

Radware Reports Second Quarter 2025 Financial Results

Second Quarter 2025 Financial Results and Highlights

- Revenue of \$74.2 million, an increase of 10% year-over-year
- Cloud ARR of \$85 million, an increase of 21% year-over-year
- Non-GAAP diluted EPS of \$0.28 vs. \$0.20 in Q2 2024; GAAP diluted EPS of \$0.09 vs. \$0.04 in Q2 2024
- Cash flow from operations of \$14.5 million

TEL AVIV, Israel, July 30, 2025 - [Radware](#)® (NASDAQ: RDWR), a global leader in application security and delivery solutions for multi-cloud environments, today announced its consolidated financial results for the second quarter ended June 30, 2025.

“Our strong Q2 performance was driven by the successful execution of our business strategy reflected by the acceleration of cloud ARR growth to 21%,” said Roy Zisapel, president and CEO of Radware. “We are focused on our cloud security business as our primary growth engine, expanding our partnerships, and advancing our AI innovation to further strengthen our competitive leadership in the global market.”

Financial Highlights for the Second Quarter 2025

Revenue for the second quarter of 2025 totaled \$74.2 million:

- Revenue in the Americas region was \$30.1 million for the second quarter of 2025, the same as in the second quarter of 2024.
- Revenue in the Europe, Middle East, and Africa (“EMEA”) region was \$27.8 million for the second quarter of 2025, an increase of 22% from \$22.8 million in the second quarter of 2024.
- Revenue in the Asia-Pacific (“APAC”) region was \$16.3 million for the second quarter of 2025, an increase of 13% from \$14.4 million in the second quarter of 2024.

GAAP net income for the second quarter of 2025 was \$4.2 million, or \$0.09 per diluted share, compared to GAAP net income of \$1.7 million, or \$0.04 per diluted share, for the second quarter of 2024.

Non-GAAP net income for the second quarter of 2025 was \$12.6 million, or \$0.28 per diluted share, compared to non-GAAP net income of \$8.8 million, or \$0.20 per diluted share, for the second quarter of 2024.

As of June 30, 2025, the Company had cash, cash equivalents, short-term and long-term bank deposits, and marketable securities of \$459.1 million. Cash flow from operations was \$14.5 million in the second quarter of 2025.

Non-GAAP results are calculated excluding, as applicable, the impact of stock-based compensation expenses, amortization of intangible assets, litigation costs, acquisition costs, restructuring costs, exchange rate differences, net on balance sheet items included in financial income, net, and tax-related adjustments. A reconciliation of each of the Company’s non-GAAP measures to the most directly comparable GAAP measure is included at the end of this press release.

Conference Call

Radware management will host a call today, July 30, 2025, at 8:30 a.m. EDT to discuss its second quarter 2025 results and third quarter 2025 outlook. To participate on the call, please use the following numbers:

U.S. participants call toll free: 1-877-704-4453

International participants call: 1-201-389-0920

A replay will be available for seven days, starting two hours after the end of the call, on telephone number 1-844-512-2921 (US toll-free) or 1-412-317-6671. Access ID 13754237.

The call will be webcast live on the Company's website at: <http://www.radware.com/IR/>. The webcast will remain available for replay during the next 12 months.

Use of Non-GAAP Financial Information and Key Performance Indicators

In addition to reporting financial results in accordance with generally accepted accounting principles (GAAP), Radware uses non-GAAP measures of gross profit, research and development expense, selling and marketing expense, general and administrative expense, total operating expenses, operating income, financial income, net, income before taxes on income, taxes on income, net income and diluted earnings per share, which are adjustments from results based on GAAP to exclude, as applicable, stock-based compensation expenses, amortization of intangible assets, litigation costs, acquisition costs, restructuring costs, exchange rate differences, net on balance sheet items included in financial income, net, and tax-related adjustments. Management believes that exclusion of these charges allows for meaningful comparisons of operating results across past, present, and future periods. Radware's management believes the non-GAAP financial measures provided in this release are useful to investors for the purpose of understanding and assessing Radware's ongoing operations. The presentation of these non-GAAP financial measures is not intended to be considered in isolation or as a substitute for results prepared in accordance with GAAP. A reconciliation of each non-GAAP financial measure to the most directly comparable GAAP financial measure is included with the financial information contained in this press release. Management uses both GAAP and non-GAAP financial measures in evaluating and operating the business and, as such, has determined that it is important to provide this information to investors.

