



2023 Second Quarter Financial Results

July 26, 2023

Gil Shwed

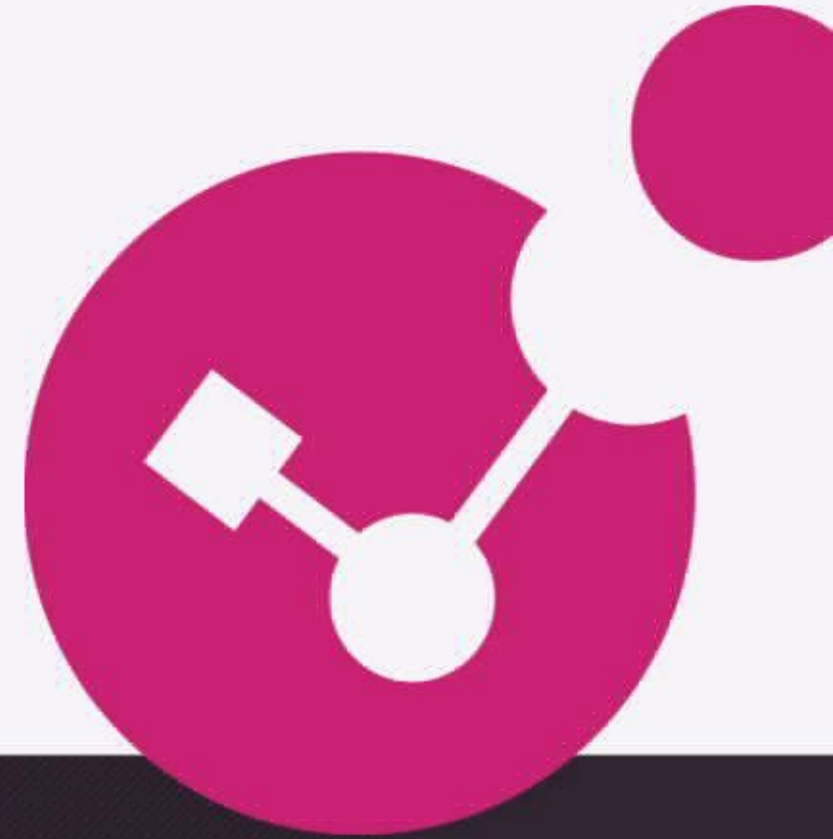
Founder & CEO

Roei Golan

CFO

Kip E. Meintzer

Global Head of IR



YOU DESERVE THE BEST SECURITY

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 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.



**YEARS OF THE
BEST SECURITY**



**30 Years. \$30B.*
On to the next 30!**

* Accumulative total revenues 1993 – 2023 (YTD)



Strong Profitability – 14% Growth in Net Income

Non-GAAP

Net Income
\$238M

+ 14%

EPS
\$2.00

+ 22%

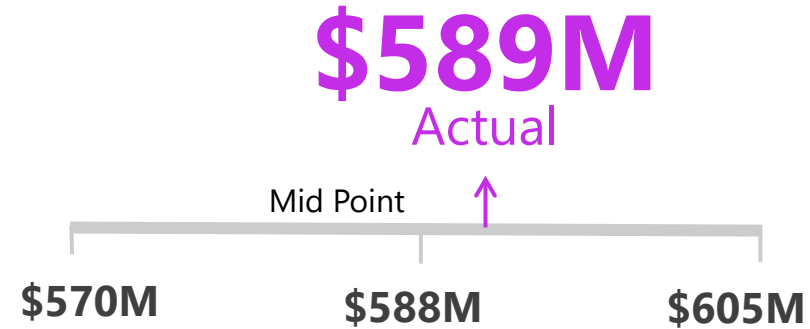
Non-GAAP excludes equity-based compensation charges, amortization of acquired intangibles and acquisition related expenses and their related tax effects. A reconciliation of non-GAAP to GAAP can be found in the appendix and our press release.

EPS Grew By 22% - The Highest Since 2009

Non-GAAP

Revenues

\$1 Million Above the Mid-point of our projections



EPS

5 Cents Above the Top-end of our projections



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.

