



Investor presentation

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

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July 31st, 2019

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

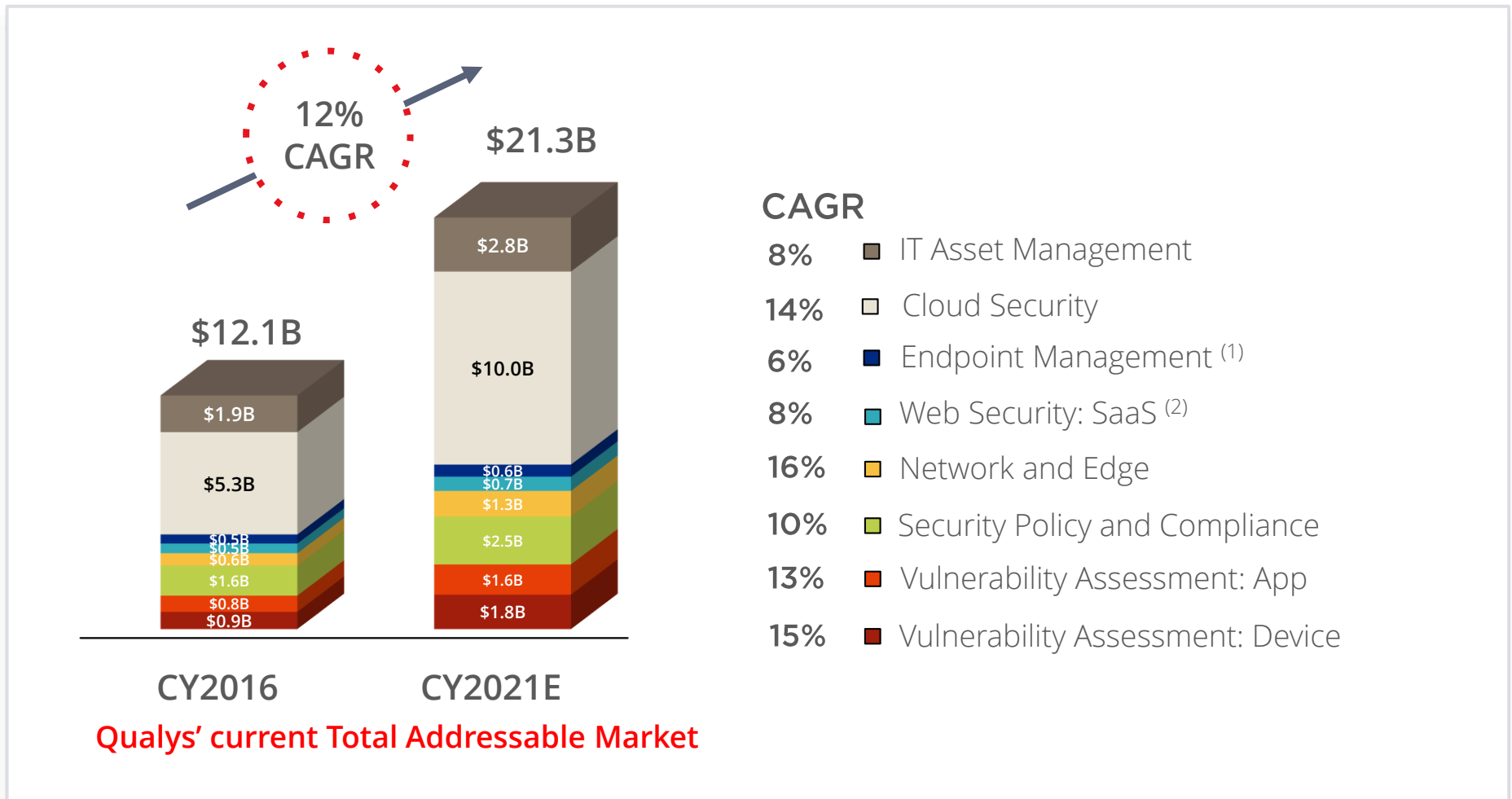


Investment Highlights

- ✓ 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



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

Blue Chip Global Customer Base

72% of the Forbes Global 50, 46% of Global 500, and 25% of Global 2000 standardized on Qualys

