

NETAPP, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(In millions)
(Unaudited)

	April 25, 2025	April 26, 2024
ASSETS		
Current assets:		
Cash, cash equivalents and investments	\$ 3,846	\$ 3,252
Accounts receivable	1,246	1,007
Inventories	186	186
Other current assets	573	452
Total current assets	5,851	4,897
Property and equipment, net	563	604
Goodwill and purchased intangible assets, net	2,766	2,883
Other non-current assets	1,643	1,503
Total assets	<u>\$ 10,823</u>	<u>\$ 9,887</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 511	\$ 517
Accrued expenses	1,122	1,013
Current portion of long-term debt	750	400
Short-term deferred revenue and financed unearned services revenue	2,279	2,176
Total current liabilities	4,662	4,106
Long-term debt	2,485	1,992
Other long-term liabilities	379	585
Long-term deferred revenue and financed unearned services revenue	2,257	2,058
Total liabilities	9,783	8,741
Stockholders' equity	1,040	1,146
Total liabilities and stockholders' equity	<u>\$ 10,823</u>	<u>\$ 9,887</u>

NETAPP, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(In millions, except per share amounts)
(Unaudited)

	Three Months Ended		Year Ended	
	April 25, 2025	April 26, 2024	April 25, 2025	April 26, 2024
Revenues:				
Product	\$ 845	\$ 806	\$ 3,040	\$ 2,849
Services	887	862	3,532	3,419
Net revenues	<u>1,732</u>	<u>1,668</u>	<u>6,572</u>	<u>6,268</u>
Cost of revenues:				
Cost of product	378	314	1,284	1,137
Cost of services	<u>161</u>	<u>178</u>	<u>675</u>	<u>698</u>
Total cost of revenues	<u>539</u>	<u>492</u>	<u>1,959</u>	<u>1,835</u>
Gross profit	<u>1,193</u>	<u>1,176</u>	<u>4,613</u>	<u>4,433</u>
Operating expenses:				
Sales and marketing	458	460	1,865	1,828
Research and development	256	271	1,012	1,029
General and administrative	85	78	311	308
Restructuring charges	45	—	83	44
Acquisition-related expense	<u>1</u>	<u>1</u>	<u>5</u>	<u>10</u>
Total operating expenses	<u>845</u>	<u>810</u>	<u>3,276</u>	<u>3,219</u>
Income from operations	348	366	1,337	1,214
Other income, net	<u>6</u>	<u>14</u>	<u>46</u>	<u>49</u>
Income before income taxes	354	380	1,383	1,263
Provision for income taxes	<u>14</u>	<u>89</u>	<u>197</u>	<u>277</u>
Net income	<u>\$ 340</u>	<u>\$ 291</u>	<u>\$ 1,186</u>	<u>\$ 986</u>
Net income per share:				
Basic	<u>\$ 1.67</u>	<u>\$ 1.41</u>	<u>\$ 5.81</u>	<u>\$ 4.74</u>
Diluted	<u>\$ 1.65</u>	<u>\$ 1.37</u>	<u>\$ 5.67</u>	<u>\$ 4.63</u>
Shares used in net income per share calculations:				
Basic	<u>203</u>	<u>206</u>	<u>204</u>	<u>208</u>
Diluted	<u>206</u>	<u>212</u>	<u>209</u>	<u>213</u>

NETAPP, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(In millions)
(Unaudited)

