



**Investors:** Kip E. Meintzer  
Check Point Software Technologies  
+1.650.628.2040  
[ir@checkpoint.com](mailto:ir@checkpoint.com)

**Media:** Gil Messing  
Check Point Software Technologies  
+1.650.628.2260  
[press@checkpoint.com](mailto:press@checkpoint.com)

## ***CHECK POINT SOFTWARE TECHNOLOGIES REPORTS 2023 FIRST QUARTER FINANCIAL RESULTS***

**SAN CARLOS, CA – May 1, 2023** — **Check Point® Software Technologies Ltd.** (NASDAQ: CHKP), today announced its financial results for the quarter ended March 31<sup>st</sup>, 2023.

### ***First Quarter 2023:***

- Total Revenues: \$566 million, a 4 percent increase year over year
- Security Subscription Revenues: \$228 million, a 13 percent increase year over year
- Deferred Revenues: \$1,797 million, an 8 percent increase year over year
- GAAP Operating Income: \$200 million, representing 35 percent of total revenues
- Non-GAAP Operating Income: \$238 million, representing 42 percent of total revenues
- GAAP EPS: \$1.52, a 17 percent increase year over year
- Non-GAAP EPS: \$1.80, a 15 percent increase year over year

“We are pleased to report good financial results with 15 percent growth in non-GAAP EPS and 13 percent growth in security subscription revenues. This double-digit growth was driven by our CloudGuard and Harmony E-mail product families. The economic slowdown has resulted in extended product sales cycles, while recurring revenues were healthy and reached over 80 percent of total revenues for the first time.” said Gil Shwed, Founder & CEO of Check Point Software Technologies. “Our Infinity platform revenue grew over 140 percent during the quarter, underscoring the strength of the platform as the future of cyber security. The Infinity platform implements the key essential principles of effective cyber security - the 3 Cs: Comprehensive, Consolidated and Collaborative security.”

### ***Financial Highlights for the First Quarter of 2023***

- **Total Revenues:** \$566 million compared to \$543 million in the first quarter of 2022, a 4 percent increase year over year.
- **GAAP Operating Income:** \$200 million same as in the first quarter of 2022, representing 35 percent and 37 percent of total revenues in the first quarter of 2023 and 2022, respectively.
- **Non-GAAP Operating Income:** \$238 million compared to \$239 million in the first quarter of 2022, representing 42 percent and 44 percent of total revenues in the first quarter of 2023 and 2022, respectively.
- **GAAP Taxes on Income:** \$35 million compared to \$38 million in the first quarter of 2022.
- **GAAP Net Income & Earnings per Diluted share:** GAAP net income was \$184 million compared to \$169 million in the first quarter of 2022. GAAP earnings per diluted share were \$1.52 compared to \$1.30 in the first quarter of 2022, a 17 percent increase year over year.
- **Non-GAAP Net Income & Earnings per Diluted share:** Non-GAAP net income was \$218 million compared to \$204 million in the first quarter of 2022. Non-GAAP earnings per diluted share were \$1.80 compared to \$1.57 in the first quarter of 2022, a 15 percent increase year over year.
- **Deferred Revenues:** As of March 31, 2023, deferred revenues were \$1,797 million compared to \$1,666 million as of March 31, 2022, an 8 percent increase year over year.
- **Cash Balances, Marketable Securities & Short-Term Deposits:** \$3,619 million as of March 31, 2023, compared to \$3,503 million as of December 31, 2022.
- **Cash Flow:** Cash flow from operations of \$386 million compared to \$398 million in the first quarter of 2022.
- **Share Repurchase Program:** During the first quarter of 2023, the company repurchased approximately 2.6 million shares at a total cost of approximately \$325 million.

For information regarding the non-GAAP financial measures discussed in this release, as well as a reconciliation of such non-GAAP financial measures to the most directly comparable GAAP financial measures, please see “Use of Non-GAAP Financial Information” and “Reconciliation of GAAP to Non-GAAP Financial Information.”

### **Conference Call & Video Cast Information**

Check Point will host a conference call with the investment community on May 1, 2023, at 8:30 AM ET/5:30 AM PT. To listen to the live webcast or replay, please visit the website [www.checkpoint.com/ir](http://www.checkpoint.com/ir).

