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CATO NETWORKS RECEIVES THE 2023
PRODUCT LEADERSHIP
AWARD

Identified as best in class in the Global security service edge industry

Best Practices Criteria for World-Class Performance

Frost & Sullivan applies a rigorous analytical process to evaluate multiple nominees for each award category before determining the final award recipient. The process involves a detailed evaluation of best practices criteria across two dimensions for each nominated company. Cato Networks excels in many of the criteria in the security service edge (SSE) industry.

AWARD CRITERIA

Product Portfolio Attributes	Business Impact
Match to Needs	Financial Performance
Reliability and Quality	Customer Acquisition
Product/Service Value	Operational Efficiency
Positioning	Growth Potential
Design	Human Capital

Design – Building the bridge from end(point) to end(point)

In the feature build-vs.-buy debate, Cato Networks comes down firmly on "build." Cato Networks has chosen to build all of its services, including SSE components SWG, CASB, and ZTNA, from scratch. It's not the first SSE vendor to do so (several competitors have developed SSE services in house) but it's doing so as a newish entrant to the SSE industry. Founded in 2015, Cato Networks offers a compelling, converged platform, and, as Cato Networks and other built-in-house vendors would argue, the Cato SSE 360 platform is all the more integrated because it was built that way, rather than patched together from disparate parts acquired by acquisition. The advantages of Cato Networks' experience building a converged platform is clear when contrasted with that of competing vendors – specifically ones moving from legacy hardware to cloud cybersecurity, and struggling to integrate new tools with old.

> "[T]he Cato 360 SSE platform is all the more integrated because it was built that way, rather than integrated from disparate parts acquired by acquisition."
>
> - Toph Whitmore,
> Industry Director, Cybersecurity

Match to Needs – A global network just for Cato Networks customers

Cato Networks most innovative "do-it-yourself project" is perhaps its most ambitious. The company is building out its own global cloud-networking infrastructure, supplanting legacy enterprise corporate networks *as well as traditional SD-WAN* and upsetting the dual apple carts of SD-WAN and traditional networking. It is SSE converged with a global private backbone. This means end-user data traffic travels

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over secure Cato Networks channels from POP to POP, using the internet only for last-mile delivery. Cato Networks aims to carry all of its customers' traffic across its SLA-backed backbone.

Cato Networks' approach meets customer needs in two ways. First, its cloud-networking service eases enterprise transformation from legacy hardware security to the cloud, when necessary, integrating with legacy network technologies (like existing firewalls or SD-WAN in a SASE deployment) while still providing a migration path to a full SASE deployment. That's a less arduous enterprise transition than that required to adopt competing platforms that require enterprises immediately abandon their entire network for point-to-point connections. Second, Cato Networks rather uniquely enables customers to both secure connectivity and save money: Cato Networks supplants enterprise MPLS, providing customers with more efficient (read: cheaper) connectivity coupled with industry-standard SSE security.

Product/Service Value – "Sort-of SASE" without the SD-WAN

Customer data traveling from point to point over the Cato Networks doesn't touch the open internet unless it has to, and only then when it arrives at its final stop: Data packets travel over secure channels from endpoint to destination.

> "[Cato Networks'] cloud-networking service eases customer enterprise transformation from legacy hardware security to the cloud, preserving some semblance of (or even replicating) legacy networks (like SD-WAN in a SASE deployment). That's a less arduous enterprise transition than that required to adopt competing platforms that require enterprises to abandon their entire network for point-to-point connections."
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> - Toph Whitmore,
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Cato Networks' combination of SSE + secure cloud networking is essentially a separate flavor of SSE, and one of several approaches to managing customer data travel. Some competing SSE vendors offer similar capability via leased channels from cloud service providers. Many others offer SD-WAN services as a SASE complement to CASB, SWG, and ZTNA. Still more use the internet as a corporate networking backbone, relying on over-the-open-internet data travel to get customer packets from one place to another.

Cato Networks' ultimate success may depend on the extent to which major enterprise customer security decision-makers choose to care about whether data travels over secured (or unsecured) channels. As long as secure cloud-networking infrastructure remains a key value proposition and differentiator to its target customers, Cato Networks will come out on top.

Reliability and Quality – Controlling every aspect of connectivity performance

Cato Networks backs up its security and connectivity promise with solid infrastructure, and not just its intriguing cloud network. The company, like other progressive vendors in the SSE space, recognizes that an SSE platform's security is meaningful only if its connectivity performance is peerless.

The next battle in the SSE space will be based on performance. Cato Networks knows that speed of connection is a key distinguishing factor in enterprise customer SSE adoption decisions, and has optimized its global architecture for improved performance. When considering enterprise customers with global operations, the most POPs wins. Cato Networks operates all 81 of its POPs around the world, all on Cato-

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owned and operated infrastructure colocated in Tier 4 datacenters.[1] While other vendors may have more POPs, Cato Networks distinguishes itself with the sheer number of POPs that can deliver its SSE services. Cato Networks' POP distribution is just one piece of an infrastructure strategy to control a customer's entire connectivity chain from endpoint to router to onramp to destination. Eighty-one is an impressive measure, considering Cato Networks builds and manages all of them. And according to the company, its cloud-edge SSE platform runs on standard hardware, and new SSE POPs can be deployed and running in a matter of days. Though the approach might not be unique (a few competitors also build out their own POPs), it's still impressive, and represents another way Cato Networks delivers (and controls) quality for its customers.

