2022 Analyst Day
May 10, 2022
<table>
<thead>
<tr>
<th>Time</th>
<th>Session</th>
<th>Speakers</th>
</tr>
</thead>
<tbody>
<tr>
<td>11:00 AM</td>
<td>Welcome</td>
<td>Peter Salkowski, VP of Investor Relations</td>
</tr>
<tr>
<td>11:05 AM</td>
<td>Core Platform &amp; Platform Extension</td>
<td>John Maddison, CMO &amp; EVP Products</td>
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<tr>
<td>~12:15 PM</td>
<td>Financial Review &amp; Outlook</td>
<td>Keith Jensen, CFO</td>
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<tr>
<td>~12:30 PM</td>
<td>Management Q&amp;A</td>
<td>Ken Xie, Founder, Chairman &amp; CEO, Keith Jensen, Patrice Perche CRO &amp; EVP Support, John Maddison</td>
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<tr>
<td>1:00 PM</td>
<td>Lunch / Departure</td>
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Wifi: FTNT-Visitor, Password: #limitless
For virtual attendees, please use the Q&A feature on the webcast or email your questions to psalkowski@fortinet.com
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Information, statements and projections contained in these presentation slides concerning Fortinet's business outlook, second quarter and full year 2022 guidance, 2025 financial targets, and future prospects and expectations are forward-looking statements that involve risks and uncertainties. These forward-looking statements include statements regarding demand for our products and services, guidance and expectations around future financial results, including guidance and expectations for the second quarter and full year 2022, statements regarding the momentum in our business and future growth expectations, and statements regarding our robust pipeline, market opportunity and market size, strong business momentum, and expectations of several more years of solid growth. 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 the COVID-19 pandemic, the war in Ukraine and the effects of increased inflation in certain geographies; significantly heightened supply chain challenges due to the current global environment; negative impacts from the COVID-19 pandemic on sales, billings, revenue, demand and buying patterns, component supply and ability to manufacture products to meet demand in a timely fashion, and costs such as possible increased costs for shipping and components; global economic conditions, country-specific economic conditions, and foreign currency risks; 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; 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 the COVID-19 pandemic; competition and pricing pressure; product inventory shortages for any reason, including those caused by the COVID-19 pandemic, the war in Ukraine and the effects of increased inflation in certain geographies; risks associated with business disruption caused by natural disasters and health emergencies such as earthquakes, fires, power outages, typhoons, floods, health epidemics and viruses such as the COVID-19 pandemic, and by manmade events such as civil unrest, labor disruption, international trade disputes, international conflicts such as the war in Ukraine, 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; any political and government disruption around the world, including the impact of any future shutdowns of the U.S. government; 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.
John Maddison
Chief Marketing Officer and Executive Vice President, Products
Enterprise Networking Equipment Market

Enterprise Networking
2022 - $80B @ 6% growth

- Campus Switch 39%
- Data Center Switch 21%
- Network Security 20%
- SD-WAN 4%
- Routers 3%
- ADC 4%
- WLAN 9%

Enterprise Network Equipment Opportunities by Segment

CAGR 2020-2025

- SD-WAN Equipment
- Enterprise Network Security Equipment
- Application Delivery Controllers
- Enterprise WLAN Equipment
- Campus Ethernet Switch
- Data Center Ethernet Switch

Note: The size of each bubble represents 2020 spending by vertical in constant U.S. dollars.

Source: Gartner (February 2022)
ID: 763948
Cybersecurity Market - $72B

Does not include $80B of services
Core Platform and Platform Expansion
Platform Extension Growth Key

Core Platform

- Network Security

FortiGate

- Secure Networking
  - Switch
  - Wi-Fi
  - 5G
  - Connectivity
  - UCS

- Zero Trust Access
  - ZTNA
  - Token
  - Identity
  - OT

- Cloud Security
  - Cloud FW
  - WAF
  - Email
  - AWS/Azure/GCP

- Security Operations
  - Endpoint Security
  - SIEM
  - SOAR
  - NDR
  - Sandbox

Non FortiGate
Network Security Total Addressable Market

Ref: Gartner Enterprise Networking Market Forecast and Risk and Security Management Forecast
Our Solution Now—Secure Networking Strategy

Convergence of Security and Networking using purpose-built HW

Automation-driven Single Pane Management and Analytics

Convergence of Security and Networking using VM and SASE

AI/ML Security Services

Single Pane Centralized Management

Automation

Analytics

Proactive Monitoring
Our Solution for Future — Secure Networking Strategy

- **Micro-Segmentation** to prevent lateral movement of threats
- **AIOps for Networking** to simplify WAN, LAN and WLAN
- **Digital Experience Monitoring** with Convergence of Networking and Security

**Single Pane Centralized Management**

- Automation
- Analytics
- Proactive Monitoring

**AI/ML Security Services**

- IP
- URL
- DNS
- AV
- SBX
- DVC
- FR
- CASB
- SOC
- SBX
- OT

**Single OS for Firewall, WAN and LAN**

- AP/Switch Edge
- SD-WAN Edge
- Cloud Edge
- Data Center
- SASE Edge
- SaaS Edge

**Micro Segmentation**
Network Security Portfolio

**FortiGate Firewall**
- Next-Generation Firewall
- Internal Segmentation
- Hyperscale Firewall

**FortiAP**
- Indoor
- Outdoor

**FortiSwitch**
- Campus/Branch
- Data Center

**FortiINAC**
- Zero Trust for Devices
- User Access Control
- Guest Access Control

**Linksys HomeWRK**
- Home Network

**FortiVoice**
- Business Communications

**FortiProxy**
- Secure Web Gateway
- On Premises

**FortiExtender**
- LTE/5G WWAN Gateway
- SD-Branch

**FortiSASE SWG**
- Secure Web Gateway
- Cloud-Delivered

**FortiGuard AI-Powered Security**
**Supporting Stats**
Platform Extension Growth Key

**80%** Fortune 500 Customers using Network Firewall

**5M+** FortiGate is the most deployed firewall

**1.47 PB** Threat Samples

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**Network Firewall Customers**