### ***Second Quarter 2023 Investor Conference Participation Schedule***

- **J.P. Morgan 51<sup>st</sup> Annual Technology, Media, and Telecom Conference**  
May 22-24, 2023, Boston, MA – 1x1’s
- **Cowen 51<sup>st</sup> Annual TMT Conference**  
May 31-June 1, 2023, NY, NY – Fireside Chat & 1x1’s
- **Bank of America Merrill Lynch 2023 Global Technology Conference**  
June 6-8, 2023, SF, CA – Fireside Chat & 1x1’s
- **Nasdaq Investor Conference**  
June 13, 2023, London, UK – 1x1’s

Members of Check Point's management team anticipate attending these conferences and events to discuss the latest company strategies and initiatives. Check Point’s conference presentations if applicable will be available via webcast on the company's web site. To hear these presentations and access the most updated information please visit the company's web site at [www.checkpoint.com/ir](http://www.checkpoint.com/ir). The schedule is subject to change.

### ***About Check Point Software Technologies Ltd.***

Check Point Software Technologies Ltd. ([www.checkpoint.com](http://www.checkpoint.com)) is a leading provider of cyber security solutions to corporate enterprises and governments globally. Check Point Infinity’s portfolio of solutions protects enterprises and public organizations from 5th generation cyberattacks with an industry leading catch rate of malware, ransomware, and other threats. Infinity comprises four core pillars delivering uncompromised security and generation V threat prevention across enterprise environments: Check Point Harmony, for remote users; Check Point CloudGuard, to automatically secure clouds; and Check Point Quantum, to protect network perimeters and datacenters, all controlled by the industry’s most comprehensive, intuitive unified security management; Check Point Horizon, a prevention-first security operations suite. Check Point protects over 100,000 organizations of all sizes.

### **Follow Check Point via:**

Twitter: <http://www.twitter.com/checkpointsw>

Facebook: <https://www.facebook.com/checkpointsoftware>

Blog: <http://blog.checkpoint.com>

YouTube: <http://www.youtube.com/user/CPGlobal>

LinkedIn: <https://www.linkedin.com/company/check-point-software-technologies>

©2023 Check Point Software Technologies Ltd. All rights reserved.

### ***Legal Notice Regarding Forward-Looking Statements***

This press release contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Forward-looking statements generally relate to future events or our future financial or operating performance. Forward-looking statements in this press release include, but are not limited to, statements related to our expectations regarding our products and solutions, expectations related to cybersecurity and other threats, and our participation in investor conferences during the second quarter of 2023. 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 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. The forward-looking statements contained in this press release 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 press release 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.

### ***Use of Non-GAAP Financial Information***

In addition to reporting financial results in accordance with generally accepted accounting principles, or GAAP, Check Point uses non-GAAP measures of operating income, net income, and earnings per diluted share, which are adjustments from results based on GAAP to exclude, as applicable, stock-based compensation expenses, amortization of intangible assets and acquisition related expenses and the related tax affects. Check Point's management believes the non-GAAP financial information provided in this release is useful to investors' understanding and assessment of Check Point's ongoing core operations and prospects for the future. Historically, Check Point has also publicly presented these supplemental non-GAAP financial measures in order to assist the investment community to see the Company "through the eyes of management," and thereby enhance understanding of its operating performance. The presentation of this non-GAAP financial information is not intended to be considered in isolation or as a substitute for results prepared in accordance with GAAP. A reconciliation of the non-GAAP financial measures discussed in this press release to the most directly comparable GAAP financial measures is included with the financial statements contained in this press release. Management uses both GAAP and non-GAAP information in evaluating and operating business internally and as such has determined that it is important to provide this information to investors.

