



# First half 2023 earnings

October 2023



**WALLIX**  
CYBERSECURITY SIMPLIFIED

**WALLIX**  
**today**

# European leader in Identity & Access cybersecurity solutions



**+2,525**  
active contracts  
(6/30/2023)



**€25m**  
turnover



**61%**  
annual recurring  
business



**3**  
R&D  
centers



**244**  
employees in 16  
countries  
(H1 2023 FTE average)



**+300**  
resellers  
& integrators



**90**  
countries covered

ALLIX  
EURONEXT  
GROWTH



HEXATRUST  
CLOUD CONFIDENCE & CYBERSECURITY



TECH40

## Recognized solutions in IT and OT environment

WALLIX  
**PAM4ALL**

WALLIX  
**IDaaS**



IT environment

OT environment

**ot**•security  
by WALLIX

**PAM4OT**  
**WALLIX inside**

- Strategic extension of the offering
- Common technological base
- Access to major companies and upselling with existing business

# WALLIX

recognized as  
a leader in PAM  
by the most  
prestigious  
consulting firms



## KUPPINGERCOLE

WALLIX named  
**Leader 3 years in a  
row (2020-2022)** in  
KuppingerCole  
Analysts' Leadership  
Compass.



## FROST & SULLIVAN

In 2022, Frost &  
Sullivan ranked  
WALLIX PAM4ALL as  
the best PAM solution  
on the market in terms  
of cost, simplicity and  
flexibility. **WALLIX  
receives 2022  
Customer Value  
Leadership Award**

Gartner.

Lightning transition  
in the space of three  
years from niche player  
to  
**Leader in 2022**

## QUADRANT KNOWLEDGE SOLUTIONS

In 2022, WALLIX  
makes direct entry as  
**global leader in PAM**



CSPN  
Certification



EU  
Cybersecurity  
Certification



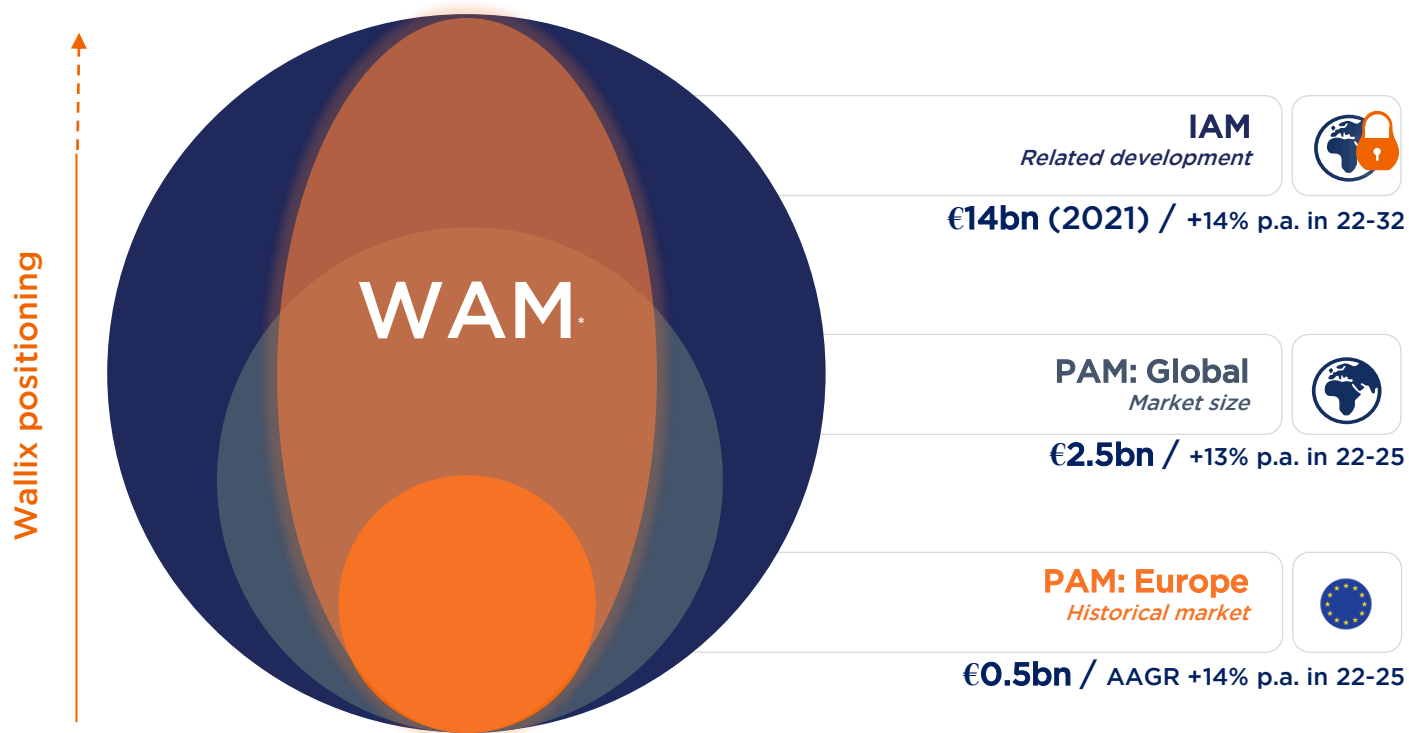
Bundesamt  
für Sicherheit in der  
Informationstechnik  
**BSI  
Certification<sup>(2)</sup>**



