



INVESTOR PRESENTATION

Q2 2018

August 2018



Safe Harbor

Disclaimer

This presentation may contain forward-looking information with respect to plans, projections, or future performance of Radware and its subsidiaries, the occurrence of which involves certain risks and uncertainties, including, but not limited to, general business conditions, changes in product demand,

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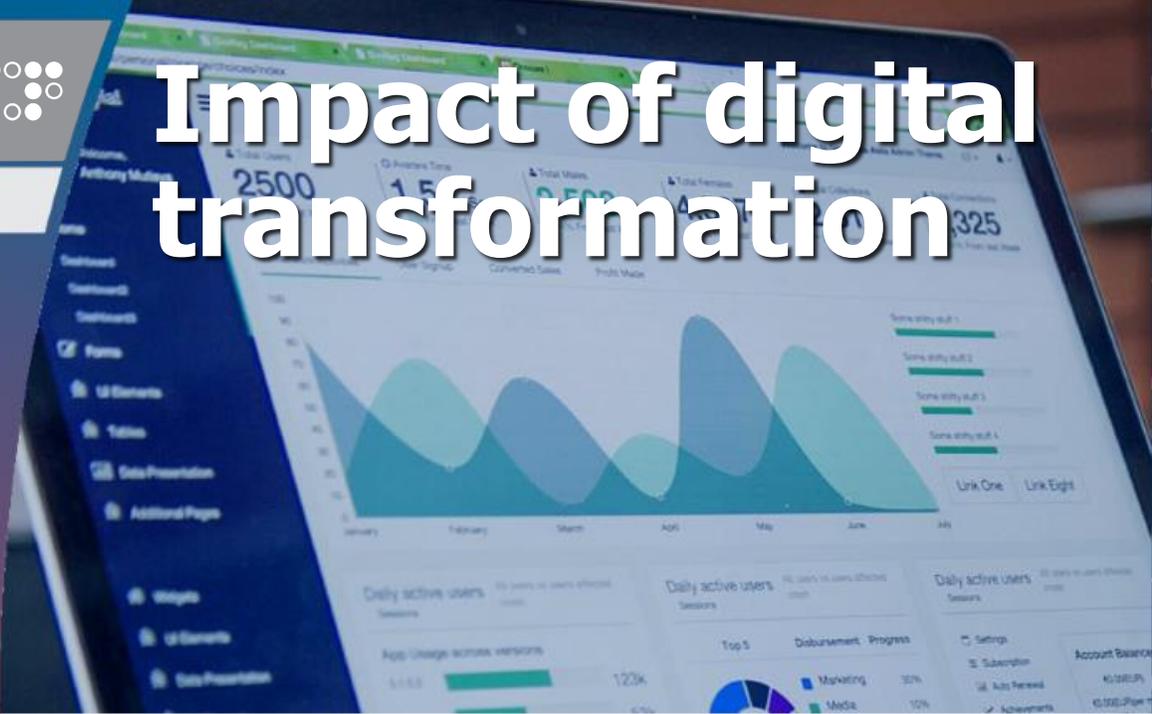


Is a worldwide leader in
**APPLICATION
SECURITY &
DELIVERY**

Across Datacenter and Cloud



Impact of digital transformation



CLOUD MIGRATION

New delivery models require new capabilities

DATA CENTER COMPLEXITY

Virtualization, private/hybrid cloud, multiple vendors

Rapid changes require agility

USER EXPERIENCE FOCUS

Expectations for flawless availability

Anytime, Everywhere

Current state of cyber attacks



INTENSIFYING THREATS

Attackers sophistication +
Attack tools availability +
platforms variety
Increasing attack complexity and size



SKILL SHORTAGE

Scarce security expertise
Need for automation and fully managed services



WIDENING THREATS

Attack motivation variety +
Attacked industry diversity
Increasing attack frequency and abundance



Current state of cyber attacks

INTENSIFYING THREATS

24% of organizations report being under cyber attacks daily or weekly

SKILL SHORTAGE

Only **33%** of security officers feel confident they can mitigate application-layer DDoS attacks.

50% feel confident they can protect against network-layer DDoS attacks

WIDENING THREATS

45% of organizations experienced a data breach over the past year



Our Mission: Securing The Digital User Experience

For every
business
model.

Through
continued
innovation.

With a
comprehensive
offering.

