

TMT

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U.S. Equity Research

Software Largecap

Price Target Change

October Enterprise Software Preview: Good Enterprise Demand

Several important large-cap software vendors are due to report October quarter results, beginning with PANW on Wednesday.

Sentiment remains fairly negative in software, as investors continue to worry about the impact of AI technology on the sector (and, particularly, non-cybersecurity seat-based licensing models). Nevertheless, our software checks were very good overall, with most partners meeting or exceeding plan. AI adoption continues to climb, and data readiness is being prioritized. Also, our cybersecurity checks were better than that of the on-cycle companies just one month ago. Finally, Federal spend was weak as expected, especially in October. Meanwhile, we adjust price targets on some of our companies, and upgrade our rating on RBRK to Outperform from Neutral. All in all, our favorite October-ending stocks to own ahead of the prints are PANW, RBRK, and NTSK.

Key Points

Partial Software Rebound, but Continues to Lag NASDAQ

For the August-October period, the IGV Software Index gained 6%, but it meaningfully lagged the NASDAQ (+15%). The HACK (cybersecurity) index posted an even smaller increase of 2%, and the CLOU (cloud computing) index was only flat. So far in 2025, the IGV has risen 7%, which is a significant 12 percentage points below the NASDAQ as the negative AI narrative continues to impact valuation multiples for many software companies.

Quarterly and YTD Software Performance

| | IGV Index | NASDAQ | Delta | HACK Index | NASDAQ | Delta | CLOU Index | NASDAQ | Delta |
|----------------|-----------|--------|-------|------------|--------|-------|------------|--------|-------|
| F1Q (Feb-Apr) | -7% | -11% | 4% | -6% | -11% | 5% | -16% | -11% | -5% |
| F2Q (May-July) | 15% | 19% | -4% | 14% | 19% | -6% | 4% | 19% | -15% |
| F3Q (Aug-Oct) | 6% | 15% | -9% | 5% | 15% | -10% | 10% | 15% | -5% |
| YTD 2025 | 7% | 19% | -12% | 13% | 19% | -6% | -3% | 19% | -22% |

Source: Bloomberg and MSUSA. YTD Data is through 11/14/25.

Valuation Snapshot

Enterprise Software NTM EV/Sales valuations are currently 50% below five-year peak levels, and 20%-25% below five-year average levels. We find the current risk/reward attractive over the next 12 months, but a higher level of unpredictability may create some unusual challenges and a particularly rocky path.

Mizuho's Top Off-Cycle Ideas (for October quarter-end companies)

Our checks on **PANW** have been favorable for a second consecutive quarter, and we believe that PANW can surpass the high end of its RPO guidance of ~23% Y/Y growth. **RBRK** checks indicate ongoing success with some partners that have been emphasizing cyber resiliency. We expect another quarter of healthy upside to our Subscription ARR forecast of 32% Y/Y growth, and we're upgrading our rating to an Outperform. Inputs on **NTSK** indicate healthy ongoing demand for its SASE solutions, and at 8x-8.5x CY27E ARR for mid 20s expected growth, the shares appear oversold. *More details on these and all off-cycle companies under coverage starting on Page 5.*

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| Symbol | PT (Previous) | Rating (Previous) | Price |
|--------|-----------------------|------------------------|----------|
| CRWD | ▲ \$540.00 (\$475.00) | Neutral | \$537.55 |
| GTLB | \$52.00 | Neutral | \$44.33 |
| NTSK | \$25.00 | Outperform | 19.87 |
| OKTA | ▼ \$110.00 (\$120.00) | Outperform | \$83.94 |
| PANW | ▲ \$230.00 (\$220.00) | Outperform | \$205.25 |
| RBRK | \$97.00 | ▲ Outperform (Neutral) | \$71.55 |
| SAIL | ▼ \$24.00 (\$25.00) | Neutral | \$19.92 |
| CRM | ▼ \$340.00 (\$350.00) | Outperform | \$243.66 |
| SNOW | ▲ \$285.00 (\$260.00) | Outperform | \$257.02 |
| ZS | ▲ \$325.00 (\$310.00) | Neutral | \$299.45 |

Source: Bloomberg and Mizuho Securities USA

Selected Company Commentary (for October quarter-end companies)

PANW

Our checks on PANW have been favorable for a second consecutive quarter, and remain stronger than direct peers CHKP and FTNT. In addition, we believe PANW may have bucked the trend with a relatively healthy performance in Federal this quarter. And more broadly, we believe that larger deal activity was once again healthy for PANW, or at least for a seasonally weak F1Q. We modestly raise our PT to \$230 (was \$220).

SNOW

Our partner checks for SNOW were good once again, including continued robust demand for data warehousing. In addition, we picked up stronger data points on Cortex AI adoption. Altogether, our checks this quarter and our modeling work lead us to expect another quarter of meaningful product revenue upside, albeit less than F2Q's spectacular 5% beat. Net, we remain bullish on SNOW, although we're also mindful of the stock's material outperformance this year (up 66% YTD vs. the IGV up 7%). We modestly raise our PT to \$285 (was \$260).

CRM

Our CRM checks continue to be mixed, but we believe the results will likely be good enough. While some partners missed plan, we also picked up some large deal activity that should surely help RPO/cRPO. Meanwhile, our Data 360 (formerly Data Cloud) checks improved, and Agentforce customer interest remains high, albeit with still subdued activity at this time. Overall, we believe CRM can deliver constant currency cRPO results solidly north of guidance of slightly above 9% Y/Y CC. And looking forward, we reiterate our view that CY26 should be a much better year for CRM than CY25, and with legitimate potential for re-acceleration. While we tweak our PT to \$340 (was \$350), we also find valuation compelling at only 13.5x CY27E EV/FCF, and CRM remains a top pick over the NTM.

RBRK

Our checks on RBRK, albeit limited as usual, indicated ongoing success with partners that have been emphasizing cyber resiliency. We expect another quarter of healthy upside to our Subscription ARR forecast of 32% Y/Y growth, and for RBRK to guide F4Q above the Street. In addition, with RBRK trading at 7x CY27 EV/ARR for at least a mid-20s 2-year CAGR, we believe that AI resiliency and enhanced identity recovery are essentially free call options. As such, we are upgrading to an Outperform (from Neutral) and reiterate our PT of \$97.

CRWD

Our checks on CRWD were good this quarter, and in fact they showed improvement relative to a somewhat subdued F1Q and F2Q. This includes very healthy renewals with more cross-selling success, along with solid large deal activity as well. Altogether, we believe that CRWD will show solid ARR upside, and we meaningfully raise our PT to \$540 (was \$475).

ZS

Our quarterly inputs on ZS were very healthy for a fourth consecutive quarter, albeit a little less strong than our checks last quarter. We continue to believe ZS remains very well positioned within SASE/Zero Trust, and over the past several months we have grown more constructive on ZS's fundamentals, but we also believe ZS's strengths and opportunities are largely reflected by its current multiple. We modestly raise our PT to \$325 (was \$310).

NTSK

Our checks on NTSK, while somewhat limited relative to many other cybersecurity names under coverage, indicate healthy ongoing demand for its SASE solutions, and we believe at least modest upside to revenue and ARR appears likely. Moreover, at 8x-8.5x CY27E ARR for mid 20s expected growth, the shares appear oversold heading into NTSK's earnings debut. We reiterate our \$25 PT.

OKTA

Our checks on OKTA were decent. While some partners were below plan, others continue to benefit from OKTA's increased emphasis on the channel, and we picked up evidence of a few larger deals. All in all, we're optimistic that OKTA should show healthy cRPO upside to guidance of ~10% Y/Y. That said, we modestly lower our PT to \$110 (was \$120).

SAIL

Our SAIL checks were a little stronger this quarter. While cross-selling success remains muted as per our checks, we believe that SAIL may have executed better overall. We're expecting a solid ARR beat, though we slightly lower our PT to \$24 (was \$25).

GTLB

We expect GTLB to deliver more meaningful upside this quarter, although this is largely a function of guidance that appears more conservative to us than usual. Fundamentally, we picked up continued momentum in GitLab Ultimate adoption, although data points on GTLB's Duo Pro (GenAI) uptake were again somewhat mixed. We maintain our Neutral and \$52 PT.

Please see below for a more detailed discussion.

Enterprise Software Ratings/Price Targets: October-ending Quarters

| TICKER | RATING | PRIOR PT | NEW PT* |
|--------|------------|----------|---------|
| CRM | OUTPERFORM | \$350 | \$340 |
| CRWD | NEUTRAL | \$475 | \$540 |
| GTLB | NEUTRAL | \$52 | |
| NTSK | OUTPERFORM | \$25 | |
| OKTA | OUTPERFORM | \$120 | \$110 |
| PANW | OUTPERFORM | \$220 | \$230 |
| RBRK | OUTPERFORM | \$97 | |
| SAIL | NEUTRAL | \$25 | \$24 |
| SNOW | OUTPERFORM | \$260 | \$285 |
| ZS | NEUTRAL | \$310 | \$325 |

Source: Mizuho Securities, LLC. *If revised.

CrowdStrike (CRWD - Neutral)

Mizuho Estimates vs. Consensus

| | Forecasts | | Street Ests. | Guidance |
|---------------------|-----------|--------|-----------------|---------------|
| | Current | Prior* | | |
| F3Q26 Revenue (\$M) | 1,215.9 | - | 1,216.8 | 1208-1218 |
| F3Q26 EPS | \$0.94 | - | \$0.94 | \$0.93-\$0.95 |
| FY26 Revenue (\$M) | 4,783.4 | - | 4,786.3 | 4749.5-4805.5 |
| FY26 EPS | \$3.69 | - | \$3.67 | \$3.60-\$3.72 |

Source: Mizuho Securities USA LLC & Bloomberg. *If revised

Earnings Call: December 2 @ 5:00 pm EST (via live webcast)

Quarterly Inputs: Our CRWD checks this quarter were good, and they also reflect improvement relative to F1Q and F2Q. This includes very healthy renewals with more cross-selling success, along with good large deal activity as well. Moreover, CRWD's Falcon Flex program continues to gain strong ongoing traction with a broad range of customers. Separately, from a web traffic perspective, per our proprietary data analysis from [SimilarWeb](#), CRWD experienced a 23% Y/Y drop in unique visitors in the October quarter. That said, we wouldn't be at all concerned as this is surely driven by the tough comparison in October 2024 (+31% growth) following the major IT outage.

Altogether, we expect CRWD to report solid upside to our and the Street's ARR forecast of ~\$4.9B this quarter that calls for 22% growth Y/Y (also vs. another challenging 27% comp). Moreover, we project total revenue to grow by 20% Y/Y to nearly \$1.22B this quarter, roughly in line with consensus. Finally, we project non-GAAP operating margins of 21.5% in F3Q (up 160bps Y/Y), which equates to an EPS of \$0.94 that is exactly in line with consensus.

Recent Company News/Announcements: In September, we attended [CRWD's annual user conference, Fal.Con 2025, along with its investor meeting](#), that was held in Las Vegas. Most notably, CRWD provided a much better than expected ARR outlook for FY27E. Specifically, mgmt is targeting strong 20%+ growth in net new ARR in FY27E, well above the Street's roughly 12-13% net new ARR growth forecast. It also implies ~22% total ARR growth at this time (consensus had been forecasting ~20.5% growth). Meanwhile, mgmt cited Falcon Flex momentum, a strong pipeline, and continued strong investments as reasons underpinning the better than expected guide. Furthermore, CRWD reiterated its target for \$10B in ARR by FY31, which continues to look highly achievable. As well, mgmt is now targeting \$20B in ARR by FY36E, reflecting an ARR growth CAGR of ~15% over that time frame. Separately, contra revenue is expected to comprise ~80bps of total revenue in FY27E. Finally, CRWD continues to expect FY27E operating margins of 24%+ and FCF margins of 30%+.

From a product standpoint, earlier this month CRWD introduced some new mission-ready agents at Fal.Con 2025 Europe. This included its new agents for Foundry App Creation (enables users to build and deploy custom security apps without needing to leverage code) and Data Onboarding (as the name implies, this helps accelerate the process of onboarding data into CRWD's next-gen SIEM via streamlining data pipeline creation). CRWD also added authenticated scanning and enhanced visibility capabilities for its Falcon Exposure Management agent. Meanwhile, the co. unveiled new Falcon XIoT innovations at its user conference, which include real-time segmentation visibility, zero-touch asset discovery, and unified insights across OT and XIoT environments. Separately, CRWD announced a new partnership with CoreWeave (CRWV, Neutral), in which the two vendors will help better secure AI infrastructure.

Investor Sentiment: Improving

Mizuho Stock Call: In late August, [CRWD reported a solid but unspectacular F2Q](#). Total ARR grew 20.5% Y/Y (+5% Q/Q) to ~\$4.66B, which exceeded our and the Street's ~\$4.65B forecast. This equated to a modest ~15bps ARR beat, and was consistent with our view that CRWD would likely show less F2Q ARR upside than usual. Much more positively though, mgmt provided strong net

new ARR growth guidance of 40%+ Y/Y in F2H. We remain steadfast in our view that CRWD's cloud security platform is very differentiated, its GTM is unrivaled, and the co. will continue to demonstrate success extending into higher-growth security markets. Having said that, our checks in recent quarters on CRWD have moderated a little, and CRWD is trading at a CY27E EV/ARR multiple of 17x-18x, which together leaves us with a more neutral view on risk/reward. Our PT of \$540 (was \$475) reflects a CY26-27E EV/ARR multiple of ~21x and 17.5x, a significant 2.2x [previously 2.1x] our high-growth software peer group median multiple, reflecting similar expected growth but superior margins.

GitLab (GTLB - Neutral)

Mizuho Estimates vs. Consensus

| | Forecasts | | Street Ests. | Guidance |
|---------------------|-----------|--------|-----------------|---------------|
| | Current | Prior* | | |
| F3Q26 Revenue (\$M) | 238.5 | - | 239.5 | 238-239 |
| F3Q26 EPS | \$0.20 | - | \$0.20 | \$0.19-\$0.20 |
| 2026 Revenue (\$M) | 939.0 | - | 940.9 | 936-942 |
| 2026 EPS | \$0.83 | - | \$0.84 | \$0.82-\$0.83 |

Source: Mizuho Securities USA LLC & Bloomberg. *If revised

Earnings Call: TBD

Quarterly Inputs: Our checks on GTLB are typically limited, but demand sounded decent overall. We also picked up continued momentum in GitLab Ultimate adoption. That said, data points on GTLB's Duo Pro (GenAI) uptake were again somewhat mixed this quarter, with a few partners underperforming their expectations on Duo attach. As discussed in our [October downgrade note](#), we remain cautious on Premium-tier demand trends and believe competitive intensity from GitHub Copilot and emerging AI-native tools continues to rise. The Ultimate tier, however, remains a clear source of strength, now representing over half of ARR and deeply embedded across enterprise workflows.

From a modeling standpoint, we expect GTLB to deliver more meaningful upside this quarter, although this is largely a function of guidance that appears more conservative to us than usual. More specifically, we believe that GTLB can show more upside than the 375 bps beat in F2Q (and the average ~2.3% upside over the last three quarters). We project total revenue growth of 22% Y/Y to \$238M. Within this, we model subscription revenue (self-managed + SaaS) growth of 22% Y/Y to \$214M. We forecast total RPO growth of 28% Y/Y (vs. 32% last quarter, and facing a difficult 48% comp) and cRPO growth of 31% (similar to last quarter and against a 39% comp). On profitability, we estimate non-GAAP OMs of 13.2%, similar to a year ago period and below Street expectations of 13.4%.

Recent Company News/Announcements: In September, GTLB was named a Leader in the [Gartner Magic Quadrant for AI Code Assistants](#), and was also recognized as a Leader in the [Gartner Magic Quadrant for DevOps Platforms](#), marking its third consecutive year in that position. In October, [GTLB released version 18.5](#), introducing beta features including the GitLab Duo Planner Agent and GitLab Duo Security Analyst Agent, as well as a web-based Maven virtual registry UI. Following media speculation in July that GTLB was exploring a sale, a [StreetInsider report](#) circulated last month suggested that Datadog (DDOG, Outperform) may be exploring a potential acquisition of GTLB, with speculation of a possible offer above \$60 per share, but we believe such a potential combination at this time appears very unlikely.

Investor Sentiment: Negative

Mizuho Stock Call: Following our [downgrade to Neutral](#) (from Outperform) last month, we maintain a cautious stance on GTLB overall. While we continue to view GTLB's platform as strategically important within DevSecOps, we also see (1) persistent uncertainty around whether AI will erode GTLB's developer-heavy seat-based model, (2) rising competitive pressure as GitHub and AI-native startups likely continue to outpace GitLab Duo's adoption, (3) a monetization outlook that could be less robust than management suggests (pressure on Premium SKU), and (4) questions regarding whether GTLB's new GTM strategy will deliver a better outcome. That said, we continue to view Ultimate as a durable foundation, given deep enterprise adoption and high switching costs. Altogether, we see a fairly balanced risk/reward profile over the near-to-medium term. Our \$52 PT (unchanged) is based on a CY26-27 EV/Revenue multiple of 7x and 5.8x, 40% below the high-growth software comp group for modestly lower expected growth.

Netskope (NTSK - Outperform)

Mizuho Estimates vs. Consensus

| | Forecasts | | Street Ests. | Guidance |
|---------------------|-----------|--------|-----------------|----------|
| | Current | Prior* | | |
| F3Q26 Revenue (\$M) | 175.1 | - | 176.0 | - |
| F3Q26 EPS | (\$0.25) | - | (\$0.24) | - |
| 2026 Revenue (\$M) | 688.7 | - | 689.9 | - |
| 2026 EPS | (\$1.20) | - | (\$1.20) | - |

Source: Mizuho Securities USA LLC & Bloomberg. *If revised

Earnings Call: December 11 @ 5:00 pm EST (via live video webcast)

Quarterly Inputs: Our checks on NTSK, while somewhat limited relative to many other cybersecurity names under coverage, **indicate healthy ongoing demand for its SASE solutions**. We project total revenue to grow by 26% Y/Y (vs. 31% growth previously) to \$175M, slightly below the Street's \$176M projection (+27%), and we expect the co. to report solid upside to our/the Street's revenue estimates in its first quarter as a public company. More importantly, we believe ARR is the most useful metric when analyzing the health of NTSK's business. And to this end, we forecast ARR to grow by 26% Y/Y to \$726M, and we expect healthy upside here as well. Our ARR forecast also implies roughly \$19M in net new ARR in the F3Q, well below the \$34M added in the year-ago period (also compares to \$50M added last quarter), and in our view leaving room for solid upside. Less importantly, we project total billings to grow by 16% Y/Y (vs. 9% growth previously, and a +30% comp). Finally, we project non-GAAP operating margins of -18.1% this quarter, although we are confident that NTSK can surpass this target.

Recent Company News/Announcements: NTSK unveiled many new AI-enabled capabilities in early August. This includes the launch of Netskope One Copilot for Private Access, and a preview for its Model Context Protocol (MCP) server. As it relates to the former, the co.'s new copilot tech enables organizations to more quickly and seamlessly implement application segmentation (based upon IP and/or name-based destinations), enable context-aware policies, recommend policy mapping for Active Directory (AD) environments, continuously review configuration changes, enforce least privilege access, and more via natural language commands. As such, mgmt believes this new copilot tech equips it with a much stronger ZTNA offering, and that this should facilitate even greater VPN displacements in the future. Netskope One Copilot for Private Access is now GA, with mgmt stating in a press release that additional AI copilots are currently in development. Meanwhile, its MPC server will enable popular LLMs, such as Microsoft Copilot, Google Vertex, and Amazon Bedrock, to interact securely with the NTSK platform. Altogether, NTSK has over 1,000 customers leveraging its platform to secure AI, and our expectation is that this figure should go much higher over the next few years or so.

Investor Sentiment: Mixed

Mizuho Stock Call: Last month, **we initiated coverage on NTSK with an Outperform rating and a \$25 price target**. NTSK has spent the last several years architecting a highly scalable and robust cloud-based cybersecurity, networking and analytics platform, and we believe it has done an excellent job separating from many of its peers. Our recent checks on NTSK have also been largely favorable, and we see a good likelihood that the co. can deliver healthy revenue and ARR upside going forward. More broadly, we believe NTSK is poised to capitalize on a number of important growth drivers and initiatives, including rising demand for cloud-based security and networking technologies, further cross-sell and upsell opportunities, ongoing legacy displacement activity, an acceleration in sales capacity, and AI security. NTSK has also driven significant gross margin expansion, and we are cautiously optimistic that profitability should materially improve too. Our \$25 PT (unchanged) utilizes a CY26-27 EV/ARR multiple of 13x and 10.5x, a slight 5% premium to the high-growth security peer group on CY27E.

Okta (OKTA - Outperform)

Mizuho Estimates vs. Consensus

| | Forecasts | | Street Ests. | Guidance |
|---------------------|-----------|--------|-----------------|---------------|
| | Current | Prior* | | |
| F3Q26 Revenue (\$M) | 729.0 | - | 730.3 | 728-730 |
| F3Q26 EPS | \$0.75 | - | \$0.76 | \$0.74-\$0.75 |
| FY26 Revenue (\$M) | 2,880.3 | - | 2,880.1 | 2875-2885 |
| FY26 EPS | \$3.36 | - | \$3.37 | \$3.33-\$3.38 |

Source: Mizuho Securities USA LLC & Bloomberg. *If revised

Earnings Call: December 2 @ 5:00 pm EST (via live video webcast)

Quarterly Inputs: Our checks on OKTA were decent. While some partners were below plan, others continue to benefit from OKTA's increased emphasis on the channel. We also picked up evidence of a few larger deals, along with continued modest improvement in cross-sell of some of OKTA's newer products, especially OIG (Okta Identity Governance). We also believe that management's guidance is sufficiently conservative, and thus we're optimistic that OKTA should show healthy cRPO upside to guidance of ~10% Y/Y. Further, we expect solid upside to our and the Street's revenue growth forecast of roughly 10% Y/Y (vs. a +14% comp). We also anticipate decent upside to the Street's non-GAAP operating margin forecast of 22.4% (Mizuho: 22.1%).

Recent Company News/Announcements: In late September, we attended [OKTA's annual user conference held in Las Vegas, along with an investor Q&A session](#). While the product announcements were lighter than we were anticipating, mgmt did a good job articulating its strong positioning in agentic AI security. Meanwhile, our checks from the event were largely favorable and included good ongoing interest in some of the company's newer products, most notably identity governance. On a separate note, OKTA has importantly announced several key new leadership hires over the past few months. Specifically, Ric Smith will serve as its new President of Products and Technology (he previously held this role at SentinelOne [S, NC] and played an instrumental role in taking the company public in 2021), Shannon Duffy will serve as its new Chief Marketing Officer (with over 25 years of marketing expertise, she previously served as the CMO at Asana [ASAN, NC]), and Chris Augenstein is now serving as its new SVP for the Americas region (in his prior role, he served as the Head of Americas Sales at Nutanix [NTNX, NC], and held numerous sales-related roles at Cisco [CSCO, NC] over a two decade period).

Investor Sentiment: Negative

Mizuho Stock Call: OKTA reported an [encouraging F2Q](#), as cRPO growth of 13.5% Y/Y was better than expected and comfortably surpassed the Street's ~10.5% forecast. Mgmt cited solid execution, with generally good public sector activity. As well, its new GTM specialization also appears off to a good start. Meanwhile, mgmt encouragingly opted to remove its previously added layer of conservatism. And as such, F3Q guidance was solid, and OKTA nicely raised its full-year outlook. Despite some historical company missteps, we believe OKTA continues to be a clear leader in the critically important identity management market, and we have a higher confidence level that OKTA should increasingly benefit from its group of newer products that have already begun to drive a meaningful contribution. Our PT of \$110 (was \$120) reflects a CY26-27E EV/Sales multiple of ~5.5x and 5x, 25%-30% below our security group for ~30% lower projected growth but higher margins.

Palo Alto Networks (PANW - Outperform)

Mizuho Estimates vs. Consensus

| | Mizuho Forecasts | | Street Ests. | Guidance |
|---------------------|------------------|--------|-----------------|---------------|
| | Current | Prior* | | |
| F1Q26 Revenue (\$M) | \$2,461 | - | \$2,462 | 2,450-2,470 |
| F1Q26 EPS | \$0.89 | - | \$0.89 | \$0.88-\$0.90 |
| FY26 Revenue (\$M) | \$10,503 | - | \$10,517 | 10,475-10,525 |
| FY26 EPS | \$3.82 | - | \$3.81 | \$3.75-\$3.85 |

Source: Mizuho Securities USA LLC & Bloomberg. *If revised

Earnings Call: November 19 @ 4:30 pm EST (via live webcast)

Quarterly Inputs: Our checks on PANW have been favorable for a second consecutive quarter, and remain stronger than direct peers CHKP and FTNT. We heard of particular strength with PANW's SASE, XSIAM and Prisma Browser products, and firewall uptake was solid. In addition, **we believe PANW may have bucked the trend with a relatively healthy performance in Federal this quarter.** And more broadly, we believe that larger deal activity was once again healthy for PANW, or at least for a seasonally weak F1Q. Separately, an early August price increase on certain firewalls and subscriptions should modestly help drive growth over the near-to-medium term as well. And finally, many partners continue to express excitement about PANW's pending acquisition of CyberArk (CYBR, Outperform).

We project Total RPO to grow by ~23% Y/Y to \$15.4B this quarter versus management's outlook for \$15.4B-\$15.5B (+23% Y/Y), and we believe PANW can surpass the high end of its guidance. We also project cRPO to grow 16% Y/Y to roughly \$6.8B. Furthermore, we believe PANW should show modest upside to our next-gen security ARR growth forecast of 29% and the Street's slightly higher ~30% Y/Y estimate (vs. 32% growth previously). Meanwhile, we also project 14% Y/Y billings growth in F1Q (vs. a very easy -15% comp, and well below the Street's much higher 27% growth forecast), although this metric is far less meaningful right now given a higher mix of annual payments on multi-year deals. Finally, we expect decent upside to our total revenue estimate of \$2.46B (+15% Y/Y), consisting of product revenue of \$425M (+20% Y/Y vs. an easy +4% comp) and subscription/support revenue of nearly \$2.04B (+14% Y/Y). As a reminder, our model does not incorporate the pending CYBR transaction.

Recent Company News/Announcements: Last month, PANW launched Cortex AgentiX. This new platform includes a number of security agents spanning threat intelligence, email, endpoint, network security, cloud security, and IT. Furthermore, AgentiX enables customers to build their own agents via no-code tools (i.e. its GenAI builder leverages >1K pre-built integrations), and it includes native MCP support. Cortex AgentiX is now available in Cortex Cloud and Cortex XSIAM, while Cortex XDR and the standalone AgentiX platform is slated to be released in early 2026. Furthermore, the co. unveiled its Cortex Cloud 2.0 in late October, which features autonomous AI agents, a reimaged cloud command center, and its optimized CDR agent.

