

# Q3 FY26 EARNINGS RESULTS



# Safe harbor

- This presentation contains forward-looking statements and projections about our strategy, products and services, including our AI capabilities and initiatives, shareholder returns, and our future results, performance or achievements, financial and otherwise. These statements and projections reflect management's current expectations, estimates and assumptions based on the information currently available to us and are not guarantees of future performance.
- Actual results may differ materially from these statements for a variety of reasons, including, without limitation, our ability to keep pace with the rapid industry, technological and market trends and changes in the markets in which we operate, including for AI; our ability to execute our evolved cloud strategy and introduce and gain market acceptance for our products and services; our ability to maintain our customer, partner, supplier and contract manufacturer relationships on favorable terms and conditions; our development and use of AI; global political, macroeconomic and market conditions, including inflation, fluctuating interest rates, tariffs, changes in trade policy, regulations, monetary policy shifts, recession risks, and foreign exchange volatility and the resulting impact on demand for our products; the impact of new or ongoing geopolitical conflicts and sanctions; adoption or changes to laws, regulations standards or policies affecting our operations, products, services, the storage industry, or AI usage; material cybersecurity and other security breaches; the impact of supply chain disruptions on our business operations, financial performance and results of operations; changes and related uncertainty in U.S. government spending or policy, including the prolonged federal government shutdowns; changes in overall technology spending by our customers; revenue seasonality; changes in laws or regulations, including those relating to privacy, data protection and information security; the timing of orders and their fulfilment; and our ability to manage our gross profit margins, including managing component costs. These and other equally important factors that may affect our future results are described in reports and documents we file from time to time with the SEC, including the factors described under the section titled "Risk Factors" in our most recent annual report on Form 10-K and quarterly report on Form 10-Q, each available at [www.sec.gov](http://www.sec.gov). The forward-looking statements made in these presentations are being made as of the time and date of the live presentation. If these presentations are reviewed after the time and date of the live presentation, even if subsequently made available by us, on our website or otherwise, these presentations may not contain current or accurate information. Except as required by law, we disclaim any obligation to update or revise any forward-looking statement based on new information, future events or otherwise.
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# 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 Silos & 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

**For over 30 years ...**

**NetApp has been at the forefront of data innovation** - helping the world's leading organizations turn their data into a true driver of transformation.

**Innovation isn't just part of our story – it is our story.**

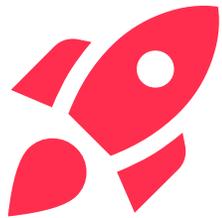




## Today ...

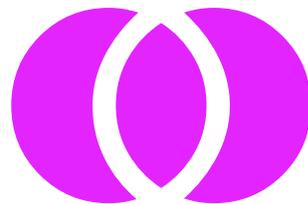
data is **everywhere**, and security threats, fragmented architecture, shortage of expertise, and operational complexity slow down progress. We help enterprises solve their most pressing data challenges by rethinking the very foundation they run on –

**delivering data infrastructure that's optimized, secured, and ready for AI.**



## Our customers rely on NetApp...

to **modernize data infrastructure, transform cloud strategies, drive AI innovation, and strengthen cyber resilience.**



## We unify data services ...

without tearing down what already works and connect fragmented environments without forcing replacement.



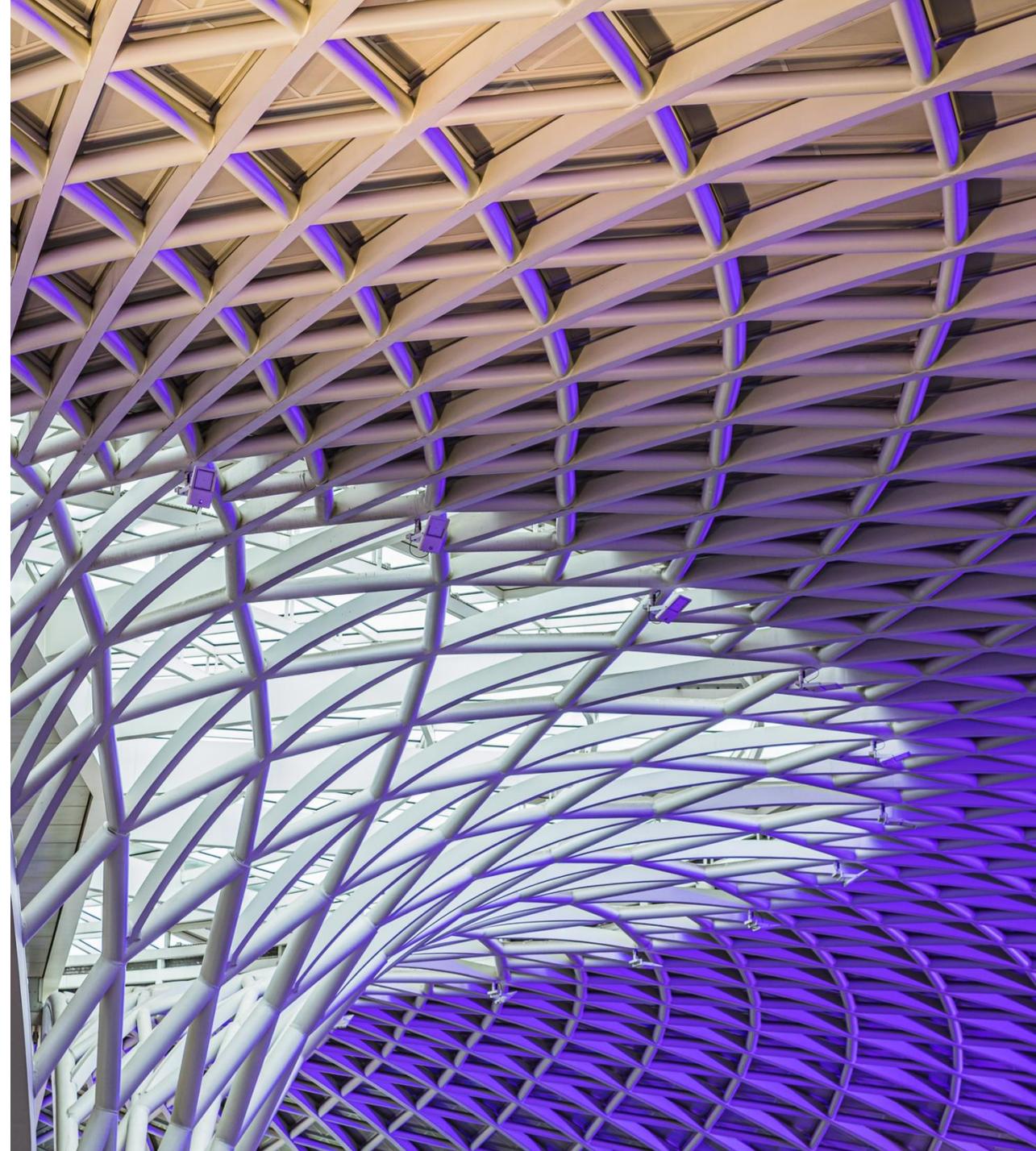
## We bring these priorities to life ...

through the full strength of our portfolio, expert services, and deep partnerships - guided by a belief that for a future shaped by AI, **intelligence must be built in, not bolted on.**

## The reality is ...

...most companies already have data infrastructure - but very few have one that can evolve, scale, and protect.

Only NetApp brings together a **legacy of innovation, deep customer focus, and unmatched technical depth** to help organizations build **Intelligent Data Infrastructure**.



**That's what enables NetApp to solve what others can't. This is why NetApp is **THE** Intelligent Infrastructure company.**

## Q3 FY26 highlights

- On track to deliver our strongest year yet
- Delivering significant momentum in AI, with approximately 300 data preparation and foundational storage for AI wins
- Realizing significant customer interest and engagement with new AI solutions, AFX and AI Data Engine
- Generating high growth with first party and marketplace cloud storage services, which grew 27% year over year
- Grew all flash array revenue by 11% to a record \$1.0 billion
- Demonstrated our ability to deliver flawlessly by turning Levi Stadium into an interactive data center for Super Bowl LX

# Q3 FY26 summary

	Q3 guidance (as of Nov 25, 2025)	Q3 actual	
Revenue	\$1.615B – \$1.765B	\$1.71B +4.4% y/y	
Billings <sup>1</sup>		\$1.89B +10.1% y/y	
Gross margin <sup>1</sup>	72.3% – 73.3%	71.2% +50 bps y/y	
Operating margin <sup>1</sup>	30.5% – 31.5%	31.1% +110 bps y/y	
Earnings per share <sup>1</sup>	\$2.01 – \$2.11	\$2.12 +11.0% y/y	
FCF margin <sup>1</sup>		15.8%	
Remaining performance obligations		\$5.11B +14.3% y/y	
Capital returns <sup>2</sup>		\$303M	

<sup>1</sup>Billings, gross margin, operating margin, EPS, and FCF margin are Non-GAAP measures. Refer to appendix for additional details on the Non-GAAP measures presented in the table above and a reconciliation between GAAP and Non-GAAP numbers.

