

Overall Winner

Best Investing Solution

Palo Alto Networks

Catherine Portman, Treasurer



Catherine Portman, Palo Alto Networks and Shamil Solanki, ICD



Palo Alto Networks Inc. provides cybersecurity services to enterprises, government and service providers. The company's business operations span the Americas, Europe, the Middle East, Africa and Asia Pacific. Palo Alto is headquartered in Santa Clara, California, in the US.

## 'Investable Cash Optimisation Programme' delivers outstanding benefits at Palo Alto Networks

### The challenge

Over the past year, Palo Alto Networks treasury was able to respond nimbly to the risks and opportunities in the market, pivoting quickly across the yield curve to make the most of their cash balances in a rising interest rate environment. This was achieved while still adhering to its investment policy principles of capital preservation, liquidity and yield optimisation. The company also began to actively manage its offshore cash investments, leveraging its investment portal with ICD, enabling an easy and quick way to manage its cash across multiple entities and multiple funds.

"We made a decisive shift in investment strategy for capturing the step up in yield following each rate hike in 2022, which included government money market funds, and diversified our cash holdings into higher yielding bonds," explains Catherine Portman, Treasurer.

### The solution

Working with the CEO and CFO, Palo Alto Networks kicked off a project, internally named 'ICOP' or 'Investable Cash Optimisation Programme'. The company revised its investment policy to allow allocation into investment grade debt issuers such as corporations, financial services and asset-backed securities, and extending its weighted average maturity.

"We didn't just let reinvestments occur, we pivoted very quickly and changed our allocation," explains Portman. "And by changing our investment strategy as quickly as we did, we're generating significantly higher interest income than if we had just reinvested the cash as investments matured. This adds real shareholder return."

Real-time visibility into cash, investments and exposures enables the small team of three to balance trade-offs between safety, liquidity and yield. The company's keen management of counterparty concentration risk paid off when Silicon Valley Bank's failure sparked a crisis of confidence across the banking sector. Palo Alto Networks treasury team was able to quickly review all its holdings and bank balances, meeting and reporting the company's situation to management throughout the weekend

immediately following the news around SVB's problems. The company was able to successfully withdraw its immaterial cash balances and have no exposure to SVB or First Republic Bank.

### Best practice and innovation

Previously, the team was not fully utilising the capabilities in its treasury management system and the investment portal's money market offerings.

Palo Alto Networks was investing less than 82% of cash balances from across the company's 40+ entities and using only two of the more than 350 short-term investment options available on the ICD portal. But a three-year process to integrate the existing systems in its treasury technology stack resulted in a highly efficient and nimble, end-to-end workflow for managing cash and investments, providing exceptional visibility and control.

ICD portal's capabilities for investment research, trading, reporting and analysis support the team's ability to purchase and redeem cash investments easily and quickly. Rather than the team having to spend time manually settling a trade, the Company leverages ICD's AutoPay solution as soon as the trade is placed. In fact, using AutoPay, the team has settled 82 wires, moving nearly US\$6bn.

### Key benefits

- Process efficiencies.
- Return on investment (ROI).
- Increased automation.
- Risk mitigated.
- Improved visibility.
- Errors reduced.
- Manual intervention reduced.
- Increased system connectivity.
- Future-proof solution.

The best in class cybersecurity platforms and services are backed by industry-leading threat intelligence and strengthened by state-of-the-art automation. No stranger to defending the business against the impacts of external forces by leveraging best in class technology, this growing company with a US\$60bn market cap (as of 31<sup>st</sup> March 2023) has the visibility and control to now invest and manage close to 100% of its cash amidst a volatile market environment, prudently managing risk while optimising return on its growing cash balance. The company combined the strength of its team, the collaboration with its vendor system partners and execution capabilities to drive real value for the company.

Congratulations to the entire treasury team at Palo Alto Networks. Your outstanding leadership in restructuring your investment strategy should be celebrated, and ICD is honored to be part of your award-winning solution.

As a provider of an independent investment portal, ICD brings the breadth of the short-term market to treasury's fingertips, along with a range of tools to help teams make informed investment decisions easily and quickly. ICD Portal offers more than 400 domestic and offshore investment products from over 40 providers and integrates with all technologies used by treasury teams globally.

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