



COMPANY OVERVIEW

May 12, 2025



Disclaimers

This presentation contains forward-looking statements. All statements contained in this presentation other than statements of historical facts, including, without limitation, statements regarding our market opportunity, demand for our product and service offerings, expectations regarding our annualized recurring revenue (ARR), free cash flow, and our other non-GAAP measures, our business strategy, plans and objectives for future operations and expectations regarding non-GAAP targets, our future financial and business performance for the second quarter and full-year 2025, and the assumptions underlying such guidance, are forward-looking statements. Our use of the words “anticipate,” “believe,” “continue,” “estimate,” “expect,” “intend,” “may,” “will” and similar expressions are intended to identify forward-looking statements. The events described in our forward-looking statements are subject to a number of risks and uncertainties, assumptions and other factors that could cause actual results and the timing of certain events to differ materially from future results expressed or implied by the forward-looking statements. Risks that could cause or contribute to such differences include, but are not limited to, growing macroeconomic uncertainty, unstable market and economic conditions, fluctuations in our quarterly results, effectiveness of our restructuring plan, failure to meet our publicly announced guidance or other expectations about our business, our ability to sustain our revenue growth rate, the ability of our products and professional services to correctly detect vulnerabilities, competition in the markets in which we operate, market growth, our ability to innovate and manage our growth, our ability to integrate acquired companies, exposure to greater than anticipated tax liabilities, our ability to operate in compliance with applicable laws as well as other risks and uncertainties set forth in the “Risk Factors” section of our most recent Annual Report on Form 10-K filed with the SEC on February 28, 2025 and in the subsequent reports that we file with the SEC. Moreover, we operate in a very competitive and rapidly changing environment. New risks emerge from time to time. It is not possible for our management to predict all risks, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those expressed in any forward-looking statements we may make. Except as required by law, we undertake no obligation to update any forward-looking statements to reflect events or circumstances after the date of such statements. You should, therefore, not rely on these forward-looking statements as representing our views as of any date subsequent to the date of this presentation.

This presentation also contains estimates and other statistical data made by independent parties and by us relating to market size and growth and other data about our industry. This data involves a number of assumptions and limitations, and you are cautioned not to give undue weight to such estimates. Neither we nor any other person makes any representation as to the accuracy or completeness of such data or undertakes any obligation to update such data after the date of this presentation. In addition, projections, assumptions and estimates of our future performance and the future performance of the markets in which we operate are necessarily subject to a high degree of uncertainty and risk.

This presentation also contains certain non-GAAP financial measures as defined by the SEC rules. These non-GAAP financial measures are in addition to, and not a substitute for or superior to, measures of financial performance prepared in accordance with GAAP. There are a number of limitations related to the use of these non-GAAP financial measures versus their nearest GAAP equivalents. For example, other companies may calculate non-GAAP financial measures differently or may use other measures to evaluate their performance, all of which could reduce the usefulness of our non-GAAP financial measures as tools for comparison. Please refer to our May 12, 2025 press release for additional information as to why we believe these non-GAAP financial measures are useful to investors and others in assessing our operating results. As required by Regulation G, we have provided a reconciliation of those measures to their most directly comparable GAAP measures, which is available in the end notes to this presentation. However, the reconciliation of non-GAAP guidance measures to the most comparable GAAP measures does not reflect any items that are unknown at this time, such as non-ordinary course litigation-related expenses, which we are not able to predict without unreasonable effort due to their inherent uncertainty.

Rapid7 Overview

FINANCIAL SCALE

**MASSIVE OPPORTUNITY TO
CONSOLIDATE SECOPS**

\$54BN+

Total Addressable
Market

**SUBSTANTIAL RECURRING
REVENUE BASE**

\$840M

2024 ARR

STRONG CASH FLOW

\$150M+

2024 Free Cash Flow

GLOBAL SCOPE

11K+

Global Customers

300T+

Events Collected
& Analyzed by
R7 Threat Engine

60M+

Automation
Workflows

500+

Platform Integrations
for Connectivity

60+

Patents Granted and
Pending Related to AI

THE REALITIES OF SECURING A FRAGMENTED ATTACK SURFACE

Collecting more data, while **getting less** from it.

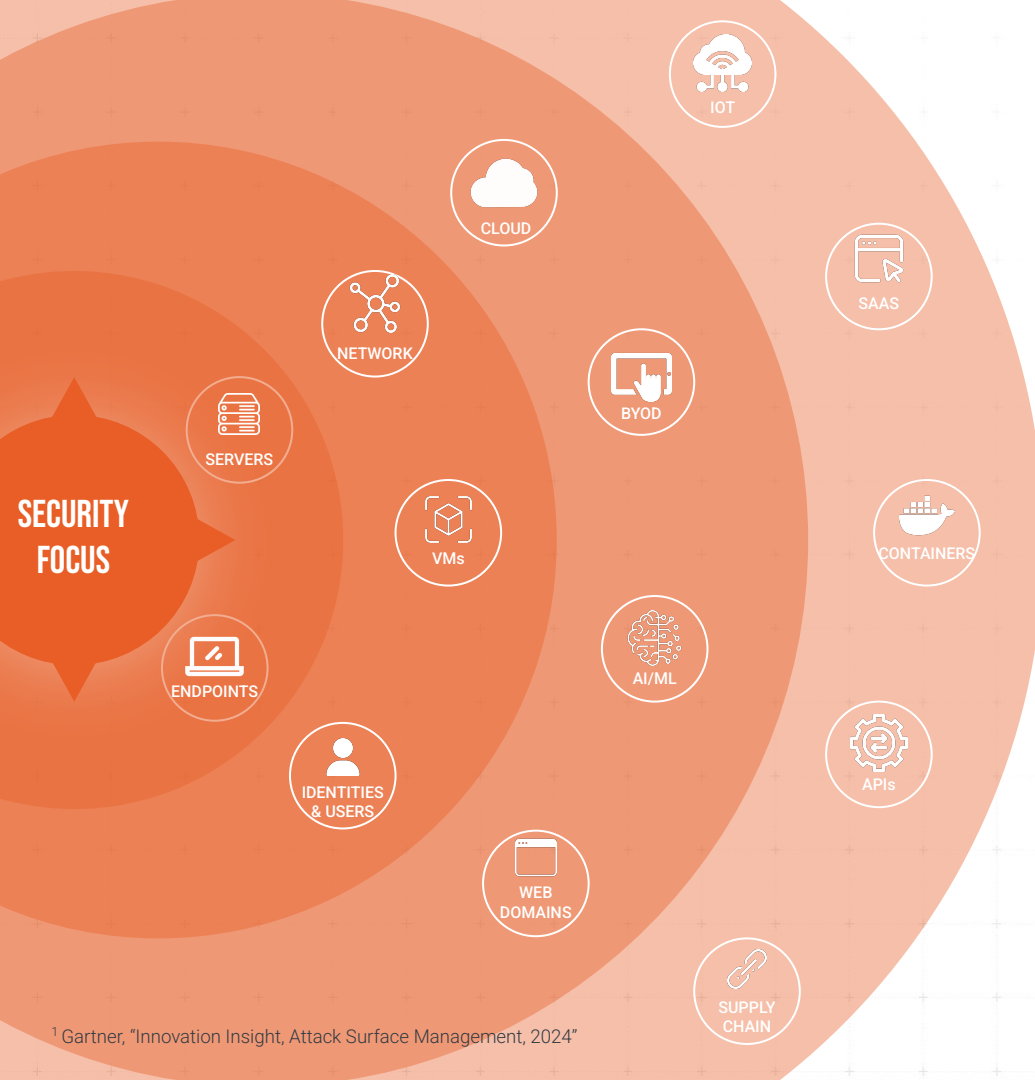
More than 80% of organizations¹ are not able to see the majority of their attack surface.

