

# Commvault Fiscal Q2'25 Earnings Results

OCTOBER 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.

# IT and security Leaders grappling with multiple issues.

1. Having to work across multiple clouds
2. Takes too long to recover from a cyberattack
3. Facing major compliance challenges and new regulations

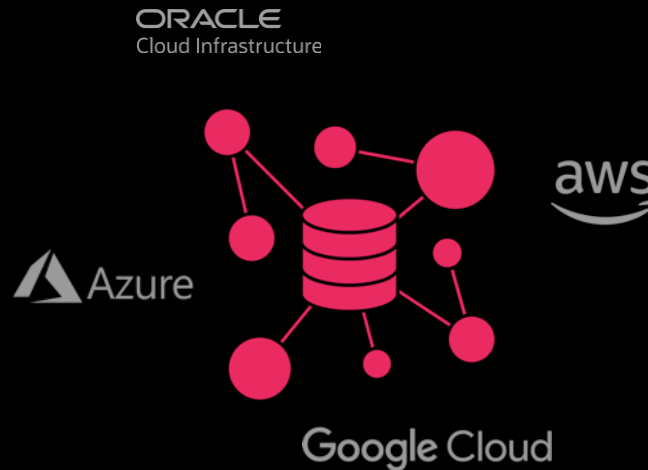
# Current tools are inadequate

BCG reports that over 70% of all new data will be stored in the Cloud<sup>1</sup>

**COMPETITORS PROTECT  
DATA, NOT CLOUDS...**



**...CREATING MORE SILOS  
AND COMPLEXITY...**



**...INCREASING RECOVERY  
TIME AND COSTS.**



# It's time to transform cyber resilience for the cloud-first world.

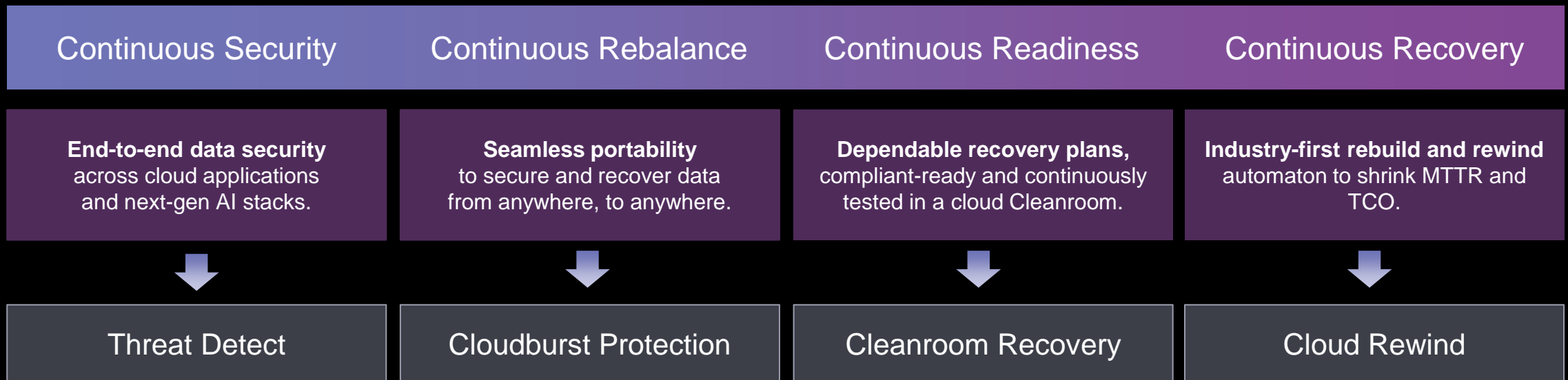
---

Siloed tools	—————>	One unified platform for cloud-first resilience
Data backups	—————>	Securing cloud apps + AI stacks, end-to-end
Taken by surprise	—————>	Total readiness with on-demand cloud testing
Recovering data	—————>	Rebuilding clouds in near-real-time

# We are positioned to lead the cloud-first future.

Business continuity is no longer enough. It's time for

# Continuous Business.





**Quickly | Cleanly | Cost effectively**  
*recover* and rebuild your apps



# Next Gen Cloud-First Innovations & Partnerships



Commvault accelerates cloud-native resilience on AWS with acquisition of Clumio

Adds depth to our platform with S3 recovery capabilities for large data sets and growing AI workloads

Commvault extends cyber resilience to more clouds, with industry-leading offerings on AWS

Commvault Cloud Air Gap Protect Cleanroom Recovery + Clumio and Cloud Rewind support for AWS Services

Commvault continues to broaden multi-cloud support bringing even more resilience to Google Cloud Platform

Support for Google Workspace includes protection and recovery for Gmail, Google Drive and Shared Drives

Commvault delivers another industry first: enabling the rewind of multi-cloud resources to the moment before the breach

Cloud-native discovery, mapping + rewind  
Cyber resilience dashboard for maturity + readiness

