



Investor Presentation

Securing the Digital Transformation
Building a safer world - one app at a time

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November 4, 2020

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; and
- our guidance for revenues, GAAP EPS and non-GAAP EPS for the fourth quarter and full year 2020, and our expectations for the number of weighted average diluted shares outstanding and the GAAP and non-GAAP effective income tax rate for the fourth quarter and full year 2020.

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:

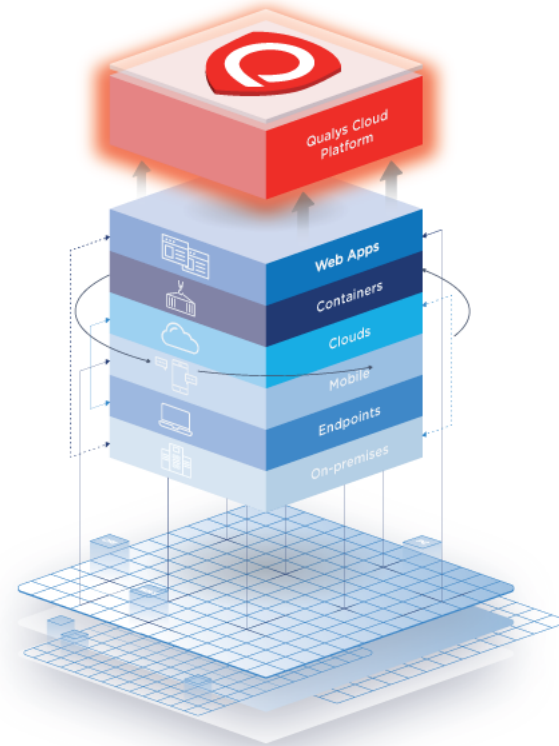
- our ability to continue to develop platform capabilities and solutions;
- the ability of our platform and solutions to perform as intended;
- customer acceptance and purchase of our existing solutions and new solutions;
- real or perceived defects, errors or vulnerabilities in our products or services;
- our ability to retain existing customers and generate new customers;
- the budgeting cycles, seasonal buying patterns and length of our sales cycle;
- the impact of the ongoing COVID-19 coronavirus pandemic and related public health measures on our business;
- 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.

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

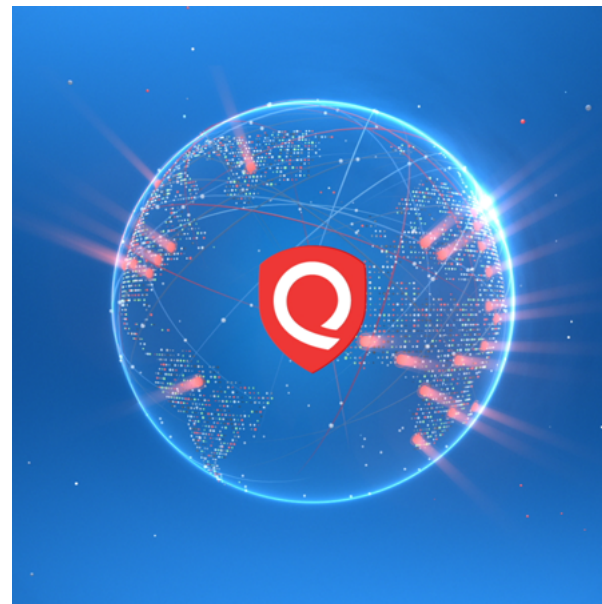
The Power of the Qualys Cloud Platform

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

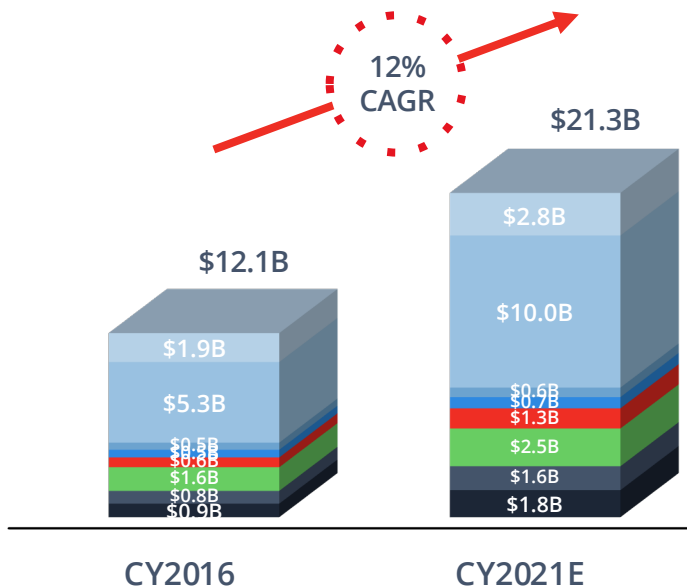


Investment Highlights

- ✓ 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



Expanding Market Opportunity



CAGR

- 8% IT Asset Management
- 14% Cloud Security
- 6% Endpoint Management ⁽¹⁾
- 8% Web Security: SaaS ⁽²⁾
- 16% Network and Edge
- 10% Security Policy and Compliance
- 13% Vulnerability Assessment: App
- 15% Vulnerability Assessment: Device

Qualys' current Total Addressable Market

(1) 2017 to 2021E period

(2) 2015 to 2020E period

Source: IDC

Blue Chip Global Customer Base

66% of the Forbes Global 50, 46% of Global 500, and
24% of Global 2000 standardized on Qualys