Manually integrating **without confidence**.

Spending cycles (and budget) integrating disparate systems without clarity and confidence in the data.

Lacking the clarity and context to prioritize.

Lacking the context to be able to zero-in on what actually matters, take action, and collaborate effectively across teams.



¹ Gartner, "Innovation Insight, Attack Surface Management, 2024"

Compelling Customer Value Proposition

ANTICIPATE, PINPOINT, AND ACT WITH CONFIDENCE



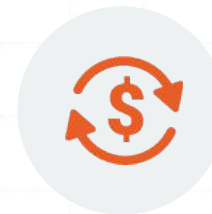
Anticipate and prevent breaches with tailored threat-aware risk context



Gain control over your attack surface by pinpointing the relevant, actionable insights across diverse data sets

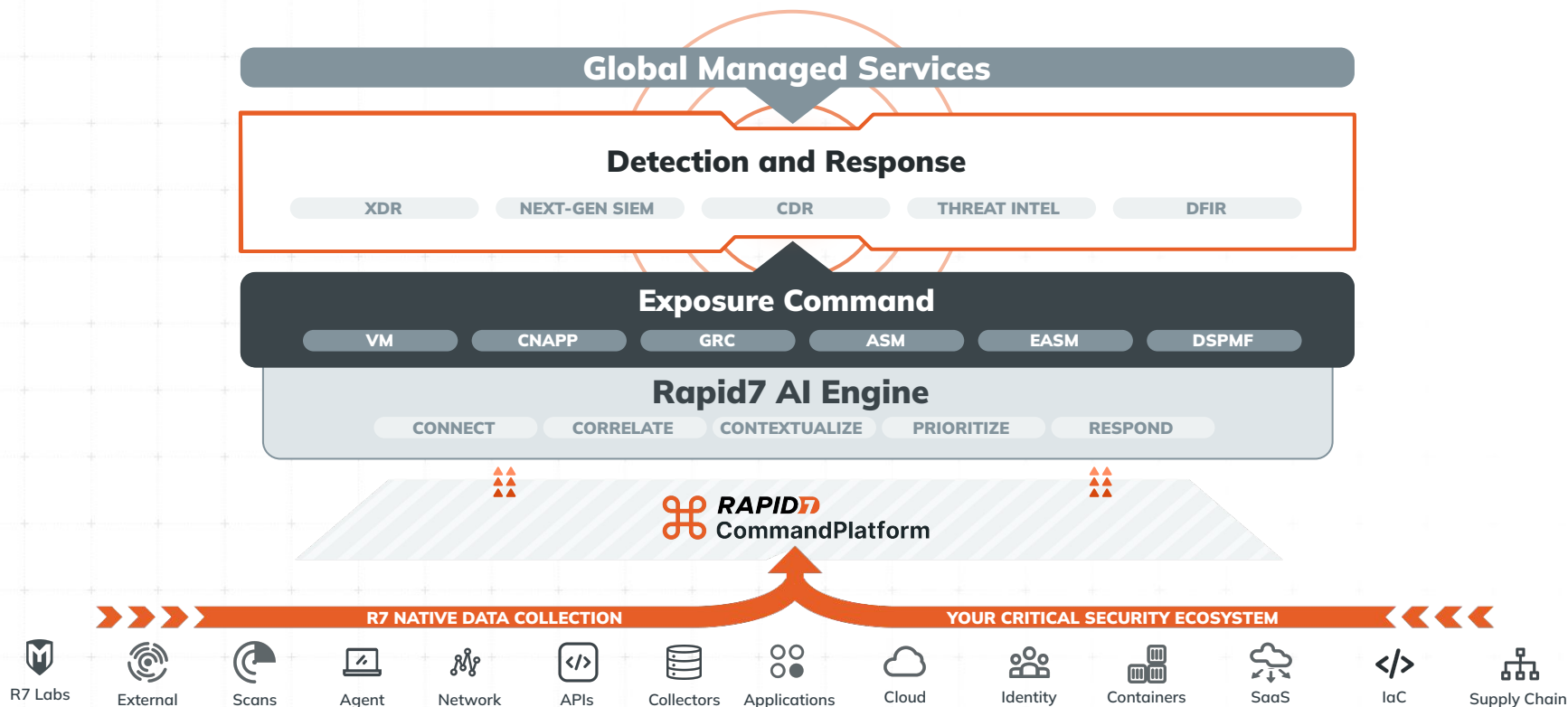


Detect and take action confidently on threats with experts by your side



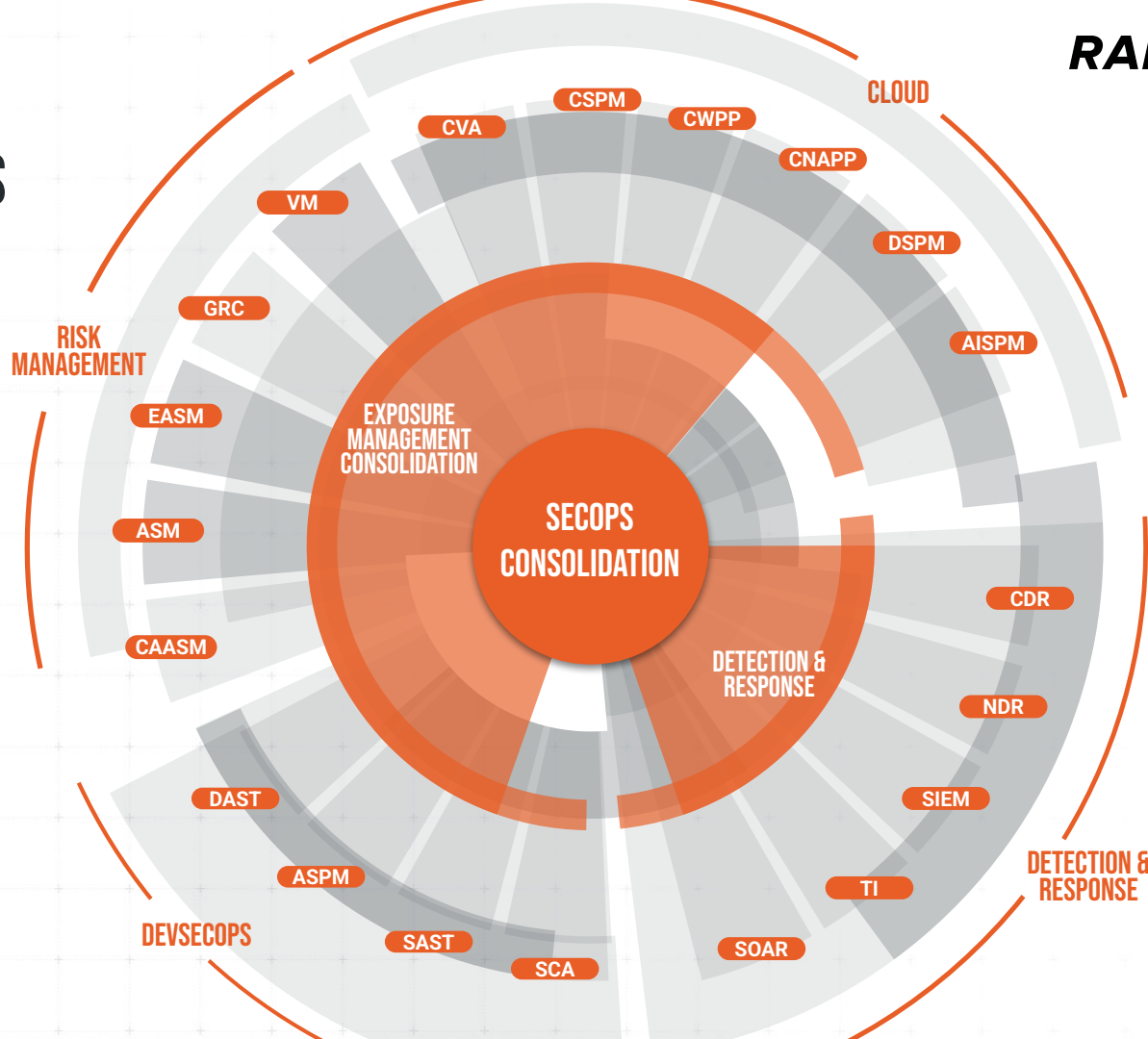
Deliver tangible ROI and outcomes that make it easy to demonstrate success

Command Your Attack Surface



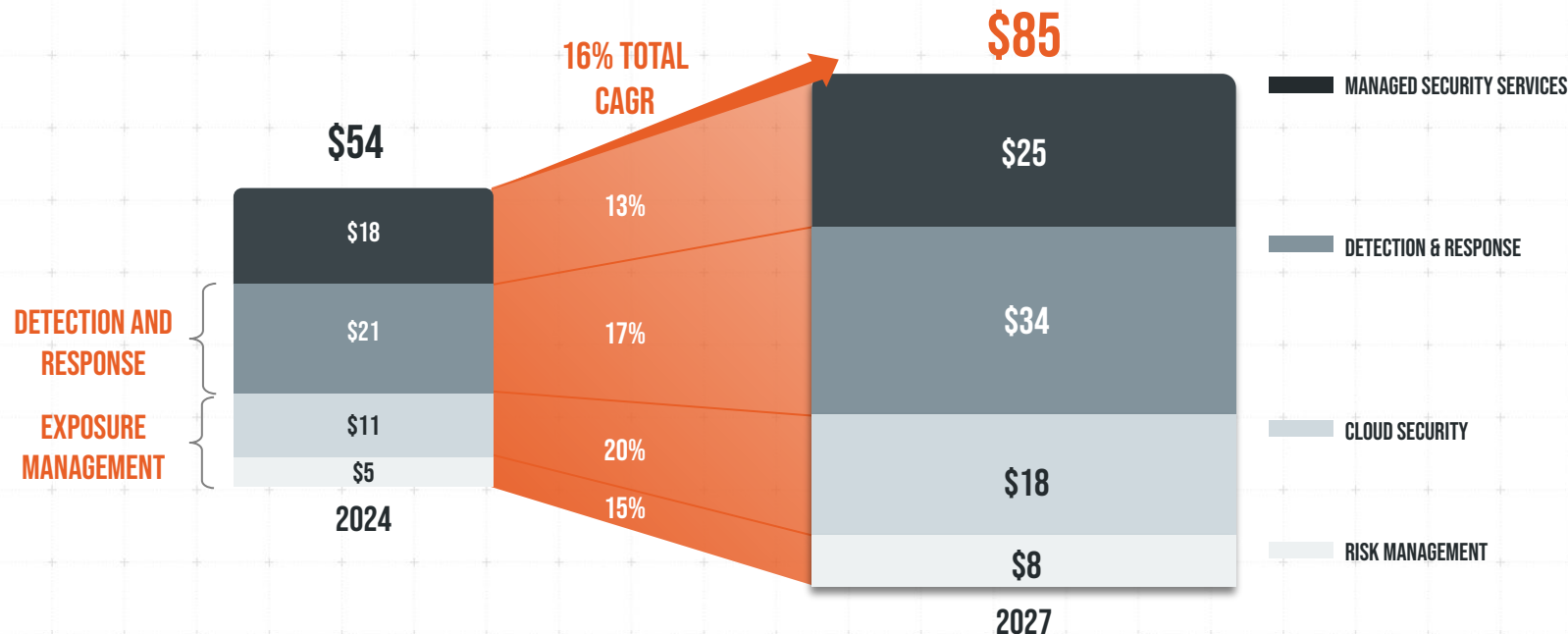
SECURITY OPERATIONS PLATFORM CONSOLIDATION

