



Q3 Fiscal Year 2026 Earnings Call



June 2, 2026

Safe Harbor

This presentation contains “forward-looking” statements within the meaning of Section 27A of the Securities Act and Section 21E of the Exchange Act. All statements other than statements of historical or current facts, including, without limitation, statements regarding the cybersecurity threat landscape, our platformization strategy and related progress and opportunities, expectations regarding annual recurring revenue, remaining performance obligation, product development strategy and expectations regarding artificial intelligence (AI), financial outlook for the fourth quarter of fiscal 2026 and fiscal year 2026, mid- and long-term financial expectations, the expected future benefits of our acquisitions, the integration of capabilities from our recent acquisitions and the benefits they will deliver, the proposed accretion to free cash flow, revenue growth, annual recurring revenue growth, remaining performance obligation, and gross margin, the timing and amount of the synergies from our acquisitions, modeling points, business and economic conditions and challenges, and other financial, operational and business expectations, made in this presentation are forward-looking. We use words such as “anticipates,” “believes,” “continue,” “estimate,” “expects,” “future,” “intends,” “may,” “plan,” and similar expressions to identify forward-looking statements, although not all forward-looking statements contain these identifying words. Actual results could differ materially for a variety of reasons that are beyond our control and changing rapidly.

There are a significant number of factors that could cause actual results to differ materially from forward-looking statements made or implied in this presentation, including: developments and changes in general or worldwide market, geopolitical, economic, and business conditions; failure of our platformization product offerings; failure to achieve the expected benefits of our strategic partnerships and acquisitions; changes in the fair value of our contingent consideration liability associated with acquisitions; changes in the fair value of our senior convertible notes and capped call transactions, our ability to successfully integrate the businesses, operations and technologies of companies and businesses that we acquire; the risk that the expected benefits and synergies of our acquisitions may not be fully achieved in a timely manner, or at all; the risk that we will be unable to retain and hire key personnel; significant and/or unanticipated difficulties, liabilities or expenditures relating to our acquisitions; the effect of the announcement, pendency or completion of acquisitions on our (including the companies that we acquire) business relationships and business operations generally; the effect of our acquisitions on our common share price and uncertainty as to the long-term value of our common stock; risks related to disruption of management time from ongoing business operations due to our acquisitions; risks associated with managing our growth; risks associated with new product, subscription and support offerings, including our product offerings that leverage or incorporate AI and the expansion of our offerings into new categories, such as the identity security and observability spaces; shifts in priorities or delays in the development or release of new product or subscription or other offerings, or the failure to timely develop and achieve market acceptance of new products and subscriptions as well as existing products, subscriptions and support offerings; failure of our business strategies; rapidly evolving technological developments in the market for security products, subscriptions and support offerings; defects, errors, or vulnerabilities in our products, subscriptions, or support offerings; our customers’ purchasing decisions and the length of sales cycles; our competition; our ability to attract and retain new customers; our ability to acquire and integrate other companies, products, or technologies in a successful manner; our debt repayment obligations; and our share repurchase program, which may not be fully consummated or enhance shareholder value, and any share repurchases which could affect the price of our common stock.

For additional risks and uncertainties on these and other factors that could affect our financial results and cause actual results to differ materially from those described in the forward-looking statements we make in this presentation are included under the captions “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and elsewhere in our Quarterly Report on Form 10-Q filed with the U.S. Securities and Exchange Commission (the “SEC”) on February 18, 2026, which is available on our website at investors.paloaltonetworks.com and on the SEC’s website at www.sec.gov. Additional information will also be set forth in other documents that we file with or furnish to the SEC from time to time. All forward-looking statements in this presentation are based on our current beliefs and information available to management as of the date hereof and are inherently uncertain, 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.

Non-GAAP Financial Measures

All information in this presentation is as of June 2, 2026. This presentation contains non-GAAP financial measures and key metrics relating to the company’s past and expected future performance. We have not reconciled diluted non-GAAP earnings per share guidance to GAAP earnings per diluted share, non-GAAP operating margin to GAAP operating margin or adjusted free cash flow margin guidance to GAAP net cash from operating activities because we do not provide guidance on GAAP operating margin, GAAP net income (loss) or net cash from operating activities and would not be able to present the various reconciling cash and non-cash items between GAAP and non-GAAP financial measures because certain items that impact these measures are uncertain or out of our control, or cannot be reasonably predicted, including share-based compensation expense, without unreasonable effort. The actual amounts of such reconciling items will have a significant impact on the company's GAAP net income per diluted share and GAAP net cash from operating activities.

