# Investor Discussion

**John Maddison**

CMO & EVP Products

# Fortinet

a global leader in broad, integrated and automated cybersecurity solutions

## OUR VISION

Making possible a digital world you can always trust

## OUR MISSION

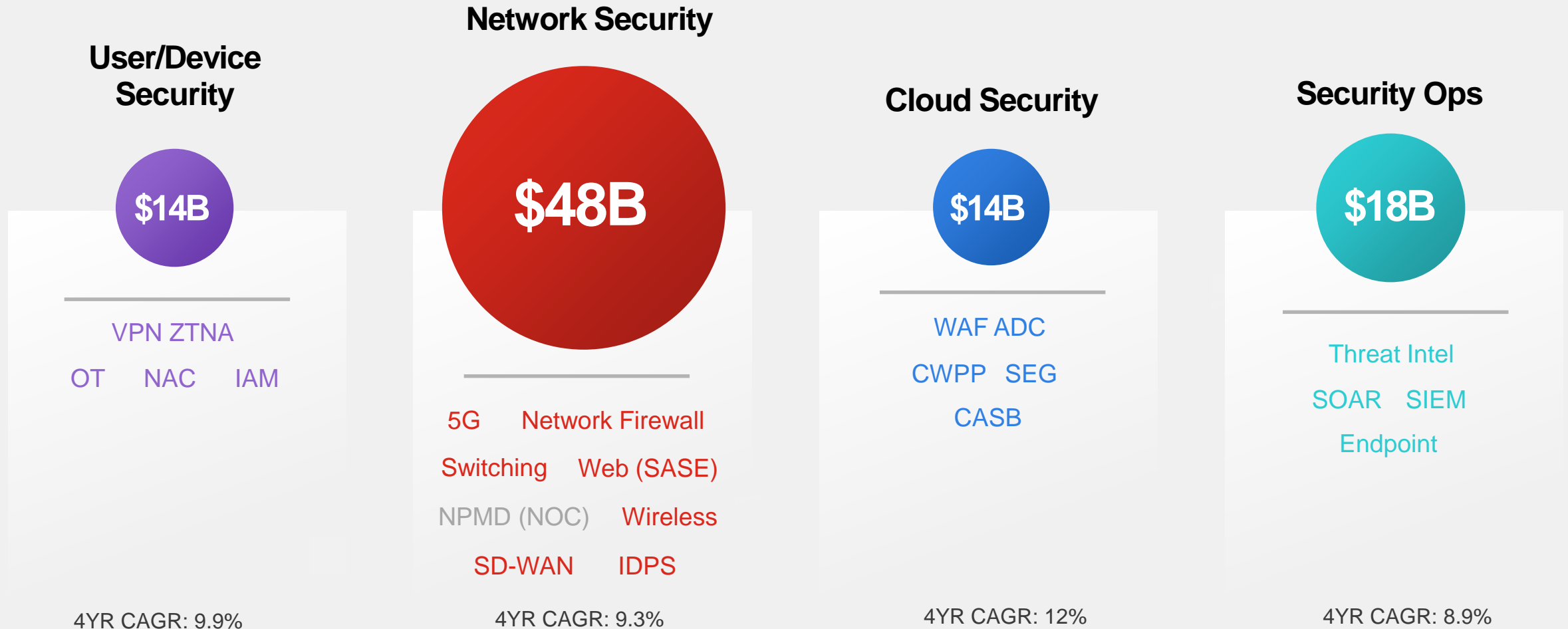is to secure people, devices, and data everywhere

**Who is Fortinet?**

Fortinet is one of the world's top cybersecurity brands, delivering broad, integrated, and automated protection through the Security Fabric to enable organizations to securely accelerate their digital journey

# One Opportunity - TAM $93B+ by 2024

2020: $65B, Growing 4YR CAGR of 9.7%

## User/Device Security

**$14B**

VPN  ZTNA

OT    NAC    IAM

4YR CAGR: 9.9%

## Network Security

**$48B**

5G        Network Firewall

Switching      Web (SASE)

NPMD (NOC)      Wireless

SD-WAN        IDPS

4YR CAGR: 9.3%

## Cloud Security

**$14B**

WAF ADC

CWPP   SEG

CASB

4YR CAGR: 12%

## Security Ops

**$18B**

Threat Intel

SOAR    SIEM

Endpoint

4YR CAGR: 8.9%

# Market Growth Drivers

**User/Device Security**

WFH
IOT
OT
ZTNA

Zero Trust Access

**Network Security**

Cloud Edge (SASE)
SD-WAN
Cloud Networking
5G
AIOps
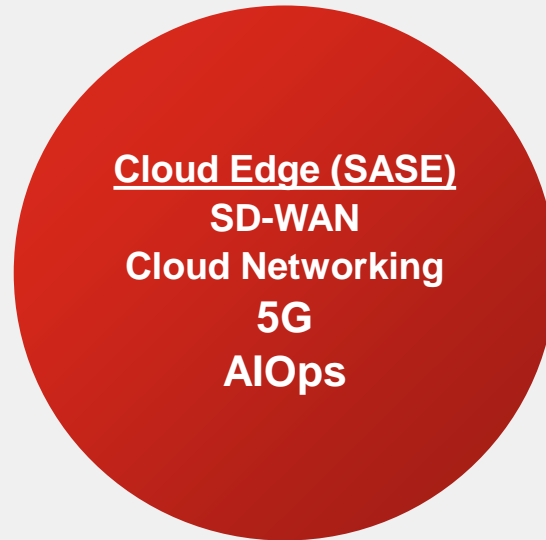
Security-driven Networking

**Cloud Security**

Hybrid
Cross Cloud
Distributed/Edge
Native
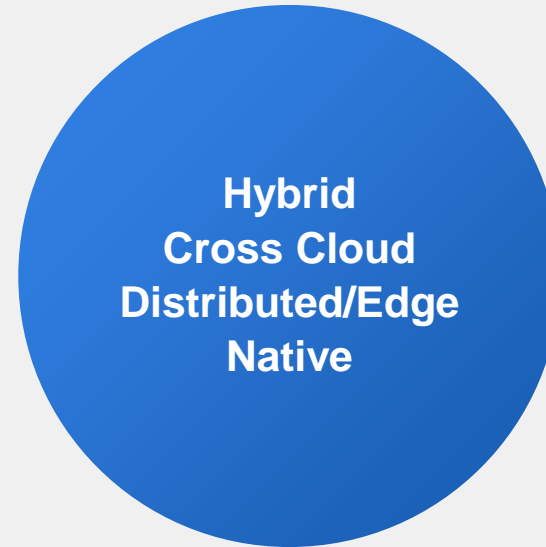
Adaptive Cloud Security