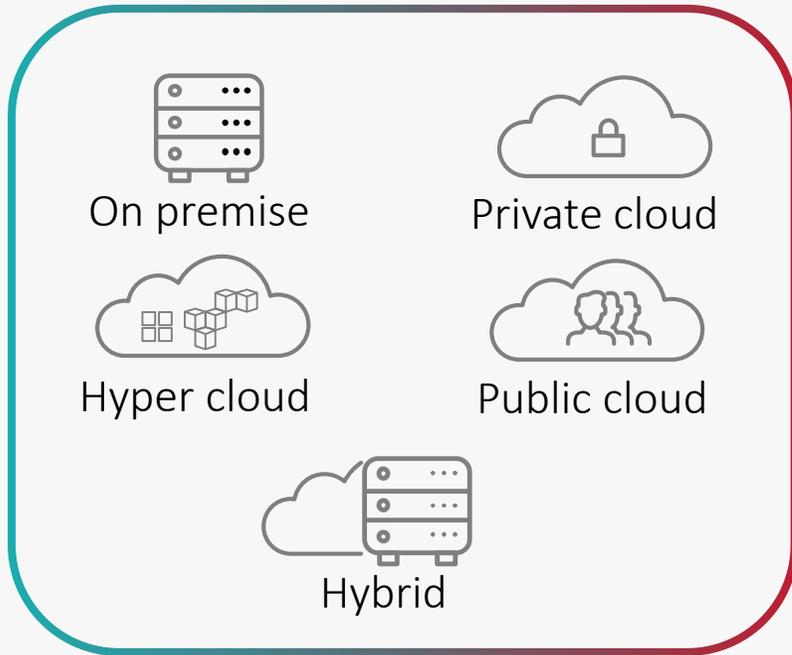


EVERYWHERE

To meet every business model
ARCHITECTURE

Solutions Architecture

Wherever it is located



Will protect it

From
Physical Appliances
 on **Perpetual License**



To **Physical** or **Virtual**
Appliances, on premise, cloud
 and Hybrid



EFFECTIVE

Continued Innovation

TECHNOLOGY

Comprehensive Secured Delivery

Advanced automation

for attack life-cycle management and mitigation of unknown attacks

Behavioral-based detection

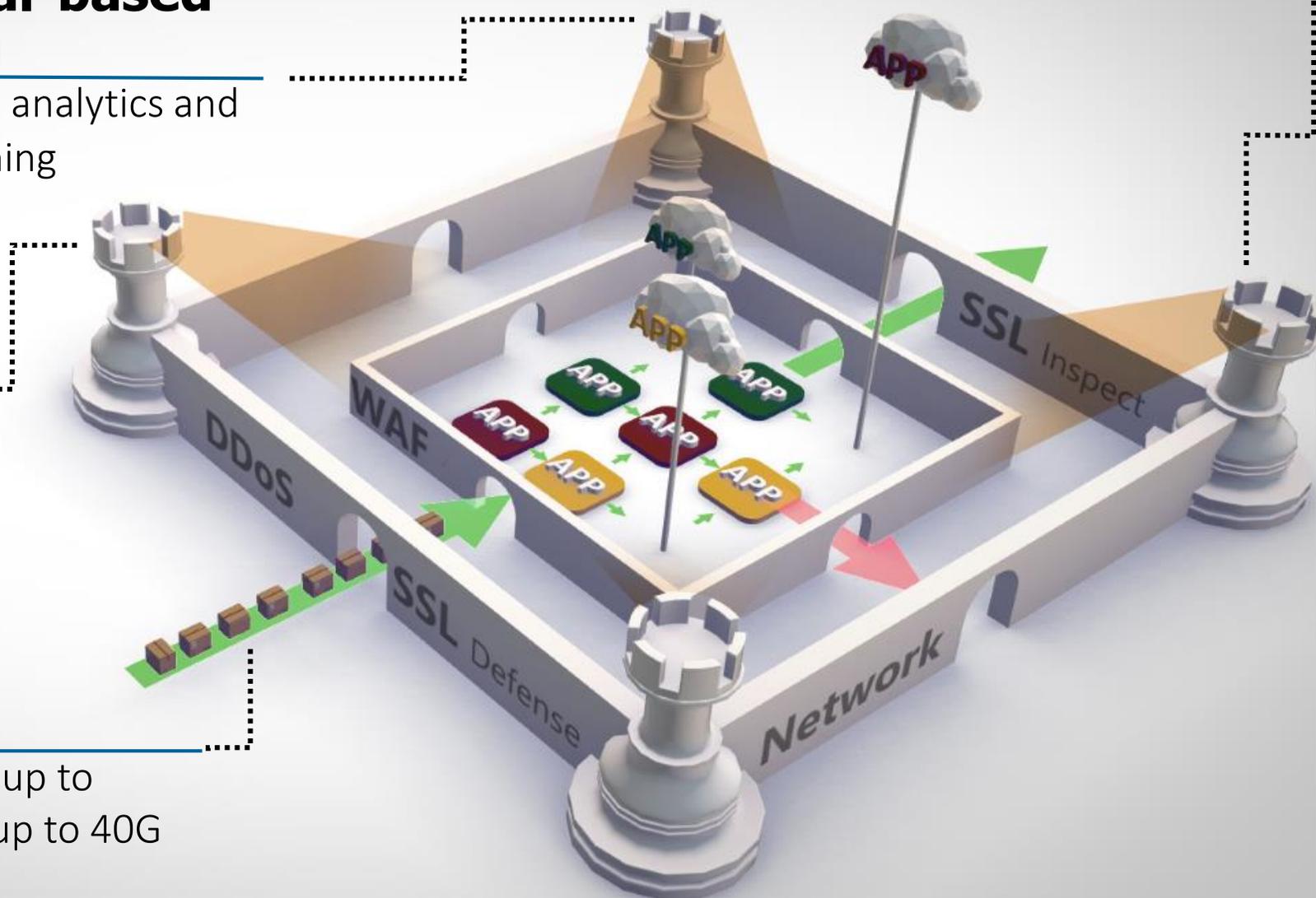
Using big data analytics and machine learning

Synchronized messaging

to improve detection and mitigation response and accuracy.

