radware

Investor Presentation

Needham Security, Networking & Communications Conference

November 2019

Safe Harbour

DISCLAIMER

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Radware is a Worldwide Leader in

APPLICATION SECURITY & DELIVERY

Across Datacenters and Cloud

Our Mission:
Securing The Digital User Experience
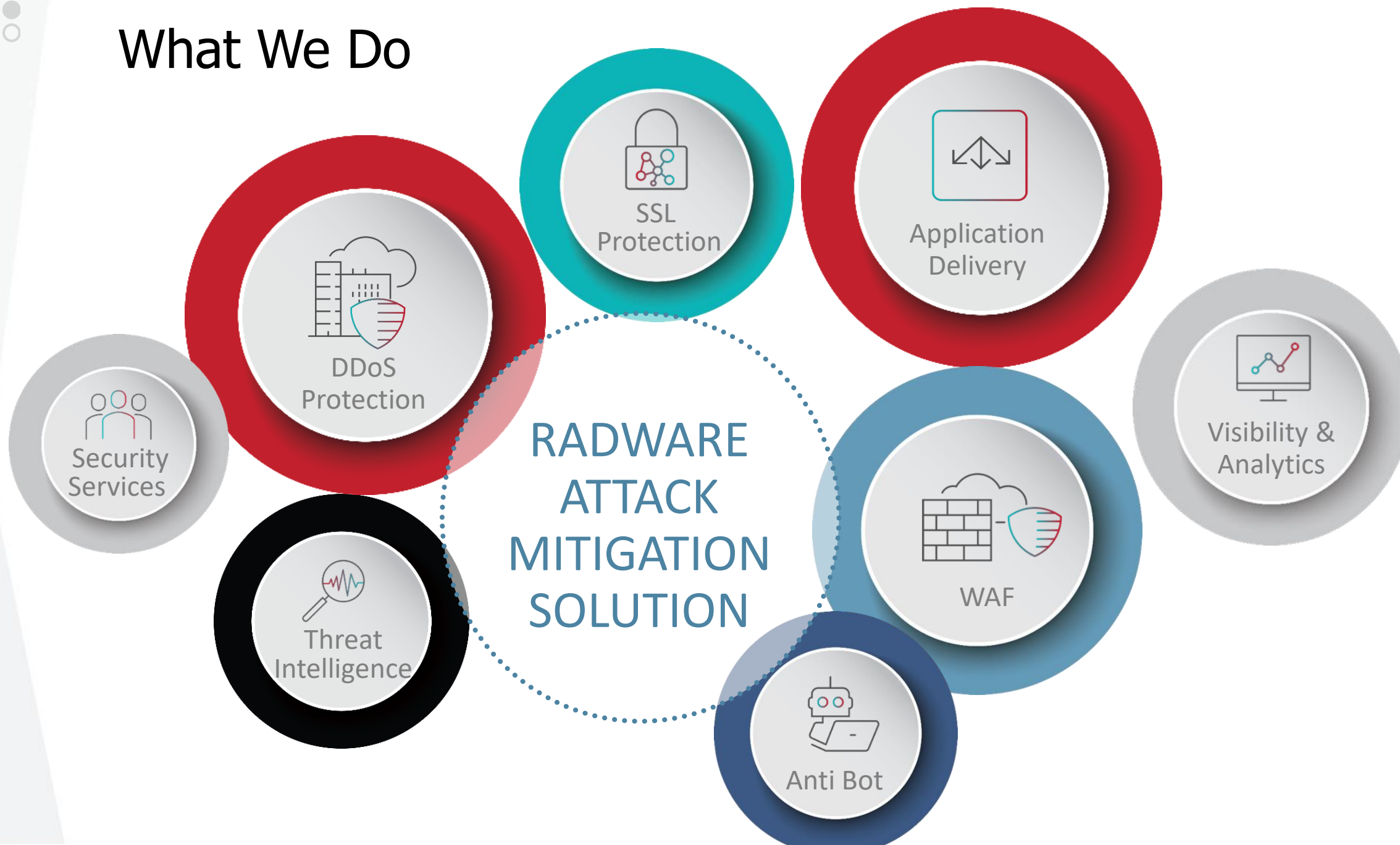
For every
business model

Through
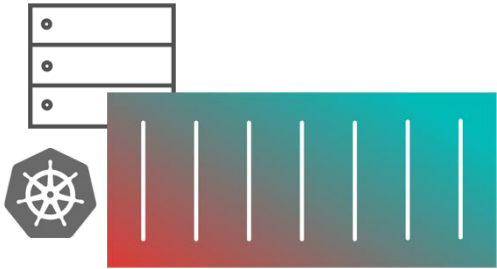continued innovation

With a comprehensive offering

What We Do

RADWARE ATTACK MITIGATION SOLUTION

- Security Services
- DDoS Protection
- SSL Protection
- Application Delivery
- Visibility & Analytics
- WAF
- Anti Bot
- Threat Intelligence

