



# Investor Presentation

September 2020



# SAFE HARBOR

## DISCLAIMER

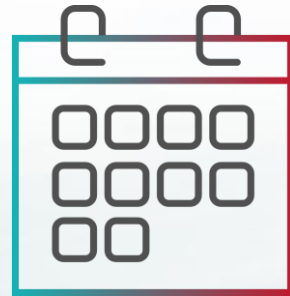
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# INVESTMENT HIGHLIGHTS



LEADER IN  
DATA CENTER  
CYBERSECURITY



FAST GROWING  
SUBSCRIPTION  
BUSINESS



MAJOR MARKET  
OPPORTUNITY



STRONG  
CUSTOMER BASE



# INVESTMENT HIGHLIGHT: LEADER IN DATACENTER CYBERSECURITY

COMPREHENSIVE STACK TO ENSURE APPLICATION AVAILABILITY AND SECURITY ACROSS PRIVATE AND PUBLIC CLOUD DATA CENTERS

Making applications

**AVAILABLE**



DDoS  
Protection



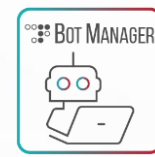
ADC  
Multi-Cloud

Keeping data

**CONFIDENTIAL**



Web App  
Firewall



Bot  
Manager

Protecting

**CLOUD TRANSITION**



Global Elastic  
License



Cloud Workload  
Protection



# GLOBAL CLOUD SECURITY NETWORK

OVER 40 POPS GLOBALLY, STRONG GROWTH IN CUSTOMER COUNT, CAPACITY AND REVENUES





**552K**

DDoS Attacks  
blocked in Q2 20

**295M**

Web Application  
Attack Transactions  
blocked in Q2 20

-  DDoS Mitigation Scrubbing Center
-  Cloud WAF Points-of-Presence

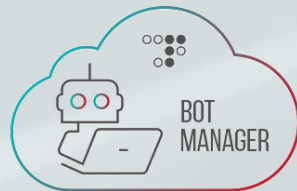
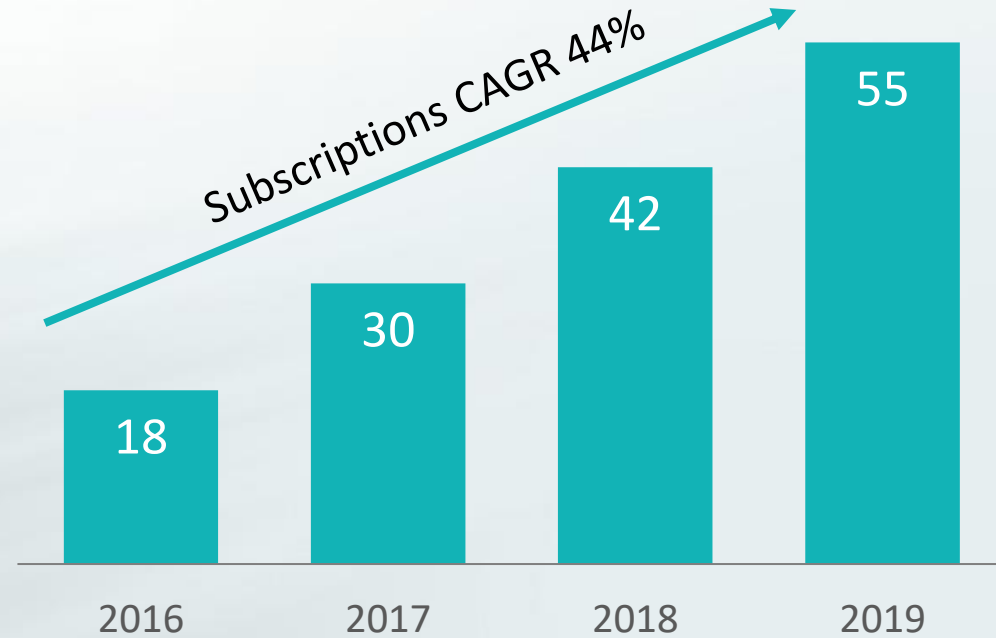


# INVESTMENT HIGHLIGHT: FAST GROWING SUBSCRIPTIONS BUSINESS

SUBSCRIPTION BOOKINGS OF TOTAL



SUBSCRIPTION REVENUE (\$M)



And  
More...