# Commvault Investment Thesis

+78%

Cyber Resilience  
Spending

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

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

Modern Innovation  
Leader

1,000+ Active Patents | Gartner MQ Leader 13 Years  
Running | Safeguard 5+ EB of Cloud Data | FedRAMP High  
Certification

+20%

Durable  
Growth

Total ARR +20% YoY<sup>3</sup>

+64%

Hyper-growth  
SaaS platform

\$215M SaaS ARR | +64% YoY<sup>3</sup>

20.5%

Consistent  
Profitability

20.5% Non-GAAP EBIT Margin<sup>3</sup>

10,500

Large Subscription  
Customer Base

+27% Growth YoY<sup>3</sup>

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

<sup>2</sup> As of September 30, 2024

<sup>3</sup> As of Fiscal Q2'25 ended September 30, 2024

# Q2'25 Financial Summary

# Q2 FY'25 Financial Summary (unaudited, \$ in M's)

	Q2'25 GUIDANCE	Q2'25 ACTUAL	YoY Change
Total Revenue	\$218 - \$222 (+9.5% YoY at midpoint)	\$233	+16%
Subscription Revenue	\$120 - \$124 (+25% YoY at midpoint)	\$134	+37%
Non-GAAP Gross Margin	81% - 82%	82.2%	+20 bps
Non-GAAP EBIT Margin	19% - 20%	20.5%	(40) bps
Free Cash Flow (FCF)	n/a	\$54	+34%
Share Repurchases	n/a	\$52	+66%

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 30 in this presentation.

# 1H FY'25 Financial Summary (unaudited, \$ in M's)

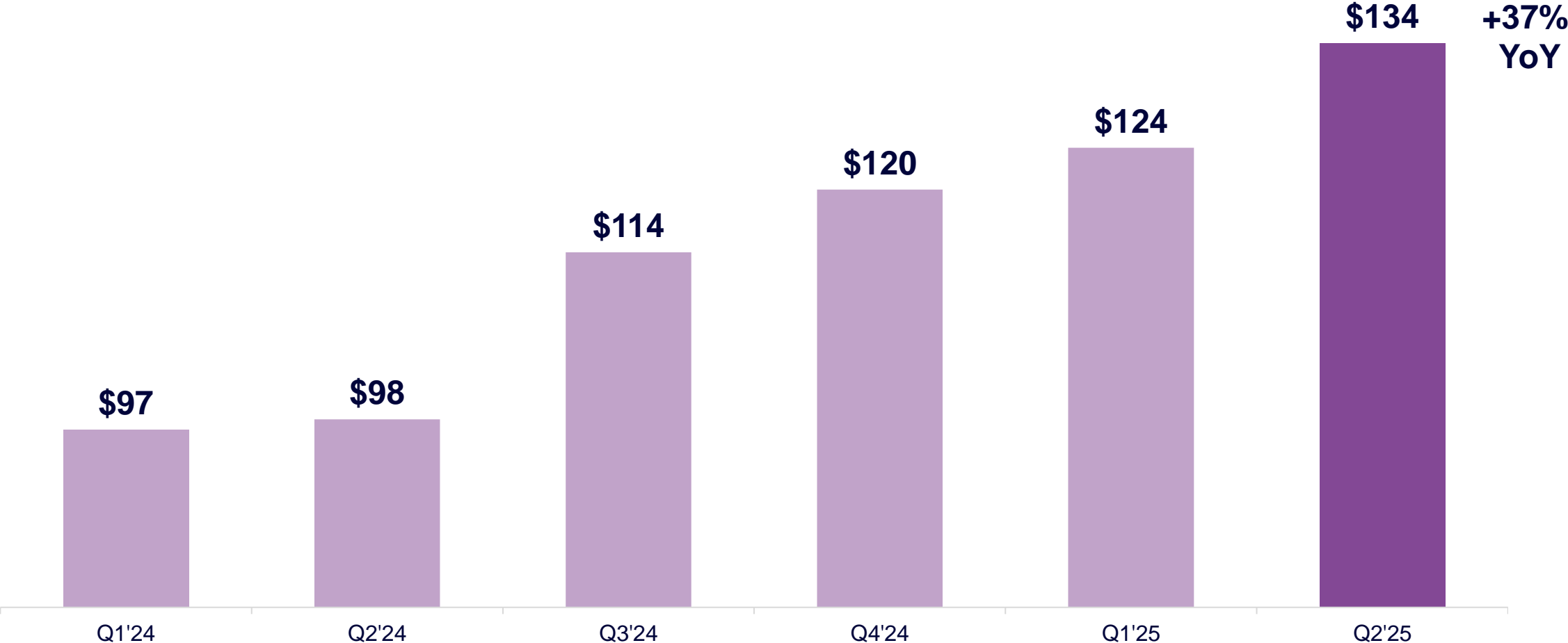
	1H'24 ACTUAL	1H'25 ACTUAL	YoY Change
Total ARR	\$712	\$853	+20%
Subscription ARR	\$530	\$687	+30%
Total Revenue	\$399	\$458	+15%
Subscription Revenue	\$195	\$258	+32%
Non-GAAP Gross Margin	82.4%	82.6%	+20 bps
Non-GAAP EBIT Margin	21.4%	21.0%	(40) bps
Free Cash Flow (FCF)	\$78	\$98	+25%
Share Repurchases	\$82	\$103	+25%

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 30 in this presentation.