Our Business Strategy for Growth

1

Data Center
Environment is Changing, Creating
Opportunities in Our Domain of Expertise

2

Cloud & Security
Aggressive Investment in Portfolio
& Market Share

3

Market Footprint
OEM Partners Alliances
Global SIs
Cloud Providers

4

M&A
Expand our Business

Datacenter Dynamics Create Opportunities

Infrastructure is shifting

Application Infrastructure is shifting

Cyber attacks reach a tipping point

Application and data are changing locations, data generated outside datacenter, becomes decentralized

From monolithic/3-tier to Kubernetes and micro services, containers

Complexity, IoT, infra. and app. agility require agile security solutions, cloud-native attacks

Cloud & Security – Infrastructure Protection/ TAM & Solutions

| IOT | B2B | HQ | Branch | Mobile | B2C |

| YOU MANAGE | MANAGE TOGETHER | WE MANAGE |

5Tbps SCRUBBING CLOUD/ 11 LOCATIONS

| ON-PREM | HYBRID/ON-DEMAND | ALWAYS-ON |

SAAS DELIVERED SECURITY
FLEXIBLE DEPLOYMENTS

NEW

5G/EDGE-CLOUD

PRIVATE CLOUD
ON/OFF PREMISE

PUBLIC CLOUD

Cloud & Security – Infrastructure Protection/ TAM & Solutions

IOT	B2B	HQ	Branch	Mobile	B2C

YOU MANAGE   MANAGE TOGETHER   WE MANAGE

5Tbps SCRUBBING CLOUD/ 11 LOCATIONS

ON-PREM   HYBRID/ON-DEMAND   ALWAYS-ON

NEW

SAAS DELIVERED SECURITY
FLEXIBLE DEPLOYMENTS

EMERGING
EDGE-NATIVE APPS

APPS

CLOUD-NATIVE
APPS

WORKLOADS ANYWHERE

5G/EDGE-CLOUD   PRIVATE CLOUD
ON/OFF PREMISE   PUBLIC CLOUD

Cloud & Security – Infrastructure Protection/ TAM & Solutions

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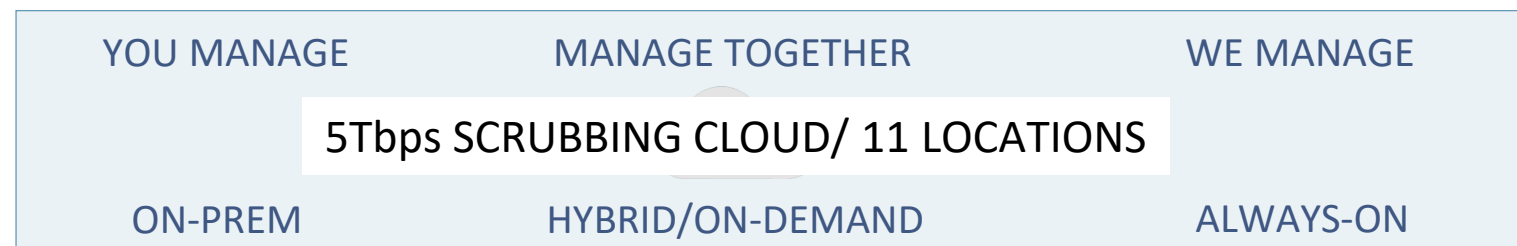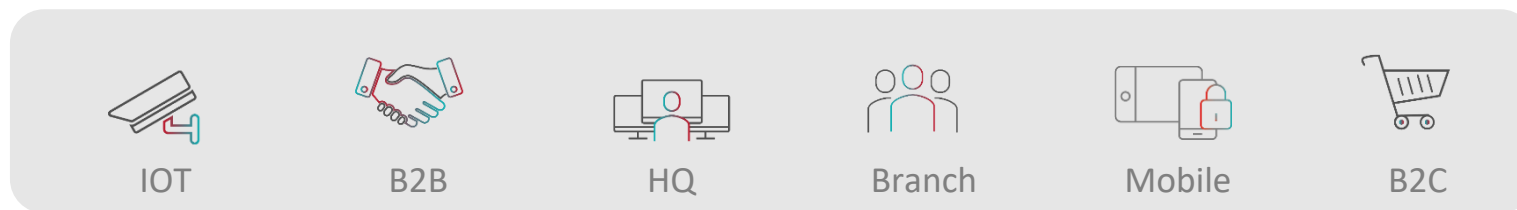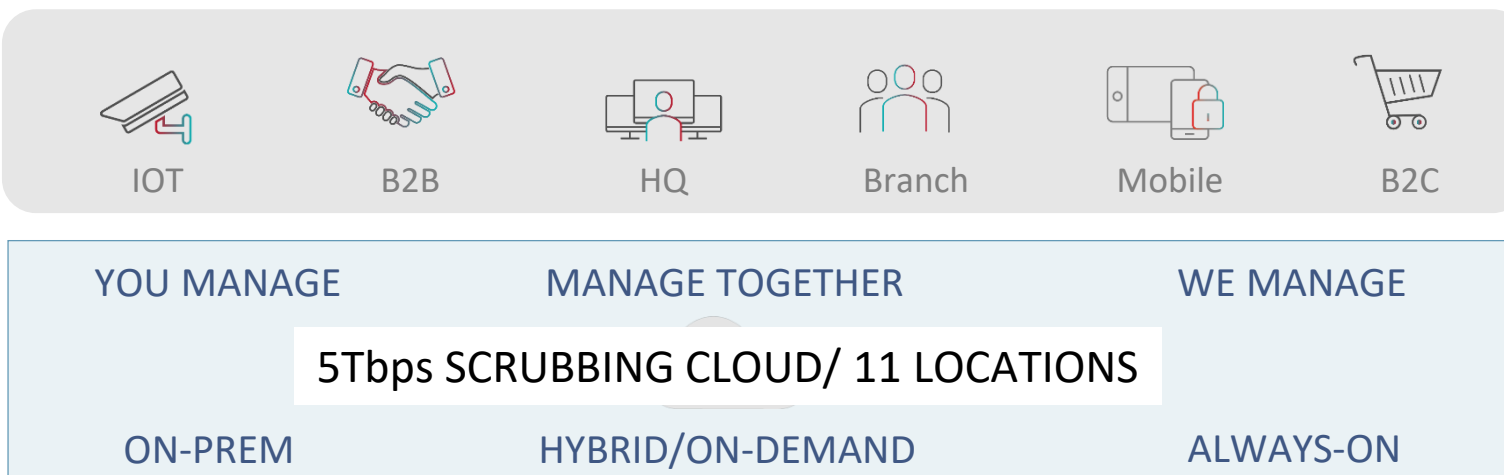
SAAS DELIVERED SECURITY
FLEXIBLE DEPLOYMENTS

INFRASTRUCTURE PROTECTION STACKS
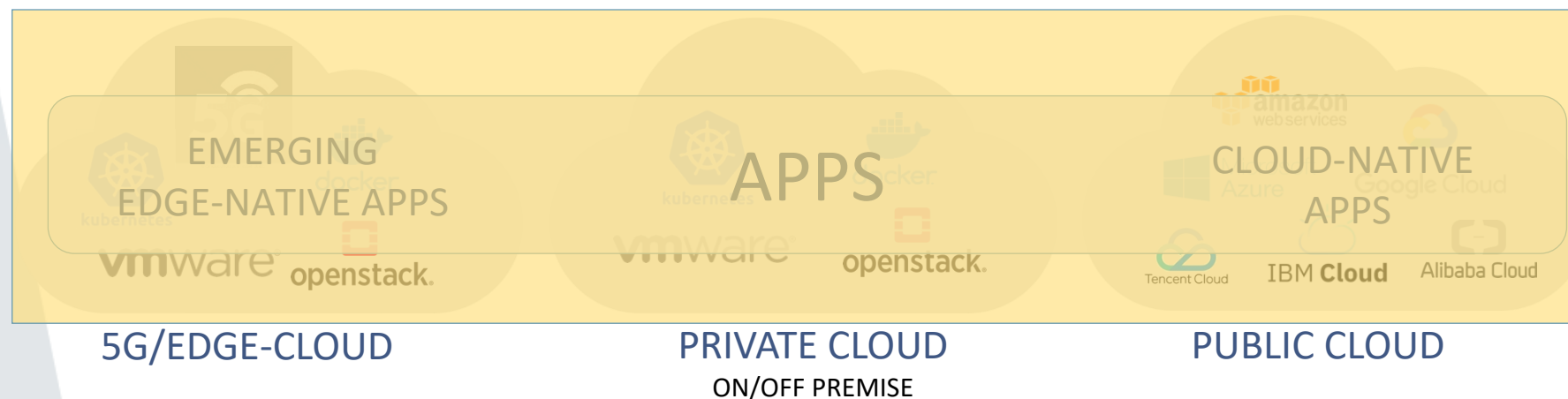
EMERGING
EDGE-NATIVE APPS

