



Guardians of the Connected World

Q1 FY'26 Financial Results

Conference Call

PERIOD ENDED June 30, 2025

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Agenda

01

Introduction

Paul Canavan, Assistant Vice President Corporate Finance

02

CEO Perspective

Anil Singhal, President & Chief Executive Officer (CEO)

03

CFO Financial Review

Tony Piazza, Executive Vice President & Chief Financial Officer (CFO)

04

Question & Answer Session



Safe Harbor

Forward Looking Statements: Certain information provided in this presentation includes forward-looking statements within the meaning of the Securities Act of 1933, as amended, and the Securities Exchange Act of 1934, as amended, which are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995 and other federal securities laws. Examples of forward-looking statements include statements regarding our future financial performance or position, results of operations, business strategy, plans and objectives of management for future operations, and other statements that are not historical fact. You can identify forward-looking statements by their use of forward-looking words such as “may,” “will,” “anticipate,” “expect,” “believe,” “estimate,” “intend,” “plan,” “should,” “seek,” or other comparable terms. Investors are cautioned that such forward-looking statements in this presentation include, without limitation, statements regarding NETSCOUT’s financial results, its financial outlook and expectations, that it continues to position the Company for long-term success in the market, that it remains cautiously optimistic amid ongoing macroeconomic uncertainty, that its focus remains firmly on driving product innovation, returning to annual revenue growth and enhancing margins through disciplined cost management, that over the long term, it is committed to empowering its customers to meet the demands of today’s connected, complex digital landscape by delivering mission-critical solutions that address performance, ensure availability and safeguard security, and statements relating to the potential benefit of a market for the Company’s products and regarding product releases, updates, and functionality all constitute forward looking statements that involve risks and uncertainties. Actual results could differ materially from the forward-looking statements due to known and unknown risks, uncertainties, assumptions, and other factors. Such factors include, but are not limited to, macroeconomic factors and slowdowns or downturns in economic conditions generally and in the market for advanced networks, service assurance and cybersecurity solutions specifically; the volatile foreign exchange environment; liquidity concerns at, and failures of, banks and other financial institutions; the Company’s relationships with strategic partners and resellers; dependence upon broad-based acceptance of the Company’s network performance management solutions; the presence of competitors with greater financial resources than the Company has, and their strategic response to the Company’s products; the Company’s ability to retain key executives and employees; the Company’s ability to realize the anticipated savings from recent restructuring actions and other expense management programs; lower than expected demand for the Company’s products and services; and the timing and magnitude of stock buyback activity based on market conditions, corporate considerations, debt agreements, and regulatory requirements. The risks included above are not exhaustive. We caution readers not to place undue reliance on any forward-looking statements included in this presentation which speak only as to the date of this presentation. We undertake no responsibility to update or revise any forward-looking statements, except as required by law. For a more detailed description of the risk factors associated with the Company, please refer to the Company’s Annual Report on Form 10-K for the fiscal year ended March 31, 2025, filed with the Securities and Exchange Commission.



Non-GAAP Financial Metrics

To supplement the financial measures presented in NETSCOUT's press release in accordance with accounting principles generally accepted in the United States (GAAP), NETSCOUT also reports the following non-GAAP measures: non-GAAP gross profit, non-GAAP income from operations, non-GAAP operating margin, non-GAAP net income, non-GAAP diluted net income per share and non-GAAP earnings before interest and other expense, income taxes, depreciation, and amortization (Non-GAAP EBITDA) from operations. Non-GAAP gross profit removes expenses related to the amortization of acquired intangible assets, share-based compensation expense, and acquisition-related depreciation expense. Non-GAAP income from operations includes the aforementioned adjustments related to non-GAAP gross profit and also removes goodwill impairment charges, executive transition costs, and restructuring charges. Non-GAAP operating margin includes the foregoing adjustments related to non-GAAP income from operations. Non-GAAP net income includes the foregoing adjustments related to non-GAAP income from operations and also removes the income tax effects of such adjustments. Non-GAAP diluted net income per share, which may also be referred to as non-GAAP Earnings per Share (EPS), includes the foregoing adjustments related to non-GAAP net income. Non-GAAP EBITDA from operations includes the aforementioned adjustments related to non-GAAP income from operations and also removes non-acquisition related depreciation expense. Investors are encouraged to review the related GAAP financial measures and the reconciliation of these non-GAAP financial measures to their most directly comparable GAAP financial measures included in the attached tables within this press release.