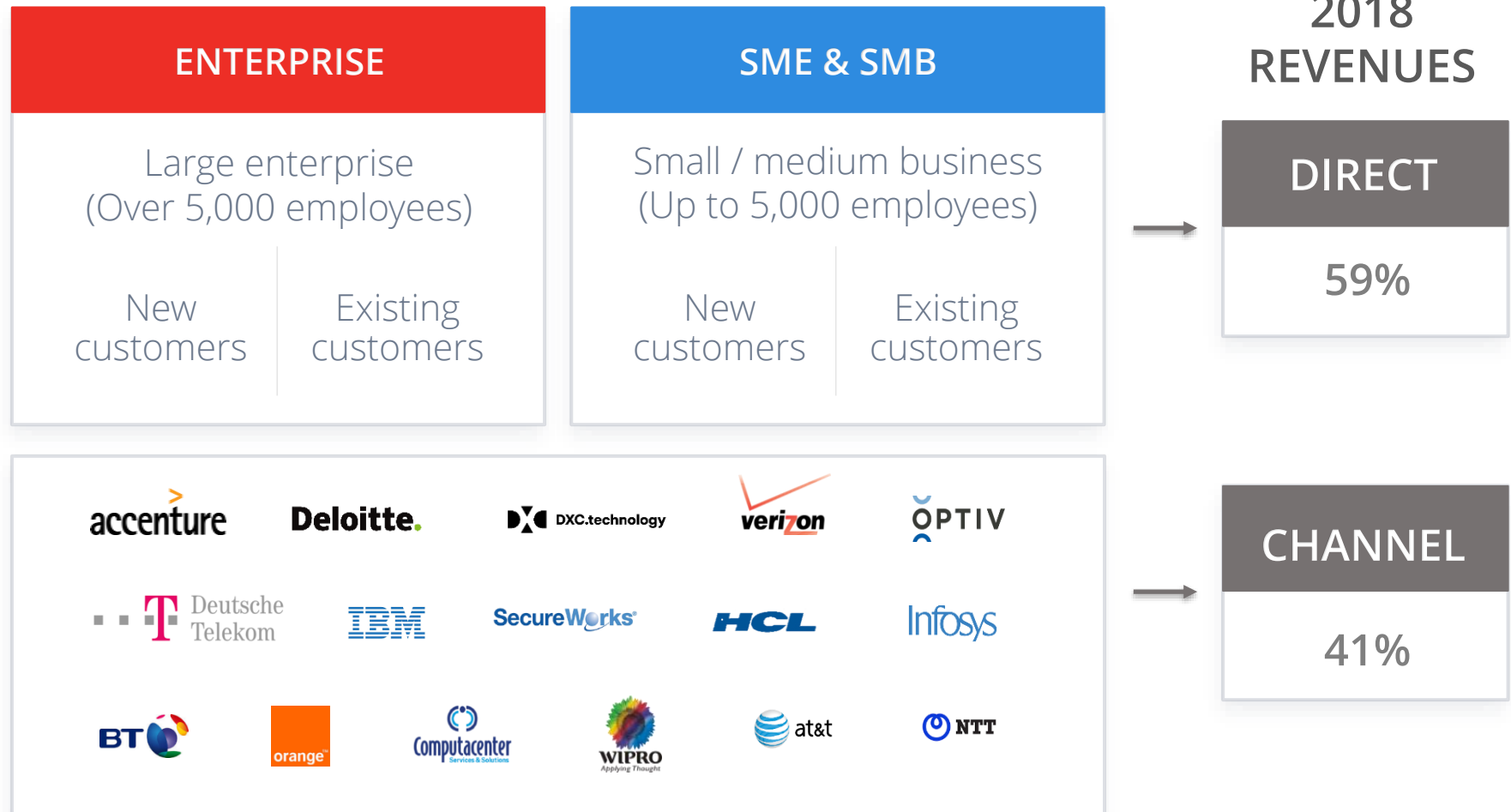
12,200+ Customers



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 / maintenance costs

MSSPs Telcos	Outsourcing Providers	VAS Resellers	Consultants
			

Global Presence

12,200+
Customers

130+
Countries

8
Shared Platforms

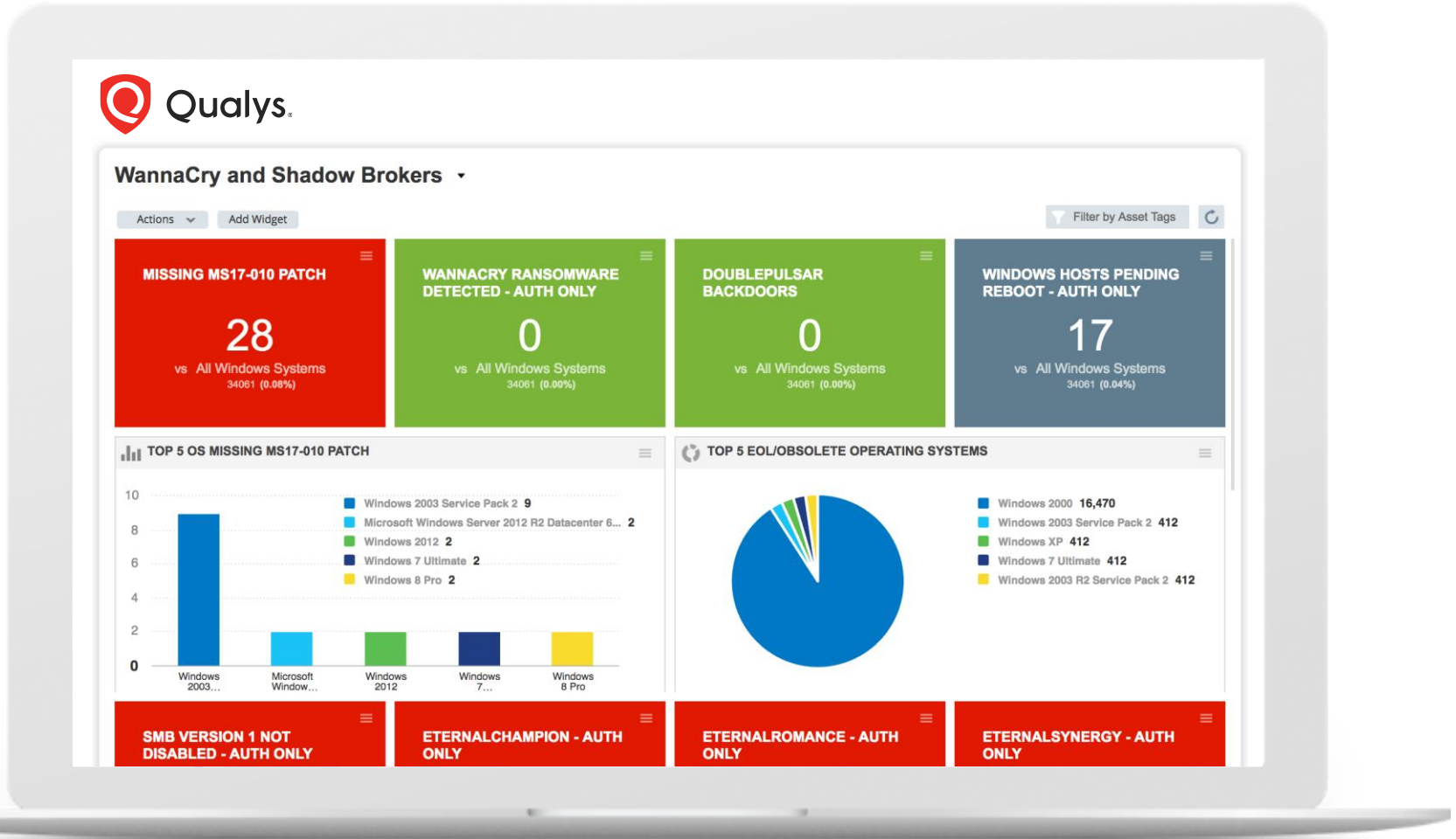
81
Private Clouds

48
Locations



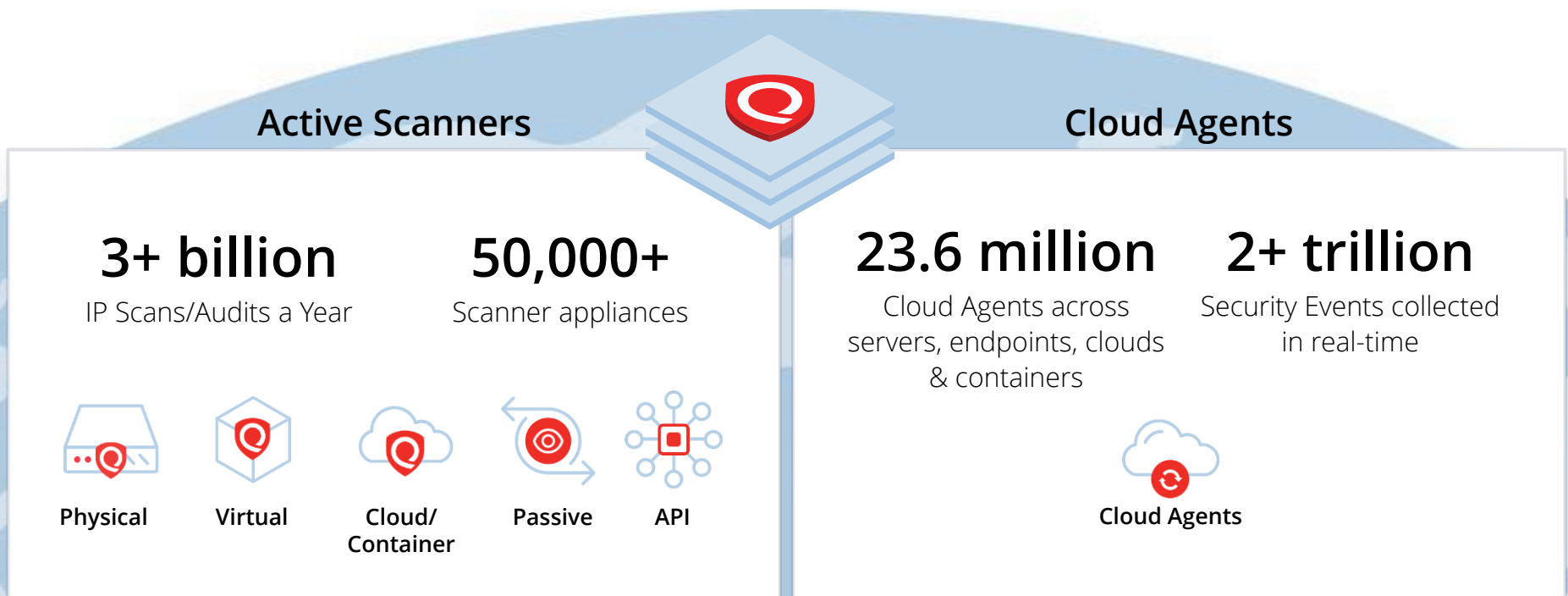
Note: Customers include active users

Qualys Cloud Platform and Roadmap



Global Visibility Across Hybrid IT Environments Enables Superior Security

Scalable, extensible, self-updating & centrally managed



3+ trillion data points

Indexed on Elasticsearch Clusters, giving 2-second visibility

Qualys Cloud Platform

Unified approach to Detection,
Prevention & Response

Integrated Suite of Applications



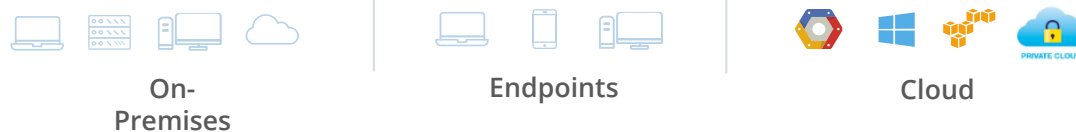
Analytics and Reporting Engines



Distributed Sensors

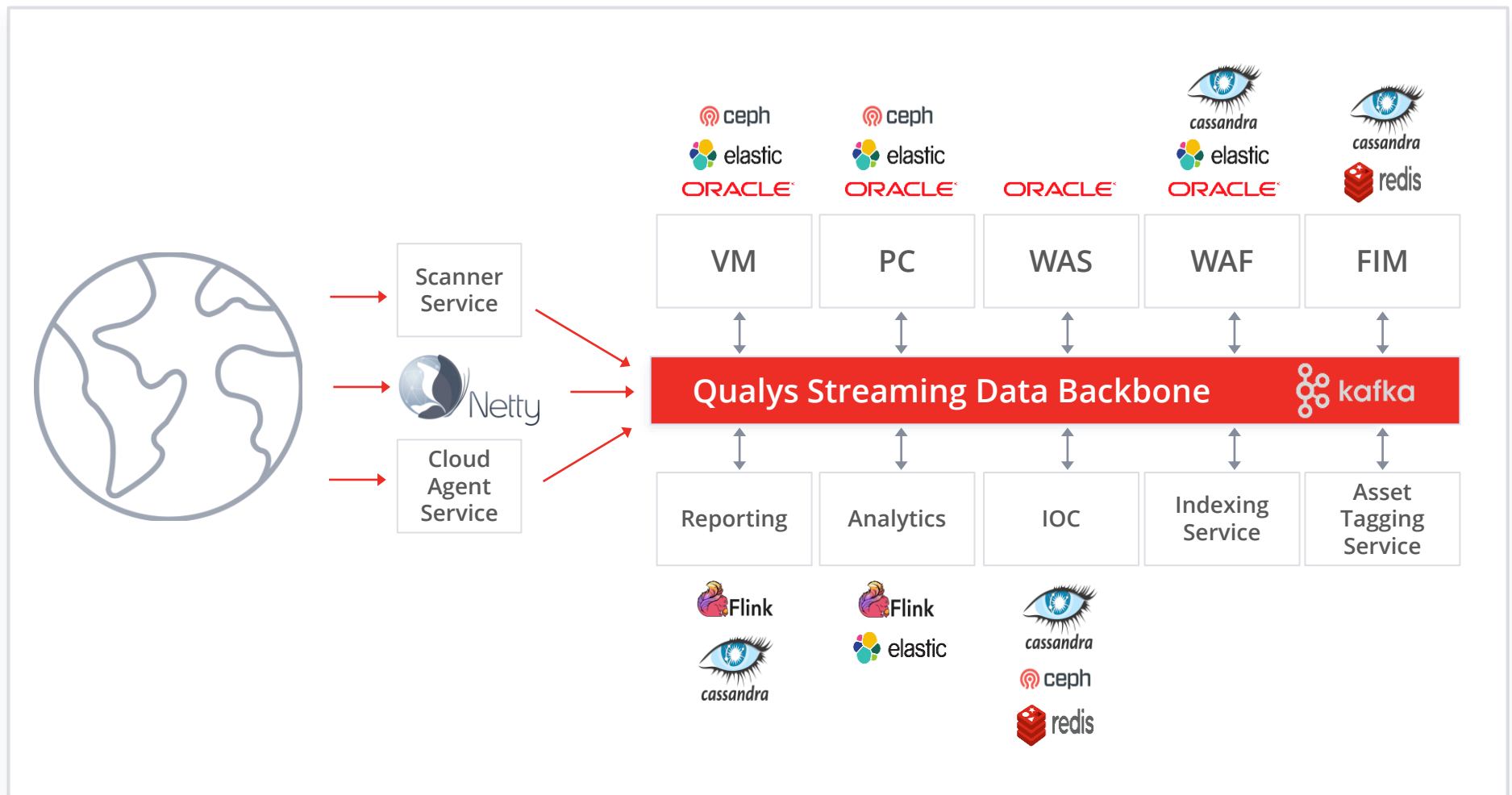


Environments



Cloud Platform Serves as a Scalable Distribution Channel

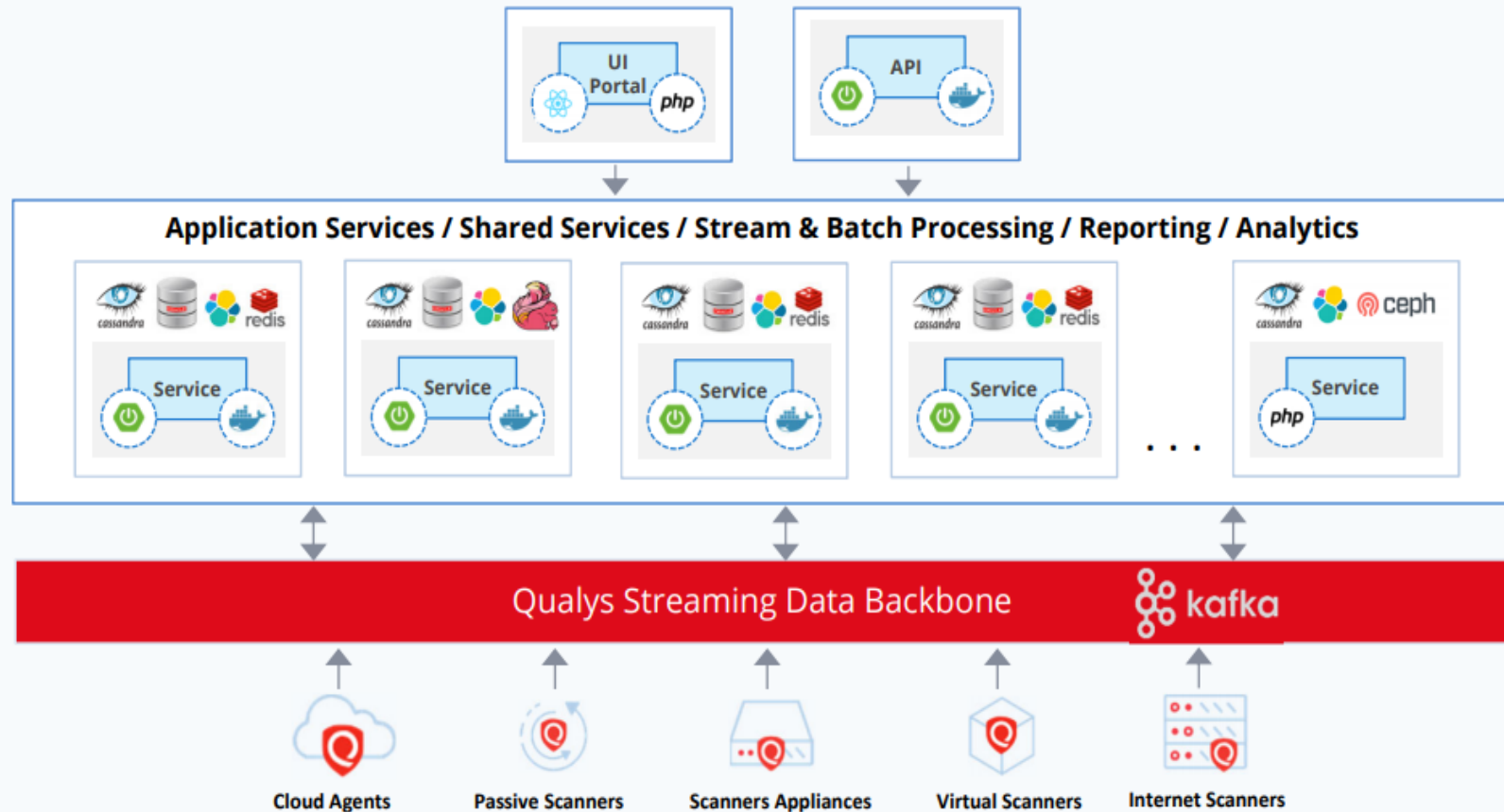
Scalable, Extensible, Micro-services, DevOps



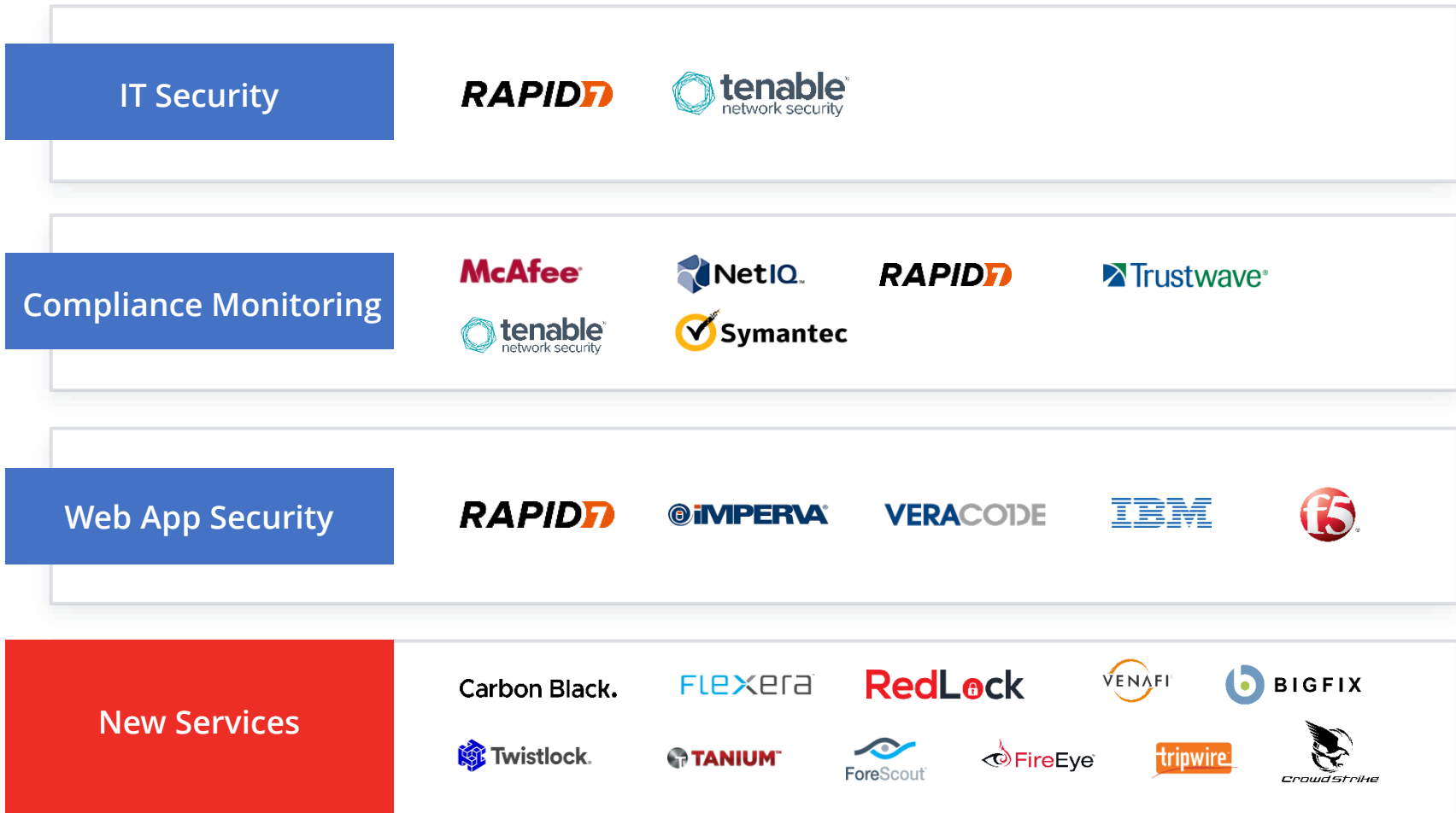
Micro-Service Architecture

Qualys Cloud Platform

Sensors, Data Platform, Microservices, DevOps



Cloud Platform Enables Vendor and Stack Consolidation



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*

WEB APP SECURITY

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

IT SECURITY

