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Investor Overview
2018

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SAFE HARBOR

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Next Generation Cybersecurity Company That Protects People, Data, and Brands From Advanced Threats and Compliance Risks

Investor Highlights

1	Unique SaaS security model with high recurring subscription revenue
2	Strong operating discipline, delivering both growth and expanding free cash flow margins
3	Broad customer base with renewal rates consistently over 90%
4	Large and growing TAM represents $12B+ opportunity
5	Consistent track record of execution over the past 25 quarters as a public company

Strong Secular Drivers Fueling Growth Opportunity

Dynamic Threat Landscape

Malware and
non-malware attacks

Move to the Cloud

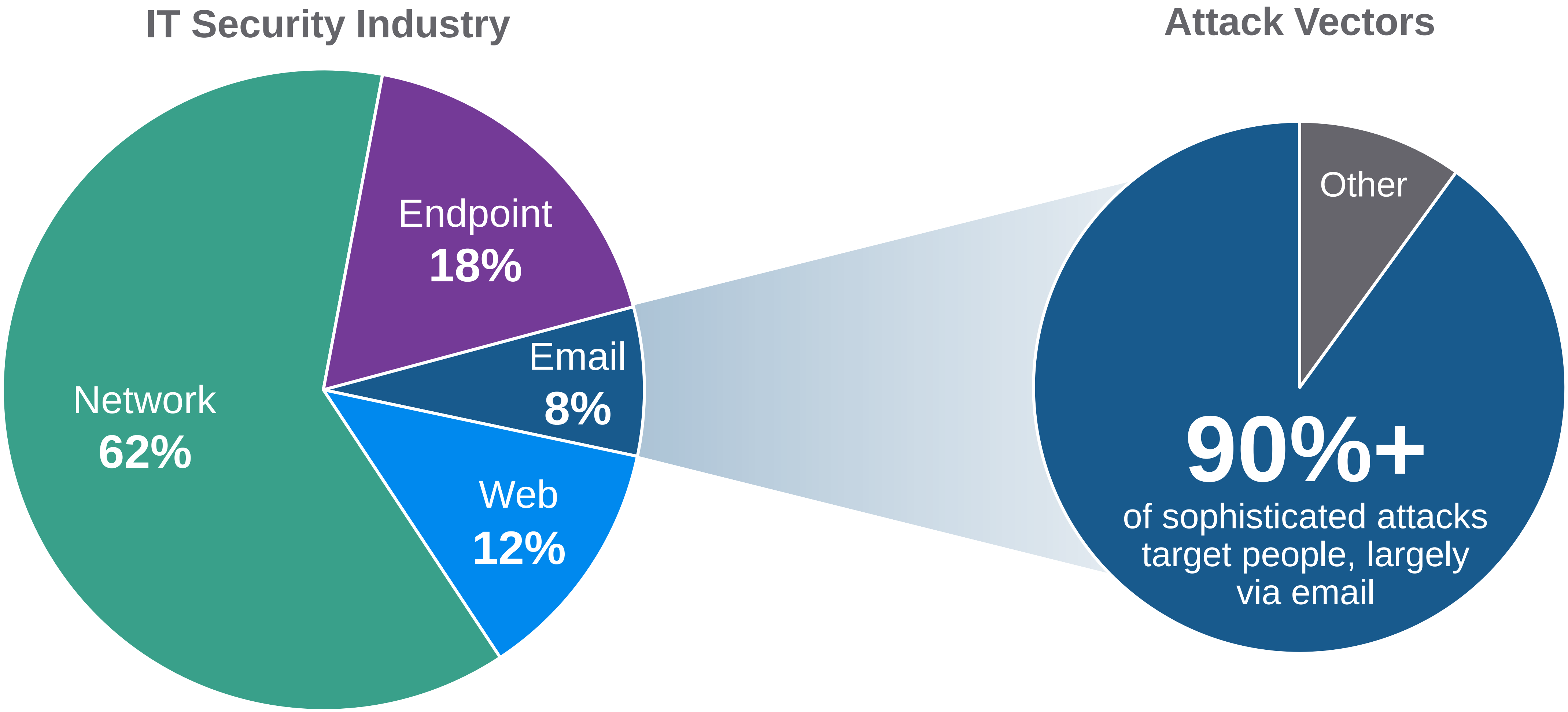
Strong growth
of Office 365, GSuite and
Other SaaS applications

Email is #1 Threat Vector

90%+ advanced threats
propagated via email

Source: Verizon DBIR

But Industry Is Not Aligned with the Threats



Source: Gartner (2017 forecast)

Source: Verizon DBIR, Trend Micro, FEYE, etc.