# Subscription Revenue

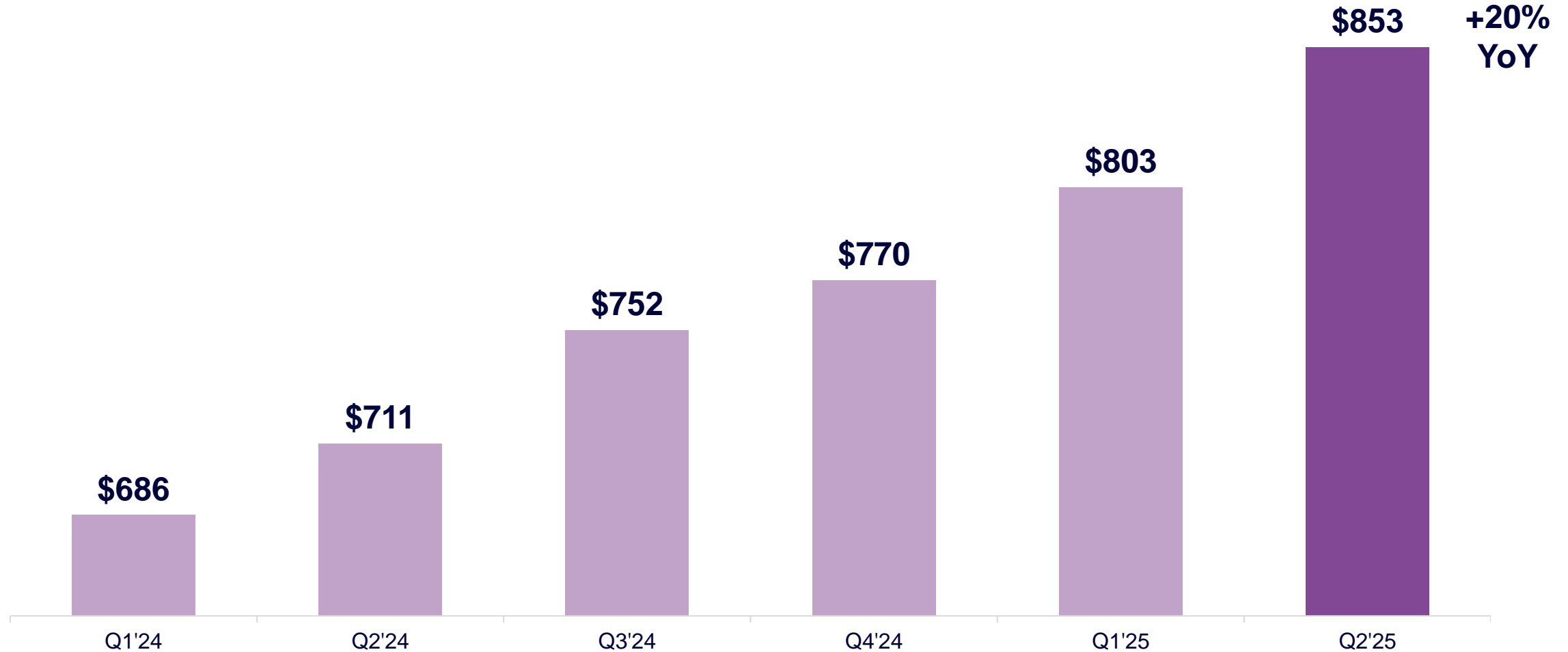
(unaudited, \$ in M's) Includes software portion of term-based licenses and SaaS revenue

