



# Investor Presentation

Security and Compliance for the Digital Transformation

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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 expectations regarding our Qualys Cloud Platform and the benefits and capabilities of our platform;
- our expectations regarding the growth, benefits and market acceptance of our Vulnerability Management, Detection and Response application;
- our total addressable market;
- our expectations regarding the timing of future products and features;
- the benefits of our new and upcoming products, features, integrations, collaborations and joint solutions;
- our strategy and our business model and our ability to execute such strategy;
- our guidance for revenues, GAAP EPS and non-GAAP EPS for the second quarter and full year 2022; and
- our expectations for the number of weighted average diluted shares outstanding and the GAAP and non-GAAP effective income tax rate for the second quarter and full year 2022.

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:

- our ability to continue to develop platform capabilities and solutions;
- the ability of our platform and solutions to perform as intended;
- customer acceptance and purchase of our existing solutions and new solutions;
- real or perceived defects, errors or vulnerabilities in our products or services;
- our ability to retain existing customers and generate new customers;
- the budgeting cycles and seasonal buying patterns of our customers, and the length of our sales cycle;
- the impact of the ongoing COVID-19 coronavirus pandemic and related public health measures on our business and the global economy;
- our ability to manage costs as we increase our customer base and the number of our platform solutions;
- the market for cloud solutions for IT security and compliance not increasing at the rate we expect;
- competition from other products and services;
- fluctuations in currency exchange rates;
- unexpected fluctuations in our effective income tax rate on a GAAP and non-GAAP basis;
- our ability to effectively manage our rapid growth and our ability to anticipate future market needs and opportunities;
- any unanticipated accounting charges; and
- general market, political, economic and business conditions in the United States as well as globally.

These additional 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.

# Investment Highlights

- ✓ Industry-leading cloud security and compliance platform
- ✓ Multiple levers of recurring revenue growth
- ✓ Scalable business model and industry-leading profitability
- ✓ Uniquely positioned to capitalize on stack consolidation and move to the cloud



# Advantages of the Qualys Cloud Platform

*One view across the entire global hybrid-IT environment, allowing customers to consolidate their stack for better IT, security and compliance visibility*



## No hardware to buy or manage

Nothing to install or manage, and all services are accessible via web interface.



## Lower operating costs

With everything in the cloud there is no capex and no extra human resources needed.



## Easy to deploy and maintain

Easily perform assessments across global hybrid-IT environment.



## Always Up-to-date

Largest knowledge base of vulnerability signatures. Real time security updates.



## Data stored securely

Data stored and processed in a n-tiered architecture of load-balanced servers.



## Unprecedented scaling

Seamlessly add new coverage, users and services as you need them.

## 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



# Securing IT Infrastructure with Qualys

*Continuously Reducing Time to Resolution with Context*



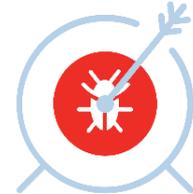
## Global Asset Inventory

- Discover all managed & unmanaged Hardware and Software Inventory
- Categorize, Normalize & Enrich
- Organize with auto-tagging
- External asset exposure



## Risk Mitigation

- DevOps – Shift Left
- Continuous Vulnerability Detection
- Misconfig Detection
- System Hardening
- Patching & Misconfig Remediation

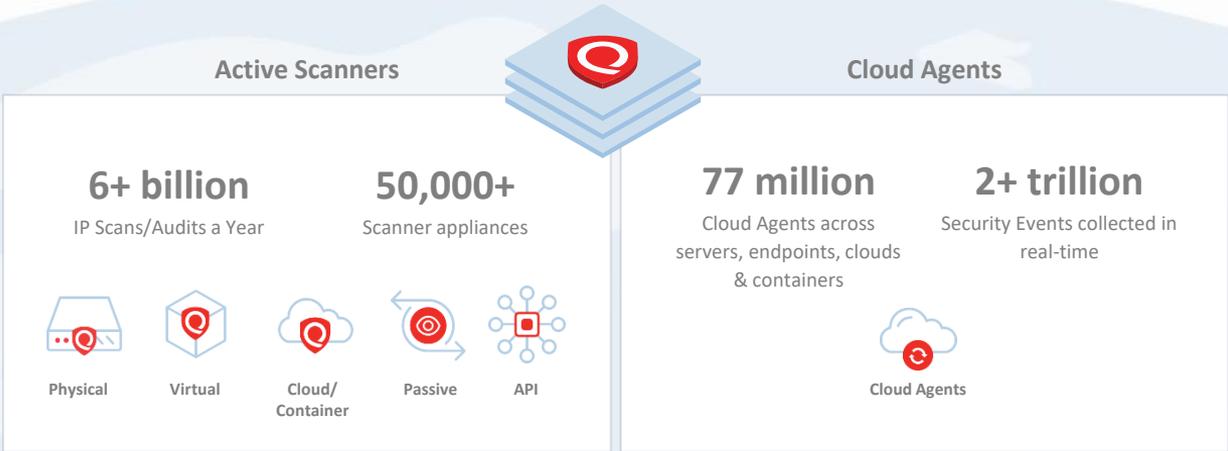


## Threat Detection & Response

- Anti Malware Protection
- Continuous Telemetry Collection
- Context Enrichment
- Breach Detection
- Respond & Quarantine

# Global Visibility Across Hybrid IT Environments

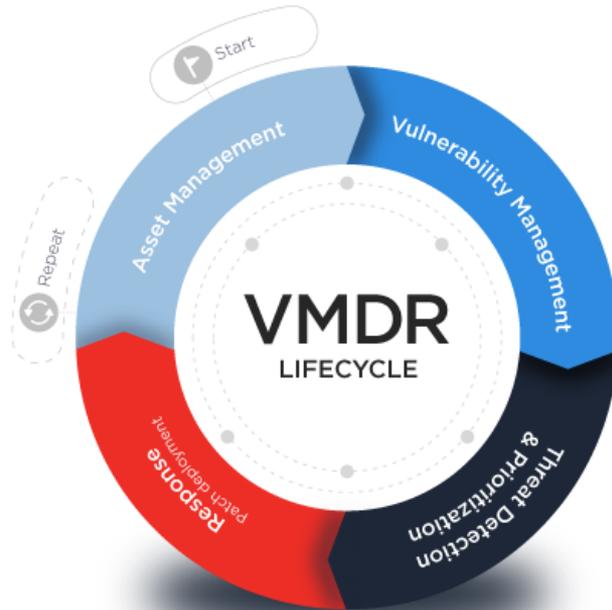
*Enabling superior security with scalable, extensible,  
self-updating & centrally managed platform*



