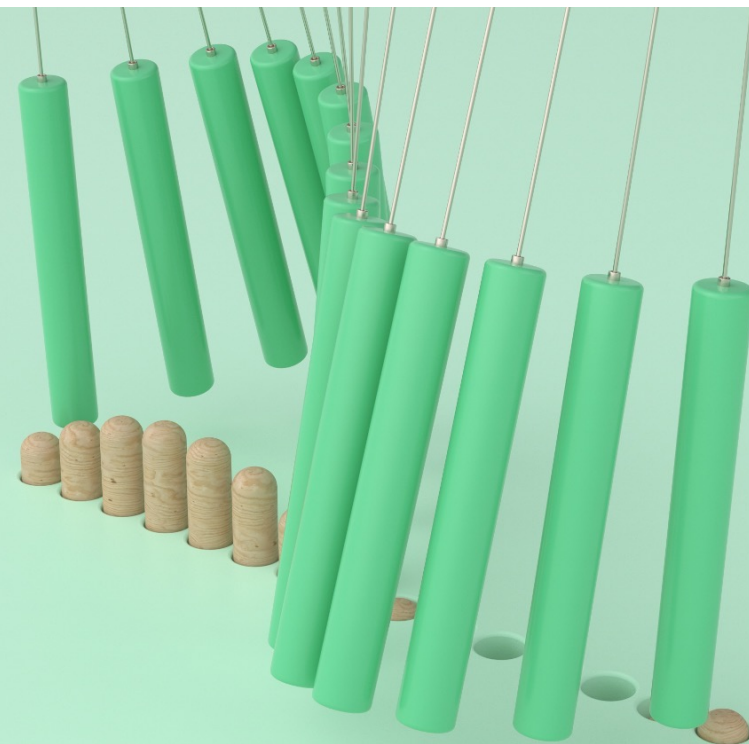


# Q3 FY22 Earnings Results

February 23, 2022



# Safe harbor

This presentation contains forward-looking statements and projections about our strategy, products and services, 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.

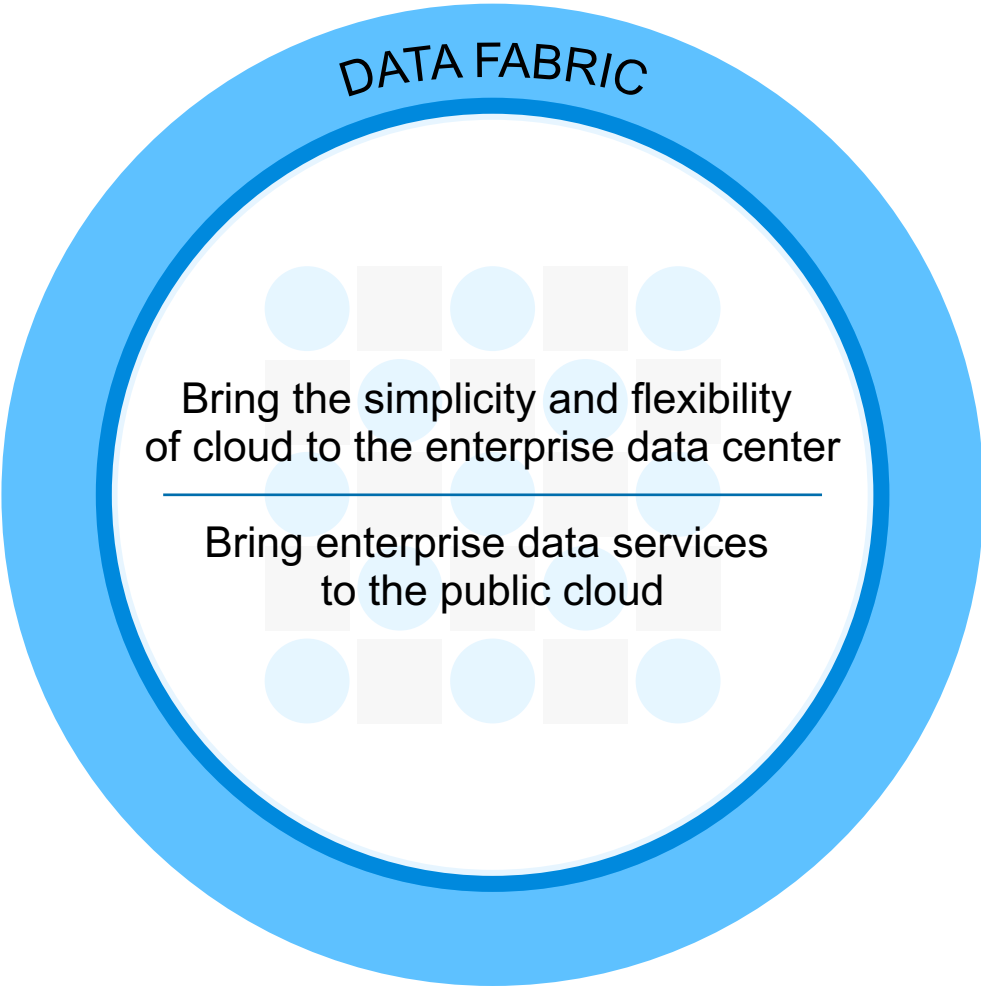
Actual results may differ materially from our statements or projections for a variety of reasons, including, without limitation, general global political, macroeconomic and market conditions, including the continuing impact of the COVID-19 pandemic, including supply chain disruptions, changes in U.S. government spending, revenue seasonality and matters specific to our business, such as the impact of the COVID-19 pandemic on the company's business operations, financial performance and results of operations, our ability to expand our total available market and grow our portfolio of products, customer demand for and acceptance of our products and services, our ability to successfully execute new business models, our ability to successfully execute on our data fabric strategy to generate profitable growth and stockholder return and our ability to manage our gross profit margins. 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 filings on Form 10-K and Form 10-Q 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.

This presentation includes non-GAAP financial measures. Reconciliations of these measures to the comparable GAAP measures are available in the appendix to this presentation.

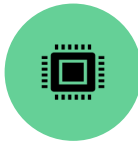
NetApp's Investor Relations website at <https://investors.netapp.com/investor-relations> contains a significant amount of information about NetApp, including financial and other information for investors. NetApp encourages investors to visit that website from time to time as information is updated and new information is posted. The content of NetApp's website is not incorporated by reference into this presentation, and any references to NetApp's website are intended to be inactive textual references only.

We are a global cloud-led,  
data-centric software company  
that gives organizations everywhere  
the freedom to put data to work in the  
applications that elevate their business

# Our solutions address crucial workloads in the cloud and on premises



Cloud storage



Compute operations



Cloud controls



Cloud services and analytics

**Enterprise workloads**

**Data protection**

**AI and data lakes**

**Virtualization/ Container**

**Cloud operations**

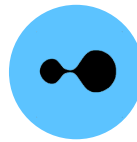
**Cost optimization**



Flash and hybrid storage



Object storage



Converged and hybrid cloud infrastructure



Protection and security



Enterprise solutions

## Strategic approach with focused execution for growth



Technology and innovation leadership



Aligned to customer imperatives



Strong business model

## Building on a strong foundation

- Data-centric software specialist
- Trusted by the world's leading organizations
- Unique partnerships with the biggest public clouds
- Differentiated data fabric strategy
- Strong business model
- Proven track record of turning market transitions into competitive advantage

# Market leaders across diverse industries rely on NetApp

X of the top 10 companies in their industries use NetApp



Source: NetApp Market Intelligence, December 2020; includes software, systems, and cloud services customers.

## Software leadership

Cloud-led, data-centric software company building on a rich legacy of software innovation

## Trusted relationships

Partnerships with the world's leading enterprises and public clouds

## Uniquely positioned

Well positioned to capture transitions in large and growing markets

## Focused execution

Grow storage software and systems to gain share and scale cloud services

## Software franchise

Software and cloud focused business model drives recurring revenue

## Shareholder value

Disciplined OPEX management while investing for growth with sustained capital returns

# Results highlights

- Delivered an outstanding quarter with double-digit year-over-year revenue growth
- Achieved record high gross margin dollars, operating income, and earnings per share\*
- All-flash array annualized revenue run-rate reached \$3.2 billion, up 23% year-over-year
- Public Cloud ARR of \$469 million grew 98% year-over-year
- Recognized by Amazon Web Services as the 2021 AWS Independent Software Vendor Design Partner of the Year - US
- Increased full year guidance for revenue, EPS and Public Cloud ARR, driven by the outperformance in Q3 and a very healthy demand backdrop for Q4

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



## Q3 FY22 summary

	Q3 guidance (as of Nov 30, 2021)	Q3 actual	
Billings*		\$1.76B +9.9% y/y	
Revenue	\$1.525B – \$1.675B	\$1.61B +9.8% y/y	✓
Non-GAAP gross margin	67% – 68%	67.3% flat y/y	✓
Non-GAAP operating margin	~23%	25.0% +310 bps y/y	✓
Non-GAAP EPS	\$1.21 – \$1.31	\$1.44 +30.9% y/y	✓
Non-GAAP FCF margin		12.3%	
Capital returns*		\$236M	

\*Billings is a Non-GAAP measure. Refer to appendix for details on these Non-GAAP measures and a reconciliation between Non-GAAP and GAAP numbers.  
Capital returns are the sum of cash dividends and share repurchases.

