



Investor Meeting

Welcome

February 2018

Agenda

- **Roy Zisapel** - President and Chief Executive Officer
- **David Aviv** - Chief Technologies Officer
- **Anna Convery-Pelletier** - Chief Marketing Officer
- **Doron Abramovitch** - Chief Financial Officer
- **Q&A**





Safe Harbor

Disclaimer

This presentation may contain forward-looking information with respect to plans, projections, or future performance of Radware and its subsidiaries, the occurrence of which involves certain risks and uncertainties, including, but not limited to, general business conditions, changes in product demand,

product development, profitability and other risks detailed in Radware's reports filed from time to time with the Securities and Exchange Commission, including Radware's annual report on Form 20-F. Radware disclaims any duty to update such forward looking statements.



Investor Meeting

Roy Zisapel
President and CEO

February 2018

20 Years of Evolution

Radware 3.0
(2015)



Cloud Cyber
Security

Radware 2.0
(2004)



+

Data Center
Security

Radware 1.0
(1997)



ADC



Radware Today

The right market. The right solution. The right model.



12,500
Customers



Successful
Acquisitions



1,000
Employees



An Ever Growing
Portfolio



A Global
Presence



Strategic
Partners



We have a MISSION:
We FIGHT for the
GOOD GUYS

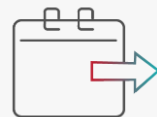


A RECORD YEAR 2017

SUMMARY 2017



Record Booking



Total Deferred **+22%**



Revenues **+8%**



Cloud **+60%** in # of Customers



Record Cash Level



Over **20** Deals **> \$1M**

Over 20 Deals > \$1M



Top Tier U.S.
Carrier



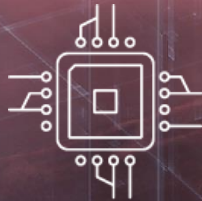
Top Global
Carrier



Top CDN



Top U.S. Financial
Services



Top-10 Technology
Company



Tier 1 Global
Service Provider



Major Business
Information Provider

...AND MANY MORE



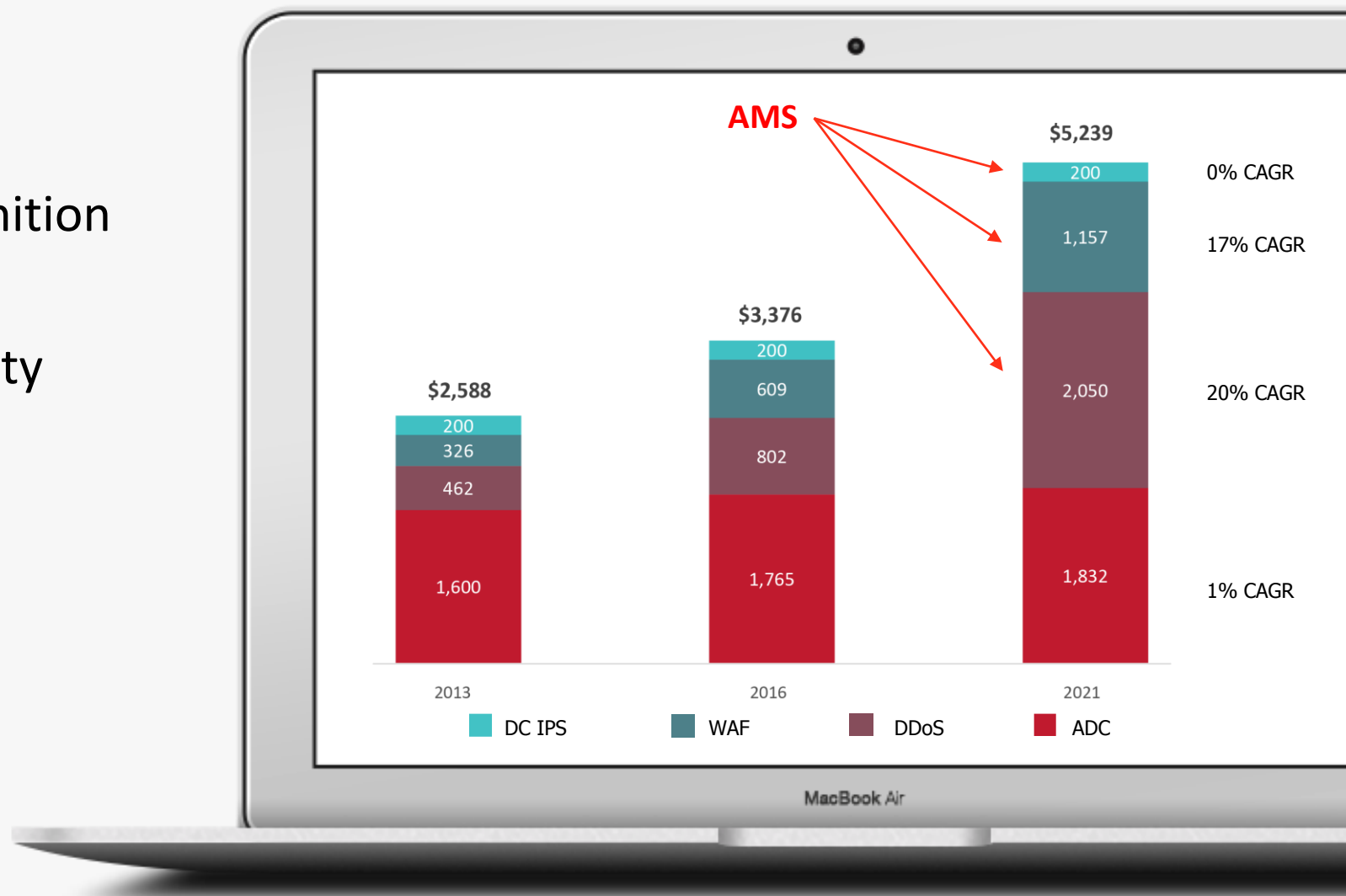
Our Market

Focus on Fast Growing Markets

AMS is Our Market Definition and Differentiation

ADC pivot around Security

Fast Growing, Critical Market Segments



Cloud Security Growing *EVEN FASTER*



\$1.2 Billion
Forecast 2021

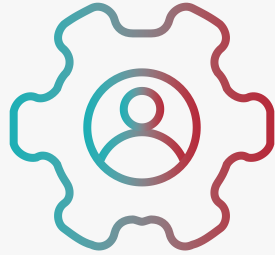


+23.5% YoY
Revenue CAGR



THE VOICE OF THE MARKET

Cyber Security Reaching a Tipping Point



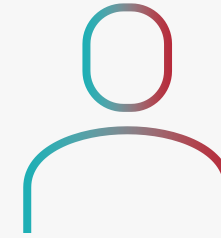
More Resources

Availability of low cost resources, IoT, Cloud



More Targets

More high value, increasingly vulnerable targets



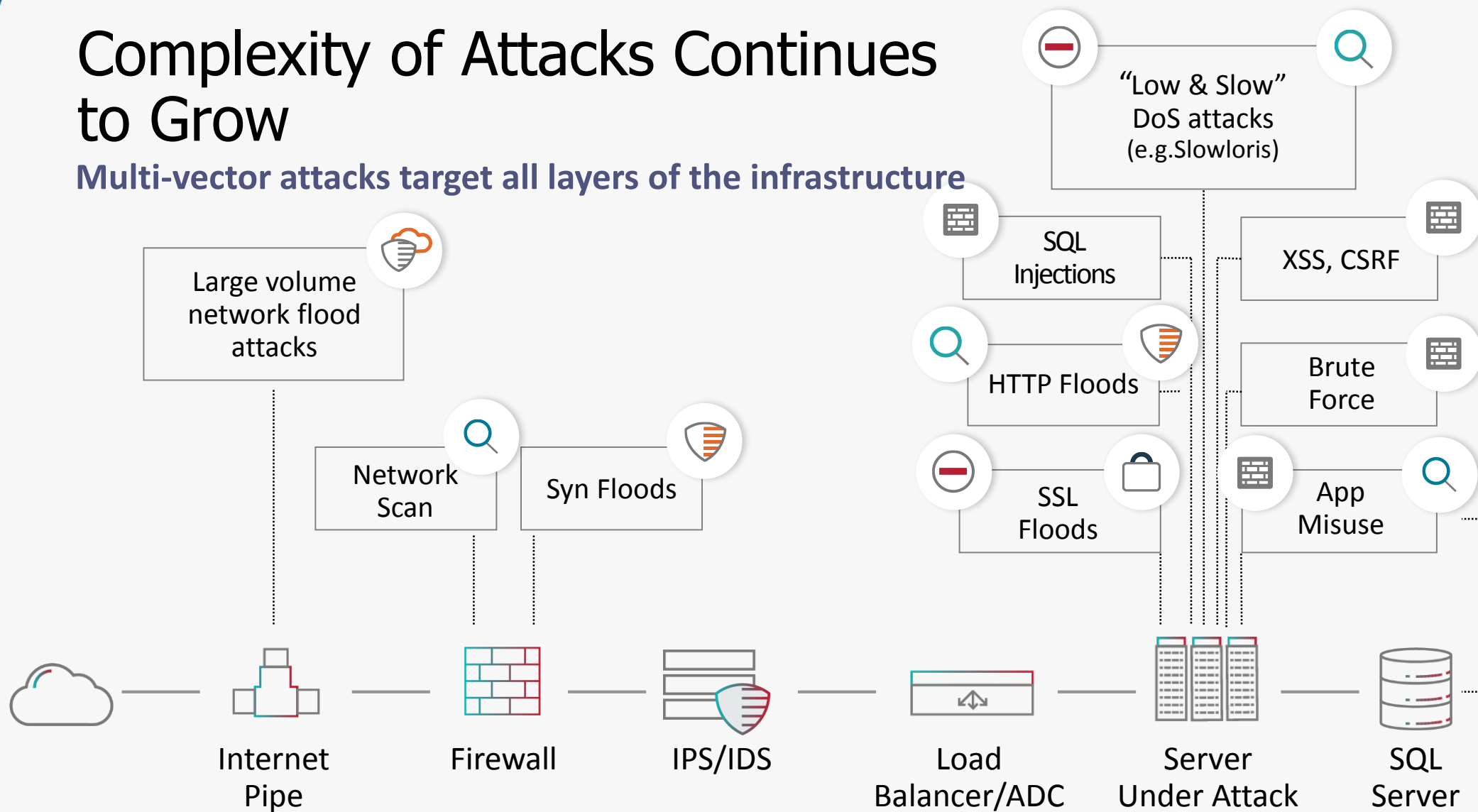
More Mature

A level of maturity that drives efficiency and ensures anonymity

Economic of hacking has turned a corner!

Complexity of Attacks Continues to Grow

Multi-vector attacks target all layers of the infrastructure



Internet Pipe



DoS protection



Behavioral analysis



IPS

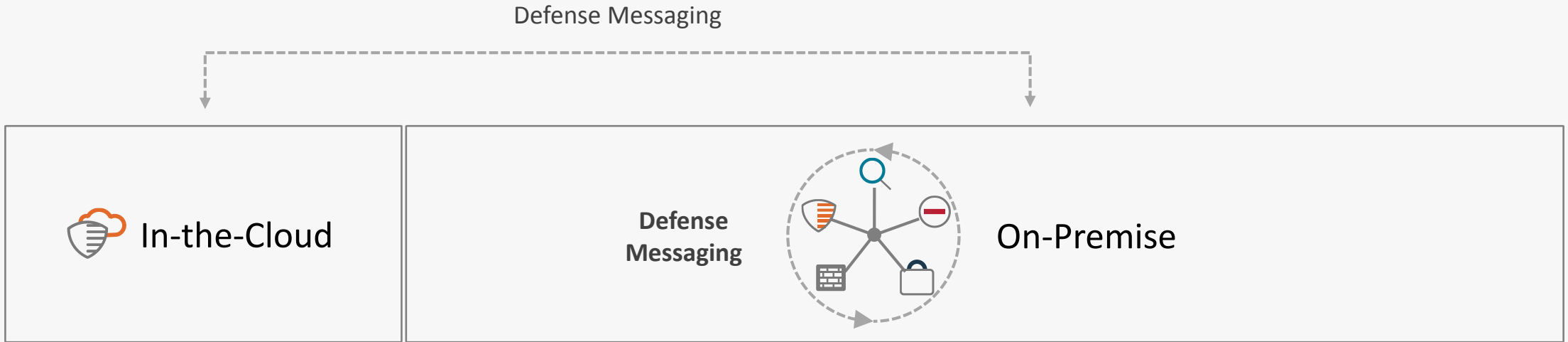


SSL protection



WAF

AMS - Concept Leadership



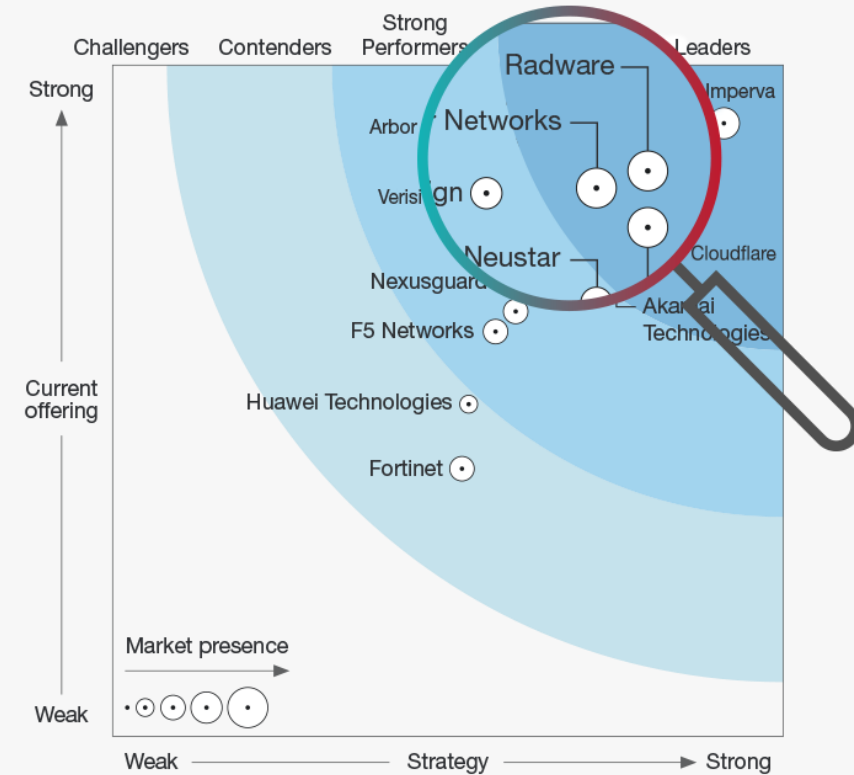
All security elements exchange **Defense Messaging** for more accurate detection and protection and minimal impact on service-level