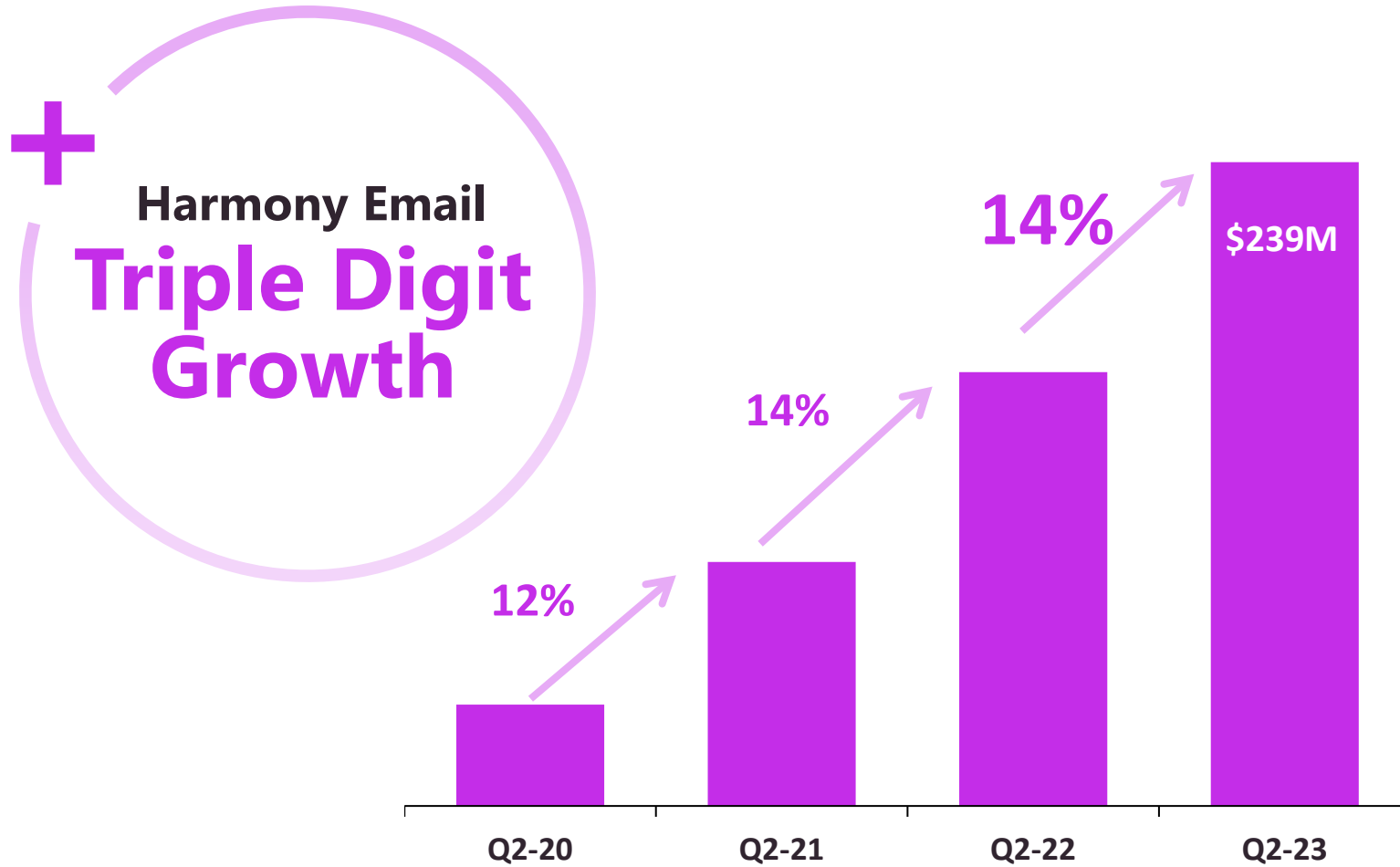
Current Calculated Billings & Deferred Revenue Continue Growing

	Q2-22	Q2-23	Y/Y %
Total Revenues	\$571M	\$589M	3%
Deferred Revenues	\$1,666M	\$1,774M	7%
Current Deferred Revenues	\$1,211M	\$1,307M	8%