565,000

We add between 5,000 and 7,000 new customers per QTR

32%

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**Firewall Shipments Market Share**

38%

Over one third of all firewall shipments globally are from Fortinet

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**Introducing 5 New FortiGuard Services for NGFW**

15 Total

Best-of-breed Security and Networking Technologies AND advanced SOC and NOC as a Service Offerings

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* IDC Quarterly Security Appliance Tracker
Secure Networking
Platform Extension
Enterprise Networking Total Addressable Market

Ref: Gartner Enterprise Networking Market Forecast and Risk and Security Management Forecast
Fortinet Secure SD-WAN Vision

**Consistent FortiOS and FortiGuard Security Services**

**WAN & LAN EDGE**

- Secure SD-WAN
  - SD-WAN
  - NGFW
  - ZTNA

- SD-Branch
  - AP
  - Switch
  - LTE / 5G

**SINGLE VENDOR SASE**

- Cloud-Delivered Edge
  - SWG
  - CASB
  - ZTNA

- Unified Management
  - AIOPS and DEM
  - Cloud On Ramp Enhanced Internet

**Purpose Built Scalable Cloud**

- Purpose Built-ASIC
- Branch, Campus, Retail
- Remote Users

- LTE / 5G
  - Agent

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Secure Approach to Wired and Wi-Fi Through Convergence

SECURE

SIMPLE

INTELLIGENT

LAN Edge

NOC

Device Layer
Visibility Control

FortiLink

FortiLink NAC

FortiGate

FortiSwitch

FortiAP

Segmentation

FortiAIOP

FortiWLM

FortiManager

FortiAnalyzer

FortiLAN Cloud

FortiLink

FortiGate

FortiLink NAC

Segmentation

FortiAIOP

FortiWLM

FortiManager

FortiAnalyzer

FortiLAN Cloud

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Enterprise Networking Portfolio

FortiGate Firewall
- Next-Generation Firewall
- Internal Segmentation
- Hyperscale Firewall

FortiAP
- Indoor
- Outdoor

FortiSwitch
- Campus/Branch
- Data Center

FortiNAC
- Zero Trust for Devices
- User Access Control
- Guest Access Control

Linksys HomeWRK
- Home Network

FortiVoice
- Business Communications

FortiGate SD-WAN
- WAN Edge device
- Application Steering
- Advanced Routing
- Cloud On-Ramp

FortiExtender
- LTE/5G WWAN Gateway
- SD-Branch

FortiProxy
- Secure Web Gateway
- On Premises

FortiSASE SWG
- Secure Web Gateway
- Cloud-Delivered

FortiGuard AI-Powered Security
Secure SD-WAN – Supporting Stats

Secure SD-WAN

85% CAGR
SD-WAN represented 15% of company’s total billings

$178 $355 $610
2019 2020 2021
$ in Millions

SD-WAN HW Appliance

20% Market Share
In 2021, achieved 2nd highest hardware revenue market share*

25% 20% 7% 3%
Cisco Fortinet VMWARE Palo Alto Networks

Security with SD-WAN

89% Y/Y Growth**
FortiGuard Security Services sold as part of a secure SD-WAN solution

* Gartner : Market Share: Enterprise Network Equipment by Market Segment, Worldwide, 4Q21 and 2021
** Q1 2021 - FortiGuard Security Services with SD-WAN to secure direct internet access and segmentation

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Controlling and protecting access to applications on and off the network

Platform Extension
Zero Trust Access Total Addressable Market

Ref: Gartner Enterprise Networking Market Forecast and Risk and Security Management Forecast
Zero Trust Access Now

WFA, Increase in devices (including OT), shift to Cloud-based services

Security Fabric

Device
AI/ML
Network
Identity
Sandbox

Endpoint Security
Secure Access

Device Posture

EPP → EDR
VPN → ZTNA

Windows
Apple/Chrome
Mobile

IaaS
Data Center
Edge Compute

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Zero Trust Access Vision
Platform-based, cloud-supported, integrated services
Zero Trust Access Portfolio

FortiClient ZTNA
- Remote Access
- Application Access
- Zero Trust Risk Reduction

ZTNA Proxy
- FortiGate
- FortiGate VM
- FortiSASE

FortiToken / FortiToken Cloud
- Multi-Factor Authentication (MFA)
- Passwordless Authentication
- Major mobile platform support

FortiTrust
- User-based licensing
- Cloud-delivered services
- ZTNA, SASE, Identity offerings

FortiSASE
- Cloud-Delivered FWaaS
- In-line CASB & Sandbox
- ZTNA built-in
  - Agent or Agentless

FortiAuthenticator
- Centralized Authentication Services
- Risk Based User authentication
- Multi-Factor Authentication (MFA) Support

FortiGuard AI-Powered Security
Zero Trust Access—Strong Growth
Platform Extension Growth Key

Remote Access | Identity | Multi-Factor Authentication
---|---|---
FortiClient
66% CAGR
Almost 1,500 customers on ZTNA Edition

FortiAuthenticator
29% CAGR
3X customer growth in 3 years

FortiToken
73% CAGR
409% YoY growth in Cloud-based Identity Services
Securing Any Application Journey On Any Cloud