These non-GAAP measures are not prepared in accordance with GAAP, should not be considered an alternative for measures prepared in accordance with GAAP (revenue, gross profit, operating margin, net income, and diluted net income per share), and may have limitations because they do not reflect all NETSCOUT's results of operations as determined in accordance with GAAP. These non-GAAP measures should only be used to evaluate NETSCOUT's results of operations in conjunction with the corresponding GAAP measures. The presentation of non-GAAP information is not meant to be considered superior to, in isolation from, or as a substitute for results prepared in accordance with GAAP. NETSCOUT believes these non-GAAP financial measures will enhance the reader's overall understanding of NETSCOUT's current financial performance and NETSCOUT's prospects for the future by providing a higher degree of transparency for certain financial measures and providing a level of disclosure that helps investors understand how the Company plans and measures its own business. NETSCOUT believes that providing these non-GAAP measures affords investors a view of NETSCOUT's operating results that may be more easily compared to peer companies and also enables investors to consider NETSCOUT's operating results on both a GAAP and non-GAAP basis during and following the integration period of NETSCOUT's acquisitions. Presenting the GAAP measures on their own, without the supplemental non-GAAP disclosures, might not be indicative of NETSCOUT's core operating results. Furthermore, NETSCOUT believes that the presentation of non-GAAP measures when shown in conjunction with the corresponding GAAP measures provides useful information to management and investors regarding present and future business trends relating to its financial condition and results of operations.

NETSCOUT management regularly uses supplemental non-GAAP financial measures internally to understand, manage and evaluate its business and to make operating decisions. These non-GAAP measures are among the primary factors that management uses in planning and forecasting.





