on 17-Sep-2026

BERNSTEIN
SOCIETE GENERALE GROUP

17 September 2026
Rating Downgrade

U.S. SMID-Cap Software

Cybersecurity: Exuberant setup... sector fully valued?



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Entering this year, we pounded the table for cybersecurity's broadly positive investment setup ('26 outlook note) on the back of AI-induced demand tailwinds (CISO survey, Exhibit 6). Even as AI Labs introduced cybersecurity offerings and investors fretted we defended the sector (note, note). And WOW! Investor sentiment swung back to positive as the demand signals continued to point up in our mid-year CISO and CIO surveys and further boosted by recent increasing discussion about slowing AI Lab progression due to cyber risk. From the start of 2026, many of our covered cybersecurity names have appreciated ~100%+ and crowding scores for the space increased significantly (here).

Cyber's accelerating growth is not just demand, we think Flex contracts help. Flex is a vendor "site license" for customers to use any product / service, up to the contracted value. Customers like the reduced initial purchase regret anxiety (can speed initial sale), and agility to use capabilities when new (often urgent) need arises. Once customers try the new capabilities they often want both, thus reducing sales efforts for up-/cross-sells.
...but even with Flex, we caution cybersecurity may have growth constraints relative to consumption software. Implicit in the sector stock prices seem to be a degree of acceleration that could rival consumption software like hyperscaler compute or databases. Unfortunately, we think many AI-driven cybersecurity priorities have some natural growth headroom (as we discussed in more depth here) like SSE/SASE, Endpoint, Observability, and Email Security that tend to scale with endpoint or employee numbers.

We need to raise to our price target multiple regression by a couple turns. As we pointed out in our "H2 flips the script" note in July, we think cybersecurity may have gotten over its skis. With that said, it seems clear the multiples we use are much too low in cyber right now (Exhibit 3). Given the real demand and greater growth headroom enabled from Flex deals we aren't sure the narrative will turn in the near term, so we are raising multiples. We note this causes our updated TPs to be disconnected up vs. our normal rule of thumb target of 25-35% premium to a "growth DCF". We do think this premium will eventually close, but it could take more than a year for that to happen.

...and companies we found "too cheap" previously, OKTA, PANW and S, now seem fairly valued (Exhibit 2)**.** Over the last quarter they re-rated and relative to our models they are now in-line with our updated sector valuations. Of these three, OKTA may have the most potential to surprise our model to the upside, due to their usage as part of AI Agent infrastructure. But we find it difficult to call the timing of when AI Agent work really gets mature enough to scale AND how they would commercially benefit enough to exceed our current model (pricing model and scale of demand is still unclear, today). It's also worth noting SentinelOne we think is most attractive as a strategic takeout target, and could be a natural fit for one of the AI Labs (e.g., Anthropic) or hyperscalers (e.g., GOOG) or even cybersecurity peers (e.g., PANW). Normally we see ~30% takeout premium vs. our growth DCF which is below our updated $25 PT.

We only have one with material upside, Zscaler. Zscaler may finally be on the other side of some self-induced headwinds associated with degradation of net new customers, so we maintain our Outperform. As we've discussed previously (e.g., here) we think they aren't "dead" and will be more stable this FY as the sales motion change bears fruit.

See the Disclosure Appendix of this report for required disclosures, analyst certifications and other important information. Alternatively, visit our Global Research Disclosure Website.
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on 17-Sep-2026

BERNSTEIN TICKER TABLE

			16 Sep 2026		TTM		Adjusted EPS			Adjusted P/E (x)		
Ticker	Rating	Cur	Closing Price	Price Target	Rel. Perf.	Cur	2026A	2027E	2028E	2026A	2027E	2028E
ZS (Zscaler)	O	USD	191.58	**298.00**	(46.4)%	USD	4.21	5.42	6.78	45.5	35.4	28.3
OLD				224.00								
PANW (Palo Alto Networks)	**M**	USD	375.65	**351.00**	72.3%	USD	3.84	4.57	**5.82**	97.8	82.1	64.5
OLD	O			253.00					5.81			
NET (Cloudflare)	M	USD	324.65	**181.00**	33.8%	USD	0.92	1.32	1.98	351.1	246.0	163.8
OLD				164.00								
S (SentinelOne)	**M**	USD	23.17	**25.00**	15.4%	USD	0.20	0.36	0.56	115.6	63.5	41.4
OLD	O			21.00								
CRWD (CrowdStrike)	M	USD	241.36	**132.00**	102.7%	USD	0.93	1.28	1.73	258.8	188.8	139.5
OLD				119.00								
OKTA (Okta)	**M**	USD	188.12	**174.00**	94.9%	USD	3.50	4.05	4.45	53.7	46.4	42.2
OLD	O			143.00								
FTNT (Fortinet)	M	USD	171.77	**145.00**	101.0%	USD	2.76	3.62	4.11	62.3	47.5	41.8
OLD				102.00								
SPX			7,551.81									

RATING CHANGE / PRICE TARGET CHANGE / ESTIMATE CHANGE IN BOLD

O - Outperform, M - Market-Perform, U - Underperform, NR - Not Rated, CS - Coverage Suspended

NET, FTNT base year is 2025;

Source: Bloomberg, Bernstein estimates and analysis.

INVESTMENT IMPLICATIONS

MODELS: no changes (except PANW) - we continue to have revenue models well above sell-side expectations (Exhibit 4), but based on our regression it appears our models may not be too dissimilar from buy-side expectations. Palo Alto model tweaked to better allocate revenue for software firewalls between Product and Subscription vs. our NGS ARR model — end result is a few $MM more revenue per quarter.

PRICE TARGETS:

We modify the sector regression using a function (+1 year Rule-of-40, P/NTM Sales) to arrive at higher multiples (Exhibit 5). Applying this methodology and regression line, we update**:**

- CrowdStrike $132 on 50/50 20x P/NTM Sales multiple (up from 17x) and unchanged DCF (10% WACC, 3% terminal growth)
- Palo Alto Networks $351 on 50/50 21x P/NTM Sales multiple (up from 14x) and unchanged DCF (10% WACC, 3% terminal growth)
- Okta $174 on 50/50 11x P/NTM Sales multiple (up from 8x) and unchanged DCF (11% WACC, 3% terminal growth)
- Fortinet $145 on 50/50 15x P/NTM Sales multiple (up from 9x) and unchanged DCF (11% WACC, 3% terminal growth)
- Cloudflare $181 on 50/50 17x P/NTM Sales multiple (up from16x) and unchanged DCF (10% WACC, 3% terminal growth)
- SentinelOne $25 on 50/50 7x P/NTM Sales multiple (up from 5.5x) and unchanged DCF (12% WACC, 3% terminal growth)
- ZScaler $298 on 50/50 14x P/NTM Sales multiple (up from 9x) and unchanged DCF (11% WACC, 3% terminal growth)

RATINGS (DOWNGRADE): based on the stock trading near fair value and equal upside/downside to the current trading range, we adjust Palo Alto Networks and Okta and SentinelOne to Market-Perform recommendations.

on 17-Sep-2026

RATINGS (UNCHANGED): Cloudflare, CrowdStrike, Fortinet, Zscaler

CrowdStrike vs. Palo Alto additional commentary. We note that CrowdStrike currently trades well above the sector regression expectation, while Palo Alto seems more in-line. We are unclear what near-term catalyst will break that exuberant expectation for CrowdStrike and cause it to re-rate. If it did re-rate, and the capital stayed deployed in cybersecurity, we think Palo Alto is the most likely beneficiary of fund flows as the one other high quality large cap cybersecurity investment available in the public market. Palo Alto's software business "NGS" ARR is larger than CrowdStrike's ARR, and seeing similar growth tailwinds (both are favorably exposed to AI demand tailwinds) and growth rate results (PANW has higher organic net new and YoY, but CRWD Net New ARR is accelerating a little more strongly right now even when adjusted for easier -1 year comps), thus we'd expect the two business' multiple to naturally trend towards each other over time.

Zscaler additional commentary. As we discussed in our re-upgrade note (after our prior downgrade note) we do think they started seeing increased competitive pressure, particularly from Cloudflare. But we understand Palo Alto, Microsoft, and Fortinet primarily target different customers segments, so their entry was not as impactful to Zscalers opportunity. Even with this competition, there is significant remaining headroom to convert large enterprises from legacy Web Security and VPN to a "modern" SSE/SASE offering.

Instead, we think the primary reason for Zscaler's deceleration was their changing sales strategy — an understandable and appropriate move, in our opinion. At IPO Zscaler was primarily a transactional "opportunity based selling" company, but this would naturally face headrooms as their market becomes more saturated. The company invested successfully in a broader platform, and needed to add a "relationship based selling" approach that could move their growth from a vast majority coming from net new customer additions towards a more balanced and healthy upsell/cross-sell + net new customer.

At the end of FY24 they hired the head of North America Sales at ServiceNow to become the new Zscaler Head of Sales and execute this transition, which has three parts and a 3-year horizon. Year one was FY25 (two years ago) and involved turning over the talent and bringing in the right skillet for relationship selling, and that was executed successfully on plan. Year two was FY26 (this last FY that just ended), and was to demonstrate the upsell/cross-sell motion would succeed, which it did as NRR remained strong at 115% throughout the year and the company sees pipeline to maintain this 115% through FY27 again. The downside is that new customers now account for a small minority of growth — also not healthy for sustained growth, and led to further deceleration. Finally, this upcoming FY27 (just started) now focuses on scaling up the net new capability and getting to the sustainable balanced new and expansion.

