

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of The Securities Exchange Act of 1934

Date of report (Date of earliest event reported): December 15, 2021

TENABLE HOLDINGS, INC.
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of incorporation or organization)

001-38600
(Commission File Number)

47-5580846
(I.R.S. Employer Identification Number)

6100 Merriweather Drive, Columbia, Maryland 21044
(Address of principal executive offices, including zip code)

(410) 872-0555
(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class
Common Stock, par value \$0.01 per share

Trading Symbol(s)
TENB

Name of each exchange on which registered
The Nasdaq Stock Market LLC

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 7.01. Regulation FD Disclosure

On December 15, 2021, Tenable Holdings, Inc. (the "Company") will host a virtual Investor Day event, where members of the Company's senior management will present to attendees regarding the Company's business and long-term strategy, which will be webcast live on the Company's website. A copy of the materials that will be used during the presentation are furnished as Exhibit 99.1 to this Current Report. The materials and a webcast replay of the presentation may be accessed at "Investor Events" section of the Company's investor relations website at <https://investors.tenable.com> after the live presentation.

The information set forth in this Item 7.01, including the presentation slides attached hereto as Exhibit 99.1, is being furnished pursuant to Item 7.01 and shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liabilities of that Section, and it shall not be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, or under the Exchange Act, whether made before or after the date hereof, except as expressly provided by specific reference in such a filing.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

Exhibit Number	Description
99.1	Tenable's Investor Day Presentation, dated December 15, 2021.
101.SCH	Inline XBRL Taxonomy Extension Schema Document.
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document.
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document.
104	The cover page from Tenable's 8-K filed on December 15, 2021, formatted in Inline XBRL.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

TENABLE HOLDINGS, INC.

Date: December 15, 2021

By: /s/ Stephen A. Riddick
Stephen A. Riddick
General Counsel and Corporate Secretary



Tenable Investor Day

December 15, 2021



Topics and Speakers

Business Update by **Amit Yoran, Chief Executive Officer**

Product Review by **Nico Popp, Chief Product Officer**

Go-To-Market overview by **Mark Thurmond, Chief Operating Officer**
and **Dave Feringa, Senior Vice President Worldwide Sales**

Financial Overview and Outlook by **Steve Vintz, Chief Financial Officer**

Investor Q&A

This presentation includes forward-looking statements. All statements contained in this presentation other than statements of historical facts, including statements regarding our future results of operations and financial position, our business strategy and plans and our objectives for future operations, are forward-looking statements. The words "anticipate," "believe," "continue," "estimate," "expect," "intend," "may," "will" and similar expressions are intended to identify forward-looking statements. We have based these forward-looking statements on our current expectations and projections about future events and financial trends that we believe may affect our financial condition, results of operations, business strategy, short-term and long-term business operations and objectives and financial needs. These forward-looking statements are subject to a number of risks, uncertainties and assumptions. These risks and uncertainties are detailed in the sections titled "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" in our Quarterly Report on Form 10-Q filed with the SEC on November 3, 2021 and other filings that we make from time to time with the SEC, which are available on the SEC's website at sec.gov. 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 contained in any forward-looking statements we may make. Such risks and uncertainties may be amplified by the COVID-19 pandemic and its potential impact on our business and the global economy. In light of these risks, uncertainties and assumptions, the future events and trends discussed in this presentation may not occur and actual results could differ materially and adversely from those anticipated or implied in any forward-looking statements we make.

This presentation contains projected financial information. Such projected financial information constitutes forward-looking information and should not be relied upon as necessarily being indicative of future results. The assumptions and estimates underlying such financial forecast information are inherently uncertain and are subject to a wide variety of significant business, economic, competitive, and other risks and uncertainties as described above. Actual results may differ materially from the results contemplated by the financial forecast information contained herein, and the inclusion of such information in this presentation should not be regarded as a representation by any person that the results reflected in such forecasts will be achieved.

You should not rely on forward-looking statements as predictions of future events. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, levels of activity, performance, achievements or events and circumstances reflected in the forward-looking statements will occur. Neither we, nor any other person, are under any duty to update any of these forward-looking statements after the date of this presentation to conform these statements to actual results or revised expectations, except as required by law. 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. Moreover, except as required by law, neither we nor any other person assumes responsibility for the accuracy and completeness of the forward-looking statements contained in 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. By receiving this presentation you acknowledge that you will be solely responsible for your own assessment of the market and our market position and that you will conduct your own analysis and be solely responsible for forming your own view of the potential future performance of our business.

This presentation includes non-GAAP financial measures which have certain limitations and should not be considered in isolation, or as alternatives to or substitutes for, financial measures determined in accordance with GAAP. The non-GAAP measures as defined by us may not be comparable to similar non-GAAP measures presented by other companies. Our presentation of such measures, which may include adjustments to exclude unusual or non-recurring items, should not be construed as an inference that our future results will be unaffected by these or other unusual or non-recurring items. See the GAAP to Non-GAAP Reconciliation section for a reconciliation of these non-GAAP financial measures to the most directly comparable GAAP financial measures.

All third-party trademarks, including names, logos and brands, referenced by us in this presentation are property of their respective owners. All references to third-party trademarks are for identification purposes only. Such use should not be construed as an endorsement of our products or services.



Business and Strategy Update

December 2021





Amit Yoran

Chairman and Chief
Executive Officer

Key Milestones Since IPO



Scale

Customer growth
35K+ customers

Significant
Global footprint

Surpassing
\$600M CCB*



Extended Leadership

Recognized leader
In Vulnerability Management

Increased coverage in
Modern Infrastructure

Developed
Unified Exposure Platform



Growth and Profitability

Grew
CCB & Revenue at over 25% CAGR*

Achieved
FCF+ earlier than forecasted at IPO

*Includes FY 2021E which takes the midpoint of the Q4 estimate plus Q1-Q3 actuals

Tenable is an Industry and Market Share Leader in Vulnerability Management

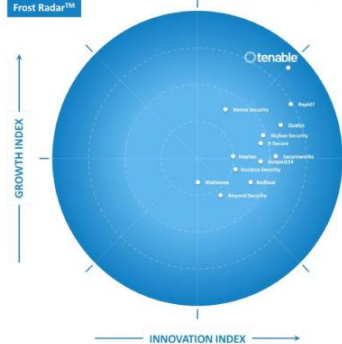
- #1 in market share¹ and over 20 years experience with best-of-breed strategy
- Largest customer base at 35,000+ customers in VM including 2.5M+ cumulative unique Nessus downloads
- 20-plus percent greater coverage of CVEs than our competitors² and test our products to six-sigma accuracy
- Added ~ 360 new enterprise platform customers on average per quarter from Q1'18 to Q3'21

VM identifies, classifies, prioritizes and mitigates misconfigurations that can be exploited across an environment