High performance

Device mitigation capacity of up to 400Gbps; SSL throughput of up to 40G



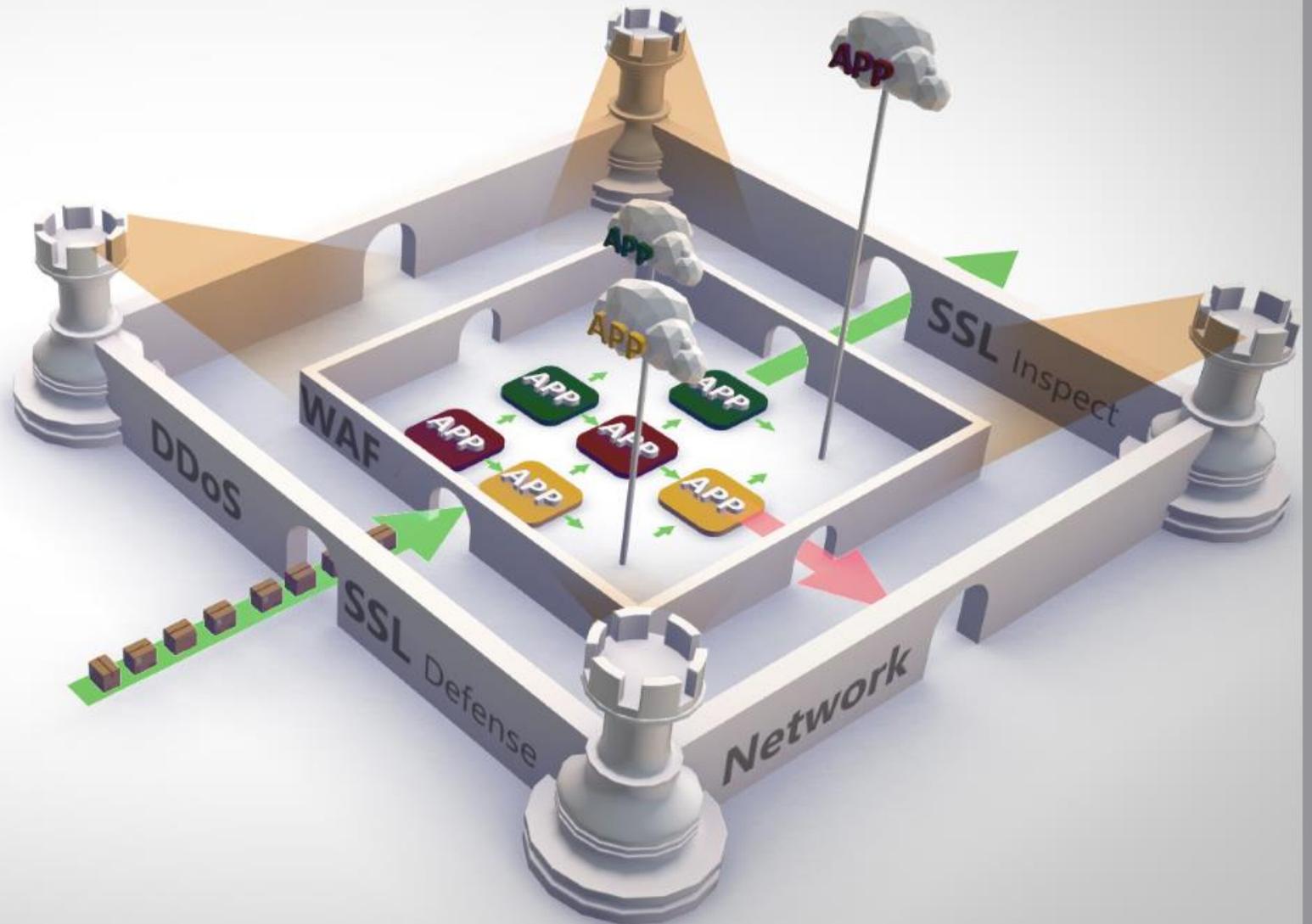
Comprehensive Secured Delivery

Solution management

Fully managed cloud services catalog and cyber threat intelligence services

Cloud migration

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





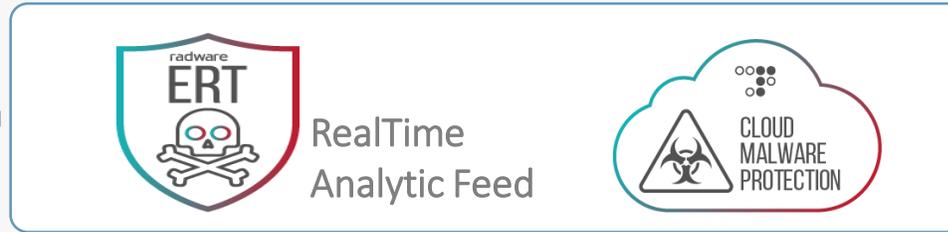
EASY

Comprehensive offering

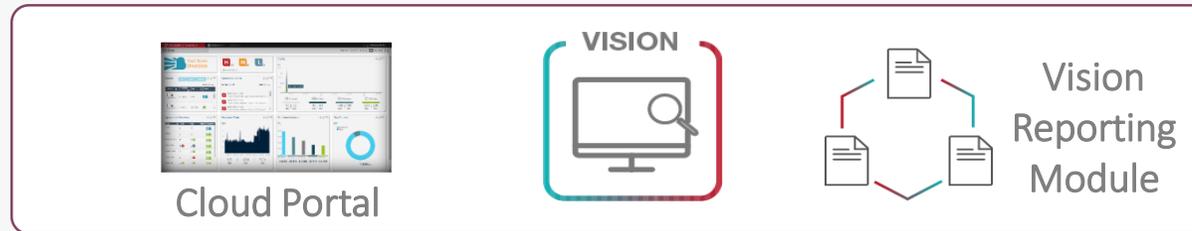
SOLUTIONS

Deep and Integrated Solution Portfolio

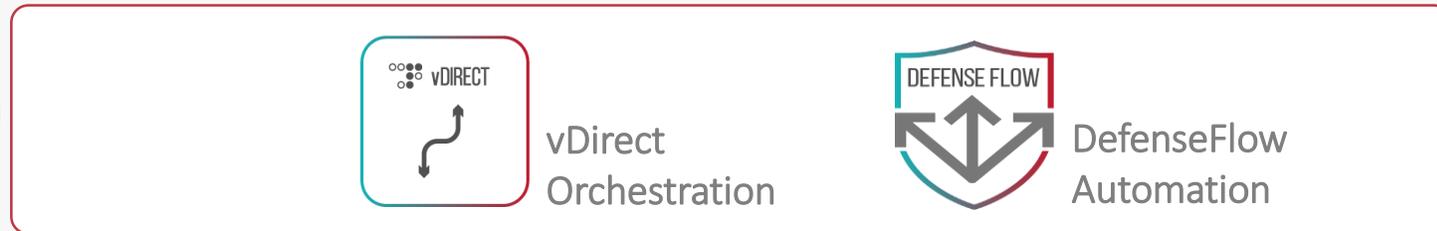
Big Data
Machine Learning



Management
& Visibility



Control Plane



Data Plane





SUCCESS FACTORS

What makes it work



Supporting Assets **Leading Technology**



Market
RECOGNITION



Strategic
**BUSINESS
PARTNERS**



Industry leading
**TECHNOLOGY
PARTNERS**





Supporting Assets **Over 12,500 Customers**



8 Of Top **12**
World's Stock
