

# Investor Presentation

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May 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



# At A Glance

We ensure optimal service level for applications across data center and cloud



Founded 1997 / Public 1999



Approx. 1,000 employees



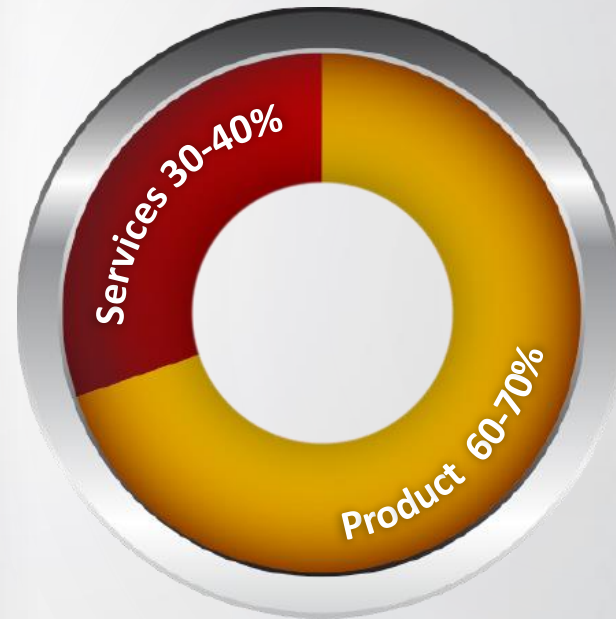
FY15 Revenue : \$217



2Q'16 Revenue Guidance: \$48M – 51M



Offices worldwide: 30



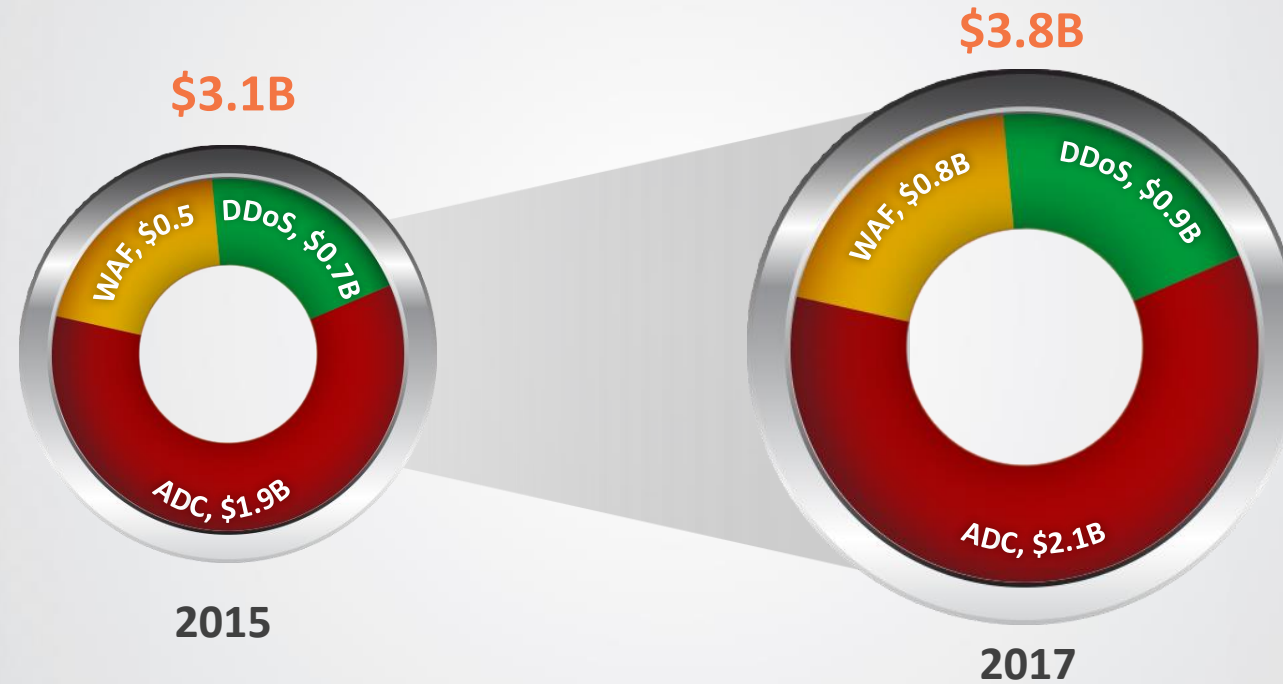
## Revenues

New Products ~ 60/70%  
Services ~30/40%



# Our Markets

Our TAM is expected to grow at a CAGR of 11.3%



**Our TAM is expected to grow by \$700M in 2 years**

\* Source: IDC, Gartner





# Our Mission

To ensure

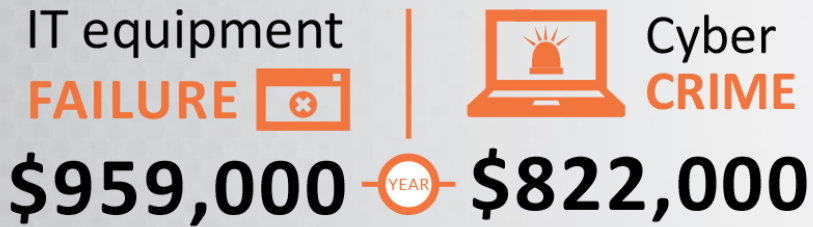
**Optimal application service-level**

for all users today and tomorrow



# Service-Level Impacts Business Dramatically

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



\* Source: Emulex Study, 2014

**1<sup>SEC</sup> DELAY**  
in load time:



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

**NORMAL LOAD TIME**



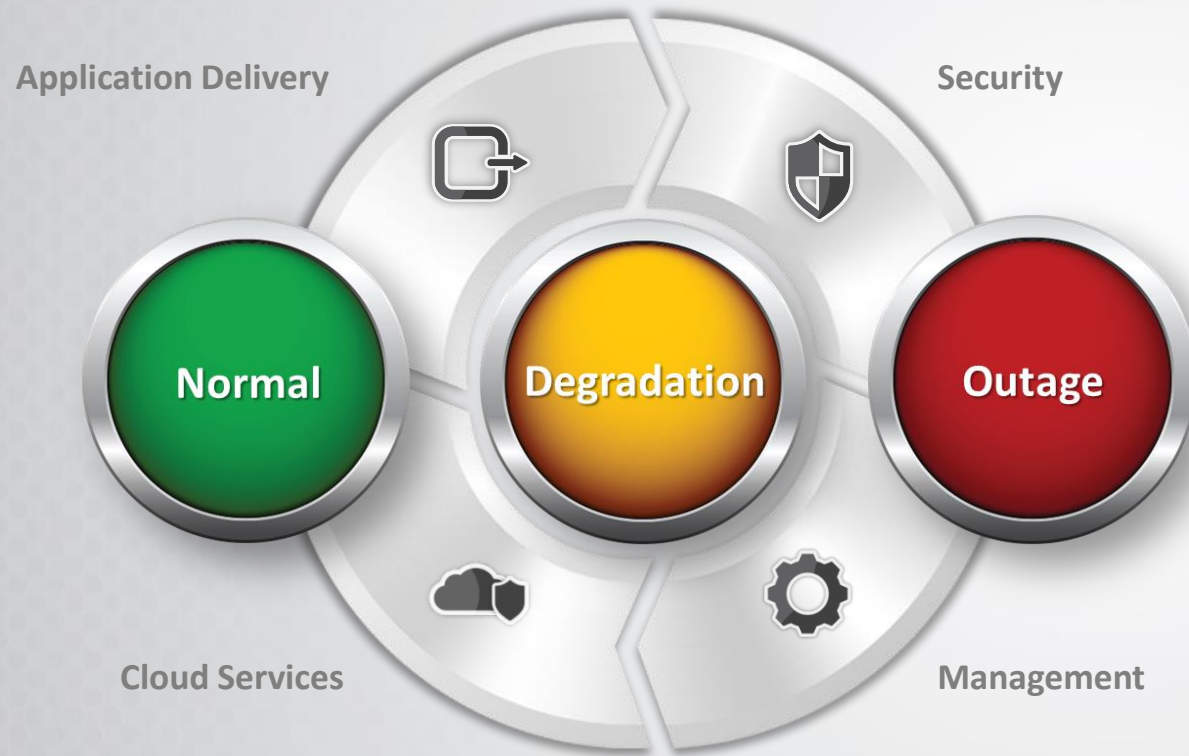
**0.5 sec delay in load time**

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

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



# Ensure Application Service-Level At All Times



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



# Key Growth Drivers



## DC evolution

- Virtualization
- Cloud SDDC
- Hybrid Cloud



Growth of  
**Cyber** attacks



Growth of  
**Cloud services**

## Significant Growth Opportunities

# Key Growth Drivers



## DC evolution

- Virtualization
- Cloud SDDC
- Hybrid Cloud



Growth of  
**Cyber** attacks



Cloud services



# Unique ADC Technology Strength



## Virtual ADC (vADC)

Assures required application resources to guarantee service-level



## FastView Web Accelerator

browser/device-specific website optimization. Runs web sites 40% faster.



## Elastic vADC

Dynamic resource allocation to applications under high demand



## Unified Dashboard

For holistic service-level view and rapid root cause analysis



## Security

Part of full attack mitigation architecture



## Link Failover

Rapid link failover based on full-path verification

- SSL growth
- Strong integration with Security
- New Data Center build out



# Recognized Leader by Gartner



**“A strong vision to meet the future needs of enterprises”**

- A complete range of deployment options
- A comprehensive set of application delivery features
- Offers cost-effective solutions that can scale up ("pay as you grow"), scale in (device consolidation) and scale out
- Integrates APM and FastView ... which improves application visibility and performance