Common  
Criteria  
Certification



# Leading position in high-growth markets



\* Wallix addressable market

Note: 2022 data / Source: CMI report

# Annual growth of nearly 30% over the last 10 years





**H1 2023 highlights:  
growth,  
innovation,  
optimization**

## Return to historic growth rates



**29%** organic growth (excluding Russia)



**26%** growth in ARR over 12 months



**25%** growth in number of active contracts over 12 months

# Offering enhancement through **innovation** and **external growth**

## INNOVATION

- Development of a secure remote access service in SaaS mode on Bastion
- Digital access facilitated for external service providers
- Strategic partnership signed with Axians (Vinci Group) - WaaSA

**Launch of SaaS Remote Access  
in H1 2023**

## New developments

## EXTERNAL GROWTH



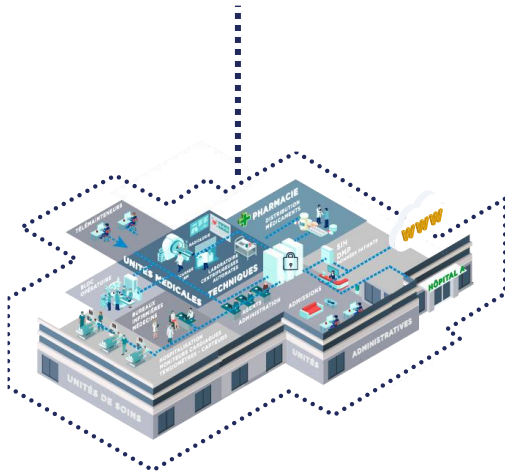
- Entry into the **Identity and Access Governance** segment
- Upselling**: enhancement of WALLIX PAM4ALL
- Strengthening the key account client base in the banking and insurance sector