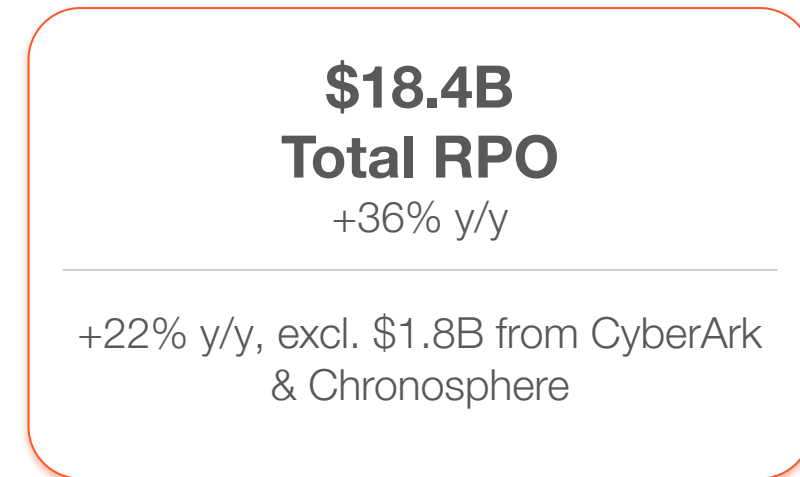
Nikesh Arora

CEO & CHAIRMAN

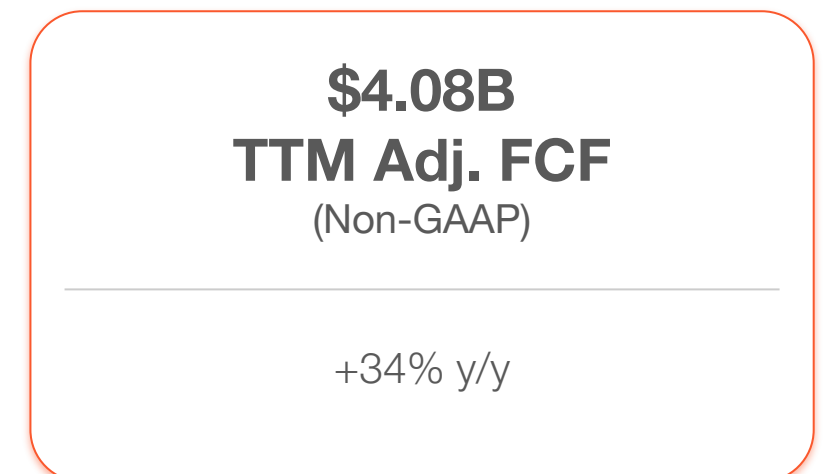
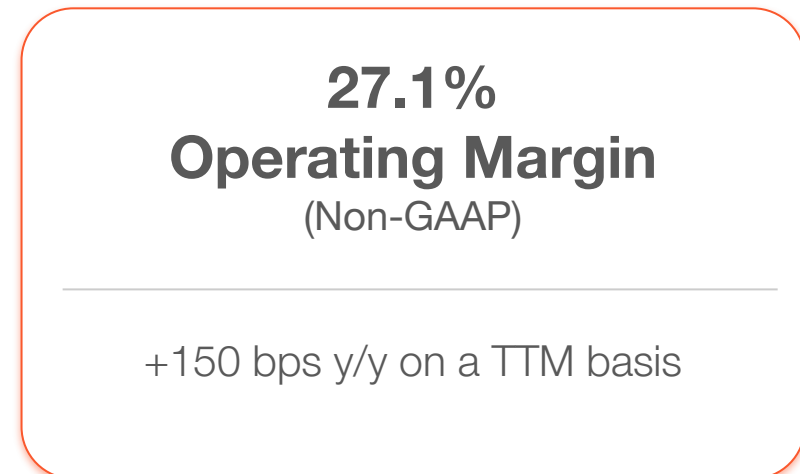


Q3'26 at a Glance: We Delivered Accelerating Growth in our Organic Business and Across the Overall Company

Acceleration in Organic Bookings & Net New NGS ARR Growth



Strong Free Cash Flow Growth & Margin Expansion



Note: Organic Business represents Total Palo Alto Networks less contribution from CyberArk and Chronosphere.

¹Our Next-Generation Security Annualized Recurring Revenue ("NGS ARR") represents the annualized allocated revenue of all active contracts as of the final day of the reporting period related to all product, subscription and support offerings, excluding revenue from hardware products, and legacy attached subscriptions, support offerings and professional services. Reconciliations of historical non-GAAP measures can be found in the Appendix. Fiscal year ending on July 31.

The Latest Frontier AI Models like Mythos Are A Game Changer For Cybersecurity

Frontier AI can now find and exploit vulnerabilities at a speed and scale never before possible, requiring AI based defense built into sensors (endpoints, firewalls, cloud, browsers)

Securing known vulnerabilities is necessary, but not sufficient. The longer term solution is real time AI SOC's which can detect intrusions in real time and defend AI attacks with AI

AI Defense like all things AI - requires data, for training, anomaly detection and accurate defense - platformization is the only answer, fragmented Cybersecurity is the enemy

After Mythos released, we launched Unit 42 Frontier AI Defense to prepare our customers against frontier AI threat

>800

Customer meetings

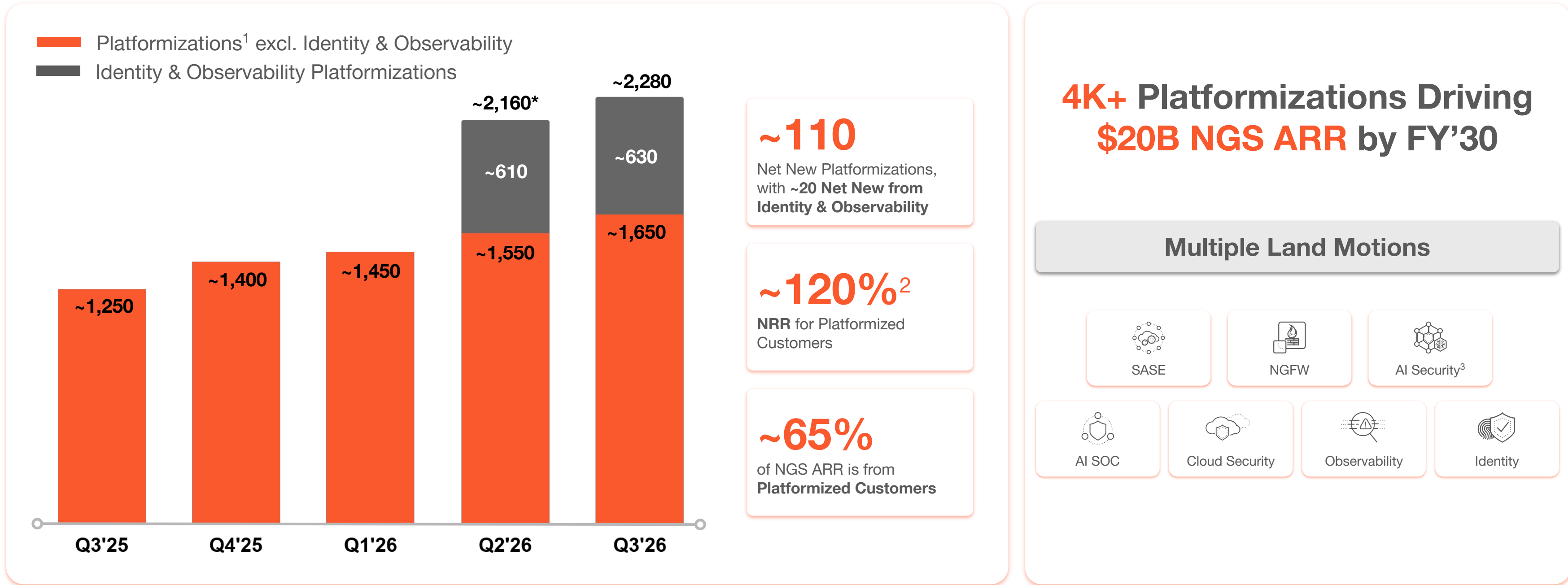
>240

*Customers interested in
Cortex*

>150

*Customers interested in
Agentic Endpoint Security*

Our Q3 Results Were Driven By Continued Momentum in Platformization



* Reflects pro forma platformizations, inclusive of Observability platformizations and pro forma Identity platformizations, assuming the CyberArk acquisition had closed at the end of our Q2'26.

