

Revenue Overview

(\$ in thousands)

	Q1'23	Q2'23	Q3'23	Q4'23	Q1'24
Revenue Summary:					
Subscription	\$ 87,628	\$ 78,239	\$ 87,380	\$ 94,537	\$ 97,290
Perpetual license	17,798	19,831	19,728	17,561	13,155
Customer support	81,317	77,996	77,665	77,335	76,915
Other services	11,238	11,991	10,301	14,045	10,790
Total revenue	\$ 197,981	\$ 188,057	\$ 195,074	\$ 203,478	\$ 198,150
Y/Y Growth:					
Subscription	67 %	50 %	13 %	9 %	11 %
Perpetual license	(45)%	(28)%	(30)%	(25)%	(26)%
Customer support	(9)%	(11)%	(10)%	(9)%	(5)%
Other services	19 %	12 %	(8)%	28 %	(4)%
Total revenue	8 %	6 %	(4)%	(1)%	— %

Constant Currency

(\$ in thousands)

The constant currency impact is calculated using the average foreign exchange rates from the prior year period and applying these rates to foreign-denominated revenues in the current corresponding period. Commvault analyzes revenue growth on a constant currency basis in order to provide a comparable framework for assessing how the business performed excluding the effect of foreign currency fluctuations. The non-GAAP financial measures presented in this press release should not be considered as a substitute for, or superior to, the measures of financial performance prepared in accordance with GAAP.

	Subscription	Perpetual License	Customer Support	Other Services	Total
Q1'23 Revenue As Reported (GAAP)	\$ 87,628	\$ 17,798	\$ 81,317	\$ 11,238	\$ 197,981
Q1'24 Revenue As Reported (GAAP)	\$ 97,290	\$ 13,155	\$ 76,915	\$ 10,790	\$ 198,150
% Change Y/Y (GAAP)	11 %	(26)%	(5)%	(4)%	— %
Constant Currency Impact	\$ 538	\$ 168	\$ 440	\$ 59	\$ 1,205
% Change Y/Y Constant Currency	12 %	(25)%	(5)%	(3)%	1 %

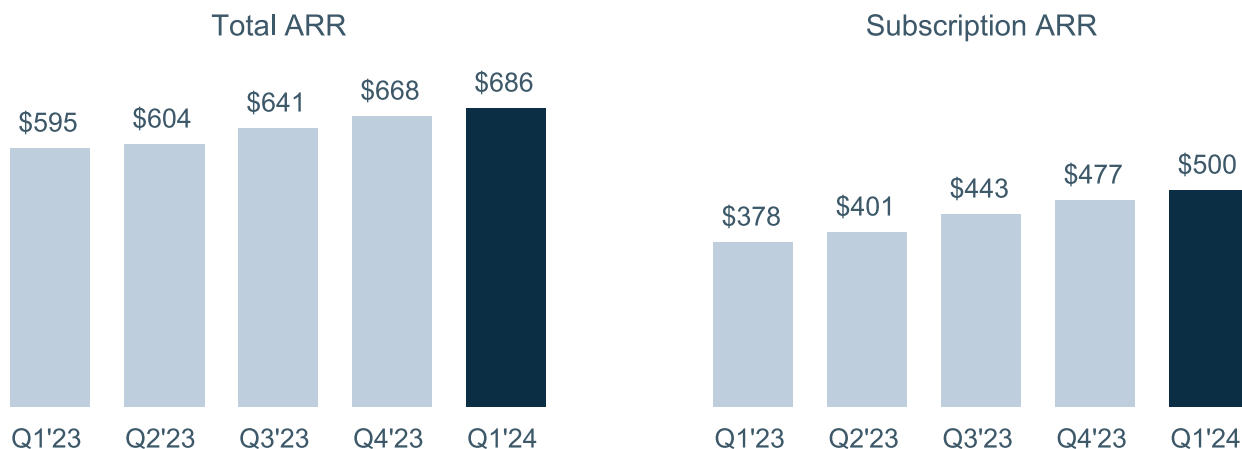
Revenue by Geography¹

(\$ in thousands)

