



2022 Fourth Quarter Financial Results

February 13, 2023

Gil Shwed

Founder & CEO



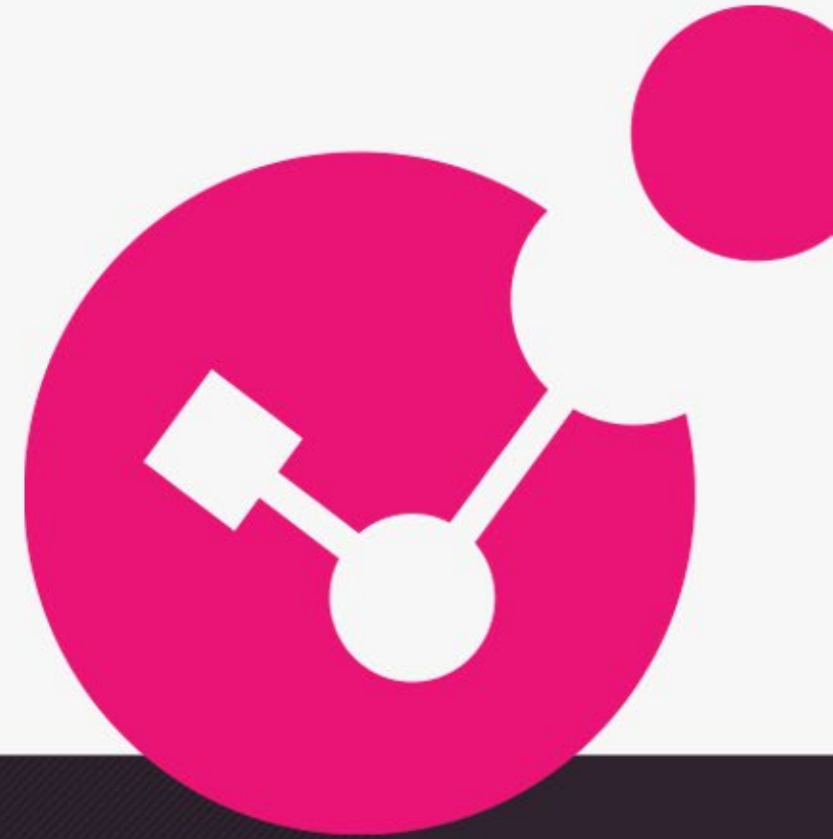
Roei Golan

Acting CFO



Kip E. Meintzer

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:

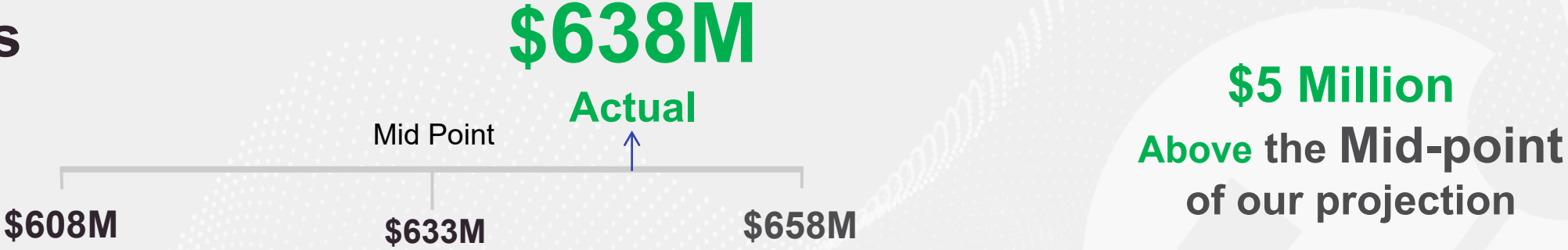
Our expectations regarding our products and solutions, our expectations regarding customer adoption of our products and solutions, expectations related to cybersecurity and other threats, our projections regarding the growing market for IT security; and our financial projections for future quarter and year end results. 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 continued effects on our business of the COVID-19 pandemic, the market for IT security continuing to develop; competition from other products and services; and general market, political, economic and business conditions. 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.

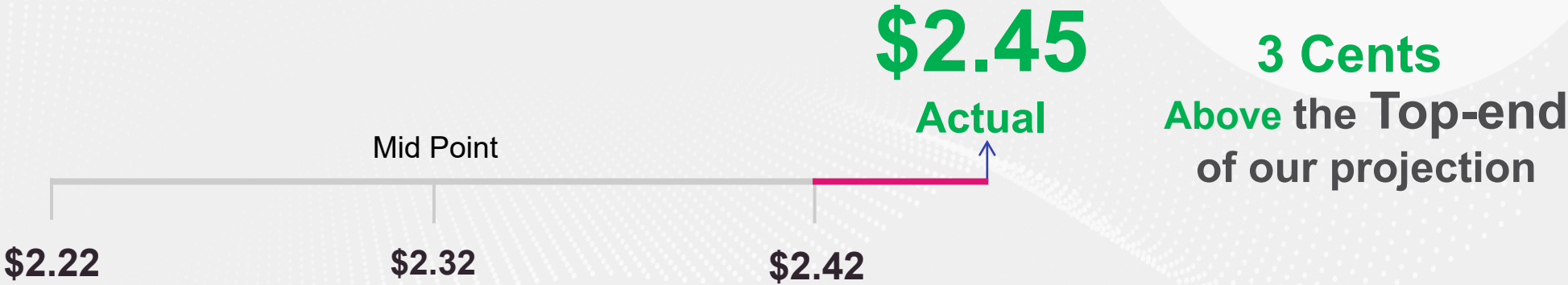
Q4-22: Strong Revenues & EPS

Non-GAAP

Revenues



EPS

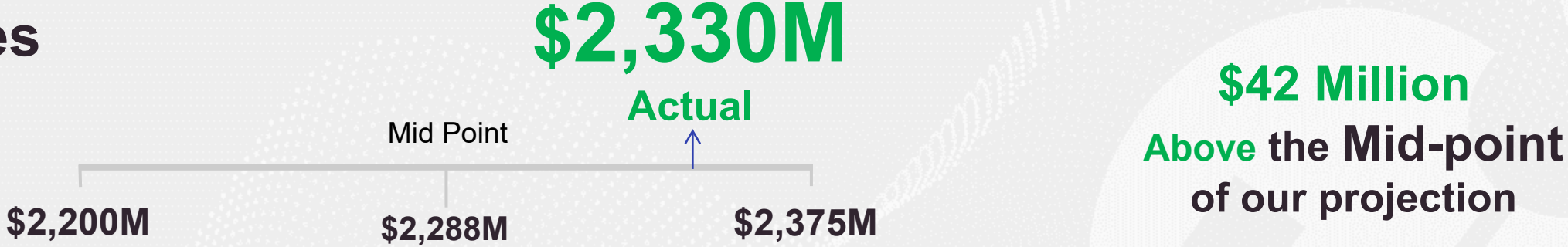


*Non-GAAP excludes equity-based compensation charges, amortization of acquired intangibles and acquisition related expenses and their related tax effects. A reconciliation of non-GAAP to GAAP can be found in the appendix and our press release.