¹ Platformization/Platformized defined as: Active ELA contract or >\$1M SASE ARR; >\$1M ARR for Cloud Security; active XSIAM contract or >\$100K QRadar SIEM ARR with Cortex XDR/XSOAR for Security Operations; >\$500k Identity Security ARR; >\$500k Observability ARR. Total Platformizations defined as a count of all platformizations across customers, with each customer having a maximum of five Platformizations. Platformizations are counted within our 5,000 largest customers, based on ARR as of the final day of the reporting period.

² Excludes the contribution of Identity and Observability.

³ Starting in Q4'26, customers can Platformize in AI Security by having >\$500k SWFW ARR with Prisma AIRS.

Select Q3 Deals Show Our Platformization Strategy in Action

Leading Frontier AI Lab

>\$200M ARR

Leading frontier AI lab expanded with us for **observability across its most demanding compute environments.**

Fortune 500 Power Producer

~\$80M Deal

Leading U.S. electric utility powering the AI data center buildout expanded their **next-gen firewall spend** & selected **SASE** for >25k employees

Customers¹ with
>\$5M NGS ARR

195 | +51% y/y

Global Consulting Leader

>\$20M Deal

Leading global consulting firm selected **Prisma AIRS** to secure AI apps & agents consuming >2T monthly tokens

Global Telco Leader

~\$40M Deal

Global telco provider **purchased XSIAM** for AI SOC modernization and consolidated multiple point products

Customers¹ with
>\$10M NGS ARR

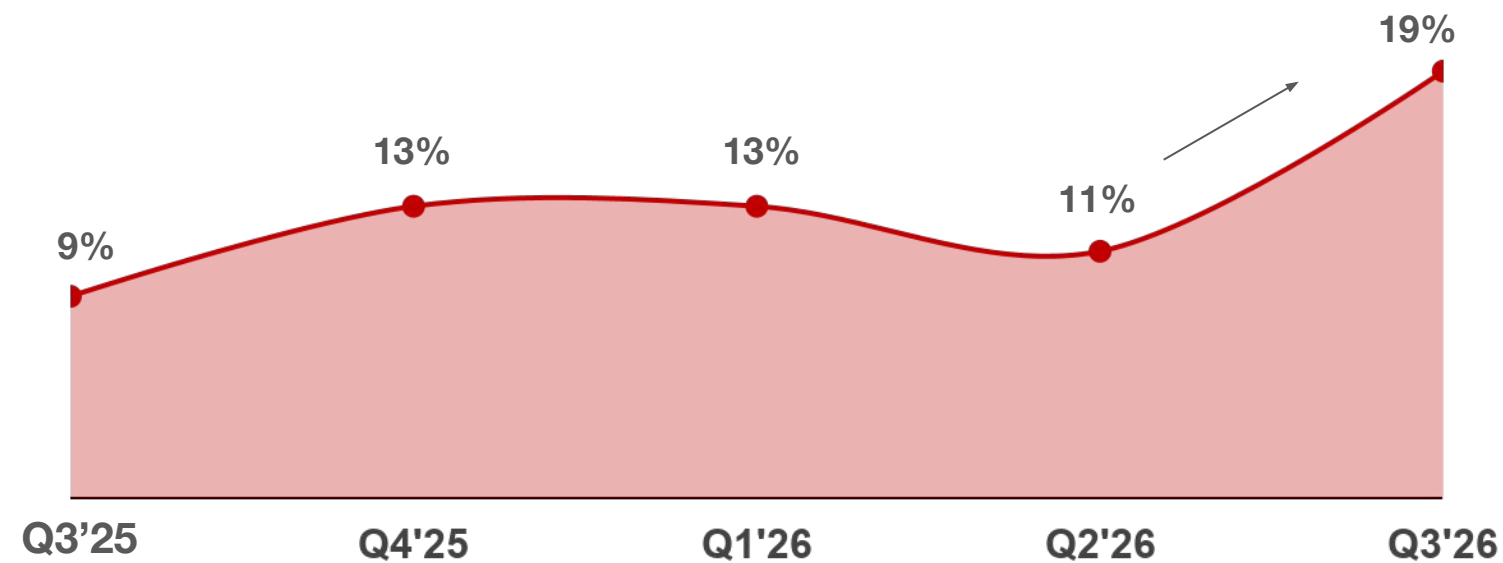
67 | +49% y/y

¹ Customer counts and growth rates excludes customers from CyberArk and Chronosphere.

NetSec: AI Is Driving the Need for More Network Traffic Inspection – a Multi-Year Tailwind for our Largest Business