Early signals look good for this final year of the transformation, as net new contribution seems to have finally stopped falling in the most recent FQ4'26, and we take a lean forward view (based on the sales head's track record and clear priority that SSE modernization has due to the AI risks) and anticipate they will at least stabilize if not improve the net new this year. If they do, revenue growth will remain more stable. It is possible they take several quarters to gain back investor trust, probably linked to showing this growth stabilize. If they do better than just holding net new customer flat, they could do even better.

on 17-Sep-2026

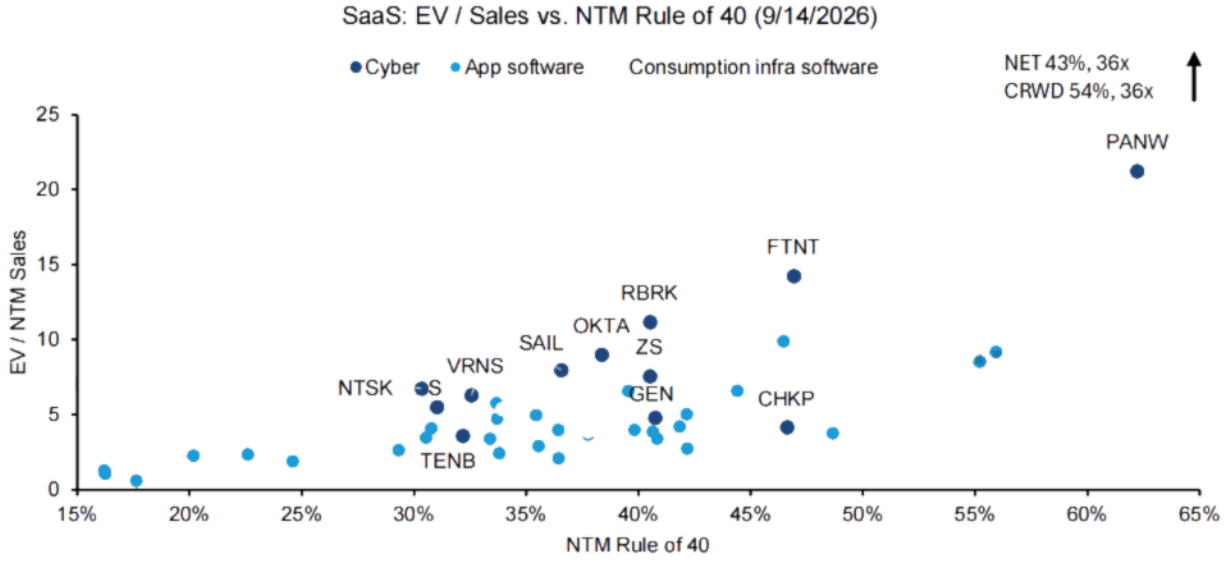
DETAILS

A LITTLE DEEPER DISCUSSION OF FLEX, HOW ITS VALUABLE, BUT PERHAPS NOT ENOUGH TO MEET IMPLIED EXPECTATIONS

Cyber companies are accelerating nicely! It's not just the demand environment, we think Flex contracts help speed growth. Flex effectively offers a site license where customers can use whatever they want from a vendor up to the contracted value. It is attractive to customers who can't predict what they need, and in a sneaky way shortcuts the sales process by allowing customers to get committed to some product while also needing something else. We think this has unlocked a bit of added upside, as it reduces (nearly eliminates?) some sales efforts for up-/cross-sells in existing customers. As a case study in success, lets look at the inventor of these Flex cybersecurity contracts, CrowdStrike: we think these "re-Flex" upsells helped add ~$30-40MM EXTRA incremental ARR sales in the latest quarter vs. what we think their commercial capacity could have added alone. Let's not beat around the bush, CrowdStrike is a GREAT company technically and commercially — we just wish the stock price made sense relative to growth potential even after Flex and their deep portfolio.

...but we worry tailwinds (demand + commercial innovation) may not be enough to hit lofty expectations. Implicit in the sector stock prices seem to be a degree of acceleration we think is unlikely. Yes, demand isn't up, and yes there is some reduced commercial effort through Flex contracting. But we also remind ourselves that cybersecurity isn't consumption software and has a harder time hockey sticking to the degree that hyperscalers or databases have. It takes real work for a customer to evaluate and adopt. Flex overcomes some of the upsell/cross-sell friction, but there is still real effort to do the initial sale. But even more importantly, consumption infrastructure often has less natural upside limit to the scale customers might buy, while cybersecurity pillars may have some natural ceilings. For instance AI-driven priority cybersecurity investments SSE/SASE, Endpoint Security, Observability, and Communications/Email security tend to scale with endpoint / employee numbers that are a bit more stable. Network Security and Cloud security are a bit more tied to consumption growth patterns, as we've discussed before (here). Even in the very strong case of CrowdStrike, when we normalize for easy YoY comps we think "real" Net New ARR growth is in the upper 20%. Selling the initial flex deal appears to take about "normal" sales effort, so the pipeline of future reflexes is bottleneck by the installed base (it appears ~100% of Net New ARR is now on Flex, and has been for a few quarters). Reflexes start lapping, so probably this keeps Net New ARR growth at these levels, but that would imply overall growth would asymptote towards high 20%, not towards 40%+ that seems implied in their current valuation multiple.

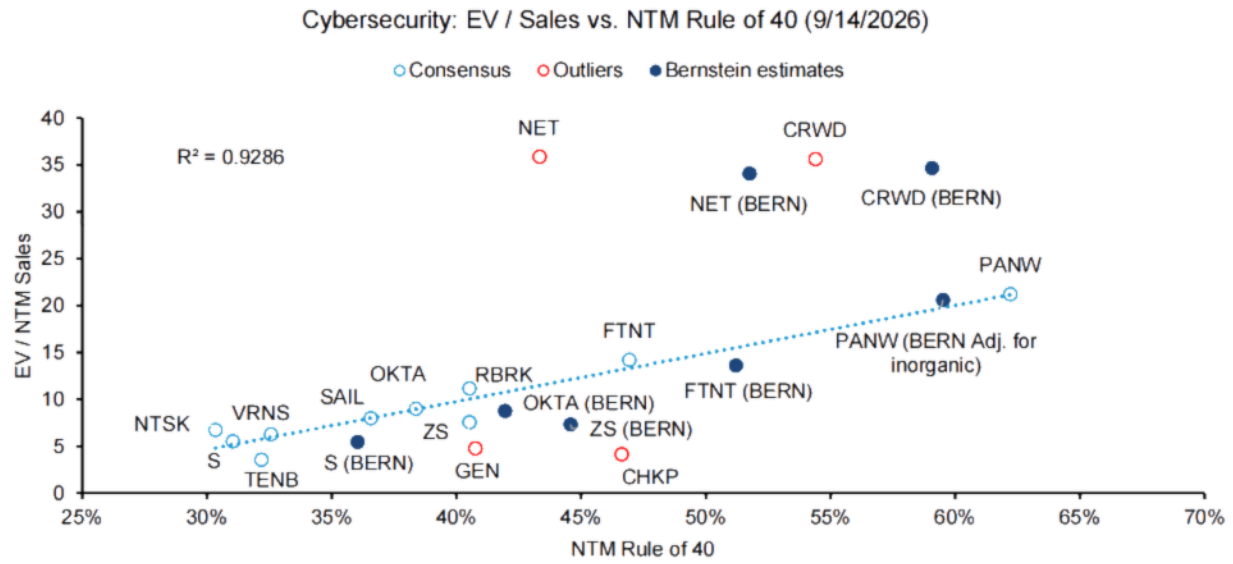
EXHIBIT 1: **The EV/Sales multiple for cybersecurity names generally exceed those for application software and some even exceed the also bullish valuations for consumption infrastructure software**



Data as of 9/14/2026 close. Stocks included in this analysis: CRWD, PANW, FTNT, ZS, NET, OKTA, S, NOW, GTLB, DDOG, TEAM, TWLO, ZM are covered by Bernstein; HUBS, ADBE, CRM, WDAY, SNOW, MDB covered by Mark Moerdler; SHOP covered by Mark Shmulik; all others are not covered.
Source: Bloomberg, Bernstein estimates and analysis

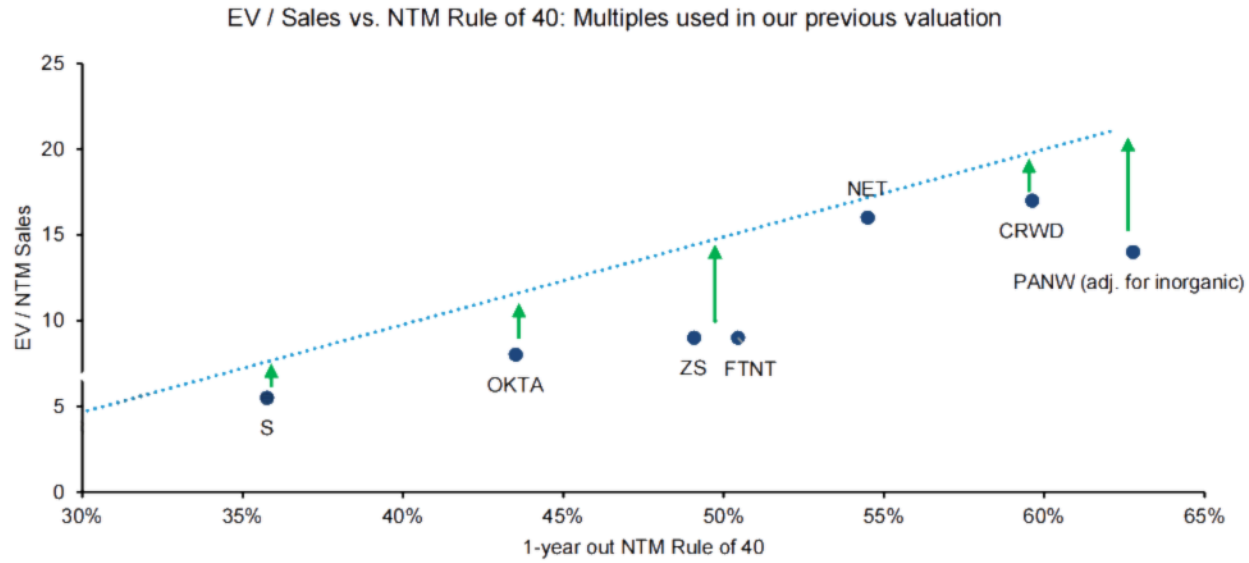
on 17-Sep-2026

EXHIBIT 2: **With the exception for some outliers, we see a high correlation between consensus NTM rule-of-40 and EV/Sales multiple. While we generally have higher rule-of-40 estimates in our models than consensus, most of our covered names are now trading close to (or above) their fair value based on the regression line, with only ZS and S still meaningfully below the multiples implied by the regression**



