

**Sales Pulse Research Update****July 30, 2021****PING - Positioned well in high growth IAM segment; signs of improving execution...**

This update is based on discussions with industry contacts in the identity management market segment including a Ping Elite Delivery Approved Partner.

**PING****Key Takeaways:**

- Although our insight into Ping's performance in any quarter is limited because they typically close some large projects through a direct sales effort, we can report that the overall tone of channel feedback has become more optimistic regarding Ping's progress and growth. Based upon their strong solution set, large market opportunity and signs of improved execution, we believe Ping has the potential for significant upside. We are watching for more evidence that they are fulfilling this potential and will report on their progress.

- IAM (Identity Access Management) has become one of the highest priorities in the security segment (a \$25B total TAM comprised of the Workforce ID use case, \$8-\$9B TAM and CIAM Customer Identity Access Mgmt, \$16-\$17B TAM). Ping has a leading solution in the CIAM segment (Customer Identity Access Management) but has not executed well since their IPO.

- Ping was late in moving to a SaaS solution. Okta has dominated with their SaaS solution and their focus on employee identity management (vs. customer identity management). Ping has now made progress with their SaaS solution set and other functionality and is now positioned to participate more fully in the growth of the IAM market. There are some capabilities that part of the market believes are better implemented on-premise and some end users who prefer on-premise deployments. Ping now has both on-premise and SaaS capabilities and strong support for hybrid environments.

- Ping has implemented a new channel focus that our contacts believe is on-track, but will take some time to show results.

**Channel Perspective and Comments:**

- The opportunity in the CIAM market is to replace legacy solutions from vendors including IBM, Oracle and others as well as to support new applications. PING claims the IAM Replacement TAM is \$3-\$5B as users move away from IBM, Oracle, CA/BRCM and RSA. Competitors include Microsoft, Okta (Auth0) OneLogin. CyberArk overlaps with Ping in part of the market. We are hearing of increasingly large identity management projects, driven by digital transformation and / or upgrade of older IAM solutions.

- Ping has not executed well after their IPO in September of 2019. Industry contacts believe that they did not have good handle on their business and set wrong expectations. They have

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been working that out and have made some smart acquisitions along the way. Their SaaS product has been re-architected based on micro services. They now have a strong SaaS offering to compete with Okta as well as their traditionally strong on-prem & hybrid solutions.

- IAM (Identity Access Management) and Zero Trust has become one of the highest priorities in the security segment. Ping has a leading solution in the CIAM segment (Customer Identity Access Management) Feedback from the security market indicates that CIAM is raising even higher in priority, driven by digital transformation and overall security concerns.

- PING's official strategy is cloud-first but the on-the-ground strategy is hybrid. Ping can address all customer scenarios/use cases. This is similar to Palo Alto's Prisma Access offering both SWG and firewall in cloud options to address all customer scenarios. PING also supports all major cloud vendors, and has their own cloud offering. They are seeing many customers want their "own" cloud but do not want to manage it. They want the software configurability of cloud.

- Ping was originally focused on the Fortune 1000 and has now expanded their focus to the Global 3000.

- Ping Advanced Services is their private cloud offering and it is "starting to lift off"; "lots of interest". "Big companies like the idea of having a central console & mgmt". If a customer requests log data from PINGs SOC/or they can retrieve on their own, to support an investigation there is a portion of the data PING is responsible for, and part they are not, therefore PING can not be a witness as part of an audit. Cyber Security as a Service will always be (in PINGs view) based on parts that the supplier is responsible for, and parts that are the customers responsibility. It can't be 100% outsourced.

"PINGs "cloud your way" makes total sense...they come along side the customer to enable Identity at whatever point (on prem, cloud or hybrid) the customer is in the journey to cloud."

"Most of Ping's news offerings are on SaaS/cloud; they are being well received."

"PING has a new channel focus but this will take time to show results, and determine if PING sales will work with channel on more deals verses selling direct...this is not an easy transition."

"PINGs heritage and specialty has been addressing the complex, home grown, on-premise applications. New apps (in both established and new companies) have a "cloud first" architecture philosophy and Ping's SaaS offerings now address this market. It also addresses the DevOps/"Shift Left" market opportunity and associated new purchasing patterns."

Regarding Okta's acquisition of AUTH0, which gives them a stronger offering in the CIAM space: "M&A takes time to absorb the new organization." OKTA apparently has done some prior M&A that did not work out very well. PING channels are definitely seeing AUTH0 in the market. PING has made numerous small "tuck in" acquisitions that have all gone well. "PING makes it work"(M&A). The feeling is that OKTA (based on AUTH0 functionality) will enable them to start competing more up market but still not on par, to support complex on-prem apps, with PING.

PING feels that the Virtual ID will be most important/critical in cybersecurity and everyday life. PingOne for Individuals is based on a ShoCard Wallet. A company can issue a digital ID that is kept in the ShoCard wallet and enables the exchange of personal data via a link or QR code. They feel they have both thought leadership and thought ownership. This controls who you are and what is shared. PING feels your personal ID will be huge issue and be the most/one of the most, important things in cyber security landscape.

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PING also bought SecuredTough that used behavioral biometrics for ID fraud detection. This will track normal and abnormal behaviors like mouse movements, typing cadence, touch pressure, etc and step up/terminate validation requirements based on unusual behavior. They can monitor up to 100 behavioral parameters.

PINGs sees many customers that are deploying cloud based solutions are still keeping some on prem because even if they loose the cloud for a few minutes, it can have huge consequences. Critical apps and business can be hit hard by any outage so hybrid deployment is often believed to be the best approach.

Regarding VISTA reducing it's number of seats on the board, etc the feeling is that VISTA has not been disruptive internally and has helped PING mature.

PINGAccess API gateway solution is getting traction (this has been out ~2yrs) but noted that it is a long and complex sales cycle.

"This is an exiting time for PING. We are seeing a ramp up of projects with them" (this channel see's many RFPs and gets a sense of future opportunities.)

When asked about the Microsoft relationship (Microsoft will sometimes recommend PING for non-Microsoft apps) one channel noted they just lost a large deal to Microsoft. They find it can be challenging to compete with the Microsoft licensing models and that Microsoft thinks of their own landscape first before the rest of the enterprise. Ping has numerous capabilities that Microsoft cannot match. And Microsoft is usually considered more a threat to OKTA than to Ping.

Unlike most all security companies that now have stated a transition to SaaS, PING has not stated this objective. This has been the cause of some confusion but PING has a solid on-premise business that may never be satisfied by SaaS functionality. And at the same time PING has re-architected its SaaS platform to be a micro services based architecture. And since this re-architecture they have already launched 3 new services, PingOne MFA, PingOne Risk and PingONE Verify. A Micro-services architecture enables rapid product development and these new products are clearly a result of this new platform. We expect more to come and to expect PING expand it SaaS business rapidly.

As always, we are happy to discuss in more detail,

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