



Investor Presentation

November 2020



SAFE HARBOR

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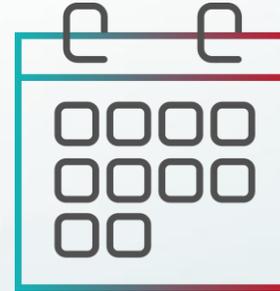
INVESTMENT HIGHLIGHTS



LEADER IN
DATA CENTER
CYBERSECURITY



MAJOR MARKET
OPPORTUNITY



FAST GROWING
SUBSCRIPTION
BUSINESS



STRONG
CUSTOMER BASE



INVESTMENT HIGHLIGHT: LEADER IN DATACENTER CYBERSECURITY

COMPREHENSIVE STACK TO ENSURE APPLICATION AVAILABILITY AND SECURITY ACROSS PRIVATE AND PUBLIC CLOUD DATA CENTERS

Making applications

AVAILABLE



DDoS
Protection



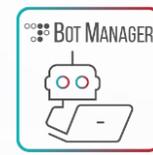
ADC
Multi-Cloud

Keeping data

CONFIDENTIAL



Web App
Firewall



Bot
Manager

Protecting

CLOUD TRANSITION



Global Elastic
License



Cloud Workload
Protection



GLOBAL CLOUD SECURITY NETWORK

OVER 40 POPS GLOBALLY, STRONG GROWTH IN CUSTOMER COUNT, CAPACITY AND REVENUES



1,456K

DDoS Attacks
blocked in Q3 20

417M

Web Application
Attack Transactions
blocked in Q3 20

-  DDoS Mitigation Scrubbing Center
-  Cloud WAF Points-of-Presence



INVESTMENT HIGHLIGHT: MAJOR MARKET OPPORTUNITY

ATTACK SURFACE IS INCREASING

APPLICATIONS AND DATA CHANGING LOCATIONS

Balance Shifting To Public Cloud



2^{IN}5

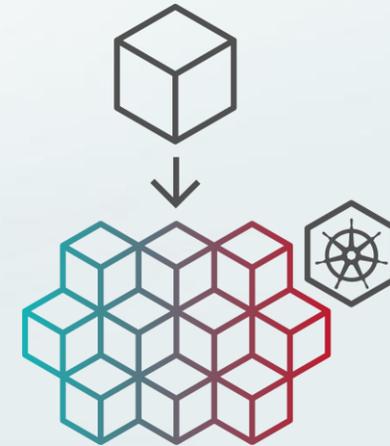
are using multiple cloud environments

3+

Public cloud environments for large organizations

APPLICATION INFRASTRUCTURE IS SHIFTING

From Monolithic To Micro Services



60%

Of organizations run Micorservices/ Containers/ Serverless



INVESTMENT HIGHLIGHT: MAJOR MARKET OPPORTUNITY

SOLID GROWTH OF CORE TAM:

Combined ADC, DDoS, WAF and Bot Risk Management Forecasted CAGR of 11% between 2019-2022*

DDoS PROTECTION

MARKET SIZE:

\$1.5B

CAGR: **18%**

ADC

MARKET SIZE*:

\$1.9B

CAGR: **3% Total***
-6% Appliance
19% Virtual

WAF

MARKET SIZE:

\$900M

CAGR: **10%**

BOT RISK MANAGEMENT

MARKET SIZE:

\$300M

CAGR: **25%**

**Excludes ADC as a service.*

Sources: IDC Worldwide Application Delivery Controller Forecast, Dec-18; IDC: Worldwide DDoS Prevention Products and Services Forecast, Jull-18; Gartner: Information Security and Risk Management, Dec-18; F&S: Global Bot Risk Management (BRM) Market Analysis, Jan-18;

2020: HYPER-ACTIVE ATTACK LANDSCAPE

Global Ransom DDoS Campaigns

- ✓ Global campaign against finance, e-commerce, and travel verticals in August 2020
- ✓ Ransom fees of 10-20 BTC, 10x more than typically in 2019
- ✓ Threat: cyberattacks of over 2Tbps if payment is not made.
- ✓ Proof: demo attack at pre-set time

