Accelerate Keynote 2022
Patrice Perche
Chief Revenue Officer & EVP Support
Hyperscale growth

Performance

Growth Drivers

New Investments

Building Cyber Strategies
Performance
2021
ANOTHER OUTSTANDING YEAR

10,860 Employees
all across the globe
1,269 Patents
Top Innovator

$852 M
$968 M
$1.1 B
$1.4 B
$1.3 B

Q1
Q2
Q3
Q4
Q1

+27%
+37%
+44%
+49%
+50%

+35%
+40%

$4.2 B
$4.33 B

Billings
Bookings

2021 Growth

$ 968 M
$ 852 M

2021

Growth

10,860 Employees
all across the globe
1,269 Patents
Top Innovator

+35%
+40%

$4.2 B
$4.33 B

2021 Growth

10,860 Employees
all across the globe
1,269 Patents
Top Innovator

+35%
+40%

$4.2 B
$4.33 B

2021 Growth
Growth Drivers
Fortinet Security Fabric

**Broad**
visibility and protection of the entire digital attack surface to better manage risk

**Integrated**
solution that reduces management complexity and shares threat intelligence

**Automated**
self-healing networks with AI-driven security for fast and efficient operations
Fortinet Total Addressable Market

Total addressable market of $138B in 2022 growing to $199B by 2026

- Secure Networking: $68B
- Network Security: $27B
- Identity & IoT/OT Security: $29B
- Cloud Security: $31B
- Endpoint Security & Security Ops: $43B

Source: Fortinet estimates based on recent analyst research. 2026 opportunity shown.
Platform Extension Revenue continue to Grow

$1.1B
32% Mix

42% Y/Y

2017 2018 2019 2020 2021
Broad Portfolio of Solutions to Protect Your Digital Attack Surface

Access & Endpoint Security
- ZTNA Agent
- Endpoint Protection
- Network Access Control
- Authentication
- MFA / Token

Secure Networking
- Network Firewall
- SD-WAN
- SD-Branch
- Web Proxy
- SASE
- Wi-Fi
- Switching
- 5G / LTE
- And More…

Cloud Security
- Cloud Firewall
- SD-WAN for Multi-cloud
- WAF
- Email Security
- Workload/ Container Security
- ADC / GSLB
- Anti-DDOS
- CASB

Fabric Management Center
NOC / SOC
- Network Management
- Network Orchestration
- Network Monitoring
- Cloud Management
- Digital Experience Monitoring

- EDR, XDR, MDR
- UEBA
- Sandboxing
- Deception
- Analytics
- SIEM
- SOAR
Q1 Fabric Performance

Adaptive CLOUD Security
- Other Cloud (Mail, Web, etc.)
- FG VM Solutions
- ONDEMAND

Zero Trust Access
- Secure Access (Switch & AP)

EndPoint (EDR & Client)

SD-WAN

OT
Wining GTM Strategy

Diverse go-to-market strategy

Go to Market Segmentation

Diversity by Market Segment:
- Telco
- Ent & Telco
- MSE
- SMB

Diversity by Market Industry:
- Telco/SP
- Gov
- Fin Serv
- Retail
- Tech
- Manufacturing
- Other

Diversity by Geography:
- EMEA
- APAC
- AMER

Diversity by Product Solutions:
- Platform Extension
- Core Platform

Enterprise
Mid-Enterprise
Small Business
Service Provider
Finance
Retail
Government
Healthcare

FABRIC
Loyalty to Our Channel
Fortinet win-win-win strategy

25k
# of Active Partners per Quarter (+20% Y/Y)

48%
Grew by 200% or more

+62%
Partner Initiated Billings Y/Y

609
Specialized Partners

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New Investments
Investment in Our Partners

Service Enablement

Enabling partner-led professional services delivery
- Specific training and accreditation
- Access to Fortinet Professional Support
- Expand business to provide end-to-end security support

MSSP

Creating growth paths for the MSSP partner journey
- Easing the transition to managed services
- Select partners will no longer need a SOC
- **US Pilot**: Enterprise agreements for MSP

Cloud

All new productivity kits with 80% discount
- Starter and enterprise kits to ensure sales success
- Quickly capture hybrid and public cloud business

Partner Specialization Badges

- **Preferred Partner**
- **Specialization**
  - SD-WAN
  - Data Center
  - LAN Edge and SD-Branch
  - Zero Trust Access
  - Operational Technology
  - Cloud Security
  - Security Operations

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Global Support

3x new support centers launched in Bogota, Lisbon, and Manilla

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FortiCare – Customer Success