- VM** Vulnerability Management
- TP** Threat Protection
- CM** Continuous Monitoring
- PM** Patch Management
- IOC** Indication of Compromise

CLOUD/CONTAINER SECURITY

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

* Free Service

** Paid and Free Service

Qualys Ubiquity Play

Introducing our Global IT Asset Discovery and Inventory as a Free Service

Qualys Global IT Asset Inventory (AI) gives you a “single source of truth” for IT assets of all types, whether on-prem (devices and applications), mobile endpoints, clouds, containers, OT and IoT.

“You cannot secure what you don’t know or can’t see”



Qualys Ubiquity Play

Single source of truth for IT and Security teams managing assets in hybrid environments.

Free Features:

- Real-time inventory of known and unknown assets across global IT footprint
- Search across millions of assets and obtain full visibility of any device in seconds
- Instantly detect any device that connects to a user's networks via passive scanning technology

Additional Paid Features:

- Synchronization of assets with the ServiceNow CMDB
- Full life cycle software inventory
- Automatically quarantine unknown or known devices that have been deemed out of compliance or compromised

A NEW PRESCRIPTION FOR SECURITY AND IT'S FREE.

Introducing Qualys Global IT
Asset Inventory®



⚠️ WARNING! SIDE EFFECTS MAY CAUSE

Actually knowing what's on
your global hybrid-IT
environment (on prem,
endpoints, clouds & mobile)

