



# Investor Presentation

February 2022





# SAFE HARBOR

*This presentation includes “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. Any statements made herein that are not statements of historical fact, including statements about Radware’s plans, outlook, beliefs or opinions, are forward-looking statements. Generally, forward-looking statements may be identified by words such as “believes,” “expects,” “anticipates,” “intends,” “estimates,” “plans,” and similar expressions or future or conditional verbs such as “will,” “should,” “would,” “may” and “could.” Because such statements deal with future events, they are subject to various risks and uncertainties, and actual results, expressed or implied by such forward-looking statements, could differ materially from Radware’s current forecasts and estimates. Factors that could cause or contribute to such differences include, but are not limited to: the impact of global economic conditions and volatility of the market for our products; natural disasters and public health crises, such as the COVID-19 pandemic; our ability to expand our operations effectively; timely availability and customer acceptance of our new and existing solutions; risks and uncertainties relating to acquisitions or other investments; the impact of economic and political uncertainties and weaknesses in various regions of the world, including the commencement or escalation of hostilities or acts of terrorism; intense competition in the market for cyber security and application delivery solutions and in our industry in general and changes in the competitive landscape; changes in government regulation; outages, interruptions or delays in hosting services or our internal network system; compliance with open source and third-party licenses; the risk that our intangible assets or goodwill may become impaired; our dependence on independent distributors to sell our products; long sales cycles for our solutions; changes in foreign currency exchange rates; real or perceived shortcomings, defects or vulnerabilities in our solutions or if we or our end-users experience security breaches; the availability of components and manufacturing capacity; our reliance on a single managed security service provider to provide us with scrubbing center services; the ability of vendors to provide our hardware platforms and components for our main accessories; our ability to protect our proprietary technology; intellectual property infringement claims made by third parties; changes in tax laws; our ability to realize our investment objectives for our cash and liquid investments; our ability to attract, train and retain highly qualified personnel; and other factors and risks over which we may have little or no control. This list is intended to identify only certain of the principal factors that could cause actual results to differ. For a more detailed description of the risks and uncertainties affecting Radware, refer to Radware’s Annual Report on Form 20-F, filed with the Securities and Exchange Commission (SEC) and the other risk factors discussed from time to time by Radware in reports filed with, or furnished to, the SEC. Forward-looking statements speak only as of the date on which they are made and, except as required by applicable law, Radware undertakes no commitment to revise or update any forward-looking statement in order to reflect events or circumstances after the date any such statement is made. Radware’s public filings are available from the SEC’s website at [www.sec.gov](http://www.sec.gov) or may be obtained on Radware’s website at [www.radware.com](http://www.radware.com).*



# Radware in a Snapshot



<b>\$286M</b>	<b>~1,100</b>	<b>~12,500</b>	<b>~40</b>	<b>\$72M</b>
<b>FY21 Revenue</b>	<b>Employees*</b>	<b>Customers*</b>	<b>Countries</b>	<b>FY21 Cash Flow from Operations</b>

\* As of December 31, 2021



# We Secure Digital Experiences

All The Time. Everywhere.

