



2022 SECOND QUARTER FINANCIAL RESULTS

August 1, 2022

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Founder & CEO



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CFO & COO



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Global Head of IR



YOU DESERVE THE BEST SECURITY

Forward Looking Statement

During the course of 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 Check Point's expectations regarding:

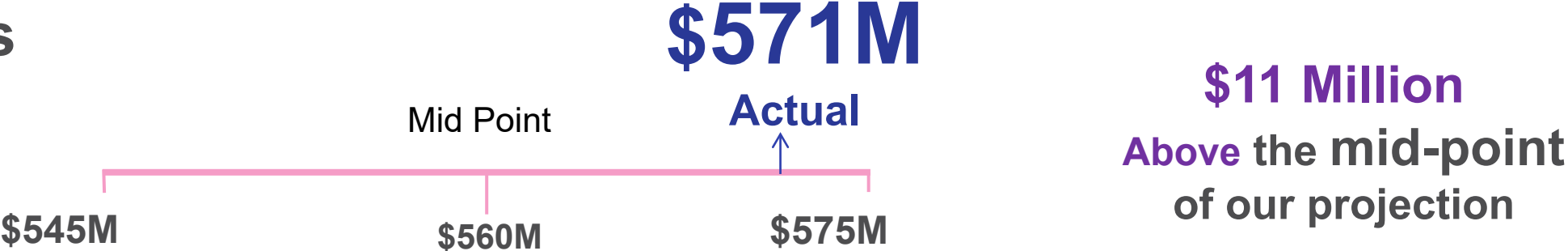
Our products and solutions, expectations regarding customer adoption of our products and solutions, expectations related to cybersecurity and other threats, expectations regarding our 2022 initiatives; our ability to continue to develop platform capabilities and solutions; customer acceptance and purchase of our existing solutions and new 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. 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 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.

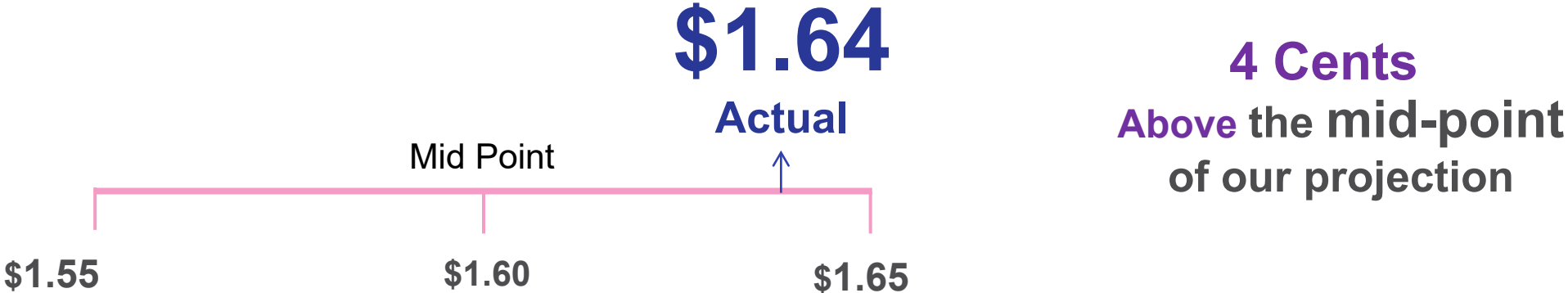
Q2-22: Revenues & EPS at High-End of Our Projections

Non-GAAP

Revenues



EPS



*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.

