



radware

Every second counts

Investor Kit Third Quarter 2016



	FY'14				FY'15				FY'16			
Radware Ltd. Condensed and Consolidated - Balance Sh (U.S. Dollars in thousands - unaudited)	Quarter Ended			Yr Ended	Quarter Ended			Yr Ended	Quarter Ended			
	31-Mar	30-Jun	30-Sep	31-Dec	31-Mar	30-Jun	30-Sep	31-Dec	31-Mar	30-Jun	30-Sep	
ASSETS												
Current Assets												
Cash and cash equivalents	\$ 22,049	\$ 20,062	\$ 24,468	\$ 44,979	\$ 30,654	\$ 28,024	\$ 20,755	\$ 33,744	\$ 31,833	\$ 21,928	\$ 38,858	
Available-for-sale marketable securities	41,745	36,434	35,525	29,448	26,434	31,731	17,606	16,003	17,305	16,341	20,016	
Short-term bank deposits	102,969	108,316	77,755	29,989	19,650	20,886	53,333	80,922	150,844	183,465	148,122	
Trade receivables, net	21,724	18,360	28,874	25,637	25,946	23,758	24,181	26,410	27,905	26,057	21,346	
Other receivables and prepaid expenses	6,813	9,657	10,463	8,107	8,227	6,939	8,792	5,042	5,346	4,382	4,297	
Inventories	14,782	14,976	16,342	16,844	16,253	16,313	16,391	16,322	16,576	16,181	16,812	
	210,082	207,805	193,427	155,004	127,164	127,651	141,058	178,443	249,809	268,354	249,451	
Long-term Investments												
Available-for-sale marketable securities	117,346	124,028	116,145	114,519	99,494	97,436	90,631	87,814	83,186	83,904	75,692	
Long-term bank deposits	19,389	20,590	52,531	111,754	145,627	162,533	127,647	96,643	31,818	9,143	28,187	
Severance pay funds	3,255	3,316	3,108	3,040	2,938	3,067	2,960	2,724	2,747	2,699	2,812	
	139,990	147,934	171,784	229,313	248,059	263,036	221,238	187,181	117,751	95,746	106,691	
Property and equipment, net	18,048	17,858	19,242	20,592	21,691	23,911	25,275	26,203	26,577	27,177	27,404	
Intangible assets, net	4,589	4,180	3,780	4,756	4,405	4,083	3,801	3,518	3,239	2,959	2,679	
Other assets	1,633	1,697	1,688	3,234	3,287	5,285	5,313	5,473	5,559	6,677	6,739	
Goodwill	30,069	30,069	30,069	30,069	30,069	30,069	30,069	30,069	30,069	30,069	30,069	
Total Assets	\$ 404,411	\$ 409,543	\$ 419,990	\$ 442,968	\$ 434,675	\$ 454,035	\$ 426,754	\$ 430,887	\$ 433,004	\$ 430,982	\$ 423,033	
LIABILITIES AND SHAREHOLDERS' EQUITY												
Current Liabilities												
Trade payables	\$ 7,828	\$ 8,609	\$ 10,997	\$ 9,817	\$ 7,107	\$ 7,314	\$ 6,026	\$ 9,255	\$ 5,077	\$ 6,087	\$ 5,051	
Deferred revenues (*)	44,933	45,086	42,491	41,966	47,600	46,317	43,323	46,061	53,029	52,530	48,618	
Other payables and accrued expenses	19,739	20,109	20,428	24,043	21,524	24,646	25,800	22,098	21,849	22,547	22,201	
	72,500	73,804	73,916	75,826	76,231	78,277	75,149	77,414	79,955	81,164	75,870	
Long-term Liabilities												
Deferred revenues (*)	20,204	21,194	22,539	25,382	25,143	23,978	21,871	25,136	26,835	27,261	24,400	
Other long-term liabilities	8,682	8,926	8,787	8,063	7,854	7,927	7,862	9,214	14,060	14,088	14,075	
	28,886	30,120	31,326	33,445	32,997	31,905	29,733	34,350	40,895	41,349	38,475	
Shareholders' equity												
Share capital	618	620	634	654	656	660	661	661	661	661	662	
Additional paid-in capital	267,986	272,114	279,059	294,084	298,509	307,100	310,410	312,784	315,661	318,331	321,338	
Accumulated other comprehensive income, net of tax	1,371	1,522	458	211	802	3,427	2,254	1,257	943	847	505	
Treasury stock, at cost	(25,984)	(31,618)	(36,140)	(41,153)	(60,880)	(60,880)	(85,660)	(94,049)	(100,829)	(105,761)	(105,761)	
Retained earnings	59,034	62,981	70,737	79,901	86,360	93,546	94,207	98,470	95,718	94,391	91,944	
	303,025	305,619	314,748	333,697	325,447	343,853	321,872	319,123	312,154	308,469	308,688	
Total Liabilities and Shareholder's equity	\$ 404,411	\$ 409,543	\$ 419,990	\$ 442,968	\$ 434,675	\$ 454,035	\$ 426,754	\$ 430,887	\$ 433,004	\$ 430,982	\$ 423,033	
Deferred Revenues												
Short Term				41,966	47,600	46,317	43,323	46,061	53,029	52,530	48,618	
Long Term				25,382	25,143	23,978	21,871	25,136	26,835	27,261	24,400	
Balance Sheet Deferred Revenues				67,348	72,743	70,295	65,194	71,197	79,864	79,791	73,018	
Add: Uncollected billed amounts offset against trade receivables balance. (representing unpaid invoices not yet recognized as revenue.)				17,990	14,905	11,992	20,028	29,976	18,349	19,119	36,824	
Total Deferred Revenues				85,338	87,648	82,287	85,222	101,173	98,213	98,910	109,842	

