

Zscaler

NASDAQ: ZS

9/9/24



SANTA CLARA INVESTMENT FUND



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Business Overview

Providing secure access for enterprises to applications and infrastructure, regardless of user location or device.

Business Overview Guide

- Cloud-based security solutions, providing a comprehensive suite of security products.
- End customer - enterprises undergoing digital transformation with an emphasis on cloud adoption and remote work.

Product Offerings

• Zscaler Internet Access (ZIA)

- Offered as a scalable SaaS platform, it replaces legacy network security solutions, preventing advanced attacks and data loss with a comprehensive zero trust approach

• Zscaler Private Access (ZPA)

- Enables secure access to private applications by establishing user-to-application segmentation without needing to backhaul traffic

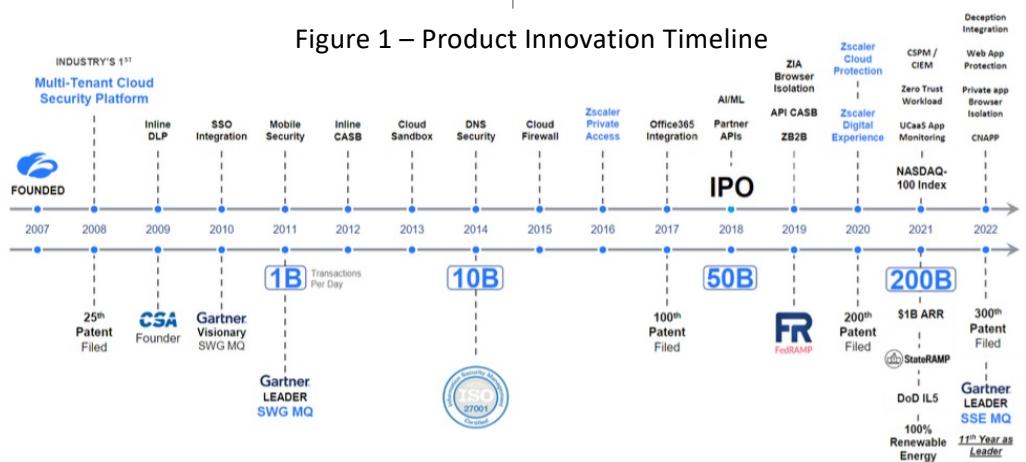
• Zscaler Digital Experience (ZDX)

- Resolves and detects app Network and Devices issues (Monitor User Experience, Apps, Networks and Devices)

Financial Overview

Market Cap	\$37.49B
Share Price	\$241.70
ARR	\$2B

Figure 1 – Product Innovation Timeline





YTD Stock Performance

Continued earnings beats led to strong stock recovery

- A
- Q322 Earnings stronger than expected
 - Stock soared by 20%

- B
- Stock drops after COO resigns challenges
 - Looking for replacement

- C
- Palo Alto Networks stock drops 25% taking cyber players down with it



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Summary of Operations

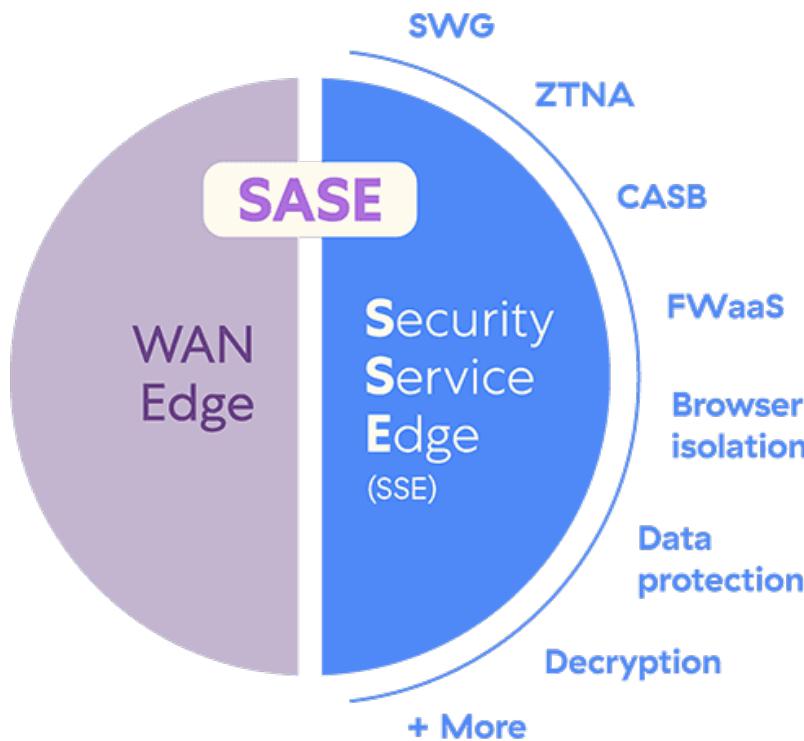
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Security Access Service Edge (SASE)

Flexible, scalable, and secure network infrastructure optimized for cloud-centric work environments

Figure 2 – WAN Edge vs SSE



- **Secure Web Gateway** - acts as a barrier between an organization's network and the open internet, protecting it from web-based threats and ensuring users comply with web policies
 - ZIA
- **Cloud Access Security Broker** - an enforcement point between cloud application users and cloud services for data protection and threat protection
 - ZIA and ZPA
- **Zero Trust Network Access** - an adaptive trust model, where trust is never implicit, that enables secure access to internal apps for remote users
- **SD-WAN** - directs data across the internet and other networks in the most efficient way possible. It can choose different paths for data to travel based on current network conditions, the importance of the data, and security needs.
 - ZIA and ZPA



Security Access Service Edge (SASE)



Flexible, scalable, and secure network infrastructure optimized for cloud-centric work environments

The first SASE platform built on Zero Trust

Secure Web Gateway (ZIA)	Cloud Access Security Broker	Zero Trust Network Access (ZTNA)	SD-WAN
<ul style="list-style-type: none">Content and URL Filtering - block access to unwanted or unsafe websiteData Loss Prevention - monitor and protect sensitive information from being leaked or exposed onlineBandwidth Control/Traffic Shaping - manage bandwidth usage and prioritize business-critical applications to optimize internet performance	<p>ZIA</p> <ul style="list-style-type: none">Visibility/Control over cloud applicationsCompliance/DLP Protection <p>ZPA</p> <ul style="list-style-type: none">Secure access to private cloud applications - only authenticated and authorized users can access specific applicationsApplication Segmentation - provides access to specific applications, not the network, aligning with the principle of least privilege	ZTNA assumes that threats can come from anywhere — inside or outside the network	<p>ZIA</p> <ul style="list-style-type: none">allows organizations to route their traffic through Zscaler's cloud, applying security policies and inspections <p>ZPA</p> <ul style="list-style-type: none">organizations can direct their internal traffic through ZPA for secure, remote access to private applications.