# INVESTMENT HIGHLIGHT: MAJOR MARKET OPPORTUNITY

## ATTACK SURFACE IS INCREASING

APPLICATIONS AND DATA CHANGING LOCATIONS

Balance Shifting To Public Cloud



2<sup>IN</sup>5

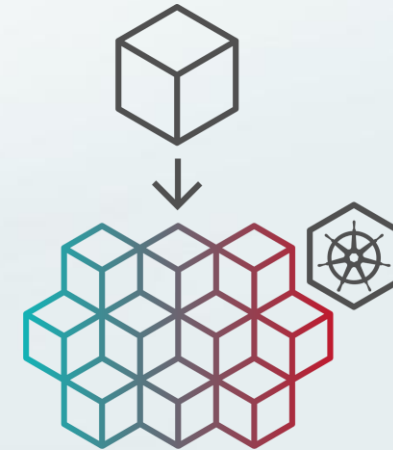
are using multiple cloud environments

3+

Public cloud environments for large organizations

APPLICATION INFRASTRUCTURE IS SHIFTING

From Monolithic To Micro Services



60%

Of organizations run Micorservices/ Containers/ Serverless



# INVESTMENT HIGHLIGHT: MAJOR MARKET OPPORTUNITY

## SOLID GROWTH OF CORE TAM:

Combined ADC, DDoS, WAF and Bot Risk Management Forecasted CAGR of 11% between 2019-2022\*

### DDoS PROTECTION

MARKET SIZE:

**\$1.5B**

CAGR: **18%**

### ADC

MARKET SIZE\*:

**\$1.9B**

CAGR: **3% Total\***  
**-6% Appliance**  
**19% Virtual**

### WAF

MARKET SIZE:

**\$900M**

CAGR: **10%**

### BOT RISK MANAGEMENT

MARKET SIZE:

**\$300M**

CAGR: **25%**

*\*Excludes ADC as a service.*

*Sources: IDC Worldwide Application Delivery Controller Forecast, Dec-18; IDC: Worldwide DDoS Prevention Products and Services Forecast, Jull-18; Gartner: Information Security and Risk Management, Dec-18; F&S: Global Bot Risk Management (BRM) Market Analysis, Jan-18;*





# INVESTMENT HIGHLIGHT: STRONG CUSTOMER BASE

32

Deals of >\$1M in 2019

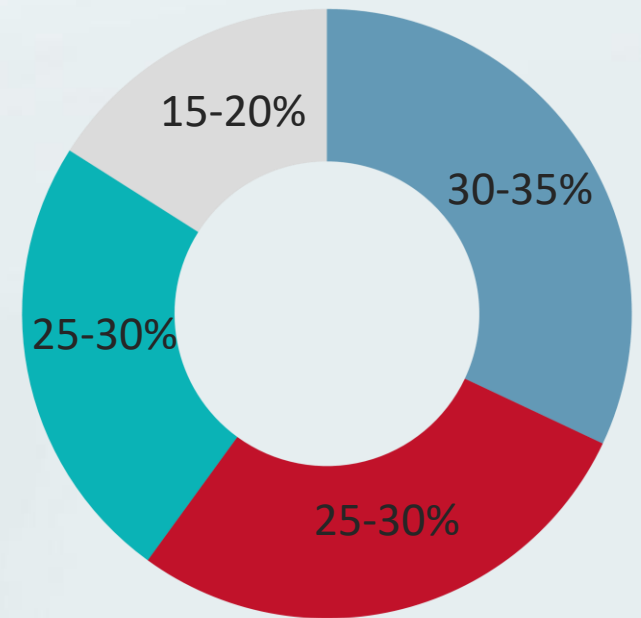
30%

of 2019 cloud business comes from new logos

>50%

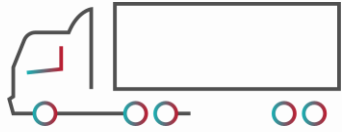
CAGR in Number of Cloud Customers 2017-2020

- Service Providers
- Banking, Finance & Government
- Technology, e-commerce and gaming
- Other



