



Q3'20 Results

October 27, 2020

Safe Harbor Statement

This presentation contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. These forward-looking statements are based on management's beliefs and assumptions and on information currently available to management. Forward-looking statements include information concerning: possible or assumed future results of operations, financial metrics and goals; impact of the COVID-19 pandemic; our priorities, plans, initiatives and investments; the threat landscape, industry environment, and customer buying preferences; competitive position; market opportunities; drivers and expectations for growth and business transformation; new, future and enhanced offerings; go to market strategies; and the effects of competition.

Forward-looking statements include all statements that are not historical facts and can be identified by terms such as "anticipates," "believes," "could," "seeks," "estimates," "intends," "may," "plans," "potential," "predicts," "projects," "should," "will," "would" or similar expressions and the negatives of those terms. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Forward-looking statements represent our management's beliefs and assumptions only as of the date of this presentation. You should read our filings with the SEC, including the Risk Factors set forth therein, completely and with the understanding that our actual future results may be materially different from what we expect. Except as required by law we assume no obligation to update these forward-looking statements publicly, or to update the reasons why actual results could differ materially from those anticipated in the forward-looking statements, even if new information becomes available in the future.

Any future offering, feature, or related specification that may be referenced in this presentation is for information purposes only and is not a commitment to deliver any offering, technology or enhancement. We reserve the right to modify future product and service plans at any time.

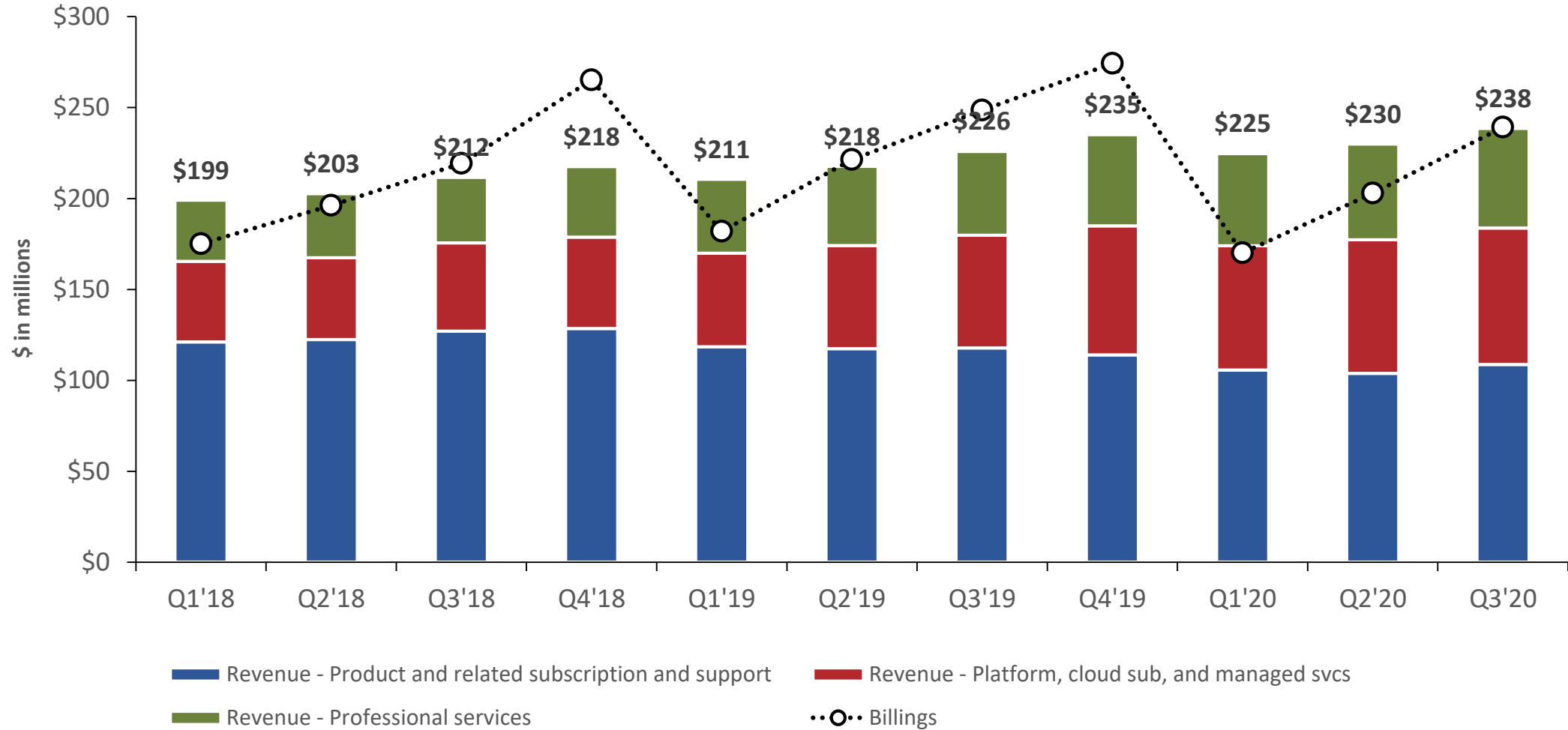
This presentation includes certain non-GAAP financial measures as defined by the SEC rules. As required by Regulation G, we have provided a reconciliation of those measures to the most directly comparable GAAP measures, which is available in the appendix.

Q3'20 Financial Summary

	Q3'20 Guidance as of 07/28/20	Q3'20	Q3'19	Y/Y Change
Revenue	\$225M - \$229M	\$238M	\$226M	+6%
Annualized recurring revenue ¹	n/a	\$612M	\$580M	+6%
Non-GAAP gross margin ^{2,3}	70% - 71%	71%	73%	-2 pts
Non-GAAP operating margin ^{2,3}	7.5% - 8.5%	12%	2%	+10 pts
Non-GAAP net income per share, diluted ²	\$0.06 - \$0.08	\$0.11	\$0.02	+\$0.09
Cash flow provided by (used in) operating activities	n/a	\$33M	\$18M	+\$15M
Capital expenditures	~ \$7M	\$5M	\$10M	\$(5)M

1. Annualized recurring revenue is defined as the annualized run-rate of active term licenses, subscriptions, and support contracts at the end of a reporting period.
2. Non-GAAP, reconciliations to the nearest GAAP financial metric available in the Appendix.
3. As a % of revenue.

Trended Quarterly Billings^{1,2} and Revenue Breakdown

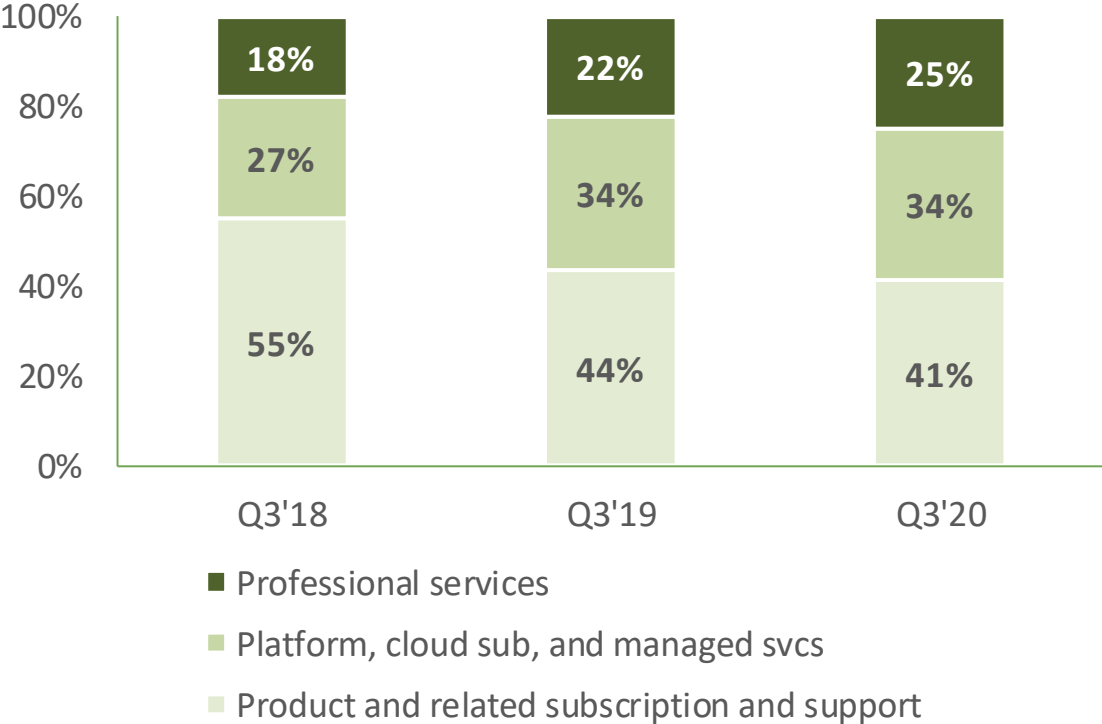


1. FireEye adopted Accounting Standards Update 2014-09, Revenue from Contracts with Customers (Topic 606), effective January 1, 2018 using the full retrospective method.

