

**Company:** Nutanix (NTNX)

**Industry:** Software Infrastructure

**Position:** LONG

**Region:** USA

Nutanix, Inc. is a US-based multi-national provider of enterprise cloud platforms. Its technologies are utilized in various industries, including automotive, consumer goods, financial services, and healthcare.

Despite competition from other technological solution providers like VMware, Dell, and IBM, the hyper-converged infrastructure (HCI) service provider generated \$1.58 billion for fiscal 2022. 92% of this revenue is due to their subscription licensing. A factor is that their hypervisor's services are offered at a lower cost compared to other IaaS market participants and the popular AWS, Microsoft Azure, and Google Cloud.

An additional cause is the company's consistent, highly-rated customer satisfaction. In May 2022, the company was awarded both the "Voice of the Customer" recognition for its fourth consecutive year and the "Distributed File Systems and Object Storage" recognition for its second consecutive year by enterprise technology reviewer Gartner Peer Insights for HCI vendors.

This increase in subscriptions has also allowed a sizeable cash-rich position. As of August 2022, the company's cash and cash equivalents have amounted to \$1.3 billion, which can be utilized to develop more services and potential acquisitions. One of these developments is their recent breach into the SaaS and PaaS markets through their products Era and Beam respectively.

The company's demonstrative presence in the HCI market, its cash for increased technological developments, and an expanding customer base despite strong competition suggest that the firm's lower-cost solutions may provide key catalysts and an edge in growth for the long term.

The stock is currently trading at \$21.98.

