



Quantum®

# Fiscal Q3 2021 Results

January 27<sup>th</sup>, 2021

Jamie Lerner – President and CEO  
Mike Dodson - CFO

CREATE. INNOVATE. PROTECT.  
**ON QUANTUM.**

# Safe Harbor Statement

**Safe Harbor Statement.** This presentation contains forward-looking statements including, without limitation, statements about the Company's plans, strategies, priorities and prospects including the Company's transformation initiatives, capital structure and go to market strategies; the Company's future operating results and financial position; the Company's market growth; and the Company's objectives for future operations. These statements may include words such as "believe," "may," "will," "estimate," "continue," "anticipate," "intend," "expect," "could," "would," "project," "plan," "potentially," "preliminary," "likely," and similar expressions and are intended to identify forward-looking statements. These forward-looking statements are based on information available to the Company as of the date of this presentation and are based on management's current views and assumptions. These forward-looking statements are conditioned upon and also involve a number of known and unknown risks, uncertainties, and other factors beyond the Company's control that could cause actual results, performance or events to differ materially from those anticipated by these forward-looking statements. Such risks and uncertainties may include, but are not limited to changes in market demands and the effects of the competitive markets in which the Company competes; changes in technology; market acceptance of new products; the Company's ability to implement its strategies and plans; the Company's ability to successfully qualify and sell its products and services in increasing volumes on a cost-effective basis; the Company's ability to generate sufficient cash flows from operations to meet its liquidity requirements; the continued impact of the COVID-19 pandemic on the Company's business and the evolving legal, regulatory, and administrative climate in the international markets where the Company operates. Information concerning risks, uncertainties and other factors that could cause results to differ materially from the expectations described in this presentation is contained in the "Risk Factors" sections in the Company's Annual Report on Form 10-K and the Quarterly Report on Form 10-Q, filed on June 24, 2020 and October 28, 2020 respectively with the U.S. Securities and Exchange Commission ("SEC"), both of which are incorporated into this document by reference, and other documents filed with or furnished to the SEC. These forward-looking statements should not be relied upon as representing the Company's views as of any subsequent date. The Company does not intend to update forward-looking statements to reflect events or circumstances after the date they were made, unless required by law or regulation.

**Use of Non-GAAP Financial Information.** In this presentation, the Company will be discussing non-GAAP measures of adjusted operating expenses, adjusted EBITDA and adjusted EPS which are adjusted from results based on GAAP. These non-GAAP financial measures are provided to enhance the user's overall understanding of the Company's current financial performance and the Company's prospects for the future and are not comprehensive of the Company's financial results. Such measures should not be viewed as a substitute for the Company's financial statements prepared in accordance with GAAP. You can find a reconciliation of these metrics to the reported GAAP results in the reconciliation tables provided in the appendices to this presentation. A reconciliation of non-GAAP measures to corresponding GAAP measures on a forward-looking basis is not available due to high variability and low visibility with respect to the charges which are excluded from these non-GAAP measures.

# Opening Remarks

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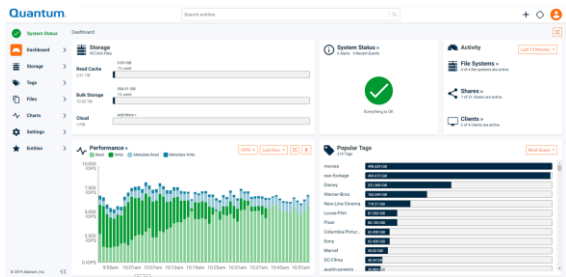
**Jamie Lerner**  
President and CEO

## 14% Sequential Growth in Third Quarter Fiscal 2021

- *Represents Second Quarter of Sequential Growth*
- *Achieves Breakeven on Adjusted Basis*
- *Adds New Software Products to Underscore Business Transformation*

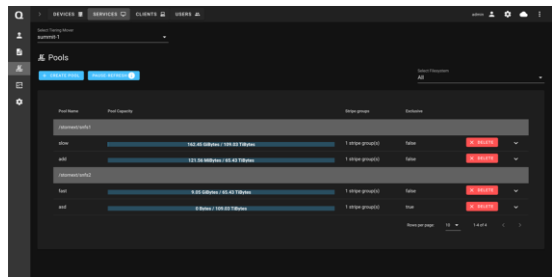
# New Products Introduced in Fiscal Q3 2021

New storage software offerings all available on a subscription-basis



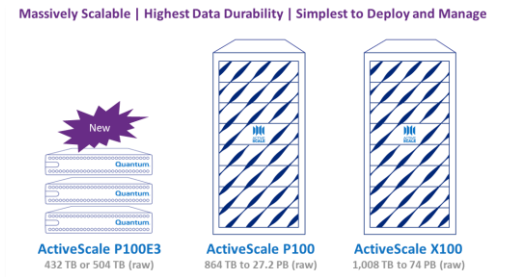
## INTRODUCED ATFS

Easy to use and deploy, cost-effective NAS platform that offers visibility into data via integrated data classification.



