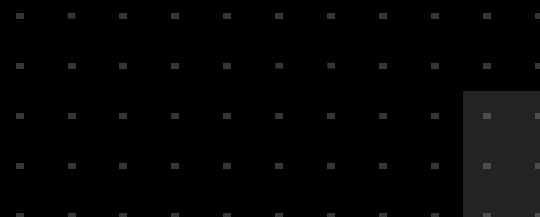




FORTINET

2024 Analyst Day

November 18, 2024



Safe Harbor Statement

Information, statements and projections contained in these presentation slides and related conference call concerning Fortinet's business outlook, the fourth quarter and full year 2024 guidance, mid-term financial targets, and future prospects and expectations are forward-looking statements that involve risks and uncertainties. These forward-looking statements include statements regarding any indications related to future growth and market share gains, our strategy going forward, and guidance and expectations around future financial results, including guidance and expectations for the fourth quarter and full year 2024, and any statements regarding our market opportunity and market size, and business momentum. Although we attempt to be accurate in making forward-looking statements, it is possible that future circumstances might differ from the assumptions on which such statements are based such that actual results are materially different from our forward-looking statements in these presentation slides. Important factors that could cause results to differ materially from the statements herein include the following: general economic risks, including those caused by economic challenges, a possible economic downturn or recession and the effects of inflation or stagflation, rising interest rates or reduced information technology spending; supply chain challenges; negative impacts from the ongoing war in Ukraine and its related macroeconomic effects and our decision to reduce operations in Russia, as well as the Israel-Hamas war; competitiveness in the security market; the dynamic nature of the security market and its products and services; specific economic risks worldwide and in different geographies, and among different customer segments; uncertainty regarding demand and increased business and renewals from existing customers; sales execution risks, including risks in connection with the timing and completion of large strategic deals; uncertainties around continued success in sales growth and market share gains; uncertainties in market opportunities and the market size; actual or perceived vulnerabilities in our supply chain, products or services, and any actual or perceived breach of our network or our customers' networks; longer sales cycles, particularly for larger enterprise, service providers, government and other large organization customers; the effectiveness of our salesforce and failure to convert sales pipeline into final sales; risks associated with successful implementation of multiple integrated software products and other product functionality risks; risks associated with integrating acquisitions and changes in circumstances and plans associated therewith, including, among other risks, changes in plans related to product and services integrations, product and services plans and sales strategies; sales and marketing execution risks; execution risks around new product development and introductions and innovation; litigation and disputes and the potential cost, distraction and damage to sales and reputation caused thereby or by other factors; cybersecurity threats, breaches and other disruptions; market acceptance of new products and services; the ability to attract and retain personnel; changes in strategy; risks associated with management of growth; lengthy sales and implementation cycles, particularly in larger organizations; technological changes that make our products and services less competitive; risks associated with the adoption of, and demand for, our products and services in general and by specific customer segments, including those caused by competition and pricing pressure; excess product inventory for any reason, including those caused by the effects of increased inflation and interest rates in certain geographies and the war in Ukraine and the Israel-Hamas war; risks associated with business disruption caused by natural disasters and health emergencies such as earthquakes, fires, power outages, typhoons, floods, health epidemics and viruses, and by manmade events such as civil unrest, labor disruption, international trade disputes, international conflicts such as the war in Ukraine and the Israel-Hamas war or tensions between China and Taiwan, terrorism, wars, and critical infrastructure attacks; tariffs, trade disputes and other trade barriers, and negative impact on sales based on geo-political dynamics and disputes and protectionist policies, including the impact of any future shutdowns of the U.S. government and the transition in administrations; and the other risk factors set forth from time to time in our most recent Annual Report on Form 10-K, our most recent Quarterly Report on Form 10-Q and our other filings with the Securities and Exchange Commission ("SEC"), copies of which are available free of charge at the SEC's website at www.sec.gov or upon request from our investor relations department. All forward-looking statements herein reflect our opinions only as of the date of these presentation slides, and we undertake no obligation, and expressly disclaim any obligation, to update forward-looking statements herein in light of new information or future events.



Today's Agenda

10:15 AM	Welcome	Aaron Ovadia, Senior Director, Investor Relations
10:20 AM	Foundations for Growth: Leading. Long-Term. Loyalty.	Ken Xie, Founder, Chairman, and CEO
10:45 AM	Market Opportunity, Technology Trends, Customer Journey, and Technology Vision	John Maddison, CMO Robert May, EVP Technology and Product Management
11:20 AM	Go-To-Market Strategy	John Whittle, COO; Matthew Pley, EVP, America Sales Joe Sarno, EVP, Int'l Sales; Pedro Paixao, SVP Sales Trevor Pagliara, SVP, Sales
11:50 AM	Break – 10 Minutes	
12:00 PM	Mid-Term Model	Keith Jensen, CFO Christiane Ohlgart, CAO
12:20 PM – 1:00 PM	Executive Q&A	





Foundations for Growth: Leading. Long-Term. Loyalty.

Ken Xie – Founder, Chairman of the Board and Chief Executive Officer



Leading Network & Security Convergence

Leading

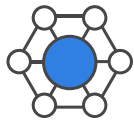
Networking and Security
Convergence



Network
Firewall



SD-WAN



SASE



OT Security

Secure networking larger
than networking by 2026

Long-term

Technology and Infrastructure
Investments



Fortinet
Silicon



Fortinet
Cloud



Converged OS



AI

Billions of \$ investment in ASIC
\$1B+ investment in infrastructure to
support data centers and other operations

Loyalty

to Customers, Shareholders,
Partners and Employees



Customers



Shareholders



Partners



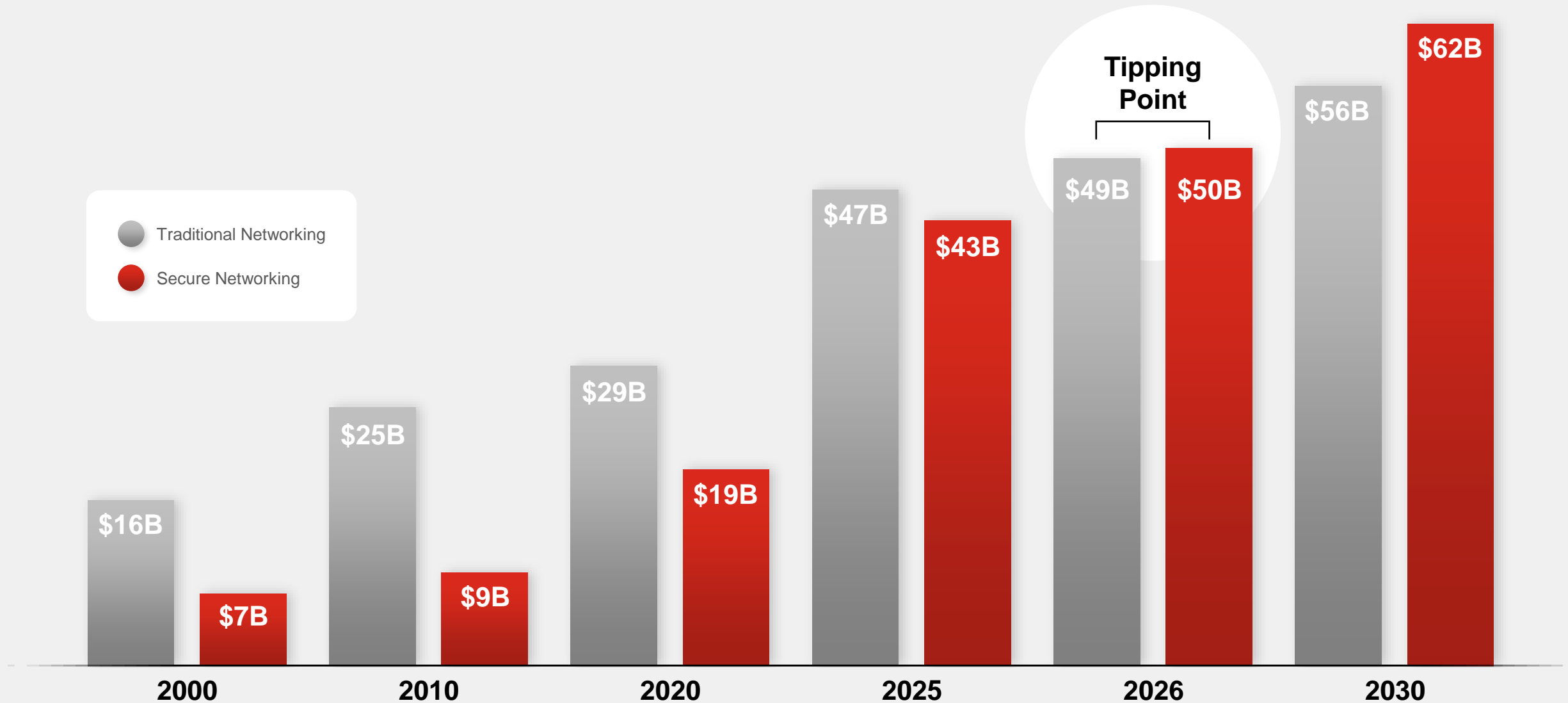
Employees

800,000+ Lifetime Customers
100,000 Partners
14,000 Employees



The Convergence of Networking & Security: A Strategic Evolution

The secure networking market will exceed traditional networking by 2026

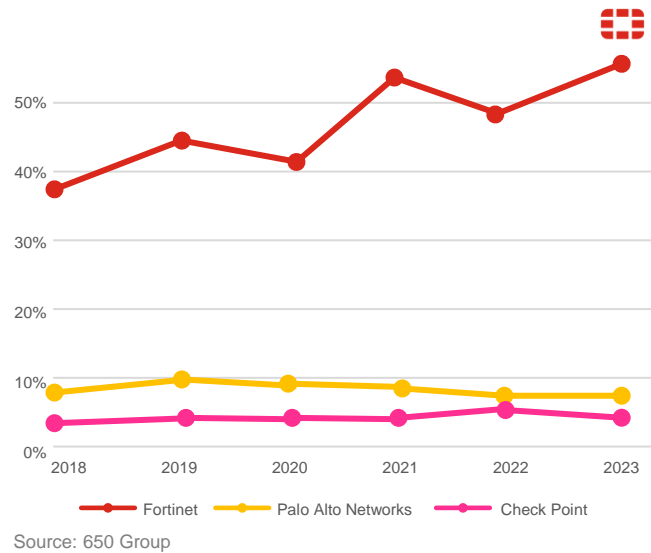


Unmatched Leadership in Network Firewall Security

Unprecedented performance, unrivaled security

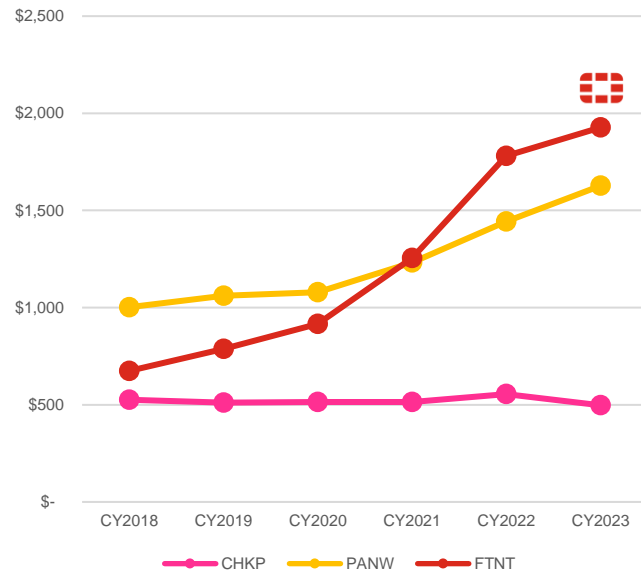
Firewall Units Shipped

Leader



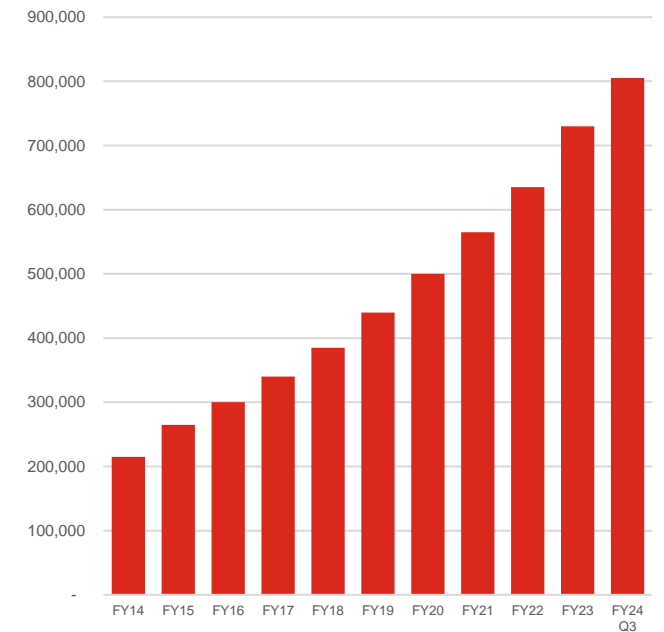
Product Revenue

Growth YoY



Most Customers

800,000+ Lifetime



Leading with the Only Internally Developed ASIC-powered SD-WAN

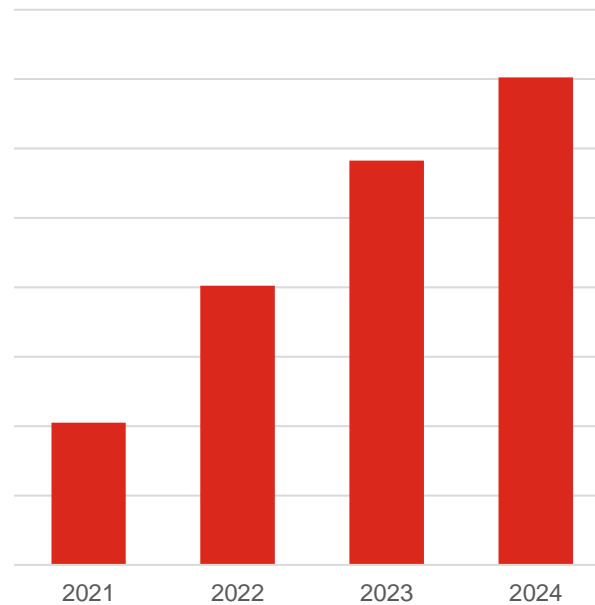
Unprecedented Leadership

Highest in execution



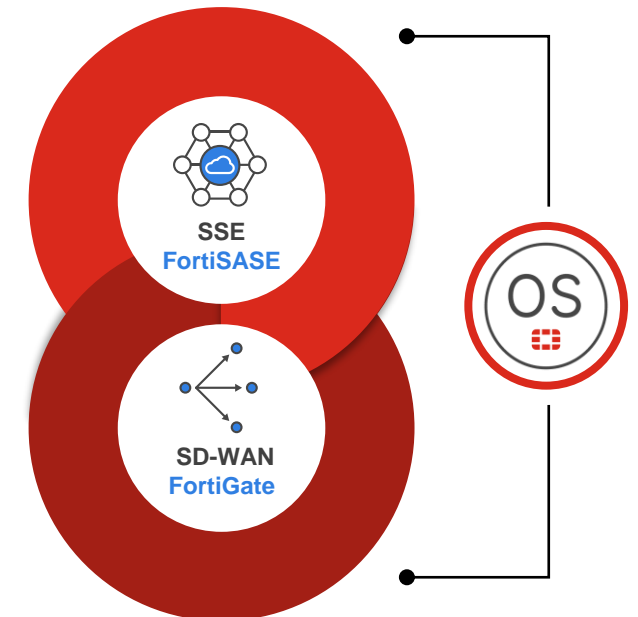
SD-WAN Leadership

14,400 SD-WAN customers added in last 4 years



Native SASE Integration

Powered by FortiOS

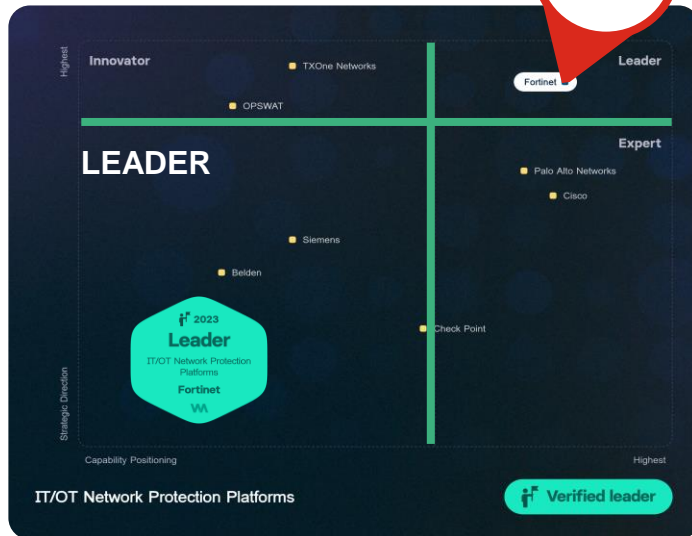


Leading the Future of Operational Technology Security

Fortinet is the only Operational Technology Leader in the Westlands Advisory Report

Westlands Advisory

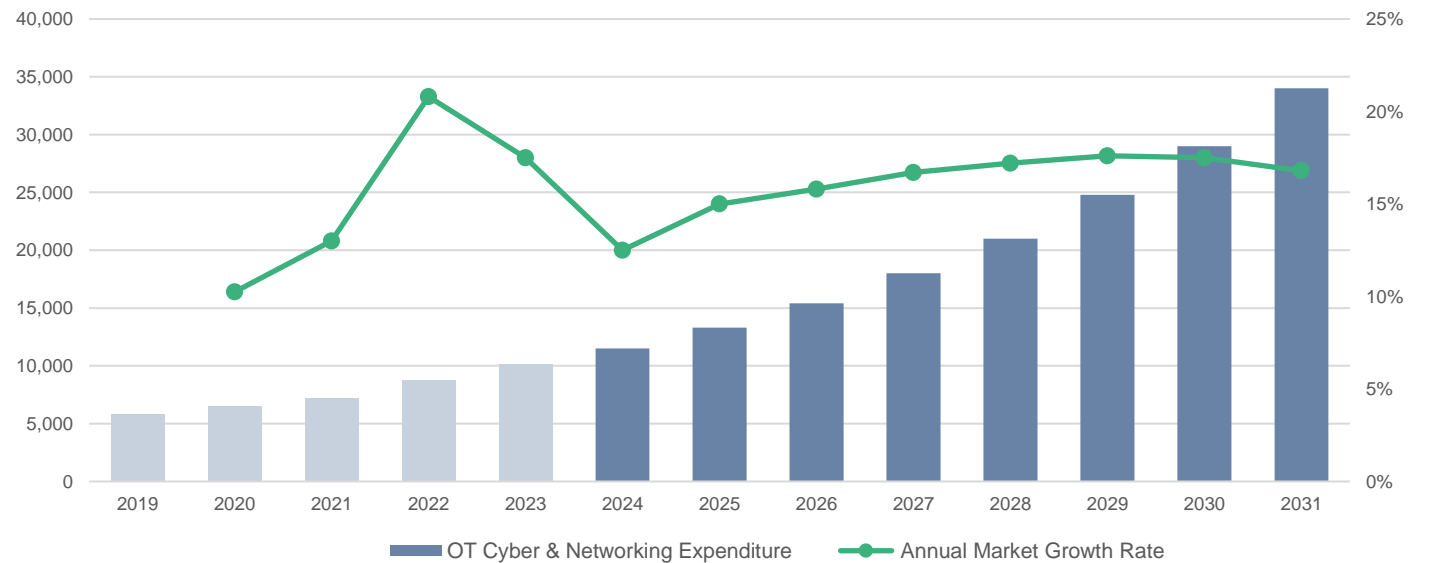
Navigator Leader



Growing Business

YoY Revenue Growth Exceeds Market

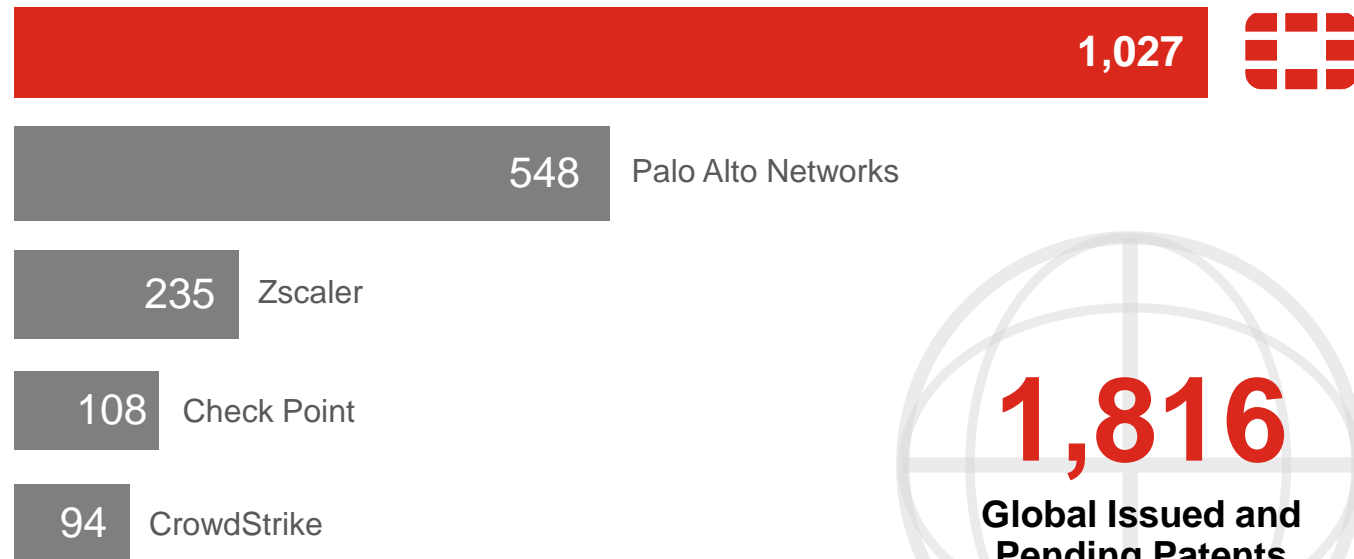
OT Cyber & Networking Expenditure 2019-2031



Leading Innovator with Large Investment in Innovation

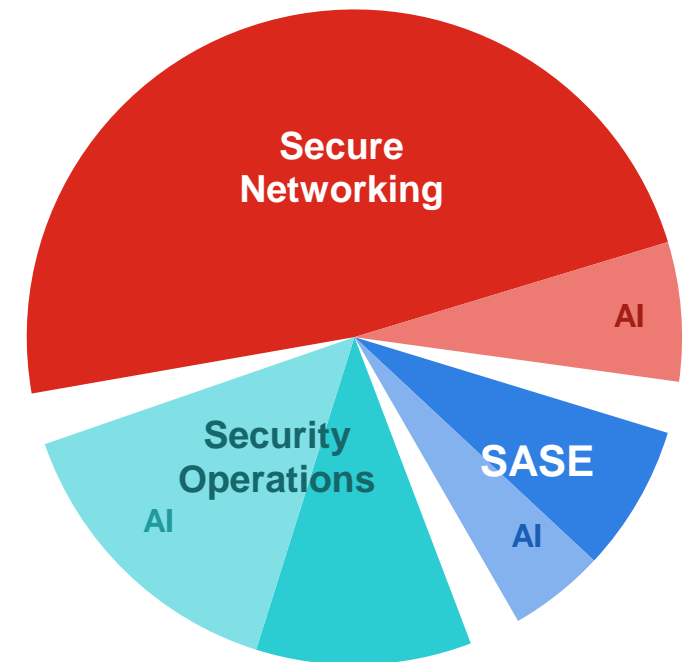
500+ Issued and Pending AI Patents with 2x more total patents than comparable cybersecurity companies

