

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549**

**FORM 8-K**

**CURRENT REPORT**

**Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

**Date of Report (Date of earliest event reported): May 26, 2023**

**NetApp, Inc.**

(Exact name of Registrant as Specified in Its Charter)

**Delaware**  
(State or Other Jurisdiction  
of Incorporation)

**0-27130**  
(Commission File Number)

**77-0307520**  
(IRS Employer  
Identification No.)

**3060 Olsen Drive**  
**San Jose, California**  
(Address of Principal Executive Offices)

**95128**  
(Zip Code)

**Registrant's Telephone Number, Including Area Code: (408) 822-6000**

(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

**Securities registered pursuant to Section 12(b) of the Act:**

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, \$0.001 Par Value	NTAP	The Nasdaq Stock Market LLC

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§ 230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§ 240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

### **Item 1.01 Entry into a Material Definitive Agreement.**

The Board of Directors (the “Board”) of NetApp, Inc. (“NetApp” or the “Company”) approved a revised form indemnification agreement (the “Indemnification Agreement”) to be entered into between the Company and each of its directors and officers, effective May 26, 2023. The Indemnification Agreement supersedes the Company’s previous form of indemnification agreement.

The Indemnification Agreement provides, among other things, that the Company will indemnify the director or officer (the “Indemnitee”) to the fullest extent permitted by law against all expenses and, in the case of proceedings other than those brought by or in the right of the Company, expenses, judgments, fines and amounts paid in settlement actually and reasonably incurred by or on the Indemnitee’s behalf, in each case, in connection with proceedings in which the Indemnitee is involved by reason of any action taken or failure to act while serving as a director or officer of the Company, or of another enterprise at the request of the Company, provided that the Indemnitee acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the Company. The Company will also indemnify the Indemnitee to the fullest extent permitted by law against all expenses actually and reasonably incurred by or on the Indemnitee’s behalf in connection with any such proceeding or defense, in whole or in part, to which the Indemnitee is a party or participant and in which the Indemnitee is successful.

In addition, and subject to certain limitations, the Indemnification Agreement provides for the advancement of expenses incurred by the Indemnitee in connection with any proceeding not initiated by the Indemnitee (subject to limited exceptions), and the reimbursement to the Company of the amounts advanced (without interest) to the extent that it is ultimately determined that the Indemnitee is not entitled to be indemnified by the Company.

The Indemnification Agreement does not exclude any other rights to indemnification or advancement of expenses to which the Indemnitee may be entitled, including any rights arising under applicable law, the Company’s Certificate of Incorporation or Bylaws, a vote of stockholders or a resolution of directors or otherwise. The Company’s indemnification obligations do not extend to payments that would be prohibited under Section 304 of the Sarbanes-Oxley Act of 2002, and Sections 954 and 306 of the Dodd-Frank Wall Street Reform and Consumer Protection Act.

The foregoing description of the Indemnification Agreement does not purport to be complete and is qualified in its entirety by reference to the full text of the form of Indemnification Agreement, which is attached hereto as Exhibit 10.1 to this Current Report on Form 8-K and incorporated herein by reference.

### **Item 2.02 Results of Operations and Financial Condition.**

On May 31, 2023, the Company issued a press release reporting financial results for the fourth quarter and year ended April 28, 2023. The press release is furnished herewith as Exhibit 99.1, to this Current Report.

NetApp is making reference to non-GAAP financial information in both the press release and the conference call. A reconciliation of these non-GAAP financial measures to the comparable GAAP financial measures is contained in the attached press release.

The information contained herein and in the accompanying exhibits shall not be incorporated by reference into any filing of the Company, whether made before or after the date hereof, regardless of any general incorporation language in such filing, unless expressly incorporated by specific reference in such filing. The information in this report, including the exhibits hereto, shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities of that section or Sections 11 and 12(a)(2) of the Securities Act of 1933, as amended.

### **Item 8.01 Other Events.**

On May 26, 2023, the Board authorized the repurchase of up to an additional \$1 billion of the Company’s common stock, with no expiration date. Stock repurchases may be effected through open market repurchases in compliance with Rule 10b-18 under the Exchange Act, including through the use of trading plans intended to qualify under Rule 10b5-1 under the Exchange Act, privately-negotiated transactions, accelerated stock repurchase plans, block purchases or other similar purchase techniques and in such amounts as the Company’s management deems appropriate. The Company is not obligated to repurchase any specific number of shares, and the timing and actual number of shares repurchased will depend on a variety of factors, including the Company’s stock price, general economic, business and market conditions and alternative investment opportunities. The Company may discontinue purchases without notice at any time.

### **Item 9.01 Financial Statements and Exhibits.**

#### **(d) Exhibits.**

<b>Exhibit No.</b>	<b>Description</b>
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10.1	<a href="#">Form of Indemnification Agreement by and between the Company and each of its directors and executive officers</a>
99.1	<a href="#">Press release, dated May 31, 2023, reporting earnings for the fourth quarter and year ended April 28, 2023</a>
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

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**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

**NETAPP, INC.**  
**(Registrant)**

Date: May 31, 2023

By: /s/ Elizabeth O'Callahan  
Elizabeth O'Callahan  
Executive Vice President, Chief Legal Officer and Secretary

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## NETAPP, INC.

## INDEMNIFICATION AGREEMENT

This Indemnification Agreement (this "**Agreement**") is dated as of \_\_\_\_\_, 2023, and is between NetApp, Inc., a Delaware corporation (the "**Company**"), and ("**Indemnitee**").

## RECITALS

- A. Indemnitee's service to the Company substantially benefits the Company.
- B. Individuals are reluctant to serve as directors or officers of corporations or in certain other capacities unless they are provided with adequate protection through insurance or indemnification against the risks of claims and actions against them arising out of such service.
- C. Indemnitee does not regard the protection currently provided by applicable law, the Company's governing documents and any insurance as adequate under the present circumstances, and Indemnitee may not be willing to serve as a director or officer without additional protection.
- D. In order to induce Indemnitee to continue to provide services to the Company, it is reasonable, prudent and necessary for the Company to contractually obligate itself to indemnify, and to advance expenses on behalf of, Indemnitee as permitted by applicable law.
- E. This Agreement is a supplement to and in furtherance of the indemnification provided in the Company's certificate of incorporation and bylaws, and any resolutions adopted pursuant thereto, and this Agreement shall not be deemed a substitute therefor, nor shall this Agreement be deemed to limit, diminish or abrogate any rights of Indemnitee thereunder.

The parties therefore agree as follows:

1. **Definitions.**

(a) A "**Change in Control**" shall be deemed to occur upon the earliest to occur after the date of this Agreement of any of the following events:

(i) *Acquisition of Stock by Third Party.* Any Person (as defined below) is or becomes the Beneficial Owner (as defined below), directly or indirectly, of securities of the Company representing twenty percent (20%) or more of the combined voting power of the Company's then outstanding securities;

(ii) *Change in Board Composition.* During any period of two (2) consecutive years (not including any period prior to the execution of this Agreement), individuals who at the beginning of such period constitute the Company's board of directors, and any new directors (other than a director designated by a person who has entered into an agreement with the Company to effect a transaction described in Sections 1(a)(i), 1(a)(iii) or 1(a)(iv)) whose election by the board of directors or nomination for election by the Company's stockholders was approved by a vote of at least two-thirds of the directors then still in office who either were directors at the beginning of the period or whose election or nomination for election was previously so approved, cease for any reason to constitute at least a majority of the members of the Company's board of directors;

(iii) *Corporate Transactions.* The effective date of a merger or consolidation of the Company with any other entity, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior to such merger or consolidation continuing to represent (either by remaining outstanding or by

being converted into voting securities of the surviving entity) more than 50% of the combined voting power of the voting securities of the surviving entity outstanding immediately after such merger or consolidation and with the power to elect at least a majority of the board of directors or other governing body of such surviving entity;

(iv) *Liquidation*. The approval by the stockholders of the Company of (A) a complete liquidation of the Company or (B) an agreement for the sale or disposition by the Company of all or substantially all of the Company's assets; and

(v) *Other Events*. Any other event of a nature that would be required to be reported in response to Item 6(e) of Schedule 14A of Regulation 14A (or in response to any similar item on any similar schedule or form) promulgated under the Securities Exchange Act of 1934, as amended, whether or not the Company is then subject to such reporting requirement.

For purposes of this Section 1(a), the following terms shall have the following meanings:

(1) "**Person**" shall have the meaning as set forth in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended; *provided, however*, that "**Person**" shall exclude (i) the Company, (ii) any trustee or other fiduciary holding securities under an employee benefit plan of the Company, and (iii) any corporation owned, directly or indirectly, by the stockholders of the Company in substantially the same proportions as their ownership of stock of the Company.

(2) "**Beneficial Owner**" shall have the meaning given to such term in Rule 13d-3 under the Securities Exchange Act of 1934, as amended; *provided, however*, that "**Beneficial Owner**" shall exclude any Person otherwise becoming a Beneficial Owner by reason of (i) the stockholders of the Company approving a merger of the Company with another entity or (ii) the Company's board of directors approving a sale of securities by the Company to such Person.

(b) "**Corporate Status**" describes the status of a person who is or was a director, trustee, general partner, managing member, officer, employee, agent or fiduciary of the Company or any other Enterprise.

(c) "**DGCL**" means the General Corporation Law of the State of Delaware.

(d) "**Disinterested Director**" means a director of the Company who is not and was not a party to the Proceeding in respect of which indemnification is sought by Indemnitee.

(e) "**Enterprise**" means the Company and any other corporation, partnership, limited liability company, joint venture, trust, employee benefit plan or other enterprise of which Indemnitee is or was serving at the request of the Company as a director, trustee, general partner, managing member, officer, employee, agent or fiduciary.

(f) "**Expenses**" include all reasonable attorneys' fees, retainers, court costs, transcript costs, fees and costs of experts, witness fees, travel expenses, duplicating costs, printing and binding costs, telephone charges, postage, delivery service fees, and all other disbursements or expenses of the types customarily incurred in connection with prosecuting, defending, preparing to prosecute or defend, investigating, being or preparing to be a witness in, or otherwise participating in, a Proceeding. Expenses also include (i) Expenses incurred in connection with any appeal resulting from any Proceeding, including without limitation, the premium, security for, and other costs relating to any cost bond, supersedeas bond or other appeal bond or their equivalent, and (ii) for purposes of Section 12(d), Expenses incurred by Indemnitee in connection with the interpretation, enforcement or defense of Indemnitee's rights under this Agreement or under any directors' and officers' liability insurance policies maintained by the Company. Expenses, however, shall not include amounts paid in settlement by Indemnitee or the amount of judgments or fines against Indemnitee.

(g) "**Independent Counsel**" means a law firm, or a partner or member of a law firm, that is experienced in matters of corporation law and neither presently is, nor in the past five (5) years has been, retained to represent (i) the Company or Indemnitee in any matter material to either such party (other than as Independent Counsel with respect to matters concerning Indemnitee under this Agreement, or other indemnitees under similar indemnification agreements), or (ii) any other party to the Proceeding giving rise to a claim for indemnification hereunder.

Notwithstanding the foregoing, the term “**Independent Counsel**” shall not include any person who, under the applicable standards of professional conduct then prevailing, would have a conflict of interest in representing either the Company or Indemnitee in an action to determine Indemnitee’s rights under this Agreement.

(h) “**Proceeding**” means any threatened, pending or completed action, suit, arbitration, mediation, alternate dispute resolution mechanism, investigation, inquiry, administrative hearing or proceeding, whether brought in the right of the Company or otherwise and whether of a civil, criminal, administrative or investigative nature, including any appeal therefrom and including, without limitation, any such Proceeding pending as of the date of this Agreement, in which Indemnitee was, is or will be involved as a party, a potential party, a non-party witness or otherwise by reason of (i) the fact that Indemnitee is or was a director or officer of the Company, (ii) any action taken by Indemnitee or any action or inaction on Indemnitee’s part while acting as a director or officer of the Company, or (iii) the fact that he or she is or was serving at the request of the Company as a director, trustee, general partner, managing member, officer, employee, agent or fiduciary of the Company or any other Enterprise, in each case whether or not serving in such capacity at the time any liability or Expense is incurred for which indemnification or advancement of expenses can be provided under this Agreement.