Exchanges



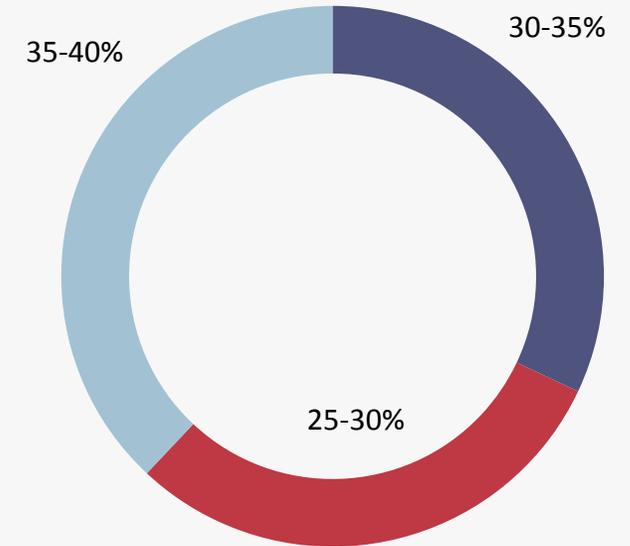
11 Of Top **20**
World's
Banks



10 Of Top **10**
World Telecom
Companies

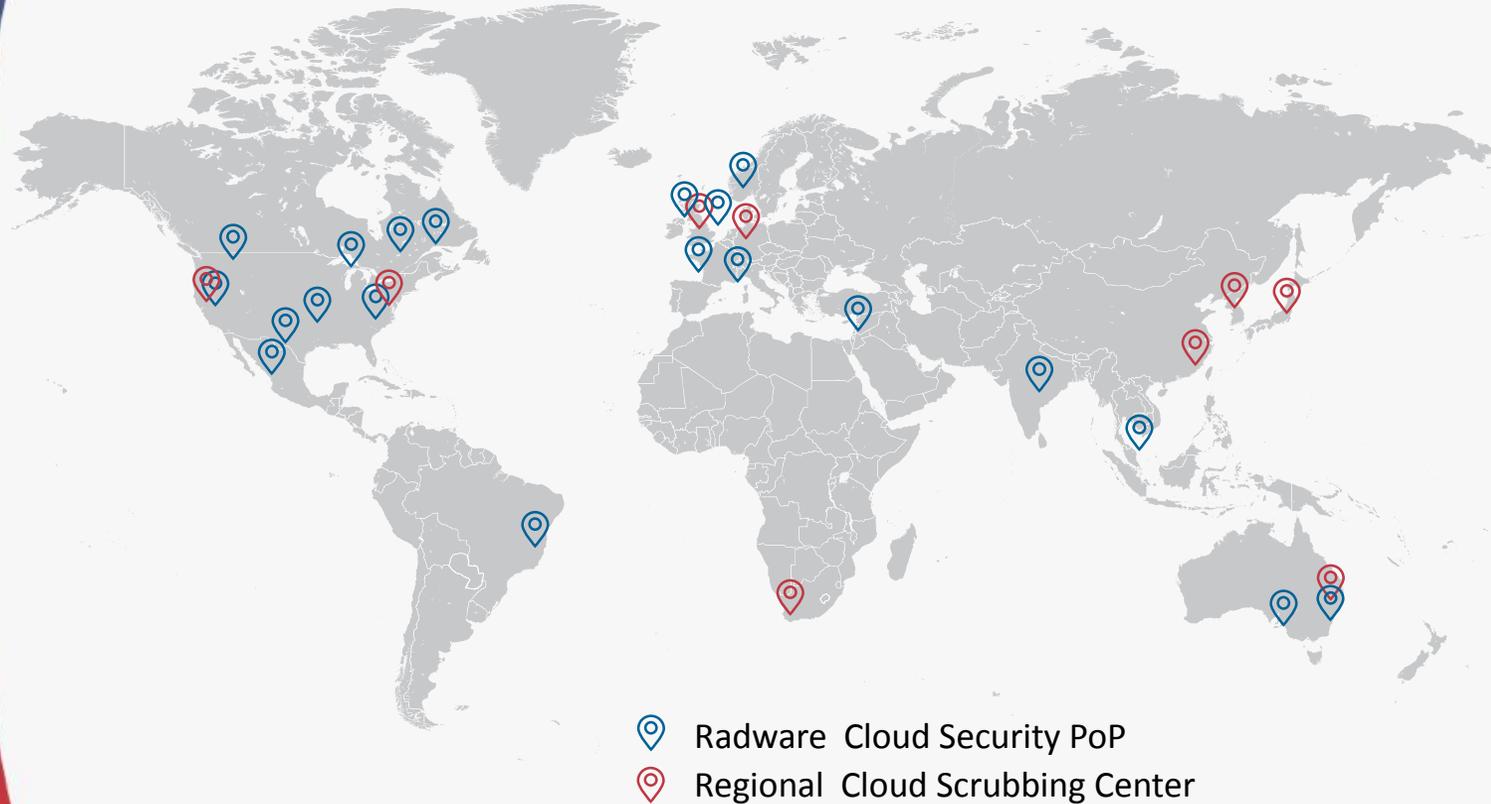


3 Of Top **8**
N. American
Application Software
Companies

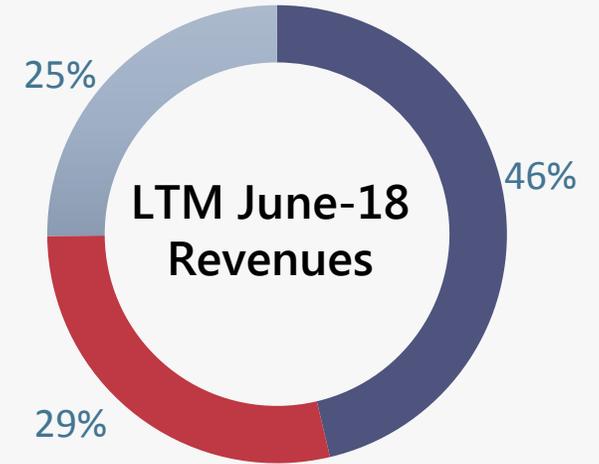


- Carriers & Service Providers
- Banking, Finance & Government
- Other

Supporting Assets **Global Presence**



OVER 3.5Tbps Of Global Mitigation Capacity



■ Americas ■ EMEA ■ APAC

BALANCED
Geographic Exposure



~1,000
Employees

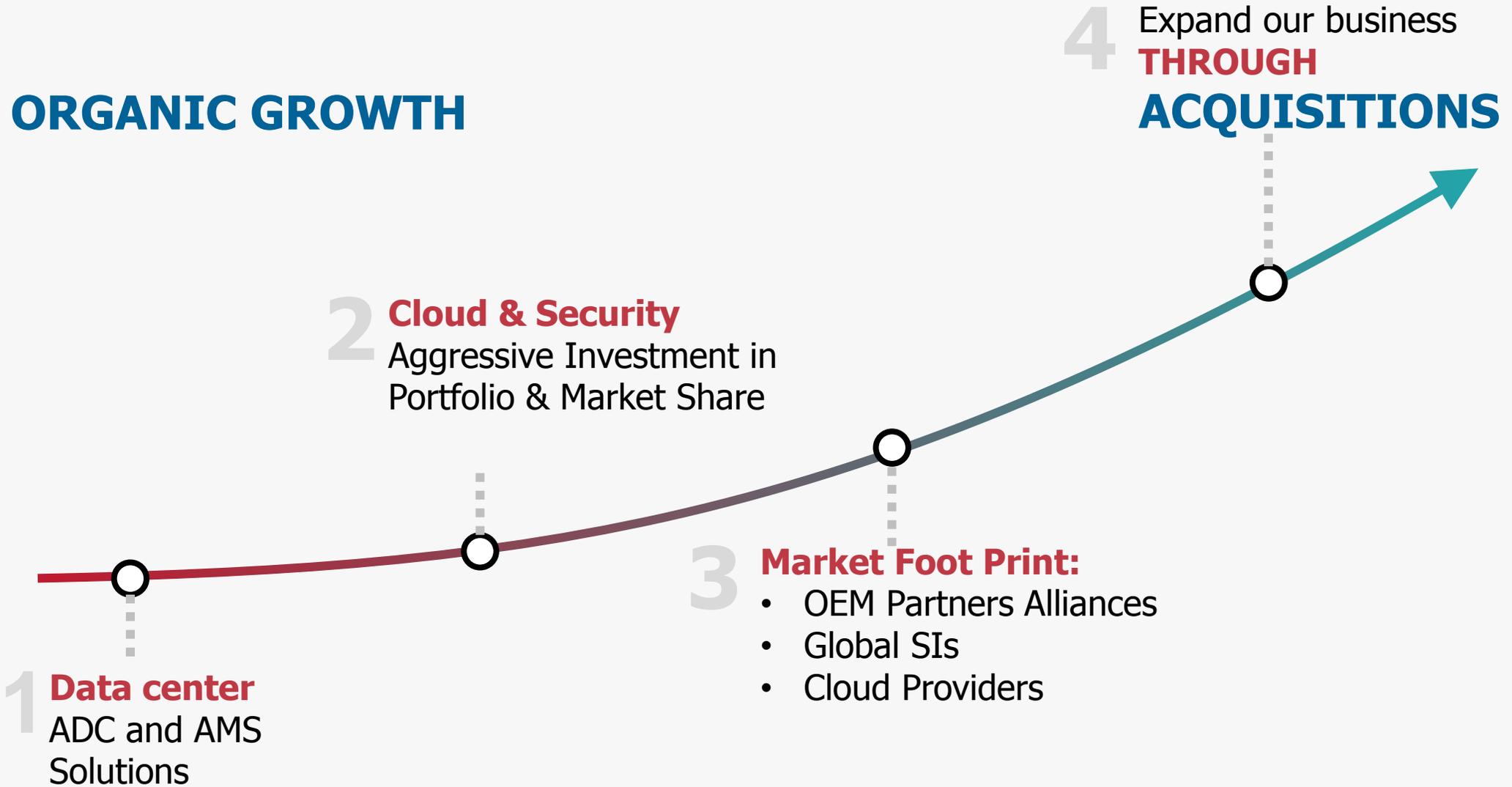


35
Offices



Our Business Strategy For Growth

ORGANIC GROWTH





FINANCIALS

Updated for Q2 2018



radware

SUMMARY Q2 2018

Revenues of
\$57.3M
up **12%**

Total Deferred
Revenues of
\$153M up **14%**

Cloud and
Subscriptions
a Material part of the
Business Model

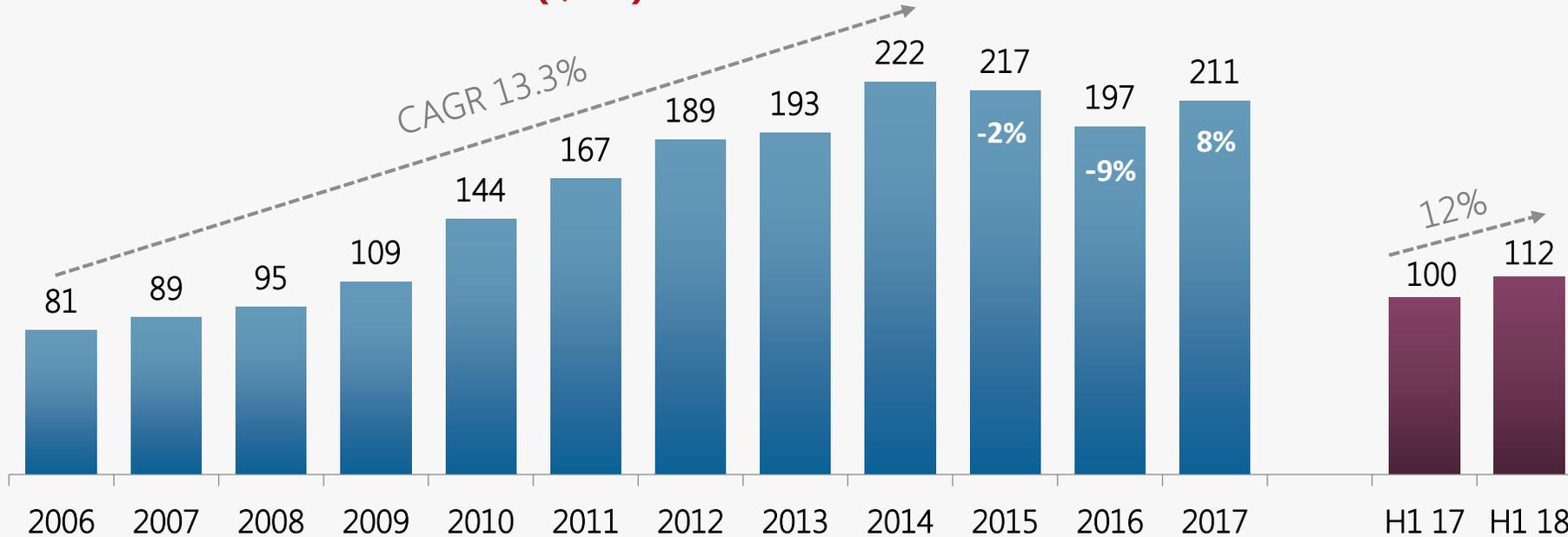
Book to bill
significantly
larger than **1**