<sup>2</sup>Capital returns are the sum of cash dividends and share repurchases.

# FY26 YTD summary

	Q1	Q2	Q3	YTD
Revenue	\$1.56B +1.2% y/y	\$1.71B +2.8% y/y	\$1.71B +4.4% y/y	\$4.98B +2.8% y/y
Billings <sup>1</sup>	\$1.51B +4.3% y/y	\$1.65B +3.8% y/y	\$1.89B +10.1% y/y	\$5.04B +6.2% y/y
Gross margin <sup>1</sup>	71.1% -110 bps y/y	72.6% +60 bps y/y	71.2% +50 bps y/y	71.6% -10 bps y/y
Operating margin <sup>1</sup>	25.7% -20 bps y/y	31.1% +250 bps y/y	31.1% +110 bps y/y	29.4% +120 bps y/y
Earnings per share <sup>1</sup>	\$1.55 -0.6% y/y	\$2.05 +10.0% y/y	\$2.12 +11.0% y/y	\$5.70 +7.0% y/y
FCF margin <sup>1</sup>	39.8%	4.6%	15.8%	19.5%
Remaining performance obligations	\$4.94B +10.7% y/y	\$4.90B +10.7% y/y	\$5.11B +14.3% y/y	\$5.11B +14.3% y/y
Capital returns <sup>2</sup>	\$404M	\$353M	\$303M	\$1.06B

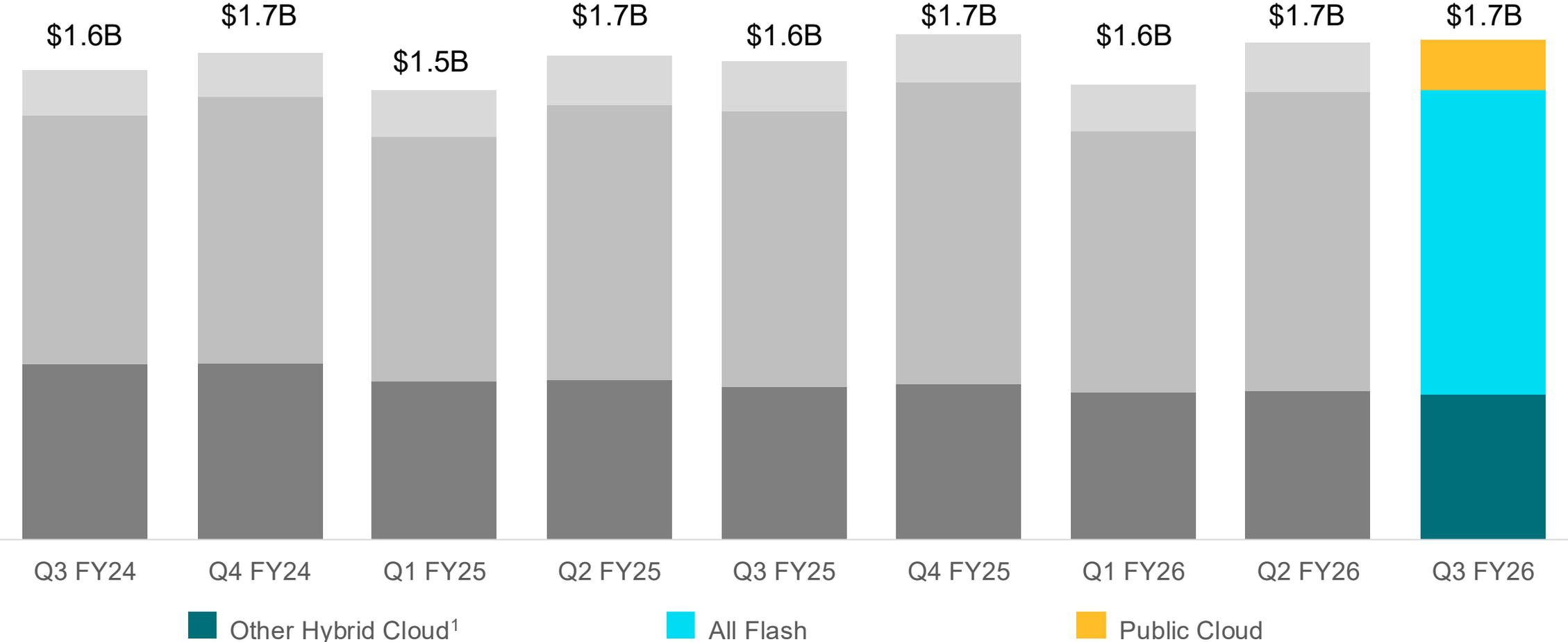
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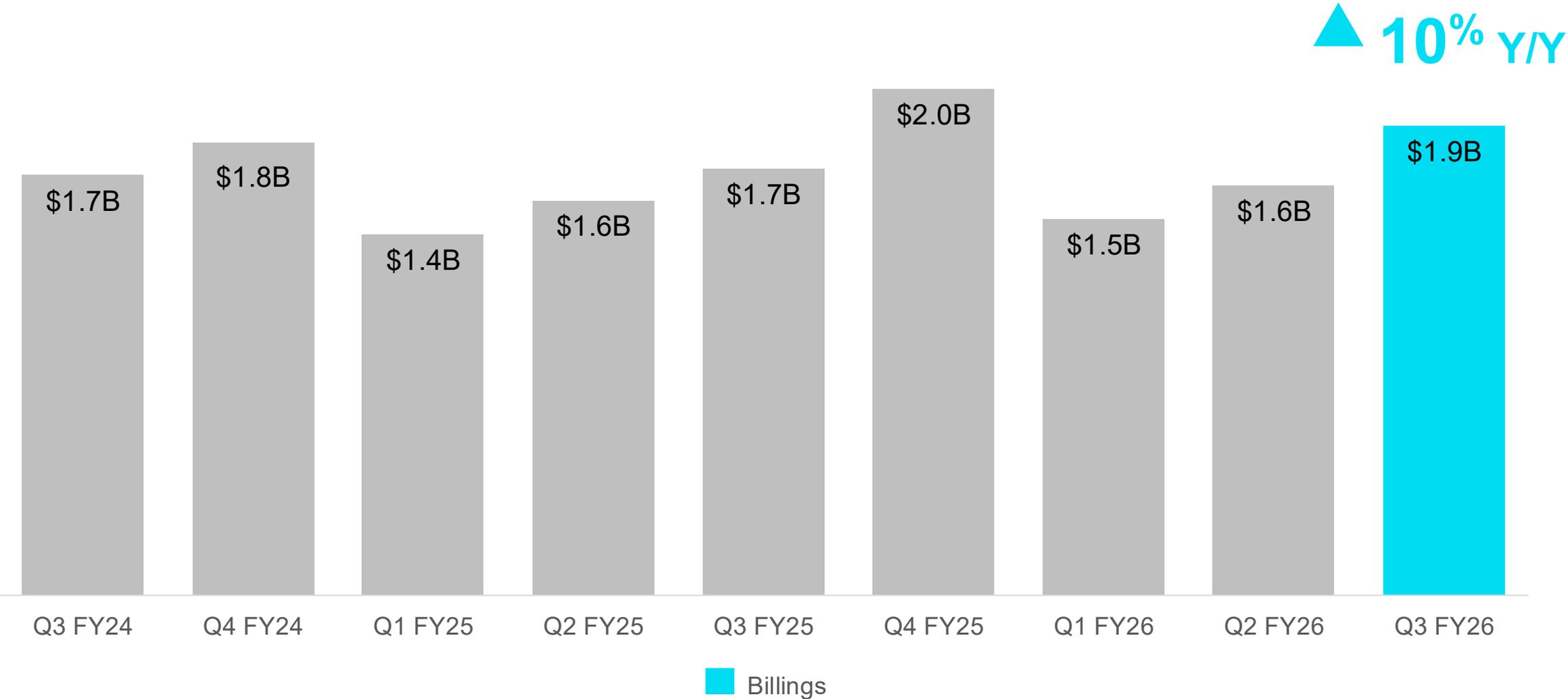
# Revenues

