



2024 Second Quarter Financial Results

July 24th, 2024

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Founder & CEO



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CFO



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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, expectations related to cybersecurity and other threats, and our financial projection 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 market for IT security continuing to develop; competition from other products and services; the appointment of our new CEO, the transition of our CEO into the role of Executive Chairman; and general market, political, economic, and business conditions, including acts terrorism or war. 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 2, 2024. 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.

Welcome Nadav Zafrir, CEO!

- **Global Cyber Security Ecosystem Leader**
- **Co-Founder of Team8, Established 17 Cyber Companies**
- **Trusted Advisor of CISOs, C-Suites & BODs of the World's Largest Companies**
- **Vast Experience Running Large Operations in the Public and Private Sectors**



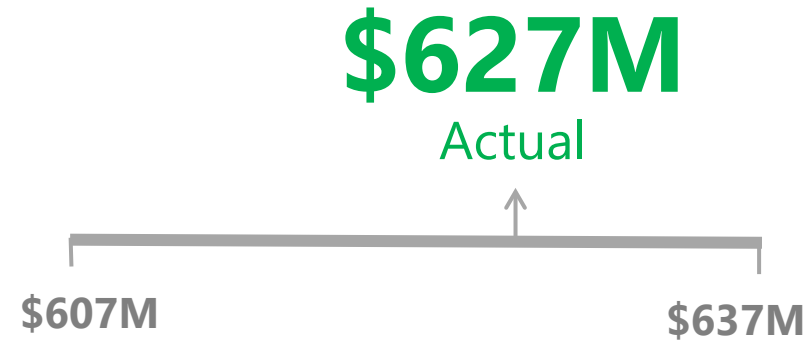
Financial Results

Q2-24 Revenues & EPS

Non-GAAP*

Revenues

\$5 Million Above the Midpoint of our projections



EPS

2 Cents Above the Midpoint of our projections



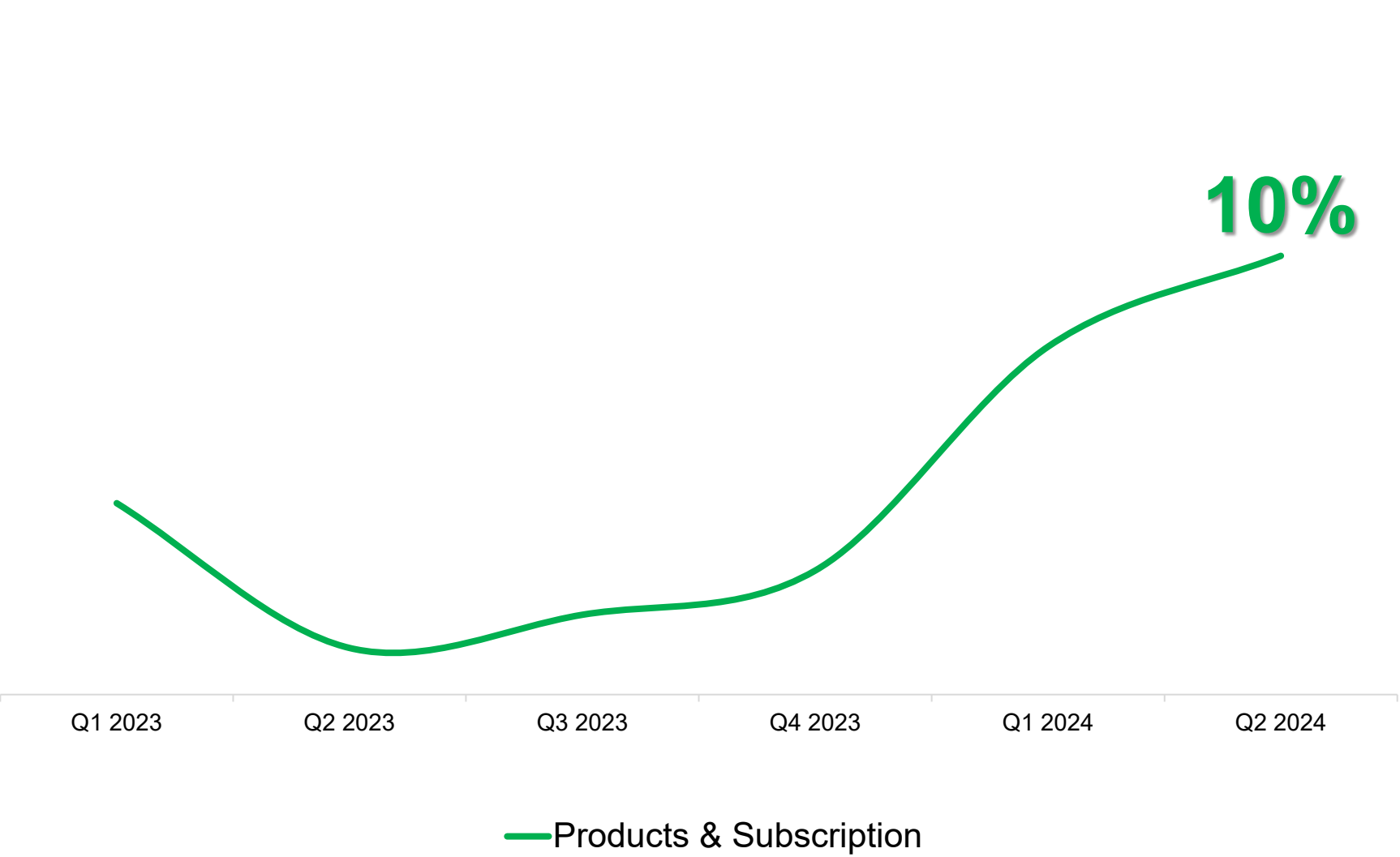
*Non-GAAP excludes equity-based compensation charges, amortization of acquired intangibles and acquisition related expenses and their related tax effects. A reconciliation of non-GAAP to GAAP can be found in the appendix and our press release.