Strong **Cash**
Position



Back to Growth Post Business Model Transition

Annual Revenues (\$M)

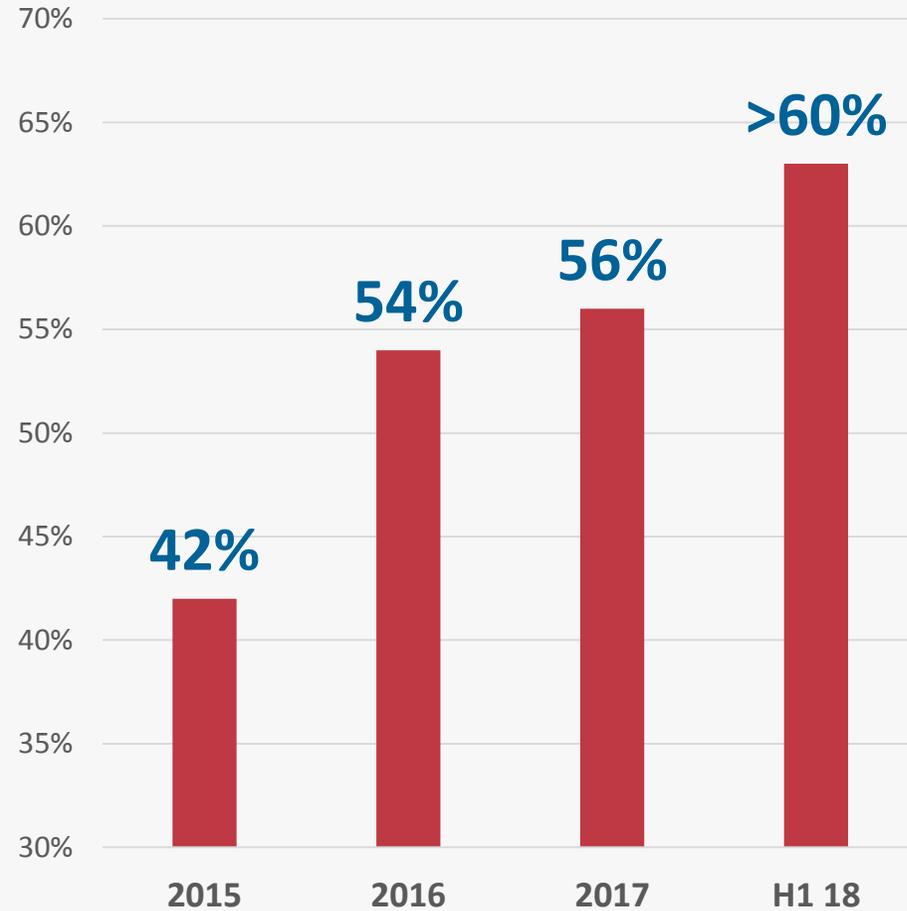


Shift to Subscriptions (1)

Business Mix

Provides Us With
**Visibility &
Confidence** For
Future Financial
Performance

Recurring Revenues as % of Total

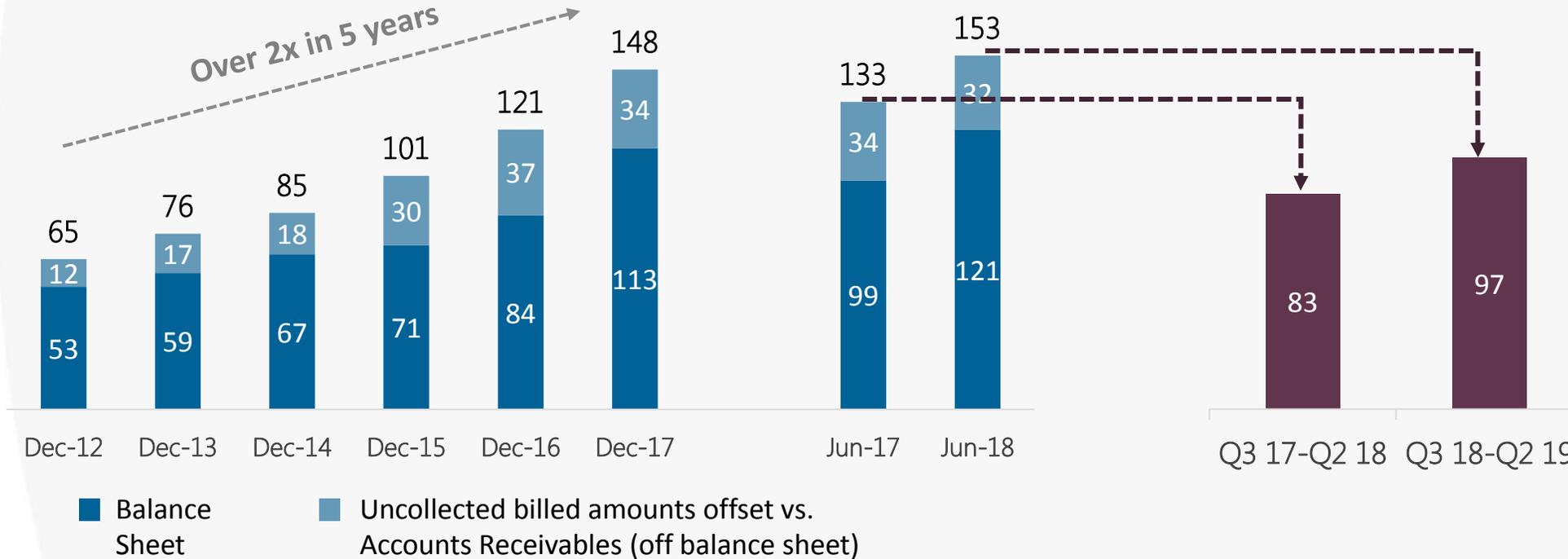


Radware's Recurring Revenues include support, cloud services and product Subscription

Shift to Subscriptions (2)

Total Deferred Revenues (\$M)

