



2024 Fourth Quarter & Full Year Financial Results

January 30th, 2025

Gil Shwed

Founder & Exec Chair



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Forward Looking Statement

This presentation may contain certain forward-looking statements. These forward-looking statements generally relate to future events or our future financial or operating performance. Forward-looking statements in this report include, but are not limited to:

Our expectations regarding our products and solutions, expectations related to cybersecurity and other threats, 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 market for IT security continuing to develop; competition from other products and services; the transition of our CEO into the role of Executive Chairman and the related succession process; 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.

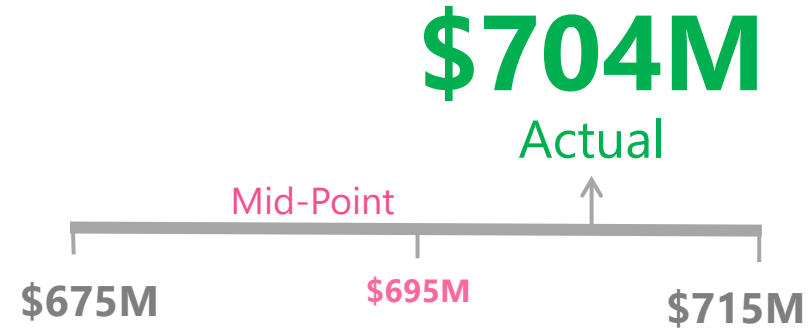
Financial Results

Q4-24 Revenues & EPS

Non-GAAP*

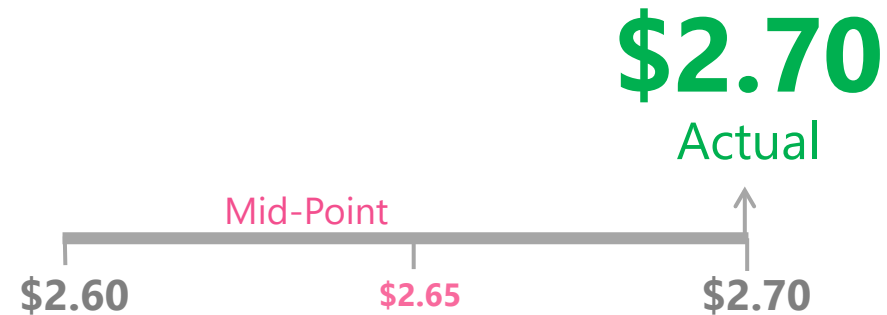
Revenues

\$9 Million Above the Midpoint of our projections



EPS*

At the Top-End of our Projections



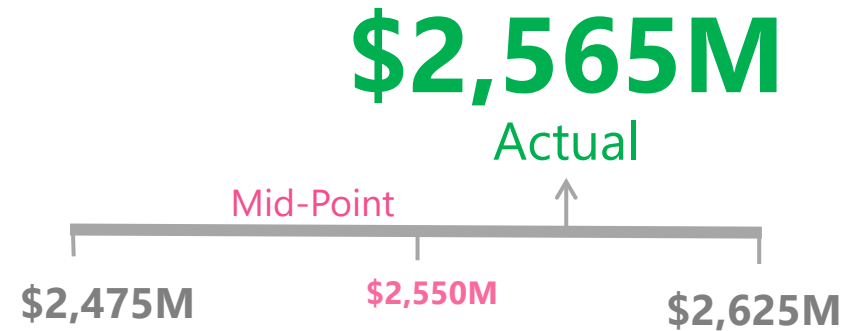
*Non-GAAP excludes equity-based compensation charges, amortization of acquired intangibles and acquisition related expenses and their related tax effects. A reconciliation of non-GAAP to GAAP can be found in the appendix and our press release.