**Security Ops**

EDR/XDR/MDR
SOC Automation
AI/ML

Security Operations
Center (SoC)

# Accelerated convergence of Networking and Security

Flexible, anytime and anywhere security across all network edges

**Security-driven Networking**

# Network Security Landscape

Market Guides
(Dynamic)

Magic Quadrants
(Buying Center)

Market Guides
(Static)

NPMD

DEM

SASE

Network Firewall
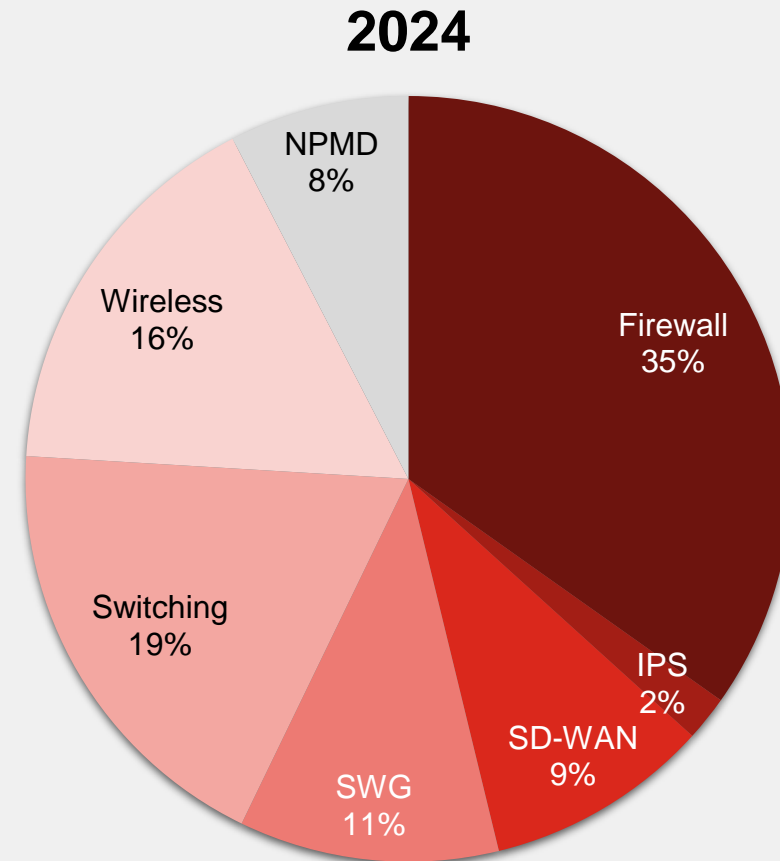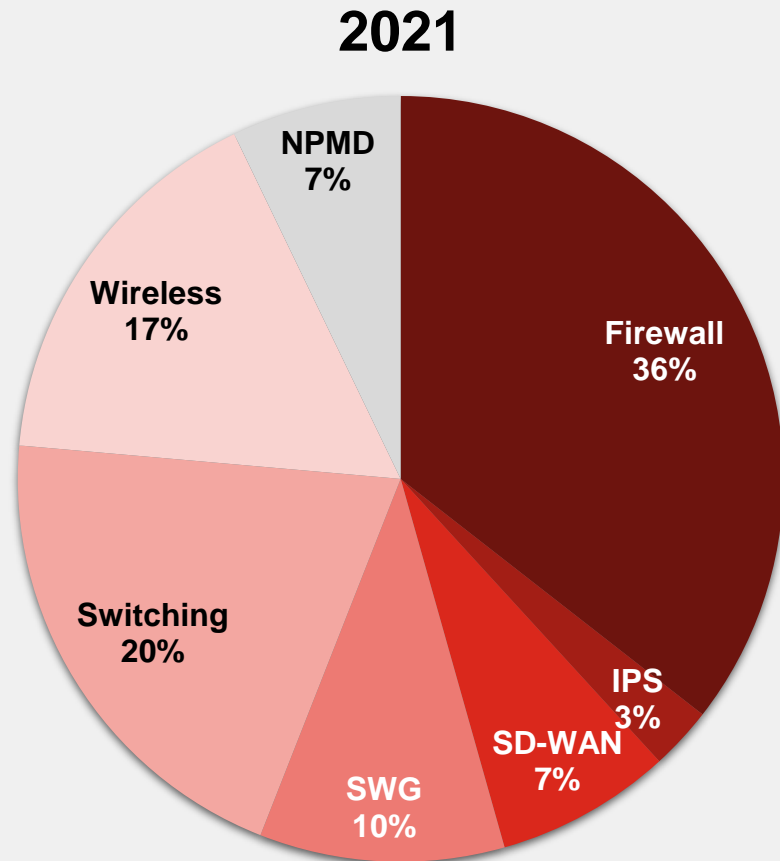
SWG

SD-WAN

Switching & Wireless

IPS

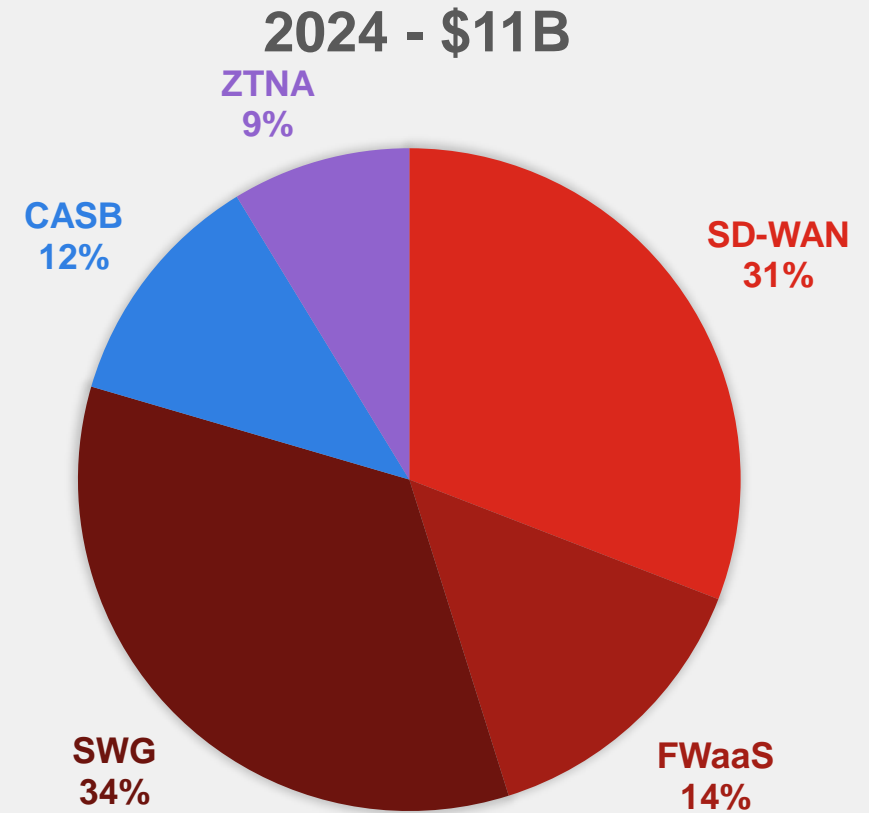Gartner Sources: Magic Quadrants and Market Guides 2019/2020