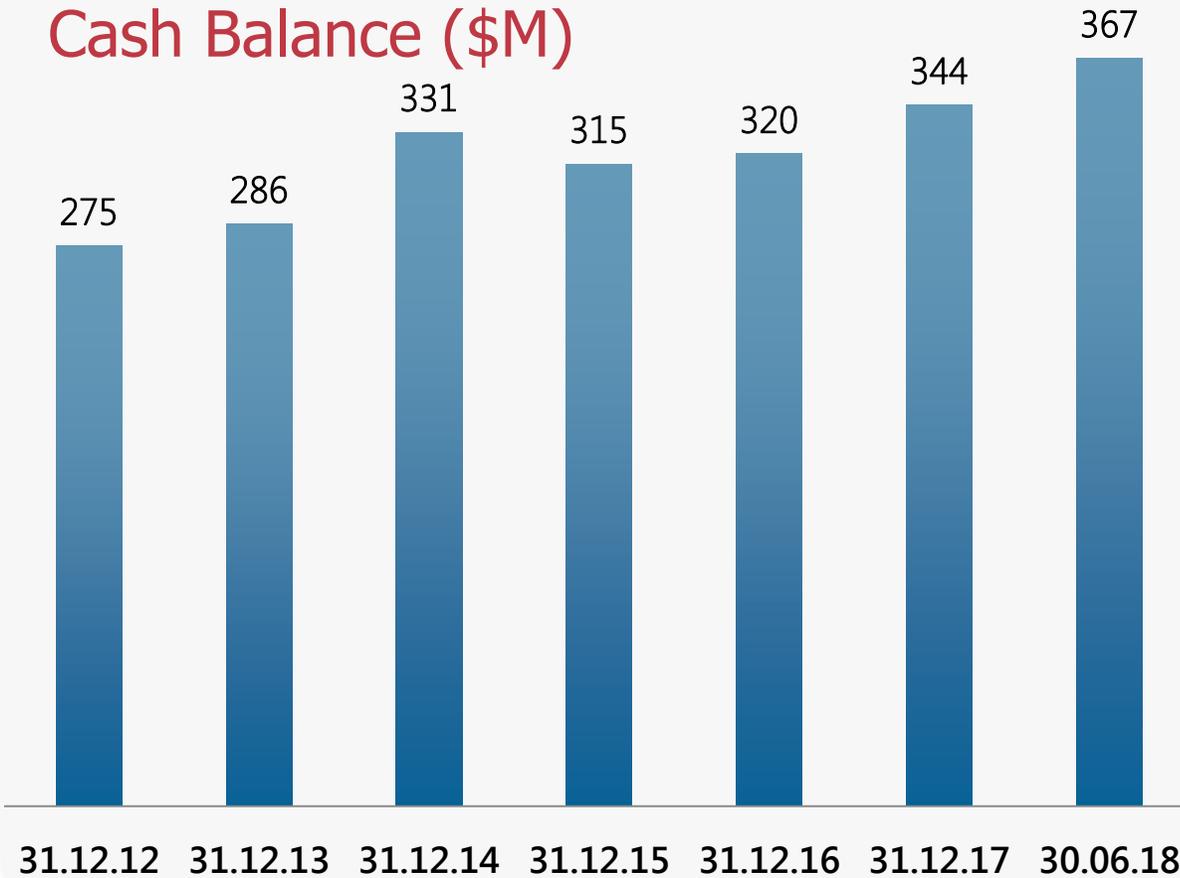
60-65% of Total Deferred Revenues is scheduled to be recognized as revenues within 12 months





Continuous Strong **Cash Generation**

Cash Balance (\$M)

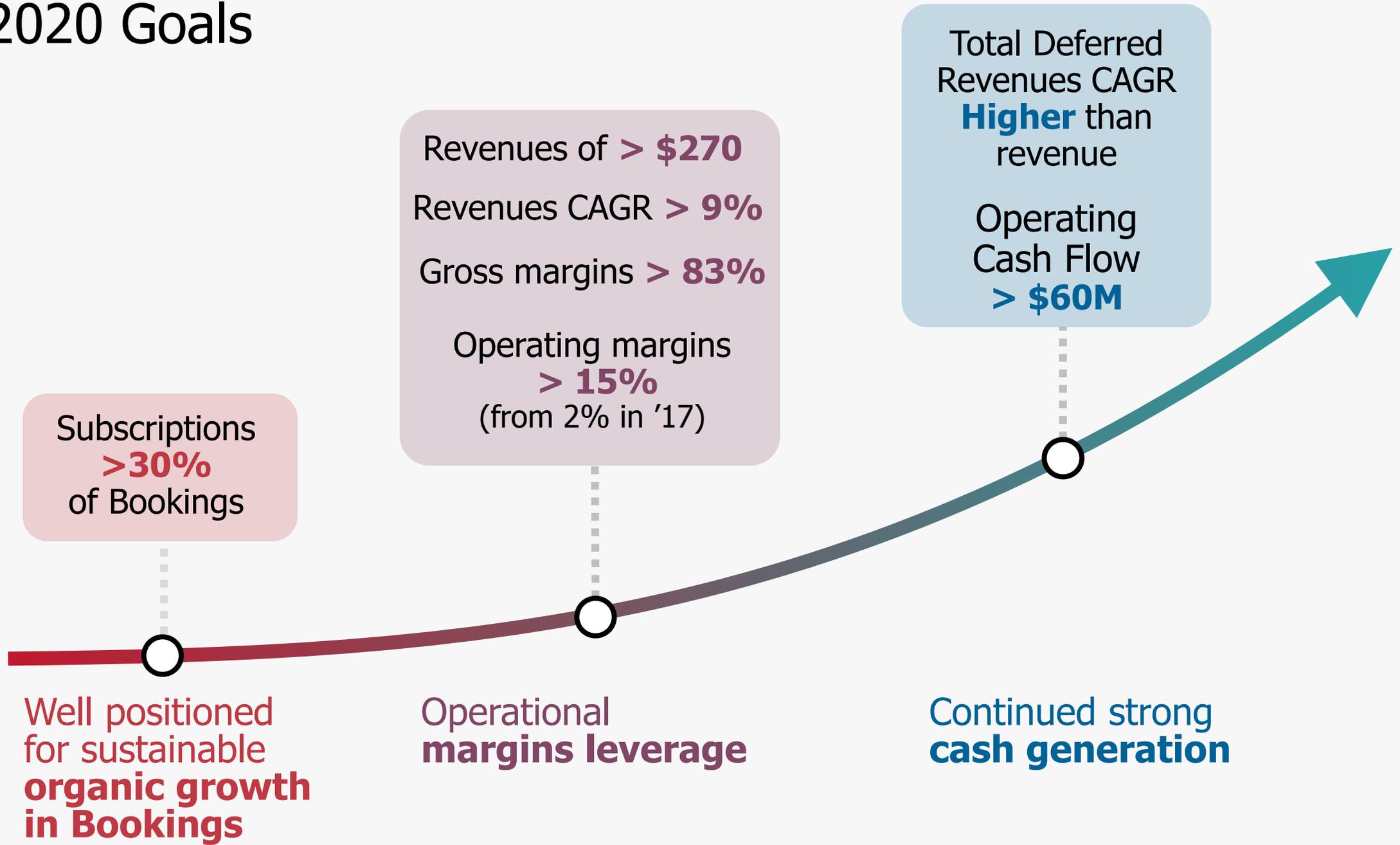


Readiness to **Put Cash Balance to Work** and Expand our business **THROUGH ACQUISITIONS**





2020 Goals



Subscriptions
>30%
of Bookings

Well positioned
for sustainable
**organic growth
in Bookings**

Revenues of **> \$270**
Revenues CAGR **> 9%**
Gross margins **> 83%**

Operating margins
> 15%
(from 2% in '17)