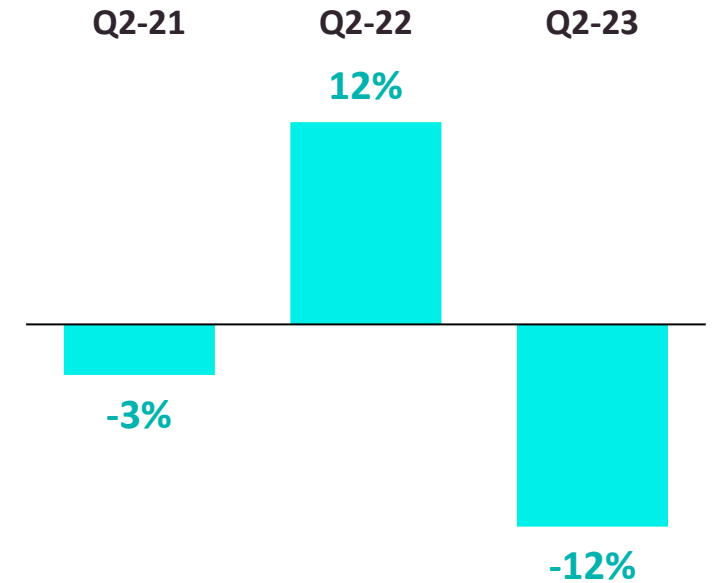
- **Calculated Billings*** reached **\$566M**
- **Current Calculated Billings \$581M up 4% YoY**

* 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 Double Digit Revenues Growth



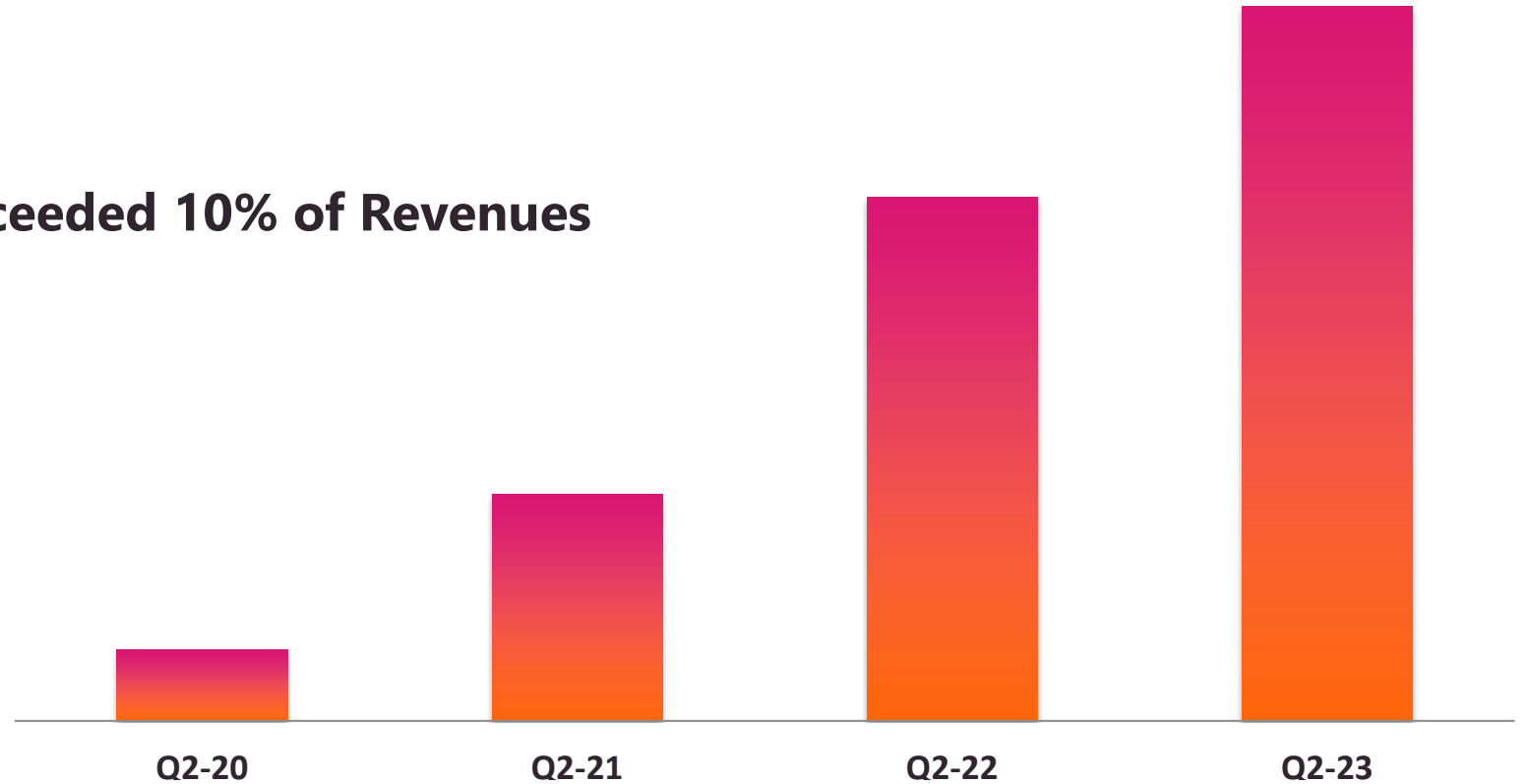
Delayed Refresh Resulted in Product Revenues Decline