## 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

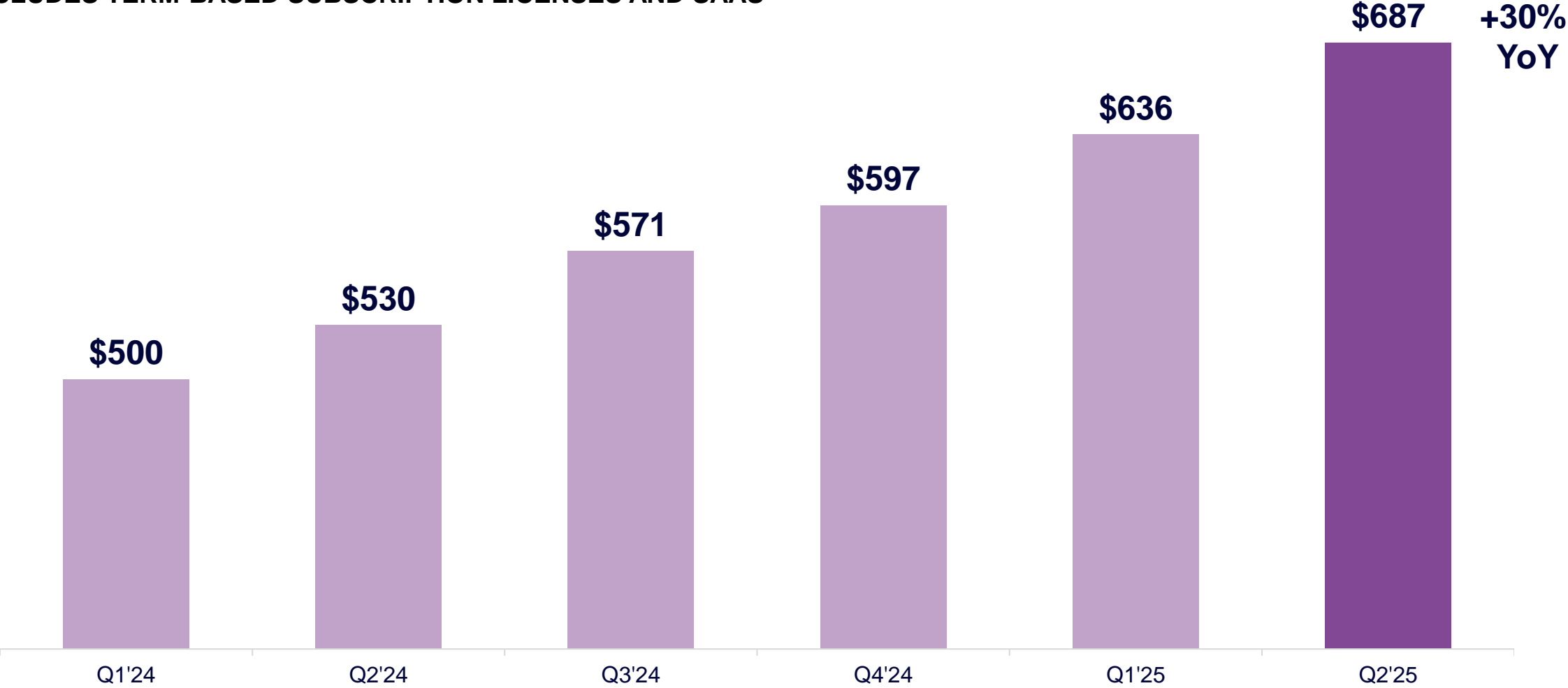


Refer to slide 29 for key definitions.

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 30 in this presentation.

# Subscription ARR (\$ in M's)

INCLUDES TERM-BASED SUBSCRIPTION LICENSES AND SAAS



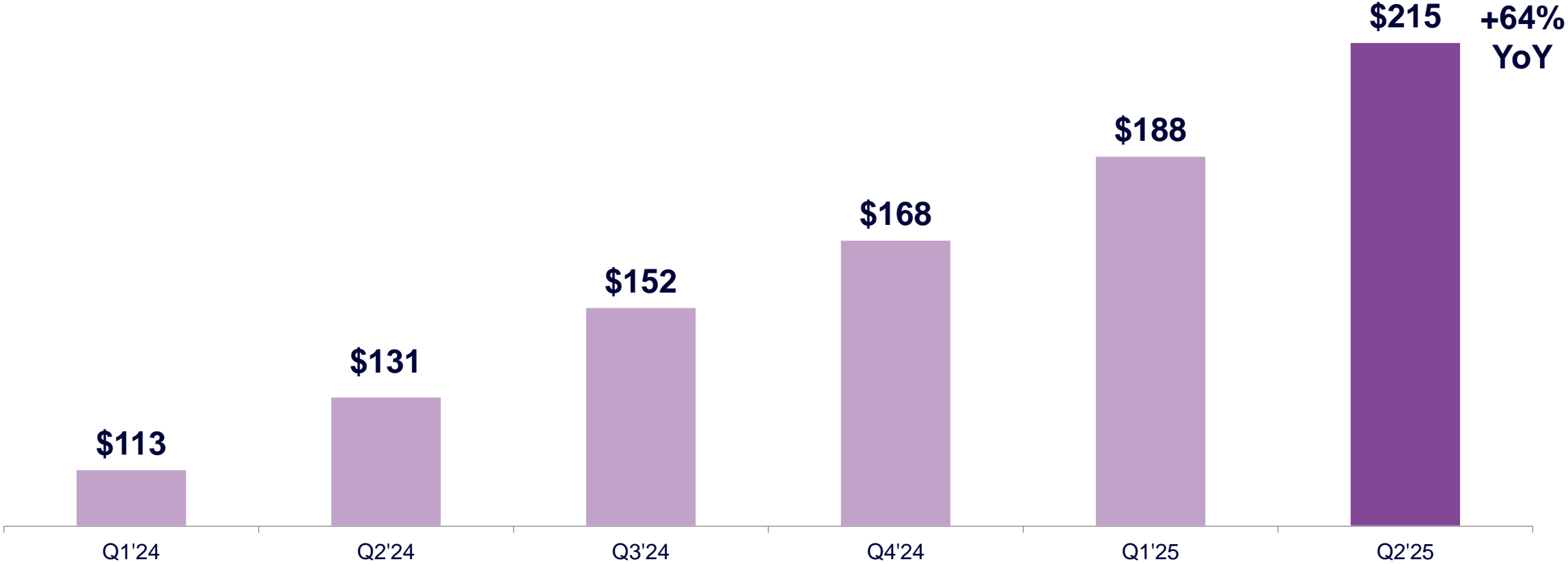
Refer to slide 29 for key definitions.