# Key Growth Drivers



DC evolution  
Virtualization  
Cloud SDDC



Growth of  
**Cyber** attacks

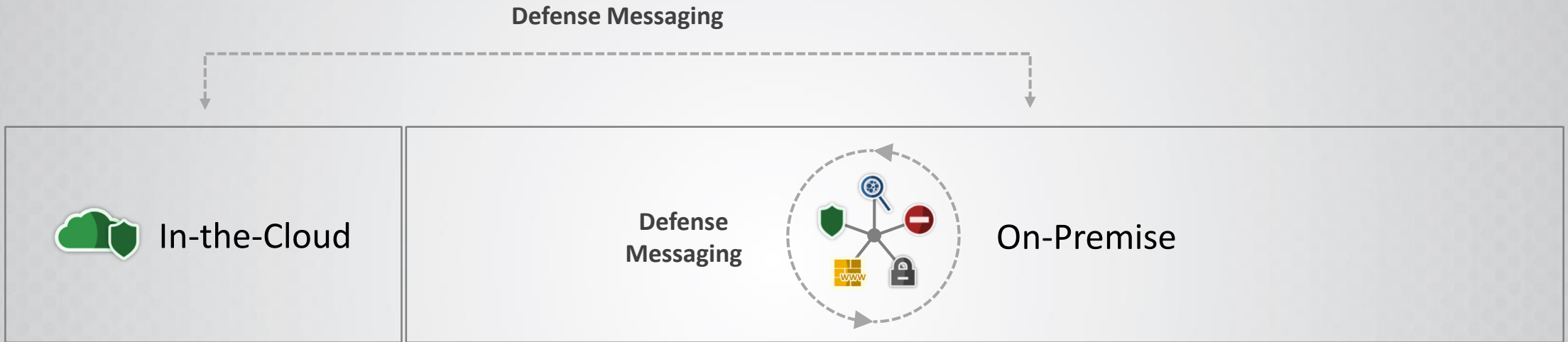


Cloud services





# Strong integration as a cross sales enabler



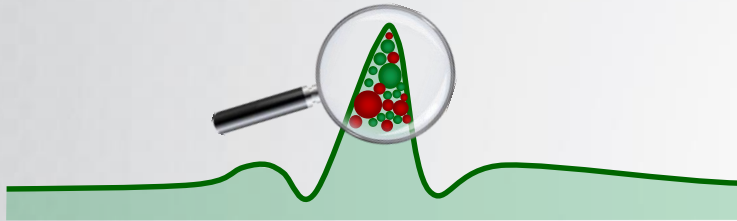
**Powerful integrated security** technologies

Enable higher value for customers using **the full portfolio**



# Effective Cyber Technology Differentiation

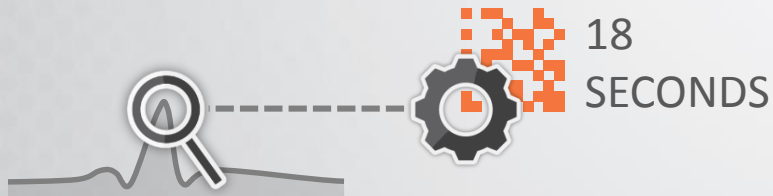
## Behavior-Based Detection



Shortest time  
to protect

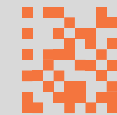


## Real-Time Signature Generation



## IP agnostic Fingerprinting

Signature with  
multiple parameters



# Key Growth Drivers



DC evolution  
Virtualization  
Cloud SDDC



Growth of  
**Cyber** attacks



Growth of  
**Cloud services**

# Business model for cloud migration & cyber threat growth

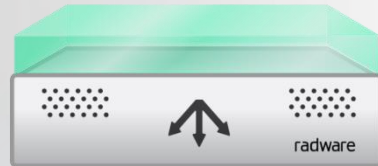
## Owned / Managed Services

 Security



Integrated Attack Mitigation

 ADC



Next Generation Application Delivery

## Cloud Services

 Security



Radware Security Cloud

 ADC



Cloud-Based Web Site Acceleration

**Application migration to the cloud is driving the need for cloud Security**



# Managed Services and Cloud Ops by Security Experts



Emergency Response Team (ERT) - 24x7 dedicated team of security experts for fast mitigation under attack

Protecting against top attack campaigns



24/7/365 Service



On-Premise Device Management



Periodic Security Consulting



Online Portal & Reporting



# Strategy For Growth





# 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



**Check Point**  
SOFTWARE TECHNOLOGIES LTD.

**Microsoft**



**ORACLE**



**JUNIPER**  
NETWORKS



**redhat.**



**NEC**



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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