Making applications

**AVAILABLE**



DDoS  
Protection



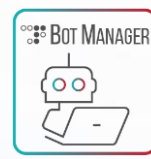
ADC  
Multi-Cloud

Keeping data

**CONFIDENTIAL**



Web App  
Firewall



Bot  
Manager

Protecting

**CLOUD TRANSITION**

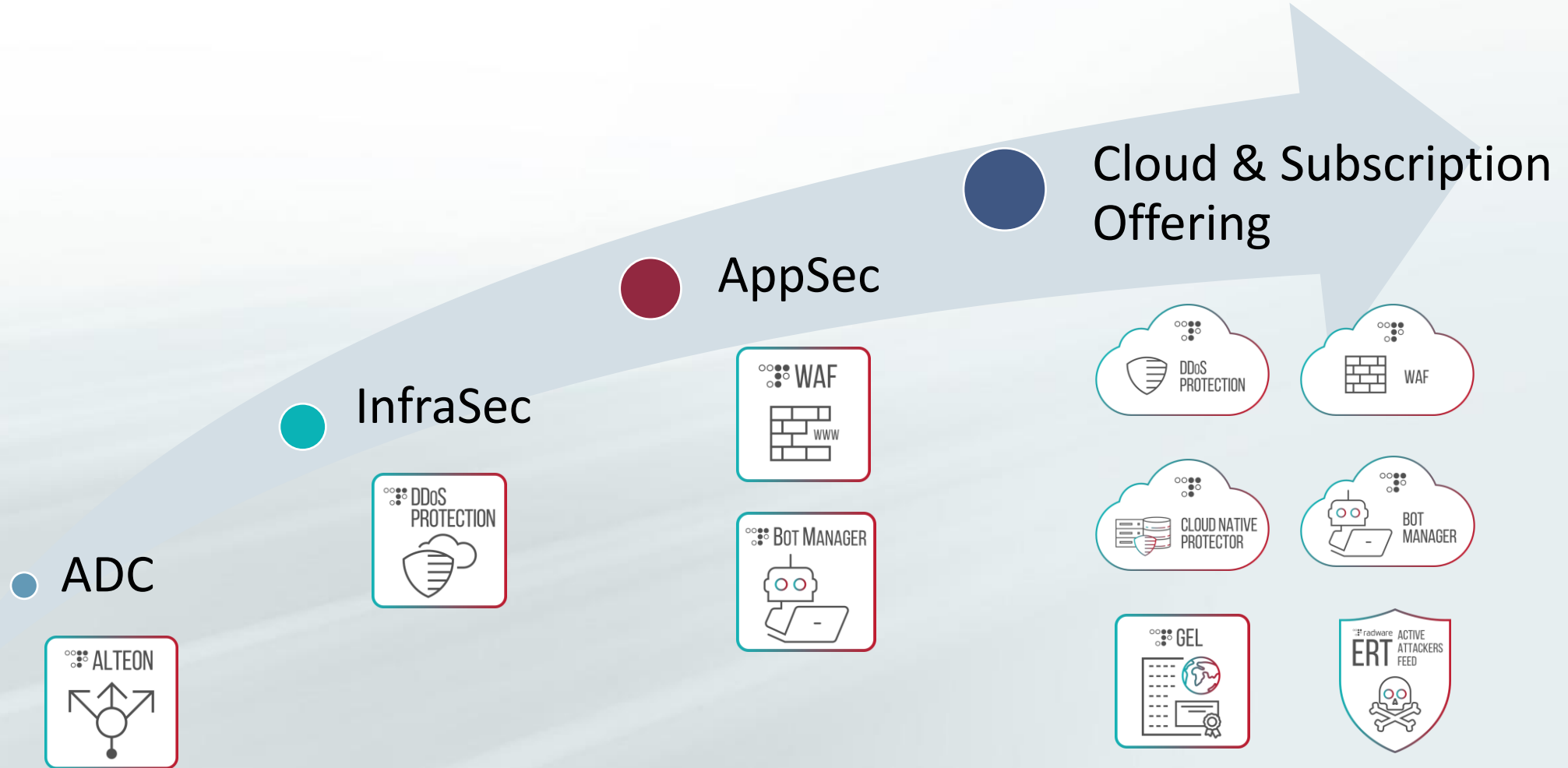


Global Elastic  
License



Cloud Workload  
Protection

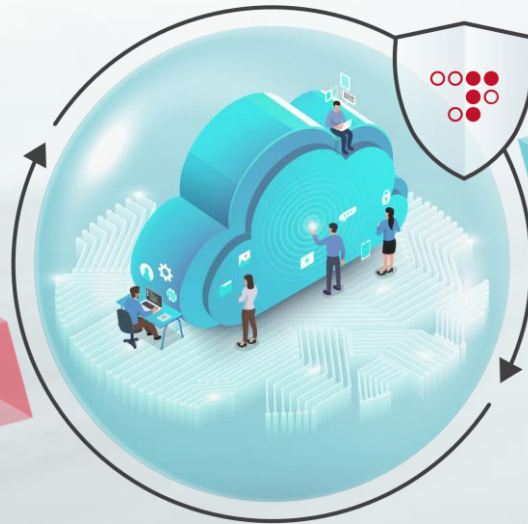
# Radware's Evolution



# Need for HOLISTIC Security Protection

## Protect Infra & Apps

- ✓ L3-7 DDOS
- ✓ WEB APP ATTACKS
- ✓ BAD BOTS
- ✓ API ABUSE



## Secure Cloud Environments

- ✓ PUBLICLY EXPOSED ASSETS
- ✓ MISCONFIGURATIONS
- ✓ PRIVILEGE ESCALATION
- ✓ CREDENTIAL ABUSE

PROTECT YOUR INFRA & APPS ACROSS MULTI ENVIRONMENTS





# The Radware Competitive Differentiators



## LEADING ALGORITHMS

Behavioral and machine-learning technologies Block in Real Time Zero Day Attacks



## END TO END SECURITY

Provide Broad End to End Real Time Application Protection: DDOS, WAF, API, BOT and Cloud Posture Protection



## COMPLETE PROTECTION

Develops the Technology, Provide the People and Service to Ensure Best in Class Security



## FLEXIBLE DEPLOYMENT

Multiple deployment options including Cloud Services, Software and Hybrid



# Investment Highlights



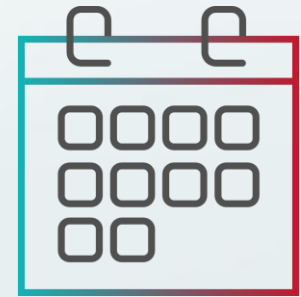
Major Market  
Opportunities



A Leader in  
Cybersecurity



Strong Customer  
Base &  
Partnerships



Fast Growing  
Subscription  
Business





# Investment Highlights



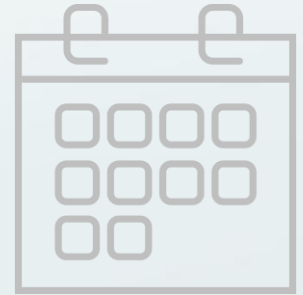
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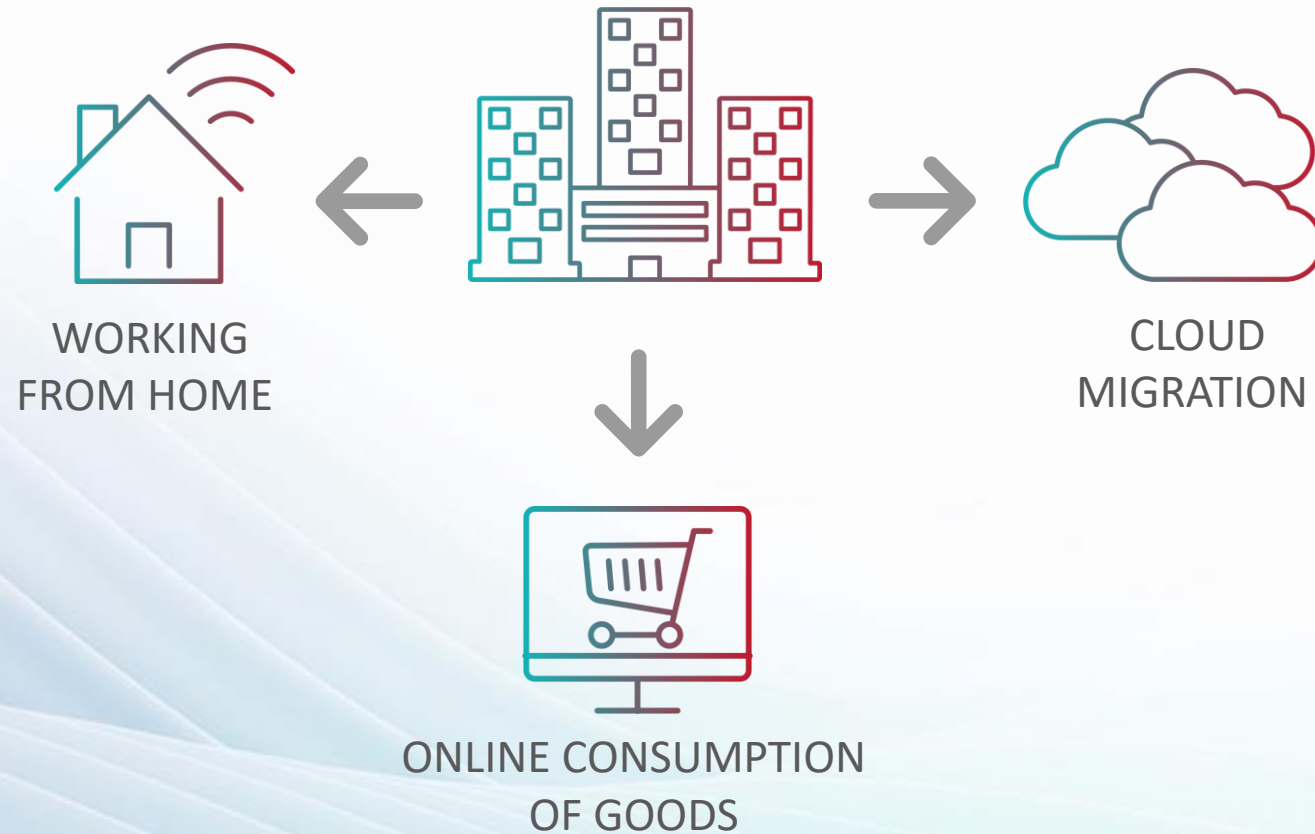
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Fast Growing  
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# Major Market Opportunity