Radware Research: DDoS- for-Hire Continues to Grow

- ✓ 24-hour attack for as little as \$25 a day
- ✓ Evolving techniques: carpet bombing, burst attacks, dynamic IP attacks

2020 ATTACK LANDSCAPE: CASE STUDY

Defending a Large Financial Institution

- Large financial services institution outages caused by DDoS
- 3rd party scrubbing service fails to stop all attacks
- Radware deploys DefensePro 8 mitigation appliances
- Once appliances set in 'block' mode – all attacks stop



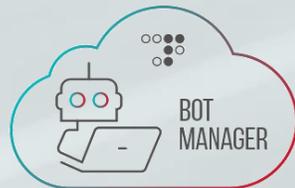
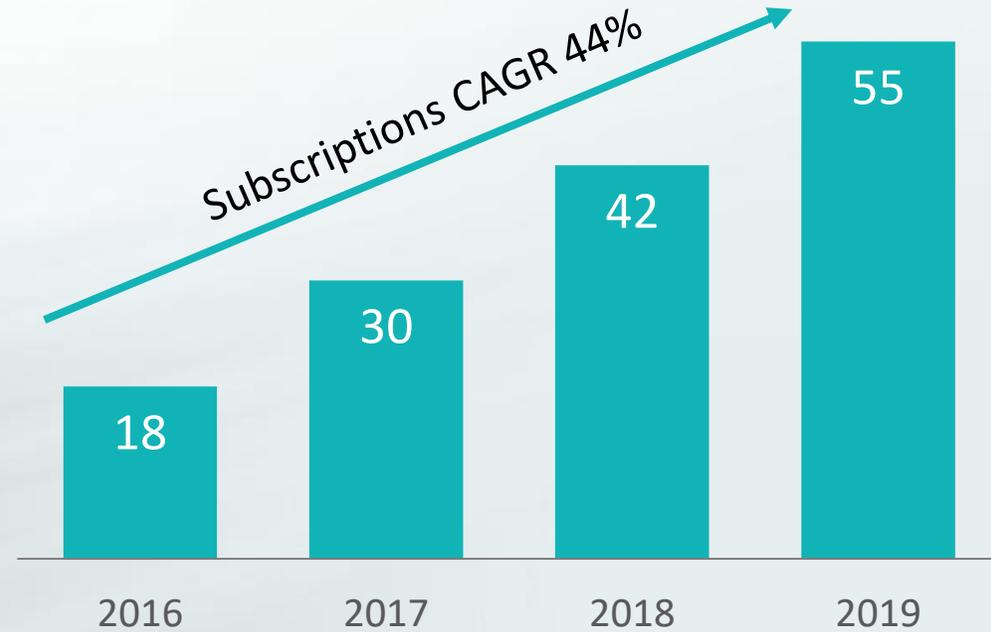


INVESTMENT HIGHLIGHT: FAST GROWING SUBSCRIPTIONS BUSINESS

SUBSCRIPTION BOOKINGS OF TOTAL



SUBSCRIPTION REVENUE (\$M)



And
More...