Revenues & Deferred Revenues

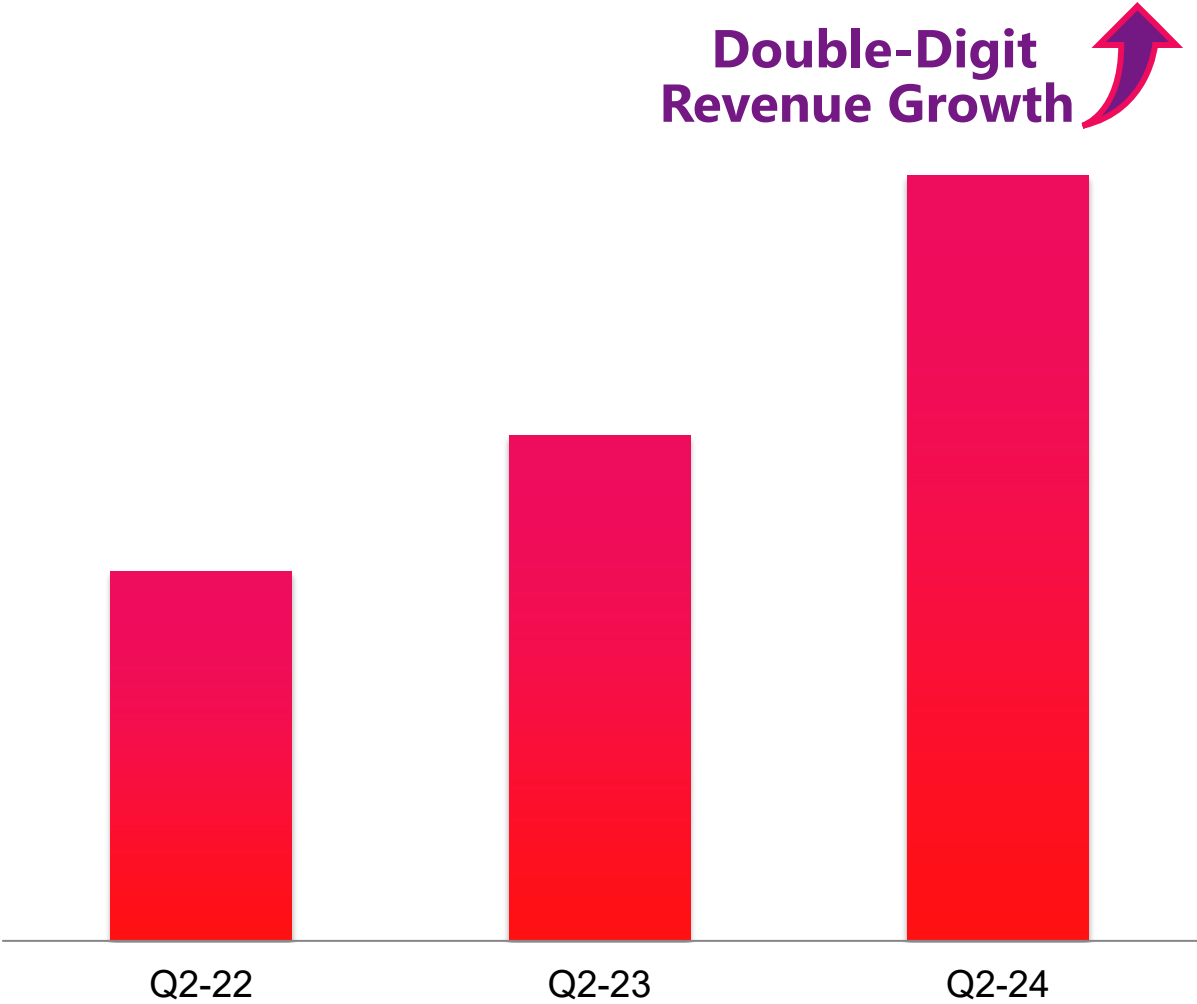
	Q2-23	Q2-24	Y/Y %
Revenues	\$589M	\$627M	7%
Deferred Revenues	\$1,774M	\$1,818M	2%
Current Deferred Revenues	\$1,307M	\$1,342M	3%
Calculated Billings	\$566M	\$620M	10%
Current Calculated Billings	\$581M	\$622M	7%