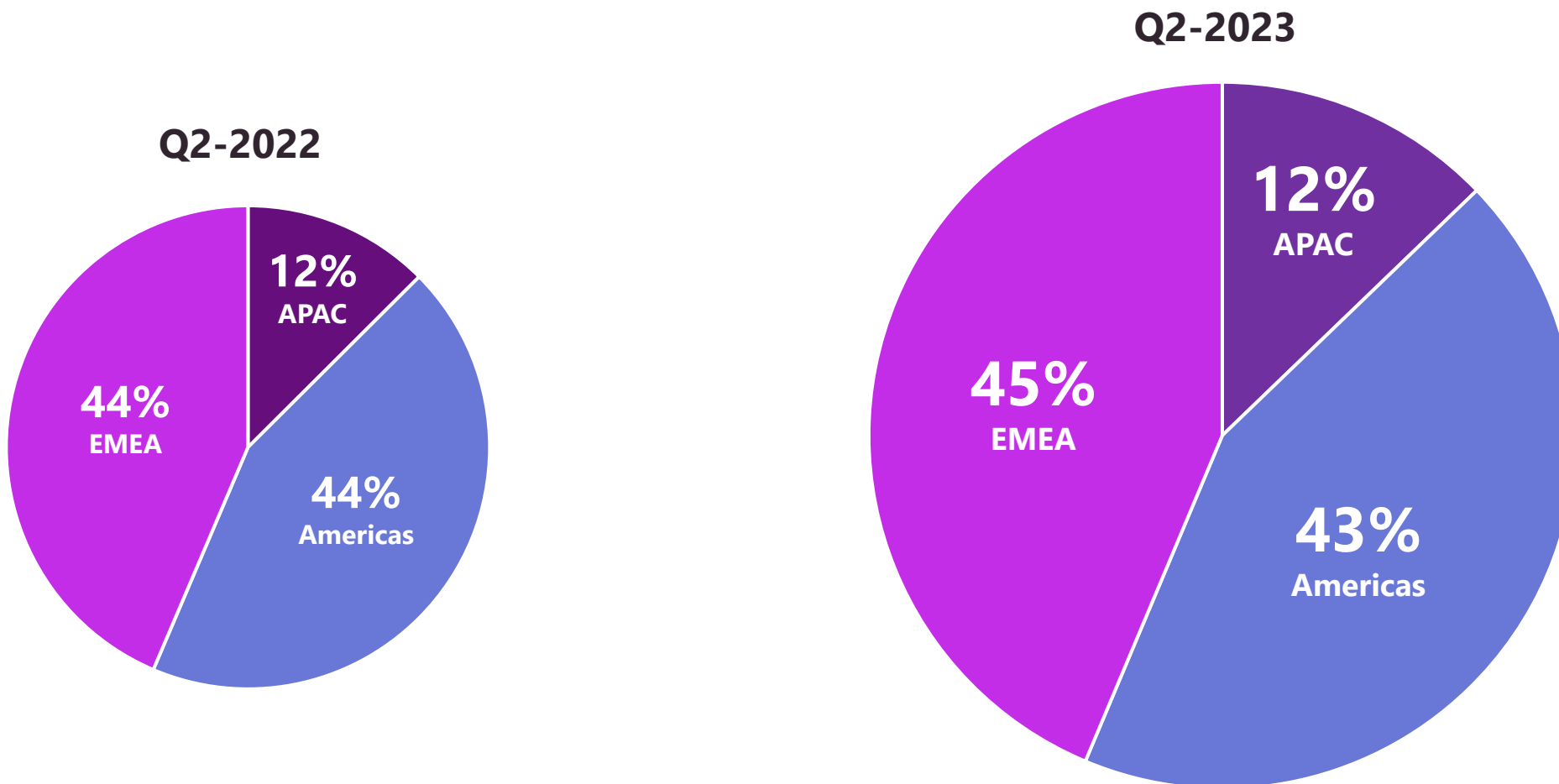
Strong Adoption Of Our Infinity Strategy



