



Leading in the Data-Driven World

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Agenda

- 1) Industry Context
- 2) Our Market Opportunity
- 3) Transforming to Lead



Industry Context

The world is **changing** fundamentally



Customers Are Transforming Digitally to Create Value

Business imperatives



ENABLE
new customer
touchpoints



CREATE
Innovative business
opportunities



OPTIMIZE
operations

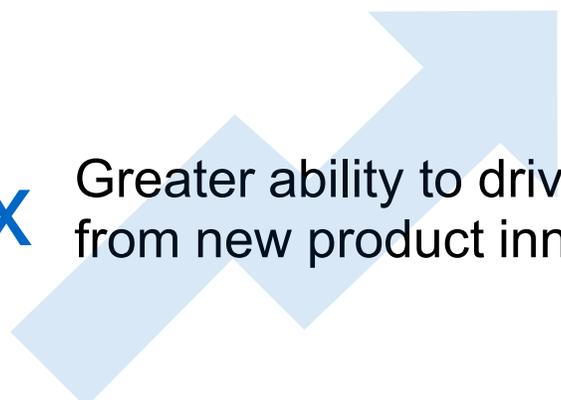
Data-Driven Digital Transformation Accelerates Business Outcomes



3x Increased profitability and new customer acquisition



2x Improved top line revenue growth and customer satisfaction



2x Greater ability to drive revenue from new product innovations



6x Improvement in operational efficiency

Traditional IT Is Challenged to Meet Business Requirements

TIGHT BUDGETS

Traditional IT budgets remain constrained until 2020
IDC

CONSTRAINED PACE OF INNOVATION

Demand for application development exceeds supply
Gartner



SKILL SHORTAGES

Preventing 6 out of 10 CIOs from keeping up with the pace of change
Harvey Nash/KPMG
CIO Survey 2015

IT Imperatives to Enable Digital Transformation



INSPIRE
innovation with
the cloud



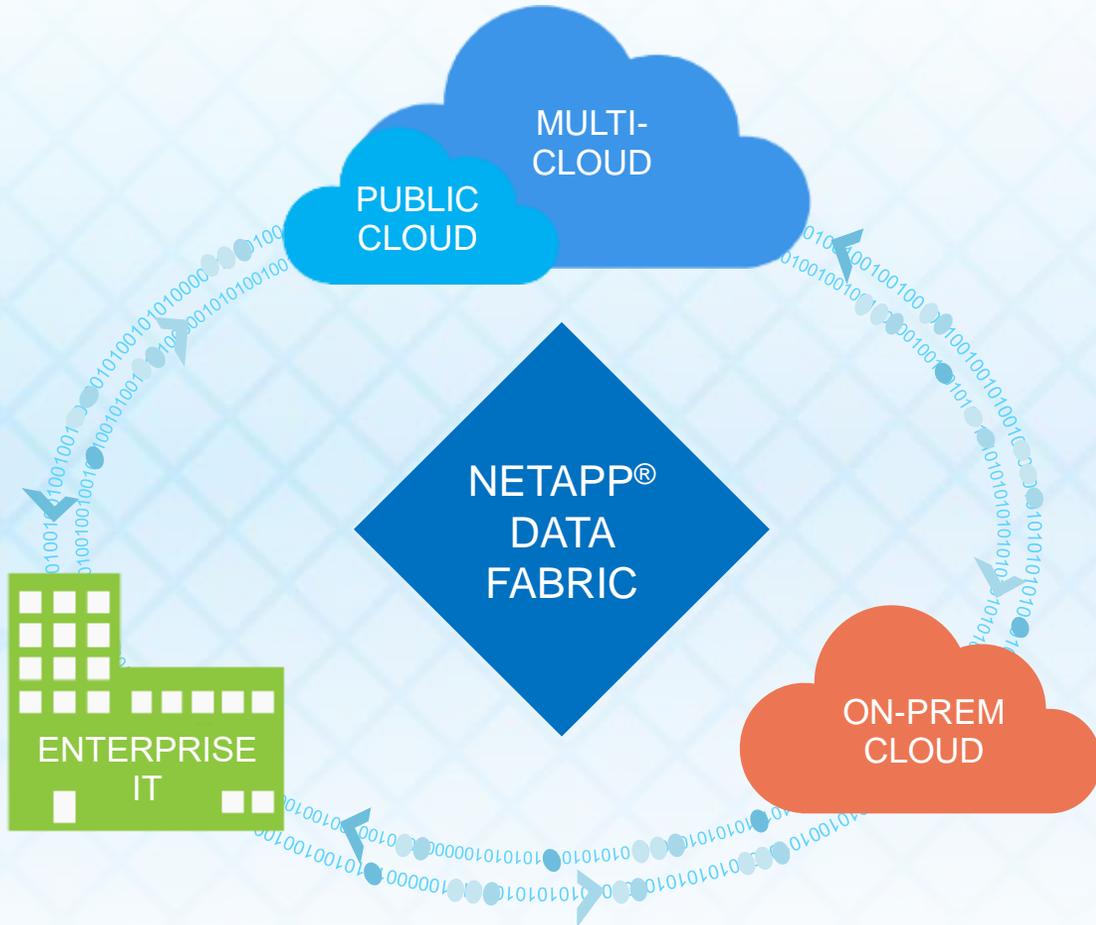
BUILD
clouds to accelerate
new services



MODERNIZE
IT architecture with
cloud-connected flash

NetApp Delivers a Data Fabric Built for the Data-Driven World

Accelerating digital transformation by simplifying and integrating data management