US Patents



Source: U.S. Patent Office, as of September 30, 2024

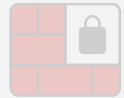
Innovation Across Pillars



Leading Network & Security Convergence

Leading

Networking and Security
Convergence



Network Firewall



SASE

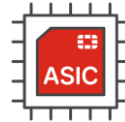


OT Security

Secure networking larger
than networking by 2026

Long-term

Technology and Infrastructure
Investments



Fortinet
Silicon



Fortinet
Cloud



Converged OS



AI

Billions of \$ investment in ASIC
\$1B+ investment in infrastructure to support
data centers and other operations

Loyalty

to Customers, Shareholders,
Partners and Employees



Customers



Shareholders



Partners



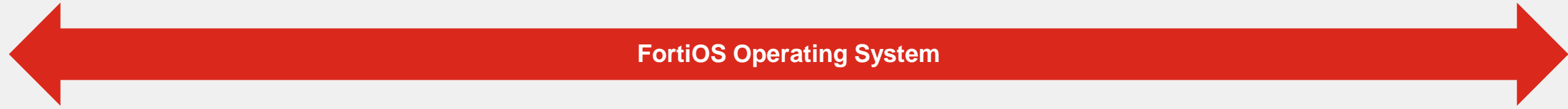
Employees

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100,000 Partners
14,000 Employees



The Most Integrated Operating System

Single OS with leadership in five network security Gartner Magic Quadrants



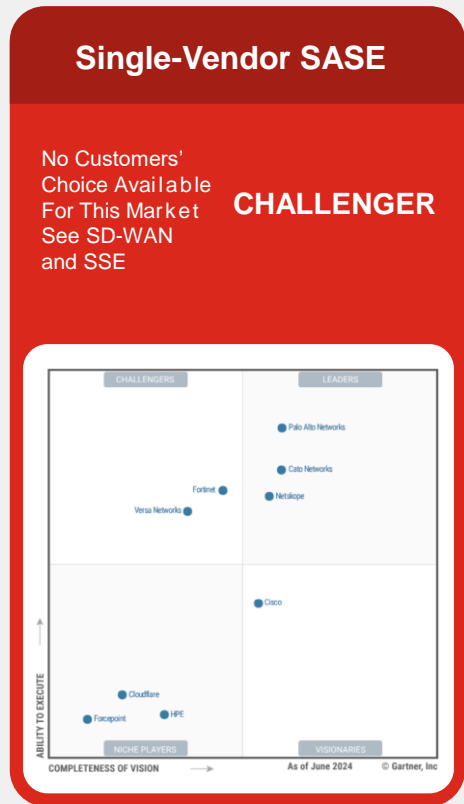
Gartner® Magic Quadrant™ for Network Firewalls – Published 19 December 2022 – Rajpreet Kaur, Adam Hills, Thomas Lintemuth



Gartner® Magic Quadrant™ for SD- WAN – Published 27 September 2023 – Jonathan Forest, Naresh Singh, Andrew Lerner, Karen Brown



Gartner® Magic Quadrant™ for Enterprise Wired and Wireless LAN Infrastructure – Published 06 March 2024 – Tim Zimmerman, Christian Canales, Nauman Raja, Mike Leibovitz



Gartner, Magic Quadrant™ for Single-Vendor SASE, Andrew Lerner, Jonathan Forest, Neil MacDonald, Charlie Winckless, 3 July 2024



Gartner® Magic Quadrant™ for Security Service Edge – Published 15 April 2024 – Charlie Winckless, Thomas Lintemuth, Dale Koepfen



The Only Purpose-built Proprietary ASIC

FortiASIC accelerates FortiOS functions – supports 2x more applications than the previous generation

Content Processor 9



Offload resource intensive processing and drive content inspection to accelerate security functions

Network Processor 7

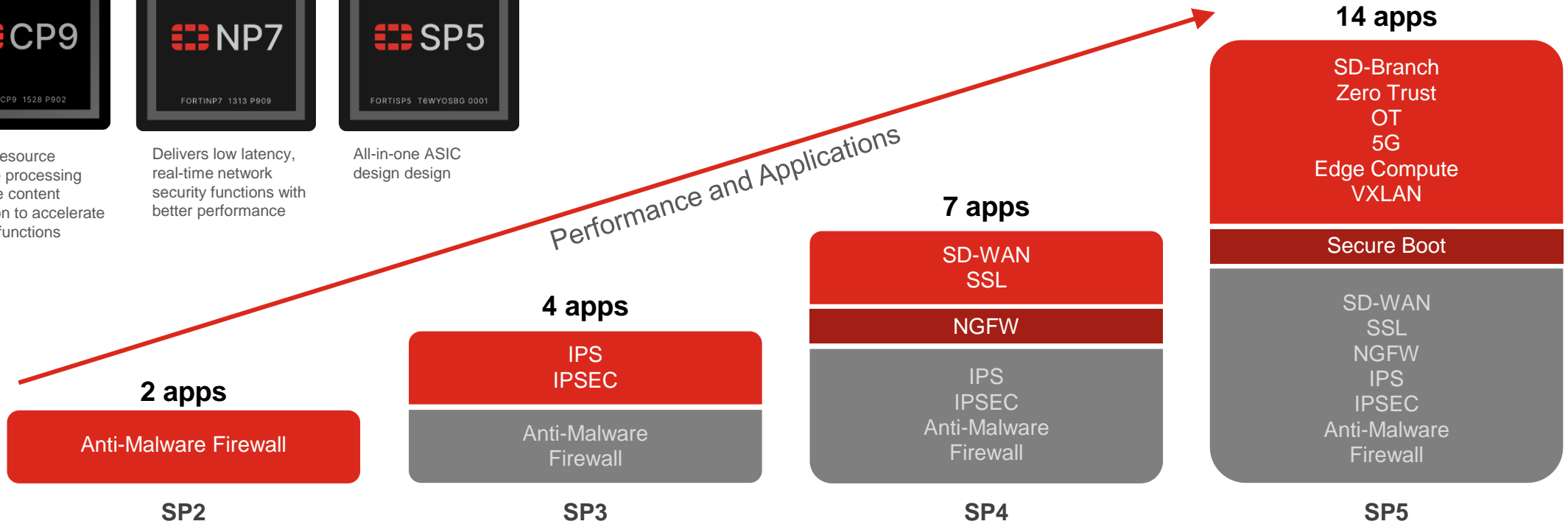


Delivers low latency, real-time network security functions with better performance

Security Processor 5



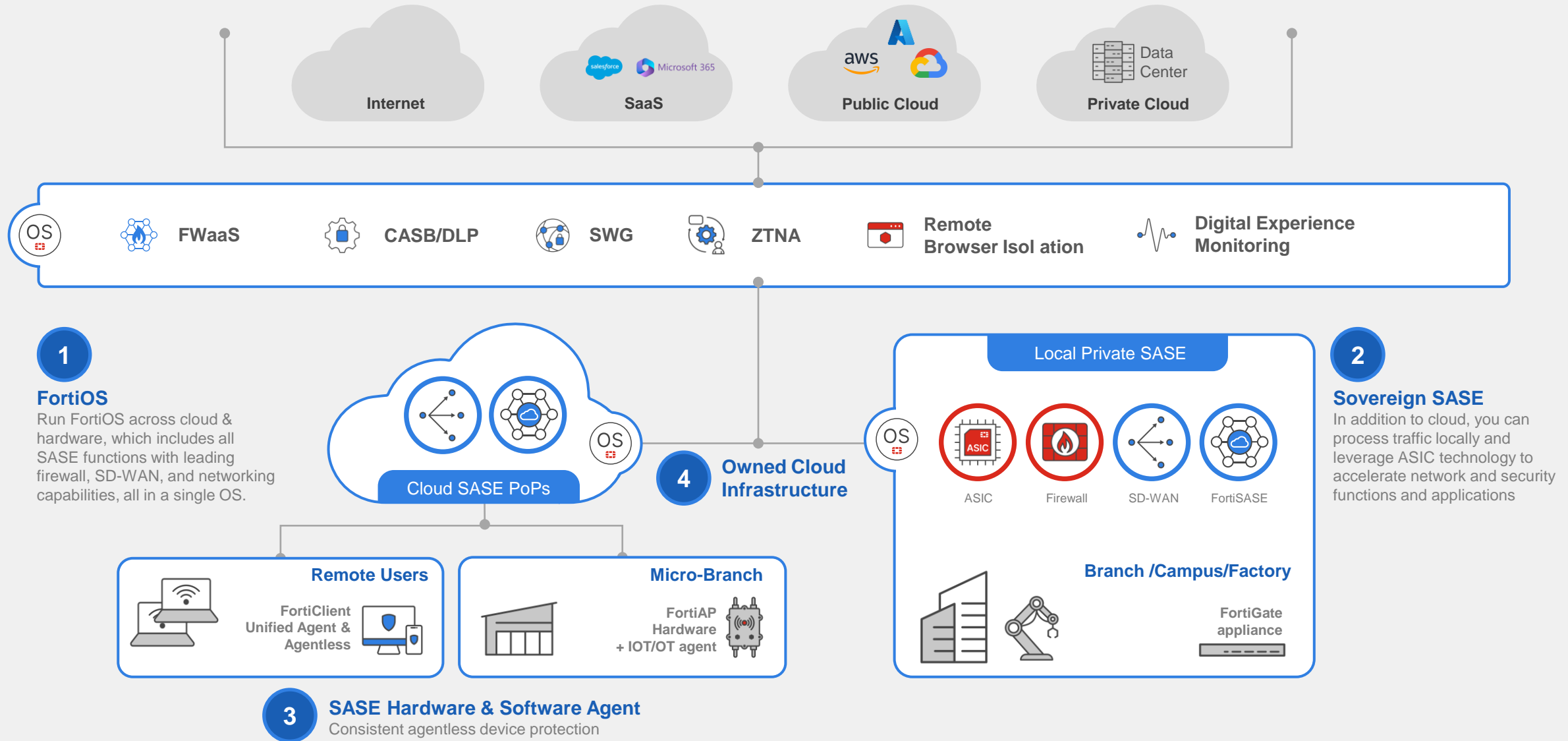
All-in-one ASIC design design



With more new applications added in each FortiOS release



Investing in SASE for Unmatched Flexibility & Performance





Investing in Owned Global Infrastructure

Only one to deliver global reach providing flexible connectivity and cost savings

 **3.3M+ Owned**
1.0M+ Leased
4.3M+ Total sq ft

 **Cost savings**
drive competitive
advantage

 **FortiStack**
Organically built
integrated solutions

 **150+**
Cloud Locations
superior user
experience



Positioning for Future Growth Through Strategic Investment

AI

AI driving security and automation

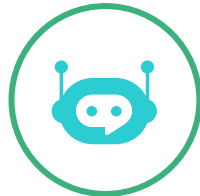


Big Data AI

Process and analyze trillions of events using AI/ML

Contextual Gen AI

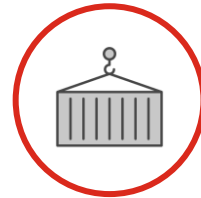
Generative AI to improve product optimization



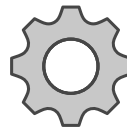
Network Operations AI

Self-healing networks end-to-end

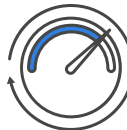
Edge Computing and OT Security



Container OS



Rapid **deployment** and consistent security across edge locations



Containerized microservices enable fast, localized data **processing** at the edge

Quantum Security

Quantum-Secure Future



Quantum Key Distribution

- ETSI integration
- Proven 100G throughput QKD integrations with Toshiba and IDQuantique



Quantum Safe Encryption

- NIST algorithms
- CRYSTALS Kyber

Leading Network & Security Convergence

Leading

Networking and Security
Convergence



Network
Firewall



SD-WAN



SASE



OT Security

Secure networking larger
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Long-term

Technology and Infrastructure
Investments



Fortinet
Silicon



Fortinet
Cloud



Converged OS



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Loyalty

to Customers, Shareholders,
Partners and Employees



Customers



Shareholders



Partners



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800,000+ Lifetime Customers
100,000 Partners
14,000 Employees



Fostering Customer Loyalty Through Exceptional Service

Building trust and lasting relationships for sustainable growth

CSAT



9.2/10

Customer satisfaction

Retention



112%

NRR

114% Large Enterprise

Community Platform



62,000+
Discussions



130,000+
Community Members

400%+

Increase in Community Platform usage
Year over Year



Strengthening Loyalty with the Largest Cybersecurity Training Offering

NSE Certification Program

Training and Education

Security Awareness and Training Service

1,695,800+
Certifications



763
Academic Partners



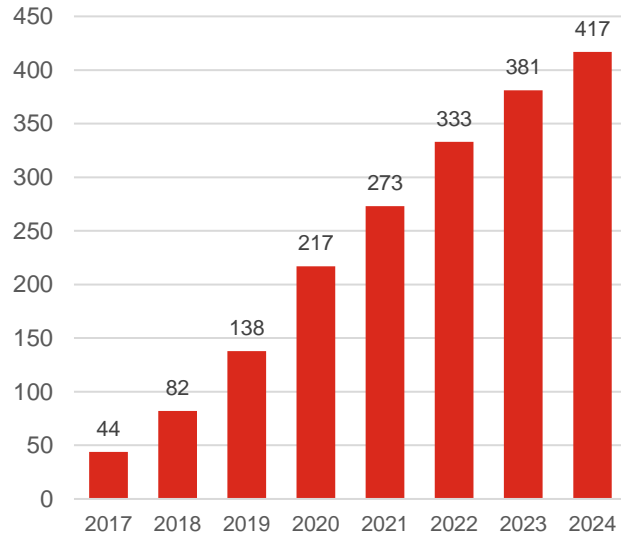
50
Education Outreach and Veterans Program Partners



Channel Loyalty to Drive Success & Shared Value

Technology Alliance and Ecosystem

Technology Alliance Growth



Channel Loyalty and Commitment to 113,000+ Global Partners

87%

Global Partners engaged with us for 5+ years

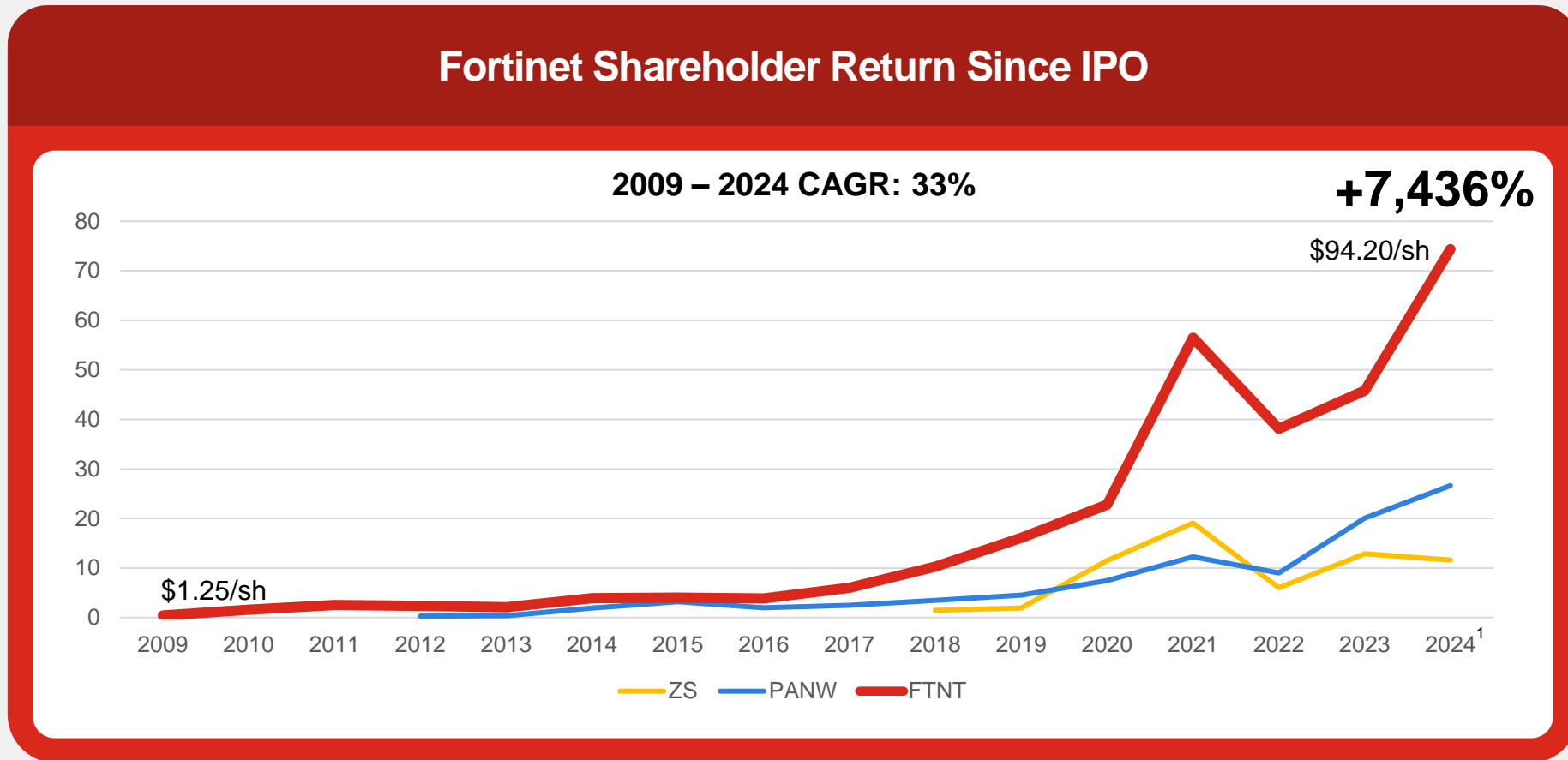
81%

Global Enterprise Partners have sold all 3 pillars*
(increase from 75% in 2023)



Investor Loyalty – FTNT up Over 7,400% Since 2009 IPO

Shareholder value is a primary directive of the company



35% Increase in Earnings Per Share Due to Share Repurchases

Returned \$6.4 billion to shareholders via share repurchases

Robust Share Buyback Program



\$6.4B

cash returned to shareholders



266M

shares repurchased



35%

increase in EPS due to repurchases

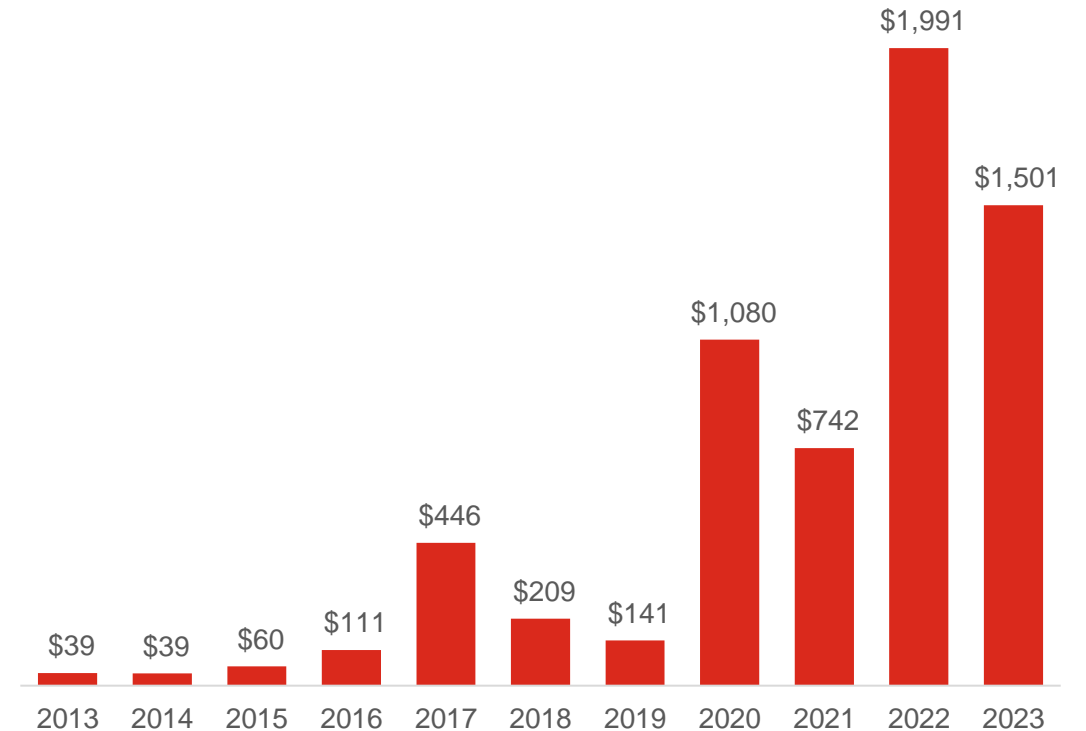


\$2B

buyback authorization remaining

Cash Paid for Stock Repurchases

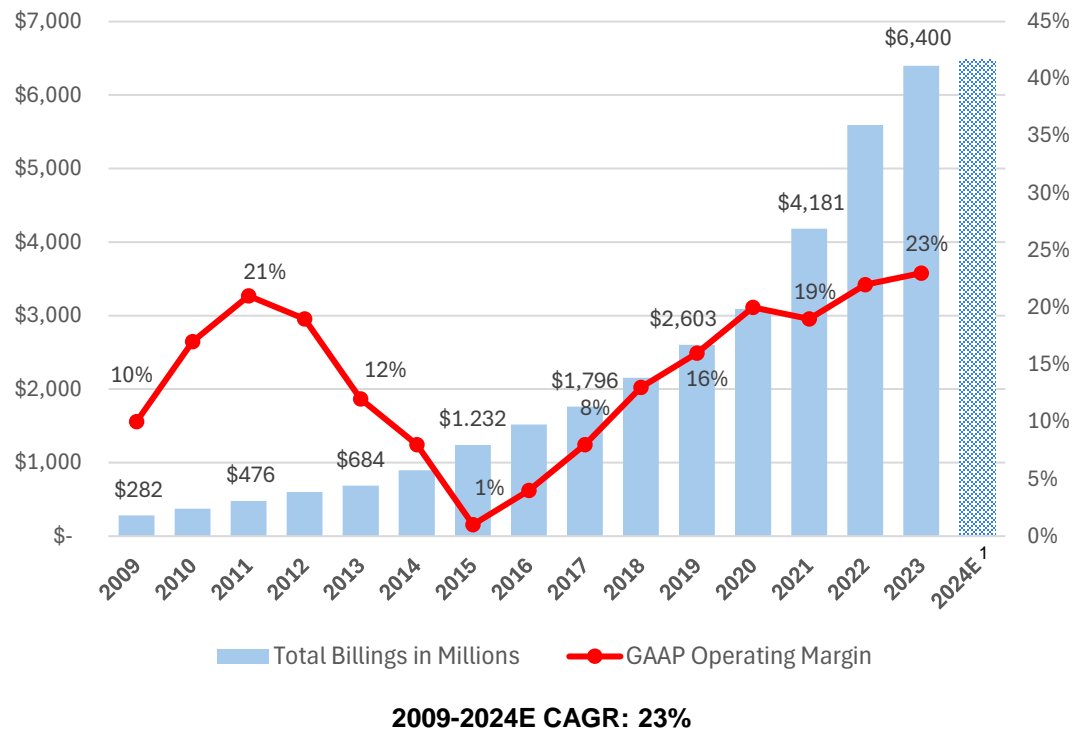
\$ In millions



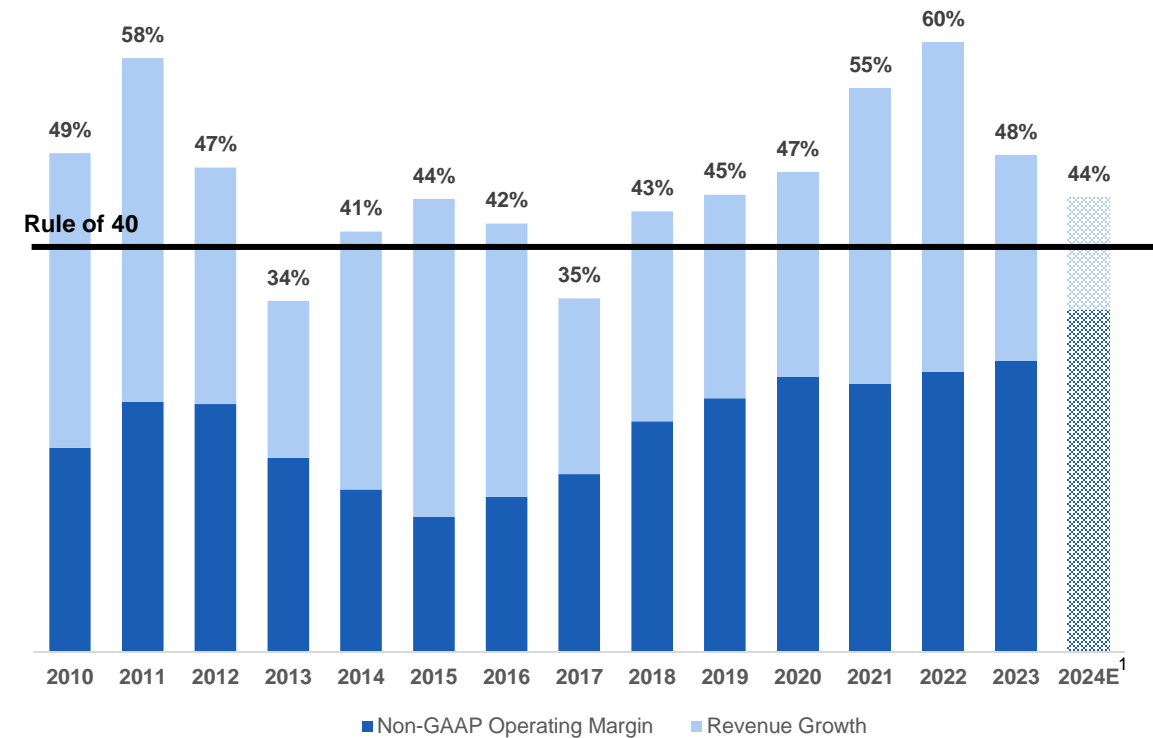
Investor Loyalty

Shareholder value is a primary directive of the company

GAAP Profitable Every Year Since IPO



Fortinet Rule of 40 – Consistent Management of Growth and Profits



Note: Fortinet defines the Rule of 40 as GAAP revenue Y/Y growth plus Non-GAAP Operating Margin. See Appendix for reconciliation of the non-GAAP financial measures to the most comparable GAAP financial measures. Fortinet's IPO was on November 18, 2009.