ORGANIZATIONS' ATTACK SURFACE INCREASES DUE TO CHANGING ECONOMY





# Our Markets are Growing Fast

TOTAL ADDRESSABLE MARKET: \$6.8B (FY2020)

## DDoS PROTECTION

MARKET SIZE<sup>(1)</sup>

**\$1.75B**

Total Market CAGR<sup>(1)</sup>: **16.0%**

Products CAGR<sup>(1)</sup>: **12.5%**

Services CAGR<sup>(1)</sup>: **18.0%**

(1) Worldwide DDoS Prevention Products and Services, Forecast, 2018–2023, IDC, February 2020

## WAF

MARKET SIZE<sup>(2)</sup>

**\$1.12B**

Total Market CAGR<sup>(2)</sup>: **24.0%**

(2) Gartner: Forecast Analysis: Information Security and Risk Management, Worldwide, Aug 12, 2021

## BOT MANAGEMENT

MARKET SIZE<sup>(3)</sup>

**\$755M**

CAGR<sup>(3)</sup>: **23.0%**

(3) Forrester Analytics: Application Security Solutions Forecast, 2020 To 2025 (Global), September 2021

## ADC

MARKET SIZE<sup>(4)</sup>

**\$3.2B**

Total Market CAGR<sup>(4)</sup>: **7.8%**

ADC CAGR<sup>(4)</sup>: **1.4%**

ADCaaS CAGR<sup>(4)</sup>: **19.2%**

(4) Worldwide Application Delivery Controller Forecast, 2019–2023, IDC December 2019





# Investment Highlights



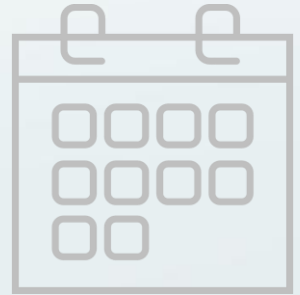
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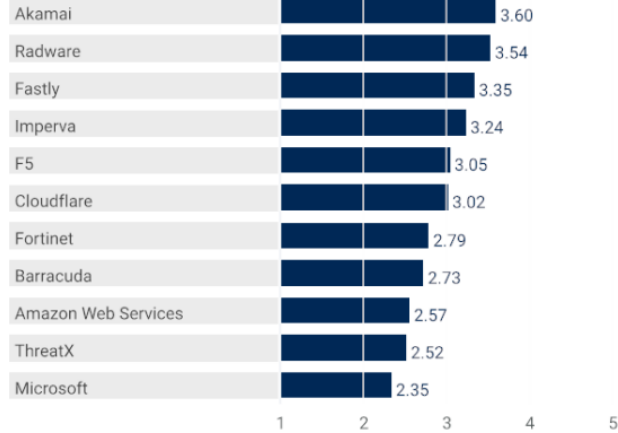
# Winning Industry Recognition



