

Investor Presentation

February 2017





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We Secure the **digital user experience** in the **ever-changing application ecosystem**



The World is Going Digital

Digital Transformation
is everywhere



Apps become the center of business



Users expect **flawless experience**
from their apps



Delivery environment is becoming complex



www



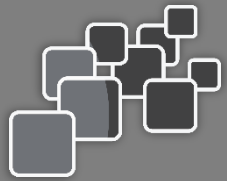
Cloud



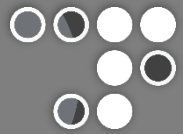
Data center



Securing User Experience in the Ever-changing Application Ecosystem



APPLICATIONS



RADWARE



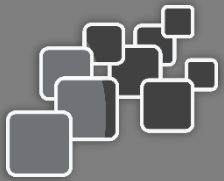
DELIVERY INFRASTRUCTURE

OUR MISSION

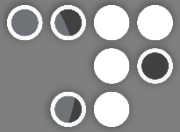
To secure the **digital user experience** in the ever-changing application ecosystem



Ever-changing Delivery Infrastructure



APPLICATIONS



RADWARE



DELIVERY INFRASTRUCTURE

IT Keeps Changing

Applications are migrating to the cloud



Datacenter architecture is rapidly changing



Data Center Virtualization



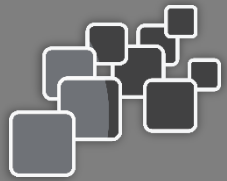
Private/Hybrid Cloud



Software Defined Data Center (SDDC)

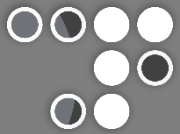


Ever-increasing Security Threats



APPLICATIONS

Application Protection



RADWARE



DELIVERY INFRASTRUCTURE

Threats Risking Application User Experience are Ever-Intensifying




An increase of more than 60%

Since 2010 in the number of new vulnerabilities

Source: National Vulnerability Database (NVD)

* Source: https://techtalk.gfi.com/2015s-mvps-the-most-vulnerable-players/?_ga=1.183299750.1428529425.1486291764

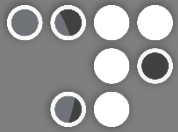


Even-increasing Expectations for Availability and Performance



APPLICATIONS

Application Delivery



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DELIVERY INFRASTRUCTURE

Users want their apps

Fast and Available  **1^{SEC} Delay**
in load time:

Is equal to **\$2.5 Million** **In losses**
a year

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



Radware is Positioned to Capture the Opportunity



Comprehensive suite of transformed **solutions** to address the core challenges



Cloud delivery disrupts vendor landscape to reward **fast innovators**



New competence in serving flexible **business models**



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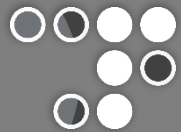