Firewall: Securing the Growth in AI Traffic Across Hardware & Software

TTM Firewall Bookings Growth (HW+SW), y/y



>\$2B TTM Firewall Bookings (Hardware & Software) in Q3'26

Q3 Hardware NGFW Bookings Growth

~40% y/y

Early AI data center demand

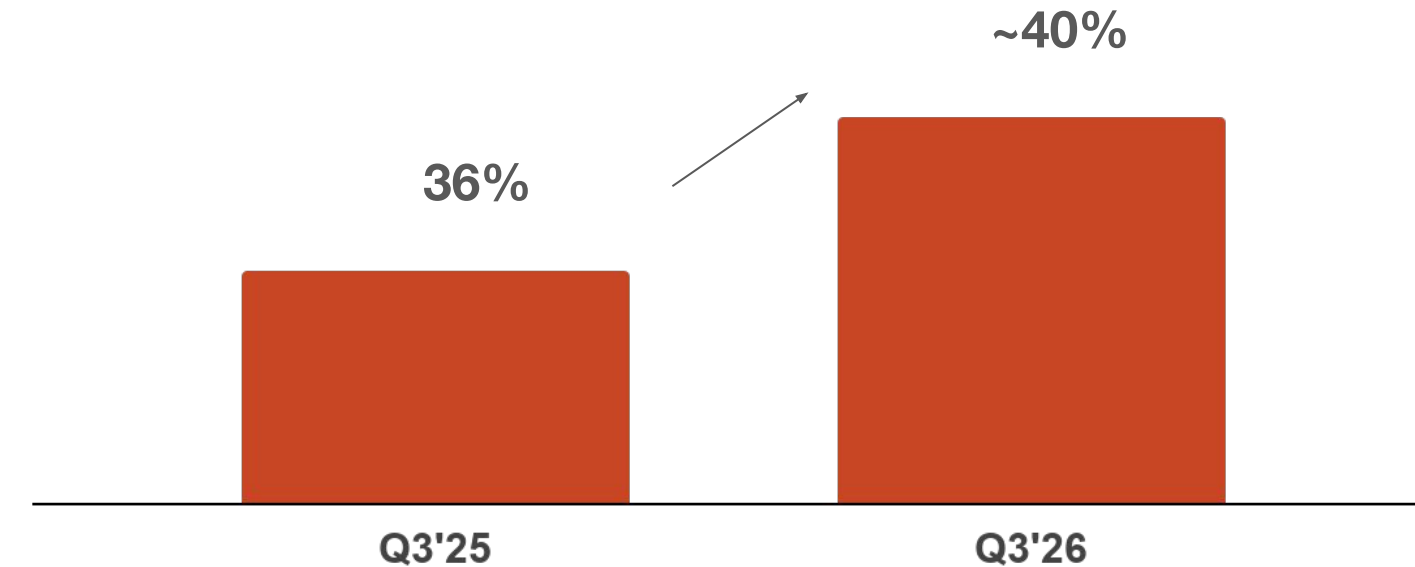
Q3 Software Firewall ARR Growth

25% y/y

Securing AI & cloud deployments at scale

SASE: We Continued to Gain Share & Remain the Fastest Growing Vendor at Scale

SASE ARR Growth, y/y



>2x Market Growth¹

Q3'26 SASE ARR²

\$1.6B

up ~40% y/y

Growth in Competitive Displacements

56% y/y

Totaling ~\$200M in Contract Value YTD³

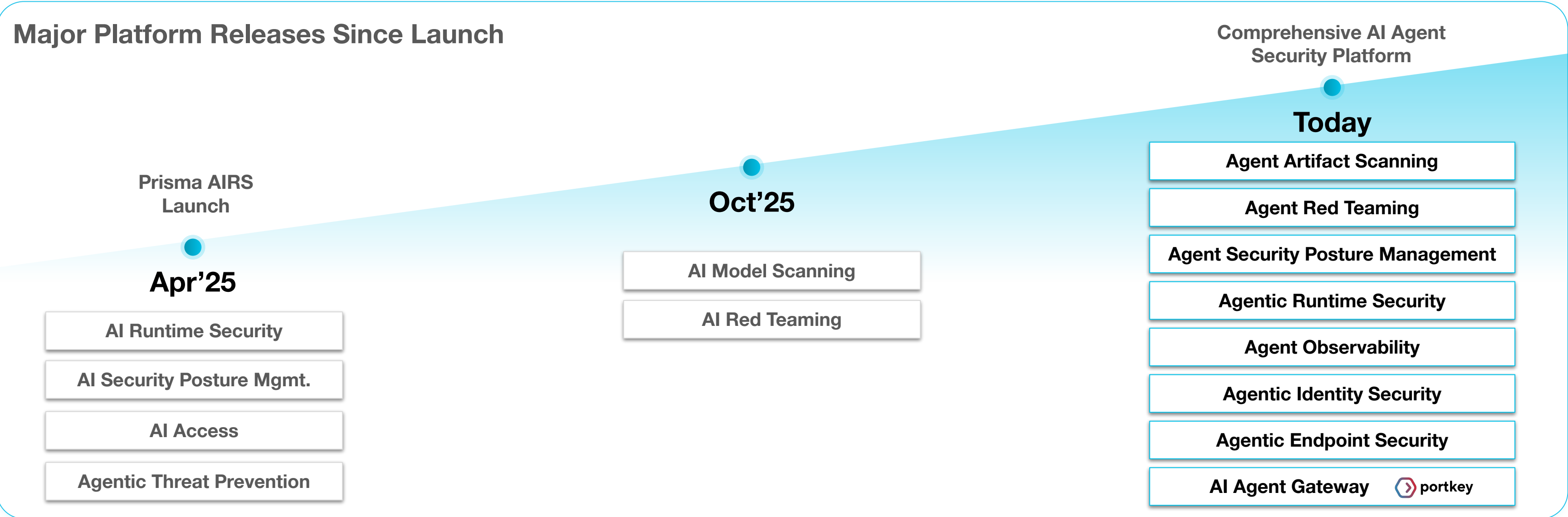
¹ Based on Worldwide SASE Market growth, Dell'Oro Group, published Jan. 2026, which reports market growth based on revenue growth..

² SASE ARR includes Prisma Access and Prisma SD-WAN, PANOS SD-WAN, SaaS Security, DLP, and Prisma Access Agent subscriptions.

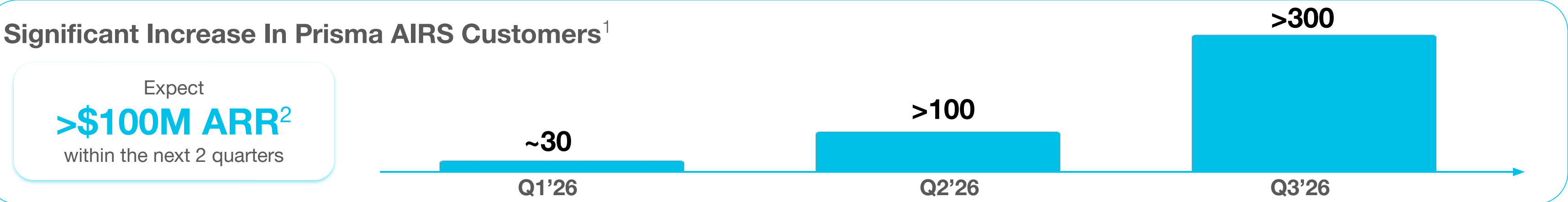
³ Growth rate for competitive displacements is for Prisma Access only and based on cumulative Q1-Q3'FY26 displacements compared to cumulative Q1-Q3'FY25 displacements.