Tenable is an Industry and Market Share Leader in Vulnerability Management Cont'd

- ✓ **Gartner** Peer Insights Choice for Vulnerability Assessment 2020³ for 3yrs in a row
- ✓ Recognized as a leader by **Frost & Sullivan** in the firm's Frost Radar™: Global Vulnerability Management Market, 2021 report⁴
- ✓ Ranked #1 by **IDC** in market share in the Worldwide Vulnerability Management market¹
- ✓ Named a leader in the **Forrester** Wave: Vulnerability Risk Management, Q4 2019⁵

Frost Radar™: Global Vulnerability Management Market, 2021



Log4jShell Response

New cyber vulnerability poses 'severe risk,' DHS says

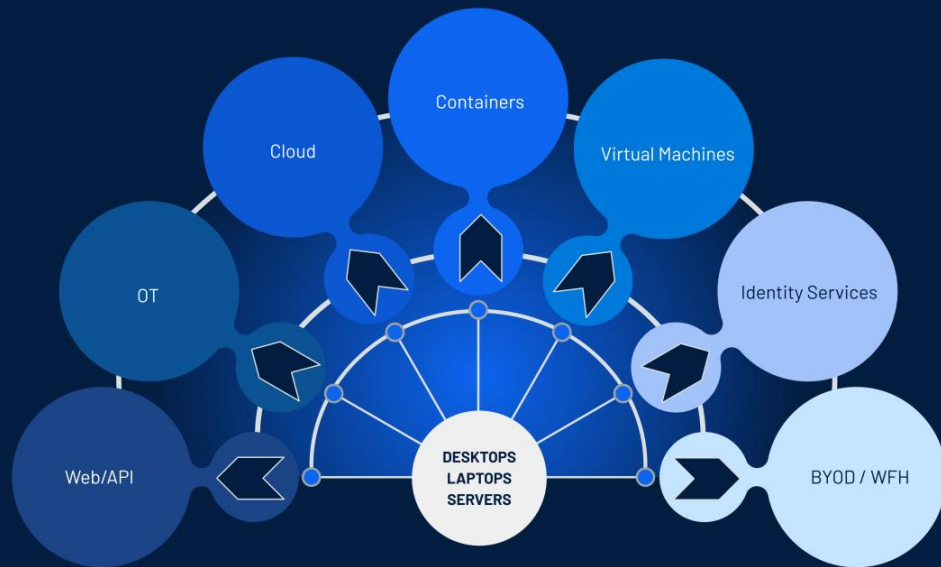
The vulnerability is linked to a commonly used piece of software called Log4j.

The Log4J Vulnerability Will Haunt the Internet for Years

Hundreds of millions of devices are likely affected.

- Released checks within 24hrs
- Checks work across product lines
- 1-3 vulnerable systems per second
- Already generating checks for vulnerable applications
- Primary customer response tool

Use of Tech is Exploding in Modern Infrastructure



Recent Breaches Highlight the Complexity of Modern Infrastructure

Massive SolarWinds hack has big businesses on high alert

Security researchers have discovered three more vulnerabilities in SolarWinds products, including a critical remote code execution bug

Microsoft says a group of cyber attackers tied to China hit its Exchange email servers

On March 2, Microsoft said there were vulnerabilities in its Exchange Server mail and calendar software for corporate and government data centers. The vulnerabilities go back 10 years, and have been exploited by Chinese hackers at least since January

NEWS ANALYSIS

Pipeline Attack Yields Urgent Lessons About U.S. Cybersecurity

The hack underscored how vulnerable government and industry are to even basic assaults on computer networks.

Massive Amazon S3 leaks highlight user blind spots in enterprise race to the cloud

Data leaks at Dow Jones, Verizon, and a GOP analytics firm show that companies are forgoing security best practices in order to quickly make it to the cloud.

World's Biggest Meat Producer, JBS, Hacked In Organized Attack

Biden Signs Executive Order to Bolster Federal Government's Cybersecurity

President Biden's order places strict new standards on software sold to the government.

THE REAPER IOT BOTNET HAS ALREADY INFECTED A MILLION NETWORKS



US warns of cyber attacks on critical infrastructure

Extending Expertise to Operational Technology

- Unified risk-based product for OT & IT converged environments
- Comprehensive active/passive capability & deep situational awareness
- Tenable named a leader in the Forrester Wave for ICS Security Solutions⁶



Extending Expertise into Active Directory

- Purpose built AD security product created to disrupt one of the most common attack paths
- Identity/access as a vulnerability has been overlooked until now
- Expertise in securing AD environments coupled with a deep understanding of IT
- Gartner named Tenable as an Active Directory Defense vendor⁷



"The complexity of the directory-based identity services platform used by 90% of enterprises around the world, coupled with the need for at least two different teams to collaborate to properly secure it and the constantly changing nature of its configuration, make it a difficult attack surface to protect." - EMA⁸

Expanding Cloud Capabilities Tenable.CS

CLOUD SECURITY FUNCTIONS

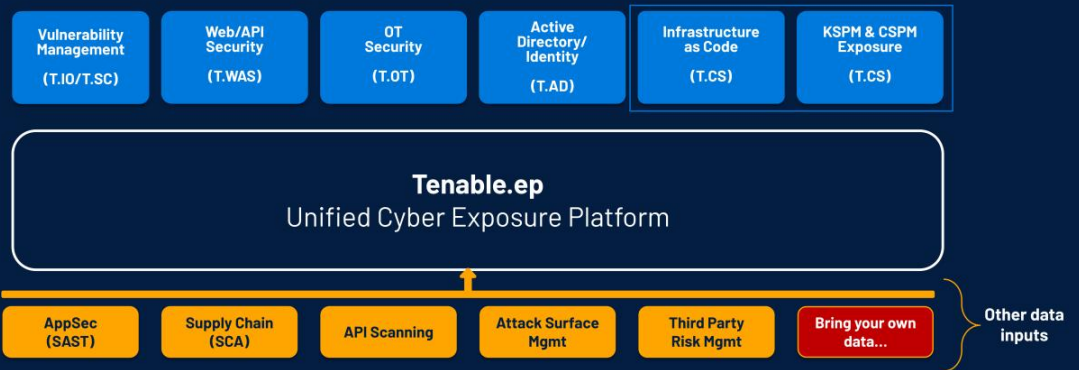


- Bringing security of and in the cloud for full visibility
- Assessing security posture of the cloud before it is configured
- System of action instead of system of record
- Gartner named Tenable as a CNAPP vendor⁹