Improving your security
and compliance posture

Better decision making
using enriched asset data

Easily finding what you
need via automated
classification

Finally having clean,
uniform data for a single
source of truth

Getting that promotion
you always wanted

Additional Apps to Come in 2019



Passive Network Analysis

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



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

Introducing New Expansion of the Qualys Cloud Platform

Data Lake Initiative

Advanced Correlation & Analytics

ML/AI Service

Patterns | Outlier | Predictive SoC

Orchestration & Automation

Integration | Playbooks | Response

UEBA

User & Entity Behavior Analytics

Threat Hunting

Search | Exploration | Behavior Graph

Security Analytics

Anomaly | Visualization | Dashboard

Advanced Correlation

Actionable Insights | Out-of-box Rules

Qualys Security Data Lake Platform

Data Ingestion | Normalization | Enrichment | Governance



Network



Security



Server



End Point

CA

VM

AI

PC

IOC

WAS

WAF

Qualys Apps



Apps



Cloud



Users

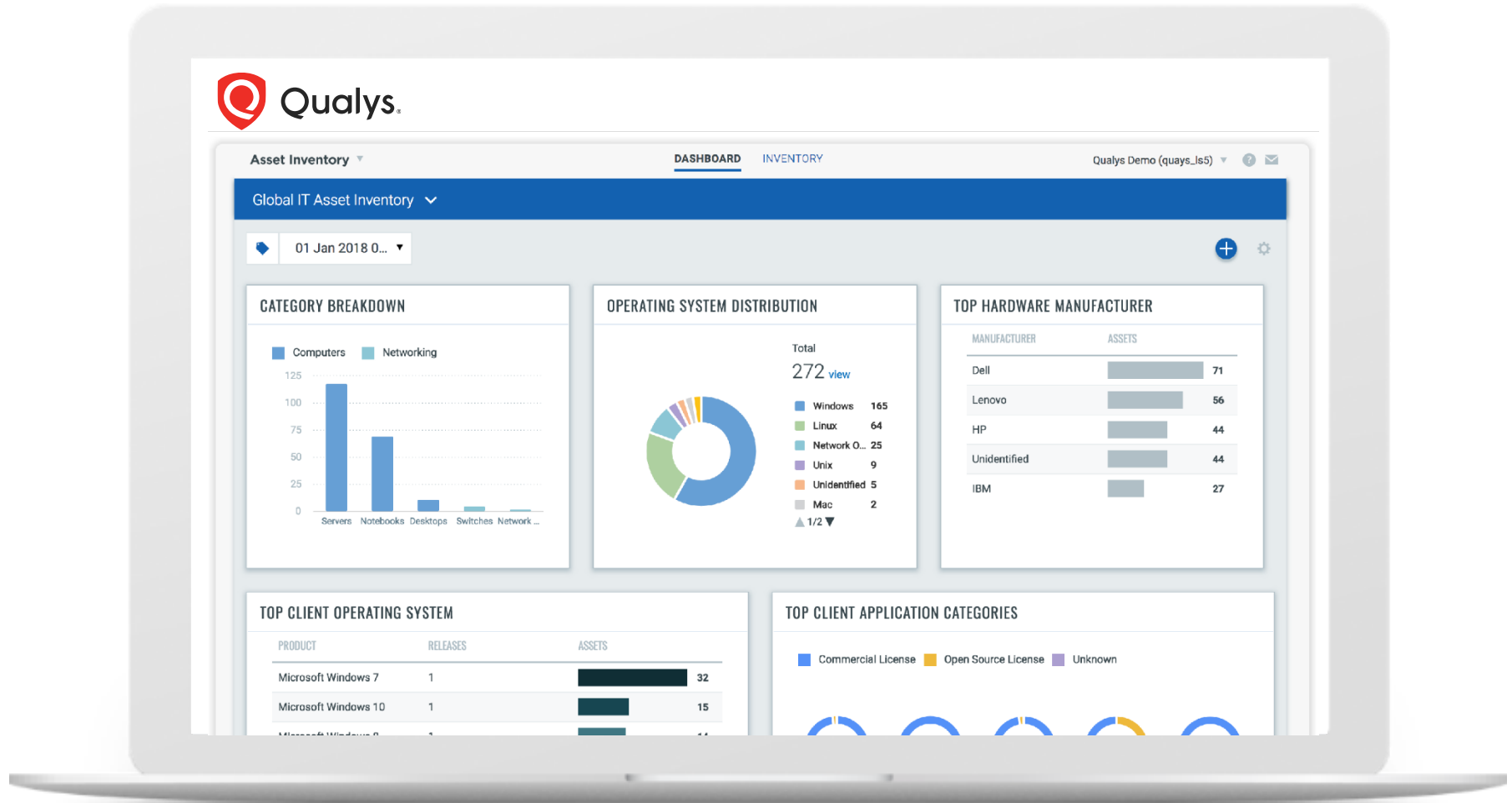


IoT

Qualys Quick Connectors

Note: Target Beta time frame 1H 2020

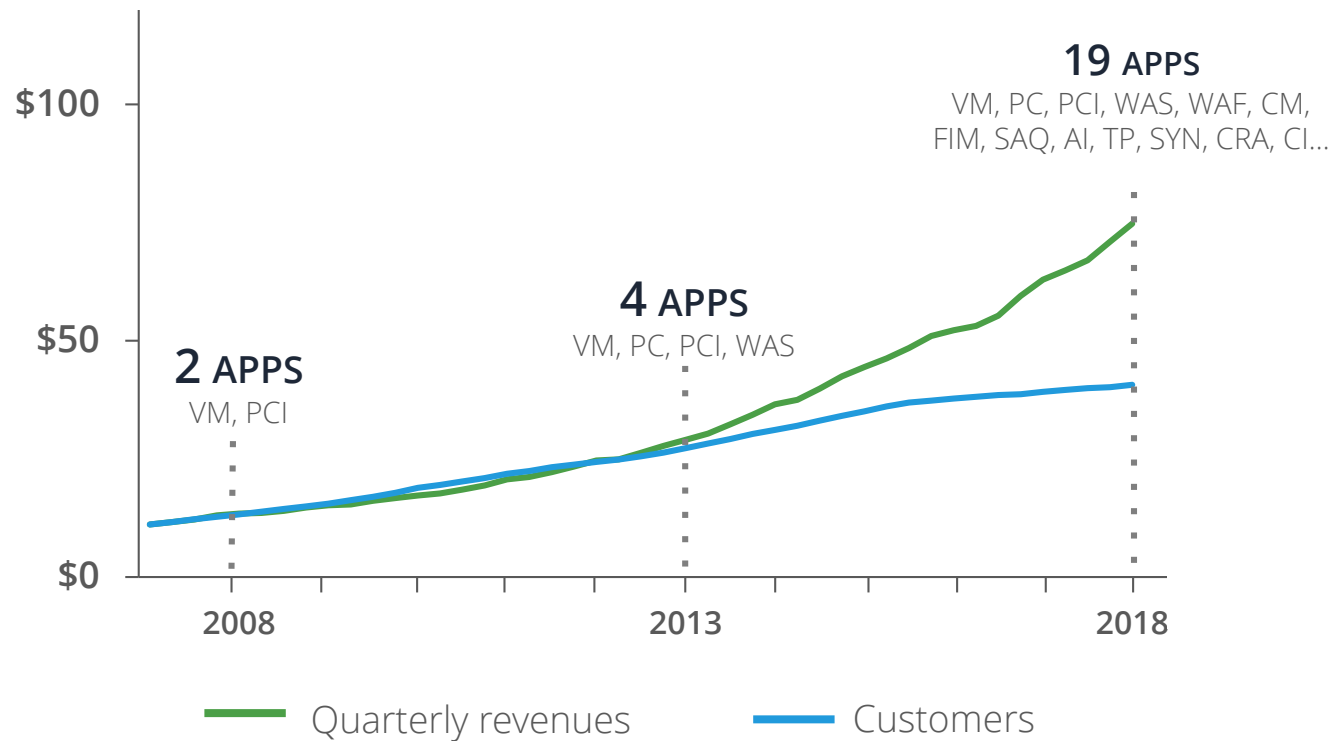
Scalable Business Model



Adoption of New Solutions Fuels Growth and Profitability

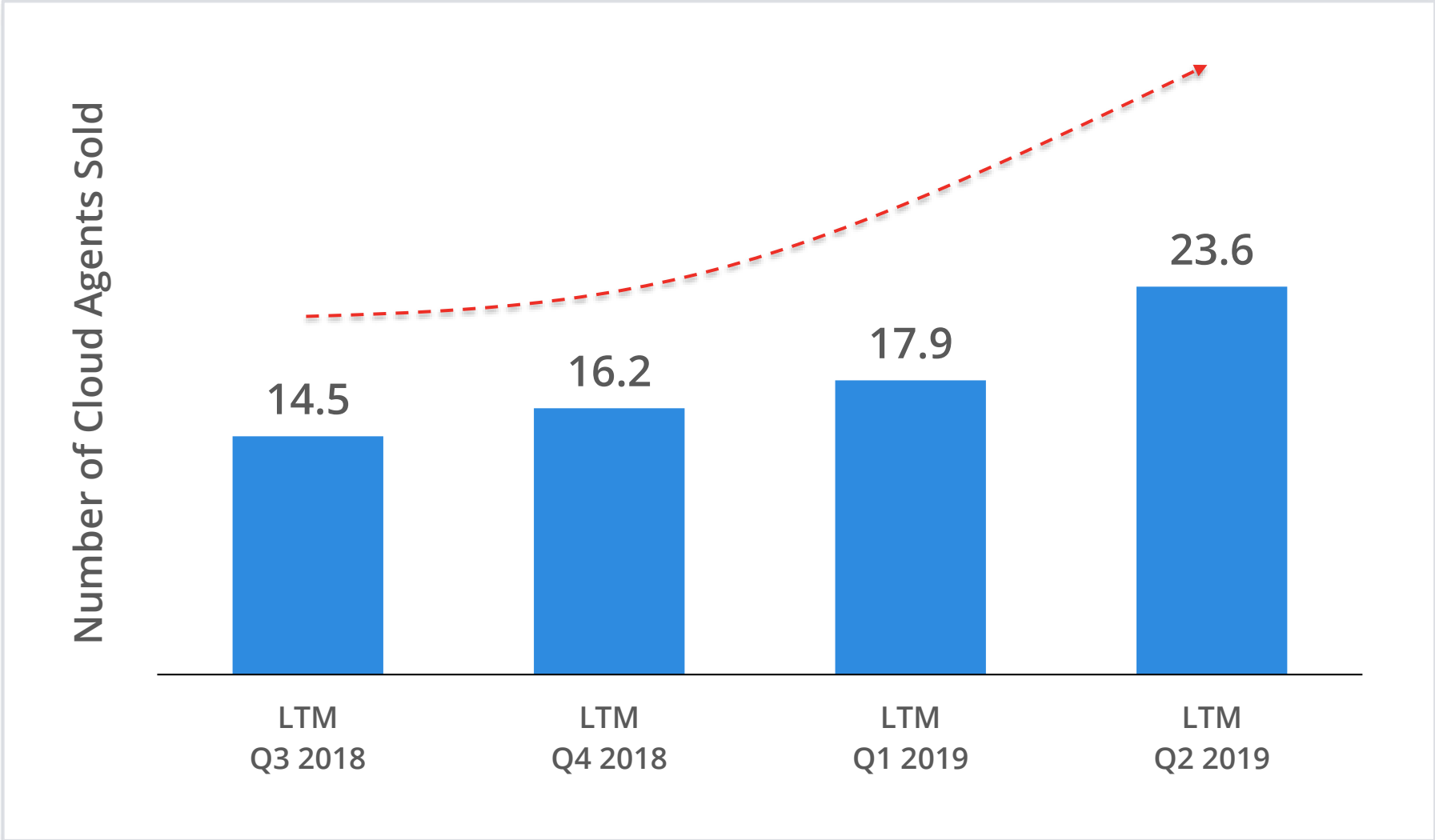
(\$ in millions)