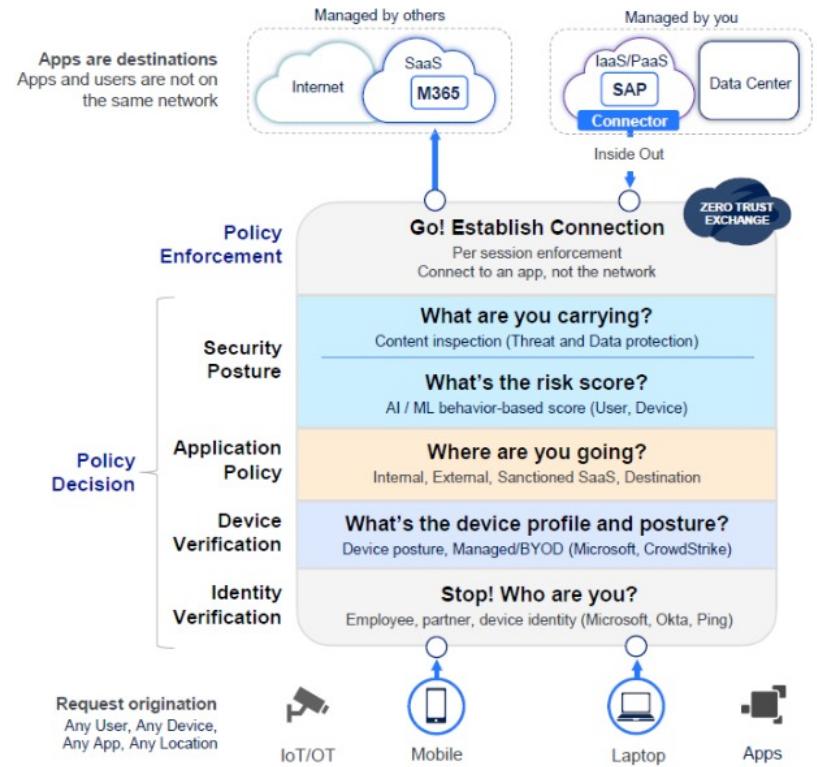
Zero Trust Architecture

Never trust anything (as a software)

Zero Trust

- Zero Trust Architecture is a security model that operates on the principle of "never trust, always verify."
- Instead of assuming everything behind the corporate firewall is safe, the Zero Trust model assumes breach and verifies each request as though it originates from an open network.
- Zscaler securely connects users to the applications rather than to the network, mitigating the risk of lateral movement that could lead to breaches.
- Why it's Effective:
 - Allows secure and direct connection from any device, anywhere, to any application, without the need for traditional VPNs or gateways
 - Reduces the attack surface, as users are never placed on the network and apps are never exposed to the internet
 - Scalable, given its cloud-native design, which can accommodate the dynamic and distributed nature of modern enterprises.

Figure 3 – Zero Trust Architecture



Product Overview



Zscaler has 3 key product offerings

Zscaler Internet Access (ZIA)

- Designed to secure user internet access, regardless of location or device
- Routes traffic through its globally distributed data centers (~ 150)
- Comprehensive zero trust approach:
 - Cloud secure web gateway (SWG)
 - Data Loss Prevention (DLP)
 - Firewall and IPS
 - Browser Isolation

Zscaler Private Access (ZPA)

- Provides secure access to private applications hosted in data centers or public clouds, without need for traditional VPNs
- Applies principles of least privilege to give users direct connectivity while eliminating unauthorized access
- The world's **most deployed** zero trust network access (ZTNA) platform

Zscaler Digital Experience (ZDX)

- Provides organizations insights into the user experience of their internet and private application usage
- Monitors response times, network latency, and error rates
- Works with various SaaS/private applications: Oracle, AWS, Salesforce, etc.
- UCaaS monitoring: Zoom, Microsoft Teams



Product Overview



Zscaler Internet Access (ZIA)

Figure 4 – Zscaler Overview

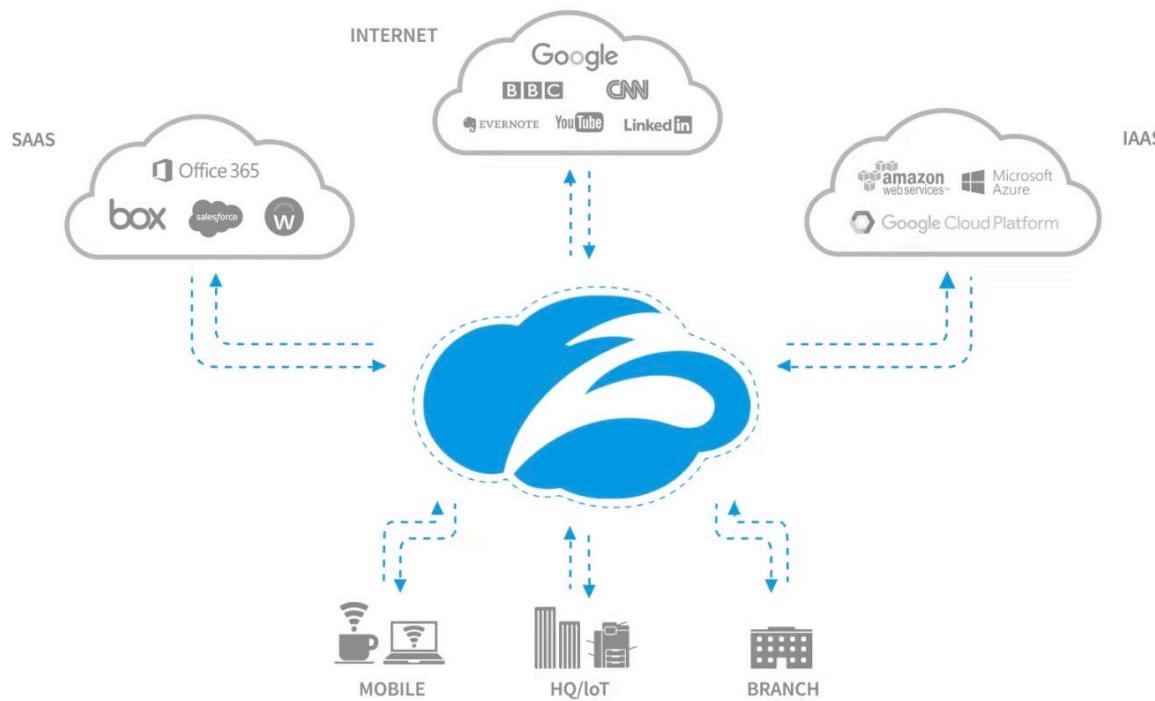
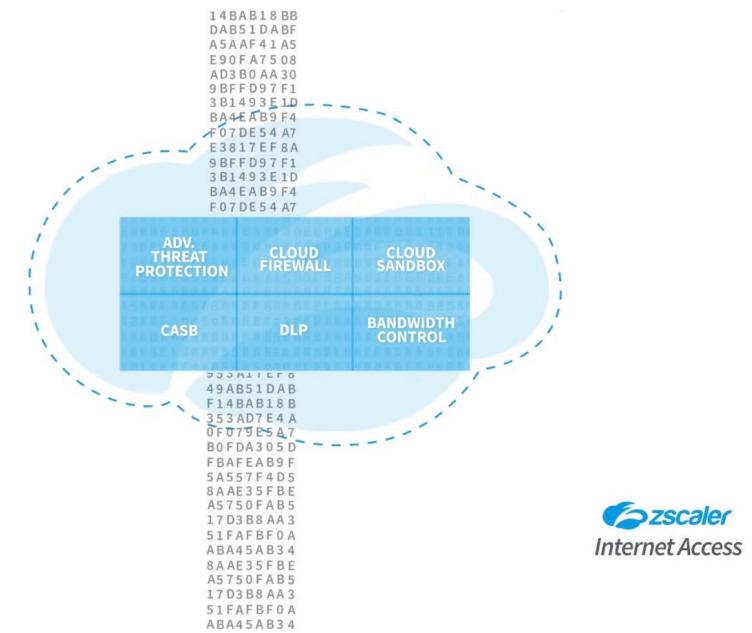