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 30 in this presentation. © Commvault 2024



# SaaS ARR (\$ in M's)

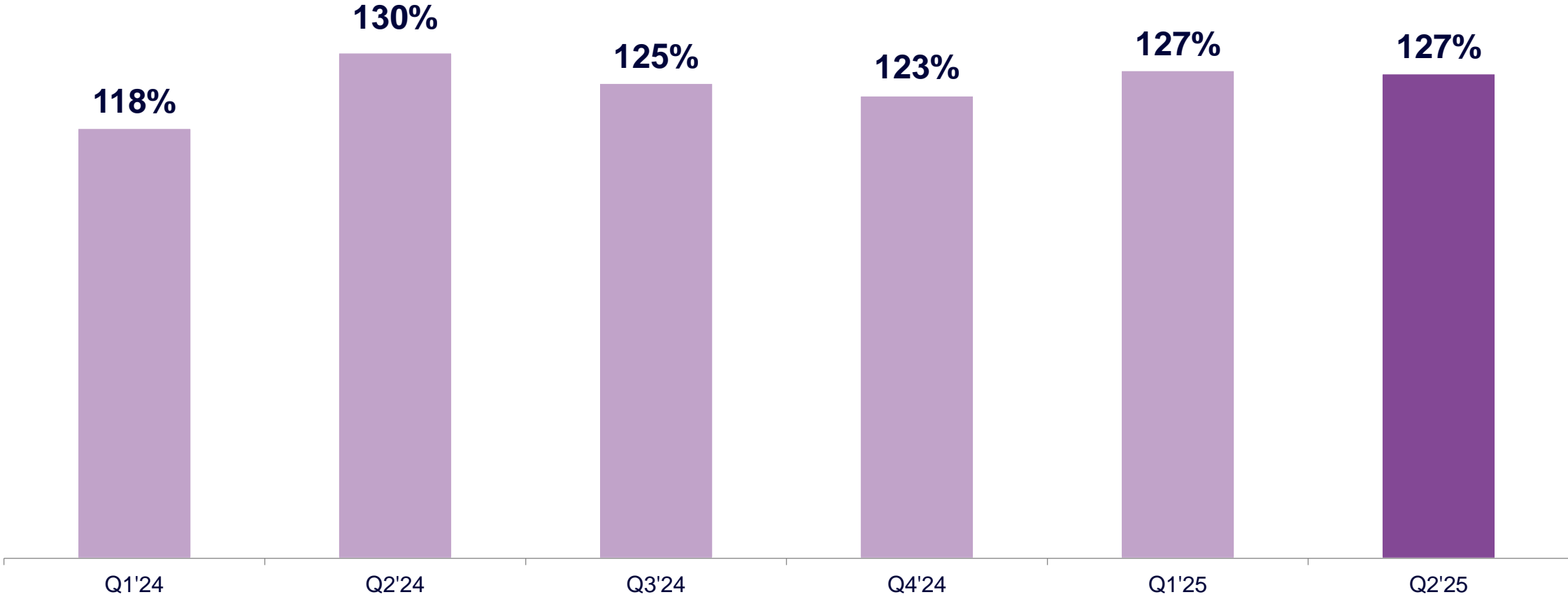
EXPLOSIVE SAAS BUSINESS DRIVES TOTAL ARR GROWTH



Refer to slide 29 for key definitions.  
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 30 in this presentation.