# INVESTMENT HIGHLIGHT: STRONG CUSTOMER BASE

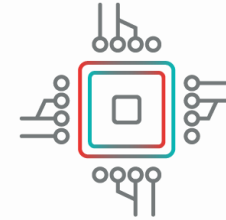
Q2 20 >\$1M WINS



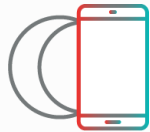
Global Carrier  
Services Provider



A Leading Cloud  
Provider



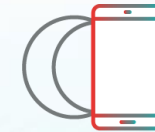
Global Financial  
Technology Services  
Provider



A Leading Mobile U.S.  
Carrier



Major Business  
Information Provider



N. American Service  
Provider



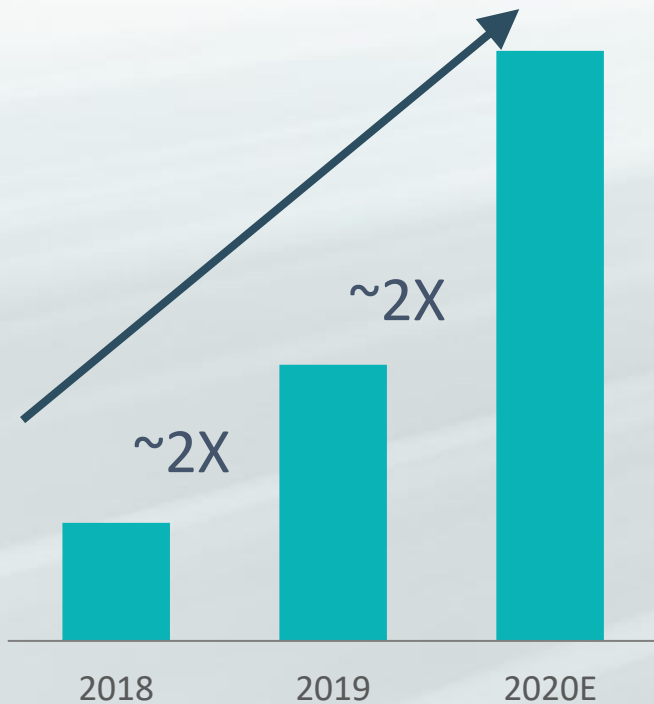
Leading U.S. Broker-  
dealer



# STRATEGIC PARTNERS

WE CAN ACCESS ANY GLOBAL 2000 CUSTOMER THROUGH STRATEGIC PARTNERS AND GSIs AND WIN >\$1M OF BUSINESS

BOOKINGS VIA CISCO



*“Don’t miss this opportunity to win big and deliver best in class security offerings to your customers”*

Internal email by **John Maynard**, Vice President, Global Security Sales at Cisco

