

Commvault Fiscal Q3'24 Earnings Results

JANUARY 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. 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.

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.

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

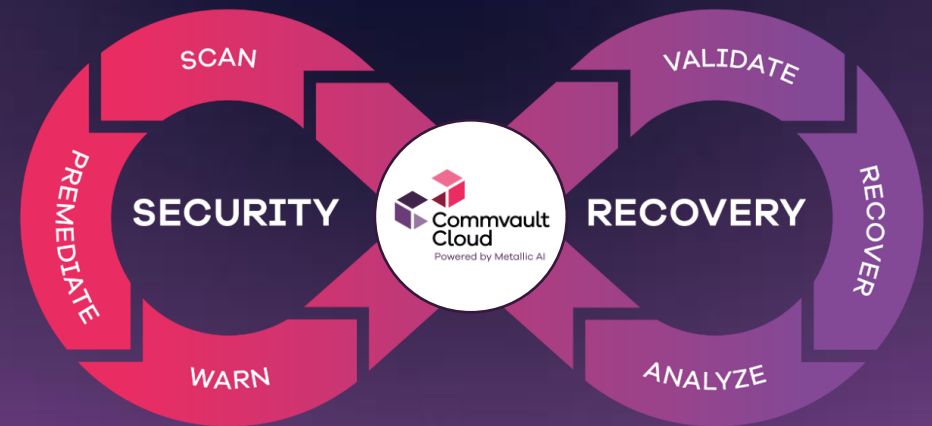
Deploy advanced AI capabilities to strengthen and speed resilience.

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

Cyber resilience is a **mission-critical IT spending priority**

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

Q3 & YTD FY'24 Financial Summary

Q3 FY'24 Financial Summary (unaudited, \$ in M's)

	Q3'24 GUIDANCE	Q3'24 ACTUAL	YoY Change
Total ARR	n/a	\$752	+17%
Subscription ARR	n/a	\$571	+29%
Total Revenue	\$206 - \$210	\$217	+11%
Subscription Revenue	\$106 - \$110	\$114	+31%
Non-GAAP Gross Margin	82.5%	82.9%	(10) Bps
Non-GAAP EBIT Margin	21.0%	21.5%	+180 Bps
Free Cash Flow	n/a	\$43	+45%
Share Repurchases	n/a	\$51	+\$20

Refer to slide 25 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 26 in this presentation.

Nine Months YTD FY'24 Financial Summary (unaudited, \$ in M's)

	YTD'23 ACTUAL	YTD'24 ACTUAL	YoY Change
Total ARR	\$641	\$752	+17%
Subscription ARR	\$443	\$571	+29%
Total Revenue	\$581	\$616	+6%
Subscription Revenue	\$253	\$309	+22%
Non-GAAP Gross Margin	83.4%	82.6%	(80) Bps
Non-GAAP EBIT Margin	19.7%	21.5%	+180 Bps
Free Cash Flow	\$100	\$121	+20%
Share Repurchases	\$90	\$134	+\$44

