



Q3 2025 Earnings Presentation

November 5, 2025

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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.



Q3'25 Key Financial Highlights

14%

Y/Y Billings
Growth

14%

Y/Y Total Revenue
Growth

18%

Y/Y Product Revenue
Growth

32%

Y/Y Growth in Value
of Deals >\$1M

37%

Operating Margin
(Non-GAAP)

37%

Adjusted Free Cash
Flow Margin



Leading in All Three Pillars with Continued Market Share Gains



Secure Networking



Firewall



LAN



WLAN



Converge security and networking to protect every edge and device

\$66B

'25-'29 CAGR: +8%

+10%

Q3'25 Billings Growth

Unified SASE



SD-WAN



SSE



Cloud Security



Unified networking & security providing consistent security, flexible deployment, and lower TCO

\$78B

'25-'29 CAGR: +18%

+19%

Q3'25 Billings Growth

AI-Driven Security Operations



SOC



Data Security



CTEM



The broadest and most integrated security operations platform

\$165B

'25-'29 CAGR: +10%

+33%

Q3'25 Billings Growth

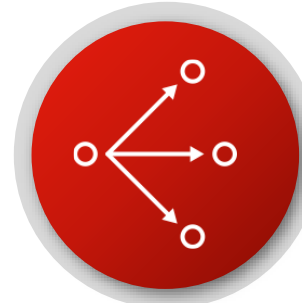


Note: 2029 total addressable markets shown.
Gartner, June 2025 - Forecast: Enterprise Network Equipment, Worldwide, 2023-2029, 2Q25 Update
Gartner, June 2025 - Forecast: Information Security and Risk Management, Worldwide, 2023-2029, 2Q25 Update

Market Leader Across Major Security and Networking Category



Network Security



SD-WAN



SASE



Operational
Technology



SecOps

Security at Scale

\$7.2B

TTM Billings

As of Q3'25

Built to Last

**GAAP
Profitable
Every Year
Since 2009 IPO**

Proven at Scale

900K+

Lifetime
Customers

#1 in Innovation

1,360

Patents

Worldwide Scale, Support

15,000+

Employees

100,000+

Partners

Top-Tier Public Company

**NASDAQ 100
S&P 500**



The Only Leader Across Every Major Networking and Security Market

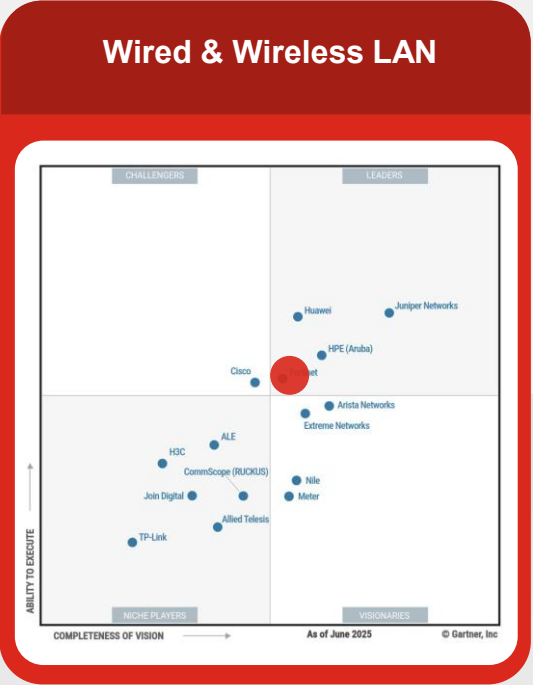
← FortiOS Operating System →



Gartner® Magic Quadrant™ for Hybrid Mesh Firewall – Published August 25 2025 – Rajpreet Kaur, Adam Hils, Charanpal Bhogal, Esraa ElTahawy, Feng Gao, Tiffany Taylor



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, By Mike Leibovitz, Christian Canales, Nauman Raja, Tim Zimmerman, 25 June 2025.



Gartner, Magic Quadrant™ for SASE Platforms, Jonathan Forest, Neil MacDonald, Dale Koeppen, 9 July 2025.



Leading the Convergence of Networking and Security

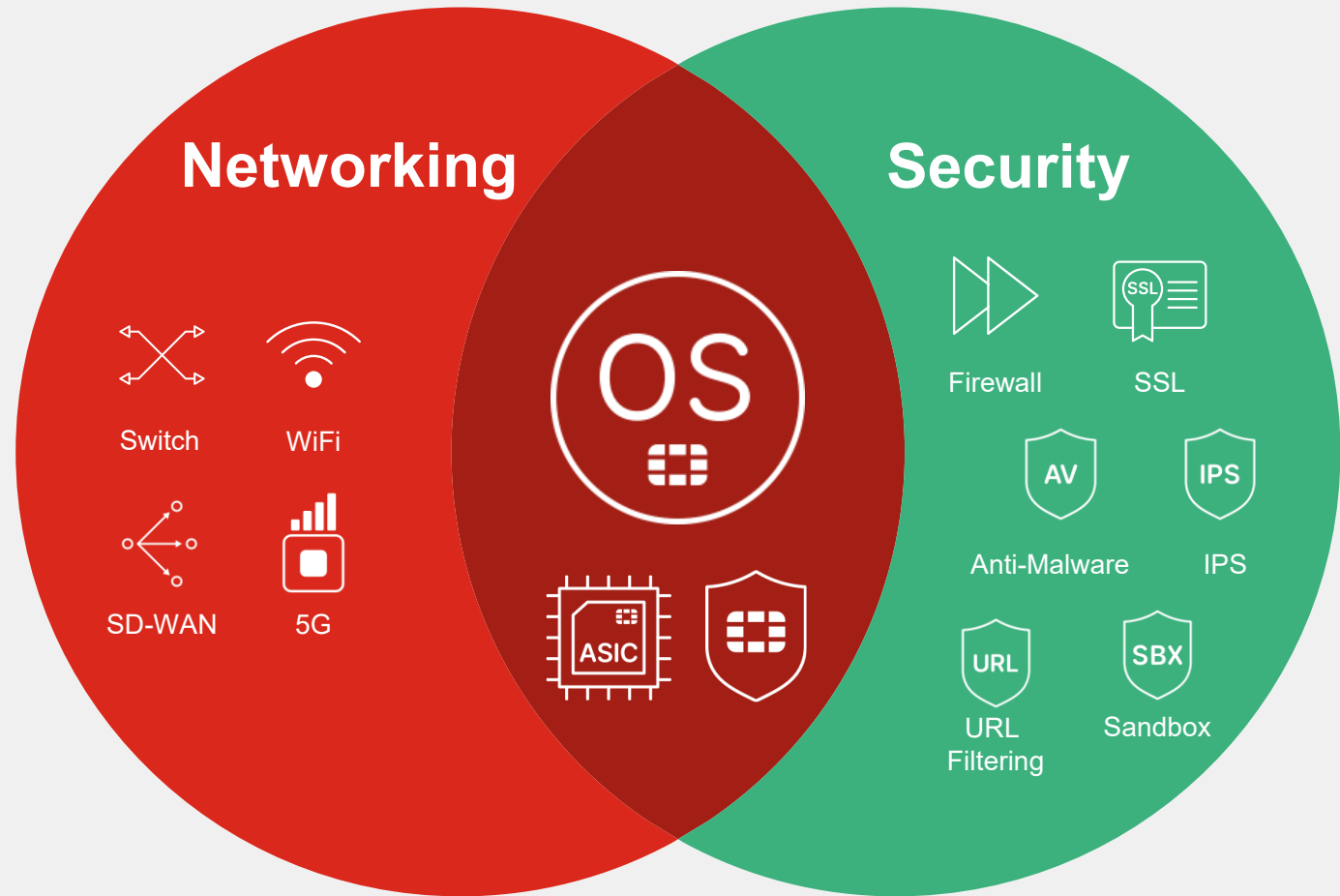
**Vendor Consolidation
Drives Better Integration**