INSPIRE
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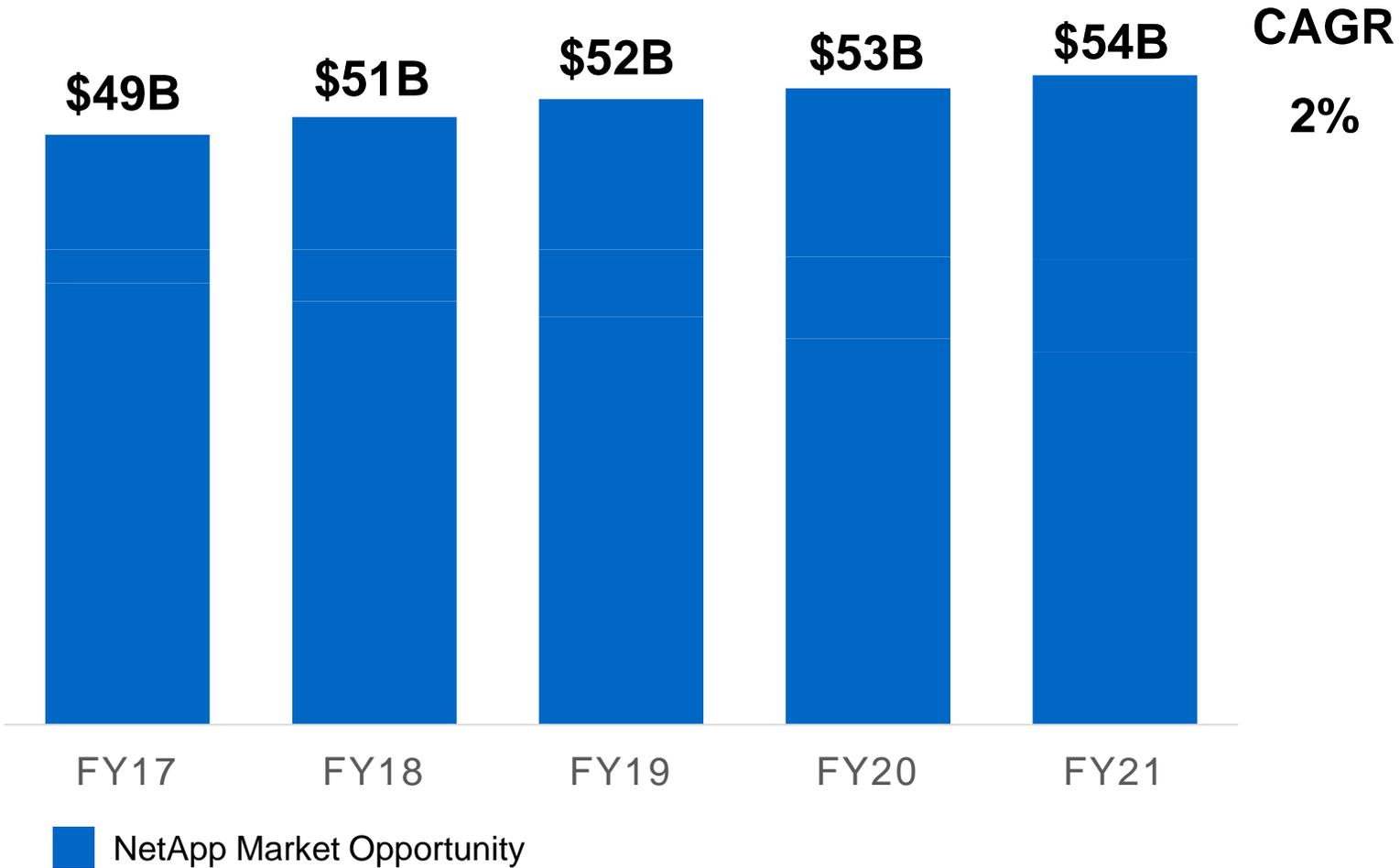
MODERNIZE
IT architecture with
cloud-connected flash