# Network Security TAM

Market grows from $37.9B 2021 to $47.7B in 2024 @ 9.3% CAGR

## 2021



Firewall 36%
IPS 3%
SD-WAN 7%
SWG 10%
Switching 20%
Wireless 17%
NPMD 7%

## 2024



Firewall 35%
IPS 2%
SD-WAN 9%
SWG 11%
Switching 19%
Wireless 16%
NPMD 8%

Gartner Sources: Forecast: Information Security and Risk Management, Worldwide, 2018-2024, 1Q20 Update & Forecast: Enterprise Network Equipment, Worldwide, 2017-2024, 2Q20 Update

# SASE is a Percentage of Existing Markets



2021 - $4.5 B

- ZTNA 13%
- CASB 9%
- SD-WAN 29%
- FWaaS 11%
- SWG 38%

2024 - $11B

- ZTNA 9%
- CASB 12%
- SD-WAN 31%
- FWaaS 14%
- SWG 34%
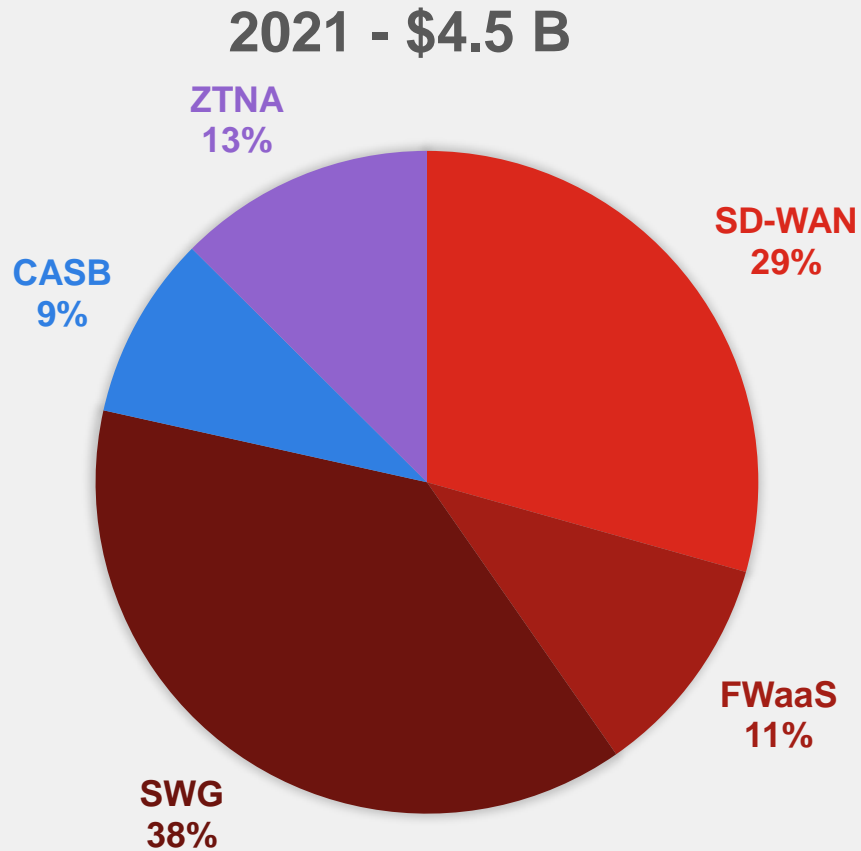
Gartner Sources:  Forecast Analysis: Gartner's Initial Secure Access Service Edge Forecast – Aug 6 2020

# Network Security Markets

## Gartner Magic Quadrants

| Market | Fortinet | Palo Alto | CKPT | Cisco | VMware | Microsoft | Symantec | McAfee | HPE | Zscaler | Others |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Network Firewall | ■ | ■ | ■ | ■ | | ■ | | | | | **Huawei** |
| SWG | | | | ■ | | | ■ | | | ■ | **ForcePoint** |
| SD-WAN | ■ | ■ | | ■ | ■ | | | | ■ | | **Versa** |
| WLAN/LAN | ■ | | | ■ | | | | | ■ | | **Extreme Juniper** |

## Gartner Market Guides

| Market | Fortinet | Palo Alto | CKPT | Cisco | VMware | Microsoft | Symantec | McAfee | HPE | Zscaler | Others |
|---|---|---|---|---|---|---|---|---|---|---|---|
| IDPS | ■ | ■ | | ■ | | | | ■ | | ■ | **Trend Micro** |
| NPMD | | | | ■ | | | | | | | **Solarwinds** |
| DEM | | | | ■ | | | | | | ■ | **Solarwinds** |