	Three Months Ended		Year Ended	
	April 25, 2025	April 26, 2024	April 25, 2025	April 26, 2024
Cash flows from operating activities:				
Net income	\$ 340	\$ 291	\$ 1,186	\$ 986
Adjustments to reconcile net income to net cash provided by operating activities:				
Depreciation and amortization	53	64	243	255
Non-cash operating lease cost	10	11	41	45
Stock-based compensation	95	88	386	357
Deferred income taxes	10	55	(100)	53
Other items, net	25	(17)	-	(13)
Changes in assets and liabilities, net of acquisitions of businesses:				
Accounts receivable	(323)	(228)	(219)	(33)
Inventories	81	(55)	(1)	(18)
Accounts payable	69	120	(8)	123
Accrued expenses	156	129	62	113
Deferred revenue and financed unearned services revenue	300	146	208	(14)
Long-term taxes payable	(123)	1	(207)	(106)
Changes in other operating assets and liabilities, net	(18)	8	(85)	(63)
Net cash provided by operating activities	675	613	1,506	1,685
Cash flows from investing activities:				
(Purchases) redemptions of investments, net	(345)	(251)	245	(580)
Purchases of property and equipment	(35)	(46)	(168)	(155)
Other investing activities, net	67	—	70	—
Net cash (used in) provided by investing activities	(313)	(297)	147	(735)
Cash flows from financing activities:				
Proceeds from issuance of common stock under employee stock award plans	—	—	108	100
Payments for taxes related to net share settlement of stock awards	(31)	(19)	(199)	(127)
Repurchase of common stock	(250)	(100)	(1,150)	(900)
Issuances of debt, net of issuance costs	1,240	—	1,240	—
Repayments and extinguishment of debt	—	—	(400)	—
Dividends paid	(105)	(104)	(424)	(416)
Other financing activities, net	(3)	(1)	(3)	(1)
Net cash provided by (used in) financing activities	851	(224)	(828)	(1,344)
Effect of exchange rate changes on cash, cash equivalents and restricted cash	18	(9)	15	(19)
Net change in cash, cash equivalents and restricted cash	1,231	83	840	(413)
Cash, cash equivalents and restricted cash:				
Beginning of period	1,518	1,826	1,909	2,322
End of period	\$ 2,749	\$ 1,909	\$ 2,749	\$ 1,909

NETAPP, INC.
SUPPLEMENTAL DATA
(In millions except net income per share, percentages, DSO, DPO and Inventory Turns)
(Unaudited)

Revenues by Segment

	Q4'FY25	Q3'FY25	Q4'FY24	FY2025	FY2024
Product	\$ 845	\$ 758	\$ 806	\$ 3,040	\$ 2,849
Support	625	621	623	2,512	2,488
Professional and Other Services	98	88	87	355	320
Hybrid Cloud Segment Net Revenues	1,568	1,467	1,516	5,907	5,657
Public Cloud Segment Net Revenues	164	174	152	665	611
Net Revenues	\$ 1,732	\$ 1,641	\$ 1,668	\$ 6,572	\$ 6,268

Gross Profit by Segment

	Q4'FY25	Q3'FY25	Q4'FY24	FY2025	FY2024
Product	\$ 468	\$ 430	\$ 494	\$ 1,762	\$ 1,718
Support	577	573	574	2,315	2,293
Professional and Other Services	28	25	20	94	77
Hybrid Cloud Segment Gross Profit	1,073	1,028	1,088	4,171	4,088
Public Cloud Segment Gross Profit	130	133	104	500	408
Total Segments Gross Profit	1,203	1,161	1,192	4,671	4,496
Amortization of Intangible Assets	(3)	(8)	(8)	(28)	(34)
Stock-based Compensation	(7)	(8)	(8)	(30)	(29)
Unallocated Cost of Revenues	(10)	(16)	(16)	(58)	(63)
Gross Profit	\$ 1,193	\$ 1,145	\$ 1,176	\$ 4,613	\$ 4,433

Gross Margin by Segment

	Q4'FY25	Q3'FY25	Q4'FY24	FY2025	FY2024
Product	55.4%	56.7%	61.3%	58.0%	60.3%
Support	92.3%	92.3%	92.1%	92.2%	92.2%
Professional and Other Services	28.6%	28.4%	23.0%	26.5%	24.1%
Hybrid Cloud Segment Gross Margin	68.4%	70.1%	71.8%	70.6%	72.3%
Public Cloud Segment Gross Margin	79.3%	76.4%	68.4%	75.2%	66.8%

Geographic Mix

	% of Q4 FY'25 Revenue	% of Q3 FY'25 Revenue	% of Q4 FY'24 Revenue	% of FY 2025 Revenue	% of FY 2024 Revenue
Americas	51%	51%	51%	51%	51%
<i>Americas Commercial</i>	42%	41%	41%	40%	40%
<i>U.S. Public Sector</i>	9%	10%	10%	11%	11%
EMEA	34%	34%	34%	34%	34%
Asia Pacific	15%	15%	15%	15%	15%

