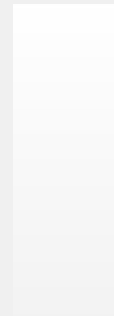
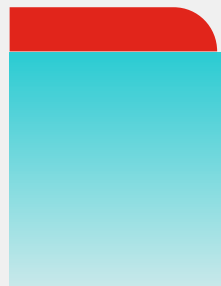


Investor Presentation

March 2022



Safe Harbor Statement

Information, statements and projections contained in these presentation slides concerning Fortinet's business outlook, the first quarter and full year 2022 guidance, and future prospects and expectations are forward-looking statements that involve risks and uncertainties. These forward-looking statements include statements regarding demand for our products and services, guidance and expectations around future financial results, including guidance and expectations for the first quarter and full year 2022, statements regarding the momentum in our business and future growth expectations, and statements regarding our robust pipeline, market opportunity and market size, strong business momentum, and expectations of several more years of solid growth. Although we attempt to be accurate in making forward looking statements, it is possible that future circumstances might differ from the assumptions on which such statements are based such that actual results are materially different from our forward-looking statements in these presentation slides. Important factors that could cause results to differ materially from the statements herein include the following: general economic risks, including those caused by the COVID-19 pandemic; significantly heightened supply chain challenges due to the current global environment; negative impacts from the COVID-19 pandemic on sales, billings, revenue, demand and buying patterns, component supply and ability to manufacture products to meet demand in a timely fashion, and costs such as possible increased costs for shipping and components; global economic conditions, country-specific economic conditions, and foreign currency risks; competitiveness in the security market; the dynamic nature of the security market and its products and services; specific economic risks worldwide and in different geographies, and among different customer segments; uncertainty regarding demand and increased business and renewals from existing customers; uncertainties around continued success in sales growth and market share gains; uncertainties in market opportunities and the market size; actual or perceived vulnerabilities in our supply chain, products or services, and any actual or perceived breach of our network or our customers' networks; longer sales cycles, particularly for larger enterprise, service providers, government and other large organization customers; the effectiveness of our salesforce and failure to convert sales pipeline into final sales; risks associated with successful implementation of multiple integrated software products and other product functionality risks; risks associated with integrating acquisitions and changes in circumstances and plans associated therewith, including, among other risks, changes in plans related to product and services integrations, product and services plans and sales strategies; sales and marketing execution risks; execution risks around new product development and introductions and innovation; litigation and disputes and the potential cost, distraction and damage to sales and reputation caused thereby or by other factors; cybersecurity threats, breaches and other disruptions; market acceptance of new products and services; the ability to attract and retain personnel; changes in strategy; risks associated with management of growth; lengthy sales and implementation cycles, particularly in larger organizations; technological changes that make our products and services less competitive; risks associated with the adoption of, and demand for, our products and services in general and by specific customer segments, including those caused by the COVID-19 pandemic; competition and pricing pressure; product inventory shortages for any reason, including those caused by the COVID-19 pandemic; risks associated with business disruption caused by natural disasters and health emergencies such as earthquakes, fires, power outages, typhoons, floods, health epidemics and viruses such as the COVID-19 pandemic, and by manmade events such as civil unrest, labor disruption, international trade disputes, international conflicts, terrorism, wars, and critical infrastructure attacks; tariffs, trade disputes and other trade barriers, and negative impact on sales based on geo-political dynamics and disputes and protectionist policies; any political and government disruption around the world, including the impact of any future shutdowns of the U.S. government; and the other risk factors set forth from time to time in our most recent Annual Report on Form 10-K, our most recent Quarterly Report on Form 10-Q and our other filings with the Securities and Exchange Commission (SEC), copies of which are available free of charge at the SEC's website at www.sec.gov or upon request from our investor relations department. All forward-looking statements herein reflect our opinions only as of the date of these presentation slides, and we undertake no obligation, and expressly disclaim any obligation, to update forward-looking statements herein in light of new information or future events.



Fortinet is the Only Pure Play Cybersecurity Company in Both the S&P 500 and Nasdaq 100

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

2 **Proprietary ASIC technology and an integrated fabric platform** lead to security anywhere in any form factor, driving growth into new markets

3 **Business model is highly diversified** across geographies, customer segments, and industry verticals

4 **Recurring, high margin services revenue** contributes to 'software-like' gross margins and sustainable free cash flow generation



Who We Are

20+ Years of Strong Growth

>\$50B Market Cap ⁽¹⁾
Nasdaq: FTNT

Top 5 Performing S&P 500 Stock in 2021

>\$5.4B (+30% y/y)
2022E Billings ⁽²⁾

'22E Revenue of ~\$4.3B (+29% y/y) ⁽²⁾

>\$1.2B
2021 Free Cash Flow ⁽³⁾

36% Free Cash Flow Margin in 2021

~75%
Gross Margin ⁽³⁾

Recurring Service Revenues

~25%
Operating Margin ⁽³⁾

Balanced Growth and Profitability

BBB+ & Baa1
Investment Grade Rating

Leading the Cybersecurity Industry

8 Appearances
in Gartner Magic Quadrants

Leader in Network Firewalls & WAN Edge

>35%
Global Firewall Shipments ⁽⁴⁾

Most Deployed Network Security

1,255
Issued Global Patents

Industry Innovator

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



Note: Data is as of December 31, 2021 unless otherwise noted.

(1) As of February 28, 2022.

(2) Based on the midpoint of 2022 guidance provided on February 3, 2022.

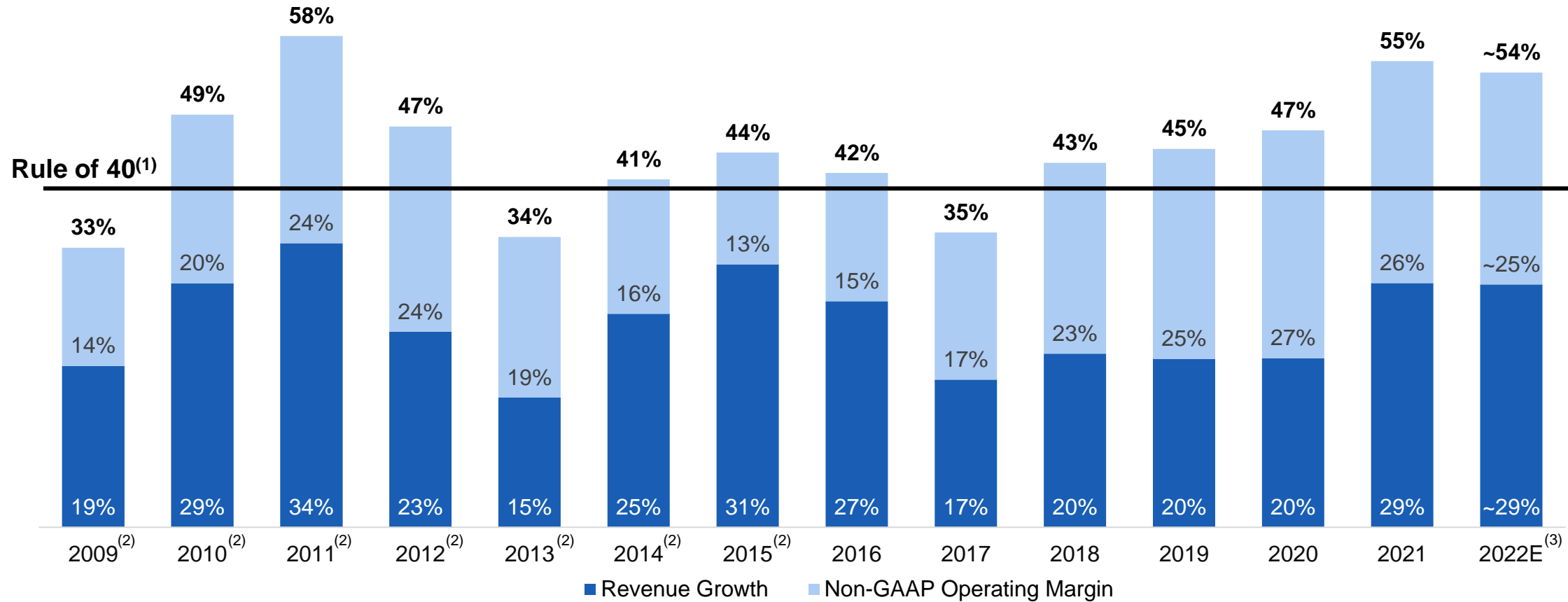
(3) Gross Margin, Operating Margin and Free Cash Flow are a non-GAAP financial measures. See Appendix for reconciliation of the non-GAAP financial measures to the most comparable GAAP financial measures.

(4) IDC Worldwide Quarterly Security Appliance Tracker, February 2022 (based on annual unit shipments of Firewall, UTM and VPN appliances).

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Consistent Execution — ‘Rule of 40’ Since 2009 IPO

Achieved ‘Rule of 40’ 10 years out of the past 13 years and expect to achieve ‘Rule of 50’ in 2022



Note: Fortinet's IPO was on November 18, 2009.

(1) Fortinet defines the Rule of 40 and Rule of 50 as GAAP revenue Y/Y growth plus Non-GAAP Operating Margin. See Appendix for reconciliation of the non-GAAP financial measures to the most comparable GAAP financial measures.

(2) 2009-2015 have not been adjusted for an immaterial error related to the commencement of revenue recognition for certain FortiCare support service contracts.

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

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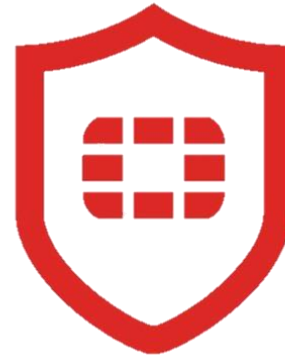
Fortinet Secures Devices and Data Across Networks, Endpoints and Clouds

FortiGate & Security Fabric Platform



Hardware and software spanning a wide set of network security functions

FortiGuard Security Services



Global research team identifies and develops security solutions leveraging AI and automation

FortiCare Technical Support Services



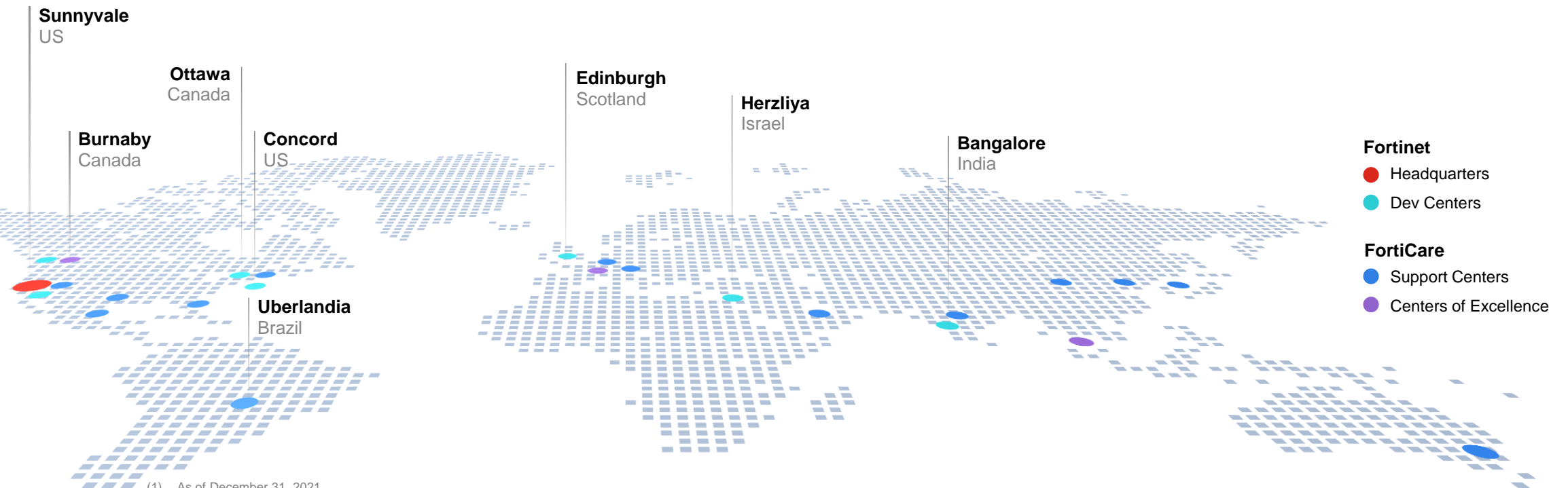
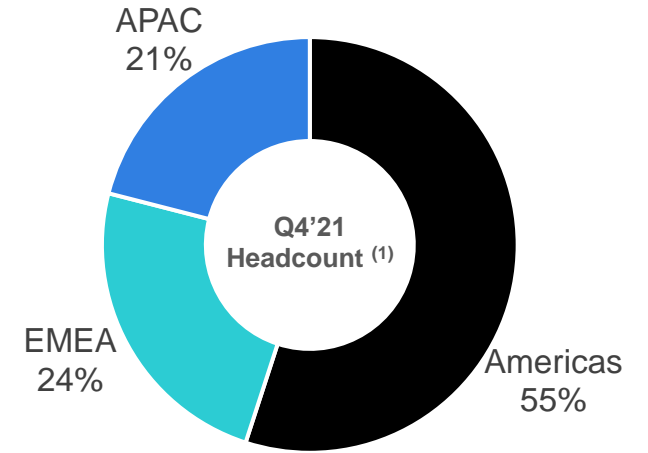
24/7/365 support and maintenance services



Fortinet's Broad Global Footprint

10,000+
Employees

Global Leader

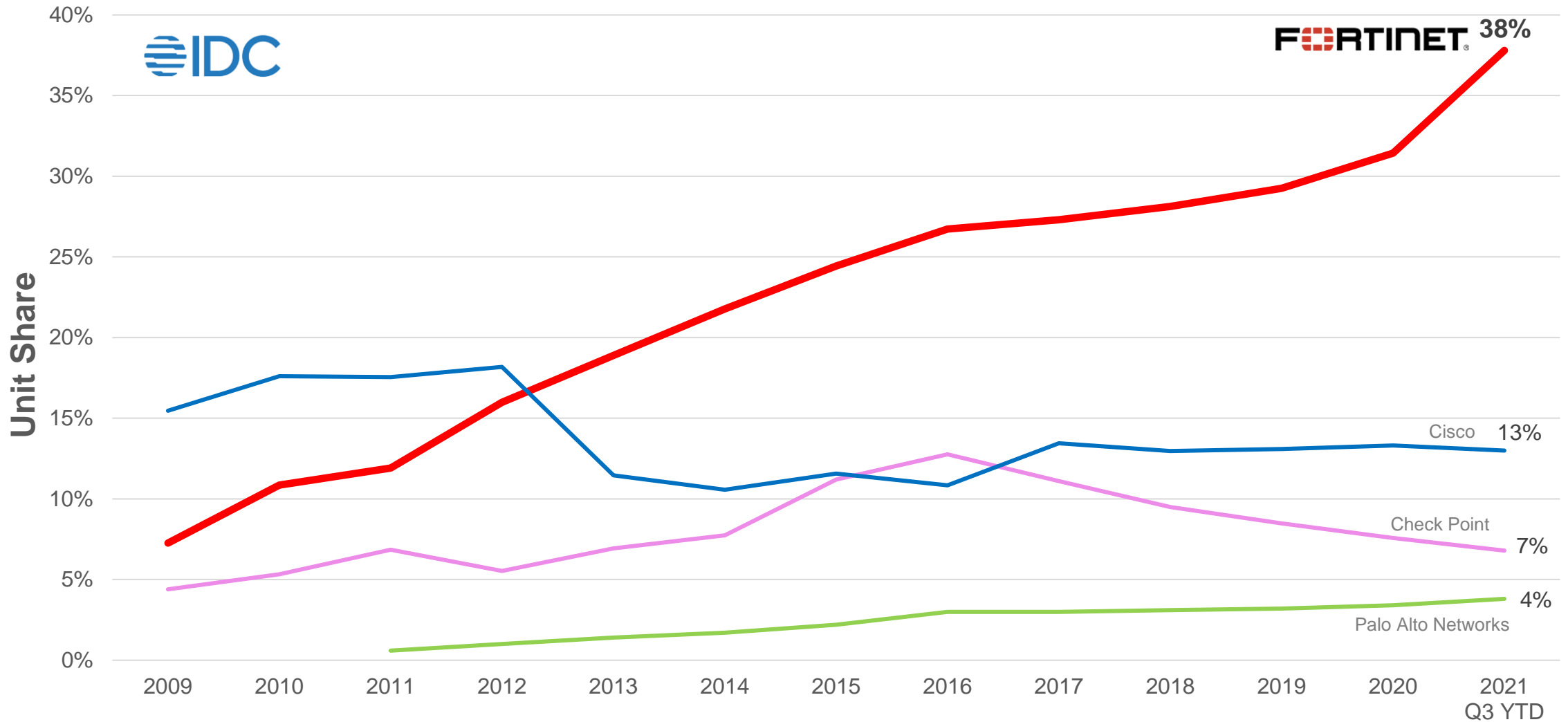


(1) As of December 31, 2021.



Fortinet – The Most Deployed Network Security Solution

Over One-Third of All Firewall Shipments



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Source: IDC Worldwide Security Appliance Tracker, February 2022 (based on annual unit shipments of Firewall, UTM, and VPN appliances).