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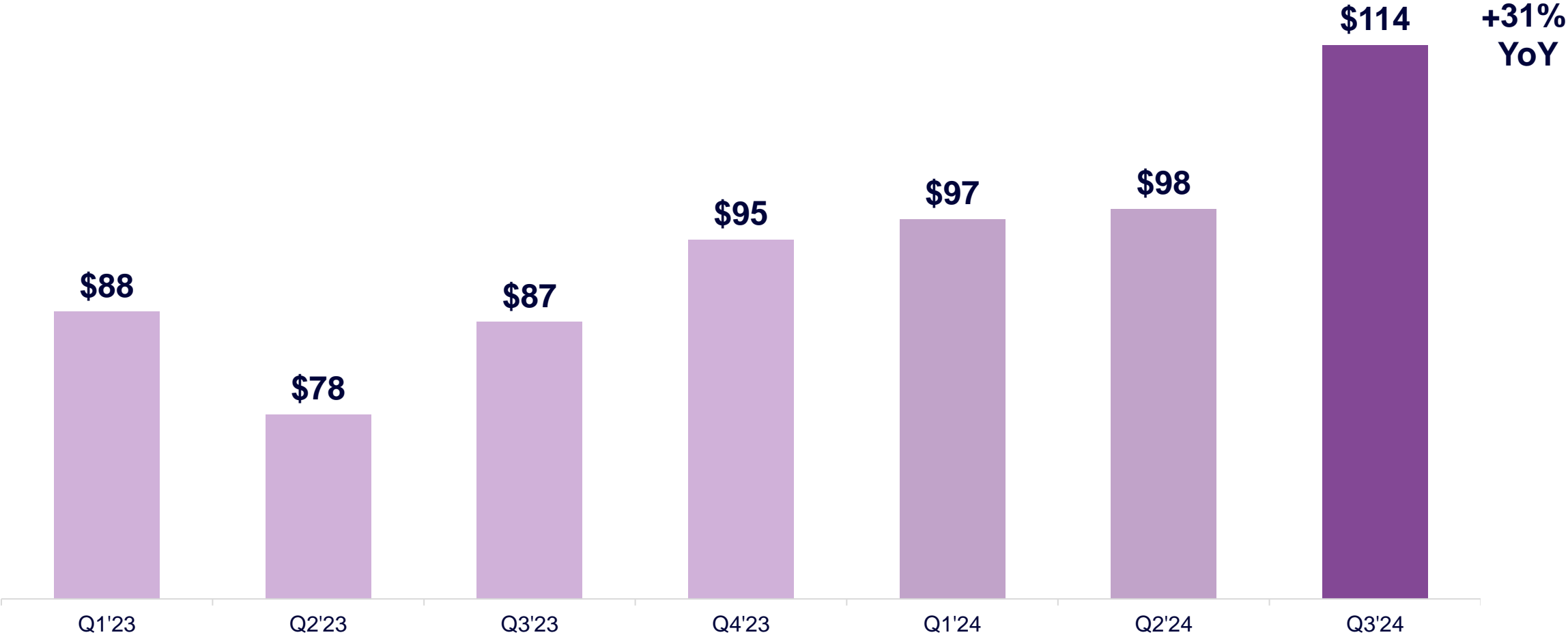
Q3 FY'24

Key Financial Metrics

Subscription Revenue

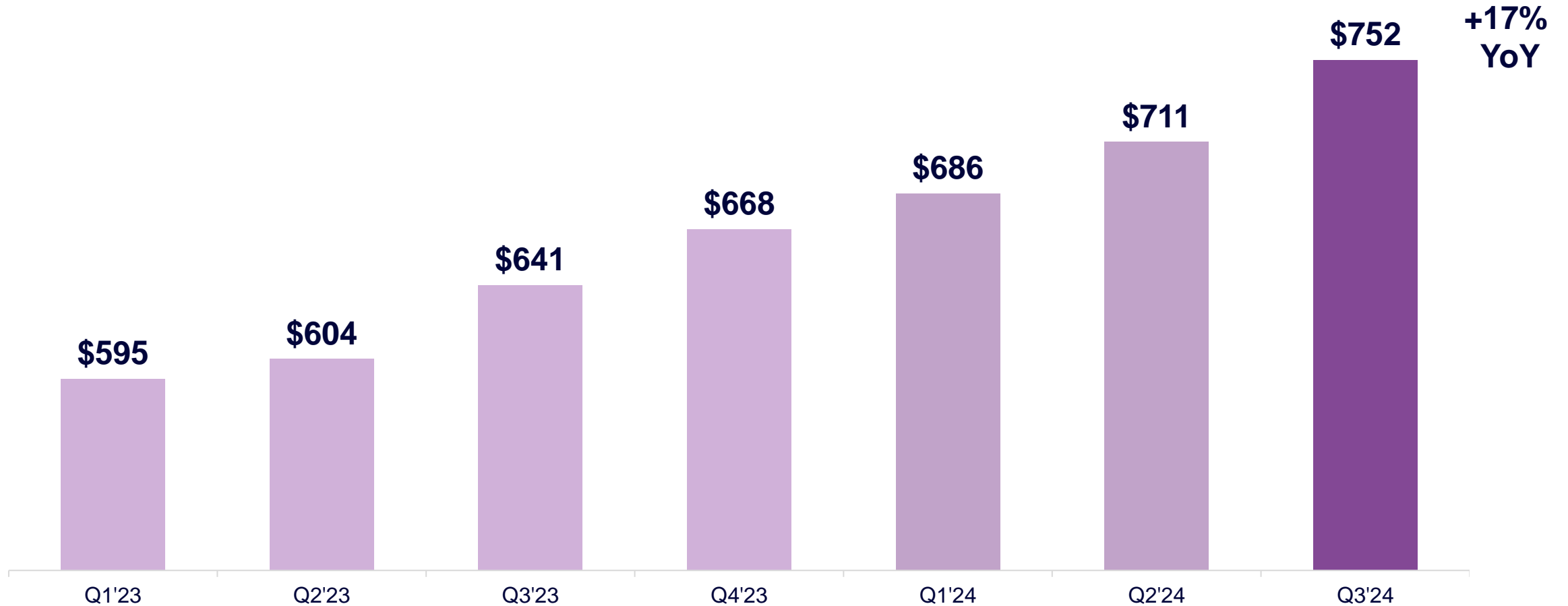
(unaudited, \$ in M's) Includes software portion of term-based licenses and SaaS revenue