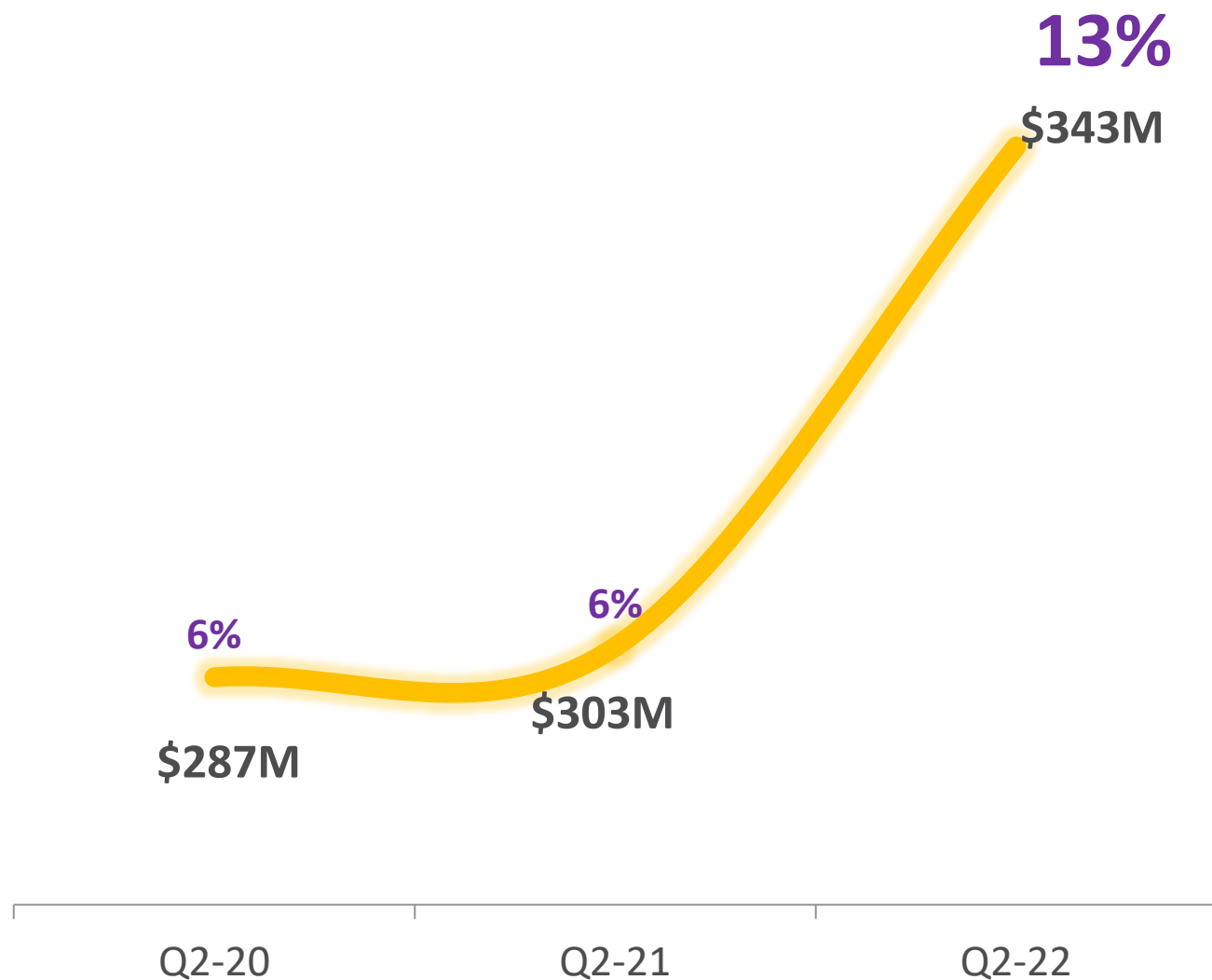
Accelerated Revenues Growth

	Q2-21	Q2-22	Y/Y %
Revenues	\$526M	\$571M	9%
Deferred Revenues	\$1,472M	\$1,666M	13%

- Revenues growth doubled from 4% last year to 9%
- Billings* increased to \$571M

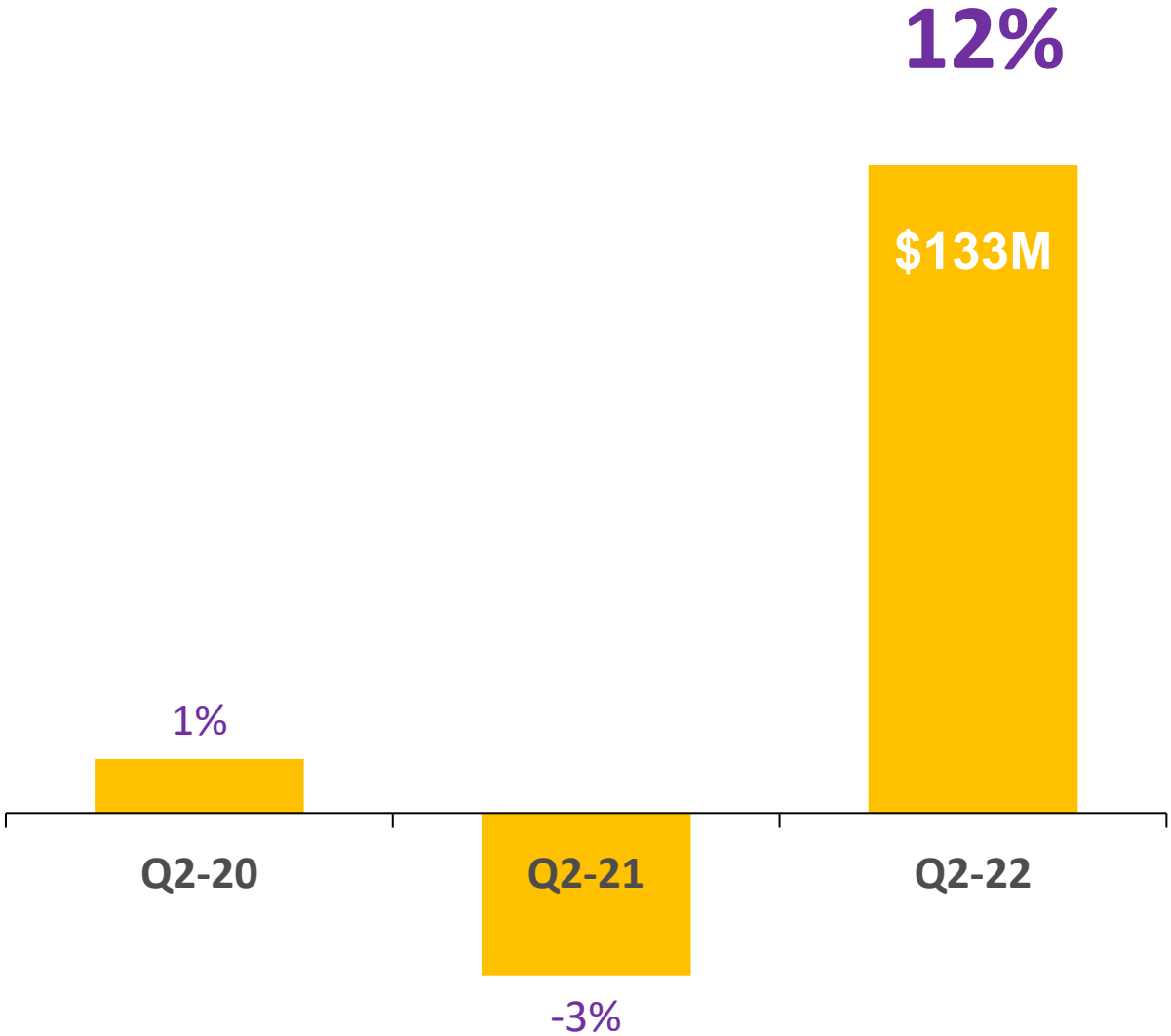
*Billings is a measure that we defined as total revenues recognized in accordance with GAAP plus the change in total deferred revenues during the period