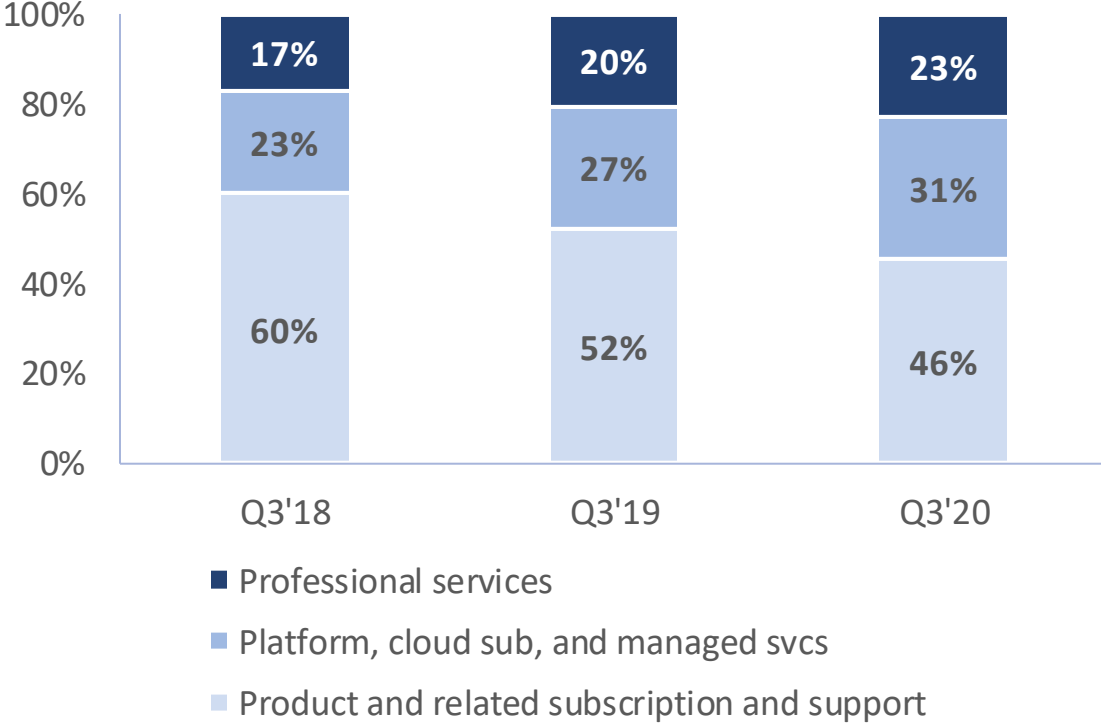
2. Billings are a non-GAAP metric. See Appendix for reconciliation to nearest GAAP financial metric.

Business Transformation by Category¹

Q3 BILLINGS MIX

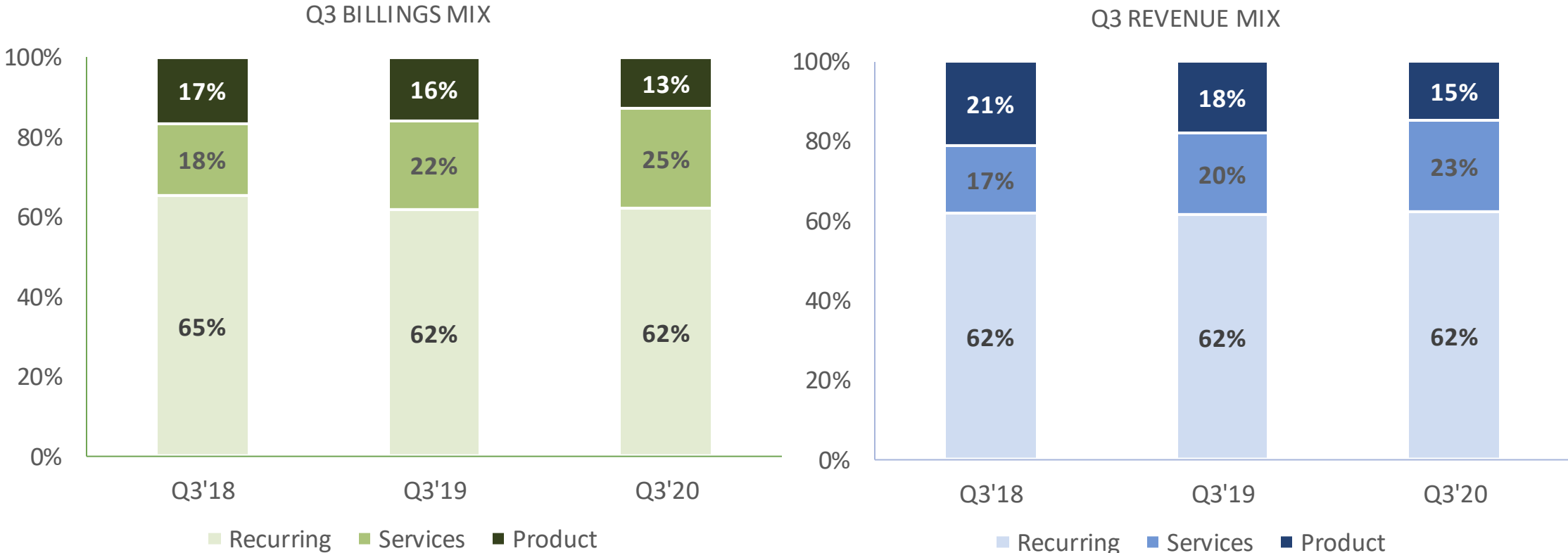


Q3 REVENUE MIX



1. Billings are a non-GAAP metric. See Appendix for reconciliation to nearest GAAP financial metric.

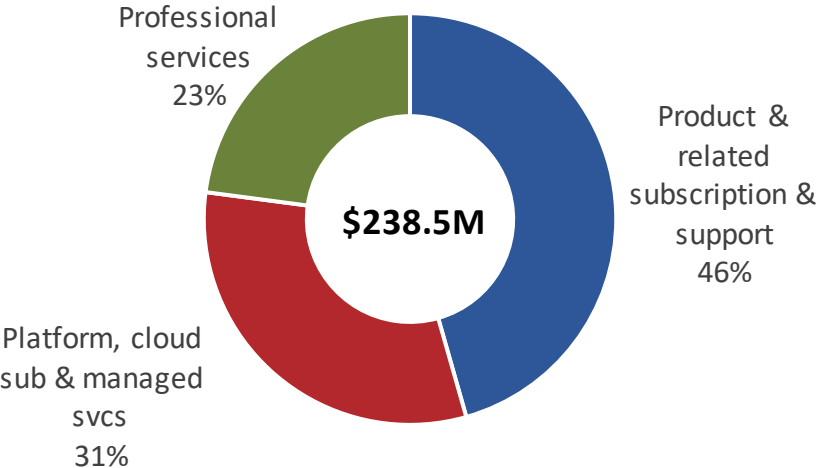
Business Transformation by Recurring, Services, Product¹