SUBSCRIPTION REVENUE GROWTH ACCELERATED QOQ



Total ARR (\$ in M's)

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

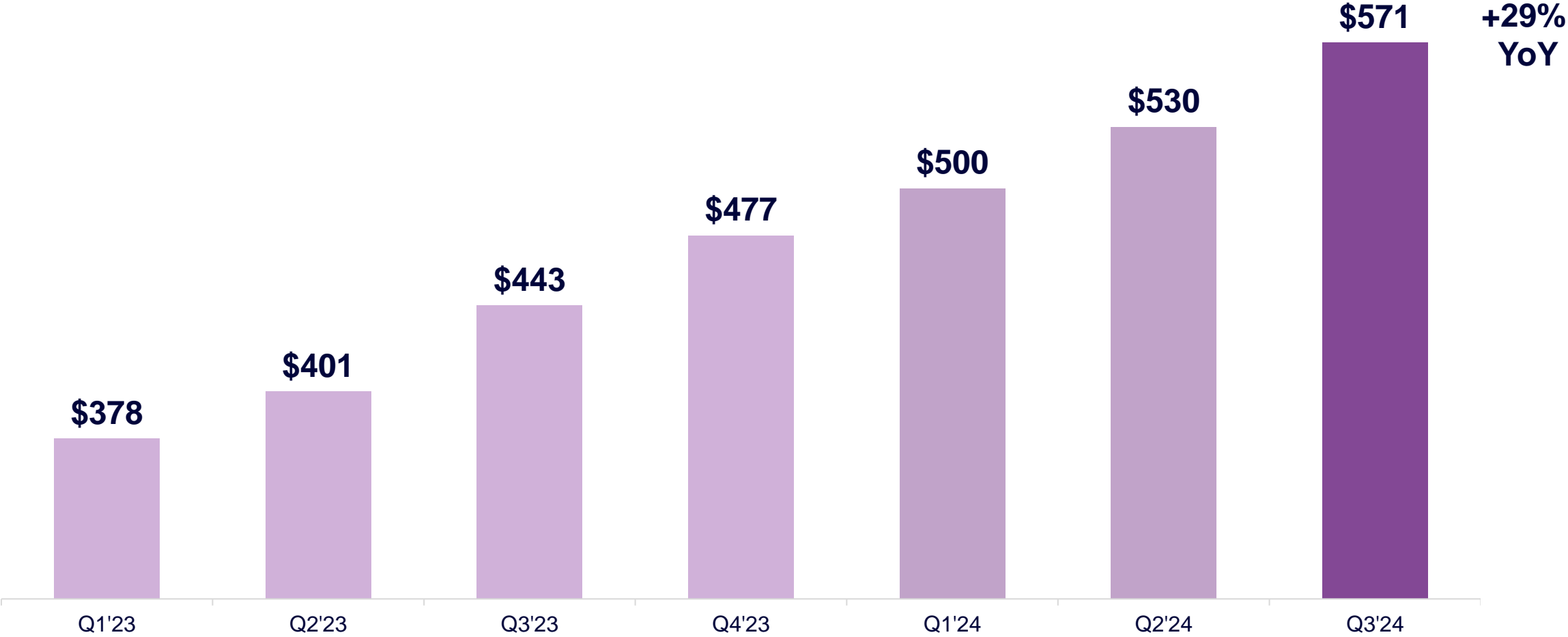


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Subscription ARR (\$ in M's)

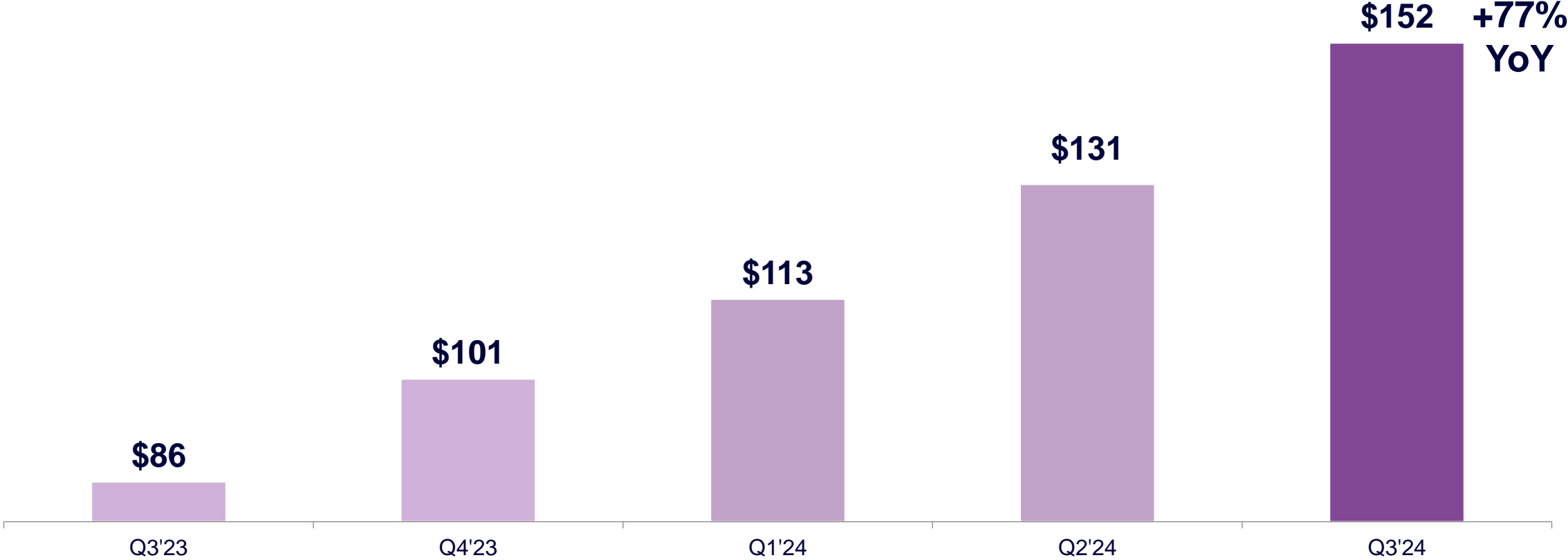
INCLUDES TERM-BASED SUBSCRIPTION LICENSES AND SAAS



Refer to slide 25 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 26 in this presentation.