(i) Reference to “**other enterprises**” shall include employee benefit plans; references to “**fin**es” shall include any excise taxes assessed on a person with respect to any employee benefit plan; references to “**serv**ing at the request of the Company” shall include any service as a director, officer, employee or agent of the Company which imposes duties on, or involves services by, such director, officer, employee or agent with respect to an employee benefit plan, its participants or beneficiaries; and a person who acted in good faith and in a manner he or she reasonably believed to be in the best interests of the participants and beneficiaries of an employee benefit plan shall be deemed to have acted in a manner “**not opposed to the best interests of the Company**” as referred to in this Agreement.

**2. Indemnity in Third-Party Proceedings.** The Company shall indemnify Indemnitee in accordance with the provisions of this Section 2 if Indemnitee is, or is threatened to be made, a party to or a participant in any Proceeding, other than a Proceeding by or in the right of the Company to procure a judgment in its favor. Pursuant to this Section 2, Indemnitee shall be indemnified to the fullest extent permitted by applicable law against all Expenses, judgments, fines and amounts paid in settlement actually and reasonably incurred by Indemnitee or on his or her behalf in connection with such Proceeding or any claim, issue or matter therein, if Indemnitee acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the Company and, with respect to any criminal action or proceeding, had no reasonable cause to believe that his or her conduct was unlawful.

**3. Indemnity in Proceedings by or in the Right of the Company.** The Company shall indemnify Indemnitee in accordance with the provisions of this Section 3 if Indemnitee is, or is threatened to be made, a party to or a participant in any Proceeding by or in the right of the Company to procure a judgment in its favor. Pursuant to this Section 3, Indemnitee shall be indemnified to the fullest extent permitted by applicable law against all Expenses actually and reasonably incurred by Indemnitee or on Indemnitee’s behalf in connection with such Proceeding or any claim, issue or matter therein, if Indemnitee acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the Company. No indemnification for Expenses shall be made under this Section 3 in respect of any claim, issue or matter as to which Indemnitee shall have been adjudged by a court of competent jurisdiction to be liable to the Company, unless and only to the extent that the Delaware Court of Chancery or any court in which the Proceeding was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, Indemnitee is fairly and reasonably entitled to indemnification for such expenses as the Delaware Court of Chancery or such other court shall deem proper.

**4. Indemnification for Expenses of a Party Who is Wholly or Partly Successful.** To the extent that Indemnitee is a party to or a participant in and is successful (on the merits or otherwise) in defense of any Proceeding or any claim, issue or matter therein, the Company shall indemnify Indemnitee against all Expenses actually and reasonably incurred by Indemnitee or on Indemnitee’s behalf in connection therewith. To the extent permitted by applicable law, if Indemnitee is not wholly successful in such Proceeding but is successful, on the merits or otherwise, in defense of one (1) or more but less than all claims, issues or matters in such Proceeding, the Company shall indemnify Indemnitee against all Expenses actually and reasonably incurred by Indemnitee or on Indemnitee’s behalf in connection with (a) each successfully resolved claim, issue or matter and (b) any claim, issue or matter related to any such successfully resolved claim, issue or matter. For purposes of this Section, the termination of any



claim, issue or matter in such a Proceeding by dismissal, with or without prejudice, shall be deemed to be a successful result as to such claim, issue or matter.

**5. Indemnification for Expenses of a Witness.** To the extent that Indemnitee is, by reason of his or her Corporate Status, a witness in any Proceeding to which Indemnitee is not a party, Indemnitee shall be indemnified to the extent permitted by applicable law against all Expenses actually and reasonably incurred by Indemnitee or on Indemnitee's behalf in connection therewith.

**6. Additional Indemnification.**

(a) Notwithstanding any limitation in Sections 2, 3 or 4, the Company shall indemnify Indemnitee to the fullest extent permitted by applicable law if Indemnitee is, or is threatened to be made, a party to or a participant in any Proceeding (including a Proceeding by or in the right of the Company to procure a judgment in its favor) against all Expenses, judgments, fines and amounts paid in settlement actually and reasonably incurred by Indemnitee or on his or her behalf in connection with the Proceeding or any claim, issue or matter therein.

(b) For purposes of Section 6(a), the meaning of the phrase "**to the fullest extent permitted by applicable law**" shall include, but not be limited to:

(i) the fullest extent permitted by the provision of the DGCL that authorizes or contemplates additional indemnification by agreement, or the corresponding provision of any amendment to or replacement of the DGCL; and

(ii) the fullest extent authorized or permitted by any amendments to or replacements of the DGCL adopted after the date of this Agreement that increase the extent to which a corporation may indemnify its officers and directors.

**7. Exclusions.** Notwithstanding any provision in this Agreement, the Company shall not be obligated under this Agreement to make any indemnity in connection with any Proceeding (or any part of any Proceeding):

(a) for which payment has actually been made to or on behalf of Indemnitee under any statute, insurance policy, indemnity provision, vote or otherwise, except with respect to any excess beyond the amount paid;

(b) for an accounting or disgorgement of profits pursuant to Section 16(b) of the Securities Exchange Act of 1934, as amended, or similar provisions of federal, state or local statutory law or common law, if Indemnitee is held liable therefor (including pursuant to any settlement arrangements);

(c) for any reimbursement of the Company by Indemnitee of any bonus or other incentive-based or equity-based compensation or of any profits realized by Indemnitee from the sale of securities of the Company, as required in each case under (i) the Securities Exchange Act of 1934, as amended (including any such reimbursements that arise from an accounting restatement of the Company pursuant to Section 304 of the Sarbanes-Oxley Act of 2002 (the "**Sarbanes-Oxley Act**") or (ii) Section 954 of the Dodd-Frank Wall Street Reform and Consumer Protection Act, or the payment to the Company of profits arising from the purchase and sale by Indemnitee of securities in violation of Section 306 of the Sarbanes-Oxley Act), if Indemnitee is held liable therefor (including pursuant to any settlement arrangements);

(d) initiated by Indemnitee, including any Proceeding (or any part of any Proceeding) initiated by Indemnitee against the Company or its directors, officers, employees, agents or other indemnitees, unless (i) the Company's board of directors authorized the Proceeding (or the relevant part of the Proceeding) prior to its initiation, (ii) the Company provides the indemnification, in its sole discretion, pursuant to the powers vested in the Company under applicable law, (iii) otherwise authorized in Section 12(d) or (iv) otherwise required by applicable law; or

(e) if prohibited by applicable law.

**8. Advances of Expenses.** The Company shall advance the Expenses incurred by Indemnitee in connection with any Proceeding, and such advancement shall be made as soon as reasonably practicable, but in any event no later than sixty (60) days, after the receipt by the Company of a written statement or statements requesting such advances from

time to time (which shall include invoices received by Indemnitee in connection with such Expenses but, in the case of invoices in connection with legal services, any references to legal work performed or to expenditure made that would cause Indemnitee to waive any privilege accorded by applicable law shall not be included with the invoice), unless Indemnitee shall have elected to pay such Expenses and have such Expenses reimbursed, in which case the Company shall reimburse, or cause to be reimbursed, Indemnitee for such Expenses. Advances shall be unsecured and interest free and made without regard to Indemnitee's ability to repay such advances. Indemnitee hereby undertakes to repay any advance to the extent that it is ultimately determined that Indemnitee is not entitled to be indemnified by the Company. This Section 8 shall not apply to the extent advancement is prohibited by law and shall not apply to any Proceeding for which indemnity is not permitted under this Agreement, but shall apply to any Proceeding referenced in Section 7(b) or 7(c) prior to a determination that Indemnitee is not entitled to be indemnified by the Company.

#### **9. Procedures for Notification and Defense of Claim.**

(a) Indemnitee shall notify the Company in writing of any matter with respect to which Indemnitee intends to seek indemnification or advancement of Expenses as soon as reasonably practicable following the receipt by Indemnitee of notice thereof. The written notification to the Company shall include, in reasonable detail, a description of the nature of the Proceeding and the facts underlying the Proceeding. The failure by Indemnitee to notify the Company will not relieve the Company from any liability which it may have to Indemnitee hereunder or otherwise than under this Agreement, and any delay in so notifying the Company shall not constitute a waiver by Indemnitee of any rights, except to the extent that such failure or delay materially prejudices the Company.

(b) If, at the time of the receipt of a notice of a Proceeding pursuant to the terms hereof, the Company has directors' and officers' liability insurance in effect, the Company shall give prompt notice of the commencement of the Proceeding to the insurers in accordance with the procedures set forth in the applicable policies. The Company shall thereafter take all commercially-reasonable action to cause such insurers to pay, on behalf of Indemnitee, all amounts payable as a result of such Proceeding in accordance with the terms of such policies.

(c) In the event the Company may be obligated to make any indemnity in connection with a Proceeding, the Company shall be entitled to assume the defense of such Proceeding with counsel approved by Indemnitee, which approval shall not be unreasonably withheld, upon the delivery to Indemnitee of written notice of its election to do so. After delivery of such notice, approval of such counsel by Indemnitee and the retention of such counsel by the Company, the Company will not be liable to Indemnitee for any fees or expenses of counsel subsequently incurred by Indemnitee with respect to the same Proceeding. Notwithstanding the Company's assumption of the defense of any such Proceeding, the Company shall be obligated to pay the fees and expenses of Indemnitee's counsel to the extent (i) the employment of counsel by Indemnitee is authorized by the Company, (ii) counsel for the Company or Indemnitee shall have reasonably concluded that there is a conflict of interest between the Company and Indemnitee in the conduct of any such defense such that Indemnitee needs to be separately represented or (iii) the fees and expenses are non-duplicative and reasonably incurred in connection with Indemnitee's role in the Proceeding despite the Company's assumption of the defense, (iv) the Company is not financially or legally able to perform its indemnification obligations or (v) the Company shall not have retained, or shall not continue to retain, such counsel to defend such Proceeding. The Company shall have the right to conduct such defense as it sees fit in its sole discretion. Regardless of any provision in this Agreement, Indemnitee shall have the right to employ counsel in any Proceeding at Indemnitee's personal expense. The Company shall not be entitled, without the consent of Indemnitee, to assume the defense of any claim brought by or in the right of the Company.

(d) Indemnitee shall give the Company such information and cooperation in connection with the Proceeding as may be reasonably appropriate.

(e) The Company shall not be liable to indemnify Indemnitee for any settlement of any Proceeding (or any part thereof) without the Company's prior written consent, which shall not be unreasonably withheld.

(f) The Company shall not settle any Proceeding (or any part thereof) without Indemnitee's prior written consent, which shall not be unreasonably withheld.

## 10. Procedures upon Application for Indemnification.

(a) To obtain indemnification, Indemnitee shall submit to the Company a written request, including therein or therewith such documentation and information as is reasonably available to Indemnitee and as is reasonably necessary to determine whether and to what extent Indemnitee is entitled to indemnification following the final disposition of the Proceeding. The Company shall, as soon as reasonably practicable after receipt of such a request for indemnification, advise the board of directors that Indemnitee has requested indemnification. Any delay in providing the request will not relieve the Company from its obligations under this Agreement, except to the extent such failure is prejudicial.

(b) Upon written request by Indemnitee for indemnification pursuant to Section 10(a), a determination with respect to Indemnitee's entitlement thereto shall be made in the specific case (i) if a Change in Control shall have occurred, by Independent Counsel in a written opinion to the Company's board of directors, a copy of which shall be delivered to Indemnitee or (ii) if a Change in Control shall not have occurred, if required by applicable law (A) by a majority vote of the Disinterested Directors, even though less than a quorum of the Company's board of directors, (B) by a committee of Disinterested Directors designated by a majority vote of the Disinterested Directors, even though less than a quorum of the Company's board of directors, (C) if there are no such Disinterested Directors or, if such Disinterested Directors so direct, by Independent Counsel in a written opinion to the Company's board of directors, a copy of which shall be delivered to Indemnitee or (D) if so directed by the Company's board of directors, by the stockholders of the Company. If it is determined that Indemnitee is entitled to indemnification, payment to Indemnitee shall be made within ten (10) days after such determination. Indemnitee shall cooperate with the person, persons or entity making the determination with respect to Indemnitee's entitlement to indemnification, including providing to such person, persons or entity upon reasonable advance request any documentation or information that is not privileged or otherwise protected from disclosure and that is reasonably available to Indemnitee and reasonably necessary to such determination. Any costs or expenses (including attorneys' fees and disbursements) reasonably incurred by Indemnitee in so cooperating with the person, persons or entity making such determination shall be borne by the Company, to the extent permitted by applicable law.

