



SECURITY
DATA &
ANALYTICS

Acquisition of Logentries

OCTOBER 13, 2015

RAPID7 PROPRIETARY

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Acquisition Highlights

Complementary

Machine Data Search to Existing Incident Detection & Response

Natural

Progression of Rapid7 Security Data & Analytics Platform

Disruptive

Pricing & Economics in Log Search

Acceleration

of Rapid7 Roadmap and TAM Penetration

Compelling

Revenue and Cost Synergies

Incremental

\$10-12m in Billings in 2016

Presentation Content

1. Acquisition Overview
2. Logentries' Compelling Machine Data Search Technology
3. Bringing IT Search to Security
4. Rapid7's Security Data & Analytics Platform Progression
5. Acquisition Financial Highlights

Acquisition Overview

LOGENTRIES

Scalable,
real-time

MACHINE DATA
search
technology

\$68m total
consideration

- \$36m cash
- \$32m equity

- 1 Logentries' Machine Data Search is a **Natural Complement** to Rapid7's data collection, technology platform & offerings
- 2 **Unique Search Technology** advantage for logs and IT data
- 3 **Accelerates Rapid7 Product Roadmap and TAM Penetration** in significant opportunity in security data & analytics
- 4 Attractive business model **Accretive to Rapid7 Revenue Growth** and driving **\$10-12m in Incremental Billings** in 2016
- 5 Leverages Rapid7's size, scale & operations to drive compelling **Revenue and Cost Synergies**

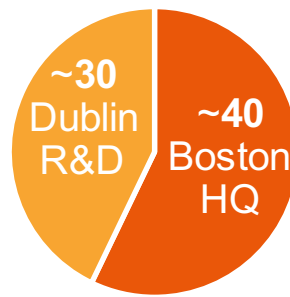
Logentries Company Overview



Customers
in 65+ Countries



Subscription Model



~70 Global Employees

UNIQUE Machine Data Search

- ✓ **efficient storage** of log data ... **fast search** with probabilistic indexing, alerting & tagging
- ✓ innovative architecture creates **low service delivery costs** ... to enable **disruptive pricing** opportunity
- ✓ **scalable cloud platform** (on AWS) drives efficient service delivery costs

Benefits to Rapid7 of Adding Machine Data Search

- ✓ Delivers world-class search that complements and **Accelerates Rapid7's Market Penetration** of Security Data & Analytics
- ✓ **Natural Revenue Synergy** as search further unlocks Rapid7's extensive data collection, increasing customer adoption and driving stickiness
- ✓ Faster ability to **Address Compliance Needs** of customers with new search-driven reporting & alerting compliance solutions
- ✓ **Disruptive Pricing** increasing Rapid7's economics & competitive position in Incident Detection & Response
- ✓ **Solid Cost Synergies** from shared inside sales model, Ireland engineering teams and AWS operations infrastructure