1. Billings are a non-GAAP metric. See Appendix for reconciliation to nearest GAAP financial metric.

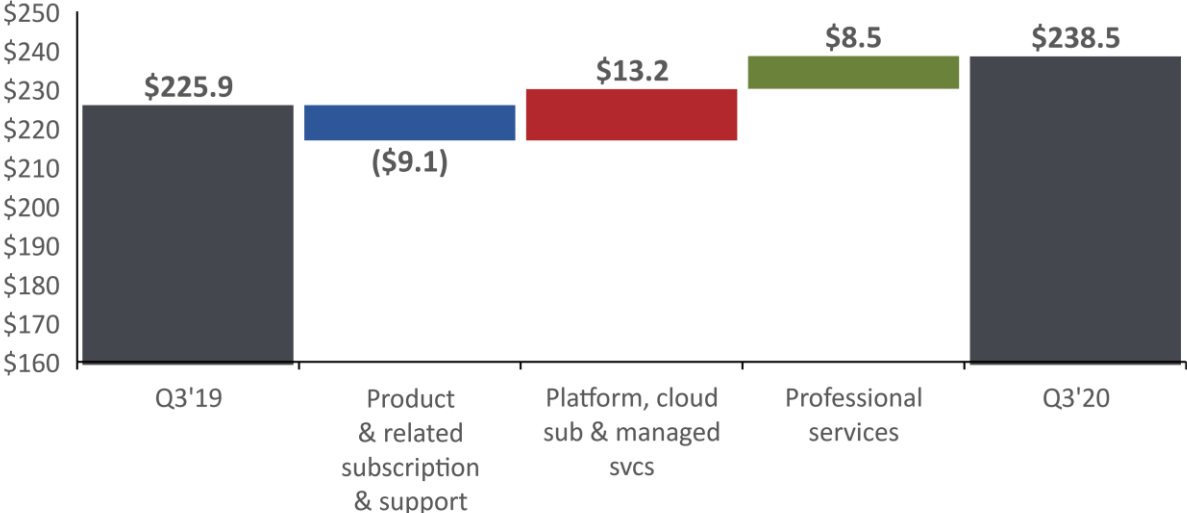
Revenue by Category

Q3'20 Revenue Mix By Category

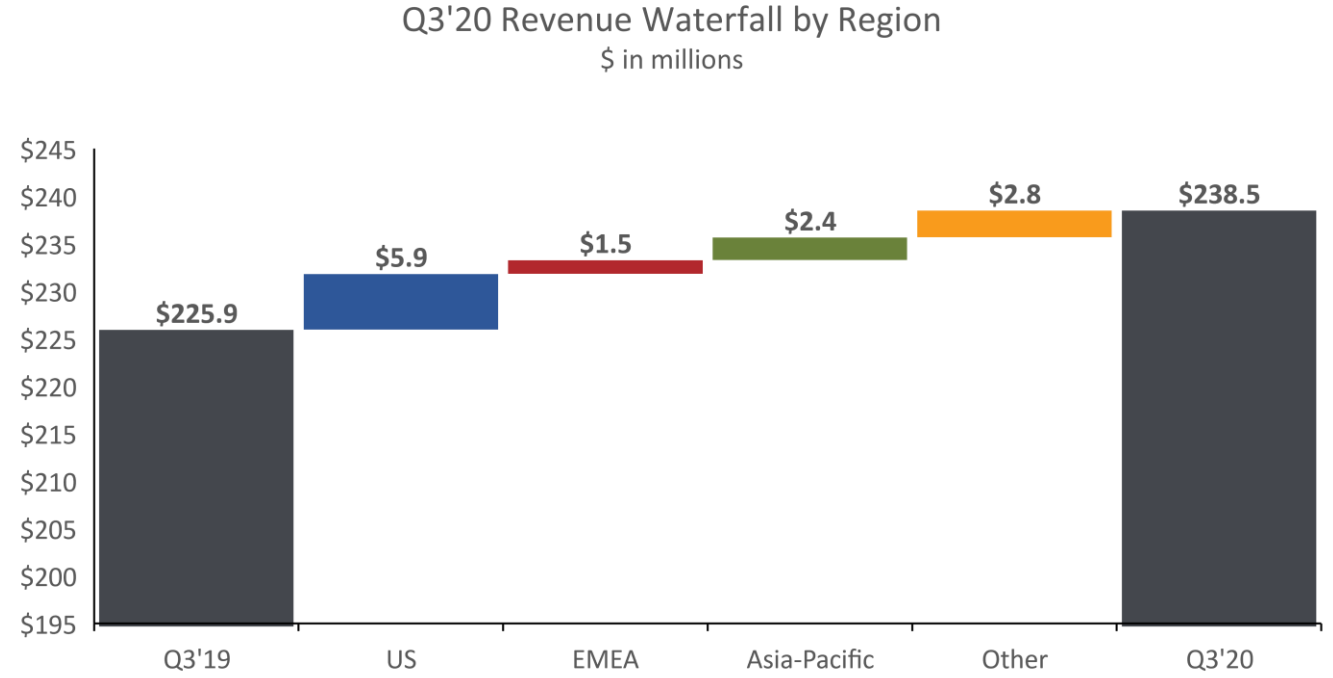
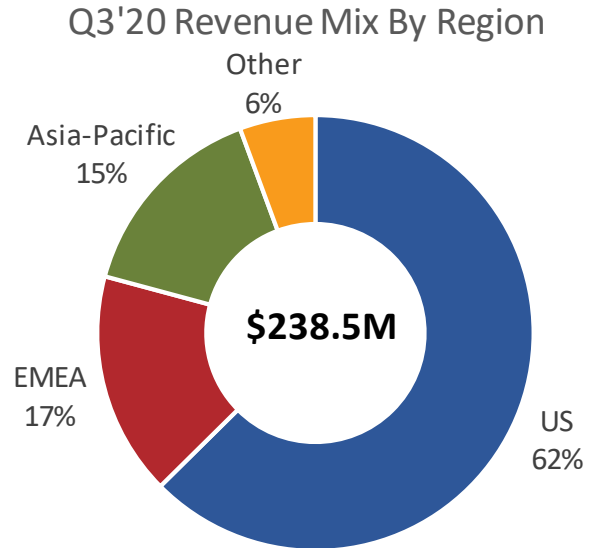