Gartner Sources: Magic Quadrants and Market Guides 2019/2020

# Security-driven Networking Vision

Convergence of Networking and Security

## Enterprise Networking At All Edges

Cloud Edge

DC Edge — NP7

LAN Edge

WAN Edge

LTE Edge

OT Edge
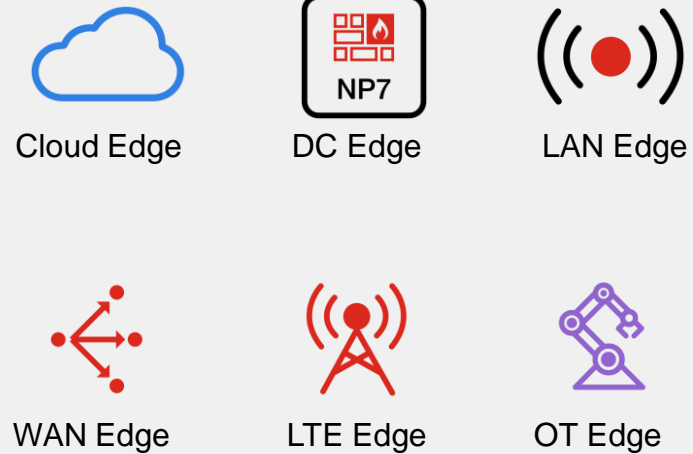
Hardware, Software, SaaS

## Enterprise Security At All Edges

Content Security

Web Security

User Security

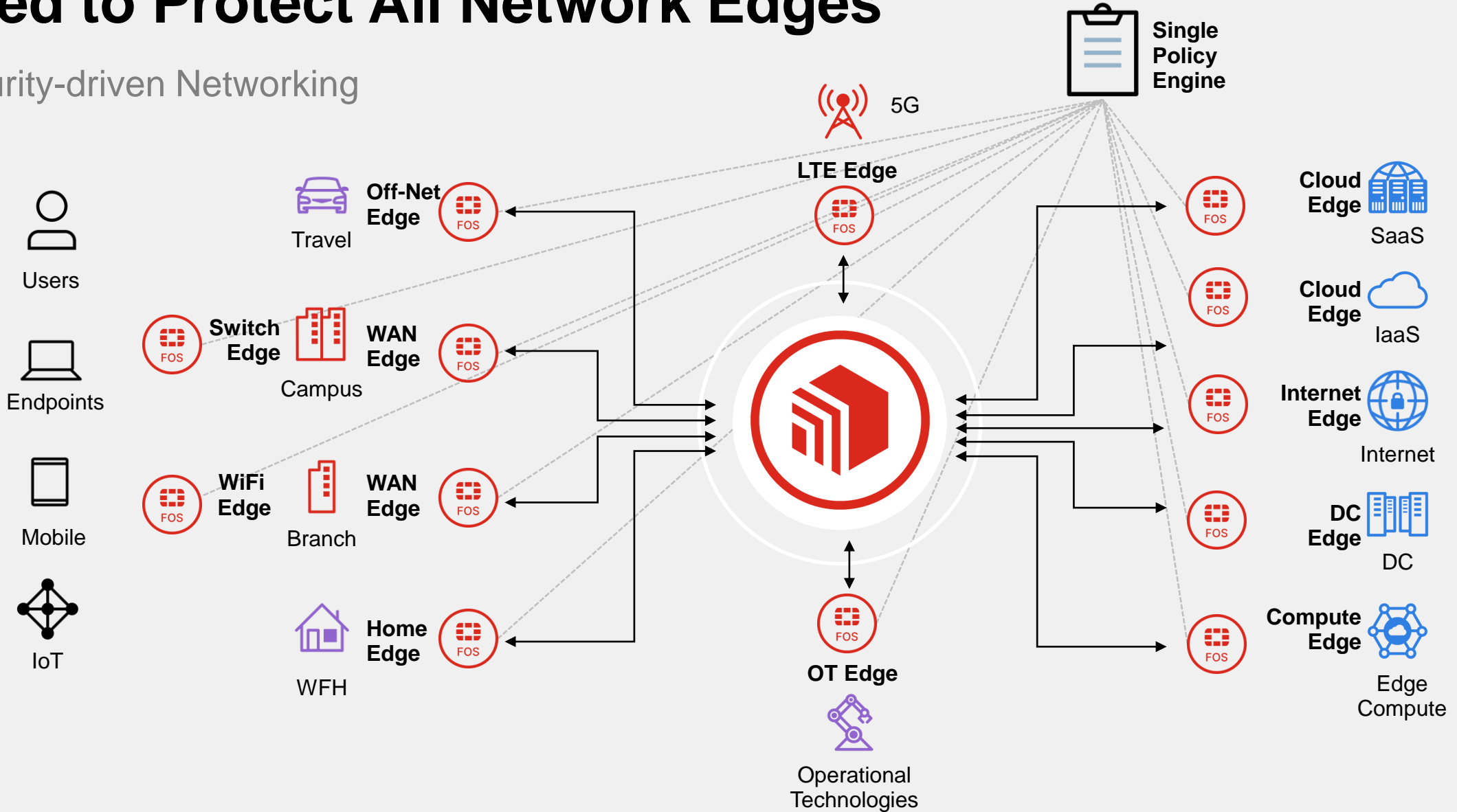Device Security

Advanced SOC/NOC

360 Bundles

Certified

## Platform

Network Operations Center
Security Operations Center
Open Ecosystem

# Need to Protect All Network Edges
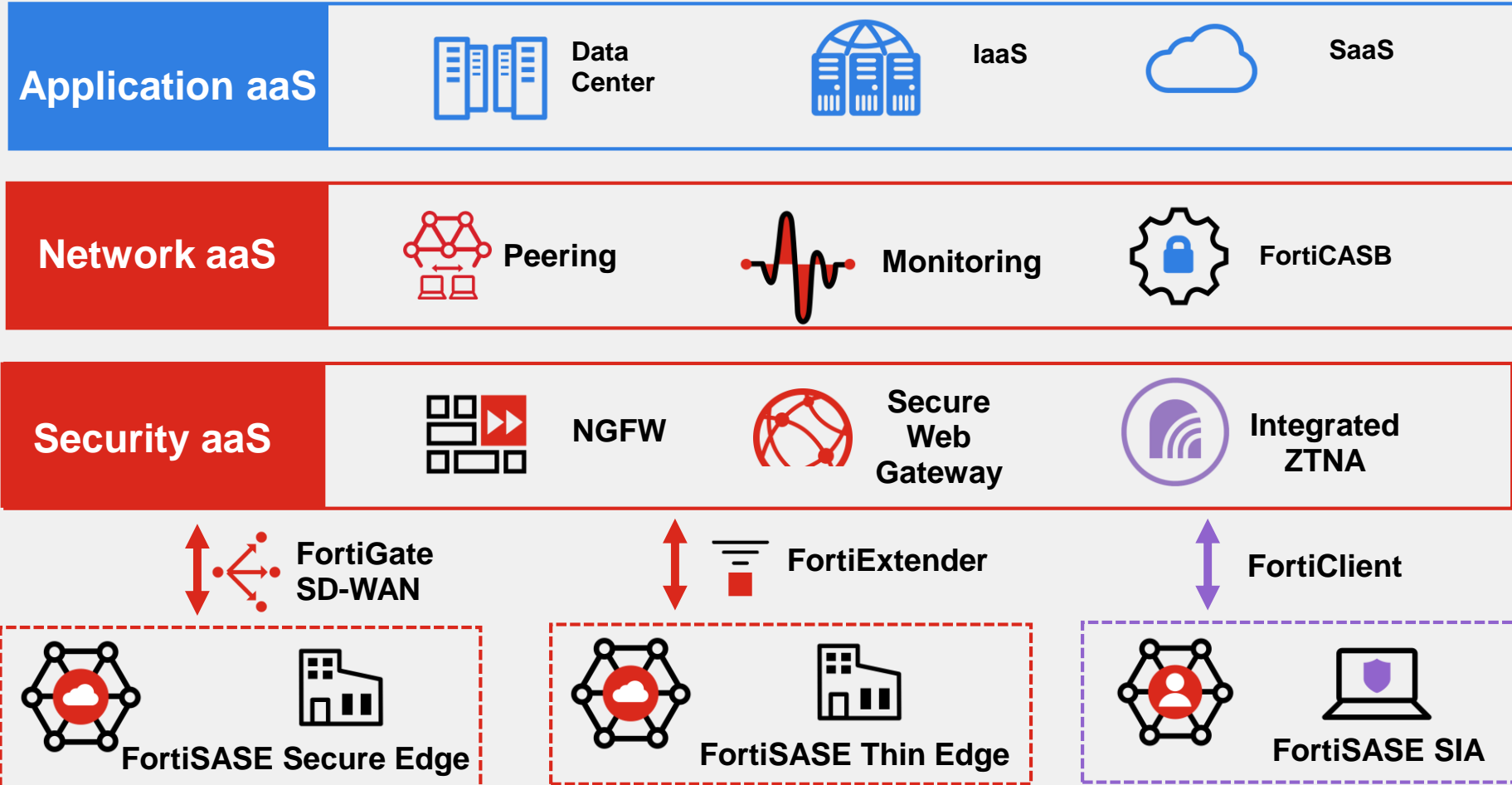
Security-driven Networking



Users

Endpoints

Mobile

IoT

**Off-Net Edge**
Travel

**Switch Edge**
Campus

**WAN Edge**

**WiFi Edge**

**WAN Edge**
Branch

**Home Edge**
WFH

5G

**LTE Edge**

**OT Edge**
Operational Technologies

**Single Policy Engine**

**Cloud Edge**
SaaS

**Cloud Edge**
IaaS

**Internet Edge**
Internet

**DC Edge**
DC

**Compute Edge**
Edge Compute

# FortiSASE Product Offering

Cloud-native security for all Access Edges

- **Digital Experience Monitoring**

- **Enterprise Class Security**

- **Flexible Edge Access**

**Application aaS** — Data Center | IaaS | SaaS

**Network aaS** — Peering | Monitoring | FortiCASB

**Security aaS** — NGFW | Secure Web Gateway | Integrated ZTNA

FortiGate SD-WAN | FortiExtender | FortiClient

FortiSASE Secure Edge | FortiSASE Thin Edge | FortiSASE SIA

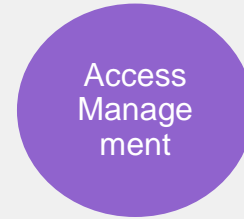# Knowing and controlling everyone and everything on and off the network

