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BEST PRACTICES

AWARDS

FROST & SULLIVAN

2020 BEST PRACTICES AWARD

FORTINET®

**2020 KSA NETWORK SECURITY PROVIDER
COMPANY OF THE YEAR AWARD**

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Background and Company Performance

Industry Challenges

In the Middle East, the Kingdom of Saudi Arabia (KSA) is among the leading countries in adoption and implementation of advanced technologies. As one of the most digitally connected countries, the KSA stands out for high smartphone penetration, best-in-class connectivity infrastructure, and widespread availability of high-speed Internet bandwidth. The country's digital innovation is affecting everything from data-driven decision-making and the adoption of cloud services to the rise of the bring-your-own-device (BYOD) trend at the workplace, enterprise mobility, and the explosion in Internet of Things (IoT)-connected devices.

With these advances, however, comes a higher risk of cyberattacks: organizations must re-examine their security architectures in favor of an open, multi-layered security fabric approach to protect their networks. Detection of complex cybersecurity risks requires groundbreaking threat intelligence and deep integration across different security solutions. In today's advanced digital landscape, network security companies are pivotal in preparing customers to analyze threat intelligence across all solutions through a single management console and to deploy consistent security across an array of network environments and ecosystems.

Other challenges restrain KSA's network security. For instance, most of the small and mid-sized businesses (SMEs) often cannot afford to invest in all the tools needed for digital innovation, so these businesses are often left out of the loop. Such businesses are looking for solutions that are both efficient and affordable. Further, classic perimeter-based security solutions are no longer sufficient enough to address today's cybersecurity challenges. Specifically, cybersecurity attacks in KSA primarily target the government, oil and gas, and other critical infrastructure, whose disruption may pose a great risk to the country. Frost & Sullivan recognizes that at this moment of digital advancement in KSA, the network security landscape is crowded with all manner of solutions, but the optimal solution will reduce overhead and ensure a prompt, effective response to any detected threat.

Visionary Innovation and Performance/Customer Impact

Growth Performance

US-based Fortinet is one of the top security leaders in the world, delivering industry-leading solutions that help clients keep up with the pace of digital innovation while staying ahead of ever-changing threats. The company is a pioneer in the Middle East cybersecurity market, with a well-established footprint in the United Arab Emirates (UAE) and KSA markets. In the UAE and KSA, Fortinet has witnessed growth across verticals; in strategic customer wins; and in high investment areas such as research and development, training

and support, new technologies, and service launches. Also, the company has increased its staffing for services sales and customer support.

Frost & Sullivan is impressed that Fortinet demonstrates continued growth year after year, and as digital innovation brings sweeping change across virtually every vertical, the company quickly implements solutions. Segments Fortinet serves in KSA include telecom, government, education, BFSI, retail, and oil and gas. Also noteworthy, Fortinet's solutions are popular among the region's SMEs, with a large number of deployments owing to its efficiency, cost-effectiveness, and tailor-made solutions that address challenges that this particular sector faces.

In 2019, Fortinet's consolidated net revenue was \$2.16 billion, 20% higher than in 2018. The company's revenue from products increased 17% during period, and its revenue from billing grew 21% over the previous year.

Addressing Unmet Needs: Competitive Differentiation

Frost & Sullivan recognized during its industry research that Fortinet has time and again anticipated vulnerabilities and threats its customers will likely come up against, and proactively creates solutions before these threats emerge to best serve its customers and simultaneously stay ahead of the competition. For instance, as more people and their personal devices, places (real and virtual), and things become connected, organizations are under increasingly intense pressure to deploy consistent security across all network environments and ecosystems. Challenges include an expanding user base of smart devices and IoT, segmented networks and distributed data centers, the surging number of new applications, the convergence of information and operational technology infrastructures, and multi-cloud environments. Next-generation firewalls (NGFW) play a pivotal role in these environments. Fortinet has tackled this challenge for its customers early on, pioneering cross-environment interoperability, regardless of where security solutions are deployed. The company's ability to provide its customers with broad protection and visibility in every network segment, device, and appliance—whether virtual, in the cloud, or on-premise—sets it apart from its top competition, as these providers do not offer network security across each network segment.