Spotlight | Prisma AIRS Has Rapidly Established Itself As The Industry's Leading AI Security Platform

Major Platform Releases Since Launch



Significant Increase In Prisma AIRS Customers¹



¹ Prisma AIRS customer count is based on customers with a booked quote for software NGFW credits that included Prisma AIRS.

² Prisma AIRS ARR is based on the portion of software NGFW credits purchased by a customer and allocated to Prisma AIRS on the booked quote. Customers may elect to consume purchased software NGFW credits flexibly across several NGFW products and services.

Cortex: XSIAM is Becoming the Long Term Answer to Frontier Model Threats While AI Applications Are Driving Demand in Observability

XSIAM: Unifying Security Data for the AI SOC

>\$600M

XSIAM ARR,
up ~100% y/y

>740

Customers,
up >150% y/y

>17 PB

Daily data ingestion¹,
up ~50% y/y

Next-Gen Observability: Scaling with Growing AI Data & Infrastructure

>\$300M

Observability ARR,
>\$100M net new ARR q/q

2 out of Top 5

AI labs are customers

~80%

TTM new logos purchased multiple products

¹ Reflects data ingested into XSIAM and XDR daily.
Net New ARR represents the sequential change in ARR from prior quarter.

CyberArk Performance is Tracking Ahead of Plan in Our First Quarter Post Close

Sustaining Strong ARR Growth Trajectory...

>\$1.3B

NGS ARR

27% y/y¹

ARR Growth

Driving Go-to Market Excellence²

~1k

Cross-org engagements initiated between core PANW and CyberArk sales orgs

~300

Shared leads sourced across both PANW and CyberArk sales teams

...And Delivering Ahead of Synergy Targets

Synergy Targets

3-6

months ahead of plan

¹ Growth rate based on April'26 Identity subscription ARR compared to April'25 CyberArk subscription ARR, each using CyberArk previous ARR definition described in the Appendix.

² Based on recorded cross-sell engagements and shared leads through May 27, 2026

AI is Reshaping Cybersecurity, and We Are Positioned to Lead It

AI multiplies the traffic and machine activity we inspect in-line — a structural tailwind cementing **Network Security**, our largest business, as critical infrastructure

Attackers now move at machine speed; human-speed tools can't keep up. **Real-time defense** depends on **consolidating security data** and letting **AI** act on it instantly

As agents act alongside people in a hybrid world, each can log in and act on its own — making **Identity Security** a critical line of defense.

