

**Revenue Overview**

(\$ in thousands)

	Q2'23	Q3'23	Q4'23	Q1'24	Q2'24
Revenue Summary:					
Subscription	\$ 78,239	\$ 87,380	\$ 94,537	\$ 97,290	\$ 97,757
Perpetual license	19,831	19,728	17,561	13,155	14,388
Customer support	77,996	77,665	77,335	76,915	77,019
Other services	11,991	10,301	14,045	10,790	11,833
Total revenues	<u>\$ 188,057</u>	<u>\$ 195,074</u>	<u>\$ 203,478</u>	<u>\$ 198,150</u>	<u>\$ 200,997</u>

	Q2'23	Q3'23	Q4'23	Q1'24	Q2'24
Y/Y Growth:					
Subscription	50 %	13 %	9 %	11 %	25 %
Perpetual license	(28)%	(30)%	(25)%	(26)%	(27)%
Customer support	(11)%	(10)%	(9)%	(5)%	(1)%
Other services	12 %	(8)%	28 %	(4)%	(1)%
Total revenues	<u>6 %</u>	<u>(4)%</u>	<u>(1)%</u>	<u>— %</u>	<u>7 %</u>

**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
Q2'23 Revenue As Reported (GAAP)	\$ 78,239	\$ 19,831	\$ 77,996	\$ 11,991	\$ 188,057
Q2'24 Revenue As Reported (GAAP)	\$ 97,757	\$ 14,388	\$ 77,019	\$ 11,833	\$ 200,997
% Change Y/Y (GAAP)	25 %	(27)%	(1)%	(1)%	7 %
Constant Currency Impact	\$ (953)	\$ (328)	\$ (1,205)	\$ (108)	\$ (2,594)
% Change Y/Y Constant Currency	24 %	(29)%	(3)%	(2)%	6 %

**Revenues by Geography**

(\$ in thousands)

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.

	Q2'23		Q3'23		Q4'23		Q1'24		Q2'24	
	Revenue	Y/Y Growth	Revenue	Y/Y Growth	Revenue	Y/Y Growth	Revenue	Y/Y Growth	Revenue	Y/Y Growth
Americas	\$116,191	11 %	\$108,107	(9)%	\$122,337	(1)%	\$122,124	— %	\$120,300	4 %
International	71,866	(2)%	86,967	3 %	81,141	(1)%	76,026	1 %	80,697	12 %
Total revenues	<u>\$188,057</u>	<u>6 %</u>	<u>\$195,074</u>	<u>(4)%</u>	<u>\$203,478</u>	<u>(1)%</u>	<u>\$198,150</u>	<u>— %</u>	<u>\$200,997</u>	<u>7 %</u>

**Total ARR and Subscription ARR<sup>1</sup>**

(\$ in thousands)

	Q2'23	Q3'23	Q4'23	Q1'24	Q2'24
Total ARR <sup>1</sup>	\$ 604,392	\$ 640,731	\$ 668,411	\$ 686,028	\$ 711,462
Subscription ARR <sup>1</sup>	\$ 400,480	\$ 442,684	\$ 477,085	\$ 499,580	\$ 529,590

**Income from Operations (EBIT)**

- Income from operations (EBIT) was \$17.6 million, an 8.8% operating margin
- Non-GAAP EBIT<sup>2</sup> was \$42.0 million, a 20.9% operating margin

**GAAP and Non-GAAP Net Income<sup>2</sup>**

- GAAP net income was \$13.0 million, or \$0.29 per diluted share
- Non-GAAP net income<sup>2</sup> was \$31.5 million, or \$0.70 per diluted share

**Cash Summary and Share Repurchases**

- Cash flow from operations was \$40.3 million in the second quarter
- As of September 30, 2023, ending cash and cash equivalents was approximately \$283.3 million
- During the second quarter, Commvault repurchased \$31.3 million, or approximately 442,000 shares, of common stock at an average share price of approximately \$70.88 per share

Notes are contained on the last page of this Press Release.

Table I

Commvault Systems, Inc.