Platform Extension

Cloud Security
Cloud Security Portfolio

FortiWeb
- Web applications & APIs
- Bot mitigation
- Compliance

FortiADC
- Security accelerator
- Scale-up
- SAP

FortiGSLB Cloud
- Global load-balancing

FortiGate-VM
- Virtual Firewall
- Cloud Firewall
- Multi-cloud SD-WAN

FortiDDoS
- Denial-of-Service protection

FortiMail
- Office365 Security
- Secure Email Gateway/API
- Integrated Sandboxing

FortiCWP
- Cloud workloads & containers
- Cloud security posture management
- Actionable cloud resource risk insights

FortiDevSec
- Application security testing
- DevSecOps

FortiCASP
- Manage and secure SaaS applications and data
- API-based CASB

FortiGuard AI-Powered Security
## Supporting Stats
### Platform Extension Growth Key

<table>
<thead>
<tr>
<th>Web Application &amp; API Protections</th>
<th>Hybrid Security</th>
<th>Public Cloud &amp; SaaS Security</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>FortiWeb</strong></td>
<td><strong>Cloud and Virtual Firewall</strong></td>
<td><strong>Cloud Marketplace Expansion</strong></td>
</tr>
<tr>
<td>32% YoY</td>
<td>52% YoY</td>
<td>67% YoY</td>
</tr>
<tr>
<td>We continue to grow our WAAP subscriptions business, and lead in hybrid use cases</td>
<td>We continue to drive strong growth across cloud and virtual datacenter use cases</td>
<td>We continue strong momentum acquiring new customers directly across cloud marketplaces</td>
</tr>
<tr>
<td>83% YoY</td>
<td></td>
<td>1,500,000+</td>
</tr>
<tr>
<td>We continue to add customer subscriptions to Fortinet-managed WAF rules for AWS WAF</td>
<td></td>
<td>We continue to grow the number of protected mailboxes globally, replacing incumbents</td>
</tr>
</tbody>
</table>
Speed Operations with AI-powered Analytics and Automation
Security Operations Total Addressable Market
Growing from $25B in 2022 to $43B in 2026

Ref: Gartner Enterprise Networking Market Forecast and Risk and Security Management Forecast
Security Operations

**FortiGuard AI-Powered Detection**
- Vulnerability, IOC, Decoys, IoT/OT Detection

**FortiDeceptor**
- Detect reconnaissance
- Engage ransomware
- Identify lateral movement

**FortiNDR**
- Detect anomalies
- Analyze malware
- Automate response

**FortiRecon Beta**
- Map the attack surface
- Detect threat infrastructure

**FortiGuard AI-Powered Protection**
- AV, IPS, Botnet, Web Filtering, Anti-spam, App Control, WAF, IoT/OT virtual patching

**FortiClient EPP**
- NGAV
- Application Inventory
- Cloud Sandbox

**FortiEDR**
- Attack Surface Hardening / NGAV
- EDR / XDR
- Ransomware protection

**FortiSandbox**
- Zero-day detection in real time
- Appliance, VM, Hosted, and SaaS

**FortiAnalyzer**
- Fabric Visibility
- Fabric Analytics
- Fabric Automation

**FortiSIEM**
- Multi-vendor Visibility
- AI-powered Analytics
- Risk-based Response

**FortiSOAR**
- Multi-vendor Automation
- Process Orchestration
- Threat Intelligence Management

**SOC as a Service**
- Managed Firewall and Endpoint
- Alert Triage

**Incident Response Service**
- Identify & contain incidents
- Scope and remediate

**FortiGuard AI-Powered Response**
- Outbreak Detection, XDR, Playbooks.

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Security Operations – Industry Leader
Platform Extension Growth Key

<table>
<thead>
<tr>
<th>Protection</th>
<th>Detection</th>
<th>Response</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Protected Endpoints</strong></td>
<td><strong>Files Analyzed</strong></td>
<td><strong>SOC Efficiency</strong></td>
</tr>
<tr>
<td>14M</td>
<td>32M</td>
<td>98%</td>
</tr>
<tr>
<td>We currently protect more than 14,464,409 customer devices</td>
<td>We receive 32 million files for sandbox analysis, and identify 3,484 previously unknown malware, each day</td>
<td>On average organizations reduce MTTR by 98% and save 15 hours per day in the SOC</td>
</tr>
</tbody>
</table>
Simplify Network Operations Across The Security Fabric

Self-Healing Network Operations
Network Operations

Simplify Network Complexities to Decrease Risks

Modern networks drive the business but are complex to manage and monitor. Complexity is the enemy of security.

Adopt modern network and security technologies with simplicity and scale while lowering your risk of a breach.

Ensure a great user experience with automation-driven **centralized management, end-to-end visibility**, and **ML** to remediate issues before users are impacted.
Network Operations Portfolio

FortiManager
- Enterprise Management
- Fabric device management
- Automated workflows
- Compliance and reporting
- Fabric Partners Orchestration

FortiMonitor
- Digital experience monitoring
- Network performance monitoring

FortiCloud
- SaaS-delivered Single Pane
- SMB use cases
- Multitenancy for MSSPs

Device management
FortiGate
FortiSwitch
FortiAP
FortiExtender

FortiAIOps
- Anomaly detection
- Automated network troubleshooting

FortiGuard AI-Powered Security
Counter Threats in Real-Time With AI-Powered Coordinated Protection

FortiGuard Threat Intelligence
By FortiGuard Labs
Unified End-to-End Cybersecurity Framework
Reduced Complexity + Enhanced end-to-end Automation = Rapid Response

1. Market Leading Threat Intelligence and Cybersecurity Technologies
   - FortiGuard Labs
   - Real-Time Threat Intelligence

