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

Network Security
- $48B
  - 5G
  - Network Firewall
  - Switching
  - Web (SASE)
  - NPMD (NOC)
  - Wireless
  - SD-WAN
  - IDPS

Cloud Security
- $14B
  - WAF ADC
  - CWPP
  - SEG
  - CASB

Security Ops
- $18B
  - Threat Intel
  - SOAR
  - SIEM
  - Endpoint

4YR CAGR:
- User/Device Security: 9.9%
- Network Security: 9.3%
- Cloud Security: 12%
- Security Ops: 8.9%

Source: Fortinet estimates based on recent Gartner research
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
Network Security Landscape

Market Guides (Dynamic)
- NPMD
- DEM
- SASE

Magic Quadrants (Buying Center)
- Network Firewall
- SWG
- SD-WAN
- Switching & Wireless

Market Guides (Static)
- 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

SASE is a Percentage of Existing Markets

2021 - $4.5 B
- SD-WAN: 29%
- FWaaS: 11%
- SWG: 38%
- CASB: 9%
- ZTNA: 13%

2024 - $11B
- SD-WAN: 31%
- FWaaS: 14%
- SWG: 34%
- CASB: 12%
- ZTNA: 9%

Gartner Sources: Forecast Analysis: Gartner’s Initial Secure Access Service Edge Forecast – Aug 6 2020
# Network Security Markets

## Gartner Magic Quadrants

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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
- 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
- Bundles
- Certified

Platform
- Network Operations Center
- Security Operations Center
- Open Ecosystem
- Certified

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Need to Protect All Network Edges

Security-driven Networking

- Users
- Endpoints
- Mobile
- IoT
- WiFi Edge
- Switch Edge
- Campus
- Branch
- Home Edge
- Off-Net Edge
- Travel
- LTE Edge
- OT Edge
- Operational Technologies
- Cloud Edge
- Internet Edge
- DC Edge
- Compute Edge
- Edge Compute
- SaaS
- IaaS
- DC
- 5G
- LTE Edge
- OT Edge
- Single Policy Engine
FortiSASE Product Offering

Cloud-native security for all Access Edges

- **Application aaS**
  - Data Center
  - IaaS
  - SaaS

- **Network aaS**
  - Peering
  - Monitoring
  - FortiCASB

- **Security aaS**
  - NGFW
  - Secure Web Gateway
  - Integrated ZTNA

- **Digital Experience Monitoring**
- **Enterprise Class Security**
- **Flexible Edge Access**

- **FortiGate SD-WAN**
- **FortiExtender**
- **FortiClient**
- **FortiSASE Secure Edge**
- **FortiSASE Thin Edge**
- **FortiSASE SIA**
Knowing and controlling everyone and everything on and off the network

Zero Trust Access

Users and Device Security
Zero Trust Access Landscape

Market Guides (Dynamic)
- ZTNA
- OT Security

Magic Quadrants (Buying Center)
- Access Management

Market Guides (Static)
- 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

# User and Device Security Markets

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ZTNA Use Case Requires a Platform Approach

Multivendor Approach

1. ZTNA Agent
2. EDR
3. Access Proxy
4. MFA Authentication
5. Contextual Engine

Platform Approach

FortiEMS
FortiEDR
FortiZTNA
FortiToken
FortiAuthenticator
FortiOS
(Campus)
(DC)
(Cloud)
(SaaS)

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Secure Any Application On Any Cloud

Cloud Security

Adaptive Cloud Security
Cloud Security Landscape

Market Guides (Dynamic)
- CWP
- DDoS

Magic Quadrants (Buying Center)
- WAF
- CASB

Market Guides (Static)
- Email
- ADC

Innovations Insights
- CSPM

Solution Comparison
- 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

# Cloud Security Markets

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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
Native

NETWORK
Cloud On Ramp
Virtual
Microsegmentation
Cloud Networking
Automate Security Operations Across The Security Fabric

Security Operations Center (SOC)

Fabric Management Center
Security Operations TAM

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

Security Operations Landscape

Market Guides (Dynamic)
- SOAR
- Insider Risk Mgt
- Digital Forensic and IR Services

Magic Quadrants (Buying Center)
- NDR
- Threat Intel
- XDR
- Endpoint Protection
- SIEM

Market Guides (Static)
- UEBA
- EDR

New! Expected 2Q/3Q21

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

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Traditional vs eXtended Detection and Response (XDR)

**Traditional**
- Tooling for the Security Operations Center
- Powerful and Customizable

**XDR**
- Integrated and Automated for Lean Teams
- Fortinet Curated

- Situational Awareness
- Operational Efficiency
- Threat Hunting
- Malware Analysis
- Insider Risk
M&A Strategy Accelerates Specific Development

Integration Fabric Platform