



2023 First Quarter Financial Results

May 1, 2023

Gil Shwed

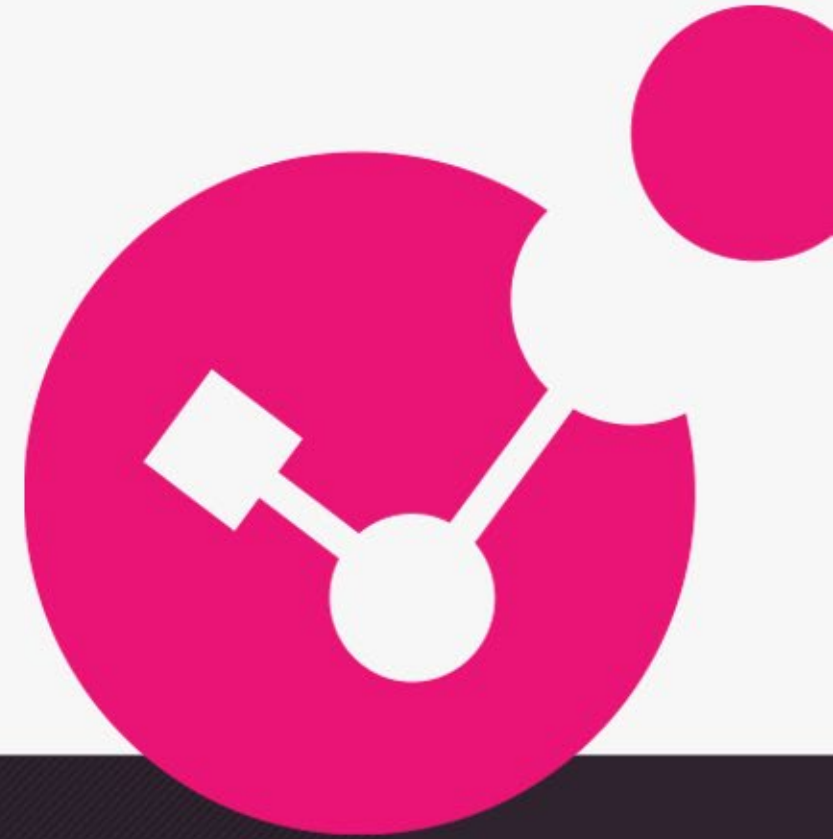
Founder & CEO

Roei Golan

Acting CFO

Kip E. Meintzer

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:

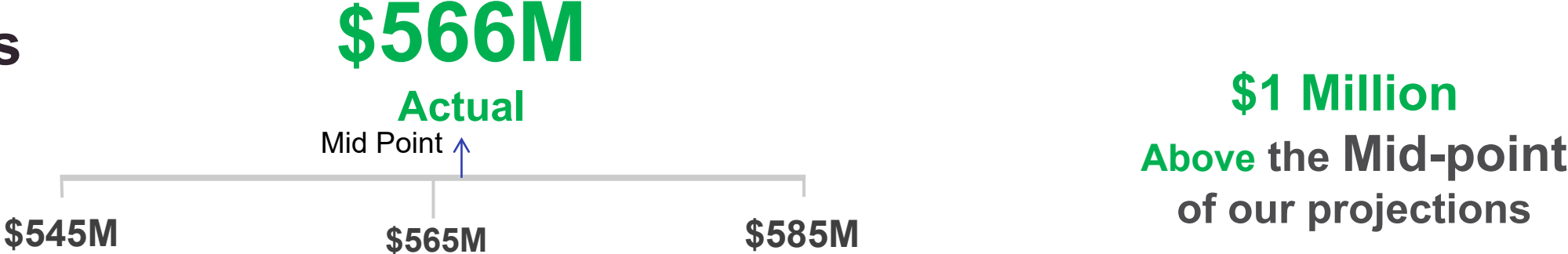
Our expectations regarding our products and solutions, and expectations related to cybersecurity and other threats, our expectations and beliefs regarding these matters may not materialize, and actual results or events in the future are subject to risks and uncertainties that could cause actual results 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.