2. Context-Aware Proactive Security Posture
   - FortiGuard AI-Powered Security

3. Simplified and Automated AI-Powered SOC
   - SOC Analytics, Detection & Response Platforms

4. Cybersecurity Mastery Technology, People and Process
   - Readiness & Response Services

NEW & Enhanced

- Incident Response
- Research & D Reversey
- Assessment & Readiness
- Cybersecurity Training
# FortiGuard Security Integrated Across the Fabric / Mesh

## Partial View

<table>
<thead>
<tr>
<th>Content Security</th>
<th>Antivirus</th>
<th>IL SBX</th>
<th>Credential stuffing</th>
<th>URL</th>
<th>DNS</th>
<th>IP-REP</th>
<th>DVC PROT</th>
<th>IPS</th>
<th>BOT/C2</th>
<th>WAF SIG</th>
<th>ANN</th>
<th>AntiSpam</th>
<th>MITRE ATT&amp;CK</th>
<th>Threat Hunting</th>
<th>Auto IR</th>
<th>Outbreak</th>
<th>IoC</th>
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<td>Web Security</td>
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<td>Application Security</td>
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<td>Soc Services</td>
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## Agile Security Posture

Best of breed technologies for organizations with assets and users in hybrid environments and multi-clouds

Context-aware with domain expertise AND integration to the Fabric for automated real-time response

Centralized and Consistent
- Policy management
- Threat and logs databases with ML-based analysis
- Playbooks and automation
- Unified Networking & Security Management
- Support and licensing
FortiGuard AI-Powered Security Service
Platform Extension Growth Key

500+ FortiGuard Labs Global Threat Hunters and Researchers
600K+ Hours of Threat Research a Year
480+ Threat intelligence, detection, enforcements and remediation partners

Coordinated Real-Time Protection For Known and Unknown

What we process in 1 min

12.8 M+ Botnet and C2 attempts thwarted
9.1 M+ Network intrusion attempts blocked
6.15 M+ Malware programs neutralized
435 K+ Malicious website access blocked
180 K+ Phishing blocked

Introducing 6 New FortiGuard Services

Expansion into Readiness & Response Services

21 Total Across the Fabric

Best-of-breed technologies, coordinated across endpoints, networks, and clouds to deliver a proactive security posture capable of countering attacks in real-time.
Keith Jensen
Chief Financial Officer
Agenda

1. Investment Thesis
2. Total Addressable Market and Growth Drivers
3. Billings and Revenue Growth
4. Supply Chain, Margins, Free Cash Flow, and Capital Allocation
5. Mid-Term Model
Only Pure Play Cybersecurity Company in Both the S&P 500 and Nasdaq 100

1. **Large and fast-growing addressable market** driven by long-term secular tailwinds

2. **Fortinet’s Proprietary ASIC** technology (SPU) provides 5x better performance, contributing to a lower total cost of ownership

3. **FortiOS everywhere** – a broad and integrated platform operating system providing security in any form factor, driving growth into new markets

4. **Business model is highly diversified** across geographies, customer segments, and, industry verticals
A ‘Rule of 40’ Leader

‘Rule of 55’ in 2022

(1) Fortinet defines the Rule of 40 and Rule of 55 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.

(2) 2013-2015 have not been adjusted for an immaterial error related to the commencement of revenue recognition for certain FortiCare support service contracts.

(3) Based on the midpoint of 2022 guidance provided on May 4, 2022.

Growth Drivers

- Heightened Awareness
- Convergence
- Consolidation
Core Platform and Platform Extension
Both are Growth Drivers

Core Platform
- Network Security
  - Core Platform
    - Firewall
    - IPS
    - SWG
    - Secure SD-WAN
    - OT
  - Secure Networking
    - Switch
    - Wi-Fi
    - 5G
    - Connectivity
    - UCS
  - Zero Trust Access
    - ZTNA
    - Token
    - Identity
    - OT
  - Cloud Security
    - Cloud FW
    - WAF
    - Email
    - AWS/Azure/GCP
  - Security Operations
    - Endpoint Security
    - SIEM
    - SOAR
    - NDR
    - Sandbox

Platform Extension
- Non FortiGate
  - Core Platform
  - Secure Networking
  - Zero Trust Access
  - Cloud Security
  - Security Operations

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Total Addressable Market

10% Annual Growth and Adding New Markets

- Network Security
- Networking & Comms
- Zero Trust Security
- Cloud Security
- Security Ops

2022: $138B
  - Network Security: $21
  - Networking & Comms: $58
  - Zero Trust Security: $17
  - Cloud Security: $18
  - Security Ops: $25

2023: $153B
  - Network Security: $27
  - Networking & Comms: $68
  - Zero Trust Security: $18
  - Cloud Security: $29
  - Security Ops: $31

2024: $167B
  - Network Security: $29
  - Networking & Comms: $70
  - Zero Trust Security: $18
  - Cloud Security: $29
  - Security Ops: $31

2025: $182B
  - Network Security: $31
  - Networking & Comms: $76
  - Zero Trust Security: $18
  - Cloud Security: $29
  - Security Ops: $31

2026: $199B
  - Network Security: $36
  - Networking & Comms: $82
  - Zero Trust Security: $18
  - Cloud Security: $29
  - Security Ops: $31
Significant Billings Growth at Scale
2022 – Second Consecutive Year of 30%+ Growth

$ in Millions

2019 2020 2021 2022E
$2,603 $3,090 $4,181 $5,540
$1,814 $2,926 $1,705 $3,835

29% CAGR

$789

$1,255

2022 – Second Consecutive Year of 30%+ Growth

CAGR (2019 to 2022E)

Product Revenue 29%
Service Billings 28%

2021 Cloud Billings
~$325M (up ~40% y/y)

Note: Total Billings is a non-GAAP financial measure, further categorization is derived from invoiced amounts. See Appendix for reconciliation of the non-GAAP financial measure to the most comparable GAAP financial measure.