Market Opportunity

Accelerate growth by focusing on customer IT imperatives

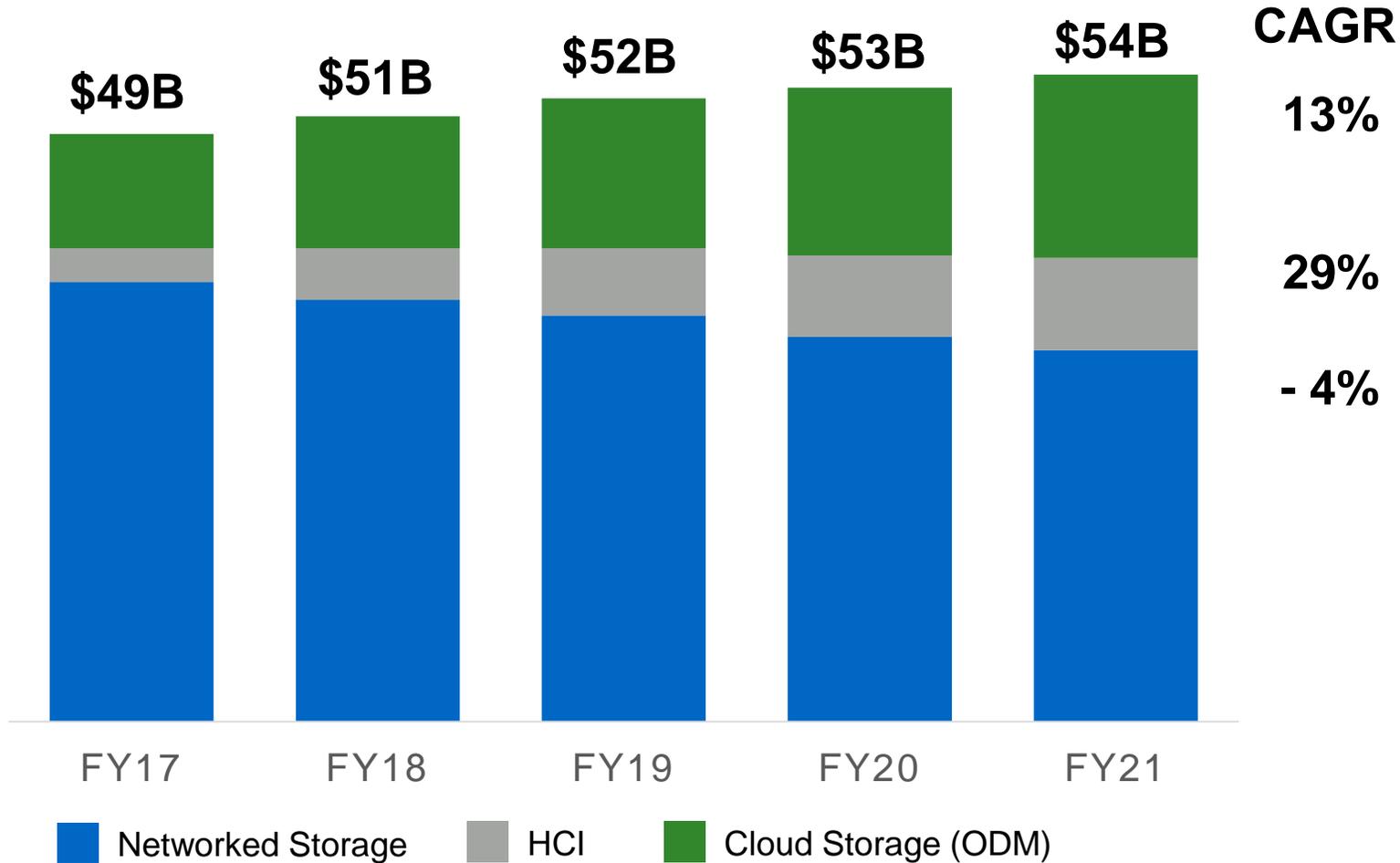
NetApp Plays in a Large and Growing Market...



Source: Worldwide and U.S. Enterprise Storage Systems Forecast, 2017–2021, IDC; Worldwide Enterprise Storage for Public and Private Cloud 2015-19; Segment Forecasts by IDC; NTAP Market Intelligence

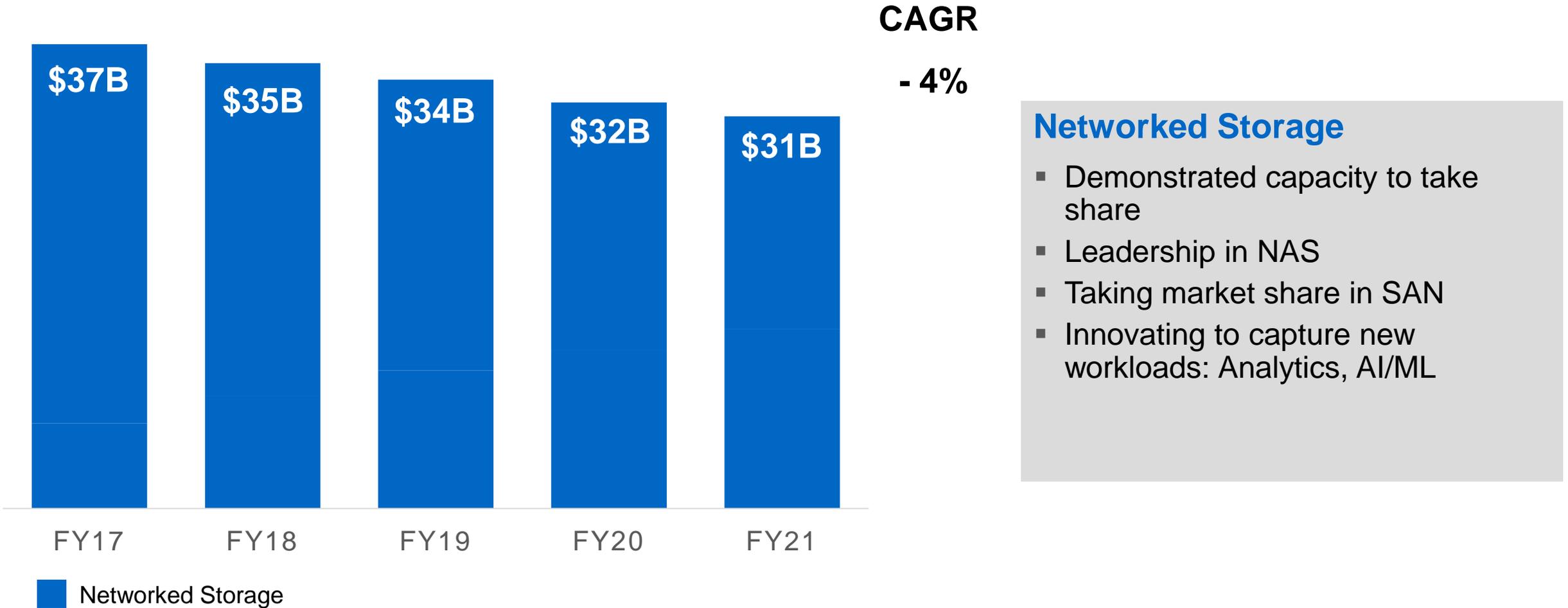
... Composed of Three Key Segments

Aligned with customers' IT imperatives



Source: Worldwide and U.S. Enterprise Storage Systems Forecast, 2017–2021, IDC; Worldwide Enterprise Storage for Public and Private Cloud 2015-19; Segment Forecasts by IDC; NTAP Market Intelligence