Fortinet's CSR Journey Towards a Digital World



Carbon Neutral

by 2030*



1 Million Trained

in Cybersecurity by 2026

Innovating for a Safe Internet	Cybersecurity Risks to Society	Information Security and Privacy
Growing an Inclusive Cybersecurity Workforce	Diversity, Equity and Inclusion	Cybersecurity Skills Gap
Promoting Responsible Business	Business Ethics	Responsible Product Use
Respecting the Environment	Product Environmental Impacts	Climate Change

* Target relative to Scope 1 and 2 emissions resulting from our owned facilities worldwide, in alignment with the Science Based Target Initiative (SBTI)



Fortinet's CSR Impact

Named one of the 100 Best ESG Companies of 2021 by Investor's Business Daily



Environment

- [Corporate HQ Winner](#) of Silicon Valley Business Journal Structures Awards
- Corporate HQ on track for **LEED Gold certification. Overall energy usage 30% lower** than standard office building
- Corporate HQ solar panels makes the site **net-zero energy and net-zero carbon**
- **All** North American facilities run on renewable electricity
- **Measured Scope 1 and 2** carbon emissions.
- [Announced Commitment to Become Carbon Neutral by 2030](#) in alignment with Science Based Targets Initiatives (SBTi)
- Product **energy efficiency is 3X to 16X higher** than competition
- Fortinet **Environmental Policy**



Social

- Published Inaugural [Diversity and Inclusion Report](#) in 2021
- Published [2020 EEO-1 Consolidated Employer Information Report](#)
- [Pledge](#) to **train 1 Million people** to help close the **cybersecurity skills Gap**
- Established an [Education Outreach Program](#) to drive a diverse cyber workforce
- **Free** self-paced [training courses](#)
- Fortinet's cybersecurity curriculum part of the IBM [SkillsBuild Program](#) & [Cyber Security Learning Hub](#) in partnership with Salesforce and the WEF
- Partnered with Linksys to close the [homework gap](#)
- Publication of two books: [Children's book](#) to educate on Internet Security and [guide for cyber leaders](#) to improve cybersecurity strategies and foster diverse cyber talent



Governance

- **Social Responsibility Committee of the Board of Directors** to promote long-term value for stakeholders.
- Amended bylaws to **add annual election of all directors** and allow shareholders to **call a special meeting**
- Added the ability for **shareholders to place nominees for directors on the proxy ballot** ("proxy access")
- Board of Directors is **>50% racially diverse** and **33% gender diverse**
- **Business Ethics:** Screening 100% of new vendors from high-risk areas/countries and 100% of the Contract Manufacturers of Fortinet end products



Seasoned Management Team With 20+ Years Average Experience



Ken Xie

*Chairman of the Board and CEO
25+ years of experience
20+ years with Fortinet (Founder)*



Michael Xie

*President and CTO
25+ years of experience
20+ years with Fortinet*



Keith Jensen

*CFO & CAO
30+ years of experience
7 years with Fortinet*



Patrice Perche

*CRO & EVP Support
30+ years of experience
17 years with Fortinet*



John Maddison

*CMO and EVP, Products
30+ years of experience
9 years with Fortinet*



Ana Pease

*VP, Talent Management
and Operations
18+ years of experience
4 years with Fortinet*



John Whittle

*EVP, Corporate Development
& General Counsel
25+ years of experience
15 years with Fortinet*



Sandra Wheatley

*Senior VP, Marketing
and Threat Intelligence
20+ years of experience
6 years with Fortinet*



Peter Salkowski

*VP, Investor Relations
20+ years of experience
4 years with Fortinet*





Industry Growth Drivers

- Total Addressable Market
- Long Term Strategic Trends / Industry Drivers



A Large and Growing TAM: \$174B+ by 2025

2021: \$121B, 4-YR CAGR = ~10%

Networking and Network Security

\$86B

5G Network Firewall
Switching Web (SASE)
NPMD (NOC) Wireless
SD-WAN IDPS

Endpoint Security & Security Ops

\$38B

Threat Intel
SOAR SIEM
Endpoint

Identity & IoT/OT Security

\$25B

VPN ZTNA
IoT/OT NAC
IAM

Cloud Security

\$25B

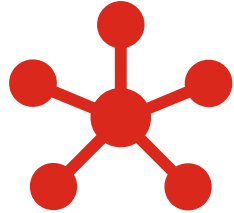
WAF ADC
CWPP SEG
CASB



Long Term Strategic Trends / Industry Drivers

Security Spending Increasing as a % of Total IT Budgets

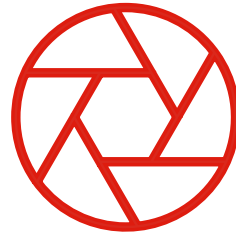
Convergence / Security-Driven Networking



Networking and Security Converging

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

Vendor Consolidation



Reducing Complexity

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

Heightened Awareness



Expanding Attack Surfaces

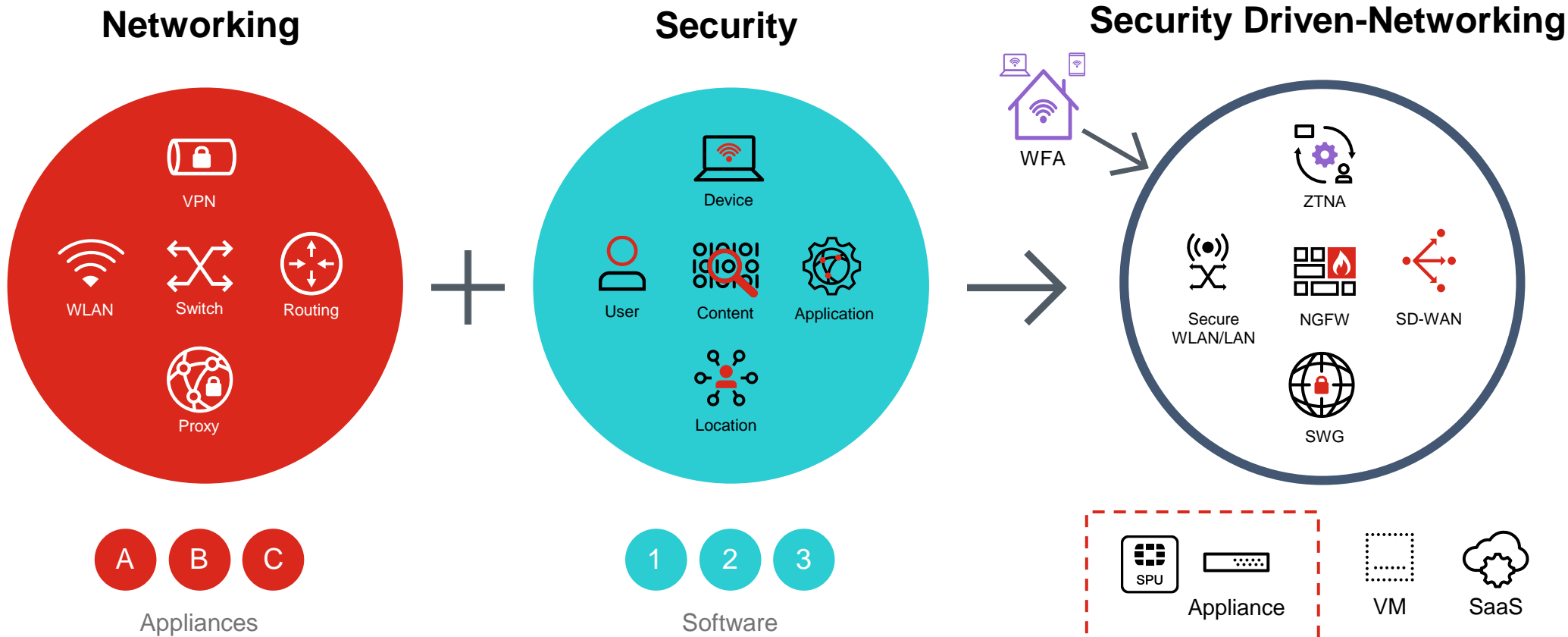
- Ransomware / high profile attacks
 - Colonial pipeline
 - Robinhood
 - Log4j
- Work from anywhere
- Regulatory / compliance responsibilities



Convergence of Networking and Security

Security-Driven Networking

Traditional networking lacks awareness of content, applications, users, devices, location and more. A security-driven networking approach converges networking and security into a single, accelerated solution. A specially designed operating system and security processors work in concert to greatly improve network performance and security posture while decreasing footprint and power consumption.

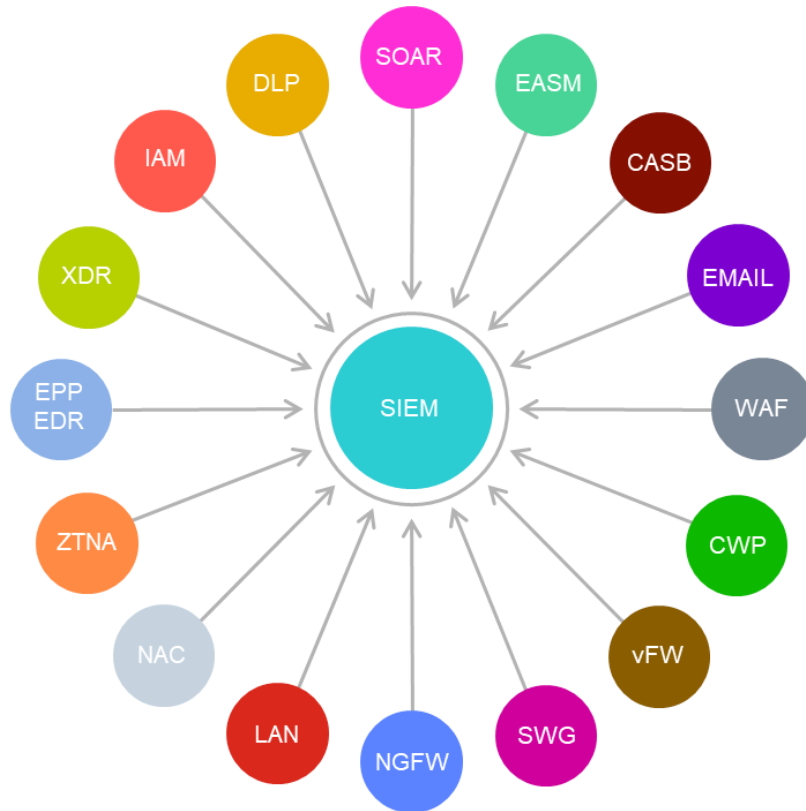


Consolidation of Security Point Product Vendors

Gartner Cybersecurity MESH Architecture (CSMA)

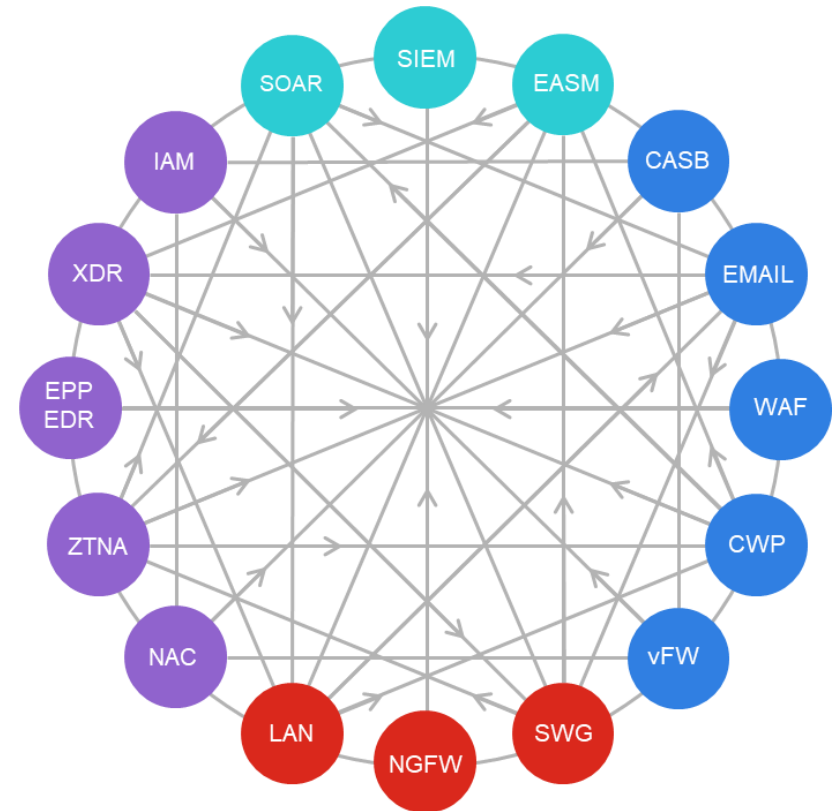
Cybersecurity has traditionally been deployed one solution at a time and was not designed to work well with other deployed solutions while increasing management complexity. A platform approach consolidates point products into a cybersecurity platform, allowing for much tighter integration, increased automation, and a more rapid, coordinated, and effective response to threats across the network.

Cybersecurity Point Products



20 Vendors

Cybersecurity Platform Approach



4-6 Platforms



Cyberattacks are on the Rise

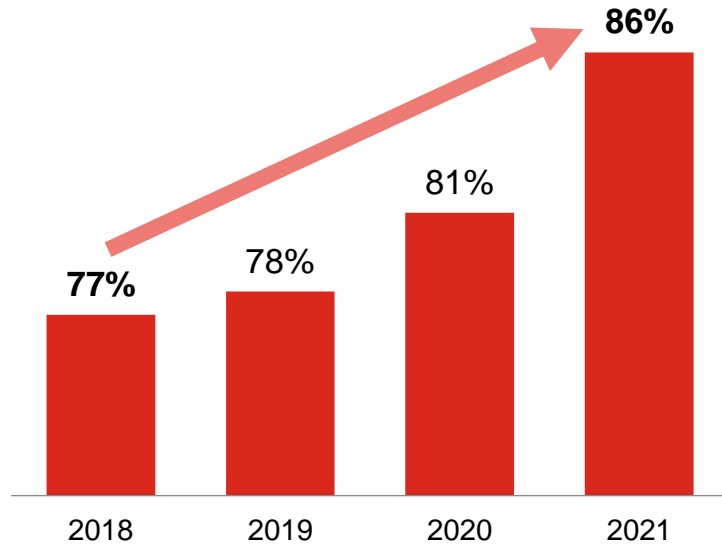
\$9M

Average total data breach costs per incident in the U.S. ⁽¹⁾

87%

of organizations are experiencing a shortfall of skilled IT security personnel

% Of Organizations Compromised by at Least One Successful Cyberattack



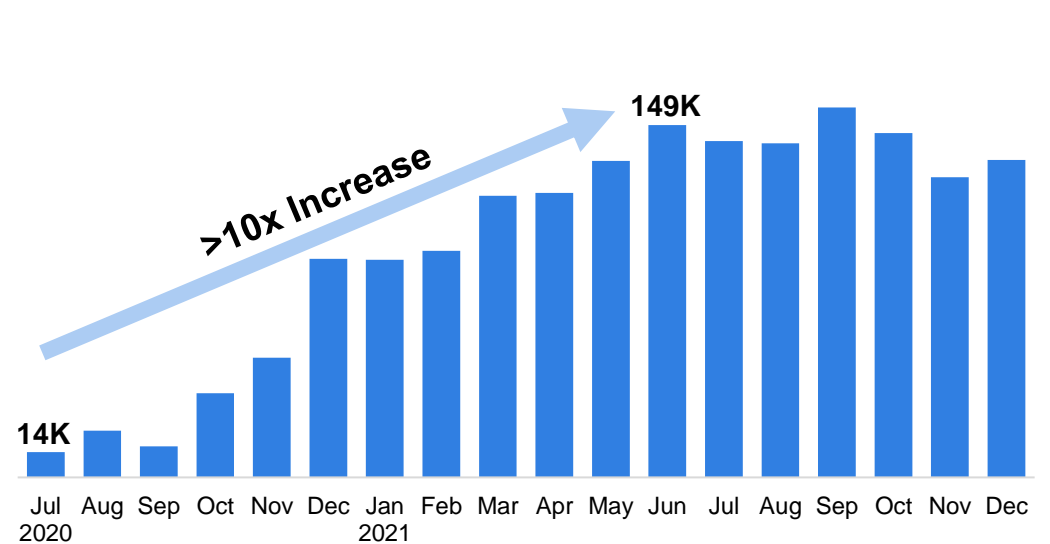
\$1.2M

Average ransom demand, up 170% from H1'20 ⁽²⁾

69%

of organizations were compromised by ransomware

Unique Ransomware Detections Remain Elevated ⁽³⁾
Weekly Average by Month



Source: 2021 Cyberthreat Defense Report, CyberEdge Group, LLC, unless otherwise noted
⁽¹⁾ IBM Cost of a Data Breach Report 2021
⁽²⁾ Coalition Cyber Insurance Claims Report, H1 2021
⁽³⁾ Weekly Average by Month of Unique Ransomware Detections, Fortinet Global Threat Landscape Report, February 2022



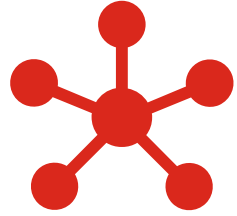
Fortinet Growth Drivers

- Fortinet Growth Drivers
- Fortinet's OS and ASIC Advantage
- Magic Quadrants
- Fortinet Technology Vision
- Industry Consolidation
- Moving Up Market into Enterprise / G2000



Fortinet Growth Drivers

Security-Driven Networking



Networking and Security Converging

- Network infrastructure changes
- Micro-segmentation
- Edge / Cloud networking

Vendor Consolidation



Reducing Complexity

- Security Fabric platform / hybrid cloud
- FortiOS / ASIC technology
- Increased presence with Global 2000
- Proprietary technology lowers TCO

Heightened Awareness



Expanding Attack Surfaces

- Ransomware / high profile attacks
- Work from anywhere
- Regulatory / compliance responsibilities

Increased Investments



Investments to Support Growth

- Increased sales, marketing and channel investments
- R&D investments support organic growth



Hardware-based



Software-based



Security
Anywhere in
Any Form
Factor

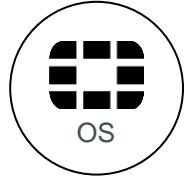


Lower TCO &
Vendor
Consolidation



Fortinet's OS and ASIC Advantage

FortiOS 7.0



FortiOS is the foundation of the Fortinet Security Fabric, consolidating many technologies and use cases into a simplified, single policy and management framework.

System-on-a-Chip 4 (SoC4)



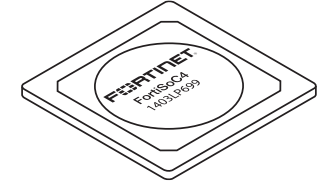
The System-on-a-Chip consolidates network and content processing, delivering fast application identification, steering, and overlay performance.

