

**Palo Alto Networks, Inc.****PANW**Bloomberg  
ReutersPANW.US  
PAN.NLB**Palo Alto Networks experiences a sharp decline following a reduction in revenue forecast.****Earnings Result**

In comparing the previous and current quarter financial reports of Palo Alto Networks, it is evident that the company continues to highlight key factors such as competition, customer purchasing decisions, and debt repayment obligations as potential risks to its financial results. Additionally, the company emphasizes its share repurchase program and the potential impact on stock prices. It is worth noting that the company provides non-GAAP financial measures and highlights that the financial information in the press release has not been prepared in accordance with GAAP. This suggests that investors should carefully consider these factors when evaluating the company's outlook and forecast for the future.

**Net profit growth QoQ and YoY**

The net income for Palo Alto Networks in the fiscal second quarter of 2024 was \$1.7 billion, compared to \$0.1 billion in the same quarter of the previous year and also beat expectation. This represents a significant year-over-year growth in net income.

**Revenue growth of each business**

The earnings report states that Palo Alto Networks experienced a 19% year-over-year revenue growth in the fiscal second quarter of 2024, reaching \$2.0 billion and beating expectation. This growth indicates positive performance for the company in terms of generating revenue.

**Remaining performance obligation**

In the second quarter of fiscal year 2024, the remaining performance obligation saw a significant 22% year-over-year increase to \$10.8 billion, exceeding market expectations. However, the growth rate in this quarter was lower compared to the previous quarter.

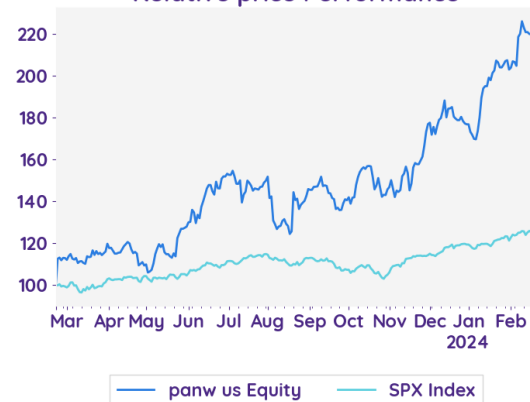
**Financial Outlook**

Despite a positive financial outlook for Palo Alto Networks, including anticipated growth in total billings, revenue, and non-GAAP net income per share compared to the previous year, the company is planning to increase investments in platformization and consolidation strategies to drive long-term growth. However, the decision to reduce its revenue forecast for the year has raised concerns that customers may be scaling back on technology expenses. The guidance offered does not account for specific expenses and one-time cash flows.

**Risks and concerns**

The current risk that the company is facing includes factors such as market conditions, managing growth, development and release of new offerings, competition, customer purchasing decisions, debt repayment obligations, and share repurchase program. The company's plan is to continuously monitor and manage these risks to mitigate their impact on financial results.

REVENUE - %CHG YOY	4Q23	1Q24	2Q24	3Q24	4Q24
Subscription & Support	26.6%	24.6%	21.7%	22.2%	21.4%
Product	24.3%	3.4%	10.7%	1.8%	-0.2%

**Relative price Performance**

SENTIMENT	1Q24	2Q24	3Q24	4Q24
net profit	Positive	Positive	Positive	Positive
margin	Neutral	Positive	Positive	Positive
revenue	Positive	Positive	Positive	Positive

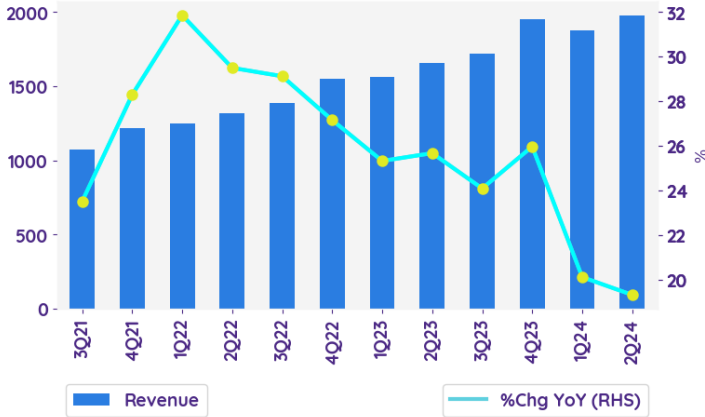
STOCK DATA	
Market Cap (USD Million)	115.43
Beta	1.17
Last close	366.09
12-m Low / High	165.4 / 380.8
Target price	378.00
Return Potential	3.3 %
% of Buy / Sell rating	76.0 % / 4.0 %