APPS

CLOUD-NATIVE
APPS

PROTECTING
WORKLOADS ANYWHERE

5G/EDGE-CLOUD

PRIVATE CLOUD
ON/OFF PREMISE

PUBLIC CLOUD

Cloud & Security – Infrastructure Protection/ TAM & Solutions

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YOU MANAGE	MANAGE TOGETHER	WE MANAGE

5Tbps SCRUBBING CLOUD/ 11 LOCATIONS

ON-PREM	HYBRID/ON-DEMAND	ALWAYS-ON
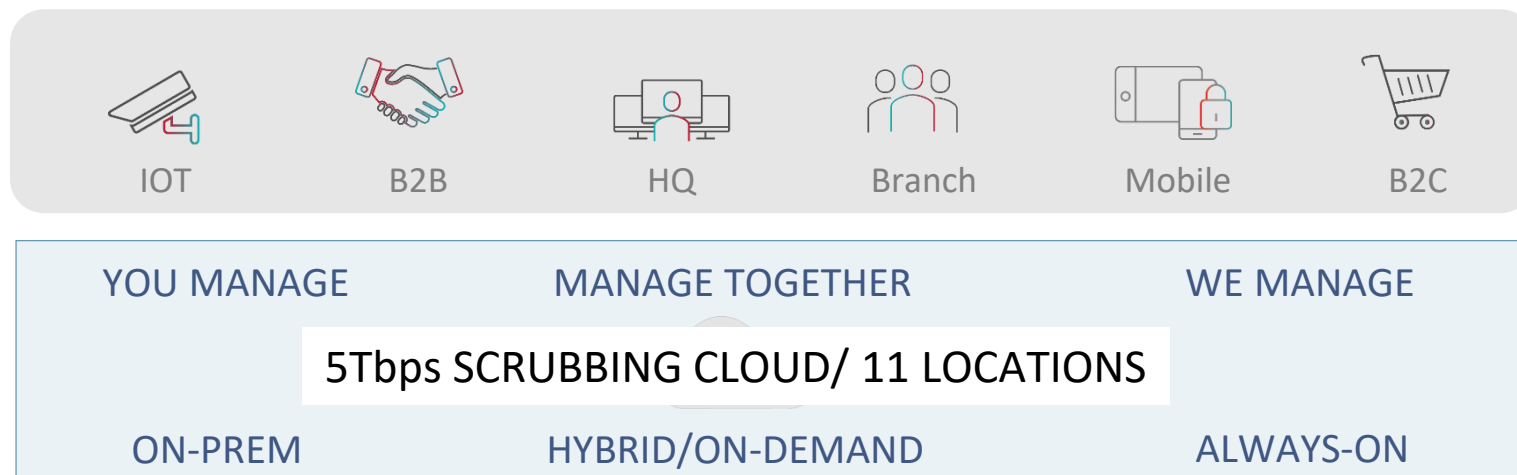
SAAS DELIVERED SECURITY
FLEXIBLE DEPLOYMENTS

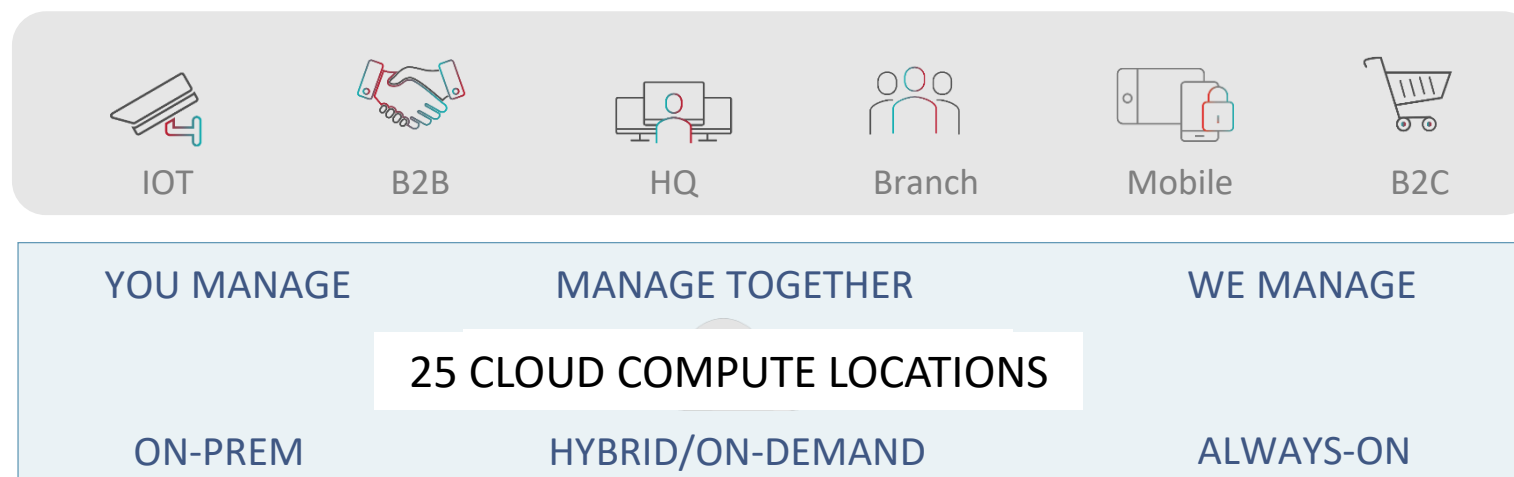5G/EDGE RISKS — DATA-CENTER/DARK-DATA RISKS *NEW* — CLOUD-NATIVE RISKS

