Investor Presentation

November 2017

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IS A WORLDWIDE LEADER
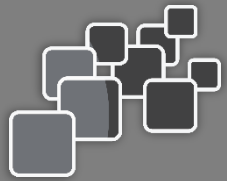in **Application Security & Delivery**
across Datacenter and Cloud
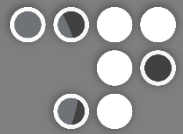
The New Digital Enterprise

DIGITAL TRANSFORMATION IS EVERYWHERE

Apps Become The Center Of Business

Users Expect **Flawless Experience** From Their Apps

Delivery Environment Is Becoming Complex

www   Cloud   Data center

CUSTOMER EXPERIENCE IS THE NEW KING

Securing User Experience in the Ever-changing Application Ecosystem
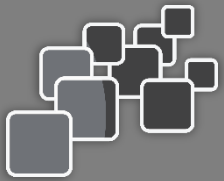
APPLICATIONS
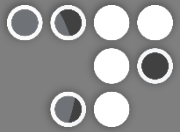
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DELIVERY INFRASTRUCTURE

OUR MISSION

To Secure The **Digital User Experience** In The Ever-changing Application Ecosystem

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Ever-changing Delivery Infrastructure

APPLICATIONS

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DELIVERY INFRASTRUCTURE

IT Keeps Changing

Applications are migrating to the cloud

SaaS

Datacenter architecture is rapidly changing

SDN

Data Center Virtualization

Private/Hybrid Cloud

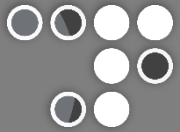**Software Defined Data Center (SDDC)**

Ever-increasing Security Threats

APPLICATIONS

Application Protection

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DELIVERY INFRASTRUCTURE

Threats Risking Application User Experience are Ever-Intensifying

An increase of more than 60%
Since 2010 in the number of new vulnerabilities
Source: National Vulnerability Database (NVD)

* Source: https://techtalk.gfi.com/2015s-mvps-the-most-vulnerable-players/?_ga=1.183299750.1428529425.1486291764
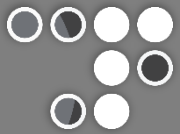
Ever-increasing Expectations for Availability and Performance

APPLICATIONS

Application Delivery

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DELIVERY INFRASTRUCTURE

Users wants their apps

Fast and Available **1** SEC **Delay** in load time:

Is equal to **$2.5 Million** In losses a year

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

Radware is Positioned to Capture the Opportunity

Comprehensive suite of transformed **solutions** to address the core challenges

Cloud delivery disrupts vendor landscape to reward **fast innovators**

New competence in serving flexible **business models**

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Comprehensive Suite of Transformed Solutions

APPLICATIONS

Application Protection | **Application Delivery**

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DELIVERY INFRASTRUCTURE

DDoS

DDoS Protection

WAF

Web App Firewall

On-Premise

Virtualized Data Center

Software Defined Data Center (SDDC)

