



Fortify Your Cybersecurity

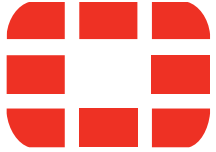
March 2025

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



Fortinet Overview



20+ Years of Strong Growth

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

\$80+ Billion Market Cap ⁽¹⁾

Nasdaq: FTNT

Included in the S&P 500 and Nasdaq 100

11 Gartner Magic Quadrants

140+ Industry Analyst Report Inclusions

Leader in SD-WAN and Network Firewall

BBB+ & Baa1

Investment Grade Rating

Leading the Cybersecurity Industry

14,100+

Employees

Worldwide Presence

\$6 Billion

2024 Revenue

\$6.5 Billion 2024 Billings

35%

2024 Non-GAAP Operating Margin

81% 2024 Non-GAAP Gross Margin

\$1.9 Billion

2024 Free Cash Flow

32% Free Cash Flow Margin

\$4.1 Billion

Cash & Investments

Strong Balance Sheet





The **Most Trusted** U.S.-Based Cybersecurity Company

Fortinet is ranked #7 in the Forbes Most Trusted Companies



#1 in Enterprise Networking & Security

80% of Fortune 100 and **72%** of the Global 2000 depend on Fortinet to stay secure



Notes: Industry categories are based on 2024 billings from the G2000 list. G2000 - based off of the 2024 Forbes list; total number of accounts is 1,939 after factoring in M&A activity since publication. F100 - based off of the 2024 Fortune list; total number of accounts is 100 after factoring in M&A activity since publication.

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#1 Most Third-Party Validated

Fortinet is continually recognized across more than 140+ research reports from the major industry analyst firms like Gartner, IDC, and Forrester, and is recognized in **11** Gartner Magic Quadrants.



- Network Firewalls
- Single Vendor SASE
- SD-WAN
- Security Service Edge
- Wired and WLAN
- SIEM
- Endpoint Protection Platforms
- Email Security Platforms
- Access Management
- Privileged Access Management
- Cyber-Physical Systems Protection Platforms



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



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



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



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

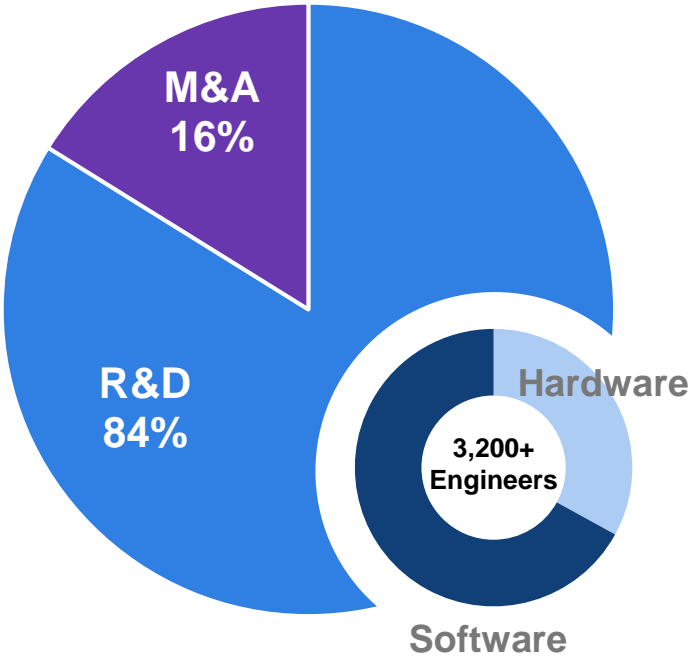


Gartner® Magic Quadrant™ for Security Service Edge – Published 15 April 2024 – Charlie Winckless, Thomas Lintemuth, Dale Koeppen