Investor Sentiment: Improving

Mizuho Stock Call: PANW reported a **very good F4Q**, as Total revenue growth of 16% Y/Y was nicely above our and the Street's ~14% estimate. Within that, Product growth of 19% Y/Y easily surpassed the Street's +15% Y/Y forecast, and Subscription/Support revenue (+15% Y/Y) was modestly above. Moreover, RPO grew an impressive 24% Y/Y, easily beating guidance of 19%-20% growth. FY26 guidance was much better than feared, and nicely above buy-side expectations. And last but not least, mgmt projected stronger than expected FY28 FCF margins of 40%+, inclusive of the pending CYBR acquisition. More broadly, we believe PANW is capably executing its new GTM strategy (in which the co. is prioritizing driving larger "platformization" transactions going forward). We also remain bullish on PANW's improving mix shift toward higher-growth recurring revenue, and we reiterate that PANW clearly possesses the strongest array of cloud assets among traditional

network security vendors. Finally, we remain quite bullish on PANW's proposed acquisition of CYBR. Our \$230 PT (was \$220) reflects a CY26-27 EV/Sales multiple of ~13.5x and 12x and an EV/FCF of 34x and 30x. On an EV/FCF basis, this is 5% below our high-growth security group for modestly lower expected growth.

Rubrik (RBRK - Outperform)

Mizuho Estimates vs. Consensus

| | Forecasts | | Street Ests. | Guidance |
|---------------------|-----------|--------|-----------------|-------------------|
| | Current | Prior* | | |
| F3Q26 Revenue (\$M) | 320.6 | - | 320.7 | 319-321 |
| F3Q26 EPS | (\$0.17) | - | (\$0.17) | (\$0.18)-(\$0.16) |
| FY26 Revenue (\$M) | 1,235.9 | - | 1,234.3 | 1227-1237 |
| FY26 EPS | (\$0.47) | - | (\$0.48) | (\$0.50)-(\$0.44) |

Source: Mizuho Securities USA LLC & Bloomberg. *If revised

Earnings Call: December 4 @ 5:00 pm EST (via live webcast)

Quarterly Inputs: Our checks on RBRK, albeit limited as usual, indicated ongoing success with some partners that have been emphasizing cyber resiliency. We project total Subscription ARR to grow 32% Y/Y to nearly \$1.32B (vs. 36% growth previously, and another tough 38% comp), slightly above the Street's roughly \$1.31B forecast, and we expect another quarter of healthy upside to our target this quarter. Our forecasts also imply net new subscription ARR of \$69M (well below the \$83M reported in the year-ago period). Furthermore, we project total revenue of \$321M, which equates to 36% Y/Y growth (vs. another tough 43% comp). Within this, we forecast subscription revenue of \$307M (+39% Y/Y, and vs a 55% comp), maintenance revenue of ~\$2M (down 60% Y/Y), and other products revenue of nearly \$12M (+11% Y/Y). Finally, we project non-GAAP EPS of - \$0.17, exactly in line with consensus.

Recent Company News/Announcements: Last month RBRK importantly launched the Rubrik Agent Cloud, which provides organizations with comprehensive agent management, security and observability capabilities. More specifically, the Rubrik Agent Cloud enables users to better monitor and audit agentic-based actions, implement guardrails, fine-tune agentic activities, and undo agentic mistakes (via its recently announced Agent Rewind tool). It also auto-discovers both IaaS (such as from Azure and AWS implementations) and PaaS agents. The Rubrik Agent Cloud is now available in limited early access for select customers. While too early for any meaningful partner feedback, **one of our contacts noted that the Rubrik Agent Cloud is not only a very logical extension for RBRK, but that it has also made its AI strategy a lot more tangible than prior** (which revolved around Rubrik Annapurna).

RBRK announced this week that it has signed a strategic collaboration agreement (SCA) with Amazon (AMZN, Lloyd Walmsley, Outperform). The SCA intends to further accelerate secure AI adoption through utilizing the RBRK AI portfolio in tandem with Amazon Bedrock (fully managed AWS service that enables developers to build GenAI apps by providing secure access to foundation models). Meanwhile, RBRK and OKTA jointly announced its Rubrik Okta Recovery product, which will provide immutable backups and offer recovery services for Okta objects and metadata. Rubrik Okta Recovery is slated for GA in the coming months. Further on the product front, RBRK recently unveiled an expanded integration with CRWD, which importantly allows customers to roll back malicious identity changes.

Investor Sentiment: Mixed

Mizuho Stock Call: RBRK delivered a **good F2Q**, as Subscription ARR of \$1.25B grew 36% Y/Y, nicely above the Street's 33% forecast. This also equated to net new subscription ARR of \$71M, up 12% Y/Y, albeit reflecting somewhat more modest growth than the 23% Y/Y improvement in the prior quarter. Within that, Cloud ARR grew a much stronger 57% Y/Y. Meanwhile, mgmt again raised its full-year guidance.

In the roughly six months following our valuation-driven downgrade on RBRK, the shares have largely struggled (down 16% since mid-May vs. the IGV up 3%) despite good ongoing execution. More broadly, we continue to believe RBRK's intense focus on protecting and operationalizing data, along with best-in-class ransomware defenses, have enabled it to significantly separate from most

legacy and next-gen vendors in this space. In addition, with RBRK trading at 7x CY27 EV/ARR for at least a mid-20s 2-year CAGR, we believe that AI resiliency and enhanced identity recovery are essentially free call options for RBRK. As such, we are upgrading RBRK to an Outperform rating (see "We're Getting Back on the Train; Upgrading to Outperform", for further details). Our \$97 PT (unchanged) equates to a CY26-27E EV/ARR multiple of 11.5x and 9.5x, a 15%-20% premium to the high-growth software group median on CY27E. RBRK is currently growing ARR ~25% faster than the group, and we believe it will continue to grow ARR at a faster rate over at least the medium-term, albeit with lower margins.

SailPoint (SAIL - Neutral)

| | Forecasts | | Street Ests. | Guidance |
|---------------------|-----------|---------|-----------------|---------------|
| | Current | Prior* | | |
| F3Q26 Revenue (\$M) | 270.1 | - | 270.4 | 269-271 |
| F3Q26 EPS | \$0.06 | - | \$0.05 | \$0.05-\$0.06 |
| 2026 Revenue (\$M) | 1,055.2 | 1,041.8 | 1,055.5 | 1052-1058 |
| 2026 EPS | \$0.22 | - | \$0.21 | \$0.20-\$0.22 |

Earnings Call: December 9 @ 8:30 am EST (via live webcast)

Quarterly Inputs: Our SAIL checks were a little stronger this quarter. While cross-selling success remains muted as per our checks, we believe that SAIL may have executed better overall. In addition, we believe SAIL's leading IGA position is very much intact.

Altogether, we project total revenue to grow nearly 15% Y/Y to \$270M this quarter (vs. a +30% comp that is roughly 8 points tougher), exactly in line consensus and mgmt's guidance of \$269M-\$271M. Within this, we forecast subscription revenue of \$253M for F3Q26 (+16% Y/Y, and vs. a challenging 34% comp), and services/other products revenue of \$17M (down roughly 5% Y/Y). More importantly, we project total ARR to grow nearly 27% Y/Y (vs. a 30% comp) to \$1.03B. This also equates to net new ARR of \$47M in F3Q26, up slightly from \$46M in the year-ago period. Further on ARR, we expect to see solid upside this quarter. Finally, we project non-GAAP operating margins of 15.9%, which translates to an EPS of +\$0.06 that is a penny above Street forecasts.

Recent Company News/Announcements: In early October, [we hosted in-person meetings with CFO Brian Carolan, SVP of Corporate Strategy and Product Operations Mitra Mahdavian, and SVP of IR Scott Schmitz](#). During our discussions, SAIL did a very good job emphasizing its broadening identity security platform, and how it is particularly well positioned to solve complex governance and other issues. Meanwhile, mgmt encouragingly stated its belief that its recent Savvy acquisition for SailPoint Accelerated Application Management (SAAM) will help accelerate the discovery of new applications to bring under SAIL's domain, and that it can increasingly land with SAAM. Further to this end, mgmt highlighted that Savvy can be utilized to varying degrees, ranging from gaining better app visibility (a more basic use case), to conducting access reviews for certain applications, and finally to full governance mode.

Meanwhile, [we also attended the company's annual user conference, Navigate 2025](#), in late September. As expected, SAIL announced a series of interesting new platform enhancements, solutions and initiatives. This includes five new offerings that are now GA (Agentic Identity Security, Observability & Insights [O&I], Atlas Enterprise, Data Access Security [DAS] and Accelerated Application Management [AAM]), with three more expected in the coming months (Privileged Security Posture Management, Response and Remediation [R&R], and Real-Time Authorization). Separately, our conversations with some partners at the event were largely encouraging for SAIL. As well, the co. introduced two new Agentic Identity Security (AIS) SKUs, which are Base AIS and Advanced AIS. Furthermore, SAIL disclosed that it recently introduced SailPoint Navigator, its new flex-based licensing model, which we believe initially caters to particularly large customers.

Investor Sentiment: Mixed

Mizuho Stock Call: In early September, SAIL reported a [solid F2Q](#) result. Total ARR growth of 28% Y/Y surpassed our and the Street's +26% forecast. Within that, SaaS ARR led the way with 37% Y/Y growth that was slightly above our expectation. From a product perspective, SAIL noted that new SaaS customers are attaching add-on products at a 40% rate (vs. 25% last year), thus helping to drive its strongest ever new logo ARR quarter. Less importantly, F2Q revenue significantly outperformed, but much of this was timing-oriented, resulting in F3Q revenue guidance below consensus. More broadly, as discussed in our recent [initiation report](#), we believe SAIL's robust and highly scalable IGA platform is in a class of its own. Moreover, SAIL's successful transition to SaaS should enable better economics, and its suite-based selling will likely drive meaningfully higher ARPU over time. Having said that, the degree of cross-selling success that SAIL will have in the

future is uncertain to us. Our \$24 PT (was \$25) is based on a CY26-27E EV/ARR multiple of ~9.5x and 8x, which represents a 15%-20% discount to the CY27 high-growth security peer group median for in-line to slightly better expected growth, albeit meaningfully lower FCF margins at this time.

Salesforce.com (CRM - Outperform)

Mizuho Estimates vs. Consensus

| | Forecasts | | Street Ests. | Guidance |
|---------------------|-----------|--------|-----------------|-----------------|
| | Current | Prior* | | |
| F3Q26 Revenue (\$M) | 10,271 | - | 10,280 | 10,240-10,290 |
| F3Q26 EPS | \$2.85 | - | \$2.86 | \$2.84-\$2.86 |
| FY26 Revenue (\$M) | 41,194 | - | 41,248 | 41,100-41,300 |
| FY26 EPS | \$11.36 | - | \$11.38 | \$11.33-\$11.37 |

Source: Mizuho Securities USA LLC & Bloomberg. *If revised

Earnings Call: December 3 @ 5:00 pm EST (via live webcast)

Quarterly Inputs: Our CRM checks continue to be mixed, but we believe the results will likely be good enough. Some partners missed plan and noted lackluster demand for a few of CRM's core clouds this quarter. In addition, we believe net new logos were under more pressure. Much more positively though, we picked up two significant 8-figure deals that closed in F3Q, which should surely help RPO/cRPO.

On Agentforce, customer interest in remains high, although it also remains early in the progression to production and scaled usage. More positively, one of our contacts cited an uptick in Agentforce adoption from their healthcare clients, including some deployments that have gone into production. In addition, Agentforce Voice, while not yet GA, is generating early buzz with some CRM partners, and we note that Agentforce Voice carries a 50% list price increase per action. Also, and more relevant to F3Q, we picked up some larger commitments to Data 360 (formerly known as Data Cloud) as customers leverage it in preparation for generating value from AI agents. We believe this greater adoption is partially influenced by a meaningful reduction in Data 360 pricing last quarter.

Overall, we believe CRM can deliver constant currency cRPO results solidly above management's guidance for slightly above 9% Y/Y CC. We also expect F3Q revenue to surpass our \$10.27B (+9% Y/Y) projection this quarter, and the Street's slightly higher \$10.28B target. Meanwhile, we model non-GAAP OMs of 34.3% (+120bps Y/Y), although we expect slight upside here. As for guidance, we believe the Street's F4Q cRPO forecast of ~8.5% CC growth looks reasonable. Similarly, we believe CRM is likely to maintain or slightly raise its FY26 guide on a CC basis (current guidance is for \$41.1B-\$41.3B or +8% CC).

Recent Company News/Announcements: CRM hosted an [eventful investor session](#) in mid-October at its annual Dreamforce event, where the co. unveiled expectations for top-line acceleration and a framework for very good FY30 revenue and margins. This framework calls for 10%+ organic revenue CAGR from FY26-FY30, and reaching \$60B+ in revenue by FY30 (excluding the pending INFA acquisition). Moreover, the co. emphasized a potential step-change in the level of spend on customer renewals as customers adopt Agentforce in coming years, along with an enterprise sales playbook to attack this opportunity.

On the product front, CRM announced meaningful [Agentforce 360 updates](#) at Dreamforce, which are squarely focused on driving broader enterprise adoption and were led by AI-driven speech (Agentforce Voice), deeper context creation from unstructured data (Intelligent Context), and greater control over agents with hybrid reasoning and Agent Script. CRM also recently introduced Agentforce IT Service, an agent-first, conversational-first IT support product suite. CRM's EVP and GM for Service Cloud, Kishan Chetan, has highlighted the opportunity for CRM as an extension of Service Cloud, which he recently noted has [60,000 customers](#).

Over the past quarter, CRM has continued its recent streak of tuck-in acquisitions. Last month, CRM announced a [deal to acquire Apromore](#), which helps organizations discover, simulate, and optimize business processes and was ranked a leader in [Gartner's 2025 Process Mining Magic Quadrant](#). Per Gartner, Apromore was among the highest share gainers in this space in 2024 as revenue grew to \$46M (+112.5% Y/Y). The deal closed earlier this month on November 3rd. More recently, CRM announced an agreement to [acquire Spindle AI](#), which assists in the

autonomous modeling of scenarios and forecasting business outcomes. The Spindle AI team will join Agentforce to focus on augmenting the Agent Observability and Self-Improvement pillar for Agentforce 360. CRM also signed an agreement this week to [acquire Doti](#), reportedly for **\$100M**. Doti is an enterprise search company with talent that will help develop CRM's vision for Slack to be the unified, agentic search layer.

Investor Sentiment: Negative

Mizuho Stock Call: CRM delivered a [solid F2Q](#). Most notably, cRPO growth of 10% CC beat guidance for 9% growth. In addition, Agentforce continues to progress nicely with 50%+ cumulative growth in total and paid deals. Meanwhile, CRM provided 3Q CC cRPO guidance slightly ahead of the Street, although the FY26 CC revenue outlook was unchanged at the midpoint despite a meaningful F2Q revenue beat. More broadly, we reiterate our view that CY26 should be a much better year for CRM than CY25, and with legitimate potential for re-acceleration. We also believe that CRM remains committed to profitable growth, and we find the current valuation very compelling at 13.5x CY27E FCF. Our PT of \$340 (was \$350) reflects CY26-27E EV/Revenue multiples of ~7x and 6.5x, and a FCF multiple of 21x and 19x. This is 10%-15% below our Enterprise Software group on FCF for an organic growth profile ~30% lower, although CRM has stronger margins, and has a significant potential medium-term growth catalyst in Agentforce.

Snowflake (SNOW - Outperform)

Mizuho Estimates vs. Consensus

| | Forecasts | | Street Ests. | Guidance |
|-----------------------------|-----------|--------|-----------------|-------------|
| | Current | Prior* | | |
| F3Q26 Product Revenue (\$M) | 1,128.7 | - | 1,134.9 | 1,125-1,130 |
| F3Q26 EPS | \$ 0.30 | - | \$ 0.31 | - |
| FY26 Product Revenue (\$M) | 4,395.4 | - | 4,406.5 | 4395 |
| FY26 EPS | \$ 1.18 | - | \$ 1.20 | - |

Source: Mizuho Securities USA LLC & Bloomberg. *If revised.

Earnings Call: December 3 @ 5:00 pm EST (dial-in #: (833) 470-1428 (Access code: 752353))

Quarterly Inputs: Our partner checks for SNOW were good once again, including continued robust demand for data warehousing and encouraging adoption of AI products, and with broad-based industry demand. Further on the AI front, **our checks picked up impressive momentum for Cortex AI**, with some larger enterprises beginning to implement Cortex Analyst in particular for some of their departments. Partner discussions also highlighted a sizable upcoming migration opportunity from Teradata (TDC, Not Covered), and we note that SNOW recently acquired **Datometry's migration solution technology**, which it expects can accelerate the process by up to 4x and reduce costs 90%. Less positively, our checks indicate some share loss in a large AI native customer.

Altogether, our good checks this quarter and our modeling work leads us to expect another quarter of meaningful product revenue upside, albeit less than F2Q's spectacular 5% beat. Our product revenue growth forecast stands at ~25.5% Y/Y this quarter, which is slightly below the Street's 26% target (and vs. a slightly easier 29% comp). On the margin front, we project non-GAAP OMs of 9.0% in F3Q, which equates to an EPS of \$0.30, also slightly below the Street's \$0.31 estimate.

Recent Company News/Announcements: At its developer focused BUILD 2025 conference held last month, SNOW announced several product updates. This importantly included the **general availability of Snowflake Intelligence**, which is the co.'s platform to set up and deploy dedicated 'data agents'. Impressively, the offering has already been used by more than 1,000 customers that have deployed more than 15,000 agents. On the partnership front, SNOW announced a meaningful new collaboration with SAP that will make SNOW's data and AI platform available as a SAP solution extension and will enable bidirectional, zero copy sharing for joint customers.

SNOW also announced general availability of Snowflake Openflow and Cortex AISQL. Openflow automates data ingestion and integration from disparate sources and is also off to a quick start with hundreds of customers. Meanwhile, SNOW noted its new Postgres offering will be in public preview soon. This offering for the popular open-source database follows the **\$165M acquisition** of Postgres database partner **Crunchy Data in June**.

In early October, we attended **SNOW's World Tour** in NYC. During the event, SNOW launched the first vertical-specific offering for Cortex AI, which is addressing the **financial services industry**, and CEO Sridhar Ramaswamy highlighted the co.'s emphasis on an open data ecosystem. Moreover, our discussions with SNOW partners signaled sustained momentum in legacy migrations, and growing early interest in SNOW's emerging Cortex AI and Openflow offerings.

Finally, we note this quarter is Brian Robins' first as SNOW CFO after being **appointed to the role in September**. Mr. Robins previously served as CFO of GTLB since October 2020 and prior to that had served as CFO of Sisense, Cylance, AlienVault, and Verisign (VRSN, NC)

Investor Sentiment: Positive

Mizuho Stock Call: SNOW delivered an **outstanding F2Q** with Product revenue growth of 31.5% Y/Y easily beating the Street's ~25.5% forecast. RPO and cRPO were also strong, with 32.5% Y/Y growth. Moreover, mgmt once again increased its FY26 product revenue guide, this time to a very healthy 27% Y/Y vs. ~25% Y/Y previously. We believe that healthy consumption activity, along with secular trends driving enterprises to modernize their data estates, set up SNOW for sustained momentum in FY26. Further, we reiterate our view that SNOW has multiple emerging

upside vectors - including several new products and an improving GTM - that should be additive to revenue. Our PT of \$285 (was \$260) is based on CY26-27E EV/Revenue multiples of 18x and 15x, roughly 55% above the high-growth software group on CY27E to take into account SNOW's improving execution, upside levers, and market potential.

Zscaler (ZS - Neutral)

Mizuho Estimates vs. Consensus

| | Mizuho Forecasts | | Street Ests. | Guidance |
|---------------------|------------------|--------|--------------|---------------|
| | Current | Prior* | | |
| F1Q26 Revenue (\$M) | 773.5 | - | 773.9 | 772-774 |
| F1Q26 EPS | \$0.86 | - | \$0.86 | \$0.85-\$0.86 |
| 2026 Revenue (\$M) | 3,281.2 | - | 3,277.1 | 3265-3284 |
| 2026 EPS | \$3.68 | - | \$3.67 | \$3.64-\$3.68 |

Source: Mizuho Securities USA LLC & Bloomberg. *If revised

Earnings Call: November 25 @ 4:30 pm EST (via live webcast)

Quarterly Inputs: Our quarterly inputs on ZS were very healthy for a fourth consecutive quarter, albeit a little less strong than our checks last quarter. This includes several 7-figure deals, a couple of which were firewall displacements at the branch office level. And while competition in SASE remains quite significant, a few of our partner contacts were able to nicely beat their targets. Altogether, we expect a solid upside quarter from ZS. More specifically, we project revenue to grow 23% Y/Y to \$774M, exactly in line with Street forecasts, and we expect modest upside here. We also project ~\$3.18B of ARR (+25% Y/Y), and expect some upside here as well. In addition, we're modeling total billings growth of >30% Y/Y vs. an easy +13% compare, comfortably above consensus (+23%). Meanwhile, we forecast non-GAAP EPS of \$0.86, exactly in line with management's guidance and the Street's projection.

Recent Company News/Announcements: Earlier this month, ZS announced the acquisition of SPLX, an innovative AI security vendor. SPLX offers AI red teaming, asset management, threat protection and detection, prompt hardening and advanced AI governance tools and features. Interestingly, it's worth noting that its co-founder and CEO, Kristian Kamber, held a sales leadership role at ZS from 2022-2024 (he will rejoin his prior firm and serve as the VP of AI following the transaction), while some of their prominent advisors and investors were former ZS executives as well. SPLX was founded in 2023 and, as per the company's website, it offers three distinct pricing tiers, which includes free, professional (its most popular option, and equipped with system prompt hardening, remediation guidance, and multi-modal support), and enterprise (additional features include continuous threat monitoring, compliance framework checks, advanced workflow integrations, premium support, and more). On a separate note, in late October ZS unveiled new innovations for its ZDX offering, which include advanced network intelligence, 24x7 monitoring of SaaS and custom web apps, and enhanced device visibility.

Investor Sentiment: Positive

Mizuho Stock Call: ZS reported a [good close to its fiscal year](#), as F4Q billings growth of 32% Y/Y easily surpassed the Street's +25% estimate and our 26% forecast. Revenue was also comfortably above, and ZS's newer growth categories (Zero Trust Everywhere, Data Security Everywhere, and Agentic Operations) have eclipsed \$1B in ARR. Initial FY26E revenue and ARR guidance, excluding Red Canary, was in line to slightly below our expectations, but appears conservative. More broadly, we continue to believe ZS remains very well positioned within SASE/Zero Trust, and over the past several months we have grown more constructive on ZS's fundamentals. That said, it still seems a bit premature to say that ZS will be able to close large, transformative deals at a strong and steady pace, given what we believe is an increasingly competitive SASE market. We also believe ZS's strengths and opportunities are largely reflected by its current multiple. Our \$325 PT (was \$310) reflects a CY26-27E EV/ARR multiple of 12.5x and 10.5x, ~30% above our high-growth software median for similar expected organic growth but higher profitability.

Comp Tables

Enterprise Software Comp Table

| Tickers | Rating | Price | Mkt Cap | EV | CY25 P/E | CY26 P/E | CY27 P/E | CY25 EV/Sales | CY26 EV/Sales | CY27 EV/Sales | CY25 EV/FCF | CY26 EV/FCF | CY27 EV/FCF |
|---------|--------|----------|-----------|-----------|----------|----------|----------|---------------|---------------|---------------|-------------|-------------|-------------|
| ADBE | 1 | \$331.11 | 138,536 | 137,970 | 15.9x | 14.2x | 12.7x | 5.8x | 5.3x | 4.9x | 14.6x | 12.9x | 11.5x |
| ADSK* | 1 | \$299.39 | 63,770 | 63,986 | 30.1x | 26.4x | 23.0x | 9.1x | 8.1x | 7.4x | 28.5x | 24.8x | 21.3x |
| CHKP | 2 | \$197.52 | 21,628 | 20,159 | 17.5x | 18.9x | 17.2x | 7.4x | 6.9x | 6.6x | 20.6x | 16.4x | 15.2x |
| CRM | 1 | \$243.66 | 236,533 | 228,960 | 21.4x | 19.2x | 17.0x | 5.6x | 5.1x | 4.7x | 16.4x | 14.9x | 13.5x |
| CRWD | 2 | \$537.55 | 138,162 | 133,675 | N/A | N/A | N/A | 27.9x | 22.9x | 18.9x | N/A | 74.7x | 58.1x |
| CYBR | 1 | \$487.93 | 24,605 | 23,915 | N/A | N/A | 73.8x | 17.6x | 14.9x | 12.4x | N/A | 59.4x | 47.3x |
| DDOG | 1 | \$185.01 | 66,974 | 63,816 | N/A | N/A | N/A | 18.8x | 15.7x | 13.1x | 71.4x | 59.0x | 47.5x |
| DT | NR | \$46.84 | 14,122 | 12,894 | 29.3x | 26.8x | 23.0x | 6.7x | 5.8x | 5.1x | 27.4x | 22.2x | 18.6x |
| ESTC | NR | \$90.83 | 9,653 | 8,753 | 40.5x | 35.0x | 29.3x | 5.3x | 4.7x | 4.1x | 28.9x | 24.2x | 19.2x |
| FTNT | 3 | \$82.31 | 62,654 | 60,527 | 30.5x | 27.1x | 24.3x | 9.0x | 8.0x | 7.2x | 28.7x | 25.7x | 22.8x |
| MDB* | 2 | \$352.61 | 28,687 | 26,411 | N/A | N/A | 64.5x | 11.2x | 9.5x | 8.1x | N/A | N/A | 57.6x |
| MSFT | 1 | \$510.18 | 3,809,004 | 3,750,200 | 33.6x | 29.3x | 24.6x | 12.3x | 10.7x | 9.4x | 49.7x | 51.6x | 45.0x |
| NOW | 1 | \$850.43 | 178,590 | 174,670 | 48.7x | 41.8x | 35.6x | 13.2x | 11.1x | 9.4x | 38.9x | 32.4x | 27.0x |
| NTNX | NR | \$65.91 | 17,717 | 17,210 | 37.8x | 32.0x | 26.9x | 6.3x | 5.5x | 4.8x | N/A | N/A | N/A |
| OKTA | 1 | \$83.94 | 15,565 | 13,066 | 25.0x | 23.6x | 21.5x | 4.5x | 4.1x | 3.8x | 16.1x | 14.5x | 13.0x |
| ORCL* | 1 | \$222.85 | 635,299 | 729,703 | 35.5x | 30.2x | 24.6x | 11.9x | 9.8x | 7.2x | N/A | N/A | N/A |
| PANW | 1 | \$205.25 | 145,912 | 135,752 | 57.5x | 50.8x | 45.9x | 13.8x | 12.2x | 10.8x | 34.4x | 30.5x | 27.0x |
| PLTR | 2 | \$174.01 | 447,390 | 445,774 | N/A | N/A | N/A | 101.3x | 73.1x | 56.0x | N/A | N/A | N/A |
| PTC* | 2 | \$179.61 | 21,516 | 22,701 | 21.2x | 22.6x | 20.2x | 8.1x | 8.0x | 7.4x | 25.5x | 21.4x | 18.8x |
| QLYS | NR | \$143.57 | 5,148 | 4,539 | 20.6x | 19.4x | 18.1x | 6.8x | 6.3x | 5.9x | 16.4x | 15.8x | 14.3x |
| RBRK | 1 | \$71.55 | 14,828 | 14,415 | N/A | N/A | N/A | 11.7x | 9.6x | 7.9x | N/A | N/A | 48.6x |
| RPD | 2 | \$14.03 | 1,061 | 1,318 | 6.8x | 6.9x | 6.6x | 1.5x | 1.5x | 1.5x | 10.4x | 9.0x | 7.9x |
| SAIL | 2 | \$19.92 | 11,193 | 10,901 | N/A | 66.4x | 54.0x | 10.3x | 8.6x | 7.2x | | | |
| SAP | NR | \$245.03 | 301,020 | 300,207 | 34.6x | N/A | N/A | 7.1x | 6.4x | 5.7x | 32.8x | 27.5x | 23.4x |
| SNOW | 1 | \$257.02 | 96,044 | 91,182 | N/A | N/A | N/A | 19.8x | 16.4x | 13.5x | N/A | 61.7x | 49.7x |
| TEAM | 1 | \$151.79 | 40,120 | 38,330 | 36.6x | 28.8x | 26.9x | 6.7x | 5.6x | 4.8x | 27.8x | 18.2x | 15.3x |
| TENB | NR | \$26.98 | 3,220 | 3,252 | 17.6x | 15.3x | 13.6x | 3.3x | 3.0x | 2.8x | 13.3x | 11.8x | 10.2x |
| WDAY* | 1 | \$230.82 | 61,629 | 57,205 | 25.9x | 21.8x | 17.8x | 6.0x | 5.3x | 4.8x | 21.5x | 17.9x | 14.5x |
| ZS | 2 | \$299.45 | 50,033 | 45,613 | N/A | 74.9x | 62.4x | 15.4x | 12.7x | 10.6x | 50.1x | 45.4x | 36.7x |
| Median | | | | | 29.7x | 26.8x | 24.3x | 9.0x | 8.0x | 7.2x | 27.6x | 24.2x | 21.3x |
| Average | | | | | 29.3x | 30.1x | 29.7x | 13.3x | 10.9x | 9.2x | 28.7x | 30.1x | 27.4x |

