data fabric strategy** that eliminates silos & provides unified control across any environment

## Hybrid Multiclouds

NetApp becomes the **ONLY** vendor to introduce **cloud ops and data services** as key data infrastructure pillars in addition to being the **only vendor natively embedded** in all major clouds

## Intelligence

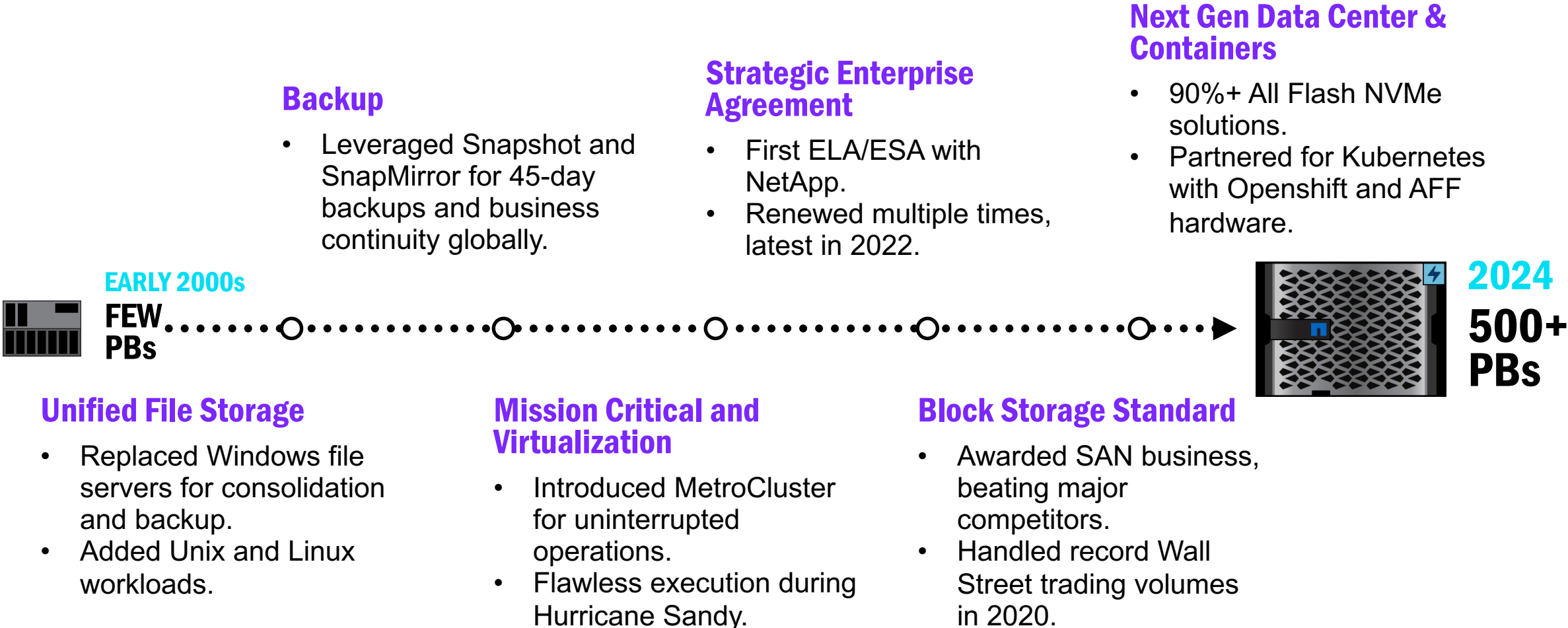
NetApp delivers **silos-free infrastructure**, then harnesses **observability and AI** to enable best data management everywhere

# Turning disruption into opportunity for every customer



# Our customers include the world's most important organizations

20-year partnership with a leading global financial services company



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# Serving a large & growing market

We have a big & growing market opportunity with numerous tailwinds

The absolute volume of data continues to expand rapidly

Data is...

