

# Investor Presentation

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August 2017





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# radware

IS A WORLDWIDE LEADER  
in **Application Security & Delivery**  
across Datacenter and Cloud

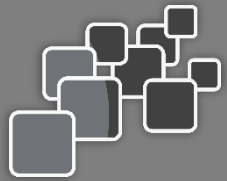


# The New Digital Enterprise

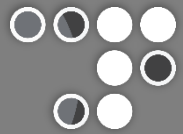




# Securing User Experience in the Ever-changing Application Ecosystem



APPLICATIONS



RADWARE



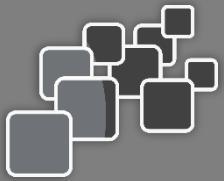
DELIVERY INFRASTRUCTURE

## OUR MISSION

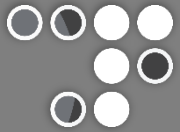
To Secure The **Digital User Experience** In The Ever-changing Application Ecosystem



# 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)

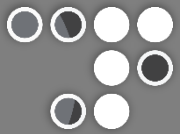


# Ever-increasing Security Threats



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](https://techtalk.gfi.com/2015s-mvps-the-most-vulnerable-players/?_ga=1.183299750.1428529425.1486291764)

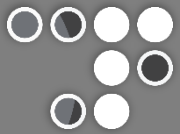


# Ever-increasing Expectations for Availability and Performance



APPLICATIONS

Application Delivery



RADWARE



DELIVERY INFRASTRUCTURE

Users want their apps

**Fast and Available**  **1<sup>SEC</sup> 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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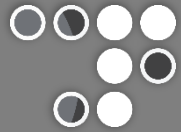
# Comprehensive Suite of Transformed Solutions



