

RESEARCH NOTE

INSIDE PURE STORAGE'S UPDATED EVERGREEN OFFERINGS

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BACKGROUND

Pure Storage introduced several enhancements that the bar for how Infrastructureas-a-Service is delivered. At the same time, the company expanded its longevity programs to give IT organizations an unprecedented level of investment protection.

In an industry-first move, Pure <u>announced</u> that it would pay back its customers for the power and rack costs for its Evergreen//One Storage-as-a-Service.

Pure also introduced new guarantees for its overall storage portfolio that make its storage easier to procure while increasing its longevity. The new options include flexible financing, enhanced resilience, and Al-powered service capabilities.

INDUSTRY FIRST PAID POWER & RACK COMMITMENT

In a move sure to disrupt the competitive environment for storage-as-a-service (STaaS), Pure Storage will pay for the electricity or power consumed by the storage infrastructure used by customers who have subscribed to its Evergreen//One STaaS and Evergreen//Flex services.

Pure isn't stopping there. The company also commits to covering the expenses of the physical rack space required to house the storage infrastructure.

The primary aim of this commitment is to address and eliminate the growing challenges customers face in managing rising electricity costs and the physical footprint of their data storage infrastructure.

The payment for these costs can be made upfront as a one-time payment. Customers can make this payment in either cash or via service credits. The power (kWh) and rack unit (RU) rates are fixed and proportional to the customer's geographic location and contract size.

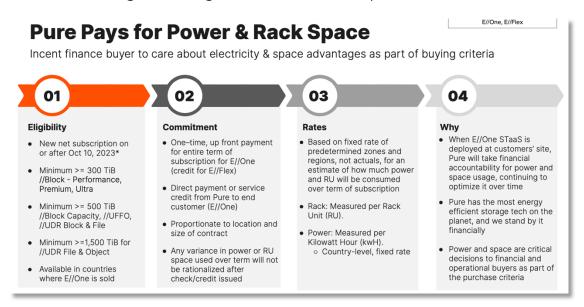


By assuming responsibility for these costs, Pure Storage provides its customers a seamless cloud-like experience within their data centers, enhancing convenience and predictability. Customers don't have to budget around energy costs in the cloud, so why should they have to with as-a-service offerings? Pure is now telling the world that customers don't.

This is a significant move, representing a new approach to storage subscription services, emphasizing predictability and value for customers. It allows organizations to focus on their core operations while Pure Storage takes care of their storage infrastructure's power and space costs. This will lead to cost savings for IT organizations, more efficient resource management, and a simplified experience.

NEW POWER & SPACE EFFICIENCY GUARANTEE

Pure Storage's Power & Space Efficiency Guarantee is a commitment and guarantee that the company offers its customers, specifically those who own their storage infrastructure through an Evergreen//Forever subscription.



The new guarantee ensures that IT organizations can effectively manage and optimize data storage resources while reducing energy consumption and costs. Here are the key features of the Power & Space Efficiency Guarantee:

- Support for Evergreen//Forever Subscribers: This guarantee is available for customers who own their storage infrastructure through the Evergreen//Forever subscription, which is part of Pure Storage's Evergreen portfolio.
- **Efficiency Metrics:** The guarantee focuses on two crucial efficiency metrics: Watts per tebibyte (TiB) and TiB per rack unit (RU). These metrics measure the storage infrastructure's power efficiency and space utilization, respectively.



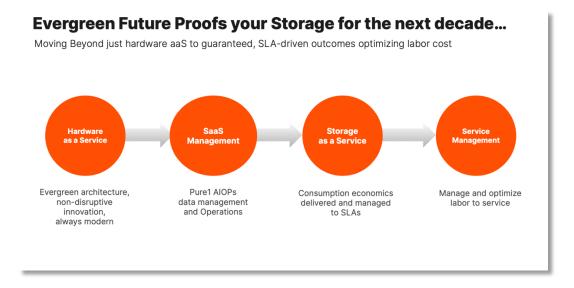
- **Transparency and Measurement:** Pure Storage commits to transparently measure the actual Watts/TiB and TiB/Rack achieved by the customer's storage infrastructure.
- **Guarantee Terms:** Pure Storage will cover the associated costs if the customer's storage infrastructure fails to meet the guaranteed Watts/TiB or TiB/Rack metrics, ensuring that customers achieve the specified levels of power and space efficiency.
- **Energy Cost Reduction:** Pure Storage aims to help customers reduce their energy costs while maximizing data storage capacity by guaranteeing power and space efficiency.
- Available as an Evergreen//One SLA: The Energy Efficiency guarantee is already available as a Service Level Agreement (SLA) for Evergreen//One subscribers.

