



**CYBERARK**<sup>®</sup>  
The Identity Security Company<sup>™</sup>

# CyberArk to Acquire Venafi

Seamlessly securing all identities

May 20, 2024



# Cautionary Language Concerning Forward-Looking Statements

This presentation contains forward-looking statements, which express the current beliefs and expectations of CyberArk's (the "Company") management. In some cases, forward-looking statements may be identified by terminology such as "believe," "may," "estimate," "continue," "anticipate," "intend," "should," "plan," "expect," "predict," "potential" or the negative of these terms or other similar expressions. Such statements involve a number of known and unknown risks and uncertainties that could cause the Company's future results, levels of activity, performance or achievements to differ materially from the results, levels of activity, performance or achievements expressed or implied by such forward-looking statements. Important factors that could cause or contribute to such differences include risks relating to: the ability of the parties to consummate the proposed transaction on a timely manner or at all; the satisfaction of the conditions precedent to consummation of the proposed transaction, including the ability to secure regulatory approvals on the terms expected, in a timely manner or at all; the potential impact of the announcement of the proposed transaction on the ability of CyberArk or Venafi to retain and hire key personnel and maintain relationships with customers, suppliers and others with whom CyberArk or Venafi do business, or on CyberArk's or Venafi's operating results and business generally; disruption of the current plans and operations of CyberArk and Venafi as a result of the proposed transaction or its announcement, including increased risks of cyberattacks; risks that Venafi's business will not be integrated successfully into CyberArk's operations; risks relating to CyberArk's ability to realize anticipated benefits of the combined operations; changes to the drivers of the Company's growth and its ability to adapt its solutions to IT security market demands; fluctuation in the Company's quarterly results of operations due to sales cycles and multiple pricing and delivery models; the Company's ability to sell into existing and new customers and industry verticals; an increase in competition within the Privileged Access Management and Identity Security markets; unanticipated product vulnerabilities or cybersecurity breaches of the Company's, or the Company's customers' or partners' systems; complications or risks in connection with the Company's subscription model, including uncertainty regarding renewals from its existing customer base, and retaining sufficient subscription or maintenance and support service renewal rates; risks related to compliance with privacy and data protection laws and regulations; regulatory and geopolitical risks associated with global sales and operations, as well as impacts from the ongoing war between Israel and Hamas and other conflicts in the region, as our principal executive offices, most of our research and development activities and other significant operations are located in Israel; risks regarding potential negative economic conditions in the global economy or certain regions, including conditions resulting from financial and credit market fluctuations, rising interest rates, bank failures, inflation, and the potential for regional or global recessions; the Company's ability to hire, train, retain and motivate qualified personnel; reliance on third-party cloud providers for the Company's operations and SaaS solutions; the Company's history of incurring net losses and its ability to achieve profitability in the future; risks related to the Company's ongoing transition to a new Chief Executive Officer; risks related to sales made to government entities; the Company's ability to find, complete, fully integrate or achieve the expected benefits of strategic acquisitions; the Company's ability to expand its sales and marketing efforts and expand its channel partnerships across existing and new geographies; changes in regulatory requirements or fluctuations in currency exchange rates; the ability of the Company's products to help customers achieve and maintain compliance with government regulations or industry standards; risks related to intellectual property claims or the Company's ability to protect its proprietary technology and intellectual property rights; and other factors discussed under the heading "Risk Factors" in the Company's most recent annual report on Form 20-F filed with the Securities and Exchange Commission. Forward-looking statements in this presentation are made pursuant to the safe harbor provisions contained in the U.S. Private Securities Litigation Reform Act of 1995. These forward-looking statements are made only as of the date hereof, and the Company undertakes no obligation to update or revise the forward-looking statements, whether as a result of new information, future events or otherwise.