**10+ trillion data points**  
Indexed on Elasticsearch Clusters, giving 2-second visibility

# Qualys VMDR<sup>®</sup>

*Bringing Vulnerability Management to the Next Level*



- ✓ **Identify all known and unknown assets**  
Automatically detect all known and unknown IT assets everywhere for a complete, categorized inventory enriched with details such as vendor lifecycle information and much more.
- ✓ **Analyze vulnerabilities**  
Continuously detect vulnerability and misconfigurations per CIS benchmarks with six sigma accuracy across the entire global hybrid IT environment.
- ✓ **Quickly focus on what's most urgent**  
Using advanced correlation and machine learning, automatically prioritize the riskiest vulnerabilities on the most critical assets, reducing thousands of vulnerabilities to the few hundred that matter.
- ✓ **Inoculate your assets**  
With the push of a button, deploy the most relevant, superseding patch to quickly remediate vulnerabilities and threats across any size environment.

# Qualys Multi-Vector EDR

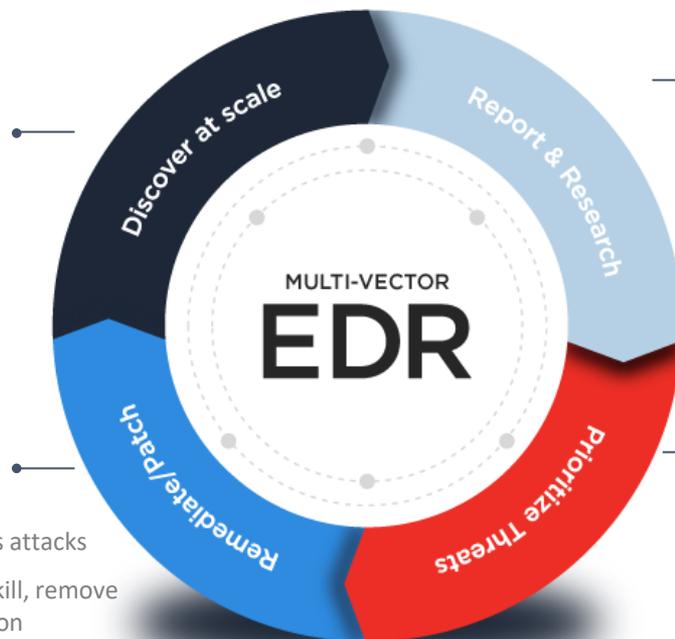
*Providing Multi-Vector Context for the Endpoints*

## Asset Management

Dynamic discovery of endpoints  
software and hardware inventory  
Automated deployment of security tools

## Response & Prevention

Automated policies blocking known malicious attacks  
Advanced attack containment – quarantine, kill, remove  
preventive patching, configuration remediation



## Endpoint Detection & Protection

Malware & exploit protection  
Detection & analysis on MITRE  
Security incident analysis, hunting vulnerabilities & misconfigurations  
patch levels, file integrity monitoring

## Threat Analysis & Correlation

Research-based, third-party threat intel  
Correlate threat indicators with detections  
Correlate logs, other activities, alerts  
Contextual, actionable, prioritized insights

# Qualys Context XDR

*Complete Context, Enhanced Remediation, Improved Productivity*

## Risk Posture

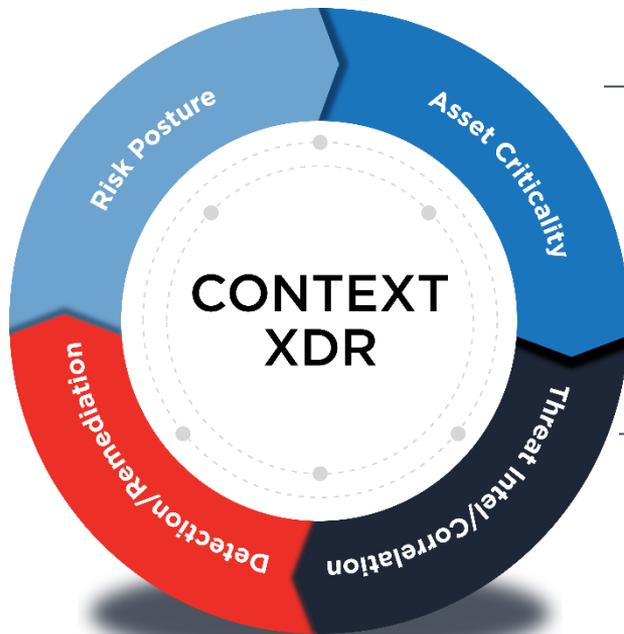
Continuous vulnerability mapping across the entire software catalog – OS and third-party applications

Includes misconfigurations and software end of life information for full spectrum risk awareness

## Threat Detection / Remediation

Generate high fidelity alerts which are prioritized based on risk / impact and enriched with deep contextual asset criticality and risk data

Remediate immediate threats (kill processes, delete files, etc.) and remediate vulnerabilities proactively to prevent future attacks



## Asset Criticality

Dynamically tag and prioritize high value assets in real time

Qualys Cloud Agent driven active discovery to find everything with rule-based criticality assignment

## Threat Intelligence / Enterprise Wide Correlation

Correlate telemetry gathered across the enterprise with Qualys and 3<sup>rd</sup> party Threat Intelligence to identify malicious / suspicious activity

# 20+

## Integrated IT, Security & Compliance Apps

### ASSET MANAGEMENT

- GAV** Global AssetView ● ●
- CSAM** CyberSecurity Asset Management ●
- 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