## INTRODUCED STORNEXT 7

Introduced file system pools to automate data movement between NVMe and HDD storage, and simplified user interface.



## EXPANDED ACTIVESCALE PORTFOLIO

With software enhancements to protect against ransomware, improve system performance.

# CatDV Asset Management and AI Analytics Platform

- Adds AI analytics for data enrichment, to unlock business value in unstructured data.
- Adds growing, profitable software business unit.
- Will expand market reach with integrated product offerings, drive scale with Quantum sales, marketing, and development engine.



# Leader in Video and Unstructured Data Solutions

## Analyze & Enrich

CatDV Asset Management Platform



## Store, Classify & Manage

StorNext File System



ATFS NAS Platform



Surveillance, IoT, Edge Appliances



## Protect & Preserve

ActiveScale Object Storage



Scalar Tape Storage

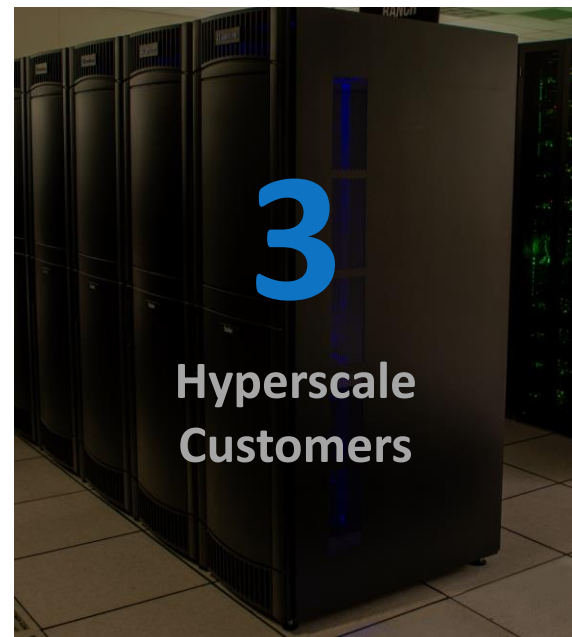
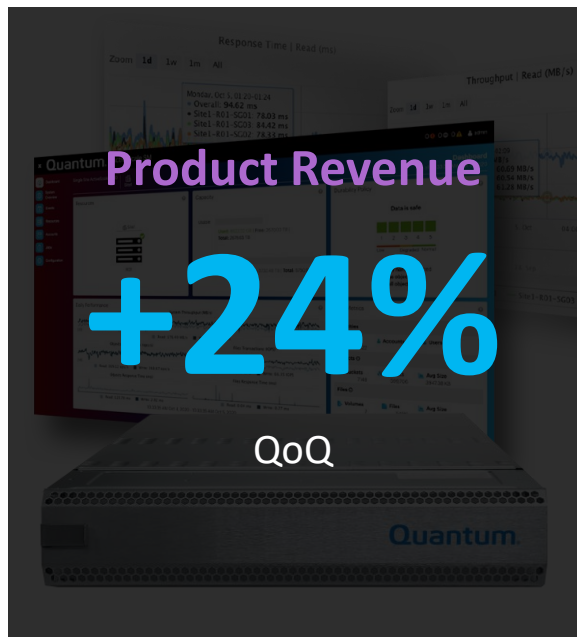