Hybrid

Cloud

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Emergency Response Team

App Delivery

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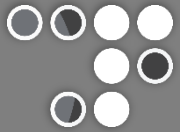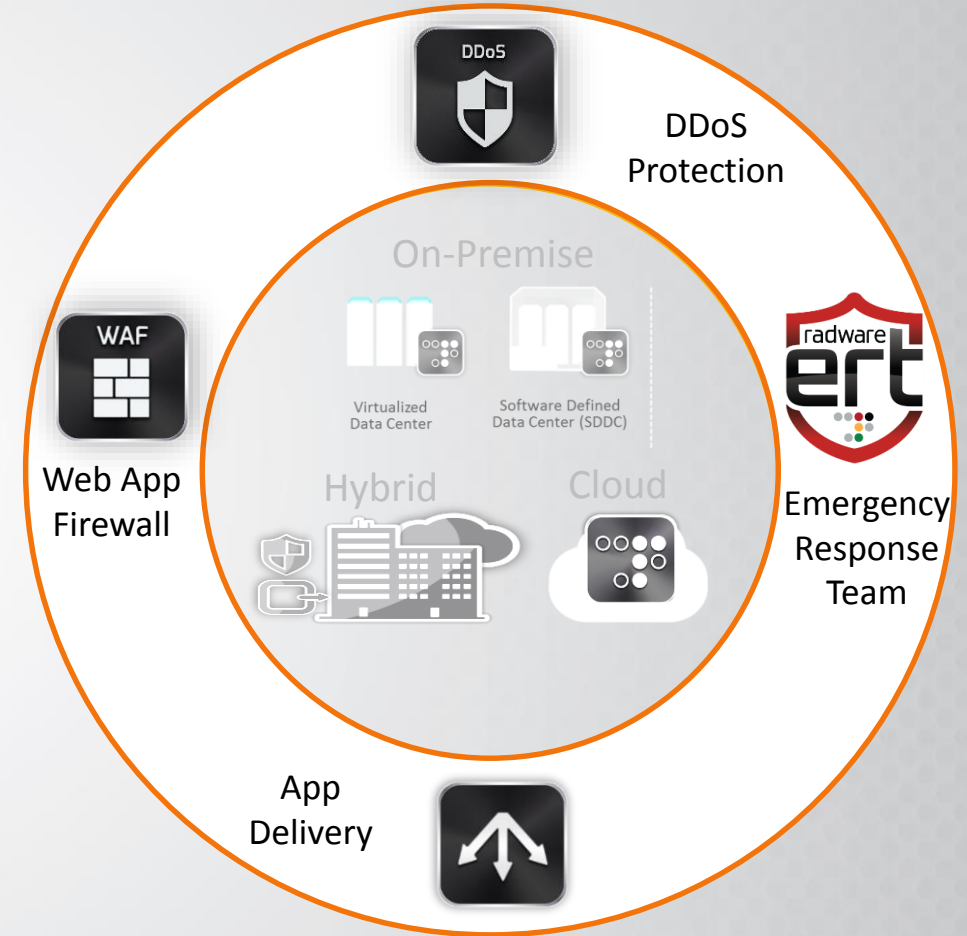
New competence in serving flexible **business models**

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Innovation - Key Differentiators

Integrated Application Delivery
By Adding Analytics And Security Components

Multi-layer Continuously Adaptive Security Including Behavioral DDoS, WAF And Data Protection Thru Big-data Analytics And Machine Learning

Automation
For Simple Life-cycle Management And Event Automation

Multi-cloud Migration, Hybrid Deployments
Across Data-centers, Public And Hyper-scale Clouds