### WEB APP SECURITY

- WAS** Web Application Scanning
- WAF** Web Application Firewall

### CLOUD/CONTAINER SECURITY

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

● Available on Cloud Agent

● Free Service

### IT SECURITY

- VMDR** Vulnerability Management, Detection & Response ●
- TP** Threat Protection
- CM** Continuous Monitoring
- PM** Patch Management ●
- EDR** Multi-Vector Endpoint Detection & Response ●
- CRA** Certificate Assessment
- SaaS DR** SaaS Detection and Response
- SEM** Secure Enterprise Mobility
- ICS** Industrial Control System (Beta)
- CAR** Custom Assessment & Response (Beta) ●
- XDR** Extended Detection & Response ●

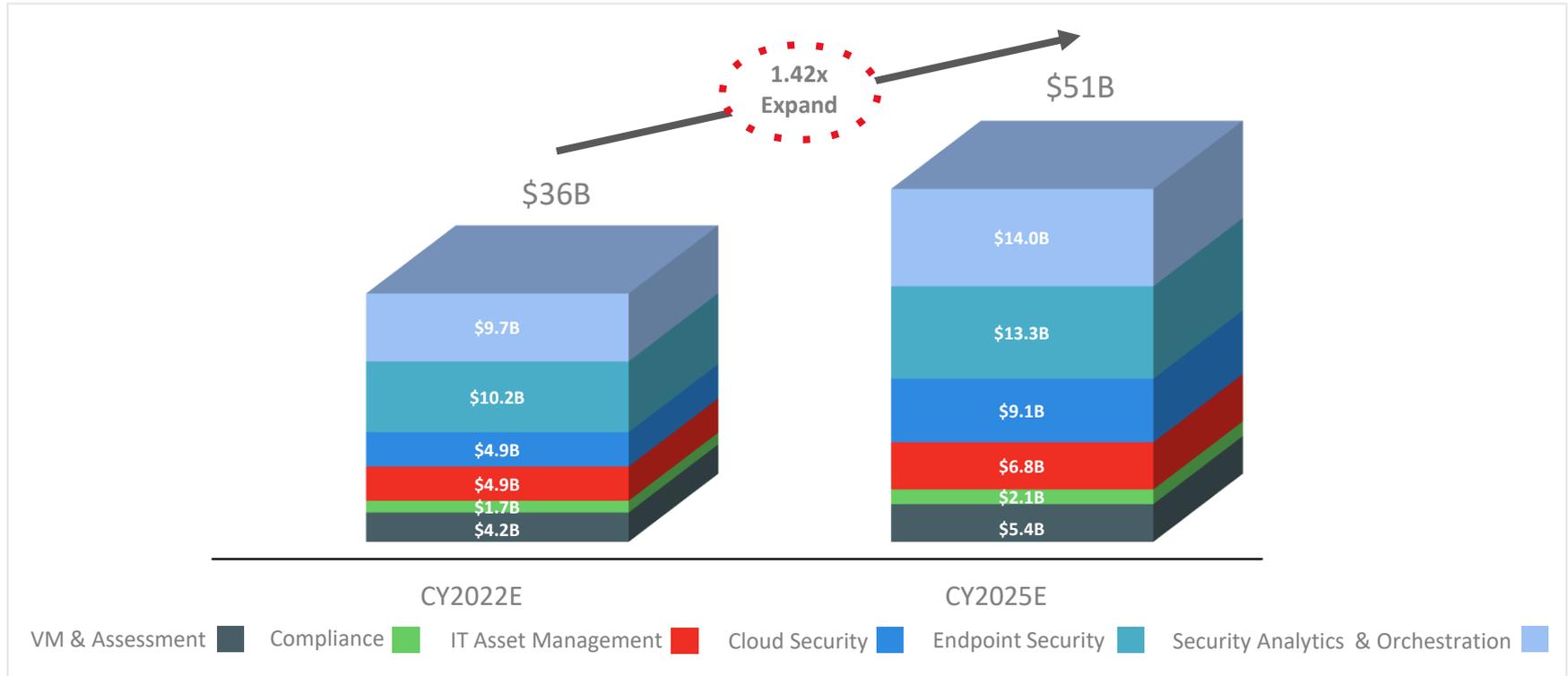
### VMDR Includes



# Cloud Platform Enables Vendor & Stack Consolidation

IT Security	        
Compliance	      
Web App Security	     
Asset Management	       
Cloud/Container Security	     

# Large Expanding Market Opportunity



Source: IDC, Gartner, Qualys estimates

Qualys' Current Total Addressable Market

# Blue Chip Global Customer Base

66% of the Forbes Global 50, 46% of Global 500, and  
25% of Global 2000 standardized on Qualys

## 10,000+ Subscription Customers



Note: A customer is defined as any customer with subscription revenue at the measurement date