**Better Security
Posture**

**Lower
TCO**

**Simplified
Operations**

Customer Benefits



Over thirty networking and security features



The Most Deployed and Most Validated Secure SD-WAN Solution

How Fortinet Delivers

Customer Benefit

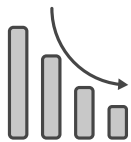
Proven Results

More Secure and Reliable



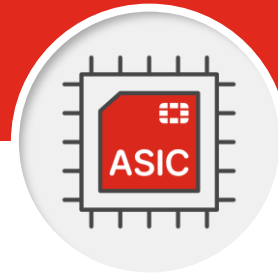
Only vendor to run NGFW & SD-WAN integrated natively on a single OS & one appliance

Network Stability
Vendor Consolidation



Reduction in network disruption
65%

Reduce Cost



Only vendor with ASIC to Accelerate Secure SD-WAN functions with no license

Better performance
Lowest power consumption
Lower TCO



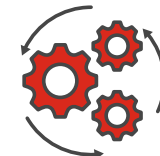
ROI
300%

Simplified Operations



Only vendor to provide centralized policy management and autonomous architecture

Single Pane Management
Day Zero Provisioning at Scale
High Availability



Increase productivity of security & network teams
50%



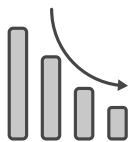
One of the Fastest Growing SASE Leaders

Proven Security



The broadest SASE solution with validated security efficacy powered by FortiGuard Labs

Better Security Posture
Consistent Security on-prem and cloud



Improved
Time to remediate

Easy to Adopt



Organically developed Single OS across Firewall, SD-WAN, & SASE

Expand from SD-WAN in minutes
Flexible Connectivity with Hardware and Software Agent



