

[INVESTOR HOME](#)[NEWS & EVENTS](#) ▼[FINANCIAL INFORMATION](#) ▼[CORPORATE GOVERNANCE](#)

PRESS RELEASE DETAILS

[VIEW ALL NEWS](#)

Pure Storage Announces Fiscal Fourth Quarter and Full Year 2023 Financial Results

March 1, 2023

Fiscal 2023 revenue growth of 26% year-over-year

Subscription services ARR of \$1.1 billion, up 30% year-over-year

Introduction of FlashBlade//E: Delivering benefits of flash at better economics than disk

MOUNTAIN VIEW, Calif., March 1, 2023 /PRNewswire/ -- Today Pure Storage (NYSE: PSTG), the IT pioneer that delivers the world's most advanced data storage technology and services, announced financial results for its fiscal fourth quarter and full year 2023 ended February 5, 2023.

[Skip to main content](#)[GET STARTED NOW](#)

[INVESTOR HOME](#)[NEWS & EVENTS](#) ▼[FINANCIAL INFORMATION](#) ▼[CORPORATE GOVERNANCE](#)**Fourth Quarter and Full Year Financial Highlights**

- Q4 revenue \$810.2 million, up 14% year-over-year
- Full-year revenue \$2.8 billion, up 26% year-over-year
- Q4 subscription services revenue \$265.1 million, up 23% year-over-year
- Full-year subscription services revenue \$961.3 million, up 30% year-over-year
- Q4 subscription annual recurring revenue (ARR) \$1.1 billion, up 30% year-over-year
- Remaining performance obligations (RPO) \$1.8 billion, up 24% year-over-year
- Q4 GAAP gross margin 69.3%; non-GAAP gross margin 70.8%
- Full-year GAAP gross margin 68.9%; non-GAAP gross margin 70.7%
- Q4 GAAP operating income \$64.6 million; non-GAAP operating income \$158.6 million
- Full-year GAAP operating income \$83.5 million; non-GAAP operating income \$457.2 million
- Q4 GAAP operating margin 8.0%; non-GAAP operating margin 19.6%
- Full-year GAAP operating margin 3.0%; non-GAAP operating margin 16.6%
- Q4 operating cash flow \$233.0 million; free cash flow \$172.8 million
- Full-year operating cash flow \$767.2 million; free cash flow \$609.1 million
- Total cash, cash equivalents, and marketable securities \$1.6 billion
- Returned approximately \$67.5 million and \$219.0 million in Q4 and FY23, respectively, to stockholders through share repurchases of 2.4 million shares and 7.8 million shares, respectively
- Authorized incremental share repurchases of up to an additional \$250 million under its stock repurchase program

"Pure delivered strong Q4 financial results growing revenue 14% and achieving record operating profit and margin," said Kevan Kryslar, CFO, Pure Storage. "We are confident that we will navigate the current macro backdrop, while focusing on our commitment to deliver long term, profitable growth."

GET STARTED NOW**Fourth Quarter and Full Year Company Highlights**[Skip to main content](#)



INVESTOR HOME

NEWS & EVENTS ▼

FINANCIAL INFORMATION ▼

CORPORATE GOVERNANCE

\$0.20 per GB.

- **Strong Subscription Services Momentum:** In FY23, Pure extended its as-a-Service model across the full suite of Portworx offerings and also advanced its portfolio of Evergreen offerings to include the new fleet-level Evergreen//Flex.
- **Leadership in Sustainability:** Pure released the first environmental impact analysis of its portfolio, which found that Pure's products can use as little as one-fifth the power of competitive storage offerings. Pure also introduced the first-of-it's-kind Energy Efficiency SLA guarantee for Evergreen//One.
- **Industry Recognition:** Pure was named a leader in the Gartner Magic Quadrants for both Primary Storage and Distributed File Systems & Object Storage, marking its 9th consecutive year as a leader. Pure was also named one of *Fortune's* Best Workplaces in Technology.

FY24 Guidance

	FY24
Revenue	Mid to High Single Digit Y/Y Growth
Non-GAAP Operating Margin	15 %

Q1FY24 Guidance will be provided during the conference call beginning at 2:00 pm PT today, March 1, 2023.