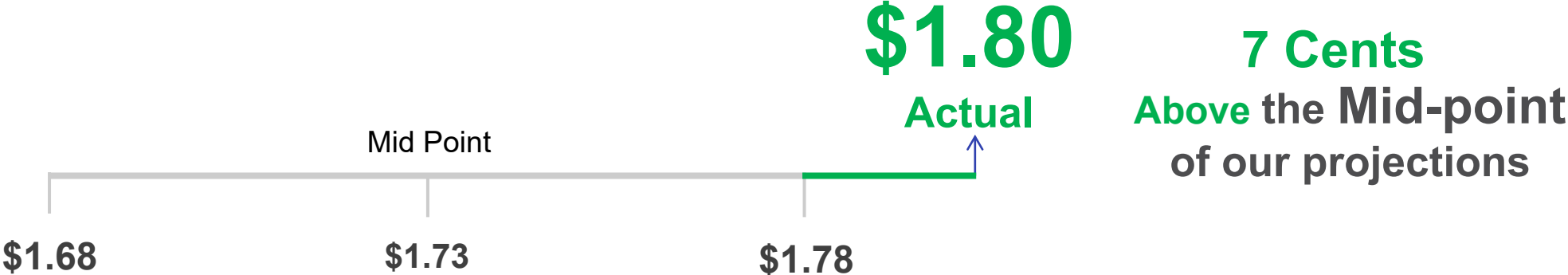
Q1-23: Revenues & EPS

Non-GAAP

Revenues



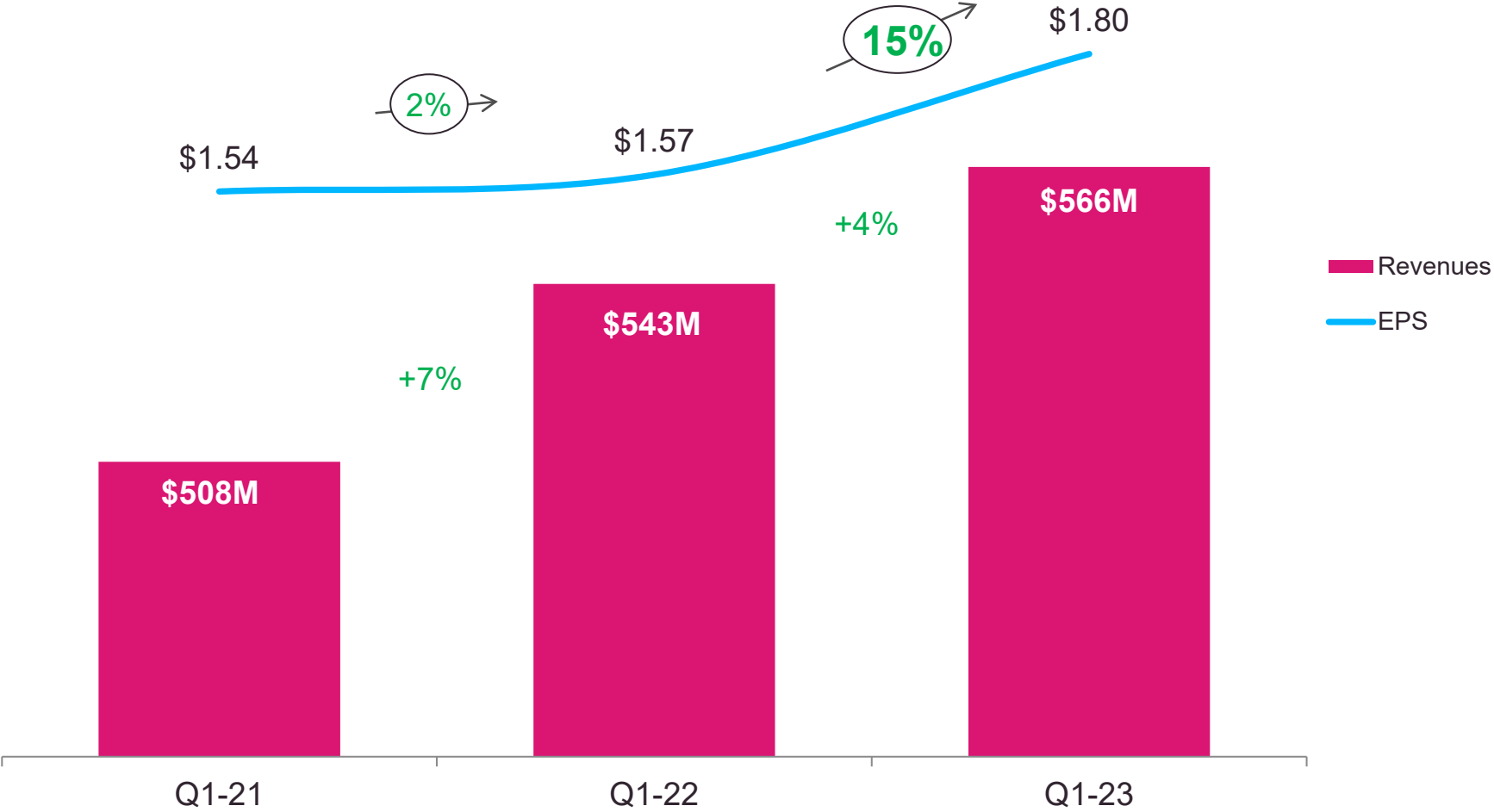
EPS



*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.