# Today's Presenters

**Matt Cohen**  
CEO



**Josh Siegel**  
CFO



# Securing the World Against Cyber Threats so Together We Can Move Fearlessly Forward



**CYBERARK®**

**Global Leader in  
Identity Security**

Every Identity  
Secured with the  
Right Level of  
Privilege Controls

**Venafi**

**Modern, Trusted  
Machine Identity Management**

# Strategic Rationale



**Enhances Platform Value Proposition.** Offers end-to-end machine identity protection, extending CyberArk's leadership position in Identity Security as both human and machine identities increasingly require the appropriate level of intelligent privilege controls



**Expands TAM.** Adds ~\$10 billion TAM as enterprises address security risks associated with rapidly increasing machine identities in a cloud-first, GenAI, post-quantum world



**Accelerates Roadmap.** Continued innovation to secure machine identities in a cloud-first, GenAI, post-quantum world



**Elevates Financial Performance.** Expected to be immediately accretive to margins with significant revenue synergies through cross-sell, up-sell and geographic expansion



**World Class Talent.** Combined company to benefit from talent with aligned customer-centric, security-first approach

# Transaction Overview



## Transaction Consideration.

\$1.54 billion enterprise value, comprised of approximately \$1 billion in cash and approximately \$540 million in CyberArk stock



## Immediately Accretive to Margins.

Transaction expected to be immediately accretive to margins with significant revenue synergies through up-sell, cross-sell and geographic expansion



## Business Outlook.

Calendar year 2024 business outlook does not include impact of acquisition – to be updated after closing

