

Introduction¹

Check Point Software Technologies Ltd. (NASDAQ: CHKP) was founded in 1993 and is headquartered in Tel Aviv, Israel. The company is engaged in the development and marketing of software and hardware solutions for information technology security. Its products include Quantum, CloudGuard, Harmony, and Infinity-Vision. As per its annual report for FY 2024, the company generated 42% of its revenue from Americas (mostly from the U.S.), 47% from Europe, Africa and Middle East, and the rest, 11% from Asia-Pacific.²

Management³

Nadav Zafrir joined the company as Chief Executive Officer (CEO) and Board Member in 2024. Prior to joining the company, he was co-founder and managing partner at Team8, a company-building venture group focused on cyber security. During this time, Nadav and his partners built and invested in over 40 companies. He also chaired over a dozen cyber security companies. Prior to Team8, Mr. Zafrir established the Israel Defense Forces' Cyber Command, retiring as a Brigadier General. He currently also serves as Board of Directors in SolarEdge Technologies (NASDAQ: SEDG).

Rupak Hollenbeck is the President at Check Point Software Technologies, where she manages all commercial and go-to-market functions for the company. Prior to joining the company, she served as a senior executive in leading technology companies, including Oracle and Intel Corporation. She has also served on the Board of Directors of Blackbaud, a publicly traded company in the US.

Dr. Dorit Dor is Chief Technology Officer (CTO) of the company. Since joining the company in 1995, she has served in several pivotal roles in its R&D department, including Chief Product Officer. Dor holds a Ph.D. and M.S degree in computer science from Tel-Aviv University, in addition to graduating in her Bachelor of Science degree.

Roei Golan is Chief Financial Officer (CFO) of the company. Prior to joining the company in 2021, he worked for 11 years at EY, where he held the role of Managing Director in the Technology practice. He holds a B.A. in economics and accounting and a M.B.A in finance management.

Growth Drivers/Recent Highlights

Check Point Software Technologies Ltd. (Check Point) is a leading AI-powered, cloud-delivered cyber security platform provider, serving 100,000 organizations worldwide.⁴ The company leverages the power of AI everywhere to enhance cyber security efficiency and accuracy through its Infinity Platform. As outlined in Asper Miercom's 2025 security benchmark report, Infinity Platform has achieved an outstanding 99.9% block rate on Zero+1 day malware, a 99.7% phishing prevention rate, the highest security efficacy for Security Services Edge use cases, and an impressive 98% block rate on high and critical network intrusion exploits.⁵ In comparison with the top five cyber security companies, Check Point delivers the industry's highest threat prevention rate.⁶

The company leverages acquisitions and partnerships, as a key growth driver. In 2025, it plans to integrate acquisitions into a hybrid mesh network, leveraging AI for simplicity and security.⁷ It also plans to consolidate and create a real platform for the network, which will act both as an on-premise data center firewall and a cloud network security solution, encompassing WAF on cloud and remote work support for SASE, SaaS, and browser. It expects the initiative to cut through complexity for customers.⁸ Its recent partnership includes Wiz Enter Strategic, aimed at delivering end-to-end cloud security. According to the company, this bridges the longstanding gap

between cloud network security and Cloud Native Application Protection (CNAPP) through a deep technological integration and strategic business alliance, delivering an industry-leading unified, holistic security solution.⁹ Under the leadership of Nadav Zafrir, the company aims to deliver future growth through I. AI integration: Emphasizing AI to enhance product capabilities and security measures, II. SASE focus: Prioritizing growth and innovation in Secure Access Service Edge technology. III. Customer-centric approach: Strengthening direct interactions with customers for tailored solutions, IV. Partnership and channel enhancement: Leveraging partnerships for expanded reach and service delivery, and V. Hybrid network solutions: Developing integrated network security solutions across platforms.¹⁰

Products & Solutions¹¹

Check Point Infinity Platform offers a comprehensive security platform powered by AI, built on a hybrid mesh network security architecture, with unified management across data centers, perimeter, cloud, endpoint, mobile, IoT, and OT. Its key features include threat prevention, unified infinity management, real-time collaborative threat intelligence, and hybrid network security architecture.

The comprehensive Check Point Infinity Platform consists of Check Point Harmony, Check Point CloudGuard, Check Point Quantum, and Check Point Infinity Services as detailed below:

- **Quantum-on-premises security:** This includes hyperscale AI-powered threat prevention solutions for securing mesh networks including data center, perimeter, branch and remote users. Comprehensive family of on-premises security gateways, hyperscale orchestrator, SD-WAN networking, DDoS security, automated prevention for IoT, and cloud security management.
- **CloudGuard- cloud security:** This includes unified, prevention-first cloud native security solutions across customer's applications, workloads, and network, which helps automate security, prevent threats, and understand security posture at speed and scale.
- **Harmony- workspace security:** This prevents sophisticated attacks across the IT workspace including emails, web applications, devices and remote corporate access.
- **Infinity Platform Services- collaborative security operations:** This includes collaborative prevention first security operations and unified management including Extended Prevention and Response (XDR), orchestration, automation, ThreatCloud AI and generative AI copilot, supported by Check Point 24/7 managed security services, consulting and training.