## APPLICATIONS

Application Protection

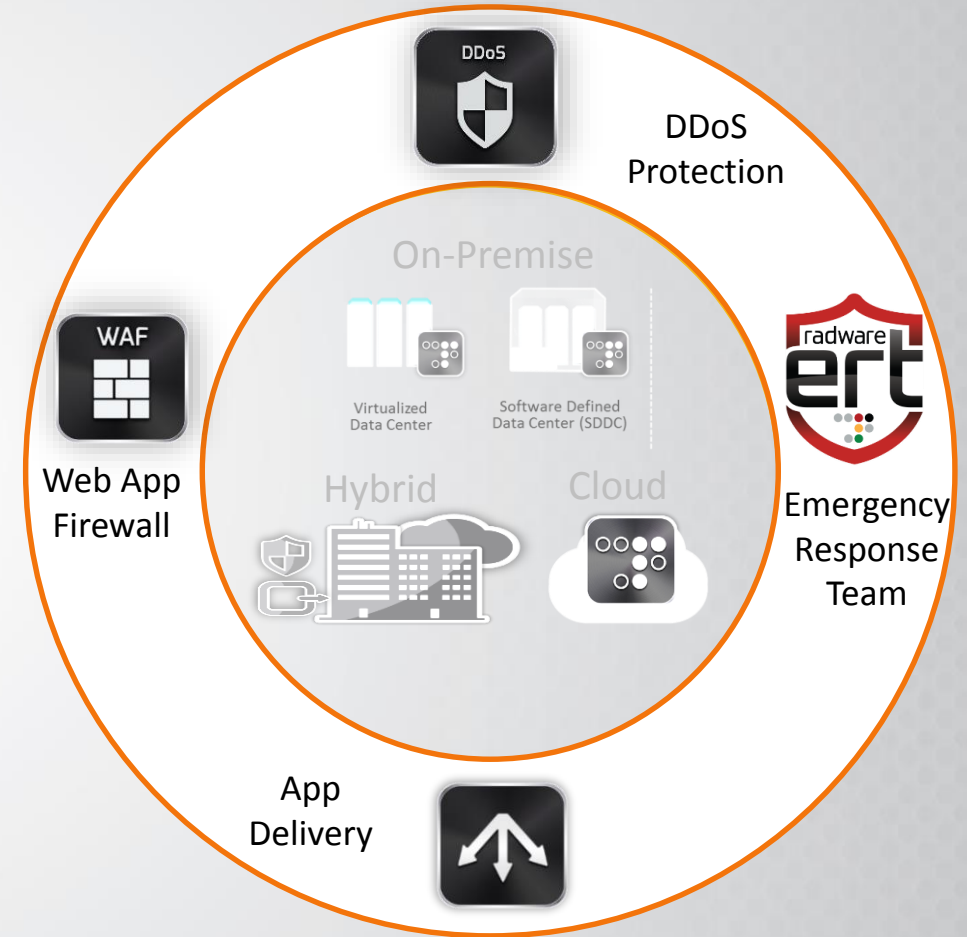
Application Delivery



## RADWARE



## DELIVERY INFRASTRUCTURE





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# Innovation - Key Differentiators



**Integrated Application Delivery**  
By Adding Analytics And Security  
Components



**Multi-layer Continuously Adaptive Security** Including Behavioral DDoS,  
WAF And Data Protection Thru  