# SaaS Net Dollar Retention Rate (NRR)

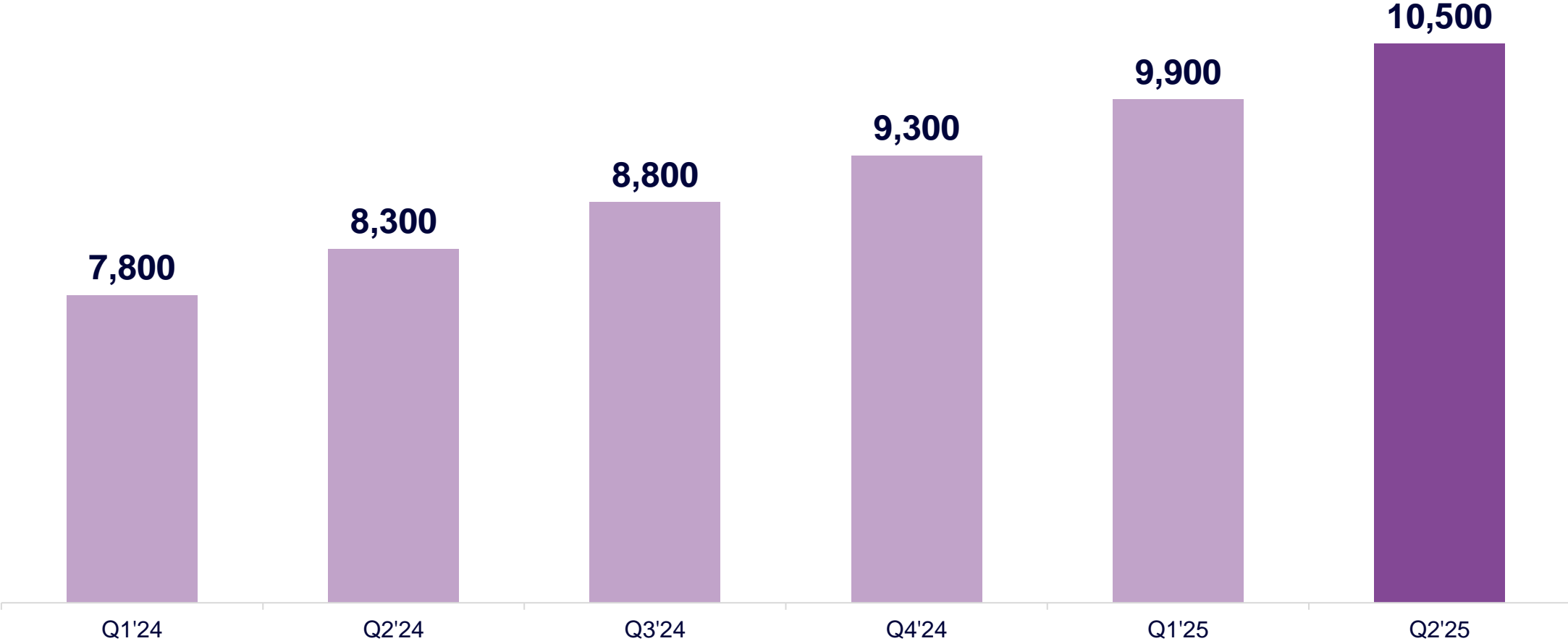
SAAS DRIVES MEANINGFUL CUSTOMER EXPANSION



Refer to slide 29 for key definitions.  
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 30 in this presentation.

# Subscription Customer Growth

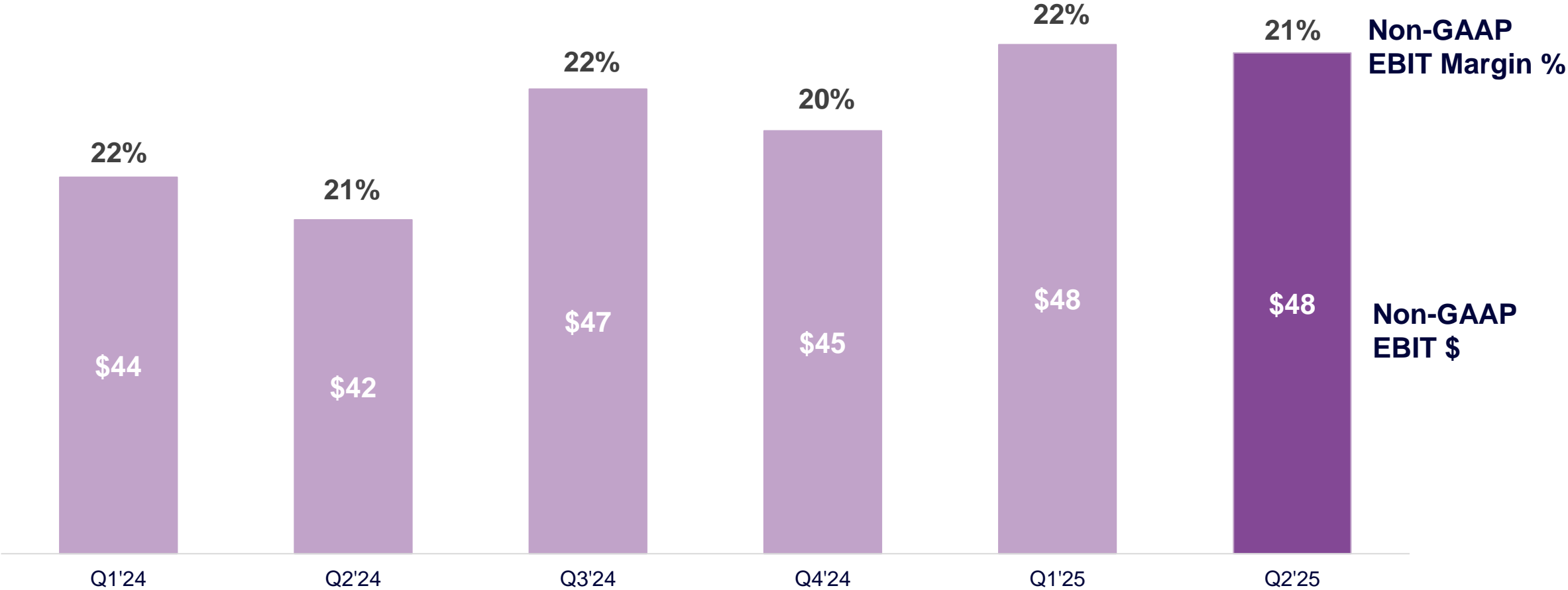
CUSTOMERS ARE EMBRACING SUBSCRIPTION OFFERINGS WHICH NOW REPRESENT OVER 60% OF OUR BASE