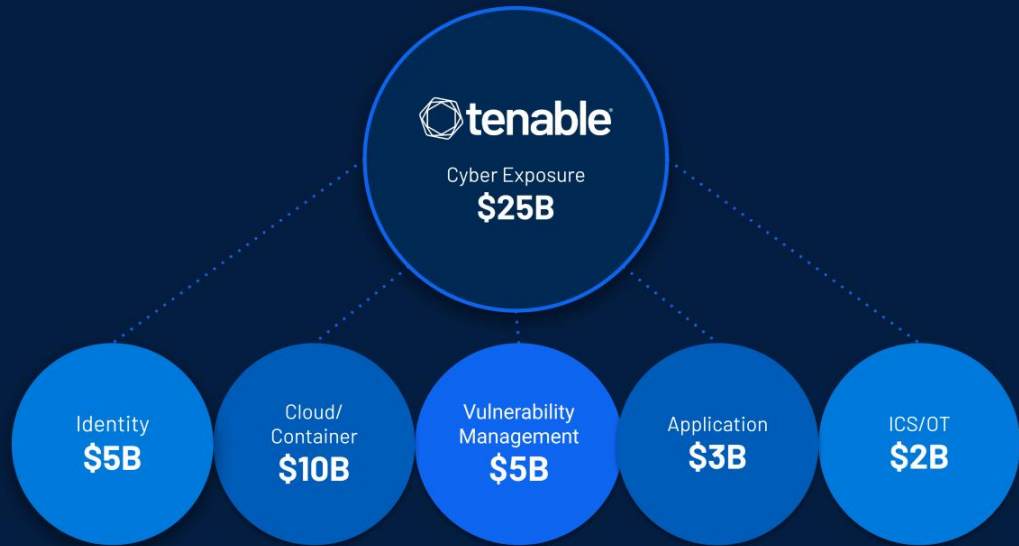
"By 2023, more than 50% of enterprises that adopted cloud-native services will leverage cloud security platforms that are tightly integrated with security operations products."⁹

- Gartner

Tenable Strategy: From VM to the **New Exposure Platform**



Tenable Total Addressable Market



Unified Exposure Platform

Web Application

Analytics

Cloud / Container

Operational Technology

IT

Active Directory / Identities



Endnotes

Slides 7&8:

1. "IDC, Worldwide Device Vulnerability Management Market Shares, 2019: Finding the Transitional Elements Between Device Assessment Scanning and Risk-Based Remediation (doc # US46284720, May 2020)."
2. Principled Technologies Report: Comparing vulnerability and security configuration assessment coverage of leading VM vendors, October 2019
3. Gartner Peer Insights Customers' Choice constitute the subjective opinions of individual end-user reviews, ratings, and data applied against a documented methodology; they neither represent the views of, nor constitute an endorsement by, Gartner or its affiliates. The Gartner Peer Insights Customers' Choice badge is a trademark and service mark of Gartner, Inc., and/or its affiliates, and is used herein with permission. All rights reserved. Gartner Peer Insights Customers' Choice constitute the subjective opinions of individual end-user reviews, ratings, and data applied against a documented methodology; they neither represent the views of, nor constitute an endorsement by, Gartner or its affiliates.
4. Frost Radar™: Global Vulnerability Management Market, 2021 report
5. The Forrester Wave™ is copyrighted by Forrester Research, Inc. Forrester and Forrester Wave™ are trademarks of Forrester Research, Inc. The Forrester Wave™ is a graphical representation of Forrester's call on a market and is plotted using a detailed spreadsheet with exposed scores, weightings, and comments. Forrester does not endorse any vendor, product, or service depicted in the Forrester Wave™. Information is based on best available resources. Opinions reflect judgment at the time and are subject to change.

Slide 12:

6. The Forrester Wave™ is copyrighted by Forrester Research, Inc. Forrester and Forrester Wave™ are trademarks of Forrester Research, Inc. The Forrester Wave™ is a graphical representation of Forrester's call on a market and is plotted using a detailed spreadsheet with exposed scores, weightings, and comments. Forrester does not endorse any vendor, product, or service depicted in the Forrester Wave™. Information is based on best available resources. Opinions reflect judgment at the time and are subject to change.

Slide 13:

7. Gartner: Emerging Technologies and Trends Impact Radar: Security, By Analyst(s): Ruggero Contu, Mark Driver, Lawrence Pingree, Elizabeth Kim, John A. Wheeler, Swati Rakheja, Nat Smith, Mark Wah, Dave Messett, Shawn Eftink, Bill Ray, 12 October 2021
8. EMA: The Rise of Active Directory Exploits: Is it Time to Sound the Alarm? - September 2021 EMA Research Report By Paula Musich

Slide 14:

9. Gartner: Emerging Technologies: Future of Cloud-Native Security Operations, By Analyst(s): Mark Wah, Charlie Winekless, November 17, 2021

Slide 15:

10. Represents 2025 forecasts based on a blended view of recent forecasts from IDC, Gartner and Tenable assumptions





Product Review

December 2021





Nico Popp
Chief Product Officer

Product Update: Supporting Our Long-Term Growth Strategy



Ever Extending Attack Surface

"Extending Tenable VM Everywhere"



Cloud Native Digital Transformation

"Shifting Cloud Security to the Left"



Vendor Consolidation & The Rise of Platforms

"Transforming Into a Cyber Data & Analytics Platform"

Three Synergetic Opportunities

Ever Expanding Digital Attack Surface

"VM Everywhere"

(Access, Configuration & Software Vulnerabilities across EVERYTHING)

CISO Challenge: The Digital Attack Surface Keeps Expanding



"How Secure Are we?" Still Powerful. More Difficult.



Left
(Development)

More Complexity: More attacks, more point solutions, more vendors, more integrations...

Right
(Run-time)

Simple Solution: "VM" Across the Expanded Attack Surface



Permission to Move Across the Attack Surface?

Same Core Competency: "A Vuln is a Vuln is a Vuln..."

Growth Flywheel: Surface expansion drives asset expansion

Why Do We Win?



<p>nessus professional</p> <p>Best of Breed Approach (10M+ agents, network, FA, APIs, IaC scanners...)</p>	<p>tenable</p> <p>Trusted Brand (35,000+ customers, more than half of F500, 30%+ of G2000)</p>	<p>tenable RESEARCH</p> <p>Leading Content & Research (65K CVEs, 135K+ plug-ins)</p>
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"VM Everywhere": OT & AD Individual Momentum & Strength

CSO UNITED STATES

NEWS ANALYSIS

Infrastructure bill includes \$1.9 billion for cybersecurity

Passage of the infrastructure bill includes \$1.9 billion for cybersecurity, and more could be on the way with the Build Back Better and other bills working their way through Congress.

By Cynthia Brumfield


CSO NOV 8, 2021 2:05 AM PST

Tenable Named a Leader in The Forrester Wave™: Industrial Control Systems (ICS) Security Solutions, Q4 2021.

