UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of
The Securities Exchange Act of 1934

Date of Report (Date of earliest event reported)

November 19, 2025

PALO ALTO NETWORKS, INC.

(Exact name of registrant as specified in its charter)

Delaware	**001-35594**	**20-2530195**
(State or other jurisdiction of incorporation)	**(Commission File Number)**	**(IRS Employer Identification No.)**

3000 Tannery Way
Santa Clara, California 95054
(Address of principal executive office, including zip code)

(408) 753-4000
(Registrant's telephone number, including area code)

Not Applicable
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	**Trading Symbol(s)**	**Name of each exchange on which registered**
Common stock, $0.0001 par value per share	PANW	The Nasdaq Stock Market LLC

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Item 2.02 Results of Operations and Financial Condition.

On November 19, 2025, Palo Alto Networks, Inc. (the "Company") issued a press release announcing its financial results for its first quarter ended October 31, 2025. A copy of the press release is furnished herewith as Exhibit 99.1 and is incorporated herein by reference.

The information contained in this Item 2.02 and in the accompanying Exhibit 99.1 shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, regardless of any general incorporation language in such filing, unless expressly incorporated by specific reference in such filing.

Item 7.01 Regulation FD Disclosure.

On November 19, 2025, the Company issued a press release announcing its entry into an Agreement and Plan of Merger (the "Merger Agreement") with Chronosphere, Inc., a Delaware corporation ("Chronosphere"), Caterpillar Strategies, Inc., a Delaware corporation and wholly owned subsidiary of the Company ("Merger Sub"), and the representative of the Chronosphere stockholders, pursuant to which, upon the terms and subject to the conditions therein, at the closing of the transactions contemplated by the Merger Agreement, Merger Sub will merge with and into Chronosphere, with Chronosphere continuing as the surviving corporation in the merger and a wholly owned subsidiary of the Company. Completion of the transactions contemplated by the Merger Agreement is subject to customary closing conditions, including the receipt of regulatory approvals.

A copy of the press release is attached as Exhibit 99.2 to this Current Report on Form 8-K and is incorporated herein by reference.

The information contained in this Item 7.01 of this Current Report on Form 8-K, including Exhibit 99.2, is being furnished to the Securities and Exchange Commission (the "SEC") and shall not be deemed to be "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liabilities of that section. This information shall not be incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Exchange Act, whether made before, on, or after the date hereof, regardless of any general incorporation language in such filing, unless expressly incorporated by specific reference to such filing.

Item 8.01 Other Events.

On November 18, 2025, the Board of Directors of the Company approved an extension of the Company's current repurchase authorization of $1 billion of the Company's common stock until December 31, 2026. The authorization allows the Company to repurchase shares of its common stock opportunistically and will be funded from available working capital. Repurchases may be made at management's discretion from time to time in open market purchases, privately negotiated transactions, block purchase techniques, 10b5-1 trading plans, or a combination of the foregoing. The repurchase authorization may be suspended or discontinued by the Company at any time without prior notice. The Company had approximately 697 million shares of common stock outstanding as of November 11, 2025.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

Exhibit No.	**Description of Exhibit**
99.1	Press release dated as of November 19, 2025
99.2	Press release dated as of November 19, 2025
104	Cover Page Interactive Data File (formatted as Inline XBRL)

Forward-Looking Statements

This Current Report on Form 8-K contains forward-looking statements that involve risks, uncertainties, and assumptions, including, but not limited to, statements regarding the anticipated benefits and impact of the proposed acquisition of Chronosphere on Palo Alto Networks, Chronosphere and their customers. There are a significant number of factors that could cause actual results to differ materially from statements made in this report, including, but not limited to: the effect of the announcement of the proposed acquisition on the parties' commercial relationships and workforce; the ability to satisfy the conditions to the closing of the acquisition, including the receipt of required regulatory approvals; the ability to consummate the proposed acquisition on a timely basis or at all; significant and/or unanticipated difficulties, liabilities or expenditures relating to proposed transaction, risks related to disruption of management time from ongoing business operations due to the proposed acquisition and other contemplated acquisitions, including our pending transaction with CyberArk; our ability to effectively operate Chronosphere's operations and business following the closing, integrate Chronosphere's business and products into our products following the closing, and realize the anticipated synergies in the transaction in a timely manner or at all; changes in the fair value of our contingent consideration liability associated with acquisitions; developments and changes in general market, political, economic and business conditions; failure of our platformization product offerings; risks associated with managing our growth; risks associated with the new product, subscription and support offerings in the observability and/or cybersecurity space, including the cost model related to subscriptions in the observability space; 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 product offerings or business strategies in general; defects, errors, or vulnerabilities in our products, subscriptions or support offerings; our customers' purchasing decisions and the length of sales cycles; our ability to attract and retain new customers; developments and changes in general market, political, economic, and business conditions; our competition; 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.