**Integration in WALLIX PAM4ALL  
in H2 2023**

# Implementation in the hospital environment

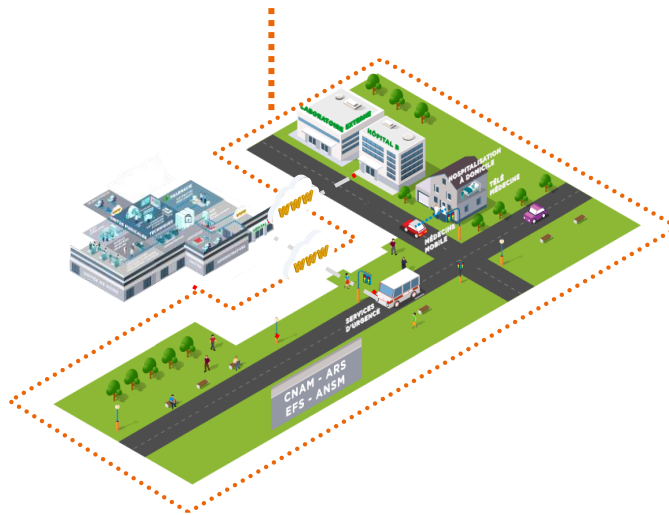
## PAM protection perimeter

Manage privileged access



## SAS remote Access protection perimeter

Manage remote access



## Kleverware

Governance of all accesses



## Optimization of sales organization



Streamlining of management structure



Appointment of a Global CRO in H1



Implementation of a cross-functional sales organization structure: synergies, alignment of targets and processes



Transition to a matrix-based organizational system effective in 2024

The background of the slide features a hand in a black glove interacting with a tablet. Overlaid on this is a complex financial chart with multiple lines in green, red, and blue, and numerous small rectangular markers. The overall aesthetic is high-tech and financial.

**WALLIX**  
CYBERSECURITY SIMPLIFIED

## First half 2023 earnings

# Acceleration of business in H1 2023

Unaudited consolidated data (€000) - French GAAP

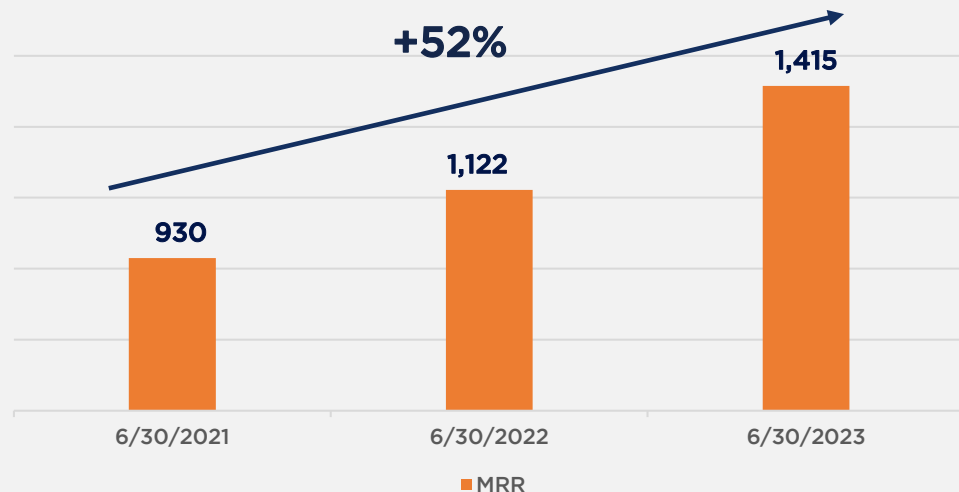
	H1 2022	H1 2023	Change 2022/2023
Turnover excl. Russia	10,671	13,791	+29.2%
o/w Russia	363	152	-58.1%
Turnover	11,034	13,943	+26.4%

- Growth excluding Russia: **+29%** in H1 2023 despite deployment of the subscription model weighing on short-term revenue recognition
- Strong momentum among medium-sized companies and resumption of major projects, particularly in the European industrial sector
- First contribution by Kleverware: €204,000

# Solid growth in monthly recurring revenue (MRR)<sup>1</sup>

Unaudited data

Consolidated data (€000) - French GAAP



ARR = 12 x MRR

<sup>1</sup> Recurring business = maintenance revenue + subscriptions + multi-year managed services

ARR

€17.0m

at June 30,  
2023

Ramp-up of  
subscription model



MRR up **26%** over 12 months



ARR at June 30, 2023 represented **61%** of turnover on a rolling 12-month basis (vs 56% a year earlier)

# Optimization of structural operating expenses

H1 23 weighting  
as % of turnover  
(change vs. H1 22)

## Sales and Marketing

52% (-11 pp)

- Streamlining of management structure and unified decision-making power

- Hiring

Gradual reduction  
as %  
of turnover

## Customer Success

18% (flat)

- Strengthening of client support (training, assistance, sales administration, etc.)