Note: This document should be read in conjunction with the Company's SEC Filings.



	FY'14				Yr Ended 31-Dec	FY'15				Yr Ended 31-Dec	FY'16		
	Quarter Ended					Quarter Ended					Quarter Ended		
(U.S. Dollars in thousands, except share and per share data -	31-Mar	30-Jun	30-Sep	31-Dec	31-Mar	30-Jun	30-Sep	31-Dec	31-Mar	30-Jun	30-Sep		
Radware Ltd. Condensed and Consolidated - US GAAP In													
Revenues	\$ 51,010	\$ 53,055	\$ 56,795	\$ 61,032	\$ 221,892	\$ 57,224	\$ 56,027	\$ 48,059	\$ 55,256	\$ 216,566	\$ 48,425	\$ 49,585	\$ 46,863
Cost of revenues	9,446	9,766	9,926	10,594	39,732	10,100	9,684	8,506	9,910	38,200	8,654	8,887	8,558
Gross profit	41,564	43,289	46,869	50,438	182,160	47,124	46,343	39,553	45,346	178,366	39,771	40,698	38,305
Operating expenses:													
Research and development, net	10,558	10,972	11,306	11,245	44,081	11,951	12,239	12,825	12,972	49,987	13,424	13,001	13,072
Selling and marketing	22,412	23,092	23,157	24,542	93,203	23,580	22,082	22,739	24,946	93,347	24,912	25,865	24,853
General and administrative	5,002	5,330	4,543	4,922	19,797	4,097	4,400	4,481	4,055	17,033	5,769	3,893	4,245
Total operating expenses	37,972	39,394	39,006	40,709	157,081	39,628	38,721	40,045	41,973	160,367	44,105	42,759	42,170
Operating income (loss)	3,592	3,895	7,863	9,729	25,079	7,496	7,622	(492)	3,373	17,999	(4,334)	(2,061)	(3,865)
Financial Income, net	1,545	1,407	1,467	1,383	5,802	650	1,450	1,373	2,394	5,867	1,940	1,232	1,706
Income (loss) before taxes on income	5,137	5,302	9,330	11,112	30,881	8,146	9,072	881	5,767	23,866	(2,394)	(829)	(2,159)
Taxes on income	1,054	1,355	1,574	1,948	5,931	1,687	1,886	220	1,504	5,297	358	498	288
Net Income (loss)	\$ 4,083	\$ 3,947	\$ 7,756	\$ 9,164	\$ 24,950	\$ 6,459	\$ 7,186	\$ 661	\$ 4,263	\$ 18,569	\$ (2,752)	\$ (1,327)	\$ (2,447)
Diluted net earnings (loss) per share	\$ 0.09	\$ 0.08	\$ 0.17	\$ 0.19	\$ 0.53	\$ 0.14	\$ 0.15	\$ 0.01	\$ 0.09	\$ 0.40	\$ (0.06)	\$ (0.03)	\$ (0.06)
Weighted average number of shares used to compute diluted net earnings per share	46,866,837	46,750,581	46,586,698	47,362,844	46,894,615	47,449,320	47,659,321	46,557,853	45,300,967	46,738,604	44,468,827	43,944,924	43,752,220
Gross margin	81.5%	81.6%	82.5%	82.6%	82.1%	82.4%	82.7%	82.3%	82.1%	82.4%	82.1%	82.1%	81.7%
R&D % of total revenue	20.7%	20.7%	19.9%	18.4%	19.9%	20.9%	21.8%	26.7%	23.5%	23.1%	27.7%	26.2%	27.9%
S&M % of total revenue	43.9%	43.5%	40.8%	40.2%	42.0%	41.2%	39.4%	47.3%	45.1%	43.1%	51.4%	52.2%	53.0%
G&A % of total revenue	9.8%	10.0%	8.0%	8.1%	8.9%	7.2%	7.9%	9.3%	7.3%	7.9%	11.9%	7.9%	9.1%
Total Operating Expenses % of total revenues	74%	74%	69%	67%	71%	69%	69%	83%	76%	74%	91%	86%	90.0%
Operating margin	7.0%	7.3%	13.8%	15.9%	11.3%	13.1%	13.6%	-1.0%	6.1%	8.3%	-8.9%	-4.2%	-8.2%
Tax rate	20.5%	25.6%	16.9%	17.5%	19.2%	20.7%	20.8%	25.0%	26.1%	22.2%	-15.0%	-60.1%	3.6%
Net margin	8.0%	7.4%	13.7%	15.0%	11.2%	11.3%	12.8%	1.4%	7.7%	8.6%	-5.7%	-2.7%	-4.6%