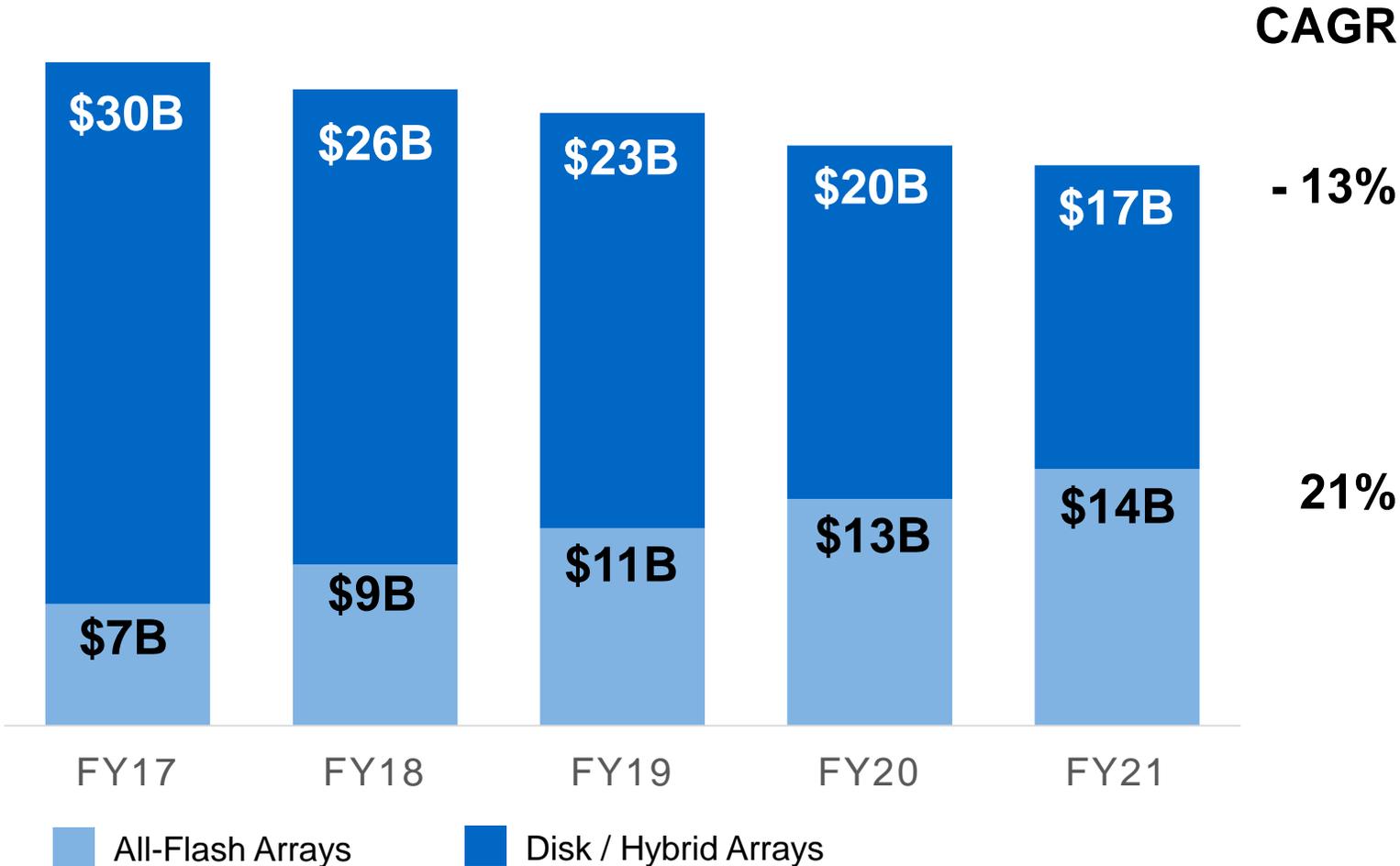
Networked Storage: NetApp's Traditional Market



Source: Worldwide and U.S. Enterprise Storage Systems Forecast, 2017–2021, IDC; Worldwide Enterprise Storage for Public and Private Cloud 2015-19; Segment Forecasts by IDC; NTAP Market Intelligence