15,700+ Customers



Note: Customers include active subscribers to our free services

Scalable Go-to-market Model

Market segmentation & key strategic partners



Attractive Value Proposition for Partners

High-margin recurring revenue with no capex / maintenance costs

MSSPs Telcos	Outsourcing Providers	VAS Resellers	Consultants
			

Global Presence

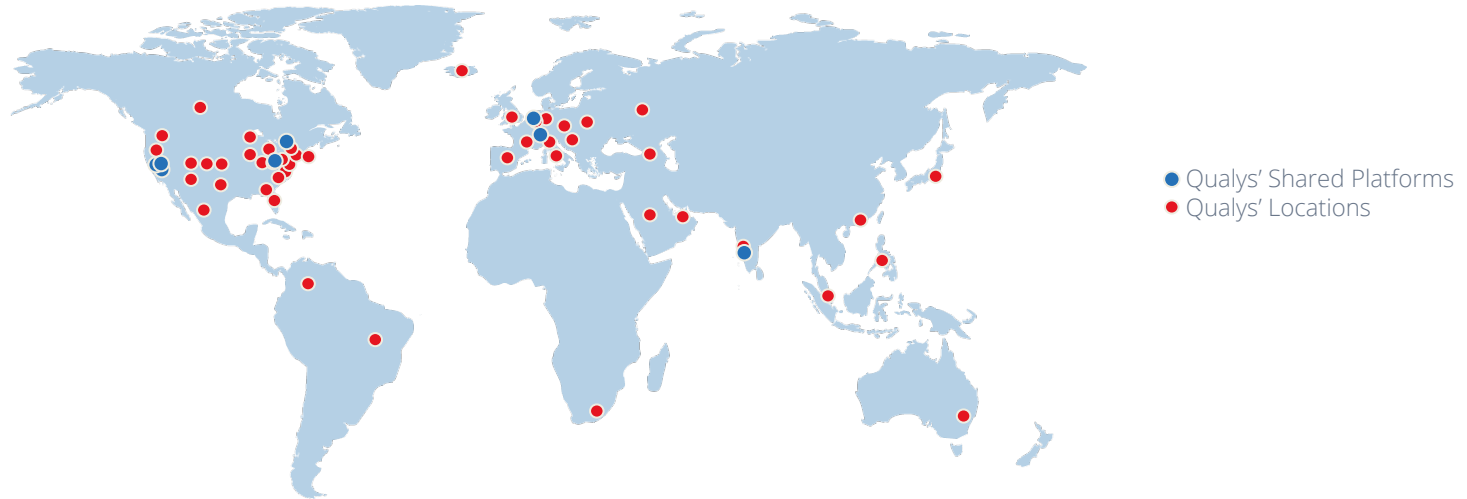
15,700+
Customers

130+
Countries

9
Shared Platforms

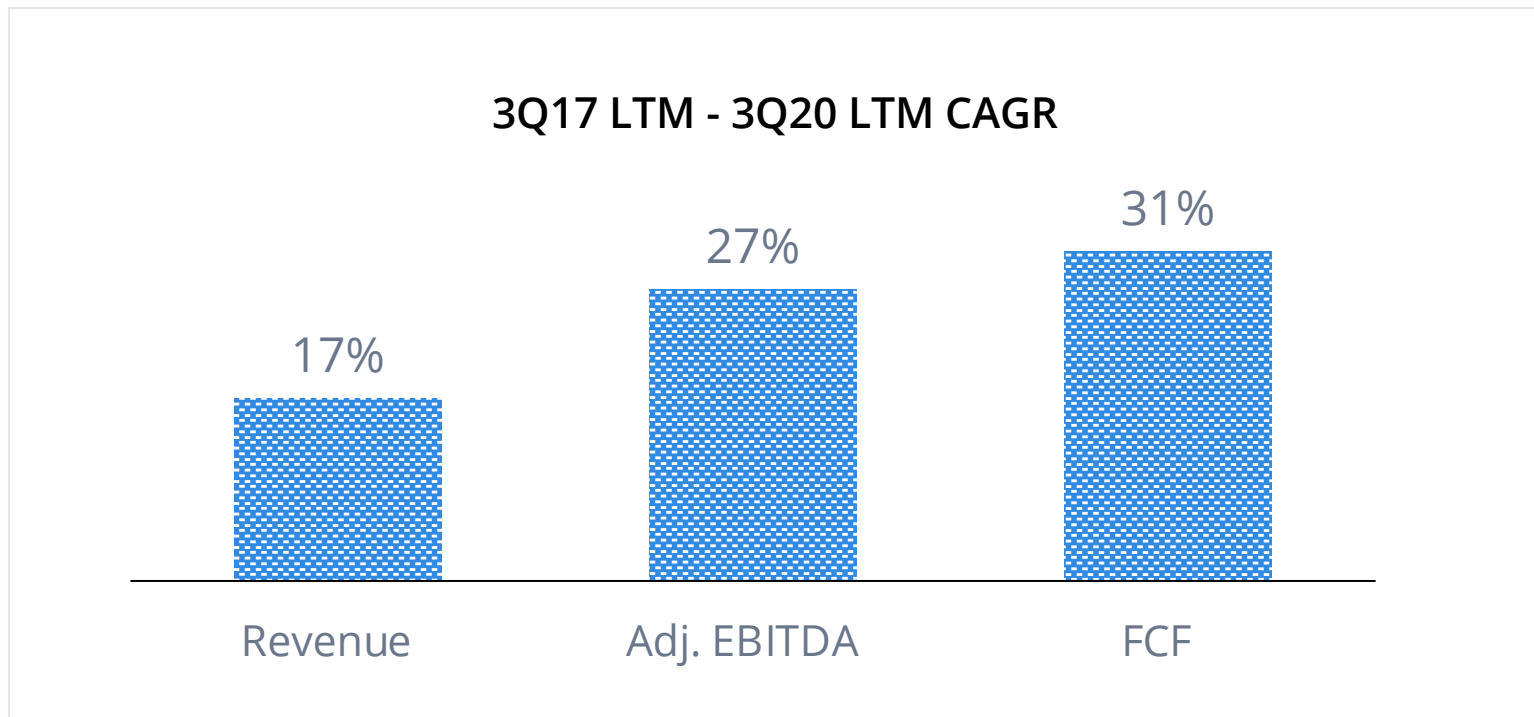
85
Private Clouds

54
Locations



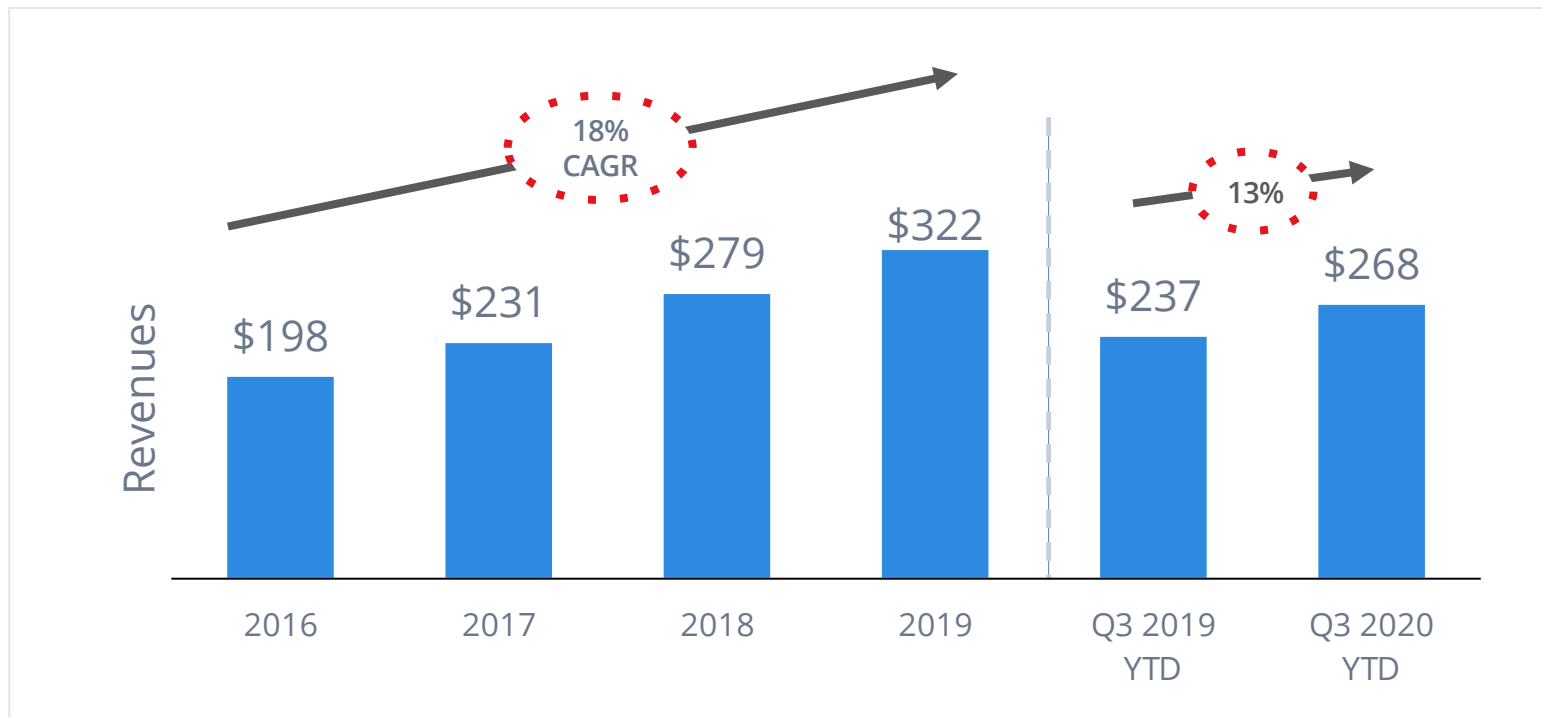
Note: Customers include active subscribers to our free services

