

Q2 FY'24 Earnings Results

OCTOBER 31, 2023

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 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.



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. 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, 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.



Commvault redefines modern data protection for the cloud-driven world.

Over 100K of the world's
leading organizations

depend on Commvault to protect more
than 4 exabytes of cloud data.

We help them:

- Secure, defend and recover data
- Continuously run their businesses
- Infinitely scale, radically simplify



SONY

Telefonica

NTT DATA



AstraZeneca 



DOW JONES



HarperCollinsPublishers 

Data is everywhere

(And harder to protect than ever before)

89% of companies are multi-cloud¹

50% of enterprise-critical data will be outside a company's cloud²

60% of companies lack complete visibility into where data resides³

Our modern approach to data protection is built for a challenging world.



Commvault is the only provider that delivers industry-leading capabilities in a unified platform.

Data, Secured.

Commvault protects data *better*
Proactively detects
and diverts attacks

Data, Defended.

Commvault detects threats *faster*
Real time visibility into
cyber risks

Data, Recovered.

Commvault recovers *completely*
Predictable resilience and rapid
recovery of immutable, trusted data



Enterprise-wide
Data resilience



AI-driven automation



Real-time visibility,
governance & controls



APIs & integrations



SaaS & Software
delivery



Lowest TCO

COMMVAULT'S UNIFIED DATA PROTECTION PLATFORM

Commvault Investment Thesis

Data protection and security are **mission-critical IT spending priorities**

Leading technology provider with unrivaled depth and breadth of platform

Large and **growing installed base** of customers

Rocketship SaaS offering in a dynamic growth market

Profitable recurring revenue model with room for **margin expansion**

Strong **Free Cash Flow** and robust **capital return** program



Q2 & 1H FY'24 Financial Summary

Q2 FY'24 Financial Summary (unaudited, \$ in M's)

	Q2'24 GUIDANCE	Q2'24 ACTUAL	YoY Change
Total ARR	n/a	\$711	+18%
Subscription ARR	n/a	\$530	+32%
Total Revenue	\$193-\$197	\$201	+7%
Subscription Revenue	\$95-\$99	\$98	+25%
Non-GAAP Gross Margin	82.5%	82.0%	(150) Bps
Non-GAAP EBIT Margin	20.0%	20.9%	+210 Bps
Free Cash Flow	n/a	\$40	(19%)
Share Repurchases	n/a	\$31	(\$9M)

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.



1H FY'24 Financial Summary (unaudited, \$ in M's)

	1H'23 ACTUAL	1H'24 ACTUAL	YoY Change
Total ARR	\$604	\$711	+18%
Subscription ARR	\$401	\$530	+32%
Total Revenue	\$386	\$399	+3%
Subscription Revenue	\$166	\$195	+18%
Non-GAAP Gross Margin	83.5%	82.4%	(110) Bps
Non-GAAP EBIT Margin	19.7%	21.4%	+170 Bps
Free Cash Flow	\$71	\$78	+10%
Share Repurchases	\$59	\$82	+\$23M