Leadership by Industry Analysts

Gartner ADC Magic Quadrant Leader



Forrester Wave DDoS Leader



Leadership by Top Customers



8 Of Top **12**

World's Stock
Exchanges



11 Of Top **20**

World's Banks



10 Of Top **10**

World Telecom
Companies



3 Of Top **8**

N. American
Application Software
Companies



4 Of **13**

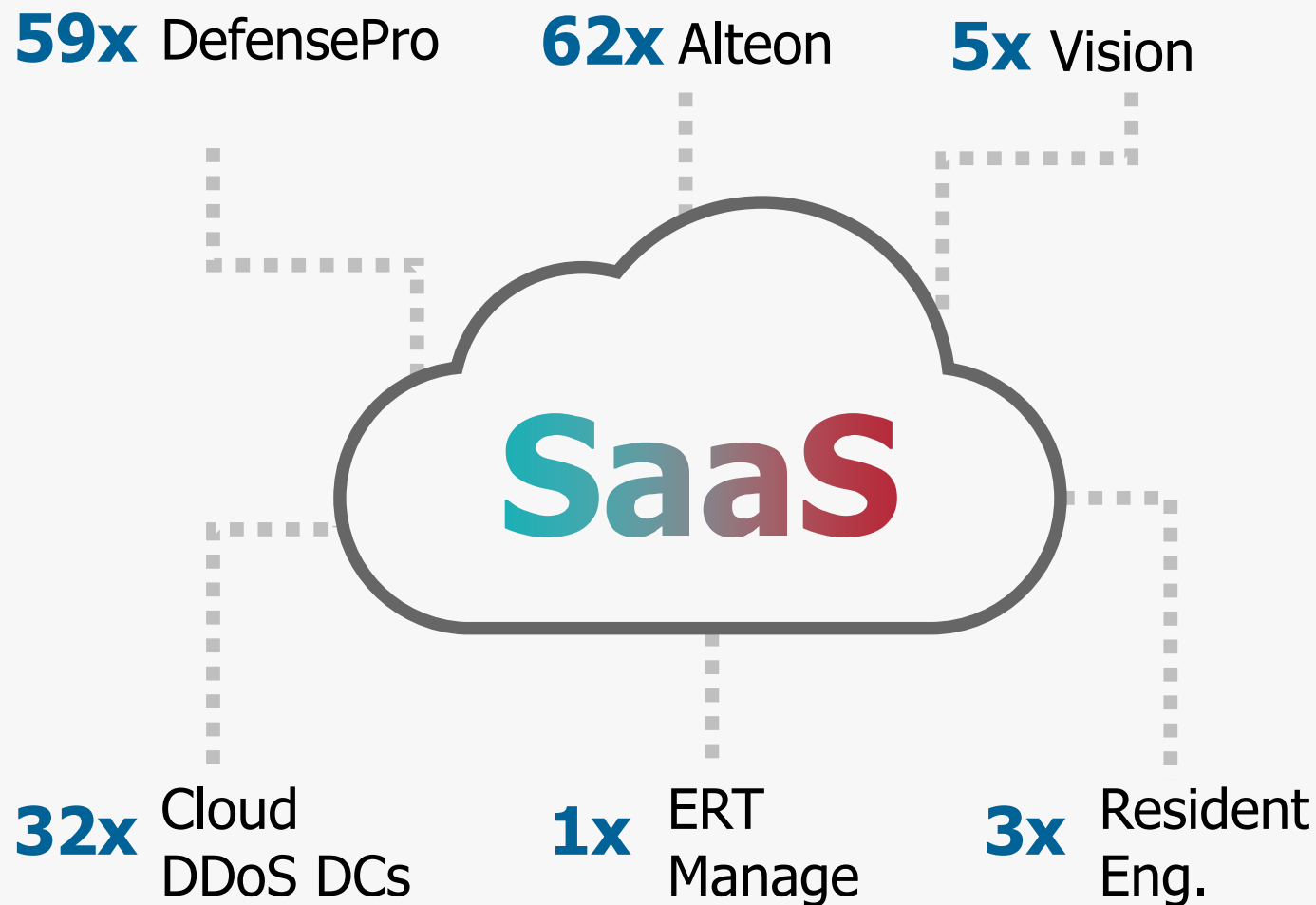
Most Widely Used
SaaS Applications

Example: Leading SaaS Provider

Since 2015
>\$14M

Comprehensive integrated solution

⇒ a differentiated approach

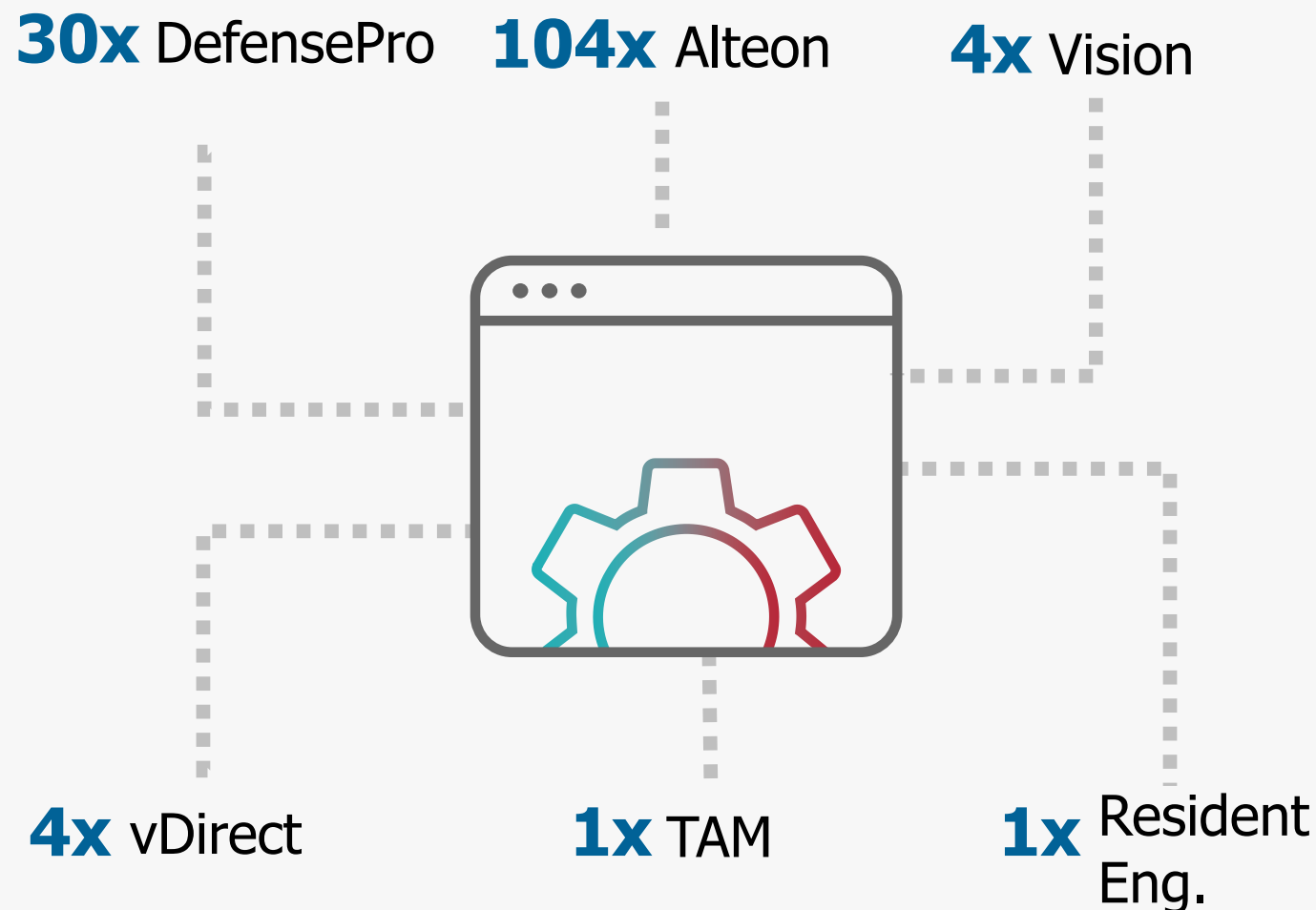


Example: Leading Business Information Provider

Since 1998
>\$ 25M

Long term close customer relationships

> 10% of customers > 10 years



Leadership by Go to Market Partnerships



NOKIA



Check Point
SOFTWARE TECHNOLOGIES LTD.

+ 1 more to be announced in 2018

Leading Technology

Behavioral-based detection

Using big data analytics and machine learning

Synchronized messaging

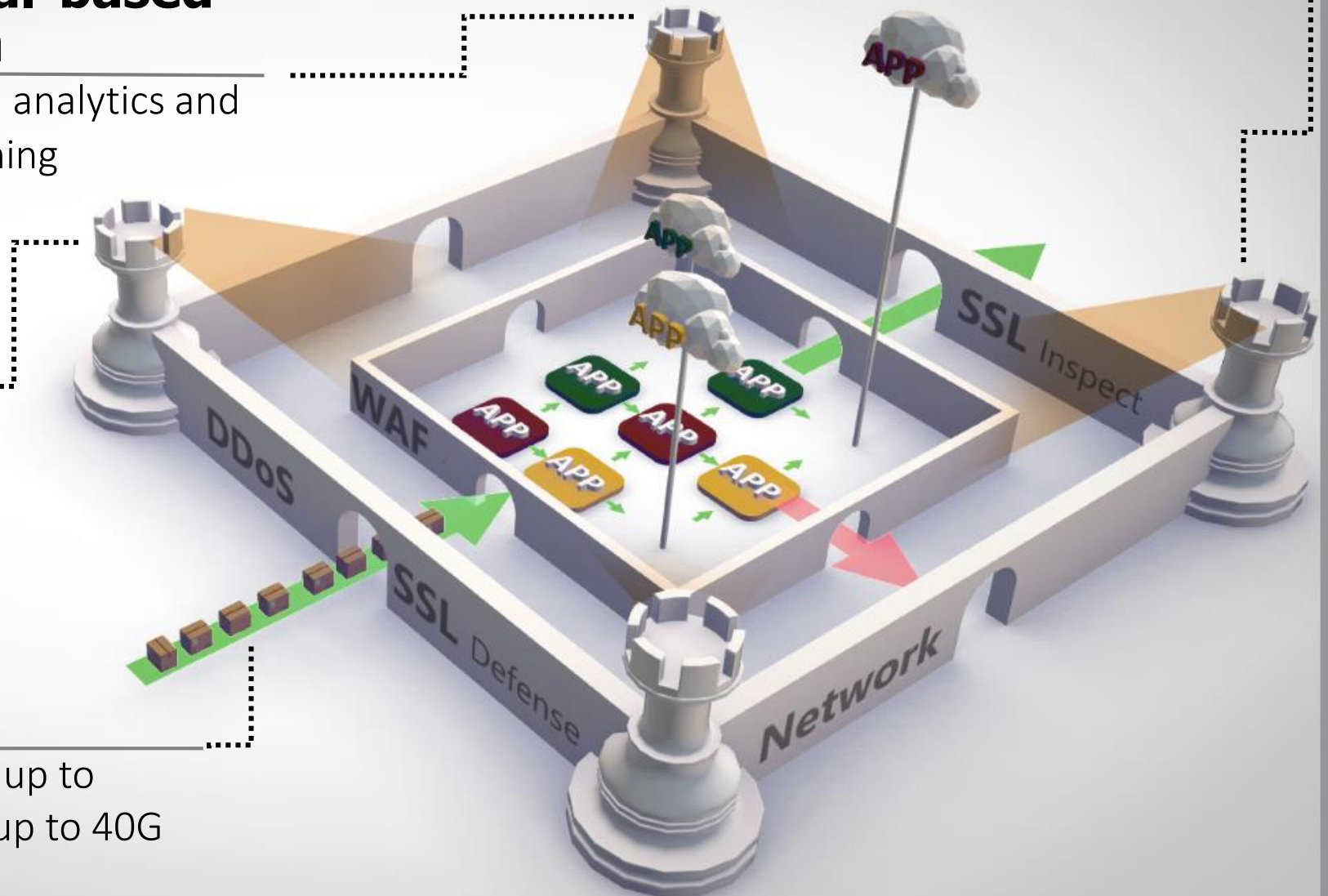
to improve detection and mitigation response and accuracy.