Comprehensive Suite of Transformed Solutions

APPLICATIONS

Application Delivery

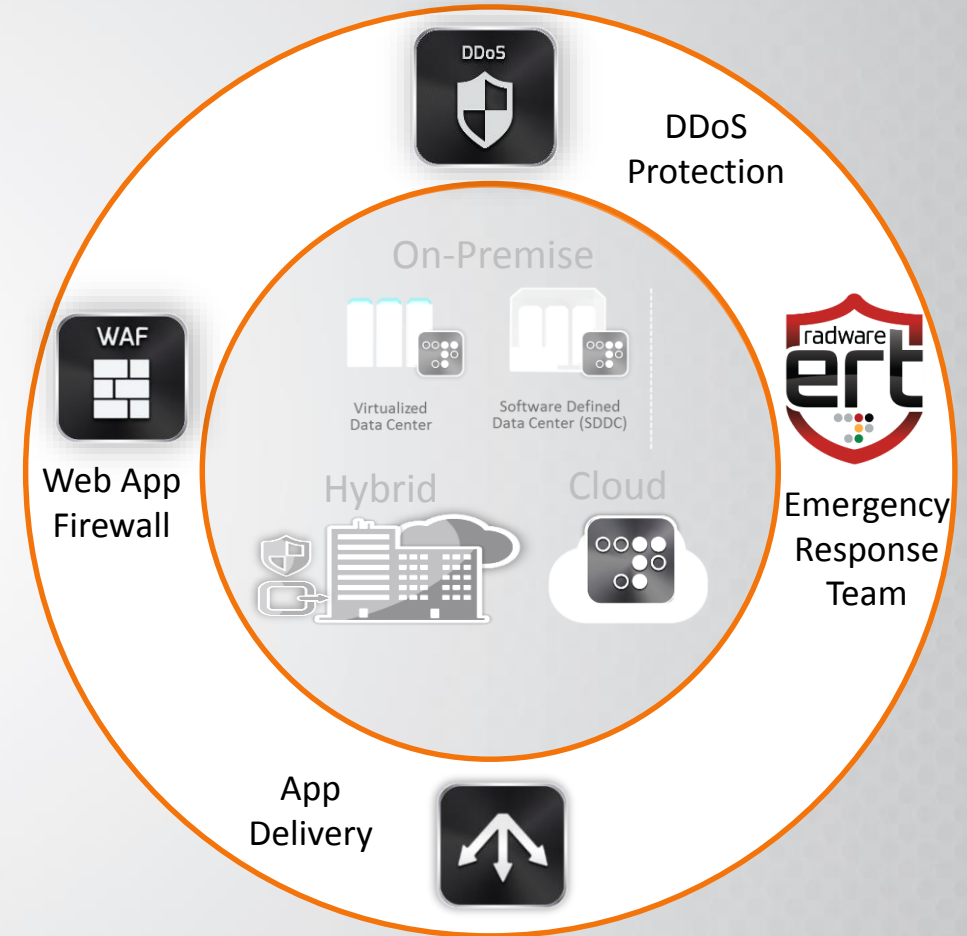
Application Protection



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DELIVERY INFRASTRUCTURE





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Comprehensive suite of transformed **solutions** to address the core challenges



Cloud delivery disrupts vendor landscape to reward **fast innovators**



New competence in serving flexible **business models**



Innovation - Key Differentiators



Integrated application delivery by adding analytics and security components



Multi-layer continuously adaptive security including behavioral DDoS, WAF and data protection through big-data analytics and machine learning



Service insertion and automation for simple Life-Cycle-Management and event automation




Multi-cloud migration, hybrid deployments across data-centers, public and hyper-scale clouds