Source: MSUSA, Bloomberg. Source: 1 = Outperform, 2 = Neutral, 3 = Underperform. NR = No Rating. NM = Not Meaningful. MSUSA estimates for covered companies, consensus estimates for non-covered and restricted companies. *Covered by Siti Panigrahi

Security Comp Table

| Tickers | Rating | Price | Mkt Cap | EV | CY25 P/E | CY26 P/E | CY27 P/E | CY25 EV/Sales | CY26 EV/Sales | CY27 EV/Sales | CY25 EV/FCF | CY26 EV/FCF | CY27 EV/FCF |
|---------|--------|----------|---------|---------|----------|----------|----------|---------------|---------------|---------------|-------------|-------------|-------------|
| CHKP | 2 | \$197.52 | 21,628 | 20,159 | 17.5x | 18.9x | 17.2x | 7.4x | 6.9x | 6.6x | 20.6x | 16.4x | 15.2x |
| CRWD | 2 | \$537.55 | 138,162 | 133,675 | N/A | N/A | N/A | 27.9x | 22.9x | 18.9x | N/A | N/A | N/A |
| CYBR | 1 | \$487.93 | 24,605 | 23,915 | N/A | N/A | 73.8x | 17.6x | 14.9x | 12.4x | N/A | N/A | 47.3x |
| FTNT | 3 | \$82.31 | 62,654 | 60,527 | 30.5x | 27.1x | 24.3x | 9.0x | 8.0x | 7.2x | 28.7x | 25.7x | 22.8x |
| NET | 1 | \$210.60 | 78,996 | 76,990 | N/A | N/A | N/A | 35.9x | 28.2x | 22.3x | N/A | N/A | N/A |
| OKTA | 1 | \$83.94 | 15,565 | 13,066 | 25.0x | 23.6x | 21.5x | 4.5x | 4.1x | 3.8x | 16.1x | 14.5x | 13.0x |
| PANW | 1 | \$205.25 | 145,912 | 135,752 | 57.5x | 50.8x | 45.9x | 13.8x | 12.2x | 10.8x | 34.4x | 30.5x | 27.0x |
| QLYS | NR | \$143.57 | 5,148 | 4,539 | 20.6x | 19.4x | 18.1x | 6.8x | 6.3x | 5.9x | 16.4x | 15.8x | 14.3x |
| RPD | 2 | \$14.03 | 1,061 | 1,318 | 6.8x | 6.9x | 6.6x | 1.5x | 1.5x | 1.5x | 10.4x | 9.0x | 7.9x |
| S | NR | \$16.79 | 5,690 | 4,879 | N/A | 50.7x | 34.7x | 4.9x | 4.0x | 3.4x | 74.9x | 37.9x | 22.4x |
| SAIL | 2 | \$19.92 | 11,193 | 10,901 | N/A | 66.4x | 54.0x | 10.3x | 8.6x | 7.2x | N/A | 55.9x | 44.8x |
| TENB | NR | \$26.98 | 3,220 | 3,252 | 17.6x | 15.3x | 13.6x | 3.3x | 3.0x | 2.8x | 13.3x | 11.8x | 10.2x |
| VRNS | NR | \$33.69 | 3,972 | 3,389 | N/A | N/A | N/A | 5.5x | 4.7x | 4.0x | 27.6x | 22.7x | 20.1x |
| ZS | 2 | \$299.45 | 50,033 | 45,613 | N/A | 74.9x | 62.4x | 15.4x | 12.7x | 10.6x | 50.1x | 45.4x | 36.7x |
| Median | | | | | 20.6x | 25.4x | 24.3x | 8.2x | 7.5x | 6.9x | 24.1x | 22.7x | 21.3x |
| Average | | | | | 25.1x | 35.4x | 33.8x | 11.7x | 9.9x | 8.4x | 29.3x | 26.0x | 23.5x |

Source: MSUSA, Bloomberg. Source: 1 = Outperform, 2 = Neutral, 3 = Underperform. NR = No Rating. NM = Not Meaningful. MSUSA estimates for covered companies, consensus estimates for non-covered and restricted companies.

High-Growth Security Comp Table

| Tickers | Rating | Price | Mkt Cap | EV | CY25 EV/Sales | CY26 EV/Sales | CY27 EV/Sales | CY25 EV/FCF | CY26 EV/FCF | CY27 EV/FCF | CY25E EV/ARR | CY26E EV/ARR | CY27E EV/ARR |
|---------|--------|----------|---------|---------|---------------|---------------|---------------|-------------|-------------|-------------|--------------|--------------|--------------|
| CRWD | 2 | \$537.55 | 138,162 | 133,675 | 27.9x | 22.9x | 18.9x | N/A | N/A | N/A | 25.8x | 21.1x | 17.5x |
| CYBR | 1 | \$487.93 | 24,605 | 23,915 | 17.6x | 14.9x | 12.4x | N/A | N/A | 47.3x | 16.7x | 14.0x | 11.9x |
| FTNT | 3 | \$82.31 | 62,654 | 60,527 | 9.0x | 8.0x | 7.2x | 28.7x | 25.7x | 22.8x | N/A | N/A | N/A |
| NET | 1 | \$210.60 | 78,996 | 76,990 | 35.9x | 28.2x | 22.3x | N/A | N/A | N/A | 32.7x | 25.5x | 20.2x |
| NTSK | 1 | \$19.87 | 10,022 | 9,588 | 13.9x | 11.3x | 9.2x | N/A | N/A | N/A | 12.4x | 10.1x | 8.3x |
| PANW | 1 | \$205.25 | 145,912 | 135,752 | 13.8x | 12.2x | 10.8x | 34.4x | 30.5x | 27.0x | N/A | N/A | N/A |
| S | NR | \$16.79 | 5,690 | 4,879 | 4.9x | 4.0x | 3.4x | 74.9x | 37.9x | 22.4x | 4.9x | 4.0x | 3.4x |
| SAIL | 2 | \$19.92 | 11,193 | 10,901 | 10.3x | 8.6x | 7.2x | NA | 55.9x | 44.8x | 9.8x | 8.0x | 6.6x |
| ZS | 2 | \$299.45 | 50,033 | 45,613 | 15.4x | 12.7x | 10.6x | 50.1x | 45.4x | 36.7x | 13.7x | 11.5x | 9.6x |
| Median | | | | | 13.9x | 12.2x | 10.6x | 42.2x | 37.9x | 31.9x | 13.7x | 11.5x | 9.6x |
| Average | | | | | 16.5x | 13.7x | 11.3x | 47.0x | 39.1x | 33.5x | 16.6x | 13.5x | 11.1x |

Source: MSUSA, Bloomberg. Source: 1 = Outperform, 2 = Neutral, 3 = Underperform. NR = No Rating. NM = Not Meaningful. MSUSA estimates for covered companies, consensus estimates for non-covered and restricted companies.

High-Growth Software Comp Table

| Tickers | Rating | Price | Mkt Cap | EV | CY25 EV/Sales | CY26 EV/Sales | CY27 EV/Sales | CY25E Rev Growth Rate | CY26E Rev Growth Rate | CY27E Rev Growth Rate | CY25E EV/ARR | CY26E EV/ARR | CY27E EV/ARR | CY25E EV/FCF | CY26E EV/FCF | CY27E EV/FCF |
|---------|--------|----------|---------|---------|------------------|------------------|---------------|--------------------------|--------------------------|--------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| CFLT | 1 | \$23.30 | 8,892 | 7,997 | 6.9x | 5.9x | 5.1x | 20% | 16% | 17% | 6.9x | 5.9x | 5.1x | NA | NA | NA |
| CRWD | 2 | \$537.55 | 138,162 | 133,675 | 27.9x | 22.9x | 18.9x | 21% | 22% | 21% | 25.8x | 21.1x | 17.5x | N/A | N/A | N/A |
| CRWV | 2 | \$77.36 | 40,785 | 52,878 | 10.1x | 6.3x | 4.3x | 167% | 123% | 47% | 8.3x | 4.8x | 3.7x | NA | NA | NA |
| DDOG | 1 | \$185.01 | 66,974 | 63,816 | 18.8x | 15.7x | 13.1x | 26% | 20% | 20% | 16.8x | 14.1x | 11.7x | 71.4x | 59.0x | 47.5x |
| FIG | NR | \$38.53 | 19,095 | 17,579 | 16.8x | 13.7x | 11.5x | 39% | 23% | 19% | N/A | N/A | N/A | 62.0x | N/A | 72.0x |
| GTLB | 2 | \$44.33 | 7,669 | 6,490 | 6.9x | 5.8x | 4.8x | 24% | 20% | 19% | 7.1x | 5.8x | 4.8x | NA | NA | NA |
| MDB* | 2 | \$352.61 | 28,687 | 26,411 | 11.2x | 9.5x | 8.1x | 18% | 17% | 18% | 11.2x | 9.5x | 8.1x | NA | NA | NA |
| MNDY | NR | \$160.54 | 8,151 | 6,531 | 5.3x | 4.4x | 3.6x | 26% | 22% | 20% | 5.3x | N/A | N/A | NA | NA | NA |
| NET | 1 | \$210.60 | 78,996 | 76,990 | 35.9x | 28.2x | 22.3x | 28% | 27% | 27% | 32.7x | 25.5x | 20.2x | NA | NA | NA |
| PLTR | 2 | \$174.01 | 447,390 | 445,774 | 101.3x | 73.1x | 56.0x | 54% | 39% | 31% | 101.5x | 71.0x | 51.1x | N/A | N/A | N/A |
| RBRK | 1 | \$71.55 | 14,828 | 14,415 | 11.7x | 9.6x | 7.9x | 39% | 21% | 22% | 10.2x | 8.4x | 7.0x | NA | NA | NA |
| S | NR | \$16.79 | 5,690 | 4,879 | 4.9x | 4.0x | 3.4x | 22% | 21% | 19% | 4.9x | 4.0x | 3.4x | NA | NA | NA |
| SNOW | 1 | \$257.02 | 96,044 | 91,182 | 19.8x | 16.4x | 13.5x | 27% | 21% | 21% | N/A | N/A | N/A | NA | NA | NA |
| ZS | 2 | \$299.45 | 50,033 | 45,613 | 15.4x | 12.7x | 10.6x | 23% | 21% | 20% | 13.7x | 11.5x | 9.6x | 50.1x | 45.4x | 36.7x |
| Median | | | | | 13.5x | 11.2x | 9.4x | 26% | 21% | 20% | 10.7x | 9.5x | 8.1x | 62.0x | 52.2x | 47.5x |
| Average | | | | | 20.9x | 16.3x | 13.1x | 38% | 29% | 23% | 20.4x | 16.5x | 12.9x | 61.2x | 52.2x | 52.1x |

Source: MSUSA, Bloomberg. Source: 1 = Outperform, 2 = Neutral, 3 = Underperform. NR = No Rating. NM = Not Meaningful. MSUSA estimates for covered companies, consensus estimates for non-covered and restricted companies. *Covered by Siti Panigrahi

Data & Analytics SaaS Comp Group

| Tickers | Rating | Price | Mkt Cap | EV | CY25 EV/Sales | CY26 EV/Sales | CY27 EV/Sales | CY25 P/E | CY26 P/E | CY27 P/E | Current EV/ARR | CY25E EV/ARR | CY26E EV/ARR | CY27E EV/ARR | CY25 EV/FCF | CY26 EV/FCF | CY27 EV/FCF |
|---------|--------|----------|---------|---------|------------------|------------------|---------------|----------|----------|----------|-------------------|-----------------|-----------------|-----------------|----------------|----------------|----------------|
| AI | NR | \$14.07 | 1,940 | 1,290 | 3.9x | 4.0x | 3.5x | 53.7x | 37.8x | 28.2x | 4.6x | 5.1x | 4.6x | 4.3x | NA | NA | NA |
| CFLT | 1 | \$23.30 | 8,892 | 7,997 | 6.9x | 5.9x | 5.1x | N/A | N/A | N/A | 6.3x | 6.9x | 5.9x | 5.1x | N/A | 61.4x | 33.9x |
| DDOG | 1 | \$185.01 | 66,974 | 63,816 | 18.8x | 15.7x | 13.1x | N/A | N/A | 66.0x | 17.4x | 16.8x | 14.1x | 11.7x | 71.4x | 59.0x | 47.5x |
| DOMO | NR | \$12.37 | 510 | 600 | 1.9x | 1.8x | 1.7x | N/A | N/A | 50.6x | 2.1x | 1.9x | 1.8x | 1.7x | 55.0x | 39.3x | 19.2x |
| DT | NR | \$46.84 | 14,122 | 12,894 | 6.7x | 5.8x | 5.1x | 29.3x | 26.8x | 23.0x | 6.5x | 6.5x | 5.6x | 4.9x | 27.4x | 22.2x | 18.6x |
| ESTC | NR | \$90.83 | 9,653 | 8,753 | 5.3x | 4.7x | 4.1x | 40.5x | 35.0x | 29.3x | 5.6x | 5.5x | 4.8x | 4.1x | 28.9x | 24.2x | 19.2x |
| MDB* | 2 | \$352.61 | 28,687 | 26,411 | 11.2x | 9.5x | 8.1x | N/A | N/A | 64.5x | 11.3x | 11.2x | 9.5x | 8.1x | N/A | N/A | 57.6x |
| RBRK | 1 | \$71.55 | 14,828 | 14,415 | 4.9x | 4.0x | #REF! | N/A | N/A | N/A | 16.8x | 4.9x | 8.4x | 7.0x | NA | NA | NA |
| PLTR | 2 | \$174.01 | 447,390 | 445,774 | 101.3x | 73.1x | 56.0x | N/A | N/A | N/A | 94.4x | 101.5x | 71.0x | 51.1x | N/A | N/A | N/A |
| SNOW | 1 | \$257.02 | 96,044 | 91,182 | 19.8x | 16.4x | 13.5x | N/A | N/A | N/A | N/A | NA | NA | NA | N/A | 61.7x | 49.7x |
| Median | | | | | 6.8x | 5.9x | N/A | 40.5x | 35.0x | 39.9x | 6.5x | 6.5x | 5.9x | 5.1x | 41.9x | 49.1x | 33.9x |
| Average | | | | | 18.1x | 14.1x | N/A | 41.1x | 33.2x | 43.6x | 18.3x | 17.8x | 14.0x | 10.9x | 45.7x | 44.7x | 35.1x |

Source: MSUSA, Bloomberg. Source: 1 = Outperform, 2 = Neutral, 3 = Underperform. NR = No Rating. NM = Not Meaningful. MSUSA estimates for covered companies, consensus estimates for non-covered and restricted companies. *Covered by Siti Panigrahi

Productivity SaaS Comp Group

| Tickers | Rating | Price | Mkt Cap | EV | CY25 EV/Sales | CY26 EV/Sales | CY27 EV/Sales | CY25 P/E | CY26 P/E | CY27 P/E | CY25 EV/FCF | CY26 EV/FCF | CY27 EV/FCF |
|---------|--------|----------|---------|---------|------------------|------------------|---------------|----------|----------|----------|----------------|----------------|----------------|
| ADBE | 1 | \$331.11 | 138,536 | 137,970 | 5.8x | 5.3x | 4.9x | 15.9x | 14.2x | 12.7x | 14.6x | 12.9x | 11.5x |
| ASAN | NR | \$12.70 | 3,000 | 2,777 | 3.5x | 3.3x | 3.0x | N/A | N/A | N/A | 48.0x | 27.3x | 18.3x |
| BOX | NR | \$32.01 | 4,638 | 4,330 | 3.7x | 3.4x | 3.1x | 24.3x | 20.9x | 16.4x | 13.3x | 12.1x | 10.9x |
| DBX | NR | \$30.36 | 7,855 | 9,478 | 3.8x | 3.8x | 3.8x | 10.8x | 10.1x | 9.7x | 9.9x | 9.7x | N/A |
| FIG | NR | \$38.53 | 19,095 | 17,579 | 16.8x | 13.7x | 11.5x | N/A | N/A | N/A | 62.0x | N/A | 72.0x |
| JAMF | 1 | \$12.86 | 1,819 | 2,107 | 3.0x | 2.7x | 2.4x | 14.7x | 12.9x | 11.4x | 20.2x | 14.5x | 12.6x |
| TEAM | 1 | \$151.79 | 40,120 | 38,330 | 6.7x | 5.6x | 4.8x | 36.6x | 28.8x | 26.9x | 27.8x | 18.2x | 15.3x |
| Median | | | | | 3.8x | 3.8x | 3.8x | 15.9x | 14.2x | 12.7x | 20.2x | 13.7x | 14.0x |
| Average | | | | | 6.2x | 5.4x | 4.8x | 20.5x | 17.4x | 15.4x | 28.0x | 15.8x | 23.4x |

Source: MSUSA, Bloomberg. Source: 1 = Outperform, 2 = Neutral, 3 = Underperform. NR = No Rating. NM = Not Meaningful. MSUSA estimates for covered companies, consensus estimates for non-covered and restricted companies.

Financial Models

CRM Income Statement

salesforce.com

Mizuho Model

FYE: January

| Income Statement (Amounts in \$M) | Apr-24 Q1'25 | Jul-24 Q2'25 | Oct-24 Q3'25 | Jan-25 Q4'25 | FYE 2025 | Apr-25 Q1'26 | Jul-25 Q2'26 | Oct-25 Q3'26E | Jan-26 Q4'26E | FYE 2026E | Apr-26 Q1'27E | Jul-26 Q2'27E | Oct-26 Q3'27E | Jan-27 Q4'27E | FYE 2027E | Apr-27 Q1'28E | Jul-27 Q2'28E | Oct-27 Q3'28E | Jan-28 Q4'28E | FYE 2028E |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|------------------|------------------|-----------------|------------------|------------------|------------------|------------------|-----------------|------------------|------------------|------------------|------------------|-----------------|
| Subscription and Support | 8,585 | 8,764 | 8,879 | 9,451 | 35,679 | 9,297 | 9,690 | 9,731 | 10,323 | 39,041 | 10,168 | 10,490 | 10,638 | 11,269 | 42,566 | 11,143 | 11,473 | 11,689 | 12,439 | 46,744 |
| Professional Services and Other | 548 | 561 | 565 | 542 | 2,216 | 532 | 546 | 541 | 535 | 2,154 | 538 | 548 | 558 | 554 | 2,197 | 562 | 572 | 582 | 571 | 2,287 |
| Total Revenue | 9,133 | 9,325 | 9,444 | 9,993 | 37,895 | 9,829 | 10,236 | 10,271 | 10,858 | 41,194 | 10,707 | 11,038 | 11,196 | 11,823 | 44,763 | 11,705 | 12,045 | 12,271 | 13,009 | 49,030 |
| Cost of Subscription and Support | 1,203 | 1,193 | 1,235 | 1,299 | 4,930 | 1,298 | 1,369 | 1,375 | 1,489 | 5,531 | 1,477 | 1,534 | 1,546 | 1,671 | 6,228 | 1,658 | 1,713 | 1,733 | 1,882 | 6,985 |
| Cost of Professional Services and Other | 602 | 603 | 604 | 636 | 2,445 | 654 | 597 | 586 | 577 | 2,413 | 582 | 592 | 592 | 588 | 2,354 | 599 | 609 | 609 | 596 | 2,413 |
| Total Cost of Revenue | 1,805 | 1,796 | 1,839 | 1,935 | 7,375 | 1,952 | 1,966 | 1,960 | 2,066 | 7,944 | 2,059 | 2,127 | 2,137 | 2,259 | 8,582 | 2,257 | 2,322 | 2,342 | 2,478 | 9,399 |
| Gross Profit | 7,328 | 7,529 | 7,605 | 8,058 | 30,520 | 7,877 | 8,270 | 8,311 | 8,792 | 33,250 | 8,647 | 8,911 | 9,059 | 9,564 | 36,181 | 9,448 | 9,723 | 9,929 | 10,531 | 39,632 |
| Gross Margin | 80.2% | 80.7% | 80.5% | 80.6% | 80.5% | 80.1% | 80.8% | 80.9% | 81.0% | 80.7% | 80.8% | 80.7% | 80.9% | 80.9% | 80.8% | 80.7% | 80.7% | 80.9% | 81.0% | 80.8% |
| Operating Expenses | | | | | | | | | | | | | | | | | | | | |
| Sales and Marketing | 2,726 | 2,692 | 2,788 | 2,945 | 11,151 | 2,911 | 2,920 | 2,961 | 3,087 | 11,878 | 3,076 | 3,116 | 3,183 | 3,337 | 12,711 | 3,316 | 3,352 | 3,439 | 3,620 | 13,727 |
| Research and development | 1,108 | 1,073 | 1,078 | 1,143 | 4,402 | 1,185 | 1,201 | 1,195 | 1,231 | 4,811 | 1,256 | 1,295 | 1,291 | 1,304 | 5,147 | 1,327 | 1,365 | 1,366 | 1,383 | 5,441 |
| General and Administrative | 566 | 620 | 616 | 667 | 2,469 | 609 | 640 | 630 | 653 | 2,532 | 654 | 664 | 673 | 699 | 2,690 | 704 | 712 | 726 | 756 | 2,898 |
| Total Operating Expenses | 4,400 | 4,385 | 4,482 | 4,755 | 18,022 | 4,705 | 4,761 | 4,786 | 4,970 | 19,222 | 4,986 | 5,074 | 5,147 | 5,341 | 20,548 | 5,346 | 5,429 | 5,531 | 5,759 | 22,065 |
| Non-GAAP Operating Income | 2,928 | 3,144 | 3,123 | 3,303 | 12,498 | 3,172 | 3,509 | 3,525 | 3,822 | 14,028 | 3,661 | 3,837 | 3,912 | 4,224 | 15,633 | 4,102 | 4,294 | 4,398 | 4,772 | 17,566 |
| Non-GAAP Operating Margin | 32.1% | 33.7% | 33.1% | 33.1% | 33.0% | 32.3% | 34.3% | 34.3% | 35.2% | 34.1% | 34.2% | 34.8% | 34.9% | 35.7% | 34.9% | 35.0% | 35.7% | 35.8% | 36.7% | 35.8% |
| Stock-based compensation | 750 | 808 | 820 | 803 | 3,181 | 799 | 793 | 847 | 1,022 | 3,461 | 902 | 927 | 952 | 977 | 3,758 | 957 | 982 | 1,007 | 1,032 | 3,978 |
| GAAP Operating Income | 1,709 | 1,783 | 1,893 | 1,820 | 7,205 | 1,942 | 2,335 | 2,004 | 2,428 | 8,709 | 2,395 | 2,546 | 2,596 | 2,883 | 10,419 | 2,798 | 2,965 | 3,044 | 3,393 | 12,200 |
| GAAP Operating Margin | 18.7% | 19.1% | 20.0% | 18.2% | 19.0% | 19.8% | 22.8% | 19.5% | 22.4% | 21.1% | 22.4% | 23.1% | 23.2% | 24.4% | 23.3% | 23.9% | 24.6% | 24.8% | 26.1% | 24.9% |
| Interest and Other | 158 | 54 | (147) | 168 | 233 | 32 | 74 | 54 | 4 | 164 | 35 | 35 | 35 | 35 | 140 | 35 | 35 | 35 | 35 | 140 |
| Non-GAAP Pre-Tax Income | 3,086 | 3,198 | 2,976 | 3,471 | 12,731 | 3,204 | 3,583 | 3,579 | 3,826 | 14,192 | 3,696 | 3,872 | 3,947 | 4,259 | 15,773 | 4,137 | 4,329 | 4,433 | 4,807 | 17,706 |
| Intangible amortization expense | (461) | (454) | (354) | (382) | (1,651) | (395) | (377) | (385) | (371) | (1,528) | (359) | (359) | (359) | (359) | (1,436) | (347) | (347) | (347) | (347) | (1,388) |
| Restructuring expenses | (8) | (99) | (56) | (298) | (461) | (36) | (4) | (289) | (1) | (330) | (5) | (5) | (5) | (5) | (20) | 0 | 0 | 0 | 0 | 0 |
| Tax (benefit) from Book/Tax Differences | 345 | 295 | 436 | 484 | 1,560 | 272 | 269 | 325 | 260 | 1,126 | 200 | 200 | 200 | 200 | 800 | 200 | 200 | 200 | 200 | 800 |
| Total non-Pro forma Expenses | (874) | (1,066) | (794) | (999) | (3,733) | (958) | (905) | (1,196) | (1,134) | (4,193) | (1,066) | (1,091) | (1,116) | (1,141) | (4,414) | (1,104) | (1,129) | (1,154) | (1,179) | (4,566) |
| GAAP Pre-Tax Income | 2,212 | 2,132 | 2,182 | 2,472 | 8,998 | 2,246 | 2,678 | 2,383 | 2,692 | 9,999 | 2,630 | 2,781 | 2,831 | 3,118 | 11,359 | 3,033 | 3,200 | 3,279 | 3,628 | 13,140 |
| Income Taxes | 679 | 703 | 655 | 764 | 2,801 | 705 | 788 | 834 | 896 | 3,223 | 832 | 851 | 920 | 997 | 3,600 | 952 | 952 | 1,033 | 1,125 | 4,062 |
| Tax Rate | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 23% | 23% | 23% | 23% | 22% | 23% | 23% | 23% | 23% | 22% | 23% | 23% | 23% |
| GAAP Net Income | 1,533 | 1,429 | 1,527 | 1,708 | 6,197 | 1,541 | 1,890 | 1,549 | 1,796 | 6,776 | 1,798 | 1,929 | 1,911 | 2,121 | 7,759 | 2,082 | 2,248 | 2,246 | 2,502 | 9,078 |
| Non-GAAP Net Income | 2,407 | 2,495 | 2,321 | 2,707 | 9,930 | 2,499 | 2,795 | 2,745 | 2,930 | 10,969 | 2,864 | 3,020 | 3,027 | 3,262 | 12,173 | 3,186 | 3,377 | 3,400 | 3,681 | 13,644 |
| GAAP EPS, Fully Diluted | \$ 1.56 | \$ 1.47 | \$ 1.58 | \$ 1.75 | \$ 6.36 | \$ 1.59 | \$ 1.96 | \$ 1.61 | \$ 1.86 | \$ 7.02 | \$ 1.87 | \$ 2.01 | \$ 1.99 | \$ 2.21 | \$ 8.08 | \$ 2.18 | \$ 2.36 | \$ 2.36 | \$ 2.64 | \$ 9.55 |
| Non-GAAP EPS incl stock based comp | \$ 1.88 | \$ 1.93 | \$ 1.76 | \$ 2.17 | \$ 7.74 | \$ 1.95 | \$ 2.28 | \$ 2.19 | \$ 2.24 | \$ 8.66 | \$ 2.26 | \$ 2.40 | \$ 2.40 | \$ 2.62 | \$ 9.68 | \$ 2.56 | \$ 2.73 | \$ 2.74 | \$ 3.02 | \$ 11.04 |
| Non-GAAP EPS, Fully Diluted | \$ 2.44 | \$ 2.56 | \$ 2.41 | \$ 2.78 | \$ 10.19 | \$ 2.58 | \$ 2.91 | \$ 2.85 | \$ 3.03 | \$ 11.36 | \$ 2.97 | \$ 3.15 | \$ 3.16 | \$ 3.40 | \$ 12.68 | \$ 3.34 | \$ 3.55 | \$ 3.58 | \$ 3.88 | \$ 14.35 |
| Basic Shares Outstanding | 970 | 964 | 956 | 959 | 962 | 960 | 956 | 956 | 958 | 958 | 958 | 958 | 958 | 958 | 958 | 958 | 958 | 958 | 958 | 958 |
| Fully Diluted Shares Outstanding | 985 | 973 | 965 | 974 | 974 | 970 | 962 | 962 | 968 | 966 | 964 | 960 | 959 | 958 | 960 | 954 | 952 | 950 | 948 | 951 |