FortiCare Essentials*  
15% of hardware  
FG-80 and below

FortiCare Premium*  
20% of hardware*  
60 MIN

FortiCare Elite**  
25% of hardware*  
15 MIN

Advanced Support  
New “Advantage Tier”  
Combining SRM, TAM & Designated Delivery Engineer (Partial RE)

Expert Assistance throughout Service Lifecycle

Design  
Business Alignment  
Professional Services

Deploy  
Accelerated Implementation  
Professional Services  
Dedicated Engineer  
Quickstart (Q3 2022)  
Best Practice Service

Operate  
Reliable Assistance  
TAM and SRM  
Premium RMA  
Secure RMA  
Incident Response

Optimize  
Performance Excellence  
Professional Services  
Dedicated Engineer  
Consulting Services  
TAM and SRM

Evolve  
Personalized Care  
Professional Services  
Dedicated Engineer

* FortiCare Essentials has no Telephone support. FortiCare Premium is formerly 24x7 support. Lower support for Switches and APs.  
** FortiCare Elite available for FortiGate, FortiManager, FortiAnalyzer, FortiSwitch, FortiAP

All Available via a new Service Catalog
Fortinet Training Institute

Mission: Committed to training one million people by 2026

Certification Program
840,000+ Certifications

Education Outreach Program
- Work with global leaders to drive change
- Focused on veterans, women and other underrepresented populations
- Partnerships extend to industry, academia, government and non-profits
- Removes barriers to training and education with > $40M in free training

Veterans Program
- Partner with military focused non-profits to help over 2500 veterans and military family members
- Connect graduates with Fortinet employer ecosystem
- Brings untapped candidates into the cyber-workforce

Security Academy Program
- Range from K-12 to higher education and research institutions
- Institutions integrate NSE Certification Program content into curriculum
- Provides free exam vouchers to promote certifications

Authorized Training Centers
Supporting language and culture in training in 134 countries and territories

Awards
+439 Institutions
+94 Countries and Territories

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Introducing Fortinet Security Awareness & Training

Created by the Fortinet Training Institute, the Fortinet Security Awareness and Training service helps IT, Security and Compliance leaders build a cyber-aware culture where employees recognize and avoid falling victim to cyberattacks. For compliance-sensitive organizations, the service also helps leaders satisfy regulatory or industry compliance training requirements.

Purpose-built aligned to NIST 800-50 and NIST 800-16 Guidelines

- Designed by Security Experts
- High Quality Security Training
- Engaging Communication & Reinforcement Resources
- Easy to Use Administration & Management
- Active Monitoring & Reporting
- Partner Ready
- FortiPhish Integration with Remediation Training
- Your Brand Here
Building Cyber Strategies
Choose SOLID Partners
Financially and Technically

Innovation is **key**
Research is expensive
Profitability is **essential**
Keep a Holistic View of Cyber Security

The threat is multi-form

Old-school best-of-breed is dead

Mesh & fabric are prevailing
Choose Integrated & OPEN Solutions

Holistic is **NOT** monopolistic

Giant **leaps** come from openness

Time scale is the **nanosecond**
Preserve your FREEDOM
Especially when it comes to Cloud Strategies

While Cloud delivers early
Pressure on margins outweighs the benefits
It becomes difficult to reverse
Know your ENEMY
Always keep an eye on THREAT

The THREAT is sophisticated
Hackers are powerful
Do not walk alone
#6

Look after your **PEOPLE**

Humans are our **most precious asset**

Trained humans are the **strongest** link

Partners and services are **key**

Diversity is **paramount**
Market Priorities 2022

1. Network Firewall
2. SD-WAN
3. OT Security
4. Networking
5. Cloud
6. NOC/SOC
7. Endpoint/ZTNA
## Strategy to Drive Sustained Growth

<table>
<thead>
<tr>
<th>Objective</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accelerated migration of on premise workloads to a <strong>CLOUD / SASE</strong> model</td>
<td></td>
</tr>
<tr>
<td>Continued momentum in <strong>Secure SDWAN</strong> and edge networking with CLOUD security.</td>
<td></td>
</tr>
<tr>
<td>Double our penetration in the VLE/G2000</td>
<td></td>
</tr>
<tr>
<td>Capturing growth in the SP market from <strong>5G / Mobile network operators</strong></td>
<td></td>
</tr>
<tr>
<td>Enable <strong>Install Base sales</strong> through improved data &amp; system integration</td>
<td></td>
</tr>
<tr>
<td>Leverage of large System Integrators to drive growth in <strong>Operational Technology</strong></td>
<td></td>
</tr>
<tr>
<td>More specialized sales resources to drive <strong>Fabric</strong> attach rates especially <strong>End Point</strong> products.</td>
<td></td>
</tr>
</tbody>
</table>
Ken Xie
Founder, Chairman of the Board, and Chief Executive Officer
Topics