3 to 1
Vendor consolidation

Better Value



170+ global cloud locations for resilient user experience

Lower TCO
Highest availability
Data Sovereignty



1/3
the Cost

How Fortinet Delivers

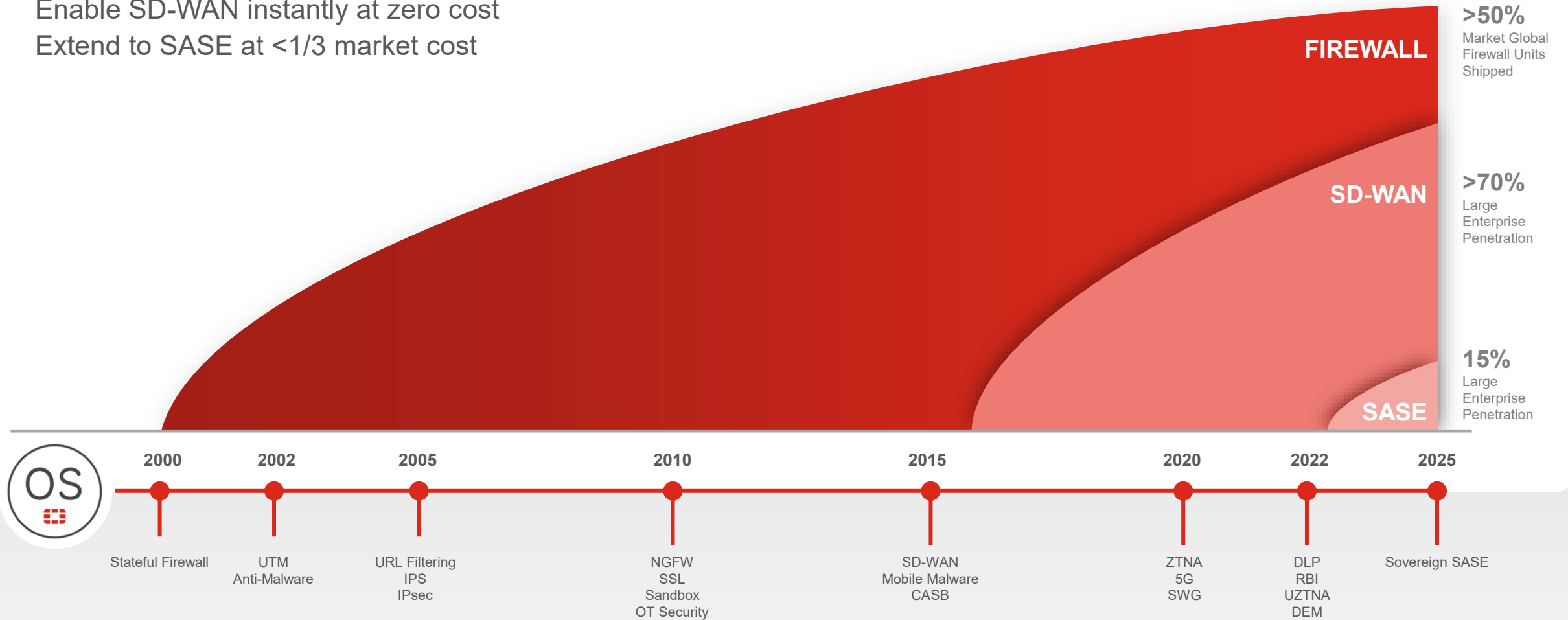
Customer Benefit

Proven Results



New-Gen Converged SASE Firewall: NGFW, SD-WAN, and SASE

Enable SD-WAN instantly at zero cost
Extend to SASE at <1/3 market cost

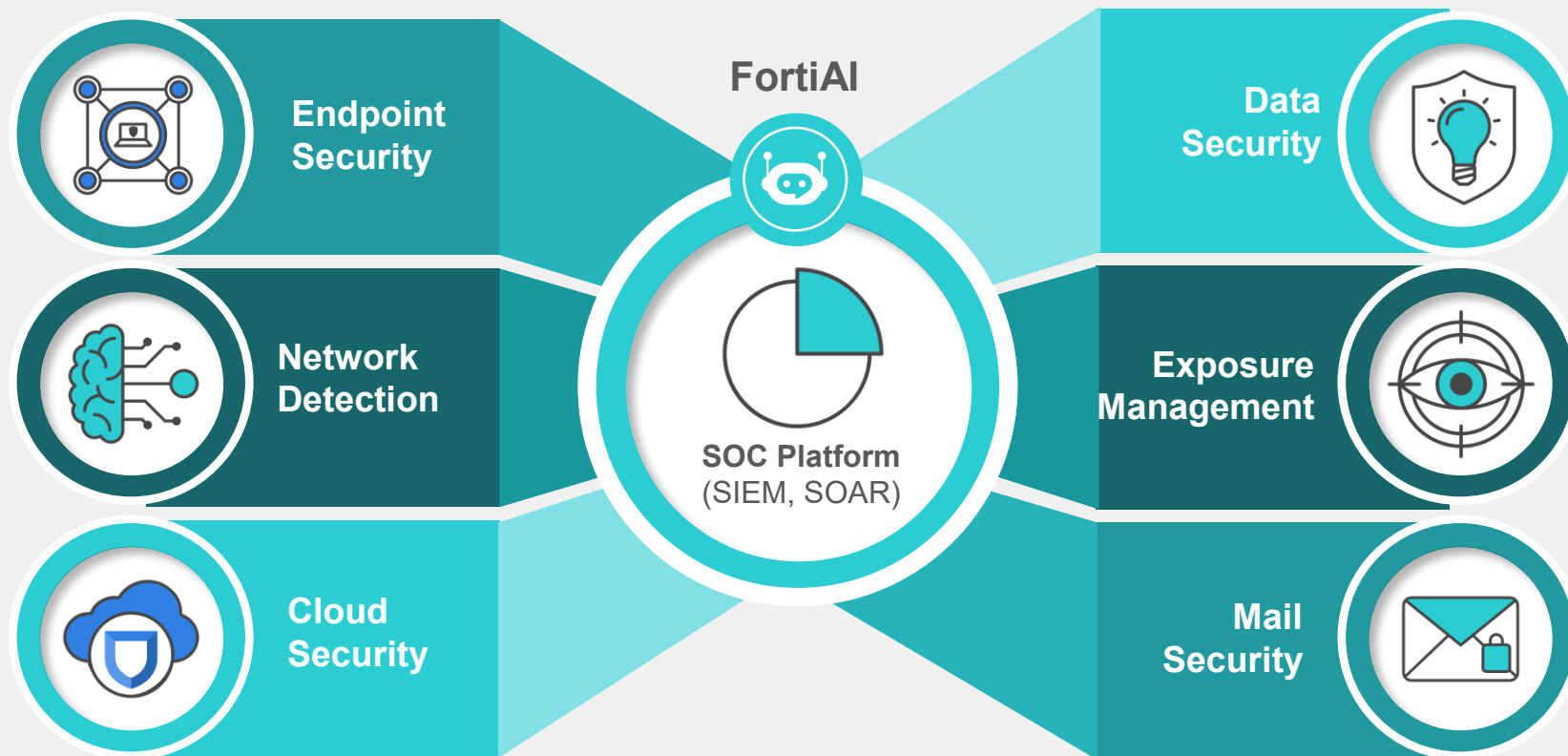


Broadest AI-Driven Security Operations

Delivers deep integrations for
faster response

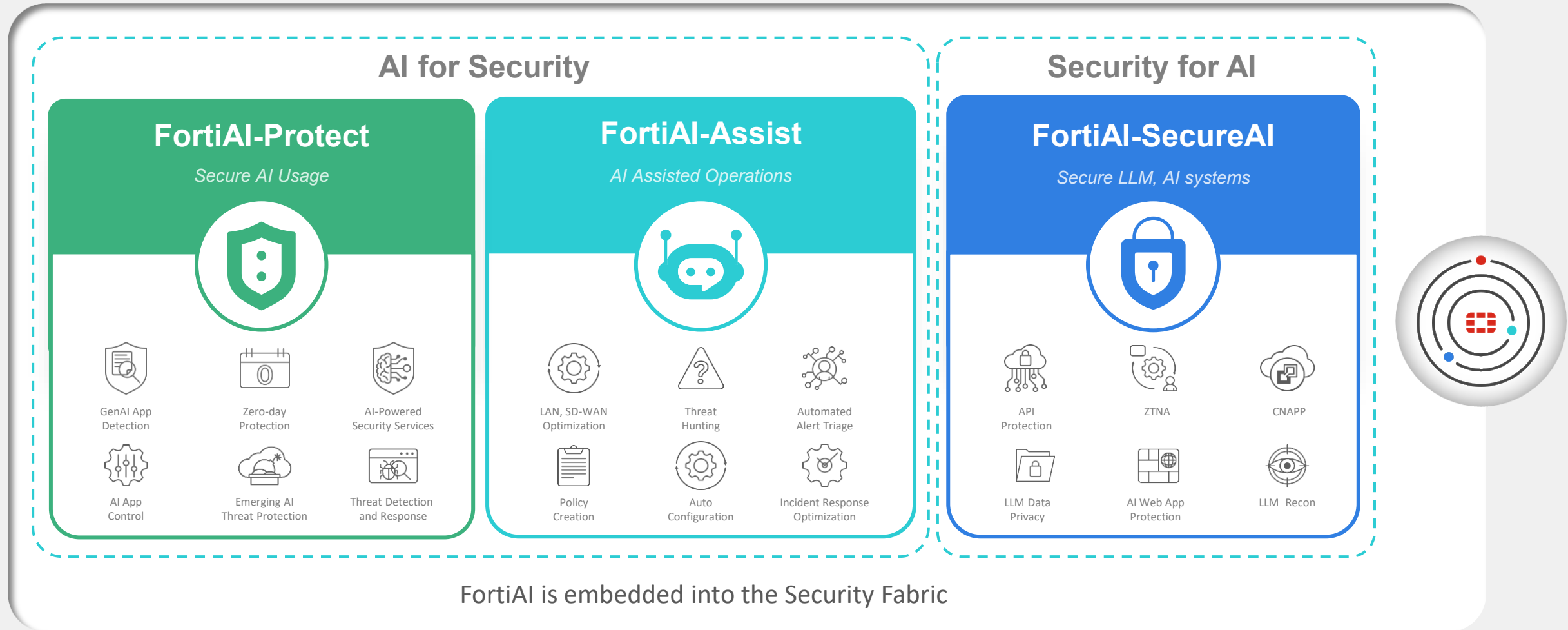
Built on owned infrastructure
to deliver better value