Content Processor 9 (CP9)

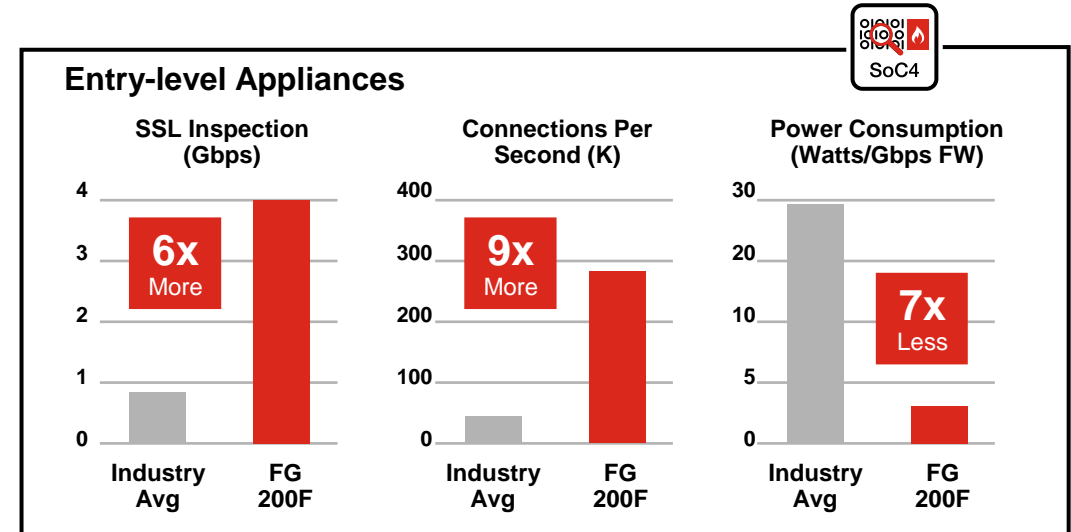
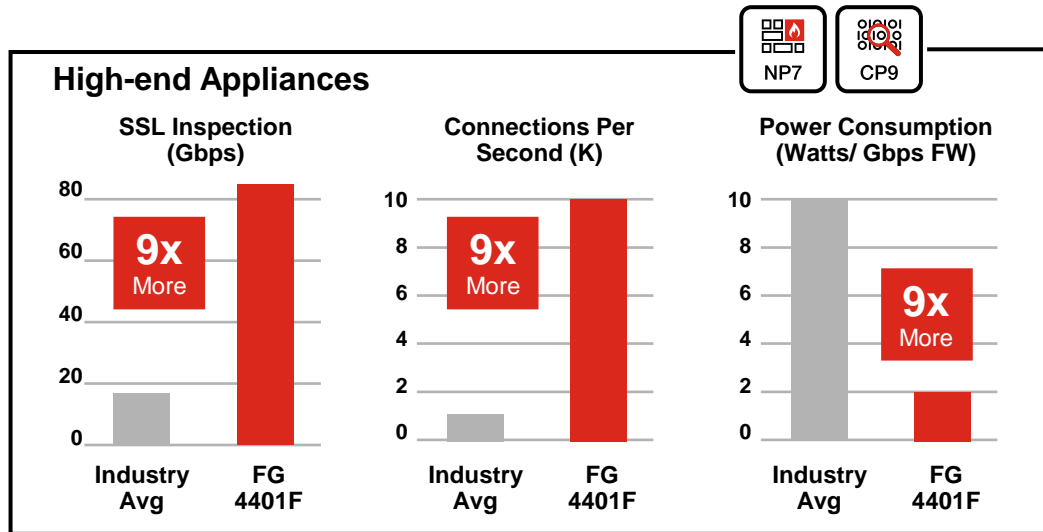


As a co-processor to the main CPU, Content Processors offload resource-intensive processing and drive content inspection to accelerate security functions.

Network Processor 7 (NP7)



Network Processors operate in-line to deliver unmatched performance for network functions and hyperscale for stateful firewall functions.



Fortinet Appears in 8 Gartner Magic Quadrants

Gartner

FORRESTER

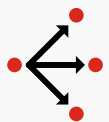
IDC
Analyze the Future

FROST & SULLIVAN

Recognized as a Leader in **2 Magic Quadrants**



Network Firewalls



WAN Edge Infrastructure

Recognized as a Visionary in **2 Magic Quadrants**



Wired and WLAN



SIEM

Recognized as a Challenger/Niche in **2 Magic Quadrants**



Web Application Firewall



Endpoint Protection Platforms

Mentioned in **2 Magic Quadrants**



Secure Web Gateway



Indoor Location Services

Listed in **8 Market Guides**



EDR



Email



NDR



OT



IDPS



NAC



ZTNA



SOAR

Positioned as Strong Performer in 'The Forrester Wave™: Industrial Control Systems (ICS) Security Solutions



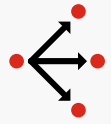
ICS

Recognized as a leader in the IDC MarketScope for Worldwide SD-WAN Infrastructure



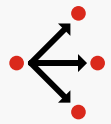
WAN Edge Infrastructure

Recognized as one of the top SD-WAN vendors



WAN Edge Infrastructure

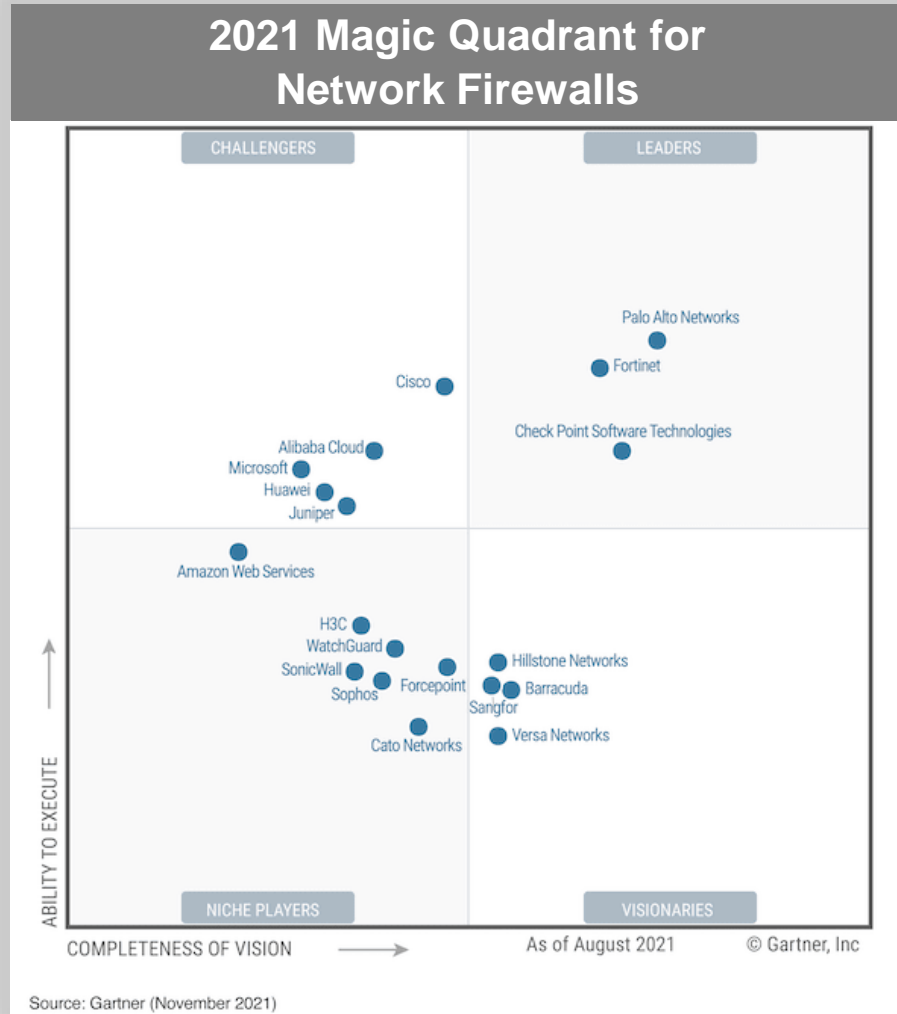
Received Global SD-WAN Vendor Product Leadership Award



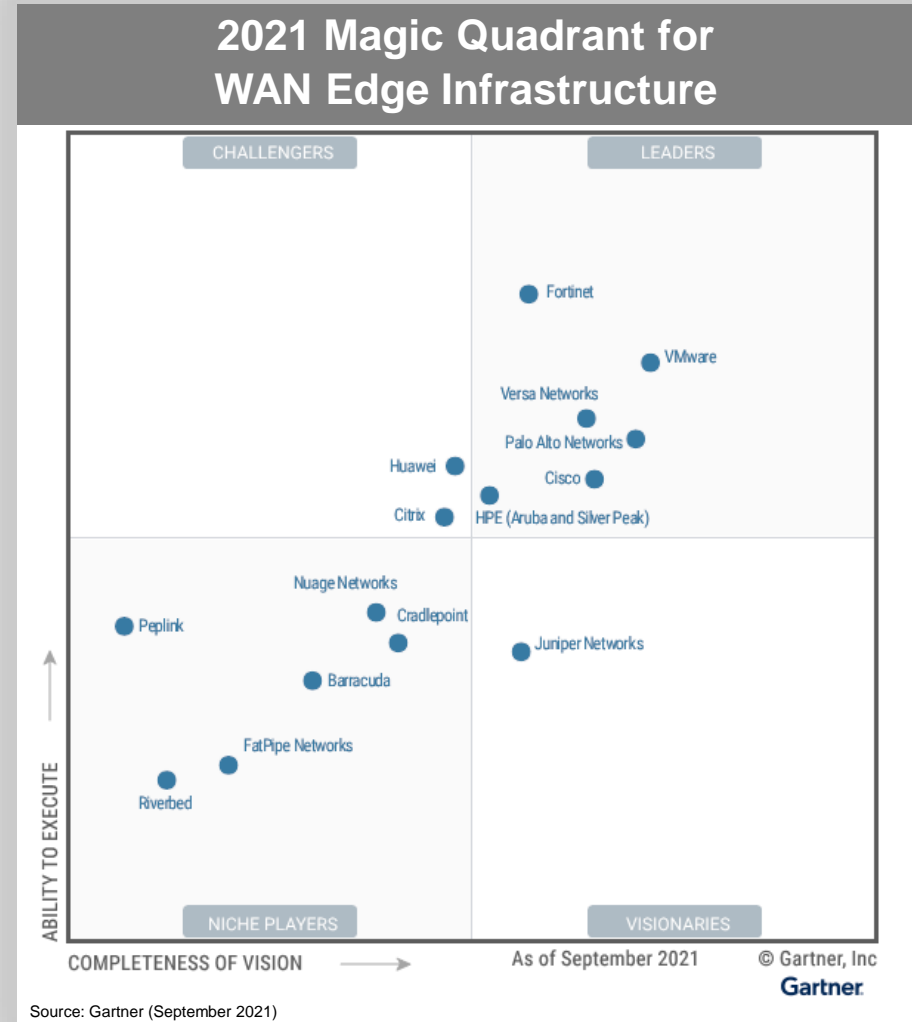
WAN Edge Infrastructure



Network Firewalls and WAN Edge (SD-WAN) Leader



Fortinet Recognized as a Leader



Fortinet Recognized as a Leader



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Security-Driven Networking

Convergence of Networking and Security

Enterprise Networking At All Edges



Cloud Edge



DC Edge



LAN Edge



WAN Edge



LTE Edge



OT Edge

Hardware, Software, SaaS

Enterprise Security At All Edges



Content Security



Web Security



User Security



Device Security



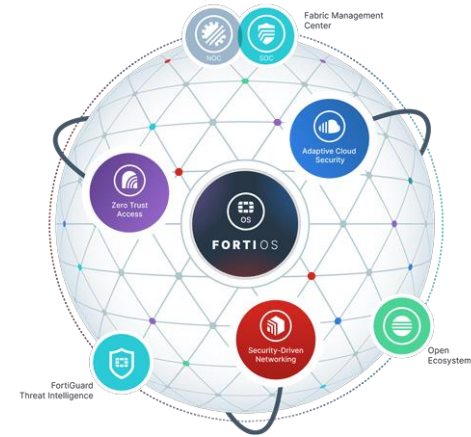
Advanced SOC/NOC



Bundles

Certified

Security Fabric Platform Broad. Integrated. Automated.



Network Operations Center
Security Operations Center
Open Ecosystem



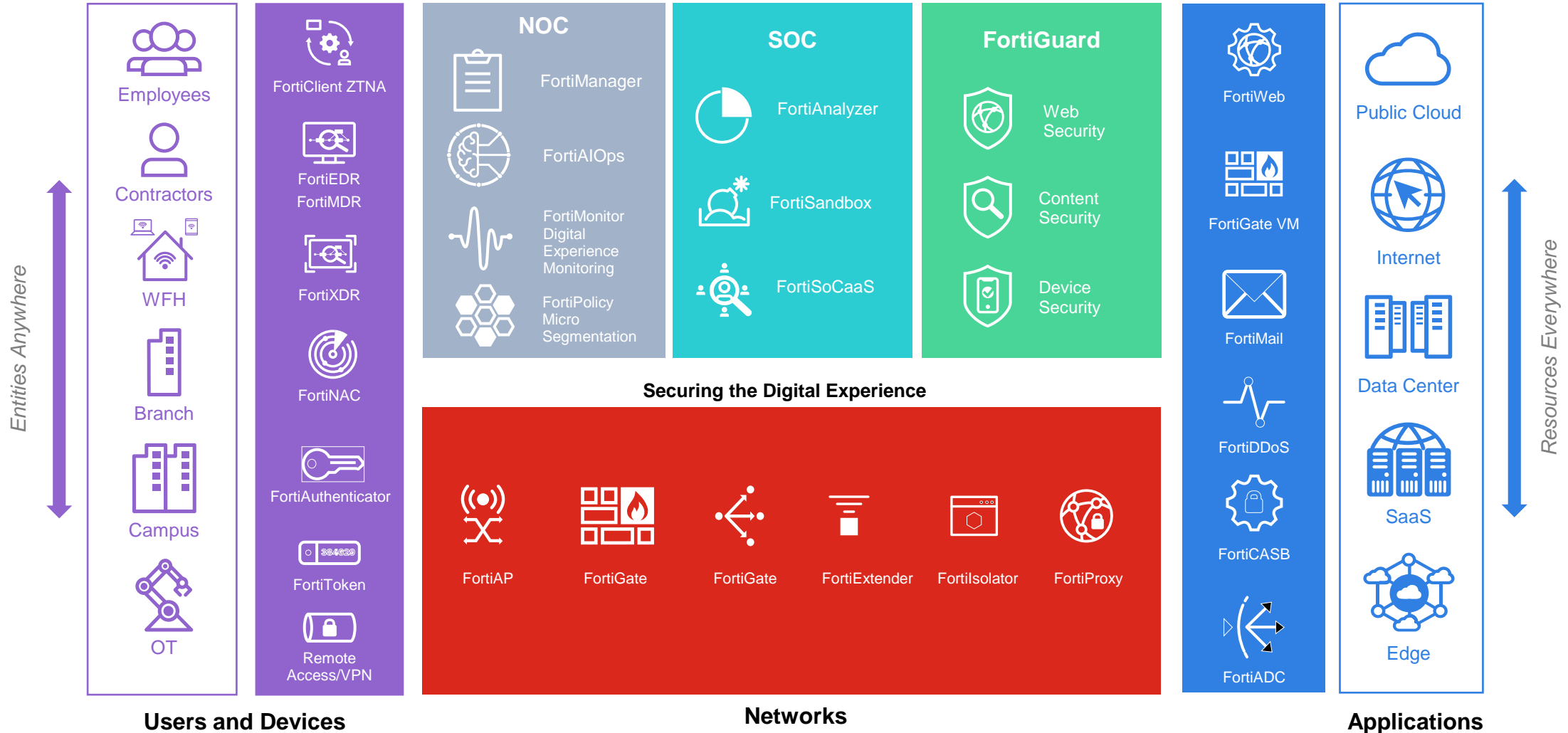
Fortinet Technology Vision

Control and Protect Everyone and Everything on or off the Network

Speed Operations, with AI-powered Automation

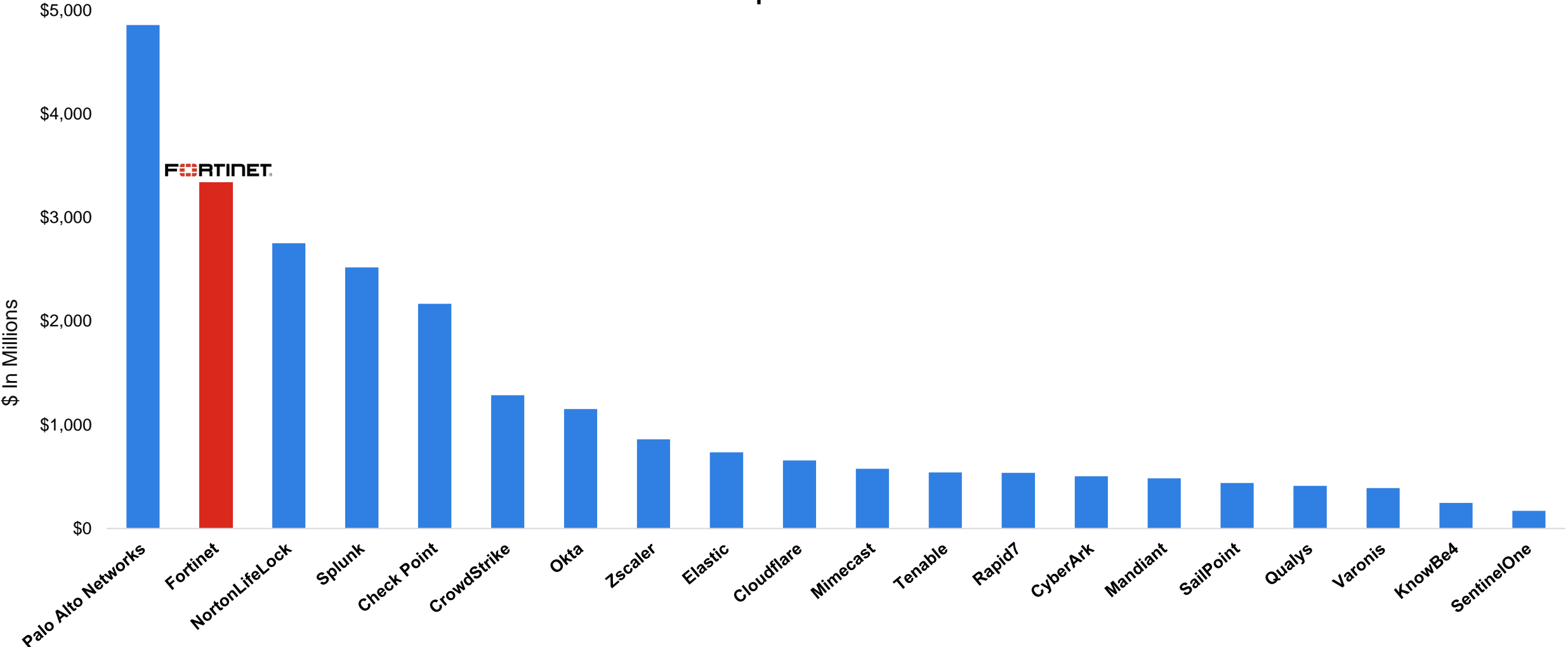
Counter Threats, with Coordinated Protection