Rapid7 offers a broader and more comprehensive SecOps platform than traditional competitors



Large Market Opportunity for Security Operations

\$ in billions



Source: Gartner, "Forecast: Information Security and Risk Management, Worldwide, 2022-2028, 2024 Update," Gartner, "Emerging Tech: Adoption Growth Insights in Digital Risk Protection Services, Gartner, "Forecast: Cloud Security Posture Management Worldwide, 2021-2017, 4Q23 Update", Gartner "Market Share Analysis: Managed Security Services Worldwide, 2022", and IDC, "Worldwide SOAR and Firewall Automation Market Share," IDC, "Worldwide Cloud-Native XDR Forecast, 2024-2028," IDC, "Worldwide Attack Surface Management and Breach and Attack Simulation Software Forecast, 2024-2028."

Rapid7 Labs: Global Threat Intelligence Community



Intelligence built into our products & services

Active Risk for vulnerability prioritization, custom detection in MDR, and more



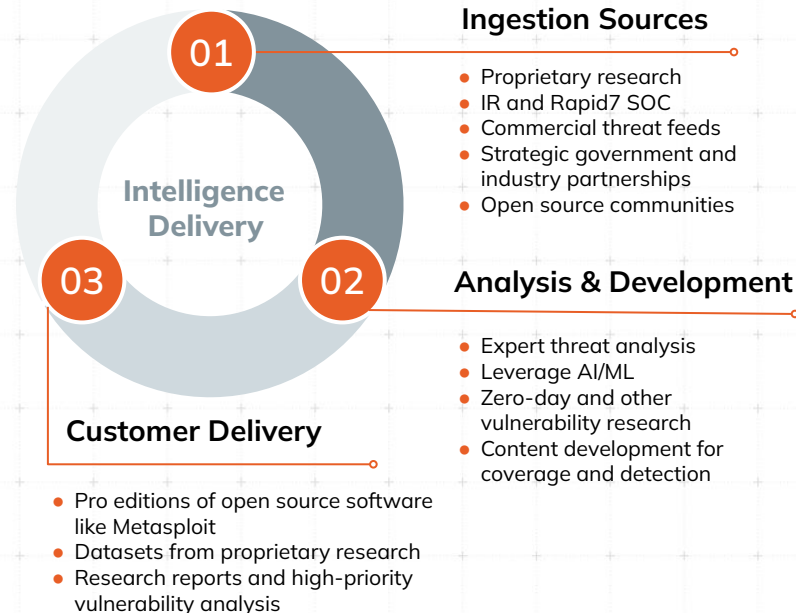
Expert analysis of attack trends, emergent threats, and high-priority vulnerabilities

ETR advisory, research reports, vulnerability disclosures



Active security research & open source communities

AttackerKB, Metasploit open-source framework, Velociraptor, Open Data, Project Doppler



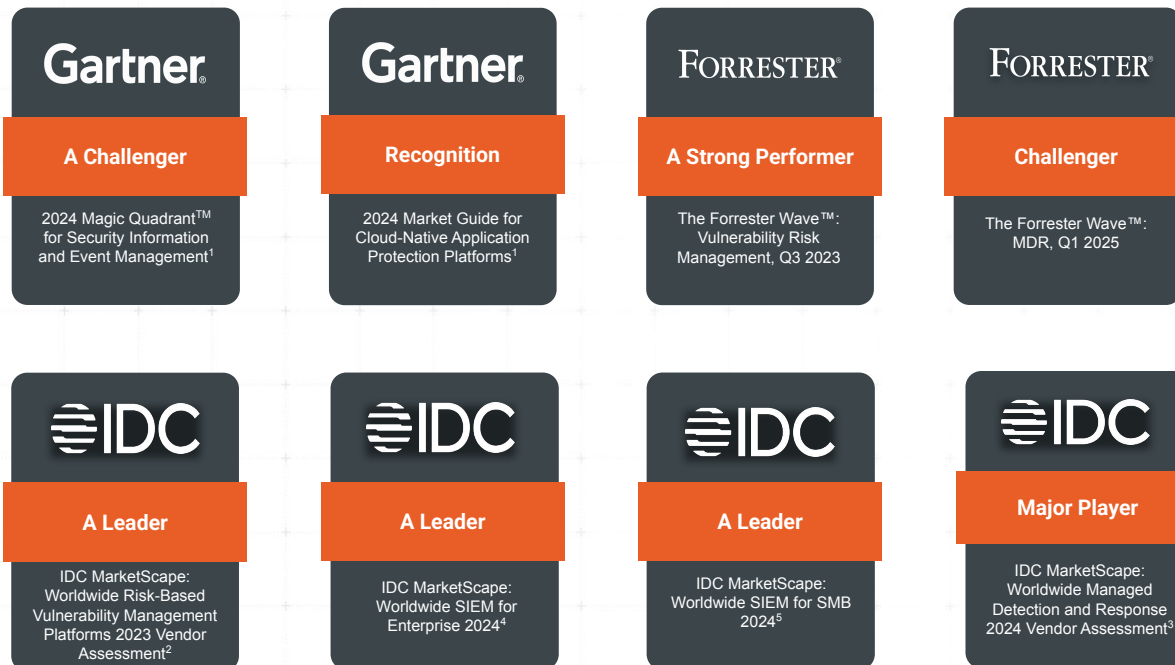
Robust Partner Ecosystem



Extensive Partner Integration Ecosystem



Technology Leadership: Industry Analyst Recognition



¹Gartner does not endorse any vendor, product or service depicted in its research publications and does not advise technology users to select only those vendors with the highest ratings or other designation. Gartner research publications consist of the opinions of Gartner's research organization and should not be construed as statements of fact. Gartner disclaims all warranties, expressed or implied, with respect to this research, including any warranties of merchantability or fitness for a particular purpose.