**CHECK POINT SOFTWARE TECHNOLOGIES LTD.**  
**CONSOLIDATED STATEMENT OF INCOME**

(Unaudited, in millions, except per share amounts)

	Three Months Ended	
	March 31,	
	2023	2022
Revenues:		
Products and licenses	\$ 108.0	\$ 115.9
Security subscriptions	228.2	201.6
Total revenues from products and security subscriptions	<u>336.2</u>	<u>317.5</u>
Software updates and maintenance	230.0	225.2
Total revenues	<u>566.2</u>	<u>542.7</u>
Cost of products and licenses	26.2	31.4
Cost of security subscriptions	12.3	10.0
Total cost of products and security subscriptions	<u>38.5</u>	<u>41.4</u>
Cost of Software updates and maintenance	26.8	25.5
Amortization of technology	2.8	3.2
Total cost of revenues	<u>68.1</u>	<u>70.1</u>
Research and development	91.5	86.5
Selling and marketing	177.7	158.6
General and administrative	29.1	27.3
Total operating expenses	<u>366.4</u>	<u>342.5</u>
Operating income	199.8	200.2
Financial income, net	19.1	7.1
Income before taxes on income	<u>218.9</u>	<u>207.3</u>
Taxes on income	34.8	37.9
Net income	<u>\$ 184.1</u>	<u>\$ 169.4</u>
Basic earnings per share	<u>\$ 1.54</u>	<u>\$ 1.32</u>
Number of shares used in computing basic earnings per share	<u>119.8</u>	<u>128.3</u>
Diluted earnings per share	<u>\$ 1.52</u>	<u>\$ 1.30</u>
Number of shares used in computing diluted earnings per share	<u>121.1</u>	<u>129.8</u>

**CHECK POINT SOFTWARE TECHNOLOGIES LTD.**  
**SELECTED FINANCIAL METRICS**

(Unaudited, in millions, except per share amounts)

	Three Months Ended	
	March 31,	
	2023	2022
Revenues	\$ 566.2	\$ 542.7
Non-GAAP operating income	238.4	238.6
Non-GAAP net income	217.9	203.6
Non-GAAP diluted earnings per share	\$ 1.80	\$ 1.57
Number of shares used in computing diluted Non-GAAP earnings per share	121.1	129.8

**CHECK POINT SOFTWARE TECHNOLOGIES LTD.**  
**RECONCILIATION OF GAAP TO NON-GAAP FINANCIAL INFORMATION**

(Unaudited, in millions, except per share amounts)

	Three Months Ended	
	March 31,	
	2023	2022
GAAP operating income	\$ 199.8	\$ 200.2
Stock-based compensation (1)	32.7	32.4
Amortization of intangible assets and acquisition related expenses (2)	5.9	6.0
Non-GAAP operating income	<u>\$ 238.4</u>	<u>\$ 238.6</u>
GAAP net income	\$ 184.1	\$ 169.4
Stock-based compensation (1)	32.7	32.4
Amortization of intangible assets and acquisition related expenses (2)	5.9	6.0
Taxes on the above items (3)	(4.8)	(4.2)
Non-GAAP net income	<u>\$ 217.9</u>	<u>\$ 203.6</u>
GAAP diluted earnings per share	\$ 1.52	\$ 1.30
Stock-based compensation (1)	0.27	0.25
Amortization of intangible assets and acquisition related expenses (2)	0.05	0.05
Taxes on the above items (3)	(0.04)	(0.03)
Non-GAAP diluted earnings per share	<u>\$ 1.80</u>	<u>\$ 1.57</u>
Number of shares used in computing diluted Non-GAAP earnings per share	<u>121.1</u>	<u>129.8</u>
(1) Stock-based compensation:		
Cost of products and licenses	\$ 0.1	\$ 0.1
Cost of software updates and maintenance	1.2	1.0
Research and development	10.6	10.5
Selling and marketing	11.3	11.1
General and administrative	9.5	9.7
	<u>32.7</u>	<u>32.4</u>
(2) Amortization of intangible assets and acquisition related expenses:		
Amortization of technology-cost of revenues	2.8	3.2
Research and development	1.9	2.0
Selling and marketing	1.2	0.8
	<u>5.9</u>	<u>6.0</u>
(3) Taxes on the above items	<u>(4.8)</u>	<u>(4.2)</u>
Total, net	<u>\$ 33.8</u>	<u>\$ 34.2</u>