(c) In the event the determination of entitlement to indemnification is to be made by Independent Counsel pursuant to Section 10(b), the Independent Counsel shall be selected as provided in this Section 10(c). If a Change in Control shall not have occurred, the Independent Counsel shall be selected by the Company's board of directors, and the Company shall give written notice to Indemnitee advising him or her of the identity of the Independent Counsel so selected. If a Change in Control shall have occurred, the Independent Counsel shall be selected by Indemnitee (unless Indemnitee shall request that such selection be made by the Company's board of directors, in which event the preceding sentence shall apply), and Indemnitee shall give written notice to the Company advising it of the identity of the Independent Counsel so selected. In either event, Indemnitee or the Company, as the case may be, may, within ten (10) days after such written notice of selection shall have been given, deliver to the Company or to Indemnitee, as the case may be, a written objection to such selection; *provided, however*, that such objection may be asserted only on the ground that the Independent Counsel so selected does not meet the requirements of "Independent Counsel" as defined in Section 1 of this Agreement, and the objection shall set forth with particularity the factual basis of such assertion. Absent a proper and timely objection, the person so selected shall act as Independent Counsel. If such written objection is so made and substantiated, the Independent Counsel so selected may not serve as Independent Counsel unless and until such objection is withdrawn or a court has determined that such objection is without merit. If, within twenty (20) days after the later of (i) submission by Indemnitee of a written request for indemnification pursuant to Section 10(a) hereof and (ii) the final disposition of the Proceeding, the parties have not agreed upon an Independent Counsel, either the Company or Indemnitee may petition a court of competent jurisdiction for resolution of any objection which shall have been made by the Company or Indemnitee to the other's selection of Independent Counsel and for the appointment as Independent Counsel of a person selected by the court or by such other person as the court shall designate, and the person with respect to whom all objections are so resolved or the person so appointed shall act as Independent Counsel under Section 10(b) hereof. Upon the due commencement of any judicial proceeding pursuant to Section 12(a) of this Agreement, the Independent Counsel shall be discharged and relieved of any further responsibility in such capacity (subject to the applicable standards of professional conduct then prevailing).

(d) The Company agrees to pay the reasonable fees and expenses of any Independent Counsel and to fully indemnify such counsel against any and all Expenses, claims, liabilities and damages arising out of or relating to this Agreement or its engagement pursuant hereto.

#### **11. Presumptions and Effect of Certain Proceedings.**

(a) In making a determination with respect to entitlement to indemnification hereunder, the person, persons or entity making such determination shall, to the fullest extent not prohibited by law, presume that Indemnitee is entitled to indemnification under this Agreement if Indemnitee has submitted a request for indemnification in accordance with Section 10(a) of this Agreement, and the Company shall, to the fullest extent not prohibited by law, have the burden of proof to overcome that presumption in connection with the making by such person, persons or entity of any determination contrary to that presumption.

(b) The termination of any Proceeding or of any claim, issue or matter therein, by judgment, order, settlement or conviction, or upon a plea of *nolo contendere* or its equivalent, shall not (except as otherwise expressly provided in this Agreement) of itself adversely affect the right of Indemnitee to indemnification or create a presumption that Indemnitee did not act in good faith and in a manner which he or she reasonably believed to be in or not opposed to the best interests of the Company or, with respect to any criminal Proceeding, that Indemnitee had reasonable cause to believe that his or her conduct was unlawful.

(c) For purposes of any determination of good faith, Indemnitee shall be deemed to have acted in good faith to the extent Indemnitee relied in good faith on (i) the records or books of account of the Enterprise, including financial statements, (ii) information supplied to Indemnitee by the officers of the Enterprise in the course of their duties, (iii) the advice of legal counsel for the Enterprise or its board of directors or counsel selected by any committee of the board of directors or (iv) information or records given or reports made to the Enterprise by an independent certified public accountant, an appraiser, investment banker or other expert selected with reasonable care by the Enterprise or its board of directors or any committee of the board of directors. The provisions of this Section 11(c) shall not be deemed to be exclusive or to limit in any way the other circumstances in which Indemnitee may be deemed to have met the applicable standard of conduct set forth in this Agreement.

(d) Neither the knowledge, actions nor failure to act of any other director, officer, agent or employee of the Enterprise shall be imputed to Indemnitee for purposes of determining the right to indemnification under this Agreement.

#### **12. Remedies of Indemnitee.**

(a) Subject to Section 12(e), in the event that (i) a determination is made pursuant to Section 10 of this Agreement that Indemnitee is not entitled to indemnification under this Agreement, (ii) advancement of Expenses is not timely made pursuant to Section 8 or 12(d) of this Agreement, (iii) no determination of entitlement to indemnification shall have been made pursuant to Section 10 of this Agreement within ninety (90) days after the later of the receipt by the Company of the request for indemnification or the final disposition of the Proceeding, (iv) payment of indemnification pursuant to this Agreement is not made (A) within ten (10) days after a determination has been made that Indemnitee is entitled to indemnification or (B) with respect to indemnification pursuant to Sections 4, 5 and 12(d) of this Agreement, within thirty (30) days after receipt by the Company of a written request therefor, or (v) the Company or any other person or entity takes or threatens to take any action to declare this Agreement void or unenforceable, or institutes any litigation or other action or proceeding designed to deny, or to recover from, Indemnitee the benefits provided or intended to be provided to Indemnitee hereunder, Indemnitee shall be entitled to an adjudication by a court of competent jurisdiction of his or her entitlement to such indemnification or advancement of Expenses. Indemnitee shall commence such proceeding seeking an adjudication within 180 days following the date on which Indemnitee first has the right to commence such proceeding pursuant to this Section 12(a); *provided, however*, that the foregoing clause shall not apply in respect of a proceeding brought by Indemnitee to enforce his or her rights under Section 4 of this Agreement. The Company shall not oppose Indemnitee's right to seek any such adjudication in accordance with this Agreement.

(b) Neither (i) the failure of the Company, its board of directors, any committee or subgroup of the board of directors, Independent Counsel or stockholders to have made a determination that indemnification of Indemnitee is proper in the circumstances because Indemnitee has met the applicable standard of conduct, nor (ii) an actual determination by the Company, its board of directors, any committee or subgroup of the board of directors, Independent Counsel or stockholders that Indemnitee has not met the applicable standard of conduct, shall create a presumption that Indemnitee has or has not met the applicable standard of conduct. In the event that a determination shall have been made pursuant to Section 10 of this Agreement that Indemnitee is not entitled to indemnification, any judicial proceeding commenced pursuant to this Section 12 shall be conducted in all respects as a *de novo* trial, on the merits and Indemnitee shall not be prejudiced by reason of that adverse determination. In any judicial proceeding commenced pursuant to this Section 12, the Company shall, to the fullest extent not prohibited by law, have the burden of proving Indemnitee is not entitled to indemnification or advancement of Expenses, as the case may be.

(c) To the fullest extent not prohibited by law, the Company shall be precluded from asserting in any judicial proceeding commenced pursuant to this Section 12 that the procedures and presumptions of this Agreement are not valid, binding and enforceable and shall stipulate in any such court that the Company is bound by all the provisions of this Agreement. If a determination shall have been made pursuant to Section 10 of this Agreement that Indemnitee is entitled to indemnification, the Company shall be bound by such determination in any judicial proceeding commenced pursuant to this Section 12, absent (i) a misstatement by Indemnitee of a material fact, or an omission of a material fact necessary to make Indemnitee's statements not materially misleading, in connection with the request for indemnification, or (ii) a prohibition of such indemnification under applicable law.

(d) To the extent not prohibited by law, the Company shall indemnify Indemnitee against all Expenses that are incurred by Indemnitee in connection with any action for indemnification or advancement of Expenses from the Company under this Agreement or under any directors' and officers' liability insurance policies maintained by the Company to the extent Indemnitee is successful in such action, and, if requested by Indemnitee, shall (as soon as reasonably practicable, but in any event no later than sixty (60) days, after receipt by the Company of a written request therefor) advance such Expenses to Indemnitee, subject to the provisions of Section 8.

(e) Notwithstanding anything in this Agreement to the contrary, no determination as to entitlement to indemnification shall be required to be made prior to the final disposition of the Proceeding.

**13. Contribution.** To the fullest extent permissible under applicable law, if the indemnification provided for in this Agreement is unavailable to Indemnitee, the Company, in lieu of indemnifying Indemnitee, shall contribute to the amounts incurred by Indemnitee, whether for Expenses, judgments, fines or amounts paid or to be paid in settlement, in connection with any claim relating to an indemnifiable event under this Agreement, in such proportion as is deemed fair and reasonable in light of all of the circumstances of such Proceeding in order to reflect (i) the relative benefits received by the Company and Indemnitee as a result of the events and transactions giving rise to such Proceeding; and (ii) the relative fault of Indemnitee and the Company (and its other directors, officers, employees and agents) in connection with such events and transactions.

**14. Non-exclusivity.** The rights of indemnification and to receive advancement of Expenses as provided by this Agreement shall not be deemed exclusive of any other rights to which Indemnitee may at any time be entitled under applicable law, the Company's certificate of incorporation or bylaws, any agreement, a vote of stockholders or a resolution of directors, or otherwise. To the extent that a change in Delaware law, whether by statute or judicial decision, permits greater indemnification or advancement of Expenses than would be afforded currently under the Company's certificate of incorporation and bylaws and this Agreement, it is the intent of the parties hereto that Indemnitee shall enjoy by this Agreement the greater benefits so afforded by such change, subject to the restrictions expressly set forth herein or therein. Except as expressly set forth herein, no right or remedy herein conferred is intended to be exclusive of any other right or remedy, and every other right and remedy shall be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. Except as expressly set forth herein, the assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other right or remedy.

**15. Primary Responsibility.** The Company acknowledges that Indemnitee may have certain rights to indemnification and advancement of expenses provided by one (1) or more entities (other than the Company or its

affiliates) and certain affiliates of such entity or entities and that Indemnitee may have other sources of indemnification or insurance, whether currently in force or established in the future (collectively, the “**Secondary Indemnitors**”). The Company agrees that, as between the Company and the Secondary Indemnitors, the Company is primarily responsible for amounts required to be indemnified or advanced under the Company’s certificate of incorporation or bylaws or this Agreement and any obligation of the Secondary Indemnitors to provide indemnification or advancement for the same amounts is secondary to those Company obligations. The Company waives any right of contribution or subrogation against the Secondary Indemnitors with respect to the liabilities for which the Company is primarily responsible under this Section 15. In the event of any payment by the Secondary Indemnitors of amounts otherwise required to be indemnified or advanced by the Company under the Company’s certificate of incorporation or bylaws or this Agreement, the Secondary Indemnitors shall be subrogated to the extent of such payment to all of the rights of recovery of Indemnitee for indemnification or advancement of expenses under the Company’s certificate of incorporation or bylaws or this Agreement or, to the extent such subrogation is unavailable and contribution is found to be the applicable remedy, shall have a right of contribution with respect to the amounts paid. The Secondary Indemnitors are express third-party beneficiaries of the terms of this Section 15.

**16. No Duplication of Payments.** Subject to the subrogation rights set forth in Section 15, the Company shall not be liable under this Agreement to make any payment of amounts otherwise indemnifiable hereunder (or for which advancement is provided hereunder) if and to the extent that Indemnitee has otherwise actually received payment for such amounts under any insurance policy, contract, agreement or otherwise.

**17. Insurance.** To the extent that the Company maintains an insurance policy or policies providing liability insurance for directors, trustees, general partners, managing members, officers, employees, agents or fiduciaries of the Company or any other Enterprise, Indemnitee shall be covered by such policy or policies to the same extent as the most favorably insured person under such policy or policies in a comparable position.

**18. Subrogation.** In the event of any payment under this Agreement, the Company shall be subrogated to the extent of such payment to all of the rights of recovery of Indemnitee, who shall execute all papers required and take all action necessary to secure such rights, including execution of such documents as are necessary to enable the Company to bring suit to enforce such rights.