- fragmented across on-premises and hybrid multi-cloud environments
- constantly under threat
- the fuel for AI workloads

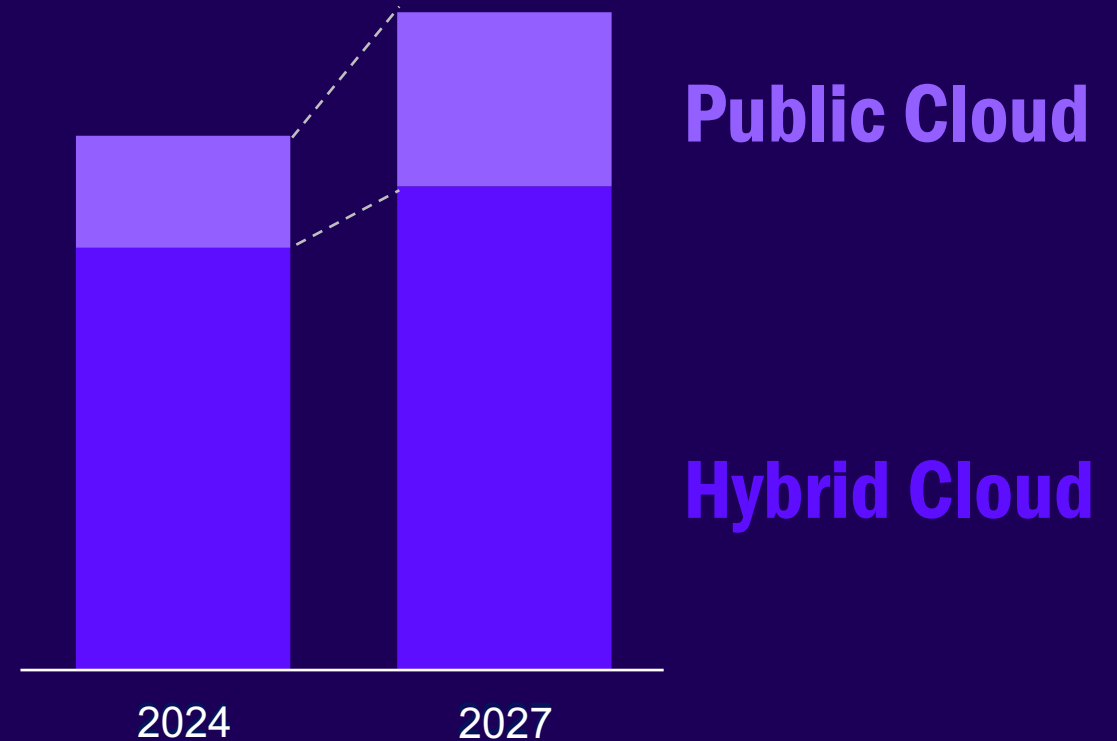
Our **platform approach** enables delivery of **differentiated innovation at unmatched pace**



We have the **right products**, the **right pricing**, and the **right go-to-market** to drive share gains

# \$100B+

Opportunity in 2027

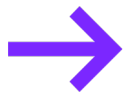




# Modernizing data environments

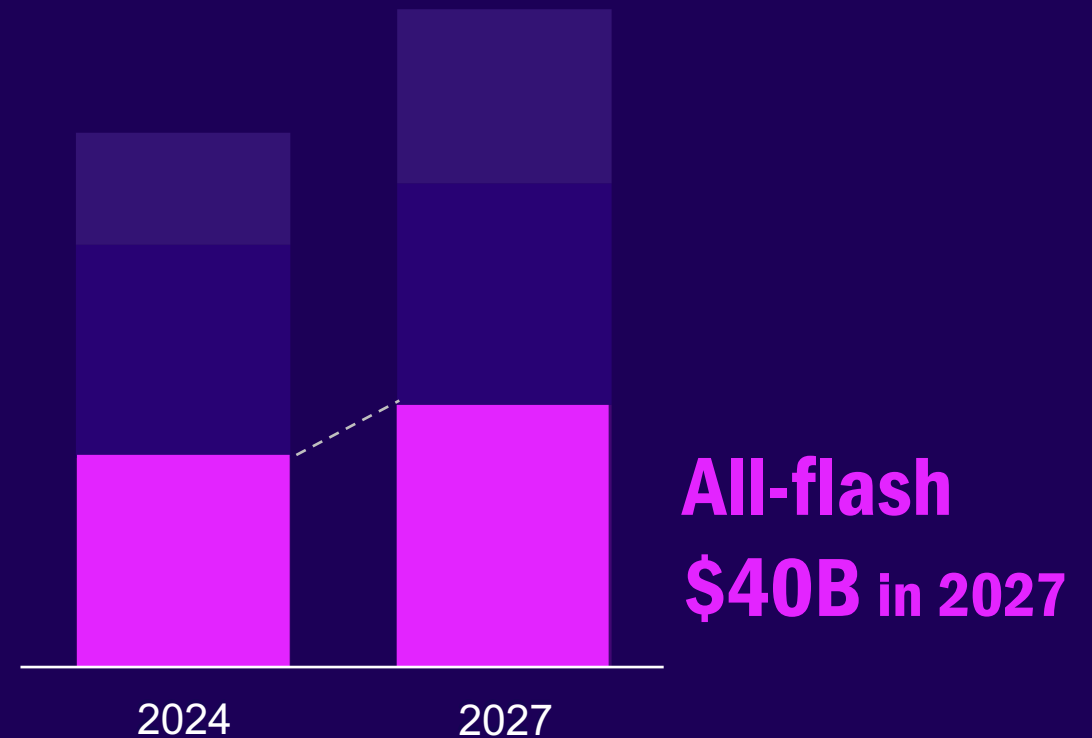
We have significantly broadened and strengthened our flash storage opportunity

