



2023 Third Quarter Financial Results

October 30, 2023

Gil Shwed

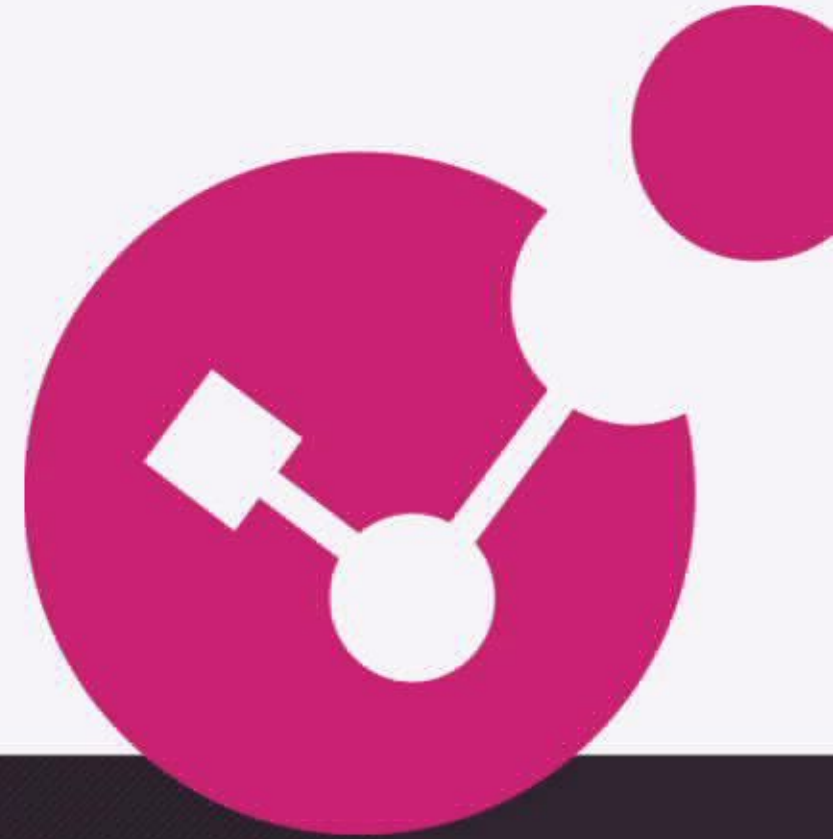
Founder & CEO

Roei Golan

CFO

Kip E. Meintzer

Global Head of IR



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Forward Looking Statement

During this presentation, Check Point's representatives may make certain forward-looking statements. These forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities and Exchange Act of 1934 include but are not limited to, statements related to:

Our expectations regarding our products and solutions, and expectations related to cybersecurity and other threats. Our expectations and beliefs regarding these matters may not materialize, and actual results or events in the future are subject to risks and uncertainties that could cause actual results or events to differ materially from those projected. These risks include our ability to continue to develop platform capabilities and solutions; customer acceptance and purchase of our existing products and solutions and new products and solutions; the market for IT security continuing to develop; competition from other products and services; and general market, political, economic, and business conditions, including as a result of the current terrorist attacks by Hamas, and the war and hostilities between Israel and Hamas and Israel and Hezbollah, and the impact of the Covid-19 pandemic. These forward-looking statements are also subject to other risks and uncertainties, including those more fully described in our filings with the Securities and Exchange Commission, including our Annual Report on Form 20-F filed with the Securities and Exchange Commission on April 27, 2023. The forward-looking statements in this presentation are based on information available to Check Point as of the date hereof, and Check Point disclaims any obligation to update any forward-looking statements, except as required by law.

In this presentation and in our press release, which has been posted on our website, we present GAAP and non-GAAP results, along with a reconciliation of such results as well as the reasons for our presentation of non-GAAP information.

ALL  **CHECK POINT**
TOGETHER
HERE TO SUPPORT



Strong Profitability – 17% Growth in EPS

Non-GAAP

Net Income
\$242M

+ 10%

Double-Digit Growth
Second Quarter In a Row

EPS
\$2.07

+ 17%

Double-Digit Growth
Third Quarter In a Row

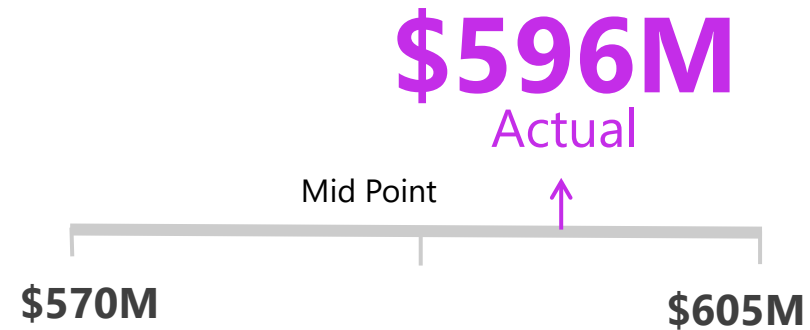
Non-GAAP excludes equity-based compensation charges, amortization of acquired intangibles and acquisition related expenses and their related tax effects. A reconciliation of non-GAAP to GAAP can be found in the appendix and our press release.