Additional risks and uncertainties that could affect our financial results are included under the captions "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" in our Annual Report on Form 10-K filed with the SEC on August 29, 2025, 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 filings that we make with the SEC from time to time. All forward-looking statements in this report 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.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

PALO ALTO NETWORKS, INC.

By: /s/ NIKESH ARORA
Nikesh Arora
Chairman and Chief Executive Officer

Date: November 19, 2025

Exhibit 99.1

Palo Alto Networks Reports Fiscal First Quarter 2026 Financial Results

- *Fiscal first quarter revenue grew 16% year over year to $2.5 billion.*
- *Next-Generation Security ARR grew 29% year over year to $5.9 billion.*
- *Remaining performance obligation grew 24% year over year to $15.5 billion.*

SANTA CLARA, Calif., Nov. 19, 2025 — Palo Alto Networks (NASDAQ: PANW), the global cybersecurity leader, announced today financial results for its fiscal first quarter 2026, ended October 31, 2025.

Total revenue for the fiscal first quarter 2026 grew 16% year over year to $2.5 billion, compared with total revenue of $2.1 billion for the fiscal first quarter 2025. GAAP net income for the fiscal first quarter 2026 was $334 million, or $0.47 per diluted share, compared with GAAP net income of $351 million, or $0.49 per diluted share, for the fiscal first quarter 2025.

Non-GAAP net income for the fiscal first quarter 2026 was $662 million, or $0.93 per diluted share, compared with non-GAAP net income of $545 million, or $0.78 per diluted share, for the fiscal first quarter 2025. A reconciliation between GAAP and non-GAAP information is contained in the tables below.

"Our strong start to the fiscal year was marked by excellent results across all metrics, and significant platformization wins," said Nikesh Arora, chairman and CEO of Palo Alto Networks. "Our robust innovation engine, paired with the strategic acquisitions of CyberArk and Chronosphere, positions us as the data and security partner of choice in the AI era."

"We continued to execute with excellence to start the year as shown by our strong top-line growth and operating efficiency," said Dipak Golechha, chief financial officer of Palo Alto Networks. "This sustained profitable growth was reflected by another quarter of 30% plus operating margin and reinforces our confidence in achieving 40% plus adjusted free cash flow margin in FY’28."

Today, Palo Alto Networks announced its intent to acquire Chronosphere, a next-generation observability platform for the data center era. More information can be found here (www.paloaltonetworks.com/company/press/2025/palo-alto-networks-to-acquire-chronosphere--next-gen-observability-leader--for-the-ai-era).

Palo Alto Networks also announced the appointment of Mark Goodburn to the company’s board of directors. The company also announced the retirement of Mary Pat McCarthy, one of its longest-serving board members, effective January 23, 2026. More information can be found here (www.paloaltonetworks.com/company/press/2025/palo-alto-networks-appoints-mark-goodburn-to-board-of-directors--announces-retirement-of-director-mary-pat-mccarthy).

Financial Outlook

Palo Alto Networks provides guidance based on current market conditions and expectations.

For the fiscal second quarter 2026, we expect:

- Next-Generation Security ARR of $6.11 billion to $6.14 billion, representing year-over-year growth of 28%.
- Remaining performance obligation of $15.75 billion to $15.85 billion, representing year-over-year growth of between 21% and 22%.

- Total revenue in the range of $2.57 billion to $2.59 billion, representing year-over-year growth of between 14% and 15%.
- Diluted non-GAAP net income per share in the range of $0.93 to $0.95, using 711 million to 715 million shares outstanding.

For the fiscal year 2026, we expect:

- Next-Generation Security ARR of $7.00 billion to $7.10 billion, representing year-over-year growth of between 26% and 27%.
- Remaining performance obligation of $18.6 billion to $18.7 billion, representing year-over-year growth of between 17% and 18%.
- Total revenue in the range of $10.50 billion to $10.54 billion, representing year-over-year growth of 14%.
- Non-GAAP operating margin in the range of 29.5% to 30.0%.
- Diluted non-GAAP net income per share in the range of $3.80 to $3.90, using 710 million to 716 million shares outstanding.
- Adjusted free cash flow margin in the range of 38% to 39%.