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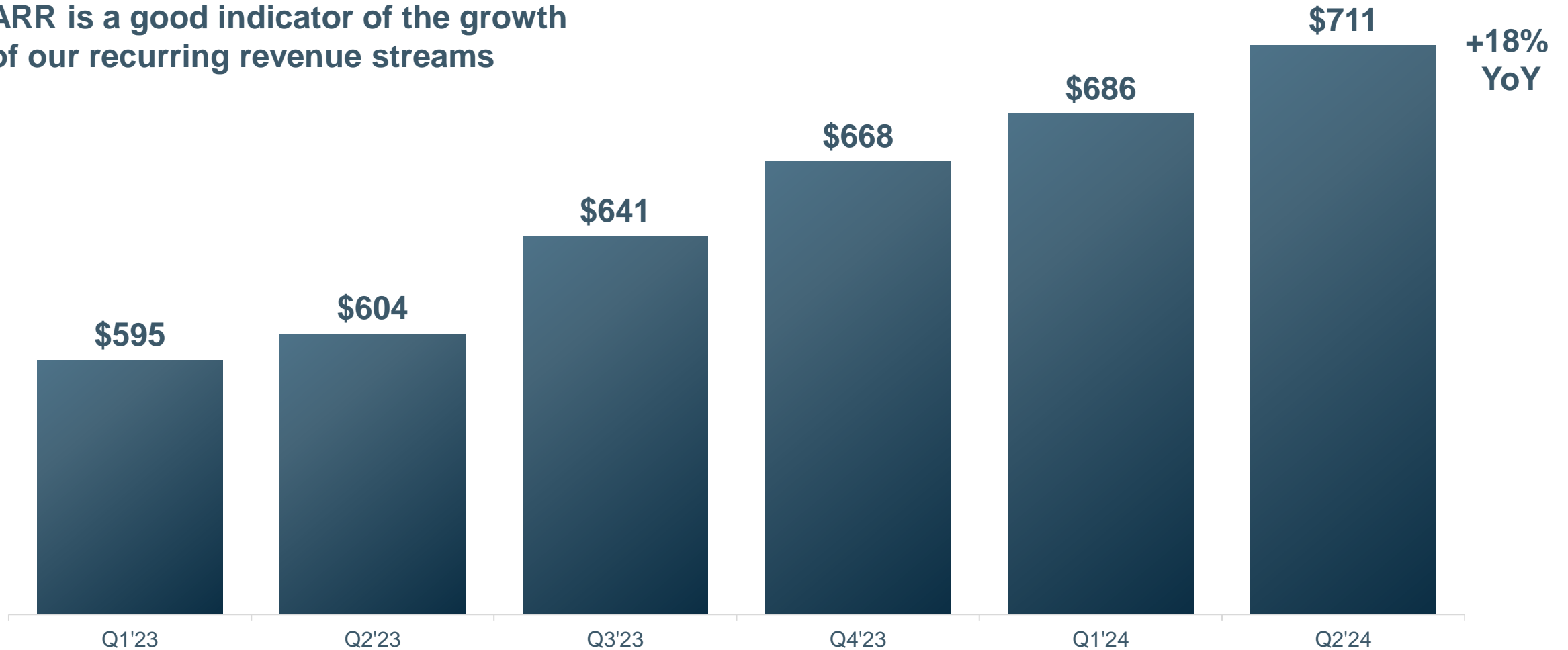


Q2 FY'24

Key Financial Metrics

Total ARR (\$ in M's)

