

# Commvault Fiscal Q4'24 Earnings Results

APRIL 2024

# Forward Looking Statements

This presentation contains forward-looking statements regarding future events or the expected financial performance of our company, including statements about our outlook for future periods and related guidance. Commvault does not provide forward-looking guidance on a GAAP basis as certain financial information, the probable significance of which cannot be determined, is not available and cannot be reasonably estimated.

These statements reflect management's current expectations, estimates and assumptions based on the information currently available to us. These forward-looking statements are not guarantees of future performance and involve significant risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from results, performance or achievements expressed or implied by the forward-looking statements contained in this presentation.

A discussion of factors that may affect future results is contained in our most recent SEC Form 10-Q and 10-K filings available at [www.sec.gov](http://www.sec.gov), including descriptions of the risk factors that may impact us and the forward-looking statements made in this presentation. We disclaim any obligation to update or revise any forward-looking statement based on new information, future events or otherwise, except as required by applicable law.

# GAAP to Non-GAAP Presentation

In addition to financial information prepared in accordance with U.S. GAAP, this presentation also contains adjusted financial measures that we believe provide investors and management with supplemental information relating to operating performance and trends that facilitate comparisons between periods and with respect to projected information. These adjusted financial measures are non-GAAP and should be considered in addition to, but not as a substitute for, the information prepared in accordance with U.S. GAAP. We typically exclude certain GAAP items that management does not believe affect our basic operations and that do not meet the GAAP definition of unusual or non-recurring items. Other companies may define these measures in different ways.

Further information relevant to the interpretation of adjusted financial measures, and reconciliations of these adjusted financial measures for historical data to the most comparable GAAP measures, may be found on Commvault's website at [www.Commvault.com](http://www.Commvault.com) in the "Investor Relations" section. For additional information, please see the appendix of this presentation.

This presentation includes market data and other statistical information from third party sources, including independent industry publications and other published independent sources. Although we believe that these third-party sources are reliable as of their respective dates, we have not independently verified the accuracy or completeness of this information.

# The world has changed.

Cyber threats are here to stay – it's not IF, it's WHEN.



Ransomware everywhere — including the backup.

**99% of ransomware** tampers with security and backup infrastructure.



Exponential hybrid chaos.

**Over 90% of organizations** report cyber resiliency is impacted by fractured tools.



The AI paradigm shift: New opportunity, new threats.

**85% of security professionals** cite AI as driving force of increased cyber attacks.

# Commvault Cloud is the new standard for cyber resilience.

## The best security

Unify security across all your hybrid data in one powerful cloud.

## The most intelligence

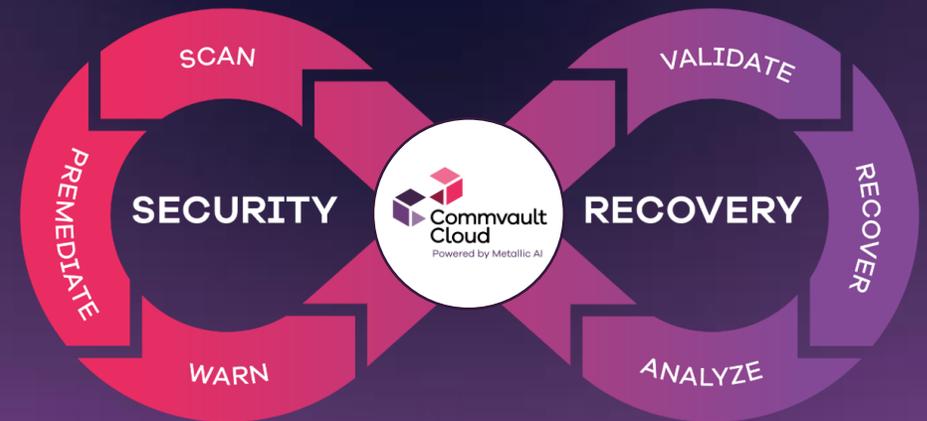
Deploy advanced AI capabilities to strengthen and speed resilience.

## The fastest recovery

Accelerate rapid, clean recovery at enterprise scale.

## The lowest TCO

Dramatically reduce costs by consolidating and capturing massive efficiency.



AI-DRIVEN RESILIENCE

# Commvault Investment Thesis

+78%

Cyber Resilience  
Spending

3,205 Breaches in 2023<sup>1</sup> | +78% YoY

4.5+ EB CLOUD DATA  
PROTECTED<sup>2</sup>

Modern Innovation  
Leader

1,000+ Active Patents | Gartner MQ Leader 12 Years  
Running | Safeguard 4.5+ EB of Cloud Data | FedRAMP High  
Certification

+15%

Durable  
Growth

Total ARR +15% YoY<sup>2</sup>

+65%

Rocketship  
SaaS

\$168M SaaS ARR | +65% YoY<sup>2</sup>

20% Non-GAAP

Consistent  
Profitability

20% Non-GAAP EBIT Margin<sup>2</sup>

9,300

Large Subscription  
Customer Base

+26% Growth YoY<sup>2</sup>

<sup>1</sup> According to the Identity Theft Resource Center 2023 Annual Data Breach Report, January 25, 2024

<sup>2</sup> As of Fiscal Q4'24 ended March 31, 2024

# Q4 & FY'24 Financial Summary

# Q4 FY'24 Financial Summary (unaudited, \$ in M's)

	Q4'24 GUIDANCE	Q4'24 ACTUAL	YoY Change
Total Revenue	\$210 - \$214	\$223	+10%
Subscription Revenue	\$111 - \$115	\$120	+27%
Non-GAAP Gross Margin	81% - 82%	83.2%	(20) bps
Non-GAAP EBIT Margin	20% - 21%	20.2%	(210) bps
Free Cash Flow (FCF)	n/a	\$79	+18%
Share Repurchases	n/a	\$50	n/a

Non-GAAP EBIT, non-GAAP Gross Margin and free cash flow should be considered as a supplement to, and not as a substitute for, financial information prepared in accordance with GAAP. Investors are encouraged to review the reconciliation of non-GAAP measures to their most directly comparable GAAP financial measure, to the extent available, on slide 28 in this presentation.

