



Investor presentation

Securing the digital transformation and helping
build a safer world - **one app at a time**

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Safe Harbor

This presentation includes forward-looking statements within the meaning of the federal securities laws. Forward-looking statements generally relate to future events or our future financial or operating performance. Forward-looking statements in this presentation include, but are not limited to, the following list:

- our business and financial performance and expectations for future periods, including the rate of growth of our business and market share gains;
- our ability to sell additional solutions to our customer base and the strength of demand for those solutions;
- our plans regarding the development of our technology and its expected timing;
- our expectations regarding the capabilities of our platform and solutions;
- the anticipated needs of our customers;
- our strategy, the scalability of our strategy, our ability to execute our strategy and our expectations regarding our market position;
- the expansion of our platform and our delivery of new solutions;
- the expansion of our partnerships and the related benefits of those partnerships; and
- our ability to effectively manage our costs

Our expectations and beliefs regarding these matters may not materialize, and actual results in future periods are subject to risks and uncertainties that could cause actual results to differ materially from those projected. These risks include those set forth in our filings with the Securities and Exchange Commission, including our latest Form 10-Q and 10-K. The forward-looking statements in this presentation are based on information available to us as of today, and we disclaim any obligation to update any forward-looking statements, except as required by law.

We also remind you that this presentation will include a discussion of GAAP and non-GAAP financial measures. The non-GAAP financial measures are not intended to be considered in isolation or as a substitute for results prepared in accordance with GAAP. The GAAP financial measures, and a reconciliation of the non-GAAP financial measures discussed in this presentation to the most directly comparable GAAP financial measures are included in the appendix of this presentation.

Market and Investment Opportunity

The Power of the Qualys Cloud Platform

One stack to consolidate traditional enterprise IT/security/compliance solutions and secure the digital transformation

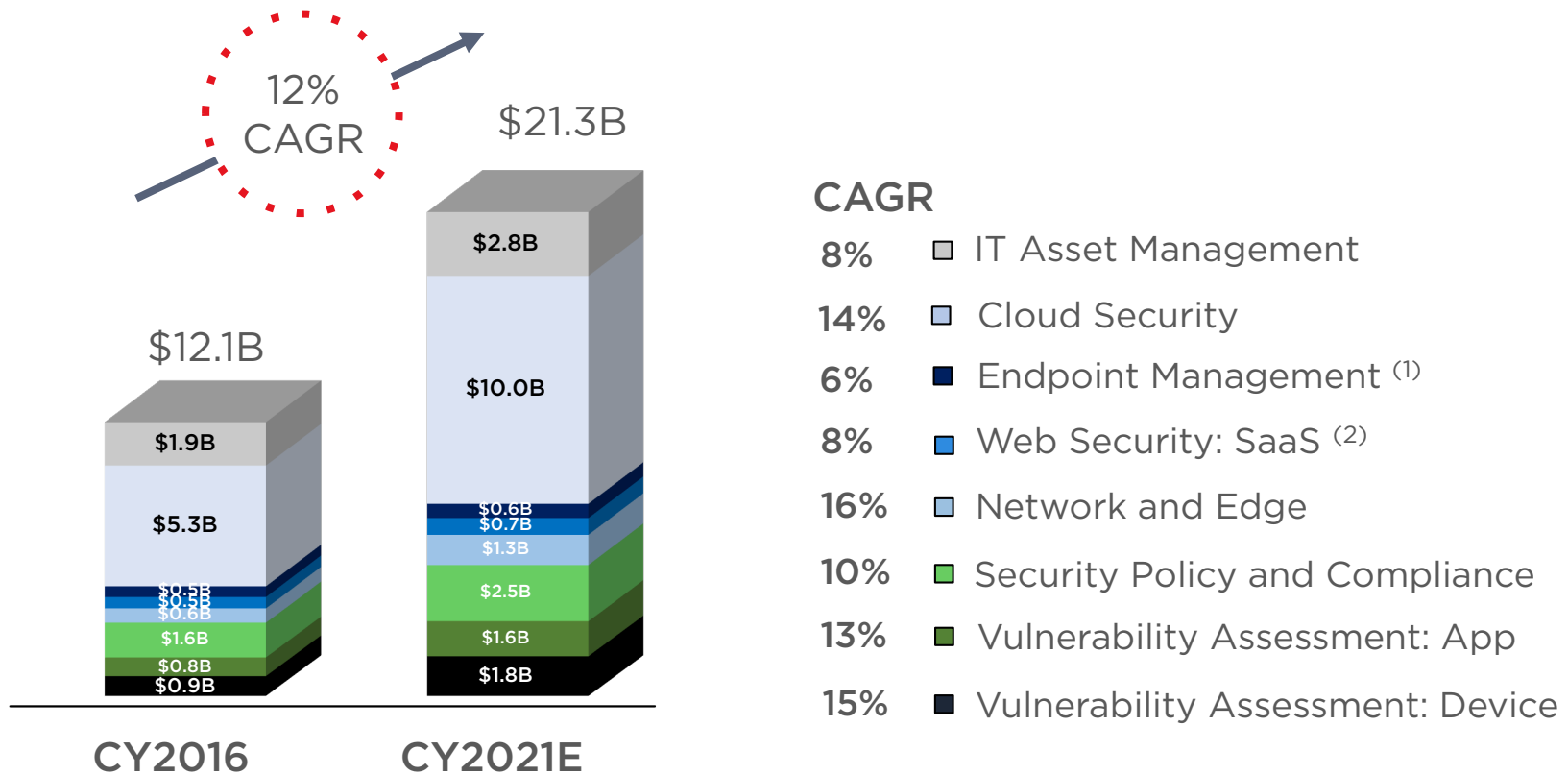


Investment Highlights

- ✓ Uniquely positioned to capitalize on stack consolidation and move to the cloud
- ✓ Multiple levers of recurring revenue growth
- ✓ Scalable business model and industry-leading profitability
- ✓ Industry-leading Cloud Security and Compliance Platform

Large Expanding Market Opportunity

Driven by Increasing Apps on Qualys Cloud Platform



Qualys' current Total Addressable Market

(1) 2017 to 2021E period
 (2) 2015 to 2020E period
 Source: IDC

Blue Chip Global Customer Base

70% of the Forbes Global 50, 47% of Global 500, and 25% of Global 2000 standardized on Qualys