Economies  
of scale

## Innovation and Products

27% (-10 pp)

- Focus on development, optimization and enhancement of the software suite

Gradual reduction  
as %  
of turnover

## Support functions

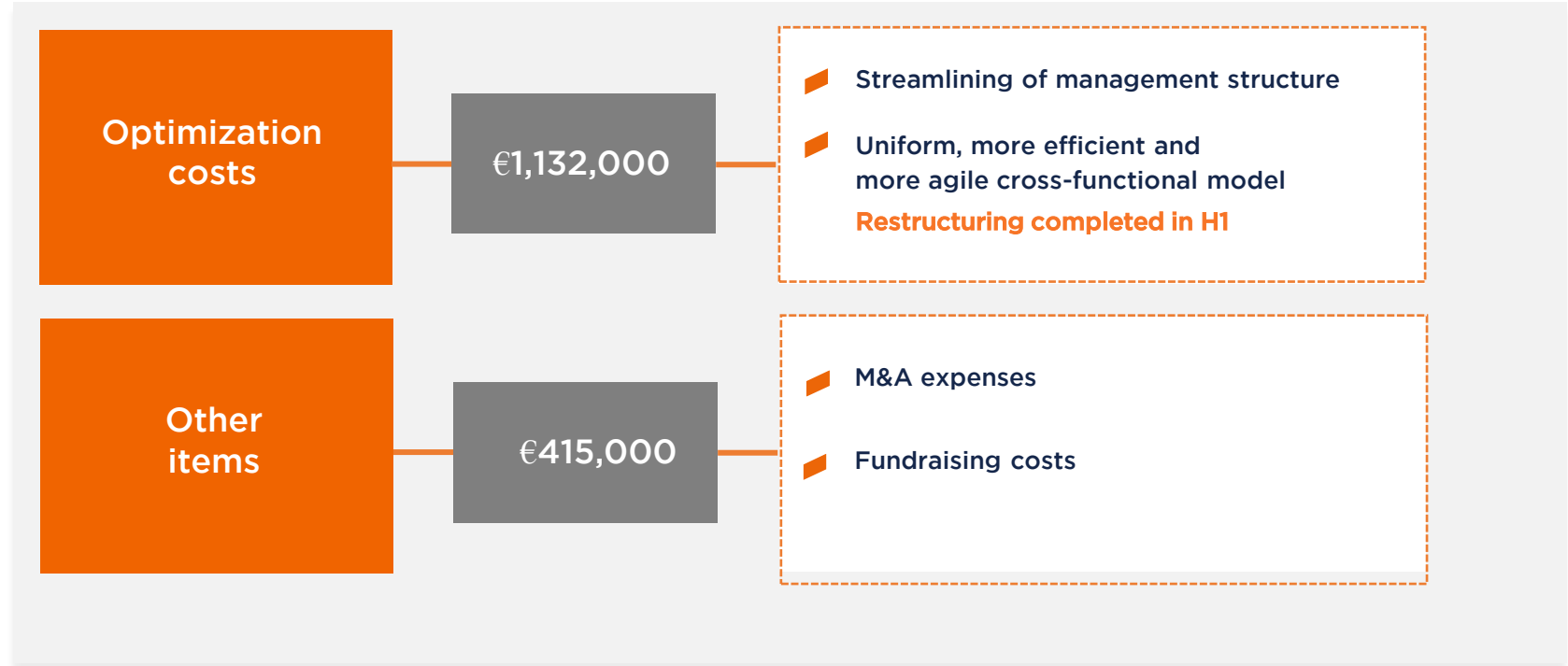
30% (-1 pp)