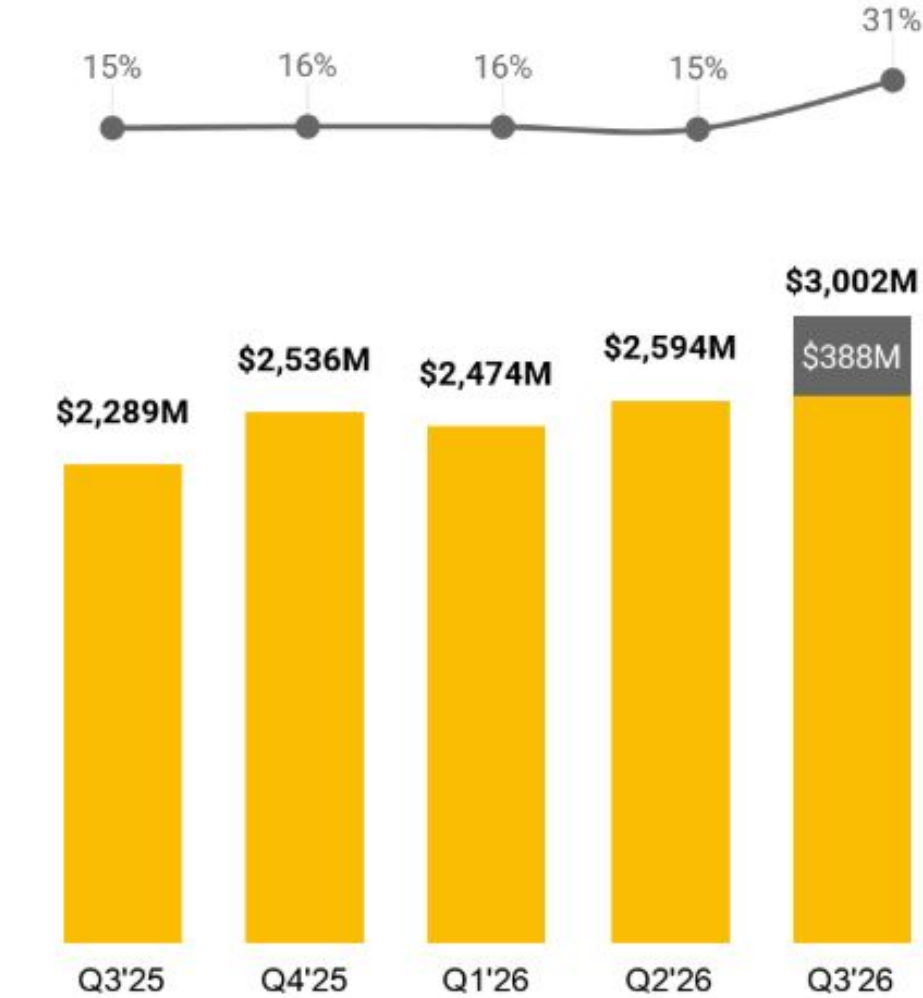
Dipak Golechha

CHIEF FINANCIAL OFFICER



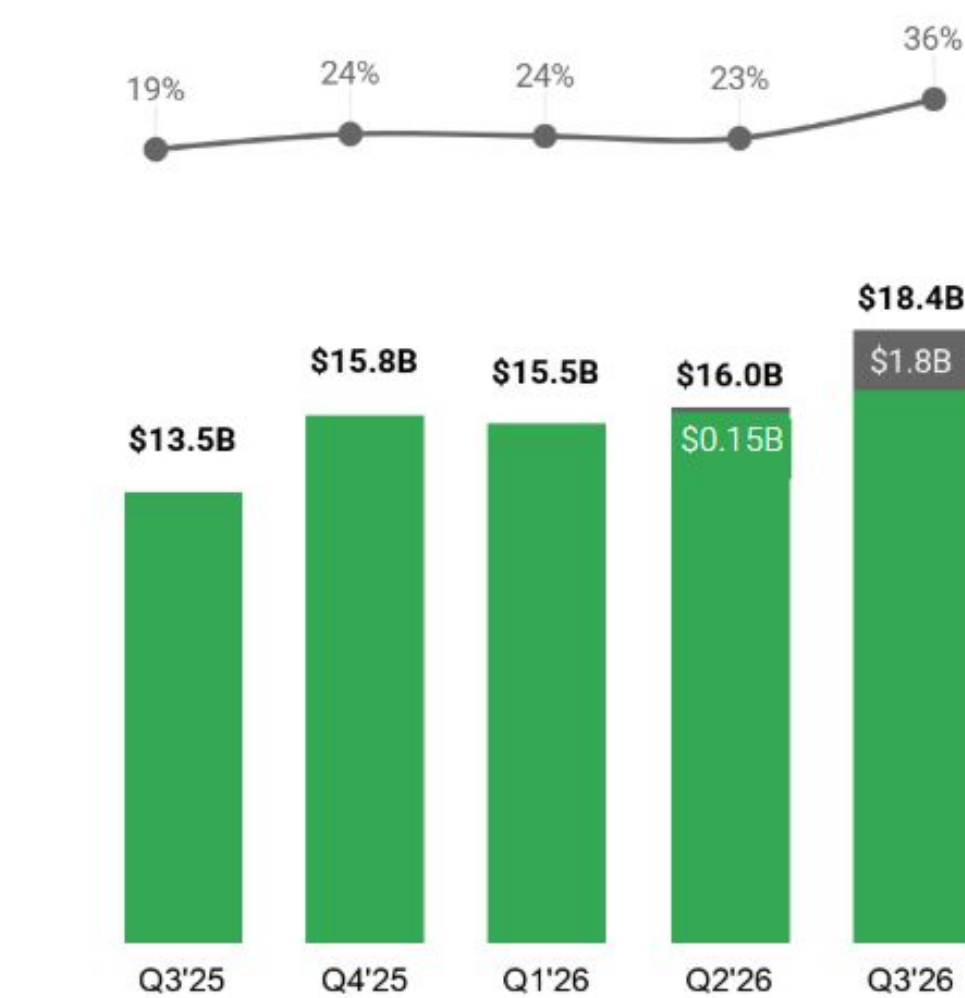
Q3'26 Top Line Results

Revenue



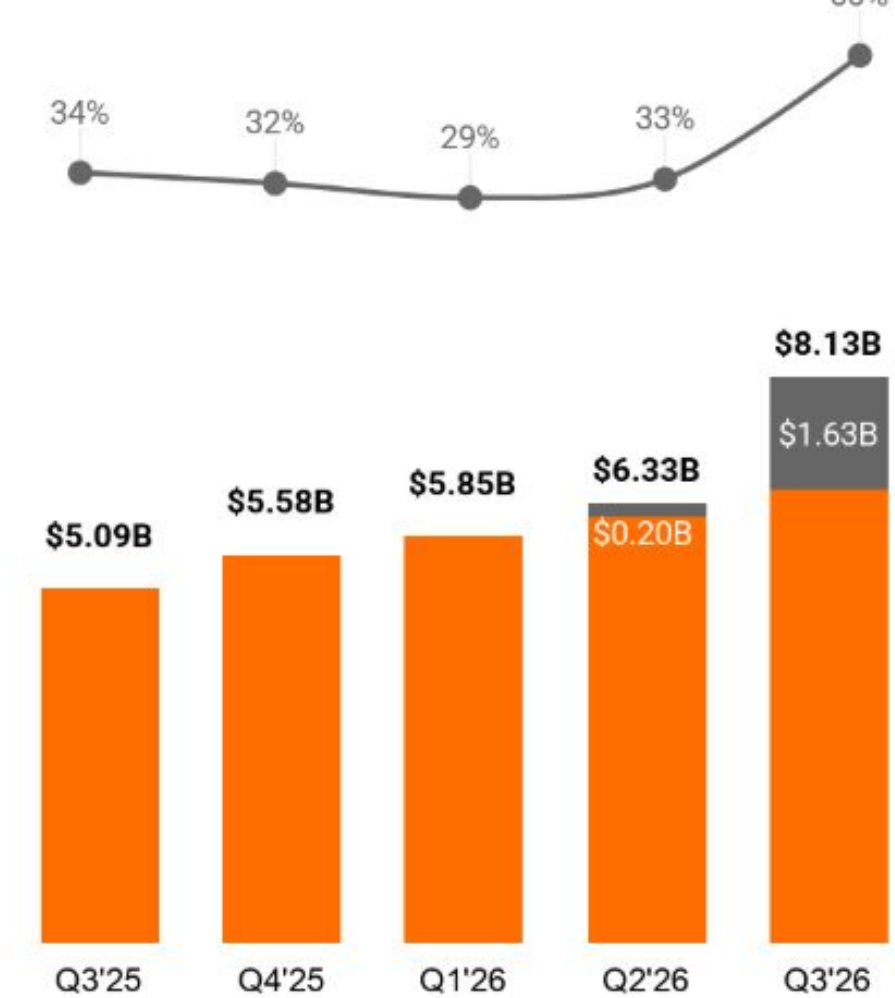
■ Total Revenue ex-CyberArk & Chronosphere
■ CyberArk & Chronosphere
● Total Revenue Growth y/y

Remaining Performance Obligation



■ Total RPO ex-CyberArk & Chronosphere
■ CyberArk & Chronosphere
● Total RPO Growth y/y

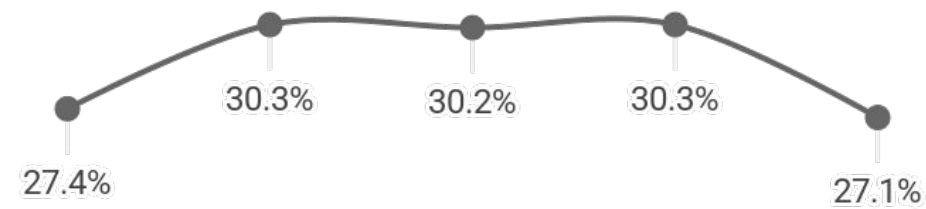
Next-Generation Security ARR



■ Total ARR ex-CyberArk & Chronosphere
■ CyberArk & Chronosphere
● Total ARR Growth y/y