Exceeded 10% of Revenues



Q2-23 Revenues Increased Across All Geographies



Strong Margin Performance

Non-GAAP

	Q2-22	Q2-23	YOY
Total Revenues	\$571M	\$589M	3%
Gross Profit	\$501M	\$527M	5%
Gross Margin	88%	90%	
Research and Development*	\$74M	\$74M	-
Selling and Marketing	\$159M	\$169M	7%
General and Administrative	\$19M	\$21M	10%
Operating Expenses	\$252M	\$264M	5%
Operating Income	\$249M	\$263M	6%
Operating Margin	44%	45%	

* R&D Expenses in Constant Currency Increased by 8% Compared to Q2-22

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

	Q2-22	Q2-23	YOY
Operating Income	\$249M	\$263M	6%
Financial Income, Net	\$10M	\$21M	120%
Tax Expenses	\$49M	\$46M	-6%
Net Income	\$209M	\$238M	14%
EPS	\$1.64	\$2.00	22%

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.

Cash Flow & Cash Position

\$3.5 Billion

Cash, Marketable Securities &
Short Term Deposits

\$191 Million

Strong Operating Cash Flow

\$325 Million

Share Repurchase
for the Quarter

\$1.3 Billion

In the past 12
Months

Financial Summary

- **14% Growth in Subscription Revenues**
 - **Harmony Email with Triple Digit Growth**
 - **Continued Strong Adoption of Infinity Platform**
- **While refresh projects have experienced delays, the renewal business remains strong and healthy**
- **Strong Operating Margin Resulted in Over 22% EPS Growth**

BUSINESS UPDATE



Q2-2023 Highlights



Good Financial Results

Over 22% EPS Growth

Revenues Above Mid-point

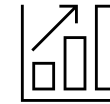
Positive trend in Americas

Strong Operating Margin



Growth Despite Economy

Robust Renewals Business
Despite Delays in Refresh
Projects



Strong Subscription Business

Triple-Digit Growth in Harmony Email

Infinity Exceeded 10% of Total
Revenues

More Organizations Benefit from the Best Security



Consolidated Security Platform – Sample Customers

Financial Services



-
- Expanded Network Security with Maestro
 - Selected Harmony Email for Highest Catch Rate
 - Collaborative Security with Horizon XDR

Education



-
- Replaced Outdated Competitive Vendor Products
 - New Platform Customer - Network, Email and Endpoint Security