Annual recurring revenue ("ARR") is a key performance indicator defined as 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. ARR should be viewed independently of revenue and deferred revenue and is not intended to be combined with or to replace either of those items. ARR is not a forecast of future revenue, which can be impacted by contract start and end dates and renewal rates and does not include revenue reported as perpetual license or professional services revenue in our consolidated statement of operations. We consider ARR a key performance indicator of the value of the recurring components of our business.

Safe Harbor Statement

This press release 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, including as a result of the state of war declared in Israel in October 2023 and instability in the Middle East, the war in Ukraine, tensions between China and Taiwan, financial and credit market fluctuations (including elevated interest rates), impacts from tariffs or other trade restrictions, inflation, and the potential for regional or global recessions; our dependence on independent distributors to sell our products; our ability to manage our anticipated growth effectively; our business may be affected by sanctions, export controls, and similar measures, targeting Russia and other countries and territories, as well as other responses to Russia's military conflict in Ukraine, including indefinite suspension of operations in Russia and dealings with Russian entities by many multi-national businesses across a variety of industries; the ability of vendors to provide our hardware platforms and components for the manufacture of our products; our ability to attract, train, and retain highly qualified personnel; intense competition in the market for cybersecurity and application delivery solutions and in our industry in general, and changes in the competitive landscape; our ability to develop new solutions and enhance existing solutions; the impact to our reputation and business in the event of real or perceived shortcomings, defects, or vulnerabilities in our solutions, if our end-users experience security

breaches, or if our information technology systems and data, or those of our service providers and other contractors, are compromised by cyber-attackers or other malicious actors or by a critical system failure; our use of AI technologies that present regulatory, litigation, and reputational risks; risks related to the fact that our products must interoperate with operating systems, software applications and hardware that are developed by others; outages, interruptions, or delays in hosting services; the risks associated with our global operations, such as difficulties and costs of staffing and managing foreign operations, compliance costs arising from host country laws or regulations, partial or total expropriation, export duties and quotas, local tax exposure, economic or political instability, including as a result of insurrection, war, natural disasters, and major environmental, climate, or public health concerns; our net losses in the past and the possibility that we may incur losses in the future; a slowdown in the growth of the cybersecurity and application delivery solutions market or in the development of the market for our cloud-based solutions; long sales cycles for our solutions; risks and uncertainties relating to acquisitions or other investments; risks associated with doing business in countries with a history of corruption or with foreign governments; changes in foreign currency exchange rates; risks associated with undetected defects or errors in our products; our ability to protect our proprietary technology; intellectual property infringement claims made by third parties; laws, regulations, and industry standards affecting our business; compliance with open source and third-party licenses; complications with the design or implementation of our new enterprise resource planning ("ERP") system; our reliance on information technology systems; our ESG disclosures and initiatives; 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 or may be obtained on Radware's website at www.radware.com.

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About Radware

[Radware](#)® (NASDAQ: RDWR) is a global leader in application security and delivery solutions for multi-cloud environments. The company's cloud application, infrastructure, and API security solutions use AI-driven algorithms for precise, hands-free, real-time protection from the most sophisticated web, application, and DDoS attacks, API abuse, and bad bots. Enterprises and carriers worldwide rely on Radware's solutions to address evolving cybersecurity challenges and protect their brands and business operations while reducing costs. For more information, please visit the [Radware](#) website.

Radware encourages you to join our community and follow us on [Facebook](#), [LinkedIn](#), [Radware Blog](#), [X](#), and [YouTube](#).

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Radware Ltd.
Condensed Consolidated Balance Sheets
(U.S. Dollars in thousands)