[READ THE REPORT](#)



- Renewed focus on critical infrastructure cybersecurity
- Product leadership
- "Better together" industry forces (convergence of IT & OT)



- AD infrastructure at the heart of modern attacks (ransomware)
- Top notch tech & research
- Power of integrations (attack paths to marry traditional VM and AD)

SECURE YOUR ACTIVE DIRECTORY AND DISRUPT ATTACK PATHS



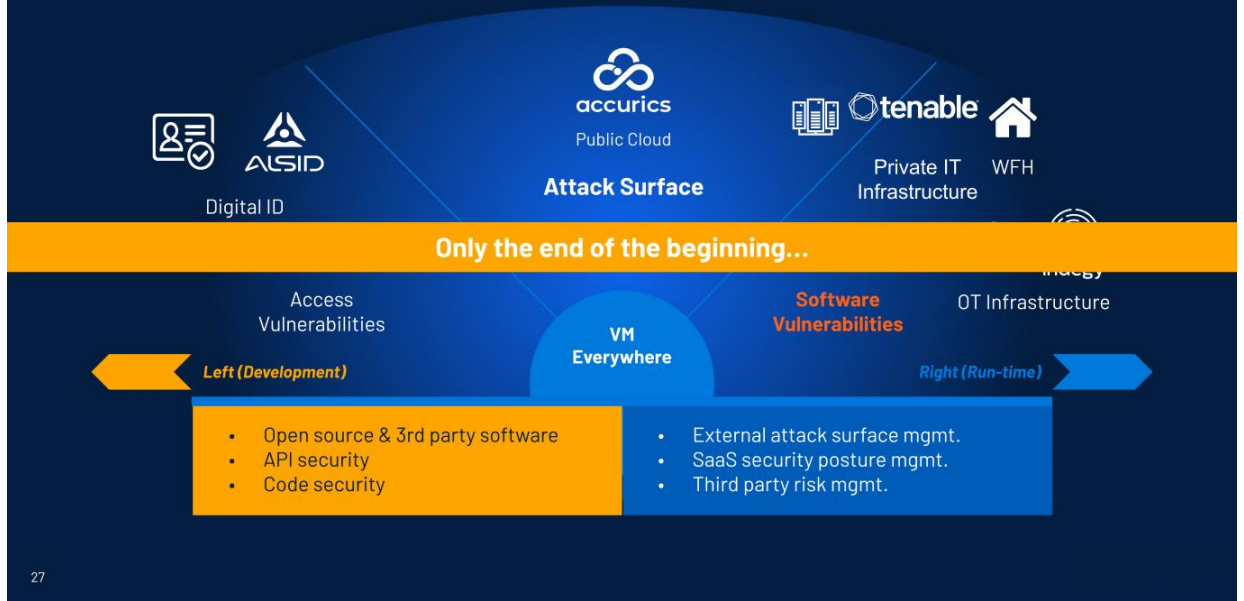
Hadera hospital back to work over month after cyberattack

28 November 2021, 2:46 pm | 90

Hillel Yaffe hospital in Hadera is back to being fully operational Sunday, according to Hebrew language media reports, over a month a ransomware attack on the medical center's servers brought some activities to a standstill.

Some non-urgent procedures were canceled as a result of the October 13 attack, but most of the hospital's work continued using alternative IT systems and pen and paper.

Left and Right: "VM Everywhere" Has a Long Growth Runway



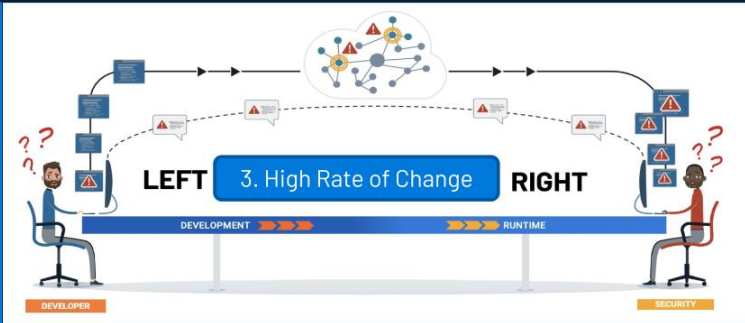
From Code to Cloud

**The Shift-Left Cloud Security
Opportunity**

Problem: Digital Transformation & the Rise of Cloud Native Applications

1. New Architectures

2. New Deployment Model



Conclusion:
New Approach
to Security
Required

- Security flaws can no longer be found **late** in prod
- Security **lacks app context** to make decisions
- Runtime SecOps is **powerless** as their changes get **overridden** by dev-driven updates

The **next generation** of cloud applications is disrupting the **first generation** of cloud security solutions

Opportunity: Cloud Native Security Solution

So, we seized
this moment of
disruption



To create a modern
Cloud Native
Security offering



Build-Time: Code Repos &
CI/CD Integration



IaC Security & ConSec

Runtimes: Kubernetes &
Containers



KSPM, ConSec & Drift
Monitoring

Runtimes: Workloads, &
Serverless



CSPM, FA & Drift Monitoring

- Expected Early **22'** Launch
- Accurics **IaC security** and runtime **CSPM**
- Tenable **Container Security** and **Frictionless Assessment**



IO Integrated Management

Creating GTM Leverage: Integration, Integration, Integration...



Tenable.io: Integrated Management Across All Clouds (Private & Public)

- **All** assets & findings, **all** clouds, within **one** unified workspace & remediation workflow
- **Cross-Sell**: the tool Tenable customers already have, already know, and already love
- One modern "VM" program for the **hybrid enterprise**

There is one more thing...

Creating Technology Leverage: The Latest Innovation from Tenable



Beyond Frictionless Assessment

- **No** agent to deploy. **No** agent to activate. **No** performance overhead
- Highly **scalable**. Optimized beyond "snapshot scanning"
- Launch is expected to follow Tenable.cs in **H1 2022**

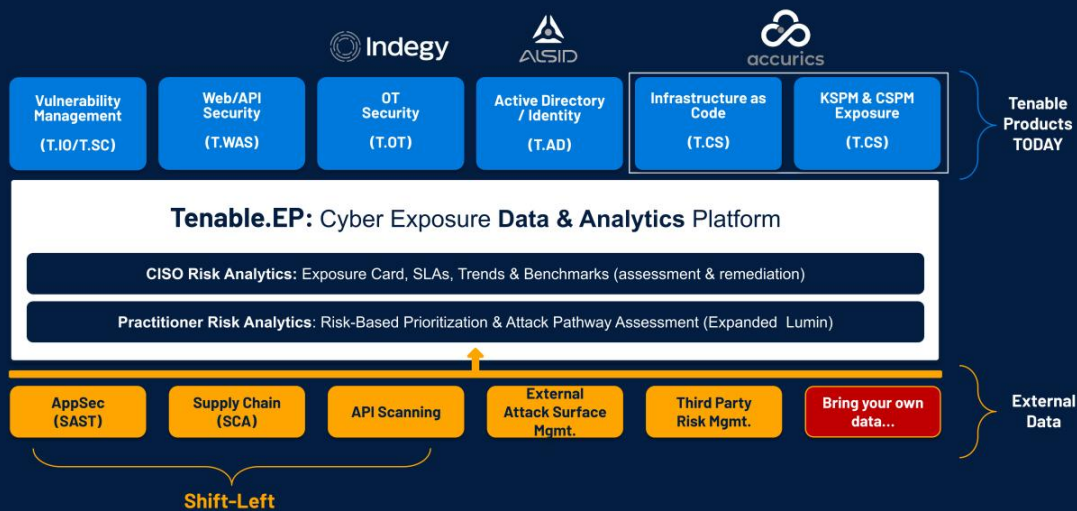
The Next Horizon
Tenable as a Unified Exposure Platform