- New all-flash product **families expand our addressable market** with industry-leading **efficiency, density and sustainability**
- Capitalizing on the **market shift to Flash**
- **Growing faster** than the all-flash market and **taking share**



Our flash systems combine **optimized flash performance and design** with the industry's **best storage and data management**

**\$100B+**  
Opportunity in 2027



# Addressing any data type

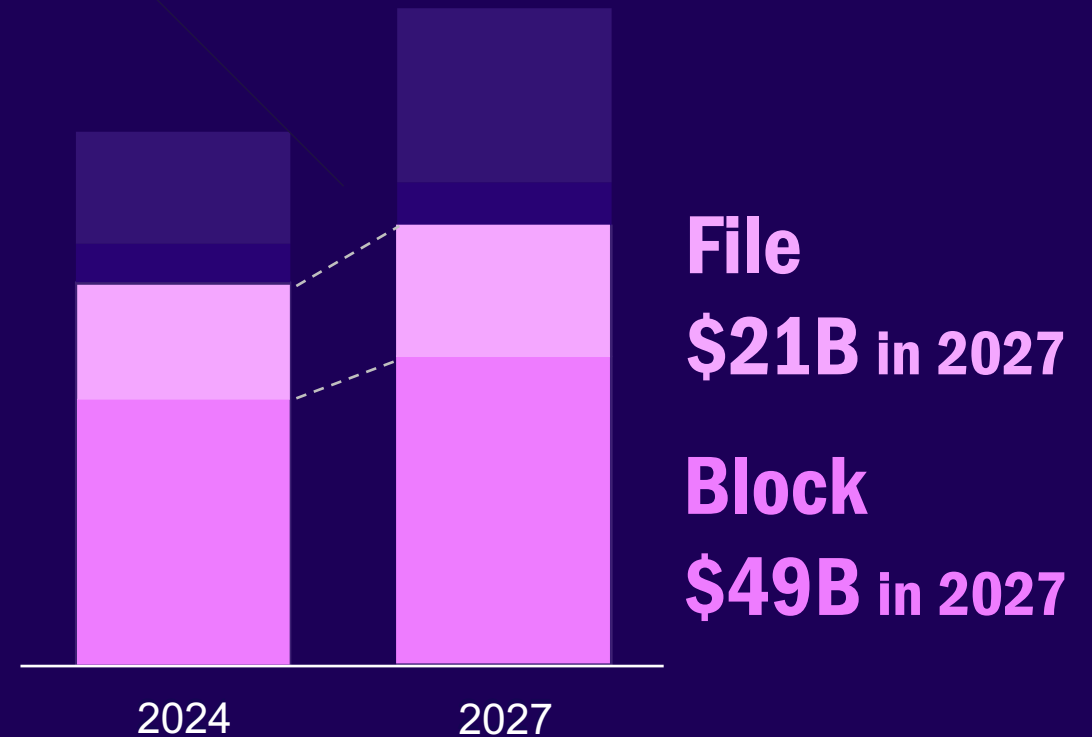
We have significantly broadened and strengthened our flash storage opportunity

- Expanding on our 30-year leadership with the industry's **best file and unified storage**
- Disrupting the block storage market with **modern, block optimized flash storage**
- Addressing **the sweet spot of price-performance** in the market