# Scalable Go-to-Market Model

*Market segmentation & key strategic partners*



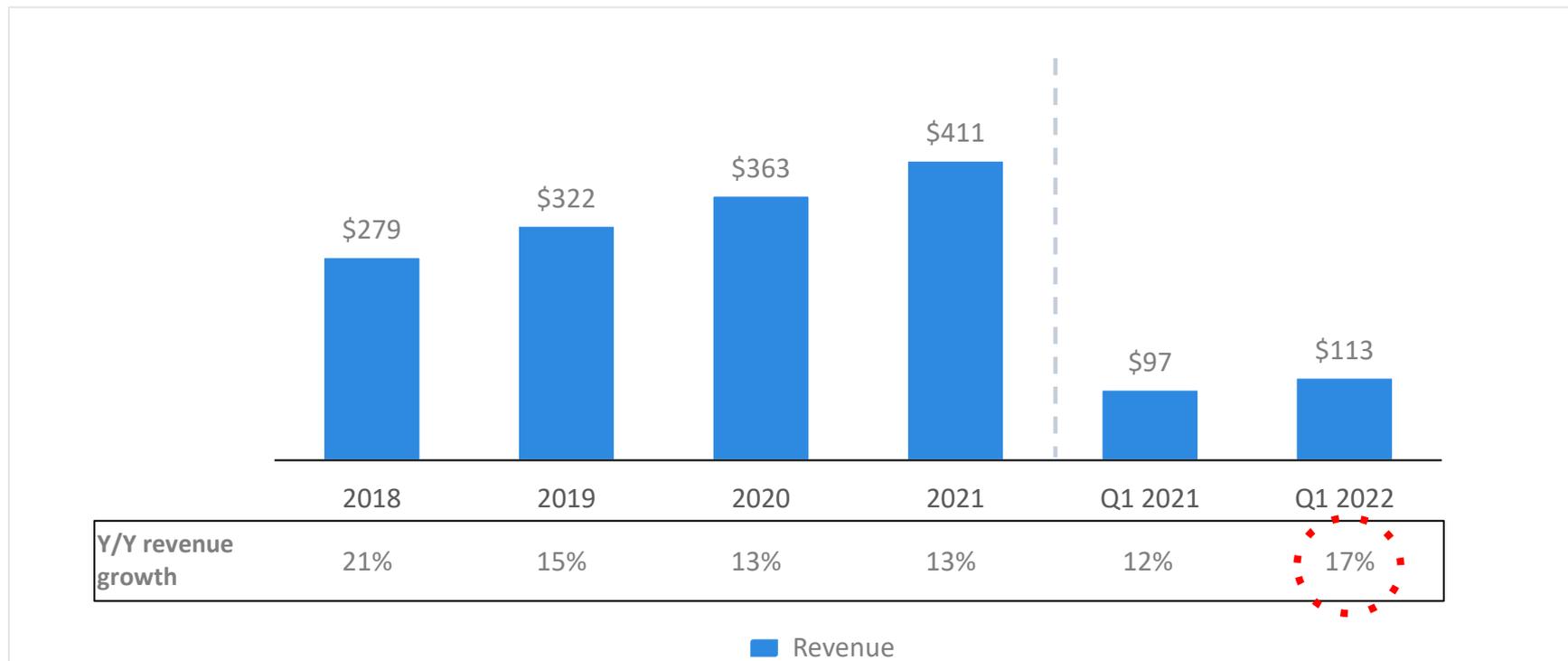
# Attractive Value Proposition for Partners

*High-margin recurring revenue with no capex / maintenance costs*



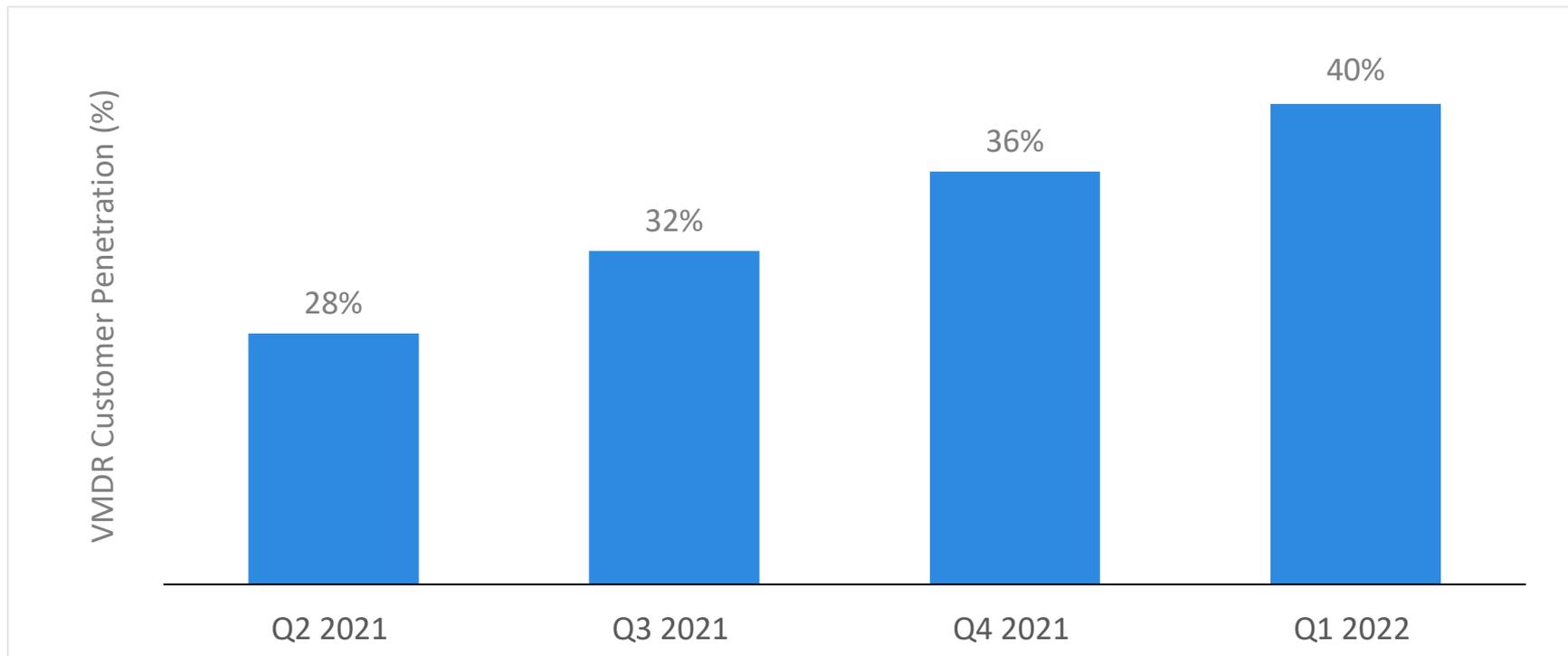
# Accelerating Organic Revenue Growth

(\$ in millions)