Figure 5 – Network Security Overview





New Products

Zscaler has a history of continuous innovation

Innovation and Expansion of Offerings

- **Zscaler's data loss protection (DLP) product**, now approaching \$250 million in total ARR, represents a new growth driver.
 - The company has been successfully going after the big installed base of legacy Symantec DLP customers.
 - Zscaler can offer enterprises superior DLP technology at a much lower cost, making the switch over to its offering an easy decision.
- **Zscaler Risk360** helps CIOs and CISOs make informed and expedited business decisions that help reduce cyber risk.
 - By leveraging a rich set of signals from internal and external sources within the Zscaler platform, IT and security leaders gain unparalleled visibility and actionable intelligence from more than 100 data-driven factors
- **Zscaler Identity Threat Detection and Response (ITDR)™ solution** is a security service designed to detect and respond to identity-based threats.
 - It aims to protect against compromised credentials and insider threats by monitoring and analyzing user behavior and access patterns.
 - ITDR helps organizations to quickly identify and mitigate potential security breaches related to identity theft or misuse, enhancing overall cybersecurity posture.

Prevent data loss to internet and SaaS

Inline protection: DLP and policies for users, servers, workloads and IoT/OT

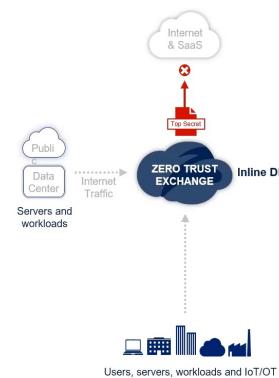


Figure 6 – DLP Breakdown

Inspect ALL content with full inline SSL inspection
On/off network – All ports/protocols

Context and content-aware DLP

- 256 dictionaries and engines for PCI, PII, PHI, GDPR etc.
- Custom dictionaries via keywords, patterns, reg-ex, Boolean logic

Advanced Data Classification

- Exact Data Match - Match on custom data to reduce false positives
- Index Document Match - Fingerprint sensitive documents for blocking
- Optical Character Recognition - Find text in images and block

Azure Information Protection (AIP) integrations

- Read and enforce AIP tags for data in motion and at rest
- Write AIP tags to sensitive data found inside SaaS apps

Why Zscaler? Avoid outages with world's most proven inline inspection cloud



Operations Overview



More useful data

Other operations

- **Zscaler for Users** – Zscaler provides internet and SaaS access through ZIA and secure internal app access via ZPA. ZPA's technology secures access and the apps. ZDX enhances the user experience by resolving connectivity issues, and Zscaler Data Protection™ secures data in transit and in the cloud
- **Zscaler for Workloads** – Zscaler protects workloads in public clouds and private data centers, ensuring fast, secure connections to the internet and between apps, suitable for multi-cloud and hybrid setups. It addresses security challenges on platforms like AWS, Azure, and Google Cloud.
- **Zscaler for IOT/OT** - Zscaler boosts cybersecurity for IoT and OT devices with zero trust security, ensuring secure internet connections, controlled maintenance access, protected production apps, and employs deception technology to actively defend against threats



Operations Overview



More useful data

Other Operations

Users	Workloads	IoT/OT
Secure Remote Network: An enterprise with employees working remotely needs to ensure secure access to both the internet and internal applications without compromising on speed or user experience. The employees access various cloud-based tools and internal resources from different locations and devices	Multi-Cloud Environment Security/Visibility: A software company is utilizing multiple cloud platforms (AWS, Azure, Google Cloud) to host various components of its application ecosystem. This multi-cloud strategy enhances scalability and resilience but introduces complexity in maintaining consistent security policies and visibility across all environments.	Protecting Industrial Control Systems: A manufacturing company relies on a network of IoT devices and operational technology (OT) for its production processes. These systems are critical for operational efficiency but are increasingly targeted by cyberattacks, posing a risk to safety and continuity



Operations Overview



More useful data

Figure 7 – ARR Mix by Pillars of <\$1M Customers

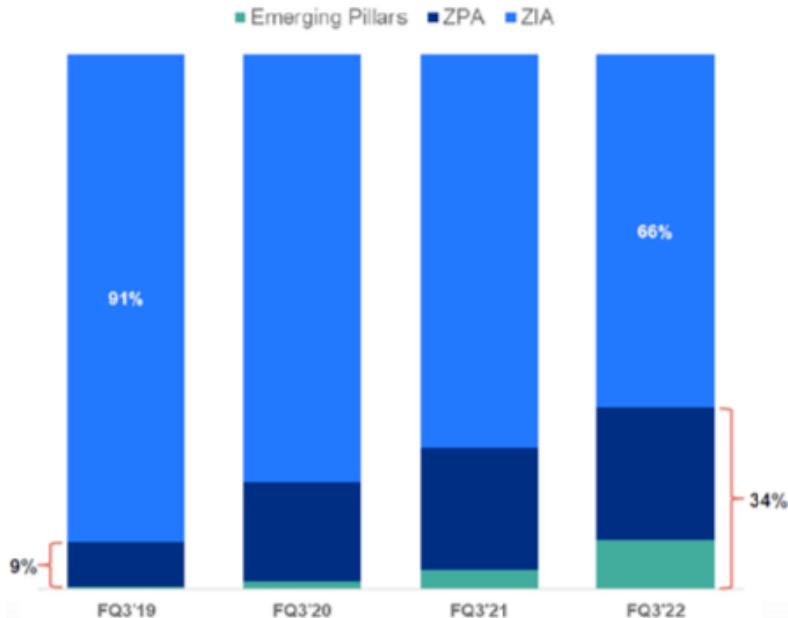
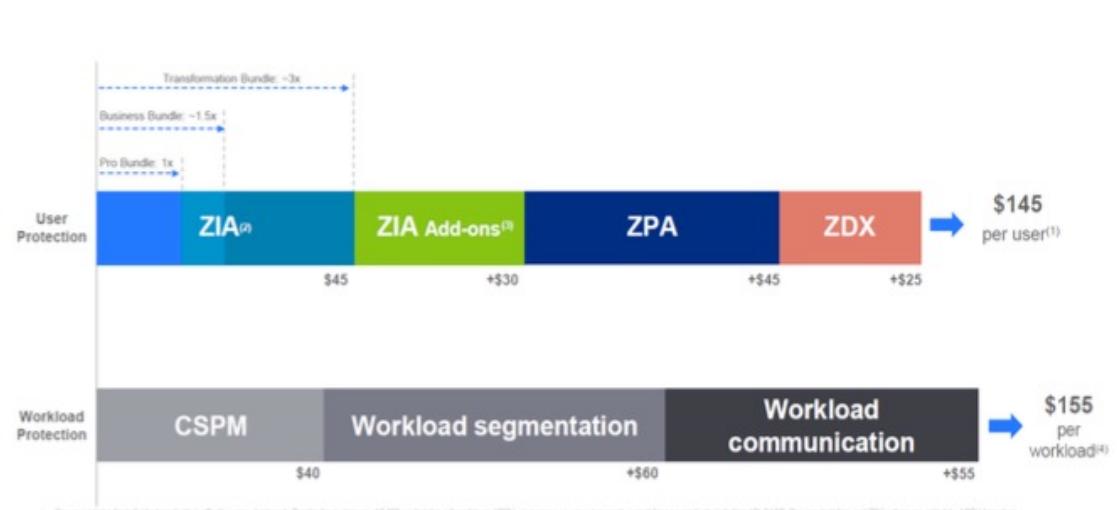