IntSights, a Rapid7 company was recognized in the 2023 Market Guide for Security Threat Intelligence Products and Services

²IDC MarketScape: Worldwide Risk-Based Vulnerability Management Platforms 2023 Vendor Assessment, #US50302323

³IDC MarketScape: Worldwide Managed Detection and Response 2024 Vendor Assessment, April 2024, #US49006922

⁴IDC MarketScape: Worldwide SIEM for Enterprise 2024, September 2024, #US51541324

⁵IDC MarketScape: Worldwide SIEM for SMB 2024, September 2024, #US52038824

Rapid7 for Social Good Beyond ESG

Rapid7 Core Values

Bring You

Thrive by celebrating individuality and diverse perspectives

Be an Advocate

Relentlessly champion our customers to propel the security industry forward

Challenge Convention

Forge new paths with foresight, discipline, and determination

Impact Together

Actively support, collaborate with, and learn from each other

Never Done

Pursue personal and professional excellence through continuous learning

Employee Engagement & Inclusion

Data-driven focus to advance a multi-dimensional workforce, inclusive culture, and equitable pay. Recognized in Bloomberg Gender Equality Index 2019, 2020, 2021, 2022, and 2023.

Environment & Climate Change

Focus on reducing environmental impact by minimizing greenhouse gas emissions.

Corporate Governance

High ethical standards for governance set by the board of directors.

Community Engagement & Social Impact

Giving back to our communities through partnerships with STEM and inclusion-focused programs, charitable giving, and employee volunteerism.

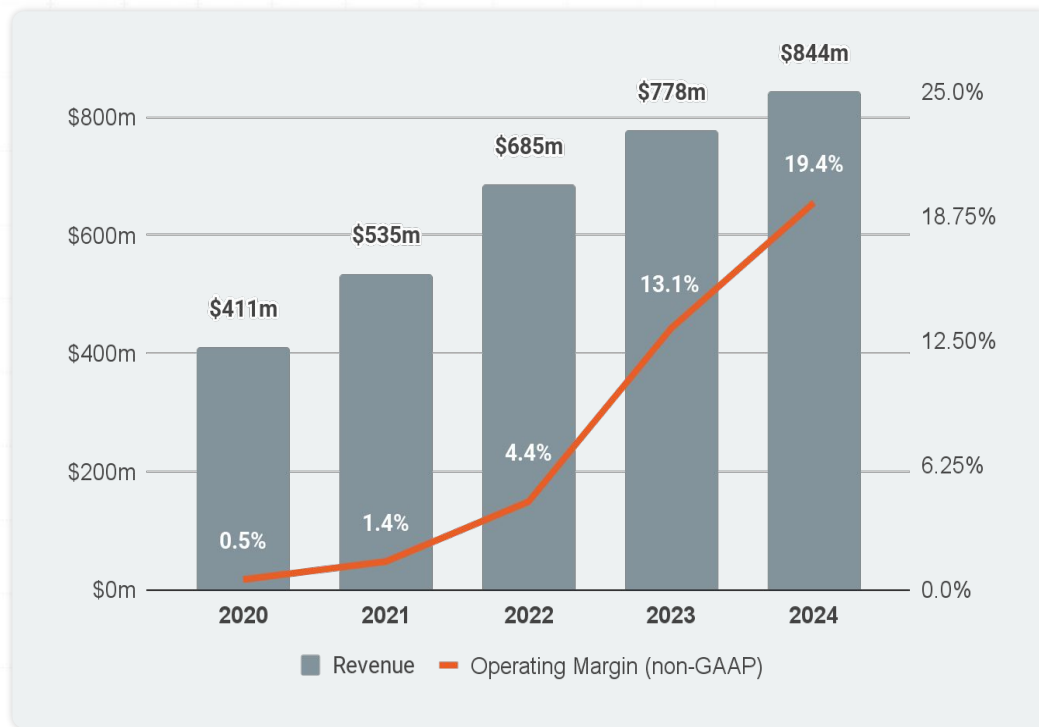
Non-Profit Support

Offering solution discounts to eligible non-profit organizations so they can focus more of their resources pursuing the good they do in the world.

FINANCIAL OVERVIEW

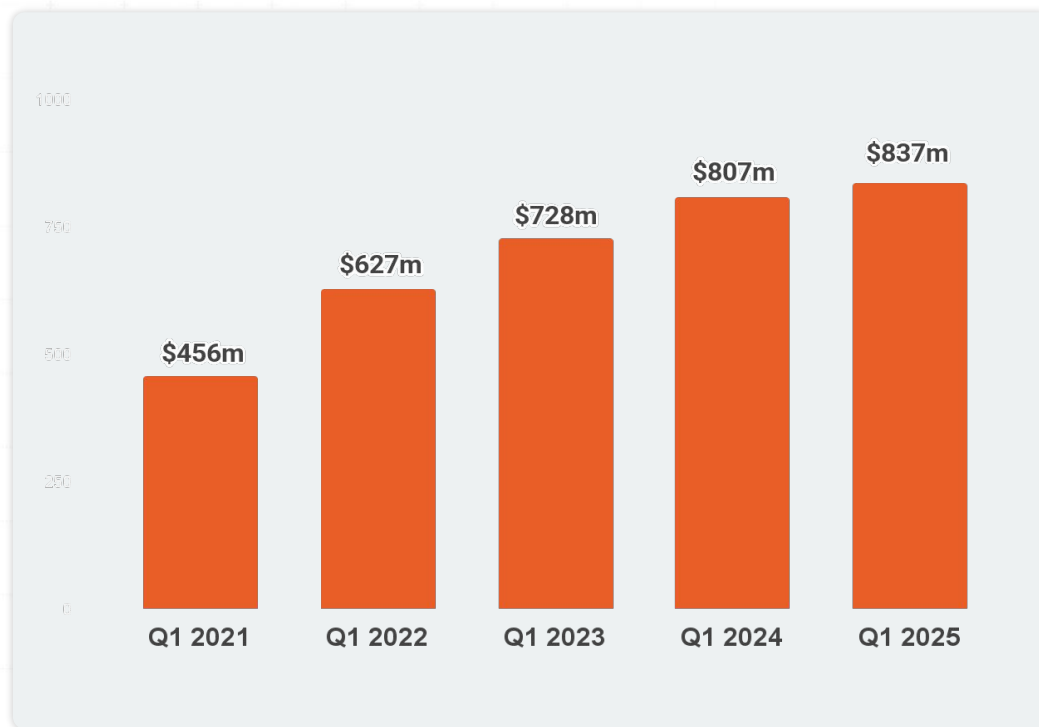
Annual Revenue Growth and Margin Expansion