2024 Full Year - Revenues & EPS

Non-GAAP*

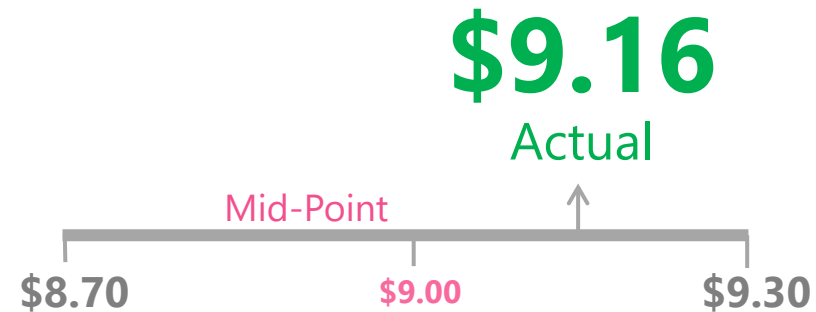
Revenues

\$15 Million Above the Midpoint of our projections



EPS*

16 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.

Double-Digit Calculated Billings & RPO Growth

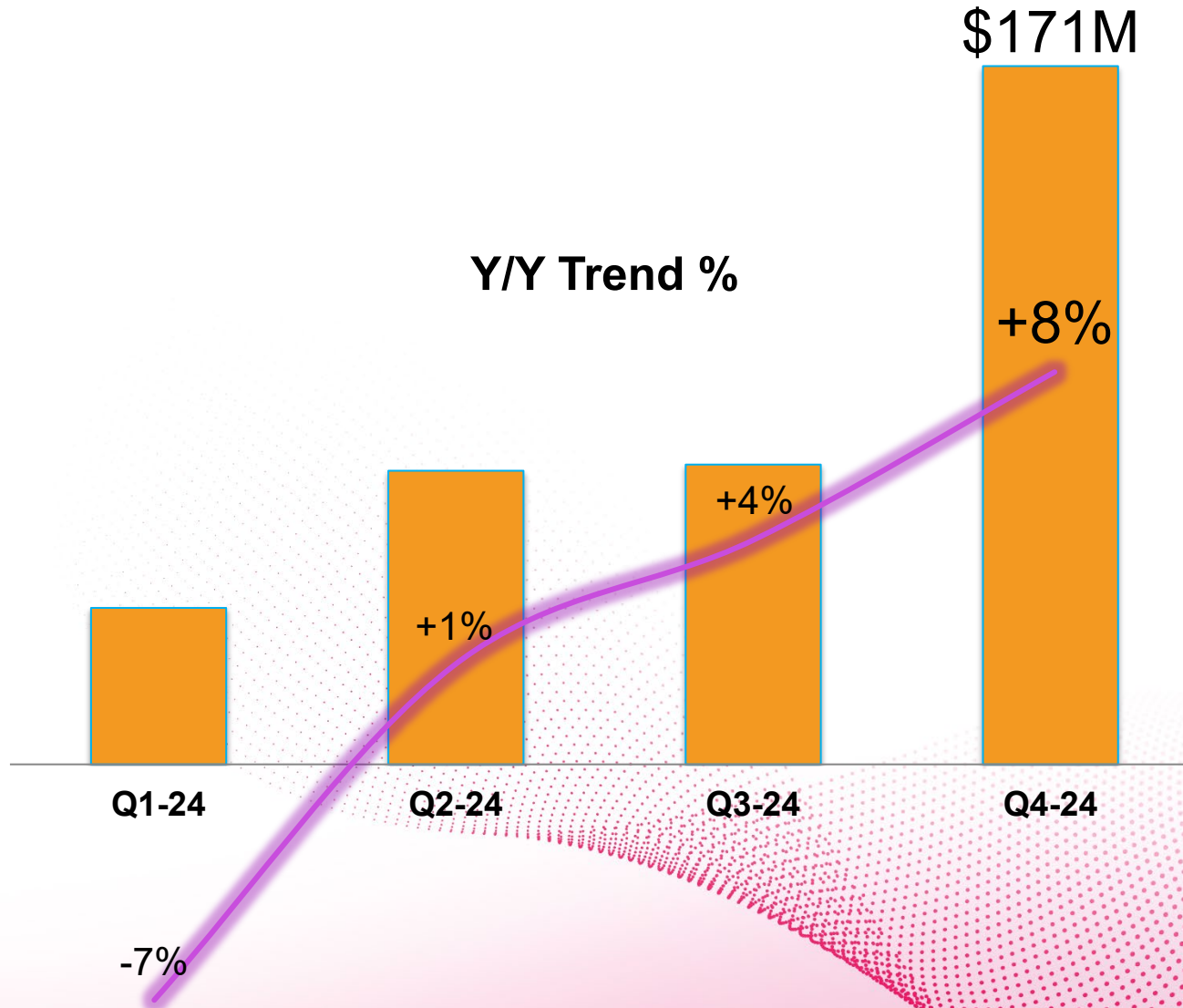
	Q4-23	Q4-24	Y/Y %
Total Revenues	\$664M	\$704M	6%
Deferred Revenues	\$1,908M	\$2,000M	5%
Calculated Billings*	\$862M	\$959M	11%
Remaining Performance Obligation**	\$2,249M	\$2,516M	12%