Consolidated Statements of Operations  
(In thousands, except per share data)  
(Unaudited)

	Three Months Ended September 30,		Six Months Ended September 30,	
	2023	2022	2023	2022
<b>Revenues:</b>				
Subscription	\$ 97,757	\$ 78,239	\$ 195,047	\$ 165,867
Perpetual license	14,388	19,831	27,543	37,629
Customer support	77,019	77,996	153,934	159,313
Other services	11,833	11,991	22,623	23,229
<b>Total revenues</b>	<b>200,997</b>	<b>188,057</b>	<b>399,147</b>	<b>386,038</b>
<b>Cost of revenues:</b>				
Subscription	14,643	8,893	27,006	19,878
Perpetual license	642	656	1,054	1,282
Customer support	14,898	15,423	29,855	30,456
Other services	7,670	7,330	15,488	14,443
<b>Total cost of revenues</b>	<b>37,853</b>	<b>32,302</b>	<b>73,403</b>	<b>66,059</b>
<b>Gross margin</b>	<b>163,144</b>	<b>155,755</b>	<b>325,744</b>	<b>319,979</b>
<b>Operating expenses:</b>				
Sales and marketing	84,712	81,299	168,839	166,218
Research and development	31,261	37,053	62,692	77,166
General and administrative	28,002	25,553	54,961	52,529
Restructuring	—	—	—	2,132
Depreciation and amortization	1,535	2,537	3,138	5,172
<b>Total operating expenses</b>	<b>145,510</b>	<b>146,442</b>	<b>289,630</b>	<b>303,217</b>
<b>Income from operations</b>	<b>17,634</b>	<b>9,313</b>	<b>36,114</b>	<b>16,762</b>
Interest income	1,369	291	2,149	552
Interest expense	(112)	(105)	(208)	(210)
Other income (expense), net	(154)	154	187	(235)
<b>Income before income taxes</b>	<b>18,737</b>	<b>9,653</b>	<b>38,242</b>	<b>16,869</b>
Income tax expense	5,720	5,135	12,596	8,840
<b>Net income</b>	<b>\$ 13,017</b>	<b>\$ 4,518</b>	<b>\$ 25,646</b>	<b>\$ 8,029</b>
<b>Net income per common share:</b>				
Basic	\$ 0.30	\$ 0.10	\$ 0.58	\$ 0.18
Diluted	\$ 0.29	\$ 0.10	\$ 0.57	\$ 0.18
<b>Weighted average common shares outstanding:</b>				
Basic	43,949	44,759	44,003	44,751
Diluted	44,903	45,540	45,010	45,745

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

	<b>September 30,</b>	<b>March 31,</b>
	<b>2023</b>	<b>2023</b>
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 283,287	\$ 287,778
Trade accounts receivable, net	196,434	210,441
Assets held for sale	38,680	38,680
Other current assets	21,560	14,015
<b>Total current assets</b>	<b>539,961</b>	<b>550,914</b>
Property and equipment, net	7,471	8,287
Operating lease assets	12,995	11,784
Deferred commissions cost	58,855	59,612
Intangible assets, net	1,667	2,292
Goodwill	127,780	127,780
Other assets	23,963	21,905
<b>Total assets</b>	<b>\$ 772,692</b>	<b>\$ 782,574</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current liabilities:		
Accounts payable	\$ 136	\$ 108
Accrued liabilities	93,788	97,888
Current portion of operating lease liabilities	4,848	4,518
Deferred revenue	304,977	307,562
<b>Total current liabilities</b>	<b>403,749</b>	<b>410,076</b>
Deferred revenue, less current portion	174,061	174,393
Deferred tax liabilities, net	495	134
Long-term operating lease liabilities	9,194	8,260
Other liabilities	3,670	3,613
<b>Total stockholders' equity</b>	<b>181,523</b>	<b>186,098</b>
<b>Total liabilities and stockholders' equity</b>	<b>\$ 772,692</b>	<b>\$ 782,574</b>

Table III

Commvault Systems, Inc.

Consolidated Statements of Cash Flows  
(In thousands)  
(Unaudited)

