



FORTINET®

Q4 2025 Earnings Presentation

February 5, 2026



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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.



Q4'25 Key Financial Highlights

18%

Y/Y Billings
Growth

15%

Y/Y Total Revenue
Growth

20%

Y/Y Product Revenue
Growth

42%

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

37%

Operating Margin
(Non-GAAP)

31%

Adjusted Free Cash
Flow Margin



Continued Growth Across All Three Pillars

Secure Networking



Firewall



LAN



WLAN



Converge security and networking to protect every edge and device

\$65B

'25-'29 CAGR: +7%

2025 Billings Growth: +12%

Q4'25 Billings Growth: +13%

Unified SASE



SD-WAN



SSE



Cloud Security



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

\$79B

'25-'29 CAGR: +18%

2025 Billings Growth: +24%

Q4'25 Billings Growth: +40%

AI-Driven Security Operations



SOC



Data Security



CTEM



The broadest and most integrated security operations platform

\$166B

'25-'29 CAGR: +10%

2025 Billings Growth: +22%

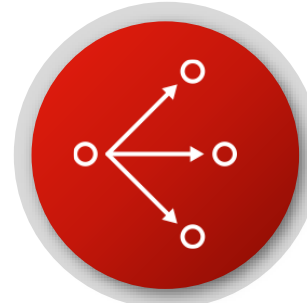
Q4'25 Billings Growth: +6%



Market Leader Across Major Security and Networking Category



Network Security



SD-WAN



SASE



Operational
Technology



SecOps

Security at Scale

\$7.6B

2025 Billings

Built to Last

**GAAP
Profitable
Every Year
Since 2009 IPO**

Proven at Scale

900K+

Lifetime
Customers

#1 in Innovation

1,405

Patents

Worldwide Scale, Support

15,000+

Employees

100,000+

Partners

Top-Tier Public Company

**NASDAQ 100
S&P 500**



Leading the Convergence of Networking and Security

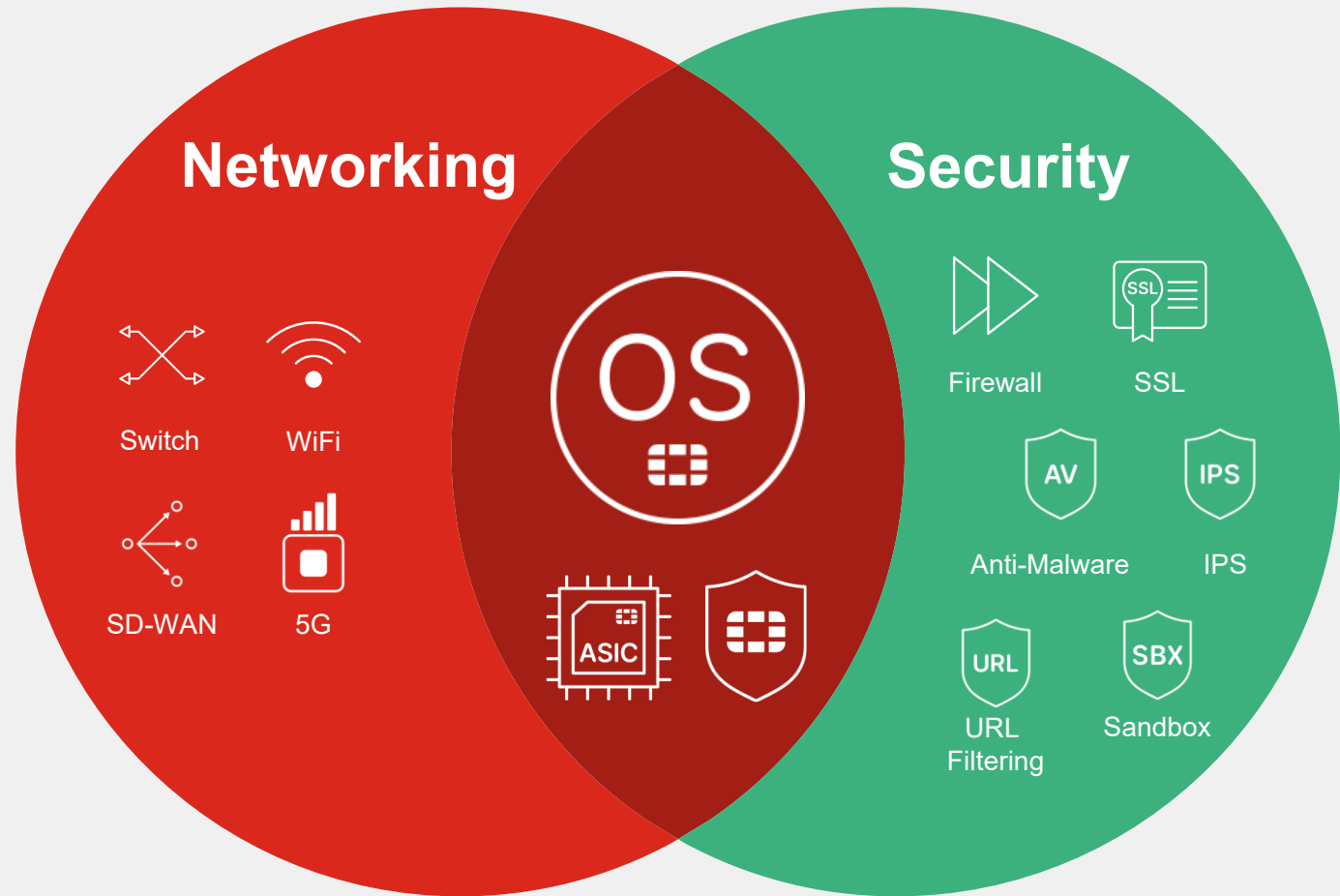
**Vendor Consolidation
Drives Better Integration**