* 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

** Remaining Performance Obligation (RPO) is a measure that represents the total value of non-cancellable contracted products and/or services that are yet to be recognized as Revenue as of the period

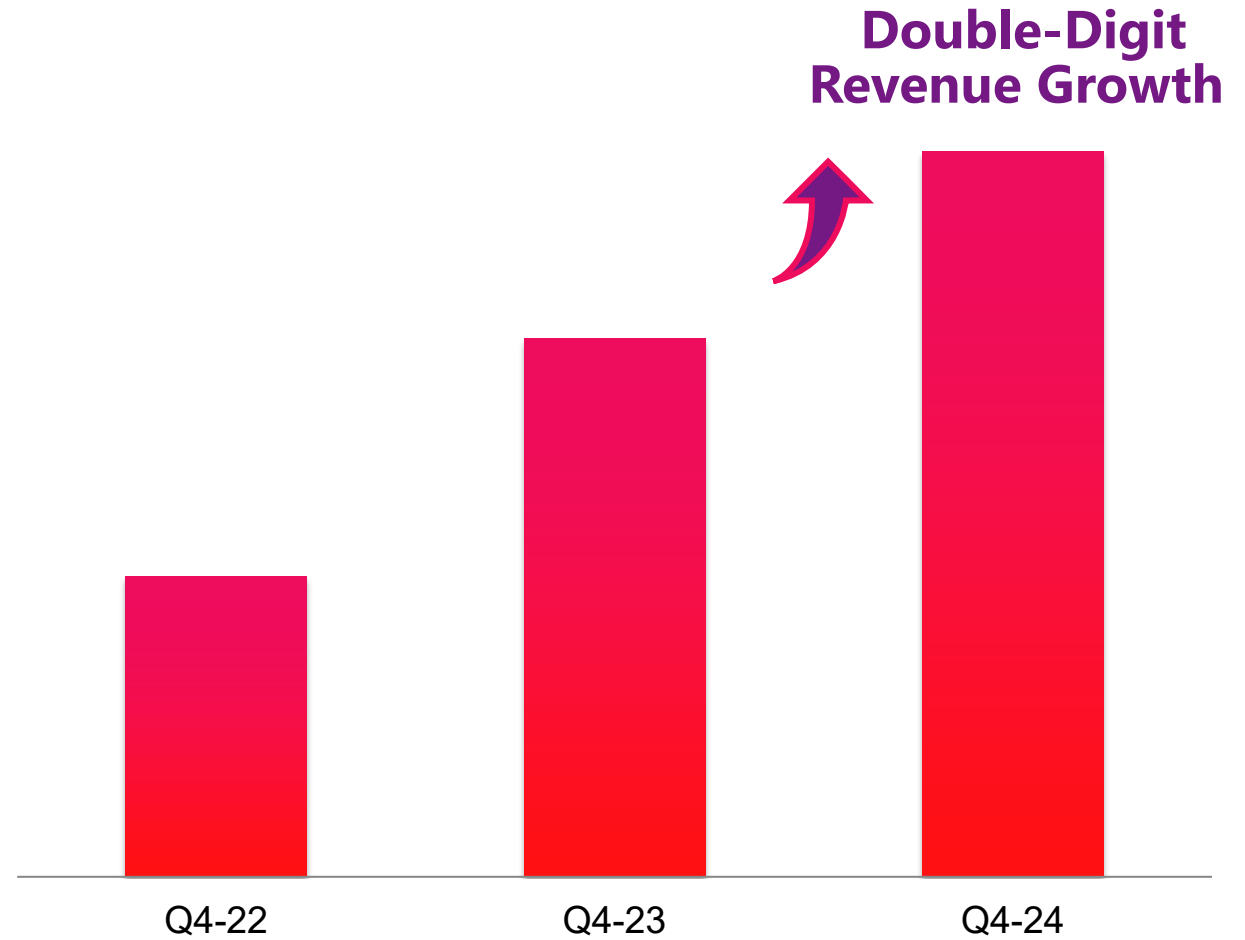
Strong Quantum Force Demand

Products & Licenses Revenues

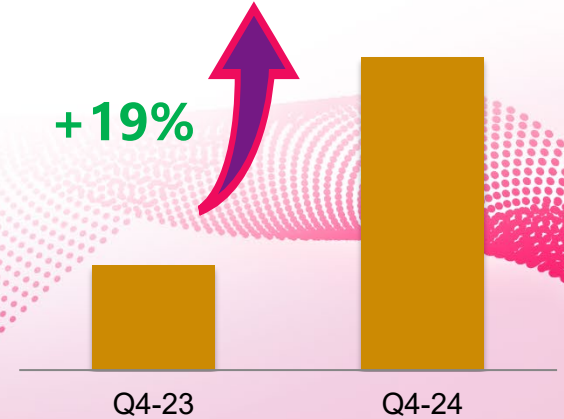
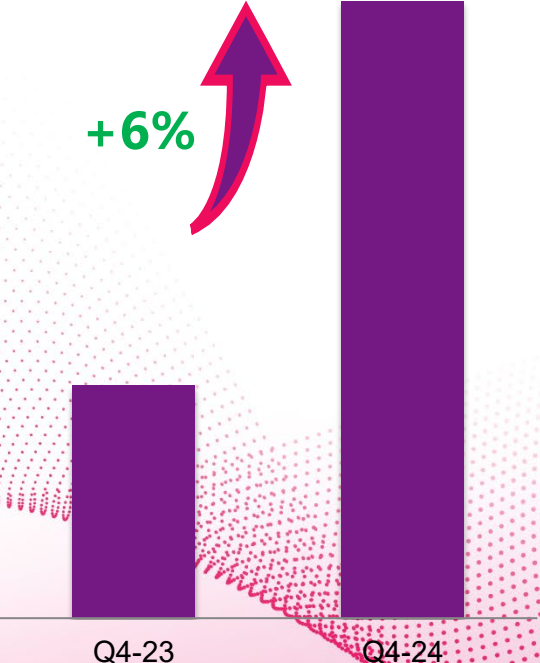
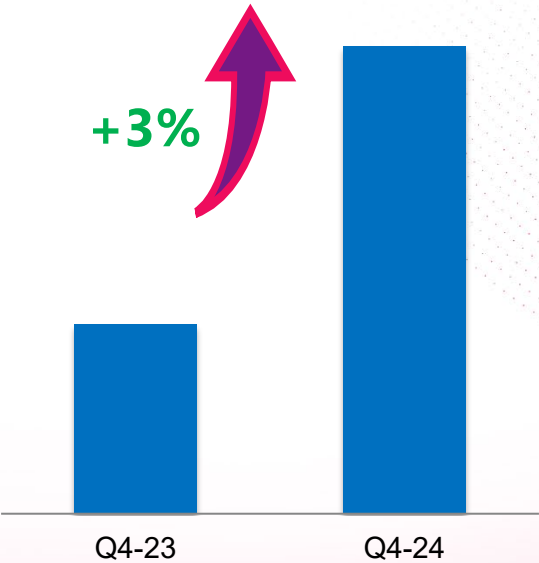


