



## Palo Alto Networks Announces Intent to Acquire Demisto

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Planned acquisition expands analytics and automation capabilities; enables company to continue accelerating its Application Framework strategy

SANTA CLARA, Calif., Feb. 19, 2019 /PRNewswire/ -- Palo Alto Networks (NYSE: PANW), the global cybersecurity leader, announced that it has entered into a definitive agreement to acquire Demisto, a leading security company in the security orchestration, automation and response (SOAR) space. Under the terms of the agreement, Palo Alto Networks will acquire Demisto for a total purchase price of \$560 million, subject to adjustment, to be paid in cash and stock. The proposed acquisition is expected to close during Palo Alto Networks fiscal third quarter, subject to the satisfaction of regulatory approvals and other customary closing conditions.

The addition of Demisto's orchestration and automation technologies will accelerate Palo Alto Networks Application Framework strategy and serve as a critical step forward in the company's aim to deliver immediate threat prevention and response for security teams. Demisto's automated playbooks have helped reduce alerts that require human review by as much as 95 percent, allowing security teams to focus on the most complex threats. This well-developed approach will bring Palo Alto Networks closer to using AI and machine learning to help further automate significant parts of the company's customers' security operations.

Demisto has developed a highly effective go-to-market strategy that has enabled it to attract more than 150 customers, a quarter of which are in the Fortune 500 and include large organizations in healthcare, high technology, financial services and other industry verticals. Demisto plans to continue executing against the company's aggressive growth plans and leverage Palo Alto Networks distribution to achieve its ambitious goals. At the same time, Demisto will work closely with the Palo Alto Networks team to strengthen its existing integration with the Application Framework.

### QUOTES:

- "We are delighted to welcome Demisto into the Palo Alto Networks family. Coupled with our Application Framework, Demisto will help us strengthen our commitment to security teams by delivering a platform that provides higher levels of integration, automation, and innovation to prevent successful cyberattacks."  
- Nikesh Arora, chairman and CEO of Palo Alto Networks
- "We have dedicated ourselves to the challenge of automation because we believe that relying on people alone to combat threats will fail against the scale of today's attacks. Palo Alto Networks strategy resonates with our own vision. And we have found a like-minded team that shares our conviction that the future of security is all about automation and AI. We're thrilled to be joining them to help make it a reality."  
- Slavik Markovich, CEO of Demisto

Demisto's products will continue to be available to customers and partners after the transaction closes. Demisto founders, Slavik Markovich, Rishi Bhargava, Dan Sarel and Guy Rinat, will join Palo Alto Networks.

### Conference Call Information

Palo Alto Networks will host a conference call for analysts and investors to discuss the acquisition today at 8:30 a.m. Eastern time/5:30 a.m. Pacific time. Open to the public, investors may access the call by dialing 1-877-260-1479 or 1-334-323-0522 and using conference ID 1060649. A live audio webcast of the conference call will also be accessible from the "Investors" section of our website at [investors.paloaltonetworks.com](http://investors.paloaltonetworks.com). Following the webcast, an archived version will be available on our website for one year. A telephonic replay of the call will be available three hours after the call, will run for ten days, and may be accessed by dialing 1-888-203-1112 or 1-719-457-0820 and entering the passcode 1060649.

### About Demisto

Demisto's Security Orchestration, Automation and Response (SOAR) Platform combines orchestration, incident management and interactive investigation into a seamless experience. Demisto's orchestration engine automates security product tasks and weaves in human analyst tasks and workflows. Demisto Enterprise, powered by its machine learning technology, acquires knowledge from the real-life analyst interactions and past investigations to help SOC teams with analyst assignment suggestions, playbook enhancements, and best next steps for investigations. The platform (and you) get smarter with every analyst action. For more information, visit [www.demisto.com](http://www.demisto.com) or email [info@demisto.com](mailto:info@demisto.com).

### About Palo Alto Networks

We are the global cybersecurity leader, known for always challenging the security status quo. Our mission is to protect our way of life in the digital age by preventing successful cyberattacks. This has given us the privilege of safely enabling tens of thousands of organizations and their customers. Our pioneering Security Operating Platform emboldens their digital transformation with continuous innovation that seizes the latest breakthroughs in security, automation, and analytics. By delivering a true platform and empowering a growing ecosystem of change-makers like us, we provide highly effective and innovative cybersecurity across clouds, networks, and mobile devices.

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### Forward-Looking Statements

This press release contains "forward-looking" statements that are based on our management's beliefs and assumptions and on information currently available to management. Such forward-looking statements include statements regarding our intention to acquire Demisto, Inc., expectations regarding the timing of when the acquisition will be completed, the expected benefits of the acquisition of Demisto to us, our market position, and our customers, the expected impact of the acquisition on our offerings, our expectations regarding our existing and acquired offerings performing as intended, our integration plans, the Demisto members of management expected to join us, and our expectations about the availability of Demisto's products to customers and partners post-closing. These forward-looking statements are subject to the safe harbor provisions created by the Private Securities Litigation Reform Act of 1995. There are a significant number of factors that could cause actual results to differ materially from statements made in this press release, including risks associated with new product and subscription releases, including our limited operating history; risks associated with managing our rapid growth; our ability as an organization to successfully integrate Demisto and acquire and integrate other companies, products or technologies in a successful manner; the risks associated with new products and subscription and support offerings, including the discovery of software bugs; our ability to attract and retain new customers; delays in the development or release of new subscription offerings, or the failure to timely develop and achieve market acceptance of new products and subscriptions as well as existing products and subscription and support offerings; rapidly evolving technological developments in the market for network security products and subscription and support offerings; length of sales cycles; and general market, political, economic and business conditions. Additional risks and uncertainties are included under the captions "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations," in our quarterly report on Form 10-Q filed with the Securities and Exchange Commission ("SEC") on November 30, 2018, which is available on our website at [investors.paloaltonetworks.com](http://investors.paloaltonetworks.com) and on the SEC's website at [www.sec.gov](http://www.sec.gov). Additional information will also be set forth in other filings that we make with the SEC from time to time. All forward-looking statements in this press release are based on information available to us as of the date hereof, and we do not assume any obligation to update the forward-looking statements provided to reflect events that occur or circumstances that exist after the date on which they were made or to update the reasons why actual results could differ materially from those anticipated in the forward-looking statements, even if new information becomes available in the future.

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