Secure Any Application Journey on Any Cloud



Fragmented Industry Ready for Consolidation

LTM Reported Revenue



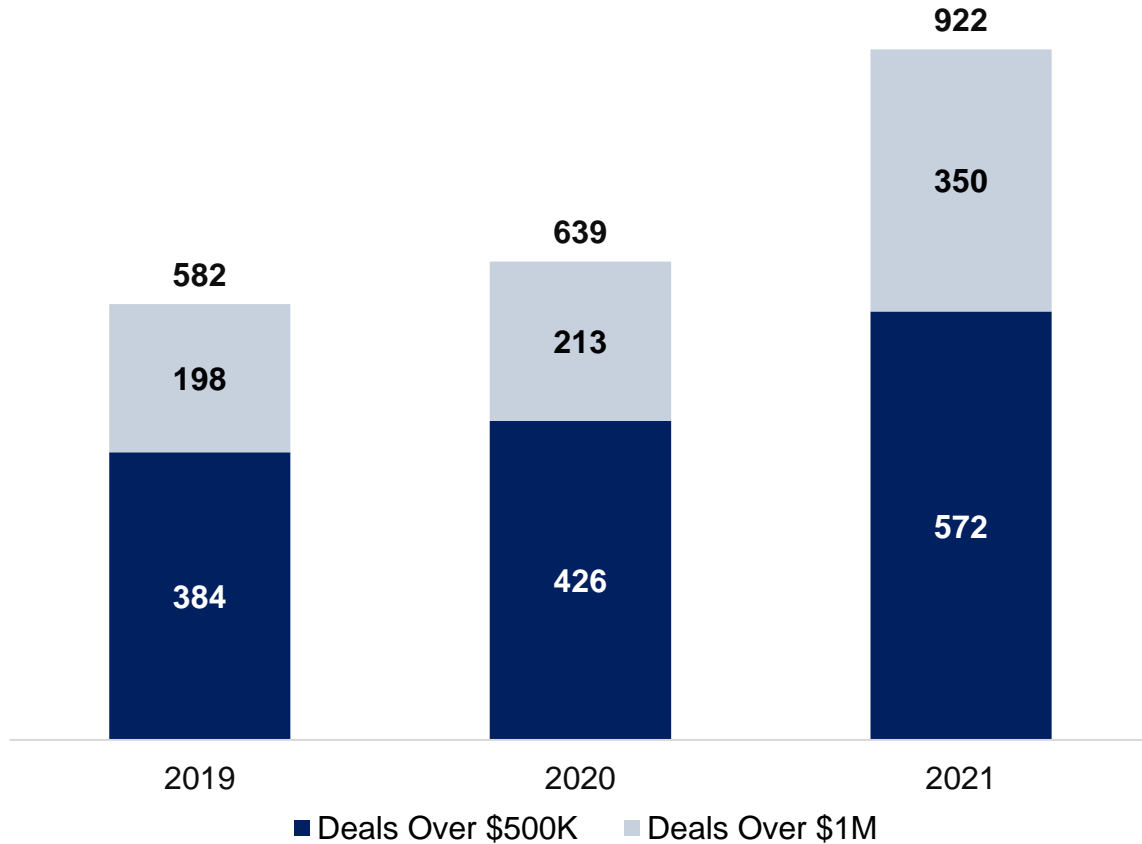
FORTINET



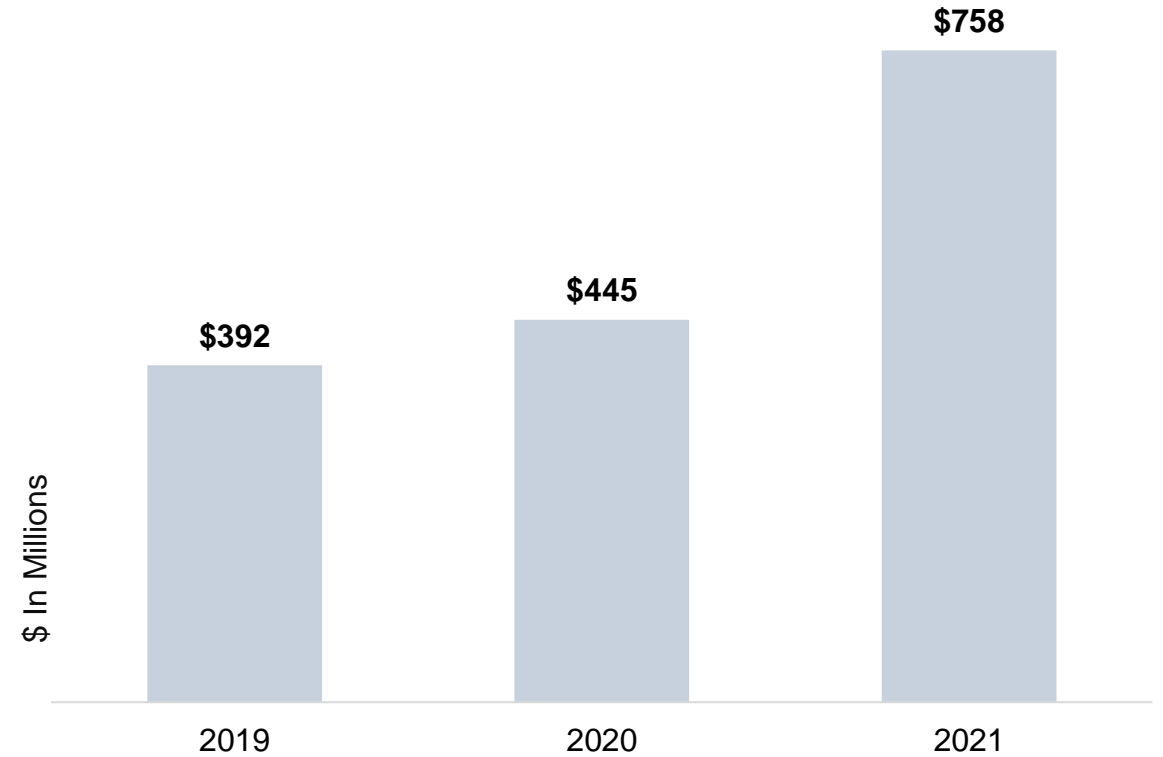
Note: Top 20 pure play cybersecurity companies by market cap listed on the NYSE and NASDAQ as of February 28, 2022 shown.
Source: Nasdaq IR Insight and SEC filings.

Moving Up Market into Enterprise / G2000

Deal Count Over \$500K



Billings for Deals Over \$1M⁽¹⁾



(1) Excludes Telco. Billings data is derived from invoiced amounts.



Financial Overview

- Billings
- Income Statement
- Balance Sheet and Cash Flow
- Financial Guidance





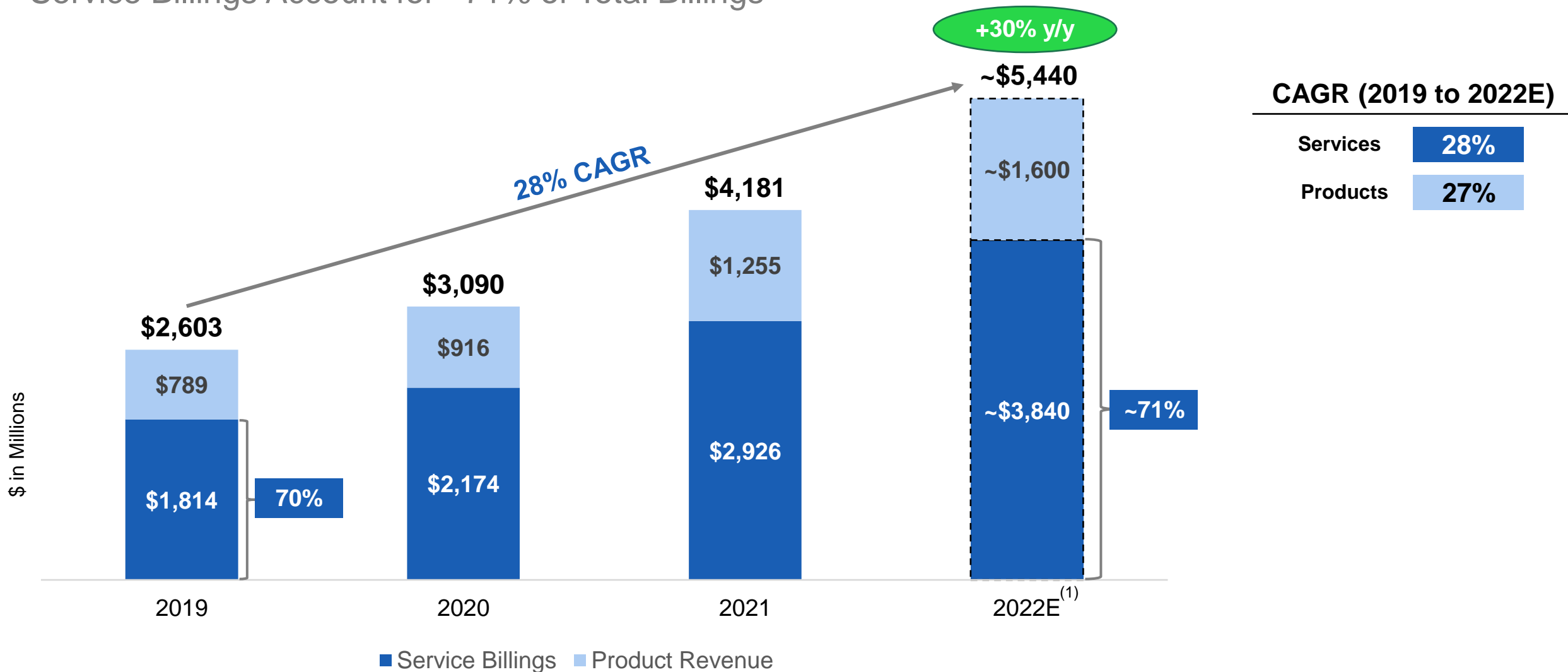
Billings

- Total Billings
- FortiGate and Non-FortiGate Fabric Billings
- Key Non-FortiGate Solutions
- Highly Diversified Business Model
- Secure SD-WAN Billings



Billings Expected to Grow ~30% Y/Y in 2022

Service Billings Account for ~71% of Total Billings

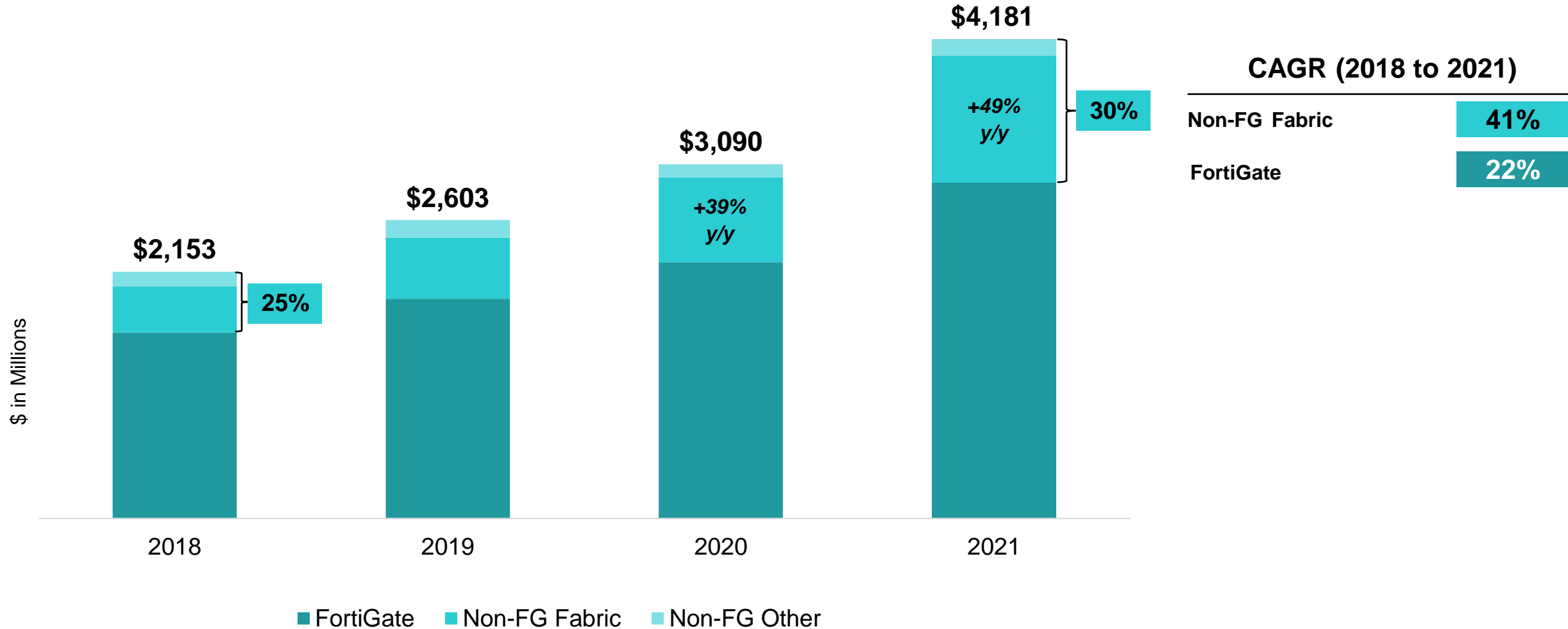


(1) Based on the midpoint of 2022 guidance provided on February 3, 2022.

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

FortiGate and Non-FortiGate Fabric Billings

Non-FortiGate Billings of \$1.25B in 2021



Top 10 Non-FortiGate Solutions +47% Y/Y in 2021

Top 10 Solutions Represented Over Two-Thirds of 2021 Non-FG Billings

		Fabric	
Solution		Infrastructure Fabric	Cloud
Forti-	Analyzer	HW	Cloud
	Client/EDR	SW	Cloud
	GateVM	SW	Cloud
	Mail	HW	Cloud
	Manager	HW	Cloud
	Sandbox	HW/SW	Cloud
	Secure AP	HW	
	Secure Switch	HW	
	Transceiver	HW	
	Web	HW	Cloud

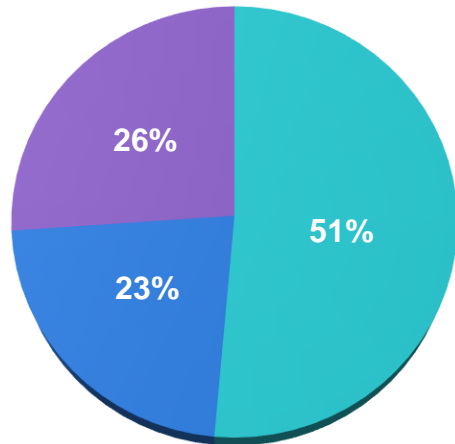


Highly Diversified Business Model

Across Customer Segments, Geographies and Industries

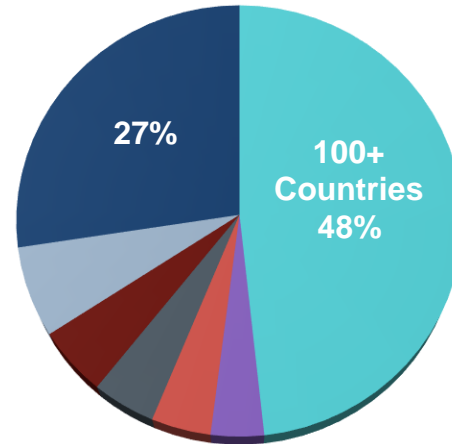
2021 Billings (\$4,181M)

Customer Segments



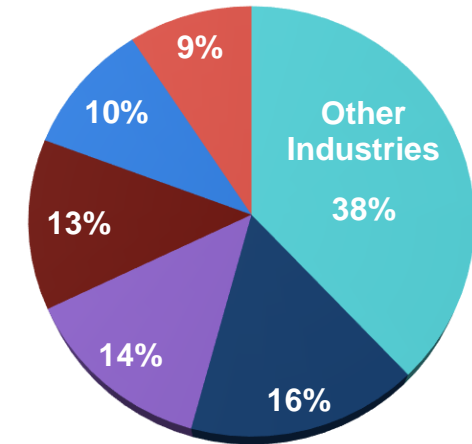
- Enterprise and SP/MSSP
- SMB
- Mid-Enterprise