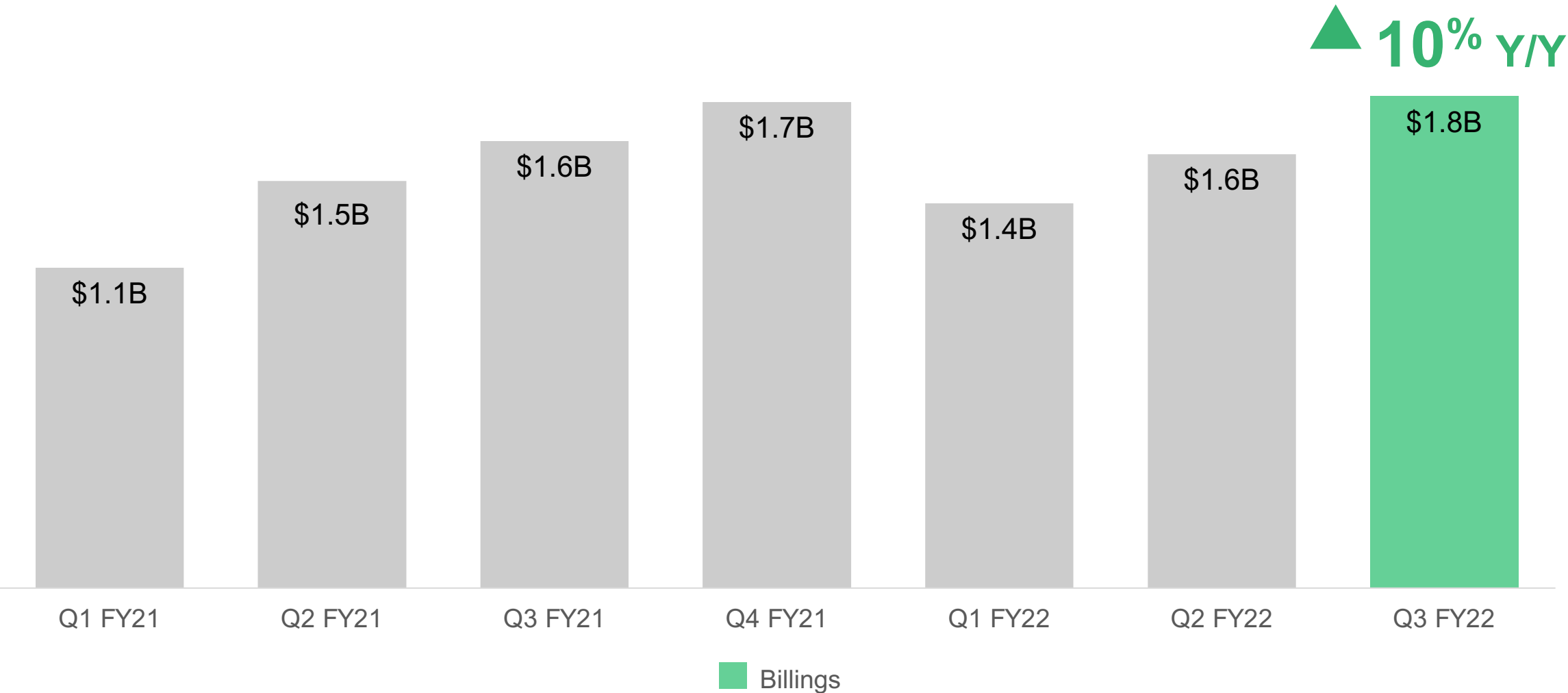
# FY22 summary

	Q1	Q2	Q3	YTD FY22
Billings*	\$1.38B +20.2% y/y	\$1.55B +6.5% y/y	\$1.76B +9.9% y/y	\$4.69B +11.6% y/y
Revenue	\$1.46B +11.9% y/y	\$1.57B +10.6% y/y	\$1.61B +9.8% y/y	\$4.64B +10.7% y/y
Non-GAAP gross margin	69.3% +130 bps y/y	68.3% +140 bps y/y	67.3% flat y/y	68.3% +90 bps y/y
Non-GAAP operating margin	23.0% +670 bps y/y	23.9% +330 bps y/y	25.0% +310 bps y/y	24.0% +430 bps y/y
Non-GAAP EPS	\$1.15 +57.5% y/y	\$1.28 +21.9% y/y	\$1.44 +30.9% y/y	\$3.86 +34.0% y/y
Non-GAAP FCF margin	13.1%	16.1%	12.3%	13.8%
Capital returns*	\$212M	\$237M	\$236M	\$685M

\*Billings is a Non-GAAP measure. Refer to appendix for details on these Non-GAAP measures and a reconciliation between Non-GAAP and GAAP numbers.

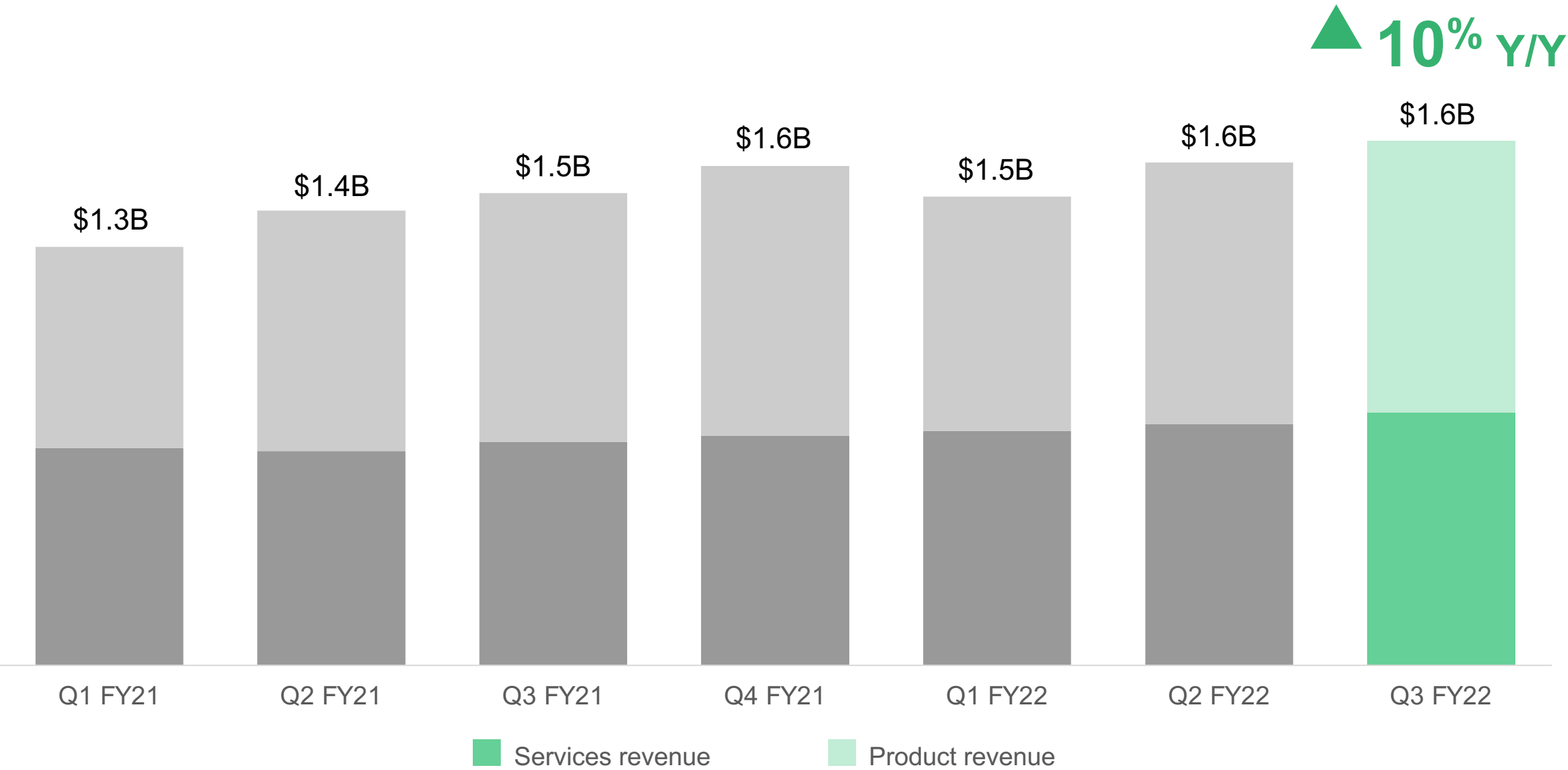
Capital returns are the sum of cash dividends and share repurchases.