Source: CRM filings, Mizuho Securities USA LLC estimates

CRWD Income Statement

CrowdStrike

Mizuho Model

FYE: January

| Income Statement (Amounts in \$M) | Apr-25 Q1'26 | Jul-25 Q2'26 | Oct-25 Q3'26E | Jan-26 Q4'26E | FYE 2026E | Apr-26 Q1'27E | Jul-26 Q2'27E | Oct-26 Q3'27E | Jan-27 Q4'27E | FYE 2027E | Apr-27 Q1'28E | Jul-27 Q2'28E | Oct-27 Q3'28E | Jan-28 Q4'28E | FYE 2028E |
|---|-----------------|-----------------|------------------|------------------|----------------|------------------|------------------|------------------|------------------|----------------|------------------|------------------|------------------|------------------|----------------|
| Subscription | 1,050.8 | 1,102.9 | 1,154.2 | 1,240.3 | 4,548.3 | 1,304.8 | 1,357.0 | 1,405.9 | 1,495.9 | 5,563.6 | 1,570.7 | 1,637.4 | 1,702.9 | 1,819.5 | 6,730.5 |
| Professional Services | 52.7 | 66.0 | 61.7 | 63.6 | 244.0 | 64.8 | 61.6 | 69.0 | 72.4 | 267.9 | 73.5 | 69.5 | 77.1 | 80.6 | 300.7 |
| Total Revenue | 1,103.4 | 1,169.0 | 1,215.9 | 1,303.9 | 4,792.2 | 1,369.7 | 1,418.6 | 1,474.9 | 1,568.3 | 5,831.5 | 1,644.2 | 1,706.9 | 1,780.0 | 1,900.1 | 7,031.2 |
| Cost of Subscription | 210.0 | 218.2 | 230.7 | 247.9 | 906.8 | 257.5 | 267.8 | 276.1 | 292.2 | 1,093.7 | 305.6 | 317.0 | 327.9 | 348.6 | 1,299.1 |
| Cost of Professional Services | 36.3 | 43.3 | 40.6 | 42.0 | 162.2 | 42.7 | 40.4 | 44.6 | 46.8 | 174.5 | 47.4 | 44.6 | 48.8 | 51.0 | 191.7 |
| Total Cost of Revenue | 246.3 | 261.5 | 271.3 | 289.9 | 1,069.0 | 300.2 | 308.3 | 320.7 | 339.1 | 1,268.2 | 353.0 | 361.6 | 376.7 | 399.5 | 1,490.8 |
| Gross Profit | 857.1 | 907.4 | 944.6 | 1,014.0 | 3,723.2 | 1,069.5 | 1,110.4 | 1,154.2 | 1,229.2 | 4,563.3 | 1,291.2 | 1,345.3 | 1,403.3 | 1,500.6 | 5,540.4 |
| Gross Margin | 77.7% | 77.6% | 77.7% | 77.8% | 77.7% | 78.1% | 78.3% | 78.3% | 78.4% | 78.3% | 78.5% | 78.8% | 78.8% | 79.0% | 78.8% |
| Operating Expenses | | | | | | | | | | | | | | | |
| Sales and Marketing | 368.5 | 364.3 | 383.9 | 394.1 | 1,510.8 | 420.8 | 425.9 | 444.3 | 464.6 | 1,755.7 | 491.2 | 498.0 | 521.1 | 546.8 | 2,057.0 |
| Research and development | 218.2 | 217.3 | 227.2 | 232.6 | 895.3 | 251.2 | 257.3 | 266.8 | 282.1 | 1,057.3 | 297.4 | 301.9 | 305.9 | 317.1 | 1,222.3 |
| General and Administrative | 69.3 | 70.9 | 72.5 | 73.9 | 286.6 | 80.3 | 83.2 | 85.0 | 90.4 | 338.9 | 96.4 | 100.1 | 102.6 | 109.5 | 408.6 |
| Total Operating Expenses | 656.0 | 652.5 | 683.7 | 700.5 | 2,692.7 | 752.3 | 766.4 | 796.1 | 837.1 | 3,151.9 | 885.0 | 900.0 | 929.6 | 973.4 | 3,687.9 |
| Non-GAAP Operating Income | 201.1 | 255.0 | 261.0 | 313.5 | 1,030.6 | 317.2 | 343.9 | 358.1 | 392.1 | 1,411.4 | 406.2 | 445.3 | 473.7 | 527.2 | 1,852.5 |
| Non-GAAP Operating Margin | 18.2% | 21.8% | 21.5% | 24.0% | 21.5% | 23.2% | 24.2% | 24.3% | 25.0% | 24.2% | 24.7% | 26.1% | 26.6% | 27.7% | 26.3% |
| Adjusted EBITDA | 291.1 | 340.6 | 414.3 | 456.9 | 1,503.0 | 479.5 | 501.7 | 514.1 | 542.2 | 2,037.5 | 573.4 | 605.5 | 629.3 | 673.0 | 2,481.2 |
| Adjusted EBITDA Margin | 26.4% | 29.1% | 34.1% | 35.0% | 31.4% | 35.0% | 35.4% | 34.9% | 34.6% | 34.9% | 34.9% | 35.5% | 35.4% | 35.4% | 35.3% |
| Stock-based compensation | 271.6 | 284.2 | 288.2 | 292.2 | 1,136.1 | 294.2 | 300.2 | 306.2 | 312.2 | 1,212.8 | 314.2 | 320.2 | 326.2 | 332.2 | 1,292.8 |
| GAAP Operating Income | (78.1) | (36.9) | (34.8) | 13.7 | (136.1) | 15.3 | 36.1 | 44.3 | 72.3 | 168.1 | 84.4 | 117.5 | 139.9 | 187.4 | 529.2 |
| GAAP Operating Margin | -7.1% | -3.2% | -2.9% | 1.1% | -2.8% | 1.1% | 2.5% | 3.0% | 4.6% | 2.9% | 5.1% | 6.9% | 7.9% | 9.9% | 7.5% |
| Interest and other income, net | 37.2 | 41.0 | 45.0 | 45.0 | 168.1 | 46.0 | 46.0 | 46.0 | 46.0 | 183.9 | 48.0 | 48.0 | 48.0 | 48.0 | 191.9 |
| Non-GAAP Pre-Tax Income | 238.3 | 295.9 | 305.9 | 358.5 | 1,198.7 | 363.1 | 389.9 | 404.1 | 438.1 | 1,595.3 | 454.2 | 493.3 | 521.7 | 575.2 | 2,044.4 |
| Amortization (acquisition related) | (7.6) | (7.6) | (7.6) | (7.6) | (30.5) | (7.6) | (7.6) | (7.6) | (7.6) | (30.5) | (7.6) | (7.6) | (7.6) | (7.6) | (30.5) |
| Other | (48.2) | (75.8) | (3.5) | (3.5) | (131.0) | (3.5) | (3.5) | (3.5) | (3.5) | (14.0) | (3.5) | (3.5) | (3.5) | (3.5) | (14.0) |
| Tax (benefit) from Book/Tax Differences | 32.5 | 52.6 | 52.6 | 52.6 | 190.3 | 52.6 | 52.6 | 52.6 | 52.6 | 210.4 | 52.6 | 52.6 | 52.6 | 52.6 | 210.4 |
| Total non-Pro forma Expenses | (294.9) | (315.0) | (246.7) | (250.7) | (1,107.4) | (252.7) | (258.7) | (264.7) | (270.7) | (1,046.9) | (272.7) | (278.7) | (284.7) | (290.7) | (1,126.9) |
| GAAP Pre-Tax Income | (56.6) | (19.1) | 59.2 | 107.8 | 91.3 | 110.4 | 131.2 | 139.4 | 167.4 | 548.4 | 181.5 | 214.6 | 237.0 | 284.5 | 917.5 |
| Income Taxes | 53.6 | 58.6 | 64.2 | 75.3 | 251.7 | 76.3 | 81.9 | 84.9 | 92.0 | 335.0 | 95.4 | 103.6 | 109.6 | 120.8 | 429.3 |
| Tax Rate | 23% | 20% | 21% | 21% | 21% | 21% | 21% | 21% | 21% | 21% | 21% | 21% | 21% | 21% | 21% |
| GAAP Net Income | (110.2) | (77.7) | (5.0) | 32.5 | (160.4) | 34.2 | 49.3 | 54.5 | 75.4 | 213.4 | 86.1 | 111.0 | 127.4 | 163.7 | 488.2 |
| Non-GAAP Net Income | 184.7 | 237.4 | 241.7 | 283.2 | 947.0 | 286.9 | 308.0 | 319.3 | 346.1 | 1,260.3 | 358.8 | 389.7 | 412.1 | 454.4 | 1,615.1 |
| GAAP EPS, Fully Diluted | \$ (0.44) | \$ (0.31) | \$ (0.02) | \$ 0.13 | \$ (0.64) | \$ 0.13 | \$ 0.19 | \$ 0.21 | \$ 0.29 | \$ 0.83 | \$ 0.33 | \$ 0.43 | \$ 0.49 | \$ 0.63 | \$ 1.87 |
| Non-GAAP EPS incl stock based comp | \$ (0.10) | \$ 0.04 | \$ 0.05 | \$ 0.20 | \$ 0.19 | \$ 0.21 | \$ 0.27 | \$ 0.30 | \$ 0.38 | \$ 1.16 | \$ 0.42 | \$ 0.52 | \$ 0.59 | \$ 0.73 | \$ 2.26 |
| Non-GAAP EPS, Fully Diluted | \$ 0.73 | \$ 0.93 | \$ 0.94 | \$ 1.11 | \$ 3.70 | \$ 1.11 | \$ 1.18 | \$ 1.22 | \$ 1.32 | \$ 4.84 | \$ 1.37 | \$ 1.48 | \$ 1.56 | \$ 1.72 | \$ 6.14 |
| Basic Shares Outstanding | 248.4 | 249.9 | 250.9 | 251.9 | 250.3 | 253.9 | 255.4 | 256.9 | 258.4 | 256.2 | 259.4 | 259.9 | 260.9 | 261.9 | 260.5 |
| Fully Diluted Shares Outstanding | 254.6 | 256.3 | 257.0 | 256.0 | 256.0 | 258.0 | 260.0 | 261.0 | 262.0 | 260.3 | 262.0 | 263.0 | 263.5 | 263.5 | 263.0 |

GTLB Income Statement

GitLab

Mizuho Model

FYE: January

| Income Statement (Amounts in \$M) | Apr-24 Q1'25 | Jul-24 Q2'25 | Oct-24 Q3'25 | Jan-25 Q4'25 | FYE 2025 | Apr-25 Q1'26 | Jul-25 Q2'26 | Oct-25 Q3'26E | Jan-26 Q4'26E | FYE 2026E | Apr-26 Q1'27E | Jul-26 Q2'27E | Oct-26 Q3'27E | Jan-27 Q4'27E | FYE 2027E | Apr-27 Q1'28E | Jul-27 Q2'28E | Oct-27 Q3'28E | Jan-28 Q4'28E | FYE 2028E |
|---|-----------------|-----------------|-----------------|-----------------|----------------|-----------------|-----------------|------------------|------------------|----------------|------------------|------------------|------------------|------------------|----------------|------------------|------------------|------------------|------------------|----------------|
| Subscription - Self-managed & SaaS | 151.2 | 163.2 | 175.3 | 185.6 | 675.2 | 194.5 | 212.7 | 214.1 | 222.6 | 843.9 | 233.8 | 250.1 | 260.1 | 273.8 | 1,017.8 | 282.0 | 297.5 | 313.1 | 331.9 | 1,224.6 |
| License - Self-managed & Other | 18.0 | 19.4 | 20.8 | 25.9 | 84.1 | 20.0 | 23.3 | 24.4 | 27.4 | 95.1 | 22.4 | 24.7 | 26.3 | 31.0 | 104.4 | 25.4 | 27.5 | 29.2 | 34.0 | 116.1 |
| Total Revenue | 169.2 | 182.6 | 196.0 | 211.4 | 759.2 | 214.5 | 236.0 | 238.5 | 250.0 | 939.0 | 256.2 | 274.8 | 286.4 | 304.8 | 1,122.2 | 307.4 | 325.0 | 342.3 | 365.9 | 1,340.6 |
| Cost of Subs - Self-managed & SaaS | 10.9 | 12.2 | 12.7 | 13.1 | 48.9 | 15.3 | 17.5 | 17.8 | 18.3 | 68.9 | 19.0 | 20.5 | 21.2 | 22.2 | 82.9 | 23.1 | 24.7 | 26.2 | 27.6 | 101.6 |
| Cost of License - Self-managed & Other | 4.9 | 4.7 | 5.0 | 5.6 | 20.2 | 5.8 | 6.8 | 7.1 | 8.0 | 27.7 | 6.4 | 7.0 | 7.6 | 9.3 | 30.3 | 7.4 | 8.0 | 8.6 | 10.4 | 34.4 |
| Total Cost of Revenue | 15.8 | 17.0 | 17.6 | 18.7 | 69.1 | 21.1 | 24.2 | 24.9 | 26.3 | 96.6 | 25.3 | 27.6 | 28.8 | 31.5 | 113.2 | 30.5 | 32.7 | 34.8 | 38.0 | 136.0 |
| Gross Profit | 153.4 | 165.6 | 178.4 | 192.8 | 690.2 | 193.4 | 211.7 | 213.6 | 223.7 | 842.4 | 230.9 | 247.2 | 257.6 | 273.3 | 1,009.0 | 276.9 | 292.3 | 307.5 | 327.9 | 1,204.6 |
| Gross Margin | 90.6% | 90.7% | 91.0% | 91.2% | 90.9% | 90.2% | 89.7% | 89.6% | 89.5% | 89.7% | 90.1% | 90.0% | 89.9% | 89.7% | 89.9% | 90.1% | 89.9% | 89.8% | 89.6% | 89.9% |
| Operating Expenses | | | | | | | | | | | | | | | | | | | | |
| Sales and Marketing | 74.3 | 77.6 | 78.2 | 80.1 | 310.2 | 85.5 | 89.6 | 94.2 | 96.0 | 365.3 | 101.4 | 106.0 | 112.4 | 116.5 | 436.4 | 120.0 | 123.6 | 132.4 | 137.9 | 513.9 |
| Research and Development | 41.8 | 44.8 | 47.0 | 47.4 | 180.9 | 51.1 | 52.3 | 55.5 | 56.9 | 215.8 | 60.4 | 63.6 | 64.9 | 68.8 | 257.7 | 72.4 | 75.3 | 77.6 | 82.6 | 307.8 |
| General and Administrative | 41.1 | 25.1 | 27.3 | 27.9 | 121.3 | 30.7 | 30.2 | 32.5 | 33.3 | 126.7 | 34.4 | 36.3 | 36.7 | 36.9 | 144.3 | 39.4 | 41.0 | 41.8 | 42.1 | 164.3 |
| Total Operating Expenses | 157.2 | 147.5 | 152.5 | 155.4 | 612.5 | 167.3 | 172.2 | 182.1 | 186.2 | 707.7 | 196.2 | 206.0 | 214.0 | 222.2 | 838.4 | 231.8 | 239.9 | 251.8 | 262.6 | 986.1 |
| Non-GAAP Operating Income | (3.8) | 18.2 | 25.9 | 37.4 | 77.6 | 26.1 | 39.6 | 31.5 | 37.5 | 134.7 | 34.7 | 41.2 | 43.6 | 51.1 | 170.6 | 45.1 | 52.4 | 55.7 | 65.4 | 218.5 |
| Non-GAAP Operating Margin | -2.3% | 10.0% | 13.2% | 17.7% | 10.2% | 12.2% | 16.8% | 13.2% | 15.0% | 14.3% | 13.6% | 15.0% | 15.2% | 16.8% | 15.2% | 14.7% | 16.1% | 16.3% | 17.9% | 16.3% |
| Stock-based compensation | 42.3 | 49.0 | 48.0 | 46.6 | 185.9 | 55.8 | 54.3 | 62.3 | 64.3 | 236.7 | 64.3 | 69.3 | 74.3 | 79.3 | 287.1 | 79.3 | 84.3 | 89.3 | 94.3 | 347.1 |
| GAAP Operating Income | (47.2) | (41.0) | (24.6) | (11.5) | (124.3) | (31.7) | (16.7) | (32.8) | (28.8) | (110.1) | (31.6) | (30.1) | (32.7) | (30.2) | (124.6) | (36.2) | (33.9) | (35.6) | (30.9) | (136.7) |
| GAAP Operating Margin | -27.9% | -22.5% | -12.6% | -5.4% | -16.4% | -14.8% | -7.1% | -13.8% | -11.5% | -11.7% | -12.3% | -10.9% | -11.4% | -9.9% | -11.1% | -11.8% | -10.4% | -10.4% | -8.5% | -10.2% |
| Net Interest (Expense) | 12.0 | 12.8 | 12.6 | 10.3 | 47.7 | 10.9 | 11.5 | 10.0 | 9.5 | 41.9 | 9.5 | 9.5 | 9.5 | 9.5 | 38.0 | 8.5 | 8.5 | 8.5 | 8.5 | 34.0 |
| Other Income (Expense), net | 0.1 | 1.0 | (0.1) | 0.3 | 1.3 | 0.2 | 0.4 | 0.3 | 0.3 | 1.1 | 0.3 | 0.3 | 0.3 | 0.3 | 1.1 | 0.3 | 0.3 | 0.3 | 0.3 | 1.1 |
| Non-GAAP Pre-Tax Income | 8.3 | 32.0 | 38.4 | 48.0 | 126.7 | 37.1 | 51.5 | 41.7 | 47.3 | 177.7 | 44.5 | 51.0 | 53.4 | 60.9 | 209.8 | 53.9 | 61.2 | 64.5 | 74.1 | 253.7 |
| Amortization of Acquired Intangibles | (1.1) | (2.3) | (2.5) | (2.2) | (8.1) | (2.0) | (2.0) | (2.0) | (2.0) | (8.1) | (2.0) | (2.0) | (2.0) | (2.0) | (8.1) | (2.0) | (2.0) | (2.0) | (2.0) | (8.1) |
| Restructuring charges | (1.0) | (0.8) | (0.1) | 0.0 | (1.9) | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Charitable donation of common stock | (3.0) | (3.0) | (3.0) | (3.0) | (11.8) | (1.7) | (1.8) | (1.8) | (1.8) | (7.1) | (1.8) | (1.8) | (1.8) | (1.8) | (7.1) | (1.8) | (1.8) | (1.8) | (1.8) | (7.1) |
| FV change in acq-related contingent cons. | 0.0 | (3.8) | 0.0 | 0.0 | (3.8) | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Gain from deconsolidation of Meltano | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Loss from equity method investment, net | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| FX (gain) loss | (0.6) | 0.9 | 5.1 | 3.9 | 9.2 | (10.0) | (1.1) | (1.1) | (1.1) | (13.3) | (1.1) | (1.1) | (1.1) | (1.1) | (4.5) | (1.1) | (1.1) | (1.1) | (1.1) | (4.5) |
| Other | (2.5) | (0.4) | (1.0) | (0.4) | (4.3) | (1.3) | (0.0) | (0.0) | (0.0) | (1.3) | (0.0) | (0.0) | (0.0) | (0.0) | (0.0) | (0.0) | (0.0) | (0.0) | (0.0) | (0.0) |
| Book/Tax Difference | (8.7) | 46.7 | 40.0 | 3.2 | 81.3 | 5.6 | 9.1 | 9.1 | 9.1 | 32.9 | 9.1 | 9.1 | 9.1 | 9.1 | 36.3 | 9.1 | 9.1 | 9.1 | 9.1 | 36.3 |
| Total non-Pro forma Expenses | (59.1) | (11.6) | (9.6) | (45.1) | (125.4) | (65.2) | (50.1) | (58.1) | (60.1) | (233.6) | (60.1) | (65.1) | (70.1) | (75.1) | (270.5) | (75.1) | (80.1) | (85.1) | (90.1) | (330.5) |
| GAAP Pre-Tax Income | (50.8) | 20.5 | 28.8 | 2.9 | 1.3 | (28.1) | 1.3 | (16.4) | (12.8) | (56.0) | (15.6) | (14.1) | (16.8) | (14.3) | (60.8) | (21.3) | (18.9) | (20.7) | (16.0) | (76.9) |
| Income Taxes | 4.1 | 7.3 | 0.5 | (8.1) | 3.8 | 8.2 | 11.3 | 9.2 | 10.4 | 39.1 | 9.8 | 11.2 | 11.7 | 13.4 | 46.2 | 11.9 | 13.5 | 14.2 | 16.3 | 55.8 |
| Tax Rate | 49% | 23% | 1% | -17% | 3% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% |
| Gain/(Loss) from Non-controlling interest | (0.2) | (0.7) | (1.3) | (0.6) | (2.8) | (0.4) | (0.8) | (0.8) | (0.8) | (2.7) | (0.8) | (0.8) | (0.8) | (0.8) | (3.2) | (0.8) | (0.8) | (0.8) | (0.8) | (3.2) |
| GAAP Net Income to GitLab | (54.6) | 12.9 | 29.6 | 11.6 | 0.3 | (35.9) | (9.2) | (24.8) | (22.4) | (92.3) | (24.6) | (24.5) | (27.7) | (26.9) | (103.8) | (32.3) | (31.6) | (34.1) | (31.5) | (129.5) |
| Non-GAAP Net Income to GitLab | 4.5 | 24.5 | 39.1 | 56.7 | 125.7 | 29.4 | 40.9 | 33.4 | 37.7 | 141.3 | 35.5 | 40.6 | 42.4 | 48.3 | 166.8 | 42.8 | 48.5 | 51.1 | 58.6 | 201.0 |
| GAAP EPS, Fully Diluted | \$ (0.35) | \$ 0.08 | \$ 0.18 | \$ 0.07 | \$ (0.02) | \$ (0.22) | \$ (0.06) | \$ (0.15) | \$ (0.13) | \$ (0.55) | \$ (0.14) | \$ (0.14) | \$ (0.16) | \$ (0.16) | \$ (0.61) | \$ (0.19) | \$ (0.18) | \$ (0.19) | \$ (0.18) | \$ (0.74) |
| Non-GAAP EPS incl stock based comp | \$ (0.10) | \$ (0.08) | \$ (0.05) | \$ 0.01 | \$ (0.22) | \$ (0.08) | \$ (0.01) | \$ (0.09) | \$ (0.07) | \$ (0.25) | \$ (0.08) | \$ (0.08) | \$ (0.09) | \$ (0.08) | \$ (0.33) | \$ (0.11) | \$ (0.10) | \$ (0.10) | \$ (0.08) | \$ (0.39) |
| Non-GAAP EPS, Fully Diluted | \$ 0.03 | \$ 0.15 | \$ 0.23 | \$ 0.33 | \$ 0.74 | \$ 0.17 | \$ 0.24 | \$ 0.20 | \$ 0.22 | \$ 0.83 | \$ 0.20 | \$ 0.23 | \$ 0.24 | \$ 0.27 | \$ 0.95 | \$ 0.24 | \$ 0.27 | \$ 0.28 | \$ 0.32 | \$ 1.11 |
| Basic Shares Outstanding | 158.2 | 159.7 | 161.3 | 163.1 | 160.6 | 164.5 | 166.0 | 167.0 | 169.0 | 166.6 | 170.0 | 171.0 | 172.0 | 173.0 | 171.5 | 174.0 | 175.0 | 176.0 | 177.0 | 175.5 |
| Fully Diluted Shares Outstanding | 166.9 | 166.3 | 167.4 | 170.1 | 167.7 | 170.2 | 170.5 | 171.0 | 172.5 | 171.0 | 173.5 | 174.5 | 175.5 | 177.5 | 175.2 | 179.5 | 180.5 | 181.5 | 183.5 | 181.2 |

