



ZenithLive²³

Zenith Live 2023 Innovations Briefing

June 15, 2023

Agenda

Time Slot	Topics	Speaker(s)
11:00 am - 11:05 am	Welcome and Agenda	Bill Choi
11:05 am - 11:30 am	Zero Trust Exchange Platform	Jay Chaudhry
	Scale, Resilience and AI	Syam Nair
	Key Innovations in AI / ML	Patrick Foxhoven
	Zero Trust Connectivity and Data Protection	Steve House
11:30 am - 11:50 am	Solutions Q&A	
11:50 am - 12:00 pm	Break - Buffet Lunch served	
12:00 pm - 12:15 pm	Customer's Zero Trust Journey	
12:15 pm - 12:40 pm	GTM Execution	Dali Rajic
	Scaling the Channel	Karl Soderlund
	Briefing Wrap-up	Jay Chaudhry
12:40 pm - 1:00 pm	Management Q&A	

Safe Harbor

Forward-Looking Statements

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In some cases, you can identify forward-looking statements by terms such as “anticipate,” “believe,” “continue,” “contemplate,” “could,” “estimate,” “expect,” “explore,” “intend,” “likely,” “may,” “plan,” “potential,” “predict,” “project,” “should,” “target,” “will” or “would” or the negative of these terms or other similar words. Zscaler based these forward-looking statements largely on its current expectations and projections about future events that it believes may affect its business. Actual outcomes and results may differ materially from those contemplated by these forward-looking statements. All forward-looking statements in this message are based on information available to us as of the date hereof, and we do not assume any obligation to update the forward-looking statements provided to reflect events that occur or circumstances that exist after the date on which they were made.