# FY'24 Financial Summary (unaudited, \$ in M's)

	FY'23 ACTUAL	FY'24 GUIDANCE	FY'24 ACTUAL	YoY Change
Total ARR	\$668	15% YoY	\$770	+15%
Subscription ARR	\$477	25% YoY	\$597	+25%
Total Revenue	\$785	\$826 - \$830	\$839	+7%
Subscription Revenue	\$348	\$420 - \$424	\$429	+23%
Non-GAAP Gross Margin	83.4%	82% - 83%	82.7%	(70) bps
Non-GAAP EBIT Margin	20.4%	+50 – 100 bps YoY	21.1%	+70 bps
Free Cash Flow (FCF)	\$167	\$170	\$200	+20%
Share Repurchases	\$151	> 75% of Free Cash Flows (FCF)	\$184 (92% of FCF)	n/a

Refer to slide 27 for definition of Annual Recurring Revenue ("ARR").

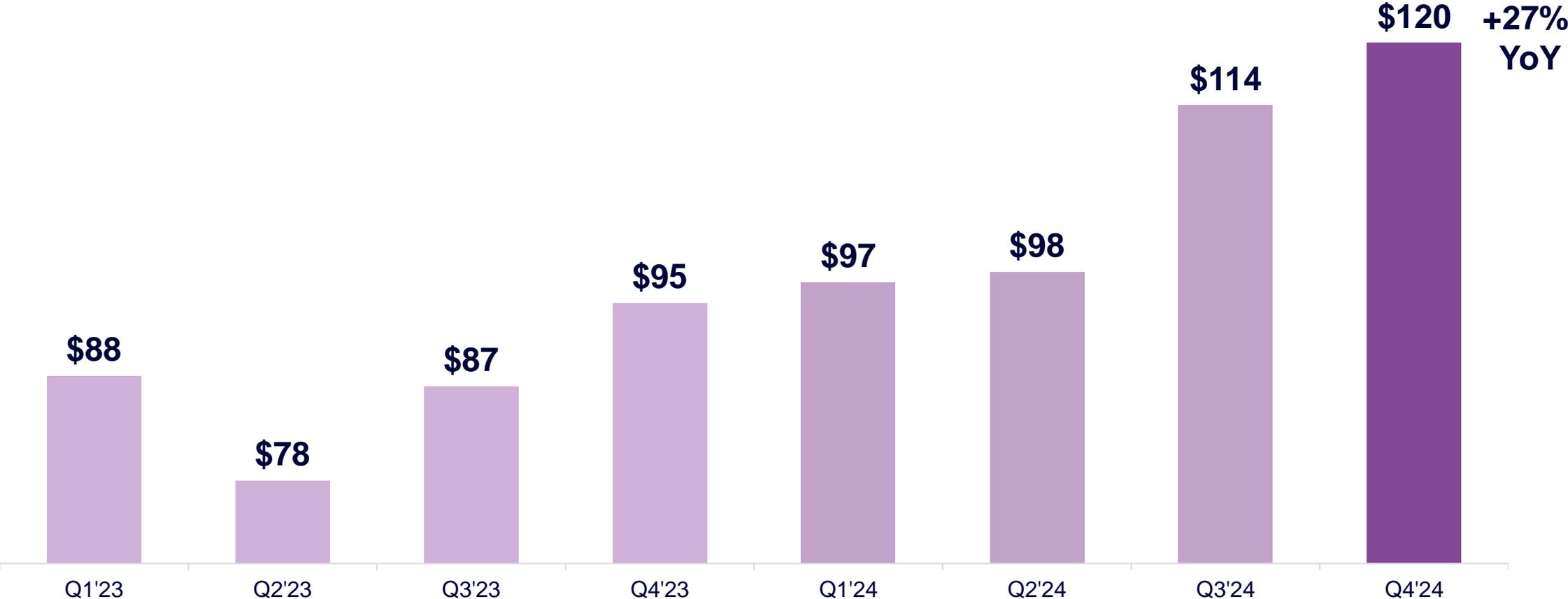
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# Q4 FY'24 Key Financial Metrics