Growth Potential – Deep pockets means money to spend on cloud-networking infrastructure

The SSE industry is newly-categorized, and ripe for growth. The vast majority of corporate enterprises still retain legacy networking and security infrastructure...infrastructure that is both costly and, by its very design, vulnerable to cyberattack. It's a population of enterprises that demand secure cloud transformation to a SSE platform, and Cato Networks is well positioned to capitalize, in part because it is so well-capitalized itself. The company has acquired more than $500 million in VC funding, and is spending it to build out its proprietary cloud network and develop its SSE platform. The resultant deep pockets means Cato Networks can focus on building its infrastructure to support its growth without having to focus on short-term liquidity risk.

Operational Efficiency – Capacity to handle quadruple-volume spikes

Cato Networks' operational infrastructure is designed to enable its customers to operate efficiently. But with Cato Networks' commitment to owning the entire customer chain of connectivity, potential customers have good reason to question Cato Networks' capability to scale to support high-volume data traffic. Cato Networks has designed that operational infrastructure to handle traffic spikes, promising "elastic scaling." In addition, Cato Networks offers a single-pass architecture that delivers comprehensive decrypt-inspect-reencrypt workflows for TLS-encrypted data packets "with no impact to performance," in the company's words. In the rare case it must reroute traffic, the Cato Networks platform relies on infrastructure redundancy set to at least "double the capacity of what we actually need," says Cato Networks. There's evidence to support its promise of elastic scalability: In the first months of the COVID crisis, the Cato Networks platform accommodated user connections at nearly quadruple normal volumes.

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[1] Less than 10 of Cato Networks' POPs run on third-party IaaS, and only in the exceptional case when it's the only way to optimize access to a customer's cloud datacenter.

Conclusion

Cato Networks takes a bold approach to controlling and securing a customer's entire chain of connection, building every customer software and hardware component on the path from endpoint to router to cloud-edge-delivered SSE security to cloud network to destination. Its ambitious approach to SSE delivery distinguishes Cato Networks in a nascent sector that is quickly growing crowded. Customers seeking cloud-edge-delivered security with the accompanying convenience (and even comfort) of secure cloud-networking capabilities would do well to consider the Cato SSE 360 platform. With its strong overall performance, Cato Networks earns Frost & Sullivan's 2023 Product Leadership Award in the SSE industry.

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What You Need to Know about the Product Leadership Recognition

Frost & Sullivan's Product Leadership Award recognizes the company that offers a product or solution with attributes that deliver the best quality, reliability, and performance in the industry.

Best Practices Award Analysis

For the Product Leadership Award, Frost & Sullivan analysts independently evaluated the criteria listed below.

Product Portfolio Attributes

Match to Needs: Customer needs directly influence and inspire the product portfolio's design and positioning

Reliability and Quality: Products consistently meet or exceed customer expectations for performance and length of service

Product/Service Value: Products or services offer the best value for the price compared to similar industry offerings

Positioning: Products serve a unique, unmet need that competitors cannot easily replicate

Design: Products feature innovative designs, enhancing both visual appeal and ease of use

Business Impact

Financial Performance: Strong overall financial performance is achieved in terms of revenues, revenue growth, operating margin, and other key financial metrics

Customer Acquisition: Customer-facing processes support efficient and consistent new customer acquisition while enhancing customer retention

Operational Efficiency: Company staff performs assigned tasks productively, quickly, and to a high-quality standard

Growth Potential: Growth is fostered by a strong customer focus that strengthens the brand and reinforces customer loyalty

Human Capital: Commitment to quality and to customers characterize the company culture, which in turn enhances employee morale and retention

About Frost & Sullivan

Frost & Sullivan is the Growth Pipeline Company™. We power our clients to a future shaped by growth. Our Growth Pipeline as a Service™ provides the CEO and the CEO's growth team with a continuous and rigorous platform of growth opportunities, ensuring long-term success. To achieve positive outcomes, our team leverages over 60 years of experience, coaching organizations of all types and sizes across 6 continents with our proven best practices. To power your Growth Pipeline future, visit Frost & Sullivan at http://www.frost.com.

The Growth Pipeline Engine™

Frost & Sullivan's proprietary model to systematically create ongoing growth opportunities and strategies for our clients is fuelled by the Innovation Generator™.

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Key Impacts:

- **Growth Pipeline:** *Continuous Flow of Growth Opportunities*
- **Growth Strategies:** *Proven Best Practices*
- **Innovation Culture:** *Optimized Customer Experience*
- **ROI & Margin:** *Implementation Excellence*
- **Transformational Growth:** *Industry Leadership*

The Innovation Generator™

Our 6 analytical perspectives are crucial in capturing the broadest range of innovative growth opportunities, most of which occur at the points of these perspectives.

Analytical Perspectives:

- **Mega Trend (MT)**
- **Business Model (BM)**
- **Technology (TE)**
- **Industries (IN)**
- **Customer (CU)**
- **Geographies (GE)**