**19. Services to the Company.** Indemnitee agrees to serve as a director or officer of the Company or, at the request of the Company, as a director, trustee, general partner, managing member, officer, employee, agent or fiduciary of another Enterprise, for so long as Indemnitee is duly elected or appointed or until Indemnitee tenders his or her resignation or is removed from such position. Indemnitee may at any time and for any reason resign from such position (subject to any other contractual obligation or any obligation imposed by operation of law), in which event the Company shall have no obligation under this Agreement to continue Indemnitee in such position. This Agreement shall not be deemed an employment contract between the Company (or any of its subsidiaries or any Enterprise) and Indemnitee. Indemnitee specifically acknowledges that any employment with the Company (or any of its subsidiaries or any Enterprise) is at will, and Indemnitee may be discharged at any time for any reason, with or without cause, with or without notice, except as may be otherwise expressly provided in any executed, written employment contract between Indemnitee and the Company (or any of its subsidiaries or any Enterprise), any existing formal severance policies adopted by the Company’s board of directors or, with respect to service as a director or officer of the Company, the Company’s certificate of incorporation or bylaws or the DGCL. No such document shall be subject to any oral modification thereof.

**20. Duration.** This Agreement shall continue until and terminate upon the later of (a) ten (10) years after the date that Indemnitee shall have ceased to serve as a director or officer of the Company as a director, trustee, general partner, managing member, officer, employee, agent or fiduciary of any other Enterprise, as applicable, or (b) one (1) year after the final termination of any Proceeding, including any appeal, then pending in respect of which Indemnitee is granted rights of indemnification or advancement of Expenses hereunder and of any proceeding commenced by Indemnitee pursuant to Section 12 of this Agreement relating thereto.

**21. Successors.** This Agreement shall be binding upon the Company and its successors and assigns, including any direct or indirect successor by purchase, merger, consolidation or otherwise to all or substantially all of the business or assets of the Company, and shall inure to the benefit of Indemnitee and Indemnitee’s heirs, executors and administrators. The Company shall require and cause any successor (whether direct or indirect by purchase, merger,

consolidation or otherwise) to all or substantially all of the business or assets of the Company, by written agreement, expressly to assume and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform if no such succession had taken place.

**22. Severability.** Nothing in this Agreement is intended to require or shall be construed as requiring the Company to do or fail to do any act in violation of applicable law. The Company's inability, pursuant to court order or other applicable law, to perform its obligations under this Agreement shall not constitute a breach of this Agreement. If any provision or provisions of this Agreement shall be held to be invalid, illegal or unenforceable for any reason whatsoever: (a) the validity, legality and enforceability of the remaining provisions of this Agreement (including without limitation, each portion of any Section of this Agreement containing any such provision held to be invalid, illegal or unenforceable, that is not itself invalid, illegal or unenforceable) shall not in any way be affected or impaired thereby and shall remain enforceable to the fullest extent permitted by law; (b) such provision or provisions shall be deemed reformed to the extent necessary to conform to applicable law and to give the maximum effect to the intent of the parties hereto; and

(c) to the fullest extent possible, the provisions of this Agreement (including, without limitation, each portion of any Section of this Agreement containing any such provision held to be invalid, illegal or unenforceable, that is not itself invalid, illegal or unenforceable) shall be construed so as to give effect to the intent manifested thereby.

**23. Enforcement.** The Company expressly confirms and agrees that it has entered into this Agreement and assumed the obligations imposed on it hereby in order to induce Indemnitee to serve as a director or officer of the Company, and the Company acknowledges that Indemnitee is relying upon this Agreement in serving as a director or officer of the Company.

**24. Entire Agreement.** This Agreement constitutes the entire agreement between the parties hereto with respect to the subject matter hereof and supersedes all prior agreements and understandings, oral, written and implied, between the parties hereto with respect to the subject matter hereof; *provided, however,* that this Agreement is a supplement to and in furtherance of the Company's certificate of incorporation and bylaws and applicable law.

**25. Modification and Waiver.** No supplement, modification or amendment to this Agreement shall be binding unless executed in writing by the parties hereto. No amendment, alteration or repeal of this Agreement shall adversely affect any right of Indemnitee under this Agreement in respect of any action taken or omitted by such Indemnitee in his or her Corporate Status prior to such amendment, alteration or repeal. No waiver of any of the provisions of this Agreement shall constitute or be deemed a waiver of any other provision of this Agreement nor shall any waiver constitute a continuing waiver.

**26. Notices.** All notices and other communications required or permitted hereunder shall be in writing and shall be mailed by registered or certified mail, postage prepaid, sent by facsimile or electronic mail or otherwise delivered by hand, messenger or courier service addressed:

(a) if to Indemnitee, to Indemnitee's address, facsimile number or electronic mail address as shown on the signature page of this Agreement or in the Company's records, as may be updated in accordance with the provisions hereof; or

(b) if to the Company, to the attention of the Chief Executive Officer or Chief Financial Officer of the Company at 3060 Olsen Drive, San Jose, California 95128, or at such other current address as the Company shall have furnished to Indemnitee, with a copy (which shall not constitute notice) to Thomas J. Ivey, Skadden, Arps, Slate, Meagher & Flom LLP, 525 University Avenue, Palo Alto, California 94301-1908.

Each such notice or other communication shall for all purposes of this Agreement be treated as effective or having been given (i) if delivered by hand, messenger or courier service, when delivered (or if sent *via* a nationally-recognized overnight courier service, freight prepaid, specifying next-business-day delivery, one (1) business day after deposit with the courier), or (ii) if sent *via* mail, at the earlier of its receipt or five (5) days after the same has been deposited in a regularly-maintained receptacle for the deposit of the United States mail, addressed and mailed as aforesaid, or (iii) if sent *via* facsimile, upon confirmation of facsimile transfer or, if sent *via* electronic mail, upon confirmation of delivery when directed to the relevant electronic mail address, if sent during normal business hours

of the recipient, or if not sent during normal business hours of the recipient, then on the recipient's next business day.

**27. Applicable Law and Consent to Jurisdiction.** This Agreement and the legal relations among the parties shall be governed by, and construed and enforced in accordance with, the laws of the State of Delaware, without regard to its conflict of laws rules. The Company and Indemnitee hereby irrevocably and unconditionally (i) agree that any action or proceeding arising out of or in connection with this Agreement shall be brought only in the Delaware Court of Chancery, and not in any other state or federal court in the United States of America or any court in any other country, (ii) consent to submit to the exclusive jurisdiction of the Delaware Court of Chancery for purposes of any action or proceeding arising out of or in connection with this Agreement, (iii) appoint, to the extent such party is not otherwise subject to service of process in the State of Delaware, The Corporation Trust Company, Wilmington, Delaware as its agent in the State of Delaware as such party's agent for acceptance of legal process in connection with any such action or proceeding against such party with the same legal force and validity as if served upon such party personally within the State of Delaware, (iv) waive any objection to the laying of venue of any such action or proceeding in the Delaware Court of Chancery, and (v) waive, and agree not to plead or to make, any claim that any such action or proceeding brought in the Delaware Court of Chancery has been brought in an improper or inconvenient forum.

**28. Counterparts.** This Agreement may be executed in one (1) or more counterparts, each of which shall for all purposes be deemed to be an original but all of which together shall constitute one and the same Agreement. This Agreement may also be executed and delivered by facsimile signature and in counterparts, each of which shall for all purposes be deemed to be an original but all of which together shall constitute one and the same Agreement. Only one (1) such counterpart signed by the party against whom enforceability is sought needs to be produced to evidence the existence of this Agreement.

**29. Captions.** The headings of the paragraphs of this Agreement are inserted for convenience only and shall not be deemed to constitute part of this Agreement or to affect the construction thereof.

*(signature page follows)*



The parties are signing this Indemnification Agreement as of the date stated in the introductory sentence.

**NETAPP, INC.**

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Print name)

\_\_\_\_\_  
(Title)

**INDEMNITEE**

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Street address)

\_\_\_\_\_  
(City, State and ZIP)

\_\_\_\_\_



**NetApp reports fourth quarter and fiscal year 2023 results***Net revenues of \$1.58 billion for the fourth quarter;**Net revenues of \$6.36 billion for fiscal year 2023*

- Introduced significant innovation, including C-series, a new family of capacity all-flash storage systems, and NetApp™ Advance, a new portfolio of storage programs and guarantees to help customers cost-effectively future proof their on-premises environments
- Recognized with three Outperformer placements in GigaOm's annual Radar reports for storage for the second consecutive year
- Fiscal year 2023 GAAP net income per share of \$5.79 increased 42% year over year; fiscal year 2023 non-GAAP net income per share of \$5.59 increased 6% year over year
- \$1.28 billion returned to shareholders in fiscal year 2023; representing 116% of cash from operations and 148% of free cash flow<sup>2</sup>
- NetApp announced a new share repurchase authorization of an additional \$1 billion

**SAN JOSE, Calif.—May 31, 2023**—NetApp (NASDAQ: NTAP) today reported financial results for the fourth quarter and fiscal year 2023, which ended on April 28, 2023.

"Our sharpened focus and disciplined execution yielded solid Q4 results in a dynamic environment. Digital transformation projects involving business analytics, AI, data security, and application modernization, both on premises and in the cloud, remain top IT priorities," said George Kurian, chief executive officer. "We deliver significant value to customers on their transformation journeys with a modern approach to hybrid, multicloud infrastructure and data management. We are entering FY24 with substantial new innovations and a more focused operating model to better address the areas of priority spending. I am confident in our ability to drive long-term growth, extend our leadership position, and deliver increasing value for customers, partners, and shareholders."

**Fourth quarter of fiscal year 2023 financial results**

- **Net revenues:** \$1.58 billion, compared to \$1.68 billion in the fourth quarter of fiscal year 2022; a year-over-year decrease of 6%, or 4% in constant currency<sup>1</sup>.
    - **Hybrid Cloud segment revenue:** \$1.43 billion, compared to \$1.56 billion in the fourth quarter of fiscal year 2022
    - **Public Cloud segment revenue:** \$151 million, compared to \$120 million in the fourth quarter of fiscal year 2022
  - **Billings**<sup>2</sup>: \$1.67 billion, compared to \$2.02 billion in the fourth quarter of fiscal year 2022; a year-over-year decrease of 17%, or 15% in constant currency.
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- **NetApp Public Cloud annualized revenue run rate (ARR)<sup>3</sup>** \$620 million, compared to \$505 million in the fourth quarter of fiscal year 2022; a year-over-year increase of 23%.
- **All-flash array ARR<sup>4</sup>** \$3.1 billion, compared to \$3.2 billion in the fourth quarter of fiscal year 2022; a year-over-year decrease of 4%.
- **Net income:** GAAP net income of \$245 million, compared to \$259 million in the fourth quarter of fiscal year 2022; non-GAAP net income<sup>5</sup> of \$334 million, compared to \$324 million in the fourth quarter of fiscal year 2022. The year-over-year fluctuations in GAAP and Non-GAAP net income each include an unfavorable impact of approximately \$18 million from foreign currency exchange rate changes.
- **Earnings per share:** GAAP net income per share<sup>6</sup> of \$1.13 compared to \$1.14 in the fourth quarter of fiscal year 2022; non-GAAP net income per share of \$1.54 compared to \$1.42 in the fourth quarter of fiscal year 2022. The year-over-year fluctuations in GAAP and Non-GAAP net income per share each include an unfavorable impact of approximately \$0.08 from foreign currency exchange rate changes.
- **Cash, cash equivalents and investments:** \$3.07 billion at the end of the fourth quarter of fiscal year 2023.
- **Cash provided by operations:** \$235 million, compared to \$411 million in the fourth quarter of fiscal year 2022.
- **Share repurchase and dividends:** Returned \$256 million to shareholders through share repurchases and cash dividends.