# 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:

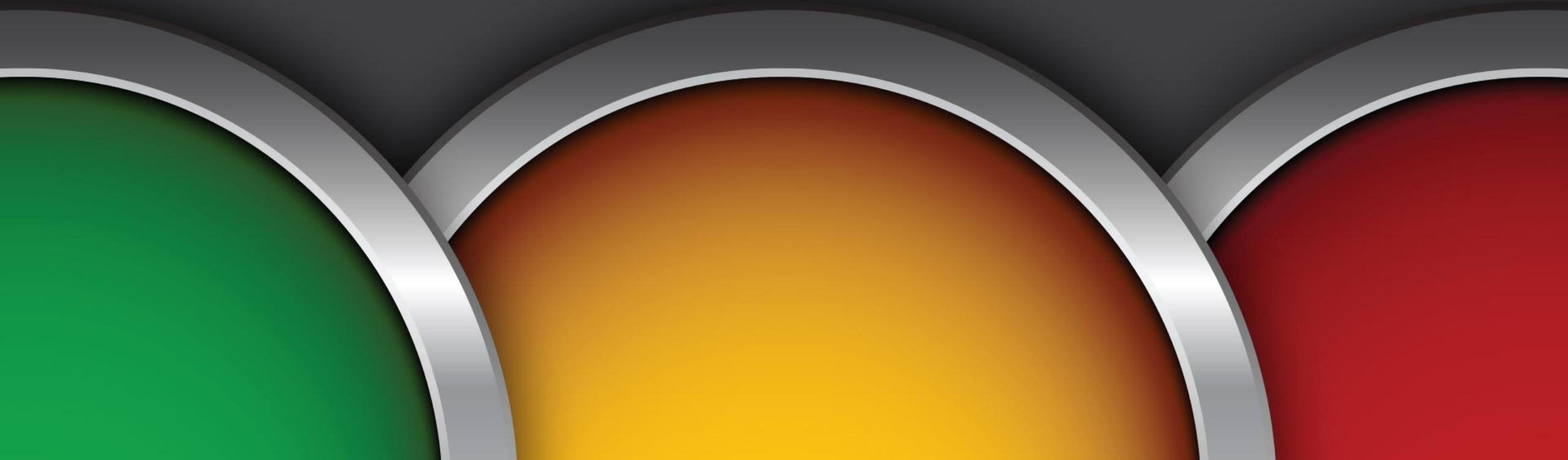
- OEMs and Alliances
- Cloud and CDN providers
- Standard channels
- Enhanced GTM resources