Quarterly revenues vs. customers



New Apps Enabled by Cloud Agents

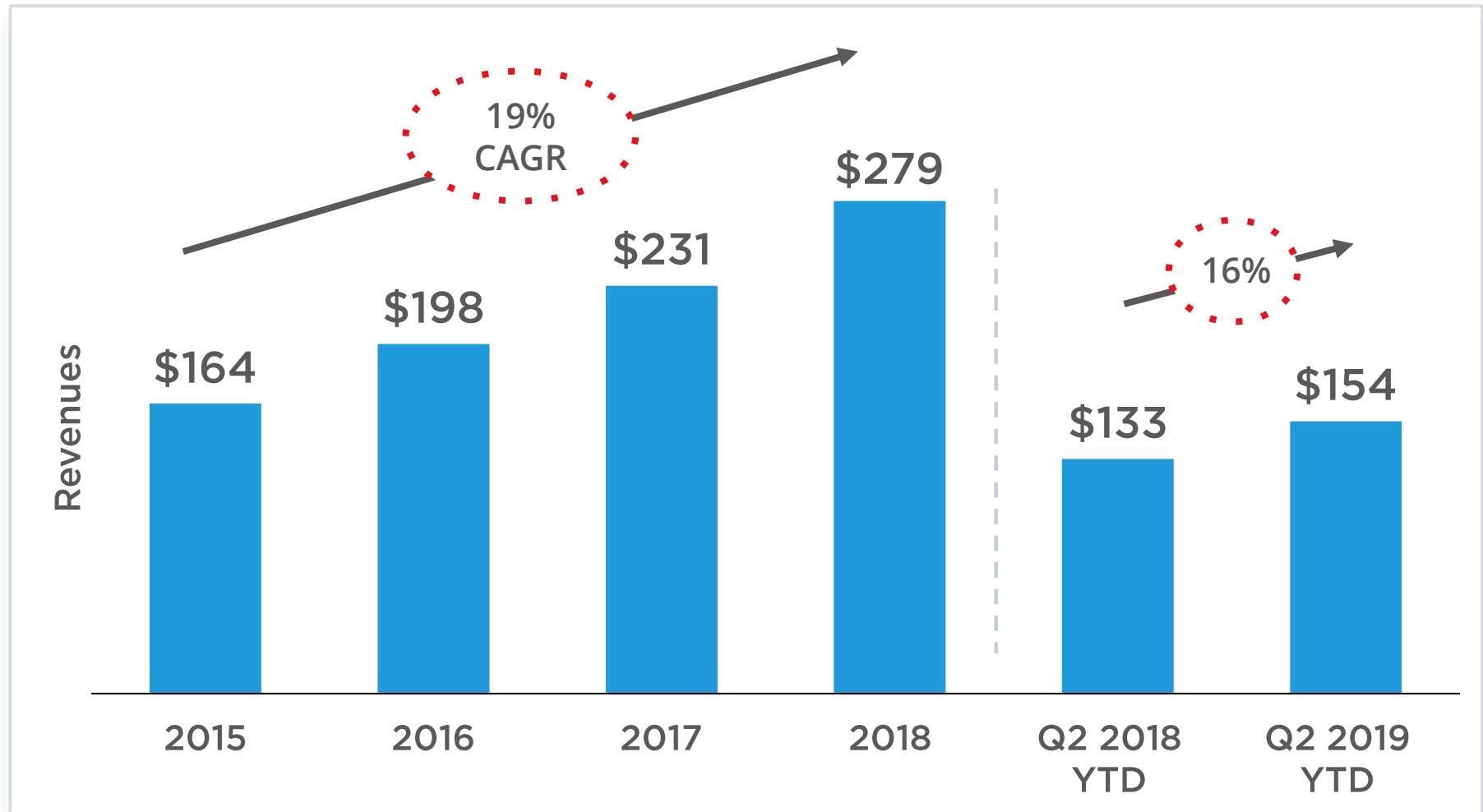
(Units in millions)



Strong and Consistent Organic Revenue Growth

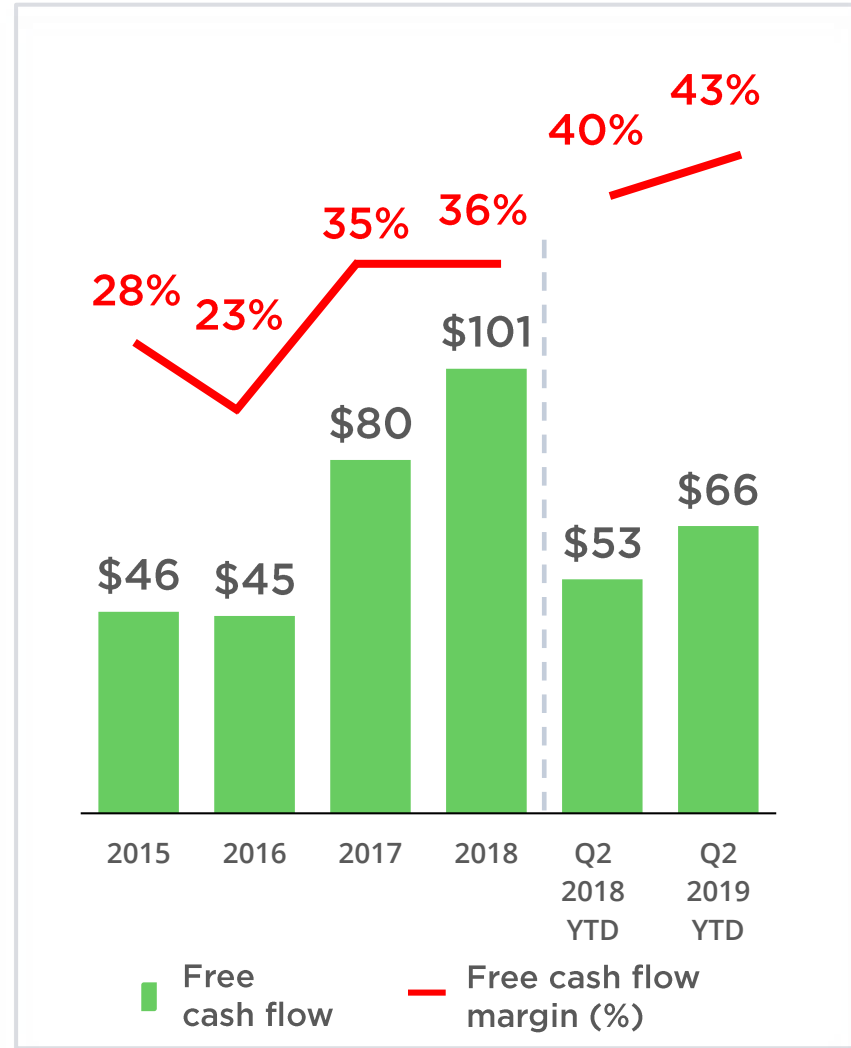
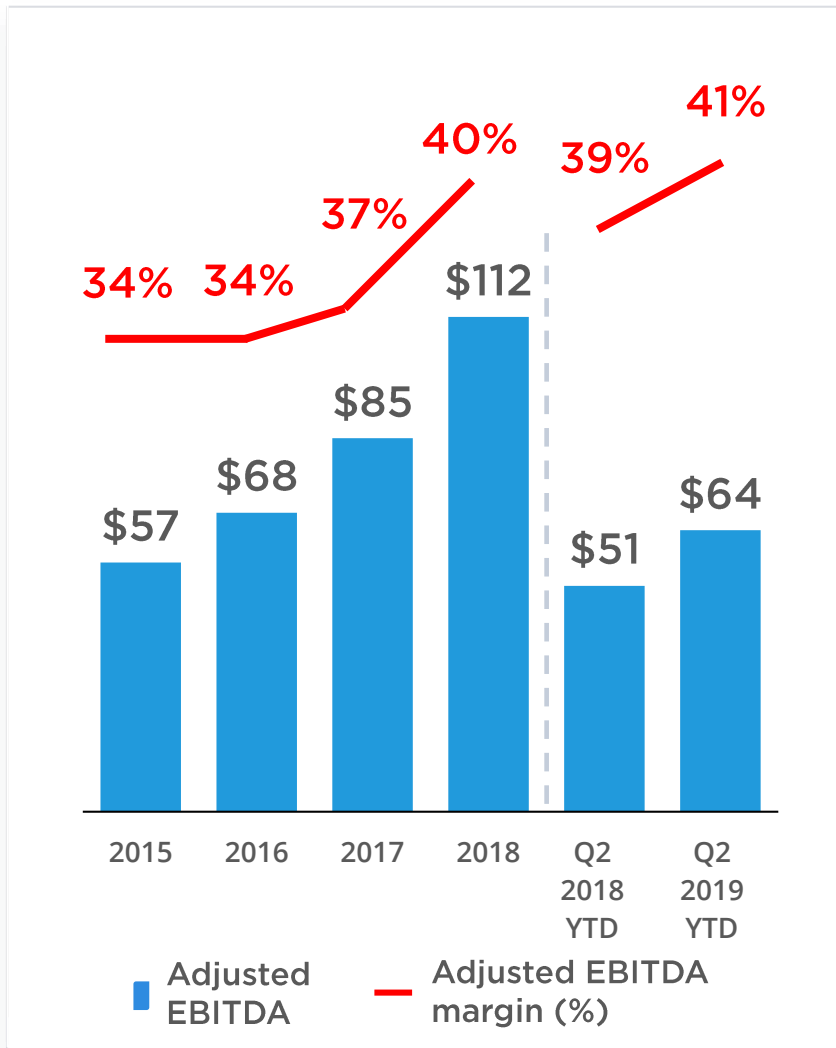
Outperforming market and gaining share

(\$ in millions)



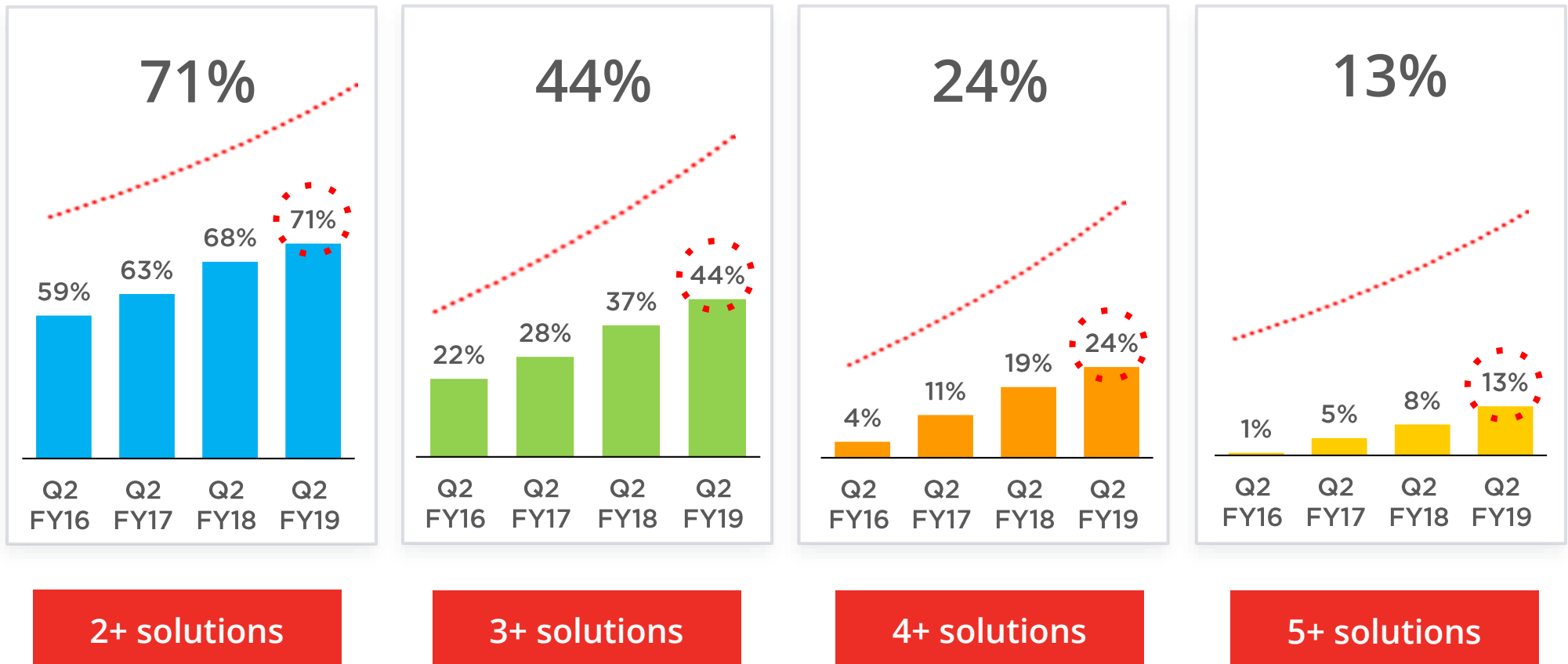
Increasing Adjusted EBITDA & Free Cash Flow