Improve productivity with
faster detection

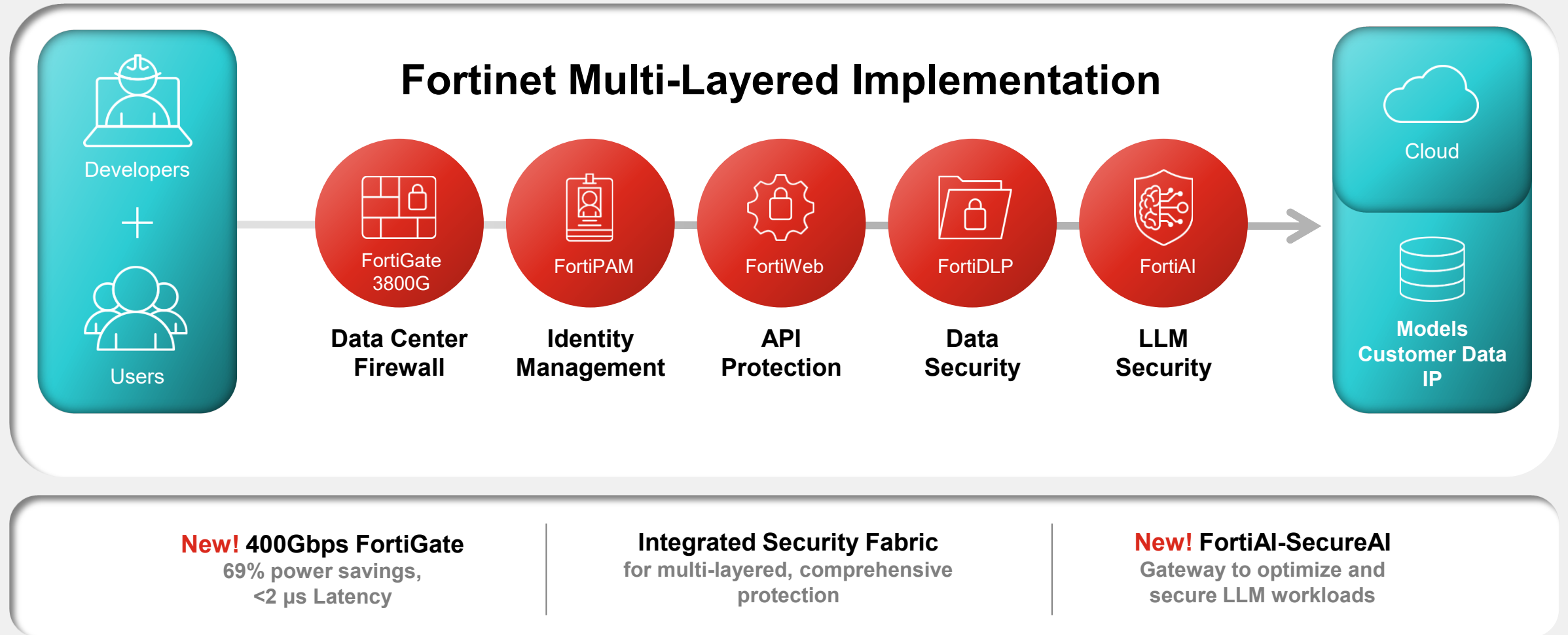


FortiAI: 15+ Years of Innovation, Powering 20+ Solutions

#1 patent innovator in AI and security with 500+ patents



Protect Your Most Demanding Workloads In Enterprise & AI Data Centers



Owned Global Cloud Delivers Control, Performance, and Cost Benefits

Owned Infrastructure

5M+
Total sq ft

Lower TCO

Cost savings for customers

High Availability

99.999%
FortiSASE SLA Target

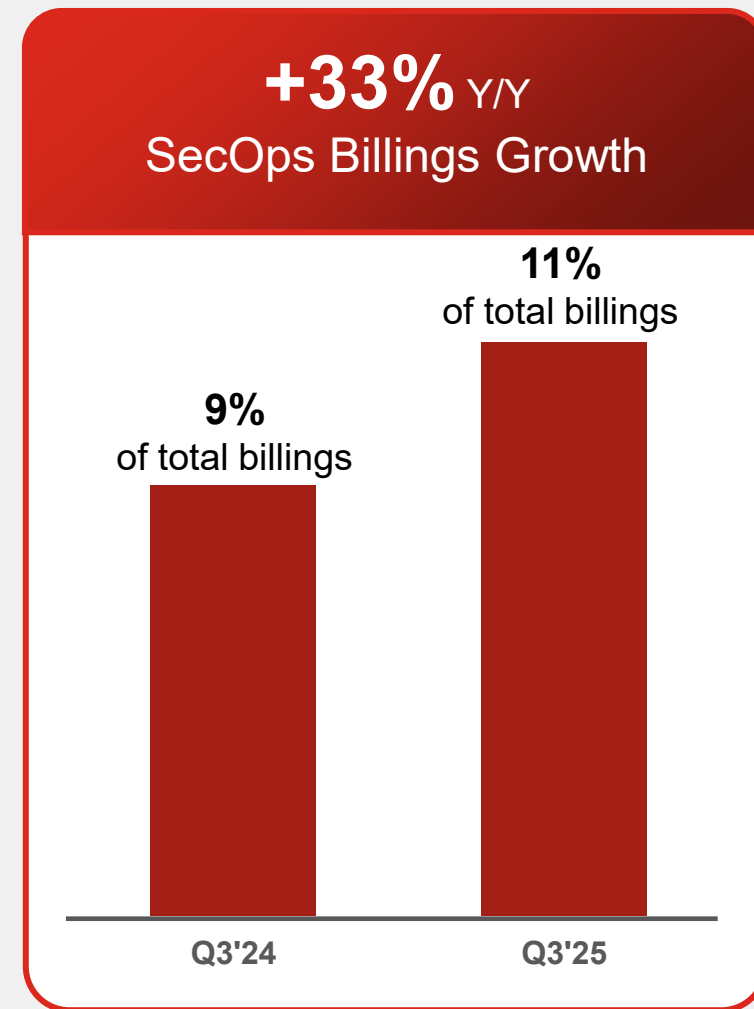
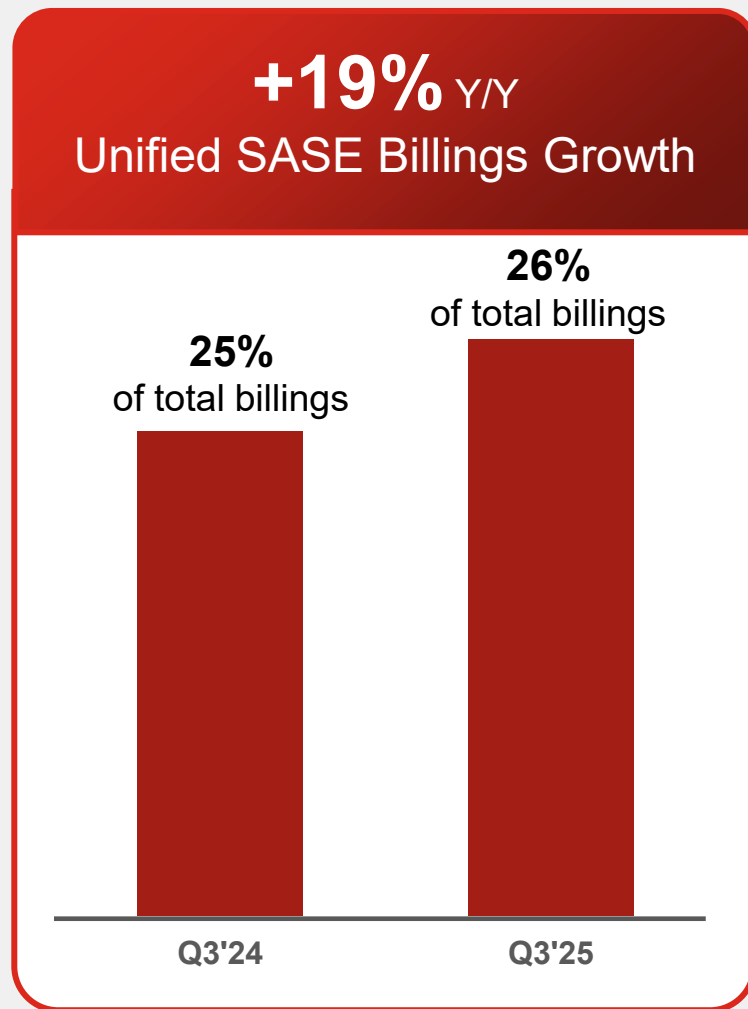
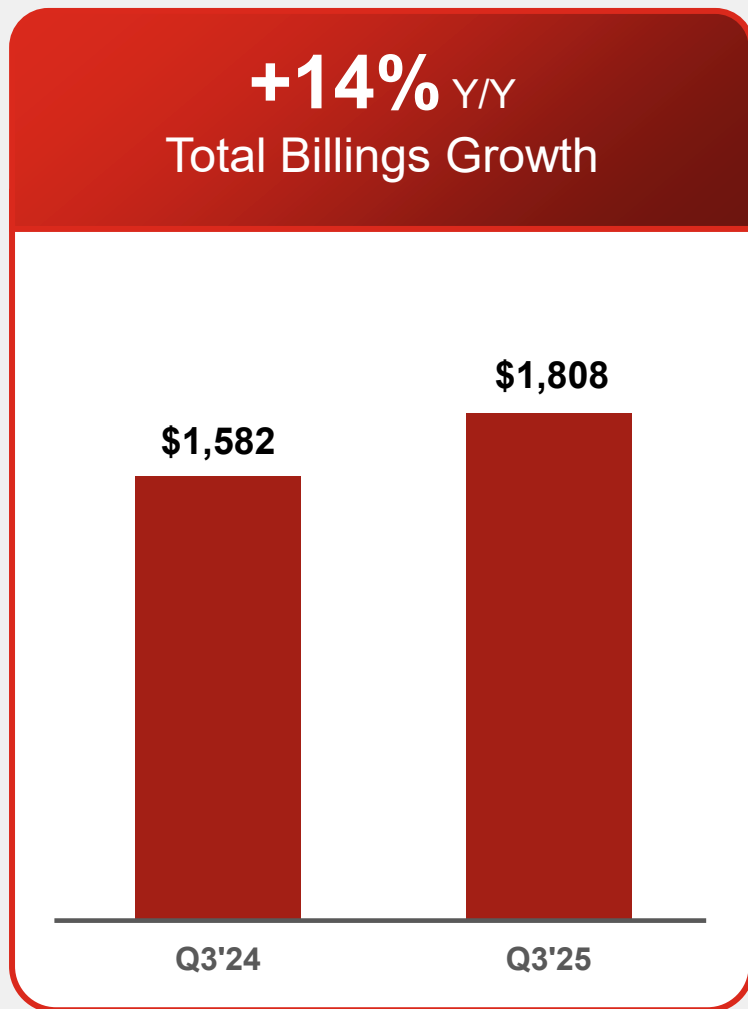
Scale

