Investor Presentation

November 2016

Safe Harbor Disclaimer

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Radware is the leading provider of
holistic cyber security and **application delivery** solutions
ensuring optimal service level for applications
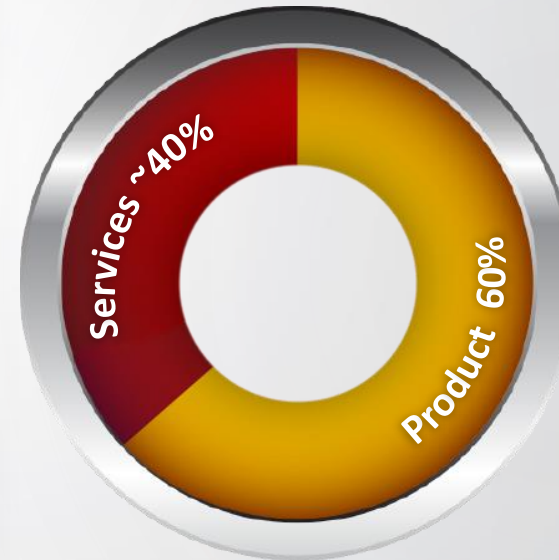across enterprise and cloud data centers

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At A Glance

Founded 1997 / Public 1999

Approx. 1,000 employees

FY15 Revenue : $217

Offices worldwide: 30

Services ~40%

Product 60%

Revenues
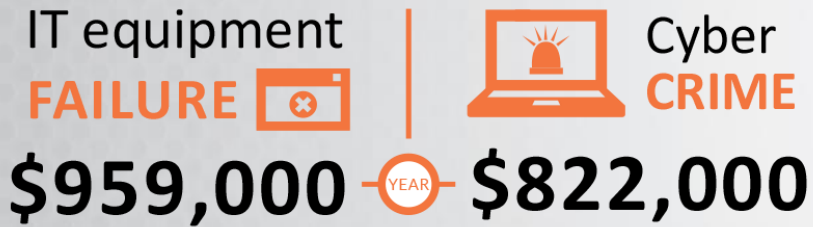
New Products ~ **60%**
Services **~40%**

Service-Level Impacts Business Dramatically

The most costly **CAUSES** of outages are:

IT equipment **FAILURE** | Cyber **CRIME**

$959,000 YEAR **$822,000**

* Source: Emulex Study, 2014

1 SEC **DELAY** in load time:

7% Reduction in **CONVERSION RATE** → **16%** Decrease in **CUSTOMER SATISFACTION**

$2.5 Million In losses a year

(for $100K/day business)

* Source: Gomez.com, Akamai.com, 2013

NORMAL LOAD TIME

Slow User-friendly Simple
Good Easy-to-buy-from Ugly
Mobile-friendly Busy
Better-than-others **Easy-to-use** Quick
Confusing **Slow** Boring
Frustrating Trustworthy
Easy-to-use **Clear** Sluggish
Inelegant Useful Tacky
Clean Pleasant Complicated

0.5 sec delay in load time

*Source: Tesco.com website performance EEG test, 2013

Today more than ever, **TIME IS MONEY**

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Ensure Application Service-Level At All Times