Scalable Business Model



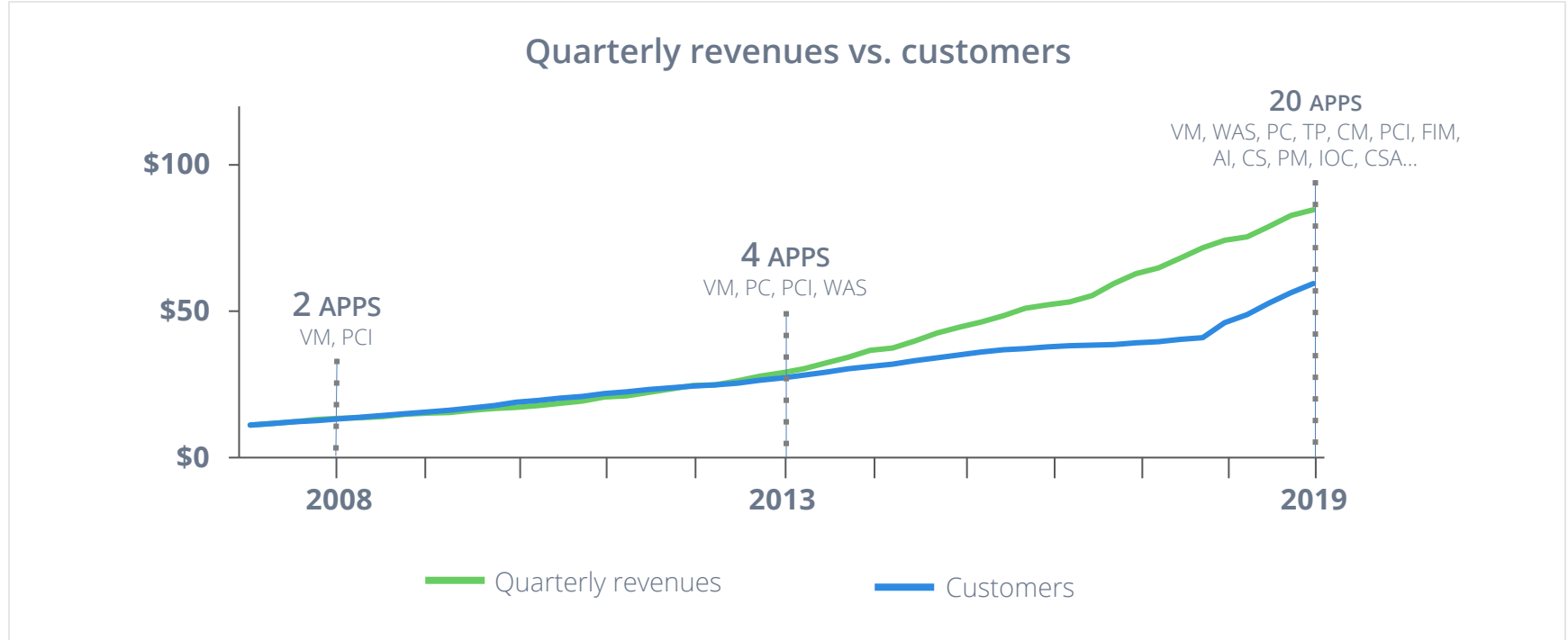
Strong Organic Revenue Growth

(\$ in millions)



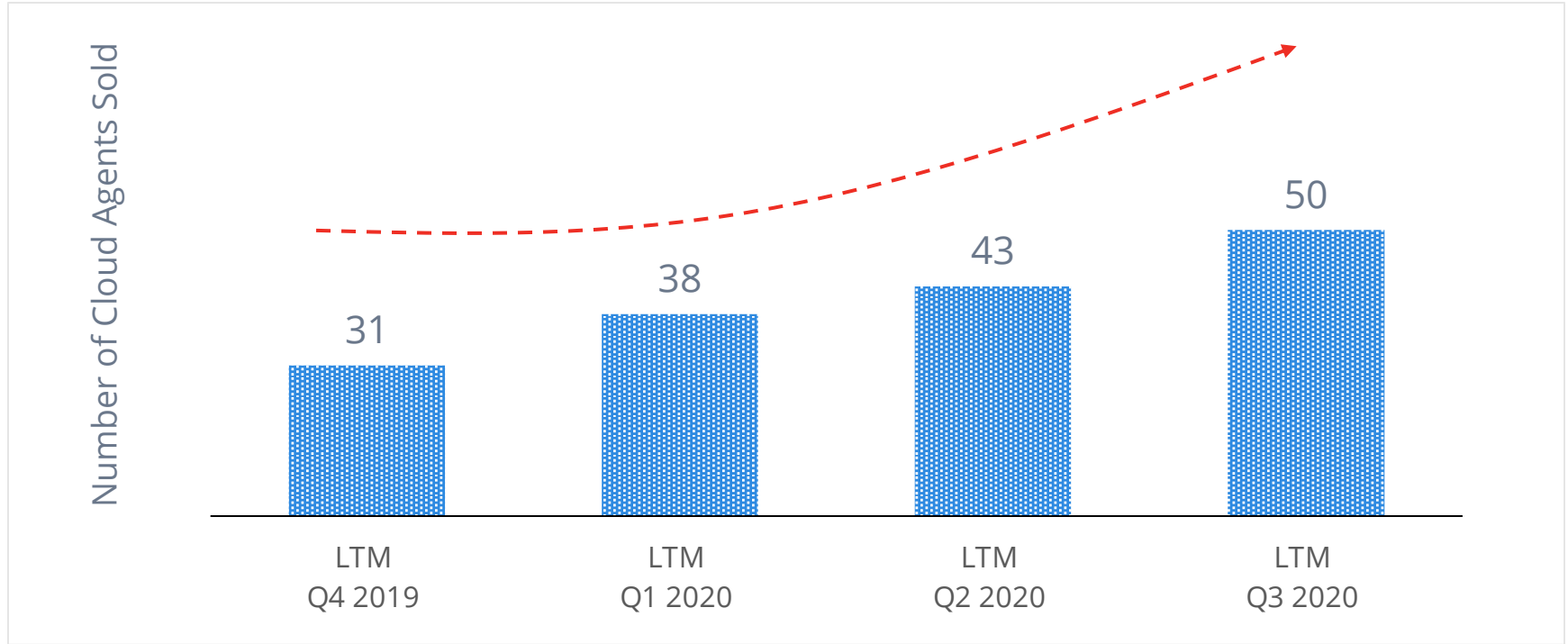
Adoption of New Solutions Fuels Growth and Profitability

(\$ in millions)

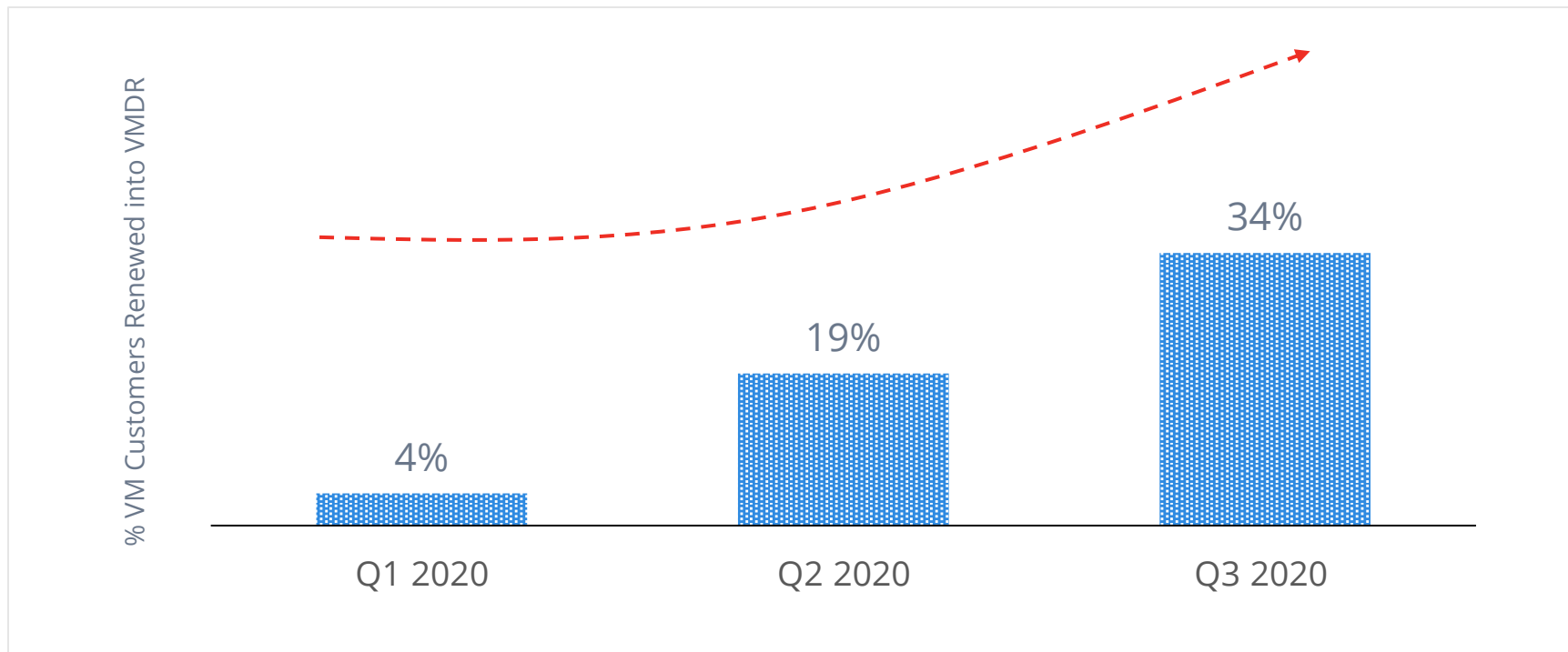


New Apps Enabled by Cloud Agents

(Units in millions)

