QLYS Investor Day

Philippe Courtot, Chairman and CEO
Sumedh Thakar, Chief Product Officer
Amer Deeba, Chief Commercial Officer
Melissa Fisher, CFO

New York City, November 17th, 2016
<table>
<thead>
<tr>
<th>Time</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>08:30 - 09:00am EST</td>
<td>Check-in</td>
</tr>
<tr>
<td>09:00 - 09:20 am EST</td>
<td>Introduction by Philippe Courtot, Chairman and CEO</td>
</tr>
<tr>
<td>09:20 - 10:00am EST</td>
<td>Presentation and Product Demo by Sumedh Thakar, Chief Product Officer</td>
</tr>
<tr>
<td>10:00 - 10:15am EST</td>
<td>Break</td>
</tr>
<tr>
<td>10:15 - 10:35am EST</td>
<td>Presentation by Amer Deeba, Chief Commercial Officer</td>
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<tr>
<td>10:35 - 11:00am EST</td>
<td>Presentation by Melissa Fisher, Chief Financial Officer</td>
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<tr>
<td>11:00 - 11:20am EST</td>
<td>Presentation by Mark Butler, Chief Information Security Officer at Fiserv</td>
</tr>
<tr>
<td>11:20 - 11:30am EST</td>
<td>Break</td>
</tr>
<tr>
<td>11:30 - 12:00pm EST</td>
<td>Lunch and Q&amp;A</td>
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<tr>
<td>12:00 – 1:00pm EST</td>
<td>Mingle with Qualys Management</td>
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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;
- trends related to the diversification of our revenue base;
- 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;
- our ability to effectively manage our costs; and
- our expectations for existing and new MSSPs, which are multi-year contracts at fixed prices.

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. A reconciliation of the non-GAAP financial measures discussed in this presentation to the most directly comparable GAAP financial measures is included in the appendix of this presentation.
2017 The Year of Consolidation in Security

Philippe Courtot, Chairman and CEO
2017 The Year of Consolidation in Security

Key Drivers

How Well is Qualys Positioned?

What we Want to Achieve in 2017
Key Drivers

Multiple Drivers are at Play

- Evolving Threat Landscape
- Computing Shift to the Cloud
- Regulatory Environment
- Spend Consolidation
How Well is Qualys Positioned?

Impressive Customer Base
Blue Chip Global Customers Base
60% of the Forbes Global 100 and 24% of the Forbes Global 2000

- 8 of top 10 in Software
- 8 of top 10 in Technology
- 8 of top 10 in Biotechnology
- 8 of top 10 in Retail
- 7 of top 10 in Banking
- 7 of top 10 in Media
- 6 of top 10 in Telecommunications
- 6 of top 10 in Chemical
- 6 of top 10 in Car Manufacturing
- 5 of top 10 in Business Services

Based on Forbes Global 2000 Classification
How Well is Qualys Positioned?

Impressive Customer Base
Scalable Go-to-Market Model
Scalable Go-to-Market Model
Market Segmentation & Key Strategic Partners

**ENTERPRISE**

- Large Enterprise (Over 5,000 employees)
  - New Customers
  - Existing Customers

**SME & SMB**

- Small / Medium Business (Up to 5,000 employees)
  - New Customers
  - Existing Customers

**2015 REVENUES**

- **Direct** 60%
- **Channel** 40%

**Partners**

- Computacenter
- SecureWorks
- NTT Security
- HCL
- Verizon
- OPTIV
- Wipro
- Accenture
- Hewlett Packard Enterprise
- AT&T
How Well is Qualys Positioned?