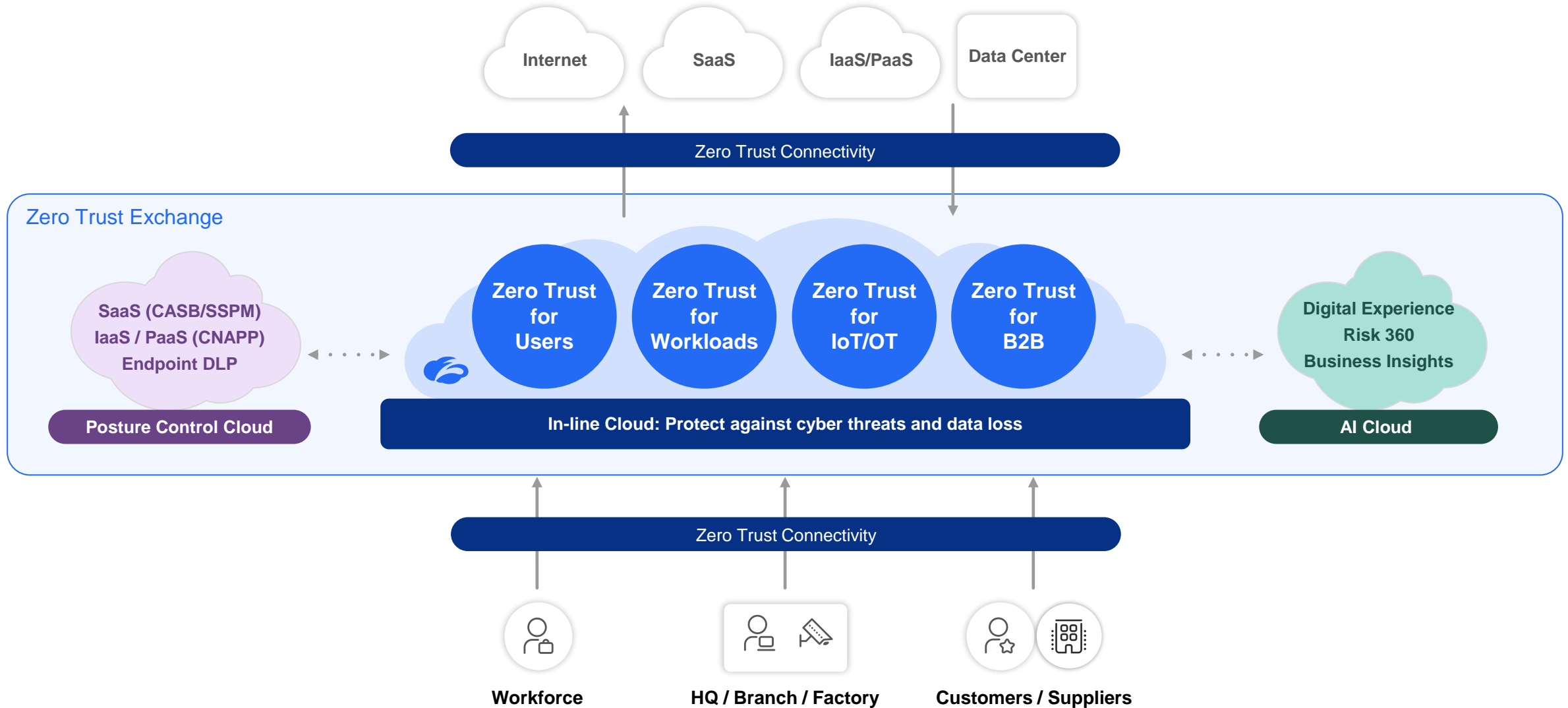
Market Leader in Zero Trust

Jay Chaudhry, Chairman and CEO

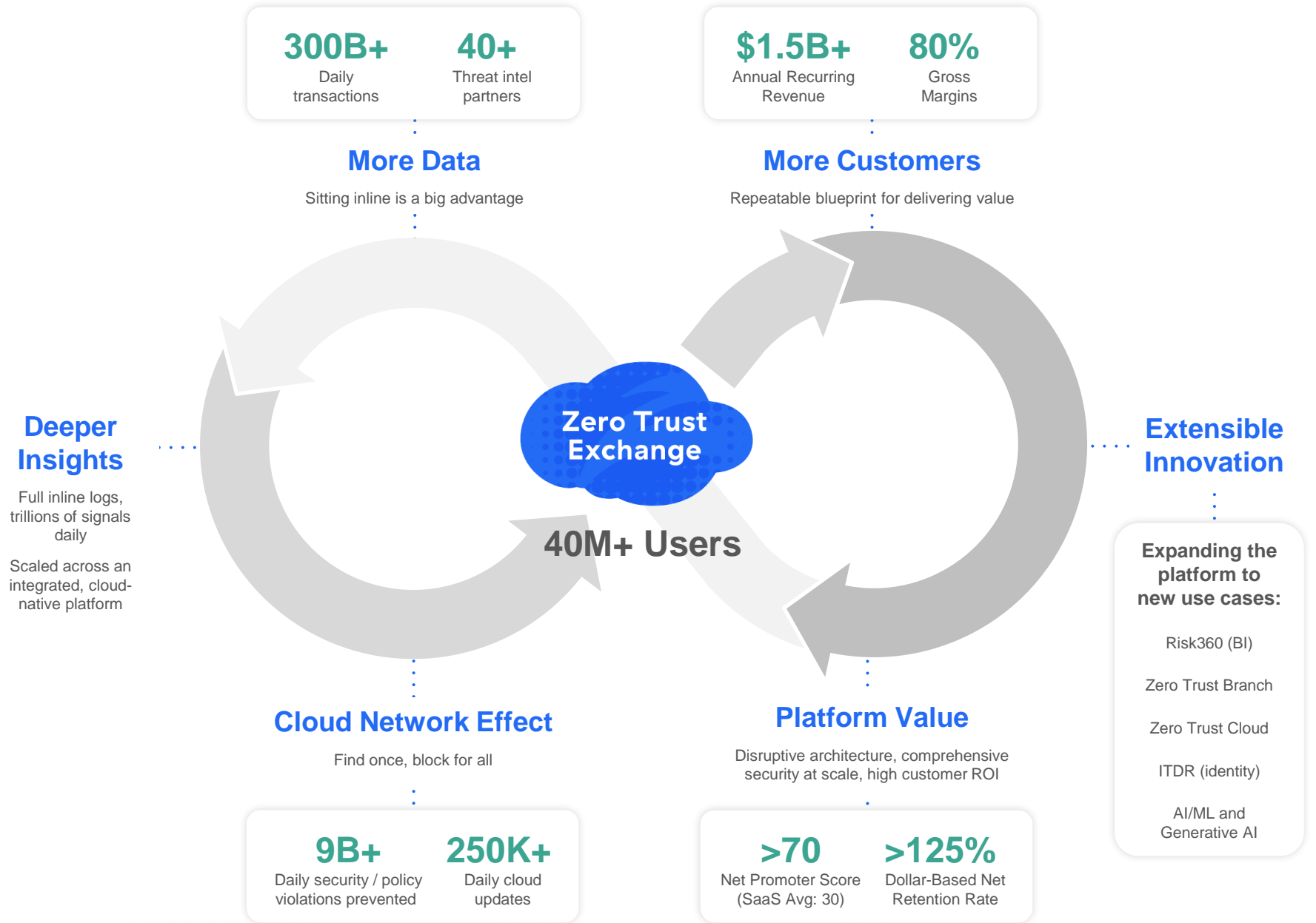
Key Messages

- 1 **The largest security cloud platform in the world** enabling new zero-trust architecture to protect the hyperconnected world of users, customers, devices and workloads
- 2 Unique AI/ML opportunities to leverage strategic position as business policy and security enforcement platform for over **40 million** users and over **300 billion** transactions per day
- 3 **Sustained innovation** in **Zero Trust Connectivity** and **Data Protection** to drive competitive differentiation and long-term growth
- 4 Built a go-to-market machine that can scale **strategic customer engagements** to drive measurable ROI for digital transformation
- 5 Assembled **an experience leadership team** that can scale our business to the next level

The Zscaler Zero Trust Exchange™ Platform



The Network Effects of a Disruptive Platform Drives Customer Value at Scale



Gross Margin and Dollar-Based Net Retention for Fiscal Q3 2023. ARR, Net Promoter Score, and cloud stats as of April 30, 2023.

Cloud Scale and AI

Syam Nair, Chief Technology Officer

ZTX Platform + Extensibility + Data Fabric

Powering Zscaler AI

Cloud Scale Data Fabric

Structured and Unstructured data about transactions, cloud operational data, detection and response data, metadata about devices, applications and connectivity



Cyber security, Risk, Business models

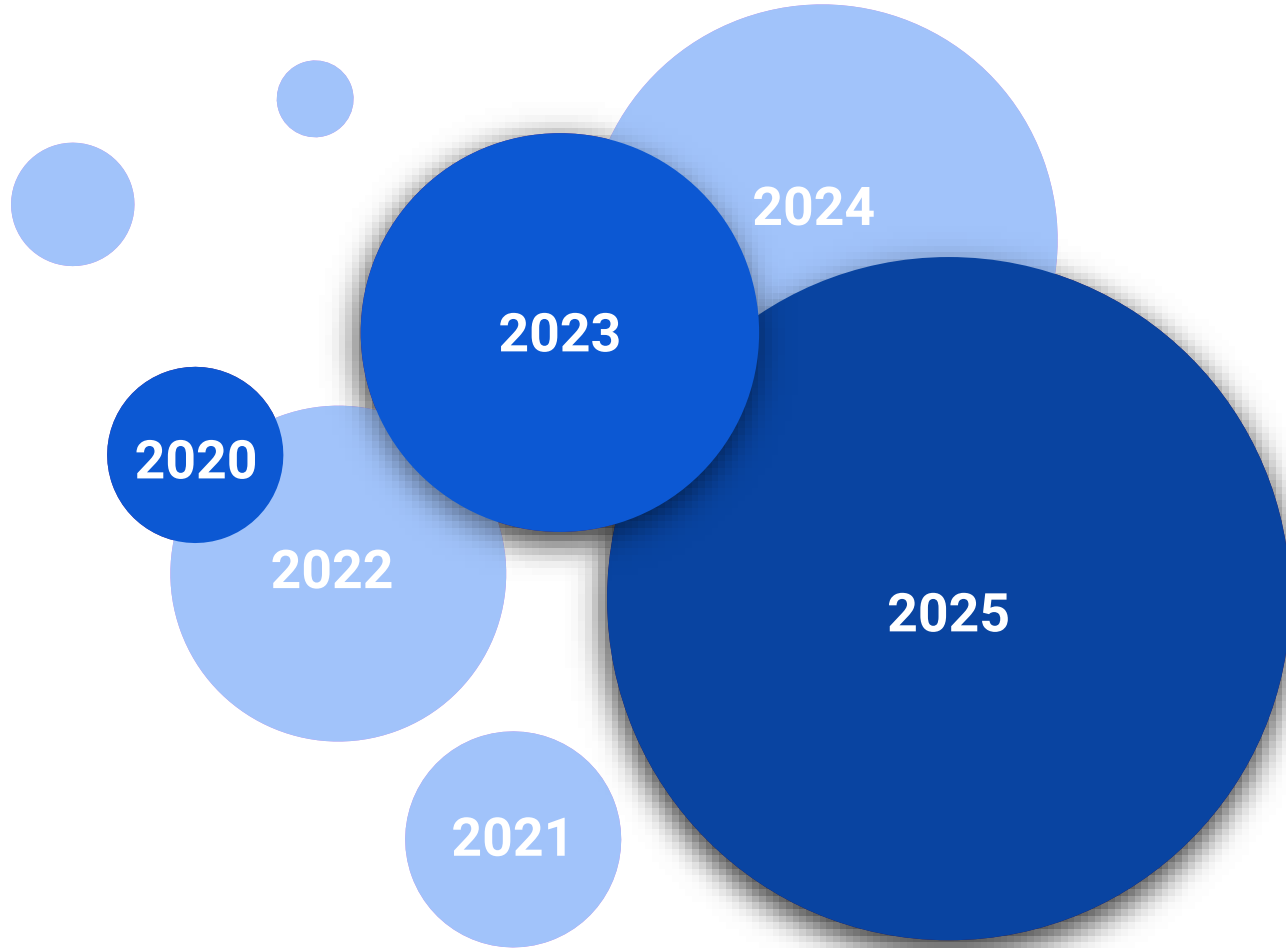
3 Insights, Predictive Analytics for Cyber, Business transformation and Risk management.

Zero Trust Exchange

1 300 Billion transactions per day. Scaling the platform for 10X growth. Cloud scale innovations & operations.