Q3'20 Revenue Waterfall by Category

\$ in millions

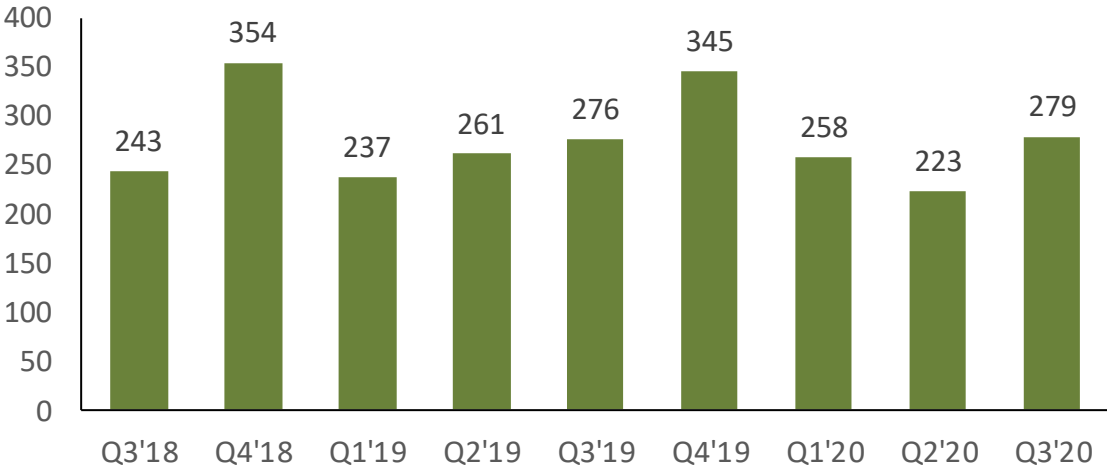


Revenue by Region

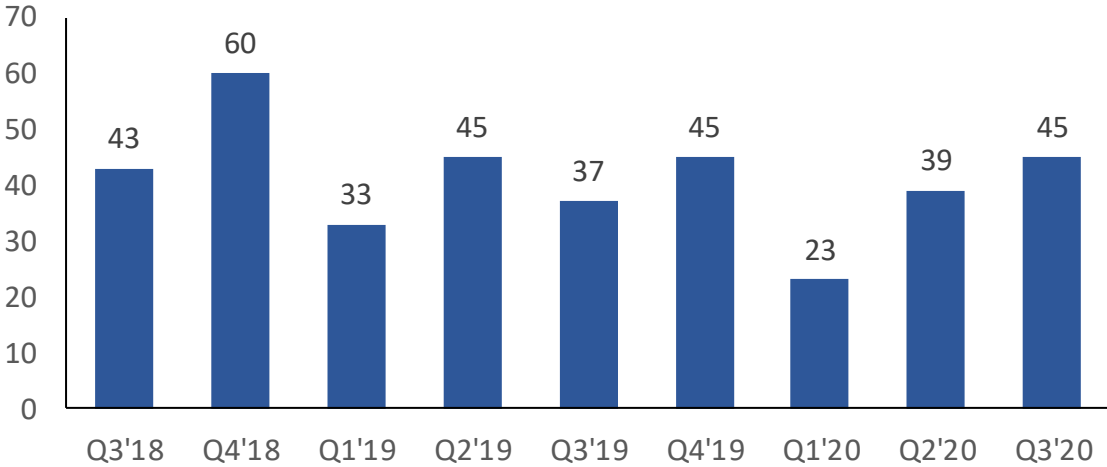


Customer Metrics

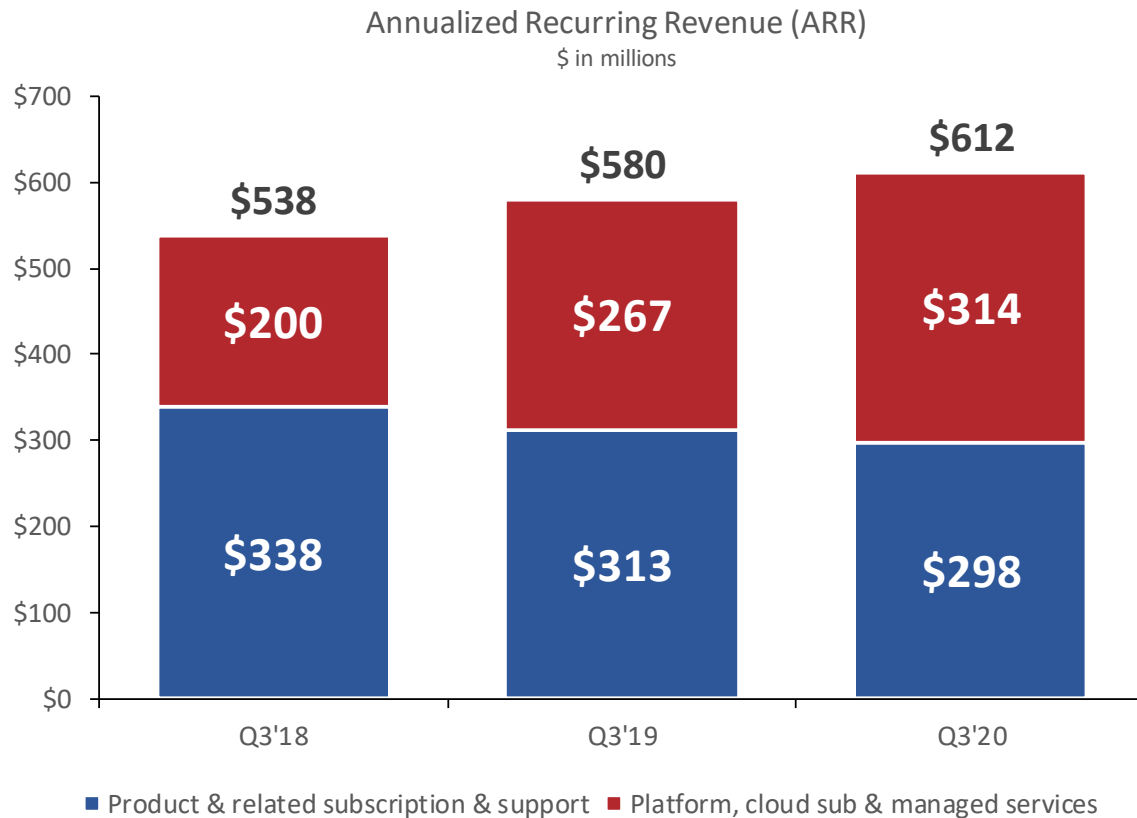
New Logo Customers Added Per Quarter



Number of > \$1M Transactions Per Quarter



Annualized Recurring Revenue (ARR)^{1,2}

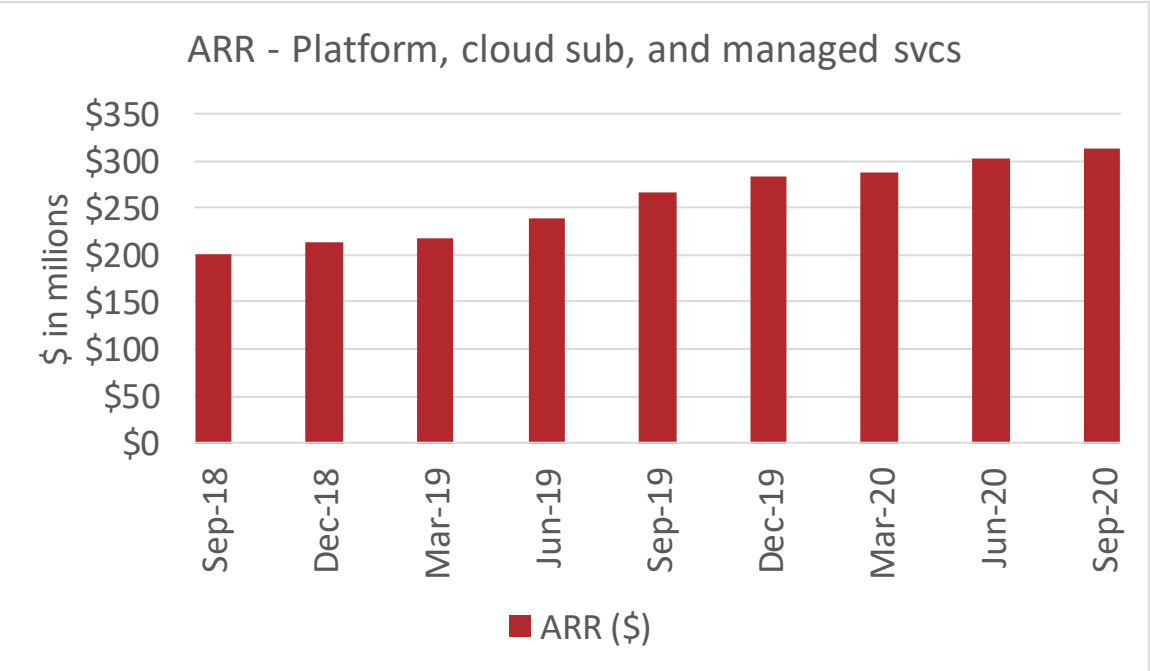
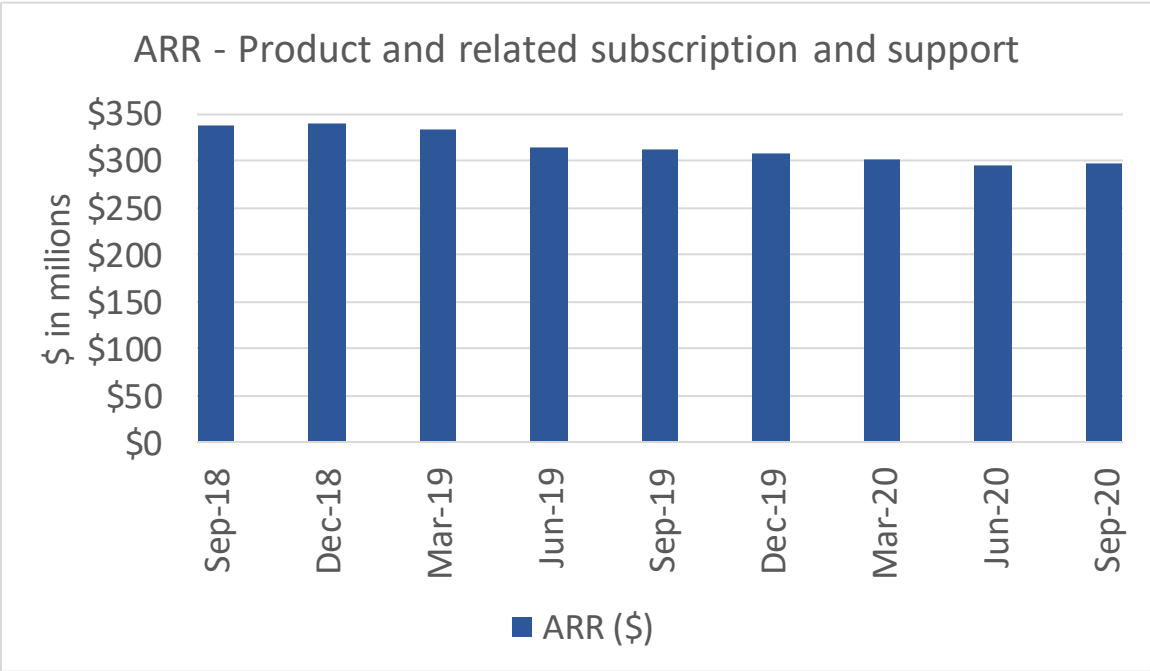