# 2020: RESILIENT BUSINESS TO COVID-19 CHALLENGES



**Critical**  
Cybersecurity  
Offering

**High End**  
Customers in  
Less Sensitive  
Verticals

**Solid**  
Cash Position  
and Generation

**Proactive**  
Go-To-Market  
Campaigns



# WHY RADWARE - BUSINESS


WE HAVE THE BROADEST AND DEEPEST DATA CENTER & APPLICATION SECURITY FOR PRIVATE, HYBRID & PUBLIC CLOUD

WE OPERATE IN A STRATEGIC AND GROWING MARKET

WE BENEFIT FROM A STRONG, GROWING CUSTOMER BASE, WITH LARGE STRATEGIC PARTNERS, ENABLING SUSTAINED GROWTH



# FINANCIALS



# FINANCIAL PROFILE - Q2 20 HIGHLIGHTS



\$58

REVENUES



71%

RECURRING REVENUE



\$54M

LTM FREE CASH FLOW

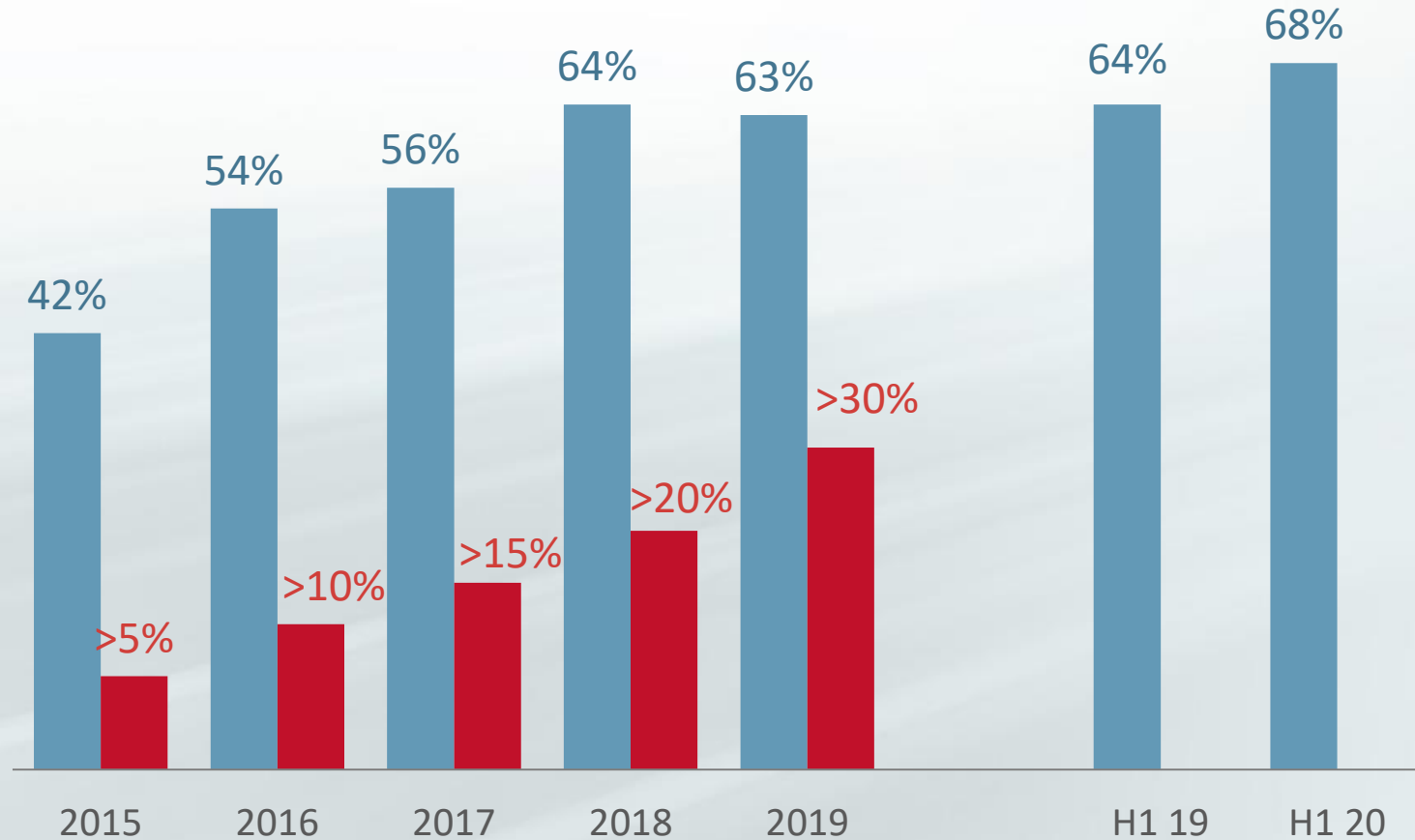
- 
- ✓ Strong performance in North America bookings
  - ✓ 8 deals >\$1M
  - ✓ Strong engagement with Strategic Partners
  - ✓ H1 20 Operating Cash Flow up 36% from H1 19