* 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

Double-Digit Growth in Product & Subscription Revenues

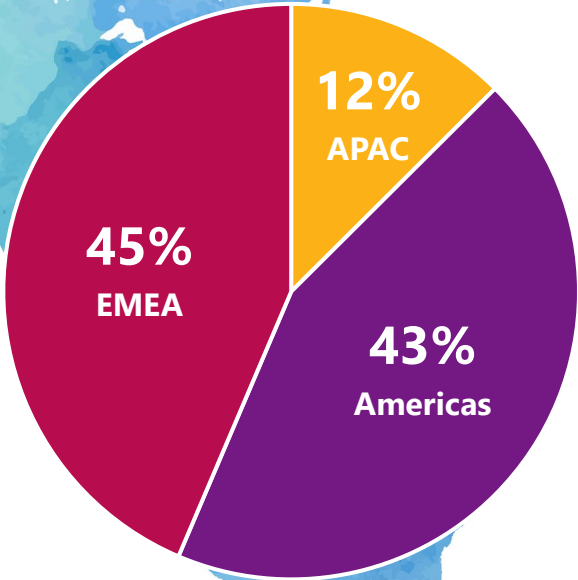


Strong Adoption - Industry Leading Security Platform

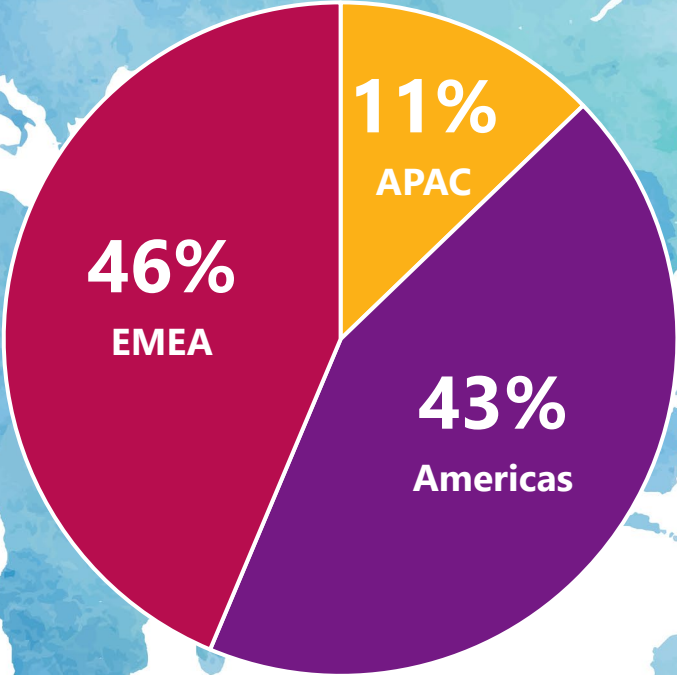


Global Revenue Distribution

Q2 2023



Q2 2024



Strong Operating Performance

Non-GAAP*

	Q2-23	Q2-24	YOY
Total Revenues	\$589M	\$627M	7%
Gross Profit	\$527M	\$557M	6%
Gross Margin	90%	89%	
Operating Expenses	\$264M	\$292M	11%
Operating Income	\$263M	\$265M	1%
Financial Income, Net	\$21M	\$24M	
Tax Expenses	\$46M	\$43M	
Net Income	\$238M	\$246M	4%
EPS	\$2.00	\$2.17	8%

*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.

Share Repurchase Program

Expansion of \$2 Billion

Up to \$325 Million a quarter

Cash Flow & Cash Position

\$3.1 Billion

Cash, Marketable Securities &
Short Term Deposits

\$200 Million

Strong Operating Cash Flow

\$325 Million

Second Quarter
Share Repurchase

Financial Summary

- **Revenues & EPS Above Midpoint of Projections**
- **Quarterly Revenues Accelerated**
 - Double-Digit Growth in Product & Subscription Revenues
 - Strong Infinity & Harmony Email Performance
- **Strong Profitability with Growth In EPS and Operating Cash Flow**

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Business Update

Q2 – Building Momentum



Great Results

- Revenues, EPS – Above Midpoint of Projections
- Double-Digit Growth in Product & Subscription Revenues
- Strong Double-Digit Growth in Infinity



Continued Momentum

- Large 8-Figure Infinity Deals
- Continued Strong Performance of Harmony Email
- Quantum Force Driving Product Growth & Bookings