Data as of 9/14/2026 close. We used 1-year out NTM revenue growth for PANW to adjust for inorganic revenue tailiwnd in the upcoming year. Stocks included in this analysis: CRWD, PANW, FTNT, ZS, NET, OKTA, S are covered by Bernstein; all others are not.
Source: Bloomberg, Bernstein estimates and analysis

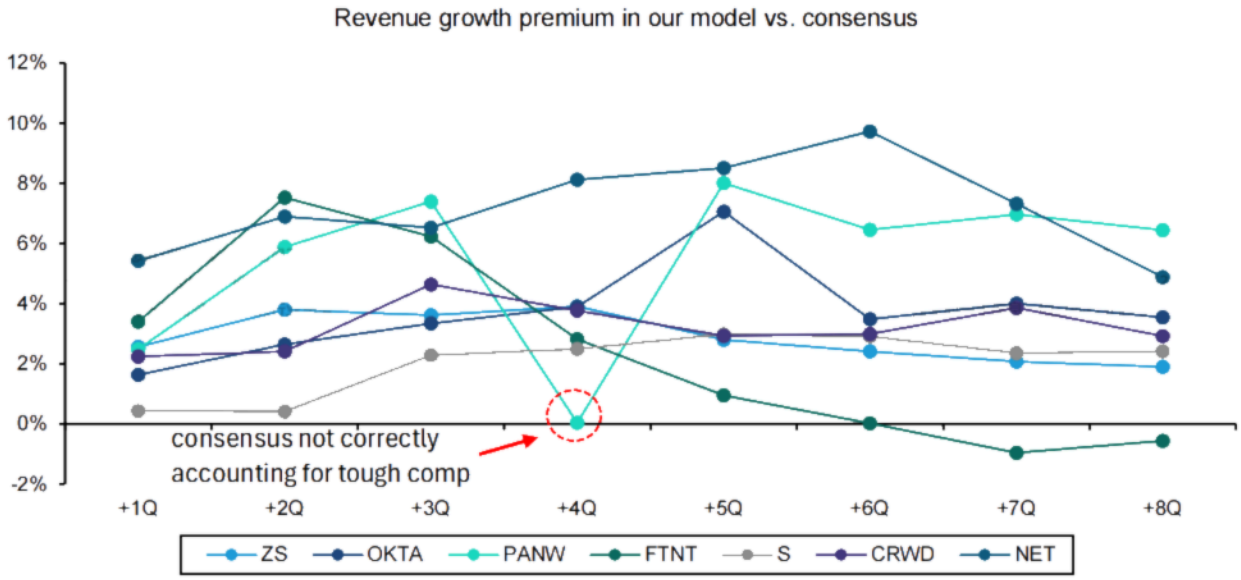
EXHIBIT 3: **The regression line we prefer is a bit lower and consistent with historic averages. But right now cybersecurity has a halo vs. history, and no clear end in sight to when that might correct. As a result our multiples are well below what investors are willing to pay.**



Regression line based on EV data and consensus estimates as of 9/14/26 market close. We used 1-year out NTM revenue growth for PANW to adjust for inorganic revenue tailiwnd in the upcoming year.
Source: Bernstein estimates and analysis

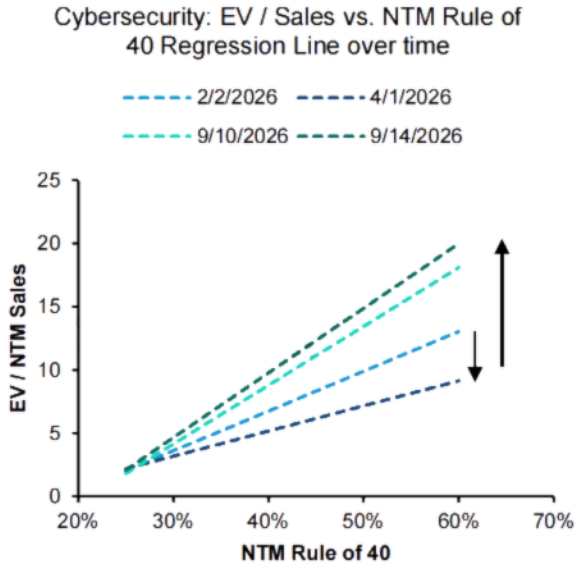
on 17-Sep-2026

EXHIBIT 4: **Our models have a significant premium vs. sell-side consensus, and even with this built in we can't reach upside to the current valuations (except ZS).**



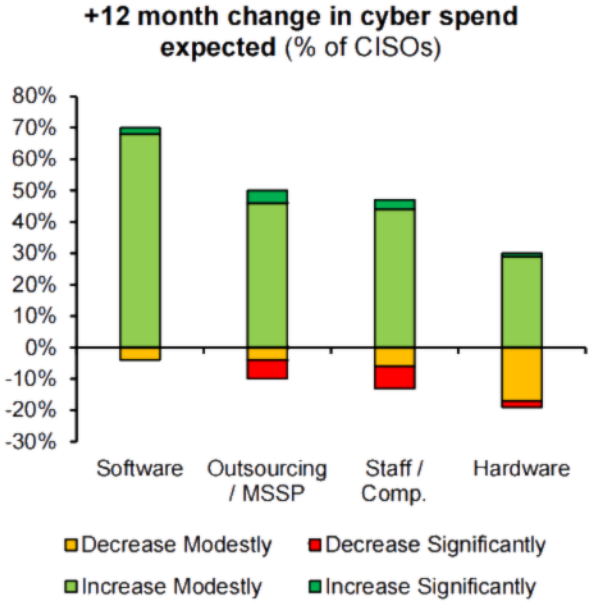
Consensus estimates based on data as of 9/14/26
Source: Bloomberg, Bernstein estimates and analysis

EXHIBIT 5: **At the start of the year there was a more "normal" growth premium paid for cyber vendors relative to history. But as AI Labs started shipping cyber products then the slope deteriorated as worries about growth emerged. Once investors gained confidence AI Labs wouldn't replace all vendors and cyber budgets will gain further tailwinds, then the entire sector rated up where even slower growers are being perceived as more valuable.**



Source: Bloomberg, Bernstein analysis

EXHIBIT 6: **For CISOs expecting to change spend levels, software was most positive, and hardware was most mixed.**



