

FROST & SULLIVAN

PALO ALTO NETWORKS

2022
COMPANY
OF THE
YEAR

GLOBAL
SECURE SD-WAN INDUSTRY

Best Practices Criteria for World-Class Performance

Frost & Sullivan applies a rigorous analytical process to evaluate multiple nominees for each award category before determining the final award recipient. The process involves a detailed evaluation of best practices criteria across two dimensions for each nominated company. Palo Alto Networks excels in many of the criteria in the secure software-defined wide area network (SD-WAN) space.

AWARD CRITERIA	
<i>Visionary Innovation & Performance</i>	<i>Customer Impact</i>
Addressing Unmet Needs	Price/Performance Value
Visionary Scenarios Through Mega Trends	Customer Purchase Experience
Implementation of Best Practices	Customer Ownership Experience
Leadership Focus	Customer Service Experience
Financial Performance	Brand Equity

Addressing Unmet Needs

With the acceleration of digital initiatives, cloud adoption, and workforce mobility, the traditional approach of enabling access and backhauling all traffic to a single data center location can no longer meet the fast-changing business needs of today's digital world. Users, applications, data, and workloads are now everywhere and anywhere. Optimizing business continuity and addressing evolving security challenges require organizations to transform their networking and security architecture to allow secure access and optimal connectivity for users, devices, and applications.

Palo Alto Networks is a leading global network security company with a comprehensive security portfolio and flagship next-generation firewall (NGFW) platform. Established in 2005 and headquartered in California, the company provides holistic protection solutions across clouds, networks, and mobile devices. Recognizing hardware-based architectures as not optimized to meet the needs of cloud-first digital businesses and hybrid workforces, the company supports organizations in moving to a user-centric, cloud-delivered architecture to remain competitive in the digital age. It acquired CloudGenix in 2020 to continue introducing updates to provide a secure SD-WAN architecture with natively integrated security and connectivity. These new additions include new SD-WAN appliances for small offices and home offices (SOHO), enterprises and large campuses, AIOps (artificial intelligence for IT operations) for predictive analysis, machine learning-based capabilities for simplified network operations, and Prisma Access cloud security solution integration.

To enable seamless, secure, and connected future workplaces, Palo Alto Networks focuses on integrating networking and security into a cloud-delivered model known as Secure Access Services Edge (SASE). Its Prisma SD-WAN product is a key component of its Prisma SASE solution. The Prisma SD-WAN Instant-On Network (ION) family of appliances is purposely built to enable a cloud-delivered branch for customers.

“Frost & Sullivan commends Palo Alto Networks’ steadfast commitment to technological innovations and robust SD-WAN and cloud-delivered security integrated solutions that allow the company to solidify its leadership position in supporting organizations in modernizing their environments at their own pace and preference for improved scalability and agility.”

- Vivien Pua, Industry Analyst

Palo Alto Networks cater to various business use cases by offering SD-WAN appliances of different form factors to suit any branch size, from small branches like kiosks to large data center-scale branches. The different virtual form factors can be deployed on multiple servers and hypervisor platforms in the branch, data center, public cloud, or multi-cloud environments.

From a security aspect, Palo Alto Networks' SD-WAN appliances can connect to Prisma Access to deliver a combination of cloud-delivered networking and security solutions. Through this connection, customers can instantly enable any cloud-delivered security services to

the branch, including cloud firewall, secure web gateway (SWG), cloud access security broker (CASB), zero-trust network access (ZTNA), and threat prevention. The company also incorporates a built-in zone-based firewall in its SD-WAN appliances to provide granular segmentation based on user, policy, network, and application for east-to-west traffic protection.

Frost & Sullivan’s ongoing research confirms that the comprehensiveness of Palo Alto Networks' cloud-delivered security services and the native integration of its SD-WAN appliances clearly set the company apart from secure SD-WAN competitors that have limited security offerings to meet customers' evolving security requirements.

Leadership Focus and Best Practices Implementation

Traditional hub-and-spoke architectures that backhaul all traffic to organizations' data centers cannot keep up with rapid cloud adoption and increasing usage of software-as-a-service (SaaS) applications. Users experience performance issues and are unable to scale in hybrid and cloud environments.

Palo Alto Networks' approach to integrating networking and security in the cloud through its secure SD-WAN solutions aims to remedy the shortcomings of traditional architectures. The company offers two deployment models to meet different customer requirements. Customers can subscribe either to Prisma SD-WAN to embark on their SASE journey or to SD-WAN on Palo Alto Networks' NGFW. Frost & Sullivan appreciates how this flexible deployment enables customers to make decisions based on their immediate needs and digital strategy.