Customers Embrace Infinity Platform Technologies



Asia

NZ's Largest Telecom
Provider



US

Stock Exchange



Asia

Global Airline



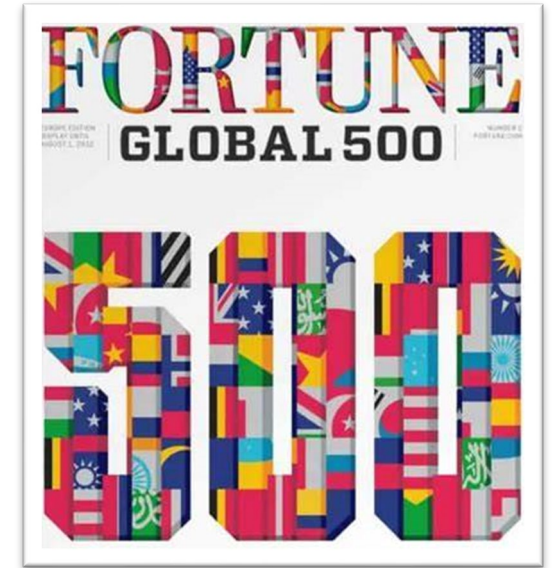
Europe

Workplace Pensions
Provider

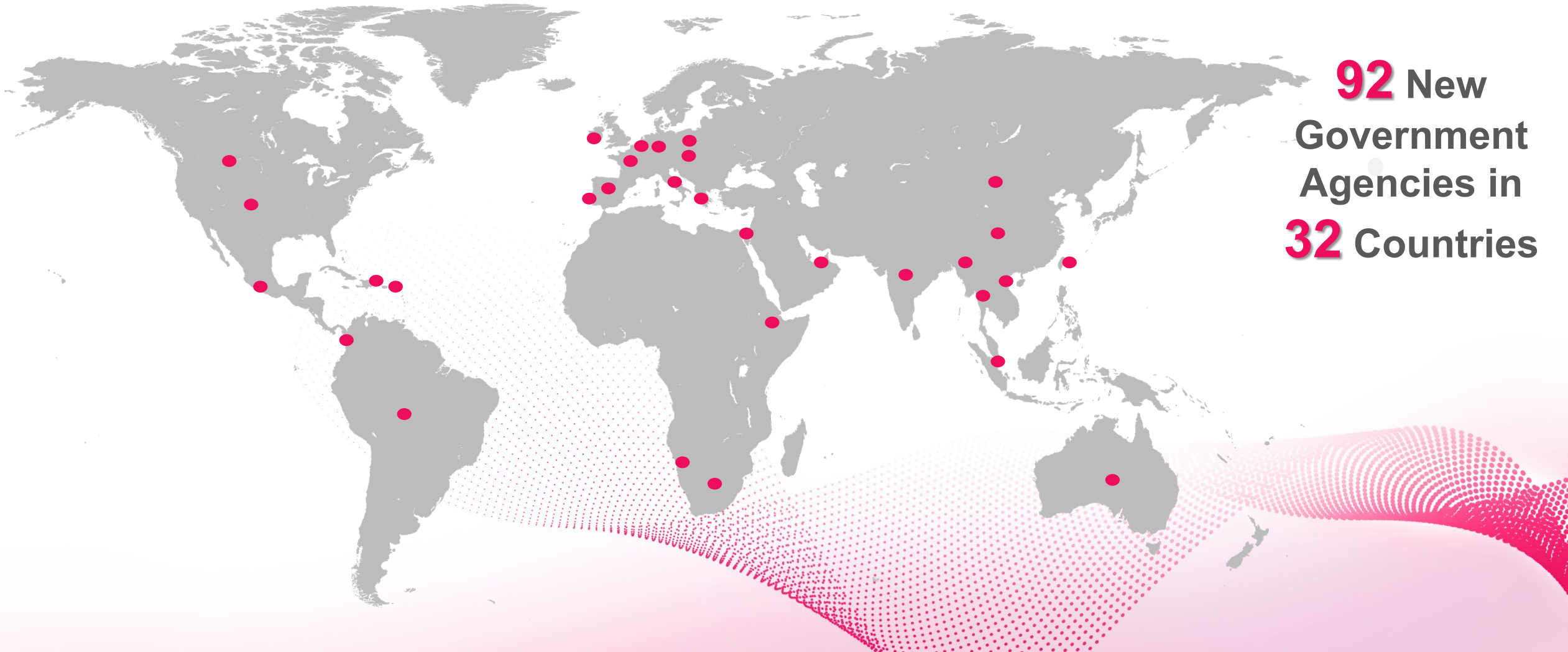


Infinity Platform Drives Large Deal Momentum

**3 Fortune Global 500 Deals
Over \$130 Million in Bookings!**



Public Sector Momentum Continues



92 New
Government
Agencies in
32 Countries



Everywhere Delivers Security & Simplicity



Infinity
AI Copilot



Infinity
ThreatCloud AI



CloudGuard
WAF



Harmony
GenAI Protect



AI Assistant for Security
Admins



4 New AI Based Threat
Prevention Engines
(over 50)



AI Powered Fully Automated