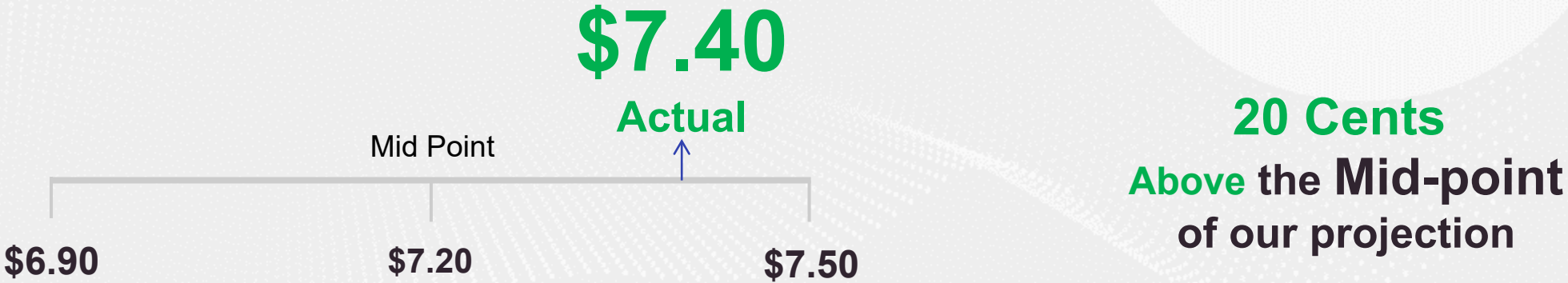
FY 2022 Revenues & EPS Above Our Original Guidance