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Every second counts

Radware Ltd. Condensed and Consolidated - Non-GAAP (U.S. Dollars in thousands, except share and per share data -	FY'14				FY'15				FY'16				
	Quarter Ended				Yr Ended 31-Dec	Quarter Ended				Yr Ended 31-Dec	Quarter Ended		
	31-Mar	30-Jun	30-Sep	31-Dec		31-Mar	30-Jun	30-Sep	31-Dec		31-Mar	30-Jun	30-Sep
Revenues	\$ 51,010	\$ 53,055	\$ 56,795	\$ 61,032	\$ 221,892	\$ 57,224	\$ 56,027	\$ 48,059	\$ 55,256	\$ 216,566	\$ 48,425	\$ 49,585	\$ 46,863
Cost of revenues	9,117	9,505	9,659	10,319	38,600	9,753	9,355	8,223	9,614	36,945	8,359	8,594	8,258
Gross profit	41,893	43,550	47,136	50,713	183,292	47,471	46,672	39,836	45,642	179,621	40,066	40,991	38,605
Operating expenses:													
Research and development, net	10,299	10,685	10,843	10,833	42,660	11,333	11,595	12,206	12,397	47,531	12,641	12,334	12,131
Selling and marketing	21,655	22,212	22,223	23,527	89,617	22,653	21,037	21,705	23,730	89,125	23,618	24,445	23,570
General and administrative	2,515	2,568	2,680	2,684	10,447	2,609	2,725	2,823	2,860	11,017	2,821	2,816	2,922
Total operating expenses	34,469	35,465	35,746	37,044	142,724	36,595	35,357	36,734	38,987	147,673	39,060	39,595	38,623
Operating income (loss)	7,424	8,085	11,390	13,669	40,568	10,876	11,315	3,102	6,655	31,948	986	1,396	(18)
Financial income, net	1,415	1,498	1,369	1,357	5,639	1,281	1,343	1,908	2,481	7,013	1,637	1,692	1,882
Income (loss) before taxes on income	8,839	9,583	12,760	15,026	46,207	12,157	12,658	5,010	9,136	38,961	2,623	3,088	1,864
Taxes on income	1,054	1,355	1,574	1,948	5,931	1,687	1,886	220	1,504	5,297	358	498	288
Net income (loss)	\$ 7,785	\$ 8,228	\$ 11,186	\$ 13,078	\$ 40,276	\$ 10,470	\$ 10,772	\$ 4,790	\$ 7,632	\$ 33,664	\$ 2,265	\$ 2,590	\$ 1,576
Diluted net earnings (loss) per share	\$ 0.17	\$ 0.18	\$ 0.24	\$ 0.28	\$ 0.86	\$ 0.22	\$ 0.23	\$ 0.10	\$ 0.17	\$ 0.72	\$ 0.05	\$ 0.06	\$ 0.04
Weighted average number of shares used to compute diluted net earnings per share	46,866,837	46,750,581	46,586,698	47,362,844	46,894,615	47,449,320	47,659,321	46,557,853	45,300,967	46,738,604	44,608,119	44,101,539	44,077,078
Gross margin	82.1%	82.1%	83.0%	83.1%	82.6%	83.0%	83.3%	82.9%	82.6%	82.9%	82.7%	82.7%	82.4%
R&D % of total revenue	20.2%	20.1%	19.1%	17.7%	19.2%	19.8%	20.7%	25.4%	22.4%	21.9%	26.1%	24.9%	25.9%
S&M % of total revenue	42.5%	41.9%	39.1%	38.5%	40.4%	39.6%	37.5%	45.2%	42.9%	41.2%	48.8%	49.3%	50.3%
G&A % of total revenue	4.9%	4.8%	4.7%	4.4%	4.7%	4.6%	4.9%	5.9%	5.2%	5.1%	5.8%	5.7%	6.2%
Total Operating Expenses % of total revenues	68%	67%	63%	61%	64%	64%	63%	76%	71%	68%	81%	80%	82%
Operating margin	14.6%	15.2%	20.1%	22.4%	18.3%	19.0%	20.2%	6.5%	12.0%	14.8%	2.0%	2.8%	0.0%
Tax rate	11.9%	14.1%	12.3%	13.0%	12.8%	13.9%	14.9%	4.4%	16.5%	13.6%	13.6%	16.1%	15.5%
Net margin	15.3%	15.5%	19.7%	21.4%	18.2%	18.3%	19.2%	10.0%	13.8%	15.5%	4.7%	5.2%	3.4%