API & HIGH SECURITY 2021

**RANKED #2**

Product or Service Scores for API Security and DevOps



As of 22 August 2021

© Gartner, Inc



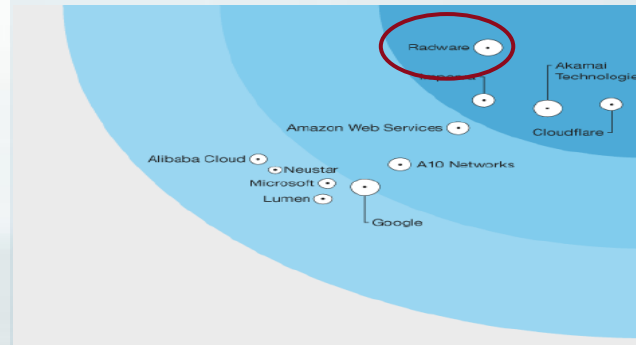
KUBERNETES WAF

**FEATURED FOR INNOVATION**

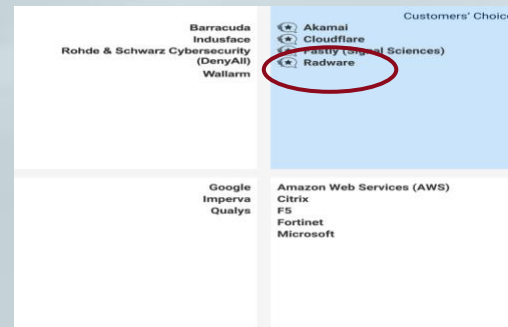


DDOS MITIGATION SOLUTION Q1 2021

**LEADER**

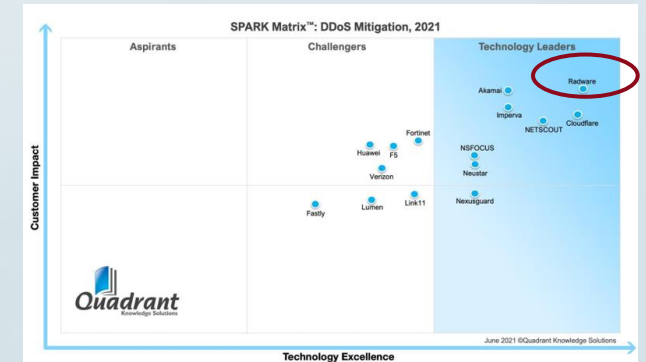


**'Voice of the Customer': Web Application Firewalls 2021**



SPARK Matrix™: DDoS Mitigation, 2021

**LEADER**



BOT MANAGEMENT, 2020

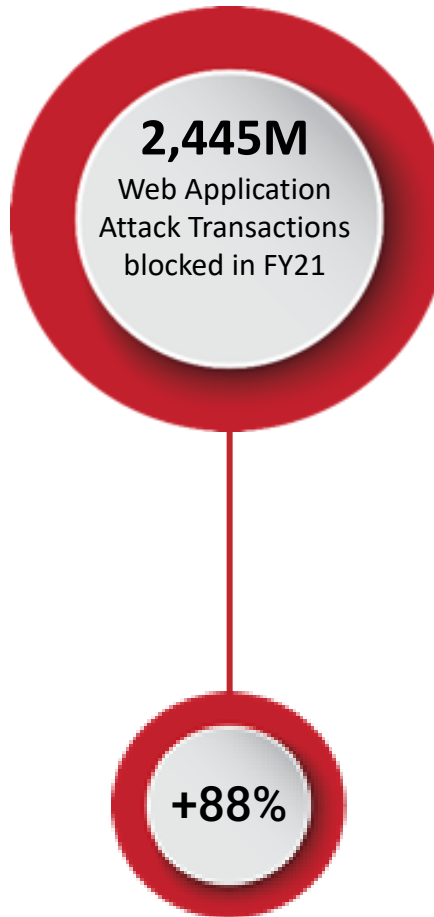
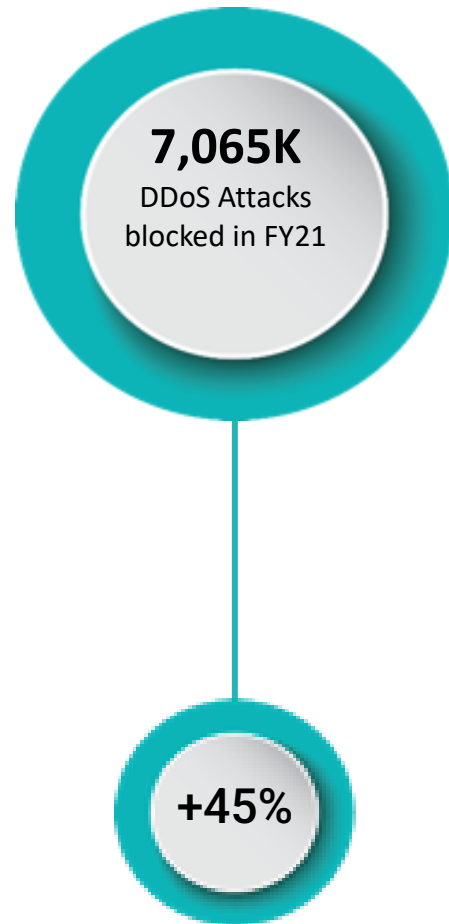
**LEADER**





# Our Solutions Are Highly Effective

## HIGH ATTACK VOLUMES ACROSS OUR CLOUD SERVICES INFRASTRUCTURE







# Investment Highlights



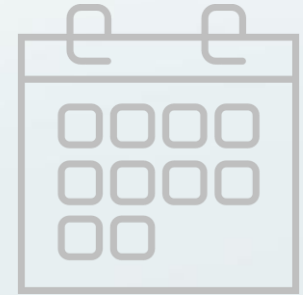
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Base &  
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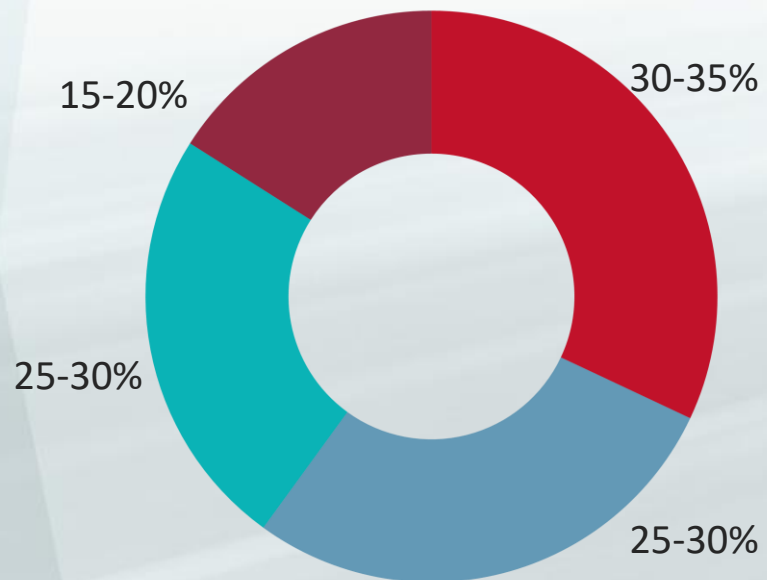