All Flash & Public Cloud compose 71% of total Q3 FY26 revenue

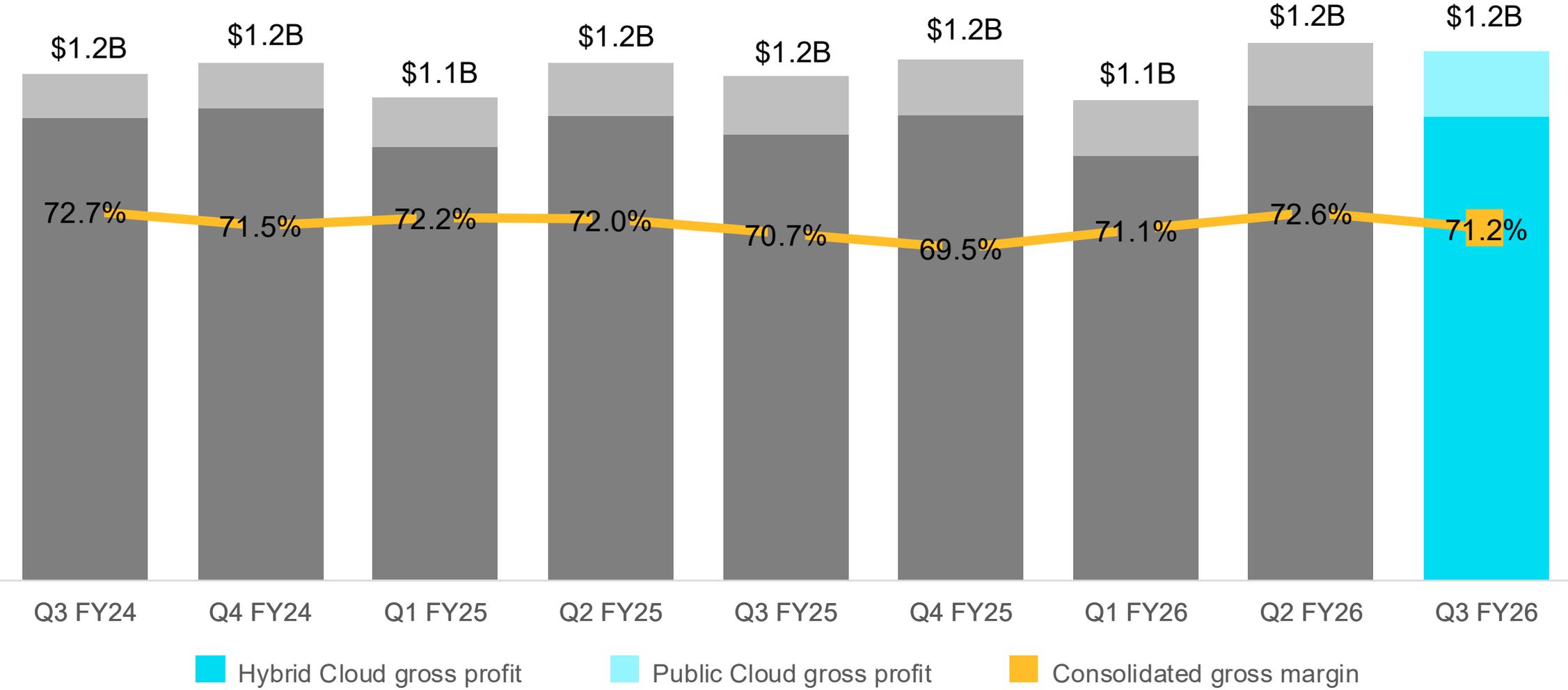
▲ 4% Y/Y



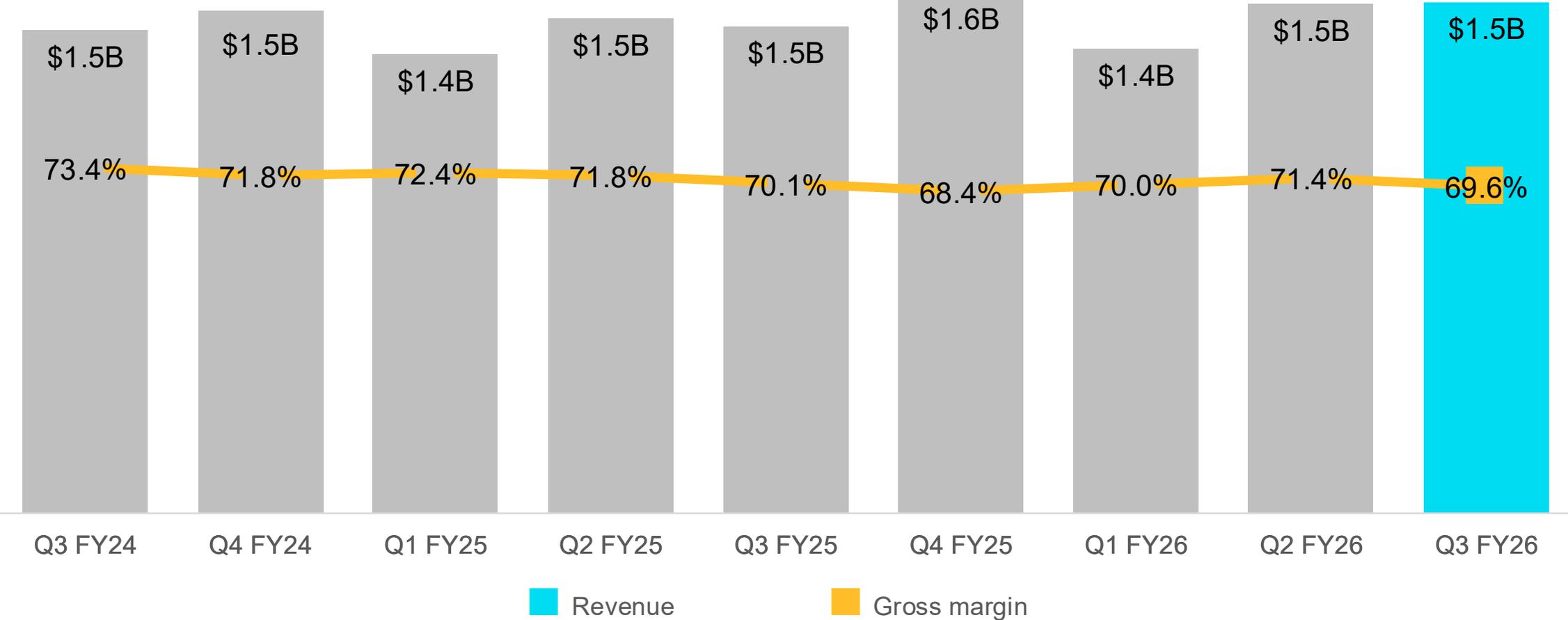
# Billings



# Non-GAAP gross margin

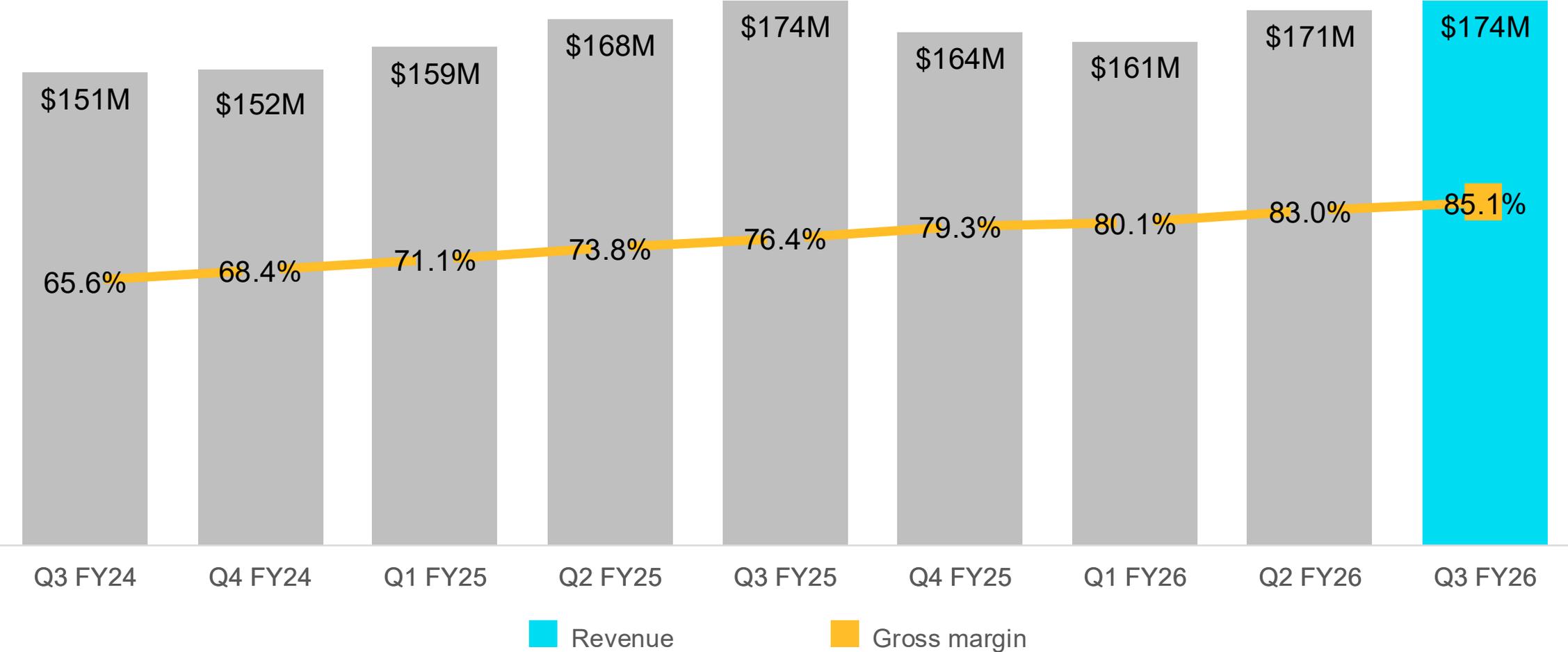


# Hybrid Cloud revenue and non-GAAP gross margin



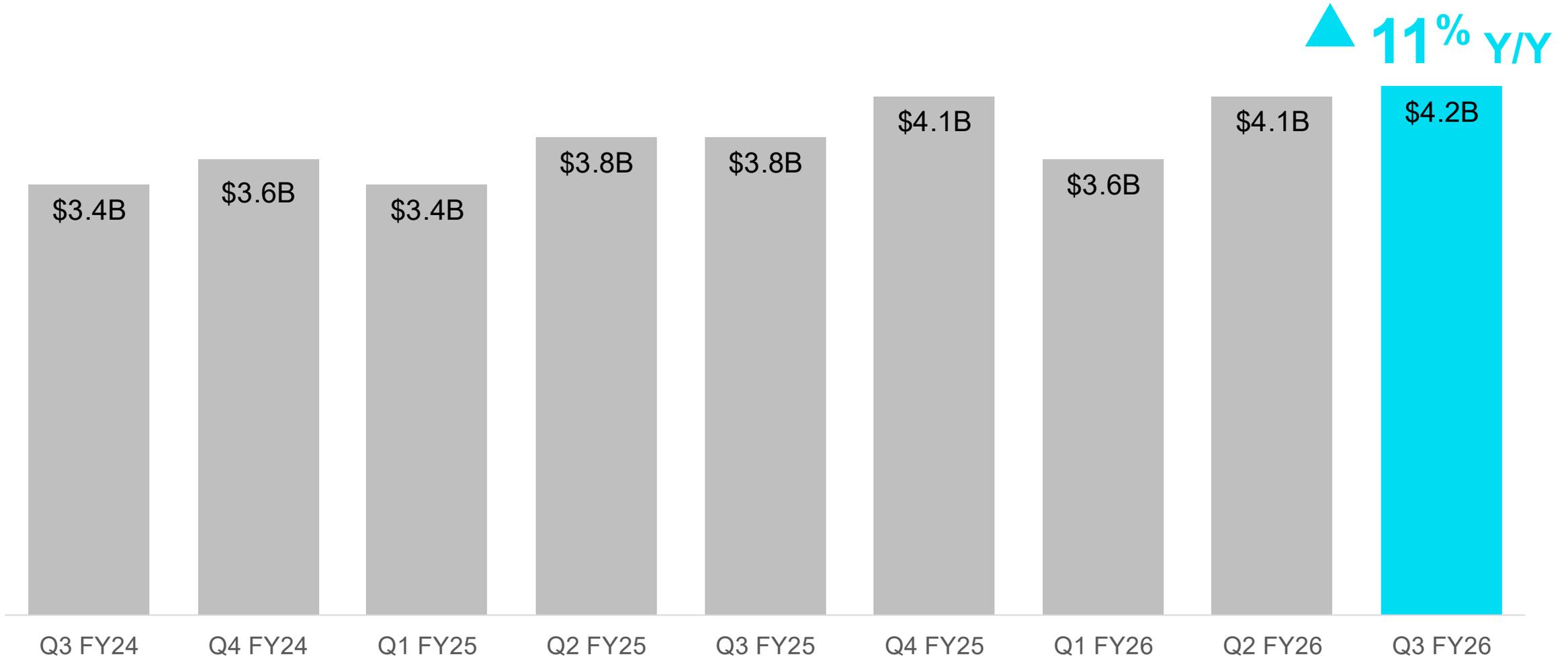
The company has two segments for financial reporting purposes: Hybrid Cloud and Public Cloud. A reconciliation of segment gross profit, which does not include stock-based compensation or amortization of intangibles, to consolidated gross profit is included in the appendix.