Guardians of the Connected World

CEO Perspective

Anil Singhal, President & Chief Executive Officer

Q1 FY'26 Non-GAAP Financial Highlights



Total
Revenue

\$186.7M
+7% Y/Y Growth



Gross Profit
Margin

78.7%
+1.6pts Y/Y



Operating
Margin

14.2%
+6.2pts Y/Y



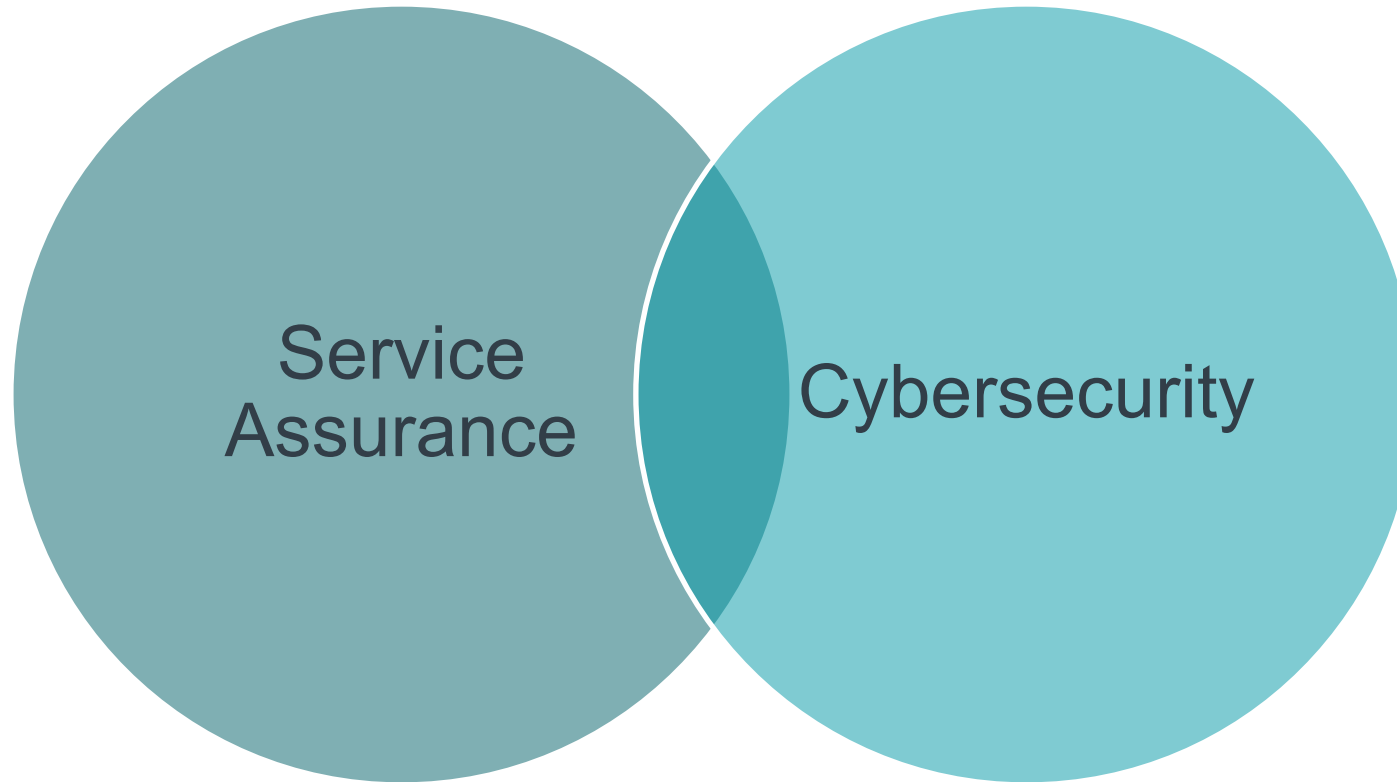
EPS

\$0.34
+21% Y/Y

See Appendix for a reconciliation of non-GAAP financial measures to the most directly comparable GAAP measures.



Business & Market Insights



FY'26 Outlook & Summary

Focused on driving product innovation, returning to annual revenue growth, and enhancing margins through disciplined cost management

Remain cautiously optimistic amid ongoing macroeconomic uncertainty

Reaffirming our fiscal year 2026 revenue and non-GAAP EPS outlook

Committed to delivering mission-critical solutions to address performance, ensure availability, and safeguard security