Big-data Analytics And  
Machine Learning



**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  
Services Catalog**  
And Cyber Threat Intelligence  
Services



# Radware is Positioned to Capture the Opportunity



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



New competence in serving flexible **business models**



# Flexible Deployment Options To Support Any Business Model

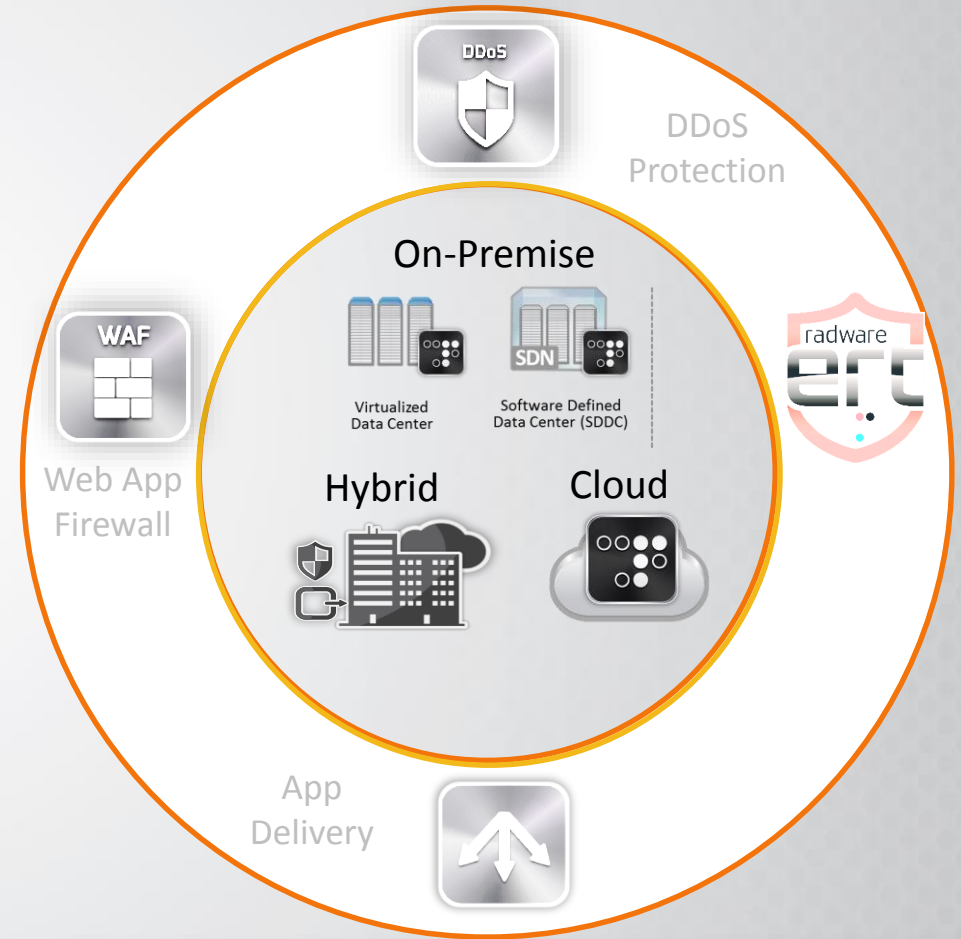
## FROM:

Physical appliances  
on Perpetual license



## TO:

- Physical or virtual appliances
- On-premise solutions or cloud services or hybrid solutions
- Perpetual and/or subscription based product licenses
- Self-managed or fully managed





# Supporting Assets - Leading Technology

**Market**  
**RECOGNITION**



**OEM** agreements  
with industry leaders



**Industry leading**  
**TECHNOLOGY PARTNERS**







# Supporting Assets - Over 10,000 Customers



**7 OF TOP 14**

**World's Stock Exchanges**



**12 OF TOP 22**

**World's Commercial Banks**



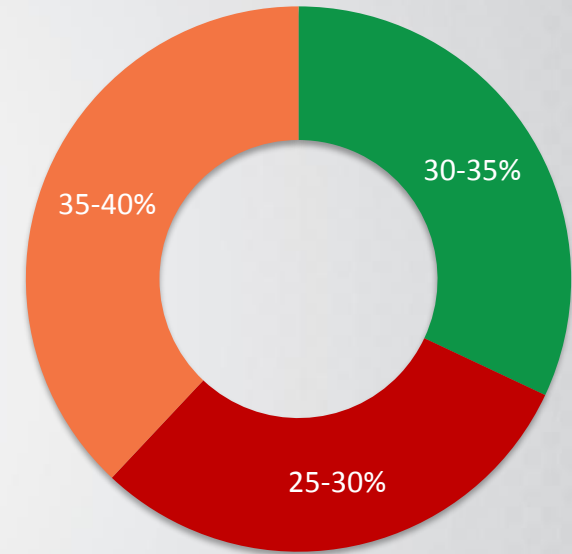
**6 OF TOP 10**

**World Carriers**



**3 OF TOP 7**

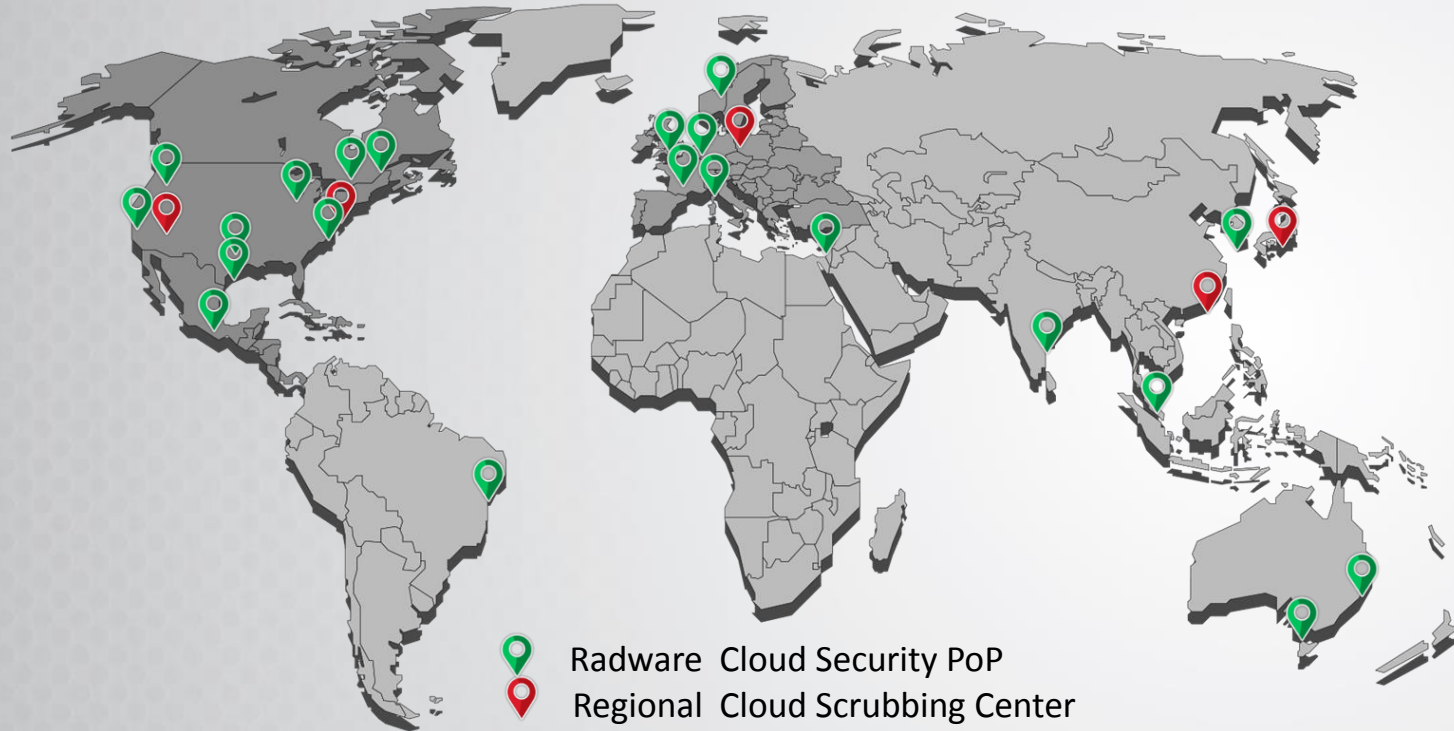
**World Cloud Service Providers**



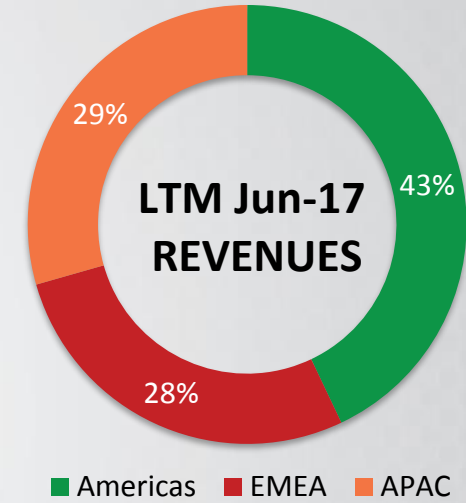
- Carriers & Service Providers
- Banking, Finance & Government
- Other



# Supporting Assets - Global Presence



**OVER 2TB** Of Global Mitigation Capacity



**BALANCED** Geographic Exposure



~1,000 Employees



35 Offices



# Our Business Strategy For Growth

Enhance and leverage **Integration** of application security & delivery solutions