# Public Cloud revenue and non-GAAP gross margin



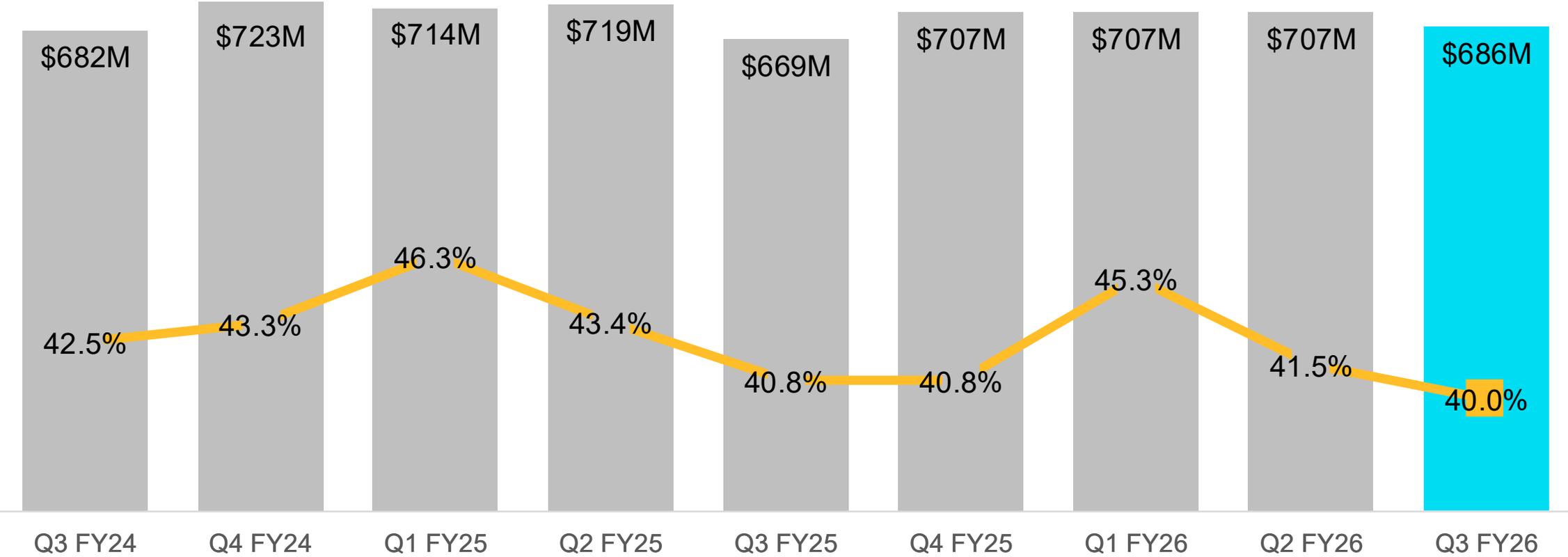
The company has two segments for financial reporting purposes: Hybrid Cloud and Public Cloud. A reconciliation of segment gross profit, which does not include stock-based compensation or amortization of intangibles, to consolidated gross profit is included in the appendix. Public Cloud revenue includes the impact from the divestiture of Spot by NetApp, effective March 3, 2025