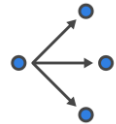
Fortinet Long Term Investments

Leading

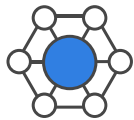
Networking and Security
Convergence



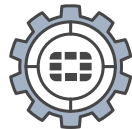
Network
Firewall



SD-WAN



SASE

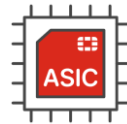


OT Security

Secure networking larger
than networking by 2026

Long-term

Technology and Infrastructure
Investments



Fortinet
Silicon



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Cloud



Converged OS



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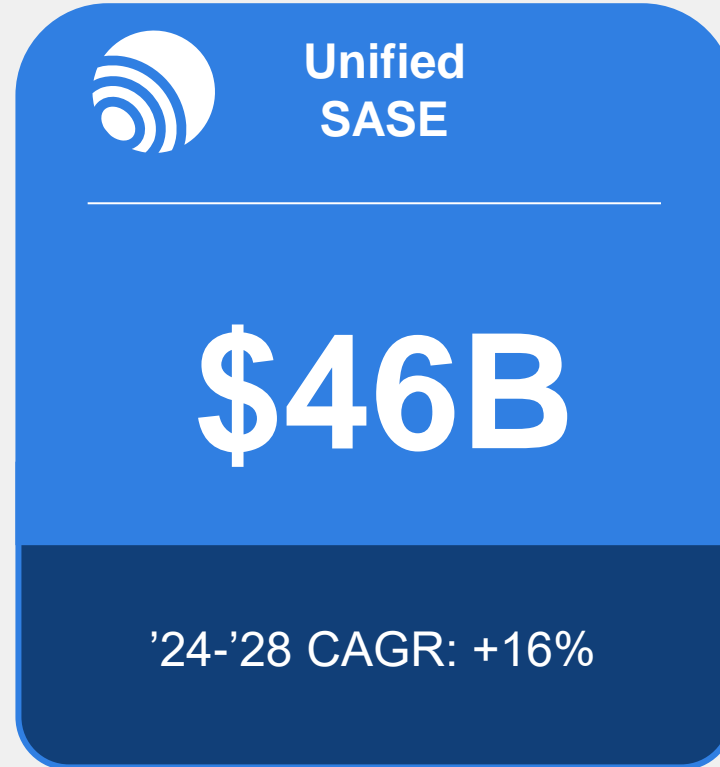
Market Opportunity, Technology Trends, and Customer Journey

John Maddison – Chief Marketing Officer



A Large & Growing Total Addressable Market

Worldwide TAM growing from \$183B in 2024 to \$284B in 2028, a +12% CAGR



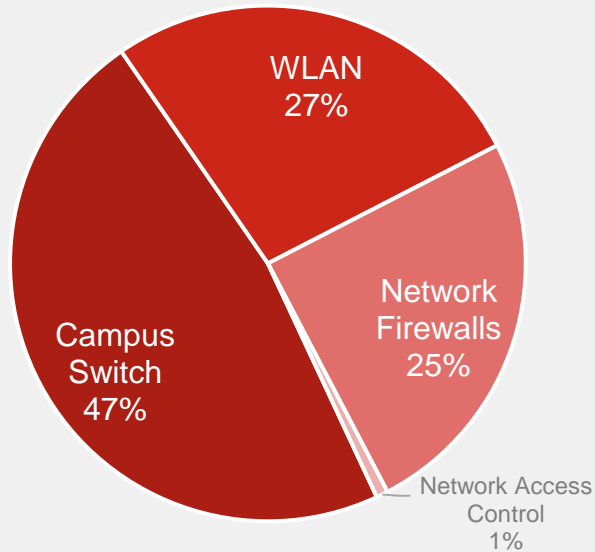
*Added CNAPP TAM of \$17B – Lacework acquisition
Added DLP TAM of \$2.9B – NextDLP acquisition*



Market Subsegments & Major Trends

Resiliency is a major focus for all customers

Secure Networking

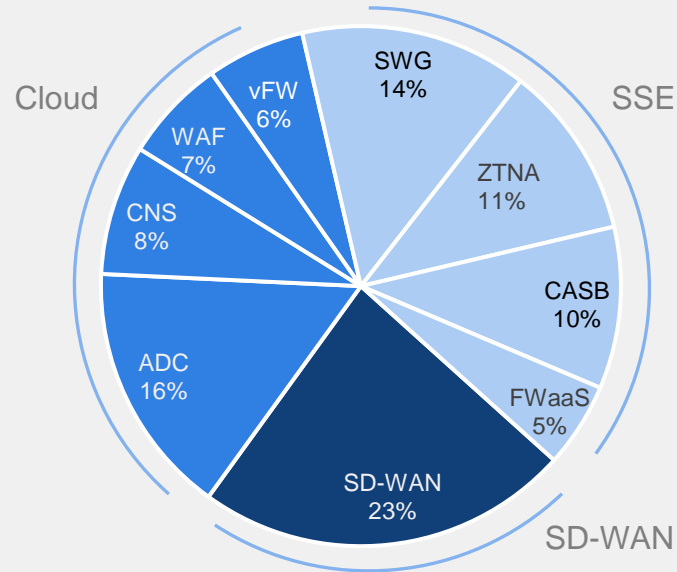


Convergence of Networking and Security

Cyber Physical Security

AI Network Operations

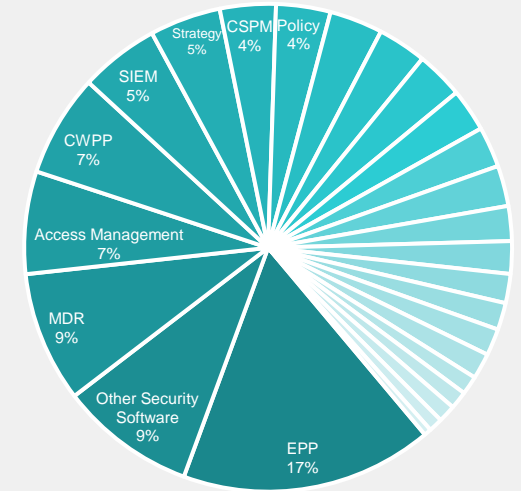
Unified SASE



Single Vendor SASE

Hybrid Multi-Cloud

AI-Driven Security Operations



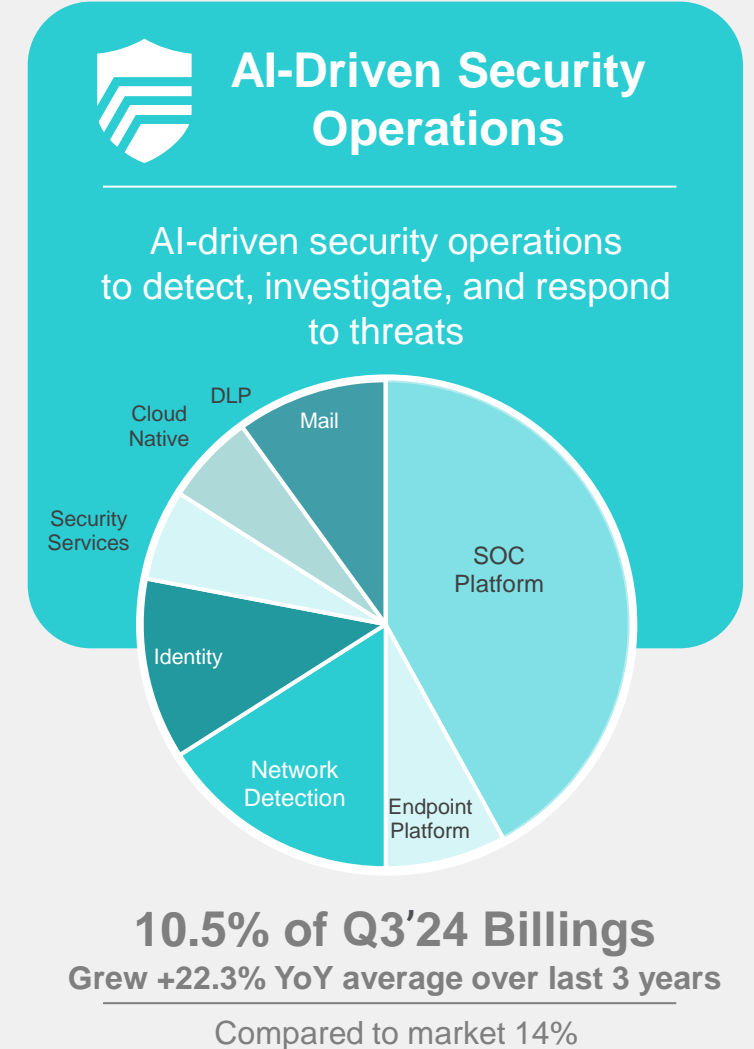
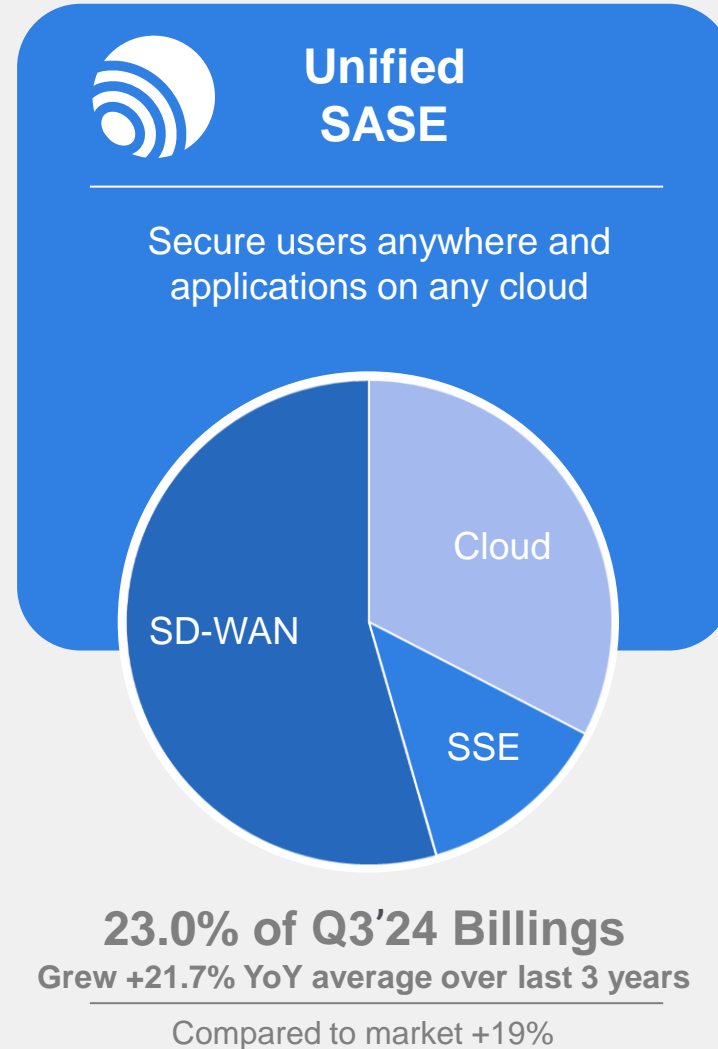
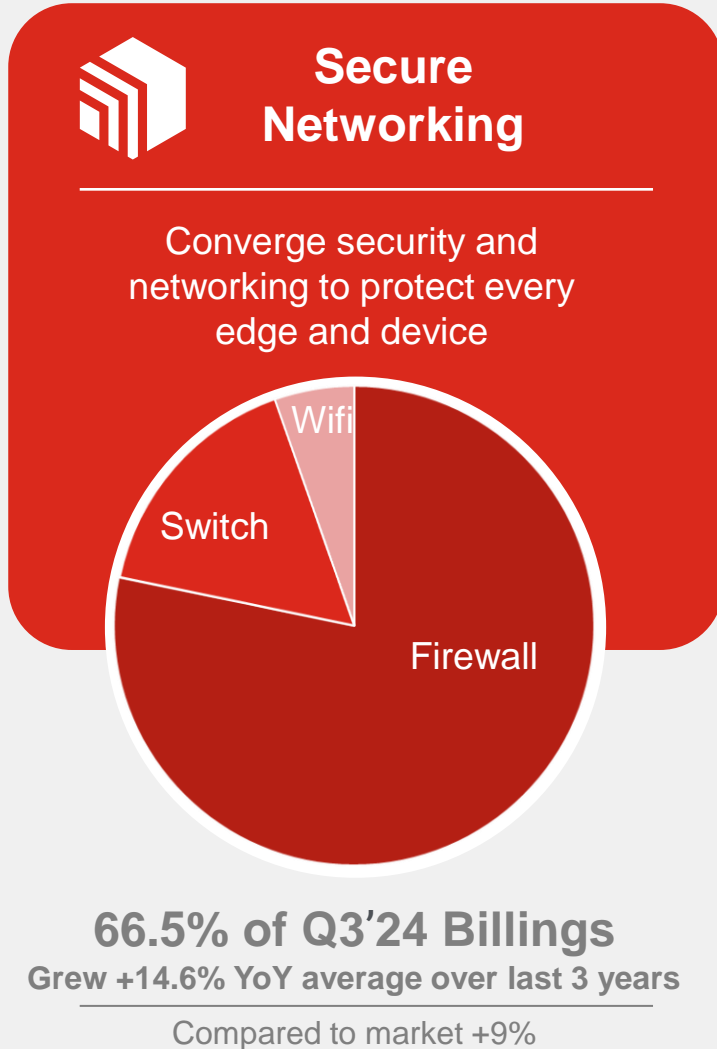
Platforms or Consolidation

Gen AI will Automate Security Operations

AI Powered Threat Intelligence



Each Fortinet Business Growing Faster Than The Market



Accelerating Secure Networking Market Leadership



Analyst Recognition

Gartner

Gartner

Leader in Magic Quadrant for Network Firewalls

Gartner

Leader in Magic Quadrant for Enterprise Wired and Wireless LAN

650 GROUP
MARKET INTELLIGENCE RESEARCH

50%+

Firewall Unit Market Share

Business Growth*

700,000+

New Edge Firewalls shipped last 12 months

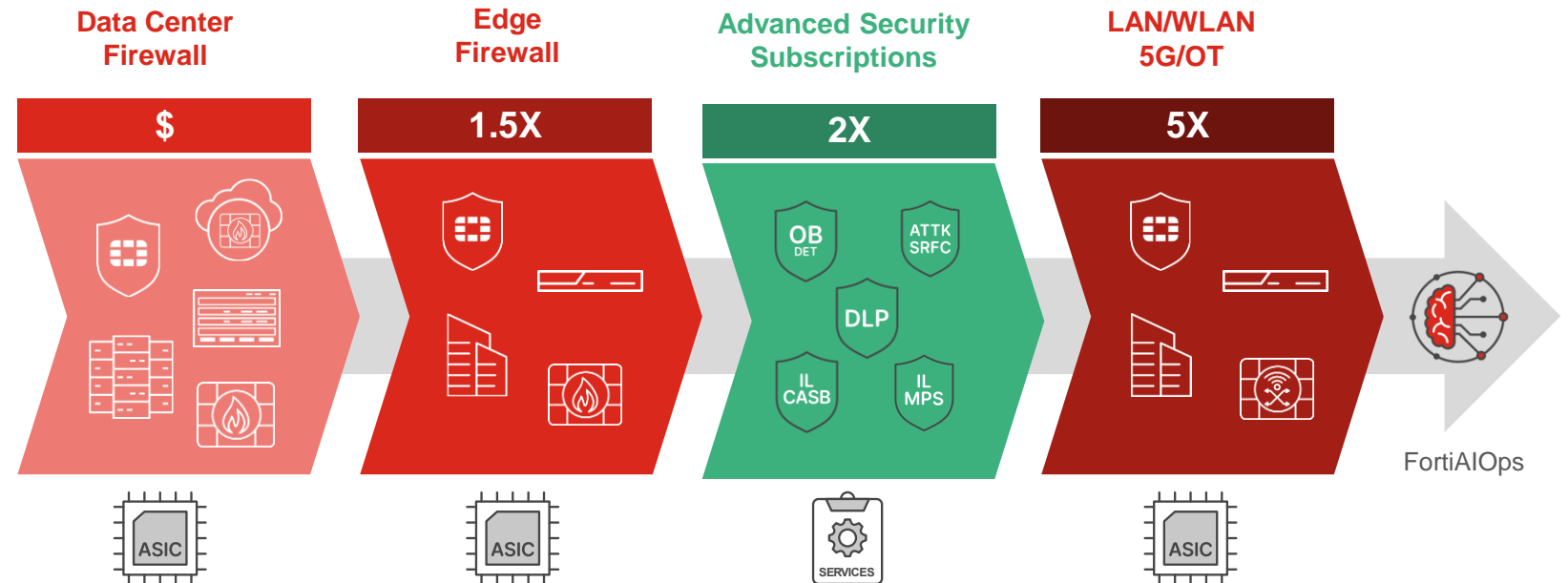
11,000+

New secure LAN/W LAN customers YoY

3,000+

New OT Security customers last 12 months

Typical Customer Journey



Based on an Enterprise customer with 2 data Centers, Multi-Cloud and SaaS Applications and 100 Branch Locations and 5,000 Users

Triple Digit SASE Growth with Large Increasing Pipeline



Analyst Recognition

Gartner Challenger in Single Vendor SASE & SSE Magic Quadrants	Gartner Leader in SD-WAN Magic Quadrant
FORRESTER A Leader in Zero Trust Edge WAVE	Gartner Peer Insights Customers' Choice 2024 Voice of Customer for SD-WAN & SSE
GIGAOM A Leader in Cloud Workload Security Radar	kuppingercole ANALYSTS A Leader in Leadership Compass for CNAPP