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



**ORGANIC GROWTH**



Expand our business through **Acquisitions**

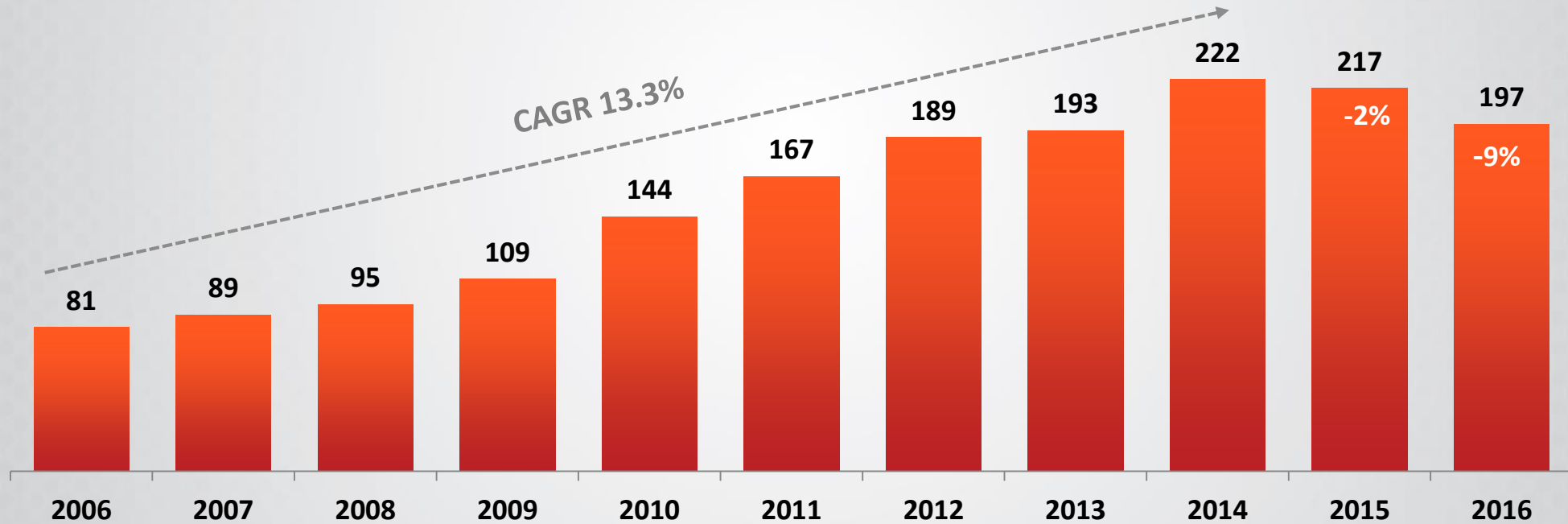
# Financials





# Historical Track Record of Growth

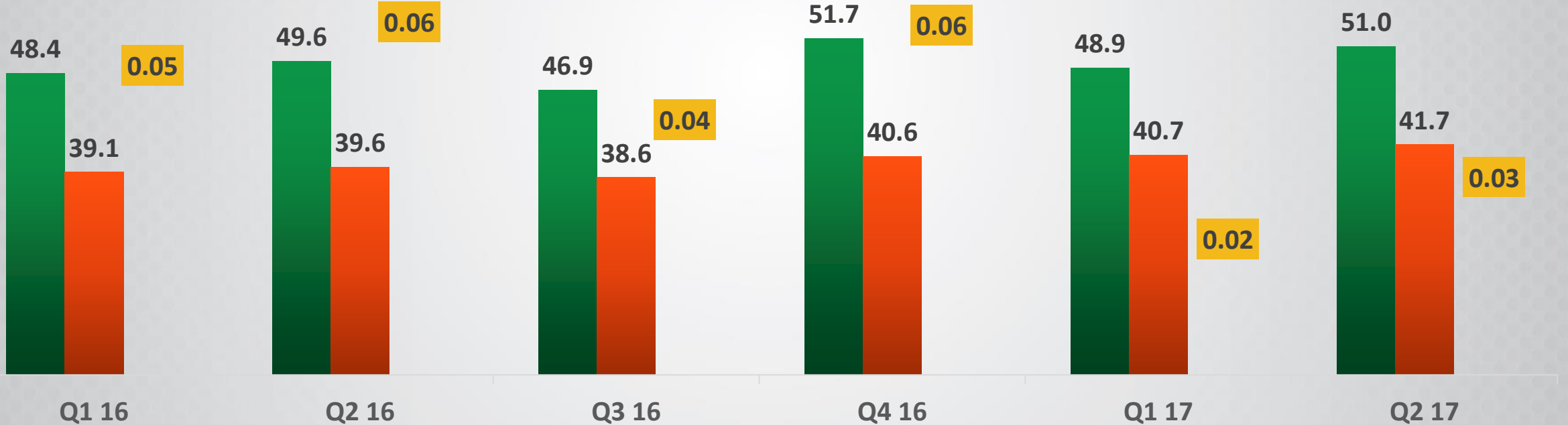
## Annual Revenues (\$M)





# Business Model in Transition

■ Revenues (\$M) ■ Opex (Non-GAAP, \$M) ■ EPS (\$)