12,200+ Customers



Note: Customers include active users

Scalable Go-to-market Model

Market segmentation & key strategic partners



Attractive Value Proposition for Partners

High-margin recurring revenue with no capex

MSSPs telcos	Outsourcing providers	VAS resellers	Consultants
			

Strong Global Presence

12,200+
Customers

130+
Countries

7
Shared Platforms

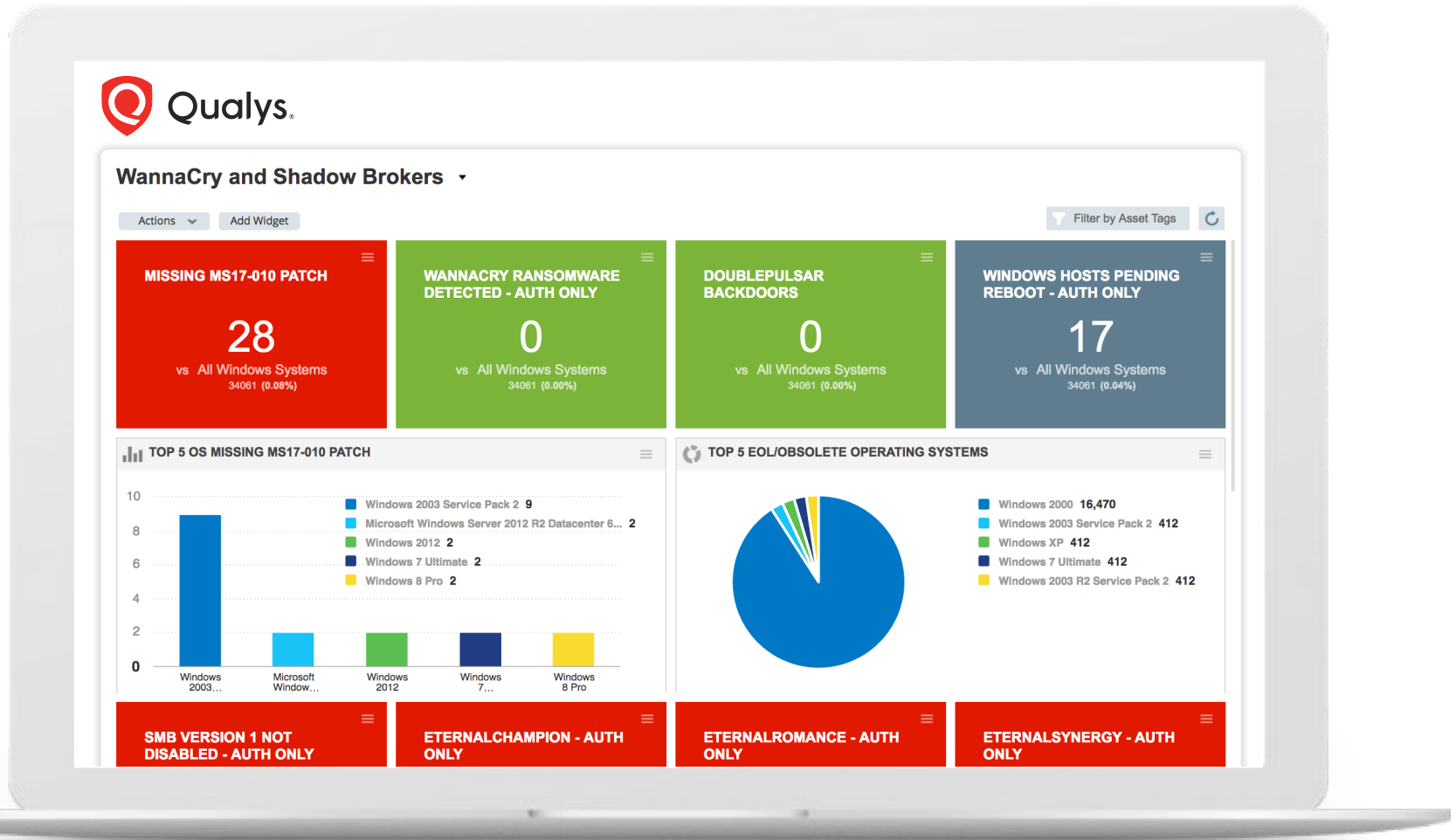
76
Private Clouds

48
Locations



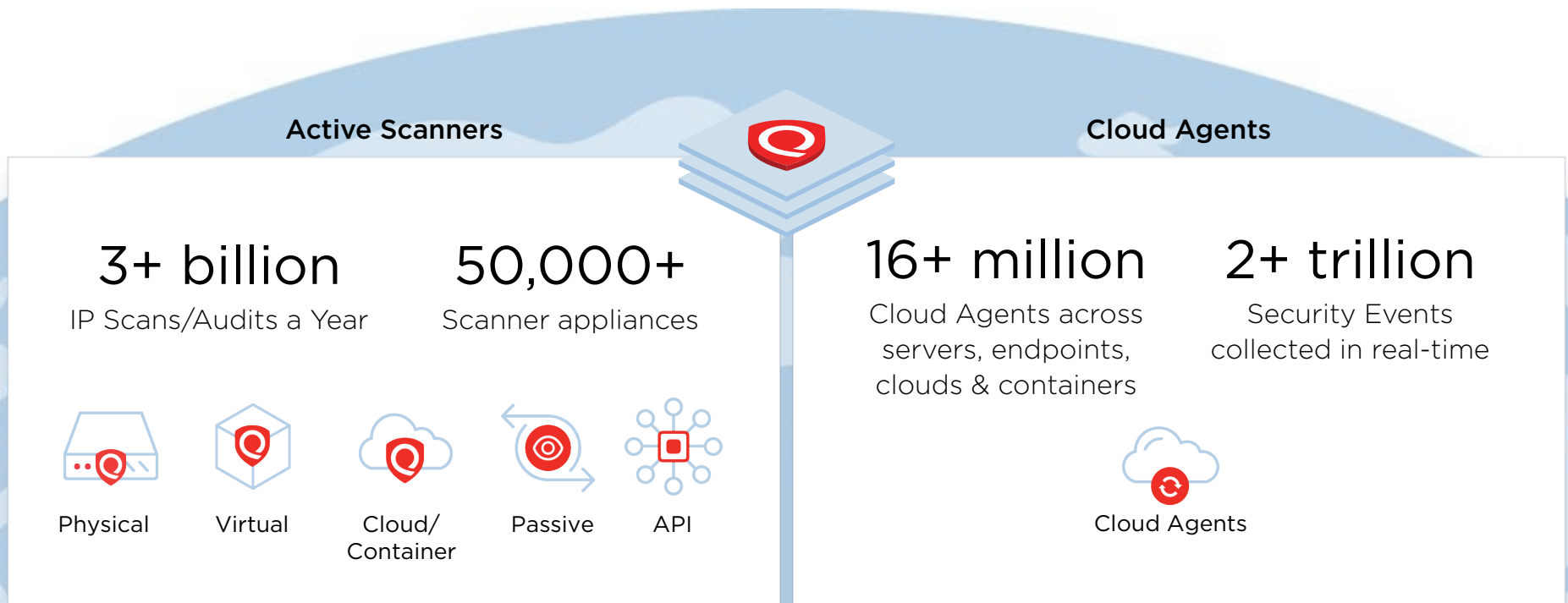
Note: Customers include active users

Qualys Cloud Platform and Roadmap



Global Visibility Across Environments Enables Superior Security

Scalable, self-updating & centrally managed



2+ trillion data points

Indexed on Elasticsearch Clusters, giving 2-second visibility

Qualys Cloud Platform

Unified approach to detection,
prevention & response

Integrated Suite of Applications



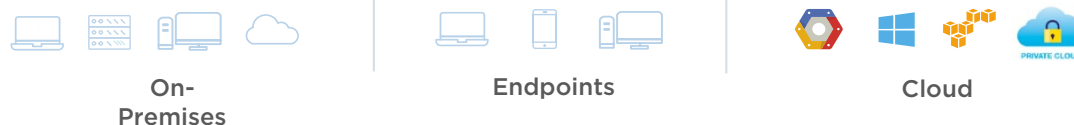
Analytics and Reporting Engines



Distributed Sensors

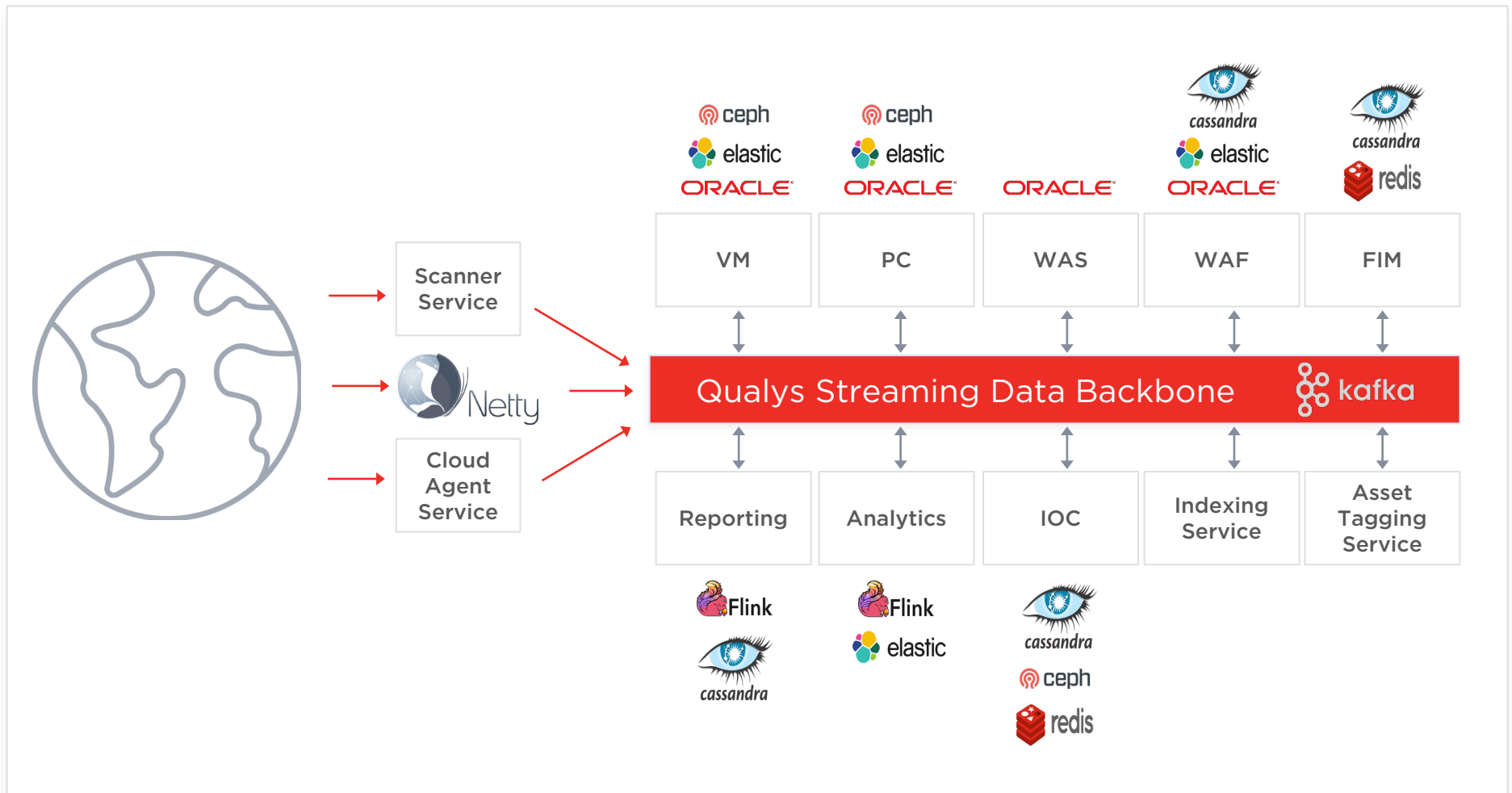


Environments



Robust Pure Cloud Platform Serves as a Scalable Distribution Channel

Scalable, Micro-services, DevOps



Qualys Cloud Platform Enables Vendor and Stack Consolidation

IT Security

RAPID7

tenable
network security

Compliance Monitoring

McAfee

NetIQ

RAPID7

Trustwave

tenable
network security

Symantec

Web App Security

RAPID7

IMPERVA

VERACODE

IBM

f5

New Services

Carbon Black.

flexera

evident.io

VENAFI

BIGFIX

Twistlock.