Non-GAAP

Revenues



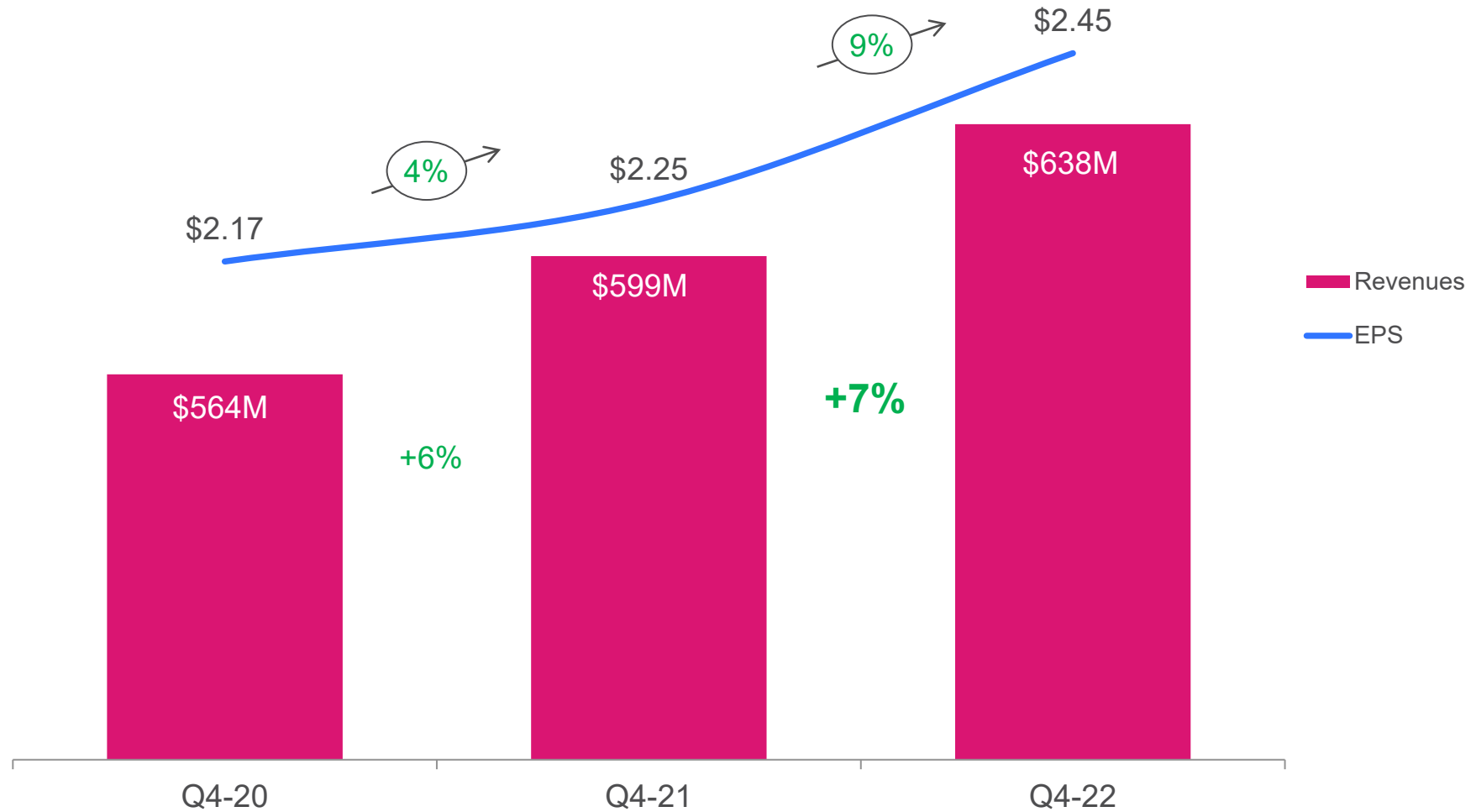
EPS



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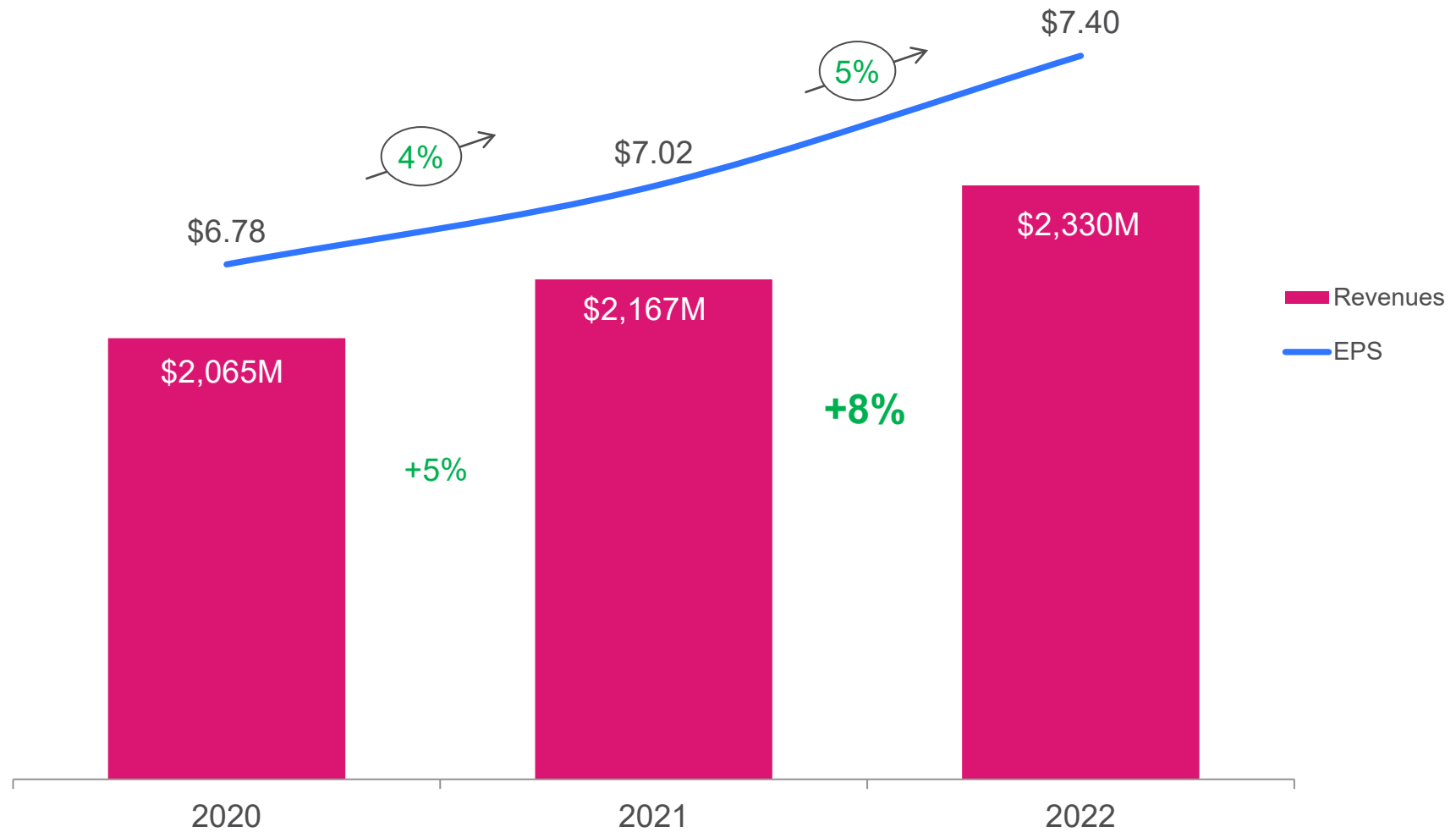
Q4-22 Financial Results