Proofpoint Suite Protects Individuals

Email

Office 365

Exchange

G Suite

Mobile

Social

SaaS Apps

salesforce

OneDrive

Office 365

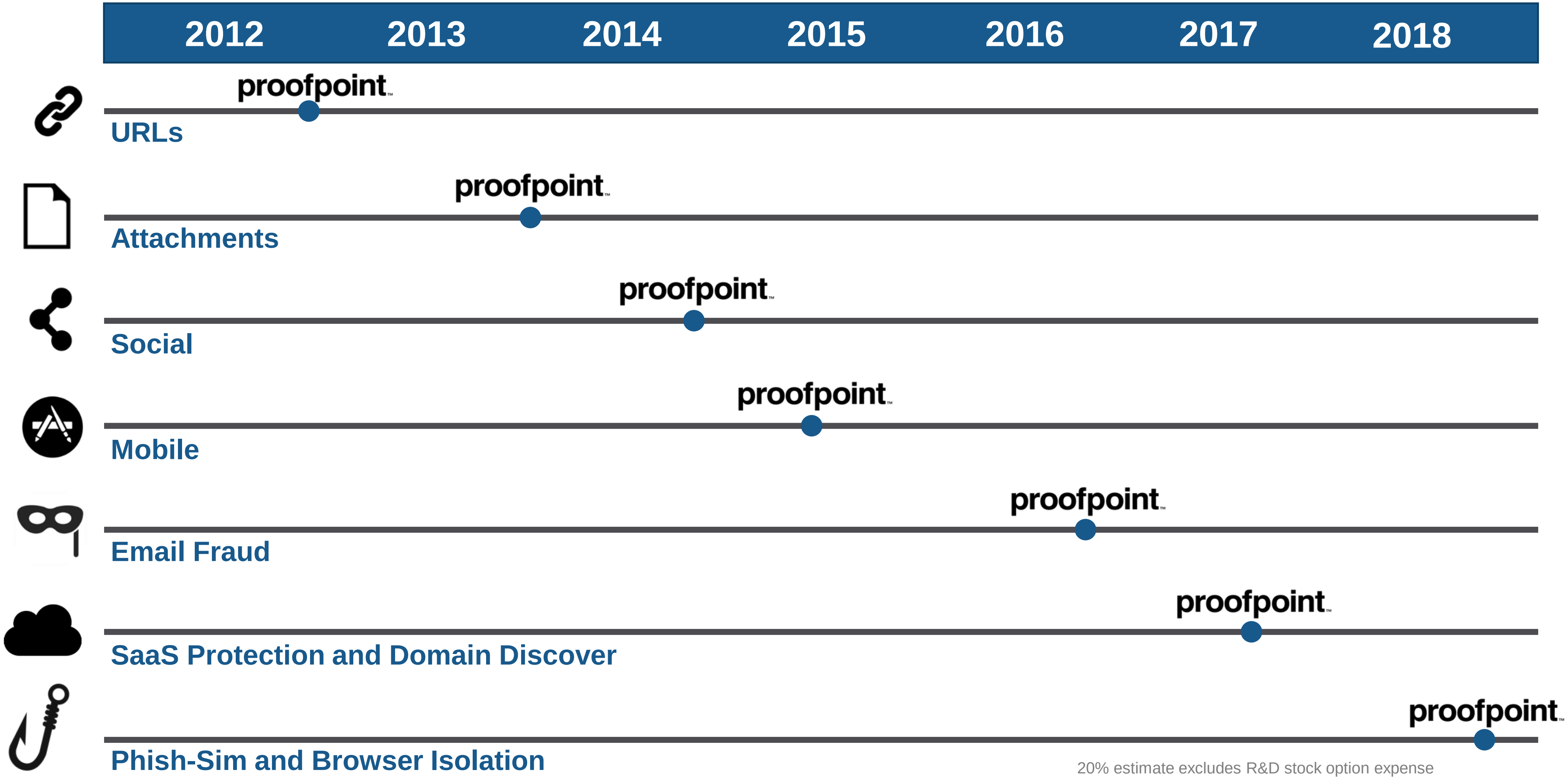
box

G Suite

proofpoint.
nexus

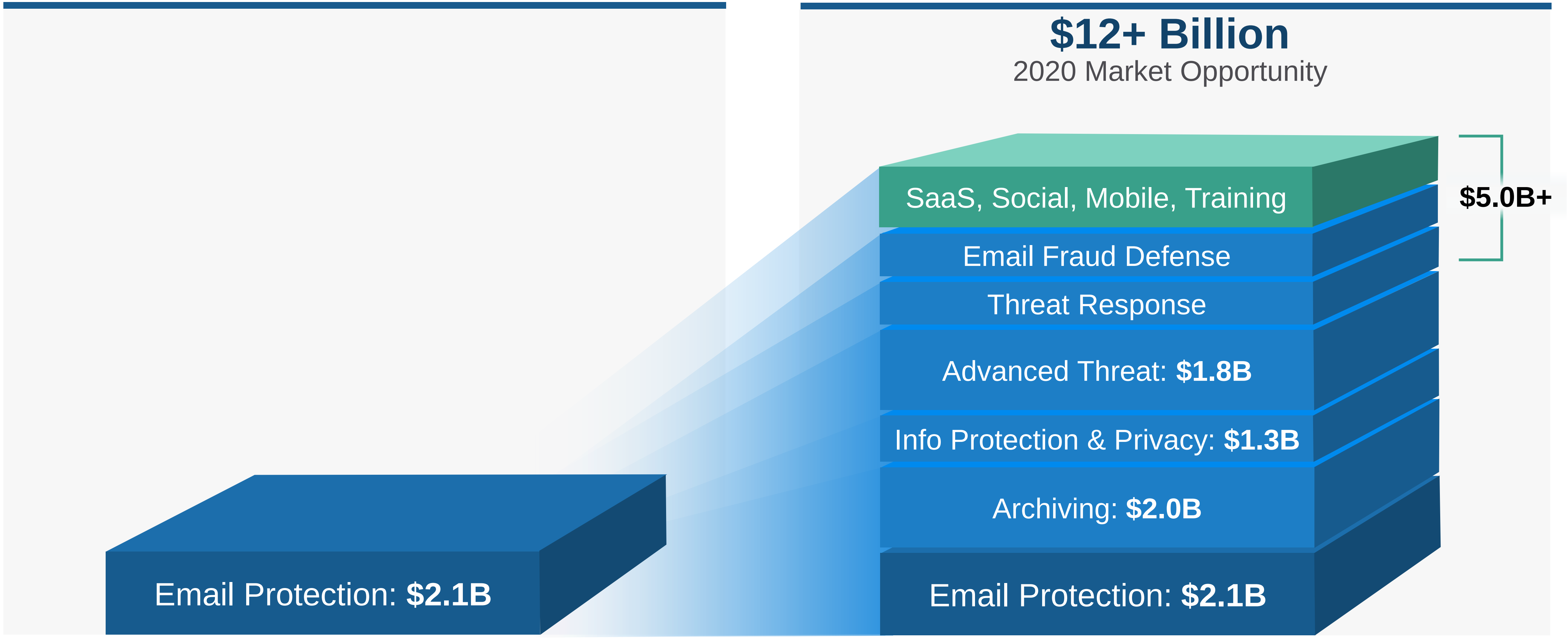
Leading with Innovation