Source: Bernstein CISO Survey

on 17-Sep-2026

APPENDIX - FINANCIAL FORECASTS

EXHIBIT 7: **PANW Financial Summary**

Palo Alto Networks In $, MM Income Statement	FY2023	FY2024	FY2025	FY2026	Q127E	Q227E	Q327E	Q427E	FY2027E	FY2028E	FY2029E
Total Revenue	6,892.7	8,027.5	9,221.5	11,480.0	3,367.1	3,570.0	3,769.0	3,898.4	14,604.5	17,532.2	21,117.2
Cost of Revenue (Non-GAAP)	1,662.4	1,798.3	2,176.2	2,775.0	865.6	910.7	952.1	965.5	3,693.9	4,279.6	5,095.4
Gross Profit (Non-GAAP)	5,230.3	6,229.2	7,045.3	8,705.0	2,501.6	2,659.2	2,816.9	2,932.8	10,910.6	13,252.6	16,021.8
S&M (Non-GAAP)	2,168.0	2,449.1	2,663.2	3,135.0	889.2	953.6	979.9	932.0	3,754.7	4,162.5	4,774.6
R&D (Non-GAAP)	1,097.4	1,258.2	1,406.1	1,822.0	496.8	529.6	537.5	556.7	2,120.6	2,511.0	3,023.4
G&A (Non-GAAP)	305.0	332.2	324.1	392.0	109.0	112.9	114.0	112.4	448.2	509.7	604.8
Total Operating Expenses (Non-GAAP)	3,570.4	4,039.5	4,393.4	5,349.0	1,495.0	1,596.1	1,631.4	1,601.1	6,323.6	7,183.2	8,402.9
Operating Income (Non-GAAP)	1,659.9	2,189.7	2,651.9	3,356.0	1,006.6	1,063.2	1,185.5	1,331.8	4,587.0	6,069.4	7,618.9
Margin %	24%	27%	29%	29%	30%	30%	31%	34%	31%	35%	36%
Other income (loss), net	186.3	307.9	353.9	403.0	80.0	152.0	65.0	83.0	380.0	380.0	380.0
[Non-GAAP] Earnings before taxes	**1,846.2**	**2,497.6**	**3,005.8**	**3,759.0**	**1,086.6**	**1,215.2**	**1,250.5**	**1,414.8**	**4,967.0**	**6,449.4**	**7,998.9**
Provision for income taxes	406.2	549.5	661.3	828.0	239.4	267.7	275.5	311.7	1,094.2	1,420.8	1,762.1
Net income (loss)	**1,440.0**	**1,948.1**	**2,344.5**	**2,931.0**	**847.2**	**947.5**	**975.0**	**1,103.1**	**3,872.8**	**5,028.7**	**6,236.8**
Net income attributable to common shareholders	**1,440.0**	**1,948.1**	**2,344.5**	**2,931.0**	**847.2**	**947.5**	**975.0**	**1,103.1**	**3,872.8**	**5,028.7**	**6,236.8**
Earnings (loss) per share - Basic	2.37	3.05	3.54	3.91	1.01	1.12	1.15	1.29	4.57	5.82	7.08
Earnings (loss) per share - Diluted	2.21	2.83	3.34	3.84	1.01	1.12	1.15	1.29	4.57	5.82	7.08
Balance Sheet											
Cash and cash equivalents	1,135.3	1,535.2	2,268.6	2,514.0	4,090.7	7,908.7	8,271.4	8,648.9	8,648.9	16,744.3	26,422.4
Short-term investments	1,254.7	1,043.6	634.6	557.0	1,004.1	331.8	655.7	488.9	488.9	429.1	376.6
Receivables	2,463.2	2,618.6	2,965.0	3,629.0	1,782.9	2,665.3	3,296.9	4,133.8	4,133.8	4,818.8	5,997.9
Other current assets	1,194.8	1,652.3	1,654.6	1,943.0	1,943.0	2,053.4	1,929.1	2,034.1	2,034.1	2,219.6	2,555.2
Total current assets	6,048.0	6,849.7	7,522.8	8,643.0	8,820.8	12,959.2	14,153.1	15,305.8	15,305.8	24,211.9	35,352.1
Total PPE	354.5	361.1	387.3	523.0	558.7	596.0	634.7	672.3	672.3	832.2	1,017.0
Other assets	8,098.6	12,780.1	15,666.1	39,294.0	39,384.0	36,923.6	37,069.9	37,508.6	37,508.6	36,076.0	34,995.3
Total assets	14,501.1	19,990.9	23,576.2	48,460.0	48,763.5	50,478.9	51,857.7	53,486.7	53,486.7	61,120.1	71,364.4
Accounts payable	132.3	116.3	232.2	290.0	337.4	385.5	384.3	326.3	326.3	377.5	468.7
Other current liabilities	7,605.2	7,566.4	7,755.8	9,633.0	9,187.1	9,800.9	9,926.5	10,305.9	10,305.9	11,508.3	13,161.2
Total current liabilities	7,737.5	7,682.7	7,988.0	9,923.0	9,524.5	10,186.4	10,310.7	10,632.2	10,632.2	11,885.7	13,629.9
Deferred revenue, non-current	4,621.8	5,939.4	6,449.7	7,009.0	6,876.9	7,027.0	7,238.3	7,339.1	7,339.1	8,033.6	9,108.5
Other liabilities, non-current	393.4	1,199.1	1,314.1	4,036.0	4,036.0	4,036.0	4,036.0	4,036.0	4,036.0	4,036.0	4,036.0
Total non-current liabilites	5,015.2	7,138.5	7,763.8	11,045.0	10,912.9	11,063.0	11,274.3	11,375.1	11,375.1	12,069.6	13,144.5
Total Liabilities	12,752.7	14,821.2	15,751.8	20,968.0	20,437.4	21,249.4	21,585.1	22,007.4	22,007.4	23,955.3	26,774.4
Temporary equity	-	-	-	-	-	-	-	-	-	-	-
Total Equity	1,748.4	5,169.7	7,824.4	27,492.0	28,326.1	29,229.5	30,272.6	31,479.3	31,479.3	37,164.7	44,590.0
Total Liabilities and Equity	14,501.1	19,990.9	23,576.2	48,460.0	48,763.5	50,478.9	51,857.7	53,486.7	53,486.7	61,120.1	71,364.4
Cash Flow											
Cash used for operating actitivites	2,777.5	3,257.6	3,716.0	4,553.0	2,497.6	974.3	1,253.1	1,159.9	5,884.9	8,024.4	9,794.4
Cash used for investing actitivites	(2,033.8)	(1,509.9)	(2,204.7)	(3,104.0)	(920.9)	2,843.7	(890.5)	(782.3)	250.0	71.0	(116.4)
Cash used for financing actitivites	(1,726.3)	(1,343.1)	(778.9)	(1,202.0)	-	-	-	-	-	-	-
Effect in exchange rate				(3)	-	-	-	-	-	-	-
Increase (decrease) in cash, cash equivalents, and restricted cash	(982.6)	404.6	732.4	244.0	1,576.7	3,818.0	362.6	377.5	6,134.9	8,095.4	9,678.1
cash, cash equivalents and restricted cash at beginning of period	2,124.8	1,142.2	1,546.8	2,279.2	2,523.2	4,099.9	7,917.9	8,280.6	2,523.2	8,658.1	16,753.5
Cash, cash equivalents and restricted cash at end of period	1,142.2	1,546.8	2,279.2	2,523.2	4,099.9	7,917.9	8,280.6	8,658.1	8,658.1	16,753.5	26,431.6
Cash flow from operations	2,777.5	3,257.6	3,716.0	4,553.0	2,497.6	974.3	1,253.1	1,159.9	5,884.9	8,024.4	9,794.4
FCF	2,631.2	3,100.8	3,469.8	4,113.0	2,394.9	865.5	1,138.2	1,041.0	5,439.7	7,489.9	9,150.6

Source: Company reports, Bernstein estimates and analysis

on 17-Sep-2026

EXHIBIT 8: **CrowdStrike Financial Summary**

CrowdStrike In $, thousands Income Statement	FY2023	FY2024	FY2025	FY2026	Q127	Q227	Q327E	Q427E	FY2027E	FY2028E	FY2029E
Total Revenue	2,241,236	3,055,555	3,953,624	4,812,005	1,385,629	1,470,897	1,554,686	1,652,419	6,063,630	7,626,615	9,352,118
Cost of Revenue (Non-GAAP)	539,541	671,280	858,280	1,049,705	295,817	313,690	330,284	344,606	1,284,397	1,572,737	1,836,054
Gross Profit (Non-GAAP)	1,701,695	2,384,275	3,095,344	3,762,300	1,089,812	1,157,207	1,224,401	1,307,813	4,779,233	6,053,878	7,516,064
S&M (Non-GAAP)	749,933	957,023	1,250,673	1,520,003	413,114	412,873	452,464	481,945	1,760,396	2,171,748	2,590,788
R&D (Non-GAAP)	433,653	554,828	717,576	914,156	273,364	284,794	277,439	269,219	1,104,815	1,283,016	1,543,978
G&A (Non-GAAP)	162,487	193,355	247,207	281,673	77,664	87,891	96,296	99,428	361,279	454,420	537,432
Total Operating Expenses (Non-GAAP)	1,346,073	1,705,206	2,215,456	2,715,832	764,142	785,558	826,200	850,591	3,226,491	3,909,184	4,672,199
Operating Income (Non-GAAP)	355,622	679,069	879,888	1,046,468	325,670	371,649	398,202	457,222	1,552,742	2,144,694	2,843,865
Margin %	16%	22%	22%	22%	24%	25%	26%	28%	26%	28%	30%
Other income (loss), net	31,455	125,564	173,864	165,740	51,302	37,087	42,647	46,790	177,826	245,590	358,055
[Non-GAAP] Earnings before taxes	**387,077**	**804,633**	**1,053,752**	**1,212,208**	**376,972**	**408,736**	**440,849**	**504,012**	**1,730,568**	**2,390,284**	**3,201,920**
Provision for income taxes	(17,744)	(180,872)	(236,492)	(254,283)	(75,344)	(85,834)	(99,191)	(113,403)	(373,772)	(537,814)	(720,432)
Net income (loss)	**369,333**	**623,761**	**817,260**	**957,925**	**301,628**	**322,902**	**341,658**	**390,609**	**1,356,797**	**1,852,470**	**2,481,488**
Noncontrolling Interest	960	1,258	2,675	1,337	18,192	-	288	1,492	19,972	8,531	18,236
Net income attributable to common shareholders	**368,373**	**622,503**	**814,585**	**956,588**	**283,436**	**322,902**	**341,369**	**389,118**	**1,336,825**	**1,843,939**	**2,463,252**
Earnings (loss) per share - Basic	0.39	0.65	0.82	0.95	0.28	0.32	0.33	0.38	1.31	1.77	2.33
Earnings (loss) per share - Diluted	0.39	0.64	0.81	0.93	0.27	0.31	0.33	0.37	1.28	1.73	2.27
Balance Sheet											
Cash and cash equivalents	2,455,369	3,375,069	4,323,295	5,230,125	4,552,801	5,013,847	5,444,030	6,059,021	6,059,021	8,649,386	12,047,409
Short-term investments	250,000	99,591	-	-	-	-	-	-	-	-	-
Receivables	626,181	853,105	1,128,564	1,361,844	933,887	1,038,575	1,216,710	1,589,555	1,589,555	2,035,153	2,476,287
Other current assets	308,717	429,542	661,486	827,150	814,932	902,756	793,331	935,841	935,841	1,120,009	1,317,427
Total current assets	**3,640,267**	**4,757,307**	**6,113,345**	**7,419,119**	**6,301,620**	**6,955,178**	**7,454,072**	**8,584,417**	**8,584,417**	**11,804,549**	**15,841,123**
Total PPE	47,270	56,244	72,544	76,832	66,263	69,263	69,263	69,263	69,263	69,263	69,263
Other assets	1,339,003	1,832,969	2,515,689	3,590,733	4,902,217	5,000,560	5,054,299	5,188,710	5,188,710	5,584,157	6,102,962
Total assets	**5,026,540**	**6,646,520**	**8,701,578**	**11,086,684**	**11,270,100**	**12,025,001**	**12,577,633**	**13,842,391**	**13,842,391**	**17,457,969**	**22,013,348**
Accounts payable	45,372	28,180	130,887	105,319	54,221	114,487	129,242	131,100	131,100	159,314	184,422
Other current liabilities	2,063,700	2,669,099	3,330,163	4,078,873	4,061,641	4,315,201	4,380,630	4,927,806	4,927,806	5,746,060	6,551,020
Total current liabilities	**2,109,072**	**2,697,279**	**3,461,050**	**4,184,192**	**4,115,862**	**4,429,688**	**4,509,872**	**5,058,906**	**5,058,906**	**5,905,374**	**6,735,442**
Deferred revenue, non-current	627,629	783,342	995,672	1,332,387	1,351,990	1,345,066	1,383,698	1,582,396	1,582,396	1,861,213	2,119,107
Other liabilities, non-current	802,405	828,810	925,939	1,097,500	1,126,946	1,110,722	1,111,094	1,111,467	1,111,467	1,112,958	1,114,452
Total non-current liabilites	**1,430,034**	**1,612,152**	**1,921,611**	**2,429,887**	**2,478,906**	**2,455,788**	**2,494,792**	**2,693,863**	**2,693,863**	**2,974,171**	**3,233,559**
Total Liabilities	**3,539,106**	**4,309,431**	**5,382,661**	**6,614,079**	**6,594,768**	**6,885,476**	**7,004,664**	**7,752,769**	**7,752,769**	**8,879,545**	**9,969,000**
Redeemable Preferred Stock	-	-	-	-	-	-	-	-	-	-	-
Total Equity	**1,487,434**	**2,337,089**	**3,318,917**	**4,472,605**	**4,675,332**	**5,139,525**	**5,572,969**	**6,089,621**	**6,089,621**	**8,578,424**	**12,044,348**
Total Liabilities and Equity	**5,026,540**	**6,646,520**	**8,701,578**	**11,086,684**	**11,270,100**	**12,025,001**	**12,577,633**	**13,842,391**	**13,842,391**	**17,457,969**	**22,013,348**
Cash Flow											
Cash used for operating activities	941,007	1,166,207	1,381,727	1,591,663	590,937	530,268	555,336	765,491	2,442,032	3,267,432	4,228,121
Cash used for investing activities	(556,658)	(340,650)	(536,588)	(764,686)	(994,122)	(151,615)	(126,170)	(151,548)	(1,423,456)	(682,457)	(836,869)
Cash used for financing activities	77,437	93,158	112,099	134,997	(174,939)	87,610	1,018	1,048	(85,263)	5,390	6,770
Effect in exchange rate	(1,495)	1,956	(5,278)	9,629	116	(1,732)	-	-	(1,616)	-	-
Changes in cash, cash eq., and restricted cash	**460,291**	**920,673**	**951,960**	**971,603**	**(578,008)**	**464,531**	**430,183**	**614,991**	**931,697**	**2,590,365**	**3,398,022**
cash, cash eq. and restricted cash, begin	1,996,633	2,456,924	3,377,597	4,329,557	5,301,160	4,723,152	5,187,683	5,617,866	5,301,160	6,232,857	8,823,222
Cash, cash eq. and restricted cash, end	**2,456,924**	**3,377,597**	**4,329,557**	**5,301,160**	**4,723,152**	**5,187,683**	**5,617,866**	**6,232,857**	**6,232,857**	**8,823,222**	**12,221,245**
Cash flow from operations	**941,007**	**1,166,207**	**1,381,727**	**1,591,663**	**590,937**	**530,268**	**555,336**	**765,491**	**2,442,032**	**3,267,432**	**4,228,121**
FCF	**676,829**	**938,190**	**1,065,185**	**1,214,795**	**468,394**	**377,346**	**429,165**	**613,943**	**1,888,848**	**2,584,975**	**3,391,252**