Non-GAAP



2022 Financial Results

Non-GAAP



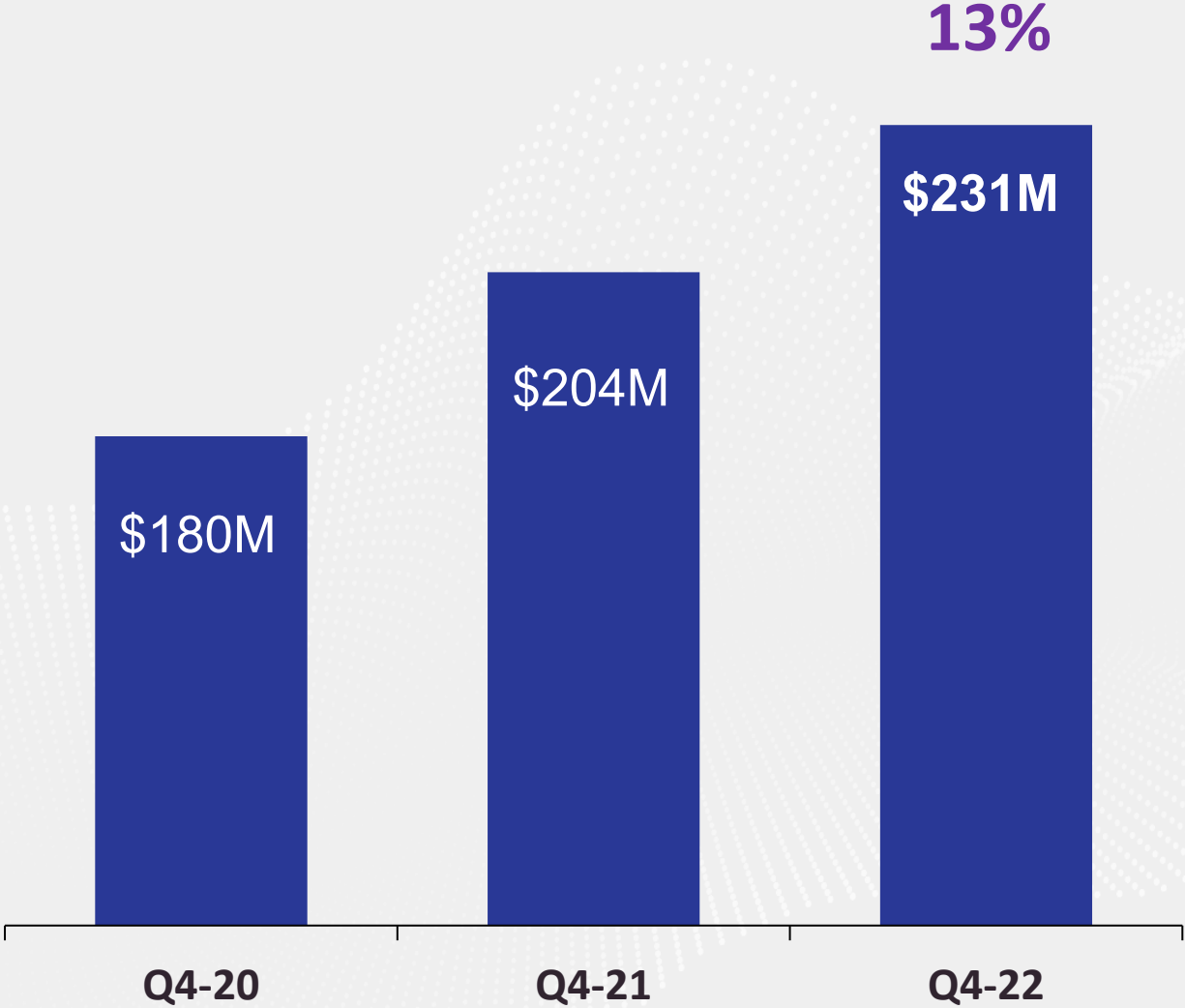
Revenues Growth

	Q4-21	Q4-22	Y/Y %
Revenues	\$599M	\$638M	7%
Deferred Revenues	\$1,707M	\$1,878M	10%

- Revenues growth increased to **7%** vs 6% last year
- **Calculated Billings*** reached \$869M

*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

Strong Security Subscription Revenues Growth



**Growth Driven
By CloudGuard &
Harmony**

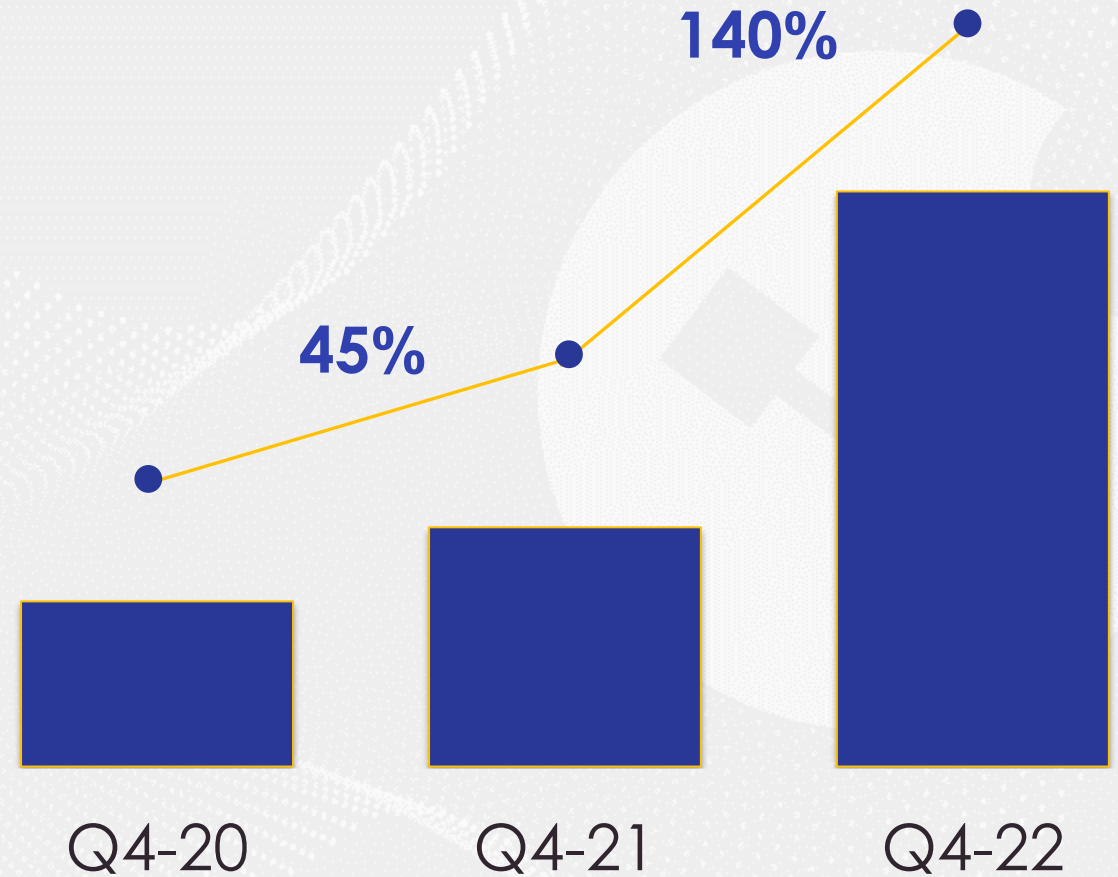


Strong Adoption Of Our Infinity Strategy

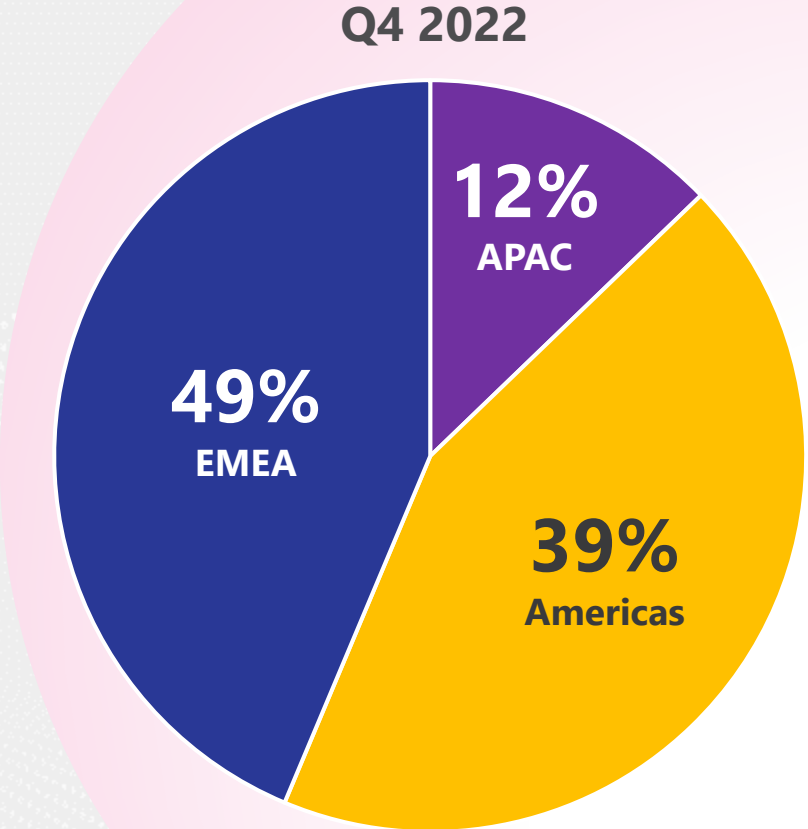
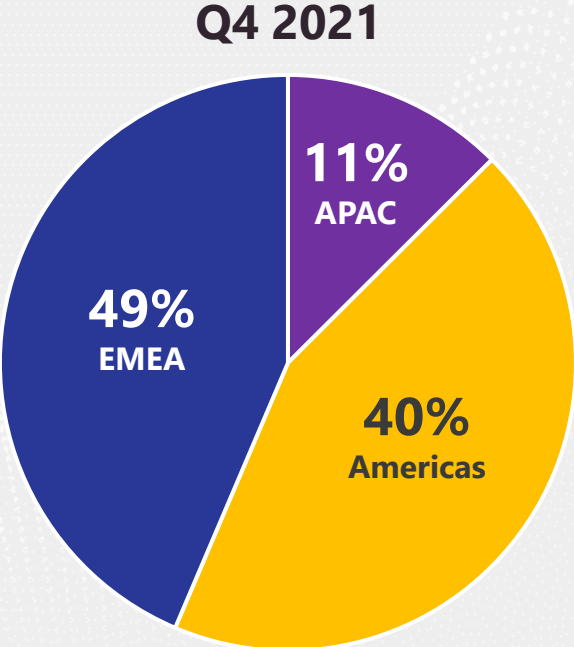