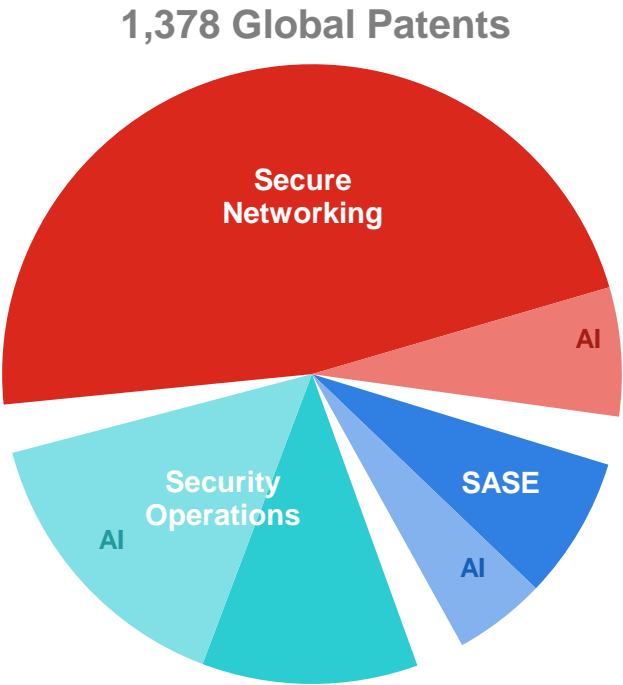


Large Investment in Organic Innovation and AI

Innovation: \$2.7B Since 2020



Innovation Across Pillars



Contextual GenAI

Generative AI to improve product optimization



Security Analytics

Big Data AI

Process and analyze trillions of events using AI/ML



Threat Intelligence

Network Operations AI

Self-healing networks end to end



AI for Networking

AI for LLM Leakage

Protection against data leakage into LLM

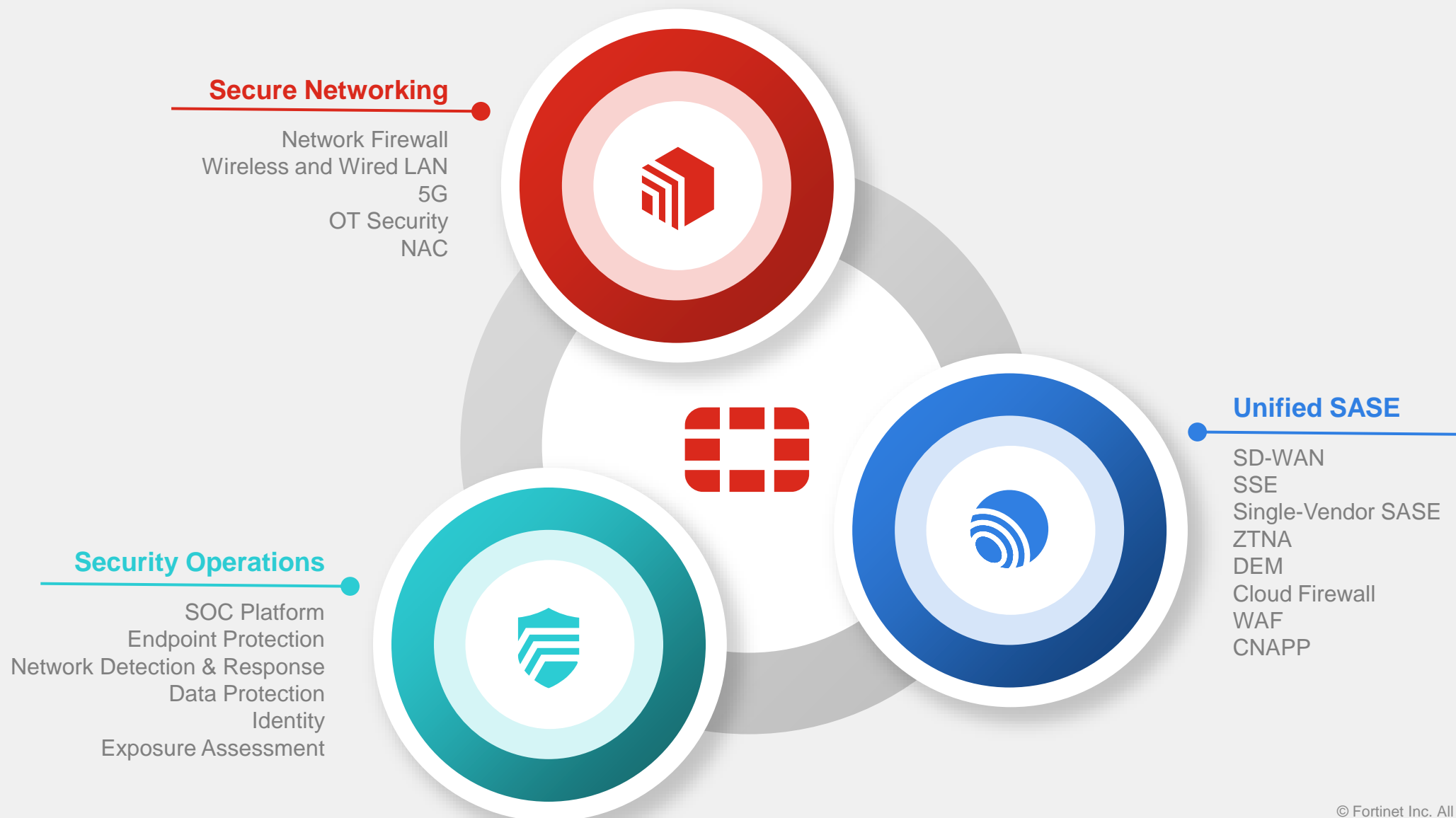


AI for Data Security

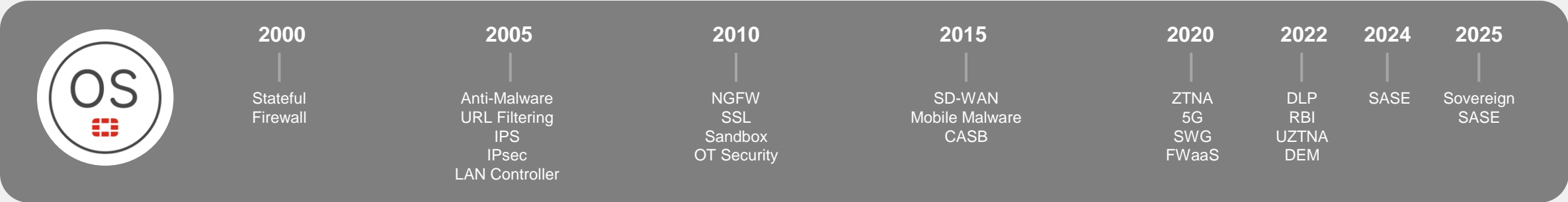


Broadest, Most Integrated AI-Driven Cybersecurity Platform in the Industry

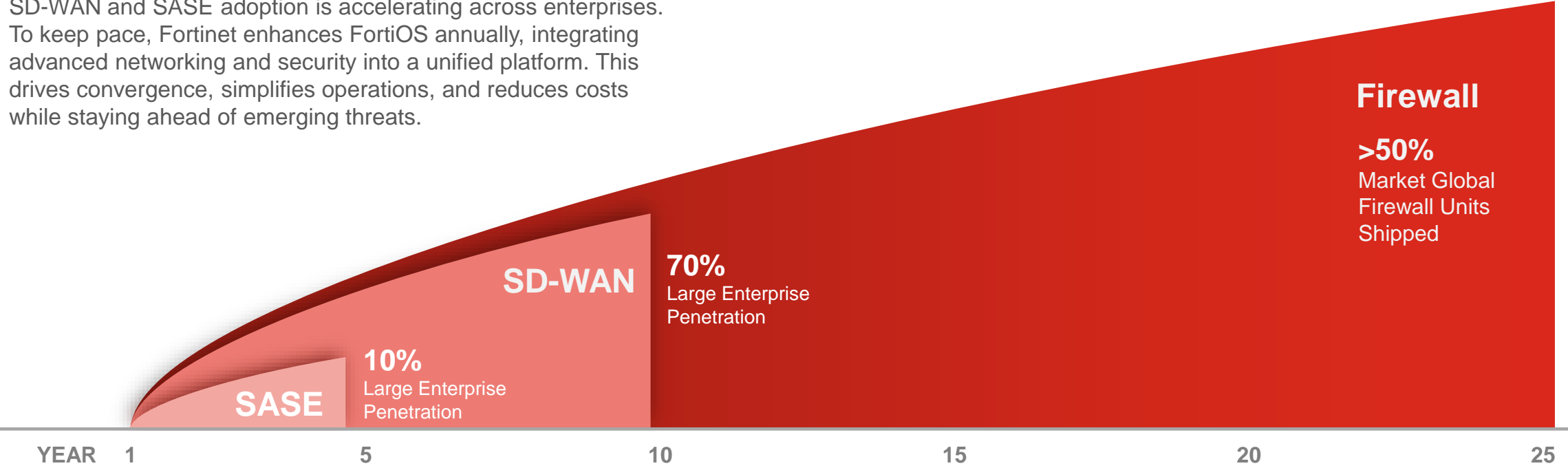
Protects the entire attack surface while integrating tightly into your current and future infrastructure



FortiOS Advantage

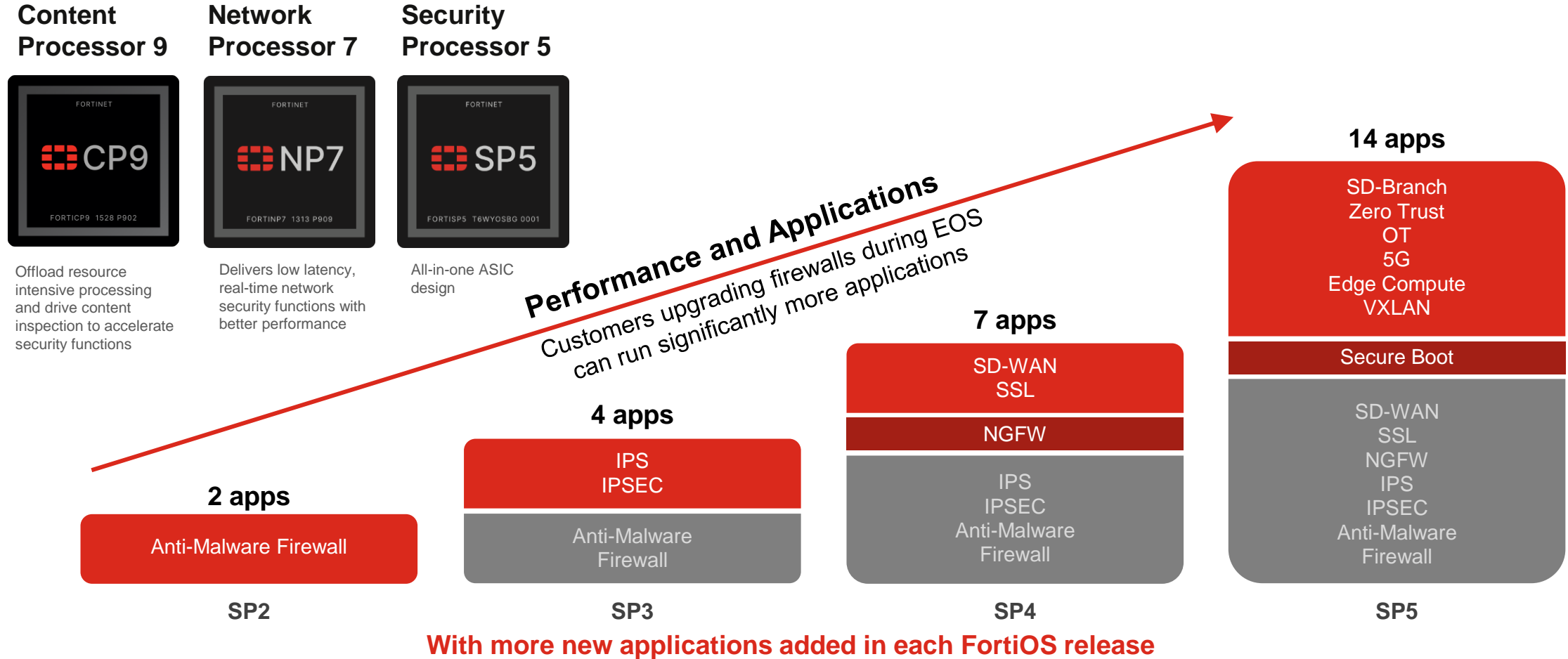


SD-WAN and SASE adoption is accelerating across enterprises. To keep pace, Fortinet enhances FortiOS annually, integrating advanced networking and security into a unified platform. This drives convergence, simplifies operations, and reduces costs while staying ahead of emerging threats.



The Only Purpose-built Proprietary ASIC

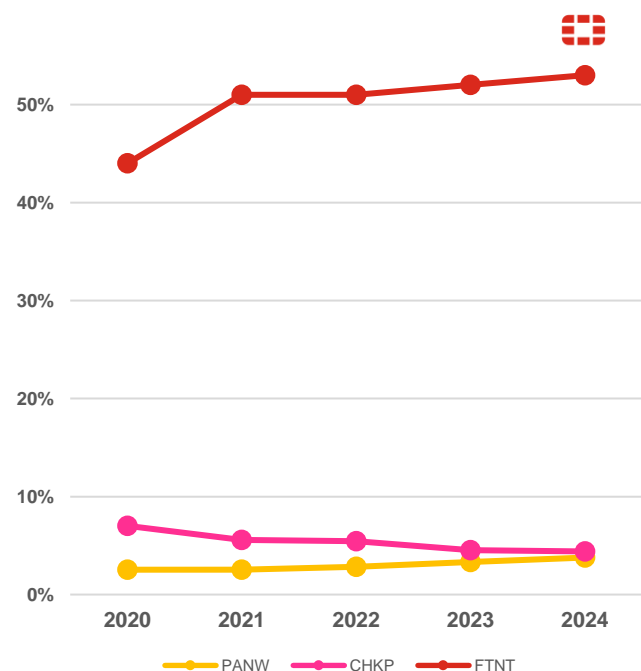
FortiASIC accelerates 14 FortiOS functions – supports 2x more applications than the previous generation



Leader in Network Firewall Security

Firewall Units Shipped

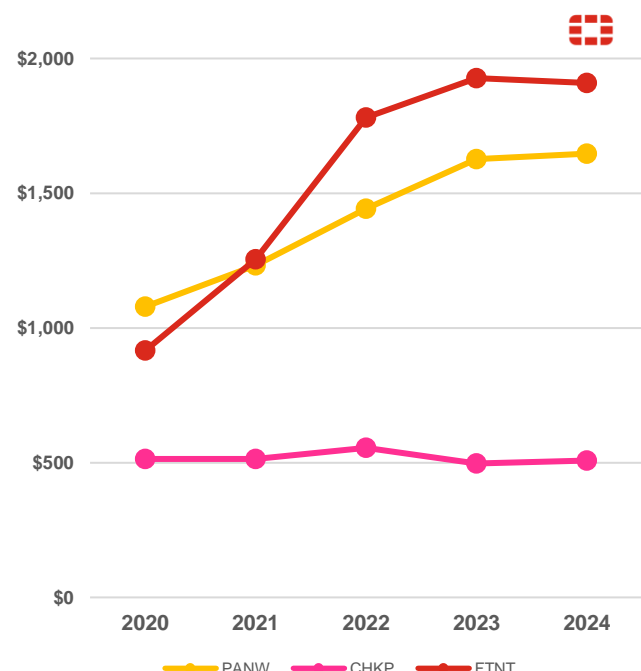
Market Share Leader



Source: 650 Group

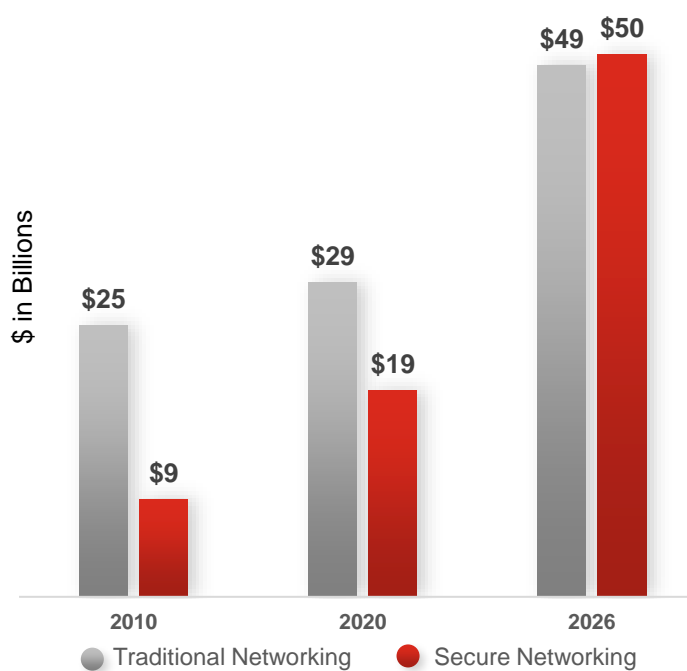
Product Revenue

Leader



Convergence of Networking & Security

Secure Networking > Traditional Networking by 2026



Source: Fortinet company estimates based on Gartner forecast data



Note: PANW 2024 product revenue is based on actuals for 3QFY24 – 2QFY25.

Convergence of Networking & Security Delivers Total Protection

Evolving Enterprise

Complexity

Managing multiple vendors & configurations with complicated integrations.

Inconsistent Security

With separate tools, monitoring, logging, and threat detection are disjointed.