Q3'26 Operating Margin & Adj. Free Cash Flow Margin

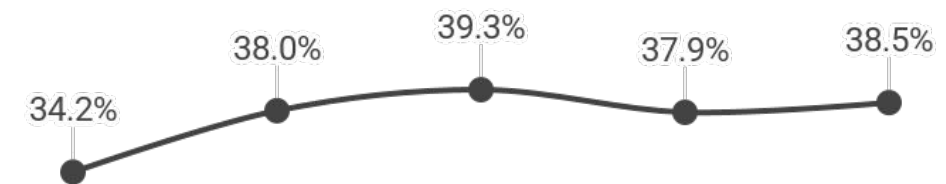
Non-GAAP Operating Margin



Q3'25 Q4'25 Q1'26 Q2'26 Q3'26

● Non-GAAP Operating Margin

TTM Adj. Free Cash Flow Margin



Q3'25 Q4'25 Q1'26 Q2'26 Q3'26

● TTM Adj Free Cash Flow Margin

Our Early M&A Execution Reinforces Confidence in Our Long Term Targets, Accelerating Our Timeline To Achieve 40% Free Cash Flow Margin

Key Integration Initiatives

Leveraging combined scale to drive improved unit pricing for cloud hosting on CyberArk

Optimizing organizational structures to deliver a unified, one-team culture

Dispositioning 300+ 3rd Party IT Applications, dispositioned ~20% through Q3

Streamlining combined real-estate footprint, driving enhanced collaboration





Accelerating Back Office Systems Integration, with consistent systems across employees

Reaffirming

40%

FY'28 Adj. Free Cash Flow Margin
for total Palo Alto Networks

Q3'26 Metrics Summary

	Q3'26 Guidance (as of 2/17/26)	Q3'26 Actual	
Total Revenue	\$2.941B - \$2.945B 28% - 29% y/y	\$3.00B 31% y/y	
Product Revenue		\$594M	
Remaining Performance Obligation	\$17.85B - \$17.95B 32% - 33% y/y	\$18.4B 36% y/y	
Next-Gen Security ARR	\$7.94 - \$7.96B 56% y/y	\$8.13B 60% y/y	
Gross Margin (Non-GAAP)		75.8%	
Operating Income (Non-GAAP)		\$814M	
Operating Margin (Non-GAAP)		27.1%	
Diluted EPS (Non-GAAP)	\$0.78-\$0.80	\$0.85 6% y/y	
Diluted EPS (GAAP)		(\$0.22)	
Adj. Free Cash Flow (Non-GAAP)		\$910M	

Reconciliations of historical non-GAAP measures can be found in the Appendix.
Fiscal year ending on July 31.

Raising FY'26 Guidance Across The Board

	Q4'26 Guidance (as of 6/2/26)	FY'26 Guidance (as of 6/2/26)	
Next-Gen Security ARR	\$8.90B - \$8.95B 59% - 60% y/y	\$8.90B - \$8.95B 59% - 60% y/y	↑
Remaining Performance Obligation	\$20.9B - \$21.0B 32% - 33% y/y	\$20.9B - \$21.0B 32% - 33% y/y	↑
Total Revenue	\$3.345B - \$3.355B 32% y/y	\$11.415B - \$11.425B 24% y/y	↑
Operating Margin (Non-GAAP)		28.9% - 29.2% +10 bps - +40 bps y/y	↑
Diluted EPS (Non-GAAP)	\$0.96 - \$0.98	\$3.77 - \$3.79	↑
Adj. Free Cash Flow Margin (Non-GAAP)		37.5%	↑

Guidance inclusive of any anticipated impact from the proposed acquisition of Idira and Chronosphere
 Reconciliations of historical non-GAAP measures can be found in the Appendix.
 Fiscal year ending on July 31.

Q&A

Appendix

Modeling Points

- FY'26 Product revenue y/y growth % in low-20s
- Q4'26 and FY'26 non-GAAP effective tax rate of 22%
- Q4'26 net interest and other income of \$60M – \$65M
- Q4'26 diluted shares outstanding 830 – 840 million
- FY'26 diluted shares outstanding 763 – 766 million

Comparison: Palo Alto Networks NGS ARR vs. Previous Idira ARR Definition

PANW NGS ARR Definition

ARR is calculated as the total contract value allocated to products/services **that had revenue recognized** (per ASC 606) **on the final day of the reporting period.**

Next-Generation Security Annualized Recurring Revenue ("NGS ARR")

represents the annualized allocated revenue of all active contracts as of the final day of the reporting period related to all product, subscription and support offerings, excluding revenue from hardware products, and legacy attached subscriptions, support offerings and professional services.

CYBR Previous Subscription ARR Definition

ARR is calculated based on the annualized value of the contracts (Bookings) on the final day of the reporting period **independent of revenue recognition.**

Subscription portion of ARR is defined as the annualized value of active SaaS and self-hosted subscription contracts in effect at the end of the reported period. The subscription portion of ARR excludes maintenance contracts related to the perpetual licenses.

GAAP to Non-GAAP Reconciliations – Revenue

\$ In millions

	Q325	Q326
Total revenue excluding CyberArk and Chronosphere (non-GAAP):		
Total revenue	\$2,289	\$3,002
Less: total revenue from CyberArk and Chronosphere	-	388
Total revenue excluding CyberArk and Chronosphere (non-GAAP)	<u>\$2,289</u>	<u>\$2,614</u>

Fiscal year ends on July 31.

GAAP to Non-GAAP Reconciliations – Remaining Performance Obligation

\$ In billions

Remaining performance obligation excluding CyberArk and Chronosphere (non-GAAP):	Q325	Q326
Remaining performance obligation	\$13.5	\$18.4
Less: remaining performance obligation from CyberArk and Chronosphere	-	1.8
Remaining performance obligation excluding CyberArk and Chronosphere (non-GAAP)	\$13.5	\$16.6

Fiscal year ends on July 31.