Q1-23 Financial Results

Non-GAAP



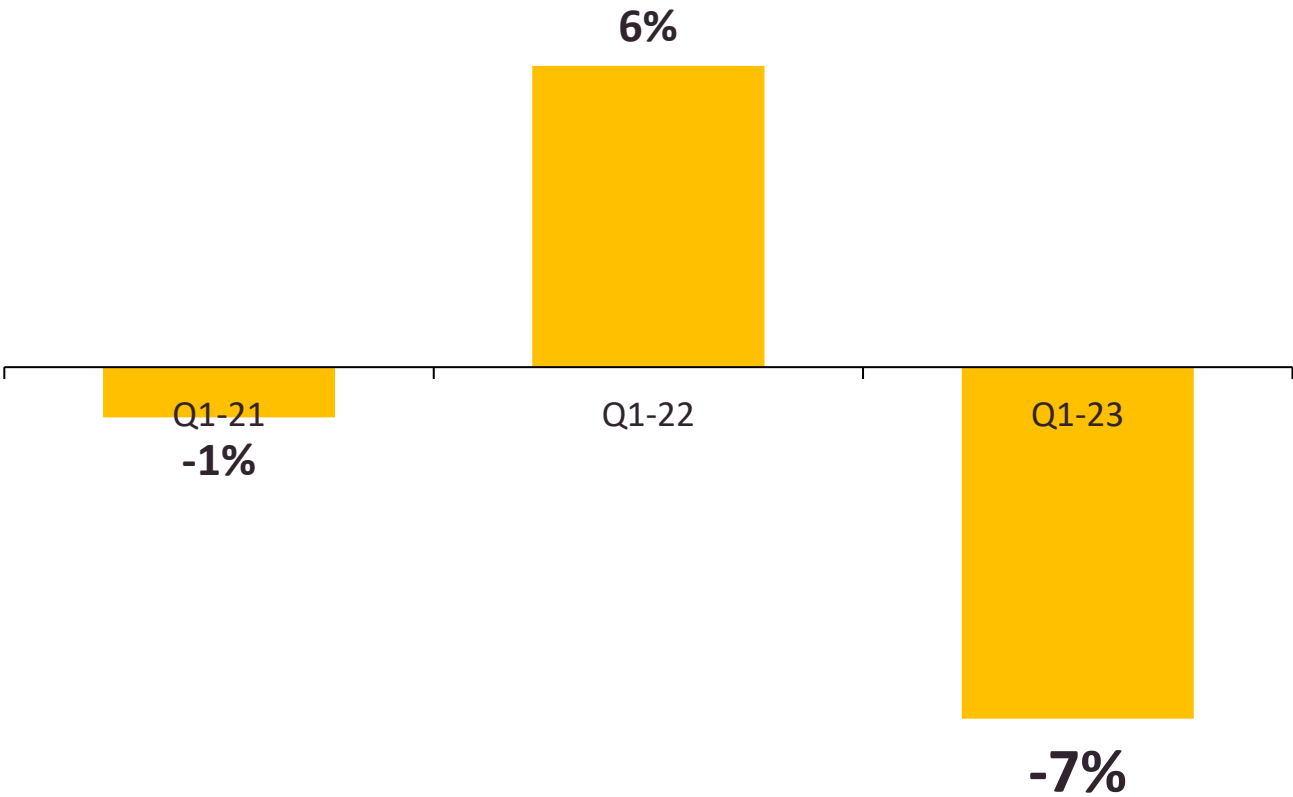
Revenues Growth

| | Q1-22 | Q1-23 | Y/Y % |
|-------------------|----------|----------|-------|
| Revenues | \$543M | \$566M | 4% |
| Deferred Revenues | \$1,666M | \$1,797M | 8% |

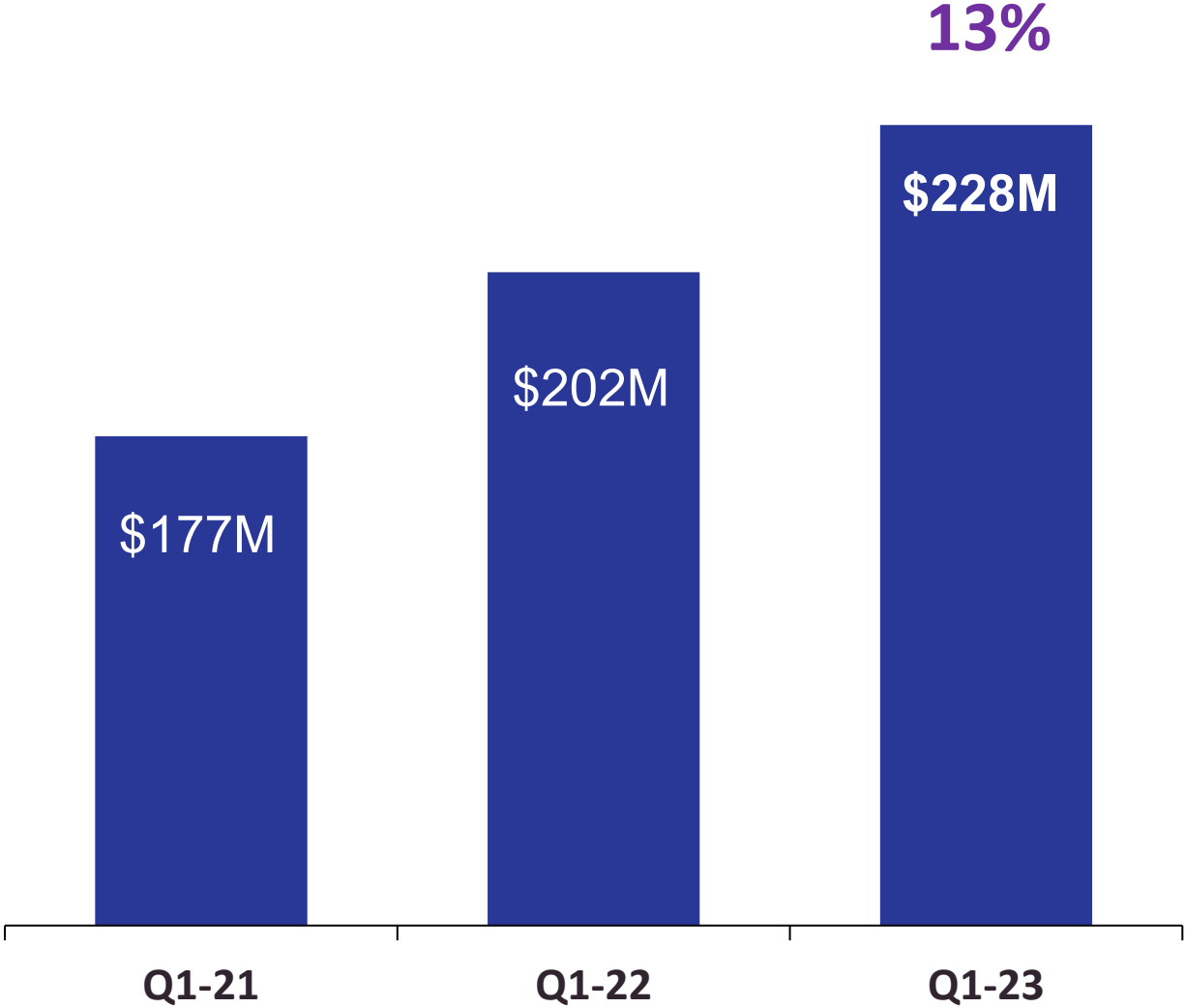
- **Calculated Billings* reached \$485M**
- **Current Calculated Billings \$518M up 2% YoY**