# All flash array annualized revenue run rate



■ All flash array annualized revenue run rate

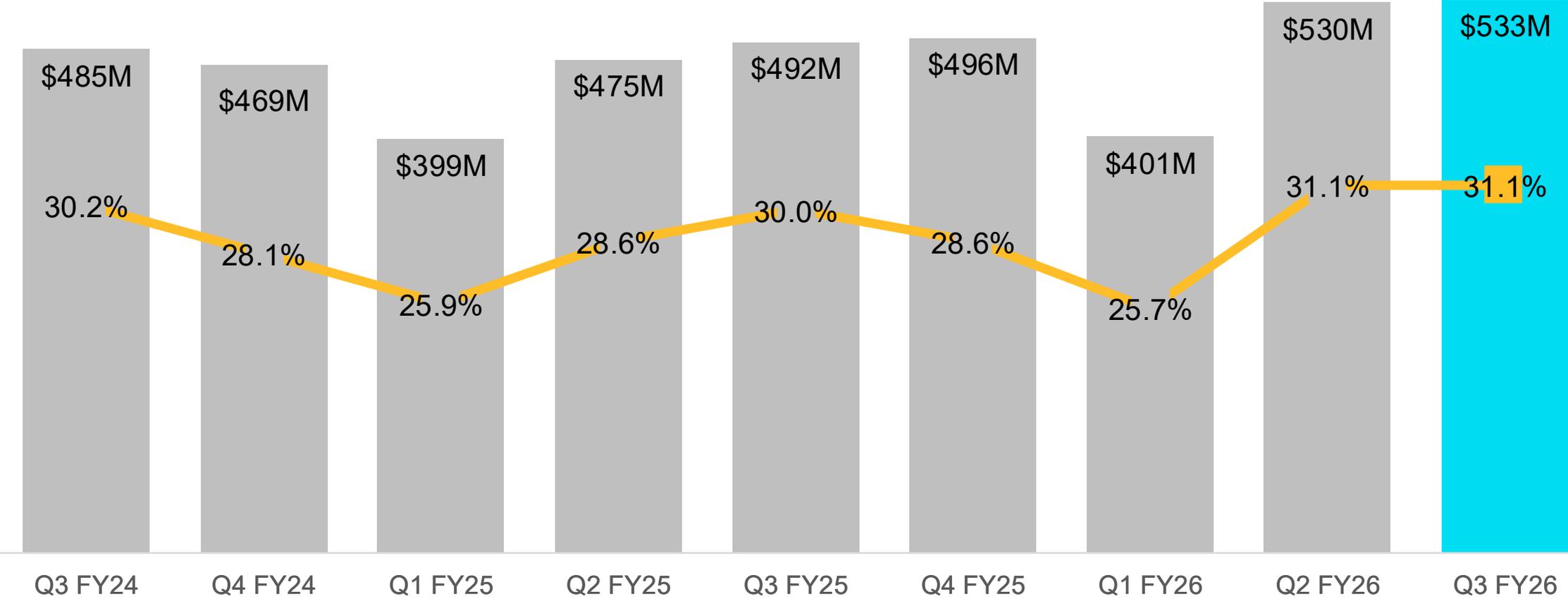
# Non-GAAP operating expense



■ Non-GAAP operating expense

■ Non-GAAP operating expense as a percent of revenue

# Non-GAAP operating income

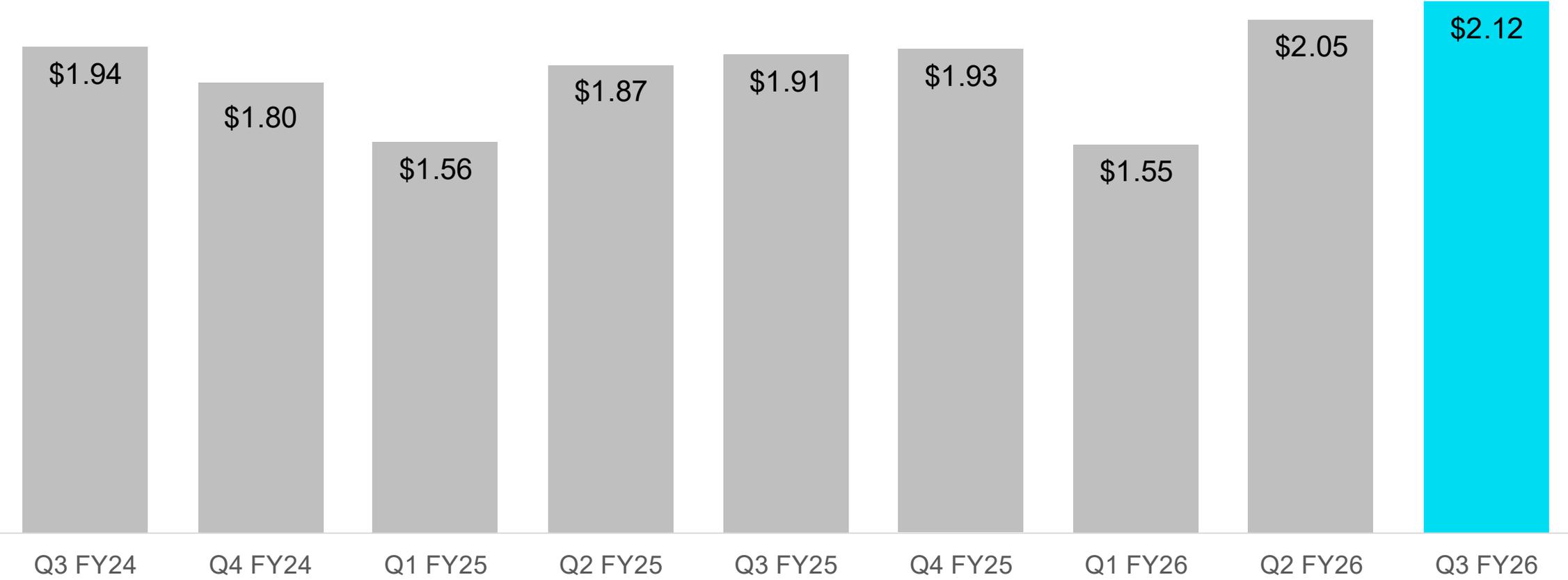


■ Non-GAAP operating income

■ Non-GAAP operating margin

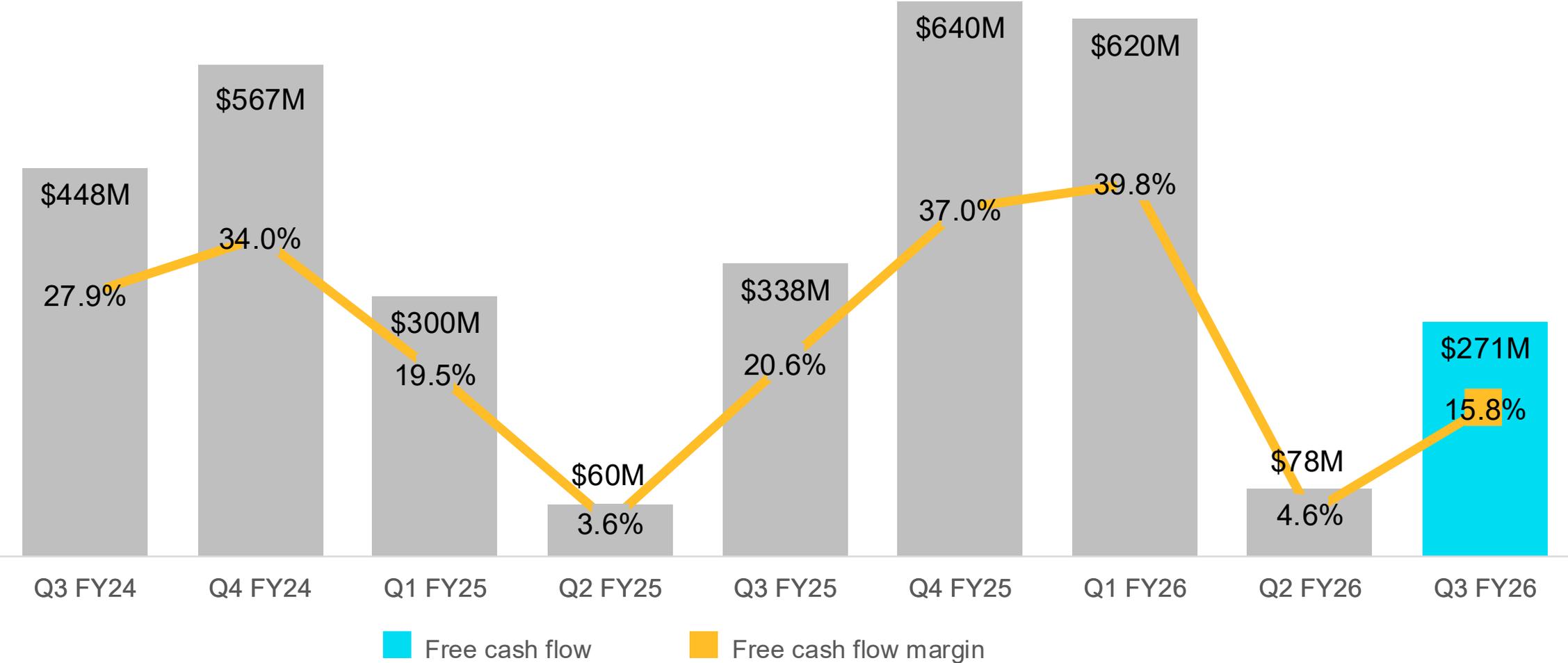
# Non-GAAP earnings per share

▲ 11% Y/Y

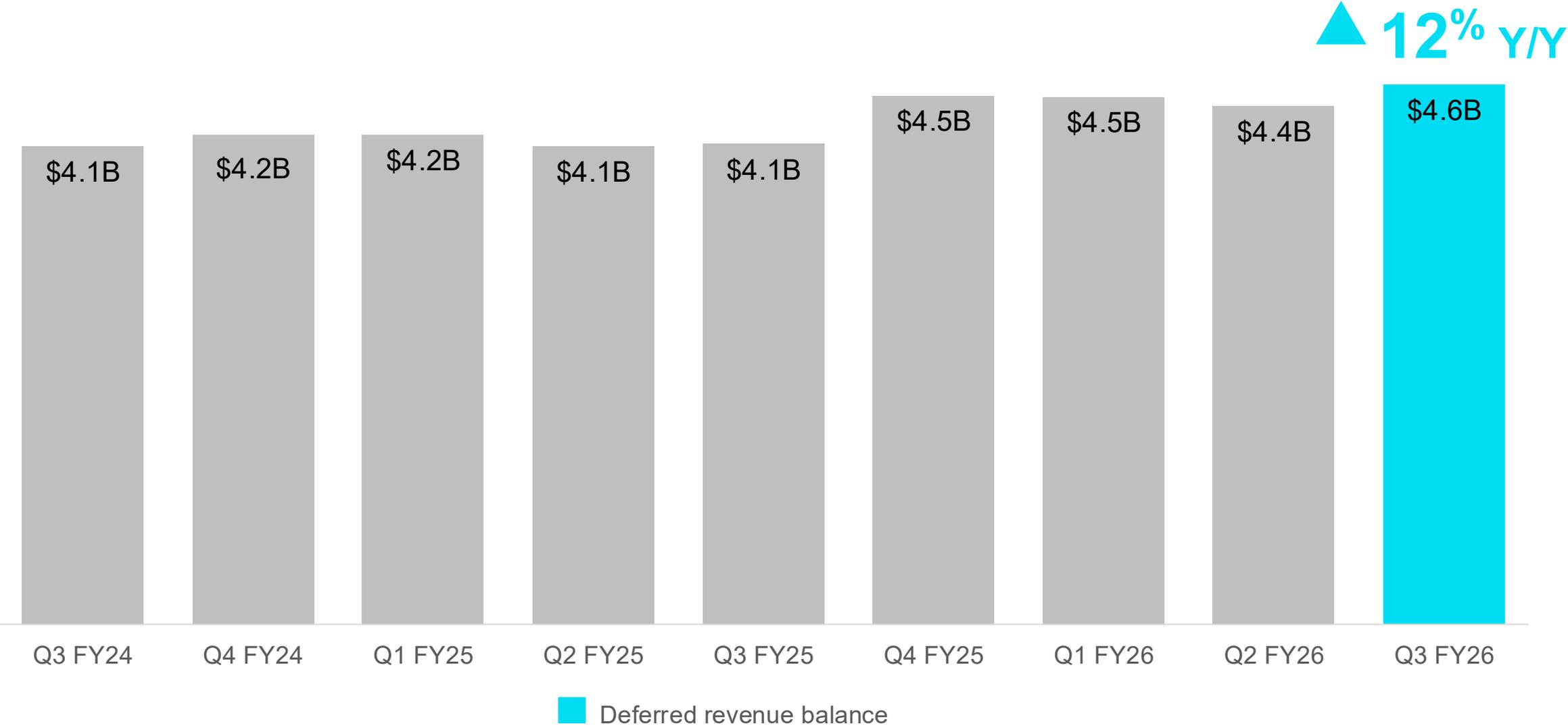


■ Non-GAAP earnings per share

# Free cash flow



# Deferred revenue



# Q4 FY26 GUIDANCE

AS OF FEB 26, 2026

	Q4 Guide
Revenue	\$1.795B – \$1.945B
Gross margin*	69.5% – 70.5%
Operating margin*	30.5% – 31.5%
Earnings per share*	\$2.21 – \$2.31

\*Gross margin, operating margin and EPS are Non-GAAP numbers. Refer to appendix for additional details and a reconciliation between GAAP and Non-GAAP numbers.

# UPDATED FY26 GUIDANCE

AS OF FEB 26, 2026

	<b>FY26 Guide</b>
Revenue	\$6.772B – \$6.922B
Gross margin*	70.7% – 71.7%
Operating margin*	29.3% – 30.3%
Earnings per share*	\$7.92 – \$8.02

## Additional modeling points

Other income and  
expenses\*\*

Approx -\$24M

Tax rate\*

20.2% – 21.2%

\*Gross margin, operating margin, EPS, and tax rate are Non-GAAP numbers. Refer to appendix for additional details and a reconciliation between GAAP and Non-GAAP numbers.

\*\*Other income and expense equals interest income less interest expense

# **Appendix: Supplementary Tables and GAAP to Non- GAAP Reconciliations & Explanations**



# Supplemental revenue and gross margin data

## RECONCILIATION OF SEGMENTS GROSS PROFIT TO TOTAL GROSS PROFIT (\$ in millions)

	Q3 FY24	Q4 FY24	Q1 FY25	Q2 FY25	Q3 FY25	Q4 FY25	Q1 FY26	Q2 FY26	Q3 FY26	First Nine Months of FY2025	First Nine Months of FY2026
<b>Revenues by Segment</b>											
Product	\$ 747	\$ 806	\$ 669	\$ 768	\$ 758	\$ 845	\$ 654	\$ 788	\$ 786	\$ 2,195	\$ 2,228
Support	631	623	631	635	621	625	647	647	654	1,887	1,948
Professional and Other Services	77	87	82	87	88	98	97	99	99	257	295
<b>Hybrid Cloud Segment Net Revenues</b>	<b>1,455</b>	<b>1,516</b>	<b>1,382</b>	<b>1,490</b>	<b>1,467</b>	<b>1,568</b>	<b>1,398</b>	<b>1,534</b>	<b>1,539</b>	<b>4,339</b>	<b>4,471</b>
<b>Public Cloud Segment Net Revenues</b>	<b>151</b>	<b>152</b>	<b>159</b>	<b>168</b>	<b>174</b>	<b>164</b>	<b>161</b>	<b>171</b>	<b>174</b>	<b>501</b>	<b>506</b>