INFRASTRUCTURE PROTECTION STACKS

NET/EDGE-CLOUD   DATA-CENTER PERIMETER   CLOUD-NATIVE CONTROLS

5G

AMS
PNF/VNF

CLOUD WORKLOAD PROTECTION

PROTECTING
WORKLOADS ANYWHERE

BORN-IN-THE-CLOUD
FOR-THE-CLOUD
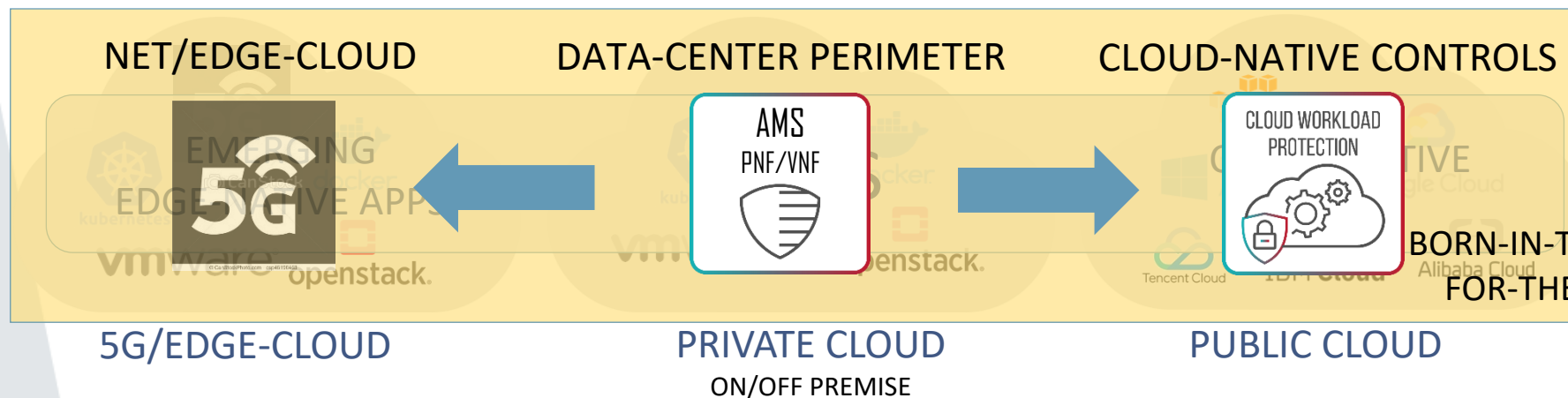
5G/EDGE-CLOUD   PRIVATE CLOUD   PUBLIC CLOUD
                        ON/OFF PREMISE