Impressive Customer Base
Scalable Go to Market
True Extensible Cloud Platform
True Extensible Cloud Platform
Consolidates 10+ on-premise Solutions

Integrated Suite of Applications
- VM
- CM
- CA
- AV
- TP
- PC
- PCI
- SAQ
- WAS
- WAF

Qualys API

Analytics and Reporting Engines
- Reporting & Dashboards
- Remediation & Workflows
- Distributed Correlation
- ElasticSearch Clusters
- Solr Lucene Indexing
- Oracle & BFFS Storage

Distributed Sensors
- Hardware
- Virtual
- Cloud
- Agent
- Passive
- API

3B Scans
100B Detections
1T Security Datapoints Annually

3B
100B
1T
Disruptive Cloud Agent Platform
Continuous Security Across On-Premise, Endpoints and Elastic Cloud Environments

Lightweight 3Mb Agents
Centrally managed and self-updating

Beam-up info in real-time
Delta-based approach
Now Adding Passive Scanning
Enriching and Correlating the Data We Collect

Analyzing network traffic a new cloud-sensor type
Correlating it with the information we already have
Impressive Suite of New Services

**2016 Releases**
- Cloud Agents Platform (CAP)
- ThreatPROTECT (TP)
- Security Assessment Questionnaires (SAQ)
- Web Application Firewall (WAF 2.0)

**2017 Releases**
- File Integrity Monitoring (FIM)
- Detection of Indication of Compromises (IOC)
- Digital Certificate Management (CERT)
- Patch Management (PM)
AssetView Brings 2s Visibility Across Millions of IT Assets
Provides Customizable, Dynamic Dashboards

Instant query across million of IT assets
Unified assets' view
Dynamic and customizable dashboards

Vulnerability Risk Analysis dashboard
Synchronization with Splunk, ServiceNow & Others
How Well is Qualys Positioned?

Impressive Customer Base
Key Strategic Partners
True Cloud Platform
Impressive Engineering Capabilities
Impressive Engineering Capabilities

Extensible Cloud Platform
Unique Organizational Structure
Indian Operation (Pune)
How Well is Qualys Positioned?

Impressive Customer Base
Key Strategic Partners
True Cloud Platform
Impressive Engineering Capabilities
Global Presence
Qualys Global Presence
Expanding our Sales Capacity

Customers: 9,200+
Countries: 137
Data Centers: 5*
Private Clouds: 30
Locations: 27

* Data centers include the one upcoming in India
Note: Marked are Qualys locations.
How Well is Qualys Positioned?

Impressive Customer Base
Key Strategic Partners
True Cloud Platform
Impressive Engineering Capabilities
Global Presence
Industry Leading Profitability
Industry-Leading Margins and Scalable Business Model

2015 EBITDA Margin vs. Select Security Peers and SaaS Peers

* Source: JPMorgan
What We Want to Achieve in 2017

- Continue Investing for Growth (Balanced Approach)
- Elevate our Messaging
- Reach out to CIOs
Qualys Cloud Platform
Unique Benefits

Provides 2s visibility across ALL global IT assets

Provides continuous view of their security & compliance posture, across on-premise, endpoints and elastic cloud environments

Identifies those assets that have been already compromised or suspicious

Drastically reduce IT and IT security spend
Thank You
pcourtot@qualys.com
Qualys Cloud Platform
New Extensions & Services Roadmap
Sumedh Thakar, Chief Product Officer

QLYS Investor Day, November 17th 2016, New York, NY
Agenda

2016 Cloud Platform Updates

Live Demos

2017 New Services Roadmap
Global Visibility
in a Perimeter-less World

On Premise

Endpoints

Cloud
Interconnected Systems
Hybrid Infrastructure – Single Pane of Glass Visibility