SaaS ARR (\$ in M's)

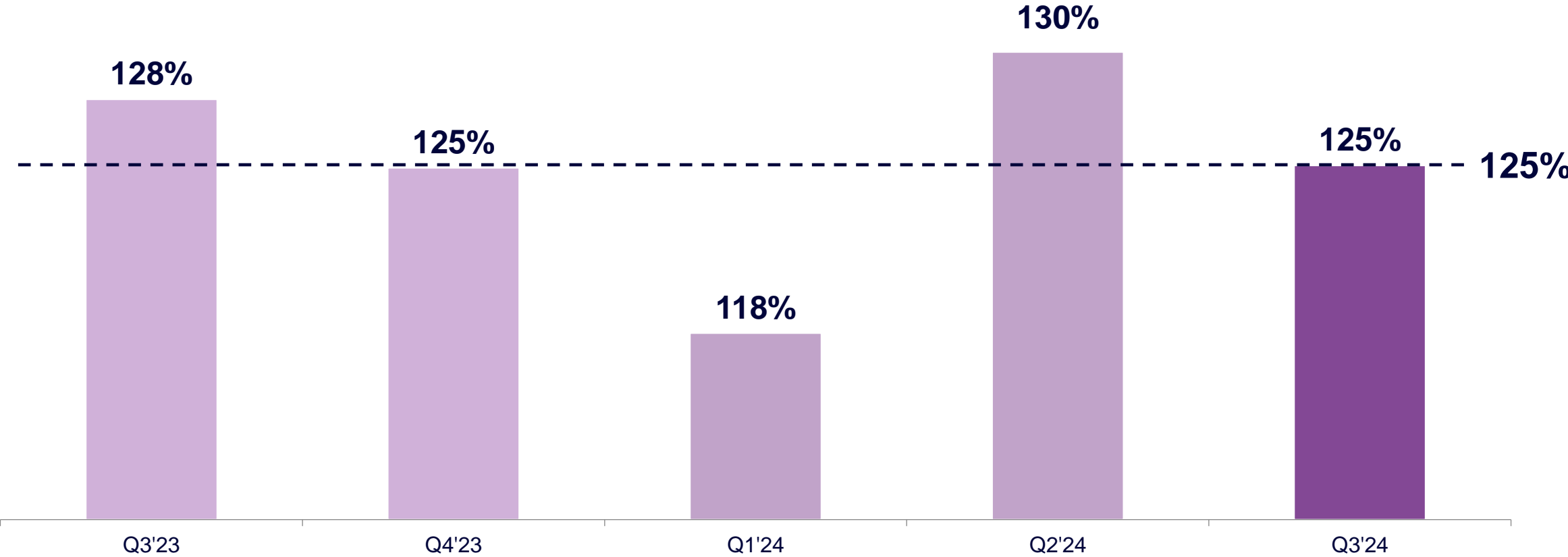
SAAS IS A MEANINGFUL DRIVER OF ARR GROWTH



Refer to slide 25 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 26 in this presentation.

SaaS Net Dollar Retention Rate (NRR)