*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

Extended Sales Cycle Resulted in Product Revenues Decline



Strong Security Subscription Revenues Growth



**Growth Driven
By CloudGuard &
Harmony**

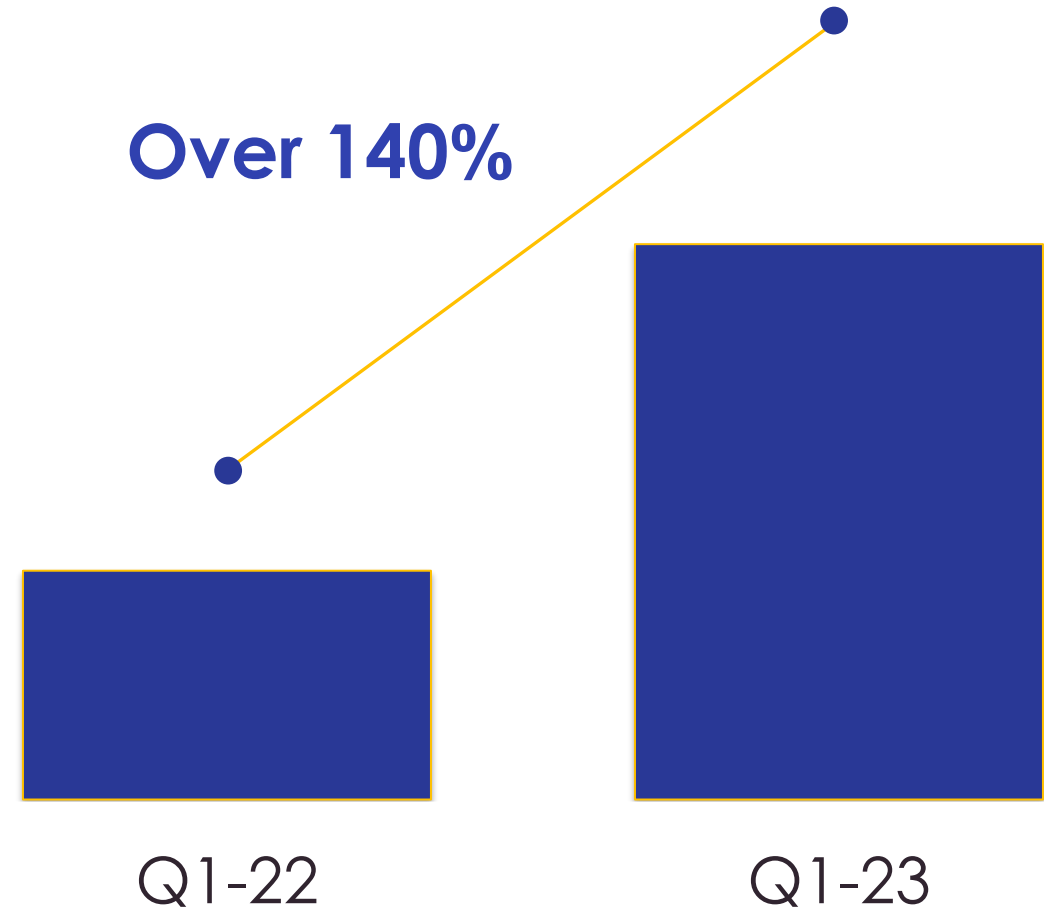