Source: Company reports, Bernstein estimates and analysis

on 17-Sep-2026

EXHIBIT 9: **ZScaler Financial Summary**

Zscaler $, thousands Income Statement	7/31/2023 FY2023	7/31/2024 FY2024	7/31/2025 FY2025	7/31/2026 FY2026	10/31/2026 Q127E	1/31/2027 Q227E	4/30/2027 Q327E	7/31/2027 Q427E	7/31/2027 FY2027E	7/31/2028 FY2028E	7/31/2029 FY2029E
Total Revenue	**1,616,952**	**2,167,771**	**2,673,115**	**3,352,523**	**957,162**	**988,490**	**1,023,759**	**1,076,547**	**4,045,958**	**4,798,024**	**5,606,415**
Cost of Revenue (Non-GAAP)	**312,961**	**411,484**	**532,067**	**660,972**	191,333	194,665	196,126	211,552	**793,676**	**936,442**	**1,088,640**
Gross Profit (Non-GAAP)	**1,303,991**	**1,756,287**	**2,141,048**	**2,691,551**	**765,828**	**793,825**	**827,633**	**864,996**	**3,252,281**	**3,861,582**	**4,517,775**
S&M (Non-GAAP)	730.811	868.410	997.896	1.179.161	339,736	329.605	339,137	344,653	1,353,131	1.519,333	1.674,149
R&D (Non-GAAP)	227.871	313.208	409.894	559.720	155.473	174.047	171.717	175.942	677.179	798.274	927.188
G&A (Non-GAAP)	104.493	132.422	153,127	185,561	48,058	48.882	49.489	51,250	197,679	227,783	258,298
Total Operating Expenses (Non-GAAP)	1,063.175	1.314.040	1.560.917	1.924.442	543.268	552.534	560.343	571,845	2.227,989	2.545,391	2.859,635
Operating Income (Non-GAAP)	**240,816**	**442,247**	**580,131**	**767,109**	**222,561**	**241,291**	**267,290**	**293,151**	**1,024,293**	**1,316,191**	**1,658,141**
Margin %	15%	20%	22%	23%	23%	24%	26%	27%	25%	27%	30%
Other income (loss), net	55.953	96.162	114.462	124.294	33.691	37.589	39.661	41.553	152.494	207.749	281.295
[Non-GAAP] Earnings before taxes	**296,769**	**538,409**	**694,593**	**891,403**	**256,251**	**278,880**	**306,951**	**334,704**	**1,176,787**	**1,523,940**	**1,939,436**
Provision for income taxes	19.771	30.341	159.757	187.193	53.813	58.565	64.460	70.288	247.125	320.027	407.281
Net income (loss)	**276,998**	**508,068**	**534,836**	**704,210**	**202,439**	**220,315**	**242,492**	**264,416**	**929,662**	**1,203,912**	**1,532,154**
Net income attributable to common shareholders											
Earnings (loss) per share - Basic	1.78	3.18	3.28	4.21	1.20	1.29	1.41	1.52	5.42	6.78	8.36
Earnings (loss) per share - Diluted	**1.78**	**3.18**	**3.28**	**4.21**	**1.20**	**1.29**	**1.41**	**1.52**	**5.42**	**6.78**	**8.36**
Balance Sheet											
Cash and cash equivalents	1.262.206	1.423.080	2.389.023	928.354	1.161.300	1.226.570	1.281.338	1.383.930	1.383.930	1.874.239	2.477.495
Short-term investments	838.026	986.574	1.183.386	2.545.797	2.706.642	2.850.785	2.987.187	3.233.476	3.233.476	4.405.541	5.846.924
Receivables	582.636	736.529	992.181	1.149.073	644.276	668.670	879.292	1.377.257	1.377.257	1.623.795	1.888.682
Other current assets	207.446	250.434	329.700	408.009	438.505	455.290	452.945	487.298	487.298	575.017	671.726
Total current assets	**2,890,314**	**3,396,617**	**4,894,290**	**5,031,233**	**4,950,723**	**5,201,316**	**5,600,762**	**6,481,960**	**6,481,960**	**8,478,592**	**10,884,827**
Total PPE	242.355	383.121	543.377	753.001	841.094	927.330	1.012.443	1.099.159	1.099.159	1.239.307	1.414.945
Other assets	475.648	925.230	982.221	2.082.480	2.039.930	2.042.036	2.051.664	2.098.538	2.098.538	2.148.161	2.223.481
Total assets	**3,608,317**	**4,704,968**	**6,419,888**	**7,866,714**	**7,831,746**	**8,170,681**	**8,664,869**	**9,679,656**	**9,679,656**	**11,866,059**	**14,523,252**
Accounts payable	18.481	23.309	46.906	47.972	58.489	35.001	40.564	48.009	48.009	45.526	40.197
Other current liabilities	1.517.387	1.947.303	2.382.705	2.913.339	2.657.513	2.707.480	2.832.630	3.365.477	3.365.477	3.726.214	4.043.324
Total current liabilities	**1,535,868**	**1,970,612**	**2,429,611**	**2,961,311**	**2,716,002**	**2,742,481**	**2,873,194**	**3,413,486**	**3,413,486**	**3,771,740**	**4,083,521**
Convertible senior notes, net	1.134.159	1.142.275	1.700.727	1.696.355	1.698.396	1.700.440	1.702.486	1.704.534	1.704.534	1.712.762	1.721.010
Deferred revenue, non-current	158.533	251.055	413.609	445.272	413.703	419.721	434.697	527.562	527.562	594.956	658.308
Other liabilities, non-current	54.645	66.924	76.668	165.515	165.515	165.515	165.515	165.515	165.515	165.515	165.515
Total non-current liabilites	**1,347,337**	**1,460,254**	**2,191,004**	**2,307,142**	**2,277,614**	**2,285,676**	**2,302,698**	**2,397,611**	**2,397,611**	**2,473,223**	**2,544,834**
Total Liabilities	**2,883,205**	**3,430,866**	**4,620,615**	**5,268,453**	**4,993,616**	**5,028,156**	**5,175,892**	**5,811,097**	**5,811,097**	**6,244,963**	**6,628,354**
Total Equity	**725,112**	**1,274,102**	**1,799,273**	**2,598,261**	**2,838,130**	**3,142,525**	**3,488,978**	**3,868,559**	**3,868,559**	**5,621,095**	**7,894,898**
Total Liabilities and Equity	**3,608,317**	**4,704,968**	**6,419,888**	**7,866,714**	**7,831,746**	**8,170,681**	**8,664,869**	**9,679,656**	**9,679,656**	**11,866,059**	**14,523,252**
Balance Sheet Check	-	-	-	-	-	-	-	-	-	-	-
Cash Flow Statement											
Cash used for operating activities	462.343	779.846	972.453	1.129.654	497.504	312.263	301.045	466.100	1.576.912	1.946.521	2.385.300
Cash used for investing activities	(259.337)	(683.180)	(427.022)	(2.652.732)	(305.187)	(293.210)	(290.786)	(408.634)	(1.297.817)	(1.655.716)	(2.006.520)
Cash used for financing activities	45.990	64.208	420.512	62.409	40.629	46.217	44.509	45.126	176.481	199.504	224.476
Increase (decrease) in cash and cash equivalents	**248,996**	**160,874**	**965,943**	**(1,460,669)**	**232,946**	**65,270**	**54,768**	**102,592**	**455,576**	**490,310**	**603,256**
cash and cash equivalents at beginning of period	1,013.210	1,262.206	1.423.080	2.389.023	928,354	1,161,300	1,226,570	1,281,338	928,354	1,383,930	1,874,239
Cash and cash equivalents at end of period	**1,262,206**	**1,423,080**	**2,389,023**	**928,354**	**1,161,300**	**1,226,570**	**1,281,338**	**1,383,930**	**1,383,930**	**1,874,239**	**2,477,495**
FCF	**333,619**	**584,950**	**726,693**	**779,143**	**353,162**	**163,197**	**146,660**	**303,755**	**966,773**	**1,462,871**	**1,820,163**