Products & Subscriptions Revenues

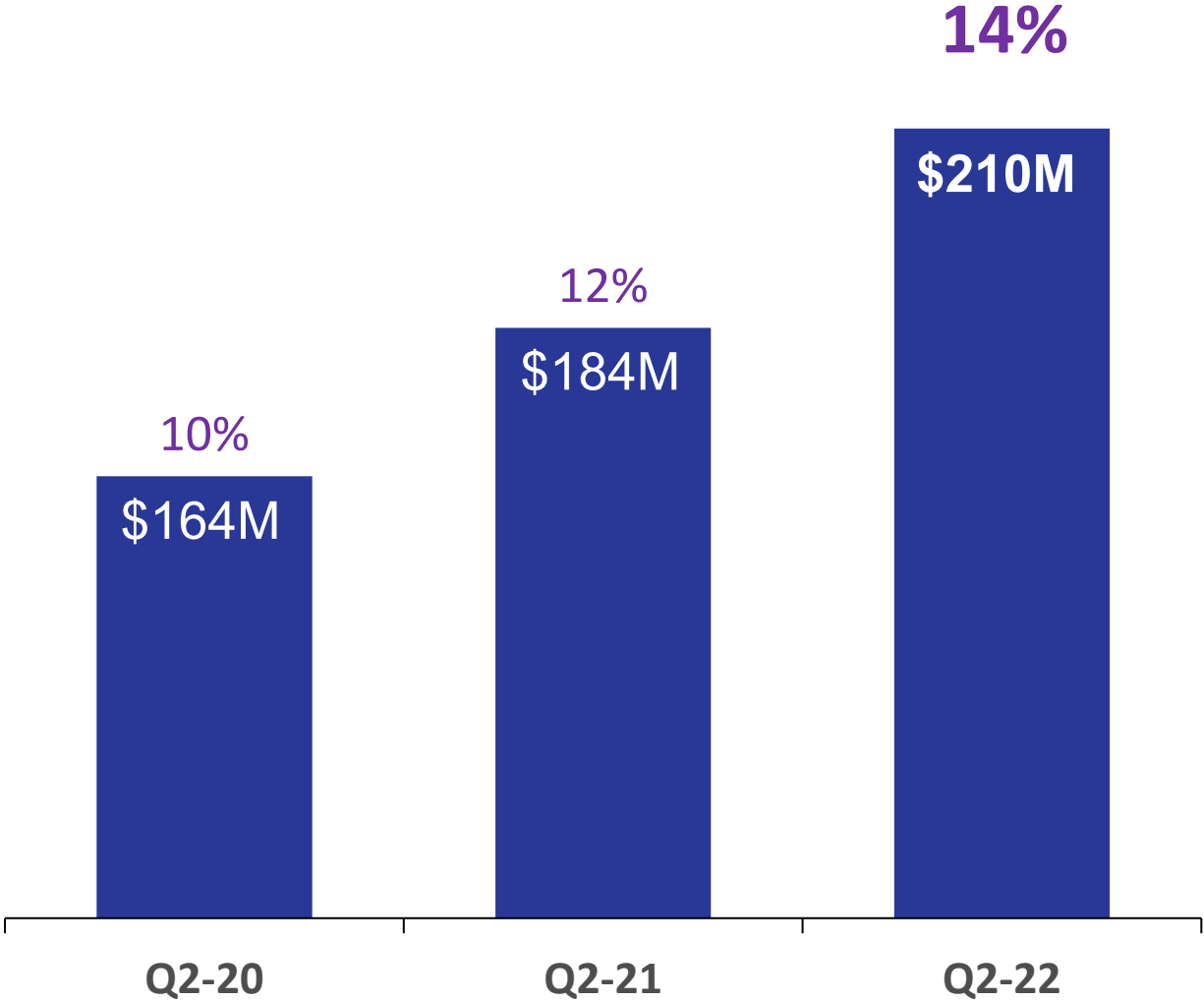


DOUBLE-DIGIT
GROWTH

Strong Quarter In Products & License Revenues



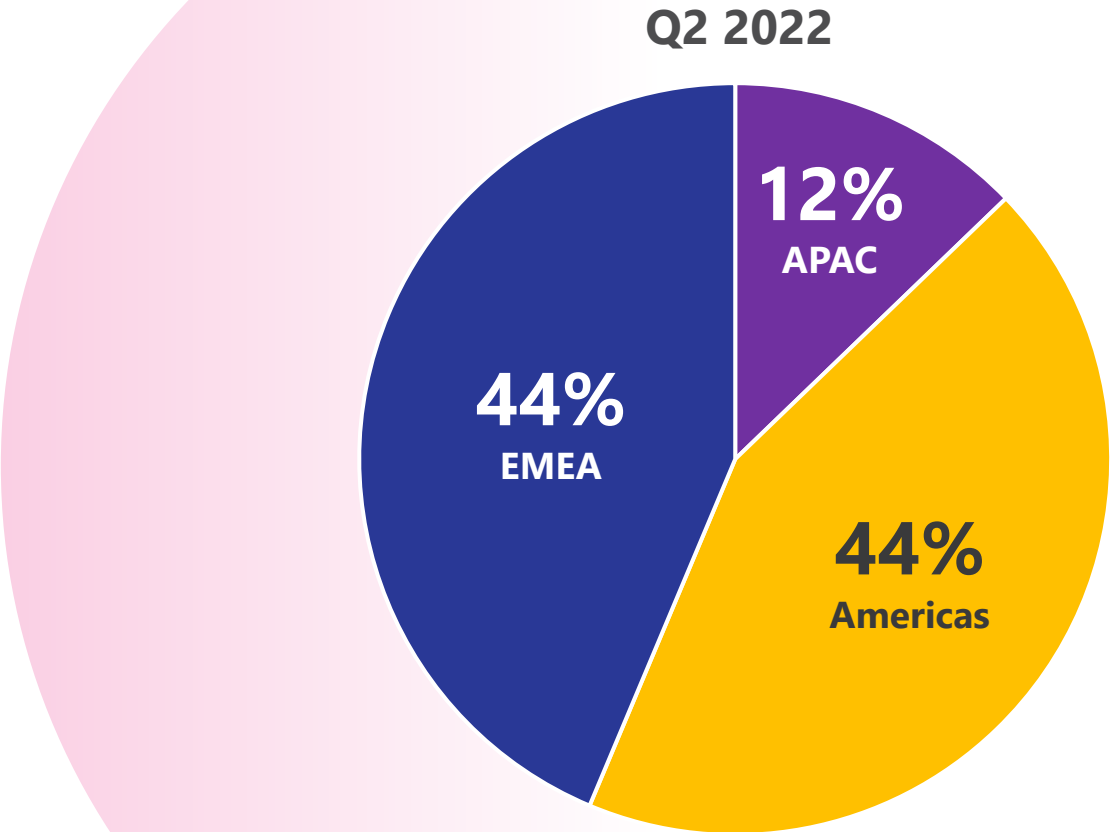
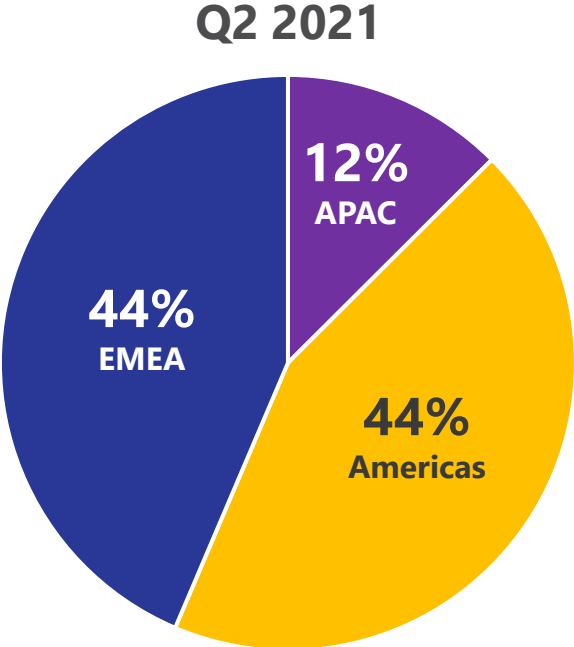
Strong Subscriptions Revenues Growth



**Growth Driven
By CloudGuard &
Harmony**



Q2-22 Revenues By Geographies



Revenues Growth Across All Geographies

Gross Profit Highlights

Non-GAAP

	Q2-21	Q2-22
Revenues	\$526M	\$571M
Gross Profit	\$470M	\$501M

- **Strong Gross Margin @ 88%**
- **Delivery to Our Customers with Higher Materials Cost**

*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.