10X Scale, 100% Reliability

Resilient Zero Trust Network for enterprises



Platform usage doubles every 18 months

Resilient secure connectivity is mission critical for enterprises

Hyper-scale Zero Trust Exchange platform

The Power of Zscaler Intelligence

Patrick Foxhoven, Chief Innovation Officer

Zscaler's Leadership in AI

**We've been leveraging AI and ML
for many years in our platform...**

Automatic App
Segmentation

DLP
Autoclassification

AI Driven Malware &
C2 Detection

Dynamic Content
Classification

AI Driven Sandboxing

Page Risk Scoring

AI ISP Insights in ZDX

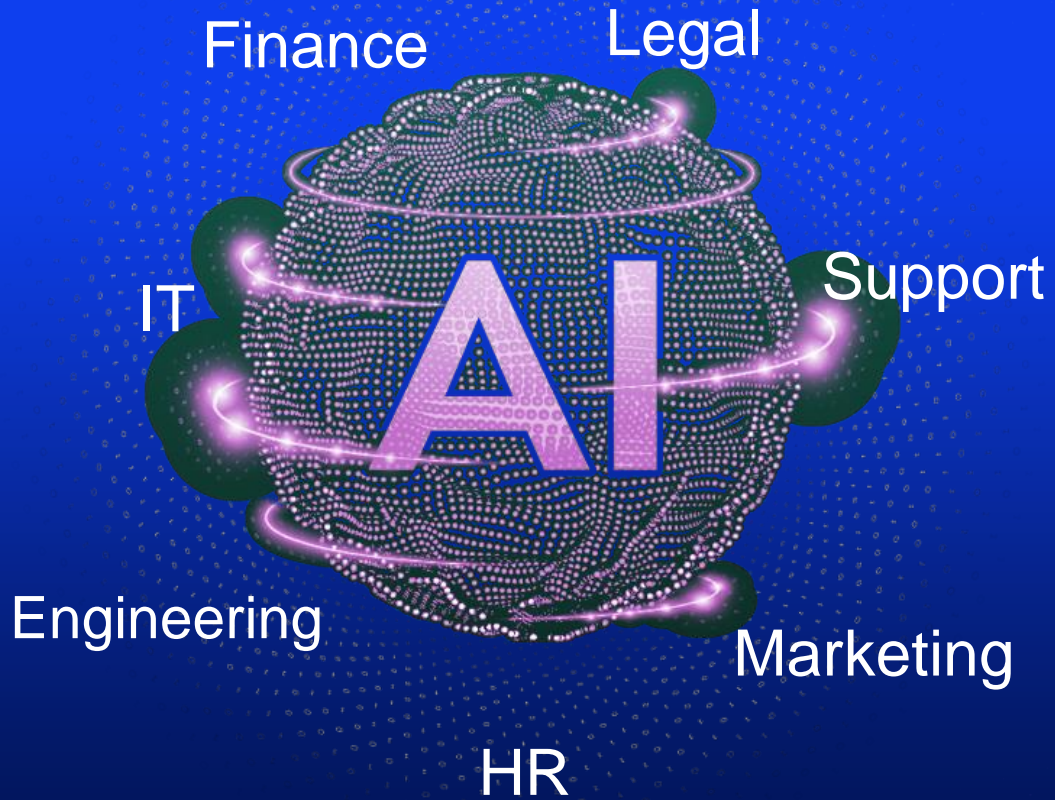
Phishing Detection

Deep Learning (Graph
neural network)

Ensemble prediction
(Gradient boosting trees)

Large Language model
(GPT4 and in-house LLM)

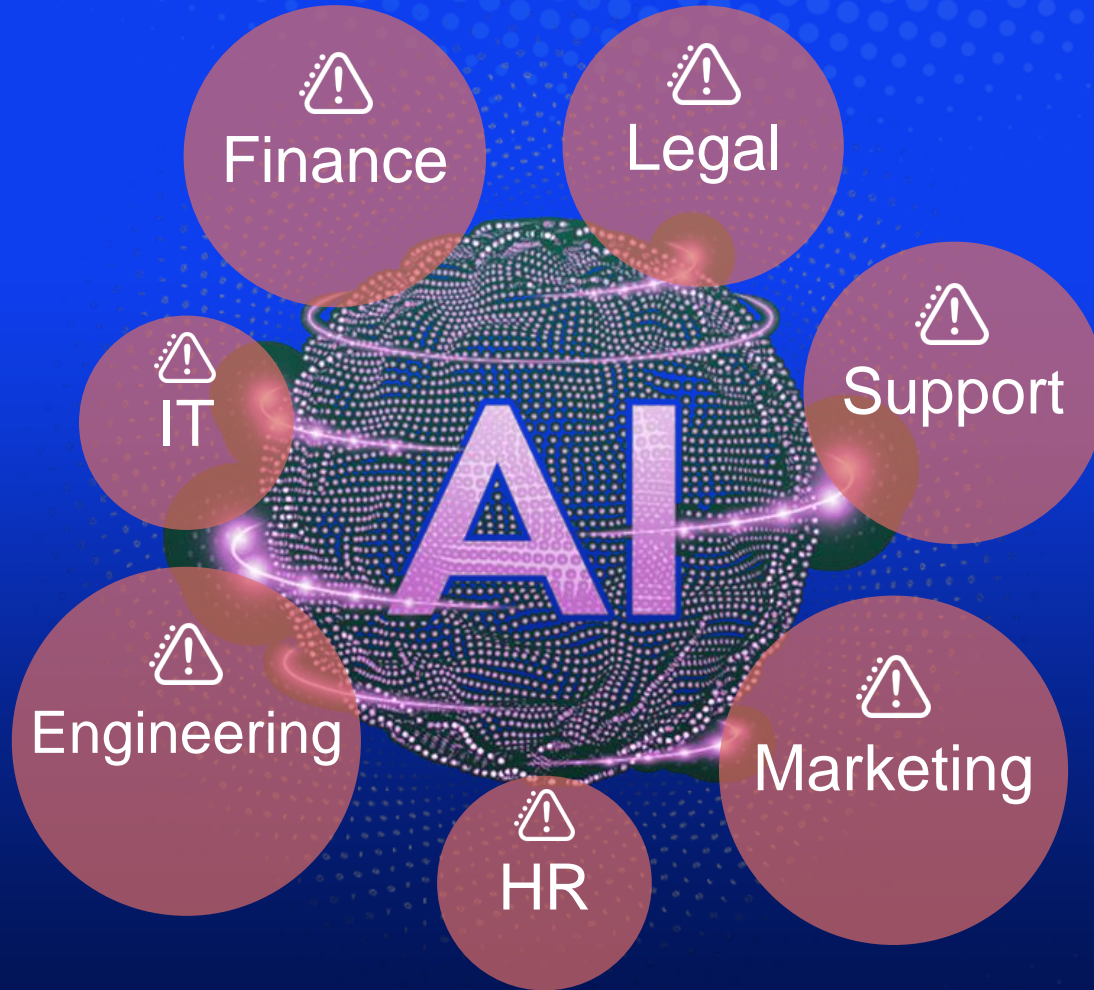
AI Is Changing Everything



This story has played out before



AI Is Changing Everything



The risks this time are even higher



Data loss...
forever



Intellectual
property
challenges



False &
bogus
content

Zscaler's Leadership in AI

3 Key Areas of Investment



Enable

Customers to
Embrace AI
Transformation Safely



Innovate

New Products
Enhance Existing
Products



Transform

Security Efficacy
Operational Insights
Risk360

Generative AI Innovations

Currently in Preview



Breach Predictor

Train LLMs with billions of Zscaler logs to predict breaches before they happen.