Geographies



- United States
- Canada
- Japan
- United Kingdom
- Germany
- France

Industries

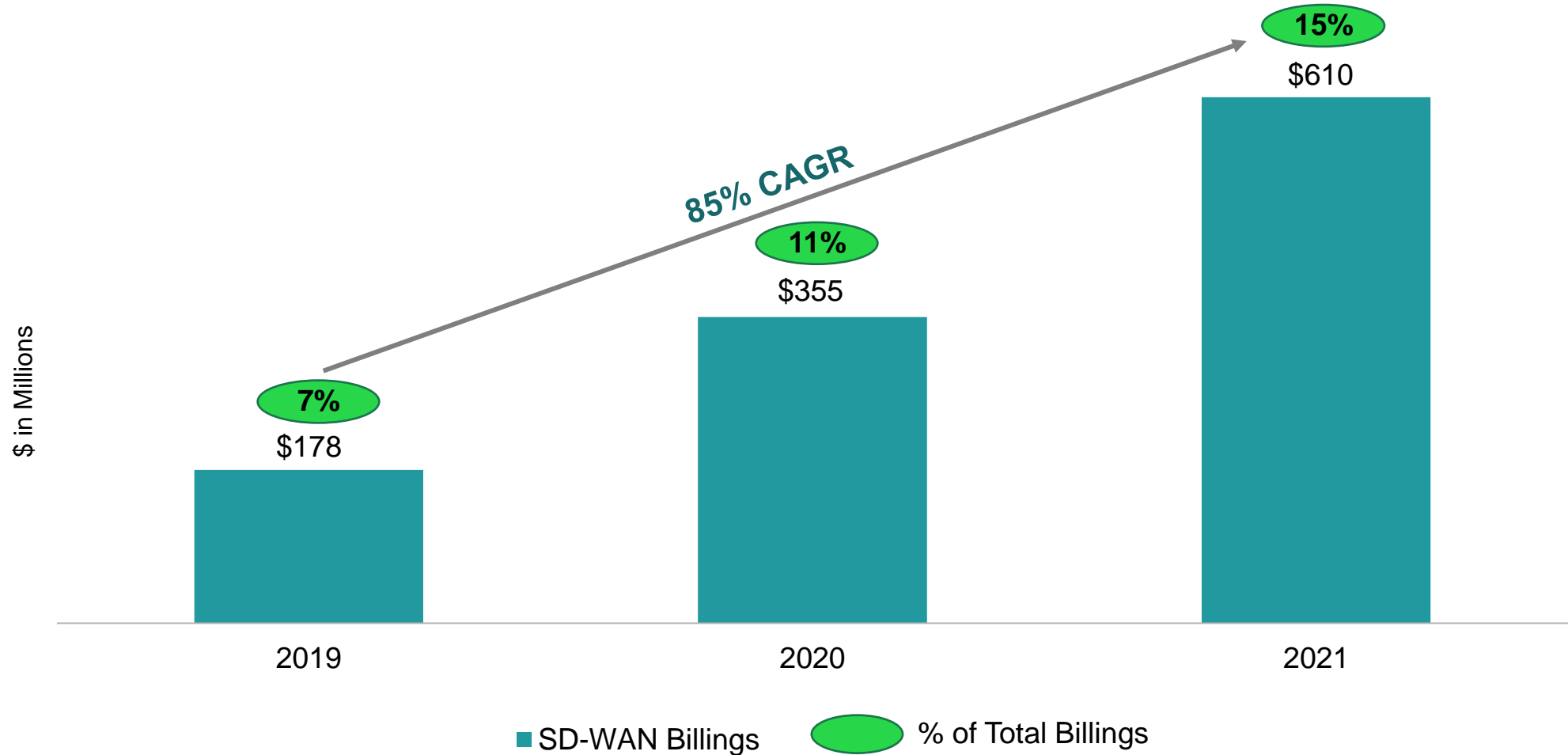


- Government
- SP/MSSP
- Financial Services
- Retail/Hospitality
- Technology




Secure SD-WAN Billings are Growing Rapidly

SD-WAN Represented 15% of Total Billings in 2021





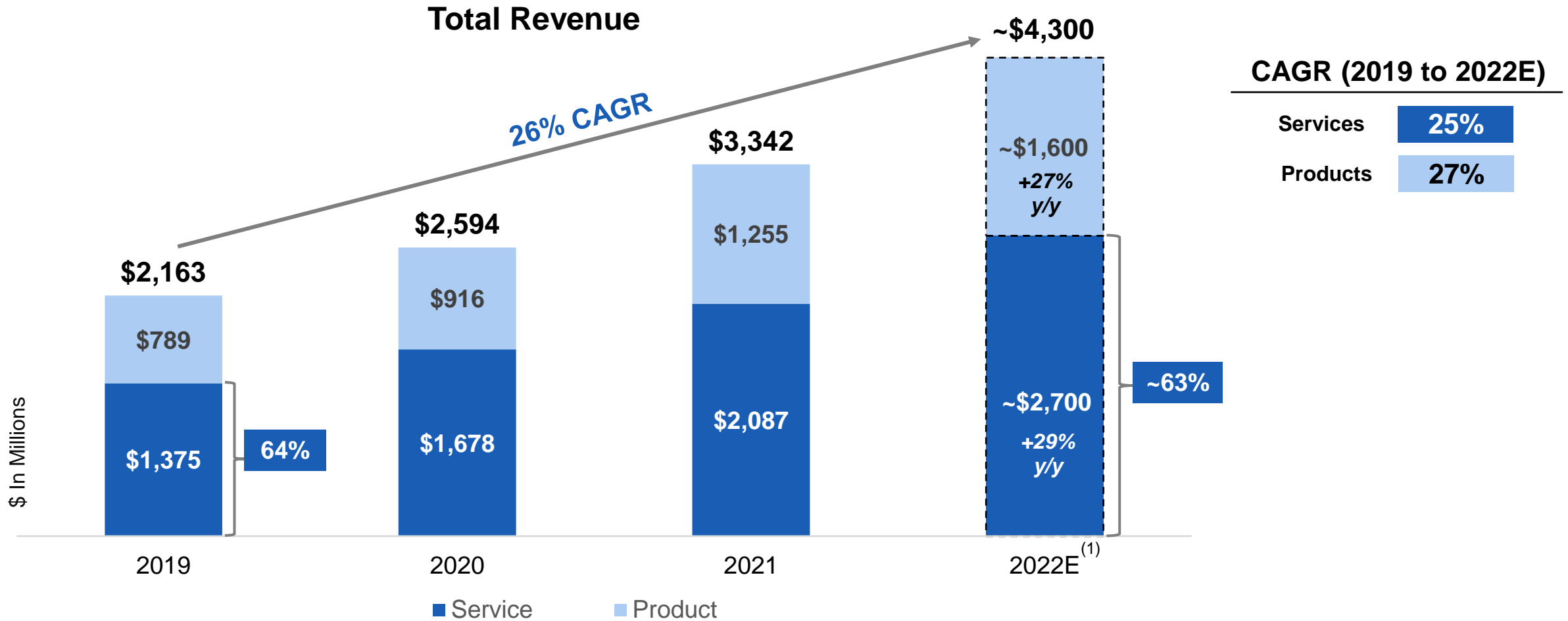
Income Statement

- Strong Revenue Growth at Scale
 - Consistent Revenue Growth by Geo
 - Consistent Execution
 - Product and Total Revenue vs. Closest Competitor
 - Improving Product and Service Gross Profit
 - Strong Gross Profit Drives Profitability
 - Sales Leverage and Expense Discipline Drives Higher Operating Profit
 - Peer Performance
- 



Strong Revenue Growth at Scale

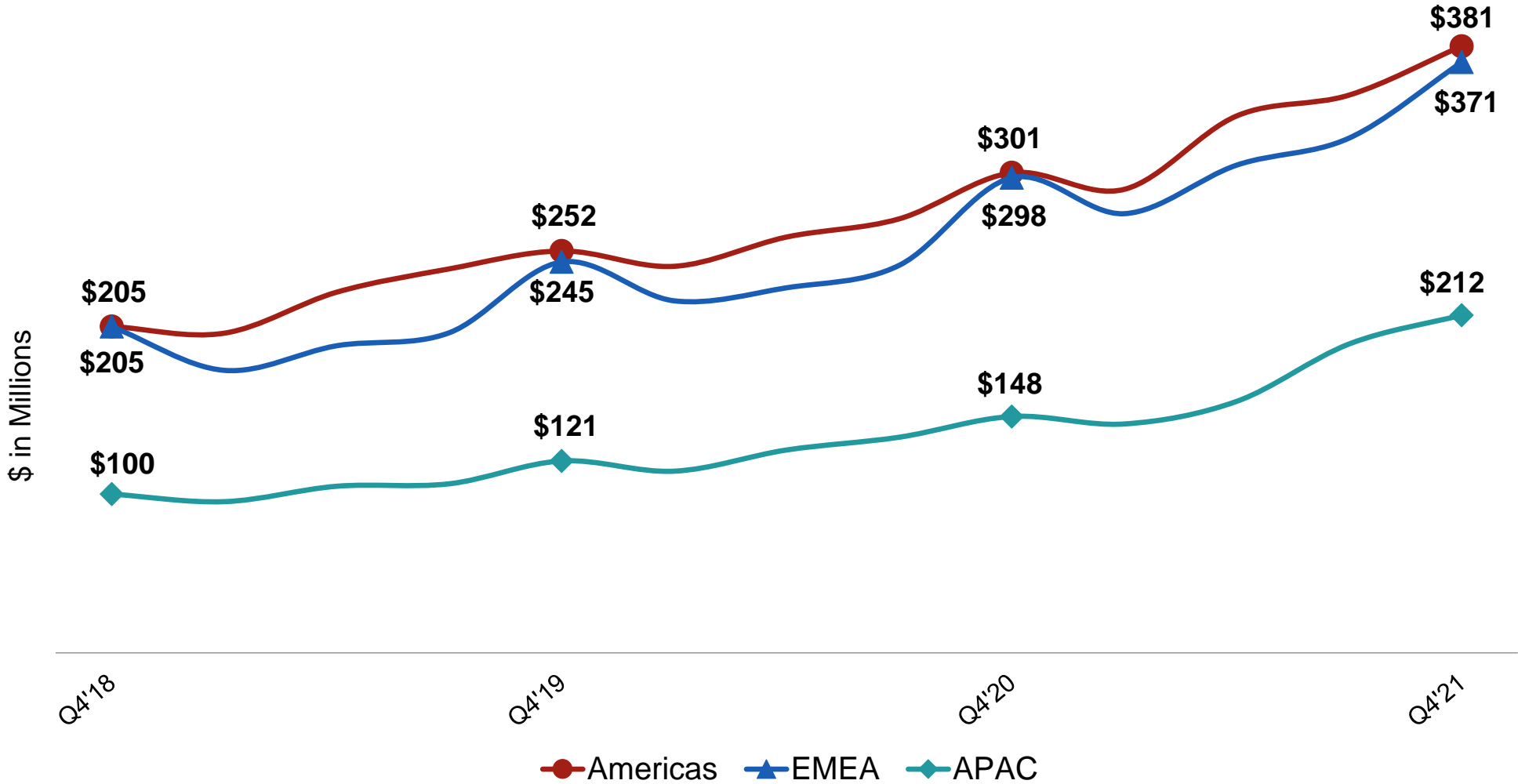
Revenue Growth of ~29% in 2022⁽¹⁾, Predictable Service Revenue Accounts for ~63% of Revenue



(1) Based on the midpoint of 2022 guidance provided on February 3, 2022.

Consistent Revenue Growth by Geo

Quarterly Revenue by Region



CAGR (Q4'18 to Q4'21)

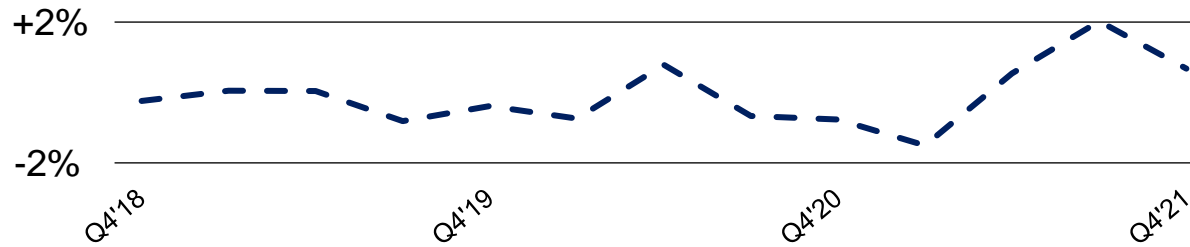
Americas	23%
EMEA	22%
APAC ⁽¹⁾	29%



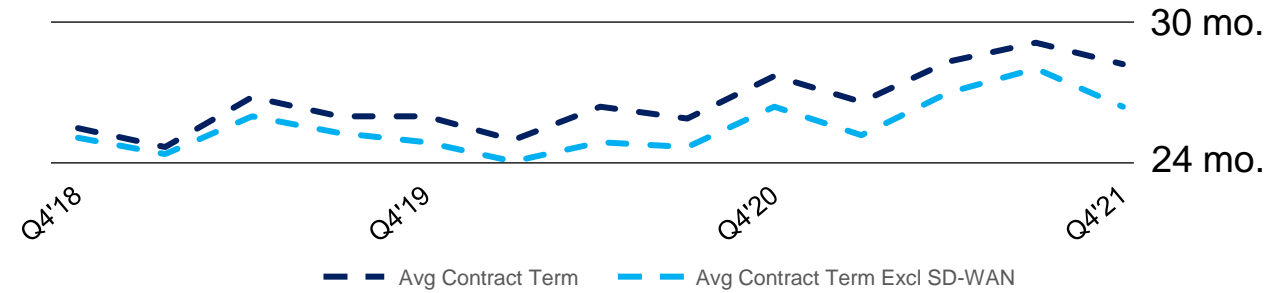
(1) APAC includes revenue from the AlaxalA acquisition, which closed on August 31, 2021.

Drivers of Consistent Revenue Performance

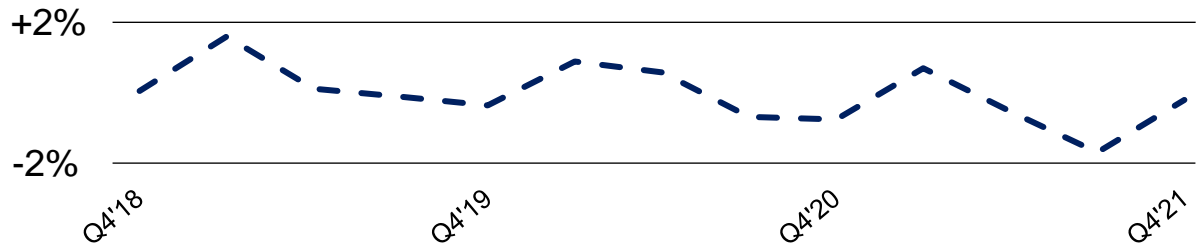
Discount Rate ⁽¹⁾



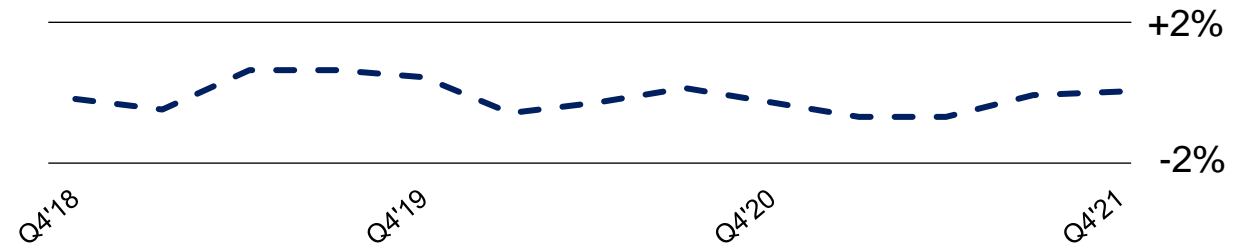
Average Contract Term



Renewal Rate ⁽¹⁾



Percentage of Service Revenue from Deferred ⁽¹⁾



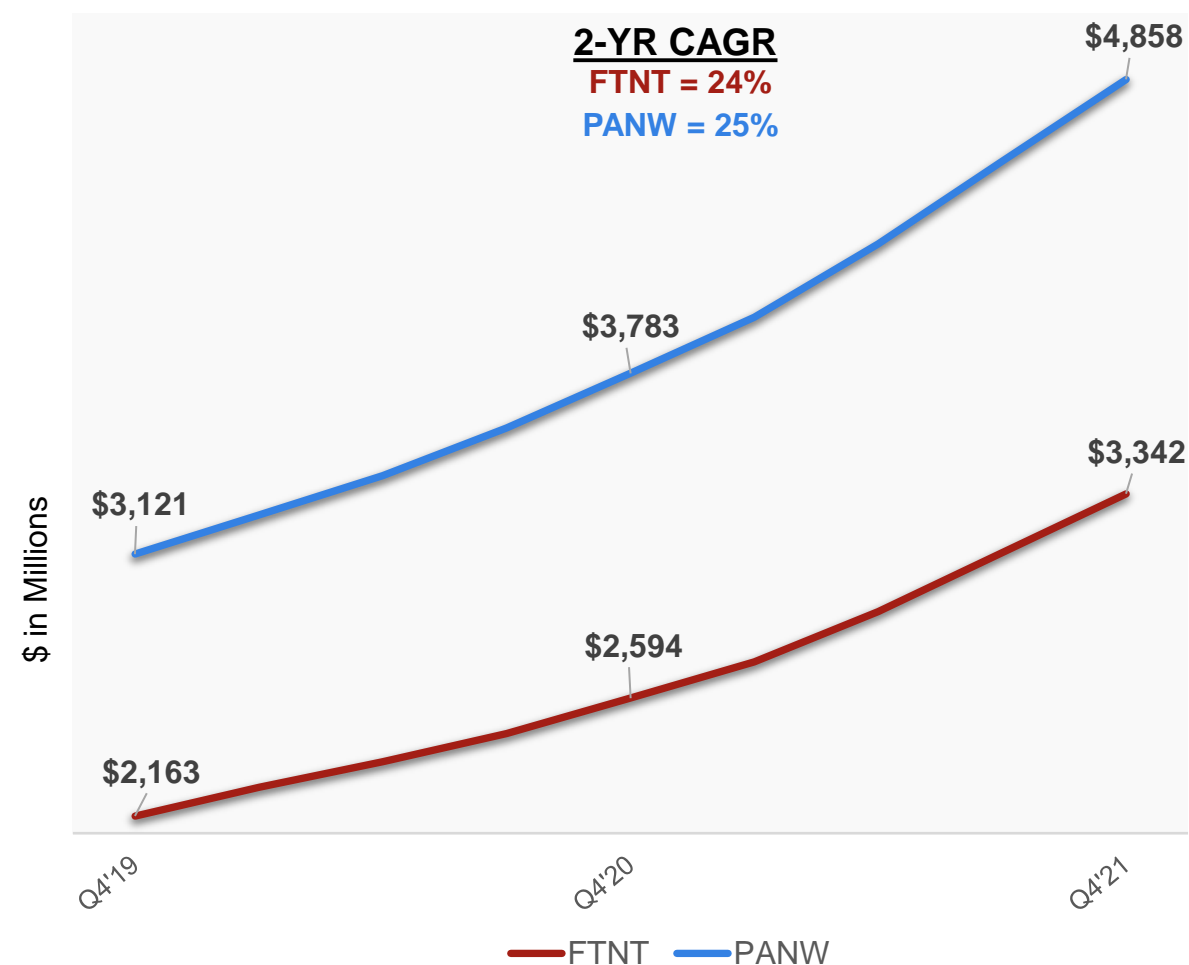
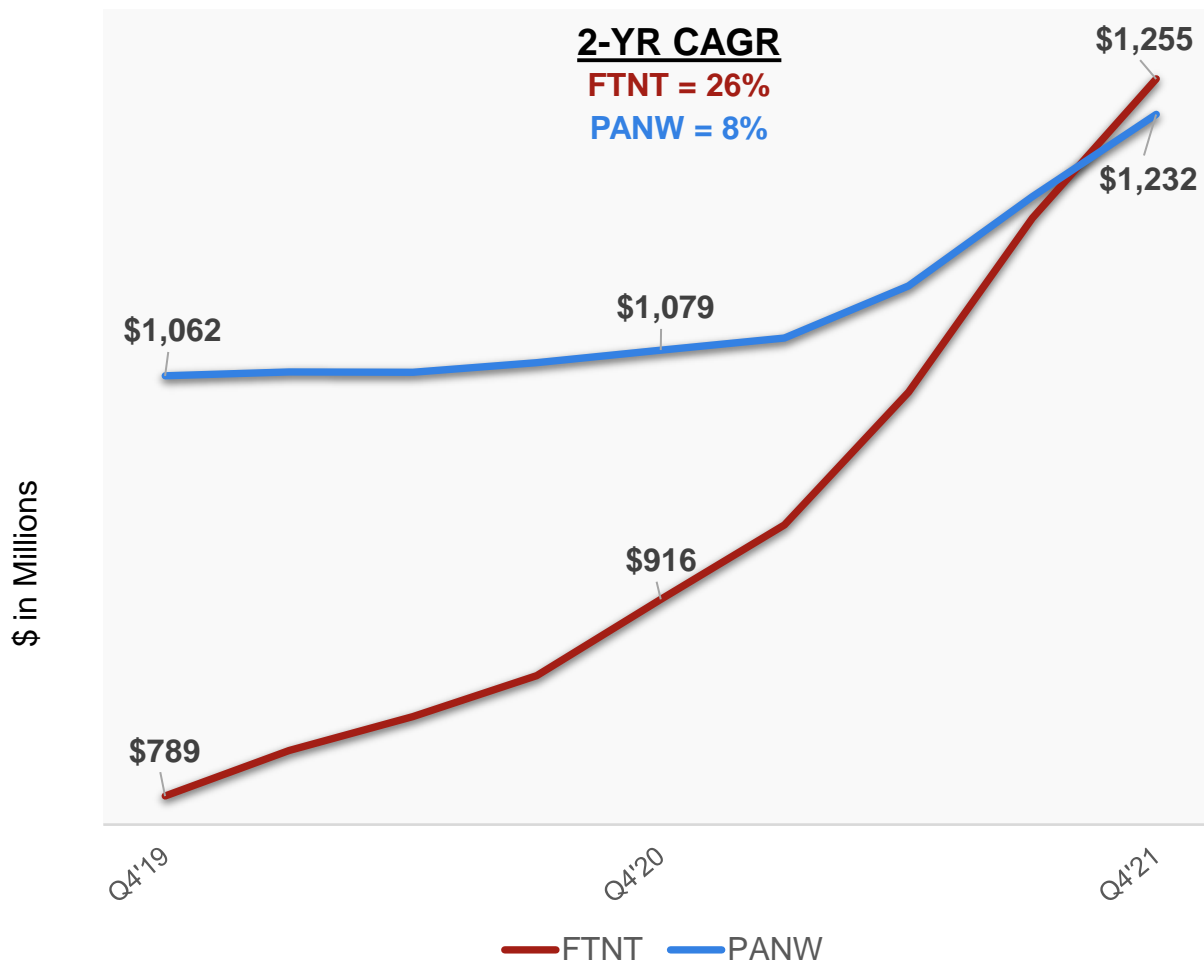
(1) Compared to +/- 2% of the 3-year trailing average.