Guardians of the Connected World

CFO Financial Review

Q1 FY'26 Results

Tony Piazza, Executive Vice President & Chief Financial Officer

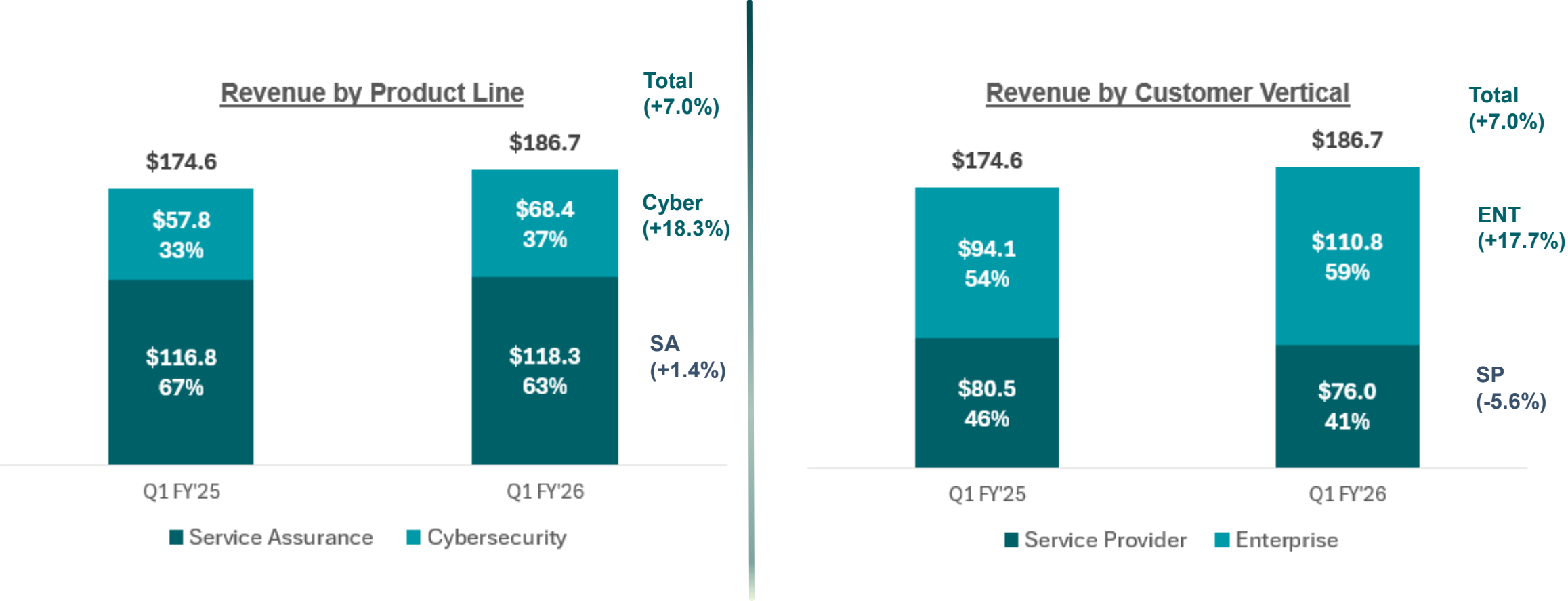
Q1 FY'26 Non-GAAP Results

\$M (except EPS & % data)	Q1 FY'25	Q1 FY'26	Y/Y Change
Revenue	\$174.6	\$186.7	7.0%
Product Revenue	\$61.2	\$73.0	19.3%
Service Revenue	\$113.4	\$113.8	0.3%
Gross Profit Margin	77.1%	78.7%	
Operating Margin	8.0%	14.2%	
Net Income	\$20.6	\$24.7	20.2%
Diluted Net Income per Share	\$0.28	\$0.34	21.4%
Diluted Shares Outstanding	72.8	73.4	

See Appendix for a reconciliation of non-GAAP financial measures to the most directly comparable GAAP measures. Figures in charts and tables may not total due to rounding.