<b>Net Revenues</b>	<b>1,606</b>	<b>1,668</b>	<b>1,541</b>	<b>1,658</b>	<b>1,641</b>	<b>1,732</b>	<b>1,559</b>	<b>1,705</b>	<b>1,713</b>	<b>4,840</b>	<b>4,977</b>
<b>Gross Profit by Segment</b>											
Product	467	494	401	463	430	468	353	469	435	1,294	1,257
Support	582	574	581	584	573	577	597	596	605	1,738	1,798
Professional and Other Services	19	20	18	23	25	28	29	30	31	66	90
<b>Hybrid Cloud Segment Gross Profit</b>	<b>1,068</b>	<b>1,088</b>	<b>1,000</b>	<b>1,070</b>	<b>1,028</b>	<b>1,073</b>	<b>979</b>	<b>1,095</b>	<b>1,071</b>	<b>3,098</b>	<b>3,145</b>
<b>Public Cloud Segment Gross Profit</b>	<b>99</b>	<b>104</b>	<b>113</b>	<b>124</b>	<b>133</b>	<b>130</b>	<b>129</b>	<b>142</b>	<b>148</b>	<b>370</b>	<b>419</b>
<b>Total Segments Gross Profit</b>	<b>1,167</b>	<b>1,192</b>	<b>1,113</b>	<b>1,194</b>	<b>1,161</b>	<b>1,203</b>	<b>1,108</b>	<b>1,237</b>	<b>1,219</b>	<b>3,468</b>	<b>3,564</b>
Amortization of Intangible Assets	(9)	(8)	(8)	(9)	(8)	(3)	(3)	(3)	(2)	(25)	(8)
Stock-based Compensation	(7)	(8)	(7)	(8)	(8)	(7)	(7)	(7)	(8)	(23)	(22)
<b>Unallocated Cost of Revenues</b>	<b>(16)</b>	<b>(16)</b>	<b>(15)</b>	<b>(17)</b>	<b>(16)</b>	<b>(10)</b>	<b>(10)</b>	<b>(10)</b>	<b>(10)</b>	<b>(48)</b>	<b>(30)</b>
<b>Gross Profit</b>	<b>\$ 1,151</b>	<b>\$ 1,176</b>	<b>\$ 1,098</b>	<b>\$ 1,177</b>	<b>\$ 1,145</b>	<b>\$ 1,193</b>	<b>\$ 1,098</b>	<b>\$ 1,227</b>	<b>\$ 1,209</b>	<b>\$ 3,420</b>	<b>\$ 3,534</b>
<b>Hybrid Cloud Segment Gross Margin</b>	<b>73.4%</b>	<b>71.8%</b>	<b>72.4%</b>	<b>71.8%</b>	<b>70.1%</b>	<b>68.4%</b>	<b>70.0%</b>	<b>71.4%</b>	<b>69.6%</b>	<b>71.4%</b>	<b>70.3%</b>
<b>Public Cloud Segment Gross Margin</b>	<b>65.6%</b>	<b>68.4%</b>	<b>71.1%</b>	<b>73.8%</b>	<b>76.4%</b>	<b>79.3%</b>	<b>80.1%</b>	<b>83.0%</b>	<b>85.1%</b>	<b>73.9%</b>	<b>82.8%</b>

# Reconciliation of net revenues to billings (Non-GAAP)

**RECONCILIATION OF NET REVENUES  
TO BILLINGS (NON-GAAP)**  
(\$ in millions)

	Q3 FY24	Q4 FY24	Q1 FY25	Q2 FY25	Q3 FY25	Q4 FY25	Q1 FY26	Q2 FY26	Q3 FY26	First Nine Months of FY2025	First Nine Months of FY2026
<b>Net revenues</b>	\$ 1,606	\$ 1,668	\$ 1,541	\$ 1,658	\$ 1,641	\$ 1,732	\$ 1,559	\$ 1,705	\$ 1,713	\$ 4,840	\$ 4,977
Change in deferred revenue and financed unearned services revenue*	81	146	(92)	(72)	72	300	(48)	(59)	173	(92)	66
<b>Billings</b>	\$ 1,687	\$ 1,814	\$ 1,449	\$ 1,586	\$ 1,713	\$ 2,032	\$ 1,511	\$ 1,646	\$ 1,886	\$ 4,748	\$ 5,043