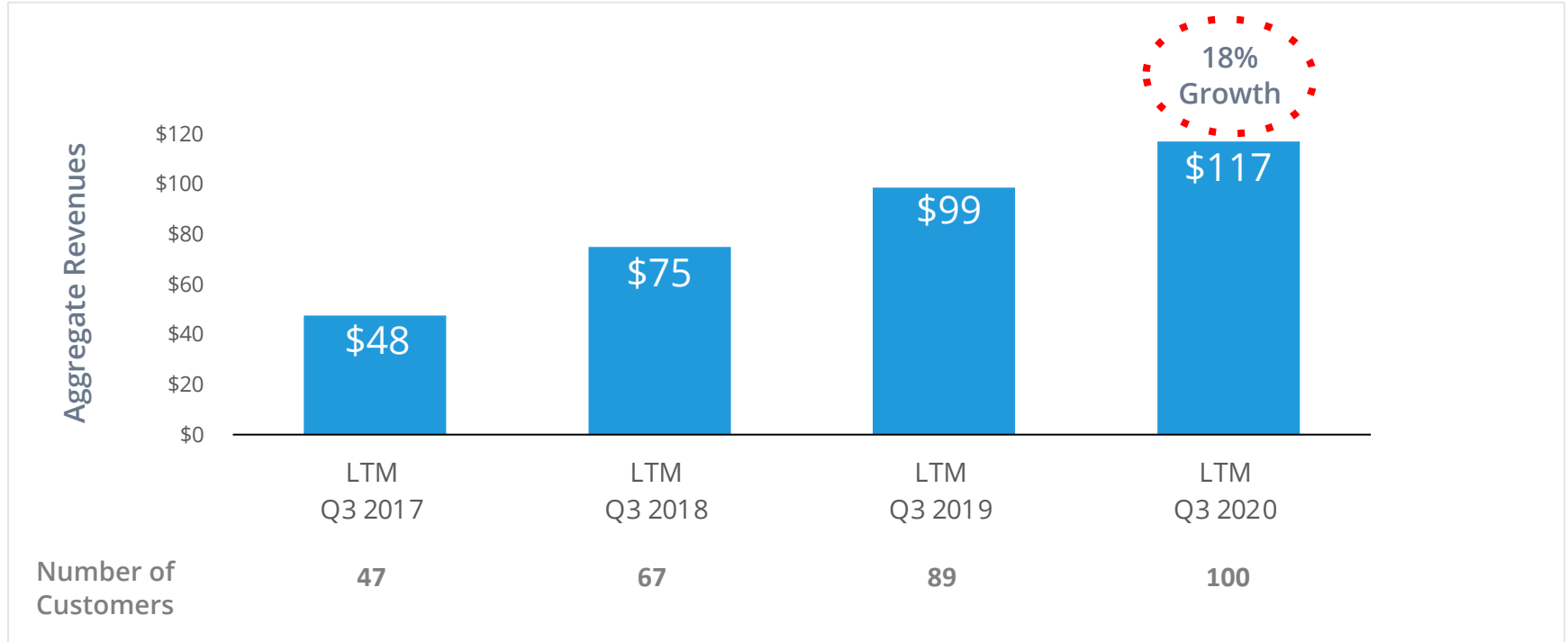


VMDR Adoption Increasing

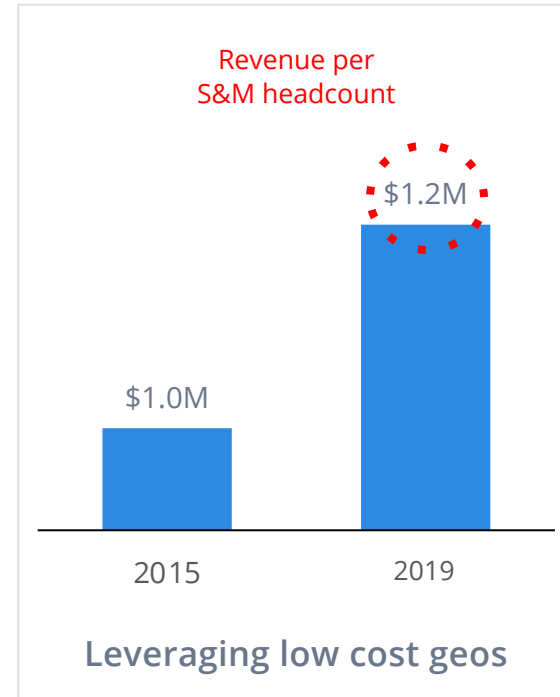
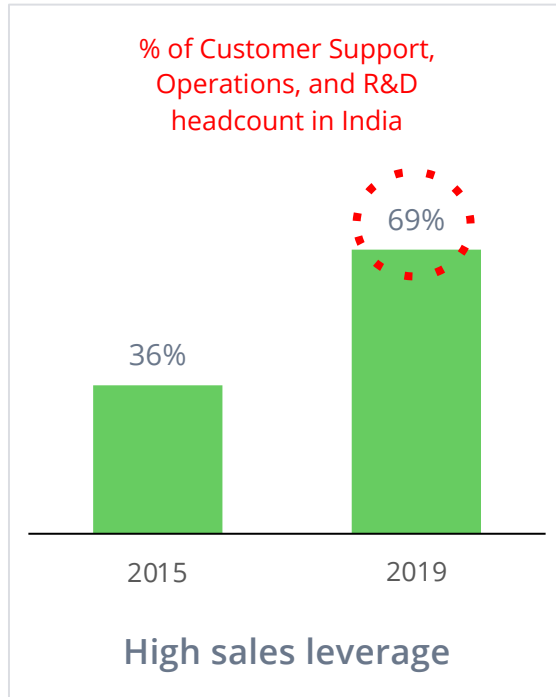


Platform Adoption Driving Higher Customer Spend

(\$ in millions)