ARR is a good indicator of the growth of our recurring revenue streams

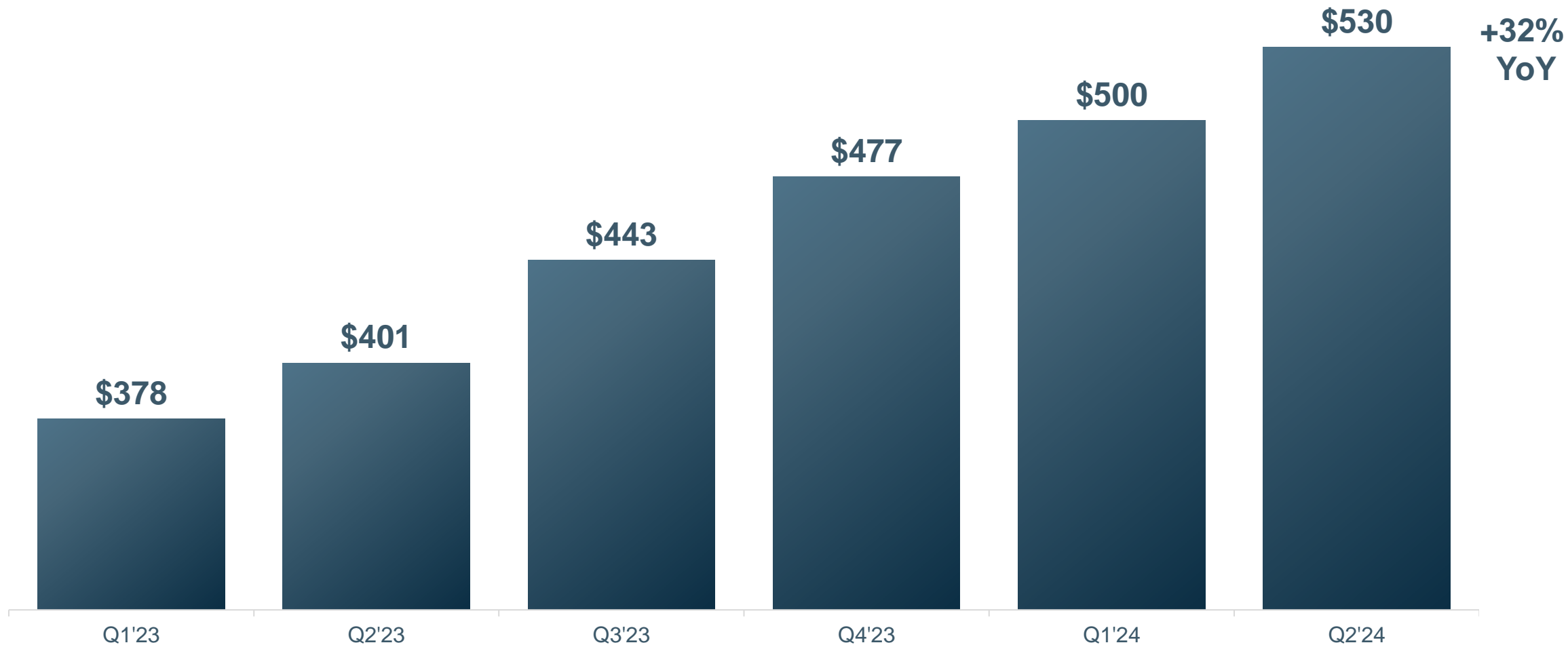


Refer to slide 27 for definition of Annual Recurring Revenue ("ARR"). Annual recurring revenue ("ARR") is a non-GAAP measure and should be considered as a supplement to, and not as a substitute for, financial information prepared in accordance with GAAP. Investors are encouraged to review the reconciliation 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