Guidance for non-GAAP financial measures excludes share-based compensation-related charges, including share-based payroll tax expense, acquisition-related costs, including change in fair value of contingent consideration liability, amortization expense of acquired intangible assets, litigation-related charges, non-cash charges related to convertible notes, and income tax and other tax adjustments related to our long-term non-GAAP effective tax rate, along with certain non-recurring expenses and certain non-recurring cash flows. We have not reconciled non-GAAP operating margin guidance to GAAP operating margin, diluted non-GAAP net income per share guidance to GAAP net income per diluted share 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 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.

Earnings Call Information

Palo Alto Networks will host a video webcast for analysts and investors to discuss the company’s fiscal first quarter 2026 results as well as the outlook for its fiscal second quarter and fiscal year 2026 today at 4:30 p.m. Eastern time/1:30 p.m. Pacific time. Open to the public, investors may access the webcast, supplemental financial information and earnings slides from the "Investors" section of the company’s website at investors.paloaltonetworks.com. A replay will be available three hours after the conclusion of the webcast and archived for one year.

Forward-Looking Statements

This press release contains forward-looking statements that involve risks, uncertainties, and assumptions including statements regarding our platformization strategy and financial outlook for the fiscal second quarter 2026 and fiscal year 2026. There are a significant number of factors that could cause actual results to differ materially from forward-looking statements made or implied in this press release, including: developments and changes in general market, political, 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; risks associated with managing our growth; risks associated with

new product, subscription and support offerings, including our product offerings that leverage AI; 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.

Additional risks and uncertainties on these and other factors that could affect our financial results and the forward-looking statements we make in this press release are included under the captions "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" and elsewhere in our Annual Report on Form 10-K filed with the U.S. Securities and Exchange Commission ("SEC") on August 29, 2025, 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 press release are based on our beliefs and information available to management 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.

Non-GAAP Financial Measures and Other Key Metrics

Palo Alto Networks has provided in this press release financial information that has not been prepared in accordance with generally accepted accounting principles in the United States (GAAP). The company uses these non-GAAP financial measures and other key metrics internally in analyzing its financial results and believes that the use of these non-GAAP financial measures and key metrics are helpful to investors as an additional tool to evaluate ongoing operating results and trends, and in comparing the company's financial results with other companies in its industry, many of which present similar non-GAAP financial measures or key metrics.

The presentation of these non-GAAP financial measures and key metrics are not meant to be considered in isolation or as a substitute for comparable GAAP financial measures and should be read only in conjunction with the company's consolidated financial statements prepared in accordance with GAAP. A reconciliation of the company's historical non-GAAP financial measures to their most directly comparable GAAP measures has been provided in the financial statement tables included in this press release, and investors are encouraged to review these reconciliations.

Non-GAAP operating margin. Palo Alto Networks defines non-GAAP operating margin as non-GAAP operating income divided by total revenue. The company defines non-GAAP operating income as operating income plus share-based compensation-related charges, including share-based payroll tax expense, acquisition-related costs, including change in fair value of contingent consideration liability, amortization expense of acquired intangible assets, and litigation-related charges. The company believes that non-GAAP operating margin provides management and investors with greater visibility into the underlying performance of the company's core business operating results.

Non-GAAP net income and net income per share, diluted. Palo Alto Networks defines non-GAAP net income as net income plus share-based compensation-related charges, including share-based payroll tax expense, acquisition-

related costs, including change in fair value of contingent consideration liability, amortization expense of acquired intangible assets, litigation-related charges, and non-cash charges related to convertible notes. The company also excludes from non-GAAP net income tax adjustments related to our long-term non-GAAP effective tax rate in order to provide a complete picture of the company's recurring core business operating results. The company defines non-GAAP net income per share, diluted, as non-GAAP net income divided by the weighted-average diluted shares outstanding, which includes the potentially dilutive effect of the company's employee equity incentive plan awards and the company's convertible senior notes and related warrants, after giving effect to the anti-dilutive impact of the company's note hedge agreements, which reduced the potential economic dilution that otherwise would have occurred in connection with the conversion and settlement of the company's convertible senior notes. Under GAAP, the anti-dilutive impact of the note hedge is not reflected in diluted shares outstanding. The company considers these non-GAAP financial measures to be useful metrics for management and investors for the same reasons that it uses non-GAAP operating margin.