# Increasing VMDR Penetration

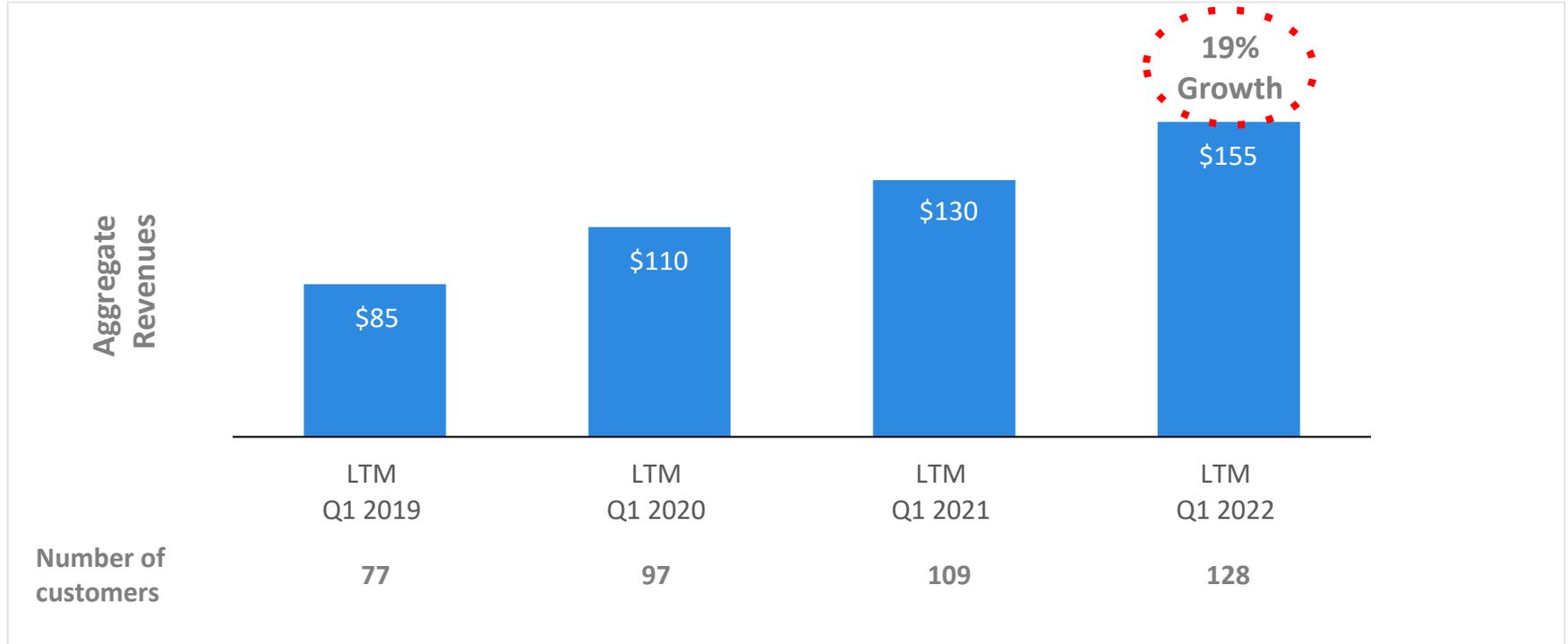
*Key strategic and competitive differentiation*



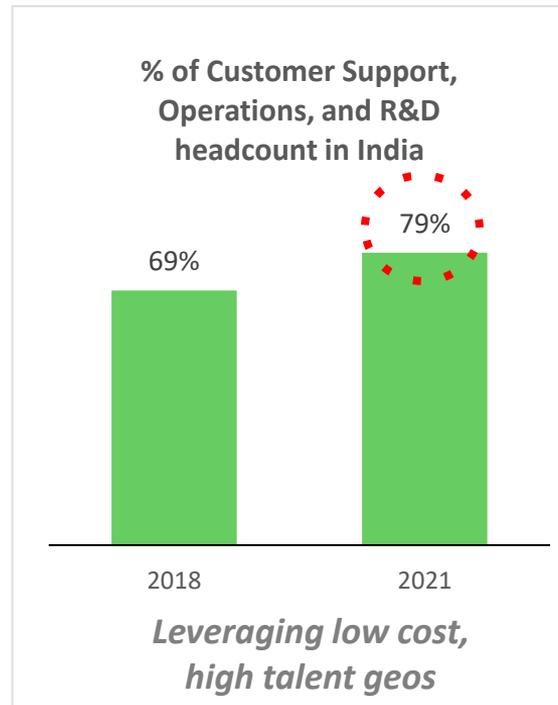
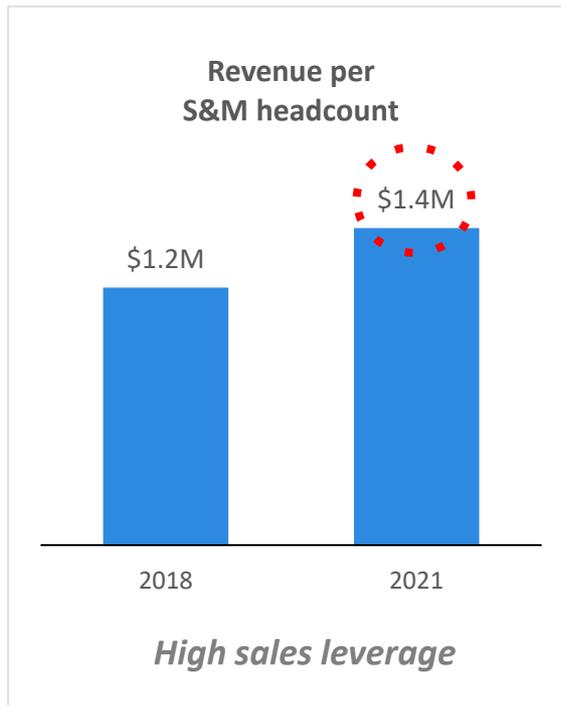
Note: The penetration rate represents the percent of customers with VMDR divided by total customers with revenue in the quarter

# Platform Adoption Driving Higher Customer Spend

(\$ in millions)