Fully managed cloud catalog and deep threats analysis



Integration and white-labeling with leading vendors



Radware is Positioned to Capture the Opportunity



Comprehensive suite of transformed **solutions** to address the core challenges



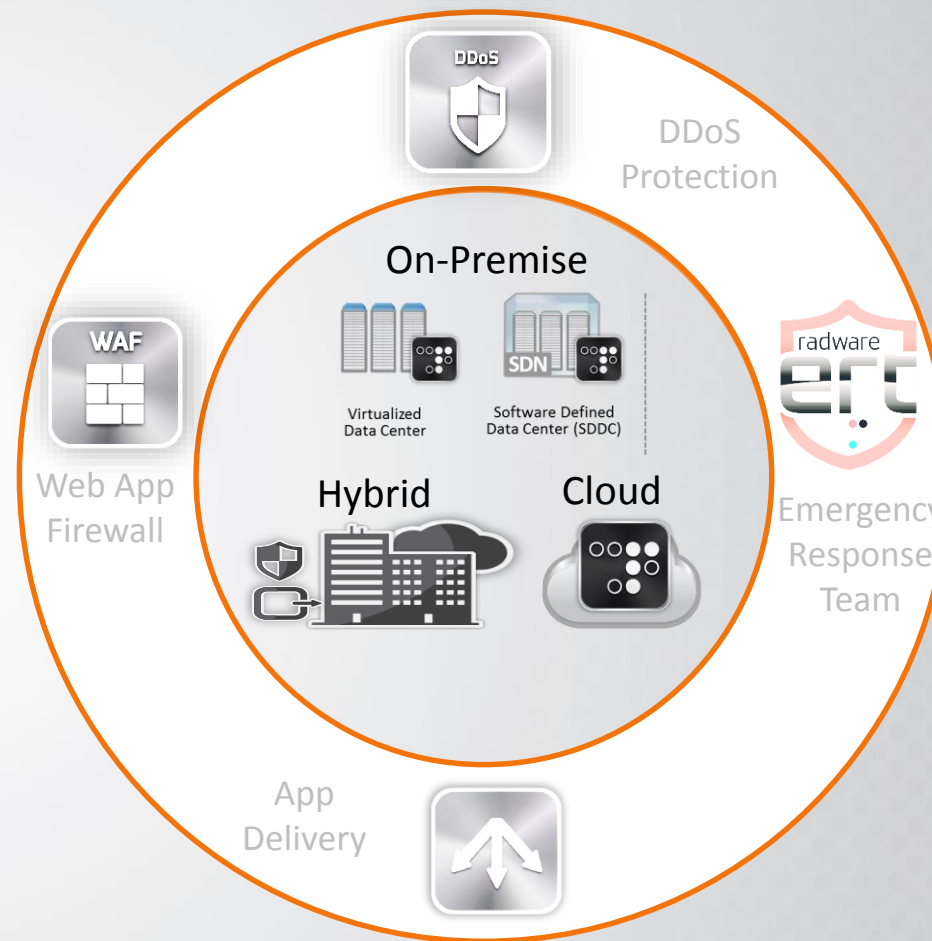
Cloud delivery disrupts vendor landscape to reward **fast innovators**



New competence in serving flexible **business models**

Flexible Deployment Options

To Support
Any Business Model





Supporting Assets



Market Recognition



Check Point
SOFTWARE TECHNOLOGIES LTD.

OEM agreements
with industry leaders



Global cloud and
service infrastructure



Industry leaders
technology partners



Over 10,000
Customers



Global sales, support and
marketing organization



Our Business Strategy For Growth

Maintain focus on
**Application Security
& Delivery**
across **Data Center &
Cloud**



ORGANIC GROWTH

Continue innovate industry leading
solutions and services for:

- Cloud & SDDC
- Cloud Service Providers
- Integrative Cyber Security
- Encrypted Internet
- Cloud security services



Increase our **Market Foot Print:**

- Cloud and CDN providers
- OEMs and Alliances
- SIs and resellers
- Enhanced GTM resources