TANIUM

ForeScout

FireEye

tripwire

crowdStrike

Increasing Number of Apps Delivered Through the Qualys Cloud Platform

19

integrated apps
and counting



GLOBAL IT ASSET MANAGEMENT

- AI** Asset Inventory
- SYN** CMDB Sync
- CRI** Certificate Inventory

COMPLIANCE

- PC** Policy Compliance
- SCA** Security Configuration Assessment
- PCI** PCI Compliance
- FIM** File Integrity Monitoring
- SAQ** Security Assessment Questionnaire
- OCA** Out-of-Band Configuration Assessment

IT SECURITY

- VM** Vulnerability Management
- TP** Threat Protection
- CM** Continuous Monitoring
- IOC** Indication of Compromise
- CRA** Certificate Assessment

CLOUD/CONTAINER SECURITY

- CI** Cloud Inventory
- CSA** Cloud Security Assessment
- CS** Container Security

WEB APP SECURITY

- WAS** Web App Scanning
- WAF** Web App Firewall

Additional Apps to Come in 2019



Passive Network Analysis

Continuous and unobtrusive detection of every IT asset and its activity on the network



Patch Management

Streamline and accelerate vulnerability remediation for all IT assets



Secure Access Control

Respond to threats automatically by controlling access to critical resources



Certificate Management

Automated renewing and management of digital certificates



Cloud Security Management

Remediation and management of cloud vulnerabilities



Secure Enterprise Mobility

Continuous visibility, security and compliance of enterprise mobile devices

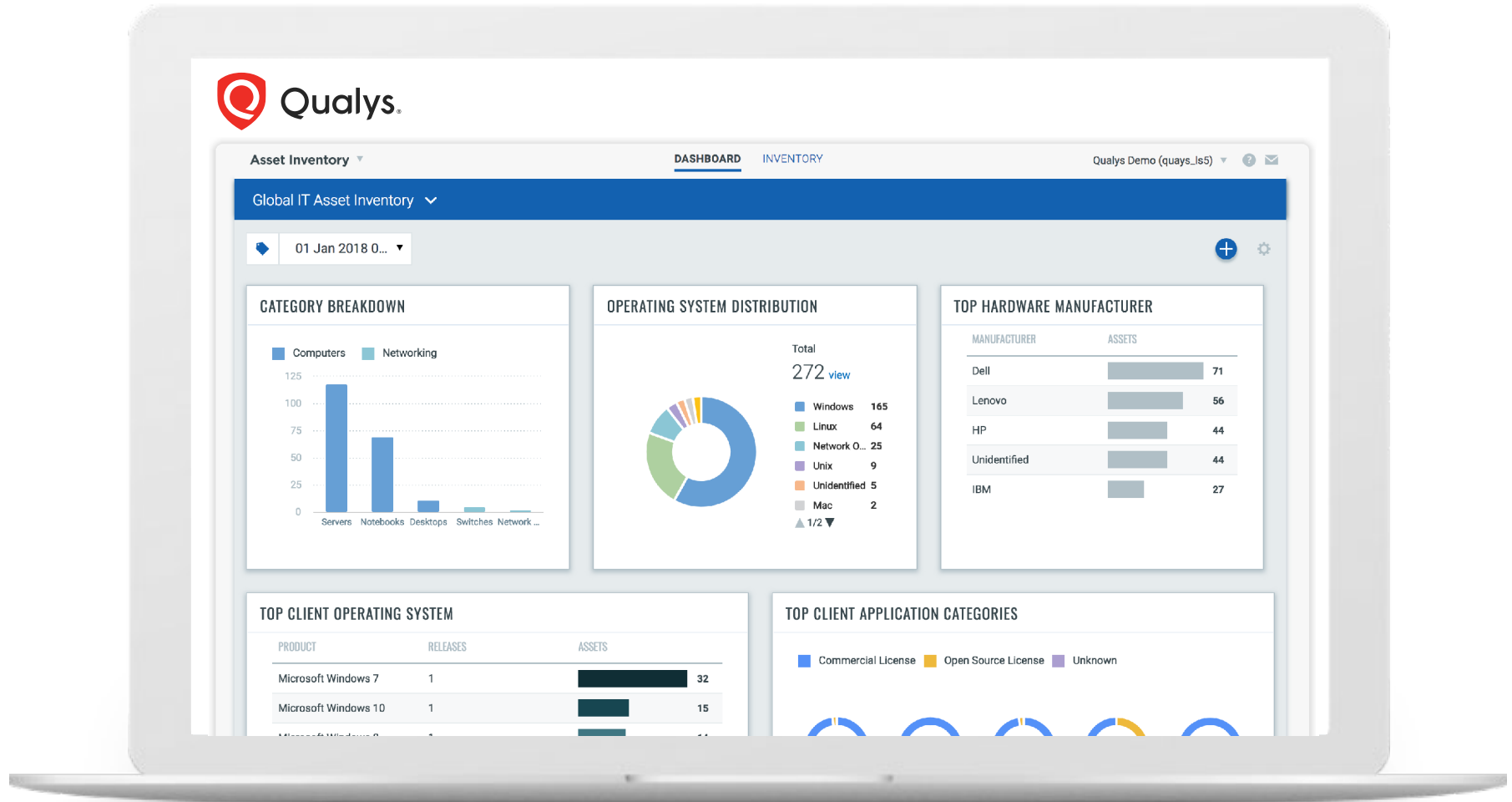


Run-Time Container Security

Runtime defense and automated policy enforcement to protect against breaches and anomalies

Note: Target Beta time frame

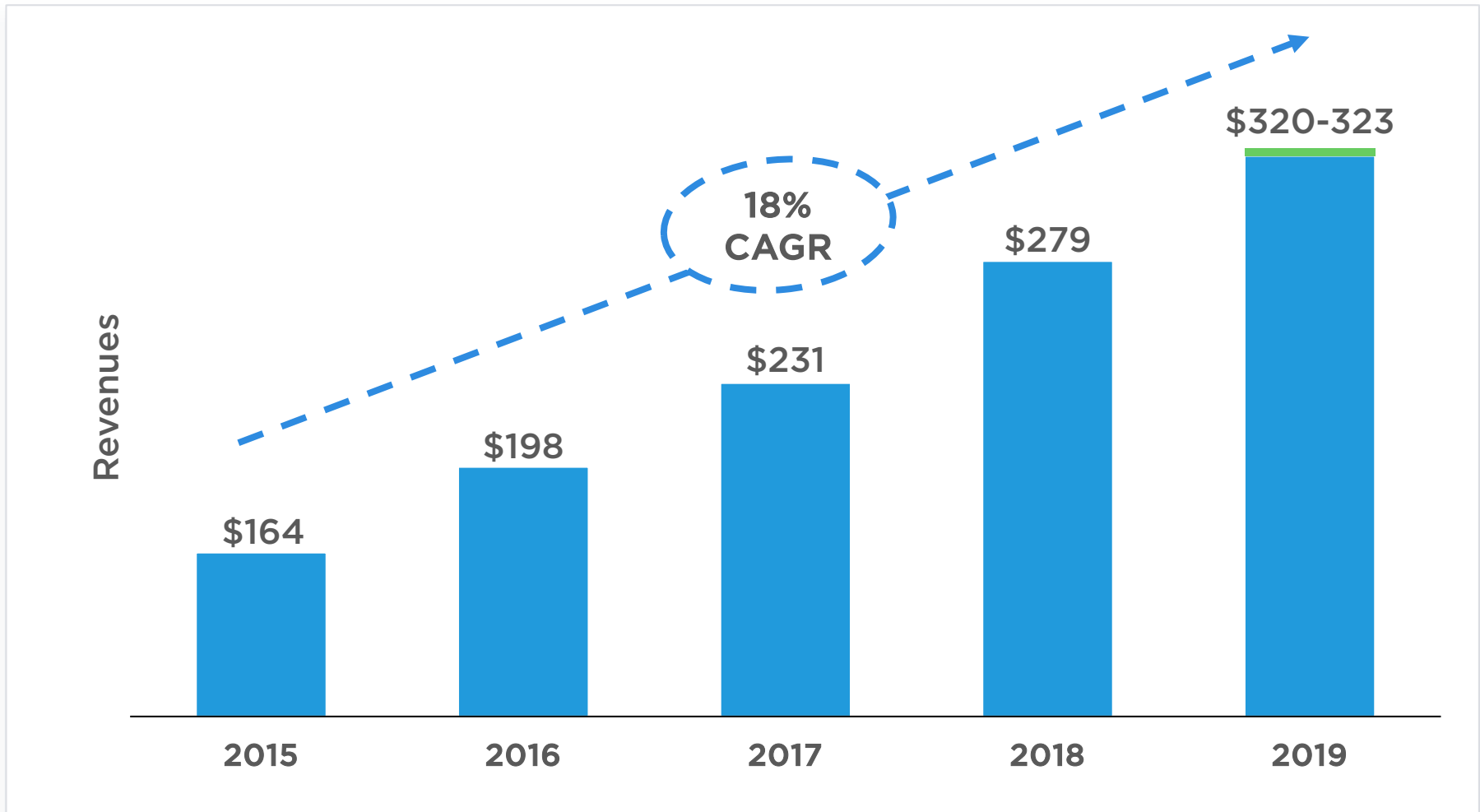
Scalable Business Model



Strong and Consistent Organic Revenue Growth

Outperforming market and gaining share

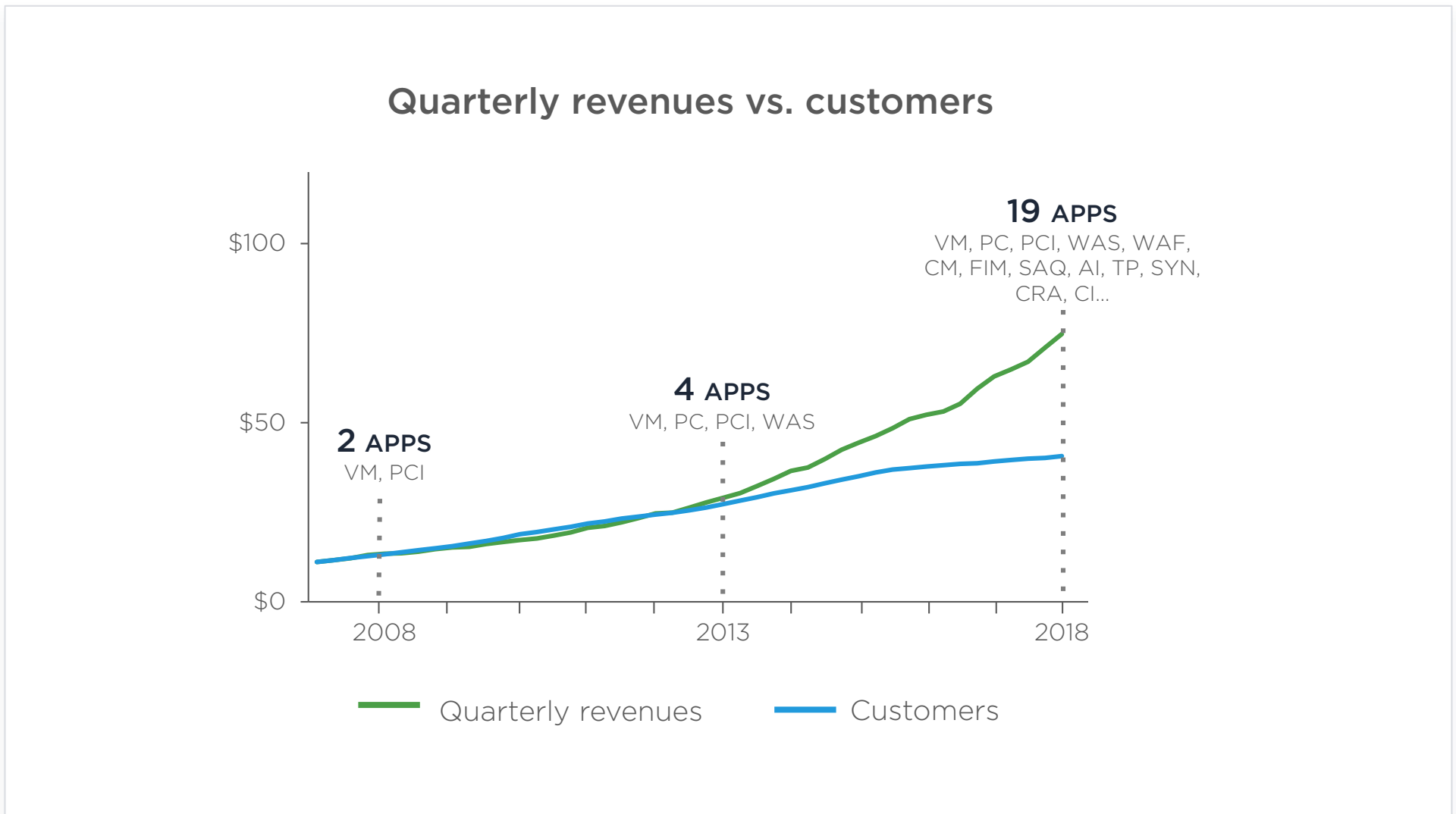
(\$ in millions)