NetApp Pivoting to the Growth Areas of the Market

All-Flash Arrays



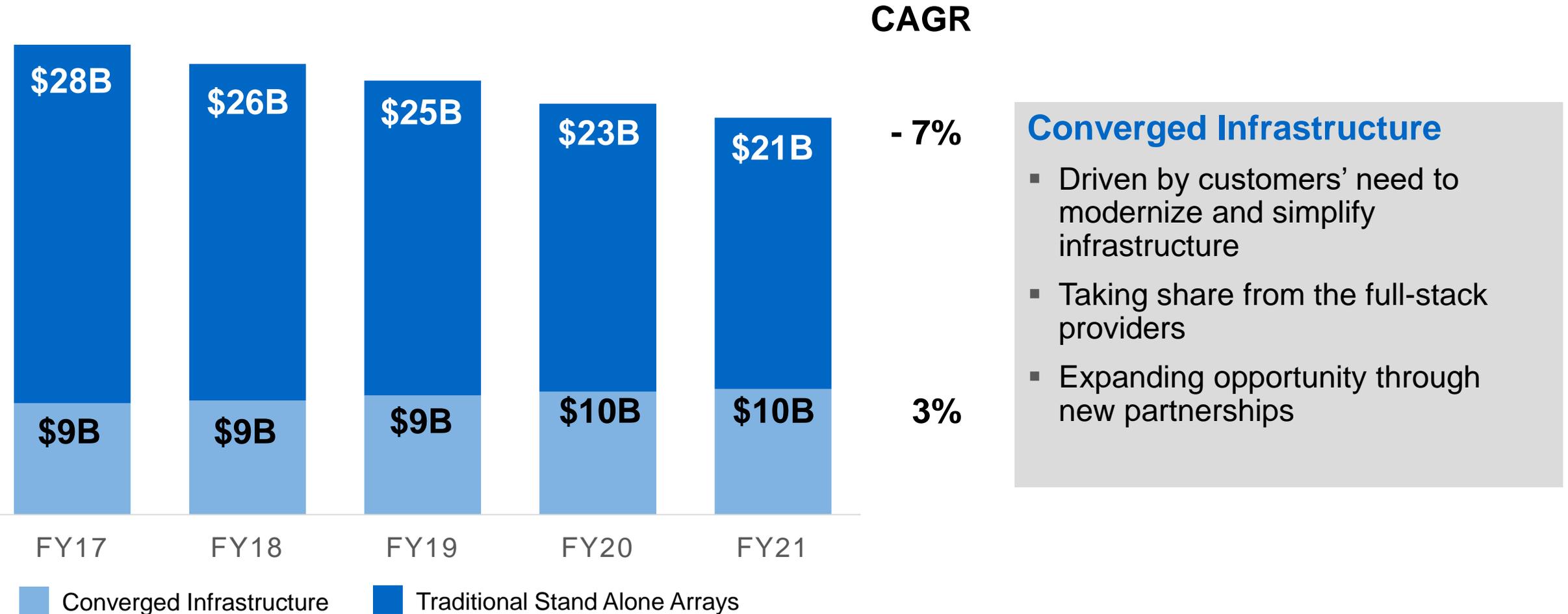
All-Flash Arrays

- Overweight in growing flash market
- Taking share by replacing competitive legacy infrastructure
- Innovating to capture new workloads
- Expanding flash solutions to include capacity oriented workloads

Source: Worldwide and U.S. Enterprise Storage Systems Forecast, 2017–2021, IDC; Worldwide Enterprise Storage for Public and Private Cloud 2015-19; Segment Forecasts by IDC; NTAP Market Intelligence