	Three Months Ended September 30,		Six Months Ended September 30,	
	2023	2022	2023	2022
<b>Cash flows from operating activities</b>				
Net income	\$ 13,017	\$ 4,518	\$ 25,646	\$ 8,029
Adjustments to reconcile net income to net cash provided by operating activities:				
Depreciation and amortization	1,564	2,878	3,196	5,855
Noncash stock-based compensation	23,615	25,327	47,339	56,422
Noncash change in fair value of equity securities	154	(155)	(187)	234
Amortization of deferred commissions cost	6,430	5,442	12,749	10,756
Changes in operating assets and liabilities:				
Trade accounts receivable, net	(19,812)	6,474	8,245	15,863
Operating lease assets and liabilities, net	(7)	102	65	(181)
Other current assets and Other assets	(2,439)	2,249	(3,832)	(461)
Deferred commissions cost	(6,961)	(6,365)	(12,561)	(13,017)
Accounts payable	(146)	(695)	32	(213)
Accrued liabilities	15,567	2,762	(3,963)	(28,604)
Deferred revenue	8,959	6,206	1,746	16,464
Other liabilities	396	1,101	899	1,130
Net cash provided by operating activities	40,337	49,844	79,374	72,277
<b>Cash flows from investing activities</b>				
Purchase of property and equipment	(266)	(514)	(1,413)	(1,381)
Purchase of equity securities	(260)	(778)	(572)	(1,793)
Net cash used in investing activities	(526)	(1,292)	(1,985)	(3,174)
<b>Cash flows from financing activities</b>				
Repurchase of common stock	(31,327)	(39,864)	(82,357)	(58,787)
Proceeds from stock-based compensation plans	5,167	6,672	6,368	7,359
Payment of debt issuance costs	—	—	—	(63)
Net cash used in financing activities	(26,160)	(33,192)	(75,989)	(51,491)
Effects of exchange rate — changes in cash	(4,953)	(11,588)	(5,891)	(22,634)
Net increase (decrease) in cash and cash equivalents	8,698	3,772	(4,491)	(5,022)
Cash and cash equivalents at beginning of period	274,589	258,713	287,778	267,507
Cash and cash equivalents at end of period	<u>\$ 283,287</u>	<u>\$ 262,485</u>	<u>\$ 283,287</u>	<u>\$ 262,485</u>

Table IV

Commvault Systems, Inc.

Reconciliation of GAAP to Non-GAAP Financial Measures  
(In thousands, except per share data)  
(Unaudited)

	Three Months Ended September 30,		Six Months Ended September 30,	
	2023	2022	2023	2022
<b>Non-GAAP financial measures and reconciliation:</b>				
GAAP income from operations	\$ 17,634	\$ 9,313	\$ 36,114	\$ 16,762
Noncash stock-based compensation <sup>3</sup>	23,615	25,327	47,339	55,135
FICA and payroll tax expense related to stock-based compensation <sup>4</sup>	471	425	1,485	1,335
Restructuring <sup>5</sup>	—	—	—	2,132
Amortization of intangible assets <sup>6</sup>	312	312	626	626
<b>Non-GAAP income from operations</b>	<b>\$ 42,032</b>	<b>\$ 35,377</b>	<b>\$ 85,564</b>	<b>\$ 75,990</b>
GAAP net income	\$ 13,017	\$ 4,518	\$ 25,646	\$ 8,029
Noncash stock-based compensation <sup>3</sup>	23,615	25,327	47,339	55,135
FICA and payroll tax expense related to stock-based compensation <sup>4</sup>	471	425	1,485	1,335
Restructuring <sup>5</sup>	—	—	—	2,132
Amortization of intangible assets <sup>6</sup>	312	312	626	626
Non-GAAP provision for income taxes adjustment <sup>7</sup>	(5,927)	(4,508)	(11,081)	(11,706)
<b>Non-GAAP net income</b>	<b>\$ 31,488</b>	<b>\$ 26,074</b>	<b>\$ 64,015</b>	<b>\$ 55,551</b>
Diluted weighted average shares outstanding	44,903	45,540	45,010	45,745
<b>Non-GAAP diluted earnings per share</b>	<b>\$ 0.70</b>	<b>\$ 0.57</b>	<b>\$ 1.42</b>	<b>\$ 1.21</b>
	Three Months Ended September 30,		Six Months Ended September 30,	
	2023	2022	2023	2022
<b>Non-GAAP free cash flow reconciliation:</b>				
GAAP cash provided by operating activities	\$ 40,337	\$ 49,844	\$ 79,374	\$ 72,277
Purchase of property and equipment	(266)	(514)	(1,413)	(1,381)
<b>Non-GAAP free cash flow</b>	<b>\$ 40,071</b>	<b>\$ 49,330</b>	<b>\$ 77,961</b>	<b>\$ 70,896</b>

Notes are contained on the last page of this Press Release.

**Notes**

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 under the heading "Use of Non-GAAP Financial Measures."
3. 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 note 5.
4. 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.
5. 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.
6. Represents noncash amortization of intangible assets.
7. The provision for income taxes is adjusted to reflect Commvault's estimated non-GAAP effective tax rate of 27%.