### Fiscal year 2023 financial results

- **Net revenues:** \$6.36 billion, compared to \$6.32 billion in fiscal year 2022; a year-over-year increase of 1%, or 4% in constant currency.
  - **Hybrid Cloud segment revenue:** \$5.79 billion, compared to \$5.92 billion in fiscal year 2022
  - **Public Cloud segment revenue:** \$575 million, compared to \$396 million in fiscal year 2022
- **Billings:** \$6.41 billion, compared to \$6.70 billion in fiscal year 2022, a year-over-year decrease of 4%, or 1% in constant currency.
- **Net income:** GAAP net income of \$1.27 billion, compared to \$937 million in fiscal year 2022; non-GAAP net income of \$1.23 billion, compared to \$1.21 billion in fiscal year 2022. The year-over-year fluctuations in GAAP and Non-GAAP net income each include an unfavorable impact of approximately \$126 million from foreign currency exchange rate changes.
- **Earnings per share:** GAAP net income per share of \$5.79 compared to \$4.09 in fiscal year 2022; non-GAAP net income per share of \$5.59 compared to \$5.28 in fiscal year 2022. The year-over-year fluctuations in GAAP and Non-GAAP net income per share each include an unfavorable impact of approximately \$0.57 from foreign currency exchange rate changes.
- **Cash provided by operations:** \$1.11 billion compared to \$1.21 billion in fiscal year 2022.
- **Share repurchase and dividends:** Returned \$1.28 billion to shareholders through share repurchases and cash dividends.

### First quarter of fiscal year 2024 financial outlook

The Company provided the following financial guidance for the first quarter of fiscal year 2024:

Net revenues are expected to be in the range of:	\$1.325 billion to \$1.475 billion
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	<u>GAAP</u>	<u>Non-GAAP</u>
Earnings per share is expected to be in the range of:	\$0.62 - \$0.72	\$1.00 - \$1.10

### Full fiscal year 2024 financial outlook

The Company provided the following financial guidance for the full fiscal year 2024:

Net revenues are expected to be down year-over-year in the low-to-mid single digits on a percentage basis		
	<u>GAAP</u>	<u>Non-GAAP</u>
Consolidated gross margins are expected to be:	~69%	~70%
Operating margins are expected to be:	~18%	~25%
Earnings per share is expected to be:	\$3.98 - \$4.18	\$5.65 - \$5.85

### Dividend

The next cash dividend of \$0.50 per share is to be paid on July 26, 2023, to shareholders of record as of the close of business on July 7, 2023.

### Fourth quarter of fiscal year 2023 business highlights

#### Leading product innovation

- NetApp strengthens its industry-leading flash portfolio with the announcement of the availability of the **NetApp AFF C-Series**, a new family of capacity flash storage options that delivers lower-cost all-flash storage, and the **NetApp AFF A150**, a new entry-level storage system in the AFF A-Series family of all-flash systems.
  - NetApp launched **ONTAP™ One**, the industry's most comprehensive data management suite, giving customers access to comprehensive NetApp ONTAP software for NetApp AFF C-series, including anti-ransomware, data protection, and security/compliance functionality.
  - NetApp launched **NetApp Advance**, a new portfolio of storage programs and guarantees to help customers cost-effectively future proof on-premises environments, including the **NetApp Storage Lifecycle Program**, which offers customers enterprise storage that includes non-disruptive controller refresh, at no additional cost, with the option to flexibly scale to Keystone Storage-as-a-Service and/or public cloud.
  - NetApp announced the preview of a new **sustainability SLA for NetApp Keystone™**, which will provide a standard watts/TB for each SLA-based performance level, with service credits available if those targets aren't met.
  - NetApp announced that it is now previewing the **BlueXP™ Sustainability Dashboard**, which will help customers understand their data center's carbon footprint across environments.
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- Spot by NetApp announced that **Ocean for Apache Spark** is now available to all customers within the Spot console.
- To address new cloud product silos, ad hoc scripting for optimization and scale, and manual maintenance of cloud operations, Fylamynt (acquired by NetApp in 2022) has been revamped to become **Spot Connect**, available for private preview.
- Spot by NetApp announced its latest innovation for **Spot Security**, a machine learning model that detects anomalous events.

### Customer and partner momentum

- NetApp announced the general availability of **NetApp Cloud Volumes Service as datastores for Google Cloud VMware Engine**, giving customers the ability to easily scale and protect virtual machine (VM) data by using NetApp ONTAP data management software with a fully managed service in Google Cloud.
- Spot by NetApp announced the general availability of **Azure Stateful Node**. With Azure Stateful Node, Spot by NetApp customers can now run their stateful compute workloads on Azure with up to 90% immediate cost reduction and maximum availability.
- **SAS, a global analytics leader, chose NetApp Astra™** to provide a disaster recovery solution for its SAS Viya offerings deployed as a hosted managed service in the SAS Cloud on Microsoft Azure.
- NetApp **CloudCheckr** has achieved the **AWS Cloud Operations Competency** in the categories of Cloud Financial Management and Compliance and Auditing.

### Corporate news and events

- NetApp released the **2023 Cloud Complexity Report**, a global survey exploring how technology decision makers are navigating cloud requirements coming from digital transformation and AI initiatives and the complexity of multicloud environments.
- Spot by NetApp published the report **DevOps Revealed: Insights and trends driving DevOps productivity and job satisfaction**.

### NetApp awards and recognition

- NetApp was recognized by GigaOm for three **Outperformer placements in their annual GigaOm Radar reports for storage**.
  - NetApp was listed as one of **CRN's 50 Coolest Data Center Companies of 2023**.
  - NetApp was listed as one of **CRN's Coolest Software-Defined Storage Vendors of the 2023 Storage 100**.
  - NetApp was listed as one of **CRN's Coolest Big Data System and Cloud Platform Companies of the 2023 Big Data 100**.
  - NetApp's Jenni Flinders, SVP of NetApp Partner Programs, was listed as one of 50 of **CRN's 2023 Most Influential Channel Chiefs**.
  - NetApp's Maya Zakhour, Director of Channel Sales Eastern Europe, META, Iberia, & Latin America, won the **Woman Executive of the Year Award at CPI and Tahawultech's Women in Technology Forum and Awards**.
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## Executive leadership announcements

- NetApp hired **Haiyan Song** as **Executive Vice President and General Manager of CloudOps Business**.
- NetApp hired **Jim Lambe** as **Vice President and General Manager of NetApp Canada**.

## Webcast and conference call information

NetApp will host a conference call to discuss these results today at 2:30 p.m. Pacific Time. To access the live webcast of this event, go to the NetApp Investor Relations website at [investors.netapp.com](https://investors.netapp.com). In addition, this press release, historical supplemental data tables, and other information related to the call will be posted on the Investor Relations website. An audio replay will be available on the website after 4:30 p.m. Pacific Time today.

## “Safe Harbor” statement under U.S. Private Securities Litigation Reform Act of 1995

This press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements include, but are not limited to, all of the statements made in the First Quarter of Fiscal Year 2024 Financial Outlook section and Full Fiscal Year 2024 Financial Outlook section, and statements about our ability to deliver value to our customers, partners and shareholders, better address areas of priority spending through new innovations and a more focused operating model, drive long-term growth and extend our leadership position. Actual results may differ materially from these statements for a variety of reasons, including, without limitation, our ability to keep pace with the rapid industry, technological and market trends and changes in the markets in which we operate, our ability to execute our evolved cloud strategy and introduce and gain market acceptance for our products and services, our ability to maintain our customer, partner, supplier and contract manufacturer relationships on favorable terms and conditions, general global political, macroeconomic and market conditions, including inflation, rising interest rates and foreign exchange volatility and the resulting impact on demand for our products, the impact of the COVID-19 pandemic, including supply chain disruptions, on our business operations, financial performance and results of operations, material cybersecurity and other security breaches, changes in U.S. government spending, revenue seasonality, changes in laws or regulations, including those relating to privacy, data protection and information security, and our ability to manage our gross profit margins. These and other equally important factors are described in reports and documents we file from time to time with the Securities and Exchange Commission, including the factors described under the section titled “Risk Factors” in our most recently submitted annual report on Form 10-K and quarterly report on Form 10-Q. We disclaim any obligation to update information contained in this press release whether as a result of new information, future events, or otherwise.

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NetApp, the NetApp logo, and the marks listed at <http://www.netapp.com/TM> are trademarks of NetApp, Inc. All other marks are the property of their respective owners.

## Footnotes

<sup>1</sup>Refer to the Constant Currency section below for an explanation of constant currency growth rates and the impact of foreign currency exchange rate changes on year-over-year fluctuations in earnings.

<sup>2</sup>Refer to the NetApp Usage of Non-GAAP Financial Information section below for explanations of free cash flow and billings.

<sup>3</sup>Public Cloud annualized revenue run rate (ARR) is calculated as the annualized value of all Public Cloud customer commitments with the assumption that any commitment expiring during the next 12 months will be renewed with its existing terms.

<sup>4</sup>All-flash array annualized net revenue run rate is determined by products and services revenue for the current quarter, multiplied by 4.

<sup>5</sup>Non-GAAP net income excludes, when applicable, (a) amortization of intangible assets, (b) stock-based compensation expenses, (c) litigation settlements, (d) acquisition-related expenses, (e) restructuring charges, (f) asset impairments, (g) gains/losses on the sale or derecognition of assets, (h) gains/losses on the sale of investments in equity securities, (i) debt extinguishment costs, and (j) our GAAP tax provision, but includes a non-GAAP tax provision based upon our projected annual non-GAAP effective tax rate for the first three quarters of the fiscal year and an actual non-GAAP tax provision for the fourth quarter of the fiscal year. NetApp makes additional adjustments to the non-GAAP tax provision for certain tax matters as described below. A detailed reconciliation of our non-GAAP to GAAP results can be found at <http://investors.netapp.com>. NetApp's management uses these non-GAAP measures in making operating decisions because it believes that the measurements provide meaningful supplemental information regarding NetApp's ongoing operational performance.

<sup>6</sup>GAAP net income per share and non-GAAP net income per share are calculated using the diluted number of shares.

## NetApp usage of non-GAAP financial information

To supplement NetApp's condensed consolidated financial statement information presented in accordance with generally accepted accounting principles in the United States (GAAP), NetApp provides investors with certain non-GAAP measures, including, but not limited to, historical non-GAAP operating results, non-GAAP net income, non-GAAP effective tax rate, free cash flow, billings, and historical and projected non-GAAP earnings per diluted share. NetApp also presents the hardware and software components of our GAAP product revenues. Because our revenue recognition policy under GAAP defines a configured storage system, inclusive of the operating system software essential to its functionality, as a single performance obligation, hardware and

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software components of our product revenues are considered non-GAAP measures. The hardware and software components of our product revenues are derived from an estimated fair value allocation of the transaction price of our contracts with customers, down to the level of the product hardware and software components. This allocation is primarily based on the contractual prices at which NetApp has historically billed customers for such respective components.

NetApp believes that the presentation of non-GAAP net income, non-GAAP effective tax rates, and non-GAAP earnings per share data, when shown in conjunction with the corresponding GAAP measures, provides useful information to investors and management regarding financial and business trends relating to its financial condition and results of operations.

NetApp believes that the presentation of free cash flow, which it defines as the net cash provided by operating activities less cash used to acquire property and equipment, to be a liquidity measure that provides useful information to management and investors because it reflects cash that can be used to, among other things, invest in its business, make strategic acquisitions, repurchase common stock, and pay dividends on its common stock. As free cash flow is not a measure of liquidity calculated in accordance with GAAP, free cash flow should be considered in addition to, but not as a substitute for, the analysis provided in the statement of cash flows.

NetApp believes that the presentation of the software and hardware components of our product revenues is meaningful to investors and management as it illustrates the significance of the Company's software and provides improved visibility into the value created by our software innovation and R&D investment.

NetApp approximates billings by adding net revenues as reported on our Condensed Consolidated Statements of Operations for the period to the change in total deferred revenue and financed unearned services revenue as reported on our Condensed Consolidated Statements of Cash Flows for the same period. Billings is a performance measure that NetApp believes provides useful information to management and investors because it approximates the amounts under purchase orders received by us during a given period that have been billed.

NetApp's management uses these non-GAAP measures in making operating decisions because it believes the measurements provide meaningful supplemental information regarding NetApp's ongoing operational performance. These non-GAAP financial measures are used to: (1) measure company performance against historical results, (2) facilitate comparisons to our competitors' operating results and (3) allow greater transparency with respect to information used by management in financial and operational decision making.