Fully Managed Cloud Services Catalog
And Cyber Threat Intelligence Services

Radware is Positioned to Capture the Opportunity

Comprehensive suite of transformed **solutions** to address the core challenges

Cloud delivery disrupts vendor landscape to reward **fast innovators**

New competence in serving flexible **business models**

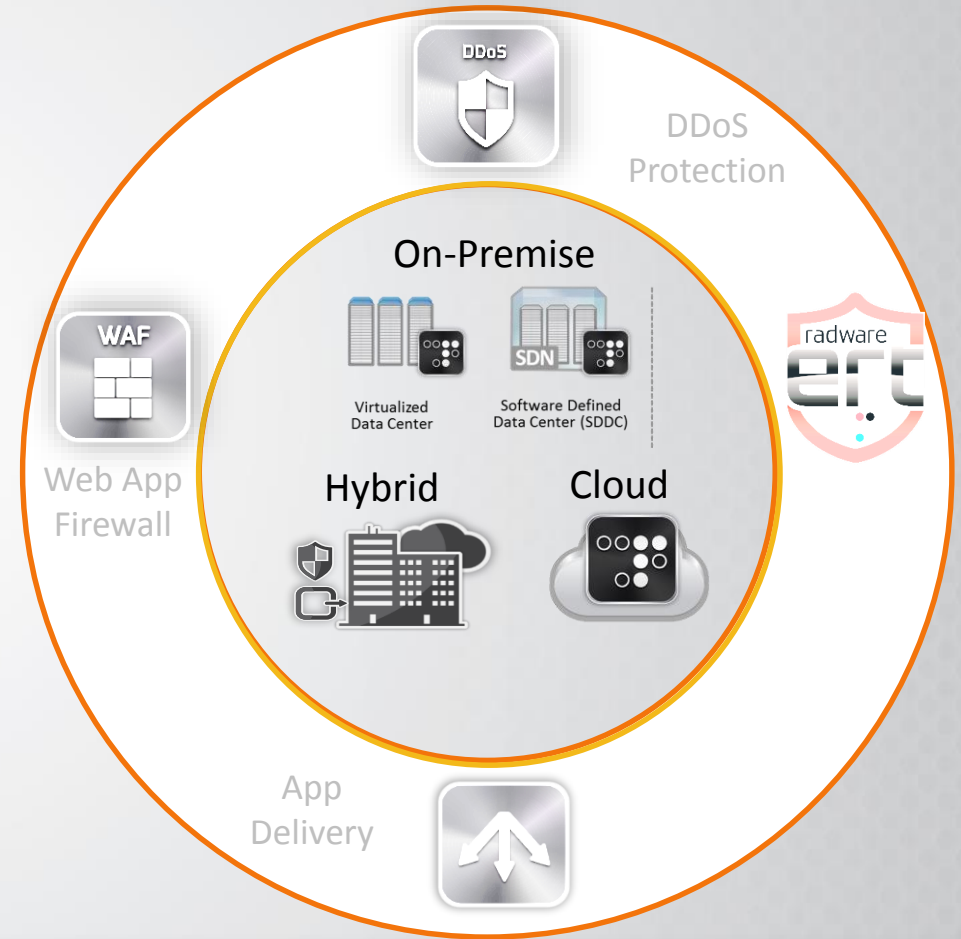# Flexible Deployment Options To Support Any Business Model

FROM:
Physical appliances on Perpetual license

▶

TO:
- Physical or virtual appliances
- On-premise solutions or cloud services or hybrid solutions
- Perpetual and/or subscription based product licenses
- Self-managed or fully managed

DDoS Protection

WAF
Web App Firewall

On-Premise

Virtualized Data Center

SDN
Software Defined Data Center (SDDC)