Source: GTLB filings, Mizuho Securities USA LLC estimates

NTSK Income Statement

Netskope

Mizuho Model

FYE: January

| Income Statement (Amounts in \$M) | Apr-24 Q1'25 | Jul-24 Q2'25 | Oct-24 Q3'25 | Jan-25 Q4'25 | FYE 2025 | Apr-25 Q1'26 | Jul-25 Q2'26 | Oct-25 Q3'26E | Jan-26 Q4'26E | FYE 2026E | Apr-26 Q1'27E | Jul-26 Q2'27E | Oct-26 Q3'27E | Jan-27 Q4'27E | FYE 2027E | Apr-27 Q1'28E | Jul-27 Q2'28E | Oct-27 Q3'28E | Jan-28 Q4'28E | FYE 2028E |
|---|-----------------|-----------------|-----------------|-----------------|-------------|-----------------|-----------------|------------------|------------------|--------------|------------------|------------------|------------------|------------------|--------------|------------------|------------------|------------------|------------------|--------------|
| Total Revenue | 121.0 | 130.3 | 138.5 | 148.5 | 538.3 | 157.7 | 170.8 | 175.1 | 185.1 | 688.7 | 194.0 | 209.0 | 215.9 | 228.9 | 847.8 | 239.8 | 256.1 | 264.6 | 280.2 | 1,040.8 |
| Total Cost of Revenue | 41.8 | 41.8 | 41.0 | 42.3 | 166.9 | 41.6 | 43.5 | 43.0 | 43.4 | 171.5 | 45.3 | 47.0 | 48.7 | 50.0 | 191.0 | 48.7 | 51.4 | 52.8 | 55.4 | 208.2 |
| Gross Profit | 79.2 | 88.5 | 97.5 | 106.2 | 371.3 | 116.1 | 127.3 | 132.1 | 141.7 | 517.2 | 148.7 | 162.0 | 167.2 | 178.9 | 656.9 | 191.1 | 204.8 | 211.8 | 224.9 | 832.6 |
| Gross Margin | 65.4% | 67.9% | 70.4% | 71.5% | 69.0% | 73.6% | 74.5% | 75.4% | 76.6% | 75.1% | 76.7% | 77.5% | 77.5% | 78.1% | 77.5% | 79.7% | 79.9% | 80.0% | 80.2% | 80.0% |
| Operating Expenses | | | | | | | | | | | | | | | | | | | | |
| Sales and Marketing | 69.0 | 71.3 | 61.2 | 59.1 | 260.5 | 65.5 | 74.1 | 74.6 | 76.0 | 290.2 | 81.6 | 88.3 | 93.6 | 96.5 | 360.1 | 102.8 | 105.5 | 105.6 | 108.4 | 422.2 |
| Research and Development | 58.2 | 59.2 | 56.5 | 55.5 | 229.4 | 62.5 | 69.3 | 71.4 | 71.6 | 274.8 | 73.4 | 75.3 | 77.6 | 79.2 | 305.4 | 79.2 | 79.9 | 80.5 | 80.6 | 320.1 |
| General and Administrative | 17.6 | 15.4 | 15.3 | 14.6 | 62.8 | 16.7 | 17.8 | 17.8 | 17.9 | 70.2 | 18.3 | 18.7 | 19.1 | 19.6 | 75.7 | 19.1 | 19.7 | 20.1 | 20.6 | 79.4 |
| Total Operating Expenses | 144.7 | 145.9 | 133.0 | 129.2 | 552.7 | 144.7 | 161.2 | 163.8 | 165.5 | 635.3 | 173.3 | 182.3 | 190.3 | 195.2 | 741.1 | 201.0 | 205.1 | 206.2 | 209.5 | 821.8 |
| Non-GAAP Operating Income | (65.5) | (57.5) | (35.5) | (23.0) | (181.4) | (28.6) | (34.0) | (31.7) | (23.8) | (118.1) | (24.6) | (20.3) | (23.1) | (16.3) | (84.3) | (9.9) | (0.3) | 5.6 | 15.4 | 10.8 |
| Non-GAAP Operating Margin | -54.1% | -44.1% | -25.6% | -15.5% | -33.7% | -18.1% | -19.9% | -18.1% | -12.9% | -17.1% | -12.7% | -9.7% | -10.7% | -7.1% | -9.9% | -4.1% | -0.1% | 2.1% | 5.5% | 1.0% |
| Adjusted EBITDA | (63.6) | (81.7) | (40.0) | (47.8) | (233.1) | (50.5) | (68.9) | (52.7) | (46.8) | (218.9) | (44.7) | (45.1) | (41.9) | (42.2) | (173.8) | (35.1) | (25.5) | (19.4) | (9.6) | (89.7) |
| Adjusted EBITDA Margin | -52.6% | -62.7% | -28.9% | -32.2% | -43.3% | -32.0% | -40.3% | -30.1% | -25.3% | -31.8% | -23.0% | -21.6% | -19.4% | -18.4% | -20.5% | -14.7% | -9.9% | -7.3% | -3.4% | -8.6% |
| Stock-based compensation | 14.3 | 13.2 | 12.3 | 11.4 | 51.1 | 10.2 | 7.9 | 410.9 | 77.2 | 506.1 | 62.4 | 75.7 | 69.2 | 63.8 | 271.1 | 76.3 | 76.3 | 76.3 | 76.3 | 305.2 |
| GAAP Operating Income | (84.9) | (75.8) | (53.8) | (41.2) | (255.7) | (45.4) | (46.0) | (445.2) | (103.4) | (639.9) | (89.4) | (98.5) | (94.2) | (81.6) | (363.7) | (87.2) | (77.7) | (71.7) | (62.0) | (298.6) |
| GAAP Operating Margin | -70.2% | -58.2% | -38.9% | -27.7% | -47.5% | -28.8% | -26.9% | -254.2% | -55.9% | -92.9% | -46.1% | -47.1% | -43.6% | -35.6% | -42.9% | -36.4% | -30.3% | -27.1% | -22.1% | -28.7% |
| Loss on convertible notes | (9.7) | (35.4) | (18.1) | (35.4) | (98.6) | (33.4) | (44.0) | (29.0) | (33.9) | (140.2) | (28.3) | (33.2) | (26.8) | (33.8) | (122.1) | (31.6) | (31.6) | (31.6) | (31.6) | (126.6) |
| Other Income (expense), net | 1.2 | 1.6 | 0.7 | 0.6 | 4.1 | 2.0 | 2.1 | 2.9 | 3.0 | 10.0 | 3.0 | 3.2 | 3.3 | 3.8 | 13.3 | 3.6 | 3.6 | 3.6 | 3.6 | 14.6 |
| Tax expense (benefit) | (1.7) | (1.9) | (1.7) | (1.1) | (6.5) | (2.5) | (2.5) | (2.0) | (1.6) | (8.5) | (2.7) | (2.7) | (2.7) | (2.7) | (10.6) | (3.3) | (3.3) | (3.3) | (3.3) | (13.3) |
| Non-GAAP Pre-Tax Income | (75.8) | (93.2) | (54.6) | (58.8) | (282.4) | (62.5) | (78.3) | (59.8) | (56.2) | (256.8) | (52.5) | (53.0) | (49.2) | (49.0) | (203.7) | (41.2) | (31.6) | (25.7) | (15.9) | (114.5) |
| Acquisition-related expense (G&A) | (0.0) | 0.0 | (0.4) | 0.0 | (0.5) | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Amortization of acquired intangibles | (5.1) | (5.2) | (5.6) | (6.9) | (22.7) | (6.6) | (4.1) | (2.6) | (2.4) | (15.8) | (2.4) | (2.5) | (1.9) | (1.5) | (8.3) | (1.1) | (1.1) | (1.1) | (1.1) | (4.2) |
| Impairment of ROU Asset (G&A) | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Other | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Tax (benefit) from Book/Tax Differences | 0.0 | 0.0 | (2.3) | 0.0 | (2.3) | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Total non-Pro forma Expenses | (19.4) | (18.4) | (20.7) | (18.2) | (76.6) | (16.8) | (12.0) | (413.5) | (79.6) | (521.8) | (64.8) | (78.2) | (71.1) | (65.3) | (279.4) | (77.4) | (77.4) | (77.4) | (77.4) | (309.4) |
| GAAP Pre-Tax Income | (95.2) | (111.6) | (73.0) | (77.0) | (356.7) | (79.2) | (90.3) | (473.3) | (135.9) | (778.7) | (117.3) | (131.1) | (120.4) | (114.3) | (483.1) | (118.6) | (109.0) | (103.0) | (93.3) | (423.9) |
| Income Taxes | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Tax Rate | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% |
| GAAP Net Income | (95.2) | (111.6) | (70.7) | (77.0) | (354.4) | (79.2) | (90.3) | (473.3) | (135.9) | (778.7) | (117.3) | (131.1) | (120.4) | (114.3) | (483.1) | (118.6) | (109.0) | (103.0) | (93.3) | (423.9) |
| Non-GAAP Net Income | (75.8) | (93.2) | (54.6) | (58.8) | (282.4) | (62.5) | (78.3) | (59.8) | (56.2) | (256.8) | (52.5) | (53.0) | (49.2) | (49.0) | (203.7) | (41.2) | (31.6) | (25.7) | (15.9) | (114.5) |
| GAAP EPS, Fully Diluted | \$ (1.02) | \$ (1.17) | \$ (0.72) | \$ (0.75) | \$ (3.64) | \$ (0.76) | \$ (0.84) | \$ (1.96) | \$ (0.34) | \$ (3.63) | \$ (0.28) | \$ (0.31) | \$ (0.28) | \$ (0.26) | \$ (1.14) | \$ (0.27) | \$ (0.24) | \$ (0.23) | \$ (0.20) | \$ (0.94) |
| Non-GAAP EPS incl stock based comp | \$ (0.96) | \$ (1.11) | \$ (0.68) | \$ (0.69) | \$ (3.42) | \$ (0.69) | \$ (0.80) | \$ (1.95) | \$ (0.33) | \$ (3.55) | \$ (0.28) | \$ (0.30) | \$ (0.28) | \$ (0.26) | \$ (1.12) | \$ (0.27) | \$ (0.24) | \$ (0.23) | \$ (0.20) | \$ (0.93) |
| Non-GAAP EPS, Fully Diluted | \$ (0.81) | \$ (0.97) | \$ (0.56) | \$ (0.57) | \$ (2.90) | \$ (0.60) | \$ (0.72) | \$ (0.25) | \$ (0.14) | \$ (1.20) | \$ (0.13) | \$ (0.13) | \$ (0.11) | \$ (0.11) | \$ (0.48) | \$ (0.09) | \$ (0.07) | \$ (0.06) | \$ (0.03) | \$ (0.25) |
| Basic Shares Outstanding | 93.7 | 95.7 | 98.3 | 102.4 | 97.5 | 104.7 | 108.1 | 241.3 | 404.3 | 214.6 | 413.5 | 422.2 | 430.0 | 436.2 | 425.5 | 441.4 | 446.7 | 452.0 | 457.3 | 449.4 |
| Fully Diluted Shares Outstanding | 93.7 | 95.7 | 98.3 | 102.4 | 97.5 | 104.7 | 108.1 | 241.3 | 404.3 | 214.6 | 413.5 | 422.2 | 430.0 | 436.2 | 425.5 | 441.4 | 446.7 | 452.0 | 457.3 | 449.4 |

Source: NTSK filings, Mizuho Securities USA LLC estimates

OKTA Income Statement

Okta

Mizuho Model

FYE: January

| Income Statement (Amounts in \$M) | Apr-23 Q1'24 | Jul-23 Q2'24 | Oct-23 Q3'24 | Jan-24 Q4'24 | FYE 2024 | Apr-24 Q1'25 | Jul-24 Q2'25 | Oct-24 Q3'25 | Jan-25 Q4'25 | FYE 2025 | Apr-25 Q1'26 | Jul-25 Q2'26 | Oct-25 Q3'26E | Jan-26 Q4'26E | FYE 2026E | Apr-26 Q1'27E | Jul-26 Q2'27E | Oct-26 Q3'27E | Jan-27 Q4'27E | FYE 2027E | Apr-27 Q1'28E | Jul-27 Q2'28E | Oct-27 Q3'28E | Jan-28 Q4'28E | FYE 2028E |
|--|------------------|------------------|------------------|------------------|------------------|------------------|-----------------|-----------------|-----------------|----------------|-----------------|-----------------|------------------|------------------|----------------|------------------|------------------|------------------|------------------|----------------|------------------|------------------|------------------|------------------|----------------|
| Subscription | 503.0 | 542.0 | 569.0 | 591.0 | 2,205.0 | 603.0 | 632.0 | 651.0 | 670.0 | 2,556.0 | 673.0 | 711.0 | 711.7 | 718.8 | 2,814.5 | 732.8 | 762.7 | 784.3 | 802.8 | 3,082.6 | 809.2 | 836.7 | 855.4 | 891.6 | 3,392.9 |
| Professional Services and other | 15.0 | 14.0 | 15.0 | 14.0 | 58.0 | 14.0 | 14.0 | 14.0 | 12.0 | 54.0 | 15.0 | 17.0 | 17.3 | 16.5 | 65.8 | 17.1 | 16.1 | 17.2 | 16.6 | 67.0 | 17.7 | 16.5 | 17.3 | 16.6 | 68.1 |
| Total Revenue | 518.0 | 556.0 | 584.0 | 605.0 | 2,263.0 | 617.0 | 646.0 | 665.0 | 682.0 | 2,610.0 | 688.0 | 728.0 | 729.0 | 735.2 | 2,880.3 | 749.9 | 778.8 | 801.5 | 819.3 | 3,149.6 | 826.9 | 853.1 | 872.7 | 908.2 | 3,461.0 |
| Cost of Subscription | 94.0 | 95.0 | 95.0 | 85.0 | 369.0 | 99.0 | 103.0 | 110.0 | 111.0 | 423.0 | 109.0 | 115.0 | 116.5 | 119.1 | 459.7 | 120.4 | 124.6 | 128.9 | 131.9 | 505.8 | 134.4 | 137.3 | 141.2 | 147.2 | 560.1 |
| Cost of Hardware and services | 16.0 | 17.0 | 16.0 | 15.0 | 64.0 | 15.0 | 15.0 | 14.0 | 13.0 | 57.0 | 16.0 | 19.0 | 18.9 | 17.8 | 71.7 | 18.3 | 18.2 | 17.4 | 16.6 | 70.5 | 18.9 | 19.4 | 16.3 | 15.9 | 70.5 |
| Total Cost of Revenue | 110.0 | 112.0 | 111.0 | 100.0 | 433.0 | 114.0 | 118.0 | 124.0 | 124.0 | 480.0 | 125.0 | 134.0 | 135.4 | 136.9 | 531.4 | 138.7 | 142.8 | 146.3 | 148.5 | 576.3 | 153.3 | 156.7 | 157.6 | 163.1 | 630.6 |
| Gross Profit | 408.0 | 444.0 | 473.0 | 505.0 | 1,830.0 | 503.0 | 528.0 | 541.0 | 558.0 | 2,130.0 | 563.0 | 594.0 | 593.6 | 598.3 | 2,348.9 | 611.2 | 636.0 | 655.2 | 670.8 | 2,573.3 | 673.6 | 696.5 | 715.2 | 745.2 | 2,830.4 |
| Gross Margin | 78.8% | 79.9% | 81.0% | 83.5% | 80.9% | 81.5% | 81.7% | 81.4% | 81.8% | 81.6% | 81.8% | 81.6% | 81.4% | 81.4% | 81.6% | 81.5% | 81.7% | 81.7% | 81.9% | 81.7% | 81.5% | 81.6% | 81.9% | 82.0% | 81.8% |
| Operating Expenses | | | | | | | | | | | | | | | | | | | | | | | | | |
| Sales and Marketing | 207.0 | 220.0 | 223.0 | 212.0 | 862.0 | 199.0 | 202.0 | 223.0 | 196.0 | 820.0 | 198.0 | 205.0 | 229.4 | 212.9 | 845.3 | 212.7 | 218.5 | 236.9 | 229.9 | 898.0 | 223.7 | 230.0 | 249.2 | 253.9 | 956.9 |
| Research and development | 95.0 | 98.0 | 95.0 | 91.0 | 379.0 | 100.0 | 108.0 | 109.0 | 108.0 | 425.0 | 107.0 | 109.0 | 117.2 | 116.7 | 449.9 | 126.5 | 131.4 | 135.2 | 136.6 | 529.8 | 138.7 | 143.1 | 146.4 | 150.5 | 578.7 |
| General and Administrative | 69.0 | 67.0 | 70.0 | 73.0 | 279.0 | 71.0 | 70.0 | 71.0 | 86.0 | 298.0 | 73.0 | 78.0 | 86.1 | 81.7 | 318.8 | 81.9 | 84.1 | 84.5 | 84.3 | 334.8 | 88.4 | 92.1 | 92.5 | 93.9 | 366.9 |
| Total Operating Expenses | 371.0 | 385.0 | 388.0 | 376.0 | 1,520.0 | 370.0 | 380.0 | 403.0 | 390.0 | 1,543.0 | 378.0 | 392.0 | 432.7 | 411.3 | 1,614.0 | 421.1 | 434.0 | 456.7 | 450.9 | 1,762.6 | 450.9 | 465.2 | 488.1 | 498.4 | 1,902.5 |
| Non-GAAP Operating Income | 37.0 | 59.0 | 85.0 | 129.0 | 310.0 | 133.0 | 148.0 | 138.0 | 168.0 | 587.0 | 185.0 | 202.0 | 160.9 | 187.0 | 734.9 | 190.2 | 202.0 | 198.6 | 220.0 | 810.7 | 222.7 | 231.3 | 227.1 | 246.8 | 927.8 |
| Non-GAAP Operating Margin | 7.1% | 10.6% | 14.6% | 21.3% | 13.7% | 21.6% | 22.9% | 20.8% | 24.6% | 22.5% | 26.9% | 27.7% | 22.1% | 25.4% | 25.5% | 25.4% | 25.9% | 24.8% | 26.9% | 25.7% | 26.9% | 27.1% | 26.0% | 27.2% | 26.8% |
| Stock-based compensation | 166.0 | 185.0 | 172.0 | 161.0 | 684.0 | 151.0 | 148.0 | 135.0 | 131.0 | 565.0 | 128.0 | 144.0 | 144.0 | 144.0 | 560.0 | 147.0 | 147.0 | 147.0 | 147.0 | 588.0 | 150.0 | 150.0 | 150.0 | 150.0 | 600.0 |
| GAAP Operating Income | (160.0) | (162.0) | (111.0) | (83.0) | (516.0) | (37.0) | (18.0) | (15.0) | 19.0 | (51.0) | 40.0 | 41.0 | (0.1) | 26.0 | 106.9 | 26.2 | 38.0 | 34.6 | 56.0 | 154.7 | 55.7 | 64.3 | 60.1 | 79.8 | 259.8 |
| GAAP Operating Margin | -30.9% | -29.1% | -19.0% | -13.7% | -22.8% | -6.0% | -2.8% | -2.3% | 2.8% | -2.0% | 5.8% | 5.6% | 0.0% | 3.5% | 3.7% | 3.5% | 4.9% | 4.3% | 6.8% | 4.9% | 6.7% | 7.5% | 6.9% | 8.8% | 7.5% |
| Interest and other income | 15.0 | 17.0 | 20.0 | 24.0 | 76.0 | 25.0 | 29.0 | 26.0 | 23.0 | 103.0 | 29.0 | 26.0 | 26.0 | 26.0 | 107.0 | 25.0 | 25.0 | 25.0 | 25.0 | 100.0 | 25.0 | 25.0 | 25.0 | 25.0 | 100.0 |
| Non-GAAP Pre-Tax Income | 52.0 | 76.0 | 105.0 | 153.0 | 386.0 | 158.0 | 177.0 | 164.0 | 191.0 | 690.0 | 214.0 | 228.0 | 186.9 | 213.0 | 841.9 | 215.2 | 227.0 | 223.6 | 245.0 | 910.7 | 247.7 | 256.3 | 252.1 | 271.8 | 1,027.8 |
| Acquisition-related expenses | 0.0 | 0.0 | 0.0 | (4.0) | (4.0) | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Amortization of debt discount | (1.0) | (1.0) | (1.0) | 15.0 | 12.0 | 0.0 | (1.0) | (1.0) | 0.0 | (2.0) | (1.0) | 0.0 | 0.0 | 0.0 | (1.0) | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Amortization of acquired intangibles | (23.0) | (18.0) | (18.0) | (19.0) | (78.0) | (19.0) | (18.0) | (18.0) | (18.0) | (73.0) | (17.0) | (17.0) | (17.0) | (17.0) | (68.0) | (17.0) | (17.0) | (17.0) | (17.0) | (68.0) | (17.0) | (17.0) | (17.0) | (17.0) | (68.0) |
| Other | 23.0 | 24.0 | 12.0 | (28.0) | 31.0 | (10.0) | 2.0 | 15.0 | (11.0) | (4.0) | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Tax (benefit) from Book/Tax Differences | 10.0 | 13.0 | 19.0 | 40.0 | 82.0 | 23.0 | 63.0 | 34.0 | 42.0 | 162.0 | 50.0 | 59.0 | 59.0 | 59.0 | 227.0 | 57.0 | 57.0 | 57.0 | 57.0 | 228.0 | 54.0 | 54.0 | 54.0 | 54.0 | 216.0 |
| Total non-Pro forma Expenses | (157.0) | (167.0) | (160.0) | (157.0) | (641.0) | (157.0) | (102.0) | (105.0) | (118.0) | (482.0) | (96.0) | (102.0) | (102.0) | (102.0) | (402.0) | (107.0) | (107.0) | (107.0) | (107.0) | (428.0) | (113.0) | (113.0) | (113.0) | (113.0) | (452.0) |
| GAAP Pre-Tax Income | (105.0) | (91.0) | (55.0) | (4.0) | (255.0) | 1.0 | 75.0 | 59.0 | 73.0 | 208.0 | 118.0 | 126.0 | 84.9 | 111.0 | 439.9 | 108.2 | 120.0 | 116.6 | 138.0 | 482.7 | 134.7 | 143.3 | 139.1 | 158.8 | 575.8 |
| Income Taxes | 14.0 | 20.0 | 26.0 | 40.0 | 100.0 | 41.0 | 46.0 | 43.0 | 50.0 | 180.0 | 56.0 | 59.0 | 48.4 | 55.1 | 218.5 | 55.7 | 58.7 | 57.9 | 63.4 | 235.7 | 64.1 | 66.3 | 65.2 | 70.3 | 266.0 |
| Tax Rate | 27% | 26% | 25% | 26% | 26% | 26% | 26% | 26% | 26% | 26% | 26% | 26% | 26% | 26% | 26% | 26% | 26% | 26% | 26% | 26% | 26% | 26% | 26% | 26% | 26% |
| GAAP Net Income | (119.0) | (111.0) | (81.0) | (44.0) | (355.0) | (40.0) | 29.0 | 16.0 | 23.0 | 28.0 | 62.0 | 67.0 | 36.6 | 55.8 | 221.4 | 52.5 | 61.3 | 58.7 | 74.6 | 247.1 | 70.6 | 77.0 | 73.9 | 88.4 | 309.9 |
| Non-GAAP Net Income | 38.0 | 56.0 | 79.0 | 113.0 | 286.0 | 117.0 | 131.0 | 121.0 | 141.0 | 510.0 | 158.0 | 169.0 | 138.6 | 157.8 | 623.4 | 159.5 | 168.3 | 165.7 | 181.6 | 675.1 | 183.6 | 190.0 | 186.9 | 201.4 | 761.9 |
| GAAP EPS, Fully Diluted | \$ (0.74) | \$ (0.68) | \$ (0.49) | \$ (0.26) | \$ (2.17) | \$ (0.24) | \$ 0.17 | \$ 0.09 | \$ 0.13 | \$ 0.17 | \$ 0.36 | \$ 0.38 | \$ 0.21 | \$ 0.31 | \$ 1.26 | \$ 0.29 | \$ 0.34 | \$ 0.32 | \$ 0.40 | \$ 1.35 | \$ 0.37 | \$ 0.40 | \$ 0.38 | \$ 0.45 | \$ 1.62 |
| Non-GAAP EPS incl stock based comp | \$ (0.52) | \$ (0.49) | \$ (0.31) | \$ (0.04) | \$ (1.35) | \$ 0.03 | \$ 0.13 | \$ 0.13 | \$ 0.26 | \$ 0.54 | \$ 0.36 | \$ 0.35 | \$ 0.18 | \$ 0.29 | \$ 1.19 | \$ 0.28 | \$ 0.32 | \$ 0.31 | \$ 0.39 | \$ 1.30 | \$ 0.38 | \$ 0.41 | \$ 0.39 | \$ 0.46 | \$ 1.66 |
| Non-GAAP EPS, Fully Diluted | \$ 0.22 | \$ 0.31 | \$ 0.44 | \$ 0.63 | \$ 1.60 | \$ 0.65 | \$ 0.72 | \$ 0.67 | \$ 0.78 | \$ 2.81 | \$ 0.86 | \$ 0.91 | \$ 0.75 | \$ 0.84 | \$ 3.36 | \$ 0.85 | \$ 0.89 | \$ 0.87 | \$ 0.94 | \$ 3.56 | \$ 0.95 | \$ 0.98 | \$ 0.96 | \$ 1.02 | \$ 3.91 |
| Basic Shares Outstanding | 161.3 | 162.8 | 164.4 | 166.0 | 163.6 | 167.5 | 168.6 | 170.7 | 171.9 | 169.7 | 174.2 | 175.5 | 176.5 | 178.5 | 176.1 | 180.5 | 182.5 | 184.5 | 186.5 | 183.5 | 188.5 | 190.5 | 192.5 | 194.5 | 191.5 |
| Fully Diluted Shares Outstanding | 176.2 | 178.7 | 179.3 | 179.2 | 178.4 | 180.4 | 182.4 | 181.9 | 181.6 | 181.6 | 183.2 | 185.2 | 185.4 | 187.4 | 185.3 | 187.9 | 188.4 | 190.4 | 192.4 | 189.8 | 192.9 | 193.4 | 195.4 | 197.4 | 194.8 |