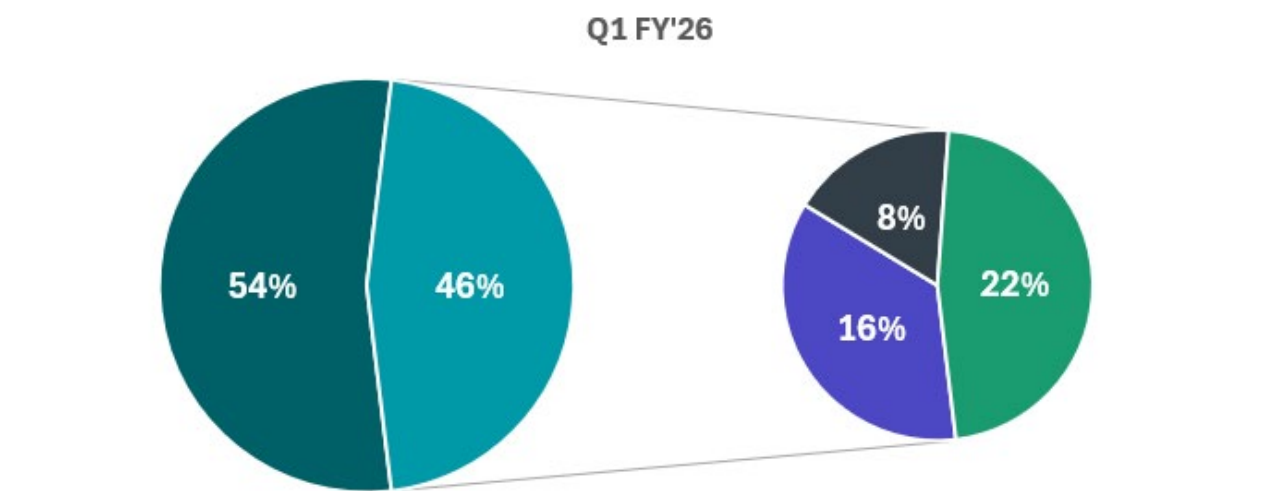
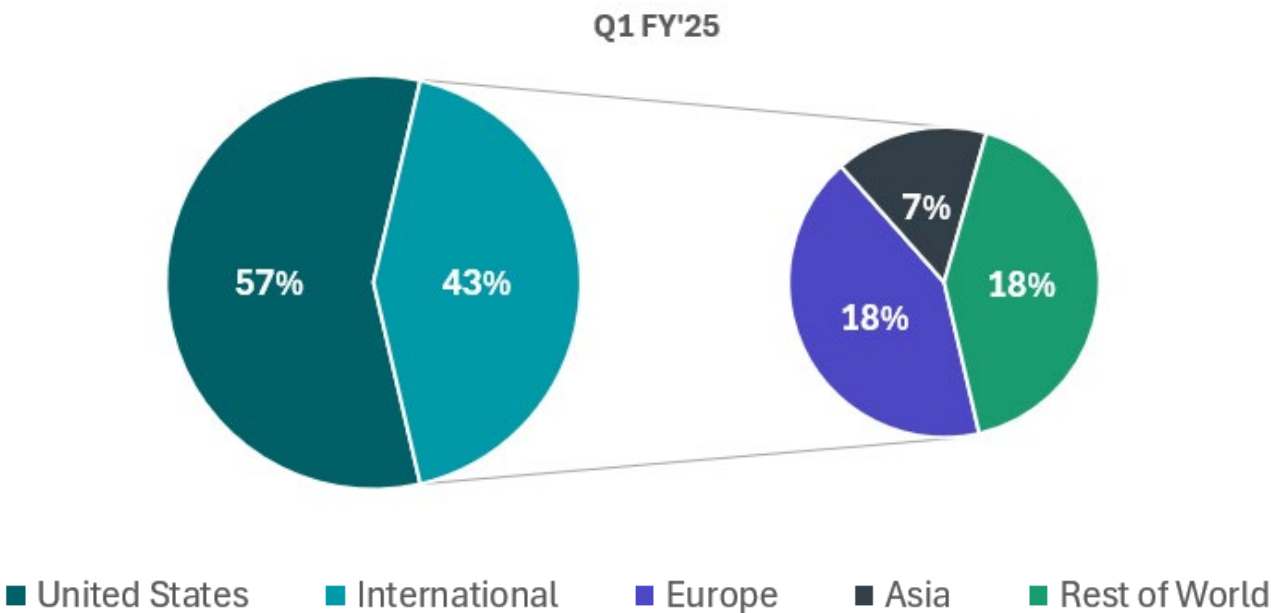
Q1 FY'26 Revenue Trends: Product Lines & Customer Verticals



Note: In \$M except % data. Figures in charts and tables may not total due to rounding.