Revenues and EPS

Non-GAAP

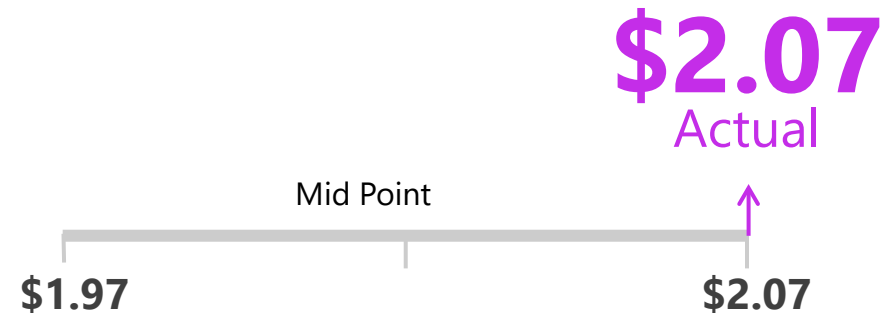
Revenues

\$9 Million Above the Mid-point of our projections



EPS

At the Top-end of our projections



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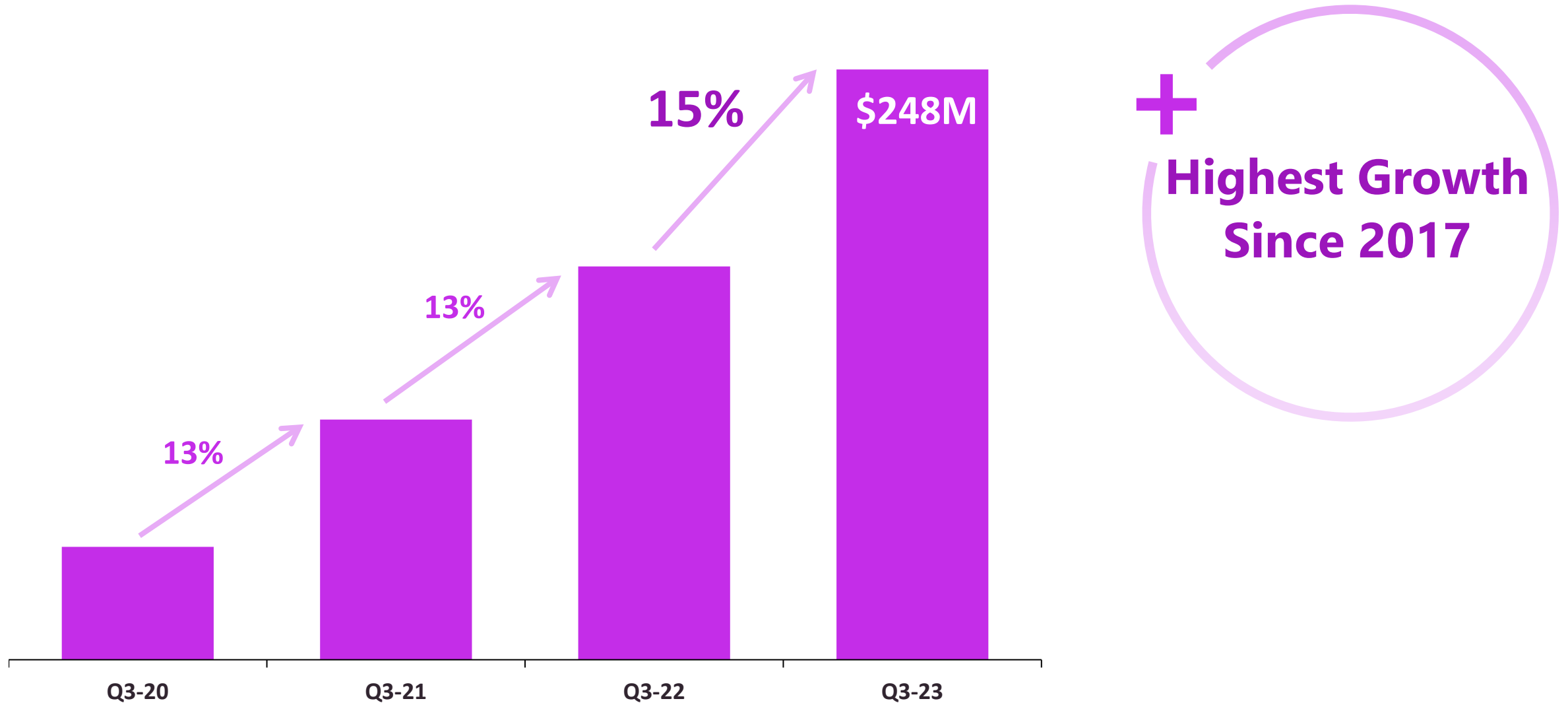
Revenues & Deferred Revenues Growth