Frost & Sullivan is impressed that Fortinet has established itself as a trusted name in the highly regulated KSA market by delivering comprehensive network security solutions to its customers. The Fortinet Security Fabric addresses the expanded attack surface by providing end-to-end security and visibility across the network infrastructure. With the broadest range of high-performance security-driven networking solutions for data centers, branch offices, small business, and all major cloud providers, the Security Fabric protects every segment of the network. All components are configured, managed, and monitored from a single, centralized management system.

Visionary Scenarios through Mega Trends

The advent of the IoT and the increasing penetration of mobile devices and multi-cloud environments are significantly boosting the volume of encrypted data on enterprise edge networks, resulting in increased throughput, bandwidth, and session capacity requirements that are driving enterprises to modernize their edge networks. As such, network security products constitute the bulk of Fortinet's business in the KSA, while the adoption of cloud, virtual, and SDN models is growing steadily.

Frost & Sullivan finds Fortinet to be 100% dedicated to security, and hence provides its channel base with an unparalleled business opportunity by delivering the most complete portfolio of IT security solutions. With its wide range of security solutions, Fortinet has built a robust customer base in the region that gives it an edge in delivering its solutions to every market segment. To that end, strong investments continue to be made in R&D at the corporate level, allowing Fortinet to continue to push barriers in terms of performance and innovation that will help organizations protect their extended networks.

Fortinet's key focus is on ensuring that its channels are ready and geared up for the security risks associated with today's new technologies. These include artificial intelligence (AI) and machine learning (ML). The company incentivizes its customers and works to increase their level of engagement with, and competency in, network security by helping them build the necessary skills. The company aims to strengthen its partners' skill sets to align with its strategy and develop proficiency in key technologies, such as NAC (network access control), SIEM (security information and event management), and APT (advanced persistent threats), and to ensure each channel is supported by the right expertise.

Technological Sophistication

Innovation is the cornerstone of Fortinet's mission to deliver industry-leading security solutions without compromise. Patented and patent-pending solutions are designed to deliver open, integrated, and forward-looking security and networking technologies that allow organizations to dynamically and securely adapt to change. The company's innovative products relies on the FortiOS network operating system, enabling consistent configuration, policy management, and effortless, real time communication across the security infrastructure. This minimizes threat detection and mitigation times, reduces security risks resulting from configuration errors and manual data compilation, and facilitates timely and accurate compliance audit response.

Fortinet's strong market growth in 2019 was backed by the introduction of several groundbreaking innovations and products. For instance, the company rapidly expanded its partner-focused security-as-a-service cloud offerings by including additional FortiCloud solutions. The breadth of these services provides Fortinet customers the opportunity to select cloud security and management tools that are easy to implement and manage, flexible, and scalable as their business grows.

In 2019, Fortinet delivered the industry's first secure SD-Branch solution to extend security to the WAN and access edge. This solution provides better integration of LAN and WAN platforms and delivers benefits such as integrated security, simplified management, and lower cost of ownership to customers. The company also released the latest version of its flagship operating system, FortiOS 6.2, which continues the evolution of Fortinet's unique Security Fabric with over 300 new innovations that span its products and solutions portfolio, thereby enabling organizations of all sizes to achieve a security-driven network required for the edge and multi-cloud environments created by digital innovation.

Vision Alignment

In this era of digitalization, every organization must ensure that data is free from contamination and safe from tampering. What is absolutely certain is that customers can no longer afford security tools that operate in isolation. Be it a physical or a virtual network environment, the Fortinet Security Fabric approach delivers consistent protection across the different network environments. With continuous enhancement and evolution in business requirements and technologies, the Fortinet Security Fabric architecture adapts to changing networks without compromising on its performance and functionality. Uniquely, Fortinet's holistic approach towards security is integrated and automated, which provides it an edge over its top competitors whose solutions are not automated and cannot as aptly match customers' needs.