Source: Company reports, Bernstein estimates and analysis

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on 17-Sep-2026

EXHIBIT 10: **SentinelOne Financial Summary**

SentinelOne $, thousands Income Statement	1/31/2023 FY2023	1/31/2024 FY2024	1/31/2025 FY2025	1/31/2026 FY2026	4/30/2026 Q127	7/31/2026 Q227	10/31/2026 Q327E	1/31/2027 Q427E	1/31/2027 FY2027E	1/31/2028 FY2028E	1/31/2029 FY2029E
Total Revenue	**422,179**	**621,154**	**821,461**	**1,001,278**	**276,657**	**291,981**	**311,387**	**327,259**	**1,207,284**	**1,455,717**	**1,720,376**
Cost of Revenue (Non-GAAP)	117,618	140,097	169,880	213,951	63,875	66,930	70,811	73,986	275,602	324,967	378,930
Gross Profit (Non-GAAP)	**304,561**	**481,057**	**651,581**	**787,327**	**212,782**	**225,051**	**240,576**	**253,273**	**931,682**	**1,130,750**	**1,341,446**
R&D (Non-GAAP)	153,823	154,938	178,822	223,002	64,192	65,883	68,705	71,880	270,659	327,648	380,344
S&M (Non-GAAP)	261,835	331,631	395,652	417,982	107,807	97,877	99,129	101,226	406,039	460,306	501,180
G&A (Non-GAAP)	97,766	112,713	102,528	111,721	30,238	30,763	30,631	29,736	121,370	133,942	151,698
Total Operating Expenses (Non-GAAP)	513,424	599,282	677,002	752,705	202,237	194,523	198,464	202,844	798,068	921,897	1,033,222
Operating Income (Non-GAAP)	**(208,863)**	**(118,225)**	**(25,421)**	**34,622**	**10,545**	**30,528**	**42,111**	**50,430**	**133,614**	**208,853**	**308,225**
Margin %	-49%	-19%	-3%	3%	4%	10%	14%	15%	11%	14%	18%
Other income (loss), net	18,285	45,582	47,752	41,598	9,317	3,737	5,809	6,313	25,176	30,223	38,229
[Non-GAAP] Earnings before taxes	**(190,578)**	**(72,643)**	**22,331**	**76,220**	**19,862**	**34,265**	**47,920**	**56,742**	**158,790**	**239,077**	**346,454**
Provision for income taxes	4,054	8,562	7,179	7,947	7,607	5,792	6,662	5,905	25,966	25,955	15,839
Net income (loss)	**(194,632)**	**(81,205)**	**15,152**	**68,273**	**12,255**	**28,473**	**41,258**	**50,837**	**132,823**	**213,122**	**330,615**
Net income attributable to common shareholders											
Earnings (loss) per share - Basic	(0.70)	(0.28)	0.05	0.21	0.04	0.08	0.12	0.14	0.38	0.58	0.87
Earnings (loss) per share - Diluted	**(0.70)**	**(0.28)**	**0.04**	**0.20**	**0.04**	**0.08**	**0.11**	**0.14**	**0.36**	**0.56**	**0.84**
Balance Sheet											
Cash and cash equivalents	137,941	256,651	186,574	169,627	153,228	200,951	254,931	311,052	311,052	513,578	736,080
Short-term investments	485,584	669,305	535,331	459,041	503,559	454,297	457,138	459,971	459,971	473,548	491,114
Receivables	151,492	214,322	236,012	289,079	180,688	219,893	256,300	363,834	363,834	462,362	574,646
Other current assets	139,716	157,053	111,805	132,838	128,379	123,190	126,846	149,936	149,936	170,470	190,108
Total current assets	**914,733**	**1,297,331**	**1,069,722**	**1,050,585**	**965,854**	**998,331**	**1,095,215**	**1,284,794**	**1,284,794**	**1,619,957**	**1,991,949**
Total PPE	38,741	48,817	71,774	84,008	87,597	88,663	90,339	93,347	93,347	105,129	120,708
Other assets	1,305,439	975,259	1,265,129	1,303,509	1,302,844	1,294,467	1,303,667	1,304,358	1,304,358	1,340,576	1,399,428
Total assets	**2,258,913**	**2,321,407**	**2,406,625**	**2,438,102**	**2,356,295**	**2,381,461**	**2,489,221**	**2,682,500**	**2,682,500**	**3,065,663**	**3,512,085**
Accounts payable	11,214	6,759	8,159	10,299	7,624	8,933	12,264	12,680	12,680	14,925	17,319
Other current liabilities	462,065	583,308	605,394	746,056	664,656	679,855	727,075	840,627	840,627	955,414	1,062,632
Total current liabilities	**473,279**	**590,067**	**613,553**	**756,355**	**672,280**	**688,789**	**739,339**	**853,307**	**853,307**	**970,339**	**1,079,951**
Deferred revenue, non-current	103,062	114,930	102,017	83,277	76,228	77,014	84,038	100,473	100,473	113,213	125,422
Other liabilities, non-current	25,867	22,367	21,808	161,325	169,666	167,154	167,154	167,154	167,154	167,154	167,154
Total non-current liabilites	**128,929**	**137,297**	**123,825**	**244,602**	**245,894**	**244,168**	**251,192**	**267,627**	**267,627**	**280,367**	**292,576**
Total Liabilities	**602,208**	**727,364**	**737,378**	**1,000,957**	**918,174**	**932,957**	**990,531**	**1,120,935**	**1,120,935**	**1,250,706**	**1,372,527**
Total Equity	**1,656,705**	**1,594,043**	**1,669,247**	**1,437,145**	**1,438,121**	**1,448,504**	**1,498,689**	**1,561,565**	**1,561,565**	**1,814,957**	**2,139,559**
Total Liabilities and Equity	**2,258,913**	**2,321,407**	**2,406,625**	**2,438,102**	**2,356,295**	**2,381,461**	**2,489,221**	**2,682,500**	**2,682,500**	**3,065,663**	**3,512,085**
Balance Sheet Check	-	-	-	-	-	-	-	-	-	-	-
Cash Flow Statement											
Cash used for operating actitivites	(193,287)	(58,374)	33,728	76,616	38,493	(6,545)	63,529	64,404	159,882	259,963	358,541
Cash used for investing actitivites	(1,312,666)	140,590	(218,397)	86,993	(63,885)	39,909	(24,171)	(25,618)	(73,765)	(115,960)	(144,646)
Cash used for financing actitivites	36,308	47,464	55,885	(160,753)	882	9,778	14,622	17,335	42,617	58,522	8,608
Increase (decrease) in cash, cash equivalents, and restricted cash	**(1,469,645)**	**119,680**	**(128,784)**	**2,856**	**(24,510)**	**43,142**	**53,980**	**56,121**	**128,733**	**202,525**	**222,502**
cash, cash equivalents and restricted cash at beginning of period	1,672,051	202,406	322,086	193,302	196,158	171,648	214,790	268,770	196,158	324,891	527,417
Cash, cash equivalents and restricted cash at end of period	**202,406**	**322,086**	**193,302**	**196,158**	**171,648**	**214,790**	**268,770**	**324,891**	**324,891**	**527,417**	**749,919**
FCF	**(211,692)**	**(83,634)**	**6,747**	**51,891**	**30,715**	**(13,236)**	**53,565**	**52,950**	**123,994**	**211,886**	**301,726**