	Q1'23		Q2'23		Q3'23		Q4'23		Q1'24	
	Revenue	Y/Y Growth	Revenue	Y/Y Growth	Revenue	Y/Y Growth	Revenue	Y/Y Growth	Revenue	Y/Y Growth
Americas	\$122,609	10 %	\$116,191	11 %	\$108,107	(9)%	\$122,337	(1)%	\$122,124	— %
International	75,372	4 %	71,866	(2)%	86,967	3 %	81,141	(1)%	76,026	1 %
Total revenue	\$197,981	8 %	\$188,057	6 %	\$195,074	(4)%	\$203,478	(1)%	\$198,150	— %

¹ Our Americas region includes the United States, Canada, and Latin America. Our International region primarily includes Europe, Middle East, Africa, Australia, India, Southeast Asia, and China.

Total ARR and Subscription ARR¹
(\$ in millions)



Income from Operations (EBIT)

- Income from operations (EBIT) was \$18.5 million, a 9.3% operating margin
- Non-GAAP EBIT² was \$43.5 million, a 22.0% operating margin

GAAP and Non-GAAP Net Income²

- GAAP net income was \$12.6 million, or \$0.28 per diluted share
- Non-GAAP net income² was \$32.5 million, or \$0.72 per diluted share

Cash Summary and Share Repurchases

- Cash flow from operations was \$39.0 million in the first quarter
- As of June 30, 2023, ending cash and cash equivalents was approximately \$274.6 million
- During the first quarter, Commvault repurchased \$51.0 million, or 779,000 shares, of common stock at an average share price of approximately \$65.54 per share

¹ Annualized Recurring Revenue (ARR) is defined as 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.

ARR 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.

² A reconciliation of GAAP to non-GAAP results has been provided in Financial Statement Table IV included in this press release. An explanation of these measures is also included below under the heading "Use of Non-GAAP Financial Measures."

Commvault Systems, Inc.
**Consolidated Statements of Operations
(In thousands, except per share data)
(Unaudited)**

	Three Months Ended June 30,	
	2023	2022
Revenues:		
Subscription	\$ 97,290	\$ 87,628
Perpetual license	13,155	17,798
Customer support	76,915	81,317
Other services	10,790	11,238
Total revenues	198,150	197,981
Cost of revenues:		
Subscription	12,363	10,985
Perpetual license	412	626
Customer support	14,957	15,033
Other services	7,818	7,113
Total cost of revenues	35,550	33,757
Gross margin	162,600	164,224
Operating expenses:		
Sales and marketing	84,127	84,919
Research and development	31,431	40,113
General and administrative	26,959	26,976
Restructuring	—	2,132
Depreciation and amortization	1,603	2,635
Total operating expenses	144,120	156,775
Income from operations	18,480	7,449
Interest income	780	261
Interest expense	(96)	(105)
Other income (expense), net	341	(389)
Income before income taxes	19,505	7,216
Income tax expense	6,876	3,705
Net income	\$ 12,629	\$ 3,511
Net income per common share:		
Basic	\$ 0.29	\$ 0.08
Diluted	\$ 0.28	\$ 0.08
Weighted average common shares outstanding:		
Basic	44,057	44,743
Diluted	44,975	45,865

Table II
Commvault Systems, Inc.
**Condensed Consolidated Balance Sheets
(In thousands)
(Unaudited)**

	<u>June 30,</u> <u>2023</u>	<u>March 31,</u> <u>2023</u>
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 274,589	\$ 287,778
Trade accounts receivable, net	176,512	210,441
Assets held for sale	38,680	38,680
Other current assets	18,654	14,015
Total current assets	508,435	550,914
Property and equipment, net	8,209	8,287
Operating lease assets	11,268	11,784
Deferred commissions cost	58,848	59,612
Intangible assets, net	1,979	2,292
Goodwill	127,780	127,780
Other assets	25,213	21,905
Total assets	\$ 741,732	\$ 782,574
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 284	\$ 108
Accrued liabilities	78,089	97,888
Current portion of operating lease liabilities	4,763	4,518
Deferred revenue	302,629	307,562
Total current liabilities	385,765	410,076
Deferred revenue, less current portion	172,219	174,393
Deferred tax liabilities, net	519	134
Long-term operating lease liabilities	7,584	8,260
Other liabilities	3,629	3,613
Total stockholders' equity	172,016	186,098
Total liabilities and stockholders' equity	\$ 741,732	\$ 782,574