# Billings

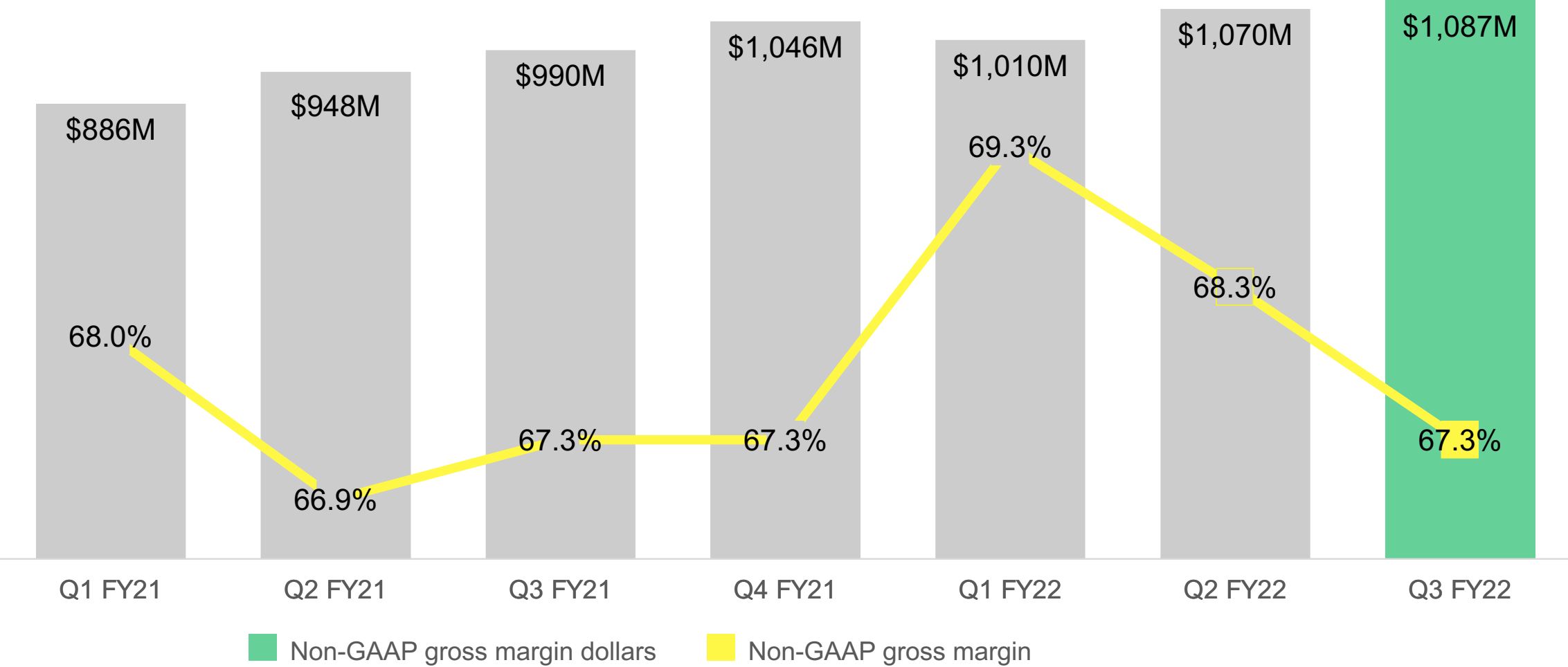


Billings is a Non-GAAP measure. Refer to appendix for details and a reconciliation between Non-GAAP and GAAP numbers.