**CHECK POINT SOFTWARE TECHNOLOGIES LTD.  
CONDENSED CONSOLIDATED BALANCE SHEET DATA**

(In millions)

<b>ASSETS</b>	March 31, 2023 (Unaudited)	December 31, 2022 (Audited)
Current assets:		
Cash and cash equivalents	\$ 275.7	\$ 196.0
Marketable securities and short-term deposits	1,410.7	1,441.6
Trade receivables, net	355.5	644.2
Prepaid expenses and other current assets	54.8	50.0
Total current assets	<u>2,096.7</u>	<u>2,331.8</u>
Long-term assets:		
Marketable securities	1,933.0	1,865.6
Property and equipment, net	80.1	82.8
Deferred tax asset, net	71.5	77.6
Goodwill and other intangible assets, net	1,292.2	1,295.5
Other assets	70.7	71.5
Total long-term assets	<u>3,447.5</u>	<u>3,393.0</u>
Total assets	<u>\$ 5,544.2</u>	<u>\$ 5,724.8</u>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
Current liabilities:		
Deferred revenues	\$ 1,315.1	\$ 1,363.4
Trade payables and other accrued liabilities	438.1	475.8
Total current liabilities	<u>1,753.2</u>	<u>1,839.2</u>
Long-term liabilities:		
Long-term deferred revenues	481.8	514.4
Income tax accrual	416.7	419.7
Other long-term liabilities	21.0	22.2
	<u>919.5</u>	<u>956.3</u>
Total liabilities	<u>2,672.7</u>	<u>2,795.5</u>
Shareholders' equity:		
Share capital	0.8	0.8
Additional paid-in capital	2,554.3	2,500.7
Treasury shares at cost	(12,113.8)	(11,802.1)
Accumulated other comprehensive gain	(81.7)	(97.9)
Retained earnings	12,511.9	12,327.8
Total shareholders' equity	<u>2,871.5</u>	<u>2,929.3</u>
Total liabilities and shareholders' equity	<u>\$ 5,544.2</u>	<u>\$ 5,724.8</u>
Total cash and cash equivalents, marketable securities, and short-term deposits	<u>\$ 3,619.4</u>	<u>\$ 3,503.2</u>

**CHECK POINT SOFTWARE TECHNOLOGIES LTD.  
SELECTED CONSOLIDATED CASH FLOW DATA**

(Unaudited, in millions)

	Three Months Ended	
	March 31,	
	2023	2022
<b>Cash flow from operating activities:</b>		
Net income	\$ 184.1	\$ 169.4
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation of property and equipment	6.9	5.0
Amortization of intangible assets	3.3	3.3
Stock-based compensation	32.7	32.4
Decrease in trade and other receivables, net	285.1	253.4
Decrease in deferred revenues, trade payables and other accrued liabilities	(127.1)	(66.8)
Deferred income taxes, net	0.6	1.3
<b>Net cash provided by operating activities</b>	<u>385.6</u>	<u>398.0</u>
<b>Cash flow from investing activities:</b>		
Payment in conjunction with acquisitions, net of acquired cash	-	(48.3)
Investment in property and equipment	(4.2)	(4.7)
<b>Net cash used in investing activities</b>	<u>(4.2)</u>	<u>(53.0)</u>
<b>Cash flow from financing activities:</b>		
Proceeds from issuance of shares upon exercise of options	34.1	66.9
Purchase of treasury shares	(324.9)	(325.0)
Payments related to shares withheld for taxes	(1.0)	(0.7)
<b>Net cash used in financing activities</b>	<u>(291.8)</u>	<u>(258.8)</u>
Unrealized gain (loss) on marketable securities, net	<u>26.6</u>	<u>(69.3)</u>
Increase in cash and cash equivalents, marketable securities, and short-term deposits	116.2	16.9
Cash and cash equivalents, marketable securities, and short-term deposits at the beginning of the period	<u>3,503.2</u>	<u>3,783.4</u>
<b>Cash and cash equivalents, marketable securities, and short-term deposits at the end of the period</b>	<u>\$ 3,619.4</u>	<u>\$ 3,800.3</u>