NetApp Pivoting to the Growth Areas of the Market

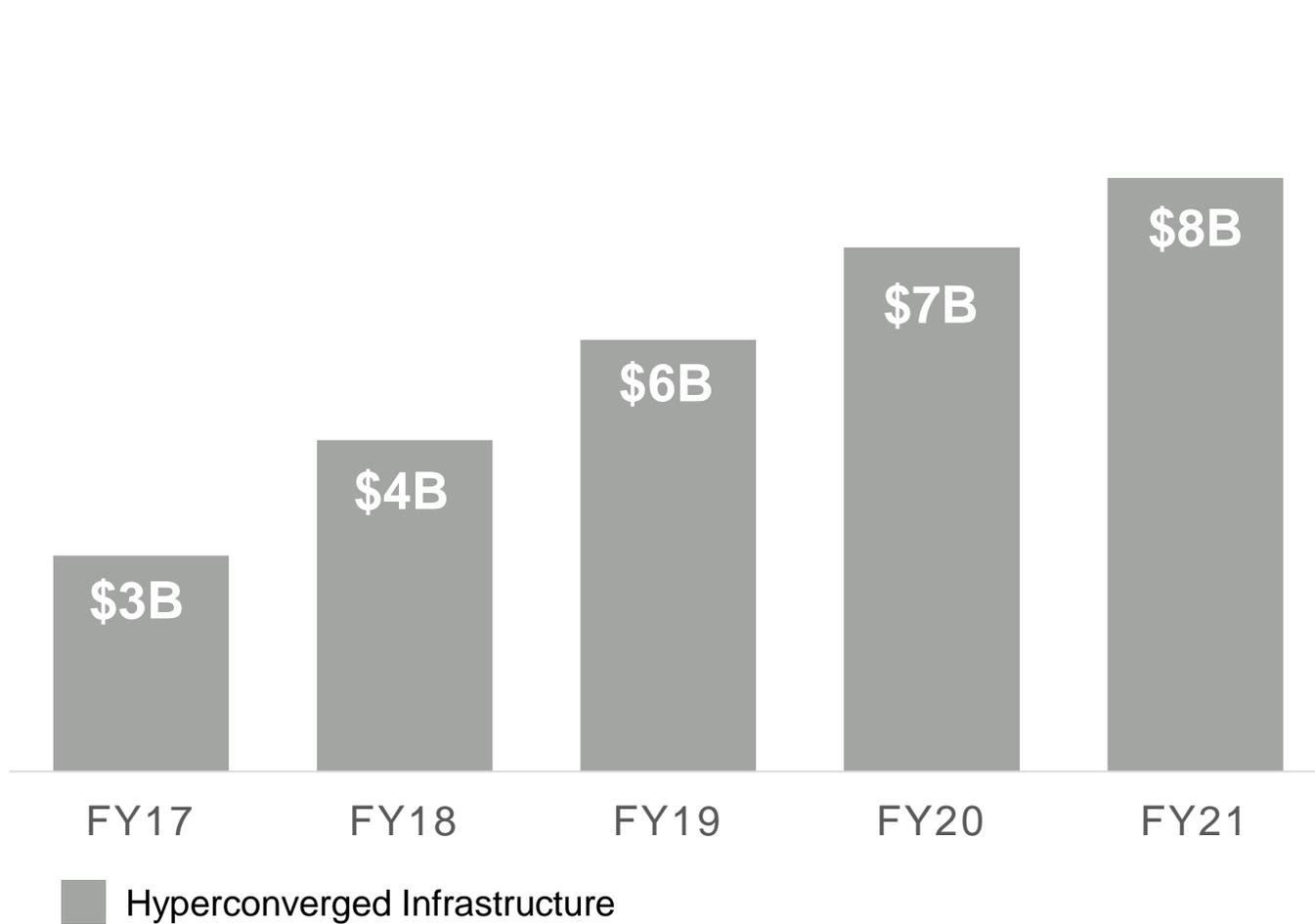
Converged Infrastructure



Source: Worldwide and U.S. Enterprise Storage Systems Forecast, 2017–2021, IDC; Worldwide Enterprise Storage for Public and Private Cloud 2015-19; Segment Forecasts by IDC; NTAP Market Intelligence

TAM Expansion Fuels Growth

Hyperconverged Infrastructure



CAGR

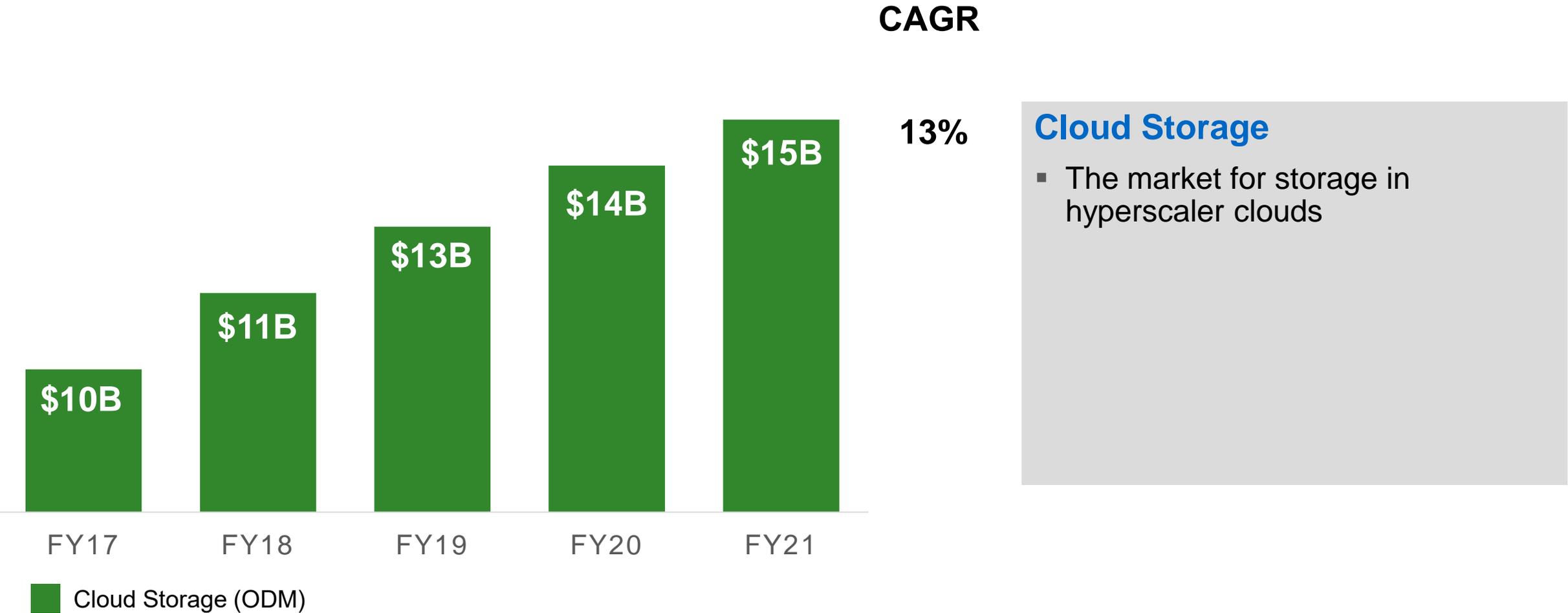
29%

Hyperconverged Infrastructure

- Driven by customers' desire to operate with hyperscaler-like flexibility
- Launched Q2FY18
- Expanding wallet share
- Expect significant share gain