**Better Security
Posture**

**Lower
TCO**

**Simplified
Operations**

Customer Benefits

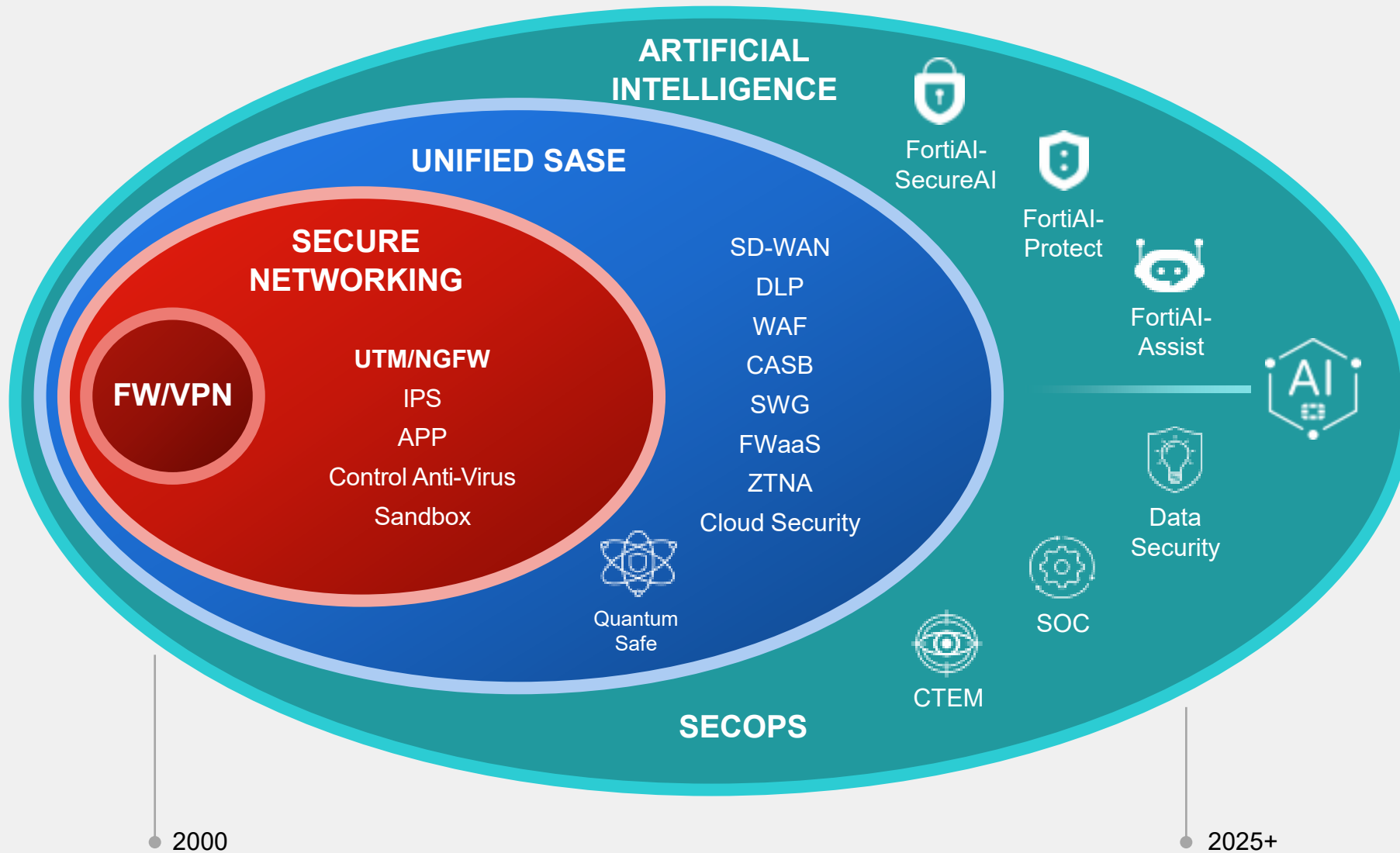


Over thirty networking and security features

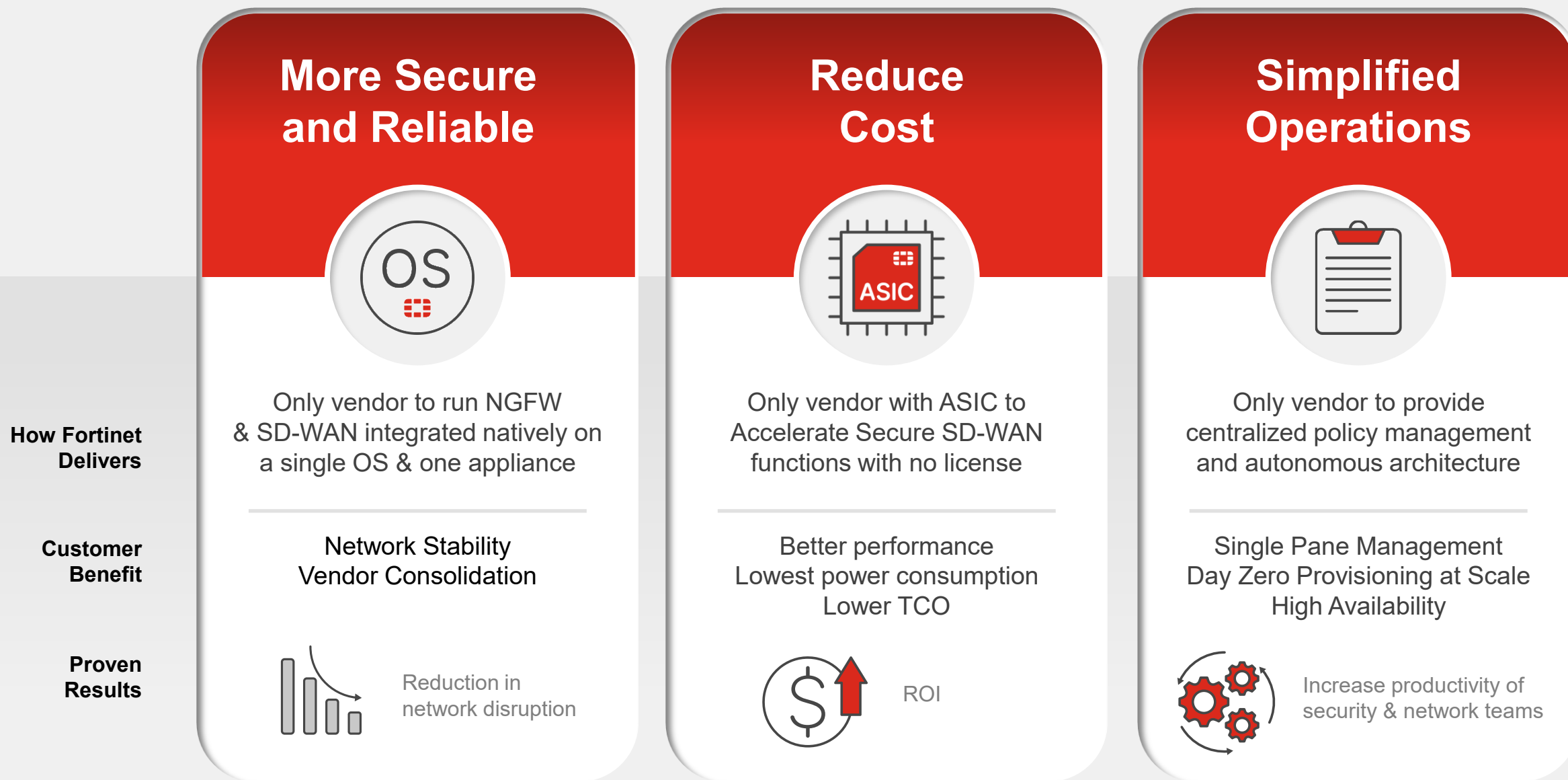


25 Years of Innovation Using ONE Security OS

FortiOS 8.0 innovations in AI, SD-WAN, SASE, and OT



The Most Deployed and Most Validated Secure SD-WAN Solution



Fastest Growing SASE Leader at Scale

Best Value & Security



~200 global cloud locations with 5M sqft total facilities delivering the best security with the highest ROI

Lower TCO
Highest Availability

1/3

the Cost

Easy to Adopt



Single OS across (1) firewall, (2) SD-WAN, and (3) SASE

Expand from SD-WAN in minutes

3 to 1

Vendor Consolidation

Broadest Solution



3 Ways to Deploy
Cloud | On-prem | Sovereign

3 Choices of Cloud
Fortinet | Co-location | Public Cloud

3 Ways to Consume
SaaS | Hardware | EA

3 x 3

Broadest Most Flexible
Offering

How Fortinet
Delivers

Customer
Benefit

Proven
Results



Optimized and Secure Access to Applications

with largest global network of SSE POPs



Total infrastructure

5M+ Total sq. ft.