Application Delivery

Security

Normal

Degradation

Outage

Cloud Services

Management
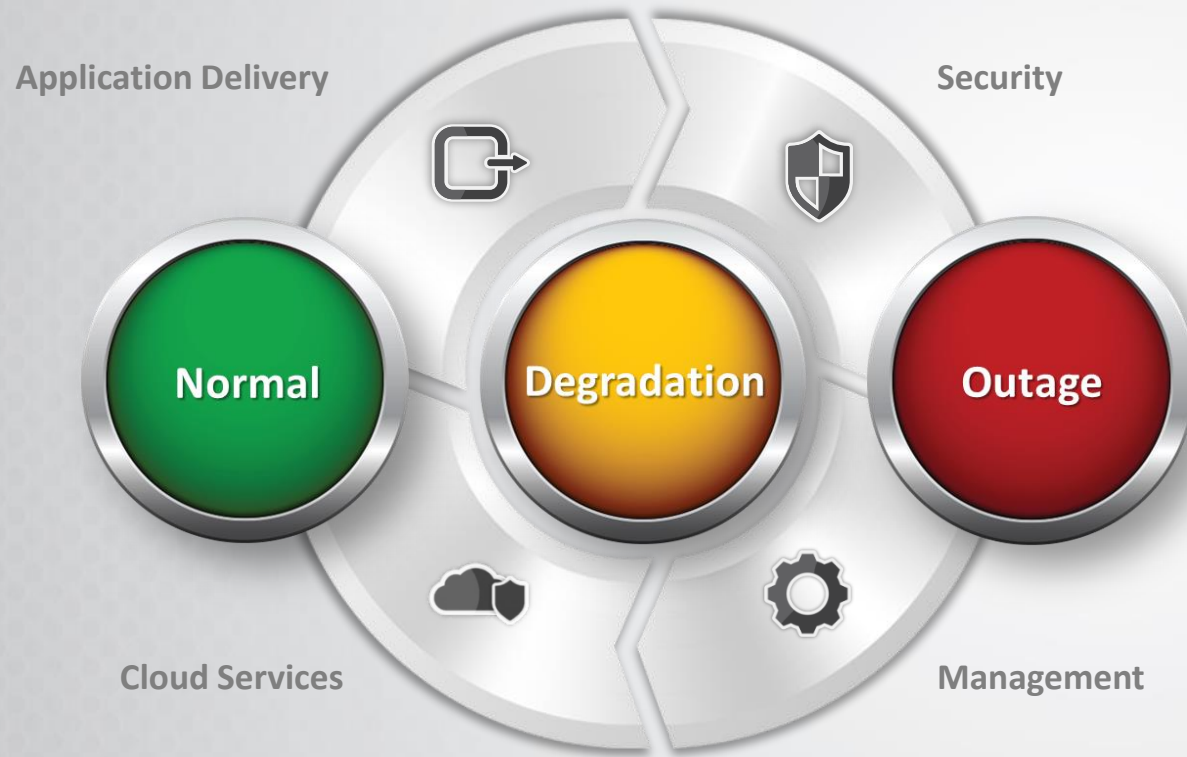
Designed from the grounds up to
Ensure Application Service Level At All Times

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Key Growth Drivers

DC evolution
- Virtualization
- Hybrid Cloud

Growth of
Cyber attacks

Growth of
Cloud services

Significant Growth Opportunities

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Core Assets

Technology

Leading Technology

Vision and Innovation

Repeated first to market

Patented

Global Presence

Global sales, support and marketing org.

More than 10,000 customers

Global cloud and service infrastructure

Market Position

Global Technology Partners

CISCO

Check Point
SOFTWARE TECHNOLOGIES LTD.

Microsoft

SAP

ORACLE

IBM

JUNIPER NETWORKS

vmware

redhat.

OPEN DAYLIGHT

OpenFlow

NEC

hp

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Over 10,000 Customers

7 OF TOP 14
World's Stock Exchanges

6 OF TOP 10
World's Telcos

12 OF TOP 22
World's Commercial Banks

2 OF TOP 5
Cloud Service Providers

Leader in Gartner Application Delivery MQ

"*Radware provides **flexible deployment options**, with a complete set of physical, virtualized and software appliances*"

"*Over the past year, Radware has invested in the **programmability, automation and performance** of its platforms*"

"*Enterprises that require **full-featured ADC products should consider Radware** for their Mode 1 initiatives*"

Differentiated Solution Offering to Address Ever-changing Ecosystem

Future-ready, Integrated on premise and cloud security solutions

Fully managed cloud services, end-to-end solution

Full **compatibility** with leading industry players

Strong Integration between ADC and security solutions

Unique behavioral DDoS Detection Technology

Advanced **orchestration & automation** capabilities

Cloud Offering

Ever Evolving Threats

Ever Evolving Applications

Ever Limiting Resources

Continuously Adaptive

Unmatched Protection

Fully Managed

Awarded Best Managed Security Service 2016

SC MAGAZINE AWARDS 2016 WINNER

Automatically detect & mitigate zero-day attacks

Automatic policy generation for new applications

Designed to mitigate dynamic IP attacks

Widest security coverage

Positive and negative security models

Unique SSL-Based Attack Mitigation

24/7 Always-On Protection

Battle-Proven ERT Team

Robust Global Cloud Security Network

Shortest time to protect

Best in class security

As simple as it gets

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Our Business Strategy for Growth

Focused on **holistic solutions** for Data Center **Application Delivery and Security**

Industry leading solution through **innovation** for:

- Cloud Data Centers/Providers
- SDDC Architectures
- Integrative Cyber Security
- Cloud services

Increase our **Market Foot Print** Through:

- OEMs and Alliances
- Cloud and CDN providers
- Standard channels
- Enhanced GTM resources