Note: This document should be read in conjunction with the Company's SEC Filings.



GAAP to Non-GAAP Reconciliations
(U.S. Dollars in thousands, except share and per share data - unaudited)

	FY'14					FY'15					FY'16		
	Quarter Ended				Yr Ended	Quarter Ended				Yr Ended	Quarter Ended		
	31-Mar	30-Jun	30-Sep	31-Dec	31-Dec	31-Mar	30-Jun	30-Sep	31-Dec	31-Dec	31-Mar	30-Jun	30-Sep
GAAP gross profit	\$ 41,564	\$ 43,289	\$ 46,869	\$ 50,438	\$ 182,160	\$ 47,124	\$ 46,343	\$ 39,553	\$ 45,346	\$ 178,366	\$ 39,771	\$ 40,698	\$ 38,305
Stock-based compensation	10	16	22	31	79	34	35	30	42	141	42	39	47
Amortization of intangible assets	319	245	245	244	1,053	313	294	253	254	1,114	253	254	253
Non-GAAP gross profit	<u>\$ 41,893</u>	<u>\$ 43,550</u>	<u>\$ 47,136</u>	<u>\$ 50,713</u>	<u>\$ 183,292</u>	<u>\$ 47,471</u>	<u>\$ 46,672</u>	<u>\$ 39,836</u>	<u>\$ 45,642</u>	<u>\$ 179,621</u>	<u>\$ 40,066</u>	<u>\$ 40,991</u>	<u>\$ 38,605</u>
GAAP Research and development, net	\$ 10,558	\$ 10,972	\$ 11,306	\$ 11,245	\$ 44,081	\$ 11,951	\$ 12,239	\$ 12,825	\$ 12,972	\$ 49,987	\$ 13,424	\$ 13,001	\$ 13,072
Stock-based compensation	259	287	463	412	1,421	618	644	619	575	2,456	783	667	941
Non-GAAP Research and development, net	<u>\$ 10,299</u>	<u>\$ 10,685</u>	<u>\$ 10,843</u>	<u>\$ 10,833</u>	<u>\$ 42,660</u>	<u>\$ 11,333</u>	<u>\$ 11,595</u>	<u>\$ 12,206</u>	<u>\$ 12,397</u>	<u>\$ 47,531</u>	<u>\$ 12,641</u>	<u>\$ 12,334</u>	<u>\$ 12,131</u>
GAAP selling and marketing	\$ 22,412	\$ 23,092	\$ 23,157	\$ 24,542	\$ 93,203	\$ 23,580	\$ 22,082	\$ 22,739	\$ 24,946	\$ 93,347	\$ 24,912	\$ 25,865	\$ 24,853
Stock-based compensation	594	717	779	860	2,950	889	1,017	1,005	1,187	4,048	1,268	1,394	1,256
Amortization of intangible assets	163	163	155	155	636	38	28	29	29	124	26	26	27
Non-GAAP selling and marketing	<u>\$ 21,655</u>	<u>\$ 22,212</u>	<u>\$ 22,223</u>	<u>\$ 23,527</u>	<u>\$ 89,617</u>	<u>\$ 22,653</u>	<u>\$ 21,037</u>	<u>\$ 21,705</u>	<u>\$ 23,730</u>	<u>\$ 89,125</u>	<u>\$ 23,618</u>	<u>\$ 24,445</u>	<u>\$ 23,570</u>
GAAP general and administrative	\$ 5,002	\$ 5,330	\$ 4,543	\$ 4,922	\$ 19,797	\$ 4,097	\$ 4,400	\$ 4,481	\$ 4,055	\$ 17,033	\$ 5,769	\$ 3,893	\$ 4,245
Stock-based compensation	668	731	775	758	2,932	676	716	790	452	2,634	784	644	434
Litigation related charges	1,819	2,031	1,088	1,480	6,418	812	959	868	743	3,383	2,164	433	889