Fast Growing  
Subscription  
Business

# Strong Customer Base and Partnerships

## DIVERSIFIED VERITCALS

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



## STRATEGIC PARTNERS



## HIGH SATISFACTION



**#1**  
**Radware DefensePro**  
RANKED #1 BY CUSTOMERS

**#2**  
**Radware WAF**  
RANKED #2 BY CUSTOMERS

★★★★★  
**Radware CNP**  
**Radware Bot Manager**  
AVG. 5-STAR REVIEWS



# Leadership by Top Customers



**7** Of Top **12**

World's Stock  
Exchanges



**8** Of Top **20**

World's Banks



**10** Of Top **10**

World Telecom  
Companies



**3** Of Top **10**

Cloud Service Providers



**5** Of **10**

Most Widely Used  
SaaS Applications





# Investment Highlights



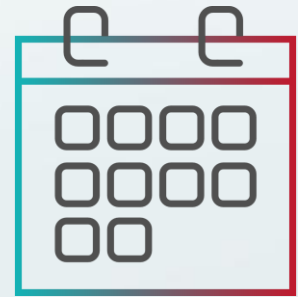
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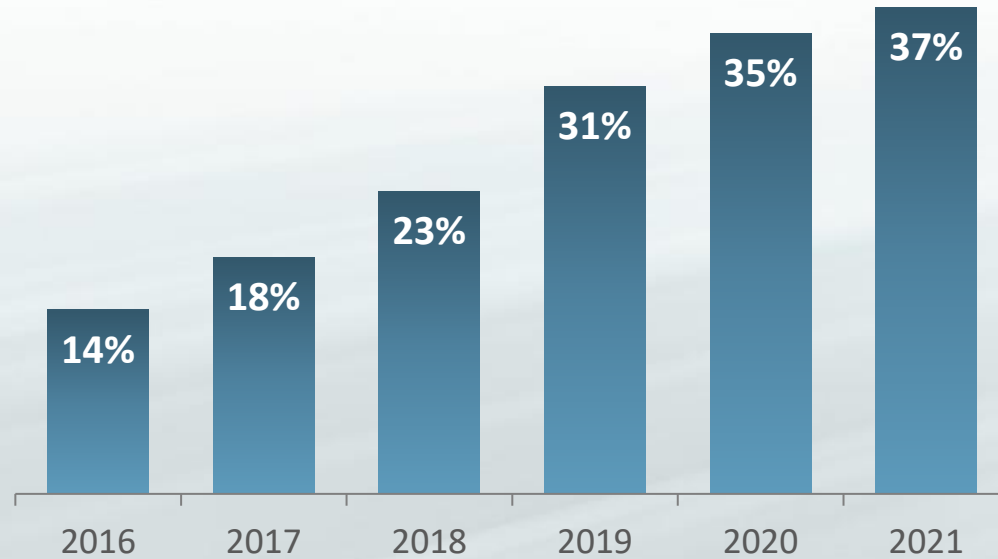


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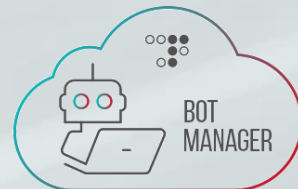
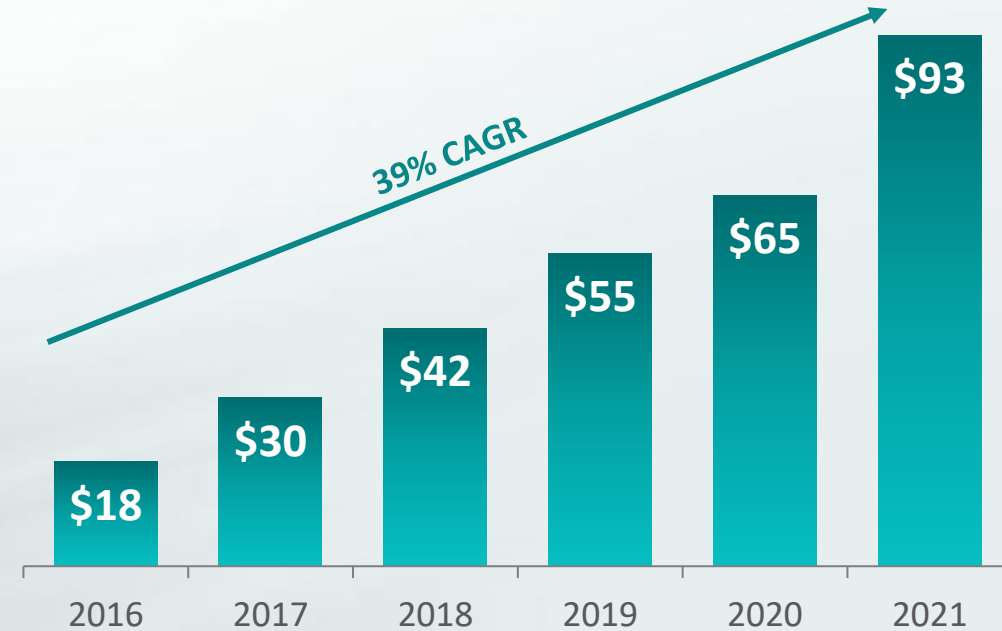


# Fast Growing Subscriptions Business

Subscription as % of Total Bookings



Subscription Revenue (\$M)



And  
More...



# Growth Strategy

## ORGANIC GROWTH







# FINANCIALS




# Q4 2021 Highlights



- 
- ✓ Total revenue increased 11% compared to Q4 2020
  - ✓ Strong growth in Americas and EMEA, 14% and 23% respectively
  - ✓ Total ARR up 9% from Q4 2020 to \$190 million
  - ✓ Cloud and subscription ARR up 23% from Q4 2020
  - ✓ Record cash flow from operations of \$29 million
- 

