

Introduction¹

CrowdStrike Holdings Inc. (NASDAQ: CRWD) was founded in 2011 and is headquartered in Austin, Texas. It provides cybersecurity products and services to stop breaches. It offers cloud-delivered protection across endpoints, cloud workloads, identity and data; it also offers threat intelligence, managed security services, IT operations management, threat hunting, Zero Trust identity protection, and log management. As of FY 2024, which ended in January 2024, the company generated 74.4% of its revenue from Americas (with 68.3% from the U.S.), 10.3% from Asia-Pacific (with 1.9% from China), 10.2% from Europe, and the rest, 5.1% from Africa and Middle East.

Management²

George Kurtz is Chief Executive Officer (CEO) and founder of CrowdStrike. He has more than 30 years of experience in the security industry. Prior to joining the company, he was worldwide CTO, general manager, and EVP at McAfee. He started Foundstone, a global security products and services company in October 1999, which later got acquired by McAfee in October of 2004. In his professional career, he also held senior positions in security at Ernst & Young and PricewaterhouseCoopers. Mr. Kurtz has a bachelor's degree in accounting from Seton Hall University.

Elia Zaitsev is Chief Technology Officer (CTO) of the company. He leads CrowdStrike's technology vision and strategy, notably driving the company's data science, artificial intelligence, machine learning and malware research functions. He was promoted to CTO in 2023, after serving the company for a decade in several roles. He holds a master's degree in engineering from Cornell University

Burt Podbere is Chief Financial Officer (CFO) of the company. Since joining CrowdStrike in 2015, he has helped secure approximately \$1B in equity financing through several funding rounds, including the company's 2019 IPO, and approximately \$1.5B in debt. Prior to joining CrowdStrike, he held CFO positions with OpenDNS, Inc and Net Optics, Inc. He holds a B.A. from McGill University.

Growth Drivers/Recent Highlights

CrowdStrike is the leader in the endpoint security independent software vendor (ISV) market, with over 29,000 customers and an average of over seven modules per customer.³ Its customer base covers more than 70% of the Fortune 500, with clients in 44 of the 50 states including 18 of the top 20 biggest banks in the U.S.⁴ Its the largest independent software vendor securing Windows, and is working with Microsoft on the future of the open ecosystem, kernel and OS resilience.⁵

During FY 2024, CrowdStrike expanded its customer base by 26% y/y to 29,000. Given the limitations of existing legacy and other endpoint security products, the company expects many organizations to replace their existing endpoint security products with the company's Falcon platform.⁶ CrowdStrike expects to boost their customer base and revenue through product innovation, exploring new customer segments and markets, international expansion, channel partnerships, and new programs, like a free trial of Falcon Prevent that can be downloaded from the company website and AWS Marketplace.⁷ Furthermore, the company aims to achieve a

long term growth target of \$10 billion annual recurring revenue (ARR) by FY 2031 from a current run rate of \$4 billion, through a high rate of customer retention (98% gross retention) and ability to attract new customers.⁸

One of CrowdStrike's key strategies for growth is acquisition. From September 2023 onwards, it has completed three significant acquisitions. In September 2023, it completed an acquisition of Bionic, a privately held company that provides an application security posture management (ASPM) platform, for a cash transfer of ~\$240 million.⁹ The acquisition is expected to extend CrowdStrike's cloud native application protection platform (CNAPP) with ASPM to deliver comprehensive risk visibility and protection across the entire cloud estate, from cloud infrastructure to the applications and services running inside of them. As a result, CrowdStrike will be the first cybersecurity company to deliver complete code-to-runtime cloud security from one unified platform.¹⁰

In March 2024, the company completed an acquisition of Flow Security Ltd., a provider of data security solutions for a cash transfer of \$96 million.¹¹ With this acquisition, CrowdStrike will be able to protect data in all states as it flows through the cloud., It will be securing data from code, to application, to device and cloud.¹²

In November 2024, the company completed an acquisition of Adaptive Shield Ltd., a SaaS-based cybersecurity company that offers customers comprehensive SaaS security posture management (SSPM) solutions, for a cash transfer of \$214 million.¹³ This acquisition will make CrowdStrike the only platform provider that unifies cloud and identity security with integrated SaaS protection.¹⁴

The company expects the total addressable market (TAM) for its AI-native security platform to grow from \$116 billion in 2025 to \$290 billion in 2029, acting as a leading growth driver for CrowdStrike in the next five years.¹⁵

July 2024, Windows System Crash¹⁶: On July 19th 2024, the company released a content configuration update for its Falcon sensor that resulted in system crashes for several Windows systems. The Company is subject to several legal proceedings in connection with the incident. The Company expects to incur significant legal and related expenses associated with the incident in future periods. These expenses will be recognized as incurred. Certain costs may be recoverable under the Company's insurance policies . Any amounts recoverable under such policies will be reflected in future periods in which recovery is considered probable.