~20% of revenue reinvested in R&D coupled with disciplined M&A strategy



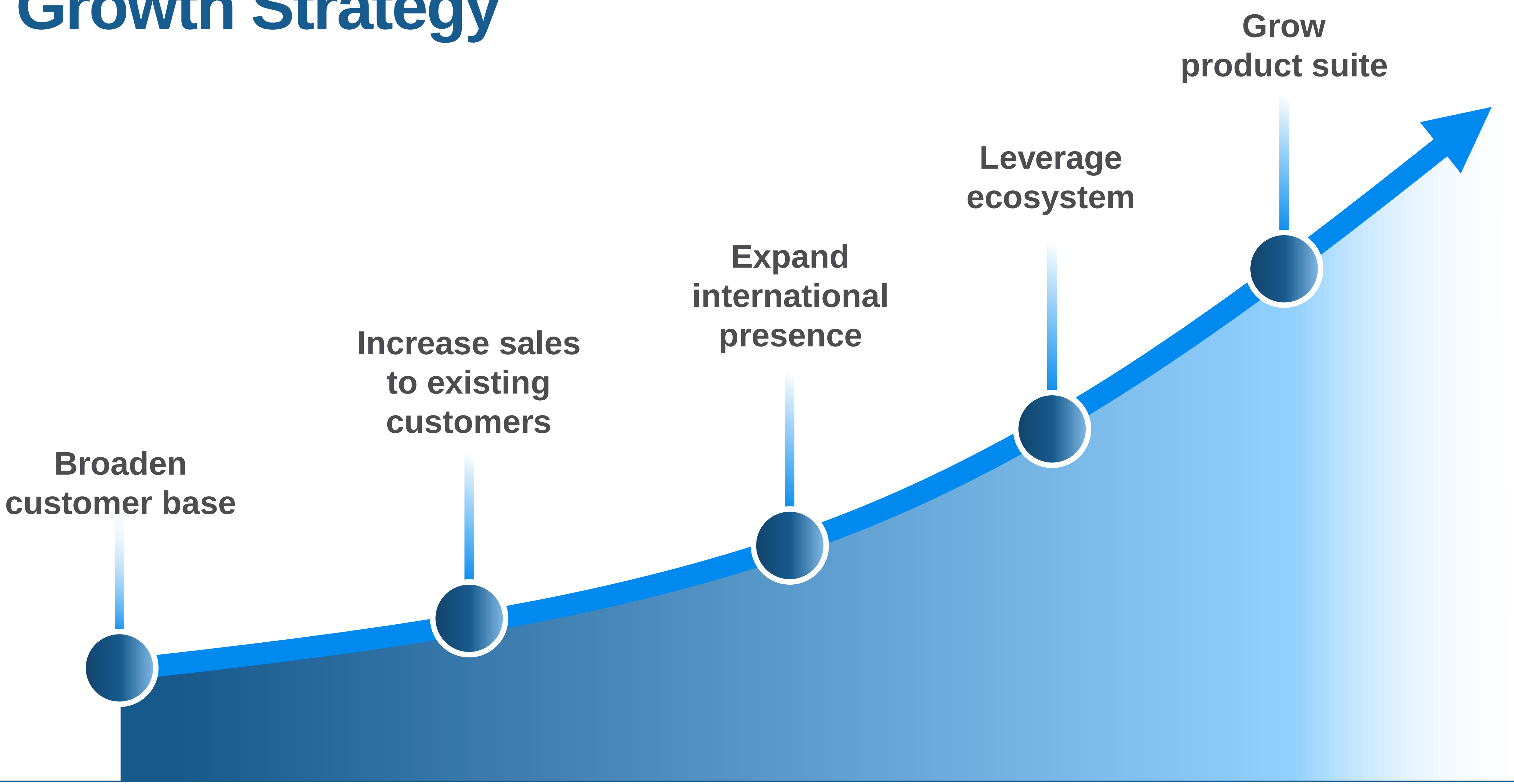
20% estimate excludes R&D stock option expense

Product Expansion Fuels Proofpoint's Growth



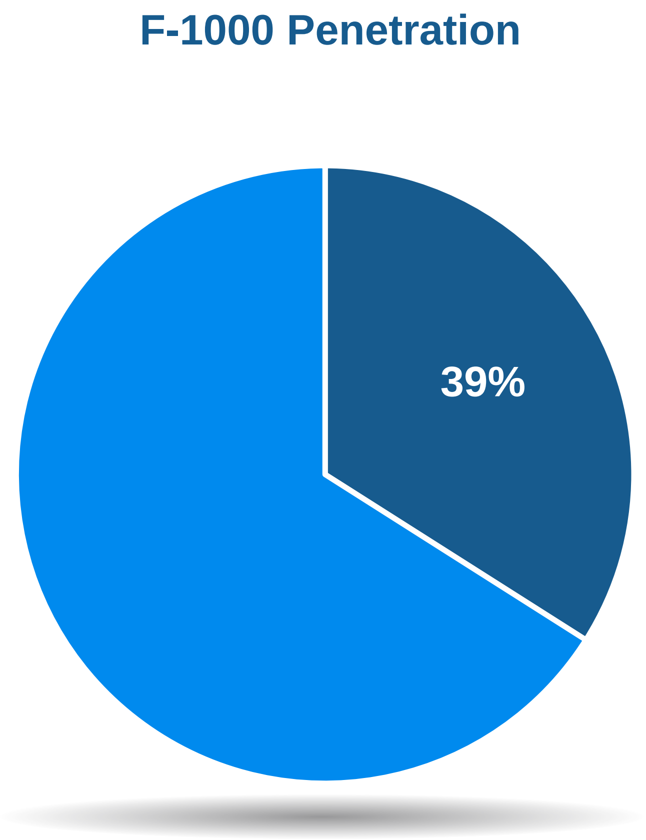
See appendix for sources for market forecasts