Application
Web servers

Application
Database

Application Cloud
Admin Console
### Qualys Real-Time Security Sensors

**Coverage Across All Type of Infrastructure**

<table>
<thead>
<tr>
<th>Physical</th>
<th>Virtual</th>
<th>Cloud</th>
<th>Cloud Agents</th>
<th>Passive</th>
<th>API</th>
</tr>
</thead>
<tbody>
<tr>
<td>Legacy data centers</td>
<td>Private cloud infrastructure</td>
<td>Commercial IaaS &amp; PaaS clouds</td>
<td>Light weight, multi-platform</td>
<td>Passively sniff on network</td>
<td>Integration with Threat Intel feeds</td>
</tr>
<tr>
<td>Corporate infrastructure</td>
<td>Virtualized Infrastructure</td>
<td>Pre-certified in market place</td>
<td>On premise, elastic cloud &amp; endpoints</td>
<td>Real-time device discovery &amp; identification</td>
<td>CMDB Integration</td>
</tr>
<tr>
<td>Continuous security and compliance scanning</td>
<td>Continuous security and compliance scanning</td>
<td>Fully automated with API orchestration</td>
<td>Real-time data collection</td>
<td>Identification of APT network traffic</td>
<td>Log connectors</td>
</tr>
<tr>
<td>Continuous security and compliance scanning</td>
<td>Continuous security and compliance scanning</td>
<td>Continuous security and compliance scanning</td>
<td>Continuous evaluation on platform for security and compliance</td>
<td>Extract malware files from network for analysis</td>
<td></td>
</tr>
</tbody>
</table>

**Agentless + Agent Based + Passive**
Qualys Extensible Cloud Platform

**Sensors**
- Physical
- Virtual
- Cloud
- Cloud Agents
- Passive
- API

**Data Analytics**
- Vulnerability & Threat Intel
- Apache Cassandra
- Elasticsearch Clusters
- RabbitMQ & Kafka
- Oracle & BFFS Storage

**Incidence Response**
- Malware Infections
- Vulnerabilities
- Policy Configuration issues
- Missing Patches
- Web Applications Vulnerabilities
- SSL Certificate Audit
Scalable Cloud Platform
Key New Extensions

Integrated Suite of Applications
- VM
- CM
- CA
- AV
- TP
- PC
- PCI
- SAQ
- WAS
- WAF

Qualys API

Analytics and Reporting Engines
- Reporting & Dashboards
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Distributed Sensors
- Hardware
- Virtual
- Cloud
- Agent
- Passive
- API

3B Scans
100B Detections
1T Security Datapoints Annually

32 Scans
100B Detections
1T Security Datapoints Annually
Qualys Private Cloud Platform
Data Sovereignty/DOD

Qualys Security Platform in a Box

Deployed within customer or partner datacenters to maintain data sovereignty

Same codebase as shared platform

Hardware, virtualized or AWS versions

Fully or Partially managed by Qualys

FedRAMP Certified

24x7x365 Monitoring and Support
Daily Vulnerability Feeds
Bi-quarterly Platform Updates

VM | PC | PCI | WAS | WAF

VMware

SOC
Qualys Private Cloud Platform Appliance (PCP-A)

Small & Medium Enterprises

Scale up to 30K VM/30K PC/3K WAS

Leveraging container technology

Managed by Qualys
Cloud Agent Platform

Lightweight agent (3MB) for on-premise servers, dynamic cloud environments and endpoints

Secure scalable architecture for millions of devices
Centrally managed, self updating
Cloud Agent Platform
Versatile Capabilities

Query endpoint data instantly with AssetView
Real-time asset inventory
Vulnerability Management
Policy Compliance
File Integrity Monitoring
Indicator of Compromise Detection
Patch Deployment
Passive Network Analysis
Centrally Managed and Self-Updating Sensor

Plug into switch mirroring port
Discover every IPv4, IPv6 and web app
OS Fingerprinting
Identify ports and protocols used
Discover Applications & Services on device
Profile device type based on traffic pattern
2016 Deliverables

AssetView (AV)
ThreatPROTECT (TP)
Linux & Mac Agent GA
ServiceNow CMDB Sync
Splunk TA
PCP-A

FEDRAMP
WAS SmartScan
Azure Agent & Scanner
Security Assessment Questionnaire (SAQ)
Demo
Actionable Threat Intelligence

AssetView

ThreatPROTECT
2016-17 Enhancement & Roadmap

Q4 16
WAF Reinvented

Q1 17
File Integrity Monitoring
IOC Detection
SSL View

Q2 17
Patch Deployment
Passive Network Analyzer

Q3 17
CloudView 360

Note: Dates represent Beta.
Single Platform Multiple Solutions
Cloud-Based Architecture for a Perimeter-less World