- Stabilization of support functions

Economies  
of scale

2023/2024  
Trends

# Optimization and other non-recurring costs



# Profit margins temporarily impacted by restructuring costs

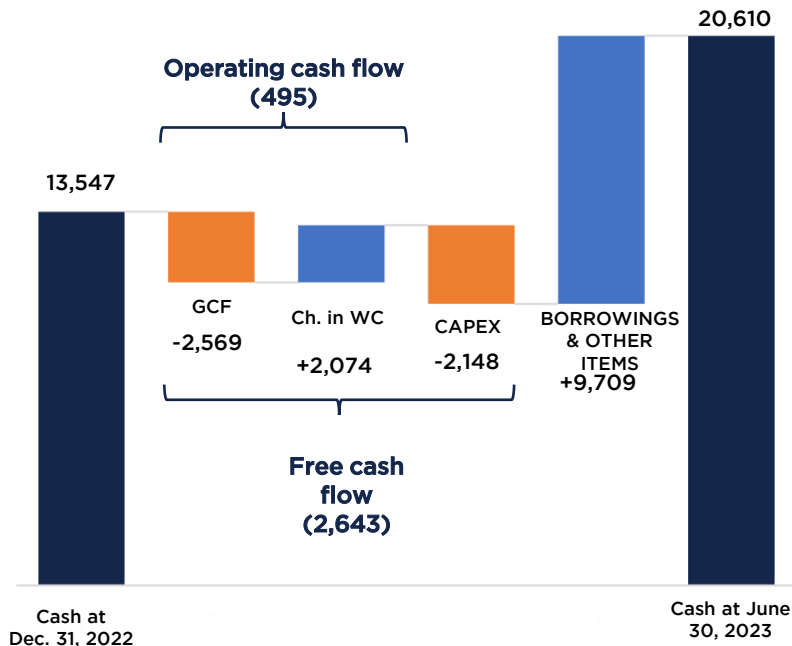
Unaudited consolidated data (€000) - French GAAP

	H1 2022	H1 2023
<b>Turnover</b>	<b>11,029</b>	<b>13,943</b>
<b>Total operating income</b>	<b>14,066</b>	<b>16,241</b>
<b>Operating profit/(loss) excluding non-recurring items</b>	<b>(4,162)</b>	<b>(4,552)</b>
Non-recurring items	-	(1,547)
<b>Operating profit/(loss)</b>	<b>(4,162)</b>	<b>(6,100)</b>
Net financial income/(expense)	(290)	(20)
Non-recurring income/(expense)	34	60
Tax income/(expense)	782	625
<b>Net profit/(loss)</b>	<b>(3,636)</b>	<b>(5,435)</b>

- Ongoing active hiring policy: +30 FTEs versus H1 2022
- Operating profit/(loss) excluding non-recurring items relatively stable (+9%)
- Priority to innovation expenses in development reducing the CIR research tax credit base

# Strong financial position: over €20 million in cash and cash equivalents

Unaudited consolidated data (€000) - French GAAP



- Gross cash flow impacted by non-recurring items
- Reduction in working capital: seasonal impact on trade receivables
- Capex related to the capitalization of development costs and the acquisition of Kleverware
- €10.5m fundraiser
  - Capital increase: €5.5m
  - Convertible bonds: €5m o/w €3m maturing in 3-5 years and €2m maturing in > 5 years