Operational
margins leverage

Total Deferred
Revenues CAGR
Higher than
revenue

Operating
Cash Flow
> \$60M

Continued strong
cash generation

Why Radware

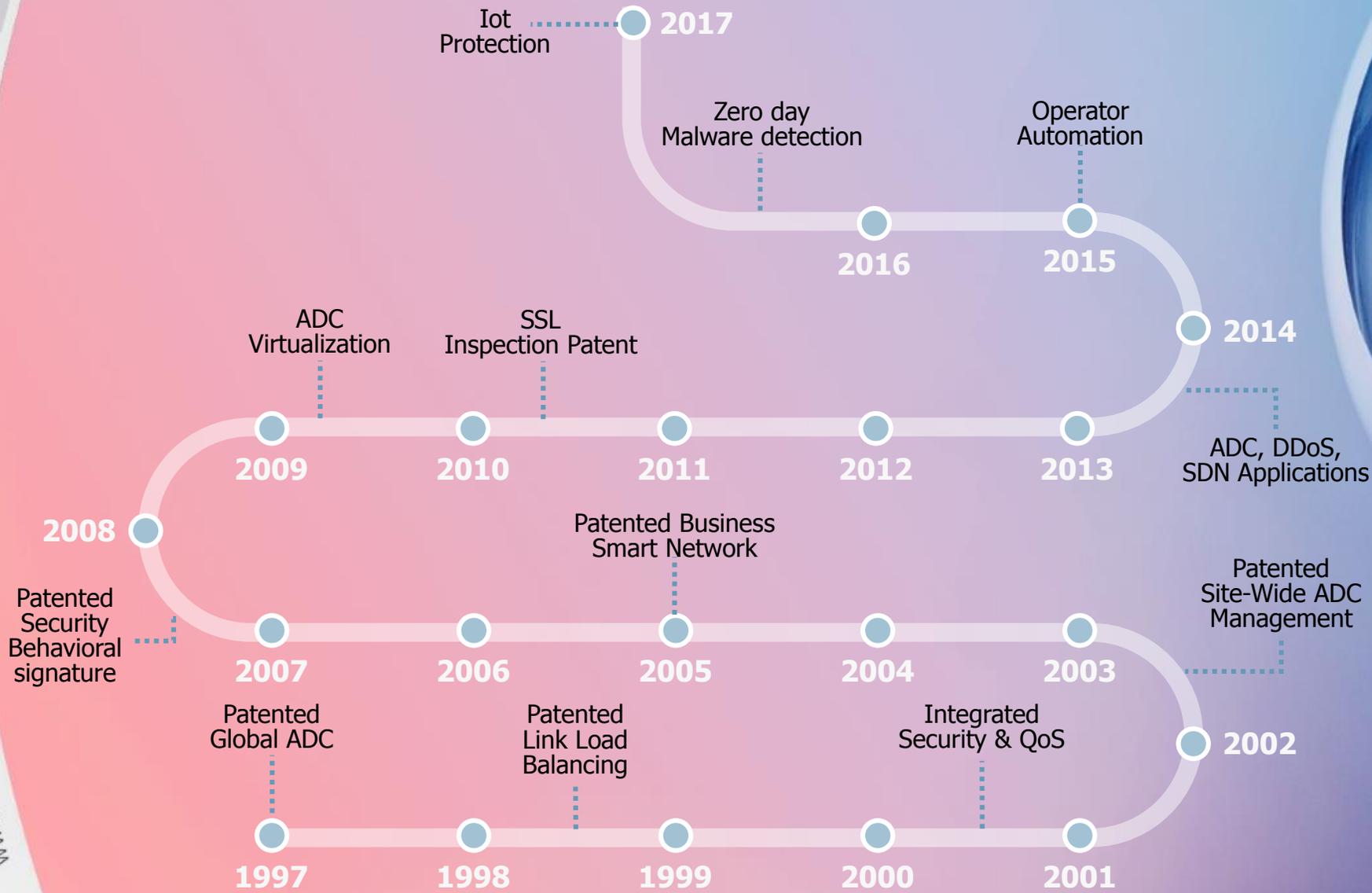
- Fast growing, critical market
- Clear Vision and Strategy
- Leading attack mitigation technology, customers, partners
- Fast expanding subscription and cloud business
- Excellent visibility into 2018 and beyond
- Well positioned for continued long term growth



APPENDIX



Radware's innovations track record



Integrated secured delivery solution: **incoming** traffic

DDOS & WAF

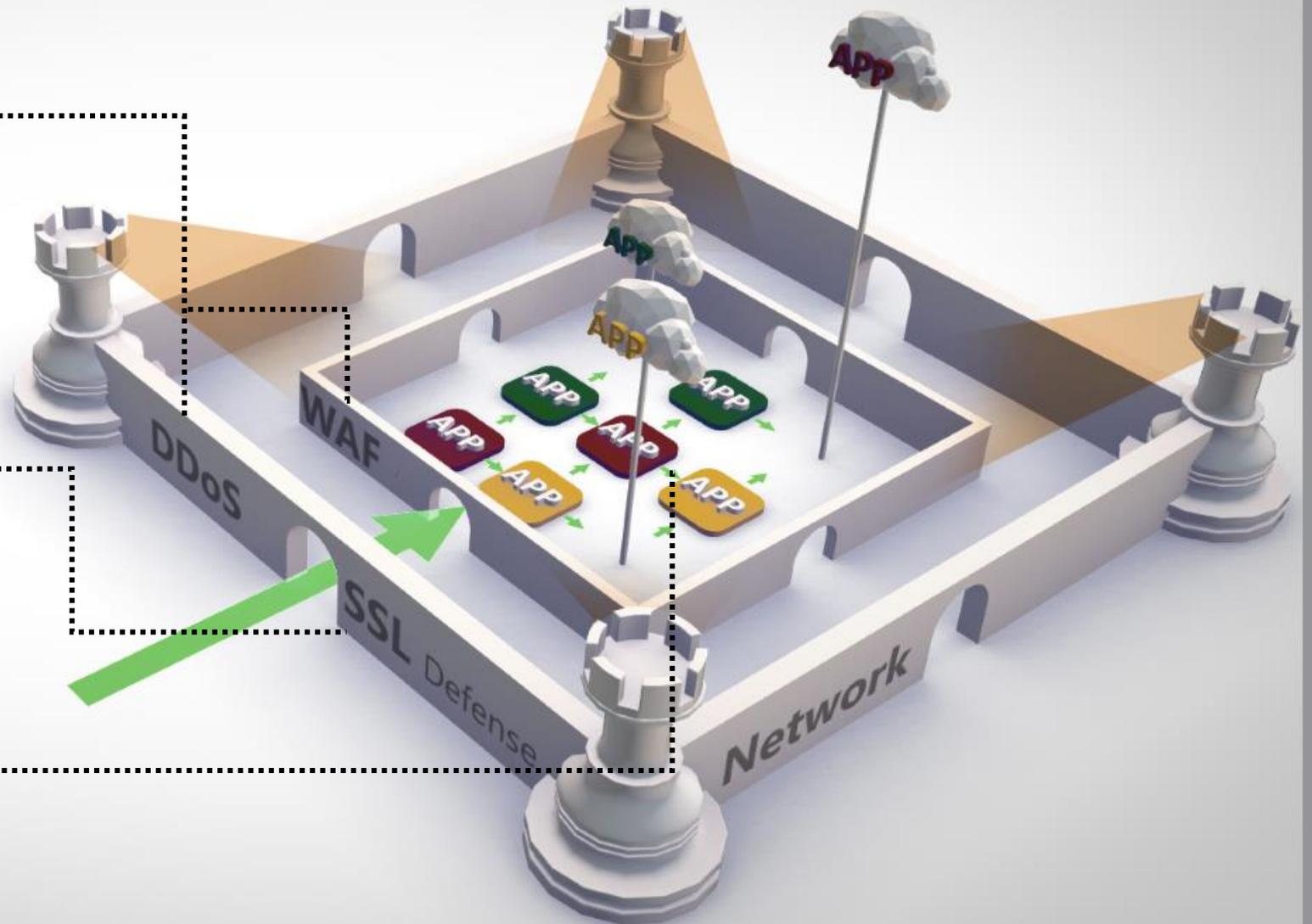
Behavioral big-data analytics and machine learning