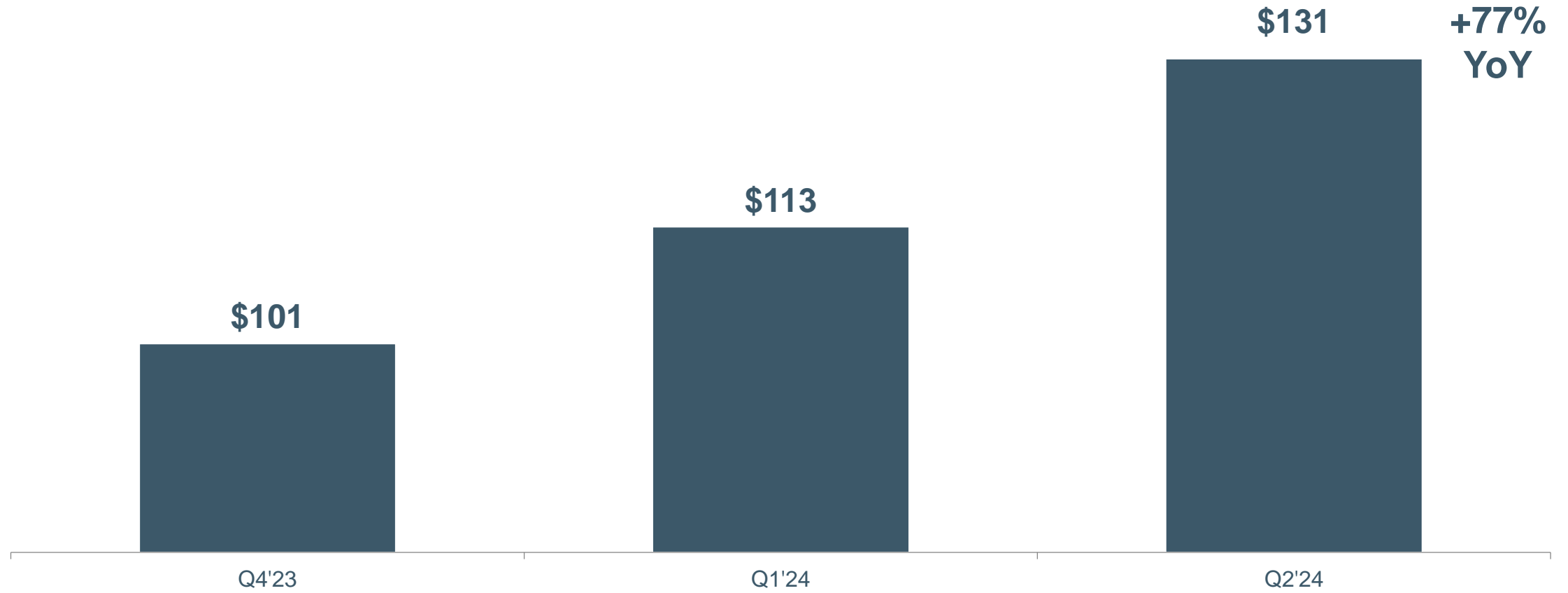


Refer to slide 27 for definition of Annual Recurring Revenue ("ARR"). Refer to Slide 15 for stand-alone Metallic SaaS ARR. Subscription ARR is a non-GAAP measure and should be considered as a supplement to, and not as a substitute for, financial information prepared in accordance with GAAP. Investors 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 is a meaningful driver of ARR growth

(SaaS ARR, \$ in M's)



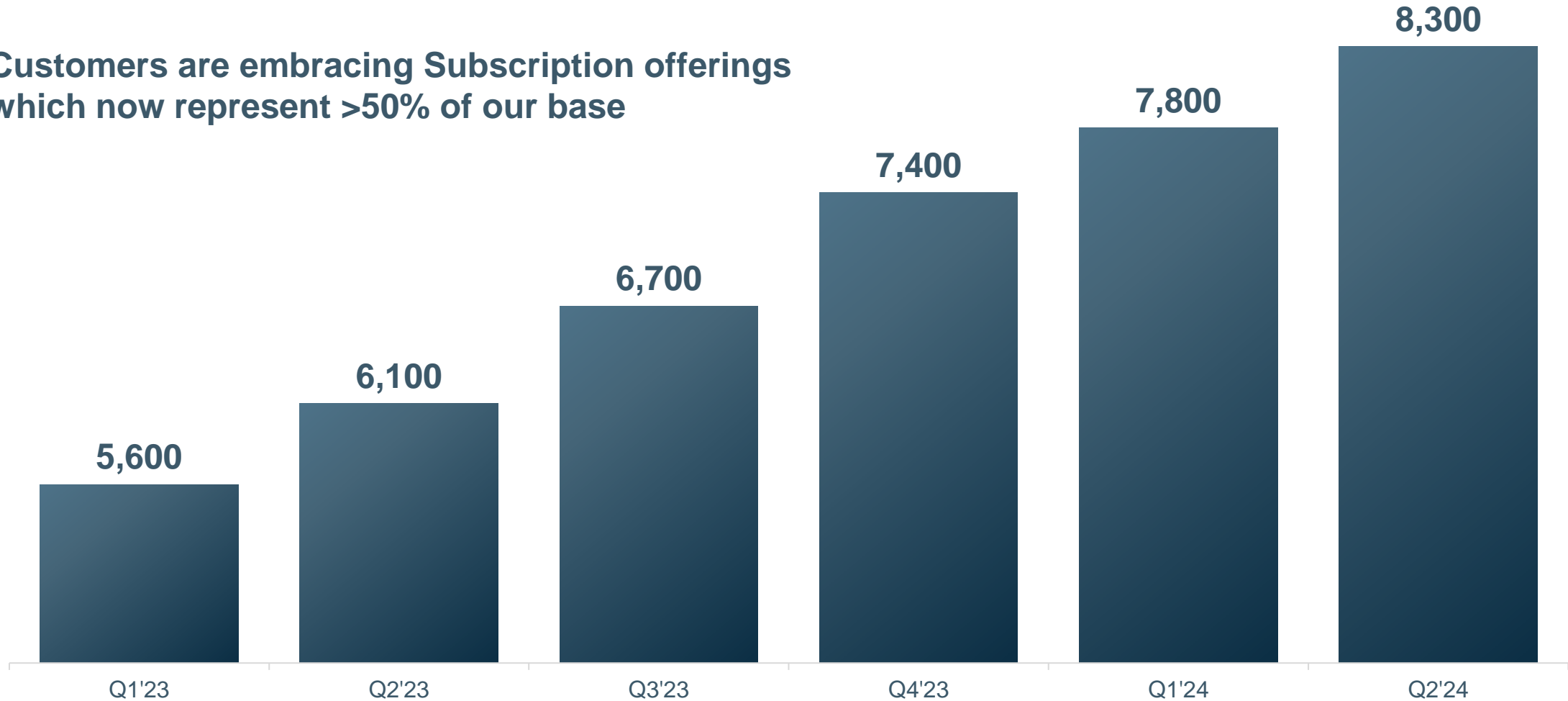
Refer to slide 27 for definition of Annual Recurring Revenue ("ARR").

