

# Pure Storage Announces First Quarter Fiscal 2022 Financial Results

*Return to double digit revenue growth of 12% year-over-year*

*New customer additions of approximately 330 this quarter, up 15% year-over-year*

*Continued strength and momentum of Subscription Services*

MOUNTAIN VIEW, Calif. — May 26, 2021 — Today Pure Storage (NYSE: PSTG), the IT pioneer that delivers storage as-a-service in a multi-cloud world, announced financial results for its fiscal first quarter ended May 2, 2021.

“Pure Storage expanded our strong growth trend from last quarter with balanced contributions across all aspects of our business,” said Charles Giancarlo, Chairman and CEO, Pure Storage. “Our growing customer base loves our Modern Data Experience consisting of the industry’s most advanced platforms, unique Evergreen and Pure as-a-Service models, with leading reliability and total cost of ownership.”

## First Quarter Financial Highlights

- Revenue \$412.7 million, up 12% year-over-year
- Subscription services revenue \$162.8 million, up 35% year-over-year
- GAAP gross margin 68.3%; non-GAAP gross margin 70.5%
- GAAP operating loss \$(76.2) million; non-GAAP operating income \$0.3 million
- Operating cash flow \$21.4 million; free cash flow \$(6.4) million
- Total cash and investments \$1.2 billion
- Deferred revenue \$866.2 million, up 23% year-over-year
- Remaining performance obligations (RPO) exceeding \$1.1 billion, up 24% year-over-year

“We are very pleased with the strong start to the year returning to double digit revenue growth,” said Kevan Kryslar, CFO, Pure Storage. “Broad-based performance in the quarter included early signs of strength in our commercial business and continuing accelerated momentum of FlashArray//C.”

## First Quarter Company Highlights and Achievements

- **Industry Accolades:** FlashBlade® was named a leader in the GigaOm Radar Report for High-Performance Object Storage and a Gartner Peer Insights Customers’ Choice for Distributed File Systems and Object Storage.
- **Purity software enhancements across Pure’s portfolio enable new use cases:** Updates to the flagship Purity software for FlashBlade and FlashArray™ accelerate Windows applications; deliver ransomware protection across file, block, and native cloud-based apps; and make hybrid storage for both departmental and data center workloads obsolete with the FlashArray//C all-QLC platform.
- **New Bare Metal as-a-Service solution with Equinix:** Pure Storage on Equinix Metal is a full stack, bare metal solution that delivers a unified, connected platform for any stage of an organization’s cloud journey.

- **Pure Cloud Block Store is now generally available on both AWS and Microsoft Azure:** Cloud Block Store eliminates common storage tradeoffs by combining high-performance, efficiency, reliability, and simplicity into a cloud native solution, now available on multiple hyperscalers.

## Second Quarter Guidance

	Q2 FY22
Revenue	\$470 Million
Non-GAAP Operating Income	\$15 Million

These statements are forward-looking and actual results may differ materially. Refer to the Forward Looking Statements section below for information on the factors that could cause our actual results to differ materially from these statements. Pure has not reconciled its guidance for non-GAAP operating income (loss) to the most directly comparable GAAP measure because certain items that impact this measure are not within Pure's control and/or cannot be reasonably predicted. Accordingly, a reconciliation of this non-GAAP financial measure guidance to the corresponding GAAP measure is not available without unreasonable effort.

## Conference Call Information

Pure will host a teleconference to discuss the first quarter fiscal 2022 results at 2:00 pm PT today, May 26, 2021. A live audio broadcast of the conference call will be available at the Pure Storage Investor Relations website, [investor.purestorage.com](http://investor.purestorage.com). Pure will also post its earnings presentation to this website in advance of the call and post its prepared remarks to this website within 24 hours of completion of the call. A replay will be available following the call on the Pure Storage Investor Relations website and in addition, for two weeks at (855) 859-2056 (or 404-537-3406 for international callers) with passcode 9699895.