Networking & Security Convergence

Platform Approach

Fortinet Advantage
Networking and Security Convergence
Network Security an Increasing Share of the Enterprise Networking Market
Enterprise Networking and Cybersecurity Markets

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%

Cybersecurity

- FW: 20%
- Email: 6%
- SWG: 3%
- SIEM: 7%
- TI: 2%
- NDR: 2%
- NAC: 1%
- InfoSec: 4%
- AppSec: 3%
- Vulnerability: 2%
- WAF: 3%
- CASB: 2%
- Encryption: 2%
- DLP: 2%
- Token: 1%
- Identity: 5%
- PAM: 3%
- Authentication: 6%
- Endpoint: 22%
Convergence of Networking and Security

FortiOS Everywhere

Networking
- 5G
- SD-WAN
- Router
- AP Controller

Actionable Threat Intelligence

Management

Security
- Firewall
- Segmentation
- SWG
- IPS
- SSL
- NAC
- ZTNA Proxy

Appliance

Virtual

Container

SASE

FortiOS

Convergence of Networking and Security
Fortinet Total Addressable Market

Security Driven Networking

Secure Networking: $68B
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Identity & IoT/OT Security: $29B
Cloud Security: $31B
Endpoint Security & Security Ops: $43B

Source: Fortinet estimates based on recent analyst research. 2026 opportunity shown.
Fortinet – The Most Deployed Network Security Solution

Over one-third of all appliances shipped

Source: IDC Worldwide Security Appliance Tracker, March 2022 (based on unit shipments of Firewall, UTM, and VPN appliances)
Platform Approach

Consolidation
Consolidation of Security Point Product Vendors

Gartner Cybersecurity Mesh Architecture (CSMA)

Cybersecurity Point Products

Cybersecurity Platform Approach

20 Vendors

4-6 Platforms
M&A Accelerates Specific Technologies

Primary focus organic development – 1700 patents issued

2017 2018 2019 2020 2021

FortiAP FortiNAC FortiEDR FortiSASE FortiPolicy
Meru Networks ENSILO OPAQ SHIELDX LINKSYS VOLON
FortiRecon

FortiSIEM FortiInsight FortSOAR FortiMonitor FortiDevSec DC Switch
accelops ZoneFox Cybersense Panopta sken.ai Alaxala

Primary focus organic development – 1700 patents issued

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Fortinet Security Fabric

Broad
Visibility and protection of the entire digital attack surface to better manage risk

Integrated
Solution that reduces management complexity and shares threat intelligence

Automated
Self-healing networks with AI-driven security for fast and efficient operations
Fortinet Advantage
Technological Leadership – Innovation
Nearly 3X more patents than comparable network security companies

US Patents

- **Fortinet**: 914
- **FireEye**: 904 U.S. Patents
- **Palo Alto Networks**: 355 International Patents
- **SonicWall**: 1269 Global Patents
- **Check Point**: 260 Pending Patents

Source US Patent Office, As of Mar 31, 2022
ASIC Roadmap

Mid Range and High End

- NP6
- CP8
- CP9
- NP7

Entry Level

- SoC3
- SoC4
- SoC5

GENERATIONAL LEAPS IN:

- CONTENT INSPECTION
- NETWORK PROCESSING

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Same function and cost with 5-10x performance

Industry benchmarking with security compute rating

<table>
<thead>
<tr>
<th>Specification</th>
<th>Fortinet FortiGate Model</th>
<th>Security Compute Rating</th>
<th>Industry Average</th>
</tr>
</thead>
<tbody>
<tr>
<td>Firewall</td>
<td>Gbps</td>
<td>Ax</td>
<td>Gbps</td>
</tr>
<tr>
<td>IPsec VPN</td>
<td>Gbps</td>
<td>Bx</td>
<td>Gbps</td>
</tr>
<tr>
<td>Threat Protection</td>
<td>Gbps</td>
<td>Cx</td>
<td>Gbps</td>
</tr>
<tr>
<td>SSL Inspection</td>
<td>Gbps</td>
<td>Dx</td>
<td>Gbps</td>
</tr>
<tr>
<td>Concurrent Sessions</td>
<td>K/M</td>
<td>Ex</td>
<td>K/M</td>
</tr>
<tr>
<td>Connections Per Second</td>
<td>K/M</td>
<td>Fx</td>
<td>K/M</td>
</tr>
</tbody>
</table>
New FortiGate 600F – Delivering Seamless User Experience

Deliver universal ZTNA

Key Benefits

- **Deep visibility into applications** – Protect against all threats
- **Integrated ZTNA** for hybrid workforce
- **Automation** for simplified, reliable network operations