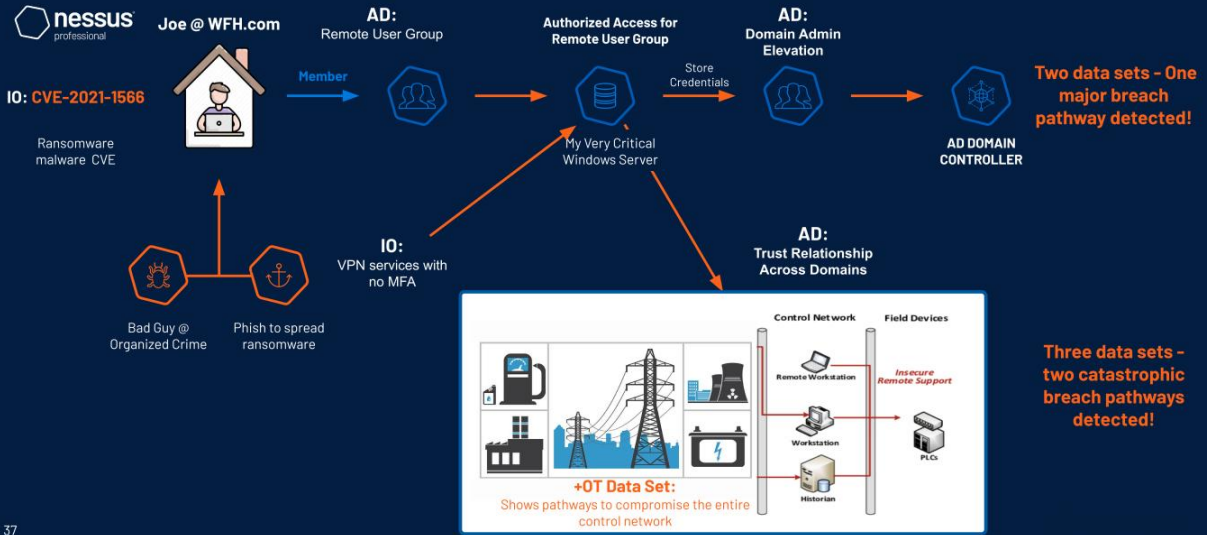
Tenable Exposure Platform Today: Successful Growth Engine

- Exposure risk across entire attack surface is a **compelling product** value-proposition
- Product **bundle** has a very attractive ROI
- CISOs are looking to **consolidate** around a few trusted vendors

The New, Unified Exposure Platform: Creating a "Better Together"



New Analytics: Attack Pathways, Context & Breach Prediction




From "VM" Everywhere to Unified Platform

New security insights – Stronger together – From proactive to predictive




Note: Timelines are expected only as of the date of this presentation



Conclusion: Three Opportunities. One Transformation

- **"VM Everywhere"**: Ever expanding attack surface continues to drive growth
- **"Shift-Left CNAPP"**: Rise of cloud native apps opens door to tenable shift-left cloud security
- **"Tenable as a Unified Platform"**: Exposure data & cloud analytics create a transformational product & GTM opportunity





Go To Market Update

December 2021





Mark Thurmond

Chief Operating Officer

Go-to-Market Strategy

Platforms Unify Buying Decisions



Nessus
Upgrade



New Logo Acquisition



Expansion of Existing
Customers

World-Class Customer Retention

Why We Win

- Technology, Technology, Technology
- Large and loyal install base and strong Nessus brand
- Highly trained (Core & Specialized), metric-driven global sales force
- Recognized as a leader in VM and OT
- 100% commitment to the channel with 1,900+ partners
- Significant presence in Public Sector
- Enterprise Experience (Professional Services, Technical Support, Partner ecosystem, Customer Success)

Well Positioned for Success!



Focus Areas & Growth Drivers

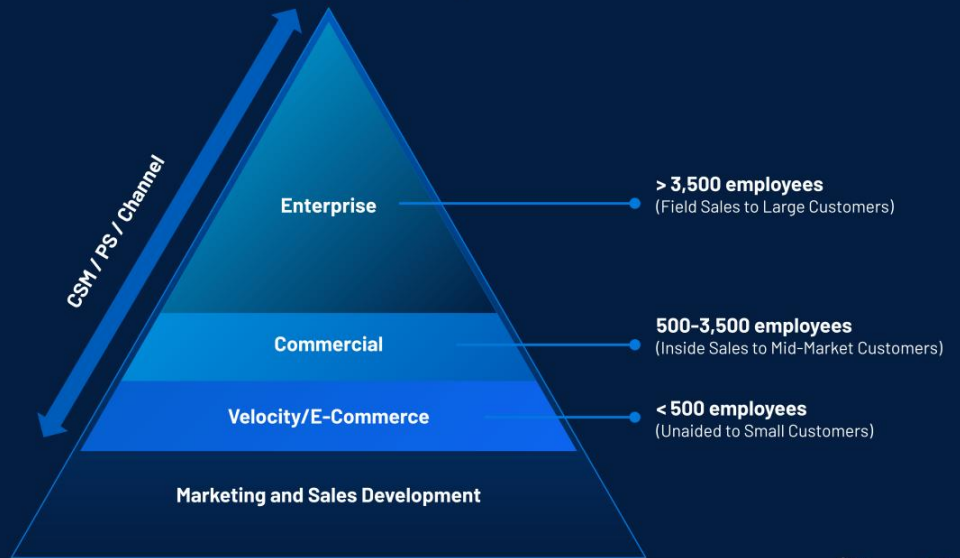


Global Presence and Massive Ecosystem



- **35,000+** Customers
- Presence in **35** Countries
- Business in over **160** Countries
- **1,900+** Partner Organizations
- **300+** MSSPs added in FY21
 - Fast-growing route to market

Global Customer Segmentation



Massive Partner Ecosystem

Tech Alliances

Technology Ecosystem

- Splunk, ServiceNow, IBM, GCP, etc.
- AWS Advanced Technology Partner - Triple digit transaction growth
- Hundreds of Integrations
- Influenced sales > 20% YTD