Users and Device Security

**Zero Trust Access**

# Zero Trust Access Landscape

Market Guides
(Dynamic)
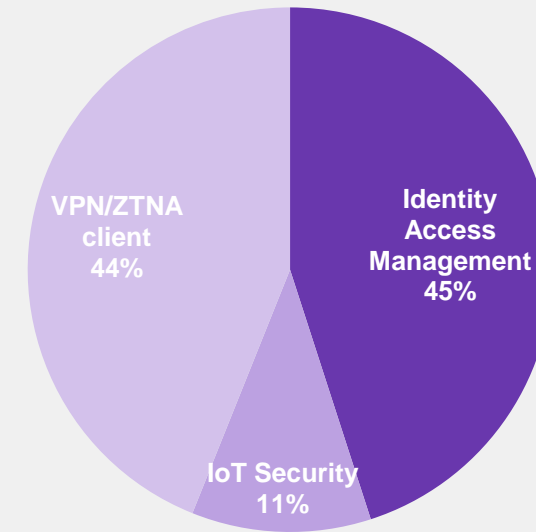
Magic Quadrants
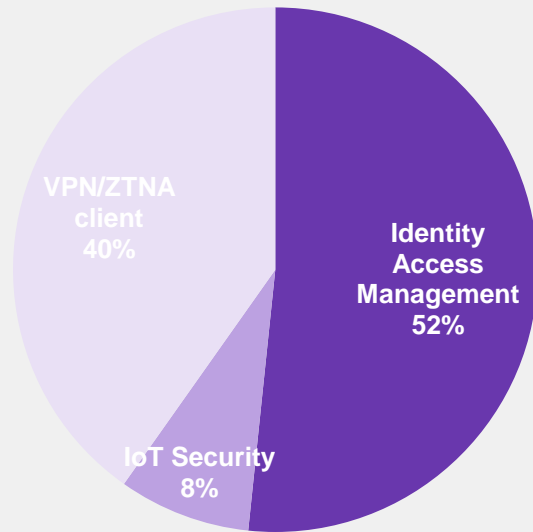(Buying Center)

Market Guides
(Static)

ZTNA

OT
Security

Access
Manage
ment

NAC

Gartner Sources: Magic Quadrants and Market Guides 2019/2020

# Zero Trust Access TAM

Market grows from $11B 2020 to $14.2B in 2024 @ 6.6% CAGR

**Left pie chart:**
- Identity Access Management 52%
- VPN/ZTNA client 40%
- IoT Security 8%

**Right pie chart:**
- Identity Access Management 45%
- VPN/ZTNA client 44%
- IoT Security 11%

Gartner Sources: Forecast: Information Security and Risk Management, Worldwide, 2018-2024, 1Q20 Update & Forecast: Enterprise Network Equipment, Worldwide, 2017-2024, 2Q20 Update

# User and Device Security Markets

| Market | Fortinet | Palo Alto | CKPT | Cisco | VMware | Microsoft | Symantec | McAfee | HPE | Zscaler | Others |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Access Management | | | | | | ■ | | | | | OKTA Ping |
| PAM | | | | | | | | | | | CyberArk BeyondTrust |

*Gartner Market Guides*

| Market | Fortinet | Palo Alto | CKPT | Cisco | VMware | Microsoft | Symantec | McAfee | HPE | Zscaler | Others |
|---|---|---|---|---|---|---|---|---|---|---|---|
| ZTNA | ■ | ■ | | ■ | | ■ | | | | ■ | NetScope |
| NAC | ■ | | | ■ | | | | | ■ | | ForeScout |
| OT Security | ■ | ■ | ■ | ■ | | | | | | | ForeScout Claroty |
| VPN | ■ | ■ | ■ | ■ | | | | | | | Juniper |