Hybrid

Cloud

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App Delivery

Supporting Assets - Leading Technology

Market
RECOGNITION

OEM agreements
with industry leaders

Industry leading
TECHNOLOGY PARTNERS

Supporting Assets - Over 10,000 Customers

7 OF TOP 14
World's Stock Exchanges

12 OF TOP 22
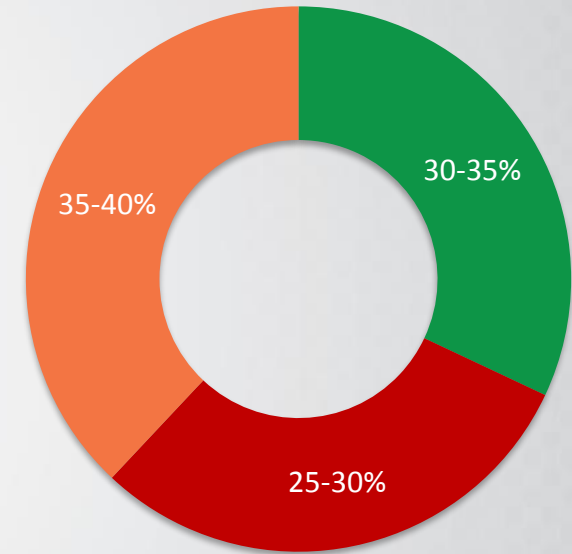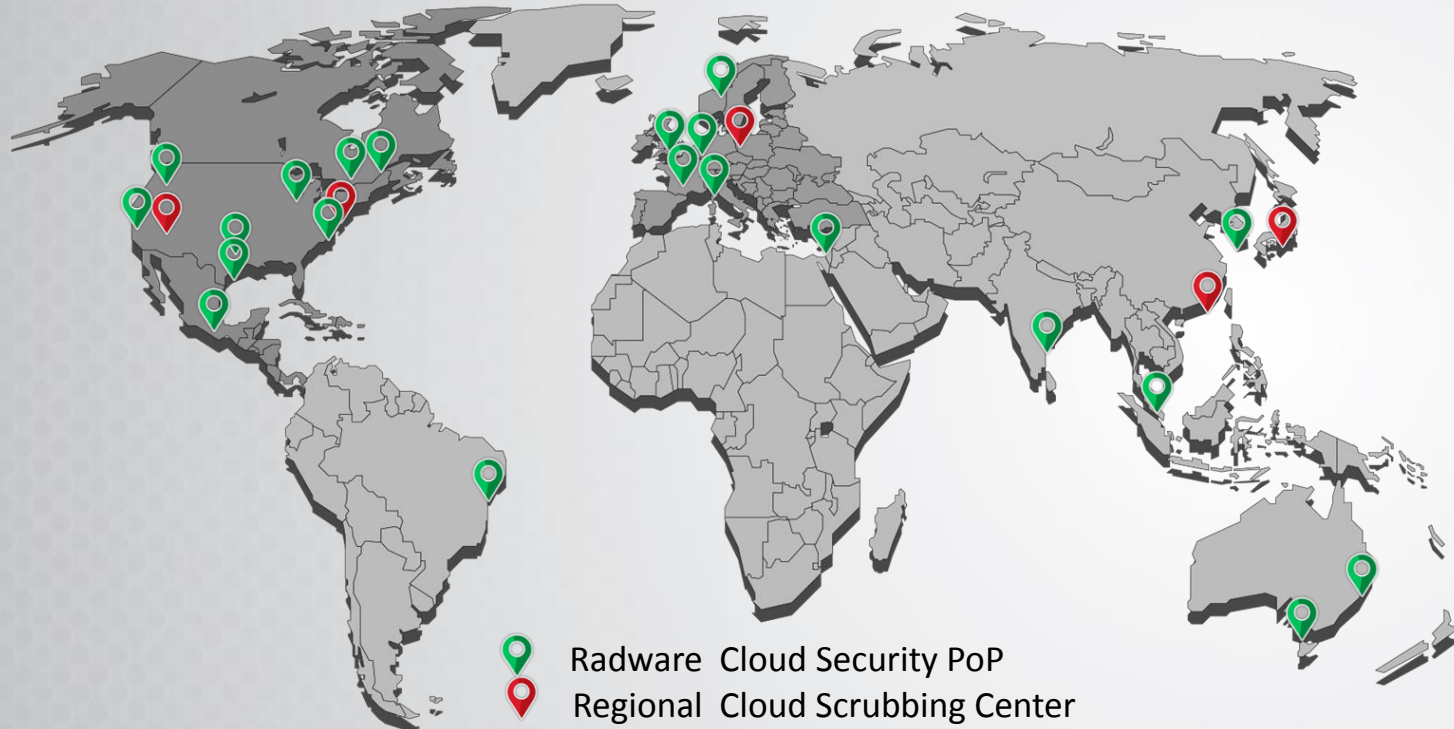**World's Commercial Banks**

6 OF TOP 10
World Carriers

3 OF TOP 7
World Cloud Service Providers

30-35%

35-40%

25-30%

■ Carriers & Service Providers
■ Banking, Finance & Government
■ Other

Supporting Assets - Global Presence

Radware Cloud Security PoP
Regional Cloud Scrubbing Center

OVER 2TB Of Global Mitigation Capacity

LTM Sep-17 Revenues

45%
28%
27%

■ Americas ■ EMEA ■ APAC
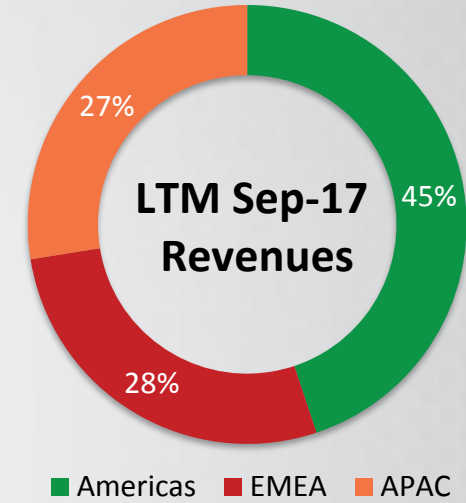
BALANCED Geographic Exposure