# Subscription Revenue

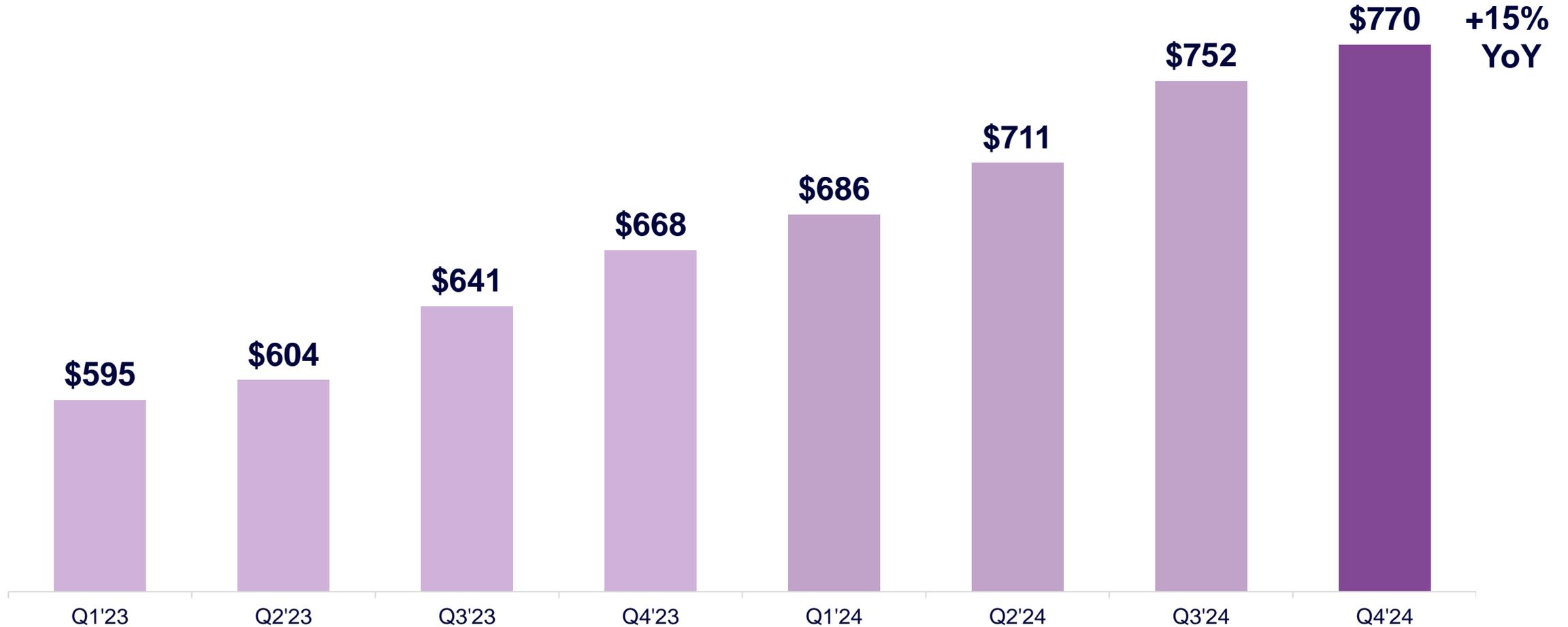
(unaudited, \$ in M's) Includes software portion of term-based licenses and SaaS revenue

## ACCELERATING GROWTH OF OUR SUBSCRIPTION REVENUE BASE



# Total ARR (\$ in M's)

ARR IS A GOOD INDICATOR OF THE GROWTH OF OUR RECURRING REVENUE STREAMS

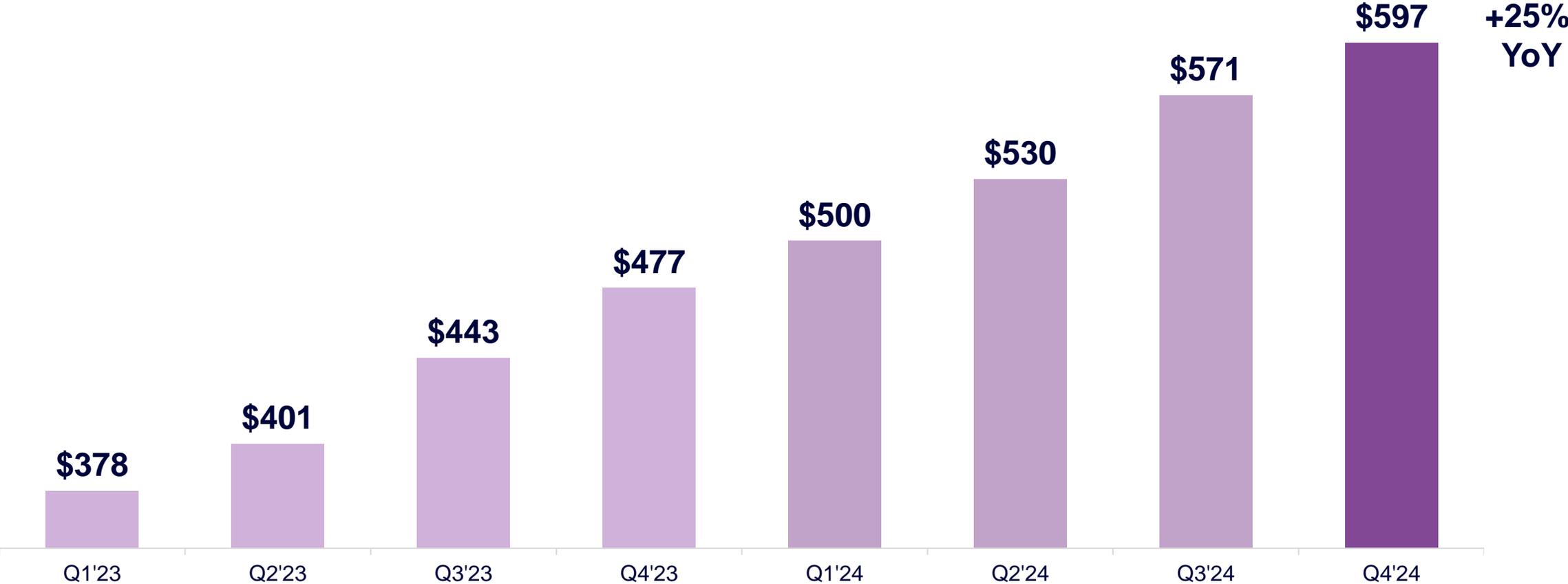


Refer to slide 27 for definition of Annual Recurring Revenue ("ARR").