Source: OKTA filings, Mizuho Securities USA LLC estimates

PANW Income Statement

Palo Alto Networks

Mizuho Model

FYE: July

| Income Statement (Amounts in \$M) | Oct-24 Q1'25 | Jan-25 Q2'25 | Apr-25 Q3'25 | Jul-25 Q4'25 | FYE 2025 | Oct-25 Q1'26E | Jan-26 Q2'26E | Apr-26 Q3'26E | Jul-26 Q4'26E | FYE 2026E | Oct-26 Q1'27E | Jan-27 Q2'27E | Apr-27 Q3'27E | Jul-27 Q4'27E | FYE 2027E | Oct-27 Q1'28E | Jan-28 Q2'28E | Apr-28 Q3'28E | Jul-28 Q4'28E | FYE 2028E |
|---|-----------------|-----------------|-----------------|-----------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Revenue | | | | | | | | | | | | | | | | | | | | |
| Product | 353.8 | 421.5 | 452.7 | 573.9 | 1,801.9 | 424.7 | 479.9 | 499.1 | 613.9 | 2,017.6 | 454.3 | 508.8 | 524.0 | 639.3 | 2,126.4 | 466.7 | 527.4 | 540.6 | 660.9 | 2,195.5 |
| Subscription and Support | 1,785.0 | 1,835.9 | 1,836.3 | 1,962.4 | 7,419.6 | 2,036.0 | 2,097.1 | 2,118.0 | 2,234.5 | 8,485.6 | 2,319.4 | 2,394.8 | 2,430.7 | 2,576.6 | 9,721.6 | 2,648.7 | 2,734.8 | 2,775.8 | 2,970.2 | 11,129.6 |
| Total Revenue | 2,138.8 | 2,257.4 | 2,289.0 | 2,536.3 | 9,221.5 | 2,460.7 | 2,577.0 | 2,617.1 | 2,848.4 | 10,503.2 | 2,773.7 | 2,903.6 | 2,954.8 | 3,215.9 | 11,848.1 | 3,115.5 | 3,262.2 | 3,316.4 | 3,631.0 | 13,325.1 |
| Cost of Product Revenue | 71.8 | 98.2 | 97.6 | 133.0 | 400.6 | 95.4 | 107.4 | 110.9 | 134.9 | 448.6 | 104.4 | 114.3 | 117.0 | 141.1 | 476.8 | 107.7 | 119.1 | 121.2 | 146.5 | 494.5 |
| Cost of Sub./Support Rev | 413.3 | 430.5 | 450.9 | 480.9 | 1,775.6 | 495.2 | 516.4 | 525.2 | 554.5 | 2,091.3 | 572.5 | 597.2 | 610.0 | 646.9 | 2,426.7 | 662.0 | 690.1 | 704.7 | 754.1 | 2,810.9 |
| Total Cost of Revenue | 485.1 | 528.7 | 548.5 | 613.9 | 2,176.2 | 590.7 | 623.7 | 636.1 | 689.4 | 2,539.9 | 676.9 | 711.5 | 727.0 | 788.1 | 2,903.5 | 769.7 | 809.2 | 825.9 | 900.7 | 3,305.4 |
| Gross Profit | 1,653.7 | 1,728.7 | 1,740.5 | 1,922.4 | 7,045.3 | 1,870.0 | 1,953.2 | 1,981.0 | 2,159.0 | 7,963.2 | 2,096.8 | 2,192.1 | 2,227.8 | 2,427.9 | 8,944.6 | 2,345.8 | 2,453.0 | 2,490.5 | 2,730.4 | 10,019.7 |
| Gross Margin | 77.3% | 76.6% | 76.0% | 75.8% | 76.4% | 76.0% | 75.8% | 75.7% | 75.8% | 75.8% | 75.6% | 75.5% | 75.4% | 75.5% | 75.5% | 75.3% | 75.2% | 75.1% | 75.2% | 75.2% |
| Operating Expenses | | | | | | | | | | | | | | | | | | | | |
| Sales and Marketing | 626.0 | 648.9 | 679.3 | 709.0 | 2,663.2 | 692.8 | 722.9 | 732.9 | 774.9 | 2,923.5 | 757.3 | 787.0 | 805.3 | 860.4 | 3,210.0 | 817.9 | 851.6 | 870.7 | 938.8 | 3,479.0 |
| Research and Development | 338.0 | 356.5 | 352.9 | 358.7 | 1,406.1 | 377.5 | 390.2 | 392.4 | 405.7 | 1,565.8 | 425.6 | 442.6 | 447.4 | 477.3 | 1,792.9 | 499.8 | 520.1 | 525.4 | 568.0 | 2,113.3 |
| General and Administrative | 73.5 | 82.9 | 81.2 | 86.5 | 324.1 | 86.4 | 93.0 | 94.5 | 100.0 | 373.9 | 91.8 | 101.9 | 103.7 | 102.4 | 399.9 | 96.1 | 107.2 | 109.0 | 110.2 | 422.5 |
| Total Operating Expenses | 1,037.5 | 1,088.3 | 1,113.4 | 1,154.2 | 4,393.4 | 1,156.7 | 1,206.2 | 1,219.8 | 1,280.6 | 4,863.2 | 1,274.7 | 1,331.5 | 1,356.5 | 1,440.2 | 5,402.9 | 1,413.9 | 1,478.8 | 1,505.1 | 1,617.0 | 6,014.7 |
| Non-GAAP Operating Income | 616.2 | 640.4 | 627.1 | 768.2 | 2,651.9 | 713.3 | 747.0 | 761.3 | 878.4 | 3,100.0 | 822.1 | 860.6 | 871.3 | 987.7 | 3,541.7 | 931.9 | 974.2 | 985.4 | 1,113.4 | 4,004.9 |
| Non-GAAP Operating Margin | 28.8% | 28.4% | 27.4% | 30.3% | 28.8% | 29.0% | 29.0% | 29.1% | 30.8% | 29.5% | 29.6% | 29.6% | 29.5% | 30.7% | 29.9% | 29.9% | 29.9% | 29.7% | 30.7% | 30.1% |
| Stock-based compensation | 315.1 | 343.3 | 355.3 | 372.7 | 1,386.4 | 375.7 | 378.7 | 380.7 | 382.7 | 1,517.8 | 385.7 | 388.7 | 390.7 | 392.7 | 1,557.8 | 395.7 | 398.7 | 400.7 | 402.7 | 1,597.8 |
| GAAP Operating Income | 286.5 | 240.4 | 218.8 | 497.2 | 1,242.9 | 439.3 | 470.0 | 482.3 | 597.4 | 1,989.0 | 538.1 | 573.6 | 582.3 | 696.7 | 2,390.7 | 637.9 | 677.2 | 686.4 | 812.4 | 2,813.9 |
| GAAP Operating Margin | 13.4% | 10.6% | 9.6% | 19.6% | 13.5% | 17.9% | 18.2% | 18.4% | 21.0% | 18.9% | 19.4% | 19.8% | 19.7% | 21.7% | 20.2% | 20.5% | 20.8% | 20.7% | 22.4% | 21.1% |
| Interest and other income | 82.6 | 84.7 | 91.9 | 94.7 | 353.9 | 98.0 | 98.0 | 98.0 | 98.0 | 392.0 | 97.0 | 97.0 | 97.0 | 97.0 | 388.0 | 94.0 | 94.0 | 94.0 | 94.0 | 376.0 |
| Non-GAAP Pre-Tax Income | 698.8 | 725.1 | 719.0 | 862.9 | 3,005.8 | 811.3 | 845.0 | 859.3 | 976.4 | 3,492.0 | 919.1 | 957.6 | 968.3 | 1,084.7 | 3,929.7 | 1,025.9 | 1,068.2 | 1,079.4 | 1,207.4 | 4,380.9 |
| Tax (benefit) from Book/Tax | 136.0 | 101.9 | 109.7 | (148.1) | 199.5 | (158.1) | (158.1) | (158.1) | (158.1) | (632.4) | (168.1) | (168.1) | (168.1) | (168.1) | (672.4) | (178.1) | (178.1) | (178.1) | (178.1) | (712.4) |
| Acquisition-related costs | (15.1) | (9.7) | (7.3) | 141.8 | 109.7 | 141.8 | 141.8 | 141.8 | 141.8 | 567.2 | 141.8 | 141.8 | 141.8 | 141.8 | 567.2 | 141.8 | 141.8 | 141.8 | 141.8 | 567.2 |
| Amort expense of acquired intangible | (40.7) | (43.8) | (42.6) | (36.9) | (164.0) | (36.9) | (36.9) | (36.9) | (36.9) | (147.6) | (36.9) | (36.9) | (36.9) | (36.9) | (147.6) | (36.9) | (36.9) | (36.9) | (36.9) | (147.6) |
| Litigation-related charges | 41.2 | (3.2) | (3.1) | (3.2) | 31.7 | (3.2) | (3.2) | (3.2) | (3.2) | (12.8) | (3.2) | (3.2) | (3.2) | (3.2) | (12.8) | (3.2) | (3.2) | (3.2) | (3.2) | (12.8) |
| Gain related to facility exit | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Non-cash charges related to convertil | (0.5) | (0.3) | (0.2) | (0.1) | (1.1) | (0.1) | (0.1) | (0.1) | (0.1) | (0.4) | (0.1) | (0.1) | (0.1) | (0.1) | (0.4) | (0.1) | (0.1) | (0.1) | (0.1) | (0.4) |
| FX (gain) loss | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Legal/Integr/Restrux exp | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total GAAP-only Expenses | (330.2) | (400.3) | (408.5) | (271.1) | (1,410.1) | (274.1) | (277.1) | (279.1) | (281.1) | (1,111.4) | (284.1) | (287.1) | (289.1) | (291.1) | (1,151.4) | (294.1) | (297.1) | (299.1) | (301.1) | (1,191.4) |
| GAAP Pre-Tax Income | 368.6 | 324.8 | 310.5 | 591.8 | 1,595.7 | 537.2 | 567.9 | 580.2 | 695.3 | 2,380.6 | 635.0 | 670.5 | 679.2 | 793.6 | 2,778.3 | 731.8 | 771.1 | 780.3 | 906.3 | 3,189.5 |
| Income Taxes | 153.9 | 159.4 | 158.1 | 189.9 | 661.3 | 178.5 | 186.0 | 189.1 | 214.9 | 768.5 | 202.3 | 210.7 | 213.1 | 238.7 | 864.8 | 225.8 | 235.1 | 237.5 | 265.7 | 964.1 |
| Tax Rate | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% |
| GAAP Net Income | 350.7 | 267.3 | 262.1 | 253.8 | 1,133.9 | 200.6 | 223.9 | 233.0 | 322.3 | 979.7 | 264.6 | 291.6 | 298.0 | 386.8 | 1,241.1 | 328.0 | 357.9 | 364.7 | 462.5 | 1,513.0 |
| Non-GAAP Net Income | 544.9 | 565.7 | 560.9 | 673.0 | 2,344.5 | 632.8 | 659.1 | 670.2 | 761.5 | 2,723.5 | 716.8 | 746.8 | 755.2 | 846.0 | 3,064.9 | 800.2 | 833.1 | 841.9 | 941.7 | 3,416.8 |
| GAAP EPS | \$0.50 | \$0.38 | \$0.37 | \$0.36 | \$1.62 | \$0.28 | \$0.31 | \$0.33 | \$0.45 | \$1.37 | \$0.37 | \$0.41 | \$0.41 | \$0.54 | \$1.72 | \$0.45 | \$0.49 | \$0.50 | \$0.63 | \$2.08 |
| Non-GAAP EPS incl SBC | \$0.43 | \$0.43 | \$0.40 | \$0.54 | \$1.80 | \$0.48 | \$0.51 | \$0.52 | \$0.65 | \$2.16 | \$0.58 | \$0.62 | \$0.62 | \$0.75 | \$2.57 | \$0.68 | \$0.72 | \$0.73 | \$0.86 | \$2.98 |
| Non-GAAP EPS, Fully Diluted | \$0.78 | \$0.81 | \$0.80 | \$0.95 | \$3.34 | \$0.89 | \$0.92 | \$0.94 | \$1.07 | \$3.82 | \$1.00 | \$1.04 | \$1.05 | \$1.17 | \$4.26 | \$1.10 | \$1.15 | \$1.15 | \$1.29 | \$4.69 |
| Basic Shares Outstanding | 653.6 | 659.3 | 665.1 | 669.4 | 661.9 | 671.4 | 672.4 | 673.4 | 674.4 | 672.9 | 675.4 | 676.4 | 677.4 | 678.4 | 676.9 | 679.4 | 680.4 | 681.4 | 682.4 | 680.9 |
| Fully Diluted Shares Outstanding | 697.2 | 700.3 | 700.8 | 706.9 | 701.3 | 710.9 | 712.9 | 713.9 | 714.9 | 713.2 | 716.9 | 718.9 | 720.9 | 722.9 | 719.9 | 724.9 | 726.9 | 728.9 | 730.9 | 727.9 |

Source: PANW filings, Mizuho Securities USA LLC estimates

RBRK Income Statement

Rubrik

Mizuho Model

FYE: January

| Income Statement (Amounts in \$M) | Apr-24 Q1'25 | Jul-24 Q2'25 | Oct-24 Q3'25 | Jan-25 Q4'25 | FYE 2025 | Apr-25 Q1'26 | Jul-25 Q2'26 | Oct-25 Q3'26E | Jan-26 Q4'26E | FYE 2026E | Apr-26 Q1'27E | Jul-26 Q2'27E | Oct-26 Q3'27E | Jan-27 Q4'27E | FYE 2027E | Apr-27 Q1'28E | Jul-27 Q2'28E | Oct-27 Q3'28E | Jan-28 Q4'28E | FYE 2028E |
|--|-------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Subscription | 172.2 | 191.3 | 221.5 | 243.7 | 828.7 | 265.7 | 297.0 | 307.4 | 313.5 | 1,183.5 | 332.3 | 343.9 | 374.9 | 397.4 | 1,448.5 | 417.3 | 431.9 | 457.8 | 476.1 | 1,783.0 |
| Maintenance | 5.7 | 5.0 | 4.3 | 3.4 | 18.4 | 2.3 | 2.0 | 1.7 | 1.5 | 7.5 | 1.1 | 0.9 | 0.7 | 0.5 | 3.2 | 0.4 | 0.3 | 0.2 | 0.2 | 1.1 |
| Other Products | 9.5 | 8.6 | 10.3 | 11.0 | 39.4 | 10.5 | 10.9 | 11.5 | 11.9 | 44.9 | 9.0 | 10.4 | 12.5 | 13.2 | 45.1 | 9.9 | 10.9 | 12.2 | 12.7 | 45.8 |
| Total Revenue | 187.3 | 205.0 | 236.2 | 258.1 | 886.5 | 278.5 | 309.9 | 320.6 | 327.0 | 1,235.9 | 342.4 | 355.2 | 388.1 | 411.2 | 1,496.8 | 427.6 | 443.1 | 470.2 | 489.0 | 1,829.9 |
| Subscription | 23.9 | 37.8 | 39.5 | 42.8 | 144.0 | 45.8 | 49.5 | 61.1 | 61.1 | 217.5 | 61.4 | 63.6 | 69.7 | 73.8 | 268.4 | 77.7 | 80.5 | 85.7 | 89.1 | 333.0 |
| Maintenance | 3.6 | 1.0 | 0.8 | 0.6 | 6.1 | 0.4 | 0.4 | 0.3 | 0.3 | 1.4 | 0.2 | 0.2 | 0.1 | 0.1 | 0.6 | 0.1 | 0.1 | 0.0 | 0.0 | 0.2 |
| Other Products | 18.6 | 8.3 | 8.8 | 8.8 | 44.6 | 8.2 | 7.1 | 8.7 | 9.0 | 32.9 | 7.0 | 7.7 | 9.2 | 9.7 | 33.7 | 7.6 | 7.9 | 8.9 | 9.2 | 33.6 |
| Total Cost of Revenue | 46.2 | 47.2 | 49.1 | 52.3 | 194.8 | 54.3 | 57.1 | 70.1 | 70.3 | 251.8 | 68.6 | 71.4 | 79.0 | 83.6 | 302.7 | 85.4 | 88.4 | 94.7 | 98.3 | 366.9 |
| Gross Profit | 141.2 | 157.8 | 187.0 | 205.8 | 691.8 | 224.1 | 252.8 | 250.5 | 256.6 | 984.0 | 273.8 | 283.8 | 309.0 | 327.5 | 1,194.1 | 342.2 | 354.6 | 375.6 | 390.6 | 1,463.0 |
| Gross Margin | 75.4% | 77.0% | 79.2% | 79.7% | 78.0% | 80.5% | 81.6% | 78.1% | 78.5% | 79.6% | 80.0% | 79.9% | 79.6% | 79.7% | 79.8% | 80.0% | 80.0% | 79.9% | 79.9% | 80.0% |
| Operating Expenses | | | | | | | | | | | | | | | | | | | | |
| Sales and Marketing | 139.4 | 133.7 | 131.4 | 132.5 | 537.1 | 145.8 | 152.3 | 172.0 | 165.7 | 635.9 | 175.2 | 172.9 | 174.3 | 188.8 | 711.1 | 200.6 | 196.8 | 197.1 | 204.5 | 799.0 |
| Research and Development | 61.2 | 57.9 | 57.0 | 58.5 | 234.6 | 62.0 | 67.4 | 85.7 | 87.8 | 302.9 | 91.9 | 91.8 | 89.8 | 97.2 | 370.7 | 101.1 | 102.5 | 105.5 | 110.2 | 419.4 |
| General and Administrative | 34.1 | 28.5 | 29.8 | 43.9 | 136.3 | 34.5 | 37.4 | 43.5 | 43.3 | 158.8 | 44.6 | 42.9 | 45.7 | 46.8 | 180.0 | 47.9 | 49.1 | 51.7 | 52.8 | 201.5 |
| Total Operating Expenses | 234.7 | 220.1 | 218.2 | 234.9 | 908.0 | 242.4 | 257.2 | 301.3 | 296.7 | 1,097.5 | 311.7 | 307.6 | 309.8 | 332.8 | 1,261.9 | 349.5 | 348.5 | 354.3 | 367.5 | 1,419.8 |
| Non-GAAP Operating Income | (93.6) | (62.3) | (31.2) | (29.0) | (216.2) | (18.2) | (4.4) | (50.8) | (40.1) | (113.5) | (37.9) | (23.8) | (0.7) | (5.3) | (67.8) | (7.4) | 6.1 | 21.3 | 23.2 | 43.2 |
| Non-GAAP Operating Margin | -50.0% | -30.4% | -13.2% | -11.2% | -24.4% | -6.6% | -1.4% | -15.9% | -12.3% | -9.2% | -11.1% | -6.7% | -0.2% | -1.3% | -4.5% | -1.7% | 1.4% | 4.5% | 4.7% | 2.4% |
| Adjusted EBITDA | (86.4) | (55.4) | (23.8) | (21.7) | (187.3) | (10.2) | 4.0 | (42.7) | (31.6) | (80.4) | (29.5) | (14.9) | 8.4 | 4.1 | (31.9) | 2.0 | 15.9 | 31.3 | 33.4 | 82.6 |
| Adjusted EBITDA Margin | -46.1% | -27.0% | -10.1% | -8.4% | -21.1% | -3.7% | 1.3% | -13.3% | -9.7% | -6.5% | -8.6% | -4.2% | 2.2% | 1.0% | -2.1% | 0.5% | 3.6% | 6.7% | 6.8% | 4.5% |
| Stock-based compensation | 630.3 | 105.0 | 92.5 | 86.0 | 913.9 | 73.5 | 88.5 | 88.5 | 88.5 | 338.9 | 102.3 | 102.3 | 102.3 | 102.3 | 409.2 | 116.1 | 116.1 | 116.1 | 116.1 | 464.5 |
| GAAP Operating Income | (724.8) | (168.3) | (124.7) | (116.0) | (1,133.8) | (92.7) | (94.1) | (140.5) | (129.7) | (457.0) | (141.5) | (127.3) | (104.2) | (108.8) | (481.8) | (124.7) | (111.2) | (96.1) | (94.2) | (426.3) |
| GAAP Operating Margin | -387.0% | -82.1% | -52.8% | -44.9% | -127.9% | -33.3% | -30.4% | -43.8% | -39.7% | -37.0% | -41.3% | -35.8% | -26.9% | -26.5% | -32.2% | -29.2% | -25.1% | -20.4% | -19.3% | -23.3% |
| Interest and other income | 2.3 | 5.8 | 6.1 | 7.7 | 21.9 | 2.1 | 5.6 | 19.6 | 19.6 | 46.9 | 10.0 | 10.0 | 10.0 | 10.0 | 40.0 | 8.0 | 8.0 | 8.0 | 8.0 | 32.0 |
| Interest expense | (10.6) | (10.2) | (10.3) | (5.2) | (36.4) | (9.8) | (5.2) | (1.7) | (1.7) | (18.5) | (1.7) | (1.7) | (1.7) | (1.7) | (7.0) | (1.7) | (1.7) | (1.7) | (1.7) | (7.0) |
| Non-GAAP Pre-Tax Income | (101.9) | (66.8) | (35.4) | (26.6) | (230.6) | (26.0) | (4.0) | (33.0) | (22.2) | (85.1) | (29.7) | (15.5) | 7.5 | 2.9 | (34.7) | (1.1) | 12.4 | 27.5 | 29.4 | 68.2 |
| Amortization of acquired intangibles | (0.9) | (0.9) | (0.9) | (0.9) | (3.7) | (1.0) | (1.2) | (1.2) | (1.2) | (4.6) | (1.2) | (1.2) | (1.2) | (1.2) | (4.9) | (1.2) | (1.2) | (1.2) | (1.2) | (4.9) |
| SBC of capitalized internal-use software | (0.0) | (0.0) | (0.1) | (0.1) | (0.3) | (0.3) | (0.4) | (0.4) | (0.4) | (1.6) | (0.5) | (0.5) | (0.5) | (0.5) | (1.9) | (0.5) | (0.5) | (0.5) | (0.5) | (2.1) |
| Other | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Tax (benefit) from Book/Tax Differences | 0.1 | 0.1 | 0.4 | 5.3 | 6.0 | 1.4 | 0.6 | 0.6 | 0.6 | 3.3 | 0.6 | 0.6 | 0.6 | 0.6 | 2.5 | 0.6 | 0.6 | 0.6 | 0.6 | 2.5 |
| Total non-Pro forma Expenses | (631.1) | (105.9) | (93.1) | (81.8) | (911.9) | (73.4) | (89.5) | (89.5) | (89.5) | (341.8) | (103.4) | (103.4) | (103.4) | (103.4) | (413.4) | (117.2) | (117.2) | (117.2) | (117.2) | (469.0) |
| GAAP Pre-Tax Income | (733.0) | (172.6) | (128.5) | (108.3) | (1,142.5) | (99.4) | (93.5) | (122.4) | (111.6) | (426.9) | (133.0) | (118.9) | (95.8) | (100.4) | (448.2) | (118.4) | (104.8) | (89.7) | (87.8) | (400.8) |
| Income Taxes | (0.9) | 4.3 | 2.4 | 6.5 | 12.3 | 2.7 | 2.5 | 1.8 | 1.4 | 8.4 | 1.8 | 1.0 | (0.5) | (0.2) | 2.1 | 0.1 | (1.0) | (2.1) | (2.9) | (5.9) |
| Tax Rate | 1% | -6% | -7% | -7% | -5% | -10% | -62% | -6% | -7% | -10% | -6% | -6% | -6% | -8% | -6% | -8% | -8% | -8% | -10% | -9% |
| GAAP Net Income | (732.1) | (176.9) | (130.9) | (114.9) | (1,154.8) | (102.1) | (95.9) | (124.2) | (113.1) | (435.4) | (134.9) | (119.8) | (95.4) | (100.2) | (450.2) | (118.5) | (103.9) | (87.6) | (85.0) | (394.9) |
| Non-GAAP Net Income | (101.0) | (71.1) | (37.8) | (33.1) | (242.9) | (28.7) | (6.5) | (34.8) | (23.6) | (93.6) | (31.5) | (16.5) | 8.0 | 3.2 | (36.8) | (1.2) | 13.4 | 29.6 | 32.3 | 74.1 |
| GAAP EPS, Fully Diluted | \$ (11.48) | \$ (0.98) | \$ (0.71) | \$ (0.61) | \$ (7.51) | \$ (0.53) | \$ (0.49) | \$ (0.62) | \$ (0.56) | \$ (2.21) | \$ (0.66) | \$ (0.57) | \$ (0.45) | \$ (0.46) | \$ (2.13) | \$ (0.54) | \$ (0.47) | \$ (0.39) | \$ (0.37) | \$ (1.76) |
| Non-GAAP EPS incl stock based comp | \$ (11.37) | \$ (1.02) | \$ (0.74) | \$ (0.66) | \$ (7.84) | \$ (0.57) | \$ (0.77) | \$ (0.64) | \$ (0.58) | \$ (2.36) | \$ (0.68) | \$ (0.60) | \$ (0.47) | \$ (0.50) | \$ (2.23) | \$ (0.58) | \$ (0.50) | \$ (0.42) | \$ (0.41) | \$ (1.91) |
| Non-GAAP EPS, Fully Diluted | \$ (1.58) | \$ (0.40) | \$ (0.21) | \$ (0.18) | \$ (1.58) | \$ (0.15) | \$ (0.03) | \$ (0.17) | \$ (0.12) | \$ (0.47) | \$ (0.15) | \$ (0.08) | \$ 0.04 | \$ 0.01 | \$ (0.17) | \$ (0.01) | \$ 0.06 | \$ 0.13 | \$ 0.14 | \$ 0.33 |
| Basic Shares Outstanding | 63.8 | 179.9 | 183.6 | 188.0 | 153.8 | 191.6 | 194.9 | 200.4 | 202.4 | 197.3 | 205.5 | 209.3 | 212.8 | 216.4 | 211.0 | 219.5 | 223.3 | 226.8 | 230.4 | 225.0 |
| Fully Diluted Shares Outstanding | 63.8 | 179.9 | 183.6 | 188.0 | 153.8 | 191.6 | 194.9 | 200.4 | 202.4 | 197.3 | 205.5 | 209.3 | 212.8 | 216.4 | 211.0 | 219.5 | 223.3 | 226.8 | 230.4 | 225.0 |