Figure 8 – Annual Pricing Model



*note only 25% of customers purchase all 3 products



Customer Overview



Zscaler creates business value

Zscaler's Strong Base

- Zscaler has more than 7.7K+ customers around the world, serving more than 32% of the Forbes Global 2000 and 40% of the Fortune 500
- **Contracts by Customer Type:**
 - Channel Partners: \$1,488,379 (92%)
 - Direct Customers: \$128,573 (8%)
- **Growth in customer base:**
 - 2,609 customers have total ARR of more than \$100k, up 25%
 - Added record 49 customers @ \$1M+ ARR in 2023
 - 43 customers with ARR above \$5M
- >70+ Net Promoter Score (Avg. SaaS NPS is 30)

Some Logos



Humana



LOCKHEED MARTIN



STIFEL



Figure 9 – Zscaler total customers (approx.)

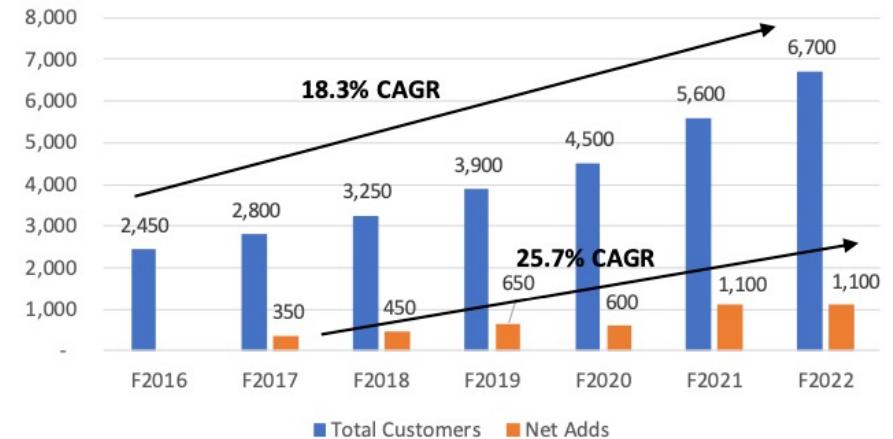




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Market Overview

Sizable Market Opportunity

Market Growth

- Zscaler also estimates its long-term serviceable TAM (SAM) opportunity at \$72 billion, taking into account user SAM at \$49 billion and workload SAM at \$23 billion. This market is considered to be substantial in size and early in its development, offering a long tail of high growth.
- Zscaler's immediate TAM across the cybersecurity landscape, focusing on Secure Service Edge (SSE) and its sub-segments, is approximately \$9.5 billion in 2021. The estimated CAGR for this TAM is 20.0% over five years, projecting to reach \$23.6 billion by 2026
- Growth driven by modernization of IT infrastructure, which SASE plays a key role as a fully cloud-native architecture
- Organizations are looking for ways to streamline their IT infrastructure by integrating disjointed networking and security solutions. SASE offers a converged infrastructure that simplifies management and improves security.

Figure 10 – Network Security is 3rd highest

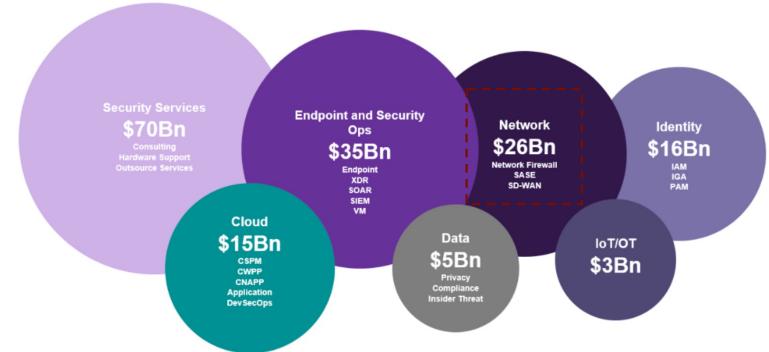
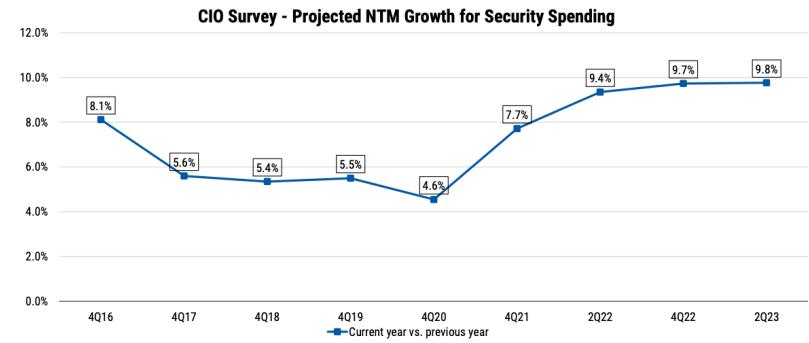


Figure 11 – Despite IT Slowdown, security growth consistent over the last year





Competitive Landscape

Security Services Edge Leader

Competitive Positioning

- Zscaler's Chairman and CEO says their **multi-vendor SASE solution** has won customers from a firewall-based single-vendor solution
 - **Zero Trust Exchange:** connects users directly to apps, eliminating attack surface and lateral threat movement
 - **Complexity:** reduced complexity with a single console, one agent, and a lower TCO (MSFT customers have up to 9 consoles, multiple agents, and a higher TCO)
 - **Catastrophe:** MSFT represents 95% of compromised endpoints that CRWD remediates during incident response engagements (with Defender getting bypassed in 75% of the time with customers that have been breached).
- CRWD also highlighted several wins where it replaced Microsoft Defender, including:
 - A large school district experienced significant downtime after an attack on ~6K machines due to Defender's inability to detect/stop the malware attack, where CRWD reduced triage time from 20 min per detection to <5 min
 - A U.S. state with multiple agencies upgraded >60K agents to CRWD from Defender, with a projected economic cost savings of \$6.4M over 3 years from switching to CRWD.