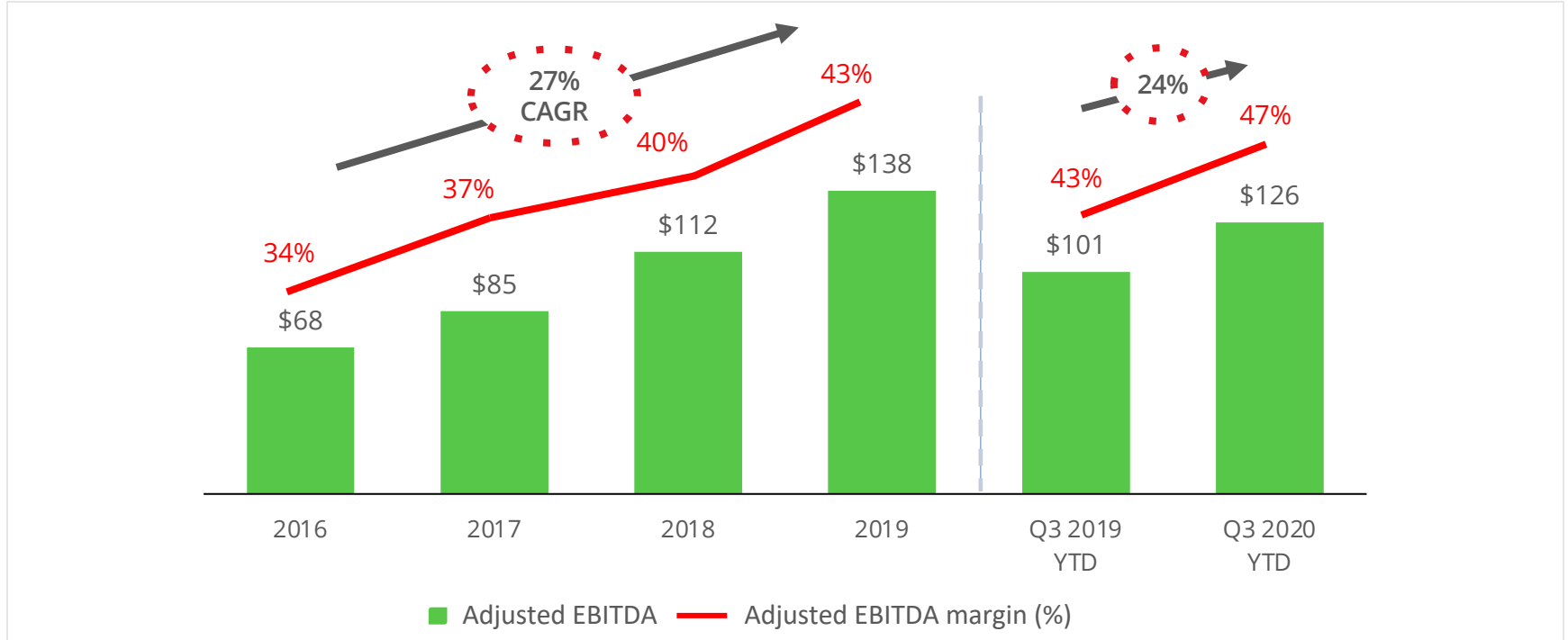


Cloud Platform Enables Scalable Operational Model



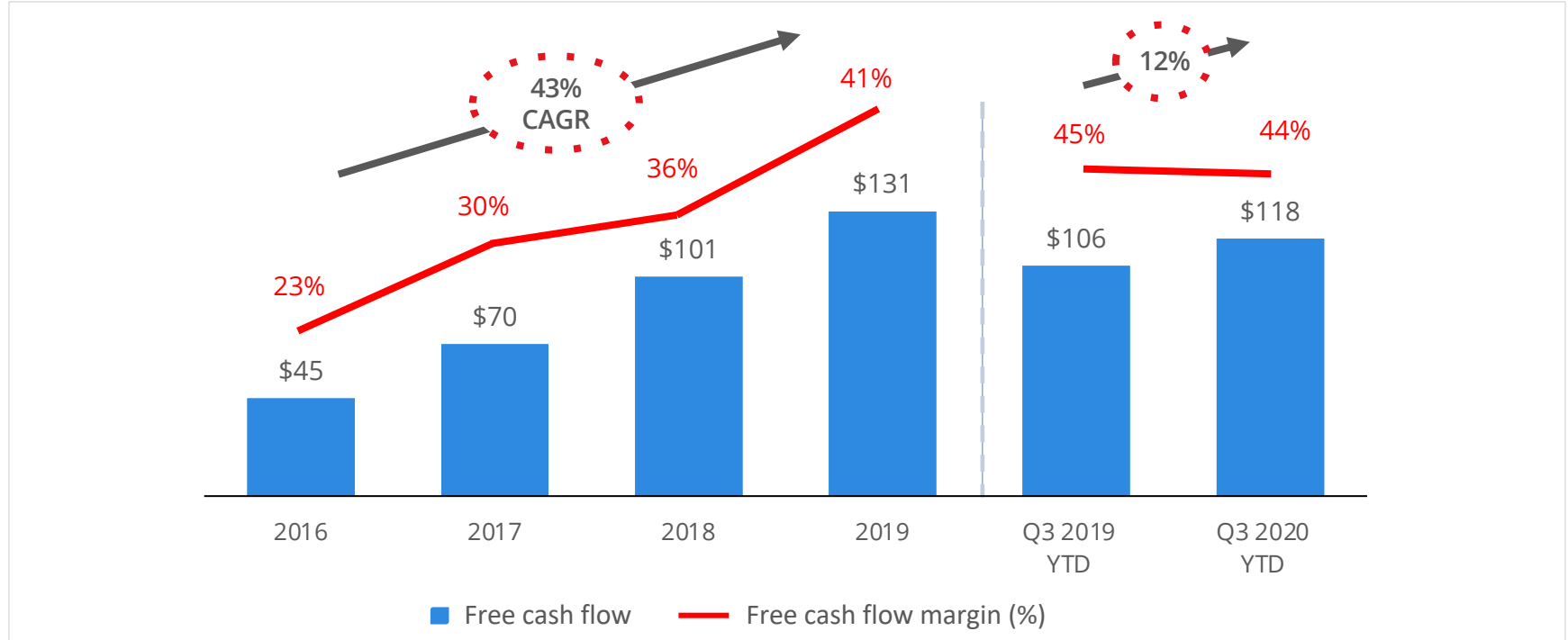
Expanding Margins

(\$ in millions)