170+ global cloud locations.
Flexibility to choose
cloud provider.



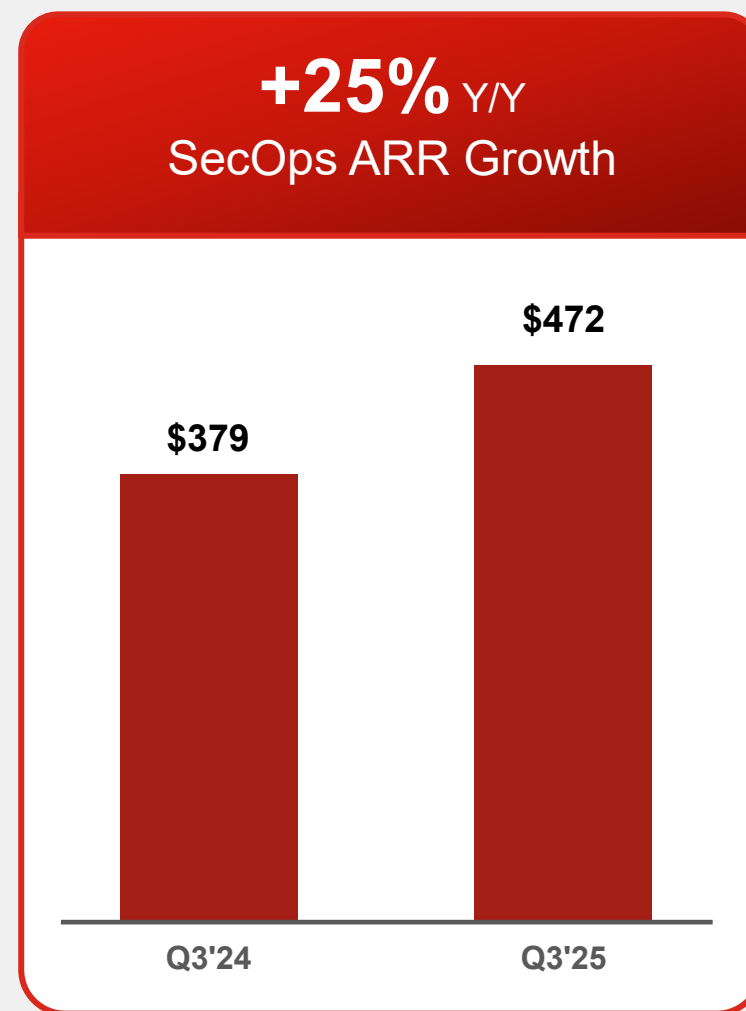
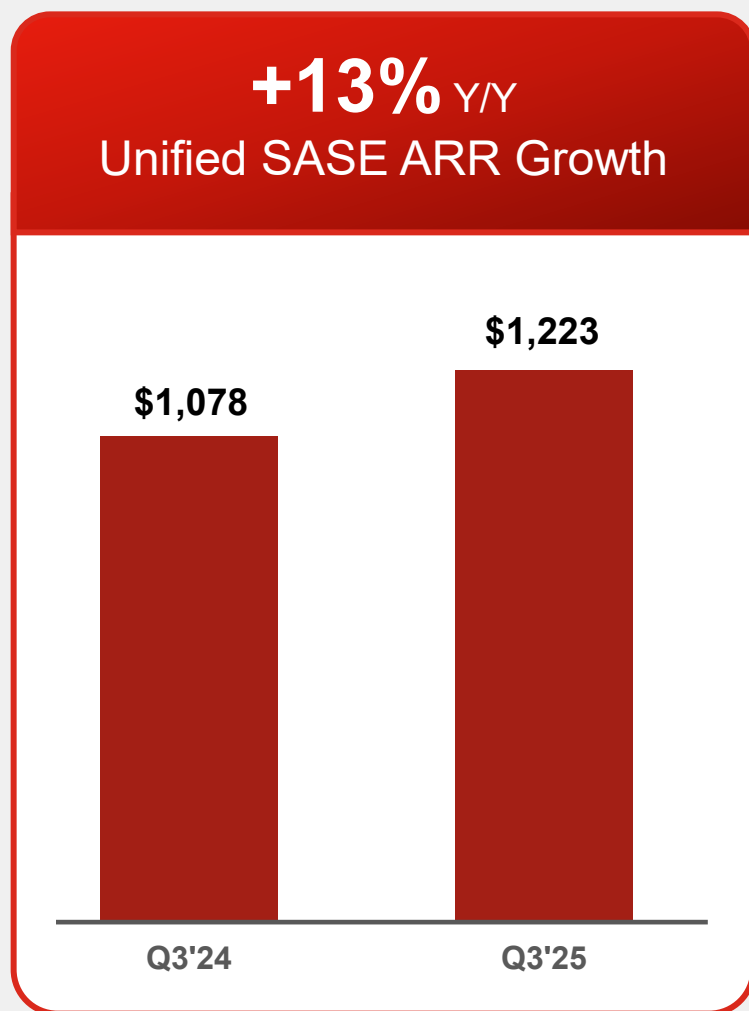
Strong Billings Growth Driven by Unified SASE & SecOps

\$ in Millions



Note: The Unified SASE and SecOps pillars have been updated to include a product realignment.