Figure 12 – Competitive Map



Competitive Advantage



They're the best at what they do

The Zscaler Advantage

- Zscaler's advantage stems from its cloud-native approach and its use of zero-trust architecture.
- It pioneered SASE technology early on, building it around zero-trust architecture tailored to cloud platforms. This has led Zscaler to establish itself as a market leader.
- The company employs a mix of direct and inside sales teams, supported by a network of channel partners. It has a targeted sales approach for large enterprises and a combined direct and channel sales strategy for other market segments.

Figure 13 – SaaS > Onprem

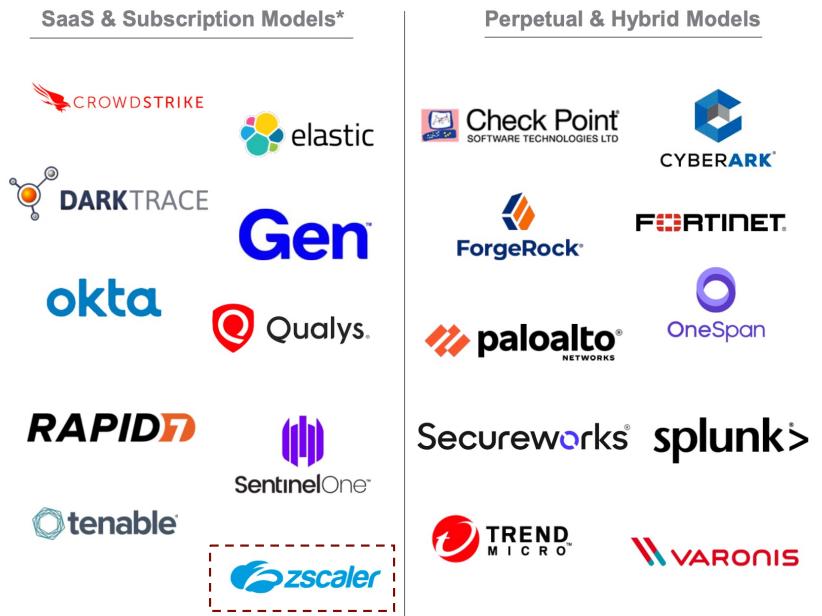


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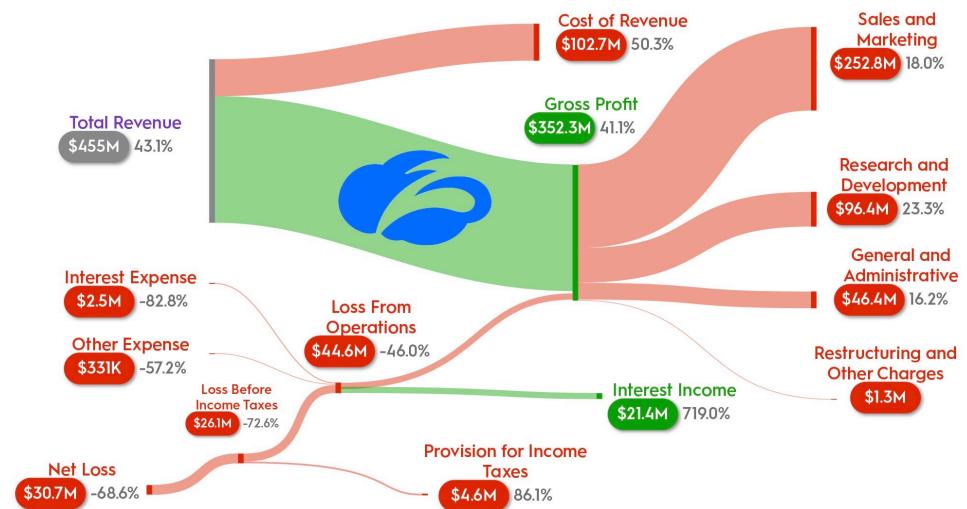
Internal Analysis Overview

Recent break even may mean higher earnings

Internal Analysis Guide

- The company is expected to grow at a 33.7% CAGR from FY22 through FY25, surpassing the 20.0% estimated TAM CAGR.
- There's an anticipation for an increase in investment in sales, marketing, and research and development to foster this growth.
- Operating margins are projected to gradually increase from 14.1% in FY23 to 17.4% in FY25, with the company moving towards a long-term target of 20-22%.
- Sales make up the highest expense, Zscaler is focused on maximizing market share and securing customers.
 - This ultimately gives Zscaler a stronger upsell opportunity as new products arise to challenge new threats
- Relatively stable G&A expenses in recent quarters
- Decreasing R&D expense, less decrease than the broader cybersecurity industry

Figure 14 – Zscaler’s Q4 2023 Income Statement



Growth Strategy

Plenty of room for natural growth

Continued Market Discovery and Penetration

- With about 40% penetration in the Fortune 500 and 30% in the Global 2K customer segment, Zscaler continues to see room for expansion within its current customer base and the potential for acquiring new large-scale customers
- The company aims to leverage large channel partners to penetrate small-to-medium-sized businesses, utilizing low-cost go-to-market strategies and sales engagement methods such as digital marketing and webinars

Upsell opportunity

- Zscaler identifies a sixfold upsell opportunity within its current product suite. Early successes in this strategy are evident as products like ZPA, ZDX, and Posture Control already make up approximately 34% of the Annual Recurring Revenue (ARR) mix for customers spending over \$1 million, a significant increase from 9% three years prior.
- New products make up considerable upside as adoption rates increase and the platform evolves, highlighted by recent customer bundles where ZCP contributes 20-25% to the total contract value