Channel

100% Partner Commitment

- 1900+ Partners
- Channel In ~40% New Enterprise YTD (Ent)
- Partner Breadth Strategy - Assure Program
- 8000+ Product Certifications

MSSP

MSSP Partnerships

- 8 of top 10 MSSPs¹
- 7 of top 10 SIs²
- Rapid Growth Area
- New Route to Market Driving Geo and Commercial Growth



Dave Feringa

Senior Vice President
Worldwide Sales

Buyer Evolution



Customer Success: Canadian Manufacturing Conglomerate

Background:

- Existing Tenable.sc customer concerned about recent attacks in Manufacturing and Energy

Business Objectives:

- Secure manufacturing assets as plant shutdown could be costly
- Have greater risk visibility across IT and Industrial Security assets
- Prevent what happened in Colonial Pipeline breach

Who is the Buyer?:

- Executive buyer: CISO
- Influencers: Plant Managers, Active Directory Team, IT Leadership, Vulnerability Management Team

What Solutions Did They Buy?

- Expanded their Tenable.SC environment
- Tenable.OT for key industrial locations
- Tenable.AD to reduce risk

Why Tenable?

- Only vendor to provide unified visibility of OT and IT environment
- Tenable.AD helps prevent lateral movement in case of a breach to multiple subsidiaries
- They have been a happy customer

Total Annual Contract Value: \$1M

Customer Success: Financial Institution in the US

Background:

- Rapidly Growing Bank Using Multiple Vendors for Risk Based VM

Business Objectives:

- Reduce Risk by consolidating multiple RBVM requirements with one vendor who could scale
- Improve operational efficiency as they grow
- Tight integrations with Splunk and ServiceNow
- Predictable cost model for future growth

Who is The Buyer:

CISO, VP Security Strategy

What Tenable Solutions?

Tenable.EP

Why Tenable?

- Only solution to provide a complete RBVM solution. They consolidated 3 vendors to 1
- Lumin improves VM assessment and remediation, prioritizes business unit resources
- EP provides predictable cost model for assets, including future solutions (WAS is NEXT)
- Quote: *"Their requirements document looked like our data sheet for Tenable.EP"*
- A Trusted Partner brought us this opportunity and had tight executive relationships we leveraged

Total Annual Contract Value: \$200K ACV

Customer Success: Large US Federal Agency

Background:

- Federal Agency using multiple vendors for VM

Business Objectives:

- Single vendor to increase visibility into advanced threats
- Flexibility for On-Prem solution with a FedRamped cloud offering
- Critical integration with Splunk, CyberArk and ServiceNow
- Global Support

Who is the Buyer?:

- Executive buyers: Branch Chief, CISO, Vulnerability Management Team

What Solutions Did They Buy?

- Tenable.sc for On Prem locations, FedRamped Tenable.io for Cloud
- Have opportunities for Active Directory as a next step

Why Tenable?

- Only vendor to meet their On Prem and FedRamp requirements
- VPR allows them to prioritize resources to efficiently remediate most critical vulnerability
- Proven Integrations with Splunk, CyberArk and ServiceNow
- Global support and brand reputation with Federal community

Total Annual Contract Value: **\$2.3M**

Why we're excited

Product Innovation

Deepening Strategic Partnership

Expansion Of Salesforce / Global Reach



Financial Overview & Outlook

December 2021





Stephen Vintz
Chief Financial Officer

Past, Present and Future



In 13 quarters as a public company, have established ourselves a leader in Traditional VM



Evolving the portfolio to address high-growth opportunities in Exposure Solutions



Well positioned for sustained 20%+ long-term growth and business model leverage



Path to \$1+ billion in revenues resulting in Rule of 50+

Top Line Metrics That Inform Our Progress



Calculated Current
Billings

Why?:
Leading Indicator



New Enterprise &
Six-Figure Customers

Why?:
Enterprise scale



Dollar-based Net
Expansion Rate

Why?:
Leverage
Customer
Base

Performance Since IPO

Win the VM Market

#1 Market Share in Vulnerability Management⁽¹⁾

Grow Cloud presence

Cloud 50% of new Q3'21 sales

Deliver growth & profitability

FCF+ earlier than forecasted at IPO

Calculated Current Billings (\$M)⁽³⁾



Revenue (\$M)



Non-GAAP Operating Margin (%)⁽³⁾



uFCF Margin (%)⁽³⁾



Note: 2021E based on mid-point of Guidance

(1) Source: IDC, "Worldwide SIEM, Vulnerability Management, Policy and Compliance, and AIRO-Enabling Technologies Market Share, 2020: Tested, Adapted, and proven During COVID-19" - June 2021

(2) Non-GAAP Income from operations

(3) Reflects non-GAAP measures and refer to Appendix for the definitions of non-GAAP financial measures and reconciliation from GAAP measures to the non-GAAP measures

Growth in Customer Base and Deal Size Since IPO

Active Customers



Active customers includes Nessus and Enterprise Platform customers

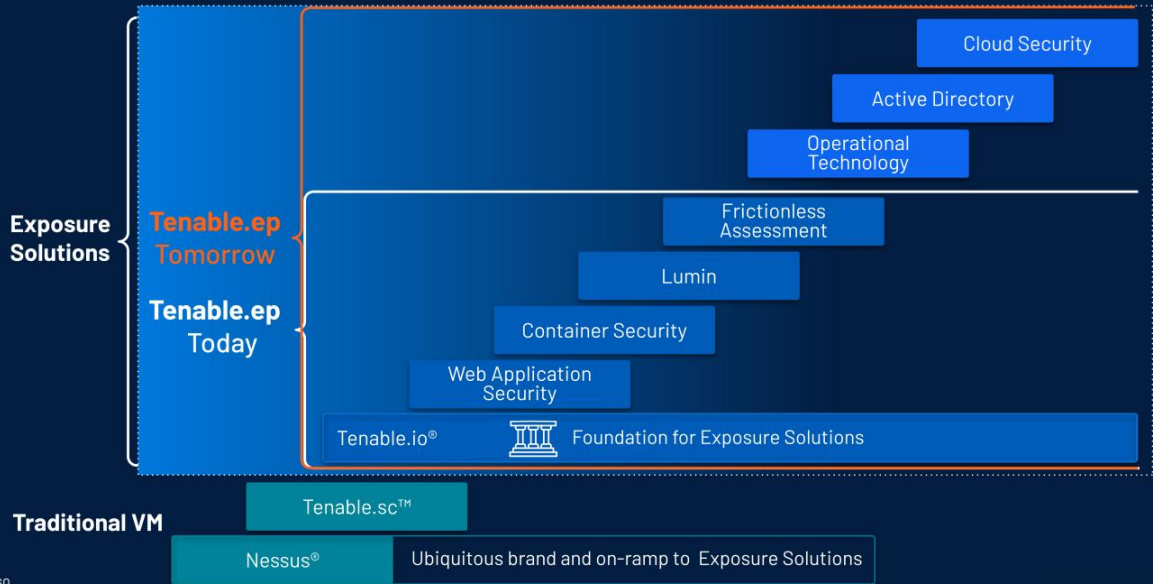
Six-Figure Customers



Added ~ 360 new Enterprise Platform customers on average per quarter from Q1'18 to Q3'21