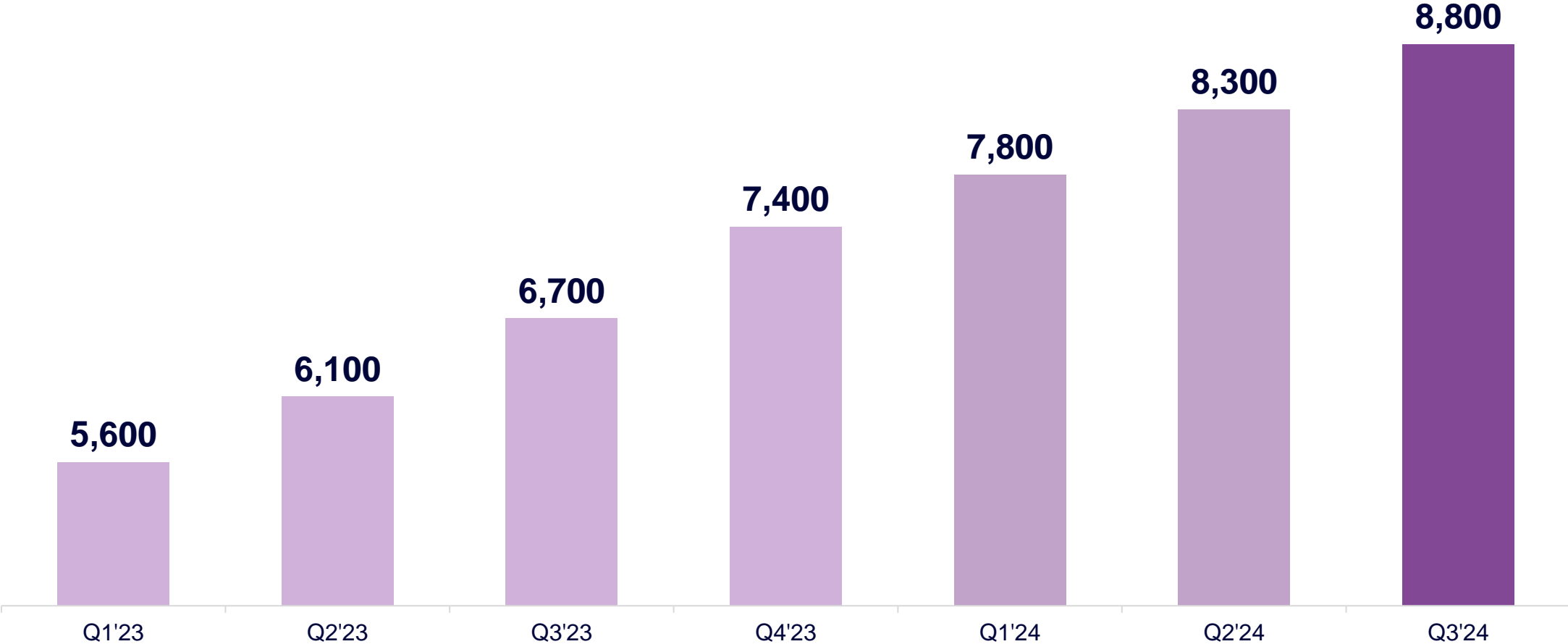
SAAS DRIVES MEANINGFUL CUSTOMER EXPANSION



Refer to slide 25 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 26 in this presentation.