ARR is a non-GAAP measure and should be considered as a supplement to, and not as a substitute for, financial information prepared in accordance with GAAP. Investors are encouraged to review the reconciliation of non-GAAP measures to their most directly comparable GAAP financial measure, to the extent available, on slide 28 in this presentation.

# Subscription ARR (\$ in M's)

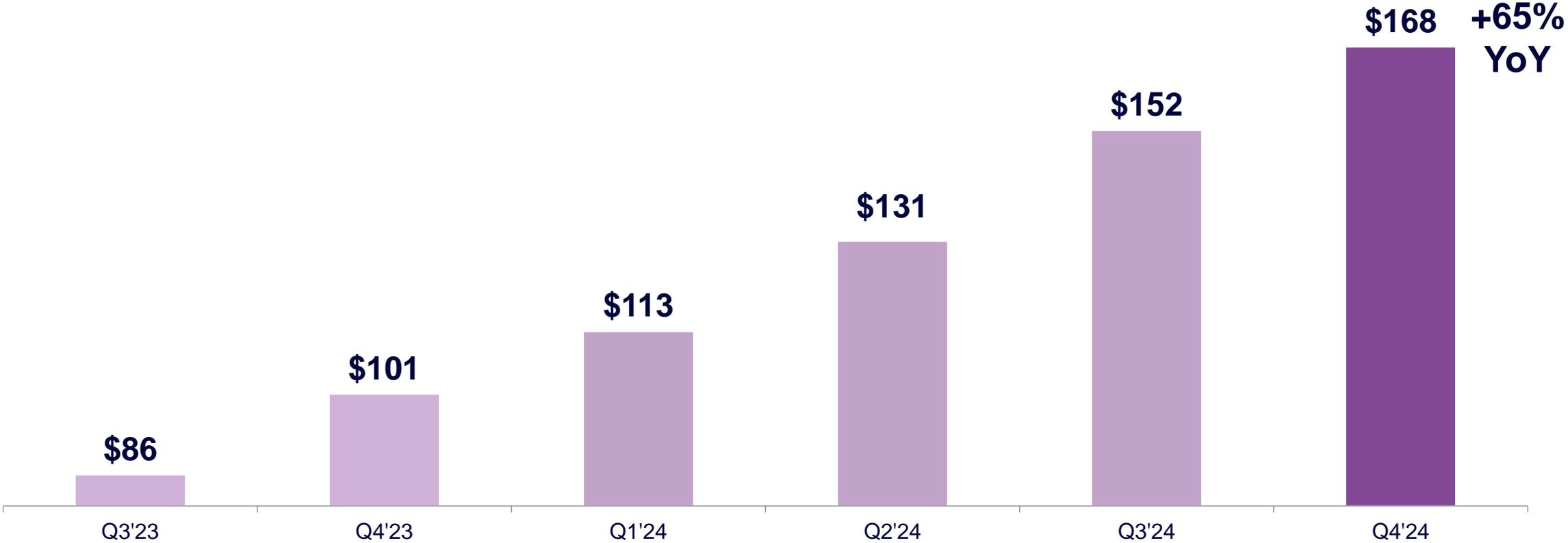
INCLUDES TERM-BASED SUBSCRIPTION LICENSES AND SAAS



Refer to slide 27 for definition of Annual Recurring Revenue ("ARR"). Refer to Slide 14 for stand-alone SaaS ARR. Subscription ARR is a non-GAAP measure and should be considered as a supplement to, and not as a substitute for, financial information prepared in accordance with GAAP. Investors are encouraged to review the reconciliation of non-GAAP measures to their most directly comparable GAAP financial measure, to the extent available, on slide 28 in this presentation.

