



Fortinet Reports Second Quarter 2013 Financial Results

Financial Highlights for the Second Quarter of 2013

- Revenues of \$147.4 million, up 14% year over year
- Billings of \$160.7 million, up 10% year over year¹

DUBAI, UAE, August 6, 2013 /EINPresswire.com/ -- Dubai, UAE – August 06, 2013 – Fortinet® (NASDAQ: FTNT) - a leader in high-performance network security - recently announced financial results for the second quarter ended June 30, 2013.

“Our ability to meet or exceed billings, revenue and profitability expectations during the second quarter against challenging conditions in some markets and geographies highlights the breadth and diversity of Fortinet's business,” said Ken Xie, founder, president and chief executive officer. “While we will continue to move forward cautiously due to the ongoing macro uncertainty, we feel confident that the combination of our strong competitive advantages and product superiority positions us well for continued growth and market share gains.”

Financial Highlights for the Second Quarter of 2013

- Revenue: Total revenue was \$147.4 million for the second quarter of 2013, an increase of 14% compared to \$129.0 million in the same quarter of 2012. Within total revenue, product revenue was \$66.5 million, an increase of 8% compared to the same quarter of 2012. Services revenue was \$79.7 million, an increase of 22% compared to the same quarter of 2012.
- Billings¹: Total billings were \$160.7 million for the second quarter of 2013, an increase of 10% compared to \$145.8 million in the same quarter of 2012.
- Deferred Revenue: Deferred revenue was \$389.7 million as of June 30, 2013, an increase of 18% compared to deferred revenue of \$331.4 million as of June 30, 2012, and an increase of \$13.3 million from \$376.4 million as of March 31, 2013.
- Cash and Cash Flow: As of June 30, 2013, cash, cash equivalents and investments were \$814.4 million, compared to \$782.5 million as of March 31, 2013. In the second quarter of 2013, cash flow from operations was \$37.2 million and free cash flow was \$35.2 million¹.
- GAAP Operating Income: GAAP operating income was \$13.8 million for the second quarter of 2013, representing a GAAP operating margin of 9%. GAAP operating income was \$21.0 million for the same quarter of 2012, representing a GAAP operating margin of 16%.
- GAAP Net Income and Diluted Net Income Per Share: GAAP net income was \$9.0 million for the second quarter of 2013, based on a 40% effective tax rate for the quarter. This compared to GAAP net income of \$14.0 million for the same quarter of 2012, based on a 37% effective tax rate for the quarter. GAAP diluted net income per share was \$0.05 for the second quarter of 2013, based on 168.0 million weighted-average diluted shares outstanding, compared to \$0.08 for the same quarter

of 2012, based on 166.1 million weighted-average diluted shares outstanding.

- **Non-GAAP Operating Income**¹: Non-GAAP operating income was \$24.4 million for the second quarter of 2013, representing a non-GAAP operating margin of 17%. Non-GAAP operating income was \$28.6 million for the same quarter of 2012, representing a non-GAAP operating margin of 22%.
- **Non-GAAP Net Income and Diluted Net Income Per Share**¹: Non-GAAP net income was \$17.2 million for the second quarter of 2013, based on a 33% effective tax rate for the quarter. Non-GAAP net income for the same quarter of 2012 was \$19.7 million, based on a 34% effective tax rate. Non-GAAP diluted net income per share was \$0.10 for the second quarter of 2013 based on 168.0 million weighted-average diluted shares outstanding, compared to \$0.12 for the same quarter of 2012, based on 166.1 million weighted-average diluted shares outstanding.

¹ A reconciliation of GAAP to non-GAAP financial measures has been provided in the financial statement tables included in this press release. An explanation of these measures is also included below under the heading "Non-GAAP Financial Measures".

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