Business Growth*

40,000+

SD-WAN installed base

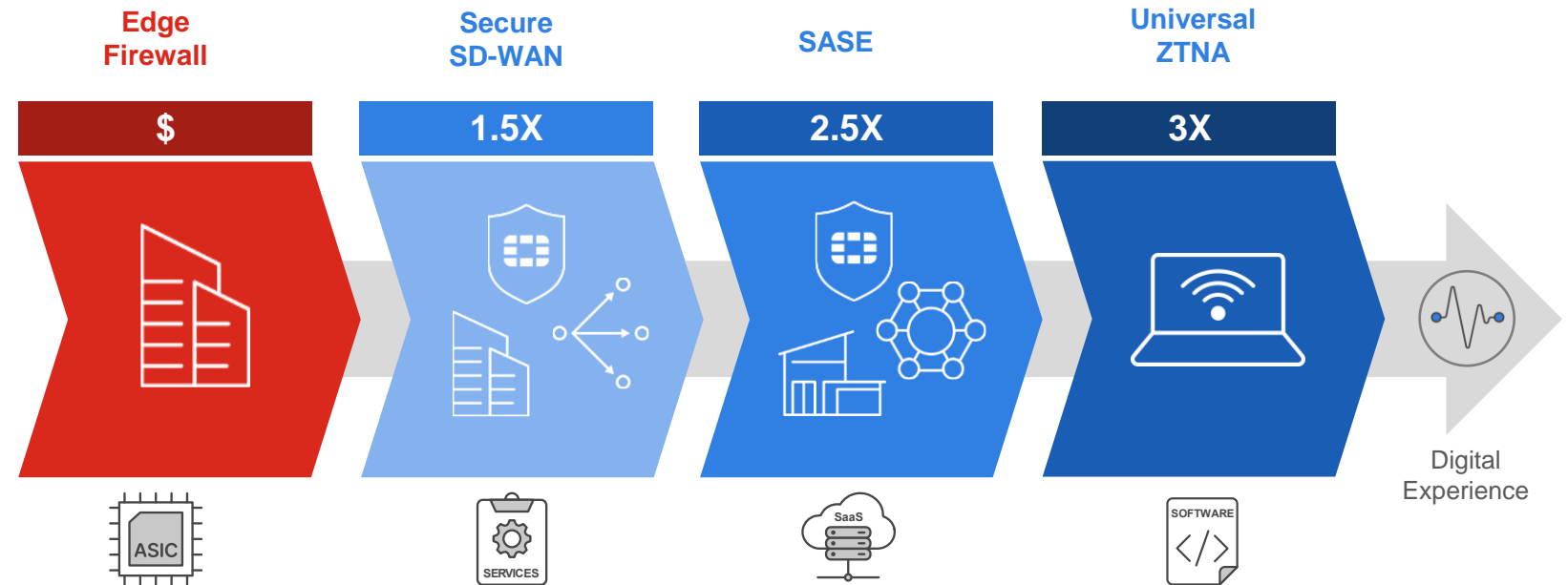
300%

Y/Y growth for SSE deals

100%

SSE Pipeline increase to nine figures in 2024

Typical Customer Journey



Most Comprehensive Security Operations Portfolio



Analyst Recognition



Business Growth*

34,000+

FortiAnalyzer customers

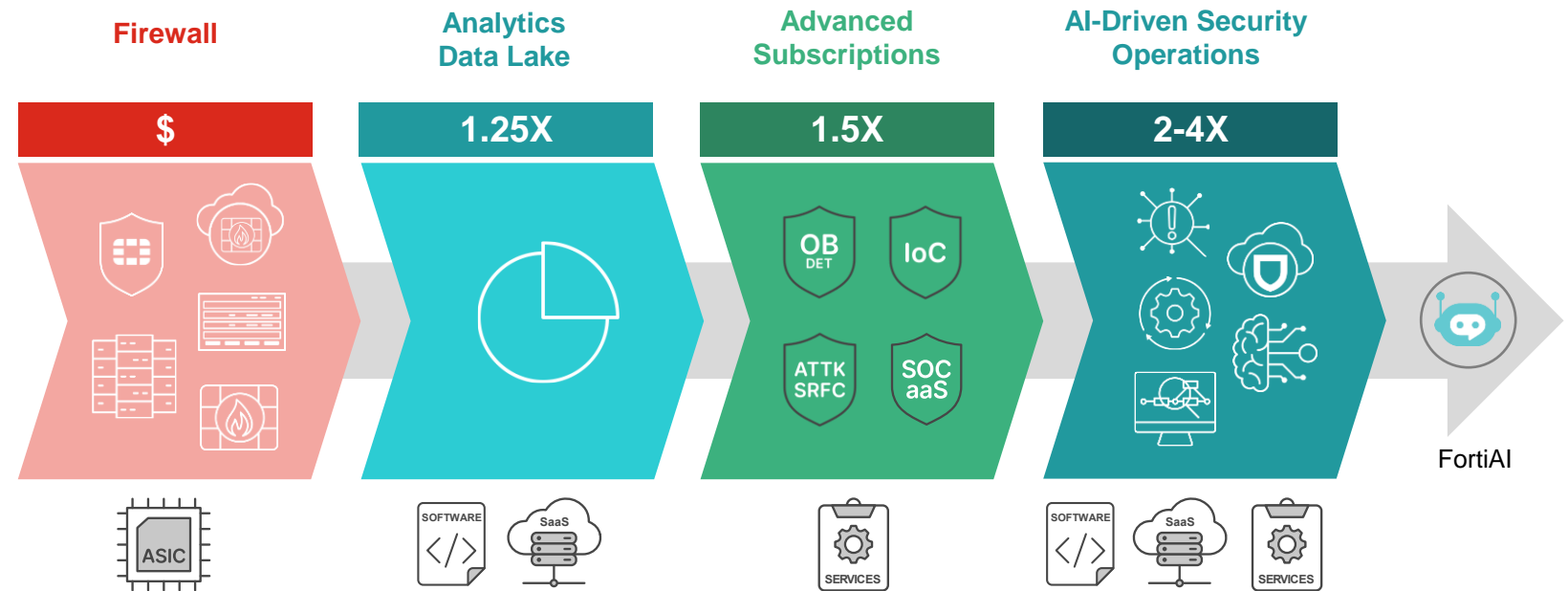
144%

3-year billings CAGR for SOCaaS

7+

FortiAI enabled products

Typical Customer Journey





Technology Vision

Robert May – EVP, Technology and Product Management



Technology Investments for the Long Term



FortiOS



Unified OS across on-prem, public cloud and SaaS, from small office to global enterprise.

FortiASIC



Hardware acceleration delivers fastest NGFW on the planet, plus power savings & ESG initiatives.



FortiCloud



Data center investment plus a global hybrid IaaS platform powering 50+ SaaS services.



FortiGuard



Threat research & intelligence delivering real-time protection, detection & response across entire ecosystem.

FortiAI



AI-guided, scalable & automated SecOps platform to optimize productivity and streamline all aspects of NOC & SOC operations.



Unified Adoption Strategy for Enterprises

50+ Products ↔ 3 Work Streams across Fortinet operations

Infrastructure & Networking

- 14,000 Users
- 120+ Offices
- 100+ Countries

Global IT

Manage all aspects of office networks, plus all remote user security and remote access.



NGFW
ASIC



LAN
Switch
Wireless
NAC



SD-WAN
Branch
DC
Cloud



ZTNA
Private Apps
SaaS Apps



SASE
Retail &
Wholesale



DEM
SASE Agent
ZTNA Agent



AI-Ops
Wireless
Switch
SD-WAN

Global SaaS Operations

- 8 Fortinet DC
- 17 Colo (Equinix, DLR)
- GCP, AWS, Azure, OCI

Cloud Ops

Operating as a Private Cloud Service Provider (P-CSP) to deliver a private IaaS platform for 24x7 certified SaaS delivery.



Hosted
Cloud Native



Public
EDR, NDR,
Lacework



Private
FMG Cloud
FAZ Cloud



Hybrid
SASE
FortiClient



PaaS
FGaaS
FMGaaS



Managed
SOCaaS
MDR
MFG



LLM
Secure LLM
as-a-Service

Security Operations

- 14,000 Users
- GDPR, ISO, SOC2
- Rigorous Supply Chain

InfoSec

Advanced SecOps process covering all attack vectors with continual evolution.



Data Lake
Analyzer



Endpoint
Vuln, EPP,
EDR



Network
NDR
Sandbox



Cloud
CNAPP



Data
DLP
DSPM
AI-SPM



AI
AI-SPM




Readiness
Recon
Red Team
IR



Proven Advantage of Single OS

Single OS Advantage

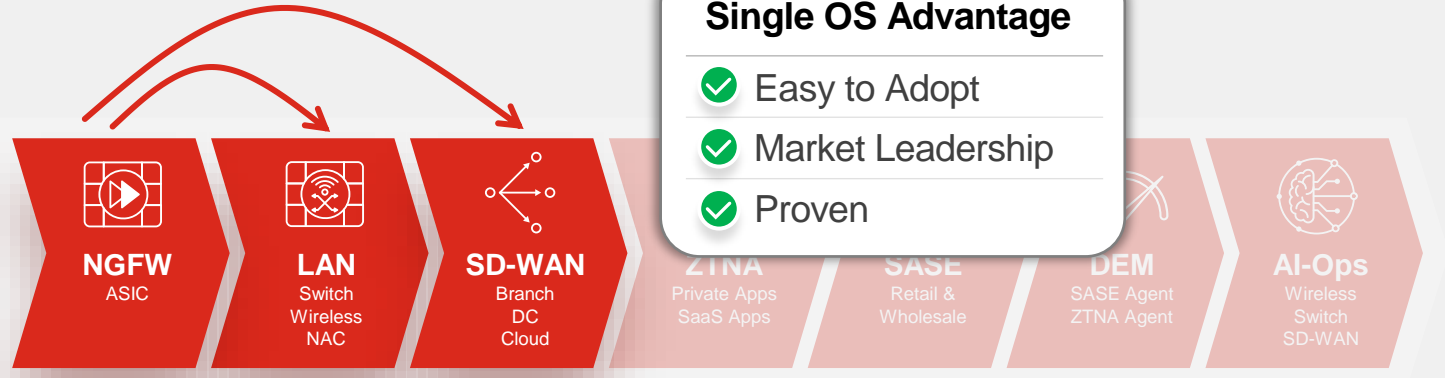
- ✓ Easy to Adopt
- ✓ Market Leadership
- ✓ Proven



Infrastructure & Networking

- 14,000 Users
- 120+ Offices
- 100+ Countries

Global MIS
 Manage all aspects of office networks, plus all remote user security and remote access.





Global SaaS Operations

- 8 Fortinet DC
- 17 Colo (Equinix, DLR)
- GCP, AWS, Azure, OCI

Cloud Ops
 Operating as a Private Cloud Service Provider (P-CSP) to deliver a private IaaS platform for 24x7 certified SaaS delivery.

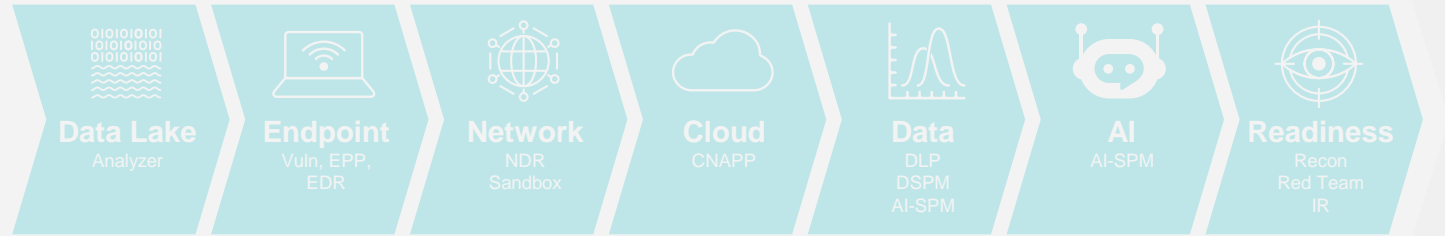




Security Operations

- 14,000 Users
- GDPR, ISO, SOC2
- Rigorous Supply Chain


InfoSec / CISO
 Advanced SecOps process covering all attack vectors with continual evolution.



Single OS for SASE

FortiSASE Advantage

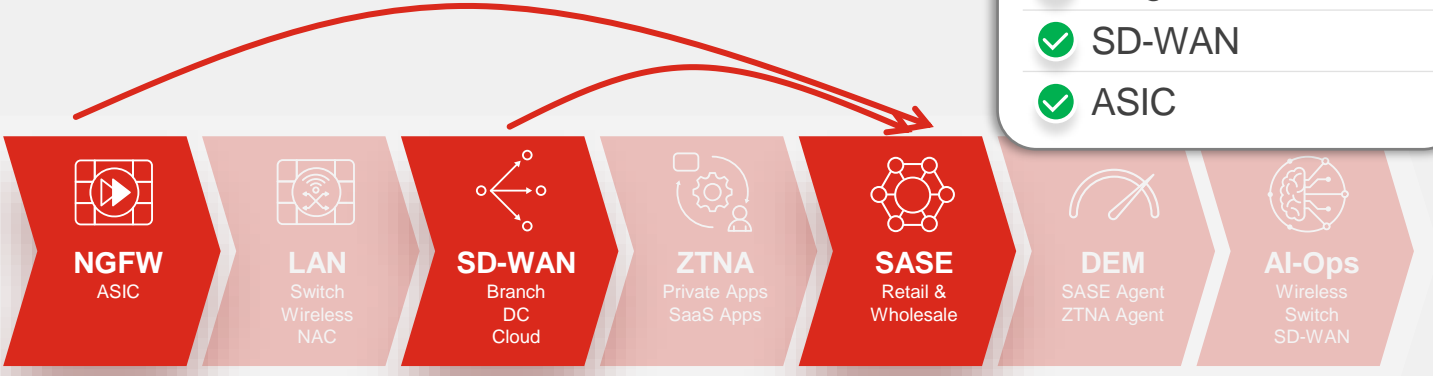
- ✓ Single OS
- ✓ SD-WAN
- ✓ ASIC



Infrastructure & Networking

- 14,000 Users
- 120+ Offices
- 100+ Countries

Global MIS
 Manage all aspects of office networks, plus all remote user security and remote access.

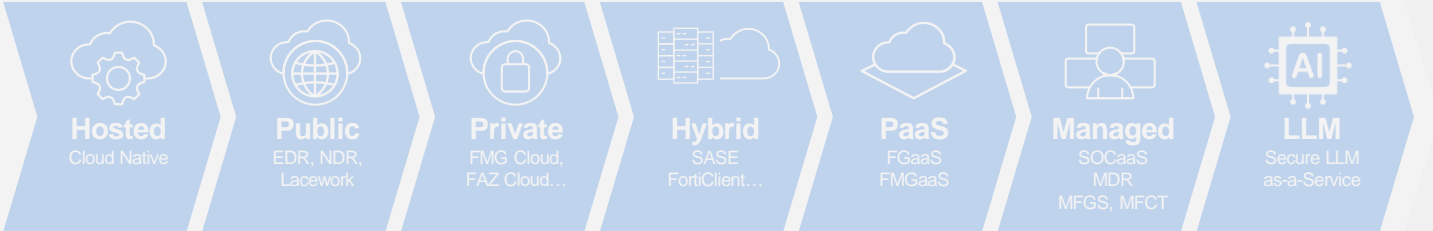




Global SaaS Operations

- 8 Fortinet DC
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 Operating as a Private Cloud Service Provider (P-CSP) to deliver a private IaaS platform for 24x7 certified SaaS delivery.

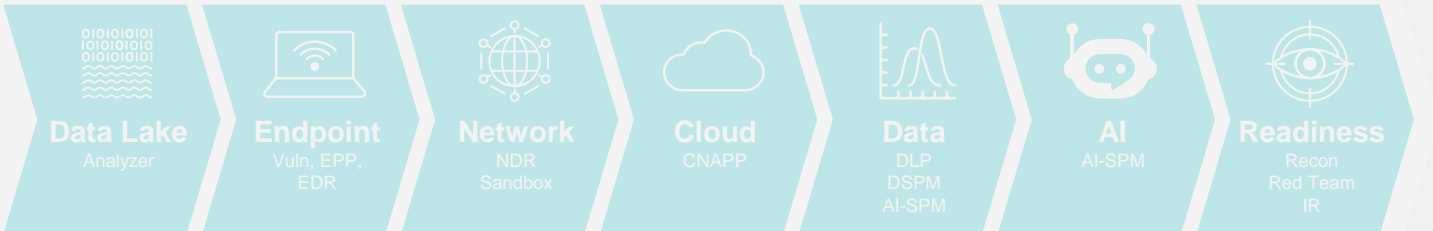




Security Operations

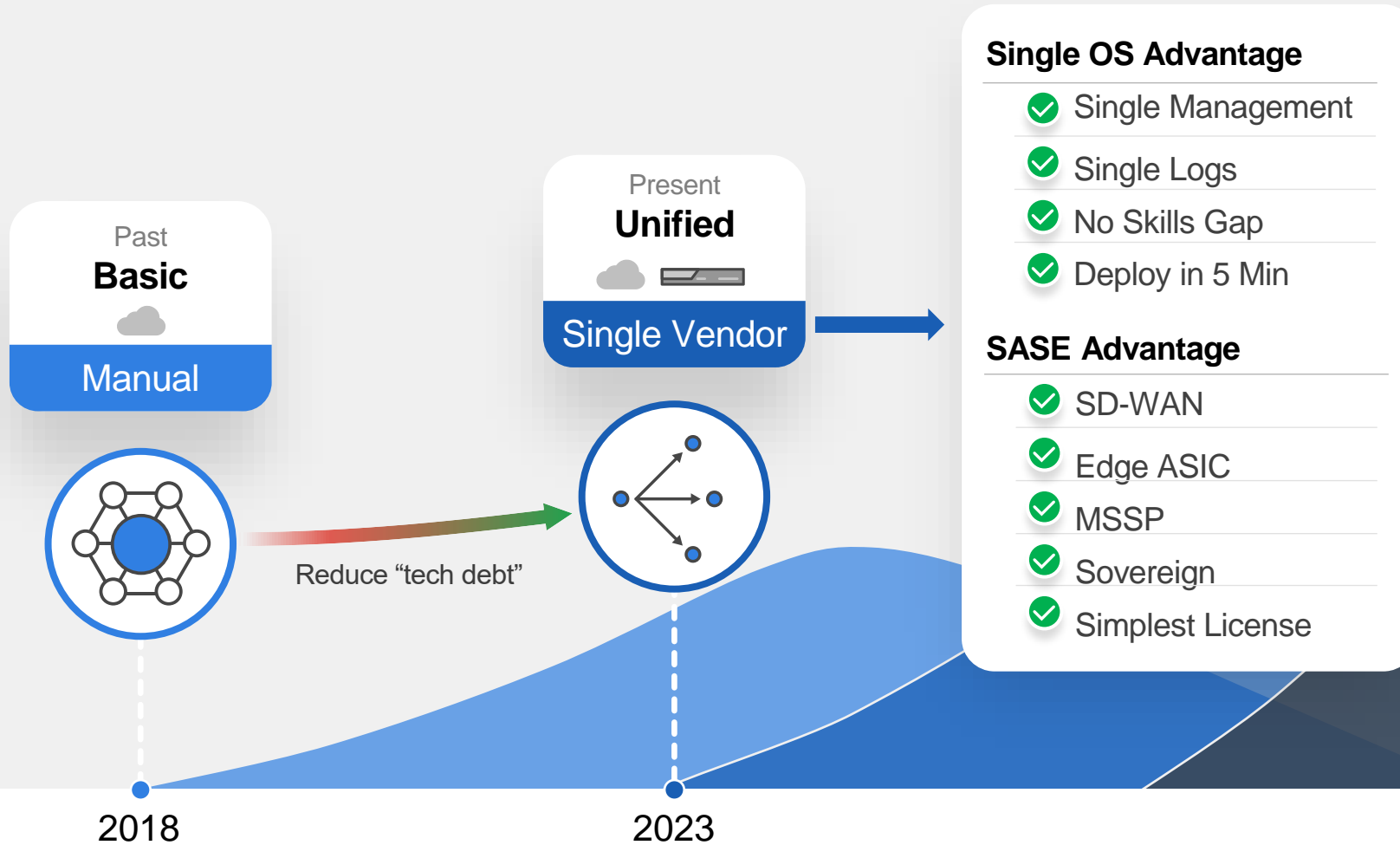
- 14,000 Users
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- Rigorous Supply Chain

InfoSec / CISO
 Advanced SecOps process covering all attack vectors with continual evolution.



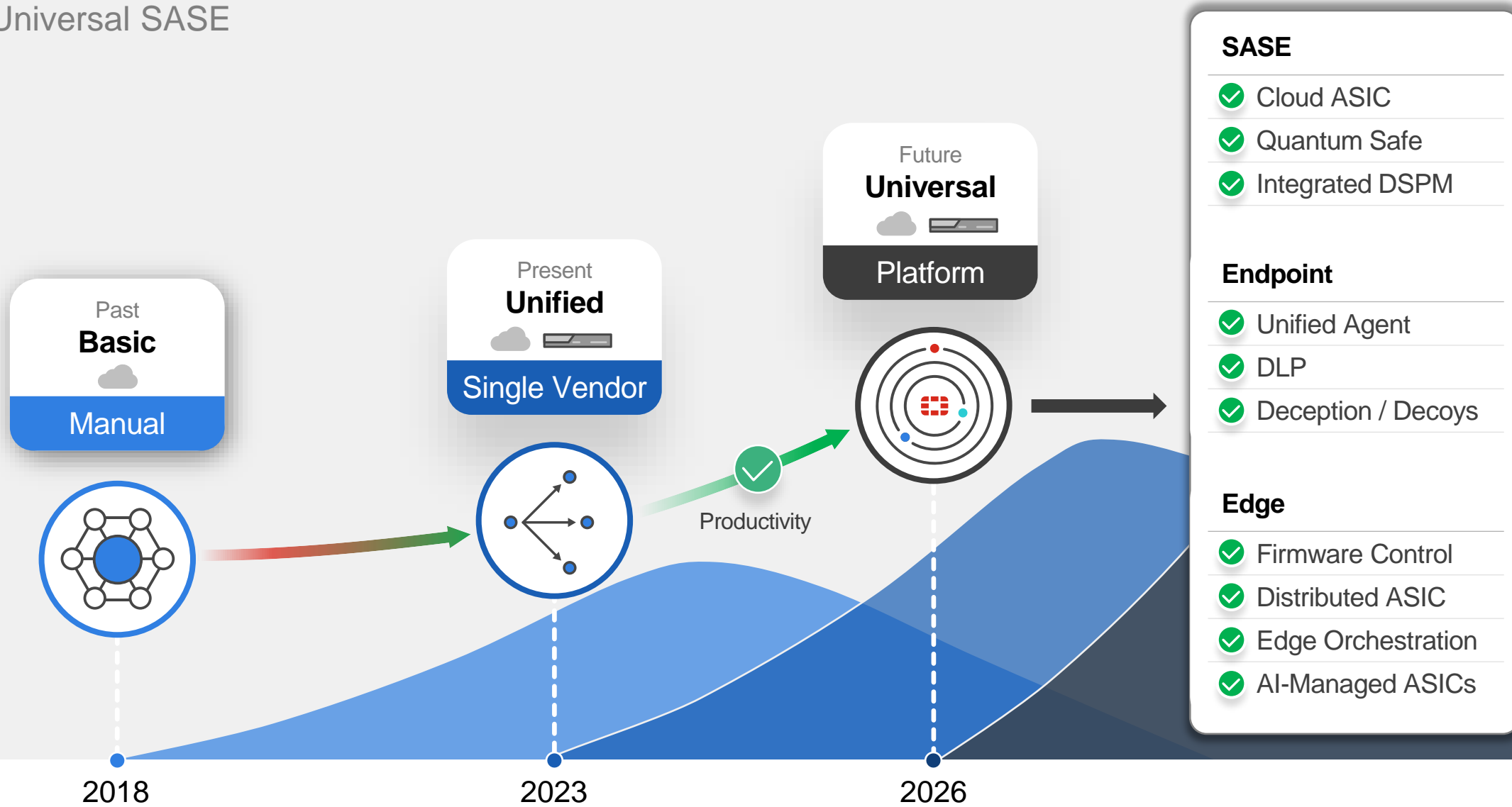
SASE Evolution

Single Vendor SASE



SASE Evolution

Universal SASE



AI Data Center Advantage

Customer OS Journey



Investing in Owned Global Infrastructure

Only one to deliver global reach providing flexible connectivity and cost savings.