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

Share Repurchase Authorization

Pure's board of directors has authorized, and its audit committee has approved, incremental share repurchases of up to an additional \$250 million under its stock repurchase program. The authorization allows Pure to repurchase shares of its Class A common stock opportunistically and will be funded from available working capital. Repurchases may be made at management's discretion from time to time on the open market through privately negotiated transactions, transactions structured through investment banking institutions, block purchase techniques, 10b5-1 trading plans, or a combination of the foregoing. The repurchase program does not have an

GET STARTED NOW[Skip to main content](#)

**INVESTOR HOME****NEWS & EVENTS** ▼**FINANCIAL INFORMATION** ▼**CORPORATE GOVERNANCE**

the Pure Storage Investor Relations website, investor.purestorage.com. Pure will also post its earnings presentation to this website in advance of the call and post its prepared remarks to this website within 24 hours following completion of the call.

A replay will be available following the call on the Pure Storage Investor Relations website or for two weeks at 1-866-813-9403 (or +44 204 525 0658 for international callers) with passcode 032614.

Upcoming Events

Pure is scheduled to participate at the following investor conference:

Susquehanna 12th Annual Technology Conference

Date: Friday, March 3, 2023

Time: 8:00 a.m. PT / 11:00 a.m. ET

Charles Giancarlo, Chairman and CEO and Kevan Kryslar, CFO

The presentation(s) will be webcast live and archived on Pure's Investor Relations website at investor.purestorage.com.

About Pure Storage

Pure Storage (NYSE: PSTG) uncomplicates data storage, forever. Pure delivers a cloud experience that empowers every organization to get the most from their data while reducing the complexity and expense of managing the infrastructure behind it. Pure's commitment to providing true storage as-a-service gives customers the agility to meet changing data needs at speed and scale, whether they are deploying traditional workloads, modern applications, containers, or more. Pure believes it can make a significant impact in reducing data center emissions worldwide through its environmental sustainability efforts, including designing products and solutions that enable customers to reduce their carbon and energy footprint. And with the highest Net Promoter Score in the industry, Pure's ever-expanding list of customers are among the happiest in the world. For more information, visit www.purestorage.com.

Analyst Recognition

[Leader in the 2022 Gartner Magic Quadrant for Primary Storage](#)

[Leader in the 2022 Gartner Magic Quadrant for Distributed File Systems & Object Storage](#)

Connect with Pure

[Blog](#)

[LinkedIn](#)

GET STARTED NOW

[Skip to main content](#)

[INVESTOR HOME](#)[NEWS & EVENTS](#) ▼[FINANCIAL INFORMATION](#) ▼[CORPORATE GOVERNANCE](#)

Forward Looking Statements

This press release contains forward-looking statements regarding our products, business and operations, including but not limited to our views relating to future period financial results, our technology and product strategy, specifically customer priorities around sustainability, our ability to adjust to current macro conditions and expand market share, our sustainability goals and benefits, the timing and magnitude of large orders, the impact of inflation, economic or supply chain disruptions, the pandemic and its lingering impacts, demand for our products and subscription services, including Evergreen//One, our expectations regarding our product and technology differentiation, including FlashBlade//E, new customer acquisition, the continued success of the Portworx technology, and other statements regarding our products, business, operations and results. Forward-looking statements are subject to known and unknown risks and uncertainties and are based on potentially inaccurate assumptions that could cause actual results to differ materially from those expected or implied by the forward-looking statements.

Actual results may differ materially from the results predicted, and reported results should not be considered as an indication of future performance. The potential risks and uncertainties that could cause actual results to differ from the results predicted include, among others, those risks and uncertainties included under the caption "Risk Factors" and elsewhere in our filings and reports with the U.S. Securities and Exchange Commission, which are available on our Investor Relations website at investor.purestorage.com and on the SEC website at www.sec.gov. Additional information is also set forth in our Annual Report on Form 10-K for the year ended February 6, 2022. All information provided in this release and in the attachments is as of March 1, 2023, and Pure undertakes no duty to update this information unless required by law.

Key Business Metric

Subscription ARR is a key business metric that refers to total annualized contract value of all active subscription agreements on the last day of the quarter, plus on-demand revenue for the quarter multiplied by four.

Non-GAAP Financial Measures

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

GET STARTED NOW[Skip to main content](#)



INVESTOR HOME

NEWS & EVENTS ▼

FINANCIAL INFORMATION ▼

CORPORATE GOVERNANCE

debt, amortization of intangible assets acquired from acquisitions, acquisition-related transaction and integration expenses, and costs associated with the exit of certain operations that may not be indicative of our ongoing core business operating results. Pure believes that both management and investors benefit from referring to these non-GAAP financial measures in assessing our performance and when analyzing historical performance and liquidity and planning, forecasting, and analyzing future periods. The presentation of these non-GAAP financial measures is not meant to be considered in isolation or as a substitute for our financial results prepared in accordance with GAAP, and our non-GAAP measures may be different from non-GAAP measures used by other companies.