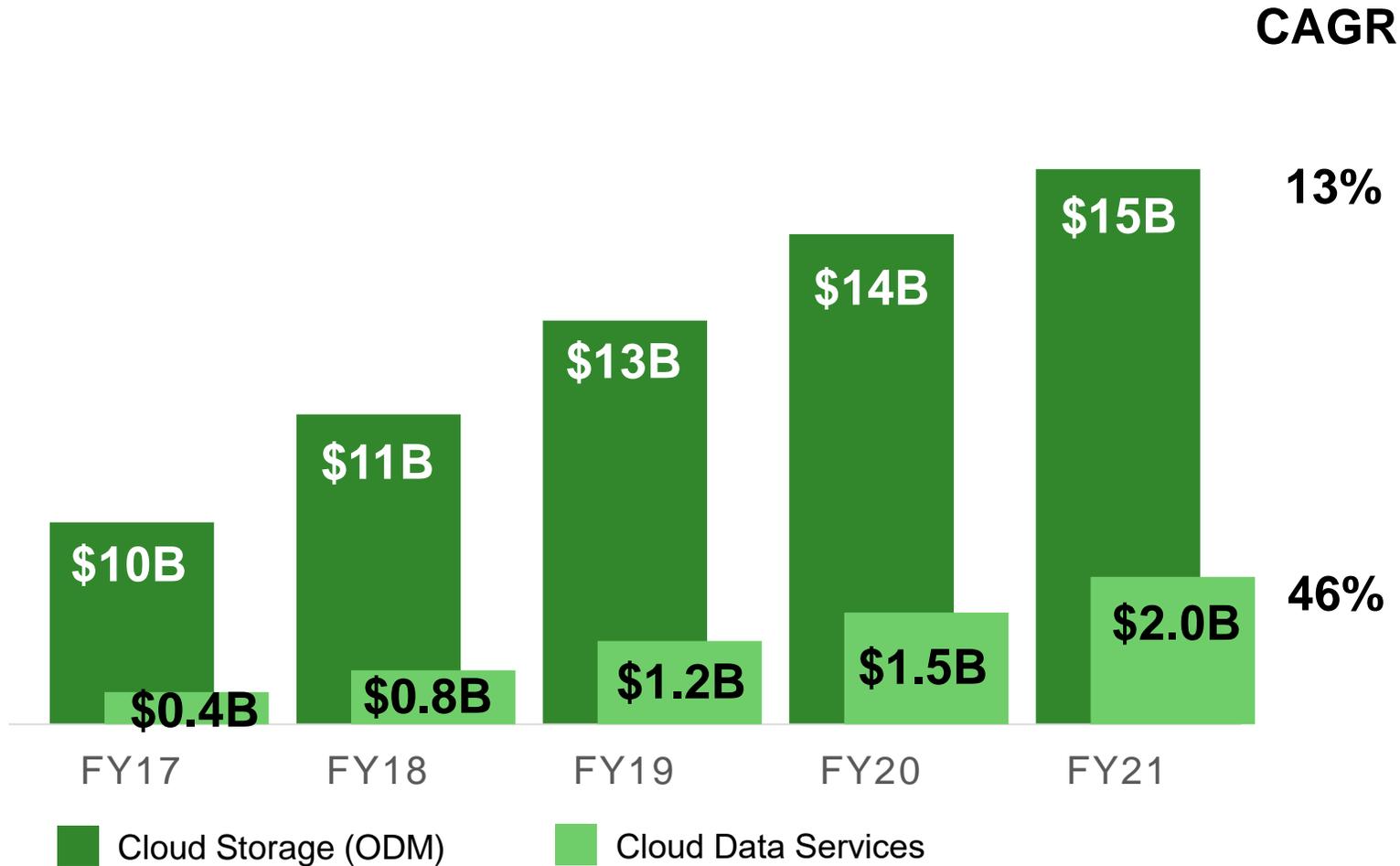
Source: Worldwide and U.S. Enterprise Storage Systems Forecast, 2017–2021, IDC; Worldwide Enterprise Storage for Public and Private Cloud 2015-19; Segment Forecasts by IDC; NTAP Market Intelligence

Cloud Storage Market Creates Opportunity...



Source: Worldwide and U.S. Enterprise Storage Systems Forecast, 2017–2021, IDC; Worldwide Enterprise Storage for Public and Private Cloud 2015-19; Segment Forecasts by IDC; NTAP Market Intelligence

... to Sell Cloud Data Services



Cloud Data Services

- SaaS business
- Nascent category
- Establishing technology and ecosystem leadership
- Drives share gains across the portfolio
- Attracts new customers and new workloads

Source: Worldwide and U.S. Enterprise Storage Systems Forecast, 2017–2021, IDC; Worldwide Enterprise Storage for Public and Private Cloud 2015-19; Segment Forecasts by IDC; NTAP Market Intelligence

It's a Multicloud and Hybrid Cloud World

NetApp is helping customers accelerate their digital transformations:

- Flash-empowered, multicloud connected
- Simplified and automated with software-defined converged systems
- Integrated with the NetApp Data Fabric



Transforming to Lead

Executing against our opportunity

Transformation

Create sustained and profitable growth

Innovation & Growth

Radically improve ability to develop and sell multi-product portfolio by aligning to customer imperatives