+
**8% Growth
Y/Y**

Strong Adoption – Industry Leading Security Platform



Global Revenues Distribution – Growth in all GEO's



Quarterly Operating Performance

Non-GAAP*

	Q4-23	Q4-24	Y/Y
Total Revenues	\$664M	\$704M	6%
Gross Profit	\$591M	\$623M	6%
Gross Margin	89%	89%	
Research and Development	\$84M	\$89M	6%
Sales and Marketing	\$176M	\$207M	18%
General and Administrative	\$22M	\$21M	-3%
Operating Expenses	\$282M	\$317M	12%
Operating Income	\$309M	\$306M	-1%

*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.

Quarterly Net Income & EPS – Industry Leading Profitability

Non-GAAP*

	Q4-23	Q4-24	Y/Y
Operating Income	\$309M	\$306M	-1%
Financial Income, Net	\$18M	\$25M	
Tax Expenses	\$29M	\$28M	
Net Income	\$298M	\$303M	2%
Net Margin	45%	43%	
EPS	\$2.57	\$2.70	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.

Full Year Operating Performance

Non-GAAP*

	2023	2024	Y/Y
Total Revenues	\$2,415M	\$2,565M	6%
Gross Profit	\$2,154M	\$2,279M	6%
Gross Margin	89%	89%	
Research and Development	\$313M	\$335M	
Sales and Marketing	\$677M	\$764M	
General and Administrative	\$85M	\$82M	
Operating Expenses	\$1,075M	\$1,181M	10%
Operating Income	\$1,079M	\$1,098M	2%

*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.

Full Year Net Income & EPS – Industry Leading Profitability

Non-GAAP*

	2023	2024	Y/Y
Operating Income	\$1,079M	\$1,098M	2%
Financial Income, Net	\$77M	\$96M	
Tax Expenses	\$159M	\$155M	
Net Income	\$997M	\$1,039M	4%
Net Margin	41%	41%	
EPS	\$8.42	\$9.16	9%