High performance

Device mitigation capacity of up to 400Gbps; SSL throughput of up to 40G

Advanced automation

for attack life-cycle management and mitigation of unknown attacks



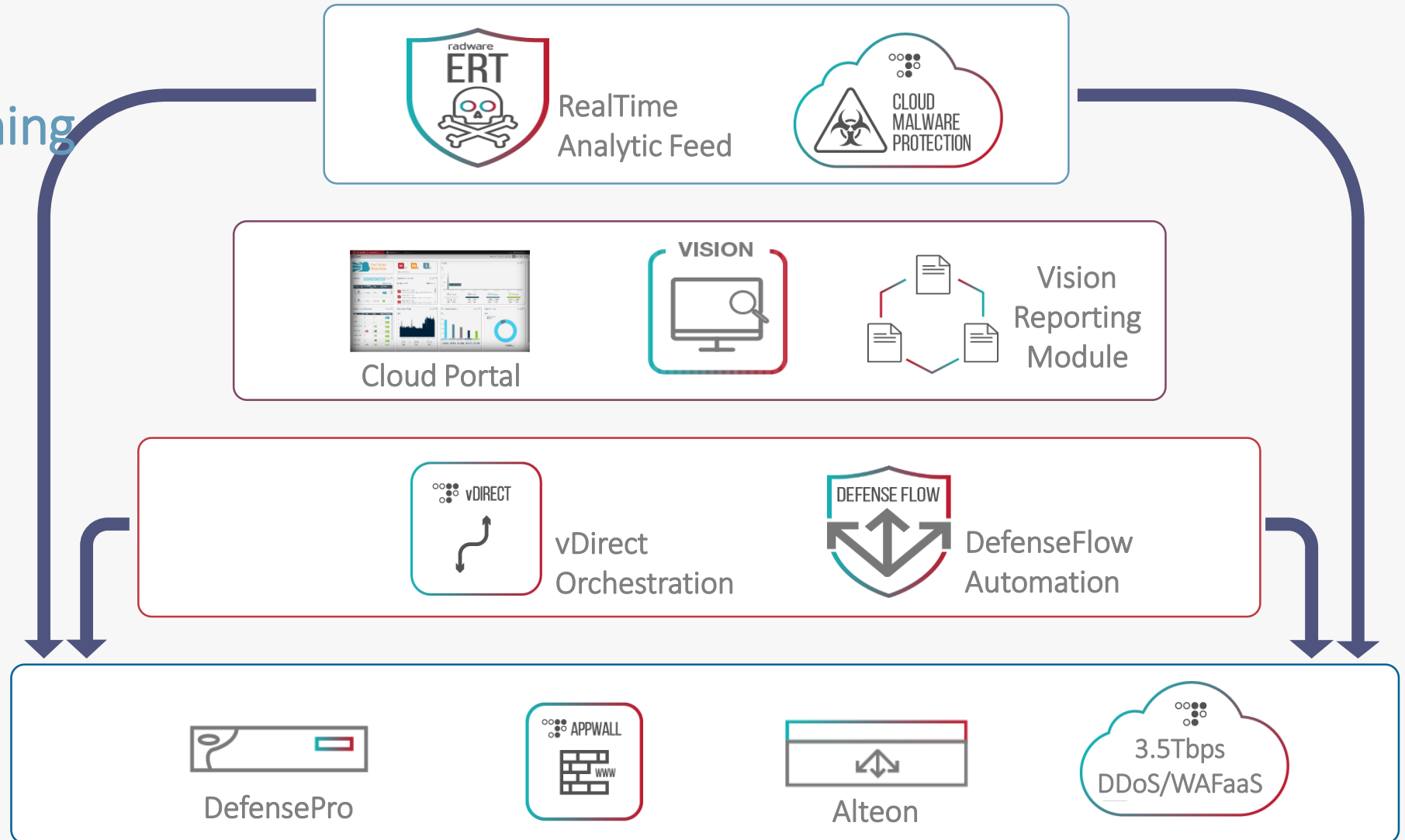
Radware Solution Strategy

Big Data
Machine Learning

Management
& Visibility

Control Plane

Data Plane



THE VOICE OF THE MARKET



Industry Analysts



Customers



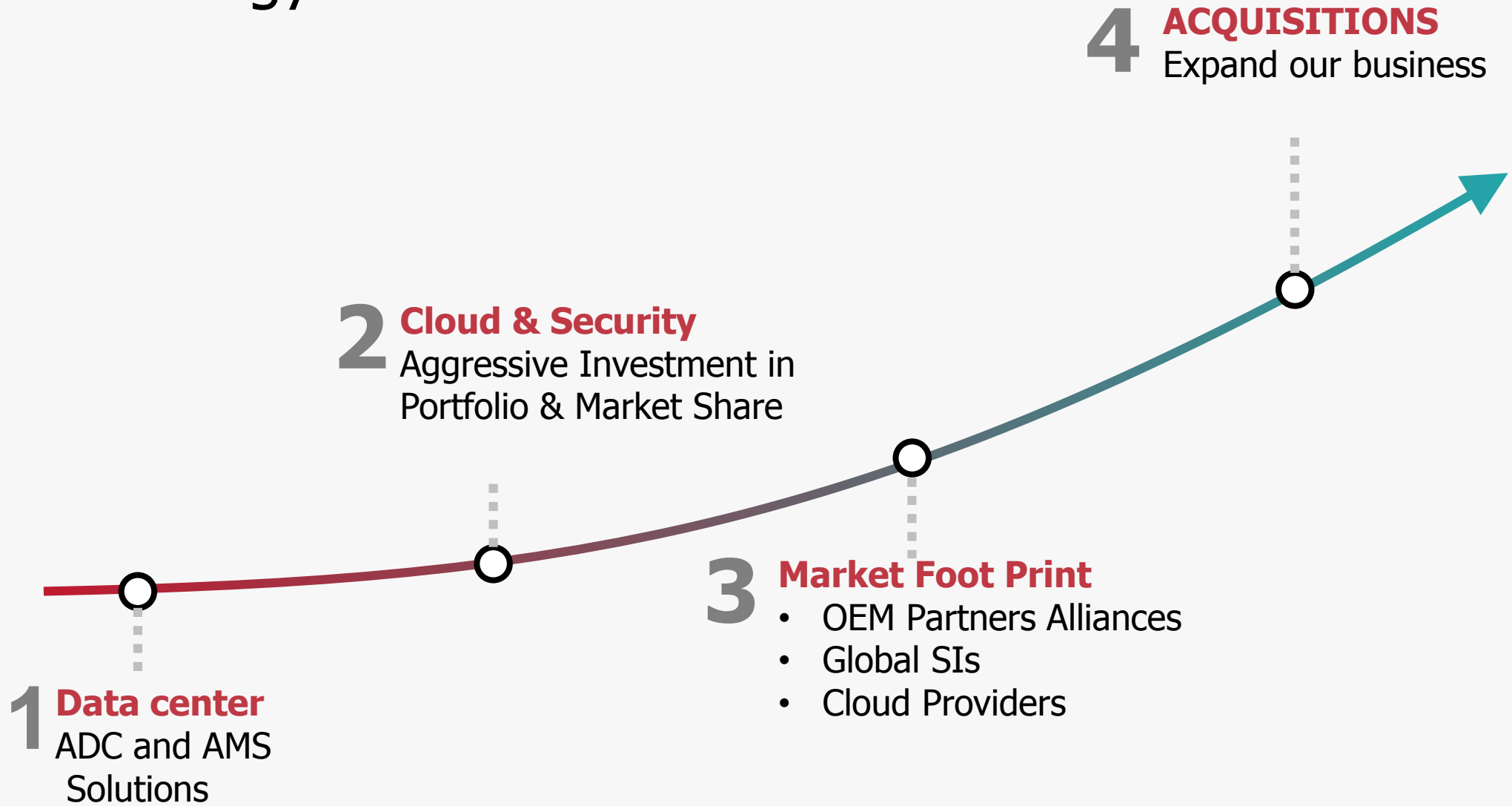
Technology
Leadership



Strategic
Alliances

Radware Strategy 2018 & Beyond

Strategy



Cloud & Security Focus

CLOUD

Global Elastic License

Cloud Malware Protection

Cloud WAF Protection

Cloud DDoS Protection

ERT Managed Services

ADC

AMS

Services

SECURITY

Integrated WAF

SSL Inspect

IoT Bot Killer

SSL Protection

Burst Attacks Protection

DNS Protection

ERT Active Attackers Feed

SUS - WAF/DP

ERT SOC Assistance

Subscriptions

Products



ERT Active Attackers Feed

DefensePro Security Updates Subscription (SUS)



AppWall Security Updates Subscription (SUS)

Perform subscription

Secure subscription

Cloud

Cloud DDoS Protection Service

Cloud WAF Service

Cloud Web Acceleration Service

Global CDN Service



Cloud Malware Protection Service

Management & Control

Vision Reporter (AVR) Subscription

Right to Use (RTU) Subscription

Vision Device Performance Monitoring (DPM) Subscription

MSSP Portal Subscription



DefenseFlow

Professional Services



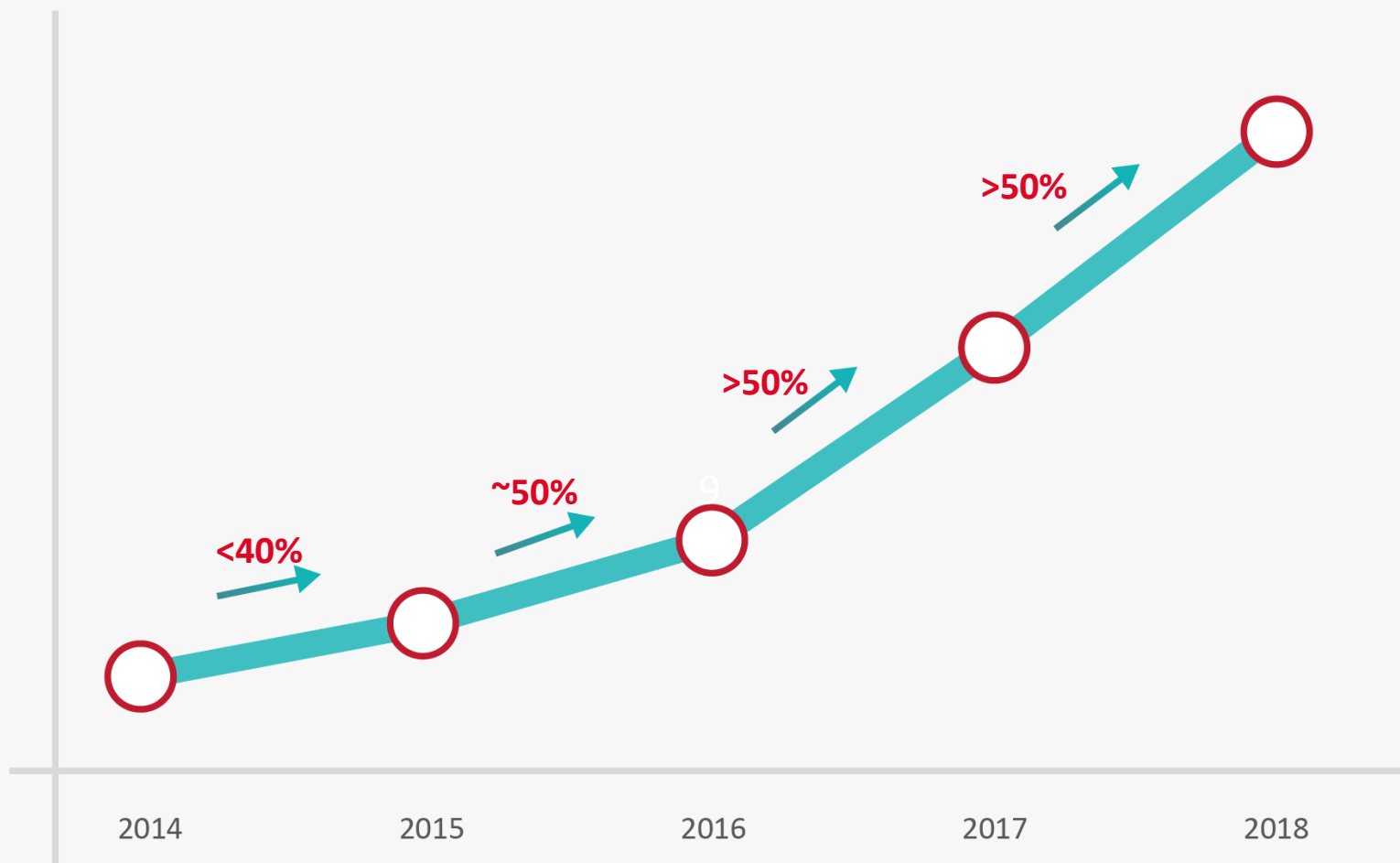
ERT SOC Assistance

ERT Managed Service



30

Solid Subscriptions Growth





2018

The Market is Ready for a **STRONG 2018**



Why Radware

- Fast growing, critical market
- Clear Vision and Strategy
- Leading attack mitigation technology, customers, partners
- Fast expanding subscription and cloud business
- 2017 a record year, excellent visibility into 2018
- Well positioned for continued long term growth

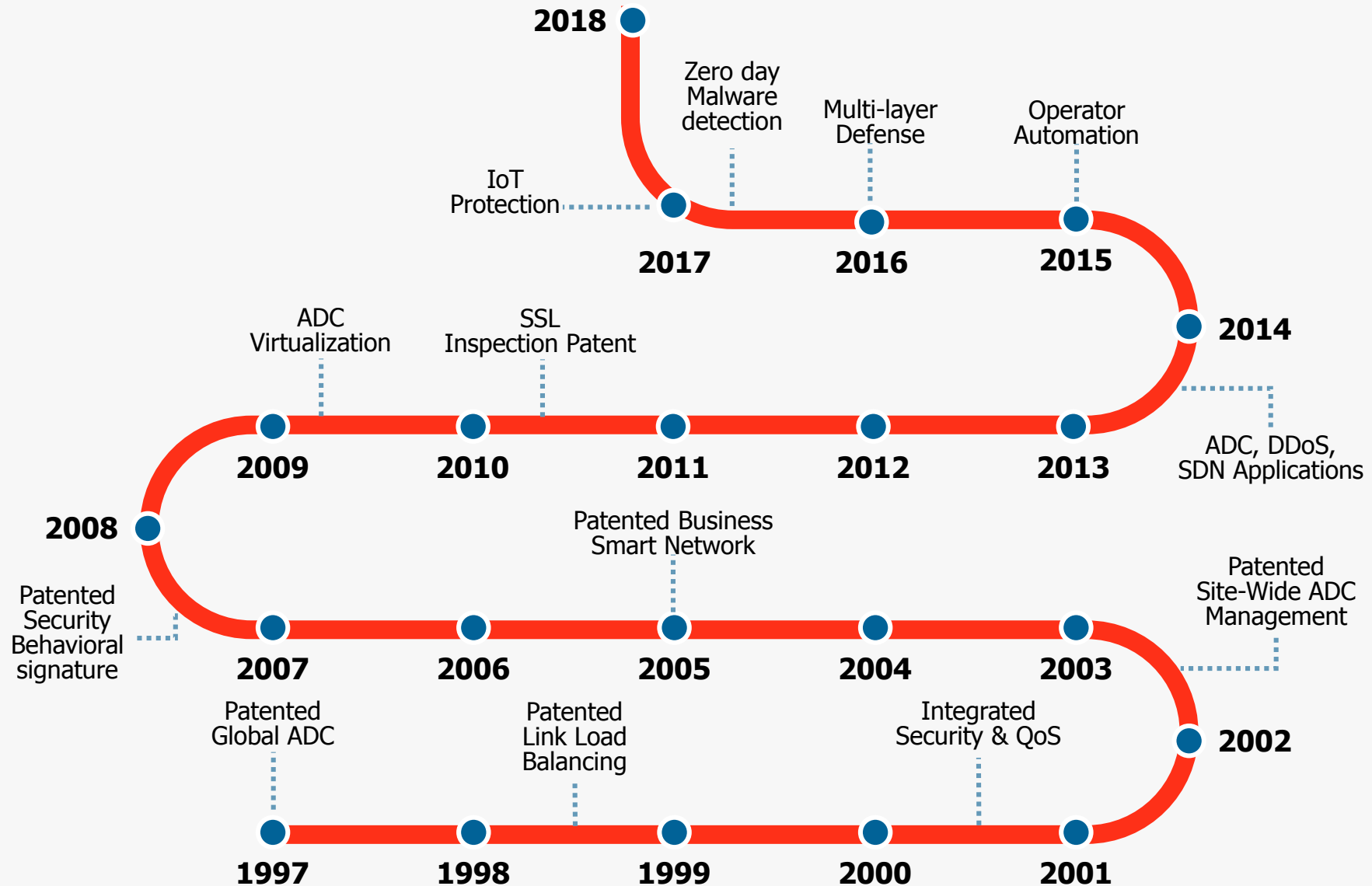


Radware Technology

David Aviv, PhD
CTO

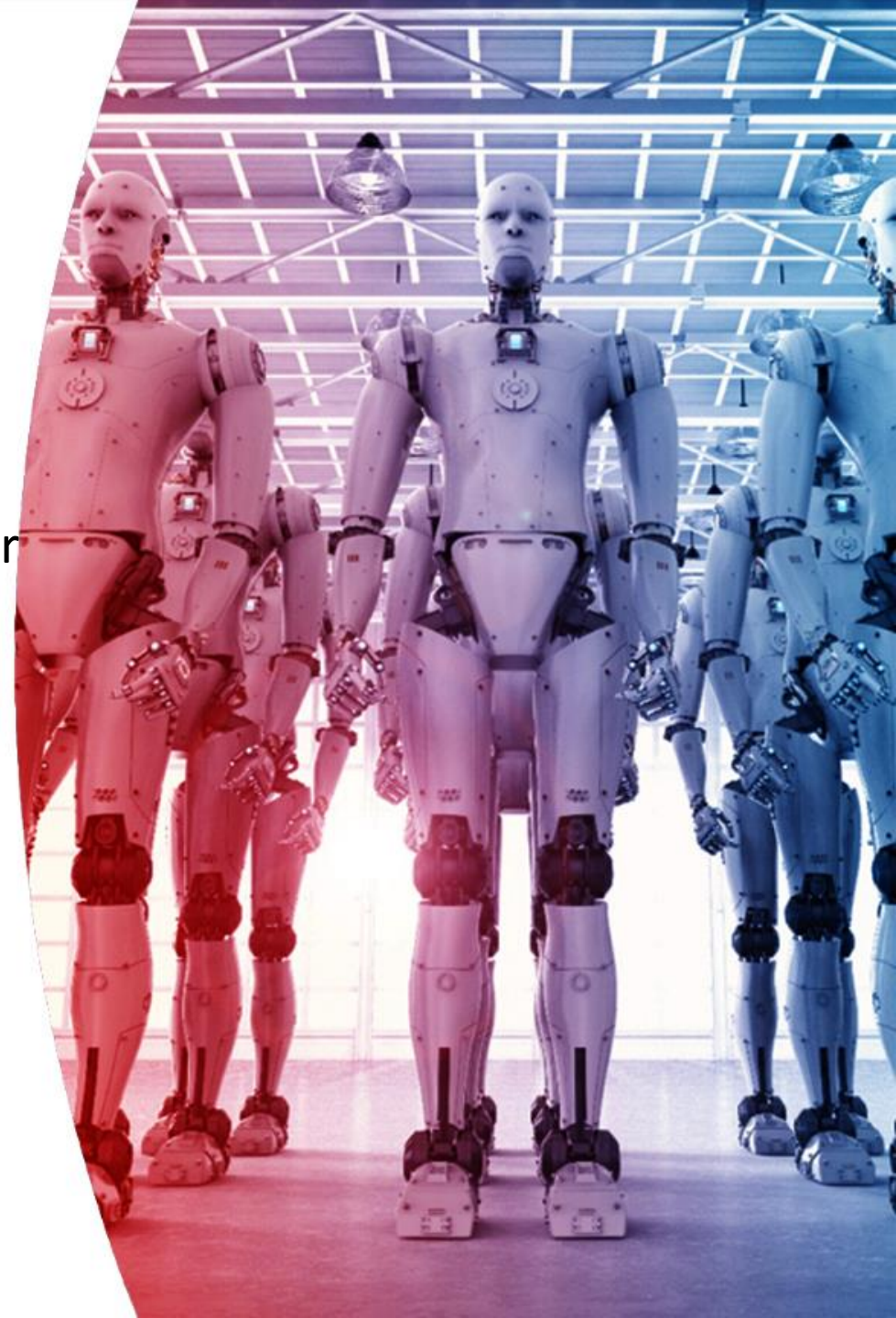
February 2018

Radware's Innovation Track Record



Era of Disruption

- Market accelerators: Digital Transformation, Mother-nature, Moore's law (Thomas Friedman's 'Thank-you-for-being-late')
 - Dependency on CONNECTED APP's – the highest ever
- The perfect cyber storm conditions:
 - Attack delivery - IoT maturity/Encryption
 - Attack tools - Automation and AI
 - Result - Ever-morphing, scalable, burst vectors
- Defender vs. Attacker Economy
 - Darknet changes the cyber economy



To serve our MISSION:

**A Fast, Scalable, Automated,
Manageable & Intelligent
Defense is needed**

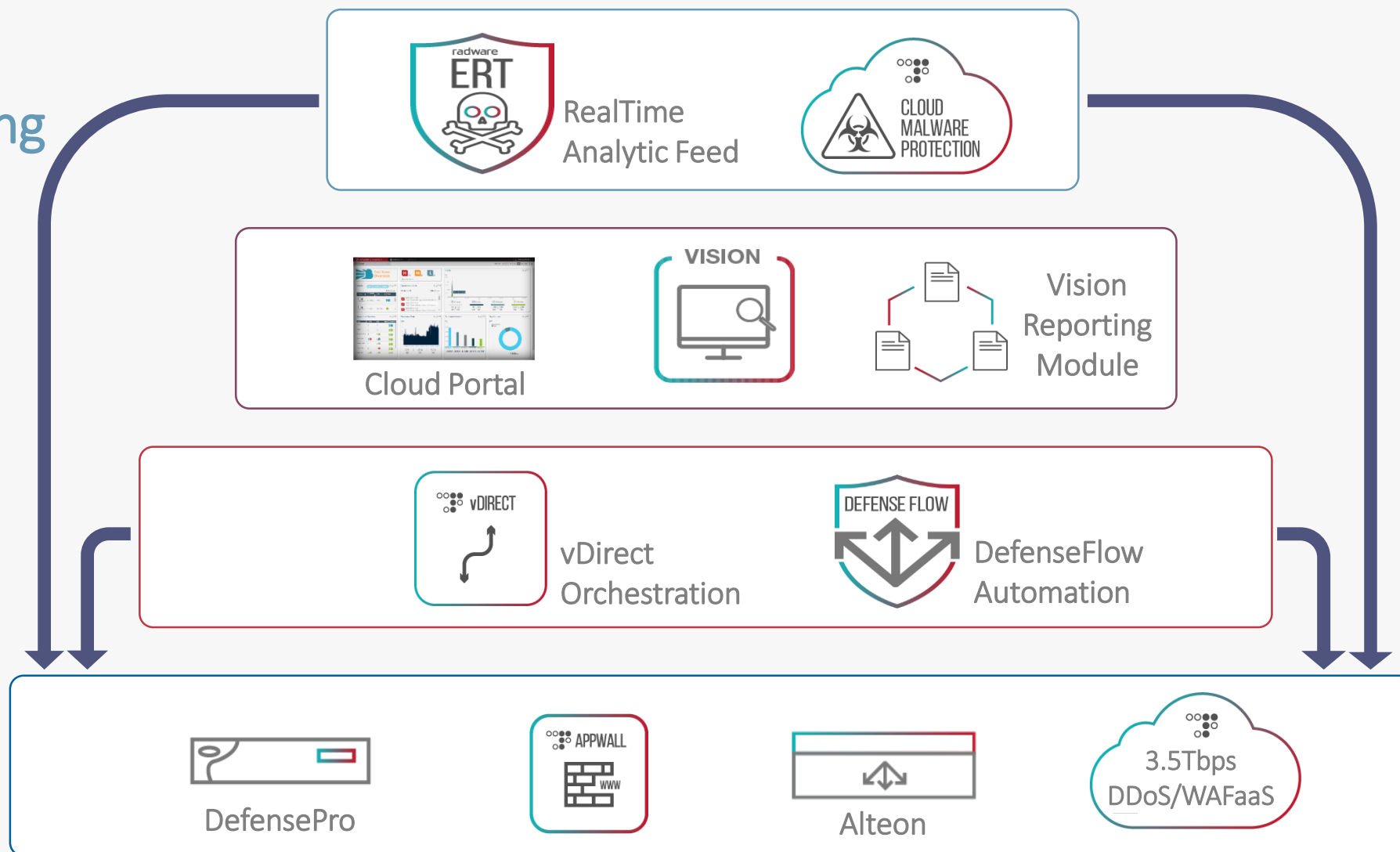
Radware Defense Architecture For The New Era

Big Data
Machine Learning

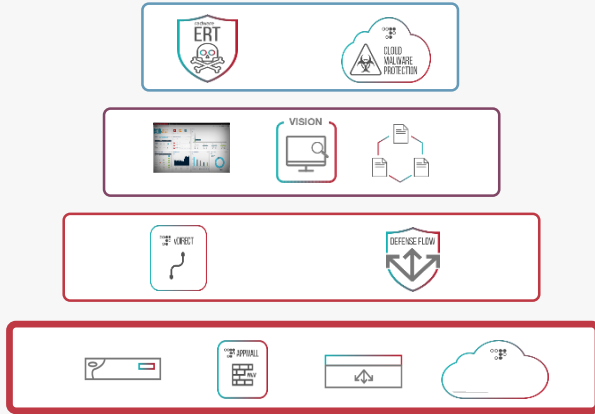
Management
& Visibility

Control Plane

Data Plane



Data-plane Solutions – Faster, Smarter Core Technology



Zero-day Attacks

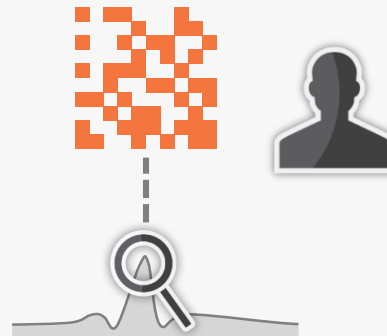
Detect Faster

Auto-Mitigate

Zero-day Signature generation significantly **Faster and Accurate** than Competitors

Non-Radware

Manual Signature Generation



Radware

Machine-based Signature Generation



Up to **30 Minutes**

Human Generated
Signatures – Thresholds,
packet captures

Non-guaranteed F/P



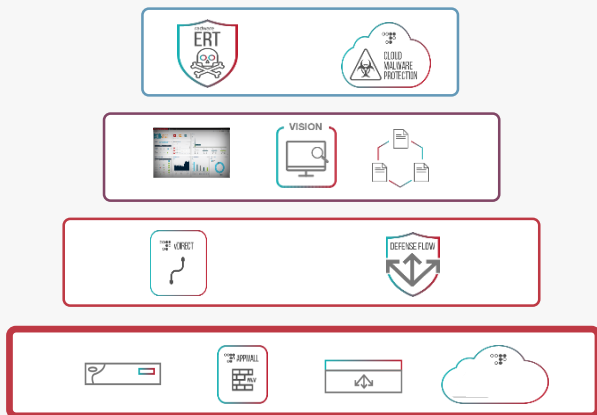
18 Seconds

Behavioral Detect-
Mitigate Cycle –
Machine Analytics

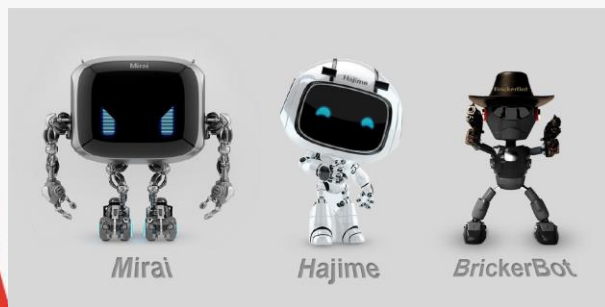
Guaranteed Low F/P

$$\begin{cases} \mathbf{d} = \mathbf{X} - \mathbf{Y} \\ \mathbf{Y} \leftarrow \mathbf{Y} + \alpha \mathbf{d} \\ \sigma_i^2 \leftarrow \sigma_i^2 + \alpha (d_i^2 - \sigma_i^2) \\ \mathbf{Y}(0) = [\mathbf{X}(0) - \mathbf{X}(-1)] / 2 \\ \sigma_i^2(0) = [\mathbf{X}(0) - \mathbf{X}(-1)]^2 / 4 \\ i = \arg(d_i > 4\sigma_i) \end{cases}$$

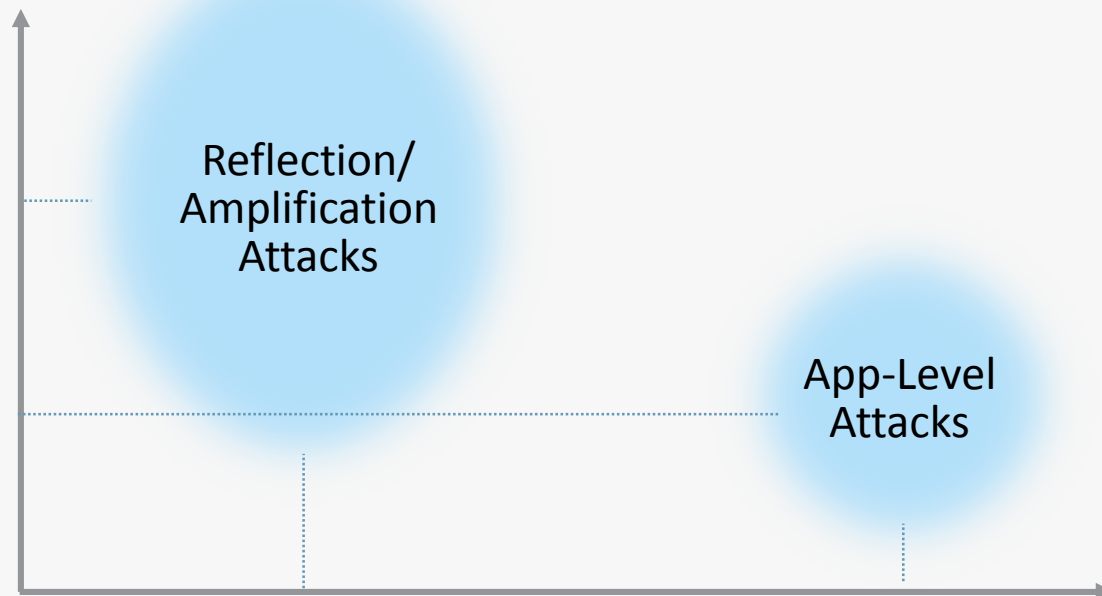
Data-plane Solutions – Faster, Smarter



Extended Coverage

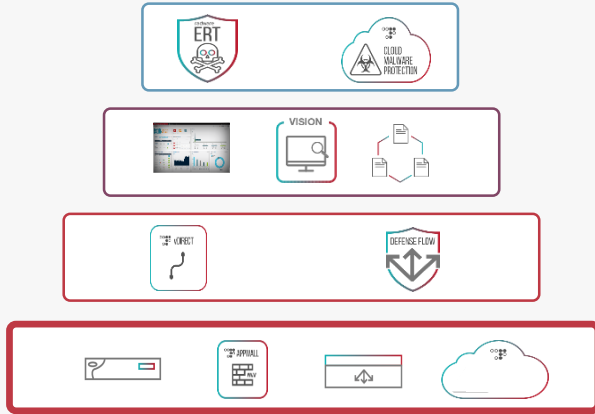


Attacks
Volume

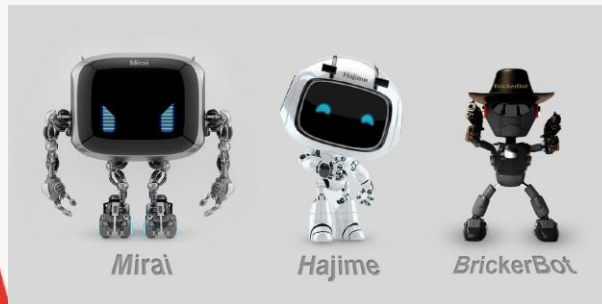


Attacks Complexity

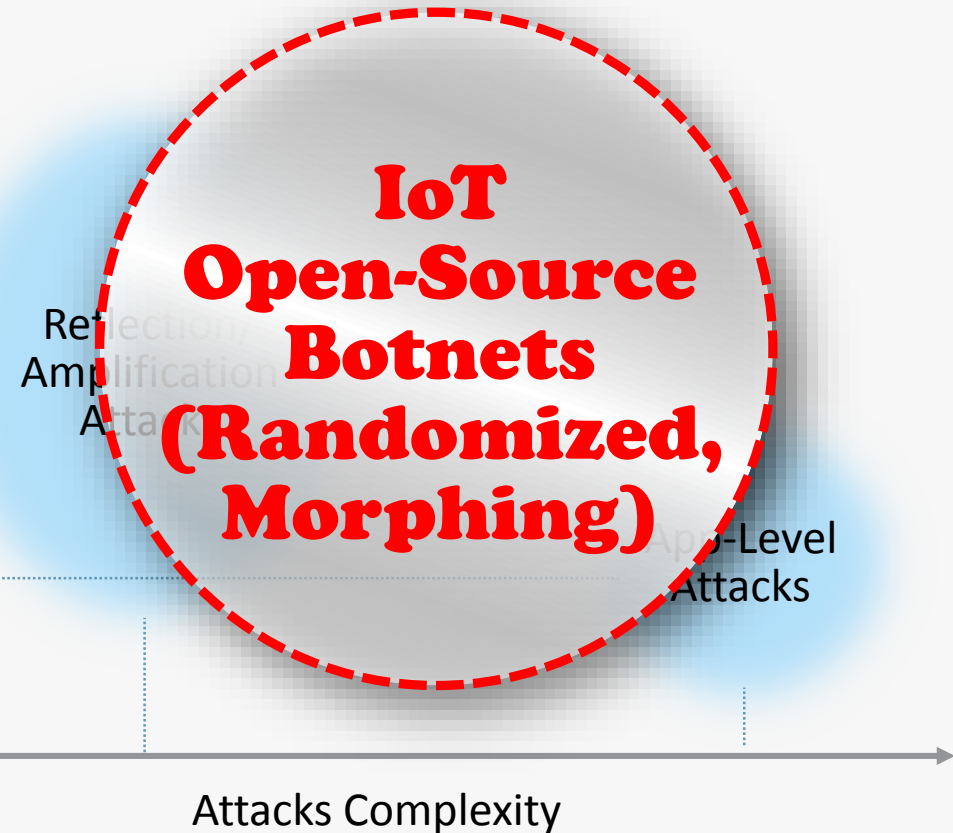
Data-plane Solutions – Faster, Smarter



Extended Coverage



Attacks
Volume

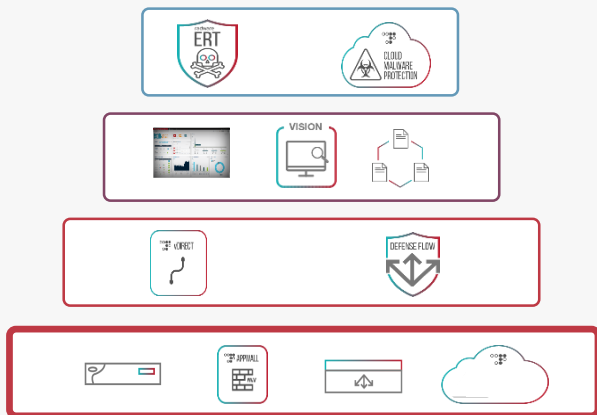


New 'IoT Killer' Algorithm Line

Auto-detect-and-mitigate algorithm line tuned to identify IoT bot storms (dns 'water-torture'...), Bursts,
Guaranteed Low F/P



Data-plane Solutions – Faster, Smarter and Scalable



Platforms Lineup:

SMB, Enterprise-grade

Data-center-grade

Carrier-grade



0.1–400Gbps Coverage

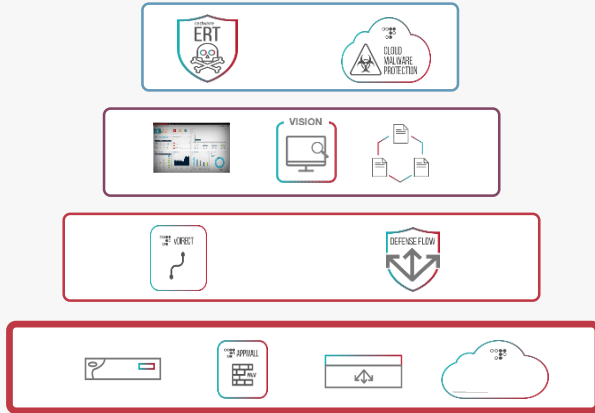
Ubiquity across all form factors to support 'Edge-to-Core' solutions

Unified software for scalable architecture and accelerated performance

Integration with Control, Automation and Cloud Analytics feeds

The New Data-plane – Radware GLOBAL Cloud

3.5Tbps
DDoS/WAFaaS



DDoS/WAF-aaS
Subscriptions:

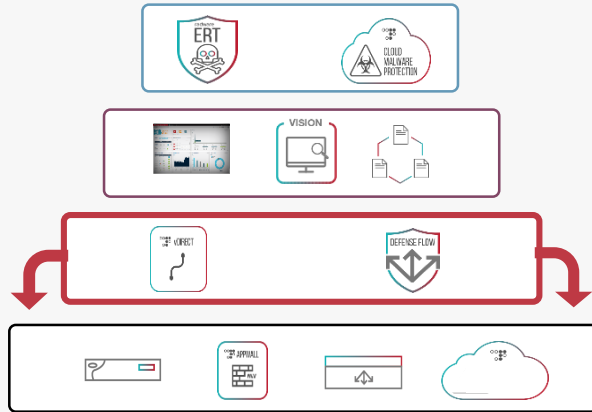
Tiered services
'Always-on'
'On-Demand'