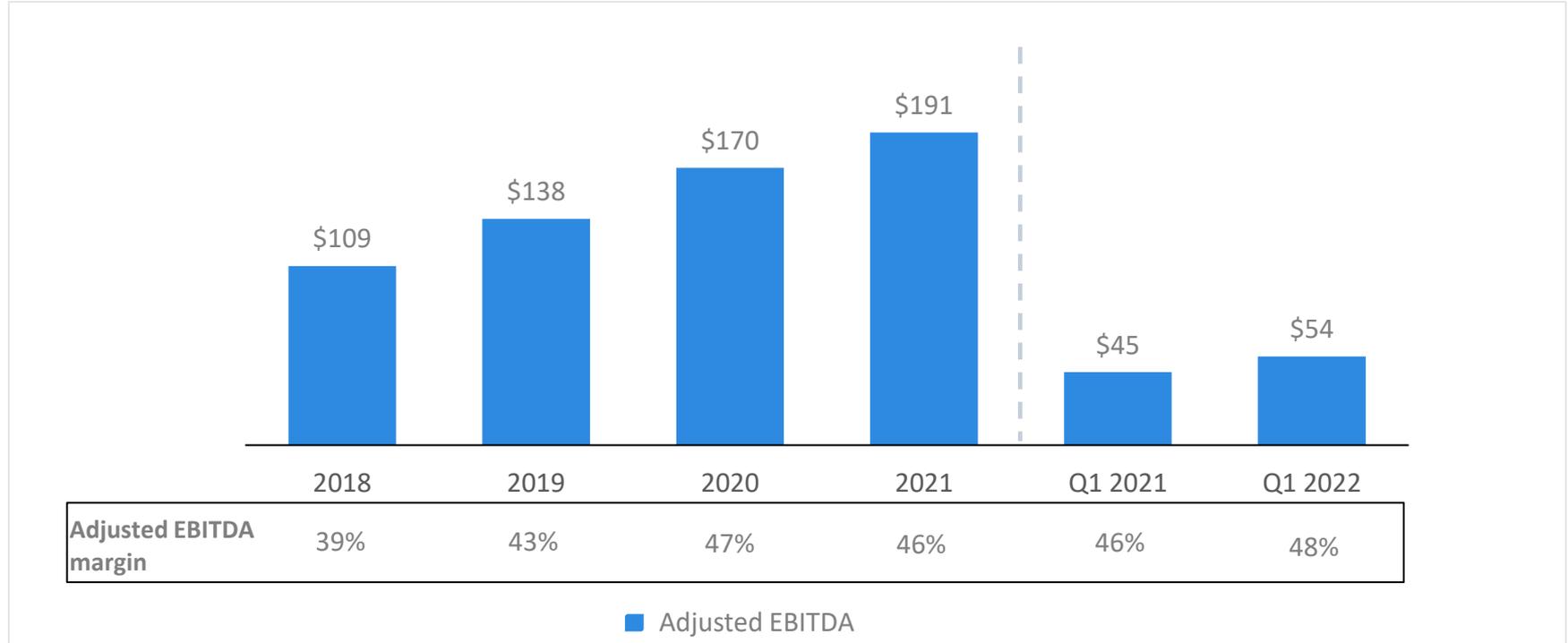


# Cloud Platform Enables Scalable Operational Model



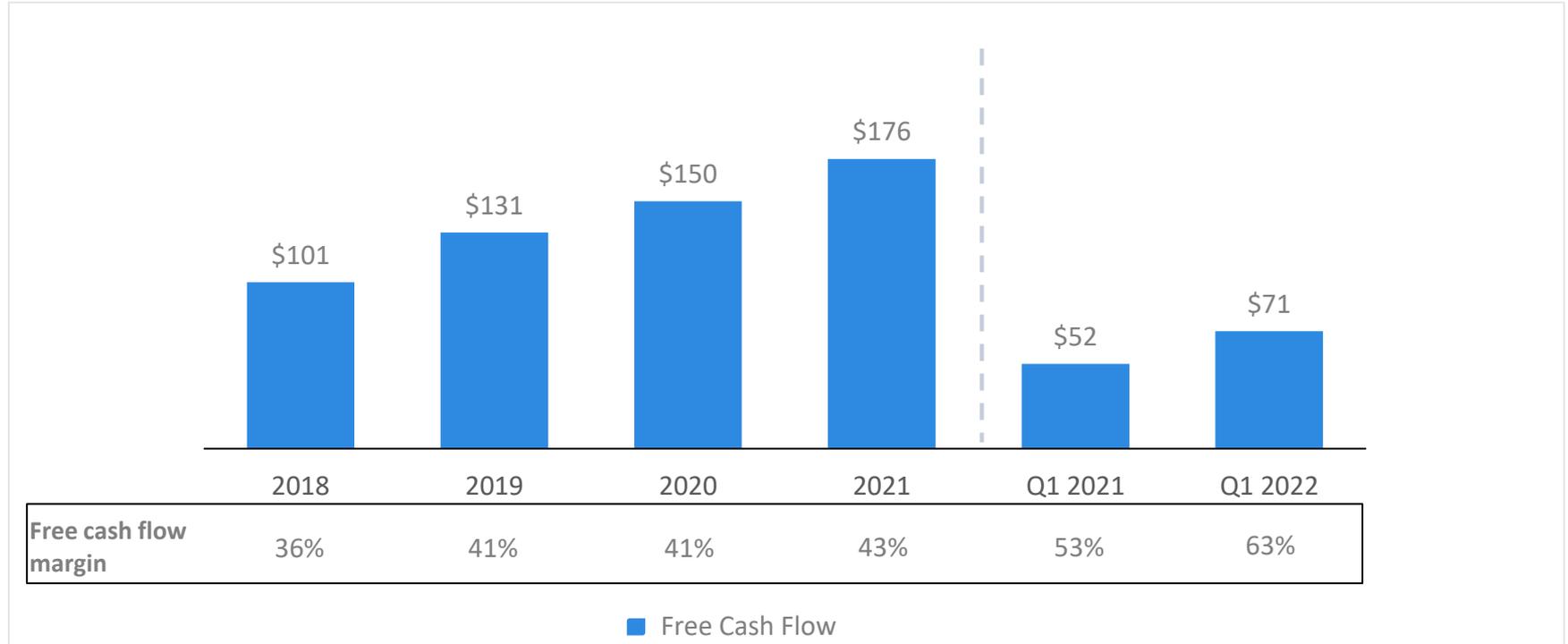
# Continued Growth in Profitability

(\$ in millions)