Patch Deployment

AssetView Continuous Monitoring

Malware Protection
IOC detection

Web Application Scanning/Firewall

Endpoint Protection

Vulnerability Management

Policy Compliance

File Integrity Monitoring

Enterprise Certificate Management

Security Assessment Questionnaire
Thank You
sthakar@qualys.com
Global Go-to-Market Strategy & Execution

Amer Deeba, Chief Commercial Officer
Platform Enables Cost-Effective Service to All Customer Segments

**ENTERPRISE**
Enterprise Suite

5,000+ Employees

**SME**
Express Suite

250 – 5,000 Employees

**SMB**
Express Lite Suite

Below 250 Employees

**Consultants**
Consultant Suite

Consultant Groups
Scalable, Global and Balanced Sales Model

ENTERPRISE

Large Enterprise (Over 5,000 employees)

New Customers

Existing Customers

SME & SMB

Small / Medium Business (Up to 5,000 employees)

New Customers

Existing Customers

2015 REVENUES

Direct

60%

Channel

40%
High-Margin Recurring Revenue with No Capex
Highly Attractive to Partners

MSSPs
Telcos

Outsourcing Providers

VAS
Resellers

Consultant
Auditors

verizon
SecureWorks

accenture
Cognizant

OPTIV
Computacenter

PwC
sysnet.

at&t

HCL
Infosys

Lexicon

LAC
bai

IBM

TATA

CJEN

TEKMARK

Wipro

Tech Mahindra

FORSYTHE

FORSYTHE

Nexant

FORSYTHE

Mphasis

Blue Cube

COMPASS IT Compliance

COMPASS IT Compliance

BT

Tech Mahindra

DigITrust
MSSPs and Telcos

Instantly expands their MSS offerings

Zero CAPEX

Higher margins recurring services
Global Outsourcing Providers

Uniquely supports their cloud-based business model

Zero CAPEX

Higher margin recurring services

Compatible across public clouds and co-located datacenters

Accessed remotely from delivery locations

Leading Outsourcers and Service Providers
Value Added Service Resellers

Security Consulting Firms are moving to Managed Services

Over 600 VAS Partners Worldwide

Zero CAPEX
Higher margin recurring services
Consultants and Auditors

Leverage the Qualys Cloud Platform for client engagements and reporting

Supports Internet-connected or air-gap environments

Over 1600 Consultants Worldwide

Building mindshare
Higher margin recurring Services
SaaS Platform Enables Cost-Effective Marketing Through Try and Buy

**AssetView**
- Free service for Asset Inventory and CMDB integrations
- Connects security with IT

**FreeScan**
- FreeScan generates 25% of leads inflow
- Free tool to test drive all Qualys’ services

**SSL Labs**
- Most popular SSL/TLS Test on the Internet
- 250K unique users and over 400K tests per month
Customer and Partner Case Studies

Hi-Tech Scalability

Healthcare Breadth

Global MSSP - 1

Global MSSP - 2
## Market Leading Software Company

<table>
<thead>
<tr>
<th>Problem We Solved</th>
<th>Replaced legacy security and compliance tools</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Initial Deployment</strong></td>
<td>2004: Pilot for Internet-facing devices</td>
</tr>
<tr>
<td><strong>Growth</strong></td>
<td>2009: Expanded to internal scanning</td>
</tr>
<tr>
<td></td>
<td>2012: Deploying Web Application Scanning (WAS)</td>
</tr>
<tr>
<td></td>
<td>2015: Global MSA, 3 PCPs</td>
</tr>
<tr>
<td><strong>Today</strong></td>
<td>Vulnerability Management (VM &amp; CAP) 2,000,000 IPs weekly, WAS covering 2,000 web applications and Policy Compliance for 200,000 IPs</td>
</tr>
</tbody>
</table>
### Leading US Healthcare Organization