	Q3'18	Q3'19	Q3'20
Platform, cloud sub & managed services (Y/Y %)	22%	33%	18%
% of total	37%	46%	51%
Product & related subscription & support (Y/Y %)	4%	-7%	-5%
% of total	63%	54%	49%
Total Annualized Recurring Revenue (Y/Y %)	10%	8%	6%

1. FireEye adopted Accounting Standards Update 2014-09, Revenue from Contracts with Customers (Topic 606), effective January 1, 2018 using the full retrospective method.

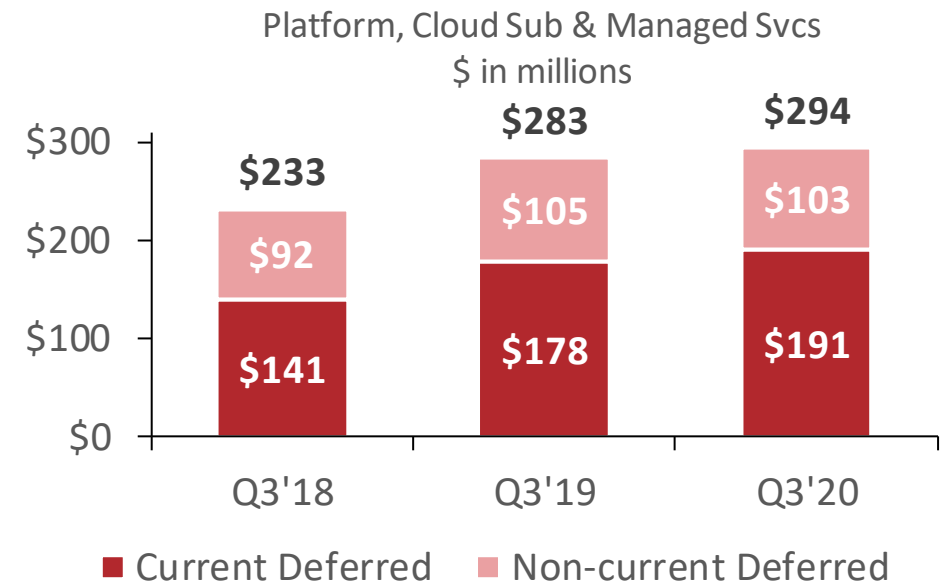
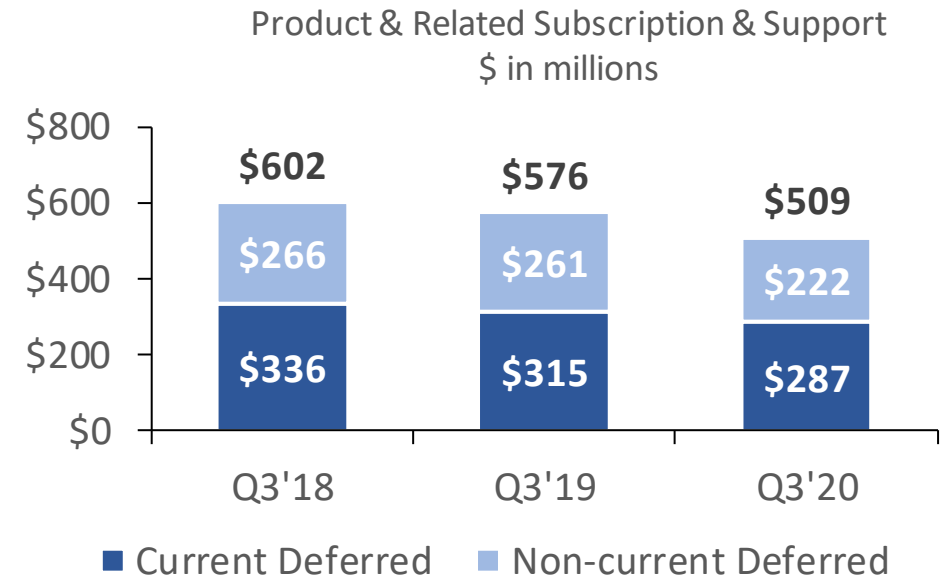
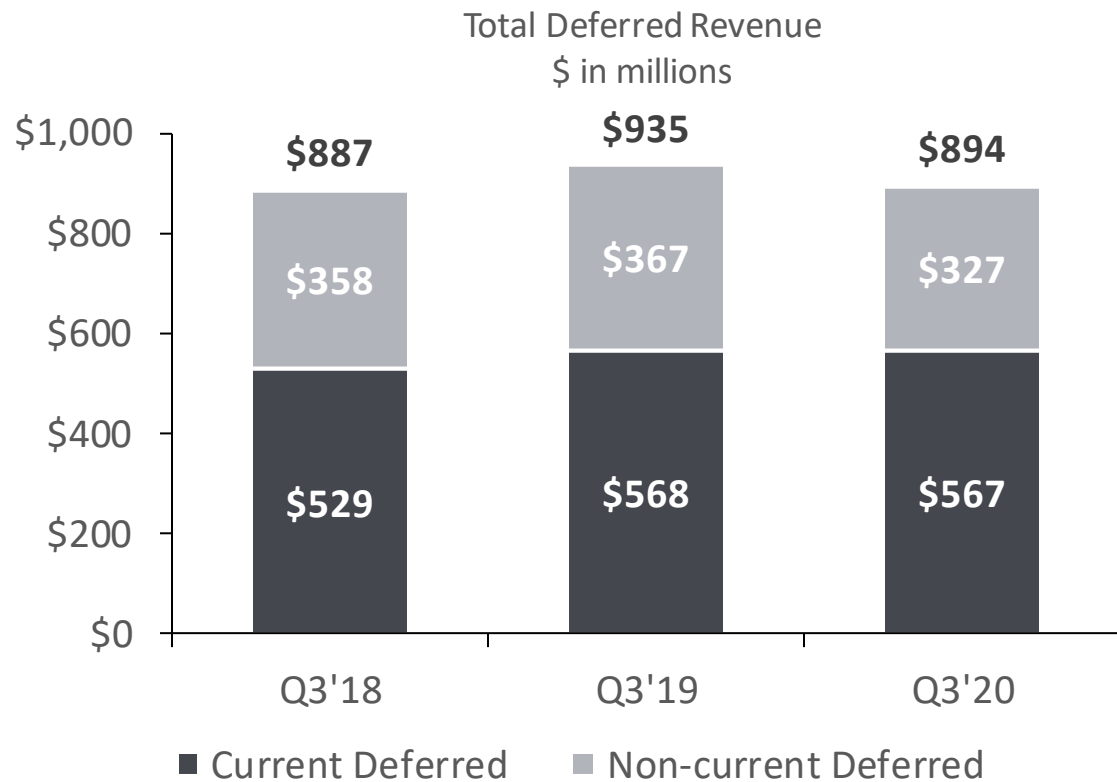
2. Annualized recurring revenue (ARR) is defined as a yearly value of subscription contracts active on the last day of the quarter based on their daily revenue rate. Appliance and services revenue contracts are not included in ARR.