| | June 30, 2025 | December 31, 2024 |
|--|--------------------------|------------------------------|
| | (Unaudited) | (Unaudited) |
| Assets | | |
| Current assets | | |
| Cash and cash equivalents | 103,842 | 98,714 |
| Marketable securities | 35,425 | 72,994 |
| Short-term bank deposits | 134,239 | 104,073 |
| Trade receivables, net | 22,865 | 16,823 |
| Other receivables and prepaid expenses | 13,732 | 14,242 |
| Inventories | 13,312 | 14,030 |
| | <u>323,415</u> | <u>320,876</u> |
| Long-term investments | | |
| Marketable securities | 56,391 | 29,523 |
| Long-term bank deposits | 129,215 | 114,354 |
| Other assets | 2,429 | 2,171 |
| | <u>188,035</u> | <u>146,048</u> |
| | | |
| Property and equipment, net | 15,371 | 15,632 |
| Intangible assets, net | 9,766 | 11,750 |
| Other long-term assets | 37,062 | 37,906 |
| Operating lease right-of-use assets | 16,883 | 18,456 |
| Goodwill | 68,008 | 68,008 |
| Total assets | <u>658,540</u> | <u>618,676</u> |
| | | |
| Liabilities and equity | | |
| Current liabilities | | |
| Trade payables | 4,096 | 5,581 |
| Deferred revenues | 119,732 | 106,303 |
| Operating lease liabilities | 4,970 | 4,750 |
| Other payables and accrued expenses | 55,692 | 51,836 |
| | <u>184,490</u> | <u>168,470</u> |
| | | |
| Long-term liabilities | | |
| Deferred revenues | 67,757 | 64,708 |
| Operating lease liabilities | 12,750 | 13,519 |
| Other long-term liabilities | 13,801 | 14,904 |
| | <u>94,308</u> | <u>93,131</u> |
| | | |
| Equity | | |
| Radware Ltd. equity | | |
| Share capital | 758 | 754 |
| Additional paid-in capital | 566,286 | 555,154 |
| Accumulated other comprehensive income | 3,702 | 1,103 |
| Treasury stock, at cost | (366,588) | (366,588) |
| Retained earnings | 134,416 | 125,850 |
| Total Radware Ltd. shareholder's equity | <u>338,574</u> | <u>316,273</u> |
| | | |
| Non-controlling interest | <u>41,168</u> | <u>40,802</u> |
| | | |
| Total equity | <u>379,742</u> | <u>357,075</u> |
| | | |
| Total liabilities and equity | <u>658,540</u> | <u>618,676</u> |

Radware Ltd.
Condensed Consolidated Statements of Income
(U.S Dollars in thousands, except share and per share data)

| | For the three months ended | | For the six months ended | |
|--|----------------------------|-------------|--------------------------|-------------|
| | June 30, | | June 30, | |
| | 2025 | 2024 | 2025 | 2024 |
| | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) |
| Revenues | 74,215 | 67,276 | 146,294 | 132,361 |
| Cost of revenues | 14,316 | 13,056 | 28,306 | 25,868 |
| Gross profit | 59,899 | 54,220 | 117,988 | 106,493 |
| Operating expenses, net: | | | | |
| Research and development, net | 19,379 | 18,701 | 38,155 | 37,597 |
| Selling and marketing | 31,337 | 29,744 | 62,618 | 59,445 |
| General and administrative | 6,386 | 6,984 | 12,849 | 14,323 |
| Total operating expenses, net | 57,102 | 55,429 | 113,622 | 111,365 |
| Operating income (loss) | 2,797 | (1,209) | 4,366 | (4,872) |
| Financial income, net | 3,662 | 4,417 | 8,537 | 8,025 |
| Income before taxes on income | 6,459 | 3,208 | 12,903 | 3,153 |
| Taxes on income | 2,237 | 1,544 | 4,337 | 2,711 |
| Net income | 4,222 | 1,664 | 8,566 | 442 |
| Basic net income per share attributed to Radware Ltd.'s shareholders | 0.10 | 0.04 | 0.20 | 0.01 |
| Weighted average number of shares used to compute basic net income per share | 42,734,026 | 41,857,259 | 42,711,279 | 41,803,638 |
| Diluted net income per share attributed to Radware Ltd.'s shareholders | 0.09 | 0.04 | 0.19 | 0.01 |
| Weighted average number of shares used to compute diluted net income per share | 44,510,896 | 43,148,129 | 44,364,057 | 43,011,501 |

Radware Ltd.
Reconciliation of GAAP to Non-GAAP Financial Information
(U.S Dollars in thousands, except share and per share data)