Fortinet has undergone various partnerships, merges, and acquisitions to strengthen its security solutions. In 2019, Fortinet extended integration of its cloud security portfolio with the Google Cloud to offer customers migrating to the Google Cloud Platform advanced security for their workloads and applications. Last year, the company acquired CyberSponse, a leading security orchestration, automation, and response (SOAR) platform provider. With this acquisition, Fortinet is expected to extend its automation and incident response capabilities and help simplify security operations. Also, Fortinet acquired enSilo, a privately-held advanced endpoint security company; enSilo will not only help Fortinet strengthen its powerful endpoint and network security solutions, but also enhance its security fabric by arming clientele with innovative endpoint security, and endpoint detection and response (EDR). Frost & Sullivan applauds Fortinet for empowering its KSA customers with additional security options gained through strategic partnerships and M&As; these solutions are both timely and pertinent to companies', whether SMEs or large enterprises, specific cloud and endpoint needs as they advance on their digital innovation journeys.

Brand Equity

As organizations embrace digital innovation to improve their operational efficiency, the use of IoT devices is growing at a tremendous rate. The sheer volume of devices in need of wired and wireless network access is enlarging the attack surface exponentially and increasing internal provisioning, compliance, and management costs. To help customers

keep pace with change, without compromising security, Fortinet's flagship enterprise firewall platform, FortiGate is available in a wide range of sizes and form factors to fit any environment and provide a broad array of next-generation security and networking functions.

Fortinet advocates for the sharing of intelligence with law enforcement and other global security organizations, and has been instrumental in the design and creation of these secure communication channels. Fortinet co-founded the Cyber Threat Alliance (CTA) and has worked with international law enforcement to take down cybercrime organizations.

Moreover, the company's FortiCare services deliver best-in-class support services for all products. With FortiCare services, customers are assured delivery of optimal performance from their security products and the safety of their corporate assets.

Conclusion

Most of the major cyberattacks in KSA target government, oil and gas, telecommunications, and other critical infrastructure that are of strategic importance to the economy. Any disruption to these industries poses a great risk. Detection of sophisticated threats requires deep amalgamation of various security solutions, wherein the information is shared and correlated with the threat intelligence to automatically coordinate a response. Fortinet is leading the way in security innovation and helping companies in the Kingdom of Saudi Arabia and others across the Middle East to address the security challenges digital innovation has created, from numerous IoT-connected devices to multi-cloud environments.

Fortinet has consolidated and strengthened itself as a leading firm delivering high-performance network security solutions to the KSA market. With its strategic focus on portfolio diversity, revenue growth, and technological advancements, Fortinet has earned Frost & Sullivan's 2020 KSA Network Security Company of the Year Award.

Significance of Company of the Year

To receive the Company of the Year Award (i.e., to be recognized as a leader not only in your industry, but among non-industry peers) requires a company to demonstrate excellence in growth, innovation, and leadership. This excellence typically translates into superior performance in three key areas—demand generation, brand development, and competitive positioning—that serve as the foundation of a company’s future success and prepare it to deliver on the 2 factors that define the Company of the Year Award: Visionary Innovation and Performance, and Customer Impact).



Understanding Company of the Year

Driving demand, brand strength, and competitive differentiation all play critical roles in delivering unique value to customers. This three-fold focus, however, must ideally be complemented by an equally rigorous focus on Visionary Innovation and Performance to enhance Customer Impact.

Key Benchmarking Criteria

For the Company of the Year Award, Frost & Sullivan analysts independently evaluated each factor according to the criteria identified below.