Recognizing the trend of organizations shifting away from vendor lock-ins to best-of-breed approaches, Palo Alto Networks allows third-party service integration through its Prisma SD-WAN, CloudBlades platform. The platform will enable customers to orchestrate the configuration of third-party services, including security, cloud, collaboration, operations, and reporting. These capabilities can be enabled at customers' cloud-delivered branch without requiring any hardware appliance. CloudBlades can integrate

the systems of multiple third-party technology partners, including AWS, Microsoft Azure, Google Cloud Platform, ServiceNow, Zoom, Cradlepoint, and Microsoft Teams.

Palo Alto Networks continues to invest in innovations and introduce new capabilities to its secure SD-WAN offerings, supporting customers' transition to a cloud-delivered networking and security architecture. The company launched an integrated 5G SD-WAN appliance that ensures optimal uptime for business-critical applications by using 5G/long-term evolution (LTE) as a primary WAN connectivity or backup line for improved resilience. Introducing this 5G SD-WAN appliance can help address cellular WAN

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needs for small offices, retail, and kiosks. Organizations can capitalize on 5G connectivity for SASE deployment at branch offices without deploying additional 5G hardware at the branch.

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Financial Performance

In 2020, Palo Alto Networks completed its acquisition of CloudGenix, a cloud-delivered SD-WAN provider. In February 2021, the company rebranded the SD-WAN offering to Prisma SD-WAN. Since the rebranding, Palo Alto Networks has experienced strong demands for its secure SD-WAN solutions. Frost & Sullivan estimates that Palo Alto Networks achieved tremendous year-over-year growth of 186.5% in 2021 from 2020, attributing this growth to the company's well-established brand name, strategic innovation investments, and ongoing go-to-market efforts. Palo Alto Networks' NGFW solutions remain the top-of-mind choice among large and midsize customers, witnessing continuous deployment success in diverse sectors, including banking, financial services, and insurance; retail; and manufacturing.

Customer Purchase and Service Experience

With SD-WAN as the key pillar of its broader SASE strategy, Palo Alto Networks consolidates both Prisma Access and Prisma SD-WAN go-to-market and sales teams to drive engagement with potential customers. The company also actively expands its managed service provider partner network through new partnerships with Tier 1 providers, such as AT&T, Telus and Orange Business Services, to propel the adoption of managed SASE solutions.

Palo Alto Networks provides standard professional security services, including implementation, planning, consulting, provisioning, and training to customers. It also offers specific professional services for Prisma SD-WAN - including QuickStart for planning and execution and Extended Expertise for Resident Engineer programs - to provide long-term consulting resources. With services specifically designed to support Prisma SD-WAN customers, the company is properly committed to delivering customized knowledge to customers on top of formalized training through its existing portal.

Conclusion

Palo Alto Networks' strong market leadership position in the global secure SD-WAN market is backed by continual investments in innovations and engagement with channel partners to facilitate branch networking and security integration. The company's innovative offerings give it a competitive edge to remain the top-of-mind choice among large and midsize organizations across regions. It has a robust portfolio of solutions to meet evolving security requirements in today's digital age. The customer-centric strategies include flexible solution deployment, third-party integration, specialized customer service support for secure SD-WAN applications, and diverse solutions for different use cases.

With its strong overall performance, Palo Alto Networks earns the 2022 Frost & Sullivan Global Company of the Year Award in the secure SD-WAN industry.

What You Need to Know about the Company of the Year Recognition

Frost & Sullivan's Company of the Year Award is its top honor and recognizes the market participant that exemplifies visionary innovation, market-leading performance, and unmatched customer care.

Best Practices Award Analysis

For the Company of the Year Award, Frost & Sullivan analysts independently evaluated the criteria listed below.

Visionary Innovation & Performance

Addressing Unmet Needs: Customers' unmet or under-served needs are unearthed and addressed by a robust solution development process

Visionary Scenarios Through Mega Trends:

Long-range, macro-level scenarios are incorporated into the innovation strategy through the use of Mega Trends, thereby enabling first-to-market solutions and new growth opportunities

Leadership Focus: Company focuses on building a leadership position in core markets and on creating stiff barriers to entry for new competitors

Best Practices Implementation: Best-in-class implementation is characterized by processes, tools, or activities that generate a consistent and repeatable level of success

Financial Performance: Strong overall business performance is achieved in terms of revenue, revenue growth, operating margin, and other key financial metrics

Customer Impact

Price/Performance Value: Products or services provide the best value for the price compared to similar market offerings

Customer Purchase Experience: Quality of the purchase experience assures customers that they are buying the optimal solution for addressing their unique needs and constraints

Customer Ownership Experience: Customers proudly own the company's product or service and have a positive experience throughout the life of the product or service

Customer Service Experience: Customer service is accessible, fast, stress-free, and high quality

Brand Equity: Customers perceive the brand positively and exhibit high brand loyalty

