# Palo Alto Networks to Acquire Applied Compute, Bringing Secure Open-Weight AI to the Enterprise

November 18, 2026

*Combination will help enterprises train, adapt, and deploy open-source and open-weight AI securely, across public and sovereign clouds*

SANTA CLARA, Calif., Nov. 18, 2026 /PRNewswire/ -- Palo Alto Networks (NASDAQ: PANW), the global AI cybersecurity leader, today announced that it has entered into a definitive agreement to acquire Applied Compute, a leading platform for post-training and inference of open-weight AI models. The acquisition will bring Applied Compute's platform and world-class AI research team to Palo Alto Networks to help enterprises adopt AI securely, whether they choose open-weight models, closed frontier models, or both.

Palo Alto Networks firmly believes the future of enterprise AI is hybrid, and that a large share of enterprises will run on open-source and open-weight models tuned to their own data, cost, and control needs. Today, no large provider is delivering those models securely. With Applied Compute, Palo Alto Networks intends to be that partner. Enterprises will be able to train, adapt and deploy open-weight AI models with security built in, in the public cloud or in sovereign environments to help improve compliance and security posture. Applied Compute will continue to serve AI-native companies, digital natives and large enterprises, and Palo Alto Networks will bring the platform to its global customer base.

Applied Compute also brings one of the strongest AI research teams in the industry. That team will help Palo Alto Networks embed AI across every offering, training its proprietary large and small AI models alike. The Applied Compute team will join Palo Alto Networks, and Yash Patil, Applied Compute's co-founder and CEO, will become Palo Alto Networks' Co-Chief AI Officer following the close of the transaction.

**Nikesh Arora, Chairman and CEO, Palo Alto Networks**

*"Every enterprise is going to run a mix of open and closed models, and every one of those models needs to be secured. Applied Compute has built the best post-training and inference platform we've seen, and its research team is exceptional. We saw that firsthand as a prospective customer, and our Unit 42 Frontier AI Assessment confirmed their strong security foundations. Together, we will be a leading provider, helping customers train, adapt and deploy open models securely, whether in the public cloud or in their own sovereign environments."*

**Yash Patil, Co-Founder and CEO, Applied Compute**

*"We built Applied Compute with an exceptional team of AI researchers and engineers to make it easy for any company to train, serve, and improve proprietary models. Joining Palo Alto Networks will put security at the center of all our products and accelerate our traction with the world's largest organizations. I'm excited for our team to continue its mission alongside our talented new colleagues as part of Palo Alto Networks."*

The all-stock transaction is valued at $4.5 billion, subject to adjustments. The transaction is subject to customary closing conditions, including regulatory clearance, and is expected to close in Palo Alto Networks' fiscal third quarter of 2027. Palo Alto Networks will provide further details regarding the transaction on its fiscal first quarter 2027 earnings call, scheduled for November 18, 2026 at 1:30 p.m. PT. A live video webcast of the call will be accessible from the Investors section of the Palo Alto Networks website at investors.paloaltonetworks.com.

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**About Palo Alto Networks**

Palo Alto Networks (NASDAQ: PANW), the global AI cybersecurity leader, protects our digital way of life with a comprehensive portfolio of cybersecurity solutions and platforms across Network, Cloud, Security Operations, AI and Identity. Trusted by 70,000+ customers and powered by Unit 42 threat intelligence, our AI-driven platforms eliminate complexity, empowering enterprises to modernize with confidence and securing the speed of innovation. Explore the future of security at **www.paloaltonetworks.com**.

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**Forward-Looking Statements**

*This press release contains forward-looking statements that involve risks, uncertainties, and assumptions, including, but not limited to, statements regarding the expected timing and completion of the proposed acquisition of Applied Compute; the anticipated benefits and impact of the proposed acquisition of Applied Compute on Palo Alto Networks, Applied Compute, and their respective customers; and the anticipated integration, development, and capabilities of our combined product and service offerings. There are a significant number of factors that could cause actual results to differ materially from statements made in this press release, including, but not limited to: the effect of the announcement of the proposed acquisition on the parties' commercial relationships and workforce; the ability to satisfy the conditions to the closing of the acquisition, including the receipt of regulatory clearance; the ability to consummate the proposed acquisition on a timely basis or at all; significant and/or unanticipated difficulties, liabilities or expenditures relating to the proposed acquisition, risks related to diversion of management's time and attention from ongoing business operations due to the proposed acquisition and the ongoing integration of other recent acquisitions; our ability to effectively operate Applied Compute's operations and business following the closing, integrate Applied Compute's business and products with our products and services following the closing, and realize the anticipated synergies in the transaction in a timely manner or at all; changes in the fair value of our contingent consideration liability associated with acquisitions or the fair value of our convertible senior notes and capped call transactions; developments and changes in general market, political, economic and business conditions; failure of our platformization product offerings; risks associated with managing our growth; risks associated with new product, subscription and support offerings; shifts in priorities or delays in the development or release of new product or subscription or other offerings or the failure to timely develop and achieve market acceptance of new products and subscriptions, as well as existing products, subscriptions and support offerings; failure of our product offerings or business strategies in general; defects, errors, or vulnerabilities in our products, subscriptions or support offerings; our customers' purchasing decisions and the length of sales cycles; our ability to attract and retain new customers; our competition; our ability to acquire and integrate other companies, products, or technologies in a successful*

*manner; our debt repayment obligations; and our share repurchase program, which may not be fully consummated or enhance shareholder value, and any share repurchases which could affect the price of our common stock.*

*Additional risks and uncertainties that could affect our financial results are included under the captions "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" in our Annual Report on Form 10-K filed with the SEC on September 10, 2026 and subsequent quarterly reports on Form 10-Q, which is available on our website at investors.paloaltonetworks.com and on the SEC's website at www.sec.gov. Additional information will also be set forth in other filings that we make with the SEC from time to time. All forward-looking statements in this press release 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.*




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