Products & Solutions

CrowdStrike offers its services through CrowdStrike Falcon XDR, a cloud-native platform built with artificial intelligence (AI) at its core, and capable of handling large amounts of security and enterprise data to deliver modular solutions through a single agent.¹⁷ As of the end of FY 2024, the company offers 27 cloud modules on its Falcon platform via a SaaS subscription-based model that delivers corporate endpoint and cloud workload security, managed security services, security and vulnerability management, IT operations management, identity protection, next-generation SIEM and log management, threat intelligence services, data protection, Security Orchestration, Automation and Response ("SOAR") and AI powered workflow automation, and securing generative AI workloads.¹⁸

The company's three major categories of services include:¹⁹

- **Cloud Security²⁰**: Falcon Cloud Security is a unified agent and agentless platform for complete code to cloud protection. It integrates every aspect of cloud security into a unified console along with all other CrowdStrike modules, delivering deep visibility, detection and real-time response across the entire cloud-native stack. The product offers visibility and business context into cloud applications by automatically mapping and

identifying each microservice, database, API, and dependency. This enables customers to assess the business criticality of every attack surface, vulnerability, and threat.

- **Identity Protection^{21,22}**: The company provides AI-driven identity security, from endpoint to cloud. It also helps in preventing cross domain attacks with unified visibility across cloud, endpoints, and identities. It helps correlate and detect cross-domain attacks to stop adversaries from moving laterally across the enterprise's environments. It also provides complete visibility and real-time protection across traditional active directory and cloud identity providers such as Entra ID and Okta, empowered with threat intelligence.

Falcon Identity Threat Protection stops identity-based attacks with real-time threat prevention and IT policy enforcement using identity, behavioral and risk analytics. Falcon Identity Threat Detection provides visibility for identity-based attacks and anomalies, comparing live traffic against behavior baselines and rules to detect attacks and lateral movement.

- **Next-Gen SIEM^{23,24}**: Falcon LogScale Next-Gen SIEM is a complete SOC platform designed to stop breaches with AI-native detection, investigation and response, while delivering high-performance log management for any data source. Its index-free architecture and petabyte scalability ensures availability of data as per the customer's need. The product provides the complete attack path of an adversary by viewing incidents in a visual graph, enabling the investigations to be significantly faster than legacy SIEMs.

Financials²⁵

CrowdStrike reported Q3 FY 2025 revenue of \$1.01 billion, up 29% y/y compared to \$786.0 million in Q3 FY 2024. Revenue growth was primarily driven by growth in subscription revenue, up 31% y/y to \$962.7 million vs. \$733.5 million in Q3 FY 2024.²⁶ In Q3 FY 2025, annualized recurring revenue (ARR) grew 27% y/y to \$4.0 billion, with \$153.0 million in new additions during the quarter.²⁷ Gross margin was 74.7% (vs. 75.1% in Q3 FY 2024). EBITDA margin decreased from 5.3% to 0.0%, mainly driven by an increase in sales and marketing (primarily due to increase in headcount), as well as R&D expenses.²⁸ Net loss for the period was \$16.8 million (vs. \$26.7 million net income in Q3 FY 2024).

In FY 2024, revenue grew 36% y/y to \$3.1 billion (vs. \$2.2 billion in FY 2023), driven by 36% y/y increase in subscription revenue to \$2.9 billion (vs. \$2.1 billion in FY 2023).²⁹ Gross margin was 75.2% (vs. 73.1% in FY 2023) and EBITDA margin was 5.1% (vs. -4.2% in FY 2023). Net income for FY 2024 was \$89.3 million compared to a net loss of \$183.2 million in FY 2023.

As per its most recent guidance update in Q3 FY 2025, the company expects revenue for FY 2025 to grow to the range of \$3,923.8-\$3,930.5 million, with non-GAAP operating income of \$804.4-\$809.4 million.³⁰ Additionally, the company expects non-GAAP EPS to be in the range of \$3.74 to \$3.76.³¹ For Q4 FY 2025, revenue is expected to be in the range of \$1,028.7-\$1,035.4 million with an operating income of \$184.0-\$189.0 million and EPS in the range of \$0.84-0.86.³²

Stock Performance³³

CrowdStrike was added to the ISE Cyber Security UCITS™ Index (HUR™) on January 20, 2020. Since then, the stock has been outperforming HUR and the S&P 500 by a huge margin. Its price return from the date of inclusion to the index thru December 13, 2024 was +480% (vs. +68% for HUR and +82% for the S&P 500). On a year-to-date basis, as of December 13, 2024, its price return was 44%, outperforming HUR and the S&P 500, which have returned 20% and 27%, respectively.