4.3M Total Sq Ft
3.3M Owned
1.0M Leased



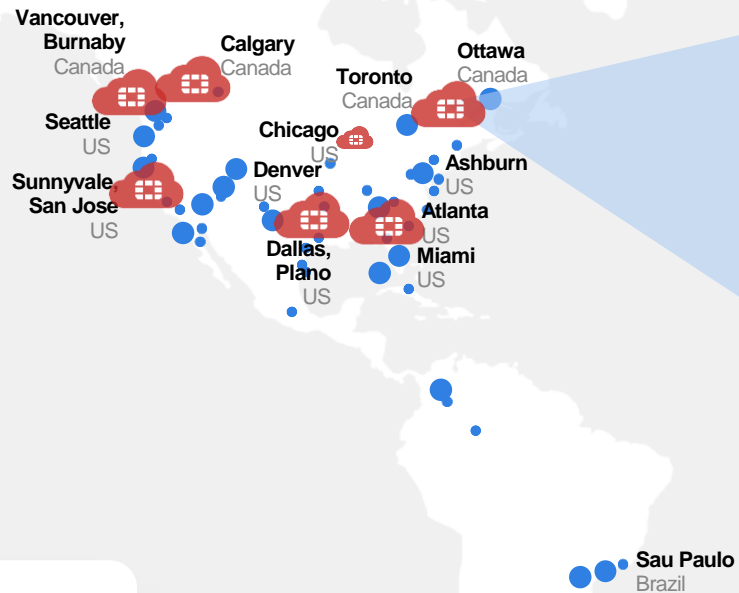
Cost Savings
Drive Competitive
Advantage



FortiStack
Organically built
private CSP

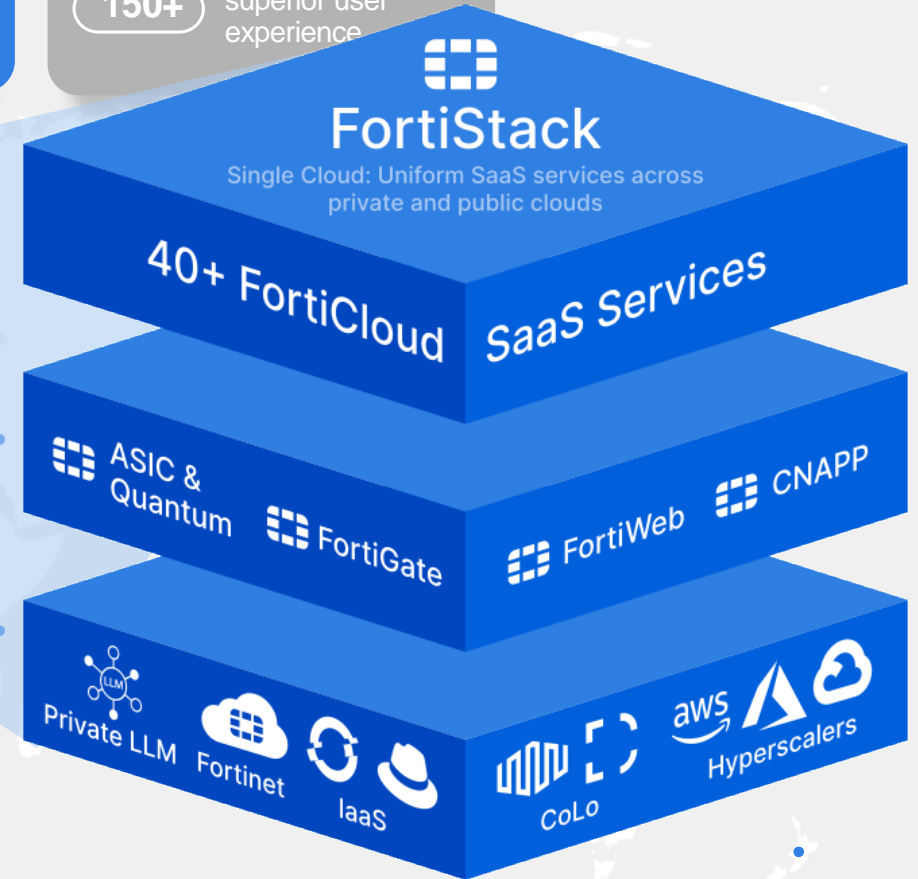


Cloud Locations
superior user
experience



Fortinet Data Center / POP

Co-location / Cloud
Equinix, DLR, GCP, AWS, Azure, OCI



Flexible SASE Deployments



FortiSASE



FortiSASE (White Label)



Sovereign SASE



DIY SASE

Cloud-delivered service

Private Customer DC

Portal

Fortinet Cloud

Fortinet White Label

Fortinet Cloud

Customer Data Center

Management

Fortinet Cloud

Fortinet Cloud

Customer Data Center

Customer Data Center

Logs / Data

Fortinet Cloud

Customer Data Center

Customer Data Center

Customer Data Center

Security

Fortinet Cloud

Fortinet Cloud

Customer Data Center

Customer Data Center

H/W & S/W

Fortinet Cloud

Fortinet Cloud

Customer Data Center

Customer Data Center

Gartner Defined SASE

Service Provider SASE

Private SASE

Self Managed SASE



SecOps Consolidation with Unified Data Lake

Customer OS Journey

Infrastructure & Networking

- 14,000 Users
- 120+ Offices
- 100+ Countries

Global MIS

Manage all aspects of office networks, plus all remote user security and remote access.

Global SaaS Operations

- 8 Fortinet DC
- 17 Colo (Equinix, DLR)
- GCP, AWS, Azure, OCI

Cloud Ops

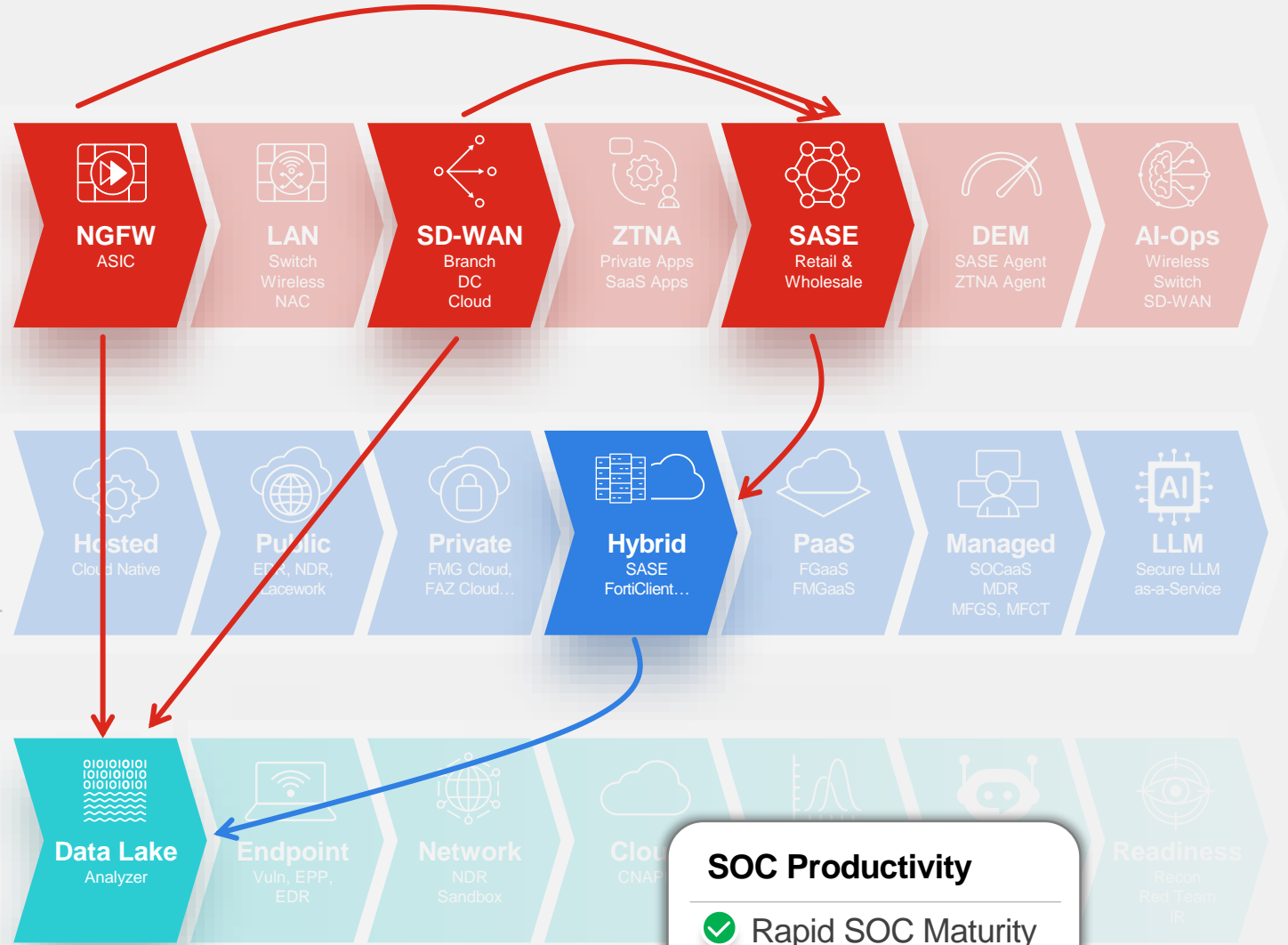
Operating as a Private Cloud Service Provider (P-CSP) to deliver a private IaaS platform for 24x7 certified SaaS delivery.

Security Operations

- 14,000 Users
- GDPR, ISO, SOC2
- Rigorous Supply Chain

Data Lake Advantage

- ✓ Included by Default
- ✓ SIEM + SOAR + XDR
- ✓ Fabric Expansion



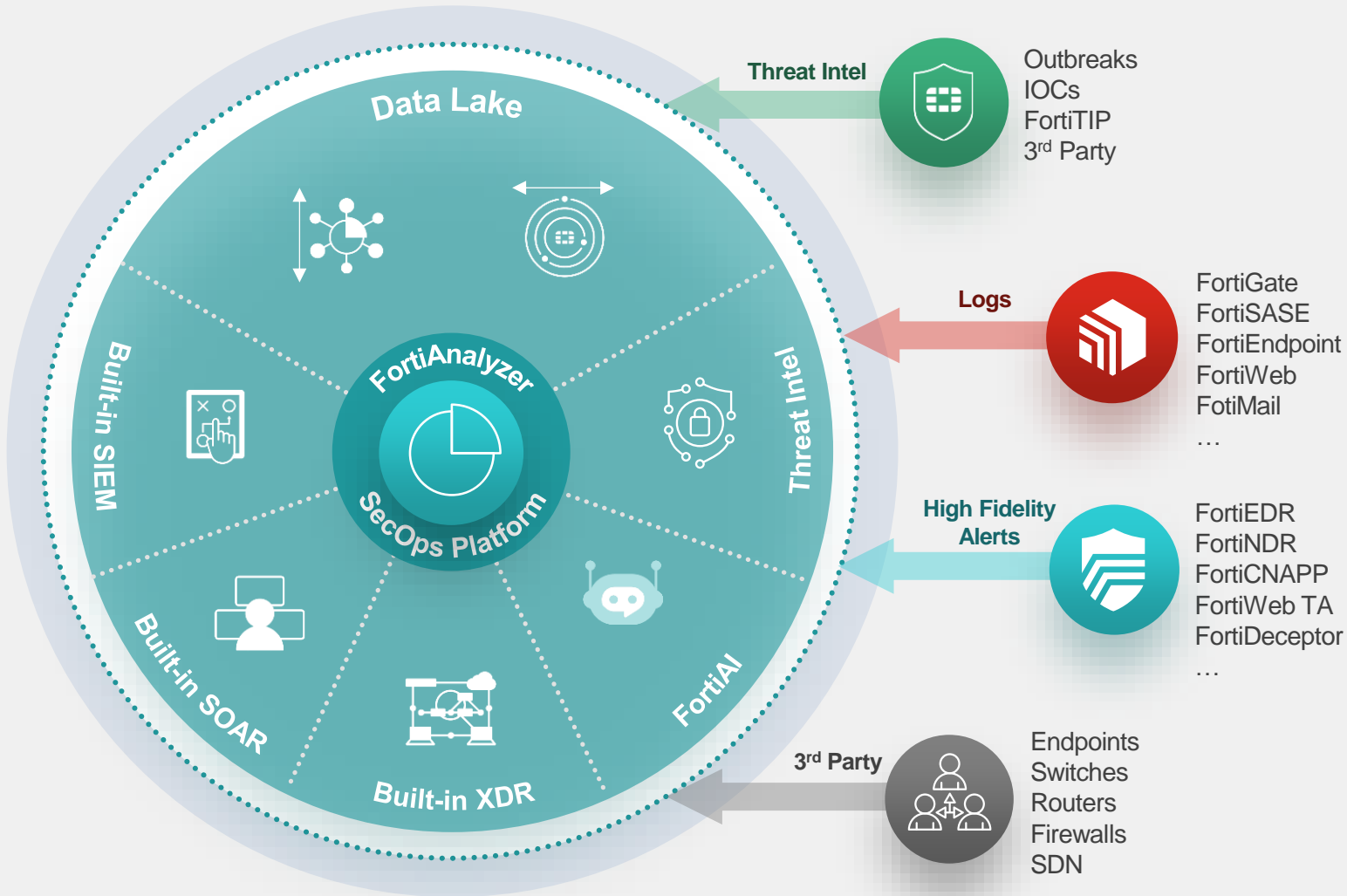
SOC Productivity

- ✓ Rapid SOC Maturity
- ✓ End-to-end GenAI
- ✓ Easy to Expand



Unified Data Lake

AI-Powered SecOps Platform



AI

Technology & Infrastructure Investments

FortiAI

Big Data

AIOps

LLMs

Traditional SOC → Tools sprawl
Limited resources + shortage
DevOps maintenance

↓

Security Fabric → Built-in Connectors
Reduced tools knowledge
Fortinet-maintained DevOps

↓

FortiAI → End-to-end SOC triage & action
Significant productivity gains
Broad & endless use cases

\$2B+

investment in
ASIC

\$1B+

investment in infrastructure
to support data centers and
other operations



Extensive Products Portfolio



Secure Networking

FortiGate
FortiManager
FortiSwitch
FortiAP
FortiExtender
FortiNAC
FortiDDoS
+MORE



Unified SASE

FortiGate (*SD-WAN*)
FortiSASE (*SSE*)
FortiClient (*ZTNA*)
FortiMonitor (*DEM*)
FortiGate VM
FortiGate CNF
FortiWeb (*WAF*)
FortiProxy (*SWG*)
+MORE



AI-Driven Security Operations

FortiAnalyzer
FortiCNAPP
FortiDLP
FortiSIEM
FortiEDR
FortiSOAR
FortiNDR
FortiMail
FortiRecon
FortiGuard SOCaaS
+MORE





Go-To-Market Strategy

John Whittle, COO

Matthew Pley, EVP, America Sales

Joe Sarno, EVP, International Sales

Trevor Pagliara, SVP, Sales

Pedro Paixao, SVP, Sales



Go-to-Market Panel



John Whittle
COO
MODERATOR



Joe Sarno
EVP, International
Sales



Matthew Pley
EVP, America Sales



Trevor Pagliara
SVP, Sales



Pedro Paixao
SVP, Sales





Secure Networking

\$75B

'24-'28 CAGR: +7%



Unified SASE

\$46B

'24-'28 CAGR: +16%



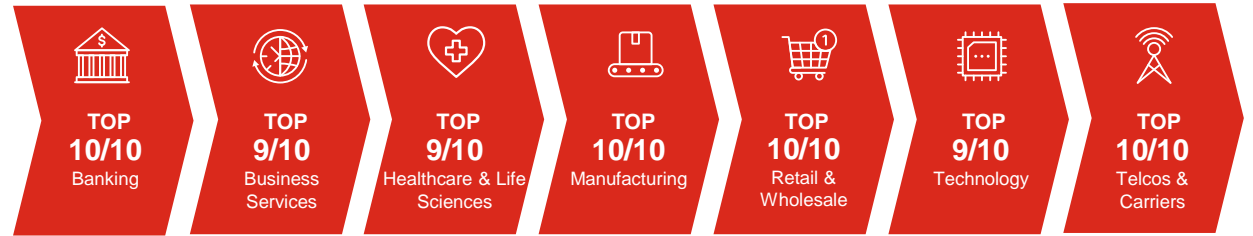
AI-Driven Security Operations

\$163B

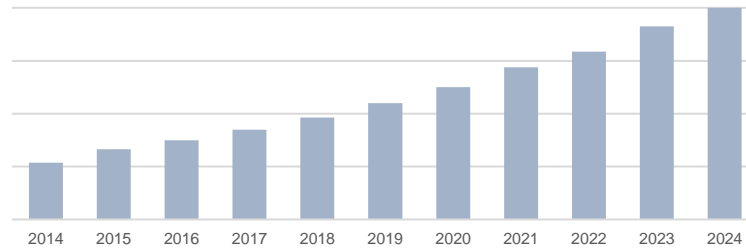
'24-'28 CAGR: +13%

#1 in Enterprise

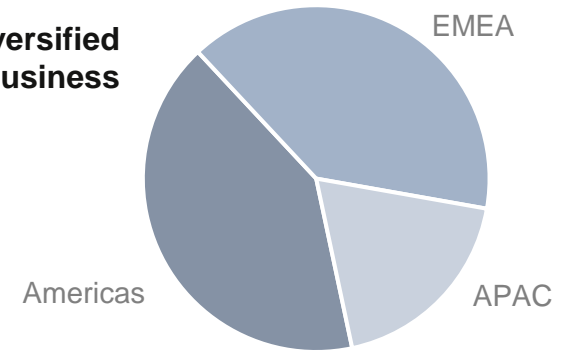
77% of Fortune 100 and 71% of Global 2000 depend on Fortinet to stay secure



805,000+ Lifetime Customers



Globally Diversified Business



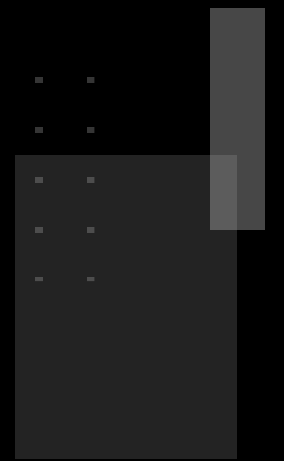
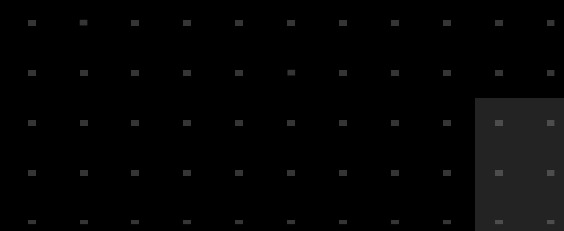
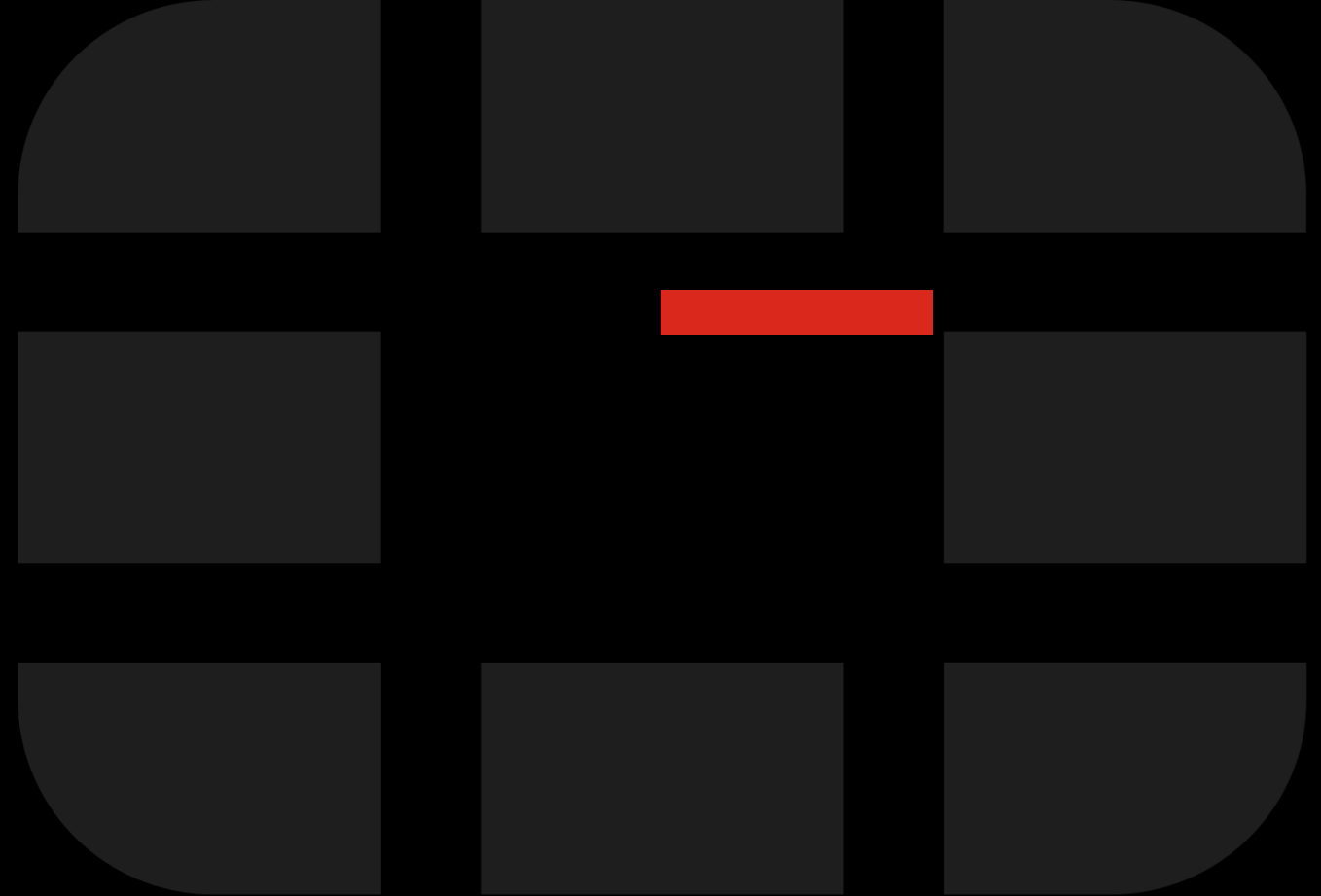
Global Leader in Product Growth with Strong Growth in Annual Billings and Profitability with 23% CAGR





FORTINET

Break





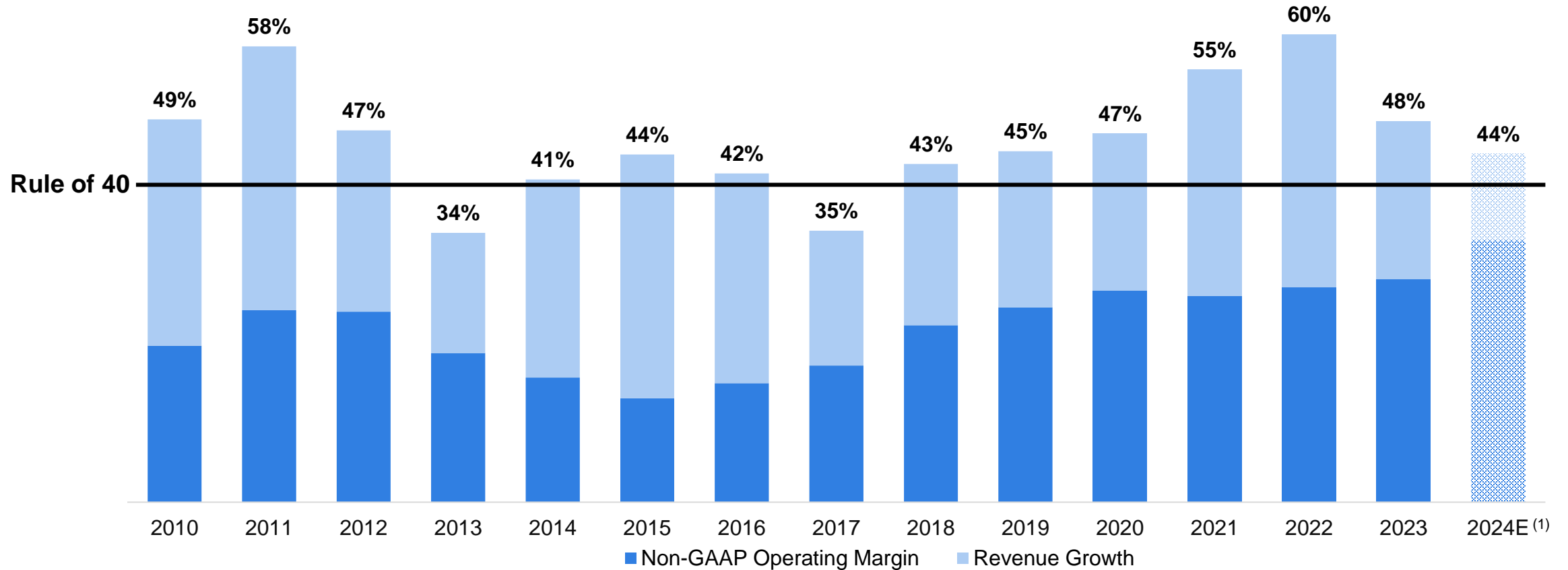
Financial Outlook

Keith Jensen, Chief Financial Officer
Christiane Ohlgart, Chief Accounting Officer



Consistent Execution – ‘Rule of 40’

Exceeding the Target 12 Times in 14 Years



Fortinet defines the Rule of 40 as GAAP revenue Y/Y growth plus Non-GAAP Operating Margin. See Appendix for reconciliation of the non-GAAP financial measures to the most comparable GAAP financial measures. Fortinet's IPO was on November 18, 2009.