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

PURE STORAGE, INC.
Condensed Consolidated Balance Sheets
(in thousands, unaudited)

	At the End of Fiscal	
	2023	2022
Assets		
Current assets:		
Cash and cash equivalents	\$ 580,854	\$ 466,199
Marketable securities	1,001,352	947,073
Accounts receivable, net of allowance of \$1,057 and \$945	612,491	542,144
Inventory	52,095	38,942
Deferred commissions, current	68,617	81,589
Prepaid expenses and other current assets	161,391	116,232
Total current assets	2,476,800	2,192,179
Property and equipment, net	272,445	195,282
Operating lease right-of-use assets	158,912	111,763
Deferred commissions, non-current	177,239	164,718
Intangible assets, net	49,222	62,646
Goodwill	361,427	358,736
Restricted cash	10,544	10,544

[Skip to main content](#)



INVESTOR HOME

NEWS & EVENTS ▼

FINANCIAL INFORMATION ▼

CORPORATE GOVERNANCE

Accrued compensation and benefits	232,636	205,431
Accrued expenses and other liabilities	125,692	78,511
Operating lease liabilities, current	33,707	35,098
Deferred revenue, current	718,149	562,576
Debt, current	574,506	—
Total current liabilities	1,751,811	952,320
Long-term debt	—	786,779
Operating lease liabilities, non-current	142,473	93,479
Deferred revenue, non-current	667,501	517,296
Other liabilities, non-current	42,385	31,105
Total liabilities	2,604,170	2,380,979
Stockholders' equity:		
Common stock and additional paid-in capital	2,493,799	2,470,972
Accumulated other comprehensive loss	(15,504)	(8,365)
Accumulated deficit	(1,537,062)	(1,708,271)
Total stockholders' equity	941,233	754,336
Total liabilities and stockholders' equity	\$ 3,545,403	\$ 3,135,315

PURE STORAGE, INC.

Condensed Consolidated Statements of Operations
(in thousands, except per share data, unaudited)

	Fourth Quarter of Fiscal		Fiscal Year End	
	2023	2022	2023	20
Revenue:				
Product	\$ 545,108	\$ 492,602	\$ 1,792,153	\$ 1,44
Subscription services	265,099	215,968	961,281	73
Total revenue	810,207	708,570	2,753,434	2,18
Cost of revenue:				
Product ⁽¹⁾	174,471	167,964	569,793	47
Subscription services ⁽¹⁾	74,419	64,772	285,995	23
Total cost of revenue	248,890	232,736	855,788	70
Gross profit	561,317	475,834	1,897,646	1,47
Operating expenses:				
Research and development ⁽¹⁾	185,557	162,639	692,528	58

Skip to main content



INVESTOR HOME

NEWS & EVENTS ▼

FINANCIAL INFORMATION ▼

CORPORATE GOVERNANCE

Income tax provision	6,818	4,816	18,737	
Net income (loss)	\$ 74,471	\$ 14,943	\$ 73,071	\$ (14,943)
Net income (loss) per share attributable to common stockholders, basic	\$ 0.25	\$ 0.05	\$ 0.24	\$ 0.05
Net income (loss) per share attributable to common stockholders, diluted	\$ 0.22	\$ 0.05	\$ 0.23	\$ 0.05
Weighted-average shares used in computing net income (loss) per share attributable to common stockholders, basic	303,614	291,351	299,478	28
Weighted-average shares used in computing net income (loss) per share attributable to common stockholders, diluted	339,699	317,268	339,184	28

⁽¹⁾ Includes stock-based compensation expense as follows:

Cost of revenue -- product	\$ 2,791	\$ 1,787	\$ 10,245	\$ 10,245
Cost of revenue -- subscription services	5,652	6,142	22,630	22,630
Research and development	41,212	39,921	161,694	14,212
Sales and marketing	17,767	17,122	72,507	17,767
General and administrative	15,081	14,228	60,541	4,081
Total stock-based compensation expense	\$ 82,503	\$ 79,200	\$ 327,617	\$ 28,503

PURE STORAGE, INC.