CHECK POINT
INFINITY

Triple Digit Growth



Q4-22 Revenues By Geographies



Revenues Growth Across All Geographies

P&L Highlights for Q4

Non-GAAP

	Q4-21	Q4-22	YoY
Revenues	\$599M	\$638M	7%
Gross Profit	\$524M	\$559M	7%
Operating Expenses	\$239M	\$270M	13%
Operating Income	\$285M	\$289M	2%

- **Strong Gross Margin – 88%**
- **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

	Q4-21	Q4-22
Operating Income	\$285M	\$289M
Financial Income, Net	\$10M	\$15M
Tax Expenses	\$1M	\$3M
Net Income	\$294M	\$301M
EPS	\$2.25	\$2.45

45% Operating Margin

EPS 3 Cents Above the Top-End, 9% Growth YoY

*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.

P&L Highlights for the Full Year

Non-GAAP

	2021	2022	YoY
Revenues	\$2,167M	\$2,330M	8%
Gross Profit	\$1,922M	\$2,043M	6%
Operating Expenses	\$873M	\$1,004M	15%
Operating Income	\$1,049M	\$1,039M	-1%
Financial Income, Net	\$42M	\$44M	5%
Tax Expenses	\$149M	\$148M	-1%
Net Income	\$942M	\$935M	-1%
EPS	\$7.02	\$7.40	5%

*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

\$3.5 Billion

Cash, Marketable Securities & ST Deposits

\$230 Million

Strong Operating Cash Flow

\$325 Million

Share Repurchase

Strong Full Year Cash Flow

\$1,080 Million

Operating Cash Flow

\$1.3 Billion

Share Repurchase

Share Repurchase Program – New 2023!

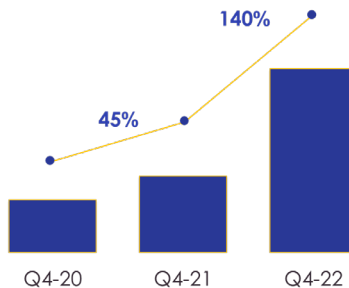
Expansion of \$2 Billion

Up to **\$325 Million** a quarter

Financial Summary



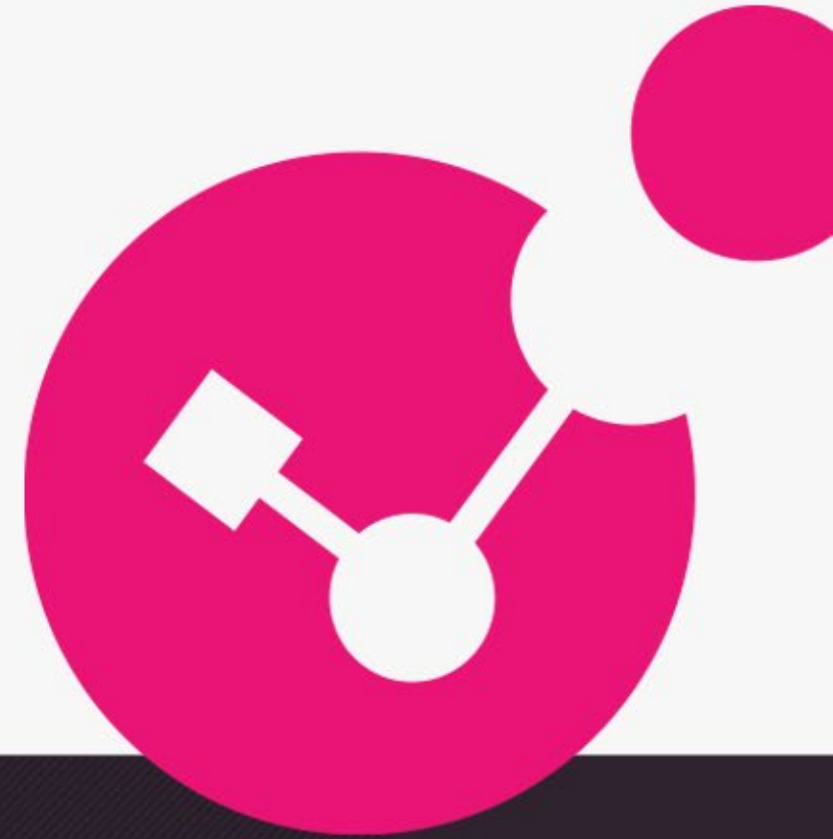
Triple Digit Growth



- **Strong Revenues and EPS for Q4 & FY 2022**
 - Revenues and Non-GAAP EPS Above Mid of our Projections
- **Triple-Digit Growth in Infinity**
- **Focus on Top Line Growth While Maintaining Strong Profitability**



Business Update



YOU DESERVE THE BEST SECURITY

2022 A Year in Review

- New Products Technologies
 - Horizon, Titan, Lightspeed
- Year of Many Changes
 - Rockets Organization
 - New Commercial Organization
 - Rebranding
- Financially: Great Results
 - Macro Environment Change in Q4