GAAP to Non-GAAP Reconciliations – Current Remaining Performance Obligation

\$ In billions

Current remaining performance obligation excluding CyberArk and Chronosphere (non-GAAP):	Q225	Q325	Q226	Q326
Current remaining performance obligation	\$6.1	\$6.2	\$7.1	\$8.3
Less: current remaining performance obligation from CyberArk and Chronosphere	-	-	0.1	1.1
Current remaining performance obligation excluding CyberArk and Chronosphere (non-GAAP)	\$6.1	\$6.2	\$7.0	\$7.2

Fiscal year ends on July 31.

GAAP to Non-GAAP Reconciliations – Gross Margin

\$ In millions

Non-GAAP gross profit and gross margin:	Q326	
	\$	%
GAAP gross profit and gross margin	\$2,028	67.6%
Share-based compensation-related charges	59	1.9%
Acquisition-related costs ⁽¹⁾	5	0.2%
Amortization expense of acquired intangible assets	183	6.1%
Litigation-related charges ⁽²⁾	1	0.0%
Non-GAAP gross profit and gross margin	<u>\$2,276</u>	<u>75.8%</u>

⁽¹⁾ Consists of share-based compensation related to the cash settlement of certain equity awards and costs to terminate certain employment contracts of the acquired companies.

⁽²⁾ Consists of the amortization of intellectual property licenses and covenant not to sue.

Fiscal year ends on July 31.

GAAP to Non-GAAP Reconciliations – Operating Margin

\$ In millions

Non-GAAP operating income and operating margin:	Q325		Q425		Q126		Q226		Q326		TTM Q3'25		TTM Q3'26	
	\$	%	\$	%	\$	%	\$	%	\$	%	\$	%	\$	%
GAAP operating income and operating margin	\$219	9.6%	\$497	19.6%	\$309	12.5%	\$397	15.3%	(\$183)	-6.1%	\$984	11.1%	\$1,020	9.6%
Share-based compensation-related charges	355	15.5%	372	14.7%	387	15.7%	321	12.4%	517	17.2%	1,302	14.7%	1,597	15.1%
Acquisition-related costs ⁽¹⁾	7	0.3%	(142)	-5.6%	5	0.2%	24	0.9%	198	6.6%	35	0.4%	85	0.8%
Amortization expense of acquired intangible assets	43	1.9%	37	1.5%	39	1.6%	38	1.5%	280	9.3%	160	1.8%	394	3.7%
Litigation-related charges ⁽²⁾	3	0.1%	4	0.1%	6	0.2%	5	0.2%	2	0.1%	(9)	-0.1%	17	0.2%
Non-GAAP operating income and operating margin	\$627	27.4%	\$768	30.3%	\$746	30.2%	\$785	30.3%	\$814	27.1%	\$2,472	27.9%	\$3,113	29.4%

⁽¹⁾ Consists of acquisition transaction costs, share-based compensation related to the cash settlement of certain equity awards, change in fair value of contingent consideration liability, and costs to terminate certain employment, operating lease, and other contracts of the acquired companies. In Q1'26 through Q3'26, also includes integration costs related to our acquisition of CyberArk Software Ltd.

⁽²⁾ Consists of the amortization of intellectual property licenses and covenant not to sue, and legal contingency charges. Also includes a litigation settlement charge in Q2'26. Fiscal year ends on July 31.

GAAP to Non-GAAP Reconciliations – EPS

Non-GAAP net income per share, diluted:	Q325	Q326
GAAP net income per share, diluted	\$0.37	(\$0.22)
Share-based compensation-related charges	0.52	0.64
Acquisition-related cost ⁽¹⁾	0.01	0.25
Amortization expense of acquired intangibles assets	0.06	0.35
Litigation-related charges ⁽²⁾	0.00	0.00
Change in fair value of convertible notes and capped calls ⁽³⁾	0.00	0.05
Income tax and other tax adjustments ⁽⁴⁾	(0.16)	(0.22)
Non-GAAP net income per share, diluted	\$0.80	\$0.85

⁽¹⁾ Consists of acquisition transaction costs, share-based compensation related to the cash settlement of certain equity awards, change in fair value of contingent consideration liability, and costs to terminate certain employment, operating lease, and other contracts of the acquired companies. In Q3'26, also includes integration costs related to our acquisition of CyberArk Software Ltd.

⁽²⁾ Consists of the amortization of intellectual property licenses and covenant not to sue, and legal contingency charges.

⁽³⁾ Consists of changes in fair value of convertible senior notes acquired from CyberArk Software Ltd. that are included in earnings and changes in fair value of the related capped calls.

⁽⁴⁾ Consists of income tax adjustments related to our long-term non-GAAP effective tax rate.

Fiscal year ends on July 31.

GAAP to Non-GAAP Reconciliations – Adjusted Free Cash Flow

\$ In millions

Free cash flow and adjusted free cash flow (non-GAAP):	Q326	TTM Q325	TTM Q425	TTM Q126	TTM Q226	TTM Q326
Net cash provided by operating activities	\$871	\$3,208	\$3,716	\$3,977	\$3,974	\$4,217
Less: purchases of property, equipment, and other assets	83	208	247	287	409	424
Free cash flow (non-GAAP)	\$788	\$3,000	\$3,469	\$3,690	\$3,565	\$3,793
Add: capital expenditures for headquarters ⁽¹⁾	-	-	-	-	91	91
Add: capital expenditures for certain corporate assets ⁽²⁾	5	18	38	53	68	55
Add: payments of acquisition-related costs ⁽³⁾	117	-	-	11	19	136
Add: litigation related payment ⁽⁴⁾	-	20	-	-	4	4
Adjusted free cash flow (non-GAAP)	\$910	\$3,038	\$3,507	\$3,754	\$3,747	\$4,079
Adjusted free cash flow margin (non-GAAP)		34.2%	38.0%	39.3%	37.9%	38.5%

⁽¹⁾ Consists of a land purchase of \$91 million in Q2'26.

⁽²⁾ Consists of a one-time purchase of a corporate asset which is expected to be paid through Q4'26.

⁽³⁾ Consists of payments of acquisition-related costs in connection with our acquisition of CyberArk Software Ltd. and Koi Security Ltd.

⁽⁴⁾ Consists of non-recurring litigation settlement payments in Q4'24 and Q2'26.

Fiscal year ends on July 31.

Thank You