Visionary Innovation and Performance

- Criterion 1: Competitive Differentiation
- Criterion 2: Visionary Scenarios through Mega Trends
- Criterion 3: Implementation of Best Practices
- Criterion 4: Blue Ocean Strategy
- Criterion 5: Growth Performance

Customer Impact

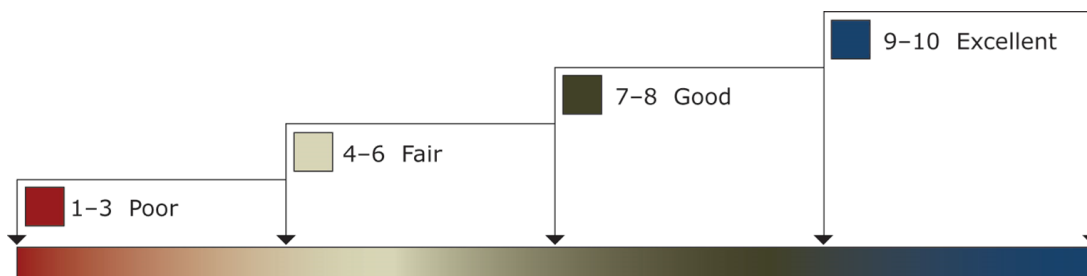
- Criterion 1: Price/Performance Value
- Criterion 2: Customer Purchase Experience
- Criterion 3: Customer Ownership Experience
- Criterion 4: Customer Service Experience
- Criterion 5: Brand Equity

Best Practices Award Analysis for Fortinet

Decision Support Scorecard

To support its evaluation of best practices across multiple business performance categories, Frost & Sullivan employs a customized Decision Support Scorecard. This tool allows research and consulting teams to objectively analyze performance according to the key benchmarking criteria listed in the previous section, and to assign ratings on that basis. The tool follows a 10-point scale that allows for nuances in performance evaluation. Ratings guidelines are illustrated below.

RATINGS GUIDELINES



The Decision Support Scorecard considers Visionary Innovation and Performance and Customer Impact (i.e., the overarching categories for all 10 benchmarking criteria; the definitions for each criterion are provided beneath the scorecard). The research team confirms the veracity of this weighted scorecard through sensitivity analysis, which

confirms that small changes to the ratings for a specific criterion do not lead to a significant change in the overall relative rankings of the companies.

The results of this analysis are shown below. To remain unbiased and to protect the interests of all organizations reviewed, Frost & Sullivan has chosen to refer to the other key participants as Competitor 1 and Competitor 2.

<i>Measurement of 1-10 (1 = poor; 10 = excellent)</i>			
Company of the Year	Visionary Innovation & Performance	Customer Impact	Average Rating
Fortinet	10	9	9.5
Competitor 1	8	9	8.5
Competitor 2	7	7	7

Visionary Innovation & Performance

Criterion 1: Competitive Differentiation

Requirement: Implementing a robust process to continuously unearth customers' unmet or underserved needs, and creating the products or solutions to address them effectively.

Criterion 2: Visionary Scenarios through Mega Trends

Requirement: Incorporating long-range, macro-level scenarios into the innovation strategy, thereby enabling first-to-market growth opportunity solutions.

Criterion 3: Implementation of Best Practices

Requirement: Best-in-class strategy implementation characterized by processes, tools, or activities that generate a consistent and repeatable level of success.

Criterion 4: Blue Ocean Strategy

Requirement: Strategic focus on creating a leadership position in a potentially uncontested market space, manifested by stiff barriers to entry for competitors.

Criterion 5: Growth Performance

Requirement: Strong overall business performance in terms of revenue, revenue growth, operating margin, and other key financial metrics.

Customer Impact

Criterion 1: Price/Performance Value

Requirement: Products or services offer the best value for the price compared to similar offerings in the market.

Criterion 2: Customer Purchase Experience

Requirement: Customers feel they are buying the optimal solution that addresses both their unique needs and their unique constraints.

Criterion 3: Customer Ownership Experience

Requirement: Customers are proud to own the company’s product or service and have a positive experience throughout the life of the product or service.