Healthcare



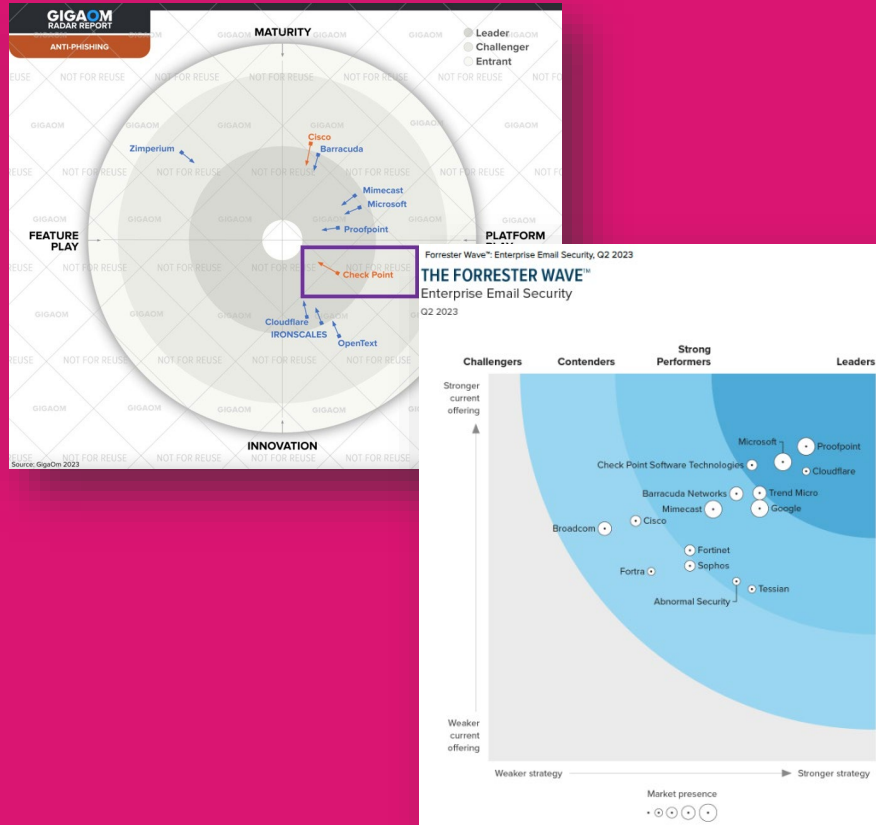
-
- Satisfied Quantum Customer
 - Consolidated across Networks, Cloud and Endpoint
 - Expanded Infinity to an 8-digit Deal

Email Security

Continued Growth. Market Recognition



Harmony
Email & Collaboration



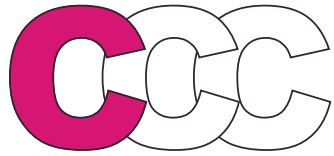
Large Pharmaceutical

Chose Harmony Email Due to **Highest Catch Rate** vs. Competition

Large Bank

Existing Solution Missed Phishing Emails. Selected Harmony Email For Security Efficacy – Onboarded in Less than **5 Minutes!**

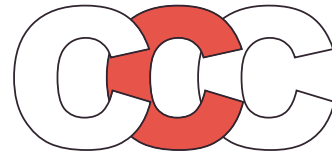
Prevent Attacks with the Best Security



COMPREHENSIVE

Prevention across all attack vectors

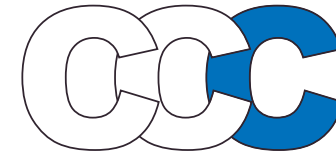
From code to cloud, networks, users, email and IoT



CONSOLIDATED

Unified management

Unified security operations for your entire security stack



COLLABORATIVE

Best security engines easily applied to any attack vector

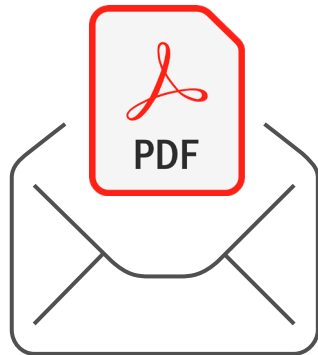
Real-time shared threat intelligence

API-based, integrated to 3rd parties

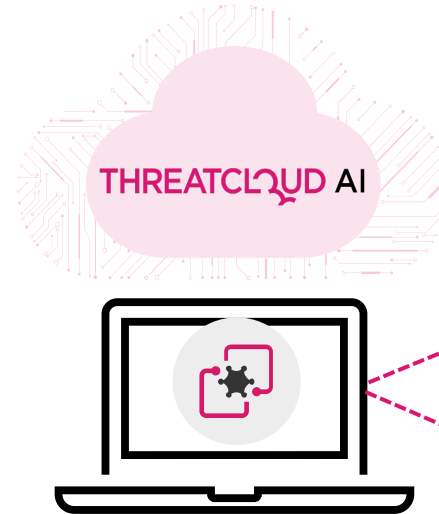
Collaborative Prevention Makes the Difference