Source: Company reports, Bernstein estimates and analysis

on 17-Sep-2026

EXHIBIT 11: **Okta Financial Summary**

Okta $, thousands Income Statement	2022 1/31/2022 2022	2023 1/31/2023 2023	2024 1/31/2024 2024	2025 1/31/2025 2025	2026 1/31/2026 2026	Q127 4/30/2026 Q127	Q227 7/31/2026 Q227	Q327 10/31/2026 Q327E	Q427 1/31/2027 Q427E	2027 1/31/2027 2027E	2028 1/31/2028 2028E
Total Revenue	**1,300,201**	**1,857,792**	**2,263,000**	**2,610,000**	**2,919,000**	**765,000**	**805,000**	**828,059**	**857,850**	**3,255,909**	**3,698,553**
Cost of Revenue (Non-GAAP)	298,710	415,426	444,000	480,000	534,000	141,000	145,000	149,153	153,662	588,815	660,552
Gross Profit (Non-GAAP)	**1,001,491**	**1,442,366**	**1,819,000**	**2,130,000**	**2,385,000**	**624,000**	**660,000**	**678,905**	**704,188**	**2,667,093**	**3,038,001**
R&D (Non-GAAP)	275,552	345,524	379,000	425,000	443,000	122,000	127,000	126,954	133,214	509,167	572,221
S&M (Non-GAAP)	602,288	866,680	849,000	806,000	886,000	249,000	241,000	269,933	260,480	1,020,413	1,101,834
G&A (Non-GAAP)	197,369	239,929	253,000	312,000	316,000	69,000	68,000	69,534	71,606	278,140	304,014
Total Operating Expenses (Non-GAAP)	1,075,209	1,452,133	1,509,000	1,543,000	1,619,000	433,000	434,000	466,421	465,300	1,798,721	1,978,069
Operating Income (Non-GAAP)	**(73,718)**	**(9,767)**	**310,000**	**587,000**	**766,000**	**191,000**	**226,000**	**212,485**	**238,888**	**868,373**	**1,059,932**
Margin %	-6%	-1%	14%	22%	26%	25%	28%	26%	28%	27%	29%
Other income (loss), net	4,047	16,412	(6,000)	(59,000)	(100,000)	(19,000)	(22,000)	16,872	17,490	(6,638)	81,329
[Non-GAAP] Earnings before taxes	**(69,671)**	**6,645**	**304,000**	**528,000**	**666,000**	**172,000**	**204,000**	**229,356**	**256,378**	**861,734**	**1,141,261**
Provision for income taxes	(1,285)	13,804	18,000	18,000	20,000	4,000	10,000	48,165	53,839	116,004	296,728
Net income (loss)	**(68,386)**	**(7,159)**	**286,000**	**510,000**	**646,000**	**168,000**	**194,000**	**181,192**	**202,539**	**745,730**	**844,533**
Net income attributable to common shareholders	(68,386)	(7,159)	286,000	510,000	646,000	168,000	194,000	181,192	202,539	745,730	844,533
Earnings (loss) per share - Basic	-$0.46	-$0.04	$1.75	$3.01	$3.67	$0.95	$1.11	$1.02	$1.14	$4.22	$4.64
Earnings (loss) per share - Diluted	**-$0.46**	**-$0.04**	**$1.60**	**$2.81**	**$3.50**	**$0.91**	**$1.05**	**$0.99**	**$1.10**	**$4.05**	**$4.45**
Balance Sheet	**2022**	**2023**	**2024**	**2025**	**2026**	**Q127**	**Q227**	**Q327E**	**Q427E**	**2027E**	**2028E**
Cash and cash equivalents	260,134	264,000	334,000	409,000	858,000	762,000	763,000	1,015,867	1,072,724	1,072,724	1,528,296
Short-term investments	2,241,657	2,316,000	1,868,000	2,114,000	1,695,000	1,827,000	1,536,000	1,367,373	1,435,522	1,435,522	1,833,669
Receivables	397,509	481,000	559,000	621,000	687,000	386,000	469,000	516,700	774,432	774,432	844,211
Other current assets	141,333	168,000	219,000	272,000	404,000	331,000	321,000	315,774	418,451	418,451	453,242
Total current assets	**3,040,633**	**3,229,000**	**2,980,000**	**3,416,000**	**3,644,000**	**3,306,000**	**3,089,000**	**3,215,715**	**3,701,128**	**3,701,128**	**4,659,417**
Total PPE	65,488	59,000	48,000	43,000	38,000	35,000	33,000	37,837	32,761	32,761	44,577
Other assets	6,099,574	6,019,000	5,961,000	5,978,000	6,028,000	6,006,000	6,016,000	5,963,552	5,994,747	5,994,747	5,972,232
Total assets	**9,205,695**	**9,307,000**	**8,989,000**	**9,437,000**	**9,710,000**	**9,347,000**	**9,138,000**	**9,217,103**	**9,728,636**	**9,728,636**	**10,676,225**
Accounts payable	20,203	12,000	12,000	13,000	12,000	14,000	10,000	14,051	13,459	13,459	15,113
Other current liabilities	1,222,603	1,453,000	1,770,000	2,510,000	2,542,000	2,298,000	2,015,000	2,029,890	2,456,966	2,456,966	2,790,967
Total current liabilities	**1,242,806**	**1,465,000**	**1,782,000**	**2,523,000**	**2,554,000**	**2,312,000**	**2,025,000**	**2,043,941**	**2,470,425**	**2,470,425**	**2,806,080**
Deferred revenue, non-current	22,933	18,000	23,000	27,000	30,000	23,000	30,000	28,730	33,393	33,393	38,525
Other liabilities, non-current	2,018,100	2,358,000	1,296,000	482,000	127,000	113,000	110,000	111,500	112,625	112,625	115,057
Total non-current liabilites	**2,041,033**	**2,376,000**	**1,319,000**	**509,000**	**157,000**	**136,000**	**140,000**	**140,230**	**146,018**	**146,018**	**153,582**
Total Liabilities	**3,283,839**	**3,841,000**	**3,101,000**	**3,032,000**	**2,711,000**	**2,448,000**	**2,165,000**	**2,184,171**	**2,616,444**	**2,616,444**	**2,959,662**
Total Equity	**5,921,856**	**5,466,000**	**5,888,000**	**6,405,000**	**6,999,000**	**6,899,000**	**6,973,000**	**7,032,932**	**7,112,192**	**7,112,192**	**7,716,564**
Total Liabilities and Equity	**9,205,695**	**9,307,000**	**8,989,000**	**9,437,000**	**9,710,000**	**9,347,000**	**9,138,000**	**9,217,103**	**9,728,636**	**9,728,636**	**10,676,225**
Balance Sheet Check	-	-	-	-	-	-	-	-	-	-	-
Cash Flow Statement	**2022**	**2023**	**2024**	**2025**	**2026**	**Q127**	**Q227**	**Q327E**	**Q427E**	**2027E**	**2028E**
Cash used for operating activities	104,119	85,918	512,000	750,000	884,000	277,000	234,000	220,272	250,265	981,537	1,141,870
Cash used for investing activities	(366,812)	(130,000)	441,000	(314,000)	271,000	(78,000)	271,000	156,206	(69,864)	279,342	(440,962)
Cash used for financing activities	89,066	47,995	(883,000)	(359,000)	(720,000)	(293,000)	(501,000)	(123,610)	(123,544)	(1,041,155)	(245,336)
Increase (decrease) in cash, cash equivalents, and re	**(175,974)**	**(2,087)**	**71,000**	**73,000**	**449,000**	**(96,000)**	**1,000**	**252,867**	**56,856**	**214,724**	**455,572**
cash, cash equivalents and restricted cash at beginnin	448,630	272,656	270,569	341,569	414,569	863,569	767,569	768,569	1,021,436	863,569	1,078,293
Cash, cash equivalents and restricted cash at end of	**272,656**	**270,569**	**341,569**	**414,569**	**863,569**	**767,569**	**768,569**	**1,021,436**	**1,078,293**	**1,078,293**	**1,533,865**
Cash flow from operations	**104,119**	**85,918**	**512,000**	**750,000**	**884,000**	**277,000**	**234,000**	**220,272**	**250,265**	**981,537**	**1,141,870**
FCF	**87,473**	**64,918**	**489,000**	**730,000**	**863,000**	**271,000**	**227,000**	**207,851**	**248,549**	**954,400**	**1,099,055**

Source: Company reports, Bernstein estimates and analysis

on 17-Sep-2026

EXHIBIT 12: **Fortinet Financial Model**

Fortinet $, millions Income Statement	12/31/2021 FY21	12/31/2022 FY22	12/31/2023 FY23	12/31/2024 FY24	12/31/2025 FY25	3/31/2026 Q126	6/30/2026 Q226	9/30/2026 Q326E	12/31/2026 Q426E	12/31/2026 FY26E	12/31/2027 FY27E	12/31/2028 FY28E
Total Revenue	**3,342**	**4,417**	**5,305**	**5,956**	**6,800**	**1,850**	**2,048**	**2,120**	**2,302**	**8,319**	**9,453**	**10,443**
Cost of Revenue (Non-GAAP)	753	1,047	1,197	1,115	1,272	351	390	412	473	1,626	1,850	2,054
Gross Profit (Non-GAAP)	**2,590**	**3,370**	**4,108**	**4,841**	**5,528**	**1,499**	**1,658**	**1,708**	**1,829**	**6,693**	**7,602**	**8,389**
R&D (Non-GAAP)	368	448	537	631	717	189	198	207	217	811	894	977
S&M (Non-GAAP)	1,230	1,575	1,890	1,932	2,207	600	628	652	704	2,584	2,919	3,204
G&A (Non-GAAP)	116	139	173	193	191	48	53	57	63	220	269	290
Total Operating Expenses (Non-GAAP)	1,713	2,162	2,601	2,756	3,115	837	879	916	984	3,615	4,081	4,471
Operating Income (Non-GAAP)	**876**	**1,208**	**1,507**	**2,085**	**2,413**	**662**	**779**	**792**	**845**	**3,078**	**3,521**	**3,918**
Margin %	26%	27%	28%	35%	35%	36%	38%	37%	37%	37%	37%	38%
Other income (loss), net	(22)	(14)	93	149	147	77	31	41	49	197	252	364
[Non-GAAP] Earnings before taxes	**854**	**1,194**	**1,600**	**2,234**	**2,560**	**739**	**810**	**833**	**894**	**3,274**	**3,773**	**4,283**
Provision for income taxes	179	203	272	380	463	133	146	150	161	589	679	771
Net income (loss)	**667**	**923**	**1,286**	**1,825**	**2,107**	**606**	**665**	**683**	**733**	**2,686**	**3,094**	**3,512**
Net income attributable to common shareholders	667	923	1,286	1,833	2,107	606	665	683	733	2,686	3,094	3,512
Earnings (loss) per share - Basic	4.10	1.46	1.65	2.40	2.78	0.82	0.91	0.93	0.99	3.65	4.15	4.63
Earnings (loss) per share - Diluted	**4.01**	**1.44**	**1.63**	**2.37**	**2.76**	**0.82**	**0.90**	**0.92**	**0.98**	**3.62**	**4.11**	**4.59**
Balance Sheet												
Cash and cash equivalents	1,319	1,683	1,398	2,876	2,495	2,224	2,935	3,466	3,558	3,558	5,466	7,032
Short-term investments	1,194	503	1,022	1,126	1,087	1,071	1,135	1,266	1,407	1,407	2,200	3,378
Receivables	808	1,262	1,402	1,463	1,691	1,486	1,456	1,429	2,034	2,034	2,224	2,572
Other current assets	280	363	607	506	627	552	683	718	778	778	838	1,221
Total current assets	**3,601**	**3,810**	**4,428**	**5,972**	**5,900**	**5,333**	**6,208**	**6,879**	**7,777**	**7,777**	**10,727**	**14,203**
Total PPE	688	899	1,044	1,350	1,619	1,692	1,700	1,785	1,880	1,880	2,052	2,244
Other assets	1,631	1,519	1,786	2,442	2,870	2,859	2,951	3,088	3,279	3,279	4,174	5,471
Total assets	**5,919**	**6,228**	**7,259**	**9,763**	**10,389**	**9,884**	**10,859**	**11,752**	**12,936**	**12,936**	**16,954**	**21,917**
Accounts payable	148	243	204	191	231	239	283	269	272	272	285	288
Other current liabilities	441	46	-	-	340	340	399	531	672	672	1,464	2,643
Total current liabilities	**2,318**	**3,078**	**3,719**	**4,061**	**5,034**	**4,624**	**4,841**	**4,883**	**5,093**	**5,093**	**5,685**	**6,373**
Deferred revenue, non-current	1,676	2,291	2,886	3,085	3,480	3,625	3,834	4,006	4,249	4,249	4,561	5,300
Other liabilities, non-current	1,144	1,140	1,117	1,124	638	645	633	633	633	633	633	633
Total non-current liabilites	**2,819**	**3,431**	**4,003**	**4,209**	**4,118**	**4,270**	**4,467**	**4,640**	**4,882**	**4,882**	**5,194**	**5,933**
Total Liabilities	**5,137**	**6,510**	**7,722**	**8,269**	**9,152**	**8,894**	**9,308**	**9,523**	**9,975**	**9,975**	**10,879**	**12,306**
Total Equity	**782**	**(282)**	**(463)**	**1,494**	**1,238**	**990**	**1,551**	**2,230**	**2,961**	**2,961**	**6,074**	**9,611**
Total Liabilities and Equity	**5,919**	**6,228**	**7,259**	**9,763**	**10,389**	**9,884**	**10,859**	**11,752**	**12,936**	**12,936**	**16,954**	**21,917**
Cash Flow Statement												
Cash used for operating activities	1,500	1,731	1,936	2,258	2,591	1,077	1,044	921	512	3,554	3,854	4,322
Cash used for investing activities	(1,325)	764	(649)	(727)	(599)	(6)	(185)	(390)	(420)	(1,001)	(1,946)	(2,756)
Cash used for financing activities	83	(2,130)	(1,570)	(50)	(2,372)	(1,343)	(148)	-	-	(1,491)	-	-
Increase (decrease) in cash, cash equivalents, and restricted cash	**257**	**364**	**(285)**	**1,478**	**(381)**	**(272)**	**711**	**531**	**92**	**1,062**	**1,908**	**1,567**
cash, cash equivalents and restricted cash at beginning of period	1,062	1,319	1,683	1,398	2,876	2,495	2,224	2,935	3,466	2,495	3,558	5,466
Cash, cash equivalents and restricted cash at end of period	**1,319**	**1,683**	**1,398**	**2,876**	**2,495**	**2,224**	**2,935**	**3,466**	**3,558**	**3,558**	**5,466**	**7,032**
FCF	1,204	1,449	1,731	1,879	2,226	1,007	966	794	374	3,140	3,494	3,923