Expand our
business through
Acquisitions

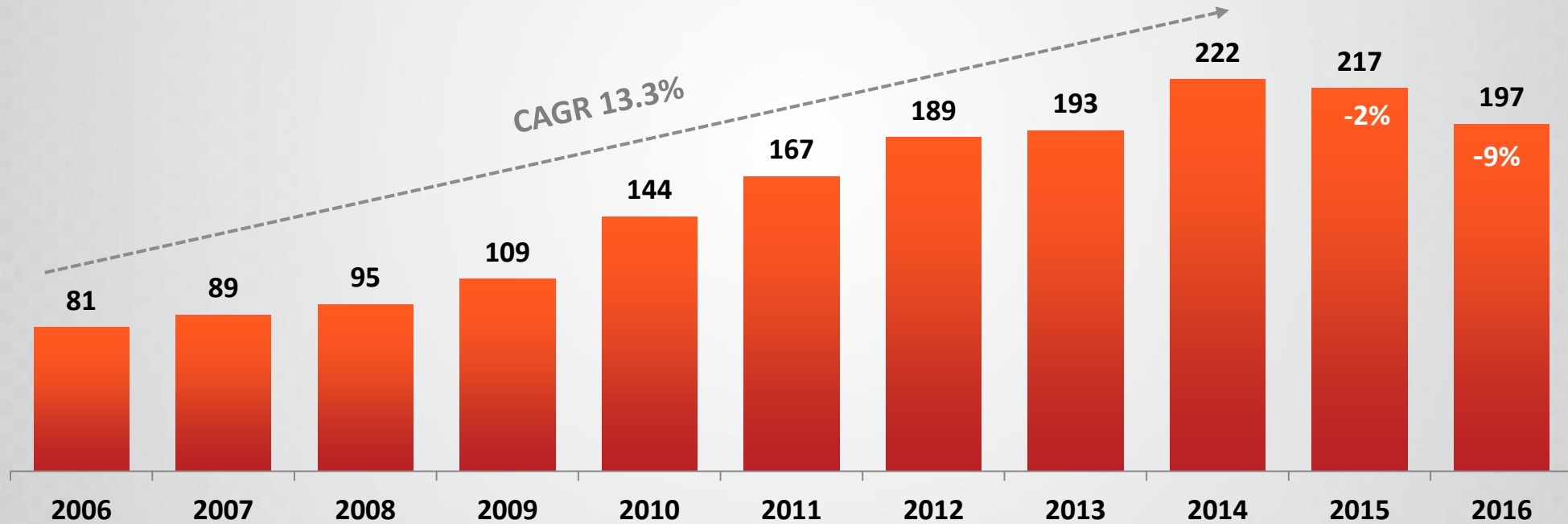
Financials





Historical Track Record of Growth

Annual Revenues (\$M)

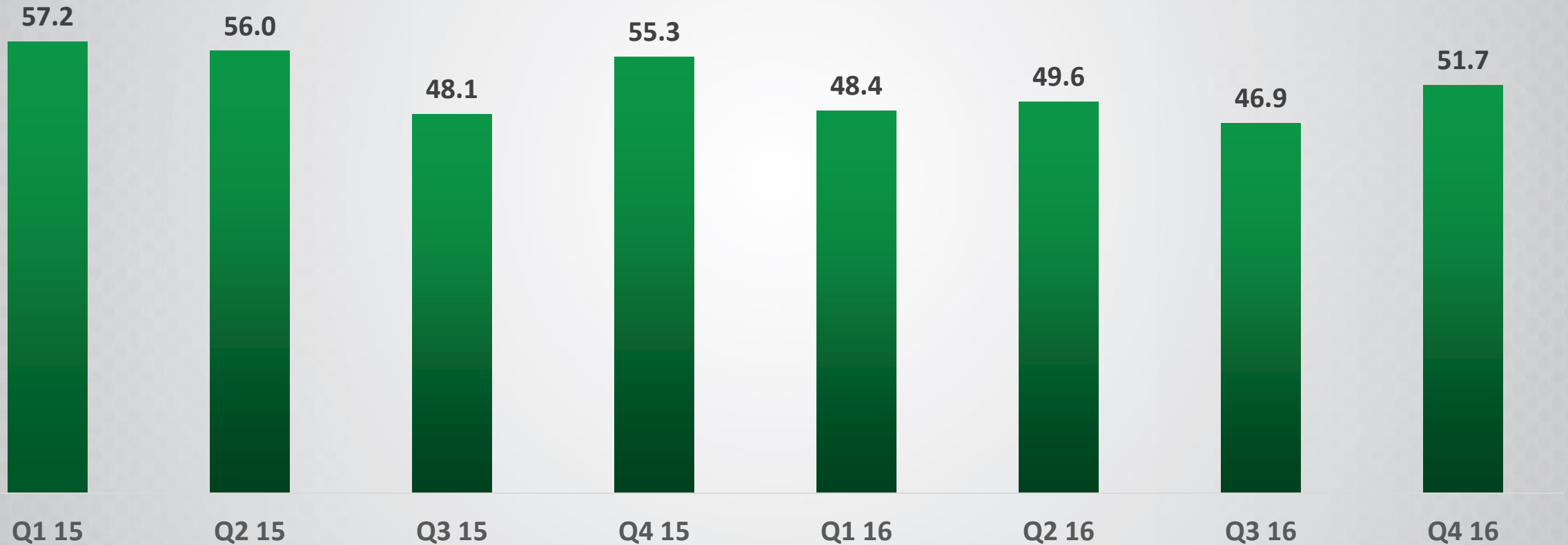




Business Model in Transition

Quarterly Revenues (\$M)