1   **2**   **3**   **4**

ORGANIC GROWTH

Expanding our business through **M&A**

Financials

Investment Highlights

Leading Player in Cyber Security and Application Delivery Markets

Growth Drivers include Cyber Security, Cloud Computing and SDDC, LTE, NFV

Strong **Customer Base** with Over 10,000 Customers

Best of Breed **Technology** and Solutions

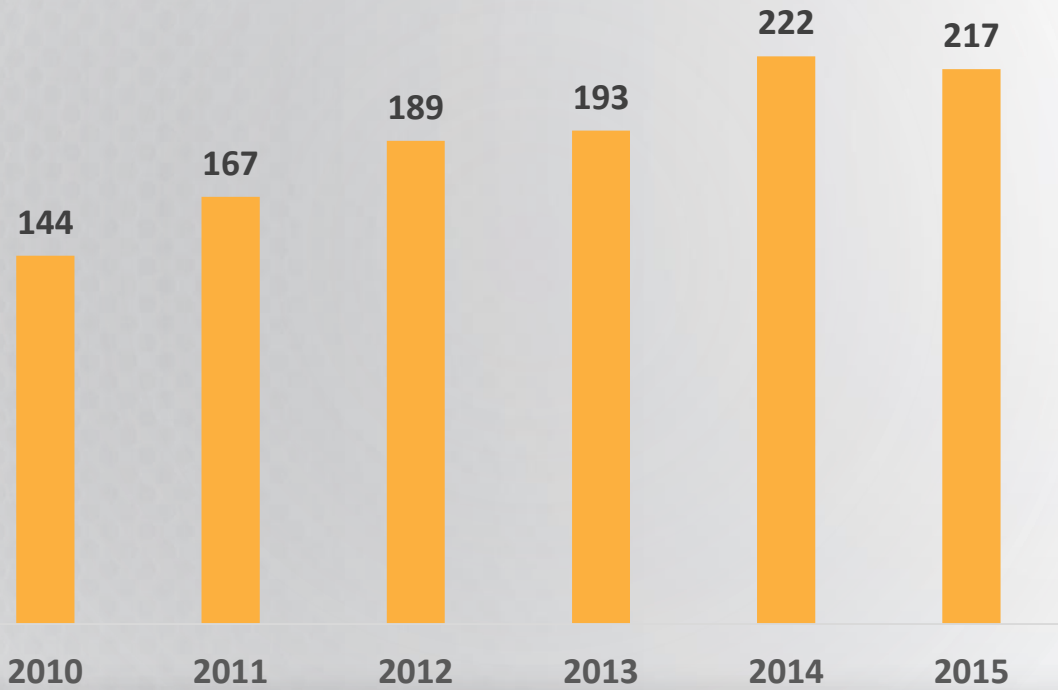Expanding **Market Presence** Directly and Through OEM Partners

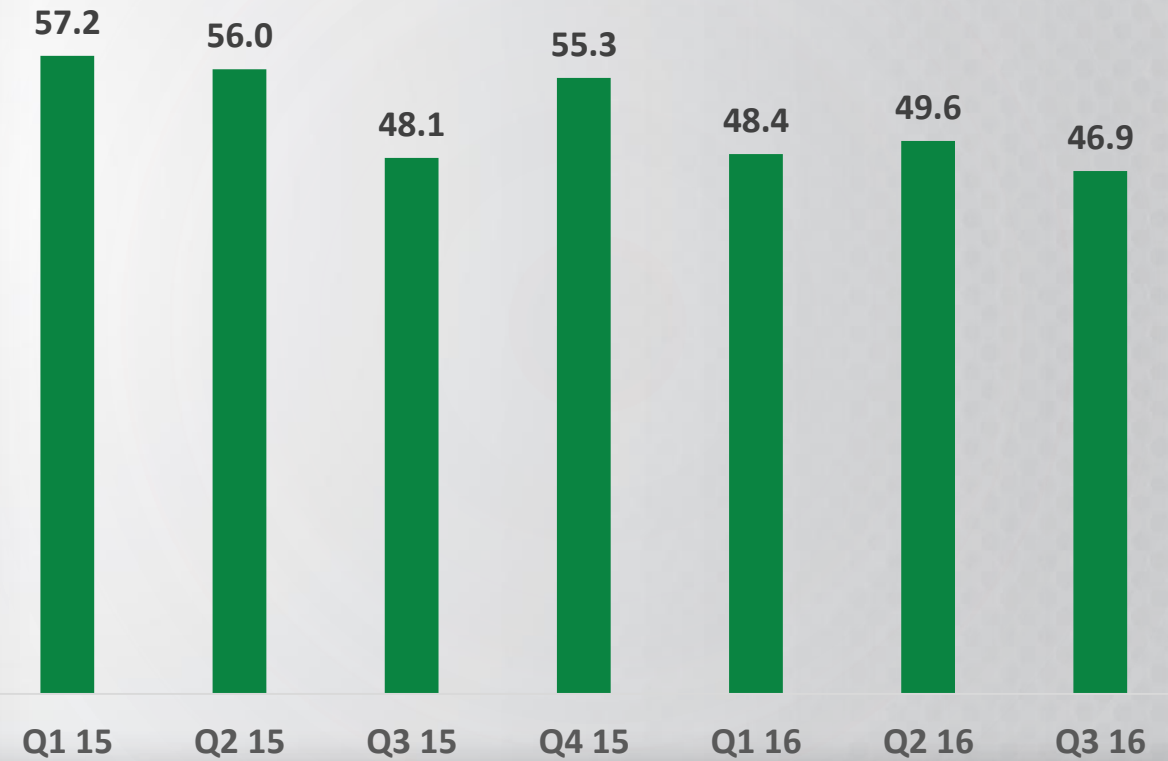**Profitable** with Strong Balance sheet and **Cash** Generation