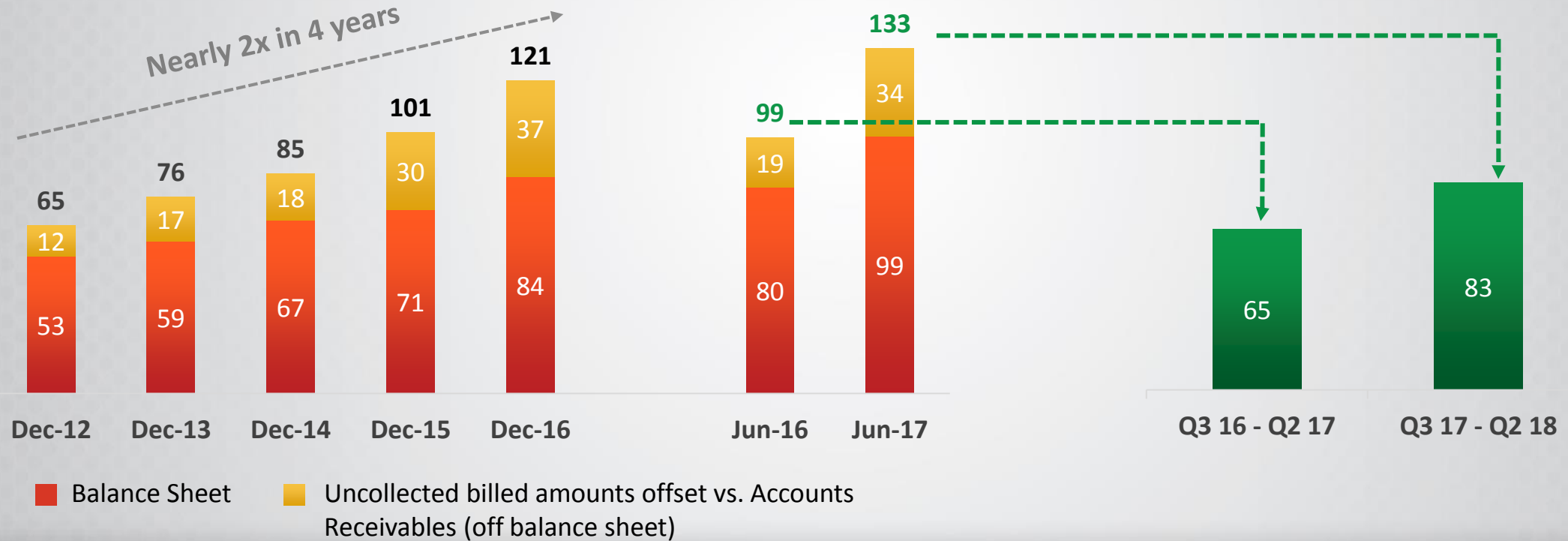
\* Guidance given by the Company on 2 August 2017