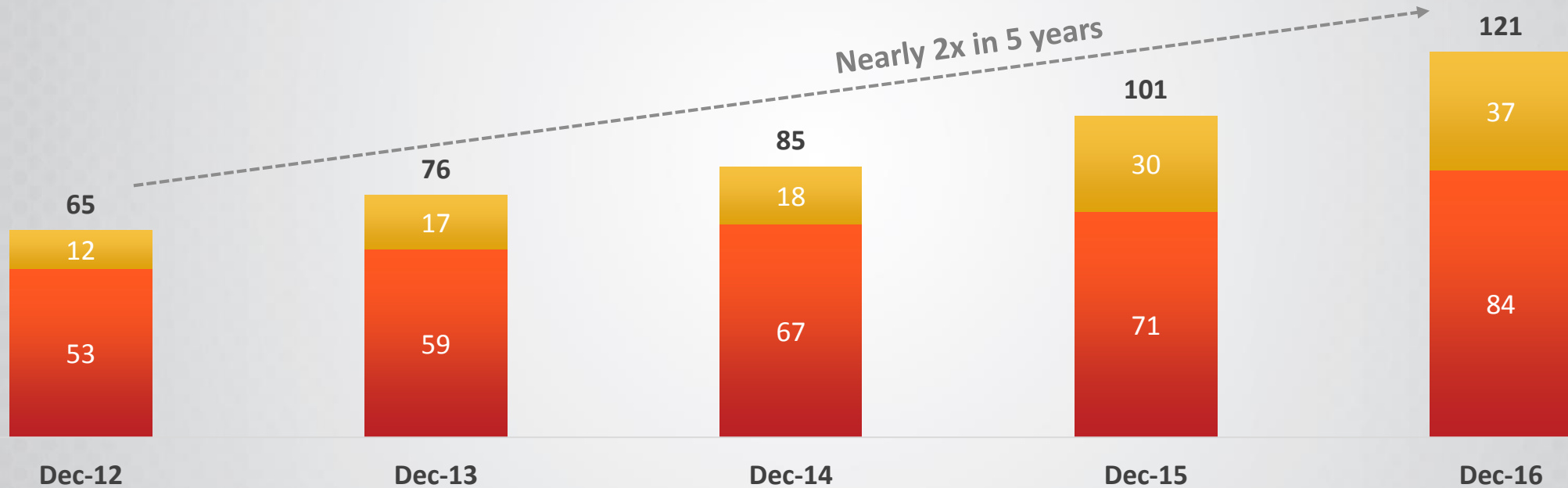
Subscription % of Bookings is increasing, affecting revenues recognition





Shift to Subscriptions

Deferred Revenues (\$M)