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✓ **CONSISTENT EXECUTION IN LINE WITH LONG TERM STRATEGY**



# FAST SUBSCRIPTIONS GROWTH DRIVES HIGH RECURRING REVENUE



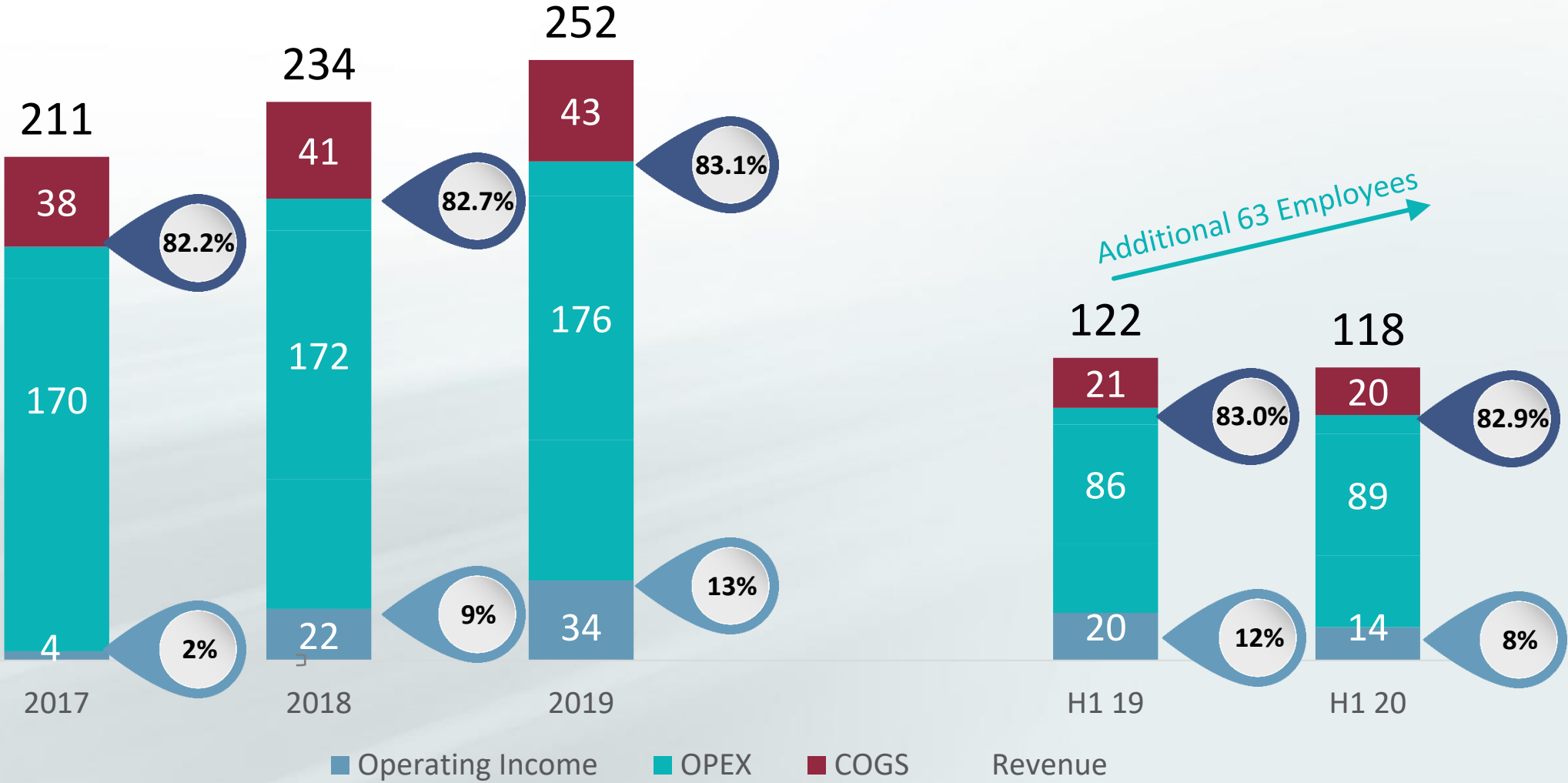
RADWARE'S RECURRING REVENUE INCLUDE SUPPORT, CLOUD SERVICES AND PRODUCT SUBSCRIPTION

■ Recurring revenue as % of total revenue ■ Subscription bookings as % of total bookings