Next-Generation Security ARR. Palo Alto Networks defines Next-Generation Security ARR as 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. The company considers Next-Generation Security ARR to be a useful operating metric for management and investors to assess the performance of the company because Next-Generation Security is where the company has focused its innovation and the company expects its overall revenue to be disproportionately driven by this Next-Generation Security portfolio. Because Next-Generation Security ARR does not have the effect of providing a numerical measure that is different from any comparable GAAP measure, the company does not consider it a non-GAAP measure.

Investors are cautioned that there are a number of limitations associated with the use of non-GAAP financial measures and key metrics as analytical tools. Many of the adjustments to the company's GAAP financial measures reflect the exclusion of items that are recurring and will be reflected in the company's financial results for the foreseeable future, such as share-based compensation, which is an important part of Palo Alto Networks employees' compensation and impacts their performance. Furthermore, these non-GAAP financial measures are not based on any standardized methodology prescribed by GAAP, and the components that Palo Alto Networks excludes in its calculation of non-GAAP financial measures may differ from the components that its peer companies exclude when they report their non-GAAP results of operations. Palo Alto Networks compensates for these limitations by providing specific information regarding the GAAP amounts excluded from these non-GAAP financial measures. In the future, the company may also exclude non-recurring expenses and other expenses that do not reflect the company's core business operating results.

About Palo Alto Networks

As the global AI and cybersecurity leader, Palo Alto Networks® (NASDAQ: PANW) is dedicated to protecting our digital way of life via continuous innovation. Trusted by more than 70,000 organizations worldwide, we provide comprehensive AI-powered security solutions across network, cloud, and security operations, enhanced by the expertise and threat intelligence of Unit 42®. Our focus on platformization allows enterprises to streamline security at scale, ensuring protection fuels innovation. Explore more at www.paloaltonetworks.com.

Palo Alto Networks and the Palo Alto Networks logo are trademarks of Palo Alto Networks, Inc. in the United States or in certain jurisdictions throughout the world. All other trademarks, trade names, or service marks used or mentioned herein belong to their respective owners. Any unreleased services or features (and any services or

features not generally available to customers) referenced in this or other press releases or public statements are not currently available (or are not yet generally available to customers) and may not be delivered when expected or at all. Customers who purchase Palo Alto Networks applications should make their purchase decisions based on services and features currently generally available.

Media Contact:
Nicole Hockin
VP, Global Communications, Palo Alto Networks
press@paloaltonetworks.com

Investor Relations Contact:
Ryan Fenwick
Director, Investor Relations, Palo Alto Networks
ir@paloaltonetworks.com

Palo Alto Networks, Inc.
Preliminary Condensed Consolidated Statements of Operations
(In millions, except per share data)
(Unaudited)

	Three Months Ended October 31,	
	2025	2024
Revenue:		
Product	$ 434	$ 354
Subscription and support	2,040	1,785
Total revenue	2,474	2,139
Cost of revenue:		
Product	89	75
Subscription and support	549	479
Total cost of revenue	638	554
Total gross profit	1,836	1,585
Operating expenses:		
Research and development	528	481
Sales and marketing	820	720
General and administrative	179	98
Total operating expenses	1,527	1,299
Operating income	309	286
Interest expense	—	(1)
Other income, net	103	83
Income before income taxes	412	368
Provision for income taxes	78	17
Net income	$ 334	$ 351
Net income per share, basic	$ 0.49	$ 0.54
Net income per share, diluted	$ 0.47	$ 0.49
Weighted-average shares used to compute net income per share, basic	679	654
Weighted-average shares used to compute net income per share, diluted	709	709

Palo Alto Networks, Inc.
Reconciliation of GAAP to Non-GAAP Financial Measures
(In millions, except per share amounts)
(Unaudited)

	Three Months Ended October 31,	
	2025	2024
GAAP operating income	$ 309	$ 286
Share-based compensation-related charges	387	315
Acquisition-related costs[1]	5	15
Amortization expense of acquired intangible assets	39	41
Litigation-related charges[2]	6	(41)
Non-GAAP operating income	$ 746	$ 616
Non-GAAP operating margin	*30.2 %*	*28.8 %*
GAAP net income	$ 334	$ 351
Share-based compensation-related charges	387	315
Acquisition-related costs[1]	5	15
Amortization expense of acquired intangible assets	39	41
Litigation-related charges[2]	6	(41)
Income tax and other tax adjustments[3]	(109)	(136)
Non-GAAP net income	$ 662	$ 545
GAAP net income per share, diluted	$ 0.47	$ 0.49
Share-based compensation-related charges	0.53	0.46
Acquisition-related costs[1]	0.01	0.02
Amortization expense of acquired intangible assets	0.06	0.06
Litigation-related charges[2]	0.01	(0.06)
Income tax and other tax adjustments[3]	(0.15)	(0.19)
Non-GAAP net income per share, diluted	$ 0.93	$ 0.78
GAAP weighted-average shares used to compute net income per share, diluted	709	709
Weighted-average anti-dilutive impact of note hedge agreements	—	(12)
Non-GAAP weighted-average shares used to compute net income per share, diluted	709	697

(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.