*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 & Cash Position

\$2.8 Billion

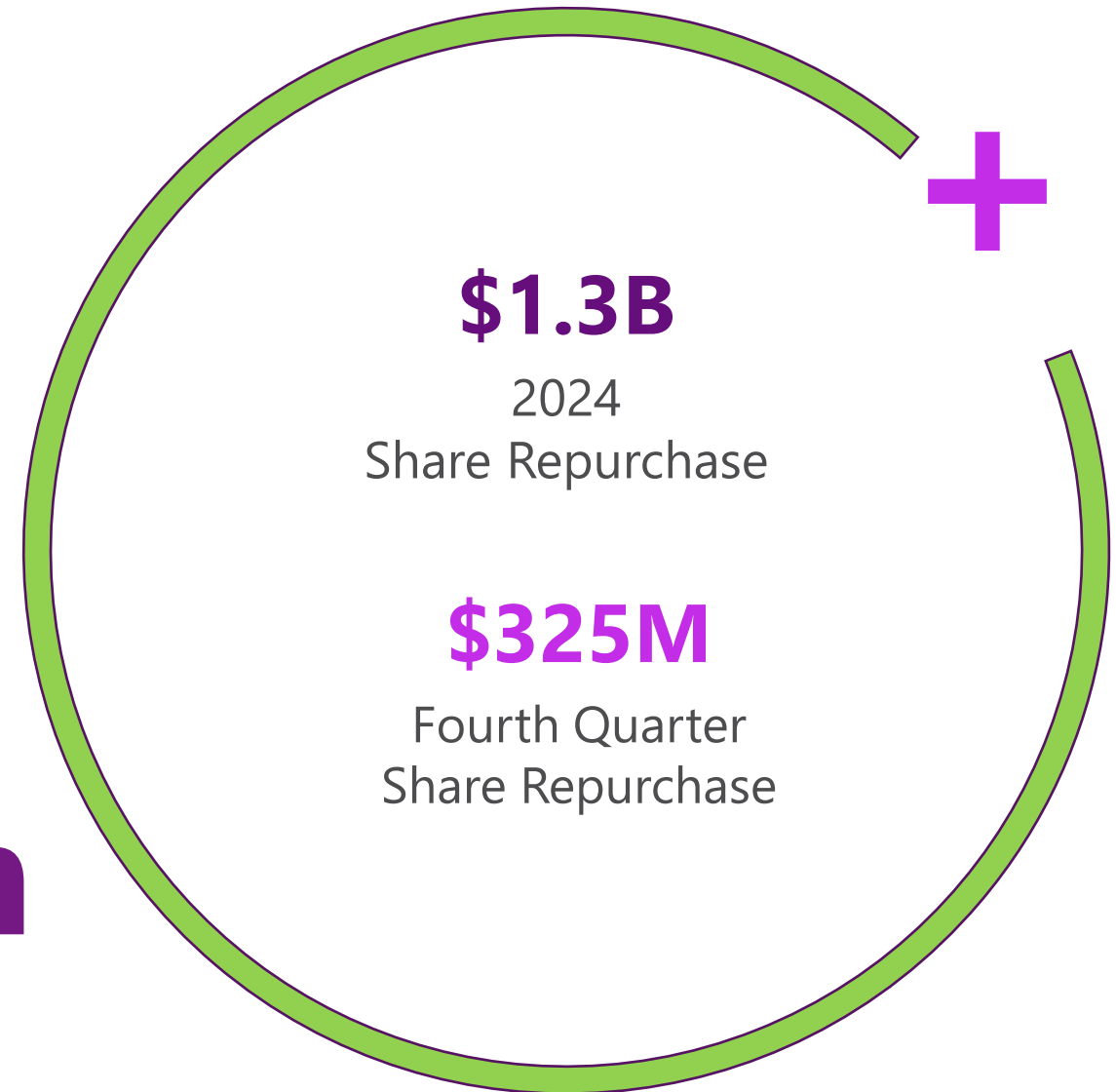
Cash, Marketable Securities &
Short Term Deposits