# ZTNA Use Case Requires a Platform Approach
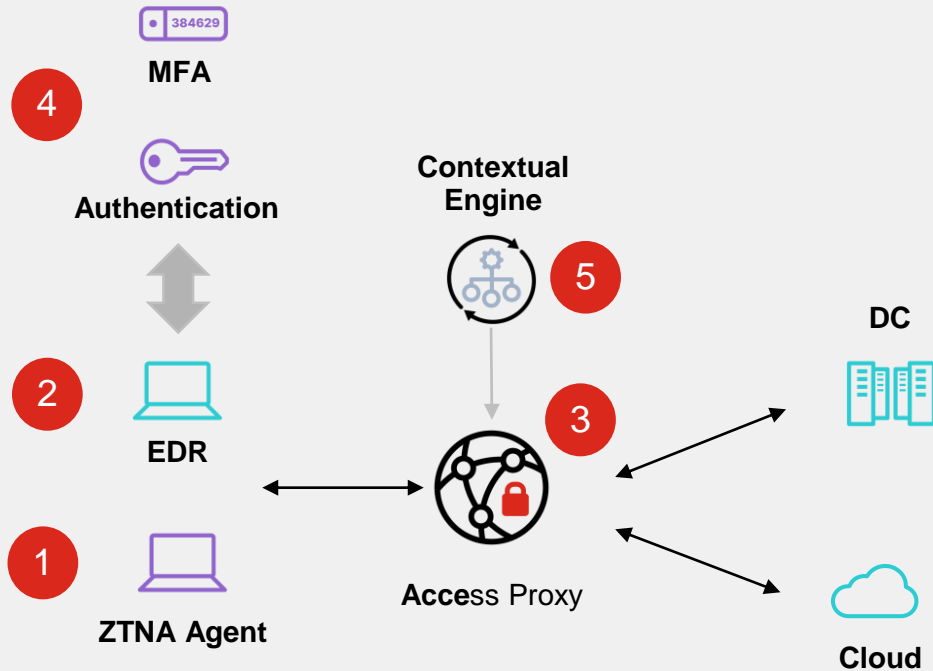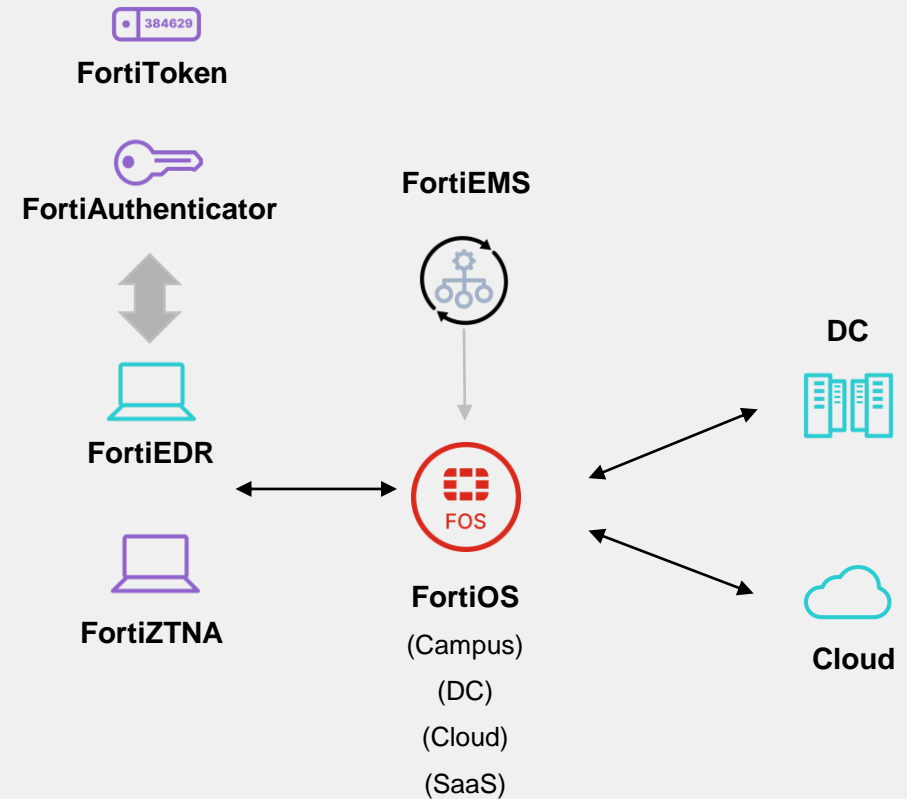
# Appendix

# Secure Any Application On Any Cloud

Cloud Security

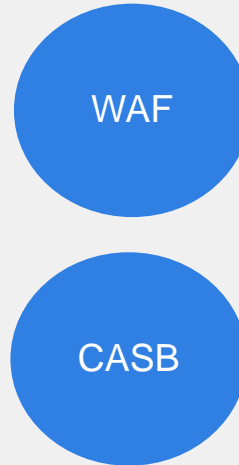**Adaptive Cloud Security**
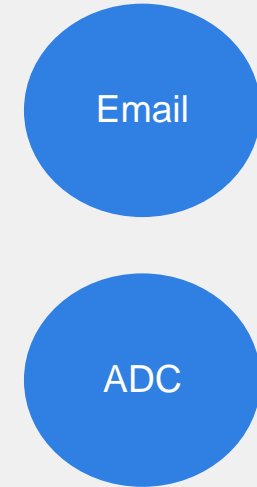
# Cloud Security Landscape