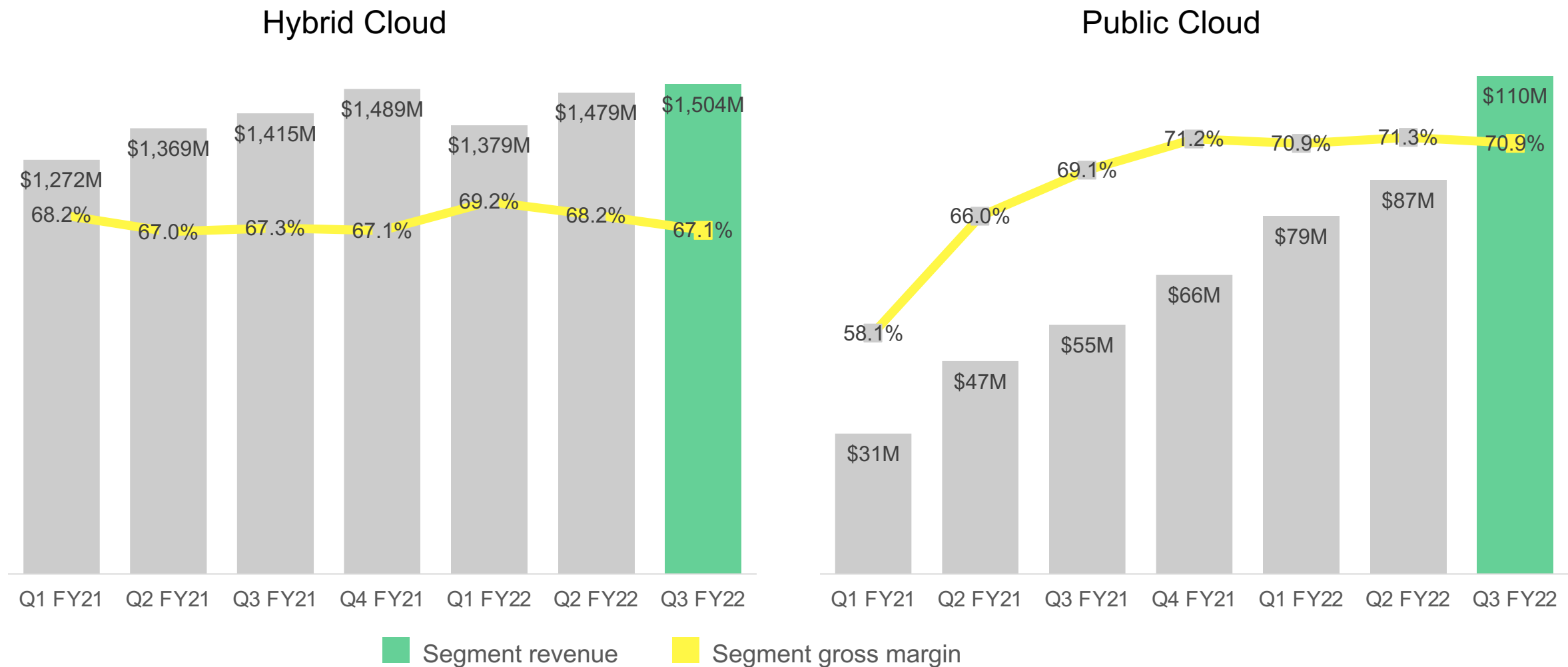
# Revenues



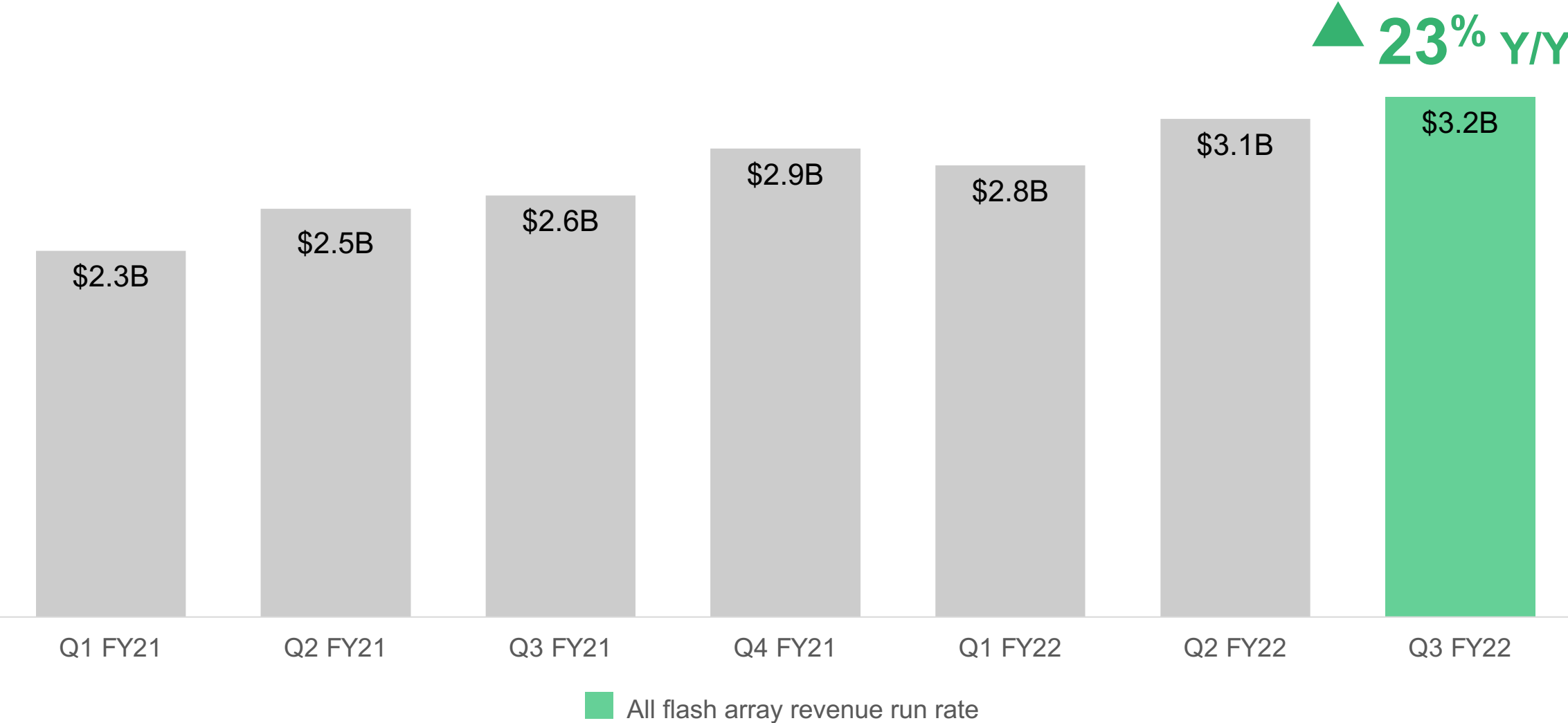
# Non-GAAP gross margin



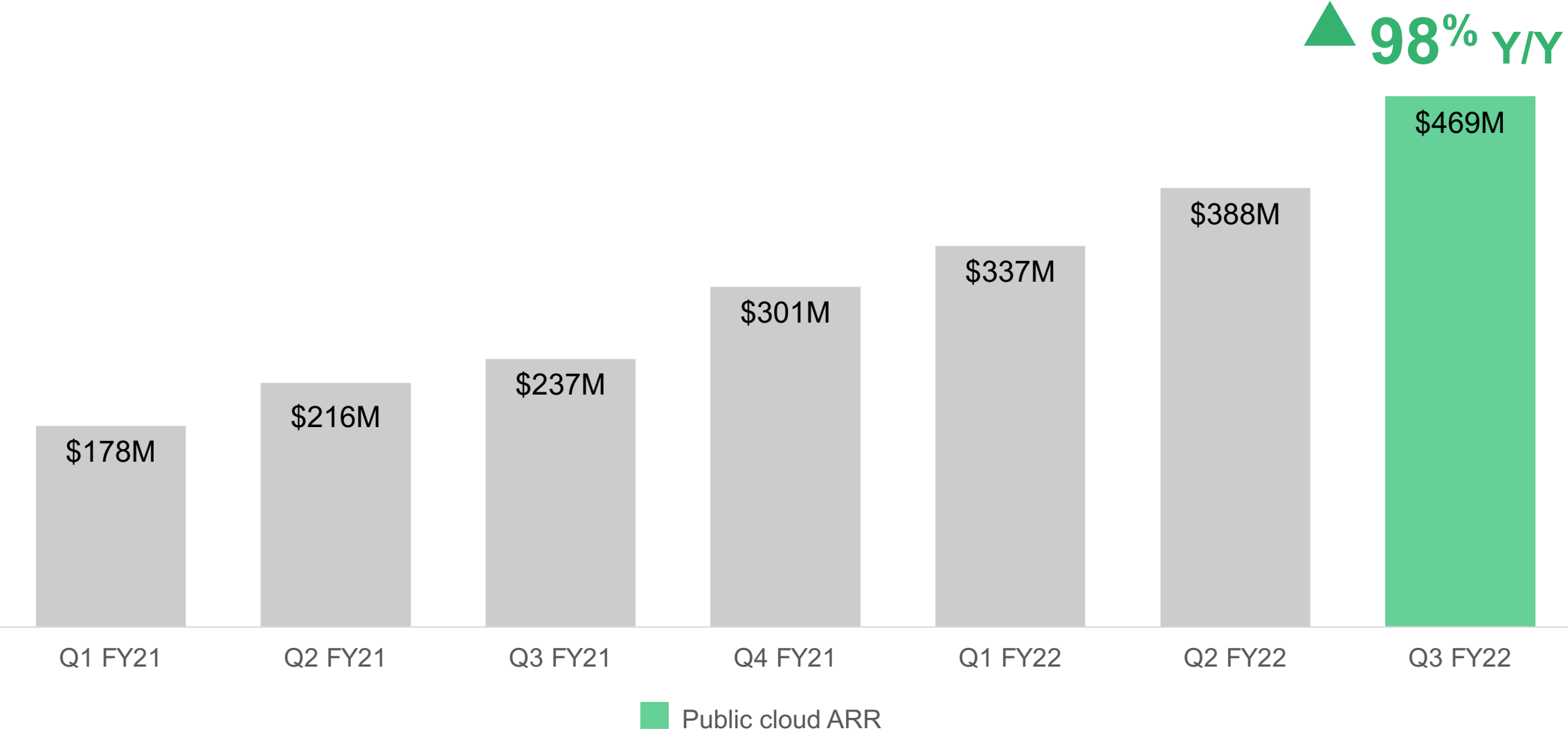
# Segment revenue and gross margin



# All flash array revenue run rate

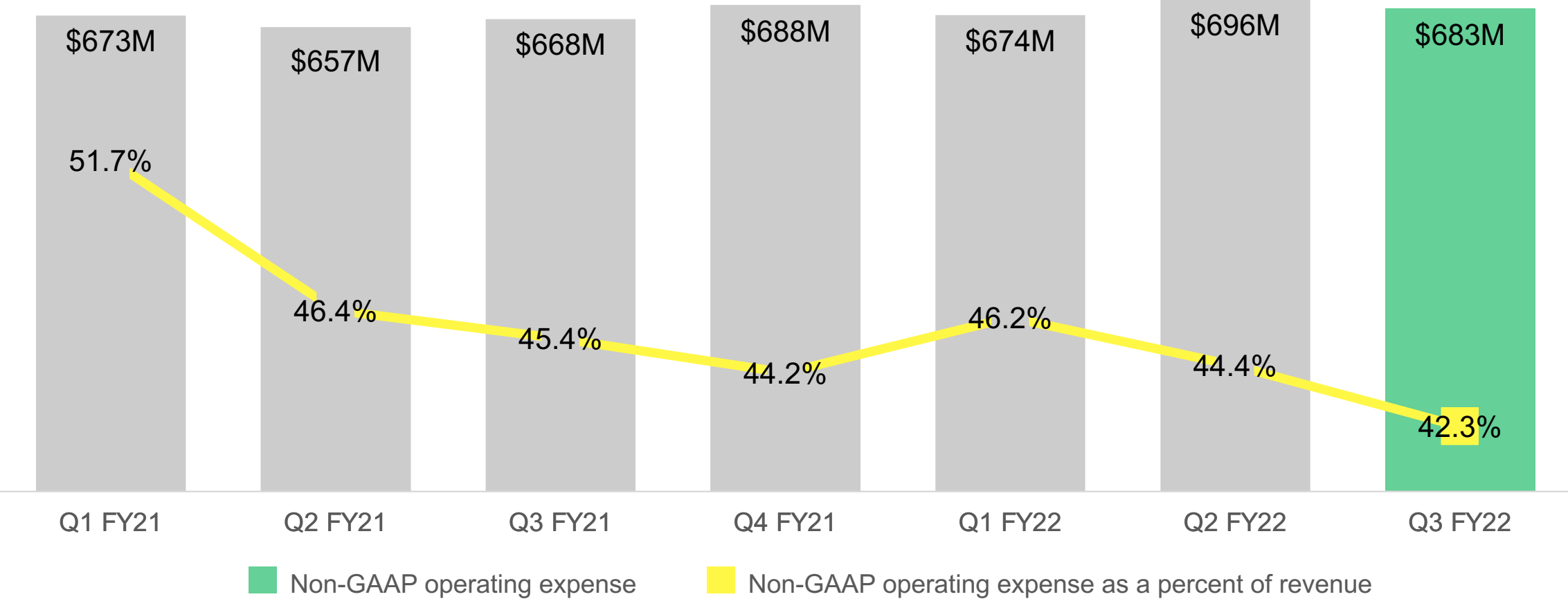


# Public cloud ARR

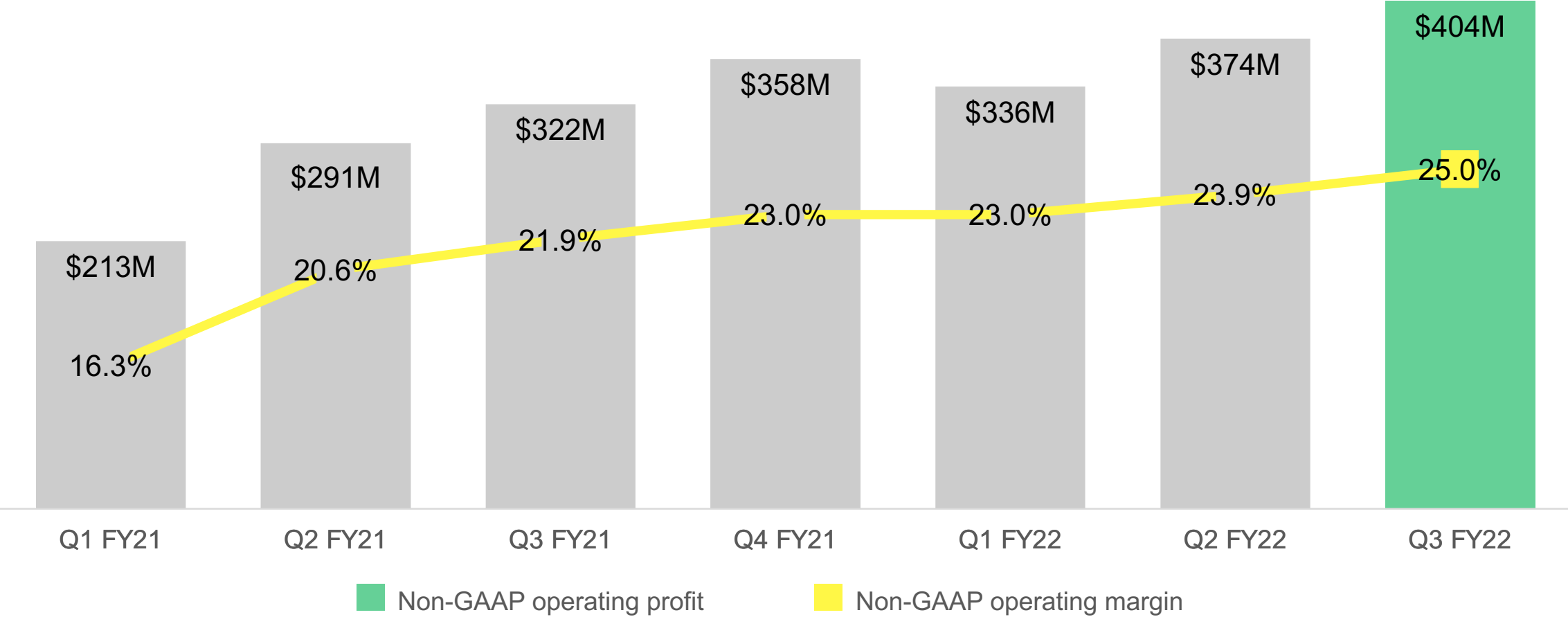




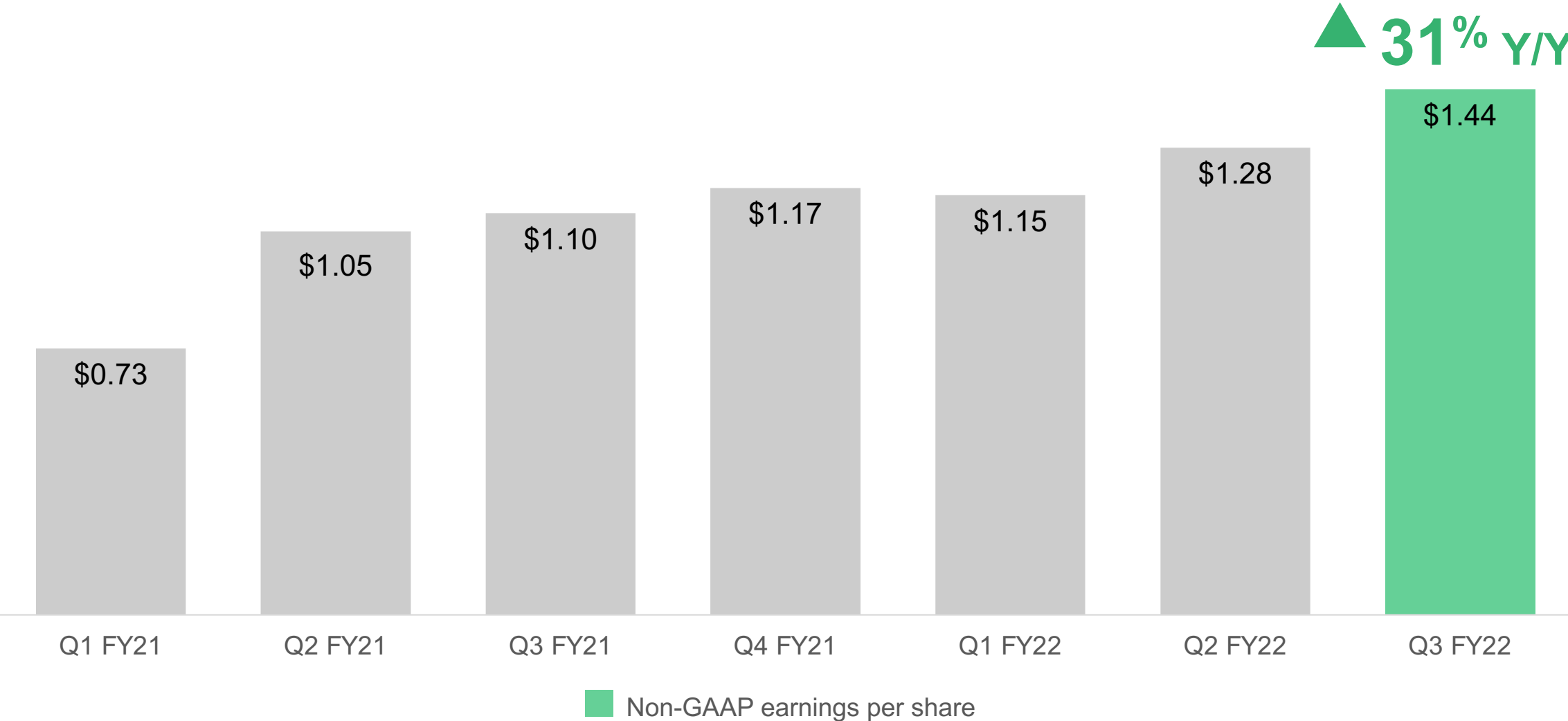
# Non-GAAP operating expense



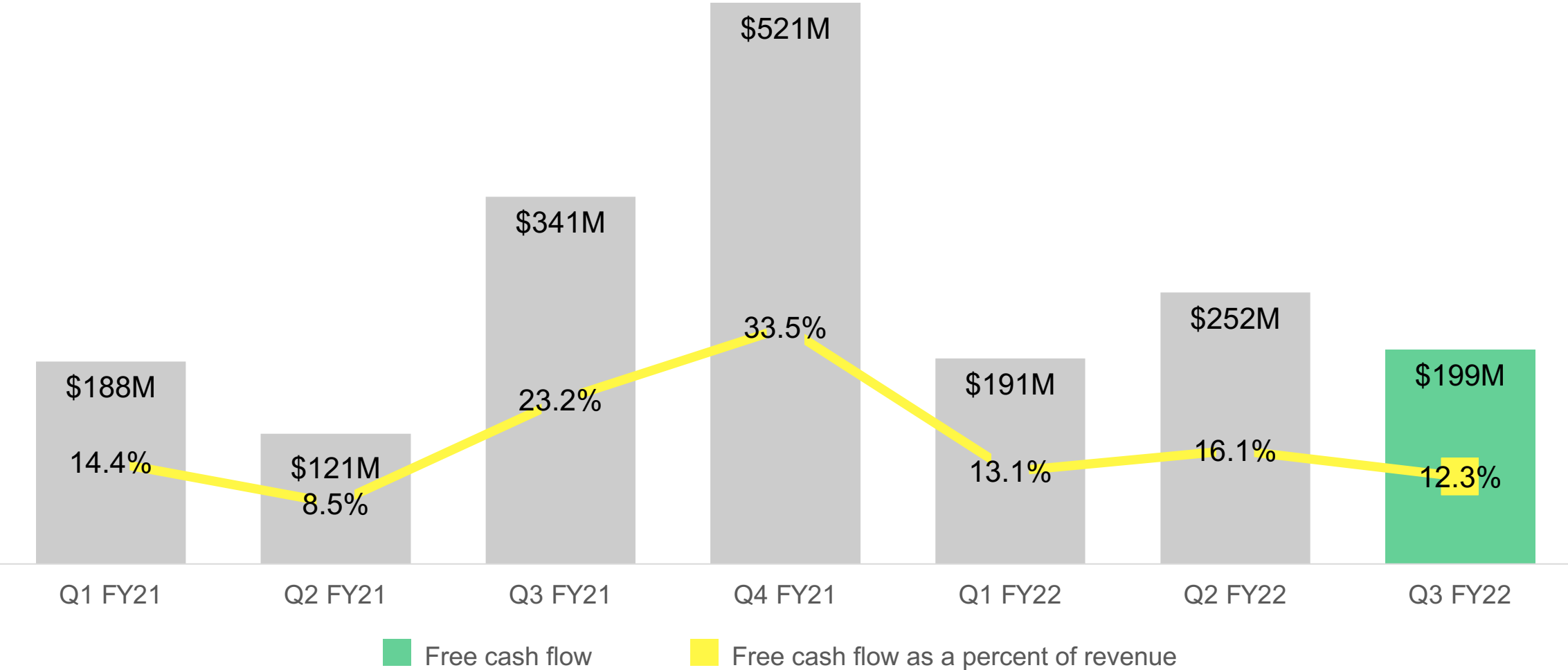
# Non-GAAP operating profit



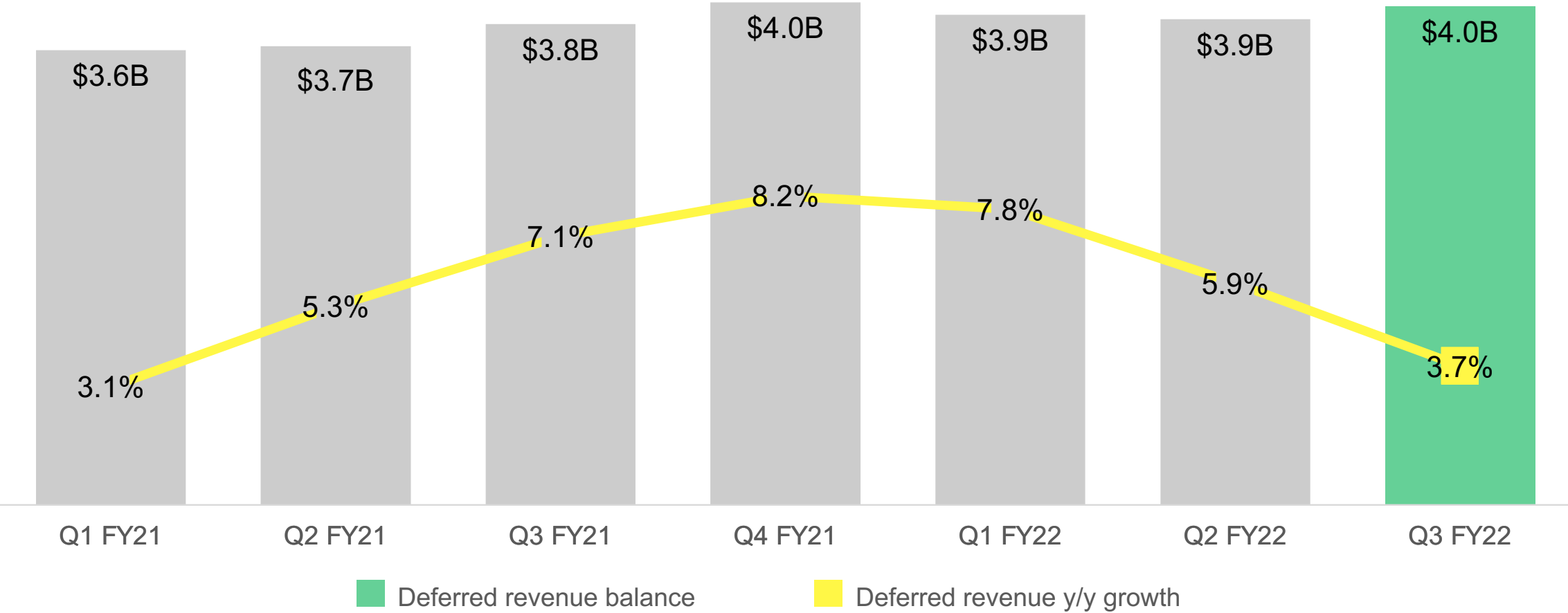
# Non-GAAP earnings per share



# Non-GAAP free cash flow



# Deferred revenue



# Q4 FY22 Guidance

as of Feb 23, 2022

	Q4 Guide
Revenue	\$1.635B – \$1.735B
Non-GAAP gross margin	~ 64%
Non-GAAP operating margin	~ 22%
Earnings per share*	\$1.21 – \$1.31

## Additional modeling points

Operating expenses*	\$705M – \$715M
Other income & expense	~ (\$15M)
Non-GAAP tax rate	~ 18%

\*Earnings per share and Operating expenses are presented on a Non-GAAP basis. Refer to appendix for a reconciliation between Non-GAAP and GAAP numbers.

# Updated FY22 Guidance

as of Feb 23, 2022

	FY22 Guide
Revenue	~ 10% y/y
Non-GAAP gross margin	~ 67%
Non-GAAP operating margin	23% – 24%