Operating Expenses Highlights

Non-GAAP

	Q2-21	Q2-22	Y/Y %
Research and Development	\$59M	\$74M	25%
Selling and Marketing	\$137M	\$159M	17%
General and Administrative	\$17M	\$19M	10%
Operating Expenses	\$213M	\$252M	18%

➤ Continued Investment in our workforce

*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.

High Profitability

Non-GAAP

	Q2-21	Q2-22
Operating Income	\$257M	\$249M
Financial Income, Net	\$10M	\$10M
Tax Expenses	\$50M	\$50M
Net Income	\$217M	\$209M
EPS	\$1.61	\$1.64

44% Operating Margin

EPS 4 Cents Above the Mid-Point

*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 and Cash Position

\$3.7 Billion

Cash, Marketable Securities & ST Deposits

\$212 Million

Strong Operating Cash Flow

\$325 Million

Share Repurchase

Financial Summary

- **Strong Financial Results**
 - Revenues & EPS at High-End of Our Projections
 - Accelerated Revenues Growth:
 - Double-Digit Growth in Product
 - Double-Digit in Subscription
 - Focus on Top Line While Maintaining Strong Profitability



BUSINESS UPDATE

YOU DESERVE THE BEST SECURITY

Threat Landscape Continues to Intensify

32% Increase

In Average Weekly **Cyber-Attacks** Globally

.....

59% Increase

1 in Every 40 Organizations is
Impacted by **Ransomware**

.....

Pervasive Attacks

Country Extortion
Nation State Gen V Attacks
Geopolitical Uncertainty

Anticipate Strong Demand for Cyber Security

- **Continuous Wave** of Gen V Attacks
- Increased Demand for
Consolidation
Prevention
Best Security

The Israeli Cyber landscape in Q2 2022

01

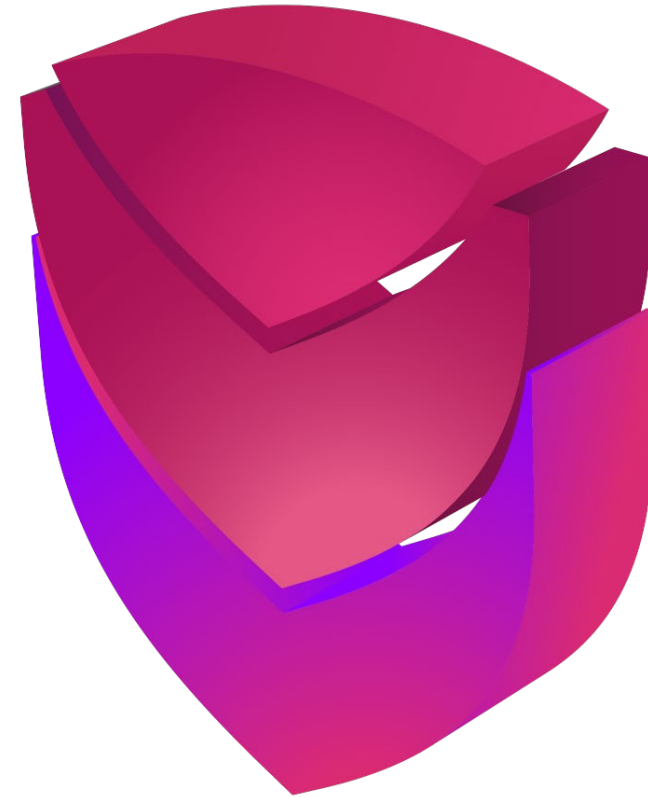
56% Increase in Average Weekly Cyber-Attacks, Almost double the global increase