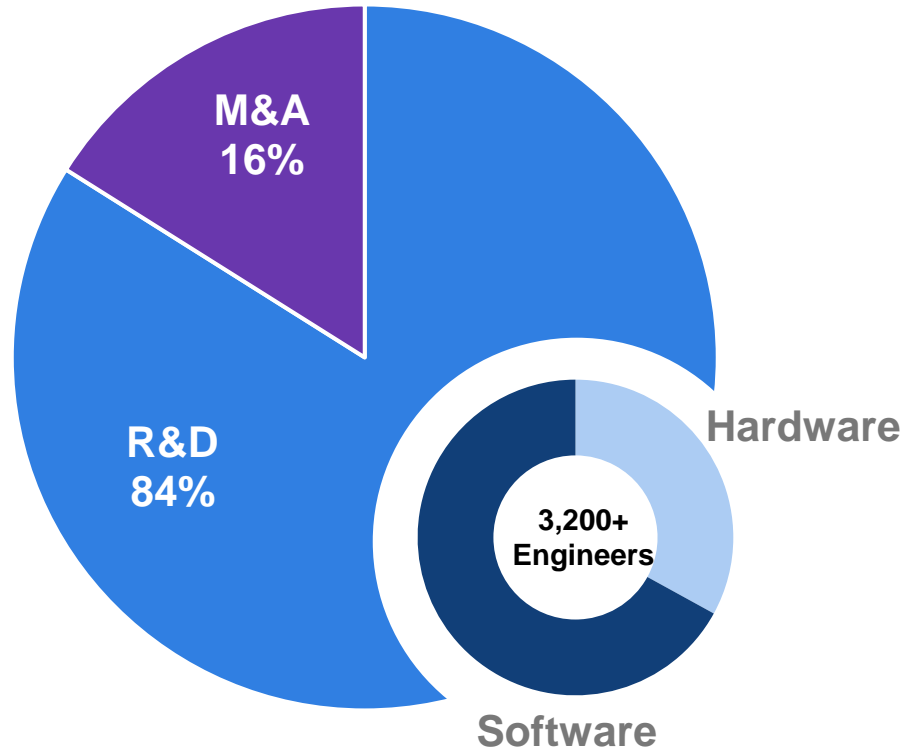
⁽¹⁾ Based on the midpoint of 2024 guidance provided on November 7, 2024.

Strategic Investments & Capital Allocation Since 2020

\$4B+ Innovation Investments Since IPO

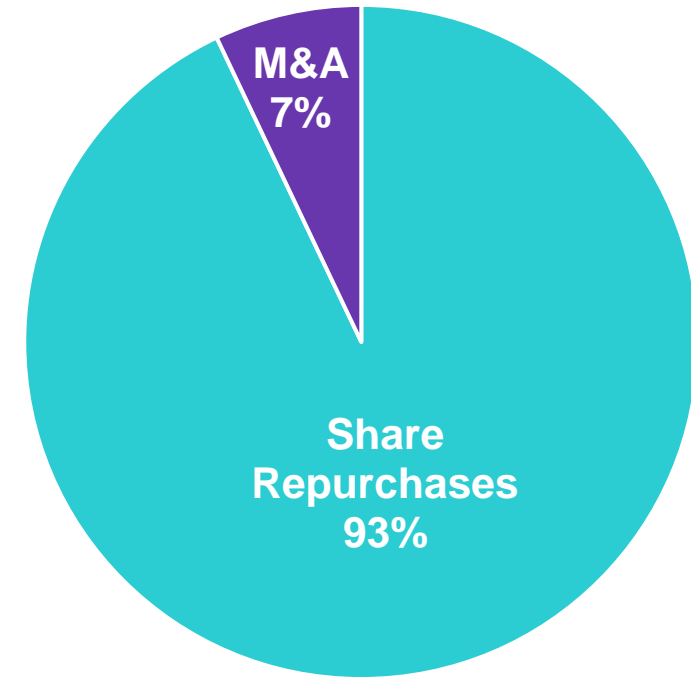
Innovation: \$2.5B

\$2.1B spent on R&D



Capital Return: \$5.7B

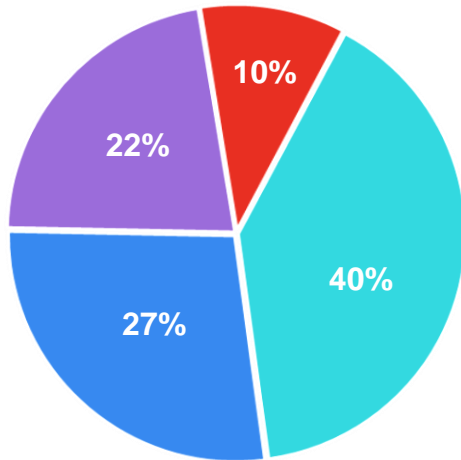
Repurchased 135M Shares for \$5.3B



Highly Diversified Business

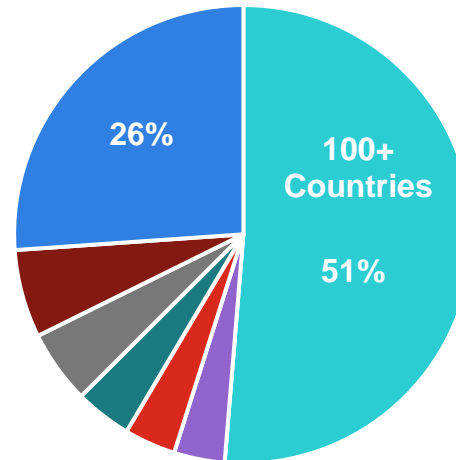
Across Customer Types, Geographies and Industries

Customer Types



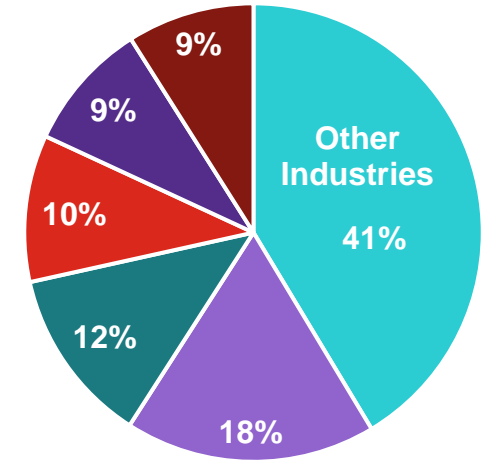
- Large Enterprise
- Mid Enterprise
- Small Enterprise
- SP/MSSP

Geographies



- 100+ Countries
- United States
- Canada
- Germany
- United Kingdom
- France
- Japan

Industries

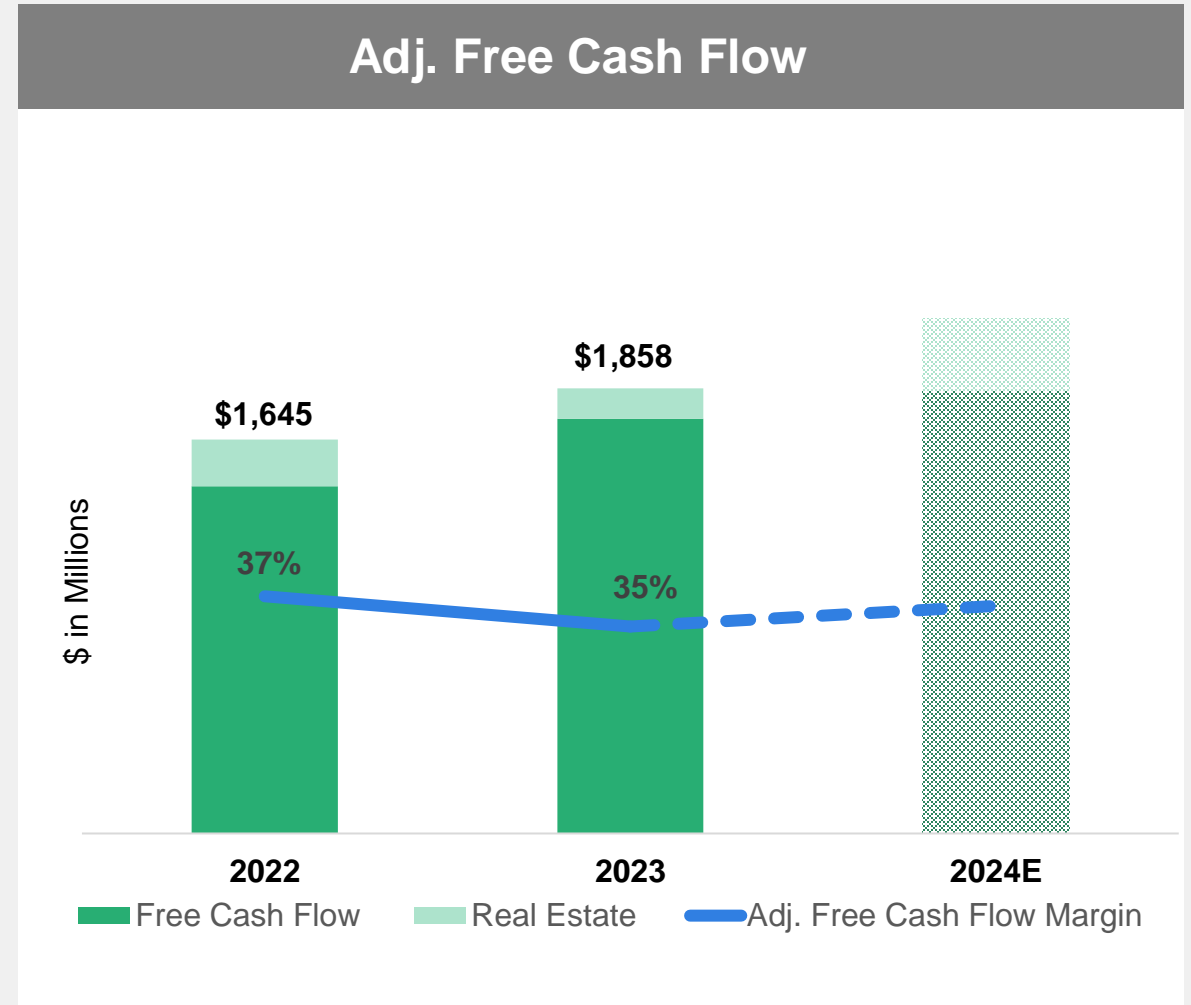
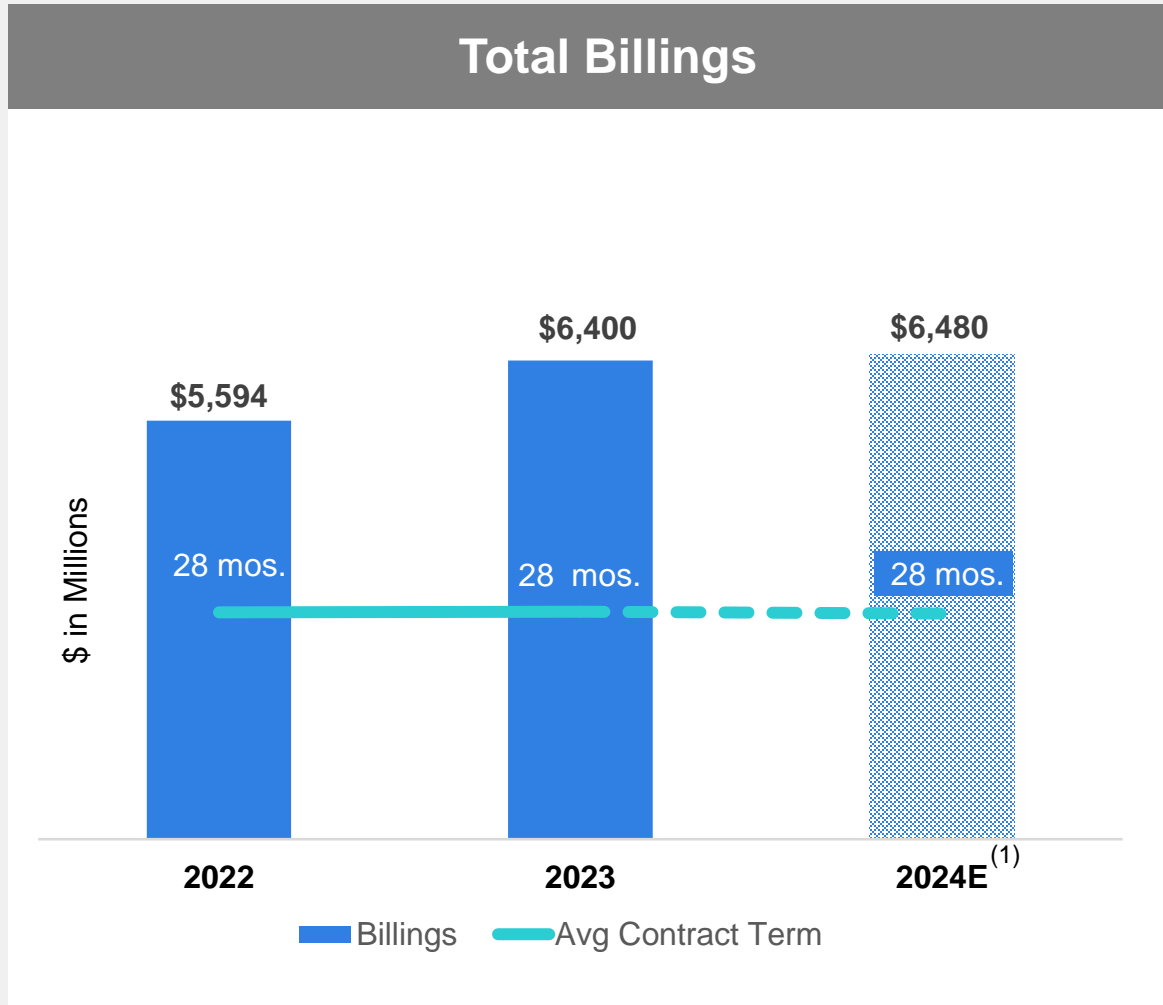


- Worldwide Gov't
- Fin Serv
- SP/MSSP
- Retail
- Manufacturing



Rich Cash Flow Margins Powering Innovation & S/H Returns

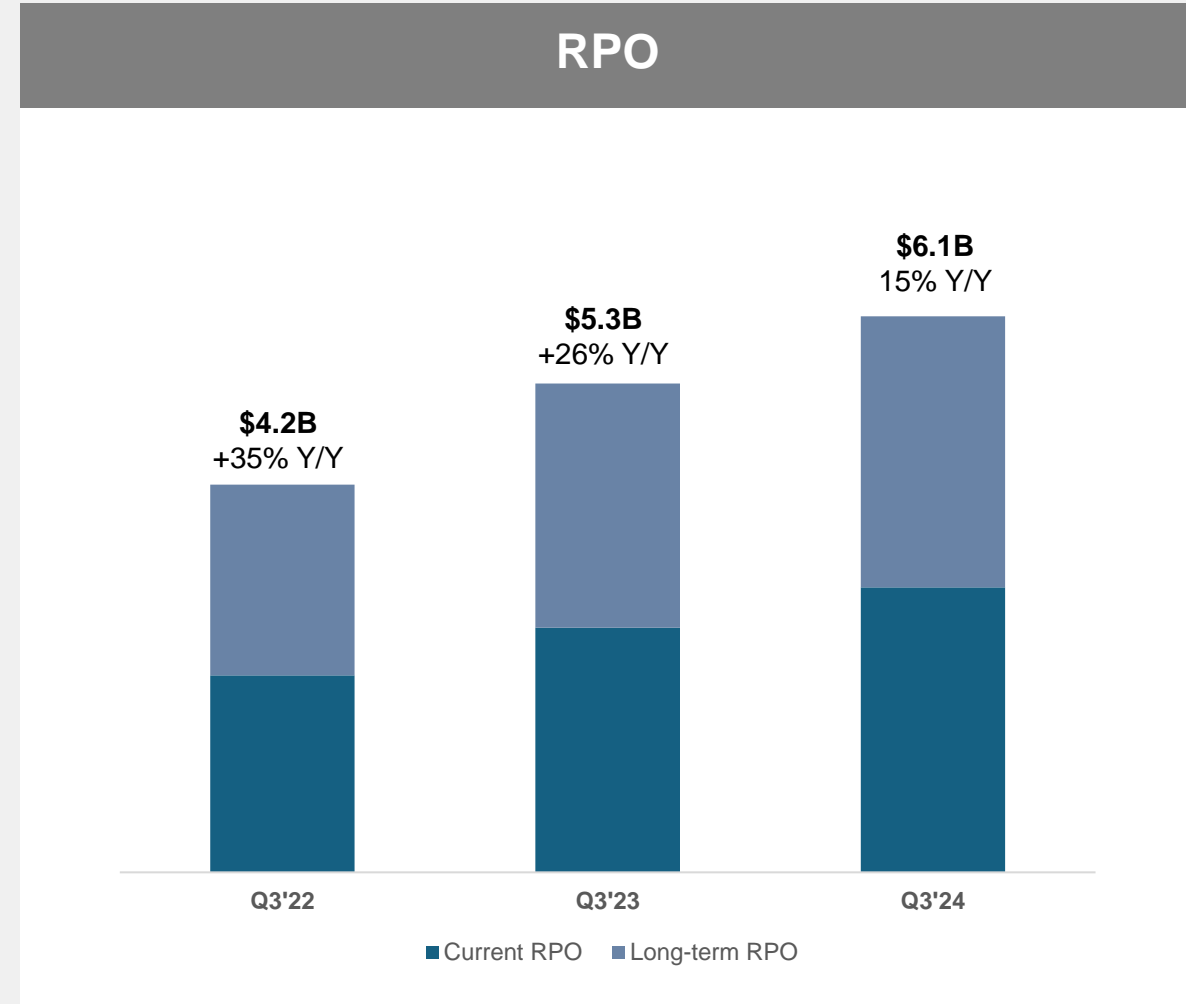
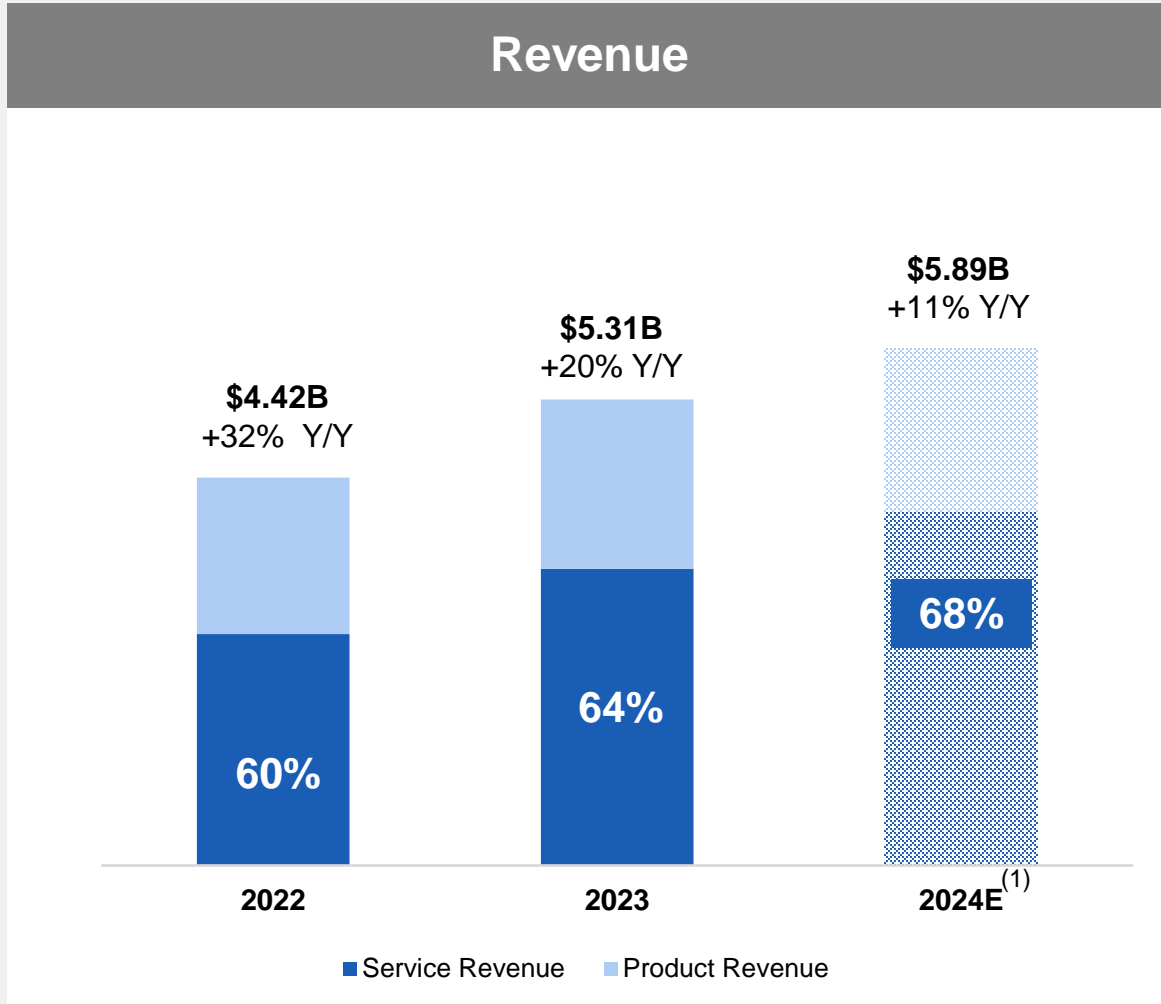
Contract Duration Remains Stable



Based on the midpoint of 2024 guidance provided on November 7, 2024.
Note: Total Billings is a non-GAAP financial measure. See Appendix for reconciliation of the non-GAAP financial measure to the most comparable GAAP financial measure.