# CONTINUED INVESTMENT TO SECURE LONG TERM PERFORMANCE



All Numbers are Non-GAAP



# CONTINUOUS STRONG CASH GENERATION

IN PAST 5 YEARS, RETURNED 49% OF OCF TO SHAREHOLDERS  
AND INVESTED 29% IN CAPEX AND ACQUISITIONS

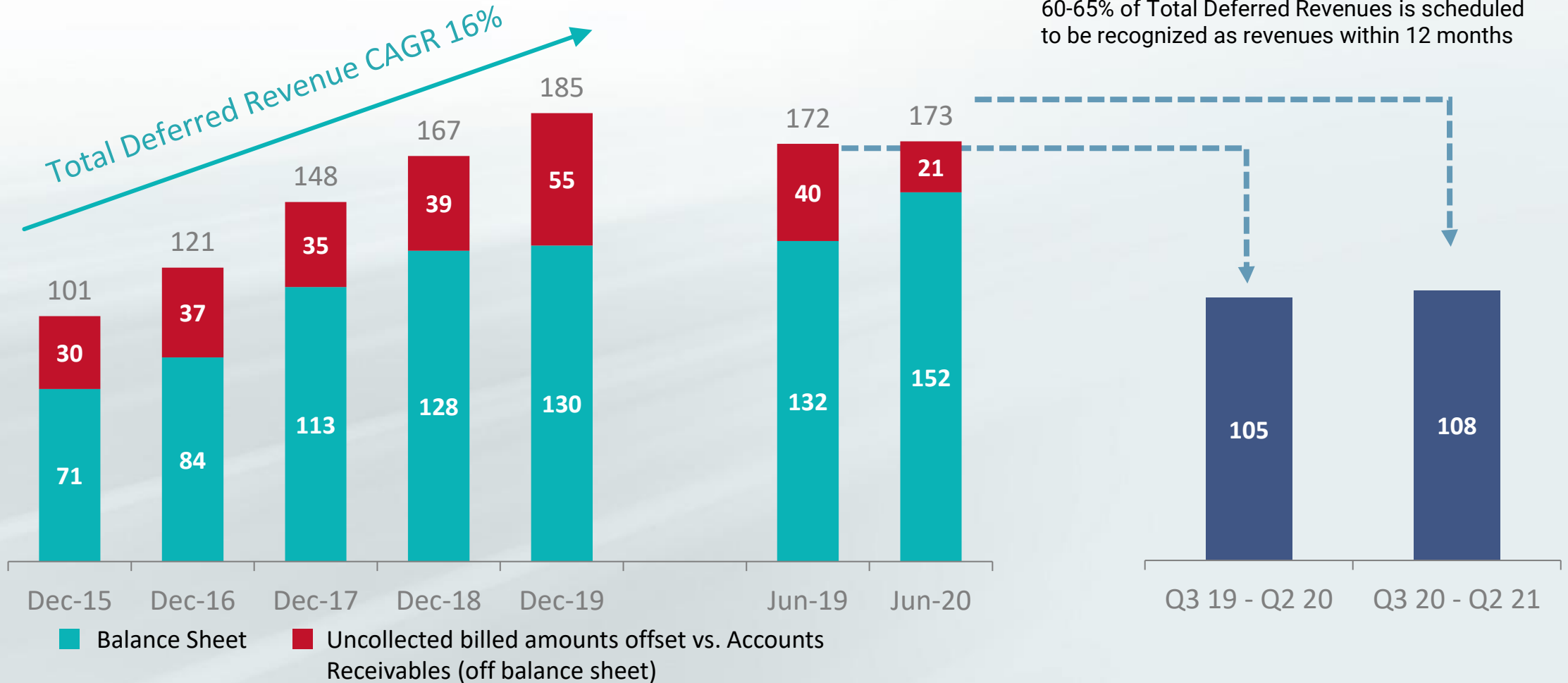
Operating Cash Flow (\$M)





# SUBSCRIPTIONS SECURE FUTURE PERFORMANCE

TOTAL DEFERRED REVENUE A KEY INDICATOR OF FUTURE GROWTH





# WHY RADWARE - FINANCIAL

A FAST-GROWING SUBSCRIPTION BUSINESS IN  
CYBER SECURITY DRIVEN BY FAST CLOUD  
SECURITY GROWTH

STRONG AND CONTINUOUS CASH GENERATION  
AND A STRONG BALANCE SHEET

WELL-PREPARED FOR ANY SHORT-TERM  
SCENARIO, AND CAN AFFORD CONTINUE  
INVESTING FOR THE LONG-TERM.



THANK YOU!