<table>
<thead>
<tr>
<th>Problem We Solved</th>
<th>Helped them build very successful vulnerability and web application scanning and remediation program.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Initial Deployment</td>
<td>2010: Small deployment of 513 VM IPs and 2 scanners.</td>
</tr>
</tbody>
</table>
| Growth            | 2011: Expanded VM to 75,000 IPs  
                  | 2012: Expanded VM to 130,000 IPs  
                  | 2013: Started WAS with 100 Apps  
                  | 2016: Expanded WAS to 350 Apps | Covering VM and WAS globally and looking to expand into 8,000 retail stores. Results visible to the board. 
                  | Started pilot for PC and CAP.                                                              |

Today
<table>
<thead>
<tr>
<th>Problem We Solved</th>
<th>Addressed scalability issues created by internally built solution using a competing product</th>
</tr>
</thead>
<tbody>
<tr>
<td>Initial Deployment</td>
<td>2011: Transitioned to Qualys as the core security and compliance platform</td>
</tr>
<tr>
<td>Growth</td>
<td>Qualys enabled launch of several new service offerings with minimal investment for VM, PCI, PC and WAS.</td>
</tr>
<tr>
<td>Today</td>
<td>Refocused resources on selling and delivering services. Prepaid annually for the entire renewal base. Looking to deliver new services: CAP, TP, SAQ.</td>
</tr>
</tbody>
</table>
Global MSSP - 2

<table>
<thead>
<tr>
<th>Problem We Solved</th>
<th>Outdated VM, PCI and policy compliance offering</th>
</tr>
</thead>
<tbody>
<tr>
<td>Initial Deployment</td>
<td>2016: Transitioned to Qualys as the core security and compliance platform to deliver MSS VM and PC services</td>
</tr>
<tr>
<td>Growth</td>
<td>Qualys enabled immediate transition of existing customer base and upsell opportunities.</td>
</tr>
<tr>
<td>Today</td>
<td>Refocused resources on selling and delivering VM and PC services integrated with MSS offering.</td>
</tr>
</tbody>
</table>
Thank You
adeeba@qualys.com
Financial Highlights and Business Model

Melissa Fisher, Chief Financial Officer
Investment Highlights

Leading SaaS Security and Compliance Solutions Cloud Platform

Uniquely Positioned to Capitalize on Move to Cloud and Stack Consolidation

Multiple Levers of Recurring Revenue Growth

Industry-Leading Profitability
Overview of Qualys
Diversified, High Margin SaaS Subscription Business

SaaS Subscription Model
- Annual subscriptions, paid in advance
- Subscriptions charged to deferred revenues and amortized over term
- Average contract length 1.1 years

Large Global Customer Base, 9200+
- Diversified, high penetration of Forbes Global 1000
- Serving SMB to Enterprise
- No customer concentration risk

Balanced Go to Market
- 58% Direct / 42% Channel Q3 YTD revenue mix
Large Market Opportunity

Qualys is gaining share

Qualys’s Current Total Addressable Market

(1) Q3 FY15 YTD Revenue to Q3 FY16 YTD Revenue Growth
Source: IDC
Strong Organic Revenue Growth
Outperforming market and gaining share

(in millions)

<table>
<thead>
<tr>
<th>Year</th>
<th>Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>$91</td>
</tr>
<tr>
<td>2013</td>
<td>$108</td>
</tr>
<tr>
<td>2014</td>
<td>$134</td>
</tr>
<tr>
<td>2015</td>
<td>$164</td>
</tr>
<tr>
<td>2015 Q3 YTD</td>
<td>$120</td>
</tr>
<tr>
<td>2016 Q3 YTD</td>
<td>$146</td>
</tr>
</tbody>
</table>

22% CAGR
New Solutions Now 26% of Revenues

2013 Q3
YTD REVENUES

Core VM
83%

New Solutions
17%

2016 Q3
YTD REVENUES

Core VM
74%

New Solutions
26%

Other VM Solutions

CM
CA
AV
TP

WAS Solutions 43%
PC Solutions 48%

Note: Core VM includes VM and PCP; Other VM Solutions include CM, CA for VM, AV, and TP; PC Solutions include PCI, CA for PC, and SAQ; WAS Solutions include WAS and WAF; scanners & pro-rata credits allocated based on revenues
Qualys Solutions Continue to Grow 20%+
New VM-related solutions contributing to VM growth