Criterion 4: Customer Service Experience

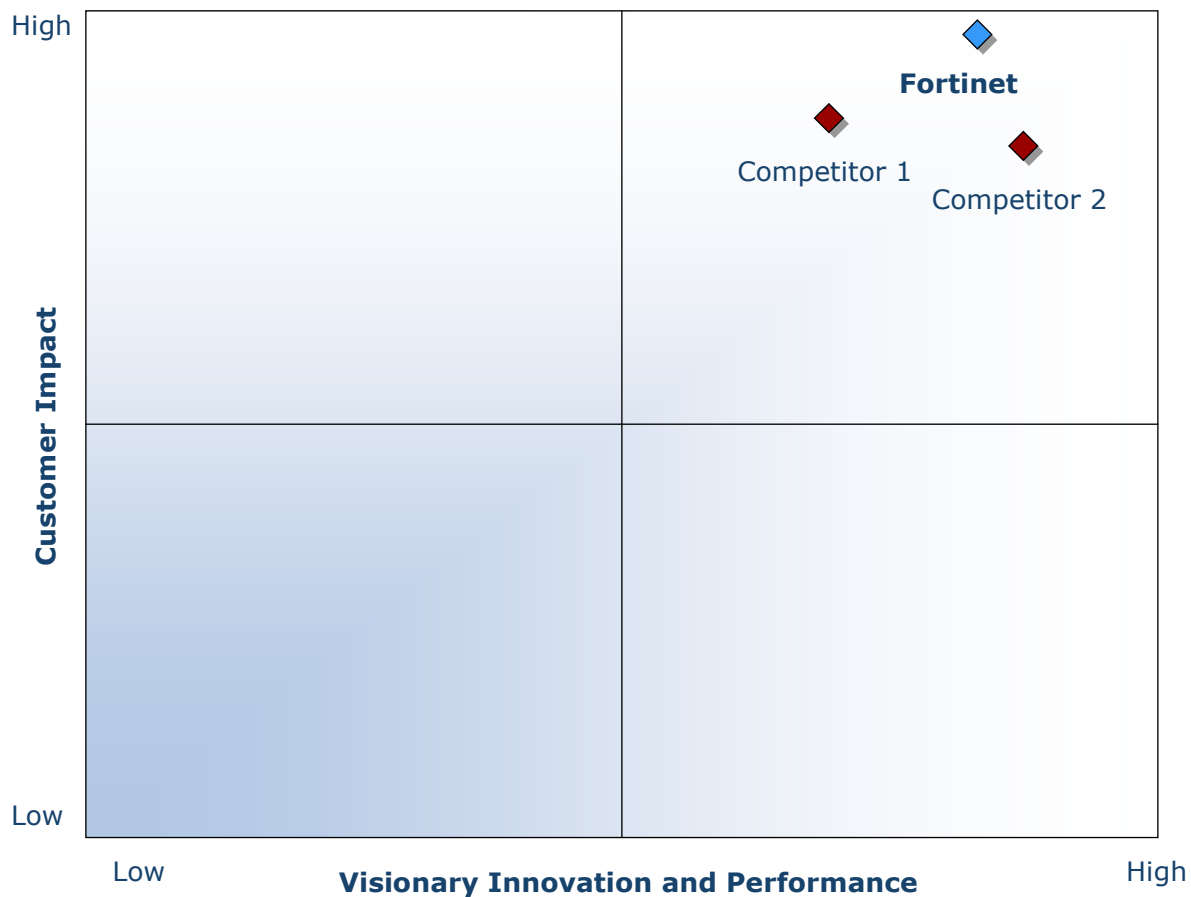
Requirement: Customer service is accessible, fast, stress-free, and of high quality.

Criterion 5: Brand Equity

Requirement: Customers have a positive view of the brand and exhibit high brand loyalty.

Decision Support Matrix

Once all companies have been evaluated according to the Decision Support Scorecard, analysts then position the candidates on the matrix shown below, enabling them to visualize which companies are truly breakthrough and which ones are not yet operating at best-in-class levels.



Best Practices Recognition: 10 Steps to Researching, Identifying, and Recognizing Best Practices

Frost & Sullivan analysts follow a 10-step process to evaluate award candidates and assess their fit with select best practice criteria. The reputation and integrity of the awards are based on close adherence to this process.