Pathways Mix

	% of Q4 FY'25 Revenue	% of Q3 FY'25 Revenue	% of Q4 FY'24 Revenue	% of FY 2025 Revenue	% of FY 2024 Revenue
Direct	22%	21%	24%	22%	24%
Indirect	78%	79%	76%	78%	76%

**Non-GAAP Income from Operations, Income before
Income Taxes & Effective Tax Rate**

	<u>Q4'FY25</u>	<u>Q3'FY25</u>	<u>Q4'FY24</u>	<u>FY2025</u>	<u>FY2024</u>
Non-GAAP Income from Operations	\$ 496	\$ 492	\$ 469	\$ 1,862	\$ 1,682
% of Net Revenues	28.6%	30.0%	28.1%	28.3%	26.8%
Non-GAAP Income before Income Taxes	\$ 492	\$ 500	\$ 483	\$ 1,901	\$ 1,726
Non-GAAP Effective Tax Rate	19.3%	20.6%	20.9%	20.2%	20.3%

Non-GAAP Net Income

	<u>Q4'FY25</u>	<u>Q3'FY25</u>	<u>Q4'FY24</u>	<u>FY2025</u>	<u>FY2024</u>
Non-GAAP Net Income	\$ 397	\$ 397	\$ 382	\$ 1,516	\$ 1,375
Non-GAAP Weighted Average Common Shares Outstanding, Diluted	206	208	212	209	213
Non-GAAP Net Income per Share, Diluted	\$ 1.93	\$ 1.91	\$ 1.80	\$ 7.25	\$ 6.46

Select Balance Sheet Items

	<u>Q4'FY25</u>	<u>Q3'FY25</u>	<u>Q4'FY24</u>
Deferred Revenue and Financed Unearned Services Revenue	\$ 4,536	\$ 4,122	\$ 4,234
DSO (days)	65	50	55
DPO (days)	86	80	96
Inventory Turns	12	7	11

Days sales outstanding (DSO) is defined as accounts receivable divided by net revenues, multiplied by the number of days in the quarter.

Days payables outstanding (DPO) is defined as accounts payable divided by cost of revenues, multiplied by the number of days in the quarter.

Inventory turns is defined as annualized cost of revenues divided by net inventories.

Select Cash Flow Statement Items

	<u>Q4'FY25</u>	<u>Q3'FY25</u>	<u>Q4'FY24</u>	<u>FY2025</u>	<u>FY2024</u>
Net Cash Provided by Operating Activities	\$ 675	\$ 385	\$ 613	\$ 1,506	\$ 1,685
Purchases of Property and Equipment	\$ 35	\$ 47	\$ 46	\$ 168	\$ 155
Free Cash Flow	\$ 640	\$ 338	\$ 567	\$ 1,338	\$ 1,530
Free Cash Flow as % of Net Revenues	37.0%	20.6%	34.0%	20.4%	24.4%

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

Some items may not add or recalculate due to rounding.

NETAPP, INC.
RECONCILIATION OF GAAP TO NON-GAAP
INCOME STATEMENT INFORMATION
(In millions, except net income per share amounts)