Strong Growth in Unified SASE & SecOps ARR

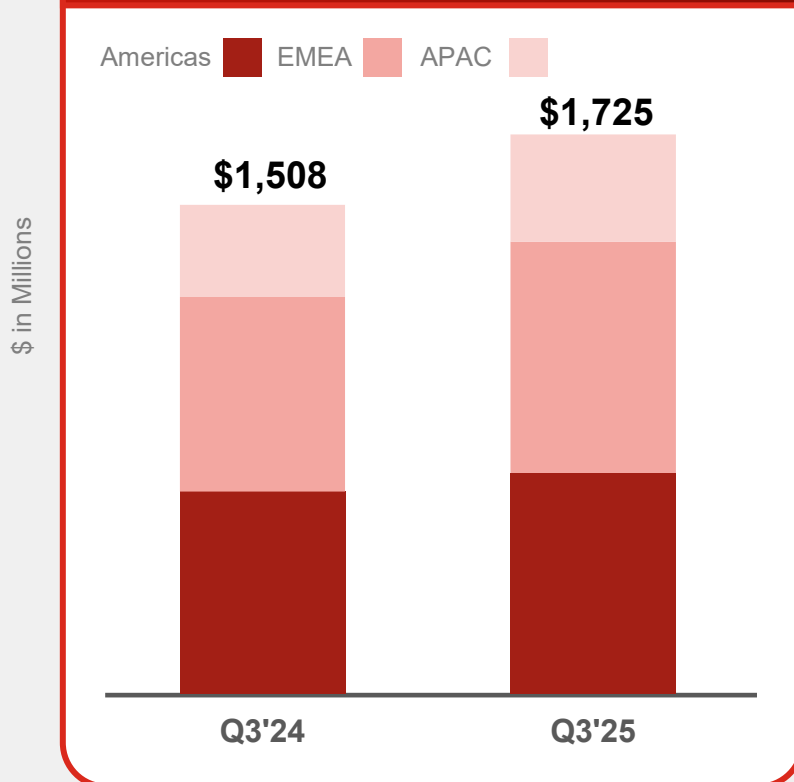


Note: Annual Recurring Revenue (ARR) is defined as the annualized value of renewable / recurring customer agreements as of the measurement date, assuming any contract that expires during the next 12 months is renewed at its existing value.

Strong Revenue Growth in Q3'25

+14% Y/Y

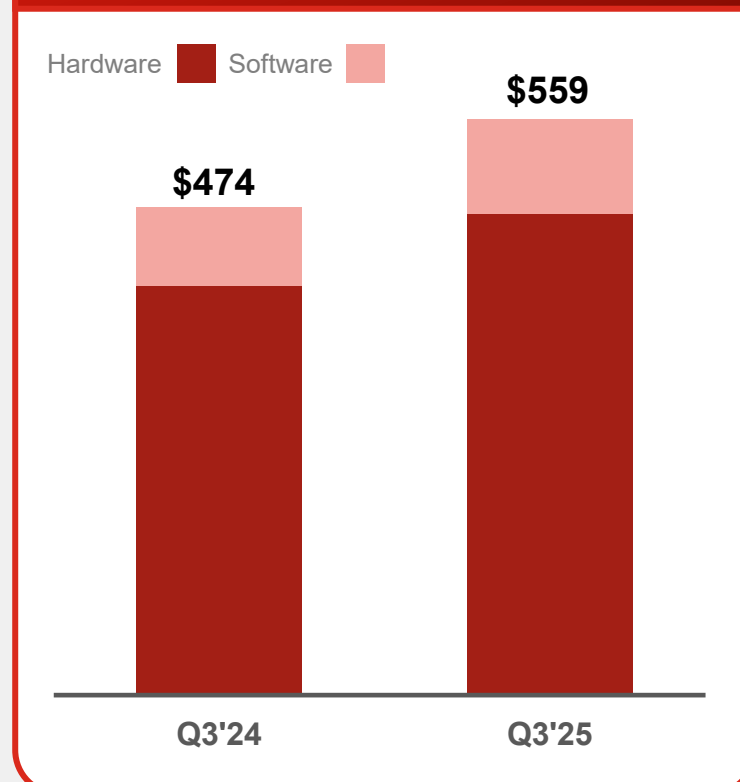
Total Revenue Growth



Revenue growth was led by EMEA and APAC with growth of 19% Y/Y and 16% Y/Y, respectively.

+18% Y/Y

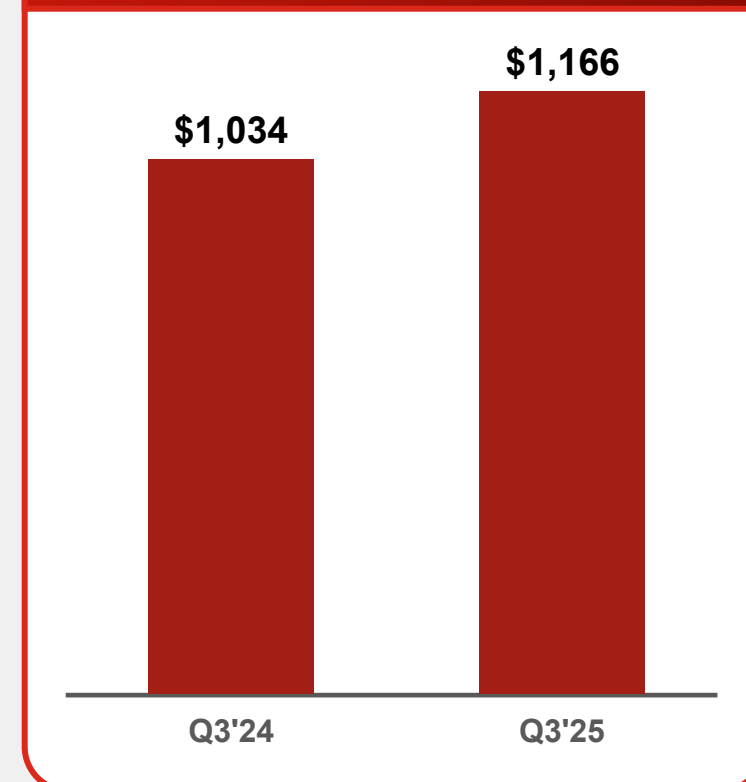
Product Revenue Growth



Product revenue benefited from strong performance in multi-product deals and OT security. FortiGates, networking equipment, and software all delivered strong double-digit growth.