(\$ in millions)



Note: 2017 non-GAAP Free cash flow normalized for headquarters office facility costs (net)

Platform Adoption Accelerating

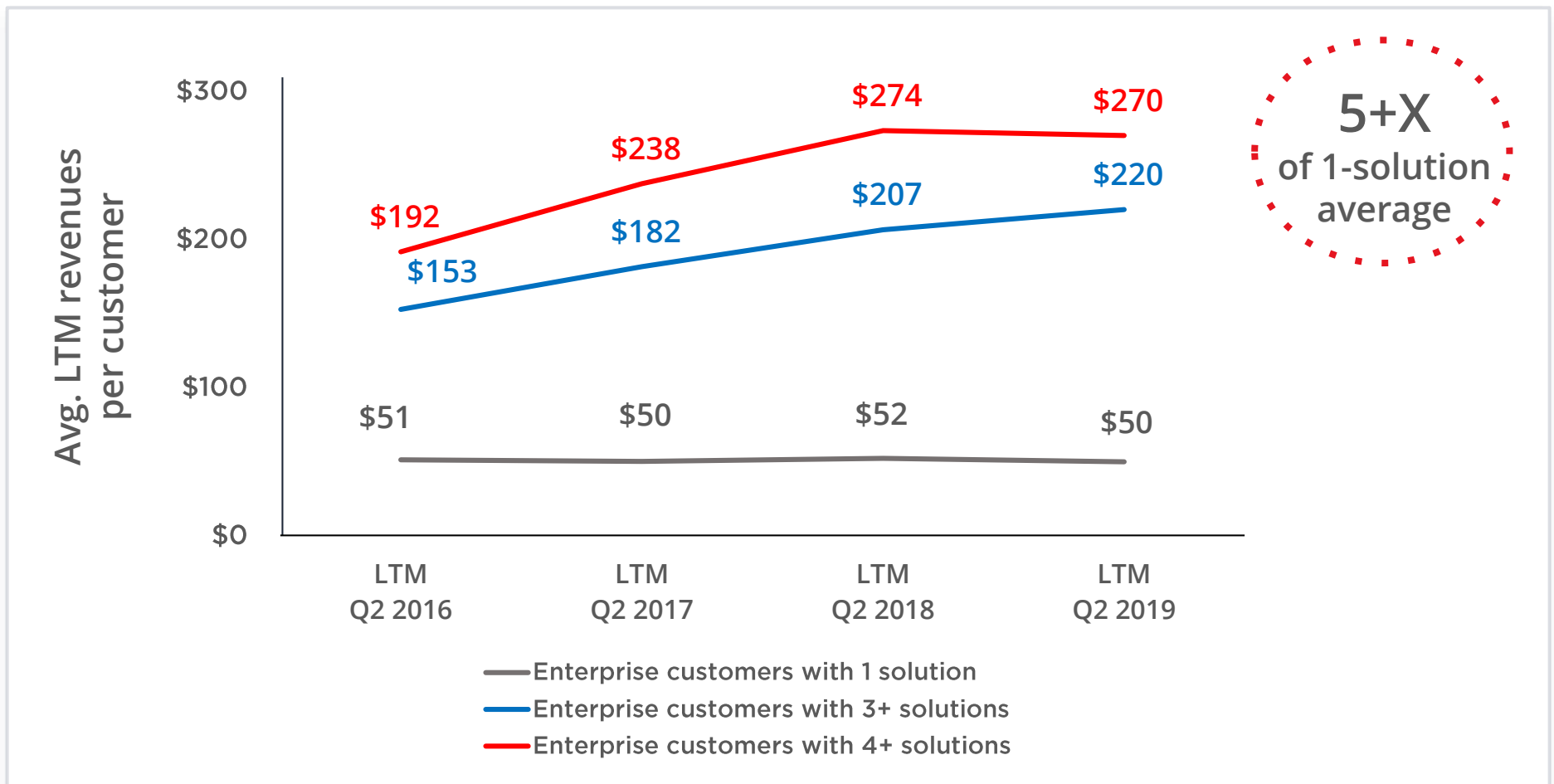


% of Enterprise customers with select number of solutions

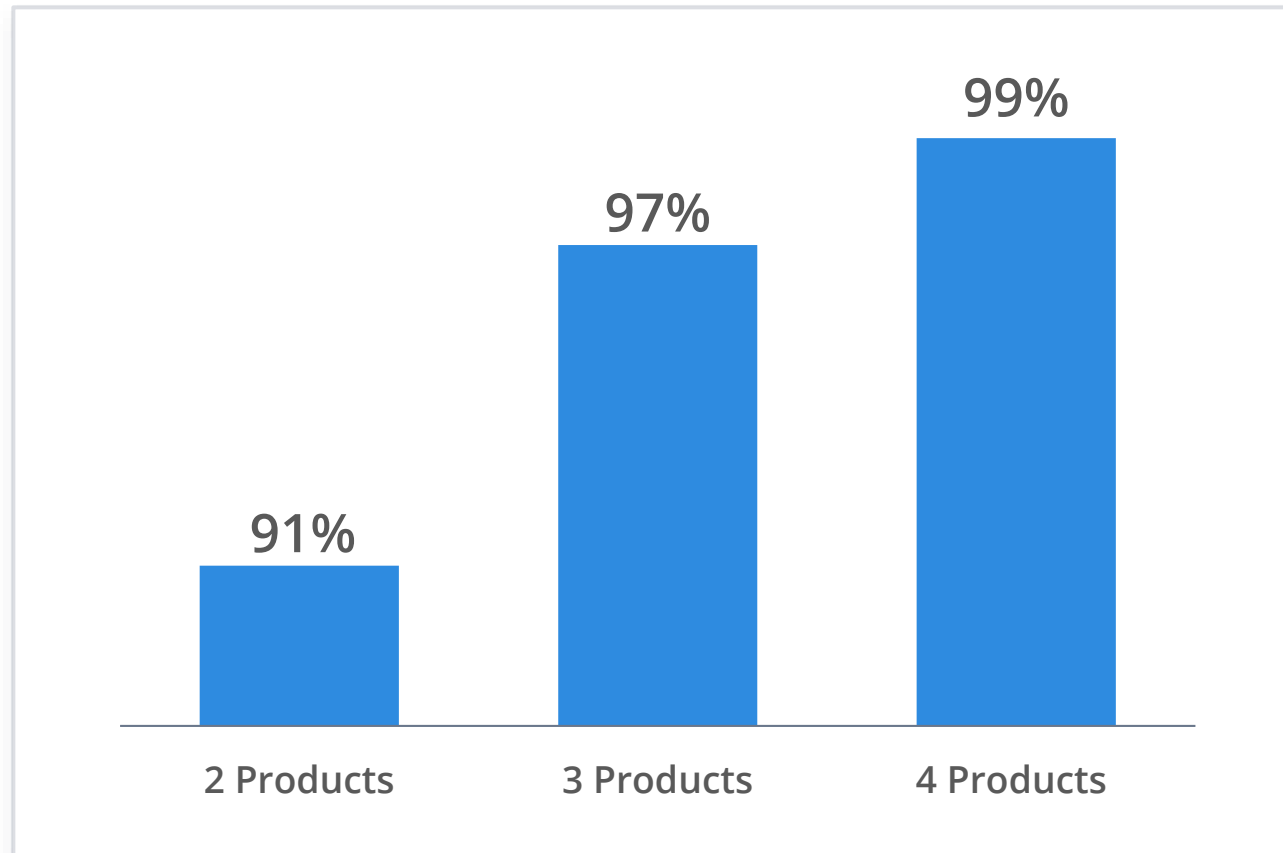
Multiplier Effect

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

(\$ in thousands)