Subscription Customer Growth

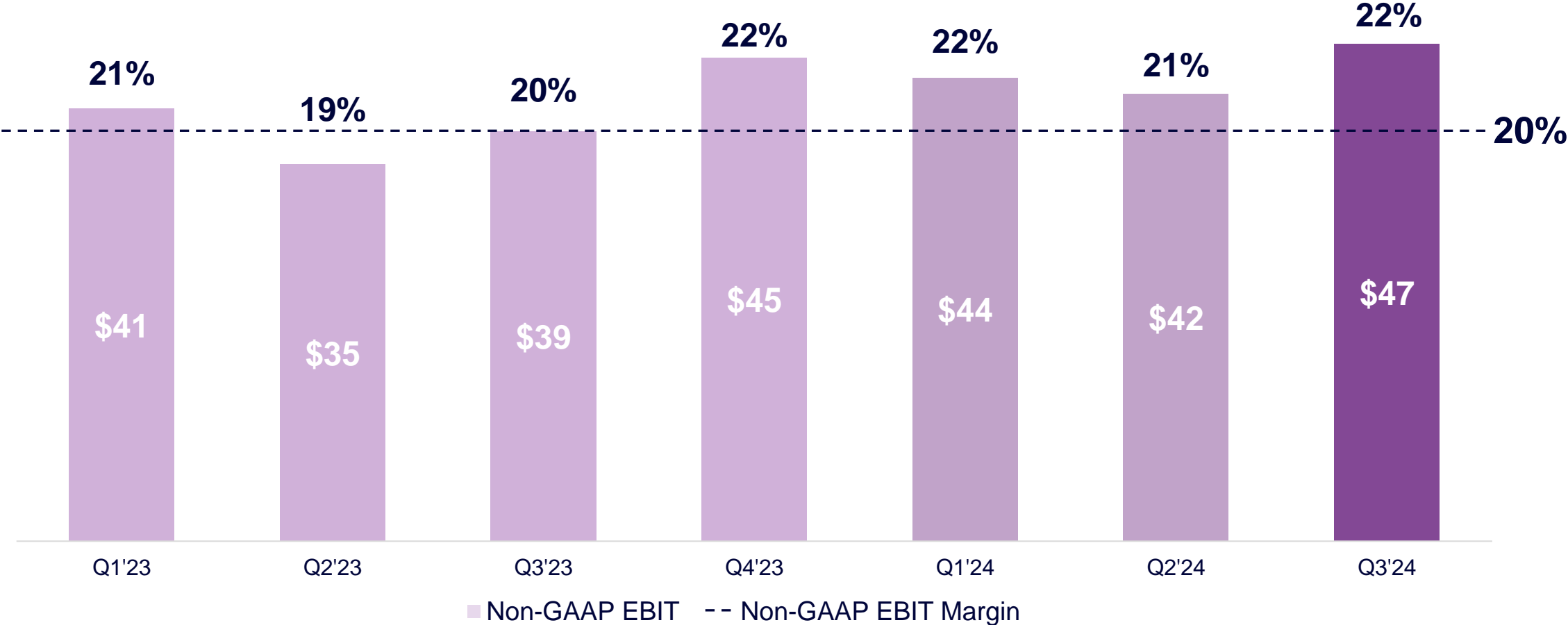
CUSTOMERS ARE EMBRACING SUBSCRIPTION OFFERINGS WHICH NOW REPRESENT >50% OF OUR BASE