- 2024 revenue growth of **9%** year-over-year
- Revenue CAGR (2020 - 2024): **20%**
- Non-GAAP operating margin scaled to over 19%



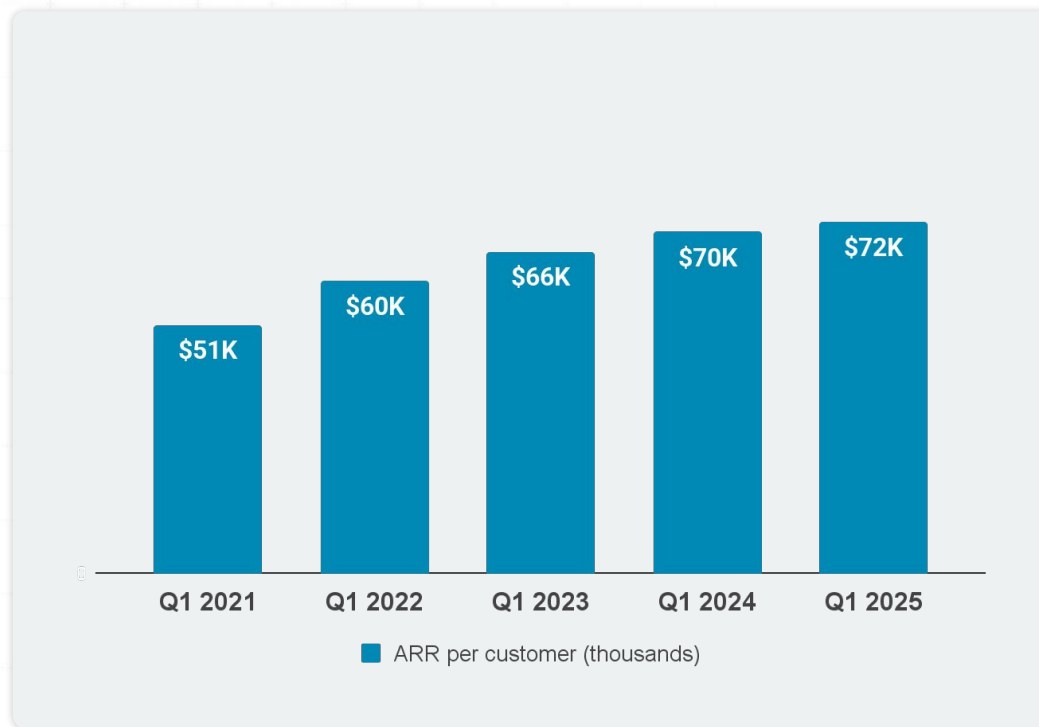
Annualized Recurring Revenue

- ARR grew by **4%** year-over-year in Q1 2025
- ARR CAGR of **16%** from Q1 2021 to Q1 2025



Upsells & Cross-Sells Drive ARR per Customer Growth

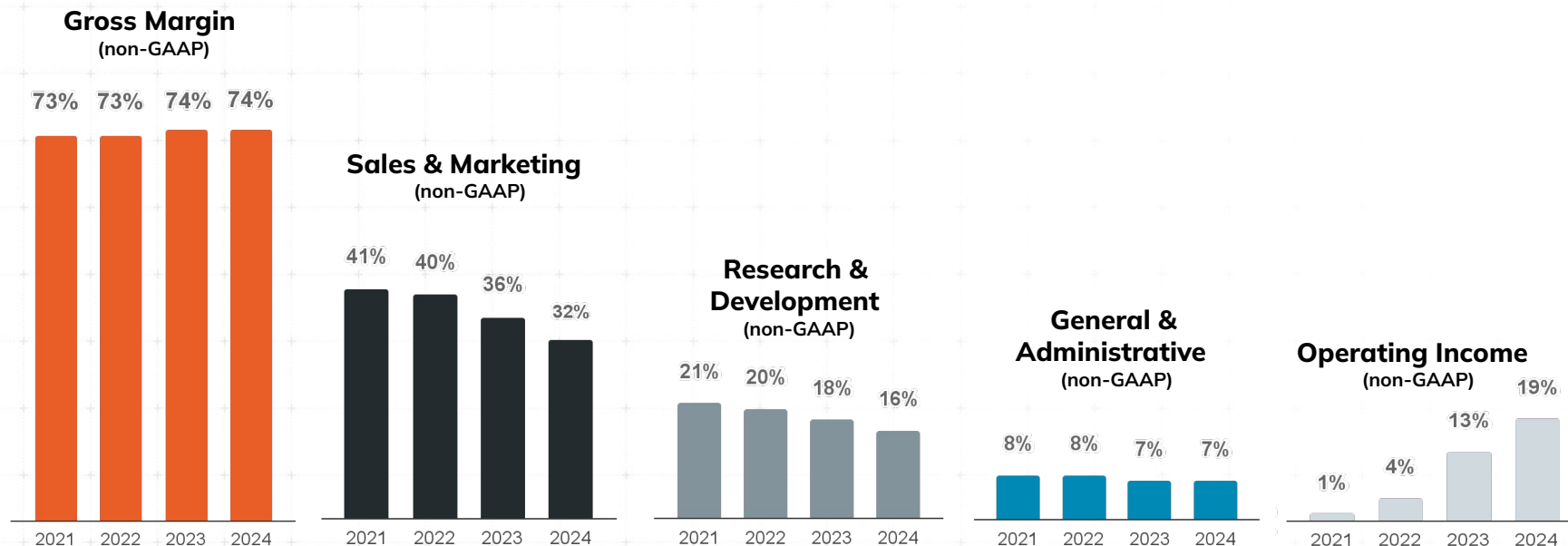
- ARR per customer was approximately **\$72K** in Q1 2025
- ARR per customer CAGR of **9%** from Q1 2021 to Q1 2025



ARR per customer is based on the new customer count methodology provided at Rapid7's 2021 Investor Day on March 10, 2021.