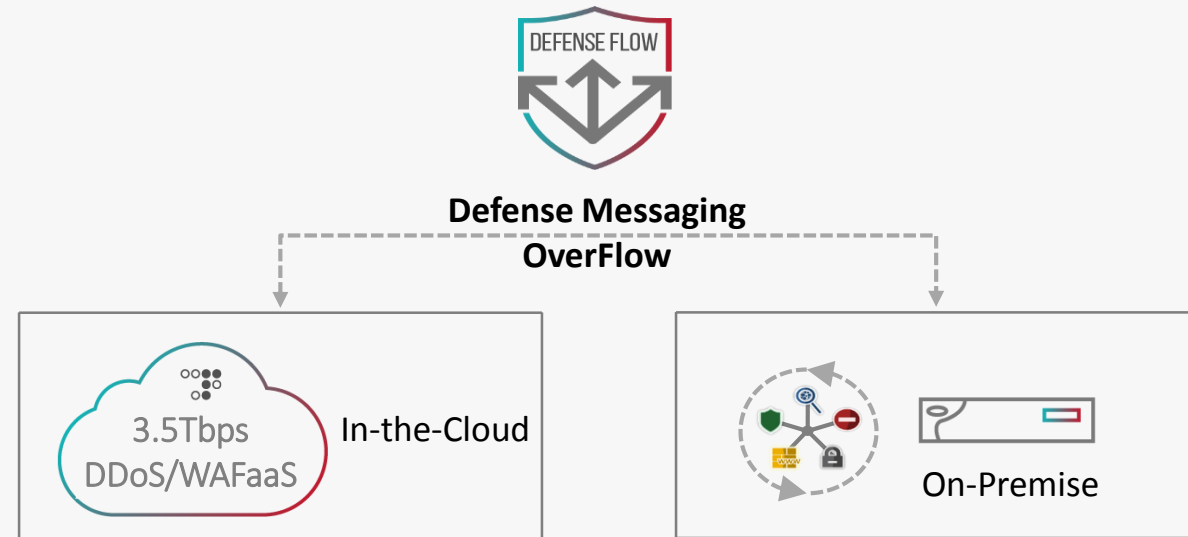
Platform for Defense Insights & Feeds

In addition, our cloud becomes a GLOBAL platform for Big Data collection

Control-plane Solutions – Defense Automation



Enterprise Hybrid Deployments

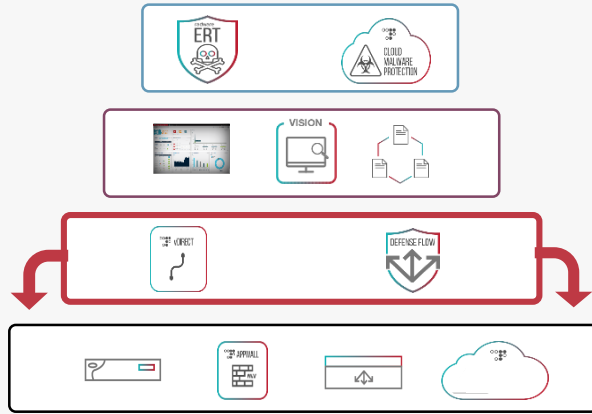


Defense Messaging

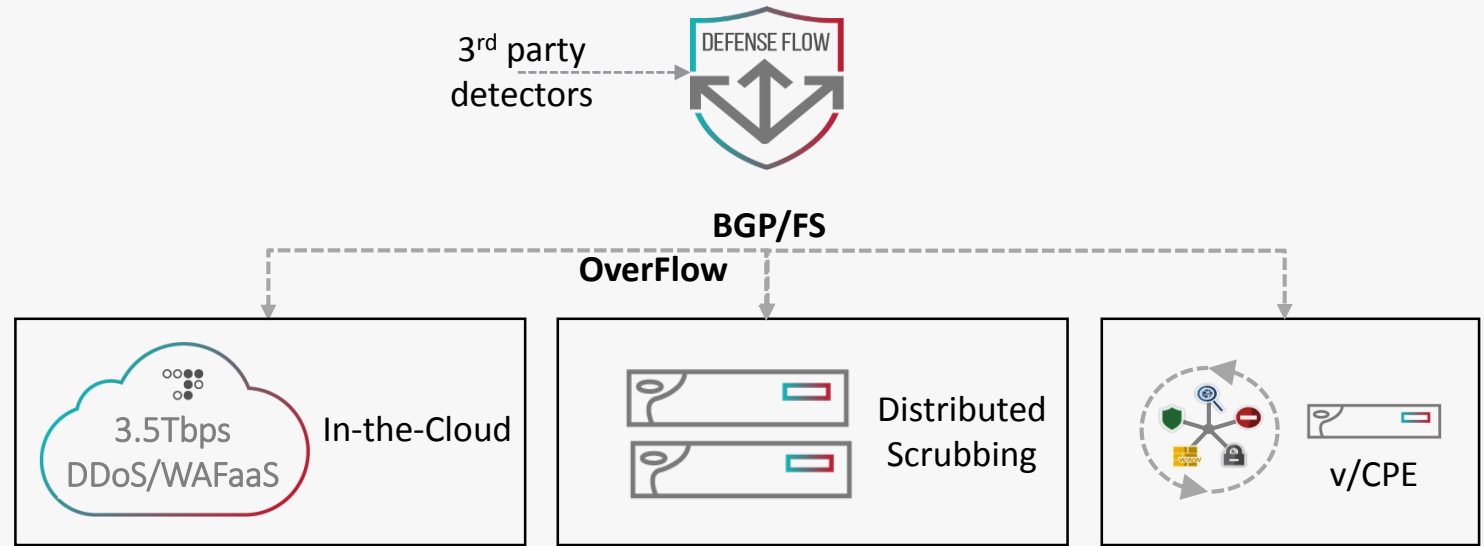
BRIDGING ALL TOGETHER: SMART PREM MACHINES-to-SMART CLOUD

BEST OF BOTH WORLDS: Auto-detect-and-mitigate @ premise, once **overflow defense** is needed → Mitigation continuous In-the-Cloud

Control-plane Solutions – Defense Automation



Service Providers
SecOps



Scrubbing

PROTECT THE NETWORK

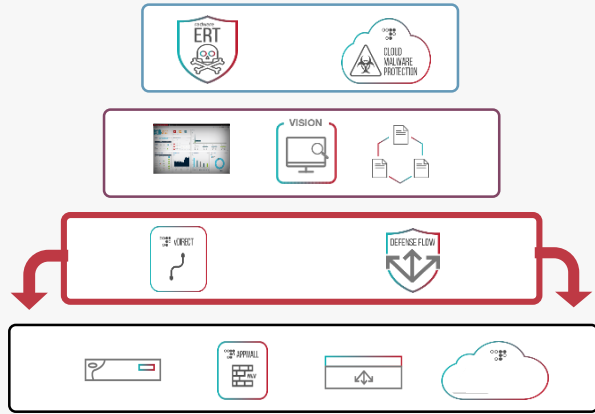
3rd party NetFlow detectors tight integration: Nokia, Kentik, Arbor...

MSSP

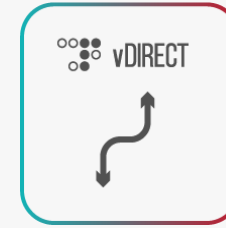
PROTECT THE CUSTOMER

Hybrid protection – v/CPE with **overflow** protection to scrubbing

Control-plane Solutions – Service Orchestration



Service On-boarding
and LifeCycle Mgmt



Service Onboarding

INTEG. W/ORCHESTRATORS

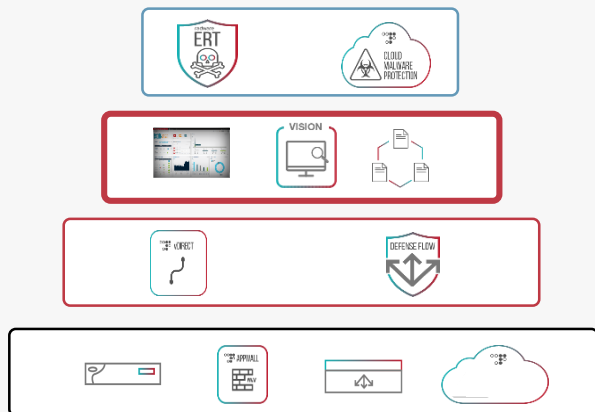
Integrate w/customer's orchestration workflows: Traditional Data-centers, SDDC/SDN, Networking

DevOps World

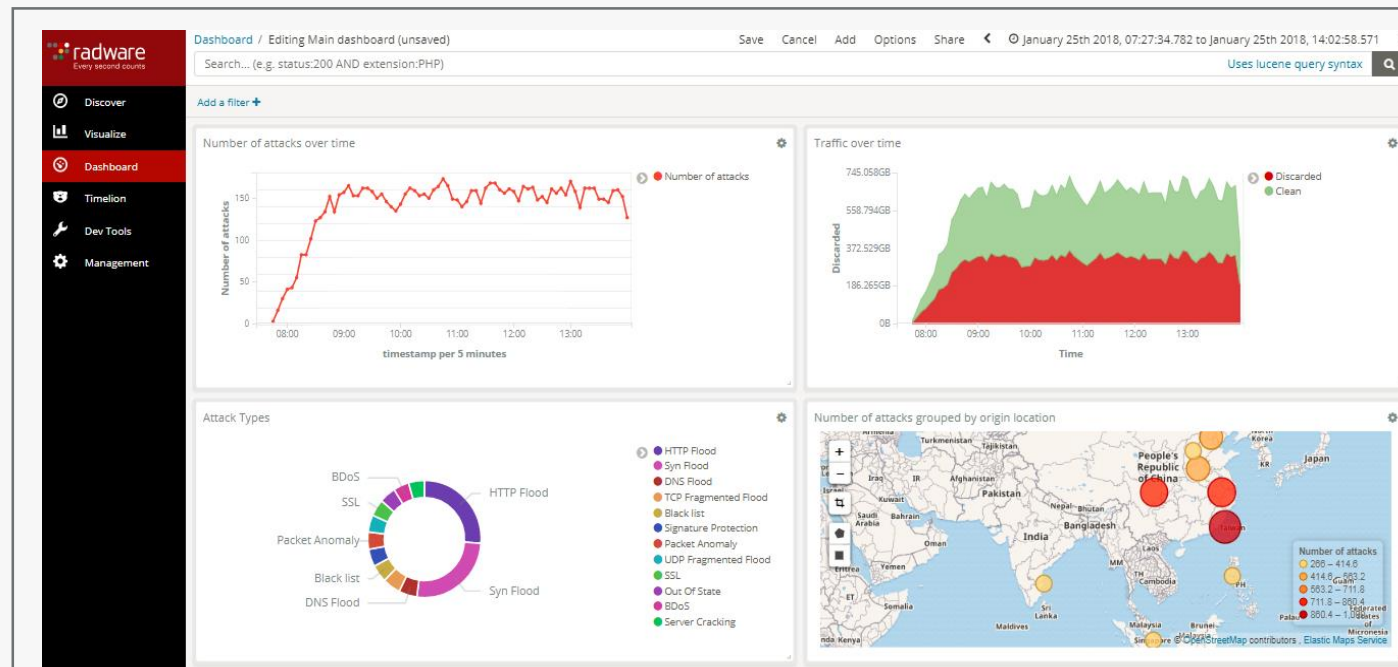
CONFIG. PLAYBOOKS

Accelerate Day2+ configurations utilizing custom workflows to manage ephemeral workloads

Management, Visibility – Intuitive UX, Open Platform



Operations Made Easy



Operations Focus

ABSTRACT OPS COMPLEXITY

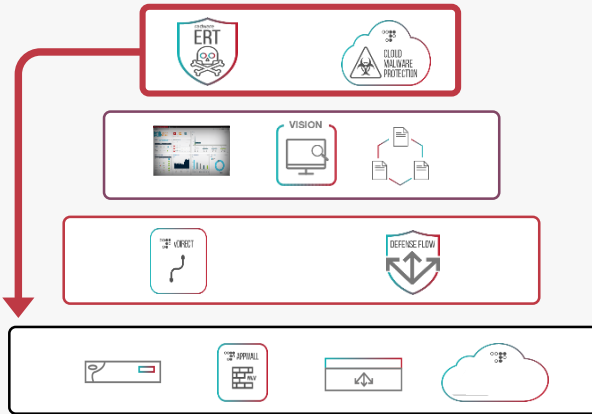
Intuitive navigation, Report-2-Action screens, large-scale retention...

Open Platform

BE INNOVATIVE, BE FAST

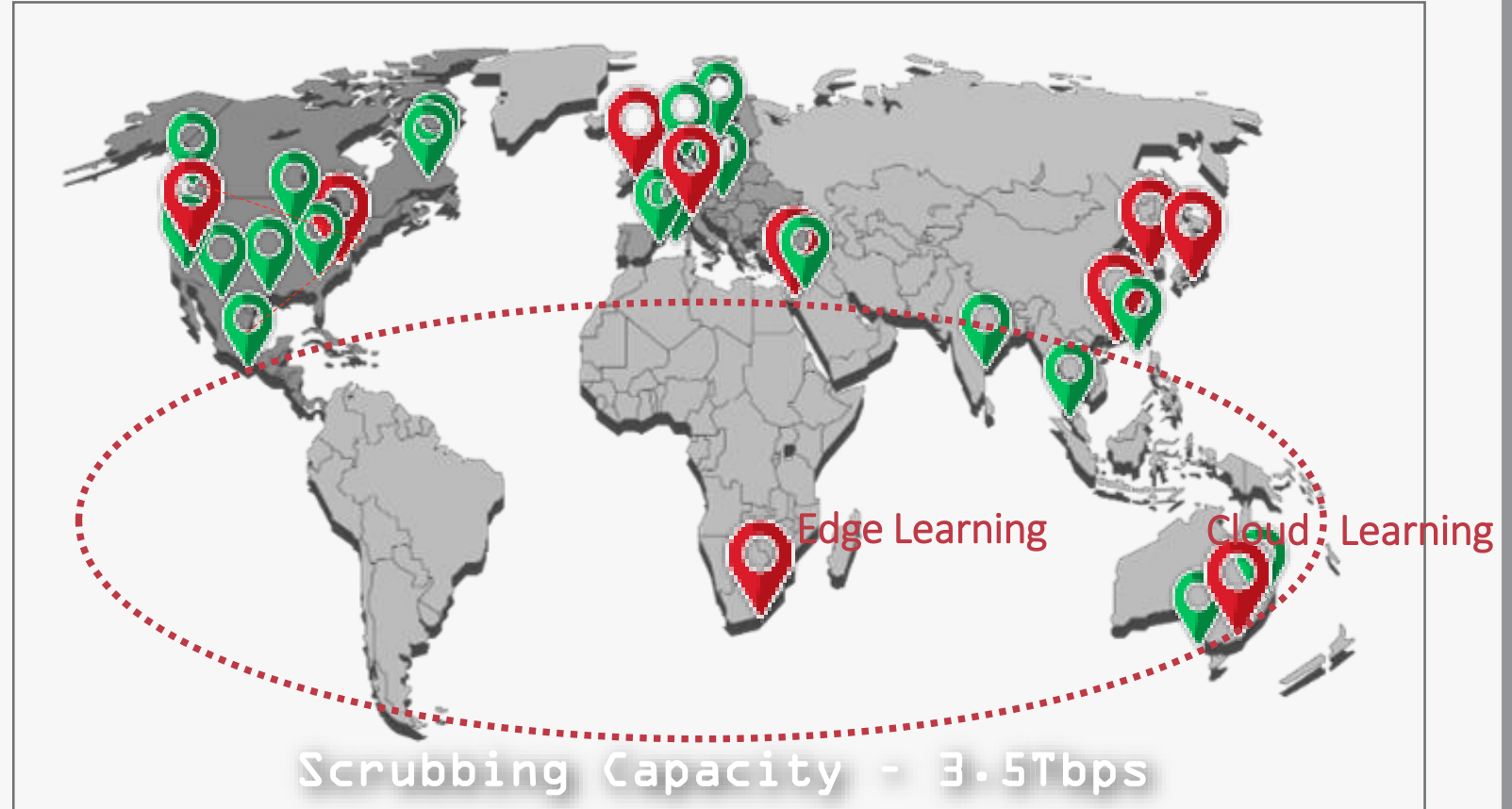
Security Data Lakes interconnect, ADAPT to customer's requirements