## Upcoming Events

Pure is scheduled to participate virtually at the following investor conferences:

William Blair 41st Annual Growth Stock Conference

Date: Tuesday, June 1, 2021

Time: 10:00 am PT

Pure Presenters: Charles Giancarlo, Chairman and CEO and Kevan Kryslar, CFO

Pure Participants: Matt Kixmoeller, VP, Strategy and Sanjot Khurana, VP of Investor Relations

Cowen 49th Annual Technology, Media & Telecom Conference

Date: Thursday, June 3, 2021

Pure Participants: Kevan Kryslar, CFO, Rob Lee, VP and Chief Architect and Sanjot Khurana, VP of Investor Relations

Bank of America 2021 Global Technology Conference

Date: Tuesday, June 8, 2021

Time: 11:30 am PT

Pure Presenters: Charles Giancarlo, Chairman and CEO and Kevan Kryslar, CFO

Pure Participants: Matt Kixmoeller, VP, Strategy and Sanjot Khurana, VP of Investor Relations

The presentations will be webcast live and archived on Pure's Investor Relations website at [investor.purestorage.com](http://investor.purestorage.com).

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### **About Pure Storage**

Pure Storage gives technologists their time back. Pure delivers a modern data experience that empowers organizations to run their operations as a true, automated, storage as-a-service model seamlessly across multiple clouds. Pure helps customers put data to use while reducing the complexity and expense of managing the infrastructure behind it. And with a certified customer satisfaction score in the top one percent of B2B companies, Pure's ever-expanding list of customers are among the happiest in the world.

### **Analyst Recognition**

Pure Storage has been named a [Leader in the 2020 Gartner Magic Quadrant for Primary Storage Arrays](#).

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### **Forward Looking Statements**

This press release contains forward-looking statements regarding our products, business and operations, including but not limited to our views relating to future period outcomes, our continued momentum and growth potential, the scope and duration of the COVID-19 pandemic and its impact on our business operations, liquidity and capital resources, employees, customers, supply chain, financial results and the economy, our expectations regarding product and technology differentiation, including our new offerings, strategy and adoption of subscription services, growing customer adoption, the continued success of the Portworx technology, and other statements regarding our products, business, operations and results. Forward-looking

statements are subject to known and unknown risks and uncertainties and are based on potentially inaccurate assumptions that could cause actual results to differ materially from those expected or implied by the forward-looking statements.

Actual results may differ materially from the results predicted, and reported results should not be considered as an indication of future performance. The potential risks and uncertainties that could cause actual results to differ from the results predicted include, among others, those risks and uncertainties included under the captions "Risk Factors" and elsewhere in our filings and reports with the U.S. Securities and Exchange Commission, which are available on our Investor Relations website at [investor.purestorage.com](http://investor.purestorage.com) and on the SEC website at [www.sec.gov](http://www.sec.gov). Additional information is also set forth in our Annual Report on Form 10-K for the year ended January 31, 2021. All information provided in this release and in the attachments is as of May 26, 2021, and Pure undertakes no duty to update this information unless required by law.

### **Non-GAAP Financial Measures**

To supplement our unaudited condensed consolidated financial statements, which are prepared and presented in accordance with GAAP, Pure uses the following non-GAAP financial measures: non-GAAP gross profit, non-GAAP gross margin, non-GAAP operating income (loss), non-GAAP operating margin, non-GAAP net income (loss), non-GAAP net income (loss) per share, and free cash flow.

We use these non-GAAP financial measures for financial and operational decision-making and as a means to evaluate period-to-period comparisons. Our management believes that these non-GAAP financial measures provide meaningful supplemental information regarding our performance and liquidity by excluding certain expenses and expenditures such as stock-based compensation expense, payments to former shareholders of acquired companies, payroll tax expense related to stock-based activities, amortization of debt discount and debt issuance costs related to long-term debt, amortization of intangible assets acquired from acquisitions, acquisition-related transaction and integration expenses, restructuring activities, and expenses directly related to the COVID-19 pandemic that may not be indicative of our ongoing core business operating results. Pure believes that both management and investors benefit from referring to these non-GAAP financial measures in assessing our performance and when analyzing historical performance and liquidity and planning, forecasting, and analyzing future periods. The presentation of these non-GAAP financial measures is not meant to be considered in isolation or as a substitute for our financial results prepared in accordance with GAAP, and our non-GAAP measures may be different from non-GAAP measures used by other companies.

For a reconciliation of these non-GAAP financial measures to GAAP measures, please see the tables captioned "Reconciliations of non-GAAP results of operations to the nearest comparable GAAP measures" and "Reconciliation from net cash provided by operating activities to free cash flow," included at the end of this release.

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