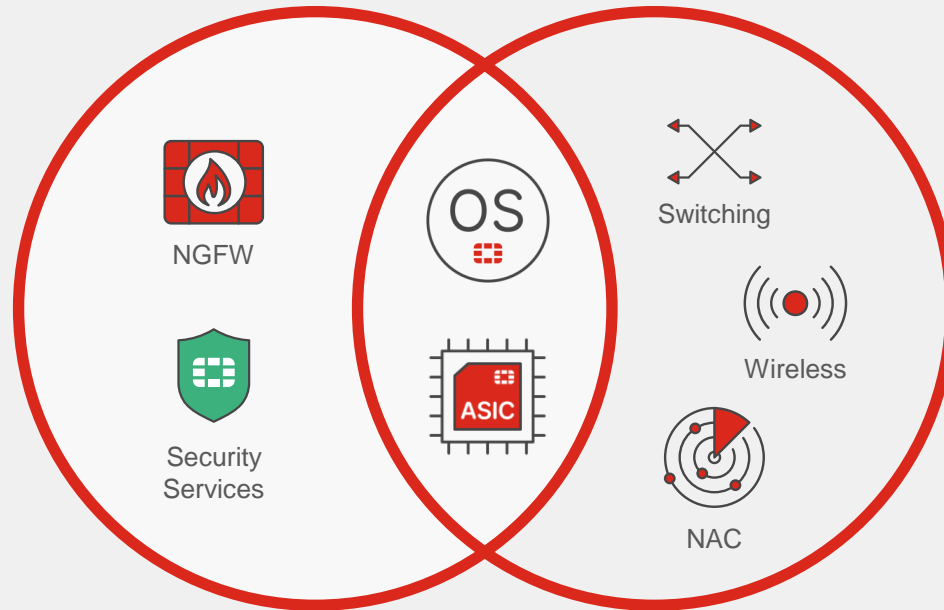
High TCO

Multiple vendors with separate licenses, hardware, and support costs.

Lack of User Experience

Network performance is degraded as security features are added.

Convergence



High ROI & Low TCO



PLATFORM

Consolidate

Single OS eliminates silo products and complexity

Integrated

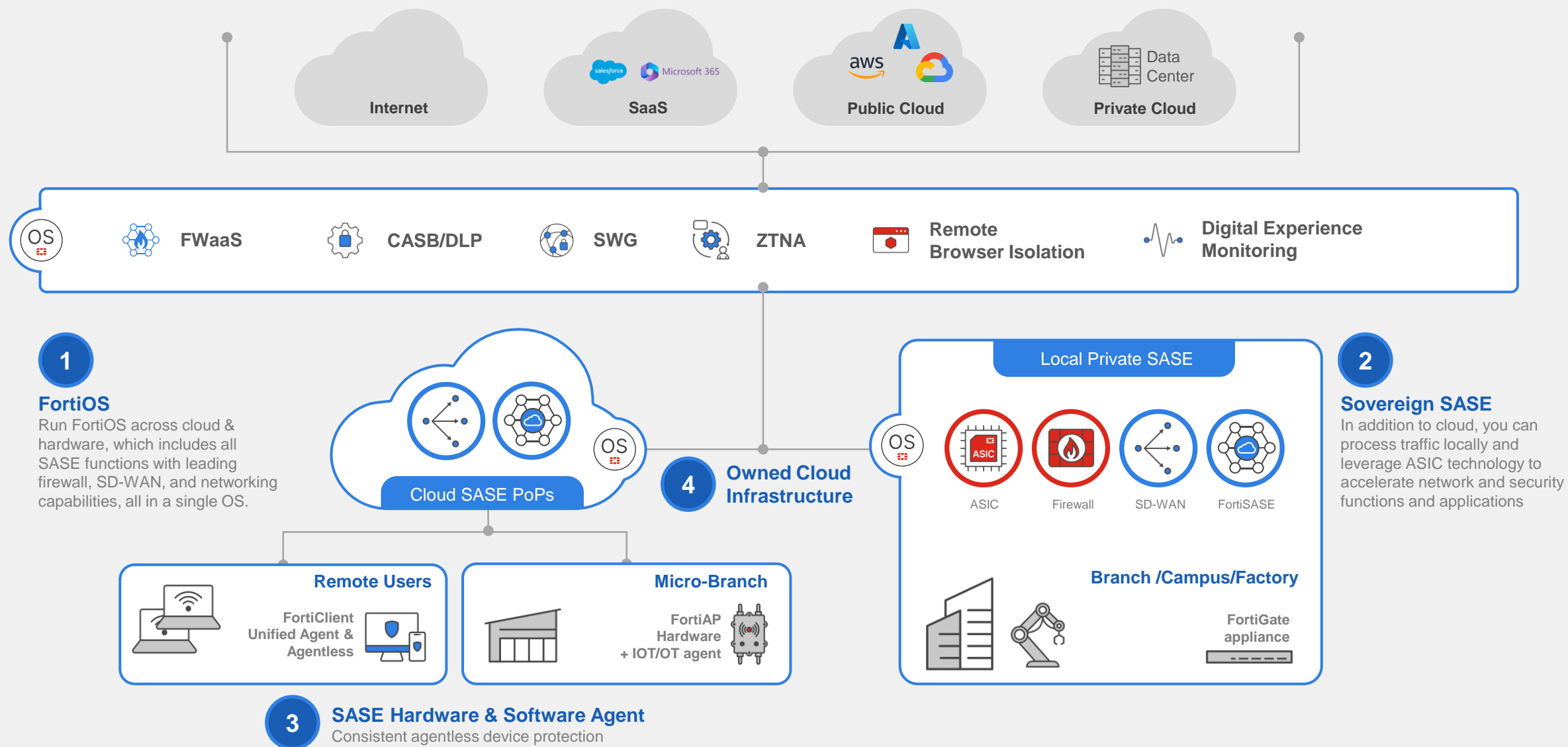
AI-powered Consistent security across all edges

Automation





Faster time to prevention and efficient operations



Investing in SASE for Unmatched Flexibility & Performance



SASE Flexibility

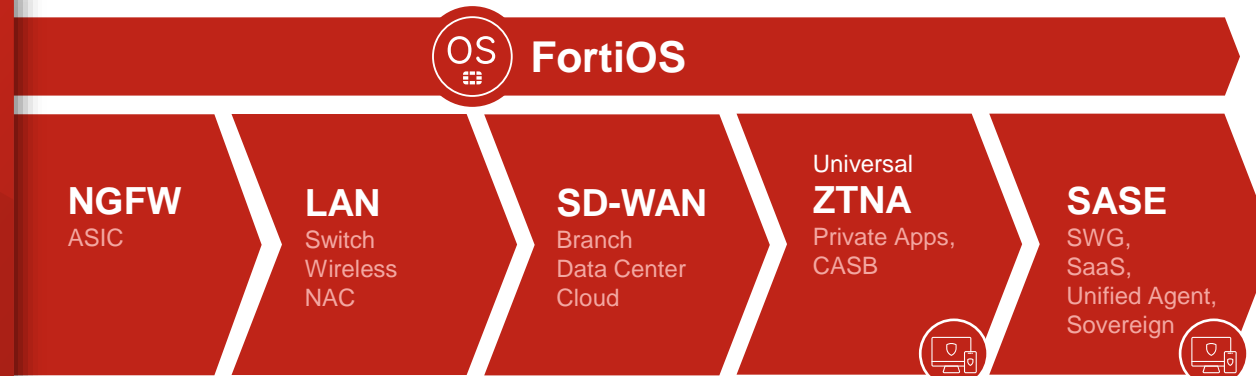
	SaaS	Service Provider	Enterprise	
	<div><p>FortiSASE</p><p>Cloud-delivered service</p></div>	<div><p>SASE Private Label</p><p>Cloud-delivered service <i>with dedicated resources</i></p></div>	<div><p>Sovereign SASE</p><p>On Prem Environment</p></div>	<div><p>Private SASE</p><p>HWaaS</p></div>
Portal	Fortinet Cloud	Fortinet Cloud <i>Private Label</i>	Fortinet Cloud	Fortinet (FMGaaS)
Controller	Fortinet Cloud	Fortinet Cloud	Fortinet Cloud	Fortinet (GSLB)
Data / Logs	Fortinet Cloud	Fortinet Cloud <i>or Partner Cloud</i>	Partner Cloud	Fortinet (FAZaaS)
Security Inspection	Fortinet Cloud	Fortinet Cloud <i>optional dedicated tenants</i>	Partner Cloud	Fortinet (FGaaS)
H/W & S/W	Fortinet Cloud	Fortinet Cloud <i>optional dedicated tenants</i>	Partner Cloud	Fortinet (HWaaS)
Operations	Fortinet	Fortinet	Partner	Enterprise Admin



The Fortinet Journey: A Seamless Security Evolution

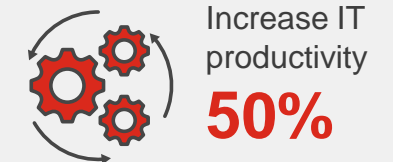
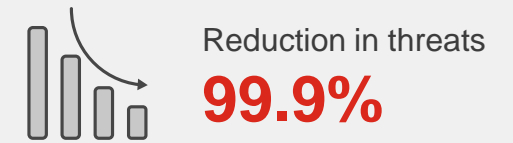
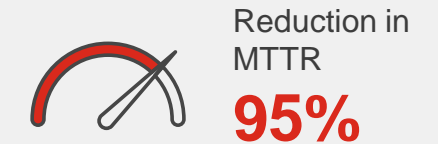
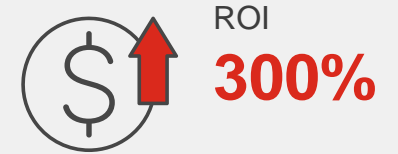
With FortiGate NGFW, customers gain industry-leading protection and can seamlessly activate SD-WAN for optimized performance and extend to SASE for secure remote access.