# Earnings & Cash Flow Metrics

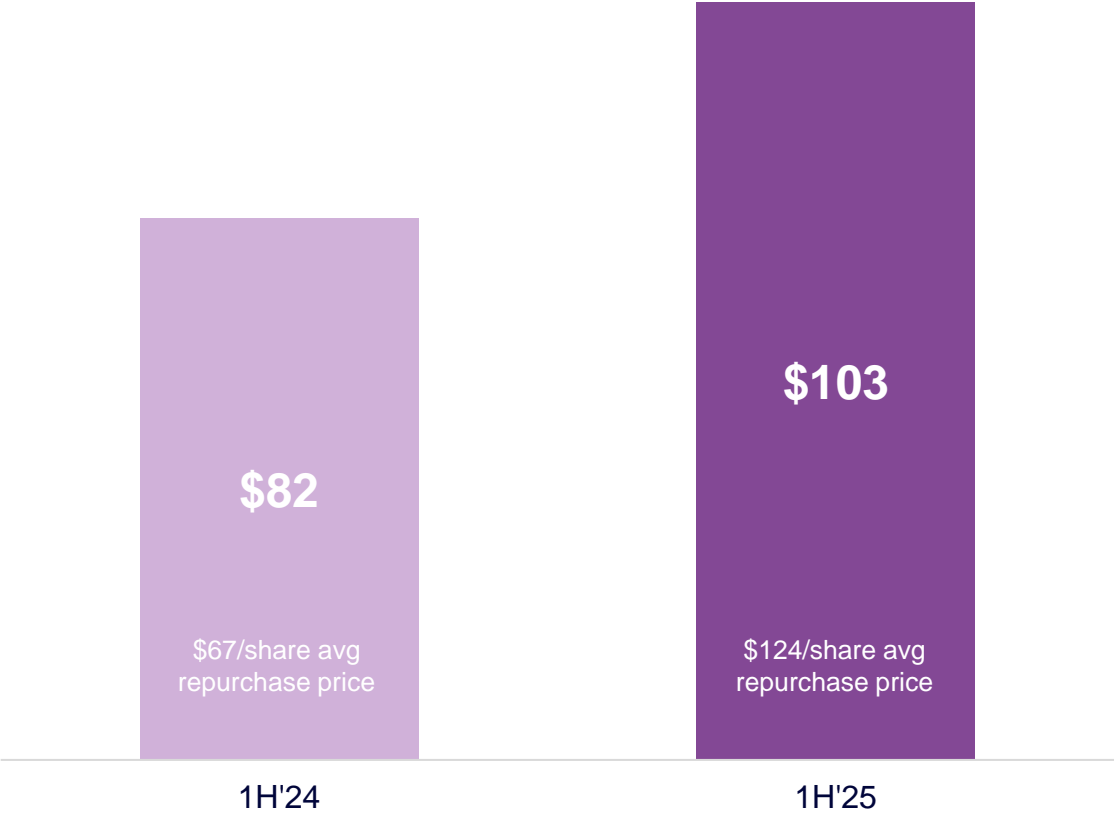
# Non-GAAP EBIT and Margin % (unaudited, \$ in M's)

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



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

Year-to-Date Share Repurchases



- Repurchased \$52M of stock in Q2'25 representing 97% of Free Cash Flow (FCF)
- Year-to-date repurchased \$103M of stock representing 106% of Free Cash Flow
- \$153M remaining on share repurchase authorization
- 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**





# Q3 & Full Year FY'25 Guidance

# Q3 and FY'25 Guidance (unaudited, \$ in M's)

	<b>Q3'25 GUIDANCE AS OF 10/29/24</b>	<b>FY'25 GUIDANCE AS OF 10/29/24</b>	<b>PRIOR FY'25 GUIDANCE AS OF 7/30/24</b>
Total ARR		18% YoY	15% YoY
Subscription ARR		26% - 28% YoY	23% - 25% YoY
Total Revenue	\$243 - \$247 (+13% YoY at midpoint)	\$952 - \$957 (+14% YoY at midpoint)	\$915 - \$925 (+9.5% YoY at midpoint)
Subscription Revenue	\$143 - \$147 (+27% YoY at midpoint)	\$552 - \$557 (+29% YoY at midpoint)	\$522 - \$527 (+22% YoY at midpoint)
Non-GAAP Gross Margin	81% - 82%	81.5% - 82.5%	81.5% - 82.5%
Non-GAAP EBIT Margin	20% - 21%	20% - 21%	20% - 21%
Free Cash Flow (FCF)		\$200+	\$200
Share Repurchases		> 75% of FCF	> 75% of FCF

Fiscal Q3 and full year FY'25 guidance is based on current foreign exchange rates as of October 28, 2024. Changes in exchange rates could materially impact our current outlook.