Source: RBRK filings, Mizuho Securities USA LLC estimates

SAIL Income Statement

SailPoint

Mizuho Model

FYE: January

| Income Statement (Amounts in \$M) | FYE 2025 | Apr-25 Q1'26 | Jul-25 Q2'26 | Oct-25 Q3'26E | Jan-26 Q4'26E | FYE 2026E | Apr-26 Q1'27E | Jul-26 Q2'27E | Oct-26 Q3'27E | Jan-27 Q4'27E | FYE 2027E | Apr-27 Q1'28E | Jul-27 Q2'28E | Oct-27 Q3'28E | Jan-28 Q4'28E | FYE 2028E |
|---|------------------|-----------------|-----------------|------------------|------------------|----------------|------------------|------------------|------------------|------------------|----------------|------------------|------------------|------------------|------------------|----------------|
| Subscription | 793.9 | 215.3 | 247.9 | 253.1 | 273.4 | 989.8 | 265.2 | 283.8 | 315.0 | 330.7 | 1,194.6 | 323.0 | 345.7 | 380.2 | 400.7 | 1,449.6 |
| Perpetual | 0.4 | 0.0 | 0.4 | 0.4 | 0.4 | 1.3 | 0.4 | 0.4 | 0.4 | 0.4 | 1.7 | 0.4 | 0.4 | 0.4 | 0.4 | 1.7 |
| Services & Other | 67.3 | 15.1 | 16.0 | 16.6 | 16.4 | 64.1 | 16.1 | 15.6 | 16.1 | 16.4 | 64.2 | 15.9 | 15.4 | 16.0 | 16.3 | 63.6 |
| Total Revenue | 861.6 | 230.5 | 264.4 | 270.1 | 290.2 | 1,055.2 | 281.7 | 299.8 | 331.5 | 347.6 | 1,260.6 | 339.4 | 361.5 | 396.7 | 417.4 | 1,515.0 |
| Subscription | 126.1 | 37.8 | 42.2 | 45.6 | 49.3 | 174.9 | 51.2 | 54.0 | 55.2 | 57.9 | 218.3 | 63.7 | 67.1 | 68.9 | 72.2 | 271.9 |
| Perpetual | 0.0 | 0.0 | 0.4 | 0.0 | 0.0 | 0.4 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Services & Other | 62.3 | 16.7 | 15.0 | 15.2 | 14.7 | 61.7 | 14.5 | 14.0 | 14.5 | 14.8 | 57.8 | 14.3 | 13.9 | 14.4 | 14.7 | 57.3 |
| Total Cost of Revenue | 188.5 | 54.5 | 57.6 | 60.8 | 64.0 | 237.0 | 65.7 | 68.0 | 69.7 | 72.7 | 276.1 | 78.0 | 81.0 | 83.3 | 86.9 | 329.2 |
| Gross Profit | 673.1 | 175.9 | 206.7 | 209.3 | 226.2 | 818.2 | 216.0 | 231.8 | 261.8 | 274.9 | 984.5 | 261.4 | 280.5 | 313.4 | 330.6 | 1,185.8 |
| Gross Margin | 78.1% | 76.3% | 78.2% | 77.5% | 77.9% | 77.5% | 76.7% | 77.3% | 79.0% | 79.1% | 78.1% | 77.0% | 77.6% | 79.0% | 79.2% | 78.3% |
| Operating Expenses | | | | | | | | | | | | | | | | |
| Sales and Marketing | 327.8 | 91.4 | 93.1 | 99.5 | 101.1 | 385.0 | 108.0 | 114.9 | 119.4 | 120.4 | 462.7 | 129.7 | 137.5 | 142.1 | 144.1 | 553.4 |
| Research and Development | 146.2 | 38.7 | 40.5 | 44.6 | 45.0 | 168.8 | 47.9 | 51.0 | 52.5 | 52.6 | 204.0 | 55.4 | 58.6 | 60.4 | 60.2 | 234.6 |
| General and Administrative | 66.4 | 22.3 | 19.1 | 22.2 | 21.6 | 85.2 | 22.3 | 24.7 | 25.3 | 25.1 | 97.4 | 28.6 | 30.8 | 31.5 | 32.3 | 123.2 |
| Total Operating Expenses | 540.4 | 152.3 | 152.7 | 166.3 | 167.7 | 639.1 | 178.2 | 190.6 | 197.2 | 198.1 | 764.1 | 213.7 | 227.0 | 233.9 | 236.6 | 911.2 |
| Non-GAAP Operating Income | 132.7 | 23.6 | 54.0 | 43.0 | 58.5 | 179.1 | 37.8 | 41.2 | 64.6 | 76.8 | 220.4 | 47.6 | 53.6 | 79.4 | 94.0 | 274.6 |
| Non-GAAP Operating Margin | 15.4% | 10.2% | 20.4% | 15.9% | 20.2% | 17.0% | 13.4% | 13.7% | 19.5% | 22.1% | 17.5% | 14.0% | 14.8% | 20.0% | 22.5% | 18.1% |
| Adjusted EBITDA | 370.0 | 75.7 | 106.5 | 93.7 | 107.6 | 383.4 | 89.1 | 90.8 | 112.5 | 123.1 | 415.6 | 92.3 | 96.7 | 121.0 | 134.0 | 444.1 |
| Adjusted EBITDA Margin | 42.9% | 32.8% | 40.3% | 34.7% | 37.1% | 36.3% | 31.6% | 30.3% | 33.9% | 35.4% | 33.0% | 27.2% | 26.8% | 30.5% | 32.1% | 29.3% |
| Stock-based compensation | 99.6 | 160.5 | 48.4 | 52.4 | 54.4 | 315.7 | 46.1 | 55.0 | 65.6 | 70.3 | 237.1 | 45.3 | 47.3 | 57.3 | 63.3 | 213.3 |
| GAAP Operating Income | (188.8) | (181.6) | (40.8) | (51.8) | (37.9) | (312.1) | (49.5) | (54.3) | (40.7) | (32.6) | (177.1) | (36.4) | (31.2) | (14.3) | (4.8) | (86.7) |
| GAAP Operating Margin | -21.9% | -78.8% | -15.4% | -19.2% | -13.0% | -29.6% | -17.6% | -18.1% | -12.3% | -9.4% | -14.1% | -10.7% | -8.6% | -3.6% | -1.1% | -5.7% |
| Interest Income | 4.2 | 3.2 | 2.3 | 2.8 | 2.8 | 11.2 | 2.9 | 3.0 | 3.2 | 3.5 | 12.7 | 3.6 | 3.8 | 3.9 | 4.2 | 15.6 |
| Interest Expense | (186.7) | (22.4) | (1.7) | 0.0 | 0.0 | (24.1) | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Other Income (expense), net | (5.4) | (0.2) | (1.7) | (1.7) | (1.7) | (5.3) | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Non-GAAP Pre-Tax Income | (55.2) | 4.3 | 52.9 | 44.1 | 59.7 | 160.9 | 40.7 | 44.2 | 67.9 | 80.3 | 233.2 | 51.3 | 57.4 | 83.4 | 98.2 | 290.3 |
| Amortization expense | (230.3) | (49.9) | (50.2) | (47.5) | (46.9) | (194.6) | (45.3) | (43.8) | (42.3) | (40.9) | (172.4) | (39.4) | (38.1) | (37.1) | (36.1) | (150.8) |
| Acquisition-related expense | (17.3) | (0.6) | (1.6) | 0.0 | 0.0 | (2.2) | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Restructuring | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Payroll taxes for IPO-accelerated awards and RSUs | 0.0 | (3.4) | 0.0 | 0.0 | 0.0 | (3.4) | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Commission write-off | 25.7 | 5.8 | 5.4 | 5.1 | 4.9 | 21.3 | 4.2 | 3.4 | 2.6 | 1.8 | 11.9 | 0.7 | 0.7 | 0.7 | 0.7 | 2.7 |
| Tax (benefit) from Book/Tax Differences | (47.3) | (18.1) | (44.3) | (41.9) | (42.7) | (146.9) | (7.7) | (8.1) | (14.1) | (17.3) | (47.1) | (14.4) | (14.4) | (14.4) | (14.4) | (57.7) |
| Total non-Pro forma Expenses | (368.7) | (226.6) | (139.1) | (136.7) | (139.1) | (641.5) | (94.9) | (103.5) | (119.4) | (126.7) | (444.7) | (98.5) | (99.2) | (108.2) | (113.2) | (419.0) |
| GAAP Pre-Tax Income | (376.7) | (204.3) | (41.9) | (50.7) | (36.7) | (333.6) | (46.6) | (51.2) | (37.5) | (29.1) | (164.4) | (32.8) | (27.4) | (10.4) | (0.5) | (71.1) |
| Income Taxes | (13.5) | 1.0 | 13.0 | 10.8 | 14.6 | 39.4 | 10.0 | 10.8 | 16.6 | 19.7 | 57.1 | 12.6 | 14.1 | 20.4 | 24.1 | 71.1 |
| Tax Rate | 25% | 24% | 24% | 24% | 24% | 24% | 24% | 24% | 24% | 24% | 24% | 24% | 24% | 24% | 24% | 24% |
| GAAP Net Income | (315.9) | (187.3) | (10.6) | (19.6) | (8.7) | (226.2) | (48.9) | (54.0) | (40.0) | (31.5) | (174.4) | (30.9) | (27.0) | (16.4) | (10.2) | (84.5) |
| Non-GAAP Net Income | (41.6) | 3.2 | 40.0 | 33.3 | 45.0 | 121.5 | 30.7 | 33.4 | 51.3 | 60.7 | 176.0 | 38.7 | 43.3 | 62.9 | 74.2 | 219.1 |
| GAAP EPS, Fully Diluted | \$ (1.45) | \$ (0.37) | \$ (0.02) | \$ (0.04) | \$ (0.02) | \$ (0.42) | \$ (0.09) | \$ (0.09) | \$ (0.07) | \$ (0.05) | \$ (0.31) | \$ (0.05) | \$ (0.05) | \$ (0.03) | \$ (0.02) | \$ (0.15) |
| Non-GAAP EPS incl stock based comp | \$ (0.53) | \$ (0.21) | \$ 0.01 | \$ (0.01) | \$ 0.01 | \$ (0.21) | \$ (0.01) | \$ (0.01) | \$ 0.00 | \$ 0.01 | \$ (0.01) | \$ 0.01 | \$ 0.01 | \$ 0.03 | \$ 0.04 | \$ 0.10 |
| Non-GAAP EPS, Fully Diluted | \$ (0.19) | \$ 0.01 | \$ 0.07 | \$ 0.06 | \$ 0.08 | \$ 0.22 | \$ 0.05 | \$ 0.06 | \$ 0.09 | \$ 0.10 | \$ 0.30 | \$ 0.07 | \$ 0.07 | \$ 0.11 | \$ 0.12 | \$ 0.37 |

SNOW Income Statement

Snowflake

Mizuho Model

FYE: January

| Income Statement (Amounts in \$M) | Apr-24 Q1'25 | Jul-24 Q2'25 | Oct-24 Q3'25 | Jan-25 Q4'25 | FYE 2025 | Apr-25 Q1'26 | Jul-25 Q2'26 | Oct-25 Q3'26E | Jan-26 Q4'26E | FYE 2026E | Apr-26 Q1'27E | Jul-26 Q2'27E | Oct-26 Q3'27E | Jan-27 Q4'27E | FYE 2027E | Apr-27 Q1'28E | Jul-27 Q2'28E | Oct-27 Q3'28E | Jan-28 Q4'28E | FYE 2028E |
|--------------------------------------|-----------------|-----------------|-----------------|-----------------|------------------|-----------------|-----------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Product | 789.6 | 829.3 | 900.3 | 943.3 | 3,462.4 | 996.8 | 1,090.5 | 1,128.7 | 1,179.5 | 4,395.4 | 1,214.8 | 1,293.8 | 1,384.4 | 1,453.6 | 5,346.6 | 1,493.6 | 1,568.2 | 1,678.0 | 1,770.3 | 6,510.1 |
| Professional Services | 39.1 | 39.6 | 41.8 | 43.5 | 164.0 | 45.3 | 54.5 | 51.7 | 52.8 | 204.3 | 53.8 | 54.9 | 57.1 | 59.4 | 225.3 | 60.6 | 61.5 | 63.6 | 65.9 | 251.6 |
| Total Revenue | 828.7 | 868.8 | 942.1 | 986.8 | 3,626.4 | 1,042.1 | 1,145.0 | 1,180.4 | 1,232.2 | 4,599.7 | 1,268.7 | 1,348.7 | 1,441.5 | 1,513.0 | 5,571.9 | 1,554.1 | 1,629.7 | 1,741.7 | 1,836.2 | 6,761.7 |
| Cost of Product | 182.3 | 195.5 | 213.4 | 228.0 | 819.1 | 242.7 | 256.9 | 288.4 | 301.4 | 1,089.4 | 306.2 | 327.4 | 350.3 | 364.9 | 1,348.8 | 373.5 | 393.7 | 421.3 | 442.7 | 1,631.1 |
| Cost of Professional Services | 37.3 | 37.1 | 41.5 | 42.6 | 158.6 | 47.3 | 52.8 | 50.1 | 50.6 | 200.8 | 52.1 | 52.2 | 54.3 | 55.3 | 214.0 | 58.8 | 58.6 | 60.7 | 61.5 | 239.6 |
| Total Cost of Revenue | 219.6 | 232.6 | 254.9 | 270.6 | 977.7 | 290.0 | 309.7 | 338.6 | 352.0 | 1,290.2 | 358.3 | 379.6 | 404.7 | 420.3 | 1,562.9 | 432.3 | 452.3 | 482.0 | 504.2 | 1,870.7 |
| Gross Profit | 609.1 | 636.2 | 687.2 | 716.2 | 2,648.7 | 752.1 | 835.3 | 841.9 | 880.2 | 3,309.5 | 910.3 | 969.1 | 1,036.8 | 1,092.7 | 4,009.0 | 1,121.9 | 1,177.4 | 1,259.7 | 1,332.0 | 4,891.0 |
| Gross Margin | 73.5% | 73.2% | 72.9% | 72.6% | 73.0% | 72.2% | 73.0% | 71.3% | 71.4% | 72.0% | 71.8% | 71.9% | 71.9% | 72.2% | 72.0% | 72.2% | 72.2% | 72.3% | 72.5% | 72.3% |
| Operating Expenses | | | | | | | | | | | | | | | | | | | | |
| Sales and Marketing | 312.6 | 309.1 | 340.6 | 328.9 | 1,291.2 | 357.9 | 392.1 | 409.6 | 433.9 | 1,593.5 | 441.7 | 460.1 | 484.6 | 505.6 | 1,892.0 | 524.0 | 543.0 | 585.5 | 617.2 | 2,269.7 |
| Research and Development | 203.2 | 224.2 | 224.8 | 230.8 | 883.0 | 238.8 | 247.1 | 256.5 | 274.0 | 1,016.5 | 282.1 | 297.2 | 314.7 | 328.7 | 1,222.6 | 337.6 | 352.4 | 367.9 | 385.8 | 1,443.8 |
| General and Administrative | 57.1 | 59.1 | 62.9 | 63.6 | 242.8 | 63.8 | 68.5 | 69.4 | 72.5 | 274.2 | 72.1 | 78.0 | 80.5 | 82.9 | 313.5 | 85.2 | 92.6 | 97.2 | 100.7 | 375.7 |
| Total Operating Expenses | 572.9 | 592.5 | 628.3 | 623.4 | 2,417.0 | 660.5 | 707.7 | 735.5 | 780.4 | 2,884.1 | 795.9 | 835.3 | 879.7 | 917.2 | 3,428.1 | 946.8 | 988.0 | 1,050.6 | 1,103.7 | 4,089.1 |
| Non-GAAP Operating Income | 36.2 | 43.7 | 58.9 | 92.8 | 231.7 | 91.7 | 127.6 | 106.3 | 99.8 | 425.4 | 114.5 | 133.8 | 157.1 | 175.5 | 580.9 | 175.1 | 189.5 | 209.1 | 228.3 | 802.0 |
| Non-GAAP Operating Margin | 4.4% | 5.0% | 6.3% | 9.4% | 6.4% | 8.8% | 11.1% | 9.0% | 8.1% | 9.2% | 9.0% | 9.9% | 10.9% | 11.6% | 10.4% | 11.3% | 11.6% | 12.0% | 12.4% | 11.9% |
| Stock-based compensation | 360.4 | 373.3 | 381.4 | 449.1 | 1,564.3 | 408.7 | 436.2 | 456.2 | 461.2 | 1,762.3 | 466.2 | 471.2 | 476.2 | 481.2 | 1,894.7 | 483.7 | 486.2 | 488.7 | 491.2 | 1,949.7 |
| GAAP Operating Income | (348.6) | (355.3) | (366.1) | (388.7) | (1,458.8) | (449.3) | (342.4) | (374.7) | (386.2) | (1,552.6) | (376.6) | (362.2) | (344.0) | (330.5) | (1,413.3) | (333.5) | (321.6) | (304.4) | (287.8) | (1,247.3) |
| GAAP Operating Margin | -42.1% | -40.9% | (0.4) | (0.4) | -40.2% | -43.1% | -29.9% | -31.7% | -31.3% | -33.8% | -29.7% | -26.9% | -23.9% | -21.8% | -25.4% | -21.5% | -19.7% | -17.5% | -15.7% | -18.4% |
| Interest Income (Expense) | 54.8 | 49.3 | 48.0 | 54.2 | 206.3 | 53.2 | 47.4 | 47.4 | 47.4 | 195.3 | 47.4 | 47.4 | 47.4 | 47.4 | 189.6 | 45.4 | 45.4 | 45.4 | 45.4 | 181.6 |
| Other Income (Expense) | (21.3) | (7.9) | (8.5) | 2.4 | (35.3) | (28.1) | (2.9) | (2.9) | (2.9) | (36.8) | (2.9) | (2.9) | (2.9) | (2.9) | (11.6) | (2.9) | (2.9) | (2.9) | (2.9) | (11.6) |
| Non-GAAP Pre-Tax Income | 69.7 | 85.1 | 98.4 | 149.5 | 402.6 | 116.8 | 172.1 | 150.8 | 144.3 | 584.0 | 159.0 | 178.3 | 201.6 | 220.0 | 758.9 | 217.6 | 232.0 | 251.6 | 270.8 | 971.9 |
| Amortization of Acquired Intangibles | (23.4) | (23.9) | (24.0) | (25.5) | (96.9) | (24.1) | (29.9) | (24.9) | (24.9) | (103.7) | (24.9) | (24.9) | (24.9) | (24.9) | (99.5) | (24.9) | (24.9) | (24.9) | (24.9) | (99.5) |
| Acquisition-related expenses | (1.0) | (1.8) | (1.3) | (3.0) | (7.1) | (0.4) | (2.2) | 0.0 | 0.0 | (2.6) | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Other | 0.0 | 0.0 | (18.2) | (4.0) | (22.2) | (107.8) | (1.7) | 0.0 | 0.0 | (109.5) | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Book/Tax Difference | 15.6 | 18.2 | 23.8 | 43.7 | 101.3 | 23.5 | 43.0 | 43.0 | 43.0 | 152.5 | 43.0 | 43.0 | 43.0 | 43.0 | 172.0 | 43.0 | 43.0 | 43.0 | 43.0 | 172.0 |
| Total non-Pro forma Expenses | (369.3) | (380.9) | (401.2) | (437.9) | (1,589.2) | (517.5) | (426.9) | (438.1) | (443.1) | (1,825.6) | (448.1) | (453.1) | (458.1) | (463.1) | (1,822.2) | (465.6) | (468.1) | (470.6) | (473.1) | (1,877.2) |
| GAAP Pre-Tax Income | (299.5) | (295.8) | (302.8) | (288.4) | (1,186.6) | (400.8) | (254.9) | (287.2) | (298.7) | (1,241.6) | (289.1) | (274.7) | (256.5) | (243.0) | (1,063.4) | (248.0) | (236.1) | (219.0) | (202.3) | (905.3) |
| Income Taxes | 18.3 | 22.0 | 25.8 | 39.4 | 105.4 | 29.2 | 43.1 | 37.8 | 36.1 | 146.1 | 39.8 | 44.6 | 50.5 | 55.1 | 190.0 | 54.5 | 58.1 | 63.0 | 67.8 | 243.3 |
| Tax Rate | 26% | 26% | 26% | 26% | 26% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% |
| GAAP Net Income | (317.8) | (317.8) | (328.6) | (327.8) | (1,292.0) | (430.0) | (297.9) | (325.0) | (334.9) | (1,387.7) | (328.9) | (319.4) | (307.0) | (298.1) | (1,253.3) | (302.5) | (294.2) | (281.9) | (270.1) | (1,148.6) |
| Non-GAAP Net Income | 51.445 | 63.1 | 72.6 | 110.1 | 297.2 | 87.6 | 129.0 | 113.1 | 108.2 | 437.8 | 119.2 | 133.7 | 151.1 | 164.9 | 568.9 | 163.1 | 173.9 | 188.6 | 203.0 | 728.6 |
| GAAP EPS, Fully Diluted | \$ (0.95) | \$ (0.95) | \$ (0.99) | \$ (0.99) | \$ (3.88) | \$ (1.29) | \$ (0.89) | \$ (0.96) | \$ (0.98) | \$ (4.12) | \$ (0.95) | \$ (0.92) | \$ (0.87) | \$ (0.84) | \$ (3.59) | \$ (0.85) | \$ (0.82) | \$ (0.78) | \$ (0.75) | \$ (3.20) |
| Non-GAAP EPS incl stock based comp | \$ (0.59) | \$ (0.60) | \$ (0.58) | \$ (0.60) | \$ (2.36) | \$ (0.59) | \$ (0.53) | \$ (0.61) | \$ (0.64) | \$ (2.37) | \$ (0.61) | \$ (0.58) | \$ (0.54) | \$ (0.51) | \$ (2.25) | \$ (0.52) | \$ (0.50) | \$ (0.46) | \$ (0.43) | \$ (1.91) |
| Non-GAAP EPS, Fully Diluted | \$ 0.14 | \$ 0.18 | \$ 0.20 | \$ 0.30 | \$ 0.81 | \$ 0.24 | \$ 0.35 | \$ 0.30 | \$ 0.29 | \$ 1.18 | \$ 0.32 | \$ 0.35 | \$ 0.40 | \$ 0.43 | \$ 1.50 | \$ 0.43 | \$ 0.45 | \$ 0.49 | \$ 0.53 | \$ 1.90 |
| Basic Shares Outstanding | 333.6 | 334.1 | 331.8 | 331.4 | 332.7 | 332.7 | 335.2 | 338.2 | 341.2 | 336.8 | 345.2 | 348.2 | 351.2 | 354.2 | 349.7 | 356.2 | 358.2 | 360.2 | 362.2 | 359.2 |
| Fully Diluted Shares Outstanding | 363.3 | 359.3 | 362.2 | 370.9 | 363.9 | 370.9 | 372.4 | 373.7 | 372.7 | 372.4 | 375.2 | 377.2 | 379.2 | 381.2 | 378.2 | 382.2 | 383.2 | 384.2 | 385.2 | 383.7 |

Source: SNOW filings, Mizuho Securities USA LLC estimates

ZS Income Statement

Zscaler

Mizuho Model

FYE: July

| Income Statement (Amounts in \$M) | Oct-24 Q1'25 | Jan-25 Q2'25 | Apr-25 Q3'25 | Jul-25 Q4'25 | FYE 2025 | Oct-25 Q1'26E | Jan-26 Q2'26E | Apr-26 Q3'26E | Jul-26 Q4'26E | FYE 2026E | Oct-26 Q1'27E | Jan-27 Q2'27E | Apr-27 Q3'27E | Jul-27 Q4'27E | FYE 2027E | Oct-27 Q1'28E | Jan-28 Q2'28E | Apr-28 Q3'28E | Jul-28 Q4'28E | FYE 2028E |
|--|-----------------|-----------------|-----------------|-----------------|----------------|------------------|------------------|------------------|------------------|----------------|------------------|------------------|------------------|------------------|----------------|------------------|------------------|------------------|------------------|----------------|
| Total Revenue | 628.0 | 647.9 | 678.0 | 719.2 | 2,673.1 | 773.5 | 796.7 | 832.6 | 878.4 | 3,281.2 | 922.3 | 959.2 | 997.6 | 1,052.4 | 3,931.5 | 1,105.0 | 1,149.2 | 1,192.9 | 1,254.9 | 4,702.2 |
| Total Cost of Revenue | 122.0 | 127.1 | 133.9 | 149.1 | 532.1 | 154.2 | 157.2 | 165.1 | 172.9 | 649.5 | 183.4 | 188.8 | 197.4 | 206.6 | 776.2 | 219.2 | 225.6 | 235.4 | 245.8 | 926.0 |
| Gross Profit | 506.0 | 520.8 | 544.1 | 570.1 | 2,141.0 | 619.3 | 639.5 | 667.5 | 705.5 | 2,631.8 | 738.9 | 770.4 | 800.2 | 845.8 | 3,155.3 | 885.9 | 923.6 | 957.5 | 1,009.2 | 3,776.2 |
| Gross Margin | 80.6% | 80.4% | 80.3% | 79.3% | 80.1% | 80.1% | 80.3% | 80.2% | 80.3% | 80.2% | 80.1% | 80.3% | 80.2% | 80.4% | 80.3% | 80.2% | 80.4% | 80.3% | 80.4% | 80.3% |
| Operating Expenses | | | | | | | | | | | | | | | | | | | | |
| Sales and Marketing | 240.8 | 237.5 | 250.2 | 269.4 | 997.9 | 289.0 | 296.0 | 308.5 | 327.2 | 1,220.7 | 341.8 | 357.3 | 366.7 | 381.0 | 1,446.8 | 399.0 | 417.2 | 425.9 | 443.1 | 1,685.2 |
| Research and development | 95.2 | 105.0 | 106.0 | 103.7 | 409.9 | 119.2 | 119.6 | 123.3 | 130.1 | 492.3 | 132.0 | 136.3 | 141.8 | 149.6 | 559.8 | 153.8 | 158.8 | 164.8 | 173.4 | 650.7 |
| General and Administrative | 35.8 | 37.9 | 41.2 | 38.2 | 153.1 | 43.8 | 44.3 | 46.2 | 50.9 | 185.1 | 55.8 | 56.6 | 58.7 | 64.6 | 235.7 | 70.6 | 71.7 | 74.3 | 81.3 | 297.8 |
| Total Operating Expenses | 371.8 | 380.4 | 397.5 | 411.2 | 1,560.9 | 452.0 | 459.9 | 478.0 | 508.3 | 1,898.2 | 529.6 | 550.3 | 567.2 | 595.2 | 2,242.2 | 623.3 | 647.7 | 665.0 | 697.7 | 2,633.7 |
| Non-GAAP Operating Income | 134.1 | 140.5 | 146.7 | 158.9 | 580.1 | 167.4 | 179.6 | 189.4 | 197.2 | 733.6 | 209.4 | 220.1 | 233.0 | 250.6 | 913.1 | 262.5 | 275.9 | 292.5 | 311.5 | 1,142.4 |
| Non-GAAP Operating Margin | 21.4% | 21.7% | 21.6% | 22.1% | 21.7% | 21.6% | 22.5% | 22.7% | 22.4% | 22.4% | 22.7% | 22.9% | 23.4% | 23.8% | 23.2% | 23.8% | 24.0% | 24.5% | 24.8% | 24.3% |
| Stock-based compensation | 160.6 | 176.4 | 167.8 | 180.8 | 685.5 | 183.8 | 186.8 | 189.8 | 192.8 | 753.2 | 197.8 | 202.8 | 207.8 | 212.8 | 821.2 | 217.8 | 222.8 | 227.8 | 232.8 | 901.2 |
| GAAP Operating Income | (30.7) | (40.1) | (25.4) | (26.0) | (122.2) | (20.5) | (11.3) | (4.5) | 0.3 | (35.9) | 7.5 | 13.2 | 21.1 | 33.7 | 75.6 | 40.7 | 49.0 | 60.6 | 74.6 | 224.9 |
| GAAP Operating Margin | -4.9% | -6.2% | -3.7% | -3.6% | -4.6% | -2.6% | -1.4% | -0.5% | 0.0% | -1.1% | 0.8% | 1.4% | 2.1% | 3.2% | 1.9% | 3.7% | 4.3% | 5.1% | 5.9% | 4.8% |
| Interest income (expense), net | 27.9 | 29.5 | 30.3 | 32.4 | 120.1 | 18.0 | 18.0 | 18.0 | 18.0 | 72.0 | 20.0 | 20.0 | 20.0 | 20.0 | 80.0 | 22.0 | 22.0 | 22.0 | 22.0 | 88.0 |
| Other income (expense), net | (0.7) | (4.9) | 0.7 | (0.8) | (5.7) | 0.5 | (0.5) | (0.5) | (0.5) | (1.0) | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Non-GAAP Pre-Tax Income | 161.4 | 165.0 | 177.6 | 190.6 | 694.6 | 185.9 | 197.1 | 206.9 | 214.7 | 804.6 | 229.4 | 240.1 | 253.0 | 270.6 | 993.1 | 284.5 | 297.9 | 314.5 | 333.5 | 1,230.4 |
| Litigation-related expenses | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Amort expense of acquired intangible assets | (4.2) | (4.2) | (4.3) | (4.1) | (16.8) | (4.1) | (4.1) | (4.1) | (4.1) | (16.3) | (4.1) | (4.1) | (4.1) | (4.1) | (16.3) | (4.1) | (4.1) | (4.1) | (4.1) | (16.3) |
| Asset impairment | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Amort of debt discount/issuance costs | (1.0) | (1.0) | (1.0) | (1.3) | (4.3) | (1.3) | (1.3) | (1.3) | (1.3) | (5.4) | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Accretion of Series C & D redeemable convert | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Restructuring and Other | 0.0 | 0.0 | 0.0 | (6.2) | (6.2) | (2.2) | (2.2) | (2.2) | (2.2) | (8.9) | (0.2) | (0.2) | (0.2) | (0.2) | (0.9) | (0.2) | (0.2) | (0.2) | (0.2) | (0.9) |
| Tax (benefit) from Book/Tax Differences | 29.5 | 46.8 | 32.2 | 28.2 | 136.6 | 28.2 | 28.2 | 28.2 | 28.2 | 112.6 | 28.2 | 28.2 | 28.2 | 28.2 | 112.6 | 28.2 | 28.2 | 28.2 | 28.2 | 112.6 |
| Total non-Pro forma Expenses | (136.3) | (134.8) | (140.9) | (164.3) | (576.3) | (163.3) | (166.3) | (169.3) | (172.3) | (671.2) | (174.0) | (179.0) | (184.0) | (189.0) | (725.8) | (194.0) | (199.0) | (204.0) | (209.0) | (805.8) |
| GAAP Pre-Tax Income | 25.1 | 30.2 | 36.7 | 26.3 | 118.3 | 22.6 | 30.8 | 37.6 | 42.4 | 133.3 | 55.4 | 61.2 | 69.1 | 81.6 | 267.2 | 90.6 | 99.0 | 110.5 | 124.5 | 424.6 |
| Income Taxes | 37.1 | 38.0 | 40.8 | 43.8 | 159.8 | 42.8 | 45.3 | 47.6 | 49.4 | 185.0 | 52.8 | 55.2 | 58.2 | 62.2 | 228.4 | 65.4 | 68.5 | 72.3 | 76.7 | 283.0 |
| Tax Rate | 23% | 23% | 23% | 23% | 23% | 23% | 23% | 23% | 23% | 23% | 23% | 23% | 23% | 23% | 23% | 23% | 23% | 23% | 23% | 23% |
| GAAP Net Income | (12.1) | (7.7) | (4.1) | (17.6) | (41.5) | (20.2) | (14.6) | (10.0) | (7.0) | (51.7) | 2.6 | 5.9 | 10.9 | 19.4 | 38.8 | 25.1 | 30.4 | 38.2 | 47.8 | 141.6 |
| Non-GAAP Net Income | 124.3 | 127.1 | 137.0 | 146.7 | 536.3 | 143.1 | 152.1 | 159.7 | 165.7 | 620.9 | 177.0 | 185.3 | 195.2 | 208.7 | 766.1 | 219.5 | 229.8 | 242.5 | 257.1 | 948.9 |
| GAAP EPS, Fully Diluted | \$ (0.08) | \$ (0.05) | \$ (0.03) | \$ (0.11) | \$ (0.27) | \$ (0.13) | \$ (0.09) | \$ (0.06) | \$ (0.04) | \$ (0.32) | \$ 0.02 | \$ 0.04 | \$ 0.07 | \$ 0.12 | \$ 0.23 | \$ 0.15 | \$ 0.18 | \$ 0.22 | \$ 0.27 | \$ 0.82 |
| Non-GAAP EPS incl stock based comp | \$ 0.00 | \$ (0.06) | \$ 0.05 | \$ 0.05 | \$ 0.05 | \$ 0.01 | \$ 0.05 | \$ 0.08 | \$ 0.11 | \$ 0.26 | \$ 0.15 | \$ 0.18 | \$ 0.21 | \$ 0.27 | \$ 0.80 | \$ 0.30 | \$ 0.34 | \$ 0.39 | \$ 0.45 | \$ 1.48 |
| Non-GAAP EPS, Fully Diluted | \$ 0.77 | \$ 0.78 | \$ 0.84 | \$ 0.89 | \$ 3.29 | \$ 0.86 | \$ 0.90 | \$ 0.94 | \$ 0.97 | \$ 3.68 | \$ 1.02 | \$ 1.06 | \$ 1.11 | \$ 1.18 | \$ 4.38 | \$ 1.23 | \$ 1.28 | \$ 1.34 | \$ 1.41 | \$ 5.26 |
| Basic Shares Outstanding | 152.6 | 153.7 | 154.9 | 156.5 | 154.4 | 158.0 | 159.5 | 161.0 | 162.5 | 160.2 | 164.0 | 165.5 | 167.0 | 168.5 | 166.2 | 170.0 | 171.5 | 173.0 | 174.5 | 172.2 |
| Fully Diluted Shares Outstanding | 161.3 | 162.5 | 163.4 | 165.6 | 163.2 | 167.1 | 168.6 | 169.1 | 171.1 | 169.0 | 173.1 | 174.6 | 175.1 | 176.6 | 174.8 | 178.6 | 180.1 | 180.6 | 182.1 | 180.3 |