Cloud & Security – Application Protection/ TAM & Solutions

IOT	B2B	HQ	Branch	Mobile	B2C

YOU MANAGE	MANAGE TOGETHER	WE MANAGE
	25 CLOUD COMPUTE LOCATIONS	
ON-PREM	HYBRID/ON-DEMAND	ALWAYS-ON

SAAS DELIVERED SECURITY
FLEXIBLE DEPLOYMENTS

RISKS 4 KUBERNETES   WEB,API RISKS   AUTOMATED THREATS RISKS

MICRO-SERVICES/SERVICE-MESH   PUBLIC-FACING APPLICATIONS

WAAS
NEW
Istio

AT CLOUD SCALE

WAF

PREMISE & CLOUD
DELIVERED

BOT MANAGER
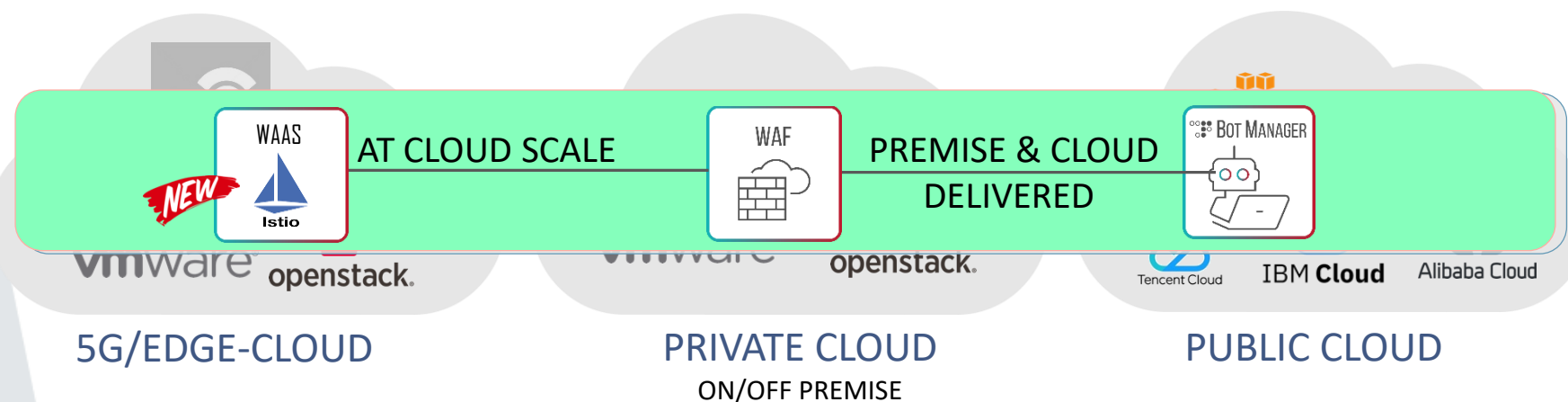
PROTECTING
WORKLOADS ANYWHERE
AND APPLICATIONS

vmware   openstack.   vmware   openstack.   Tencent Cloud   IBM Cloud   Alibaba Cloud

5G/EDGE-CLOUD   PRIVATE CLOUD   PUBLIC CLOUD
                       ON/OFF PREMISE

Summary

The cloud transition and cyber security opportunity **are immense**

Our offering is broad, innovative and **highly competitive**

The organization is ready and **tuned to customer needs**

Our strategy **is clear**

Financials

Updated for Q3 2019

Q3 19 Business Indicators

+7%
Revenue growth

Total Deferred Revenues*
$165M
Up 9%
* As defined by the Company
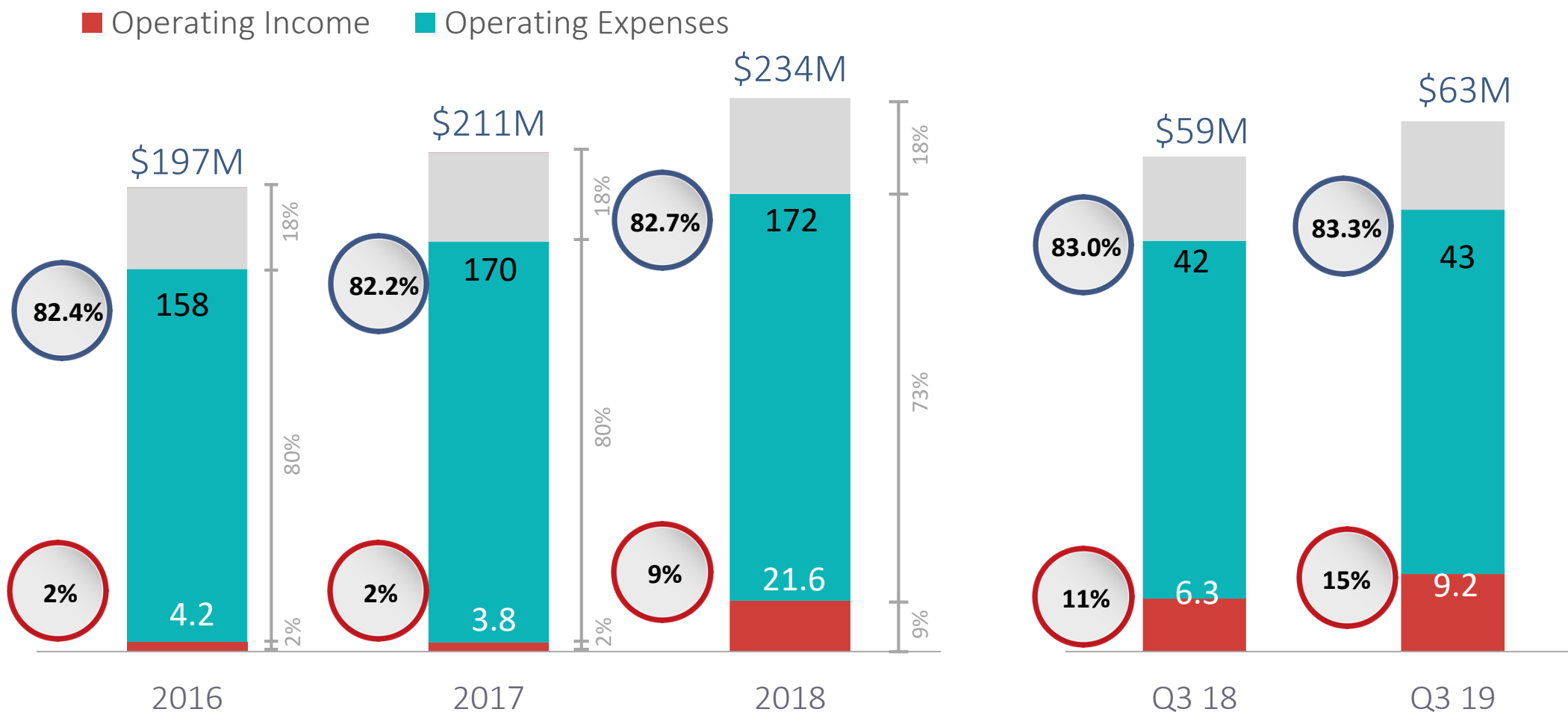
EPS
+67%
From $0.15 to $0.25