# SaaS ARR (\$ in M's)

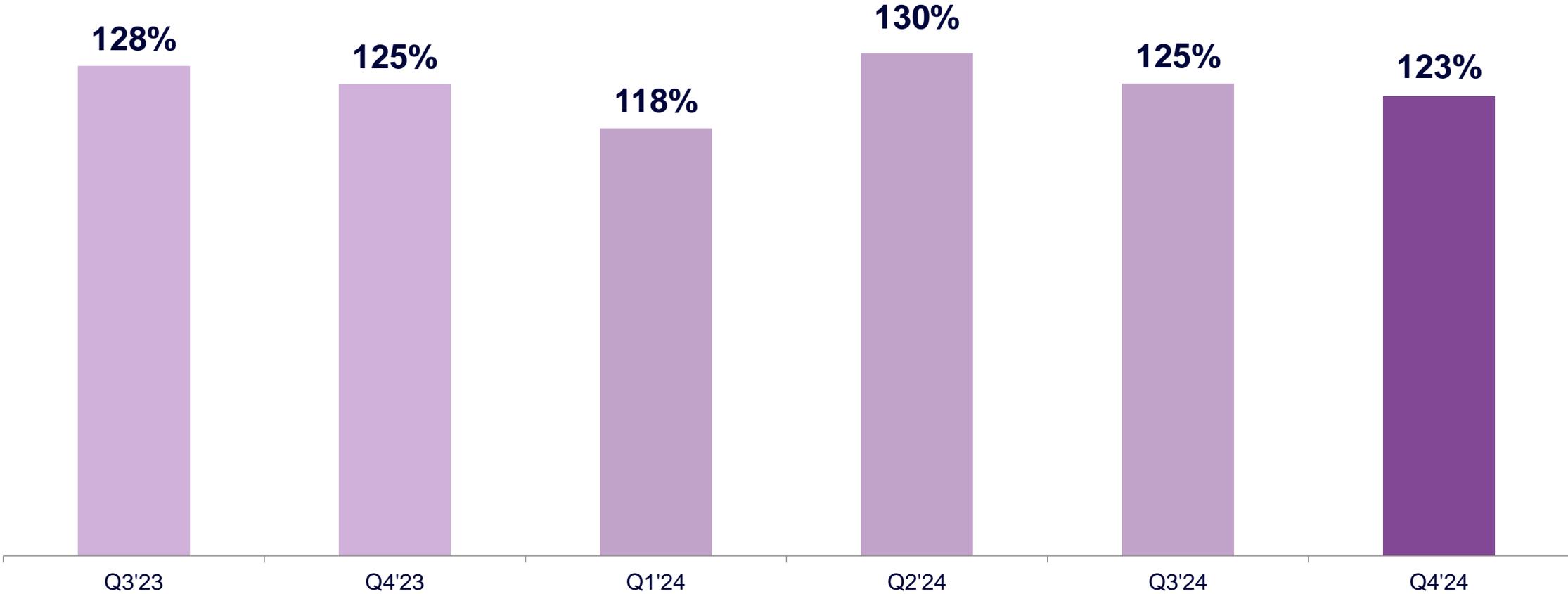
EXPLOSIVE SAAS BUSINESS DRIVES TOTAL ARR GROWTH



Refer to slide 27 for definition of Annual Recurring Revenue ("ARR").  
SaaS ARR is a Non-GAAP measure and should be considered as a supplement to, and not as a substitute for, financial information prepared in accordance with GAAP. Investors are encouraged to review the reconciliation of non-GAAP measures to their most directly comparable GAAP financial measure, to the extent available, on slide 28 in this presentation.

# SaaS Net Dollar Retention Rate (NRR)

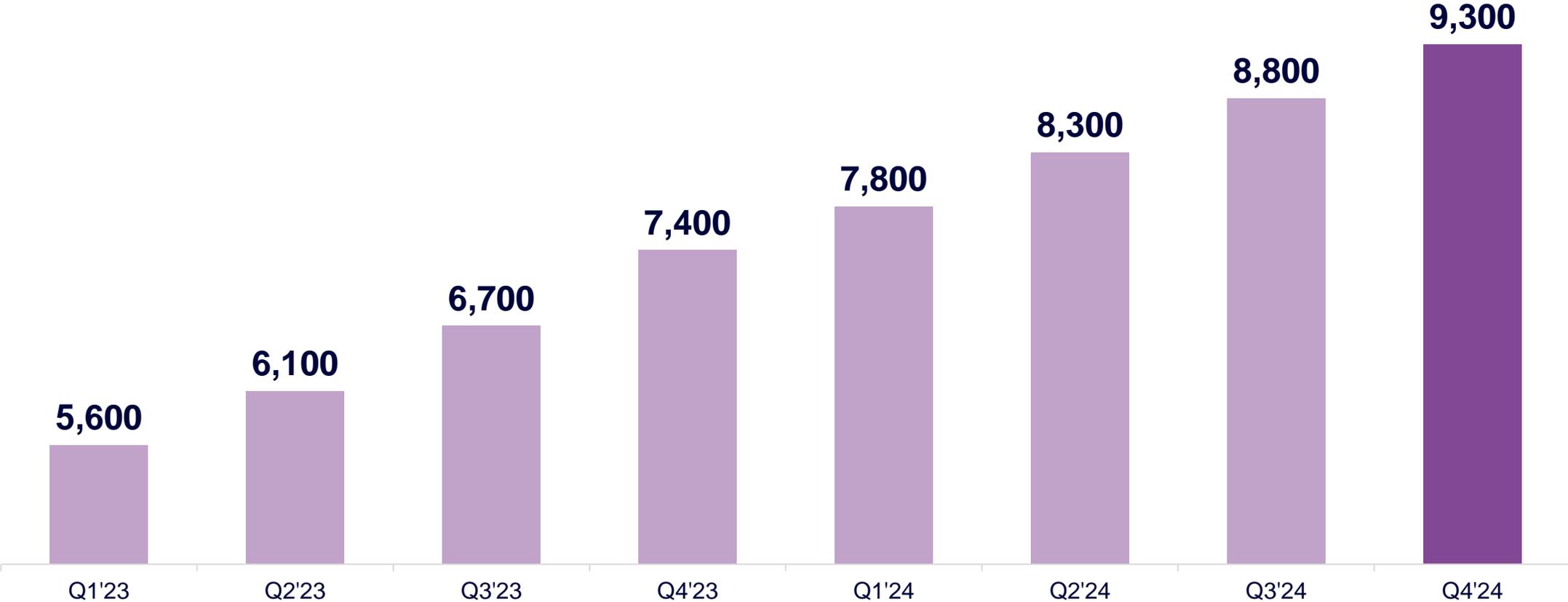
SAAS DRIVES MEANINGFUL CUSTOMER EXPANSION



Refer to slide 27 for definition of Net Dollar Retention (“NRR”).  
SaaS NRR is a Non-GAAP measure and should be considered as a supplement to, and not as a substitute for, financial information prepared in accordance with GAAP. Investors are encouraged to review the reconciliation of non-GAAP measures to their most directly comparable GAAP financial measure, to the extent available, on slide 28 in this presentation.