NetApp excludes the following items from its non-GAAP measures when applicable:

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A. *Amortization of intangible assets.* NetApp records amortization of intangible assets that were acquired in connection with its business combinations. The amortization of intangible assets varies depending on the level of acquisition activity. Management finds it useful to exclude these charges to assess the appropriate level of various operating expenses to assist in budgeting, planning and forecasting future periods and in measuring operational performance.

B. *Stock-based compensation expenses.* NetApp excludes stock-based compensation expenses from its non-GAAP measures primarily because the amount can fluctuate based on variables unrelated to the performance of the underlying business. While management views stock-based compensation as a key element of our employee retention and long-term incentives, we do not view it as an expense to be used in evaluating operational performance in any given period.

C. *Litigation settlements.* NetApp may periodically incur charges or benefits related to litigation settlements. NetApp excludes these charges and benefits, when significant, because it does not believe they are reflective of ongoing business and operating results.

D. *Acquisition-related expenses.* NetApp excludes acquisition-related expenses, including (a) due diligence, legal and other one-time integration charges and (b) write down of assets acquired that NetApp does not intend to use in its ongoing business, from its non-GAAP measures, primarily because they are not related to our ongoing business or cost base and, therefore, are less useful for future planning and forecasting.

E. *Restructuring charges.* These charges consist of restructuring charges that are incurred based on the particular facts and circumstances of restructuring decisions, including employment and contractual settlement terms, and other related charges, and can vary in size and frequency. We therefore exclude them in our assessment of operational performance.

F. *Asset impairments.* These are non-cash charges to write down assets when there is an indication that the asset has become impaired. Management finds it useful to exclude these non-cash charges due to the unpredictability of these events in its assessment of operational performance.

G. *Gains/losses on the sale or derecognition of assets.* These are gains/losses from the sale of our properties and other transactions in which we transfer control of assets to a third party. Management believes that these transactions do not reflect the results of our underlying, on-going business and, therefore, are less useful for future planning and forecasting.

H. *Gains/losses on the sale of investments in equity securities.* These are gains/losses from the sale of our investment in certain equity securities. Typically, such investments are sold as a result of a change in control of

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the underlying businesses. Management believes that these transactions do not reflect the results of our underlying, on-going business and, therefore, are less useful for future planning and forecasting.

I. *Debt extinguishment costs.* NetApp excludes certain non-recurring expenses incurred as a result of the early extinguishment of debt. Management believes such nonrecurring costs do not reflect the results of its underlying, on-going business and, therefore, are less useful for future planning and forecasting.

J. *Income tax adjustments.* NetApp's non-GAAP tax provision is based upon a projected annual non-GAAP effective tax rate for the first three quarters of the fiscal year and an actual non-GAAP tax provision for the fourth quarter of the fiscal year. The non-GAAP tax provision also excludes, when applicable, (a) tax charges or benefits in the current period that relate to one or more prior fiscal periods that are a result of events such as changes in tax legislation, authoritative guidance, income tax audit settlements, statute lapses and/or court decisions, (b) tax charges or benefits that are attributable to unusual or non-recurring book and/or tax accounting method changes, (c) tax charges that are a result of a non-routine foreign cash repatriation, (d) tax charges or benefits that are a result of infrequent restructuring of the Company's tax structure, (e) tax charges or benefits that are a result of a change in valuation allowance, and (f) tax charges or benefits resulting from the integration of intellectual property from acquisitions. Management believes that the use of non-GAAP tax provisions provides a more meaningful measure of the Company's operational performance.

These non-GAAP measures are not in accordance with, or an alternative for, measures prepared in accordance with GAAP, and may be different from non-GAAP measures used by other companies. In addition, these non-GAAP measures are not based on any comprehensive set of accounting rules or principles. NetApp believes that non-GAAP measures have limitations in that they do not reflect all of the amounts associated with the Company's results of operations as determined in accordance with GAAP and that these measures should only be used to evaluate the Company's results of operations in conjunction with the corresponding GAAP measures. NetApp management compensates for these limitations by analyzing current and projected results on a GAAP basis as well as a non-GAAP basis. The presentation of non-GAAP financial information is not meant to be considered in isolation or as a substitute for the directly comparable financial measures prepared in accordance with generally accepted accounting principles in the United States. The non-GAAP financial measures are meant to supplement, and be viewed in conjunction with, GAAP financial measures.

### **Constant Currency**

NetApp presents certain constant currency growth rates or quantifies the impact of foreign currency exchange rate changes on year-over-year fluctuations, including for net revenues, billings, and earnings. This constant currency information assumes the same foreign currency exchange rates that were in effect for the comparable prior-year period were used in translation of the current period results.

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## About NetApp

NetApp is a global, cloud-led, data-centric software company that empowers organizations to lead with data in the age of accelerated digital transformation. The company provides systems, software, and cloud services that enable them to run their applications optimally from data center to cloud, whether they are developing in the cloud, moving to the cloud, or creating their own cloudlike experiences on premises. With solutions that perform across diverse environments, NetApp helps organizations build their own data fabric and securely deliver the right data, services, and applications to the right people—anytime, anywhere. Learn more at [www.netapp.com](http://www.netapp.com) or follow us on Twitter, LinkedIn, Facebook, and Instagram.

**NETAPP, INC.**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**  
**(In millions)**  
**(Unaudited)**

	April 28, 2023	April 29, 2022
<b>ASSETS</b>		
Current assets:		
Cash, cash equivalents and investments	\$ 3,070	\$ 4,134
Accounts receivable	987	1,230
Inventories	167	204
Other current assets	456	377
Total current assets	4,680	5,945
Property and equipment, net	650	602
Goodwill and purchased intangible assets, net	2,940	2,488
Other non-current assets	1,548	991
Total assets	<u>\$ 9,818</u>	<u>\$ 10,026</u>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current liabilities:		
Accounts payable	\$ 392	\$ 607
Accrued expenses	857	925
Current portion of long-term debt	—	250
Short-term deferred revenue and financed unearned services revenue	2,218	2,171
Total current liabilities	3,467	3,953
Long-term debt	2,389	2,386
Other long-term liabilities	708	788
Long-term deferred revenue and financed unearned services revenue	2,095	2,061
Total liabilities	8,659	9,188
Stockholders' equity	1,159	838
Total liabilities and stockholders' equity	<u>\$ 9,818</u>	<u>\$ 10,026</u>

**NETAPP, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**  
(In millions, except per share amounts)  
(Unaudited)

	Three Months Ended		Year Ended	
	April 28, 2023	April 29, 2022	April 28, 2023	April 29, 2022
<b>Revenues:</b>				
Product	\$ 744	\$ 894	\$ 3,049	\$ 3,284
Services	837	786	3,313	3,034
Net revenues	<u>1,581</u>	<u>1,680</u>	<u>6,362</u>	<u>6,318</u>
<b>Cost of revenues:</b>				
Cost of product	335	446	1,517	1,554
Cost of services	171	145	636	544
Total cost of revenues	<u>506</u>	<u>591</u>	<u>2,153</u>	<u>2,098</u>
Gross profit	<u>1,075</u>	<u>1,089</u>	<u>4,209</u>	<u>4,220</u>
<b>Operating expenses:</b>				
Sales and marketing	442	480	1,829	1,857
Research and development	243	235	956	881
General and administrative	67	72	265	279
Restructuring charges	11	4	120	33
Acquisition-related expense	3	5	21	13
Total operating expenses	<u>766</u>	<u>796</u>	<u>3,191</u>	<u>3,063</u>
Income from operations	309	293	1,018	1,157
Other income (expense), net	5	(21)	48	(62)
Income before income taxes	314	272	1,066	1,095
Provision (benefit) for income taxes	69	13	(208)	158
Net income	<u>\$ 245</u>	<u>\$ 259</u>	<u>\$ 1,274</u>	<u>\$ 937</u>
<b>Net income per share:</b>				
Basic	<u>\$ 1.15</u>	<u>\$ 1.17</u>	<u>\$ 5.87</u>	<u>\$ 4.20</u>
Diluted	<u>\$ 1.13</u>	<u>\$ 1.14</u>	<u>\$ 5.79</u>	<u>\$ 4.09</u>
<b>Shares used in net income per share calculations:</b>				
Basic	<u>213</u>	<u>222</u>	<u>217</u>	<u>223</u>
Diluted	<u>217</u>	<u>228</u>	<u>220</u>	<u>229</u>

**NETAPP, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(In millions)  
(Unaudited)

	Three Months Ended		Year Ended	
	April 28, 2023	April 29, 2022	April 28, 2023	April 29, 2022
<b>Cash flows from operating activities:</b>				
Net income	\$ 245	\$ 259	\$ 1,274	\$ 937
Adjustments to reconcile net income to net cash provided by operating activities:				
Depreciation and amortization	66	51	248	194
Non-cash operating lease cost	12	15	52	55
Stock-based compensation	74	66	312	245
Deferred income taxes	(29)	(78)	(606)	(144)
Other items, net	2	(19)	(67)	(54)
Changes in assets and liabilities, net of acquisitions of businesses:				
Accounts receivable	(165)	(450)	260	(313)
Inventories	8	(37)	37	(90)
Accounts payable	(34)	171	(207)	181
Accrued expenses	14	96	(103)	(111)
Deferred revenue and financed unearned services revenue	93	338	46	384
Long-term taxes payable	6	21	(76)	(45)
Changes in other operating assets and liabilities, net	(57)	(22)	(63)	(28)
Net cash provided by operating activities	<u>235</u>	<u>411</u>	<u>1,107</u>	<u>1,211</u>
<b>Cash flows from investing activities:</b>				
(Purchases) redemptions of investments, net	(245)	9	(719)	45
Purchases of property and equipment	(39)	(68)	(239)	(226)
Acquisitions of businesses, net of cash acquired	—	(21)	(491)	(380)
Other investing activities, net	(1)	—	59	—
Net cash used in investing activities	<u>(285)</u>	<u>(80)</u>	<u>(1,390)</u>	<u>(561)</u>
<b>Cash flows from financing activities:</b>				
Proceeds from issuance of common stock under employee stock award plans	—	—	108	105
Payments for taxes related to net share settlement of stock awards	(10)	(5)	(84)	(74)
Repurchase of common stock	(150)	(250)	(850)	(600)
Repayments and extinguishment of debt	—	—	(250)	—
Dividends paid	(106)	(111)	(432)	(446)
Other financing activities, net	(3)	—	(5)	(2)
Net cash used in financing activities	<u>(269)</u>	<u>(366)</u>	<u>(1,513)</u>	<u>(1,017)</u>
<b>Effect of exchange rate changes on cash, cash equivalents and restricted cash</b>				
	(5)	(23)	(1)	(49)
<b>Net change in cash, cash equivalents and restricted cash</b>	(324)	(58)	(1,797)	(416)
<b>Cash, cash equivalents and restricted cash:</b>				
Beginning of period	2,646	4,177	4,119	4,535
End of period	<u>\$ 2,322</u>	<u>\$ 4,119</u>	<u>\$ 2,322</u>	<u>\$ 4,119</u>

**NETAPP, INC.**  
**SUPPLEMENTAL DATA**  
(In millions except net income per share, percentages, DSO, DPO and Inventory Turns)  
(Unaudited)

**Revenues by Segment**

	Q4'FY23	Q3'FY23	Q4'FY22	FY2023	FY2022
Product	\$ 744	\$ 682	\$ 894	\$ 3,049	\$ 3,284
Support	598	616	590	2,419	2,344
Professional and Other Services	88	78	76	319	294
<b>Hybrid Cloud Segment Net Revenues</b>	<b>1,430</b>	<b>1,376</b>	<b>1,560</b>	<b>5,787</b>	<b>5,922</b>
<b>Public Cloud Segment Net Revenues</b>	<b>151</b>	<b>150</b>	<b>120</b>	<b>575</b>	<b>396</b>
<b>Net Revenues</b>	<b>\$ 1,581</b>	<b>\$ 1,526</b>	<b>\$ 1,680</b>	<b>\$ 6,362</b>	<b>\$ 6,318</b>