02

57% Increase
1 in Every 41 Organizations is Impacted by **Ransomware**

03

Most Targeted Sectors: Insurance, Education, Communications



Check Point INFINITY

Best Security with a Consolidated Architecture

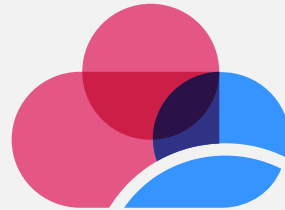
QUANTUM

Secure the network



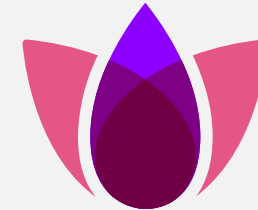
CLOUDGUARD

Secure the cloud



HARMONY

Secure users & access



INFINITY VISION

Cyber Platform & Security Operations

THREATCLOUD

Accelerated Growth in Every Product Pillar

1

Quantum

Double-Digit Product
Growth
From SMB – Large



2

CloudGuard

Double-Digit Growth



3

Harmony

Over 50% Growth
E-Mail Security



ACCELERATED GROWTH IN TOTAL REVENUES

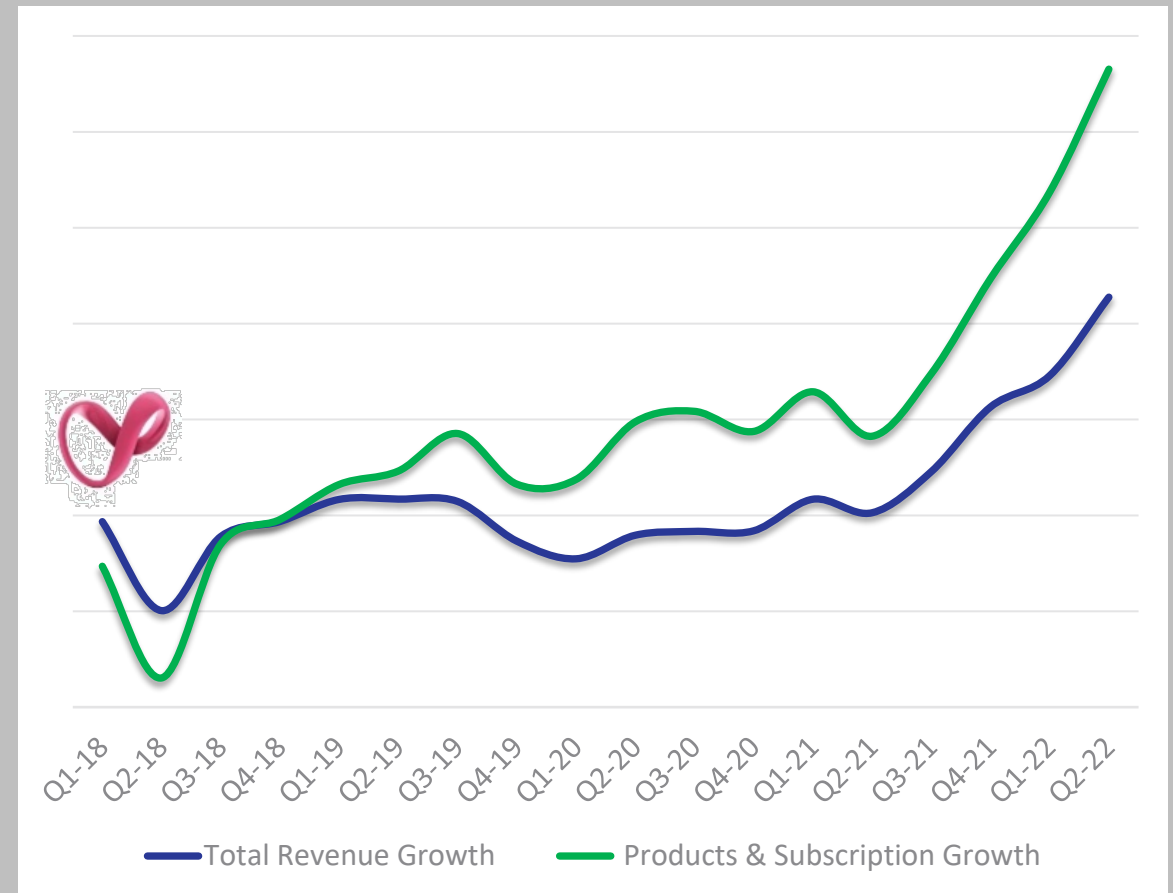
9% Revenue Growth
Highest in Years



ACCELERATED GROWTH IN TOTAL REVENUES

9% Revenue Growth
Highest in Years

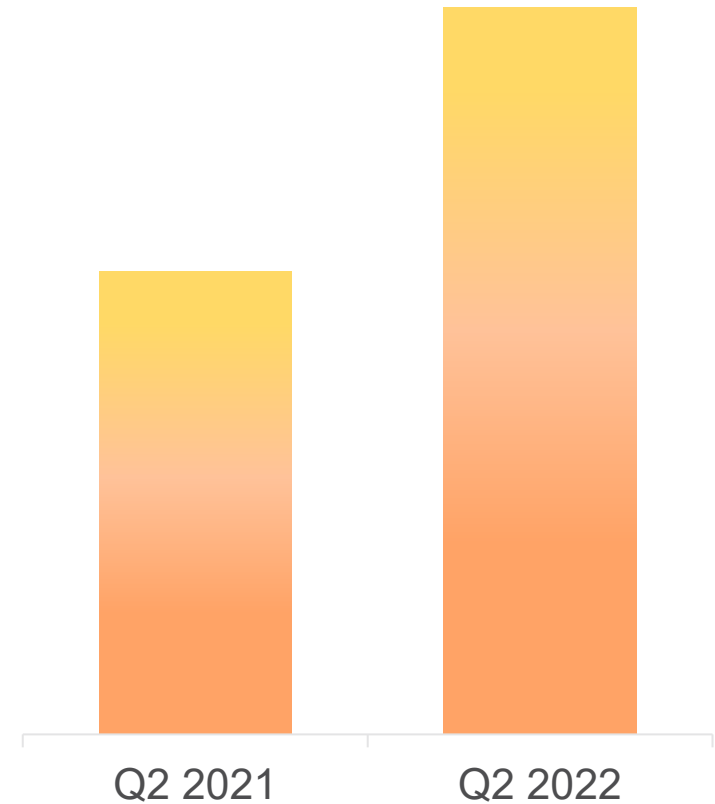
Driven by **Double-Digit Growth** in
Products & Subscription