+13% Y/Y

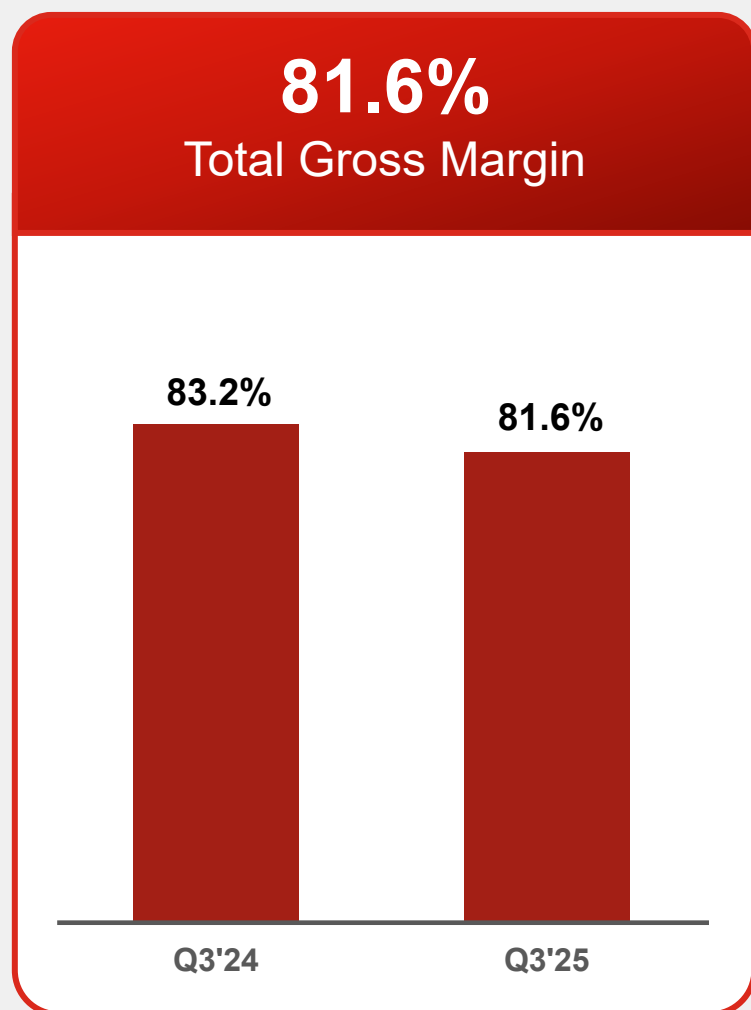
Service Revenue Growth



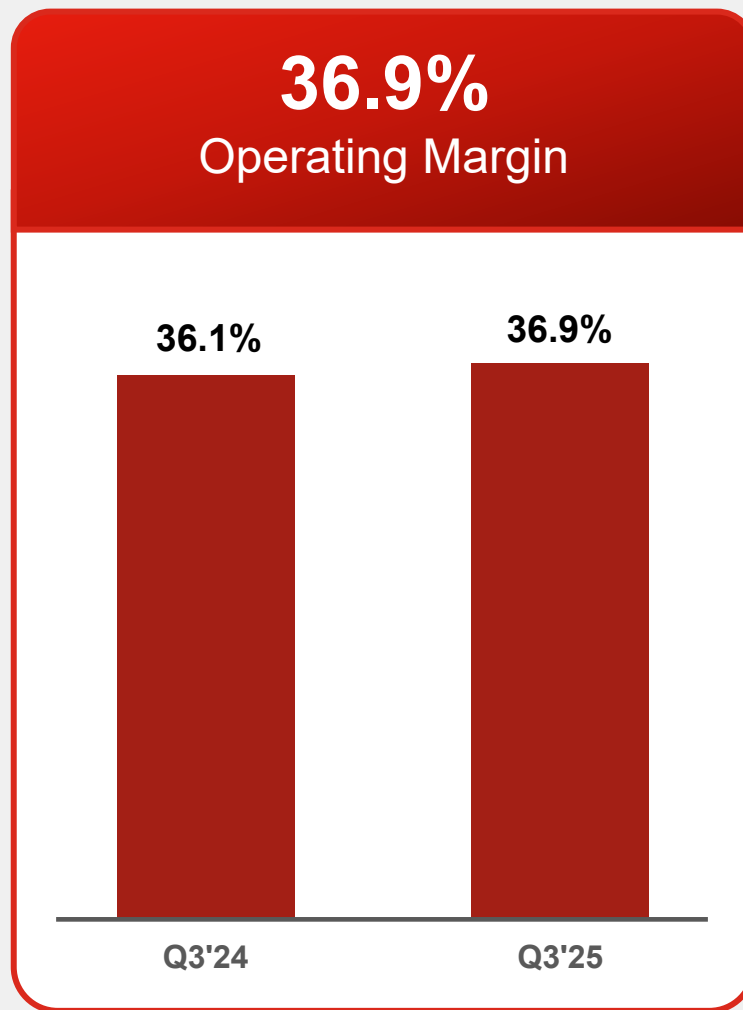
Security subscriptions and technical support & other both grew 13% Y/Y.



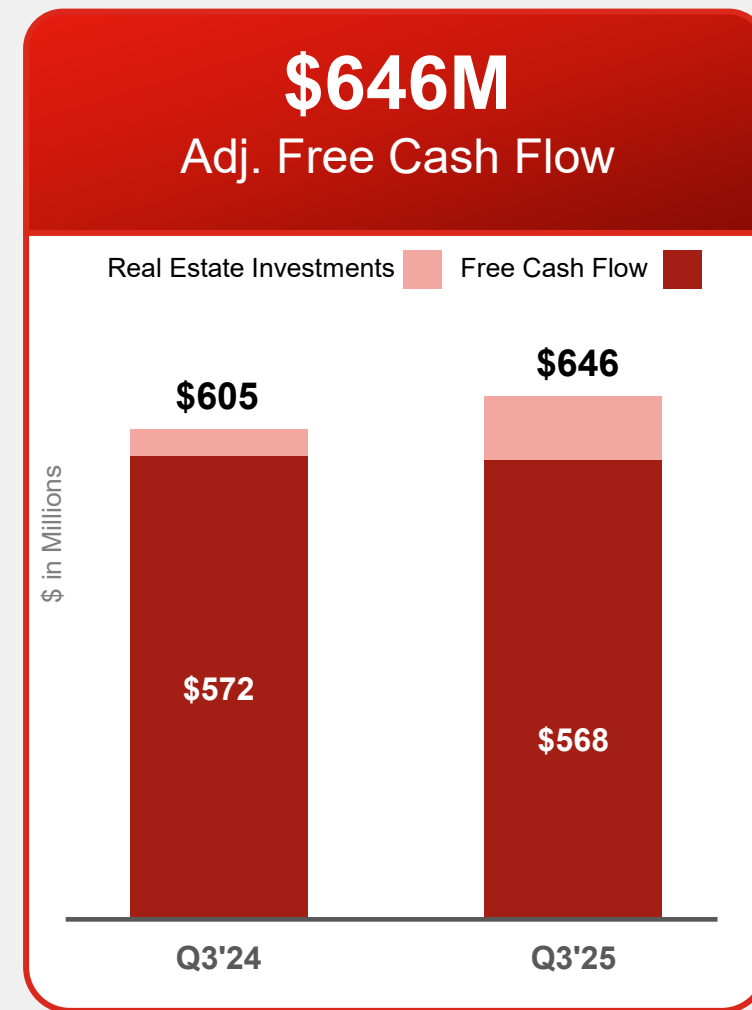
Record Third Quarter Operating Margin & Adj. Free Cash Flow



Total gross margin reflects lower product gross margin and a mix shift towards product revenue.



Reflects operational efficiencies in the business and strong cost management.