	Q3-22	Q3-23	Y/Y %
Revenues	\$578M	\$596M	3%
Deferred Revenues	\$1,647M	\$1,709M	4%
Current Deferred Revenues	\$1,180M	\$1,246M	6%

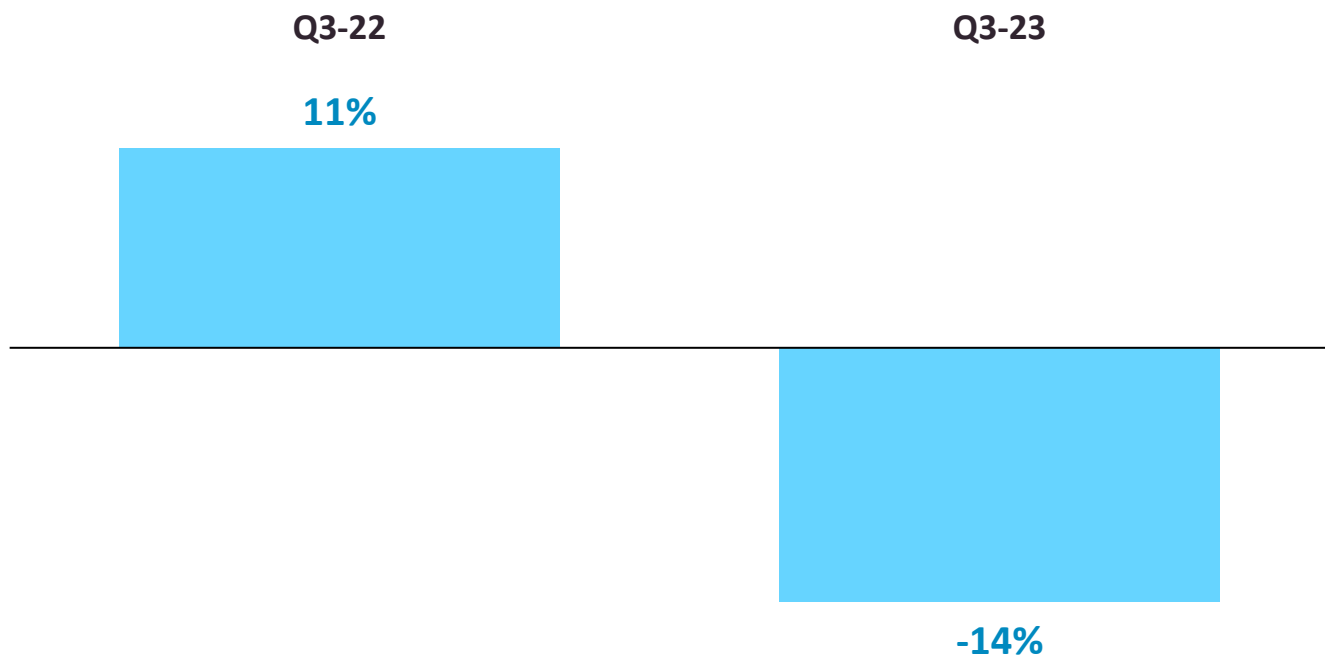
- **Calculated Billings*** reached **\$531M**
- **Current calculated Billings** **\$535M**

* Calculated Billings is a measure that we defined as total revenues recognized in accordance with GAAP plus the change in total deferred revenues during the period