Strong Adoption Of Our Infinity Strategy



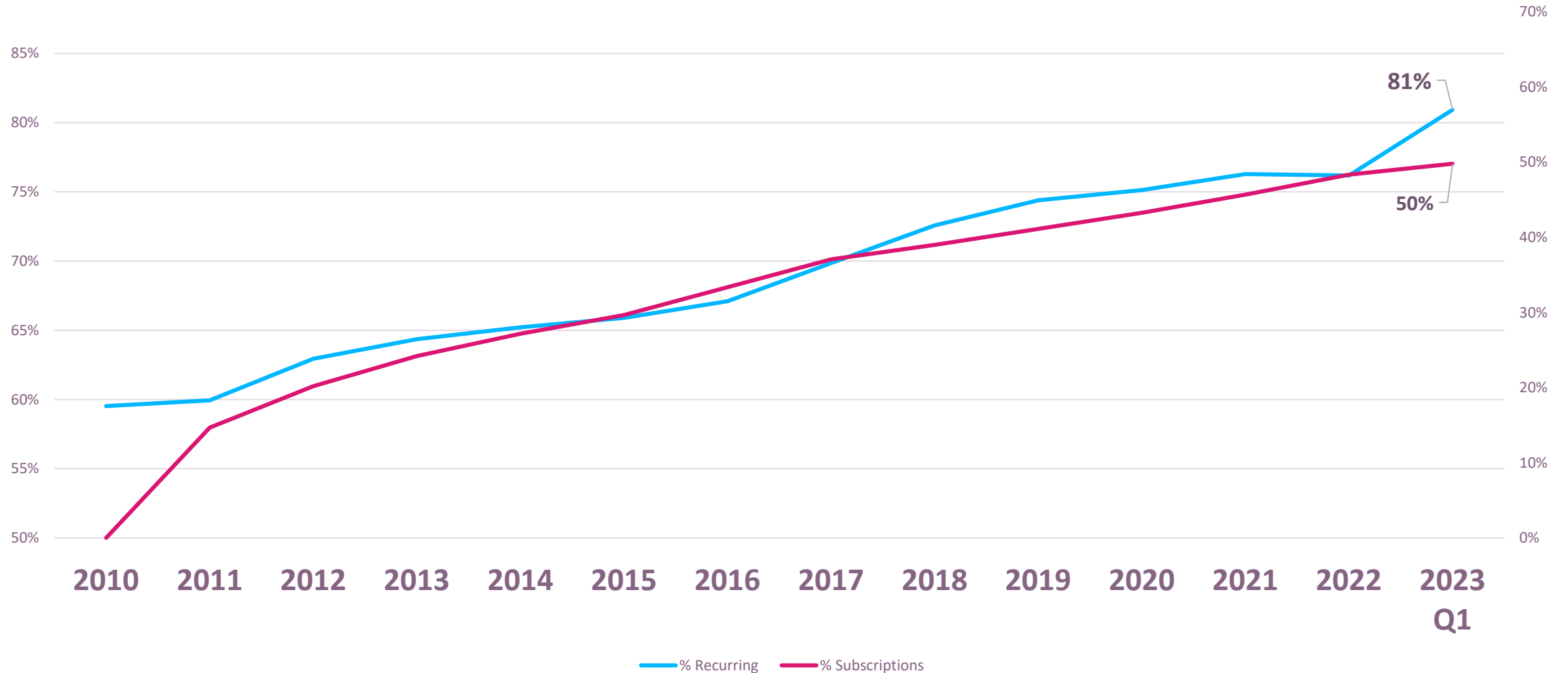
CHECK POINT
INFINITY

Triple Digit Growth

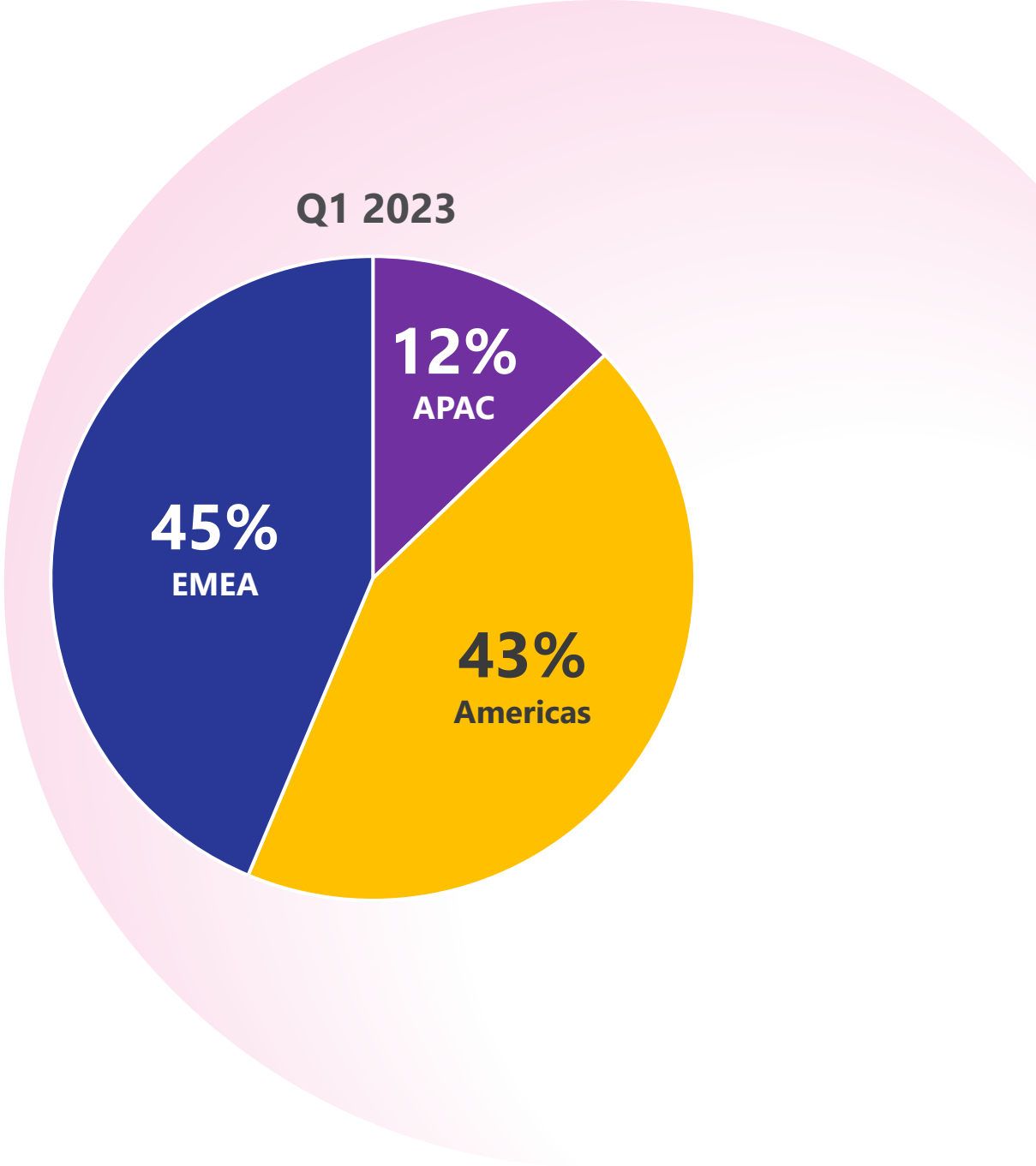
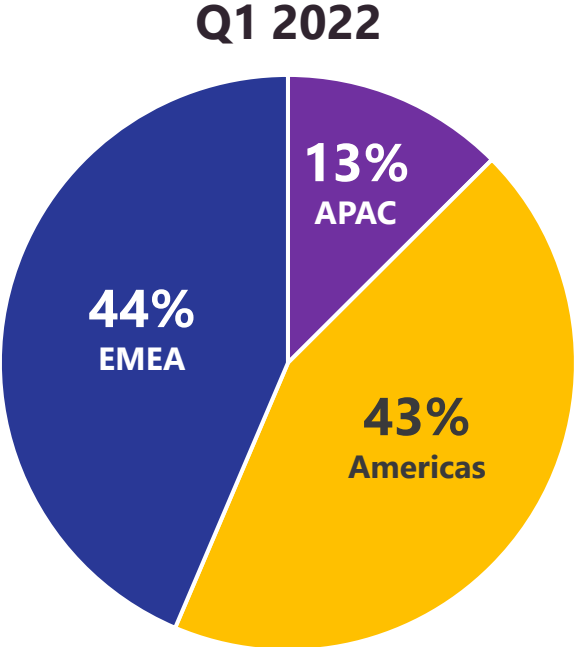