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.



Healthy Subscription Customer Growth

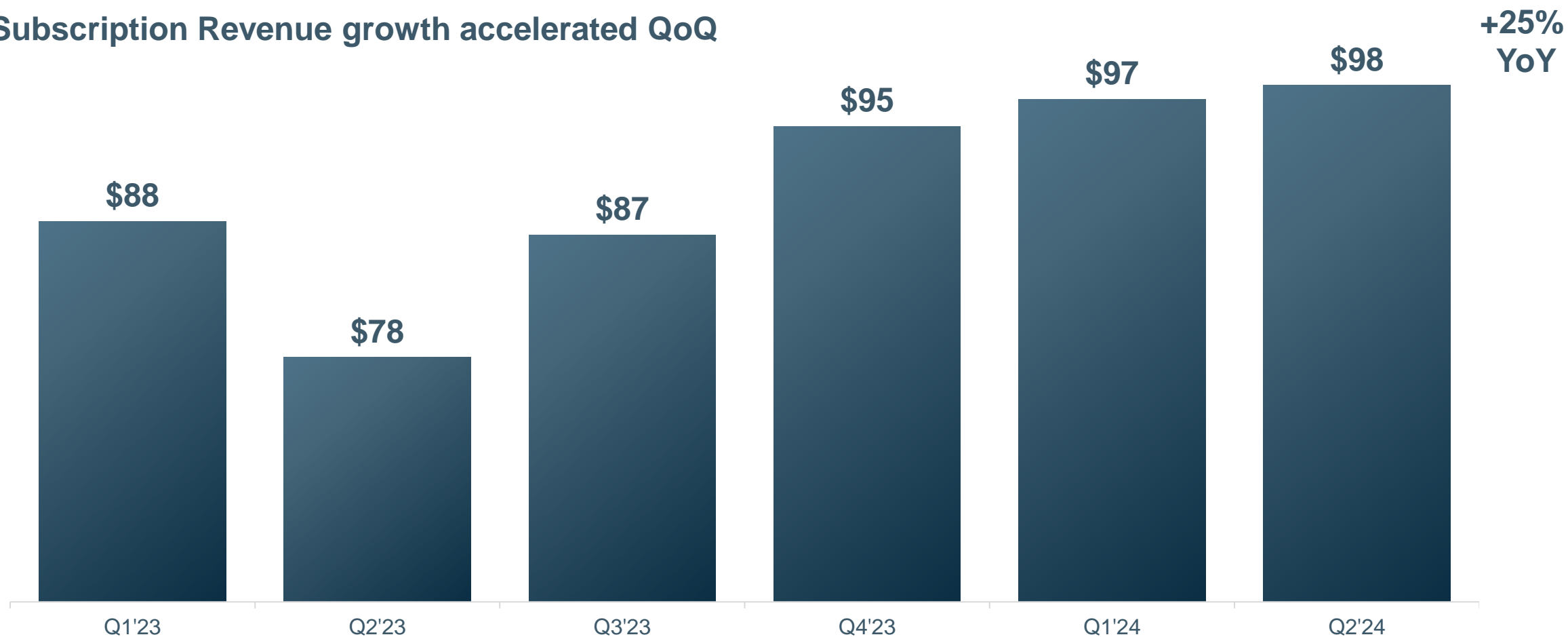
Customers are embracing Subscription offerings which now represent >50% of our base