**Market Guides
(Dynamic)**

**Magic Quadrants
(Buying Center)**

**Market Guides
(Static)**

CWP

DDoS

WAF

CASB

Email

ADC

Innovations Insights
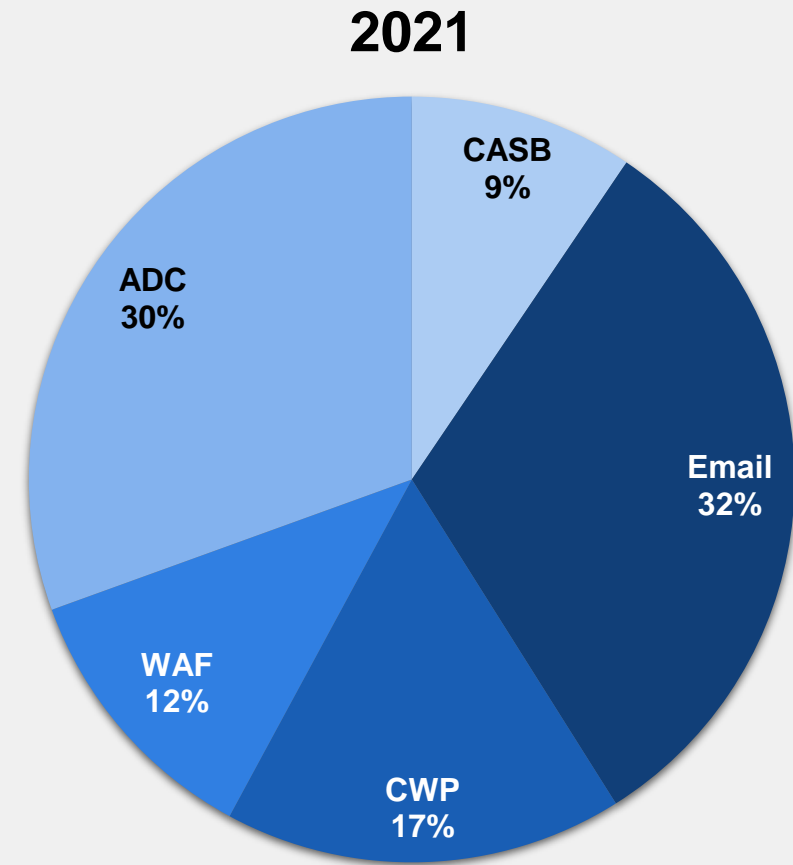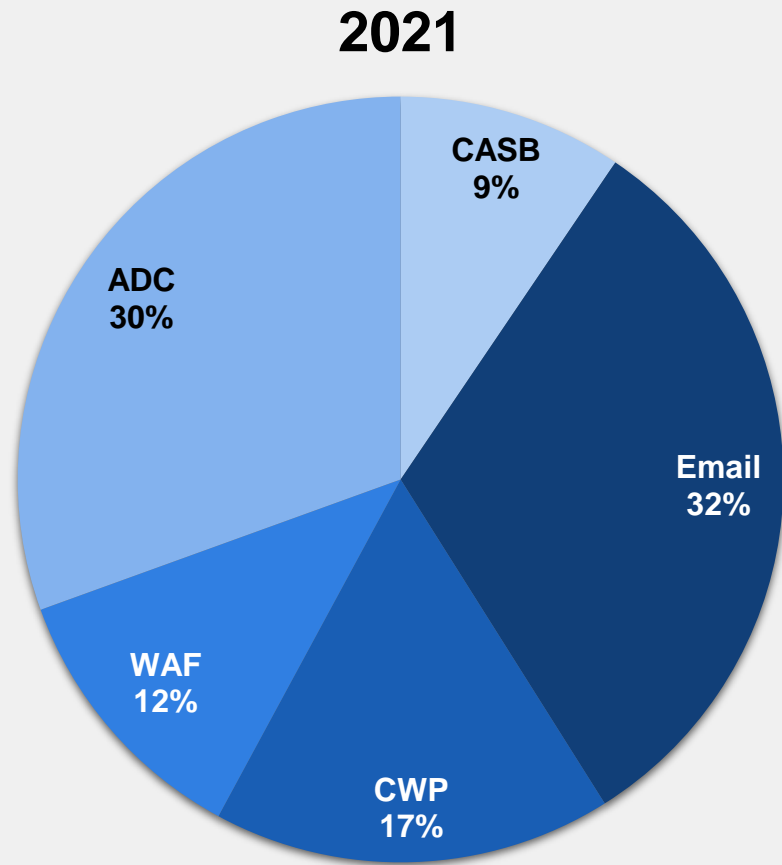
Solution Comparison

CSPM

Micro-segmentation

Gartner Sources: Cloud Security Magic Quadrants and Market Guides 2019/2020

# Cloud Security TAM

Market grows from $9.7B 2021 to $13.7B in 2024 @ 12% CAGR

**2021**



**2021**

# Cloud Security Markets

## Gartner Magic Quadrants

| Market | Fortinet | Palo Alto | CKPT | Cisco | VMware | Microsoft | Symantec | McAfee | HPE | Zscaler | Others |
|---|---|---|---|---|---|---|---|---|---|---|---|
| WAF | ● | | | | | ● | | | | | Imperva |
| CASB | | ● | | | | ● | ● | ● | | | Netskope |

## Gartner Market Guides

| Market | Fortinet | Palo Alto | CKPT | Cisco | VMware | Microsoft | Symantec | McAfee | HPE | Zscaler | Others |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Micro Segmentation | ● | | | ● | ● | | | | | | Illumio GuardiCore |
| CSPM | | ● | ● | ● | | ● | | ● | | | AWS/GCP |
| CWPP | ● | ● | ● | ● | | | | ● | | | Trend Micro |
| Email Security | ● | | | ● | | | ● | | | | Proofpoint |
| DDoS | | | | | | | | | | | Akamai Cloudflare |
| ADC | ● | | | | | | | | | | F5/AWS/Azure |

# Adaptive Cloud Security

## Hybrid and Cross Cloud

**PRIVATE CLOUD/DC**

**PUBLIC CLOUD**

**SAAS**

**EDGE**

### APPLICATION

| Mail | Web | ADC | Global LB |

### PLATFORM

| Workload Protection | CASB | Container Security | aws  Azure  Google Cloud<br>Native |