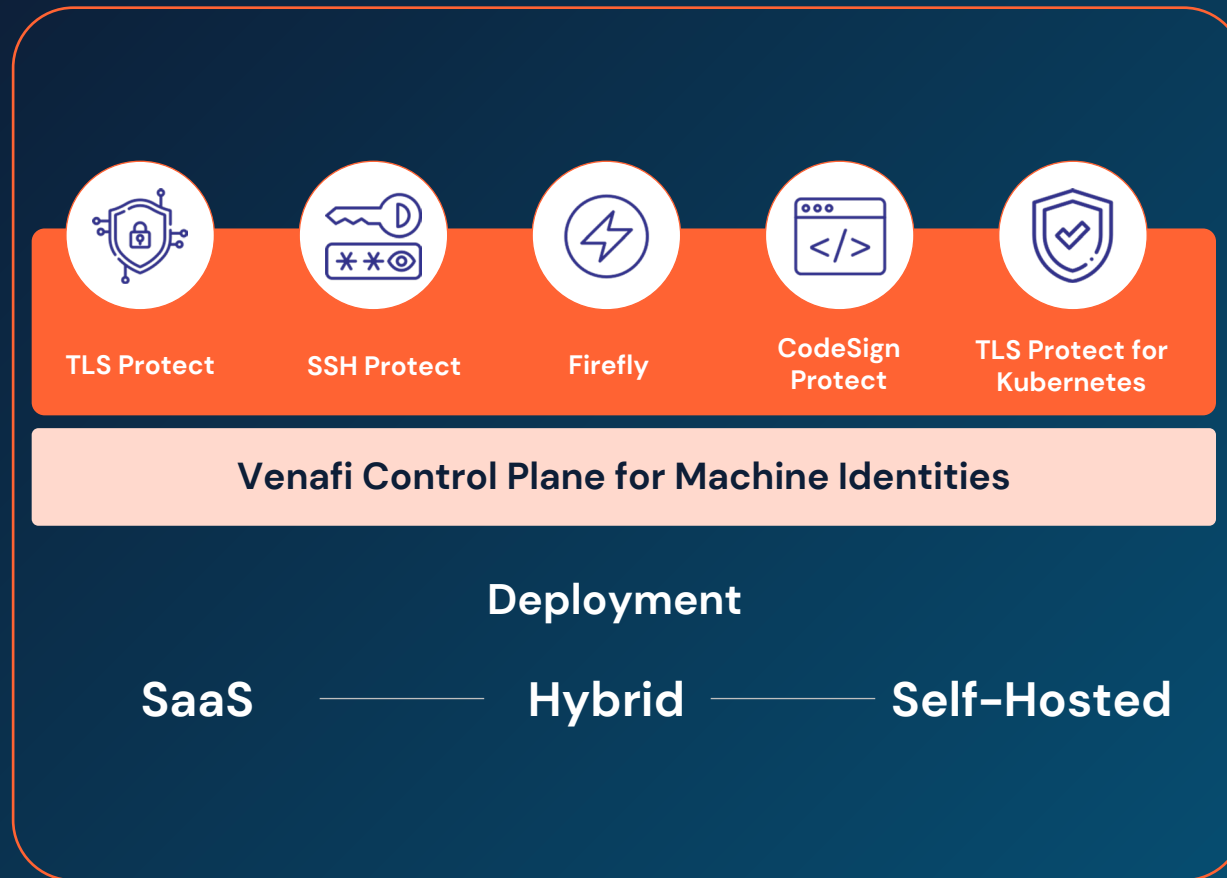


## Timing & Approval.

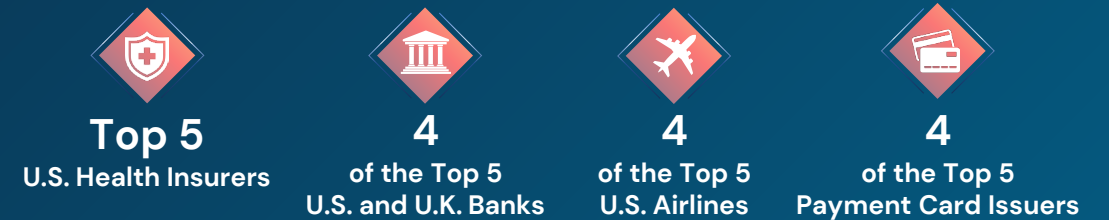
Targeting close in 2H 2024, subject to customary closing conditions