<table>
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<th>Fortinet FortiGate 600F</th>
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</tr>
</thead>
<tbody>
<tr>
<td>Firewall</td>
<td>140Gbps</td>
<td>16X</td>
<td>9Gbps</td>
</tr>
<tr>
<td>IPsec VPN</td>
<td>55Gbps</td>
<td>16X</td>
<td>3.4Gbps</td>
</tr>
<tr>
<td>Threat Protection</td>
<td>8Gbps</td>
<td>2X</td>
<td>3.85Gbps</td>
</tr>
<tr>
<td>SSL Inspection</td>
<td>7Gbps</td>
<td>19X</td>
<td>.37Gbps</td>
</tr>
<tr>
<td>Concurrent Sessions</td>
<td>8M</td>
<td>7X</td>
<td>1.2M</td>
</tr>
<tr>
<td>Connections Per Second</td>
<td>500K</td>
<td>7X</td>
<td>70K</td>
</tr>
</tbody>
</table>

1 Requires Hyperscale Firewall License

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Fortinet is the Only Company to Excel at All Key Stages of Network Security
One OS for Networking and Security
Only vendor recognized as a leader across both SD-WAN and Network Firewall

Sept. 2021 Magic Quadrant for WAN Edge Infrastructure
Fortinet Recognized as a Leader

Nov. 2021 Magic Quadrant for Wired & Wireless LAN Access Infrastructure
Fortinet Recognized as a Visionary

Nov. 2021 Magic Quadrant for Network Firewalls
Fortinet Recognized as a Leader

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Broad Service with Half the Cost

FortiCare  FortiGuard  FortiTrust
Largest Cybersecurity Vendors

Fortinet is the only cybersecurity company listed on both the S&P 500 and Nasdaq 100

Quarterly Public Financial Results as of April 3 2022

Billings (in millions)

Q2 22 +32% $1.6B
Q1 22 +4% N/A
Q4 22 +63% $431M
Q3 22 +59% $388M
Q4 21 +36% $1.3B
Q2 21 +62% $883M
Q1 21 +1% $548M
Q4 22 +62% $502M
Q3 22 +4% $169M
Q4 21 +64% $42M
Q2 22 +59% $199M
Q4 21 +1% $23M
Q3 22 +62% $110M
Q4 21 +64% $94M
Q2 22 +59% $218M
Q4 21 +64% $78M

Billings
GAAP Profit / Loss

Microsoft
Huawei
Broadcom
IBM

Fortinet is the only cybersecurity company listed on both the S&P 500 and Nasdaq 100.
Summery of Networking & Cybersecurity Technology Trends

Reduced complexity and rapid response

Convergence of Networking and Security

Consolidation of Security Venders & Product

Fortinet Position and Advantages

Vendor A
Vendor B
Vendor C
Vendor N
John Maddison
Chief Marketing Officer and Executive Vice President, Products
The shift to remote work is expected to persist even after the pandemic. 52% of CIOs expect work from home to increase in 2021. **Gartner – Top Priorities for IT Leadership 2021**

By 2025, 70% of digital business initiatives will require I&O leaders to report on the business metrics from digital experience, up from less than 15% today. **Gartner Market Guide for Digital Experience Monitoring, August 2020 ID G00724605**

By year-end 2023, 50% of large enterprises will have a documented edge computing strategy, compared to less than 5% in 2020. **Building an Edge Computing Strategy Gartner, published 3, September 2021**

36% of organizations state the growing sophistication of the threat landscape is the top challenge in preventing ransomware attacks. **Fortinet – Ransomware survey 2021**

42% indicate that their control systems had direct connectivity to the internet up from 12% in 2019. **SANS 2021 Survey: OT/ICS Cybersecurity, published August 2021**
Vision – A Converged Networking & Cybersecurity Platform

Unified Security Framework
AI-Powered Security Operations
AI Powered Network Operations
Single User Based License

Zero Trust Access
Security Driven Networking
Hybrid Multicloud Security
Networking and Cybersecurity Technology Trends

Reduced complexity and rapid response

Convergence of Networking and Security

Consolidation of Security Point Product Vendors

Vendor A
Vendor B
Vendor C
Vendor N

Cybersecurity Platform Approach

AI Powered Network and Security Operations

AI NetOps
AI SecOps
Convergence of Networking and Security

FortiOS Everywhere
FortiOS Everywhere

**Appliance**
- Network Processor
- Data Center Hyperscale
- Content Processor
- Security Acceleration
- System on a Chip
- SD-WAN/Branch