Earnings per share*	\$5.07 – \$5.17

Additional modeling points

Public Cloud ARR

\$525M – \$545M

**NetApp unlocks  
the best of cloud**





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



# Supplemental revenue and gross margin data

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

	Q1 FY'21	Q2 FY'21	Q3 FY'21	Q4 FY'21	Q1 FY'22	Q2 FY'22	Q3 FY'22	First Nine Months of FY'21	First Nine Months of FY'22
<b>Revenues by Segment</b>									
Product	\$ 627	\$ 749	\$ 775	\$ 840	\$ 730	\$ 814	\$ 846	\$ 2,151	\$ 2,390
Support	577	553	571	576	578	590	586	1,701	1,754
Professional and Other Services	68	67	69	73	71	75	72	204	218
<b>Hybrid Cloud Segment Net Revenues</b>	<b>1,272</b>	<b>1,369</b>	<b>1,415</b>	<b>1,489</b>	<b>1,379</b>	<b>1,479</b>	<b>1,504</b>	<b>4,056</b>	<b>4,362</b>
<b>Public Cloud Segment Net Revenues</b>	<b>31</b>	<b>47</b>	<b>55</b>	<b>66</b>	<b>79</b>	<b>87</b>	<b>110</b>	<b>133</b>	<b>276</b>
<b>Net Revenues</b>	<b>1,303</b>	<b>1,416</b>	<b>1,470</b>	<b>1,555</b>	<b>1,458</b>	<b>1,566</b>	<b>1,614</b>	<b>4,189</b>	<b>4,638</b>
<b>Gross Profit by Segment</b>									
Product	322	397	414	456	404	445	442	1,133	1,291
Support	526	503	522	525	530	542	541	1,551	1,613