**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

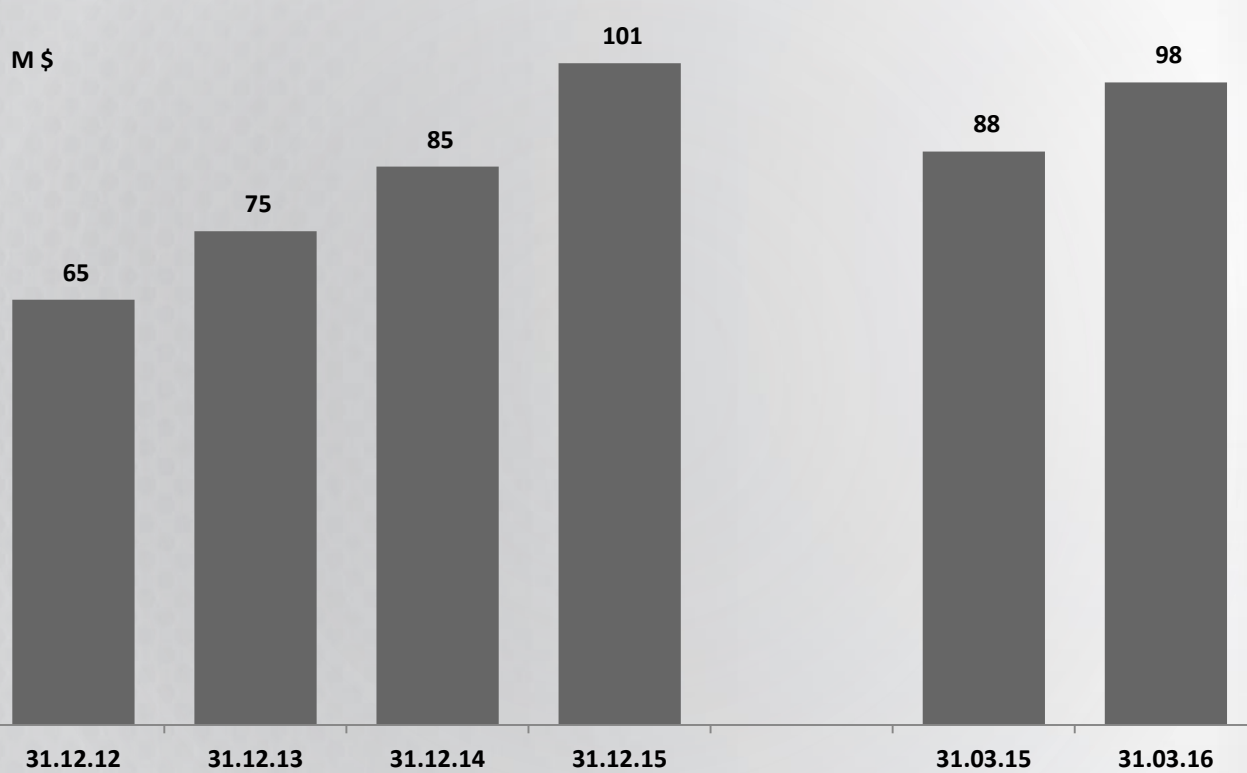


**Profitable** with Strong Balance sheet and **Cash** Generation