**Your Journey
to Secure
Networking
Begins Here**



Single OS Advantage

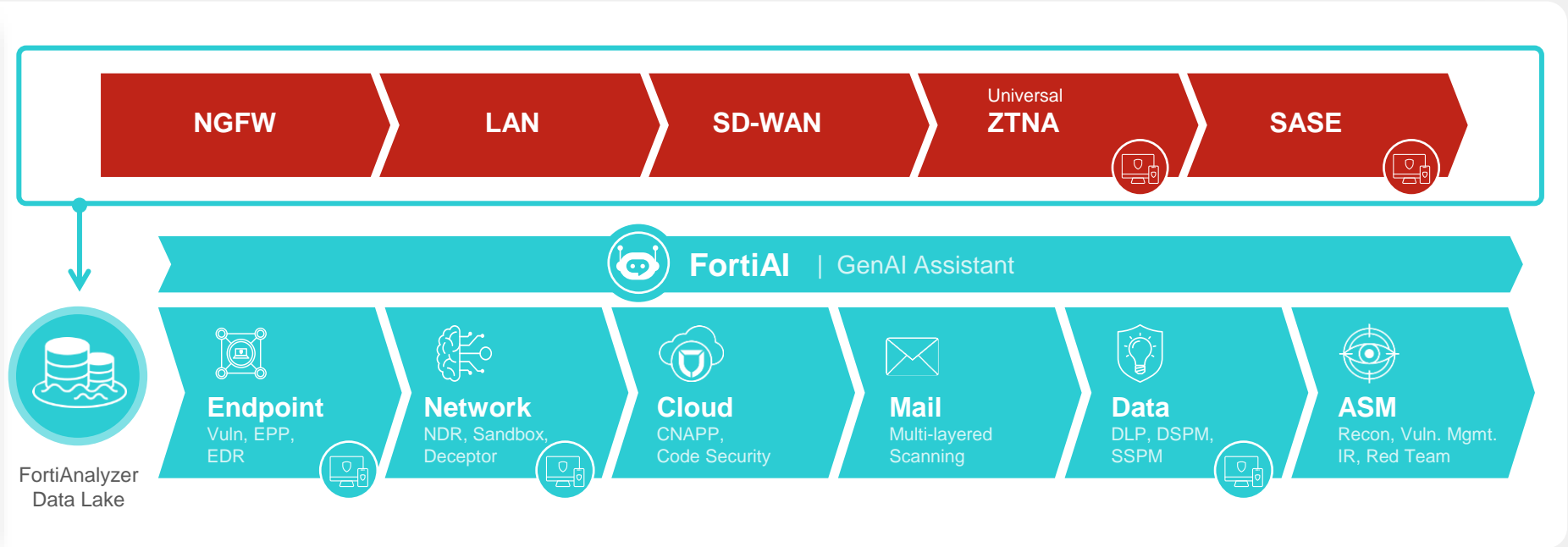
- ✓ Easy to adopt
- ✓ Market leadership
- ✓ Proven



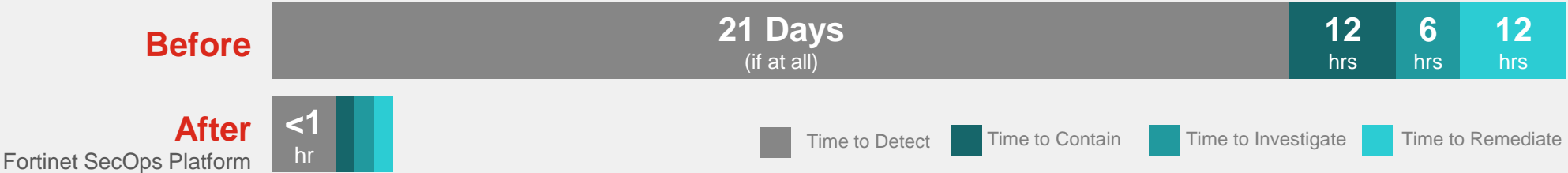
Transforming SOC Capabilities for AI-Driven Cyber Defense

Centralizing security and networking data to enhance visibility, orchestration, and automation

Transform
Insights into
Outcomes with
the Fortinet
Security
Fabric

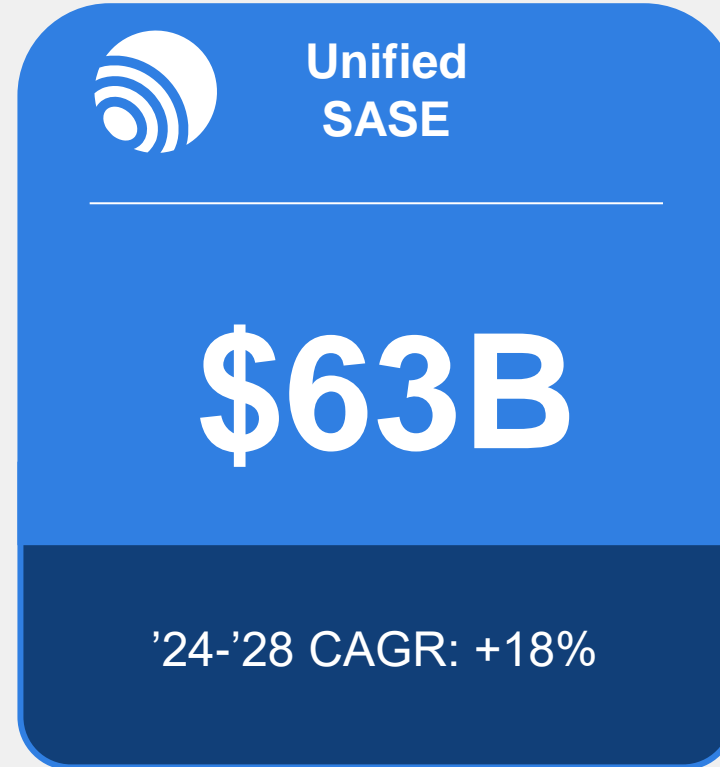


Speed the time to fully investigate and remediate incidents from 18.5 hours to an average of 10 minutes.



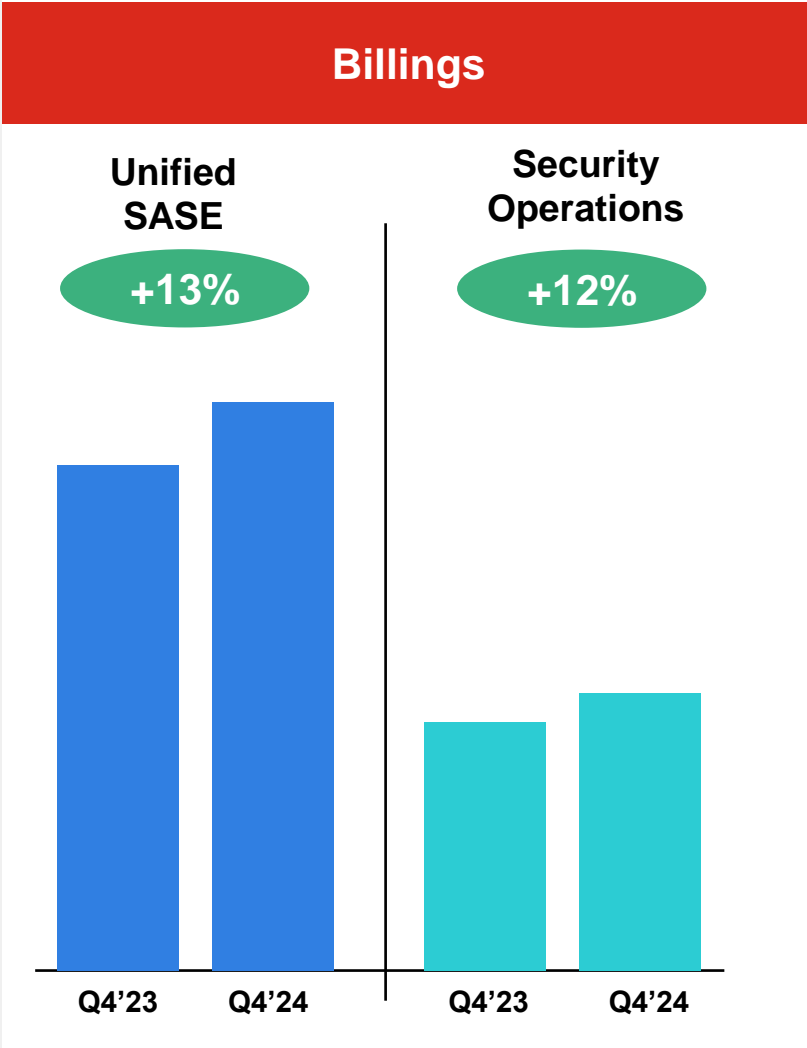
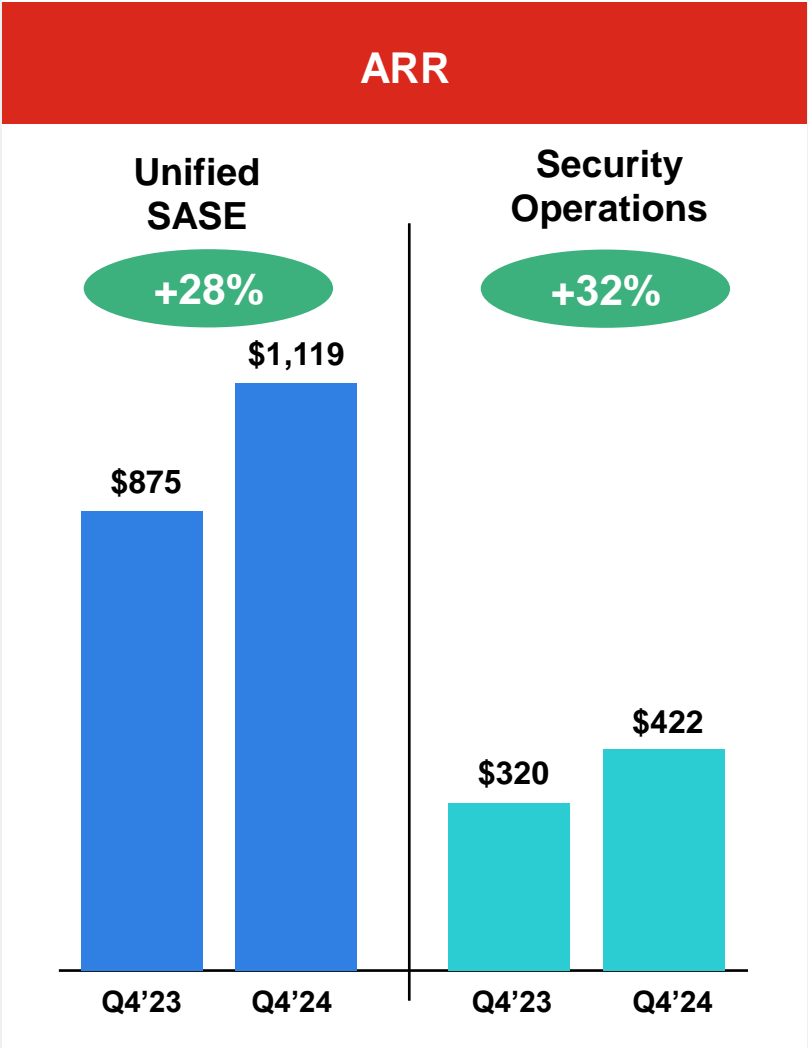
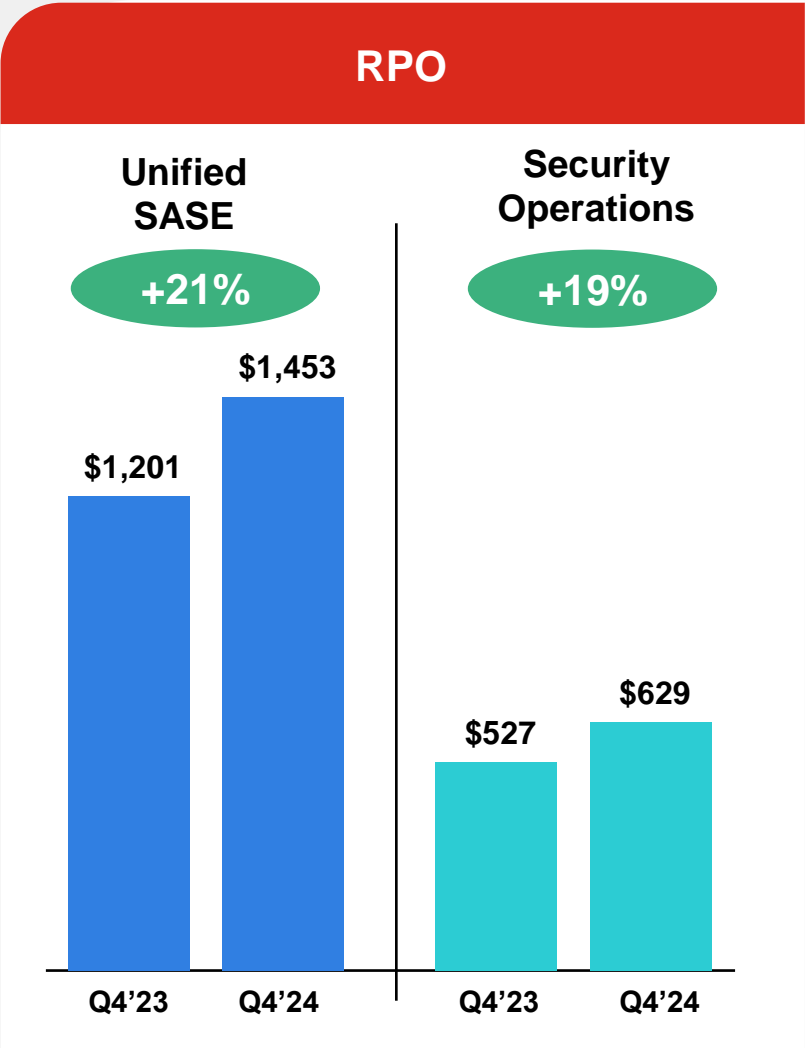
A Large & Growing Total Addressable Market