\* As reported on our Condensed Consolidated Statements of Cash Flows

NetApp approximates billings by adding net revenues as reported on our consolidated statements of operations for the period to the change in total deferred revenue and financed unearned services revenue as reported on our consolidated statements of cash flows.  
*Some items may not add or recalculate due to rounding*

# Reconciliation of GAAP to Non-GAAP gross profit and gross margin

RECONCILIATION OF GAAP TO NON-GAAP  
GROSS PROFIT AND GROSS MARGIN  
(\$ in millions)

	Q3 FY24	Q4 FY24	Q1 FY25	Q2 FY25	Q3 FY25	Q4 FY25	Q1 FY26	Q2 FY26	Q3 FY26	First Nine Months of FY2025	First Nine Months of FY2026
Net revenues	\$ 1,606	\$ 1,668	\$ 1,541	\$ 1,658	\$ 1,641	\$ 1,732	\$ 1,559	\$ 1,705	\$ 1,713	\$ 4,840	\$ 4,977
<b>Gross Profit</b>	<b>\$ 1,151</b>	<b>\$ 1,176</b>	<b>\$ 1,098</b>	<b>\$ 1,177</b>	<b>\$ 1,145</b>	<b>\$ 1,193</b>	<b>\$ 1,098</b>	<b>\$ 1,227</b>	<b>\$ 1,209</b>	<b>\$ 3,420</b>	<b>\$ 3,534</b>
Adjustments:											
Amortization of intangible assets	9	8	8	9	8	3	3	3	2	25	8
Stock-based compensation	7	8	7	8	8	7	7	7	8	23	22
<b>Non-GAAP Gross profit</b>	<b>\$ 1,167</b>	<b>\$ 1,192</b>	<b>\$ 1,113</b>	<b>\$ 1,194</b>	<b>\$ 1,161</b>	<b>\$ 1,203</b>	<b>\$ 1,108</b>	<b>\$ 1,237</b>	<b>\$ 1,219</b>	<b>\$ 3,468</b>	<b>\$ 3,564</b>
<b>Gross margin</b>	<b>71.7%</b>	<b>70.5%</b>	<b>71.3%</b>	<b>71.0%</b>	<b>69.8%</b>	<b>68.9%</b>	<b>70.4%</b>	<b>72.0%</b>	<b>70.6%</b>	<b>70.7%</b>	<b>71.0%</b>
Adjustments:	1.0%	1.0%	0.9%	1.0%	0.9%	0.6%	0.7%	0.6%	0.6%	1.0%	0.6%
<b>Non-GAAP Gross margin</b>	<b>72.7%</b>	<b>71.5%</b>	<b>72.2%</b>	<b>72.0%</b>	<b>70.7%</b>	<b>69.5%</b>	<b>71.1%</b>	<b>72.6%</b>	<b>71.2%</b>	<b>71.7%</b>	<b>71.6%</b>

# Reconciliation of GAAP to Non-GAAP operating expenses

## RECONCILIATION OF GAAP TO NON-GAAP OPERATING EXPENSES (\$ in millions)

	Q3 FY24	Q4 FY24	Q1 FY25	Q2 FY25	Q3 FY25	Q4 FY25	Q1 FY26	Q2 FY26	Q3 FY26	First Nine Months of FY2025	First Nine Months of FY2026
<b>Operating expenses</b>	\$ 785	\$ 810	\$ 816	\$ 832	\$ 783	\$ 845	\$ 789	\$ 828	\$ 775	\$ 2,431	\$ 2,392
Adjustments:											
Amortization of intangible assets	(5)	(6)	(6)	(5)	(5)	(3)	(3)	(3)	(3)	(16)	(9)
Stock-based compensation	(82)	(80)	(78)	(95)	(95)	(88)	(76)	(95)	(89)	(268)	(260)
Restructuring charges	(13)	—	(17)	(12)	(9)	(45)	(2)	(23)	3	(38)	(22)
Acquisition-related expense	(3)	(1)	(1)	(1)	(2)	(1)	—	—	—	(4)	—
Gains/losses on the sale or derecognition of assets	—	—	—	—	(3)	(1)	(1)	—	—	(3)	(1)
<b>Non-GAAP Operating expenses</b>	\$ 682	\$ 723	\$ 714	\$ 719	\$ 669	\$ 707	\$ 707	\$ 707	\$ 686	\$ 2,102	\$ 2,100
<b>Net revenues</b>	\$ 1,606	\$ 1,668	\$ 1,541	\$ 1,658	\$ 1,641	\$ 1,732	\$ 1,559	\$ 1,705	\$ 1,713	\$ 4,840	\$ 4,977
<b>Operating expenses as a percentage of net revenues</b>	<b>48.9%</b>	<b>48.6%</b>	<b>53.0%</b>	<b>50.2%</b>	<b>47.7%</b>	<b>48.8%</b>	<b>50.6%</b>	<b>48.6%</b>	<b>45.2%</b>	<b>50.2%</b>	<b>48.1%</b>
Adjustments:	(6.4)%	(6.4)%	(5.2)%	(6.8)%	(6.9)%	(8.0)%	(5.3)%	(7.1)%	(5.2)%	(6.8)%	(5.9)%
<b>Non-GAAP Operating expenses as a percentage of net revenues</b>	<b>42.5%</b>	<b>43.3%</b>	<b>46.3%</b>	<b>43.4%</b>	<b>40.8%</b>	<b>40.8%</b>	<b>45.3%</b>	<b>41.5%</b>	<b>40.0%</b>	<b>43.4%</b>	<b>42.2%</b>

# Reconciliation of GAAP to Non-GAAP operating margin

## RECONCILIATION OF GAAP TO NON-GAAP OPERATING MARGIN (\$ in millions)

	Q3 FY24	Q4 FY24	Q1 FY25	Q2 FY25	Q3 FY25	Q4 FY25	Q1 FY26	Q2 FY26	Q3 FY26	First Nine Months of FY2025	First Nine Months of FY2026
<b>Income from operations</b>	\$ 366	\$ 366	\$ 282	\$ 345	\$ 362	\$ 348	\$ 309	\$ 399	\$ 434	\$ 989	\$ 1,142
Adjustments:											
Amortization of intangible assets	14	14	14	14	13	6	6	6	5	41	17
Stock-based compensation	89	88	85	103	103	95	83	102	97	291	282
Restructuring charges	13	—	17	12	9	45	2	23	(3)	38	22
Acquisition-related expense	3	1	1	1	2	1	—	—	—	4	—
Gains/losses on the sale or derecognition of assets	—	—	—	—	3	1	1	—	—	3	1
<b>Non-GAAP Income from operations</b>	\$ 485	\$ 469	\$ 399	\$ 475	\$ 492	\$ 496	\$ 401	\$ 530	\$ 533	\$ 1,366	\$ 1,464
Net revenues	\$ 1,606	\$ 1,668	\$ 1,541	\$ 1,658	\$ 1,641	\$ 1,732	\$ 1,559	\$ 1,705	\$ 1,713	\$ 4,840	\$ 4,977
<b>Operating margin</b>	<b>22.8%</b>	<b>21.9%</b>	<b>18.3%</b>	<b>20.8%</b>	<b>22.1%</b>	<b>20.1%</b>	<b>19.8%</b>	<b>23.4%</b>	<b>25.3%</b>	<b>20.4%</b>	<b>22.9%</b>
Adjustments:	7.4%	6.2%	7.6%	7.8%	7.9%	8.5%	5.9%	7.7%	5.8%	7.8%	6.5%
<b>Non-GAAP Operating margin</b>	<b>30.2%</b>	<b>28.1%</b>	<b>25.9%</b>	<b>28.6%</b>	<b>30.0%</b>	<b>28.6%</b>	<b>25.7%</b>	<b>31.1%</b>	<b>31.1%</b>	<b>28.2%</b>	<b>29.4%</b>

The terms “operating income” and “income from operations” are used interchangeably

# Reconciliation of GAAP to Non-GAAP net income per share

## RECONCILIATION OF GAAP TO NON-GAAP NET INCOME PER SHARE

	Q3 FY24	Q4 FY24	Q1 FY25	Q2 FY25	Q3 FY25	Q4 FY25	Q1 FY26	Q2 FY26	Q3 FY26	First Nine Months of FY2025	First Nine Months of FY2026
<b>Net income per share</b>	\$ 1.48	\$ 1.37	\$ 1.17	\$ 1.42	\$ 1.44	\$ 1.65	\$ 1.15	\$ 1.51	\$ 1.67	\$ 4.03	\$ 4.32
Adjustments:											
Amortization of intangible assets	0.07	0.07	0.07	0.07	0.06	0.03	0.03	0.03	0.03	0.20	0.08
Stock-based compensation	0.42	0.42	0.40	0.49	0.50	0.46	0.41	0.50	0.49	1.39	1.40
Restructuring charges	0.06	—	0.08	0.06	0.04	0.22	0.01	0.11	(0.02)	0.18	0.11
Acquisition-related expense	0.01	—	—	—	0.01	0.01	—	—	—	0.02	—
Gains/losses on the sale or derecognition of assets	—	—	—	0.01	0.01	—	—	—	—	0.03	—
Gain on sale of equity investment	—	—	—	—	—	(0.05)	—	—	—	—	—
Resolution of income tax matters	—	—	—	—	—	(0.19)	—	—	—	—	—
Income tax effects	(0.10)	(0.06)	(0.17)	(0.19)	(0.15)	(0.20)	(0.05)	(0.10)	(0.05)	(0.51)	(0.21)
<b>Non-GAAP Net income per share</b>	\$ 1.94	\$ 1.80	\$ 1.56	\$ 1.87	\$ 1.91	\$ 1.93	\$ 1.55	\$ 2.05	\$ 2.12	\$ 5.33	\$ 5.70
Diluted Shares	211	212	212	210	208	206	203	202	200	210	202