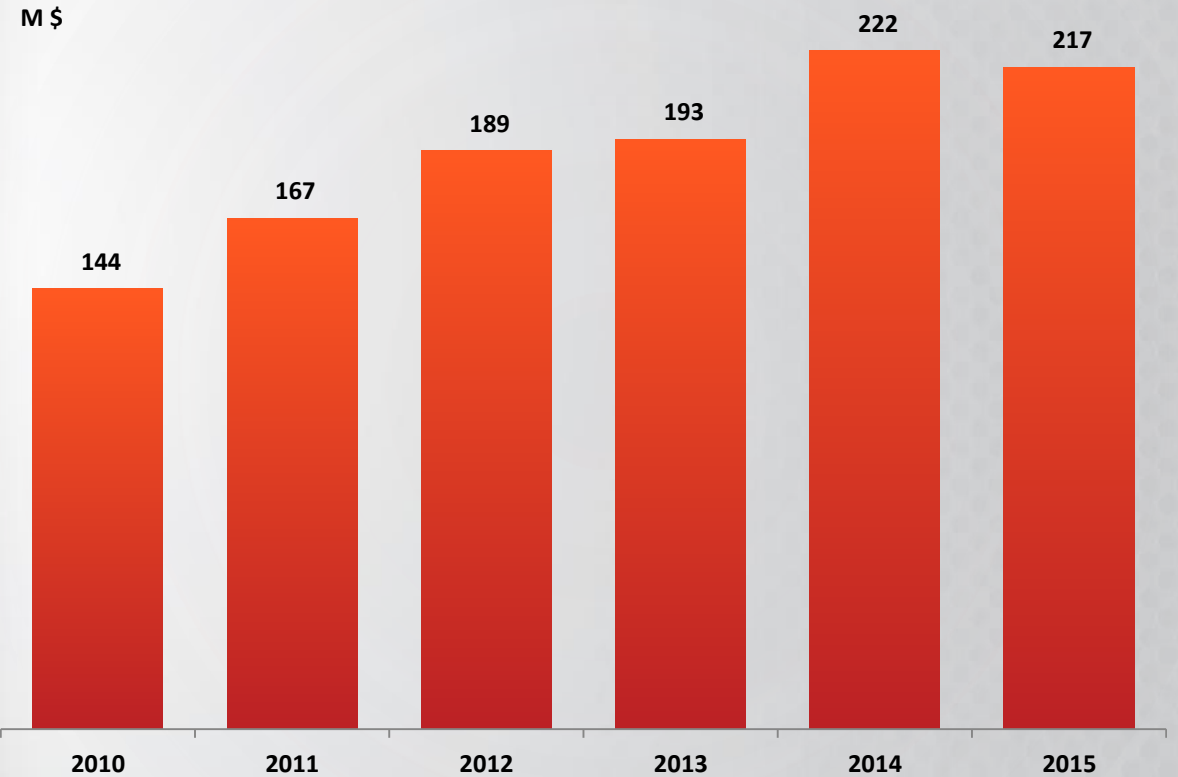


# Base Line for Long Term Growth

### Deferred Revenues (\$M)



### Revenues (\$M)

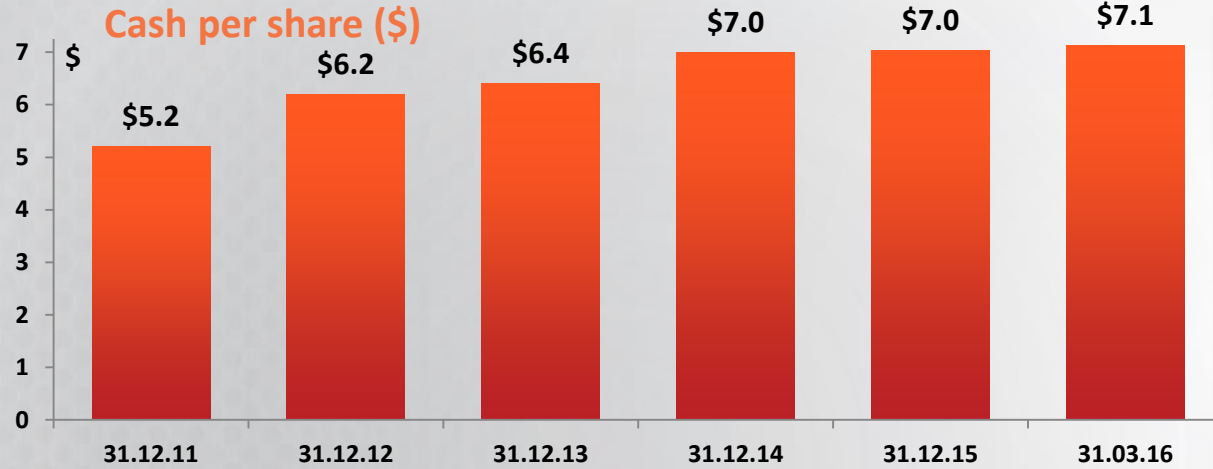