Product and Total Revenue Growth vs. PANW

M&A Activity⁽¹⁾: FTNT = \$157M; PANW = \$2,732M

LTM Product Revenue

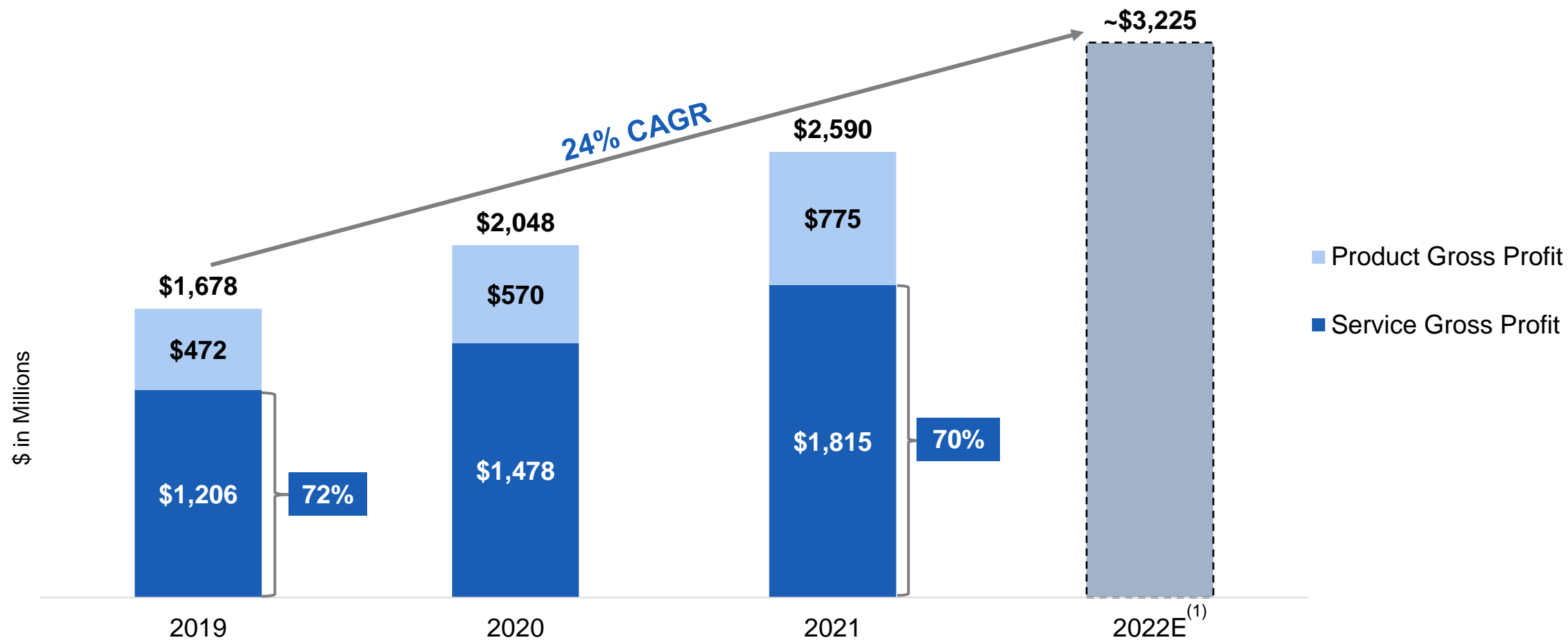
LTM Total Revenue



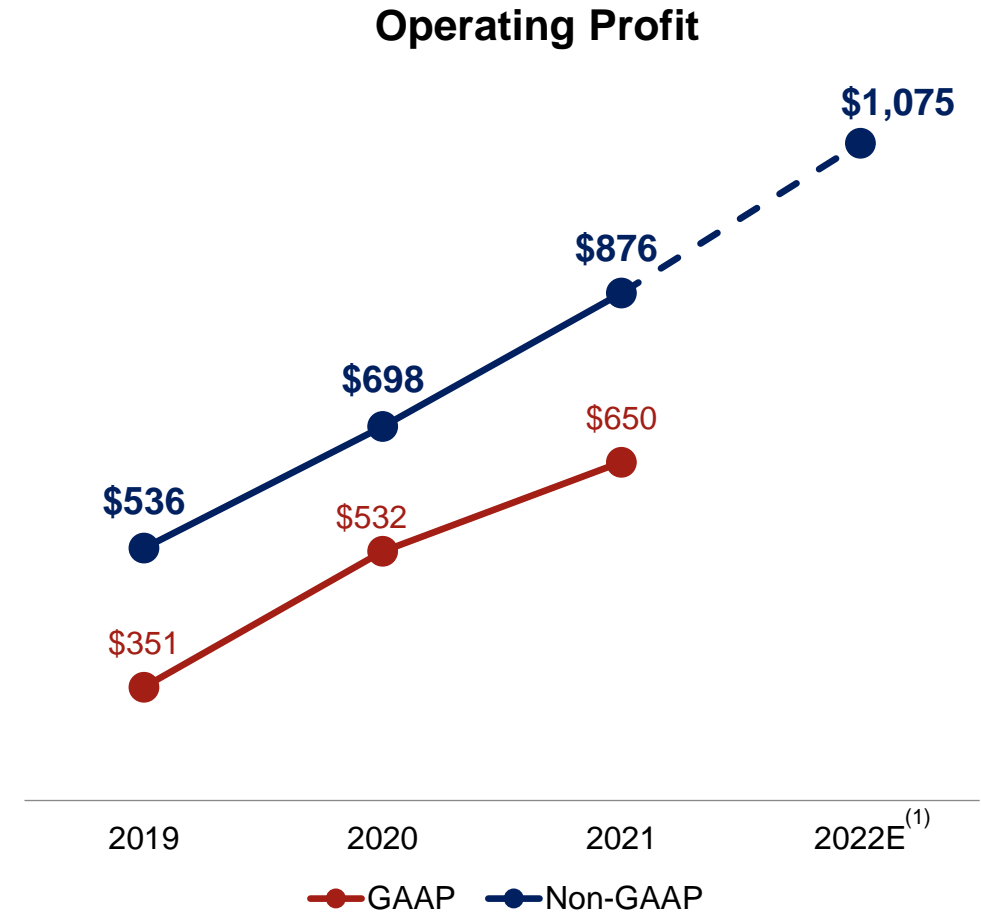
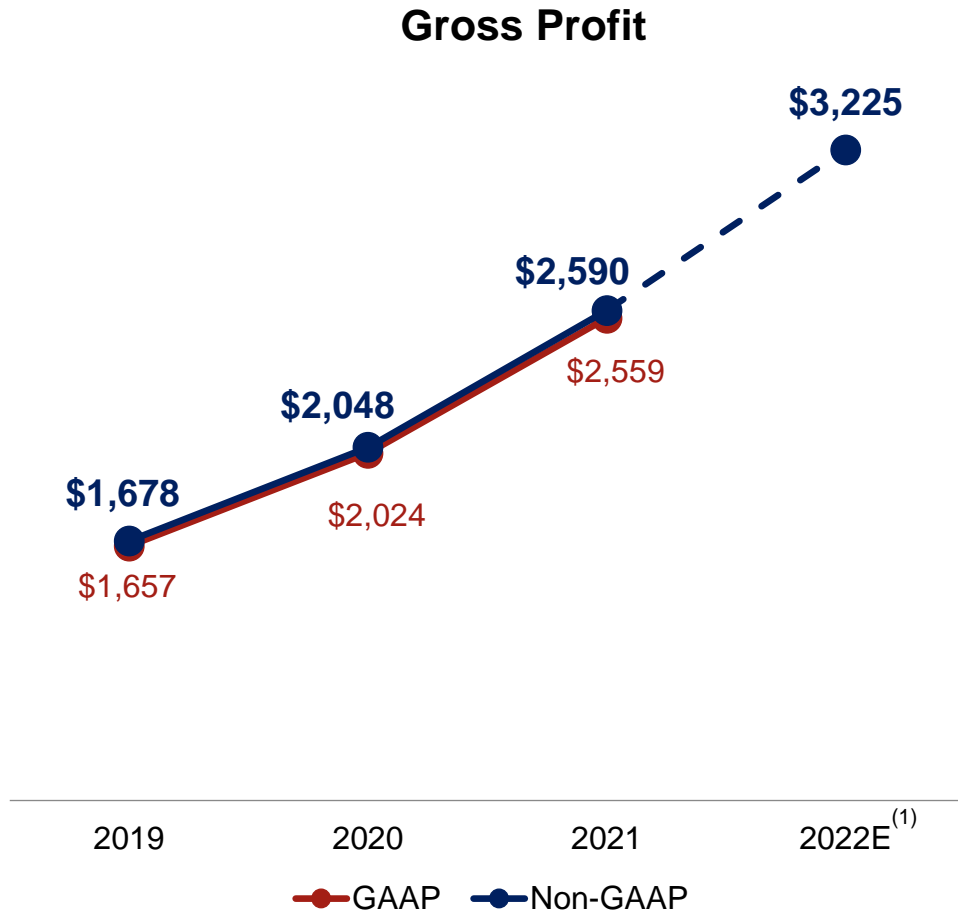
(1) Total purchase price of acquisitions per SEC filings based on transactions that closed from January 1, 2019 through December 31, 2021.
Note: PANW's fiscal year does not follow the calendar year. As such, PANW's calendar Q4'21 LTM results are calculated using the following fiscal quarters: Q3'21, Q4'21, Q1'22, and Q2'22.

Improving Product and Service Gross Profit

Multiple High-Margin Service Contracts Attach to Core Products

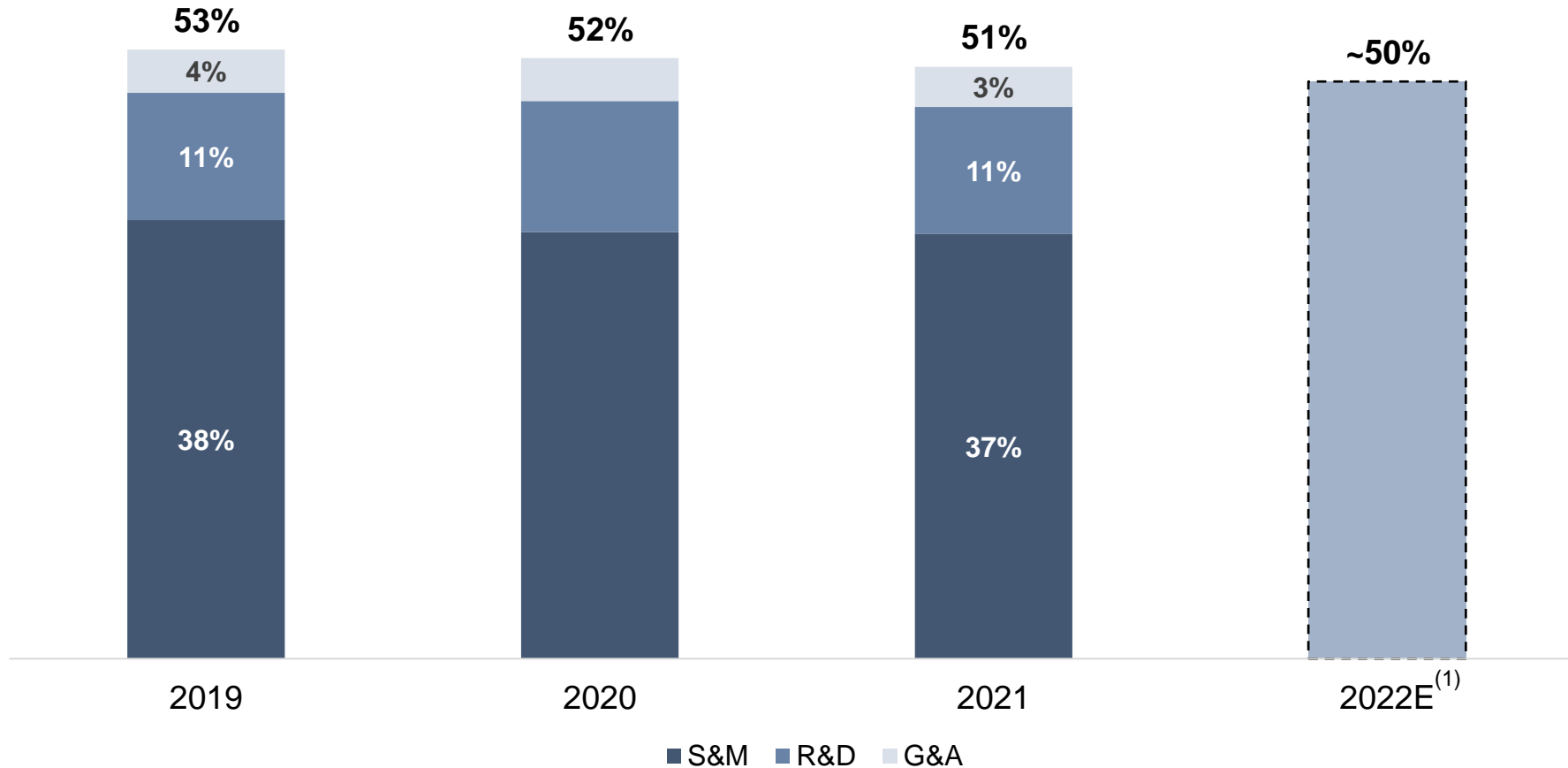


Strong Gross Profit Drives Profitability



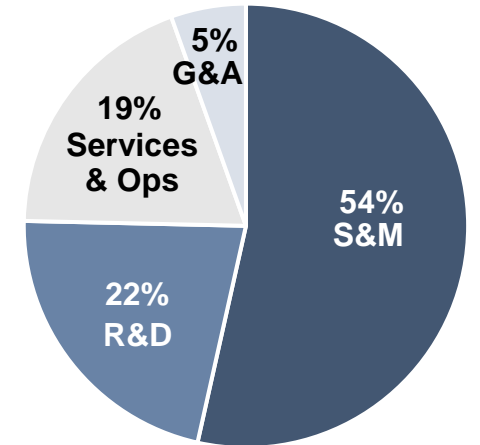
Sales Leverage and Expense Discipline Drives Higher Operating Profit

Non-GAAP Operating Expenses as a % of Revenue



2019 - 2022E CAGR
Revenue = 26%
Opex = 23%

Q4'21 Headcount Mix ⁽²⁾



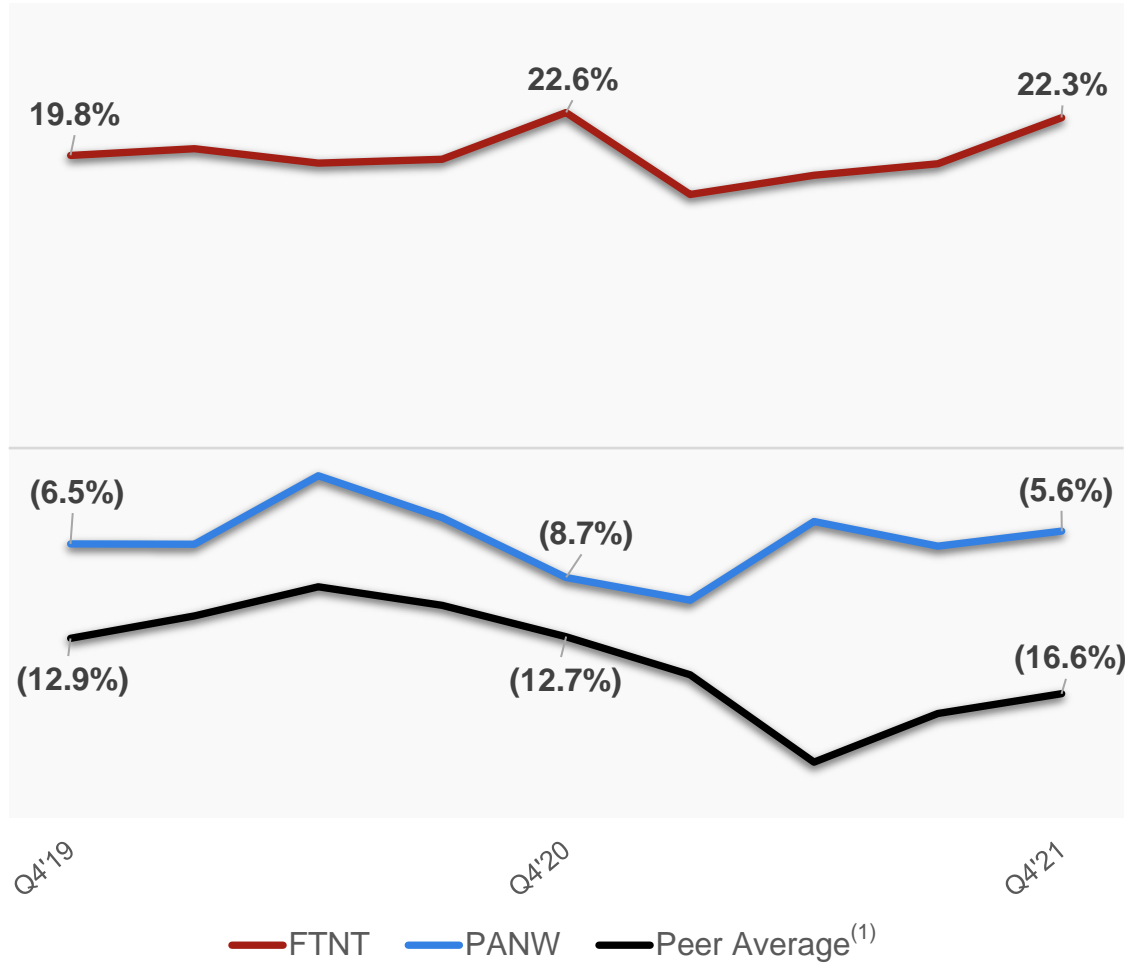
(1) Based on the midpoint of 2022 guidance provided on February 3, 2022.