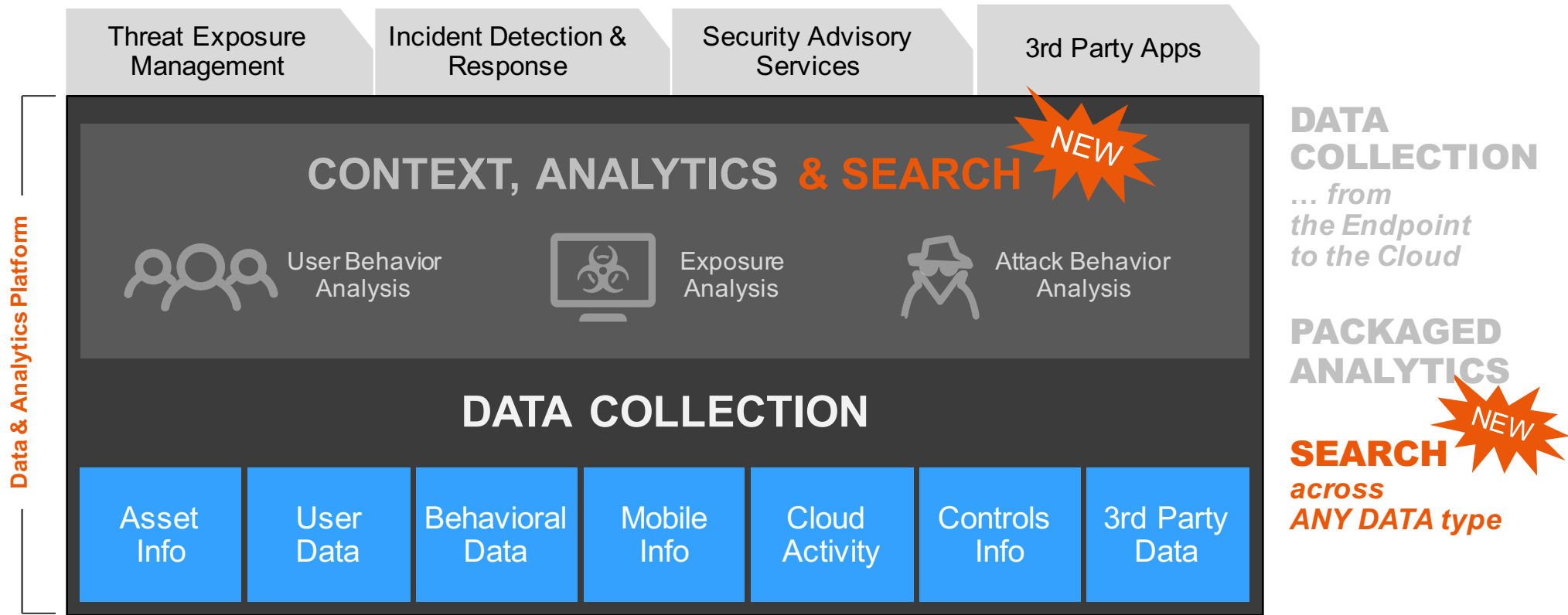
“The **addition of machine data search is a natural progression** of our security data & analytics platform.”

*Corey Thomas
CEO, Rapid7*

“By combining with Rapid7, we will be able to reach an **evolving and expanding market** that is looking for lower cost access to machine data along with advanced security data collection and analytics.”

*Andrew Burton
CEO, Logentries*

Natural Security Data & Analytics Technology Progression



Logentries' Search Technology is a Natural Addition to Rapid7's Security Data & Analytics Technology Platform