	Q4'FY25	Q3'FY25	Q4'FY24	FY2025	FY2024
NET INCOME	\$ 340	\$ 299	\$ 291	\$ 1,186	\$ 986
Adjustments:					
Amortization of intangible assets	6	13	14	47	57
Stock-based compensation	95	103	88	386	357
Litigation settlements	—	—	—	—	(5)
Restructuring charges	45	9	—	83	44
Acquisition-related expense	1	2	1	5	10
Gains/losses on the sale or derecognition of assets	1	3	—	7	—
Gain on sale of equity investment	(10)	—	—	(10)	—
Income tax effects	(42)	(32)	(12)	(149)	(74)
Resolution of income tax matters	(39)	—	—	(39)	—
NON-GAAP NET INCOME	<u>\$ 397</u>	<u>\$ 397</u>	<u>\$ 382</u>	<u>\$ 1,516</u>	<u>\$ 1,375</u>
COST OF REVENUES	\$ 539	\$ 496	\$ 492	\$ 1,959	\$ 1,835
Adjustments:					
Amortization of intangible assets	(3)	(8)	(8)	(28)	(34)
Stock-based compensation	(7)	(8)	(8)	(30)	(29)
NON-GAAP COST OF REVENUES	<u>\$ 529</u>	<u>\$ 480</u>	<u>\$ 476</u>	<u>\$ 1,901</u>	<u>\$ 1,772</u>
COST OF PRODUCT REVENUES	\$ 378	\$ 330	\$ 314	\$ 1,284	\$ 1,137
Adjustments:					
Stock-based compensation	(1)	(2)	(2)	(6)	(6)
NON-GAAP COST OF PRODUCT REVENUES	<u>\$ 377</u>	<u>\$ 328</u>	<u>\$ 312</u>	<u>\$ 1,278</u>	<u>\$ 1,131</u>
COST OF SERVICES REVENUES	\$ 161	\$ 166	\$ 178	\$ 675	\$ 698
Adjustments:					
Amortization of intangible assets	(3)	(8)	(8)	(28)	(34)
Stock-based compensation	(6)	(6)	(6)	(24)	(23)
NON-GAAP COST OF SERVICES REVENUES	<u>\$ 152</u>	<u>\$ 152</u>	<u>\$ 164</u>	<u>\$ 623</u>	<u>\$ 641</u>
GROSS PROFIT	\$ 1,193	\$ 1,145	\$ 1,176	\$ 4,613	\$ 4,433
Adjustments:					
Amortization of intangible assets	3	8	8	28	34
Stock-based compensation	7	8	8	30	29
NON-GAAP GROSS PROFIT	<u>\$ 1,203</u>	<u>\$ 1,161</u>	<u>\$ 1,192</u>	<u>\$ 4,671</u>	<u>\$ 4,496</u>

NETAPP, INC.
RECONCILIATION OF GAAP TO NON-GAAP
INCOME STATEMENT INFORMATION
(In millions, except net income per share amounts)

	Q4'FY25	Q3'FY25	Q4'FY24	FY2025	FY2024
SALES AND MARKETING EXPENSES	\$ 458	\$ 451	\$ 460	\$ 1,865	\$ 1,828
Adjustments:					
Amortization of intangible assets	(3)	(5)	(6)	(19)	(23)
Stock-based compensation	(40)	(44)	(34)	(162)	(143)
NON-GAAP SALES AND MARKETING EXPENSES	<u>\$ 415</u>	<u>\$ 402</u>	<u>\$ 420</u>	<u>\$ 1,684</u>	<u>\$ 1,662</u>
RESEARCH AND DEVELOPMENT EXPENSES	\$ 256	\$ 247	\$ 271	\$ 1,012	\$ 1,029
Adjustments:					
Stock-based compensation	(31)	(36)	(33)	(135)	(132)
NON-GAAP RESEARCH AND DEVELOPMENT EXPENSES	<u>\$ 225</u>	<u>\$ 211</u>	<u>\$ 238</u>	<u>\$ 877</u>	<u>\$ 897</u>
GENERAL AND ADMINISTRATIVE EXPENSES	\$ 85	\$ 74	\$ 78	\$ 311	\$ 308
Adjustments:					
Stock-based compensation	(17)	(15)	(13)	(59)	(53)
Gains/losses on the sale or derecognition of assets	(1)	(3)	—	(4)	—
NON-GAAP GENERAL AND ADMINISTRATIVE EXPENSES	<u>\$ 67</u>	<u>\$ 56</u>	<u>\$ 65</u>	<u>\$ 248</u>	<u>\$ 255</u>
RESTRUCTURING CHARGES	\$ 45	\$ 9	\$ —	\$ 83	\$ 44
Adjustments:					
Restructuring charges	(45)	(9)	—	(83)	(44)
NON-GAAP RESTRUCTURING CHARGES	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>
ACQUISITION-RELATED EXPENSE	\$ 1	\$ 2	\$ 1	\$ 5	\$ 10
Adjustments:					
Acquisition-related expense	(1)	(2)	(1)	(5)	(10)
NON-GAAP ACQUISITION-RELATED EXPENSE	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>
OPERATING EXPENSES	\$ 845	\$ 783	\$ 810	\$ 3,276	\$ 3,219
Adjustments:					
Amortization of intangible assets	(3)	(5)	(6)	(19)	(23)
Stock-based compensation	(88)	(95)	(80)	(356)	(328)
Restructuring charges	(45)	(9)	—	(83)	(44)
Acquisition-related expense	(1)	(2)	(1)	(5)	(10)
Gains/losses on the sale or derecognition of assets	(1)	(3)	—	(4)	—
NON-GAAP OPERATING EXPENSES	<u>\$ 707</u>	<u>\$ 669</u>	<u>\$ 723</u>	<u>\$ 2,809</u>	<u>\$ 2,814</u>