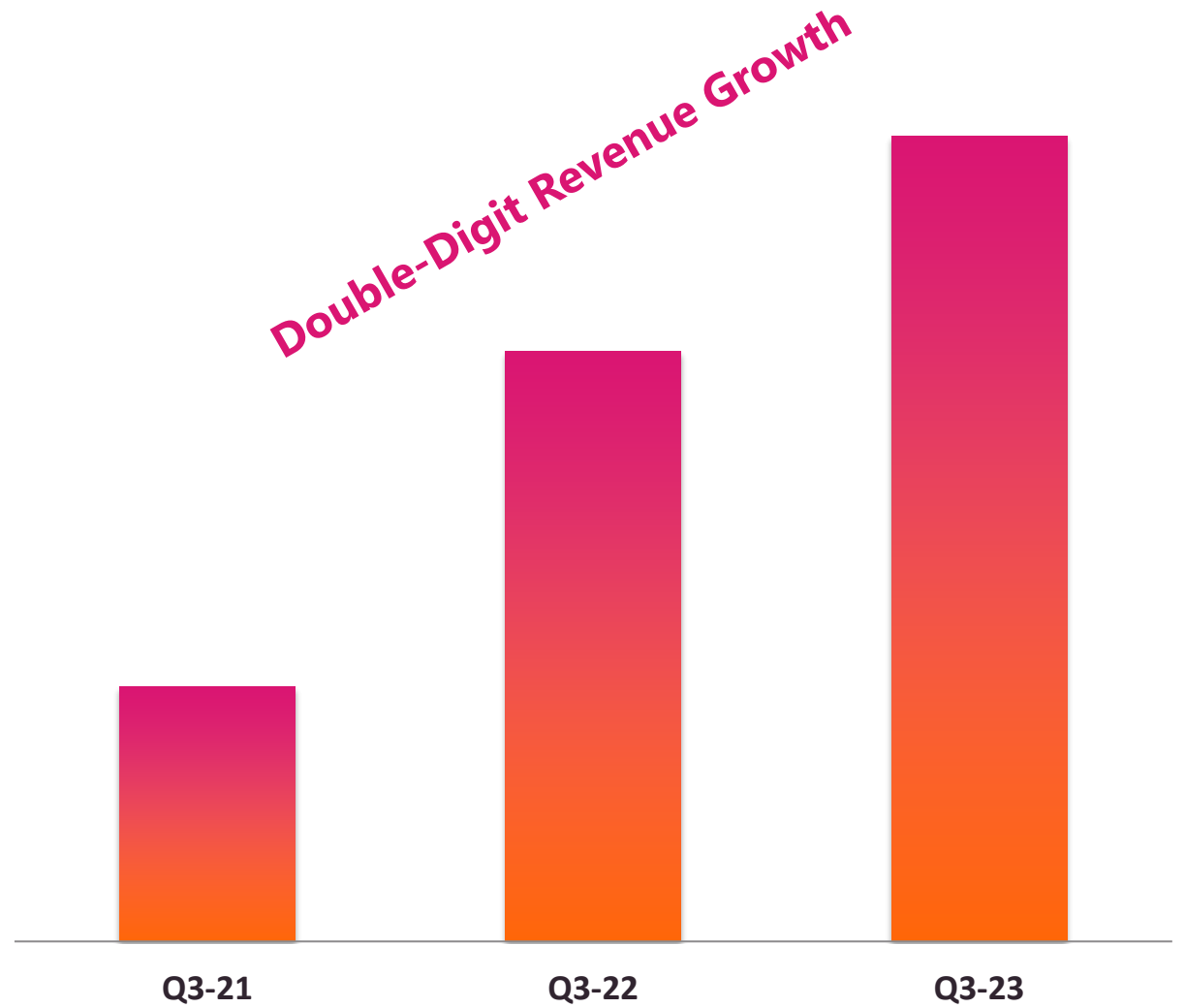
Security Subscription Accelerated Revenues Growth