Figure 15 – Serviceable TAM Estimate

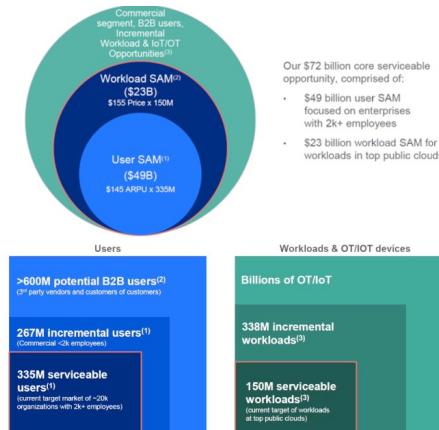


Figure 16 – Upsell Opportunity with ZIA and ZPA

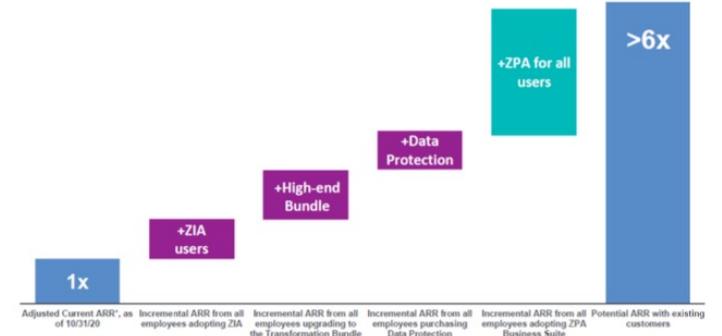


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Investment Thesis Overview



The best around

Investment Thesis Guide

- **Market-Leading Zero Trust Architecture:** Zscaler is a pioneer in providing comprehensive zero trust security solutions, delivered through a global network of data centers, ensuring secure user access and advanced threat protection which are increasingly vital due to the proliferation of SaaS and hybrid work models.
- **Expansive TAM with Strong Growth Trajectory:** Zscaler addresses a large and expanding total addressable market in the SSE and CNAPP sectors, with a current market penetration of only 13.3% and a projected CAGR of 20% to reach \$23.6 billion by 2026, highlighting significant growth potential.
- **Land-and-Expand Strategy:** With a strong channel partner ecosystem and significant up-sell opportunities, particularly through product bundling and expansion into workload security, Zscaler is poised to continue its >25% YoY revenue growth, outpacing market growth rates and leveraging pricing and packaging strategies.
- **Innovative Product Portfolio:** Zscaler's diverse suite of products, including ZIA, ZPA, ZDX, and Posture Control, positions the company to capitalize on upsell opportunities and address emerging cybersecurity needs, maintaining a high dollar-based net retention rate (DBNRR) above 125%.
- **Competitive Edge and High Valuation Justification:** Despite a crowded SSE market, Zscaler's early market incumbency and continuous innovation afford it the strategic position as a share consolidator, supported by a valuation based on a higher-than-peer average CY24E EV/sales multiple of 10.9x, reflecting its robust growth profile, strong free cash flow generation, and established enterprise mindshare





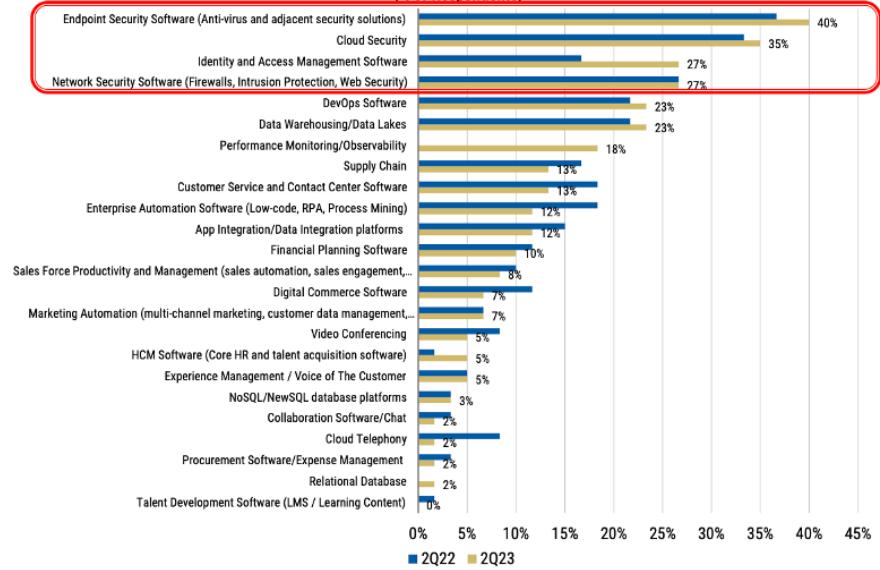
Thesis #1 – High Demand

Security spending is high

Zscaler is well positioned to capture growing TAM

- Zscaler has capitalized on the increasing shift towards cloud-based infrastructure, driving a higher demand for its products.
 - This positions Zscaler uniquely in the cybersecurity space, allowing it to outperform many competitors by meeting the evolving security needs of modern businesses.
- Large and expanding TAM across SASE market = high growth opportunity for Zscaler.
 - Large TAM that Zscaler addresses, which included Security Service Edge (SSE) and cloud security technologies. This market was valued at \$9.5 billion in 2021 and is projected to grow at a 20% five-year compound annual growth rate (CAGR) to \$23.6 billion by 2026, with Zscaler currently capturing only 13.3% of the TAM.

Figure 17 – Business areas with top priority spending





Thesis #2 – Zscaler Leads the Market

Outperforming the outperformers

Thesis #2

- The company's accelerating customer growth rate is evidence of its effective market penetration strategies and the broadening appeal of its security solutions.
- High NRR and a growing customer base, Zscaler is well-positioned to leverage upsell opportunities.
 - The company's extensive portfolio of security solutions provides ample room for customers to expand their engagement.
 - As businesses evolve and their security needs become more complex, Zscaler's ability to offer additional, complementary services presents a significant opportunity for revenue growth through upselling.

Zscaler combines a strong value proposition along with a market leading competitive position

Figure 18 – DBNRR Comparison over last 10 quarters

Company	LTM Revs (\$M)	DBNRR Range
CrowdStrike	\$2,446.0	120-128%
ForgeRock	\$200.0 (est.)	111-115%
Okta	\$1,960.8	117-124%
Ping Identity	\$350.0 (est.)	108-114%
Palo Alto	\$6,489.9	N/A
SentinelOne	\$477.3	117-137%
Splunk	\$3,731.1	120-132%
Zscaler	\$1,480.0	>125%

Figure 19 – Customer Growth Rate comparison over last 10 quarters

Company	LTM Revs (\$M)	Total	>\$100K ARR	>\$1M ARR
Palo Alto	\$6,489.9			23.8%
Splunk	\$3,731.1			25.9%
CrowdStrike	\$2,446.0	58.9%		50.8%
Okta	\$1,960.8	29.8%	37.9%	
CyberArk	\$625.9	14.7%		
SentinelOne	\$477.3	59.0%	94.9%	
ForgeRock	\$200.0 (est.)		18.4%	
Zscaler	\$1,480.0	18.3%	39.6%	61.9%