Multi-Product Adoption Drives Increased Stickiness

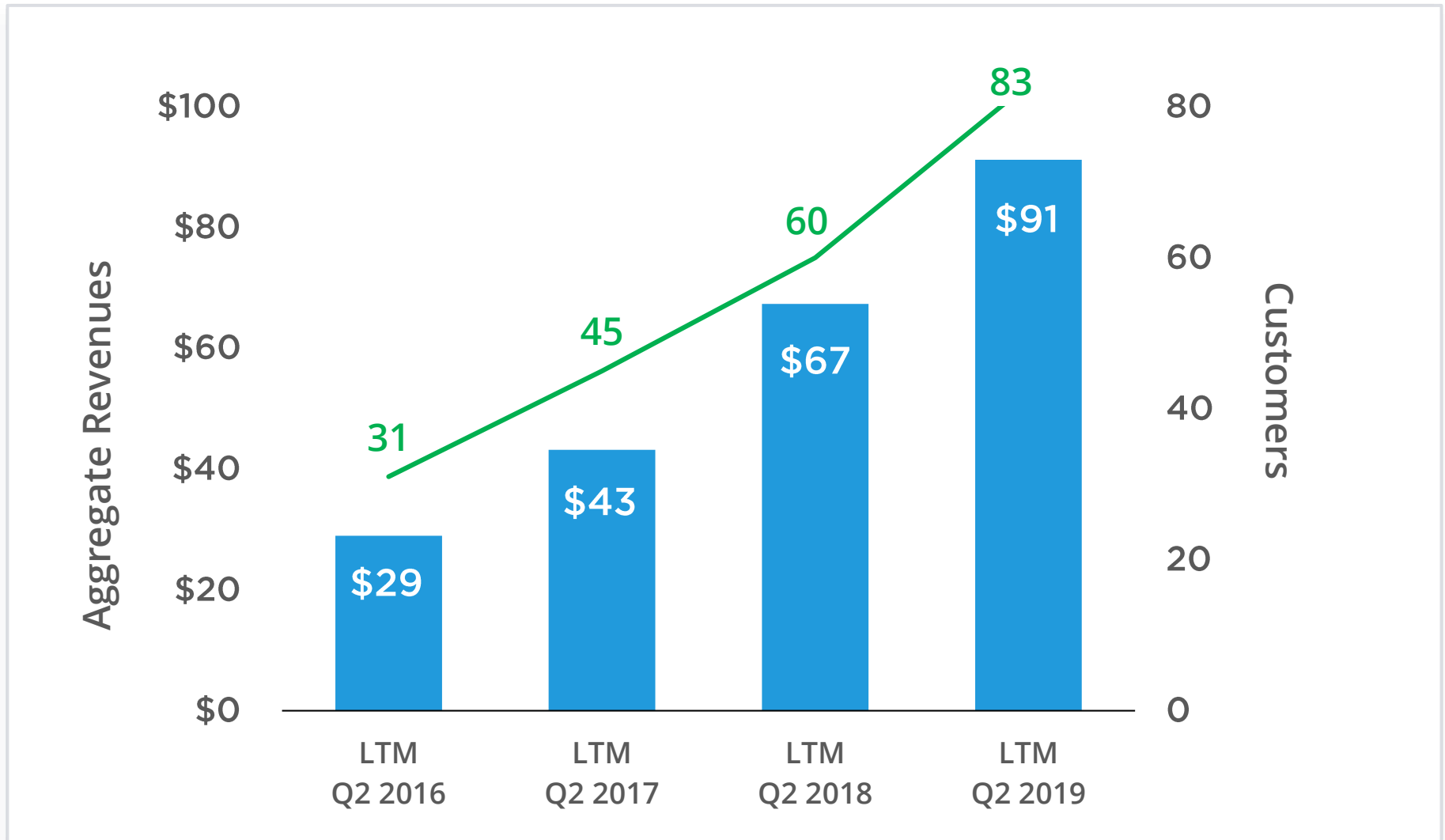


2018 Enterprise Gross Dollar Retention Rate

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

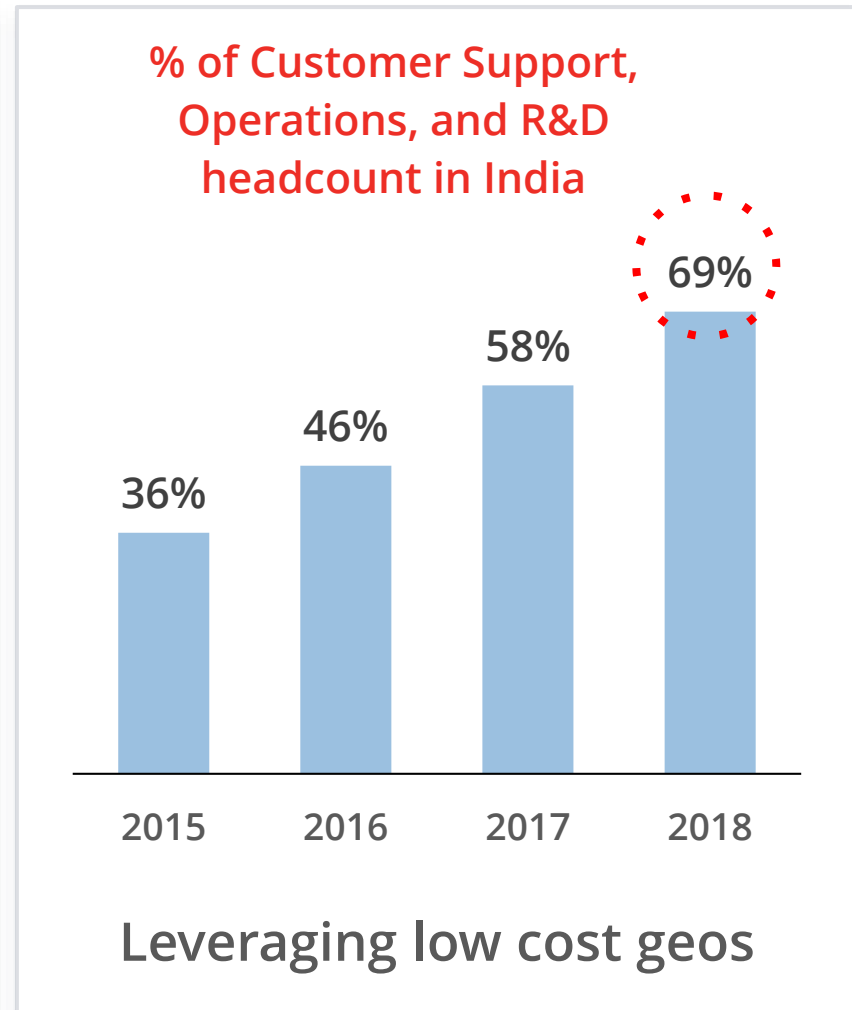
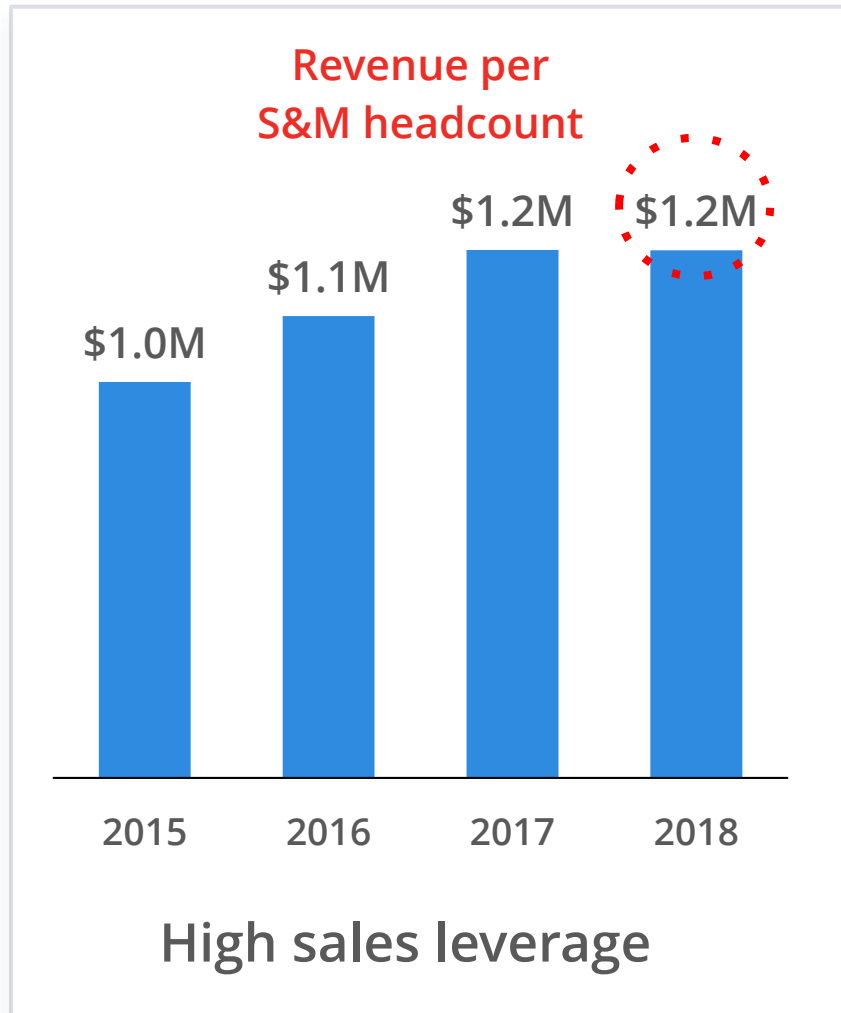
Increasing Number of Large Customers

(\$ in millions)



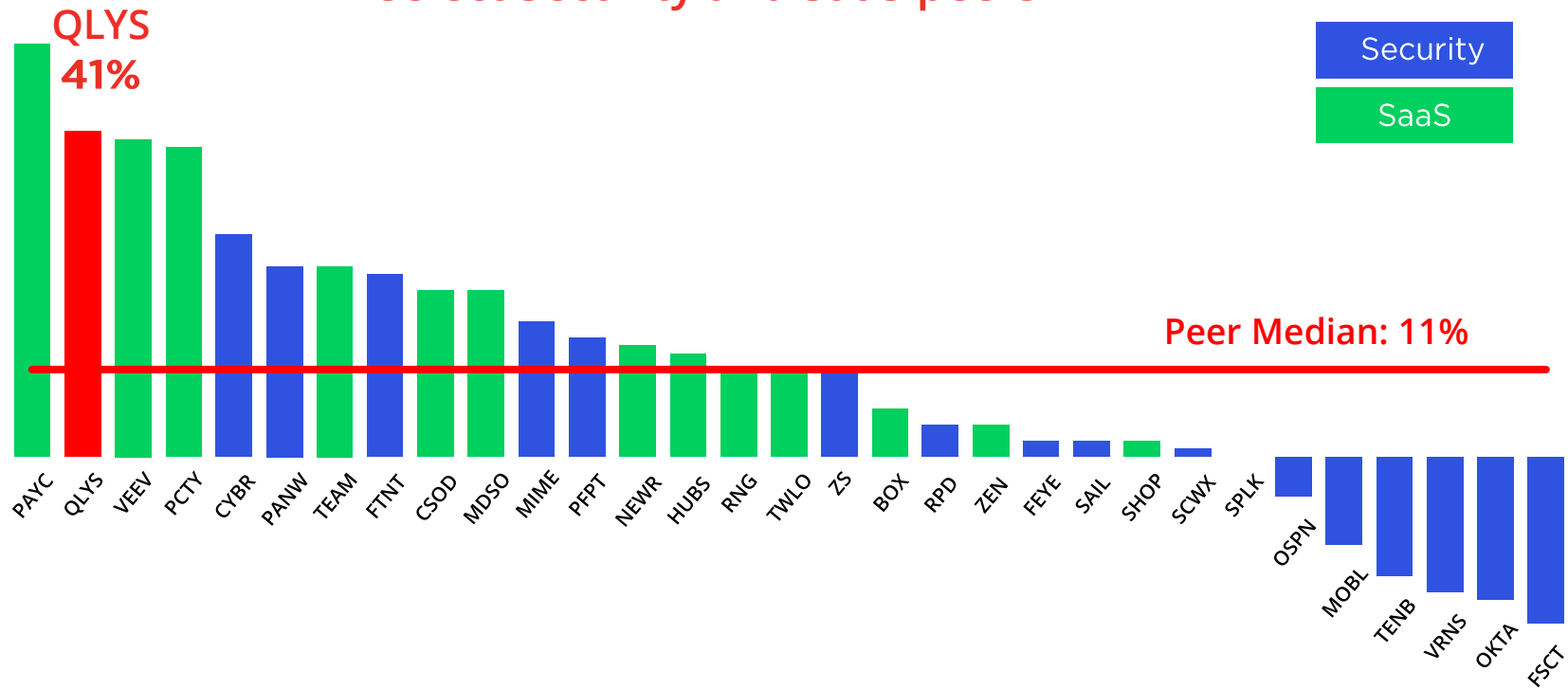
Note: Customer count is defined as customers with greater than \$500K in annual revenue