Multiple products work together to protect against the most sophisticated threats

A USER RECEIVED AN EMAIL WITH ATTACHMENT AND OPENED IT



AI POWERED ENGINES DETECT THAT THE ENDPOINT WAS COMPROMISED



COLLABORATIVE PREVENTION

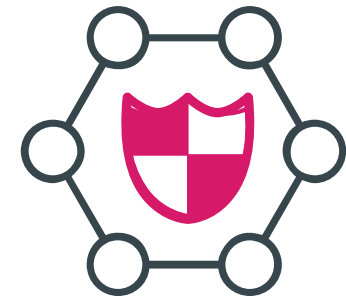
ISOLATE THE ENDPOINT

1



PROACTIVELY UPDATE ALL GATEWAYS ON NEW MALWARE FILE

2

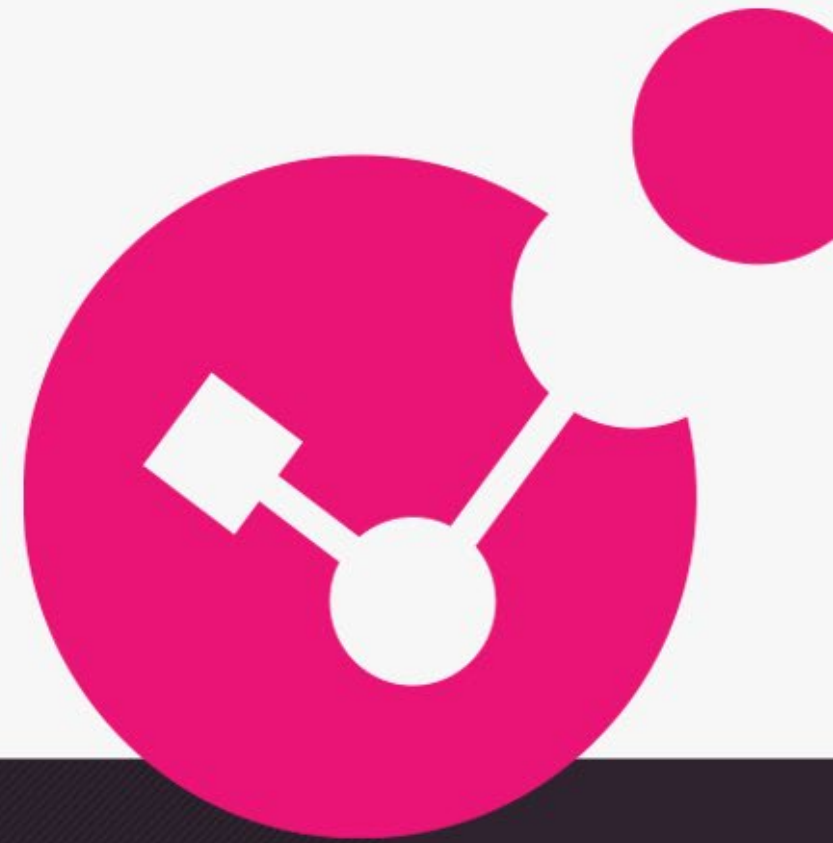


SUMMARY

- Financial Results
 - Over 22% EPS Growth
 - 14% Growth in Security Subscription Revenues
 - High Growth in Harmony Email Security
 - High Growth with Infinity
- Collaborative Security in Action



Thank you!



YOU DESERVE THE BEST SECURITY



PROJECTIONS

YOU DESERVE THE BEST SECURITY

2023 Projections

Revenues

\$2,340M - \$2,510M

Non-GAAP EPS

\$7.70 - \$8.30

GAAP EPS is expected to be \$1.22 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.

Q3-2023 Projections

Revenues

\$570M - \$605M

Non-GAAP EPS

\$1.97 - \$2.07

GAAP EPS is expected to be 35 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.



THANK YOU!