(1) Based on the midpoint of 2022 guidance provided on May 4, 2022.
(2) Service Billings is calculated as total billings minus product revenue.
Highly Diversified Business

Across Customer Segments, Geographies and Industries

Customer Segments:
- Large Enterprise: 38%
- Mid Enterprise: 26%
- Small Enterprise: 23%
- SP/MSSP: 13%

Geographies:
- 100+ Countries: 48%

Industries:
- Other Industries: 39%
- Worldwide Gov't: 13%
- SP/MSSP: 13%
- Fin Serv: 13%
- Retail: 9%
- Tech: 10%

Note: Based on invoiced amounts over the last 12 months ending March 31, 2022. Customer Type and Industry exclude Alaxala.
Expanding Up Market
Growth Across Customer Segments – From Small Enterprises thru the G2000

**New Customers (1)**
- 2019: 13,700
- 2020: 18,200
- 2021: 23,400

**Deals >$1M (1)**
- 2019: $198, $392
- 2020: $213, $445
- 2021: $350, $758

(1) Excluding Alaxala.
(2) Excludes Telco. Deal amounts are derived from invoiced amounts.
Convergence & Consolidation

Secure SD-WAN and OT Leading Bookings Growth

Note: Bookings represent the total value of all orders received during the fiscal period. In certain, limited instances transactions may be included in both SD-WAN and OT as FortiOS functionality may be deployed across multiple use cases.
Strong Revenue Growth at Scale

2022 Revenue Growth of 31\(^{(1)}\), More Predictable Service Revenue > 60% of Revenue

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Revenue</th>
<th>Products</th>
<th>Services</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>$2,163</td>
<td>$1,375</td>
<td>$789</td>
</tr>
<tr>
<td>2020</td>
<td>$2,594</td>
<td>$1,678</td>
<td>$916</td>
</tr>
<tr>
<td>2021</td>
<td>$3,342</td>
<td>$2,087</td>
<td>$1,255</td>
</tr>
<tr>
<td>2022E(^{(1)})</td>
<td>$4,375</td>
<td>$2,670</td>
<td>$1,705</td>
</tr>
</tbody>
</table>

(1) Based on the midpoint of 2022 guidance provided on May 4, 2022.

CAGR (2019 to 2022E)

<table>
<thead>
<tr>
<th></th>
<th>Products</th>
<th>Services</th>
</tr>
</thead>
<tbody>
<tr>
<td>CAGR</td>
<td>29%</td>
<td>25%</td>
</tr>
</tbody>
</table>

+36% y/y

+28% y/y

26% CAGR
Drivers of Consistent Revenue Performance

Discount Rate \(^{(1)}\)

-2% to +2% over time from Q1'19 to Q1'22.

Renewal Rate \(^{(1)}\)

-2% to +2% over time from Q1'19 to Q1'22.

Average Contract Term

30 mo. to 24 mo. over time from Q1'19 to Q1'22.

Percentage of Service Revenue from Deferred \(^{(1)}\)

+2% to -2% over time from Q1'19 to Q1'22.

\(^{(1)}\) Compared to +/- 2% of the 3-year trailing average.
Supply Chain

Future Inventory Commitments ($M)

- Q1'21: $299
- Q2'21: $1,141
- Q3'21: $1,373
- Q4'21: $1,373
- Q1'22: $1,373

Backlog

Backlog ($M)

- Q1'21: $162
- Q2'21: $278
- Q3'21: 8.5%
- Q4'21: 9.1%
- Q1'22: Net new backlog as a % of bookings

Mix

- Q3'21: FortiGate 12%, Networking Equip 88%
- Q4'21: FortiGate 43%, Networking Equip 57%
- Q1'22: FortiGate 53%, Networking Equip 47%

Inflation

Expedite Fees & GM Impact ($M)

- Q1'21: 0%
- Q2'21: -0.3%
- Q3'21: $7
- Q4'21: $28
- Q1'22: $12
- Q1'22: -4.0%

Backlog Quarterly Backlog increase as a % of Bookings

- Q1'21: 0%
- Q2'21: -0.3%
- Q3'21: -0.3%
- Q4'21: -1.6%
- Q1'22: -4.0%

Net new backlog as a % of bookings

- Q1'21: 8.5%
- Q2'21: 9.1%
- Q3'21: 0%
- Q4'21: -0.3%
- Q1'22: -0.3%

Expedite Fees & GM Impact

- Total Committed
- Product GM Decline
- Expedite Fees
- Product GM Impact

Future Inventory Commitments ($M)

- Q1'21: $299
- Q2'21: $1,141
- Q3'21: $1,373
- Q4'21: $1,373
- Q1'22: $1,373

World’s Largest Chip Maker to Raise Prices, Threatening Costlier Electronics

TSMC to increase prices of most advanced chips by roughly 10%, less advanced chips will cost about 20% more

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Balanced Growth and Profitability

Operating Margins of 25% or more

Gross Margin

- 2019: 76.6%
- 2020: 78.0%
- 2021: 76.6%
- 2022E (2): 75.0%

- GAAP
- Non-GAAP

Operating Margin

- 2019: 16.2%
- 2020: 20.5%
- 2021: 19.5%
- 2022E (2): 25.0%

- GAAP
- Non-GAAP

(1) Alaxala closed on August 31, 2021.
(2) Based on the midpoint of 2022 guidance provided on May 4, 2022.

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.
Top 10% of S&P 500 in Free Cash Flow

Free Cash Flow Margin > 35%

LTM Free Cash Flow Margin - S&P 500

Source: Nasdaq IR Insight and company filings. Data based on most recently reported financials as of May 4, 2022. Free Cash Flow for the period shown is calculated as operating cash flow minus capital expenditures.