Role in Cyber Security Theme

CrowdStrike generates 100% of its revenue from its cloud native AI-based cybersecurity platform, CrowdStrike Falcon XDR. The platform is well-positioned to replace existing legacy products in the market by offering a compelling solution for cybersecurity consolidation, purpose-built to stop breaches.³⁴ The platform's single, lightweight agent collects and integrates data from across the enterprise, including endpoints, cloud workloads, identities, and third-party sources.³⁵ CrowdStrike uses this to train its AI to detect and prevent threats and drive workflow automation, giving security teams machine-speed advantages in stopping adversaries.³⁶

The Falcon platform was purpose-built in the cloud to harness the power of data and AI to deliver the next generation of automated protection, and to provide enterprises the intelligence required to stop sophisticated attacks, including malware-free and fileless attacks, which differentiate the company from competitors.³⁷

In 2024, Gartner and Forrester Wave ranked CrowdStrike as a leader in endpoint protection and attack surface management solutions, respectively.³⁸ Furthermore, it has also received recognition from others such as IDC and Frost & Sullivan for its product offerings.³⁹

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¹ FactSet-Company/Security platform

² <https://www.crowdstrike.com/en-us/about-us/executive-team/>

³ <https://ir.crowdstrike.com/static-files/5e90e9f1-4c37-4db0-88b5-ae21dfda9914>

⁴ <https://ir.crowdstrike.com/static-files/5e90e9f1-4c37-4db0-88b5-ae21dfda9914>

⁵ <https://ir.crowdstrike.com/static-files/5e90e9f1-4c37-4db0-88b5-ae21dfda9914>

⁶ <https://ir.crowdstrike.com/static-files/29e71f45-3c39-4c2c-9159-5e7bb9f3315b>

⁷ <https://ir.crowdstrike.com/static-files/29e71f45-3c39-4c2c-9159-5e7bb9f3315b>

⁸ <https://ir.crowdstrike.com/static-files/5e90e9f1-4c37-4db0-88b5-ae21dfda9914>

⁹ <https://ir.crowdstrike.com/static-files/29e71f45-3c39-4c2c-9159-5e7bb9f3315b>

¹⁰ <https://www.crowdstrike.com/en-us/press-releases/crowdstrike-to-acquire-bionic-to-extend-cloud-security-leadership/>

¹¹ <https://ir.crowdstrike.com/static-files/b72b7414-1e96-4aef-845b-c53cbc66193c>

¹² <https://ir.crowdstrike.com/news-releases/news-release-details/crowdstrike-acquire-flow-security-expand-its-cloud-security>

¹³ <https://ir.crowdstrike.com/static-files/b72b7414-1e96-4aef-845b-c53cbc66193c>

¹⁴ <https://ir.crowdstrike.com/news-releases/news-release-details/crowdstrike-acquire-adaptive-shield-deliver-only-platform>

¹⁵ <https://ir.crowdstrike.com/static-files/5e90e9f1-4c37-4db0-88b5-ae21dfda9914>

¹⁶ <https://ir.crowdstrike.com/static-files/b72b7414-1e96-4aef-845b-c53cbc66193c>

¹⁷ <https://ir.crowdstrike.com/static-files/201ebbdd-245a-4fdd-9172-f6eeabc78942>

¹⁸ <https://ir.crowdstrike.com/static-files/201ebbdd-245a-4fdd-9172-f6eeabc78942>

¹⁹ <https://www.crowdstrike.com/en-us/>

²⁰ <https://www.crowdstrike.com/platform/cloud-security/>

²¹ <https://www.crowdstrike.com/platform/identity-protection/>

²² <https://ir.crowdstrike.com/static-files/201ebbdd-245a-4fdd-9172-f6eeabc78942>

²³ <https://www.crowdstrike.com/platform/next-gen-siem/>

²⁴ <https://ir.crowdstrike.com/static-files/201ebbdd-245a-4fdd-9172-f6eeabc78942>

²⁵ Factset Data

²⁶ <https://ir.crowdstrike.com/news-releases/news-release-details/crowdstrike-reports-third-quarter-fiscal-year-2025-financial>

²⁷ <https://ir.crowdstrike.com/news-releases/news-release-details/crowdstrike-reports-third-quarter-fiscal-year-2025-financial>

²⁸ <https://ir.crowdstrike.com/static-files/b72b7414-1e96-4aef-845b-c53cbc66193c>

²⁹ <https://ir.crowdstrike.com/static-files/c89813a3-18cb-467f-bb56-2d3cbd908ace>

³⁰ <https://ir.crowdstrike.com/static-files/3f510d36-47b7-445d-8cac-d3163afac9b1>

³¹ <https://ir.crowdstrike.com/static-files/3f510d36-47b7-445d-8cac-d3163afac9b1>

³² <https://ir.crowdstrike.com/static-files/3f510d36-47b7-445d-8cac-d3163afac9b1>

³³ FactSet and Nasdaq

³⁴ <https://ir.crowdstrike.com/static-files/201ebbdd-245a-4fdd-9172-f6eeabc78942>

³⁵ <https://ir.crowdstrike.com/static-files/201ebbdd-245a-4fdd-9172-f6eeabc78942>

³⁶ <https://ir.crowdstrike.com/static-files/201ebbdd-245a-4fdd-9172-f6eeabc78942>

³⁷ <https://ir.crowdstrike.com/static-files/201ebbdd-245a-4fdd-9172-f6eeabc78942>

³⁸ <https://ir.crowdstrike.com/static-files/eb8f3a76-caf8-49ff-b7b1-796fa520ef30>

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