**Virtual**
- Data Center
- Cloud BYOL/PAYG
  - AWS
  - Azure
  - Google Cloud
- Cloud Native - SaaS

**Container**
- Specific Function
  - Linksys Home Networking
  - Connected Car
  - Cloud Microservices

**SASE**
- Cloud Delivered
  - Remote Access
  - Thin Edge

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## Appliance Delivered FortiOS – FortiGate

Transition from E to F Series continues

### Entry-Level
- **40 to 80 Series**
  - 40F/41F
  - 60F/61F
  - **70F/71F**
  - 80F/81F

### Mid Range
- **100 to 600 Series**
  - 100F/101F
  - 200F/201F
  - 400F/401F
  - **600F/601F**

### High-End
- **1000 to 3000 Series**
  - 1100E/1101E
  - 1800F/1801F
  - 2200E/2201E
  - 2600F/2601F
  - 3000F/3001F
  - 3400E/3401E
  - 3500F/3501F
  - 3600E/3601E
  - **3700F/3701F**

### Ultra High-End
- **4000 to 7000 Series**
  - 4200F/4201F
  - 4400F/4401F
  - 6300F/6301F
  - 6500F/6501F
  - 7060E/7061E
  - 7121F

*FortiGate xy1 designates on board storage*
New FortiGate 70F, 600F, and 3700F Series

Industry’s highest security compute rating powered by ASIC

70F
Branch

100M more threat protection
2x more connections

600F
Campus

25G
ULL

3700F
Data Center

400G
ULL

Differentiations

FortiGuard
AI-Powered Security

ZTNA
Integrated Enforcement

Automation
Large scale

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Virtual Machine Delivered FortiOS – FortiGate VM

Integrated management consoles
Container Delivered FortiOS – FortiGate Container OS

Next-generation firewall for remote and hybrid workers

Corporate Devices | Remote Access

Internet | Gaming | Streaming

User Mobile App

FortiGuard Security Services

HQ

Internet

Cloud Manager

Corporate SSID

Home SSID

Employees

Employees

Employees

HomeWRK

FortiOS – FortiGate Container OS

Container Delivered

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SaaS Delivered FortiOS – FortiSASE

Global delivery network

On-Prem Convergence

Cloud-Delivered Security

Purpose Built-ASIC

SD-WAN  NGFW  ZTNA

SWG  CASB  ZTNA

Purpose Built Scalable Cloud

Network Edge

FortiGate

Network Edge

Remote Users

Agent

LTE / 5G

Thin Edges

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SD-WAN  NGFW  ZTNA

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Purpose Built Scalable Cloud

Network Edge

FortiGate

Network Edge

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Thin Edges
Example Security Fabric Solutions
Work From Anywhere – Multi-Vendor Solution

Inconsistent security and complex to manage
Fabric Solution – Work From Anywhere
Consistent, enterprise-class security in all locations
Cloud Security – Harmonizing Enterprise Security with Cloud Native

Announcement coming soon

Forti?

- Risk Management
- Threat Management
- Compliance
- DevSecOps

- Cloud Neutral
- Open Ecosystem
- Noise Reduction
- SaaS Delivered
Fabric Solution – Operational Technology
Most commonly deployed Fabric Solution

Cloud & External Zones
- Major Enforcement Boundary
- Business & Enterprise Zones
  - Levels
    - 5
      - 5.5 Information Technology (IT) Boundary
    - 4
      - 3.5 Operational Technology (OT) Boundary

Operations & Control Zones
- Major Enforcement Boundary
- Process Control Zones
  - Levels
    - 2
      - 2.5 Industrial Control System (ICS) Boundary
    - 1
      - Basic Control
    - 0
      - Process

Safety Zone
- Major Enforcement Boundary
- Air-gap / Safety Control Systems Boundary

Digital Transformation
- Data from Systems to Cloud
- Routed NGFW
- SD WAN
- Endpoint Detection & Response
- Secure Switch
- FortiAP
- Rugged/Outdoor AP

Zero Trust Access
- Data from Systems to Cloud
- Single Sign-On
- Multi-factor Authentication

Security Services
- VPN
- IPS
- AV
- OT

NOC/SOC
- Centralized Management
- Centralized Logging & Reporting
- SIEM
- SOAR

Fabric Solution – Operational Technology
Most commonly deployed Fabric Solution
Unified End-to-End Cybersecurity Framework
Reduced complexity with 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 SOC
   SOC Analytics, Detection & Response Platforms

4. Cybersecurity Mastery Technology, People and Process
   Readiness & Response Services
Virtual Analyst
SOC-as-a-Service

Many more ways to secure our customers and more way to increase our share of wallet

Tier-one hunting and automation of the SOC baseline:
- Offload all tier-one analysis to Fortinet’s global team of experts
- 24 x 7 x 365 Continuous Monitoring
- Out-of-the-box SOC use case coverage
- Playbook & SOAR integration

GLOBAL SOC-as-a-Service

Outbreak detection in 7.2
- Immediate alerts and threat hunting scripts
- Automatically identify and respond to new threats.