Subscription Revenue (unaudited, \$ in M's)

Includes software portion of term-based licenses and SaaS revenue

Subscription Revenue growth accelerated QoQ





**SaaS
drives higher
customer
value**

**Metallic is a customer acquisition
and expansion engine**

130%

**Net Dollar
Retention Rate**

>60%

**Customers are new
to Commvault**

~30%

**Customers use
multiple SaaS
offerings**

~40%

**Customers have SaaS
+ Software**

~25%

Enterprise* Customers

Customer data specific to fiscal Q2 FY'24.

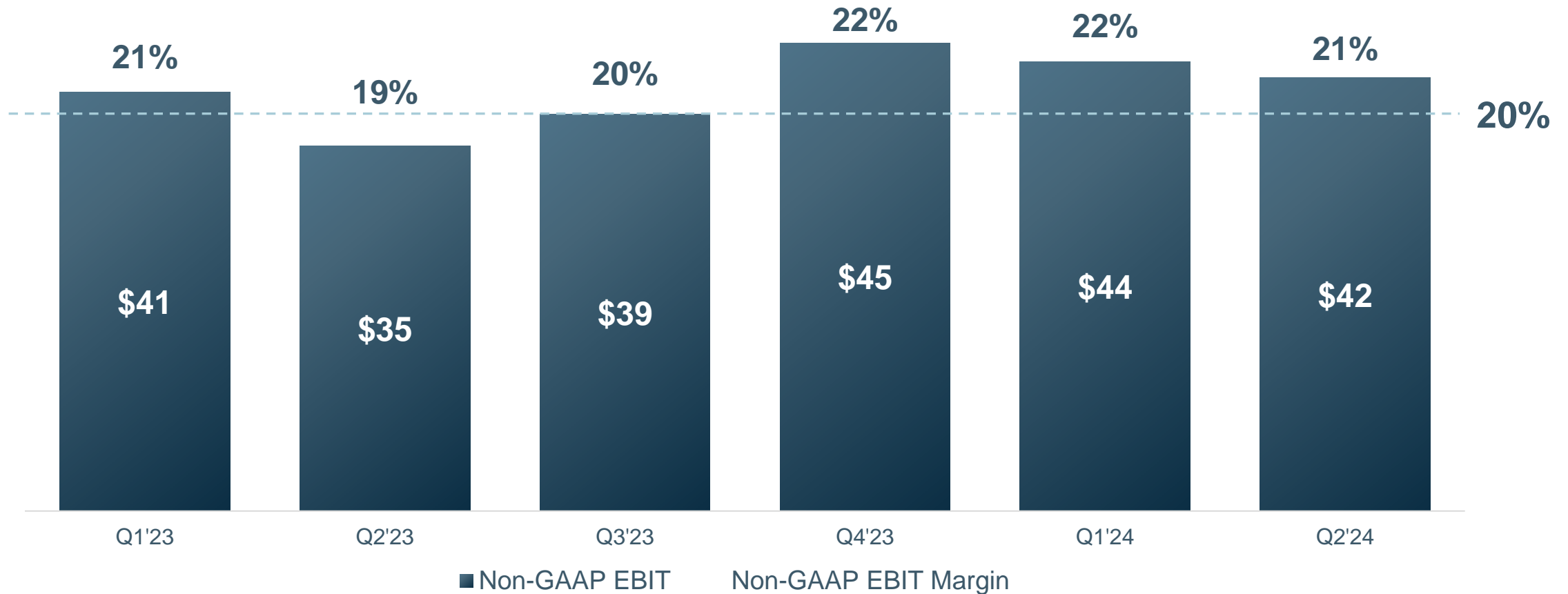
Metallic customer count includes end-users transacted by a Managed Service Provider (MSP).