■ Balance Sheet

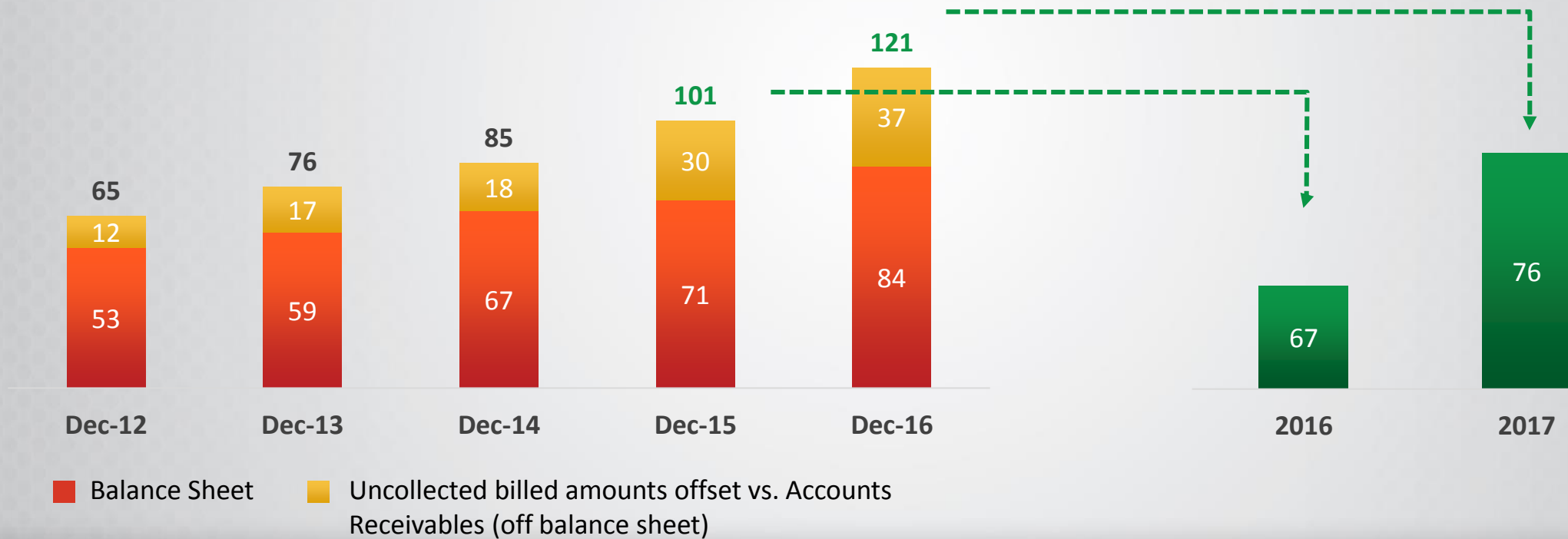
■ Uncollected billed amounts offset vs. Accounts Receivables (off balance sheet)



Shift to Subscriptions

Deferred Revenues (\$M)

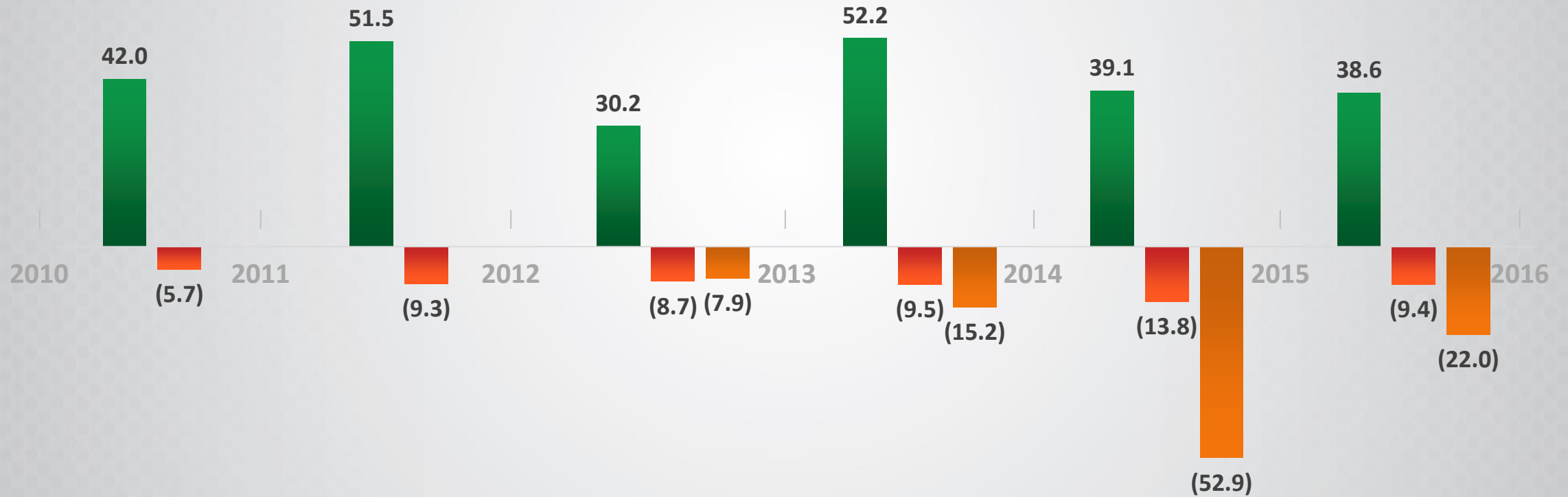
60-65% of Total Deferred Revenues is scheduled to be recognized as revenues within 12 months