SSL Defense

Mitigate encrypted threats

Delivery Control

Load balancing and performance optimization



Integrated secured delivery solution: **outgoing** traffic

SSL Inspect

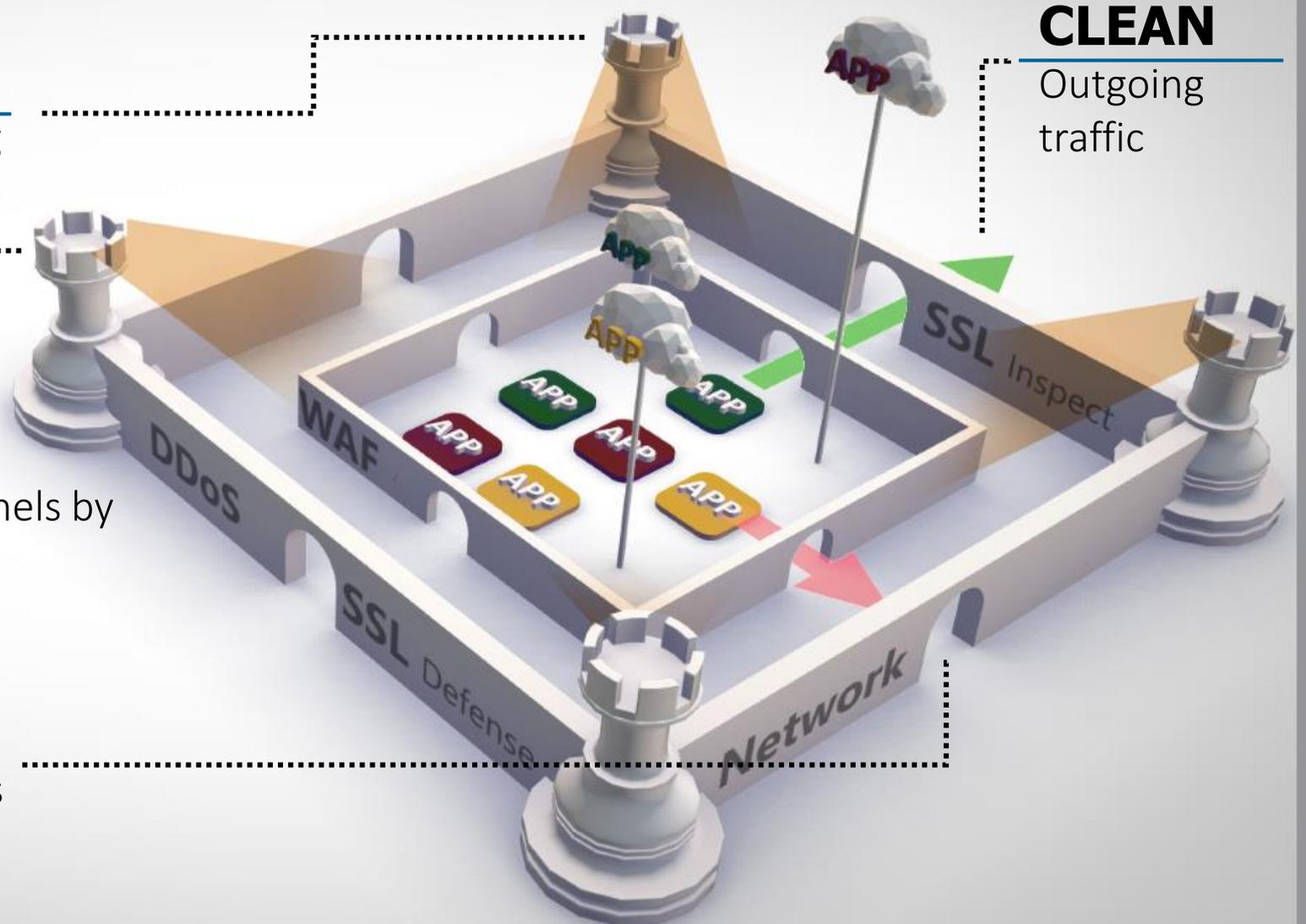
removes blind spots by enabling protection systems visibility into encrypted traffic

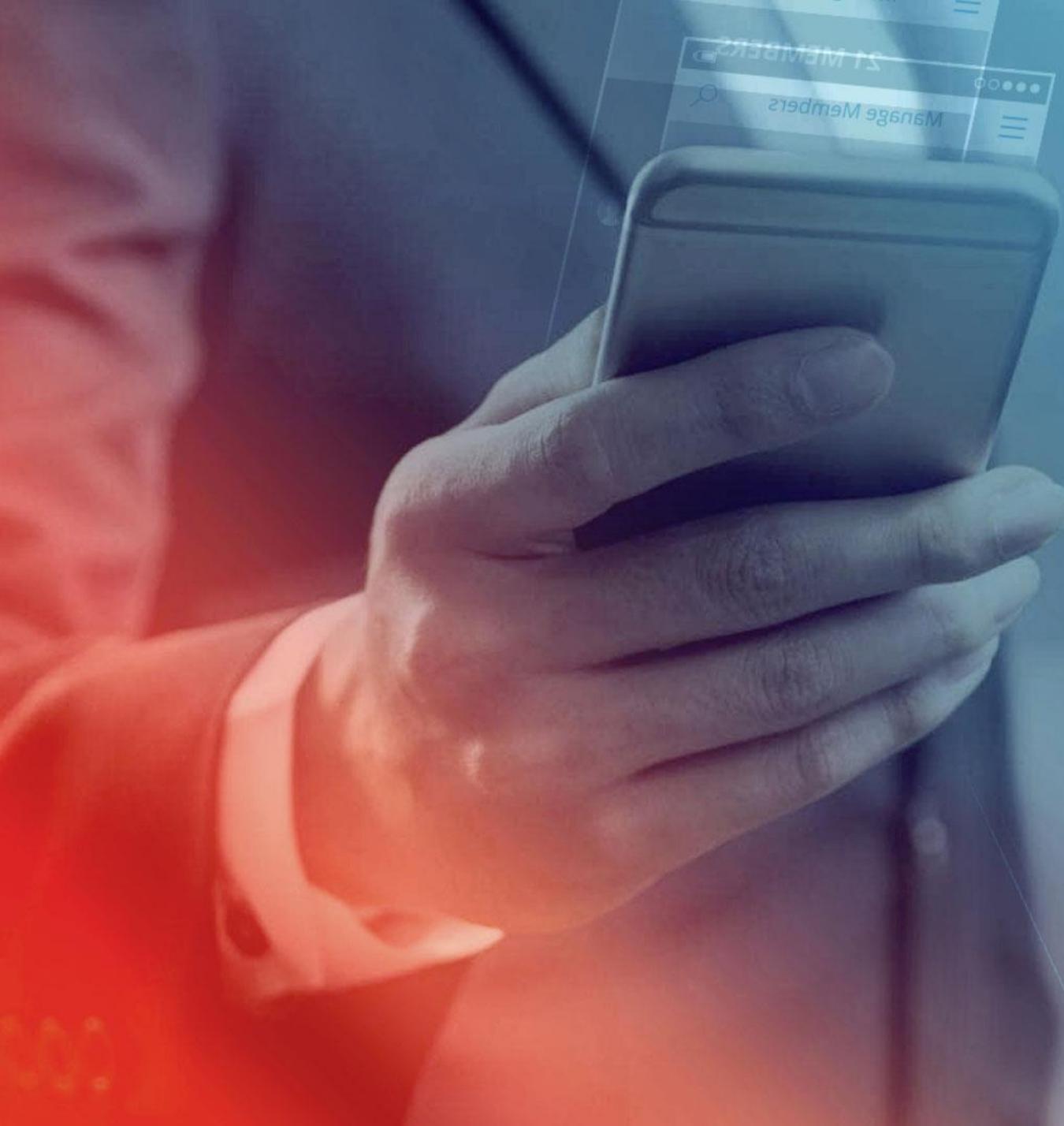
Cloud Malware Protection

detect and block malware channels by using AI and Machine Learning

Blocked Traffic

Outgoing traffic is blocked if it is found to be suspicious.





THANK YOU

 radware