Trended ARR¹ \$ by Category



1. Annualized recurring revenue (ARR) is defined as a yearly value of subscription contracts active on the last day of the quarter based on their daily revenue rate. Appliance and services revenue contracts are not included in ARR.

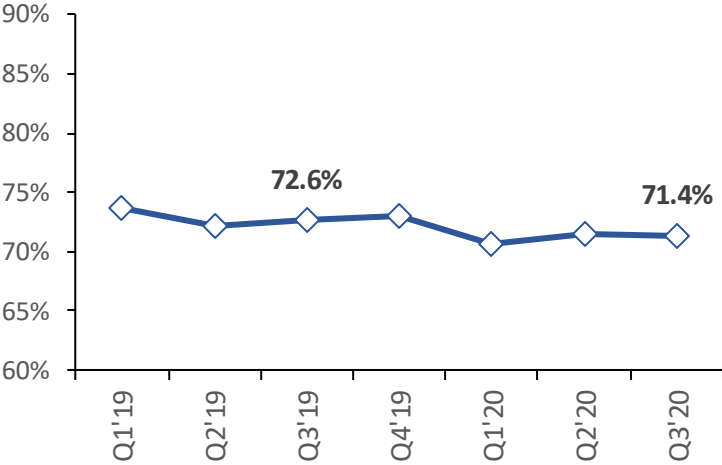
Deferred Revenue Detail¹



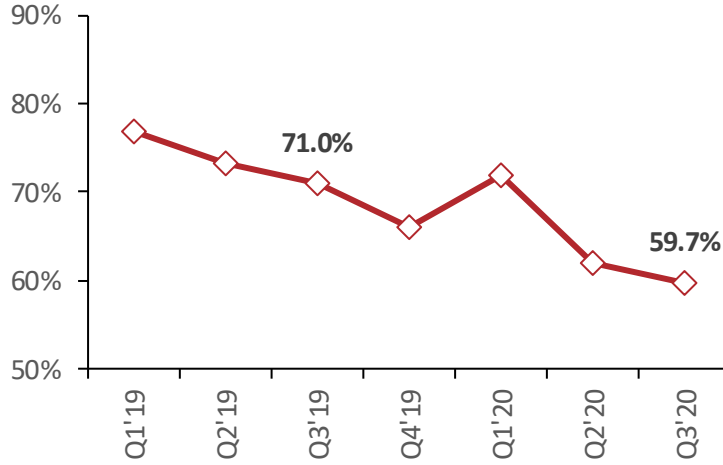
1. FireEye adopted Accounting Standards Update 2014-09, Revenue from Contracts with Customers (Topic 606), effective January 1, 2018 using the full retrospective method.

Non-GAAP Gross Margin, Operating Expense, and Operating Margin Trends¹

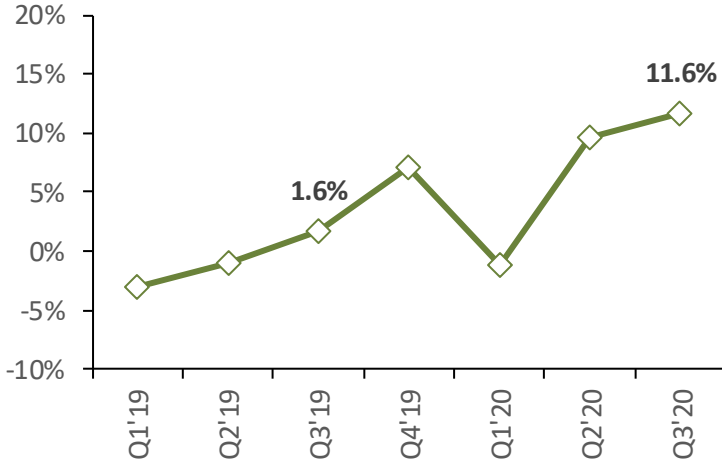
Non-GAAP gross margin as a % of revenue



Non-GAAP operating expenses as a % of revenue



Non-GAAP operating margin as a % of revenue



1. Non-GAAP metrics. See Appendix for reconciliation to nearest GAAP financial metric.

Cash Flow Reconciliations¹

	Q1'19	Q2'19	Q3'19	Q4'19	2019	Q1'20	Q2'20	Q3'20
Billings	\$181.9	\$221.4	\$248.6	\$274.2	\$926.1	\$170.0	\$202.9	\$239.2
A/R (start of period)	157.8	111.1	127.4	153.9	157.8	171.5	140.2	119.8
A/R (end of period)	111.1	127.4	153.9	171.5	171.5	140.2	119.8	133.9
Cash Collections ²	228.7	205.0	222.1	256.7	912.5	201.3	223.2	225.2
Cash expenses and changes to WC ³	204.2	220.1	203.6	217.2	845.0	225.7	208.5	191.9
Reported CFO	\$24.5	(\$14.9)	\$18.5	\$39.5	\$67.5	(\$24.5)	\$14.7	\$33.3
Capital Expenditures	13.5	14.7	10.4	7.0	45.6	11.7	5.9	4.6
Free Cash Flow	\$11.0	(\$29.6)	\$8.1	\$32.5	\$21.9	(\$36.1)	\$8.8	\$28.6

1. Billings and Free Cash Flow are non-GAAP metrics. See Appendix for Q3'2020 reconciliations to nearest GAAP financial metrics.

2. Calculated as Billings + Beginning Accounts Receivable - Ending Accounts Receivable.

3. GAAP expenses less adjustments to reconcile net loss to changes in net cash and changes in expense-related working capital per the cash flow statement.

Q4'20 and Updated 2020 Guidance

As of October 27, 2020

Q4'20 Outlook

	Q4'20 Guidance as of 10/27/20	Q4'19	<i>Y/Y Change At Midpoint</i>
Revenue	\$237M - \$241M	\$235M	+2%
Non-GAAP gross margin ^{1,2}	70% - 71%	73%	-2.5 pts
Non-GAAP operating margin ^{1,2}	10% - 11%	7%	+3.5 pts
Net interest income (expense)	\$0M - \$(1)M	\$1M	\$(0.5)M
Provision for non-GAAP income taxes ¹	\$1M - \$2M	\$2M	\$(0.5)M
Weighted average shares outstanding, diluted	230M	220M	+5%
Non-GAAP net income per share, diluted ¹	\$0.09 - \$0.11	\$0.07	+\$0.03
Capital expenditures	~ \$6M	\$7M	\$(1)M

1. Non-GAAP. Reconciliations are not available for forward looking metrics.

2. As a % of revenue.

Updated 2020 Outlook

	2020 as of 02/05/20	2020 as of 04/28/20	2020 as of 07/28/20	2020 as of 10/27/20	2019	Y/Y Change At Midpoint
Revenue	\$935M - \$945M	\$880M - \$900M	\$905M - \$925M	\$930M - \$934M	\$889M	+5%
Non-GAAP gross margin ^{1,2}	~ 71%	69% - 70%	70.5% - 71.5%	70.5% - 71.5%	73%	-2 pts
Non-GAAP operating margin ^{1,2}	5% - 6%	1% - 3%	6.5% - 7.5%	7.5% - 8.0%	1%	+6.75 pts
Net interest income (expense)	~ \$0M	~ \$0M	\$(2)M - \$(3)M	\$(2)M - \$(3)M	\$6.3M	\$(8.8)M
Provision for non-GAAP income taxes ¹	\$6M - \$8M	\$5M - \$7M	\$4M - \$6M	\$4M - \$5M	\$6.6M	\$(2.1)M
Weighted average shares outstanding, diluted	228M	228M	227M	227M	213M	+7%
Non-GAAP net income per share, diluted ¹	\$0.20 - \$0.24	\$0.03 - \$0.07	\$0.22 - \$0.26	\$0.28 - \$0.30	\$0.05	+\$0.24
Capital expenditures	~ \$40M	\$40M - \$45M	\$30M - \$35M	\$27M - \$29M	\$46M	\$(18)M