Zscaler Navigator

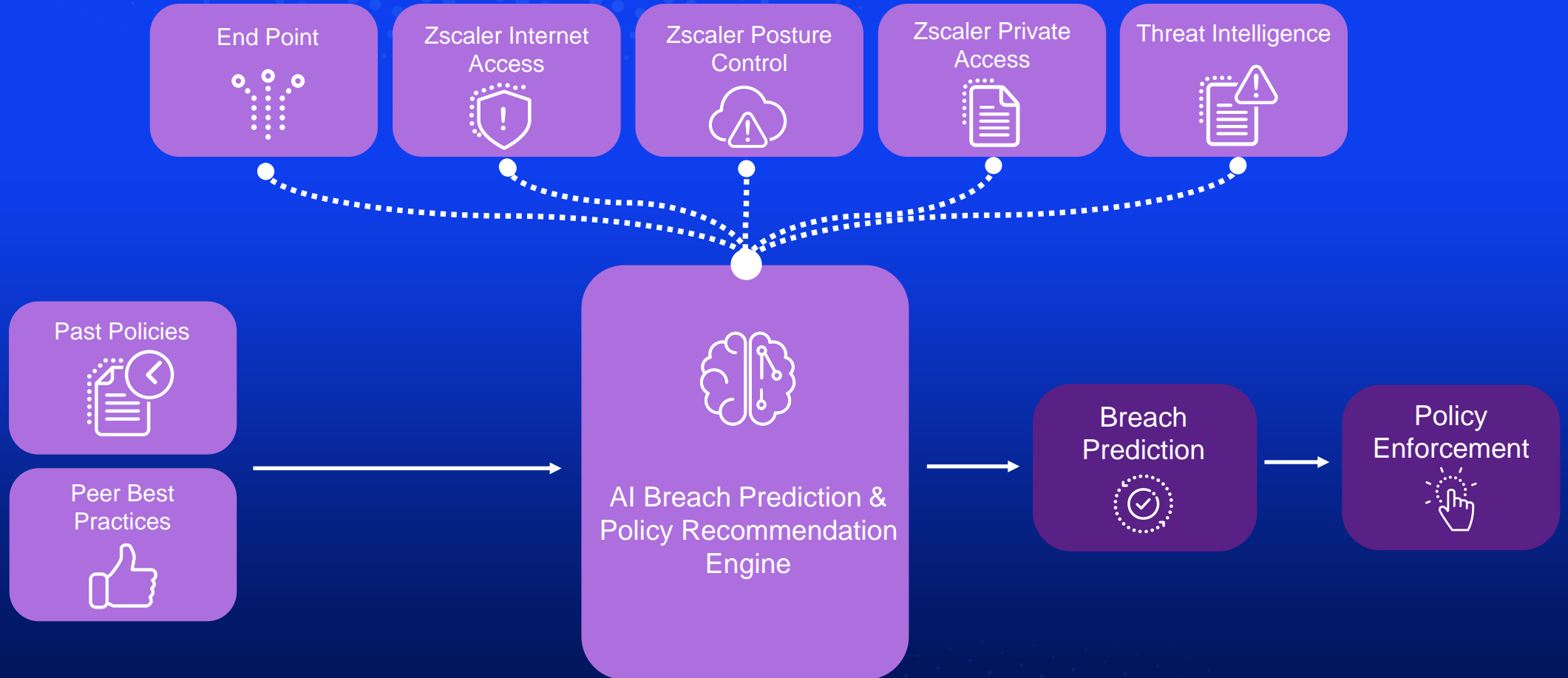
Provides a natural language interface to interact with Zscaler products



Multi-Modal DLP

Prevents data loss across text, image, audio and video formats

Breach Prediction powered by Zscaler's AI/ML



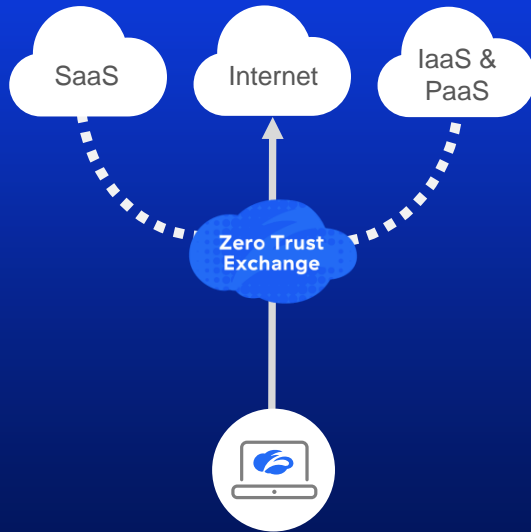
Data Protection and Zero Trust Connectivity

Steve House, SVP, Product Management

Comprehensive, Unified Data Protection

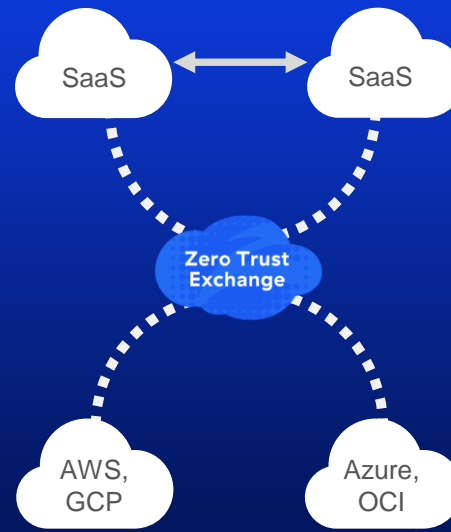
AI Discovery & Classification

Sensitive Data?



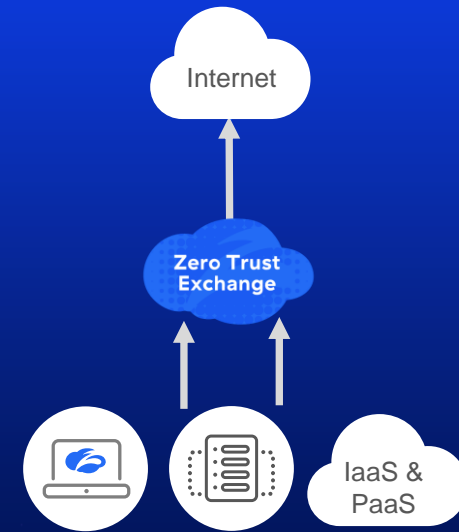
Posture Control

Configured correctly?



Prevent Exfiltration

All channels?



New Innovations Data Protection



Endpoint DLP



Email DLP



**CNAPP Integrated with
Workload Communications**



**Scan Containers & VMs
for Sensitive Data**

Four Key Principles of Zero Trust Connectivity

1

Apps are destinations,
not network resources

2

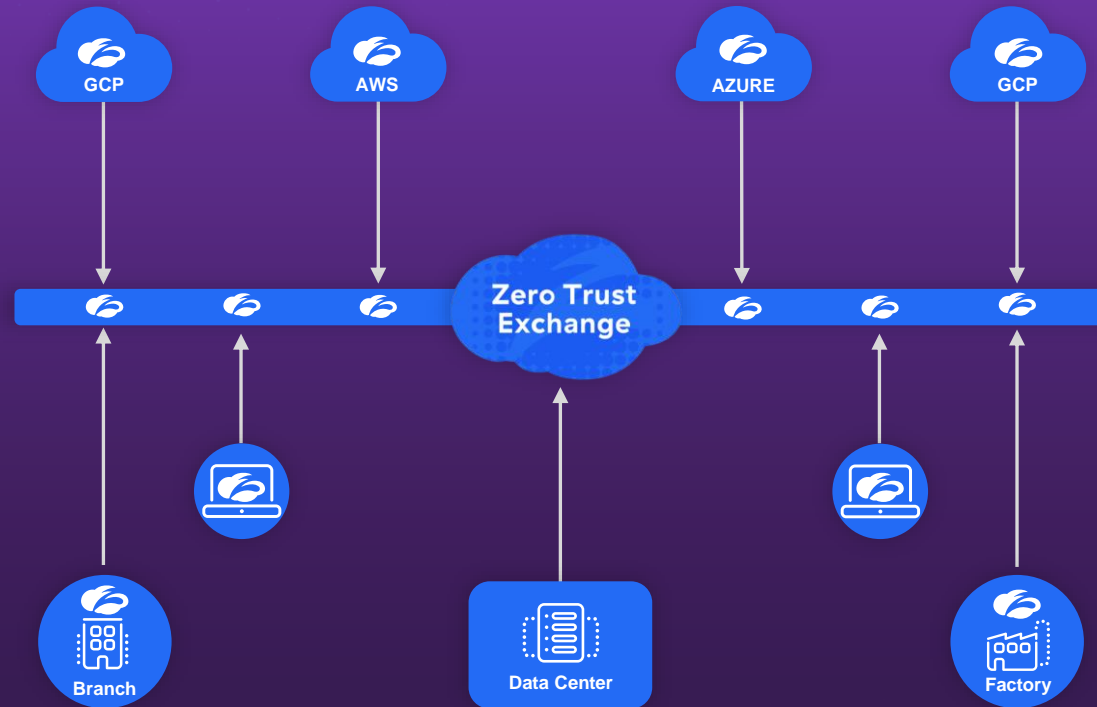
Networks are transport,
security is decoupled