# Shift to Subscriptions

## Deferred Revenues (\$M)

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

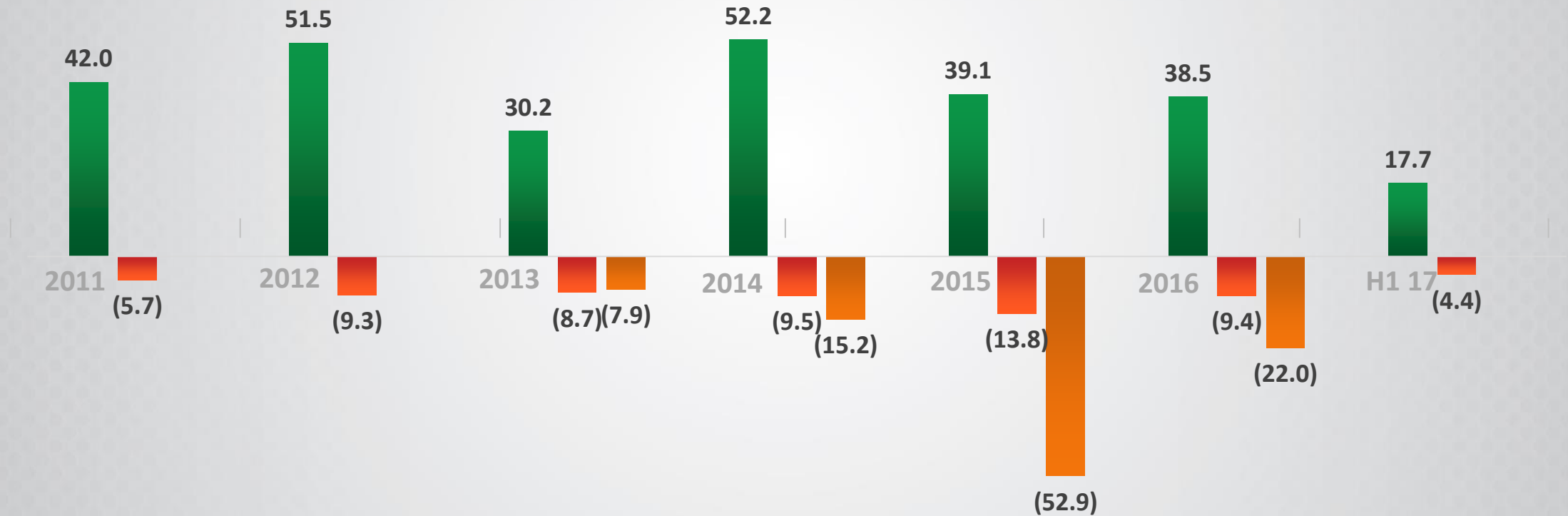




# Continuous Strong Cash Generation

LTM Operating Cash Flow of ~\$40M

■ OCF ■ Capex ■ Buyback (\$M)

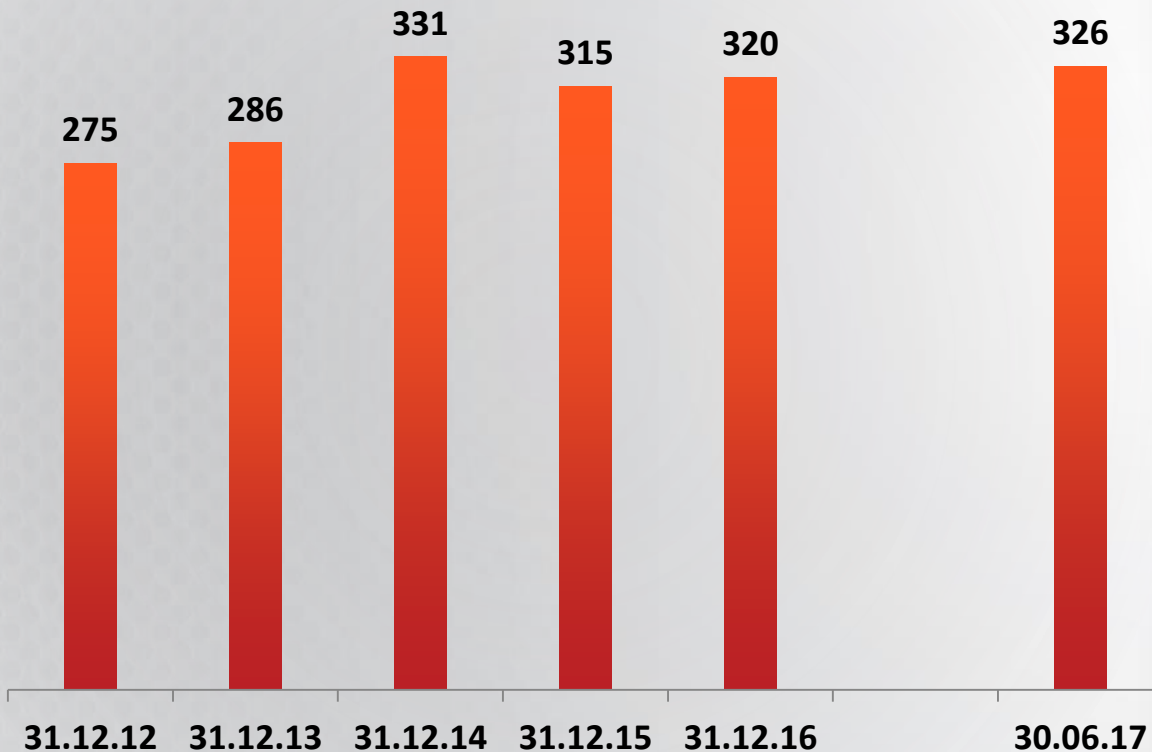






# Readiness to Put Cash Balance to Work

Cash Balance (\$M)



Expanding our  
business through  
**Acquisitions**

- Technology Driven
- Business Driven



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Every second counts