Professional and Other Services	20	17	16	18	20	21	26	53	67
<b>Hybrid Cloud Segment Gross Profit</b>	<b>868</b>	<b>917</b>	<b>952</b>	<b>999</b>	<b>954</b>	<b>1,008</b>	<b>1,009</b>	<b>2,737</b>	<b>2,971</b>
<b>Public Cloud Segment Gross Profit</b>	<b>18</b>	<b>31</b>	<b>38</b>	<b>47</b>	<b>56</b>	<b>62</b>	<b>78</b>	<b>87</b>	<b>196</b>
<b>Total Segments Gross Profit</b>	<b>886</b>	<b>948</b>	<b>990</b>	<b>1,046</b>	<b>1,010</b>	<b>1,070</b>	<b>1,087</b>	<b>2,824</b>	<b>3,167</b>
Amortization of Intangible Assets	(10)	(12)	(12)	(7)	(7)	(7)	(9)	(34)	(23)
Stock-based Compensation	(4)	(3)	(3)	(4)	(4)	(4)	(5)	(10)	(13)
<b>Unallocated Cost of Revenues</b>	<b>(14)</b>	<b>(15)</b>	<b>(15)</b>	<b>(11)</b>	<b>(11)</b>	<b>(11)</b>	<b>(14)</b>	<b>(44)</b>	<b>(36)</b>
<b>Gross Profit</b>	<b>\$ 872</b>	<b>\$ 933</b>	<b>\$ 975</b>	<b>\$ 1,035</b>	<b>\$ 999</b>	<b>\$ 1,059</b>	<b>\$ 1,073</b>	<b>\$ 2,780</b>	<b>\$ 3,131</b>
<b>Hybrid Cloud Segment Gross Margin</b>	<b>68.2%</b>	<b>67.0%</b>	<b>67.3%</b>	<b>67.1%</b>	<b>69.2%</b>	<b>68.2%</b>	<b>67.1%</b>	<b>67.5%</b>	<b>68.1%</b>
<b>Public Cloud Segment Gross Margin</b>	<b>58.1%</b>	<b>66.0%</b>	<b>69.1%</b>	<b>71.2%</b>	<b>70.9%</b>	<b>71.3%</b>	<b>70.9%</b>	<b>65.4%</b>	<b>71.0%</b>