NETAPP, INC.
RECONCILIATION OF GAAP TO NON-GAAP
INCOME STATEMENT INFORMATION
(In millions, except net income per share amounts)

	Q4'FY25	Q3'FY25	Q4'FY24	FY2025	FY2024
INCOME FROM OPERATIONS	\$ 348	\$ 362	\$ 366	\$ 1,337	\$ 1,214
Adjustments:					
Amortization of intangible assets	6	13	14	47	57
Stock-based compensation	95	103	88	386	357
Restructuring charges	45	9	—	83	44
Acquisition-related expense	1	2	1	5	10
Gains/losses on the sale or derecognition of assets	1	3	—	4	—
NON-GAAP INCOME FROM OPERATIONS	<u>\$ 496</u>	<u>\$ 492</u>	<u>\$ 469</u>	<u>\$ 1,862</u>	<u>\$ 1,682</u>
OTHER INCOME, NET	\$ 6	\$ 8	\$ 14	\$ 46	\$ 49
Adjustments:					
Litigation settlements	—	—	—	—	(5)
Gains/losses on the sale or derecognition of assets	—	—	—	3	—
Gain on sale of equity investment	(10)	—	—	(10)	—
NON-GAAP OTHER INCOME (EXPENSE), NET	<u>\$ (4)</u>	<u>\$ 8</u>	<u>\$ 14</u>	<u>\$ 39</u>	<u>\$ 44</u>
INCOME BEFORE INCOME TAXES	\$ 354	\$ 370	\$ 380	\$ 1,383	\$ 1,263
Adjustments:					
Amortization of intangible assets	6	13	14	47	57
Stock-based compensation	95	103	88	386	357
Litigation settlements	—	—	—	—	(5)
Restructuring charges	45	9	—	83	44
Acquisition-related expense	1	2	1	5	10
Gains/losses on the sale or derecognition of assets	1	3	—	7	—
Gain on sale of equity investment	(10)	—	—	(10)	—
NON-GAAP INCOME BEFORE INCOME TAXES	<u>\$ 492</u>	<u>\$ 500</u>	<u>\$ 483</u>	<u>\$ 1,901</u>	<u>\$ 1,726</u>
PROVISION FOR INCOME TAXES	\$ 14	\$ 71	\$ 89	\$ 197	\$ 277
Adjustments:					
Income tax effects	42	32	12	149	74
Resolution of income tax matters	39	—	—	39	—
NON-GAAP PROVISION FOR INCOME TAXES	<u>\$ 95</u>	<u>\$ 103</u>	<u>\$ 101</u>	<u>\$ 385</u>	<u>\$ 351</u>
NET INCOME PER SHARE	\$ 1.65	\$ 1.44	\$ 1.37	\$ 5.67	\$ 4.63
Adjustments:					
Amortization of intangible assets	0.03	0.06	0.07	0.22	0.27
Stock-based compensation	0.46	0.50	0.42	1.85	1.68
Litigation settlements	—	—	—	—	(0.02)
Restructuring charges	0.22	0.04	—	0.40	0.21
Acquisition-related expense	0.01	0.01	—	0.03	0.05
Gains/losses on the sale or derecognition of assets	—	0.01	—	0.03	—
Gain on sale of equity investment	(0.05)	—	—	(0.05)	—
Income tax effects	(0.20)	(0.15)	(0.06)	(0.71)	(0.35)
Resolution of income tax matters	(0.19)	—	—	(0.19)	—
NON-GAAP NET INCOME PER SHARE	<u>\$ 1.93</u>	<u>\$ 1.91</u>	<u>\$ 1.80</u>	<u>\$ 7.25</u>	<u>\$ 6.46</u>