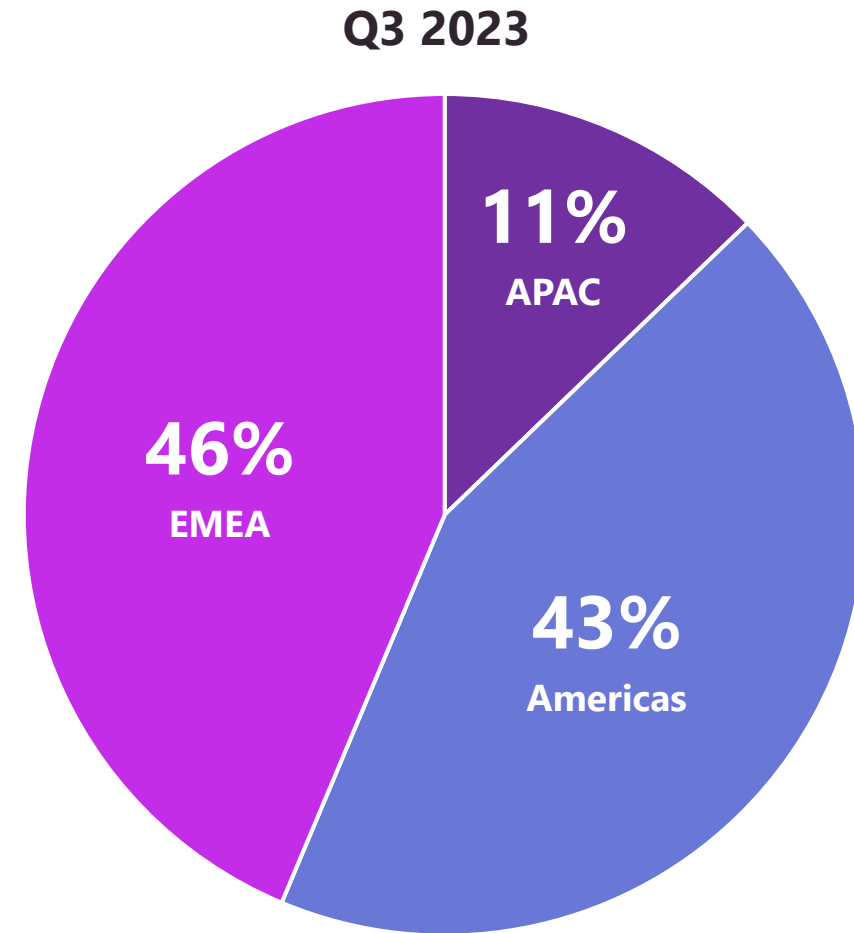
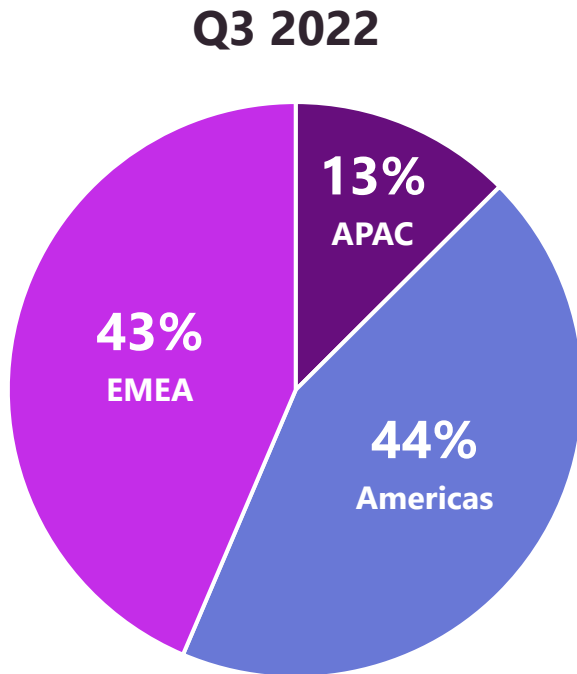
Delayed Refresh Resulted in Product Revenues Decline



Strong Adoption Of Our Infinity Strategy



Q3-23 Revenues By Geography



Strong Margin Performance

Non-GAAP

	Q3-22	Q3-23	YOY
Total Revenues	\$578M	\$596M	3%
Gross Profit	\$507M	\$534M	5%
Gross Margin	88%	90%	
Research and Development*	\$73M	\$77M	
Selling and Marketing	\$153M	\$166M	
General and Administrative	\$18M	\$22M	
Operating Expenses	\$244M	\$265M	9%
Operating Income	\$263M	\$269M	2%
Operating Margin	45%	45%	

Non-GAAP excludes equity-based compensation charges, amortization of acquired intangibles and acquisition related expenses and their related tax effects. A reconciliation of non-GAAP to GAAP can be found in the appendix and our press release.

Net Income & EPS – Industry Leading Profitability

Non-GAAP

	Q3-22	Q3-23	YOY
Operating Income	\$263M	\$269M	2%
Financial Income, Net	\$12M	\$18M	
Tax Expenses	\$54M	\$45M	
Net Income	\$221M	\$242M	10%
EPS	\$1.77	\$2.07	17%

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Cash Flow & Cash Position

\$3.0 Billion

Cash, Marketable Securities &
Short Term Deposits

\$222 Million

Strong Operating Cash Flow*

\$477 Million

Net cash paid for
Acquisitions

\$325 Million

Third Quarter
Share Repurchase

* Include \$22M related to Acquisitions

Financial Summary

- **15% Growth in Subscription Revenues**
 - **Highest Growth since 2017**
 - **Continued Strong Adoption of Infinity Platform**
- **While Refresh Projects Have Experienced Delays, The Renewal Business Remains Strong & Healthy**
- **Strong Profitability – Over 17% EPS Growth**

BUSINESS UPDATE

Third Quarter Highlights



Good Financial Results

Exceeded Projections

Strong Renewals

Positive Indicators for Change



Acquisition of Perimeter 81

More than 3,000 customers

New SASE offering



Product Innovation

Quantum SASE

Horizon Playblocks

Market Expansion

3 Acquisitions in 60 Days (20 So Far)



Quantum
SASE

**Game Changing
SASE Security**

\$3.4B Market (SSE)