Note: CAGR based on midpoint of guidance

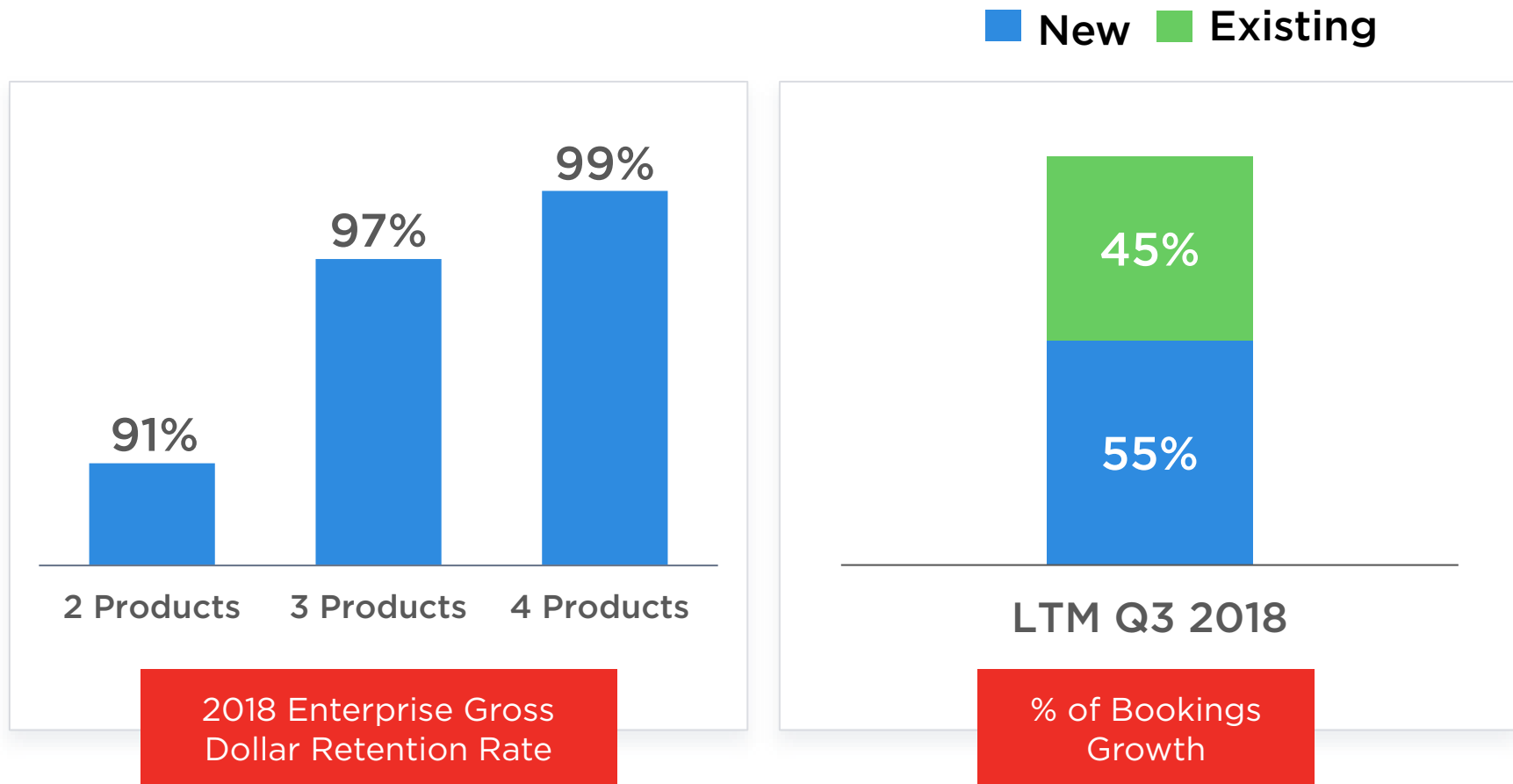
Adoption of New Solutions (APPS) Fuels Growth and Profitability

(\$ in millions)



Multiple Levers of Revenue Growth

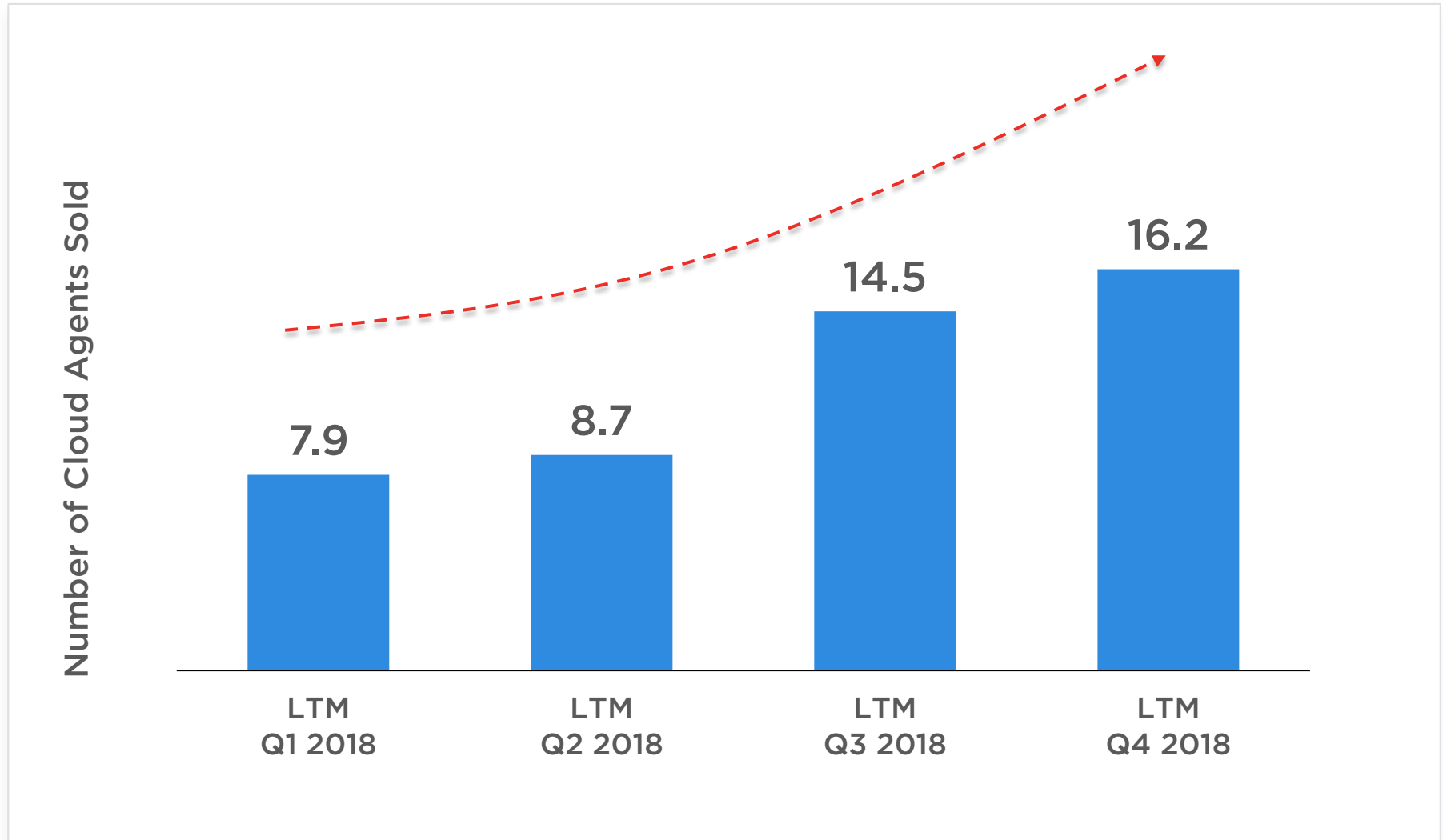
Multi-Product Adoption Drives Increased Stickiness