Recurring Revenues Reached 80%! Driven by Growth in Subscription

Recurring Revenues Growth



Q1-23 Revenues By Geographies



P&L Highlights for Q1 – Strong Profitability

Non-GAAP

| | Q1-22 | Q1-23 | YOY |
|----------------------------|---------------|---------------|------------|
| Revenues | \$543M | \$566M | 4% |
| Gross Profit | \$477M | \$502M | 5% |
| Research and Development | \$74M | \$79M | 7% |
| Selling and Marketing | \$146M | \$165M | 13% |
| General and Administrative | \$18M | \$20M | 11% |
| Operating Expenses | \$238M | \$264M | 11% |

Strong Gross Margin @ 89%

*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.

P&L Highlights for Q1 – Strong Profitability

Non-GAAP

| | Q1-22 | Q1-23 | YOY |
|-------------------------|---------------|---------------|-------------|
| Operating Income | \$239M | \$238M | 0% |
| Financial Income, Net | \$7M | \$19M | 169% |
| Tax Expenses | \$42M | \$39M | -6% |
| Net Income | \$204M | \$218M | 7% |
| EPS | \$1.57 | \$1.80 | 15% |

Operating Margin 42%

EPS 2 Cents Above the Top-End, 15% Growth YoY

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Cash Flow & Cash Position

\$3.6 Billion

Cash, Marketable Securities & ST Deposits

\$386 Million

Strong Operating Cash Flow

\$325 Million

Share Repurchase
for the Quarter

\$1.3 Billion

In the past 12
Months

Financial Summary

- Double-Digit Growth in Subscription Revenues
 - Recurring Revenues over 80% of Total Revenues
- Extended Sales-Cycles Resulted in Product Revenues Decline
- Strong Profitability with 15% Growth in EPS

BUSINESS UPDATE



Quarter Highlights

The Good, the Bad and the Pretty



Good Financial Results

Revenues Above Mid-Point
15% EPS Growth
Healthy Renewals



Challenging Economy

Extended sales cycles a result of projects being postponed



Strong Subscription Revenues

Double-Digit Growth in CloudGuard and Harmony Email
140% Growth in Infinity
13% Growth in Subscriptions
Over 80% Recurring Revenues

Q1 Best Security Innovation



New Infinity Global Services

- Address the skills shortage in \$75B Market
- Complement our Customers/Partners Capabilities with 30+ Services



Introducing Horizon XDR/XPR

- New Market of Security Operations Expected to Growth from sub-\$1B to ~\$3B in 5 Years
- The First AI Driven Prevention Focused Solution



CloudGuard CNAPP

- Cloud Native Application Protection
- Consolidate 6 technologies into One Solution
- Effective Risk Management with AI & Immediate Prevention
- \$5B Market with Expected 25% CAGR



Introducing: Infinity Global Services

- Address the Skills Shortage in \$75B Market
- Complement our Customers/Partners Capabilities with 30+ Services