Lower TCO

Cost savings for customers

High availability

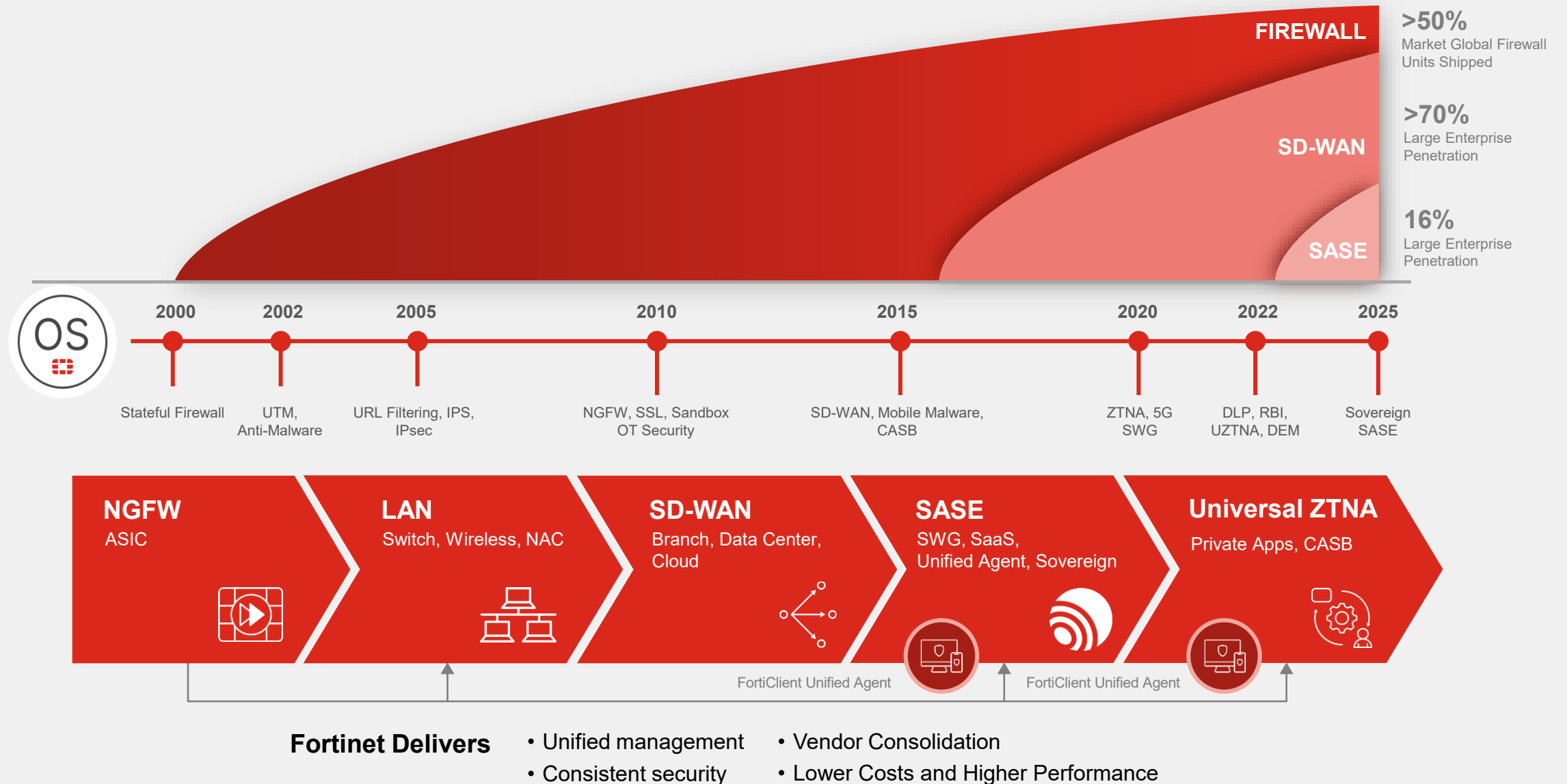
99.999%
FortiSASE SLA target

Scale

~200 global cloud locations. Flexibility to choose cloud provider.



The Fortinet Journey: A Seamless Security Evolution



Note: Market global firewall units shipped data is from 650 Group.

Comprehensive Security Services: Protection, Expertise, & Support

Flexible, scalable, and cost effective

Secure Networking



- **FortiGuard Security Services**
 - ENT Bundle
 - UTP Bundle
 - ATP Bundle
- **OT Security**

Unified SASE



- **SD-WAN Bundle**
- **SASE Bundle**
- **FortiCNAAP**
- **FortiGuard CASB**
- **Forti Guard Security Services**
 - ENT Bundle
 - UTP Bundle
 - ATP Bundle
- **OT Security**

AI-Driven Security Operations



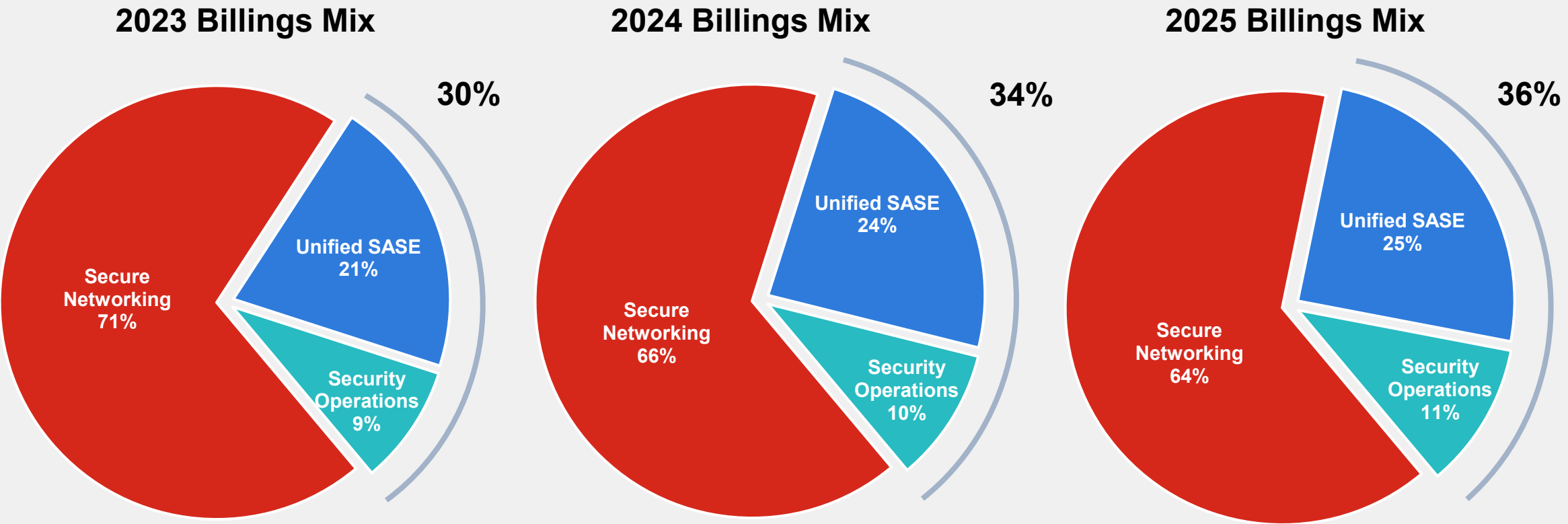
- **FAZ Cloud**
- **FSR/FSM Cloud**
- **IOC and Outbreak**
- **Detection Service**
- **Security Rating Service**
- **SOCaaS**
- **SOAR/SIEM Automation Services**

FortiCare: Essential, Premium, Elite | **Advanced Support:** Core, Pro, Pro Plus

FortiAI Assist



Billings Mix Shifting Towards the Faster-Growing Pillars of Unified SASE & Security Operations, with a Higher Services Mix