# Venafi is a Category Creator and a Modern, Connected, Trusted Leader in Machine Identity Management

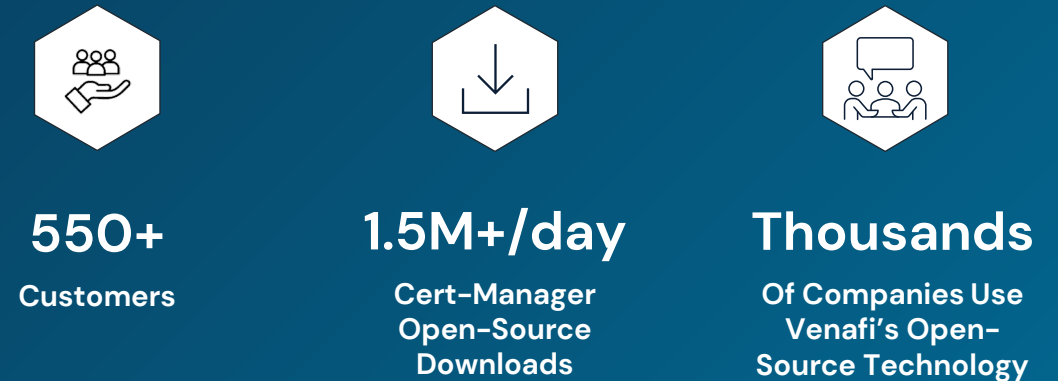
## Venafi platform



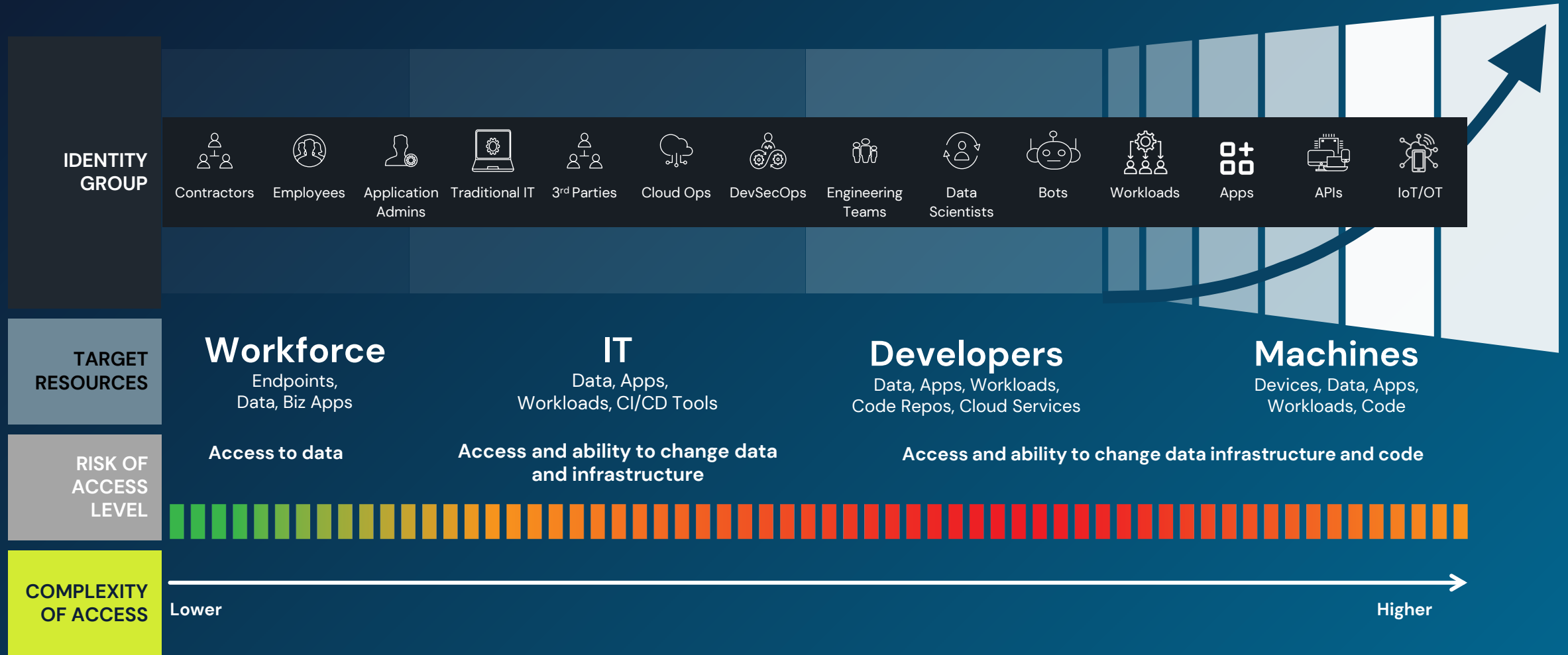
## Trusted by the largest enterprises



## Broad based adoption



# Further Strengthens Our Ability to Wrap Strong Security Controls Around the Full Spectrum of Identities





# Complementary Capabilities in Machine Identity Management



CyberArk + Venafi: **End-to-End Machine Identity Security**

# AI and Connectivity Accelerate the Creation of Machine Identities Faster than Human Identities – Creating Unmitigated Risk

1 **Every system is connected to the Internet or another system**

2 **Developer velocity rapidly expands with GenAI**

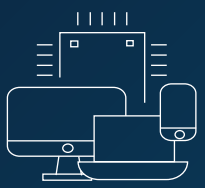
3 **Machine Identities outnumber Human Identities >40-to-1**