Introducing: Horizon XPR/XDR

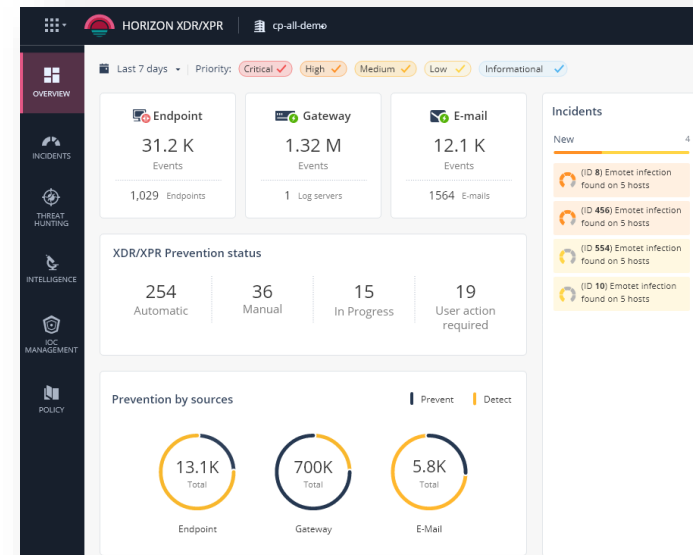


- New Market of Security Operations Expected to Growth from sub-\$1B to ~\$3B in 5 Years
- The First AI Driven Prevention Focused Solution
 - Includes Network, Endpoint, Email

“Check Point’s XPR Introduces a More **Integrated Approach to Threat Prevention.**

This Advancement Could Potentially **Drive Change Across the Broader Security Industry”**

Dave Gruber, Principal Analyst, ESG

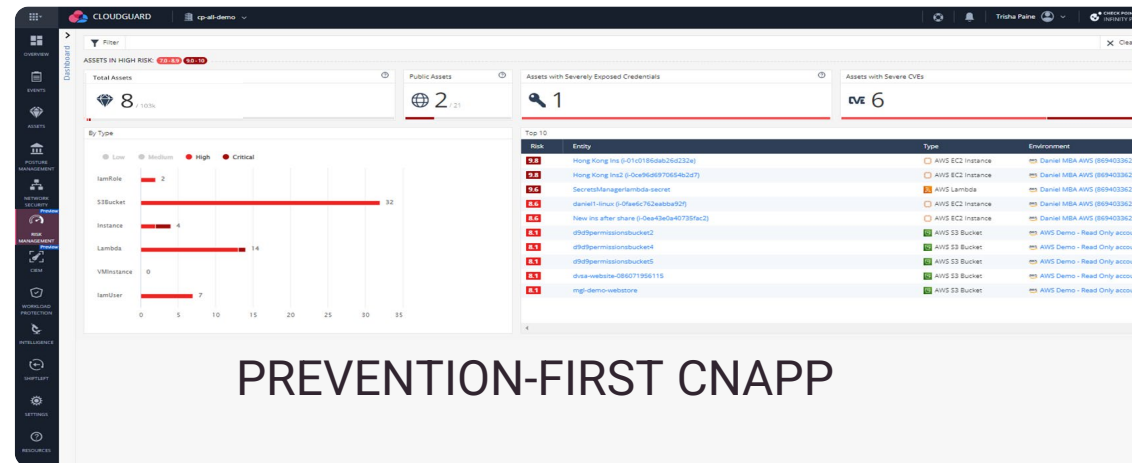




CloudGuard Cloud Native Application Protection Platform (CNAPP)



- Consolidates 6 Technologies into One Solution
 - Posture Management, Cloud Network, Workload Protection, Pipeline/Source Security, Web Application Protection, Entitlement Management
- Effective Risk Management with AI and Immediate Prevention



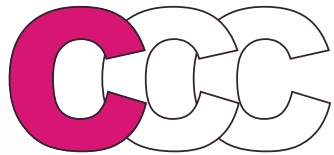
PREVENTION-FIRST CNAPP

More Context

Actionable Security

Smarter Prevention

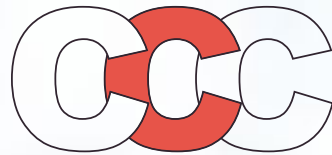
The Best Cyber Security is Based on Core 3 'C' Principles



COMPREHENSIVE

Prevention across all attack vectors

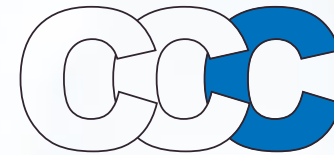
From code to cloud, networks, users, email and IoT



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

Across Industries - Organizations Trust Check Point for Best Security



Airline

-
- Received Low Score on Security Assessment – Despite Using 12 Vendors
 - Decided Utilize a Platform Approach & Consolidate
 - Standardized on Infinity!



Major Media

-
- Complex Environment - Thousands of Cloud Accounts
 - New Cloud Projects Drove Consolidation
 - Went Live in Less Than a Month
 - Strong Roadmap and Vision



Leading Telco

-
- Suffered Two Major Email Attacks
 - Existing Solutions Failed to Improve
 - Check Point Showed Superior Security & Super Fast Deployment
 - Over 100,000 Mailboxes on Harmony E-mail!

SUMMARY

- Financial Results
 - Good Results Despite Economic Slowdown
 - Double-Digit Growth in Subscription Revenues
 - 15% EPS Growth
- Best Security with our 3Cs Strategy
 - Infinity Global Services
 - Prevention-First Security Operations (XPR)
 - Smarter Cloud Prevention



PROJECTIONS

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Full Year 2023 Projections (Unchanged)

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.