RECONCILIATION OF GAAP TO NON-GAAP

GROSS MARGIN

(\$ in millions)

	Q4'FY25	Q3'FY25	Q4'FY24	FY2025	FY2024
Gross margin-GAAP	68.9%	69.8%	70.5%	70.2%	70.7%
Cost of revenues adjustments	0.6%	0.9%	1.0%	0.9%	1.0%
Gross margin-Non-GAAP	69.5%	70.7%	71.5%	71.1%	71.7%
GAAP cost of revenues	\$ 539	\$ 496	\$ 492	\$ 1,959	\$ 1,835
Cost of revenues adjustments:					
Amortization of intangible assets	(3)	(8)	(8)	(28)	(34)
Stock-based compensation	(7)	(8)	(8)	(30)	(29)
Non-GAAP cost of revenues	\$ 529	\$ 480	\$ 476	\$ 1,901	\$ 1,772
Net revenues	\$ 1,732	\$ 1,641	\$ 1,668	\$ 6,572	\$ 6,268

RECONCILIATION OF GAAP TO NON-GAAP

PRODUCT GROSS MARGIN

(\$ in millions)

	Q4'FY25	Q3'FY25	Q4'FY24	FY2025	FY2024
Product gross margin-GAAP	55.3%	56.5%	61.0%	57.8%	60.1%
Cost of product revenues adjustments	0.1%	0.2%	0.3%	0.2%	0.3%
Product gross margin-Non-GAAP	55.4%	56.7%	61.3%	58.0%	60.3%
GAAP cost of product revenues	\$ 378	\$ 330	\$ 314	\$ 1,284	\$ 1,137
Cost of product revenues adjustments:					
Stock-based compensation	(1)	(2)	(2)	(6)	(6)
Non-GAAP cost of product revenues	\$ 377	\$ 328	\$ 312	\$ 1,278	\$ 1,131
Product revenues	\$ 845	\$ 758	\$ 806	\$ 3,040	\$ 2,849

RECONCILIATION OF GAAP TO NON-GAAP

SERVICES GROSS MARGIN

(\$ in millions)

	Q4'FY25	Q3'FY25	Q4'FY24	FY2025	FY2024
Services gross margin-GAAP	81.8%	81.2%	79.4%	80.9%	79.6%
Cost of services revenues adjustments	1.1%	1.6%	1.6%	1.5%	1.7%
Services gross margin-Non-GAAP	82.9%	82.8%	81.0%	82.4%	81.3%
GAAP cost of services revenues	\$ 161	\$ 166	\$ 178	\$ 675	\$ 698
Cost of services revenues adjustments:					
Amortization of intangible assets	(3)	(8)	(8)	(28)	(34)
Stock-based compensation	(6)	(6)	(6)	(24)	(23)
Non-GAAP cost of services revenues	\$ 152	\$ 152	\$ 164	\$ 623	\$ 641
Services revenues	\$ 887	\$ 883	\$ 862	\$ 3,532	\$ 3,419

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

	<u>Q4'FY25</u>	<u>Q3'FY25</u>	<u>Q4'FY24</u>	<u>FY2025</u>	<u>FY2024</u>
Operating margin-GAAP	20.1%	22.1%	21.9%	20.3%	19.4%
Adjustments:	8.5%	7.9%	6.2%	8.0%	7.5%
Operating margin-Non-GAAP	28.6%	30.0%	28.1%	28.3%	26.8%
GAAP income from operations	\$ 348	\$ 362	\$ 366	\$ 1,337	\$ 1,214
Income from operations adjustments:					
Amortization of intangible assets	6	13	14	47	57
Stock-based compensation	95	103	88	386	357
Restructuring charges	45	9	—	83	44
Acquisition-related expense	1	2	1	5	10
Gains/losses on the sale or derecognition of assets	1	3	—	4	—
Non-GAAP income from operations	\$ 496	\$ 492	\$ 469	\$ 1,862	\$ 1,682
Net revenues	\$ 1,732	\$ 1,641	\$ 1,668	\$ 6,572	\$ 6,268