Non-GAAP general and administrative	<u>\$ 2,515</u>	<u>\$ 2,568</u>	<u>\$ 2,680</u>	<u>\$ 2,684</u>	<u>\$ 10,447</u>	<u>\$ 2,609</u>	<u>\$ 2,725</u>	<u>\$ 2,823</u>	<u>\$ 2,860</u>	<u>\$ 11,016</u>	<u>\$ 2,821</u>	<u>\$ 2,816</u>	<u>\$ 2,922</u>
GAAP total operating expenses	\$ 37,972	\$ 39,394	\$ 39,006	\$ 40,709	\$ 157,081	\$ 39,628	\$ 38,721	\$ 40,045	\$ 41,973	\$ 160,367	\$ 44,105	\$ 42,759	\$ 42,170
Stock-based compensation	1,521	1,735	2,017	2,030	7,303	2,183	2,377	2,414	2,214	9,388	2,835	2,705	2,631
Amortization of intangible assets	163	163	155	155	636	38	28	29	29	124	26	26	27
Litigation related charges	1,819	2,031	1,088	1,480	6,418	812	959	868	743	3,383	2,164	433	889
Non-GAAP total operating expenses	<u>\$ 34,469</u>	<u>\$ 35,465</u>	<u>\$ 35,746</u>	<u>\$ 37,044</u>	<u>\$ 142,724</u>	<u>\$ 36,595</u>	<u>\$ 35,357</u>	<u>\$ 36,734</u>	<u>\$ 38,987</u>	<u>\$ 147,672</u>	<u>\$ 39,080</u>	<u>\$ 39,595</u>	<u>\$ 38,623</u>
GAAP operating income (loss)	\$ 3,592	\$ 3,895	\$ 7,863	\$ 9,729	\$ 25,079	\$ 7,496	\$ 7,622	\$ (492)	\$ 3,373	\$ 17,999	\$ (4,334)	\$ (2,061)	\$ (3,865)
Stock-based compensation	1,531	1,751	2,039	2,061	7,382	2,217	2,412	2,444	2,256	9,329	2,877	2,744	2,678
Amortization of intangible assets	482	408	400	399	1,689	351	322	282	283	1,238	279	280	280
Litigation related charges	1,819	2,031	1,088	1,480	6,418	812	959	868	743	3,383	2,164	433	889
Non-GAAP operating income (loss)	<u>\$ 7,424</u>	<u>\$ 8,085</u>	<u>\$ 11,390</u>	<u>\$ 13,669</u>	<u>\$ 40,568</u>	<u>\$ 10,876</u>	<u>\$ 11,315</u>	<u>\$ 3,102</u>	<u>\$ 6,655</u>	<u>\$ 31,949</u>	<u>\$ 986</u>	<u>\$ 1,396</u>	<u>\$ (18)</u>
GAAP finance income	\$ 1,545	\$ 1,407	\$ 1,467	\$ 1,383	\$ 5,802	\$ 650	\$ 1,450	\$ 1,373	\$ 2,394	\$ 5,867	\$ 1,940	\$ 1,232	\$ 1,706
Exchange rate differences, net on balance sheet items included in financial income	(130)	91	(98)	(26)	(163)	631	(107)	535	87	1,147	(303)	460	176
Non-GAAP finance income	<u>\$ 1,415</u>	<u>\$ 1,498</u>	<u>\$ 1,369</u>	<u>\$ 1,357</u>	<u>\$ 5,639</u>	<u>\$ 1,281</u>	<u>\$ 1,343</u>	<u>\$ 1,908</u>	<u>\$ 2,481</u>	<u>\$ 7,014</u>	<u>\$ 1,637</u>	<u>\$ 1,692</u>	<u>\$ 1,882</u>
GAAP income (loss) before taxes on income	\$ 5,137	\$ 5,302	\$ 9,330	\$ 11,112	\$ 30,881	\$ 8,146	\$ 9,072	\$ 881	\$ 5,767	\$ 23,866	\$ (2,394)	\$ (829)	\$ (2,159)
Stock-based compensation	1,531	1,751	2,039	2,061	7,382	2,217	2,412	2,444	2,256	9,329	2,877	2,744	2,678
Amortization of intangible assets	482	408	400	399	1,689	351	322	282	283	1,238	279	280	280