*\* 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.*



# Full Year 2021 Highlights



**\$286M**  
**Record**  
**Revenue**



**66%**  
**Recurring**  
**Revenue**



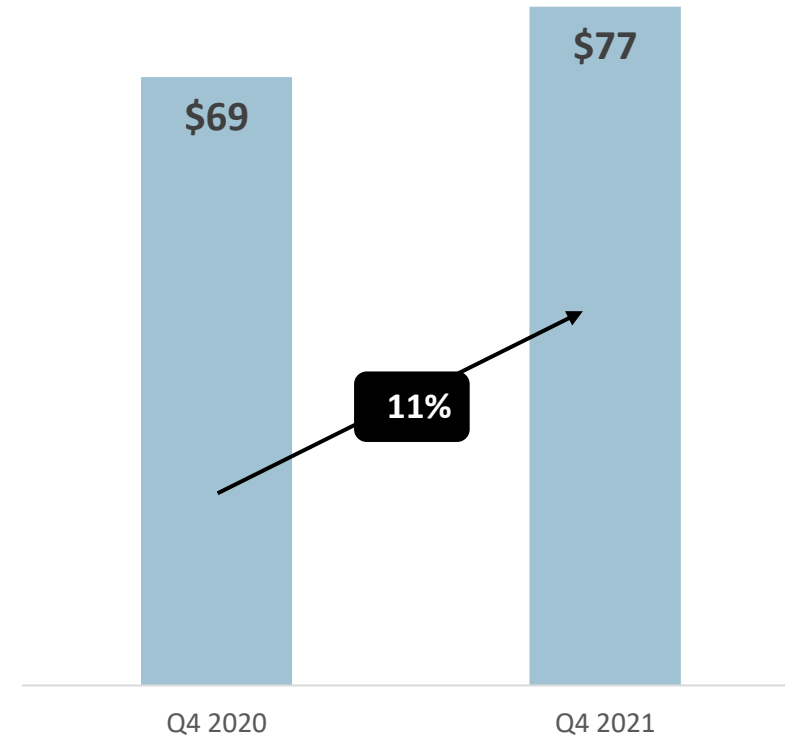
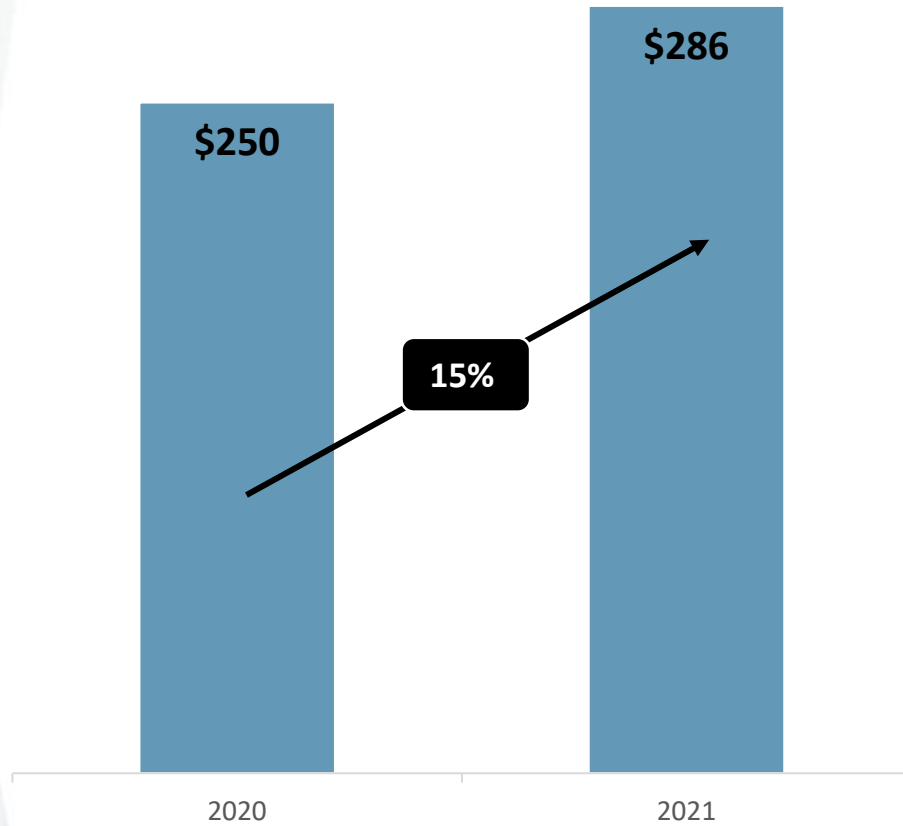
**44% Sub.**  
**Revenue**  
**Growth**

- 
- ✓ Total revenue increased 15% compared to 2020
  - ✓ Strong growth in Americas and EMEA, 13% and 26% respectively
  - ✓ Subscription revenue grew 44% to \$93 million compared to 2020
  - ✓ Subscription revenue accounts for 32% of total revenue compared to 26% in 2020
  - ✓ Record cash flow from operation of \$72 million
- 

*\* 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.*



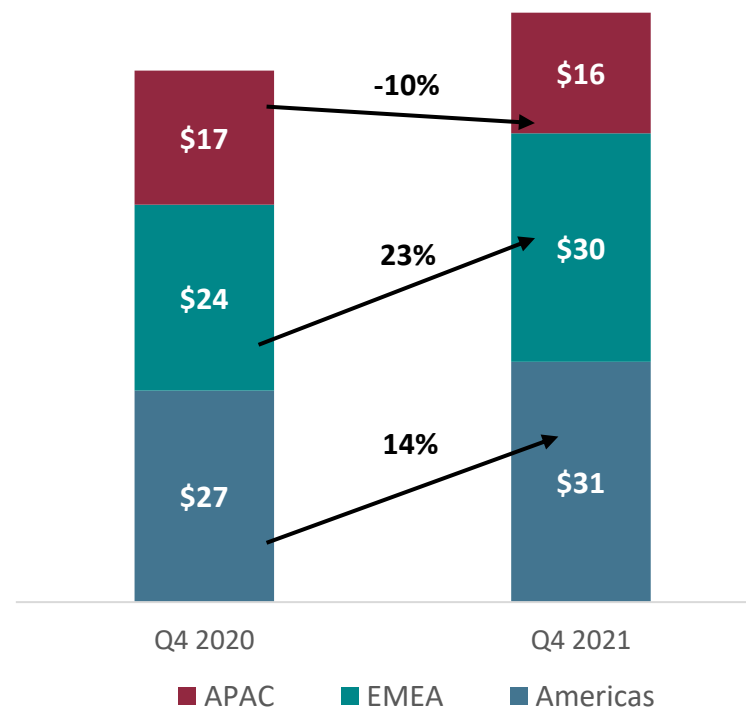
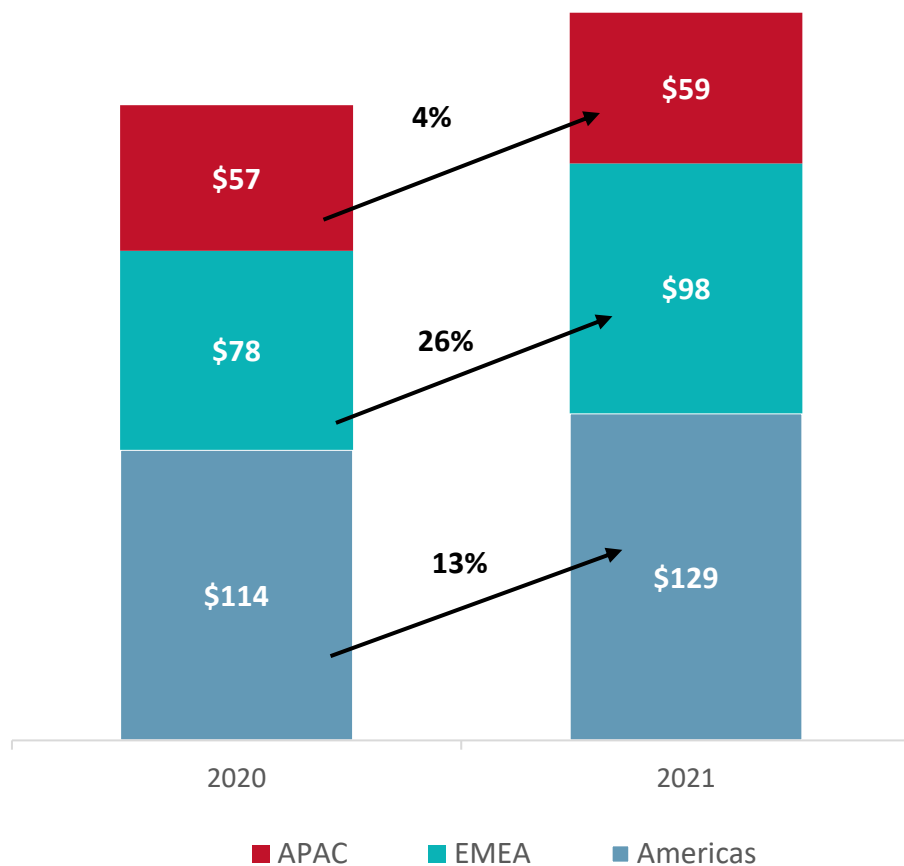
## Revenues Trends (\$M)