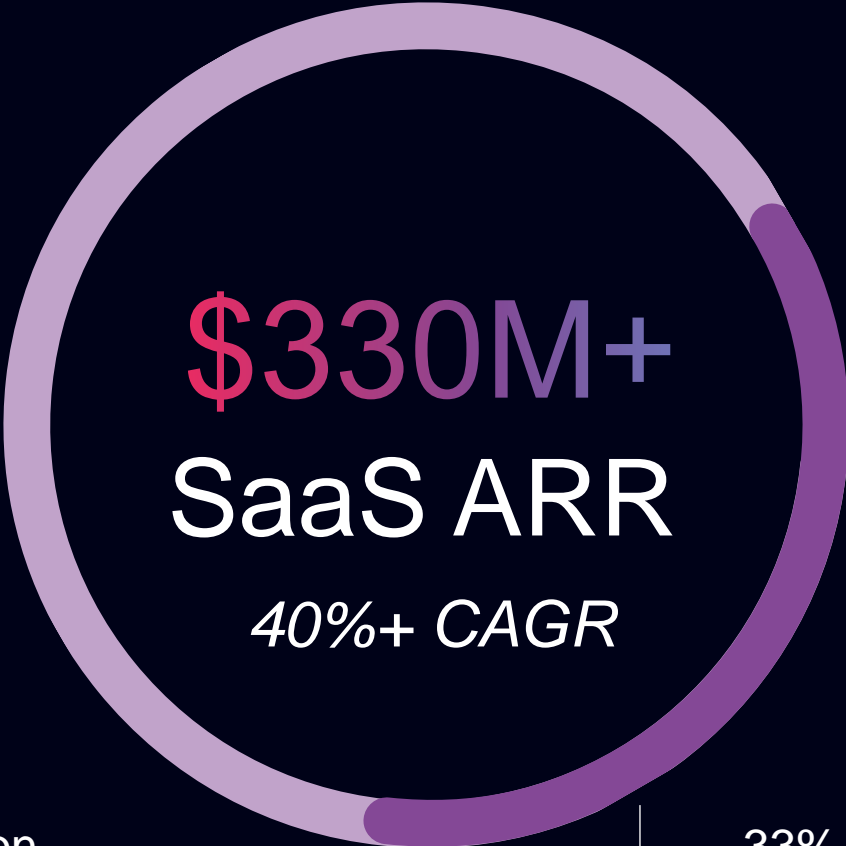
Refer to slide 29 for key definitions. Non-GAAP EBIT, non-GAAP Gross Margin and Free Cash Flow should be considered as a supplement to, and not as a substitute for, financial information prepared in accordance with GAAP. Investors are encouraged to review the reconciliation of non-GAAP measures to their most directly comparable GAAP financial measure, to the extent available, on slide 30 in this presentation.

# Our Aspiration for FY'26

*next 2 fiscal years*



~90% Subscription  
as % of Total ARR



33% 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, the headquarters impairment, litigation settlement, and business combination costs.
<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 Q2'25 is the percentage of SaaS ARR as of September 30, 2024 for all customers compared to the SaaS ARR amount as of September 30, 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)

	Q1'24	Q2'24	Q3'24	Q4'24	Q1'25	Q2'25
<b>Non-GAAP financial measures and reconciliation:</b>						
GAAP income from operations	\$18,480	\$17,634	\$21,051	\$18,190	\$18,428	\$14,968
Noncash stock-based compensation	23,724	23,615	24,602	21,093	22,396	26,223
FICA and payroll tax expense related to stock-based compensation	1,014	471	727	1,073	1,363	772
Restructuring	-	-	-	4,548	4,679	566
Amortization of intangible assets	314	312	312	312	573	573
Litigation settlement	-	-	-	-	675	-
Business combination costs	-	-	-	-	189	1,736
Noncash impairment charges	-	-	-	-	-	2,910
<b>Non-GAAP income from operations</b>	<b>\$43,532</b>	<b>\$42,032</b>	<b>\$46,692</b>	<b>\$45,216</b>	<b>\$48,303</b>	<b>\$47,748</b>
<b>Non-GAAP free cash flow reconciliation:</b>						
Net cash provided by operating activity	\$39,037	\$40,337	\$44,439	\$79,985	\$44,692	\$55,589
Capital expenditures	(1,147)	(266)	(1,814)	(859)	(863)	(1,848)
<b>Free cash flow (Non-GAAP)</b>	<b>\$37,890</b>	<b>\$40,071</b>	<b>\$42,625</b>	<b>\$79,126</b>	<b>\$43,829</b>	<b>\$53,741</b>
<b>Non-GAAP gross margin reconciliation:</b>						
GAAP gross margin	82.1%	81.2%	82.0%	82.5%	82.3%	81.6%
Cost of services noncash stock-based compensation	0.8%	0.8%	0.9%	0.7%	0.7%	0.6%
<b>Non-GAAP gross margin</b>	<b>82.9%</b>	<b>82.0%</b>	<b>82.9%</b>	<b>83.2%</b>	<b>83.0%</b>	<b>82.2%</b>

# Thank You