CHECK POINT

MORE ATTACKS MORE SOPHISTICATED

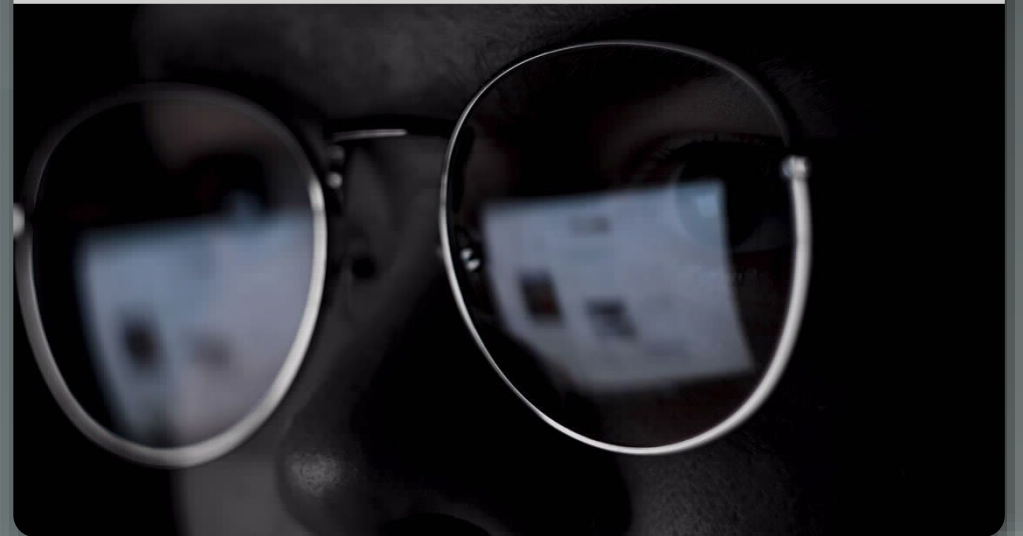
You are responsible for keeping
your businesses secure

38%

Increase in **cyber attacks**

1,150

Attacks **per organization**





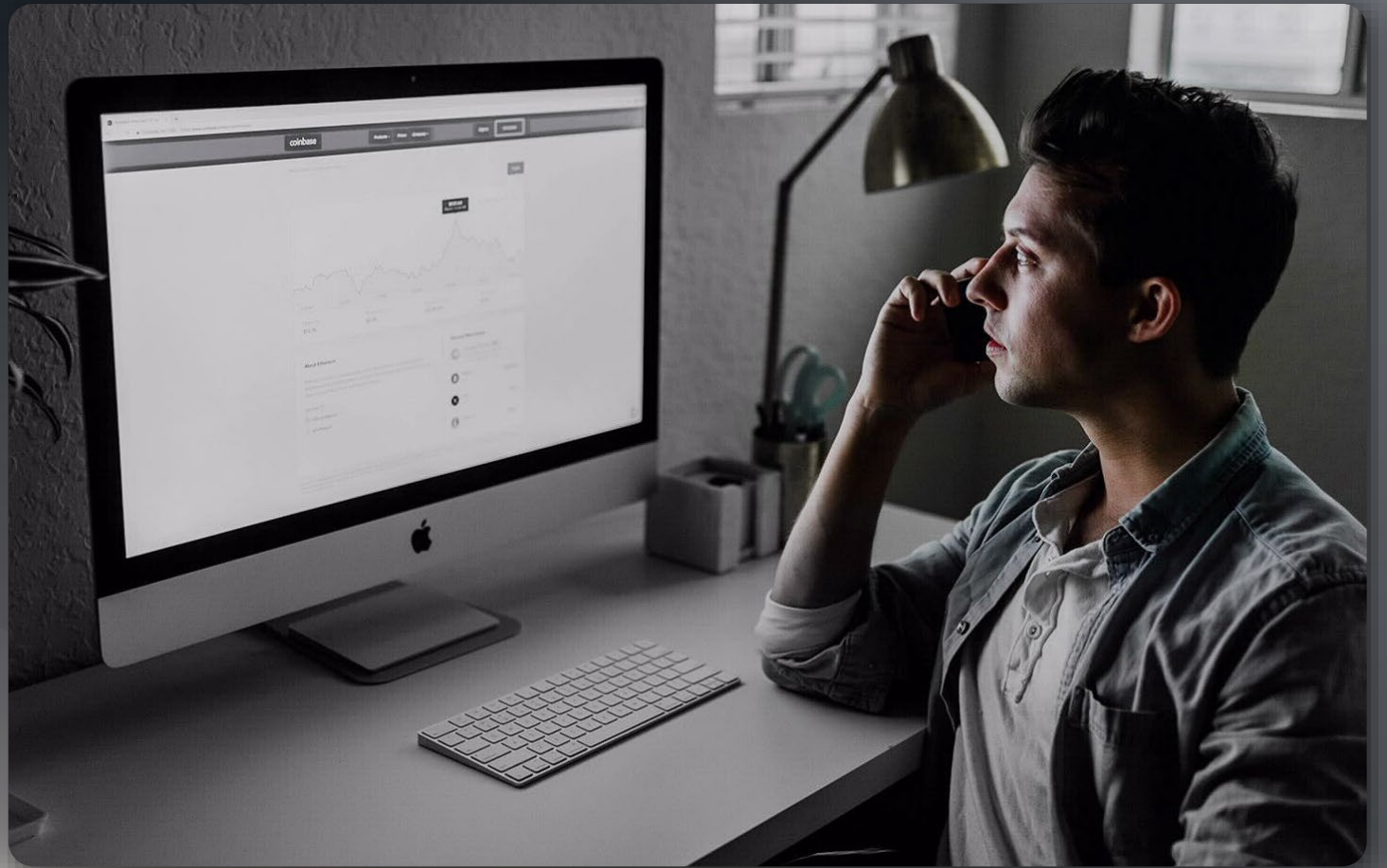
How to Win that Battle?