~1,000 Employees   35 Offices

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Our Business Strategy For Growth

Enhance and leverage **Integration** of application security & delivery solutions

Continue innovate industry leading **Solutions and Services** for:

- Cloud & SDDC
- Cloud service providers
- Integrative cyber security
- Encrypted Internet
- Cloud security services

Increase our **Market Foot Print:**

- Cloud and CDN providers
- OEMs and alliances
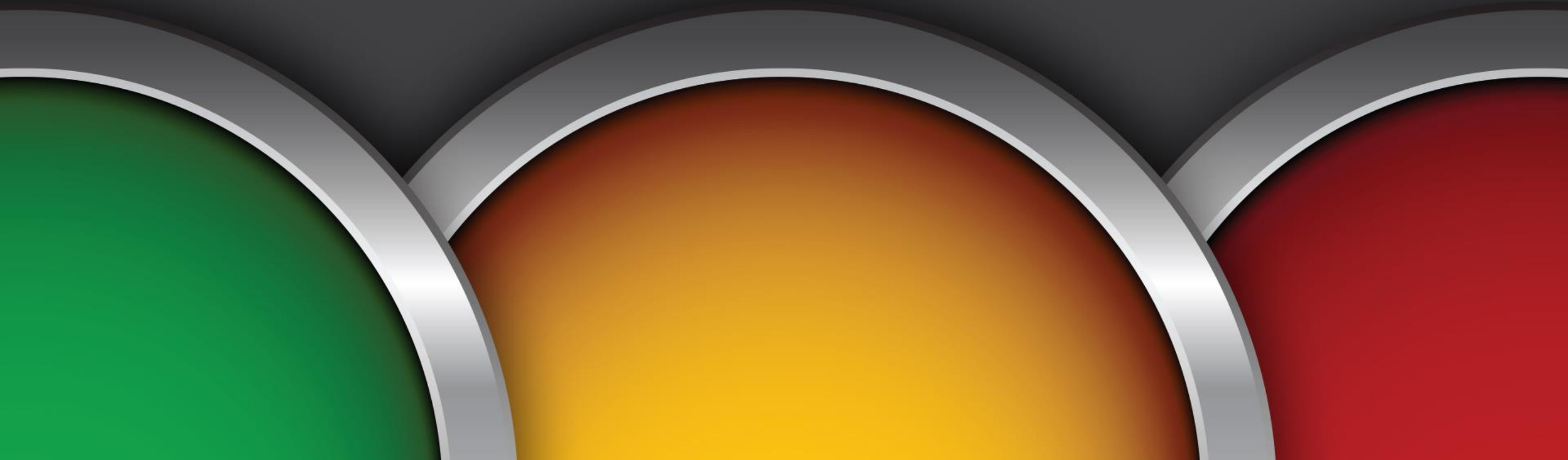- SIs and resellers
- Enhanced GTM resources

1 ----- **2** ----- **3**

4 Expand our business through **Acquisitions**

ORGANIC GROWTH

Financials

Business Model Transition

Revenues ($M) ■ Opex (Non-GAAP, $M) ■ EPS ($)

Quarter	Revenues ($M)	Opex (Non-GAAP, $M)	EPS ($)
Q1 16	48.4	39.1	0.05
Q2 16	49.6	39.6	0.06
Q3 16	46.9	38.6	0.04
Q4 16	51.7	40.6	0.06
Q1 17	48.9	40.7	0.02
Q2 17	51.0	41.7	0.03
Q3 17	53.0	42.4	0.04