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



Strong Growth in Unified SASE and Security Operations in Q4'24

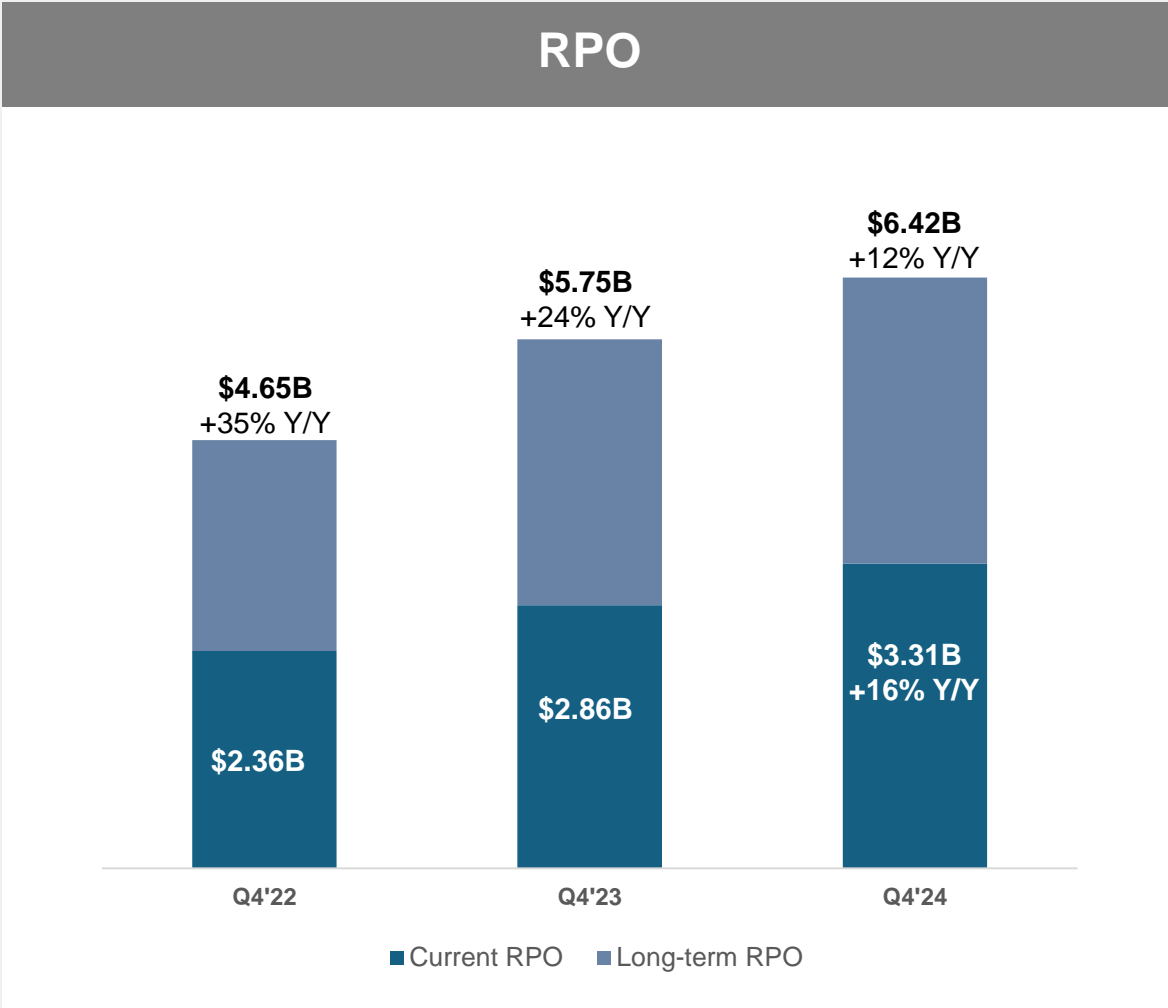
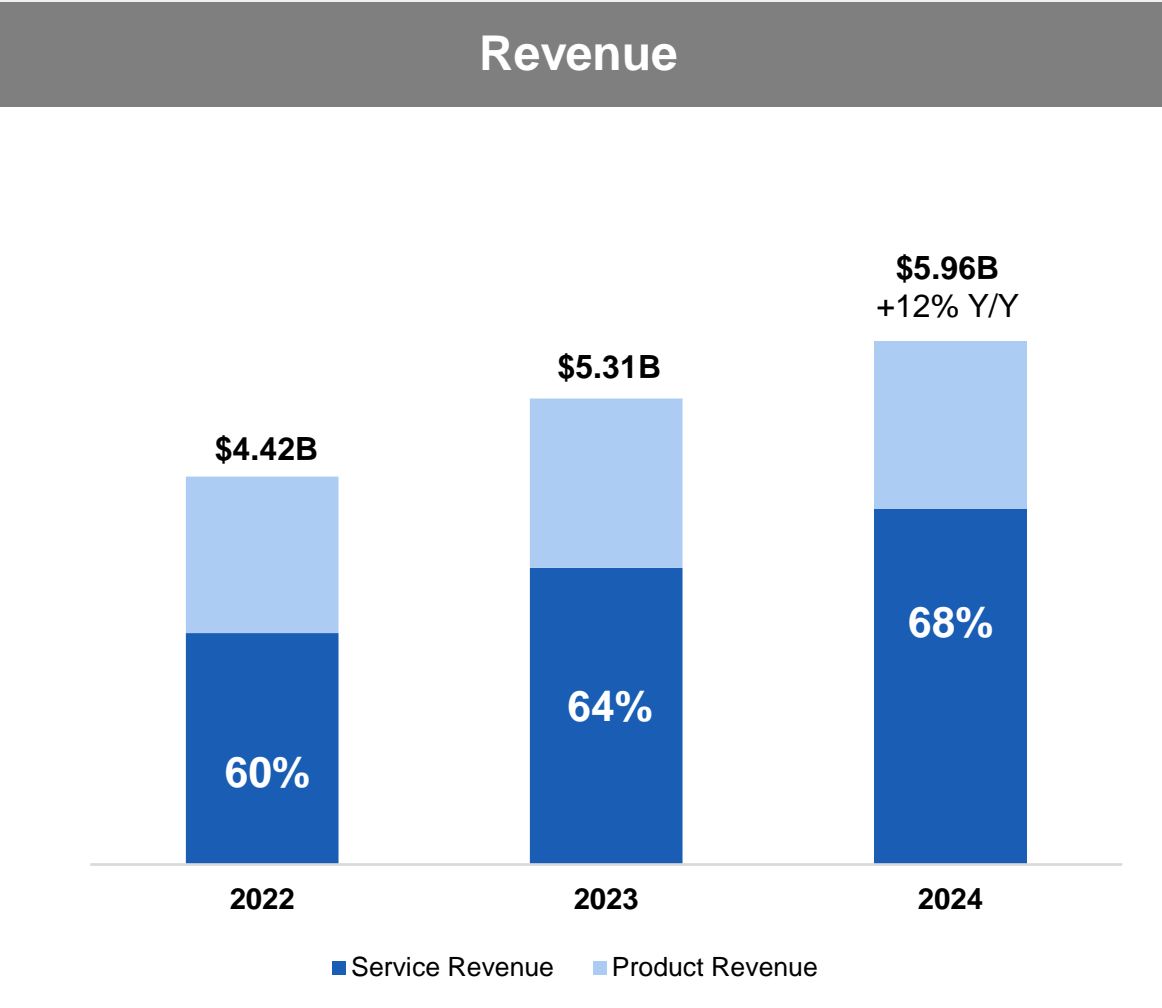
\$ in Millions