15%
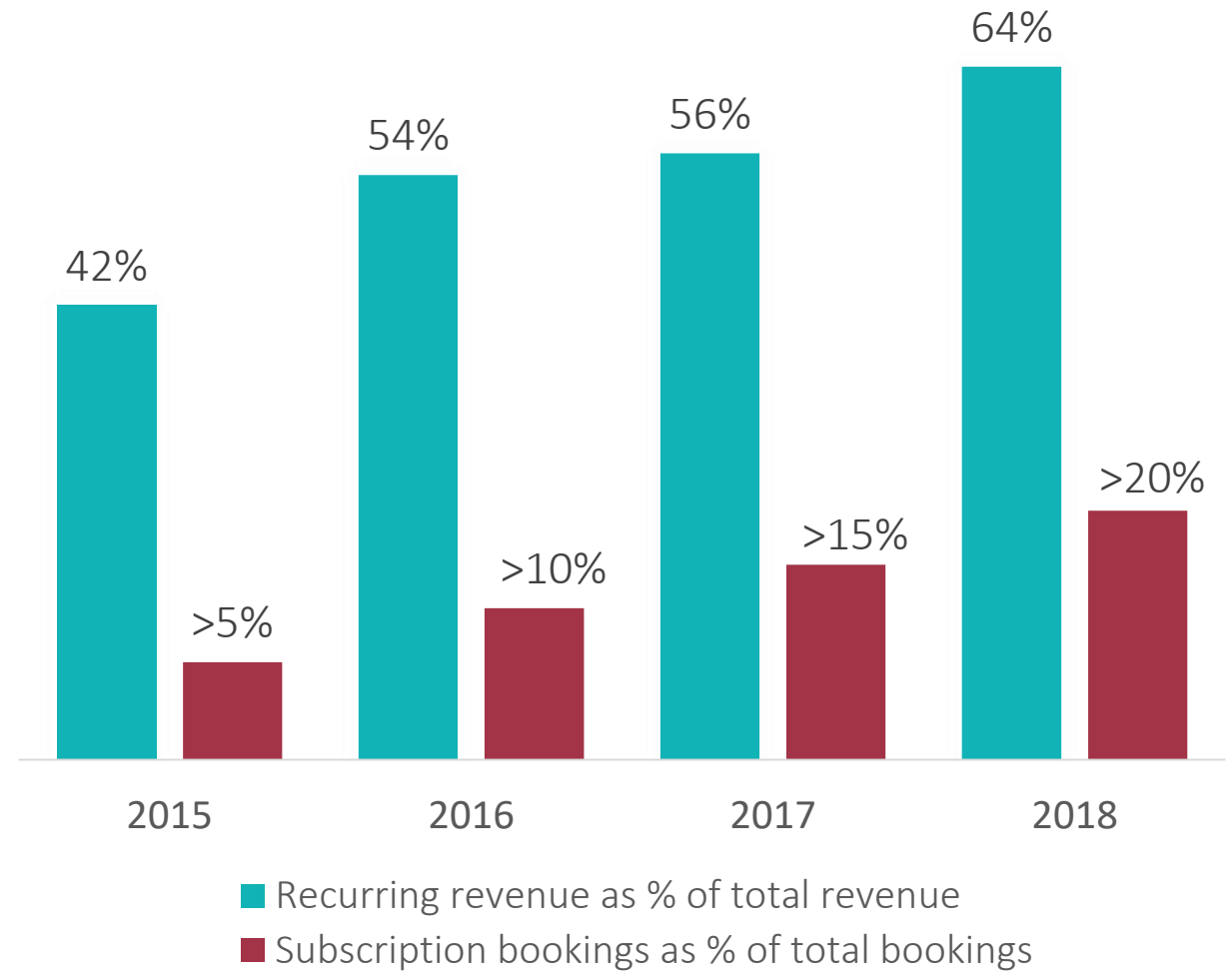Operating Margin

$49M
9Mos Operating Cash Flow

Operating Leverage

Shift to Subscriptions

SUBSCRIPTIONS ARE THE MAIN GROWTH DRIVER

Radware's recurring revenue includes support, cloud services and product subscriptions.

Chart data:

Year	Recurring revenue as % of total revenue	Subscription bookings as % of total bookings
2015	42%	>5%
2016	54%	>10%
2017	56%	>15%
2018	64%	>20%

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

Shift to Subscriptions on Track to Secure Our Performance

PROVIDES US WITH VISIBILITY & CONFIDENCE

Total Deferred Revenues ($M)

2x in 4 years

	Dec-14	Dec-15	Dec-16	Dec-17	Dec-18		Sep-18	Sep-19
Total	85	101	121	148	167		151	165
Uncollected	18	30	37	35	39		33	28