## Dollar-based net revenue retention rate for cloud services (Non-GAAP)

Dollar-based net revenue retention rate (DBNRR) for cloud services is a Non-GAAP metric calculated by dividing the approximate total revenue from our cloud customer base at the end of a period (“Cloud Current Period revenue”) by the approximate revenue of the same group of customers at the beginning of that 12-month period. Cloud Current Period revenue includes existing customer renewals and expansion, is net of existing customer contraction and churn, and excludes new customers. Amounts used in the calculation of DBNRR differ from revenues recognized in accordance with US GAAP as they are derived from contract values prior to the reallocation of total contract value across all performance obligations based on relative standalone selling price, as required by ASC 606.

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

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

	Q1 FY'21	Q2 FY'21	Q3 FY'21	Q4 FY'21	Q1 FY'22	Q2 FY'22	Q3 FY'22	First Nine Months of FY'21	First Nine Months of FY'22
Net revenues	\$ 1,303	\$ 1,416	\$ 1,470	\$ 1,555	\$ 1,458	\$ 1,566	\$ 1,614	\$ 4,189	\$ 4,638
Change in deferred revenue and financed unearned services revenue*	(158)	40	128	183	(82)	(15)	143	10	46
Billings	\$ 1,145	\$ 1,456	\$ 1,598	\$ 1,738	\$ 1,376	\$ 1,551	\$ 1,757	\$ 4,199	\$ 4,684

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

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

Billings - 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.

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

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

	Q1 FY'21	Q2 FY'21	Q3 FY'21	Q4 FY'21	Q1 FY'22	Q2 FY'22	Q3 FY'22	First Nine Months of FY'21	First Nine Months of FY'22
NET REVENUES	\$ 1,303	\$ 1,416	\$ 1,470	\$ 1,555	\$ 1,458	\$ 1,566	\$ 1,614	\$ 4,189	\$ 4,638
<b>GROSS PROFIT</b>	<b>\$ 872</b>	<b>\$ 933</b>	<b>\$ 975</b>	<b>\$ 1,035</b>	<b>\$ 999</b>	<b>\$ 1,059</b>	<b>\$ 1,073</b>	<b>\$ 2,780</b>	<b>\$ 3,131</b>
Adjustments:									
Amortization of intangible assets	10	12	12	7	7	7	9	34	23
Stock-based compensation	4	3	3	4	4	4	5	10	13
<b>NON-GAAP GROSS PROFIT</b>	<b>\$ 886</b>	<b>\$ 948</b>	<b>\$ 990</b>	<b>\$ 1,046</b>	<b>\$ 1,010</b>	<b>\$ 1,070</b>	<b>\$ 1,087</b>	<b>\$ 2,824</b>	<b>\$ 3,167</b>
<b>Gross margin-GAAP</b>	<b>66.9%</b>	<b>65.9%</b>	<b>66.3%</b>	<b>66.6%</b>	<b>68.5%</b>	<b>67.6%</b>	<b>66.5%</b>	<b>66.4%</b>	<b>67.5%</b>
Adjustments	1.1%	1.1%	1.0%	0.7%	0.8%	0.7%	0.9%	1.1%	0.8%
<b>Gross margin-Non-GAAP</b>	<b>68.0%</b>	<b>66.9%</b>	<b>67.3%</b>	<b>67.3%</b>	<b>69.3%</b>	<b>68.3%</b>	<b>67.3%</b>	<b>67.4%</b>	<b>68.3%</b>

# Reconciliation of Non-GAAP to GAAP operating expenses

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

	Q1 FY'21	Q2 FY'21	Q3 FY'21	Q4 FY'21	Q1 FY'22	Q2 FY'22	Q3 FY'22	First Nine Months of FY'21	First Nine Months of FY'22
<b>OPERATING EXPENSES</b>	<b>\$ 736</b>	<b>\$ 751</b>	<b>\$ 717</b>	<b>\$ 580</b>	<b>\$ 750</b>	<b>\$ 765</b>	<b>\$ 752</b>	<b>\$ 2,204</b>	<b>\$ 2,267</b>
Adjustments:									
Amortization of intangible assets	-	(3)	(3)	(2)	(2)	(3)	(4)	(6)	(9)
Stock-based compensation	(50)	(46)	(43)	(44)	(49)	(58)	(59)	(139)	(166)
Litigation settlements	-	(5)	-	-	(2)	-	-	(5)	(2)
Restructuring charges	(5)	(37)	-	-	(22)	(7)	-	(42)	(29)
Acquisition-related expense	(8)	(3)	(3)	(2)	(1)	(1)	(6)	(14)	(8)
Gain on sale or derecognition of assets	-	-	-	156	-	-	-	-	-
<b>NON-GAAP OPERATING EXPENSES</b>	<b>\$ 673</b>	<b>\$ 657</b>	<b>\$ 668</b>	<b>\$ 688</b>	<b>\$ 674</b>	<b>\$ 696</b>	<b>\$ 683</b>	<b>\$ 1,998</b>	<b>\$ 2,053</b>
<b>NET REVENUES</b>	<b>\$ 1,303</b>	<b>\$ 1,416</b>	<b>\$ 1,470</b>	<b>\$ 1,555</b>	<b>\$ 1,458</b>	<b>\$ 1,566</b>	<b>\$ 1,614</b>	<b>\$ 4,189</b>	<b>\$ 4,638</b>
<b>GAAP OPERATING EXPENSES AS A PERCENTAGE OF NET REVENUES</b>	<b>56.5%</b>	<b>53.0%</b>	<b>48.8%</b>	<b>37.3%</b>	<b>51.4%</b>	<b>48.9%</b>	<b>46.6%</b>	<b>52.6%</b>	<b>51.4%</b>
Adjustments	(4.8%)	(6.6%)	(3.3%)	6.9%	(5.2%)	(4.4%)	(4.3%)	(4.9%)	(5.2%)
<b>NON-GAAP OPERATING EXPENSES AS A PERCENTAGE OF NET REVENUES</b>	<b>51.7%</b>	<b>46.4%</b>	<b>45.4%</b>	<b>44.2%</b>	<b>46.2%</b>	<b>44.4%</b>	<b>42.3%</b>	<b>47.7%</b>	<b>46.2%</b>