1. Non-GAAP. Reconciliations are not available for forward looking metrics.

2. As a % of revenue.

Appendix

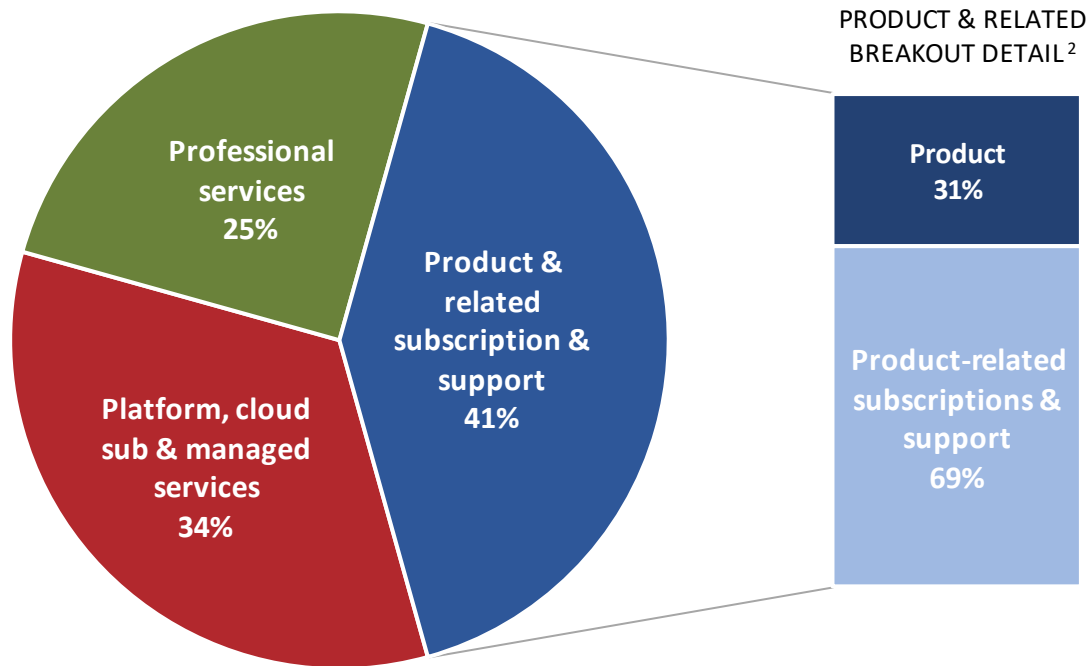
Billings and Revenue Breakout Categories

Supplemental Breakout Category	Product Offering	606 Revenue Recognition	
Product and related subscription and support (on premise)	Management & Forensic Appliances (CMS, PX), Tech fees	Up front	} SINGLE PERFORMANCE OBLIGATION
	Virtual & Physical Detection/Protection Appliances (NX, EX, FX, AX, HX)	Ratable (4 years)	
	Support & Maintenance	Ratable over contract term	
	Dynamic threat intelligence (DTI) cloud; URL/Attachment database (Email Security-Server Edition only), Network, Email, Endpoint subscription (includes Cloud MVX)		
Platform, cloud subscription and managed services	Email Threat Prevention (ETP), Managed Defense, Threat Intelligence, Platform (Helix, Verodin), Network Security in AWS, FireEye Detection on Demand, Cloud Secure Web Gateway (iBoss integration)	Term licenses up front; Subscriptions ratable over contract term	} SOLUTIONS
Professional services	Mandiant Professional Services, Expertise on Demand	As Delivered	

Definitions

Metric	Definition
Average contract length (ACL)	Reported in months. Calculated as the weighted average contract length of subscription and support contracts billed during the period. Anticipated to decline 2-3 months in 2020.
Constant Average Contract Length (ACL)	Normalizes subscription/recurring billings for changes in the average contract length for comparison purposes. Calculation: $(\text{current period subscription billings} / \text{current period ACL}) \times \text{prior period ACL}$
Annual Contract Value (ACV)	Another way to normalize subscription/recurring billings for changes in contract length to compare to prior periods. Equals: $(\text{current period subscription billings} / \text{current period ACL}) \times 12$
Annual recurring revenue (ARR)	Defined as the annualized contract value of recurring contracts outstanding on the last day of the quarter, including term licenses.
Billings	Total sales billed in the period. Mathematically equivalent to revenue plus the change in deferred revenue.
Free Cash Flow	Equals: Cash flow from operations less capital expenditures (purchases of property, plant and equipment)

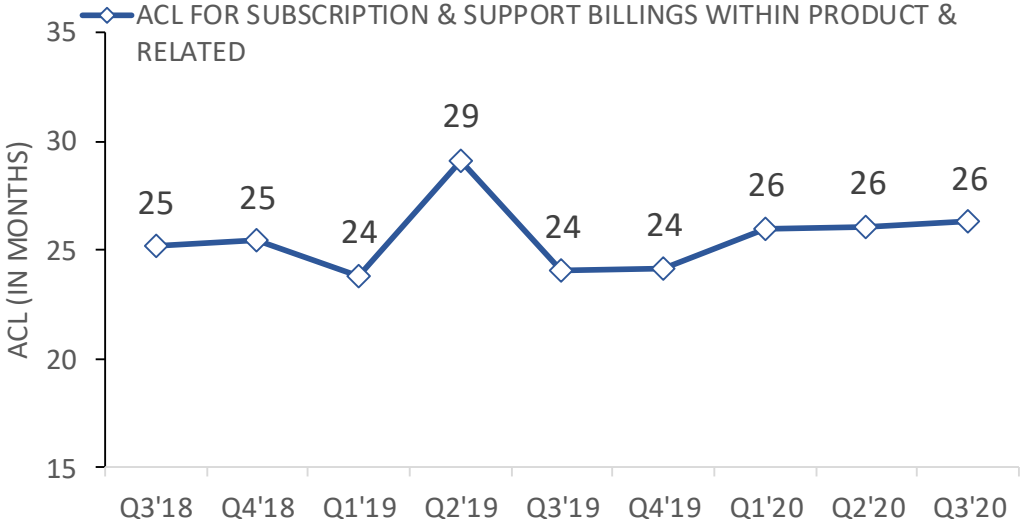
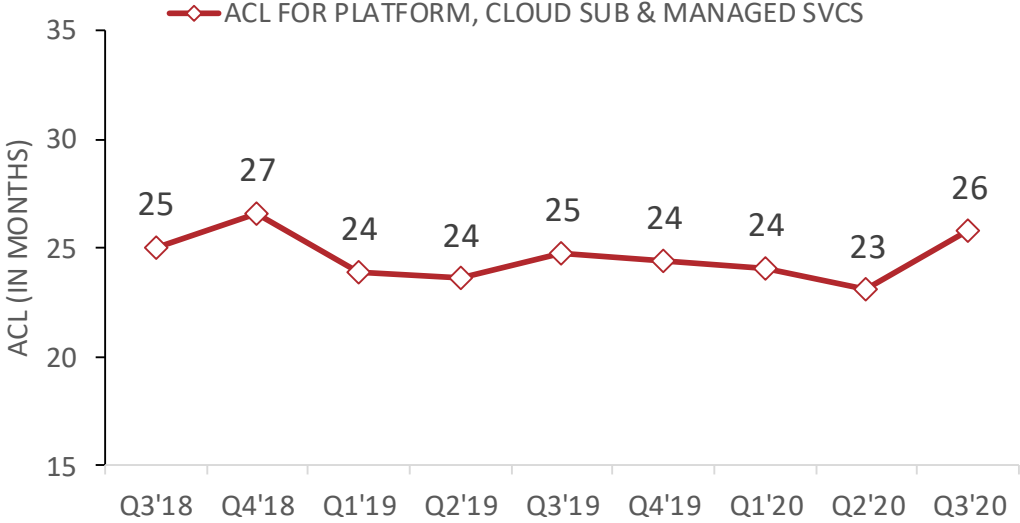
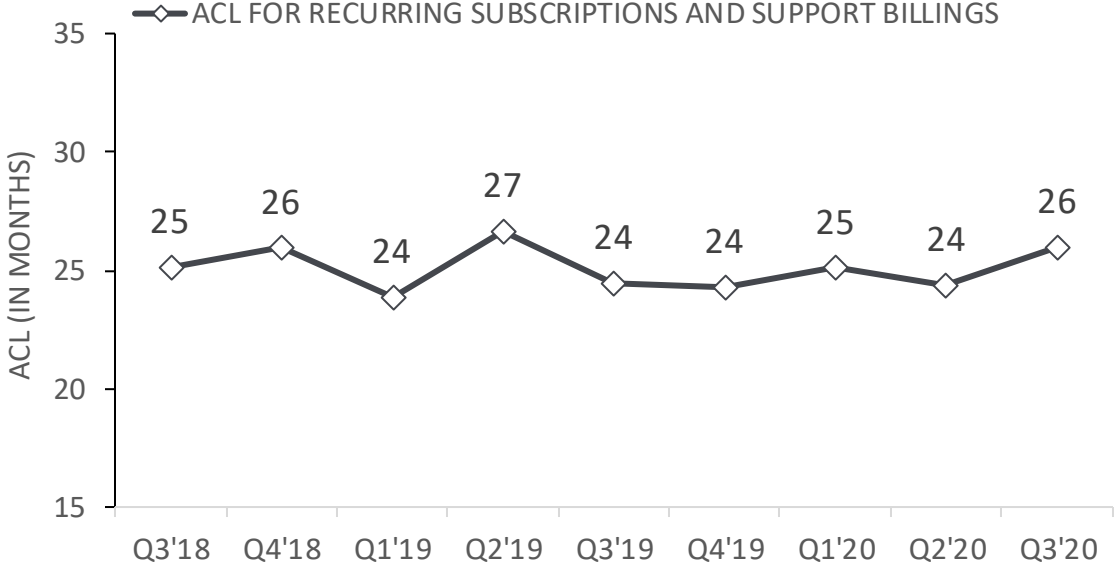
Q3'20 Billings¹ Mix