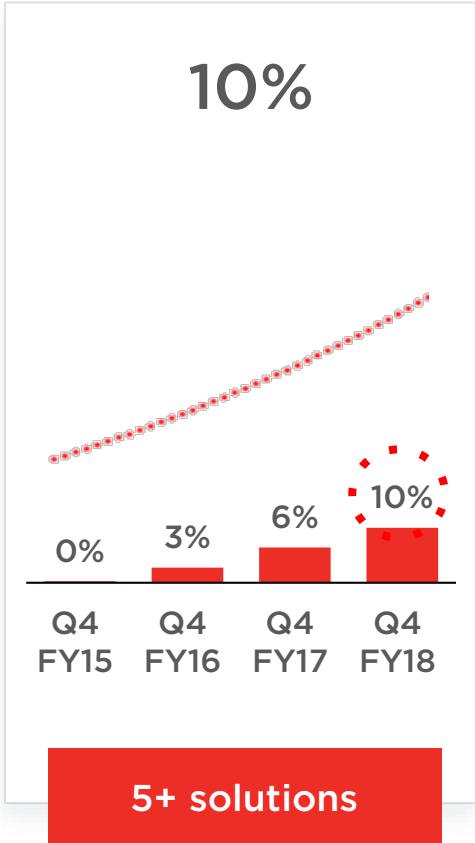
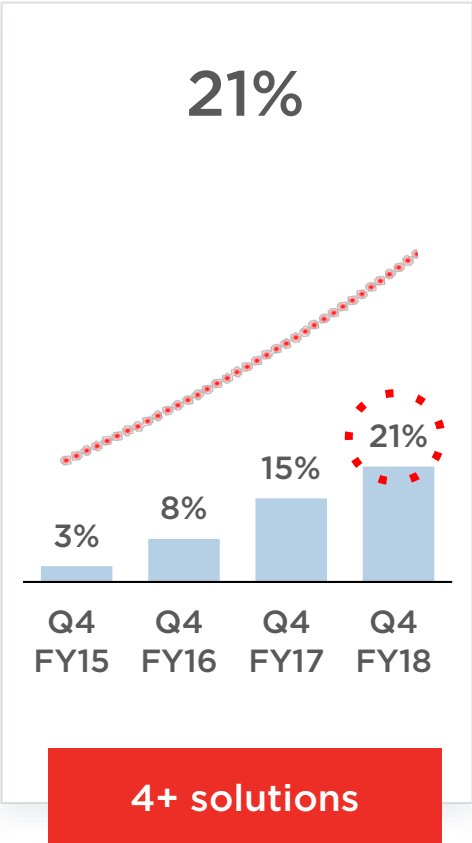
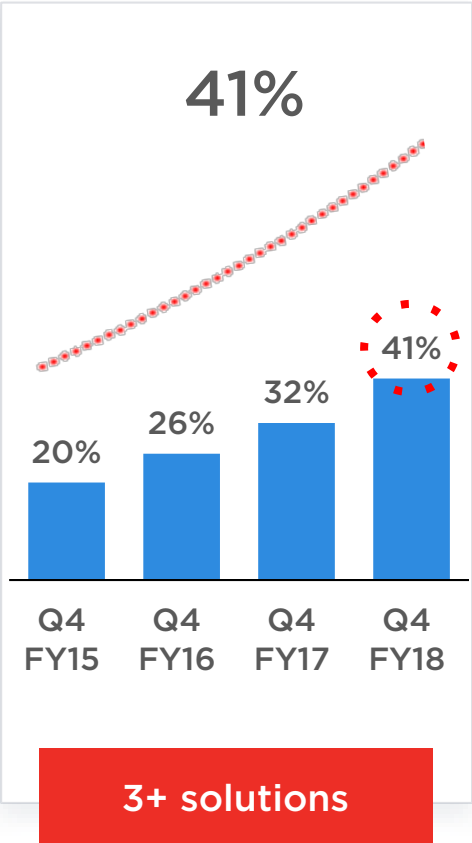
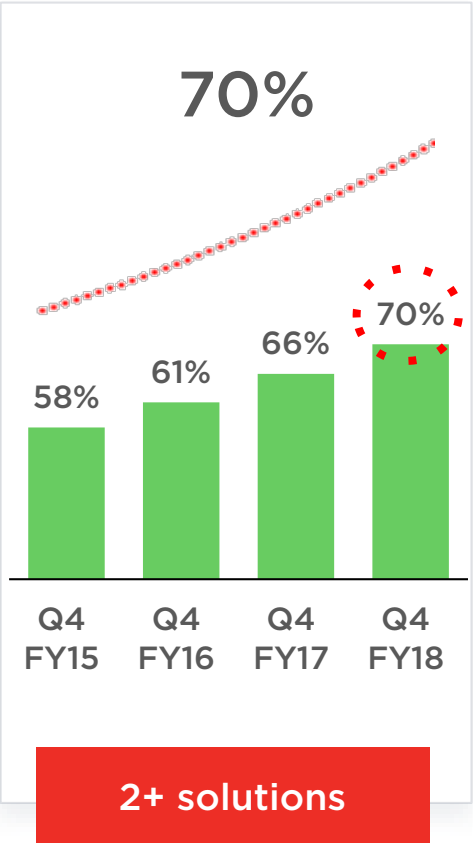
Note: Dollar Retention Rate is the retention rate of prior year Enterprise ARR (excluding upsell and downsell) averaged over the last four quarters

Increasing Cloud Agent Adoption

(Units in millions)