**RECONCILIATION OF GAAP TO NON-GAAP
EFFECTIVE TAX RATE**

	<u>Q4'FY25</u>	<u>Q3'FY25</u>	<u>Q4'FY24</u>	<u>FY2025</u>	<u>FY2024</u>
GAAP effective tax rate	4.0%	19.2%	23.4%	14.2%	21.9%
Adjustments:					
Income tax effects	4.3%	1.4%	(2.5)%	3.2%	(1.6)%
Resolution of income tax matters	11.0%	—%	—%	2.8%	—%
Non-GAAP effective tax rate	19.3%	20.6%	20.9%	20.2%	20.3%

**RECONCILIATION OF NET CASH PROVIDED BY OPERATING ACTIVITIES
TO FREE CASH FLOW (NON-GAAP)
(In millions)**

	<u>Q4'FY25</u>	<u>Q3'FY25</u>	<u>Q4'FY24</u>	<u>FY2025</u>	<u>FY2024</u>
Net cash provided by operating activities	\$ 675	\$ 385	\$ 613	\$ 1,506	\$ 1,685
Purchases of property and equipment	(35)	(47)	(46)	(168)	(155)
Free cash flow	\$ 640	\$ 338	\$ 567	\$ 1,338	\$ 1,530

**RECONCILIATION OF NET REVENUES
TO BILLINGS (NON-GAAP)
(In millions)**

	<u>Q4'FY25</u>	<u>Q3'FY25</u>	<u>Q4'FY24</u>	<u>FY2025</u>	<u>FY2024</u>
Net revenues	\$ 1,732	\$ 1,641	\$ 1,668	\$ 6,572	\$ 6,268
Change in deferred revenue and financed unearned services revenue*	300	72	146	208	(14)
Billings	\$ 2,032	\$ 1,713	\$ 1,814	\$ 6,780	\$ 6,254

* As reported on our Condensed Consolidated Statements of Cash Flows

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

	First Quarter Fiscal 2026
Gross Margin - GAAP Guidance	70% - 71%
Adjustment:	
Cost of revenues adjustments	1%
Gross Margin - Non-GAAP Guidance	71% - 72%
	First Quarter Fiscal 2026
Operating Margin - GAAP Guidance	19% - 20%
Adjustments:	
Stock-based compensation expense	6%
Operating Margin - Non-GAAP Guidance	25% - 26%
<i>Some items may not add or recalculate due to rounding.</i>	

NETAPP, INC.
RECONCILIATION OF GAAP GUIDANCE TO NON-GAAP
EXPRESSED AS EARNINGS PER SHARE
FIRST QUARTER FISCAL 2026

	First Quarter Fiscal 2026
GAAP Guidance - Net Income Per Share	\$1.06 - \$1.16
Adjustments of Specific Items to Net Income	
Per Share for the First Quarter Fiscal 2026:	
Amortization of intangible assets	\$0.03
Stock-based compensation expense	\$0.47
Income tax effects	(\$0.08)
Total Adjustments	\$0.42
Non-GAAP Guidance - Net Income Per Share	\$1.48 - \$1.58
<i>Some items may not add or recalculate due to rounding.</i>	

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

	Fiscal 2026
Gross Margin - GAAP Guidance	70% - 71%
Adjustment:	
Cost of revenues adjustments	1%
Gross Margin - Non-GAAP Guidance	71% - 72%
	Fiscal 2026
Operating Margin - GAAP Guidance	22.8% - 23.8%
Adjustments:	
Stock-based compensation expense	6%
Operating Margin - Non-GAAP Guidance	28.8% - 29.8%
<i>Some items may not add or recalculate due to rounding.</i>	

NETAPP, INC.
RECONCILIATION OF GAAP GUIDANCE TO NON-GAAP
EXPRESSED AS EARNINGS PER SHARE
Fiscal 2026

	Fiscal 2026
GAAP Guidance - Net Income Per Share	\$5.80 - \$6.10
Adjustments of Specific Items to Net Income	
Per Share for Fiscal 2026:	
Amortization of intangible assets	\$0.10
Stock-based compensation expense	\$2.04
Income tax effects	(\$0.34)
Total Adjustments	\$1.80
Non-GAAP Guidance - Net Income Per Share	\$7.60 - \$7.90
<i>Some items may not add or recalculate due to rounding.</i>	

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