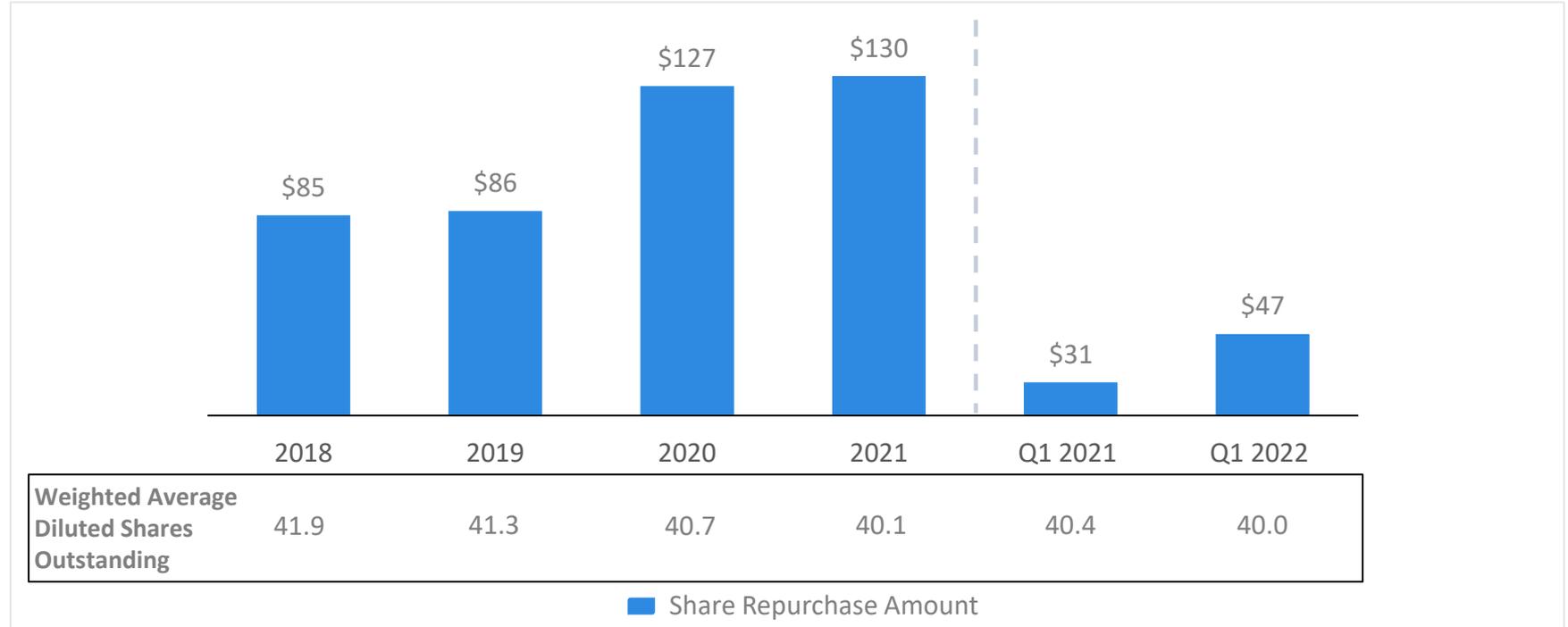
# Strong Cash Flow Generation

(\$ in millions)