Unified SASE & SecOps Combined Grew 24% Y/Y in 2025



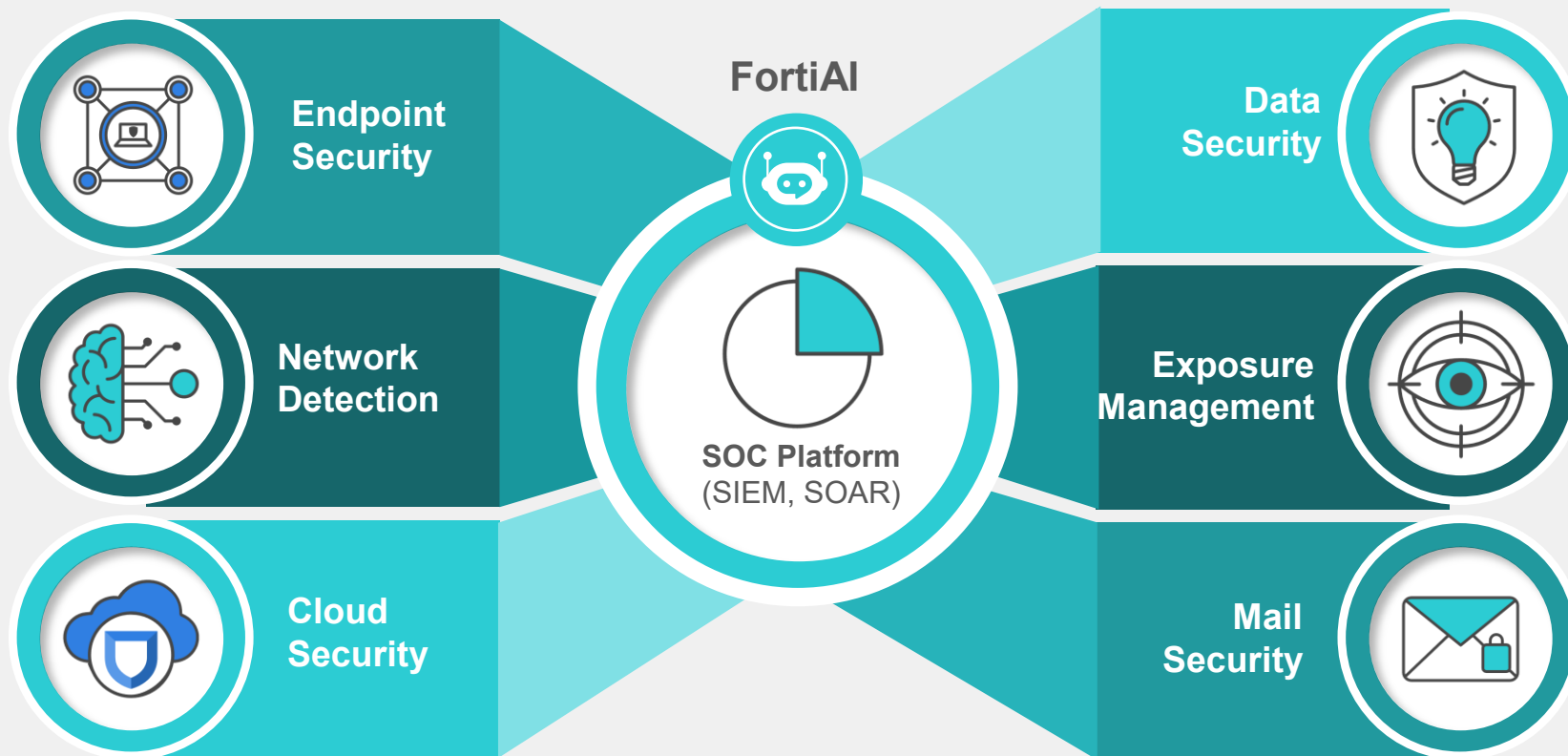
Note: Percentages may not sum to 100% due to rounding. Billings by pillar reflect the latest product family alignments.

Broadest AI-Driven Security Operations

Delivers deep integrations for
faster response

Built on owned infrastructure
to deliver better value

Improve productivity with
faster detection



Quantum Ready Since 2021



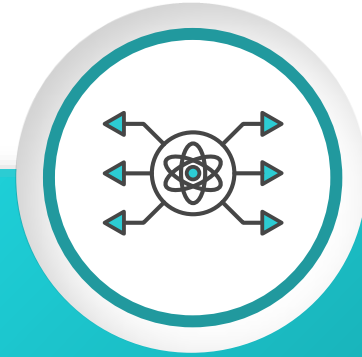
Protect Data Today

“Harvest now, decrypt later” means that quantum strategy is important today.



Interoperable

Standards are in transition, but Fortinet has NIST standardized solutions available already.

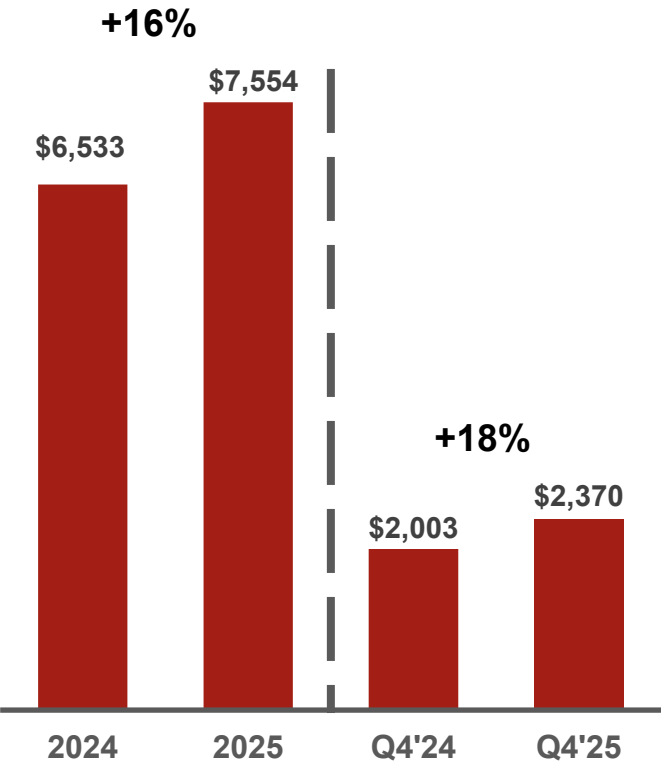


Transition Easily

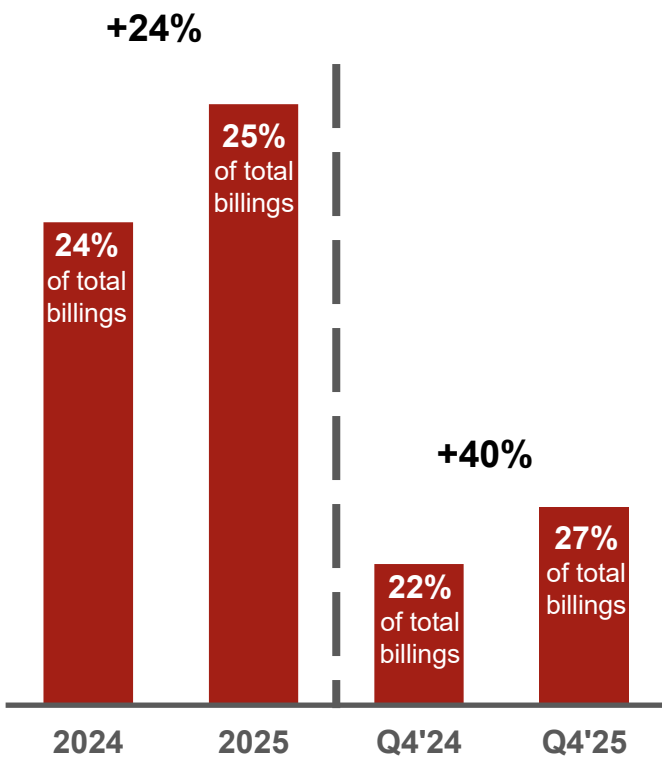
Fortinet expertise and solutions to help you with your quantum migration gradually without complete overhaul.