Free Cash Flow is a non-GAAP financial measure. See Appendix for reconciliation of the non-GAAP financial measures to the most comparable GAAP financial measures.
Strategic Investments and Capital Allocation
Build vs. Buy Integrated Platform Strategy

Innovation: ~$1.6B since 2017
$1.4B spent on R&D (1)

Capital Return: ~$3.5B since 2017
Repurchased 33.5M Shares for $3.3B (2)

(1) This represents our non-GAAP research and development expense from January 1, 2017 through March 31, 2022. See Appendix for reconciliation of the non-GAAP financial measure to the most comparable GAAP financial measure.
(2) Shares repurchased from January 1, 2017 through March 31, 2022.
Guidance for Q2’22 and 2022
As of May 4, 2022

<table>
<thead>
<tr>
<th></th>
<th>Q2’21 Actual</th>
<th>Q2’22 Guidance</th>
<th>2021 Actual</th>
<th>2022 Guidance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Billings</td>
<td>$960.9M</td>
<td>$1.225 - $1.265B</td>
<td>$4.181B</td>
<td>$5.500 - $5.580B</td>
</tr>
<tr>
<td>Y/Y Mid-Pt Growth</td>
<td></td>
<td>29.6%</td>
<td></td>
<td>32.5%</td>
</tr>
<tr>
<td>Revenue (GAAP)</td>
<td>$801.1M</td>
<td>$1.005 - $1.035B</td>
<td>$3.342B</td>
<td>$4.350 - $4.400B</td>
</tr>
<tr>
<td>Y/Y Mid-Pt Growth</td>
<td></td>
<td>27.3%</td>
<td></td>
<td>30.9%</td>
</tr>
<tr>
<td>Service Revenue (GAAP)</td>
<td>$502.8M</td>
<td>$2.087B</td>
<td></td>
<td>$2.640 - $2.700B</td>
</tr>
<tr>
<td>Y/Y Mid-Pt Growth</td>
<td></td>
<td></td>
<td></td>
<td>27.9%</td>
</tr>
<tr>
<td>Gross Margin</td>
<td>77.5%</td>
<td>74.5% - 76.0%</td>
<td>77.5%</td>
<td>74.0% - 76.0%</td>
</tr>
<tr>
<td>Operating Margin</td>
<td>25.4%</td>
<td>22.0% - 23.5%</td>
<td>26.2%</td>
<td>24.0% - 26.0%</td>
</tr>
<tr>
<td>Earnings per share</td>
<td>$0.95</td>
<td>$1.05 - $1.10</td>
<td>$3.99</td>
<td>$5.00 - $5.15</td>
</tr>
</tbody>
</table>

Note: 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 May 4, 2022

<table>
<thead>
<tr>
<th></th>
<th>Q2’22 Guidance</th>
<th>2022 Guidance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash Paid for Taxes</td>
<td></td>
<td>$260M</td>
</tr>
<tr>
<td>Capital Expenditures</td>
<td>$75 - $85M</td>
<td>$270 - $300M</td>
</tr>
<tr>
<td>Non-GAAP Tax Rate</td>
<td>17%</td>
<td>17%</td>
</tr>
<tr>
<td>Shares Outstanding</td>
<td>165 - 167M</td>
<td>166 - 168M</td>
</tr>
</tbody>
</table>

Note: In order to provide a more complete picture of our recurring core business operating results, we include in non-GAAP net income and non-GAAP diluted net income per share the tax adjustment required resulting in an effective tax rate on a non-GAAP basis which often differs from the GAAP tax rate.
2025 Financial Targets: ~$10B Billings and ~$8B Revenue

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>2022E</th>
</tr>
</thead>
<tbody>
<tr>
<td>Billings</td>
<td>21%</td>
<td>19%</td>
<td>35%</td>
<td>32.5%</td>
</tr>
<tr>
<td>Revenue (GAAP)</td>
<td>20%</td>
<td>20%</td>
<td>29%</td>
<td>31%</td>
</tr>
<tr>
<td>Operating Margin</td>
<td>24.8%</td>
<td>26.9%</td>
<td>26.2%</td>
<td>25%</td>
</tr>
</tbody>
</table>

2025 Targets

- ~$10B 3 Yr CAGR of ~22%
- ~$8B 3 Yr CAGR of ~22%
- >=25% (1)

Notes:
(1) As an average over the period from 2022 to 2025.
(2) Fortinet defines the Rule of 40 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.

2025 Adjusted Free Cash Flow Margin in the mid-to-high 30% range

Long-term Target: Continue to Execute the Rule of 40 (2)
Key Takeaways

Cybersecurity TAM is $199B+ (1)

Fortinet is an Industry Leader

Diversified Revenue Base

Billings of $10 Billion by 2025

- Expanded into new markets such as SASE, ZTNA, Cloud, and 5G
- Proprietary ASIC technology and integrated FortiOS platform which allows Fortinet to provide security across all attack surfaces from data center to endpoint to cloud
- Diversified across geographies, customer sizes, and industry verticals drives revenue visibility
- Software-like margins, drive sustainable free cash flow generation