# Reconciliation of Non-GAAP to GAAP income from operations

## RECONCILIATION OF NON-GAAP TO GAAP INCOME FROM OPERATIONS (\$ in millions)

	Q1 FY'21	Q2 FY'21	Q3 FY'21	Q4 FY'21	Q1 FY'22	Q2 FY'22	Q3 FY'22	First Nine Months of FY'21	First Nine Months of FY'22
<b>INCOME FROM OPERATIONS</b>	<b>\$ 136</b>	<b>\$ 182</b>	<b>\$ 258</b>	<b>\$ 455</b>	<b>\$ 249</b>	<b>\$ 294</b>	<b>\$ 321</b>	<b>\$ 576</b>	<b>\$ 864</b>
Adjustments:									
Amortization of intangible assets	10	15	15	9	9	10	13	40	32
Stock-based compensation	54	49	46	48	53	62	64	149	179
Litigation settlements	-	5	-	-	2	-	-	5	2
Restructuring charges	5	37	-	-	22	7	-	42	29
Acquisition-related expense	8	3	3	2	1	1	6	14	8
Gain on sale or derecognition of assets	-	-	-	(156)	-	-	-	-	-
<b>NON-GAAP INCOME FROM OPERATIONS</b>	<b>\$ 213</b>	<b>\$ 291</b>	<b>\$ 322</b>	<b>\$ 358</b>	<b>\$ 336</b>	<b>\$ 374</b>	<b>\$ 404</b>	<b>\$ 826</b>	<b>\$ 1,114</b>
<b>NET REVENUES</b>	<b>\$ 1,303</b>	<b>\$ 1,416</b>	<b>\$ 1,470</b>	<b>\$ 1,555</b>	<b>\$ 1,458</b>	<b>\$ 1,566</b>	<b>\$ 1,614</b>	<b>\$ 4,189</b>	<b>\$ 4,638</b>
<b>GAAP INCOME FROM OPERATIONS AS A PERCENTAGE OF NET REVENUES</b>	<b>10.4%</b>	<b>12.9%</b>	<b>17.6%</b>	<b>29.3%</b>	<b>17.1%</b>	<b>18.8%</b>	<b>19.9%</b>	<b>13.8%</b>	<b>18.6%</b>
Adjustments	5.9%	7.7%	4.4%	(6.2%)	6.0%	5.1%	5.1%	6.0%	5.4%
<b>NON-GAAP INCOME FROM OPERATIONS AS A PERCENTAGE OF NET REVENUES</b>	<b>16.3%</b>	<b>20.6%</b>	<b>21.9%</b>	<b>23.0%</b>	<b>23.0%</b>	<b>23.9%</b>	<b>25.0%</b>	<b>19.7%</b>	<b>24.0%</b>

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

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

[illegible]

**Note: GAAP and Non-GAAP Net Income Per Share were computed using the Diluted number of shares**



# 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)

	Q1 FY'21	Q2 FY'21	Q3 FY'21	Q4 FY'21	Q1 FY'22	Q2 FY'22	Q3 FY'22	First Nine Months of FY'21	First Nine Months of FY'22
Net cash provided by (used in) operating activities	\$ 240	\$ 161	\$ 373	\$ 559	\$ 242	\$ 298	\$ 260	\$ 774	\$ 800
Purchases of property and equipment	(52)	(40)	(32)	(38)	(51)	(46)	(61)	(124)	(158)
Free cash flow	\$ 188	\$ 121	\$ 341	\$ 521	\$ 191	\$ 252	\$ 199	\$ 650	\$ 642
NET REVENUES	\$ 1,303	\$ 1,416	\$ 1,470	\$ 1,555	\$ 1,458	\$ 1,566	\$ 1,614	\$ 4,189	\$ 4,638
FREE CASH FLOWS AS A PERCENTAGE OF NET REVENUES	14.4%	8.5%	23.2%	33.5%	13.1%	16.1%	12.3%	15.5%	13.8%

Free cash flow is calculated as net cash provided by operating activities less purchases of property and equipment.

# Reconciliation of Non-GAAP guidance to GAAP - fourth quarter fiscal 2022

NETAPP, INC.  
RECONCILIATION OF NON-GAAP GUIDANCE TO GAAP  
FOURTH QUARTER FISCAL 2022  
(Unaudited)

	<u>Fourth Quarter Fiscal 2022</u>
Gross Margin - Non-GAAP Guidance	~64%
Adjustment:	
Cost of revenues adjustments	(1)%
Gross Margin - GAAP Guidance	~63%

	<u>Fourth Quarter Fiscal 2022 (In millions)</u>
Operating Expenses - Non-GAAP Guidance	\$705 - \$715
Adjustments:	
Amortization of intangibles	\$4
Stock-based compensation expense	\$61
Operating Expenses - GAAP Guidance	\$770 - \$780

	<u>Fourth Quarter Fiscal 2022</u>
Operating Margin - Non-GAAP Guidance	~22%
Adjustments:	
Amortization of intangible assets	(1)%
Stock-based compensation expense	(4)%
Operating Margin - GAAP Guidance	~17%

# Reconciliation of Non-GAAP guidance to GAAP - fourth quarter fiscal 2022, continued

NETAPP, INC.  
RECONCILIATION OF NON-GAAP GUIDANCE TO GAAP  
FOURTH QUARTER FISCAL 2022  
(Unaudited)

	Fourth Quarter Fiscal 2022
Net Income Per Share - Non-GAAP Guidance	\$1.21 - \$1.31
Adjustments:	
Amortization of intangible assets	(\$0.06)
Stock-based compensation expense	(\$0.28)
Income tax effects	\$0.03
Net Income Per Share - GAAP Guidance	\$0.90 - \$1.00

	Fourth Quarter Fiscal 2022
Effective Tax Rate - Non-GAAP Guidance	~18%
Adjustment:	
Income tax effects	2%
Effective Tax Rate - GAAP Guidance	~20%

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

# Reconciliation of Non-GAAP guidance to GAAP – fiscal 2022

NETAPP, INC.  
RECONCILIATION OF NON-GAAP GUIDANCE TO GAAP  
FISCAL 2022  
(Unaudited)

	Fiscal 2022
Gross Margin - Non-GAAP Guidance	~67%
Adjustment:	
Cost of revenues adjustments	(1)%
Gross Margin - GAAP Guidance	~66%
	Fiscal 2022
Operating Margin - Non-GAAP Guidance	23% - 24%
Adjustments:	
Amortization of intangible assets	(1)%
Stock-based compensation expense	(4)%
Operating Margin - GAAP Guidance	18% - 19%

# Reconciliation of Non-GAAP guidance to GAAP – fiscal 2022, continued

NETAPP, INC.  
RECONCILIATION OF NON-GAAP GUIDANCE TO GAAP  
FISCAL 2022  
(Unaudited)

	Fiscal 2022
Net Income Per Share - Non-GAAP Guidance	\$5.07 - \$5.17
Adjustments:	
Amortization of intangible assets	(\$0.20)
Stock-based compensation expense	(\$1.07)
Litigation Settlement	(\$0.01)
Restructuring charges	(\$0.13)
Acquisition-related expenses	(\$0.03)
Income tax effects	\$0.24
Net Income Per Share - GAAP Guidance	\$3.87 - \$3.97

	Fiscal 2022
Effective Tax Rate - Non-GAAP Guidance	~18%
Adjustment:	
Income tax effects	-%
Effective Tax Rate - GAAP Guidance	~18%

# Reconciliation of Non-GAAP guidance to GAAP - third quarter fiscal 2022

NETAPP, INC.  
RECONCILIATION OF NON-GAAP GUIDANCE TO GAAP  
THIRD QUARTER FISCAL 2022  
(Unaudited)

	<u>Third Quarter Fiscal 2022</u>
Gross Margin - Non-GAAP Guidance	67% - 68%
Adjustment:	
Cost of revenues adjustments	<u>(1)%</u>
Gross Margin - GAAP Guidance	66% - 67%

	<u>Third Quarter Fiscal 2022</u> <u>(In millions)</u>
Operating Expenses - Non-GAAP Guidance	\$705 - \$715
Adjustments:	
Amortization of intangibles	\$2
Stock-based compensation expense	<u>\$59</u>
Operating Expenses - GAAP Guidance	\$766 - \$776

	<u>Third Quarter Fiscal 2022</u>
Operating Margin - Non-GAAP Guidance	~23%
Adjustments:	
Amortization of intangible assets	(1)%
Stock-based compensation expense	<u>(4)%</u>
Operating Margin - GAAP Guidance	~18%

# Reconciliation of Non-GAAP guidance to GAAP - third quarter fiscal 2022, continued

NETAPP, INC.  
RECONCILIATION OF NON-GAAP GUIDANCE TO GAAP  
THIRD QUARTER FISCAL 2022  
(Unaudited)

	Third Quarter Fiscal 2022
Net Income Per Share - Non-GAAP Guidance	\$1.21 - \$1.31
Adjustments:	
Amortization of intangible assets	(\$0.04)
Stock-based compensation expense	(\$0.27)
Income tax effects	\$0.03
Net Income Per Share - GAAP Guidance	\$0.93 - \$1.03
	Third Quarter Fiscal 2022
Effective Tax Rate - Non-GAAP Guidance	~19%
Adjustment:	
Income tax effects	2%
Effective Tax Rate - GAAP Guidance	~21%

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

**NetApp unlocks  
the best of cloud**