Big-Data, Machine Learning Layer – RT Analytic Feeds



Cloud Factories

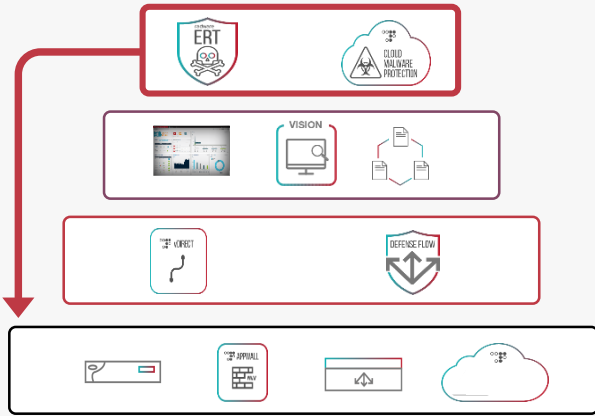
Leveraging our GLOBAL Presence for Big Data Threat Analytics



Platform for Defense Insights & Feeds

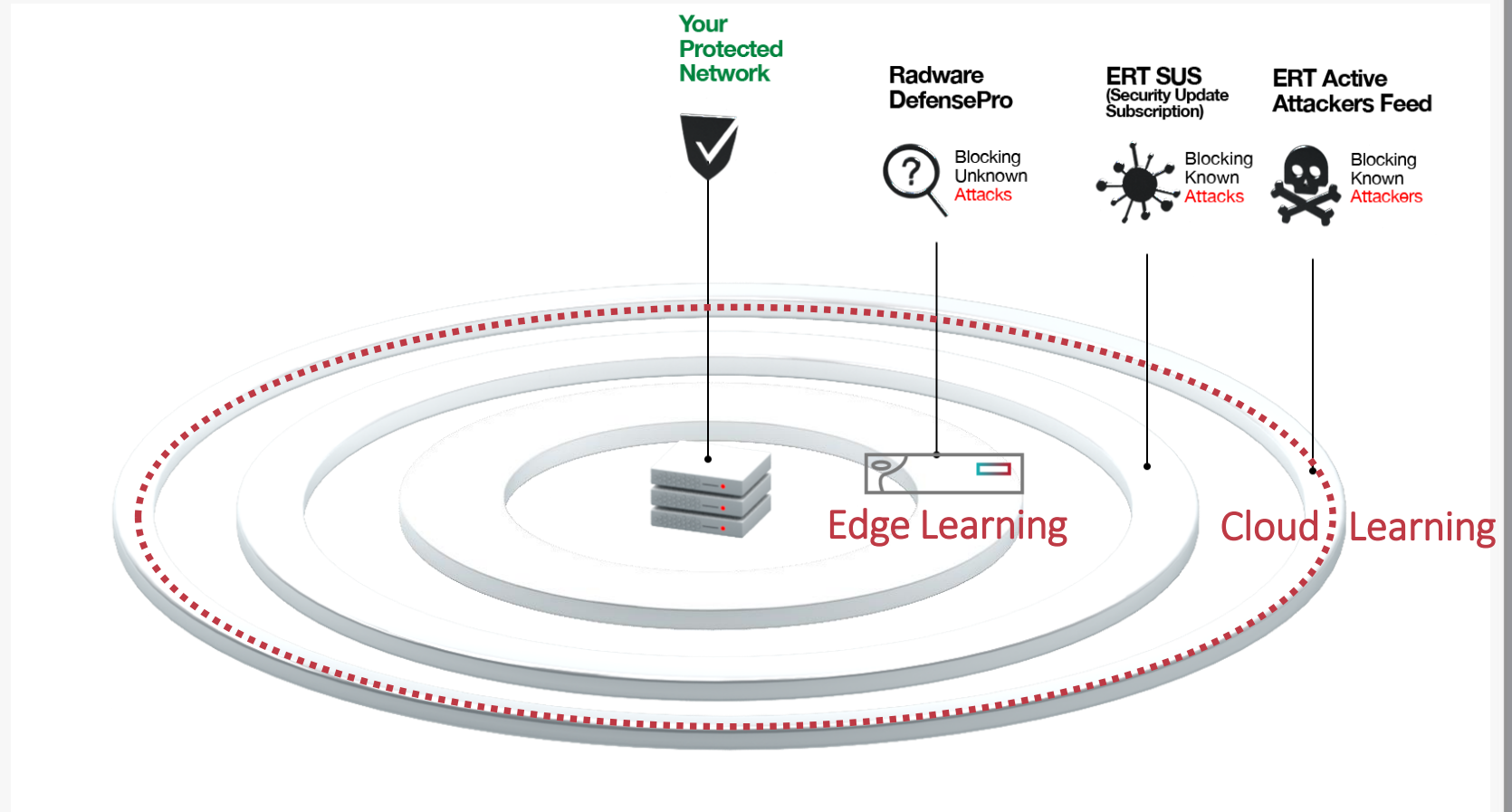
GLOBAL deception and honeypot network for Reputation and Bots analysis → **Real-time Analytic Feed** (aka FBI Watch-List)

Big-Data, Machine Learning Layer – RT Analytic Feeds



Cloud Factories

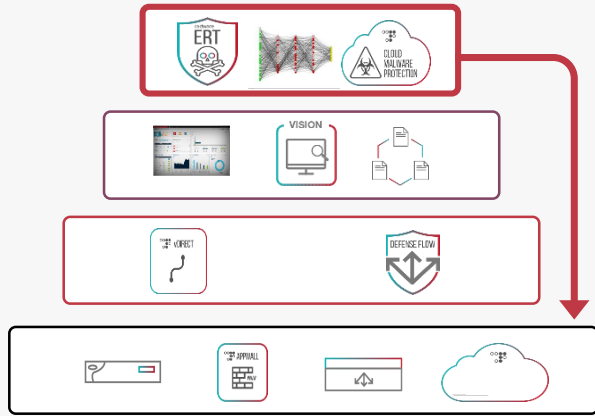
Leveraging our GLOBAL Presence for Big Data Threat Analytics



Platform for Defense Insights & Feeds

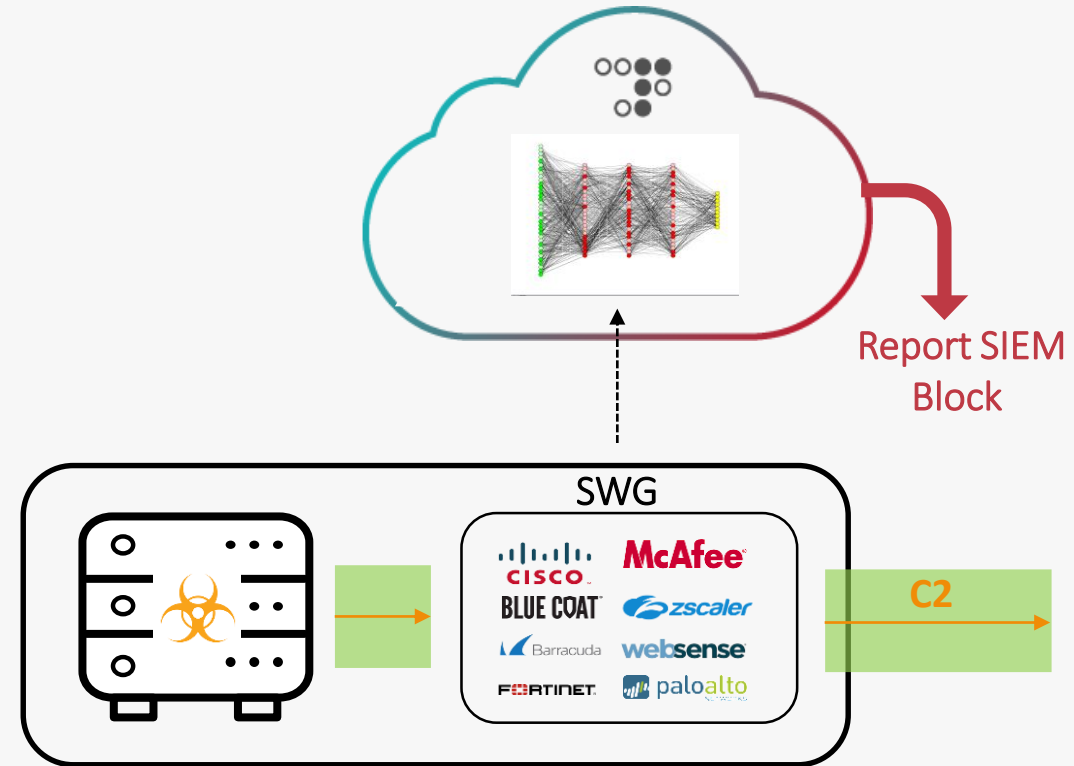
GLOBAL deception and honeypot network for Reputation and Bots analysis → **Real-time Analytic Feed** (aka FBI Watch-List)

Big-Data, Machine Learning – Cloud Malware Protection



Cloud based
Machine-Learning
Factory:

*Cloud Malware
Protection (CMP)*

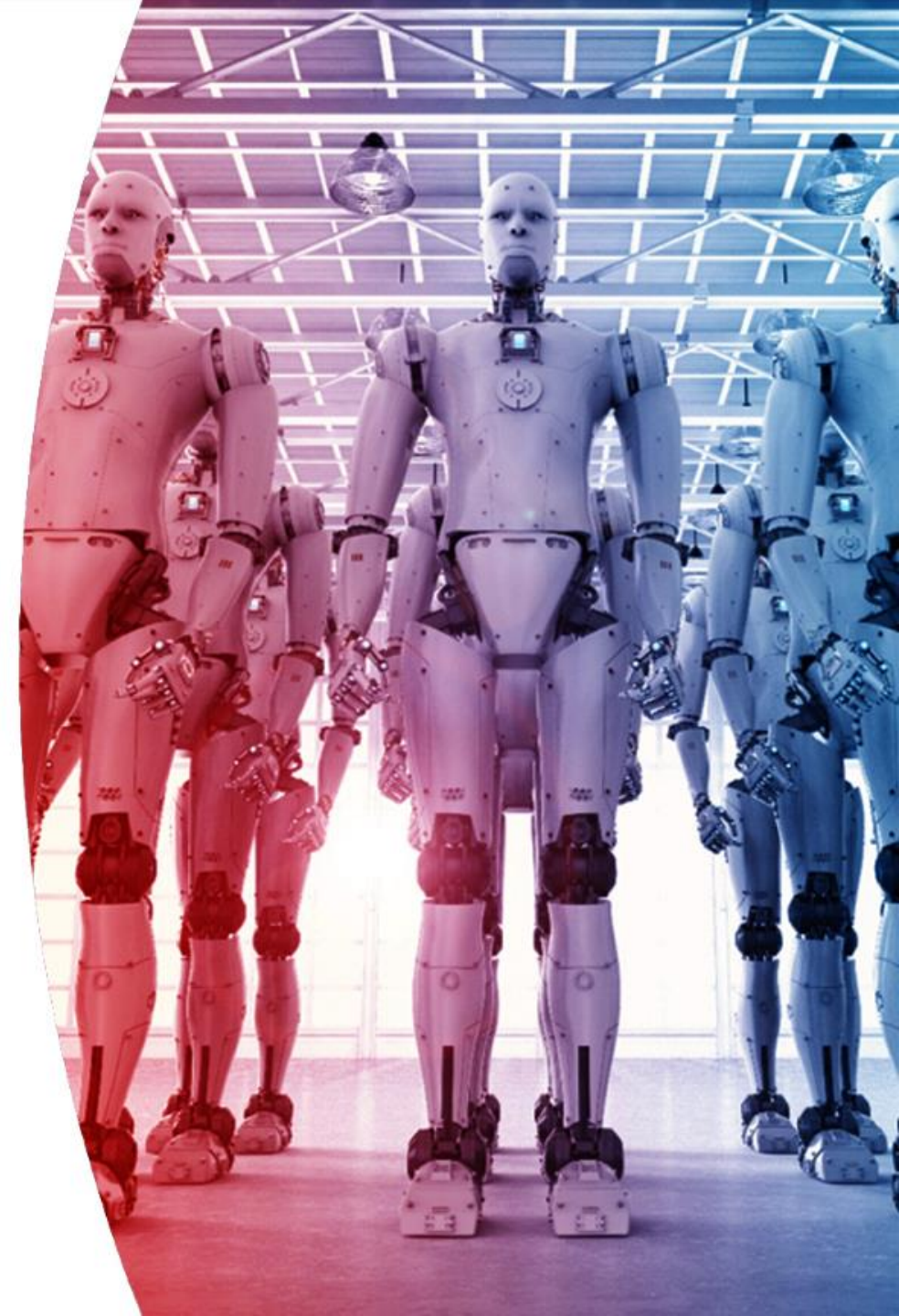


Zero-day Malware Protection Service

Detect hidden malicious Command and Control Channels (C2/DGA)
Supervised Deep-Learning, Sandbox-100,000 samples/day

Summary

- Multi-dimensional competitive solutions ... ever expanding ...
- In era of disruption, we provide a wide defense posture for both enterprise and service-providers
- Our portfolio breadth impacts the Defender Economy





Radware Marketing

Anna Convery-Pelletier
CMO

February 2018

A Customer Testimonial

https://www.youtube.com/watch?v=g_FqRFYDQCU&t=26s

Challenges & Opportunities

- **Broader and Deeper Market**
- **“Challenger” Brand**
- **Market Traction**
- **Market Expansion**

A Broader Addressable Market A Deeper Target Persona Appeal

THE NEW DIGITAL ENTERPRISE IS DRIVEN BY TWO MAJOR BUSINESS INITIATIVES:

CUSTOMER EXPERIENCE

Gartner 2018  predicts that by **MORE THAN 50%** of organizations will redirect their investment to


CUSTOMER EXPERIENCE INNOVATIONS

—BY —
2020

customer experience
will overtake price and product as the

KEY BRAND DIFFERENTIATOR

In a few years

89% 
of Businesses


**WILL COMPETE ON
CUSTOMER EXPERIENCE**

(versus 36% four years ago)

Sources: Gartner, Capgemini-consulting , Vision Critical

THE NEW DIGITAL ENTERPRISE IS DRIVEN BY TWO MAJOR BUSINESS INITIATIVES:

DIGITAL TRANSFORMATION

77%  of IT managers believe that digital transformation helps **INCREASE CUSTOMER SATISFACTION**

By 2018 **67%** of the CEOs of Global 2000 enterprises will have digital transformation **STRATEGIC INITIATIVES AS CORE STRATEGY**

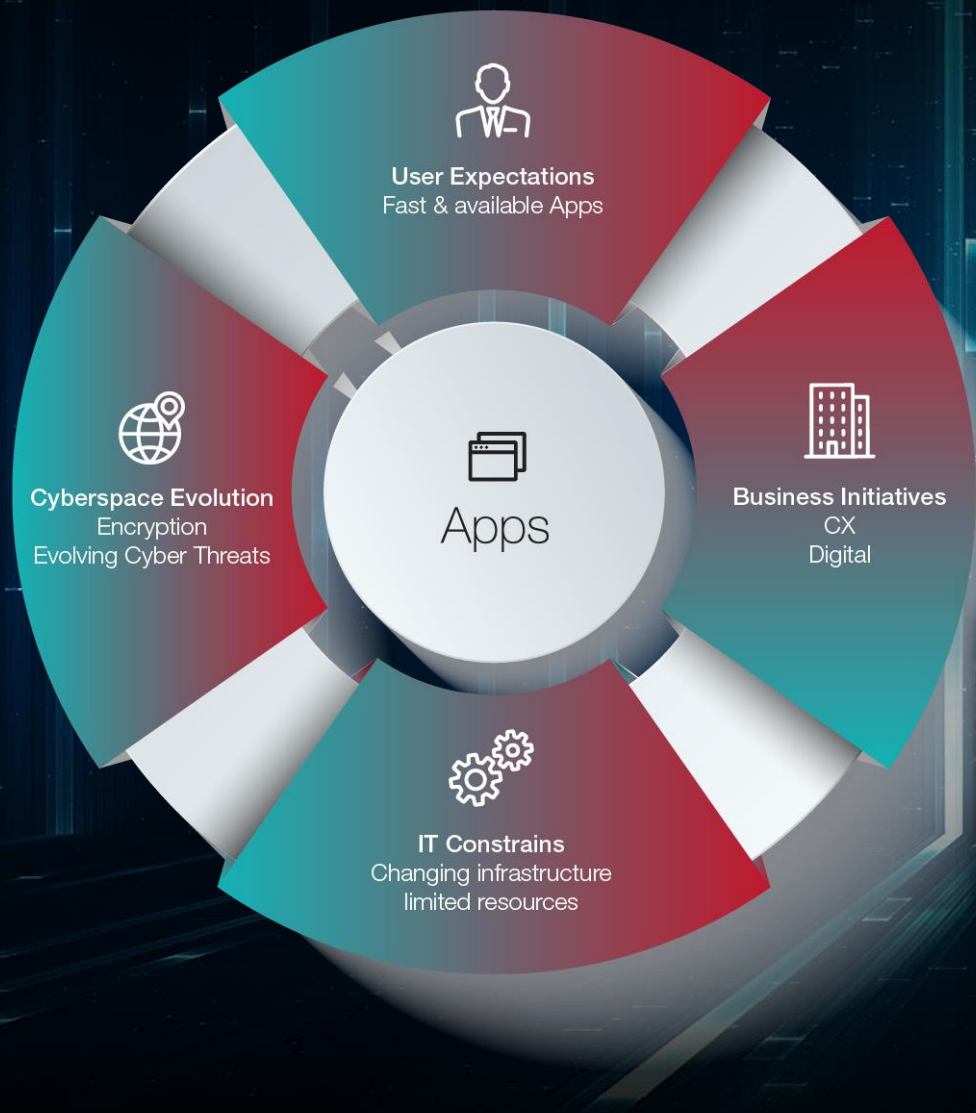
87% of companies see digital transformation as an opportunity to **DEVELOP A COMPETITIVE EDGE**

67% of executives believe that digital transformation is now **A QUESTION OF SURVIVAL**

Sources: Gartner, Capgemini-consulting , Vision Critical



THE WORLD IS GOING DIGITAL and Apps Become the Center of CX





A “Challenger” Brand Strategy

Adopting a Challenger GTM Strategy

TARGET ACCOUNT SELLING

THOUGHT LEADERSHIP

INNOVATION

INTELLIGENCE

TECHNOLOGY

**SOLUTIONS
DRIVEN**

BUSINESS IMPACT

PARTNERSHIPS



Market Expansion


Maximizing Our Customer Base
Increasing Awareness with
Strategic Partners

Leading Indicators of Market Relevance - Demand Generation



52% Of Attacked Business Suffered DDoS Attacks

radware THE WIDEST ATTACK COVERAGE



radware

Make the Switch to Better
With Radware Cloud Services

CONFIRMED: 50% Discount on Cloud DDoS! Interested?