### NETWORK

| Cloud On Ramp | Virtual | Microsegmentation | Cloud Networking |

**DEV OPS**
CODE · PLAN · RELEASE · DEPLOY · BUILD · TEST · MONITOR · OPERATE
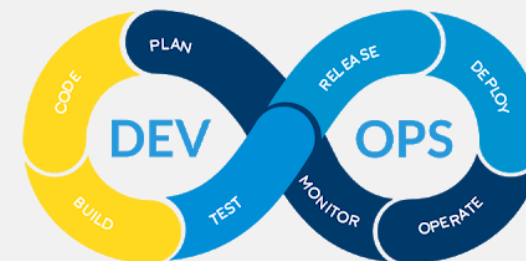
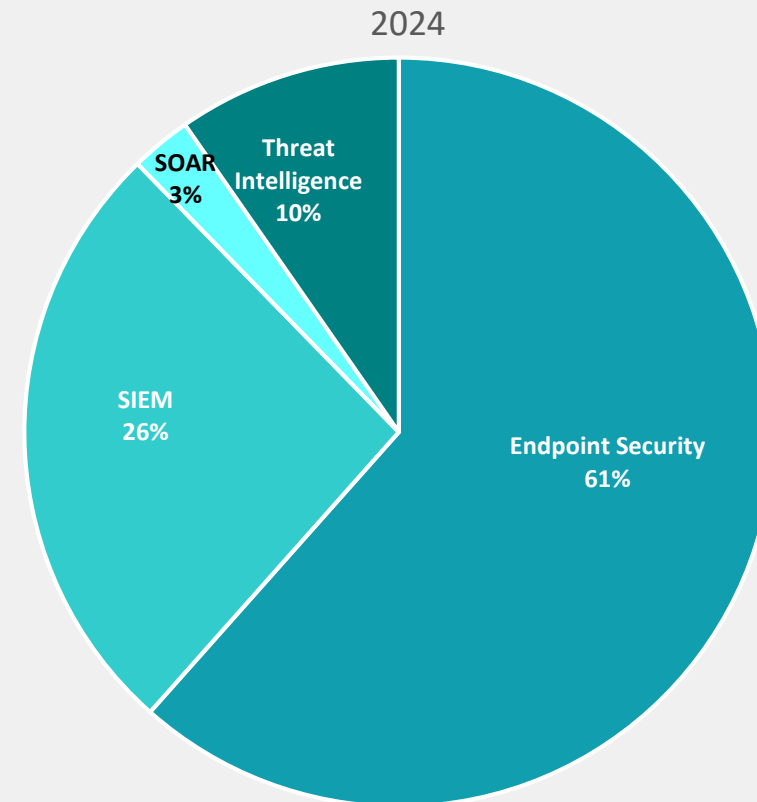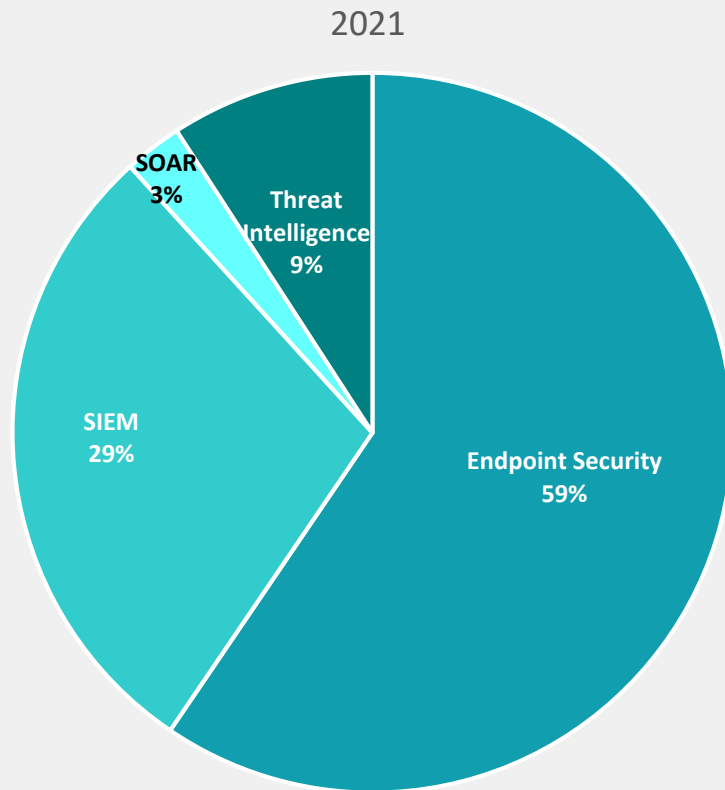# Automate Security Operations Across The Security Fabric

Security Operations

Security
Operations Center
(SOC)



Fabric
Management
Center

# Security Operations TAM

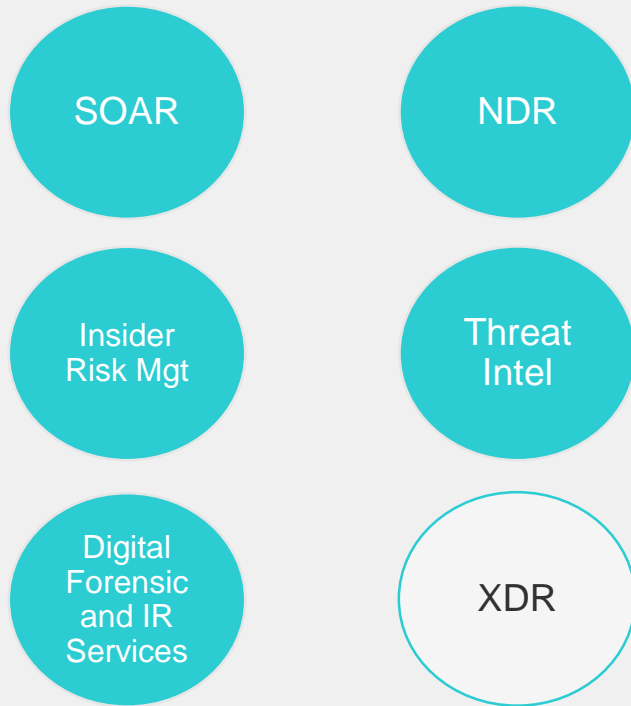Market grows from $14.1B 2021 to $18.2B in 2024 @ 8.9% CAGR



2021

- SOAR 3%
- Threat Intelligence 9%
- SIEM 29%
- Endpoint Security 59%

2024

- SOAR 3%
- Threat Intelligence 10%
- SIEM 26%
- Endpoint Security 61%

# Security Operations Landscape

Market Guides
(Dynamic)

Magic Quadrants
(Buying Center)

Market Guides
(Static)

SOAR

NDR

Insider Risk Mgt

Threat Intel

Digital Forensic and IR Services

XDR

New!  Expected 2Q/3Q21

Endpoint Protection

SIEM

UEBA

EDR

Gartner Sources: Magic Quadrants and Market Guides 2019/2020

# Security Operations Market

| Market | Fortinet | Palo Alto | CHPT | Cisco | VMware | Microsoft | Symantec | McAfee | HPE | Zscaler | Others |
|---|---|---|---|---|---|---|---|---|---|---|---|
| EPP | ■ | ■ | ■ | ■ | ■ | ■ | ■ | ■ | | | Trend Micro CrowdStrike |
| SIEM | ■ | | | | | | | ■ | | | Splunk |

*Gartner Market Guides*

| Market | Fortinet | Palo Alto | CHPT | Cisco | VMware | Microsoft | Symantec | McAfee | HPE | Zscaler | Others |
|---|---|---|---|---|---|---|---|---|---|---|---|
| XDR | New | | | | | | | | | | |
| Threat Intelligence | | ■ | | | | | | | | | RiskIQ |
| SOAR | ■ | ■ | | | | | | | | | Splunk |
| NDR | | | | ■ | | | | | | | DarkTrace |
| Forensic/IR Services | | | | ■ | | | | | | | FireEye Crowdstrike |
| EDR | Retired | | | | | | | | | | |
| EUBA | Retired | | | | | | | | | | |

# Traditional vs eXtended Detection and Response (XDR)

## Traditional

Situational Awareness

Operational Efficiency

Threat Hunting

Malware Analysis

Insider Risk

## XDR

- Tooling for the Security Operations Center

- Powerful and Customizable

- Integrated and Automated for Lean Teams

- Fortinet Curated

# M&A Strategy Accelerates Specific Development

Integration Fabric Platform

FURTINET | ACCELERATE 2021