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

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

Palo Alto Networks, Inc.
Preliminary Condensed Consolidated Balance Sheets
(In millions)

	October 31, 2025 (unaudited)	July 31, 2025
Assets		
Current assets:		
Cash and cash equivalents	$ 3,066	$ 2,269
Short-term investments	1,144	635
Accounts receivable, net	1,343	2,965
Short-term financing receivables, net	737	715
Short-term deferred contract costs	415	419
Prepaid expenses and other current assets	605	520
Total current assets	7,310	7,523
Property and equipment, net	394	387
Operating lease right-of-use assets	353	347
Long-term investments	5,982	5,555
Long-term financing receivables, net	855	1,002
Long-term deferred contract costs	546	586
Goodwill	4,567	4,567
Intangible assets, net	723	763
Deferred tax assets	2,416	2,424
Other assets	390	422
Total assets	$ 23,536	$ 23,576
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable	$ 223	$ 232
Accrued compensation	398	608
Accrued and other liabilities	665	846
Deferred revenue	6,132	6,302
Total current liabilities	7,418	7,988
Long-term deferred revenue	6,098	6,450
Deferred tax liabilities	96	89
Long-term operating lease liabilities	346	338
Other long-term liabilities	913	887
Total liabilities	14,871	15,752
Stockholders' equity:		
Preferred stock	—	—
Common stock and additional paid-in capital	5,780	5,292
Accumulated other comprehensive income	67	48
Retained earnings	2,818	2,484
Total stockholders' equity	8,665	7,824
Total liabilities and stockholders' equity	$ 23,536	$ 23,576

Exhibit 99.2

Palo Alto Networks to Acquire Chronosphere, Next-Gen Observability Leader, for the AI Era

Combination of Chronosphere and Palo Alto Networks' Cortex AgentiX platform will deliver real-time, agentic remediation for the world's leading AI-native companies

SANTA CLARA, Calif., November 19, 2025 — Furthering its mission to address the critical data demands of the AI era, Palo Alto Networks® (NASDAQ: PANW), the global cybersecurity leader, today announced it has entered into a definitive agreement to acquire Chronosphere, a next-generation observability platform built to scale for the AI era. This acquisition will strengthen Palo Alto Networks' ability to help organizations navigate a world where modern applications and AI workloads demand a unified data and security foundation.

The growth of these applications and workloads requires constant uptime and resilience, making real-time, always-on observability mission-critical for success. Chronosphere was built precisely for these current needs: a next-generation architecture designed to scale for the AI era and handle vast cloud data volumes with cost-efficiency and reliability at the forefront. It has already proven its reliability and cost-efficiency in production with some of the category-defining companies leading the AI revolution, including two of the premier LLMs.

Nikesh Arora, Chairman and CEO, Palo Alto Networks:

"*The foundational requirement for every modern AI data center is constant uptime and resilience, which demands real-time, always-on observability delivered at the right cost. Chronosphere was built to* scale *for the data demands of the AI era from day one, which is why it is chosen by leading AI-native and born-in-the-cloud organizations. And once we leverage AgentiX with Chronosphere, we will take observability from simple dashboards to real-time, agentic remediation. We are excited to not just enter this space, but to disrupt it.*"

Combining Chronosphere's purpose-built, optimized architecture that can handle some of the largest and most complex digital environments with Palo Alto Networks' AgentiX™ will transform the value proposition of observability from passive monitoring, to offering a ground-breaking autonomous remediation platform. The new solution will deploy AI agents on the massive amounts of data monitored by Chronosphere's platform to not only detect performance issues, but also to autonomously investigate the root cause, and close the loop with agentic remediation. Customers will be able to achieve deeper visibility across both security and observability data at petabyte scale, while simultaneously realizing significant cost efficiencies due to Chronosphere's optimized data ingestion architecture.