Litigation related charges	1,819	2,031	1,088	1,480	6,418	812	959	868	743	3,383	2,164	433	889
Exchange rate differences, net on balance sheet items included in financial income	(130)	91	(98)	(26)	(163)	631	(107)	535	87	1,147	(303)	460	176
Non-GAAP income before taxes on income	<u>\$ 8,839</u>	<u>\$ 9,583</u>	<u>\$ 12,759</u>	<u>\$ 15,026</u>	<u>\$ 46,207</u>	<u>\$ 12,157</u>	<u>\$ 12,658</u>	<u>\$ 5,010</u>	<u>\$ 9,137</u>	<u>\$ 38,962</u>	<u>\$ 2,623</u>	<u>\$ 3,088</u>	<u>\$ 1,864</u>
GAAP net income (loss)	\$ 4,083	\$ 3,947	\$ 7,756	\$ 9,164	\$ 24,950	\$ 6,459	\$ 7,186	\$ 661	\$ 4,263	\$ 18,569	\$ (2,752)	\$ (1,327)	\$ (2,447)
Stock-based compensation	1,531	1,751	2,039	2,061	7,382	2,217	2,412	2,444	2,256	9,329	2,877	2,744	2,678
Amortization of intangible assets	482	408	400	399	1,689	351	322	282	283	1,238	279	280	280
Litigation related charges	1,819	2,031	1,088	1,480	6,418	812	959	868	743	3,383	2,164	433	889
Exchange rate differences, net on balance sheet items included in financial income	(130)	91	(98)	(26)	(163)	631	(107)	535	87	1,147	(303)	460	176
Non-GAAP net income (loss)	<u>\$ 7,785</u>	<u>\$ 8,228</u>	<u>\$ 11,185</u>	<u>\$ 13,078</u>	<u>\$ 40,276</u>	<u>\$ 10,470</u>	<u>\$ 10,772</u>	<u>\$ 4,790</u>	<u>\$ 7,633</u>	<u>\$ 33,665</u>	<u>\$ 2,265</u>	<u>\$ 2,590</u>	<u>\$ 1,576</u>
GAAP diluted net earnings (loss) per share	\$ 0.09	\$ 0.08	\$ 0.17	\$ 0.19	\$ 0.53	\$ 0.14	\$ 0.15	\$ 0.01	\$ 0.09	\$ 0.40	\$ (0.06)	\$ (0.03)	\$ (0.06)
Stock-based compensation	0.03	0.04	0.04	0.04	0.16	0.05	0.05	0.05	0.05	0.20	0.06	0.06	0.06
Amortization of intangible assets	0.01	0.01	0.01	0.01	0.04	0.01	0.01	0.01	0.01	0.03	0.01	0.01	0.01
Litigation related charges	0.04	0.04	0.02	0.03	0.14	0.02	0.02	0.02	0.02	0.07	0.05	0.01	0.02
Exchange rate differences, net on balance sheet items included in financial income	(\$0.00)	\$0.00	(\$0.00)	(\$0.00)	(\$0.00)	\$0.01	(\$0.00)	\$0.01	\$0.00	\$0.02	(\$0.01)	\$0.01	\$0.01
Non-GAAP diluted net earnings per share	<u>\$ 0.17</u>	<u>\$ 0.18</u>	<u>\$ 0.24</u>	<u>\$ 0.28</u>	<u>\$ 0.86</u>	<u>\$ 0.22</u>	<u>\$ 0.23</u>	<u>\$ 0.10</u>	<u>\$ 0.17</u>	<u>\$ 0.72</u>	<u>\$ 0.05</u>	<u>\$ 0.05</u>	<u>\$ 0.04</u>
GAAP weighted average number of shares used to compute diluted net earnings per share	<u>46,866,837</u>	<u>46,750,581</u>	<u>46,586,698</u>	<u>47,362,844</u>	<u>46,894,615</u>	<u>47,449,320</u>	<u>47,659,321</u>	<u>46,557,853</u>	<u>45,300,967</u>	<u>46,738,604</u>	<u>44,468,827</u>	<u>43,944,924</u>	<u>44,077,078</u>