**Gross Profit by Segment**

	Q4'FY23	Q3'FY23	Q4'FY22	FY2023	FY2022
Product	\$ 410	\$ 317	\$ 452	\$ 1,538	\$ 1,743
Support	549	572	547	2,238	2,160
Professional and Other Services	33	28	22	108	89
<b>Hybrid Cloud Segment Gross Profit</b>	<b>992</b>	<b>917</b>	<b>1,021</b>	<b>3,884</b>	<b>3,992</b>
<b>Public Cloud Segment Gross Profit</b>	<b>99</b>	<b>103</b>	<b>82</b>	<b>391</b>	<b>278</b>
<b>Total Segments Gross Profit</b>	<b>1,091</b>	<b>1,020</b>	<b>1,103</b>	<b>4,275</b>	<b>4,270</b>
Amortization of Intangible Assets	(10)	(11)	(10)	(42)	(33)
Stock-based Compensation	(6)	(8)	(4)	(24)	(17)
<b>Unallocated Cost of Revenues</b>	<b>(16)</b>	<b>(19)</b>	<b>(14)</b>	<b>(66)</b>	<b>(50)</b>
<b>Gross Profit</b>	<b>\$ 1,075</b>	<b>\$ 1,001</b>	<b>\$ 1,089</b>	<b>\$ 4,209</b>	<b>\$ 4,220</b>

**Gross Margin by Segment**

	Q4'FY23	Q3'FY23	Q4'FY22	FY2023	FY2022
Product	55.1 %	46.5 %	50.6 %	50.4 %	53.1 %
Support	91.8 %	92.9 %	92.7 %	92.5 %	92.2 %
Professional and Other Services	37.5 %	35.9 %	28.9 %	33.9 %	30.3 %
<b>Hybrid Cloud Segment Gross Margin</b>	<b>69.4 %</b>	<b>66.6 %</b>	<b>65.4 %</b>	<b>67.1 %</b>	<b>67.4 %</b>
<b>Public Cloud Segment Gross Margin</b>	<b>65.6 %</b>	<b>68.7 %</b>	<b>68.3 %</b>	<b>68.0 %</b>	<b>70.2 %</b>

**Product Revenues**

	Q4'FY23	Q3'FY23	Q4'FY22	FY2023	FY2022
Total	\$ 744	\$ 682	\$ 894	\$ 3,049	\$ 3,284
Software*	\$ 437	\$ 390	\$ 530	\$ 1,798	\$ 1,926
Hardware*	\$ 307	\$ 292	\$ 364	\$ 1,251	\$ 1,358

**Software and recurring support and public cloud revenue**

	Q4'FY23	Q3'FY23	Q4'FY22	FY2023	FY2022
Product - Software	\$ 437	\$ 390	\$ 530	\$ 1,798	\$ 1,926
Support	598	616	590	2,419	2,344
Public Cloud	151	150	120	575	396
<b>Software and recurring support and public cloud revenue*</b>	<b>\$ 1,186</b>	<b>\$ 1,156</b>	<b>\$ 1,240</b>	<b>\$ 4,792</b>	<b>\$ 4,666</b>

Software and recurring support and public cloud revenue as a percentage of net revenues

75 %      76 %      74 %      75 %      74 %

\* Our revenue recognition policy under GAAP defines a configured storage system, inclusive of the operating system software essential to its functionality, as a single performance obligation. We have provided a breakdown of our GAAP product revenues into the software and hardware components, which are considered non-GAAP measures, to display the significance of software included in total product revenues. Software and recurring support and public cloud revenue is a non-GAAP measure because it includes the software component of our product revenues, but not the hardware component.

## Geographic Mix

	<b>% of Q4 FY'23 Revenue</b>	<b>% of Q3 FY'23 Revenue</b>	<b>% of Q4 FY'22 Revenue</b>	<b>% of FY 2023 Revenue</b>	<b>% of FY 2022 Revenue</b>
Americas	52 %	54 %	54 %	53 %	55 %
Americas Commercial	42 %	44 %	45 %	42 %	45 %
U.S. Public Sector	10 %	10 %	9 %	11 %	10 %
EMEA	34 %	32 %	32 %	33 %	31 %
Asia Pacific	14 %	14 %	14 %	14 %	14 %

## Pathways Mix

	<b>% of Q4 FY'23 Revenue</b>	<b>% of Q3 FY'23 Revenue</b>	<b>% of Q4 FY'22 Revenue</b>	<b>% of FY 2023 Revenue</b>	<b>% of FY 2022 Revenue</b>
Direct	22 %	22 %	24 %	22 %	23 %
Indirect	78 %	78 %	76 %	78 %	77 %

## Non-GAAP Income from Operations, Income before Income Taxes & Effective Tax Rate

	<b>Q4'FY23</b>	<b>Q3'FY23</b>	<b>Q4'FY22</b>	<b>FY2023</b>	<b>FY2022</b>
Non-GAAP Income from Operations	\$ 414	\$ 372	\$ 382	\$ 1,539	\$ 1,496
% of Net Revenues	26.2 %	24.4 %	22.7 %	24.2 %	23.7 %
Non-GAAP Income before Income Taxes	\$ 419	\$ 377	\$ 361	\$ 1,555	\$ 1,434
Non-GAAP Effective Tax Rate	20.3 %	20.2 %	10.2 %	20.9 %	15.7 %

## Non-GAAP Net Income

	<b>Q4'FY23</b>	<b>Q3'FY23</b>	<b>Q4'FY22</b>	<b>FY2023</b>	<b>FY2022</b>
Non-GAAP Net Income	\$ 334	\$ 301	\$ 324	\$ 1,230	\$ 1,209
Non-GAAP Weighted Average Common Shares Outstanding, Diluted	217	219	228	220	229
Non-GAAP Net Income per Share, Diluted	\$ 1.54	\$ 1.37	\$ 1.42	\$ 5.59	\$ 5.28

## Select Balance Sheet Items

	<b>Q4'FY23</b>	<b>Q3'FY23</b>	<b>Q4'FY22</b>
Deferred Revenue and Financed Unearned Services Revenue	\$ 4,313	\$ 4,216	\$ 4,232
DSO (days)	57	49	67
DPO (days)	70	75	93
Inventory Turns	12	12	12

Days sales outstanding (DSO) is defined as accounts receivable divided by net revenues, multiplied by the number of days in the quarter.

Days payables outstanding (DPO) is defined as accounts payable divided by cost of revenues, multiplied by the number of days in the quarter.

Inventory turns is defined as annualized cost of revenues divided by net inventories.

## Select Cash Flow Statement Items

	<b>Q4'FY23</b>	<b>Q3'FY23</b>	<b>Q4'FY22</b>	<b>FY2023</b>	<b>FY2022</b>
Net Cash Provided by Operating Activities	\$ 235	\$ 377	\$ 411	\$ 1,107	\$ 1,211
Purchases of Property and Equipment	\$ 39	\$ 58	\$ 68	\$ 239	\$ 226
Free Cash Flow	\$ 196	\$ 319	\$ 343	\$ 868	\$ 985
Free Cash Flow as % of Net Revenues	12.4 %	20.9 %	20.4 %	13.6 %	15.6 %

Free cash flow is a non-GAAP measure and is defined as net cash provided by operating activities less purchases of property and equipment.

Some items may not add or recalculate due to rounding.



**NETAPP, INC.**  
**RECONCILIATION OF NON-GAAP TO GAAP**  
**INCOME STATEMENT INFORMATION**  
(In millions, except net income per share amounts)

	<u>Q4'FY23</u>	<u>Q3'FY23</u>	<u>Q4'FY22</u>	<u>FY2023</u>	<u>FY2022</u>
<b>NET INCOME</b>	\$ 245	\$ 65	\$ 259	\$ 1,274	\$ 937
Adjustments:					
Amortization of intangible assets	17	17	14	68	46
Stock-based compensation	74	93	66	312	245
Litigation settlements	—	—	—	—	2
Restructuring charges	11	87	4	120	33
Acquisition-related expense	3	3	5	21	13
Gain on sale of equity investment	—	—	—	(32)	—
Income tax effects	11	(33)	(24)	(51)	(68)
Income tax (benefits) expenses from integration of acquired companies	(27)	—	—	(27)	1
Resolution of income tax matters	—	69	—	69	—
Income tax benefit from intra-entity intellectual property transfer	—	—	—	(524)	—
<b>NON-GAAP NET INCOME</b>	<u>\$ 334</u>	<u>\$ 301</u>	<u>\$ 324</u>	<u>\$ 1,230</u>	<u>\$ 1,209</u>
<b>COST OF REVENUES</b>	\$ 506	\$ 525	\$ 591	\$ 2,153	\$ 2,098
Adjustments:					
Amortization of intangible assets	(10)	(11)	(10)	(42)	(33)
Stock-based compensation	(6)	(8)	(4)	(24)	(17)
<b>NON-GAAP COST OF REVENUES</b>	<u>\$ 490</u>	<u>\$ 506</u>	<u>\$ 577</u>	<u>\$ 2,087</u>	<u>\$ 2,048</u>
<b>COST OF PRODUCT REVENUES</b>	\$ 335	\$ 367	\$ 446	\$ 1,517	\$ 1,554
Adjustments:					
Amortization of intangible assets	—	—	(3)	(1)	(9)
Stock-based compensation	(1)	(2)	(1)	(5)	(4)
<b>NON-GAAP COST OF PRODUCT REVENUES</b>	<u>\$ 334</u>	<u>\$ 365</u>	<u>\$ 442</u>	<u>\$ 1,511</u>	<u>\$ 1,541</u>
<b>COST OF SERVICES REVENUES</b>	\$ 171	\$ 158	\$ 145	\$ 636	\$ 544
Adjustments:					
Amortization of intangible assets	(10)	(11)	(7)	(41)	(24)
Stock-based compensation	(5)	(6)	(3)	(19)	(13)
<b>NON-GAAP COST OF SERVICES REVENUES</b>	<u>\$ 156</u>	<u>\$ 141</u>	<u>\$ 135</u>	<u>\$ 576</u>	<u>\$ 507</u>
<b>GROSS PROFIT</b>	\$ 1,075	\$ 1,001	\$ 1,089	\$ 4,209	\$ 4,220
Adjustments:					
Amortization of intangible assets	10	11	10	42	33
Stock-based compensation	6	8	4	24	17
<b>NON-GAAP GROSS PROFIT</b>	<u>\$ 1,091</u>	<u>\$ 1,020</u>	<u>\$ 1,103</u>	<u>\$ 4,275</u>	<u>\$ 4,270</u>

**NETAPP, INC.**  
**RECONCILIATION OF NON-GAAP TO GAAP**  
**INCOME STATEMENT INFORMATION**  
(In millions, except net income per share amounts)

	<u>Q4'FY23</u>	<u>Q3'FY23</u>	<u>Q4'FY22</u>	<u>FY2023</u>	<u>FY2022</u>
<b>SALES AND MARKETING EXPENSES</b>	\$ 442	\$ 450	\$ 480	\$ 1,829	\$ 1,857
Adjustments:					
Amortization of intangible assets	(7)	(6)	(4)	(26)	(13)
Stock-based compensation	(32)	(40)	(30)	(135)	(115)
<b>NON-GAAP SALES AND MARKETING EXPENSES</b>	<u>\$ 403</u>	<u>\$ 404</u>	<u>\$ 446</u>	<u>\$ 1,668</u>	<u>\$ 1,729</u>
<b>RESEARCH AND DEVELOPMENT EXPENSES</b>	\$ 243	\$ 230	\$ 235	\$ 956	\$ 881
Adjustments:					
Stock-based compensation	(29)	(32)	(22)	(111)	(75)
<b>NON-GAAP RESEARCH AND DEVELOPMENT EXPENSES</b>	<u>\$ 214</u>	<u>\$ 198</u>	<u>\$ 213</u>	<u>\$ 845</u>	<u>\$ 806</u>
<b>GENERAL AND ADMINISTRATIVE EXPENSES</b>	\$ 67	\$ 59	\$ 72	\$ 265	\$ 279
Adjustments:					
Stock-based compensation	(7)	(13)	(10)	(42)	(38)
Litigation settlements	—	—	—	—	(2)
<b>NON-GAAP GENERAL AND ADMINISTRATIVE EXPENSES</b>	<u>\$ 60</u>	<u>\$ 46</u>	<u>\$ 62</u>	<u>\$ 223</u>	<u>\$ 239</u>
<b>RESTRUCTURING CHARGES</b>	\$ 11	\$ 87	\$ 4	\$ 120	\$ 33
Adjustments:					
Restructuring charges	(11)	(87)	(4)	(120)	(33)
<b>NON-GAAP RESTRUCTURING CHARGES</b>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>
<b>ACQUISITION-RELATED EXPENSE</b>	\$ 3	\$ 3	\$ 5	\$ 21	\$ 13
Adjustments:					
Acquisition-related expense	(3)	(3)	(5)	(21)	(13)
<b>NON-GAAP ACQUISITION-RELATED EXPENSE</b>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>
<b>OPERATING EXPENSES</b>	\$ 766	\$ 829	\$ 796	\$ 3,191	\$ 3,063
Adjustments:					
Amortization of intangible assets	(7)	(6)	(4)	(26)	(13)
Stock-based compensation	(68)	(85)	(62)	(288)	(228)
Litigation settlements	—	—	—	—	(2)
Restructuring charges	(11)	(87)	(4)	(120)	(33)
Acquisition-related expense	(3)	(3)	(5)	(21)	(13)
<b>NON-GAAP OPERATING EXPENSES</b>	<u>\$ 677</u>	<u>\$ 648</u>	<u>\$ 721</u>	<u>\$ 2,736</u>	<u>\$ 2,774</u>