% Year-over-Year Revenue Growth

VM Solutions*

<table>
<thead>
<tr>
<th>Year</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2015 Q3</th>
<th>2016 Q3</th>
</tr>
</thead>
<tbody>
<tr>
<td>% share</td>
<td>15%</td>
<td>14%</td>
<td>19%</td>
<td>19%</td>
<td>19%</td>
<td>20%</td>
</tr>
<tr>
<td>of total revenues</td>
<td>86%</td>
<td>83%</td>
<td>80%</td>
<td>77%</td>
<td>77%</td>
<td>76%</td>
</tr>
</tbody>
</table>

Other Security Solutions*

<table>
<thead>
<tr>
<th>Year</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2015 Q3</th>
<th>2016 Q3</th>
</tr>
</thead>
<tbody>
<tr>
<td>% share</td>
<td>58%</td>
<td>42%</td>
<td>49%</td>
<td>38%</td>
<td>40%</td>
<td>27%</td>
</tr>
<tr>
<td>of total revenues</td>
<td>14%</td>
<td>17%</td>
<td>20%</td>
<td>23%</td>
<td>23%</td>
<td>24%</td>
</tr>
</tbody>
</table>

*VM Solutions include VM, PCP, CM, CA for VM, AV, and TP; Other Security Solutions include PC, PCI, CA for PC, SAQ, WAS and WAF; scanners and pro-rata credits allocated based on revenues
Multiple Levers of Recurring Revenue Growth
Powerful Land and Expand Model

Quarterly Revenues vs. Customers

- Initial Solution
- Expansion of Initial Solution
- Additional Solutions
- Future Products

Note: 2016E reflects mid-point of revenue guidance
Strong Net Dollar Expansion Rates

Note: Net dollar expansion rate is calculated by dividing implied monthly recurring revenues at the end of the respective period of customers who were also customers at the end of the one year ago period by the implied monthly recurring revenues, for that same customer base, at the end of the one year ago period. We define implied monthly recurring revenues as the total amount of recurring revenues contractually committed to, under each of our customer contracts over the entire term of the agreement, divided by the number of months in the term of the agreement. 2016 Q3 net dollar expansion rate excludes all deals from the MSSP with whom we signed a new arrangement in February 2016.
Significant Opportunity Remains to Grow Customer Base

Note: Global Enterprise Company Count includes companies with more than 5,000 employees or more than $1B in LTM revenues; Global SMB & SME Company Count includes companies with less than 5,000 employees and more than $1M but less than $1B LTM revenues
Source: Capital IQ
Significant Opportunity Remains for Upsell in the Installed Base

Customers with subscription to respective Qualys products as of Q3 2016
Strong Momentum with Newer Solutions
Based on 2016 Q3 LTM Bookings

Existing Customers*

#1. Fortune 500 Customer - Retail
#2. Fortune 50 Customer - Financial Services
#3. Fortune 50 Customer - Technology
#4. Fortune 500 Customer - Financial Services
#5. Fortune 50 Customer - Technology
#6. Fortune 500 Customer - Technology
#7. Fortune 2000 Customer - Manufacturing
#8. Fortune 50 Customer - Manufacturing
#9. Customer - Government
#10. Fortune 500 Customer - Pharmaceuticals

New Customers*

#1. Customer - Consumer Products
#2. Fortune 2000 Customer - Financial Services
#3. Fortune 100 Customer - Pharmaceuticals
#4. Customer - Technology
#5. Fortune 1000 Customer - Communications
#6. Customer - Chemical
#7. Fortune 500 Customer - Pharmaceuticals
#8. Fortune 2000 Customer - Consulting
#10. Customer - Technology

*Represents top 10 existing and new customers with the biggest new solution bookings for the period 2016 Q3 LTM
Platform Adoption Increasing

% of Enterprise customers with 3+ Qualys products has doubled in the last 3 years