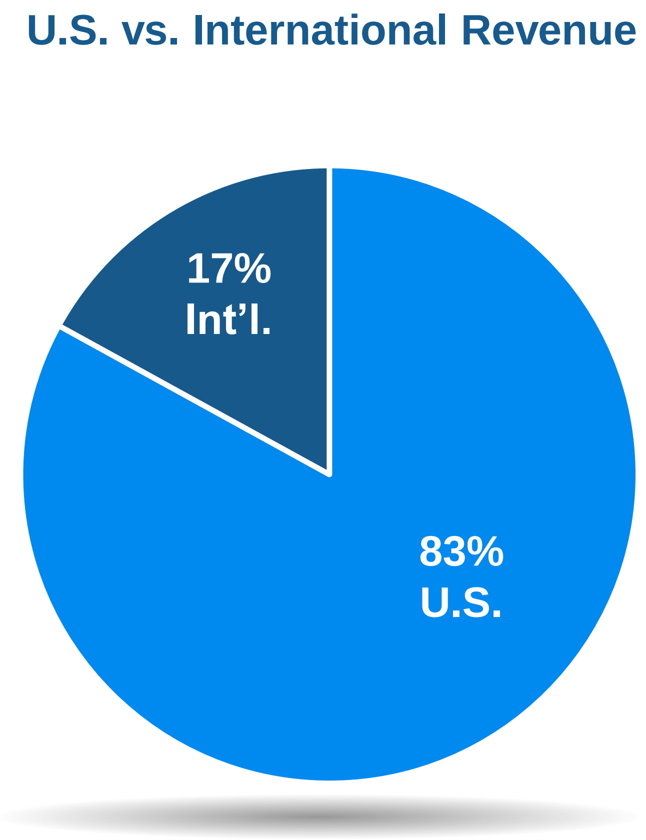
Growth Strategy

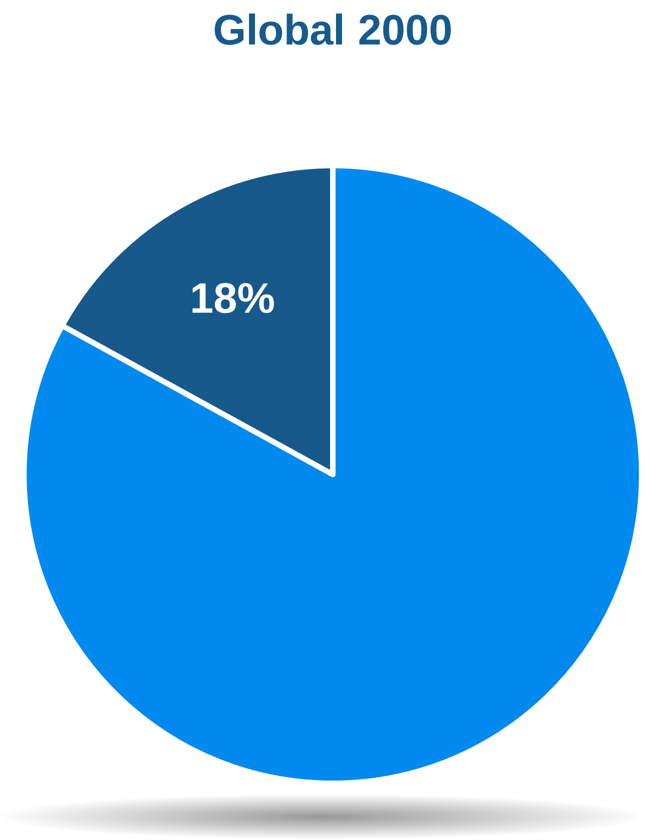


Blue Chip Customers with Significant Growth

Diversified customer based with significant headroom for growth





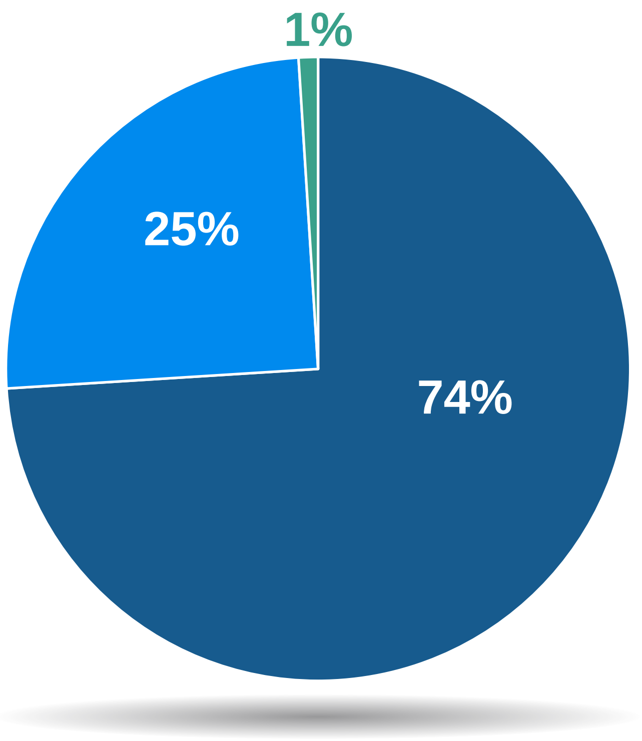


Reflects Q4 2017 results.