Q1 FY'26 Revenue Trends: Geographic Mix



\$M	Q1 FY'25	Q1 FY'26	Y/Y Change
Revenue	\$174.6	\$186.7	7.0%
United States	\$99.9	\$100.5	0.6%
International	\$74.6	\$86.2	15.6%
Europe	\$31.4	\$30.7	(2.2%)
Asia	\$11.9	\$15.1	26.6%
Rest of World	\$31.3	\$40.5	29.2%

Note: In \$M except % data. Figures in charts and tables may not total due to rounding.



GAAP Balance Sheet & Free Cash Flow Review

\$M (Unaudited)	Q1 FY'26
Cash and Securities	\$ 543.5
Accounts Receivable, Net	\$ 92.2
Inventories	\$ 13.0
Total Long-Term Debt	\$ -
Total Deferred Revenue	\$ 445.8
Total Stockholders' Equity	\$ 1,547.6

Financial Profile (Non-GAAP)	Q1 FY'26
Total Liquidity	\$ 1,143.5
Liquidity to EBITDA	4.9x
Gross Leverage	0.0x
Net Leverage	(2.4x)
Credit Facility Net Leverage	(1.3x)

\$M	Q1 FY'26
Operating Cash Flow	\$ 73.6
Purchase of Fixed & Intangible Assets	\$ (1.9)
Non-GAAP Free Cash Flow	\$ 71.7

Note: Please see the slide entitled “Non-GAAP Financial Metrics” near the beginning of this presentation for a description of the non-GAAP financial measures and to the appendix for information regarding the Financial Profile and Free Cash Flow calculations and for the reconciliation of the non-GAAP financial measures to their most directly comparable GAAP financial measures



FY'26 Outlook

\$M	FY'25	FY'26 Outlook
Revenue	\$822.7	\$825 - \$865

EPS (Diluted)	FY'25	FY'26 Outlook
GAAP EPS	(\$5.12)*	\$1.07 - \$1.22*
Adjustments	\$7.34	\$1.18
Non-GAAP EPS	\$2.22	\$2.25 - \$2.40

* GAAP EPS includes goodwill impairment charges in FY'25 and restructuring charges in both FY'25 and FY'26

Other FY'26 Outlook Assumptions

- Anticipate annual tax rate of approx. 20%
- Anticipate approx. 74 million weighted average diluted shares outstanding
- Completed sale of previously disclosed foreign investment on August 4th for approximately \$12 million; transaction expected to have a relatively neutral impact on FY26 outlook

See Appendix for a reconciliation of non-GAAP financial measures to the most directly comparable GAAP measures.



Upcoming Investor Event

B. Riley Securities Consumer & TMT Conference

Date: September 10th, 2025

Location: NYC



Appendix

Q1 FY'26 Results GAAP

\$M (except EPS & % data)	Q1 FY'25	Q1 FY'26	Y/Y Change
Revenue:	\$ 174.6	\$ 186.7	7.0%
Product Revenue	\$ 61.2	\$ 73.0	19.3%
Service Revenue	\$ 113.4	\$ 113.8	0.3%
Cost of Revenue	\$ 44.4	\$ 43.4	(2.1%)
Gross Profit	\$ 130.2	\$ 143.3	10.1%
<i>Gross Profit Margin</i>	74.6%	76.7%	
Operating Expenses	\$ 593.5	\$ 149.9	(74.7%)
Income (loss) from Operations	\$ (463.3)	\$ (6.6)	98.6%
<i>Income (loss) from Operations Margin</i>	(265.3%)	(3.5%)	
Net Income (loss)	\$ (443.4)	\$ (3.7)	99.2%
Diluted Net Income (loss) per Share	\$ (6.20)	\$ (0.05)	99.2%
Diluted Shares Outstanding	71.5	71.7	

* Figures in charts and tables may not total due to rounding.



