

Country: US
Primary Vendor: PANW
Other Vendors: FTNT, ZS
Quarter: 2 FY2024
Sector: Security Platform
Customer Size: Enterprise 5,000 - 20,000

Current Quarter: On Plan
Business Outlook: On Plan

The Lead

United States

We met our PANW target for FYQ2. It wasn't a perfect quarter, but we marshalled through with even a little to put away for tomorrow (FYQ3).

Sure, there was discounting and PANW pushing in the quarter, but no more than we'd expect given the last couple of quarters. It's a competitive world out there. And they are pushing very hard.

December was a little slower than we had hoped; part of which may have been our fault, as we were focused on some other (key CYE) vendors. The squeaky wheel gets the grease. But things picked up in January, enough to make the difference.

Overall, our Cyber-business continues to be good. The hacks keep coming. I agree that we will continue to see a shift to MSSPs/MDR for cybersecurity monitoring. We have seen a steady shift from Product to Managed Services.

FyQ3

We should be OK; it's another reasonable compare for us. The cybersecurity market is solid.

PRODUCT

We're doing a little better with both Prisma Access (SASE) and Prisma Cloud. We have big expectations for both in Cy24, particularly Prisma Access.

However, **ZS** is all over my customer base, and it takes time to beat ZS (see Competition below).

Everyone is betting on SASE, though. Every customer is asking about it.

XSIAM has the new Cortex release. Next-gen SIEM helps them further automate the SOC, yes. It's a compelling argument, and one could argue, pretty inevitable for the larger customers.

It's got a price tag to match, too. Only a small percentage of customers will be able to buy this for a few years. We'll see some traction in Cy24, but don't get too excited yet. We're not seeing it (at scale); only bleeding edge, and then only taking it for a test drive.

COMPETITION

ZS is all over my customer base, and it takes time to defend against ZS. And it's not like ZS is sitting back quietly, letting this happen.

ZS has fundamental architectural differences. That's part of this new SD-WAN offering of theirs. Their problem is that it takes a hot minute to get your arms around this. To get in the proper mindset. It is different...

The good news for ZS is they have a LOT of customers who have totally drunk the ZS Koolaid. They're already deep in the ZS cult. The "only we can save you" nonsense.

After that, it's the usual NGFW customers. **FTNT** continues to push, and they have great price performance. They have their own SASE play, based off a real SD-WAN, mind you. BOTH of these stories are difficult for PANW.

What PANW has going for it is ... it's PANW. Large, effective platform, with a number of features and customers that have built their futures around PANW.

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