(2) As of December 31, 2021 (~10,200 employees).

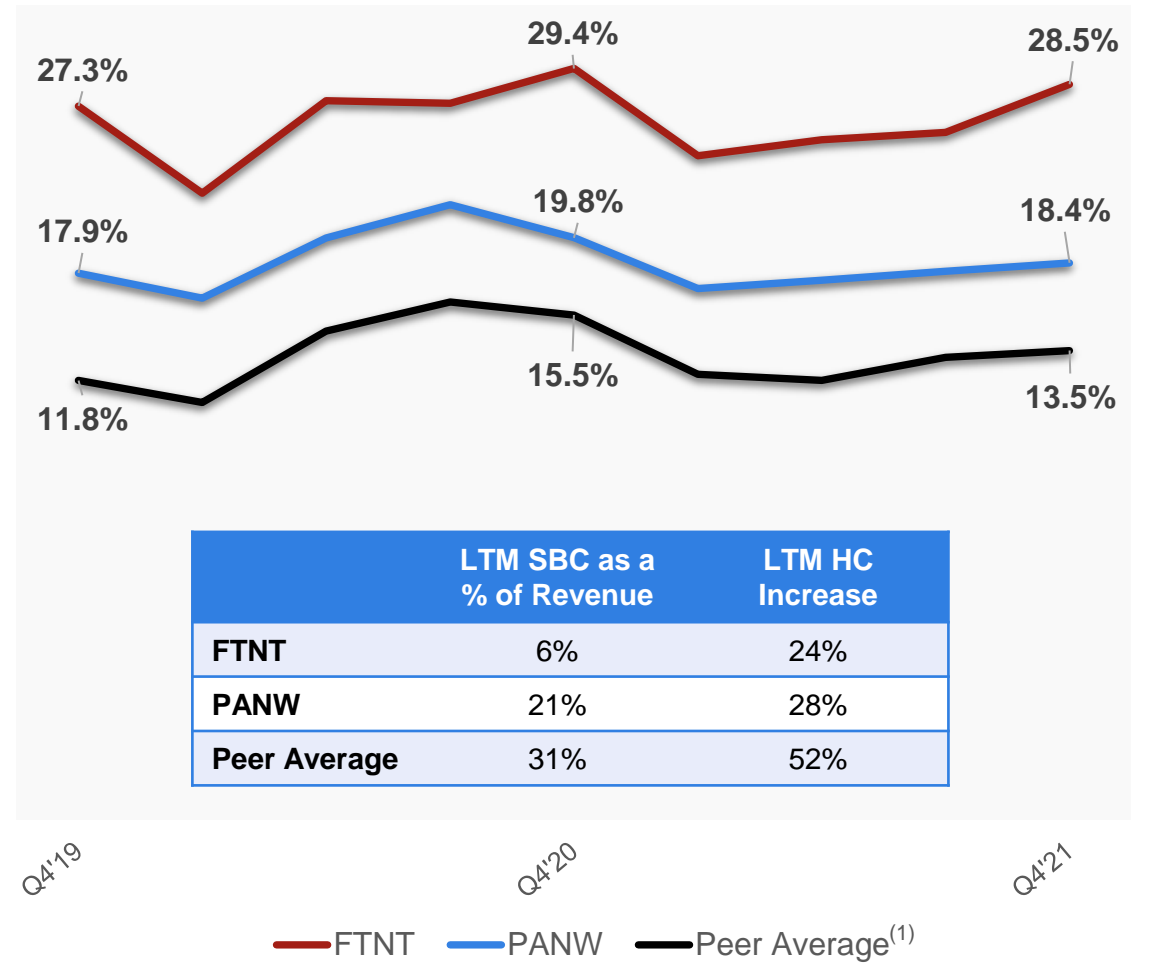
Note: S&M, R&D and G&A are non-GAAP and exclude stock-based compensation and amortization of acquired intangible assets. See Appendix for reconciliation of the non-GAAP financial measures to the most comparable GAAP financial measures.

Fortinet Leads Palo Alto Networks and Cybersecurity Peers in Operating Margins

GAAP Operating Margin



Non-GAAP Operating Margin



	LTM SBC as a % of Revenue	LTM HC Increase
FTNT	6%	24%
PANW	21%	28%
Peer Average	31%	52%



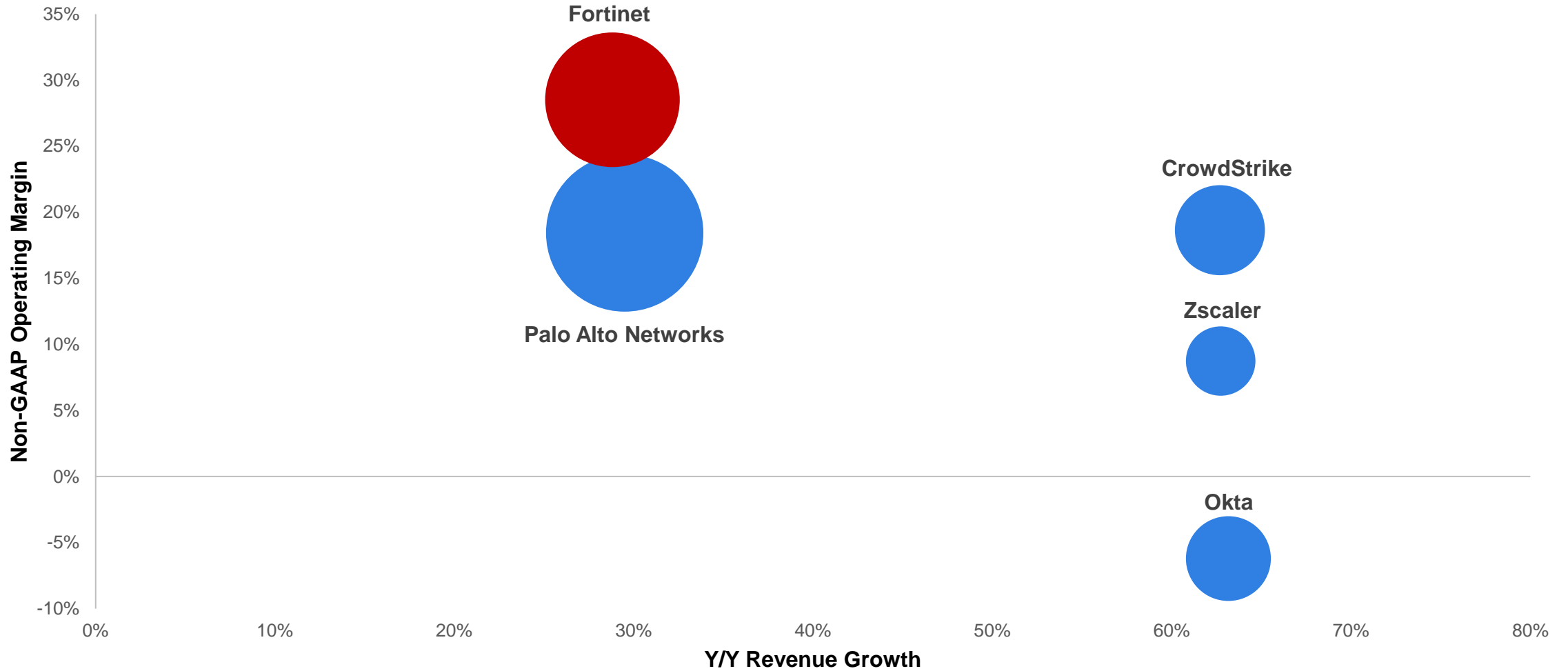
Source: Company filings.

(1) Peer average is revenue-weighted and is composed of the following companies: Palo Alto Networks, CrowdStrike, Okta, and Zscaler.

Note: PANW's fiscal year does not follow the calendar year.

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Revenue Growth and Non-GAAP Operating Margin vs. Cybersecurity Peers

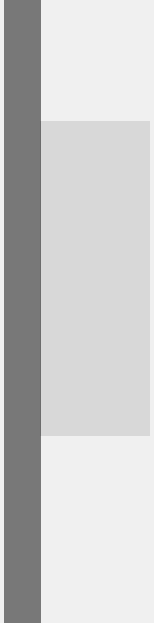



● Area of circle illustrates latest reported quarter's revenue





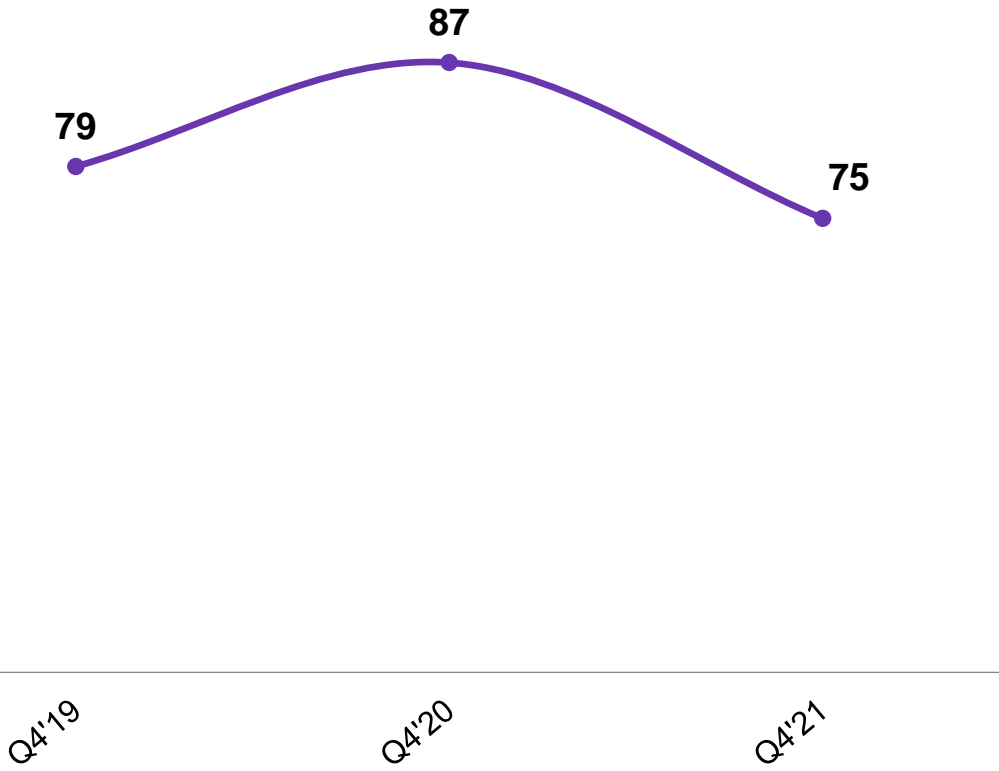
Balance Sheet and Cash Flow

- DSO and Cash Balance
 - Deferred Revenue and Free Cash Flow
 - Investments and Capital Allocation
- 
- 

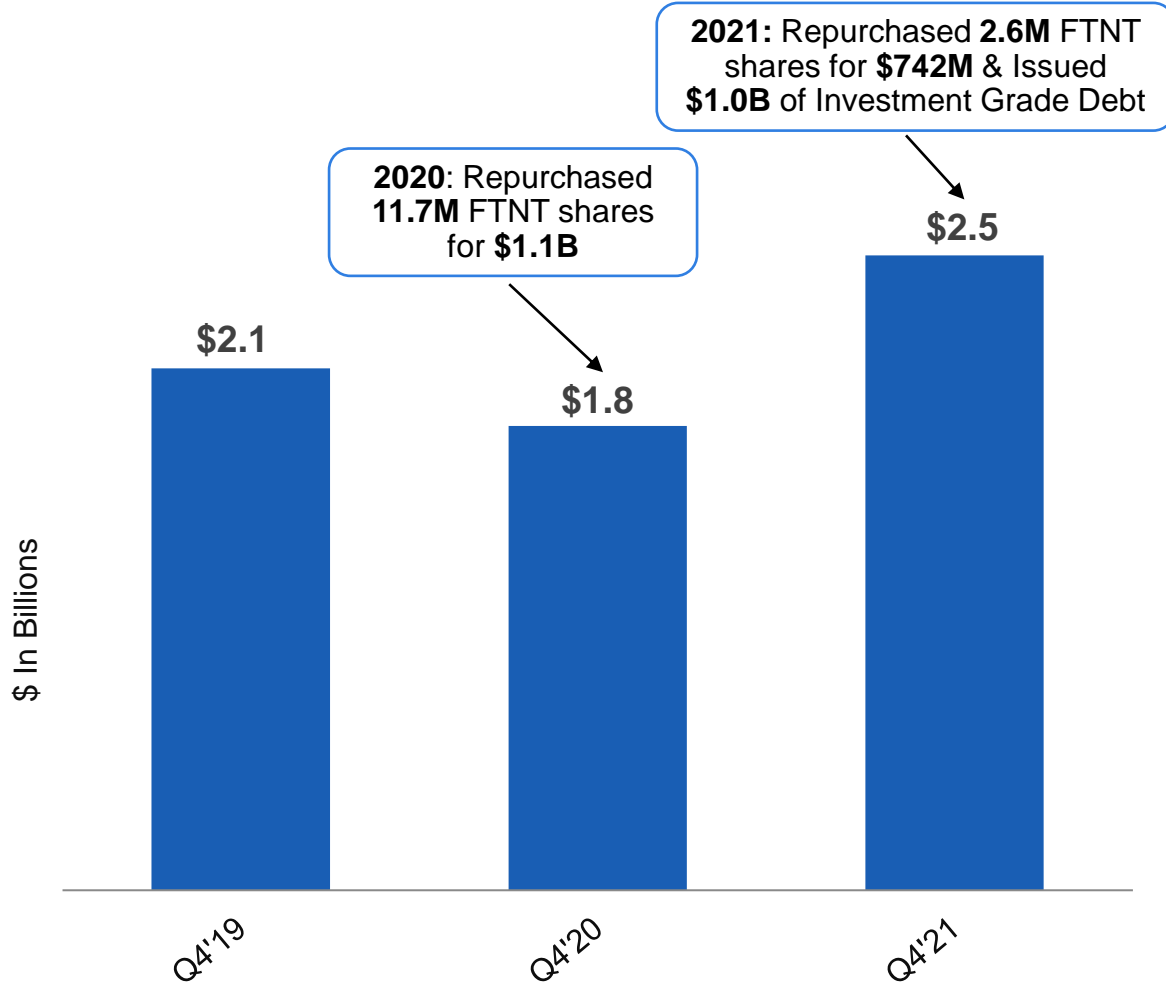


Declining DSO's and Increased Cash Balance

Days Sales Outstanding (DSO)



Cash Balance (1)

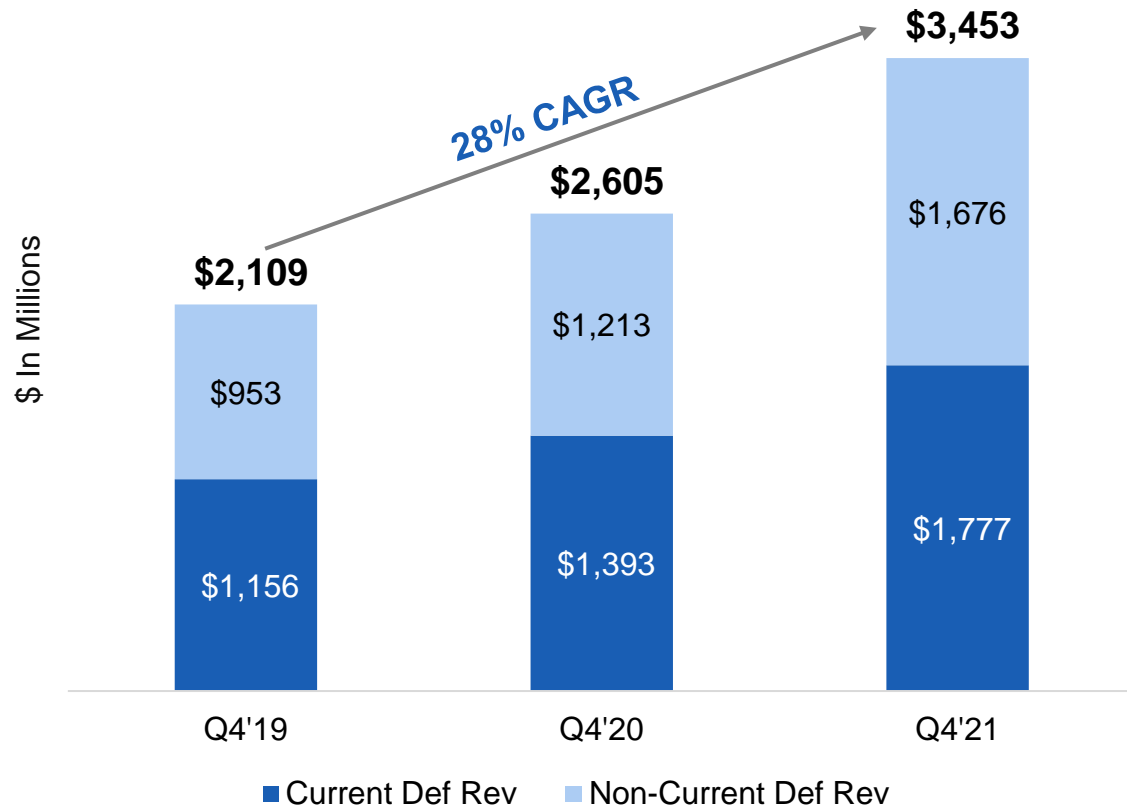


(1) Cash and cash equivalents and short-term investments.