DXi Backup Appliances



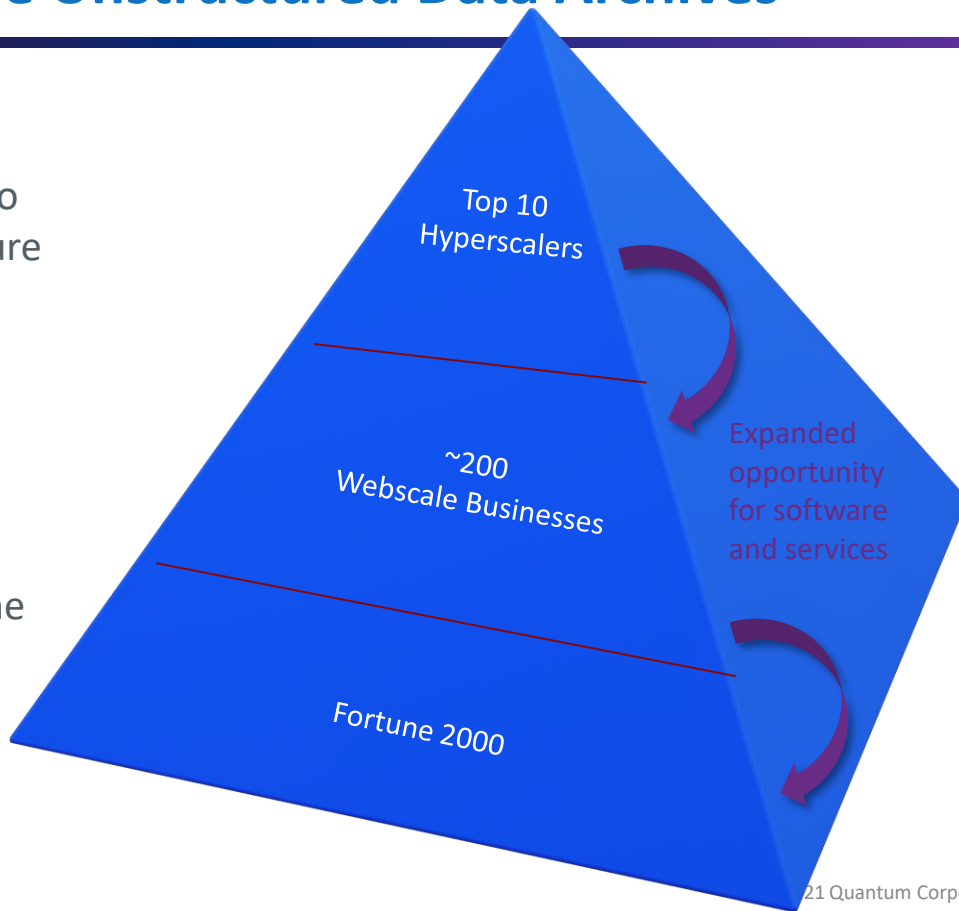
Quantum Services

# Fiscal Q3 2021 Business Highlights



# Hyperscale and Web Scale Unstructured Data Archives

- Significant growth opportunity to provide cold storage infrastructure to world's largest hyperscalers.
- Quantum is #1 in this market today, with footprint at 3 of the largest hyperscalers.
- Webscale businesses and Fortune 2000 will have same need as unstructured data grows.