Revenue Mix Shifts to Higher Margin Service Revenue

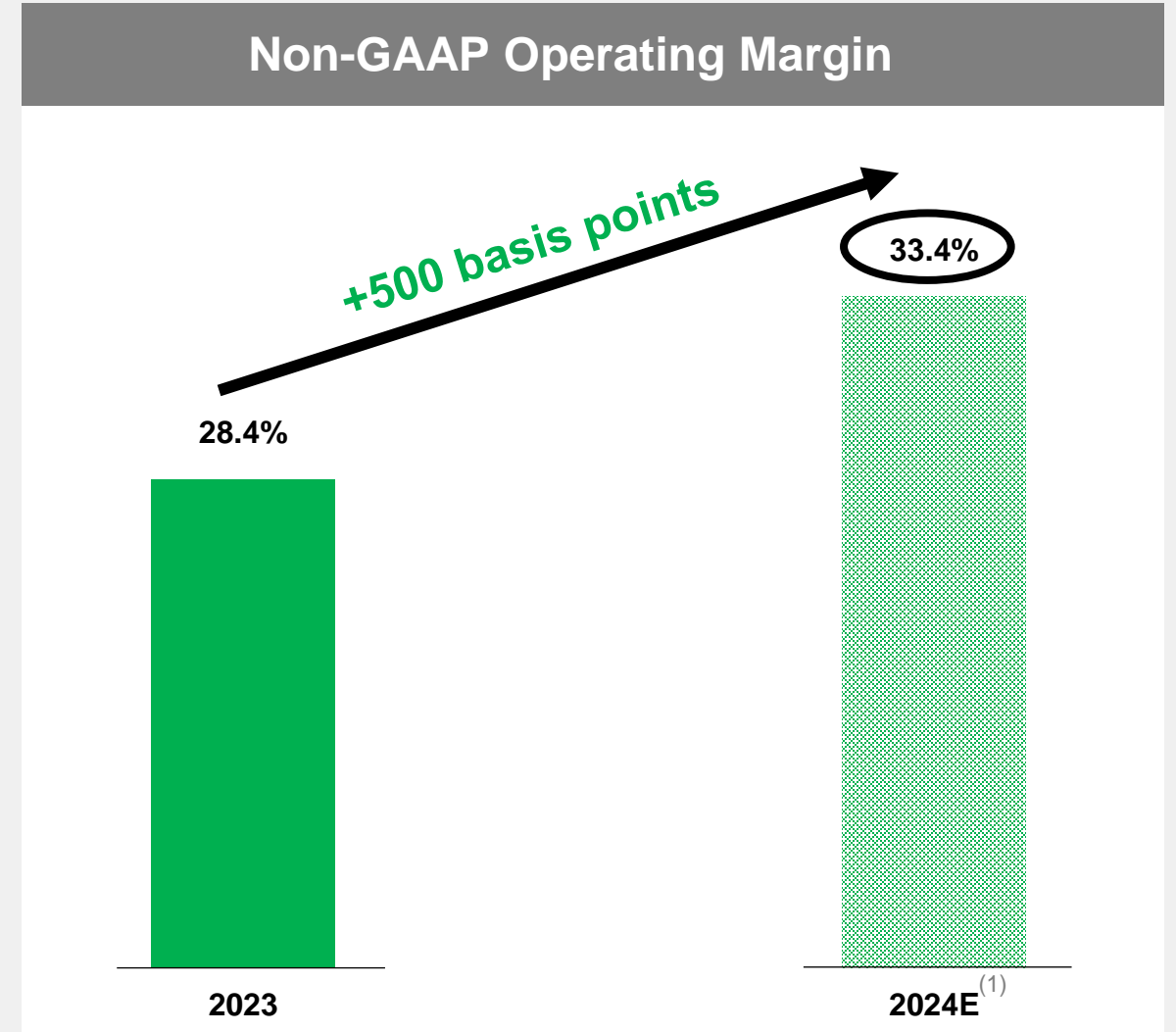
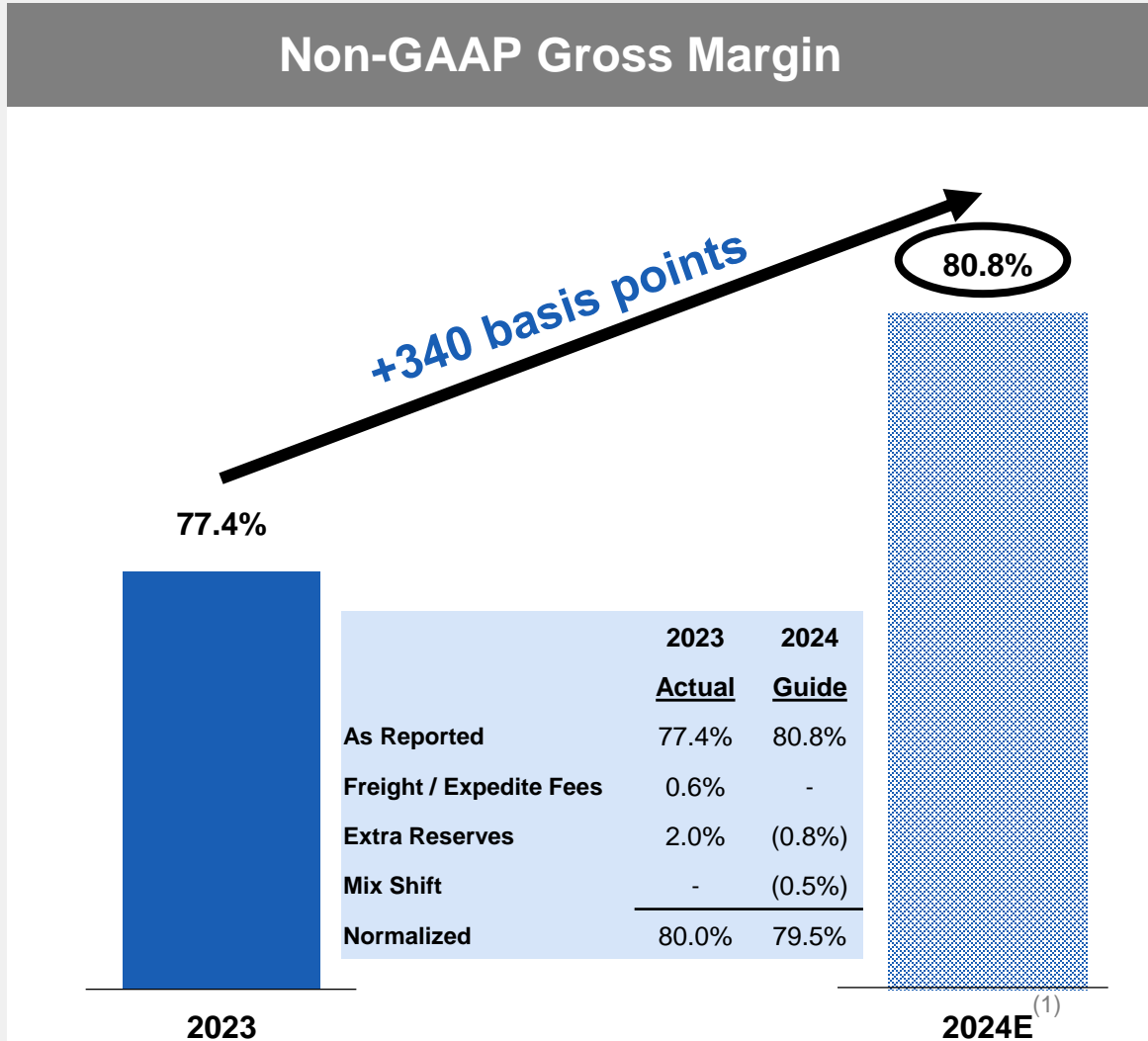
cRPO Growth is 16% YoY



⁽¹⁾ Based on the midpoint of 2024 guidance provided on November 7, 2024.

Significantly Expanded Gross & Operating Margins

Gross Margin Stabilizing at a Higher Level

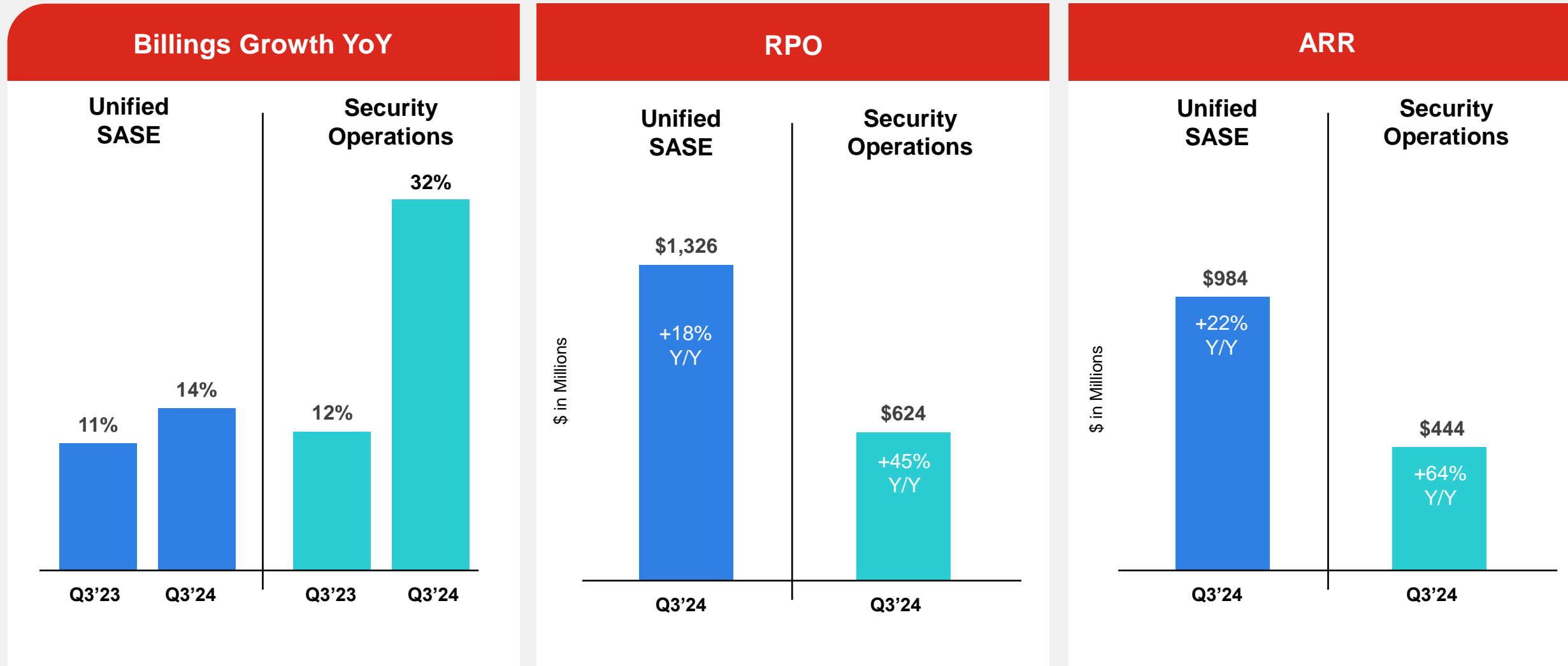


⁽¹⁾ Based on the midpoint of 2024 guidance provided on November 7, 2024.

Non-GAAP gross margin and non-GAAP operating margin are non-GAAP financial measures. See Appendix for reconciliation of the non-GAAP financial measures to the most comparable GAAP financial measures.

Unified SASE and SecOps Billings Mix, Growth Rates and ARR

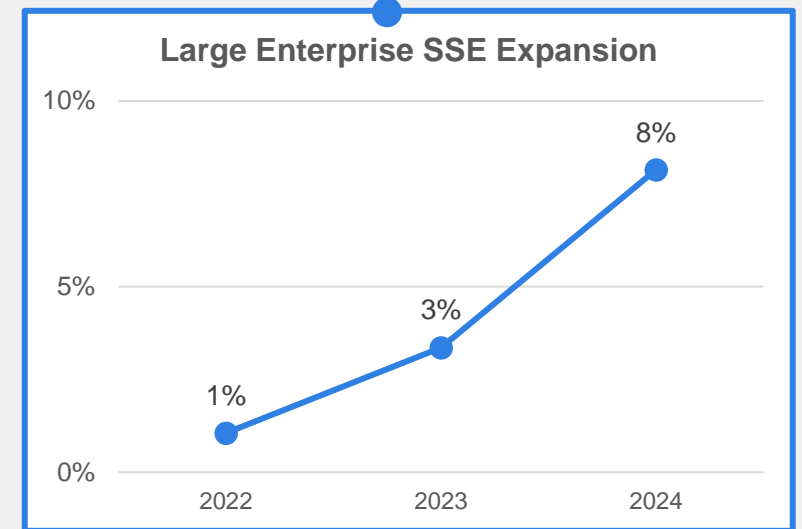
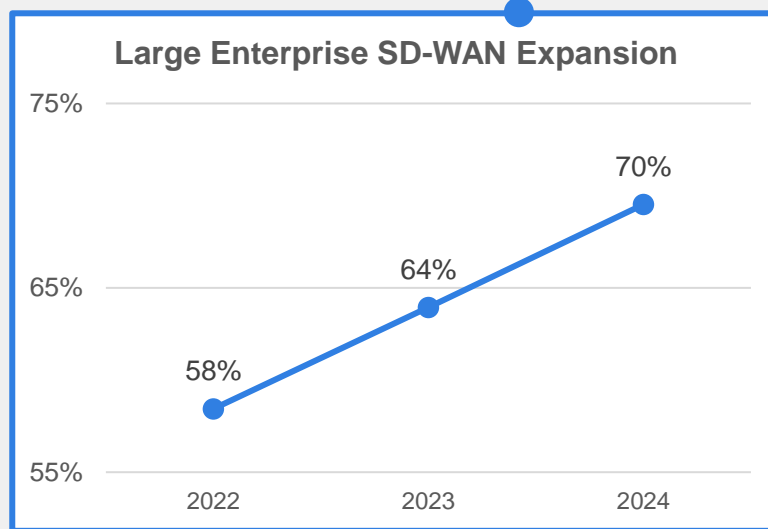
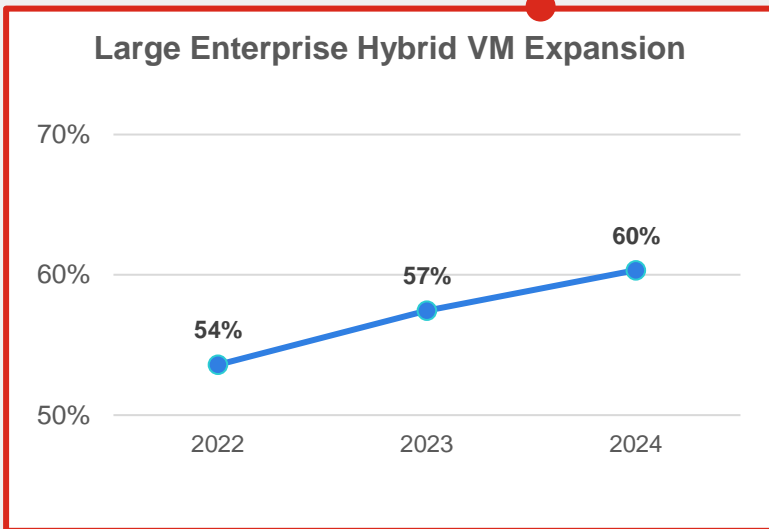
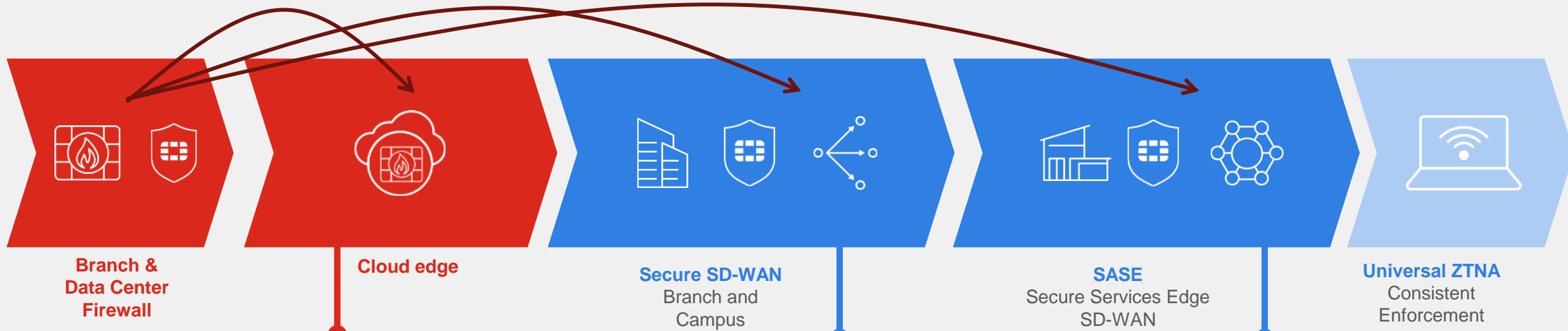
SSE ARR Growth is Over 500%



Note: Unified SASE includes SD-WAN (based on a percentage of FortiGate billings), SSE and related solutions. Security Operations includes Lacework and NextDLP. ARR is defined as the annualized value of renewable / recurring customer agreements as of the measurement date, assuming any contract that expires during the next 12 months is renewed at its existing value.

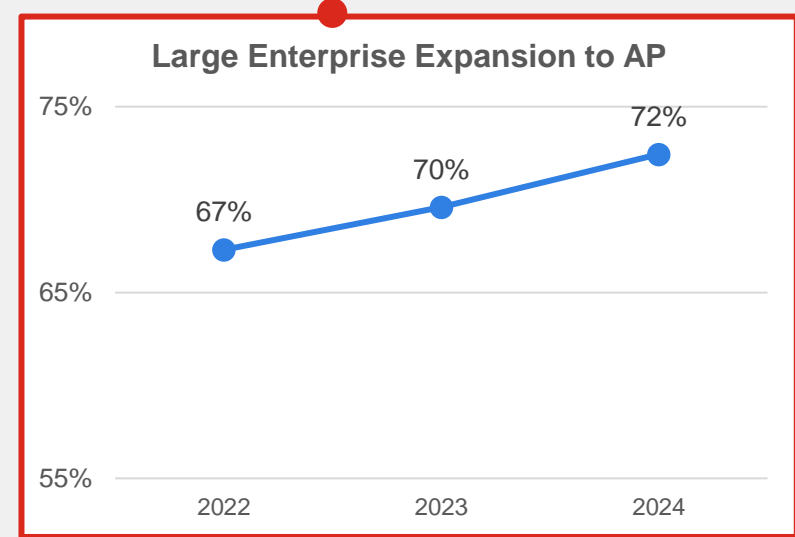
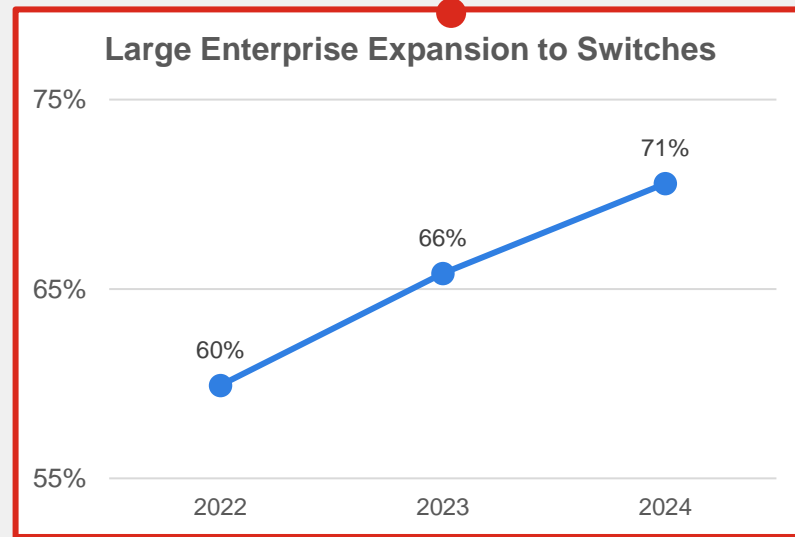
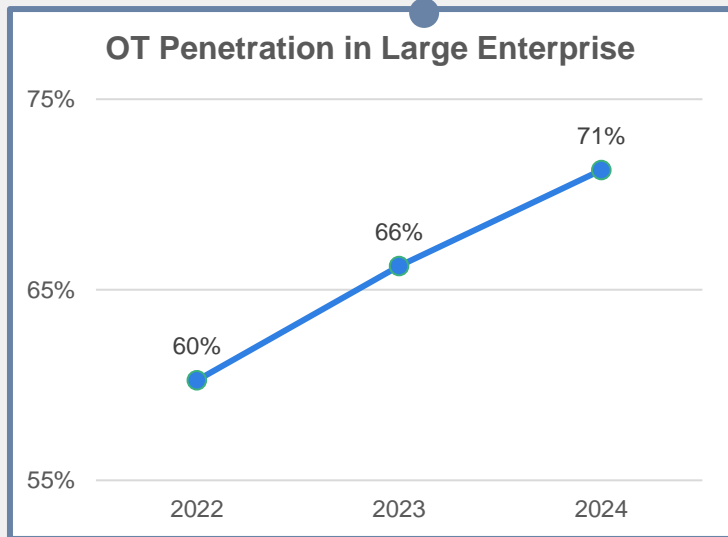
Consolidation – SD-WAN & SSE

70% of Large Enterprise Customers Have Expanded to SD-WAN Functionality, leveraging the Single OS



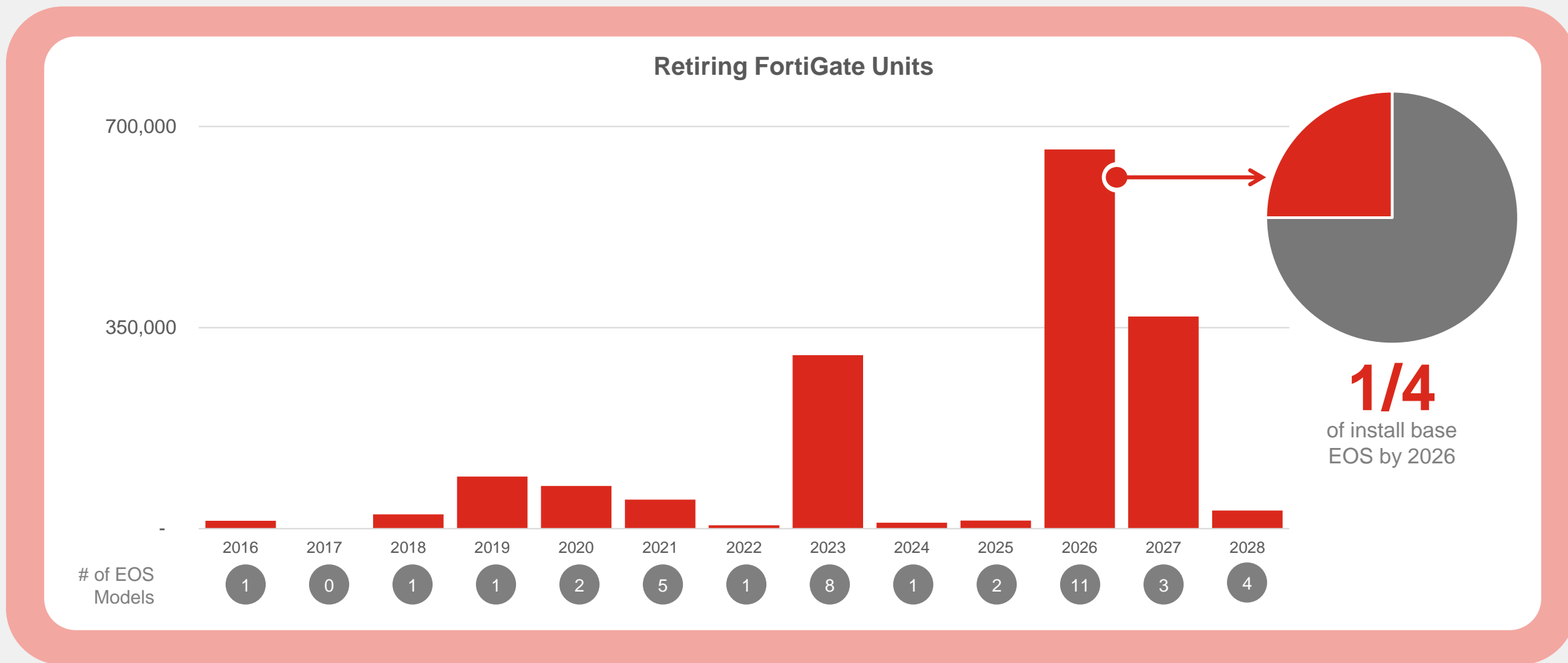
Convergence – Switch & APs

Over **70%** of Large Enterprise Customers have Converged Firewalls, Switches, and APs



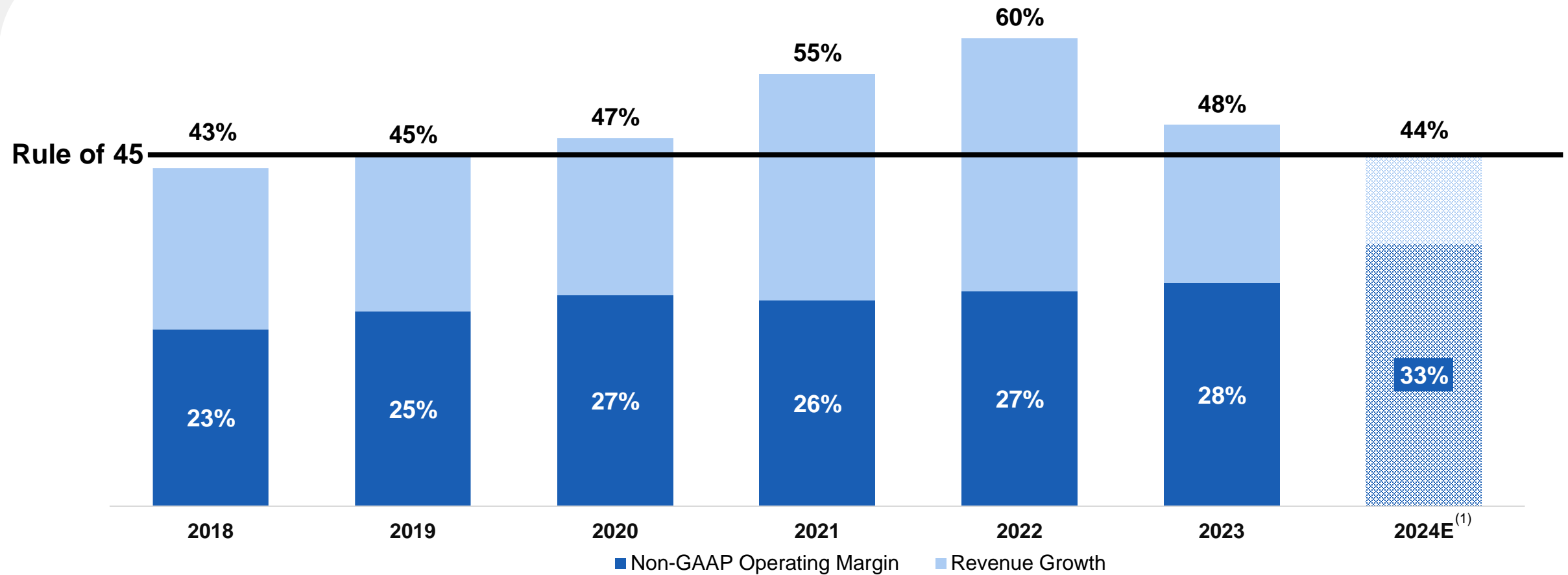
Secure Networking – Upgrade

2026 Upgrade is Underway, Adding Product Revenue and Service Upsell/Expansion



Moving to the 'Rule of 45'

Met the Rule of 45 Five Times in the Last Seven Years



Fortinet defines the Rule of 45 as GAAP revenue Y/Y growth plus Non-GAAP Operating Margin. See Appendix for reconciliation of the non-GAAP financial measures to the most comparable GAAP financial measures.