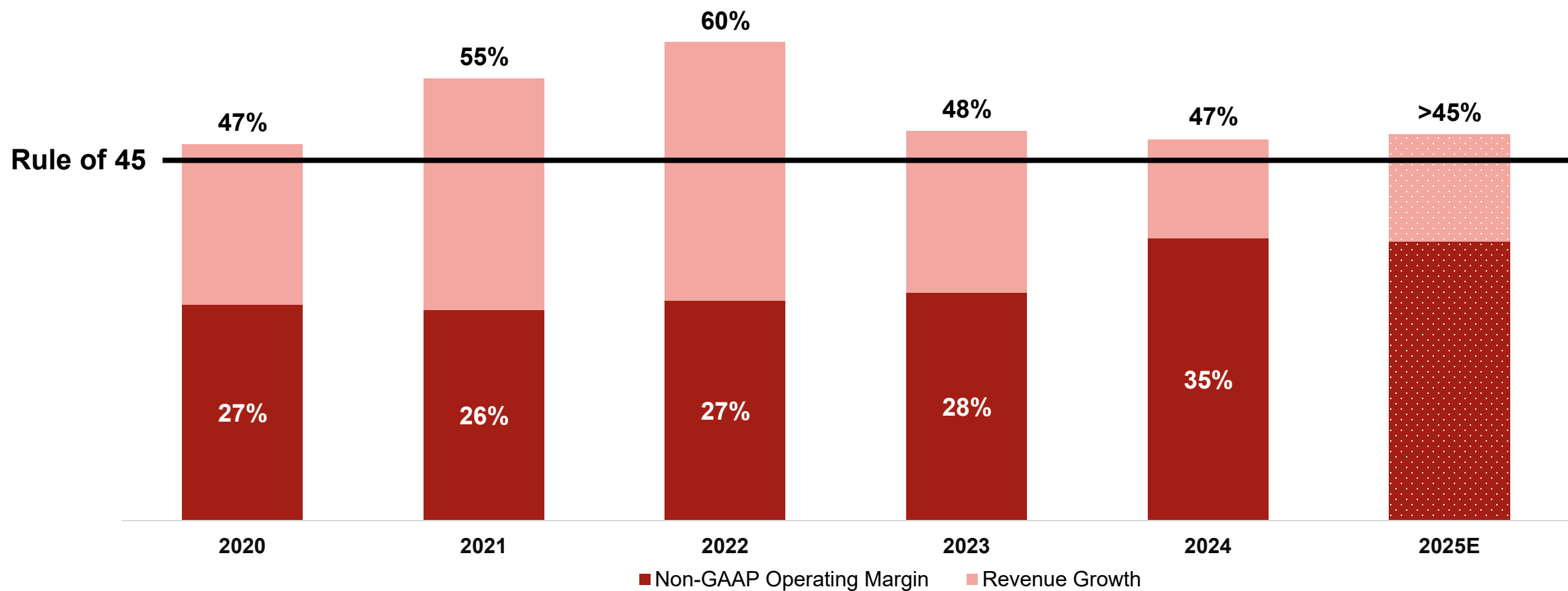


Realized an Adj. Free Cash Flow margin of 37%.



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

Expect to Achieve the 'Rule of 45' in 2025



Q4'25 and Full Year 2025 Guidance (Non-GAAP) ⁽¹⁾

	Q4'25E	2025E
Billings ⁽²⁾	\$2.185B – \$2.285B	\$7.370B – \$7.470B
<i>Y/Y Mid-Pt Growth</i>	<i>11.6%</i>	<i>13.6%</i>
Revenue (GAAP)	\$1.825B – \$1.885B	\$6.720B – \$6.780B
<i>Y/Y Mid-Pt Growth</i>	<i>11.7%</i>	<i>13.3%</i>
Service Revenue (GAAP)		\$4.575B – \$4.595B
<i>Y/Y Mid-Pt Growth</i>		<i>13.3%</i>
Gross Margin (%) ⁽³⁾	79.0% – 80.0%	80.25% – 80.75%
Operating Margin (%) ⁽³⁾⁽⁴⁾	34.5% – 35.5%	34.5% – 35.0%
Net Income per Share ⁽³⁾⁽⁴⁾⁽⁵⁾⁽⁶⁾	\$0.73 – \$0.75	\$2.66 – \$2.70
Weighted Diluted Shares Outstanding	751M – 755M	764M – 768M

- (1) Guidance for non-GAAP financial measures excludes stock-based compensation, amortization of acquired intangible assets, settlements of litigation related matters, gain on IP matters, gain on bargain purchase, gain from an equity method investment and a tax adjustment required for an effective tax rate on a non-GAAP basis, which differs from the GAAP effective tax rate. 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.
- (2) Billings is a non-GAAP measure that we define as revenue recognized in accordance with GAAP plus the change in deferred revenue from the beginning to the end of the period less any deferred revenue balances acquired from business combination(s) during the period.
- (3) Excludes stock-based compensation and amortization of acquired intangible assets.
- (4) Excludes charges in connection with litigation settlements and gains on IP matters.
- (5) Assumes an effective tax rate of 18% for 2025. We expect cash paid for income taxes to be within the range of \$400 million to \$450 million for 2025.
- (6) Excludes gains on bargain purchases related to our acquisitions of Lacework and Linksys, a gain from equity method investment related to our Linksys acquisition and a non-cash charge of the impairment recognized on our equity method investment in Linksys.



Additional Modeling Points

	Q4'25E	2025E
Cash Paid for Income Taxes	\$66M - \$116M	\$400M - \$450M
Infrastructure Investments	\$60M - \$110M	\$380M - \$430M
Non-GAAP Tax Rate	18%	18%





Appendix

Reconciliation of Non-GAAP Results to GAAP Results

(\$ in millions)	Q3'24	Q3'25
Total revenue	\$1,508.1	\$1,724.9
Add: Change in deferred revenue	115.5	82.8
Less: Deferred revenue balance acquired in business combinations	(41.4)	—
Total billings	\$1,582.2	\$1,807.7
GAAP Cash Flow from Operations	\$608.1	\$655.2
Less: Purchases of Property and Equipment	(36.3)	(87.7)
Free Cash Flow ⁽¹⁾	\$571.8	\$567.5
Add: Real Estate Related Add Backs	33.0	78.4
Adjusted Free Cash Flow ⁽²⁾	\$604.8	\$645.9

Notes

(1) Free Cash Flow is a non-GAAP measure that we define as net cash provided by operating activities minus purchases of property.

(2) Adjusted Free Cash Flow is a non-GAAP measure that we define as Free Cash Flow plus cash payments associated with real estate purchases and development.



Reconciliation of Non-GAAP Results to GAAP Results

(\$ in millions)	Q3'24	Q3'25
GAAP product gross profit	\$337.8	\$378.6
Stock-based compensation	0.5	0.6
Amortization of acquired intangible assets	1.1	1.4
Non-GAAP product gross profit	\$339.4	\$380.6
<i>Non-GAAP product gross margin</i>	<i>71.6%</i>	<i>68.0%</i>
GAAP service gross profit	\$906.9	\$1,014.6
Stock-based compensation	6.3	6.9
Amortization of acquired intangible assets	2.5	5.8
Non-GAAP service gross profit	\$915.7	\$1,027.3
<i>Non-GAAP service gross margin</i>	<i>88.5%</i>	<i>88.1%</i>
GAAP total gross profit	\$1,244.7	\$1,393.2
Stock-based compensation	6.8	7.5
Amortization of acquired intangible assets	3.6	7.2
Non-GAAP total gross profit	\$1,255.1	\$1,407.9
<i>Non-GAAP gross margin</i>	<i>83.2%</i>	<i>81.6%</i>
GAAP operating income	\$470.9	\$547.3
Stock-based compensation	66.4	72.2
Amortization of acquired intangible assets	5.3	13.1
Litigation-related matter	3.2	5.6
Gain on IP matters	(1.1)	(1.4)
Non-GAAP operating income	\$544.7	\$636.8
<i>Non-GAAP operating margin</i>	<i>36.1%</i>	<i>36.9%</i>