Condensed Consolidated Statements of Cash Flows
(in thousands, unaudited)

	Fourth Quarter of Fiscal	
	2023	2022
Cash flows from operating activities		
Net income (loss)	\$ 74,471	\$ 14,943
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation and amortization	28,164	23,546
Amortization of debt discount and debt issuance costs	804	8,566
Stock-based compensation expense	82,503	79,200

GET STARTED NOW



INVESTOR HOME

NEWS & EVENTS ▼

FINANCIAL INFORMATION ▼

CORPORATE GOVERNANCE

Deferred commissions	(10,724)	(37,988)
Prepaid expenses and other assets	24,584	(13,505)
Operating lease right-of-use assets	7,740	7,891
Accounts payable	(29,611)	20,967
Accrued compensation and other liabilities	91,766	94,212
Operating lease liabilities	(5,020)	(10,257)
Deferred revenue	137,432	130,122
Net cash provided by operating activities	233,026	138,241
Cash flows from investing activities		
Purchases of property and equipment ⁽¹⁾	(60,229)	(21,070)
Acquisition, net of cash acquired	—	—
Purchases of marketable securities	(409,306)	(114,605)
Sales of marketable securities	6,155	53,548
Maturities of marketable securities	81,700	63,007
Other	—	—
Net cash used in investing activities	(381,680)	(19,120)
Cash flows from financing activities		
Net proceeds from exercise of stock options	5,647	14,966
Proceeds from issuance of common stock under employee stock purchase plan	—	—
Principal payments on borrowings and finance lease obligations	(1,095)	(853)
Tax withholding on vesting of equity awards	(3,471)	(2,165)
Repurchases of common stock	(67,504)	(69,562)
Net cash used in financing activities	(66,423)	(57,614)
Net increase (decrease) in cash and cash equivalents and restricted cash	(215,077)	61,507
Cash, cash equivalents and restricted cash, beginning of period	806,475	415,236
Cash, cash equivalents and restricted cash, end of period	\$ 591,398	\$ 476,743

⁽¹⁾ Includes capitalized internal-use software costs of \$3.2 million and \$2.5 million for the fourth quarter of fiscal 2023 and 2022 and \$13.7 million and \$8.8 million for fiscal 2023 and 2022.

Reconciliations of non-GAAP results of operations to the nearest comparable GAAP measures

The following table presents non-GAAP gross margins by revenue source before certain items (in thousands except percentages, unaudited):

GET STARTED NOW

[Skip to main content](#)



INVESTOR HOME

NEWS & EVENTS ▼

FINANCIAL INFORMATION ▼

CORPORATE GOVERNANCE

			\$ 2,791 (c)			
			37 (d)			
			292 (e)			
			3,306 (f)			
Gross profit -- product	\$ 370,637	68.0 %	\$ 6,426	\$ 377,063	69.2 %	\$ 32
			\$ 5,652 (c)			
			159 (d)			
			306 (e)			
			16 (g)			
Gross profit -- subscription services	\$ 190,680	71.9 %	\$ 6,133	\$ 196,813	74.2 %	\$ 1
			\$ 8,443 (c)			
			196 (d)			
			598 (e)			
			3,306 (f)			
			16 (g)			
Total gross profit	\$ 561,317	69.3 %	\$ 12,559	\$ 573,876	70.8 %	\$ 47

(a) GAAP gross margin is defined as GAAP gross profit divided by revenue.

(b) Non-GAAP gross margin is defined as non-GAAP gross profit divided by revenue.

(c) To eliminate stock-based compensation expense.

(d) To eliminate payroll tax expense related to stock-based activities.

(e) To eliminate duplicate lease costs during the transition of our corporate headquarters.

(f) To eliminate amortization expense of acquired intangible assets.

(g) To eliminate payments to former shareholders of acquired company.

The following table presents non-GAAP gross margins by revenue source before certain items (in thousands except percentages, unaudited):

Fiscal Year Ended			
GAAP results	GAAP gross margin (a)	2023 Adjustment	Non-GAAP results
Skip to main content			



INVESTOR HOME NEWS & EVENTS ▼ FINANCIAL INFORMATION ▼ CORPORATE GOVERNANCE

Gross profit -- product	\$ 1,222,360	68.2 %	\$ 24,186	\$ 1,246
			\$ 22,630 (c)	
			1,210 (d)	
			575 (e)	
			135 (g)	
			88 (h)	
Gross profit -- subscription services	\$ 675,286	70.2 %	\$ 24,638	\$ 699
			\$ 32,875 (c)	
			1,545 (d)	
			1,118 (e)	
			13,063 (f)	
			135 (g)	
			\$ 88 (h)	
Total gross profit	\$ 1,897,646	68.9 %	\$ 48,824	\$ 1,946

- (a) GAAP gross margin is defined as GAAP gross profit divided by revenue.
- (b) Non-GAAP gross margin is defined as non-GAAP gross profit divided by revenue.
- (c) To eliminate stock-based compensation expense.
- (d) To eliminate payroll tax expense related to stock-based activities.
- (e) To eliminate duplicate lease costs during the transition of our corporate headquarters.
- (f) To eliminate amortization expense of acquired intangible assets.
- (g) To eliminate costs associated with the exit of certain operations.
- (h) To eliminate payments to former shareholders of acquired company.