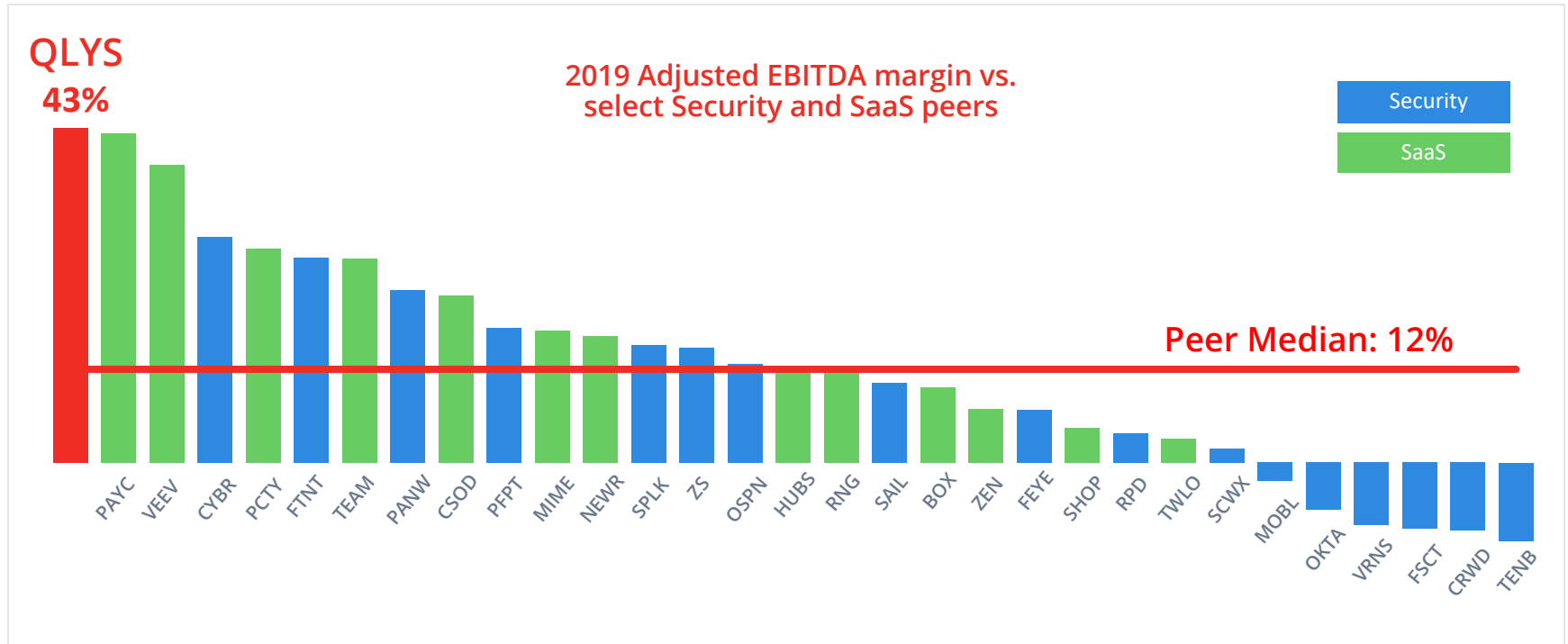


Increasing Free Cash Flow

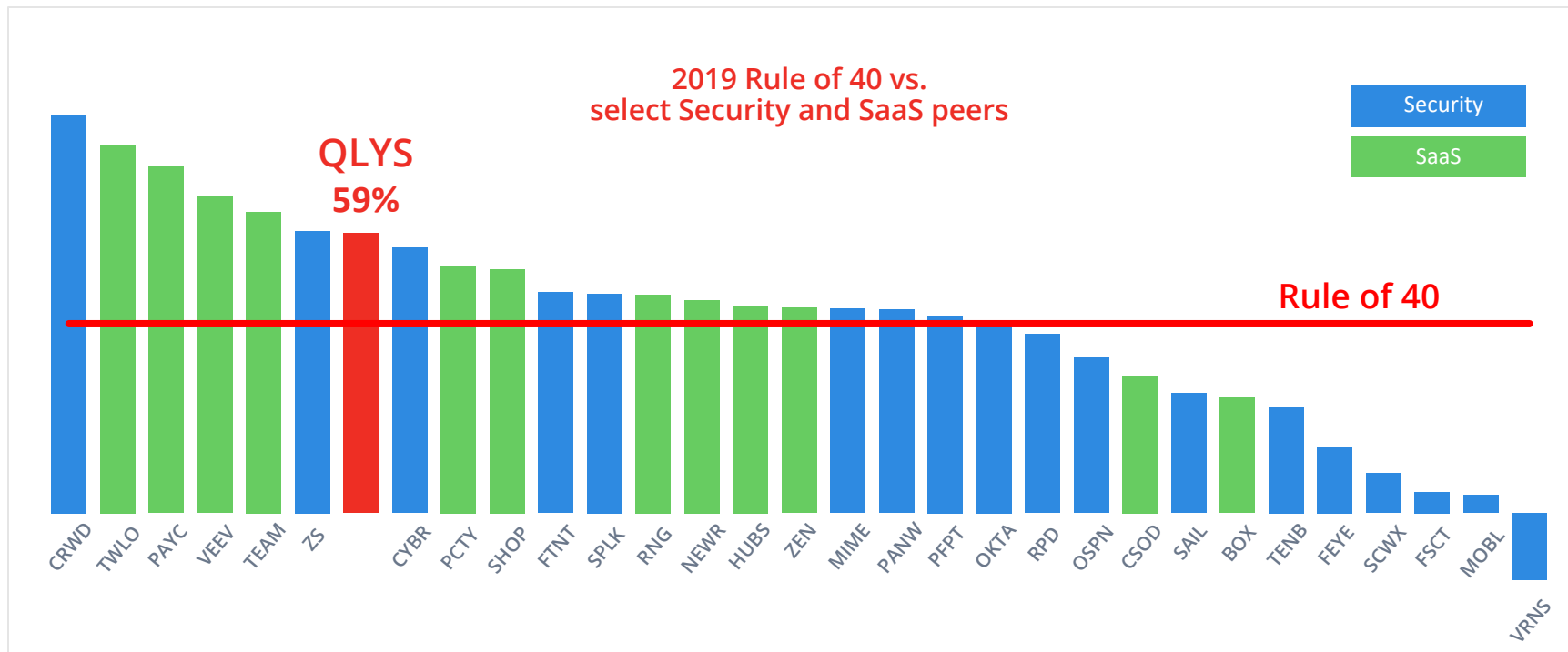
(\$ in millions)