| | For the three months ended June 30, | | For the six months ended June 30, | |
|---|--|---------------|--------------------------------------|----------------|
| | 2025 | 2024 | 2025 | 2024 |
| | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) |
| GAAP gross profit | 59,899 | 54,220 | 117,988 | 106,493 |
| Share-based compensation | 131 | 80 | 251 | 159 |
| Amortization of intangible assets | 992 | 992 | 1,984 | 1,984 |
| Non-GAAP gross profit | <u>61,022</u> | <u>55,292</u> | <u>120,223</u> | <u>108,636</u> |
| GAAP research and development, net | 19,379 | 18,701 | 38,155 | 37,597 |
| Share-based compensation | 1,327 | 1,536 | 2,550 | 3,258 |
| Non-GAAP Research and development, net | <u>18,052</u> | <u>17,165</u> | <u>35,605</u> | <u>34,339</u> |
| GAAP selling and marketing | 31,337 | 29,744 | 62,618 | 59,445 |
| Share-based compensation | 2,700 | 2,609 | 5,776 | 5,160 |
| Non-GAAP selling and marketing | <u>28,637</u> | <u>27,135</u> | <u>56,842</u> | <u>54,285</u> |
| GAAP general and administrative | 6,386 | 6,984 | 12,849 | 14,323 |
| Share-based compensation | 1,445 | 2,077 | 2,924 | 4,472 |
| Acquisition costs | 138 | 192 | 291 | 412 |
| Non-GAAP general and administrative | <u>4,803</u> | <u>4,715</u> | <u>9,634</u> | <u>9,439</u> |
| GAAP total operating expenses, net | 57,102 | 55,429 | 113,622 | 111,365 |
| Share-based compensation | 5,472 | 6,222 | 11,250 | 12,890 |
| Acquisition costs | 138 | 192 | 291 | 412 |
| Non-GAAP total operating expenses, net | <u>51,492</u> | <u>49,015</u> | <u>102,081</u> | <u>98,063</u> |
| GAAP operating income (loss) | 2,797 | (1,209) | 4,366 | (4,872) |
| Share-based compensation | 5,603 | 6,302 | 11,501 | 13,049 |
| Amortization of intangible assets | 992 | 992 | 1,984 | 1,984 |
| Acquisition costs | 138 | 192 | 291 | 412 |
| Non-GAAP operating income | <u>9,530</u> | <u>6,277</u> | <u>18,142</u> | <u>10,573</u> |
| GAAP financial income, net | 3,662 | 4,417 | 8,537 | 8,025 |
| Exchange rate differences, net on balance sheet items included in financial income, net | 1,702 | (298) | 2,194 | (145) |
| Non-GAAP financial income, net | <u>5,364</u> | <u>4,119</u> | <u>10,731</u> | <u>7,880</u> |
| GAAP income before taxes on income | 6,459 | 3,208 | 12,903 | 3,153 |
| Share-based compensation | 5,603 | 6,302 | 11,501 | 13,049 |
| Amortization of intangible assets | 992 | 992 | 1,984 | 1,984 |
| Acquisition costs | 138 | 192 | 291 | 412 |
| Exchange rate differences, net on balance sheet items included in financial income, net | 1,702 | (298) | 2,194 | (145) |
| Non-GAAP income before taxes on income | <u>14,894</u> | <u>10,396</u> | <u>28,873</u> | <u>18,453</u> |
| GAAP taxes on income | 2,237 | 1,544 | 4,337 | 2,711 |
| Tax related adjustments | 61 | 61 | 123 | 123 |
| Non-GAAP taxes on income | <u>2,298</u> | <u>1,605</u> | <u>4,460</u> | <u>2,834</u> |
| GAAP net income | 4,222 | 1,664 | 8,566 | 442 |
| Share-based compensation | 5,603 | 6,302 | 11,501 | 13,049 |
| Amortization of intangible assets | 992 | 992 | 1,984 | 1,984 |
| Acquisition costs | 138 | 192 | 291 | 412 |
| Exchange rate differences, net on balance sheet items included in financial income, net | 1,702 | (298) | 2,194 | (145) |
| Tax related adjustments | (61) | (61) | (123) | (123) |
| Non-GAAP net income | <u>12,596</u> | <u>8,791</u> | <u>24,413</u> | <u>15,619</u> |
| GAAP diluted net income per share | 0.09 | 0.04 | 0.19 | 0.01 |
| Share-based compensation | 0.13 | 0.15 | 0.26 | 0.30 |
| Amortization of intangible assets | 0.02 | 0.02 | 0.04 | 0.04 |
| Acquisition costs | 0.00 | 0.00 | 0.01 | 0.01 |
| Exchange rate differences, net on balance sheet items included in financial income, net | 0.04 | (0.01) | 0.05 | (0.00) |
| Tax related adjustments | (0.00) | (0.00) | (0.00) | (0.00) |
| Non-GAAP diluted net earnings per share | <u>0.28</u> | <u>0.20</u> | <u>0.55</u> | <u>0.36</u> |
| Weighted average number of shares used to compute non-GAAP diluted net earnings per share | 44,510,896 | 43,148,129 | 44,364,057 | 43,011,501 |