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Track Record of Growth

Annual Revenues ($M)

2010	2011	2012	2013	2014	2015
144	167	189	193	222	217

Quarterly Revenues ($M)

Q1 15	Q2 15	Q3 15	Q4 15	Q1 16	Q2 16	Q3 16
57.2	56.0	48.1	55.3	48.4	49.6	46.9

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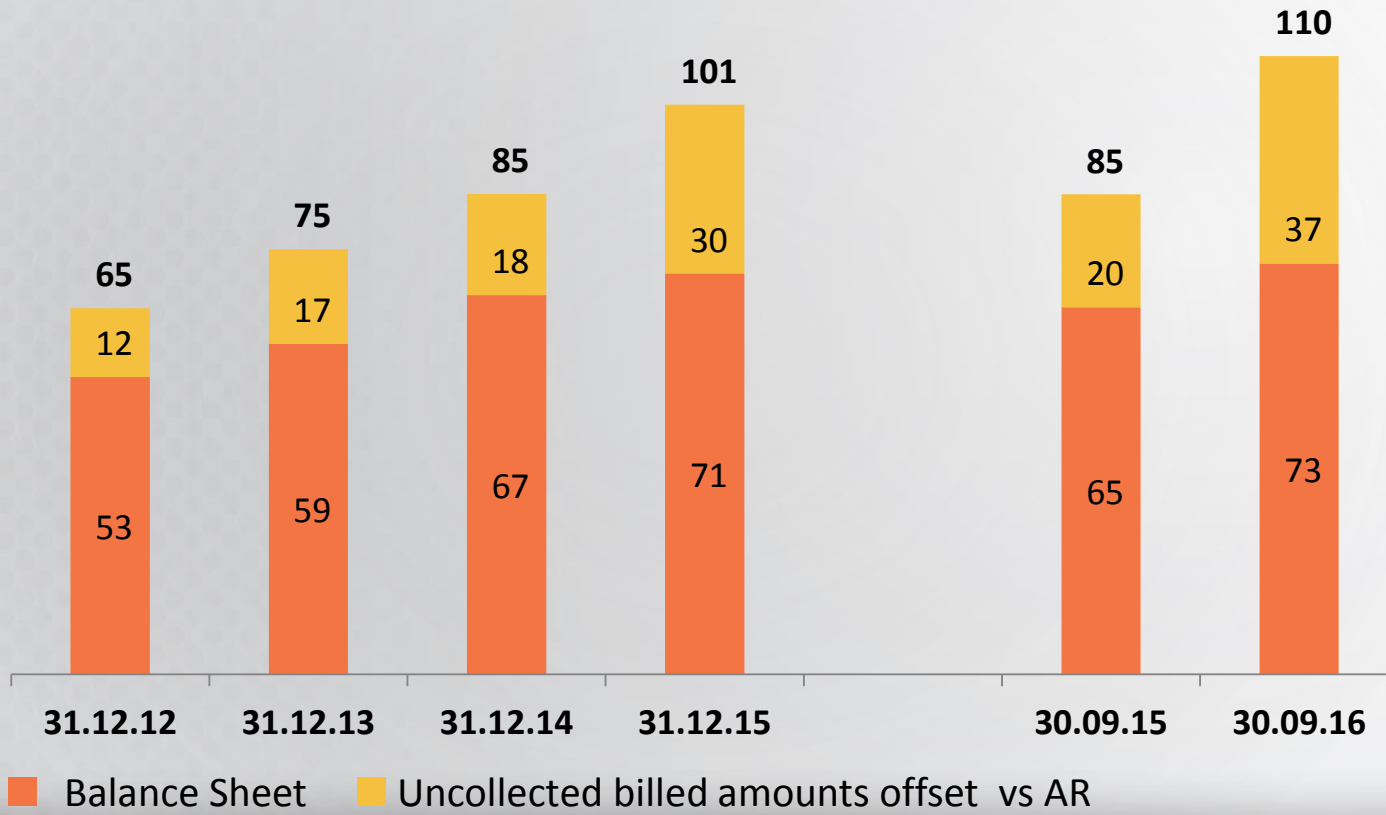
Shift to Subscriptions