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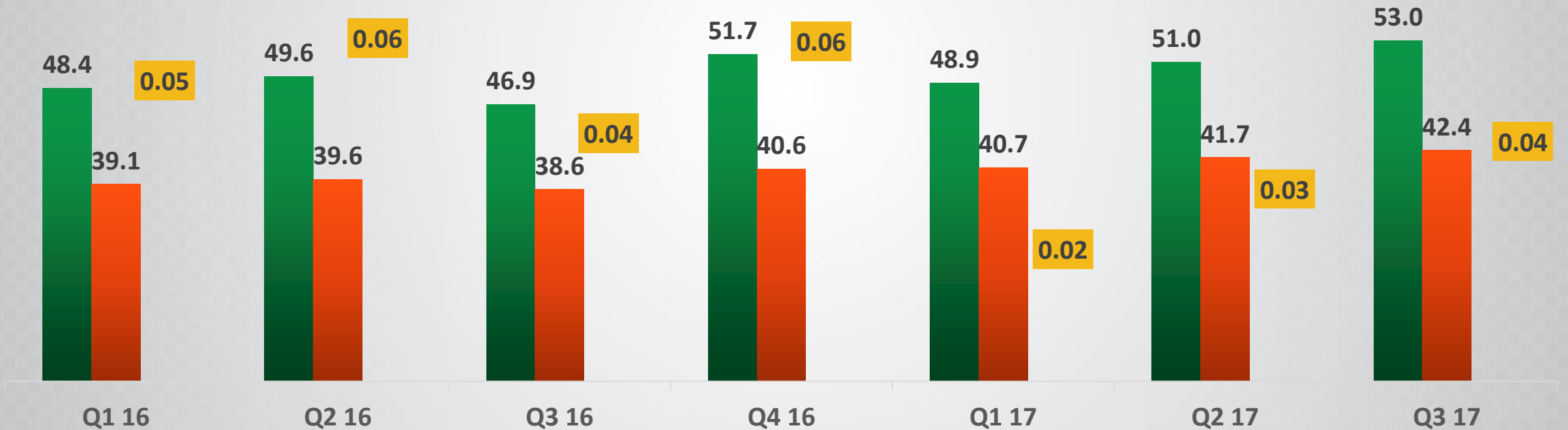
Shift to Subscriptions

Deferred Revenues ($M)

60-65% of Total Deferred Revenues is scheduled to be recognized as revenues within 12 months

Nearly 2x in 4 years

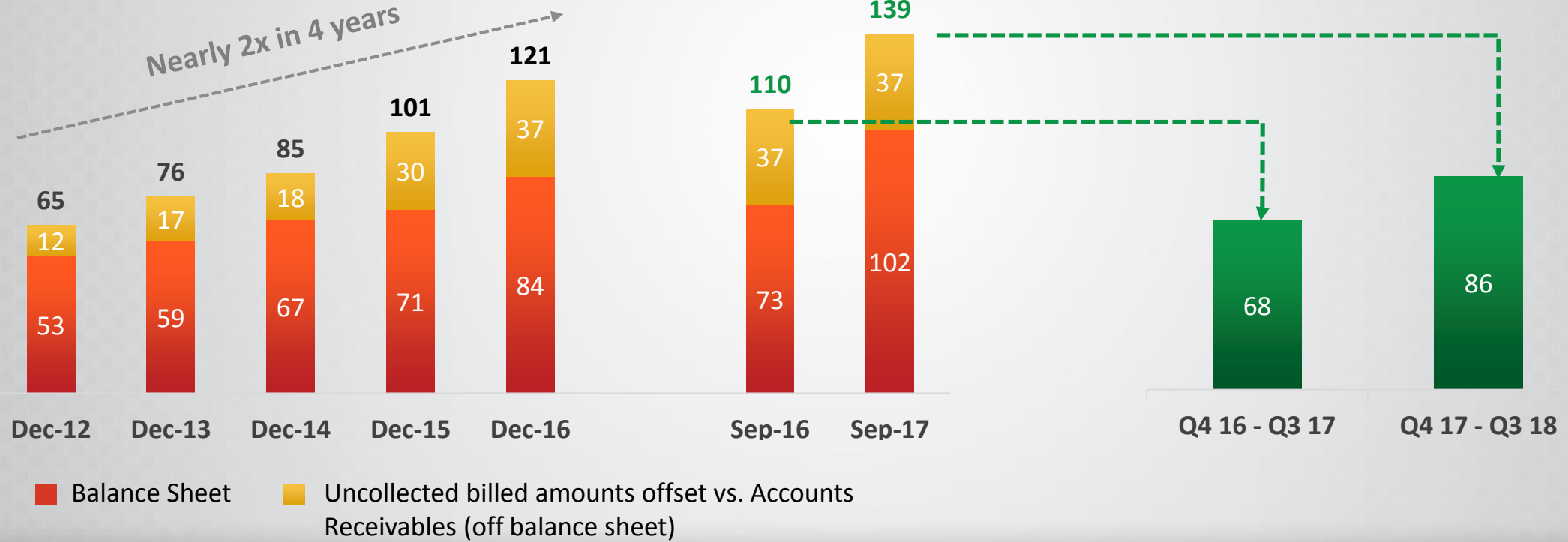|	Dec-12	Dec-13	Dec-14	Dec-15	Dec-16	Sep-16	Sep-17
Total	65	76	85	101	121	110	139
Uncollected (yellow)	12	17	18	30	37	37	37
Balance Sheet (red)	53	59	67	71	84	73	102