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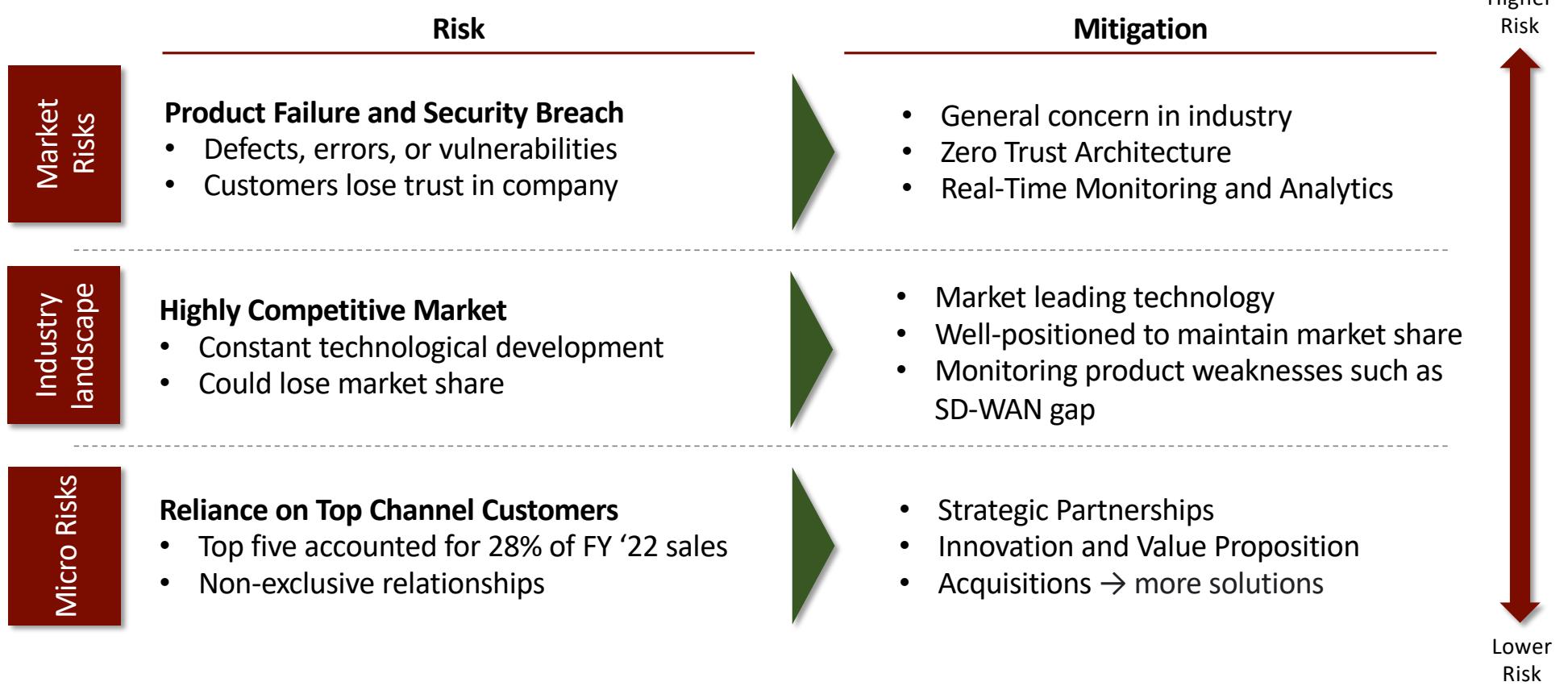
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Risks and Mitigations

What risks should we look out for?



Catalysts



What factors drive stock growth in Zscaler?

Short Term (0 - 2 years)	Medium Term (2 – 5 years)	Long Term (5+ years)
<ul style="list-style-type: none">Continued strong financial performance led by continued customer growthNew increase in retained earnings means higher NWC for capital investmentEvolving threat landscape = high demand for market-leading leading products	<ul style="list-style-type: none">Continued industry-wide digitalization = continued demand for strong security productsContinued product innovation to accommodate innovations in cloud securityStrong upsell opportunities expected to affect Zscaler's financials	<ul style="list-style-type: none">Zscaler's history of product innovation and strong market share poise it to succeed in the long termMarket changes in cloud computing will make advanced cybersecurity solutions more necessary, which will drive demand for Zscaler's servicesContinuous need for innovation as the stronger cybersecurity threats become





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Equity Research Projections



	FY23A	FY24E	FY25E	FY26E
Financial Estimates				
Revenue	1,617	2,106	2,648	3,304
Adj. EBIT	241	364	476	628
Adj. EBITDA	297	442	595	779
Adj. net income	278	398	476	615
Adj. EPS	1.79	2.48	2.85	3.59
BBG EPS	1.64	2.25	2.83	-
Cashflow from operations	462	664	827	1,003
FCFF	310	413	575	732
Margins and Growth				
Revenue growth	48.2%	30.3%	25.7%	24.8%
EBIT margin	14.9%	17.3%	18.0%	19.0%
EBIT growth	115.8%	51.3%	30.6%	31.9%
EBITDA margin	18.3%	21.0%	22.5%	23.6%
EBITDA growth	95.0%	48.9%	34.7%	30.9%
Net margin	17.2%	18.9%	18.0%	18.6%
Adj. EPS growth	160.4%	38.4%	15.0%	26.1%
Ratios				
Adj. tax rate	6.6%	8.2%	9.5%	10.0%
Interest cover	NM	NM	NM	NM
Net debt/Equity	NM	NM	NM	NM
Net debt/EBITDA	NM	NM	NM	NM
ROE	42.8%	43.4%	34.9%	31.6%
Valuation				
FCFF yield	1.0%	1.3%	1.8%	2.2%
Dividend yield	-	-	-	-
EV/Revenue	18.7	14.2	11.1	8.6
EV/EBITDA	102.1	67.8	49.3	36.6
Adj. P/E	107.3	77.5	67.4	53.4

Notes of forecasts

- Zscaler is showing a consistent trend in revenue growth year over year, with a significant jump from FY23A to FY24E and steady growth projected through FY26E.
- Cash flow from operations and free cash flow (FCF) are both increasing. The growing FCF is especially important as it shows that the company has more cash available after capital expenditures.
- The forward-looking valuation metrics (EV/Revenue, EV/EBITDA, Adjusted P/E) all show a decreasing trend, which could suggest that the company is becoming more valuable relative to its earnings and cash flow or that the market is expecting higher growth in the future.
- The FCF yield is increasing annually, which could make Zscaler more attractive to investors looking for cash-generative businesses





Ratios & Valuation

	FY22A	FY23A	FY24E	FY25E	FY26E
Gross margin	80.8%	80.6%	80.6%	80.6%	80.8%
EBITDA margin	13.9%	18.3%	21.0%	22.5%	23.6%
EBIT margin	10.2%	14.9%	17.3%	18.0%	19.0%
Net profit margin	9.3%	17.2%	18.9%	18.0%	18.6%
ROE	18.4%	42.8%	43.4%	34.9%	31.6%
ROA	4.0%	8.6%	9.9%	10.7%	12.1%
ROCE	6.9%	13.2%	16.3%	22.3%	29.0%
SG&A/Sales	55.5%	51.7%	49.2%	48.5%	47.8%
Net debt/equity	NM	NM	NM	NM	NM
P/E (x)	279.3	107.3	77.5	67.4	53.4
P/BV (x)	49.3	41.1	27.8	19.9	14.4
EV/EBITDA (x)	199.8	102.1	67.8	49.3	36.6
Dividend Yield	-	-	-	-	-
Sales/Assets (x)	0.4	0.5	0.5	0.6	0.7
Interest cover (x)	NM	NM	NM	NM	NM
Operating leverage	69.5%	240.1%	169.4%	119.0%	129.0%
Revenue y/y Growth	62.1%	48.2%	30.3%	25.7%	24.8%
EBITDA y/y Growth	41.3%	95.0%	48.9%	34.7%	30.9%
Tax rate	8.4%	6.6%	8.2%	9.5%	10.0%
Adj. Net Income y/y Growth	33.9%	174.5%	43.3%	19.4%	29.4%
EPS y/y Growth	31.4%	160.4%	38.4%	15.0%	26.1%