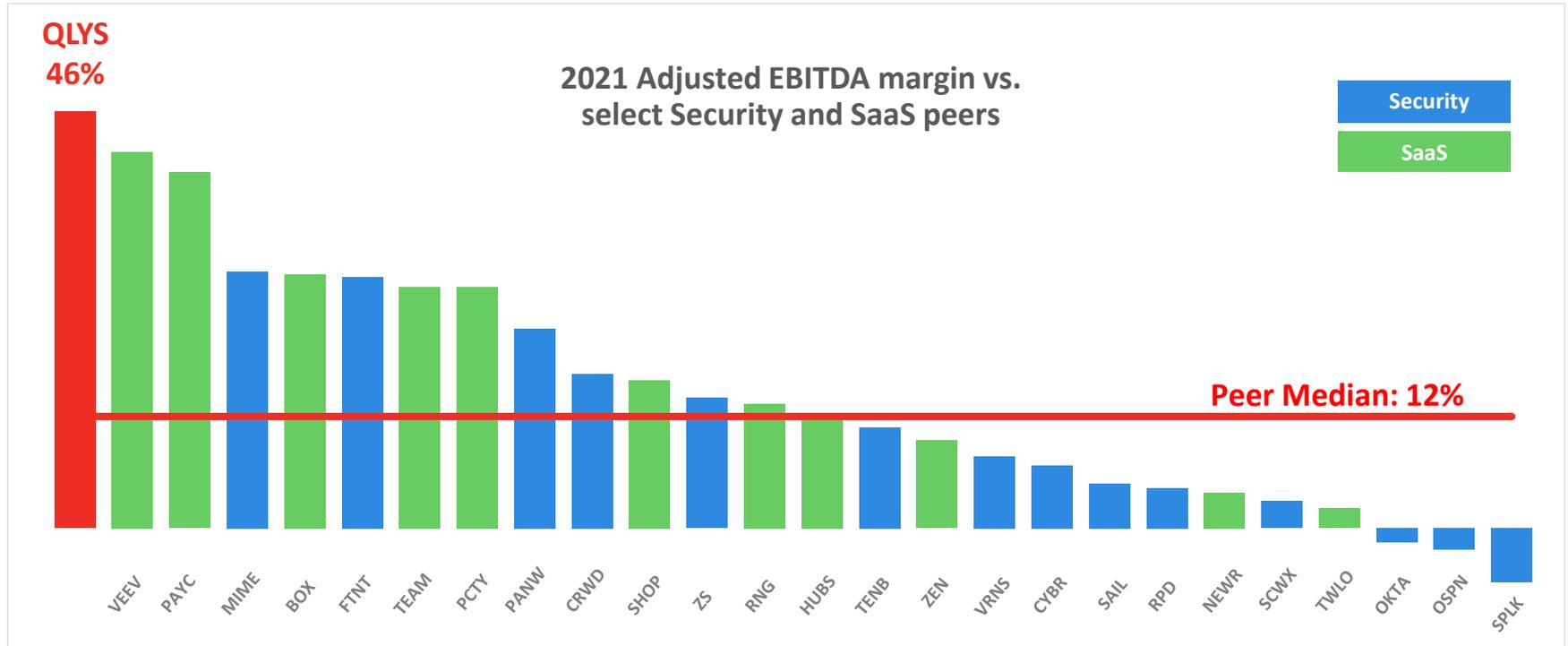


# Leveraging Excess Cash to Return Capital to Shareholders

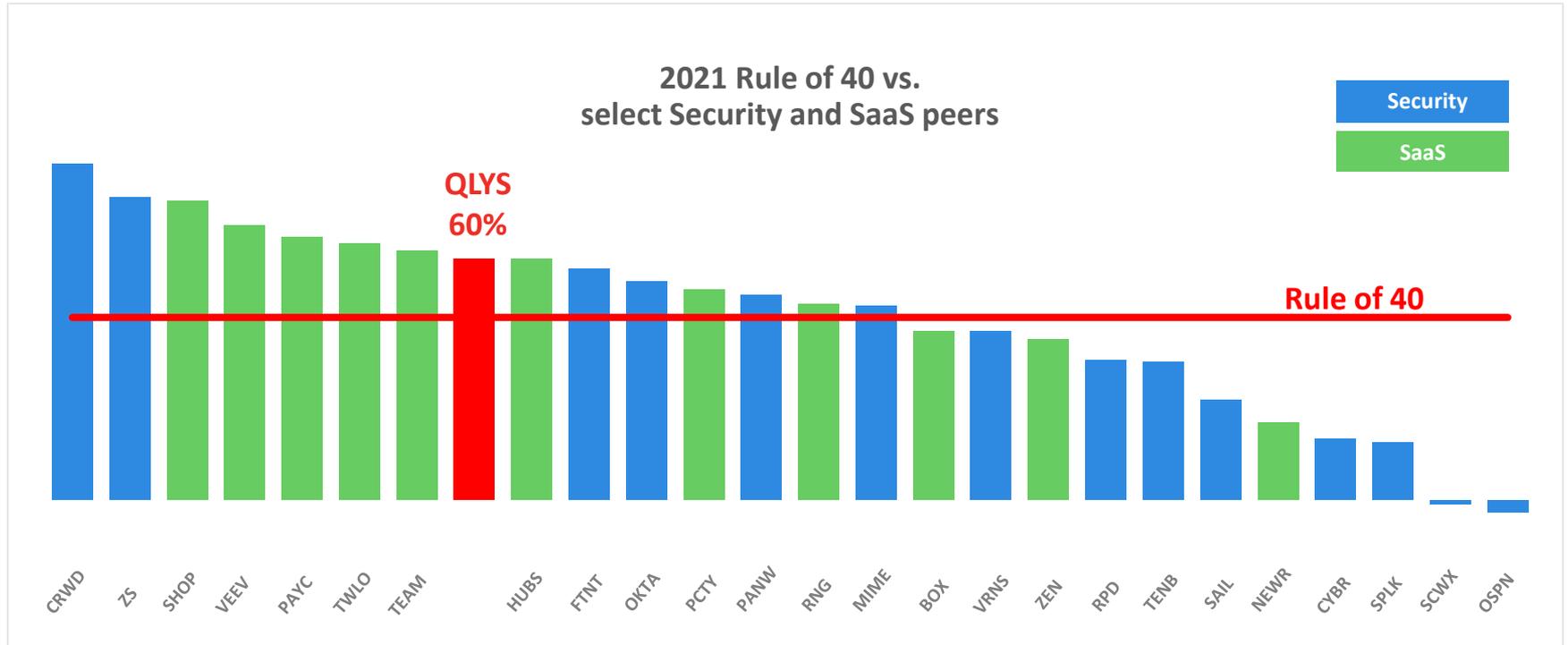
(in millions)



# Industry-Leading Margins



# Achieving Rule of 60: Growth + Profitability



Source: Nasdaq IR Insight  
 Note: 2021 Revenue Growth % + EBITDA Margin %

# Appendix

# Reconciliation of Adjusted EBITDA

(\$ in millions)

	2018	2019	2020	2021	Q1 2021 YTD	Q1 2022 YTD
Net income	\$57.3	\$69.3	\$91.6	\$71.0	\$0.2	\$25.4
Depreciation and amortization of property and equipment	25.2	25.1	26.6	29.2	7.4	7.3
Amortization of intangible assets	3.7	6.1	6.3	6.7	1.6	1.7
Provision for (benefit from) income taxes	(1.8)	10.6	10.5	18.4	(2.4)	7.9
Stock based compensation	30.1	34.9	40.0	67.6	38.2	11.7
Other income, net	(5.1)	(7.7)	(5.4)	(1.7)	(0.5)	0.2
Adjusted EBITDA	\$109.4	\$138.3	\$169.5	\$191.2	\$44.6	\$54.3

Note: Amounts may not sum due to rounding.

# Reconciliation of Non-GAAP Free Cash Flows

(\$ in millions)

	2018	2019	2020	2021	Q1 2021 YTD	Q1 2022 YTD
GAAP Cash flows provided by operating activities	\$125.5	\$160.6	\$180.1	\$200.6	\$57.9	\$79.0
Purchases of property and equipment	(22.8)	(27.6)	(29.6)	(24.4)	(6.3)	(7.6)
Principal payments under finance lease obligations	(1.6)	(1.7)	(0.1)	(0.1)	0.0	0.0
Non-GAAP Free cash flows	\$101.1	\$131.3	\$150.4	\$176.1	\$51.6	\$71.4

Note: Amounts may not sum due to rounding.

# Revenue by Geographic Area

(\$ in millions)

	2018	2019	2020	2021	Q1 2021 YTD	Q1 2022 YTD
United States	185.9	206.6	230.4	250.8	60.1	67.5
% of total revenue	67%	64%	63%	61%	62%	59%
Foreign	93.0	115.1	132.5	160.4	36.6	45.9
% of total revenue	33%	36%	37%	39%	38%	41%
Total Revenues	\$278.9	\$321.6	\$363.0	\$411.2	\$96.8	\$113.4

Note: Amounts may not sum due to rounding.