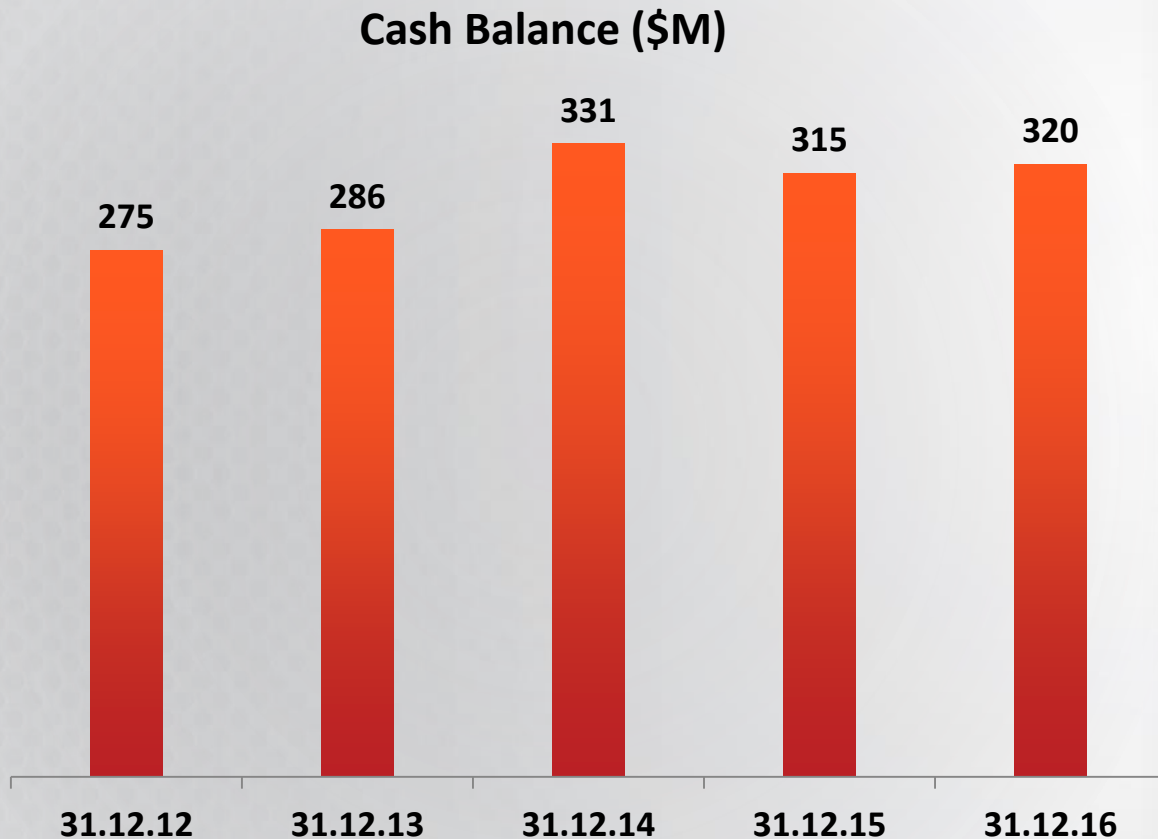
Continuous Strong Cash Generation

■ OCF ■ Capex ■ Buyback (\$M)





Readiness to Put Cash Balance to Work



Expanding our
business through
Acquisitions

- Technology Driven
- Business Driven



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Every second counts