3

Connect to specific apps,
not networks

4

Connections are
non-routable



Zero Trust Connectivity



Introducing

Client Connectivity



Employees and
3rd party users

Cloud Connectivity



Public cloud &
data centers

Branch Connectivity



Users, Services,
IoT/OT

Ensure a great user experience with Zscaler Digital Experience

Diversity of Branches and Sites

Simplifying branch connectivity starts with understanding the needs for different types of branches

Small Branch



Branches with users only, working over Wi-Fi and hot desks.

Need secure access to all applications—external or internal.

Medium Branch



Outbound / Inbound Traffic

Branches with users and connected devices like cameras, printers, etc.

Most common type of branch in Enterprises.

Large Campuses and Factories

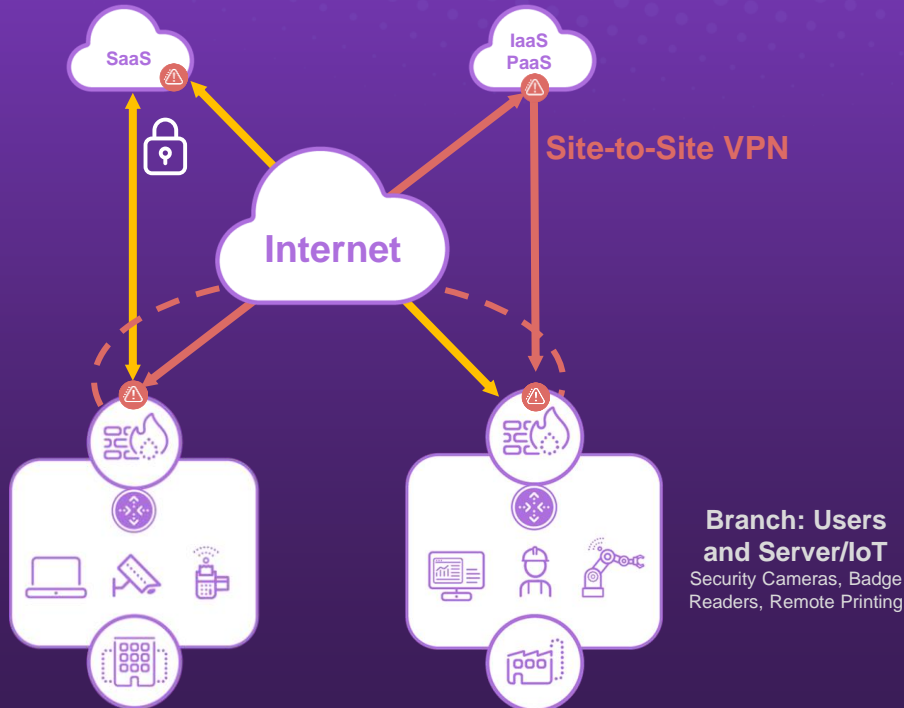


Outbound / Inbound Traffic

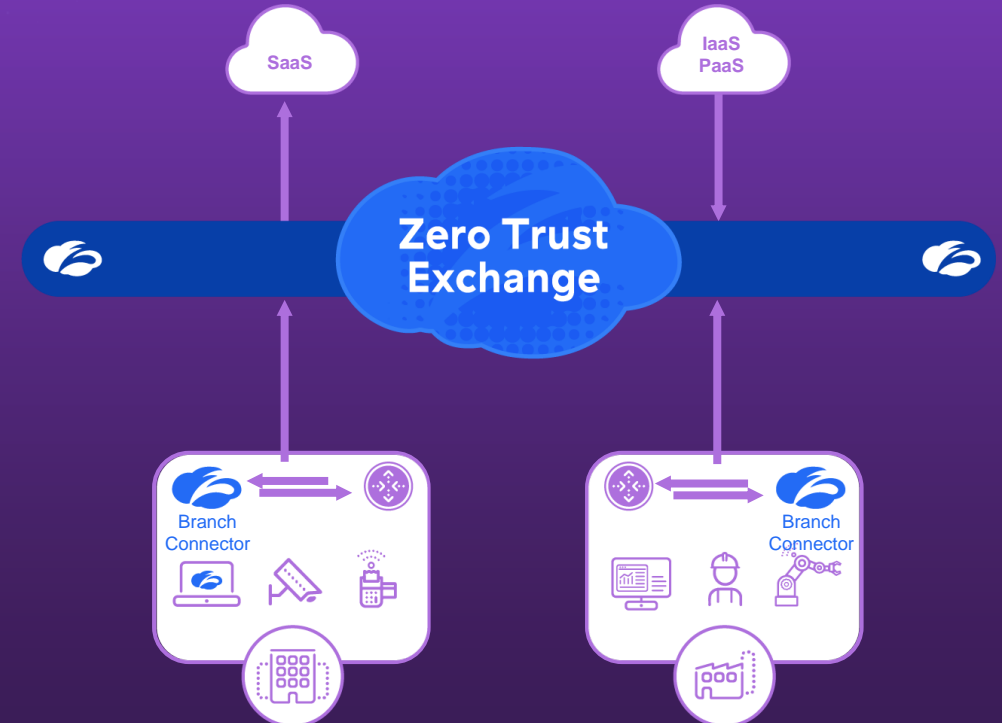
Large campuses with complex networks to connect users and devices.

Rely on traditional WAN networks for transport needs.

Why existing solutions can't enable Zero Trust for Branch



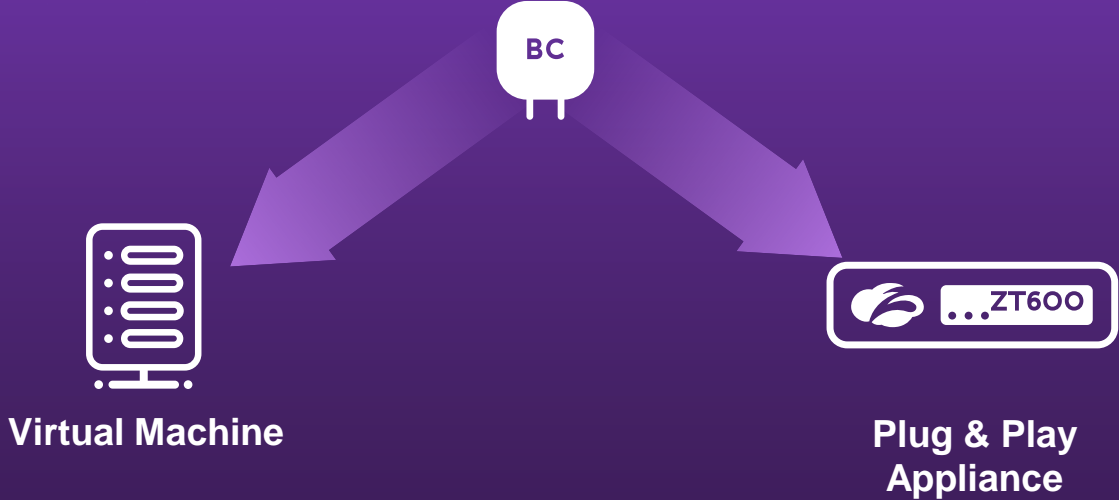
- ❗ **Complex routable WAN network**
A full mesh of site-to-site tunnels with routable WAN network increases cost
- ❗ **Increases the risk of lateral threat movement**
A single infected workload can infect everything on the network
- ❗ **Increases the internet attack surface**
Every internet facing firewalls can be discovered and exploited



- ✓ **Enables Zero Trust access for non-user devices**
Eliminates lateral threat movement and attack surface
- ✓ **No routable WAN required**
Eliminates the need for maintaining overlay routing network
- ✓ **Reduces operational complexity and cost**
Eliminates the need for virtual DMZs and a mesh of site-to-site VPNS

Introducing the Branch Connectivity Plug & Play Appliance

Available
Now!