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Secure Attack Surface

More Inline Inspection

Challenges / Opportunities

- **Inline Inspection**
- **On/Off net**

### Inline CASB Service

- **Dynamic service focused on securing business SaaS data**
  - Integrates with FortiClient Fabric Agent
  - Inline ZTNA traffic inspection and ZTNA posture check
  - Offline CASB included with inline CASB subscription

### In-Line Sandbox

- **Unique inline blocking of unknown files on the NGFW**
  - Inline holding of unknown threats on network level
  - Pure Protection vs. suspicious files into the network
  - Inline blocking for network, endpoint and email
  - Minimal to no impact on operations

### Sandbox Protection Service

- **High-Capacity cloud sandbox to support inline blocking**
  - Advanced AI / ML (FortiAI and FortiSandbox)
  - Queueing optimization
  - Hardware accelerated cloud service
  - FortiGate subscription only

Many more ways to secure our customers and more way to increase our share of wallet
Secure Attack Surface
Expanding IPS Use Cases

Challenges / Opportunities

- IoT and IIoT
- Remediation Playbooks
- Dedicated IPS Management

IoT / IIoT Device & Vulnerability
- Enhanced IoT/IIoT detection capabilities
- Vulnerability correlation & remediation
- Automated & configurable segmentation

Enhanced Fabric Rating
Security Best Practices
- IoT / IIoT Remediation Playbooks built-in
- Extended logging and new reports / incident handlers on FortiAnalyzer

Dedicated IPS
Dedicated IPS administration for finance and other regulated deployments
- End-to-end updates for dedicated IPS administration
- Enabling migration from separate IPS to NGFW
- Preserving operations and compliance practices

Many more ways to secure our customers and more way to increase our share of wallet
Many more ways to secure our customers and more way to increase our share of wallet

**Attack Surface Coverage**

**Inventory & Supply Chain Monitoring**

### Challenges / Opportunities

- **Expanded Fabric Telemetry**
- **Outbreak, CVE and Software Supply Chain Monitoring**

### Security Best Practices

- Supply chain virtual patching
- Up-to-date risk and vulnerability data
- Improved network and security operations.
- Quicker business decisions and remediation in data breach situations.

### Enhanced Fabric Rating

- Immediate alerts and threat hunting scripts
- Automatically identify and respond to new threats

**Outbreak Detection Service**

SIEM | ANALYZER | SECURITY RATING
### Content Security
- Antivirus
- IL SBX
- Credential stuffing

### Web Security
- URL
- DNS
- IP-REP

### Device Security
- DVC PROT
- IPS
- BOT/C2

### Application Security
- WAF SIG
- ANN
- AntiSpam

### Soc Services
- MITRE ATT&CK
- Threat Hunting
- Auto IR
- Outbreak
- IoC

#### 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
AI Powered Network Operations

User-to-application visibility independent of the network and location of the application
## Fortinet Industry Analyst Recognition

<table>
<thead>
<tr>
<th>Gartner</th>
<th>Gartner</th>
<th>Gartner</th>
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</tr>
</thead>
<tbody>
<tr>
<td>MAGIC QUADRANTS</td>
<td>MARKET GUIDES</td>
<td>#1 IN CRITICAL CAPABILITIES</td>
<td>PEER INSIGHTS CUSTOMERS’ CHOICE</td>
</tr>
<tr>
<td>7</td>
<td>8</td>
<td>5</td>
<td>4</td>
</tr>
</tbody>
</table>

### MAGIC QUADRANTS
- Network Firewall
- SD-WAN
- WLAN/LAN
- Endpoint
- SIEM
- WAAP
- Indoor Location Services

### MARKET GUIDES
- DEM
- VPN
- NAC
- EMAIL
- IRM
- XDR
- SOAR
- OT

### #1 IN CRITICAL CAPABILITIES
- Network Firewall
  - Data-Center Edge
  - Distributed Edge
- SD-WAN
  - Security with SD-WAN
  - Small Branch WAN
  - Remote Workforce

### PEER INSIGHTS CUSTOMERS’ CHOICE
- Network Firewall
- WLAN/LAN Access Infrastructure
- Email Security
- WAN Edge Infrastructure

### TOP VENDOR & LEADERSHIP AWARDS
- Email
- SD-WAN
- Critical Infrastructure
- SWG
- NAC
- WAN Edge Infrastructure
- North America Healthcare
Fortinet Industry Analyst Recognition