Earnings & Cash Flow Metrics

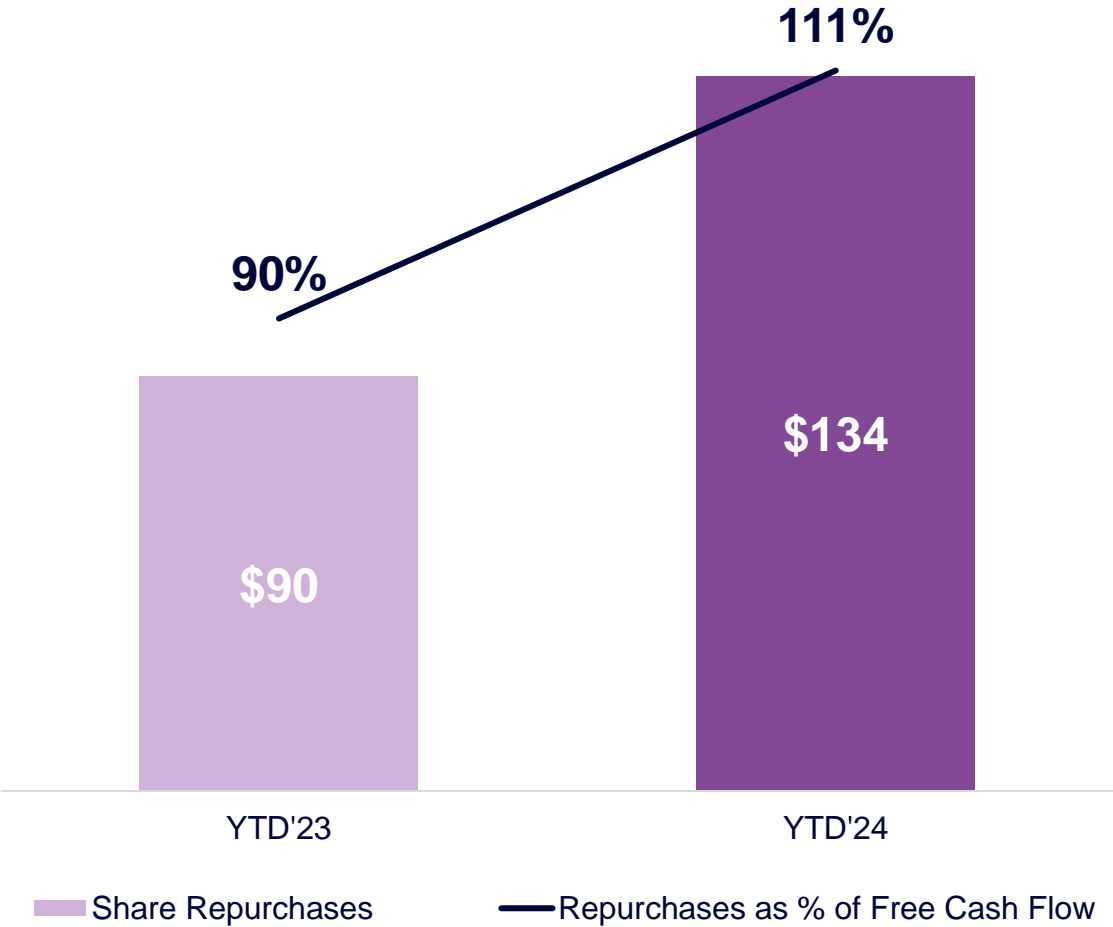
Non-GAAP EBIT and Margin % (unaudited, \$ in M's)