Harmony

Enhancing SaaS Security

\$2.2B Market



Check Point Infinity

GLOBAL SERVICES

Expanding Infinity Global Services

+30 Services & 400 Security Consultants



Organizations Need Secure Access Service Edge (SASE) to Protect Distributed Enterprises

- Secure Internet access for sites and roaming users
- Zero Trust Access to business applications
- Optimized branch connectivity and network security



We Have a Game Changer

Current Solutions



Cloud only inspection slows down internet speed & Jeopardizes Privacy



Multiple products, complex to manage and deploy



Point solutions for SD-WAN without proper Security



On-device and cloud network protections
2x FASTER INTERNET SECURITY

Full mesh integrated secure connectivity
ZERO TRUST ACCESS THAT WORKS

Optimizing connectivity and network security
SD-WAN WITH INDUSTRY-BEST SECURITY



Horizon Collaborative Security in Action

Playblocks

Collaborative

Stops threats from spreading across the organization



Consolidated

Across Check Point and 3rd party products



Automatic

Out-of-the-box security and operational oriented playbooks



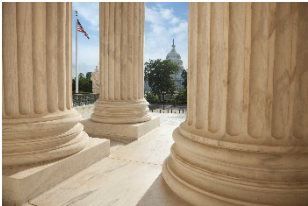
“The collaborative nature of the platform means that all our security products are working in sync together to provide a level of security which was previously unattainable.”

Infinity Continues to Gain Momentum

US Defense Logistics Agency

**Americas
Federal Government**

- Quantum and CloudGuard
- Infinity commercial agreement provided investment flexibility



WOODWARD

**Americas
Aerospace Manufacturing**

- Quantum Gateways and SASE
- Security scalability and ease of deployment were differentiators
- Infinity Global Services optimized security policy



**Asia
Financial &
Insurance Services**

- Full Infinity Architecture: Quantum, CloudGuard and Harmony
- Single management solution facilitated security consolidation



Best Security – Analysts Recognition



Magic Quadrant for Network Firewalls

The Forrester Wave™: Zero Trust Platform Providers,

Company of The Year Award 2023 “Best In Class Global Next Generation Firewall Industry

Frost Radar Next Generation Firewalls,

Gartner

FORRESTER

FROST & SULLIVAN



Market Guide for Cloud-Native Application Protection Platforms

Frost Radar Cloud Workload Protection Platforms

GigaOm Radar for Cloud Security Posture Management

GigaOm Radar for Application and API Security

Gartner

FROST & SULLIVAN

GIGAOM



The Forrester Wave™: Enterprise Email Security

GigaOm Radar for DNS Security

GigaOm Radar for Anti-Phishing

FORRESTER

GIGAOM



Frost Radar Extended Detection and Response

GigaOm Radar for Endpoint Detection and Response (EDR)

FROST & SULLIVAN

GIGAOM

Cyber Security's Most Trustworthy Company, Best Employer



Ranking's 1st Year



4th Consecutive Year

“Iron Swords” – Uptick in Cyber Attacks



+ 18% increase on overall attacks



+ 52% attacks on Government Sector



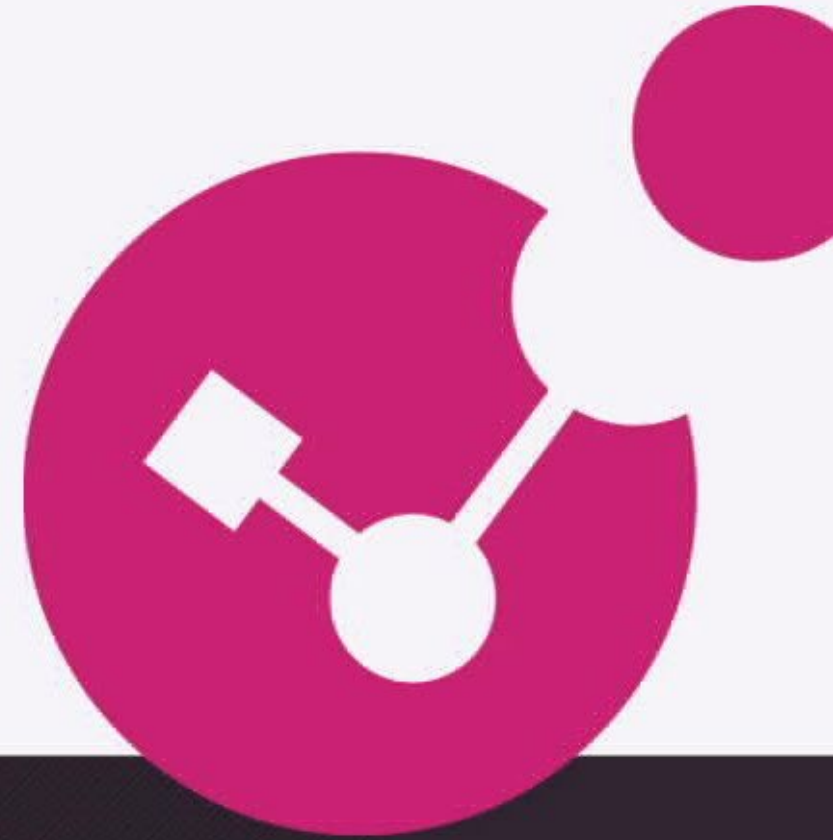
1 out of 19 Orgs. Attacked by Ransomware Weekly (More than Double VS. Oct 22)