<table>
<thead>
<tr>
<th>FORRESTER WAVES</th>
<th>FORRESTER NOWTECH</th>
<th>IDC MARKETSCAPE LEADER &amp; MAJOR PLAYER</th>
<th>WESTLANDS ADVISORY PLATFORM NAVIGATOR</th>
<th>KUPPINGERCOLE LEADERSHIP COMPASS</th>
</tr>
</thead>
<tbody>
<tr>
<td>3</td>
<td>4</td>
<td>2</td>
<td>1</td>
<td>1</td>
</tr>
</tbody>
</table>

- **ICS**
- **Enterprise Firewalls**
- **Endpoint Detection and Response**

- **WAF**
- **All-In-One Zero Trust Edge**
- **Software-Defined WAN**
- **Endpoint Detection and Response**

- **Worldwide SD-WAN Infrastructure**
- **Modern Endpoint Security**

- **IT/OT Security Platform**

- **SIEM**
Keith Jensen
Chief Financial Officer
Fortinet – A Leader in the Cybersecurity Industry

Cybersecurity TAM is $199B+ (1)

Growing significantly faster than the overall market

Fortinet is One of the Largest Cybersecurity Companies

The most deployed network security solution

Long-Term Industry Drivers Support Our Growth

Customer demand is driven by heightened awareness, security-driven networking, and vendor consolidation

(1) Based on 2026E TAM.
Long-Term Strategic Trends / Industry Drivers

Security Spending Increasing as a % of Total IT Budgets

Heightened Awareness

Expanding Attack Surfaces
- Ransomware / high profile attacks
  - Colonial pipeline
  - Robinhood
  - Log4j
- Work from anywhere
- Regulatory / compliance responsibilities

Convergence of Security and Networking

Security-driven Networking
- Network infrastructure changes
  - SD-WAN
  - 5G and OT
  - ZTNA / Endpoint
- Micro-segmentation
- Edge / Cloud networking

Reducing Complexity

Vendor Consolidation

- Integrated solutions
- Reduce costs
- Lack of skilled security professionals

Heightened Awareness

Convergence of Security and Networking

Reducing Complexity
20+ Years of Strong Growth

Fortinet Has Been Profitable And Free Cash Flow (3) Positive Every Year Since Its IPO in 2009

Note: Data is as of March 31, 2022 unless otherwise noted.
(1) As of May 6, 2022.
(2) Based on the midpoint of 2022 guidance provided on May 4, 2022.
(3) Billings and Free Cash Flow are non-GAAP financial measures.
(4) IDC Worldwide Quarterly Security Appliance Tracker, April 2022 (based on annual unit shipments of Firewall, UTM and VPN appliances).
Over 90% of Engineering in North America

10,860 Employees

26% y/y Headcount Growth

2,300+ Engineers

Hardware
One-Third

Software
Two-Thirds

As of March 31, 2022
Highly Fragmented Industry Ready for Consolidation

Note: Top 20 pure play cybersecurity companies by market cap listed on the NYSE and NASDAQ as of May 4, 2022 shown.

Source: Nasdaq IR Insight and SEC filings.
Highly Diversified Business
Across Customer Segments, Geographies and Industries

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

Geographies
- 100+ Countries: 48%
- France: 28%
- United Kingdom: 100+ Countries
- Japan: 13%
- United States: 13%
- Germany: 13%
- Canada: 13%

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

Note: Based on invoiced amounts over the last 12 months ending March 31, 2022. Customer Type and Industry exclude Alaxala.
Second Consecutive Year of 30%+ Growth

Annual Billings

<table>
<thead>
<tr>
<th>Year</th>
<th>Product Revenue</th>
<th>Service Billings</th>
<th>Total Billings</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>$1,814</td>
<td>$789</td>
<td>$2,603</td>
</tr>
<tr>
<td>2020</td>
<td>$3,090</td>
<td>$811</td>
<td>$3,901</td>
</tr>
<tr>
<td>2021</td>
<td>$4,181</td>
<td>$889</td>
<td>$5,070</td>
</tr>
<tr>
<td>2022E</td>
<td>$5,540</td>
<td>$835</td>
<td>$6,375</td>
</tr>
</tbody>
</table>

CAGR (2019 to 2022E)

- Product Revenue: 29%
- Service Billings: 28%

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.