*Enterprise is defined as organizations with 1,000+ employees.

Earnings & Cash Flow Metrics

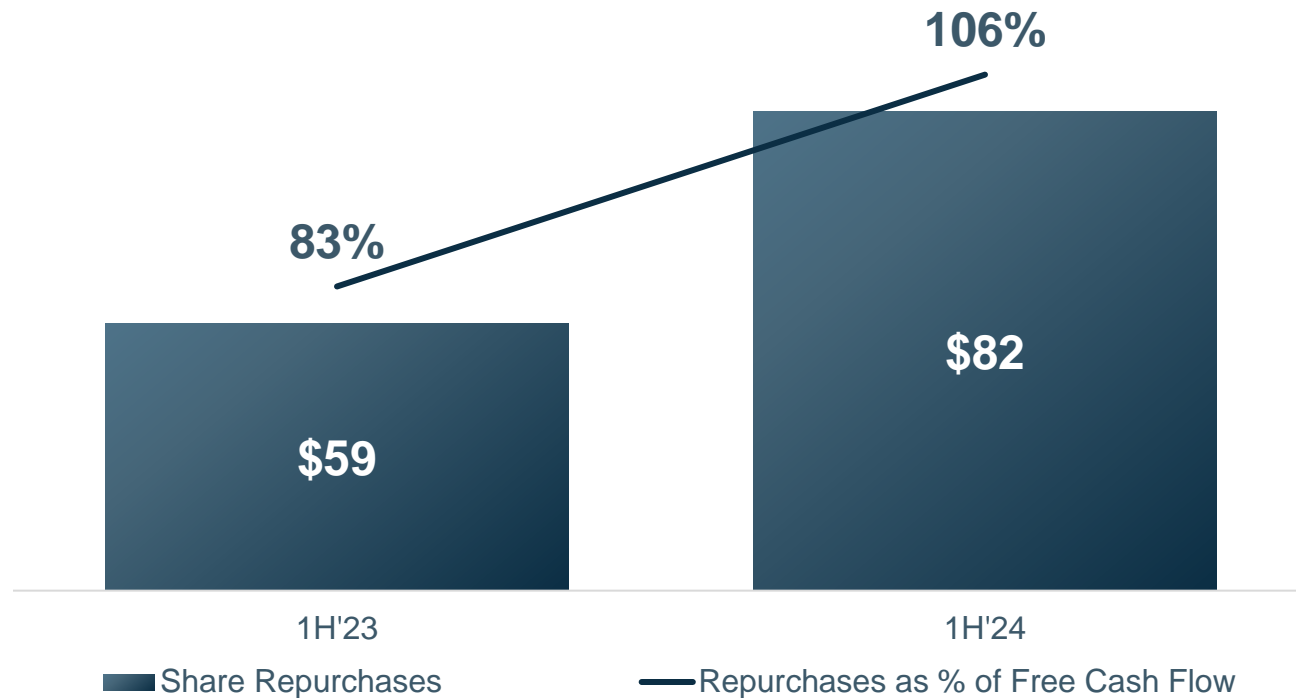
Non-GAAP EBIT and Margin % (\$ in M's)