Percent of Enterprise Customers with Three or More Qualys Products

- 2012: 9%
- 2013: 12%
- 2014: 15%
- 2015: 20%
- 2015 Q3: 18%
- 2016 Q3: 23%

Note: PCI excluded in the product count for Enterprise customers because it's bundled with Vulnerability Management
Enterprise Customers with 3+ Products Spend More Than 3x 1-Product Customers

2016 Q3 YTD: 3.4x of 1 Product Average

Enterprise Customers w/ 1 Product
Enterprise Customers w/ 2 Products
Enterprise Customers w/ 3 or More Products
Increasing Number of Customers with Average Spend >$100K

Note: Customer Count is defined as customers with greater than $100K average spend in the given period.
New Solutions Meaningfully Expand Potential Spend per Customer

Qualys 2015

Total Potential Spend is +5.0x of VM

Qualys Future

Note: Excludes PCP, AV, PCI, SAQ, PAS, and PM
Scalable Operational Model
Platform Enables Scalable Operational Model

Revenue per S&M Headcount

- 2013: $0.8M
- 2014: $0.9M
- 2015: $1.0M

High Sales Leverage

% of Customer Support, Operations, and R&D Headcount in India

- 2013: 15%
- 2014: 28%
- 2015: 36%

Leveraging Low Cost Geos
Increasing Adjusted EBITDA & Operating Cash Flow

(in millions)

Adjusted EBITDA

2012: $14  15%
2013: $17  16%
2014: $32  24%
2015: $57  34%
2016 Q3 YTD: $49  34%

Adjusted EBITDA Margin (%)

2012: 15%
2013: 16%
2014: 24%
2015: 34%
2016 Q3 YTD: 34%

Operating Cash Flow

2012: $22  24%
2013: $25  23%
2014: $41  31%
2015: $66  40%
2016 Q3 YTD: $55  38%
Reaffirming Q4 2016 and FY2016 Guidance

Q4 2016
Revenue in the range of $51.9 to $52.9 million
GAAP EPS in the range of $0.06 to $0.08 per diluted share
Non-GAAP EPS in the range of $0.16 to $0.18 per diluted share

FY2016
Revenue in the range of $197.6 million to $198.6 million
GAAP EPS in the range of $0.41 to $0.42 per diluted share
Non-GAAP EPS in the range of $0.79 to $0.80 per diluted share
Qualys Model Offers Significant Operating Leverage When Solutions Scale
Incremental Expenses Per $1.00 of Incremental Revenues

Note: Expenses = Revenues - EBITDA
Industry-Leading Margins

2015 EBITDA Margin vs. Select Security Peers and SaaS Peers

Source: JPMorgan
Summary

Leading SaaS security and compliance solutions cloud platform

Uniquely positioned to leverage the adoption of cloud technology and stack consolidation

Multiple drivers of recurring revenue growth

Scalable profitable business model with industry-leading margins
Thank You
mfisher@qualys.com
Appendix
Qualys Integrated Cloud Suite

- Vulnerability Management
- Continuous Monitoring
- AssetView
- ThreatPROTECT
- Cloud Agent
- PCI Compliance
- Policy Compliance
- Security Assessment Questionnaire
- File Integrity Monitoring
- Indication of Compromise
- Web Application Scanning
- Web Application Firewall
- Certification: SSL Scanning
- Passive Scanning
- Patch Management
Diverse Customer Base
By Industry

2016 Q3 Customers
- Financial Services: 20%
- Technology: 18%
- Media & Communication: 14%
- Manufacturing: 6%
- Retail: 6%
- Insurance: 5%
- Services: 5%
- Education: 4%
- Healthcare: 3%
- Government: 3%
- Other: 13%

2016 Q3 YTD Revenues
- Financial Services: 21%
- Technology: 14%
- Services: 11%
- Media & Communication: 7%
- Manufacturing: 6%
- Retail: 5%
- Education: 5%
- Insurance: 4%
- Healthcare: 3%
- Government: 3%
- Other: 21%
Diverse Customer Base
By Customer Type