INVESTMENT HIGHLIGHT: STRONG CUSTOMER BASE

32

Deals of >\$1M in
2019

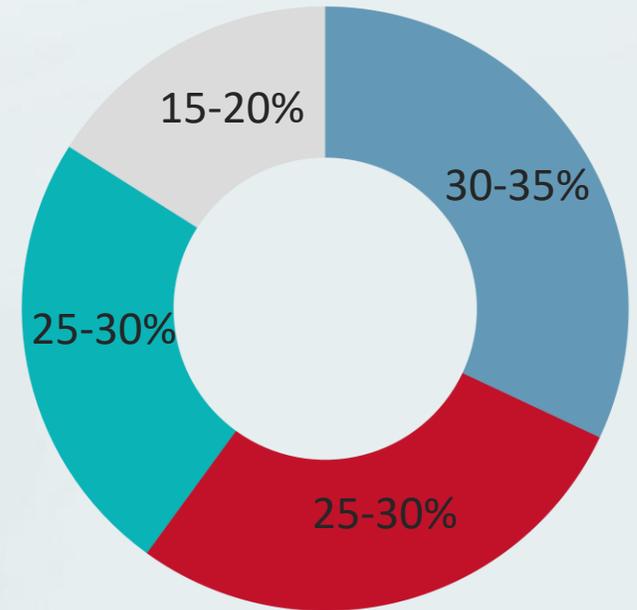
30%

of 2019 cloud
business comes from
new logos

>50%

CAGR in Number of
Cloud Customers
2017-2020

- Service Providers
- Banking, Finance & Government
- Technology, e-commerce and gaming
- Other

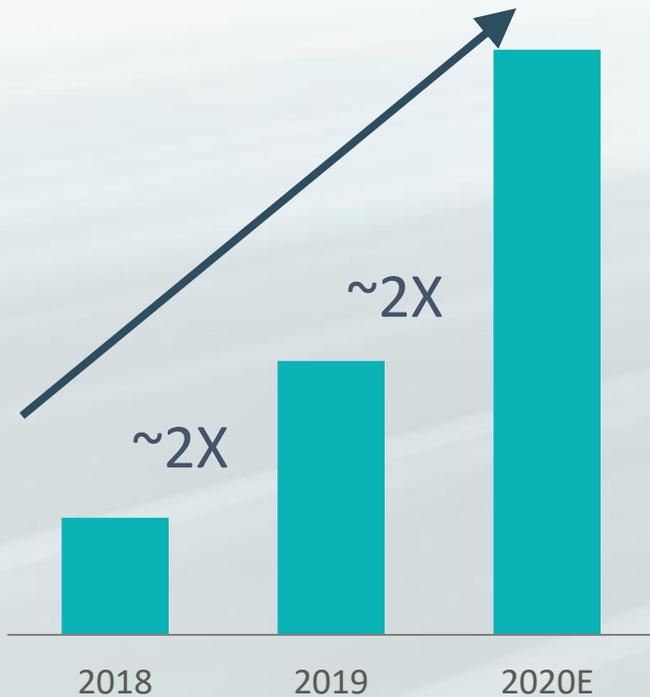




STRATEGIC PARTNERS

WE CAN ACCESS ANY GLOBAL 2000 CUSTOMER THROUGH STRATEGIC PARTNERS AND GSIs AND WIN >\$1M OF BUSINESS

BOOKINGS VIA CISCO



“Don’t miss this opportunity to win big and deliver best in class security offerings to your customers”

Internal email by **John Maynard, Vice President**, Global Security Sales at Cisco