\$249 Million

Quarterly Operating Cash Flow

\$1,059 Million

Annual Operating Cash Flow



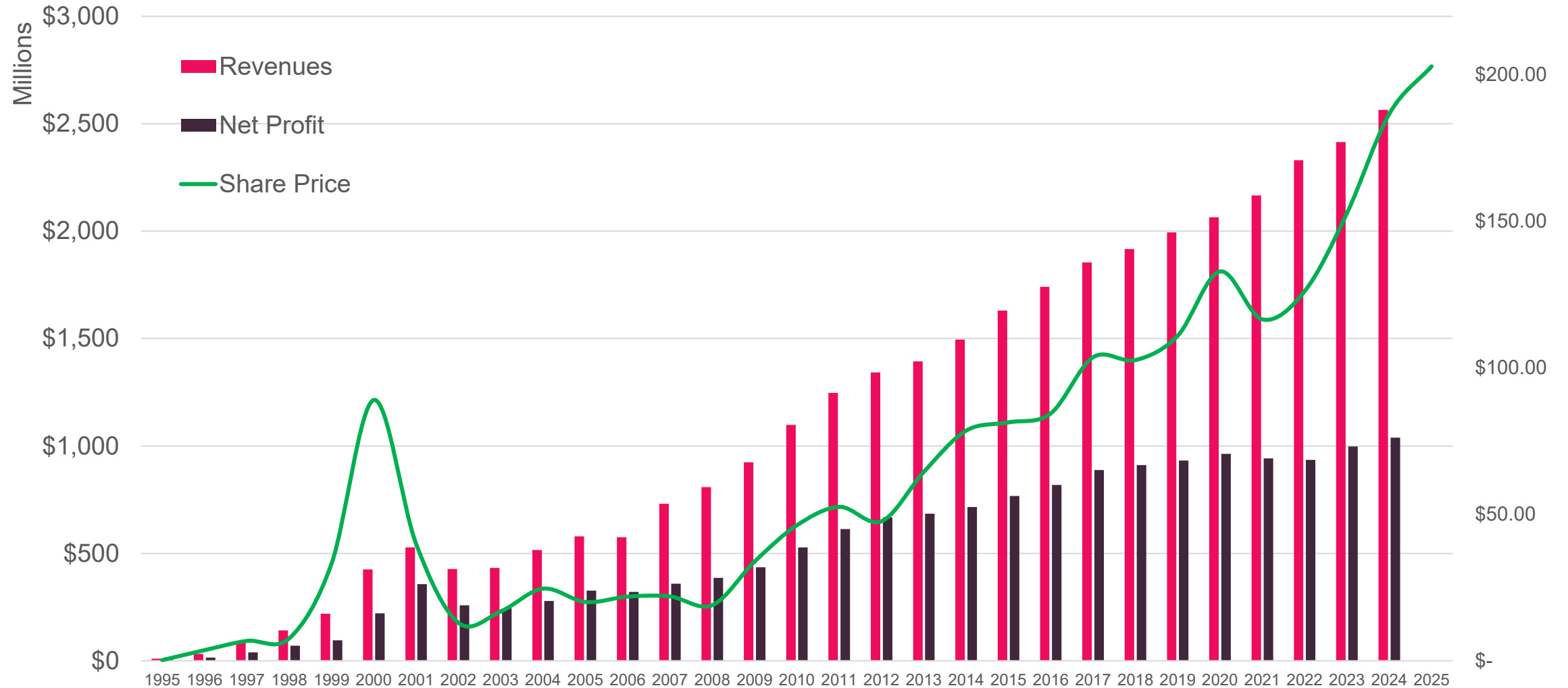
Financial Summary

- Revenues & EPS Above Midpoint of Projections
- Strong Quantum Force Demand
- Double-Digit Calculated Billings Growth
- Strong Profitability

30+ Years of The Best Security!

Check Point – 31 Years of Growth

Check Point Growth



The Executive Chairman Lifestyle



Nadav Zafrir, Chief Executive Officer

Business Outlook

Business Outlook*

	Q1 2025	FY2025
Revenues	\$619M - \$649M	\$2,660M-\$2,760M
<i>Y/Y Growth</i>	3% - 8%	4% - 8%
Non-GAAP EPS**	\$2.13 - \$2.23	\$9.60- \$10.20
<i>Y/Y Growth</i>	4% - 9%	5% - 11%
GAAP EPS is Expected to be approximately	50 cents Less	\$2.00 Less

* Based on information available to Check Point Software as of January 30, 2025.

**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.

Q&A Session



Thank You!