# Subscription Customer Growth

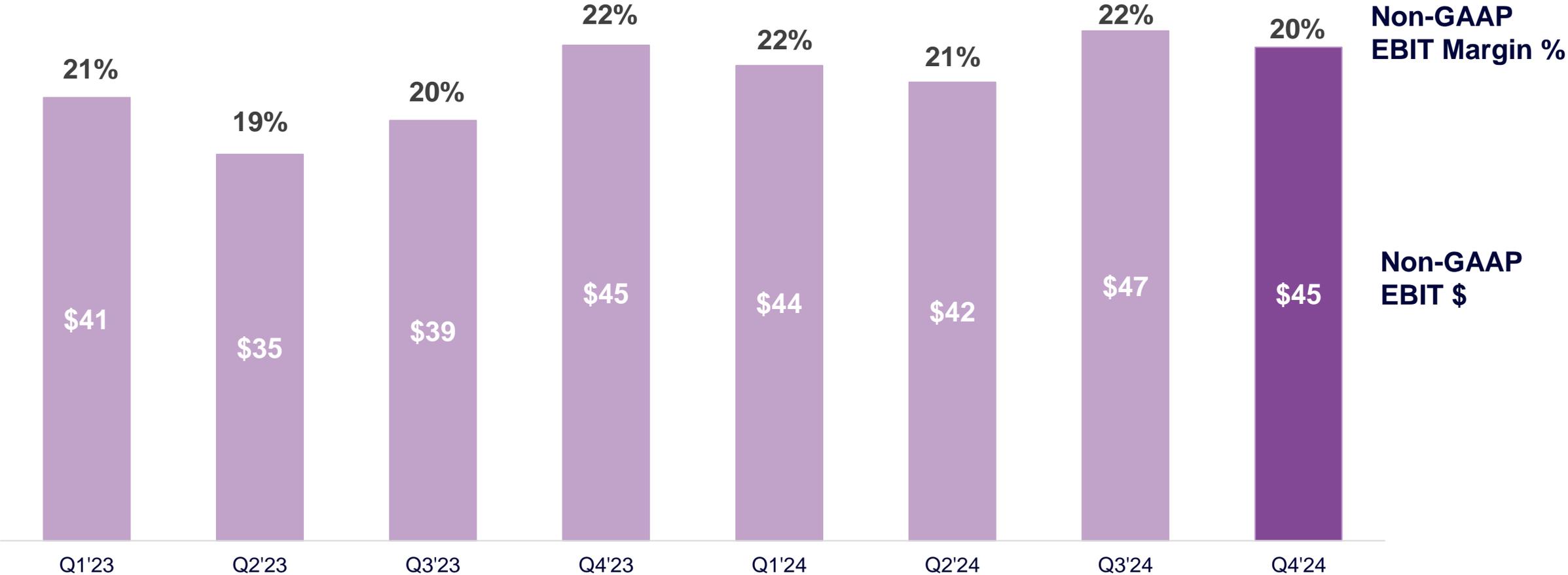
CUSTOMERS ARE EMBRACING SUBSCRIPTION OFFERINGS WHICH NOW REPRESENT 60% OF OUR BASE



# Earnings & Cash Flow Metrics

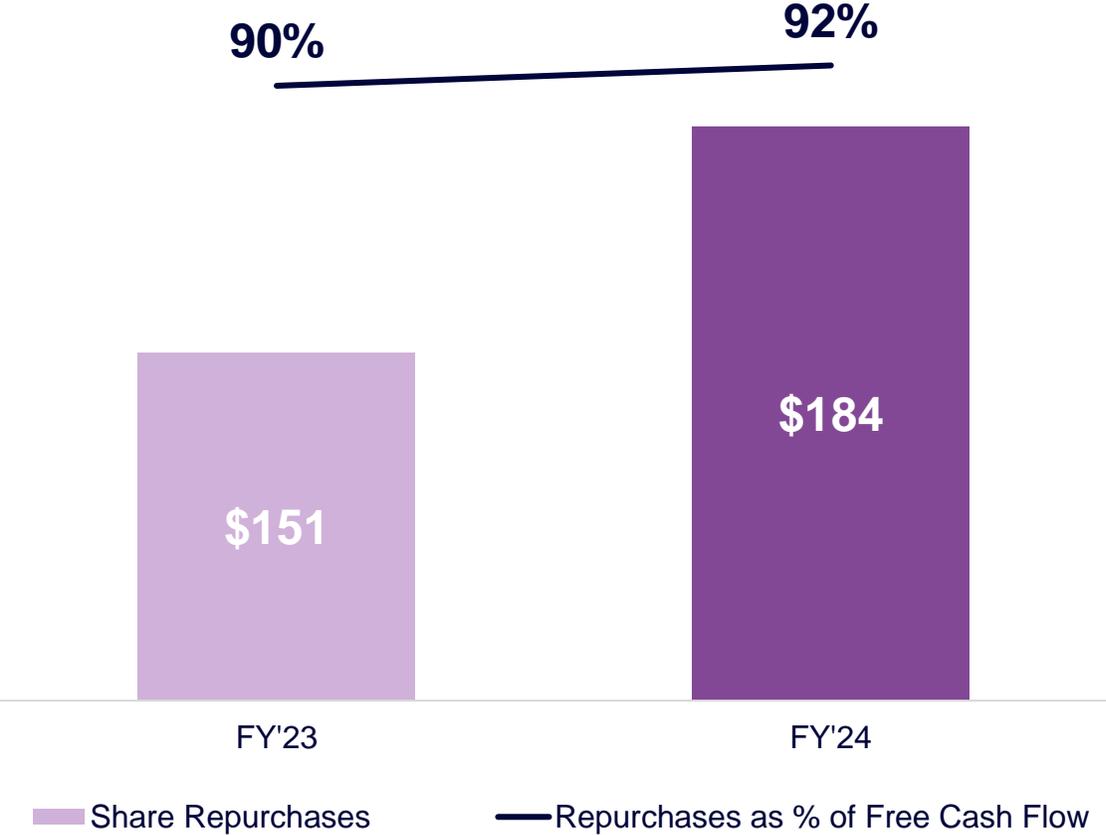
# Non-GAAP EBIT and Margin % (unaudited, \$ in M's)