Early
Access!

Solutions Q&A

Jay, Syam, Patrick, Steve

10 Minute Break

Pick up or Download your complimentary copy



Sanmina's Zero Trust Journey

Manesh Patel, SVP and CIO

Matt Ramberg, VP, Information Security

GTM Execution

Dali Rajic, COO

Driving execution in a challenging business environment

Complex macro environment



Cyber attacks rapidly growing and evolving

- Cyber is the #1 IT priority
- Generational shift from old network security architectures
- Zero trust is mainstream – mindsets are changing



Sustained high levels of deal scrutiny

- Tighter budgets available to achieve more
- Legacy network/security point products impeding progress
- Immature offerings not considered for mission critical services



Projects that move forward in this environment

- High priority security modernization
- High ROI vendor consolidation
- Federal deployments moving beyond initial phases

How we are navigating it



Strong execution and customer-first approach

- Our comprehensive platform with high ROI is resonating with customers
- Partnering earlier with CXOs to create CFO-ready business cases
- Doubling-down on customer success to deliver measurable customer value
- Platform innovations to solve customers' real time IT challenges



Leveraging our maturity and scale

- Our proven experience at scale makes us the advisor of choice for Zero Trust
- Repeatable blueprint for delivering greater value to sell our broader Zero Trust platform for users, workloads, IoT/OT, and B2B
- Massive data across an integrated platform to deliver AI/ML innovations



Operational discipline

- High visibility: 100% recurring revenue model, mature consultative sales process at the c-level, geo and vertical diversification
- Flexible cost structure that enables us to balance growth and profitability based on business momentum

Blueprint for driving ROI and Business Impact

CFO-Ready Business Case:

Our consultative sales process at the CXO level is a **key differentiator** that is enabling our strong execution in this environment

Executive Summary



Voice of their Teams

10+ hours of Customer Interviews captures key priorities

Security

Inconsistent security policy enforcement for users "off-net" can lead to unknown vulnerabilities

- Eliminate attack surface by providing application access (not network)
- Present lateral movement
- Granular security controls by region, locale, business group, application

M&A integration is a slow, painful and costly process with no repeatable blueprint

- Standardize templates for users, customers, and M&A integrations
- Accelerate time-to-value
- Provide consistent security policy for all resources (e.g. acquisition on-boards)

Legacy network and security architecture inhibits digital transformation initiatives

- Implement modern Zero Trust Platform / Architecture
- Accelerate cloud adoption
- Technology Cost Optimization

Advance the future of sustainable commerce

- Strategically align with customers and suppliers to reduce emissions

Customer / Vendor / M&A Integration

Consolidate & Simplify

Sustainability

"We need to start implementing a Zero Trust environment, and we need to do it with a leader"

"Today, we have security guidelines, we aren't directing how to do things, just what should be done."

"It's not just about security tools, it's about securing all connections and then allowing access to our environment"

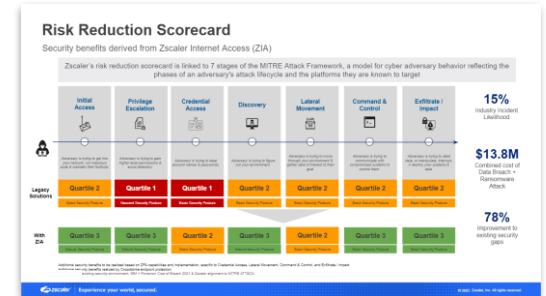
"The M&A process has historically taken a protracted approach, we need it to be closer to ours"

"The reality is, this isn't just a remote access solution replacement, we do have additional capabilities we don't have today, but simplified"

"We have an SD-WAN rollout and we need to coordinate vendors and implement a zero-trust foot to enable that"

"Our emissions strategy is to be net-zero by 2040"

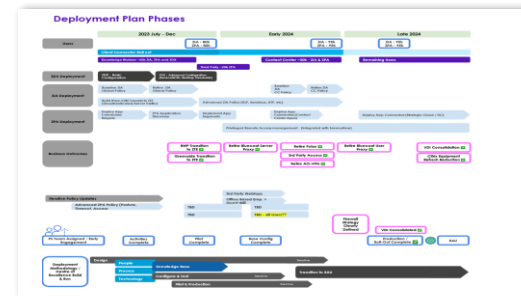
Business Risk Assessment mapped to MITRE attack framework