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

Revenue Mix Shifts to Higher Margin Service Revenue

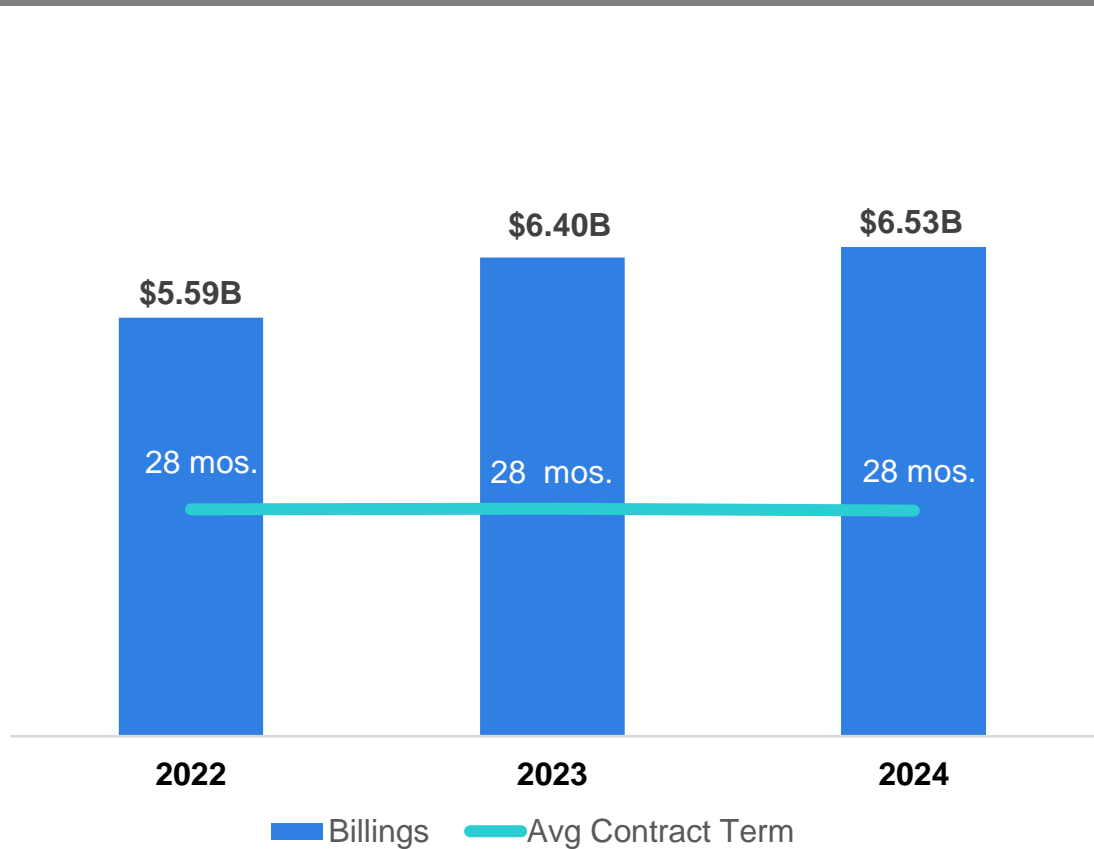
cRPO Growth is 16% YoY



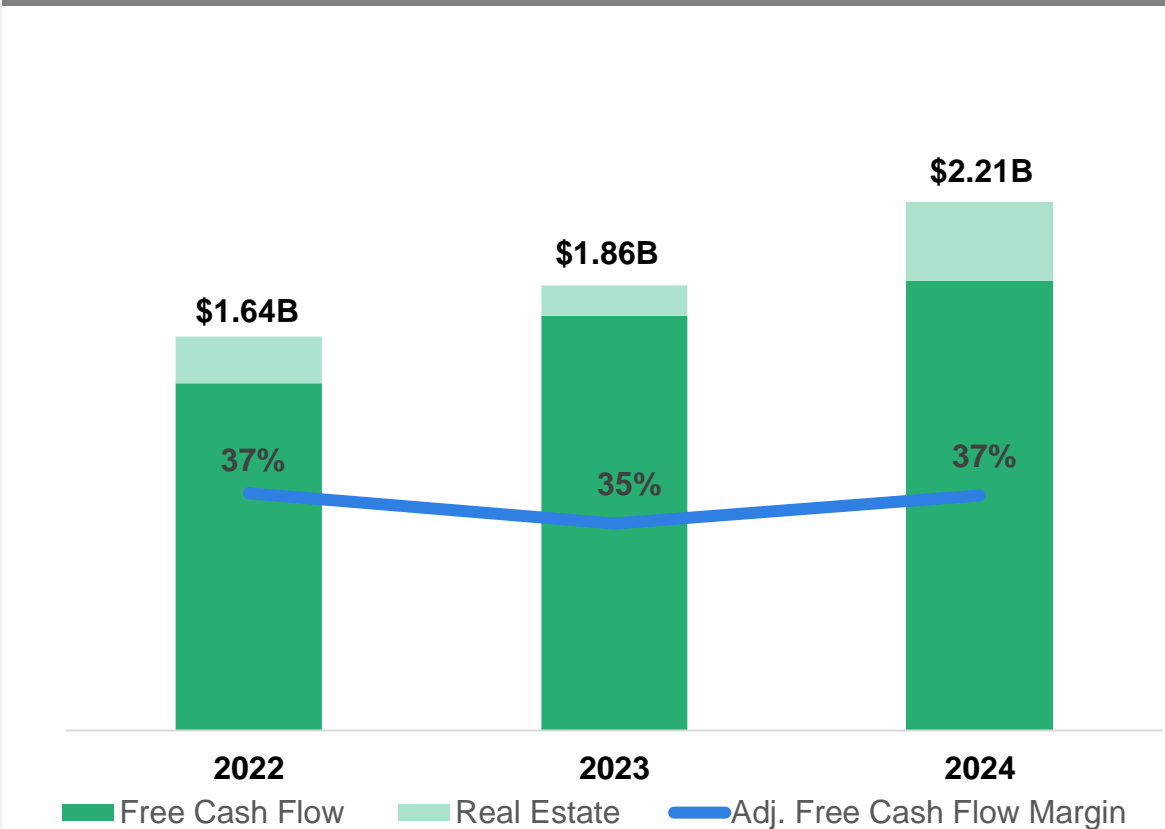
Rich Cash Flow Margins Powering Innovation & S/H Returns

Contract Duration Remains Stable

Total Billings

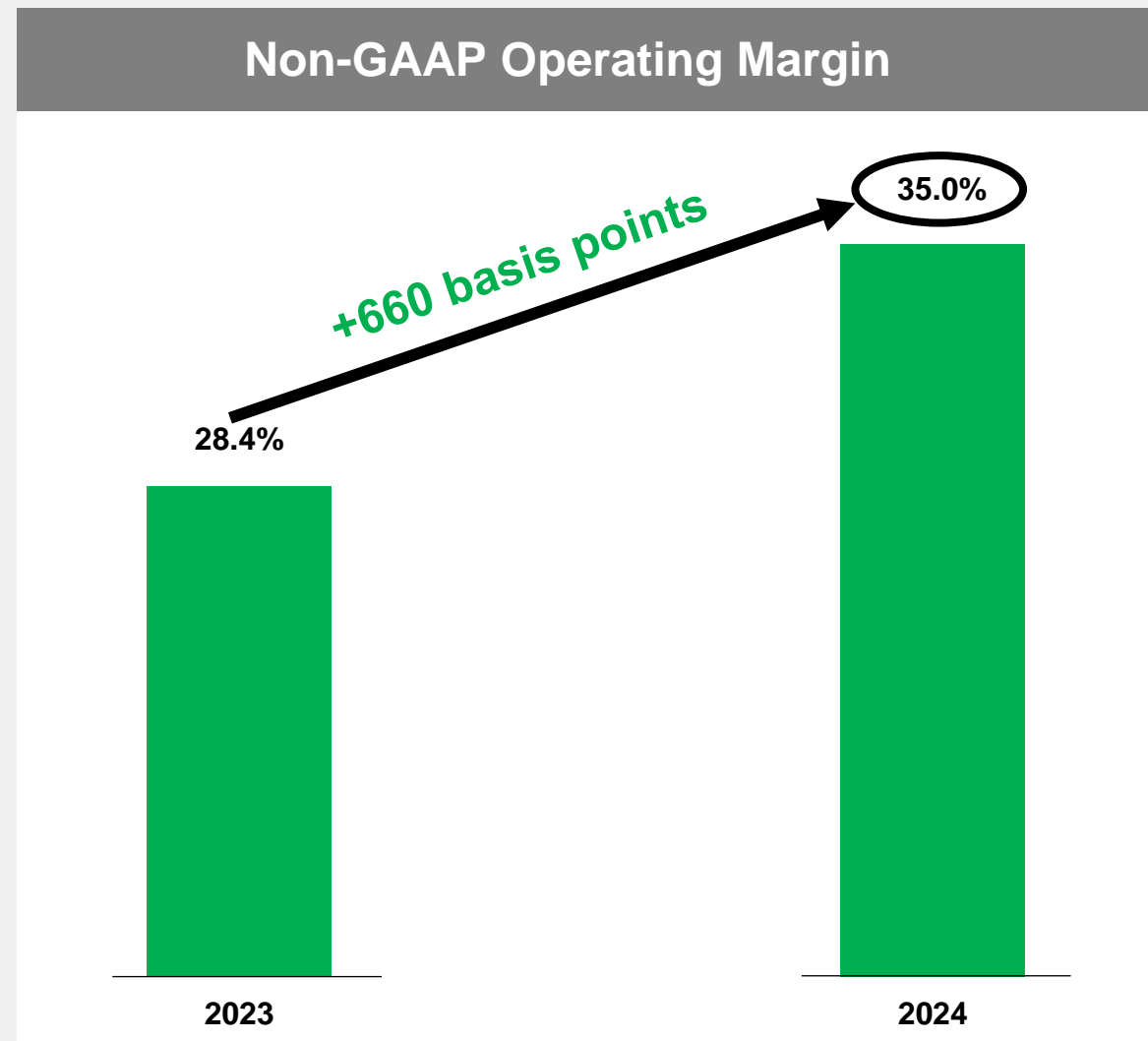
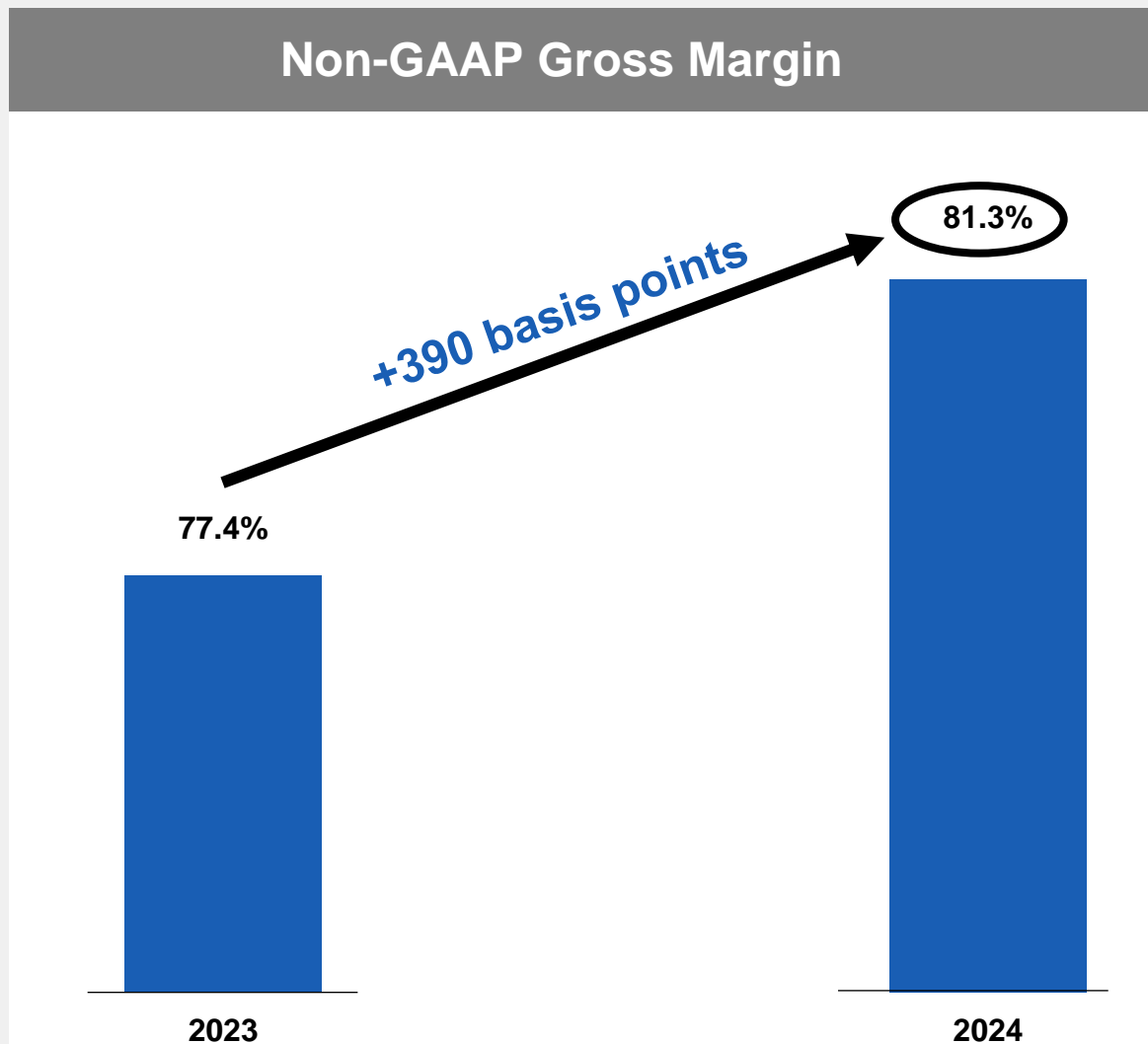


Adj. Free Cash Flow



Note: Total Billings is a non-GAAP financial measure. See Appendix for reconciliation of the non-GAAP financial measure to the most comparable GAAP financial measure.