Platform Adoption Accelerating

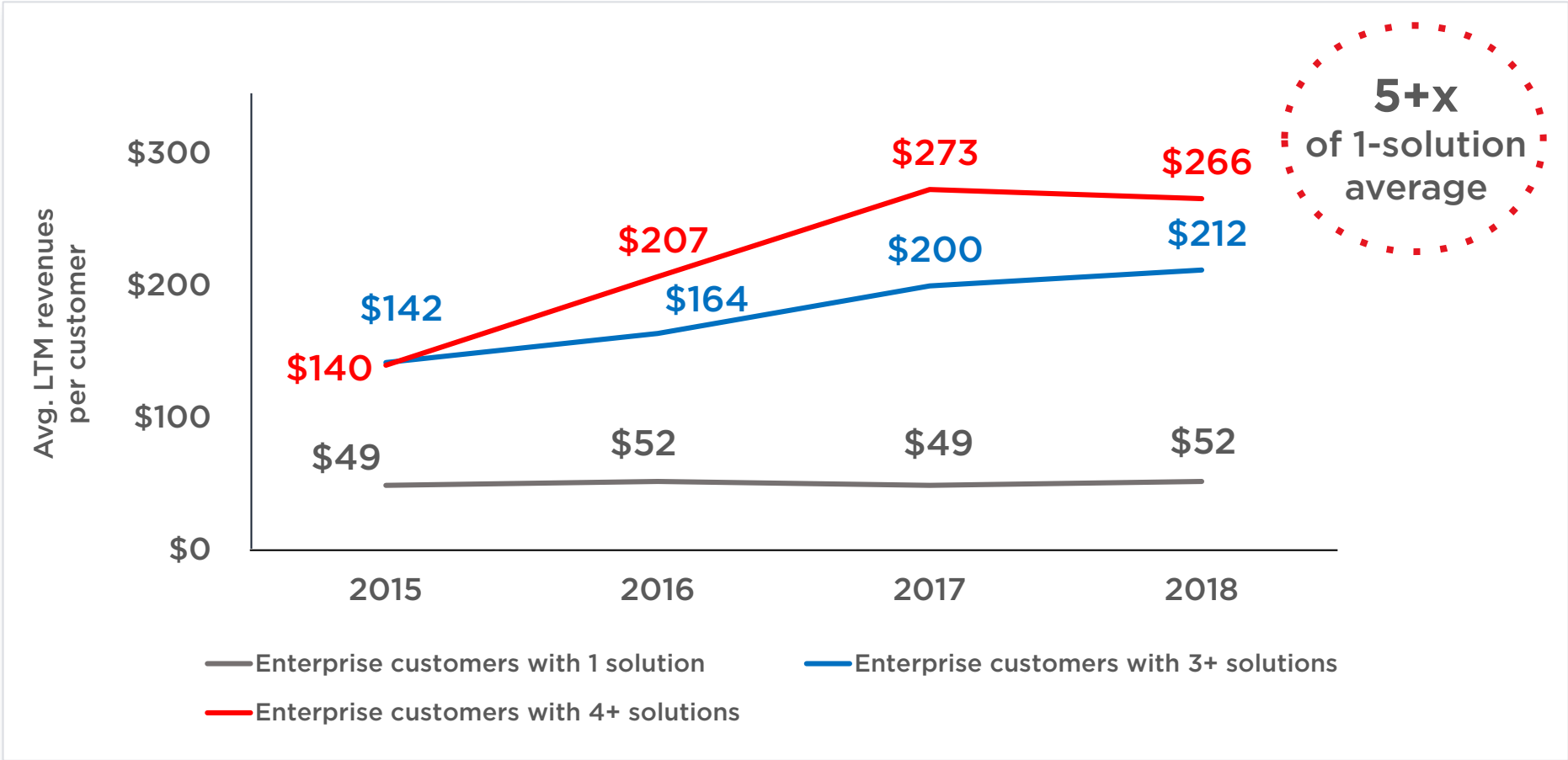


% of Enterprise customers with select number of solutions

Multiplier Effect

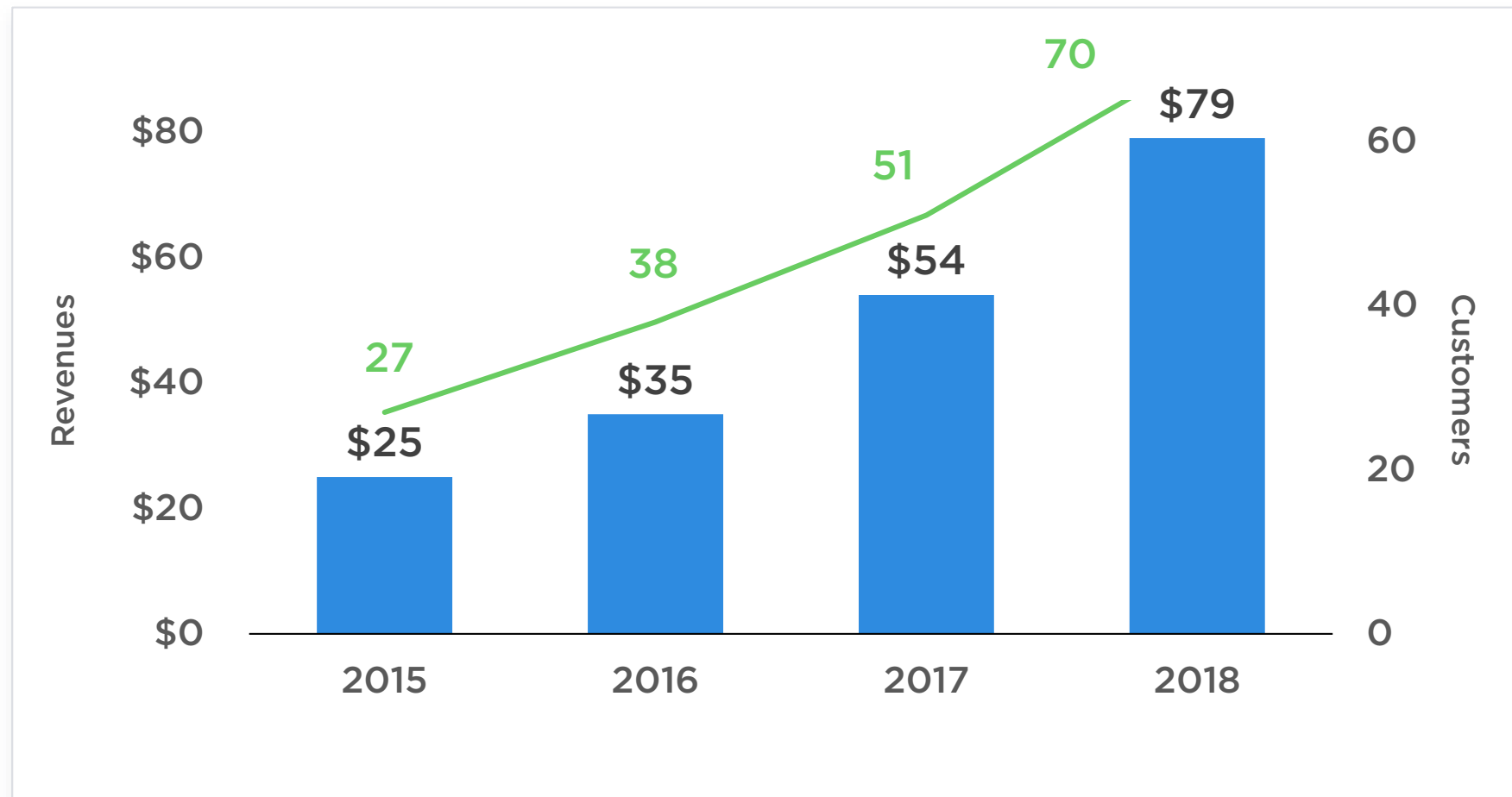
Enterprise customers with 4+ solutions spend over 5x that of 1-solution customers

(\$ in thousands)



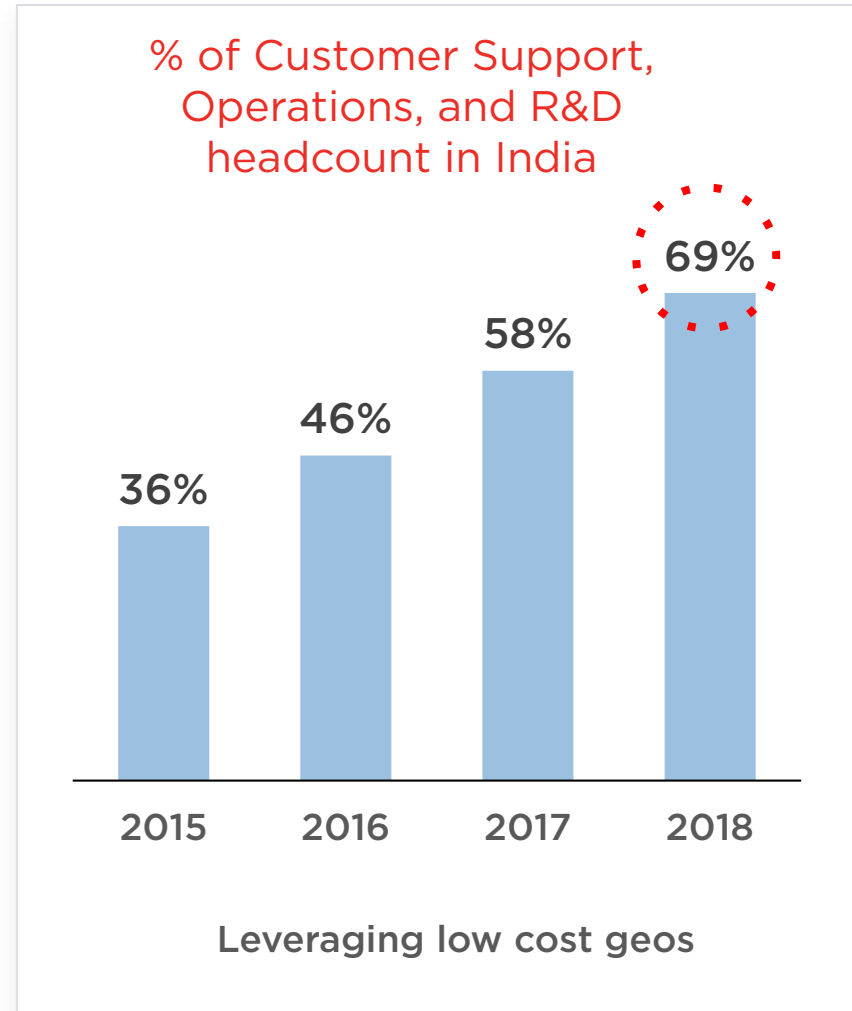
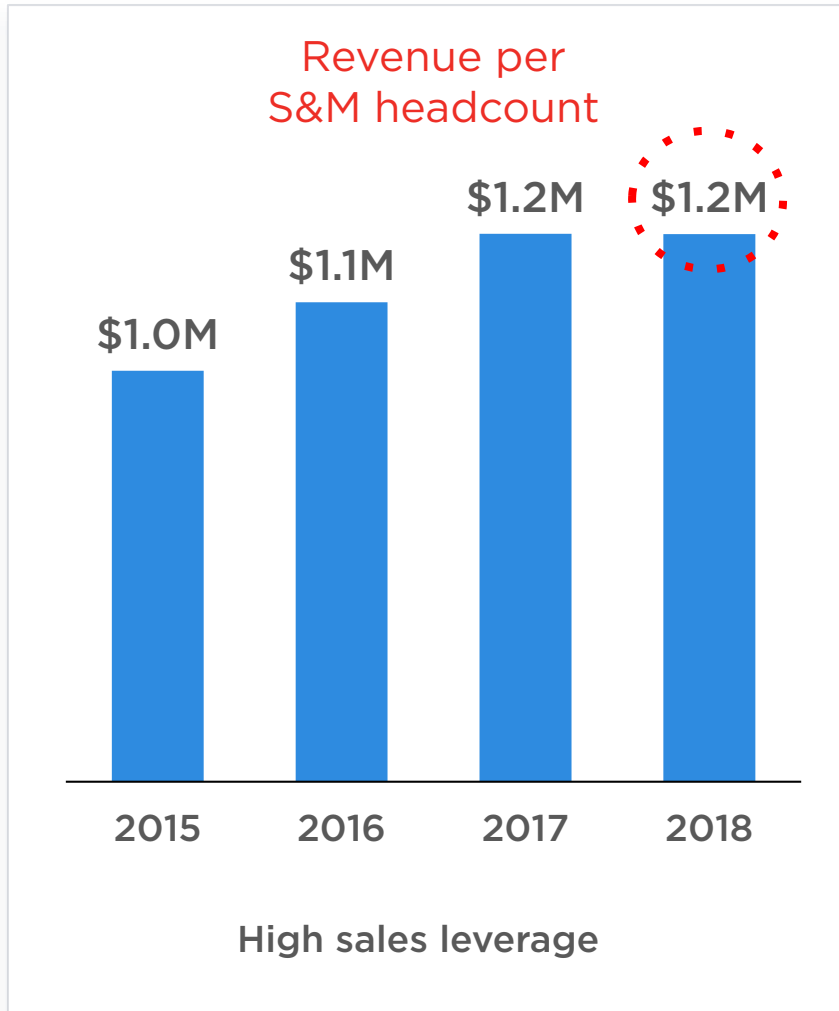
Accelerating Number of Large Customers

(\$ in millions)