Notes of forecasts

*note these are adjusted metrics

- Revenue year-over-year (y/y) growth is expected to slow down gradually but remains strong, signifying a healthy expansion rate.
- EBITDA and Adjusted Net Income growth rates are robust in FY23A but are projected to normalize in the following years.
- Adjusted EPS y/y growth is quite high in FY23A, indicating significant growth in earnings per share



Cash-flow projections

	FY22A	FY23A	FY24E	FY25E	FY26E
Cash flow from operating activities	322	462	664	827	1,003
o/w Depreciation & amortization	40	56	77	119	151
o/w Changes in working capital	97	29	41	70	57
Cash flow from investing activities	374	(259)	(302)	(193)	(218)
o/w Capital expenditure	(69)	(97)	(169)	(185)	(198)
as % of sales	6.4%	6.0%	8.0%	7.0%	6.0%
Cash flow from financing activities	41	46	1	(1,141)	0
o/w Dividends paid	-	-	-	-	-
o/w Net debt issued/(repaid)	0	0	0	-	0
Net change in cash	737	249	363	(507)	785
Adj. Free cash flow to firm	250	310	413	575	732
y/y Growth	63.7%	24.2%	33.0%	39.3%	27.4%

Notes of forecasts

- Note the largely insignificant changes in D&A and NWC due to the SaaS model and overall high expenses
- Temporary decrease in cashflow from investing activities due to heavy M&A activity last year
- Assuming no dividends
- Increasing FCF, but rate of change set to normalize





Comparable Companies

Quick profile on some comparable companies

Tier 1



CrowdStrike (CRWD) –
\$39.93B



Palo Alto Networks
(PANW) – \$82.38B



Cloudflare (NET) – \$21.25B



Okta (OKTA) – \$13.42B

Tier 2



CyberArk (CYBR) – \$7.01B



Varonis (VRNS) – \$3.79B



Fortinet (FTNT) – \$61.9B



ForgeRock (FORG) – \$2.13B

Tier 3



Microsoft (MSTFT) – \$2,390B



Cisco (CSCO) – \$215.94B



ServiceNow (NOW) –
\$121.03B



DataDog (DDOG) –
\$39.76B

*Zscaler is at a \$24.06B Market Cap



Comparable Company Analysis



On par with leading cloud-based SaaS providers

Company	EV / NTM Rev	EV / 2025 Rev	EV / NTM FCF	NTM Rev Growth	Gross Margin	Operating Margin	FCF Margin	% in Top 10 Over LTM
1 Snowflake	21.7x	15.4x	72x	29%	67%	(40%)	25%	100%
2 CrowdStrike	20.9x	15.7x	63x	30%	75%	(3%)	30%	53%
3 Cloudflare	20.6x	16.2x	196x	27%	76%	(16%)	9%	100%
4 Palantir	19.5x	16.2x	61x	20%	80%	2%	22%	68%
5 MongoDB	17.7x	13.3x	133x	20%	75%	(15%)	6%	92%
6 Samsara	16.6x	12.5x	299x	31%	73%	(30%)	1%	98%
7 Zscaler	16.5x	12.4x	69x	26%	77%	(12%)	26%	38%
8 Datadog	16.2x	13.2x	63x	21%	80%	(5%)	25%	99%
9 GitLab	15.5x	11.5x	173x	27%	89%	(37%)	(1%)	26%
10 ServiceNow	14.5x	12.0x	47x	21%	79%	8%	30%	86%
Average	17.9x	13.8x	117x	25%	77%	(15%)	17%	76%
Median	17.1x	13.2x	71x	27%	77%	(13%)	23%	89%
Overall Median	6.4x	5.5x	41.5x	13%	75%	(13%)	9%	

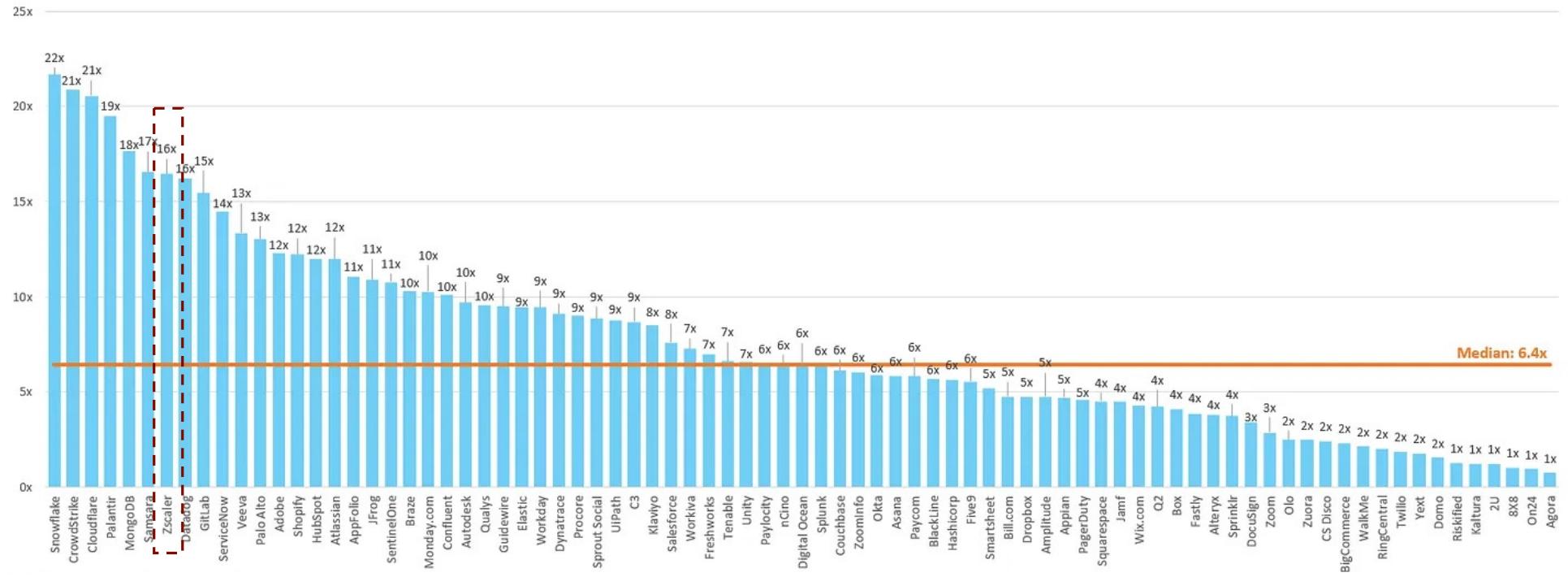


Comparable Company Analysis



EV/Sales chart

Figure 20 – EV / NTM Rev Growth



Comparable Company Analysis



Figure 21 – NTM Rev Growth vs NTM Rev Multiple



Our Recommendation



Buy

Price Target: \$300

Expected Returns: 24.4%

Time Frame: 3-5 Years