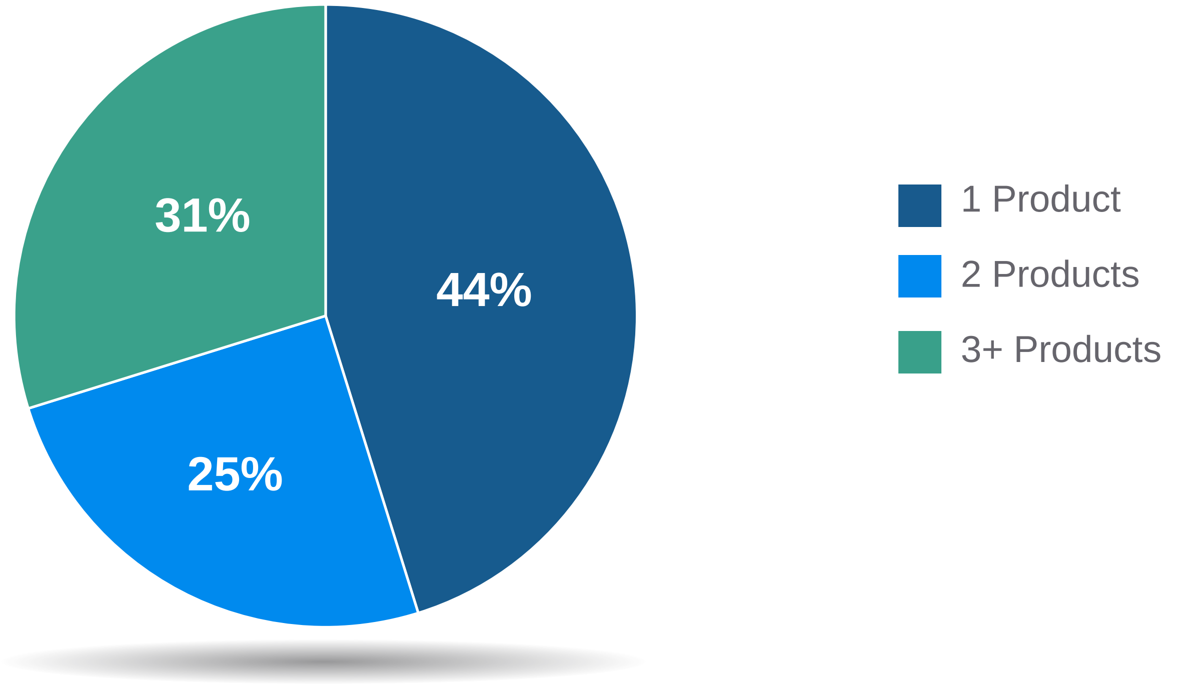
Blue Chip Customers with Significant Growth

Strong attach rate of additional products into the customer base since IPO

At Time of 2012 IPO
(~2,400 Customers)



Q4 2017
(~6,400 Customers)



Compelling Opportunity to Fill in Whitespace

>$1 Billion

opportunity to sell deeper
into existing customer base of ~6,400

44% have **one** product

25% have **two** products

31% have **three** or more products

>$500M ARR Under Contract	>$1.0B ARR Still Available

Emerging Products – Driving $5B+ Opportunity

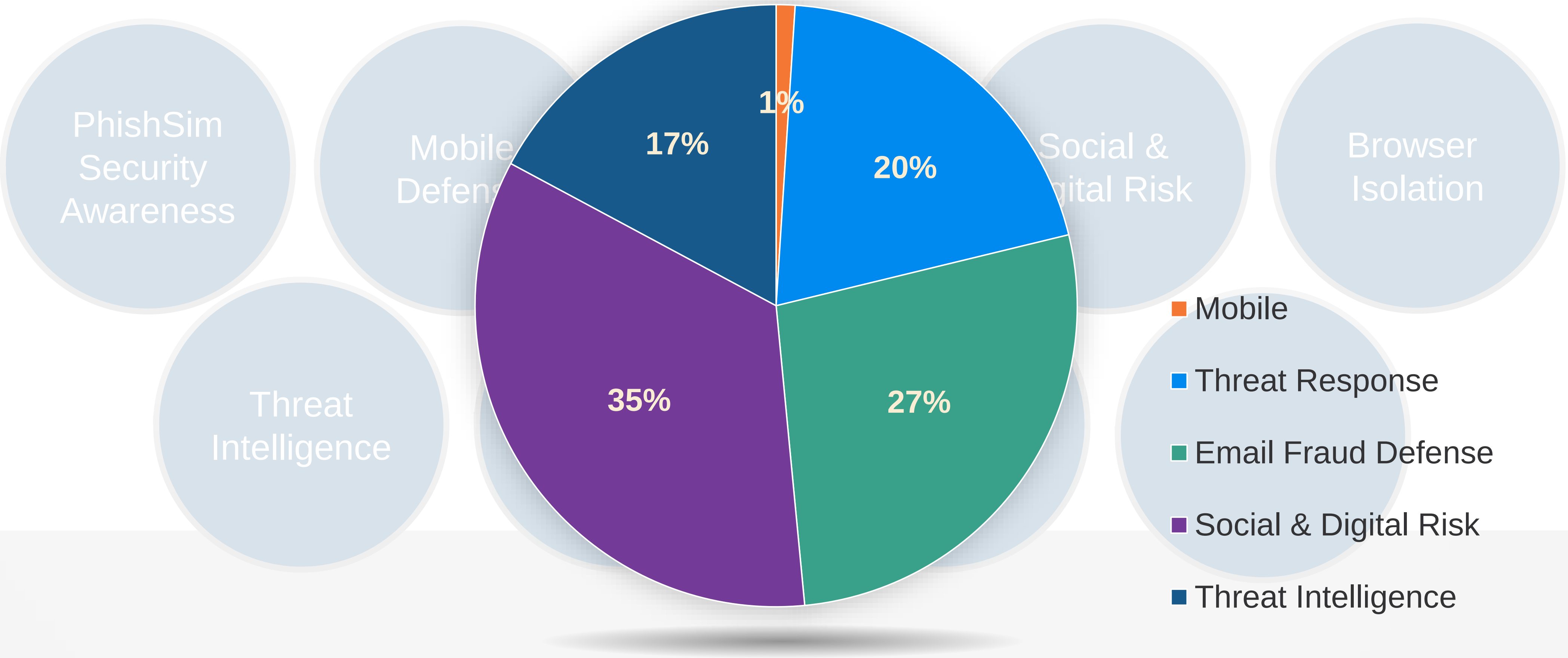
> 20% of new ARR added past quarter and up ~100% Y/Y