Note: This document should be read in conjunction with the Company's SEC Filings.



Radware Ltd. Condensed and Consolidated - Quarterly US (U.S. Dollars in thousands - unaudited)	FY'14					FY'15					FY'16				
	Quarter Ended				Yr Ended 31-Dec	Quarter Ended				Yr Ended 31-Dec	Quarter Ended				
	31-Mar	30-Jun	30-Sep	31-Dec		31-Mar	30-Jun	30-Sep	31-Dec		31-Mar	30-Jun	30-Sep		
Cash flows from operating activities:															
Net income (loss)	\$ 4,083	\$ 3,947	\$ 7,756	\$ 9,164	\$ 24,950	\$ 6,459	\$ 7,186	\$ 661	\$ 4,263	\$ 18,569	\$ (2,752)	\$ (1,327)	\$ (2,447)		
Adjustments to reconcile net income (loss) to net cash provided by operating activities:															
Depreciation and amortization	1,910	1,950	2,068	2,174	8,102	2,205	2,348	2,437	2,411	9,401	2,534	2,561	2,614		
Stock based compensation	1,532	1,749	2,040	2,061	7,382	2,217	2,412	2,444	2,256	9,329	2,877	2,744	2,678		
Gain from sale of available-for-sale marketable securities	(119)	(208)	(96)	(1)	(424)	(194)	(229)	(717)	(1,298)	(2,438)	(577)	(549)	(651)		
Amortization of premiums, accretion of discounts and accrued interest on available-for-sale marketable securities, net	873	814	805	472	2,964	1,435	486	767	520	3,208	378	514	385		
Accrued interest on bank deposits	(181)	(213)	437	1,026	1,069	(341)	(490)	(519)	(648)	(1,998)	(661)	6	201		
Increase (decrease) in accrued severance pay, net	19	(22)	27	(182)	(158)	47	(6)	84	0	125	322	19	-51		
Decrease (increase) in trade receivables, net	3,187	3,364	(10,514)	3,237	(726)	(309)	2,188	(423)	(2,229)	(773)	(1,495)	1,848	4,711		
Decrease (increase) in other assets and prepaid expenses	(489)	(2,601)	(807)	209	(3,688)	(120)	(709)	(1,852)	2,793	112	(304)	(106)	149		
Decrease (increase) in inventories	(592)	(194)	(1,366)	(502)	(2,654)	591	(60)	(78)	69	522	(254)	395	(631)		
Increase (decrease) in trade payables	(970)	781	2,388	(1,180)	1,019	(2,710)	207	(1,288)	3,229	(562)	(4,178)	1,010	(1,036)		
Increase (decrease) in other payables, deferred revenues and accrued expenses	7,787	2,785	(889)	6,101	15,784	2,722	1,312	(3,986)	4,225	4,273	12,919	606	(7,194)		
Excess tax benefit from stock-based compensation	(459)	(459)	(459)	(66)	(1,443)	(230)	(230)	(230)	58	(632)	0	74	0		
Net cash provided by (used in) operating activities	16,581	11,693	1,390	22,513	52,177	11,772	14,415	(2,700)	15,649	39,136	8,809	7,795	(1,272)		
Cash flows from investing activities:															
Purchase of property and equipment	(1,954)	(1,352)	(3,052)	(3,124)	(9,482)	(2,953)	(4,247)	(3,518)	(3,056)	(13,774)	(2,629)	(2,881)	(2,561)		
proceeds from (investment in) other long-term assets	(4)	3	9	26	34	(51)	0	(33)	(16)	(100)	19	(16)	(3)		
Investment in bank deposits, net	(293)	(6,334)	(1,818)	(12,484)	(20,929)	(23,193)	(17,652)	2,958	4,063	(33,824)	(4,436)	(9,952)	16,097		
Proceeds from (investment in) available-for-sale marketable securities	(16,459)	(1,825)	7,020	6,984	(4,280)	17,387	(869)	19,706	4,621	40,845	3,106	155	4,339		
Purchase of intangible assets	0	0	0	(1,375)	(1,375)	0	0	0	0	0	0	0	0		
Net cash provided by (used in) investing activities	(18,710)	(9,508)	2,159	(9,973)	(36,032)	(8,810)	(22,768)	19,113	5,612	(6,853)	(3,940)	(12,694)	17,872		
Cash flows from financing activities:															
Proceeds from exercise of stock options	3,652	1,003	4,920	12,918	22,493	2,210	5,493	868	175	8,746	0	0	330		
Excess tax benefit from stock-based compensation	459	459	459	66	1,443	230	230	230	(58)	632	0	(74)	0		
Repurchase of shares	0	(5,634)	(4,522)	(5,013)	(15,169)	(19,727)	0	(24,780)	(8,389)	(52,896)	(6,780)	(4,932)	0		
Net cash provided by (used in) financing activities	4,111	(4,172)	857	7,971	8,767	(17,287)	5,723	(23,682)	(8,272)	(43,518)	(6,780)	(5,006)	330		
Increase (decrease) in cash and cash equivalents	1,982	(1,987)	4,406	20,511	24,912	(14,325)	(2,630)	(7,269)	12,989	(11,235)	(1,911)	(9,905)	16,930		
Cash and cash equivalents at the beginning of the period	20,067	22,049	20,062	24,468	20,067	44,979	30,654	28,024	20,755	44,979	33,744	31,833	21,928		
Cash and cash equivalents at the end of the period	\$ 22,049	\$ 20,062	\$ 24,468	\$ 44,979	\$ 44,979	\$ 30,654	\$ 28,024	\$ 20,755	\$ 33,744	\$ 33,744	\$ 31,833	\$ 21,928	\$ 38,858		