Up to 50% off your current Akamai contract cost when switching from your Akamai service to Radware Cloud DDoS or Cloud WAF Services.

Offer is limited with this special offer so please don't hesitate to *make the switch to better!*

LEARN MORE



8 Of The World's Top 15 Stock Exchanges Rely On Radware's Real-Time, Zero-Day DDoS Protection.

LEARN MORE

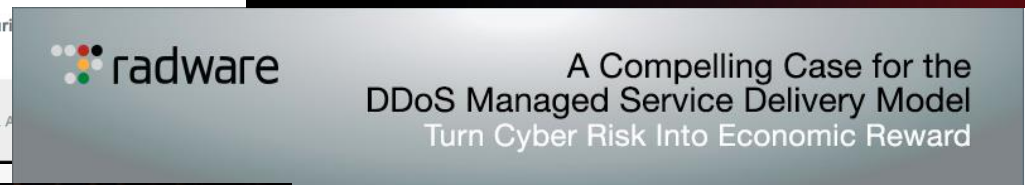
radware THE WIDEST ATTACK COVERAGE



radware

special offer, [schedule a call](#) with one of our security experts.

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radware

A Compelling Case for the DDoS Managed Service Delivery Model
Turn Cyber Risk Into Economic Reward

RISK-FREE OPPORTUNITY FOR CLOUD SECURITY SERVICE RESELLING

Radware is offering cloud hosting providers a risk-free opportunity. Reselling security services without any upfront investment.

[Read](#) the attached program guide to understand our scalable model that enables cloud hosting providers to begin with simple reselling without any upfront investment.

It's time to create new revenue streams, reduce churn and start providing unmatched value and security services to your customers.

[Click here](#) for the details and let's talk about how we can help you grow your business!



DOWNLOAD



SSL Floods, DNS Attacks, Burst Attacks – Are You Covered?
Get Radware's Real-Time, Automated Protection Against Dynamic Threats.

radware THE WIDEST ATTACK COVERAGE

As enterprises rely on service organization, DDoS managed services offer a new opportunity for service organizations while delivering value to their customers to drive the bottom line.

by Reading analyst Jim Hodges

DDoS managed services
operational expenses, pricing structures,

and long-term financial and



DOWNLOAD THE WHITE PAPER

CONTACT US



63

Maximizing Our Global Customer Base

Over 12,500 Customers



8 Of Top **12**

World's Stock
Exchanges



11 Of Top **20**

World's Banks



10 Of Top **10**

World Telecom
Companies



3 Of Top **8**

N. American
Application Software
Companies



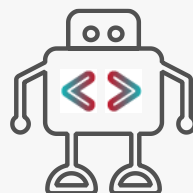
4 Of **13**

Most Widely Used
SaaS Applications

Target Vertical Markets – Monetization & Impact

40%

Of **retailers** report bot traffic above 75% of total



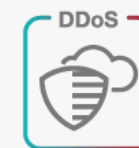
42%

Of **education** institutes actually fear availability issues, over data theft or reputation loss



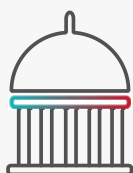
31%

Of **service providers** intend to invest in DDoS mitigation in 2018



24%

Of **government** and **public sector** organizations suffer attacks daily



73%

Of **healthcare's** express low to medium confidence in securing patient records



44%

Of **financials** do not track the dark web after a data security breach

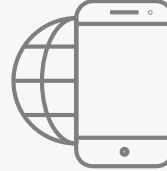


And rapid growth in Cloud Security customers



GLOBAL TECHNOLOGY
PROVIDER

8 Datacenters Globally



GLOBAL BUSINESS
CONSULTING

Protecting **100%**
of all applications



GLOBAL BANKING
SUBSIDIARY

Chosen over **6**
competitive
solutions

Leadership by Go to Market Partnerships



NOKIA



Check Point[®]
SOFTWARE TECHNOLOGIES LTD.

+ 1 more to be announced in 2018

Strategic Partnerships

Growing Market Coverage & Awareness

Radware
Published by Kaitlyn Mueller [?] · June 20 at 5:00am ·

Today kicks off our #HackersChallenge in Paris, France! Make sure to follow us on Twitter (@radware) and our ERT Researcher Daniel Smith (@hypoweb) for live, on-the-ground updates throughout the event.
<https://twitter.com/radware>



4,090 people reached

Boost Post

Like Comment Share

Luca Casale, Alex Ovcharov and 6 others

2 shares

5 shares

Luca Casale, Alex Ovcharov and 6 others

Like Comment Share

4,090 people reached

Boost Post



Radware EMEA @Radware_EMEA · Jun 22

We are ready to start the #hacking competition. The event is about to begin in Munich, Germany! #hackerschallenge @radware and @Cisco



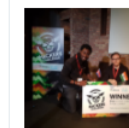
4 3 3



Radware @radware

Following

Congratulations, and thank you for participating!



|S|A|X|X| @_SaxX_

And the winners are @_SaxX_ and @Notfound404_. Thanks @radware and @Cisco for this great event #hackersChallenge cc @HexpressoCTF #Paris 🙌

Retweets 5

Likes 6



3:09 PM - 20 Jun 2017

3:08 PM - 20 Jun 2017

Retweets 2

Likes 0



@HexpressoCTF #Paris 🙌
@radware and @Cisco for this great event #hackersChallenge cc @_SaxX_ and @Notfound404_ Thanks for organizing!

Challenges & Opportunities

- **Broader and Deeper Market**
- **“Challenger” Brand**
- **Market Traction**
- **Market Expansion**



Financial Overview

Doron Abramovitch
CFO

February 18



SUMMARY 2017

Revenues of
\$211M
up **8%**

Total Deferred
Revenues of
\$148M up **22%**

Cloud and
Subscriptions
a Material part of the
Business Model

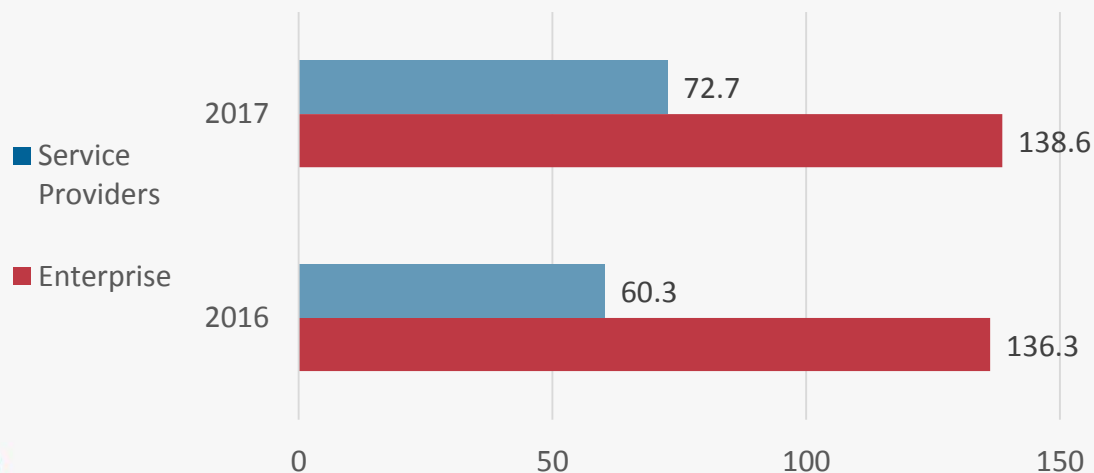
Book to bill
significantly
larger than **1**

Strong **Cash**
Generation and
Cash Position

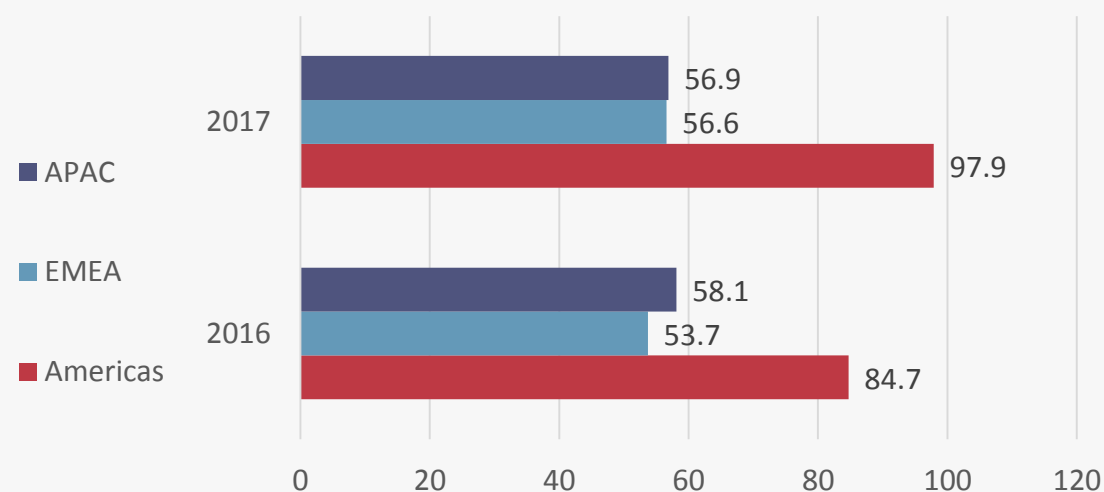
Revenues of \$211M - up 8%

- Diversified geographic exposure (Bookings growth in all regions)
- Subscription and cloud adoption increased cross-selling opportunities