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A CISO Story:

The morning
**MY CONFIDENCE
WAS SHAKEN TO
THE CORE**



Check Point CPX 2023

Alex
Chief Information Security Officer of
Megapack Manufacturing



January 2023

*This weekend our company
was under cyber attack.
We will not operate tomorrow.*

250,000

Employees

Plants shut down for

3 DAYS

\$14M

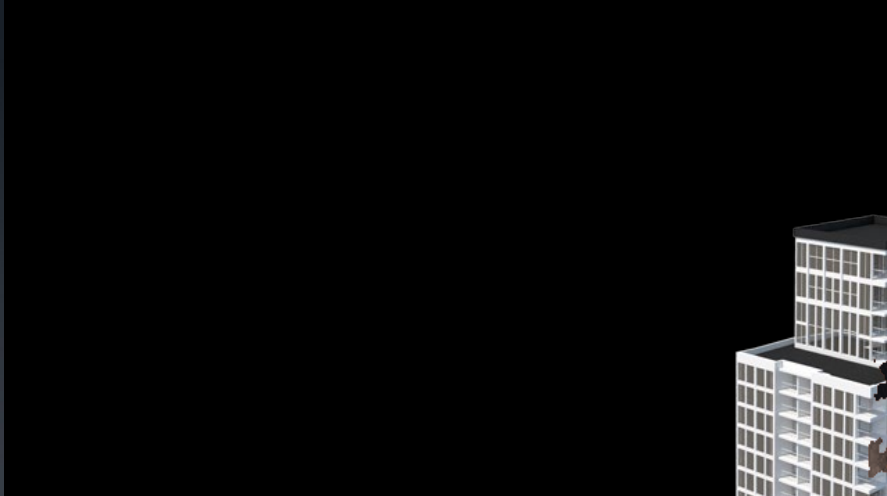
Ransom paid

**IT HAPPENS
EVERYDAY.
EVERYWHERE!**

**Uber suffers computer system breach,
alerts authorities**

The company said in a tweet it was “responding to a cybersecurity incident”

**Cybercriminals behind Los Angeles Unified
School District ransomware attack release
hacked data, superintendent says**



When fire erupts on the 6th floor

The entire building responds

When Malware hits – all other product remain unaware

Malware File





Comprehensive

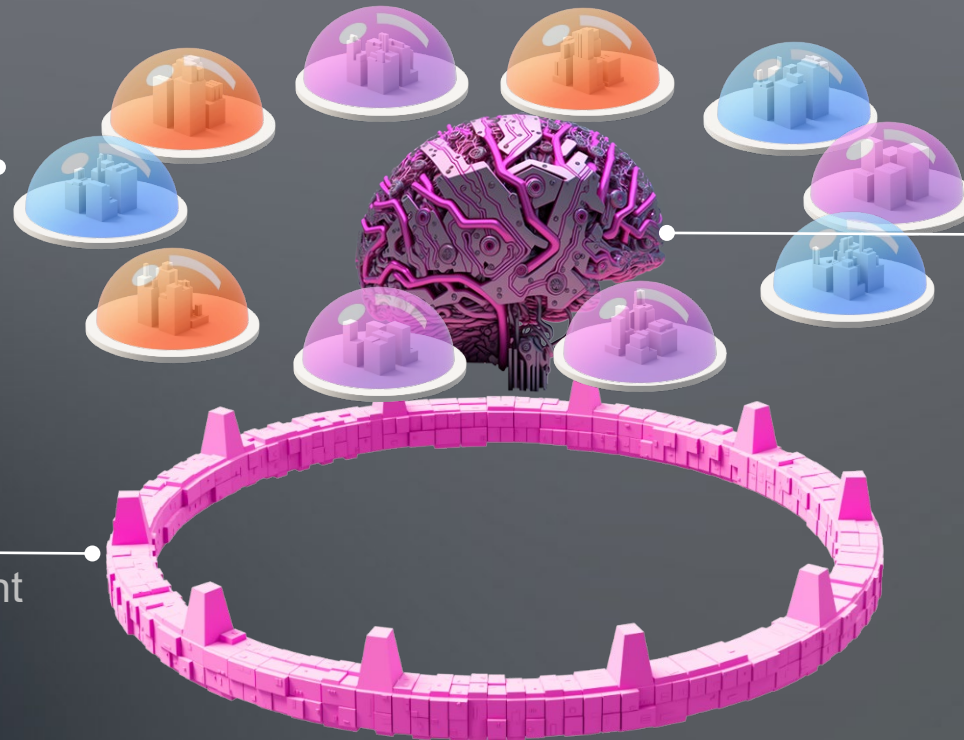
Prevention across all attack vectors

Collaborative

Best security engines applied to any attack vector

Consolidated

Trusted vendor. **Unified** management



THREATCLOUD AI – PREVENTION NOT DETECTION



LEVEL-UP YOUR SECURITY WITH 3C'S OF 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

YOU DESERVE THE BEST SECURITY

Products announcement 2023



COMPREHENSIVE

Quantum Titan
Quantum SD-WAN
Quantum Spark Pro Series
Harmony Endpoint Posture
Harmony Connect Mesh
Cloud Protection Platform Cloud
Entitlement Management



CONSOLIDATED

Infinity Management
Infinity Spark
Smart-1 Cloud



COLLABORATIVE

Horizon MDR/MPR
Horizon XDR/XPR
Horizon PlayBlocks
DNS Security
Zero Phishing
Supply Chain Attacks
Autonomous IOT Security

QUANTUM SD-WAN

PROTECT BRANCH OFFICES UNIFYING BEST SECURITY AND OPTIMIZED INTERNET CONNECTIVITY

Comprehensive prevention with a new software blade

- Protects from zero-day, phishing, and ransomware

Optimized connectivity for users and over 10,000 applications

Consolidated Management



CHECK POINT LEADS ALL CATEGORIES IN 2023 MIERCOM NGFW SECURITY BENCHMARK



**“99.7% zero-day prevention is unreal.
Other vendors were at 30%”**

**“Prevention is first place.
Second place is victim.”**

Rob Smithers, CEO Miercom

2023 & Q1 PROJECTIONS

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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