QUANTUM

**STRONG PRODUCT DEMAND
SMB TO LARGE ENTERPRISE**



**SECURITY GATEWAYS
DOUBLE-DIGIT GROWTH**

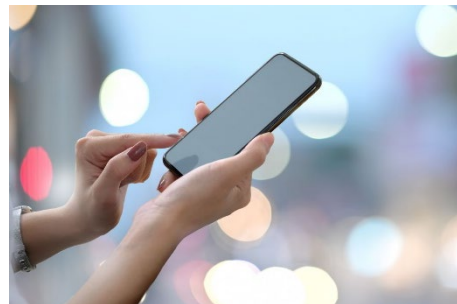
EUROPE Utilities

- Security to Energy Substations
- Rugged Gateways
- 6,500 Gateways



EUROPE TELCO

- Secure Shops Across Country
- Zero-Touch Deployment



EUROPE Humanitarian

- Refugee Housing Project
- Cloud Management



APAC Telco

- Managed Service
- 2,500 Gateways



Network Security for Enterprise



Americas Governmental

- Hyper Scalability With Maestro
- Check Point the only solution to block malicious files (others detect only)



Competitive Replacement

New Customer



Quantum
Security Gateway

APAC Healthcare

- Support Capacity Increase in 20 sites
- Superior Management and User Experience
- Replacement of Fortinet. Win Against Palo Alto



Competitive Replacement

New Customer



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CLOUDGUARD

DOUBLE-DIGIT GROWTH

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Q2 2021

Q2 2022

DOUBLE-DIGIT GROWTH

Cloud Security Wins



EUROPE

Financial Institution

- Consolidation Project Following Acquisition
- Check Point - Preferred Solution
- Better Visibility and Compliance Across their Azure, AWS and GCP



EUROPE

Leading Retailer

- Business Need: Support Cloud Transformation
- CloudGuard - Better Manageability, Exciting Roadmap
- Unified Experience Across On-Premise and Cloud Solutions

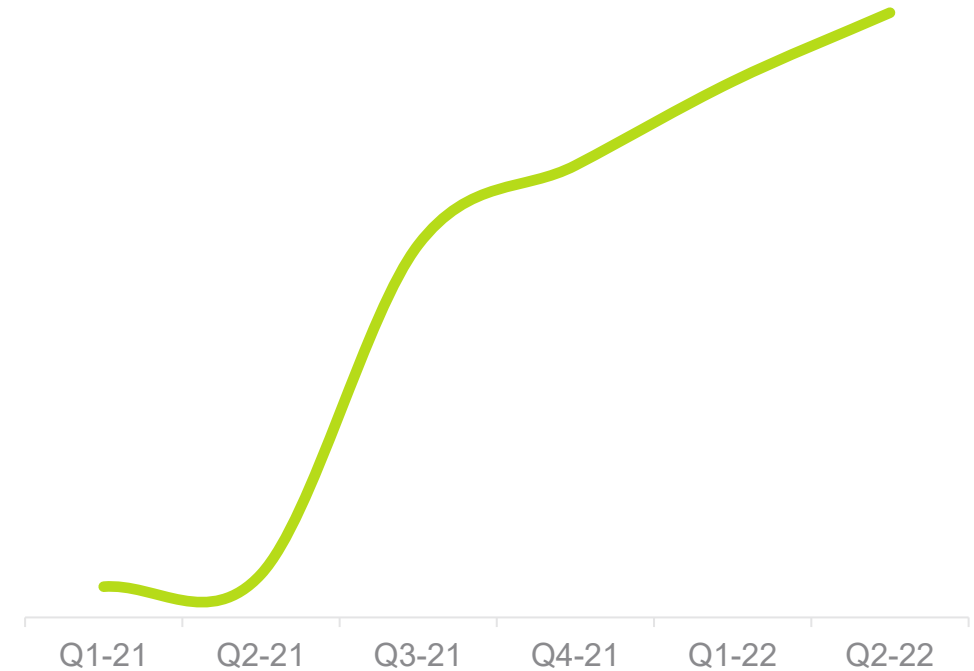




HARMONY

**STRONG MOMENTUM
OVER 50% GROWTH**

THE FASTEST GROWING CLOUD EMAIL SECURITY VENDOR



Harmony Wins



Harmony

US

Holdings Company



- Existing Security Solution Didn't Stop Ransomware Attempts
- Harmony Email Identified 2,800 Attacks
- Replaced Mimecast
- Highest Effectiveness of Email Security