Operational Rigor

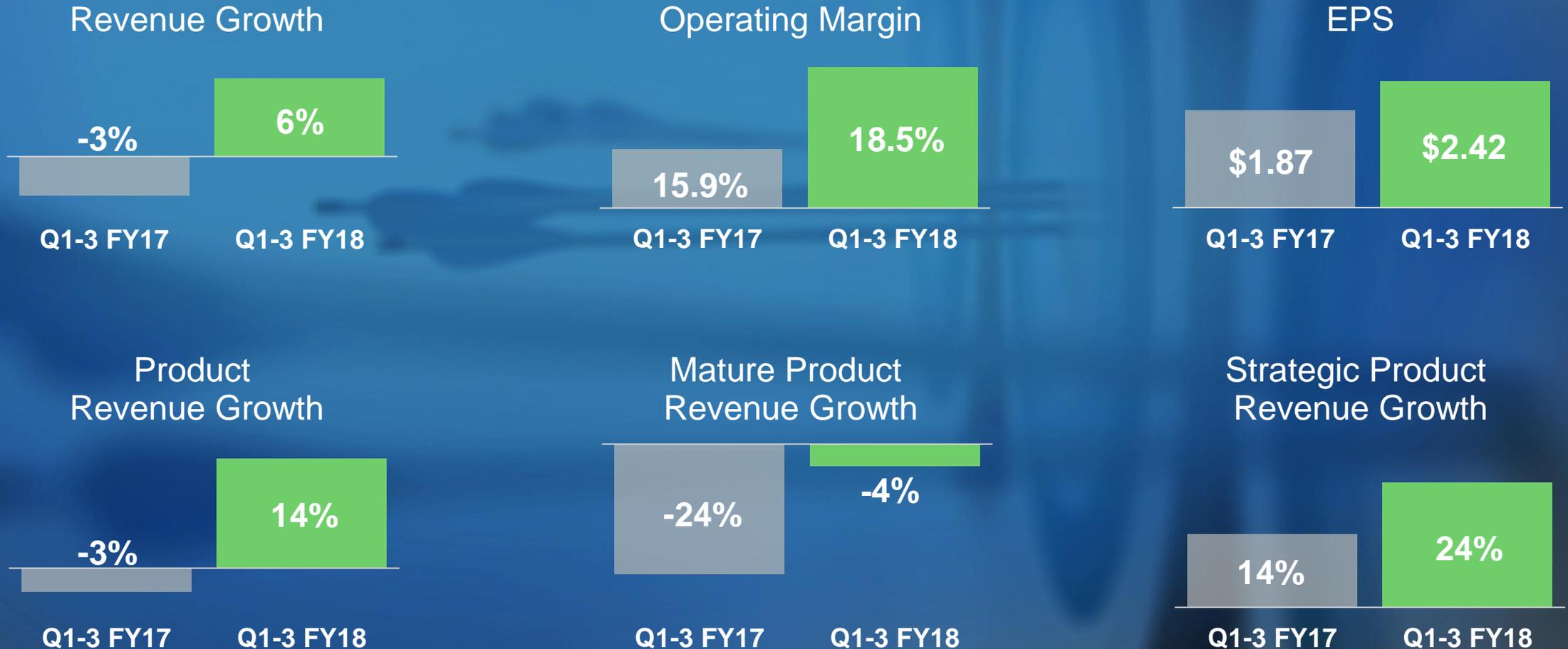
Be relentlessly accountable for disciplined execution and world-class results

Culture & Leadership

Continuously strengthen the capacity and performance of our team

Transformation Drives Exceptional Results

First three quarters of FY17 vs first three quarters of FY18



Operating Margin and EPS numbers and related metrics are presented on a Non-GAAP basis. Refer to the appendix for a reconciliation between non-GAAP and GAAP numbers

Leadership Across the Portfolio

ESTABLISHED LEADERSHIP

- Leader in 3 Gartner Magic Quadrants
- #1 ONTAP, the world's leading branded storage OS
- #1 in Storage & Device Management Software
- #1 in Commercial Storage for OpenStack

▪ IDC, Quarterly Enterprise Storage Systems Tracker - 2017Q3, November 30, 2017 (Fastest growing top 5 Total Enterprise Storage Systems – YoY revenue growth; Fastest growing top 5 AFA – YoY revenue growth; fastest growing top 5 SAN – YoY revenue growth; #1 Branded Storage OS – revenue and capacity share)
▪ IDC, Quarterly Converged Systems Tracker - 2017Q3, December 21, 2017 (Fastest growing Integrated Infrastructure & Certified Reference Systems Year over Year revenue growth)
▪ IDC, Worldwide Storage Software and Cloud Services Qview - 2017Q3, December 7, 2017 (#1 Storage & Device Management Software vendor – revenue share)
▪ IDC, Quarterly Cloud IT Infrastructure Tracker – 2017Q3, January 11, 2018 (Fastest growing top 5 Storage Platform for Cloud IT vendor – Year over Year revenue growth) - Storage Platforms include External Storage and Storage-Intensive OEM and ODM Direct systems
▪ OpenStack User Survey: <https://www.openstack.org/assets/survey/April-2017-User-Survey-Report.pdf>
▪ Gartner, Magic Quadrant: General-Purpose Disk Arrays, October 31, 2017; Solid-State Arrays, July 13, 2017; General-Purpose Disk Arrays, Japan, March 22, 2017; Integrated Systems, October 10, 2016

Leadership Across the Portfolio

ACCELERATING MOMENTUM

- \$2B annualized All Flash Array run rate
- Fastest growing top 5 External Enterprise Storage Systems vendor
- Fastest growing top 5 Storage Platform for Cloud IT vendor
- Fastest growing top 5 SAN vendor
- Fastest growing Integrated Infrastructure & Certified Reference Systems

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Leadership Across the Portfolio

UNIQUELY
POSITIONED

- The biggest clouds are choosing NetApp



Focused Execution Against Our Opportunity