Expense discipline to drive >20% Non-GAAP EBIT margin over time as Metallic scales



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

YTD Share Repurchases (\$ in M's)



- Repurchased \$31M of stock in Q2'24 and \$82M of stock 1H FY'24 representing 106% of Free Cash Flow (FCF)
- \$174M remaining on share repurchase authorization
- Plan to continue practice of >75% of FY'24 FCF toward share repurchases



Q3 & Full year FY'24 Guidance

KPIs

Annual Recurring Revenue (ARR)

Subscription ARR

Total Revenue

Subscription Revenue

Non-GAAP EBIT Margin

Free Cash Flow



Q3 and FY'24 Guidance (unaudited, \$ in M's)

	Q3'24 GUIDANCE	UPDATED FY'24 GUIDANCE	PRIOR FY'24 GUIDANCE
Total ARR		14% YoY	13% YoY
Subscription ARR		24% YoY	27% YoY
Total Revenue	\$206 - \$210	\$812 - \$822	\$805 - \$815
Subscription Revenue	\$106 - \$110	\$408 - \$418	\$420 - \$430
Non-GAAP Gross Margin	82.5%	82% - 83%	82% - 83%
Non-GAAP EBIT Margin	21.0%	+50 - 100 bps YoY	+50 - 100 bps YoY
Free Cash Flow (FCF)		\$170	\$170
Share Repurchases		> 75% of FCF	> 75% of FCF

Fiscal Q3 and full year FY'24 guidance is based on current foreign exchange rates as of October 30, 2023. 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.

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Appendix

Key Definitions

Item	Definition
Subscription Revenue	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.
Non-GAAP EBIT	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.
Non-GAAP Free Cash Flow	Free cash flow is derived from net cash provided by operations less purchases of property and equipment.
Annual Recurring Revenue (ARR)	<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>
SaaS Net Dollar Retention Rate (NRR)	<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. For example, SaaS NRR for fiscal Q2'24 is the percentage of SaaS ARR as of September 30, 2023 for all customers compared to the SaaS ARR amount as of September 30, 2022 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	Q1'24	Q2'24
Non-GAAP financial measures and reconciliation:						
GAAP income (loss) from operations	\$7,449	\$9,313	\$5,018	\$(37,665)	\$18,480	\$17,634
Noncash stock-based compensation	29,808	25,327	23,626	24,378	23,724	23,615
FICA and payroll tax expense related to stock-based compensation	910	425	327	803	1,014	471
Restructuring	2,132	-	9,228	4,092	-	-
Amortization of intangible assets	314	312	312	312	314	312
Headquarters impairment	-	-	-	53,481	-	-
Non-GAAP income from operations	\$40,613	\$35,377	\$38,511	\$45,401	\$43,532	\$42,032
Non-GAAP free cash flow reconciliation:						
Net cash provided by operating activity	\$22,433	\$49,844	\$30,178	\$67,833	\$39,037	\$40,337
Capital expenditures	(867)	(514)	(805)	(1,055)	(1,147)	(266)
Free cash flow (Non-GAAP)	\$21,566	\$49,330	\$29,373	\$66,778	\$37,890	\$40,071
Non-GAAP gross margin reconciliation:						
GAAP gross margin	\$164,224	\$155,755	\$160,536	\$168,673	\$162,600	\$163,144
Cost of services noncash stock-based compensation	1,243	1,226	1,383	935	1,690	1,599
Non-GAAP gross margin	\$165,467	\$156,981	\$161,919	\$169,608	\$164,290	\$164,743

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.