SUMMARY

- Financial Results
 - 15% Growth in Subscription – Highest Growth Since 2017
 - Strong Profitability Over 17% EPS Growth
- Game Changing Innovation
 - 3 Acquisitions – Expediting Market Expansion
 - Quantum SASE – Game Changing SASE
 - Horizon Playblocks - Collaborative Security



Thank you!



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PROJECTIONS

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Q4-2023 Projections

Revenues

\$636M - \$686M

Non-GAAP EPS

\$2.35 - \$2.55

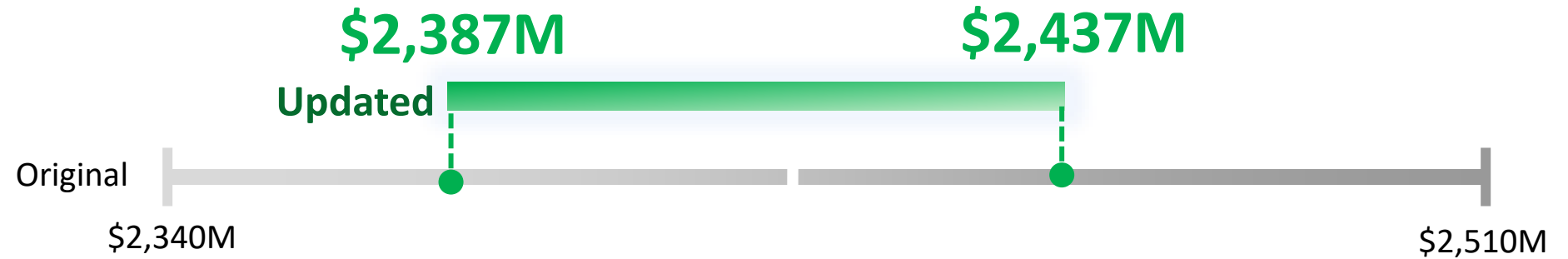
GAAP EPS is expected to be 32 cents less

Projecting future results is very challenging, there is a high level of uncertainty
Results can be better or worse than our projections

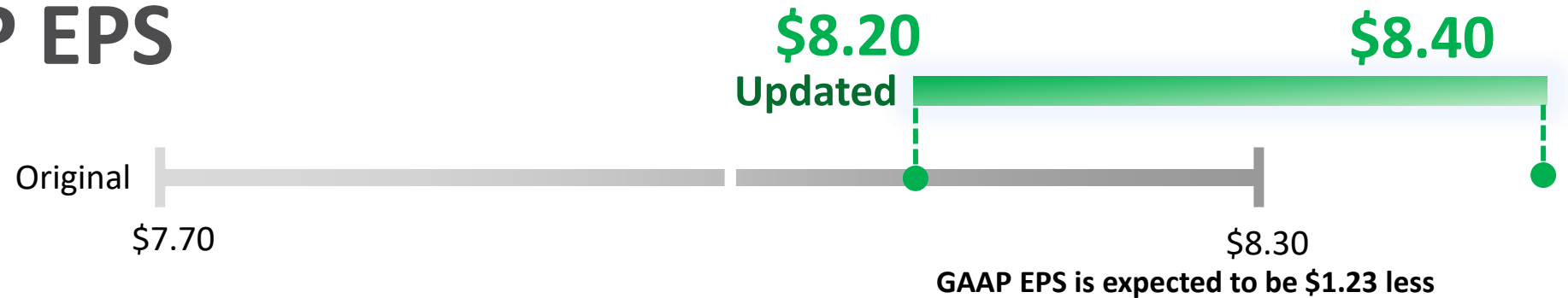
*Non-GAAP excludes equity-based compensation charges, amortization of acquired intangible assets and acquisition related expenses and their related tax effects. A reconciliation of non-GAAP to GAAP can be found in the appendix and our press release.

2023 Projections: Revenues Middle of the Range – EPS Revised Upward

Revenues



Non-GAAP EPS



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THANK YOU!