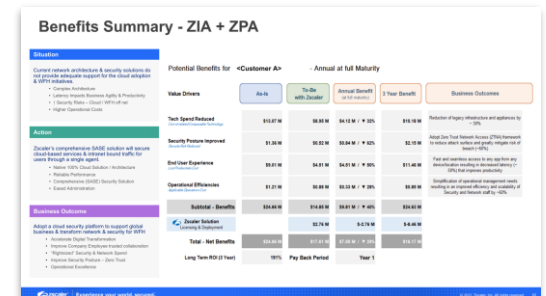
Transformation Roadmap



Deployment Phases to Capture ROI by Phase

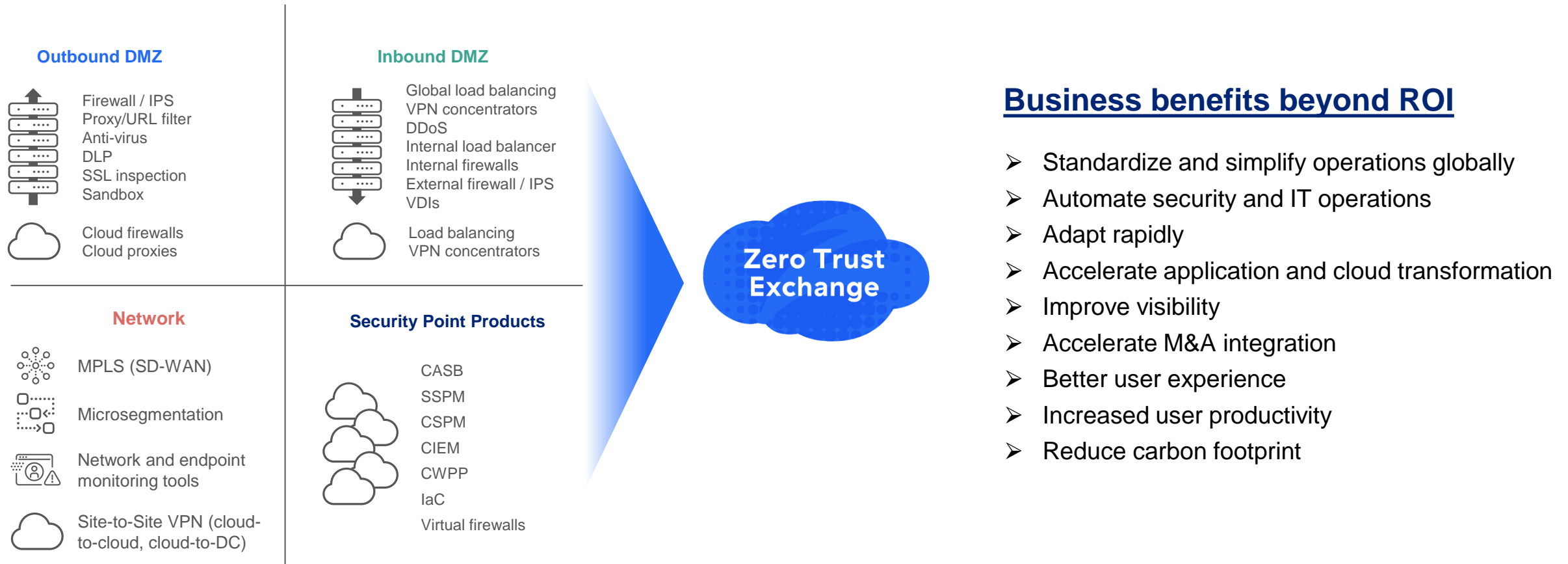


Detailed ROI by Transformation Phase



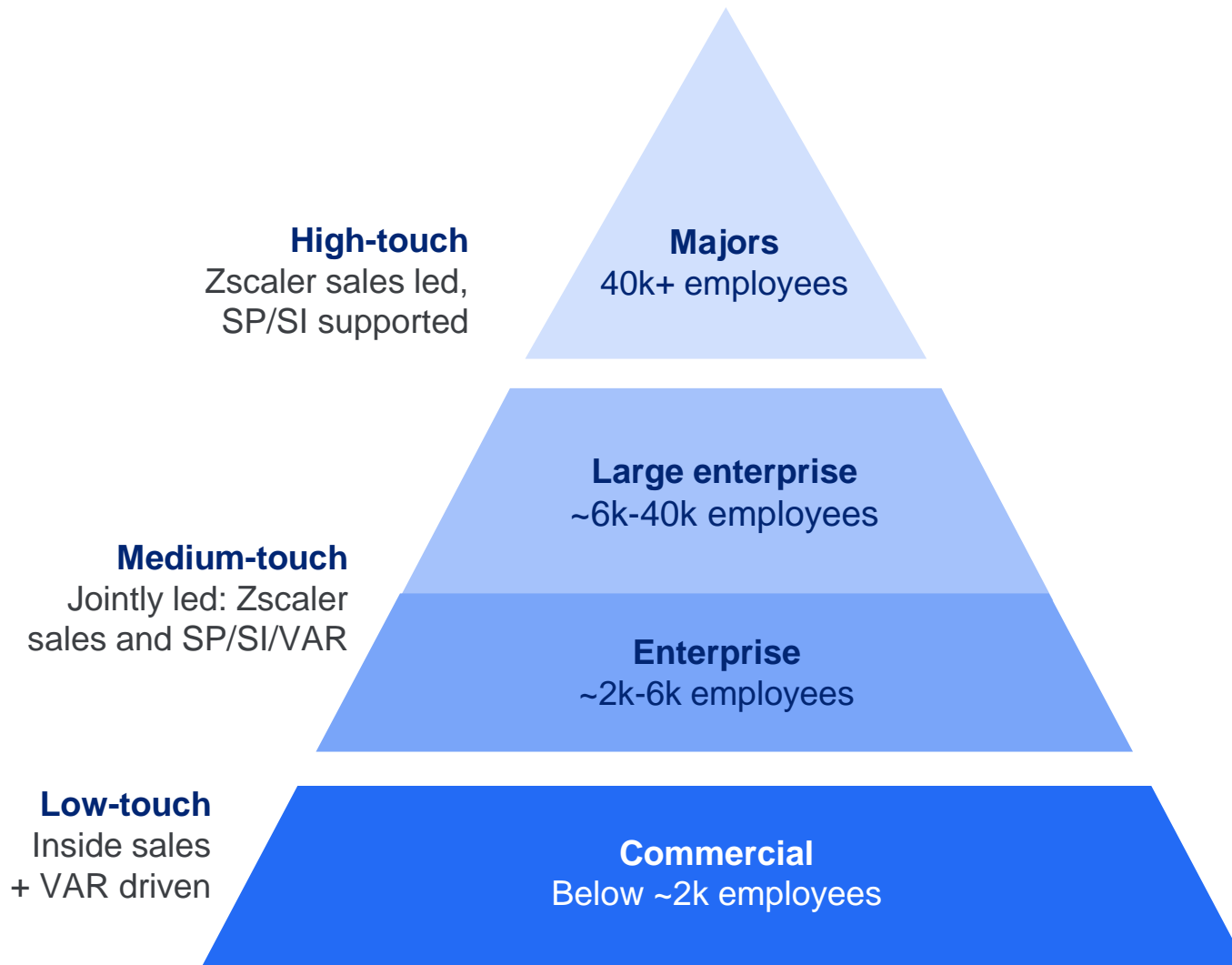
Zscaler platform consolidates point products and simplifies IT

Design once and solve for many things in operations and business



**On vendor consolidation and operational savings alone,
Zscaler typically provides customers a 200%+ ROI and <12-month payback period**

Multi-tiered Go-to-market model to maximize TAM capture



Targeted account-based sale with focus on enterprises

Consultative, Programmatic, Outcome and Value driven GTM process in Majors & Large Enterprises

- Large community of CXO relationships, thought leadership
- Architecture workshops and CFO ready business cases a must

Expanding the enterprise segment

Lighter version of the above for partners to own:

- Specific marketing programs
- CXO programs
- Umbrella demand gen campaigns with partners
- Lighter version of architecture workshops and ROIs

Expanding scale through partner reach:

- Proven we can successfully win in this segment
- Shorter sales cycle
- Leverage: Channel plays a bigger role in the segment

Mapping path to scale in commercial:

- Distribution/MSP models, which are zero to low touch
- Partners asking for our help to service this market
- Enabling them to generate demand in their customer base

Total Addressable Market (TAM) for Majors, Large enterprise, Enterprise and Commercial segments are based on data from ZoomInfo for total Global Parent Companies and their Total Employees, rounded to nearest digit, as of December 23, 2020.

Getting Leverage from Channel

Karl Soderlund, SVP, Worldwide Partners and Alliances

Zscaler's Partner Evolution

Current State:

Transactional/Fulfillment

Partner prioritization based on current opportunities

Measuring Partners success based on "top of funnel" lead gen

Management of global partners centrally without strong theater interlock

Strong Exec commit/alignment with limited downstream execution



Future State:

True Partnership

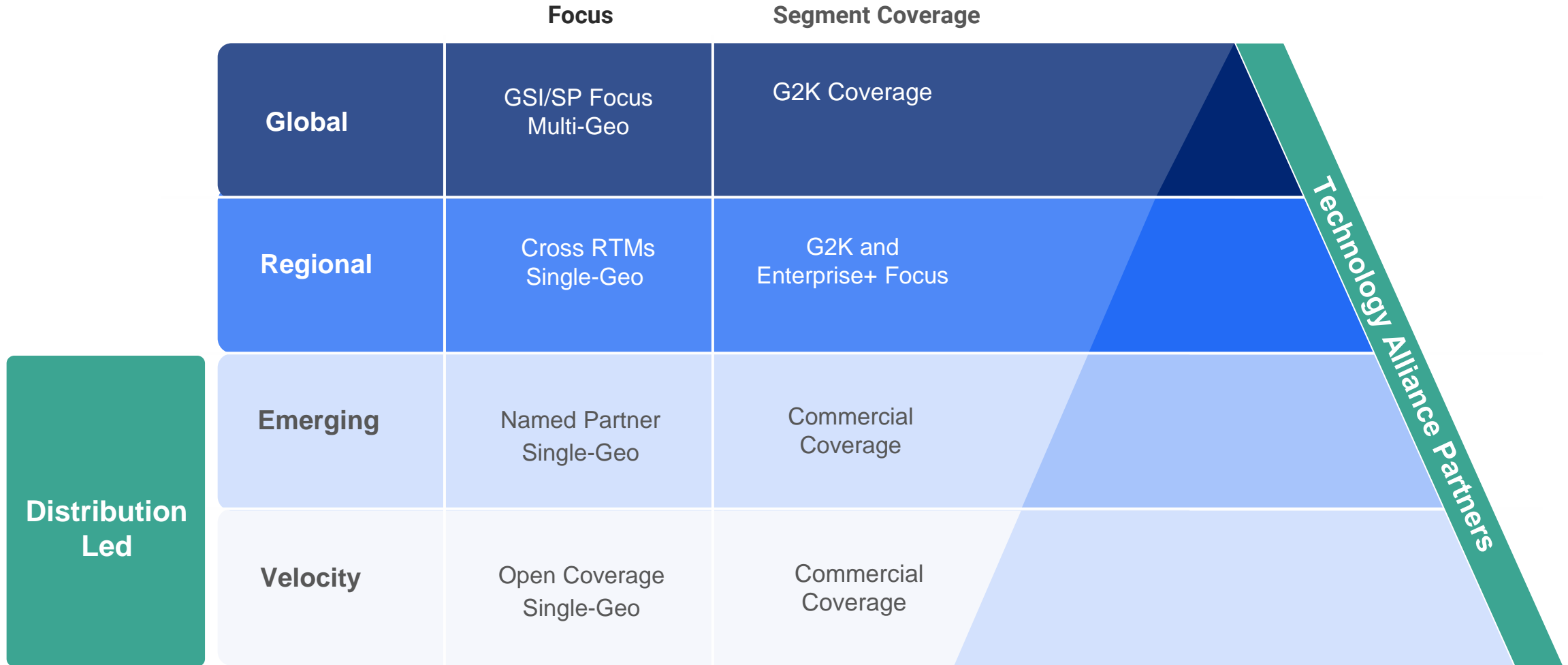
Refined list of Global, Regional, Emerging & Long Tail partners managed proactively and consistently

Actively pursuing partners addressable markets with joint solutions and/or co-selling motions across the customer lifecycle

Distributed coverage of global partners with global, geo, and regional accountability to performance

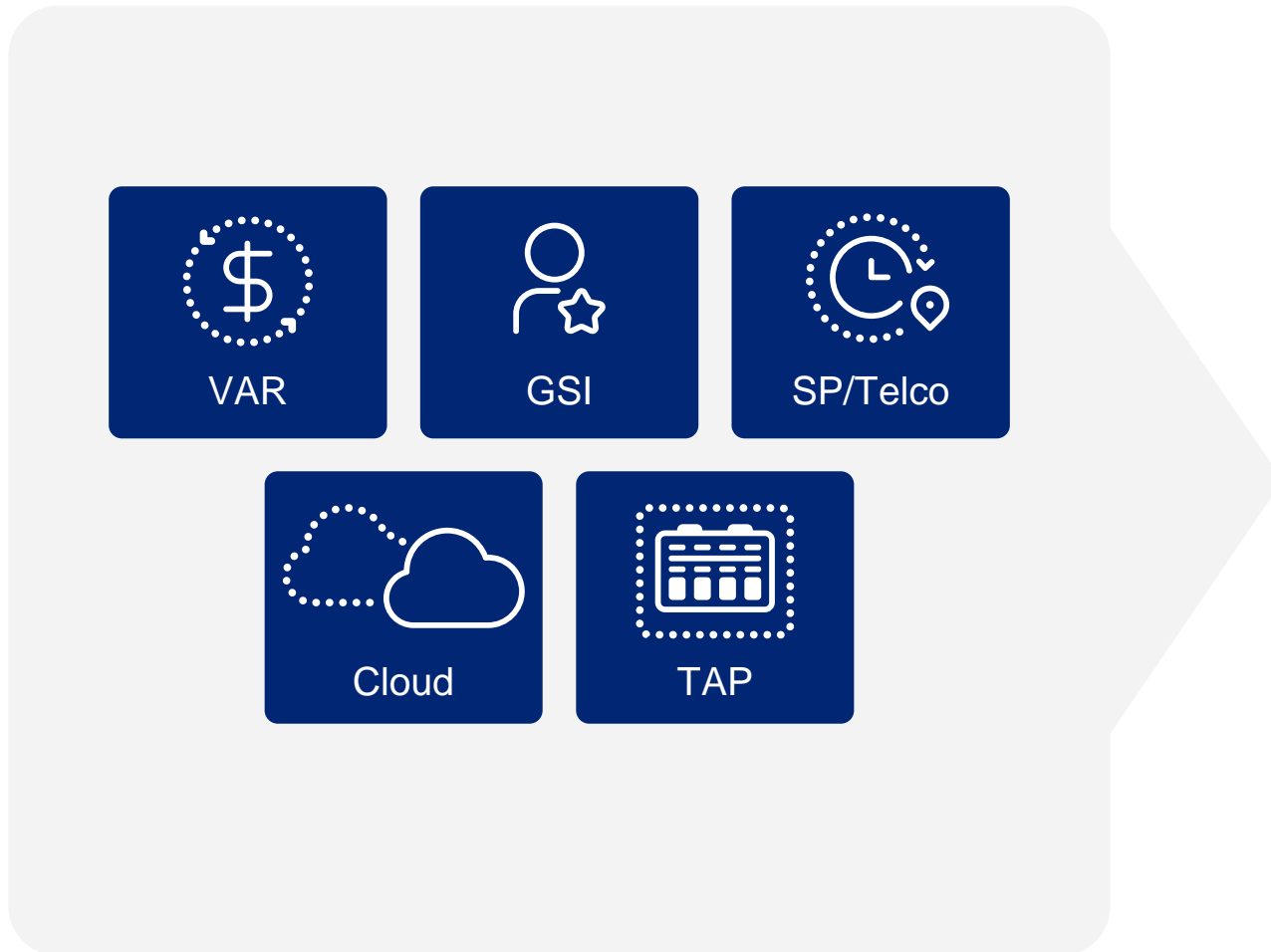
Shared accountability with partners to joint business plan and sponsorship of defined and measured goals & targets

Partner Strategy – Deeper Engagement and Scaling Distribution



Aligning to Our Customer Journey

Where we are **today**:



Where we are **headed**:



Market Leader in Zero Trust

Jay Chaudhry, Chairman and CEO

Why We Will Win

The market leader in Zero Trust

- Market moving to Zero Trust with digital transformation
- We are the largest security cloud platform with over 40 million users

Delivering platform innovations and cloud resilience at scale

- Innovating at a rapid pace from Zero Trust for Users to delivering Zero Trust for Workloads, IoT/OT and B2B
- Unique AI opportunities with best data lake from handling and securing Enterprise-wide Communications
- Multi-tenant cloud scalability and cloud effect

Strong Go-to-Market engine and execution

- Trusted partner to CXOs of largest global organizations
- GTM that can consistently sell value and drive larger deals

Strong leadership team

- Experienced team driving culture of excellence

Well Positioned for Success!

Management Q&A

Jay, Dali, Syam, Patrick, Steve

Thank You