Revenues by Vertical



Revenues by Region



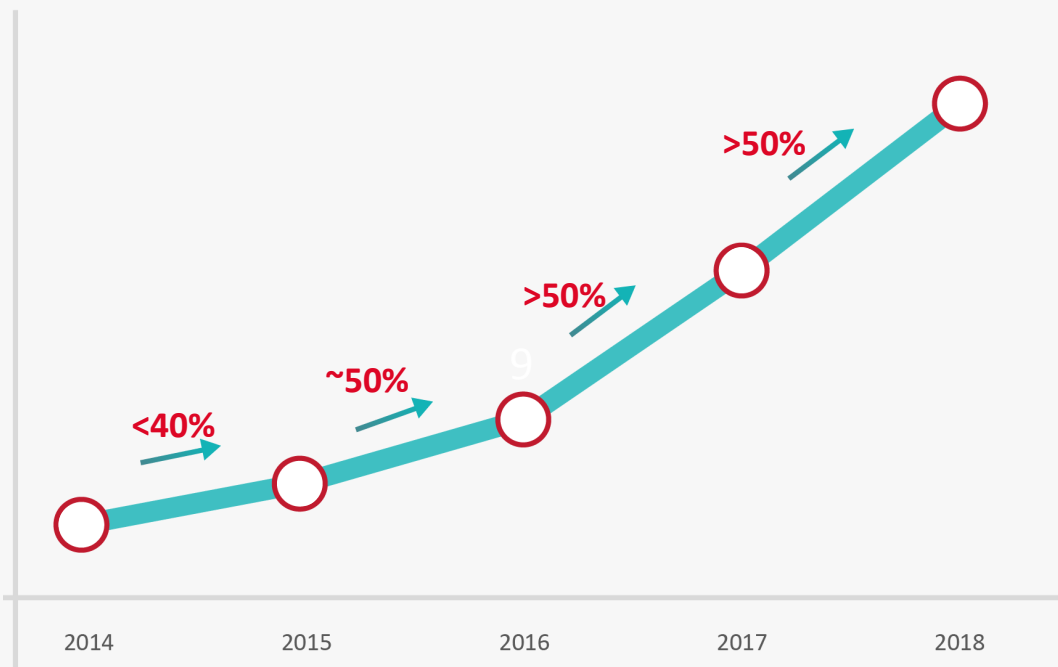


FINANCIAL STRATEGY IN A CLOUD WORLD

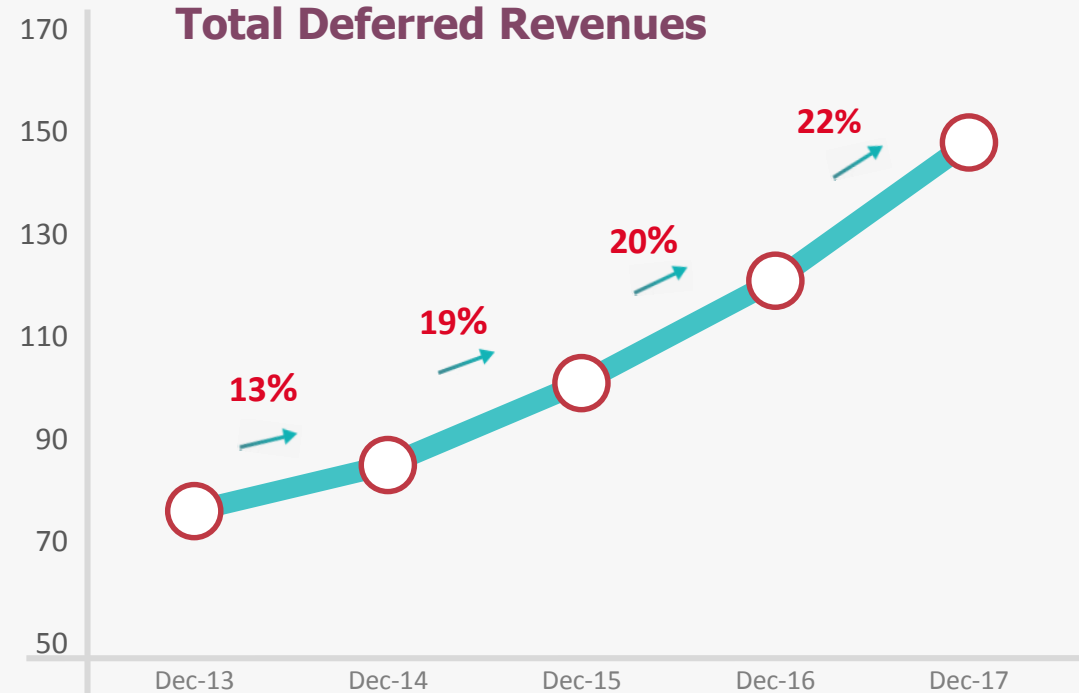
Solid Subscriptions Growth

IMPACT OUR MODEL

Subscription Bookings



Total Deferred Revenues





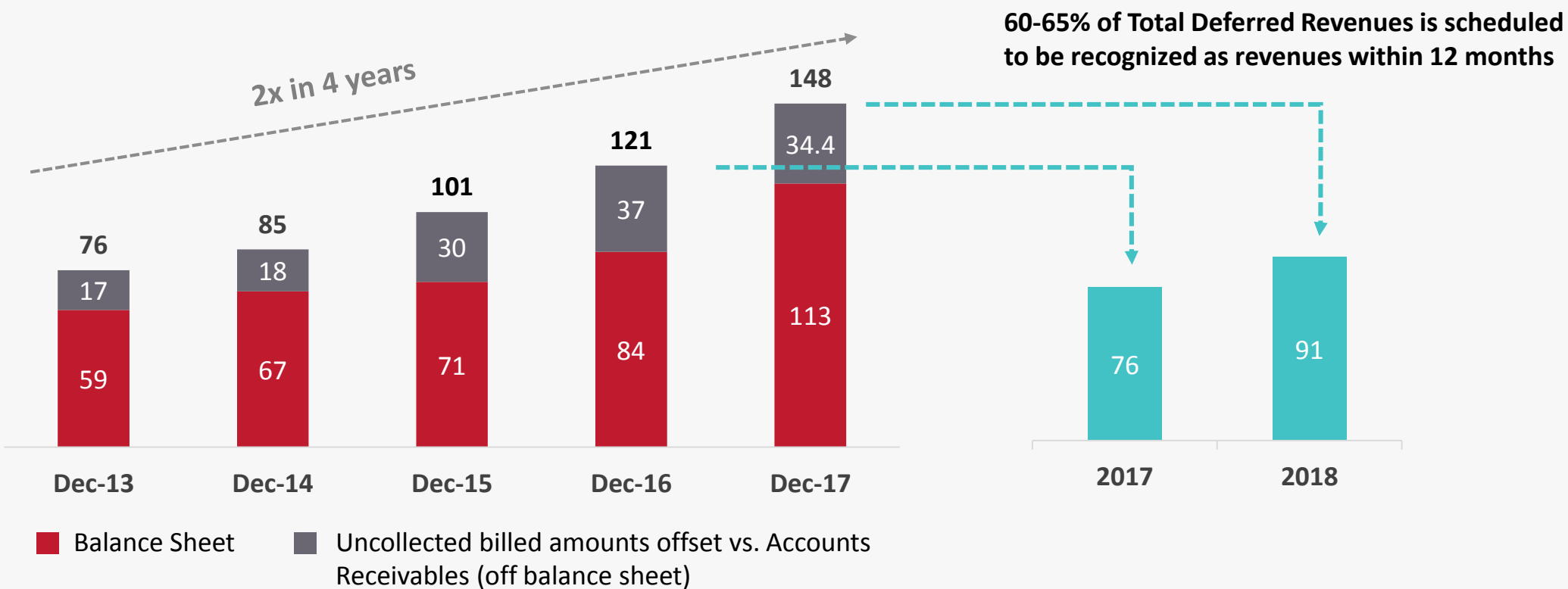
Shift to Subscriptions (1)

TOTAL DEFERRED REVENUES

Total Deferred

Provides Us With **Visibility & Confidence** For Future Financial Performance

Total Deferred Revenues (\$M)



Shift to Subscriptions (2)

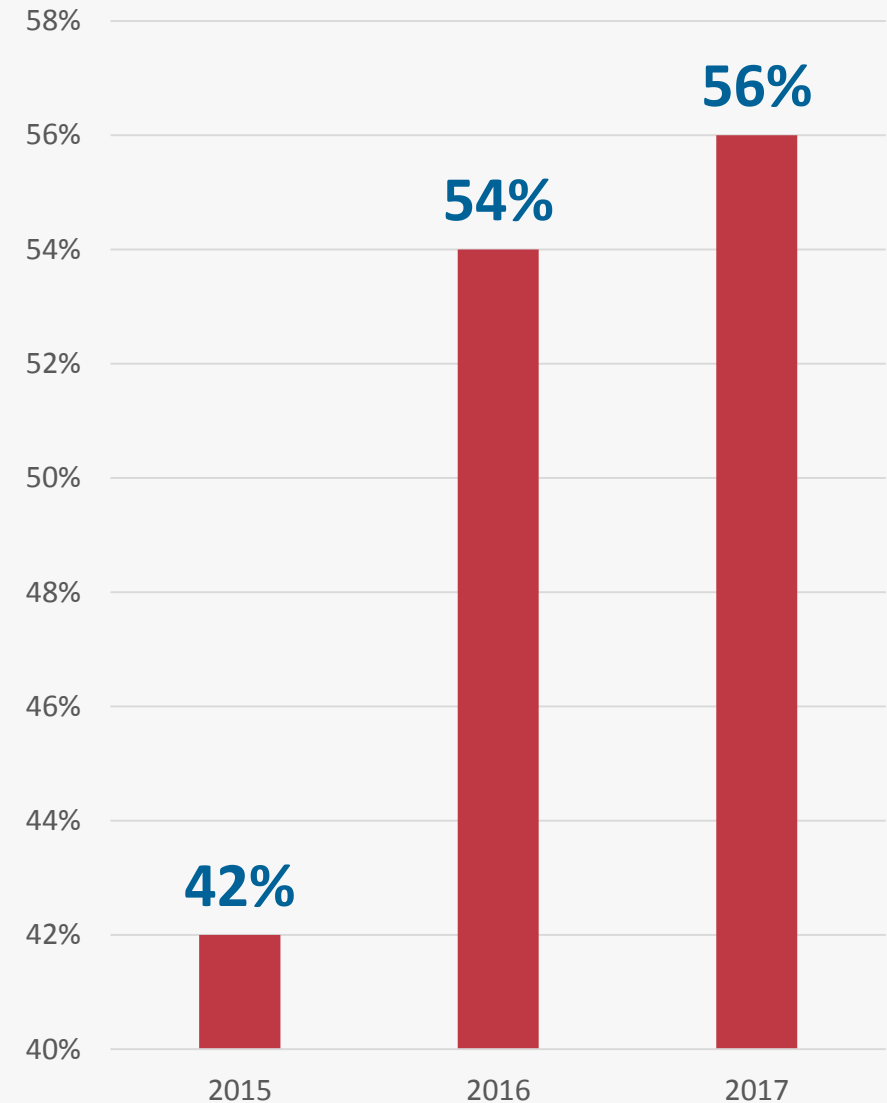
OUR RECURRING REVENUES

Business Mix

Provides Us With **Visibility & Confidence** For Future Financial Performance

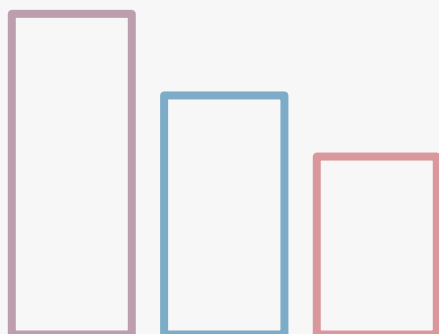
Radware's Recurring Revenues include support, cloud services and product Subscription

Recurring Revenues as % of Total



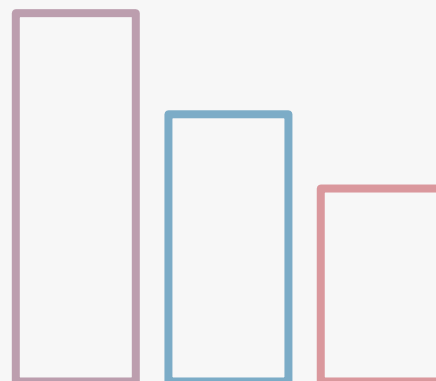
Operating Leverage Impact

ASC606



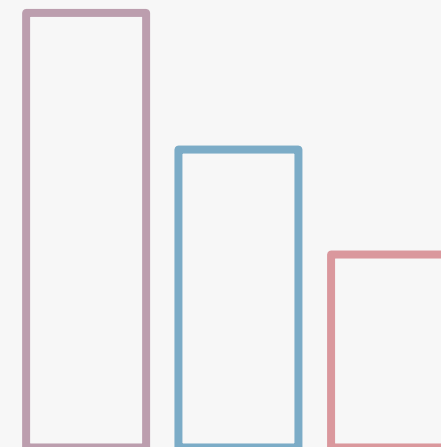
2017

- Commissions are recognized; subscription bookings unrecognized
- Mismatch between expenses and revenues negatively affects margin



2018

- ASC 606 - Commissions are recognized in parallel to revenues
- Retrospective method: offsetting expenses gains increase in retained earnings for 2017
- No impact on revenues



2019

- Higher positive impact of ASC606 (compared to 2017)



GETTING READY FOR 2018

The Market is Ready for a **STRONG 2018**

REAFFIRMING Q1 18 GUIDANCE

	Q1 17	Q1 18 G
Revenues	\$48.9M	\$53-55M
Non-GAAP Gross Margin	82.2%	82%
Non-GAAP Operating Expenses	\$41M	\$43-44M
Non-GAAP Tax Rate	13%	14%
Non-GAAP EPS	\$0.02	\$0.04-0.06

The Market is Ready for a **STRONG 2018**

FY2018 ASSUMPTIONS

	2017	2018 G
Revenues	\$211M	8-10% growth
Non-GAAP Gross Margin	82.2%	Stable
Non-GAAP Operating Expenses	\$170M	Modest increase: <ul style="list-style-type: none"> • Headcount: flat • FX: moderately negative impact • Sales commissions: flat to low single-digit growth
Non-GAAP Tax Rate	18%	~14%
Non-GAAP EPS	\$0.17	Growth
Total Deferred Revenue*	\$148M	Higher growth than revenues

**as defined by the Company*



LONG TERM MODEL

Long Term Base Assumptions

SIGNIFICANT OPPORTUNITY AHEAD OF US



Clear focus on **high growth segments**

- Cloud, services and virtual >15% CAGR
- Overall market growth high single digit CAGR



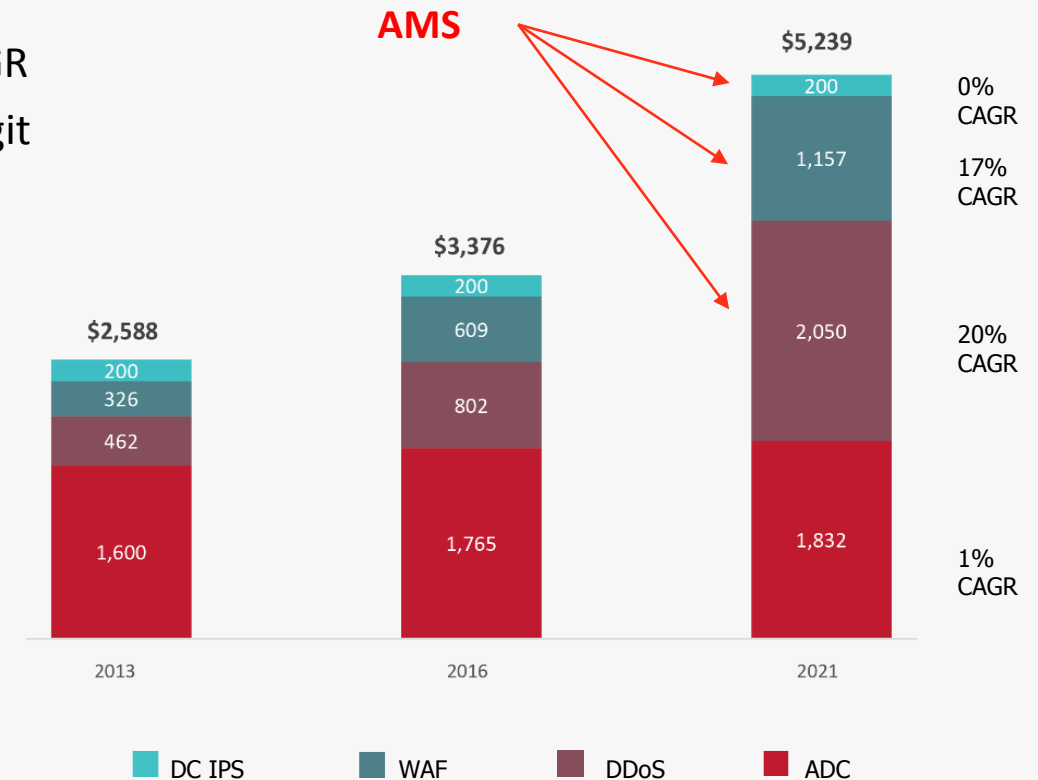
Expanding **solution offering**



Leverage **cross-selling** opportunities

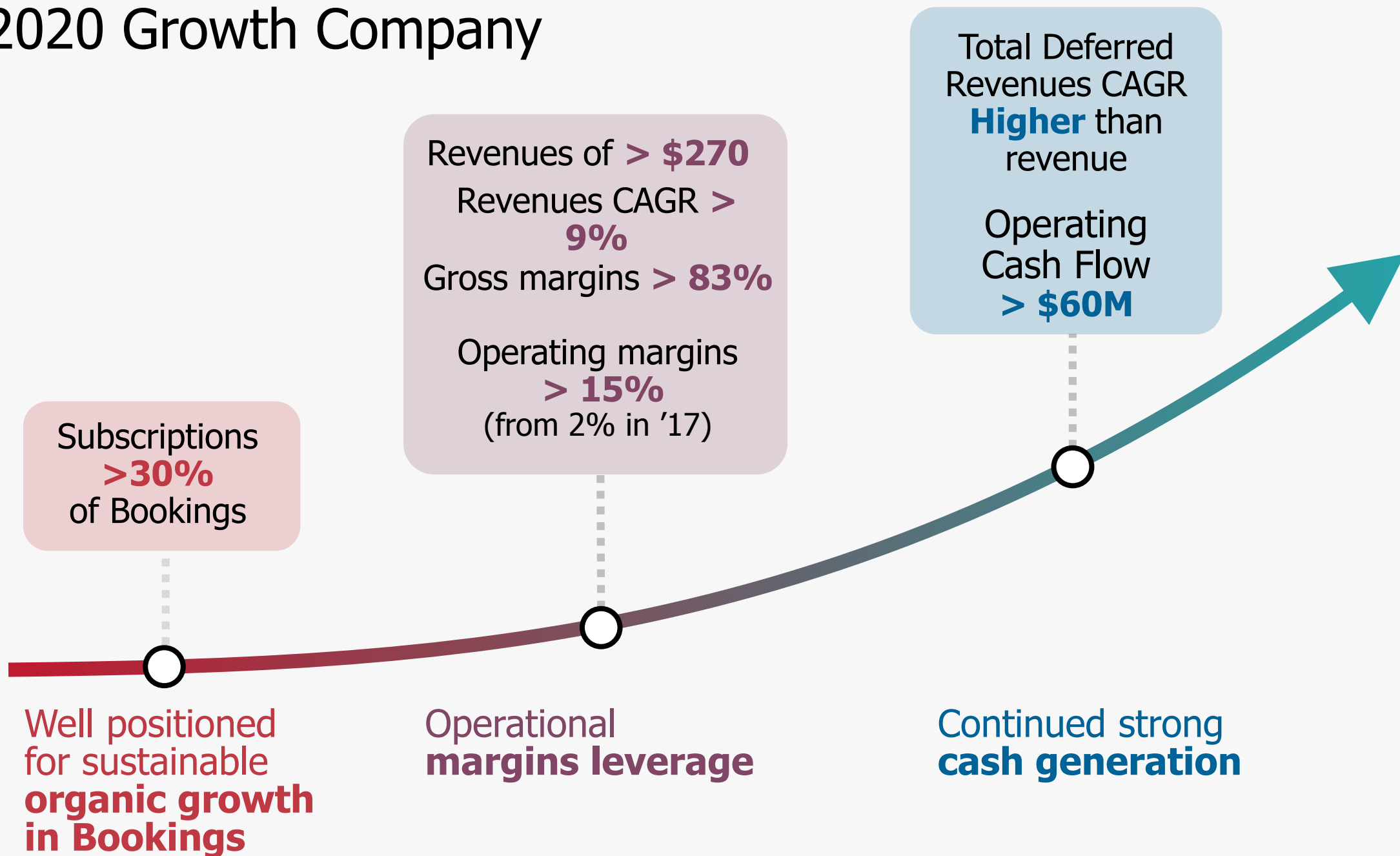


Enhanced **go-to-market**





2020 Growth Company





Thank You