Search Enables New Compliance & Forensics Solutions

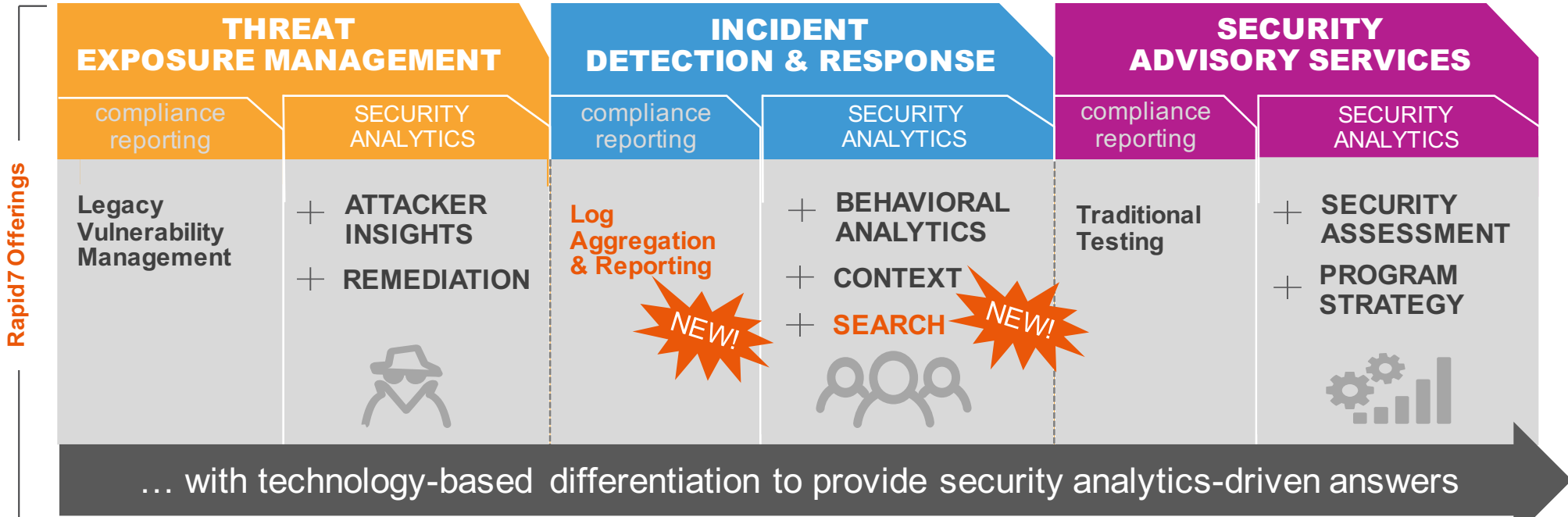
Incident Detection & Response will be the first offerings to-market that add new security search functionality in introducing forensics and compliance solutions

Key Customer Questions:

AM I VULNERABLE?

AM I COMPROMISED?

AM I OPTIMIZED?



Rapid7 Offerings

Driving Incident Detection & Response With Search

Search Brings Continued Advantage to Rapid7's ID&R Solutions

Rapid7 Continued Innovation:

- Broad **data collection** from **endpoint to the cloud**
- Leverage modern **cloud scale technology** for security analytics
- **Attribute user & entity** in minutes

Rapid7 With Search Positioned to Further Lead:

- **Introduce** customer-desired compliance & reporting solutions
- **Unify** detection & investigation with new forensics & compliance
- **Combine** attacker expertise, analytics & machine data search
- **Unlock** the power of Rapid7's extensive data for customer access
- **Capitalize** on waning value proposition and dislocation of SIEMs

LOGENTRIES

naturally expands
Rapid7

Incident Detection & Response

to include

- ✓ **Forensics**
- ✓ **Compliance**
- ✓ **Search**

Disrupting Spend & Accelerating TAM Penetration

IDC

IT Security SPEND AREAS

Vulnerability Assessment	\$1.5
SIEM , Policy & Compliance	2.9
Network Intrusion Detection & Prevention, Forensics & Incident Management	2.6
Endpoint Security Suites	2.3
Security Services	3.3
TOTAL MARKET TODAY	\$12.6B