Focused on Long-term Profitability Improvement

Expenses and Operating Income as % of Revenue (non-GAAP)



Guidance: Q2 2025 and Full-Year 2025

Rapid7 anticipates Annualized Recurring Revenue, Revenue, Non-GAAP Income from Operations, Non-GAAP Net Income per Share and Free Cash Flow as follows:

	Q2 2025	Full Year 2025
Annualized Recurring Revenue		\$850 to \$880m
Annualized Recurring Revenue Growth Y/Y		1% to 5%
Revenue	\$211 to \$213m	\$853 to \$863m
Revenue Growth Y/Y	1% to 2%	1% to 2%
Non-GAAP Operating Income ¹	\$30 to \$32m	\$125 to \$135
Non-GAAP Net Income Per Share ¹	\$0.43 - \$0.46	\$1.78 - \$1.91
Weighted-average Shares Outstanding, Diluted	75.3	76.7
Free Cash Flow		\$125 to \$135m

See End Notes for additional information and definitions

SUPPLEMENTAL

GAAP to Non-GAAP Reconciliations: Q1 2025

	GAAP	Stock-based compensation expense	Amortization of acquired intangible assets	Acquisition-related expenses	Amortization of debt issuance costs	Restructuring expense	Discrete tax items	Non-GAAP	Depreciation expense	Amortization of intangible assets	Adjusted EBITDA
Revenue:											
Products	\$ 203,935	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 203,935	\$ -	\$ -	\$ 203,935
Professional services	6,318	-	-	-	-	-	-	6,318	-	-	6,318
Total revenue	210,253	-	-	-	-	-	-	210,253	-	-	210,253
Cost of revenue:											
Products	\$ 54,368	\$ 1,731	\$ 4,423	\$ -	\$ -	\$ -	\$ -	\$ 48,214	\$ 370	\$ 3,754	\$ 44,090
Professional services	5,112	533	-	-	-	-	-	4,579	127	-	4,452
Total cost of revenue	59,480	2,264	4,423	-	-	-	-	52,793	497	3,754	48,542
Gross margin %	72%							75%			
Research and development	47,888	10,386	-	-	-	-	-	37,502	910	-	36,592
Sales and marketing	79,400	7,241	652	-	-	-	-	71,507	1,014	-	70,493
General and administrative	23,586	7,260	45	183	-	-	-	16,098	370	-	15,728
Income (Loss) from operations	\$ (101)	\$ (27,151)	\$ (5,120)	\$ (183)	\$ -	\$ -	\$ -	\$ 32,353	\$ (2,791)	\$ (3,754)	\$ 38,898
Interest income	5,758	-	-	-	-	-	-	5,758	-	-	-
Interest expense	(2,654)	-	-	-	(1,019)	-	-	(1,635)	-	-	-
Other income (expense), net	1,802	-	-	-	-	-	-	1,802	-	-	-
Income (loss) before income taxes	4,805	(27,151)	(5,120)	(183)	(1,019)	-	-	38,278	-	-	-
Provision for income taxes	2,700	-	-	-	-	-	-	2,700	-	-	-
Net income	\$ 2,105	\$ (27,151)	\$ (5,120)	\$ (183)	\$ (1,019)	\$ -	\$ -	35,578	-	-	-
Add: Interest expense of convertible senior notes								1,571			
Numerator for non-GAAP earnings per share calculation								37,149			
Net income per share:											
Basic	\$ 0.03							\$ 0.56			
Diluted	\$ 0.03							\$ 0.49			
Weighted-average shares used in non-GAAP per share calculation:											
Basic	63,835,945							63,835,945			
Diluted	64,224,415							75,408,026			

(Unaudited, in thousands, except share and per share data)

GAAP to Non-GAAP Reconciliations: Q1 2024

	GAAP	Stock-based compensation expense	Amortization of acquired intangible assets	Acquisition-related expenses	Amortization of debt issuance costs	Restructuring expense	Discrete tax items	Non-GAAP	Depreciation expense	Amortization of intangible assets	Adjusted EBITDA
Revenue:											
Products	\$ 196,918	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 196,918	\$ -	\$ -	\$ 196,918
Professional services	8,183	-	-	-	-	-	-	8,183	-	-	8,183
Total revenue	205,101	-	-	-	-	-	-	205,101	-	-	205,101
Cost of revenue:											
Products	\$ 54,734	\$ 2,298	\$ 4,317	\$ -	\$ -	\$ -	\$ -	\$ 48,119	\$ 414	\$ 3,426	\$ 44,279
Professional services	6,260	373	-	-	-	-	-	5,887	143	-	5,744
Total cost of revenue	60,994	2,671	4,317	-	-	-	-	54,006	557	3,426	50,023
Gross margin %	70%							74%			
Research and development	41,368	7,944	-	-	-	-	-	33,424	859	-	32,565
Sales and marketing	73,095	7,137	652	-	-	-	-	65,306	1,081	-	64,225
General and administrative	19,928	7,993	45	-	-	(190)	-	12,080	411	-	11,669
Income from operations	\$ 9,716	\$ (25,745)	\$ (5,014)	\$ -	\$ -	\$ 190	\$ -	\$ 40,285	\$ (2,908)	\$ (3,426)	\$ 46,619
Interest income	4,720	-	-	-	-	-	-	4,720	-	-	-
Interest expense	(2,670)	-	-	-	(1,053)	-	-	(1,617)	-	-	-
Other income (expense), net	(1,435)	-	-	-	-	-	-	(1,435)	-	-	-
Income before income taxes	10,331	(25,745)	(5,014)	-	(1,053)	190	-	41,953	-	-	-
Provision for income taxes	8,925	-	-	-	-	-	6,360	2,565	-	-	-
Net Income	\$ 1,406	\$ (25,745)	\$ (5,014)	\$ -	\$ (1,053)	\$ 190	\$ (6,360)	\$ 39,388	1,571	-	-
Add: Interest expense of convertible senior notes											
Numerator for non-GAAP earnings per share calculation								\$ 40,959			
Net (loss) income per share:											
Basic	\$ 0.02							\$ 0.64			
Diluted	\$ 0.02							\$ 0.55			
Weighted-average shares used in non-GAAP per share calculation:											
Basic	61,907,808							61,907,808			
Diluted	74,021,704							74,021,704			