# Top Industry Leaders Choosing Quantum for Next Phase



**Brian Pawlowski**

Chief Development Officer  
Came from Sun, NetApp, and Pure Storage



**Rick Valentine**

Sr. VP & Chief Customer Officer  
Came from Silver Peak and Symantec/Veritas



**Dave Clack**

Gen Mgr, Cloud Software & Analytics  
Came from Square Box, McAfee, Rolls Royce



**Edwin Yeo**

Area VP, Sales, APAC & Japan  
Came from Symantec, Oracle, and Sun



**Henk Jan Spanjaard**

Area VP, Sales, EMEA  
Came from NetApp, Imperva, and DriveScale



**James Mundle**

Global Channel Chief  
Came from Veeam, Seagate, and HPE



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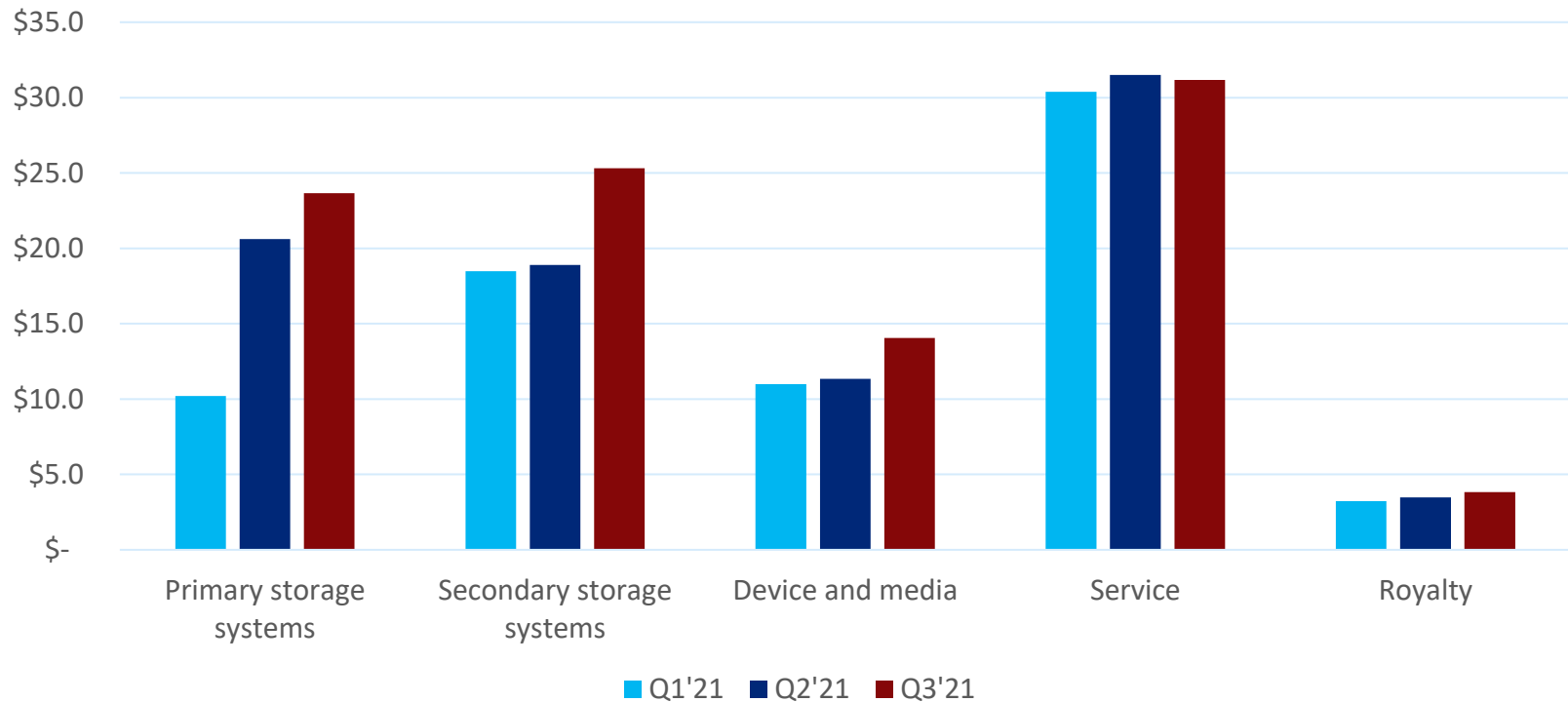
# Fiscal Q3 2021 Financial Results

Mike Dodson - CFO



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# Revenue Growth Across All Product Categories