EXPENSE DISCIPLINE DRIVING CONSISTENT 20%+ NON-GAAP EBIT MARGIN EVEN AS SAAS SCALES



# Consistent Capital Return (unaudited, \$ in M's)

## Share Repurchases



- Repurchased \$50M of stock in Q4'24 and \$184M of stock in FY'24 representing 92% of Free Cash Flow (FCF)
- April 2024 – Board approved share repurchase authorization for up to \$250M
- Plan to continue practice of >75% of FY'25 FCF toward share repurchases

# Primary KPIs

# KPIs

- **Annual Recurring Revenue (ARR)**
- **Subscription ARR**
- **Total Revenue**
- **Subscription Revenue**
- **Non-GAAP EBIT Margin**
- **Free Cash Flow**



# Historical KPI Performance (unaudited, \$ in M's)

	FY'20A	FY'21A	FY'22A	FY'23A	FY'24A	FY'22 – FY'24 CAGR
Total ARR	\$452	\$518	\$583	\$668	\$770	
Growth		+15%	+13%	+15%	+15%	<b>+15%*</b>
Subscription ARR	Not disclosed	Not disclosed	\$346	\$477	\$597	
Growth			+46%	+38%	+25%	<b>+31%</b>
SaaS ARR	Not disclosed	Not disclosed	\$51	\$101	\$168	
Growth			5X	2X	+65%	<b>+81%</b>
Total Revenue	\$671	\$724	\$770	\$785	\$839	
Growth		+8%	+6%	+2%	+7%	<b>+4%*</b>
Subscription Revenue	Not disclosed	Not disclosed	\$268	\$348	\$429	
Growth			+38%	+30%	+23%	<b>+27%</b>
Non-GAAP EBIT Margin	13%	19%	21%	20%	21%	
Free Cash Flow (FCF)	\$85	\$116	\$173	\$167	\$200	
Share Repurchases	\$77	\$95	\$305	\$151	\$184	

\*Total Revenue Growth CAGR reflects the transition from a Perpetual software license model to a Subscription model. We believe that Total ARR is better indicator of the underlying business growth rate.

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# Q1 & Full Year FY'25 Guidance

# Q1 and FY'25 Guidance (unaudited, \$ in M's)

	<b>Q1'25 GUIDANCE</b>	<b>FY'25 GUIDANCE</b>
Total ARR		14% YoY
Subscription ARR		21% - 23% YoY
Total Revenue	\$213 - \$216 <small>(+8% YoY at midpoint)</small>	\$904 - \$914 <small>(+8% YoY at midpoint)</small>
Subscription Revenue	\$116 - \$119 <small>(+21% YoY at midpoint)</small>	\$514 - \$518 <small>(+20% YoY at midpoint)</small>
Non-GAAP Gross Margin	81% - 82%	81.5% - 82.5%
Non-GAAP EBIT Margin	18% - 19%	20% - 21%
Free Cash Flow (FCF)		\$200
Share Repurchases		> 75% of FCF

Fiscal Q1 and full year FY'25 guidance is based on current foreign exchange rates as of April 29, 2024. Changes in exchange rates could materially impact our current outlook.

Refer to slide 27 for definition of Annual Recurring Revenue ("ARR"). Non-GAAP EBIT, non-GAAP Gross Margin and free cash flow should be considered as a supplement to, and not as a substitute for, financial information prepared in accordance with GAAP. Investors are encouraged to review the reconciliation of non-GAAP measures to their most directly comparable GAAP financial measure, to the extent available, on slide 28 in this presentation.