Q4'25 Billings Growth Driven by Unified SASE

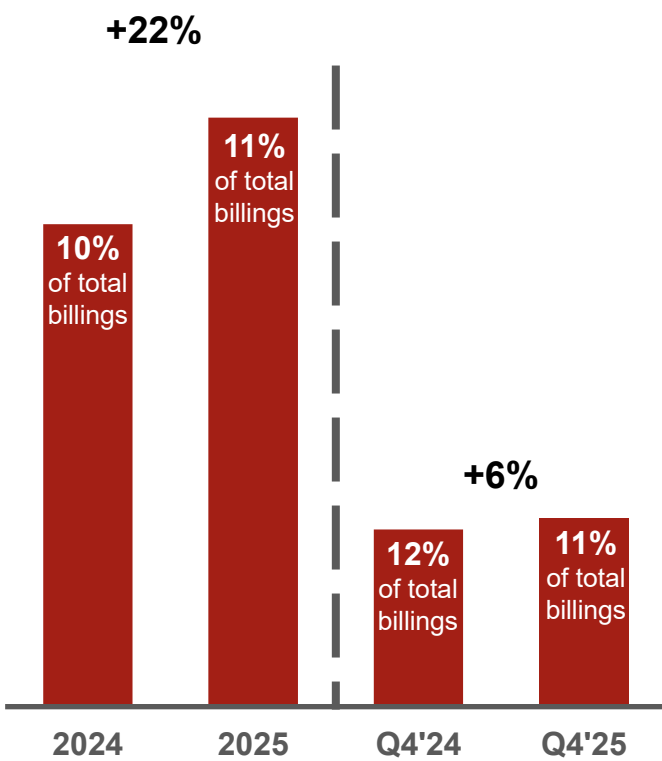
Total Billings



Unified SASE Billings



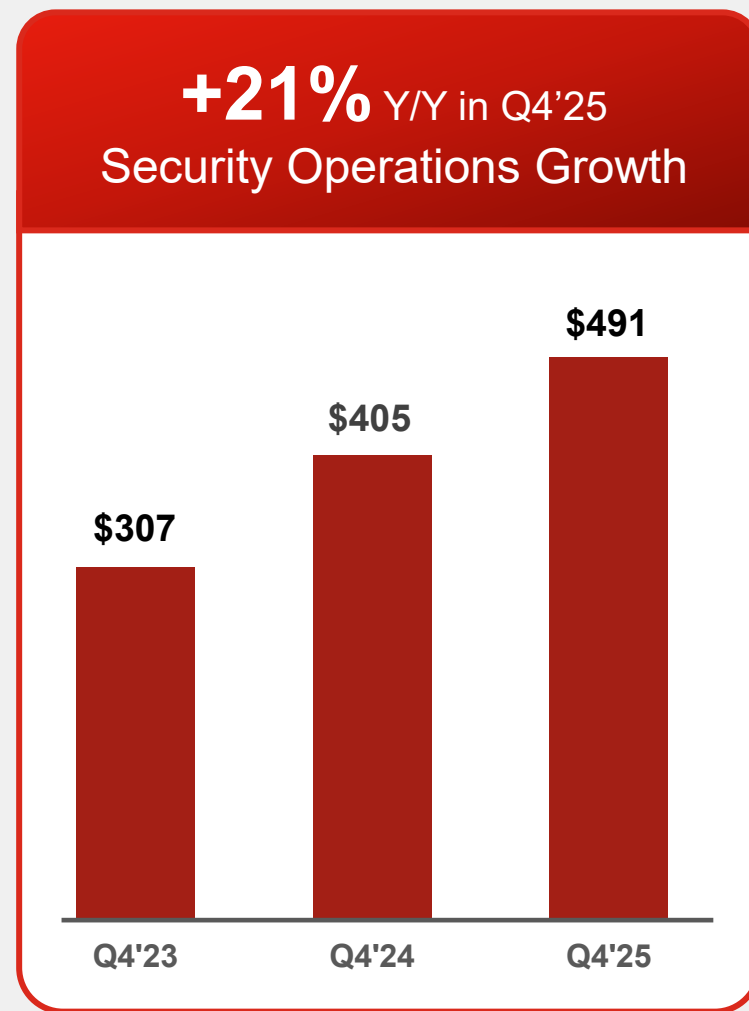
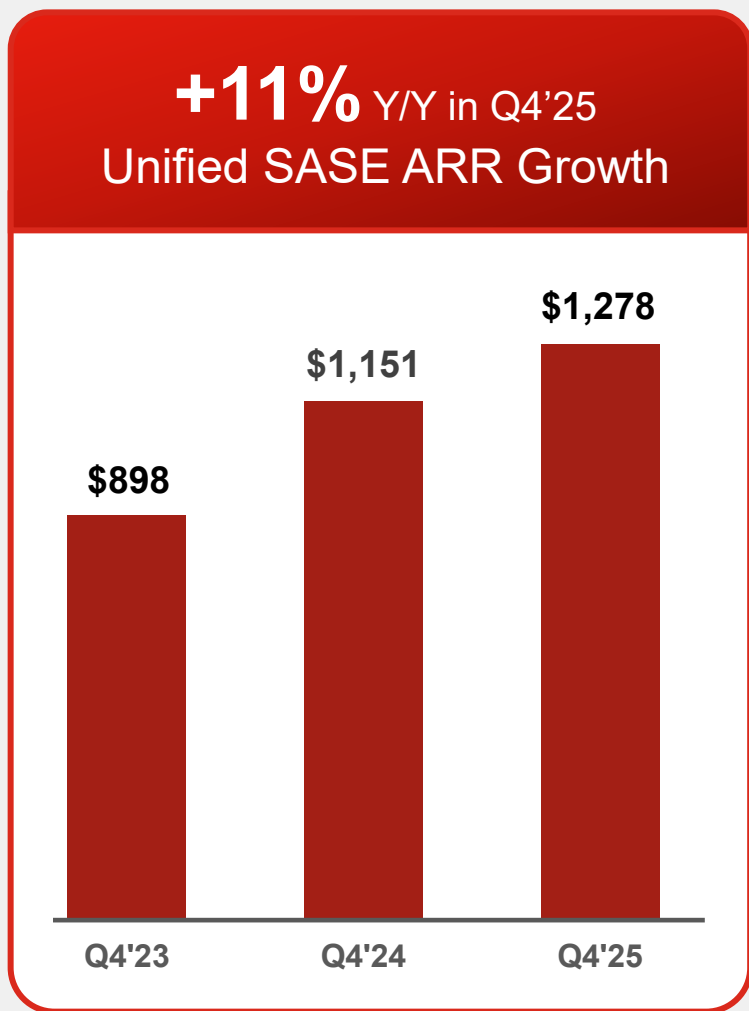
SecOps Billings



Note: The Unified SASE and SecOps pillars have been updated to reflect product family adjustments.

Strong Growth in Unified SASE & SecOps ARR

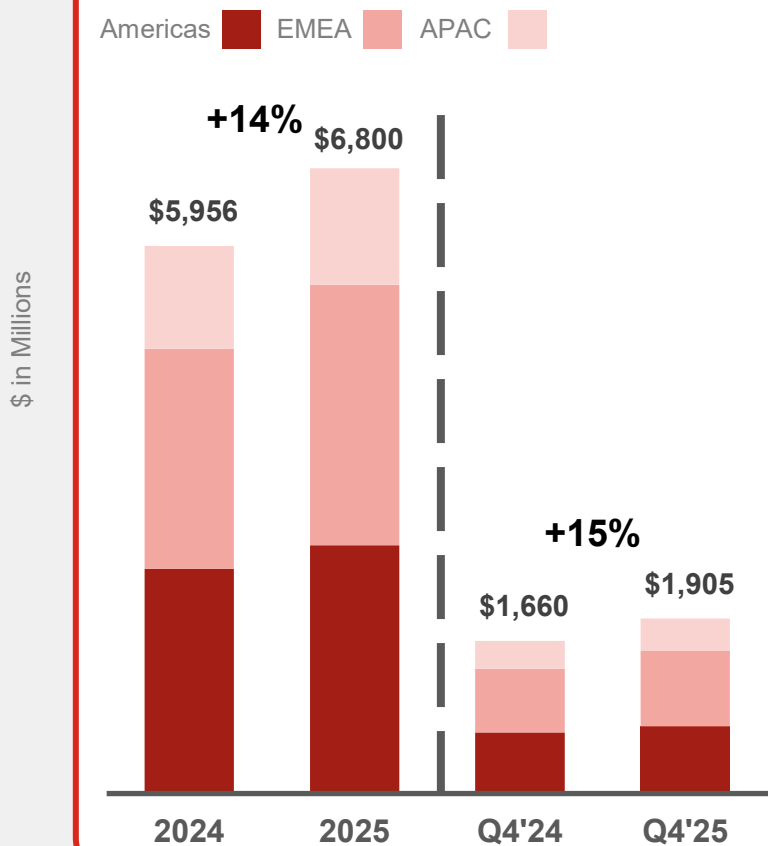
\$ in Millions



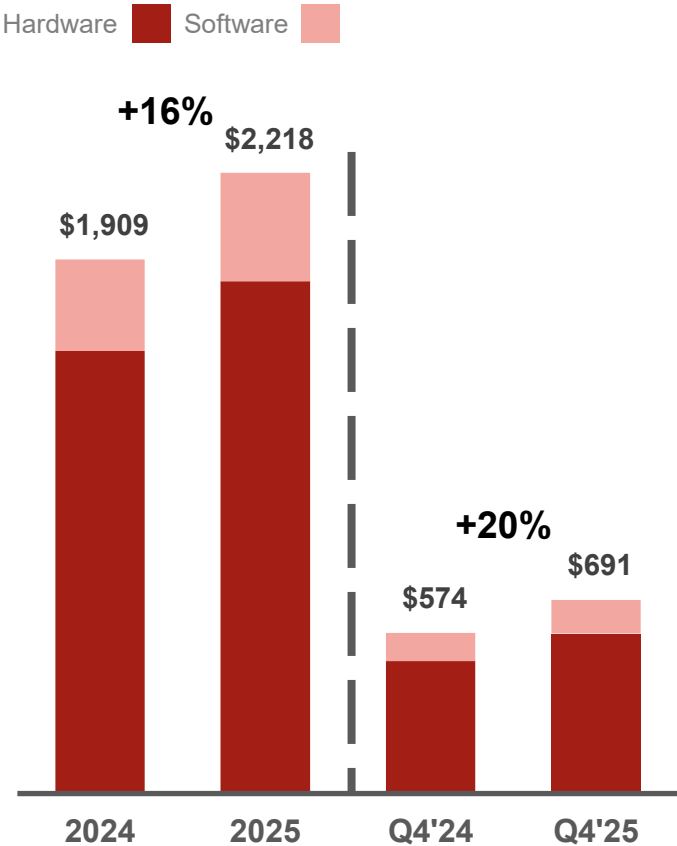
Note: Annual Recurring Revenue (ARR) is defined as the annualized value of renewable / recurring customer agreements as of the measurement date, assuming any contract that expires during the next 12 months is renewed at its existing value.