Martin Mao, Co-founder and CEO, Chronosphere:

"*We founded Chronosphere to provide scalable resiliency for the world's largest digital organizations. Palo Alto Networks is the perfect strategic partner for our customers, partners, and employees. It allows us to combine our disruptive observability platform with the world's best security company, accelerating our momentum in solving the most complex data and resiliency challenges. Together, we look forward to continuing to partner with industry-leading cloud and AI-native customers across the world on their mission-critical observability and security needs.*"

Chronosphere is recognized as a Leader in the 2025 Gartner® Magic Quadrant™ for Observability Platforms, and will also bring innovative telemetry pipeline capabilities to Palo Alto Networks' industry-leading platforms to drive powerful

data transformation, optimization, and routing that will enable customers to make massive data ingestion economically viable at scale.

Under the terms of the agreement, Palo Alto Networks will acquire Chronosphere for a total consideration of $3.35 billion, to be paid in cash and replacement equity awards, subject to adjustments. Chronosphere reports generating annual recurring revenue (“ARR”) of over $160 million as of the end of September 2025, growing ARR triple-digits year-over-year. The acquisition is subject to customary closing conditions, including regulatory approvals, and is expected to close in Palo Alto Networks’ second half of fiscal 2026.

Investor Call Details

Palo Alto Networks will provide further details regarding the acquisition on its Q1 FY2026 earnings call, scheduled for November 19, 2025 at 1:30pm PT. A live video webcast of the call will be accessible from the Investors section of the Palo Alto Networks website at investors.paloaltonetworks.com

Follow Palo Alto Networks on Twitter, LinkedIn, Facebook and Instagram.

About Palo Alto Networks

As the global AI and cybersecurity leader, Palo Alto Networks (NASDAQ: PANW) is dedicated to protecting our digital way of life via continuous innovation. Trusted by more than 70,000 organizations worldwide, we provide comprehensive AI-powered security solutions across network, cloud, security operations and AI, enhanced by the expertise and threat intelligence of Unit 42. Our focus on platformization allows enterprises to streamline security at scale, ensuring protection fuels innovation. Explore more at www.paloaltonetworks.com.

Palo Alto Networks, Cortex, Cortex XSIAM and the Palo Alto Networks logo are trademarks of Palo Alto Networks, Inc. in the United States or in jurisdictions throughout the world. All other trademarks, trade names, or service marks used or mentioned herein belong to their respective owners. Any unreleased services or features (and any services or features not generally available to customers) referenced in this or other press releases or public statements are not currently available (or are not yet generally available to customers) and may not be delivered when expected or at all. Customers who purchase Palo Alto Networks applications should make their purchase decisions based on services and features currently generally available.

Forward-Looking Statements

This press release contains forward-looking statements that involve risks, uncertainties, and assumptions, including, but not limited to, statements regarding the anticipated benefits and impact of the proposed acquisition of Chronosphere on Palo Alto Networks, Chronosphere and their customers. There are a significant number of factors that could cause actual results to differ materially from statements made in this press release, including, but not limited to: the effect of the announcement of the proposed acquisition on the parties’ commercial relationships and workforce; the ability to satisfy the conditions to the closing of the acquisition, including the receipt of required regulatory approvals; the ability to consummate the proposed acquisition on a timely basis or at all; significant and/or unanticipated difficulties, liabilities or expenditures relating to proposed transaction, risks related to disruption of management time from ongoing business operations due to the proposed acquisition and other contemplated acquisitions, including our pending transaction with CyberArk; our ability to effectively operate Chronosphere's operations and business following the closing, integrate Chronosphere’s business and products into our products following the closing, and realize the anticipated synergies in the transaction in a timely manner or at all; changes in the fair value of our contingent consideration liability associated with acquisitions; developments and changes in general market, political, economic and business conditions; failure of our platformization product offerings; risks associated with managing our growth; risks associated with the new product, subscription and support offerings in the

observability and/or cybersecurity space, including the cost model related to subscriptions in the observability space; 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 product offerings or business strategies in general; defects, errors, or vulnerabilities in our products, subscriptions or support offerings; our customers' purchasing decisions and the length of sales cycles; our ability to attract and retain new customers; developments and changes in general market, political, economic, and business conditions; our competition; 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.

Additional risks and uncertainties that could affect our financial results are included under the captions "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" in our Annual Report on Form 10-K filed with the SEC on August 29, 2025, 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 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.

Media & Investor Contacts:

Nicole Hockin
VP, Global Communications
Palo Alto Networks
nhockin@paloaltonetworks.com

Hamza Fodderwala
SVP, Investor Relations & Strategic Finance
Palo Alto Networks
hfodderwala@paloaltonetworks.com