Note: This document should be read in conjunction with the Company's SEC Filings.



Radware Ltd. - Revenues mix
(U.S. Dollars in thousands - unaudited)

Revenue by geography:

	FY'14	FY'15	FY'16		
	Yr Ended 31-Dec	Yr Ended 31-Dec	31-Mar	Quarter Ended 30-Jun	30-Sep
Americas	\$ 93,486	\$ 88,685	\$ 20,007	\$ 22,069	\$ 19,967
EMEA	55,375	62,689	12,567	14,035	12,217
APAC	73,031	65,192	15,851	13,481	14,679
Total revenue	\$ 221,892	\$ 216,566	\$ 48,425	\$ 49,585	\$ 46,863

Revenue % of total:

Americas	42.1%	41.0%	41.3%	44.5%	42.6%
EMEA	25.0%	28.9%	26.0%	28.3%	26.1%
APAC	32.9%	30.1%	32.7%	27.2%	31.3%
Total revenue	100.0%	100.0%	100.0%	100.0%	100.0%

Revenue by vertical:

Enterprise	\$ 151,888	\$ 152,824	\$ 34,482	\$ 34,380	\$ 33,284
Carrier	70,004	63,742	13,943	15,205	13,579
Total revenue	\$ 221,892	\$ 216,566	\$ 48,425	\$ 49,585	\$ 46,863

Revenue % of total:

Enterprise	68.5%	70.6%	71.2%	69.3%	71.0%
Carrier	31.5%	29.4%	28.8%	30.7%	29.0%
Total revenue	100.0%	100.0%	100.0%	100.0%	100.0%

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