# Our Aspiration for FY'26

*next 2 fiscal years*



~90% Subscription  
as % of Total ARR



30%+ of Total ARR

# Appendix

# Key Definitions

Item	Definition
<b>Subscription Revenue</b>	Software portion of term-based licenses and software as-a-service offerings (SaaS). The software component of term-based licenses is typically recognized when the software is delivered or made available for download. For SaaS offerings, revenue is generally recognized ratably over the contract term beginning on the date that the service is made available to the customer.
<b>Non-GAAP EBIT</b>	Income or loss from operations adjusted to exclude noncash stock-based compensation charges and additional Federal Insurance Contribution Act (FICA) and related payroll tax expense incurred by Commvault when employees exercise in the money stock options or vest in restricted stock awards. This also excludes restructuring costs, noncash amortization of intangible assets and the headquarters impairment.
<b>Non-GAAP Free Cash Flow</b>	Free cash flow is derived from net cash provided by operations less purchases of property and equipment.
<b>Annual Recurring Revenue (ARR)</b>	<p>ARR is the annualized recurring value of all active contracts at the end of a reporting period. It includes the following contract types: subscription (including term licenses, SaaS and utility software), maintenance contracts related to perpetual licenses, other extended maintenance contracts (enterprise support), and managed services. It excludes any element of the arrangement that is not expected to recur, primarily perpetual licenses and most professional services. Subscription ARR includes only term licenses, SaaS and utility software arrangements. Contracts are annualized by dividing the total contract value by the number of days in the contract term, then multiplying by 365.</p> <p>ARR is a non-GAAP measure and should be viewed independently of GAAP revenue, deferred revenue and unbilled revenue and is not intended to be combined with or to replace those items. ARR is not a forecast of future revenue. Management believes that reviewing this metric, in addition to GAAP results, helps investors and financial analysts understand the value of Commvault's recurring revenue streams versus prior periods. There is no direct GAAP comparative to ARR.</p>
<b>SaaS Net Dollar Retention Rate (NRR)</b>	<p>SaaS NRR is the percentage of SaaS ARR retained from existing customers at the start of an annual period after accounting for expansion revenue and churn or downgrades and is presented on a constant currency basis. For example, SaaS NRR for fiscal Q4'24 is the percentage of SaaS ARR as of March 31, 2024 for all customers compared to the SaaS ARR amount as of March 31, 2023 for those same customers.</p> <p>NRR is a non-GAAP measure and should be viewed independently of changes in GAAP revenue, deferred revenue and unbilled revenue and is not intended to be combined with or to replace those items. There is no direct GAAP comparative to NRR.</p>

# GAAP to Non-GAAP Reconciliations (unaudited, \$ in thousands)

	Q1'23	Q2'23	Q3'23	Q4'23	FY'23	Q1'24	Q2'24	Q3'24	Q4'24	FY'24
<b>Non-GAAP financial measures and reconciliation:</b>										
GAAP income (loss) from operations	\$7,449	\$9,313	\$5,018	\$(37,665)	\$(15,885)	\$18,480	\$17,634	\$21,051	\$18,190	\$75,355
Noncash stock-based compensation	29,808	25,327	23,626	24,378	103,139	23,724	23,615	24,602	21,093	93,034
FICA and payroll tax expense related to stock-based compensation	910	425	327	803	2,465	1,014	471	727	1,073	3,285
Restructuring	2,132	-	9,228	4,092	15,452	-	-	-	4,548	4,548
Amortization of intangible assets	314	312	312	312	1,250	314	312	312	312	1,250
Headquarters impairment	-	-	-	53,481	53,481	-	-	-	-	-
<b>Non-GAAP income from operations</b>	<b>\$40,613</b>	<b>\$35,377</b>	<b>\$38,511</b>	<b>\$45,401</b>	<b>\$159,902</b>	<b>\$43,532</b>	<b>\$42,032</b>	<b>\$46,692</b>	<b>\$45,216</b>	<b>\$177,472</b>
<b>Non-GAAP free cash flow reconciliation:</b>										
Net cash provided by operating activity	\$22,433	\$49,844	\$30,178	\$67,833	\$170,288	\$39,037	\$40,337	\$44,439	\$79,985	\$203,798
Capital expenditures	(867)	(514)	(805)	(1,055)	(3,241)	(1,147)	(266)	(1,814)	(859)	(4,086)
<b>Free cash flow (Non-GAAP)</b>	<b>\$21,566</b>	<b>\$49,330</b>	<b>\$29,373</b>	<b>\$66,778</b>	<b>\$167,047</b>	<b>\$37,890</b>	<b>\$40,071</b>	<b>\$42,625</b>	<b>\$79,126</b>	<b>\$199,712</b>
<b>Non-GAAP gross margin reconciliation:</b>										
GAAP gross margin	\$164,224	\$155,755	\$160,536	\$168,673	\$649,188	\$162,600	\$163,144	\$177,747	\$184,146	\$687,637
Cost of services noncash stock-based compensation	1,243	1,226	1,383	935	4,787	1,690	1,599	1,935	1,608	6,832
<b>Non-GAAP gross margin</b>	<b>\$165,467</b>	<b>\$156,981</b>	<b>\$161,919</b>	<b>\$169,608</b>	<b>\$653,975</b>	<b>\$164,290</b>	<b>\$164,743</b>	<b>\$179,682</b>	<b>\$185,754</b>	<b>\$694,469</b>

All non-GAAP financial measures should be considered as a supplement to, and not as a substitute for, financial information prepared in accordance with GAAP. Investors are encouraged to review the reconciliation of non-GAAP measures to their most directly comparable GAAP financial measures, to the extent available. There is no direct GAAP comparative to ARR and NRR. Please refer to the definitions on slide 27.

# Thank You