Q1 FY'26 Results Non-GAAP

\$M (except EPS & % data)	Q1 FY'25	Q1 FY'26	Y/Y Change
Revenue:	\$ 174.6	\$ 186.7	7.0%
Product Revenue	\$ 61.2	\$ 73.0	19.3%
Service Revenue	\$ 113.4	\$ 113.8	0.3%
Cost of Revenue	\$ 40.1	\$ 39.7	(0.9%)
Gross Profit	\$ 134.5	\$ 147.0	9.3%
<i>Gross Profit Margin</i>	77.1%	78.7%	
Operating Expenses	\$ 120.5	\$ 120.5	(0.0%)
Income (loss) from Operations	\$ 14.0	\$ 26.6	89.4%
<i>Income (loss) from Operations Margin</i>	8.0%	14.2%	
Net Income (loss)	\$ 20.6	\$ 24.7	20.2%
Diluted Net Income (loss) per Share	\$ 0.28	\$ 0.34	21.4%
Diluted Shares Outstanding	72.8	73.4	

* Figures in charts and tables may not total due to rounding. Includes non-GAAP financial measures. Please refer to non-GAAP reconciliation in the appendix for GAAP measures.



Q1 FY'26 GAAP to Non-GAAP Reconciliation

\$Thousands (except EPS)

	Q1 Ending 6/30		Q4 Ending 3/31 2025
	2025	2024	2025
GAAP and Non-GAAP Revenue	\$ 186,747	\$ 174,565	\$ 204,987
Gross Profit (GAAP)	\$ 143,325	\$ 130,196	\$ 159,290
Share-based compensation expense (1)	3,160	3,320	2,090
Amortization of acquired intangible assets (2)	550	995	993
Acquisition related depreciation expense (3)	2	2	1
Non-GAAP Gross Profit	\$ 147,037	\$ 134,513	\$ 162,374
Income (Loss) from Operations (GAAP)	\$ (6,564)	\$ (463,324)	\$ 19,886
GAAP Operating Margin	-3.5%	-265.4%	9.7%
Share-based compensation expense (1)	19,959	21,198	14,199
Amortization of acquired intangible assets (2)	11,669	12,609	12,576
Restructuring charges	529	16,563	605
Goodwill impairment	—	426,967	—
Acquisition related depreciation expense (3)	12	12	11
Executive Transition Costs (4)	959	—	—
Non-GAAP Income from Operations	\$ 26,564	\$ 14,025	\$ 47,277
Non-GAAP Operating Margin	14.2%	8.0%	23.1%
Net Income (Loss) (GAAP)	(3,679)	(443,376)	18,617
Share-based compensation expense (1)	19,959	21,198	14,199
Amortization of acquired intangible assets (2)	11,669	12,609	12,576
Restructuring charges	529	16,563	605
Goodwill impairment	—	426,967	—
Acquisition related depreciation expense (3)	12	12	11
Executive Transition Costs (4)	959	—	—
Income tax adjustments (5)	(4,712)	(13,395)	(8,004)
Non-GAAP Net Income	\$ 24,737	\$ 20,578	\$ 38,004
Diluted Net Income (Loss) Per Share (GAAP)	\$ (0.05)	\$ (6.20)	\$ 0.25
Share impact of non-GAAP adjustments identified above	0.39	6.48	0.27
Non-GAAP Diluted Net Income Per Share	\$ 0.34	\$ 0.28	\$ 0.52
Shares used in computing non-GAAP diluted net income per share	73,376	72,793	73,410



Q1 FY'26 GAAP to Non-GAAP Reconciliation

\$Thousands

(1) Share-based compensation expense included in these amounts is as follows:

Cost of product revenue

Cost of service revenue

Research and development

Sales and marketing

General and administrative

Total share-based compensation expense

(2) Amortization expense related to acquired software and product technology, tradenames, customer relationships included in these amounts are as follows:

Cost of product revenue

Operating expenses

Total amortization expense

(3) Acquisition related depreciation expense included in these amounts is as follows:

Cost of product revenue

Cost of service revenue

Research and development

Sales and marketing

General and administrative

Total acquisition related depreciation expense

(4) Executive transition costs included in these amounts is as follows:

General and administrative

Total executive transition expense

(5) Total income tax adjustment included in this amount is as follows:

Tax effect of non-GAAP adjustments above

Total income tax adjustments

Q1 Ending 6/30		Q4 Ending 3/31
2025	2024	2025
\$ 413	\$ 431	\$ 283
2,747	2,889	1,807
5,532	5,886	4,062
6,889	7,504	4,915
4,378	4,488	3,132
\$ 19,959	\$ 21,198	\$ 14,199
\$ 550	\$ 995	\$ 993
11,119	11,614	11,583
\$ 11,669	\$ 12,609	\$ 12,576
\$ 2	\$ 2	\$ 1
—	—	—
8	8	8
2	2	2
—	—	—
\$ 12	\$ 12	\$ 11
\$ 959	\$ —	—
\$ 959	\$ —	—
\$ (4,712)	\$ (13,395)	\$ (8,004)
\$ (4,712)	\$ (13,395)	\$ (8,004)



FY'26 Outlook: GAAP to Non-GAAP Reconciliation

\$M (except EPS)	FY'25	FY'26
GAAP & Non-GAAP revenue	\$ 822.7	~ \$825 to ~\$865
	FY'25	FY'26
GAAP net income (loss)	\$ (366.9)	~\$79 to ~\$90
Amortization of intangible assets	\$ 50.4	~\$47
Share-based compensation expenses	\$ 64.8	~\$62
Acquisition related depreciation expense	\$ -	-
Executive Transition Costs	\$ -	~\$1
Loss on debt extinguishment	\$ 1.1	-
Restructuring charges	\$ 20.5	~\$1
Goodwill impairment	\$ 427.0	-
Total adjustments	\$ 563.8	~\$111
Related impact of adjustments on income tax	\$ (36.5)	(~\$23)
Non-GAAP net income	\$ 160.4	~\$167 to ~\$178
GAAP net income (loss) per share (diluted)	\$ (5.12)	~\$1.07 to ~\$1.22
Non-GAAP net income per share (diluted)	\$ 2.22	~\$2.25 to ~\$2.40
Average weighted shares outstanding (diluted GAAP)	72	~74
Average weighted shares outstanding (diluted Non-GAAP)	72	~74



Financial Measures & Additional Information

- Cash and securities defined as cash, cash equivalents, short- and long-term marketable securities, and investments
- Liquidity calculated as available credit under the Company's senior secured credit facility plus cash and securities divided by the 12-month trailing adjusted non-GAAP EBITDA (as defined within the Company's senior secured credit facility).
- Gross Leverage is calculated as total debt plus contingent debt divided by the 12-month trailing adjusted non-GAAP EBITDA.
- Net leverage is calculated as total debt plus contingent debt minus cash and securities, divided by the 12-month trailing adjusted non-GAAP EBITDA
- As defined in the Company's senior secured credit facility, Credit Facility Net Leverage is calculated as total debt plus contingent debt minus the lesser of unrestricted cash and 125% of 12-month trailing adjusted non-GAAP EBITDA divided by the 12-month trailing adjusted non-GAAP EBITDA
- The Company's non-GAAP EBITDA from Operations as calculated in its press release may differ from the non-GAAP EBITDA as defined within the Company's senior secured credit facility

\$M	Q1 FY'26
Operating Cash Flow	\$ 73.6
Purchase of Fixed & Intangible Assets	\$ (1.9)
Free Cash Flow	\$ 71.7

	Q1 FY'26
Operating Cash Flow	\$ 73.6
Cash from Investing Activities	\$ (17.3)
Cash from from Financing Activities	\$ (28.8)
Effects of Exchange Rate Changes on Cash and Cash Equivalents	\$ 4.7
Net Change in Cash and Cash Equivalents	\$ 32.2



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