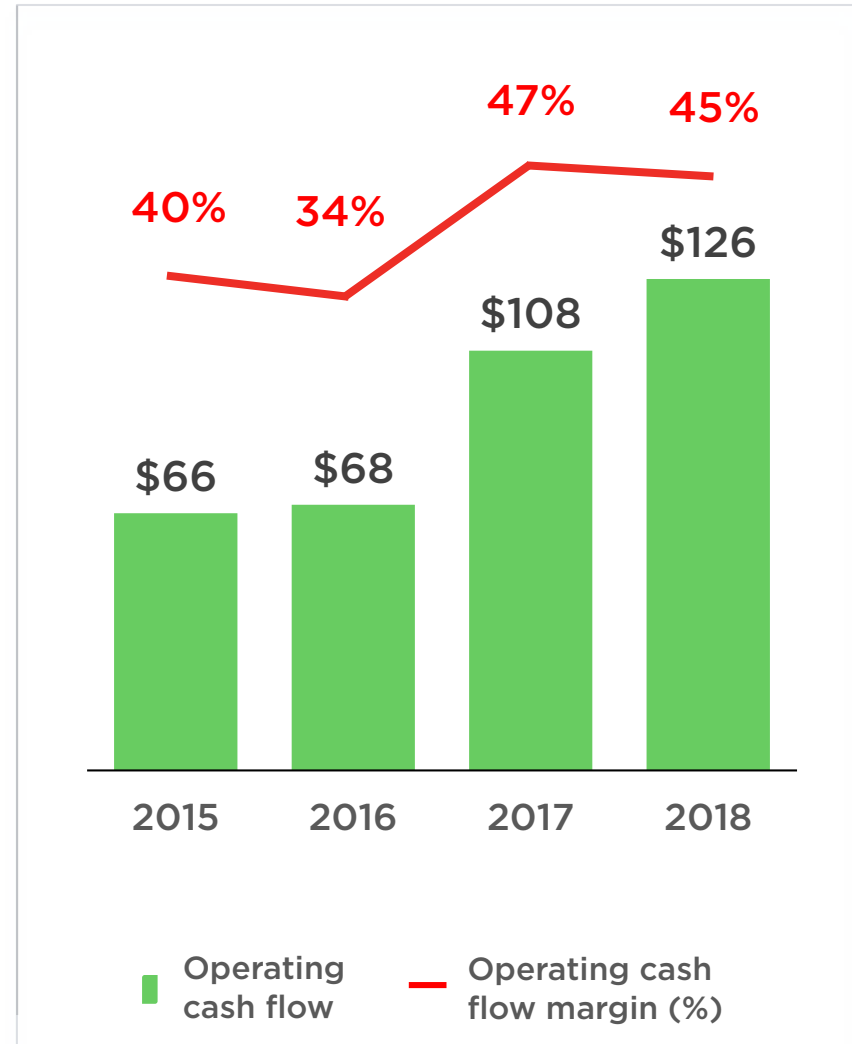
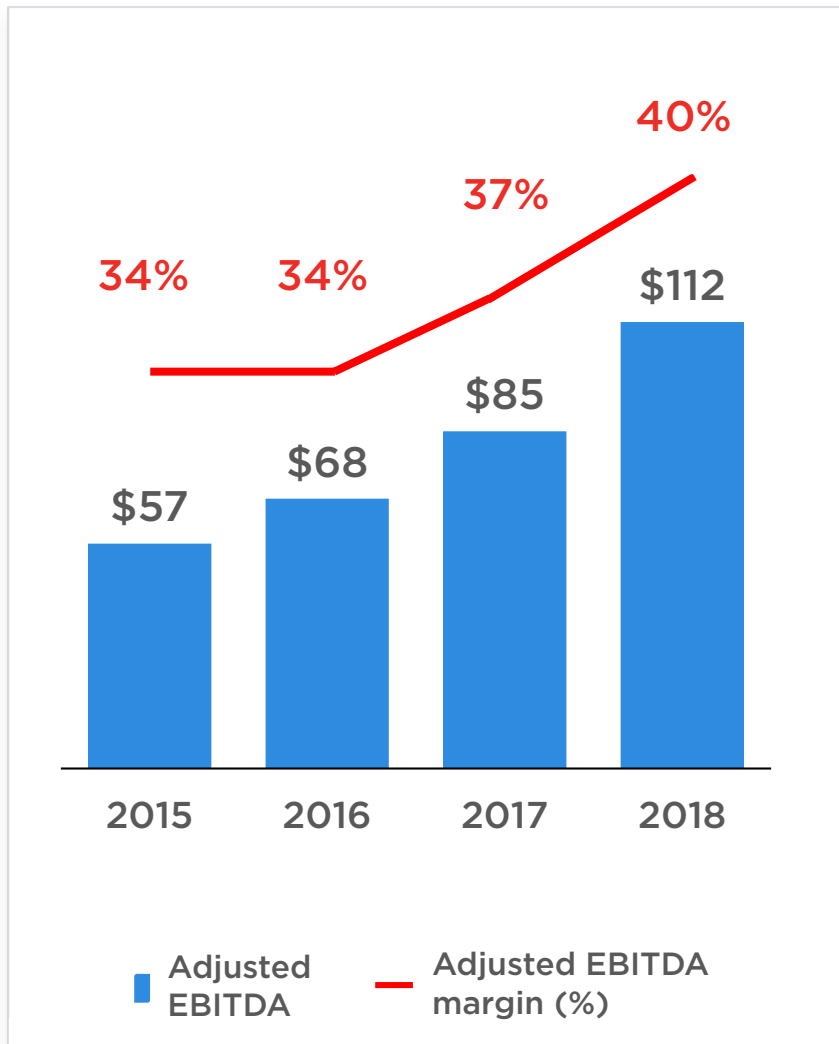
Note: Customer count is defined as customers with greater than \$500K in annual revenue

Platform Enables Scalable Operational Model

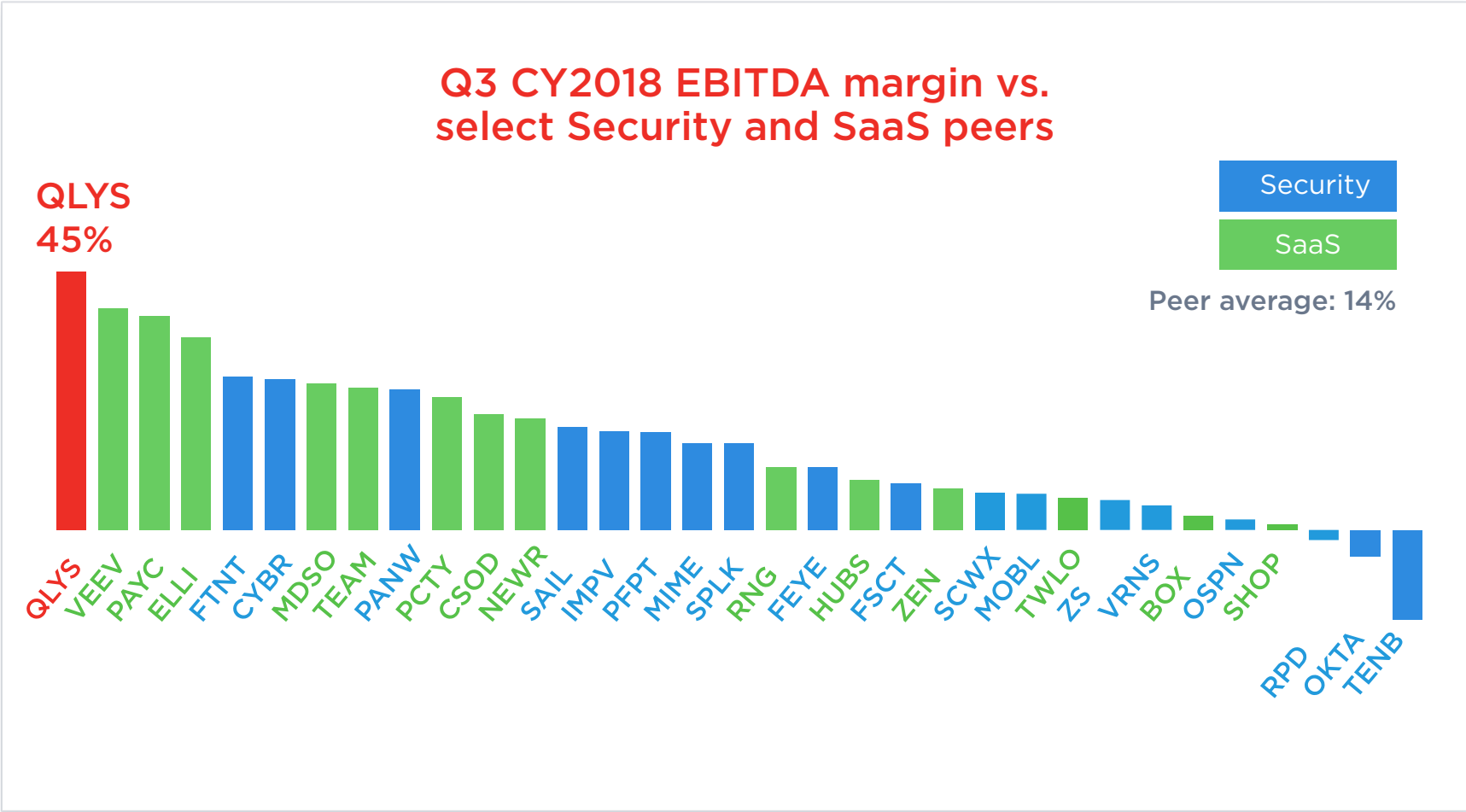


Increasing Adjusted EBITDA & Operating Cash Flow

(\$ in millions)