2020: RESILIENT BUSINESS TO COVID-19 CHALLENGES



Critical
Cybersecurity
Offering

High End
Customers in
Less Sensitive
Verticals

Solid
Cash Position
and Generation

Proactive
Go-To-Market
Campaigns



WHY RADWARE - BUSINESS

WE HAVE THE BROADEST AND DEEPEST DATA CENTER & APPLICATION SECURITY FOR PRIVATE, HYBRID & PUBLIC CLOUD

WE OPERATE IN A STRATEGIC AND GROWING MARKET

WE BENEFIT FROM A STRONG, GROWING CUSTOMER BASE, WITH LARGE STRATEGIC PARTNERS, ENABLING SUSTAINED GROWTH



FINANCIALS



FINANCIAL PROFILE – Q3 20 HIGHLIGHTS

\$63M

REVENUES

63%

RECURRING REVENUE

12%

ARR* GROWTH

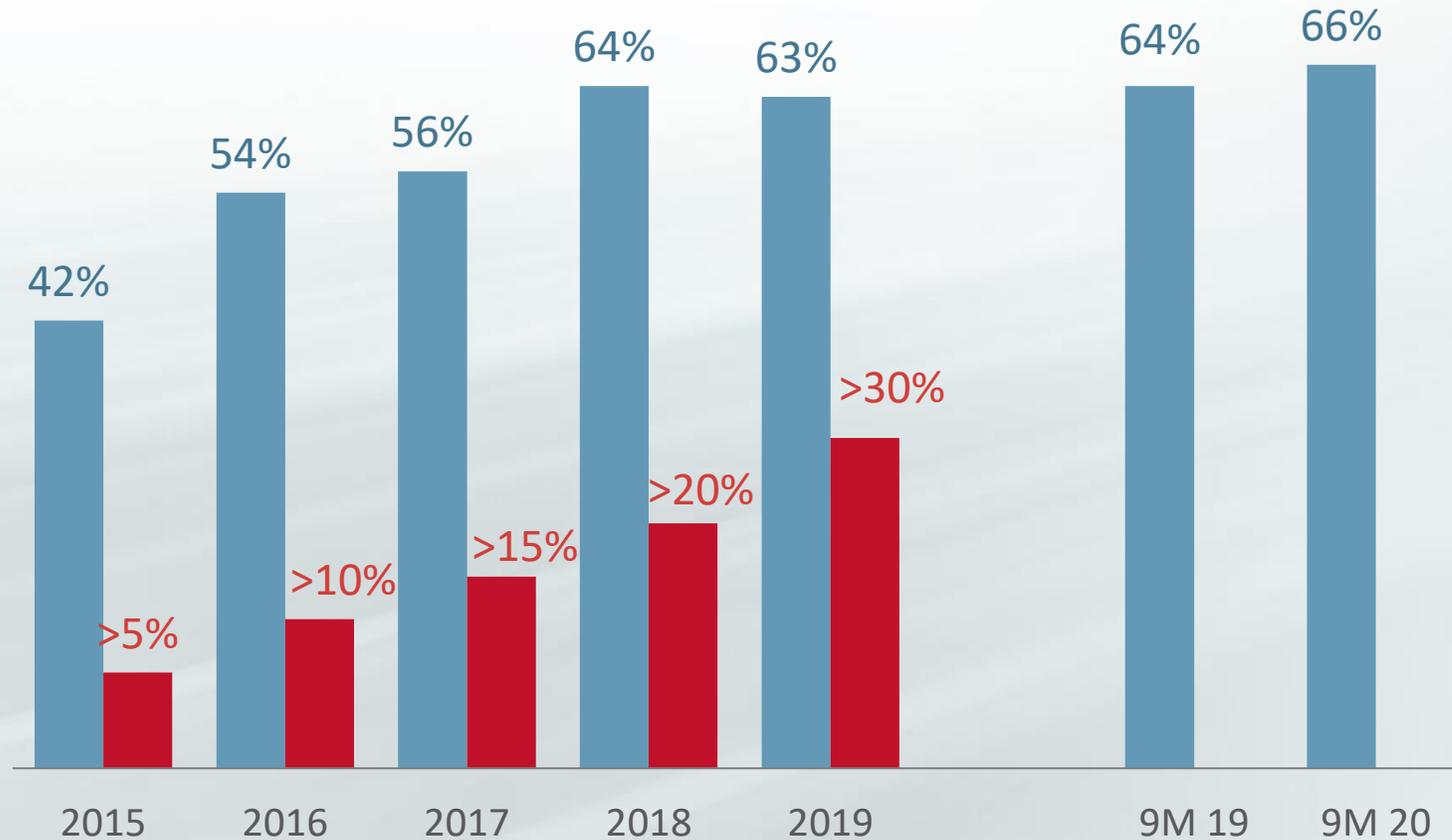
- ✓ Broad based bookings growth, across all regions and product lines
- ✓ Strong performance in North America continues
- ✓ Strong engagement with Strategic Partners
- ✓ Cloud and Subscriptions ARR* up ~30% from Sep-19

✓ **CONSISTENT EXECUTION IN LINE WITH LONG TERM STRATEGY**

** ARR includes the annualized value of booked orders for term-based cloud services, subscription licenses and maintenance contracts that are in effect at the end of a reporting period.*