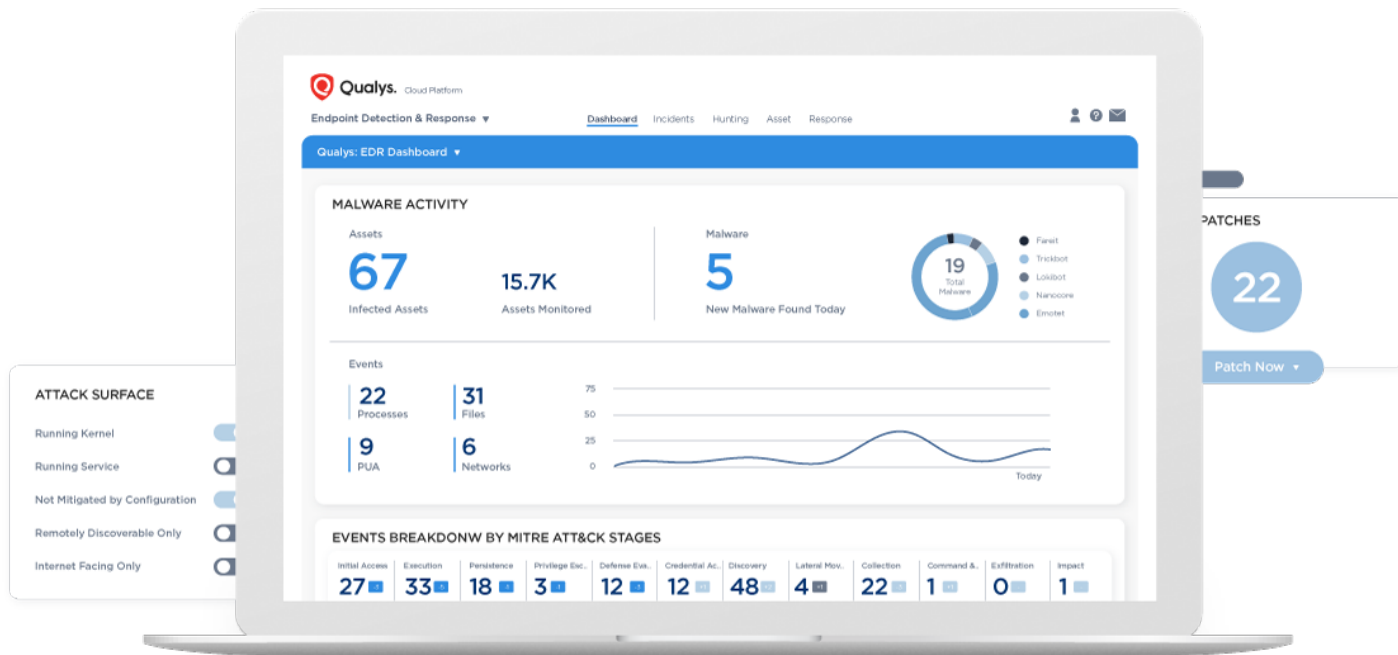
Industry-leading Margins



Industry-leading Performance

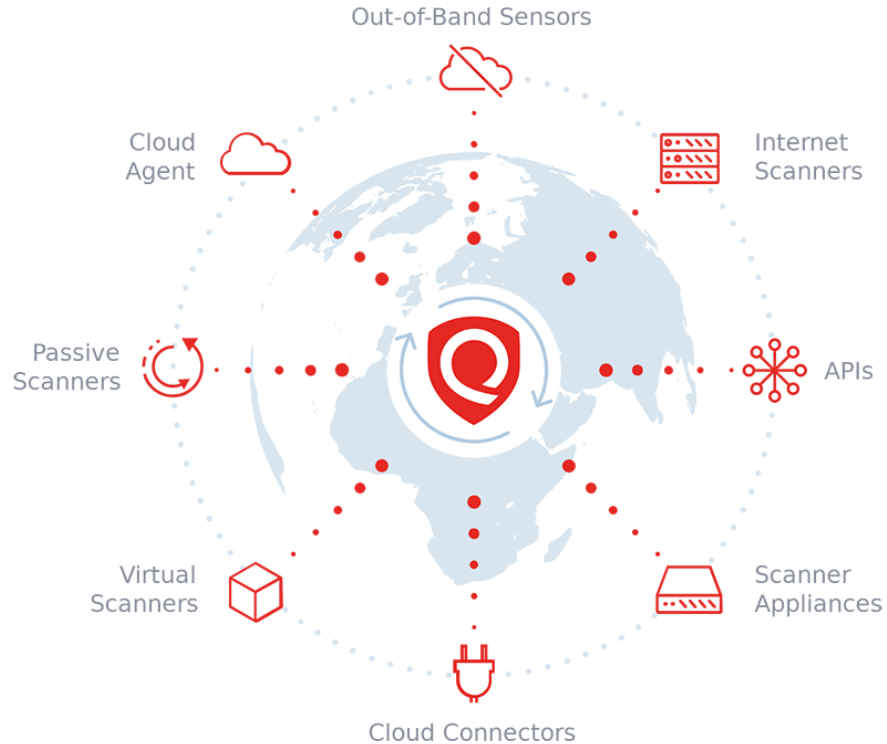


Qualys Cloud Platform & What's Coming Next

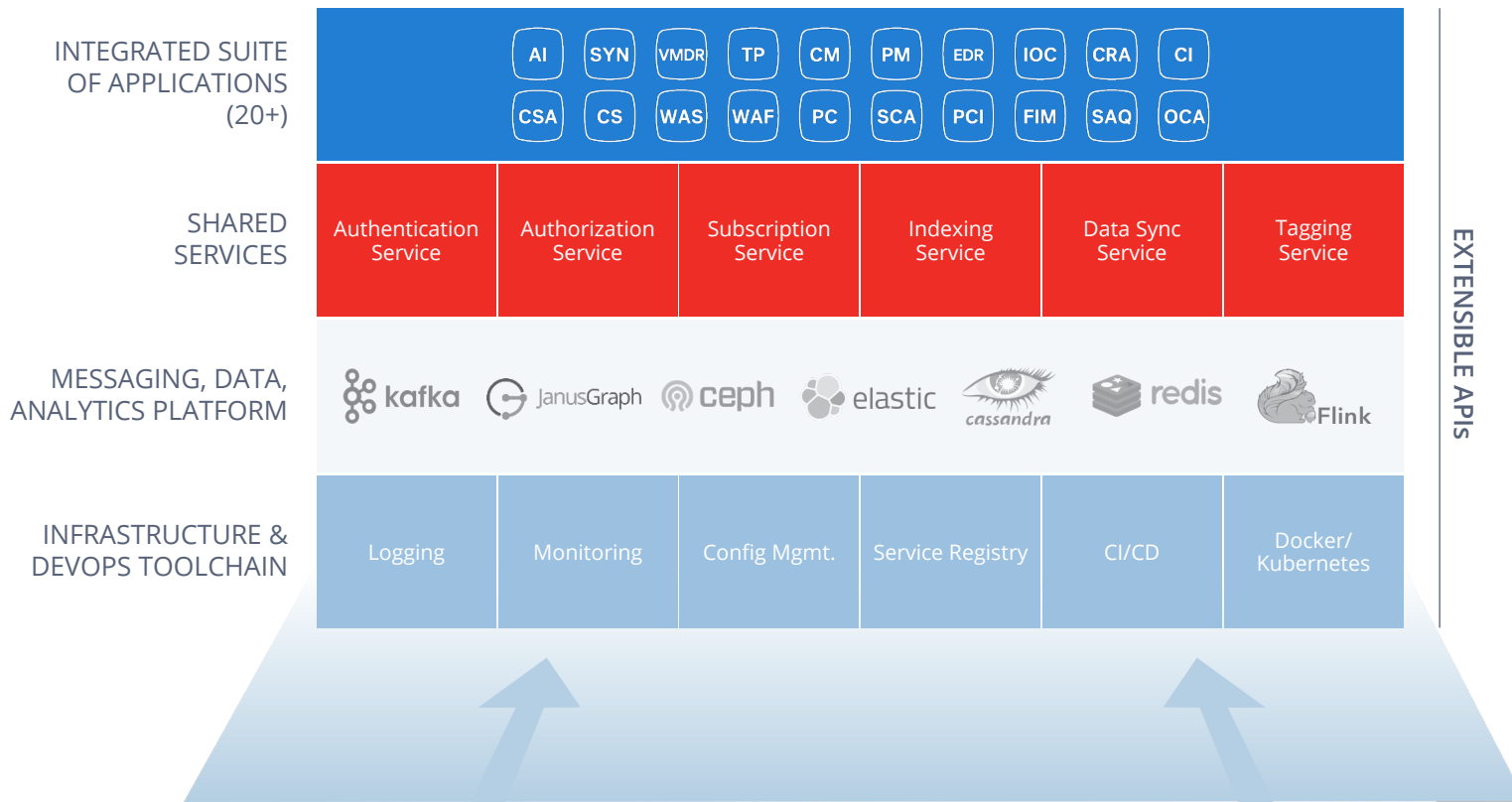


Qualys Sensor Platform

Scalable, self-updating and centrally managed

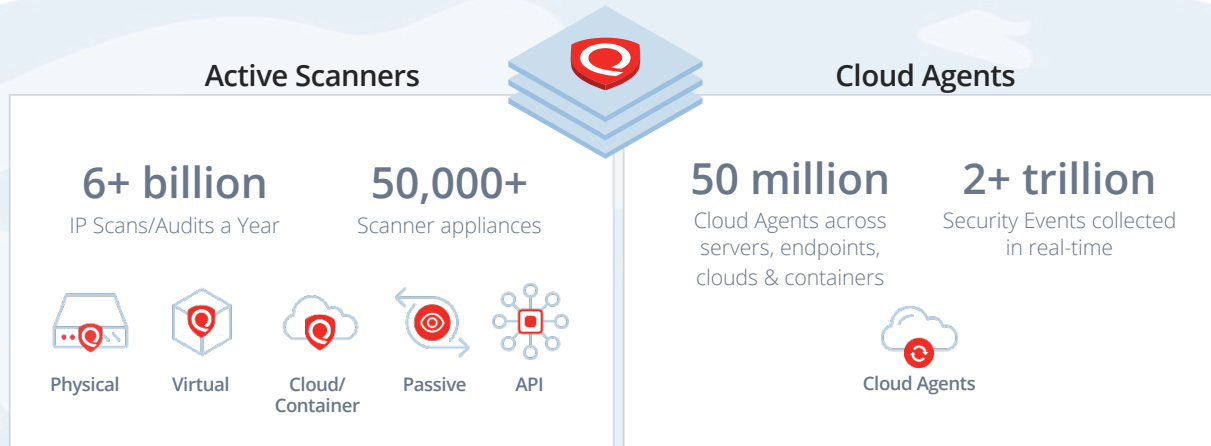


Qualys Cloud Platform



Global Visibility Across Hybrid IT Environments Enables Superior Security

Scalable, Extensible, self-updating & centrally managed



8+ trillion data points

Indexed on Elasticsearch Clusters, giving 2-second visibility

Cloud Platform Enables Vendor & Stack Consolidation

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

20+ IT, Security & Compliance Apps

Qualys Apps are Fully Integrated and Natively Share the Data They Collect

ASSET MANAGEMENT

- AI** Global IT Asset Inventory •
- SYN** CMDB Sync
- CRI** Certificate Inventory

IT SECURITY

- VMDR** Vulnerability Management, Detection & Response •
- TP** Threat Protection
- CM** Continuous Monitoring
- PM** Patch Management •
- EDR** Multi-Vector Endpoint Detection & Response •
- IOC** Indication of Compromise •
- CRA** Certificate Assessment