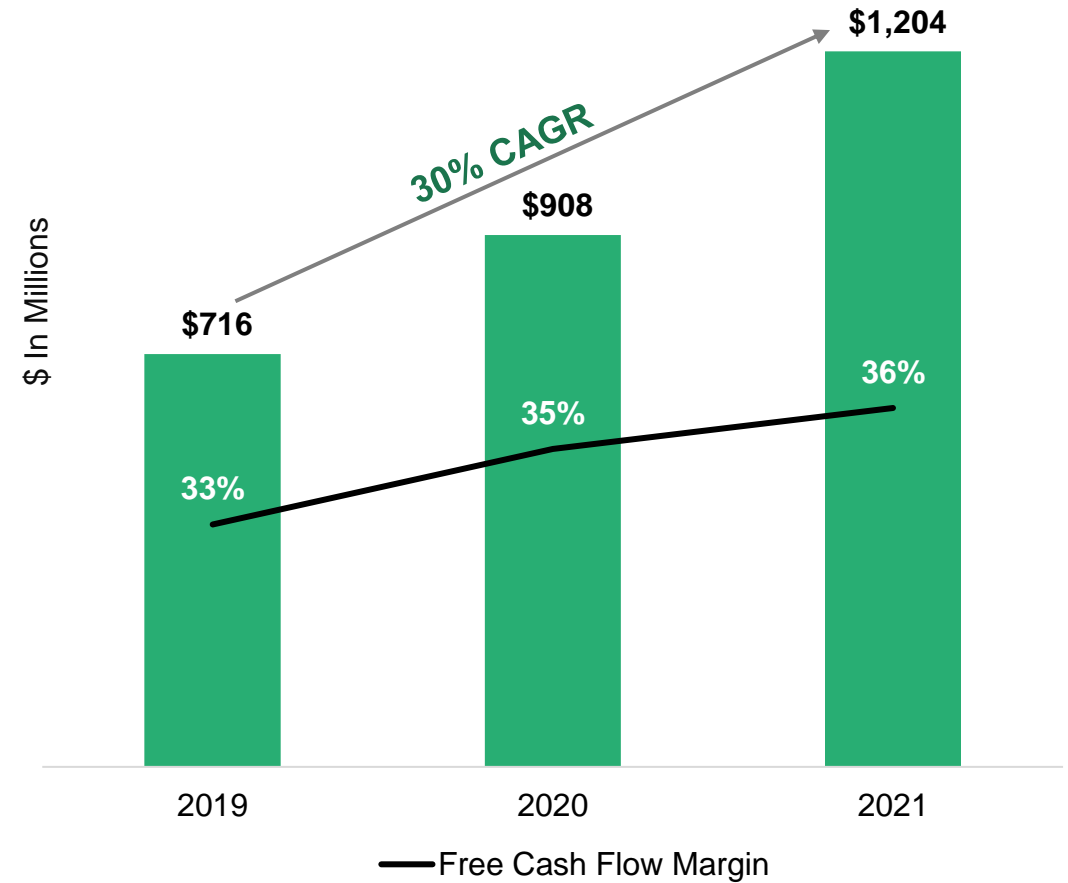
Growing Deferred Revenue and Free Cash Flow

Service Contracts Generating Free Cash Flow

Deferred Revenue



Free Cash Flow (1)



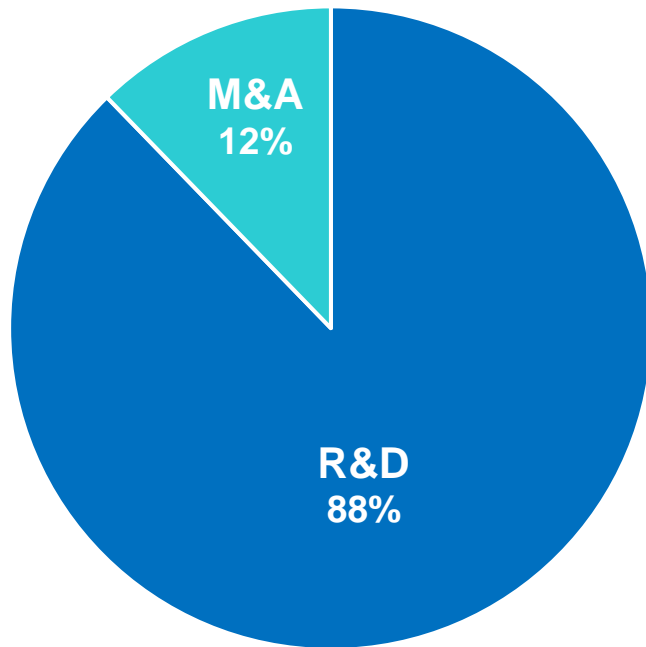
(1) Free Cash Flow and Free Cash Flow Margin are non-GAAP financial measures. See Appendix for reconciliation of the non-GAAP financial measure to the most comparable GAAP financial measure.

Strategic Investments and Capital Allocation

Focused on Internally Building an Integrated Platform and Total Shareholder Return

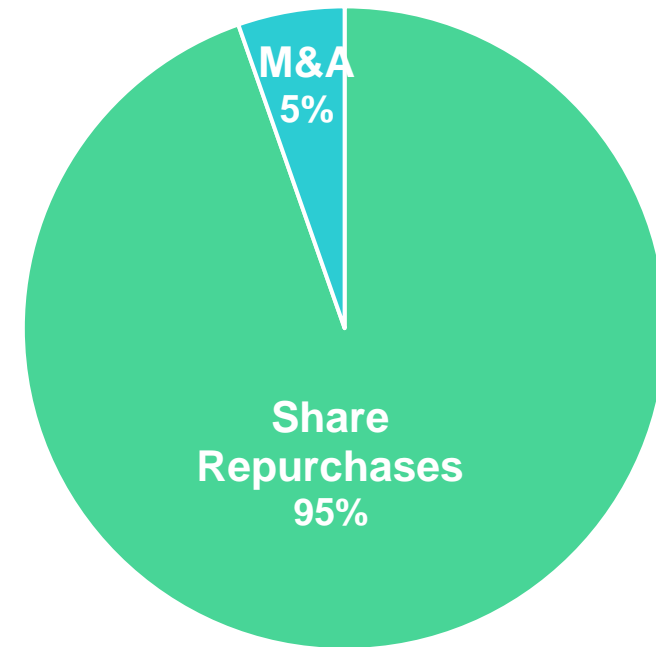
Innovation: ~\$1.5B since 2017

\$1.3B spent on R&D ⁽¹⁾



Capital Return: ~\$3.4B since 2017

Repurchased 33.0M Shares for \$3.2B ⁽²⁾





Financial Guidance

- Guidance for Q1'22 and 2022
- Key Takeaways



Guidance for Q1'22 and 2022

As of February 3, 2022

	Q1'21 Actual	Q1'22 Guidance	2021 Actual	2022 Guidance
Billings	\$850.6M	\$1.050 - \$1.090B	\$4.181B	\$5.400 - \$5.480B
Y/Y Mid-Pt Growth		25.8%		30.1%
Bookings	\$851.6M	\$1.100 - \$1.150B	\$4.331B	\$5.580 - \$5.680B
Y/Y Mid-Pt Growth		32.1%		30.0%
Revenue (GAAP)	\$710.3M	\$865 - \$895M	\$3.342B	\$4.275 - \$4.325B
Y/Y Mid-Pt Growth		23.9%		28.7%
Service Revenue (GAAP)	\$469.6M		\$2.087B	\$2.685 - \$2.715B
Y/Y Mid-Pt Growth				29.4%
Gross Margin	78.9%	75.5 - 76.5%	77.5%	74.0 - 76.0%
Operating Margin	24.5%	19.5 - 20.5%	26.2%	24.0 - 26.0%
Earnings per share	\$0.81	\$0.75 - \$0.80	\$3.99	\$4.85 - \$5.00



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

Additional Modeling Points

As of February 3, 2022

	Q1'22 Guidance	2022 Guidance
Cash Paid for Taxes		~\$210M
Capital Expenditures	\$140 - \$150M	\$270 - \$300M
Non-GAAP Tax Rate	18%	18%
Shares Outstanding	166 - 168M	169 - 171M



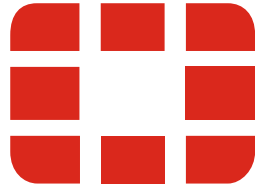
Key Takeaways

Cybersecurity TAM is \$174B+ ⁽¹⁾



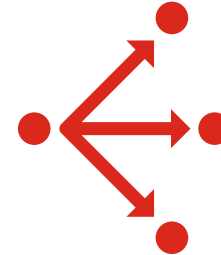
Expanded into new markets such as SASE, ZTNA, Cloud, and 5G

Fortinet is an Industry Leader



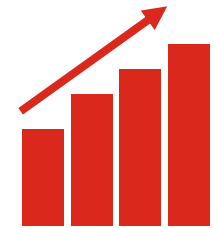
Proprietary ASIC technology and integrated FortiOS platform which allows Fortinet to provide security across all attack surfaces from data center to endpoint to cloud

Diversified Revenue Base



Diversified across geographies, customer sizes, and industry verticals drives revenue visibility

Predictable, Recurring Service Revenue



Contributes to 'software-like' margins, driving sustainable free cash flow generation





Appendix

- Product Diagram
- Non-FortiGate Products
- Performance vs. Peers
- Non-GAAP Reconciliations



Digital Security, Everywhere You Need It

FortiGuard Security Services

SOC & NOC

- Content Security
- Web Security
- Advanced SOC/NOC

User Security

- User Security
- Device Security
- Bundled Security

Fabric Management Center - SOC

Endpoint

- FortiEDR
- FortiXDR

Breach

- FortiSandbox
- FortiDeceptor
- FortiAI

Incident Response

- FortiAnalyzer
- FortiSIEM
- FortiSOAR
- FortiGuard MDR Service

Fabric Management Center - NOC

- FortiManager
- FortiCloud
- FortiMonitor

Open Ecosystem

- Connector
- Fabric API
- DevOps
- Extended Fabric Ecosystem

Zero Trust Access

- FortiClient
- FortiNAC
- FortiVoice
- FortiToken
- FortiAuthenticator
- FortiCamera

Security-Driven Networking

LAN Edge

- FortiAP
- FortiSwitch

WAN Edge

- FortiGate SD-WAN
- FortiExtender

DC Edge

- FortiGate
- FortiProxy

Cloud Edge

- FortiSASE
- FortiSolator

Adaptive Cloud Security

Network

- FortiGate VM
- Cloud Networking
- FortiDDoS
- FortiSegment

Platform

- FortiCASB
- FortiCWP
- AWS Native
- Azure Native

Applications

- FortiWeb
- FortiMail
- FortiADC
- FortiGSLB

- Appliance
- VM
- Hosted
- Cloud
- Software
- Container



Key Non-FortiGate Solutions

Solution		Fabric Infrastructure Fabric	Cloud
<i>Cloud Security</i>			
Forti-Cloud			Cloud
	GateVM	SW	Cloud
	Mail	HW	Cloud
	Web	HW	Cloud

Solution		Fabric Infrastructure Fabric	Cloud
<i>Zero Trust Access</i>			
Forti-Authenticator		HW	Cloud
	Client	SW	Cloud
	NAC	HW/SW	Cloud
	Token	HW/SW	Cloud

Solution		Fabric Infrastructure Fabric	Cloud
<i>Management Center NOC & SOC</i>			
Forti-Analyzer		HW	Cloud
	Cloud		Cloud
	EDR	SW	Cloud
	Manager	HW	Cloud
	Monitor		Cloud
	Portal		Cloud
	Sandbox	HW/SW	Cloud
	SOAR	SW	Cloud
	SIEM	HW/SW	Cloud

Solution		Fabric Infrastructure Fabric	Cloud
<i>Secure Access</i>			
Forti-AP		HW	
	Extender	HW	
	Switch	HW	



Note: The above is not an inclusive list of all Fabric & Cloud Solutions. Also excluded is Other Products which includes Professional Services and Training.

List of Non-FortiGate Products

ALAXALA	FORTIDECEPTOR	FORTISASE
ALIBABA CLOUD	FORTIDIRECTOR	FORTISCAN
AMAZON WEB SERVICE	FORTIDNS	FORTISIEM
ASCENLINK	FORTIEDR	FORTISMS
AZURE CLOUD SERVICE	FORTIEXPLORER	FORTISOAR
CYBERSPONSE	FORTIEXTENDER	FORTISWITCH EXCLUDING 5000 SERIES
ENSILO	FORTIFONE	FORTITAP
FAMS	FORTIGATE-ONE	FORTITESTER
FNDN	FORTIGATEVM	FORTITOKEN
FORTIADC	FORTIGATEVOICE	FORTIVOICE
FORTIAI	FORTIGUARD PREMIER SERVICE	FORTIWAN
FORTIANALYZER	FORTIGUARDVOICE	FORTIWEB
FORTIAP	FORTIHYPERVERSOR	FORTIWIFIVOICE
FORTIAP-U	FORTIINSIGHT	FORTIWLC
FORTIAUTHENTICATOR	FORTIISOLATOR	FORTIWLM
FORTIBALANCER	FORTIMAIL	GOOGLE CLOUD PLATFORM
FORTIBRIDGE	FORTIMANAGER	MERU
FORTICACHE	FORTIMOM-VM	MODULE
FORTICALL	FORTIMONITOR	MSSP
FORTICAMERA	FORTINAC	OPAQ
FORTICLIENT	FORTIPORTAL	ORACLE CLOUD INFRASTRUCTURE
FORTICLOUD	FORTIPRESENCE	OTHER
FORTICONVERTER	FORTIPROXY	TALKSWITCH
FORTICORE	FORTIRECORDER	TRAINING
FORTIDB	FORTIREPORTER	TRANSCEIVER
FORTIDDOS	FORTISANDBOX	VIRTUAL DOMAIN LICENSE



Reconciliation of Non-GAAP Results to GAAP Results

\$ in millions	2018	2019	2020	2021
Total revenue	\$1,804.6	\$2,163.0	\$2,594.4	\$3,342.2
Add change in deferred revenue	347.1	442.3	496.2	847.6
Add deferred revenue adjustment due to ASC 606	4.1	-	-	-
Less Adjustment due to adoption of ASU 2021-08	-	-	-	(4.3)
Less deferred revenue balance acquired in business acquisition	(2.5)	(2.4)	(0.6)	(4.1)
Total Billings	\$2,153.3	\$2,602.9	\$3,090.0	\$4,181.4

\$ in millions	2019	2020	2021
GAAP gross profit	\$1,657.1	\$2,024.4	\$2,559.2
Stock-based compensation	12.8	14.5	17.4
Amortization of acquired intangible assets	7.7	9.1	12.9
Non-GAAP gross profit	\$1,677.6	\$2,048.0	\$2,589.5
Non-GAAP gross margin	77.6%	78.9%	77.5%



Reconciliation of Non-GAAP Results to GAAP Results

\$ in millions	2019	2020	2021
GAAP product gross profit	\$463.9	\$564.0	\$767.3
Stock-based compensation	1.5	1.6	1.7
Amortization of acquired intangible assets	6.5	4.7	5.7
Non-GAAP product gross profit	\$471.9	\$570.3	\$774.7
Non-GAAP product gross margin	59.8%	62.2%	61.7%

\$ in millions	2019	2020	2021
GAAP service gross profit	\$1,193.2	\$1,460.4	\$1,791.9
Stock-based compensation	11.3	12.9	15.7
Amortization of acquired intangible assets	1.2	4.4	7.2
Non-GAAP service gross profit	\$1,205.7	1,477.7	\$1,814.8
Non-GAAP service gross margin	87.7%	88.1%	86.9%



Reconciliation of Non-GAAP Results to GAAP Results

\$ in millions	2019	2020	2021
GAAP sales and marketing expense	\$926.9	\$1,071.9	\$1,345.7
Stock-based compensation	(101.7)	(108.4)	(110.0)
Amortization of acquired intangible assets	(3.2)	(4.2)	(5.6)
Non-GAAP sales and marketing expense	\$822.0	\$959.3	\$1,230.1

\$ in millions	2019	2020	2021
GAAP general and administrative expense	\$102.1	\$119.5	\$143.5
Stock-based compensation	(20.9)	(23.3)	(27.1)
Litigation-related matter	-	0.7	-
Non-GAAP general and administrative expense	\$81.2	\$96.9	\$116.4

\$ in millions	2017	2018	2019	2020	2021
GAAP research and development expense	\$210.6	\$244.5	\$277.1	\$341.4	\$424.2
Stock-based compensation	(32.2)	(36.4)	(38.7)	(47.6)	(56.7)
Non-GAAP research and development expense	\$178.4	\$208.1	\$238.4	\$293.8	\$367.5



Reconciliation of Non-GAAP Results to GAAP Results

<u>\$ in millions</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>Q3'19</u>	<u>Q3'20</u>	<u>Q3'21</u>	<u>Q4'21</u>
GAAP operating income	\$351.0	\$531.8	\$650.4	\$100.6	\$126.9	\$166.4	\$214.9
GAAP operating margin	16%	21%	19%	18.4%	19.5%	19.2%	22.3%
Stock-based compensation	174.1	193.8	211.2	42.4	50.0	53.5	54.2
Amortization of acquired intangible assets	10.9	13.3	18.5	2.2	2.8	4.8	6.8
Litigation settlement expenses	-	(0.7)	-	-	-	-	-
Gain on IP matter	-	(40.2)	(4.6)	-	(1.1)	(1.1)	(1.2)
Non-GAAP operating income	\$536.0	\$698.0	\$875.5	\$145.2	\$178.6	\$223.6	\$274.7
Non-GAAP operating margin	25%	27%	26%	26.5%	27.4%	25.8%	28.5%



Reconciliation of Non-GAAP Results to GAAP Results

\$ in millions	2009⁽¹⁾	2010⁽¹⁾	2011⁽¹⁾	2012⁽¹⁾	2013⁽¹⁾	2014⁽¹⁾	2015⁽¹⁾	2016	2017	2018	2019	2020	2021
GAAP operating income	\$25.3	\$55.3	\$88.9	\$100.5	\$72.1	\$59.3	\$14.9	\$46.0	\$112.6	\$234.4	\$351.0	\$531.8	\$650.4
GAAP operating margin	10%	17%	21%	19%	12%	8%	1%	4%	8%	13%	16%	20%	19%
Stock-based compensation	7.4	9.3	19.0	30.7	44.4	59.0	95.0	122.4	137.2	162.9	174.1	193.8	211.2
Amortization of acquired intangible assets	-	-	-	-	1.6	1.4	3.1	9.3	8.6	9.0	10.9	13.3	18.5
Impairment of intangible assets	-	-	-	-	0.5	2.4	1.6	-	-	-	-	-	-
Write-off of intangible asset	2.4	-	-	-	-	-	-	-	-	-	-	-	-
ERP-related expenses	-	-	-	-	-	-	5.4	13.4	-	-	-	-	-
Acquisition-related charges	-	-	-	-	-	-	2.7	0.3	-	-	-	-	-
Restructuring charges	-	-	-	-	-	-	7.6	4.0	0.3	-	-	-	-
Inventory fair value adjustment amortization	-	-	-	-	-	-	2.9	0.8	-	-	-	-	-
Litigation settlement expenses	-	-	(1.9)	(1.9)	(1.9)	-	-	-	1.5	-	-	(0.7)	-
Gain on IP matter	-	-	-	-	-	-	-	-	-	-	-	(40.2)	(4.6)
Non-GAAP operating income	\$35.1	\$64.6	\$106.0	\$129.3	\$116.7	\$122.1	\$133.2	\$196.2	\$260.2	\$406.3	\$536.0	\$698.0	\$875.5
Non-GAAP operating margin	14%	20%	24%	24%	19%	16%	13%	15%	17%	23%	25%	27%	26%



Reconciliation of Free Cash Flow

\$ in millions	2019	2020	2021
Net cash provided by operating activities	\$808.0	\$1,083.7	\$1,499.7
Less purchases of property and equipment	(92.2)	(125.9)	(295.9)
Less proceeds from IP matter	-	(50.0)	-
Free cash flow	\$715.8	\$907.8	\$1,203.8
Free cash flow Margin	33%	35%	36%



FORTINET[®]