The following table presents certain non-GAAP consolidated results before certain items (in thousands, except per share amounts and percentages, unaudited):

Fourth Quarter of Fiscal					
2023					
GAAP results	GAAP operating margin (a)	Adjustment	Non-GAAP results	Non-GAAP operating margin (b)	GAAP results
		\$ 82,503 (c)			
		888 (d)			
		1,799 (e)			

GET STARTED NOW

Skip to main content



INVESTOR HOME

NEWS & EVENTS ▼

FINANCIAL INFORMATION ▼

CORPORATE GOVERNANCE

		888	(d)	
		1,799	(e)	
		3,839	(f)	
		5,004	(g)	
		804	(h)	
		357	(i)	
Net income	<u>\$ 74,471</u>	<u>\$ 95,194</u>	<u>\$ 169,665</u>	<u>\$ 14,943</u>
Net income per share -- diluted	\$ 0.22		\$ 0.53	\$ 0.05
Weighted-average shares used in per share calculation -- diluted	339,699	(21,884) (j)	317,815	317,268

(a) GAAP operating margin is defined as GAAP operating income divided by revenue.

(b) Non-GAAP operating margin is defined as non-GAAP operating income divided by revenue.

(c) To eliminate stock-based compensation expense.

(d) To eliminate payments to former shareholders of acquired companies.

(e) To eliminate payroll tax expense related to stock-based activities.

(f) To eliminate amortization expense of acquired intangible assets.

(g) To eliminate duplicate lease costs during the transition of our corporate headquarters.

(h) To eliminate amortization expense of debt discount and debt issuance costs related to our long-term debt.

(i) To eliminate net loss from legal settlement in connection with a facility abandoned in the second quarter of fiscal 2021.

(j) To exclude the dilutive effect from convertible note due to the related capped call hedge.

The following table presents certain non-GAAP consolidated results before certain items (in thousands, except per share amounts and percentages, unaudited):

Fiscal Year Ended				
2023				
GAAP results	GAAP operating margin (a)	Adjustment	Non-GAAP results	Non-GAAP operating margin (b)

GET STARTED NOW



INVESTOR HOME NEWS & EVENTS FINANCIAL INFORMATION CORPORATE GOVERNAN

Operating income \$ 83,513 3.0 % \$ 373,716 \$ 457,229 16.6 %

- (a) GAAP operating margin is defined as GAAP operating income divided by revenue.
- (b) Non-GAAP operating margin is defined as non-GAAP operating income divided by revenue.
- (c) To eliminate stock-based compensation expense.
- (d) To eliminate payments to former shareholders of acquired companies.
- (e) To eliminate payroll tax expense related to stock-based activities.
- (f) To eliminate costs primarily associated with the exit of certain operations.
- (g) To eliminate duplicate lease costs during the transition of our corporate headquarters.
- (h) To eliminate amortization expense of acquired intangible assets.

Reconciliation from net cash provided by operating activities to free cash flow (in thousands except percentages, unaudited):

	Fourth Quarter of Fiscal		Fiscal Ye
	2023	2022	2023
Net cash provided by operating activities	\$ 233,026	\$ 138,241	\$ 767,234
Less: purchases of property and equipment ⁽¹⁾	(60,229)	(21,070)	(158,139)
Free cash flow (non-GAAP)	\$ 172,797	\$ 117,171	\$ 609,095

⁽¹⁾ Includes capitalized internal-use software costs of \$3.2 million and \$2.5 million for the fourth quarter of fiscal 2023 and 2022 and \$13.7 million and \$8.8 million for fiscal 2023 and 2022.

View original content to download multimedia:<https://www.prnewswire.com/news-releases/pure-storage-announces-fiscal-fourth-quarter-and-full-year-2023-financial-results-301759939.html>

SOURCE Pure Storage

VIEW ALL NEWS

GET STARTED NOW

[Skip to main content](#)



INVESTOR HOME NEWS & EVENTS ▼ FINANCIAL INFORMATION ▼ CORPORATE GOVERNAN

- FAQ
- Information Request
- SEC Filings
- Quarterly Results

Email Address

- ☐ Press Releases
- ☐ SEC Filings
- ☐ Events & Presentations
- ☐ EOD Stock Quote

SUBMIT

Contact us to receive more information. Please also refer to our FAQ page for questions you may have.

✉ ir@purestorage.com

- Products
- Contact
- Terms of Use
- Customers
- Investors
- Support
- Company
- Blog
- Jobs
- Resources
- Privacy Policy