Radware Ltd.
Condensed Consolidated Statements of Cash Flow
(U.S. Dollars in thousands)

| | For the three months ended June 30, | | For the six months ended June 30, | |
|--|--|---------------------|--------------------------------------|---------------------|
| | 2025 (Unaudited) | 2024 (Unaudited) | 2025 (Unaudited) | 2024 (Unaudited) |
| <u>Cash flow from operating activities:</u> | | | | |
| Net income | 4,222 | 1,664 | 8,566 | 442 |
| Adjustments to reconcile net income to net cash provided by operating activities: | | | | |
| Depreciation and amortization | 2,865 | 3,028 | 6,017 | 5,971 |
| Share-based compensation | 5,603 | 6,302 | 11,501 | 13,049 |
| Amortization of premium, accretion of discounts and accrued interest on marketable securities, net | (93) | 80 | (254) | 7 |
| Increase (decrease) in accrued interest on bank deposits | (2,324) | 5,468 | (4,114) | 5,459 |
| Increase (decrease) in accrued severance pay, net | 15 | 17 | 76 | (41) |
| Decrease (increase) in trade receivables, net | 2,171 | (5,013) | (6,042) | (5,232) |
| Decrease (increase) in other receivables and prepaid expenses and other long-term assets | (951) | (199) | (1,137) | 406 |
| Decrease in inventories | 199 | 744 | 718 | 1,748 |
| Increase (decrease) in trade payables | 450 | (1,627) | (1,485) | (221) |
| Increase (decrease) in deferred revenues | (1,345) | 7,494 | 16,478 | 16,388 |
| Increase in other payables and accrued expenses | 2,422 | 5,310 | 5,586 | 6,793 |
| Operating lease liabilities, net | 1,258 | (238) | 1,024 | (617) |
| Net cash provided by operating activities | <u>14,492</u> | <u>23,030</u> | <u>36,934</u> | <u>44,152</u> |
| <u>Cash flows from investing activities:</u> | | | | |
| Purchase of property and equipment | (2,660) | (1,034) | (3,772) | (2,808) |
| Proceeds from (investment in) other long-term assets, net | (19) | 19 | 90 | (6) |
| Proceeds from (investment in) bank deposits, net | (13,801) | 6,734 | (40,913) | (11,164) |
| Investment in, redemption of and purchase of marketable securities, net | (5,239) | (13,499) | 10,955 | (9,997) |
| Proceeds from other deposits | - | - | 5,000 | - |
| Net cash used in investing activities | <u>(21,719)</u> | <u>(7,780)</u> | <u>(28,640)</u> | <u>(23,975)</u> |
| <u>Cash flows from financing activities:</u> | | | | |
| Proceeds from exercise of share options | (3) | 3 | 1 | 3 |
| Repurchase of shares | - | - | - | (839) |
| Payment of contingent consideration related to acquisition | (3,167) | (3,077) | (3,167) | (3,077) |
| Net cash used in financing activities | <u>(3,170)</u> | <u>(3,074)</u> | <u>(3,166)</u> | <u>(3,913)</u> |
| Increase in cash and cash equivalents | (10,397) | 12,176 | 5,128 | 16,264 |
| Cash and cash equivalents at the beginning of the period | <u>114,239</u> | <u>74,626</u> | <u>98,714</u> | <u>70,538</u> |
| Cash and cash equivalents at the end of the period | <u>103,842</u> | <u>86,802</u> | <u>103,842</u> | <u>86,802</u> |

Radware Ltd.

RECONCILIATION OF GAAP NET INCOME TO EBITDA AND ADJUSTED EBITDA (NON-GAAP)

(U.S Dollars in thousands)

| | For the three months ended | | For the six months ended | |
|--|----------------------------|--------------|--------------------------|---------------|
| | June 30, | | June 30, | |
| | 2025 | 2024 | 2025 | 2024 |
| | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) |
| GAAP net income | 4,222 | 1,664 | 8,566 | 442 |
| Exclude: Financial income, net | (3,662) | (4,417) | (8,537) | (8,025) |
| Exclude: Depreciation and amortization expense | 2,865 | 3,028 | 6,017 | 5,971 |
| Exclude: Taxes on income | 2,237 | 1,544 | 4,337 | 2,711 |
| EBITDA | 5,662 | 1,819 | 10,383 | 1,099 |
| Share-based compensation | 5,603 | 6,302 | 11,501 | 13,049 |
| Acquisition costs | 138 | 192 | 291 | 412 |
| Adjusted EBITDA | 11,403 | 8,313 | 22,175 | 14,560 |

| | For the three months ended | | For the six months ended | |
|-----------------------------------|----------------------------|--------------|--------------------------|--------------|
| | June 30, | | June 30, | |
| | 2025 | 2024 | 2025 | 2024 |
| Amortization of intangible assets | 992 | 992 | 1,984 | 1,984 |
| Depreciation | 1,873 | 2,036 | 4,033 | 3,987 |
| | 2,865 | 3,028 | 6,017 | 5,971 |