STEP	OBJECTIVE	KEY ACTIVITIES	OUTPUT
1 Monitor, target, and screen	Identify award recipient candidates from around the world	<ul style="list-style-type: none"> • Conduct in-depth industry research • Identify emerging industries • Scan multiple regions 	Pipeline of candidates that potentially meet all best practices criteria
2 Perform 360-degree research	Perform comprehensive, 360-degree research on all candidates in the pipeline	<ul style="list-style-type: none"> • Interview thought leaders and industry practitioners • Assess candidates' fit with best practices criteria • Rank all candidates 	Matrix positioning of all candidates' performance relative to one another
3 Invite thought leadership in best practices	Perform in-depth examination of all candidates	<ul style="list-style-type: none"> • Confirm best practices criteria • Examine eligibility of all candidates • Identify any information gaps 	Detailed profiles of all ranked candidates
4 Initiate research director review	Conduct an unbiased evaluation of all candidate profiles	<ul style="list-style-type: none"> • Brainstorm ranking options • Invite multiple perspectives on candidates' performance • Update candidate profiles 	Final prioritization of all eligible candidates and companion best practices positioning paper
5 Assemble panel of industry experts	Present findings to an expert panel of industry thought leaders	<ul style="list-style-type: none"> • Share findings • Strengthen cases for candidate eligibility • Prioritize candidates 	Refined list of prioritized award candidates
6 Conduct global industry review	Build consensus on Award candidates' eligibility	<ul style="list-style-type: none"> • Hold global team meeting to review all candidates • Pressure-test fit with criteria • Confirm inclusion of all eligible candidates 	Final list of eligible award candidates, representing success stories worldwide
7 Perform quality check	Develop official award consideration materials	<ul style="list-style-type: none"> • Perform final performance benchmarking activities • Write nominations • Perform quality review 	High-quality, accurate, and creative presentation of nominees' successes
8 Reconnect with panel of industry experts	Finalize the selection of the best practices award recipient	<ul style="list-style-type: none"> • Review analysis with panel • Build consensus • Select winner 	Decision on which company performs best against all best practices criteria
9 Communicate recognition	Inform award recipient of recognition	<ul style="list-style-type: none"> • Present award to the CEO • Inspire the organization for continued success • Celebrate the recipient's performance 	Announcement of award and plan for how recipient can use the award to enhance the brand
10 Take strategic action	Upon licensing, company able to share award news with stakeholders and customers	<ul style="list-style-type: none"> • Coordinate media outreach • Design a marketing plan • Assess award's role in strategic planning 	Widespread awareness of recipient's award status among investors, media personnel, and employees

The Intersection between 360-Degree Research and Best Practices Awards

Research Methodology

Frost & Sullivan's 360-degree research methodology represents the analytical rigor of the research process. It offers a 360-degree view of industry challenges, trends, and issues by integrating all 7 of Frost & Sullivan's research methodologies. Too often companies make important growth decisions based on a narrow understanding of their environment, resulting in errors of both omission and commission. Successful growth strategies are founded on a thorough understanding of market, technical, economic, financial, customer, best practices, and demographic analyses. The integration of these research disciplines into the 360-degree research methodology provides an evaluation platform for benchmarking industry participants and for identifying those performing at best-in-class levels.

360-DEGREE RESEARCH: SEEING ORDER IN THE CHAOS



About Frost & Sullivan

Frost & Sullivan, the Growth Partnership Company, helps clients accelerate growth and achieve best-in-class positions in growth, innovation, and leadership. The company's Growth Partnership Service provides the CEO and the CEO's growth team with disciplined research and best practices models to drive the generation, evaluation, and implementation of powerful growth strategies. Frost & Sullivan leverages nearly 60 years of experience in partnering with Global 1000 companies, emerging businesses, and the investment community from 45 offices on 6 continents. To join Frost & Sullivan's Growth Partnership, visit <http://www.frost.com>.