RAPID7

Security Data & Analytics OFFERINGS



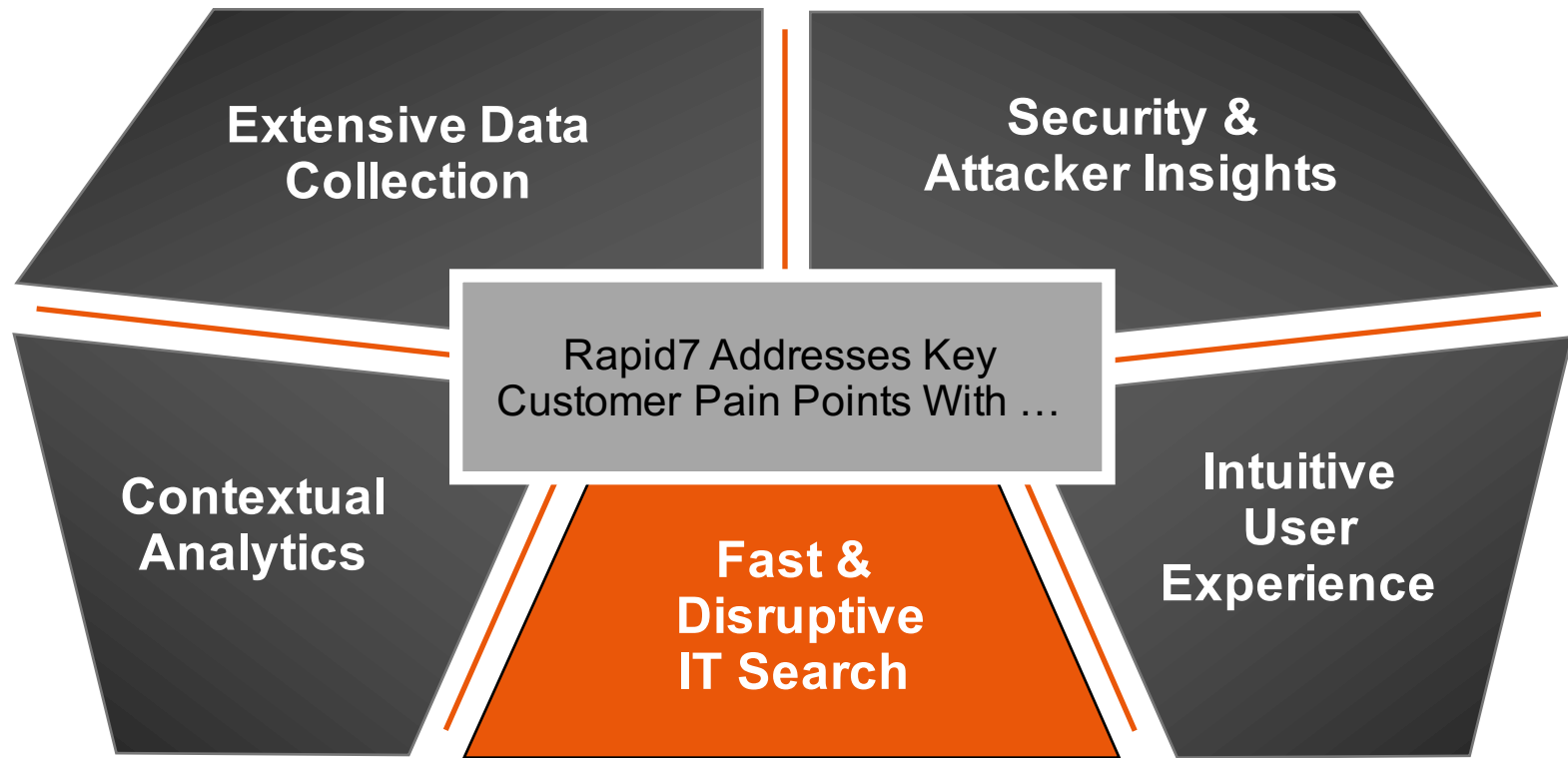
\$12.6B

**SECURITY
DATA &
ANALYTICS**

market
opportunity
today

Rapid7 estimates based on IDC data

Rapid7's Winning Combination Even Better



**NEW CAPABILITIES WITH
ACQUISITION OF LOGENTRIES**

Overview of Financial Terms & Impact

DEAL STRUCTURE: Equity Purchase

Total Purchase Consideration: \$68m

CASH

\$36m of cash from Rapid7 Balance Sheet

EQUITY

\$32m of Rapid7 equity

- 1.3m shares of restricted common stock
- Assumed vested options representing 0.2m shares of common stock

anticipate driving \$10-12m

Revenue & Cost Synergies

REVENUE

- Complementary usage and sale of UserInsight + machine data search
- Strong cross-selling opportunity across product portfolio

COST

- Offshore & proximate engineering teams
- Inside sales and GTM leverage

in **INCREMENTAL BILLINGS** in 2016

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