Strong Revenue Growth in Q4'25 and 2025

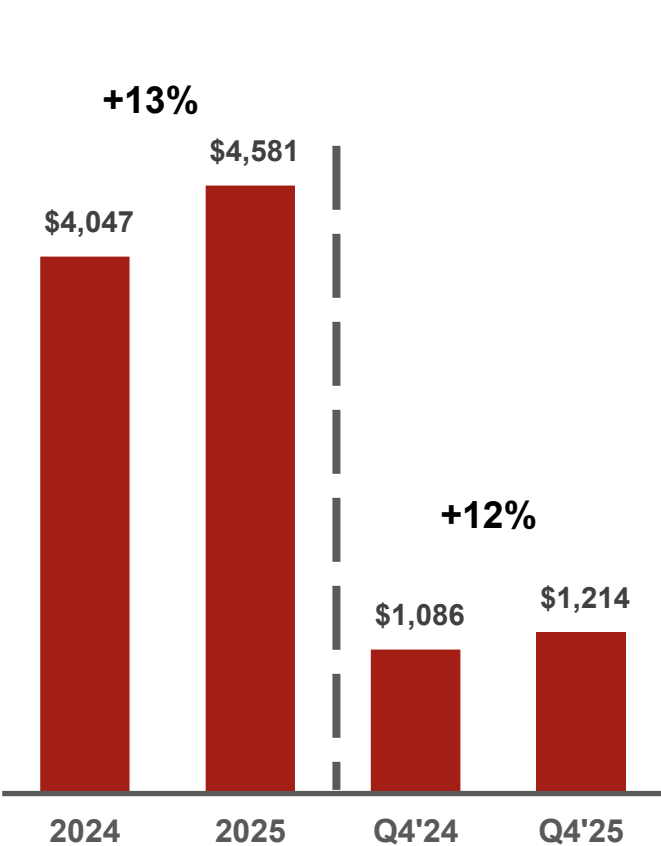
Total Revenue



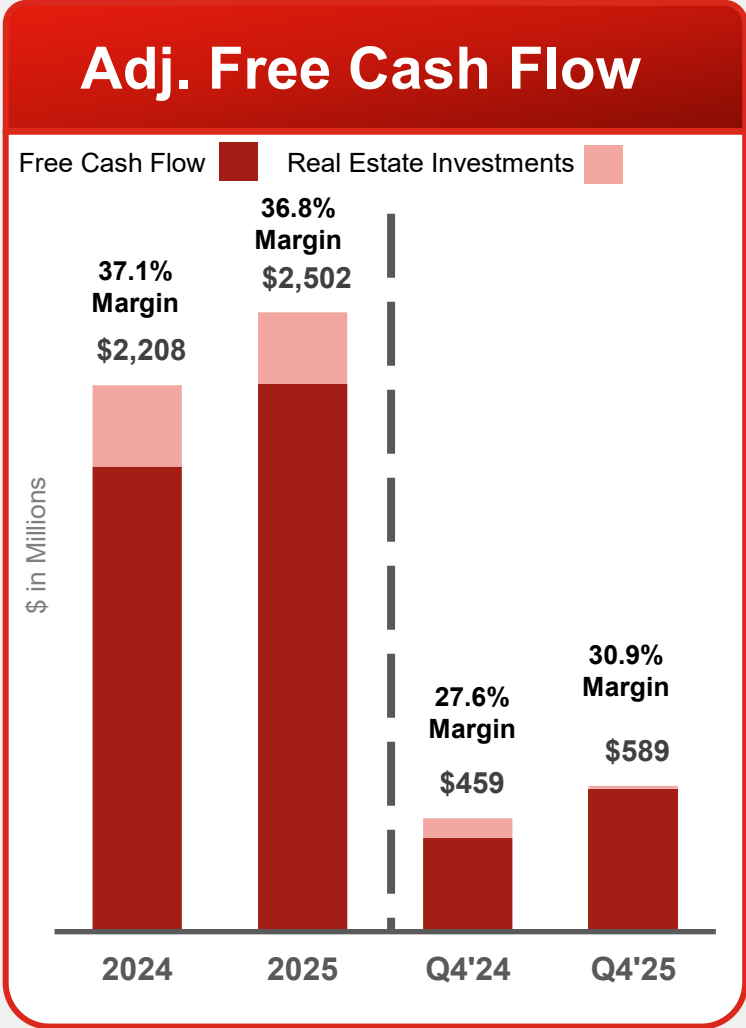
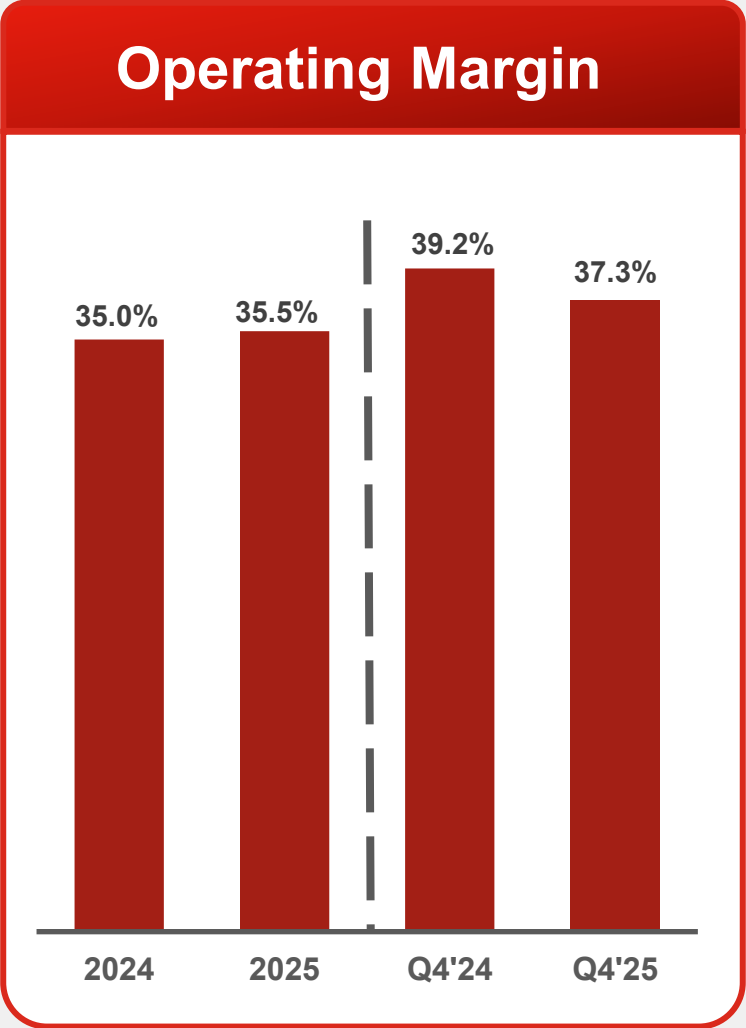
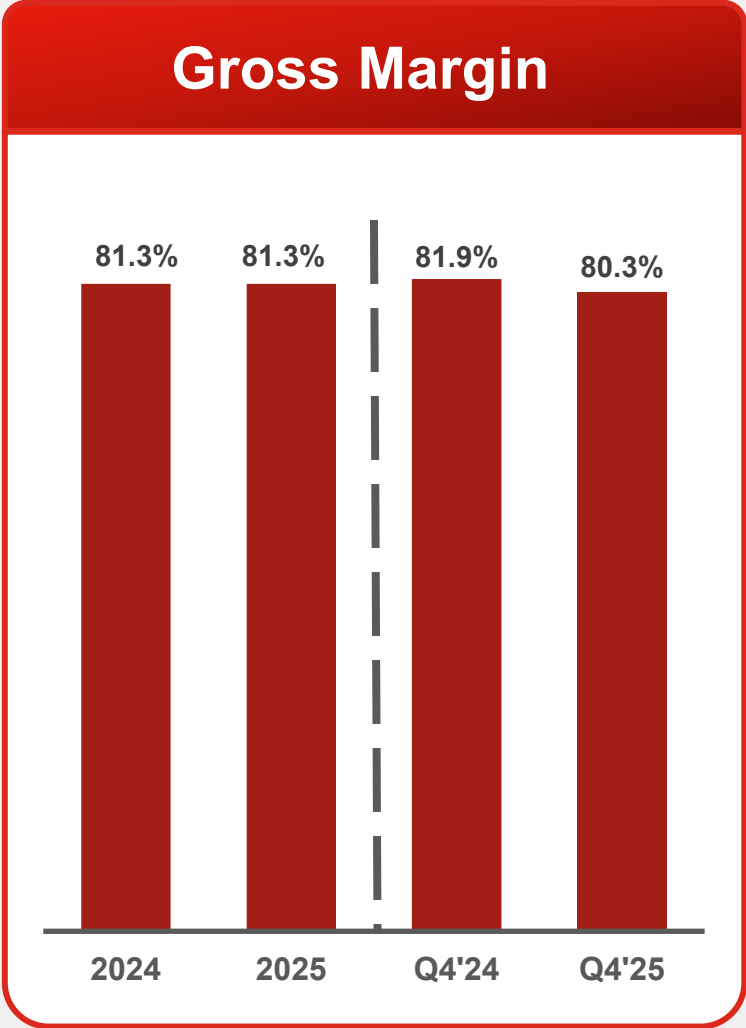
Product Revenue