- Phish-Sim Security Awareness
- Mobile Defense
- Threat Response
- Social & Digital Risk
- Browser Isolation
- Threat Intelligence
- Email Fraud Defense
- Tap SaaS Defense
- Domain Discover

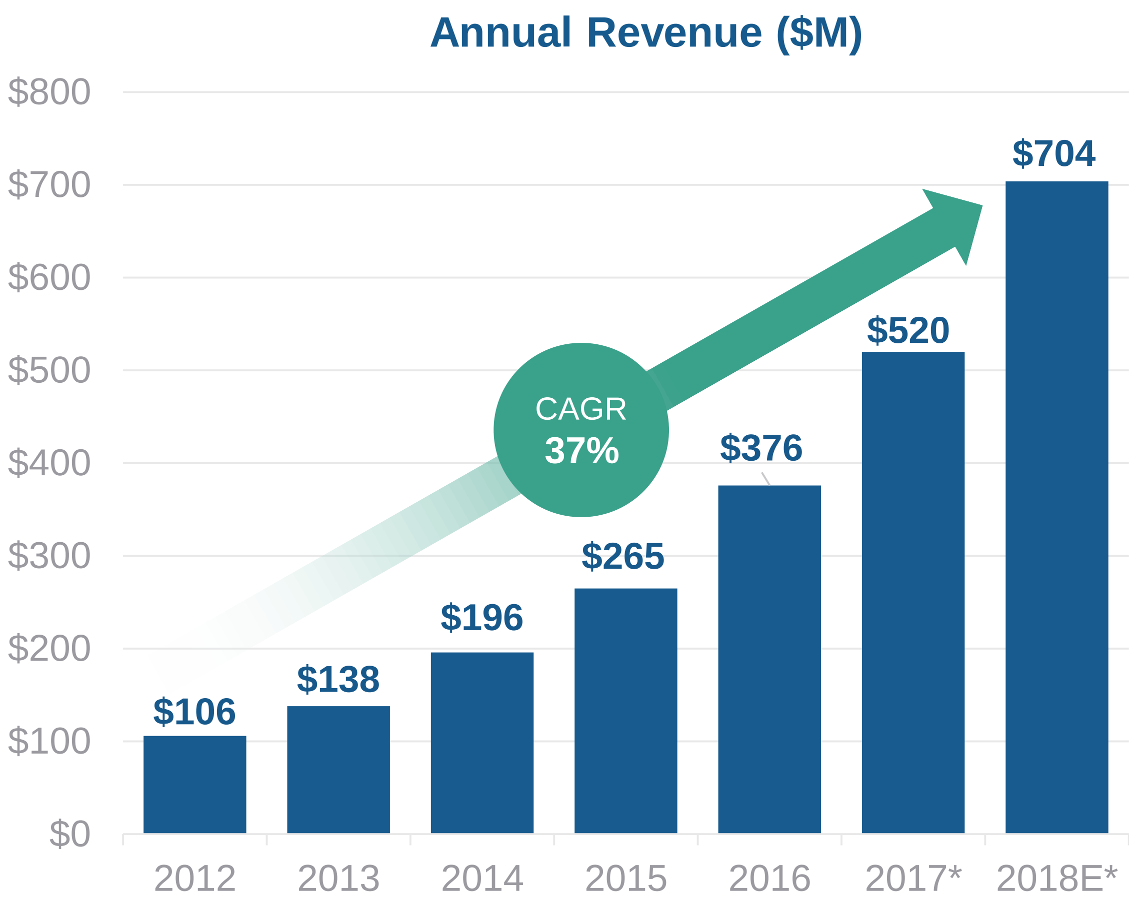
Emerging Products – Driving $5B Opportunity

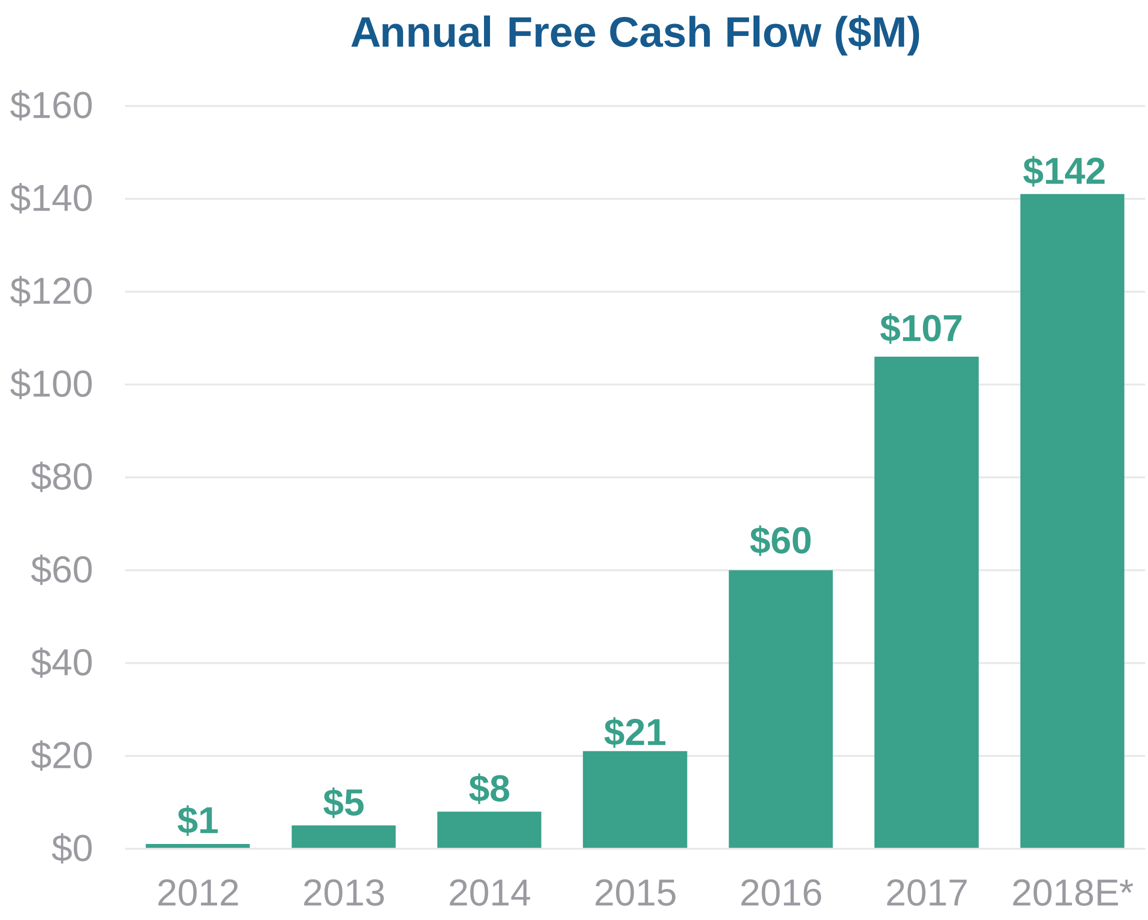
> 20% of new ARR added past quarter and up ~ 100% Y/Y