CLOUD/CONTAINER SECURITY

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

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

• Available on Cloud Agent

Qualys Multi-Vector EDR

Bringing the Unified Power of the Qualys Cloud Platform to EDR



Discover & Detect

Monitor assets, vulnerabilities, malicious attacks, incidents



Investigate & Analyze

Correlate and provide context

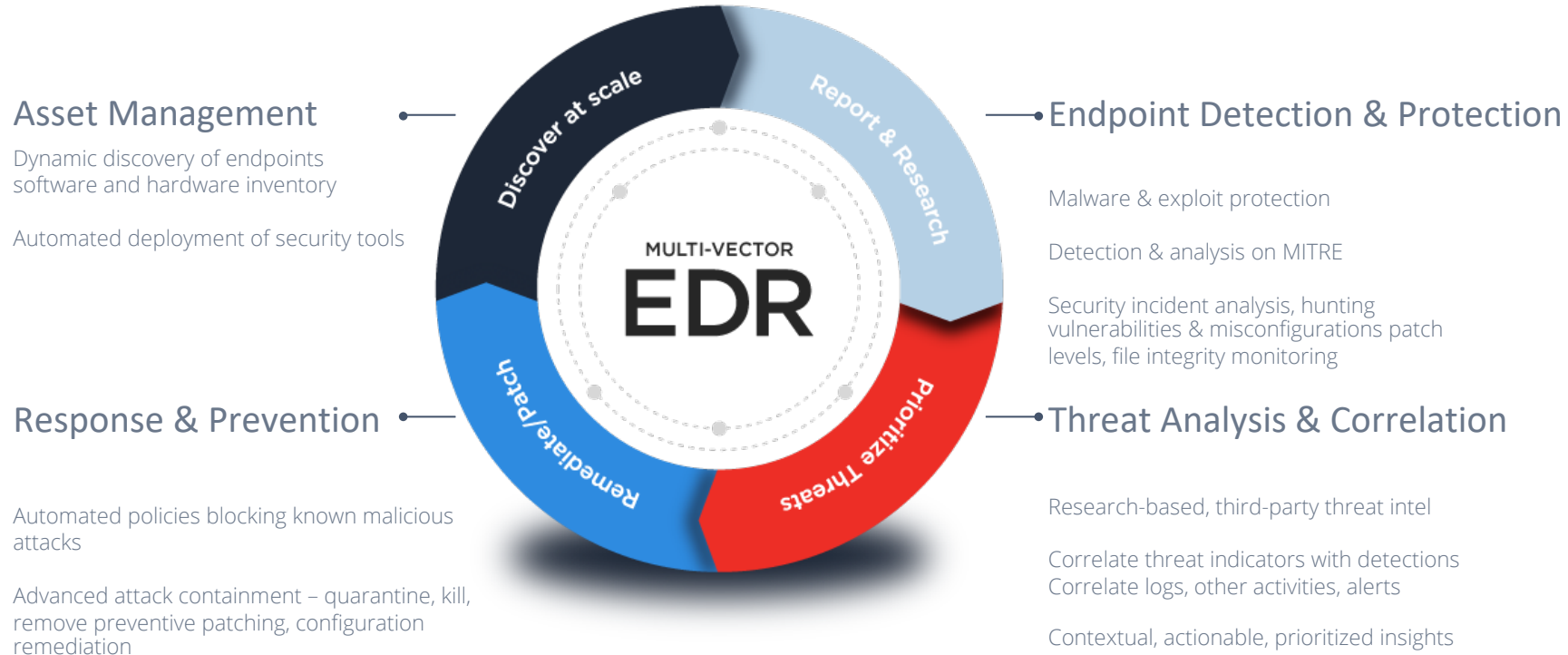


Respond & Prevent

Mitigate the risk with response and prevent for future

A new approach that shortens response times and reduces costs

Qualys Multi-Vector EDR: What does it take to truly secure endpoints



Qualys Multi-Vector EDR

Powered by the Qualys Cloud Platform and Singular Agent

Uses the Qualys
Cloud Agent

- Same agent for Inventory, VMMDR, Config Compliance, FIM, Patch
- Remove from or avoid point solution agents for your systems

Cloud Platform
Processing

- Lightweight Cloud Agent only collects telemetry from the endpoint
- Storage, processing, and query performed on the Qualys Platform

Any Type of Asset
(Windows OS initial)

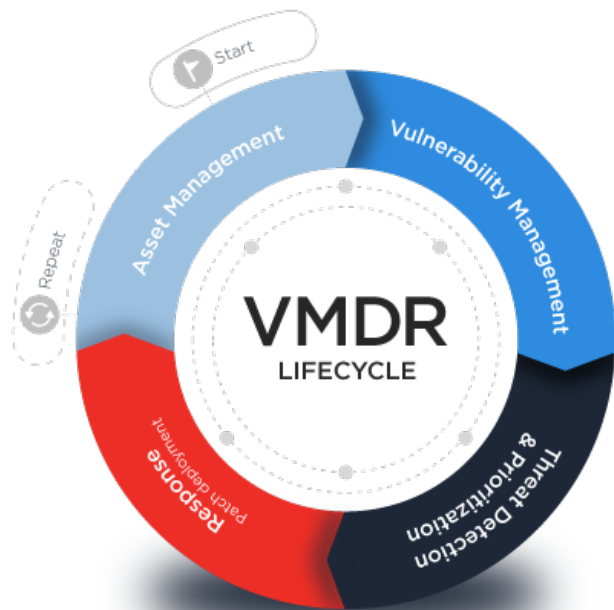
- Server, user endpoint, cloud Instances located anywhere in the world
- Query system activity even if system is offline or rebuilt by IT

Multiple Use Cases

- Detection, response, hunting, investigation, correlation
- Open APIs and partner integrations

Qualys VMDR®

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 VMDR®

A single app for discovery, assessment, detection & response

ASSET MANAGEMENT	VULNERABILITY MANAGEMENT	THREAT DETECTION & PRIORITIZATION	RESPONSE
<ul style="list-style-type: none">✓ Asset Discovery✓ Asset Inventory<ul style="list-style-type: none">On-Prem Device InventoryCertificate InventoryCloud InventoryContainer InventoryMobile Device Inventory✓ Asset Categorization and Normalization○ Enriched Asset Information○ CMDB Synchronization	<ul style="list-style-type: none">✓ Vulnerability Management✓ Configuration Assessment✓ Certificate Assessment○ Additional Assessment Options<ul style="list-style-type: none">Cloud Security AssessmentContainer Security Assessment	<ul style="list-style-type: none">✓ Continuous Monitoring✓ Threat Protection	<ul style="list-style-type: none">✓ Patch Detection○ Patch Management via Third-Party Vendors○ Patch Management via Qualys Cloud Agents○ Container Runtime Protection○ Mobile Device Management○ Certificate Renewal <p>✓ Included ○ Add on</p>

Qualys VMDR® covers all your needs and workflows. Priced on a per-asset basis and with no software to update, VMDR drastically reduces your total cost of ownership

Additional Apps to Come

Secure Enterprise Mobility

Continuous visibility, security and compliance of enterprise mobile devices

Run-Time Container Security

Runtime defense and protection capabilities for containerized applications

Cloud Security Management

Remediation and management of cloud vulnerabilities

Secure Access Control

Respond to threats automatically by controlling access to critical resources

SaaS Security Compliance

Enabling SaaS application administration, licensing, security and compliance

Data Lake / SIEM

Coalesce data into a centralized security data lake and provide advanced correlation & analytics to generate unique insights

Note: Target beta time frame

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



Appendix

Increasing Number of Apps Delivered Through the Qualys Cloud Platform

IT SECURITY

VMDR **Vulnerability Management, Detection & Response**
Discover, assess, prioritize, and patch critical vulnerabilities from a single app

TP **Threat Protection**
Pinpoint your most critical threats and prioritize patching

CM **Continuous Monitoring**
Alerts you in real time about network irregularities

PM **Patch Management**
Streamline and accelerate vulnerability remediation for all IT assets

EDR **Multi-Vector Endpoint Detection & Response**
Continuously monitor and discover and respond to attacks across all endpoints

IOC **Indication of Compromise**
Continuously monitor endpoints to detect suspicious activity

CRA **Certificate Assessment**
Assess all your digital certificates for TLS/SSL vulnerabilities

COMPLIANCE

PC **Policy Compliance**
Assess security configurations of IT systems throughout your network

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

PCI **PCI Compliance**
Automate, simplify and attain PCI compliance quickly

FIM **File Integrity Monitoring**
Log and track file changes across global IT systems

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

OCA **Out-of-Band Configuration Assessment**
Achieve complete visibility of all known IT infrastructure

ASSET MANAGEMENT

AI **Global IT Asset Inventory**
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

WEB APP 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

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)

	2016	2017	2018	2019	Q3 2019 YTD	Q3 2020 YTD
Net income	\$19.2	\$40.4	\$57.3	\$69.3	\$48.7	\$67.8
Depreciation and amortization of property and equipment	16.6	19.8	25.2	25.1	18.9	19.3
Amortization of intangible assets	0.4	0.8	3.7	6.1	4.6	4.6
Provision for (benefit from) income taxes	11.2	(1.1)	(1.8)	10.6	10.0	9.2
Stock based compensation	20.1	27.0	30.1	34.9	25.2	29.9
Other income, net	0.4	(2.1)	(5.1)	(7.7)	(6.0)	(4.7)
Acquisition-related expense	---	0.1	3.0	-	-	-
Adjusted EBITDA	\$67.9	\$84.9	\$112.4	\$138.3	\$101.4	\$126.1

Reconciliation of Non-GAAP Free Cash Flows

(\$ in millions)

	2016	2017	2018	2019	Q3 2019 YTD	Q3 2020 YTD
GAAP Cash flows provided by operating activities	\$68.1	\$107.6	\$125.5	\$160.6	\$126.9	\$141.3
Purchases of property and equipment	(23.2)	(37.8)	(22.8)	(27.6)	(19.5)	(22.7)
Principal payments under capital lease obligations	---	---	(1.6)	(1.7)	(1.3)	(0.1)
Non-GAAP Free cash flows	\$44.9	\$69.8	\$101.1	\$131.3	\$106.2	\$118.5

Revenue by Geographic Area

(\$ in millions)

	2016	2017	2018	2019	Q3 2019 YTD	Q3 2020 YTD
United States	139.7	162.7	185.9	206.6	152.5	171.1
	71%	70%	67%	64%	64%	64%
Foreign	58.2	68.1	93.0	115.1	84.5	97.0
	29%	30%	33%	36%	36%	36%
Total Revenues	\$197.9	\$230.8	\$278.9	\$321.6	\$236.9	\$268.2