59 Note: Six-Figure customers are those with an LTM ARR > \$100K

Evolving Portfolio to Address Broadening Attack Surface



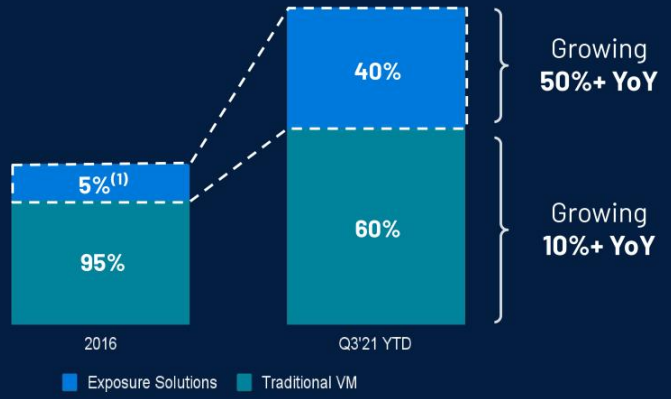
Expanding Product Portfolio Driving Diversification & Growth

Exposure Solutions

- Exposure Platform
 - Tenable.io
 - Web Application Security
 - Container Security
 - Frictionless Assessment
 - Lumin
- Operational Technology
- Active Directory
- Cloud Security

Traditional VM

- Tenable.sc
- Nessus
- PCI



Source: Calculated Current Billings, new and renewal
Note: (1) 5% reflects Nessus Cloud, the predecessor to Tenable.io

M&A Strategy Accelerates Product Roadmap and Expands TAM

	Product Description	Purchase Price	Date Acquired	2021E CCB
	Operational Technology	\$78M	Dec 2019	>\$10M
	Active Directory	\$98M	April 2021	>\$10M
	Cloud	\$160M	October 2021	NM

Growth Strategy



Expand relationships with existing customers



Invest in sales capacity including internationally



Lead with and broaden Exposure Platform

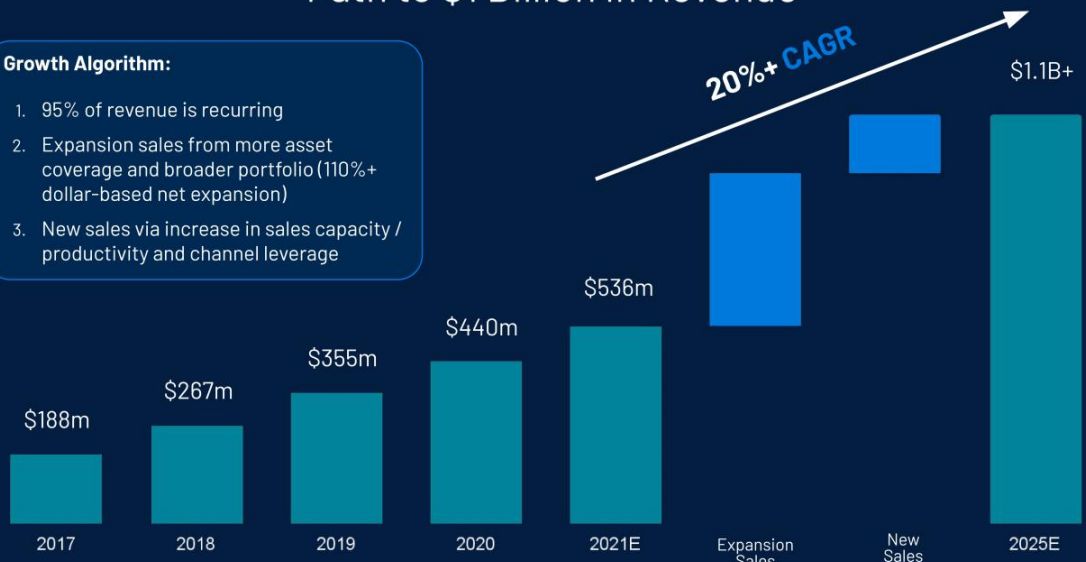


Mergers & Acquisitions

Path to \$1 Billion in Revenue

Growth Algorithm:

1. 95% of revenue is recurring
2. Expansion sales from more asset coverage and broader portfolio (110%+ dollar-based net expansion)
3. New sales via increase in sales capacity / productivity and channel leverage



Note: 2021E mid-point of revenue guidance
Dollar-based net expansion rate based on LTM

Demonstrating Operating Leverage

Non-GAAP Measures	2019	2020	2021E	Long-term target model @ IPO	Updated long-term target model
Gross Margin	84%	84%	82%	77-80%	77-80%
S&M % of Revenue	60%	46%	44%	35-40%	30-35%
R&D % of Revenue	22%	20%	18%	12-15%	12-15%
G&A % of Revenue	14%	12%	11%	6-8%	5-7%
Operating Margin	-12%	6%	9%	20%+	25%+
uFCF Margin	-9%	10%	17%	25%+	30%+

Targeting Rule of 50%+

Notes: 2021E reflects mid-point of Guidance

Refer to Appendix for the definitions of non-GAAP financial measures and reconciliation from GAAP measures to the non-GAAP measures

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In Summary

20%+ growth on path to \$1B

Exposure solutions creates expansionary TAM

Leveraging sizable customer base and
global distribution capability

Targeting Rule Of 50%+



Appendix

Non-GAAP Reconciliations

Calculated Current Billings: We define calculated current billings, a non-GAAP financial measure, as total revenue recognized in a period plus the change in current deferred revenue in the corresponding period. We believe that calculated current billings is a key metric to measure our periodic performance. Given that most of our customers pay in advance (including multi-year contracts), but we generally recognize the related revenue ratably over time, we use calculated current billings to measure and monitor our ability to provide our business with the working capital generated by upfront payments from our customers. We believe that calculated current billings, which excludes deferred revenue for periods beyond twelve months in a customer's contractual term, more closely correlates with annual contract value and that the variability in total billings, depending on the timing of large multi-year contracts and the preference for annual billing versus multi-year upfront billing, may distort growth in one period over another.