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GAAP to Non-GAAP Consolidated Statement of Income Reconciliation



(In millions, except per share amounts)	Three Months Ended December 31, 2024					Three Months Ended December 31, 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	\$ 170.6				\$ 170.6	\$ 158.3				\$ 158.3
Security Subscriptions	292.2				292.2	265.8				265.8
Total Products & Security Subscriptions	462.8				462.8	424.1				424.1
Software updates and maintenance	240.9				240.9	239.4				239.4
Total Revenues	703.7				703.7	663.5				663.5
Cost of products and licenses	29.6	0.1			29.5	28.0	0.1			27.9
Cost of security subscriptions	19.7				19.7	17.2				17.2
Total Cost of products and security subscriptions	49.3	0.1			49.2	45.2	0.1			45.1
Cost of software updates and maintenance	33.4	2.0			31.4	30.5	2.4			28.1
Amortization of technology	7.6		7.6			5.8		5.8		
Total Cost of revenues	90.3	2.1	7.6	-	80.6	81.5	2.5	5.8	-	73.2
Research & Development	101.1	10.8	1.7		88.6	100.0	14.2	2.0		83.8
Sales & Marketing	232.1	12.0	13.0		207.1	200.5	15.2	9.1		176.2
General & Administrative	25.9	4.9			21.0	29.7	8.0			21.7
Total Operating Expenses	449.4	29.8	22.3	-	397.3	411.7	39.9	16.9	-	354.9
Operating Income	254.3	29.8	22.3	-	306.4	251.8	39.9	16.9	-	308.6
Financial & Other Income, Net	24.5				24.5	18.4				18.4
Income Taxes (Tax Benefit)	21.3			(6.4)	27.7	21.0		(7.5)		28.5
Net Income	\$ 257.5	29.8	22.3	(6.4)	\$ 303.2	\$ 249.2	39.9	16.9	(7.5)	\$ 298.5
Diluted Earnings per share	\$ 2.30	0.26	0.20	(0.06)	\$ 2.70	\$ 2.15	0.34	0.15	(0.07)	\$ 2.57
Number of Shares (M), diluted	112.1				112.1	115.9				115.9

GAAP to Non-GAAP Consolidated Statement of Income Reconciliation



(In millions, except per share amounts)	Twelve Months Ended December 31, 2024					Twelve Months Ended December 31, 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	\$ 507.9				\$ 507.9	\$ 497.4				\$ 497.4
Security Subscriptions	1,104.2				1,104.2	981.2				981.2
Total Products & Security Subscriptions	1,612.1				1,612.1	1,478.6				1,478.6
Software updates and maintenance	952.9				952.9	936.1				936.1
Total Revenues	2,565.0				2,565.0	2,414.7				2,414.7
Cost of products and licenses	97.8	0.4			97.4	99.3	0.4			98.9
Cost of security subscriptions	72.6				72.6	57.0				57.0
Total Cost of products and security subscriptions	170.4	0.4			170.0	156.3	0.4			155.9
Cost of software updates and maintenance	123.9	8.2			115.7	112.3	7.3			105.0
Amortization of technology	25.0		25.0			14.0		14.0		
Total Cost of revenues	319.3	8.6	25.0	-	285.7	282.6	7.7	14.0		260.9
Research & Development	394.9	53.1	6.5		335.3	368.9	48.7	7.0		313.2
Sales & Marketing	862.9	58.2	40.3		764.4	747.1	56.3	13.7		677.1
General & Administrative	111.9	29.8			82.1	117.0	32.6			84.4
Total Operating Expenses	1,689.0	149.7	71.8	-	1,467.5	1,515.6	145.3	34.7		1,335.6
Operating Income	876.0	149.7	71.8	-	1,097.5	899.1	145.3	34.7		1,079.1
Financial & Other Income, Net	96.1				96.1	76.5				76.5
Income Taxes (Tax Benefit)	126.4			(28.1)	154.5	135.3		(23.2)		158.5
Net Income	\$ 845.7	149.7	71.8	(28.1)	\$ 1,039.1	\$ 840.3	145.3	34.7	(23.2)	\$ 997.1
Diluted Earnings per share	\$ 7.46	1.32	0.63	(0.25)	\$ 9.16	\$ 7.10	1.23	0.29	(0.20)	\$ 8.42
Number of Shares (M), diluted	113.4				113.4	118.3				118.3