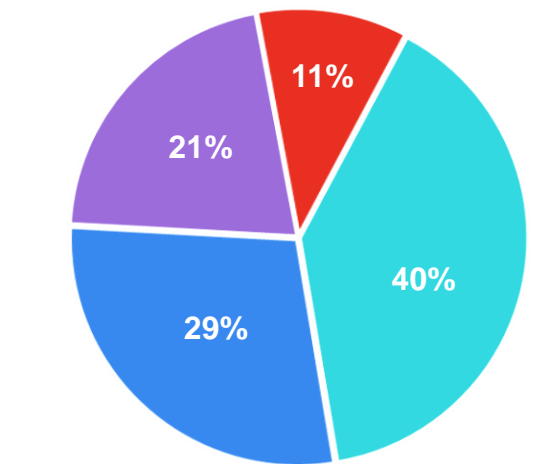
Significantly Expanded Gross & Operating Margins



Highly Diversified Business

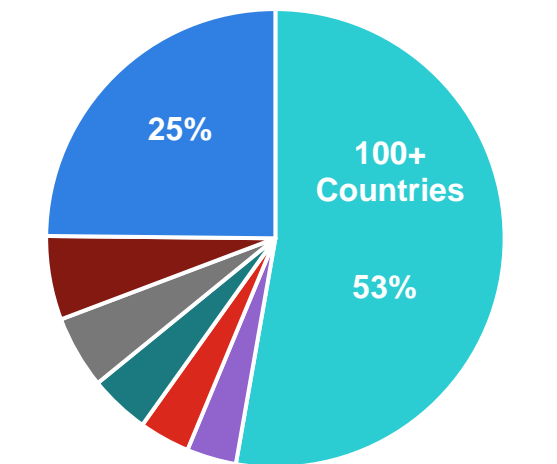
Across Customer Types, Geographies and Industries

Customer Types



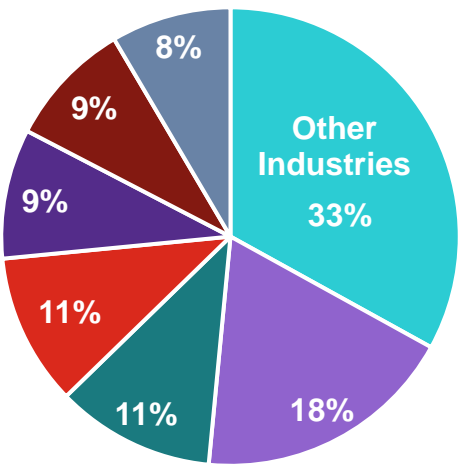
- Large Enterprise
- Mid Enterprise
- Small Enterprise
- SP/MSSP

Geographies



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

Industries



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



35% Increase in Earnings Per Share Due to Share Repurchases

Returned \$6.4 billion to shareholders via share repurchases

Robust Share Buyback Program



\$6.4B

cash returned to shareholders



266M

shares repurchased



35%

increase in EPS due to repurchases

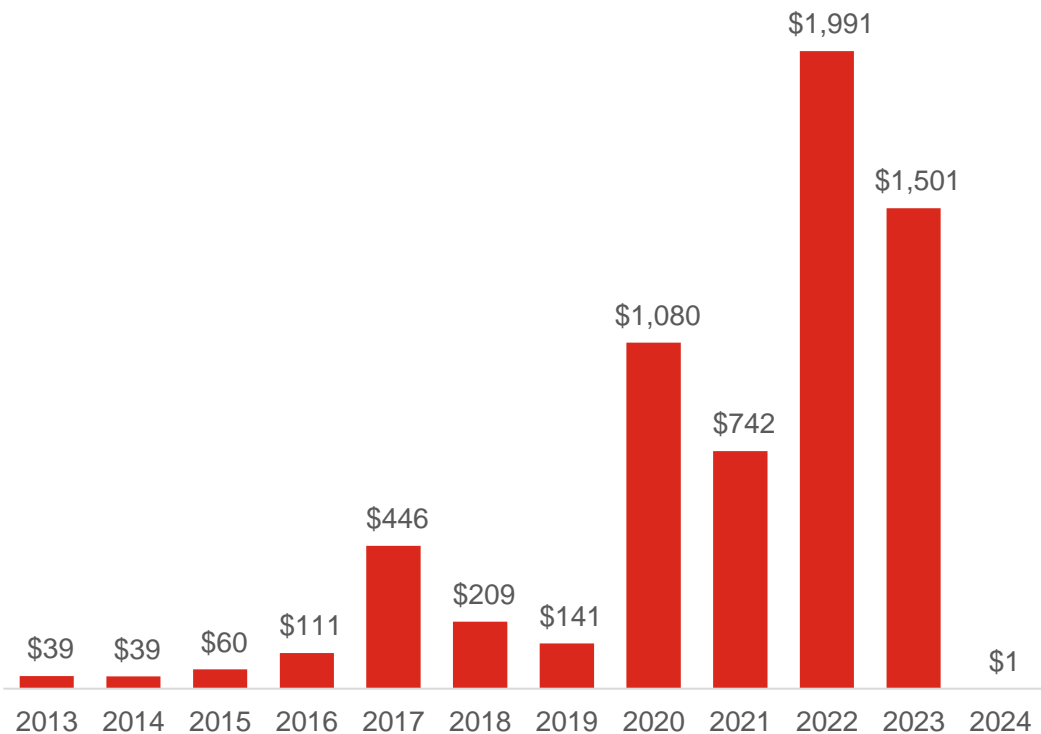


\$2B

buyback authorization remaining¹

Cash Paid for Stock Repurchases

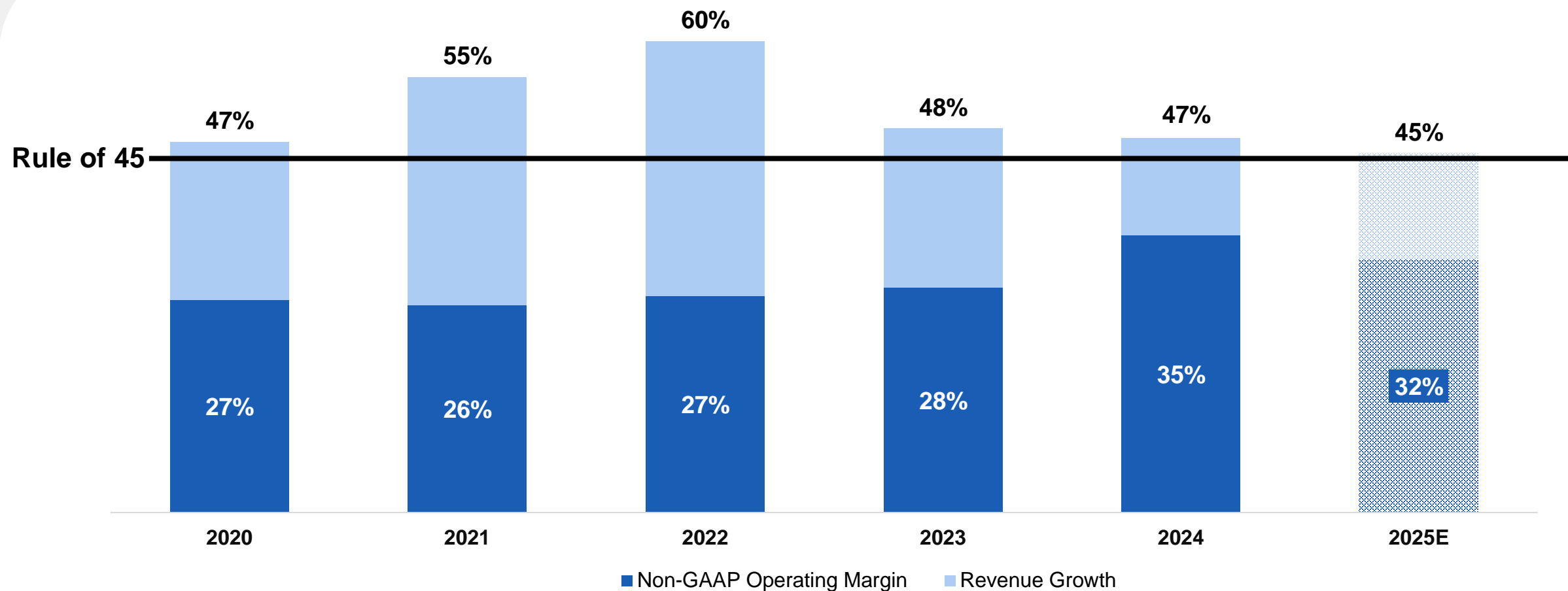
\$ In millions



(1) As of February 6, 2025.