FAST SUBSCRIPTIONS GROWTH DRIVES HIGH RECURRING REVENUE

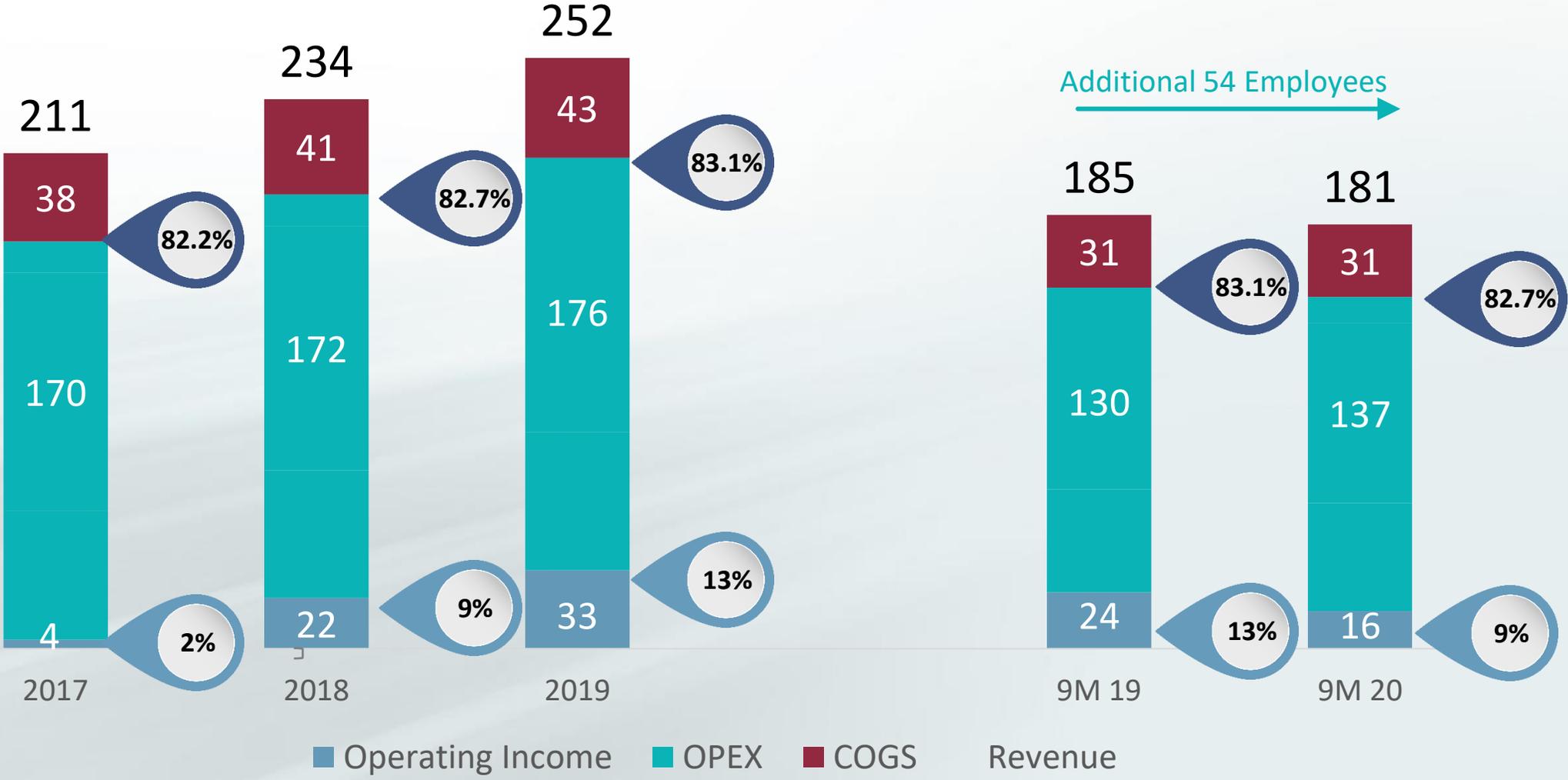


RADWARE'S RECURRING REVENUE INCLUDE SUPPORT, CLOUD SERVICES AND PRODUCT SUBSCRIPTION

■ Recurring revenue as % of total revenue ■ Subscription bookings as % of total bookings