(1) Based on 2026E TAM.
## Reconciliation of Non-GAAP Results to GAAP Results

<table>
<thead>
<tr>
<th>$ in millions</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>LTM Q1’22</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total revenue</td>
<td>$1,804.6</td>
<td>$2,163.0</td>
<td>$2,594.4</td>
<td>$3,342.2</td>
<td>$3,586.7</td>
</tr>
<tr>
<td>Add change in deferred revenue</td>
<td>347.1</td>
<td>442.3</td>
<td>496.2</td>
<td>847.6</td>
<td>912.3</td>
</tr>
<tr>
<td>Add deferred revenue adjustment due to ASC 606</td>
<td>4.1</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Less Adjustment due to adoption of ASU 2021-08</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(4.3)</td>
<td>(4.3)</td>
</tr>
<tr>
<td>Less deferred revenue balance acquired in business acquisition</td>
<td>(2.5)</td>
<td>(2.4)</td>
<td>(0.6)</td>
<td>(4.1)</td>
<td>(4.1)</td>
</tr>
<tr>
<td><strong>Total billings</strong></td>
<td><strong>$2,153.3</strong></td>
<td><strong>$2,602.9</strong></td>
<td><strong>$3,090.0</strong></td>
<td><strong>$4,181.4</strong></td>
<td><strong>$4,490.6</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>$ in millions</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>GAAP gross profit</td>
<td>$1,657.1</td>
<td>$2,024.4</td>
<td>$2,559.2</td>
</tr>
<tr>
<td>Stock-based compensation</td>
<td>12.8</td>
<td>14.5</td>
<td>17.4</td>
</tr>
<tr>
<td>Amortization of acquired intangible assets</td>
<td>7.7</td>
<td>9.1</td>
<td>12.9</td>
</tr>
<tr>
<td><strong>Non-GAAP gross profit</strong></td>
<td><strong>$1,677.6</strong></td>
<td><strong>$2,048.0</strong></td>
<td><strong>$2,589.5</strong></td>
</tr>
<tr>
<td><strong>Non-GAAP gross margin</strong></td>
<td><strong>77.6%</strong></td>
<td><strong>78.9%</strong></td>
<td><strong>77.5%</strong></td>
</tr>
</tbody>
</table>
### Reconciliation of Non-GAAP Results to GAAP Results

#### Product Gross Profit

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>GAAP product gross profit</td>
<td>$463.9</td>
<td>$564.0</td>
<td>$767.3</td>
</tr>
<tr>
<td>Stock-based compensation</td>
<td>1.5</td>
<td>1.6</td>
<td>1.7</td>
</tr>
<tr>
<td>Amortization of acquired intangible assets</td>
<td>6.5</td>
<td>4.7</td>
<td>5.7</td>
</tr>
<tr>
<td><strong>Non-GAAP product gross profit</strong></td>
<td><strong>$471.9</strong></td>
<td><strong>$570.3</strong></td>
<td><strong>$774.7</strong></td>
</tr>
<tr>
<td><strong>Non-GAAP product gross margin</strong></td>
<td><strong>59.8%</strong></td>
<td><strong>62.2%</strong></td>
<td><strong>61.7%</strong></td>
</tr>
</tbody>
</table>

#### Service Gross Profit

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>GAAP service gross profit</td>
<td>$1,193.2</td>
<td>$1,460.4</td>
<td>$1,791.9</td>
</tr>
<tr>
<td>Stock-based compensation</td>
<td>11.3</td>
<td>12.9</td>
<td>15.7</td>
</tr>
<tr>
<td>Amortization of acquired intangible assets</td>
<td>1.2</td>
<td>4.4</td>
<td>7.2</td>
</tr>
<tr>
<td><strong>Non-GAAP service gross profit</strong></td>
<td><strong>$1,205.7</strong></td>
<td><strong>$1,477.7</strong></td>
<td><strong>$1,814.8</strong></td>
</tr>
<tr>
<td><strong>Non-GAAP service gross margin</strong></td>
<td><strong>87.7%</strong></td>
<td><strong>88.1%</strong></td>
<td><strong>86.9%</strong></td>
</tr>
</tbody>
</table>
Reconciliation of Non-GAAP Results to GAAP Results

<table>
<thead>
<tr>
<th>$ in millions</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>Q1’22</th>
</tr>
</thead>
<tbody>
<tr>
<td>GAAP research and development expense</td>
<td>$210.6</td>
<td>$244.5</td>
<td>$277.1</td>
<td>$341.4</td>
<td>$424.2</td>
<td>$124.9</td>
</tr>
<tr>
<td>Stock-based compensation</td>
<td>(32.2)</td>
<td>(36.4)</td>
<td>(38.7)</td>
<td>(47.6)</td>
<td>(56.7)</td>
<td>(15.1)</td>
</tr>
<tr>
<td>Non-GAAP research and development expense</td>
<td>$178.4</td>
<td>$208.1</td>
<td>$238.4</td>
<td>$293.8</td>
<td>$367.5</td>
<td>$109.8</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>$ in millions</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>GAAP sales and marketing expense</td>
<td>$926.9</td>
<td>$1,071.9</td>
<td>$1,345.7</td>
</tr>
<tr>
<td>Stock-based compensation</td>
<td>(101.7)</td>
<td>(108.4)</td>
<td>(110.0)</td>
</tr>
<tr>
<td>Amortization of acquired intangible assets</td>
<td>(3.2)</td>
<td>(4.2)</td>
<td>(5.6)</td>
</tr>
<tr>
<td>Non-GAAP sales and marketing expense</td>
<td>$822.0</td>
<td>$959.3</td>
<td>$1,230.1</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>$ in millions</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
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<td>(110.0)</td>
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<td>(4.2)</td>
<td>(5.6)</td>
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<td>$959.3</td>
<td>$1,230.1</td>
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</tbody>
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<table>
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<tr>
<th>$ in millions</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>GAAP general and administrative expense</td>
<td>$102.1</td>
<td>$119.5</td>
<td>$143.5</td>
</tr>
<tr>
<td>Stock-based compensation</td>
<td>(20.9)</td>
<td>(23.3)</td>
<td>(27.1)</td>
</tr>
<tr>
<td>Litigation-related matter</td>
<td>-</td>
<td>0.7</td>
<td>-</td>
</tr>
<tr>
<td>Non-GAAP general and administrative expense</td>
<td>$81.2</td>
<td>$96.9</td>
<td>$116.4</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>$ in millions</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>Q1’22</th>
</tr>
</thead>
<tbody>
<tr>
<td>GAAP general and administrative expense</td>
<td>$102.1</td>
<td>$119.5</td>
<td>$143.5</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Stock-based compensation</td>
<td>(20.9)</td>
<td>(23.3)</td>
<td>(27.1)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Litigation-related matter</td>
<td>-</td>
<td>0.7</td>
<td>-</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-GAAP general and administrative expense</td>
<td>$81.2</td>
<td>$96.9</td>
<td>$116.4</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
## Reconciliation of Non-GAAP Results to GAAP Results