Web Application Firewall



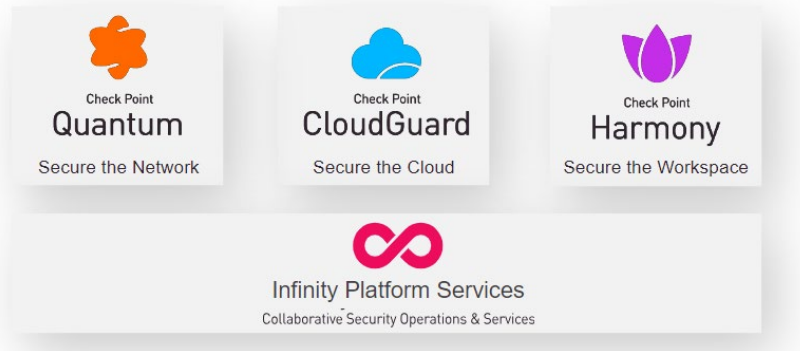
Enable & Secure Usage of
Gen-AI Applications

Summary

The Platform Company

Since 2018

AI-Powered. Cloud-Delivered.



Strong Quarter & New CEO

- New CEO – Nadav Zafrir
 - Starting December 2024
- Q2 Above Midpoint of Projections
- Infinity Delivers Continued Strength
- Double-Digit Growth in Products & Subscriptions
- New & Innovative Technologies
 - AI, Quantum, Harmony, CloudGuard

Q3-2024 Projections

Q3-2024 Projections

Non-GAAP*

Revenues

\$615M - \$650M

EPS

\$2.19 - \$2.29

GAAP EPS is expected to be 43 cents less

Full Year 2024 Projections Remain Unchanged

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!