% ARR Split Within Emerging Products (1H 2017)



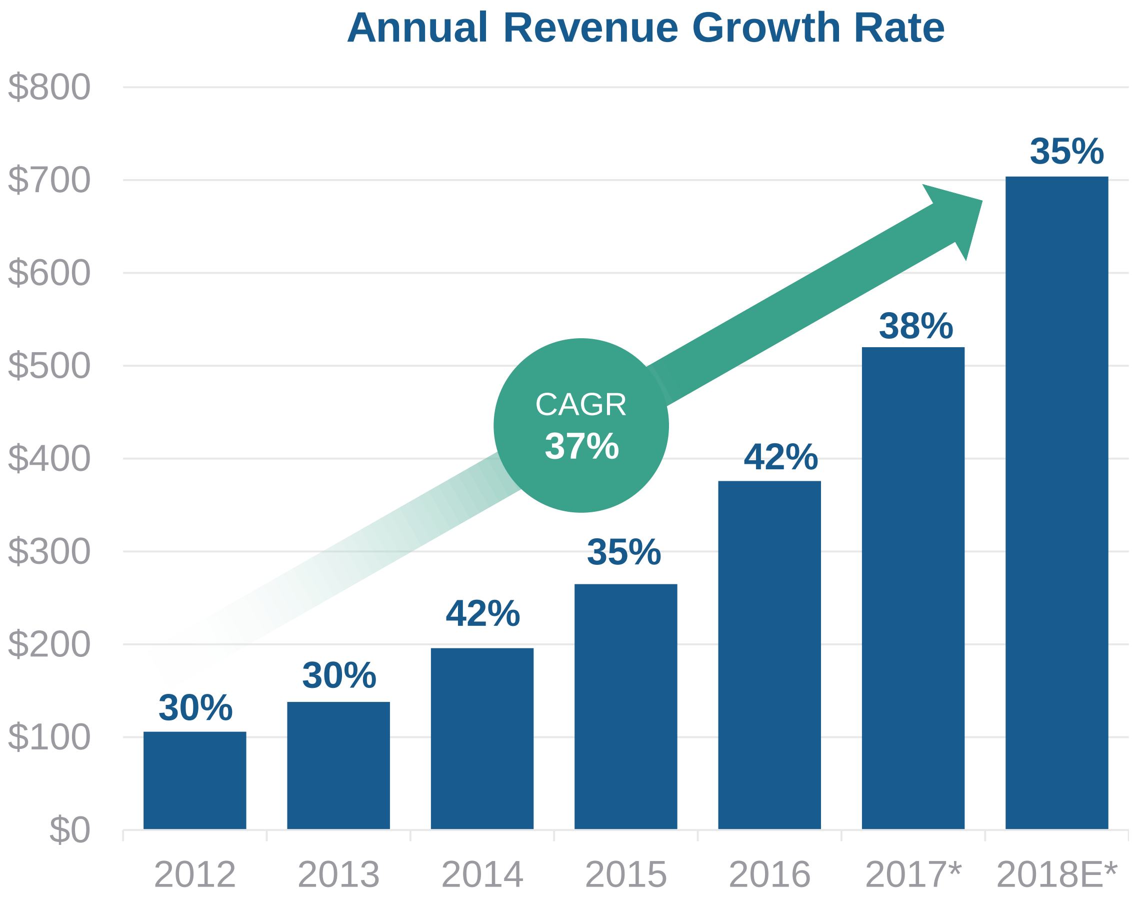
Highly Visible Revenue Drives Free Cash Flow