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>GAAP operating income</td>
<td>$351.0</td>
<td>$531.8</td>
<td>$650.4</td>
</tr>
<tr>
<td>GAAP operating margin</td>
<td>16%</td>
<td>20%</td>
<td>19%</td>
</tr>
<tr>
<td>Stock-based compensation</td>
<td>174.1</td>
<td>193.8</td>
<td>211.2</td>
</tr>
<tr>
<td>Amortization of acquired intangible assets</td>
<td>10.9</td>
<td>13.3</td>
<td>18.5</td>
</tr>
<tr>
<td>Litigation settlement expenses</td>
<td>-</td>
<td>(0.7)</td>
<td>-</td>
</tr>
<tr>
<td>Gain on IP matter</td>
<td>-</td>
<td>(40.2)</td>
<td>(4.6)</td>
</tr>
<tr>
<td>Non-GAAP operating income</td>
<td>$536.0</td>
<td>$698.0</td>
<td>$875.5</td>
</tr>
<tr>
<td>Non-GAAP operating margin</td>
<td>25%</td>
<td>27%</td>
<td>26%</td>
</tr>
</tbody>
</table>
Reconciliation of Non-GAAP Results to GAAP Results

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>GAAP operating income</td>
<td>$72.1</td>
<td>$59.3</td>
<td>$14.9</td>
<td>$46.0</td>
<td>$112.6</td>
<td>$234.4</td>
<td>$351.0</td>
<td>$531.8</td>
<td>$650.4</td>
</tr>
<tr>
<td>GAAP operating margin</td>
<td>12%</td>
<td>8%</td>
<td>1%</td>
<td>4%</td>
<td>8%</td>
<td>13%</td>
<td>16%</td>
<td>20%</td>
<td>19%</td>
</tr>
<tr>
<td>Stock-based compensation</td>
<td>44.4</td>
<td>59.0</td>
<td>95.0</td>
<td>122.4</td>
<td>137.2</td>
<td>162.9</td>
<td>174.1</td>
<td>193.8</td>
<td>211.2</td>
</tr>
<tr>
<td>Amortization of acquired intangible assets</td>
<td>1.6</td>
<td>1.4</td>
<td>3.1</td>
<td>9.3</td>
<td>8.6</td>
<td>9.0</td>
<td>10.9</td>
<td>13.3</td>
<td>18.5</td>
</tr>
<tr>
<td>Impairment of intangible assets</td>
<td>0.5</td>
<td>2.4</td>
<td>1.6</td>
<td>-</td>
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<tr>
<td>ERP-related expenses</td>
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<td>-</td>
<td>5.4</td>
<td>13.4</td>
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</tr>
<tr>
<td>Acquisition-related charges</td>
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<td>-</td>
<td>2.7</td>
<td>0.3</td>
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<tr>
<td>Restructuring charges</td>
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<td>-</td>
<td>7.6</td>
<td>4.0</td>
<td>0.3</td>
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<tr>
<td>Inventory fair value adjustment amortization</td>
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<td>2.9</td>
<td>0.8</td>
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<td>-</td>
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<tr>
<td>Litigation settlement expenses</td>
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<td>-</td>
<td>-</td>
<td>1.5</td>
<td>-</td>
<td>-</td>
<td>(0.7)</td>
<td>-</td>
</tr>
<tr>
<td>Gain on IP matter</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
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<td>-</td>
<td>-</td>
<td>-</td>
<td>(40.2)</td>
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<tr>
<td>Non-GAAP operating income</td>
<td>$116.7</td>
<td>$122.1</td>
<td>$133.2</td>
<td>$196.2</td>
<td>$260.2</td>
<td>$406.3</td>
<td>$536.0</td>
<td>$698.0</td>
<td>$875.5</td>
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<tr>
<td>Non-GAAP operating margin</td>
<td>19%</td>
<td>16%</td>
<td>13%</td>
<td>15%</td>
<td>17%</td>
<td>23%</td>
<td>25%</td>
<td>27%</td>
<td>26%</td>
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</table>

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

<table>
<thead>
<tr>
<th>$ in millions</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>LTM Q1’22</th>
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</thead>
<tbody>
<tr>
<td>Net cash provided by operating activities</td>
<td>$808.0</td>
<td>$1,083.7</td>
<td>$1,499.7</td>
<td>$1,579.9</td>
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<tr>
<td>Less purchases of property and equipment</td>
<td>(92.2)</td>
<td>(125.9)</td>
<td>(295.9)</td>
<td>(366.4)</td>
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<tr>
<td>Less proceeds from IP matter</td>
<td>-</td>
<td>(50.0)</td>
<td>-</td>
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<tr>
<td><strong>Free cash flow</strong></td>
<td><strong>$715.8</strong></td>
<td><strong>$907.8</strong></td>
<td><strong>$1,203.8</strong></td>
<td><strong>$1,213.5</strong></td>
</tr>
<tr>
<td><strong>Free cash flow margin</strong></td>
<td><strong>33%</strong></td>
<td><strong>35%</strong></td>
<td><strong>36%</strong></td>
<td><strong>34%</strong></td>
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