We deliver the **most complete, integrated storage portfolio** for **any data type, any workload, and any place**

**\$100B+**  
Opportunity in 2027



# Gaining share with cloud migrations

We are winning new customers and expanding wallet share within existing customers

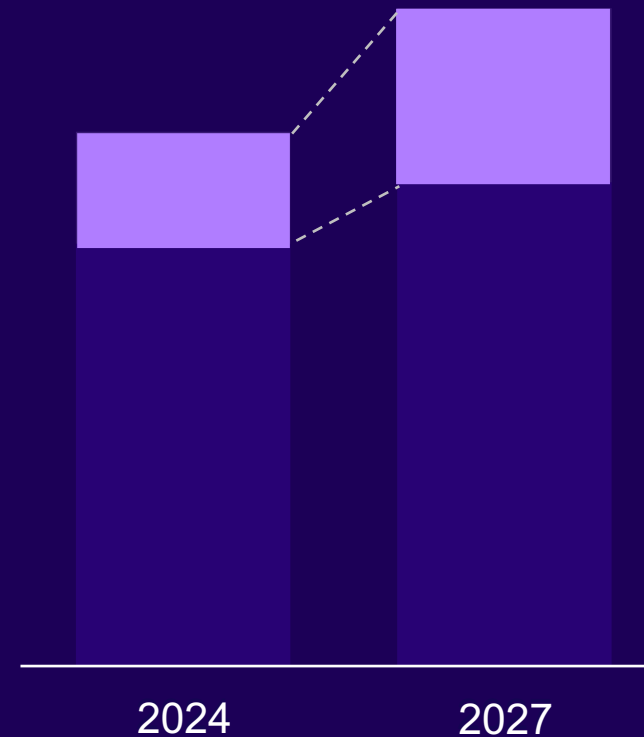
- **Growth in the cloud is reaccelerating** and the market is dominated by our partners
- We are **expanding innovation in native cloud storage and integrated data management services** across all hyperscalers
- Serving **more workloads at more price points**
- Capturing that opportunity with a **focused go-to-market approach**



Our **natively integrated cloud storage services** enable us to **participate in the growth of hyperscalers**

**\$100B+**

Opportunity in 2027



**Public Cloud  
\$27B in 2027**

# Accelerating AI deployments

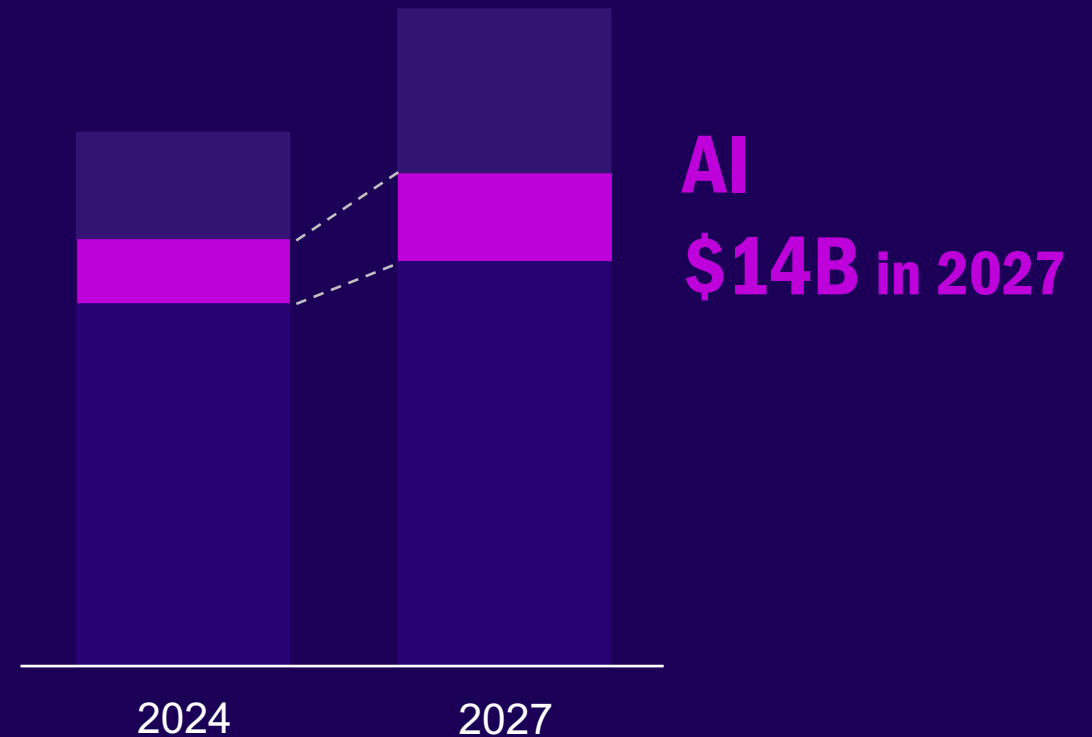
Our leadership in unstructured data and cloud position us uniquely to help customers with AI