2016 Q3 Customers
- Enterprise: 65%
- SME: 21%
- SMB: 14%

2016 Q3 YTD Revenues
- Enterprise: 73%
- SME: 23%
- SMB: 4%

Note: Pie chart percentages may not sum to 100% due to rounding.
## Reconciliation of Adjusted EBITDA

<table>
<thead>
<tr>
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</thead>
<tbody>
<tr>
<td>Net Income</td>
<td>13,317</td>
<td>15,865</td>
<td>30,244</td>
<td>1,541</td>
<td>2,221</td>
<td>4,783</td>
<td>3,538</td>
<td>4,996</td>
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<tr>
<td>Other (income) expenses, net</td>
<td>(438)</td>
<td>286</td>
<td>634</td>
<td>268</td>
<td>425</td>
<td>(168)</td>
<td>(40)</td>
<td>(230)</td>
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<tr>
<td>Provision for (benefit from) income taxes</td>
<td>8,417</td>
<td>8,655</td>
<td>(21,631)</td>
<td>500</td>
<td>358</td>
<td>2,982</td>
<td>2,214</td>
<td>3,221</td>
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<tr>
<td>Depreciation and amortization of property and equipment</td>
<td>12,035</td>
<td>13,974</td>
<td>11,504</td>
<td>9,195</td>
<td>6,895</td>
<td>3,724</td>
<td>3,885</td>
<td>4,426</td>
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<tr>
<td>Amortization of intangible assets</td>
<td>329</td>
<td>386</td>
<td>393</td>
<td>417</td>
<td>446</td>
<td>110</td>
<td>109</td>
<td>110</td>
</tr>
<tr>
<td>Stock based compensation</td>
<td>15,122</td>
<td>17,494</td>
<td>10,549</td>
<td>5,506</td>
<td>3,452</td>
<td>4,697</td>
<td>5,322</td>
<td>5,103</td>
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<tr>
<td>One-time tax related expense</td>
<td>716</td>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
<td>716</td>
<td>---</td>
</tr>
<tr>
<td>Adjusted EBITDA</td>
<td>49,498</td>
<td>56,660</td>
<td>31,693</td>
<td>17,427</td>
<td>13,797</td>
<td>16,128</td>
<td>15,744</td>
<td>17,626</td>
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</table>
Non-GAAP Financial Measures

In addition to reporting financial results in accordance with generally accepted accounting principles, or GAAP, Qualys monitors operating measures of non-GAAP gross profit, non-GAAP gross margin, non-GAAP operating expenses, non-GAAP operating income, non-GAAP net income, and non-GAAP net income per diluted share. In computing these non-GAAP financial measures, Qualys excludes the effects of stock-based compensation expense and non-recurring expenses.

We have not reconciled non-GAAP net income per diluted share guidance to GAAP net income per diluted share because we do not provide guidance on the various reconciling cash and non-cash items between GAAP net income and non-GAAP net income (i.e., stock-based compensation and non-recurring expenses). The actual dollar amount of reconciling items in the fourth quarter and full year 2016 is likely to have a significant impact on the Company's GAAP net income per diluted share in the fourth quarter and full year 2016, respectively. Accordingly, a reconciliation of the non-GAAP net income per diluted share guidance to the corresponding non-GAAP net income per diluted share is not available without unreasonable effort.

Beginning in 2015, due to the recognition of deferred tax assets in 2014 and in order to provide a more complete picture of recurring core operating business results, the Company's non-GAAP net income and non-GAAP net income per diluted share include tax adjustments required to achieve the effective tax rate on a non-GAAP basis, which could differ from the GAAP effective tax rate. The Company believes the non-GAAP effective tax rate, which is 36% in 2016, is a reasonable estimate under its global operating structure. The Company intends to re-evaluate the non-GAAP effective tax rate on an annual basis. However, it may adjust this rate during the year to take into account events or trends that it believes materially impact the estimated annual rate. The non-GAAP effective tax rate could be subject to change for a number of reasons, including but not limited to, significant changes resulting from tax legislation, material changes in geographic mix of revenues and expenses and other significant events.