Q1-2023 Projections

Revenues

\$545M - \$585M

Non-GAAP EPS

\$1.68 - \$1.78

GAAP EPS is expected to be 31 cents less

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

SUMMARY



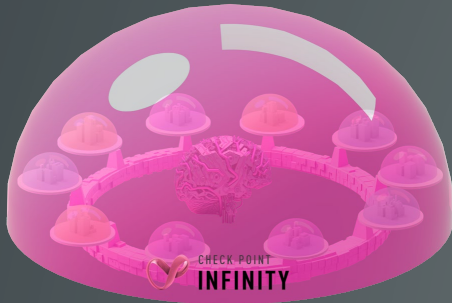
COMPREHENSIVE



CONSOLIDATED



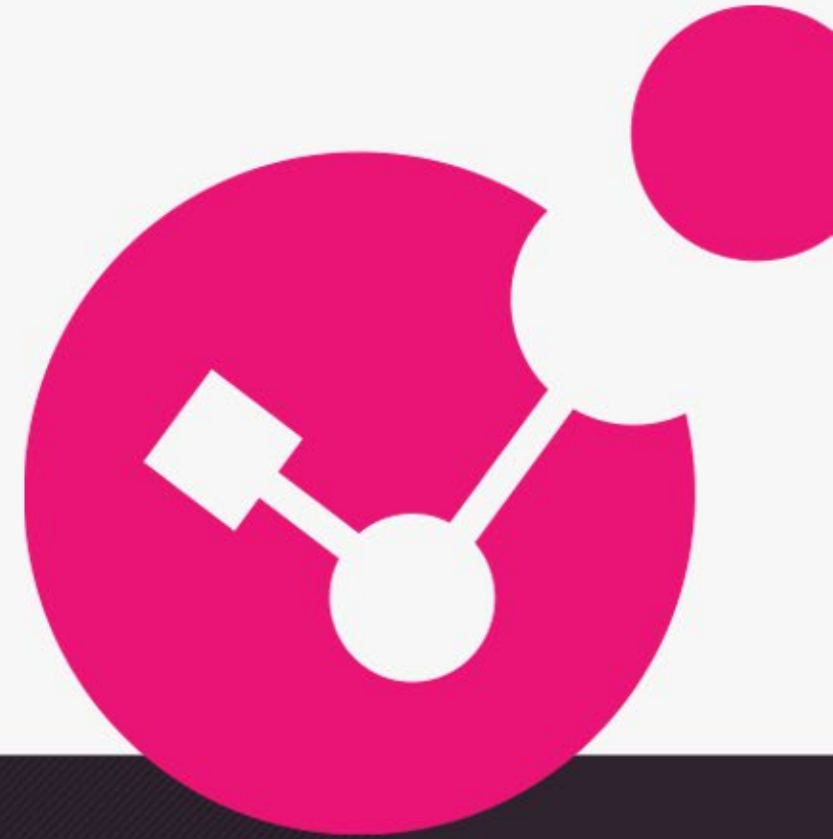
COLLABORATIVE



- Strong Financial Results
 - Revenues at our high end
 - EPS exceeded the range
- Harnessing the 3 C's of Best Security
 - Comprehensive
 - Consolidated
 - Collaborative
- Growth and Investment to Continue in 2023



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 December 31, 2022					Three Months Ended December 31, 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	\$ 173.4				\$ 173.4	\$ 166.4				\$ 166.4
Security Subscriptions	231.0				231.0	204.1				204.1
Total Products & Security Subscriptions	404.4				404.4	370.5				370.5
Software updates and maintenance	234.1				234.1	228.6				228.6
Total Revenues	638.5				638.5	599.1				599.1
Cost of products and licenses	42.1	0.1			42.0	40.0	0.1			39.9
Cost of security subscriptions	10.6				10.6	9.9				9.9
Total Cost of products and security subscriptions	52.7	0.1			52.6	49.9	0.1			49.8
Cost of software updates and maintenance	28.2	1.2			27.0	26.3	1.2			25.1
Amortization of technology	2.9		2.9			2.9		2.9		
Total Cost of revenues	83.8	1.3	2.9		79.6	79.1	1.3	2.9		74.9
Research & Development	90.8	9.9	0.8		80.1	85.5	10.3	1.7		73.5
Sales & Marketing	180.0	9.7	1.1		169.2	160.6	11.3	1.4		147.9
General & Administrative	29.9	9.2			20.7	28.0	9.7			18.3
Total Operating Expenses	384.5	30.1	4.8		349.6	353.2	32.6	6.0		314.6
Operating Income	254.0	30.1	4.8		288.9	245.9	32.6	6.0		284.5
Financial & Other Income, Net	15.3				15.3	9.9				9.9
Income Taxes (Tax Benefit)	(0.6)			(3.8)	3.2	(3.9)		(4.3)		0.4
Net Income	\$ 269.9	30.1	4.8	(3.8)	\$ 301.0	\$ 259.7	32.6	6.0	(4.3)	\$ 294.0
Diluted Earnings per share	\$ 2.20	0.24	0.04	(0.03)	\$ 2.45	\$ 1.98	0.25	0.05	(0.03)	\$ 2.25
Number of Shares (M), diluted	122.9				122.9	130.9				130.9

GAAP to Non-GAAP Consolidated Statement of Income Reconciliation

(In millions, except per share amounts)	Twelve Months Ended December 31, 2022					Twelve Months Ended December 31, 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	\$ 554.9				\$ 554.9	\$ 513.9				\$ 513.9
Security Subscriptions	858.0				858.0	755.2				755.2
Total Products & Security Subscriptions	1,412.9				1,412.9	1,269.1				1,269.1
Software updates and maintenance	917.0				917.0	897.7				897.7
Total Revenues	2,329.9				2,329.9	2,166.8				2,166.8
Cost of products and licenses	145.6	0.4			145.2	110.7	0.4			110.3
Cost of security subscriptions	41.4				41.4	35.9				35.9
Total Cost of products and security subscriptions	187.0	0.4			186.6	146.6	0.4			146.2
Cost of software updates and maintenance	105.5	5.0			100.5	103.0	4.4			98.6
Amortization of technology	11.9		11.9			8.5		8.5		
Total Cost of revenues	304.4	5.4	11.9		287.1	258.1	4.8	8.5		244.8
Research & Development	349.9	42.0	7.1		300.8	292.7	31.8	5.6		255.3
Sales & Marketing	675.2	43.2	4.2		627.8	597.8	42.8	7.3		547.7
General & Administrative	116.1	40.8			75.3	110.7	40.9			69.8
Total Operating Expenses	1,445.6	131.4	23.2		1,291.0	1,259.3	120.3	21.4		1,117.6
Operating Income	884.3	131.4	23.2		1,038.9	907.5	120.3	21.4		1,049.2
Financial & Other Income, Net	44.0				44.0	42.1				42.1
Income Taxes (Tax Benefit)	131.4			(16.6)	148.0	134.0		(15.3)		149.3
Net Income	\$ 796.9	131.4	23.2	(16.6)	\$ 934.9	\$ 815.6	120.3	21.4	(15.3)	\$ 942.0
Diluted Earnings per share	\$ 6.31	1.04	0.18	(0.13)	\$ 7.40	\$ 6.08	0.90	0.16	(0.12)	\$ 7.02
Number of Shares (M), diluted	126.3				126.3	134.1				134.1