<i>As reported</i>	Q3'20	
	<i>\$ in millions</i>	Y/Y %
Product & related subscription & support	\$98.9	-9%
Platform, cloud subscription, and managed services	\$80.5	-5%
Professional services	\$59.8	8%
Total billings	\$239.2	-4%

1. Billings, including breakouts, are non-GAAP. Reconciliation to nearest GAAP financial metric is included in the Appendix.
2. Definition and product family mapping in the Appendix.

Weighted Average Contract Length



Annualized Recurring Revenue & Revenue Breakout

FireEye, Inc.
ANNUALIZED RECURRING REVENUE BREAKOUT
(Unaudited, in thousands)

	As of September 30,	
	2020	2019
Product and related subscription and support	\$ 298,040	\$ 313,135
Platform, cloud subscription and managed services	313,869	238,724
Total annualized recurring revenue	\$ 611,909	\$ 551,859

FireEye, Inc.
REVENUE BREAKOUT
(Unaudited, in thousands)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2020	2019	2020	2019
Product and related subscription and support revenue	\$ 108,731	\$ 117,835	\$ 318,223	\$ 353,773
Platform, cloud subscription and managed services revenue	75,105	61,988	217,001	170,055
Product, subscription and support revenue	183,836	179,823	535,224	523,828
Professional services revenue	54,624	46,091	157,858	130,238
Total revenue	\$ 238,460	\$ 225,914	\$ 693,082	\$ 654,066

Non-GAAP Reconciliations

Non-GAAP gross margin, operating income, operating margin, net income (loss), and net income (loss) per share. FireEye defines non-GAAP gross margin as total gross profit excluding stock-based compensation expense, amortization of stock-based compensation expense capitalized in software development costs, amortization of intangible assets, and, as applicable, other special or non-recurring items, divided by total revenue.

FireEye defines non-GAAP operating income (loss) as operating income (loss) excluding stock-based compensation expense, amortization of stock-based compensation expense capitalized in software development costs, amortization of intangible assets, acquisition-related expenses, restructuring charges, and other special or non-recurring items. FireEye defines non-GAAP operating margin as non-GAAP operating income divided by total revenue.

FireEye defines non-GAAP net income (loss) as net income (loss) excluding stock-based compensation expense, amortization of stock-based compensation expense capitalized in software development costs, amortization of intangible assets, acquisition-related expenses, restructuring charges, other special or non-recurring items, non-cash interest expense related to the company's convertible senior notes, and discrete tax provision (benefits). FireEye defines non-GAAP net income per diluted share as non-GAAP net income divided by weighted average diluted shares outstanding. Weighted average diluted shares used to calculate non-GAAP net income per diluted share excludes shares issuable upon conversion of the company's convertible senior notes that are anti-dilutive. FireEye defines non-GAAP net loss per share as non-GAAP net loss divided by weighted average basic shares outstanding, which excludes stock options, restricted stock units, performance stock units, and shares issuable upon conversion of the company's convertible senior notes that are anti-dilutive.

Billings and Free Cash Flow Reconciliation

FireEye, Inc.
BILLINGS RECONCILIATION
(Unaudited, in thousands)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2020	2019	2020	2019
Revenue	\$ 238,460	\$ 225,914	\$ 693,082	\$ 654,066
Add: deferred revenue, end of period	893,615	935,407	893,615	935,407
Less: deferred revenue, beginning of period	(892,846)	(912,749)	(974,567)	(934,828)
Less: deferred revenue assumed through acquisitions	—	—	—	(2,750)
Billings (non-GAAP)	<u>\$ 239,229</u>	<u>\$ 248,572</u>	<u>\$ 612,130</u>	<u>\$ 651,895</u>

FireEye, Inc.
FREE CASH FLOW RECONCILIATION
(Unaudited, in thousands)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2020	2019	2020	2019
Net cash provided by operating activities	\$ 33,267	\$ 18,498	\$ 23,501	\$ 28,022
Less: purchase of property and equipment and demonstration units	(4,642)	(10,375)	(22,198)	(38,615)
Free cash flow (non-GAAP)	<u>\$ 28,625</u>	<u>\$ 8,123</u>	<u>\$ 1,303</u>	<u>\$ (10,593)</u>

Non-GAAP Reconciliations for Gross Margin, Operating Margin, and EPS

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2020	2019	2020	2019
GAAP gross margin	65 %	65 %	64 %	65 %
Stock-based compensation expense (1)	3 %	3 %	4 %	4 %
Amortization of intangible assets (2)	3 %	5 %	3 %	4 %
Non-GAAP gross margin	71 %	73 %	71 %	73 %
GAAP operating margin	(11)%	(24)%	(19)%	(27)%
Stock-based compensation expense (1)	17 %	16 %	17 %	18 %
Amortization of stock-based compensation capitalized in software development costs (3)	— %	1 %	— %	— %
Amortization of intangible assets (2)	5 %	6 %	5 %	6 %
Restructuring charges (5)	1 %	3 %	4 %	2 %
Non-GAAP operating margin	12 %	2 %	7 %	(1)%
GAAP net loss per common share, basic and diluted	\$ (0.17)	\$ (0.31)	\$ (0.76)	\$ (1.02)
Stock-based compensation expense (1)	0.18	0.17	0.51	0.57
Amortization of stock-based compensation capitalized in software development costs (3)	—	—	0.01	0.01
Amortization of intangible assets (2)	0.05	0.07	0.15	0.19
Restructuring charges (5)	0.01	0.03	0.11	0.05
Non-cash interest expense related to convertible senior notes (6)	0.05	0.06	0.16	0.18
Non-GAAP net income (loss) per common share, basic	\$ 0.12	\$ 0.02	\$ 0.18	\$ (0.02)
Non-GAAP net income (loss) per common share, diluted	\$ 0.11	\$ 0.02	\$ 0.19	\$ (0.02)