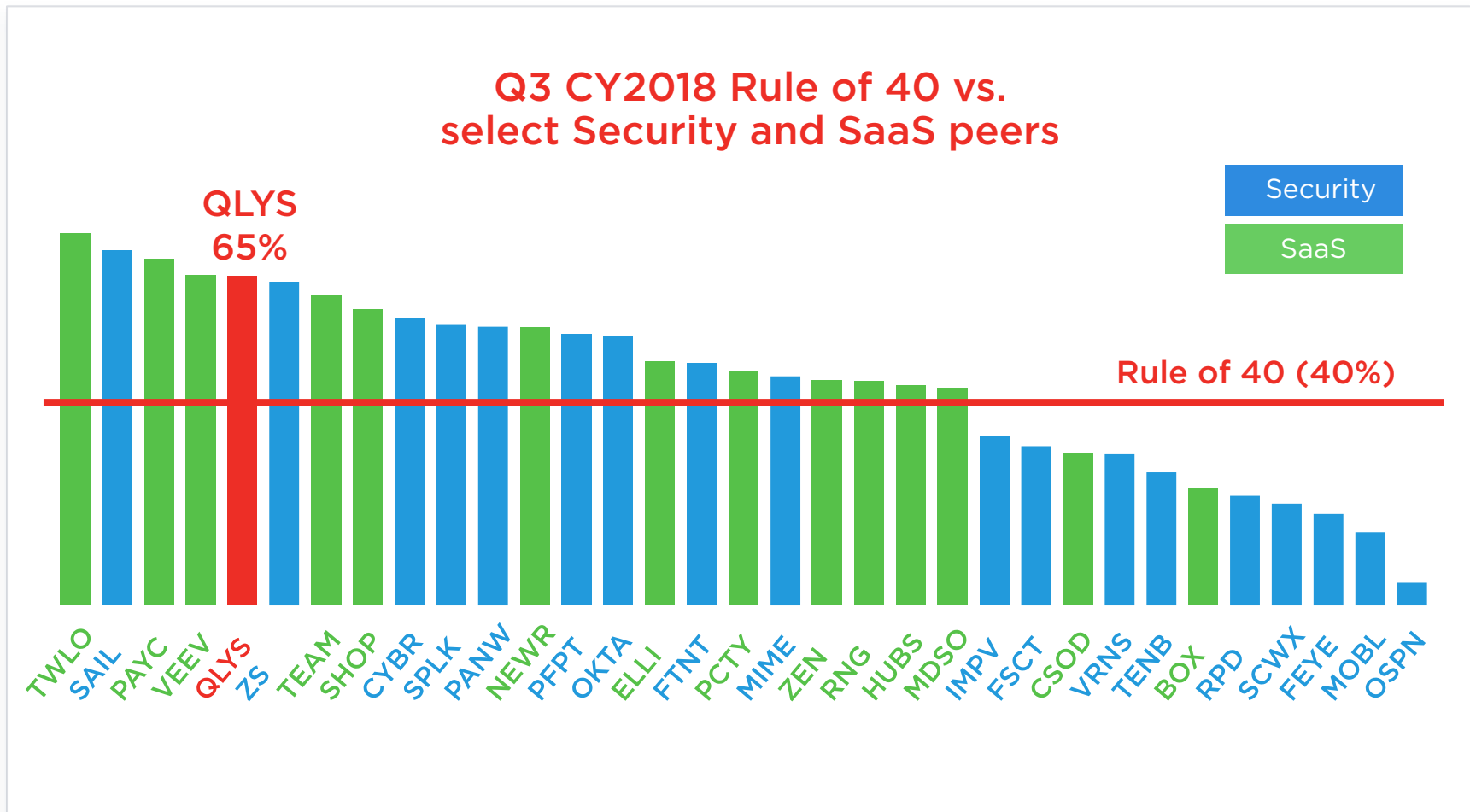


Industry-leading Margins



Source: JPMorgan

Industry-leading Performance



Source: JPMorgan

Unique Advantages of the Qualys Cloud Platform

Single-pane-of-glass-view across on-premises assets, endpoints, and cloud environments



No hardware to buy or manage

Nothing to install or manage, and all services are accessible in the cloud via web interface. Qualys operates and maintains everything.



Lower operating costs

With everything in the cloud, there are no capital expenditures, no extra human resources needed, and no infrastructure or software to buy and maintain.



Easy to deploy and maintain

Easily perform assessments on geographically distributed and segmented networks at the perimeter, behind the firewall, on dynamic cloud environments and endpoints.



Unprecedented scaling

Qualys Cloud Platform is a scalable, end-to-end solution for all aspects of IT security. Once deployed, seamlessly add new coverage, users and services as you need them.



Always Up-to-date

Qualys has the largest knowledge base of vulnerability signatures in the industry and performs over 3 billion IP scans per year. All security updates are made in real time.



Data stored securely

Vulnerability data is securely stored and processed in an n-tiered architecture of load-balanced servers. Our encrypted databases are physically and logically secure.

Available as a Public or on-premises Private Cloud

Full server rack

For governments, enterprises, and MSSPs

Standalone appliance

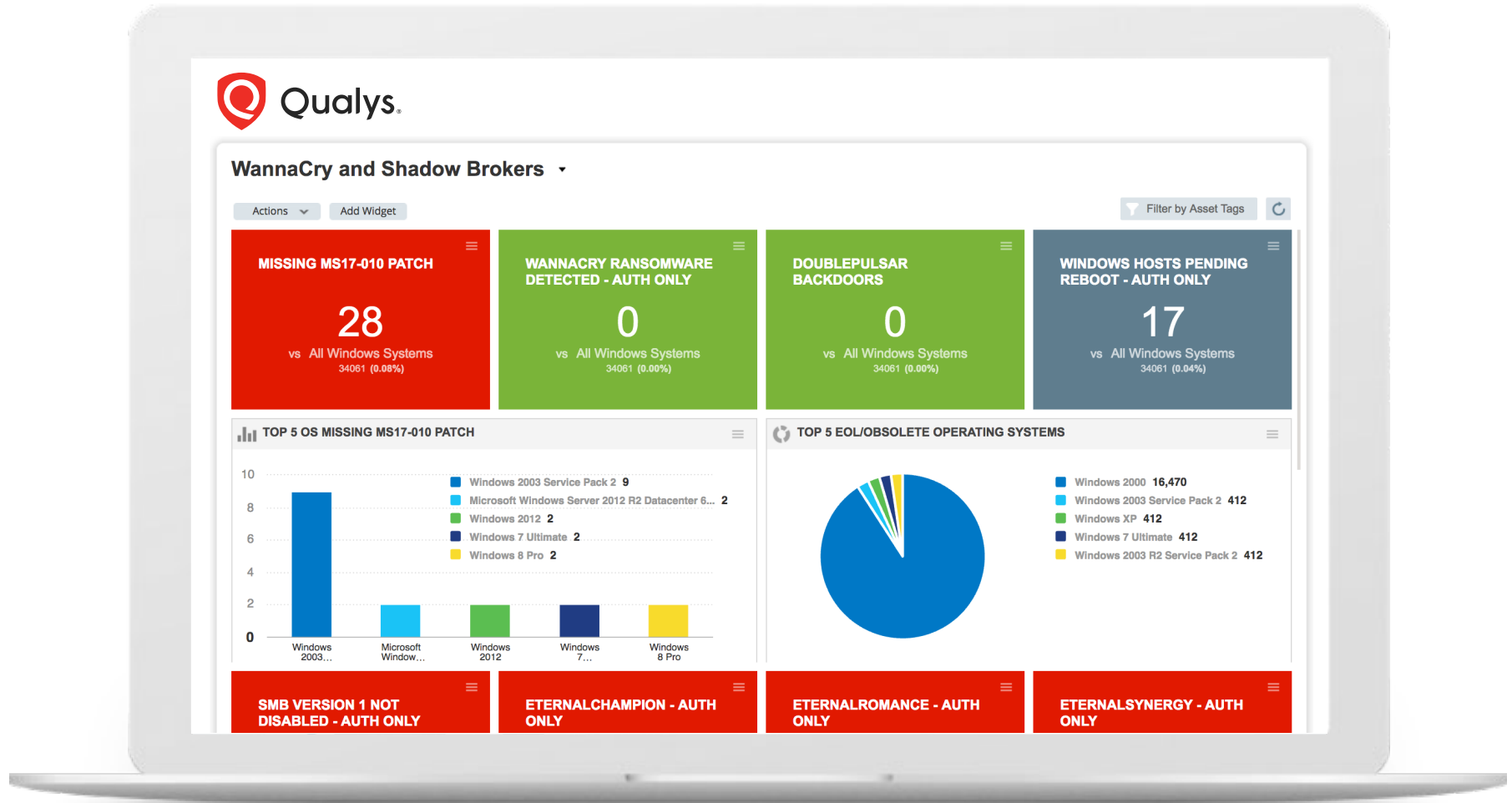
For small businesses

Virtual rack

For governments, enterprises, and MSSPs

FedRAMP authorized

Appendix



Increasing Number of Apps Delivered Through the Qualys Cloud Platform

IT SECURITY

- VM Vulnerability Management**
Continuously detect and protect against attacks, anytime, anywhere
- TP Threat Protection**
Pinpoint your most critical threats and prioritize patching
- CM Continuous Monitoring**
Alerts you in real time about network irregularities
- IOC Indication of Compromise**
Continuously monitor endpoints to detect suspicious activity
- CRA Certificate Assessment**
Assess all your digital certificates for TLS/SSL vulnerabilities

GLOBAL IT ASSET MANAGEMENT

- AI IT Asset Management**
Maintain full, instant visibility of all your global IT assets
- SYN CMDB Sync**
Synchronize asset information from Qualys into ServiceNow CMDB
- CRI Certificate Inventory**
Inventory of TLS/SSL digital certificates on a global scale

COMPLIANCE MONITORING

- PC Policy Compliance**
Assess security configurations of IT systems throughout your network
- PCI PCI Compliance**
Automate, simplify and attain PCI compliance quickly
- FIM File Integrity Monitoring**
Log and track file changes across global IT systems

WEB APPLICATION SECURITY

- WAS Web Application Scanning**
Secure web applications with end-to-end protection
- WAF Web Application Firewall**
Block attacks and virtually patch web application vulnerabilities

- SCA Security Configuration Assessment**
Automate configuration assessment of global IT assets

- SAQ Security Assessment Questionnaire**
Minimize the risk of doing business with vendors and other third parties

CLOUD/CONTAINER SECURITY

- CI Cloud Inventory**
Inventory of all your cloud assets across AWS, Azure, GCP and others
- CSA Cloud Security Assessment**
Get full visibility and control across all public cloud instances
- CS Container Security**
Discover, track, and continuously protect containers

Reconciliation of Adjusted EBITDA

(\$ in millions)

	2014	2015	2016	2017	2018
Net income	\$30.2	\$15.9	\$19.2	\$40.4	\$57.3
Depreciation and amortization of property and equipment	11.5	14.0	16.6	19.8	25.2
Amortization of intangible assets	0.4	0.4	0.4	0.8	3.7
Interest expense	0.0	0.0	0.0	0.0	0.2
Provision for (benefit from) income taxes	(21.6)	8.7	11.2	(1.1)	(1.8)
Stock based compensation	10.5	17.5	20.1	27.0	30.1
Other (income) expenses, net	0.6	0.3	(0.3)	(2.1)	(5.3)
Acquisition-related expense	---	---	---	0.1	3.0
One-time tax related expense	---	---	0.7	---	---
Adjusted EBITDA	\$31.7	\$56.7	\$68.0	\$84.9	\$112.4

Reconciliation of Non-GAAP Net Income

(\$ in millions, except per diluted share metric)

	2017	2018
GAAP Net income	\$40.4	\$57.3
Stock-based compensation	27.0	30.1
Intangible asset amortization	0.7	3.7
Acquisition-related expense (1)	0.1	3.0
Tax adjustment	(24.5)	(20.7)
Non-GAAP Net income	\$43.7	\$73.4
Non-GAAP Net income per diluted share	\$1.09	\$1.75

(1) Relates to compensation expense from the acquisition of NetWatcher and Layered Insight.