VALUATION DATA	12M FORWARD	5-YR AVERAGE
P/E	62.75	
P/B	31.14	73.57
P/S	14.11	8.73
EV/EBITDA	45.20	144.48
Dividend Yield	0.0 %	

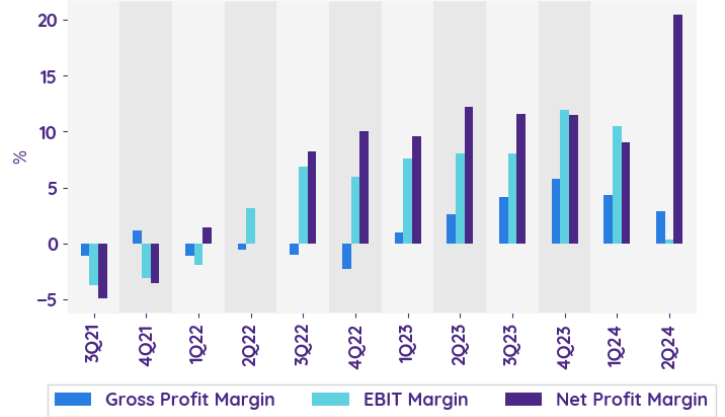
**Palo Alto Networks, Inc.**

Palo Alto Networks, Inc. provides network security solutions. The Company offers firewalls that identify and control applications, scan content to stop threats, prevent data leakage, integrated application, user, and content visibility. Palo Alto Networks serves customers worldwide.

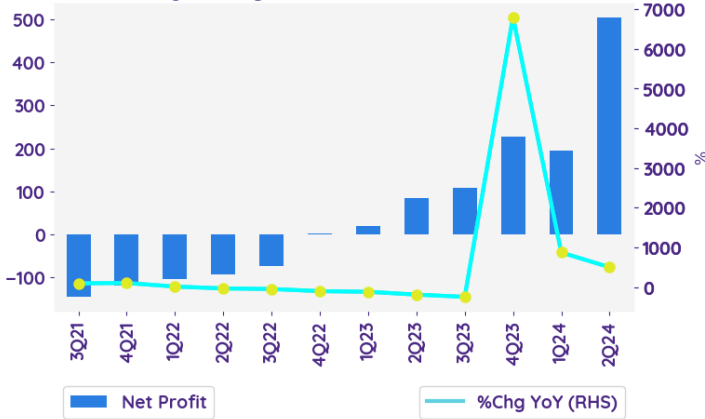
**Quarterly Revenue Trend**



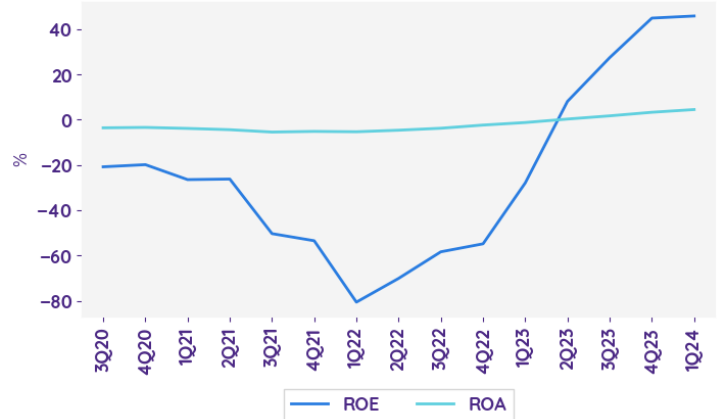
**Quarterly Margin Expansion Trend**



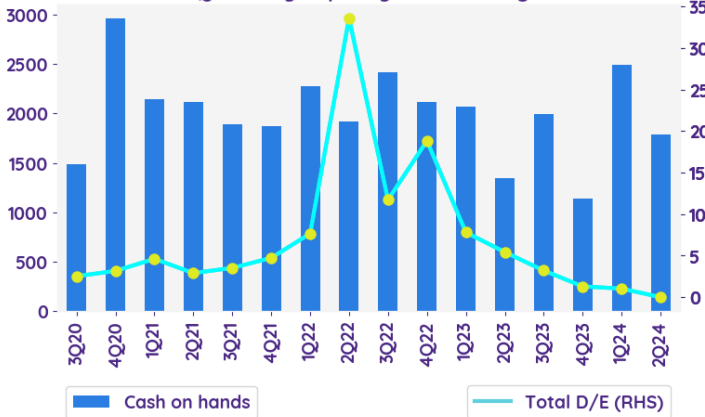
**Quarterly Net Profit Growth Trend**



**Quarterly ROE and ROA Trend**



**Quarterly Liquidity and Leverage**



**Quarterly Cash Flows Trend**