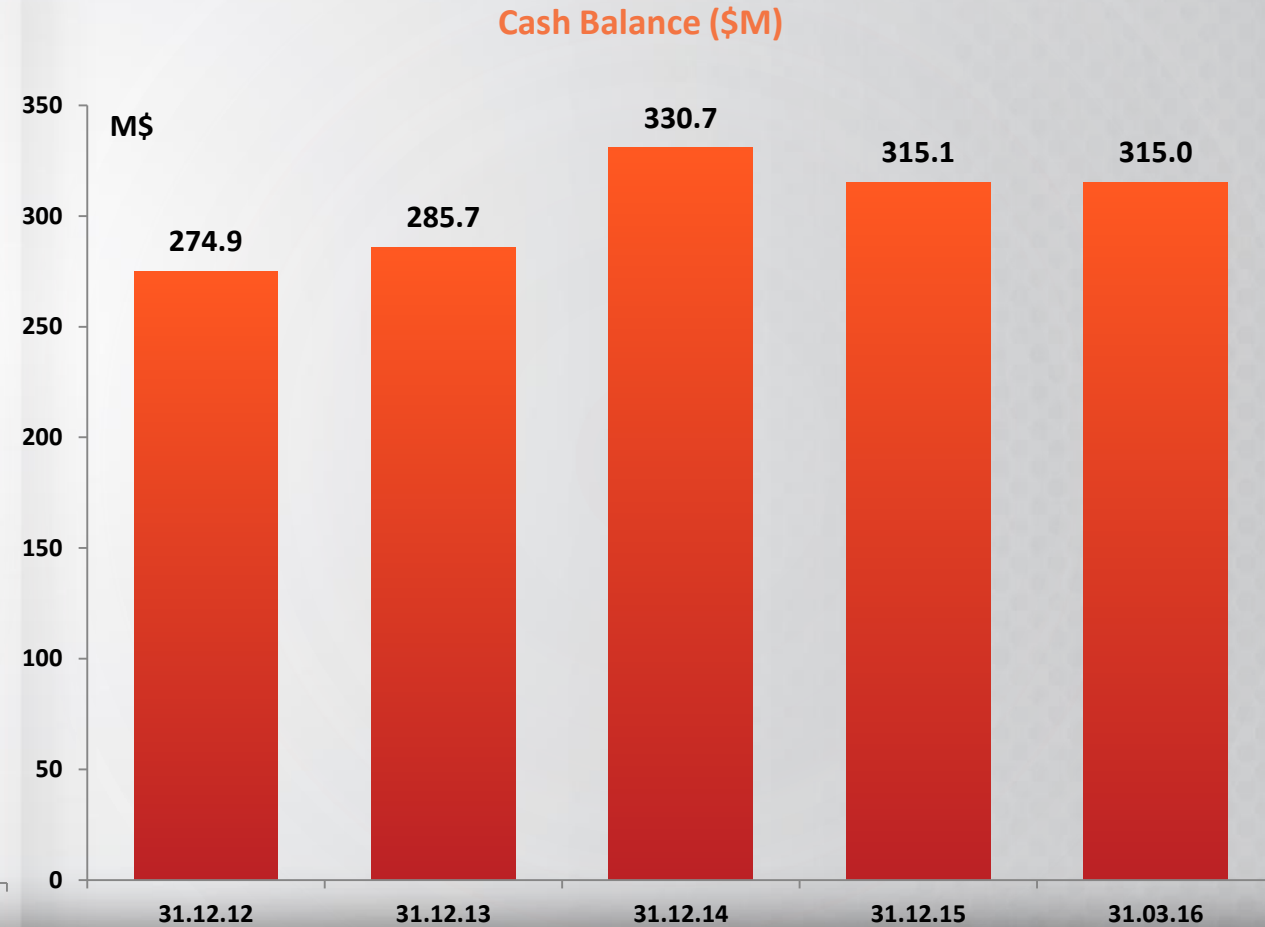
# Cash Flow Trend

Repurchased \$53M of Common Stock in FY15

Cash per share (\$)

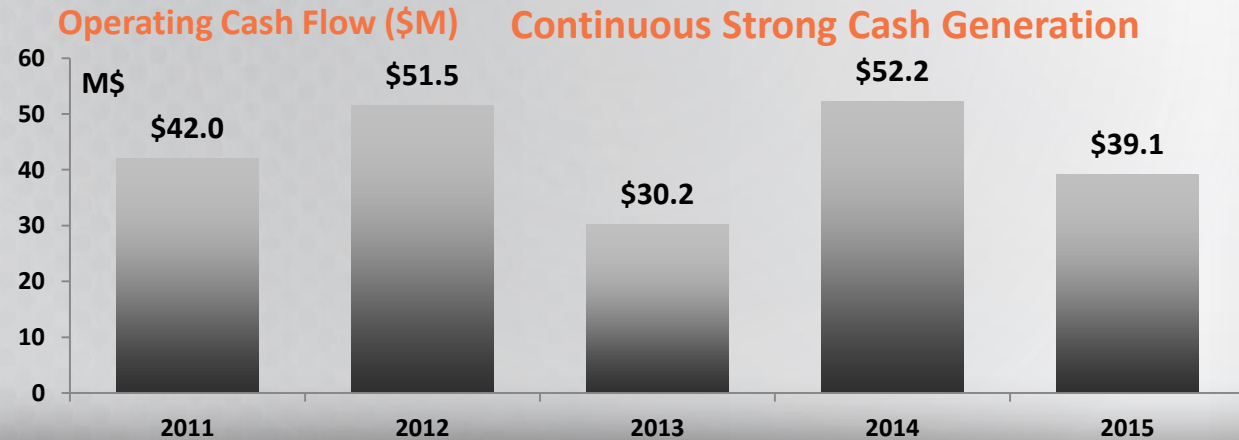


Cash Balance (\$M)



Operating Cash Flow (\$M)

Continuous Strong Cash Generation





# 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**



radware

Every second counts