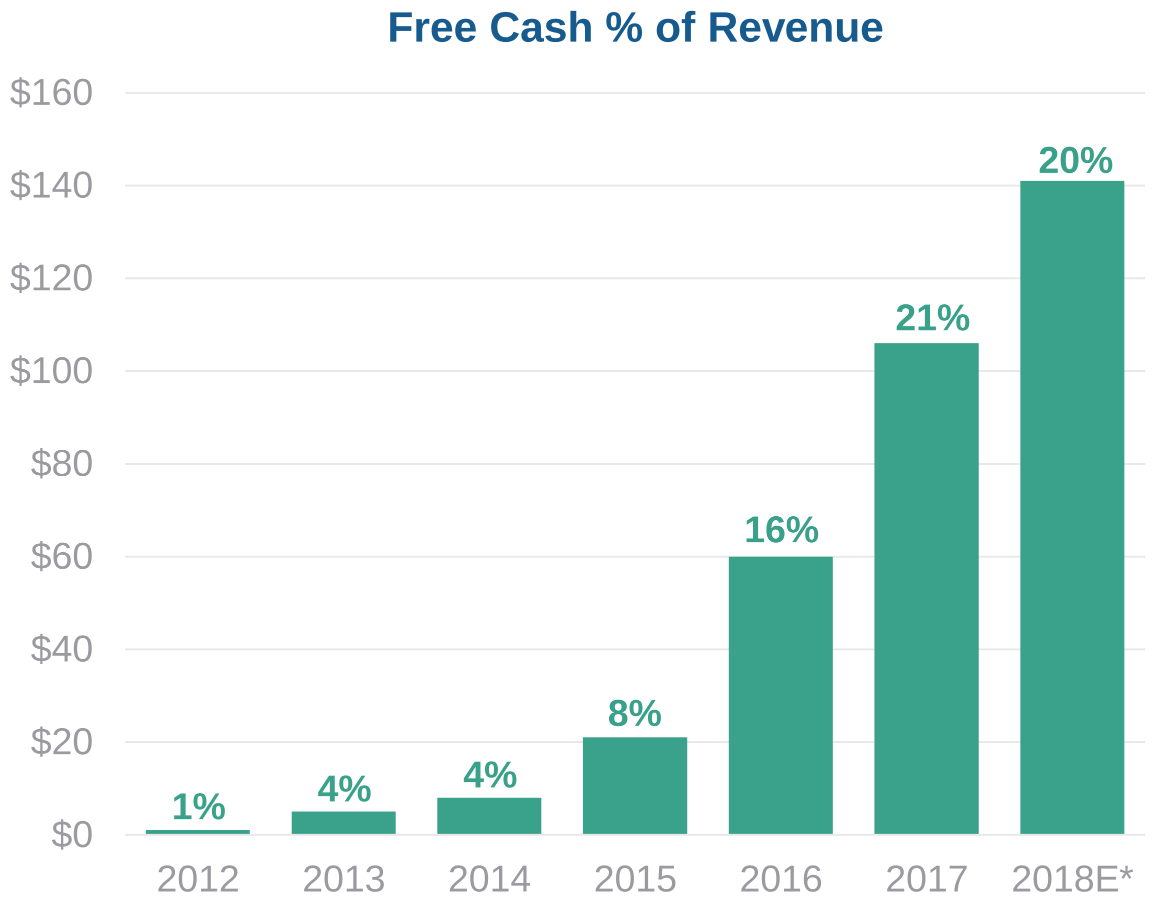




*2018E represents the midpoint of guidance range provided on Form 8K on April 26, 2018. Also, 2017 and 2018 reflect the Company's adoption of ASC606 effective January 1, 2018. Prior years are reported under ASC-605. Free cash flow defined as net cash provided by operating activities minus capital expenditures.

Highly Visible Revenue Drives Free Cash Flow





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In Closing

1	Consistent track record of execution over the past 25 quarters as a public company
2	Compelling business model, with ~95% recurring revenues and duration in the low teens
3	Strong operating discipline, delivering both growth and expanding free cash flow margins
4	Broad customer base with renewal rates consistently over 90%
5	Emerging products create yet another catalyst for growth

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Non-GAAP Reconciliation (Free Cash Flow)

Reconciliation of GAAP Cash Flows from Operations to Free Cash Flows
(in millions)
(Unaudited)

	Twelve Months Ended December 31,						Twelve Months Ending December 31,
	2012	2013	2014	2015	2016	2017*	2018E*
GAAP cash flows provided by operating activities	$ 6.8	$ 12.6	$ 22.6	$ 46.5	$ 94.2	$ 153.7	$186.0 - $188.0
Less:							
Purchases of property and equipment	$ (5.9)	$ (7.6)	$ (15.0)	$ (25.8)	$ (34.4)	$ (47.0)	$ (45.0)
Non-GAAP free cash flows	$ 0.9	$ 5.0	$ 7.6	$ 20.7	$ 59.8	$ 106.7	$141.0 - $143.0
GAAP revenue	$ 106.3	$ 137.9	$ 195.6	$ 265.4	$ 375.5	$ 519.7	$702.0 - $706.0
Free Cash Flows as percentage of Revenue	1%	4%	4%	8%	16%	21%	20%

*2017 revenue reflects the company's addoption of ASC-606

Source Data for Market Size Estimates

Sources:

1. IDC: Worldwide IT Security Products Forecast, 2017–2020: Comprehensive Security Products Forecast Review (March 2017)
2. IDC: Worldwide Archiving Software Forecast, 2017–2021: Generating Growth Through Higher-Value Engagements (May
3. Gartner: Forecast: Information Security, Worldwide, 2015-2021, 1Q17 Update (Q1 2017)
4. Markets and Markets: Email Encryption Market by Deployment Type - Global Forecast to 2020 (November 2015)
5. IDC: Worldwide Specialized Threat Analysis and Protection Forecast, 2016–2020: Enterprises Modernize Security Infrastructure (Dec 2016)
6. IDC: Worldwide Mobile Enterprise Security Software Forecast, 2016-2020 (May 2016)
7. IDC: Worldwide Threat Intelligence Security Services Forecast, 2016–2020: Strength in Numbers (March 2016)
8. IDC: Worldwide Security and Vulnerability Management Forecast, 2016–2020: Enterprises Continue Focus on Security Operations (December 2016)
9. Gartner: Forecast Snapshot: Cloud Access Security Broker, Worldwide, 2017 (March 2017)
10. Management Estimate of Social and Digital Risk - $500 million (September 2017)
11. Management Estimate for Email Authentication - over $500 million (September 2017)
12. Gartner: Forecast Snapshot: Security Awareness Computer-Based Training, Worldwide, 2017

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