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GAAP to Non-GAAP Consolidated Statement of Income Reconciliation

(In millions, except per share amounts)	Three Months Ended June 30, 2024					Three Months Ended June 30, 2023				
	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	\$ 118.1				\$ 118.1	\$ 116.9				\$ 116.9
Security Subscriptions	271.7				271.7	238.9				238.9
Total Products & Security Subscriptions	389.8				389.8	355.8				355.8
Software updates and maintenance	237.6				237.6	232.9				232.9
Total Revenues	627.4				627.4	588.7				588.7
Cost of products and licenses	24.0	0.1			23.9	22.6	0.1			22.5
Cost of security subscriptions	16.8				16.8	13.6				13.6
Total Cost of products and security subscriptions	40.8	0.1			40.7	36.2	0.1			36.1
Cost of software updates and maintenance	31.6	2.2			29.4	27.3	1.8			25.5
Amortization of technology	5.8		5.8			2.4		2.4		
Total Cost of revenues	78.2	2.3	5.8		70.1	65.9	1.9	2.4		61.6
Research & Development	97.1	13.6	1.6		81.9	87.4	11.8	2.0		73.6
Sales & Marketing	215.7	14.9	9.1		191.7	185.6	14.8	1.1		169.7
General & Administrative	27.1	8.5			18.6	28.4	7.7			20.7
Total Operating Expenses	418.1	39.3	16.5		362.3	367.3	36.2	5.5		325.6
Operating Income	209.3	39.3	16.5		265.1	221.4	36.2	5.5		263.1
Financial & Other Income, Net	23.7				23.7	21.3				21.3
Income Taxes (Tax Benefit)	35.6			(7.2)	42.8	40.7			(5.4)	46.1
Net Income	\$ 197.4	39.3	16.5	(7.2)	\$ 246.0	\$ 202.0	36.2	5.5	(5.4)	\$ 238.3
Diluted Earnings per share	\$ 1.74	0.34	0.15	(0.06)	\$ 2.17	\$ 1.70	0.30	0.05	(0.05)	\$ 2.00
Number of Shares (M), diluted	113.6				113.6	119.2				119.2

GAAP to Non-GAAP Consolidated Statement of Income Reconciliation

(In millions, except per share amounts)	Six Months Ended June 30, 2024					Six Months Ended June 30, 2023				
	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	\$ 218.4				\$ 218.4	\$ 224.9				\$ 224.9
Security Subscriptions	535.1				535.1	467.1				467.1
Total Products & Security Subscriptions	753.5				753.5	692.0				692.0
Software updates and maintenance	472.7				472.7	462.9				462.9
Total Revenues	1,226.2				1,226.2	1,154.9				1,154.9
Cost of products and licenses	43.9	0.2			43.7	48.8	0.2			48.6
Cost of security subscriptions	33.3				33.3	25.9				25.9
Total Cost of products and security subscriptions	77.2	0.2			77.0	74.7	0.2			74.5
Cost of software updates and maintenance	60.3	4.4			55.9	54.1	3.0			51.1
Amortization of technology	11.6		11.6			5.2		5.2		
Total Cost of revenues	149.1	4.6	11.6		132.9	134.0	3.2	5.2		125.6
Research & Development	196.3	28.3	3.2		164.8	178.9	22.4	3.9		152.6
Sales & Marketing	421.9	30.8	18.2		372.9	363.3	26.1	2.3		334.9
General & Administrative	55.7	17.2			38.5	57.5	17.2			40.3
Total Operating Expenses	823.0	80.9	33.0		709.1	733.7	68.9	11.4		653.4
Operating Income	403.2	80.9	33.0		517.1	421.2	68.9	11.4		501.5
Financial & Other Income, Net	46.3				46.3	40.4				40.4
Income Taxes (Tax Benefit)	68.2			(14.7)	82.9	75.5			(10.2)	85.7
Net Income	\$ 381.3	80.9	33.0	(14.7)	\$ 480.5	\$ 386.1	68.9	11.4	(10.2)	\$ 456.2
Diluted Earnings per share	\$ 3.34	0.70	0.30	(0.13)	\$ 4.21	\$ 3.20	0.57	0.10	(0.09)	\$ 3.78
Number of Shares (M), diluted	114.2				114.2	120.8				120.8