$ in Millions

CAGR (2019 to 2022E)
Organic Growth: Innovation Overshadows Supply Chain Headwinds

Billings Growth % (Y/Y)

- Q1'21: 8%
- Q2'21: 32%
- Q3'21: 14%
- Q4'21: 4%
- Q1'22*: 36%

Product Revenue Growth % (Y/Y)

- Q1'21: 3%
- Q2'21: 21%
- Q3'21: 31%
- Q4'21: 4%
- Q1'22*: 54%

*Q1'22 Data for PANW is derived from analyst estimates.
Companies of All Sizes Trust Fortinet

New Customers\(^{(1)}\)

<table>
<thead>
<tr>
<th>Year</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>13,700</td>
</tr>
<tr>
<td>2020</td>
<td>18,200</td>
</tr>
<tr>
<td>2021</td>
<td>23,400</td>
</tr>
</tbody>
</table>

Deals >$1M\(^{(2)}\)

<table>
<thead>
<tr>
<th>Year</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>198</td>
</tr>
<tr>
<td>2020</td>
<td>213</td>
</tr>
<tr>
<td>2021</td>
<td>350</td>
</tr>
</tbody>
</table>

\(^{(1)}\) Excludes 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.
Top 10% of S&P 500 in Free Cash Flow

Strong Cash Flow Brings Customer and Partner Confidence

(1) Source: Nasdaq IR Insight and company filings. Data based on most recently reported financials as of May 4, 2022. Free Cash Flow is a non-GAAP financial measure and is calculated as operating cash flow minus capital expenditures for the period shown. See Appendix for reconciliation of the non-GAAP financial measure to the most comparable GAAP financial measure.
Supply Chain

Future Inventory Commitments ($M)

<table>
<thead>
<tr>
<th>Quarter</th>
<th>FortiGate</th>
<th>Networking Equip</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1 '21</td>
<td>$299</td>
<td>$345</td>
</tr>
<tr>
<td>Q2 '21</td>
<td>$1,141</td>
<td>$1,197</td>
</tr>
<tr>
<td>Q3 '21</td>
<td>$1,373</td>
<td>$1,347</td>
</tr>
</tbody>
</table>

Backlog

Backlog ($M)

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Q1 '21</th>
<th>Q2 '21</th>
<th>Q3 '21</th>
<th>Q4 '21</th>
<th>Q1 '22</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amount</td>
<td>$162</td>
<td>$278</td>
<td>$345</td>
<td>$345</td>
<td>$345</td>
</tr>
<tr>
<td>Mix</td>
<td>8.5%</td>
<td>9.1%</td>
<td>12%</td>
<td>12%</td>
<td>12%</td>
</tr>
</tbody>
</table>

Inflation

Expediting Fees & GM Impact ($M)

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Q1 '21</th>
<th>Q2 '21</th>
<th>Q3 '21</th>
<th>Q4 '21</th>
<th>Q1 '22</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amount</td>
<td>$7</td>
<td>$28</td>
<td>$12</td>
<td>$12</td>
<td>$12</td>
</tr>
<tr>
<td>Mix</td>
<td>0%</td>
<td>-0.3%</td>
<td>-1.6%</td>
<td>-4.0%</td>
<td>-4.0%</td>
</tr>
</tbody>
</table>

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

Semiconductor chip shortage could extend through 2022, Marvell CEO says
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(1) Based on 2026E TAM.
Break
Fortinet Executive Fireside Chat

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

Michael Xie  
Founder, President, and Chief Technology Officer

Patrice Perche  
Chief Revenue Officer & EVP Support

Keith Jensen  
Chief Financial Officer

John Maddison  
Chief Marketing Officer and Executive Vice President, Products

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Felix Gaehtgens
VP Analyst, Gartner
Robert May
Senior Vice President, Product Management
Simplify Operations with...

FortiOS Everywhere
Simplicity and single technology

Controlled App Access

Single Pane for security & incidents
Increased attack surface

- Apps Everywhere
- Users Everywhere
- Path Explosion
Reconciliation of Non-GAAP Results to GAAP Results

<table>
<thead>
<tr>
<th></th>
<th>2021</th>
<th>LTM Q1’22</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net cash provided by operating activities</td>
<td>$1,499.7</td>
<td>$1,579.9</td>
</tr>
<tr>
<td>Less purchases of property and equipment</td>
<td>(295.9)</td>
<td>(366.4)</td>
</tr>
<tr>
<td><strong>Free cash flow</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>36%</td>
<td>34%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>$ in millions</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>LTM Q1’22</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total revenue</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>442.3</td>
<td>496.2</td>
<td>847.6</td>
<td>912.3</td>
</tr>
<tr>
<td>Less Adjustment due to adoption of ASU 2021-08</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>(2.4)</td>
<td>(0.6)</td>
<td>(4.1)</td>
<td>(4.1)</td>
</tr>
<tr>
<td><strong>Total billings</strong></td>
<td><strong>$2,602.9</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>