**NETAPP, INC.**  
**RECONCILIATION OF NON-GAAP TO GAAP**  
**INCOME STATEMENT INFORMATION**  
(In millions, except net income per share amounts)

	<u>Q4'FY23</u>	<u>Q3'FY23</u>	<u>Q4'FY22</u>	<u>FY2023</u>	<u>FY2022</u>
<b>INCOME FROM OPERATIONS</b>	\$ 309	\$ 172	\$ 293	\$ 1,018	\$ 1,157
Adjustments:					
Amortization of intangible assets	17	17	14	68	46
Stock-based compensation	74	93	66	312	245
Litigation settlements	—	—	—	—	2
Restructuring charges	11	87	4	120	33
Acquisition-related expense	3	3	5	21	13
<b>NON-GAAP INCOME FROM OPERATIONS</b>	<u>\$ 414</u>	<u>\$ 372</u>	<u>\$ 382</u>	<u>\$ 1,539</u>	<u>\$ 1,496</u>
<b>OTHER INCOME (EXPENSE), NET</b>	\$ 5	\$ 5	\$ (21)	\$ 48	\$ (62)
Adjustments:					
Gain on sale of equity investment	—	—	—	(32)	—
<b>NON-GAAP OTHER INCOME (EXPENSE), NET</b>	<u>\$ 5</u>	<u>\$ 5</u>	<u>\$ (21)</u>	<u>\$ 16</u>	<u>\$ (62)</u>
<b>INCOME BEFORE INCOME TAXES</b>	\$ 314	\$ 177	\$ 272	\$ 1,066	\$ 1,095
Adjustments:					
Amortization of intangible assets	17	17	14	68	46
Stock-based compensation	74	93	66	312	245
Litigation settlements	—	—	—	—	2
Restructuring charges	11	87	4	120	33
Acquisition-related expense	3	3	5	21	13
Gain on sale of equity investment	—	—	—	(32)	—
<b>NON-GAAP INCOME BEFORE INCOME TAXES</b>	<u>\$ 419</u>	<u>\$ 377</u>	<u>\$ 361</u>	<u>\$ 1,555</u>	<u>\$ 1,434</u>
<b>PROVISION (BENEFIT) FOR INCOME TAXES</b>	\$ 69	\$ 112	\$ 13	\$ (208)	\$ 158
Adjustments:					
Income tax effects	(11)	33	24	51	68
Income tax benefits (expenses) from integration of acquired companies	27	—	—	27	(1)
Resolution of income tax matters	—	(69)	—	(69)	—
Income tax benefit from intra-entity intellectual property transfer	—	—	—	524	—
<b>NON-GAAP PROVISION FOR INCOME TAXES</b>	<u>\$ 85</u>	<u>\$ 76</u>	<u>\$ 37</u>	<u>\$ 325</u>	<u>\$ 225</u>
<b>NET INCOME PER SHARE</b>	\$ 1.13	\$ 0.30	\$ 1.14	\$ 5.79	\$ 4.09
Adjustments:					
Amortization of intangible assets	0.08	0.08	0.06	0.31	0.20
Stock-based compensation	0.34	0.42	0.29	1.42	1.07
Litigation settlements	—	—	—	—	0.01
Restructuring charges	0.05	0.40	0.02	0.55	0.14
Acquisition-related expense	0.01	0.01	0.02	0.10	0.06
Gain on sale of equity investment	—	—	—	(0.15)	—
Income tax effects	0.05	(0.15)	(0.11)	(0.23)	(0.30)
Income tax (benefits) expenses from integration of acquired companies	(0.12)	—	—	(0.12)	—
Resolution of income tax matters	—	0.32	—	0.31	—
Income tax benefit from intra-entity intellectual property transfer	—	—	—	(2.38)	—
<b>NON-GAAP NET INCOME PER SHARE</b>	<u>\$ 1.54</u>	<u>\$ 1.37</u>	<u>\$ 1.42</u>	<u>\$ 5.59</u>	<u>\$ 5.28</u>

**RECONCILIATION OF NON-GAAP TO GAAP**

**GROSS MARGIN**

(\$ in millions)

	<u>Q4'FY23</u>	<u>Q3'FY23</u>	<u>Q4'FY22</u>	<u>FY2023</u>	<u>FY2022</u>
<b>Gross margin-GAAP</b>	68.0%	65.6%	64.8%	66.2%	66.8%
Cost of revenues adjustments	1.0%	1.2%	0.8%	1.0%	0.8%
<b>Gross margin-Non-GAAP</b>	69.0%	66.8%	65.7%	67.2%	67.6%
GAAP cost of revenues	\$ 506	\$ 525	\$ 591	\$ 2,153	\$ 2,098
Cost of revenues adjustments:					
Amortization of intangible assets	(10)	(11)	(10)	(42)	(33)
Stock-based compensation	(6)	(8)	(4)	(24)	(17)
Non-GAAP cost of revenues	\$ 490	\$ 506	\$ 577	\$ 2,087	\$ 2,048
Net revenues	\$ 1,581	\$ 1,526	\$ 1,680	\$ 6,362	\$ 6,318

**RECONCILIATION OF NON-GAAP TO GAAP**

**PRODUCT GROSS MARGIN**

(\$ in millions)

	<u>Q4'FY23</u>	<u>Q3'FY23</u>	<u>Q4'FY22</u>	<u>FY2023</u>	<u>FY2022</u>
<b>Product gross margin-GAAP</b>	55.0%	46.2%	50.1%	50.2%	52.7%
Cost of product revenues adjustments	0.1%	0.3%	0.4%	0.2%	0.4%
<b>Product gross margin-Non-GAAP</b>	55.1%	46.5%	50.6%	50.4%	53.1%
GAAP cost of product revenues	\$ 335	\$ 367	\$ 446	\$ 1,517	\$ 1,554
Cost of product revenues adjustments:					
Amortization of intangible assets	—	—	(3)	(1)	(9)
Stock-based compensation	(1)	(2)	(1)	(5)	(4)
Non-GAAP cost of product revenues	\$ 334	\$ 365	\$ 442	\$ 1,511	\$ 1,541
Product revenues	\$ 744	\$ 682	\$ 894	\$ 3,049	\$ 3,284

**RECONCILIATION OF NON-GAAP TO GAAP**

**SERVICES GROSS MARGIN**

(\$ in millions)

	<u>Q4'FY23</u>	<u>Q3'FY23</u>	<u>Q4'FY22</u>	<u>FY2023</u>	<u>FY2022</u>
<b>Services gross margin-GAAP</b>	79.6%	81.3%	81.6%	80.8%	82.1%
Cost of services revenues adjustments	1.8%	2.0%	1.3%	1.8%	1.2%
<b>Services gross margin-Non-GAAP</b>	81.4%	83.3%	82.8%	82.6%	83.3%
GAAP cost of services revenues	\$ 171	\$ 158	\$ 145	\$ 636	\$ 544
Cost of services revenues adjustments:					
Amortization of intangible assets	(10)	(11)	(7)	(41)	(24)
Stock-based compensation	(5)	(6)	(3)	(19)	(13)
Non-GAAP cost of services revenues	\$ 156	\$ 141	\$ 135	\$ 576	\$ 507
Services revenues	\$ 837	\$ 844	\$ 786	\$ 3,313	\$ 3,034

**RECONCILIATION OF NON-GAAP TO GAAP  
EFFECTIVE TAX RATE**

	<u>Q4'FY23</u>	<u>Q3'FY23</u>	<u>Q4'FY22</u>	<u>FY2023</u>	<u>FY2022</u>
<b>GAAP effective tax rate</b>	22.0%	63.3%	4.8%	(19.5)%	14.4%
<b>Adjustments:</b>					
Income tax effects	(10.3)%	(4.1)%	5.5%	(4.8)%	1.4%
Income tax benefits (expenses) from integration of acquired companies	8.6%	—%	—%	2.5%	(0.1)%
Resolution of income tax matters	—%	(39.0)%	—%	(6.5)%	—%
Income tax benefit from intra-entity intellectual property transfer	—%	—%	—%	49.2%	—%
<b>Non-GAAP effective tax rate</b>	20.3%	20.2%	10.2%	20.9%	15.7%

**RECONCILIATION OF NET CASH PROVIDED BY OPERATING ACTIVITIES  
TO FREE CASH FLOW (NON-GAAP)  
(In millions)**

	<u>Q4'FY23</u>	<u>Q3'FY23</u>	<u>Q4'FY22</u>	<u>FY2023</u>	<u>FY2022</u>
Net cash provided by operating activities	\$ 235	\$ 377	\$ 411	\$ 1,107	\$ 1,211
Purchases of property and equipment	(39)	(58)	(68)	(239)	(226)
<b>Free cash flow</b>	\$ 196	\$ 319	\$ 343	\$ 868	\$ 985

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

	<u>Q4'FY23</u>	<u>Q3'FY23</u>	<u>Q4'FY22</u>	<u>FY2023</u>	<u>FY2022</u>
Net revenues	\$ 1,581	\$ 1,526	\$ 1,680	\$ 6,362	\$ 6,318
Change in deferred revenue and financed unearned services revenue*	93	46	338	46	384
<b>Billings</b>	\$ 1,674	\$ 1,572	\$ 2,018	\$ 6,408	\$ 6,702

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

**NETAPP, INC.**  
**RECONCILIATION OF NON-GAAP GUIDANCE TO GAAP**  
**EXPRESSED AS EARNINGS PER SHARE**  
**FIRST QUARTER FISCAL 2024**

	<b>First Quarter Fiscal 2024</b>
Non-GAAP Guidance - Net Income Per Share	\$1.00-\$1.10
Adjustments of Specific Items to Net Income Per Share for the First Quarter Fiscal 2024:	
Amortization of intangible assets	(\$0.07)
Stock-based compensation expense	(\$0.39)
Income tax effects	\$0.08
Total Adjustments	(\$0.38)
GAAP Guidance - Net Income Per Share	\$0.62-\$0.72

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

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**NETAPP, INC.**  
**RECONCILIATION OF NON-GAAP GUIDANCE TO GAAP**  
**Fiscal 2024**

	<b>Fiscal 2024</b>
Gross Margin - Non-GAAP Guidance	~70%
Adjustment:	
Cost of revenues adjustments	(1)%
Gross Margin - GAAP Guidance	~69%
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	<b>Fiscal 2024</b>
Operating Margin - Non-GAAP Guidance	~25%
Adjustments:	
Amortization of intangible assets	(1)%
Stock-based compensation expense	(6)%
Operating Margin - GAAP Guidance	~18%

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

**NETAPP, INC.**  
**RECONCILIATION OF NON-GAAP GUIDANCE TO GAAP**  
**EXPRESSED AS EARNINGS PER SHARE**  
**Fiscal 2024**

	<b>Fiscal 2024</b>
Non-GAAP Guidance - Net Income Per Share	\$5.65-\$5.85
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Adjustments of Specific Items to Net Income	
Per Share for Fiscal 2024:	
Amortization of intangible assets	(\$0.27)
Stock-based compensation expense	(\$1.70)
Income tax effects	\$0.30
Total Adjustments	(\$1.67)
GAAP Guidance - Net Income Per Share	\$3.98-\$4.18

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

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