Workloads



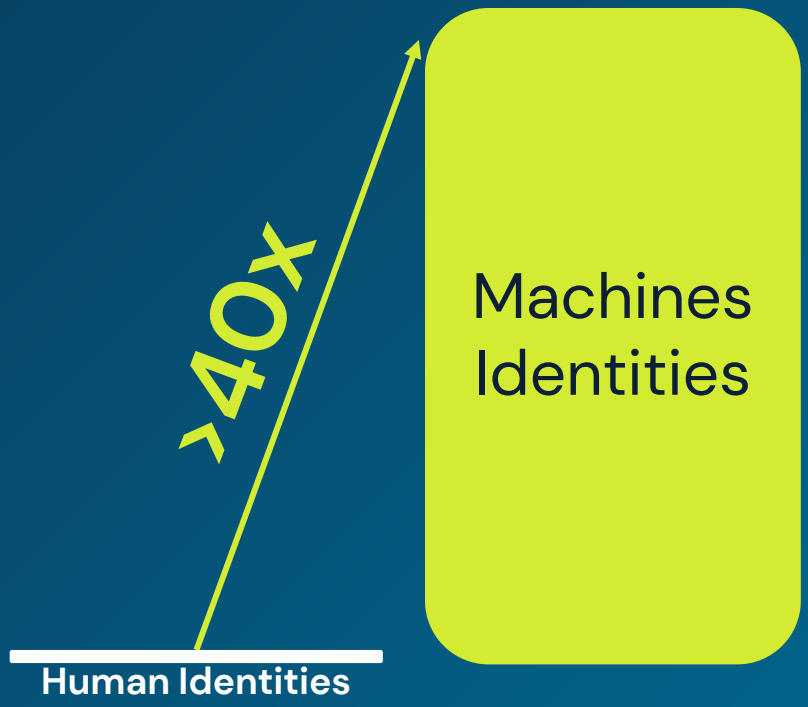
Apps



APIs



IoT/OT



# Managing and Securing Machine Identities is Increasingly Complex



01

**Different Types of Credentials**

Requires different technology to manage access and data in transit



02

**Shorter Lifespan of Certs**

Heightens pressure on DevOps teams and vulnerability across networks



03

**Growing Regulatory Frameworks**

Demands urgency and the need to prioritize securing identities



04

**Quantum and GenAI Amplify Security Risk**

Increases complexity in how to ensure business resiliency

# Existing Approaches Result in Cyber Risk and Operational Downtime for Organizations

Organizations relying on yesterday's solutions to address today's problems...



Manual Spreadsheets



Disparate Open-Source Tools



Native Platform Tools

...are ill equipped to tackle the challenges of today's high-velocity and connected world



Not Scalable



Not Automated



Lacks Context



Not Enterprise Grade

# Venafi Meaningfully Expands Our Opportunity: 3x TAM Expansion Since 2021

Identity Security<sup>(1)</sup>

Incremental  
Machine Identity<sup>(2)</sup>

CyberArk TAM

\$50Bn

+

~\$10Bn

=

~\$60Bn

Source: Expert interviews, McKinsey & Company, Company websites

**Note:**

1. TAM calculated for each line of business considering historical CYBR ARR performance, bottom-up analysis leveraging global firmographics and technology analyst estimates.
2. TAM per McKinsey & Company represents incremental TAM opportunities.

# Select Customer Case Studies



**Problem:** Protect digital transactions and growth for customers worldwide



**Venafi's Impact:**

- Accelerated success with one SaaS control plane across teams in US and Europe
- Replacing legacy PKI with modern SaaS
- Secured platform team use of machine identities saving thousands of hours per year

"We need to give developers and platform teams a machine identity issuer that is lightweight, works on all cloud platforms, is super high speed and is easy to deploy."

*CISO, Diebold Nixdorf*



**Problem:** Protect customer experience, privacy and innovation from online to onboard



**Venafi's Impact:**

- Managed millions of TLS and SSH machine identities consistently
- Eliminated risks from unmanaged identities and access across thousands of servers
- Automated lifecycle to free up resources

"Being able to manage machine identities associated with [our] growth is extremely important... that is incredible. They've bended over double backwards"

*Senior Security Engineer, Southwest*



**Problem:** Eliminate wasted time and resources to scale and secure digital business



**Venafi's Impact:**

- Managed TLS and code signing certificates with one control plane
- Stopped unauthorized code across global operations
- Slashed outages and freed up teams

"There is no way we could do what we do today in a manual world. Without Venafi, we couldn't manage our identities at all"

*Technical Lead, BP*

# Venafi Lowers Cyber Risk and Drives Efficiency for Organizations



**Prevent Security Breaches**



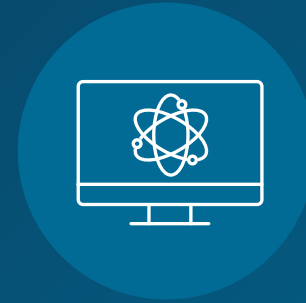
**Avoid Outages**



**Automation and Efficiency**



**Compliance with Regulations / Audits**



**Post-quantum Readiness**

# CyberArk and Venafi Share a Common DNA



**Venafi**

01 Culture of Innovation

**Pioneered MIM  
Purpose-built, Cloud-native, SaaS platform**

02 Enterprise-Focused

**Blue Chip Customer Base**

03 Empowering Security Leaders

**CISO as Buyer; Developer-friendly**

04 Large Technology Ecosystem

**1,000+ Integrations**

05 "We" Before "I"