Service Revenue



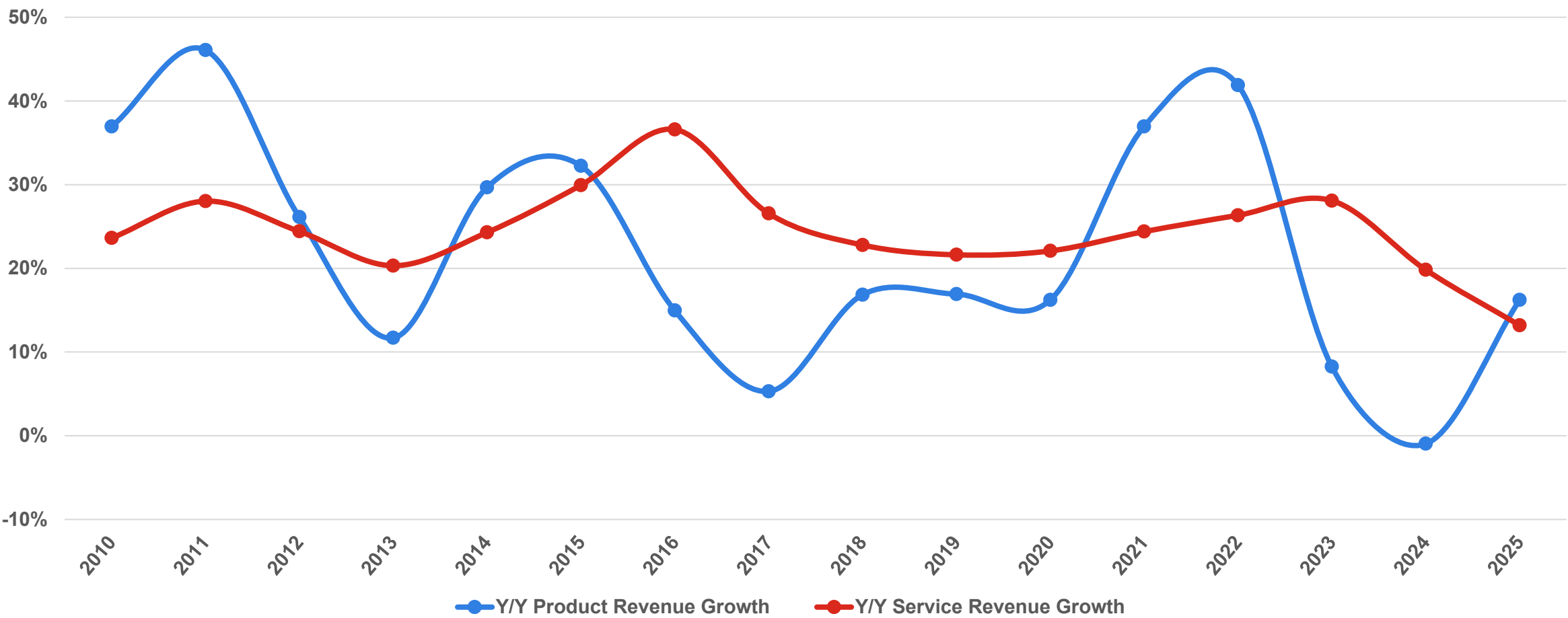
Strong Operating Margin & Adj. Free Cash Flow



Note: All numbers are presented on a non-GAAP basis. Refer to the appendix of this presentation for a reconciliation of these Non-GAAP financial measures.

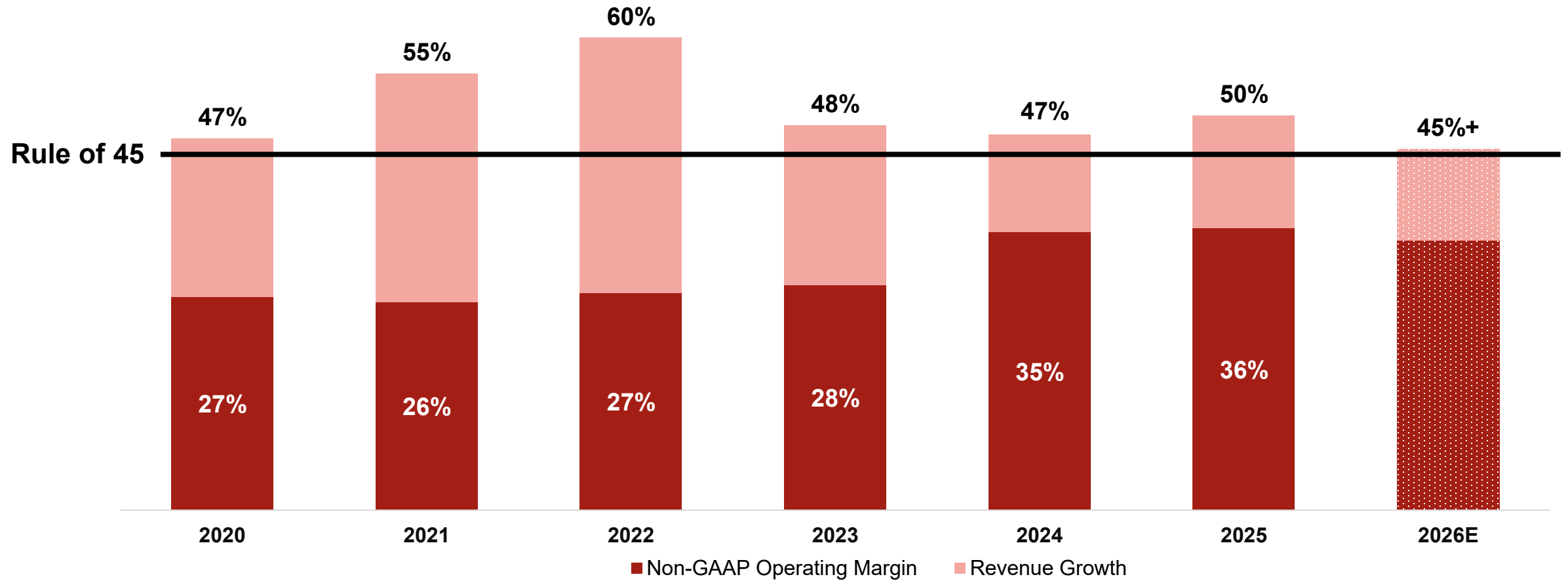
Product Revenue is a Leading Indicator of Future Service Revenue Growth