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GAAP to Non-GAAP Consolidated Statement of Income



(In millions, except per share amounts)	Three Months Ended September 30, 2023					Three Months Ended September 30, 2022				
	GAAP	Stock-based compensation	Amortization of intangible assets and acquisition related expenses	Taxes on reconciliation items	Non-GAAP	GAAP	Stock-based compensation	Amortization of intangible assets and acquisition related expenses	Taxes on reconciliation items	Non-GAAP
Products and Licenses	\$ 114.2				\$ 114.2	\$ 132.4				\$ 132.4
Security Subscriptions	248.3				248.3	215.5				215.5
Total Products & Security Subscriptions	362.5				362.5	347.9				347.9
Software updates and maintenance	233.8				233.8	229.7				229.7
Total Revenues	596.3				596.3	577.6				577.6
Cost of products and licenses	22.5	0.1			22.4	35.4	0.1			35.3
Cost of security subscriptions	13.9				13.9	11.3				11.3
Total Cost of products and security subscriptions	36.4	0.1			36.3	46.7	0.1			46.6
Cost of software updates and maintenance	27.7	1.9			25.8	26.1	1.5			24.6
Amortization of technology	3.0		3.0			2.9		2.9		
Total Cost of revenues	67.1	2.0	3.0		62.1	75.7	1.6	2.9		71.2
Research & Development	90.0	12.1	1.1		76.8	86.3	11.3	2.1		72.9
Sales & Marketing	183.3	15.0	2.3		166.0	166.0	12.1	1.2		152.7
General & Administrative	29.8	7.4			22.4	28.3	10.2			18.1
Total Operating Expenses	370.2	36.5	6.4		327.3	356.3	35.2	6.2		314.9
Operating Income	226.1	36.5	6.4		269.0	221.3	35.2	6.2		262.7
Financial & Other Income, Net	17.7				17.7	11.9				11.9
Income Taxes (Tax Benefit)	38.8			(5.5)	44.3	49.2		(4.4)		53.6
Net Income	\$ 205.0	36.5	6.4	(5.5)	\$ 242.4	\$ 184.0	35.2	6.2	(4.4)	\$ 221.0
Diluted Earnings per share	\$ 1.75	0.31	0.06	(0.05)	\$ 2.07	\$ 1.47	0.28	0.05	(0.03)	\$ 1.77
Number of Shares (M), diluted	117.3				117.3	125.0				125.0

GAAP to Non-GAAP Consolidated Statement of Income Reconciliation



(In millions, except per share amounts)	Nine Months Ended September 30, 2023					Nine Months Ended September 30, 2022				
	GAAP	Stock-based compensation	Amortization of intangible assets and acquisition related expenses	Taxes on reconciliation items	Non-GAAP	GAAP	Stock-based compensation	Amortization of intangible assets and acquisition related expenses	Taxes on reconciliation items	Non-GAAP
Products and Licenses	\$ 339.1				\$ 339.1	\$ 381.5				\$ 381.5
Security Subscriptions	715.4				715.4	627.0				627.0
Total Products & Security Subscriptions	1,054.5				1,054.5	1,008.5				1,008.5
Software updates and maintenance	696.7				696.7	682.9				682.9
Total Revenues	1,751.2				1,751.2	1,691.4				1,691.4
Cost of products and licenses	71.3	0.3			71.0	103.5	0.3			103.2
Cost of security subscriptions	39.8				39.8	30.8				30.8
Total Cost of products and security subscriptions	111.1	0.3			110.8	134.3	0.3			134.0
Cost of software updates and maintenance	81.8	4.9			76.9	77.3	3.8			73.5
Amortization of technology	8.2		8.2			9.0		9.0		
Total Cost of revenues	201.1	5.2	8.2		187.7	220.6	4.1	9.0		207.5
Research & Development	268.9	34.5	5.0		229.4	259.1	32.1	6.3		220.7
Sales & Marketing	546.6	41.1	4.6		500.9	495.2	33.5	3.1		458.6
General & Administrative	87.3	24.6			62.7	86.2	31.6			54.6
Total Operating Expenses	1,103.9	105.4	17.8		980.7	1,061.1	101.3	18.4		941.4
Operating Income	647.3	105.4	17.8		770.5	630.3	101.3	18.4		750.0
Financial & Other Income, Net	58.1				58.1	28.7				28.7
Income Taxes (Tax Benefit)	114.3			(15.7)	130.0	132.0		(12.8)		144.8
Net Income	\$ 591.1	105.4	17.8	(15.7)	\$ 698.6	\$ 527.0	101.3	18.4	(12.8)	\$ 633.9
Diluted Earnings per share	\$ 4.96	0.88	0.15	(0.13)	\$ 5.86	\$ 4.11	0.79	0.14	(0.10)	\$ 4.94
Number of Shares (M), diluted	119.2				119.2	128.3				128.3