Cloud Platform Enables Scalable Operational Model

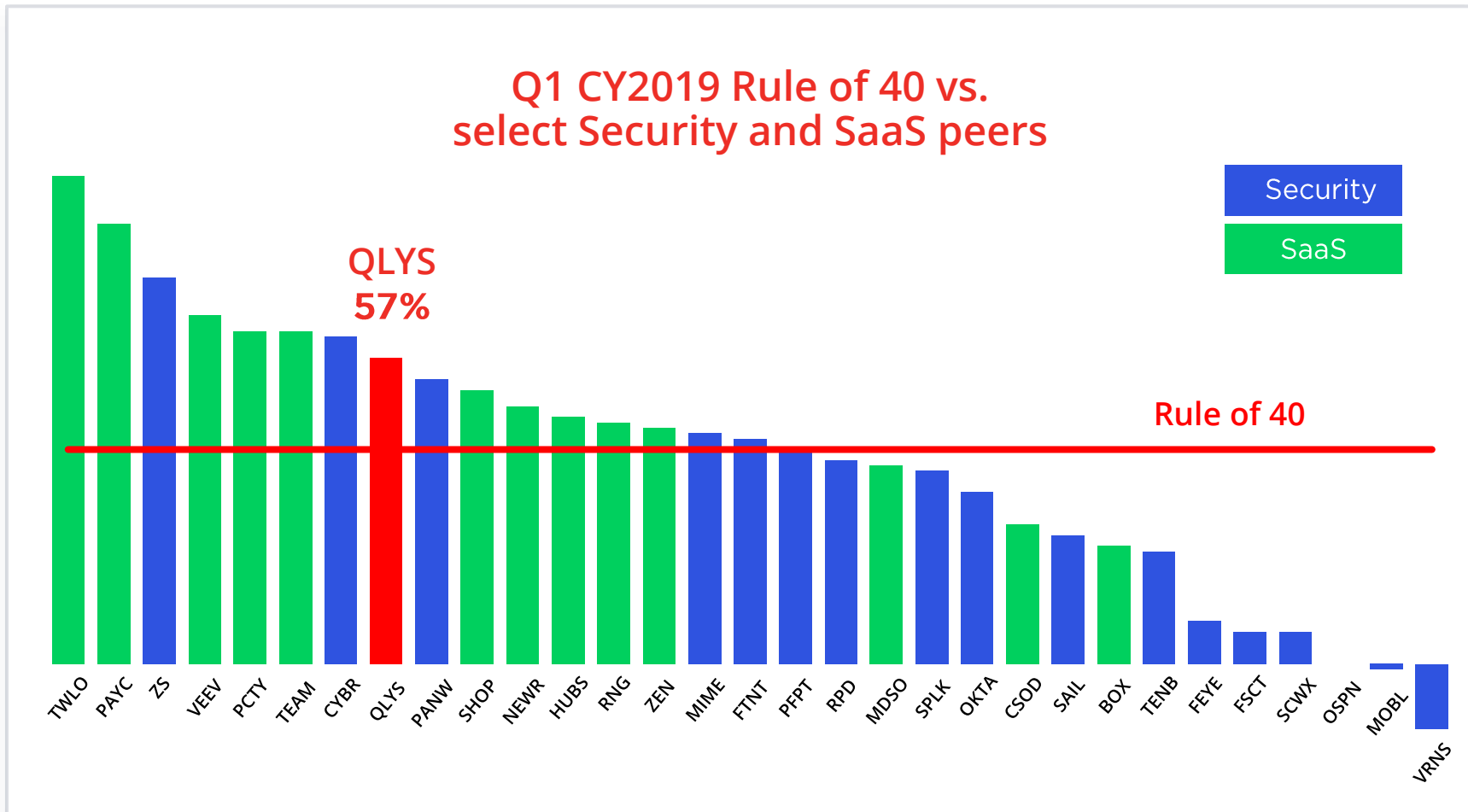


Industry-leading Margins

Q1 CY2019 Adjusted EBITDA margin vs. select Security and SaaS peers



Industry-leading Margins



Unique Advantages of the Qualys' Cloud Platform

Single-pane-of-glass-view across on-premises assets, endpoints, containers 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

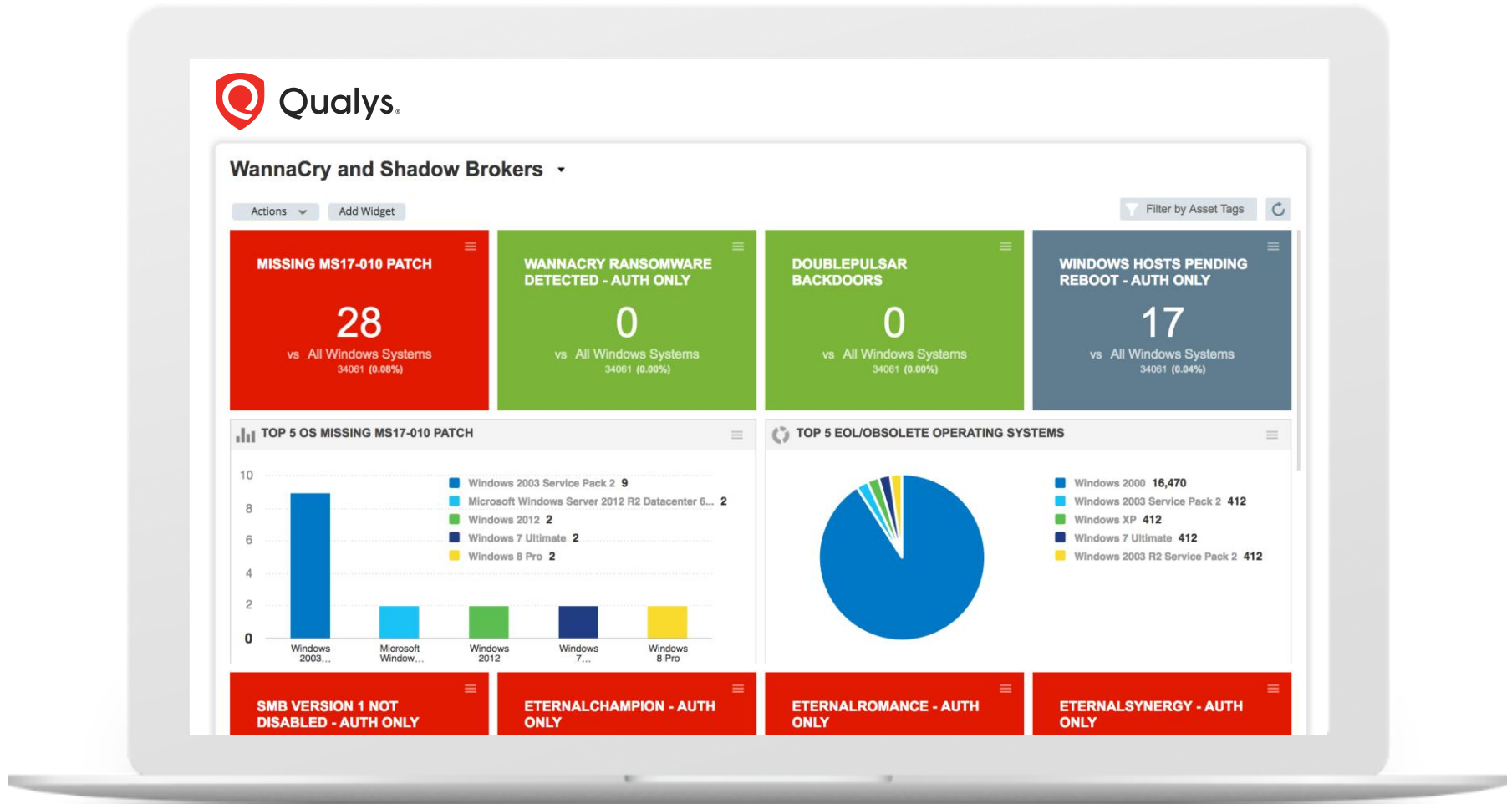
Virtual rack

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

- PM** **Patch Management**
Streamline and accelerate vulnerability remediation for all IT assets
- IOC** **Indication of Compromise**
Continuously monitor endpoints to detect suspicious activity

GLOBAL IT ASSET MANAGEMENT

- AI** **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

COMPLIANCE MONITORING

- 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

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

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

* Free Service
** Paid and Free Service

Reconciliation of Adjusted EBITDA

(\$ in millions)

	2015	2016	2017	2018	Q2 2018 YTD	Q2 2019 YTD
Net income	\$15.9	\$19.2	\$40.4	\$57.3	\$19.4	\$29.5
Depreciation and amortization of property and equipment	14.0	16.6	19.8	25.2	12.8	12.8
Amortization of intangible assets	0.4	0.4	0.8	3.7	1.5	3.0
Interest expense	0.0	0.0	0.0	0.2	0.1	0.1
Provision for (benefit from) income taxes	8.7	11.2	(1.1)	(1.8)	2.0	4.8
Stock based compensation	17.5	20.1	27.0	30.1	15.9	16.8
Other (income) expenses, net	0.3	(0.3)	(2.1)	(5.3)	(2.2)	(4.3)
Acquisition-related expense	---	---	0.1	3.0	1.9	1.3
One-time tax related expense	---	0.7	---	---	---	---
Adjusted EBITDA	\$56.7	\$68.0	\$84.9	\$112.4	\$51.4	\$64.0

Reconciliation of Non-GAAP Free Cash Flow

(\$ in millions)

	2015	2016	2017	2018	Q2 2018 YTD	Q2 2019 YTD
GAAP Cash flows provided by operating activities	\$66.0	\$68.1	\$107.6	\$125.5	\$67.2	\$81.3
Purchases of property and equipment	(20.1)	(23.2)	(37.8)	(22.8)	(13.2)	(14.1)
Capitalized software development costs	(0.1)	---	---	---	---	---
Headquarters office facilities costs (net)	---	---	10.5	---	---	---
Principal payments under capital lease obligations	---	---	---	(1.6)	(0.8)	(0.8)
Non-GAAP Free cash flow	\$45.8	\$44.9	\$80.3	\$101.1	\$53.2	\$66.3

Note: 2017 non-GAAP Free cash flow normalized for headquarters office facility costs (net)

Revenue by Geographic Area

(\$ in millions)

	2015	2016	2017	2018	2Q 2018 YTD	2Q 2019 YTD
United States	115.4	139.7	162.7	185.9	90.1	99.3
	70%	71%	70%	67%	68%	64%
Foreign	48.9	58.2	68.1	93.0	42.9	54.9
	30%	29%	30%	33%	32%	36%
Total Revenues	\$164.3	\$197.9	\$230.8	\$278.9	\$133.0	\$154.3