**Team Before Self**

**Security First Approach with Deep Rooted Focus on  
Delivering Solutions with Meaningful Security and Controls**



# Venafi at a Glance<sup>(1)</sup>



ARR

**~\$150M ARR<sup>(2)</sup>**



Durable Subscription Revenue Model

**~95% Recurring**



Strong Profitability

**Expected To Be Immediately  
Accretive to Margins<sup>(5)</sup>**



Customers

**550+ Customers<sup>(3)</sup>**



SaaS Momentum

**100%+ SaaS ARR Growth<sup>(4)</sup>**



Strong Model

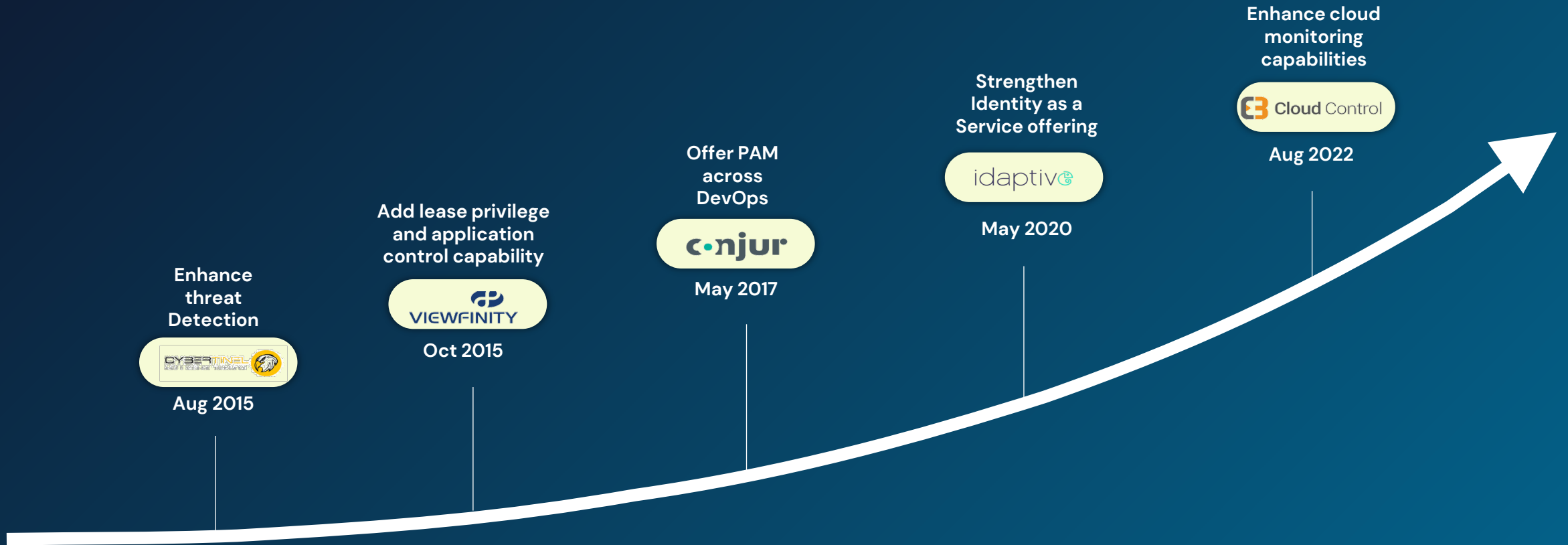
**Cash Flow Positive**

## Notes:

1. Subject to adjustments post-closing.
2. ARR is approximated and may be adjusted post-closing excludes Venafi recurring professional services revenue.

3. Includes ~340 customers over >\$100K ARR and ~90 customers over >\$500K ARR.
4. Venafi introduced its SaaS platform recently and the SaaS portion of ARR is more than 10 percent of the total ARR.
5. Non-GAAP Margins

# Successful Track Record of Creating Shareholder Value Through Prudent Investments and M&A



**1,100%+** Total Shareholder Return Since IPO

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# Q&A