Q4 16 - Q3 17	Q4 17 - Q3 18
68	86

■ Balance Sheet   ■ Uncollected billed amounts offset vs. Accounts Receivables (off balance sheet)

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Continuous Strong Cash Generation

LTM Operating Cash Flow of ~$47M

Legend: ■ OCF ■ Capex ■ Buyback ($M)

Year	OCF	Capex	Buyback
2011	42.0	(5.7)	
2012	51.5	(9.3)	
2013	30.2	(8.7)	(7.9)
2014	52.2	(9.5)	(15.2)
2015	39.1	(13.8)	(52.9)
2016	38.5	(9.4)	(22.0)
9M 17	23.5	(5.6)	(0.4)

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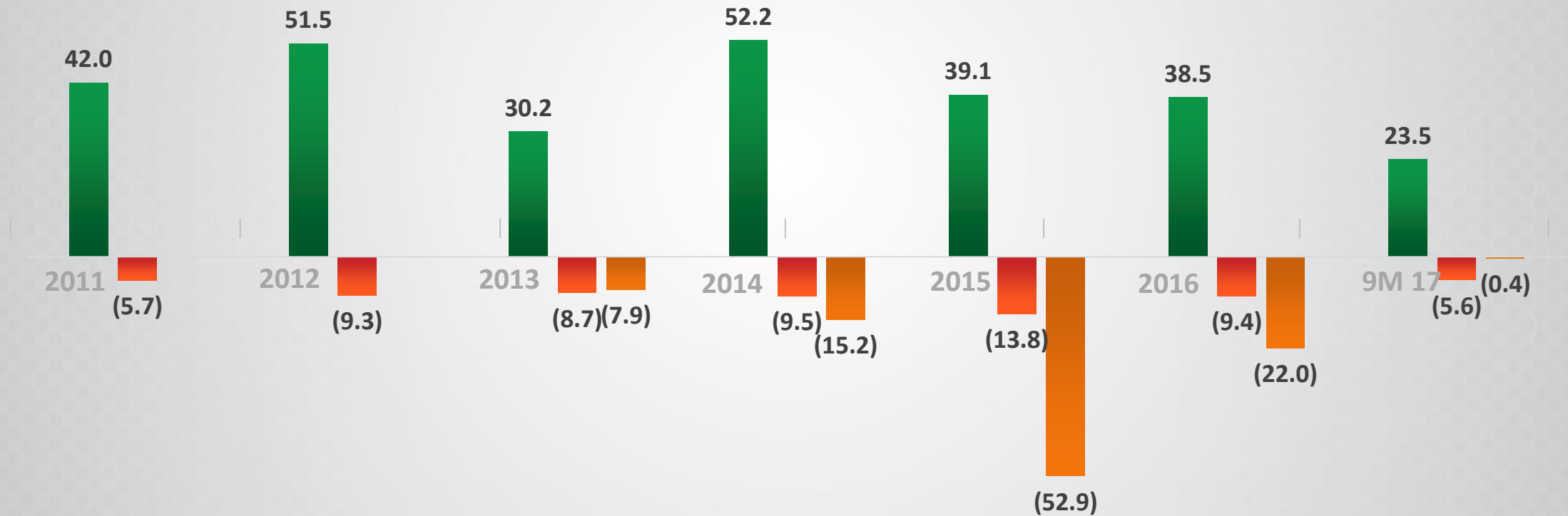
Readiness to Put Cash Balance to Work