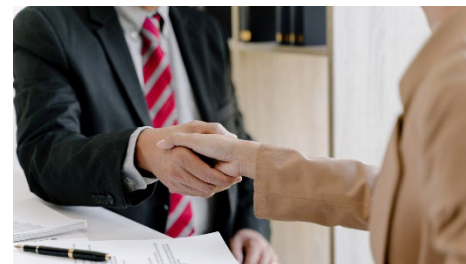
Harmony

US

Safety & Regulatory Compliance



- Consolidation Required for TCO Reduction
- Harmony: The Only Solution to Deliver Unified Security Across Email, Endpoint and Mobile



SUMMARY



- Doubled Revenue Growth Rate
 - Upper End of Projections – Revenues & EPS
- Healthy Demand
 - Quantum from small to large
 - Harmony & CloudGuard



PROJECTIONS

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Q3-2022 Projections

Revenues

\$555M - \$585M

Non-GAAP EPS

\$1.60 - \$1.72

GAAP EPS is expected to be 32 cents less

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



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, 2022					Three Months Ended June 30, 2021				
	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	\$ 133.2				\$ 133.2	\$ 119.1				\$ 119.1
Security Subscriptions	209.9				209.9	183.7				183.7
Total Products & Security Subscriptions	343.1				343.1	302.8				302.8
Software updates and maintenance	228.0				228.0	223.3				223.3
Total Revenues	571.1				571.1	526.1				526.1
Cost of products and licenses	36.7	0.1			36.6	23.2	0.1			23.1
Cost of security subscriptions	9.5				9.5	8.7				8.7
Total Cost of products and security subscriptions	46.2	0.1			46.1	31.9	0.1			31.8
Cost of software updates and maintenance	25.7	1.3			24.4	25.6	1.1			24.5
Amortization of technology	2.9		2.9			1.7		1.7		
Total Cost of revenues	74.8	1.4	2.9		70.5	59.2	1.2	1.7		56.3
Research & Development	86.3	10.3	2.2		73.8	67.5	7.2	1.3		59.0
Sales & Marketing	170.6	10.3	1.1		159.2	148.9	10.5	1.9		136.5
General & Administrative	30.6	11.7			18.9	28.2	11.0			17.2
Total Operating Expenses	362.3	33.7	6.2		322.4	303.8	29.9	4.9		269.0
Operating Income	208.8	33.7	6.2		248.7	222.3	29.9	4.9		257.1
Financial & Other Income, Net	9.7				9.7	10.4				10.4
Income Taxes	44.9			(4.2)	49.1	46.7		(3.8)		50.5
Net Income	\$ 173.6	33.7	6.2	(4.2)	\$ 209.3	\$ 186.0	29.9	4.9	(3.8)	\$ 217.0
Diluted Earnings per share	\$ 1.36	0.26	0.05	(0.03)	\$ 1.64	\$ 1.38	0.22	0.04	(0.03)	\$ 1.61
Number of Shares (M), diluted	127.7				127.7	134.8				134.8

GAAP to Non-GAAP Consolidated Statement of Income Reconciliation

(In millions, except per share amounts)	Six Months Ended June 30, 2022					Six Months Ended June 30, 2021				
	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	\$ 249.1				\$ 249.1	\$ 228.4				\$ 228.4
Security Subscriptions	411.5				411.5	361.1				361.1
Total Products & Security Subscriptions	660.6				660.6	589.5				589.5
Software updates and maintenance	453.2				453.2	444.2				444.2
Total Revenues	1,113.8				1,113.8	1,033.7				1,033.7
Cost of products and licenses	68.1	0.2			67.9	44.8	0.2			44.6
Cost of security subscriptions	19.5				19.5	16.7				16.7
Total Cost of products and security subscriptions	87.6	0.2			87.4	61.5	0.2			61.3
Cost of software updates and maintenance	51.2	2.3			48.9	50.9	2.0			48.9
Amortization of technology	6.1		6.1			3.4		3.4		
Total Cost of revenues	144.9	2.5	6.1		136.3	115.8	2.2	3.4		110.2
Research & Development	172.8	20.8	4.2		147.8	135.9	13.7	2.6		119.6
Sales & Marketing	329.2	21.4	1.9		305.9	288.9	18.8	3.8		266.3
General & Administrative	57.9	21.4			36.5	56.0	21.8			34.2
Total Operating Expenses	704.8	66.1	12.2		626.5	596.6	56.5	9.8		530.3
Operating Income	409.0	66.1	12.2		487.3	437.1	56.5	9.8		503.4
Financial & Other Income, Net	16.8				16.8	23.0				23.0
Income Taxes (Tax Benefit)	82.8			(8.4)	91.2	91.2		(7.0)		98.2
Net Income	\$ 343.0	66.1	12.2	(8.4)	\$ 412.9	\$ 368.9	56.5	9.8	(7.0)	\$ 428.2
Diluted Earnings per share	\$ 2.66	0.51	0.10	(0.06)	\$ 3.21	\$ 2.71	0.42	0.07	(0.05)	\$ 3.15
Number of Shares (M), diluted	128.8				128.8	136.1				136.1