Balance Sheet	67	71	84	113	128		118	137

60-65% of total deferred revenues is scheduled to be recognized as revenues within 12 months

Q4 18 - Q3 19	Q4 19 - Q3 20
92	100

■ Balance Sheet ■ Uncollected billed amounts offset vs. accounts receivables (off balance sheet)

18

Continuous Strong Cash Generation

Cash and Equivalents Balance ($M)

Date	Value
31.12.14	331
31.12.15	315
31.12.16	320
31.12.17	344
31.12.18	401
30.9.19	429
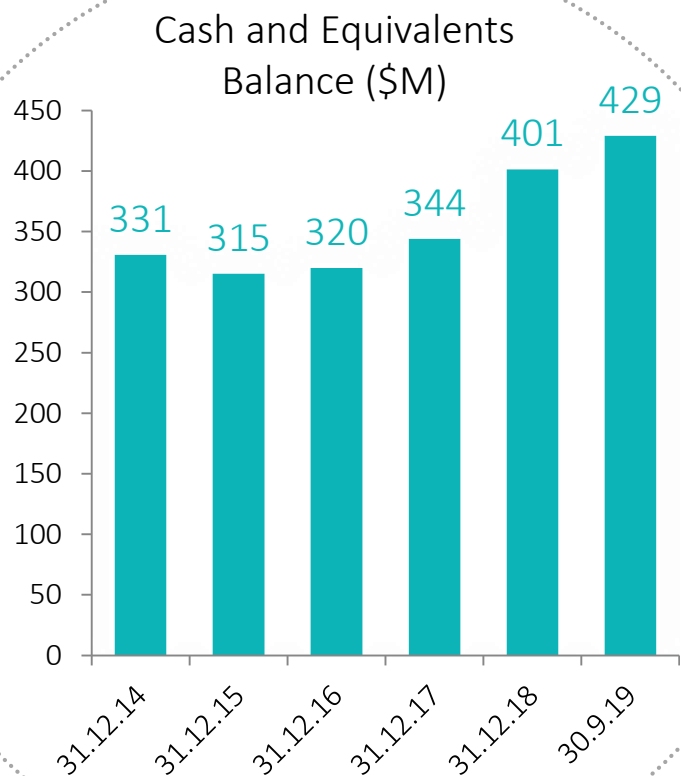
Technology Driven Acquisitions

Business Driven Acquisitions

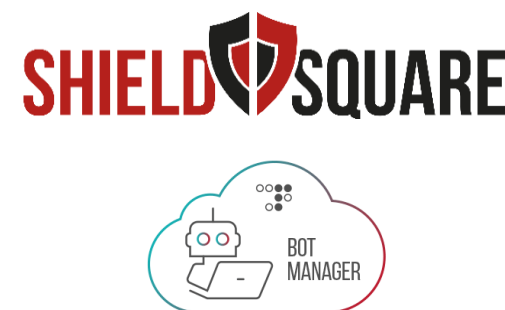## Acquisitions to Expand Offering and Presence
Latest Examples

Q1 2017

Seculert

CLOUD MALWARE PROTECTION

WORKLOAD PROTECTION

Q1 2019

SHIELD SQUARE

BOT MANAGER

radware

Thank You