The Power & Space Efficiency Guarantee will help organizations better manage their data center resources, reduce their environmental footprint, and minimize operational costs, contributing to a more sustainable and efficient storage infrastructure. It's a nice move by Pure.

NEW FUTURE-PROOF BUSINESS GUARANTEES

Pure Storage's "Future-Proof Business Guarantees" are a set of assurances and commitments provided to its customers as part of their storage services and subscriptions.

These guarantees are designed to mitigate risks, reduce operational costs, and ensure customers can smoothly upgrade their storage infrastructure while maintaining business continuity.

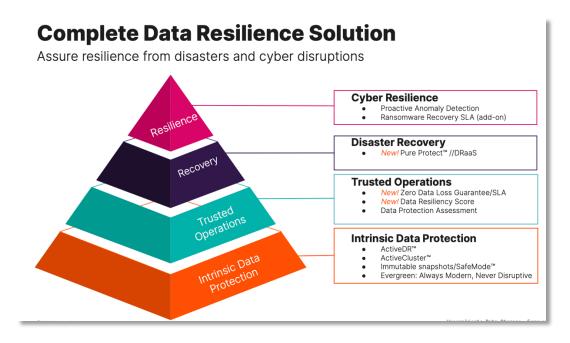




There are two critical components in Pure Storage's Future-Proof Business Guarantees:

- No Data Migration Guarantee: This guarantee assures customers they won't need to perform any data migrations when upgrading or expanding their storage infrastructure. Data migrations can be complex, time-consuming, and costly, so Pure Storage commits to eliminating this requirement. This reduces customers' risk exposure, cost of ownership, and potential data loss during migration activities.
- Zero Data Loss Guarantee: Pure Storage provides customers with a guarantee
 of zero data loss in the event of hardware or software product-related incidents.
 Customers can rely on advanced data recovery services to protect their critical
 data. Pure Storage offers these data protection services at no additional cost.

The No Data Migration Guarantee and Zero Data Loss Guarantee increase protection for business continuity, ensuring that a business's day-to-day operations remain uninterrupted, even when performing technology upgrades or responding to hardware or software incidents.



In a world that's grown used to replacing storage on a 5-7-year cadence, Pure Storage's Evergreen architecture extends the life of storage equipment for up to 10 years or more. This means that customers can get more value from their initial investments, reducing the need for frequent hardware replacements.



ANALYSIS

Pure Storage has always focused on simplifying the storage experience. A decade ago, the company changed how storage is managed by delivering one of the easiest-to-drive storage arrays in the industry. Not content to only make customer-friendly hardware, Pure expanded its focus into simplifying the procurement and lifecycle of storage. Today's announcements reinforce all of this.

The new benefits offered by Pure Storage represent a significant evolution in the enterprise Infrastructure-as-a-Service market, offering customers a comprehensive and cost-effective storage solution that is both technologically advanced and financially and environmentally efficient.

Pure's commitment to paying power and rack costs sets a new industry standard for providing a seamless and cost-effective cloud experience on-premises. This will impact not just storage, but the overall Infrastructure-as-a-Service market, as customers will now demand that providers follow Pure's lead. Once again, Pure is disruptive in its quest to make things easier for its customers.

Pure Storage continues to provide customers with peace of mind and confidence in the long-term stability of their storage infrastructure. Its Evergreen portfolio truly does bring an unmatched level of comfort to storage buyers, delivering a broad range of options for flexibly procuring and consuming storage, while ensuring longevity of up to a decade.



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