Source: Company reports, Bernstein estimates and analysis

on 17-Sep-2026

EXHIBIT 13: **Cloudflare Financial Summary**

Cloudflare In thousands Income Statement	FY2022	FY2023	FY2024	FY2025	Q126	Q226	Q326E	Q426E	FY2026E	FY2027E	FY2028E
Total Revenue	975,241	1,296,745	1,669,626	2,167,937	639,755	696,061	768,444	840,201	2,944,461	4,037,384	5,227,068
Cost of Revenue (Non-GAAP)	212,396	280,943	356,021	524,748	174,053	187,183	206,648	225,105	792,989	1,078,318	1,376,451
Gross Profit (Non-GAAP)	762,845	1,015,802	1,313,605	1,643,189	465,702	508,878	561,796	615,096	2,151,472	2,959,067	3,850,617
S&M (Non-GAAP)	410,080	520,106	633,365	781,143	227,526	232,452	236,486	249,926	946,389	1,270,793	1,536,483
R&D (Non-GAAP)	182,344	218,069	269,438	337,867	101,471	104,051	108,966	121,407	435,895	516,882	669,983
G&A (Non-GAAP)	134,742	155,610	180,691	220,328	63,608	76,264	84,195	87,856	311,922	399,307	480,607
Total Operating Expenses (Non-GAAP)	727,166	893,785	1,083,494	1,339,338	392,605	412,767	429,646	459,189	1,694,207	2,186,982	2,687,073
Operating Income (Non-GAAP)	35,679	122,017	230,111	303,851	73,097	96,111	132,149	155,908	457,265	772,085	1,163,544
Margin %	4%	9%	14%	14%	11%	14%	17%	19%	16%	19%	22%
Other income (loss), net	15,129	62,442	87,849	121,569	43,019	40,195	39,271	40,211	162,696	175,306	208,612
[Non-GAAP] Earnings before taxes	**50,808**	**184,459**	**317,960**	**425,420**	**116,116**	**136,306**	**171,421**	**196,119**	**619,961**	**947,390**	**1,372,157**
Provision for income taxes	6,370	14,785	48,947	82,538	22,100	28,526	34,284	39,224	124,134	189,478	**274,431**
Net income (loss)	44,438	169,674	269,013	342,882	94,016	107,780	137,136	156,895	495,828	757,912	**1,097,725**
Noncontrolling Interest											
Net income attributable to common shareholders	**44,438**	**169,674**	**269,013**	**342,882**	**94,016**	**107,780**	**137,136**	**156,895**	**495,828**	**757,912**	**1,097,725**
Earnings (loss) per share - Basic	0.14	0.51	0.79	0.98	0.27	0.30	0.39	0.44	1.39	2.09	2.97
Earnings (loss) per share - Diluted	0.13	0.49	0.75	0.92	0.25	0.29	0.37	0.42	1.32	1.98	2.81
Balance Sheet											
Cash and cash equivalents	204,178	86,864	147,691	943,536	932,226	1,663,773	621,076	675,652	675,652	1,103,181	1,188,944
Short-term investments	1,445,759	1,586,880	1,708,228	3,157,715	3,231,652	2,499,025	3,639,782	3,748,505	3,748,505	4,018,852	5,043,869
Receivables	148,544	248,268	316,753	382,488	379,586	422,945	467,748	547,957	547,957	817,710	1,021,159
Other current assets	89,403	61,065	96,325	161,098	172,192	192,632	210,479	226,468	226,468	290,619	346,772
Total current assets	1,887,884	1,983,077	2,268,997	4,644,837	4,715,656	4,778,375	4,939,086	5,198,581	5,198,581	6,230,363	7,600,744
Total PPE	286,600	322,813	467,420	618,691	631,082	703,209	782,157	857,202	857,202	1,057,217	1,258,339
Other assets	413,424	453,877	564,745	772,728	817,239	992,543	985,945	996,349	996,349	1,019,147	1,038,844
Total assets	**2,587,908**	**2,759,767**	**3,301,162**	**6,036,256**	**6,163,977**	**6,474,127**	**6,707,188**	**7,052,133**	**7,052,133**	**8,306,727**	**9,897,927**
Accounts payable	35,607	53,727	105,807	84,115	58,843	127,032	85,355	88,084	88,084	120,430	148,131
Other current liabilities	362,263	513,357	687,847	2,266,448	2,351,828	2,501,002	2,605,809	2,755,176	2,755,176	3,060,478	3,317,781
Total current liabilities	**397,870**	**567,084**	**793,654**	**2,350,563**	**2,410,671**	**2,628,034**	**2,691,163**	**2,843,260**	**2,843,260**	**3,180,909**	**3,465,912**
Deferred revenue, non-current	11,732	17,244	22,095	41,088	39,874	40,252	48,258	55,285	55,285	65,507	74,724
Other liabilities, non-current	1,554,342	1,412,392	1,439,212	2,185,482	2,186,724	2,185,821	2,188,262	2,190,704	2,190,704	2,200,493	2,210,311
Total non-current liabilites	1,566,074	1,429,636	1,461,307	2,226,570	2,226,598	2,226,073	2,236,520	2,245,990	2,245,990	2,266,001	2,285,035
Total Liabilities	1,963,944	1,996,720	2,254,961	4,577,133	4,637,269	4,854,107	4,927,684	5,089,250	5,089,250	5,446,909	5,750,947
Redeemable Preferred Stock	-	-	-	-	-	-	-	-	-	-	-
Total Equity	**623,964**	**763,047**	**1,046,201**	**1,459,123**	**1,526,708**	**1,620,020**	**1,779,504**	**1,962,883**	**1,962,883**	**2,859,818**	**4,146,980**
Total Liabilities and Equity	**2,587,908**	**2,759,767**	**3,301,162**	**6,036,256**	**6,163,977**	**6,474,127**	**6,707,188**	**7,052,133**	**7,052,133**	**8,306,727**	**9,897,927**
Cash Flow											
Cash used for operating activities	123,595	254,406	380,429	603,114	158,330	117,564	237,813	305,999	819,706	1,205,330	1,685,122
Cash used for investing activities	(235,696)	(186,201)	(330,224)	(1,806,700)	(158,806)	608,174	(1,284,239)	(255,547)	(1,090,418)	(795,651)	(1,622,138)
Cash used for financing activities	6,347	(192,185)	12,785	2,003,729	(9,468)	5,785	3,729	4,123	4,169	17,850	22,779
Increase (decrease) in cash, cash equivalents, and restricted cash	(105,754)	(123,980)	62,990	800,143	(9,944)	731,523	(1,042,697)	54,575	(266,542)	427,530	85,763
cash, cash equivalents and restricted cash at beginning of period	320,958	215,204	91,224	154,214	954,357	944,413	1,675,936	633,239	954,357	687,815	1,115,344
Cash, cash equivalents and restricted cash at end of period	215,204	91,224	154,214	954,357	944,413	1,675,936	633,239	687,815	687,815	1,115,344	1,201,107
Cash flow from operations	123,595	254,406	380,429	603,114	158,330	117,564	237,813	305,999	819,706	1,205,330	1,685,122
FCF	(39,769)	119,464	166,915	260,562	84,074	56,384	94,332	159,174	393,964	680,028	1,088,000

Source: Company reports, Bernstein estimates and analysis