(Unaudited, in thousands, except share and per share data)

Note: Certain prior period amounts reflect immaterial corrections; Please refer to the Company's earnings press release dated May 12, 2025 for additional information.

GAAP to Non-GAAP Guidance Reconciliation: Q2 & FY 2025

	Second Quarter 2025		Full-Year 2025	
Reconciliation of GAAP income from operations to non-GAAP income from operations:				
Anticipated GAAP loss from operations	\$ (2)	to \$ —	\$ (11)	to \$ (1)
Add: Anticipated stock-based compensation expense	27	to 27	116	to 116
Add: Anticipated amortization of acquired intangible assets	5	to 5	20	to 20
Anticipated non-GAAP income from operations	<u>\$ 30</u>	<u>to \$ 32</u>	<u>\$ 125</u>	<u>to \$ 135</u>
Reconciliation of GAAP net income to non-GAAP net income:				
Anticipated GAAP net loss	\$ (2)	to \$ —	\$ (9)	to \$ 1
Add: Anticipated stock-based compensation expense	27	to 27	116	to 116
Add: Anticipated amortization of acquired intangible assets	5	to 5	20	to 20
Add: Anticipated amortization of debt issuance costs	1	to 1	4	to 4
Anticipated non-GAAP net income	<u>\$ 31</u>	<u>to \$ 33</u>	<u>\$ 131</u>	<u>to \$ 141</u>
Add: Anticipated interest expense on convertible senior notes	1.4	to 1.4	5.6	to 5.6
Numerator for non-GAAP earnings per share calculation	<u>\$ 32.4</u>	<u>to \$ 34.4</u>	<u>\$ 136.6</u>	<u>to \$ 146.6</u>
Anticipated GAAP net (loss) income per share ¹	\$ (0.03)	\$ —	\$ (0.14)	\$ 0.02
Anticipated non-GAAP net income per share, diluted	\$ 0.43	\$ 0.46	\$ 1.78	\$ 1.91
Weighted average shares used in earnings per share calculation, diluted	75.3		76.7	

¹The anticipated GAAP net loss per share is calculated using basic weighted average shares for periods in which the Company anticipated a GAAP net loss. The anticipated GAAP net income per share is calculated using GAAP diluted weighted average shares for periods in which the Company anticipated GAAP net income.

The reconciliation does not reflect any items that are unknown at this time, including, but not limited to, non-ordinary course litigation-related expenses, which we are not able to predict without unreasonable effort due to their inherent uncertainty. As a result, the estimates shown for Anticipated GAAP loss from operations, Anticipated GAAP net loss and Anticipated GAAP net loss per share are expected to change

(Amounts in millions, except per share data)

GAAP to Non-GAAP Guidance Reconciliation: FY 2025

	Full-Year 2025	
Reconciliation of net cash provided by operating activities to free cash flow:		
Anticipated net cash provided by operating activities.....	\$ 146	to \$ 156
Less: Anticipated purchases of property and equipment.....	(7)	to (7)
Less: Anticipated capitalized internal-use software costs	(14)	to (14)
Anticipated free cash flow	<u>\$ 125</u>	<u>\$ 135</u>

End Notes

Annualized Recurring Revenue (ARR)

- Annualized Recurring Revenue (ARR) is defined as the annual value of all recurring revenue related to contracts in place at the end of the period. ARR should be viewed independently of revenue and deferred revenue as ARR is an operating metric and is not intended to be combined with or replace these items. ARR is not a forecast of future revenue and can be impacted by contract start and end dates and renewal rates, and does not include revenue reported as professional services revenue in our consolidated statement of operations.

Recurring Revenue

- Recurring revenue is defined as revenue from the sale of term software licenses, content subscriptions, managed services, cloud-based subscriptions and maintenance and support calculated as % of total revenue.

Customer

- A Customer is defined as any entity that has an active recurring revenue contract as of the specified measurement date, excluding InsightOps and Logentries only customers with a contract value of less than \$2,400 per year.

ARR per Customer

- ARR per Customer is defined as ARR divided by the number of Customers at the end of the period.

Non-GAAP metrics

- Non-GAAP gross margins represent the GAAP gross profit, excluding stock-based compensation expense and amortization of acquired intangible assets calculated as a % of revenue. See GAAP to Non-GAAP reconciliation.
- Operating expenses and operating income margin presented are on a non-GAAP basis and exclude stock-based compensation expense, amortization of acquired intangible assets, and certain other items such as acquisition-related expenses and litigation-related expenses.
- Free cash flow is defined as cash flow provided by operations less purchases of property and equipment and capitalization of internal-use software costs.

Guidance

- Guidance for the second quarter and full-year 2025 does not include any potential impact of foreign exchange gains or losses.
- Non-GAAP guidance excludes estimates for stock-based compensation expense, amortization of acquired intangible assets, amortization of debt issuance costs and certain other items such as restructuring expense and discrete tax items. A reconciliation of non-GAAP guidance measures to the most comparable GAAP measures is provided in the financial statement tables included in these End Notes. The reconciliation does not reflect any items that are unknown at this time, such as non-ordinary course litigation-related expenses, for the second quarter and full-year 2025, which we are not able to predict without unreasonable effort due to their inherent uncertainty.

THANK YOU