YOU DESERVE THE BEST SECURITY

GAAP to Non-GAAP Consolidated Statement of Income Reconciliation

(In millions, except per share amounts)	Three Months Ended June 30, 2023					Three Months Ended June 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	\$ 116.9				\$ 116.9	\$ 133.2				\$ 133.2
Security Subscriptions	238.9				238.9	209.9				209.9
Total Products & Security Subscriptions	355.8				355.8	343.1				343.1
Software updates and maintenance	232.9				232.9	228.0				228.0
Total Revenues	588.7				588.7	571.1				571.1
Cost of products and licenses	22.6	0.1			22.5	36.7	0.1			36.6
Cost of security subscriptions	13.6				13.6	9.5				9.5
Total Cost of products and security subscriptions	36.2	0.1			36.1	46.2	0.1			46.1
Cost of software updates and maintenance	27.3	1.8			25.5	25.7	1.3			24.4
Amortization of technology	2.4		2.4			2.9		2.9		
Total Cost of revenues	65.9	1.9	2.4		61.6	74.8	1.4	2.9		70.5
Research & Development	87.4	11.8	2.0		73.6	86.3	10.3	2.2		73.8
Sales & Marketing	185.6	14.8	1.1		169.7	170.6	10.3	1.1		159.2
General & Administrative	28.4	7.7			20.7	30.6	11.7			18.9
Total Operating Expenses	367.3	36.2	5.5		325.6	362.3	33.7	6.2		322.4
Operating Income	221.4	36.2	5.5		263.1	208.8	33.7	6.2		248.7
Financial & Other Income, Net	21.3				21.3	9.7				9.7
Income Taxes (Tax Benefit)	40.7			(5.4)	46.1	44.9		(4.2)		49.1
Net Income	\$ 202.0	36.2	5.5	(5.4)	\$ 238.3	\$ 173.6	33.7	6.2	(4.2)	\$ 209.3
Diluted Earnings per share	\$ 1.70	0.30	0.05	(0.05)	\$ 2.00	\$ 1.36	0.26	0.05	(0.03)	\$ 1.64
Number of Shares (M), diluted	119.2				119.2	127.7				127.7

GAAP to Non-GAAP Consolidated Statement of Income Reconciliation

(In millions, except per share amounts)	Six Months Ended June 30, 2023					Six Months Ended June 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	\$ 224.9				\$ 224.9	\$ 249.1				\$ 249.1
Security Subscriptions	467.1				467.1	411.5				411.5
Total Products & Security Subscriptions	692.0				692.0	660.6				660.6
Software updates and maintenance	462.9				462.9	453.2				453.2
Total Revenues	1,154.9				1,154.9	1,113.8				1,113.8
Cost of products and licenses	48.8	0.2			48.6	68.1	0.2			67.9
Cost of security subscriptions	25.9				25.9	19.5				19.5
Total Cost of products and security subscriptions	74.7	0.2			74.5	87.6	0.2			87.4
Cost of software updates and maintenance	54.1	3.0			51.1	51.2	2.3			48.9
Amortization of technology	5.2		5.2			6.1		6.1		
Total Cost of revenues	134.0	3.2	5.2		125.6	144.9	2.5	6.1		136.3
Research & Development	178.9	22.4	3.9		152.6	172.8	20.8	4.2		147.8
Sales & Marketing	363.3	26.1	2.3		334.9	329.2	21.4	1.9		305.9
General & Administrative	57.5	17.2			40.3	57.9	21.4			36.5
Total Operating Expenses	733.7	68.9	11.4		653.4	704.8	66.1	12.2		626.5
Operating Income	421.2	68.9	11.4		501.5	409.0	66.1	12.2		487.3
Financial & Other Income, Net	40.4				40.4	16.8				16.8
Income Taxes (Tax Benefit)	75.5			(10.2)	85.7	82.8		(8.4)		91.2
Net Income	\$ 386.1	68.9	11.4	(10.2)	\$ 456.2	\$ 343.0	66.1	12.2	(8.4)	\$ 412.9
Diluted Earnings per share	\$ 3.20	0.57	0.10	(0.09)	\$ 3.78	\$ 2.66	0.51	0.10	(0.06)	\$ 3.21
Number of Shares (M), diluted	120.8				120.8	128.8				128.8