Cash Balance ($M)

Date	Value
31.12.12	275
31.12.13	286
31.12.14	331
31.12.15	315
31.12.16	320
30.09.17	331
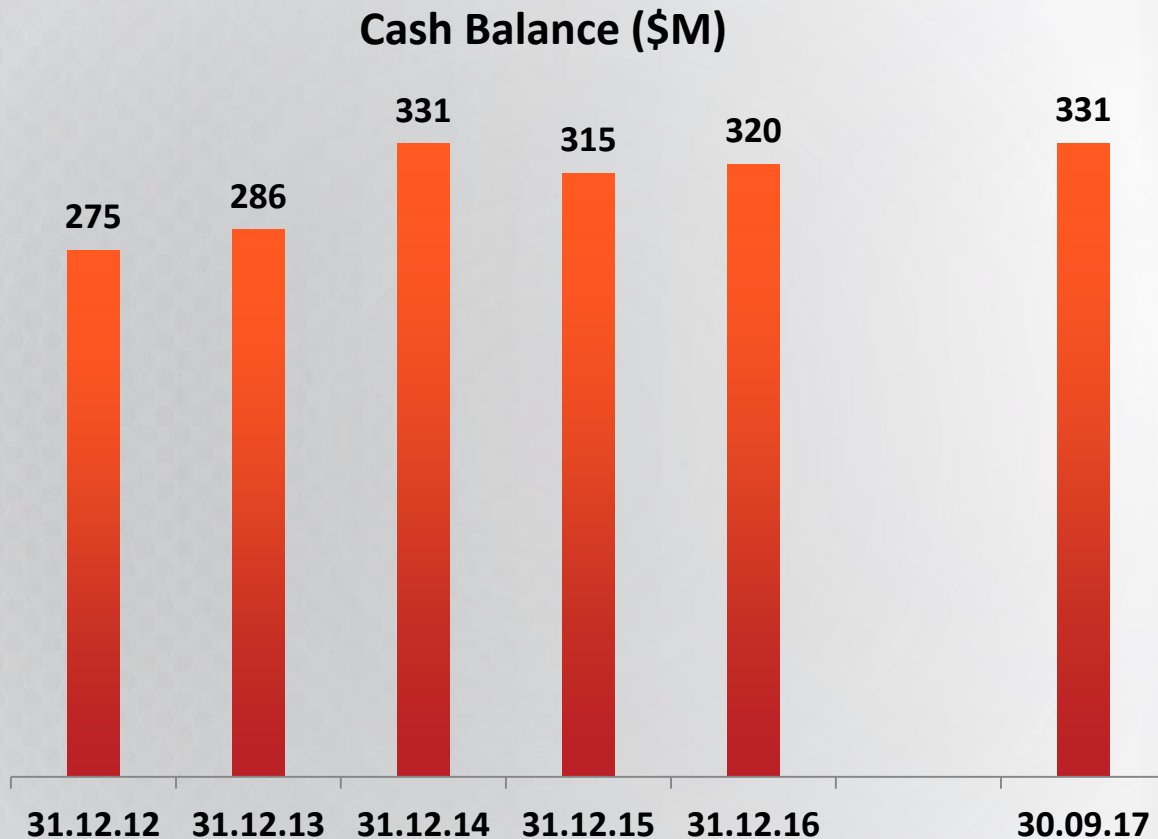
4 — **Expanding our business through Acquisitions**

- Technology Driven
- Business Driven

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