Table III
Commvault Systems, Inc.
**Consolidated Statements of Cash Flows
(In thousands)
(Unaudited)**

	Three Months Ended June 30,	
	2023	2022
Cash flows from operating activities		
Net income	\$ 12,629	\$ 3,511
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	1,632	2,977
Noncash stock-based compensation	23,724	31,095
Noncash change in fair value of equity securities	(341)	389
Amortization of deferred commissions cost	6,319	5,314
Changes in operating assets and liabilities:		
Trade accounts receivable, net	28,057	9,389
Operating lease assets and liabilities, net	72	(283)
Other current assets and Other assets	(1,393)	(2,710)
Deferred commissions cost	(5,600)	(6,652)
Accounts payable	178	482
Accrued liabilities	(19,530)	(31,366)
Deferred revenue	(7,213)	10,258
Other liabilities	503	29
Net cash provided by operating activities	39,037	22,433
Cash flows from investing activities		
Purchase of property and equipment	(1,147)	(867)
Purchase of equity securities	(312)	(1,015)
Net cash used in investing activities	(1,459)	(1,882)
Cash flows from financing activities		
Repurchase of common stock	(51,030)	(18,923)
Proceeds from stock-based compensation plans	1,201	687
Payment of debt issuance costs	—	(63)
Net cash used in financing activities	(49,829)	(18,299)
Effects of exchange rate — changes in cash	(938)	(11,046)
Net decrease in cash and cash equivalents	(13,189)	(8,794)
Cash and cash equivalents at beginning of period	287,778	267,507
Cash and cash equivalents at end of period	<u>\$ 274,589</u>	<u>\$ 258,713</u>

Commvault Systems, Inc.
Table IV
**Reconciliation of GAAP to Non-GAAP Financial Measures and Other Financial Information
(In thousands, except per share data)
(Unaudited)**

	Three Months Ended June 30,	
	2023	2022
Non-GAAP financial measures and reconciliation:		
GAAP income from operations	\$ 18,480	\$ 7,449
Noncash stock-based compensation ¹	23,724	29,808
FICA and payroll tax expense related to stock-based compensation ²	1,014	910
Restructuring ³	—	2,132
Amortization of intangible assets ⁴	314	314
Non-GAAP income from operations	\$ 43,532	\$ 40,613
GAAP net income	\$ 12,629	\$ 3,511
Noncash stock-based compensation ¹	23,724	29,808
FICA and payroll tax expense related to stock-based compensation ²	1,014	910
Restructuring ³	—	2,132
Amortization of intangible assets ⁴	314	314
Non-GAAP provision for income taxes adjustment ⁵	(5,154)	(7,198)
Non-GAAP net income	\$ 32,527	\$ 29,477
Diluted weighted average shares outstanding	44,975	45,865
Non-GAAP diluted earnings per share	\$ 0.72	\$ 0.64
	Three Months Ended June 30,	
	2023	2022
Non-GAAP free cash flow reconciliation:		
GAAP cash provided by operating activities	\$ 39,037	\$ 22,433
Purchase of property and equipment	(1,147)	(867)
Non-GAAP free cash flow	\$ 37,890	\$ 21,566

¹ Represents noncash stock-based compensation charges associated with restricted stock units granted and our Employee Stock Purchase Plan, exclusive of stock-based compensation expense related to Commvault's restructuring activities described below in footnote 3. Refer below for the classification of stock-based compensation expense.

² Represents additional FICA and related payroll tax expenses incurred by Commvault when employees exercise in-the-money stock options or vest in restricted stock awards.

³ These restructuring charges relate primarily to severance and related costs associated with headcount reductions and stock-based compensation related to modifications of existing unvested awards granted to certain employees impacted by the restructuring plan.

⁴ Represents noncash amortization of intangible assets.

⁵ The provision for income taxes is adjusted to reflect Commvault's estimated non-GAAP effective tax rate of 27%.