Deferred Revenues ($M)
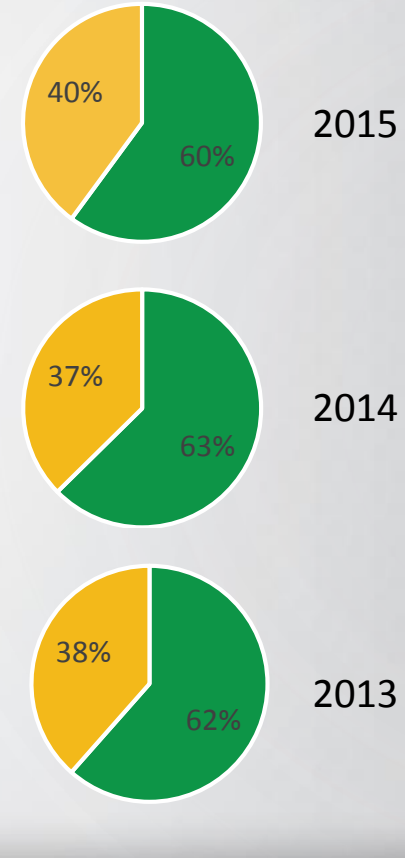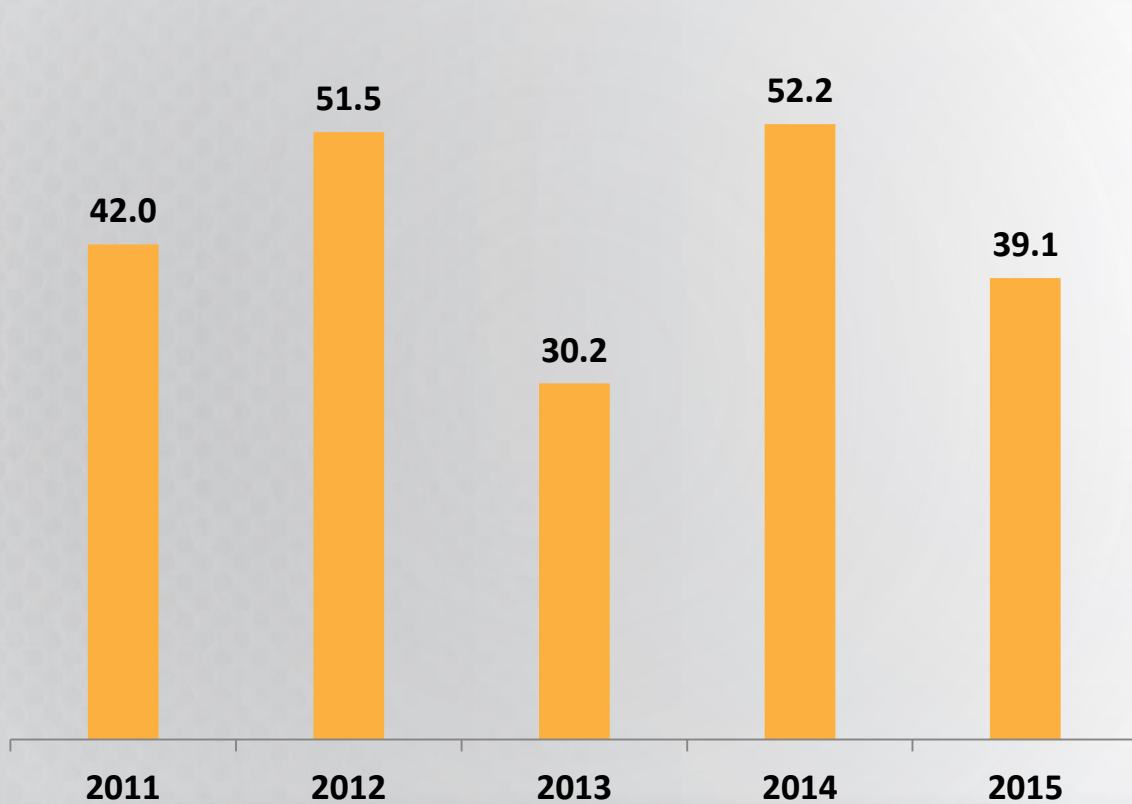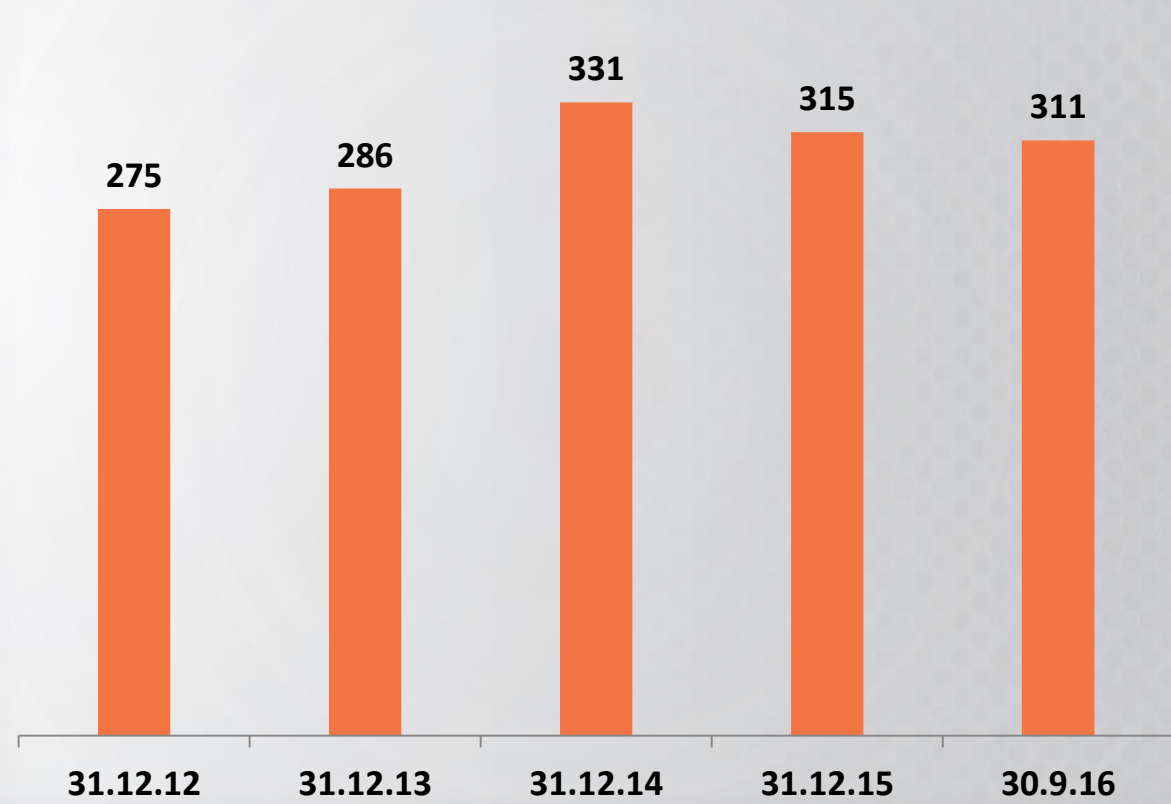
Continuous Strong Cash Generation

Repurchased $53M of Common Stock in FY15, $21M YTD 2016

Operating Cash Flow ($M)

- 2011: 42.0
- 2012: 51.5
- 2013: 30.2
- 2014: 52.2
- 2015: 39.1

Cash Balance ($M)

- 31.12.12: 275
- 31.12.13: 286
- 31.12.14: 331
- 31.12.15: 315
- 30.9.16: 311

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Summary

Growth
driven by market trends
and our solution/offer

Leadership
through technology
and innovation

Diversity
product portfolio,
customer base, end markets
and geographic exposure

Ensuring Application Service-Level via Innovative Application Delivery and Security Solutions

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