Source: ZS filings, Mizuho Securities USA LLC estimates

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Price Target Calculation and Key Risks

CrowdStrike Holdings, Inc. (CRWD)

Investment Thesis

Due to its fully cloud-native architecture, CRWD is able to collect and analyze reams of data very quickly and efficiently, and at tremendous scale (>1 trillion daily events). And given its lightweight, single agent architecture, we expect customers to increasingly standardize on its platform. CRWD has also done a tremendous job extending into non-security markets, and we expect these modules to further significantly aid growth in 2025 and beyond. All that being said, our recent CRWD checks have moderated while some potential risk factors have emerged, which leaves us with a more neutral view on risk/reward at current valuation levels.

Base Case/PT

We assume that CRWD continues to land strong net new business in endpoint security, and that it also further penetrates emerging areas (such as cloud security, identity, and next-gen SIEM) at a very good rate. The co. also disproportionately benefits from Generative AI, and this includes healthy uptake for Charlotte AI. Our base case valuation utilizes a CY26-27 EV/ARR multiple of 21x and 17.5x, equating to our price target of \$540.

Bull Case/PT

Customers strongly prioritize next-gen endpoint security technologies, leading to a bigger wave of competitive displacements. Adoption of CRWD's emerging modules is even better than expected, which in turn enables CRWD to significantly consolidate more spend onto its platform. Monetization rapidly builds for Charlotte AI. Our bull case valuation utilizes a CY26-27 EV/ARR multiple of 24.5x and 20x, equating to a price of \$620.

Bear Case/PT

Amid high investor expectations, CRWD is unable to consistently execute at a good rate, causing significant multiple compression. Traction for CRWD's emerging modules slows, and the co. struggles to drive much higher net new logo additions. Margins also degrade. The impact from the outage proves to be much worse than expected. Our bear case valuation utilizes a CY26-27 EV/ARR multiple of 15.5x and 13x, equating to a price of \$400.

Risks

Upside Risks: CRWD executes extremely well and significantly reaccelerates ARR growth over the next few quarters. CRWD further extends into adjacent security and IT areas, thus enabling the co. to consolidate much more spend onto its platform. Falcon Flex adoption is even greater than anticipated and provides a material uplift.

Downside Risks: A broad slowdown in demand for security spend and/or a de-emphasis of next-gen endpoint security technologies. Ripple effects from the IT outage persist. CRWD makes a large, dilutive acquisition. The recent Carahsoft-CRWD investigation ultimately yields a negative outcome. CEO George Kurtz steps down from his leadership role.

Palo Alto Networks, Inc. (PANW)

Investment Thesis

We believe PANW is capably executing its new GTM strategy (in which the co. is prioritizing driving larger "platformization" transactions going forward). We also remain bullish on PANW's improving mix shift toward higher-growth recurring revenue, and we reiterate that PANW clearly possesses the strongest array of cloud assets among traditional network security vendors. Finally, we believe PANW's proposed acquisition of CyberArk (CYBR, Outperform) features "game-changing" characteristics, and has the potential to be highly synergistic by uniting two strong cybersecurity companies that have no product overlap, and potentially paving the way to strong cross-selling and greater overall monetization (including agentic AI). We also believe PANW is acquiring a phenomenal asset at a very reasonable price tag.

Base Case/PT

PANW capitalizes reasonably well on its new GTM strategy, resulting in larger lands and more cross-selling and upselling activity. We also assume that PANW is able to drive good ongoing traction for its cloud security capabilities. Our base case valuation utilizes a CY26-27 EV/FCF multiple of ~34x and 30x, equating to our price target of \$230.

Bull Case/PT

"Platformizations" on the PANW platform ramp at a much faster than expected rate, with the co. consistently reporting healthy top-line upside to mgmt's guidance. Relatedly, PANW closes large transactions with greater regularity, helping to fully restore mgmt's credibility with the investment community. Our bull case valuation utilizes a CY26-27 EV/FCF multiple of ~39x and 35x, equating to a price of \$260.

Bear Case/PT

Competition further intensifies, pricing becomes a bigger concern for customers, and its new GTM strategy fails to gain any real traction. Also, the challenging macro environment persists, and PANW finds it increasingly difficult to close large deals. Our bear case valuation utilizes a CY26-27 EV/FCF multiple of ~21x and 18.5x, equating to a price of \$145.

Risks

Downside Risks: PANW suffers from a broader slowdown in demand for network security appliances and/or security spend. Competition amongst firewall and other network security vendors intensifies, and PANW is displaced more frequently, resulting in moderating share gains for the co. versus historical cadence. PANW experiences a rise in executive mgmt turnover. PANW is unable to drive significant large platformizations going forward. The co. poorly executes on the pending CYBR transaction.

Snowflake Inc. (SNOW)

Investment Thesis

SNOW should be able to have more success extending its core cloud data warehousing value proposition by layering in incremental contribution from some of the following emerging growth areas: Snowpark, Cortex AI, Unstructured Data, Iceberg Tables, Native Apps, Snowpark Containers, and Streamlit. In addition, increased consumption sales incentives should be another driver of growth. Meanwhile, we expect new CEO Sridhar Ramaswamy to continue to rapidly build out SNOW's analytics and AI capabilities, and we believe that he can win over more of the investment community. To be fair, we do believe it will take some more time to materially execute on this strategy, but the pieces and focus are there.

Base Case/PT

We expect only moderate success with regard to SNOW's new initiatives at this time. We believe the onus is on SNOW to prove new product contribution, but we also believe that sentiment has gotten too negative. Our base case valuation utilizes a CY26-27E EV/Revenue multiples of ~18x and ~15x, equating to a price of \$285.

Bull Case/PT

The greater pace of product innovation and velocity help SNOW defend its turf from competitors and diminish concerns for adoption of unstructured workloads and data science/ML use cases. Product revenue contribution from emerging growth products materializes sooner and scales much faster than mgmt's guidance. Cloud optimizations largely cease and customers begin to restart large scale cloud migration projects. Our bull case valuation utilizes a CY26-27 EV/Sales multiple of 20.5x and 17x, equating to \$320.

Bear Case/PT

Increasing competition from private and/or public cloud vendors stimulates share losses and further pricing pressure. Product revenue contribution from emerging growth products takes longer to materialize and ramps slowly. The management team decides that it needs to ramp investment levels, resulting in lower margins for an extended period of time. Our bear case valuation utilizes a CY26-27 EV/Sales multiple of 12x and 10x, equating to \$190.

Risks

Downside risks: Consumption on SNOW stays weaker for longer in certain verticals/regions/customer segments if the macro environment doesn't improve or worsens. SNOW lacks the high recurring revenue structure of a SaaS model, which could cause a negative surprise and a downward revision to estimates. One or more hyperscalers could decide to take a more adversarial approach towards SNOW in the future. SNOW's Iceberg Tables strategy backfires, causing a greater than expected siphoning of consumption revenue. SNOW experiences another breach, resulting in significant reputational harm.

Zscaler, Inc. (ZS)

Investment Thesis

We downgraded ZS to a Neutral rating in July 2024. We continue to believe that ZS remains well positioned within SASE, and that its platform capabilities and architecture innovations are impressive. That said, we're not confident that ZS can continue to close large, transformative deals at a steady pace going forward, given the macro environment coupled with what we believe is an increasingly competitive SASE market. In addition, the early 2024 departure of its COO - along with many sales folks at ZS - adds heightened near-term execution risk, in our view.

Base Case/PT

ZS has executed better than most recently, and our base case assumes that this generally continues, albeit to a more moderate degree. We also believe that ZS has guided low enough. Our \$325 PT reflects a CY26-27E EV/ARR multiple of 12.5x and 10.5x.

Bull Case/PT

This reflects very strong execution, including better than expected billings growth. In addition, the co. generates greater than anticipated uptake for newer offerings, such as Data Protection, Risk 360, Avalor, and Zscaler for Workloads. ZS also shows particularly strong operating margin and FCF expansion. Our bull case valuation utilizes a CY26-27 EV/Sales multiple of 15.5x and 13x, equating to a price of \$400.

Bear Case/PT

ZS struggles to close large transactions amid a challenging macro. ZS experiences sales productivity issues following a recent uptick in sales attrition. Competition grows increasingly fierce, negatively impacting win rates and/or pricing. Traction for its newer products fails to live up to the hype, and the co. is unable to effectively monetize GenAI. Our bear case valuation utilizes a CY25-26 EV/Sales multiple of 9x and 7.5x, equating to a price of \$240.

Risks

Upside Risks: Led by well regarded CRO and President Mike Rich (joined in Nov. 2023), ZS is able to drive many more multi-pillar, multi-year transactions, thus resulting in material top-line upside to Street estimates. Adoption for ZS's emerging products is better than expected, driving higher ASPs and greater customer stickiness.

Downside Risks: A slowdown in demand for SASE solutions, driven in part by a tougher macro. Competition from other SASE and/or traditional firewall vendors lengthens sales cycles, causes pricing pressure and/or impacts win rates. The recent GTM hires/changes don't deliver the desired results.

Salesforce, Inc. (CRM)

Investment Thesis

CRM's core position as the system of record for front-office sales, marketing and customer support is enviable and provides a foundation to further centralize data via Data Cloud and provide value-added GenAI capabilities (i.e., both Einstein Copilot and vector database are now GA). Investor skepticism is clearly higher after last quarter, but CRM still has potential upside drivers such as price increases, bundling, and stronger Data Cloud adoption that are all being somewhat overlooked right now. Net, CRM continues to be a story levered to digital transformation of complex enterprise workflows, which can sustainably drive ~10% top-line growth in a profitable manner. We also find the valuation very attractive at current levels.

Base Case/PT

CRM continues to be levered to digital transformation, and we expect the company to grow at a solid rate going forward. At the same time, we believe CRM will remain fiscally disciplined and that it can continue to drive higher operating and FCF margins. Our base case valuation utilizes a CY26-27E EV/Sales multiple of ~7x and 6.5x, and a FCF multiple of 21x and 19x, equating to our price target of \$340.

Bull Case/PT

CRM becomes a more strategic vendor with Data Cloud traction meaningfully taking off, and with growth re-accelerating. Continued financial discipline, cost cutting, and AI efficiencies to customer support and other functions, combined with steady growth sustainably above 10%, drives FCF above Street estimates. Our bull case valuation utilizes a CY26-27E EV/Sales multiple of 8.5x and 7.8x, and a FCF multiple of ~25x and 22x, equating to a price of \$400.

Bear Case/PT

A prolonged period of macro uncertainty places more pressure on top-line growth, while CRM's GenAI gains are balanced by greater customer attrition due to its seat-based model. CRM abandons its fiscal discipline and ramps up spending, impacting operating margin expansion. CRM seeks to revitalize growth and aggressively pursues large-scale, dilutive, and non-strategic M&A, which further complicates what customers increasingly view as a "legacy and patched-together" platform. Our bear case valuation utilizes a CY26-27E EV/Sales multiple of 4.4x and 4.0x, and a FCF multiple of 13x and 11.5x, equating to a price of \$210.

Risks

Competition in the market for CRM solutions increases, resulting in lower win rates and/or pricing pressure. Operating margin progress slows or backtracks as CRM ramps up GenAI investments. CRM is unable to generate strong demand for Data Cloud over the medium-to-long term. CRM makes another large acquisition that is more dilutive than investors would like and/or is not viewed as very strategic.

Okta, Inc. (OKTA)

Investment Thesis

OKTA continues to be a clear leader in the critically important identity management market, and we now have a higher confidence level that OKTA should increasingly benefit from its group of newer products that have already begun to drive a meaningful contribution.

Execution has also improved in recent quarters, and we believe that OKTA is on much stronger footing. Moreover, we expect strong large deal activity to continue going forward. In addition, valuation appears attractive to us at current levels.

Base Case/PT

OKTA continues to be a clear leader in the critically important identity management market, and we now have a higher confidence level that OKTA should increasingly benefit from its group of newer products that have already begun to drive a meaningful contribution. Execution has also improved in recent quarters, and we believe that OKTA is on much stronger footing. Moreover, we expect strong large deal activity to continue going forward. In addition, valuation appears attractive to us at current levels. Our base case valuation utilizes a CY26-27E EV/Sales multiple of 5.7x and 5.2, equating to our price target of \$110.

Bull Case/PT

Through consistent and strong execution, OKTA is able to demonstrate to investors that the latest cybersecurity issues are firmly in the rearview mirror. Net new logo adds also significantly rebound, along with good ongoing adoption from its largest customer cohorts. At the same time, the co. proves that it is able to grow more profitably. Our bull case valuation utilizes a CY26-27E EV/Sales multiple of 7.2x and 6.5x, equating to a price of \$135.

Bear Case/PT

OKTA is unable to regain enough customer confidence following the latest security incidents, resulting in increased churn and choppy execution going forward. Despite good early indicators, OKTA is unable to generate much greater traction for its newer products, such as Okta Privileged Access (OPA) and Okta Identity Governance (OIG). Net new customer adds remain pressured for the foreseeable future. Our bear case valuation utilizes a CY26-27E EV/Sales multiple of 3.6x and 3.3x, equating to a price of \$75.

Risks

Downside Risks: Competition amongst other identity and access management security vendors intensifies, significantly impacting OKTA's win rates and/or pricing. Following multiple prior infamous security incidents, OKTA experiences another blow to customer confidence, which could in turn have a more lasting impact. OKTA is unable to source and close large deals consistently going forward. Despite encouraging early indicators, newer products struggle to gain greater traction.

GitLab Inc. (GTLB)

Investment Thesis

While we continue to view GTLB's platform as strategically important within DevSecOps, we also see (1) persistent uncertainty around whether AI will erode GTLB's developer-heavy seatbased model, (2) rising competitive pressure as GitHub and AI-native startups likely continue to outpace GitLab Duo's adoption, (3) a monetization outlook that could be less robust than management suggests (pressure on Premium SKU), and (4) questions regarding whether GTLB's new GTM strategy will deliver a better outcome. Altogether, we see a balanced risk/reward profile over the near-to-medium term.

Base Case/PT

Our \$52 PT is based on a CY26-27E EV/Revenue multiple of 7x and 5.8x, 40% below the high-growth software comp group for modestly lower expected growth.

Bull Case/PT

GTLB sees strong adoption of premium SKUs, including those with GenAI functionality. Enterprises look to consolidate more workloads onto GTLB's platform, leaving it in a good position to cross-sell/upsell different products. GTLB displays more margin expansion than expected and/or is able to deconsolidate JiHu. Our bull case valuation utilizes a CY26-27E EV/Sales multiple of ~9x and 7.5x, equating to a price of \$65.

Bear Case/PT

The macro environment becomes more challenged, causing customers to dial back on IT spending. GenAI products are adopted slowly as budget scrutinization delays or even postpones potential adoption. MSFT's GitHub exerts notably more pressure on GTLB, causing share losses, pricing pressure, or both. Our bear case valuation utilizes a CY25-26E EV/Sales multiple of 4.8x and 4x (and 15x CY27E FCF), equating to a price of \$38.

Risks

Upside Risks: GTLB could easily beat its disappointing F2H guide, and drive significant upward revisions to CY26 expectations. GitLab Duo and/or its upcoming agentic AI offerings could start to gain significant traction, which in turn could change the market perception around the impact of AI on GTLB and lead to a meaningfully higher valuation multiple. GTLB carries a relatively inexpensive multiple at present.

Downside Risks: Economic pressures increasingly impact GTLB's ability to close progressively larger deals and/or better monetize its installed base. Third-party competition (particularly from MSFT) intensifies, resulting in pricing pressure and/or share loss.

Rubrik, Inc. (RBRK)

Investment Thesis

We believe RBRK's intense focus on protecting and operationalizing data, along with best-in-class ransomware defenses, has enabled it to significantly separate from most legacy and nextgen vendors in this space. Moreover, we believe RBRK is poised to benefit from other important growth drivers, such as protecting additional SaaS applications/ data sources, and driving more upsells via new GenAI and identity security tech. Altogether, we believe RBRK remains very well positioned to deliver healthy, durable growth going forward.

Base Case/PT

We believe RBRK's data backup and recovery platform is clearly differentiated. We also assume that RBRK will continue to extend well beyond protecting traditional data, and this includes some of the world's most critical SaaS applications. Altogether, we anticipate good ongoing execution should result in much more multiple expansion over time. Our \$97 PT is based on a CY26-27E EV/ARR multiple of 11.5x and 9.5x.

Bull Case/PT

This reflects an increased pace of displacing legacy products, stronger upselling and cross-selling activity, and/or a much more modest rate of Subscription ARR deceleration over the next 1-2 years than we have modeled. Our bull case would also include much faster margin improvement than expected. Our bull case valuation utilizes a CY26-27 EV/ARR multiple of ~14.5x and 12x, equating to a price of \$120.

Bear Case/PT

Competitive encroachment by one or more next-gen vendors that impacts RBRK's market share, an increase in pricing pressure, a plateau in RBRK's Enterprise SKU mix, and/or a more prolonged period of negative margins than we expect. Our bear case valuation utilizes a CY26-27 EV/ARR multiple of 7x and 5.8x, equating to a price of \$60.

Risks

Downside Risks: A slowdown in demand for cybersecurity spend and/or a de-emphasis on data backup and recovery technologies. The pace of customers migrating to RSC moderates. Competition in the backup/recovery security market intensifies. RBRK is operating significantly in the red and the co. may be unable to achieve profitability anytime soon. RBRK struggles to generate significant traction for, and effectively monetize, its emerging agentic AI tech.

SailPoint, Inc. (SAIL)

Investment Thesis

We believe SAIL's robust and highly scalable Identity Governance & Administration (IGA) platform is in a class of its own, and it remains well positioned to capitalize on the growing need to manage and secure digital identities. SAIL has also significantly broadened its product portfolio in recent years, thus enabling potentially greater opportunities to consolidate more spend onto its platform. SAIL's ongoing transition to SaaS should enable better economics, and suite-based selling could drive materially higher ARPU over time. That said, SAIL still has much to prove re: cross-sell and upsell. We also have some doubts regarding SAIL's ability to consistently drive healthy ARR upside, which we believe is likely needed to drive the shares significantly higher.

Base Case/PT

Our base case valuation utilizes a CY26-27 EV/ARR multiple of 9.5x and 8x, equating to our price target of \$24.

Bull Case/PT

Our bull case would reflect an increased pace of competitive IGA displacements versus legacy vendors, along with stronger than expected cross-selling success for its newer products, enabling SAIL to continue growing ARR at a high 20s clip for the foreseeable future, or perhaps even show some acceleration versus an already impressive baseline. Our bull case would also include much faster margin improvement than expected. Our bull case would also include much faster margin improvement than expected. Our bull case valuation utilizes a CY26-27 EV/ARR multiple of 12x and 10x, equating to a price of \$30.

Bear Case/PT

Our bear case would reflect some encroachment of SAIL's core market strength among enterprise customers, greater than expected deceleration of SaaS ARR, an increase in pricing pressure, an inability to cross-sell newer products in any meaningful way, and/or a

more prolonged period of negative margins than we expect. Our bear case valuation utilizes a CY26-27 EV/ARR multiple of ~7x and 6x, equating to a price of \$18.

Risks

Upside risks to our price target for SAIL include: An increased pace of competitive IGA displacements versus legacy vendors; stronger than expected cross-selling success for newer products; SAIL could significantly monetize Agent AI; operating and FCF margins could materially expand; SAIL could get acquired again.

Downside risks to our price target for SAIL include: A meaningful slowdown in IGA demand; SAIL may ultimately “only” be seen as a very good IGA vendor; intensified pricing pressure; escalating geopolitical tensions; DOGE’s efforts could negatively impact revenue; a prolonged, high-profile outage and/or cybersecurity incident; SAIL could engage in large and/or highly dilutive M&A.

Netskope, Inc. (NTSK)

Investment Thesis

We initiate on NTSK with an Outperform rating and a \$25 PT. NTSK has spent the last several years architecting a highly scalable and robust cloud-based cybersecurity, networking and analytics platform, and we believe it has done an excellent job separating from many of its peers. Our recent checks on NTSK have also been largely favorable, and we see a good likelihood that the co. can deliver healthy revenue and ARR upside going forward. More broadly, we believe NTSK is poised to capitalize on a number of important growth drivers and initiatives, including rising demand for cloud-based security and networking technologies, further cross-sell and upsell opportunities, ongoing legacy displacement activity, an acceleration in sales capacity, and AI security. NTSK has also driven significant gross margin expansion, and we are cautiously optimistic that profitability should materially improve too.

Base Case/PT

Our base case valuation utilizes a CY26-27 EV/ARR multiple of 13x and 10.5x, equating to our price target of \$25.

Bull Case/PT

Our bull case would reflect accelerating revenue and ARR growth, with the more aggressive GTM investments likely a key contributor. Our bull case would also include much faster margin improvement than expected. Our bull case valuation utilizes a CY26-27 EV/ARR multiple of 16x and 13x, equating to a price of \$31.

Bear Case/PT

Our bear case would reflect execution challenges that are manifested in a lack of upward revisions to the revenue model, or worse. In addition, our bear case would reflect more moderate margin improvement than what we are currently modeling. Our bear case valuation utilizes a CY26-27 EV/ARR multiple of 8.5x and 7x, equating to a price of \$17.

Risks

Downside risks to our price target for NTSK include: a slowdown in large deal activity, which could weigh on growth. NTSK and top competitor ZS’s ARR growth rates converge, which would very likely be perceived negatively by investors. Operating margins remain significantly negative and thus NTSK is unable to achieve profitability anytime soon.

Companies Mentioned (prices as of 11/14/2025)

| | |
|---|--|
| Adobe Inc. (ADBE- Outperform \$331.11) | Atlassian Corp Plc (TEAM- Outperform \$151.79) |
| Autodesk, Inc. (ADSK- Outperform \$299.39) | Check Point Software Technologies Ltd (CHKP- Neutral \$197.52) |
| Cloudflare, Inc. (NET- Outperform \$210.60) | CrowdStrike Holdings, Inc. (CRWD- Neutral \$537.55) |
| CyberArk Software Ltd. (CYBR- Outperform \$487.93) | Datadog, Inc. (DDOG- Outperform \$185.01) |
| Domo Inc (DOMO) | Dynatrace Inc (DT) |
| Elastic NV (ESTC) | Fortinet, Inc. (FTNT- Underperform \$82.31) |
| Jamf Holding Corp. (JAMF- Neutral \$12.86) | Matterport, Inc. (MTTR) |
| Microsoft Corporation (MSFT- Outperform \$510.18) | MongoDB, Inc. (MDB- Neutral \$352.61) |
| NVIDIA Corporation (NVDA- Outperform \$190.17) | Okta, Inc. (OKTA- Outperform \$83.94) |
| Oracle Corporation (ORCL- Outperform \$222.85) | PTC, Inc. (PTC- Neutral \$179.61) |
| Palantir Technologies Inc. (PLTR- Neutral \$174.01) | Palo Alto Networks, Inc. (PANW- Outperform \$205.25) |
| Rapid7, Inc. (RPD- Neutral \$14.03) | Rubrik, Inc. (RBRK- Outperform \$71.55) |
| SAP SE (SAP DE) | SailPoint, Inc. (SAIL- Neutral \$19.92) |
| Salesforce, Inc. (CRM- Outperform \$243.66) | ServiceNow, Inc. (NOW- Outperform \$850.43) |
| Snowflake Inc. (SNOW- Outperform \$257.02) | Synopsys, Inc. (SNPS- Outperform \$389.83) |
| Tenable Holdings Inc (TENB) | Workday Inc (WDAY- Outperform \$230.82) |
| Zscaler, Inc. (ZS- Neutral \$299.45) | |

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Investment Risks and Valuation Methods can be located in the following section of this research report: Base Case PT and Key Risks.

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