- **Unstructured data** is the **fuel for generative AI**
- Customers AI deployments require **unified data storage** and **hybrid cloud data pipelines**
- Integrated data services enable **data scientist productivity** and **responsible AI**
- We **serve 100s of enterprises across AI lifecycle** with a long-standing NVIDIA partnership and multiple reference architectures with leaders



As the **infrastructure for the largest unstructured data sets in the world**, we are well positioned to help customers with their generative AI needs

**\$100B+**  
Opportunity in 2027



# Competitively positioned to drive growth in key markets

## Flash



AFF Series

Optimized performance and design across all price points



## Block



ASA Series

The right product and strategy to disrupt the mature block market



## Cloud



aws A GCP

Only natively integrated player, addressing a broad set of workloads



## AI



NetApp + NVIDIA

Large portion of the world's unstructured enterprise data resides on NetApp today



# THE NETAPP PLATFORM

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**The right strategy for profitable growth**

# Strategy for driving profitable growth at NetApp

Addressing a  
**\$100B+**  
**opportunity,**

aligned to the  
largest &  
fastest growing  
segments

**Uniquely  
differentiated  
platform**

powers intelligent  
data infrastructure  
for customers'  
competitive  
advantage

**Focused GTM  
execution plan**

to expand our  
share of wallet,  
attract new  
customers, and  
win new market  
motions

Driving growth with  
**high margin  
products and  
operational  
discipline**

to deliver earnings  
leverage

# Appendix: Non-GAAP to GAAP Reconciliations & Explanations





# Reconciliation of Non-GAAP to GAAP gross margin

NETAPP, INC.  
RECONCILIATION OF NON-GAAP TO GAAP  
GROSS MARGIN  
(\$ in millions)

	FY2024
<b>Gross margin-GAAP</b>	71%
Cost of revenues adjustments	1%
<b>Gross margin-Non-GAAP</b>	72%
GAAP cost of revenues	\$ 1,835
Cost of revenues adjustments:	
Amortization of intangible assets	(34)
Stock-based compensation	(29)
Non-GAAP cost of revenues	\$ 1,772
Net revenues	\$ 6,268

# Reconciliation of Non-GAAP to GAAP operating margin

NETAPP, INC.  
RECONCILIATION OF NON-GAAP TO GAAP  
OPERATING MARGIN  
(\$ in millions)

	<u>FY2024</u>
<b>Operating margin-GAAP</b>	19%
Adjustments:	8%
<b>Operating margin-Non-GAAP</b>	<u>27%</u>
GAAP income from operations	\$ 1,214
Income from operations adjustments:	
Amortization of intangible assets	57
Stock-based compensation	357
Restructuring charges	44
Acquisition-related expense	10
Non-GAAP income from operations	<u>\$ 1,682</u>
Net revenues	\$ 6,268

# Reconciliation of Non-GAAP to GAAP earnings per share

**NETAPP, INC.  
RECONCILIATION OF NON-GAAP TO GAAP  
EARNINGS PER SHARE**

	<u>FY2024</u>
<b>NET INCOME PER SHARE</b>	<b>\$ 4.63</b>
Adjustments:	
Amortization of intangible assets	0.27
Stock-based compensation	1.68
Restructuring charges	0.21
Acquisition-related expense	0.05
Litigation settlements	(0.02)
Income tax effects	(0.35)
<b>NON-GAAP NET INCOME PER SHARE</b>	<b><u>\$ 6.46</u></b>

*Some items may not add or recalculate due to rounding.*

*GAAP and Non-GAAP Net Income Per Share were computed using the Diluted number of shares.*

# NETAPP INVESTOR DAY

June 11, 2024