CONTINUED INVESTMENT TO SECURE LONG TERM PERFORMANCE

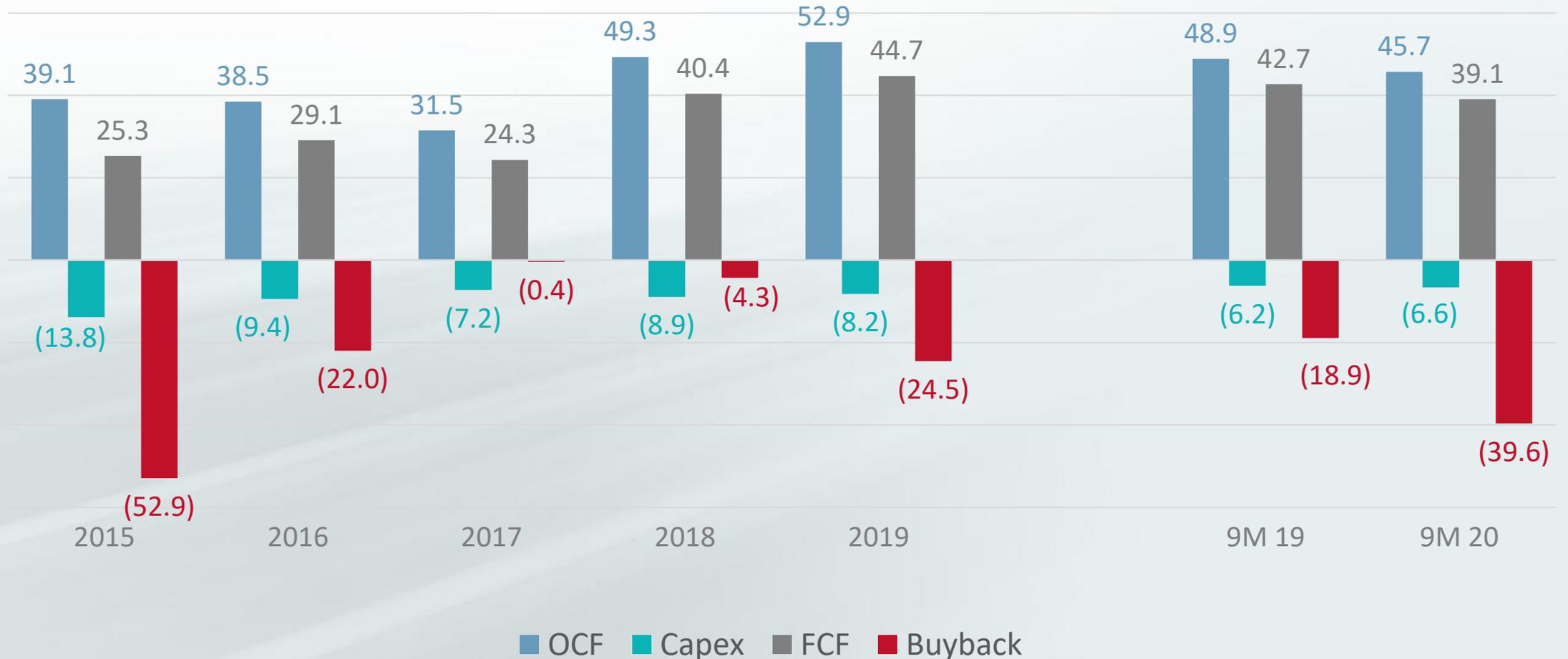


All Numbers are Non-GAAP



CONTINUOUS STRONG CASH GENERATION (\$M)