GAAP and Non-GAAP Net income per share were computed using the diluted number of shares

The terms "earnings per share" and "net income per share" are used interchangeably

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

# Reconciliation of net cash provided by (used in) operating activities to free cash flow (Non-GAAP)

## RECONCILIATION OF NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES TO FREE CASH FLOW (NON-GAAP) (\$ in millions)

	Q3 FY24	Q4 FY24	Q1 FY25	Q2 FY25	Q3 FY25	Q4 FY25	Q1 FY26	Q2 FY26	Q3 FY26	First Nine Months of FY2025	First Nine Months of FY2026
Net cash provided by (used in) operating activities	\$ 484	\$ 613	\$ 341	\$ 105	\$ 385	\$ 675	\$ 673	\$ 127	\$ 317	\$ 831	\$ 1,117
Purchases of property and equipment	(36)	(46)	(41)	(45)	(47)	(35)	(53)	(49)	(46)	(133)	(148)
<b>Free cash flow</b>	<b>\$ 448</b>	<b>\$ 567</b>	<b>\$ 300</b>	<b>\$ 60</b>	<b>\$ 338</b>	<b>\$ 640</b>	<b>\$ 620</b>	<b>\$ 78</b>	<b>\$ 271</b>	<b>\$ 698</b>	<b>\$ 969</b>
Net revenues	\$ 1,606	\$ 1,668	\$ 1,541	\$ 1,658	\$ 1,641	\$ 1,732	\$ 1,559	\$ 1,705	\$ 1,713	\$ 4,840	\$ 4,977
<b>Free cash flow margin</b>	<b>27.9%</b>	<b>34.0%</b>	<b>19.5%</b>	<b>3.6%</b>	<b>20.6%</b>	<b>37.0%</b>	<b>39.8%</b>	<b>4.6%</b>	<b>15.8%</b>	<b>14.4%</b>	<b>19.5%</b>

Free cash flow is a non-GAAP measure and is defined as net cash provided by operating activities less purchases of property and equipment.

Free cash flow margin is defined as free cash flow as a percentage of net revenues.

# Reconciliation of cash, cash equivalents and short-term investments to net cash (Non-GAAP)

**RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS  
TO NET CASH (NON-GAAP)  
(\$ in millions)**

	Q3 FY24	Q4 FY24	Q1 FY25	Q2 FY25	Q3 FY25	Q4 FY25	Q1 FY26	Q2 FY26	Q3 FY26
<b>Cash, cash equivalents and investments</b>	\$ 2,620	\$ 2,917	\$ 3,252	\$ 2,222	\$ 2,261	\$ 3,846	\$ 3,324	\$ 3,014	\$ 3,008
Current portion of long-term debt	(400)	(400)	(400)	(749)	(750)	(750)	—	—	—
Long-term debt	(1,991)	(1,991)	(1,992)	(1,244)	(1,244)	(2,485)	(2,485)	(2,486)	(2,486)
<b>Net cash</b>	<b>\$ 229</b>	<b>\$ 526</b>	<b>\$ 860</b>	<b>\$ 229</b>	<b>\$ 267</b>	<b>\$ 611</b>	<b>\$ 839</b>	<b>\$ 528</b>	<b>\$ 522</b>

Net cash is a non-GAAP measure and is defined as cash, cash equivalents and investments less current and non-current portion of long-term debt.

# Reconciliation of GAAP guidance to Non-GAAP - fourth quarter fiscal 2026

NETAPP, INC.  
RECONCILIATION OF GAAP GUIDANCE TO NON-GAAP  
FOURTH QUARTER FISCAL 2026

	<b>Fourth Quarter Fiscal 2026</b>
GAAP Guidance - Gross Margin	68.5% - 69.5%
Adjustments:	
Cost of revenues adjustments	1%
Non-GAAP Guidance - Gross Margin	69.5% - 70.5%
	<b>Fourth Quarter Fiscal 2026</b>
GAAP Guidance - Operating Margin	25.5% - 26.5%
Adjustments:	
Stock-based compensation expense	5%
Non-GAAP Guidance - Operating Margin	30.5% - 31.5%

# Reconciliation of GAAP guidance to Non-GAAP - fourth quarter fiscal 2026, continued

NETAPP, INC.  
RECONCILIATION OF GAAP GUIDANCE TO NON-GAAP  
FOURTH QUARTER FISCAL 2026

	<b>Fourth Quarter Fiscal 2026</b>
GAAP Guidance - Net Income Per Share	\$1.76 - \$1.86
Adjustments of Specific Items to Net Income	
Per Share for the Fourth Quarter Fiscal 2026:	
Amortization of intangible assets	\$0.02
Stock-based compensation expense	\$0.48
Income tax effects	(\$0.05)
Total Adjustments	\$0.45
Non-GAAP Guidance - Net Income Per Share	\$2.21 - \$2.31

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

# Reconciliation of GAAP guidance to Non-GAAP – fiscal 2026

NETAPP, INC.  
RECONCILIATION OF GAAP GUIDANCE TO NON-GAAP  
FISCAL 2026

	<u>Fiscal 2026</u>
GAAP Guidance - Gross Margin	69.7% - 70.7%
Adjustments:	
Cost of revenues adjustments	<u>1%</u>
Non-GAAP Guidance - Gross Margin	70.7% - 71.7%
	<u>Fiscal 2026</u>
GAAP Guidance - Operating Margin	23.3% - 24.3%
Adjustments:	
Stock-based compensation expense	<u>6%</u>
Non-GAAP Guidance - Operating Margin	29.3% - 30.3%

# Reconciliation of GAAP guidance to Non-GAAP – fiscal 2026, continued

NETAPP, INC.  
RECONCILIATION OF GAAP GUIDANCE TO NON-GAAP  
FISCAL 2026

	<u>Fiscal 2026</u>
GAAP Guidance - Net Income Per Share	\$6.07 - \$6.17
Adjustments of Specific Items to Net Income	
Per Share for Fiscal 2026:	
Amortization of intangible assets	\$0.10
Stock-based compensation expense	\$1.88
Restructuring charges	\$0.11
Income tax effects	(\$0.24)
Total Adjustments	<u>\$1.85</u>
Non-GAAP Guidance - Net Income Per Share	\$7.92 - \$8.02

	<u>Fiscal 2026</u>
GAAP Guidance - Effective Tax Rate	22.2% - 23.2%
Adjustments:	
Income Tax Adjustments	<u>(2)%</u>
Non-GAAP Guidance - Effective Tax Rate	20.2% - 21.2%

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

# Reconciliation of GAAP guidance to Non-GAAP - third quarter fiscal 2026

NETAPP, INC.  
RECONCILIATION OF GAAP GUIDANCE TO NON-GAAP  
THIRD QUARTER FISCAL 2026

	<b>Third Quarter Fiscal 2026</b>
GAAP Guidance - Gross Margin	71.3% - 72.3%
Adjustments:	
Cost of revenues adjustments	1%
Non-GAAP Guidance - Gross Margin	72.3% - 73.3%
	<b>Third Quarter Fiscal 2026</b>
GAAP Guidance - Operating Margin	24.5% - 25.5%
Adjustments:	
Stock-based compensation expense	6%
Non-GAAP Guidance - Operating Margin	30.5% - 31.5%

# Reconciliation of GAAP guidance to Non-GAAP - third quarter fiscal 2026, continued

NETAPP, INC.  
RECONCILIATION OF GAAP GUIDANCE TO NON-GAAP  
THIRD QUARTER FISCAL 2026

	<u>Third Quarter Fiscal 2026</u>
GAAP Guidance - Net Income Per Share	\$1.52 - \$1.62
Adjustments of Specific Items to Net Income	
Per Share for the Third Quarter Fiscal 2026:	
Amortization of intangible assets	\$0.02
Stock-based compensation expense	\$0.51
Income tax effects	<u>(\$0.04)</u>
Total Adjustments	\$0.49
Non-GAAP Guidance - Net Income Per Share	\$2.01 - \$2.11

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

**THE INTELLIGENT  
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INFRASTRUCTURE  
COMPANY**