Q2-2023 Projections

Non-GAAP

Revenues

\$570M - \$605M

Non-GAAP EPS

\$1.85 - \$1.95

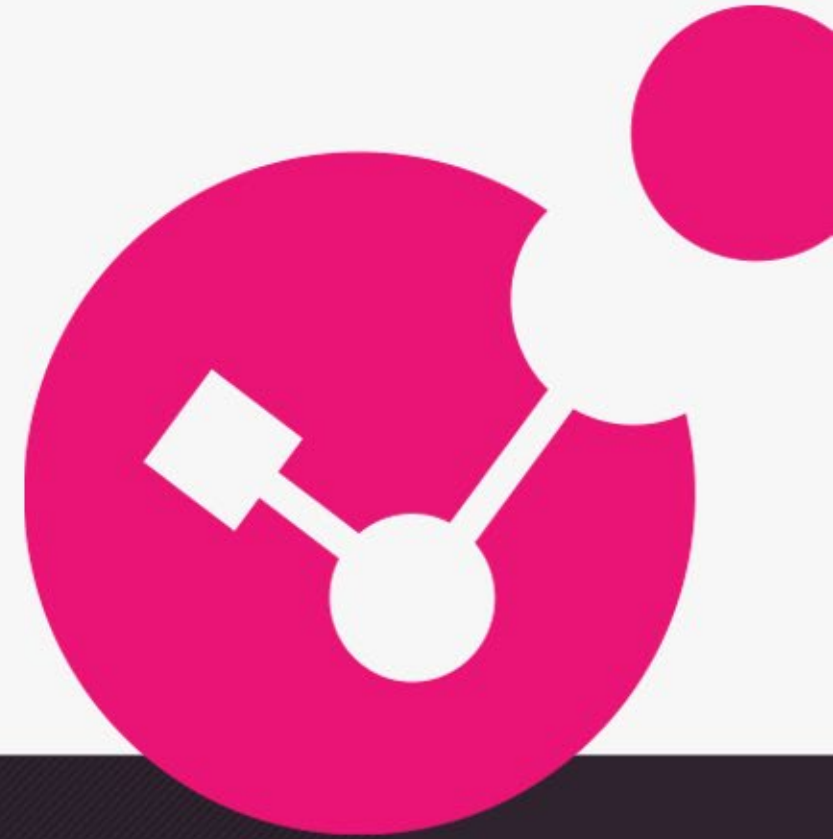
GAAP EPS is expected to be 31 cents less

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

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Thank you!



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GAAP to Non-GAAP Consolidated Statement of Income Reconciliation

| (In millions, except per share amounts) | Three Months Ended March 31, 2023 | | | | | Three Months Ended March 31, 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 | \$ 108.0 | | | | \$ 108.0 | \$ 115.9 | | | | \$ 115.9 |
| Security Subscriptions | 228.2 | | | | 228.2 | 201.6 | | | | 201.6 |
| Total Products & Security Subscriptions | 336.2 | | | | 336.2 | 317.5 | | | | 317.5 |
| Software updates and maintenance | 230.0 | | | | 230.0 | 225.2 | | | | 225.2 |
| Total Revenues | 566.2 | | | | 566.2 | 542.7 | | | | 542.7 |
| Cost of products and licenses | 26.2 | 0.1 | | | 26.1 | 31.4 | 0.1 | | | 31.3 |
| Cost of security subscriptions | 12.3 | | | | 12.3 | 10.0 | | | | 10.0 |
| Total Cost of products and security subscriptions | 38.5 | 0.1 | | | 38.4 | 41.4 | 0.1 | | | 41.3 |
| Cost of software updates and maintenance | 26.8 | 1.2 | | | 25.6 | 25.5 | 1.0 | | | 24.5 |
| Amortization of technology | 2.8 | | 2.8 | | | 3.2 | | 3.2 | | |
| Total Cost of revenues | 68.1 | 1.3 | 2.8 | | 64.0 | 70.1 | 1.1 | 3.2 | | 65.8 |
| Research & Development | 91.5 | 10.6 | 1.9 | | 79.0 | 86.5 | 10.5 | 2.0 | | 74.0 |
| Sales & Marketing | 177.7 | 11.3 | 1.2 | | 165.2 | 158.6 | 11.1 | 0.8 | | 146.7 |
| General & Administrative | 29.1 | 9.5 | | | 19.6 | 27.3 | 9.7 | | | 17.6 |
| Total Operating Expenses | 366.4 | 32.7 | 5.9 | | 327.8 | 342.5 | 32.4 | 6.0 | | 304.1 |
| Operating Income | 199.8 | 32.7 | 5.9 | | 238.4 | 200.2 | 32.4 | 6.0 | | 238.6 |
| Financial & Other Income, Net | 19.1 | | | | 19.1 | 7.1 | | | | 7.1 |
| Income Taxes (Tax Benefit) | 34.8 | | | (4.8) | 39.6 | 37.9 | | (4.2) | | 42.1 |
| Net Income | \$ 184.1 | 32.7 | 5.9 | (4.8) | \$ 217.9 | \$ 169.4 | 32.4 | 6.0 | (4.2) | \$ 203.6 |
| Diluted Earnings per share | \$ 1.52 | 0.27 | 0.05 | (0.03) | \$ 1.80 | \$ 1.30 | 0.25 | 0.05 | (0.03) | \$ 1.57 |
| Number of Shares (M), diluted | 121.1 | | | | 121.1 | 129.8 | | | | 129.8 |