# Fiscal Q3 2021 Financial Results

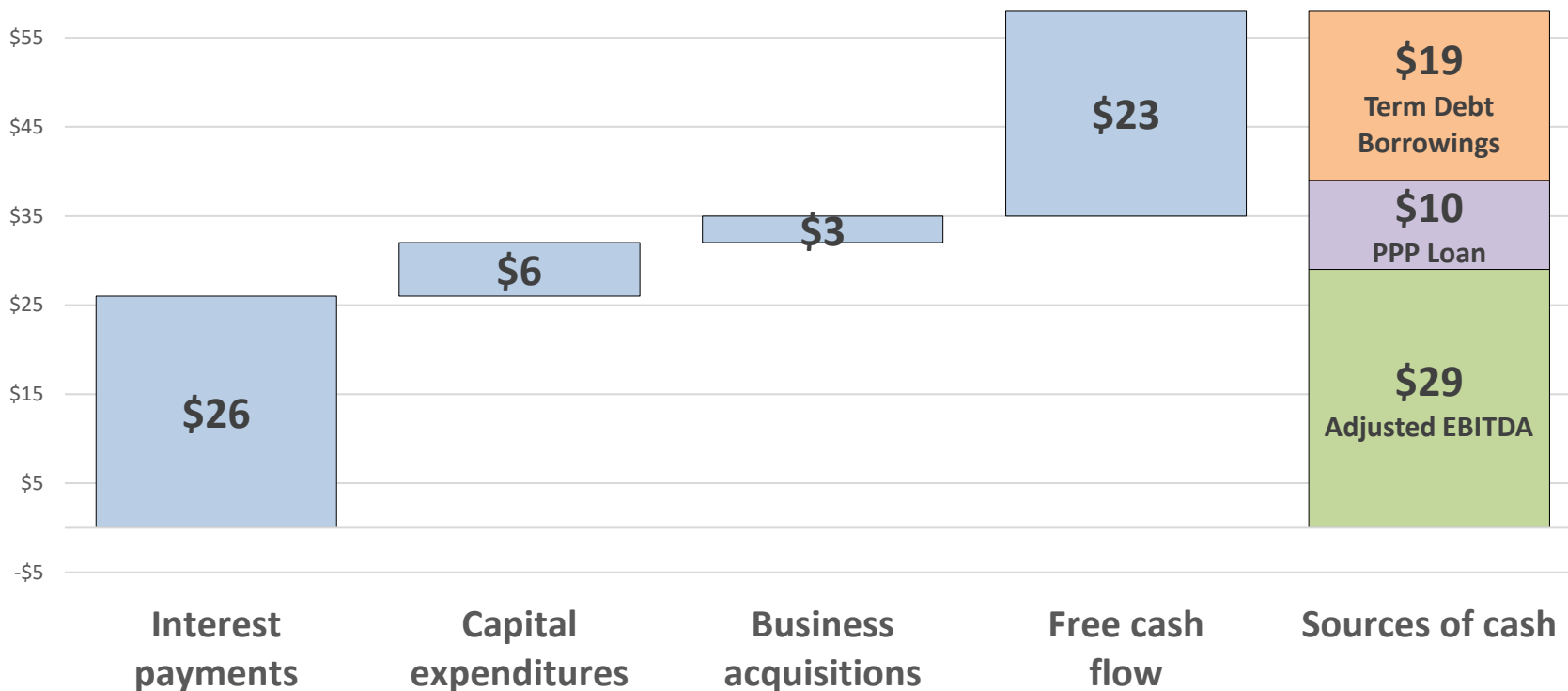
	<u>Q3'20</u>	<u>Q4'20</u>	<u>Q1'21</u>	<u>Q2'21</u>	<u>Q3'21</u>	<u>Sequential Change</u>
Revenue	\$103.3	\$88.2	\$73.3	\$85.8	\$98.0	14.2%
<i>Non-GAAP Gross Margin</i>	45.7%	41.0%	42.3%	45.4%	43.3%	-200 bps
Non-GAAP Operating Expenses	\$33.0	\$32.1	\$30.5	\$31.1	\$33.7	8.4%
Adjusted EBITDA	\$14.7	\$5.4	\$1.4	\$8.9	\$9.4	6.5%
<i>Adjusted EBITDA Margin %</i>	14.2%	6.1%	1.9%	10.3%	9.6%	-70 bps
Non-GAAP Net Income	\$7.3	\$(2.4)	\$(6.8)	\$(0.2)	\$0.0	\$0.2M
<i>Non-GAAP Net Income per Share</i>	\$0.16	\$(0.06)	\$(0.17)	\$(0.01)	\$0.00	\$0.01

# Balance Sheet as of December 31<sup>st</sup>, 2020

	<u>Q3'20</u>	<u>Q4'20</u>	<u>Q1'21</u>	<u>Q2'21</u>	<u>Q3'21</u>	<u>YTD</u>
Cash and Cash Equivalents	\$13.4	\$12.3	\$29.1	\$18.3	\$17.4	\$5.1
Accounts Receivable	\$74.9	\$70.4	\$49.3	\$62.7	\$69.4	\$(0.9)
Net Inventory	\$44.1	\$49.7	\$51.1	\$59.1	\$56.9	\$7.2
Accounts Payable	\$44.6	\$36.9	\$27.0	\$37.8	\$30.0	\$(6.9)
Deferred Revenue	\$110.0	\$118.9	\$110.7	\$106.4	\$110.0	\$(8.9)
Long-Term Debt	\$154.1	\$154.2	\$170.6	\$172.4	\$180.1	\$26.0
Adjusted Working Capital	\$51.7	\$59.1	\$52.4	\$59.9	\$66.7	\$7.6

# Forecasted Fiscal Year 2021 Cash Flow

In millions



# Outlook and Guidance

Revenue:

**\$98M**

+/- \$3M

Non-GAAP  
Adjusted Net  
Income/Loss:

**Breakeven**

+/- \$1M

Adjusted  
Earnings/Net Loss  
per Share:

**Breakeven**

+/- \$0.02  
per share

Adjusted  
EBITDA:

**\$9M**

+/- \$1M

The image features the Quantum logo and tagline centered on a dark blue background. The logo consists of the word "Quantum" in a large, white, sans-serif font, followed by a registered trademark symbol (®). Below it, the tagline "CREATE. INNOVATE. PROTECT. ON QUANTUM." is written in a smaller, white, all-caps, sans-serif font. The background is decorated with a grid of squares in various shades of blue, purple, and white, primarily concentrated in the top-left and bottom-right corners.

# Quantum<sup>®</sup>

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