- Good performance across all business line
- Revenue was driven mainly by cloud business



# Revenues By Geographies (\$M)



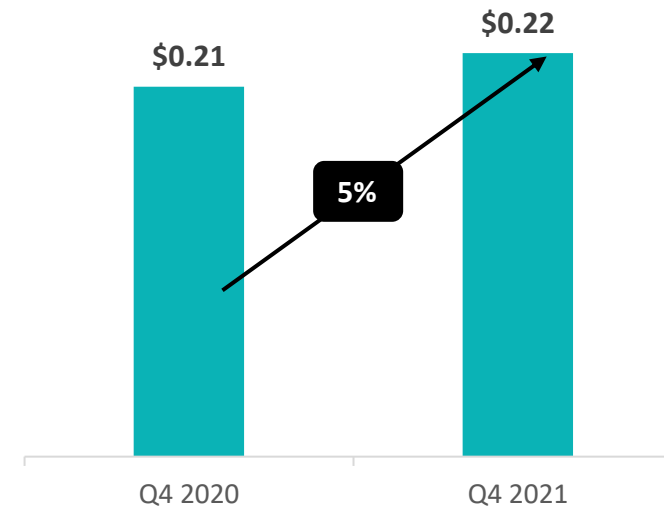
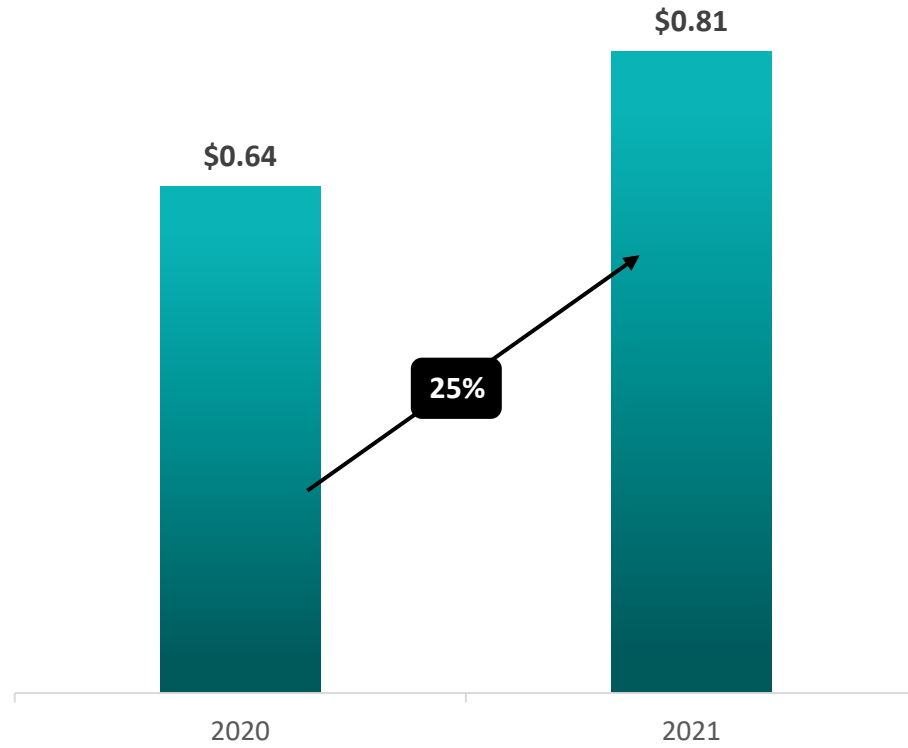
Numbers may not add up due to rounding





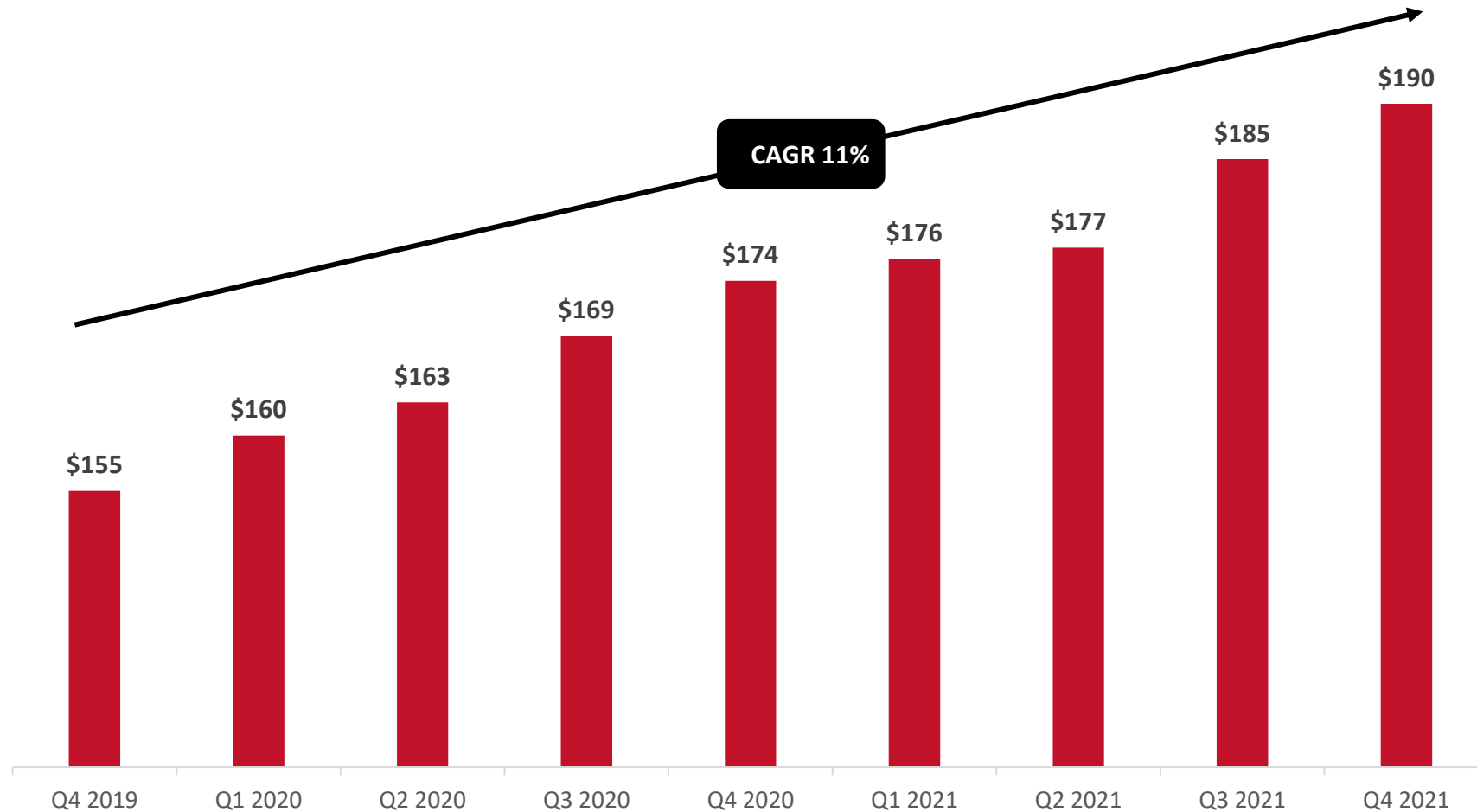
# EPS (\$)