Y/Y Product and Service Revenue Growth



'Rule of 45' — Exceeded 6 Years in a Row

Expect to Achieve the 'Rule of 45' in 2026



Returned Over \$9 Billion to Shareholders via Share Repurchases Since 2009 IPO

Robust Share Buyback Program



\$9.0B

cash returned to
shareholders since IPO



\$1.4B

buyback authorization
remaining



300M

shares repurchased
since IPO

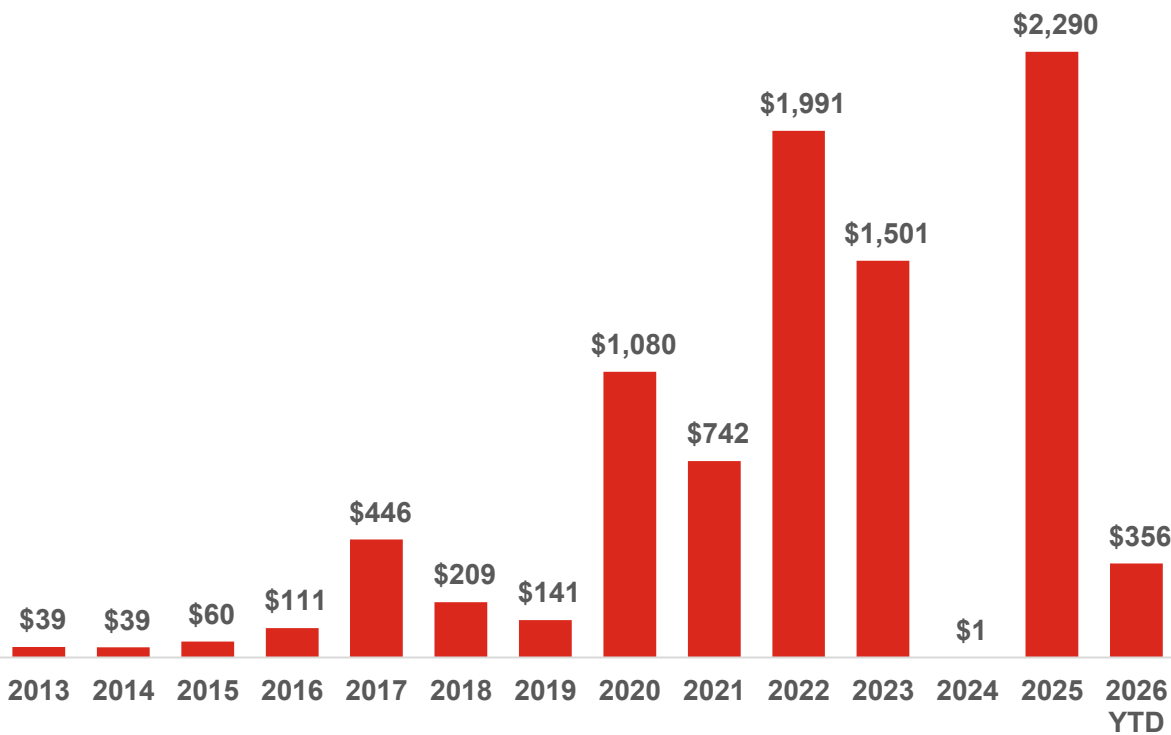


~40%

increase in EPS
due to repurchases

Cash Paid for Stock Repurchases

\$ In millions



Reaffirming Financial Targets

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

	2024	2025	2026E ⁽²⁾	3 – 5 Year Targets
	YoY Growth			
Billings	2%	16%	13%	>12% CAGR <i>Faster than market</i>
Revenue	12%	14%	12%	>12% CAGR <i>Faster than market</i>
Operating Margin	35%	36%	35%	>30%
Rule of 45	47	50	45+	45+
Adjusted Free Cash Flow	37%	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 2026 guidance provided on February 5, 2026.

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.



Q1'26 and Full Year 2026 Guidance (Non-GAAP) ⁽¹⁾

	Q1'26E	2026E
Billings ⁽²⁾	\$1.770B – \$1.870B	\$8.400B – \$8.600B
<i>Y/Y Mid-Pt Growth</i>	<i>14%</i>	<i>13%</i>
Revenue (GAAP)	\$1.700B – \$1.760B	\$7.500B – \$7.700B
<i>Y/Y Mid-Pt Growth</i>	<i>12%</i>	<i>12%</i>
Service Revenue (GAAP)		\$5.050B – \$5.150B
<i>Y/Y Mid-Pt Growth</i>		<i>11%</i>
Gross Margin (%) ⁽³⁾	80.0% – 81.0%	79.0% – 81.0%
Operating Margin (%) ⁽³⁾⁽⁴⁾	30.0% – 32.0%	33.0% – 36.0%
Net Income per Share ⁽³⁾⁽⁴⁾⁽⁵⁾	\$0.59 – \$0.63	\$2.94 – \$3.00
Weighted Diluted Shares Outstanding	746M – 750M	747M – 753M

- (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 2026. We expect cash paid for income taxes to be within the range of \$350 million to \$400 million for 2026.



Additional Modeling Points

	Q1'26E	2026E
Cash Paid for Income Taxes	\$45M - \$50M	\$350M - \$400M
Infrastructure Investments	\$80M - \$120M	\$350M - \$450M
Non-GAAP Tax Rate	18%	18%





Appendix

Reconciliation of Non-GAAP Results to GAAP Results

(\$ in millions)	Q4'24	Q4'25	2024	2025
Total revenue	\$1,660.1	\$1,905.0	\$5,955.8	\$6,799.6
Add: Change in deferred revenue	349.2	465.4	625.9	754.9
Less: Deferred revenue balance acquired in business combinations	(6.8)	—	(49.2)	(0.8)
Total billings	\$2,002.5	\$2,370.4	\$6,532.5	\$7,553.7
GAAP Cash Flow from Operations	\$477.6	\$620.2	\$2,258.1	\$2,590.6
Less: Purchases of Property and Equipment	(97.6)	(42.8)	(378.9)	(364.8)
Less: Proceeds from intellectual property matter	—	—	—	(14.0)
Free Cash Flow ⁽¹⁾	\$380.0	\$577.4	\$1,879.2	\$2,211.8
Add: Real Estate Related Add Backs	78.5	11.3	328.7	289.7
Adjusted Free Cash Flow ⁽²⁾	\$458.5	\$588.7	\$2,207.9	\$2,501.5
Adjusted Free Cash Flow Margin	27.6%	30.9%	37.1%	36.8%
GAAP total gross profit	\$1,345.6	\$1,515.8	\$4,798.2	\$5,470.7
Stock-based compensation	6.9	7.3	27.3	29.3
Amortization of acquired intangible assets	7.5	6.4	15.6	27.6
Non-GAAP total gross profit	\$1,360.0	\$1,529.5	\$4,841.1	\$5,527.6
Non-GAAP gross margin	81.9%	80.3%	81.3%	81.3%
GAAP operating income	\$574.1	\$625.6	\$1,803.4	\$2,084.7
Stock-based compensation	66.5	73.1	260.2	282.1
Amortization of acquired intangible assets	11.5	12.6	23.1	50.7
Litigation-related matter	—	—	3.2	5.6
Gain on IP matters	(1.2)	(1.4)	(4.6)	(10.4)
Non-GAAP operating income	\$650.9	\$709.9	\$2,085.3	\$2,412.7
Non-GAAP operating margin	39.2%	37.3%	35.0%	35.5%



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.

Historical Billings and ARR for Unified SASE and Security Operations

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