⁽¹⁾ Based on the midpoint of 2024 guidance provided on November 7, 2024.

Financial Targets

Long-term Target: Achieve the Rule of 45 ⁽¹⁾

	2023	2024E	3 – 5 Year Targets
	YoY Growth		
Billings	14%	1%	>12% CAGR <i>Faster than market</i>
Revenue (GAAP)	20%	11%	>12% CAGR <i>Faster than market</i>
Operating Margin	28%	33%	>30%
Rule of 45	48	44	45+
Adjusted Free Cash Flow	35%		mid-to-high 30%'s

⁽¹⁾ Fortinet defines the Rule of 45 as GAAP revenue Y/Y growth plus Non-GAAP Operating Margin.

Amounts above are non-GAAP except where GAAP is noted. Our guidance with respect to non-GAAP financial measures excludes stock-based compensation and amortization of acquired intangible assets. We have not reconciled our guidance with respect to non-GAAP financial measures to the corresponding GAAP measures because certain items that impact these measures are uncertain or out of our control or cannot be reasonably predicted. Accordingly, a reconciliation of these non-GAAP financial measures to the corresponding GAAP measures is not available without unreasonable effort.



Q4'24 and 2024 Guidance

As of November 7, 2024

	Actual Q4'23	Q4'24E	Actual 2023	2024E
Billings	\$1.865B	\$1.900 - 2.000B	\$6.400B	\$6.430 - 6.530B
Y/Y Mid-Pt Growth		4.6%		1.3%
Revenue (GAAP)	\$1.415B	\$1.560 - 1.620B	\$5.305B	\$5.856 - 5.916B
Y/Y Mid-Pt Growth		12.4%		10.9%
Service Revenue (GAAP)	\$927.0M		\$3.378B	\$4.015 - 4.045B
Y/Y Mid-Pt Growth				19.3%
Gross Margin (%)	78.5%	79.5 - 80.5%	77.4%	80.3 - 81.3%
Operating Margin (%)	32.0%	33.0 - 34.0%	28.4%	32.9 - 33.9%
Net Income per Share attributable to Fortinet, Inc.	\$0.51	\$0.58 - 0.62	\$1.63	\$2.20 - 2.28
Weighted Diluted Shares used to Compute Net Income per Share attributable to Fortinet, Inc.	772.3M	768 - 778M	788.2M	766 - 776M



Amounts above are non-GAAP except where GAAP is noted. Our guidance with respect to non-GAAP financial measures excludes stock-based compensation and amortization of acquired intangible assets. We have not reconciled our guidance with respect to non-GAAP financial measures to the corresponding GAAP measures because certain items that impact these measures are uncertain or out of our control or cannot be reasonably predicted. Accordingly, a reconciliation of these non-GAAP financial measures to the corresponding GAAP measures is not available without unreasonable effort.

Additional Modeling Points

As of November 7, 2024

	Actual Q4'23	Actual 2023	Actual Q1'24	Actual Q2'24	Actual Q3'24	Q4'24E	2024E
Cash Paid for Taxes	\$341M	\$426M	\$31M	\$252M	\$140M	\$127 - \$177M	\$550 - \$600M
Capital Expenditures	\$27M	\$204M	\$222M	\$23M	\$36M	\$100 - \$120M	\$380 - \$400M
Non-GAAP Tax Rate	17%	17%	17%	17%	17%	17%	17%



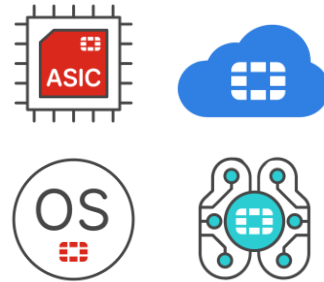
Key Takeaways

Growing TAM of \$284B



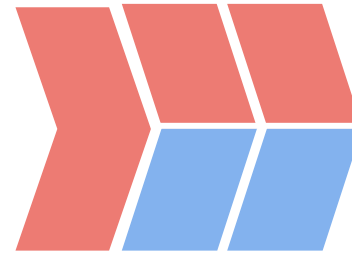
- Delivering continuous innovation addressing the demands of converged security
- Adapting to emerging form factors and rapidly evolving security risks

Foundations for Growth



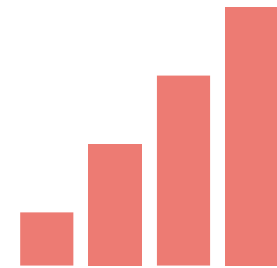
- Billions of investment in FortiASIC / OS to improve security performance
- \$1B+ investment in infrastructure to support data centers and other operations, expanding our cloud solutions
- Continuous investments in OT, AI, and Quantum

Large Upsell Opportunity



- Continuous innovation and OS integration creates upsell opportunities into our massive Global Customer Base

Strong Growth and Profitability



- Strong shareholder return through growth and margin expansion as we target the Rule of 45
- Grow faster than the market across Secure Networking, Unified SASE, and SecOps





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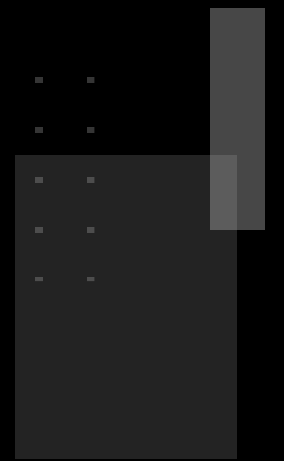
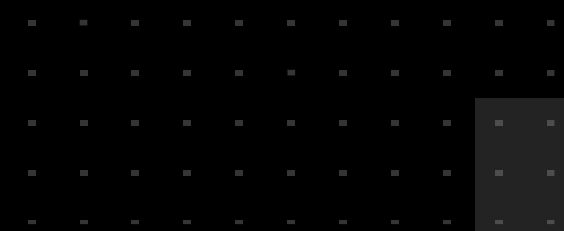
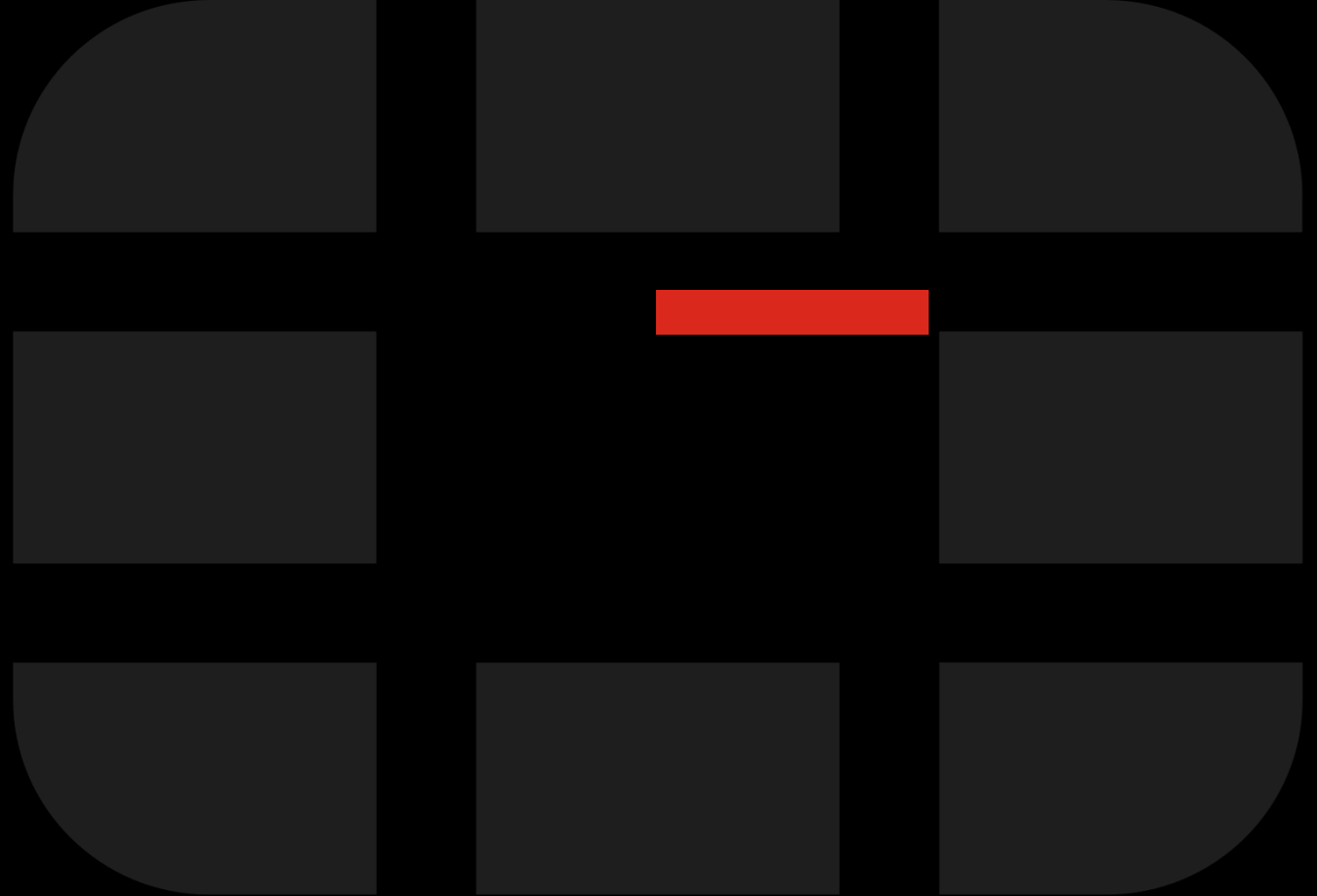
Executive Q&A





FORTINET

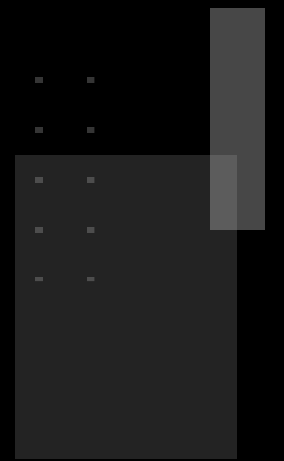
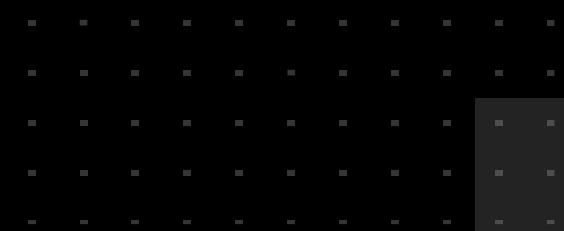
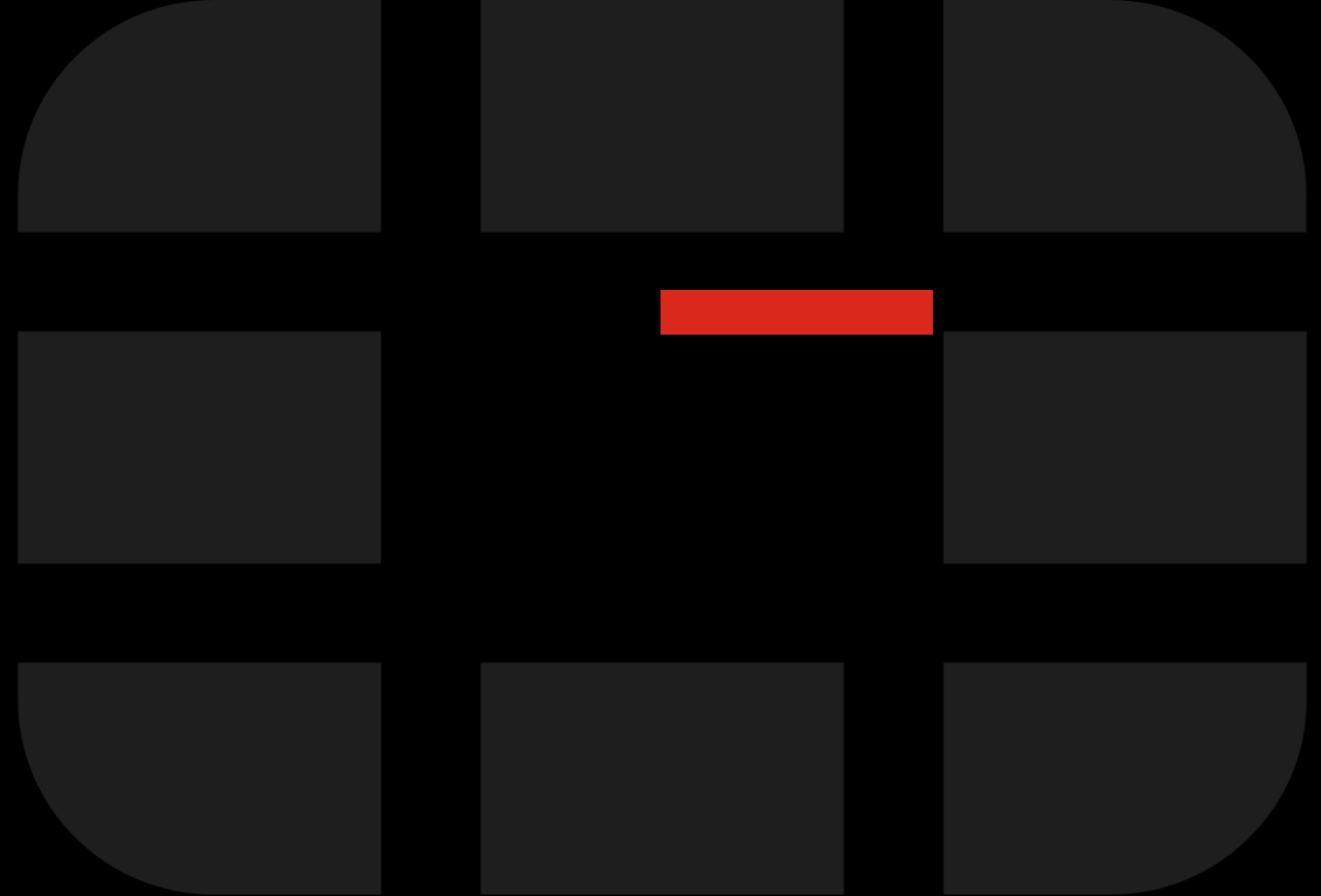
Thank You!





FORTINET

Appendix



Reconciliation of Non-GAAP Results to GAAP Results

\$ in millions	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Total revenue	\$252.1	\$324.7	\$433.6	\$533.6	\$615.3	\$770.4	\$1,009.3	\$1,278.5	\$1,497.7	\$1,804.6	\$2,163.0	\$2,594.4	\$3,342.2	\$4,417.4	\$5,304.8
Add change in deferred revenue	30.3	50.7	42.2	68.4	69.4	126.1	232.5	230.3	298.2	347.1	442.3	496.2	847.6	1,187.4	\$1,094.7
Add deferred revenue adjustment due to adoption of Topic 606	-	-	-	-	-	-	-	-	-	4.1	-	-	-	-	-
Less Adjustment due to adoption of ASU 2021-08	-	-	-	-	-	-	-	-	-	-	-	-	(4.3)	-	-
Less deferred revenue balance acquired in business acquisition	-	-	-	-	(0.6)	-	(9.8)	(4.4)	-	(2.5)	(2.4)	(0.6)	(4.1)	(10.8)	-
Total billings	\$282.4	\$375.4	\$475.8	\$602.0	\$684.2	\$896.5	\$1,232.0	\$1,504.4	\$1,795.9	\$2,153.3	\$2,602.9	\$3,090.0	\$4,181.4	\$5,594.0	\$6,399.5

\$ in millions	2021	2022	2023
GAAP gross profit	\$2,559.2	\$3,332.5	\$4,067.6
Stock-based compensation	17.4	20.5	25.1
Amortization of acquired intangible assets	12.9	17.2	14.9
Non-GAAP gross profit	\$2,589.5	\$3,370.2	\$4,107.6
Non-GAAP gross margin	77.5%	76.3%	77.4%



Reconciliation of Non-GAAP Results to GAAP Results

\$ in millions	2020	2021	2022	2023	Q3'24 YTD
GAAP research and development expense	\$341.4	\$424.2	\$512.4	\$613.8	\$525.7
Stock-based compensation	(47.6)	(56.7)	(64.2)	(76.8)	(63.0)
Non-GAAP research and development expense	\$293.8	\$367.5	\$448.2	\$537.0	\$462.7

\$ in millions	2022	2023
GAAP operating income	\$969.6	\$1,241.1
GAAP operating margin	22%	23%
Stock-based compensation	219.8	251.6
Amortization of acquired intangible assets	23.3	18.9
Gain on IP matter	(4.6)	(4.6)
Non-GAAP operating income	\$1,208.1	\$1,507.0
Non-GAAP operating margin	27%	28%



Reconciliation of Non-GAAP Results to GAAP Results

\$ in millions	2022	2023
GAAP Cash Flow from Operations	\$1,703.6	\$1,935.5
Less: Purchases of Property and Equipment	(281.2)	(204.1)
Free Cash Flow	\$1,449.4	\$1,731.4
Add: Real Estate Related Add Backs	195.1	126.9
Adjusted Free Cash Flow	\$1,644.5	\$1,858.3
Free cash flow margin	37%	35%



Reconciliation of Non-GAAP Results to GAAP Results

\$ in millions	2009⁽¹⁾	2010⁽¹⁾	2011⁽¹⁾	2012⁽¹⁾	2013⁽¹⁾	2014⁽¹⁾	2015⁽¹⁾	2016	2017	2018	2019	2020	2021	2022	2023
GAAP operating income	\$25.3	\$55.3	\$88.9	\$100.5	\$72.1	\$59.3	\$14.9	\$46.0	\$112.6	\$234.4	\$351.0	\$531.8	\$650.4	\$969.6	\$1,241.1
GAAP operating margin	10%	17%	21%	19%	12%	8%	1%	4%	8%	13%	16%	20%	19%	22%	23%
Stock-based compensation	7.4	9.3	19.0	30.7	44.4	59.0	95.0	122.4	137.2	162.9	174.1	193.8	211.2	219.8	251.6
Amortization of acquired intangible assets	-	-	-	-	1.6	1.4	3.1	9.3	8.6	9.0	10.9	13.3	18.5	23.3	18.9
Impairment of intangible assets	-	-	-	-	0.5	2.4	1.6	-	-	-	-	-	-	-	-
Write-off of intangible asset	2.4	-	-	-	-	-	-	-	-	-	-	-	-	-	-
ERP-related expenses	-	-	-	-	-	-	5.4	13.4	-	-	-	-	-	-	-
Acquisition-related charges	-	-	-	-	-	-	2.7	0.3	-	-	-	-	-	-	-
Restructuring charges	-	-	-	-	-	-	7.6	4.0	0.3	-	-	-	-	-	-
Inventory fair value adjustment amortization	-	-	-	-	-	-	2.9	0.8	-	-	-	-	-	-	-
Litigation settlement expenses	-	-	(1.9)	(1.9)	(1.9)	-	-	-	1.5	-	-	(0.7)	-	-	-
Gain on IP matter	-	-	-	-	-	-	-	-	-	-	-	(40.2)	(4.6)	(4.6)	(4.6)
Non-GAAP operating income	\$35.1	\$64.6	\$106.0	\$129.3	\$116.7	\$122.1	\$133.2	\$196.2	\$260.2	\$406.3	\$536.0	\$698.0	\$875.5	\$1,208.1	\$1,507.0
Non-GAAP operating margin	14%	20%	24%	24%	19%	16%	13%	15%	17%	23%	25%	27%	26%	27%	28%



(1) 2009-2015 have not been adjusted for an immaterial error related to the commencement of revenue recognition for certain FortiCare support service contracts.

The image features the Fortinet logo centered on a black background. The logo consists of the word "FORTINET" in a bold, white, sans-serif font. The letter "O" is stylized with a red and white grid pattern. Surrounding the logo are several abstract geometric shapes: a red horizontal bar in the top left, a red horizontal bar in the top right, a red horizontal bar in the bottom left, a red horizontal bar in the middle right, a dark gray square in the bottom right, a dark gray vertical bar in the bottom right, and a grid of small white dots in the bottom right. The background is filled with a pattern of dark gray squares and semi-circles, creating a grid-like structure.

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