Good Leverage Model





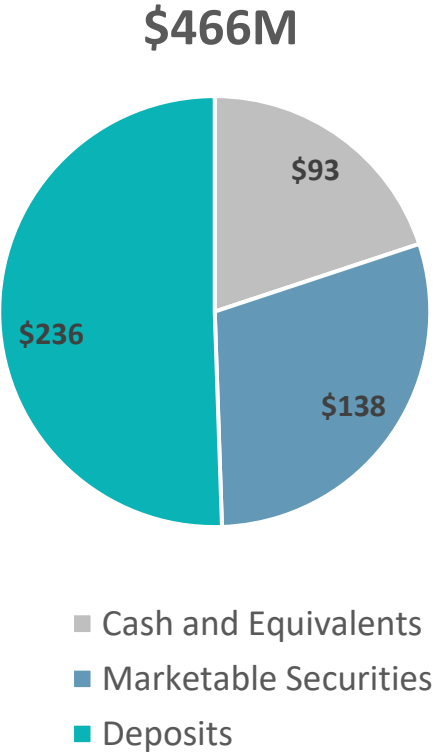
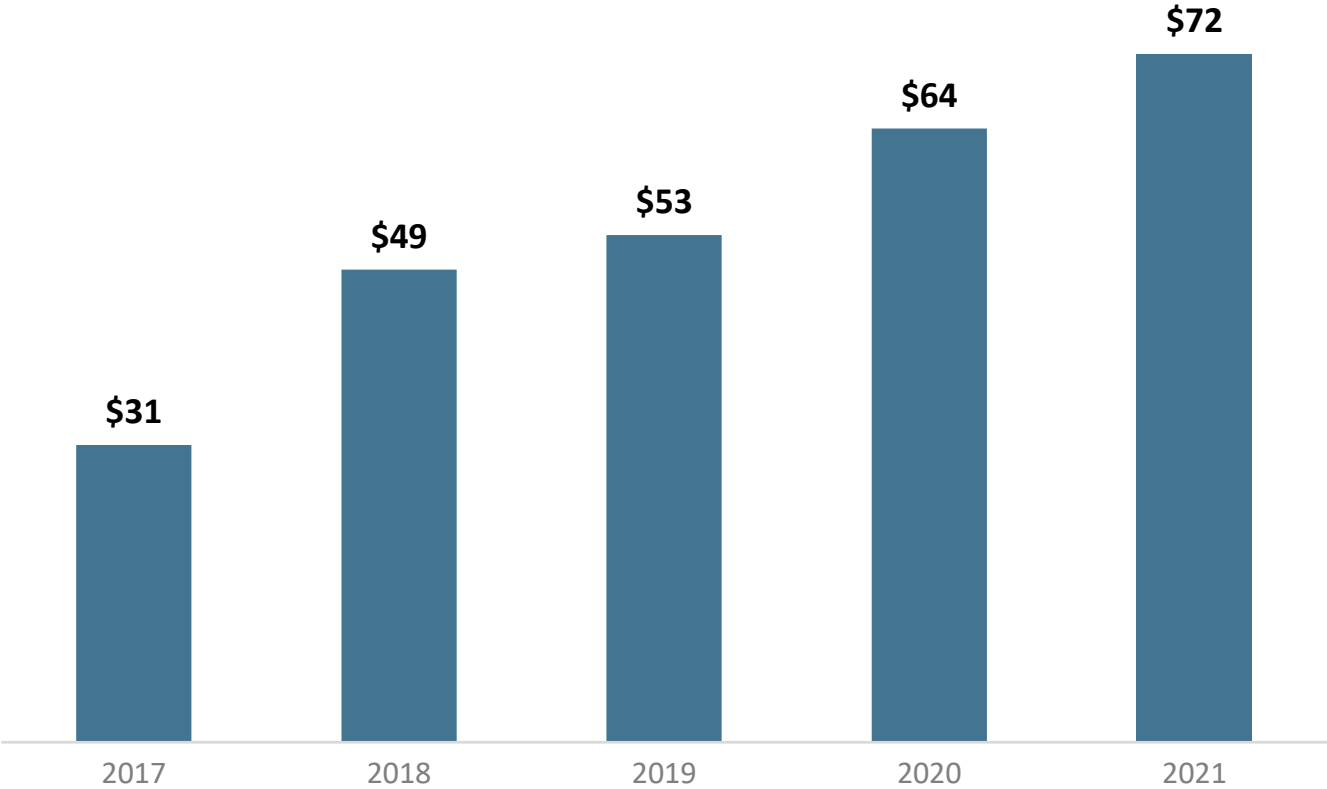
# Total Annual Recurring Revenue (\$M)



*\* 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.*



# Cash Generation and Balance Sheet (\$M)



# Thank You!