'Rule of 45' — Exceeded 5 Years in a Row

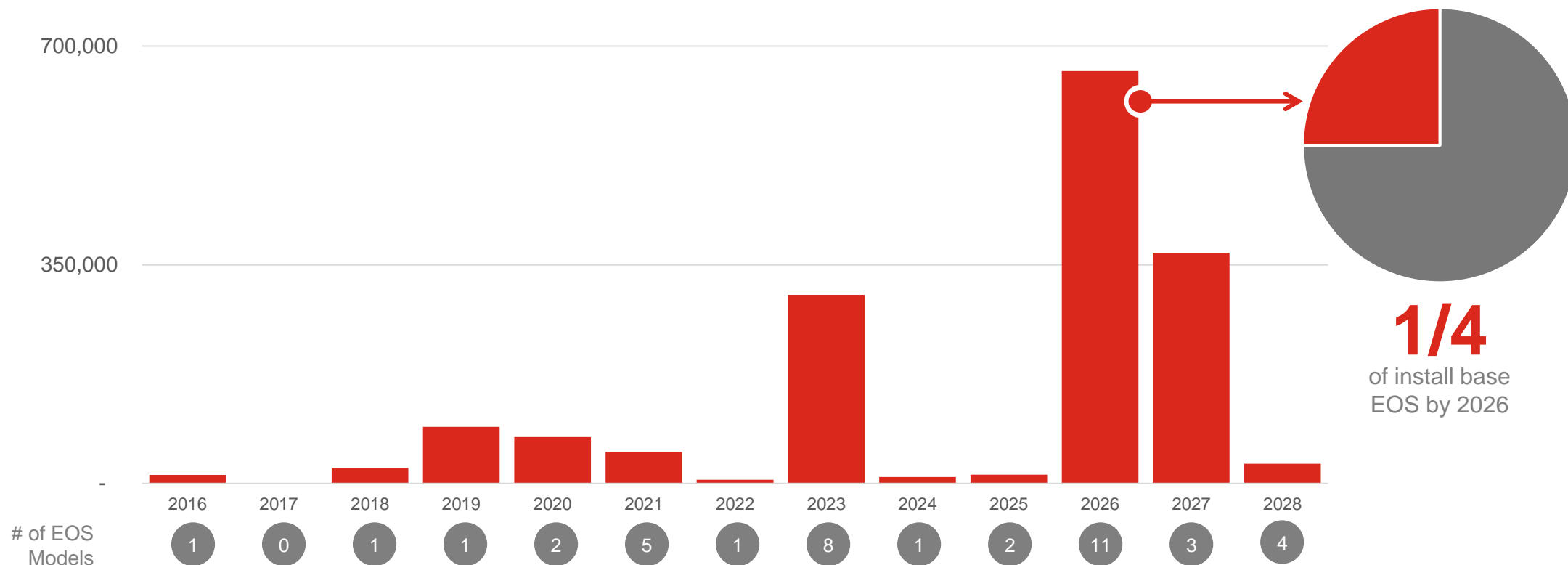
Expect to Achieve the 'Rule of 45' in 2025



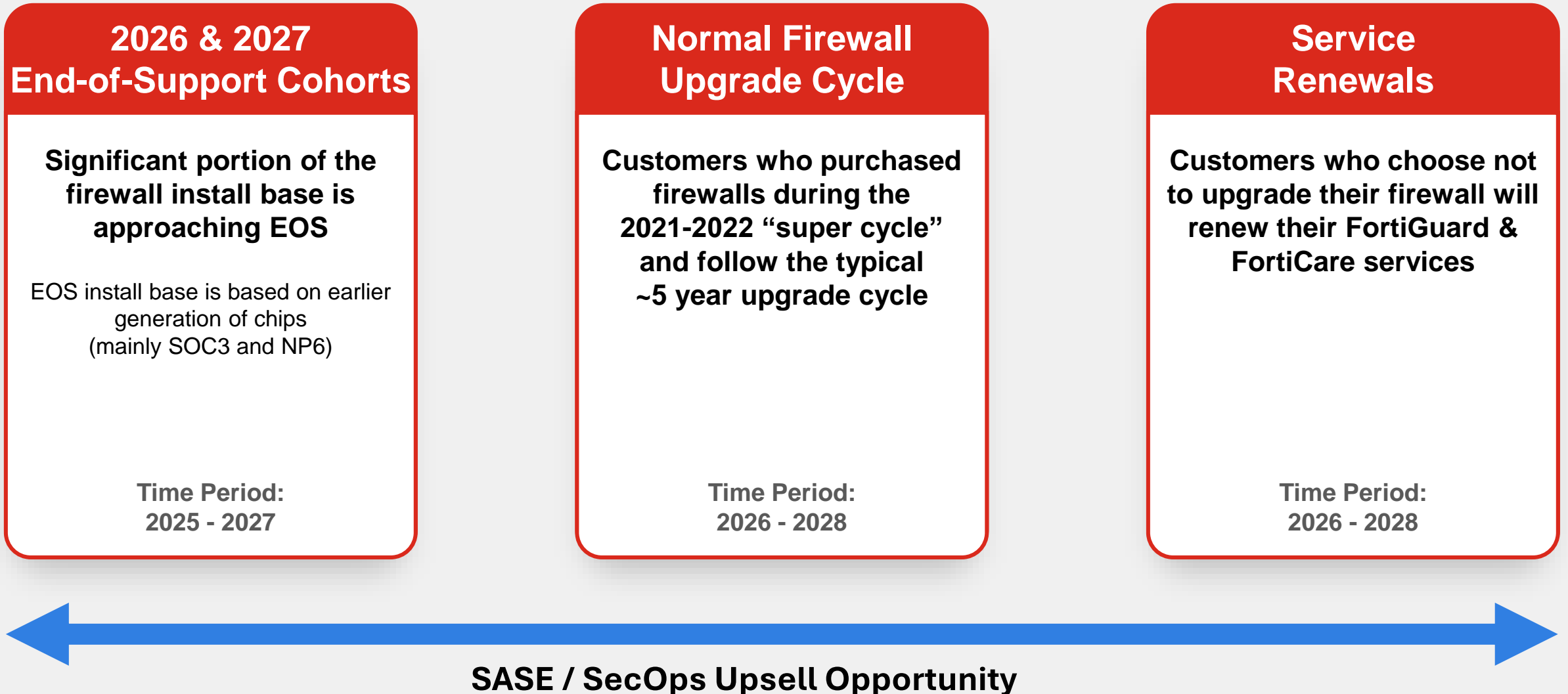
Secure Networking – Upgrade

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

Retiring FortiGate Units



Firewall Upgrade and Upsell Opportunity



Financial Targets

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

	2023	2024	2025E ⁽²⁾	3 – 5 Year ⁽³⁾ Targets
	YoY Growth			
Billings	14%	2%	12%	>12% CAGR <i>Faster than market</i>
Revenue (GAAP)	20%	12%	13%	>12% CAGR <i>Faster than market</i>
Operating Margin	28%	35%	32%	>30%
Rule of 45	48	47	45	45+
Adjusted Free Cash Flow	35%	37%		mid-to-high 30%'s

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

(2) Based on the midpoint of 2025 guidance provided on February 6, 2025.

(3) As presented during our Analyst Day on November 18, 2024.

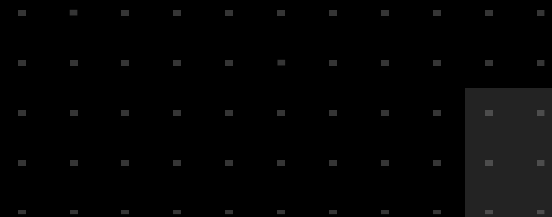
Amounts above are non-GAAP except where GAAP is noted. Our guidance with respect to non-GAAP financial measures excludes stock-based compensation and amortization of acquired intangible assets. We have not reconciled our guidance with respect to non-GAAP financial measures to the corresponding GAAP measures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





FORTINET

Appendix



Fortinet Security Fabric Portfolio

Secure Networking



Network Security



FortiGate
Firewall



FortiGate VM
Virtual Firewall



FortiCNF
Cloud-Native
Firewall



FGaaS
Firewall-as-a-
Service



FortiGate
Rugged NGFW

Enterprise Networking



FortiSwitch
Switching



FortiAIOps
AI For Networking



FortiAP
Access Point



FortiNAC
NAC



FortiSwitch
Rugged Switch



FortiExtender
LTE/5G



FortiAP
Rugged AP



FortiExtender
Rugged Extender



FortiManager
Centralized Management

Unified SASE



Secure Access



FortiSASE
SSE



FortiGate
SD-WAN



FortiClient
ZTNA



FortiProxy
SWG



FortiMonitor
DEM



FortiCASB
CASB

Cloud Security



FortiGate VM
Virtual Firewall



FortiWeb
(WAAP)



FortiGate CNF
Cloud-Native
Firewall



Lacework
FortiCNAPP



FortiADC
Application
Delivery

Security Operations



FortiEDR/XDR
EDR/XDR



FortiNDR
NDR



FortiAnalyzer
Analytics



FortiDeceptor
Deception



FortiSIEM
SIEM



SOCaaS



FortiRecon
DRPS



FortiSOAR
SOAR



MDR Service



FortiAuthenticator
Cloud



FortiSandbox
Sandbox



IR Service



FortiToken
MFA



FortiPAM
PAM



FortiMail
SEG



FortiDLP
DLP



FortiTrust
Identity



Reconciliation of Non-GAAP Results to GAAP Results

\$ in millions	2022	2023	2024
Total revenue	\$4,417.4	\$5,304.8	\$5,955.8
Add change in deferred revenue	1,187.4	\$1,094.7	625.9
Less deferred revenue balance acquired in business acquisition	(10.8)	-	(49.2)
Total billings	\$5,594.0	\$6,399.5	\$6,532.5

\$ in millions	2023	2024
GAAP gross profit	\$4,067.6	\$4,798.2
Stock-based compensation	25.1	27.3
Amortization of acquired intangible assets	14.9	15.6
Non-GAAP gross profit	\$4,107.6	\$4,841.1
Non-GAAP gross margin	77.4%	81.3%



Reconciliation of Non-GAAP Results to GAAP Results

\$ in millions	2020	2021	2022	2023	2024
GAAP research and development expense	\$341.4	\$424.2	\$512.4	\$613.8	\$716.8
Stock-based compensation	(47.6)	(56.7)	(64.2)	(76.8)	(85.9)
Non-GAAP research and development expense	\$293.8	\$367.5	\$448.2	\$537.0	\$630.9

\$ in millions	2020	2021	2022	2023	2024
GAAP operating income	\$531.8	\$650.4	\$969.6	\$1,241.1	\$1,803.4
GAAP operating margin	20%	19%	22%	23%	30%
Stock-based compensation	193.8	211.2	219.8	251.6	260.2
Amortization of acquired intangible assets	13.3	18.5	23.3	18.9	23.1
Litigation related matter	(0.7)	-	-	-	3.2
Gain on IP matter	(40.2)	(4.6)	(4.6)	(4.6)	(4.6)
Non-GAAP operating income	\$698.0	\$875.5	\$1,208.1	\$1,507.0	\$2,085.3
Non-GAAP operating margin	27%	26%	27%	28%	35%



Reconciliation of Non-GAAP Results to GAAP Results

\$ in millions	2022	2023	2024
GAAP Cash Flow from Operations	\$1,730.6	\$1,935.5	\$2,258.1
Less: Purchases of Property and Equipment	(281.2)	(204.1)	(378.9)
Free Cash Flow	\$1,449.4	\$1,731.4	\$1,879.2
Add: Real Estate Related Add Backs	195.1	126.9	328.7
Adjusted Free Cash Flow	\$1,644.5	\$1,858.3	\$2,207.9
Adjusted Free Cash Flow Margin	37%	35%	37%