In addition to these products, the company provides a comprehensive suite of cyber security services to customers including managed detection and response (MDR), incident response, security architecture design, consulting, and training.

Financials¹²

Check Point reported Q4 FY 2024 revenue of \$703.7 million, up 6% y/y compared to \$663.5 million in Q4 FY 2023. Revenue growth was driven by strong growth (8% y/y) in Quantum Force appliance business and expanded adoption of its Infinity platform.¹³ Q4 billings growth was 11% y/y beating estimates, boosted by at least one very large transaction, with double digit billing growth for the first time since Q4 FY 2021.¹⁴ Gross margin was 85.5% (vs 86.6% in Q4 FY 2023). EBITDA margin decreased from 40.8% to 39.8%. Net income for the period was \$257.5 million (vs \$249.2 million net income in Q4 FY 2023) driven by an increase in revenue.

In FY 2024, revenue grew 6% y/y to \$2.6 billion (vs \$2.4 billion in FY 2023), driven by 13% y/y increase in subscription revenue to \$1.1 billion compared to \$981 million in FY 2023 primarily driven by new security

offerings.¹⁵ Gross margin was 86.2% (vs 87.9% in FY 2023) and EBITDA margin was 37.4% (vs 39.2% in FY 2023). Net income for FY 2024 was \$845.7 million, up 1% y/y from \$840.3 million in FY 2023.

As per its most recent guidance update in Q4 FY 2024, the company expects revenue for FY 2025 to grow to the range of \$2,660-\$2,760 million, with non-GAAP EPS of \$9.60-\$10.20.¹⁶ For Q1 FY 2025, revenue is expected to be in the range of \$619-\$649 million with non-GAAP EPS of \$9.60-\$10.20.¹⁷

Stock Performance¹⁸

Check Point has been a part of the ISE Cyber Security UCITS™ Index (HUR™) from August 26, 2015 (the earliest date from which live data for HUR is available). Since then, the stock has slightly underperformed HUR and the benchmark index S&P 500. Its price return from the date of inclusion to the index till March 19, 2025 was +190% (versus +201% for HUR and +192% for the S&P 500). On a year-to-date basis, as of March 19, 2025, its price return was 23%, significantly outperforming the HUR and the S&P 500, which have returned 1% and -4%, respectively.

Role in Cyber Security Theme¹⁹

Check Point generates 100% of its revenue from its cybersecurity products. The Infinity Platform provides a comprehensive, consolidated, and collaborative security platform to provide threat prevention and security across all attack vectors. The company's research and intelligence unit consists of 3,500 security experts on top of the broad ecosystem of business and technology partners. Check Point's extended network protects organizations of all sizes across all industry verticals in 88 countries, helping customers realize a safer internet experience and uninterrupted business operations.

During 2024, the company was endorsed by market analysts (including Gartner, Forrester, Frost & Sullivan and Miercom) for its leadership position in 28 reports and was mentioned in over 188 analyst reports.

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¹ FactSet-Company/Security platform

² SEC filing (Form 20F), FY 2024 full year result

³ <https://www.checkpoint.com/about-us/leadership/>

⁴ <https://www.checkpoint.com/press-releases/check-point-software-to-announce-fourth-quarter-and-full-year-2024-financial-results-on-january-30-2025/>

⁵ <https://www.checkpoint.com/press-releases/check-point-software-miercom-enterprise-and-hybrid-mesh-firewall-security-report-2025/>

⁶ <https://www.checkpoint.com/press-releases/check-point-software-miercom-enterprise-and-hybrid-mesh-firewall-security-report-2025/>

⁷ Q4 2024 earnings call Transcript, FactSet

⁸ Q4 2024 earnings call Transcript, FactSet

⁹ <https://www.checkpoint.com/press-releases/check-point-software-technologies-and-wiz-enter-strategic-partnership-to-deliver-end-to-end-cloud-security/>

¹⁰ Q4 2024 earnings call Transcript, FactSet

¹¹ SEC filing (Form 20F), FY 2024 full year result, FactSet, <https://www.checkpoint.com/quantum/>

¹² Factset Data

¹³ <https://www.checkpoint.com/press-releases/check-point-software-reports-fourth-quarter-and-2024-full-year-results/> , <https://www.checkpoint.com/downloads/investor/CHKP-Q4-24-Preso.pdf?v=1.0>

¹⁴ <https://www.checkpoint.com/press-releases/check-point-software-reports-fourth-quarter-and-2024-full-year-results/> , <https://www.checkpoint.com/downloads/investor/CHKP-Q4-24-Preso.pdf?v=1.0>, FactSet

¹⁵ SEC filing (Form 20F), FY 2024 full year result, FactSet

¹⁶ <https://www.checkpoint.com/downloads/investor/CHKP-Q4-24-Preso.pdf?v=1.0>

¹⁷ <https://www.checkpoint.com/downloads/investor/CHKP-Q4-24-Preso.pdf?v=1.0>

¹⁸ FactSet and Nasdaq

¹⁹ SEC filing (Form 20F), FY 2024 full year result, FactSet, <https://www.checkpoint.com>