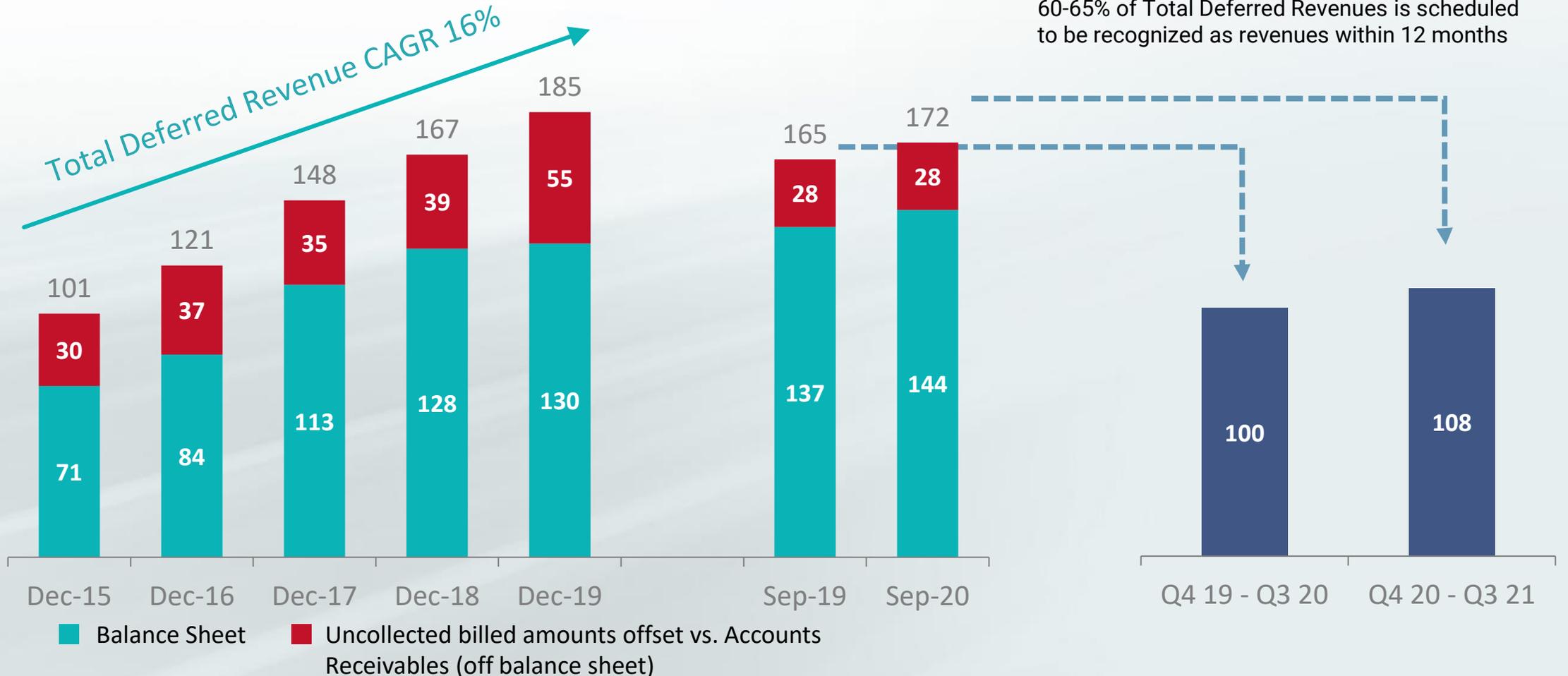
IN PAST 5 YEARS, RETURNED 42% OF OCF TO SHAREHOLDERS
AND INVESTED 27% IN CAPEX AND ACQUISITIONS





SUBSCRIPTIONS SECURE FUTURE PERFORMANCE

TOTAL DEFERRED REVENUE A KEY INDICATOR OF FUTURE GROWTH





WHY RADWARE - FINANCIAL

A FAST-GROWING SUBSCRIPTION BUSINESS IN
CYBER SECURITY DRIVEN BY FAST CLOUD
SECURITY GROWTH

STRONG AND CONTINUOUS CASH GENERATION
AND A STRONG BALANCE SHEET

WELL-PREPARED FOR ANY SHORT-TERM
SCENARIO, AND CAN AFFORD CONTINUE
INVESTING FOR THE LONG-TERM.



THANK YOU!