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



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

YTD Share Repurchases



- Repurchased \$51M of stock in Q3'24 and \$134M of stock during nine months YTD'24 representing 111% of Free Cash Flow (FCF)
- \$122M remaining on share repurchase authorization
- Plan to continue practice of >75% of FY'24 FCF toward share repurchases

Q4 & Full Year FY'24 Guidance

KPIs

- Annual Recurring Revenue (ARR)
- Subscription ARR

Total Revenue

- Subscription Revenue

Non-GAAP EBIT Margin

- Free Cash Flow



Q4 and FY'24 Guidance (unaudited, \$ in M's)

	Q4'24 GUIDANCE	UPDATED FY'24 GUIDANCE	PRIOR FY'24 GUIDANCE
Total ARR		15% YoY	14% YoY
Subscription ARR		25% YoY	24% YoY
Total Revenue	\$210 - \$214	\$826 - \$830	\$812 - \$822
Subscription Revenue	\$111 - \$115	\$420 - \$424	\$408 - \$418
Non-GAAP Gross Margin	81% - 82%	82% - 83%	82% - 83%
Non-GAAP EBIT Margin	20% - 21%	+50 - 100 bps YoY	+50 - 100 bps YoY
Free Cash Flow (FCF)		\$170	\$170
Share Repurchases		> 75% of FCF	> 75% of FCF

Fiscal Q4 and full year FY'24 guidance is based on current foreign exchange rates as of January 30, 2024. Changes in exchange rates could materially impact our current outlook.

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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 and is presented on a constant currency basis. For example, SaaS NRR for fiscal Q3'24 is the percentage of SaaS ARR as of December 31, 2023 for all customers compared to the SaaS ARR amount as of December 31, 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	Q3'24
Non-GAAP financial measures and reconciliation:							
GAAP income (loss) from operations	\$7,449	\$9,313	\$5,018	\$(37,665)	\$18,480	\$17,634	\$21,051
Noncash stock-based compensation	29,808	25,327	23,626	24,378	23,724	23,615	24,602
FICA and payroll tax expense related to stock-based compensation	910	425	327	803	1,014	471	727
Restructuring	2,132	-	9,228	4,092	-	-	-
Amortization of intangible assets	314	312	312	312	314	312	312
Headquarters impairment	-	-	-	53,481	-	-	-
Non-GAAP income from operations	\$40,613	\$35,377	\$38,511	\$45,401	\$43,532	\$42,032	\$46,692
Non-GAAP free cash flow reconciliation:							
Net cash provided by operating activity	\$22,433	\$49,844	\$30,178	\$67,833	\$39,037	\$40,337	\$44,439
Capital expenditures	(867)	(514)	(805)	(1,055)	(1,147)	(266)	(1,814)
Free cash flow (Non-GAAP)	\$21,566	\$49,330	\$29,373	\$66,778	\$37,890	\$40,071	\$42,625
Non-GAAP gross margin reconciliation:							
GAAP gross margin	\$164,224	\$155,755	\$160,536	\$168,673	\$162,600	\$163,144	\$177,747
Cost of services noncash stock-based compensation	1,243	1,226	1,383	935	1,690	1,599	1,935
Non-GAAP gross margin	\$165,467	\$156,981	\$161,919	\$169,608	\$164,290	\$164,743	\$179,682

Thank You