Calculated Current Billings

(In thousands)

	2016	2017	2018	2019	2020	YTD Q3 2021	2021E
Revenue	\$ 124,371	\$ 187,727	\$ 267,360	\$ 354,586	\$ 440,221	\$ 392,112	\$ 536,100
Deferred revenue (current), end of period	88,011	154,898	213,644	274,348	328,819	362,308	399,056
Deferred revenue (current), beginning of period ⁽¹⁾⁽²⁾	(54,721)	(107,006)	(154,898)	(214,069)	(274,348)	(331,275)	(331,656)
Calculated current billings	\$ 157,661	\$ 235,619	\$ 328,106	\$ 414,865	\$ 494,692	\$ 423,145	\$ 603,500

1) In connection with adopting ASC 606, we recorded \$19.0M of current deferred revenue on January 1, 2017 related to perpetual license revenue recognized in prior periods

2) Deferred revenue (current), beginning of period for 2021E, YTD Q3 2021, and 2019 includes \$2.8 million, \$2.5 million, and \$0.4 million, respectively, related to acquired deferred revenue.

Non-GAAP Reconciliations (continued)

Free Cash Flow and Unlevered Free Cash Flow: We define free cash flow, a non-GAAP financial measure, as net cash provided by (used in) operating activities less purchases of property and equipment. We believe free cash flow is an important liquidity measure of the cash (if any) that is available, after purchases of property and equipment, for investment in our business and to make acquisitions. We believe that free cash flow is useful to investors as a liquidity measure because it measures our ability to generate or use cash. We define unlevered free cash flow as free cash flow plus cash paid for interest and other financing costs. We believe unlevered free cash flow is useful as a liquidity measure as it measures the cash that is available to invest in our business and meet our current and future financing needs.

Free Cash Flow and Unlevered Free Cash Flow (in thousands)

	2017	2018	2019	2020	LTM Q3 2021	2021E
Net cash (used in) provided by operating activities	\$ (6,266)	\$ (2,559)	\$ (10,744)	\$ 64,232	\$ 92,727	\$ 92,000
Purchases of property and equipment	(2,755)	(5,733)	(20,674)	(20,277)	(4,973)	(6,082)
Free cash flow ⁽¹⁾⁽²⁾	(9,021)	(8,292)	(31,418)	43,955	87,754	85,918
Cash paid for interest	79	111	96	335	1,845	5,044
Unlevered free cash flow ⁽¹⁾⁽²⁾	\$ (8,942)	\$ (8,181)	\$ (31,322)	\$ 44,290	\$ 89,599	\$ 90,962
Unlevered free cash flow margin	-5%	-3%	-9%	10%	18%	17%

⁽¹⁾ Free cash flow and unlevered free cash flow for each actual period shown above were impacted by the following:

(in millions)

Employee stock purchase plan activity	\$ -	\$ 6.3	\$ (0.9)	\$ 0.9	\$ (1.1)
Capital expenditures related to new headquarters	-	-	(11.4)	(17.2)	(1.5)
Acquisition-related expenses	-	-	(13.1)	(0.7)	(3.6)
Proceeds from lease incentives	-	-	-	14.2	-
Tax payment on intra-entity asset transfer	-	-	-	-	2.8

⁽²⁾ Free cash flow and unlevered free cash flow for 2020 and the last twelve months ended September 30, 2021 were reduced by approximately \$17 million and \$6 million, respectively, as a result of the accelerated timing of payments for cloud software subscriptions, insurance, and rent in the three months ended December 31, 2020.

Non-GAAP Reconciliations (continued)

Non-GAAP Gross Profit and Non-GAAP Gross Margin: We define non-GAAP gross profit as GAAP gross profit, excluding the effect of stock-based compensation and amortization of acquired intangible assets. Non-GAAP gross margin is defined as non-GAAP gross profit as a percentage of revenue.

Non-GAAP Gross Profit and Non-GAAP Gross Margin

(dollars in thousands)

	2019	2020	2021E
Gross profit	\$ 293,768	\$ 362,667	\$ 428,353
Stock-based compensation	2,817	3,158	3,000
Amortization of acquired intangible assets	620	2,314	6,600
Non-GAAP gross profit	\$ 297,205	\$ 368,139	\$ 437,953
Gross margin	83%	82%	80%
Non-GAAP gross margin	84%	84%	82%

Non-GAAP Reconciliations (continued)

Non-GAAP Sales and Marketing Expense, Non-GAAP Research and Development Expense and Non-GAAP General and Administrative Expense:

We define these non-GAAP measures as their respective GAAP measures, excluding stock-based compensation and acquisition-related expenses.

(dollars in thousands)

	2019	2020	2021E
Non-GAAP Sales and Marketing Expense			
Sales and marketing expense	\$ 228,035	\$ 224,277	\$ 263,484
Less: stock-based compensation	16,032	19,842	27,600
Non-GAAP sales and marketing expense	<u>\$ 212,003</u>	<u>\$ 204,435</u>	<u>\$ 235,884</u>
Non-GAAP sales and marketing expense % of revenue	60%	46%	44%
Non-GAAP Research and Development Expense			
Research and development expense	\$ 87,064	\$ 101,687	\$ 117,898
Less: stock-based compensation	8,911	14,794	21,400
Non-GAAP research and development expense	<u>\$ 78,153</u>	<u>\$ 86,893</u>	<u>\$ 96,498</u>
Non-GAAP research and development expense % of revenue	22%	20%	18%
Non-GAAP General and Administrative Expense			
General and administrative expense	\$ 69,468	\$ 73,136	\$ 94,171
Less: stock-based compensation	15,683	21,779	28,200
Less: acquisition-related expense	3,970	339	7,000
Non-GAAP general and administrative expense	<u>\$ 49,815</u>	<u>\$ 51,018</u>	<u>\$ 58,971</u>
Non-GAAP general and administrative expense % of revenue	14%	12%	11%

Non-GAAP Reconciliations (continued)

Non-GAAP (Loss) Income from Operations and Non-GAAP Operating Margin: We define these non-GAAP financial measures as their respective GAAP measures, excluding the effect of stock-based compensation, acquisition-related expenses, and amortization of acquired intangible assets. Acquisition-related expenses include transaction expenses and costs related to the transfer of acquired intellectual property.

Non-GAAP (Loss) Income from Operations and Non-GAAP Operating Margin

(dollars in thousands)

	2017	2018	2019	2020	2021E
Loss from operations	\$ (40,760)	\$ (72,581)	\$ (90,799)	\$ (36,433)	\$ (47,200)
Stock-based compensation	7,760	22,875	43,443	59,573	80,200
Acquisition-related expenses	-	-	3,970	339	7,000
Amortization of acquired intangible assets	603	603	620	2,314	6,600
Non-GAAP (loss) income from operations	\$ (32,397)	\$ (49,103)	\$ (42,766)	\$ 25,793	\$ 46,600
Operating Margin	-22%	-27%	-26%	-8%	-9%
Non-GAAP operating margin	-17%	-18%	-12%	6%	9%