# Balance sheet

Unaudited consolidated data (€000) - French GAAP	June 30, 2023	December 31, 2022
<b>Non-current assets</b>	<b>20,768</b>	<b>19,648</b>
<i>o/w Goodwill</i>	<i>5,130</i>	<i>4,802</i>
<i>o/w Other intangible assets</i>	<i>13,827</i>	<i>13,077</i>
<b>Current assets</b>	<b>36,689</b>	<b>31,426</b>
<i>o/w Trade receivables</i>	<i>10,352</i>	<i>12,721</i>
<i>o/w Cash and cash equivalents</i>	<i>20,610</i>	<i>13,547</i>
<b>Total assets</b>	<b>57,457</b>	<b>51,074</b>
<b>Shareholders' equity</b>	<b>17,327</b>	<b>17,504</b>
Provisions	1,616	865
<b>Liabilities</b>	<b>38,514</b>	<b>32,705</b>
<i>o/w Loans and borrowings</i>	<i>7,034</i>	<i>1,956</i>
<i>o/w Trade payables</i>	<i>2,889</i>	<i>2,249</i>
<i>o/w Prepayments*</i>	<i>22,132</i>	<i>21,844</i>
<b>Total equity and liabilities</b>	<b>57,457</b>	<b>51,074</b>

\* Prepayments on income, CIR research tax credit and subsidies. Prepayments on income correspond to the share of revenues invoiced and recognized for the financial year but for which the supply or service will occur after the financial year.

- Increase in the value of R&D assets and consolidation of Kleverware
- Kleverware impact on goodwill: €328,000
- Borrowings:
  - €5m convertible bond issue
  - Nearly 90% long-term debt
- 33% increase in prepayments on income over 12 months

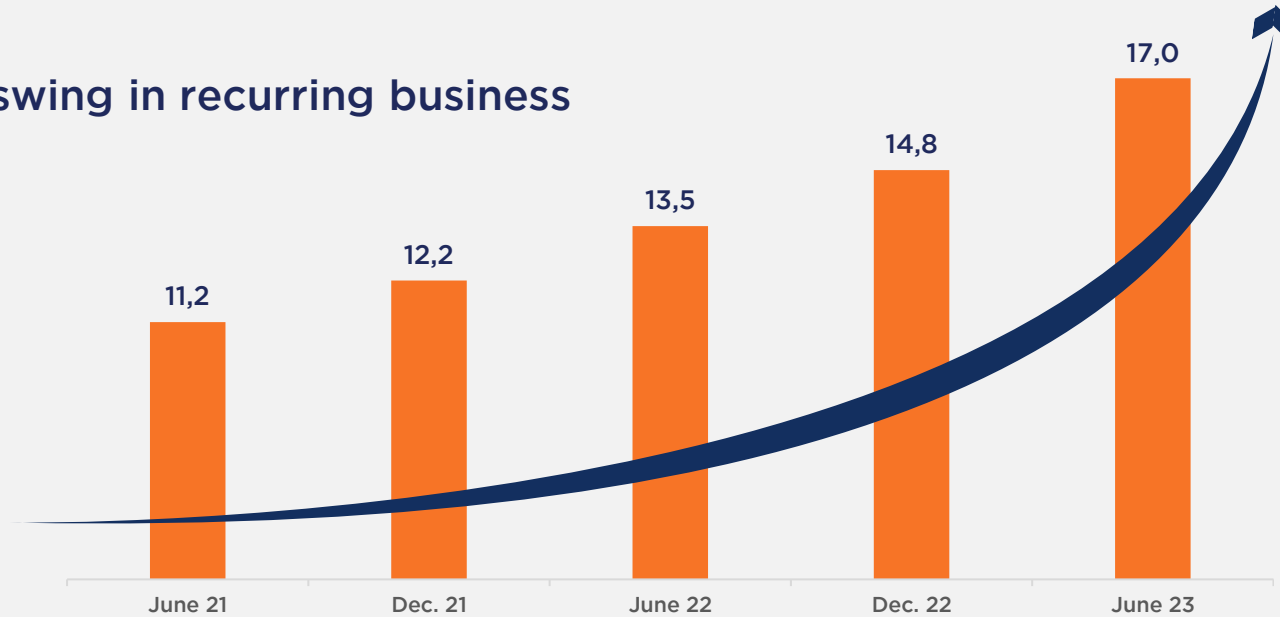


**Conclusion:  
on course towards  
profitable growth**

# Growth driven by recurring business

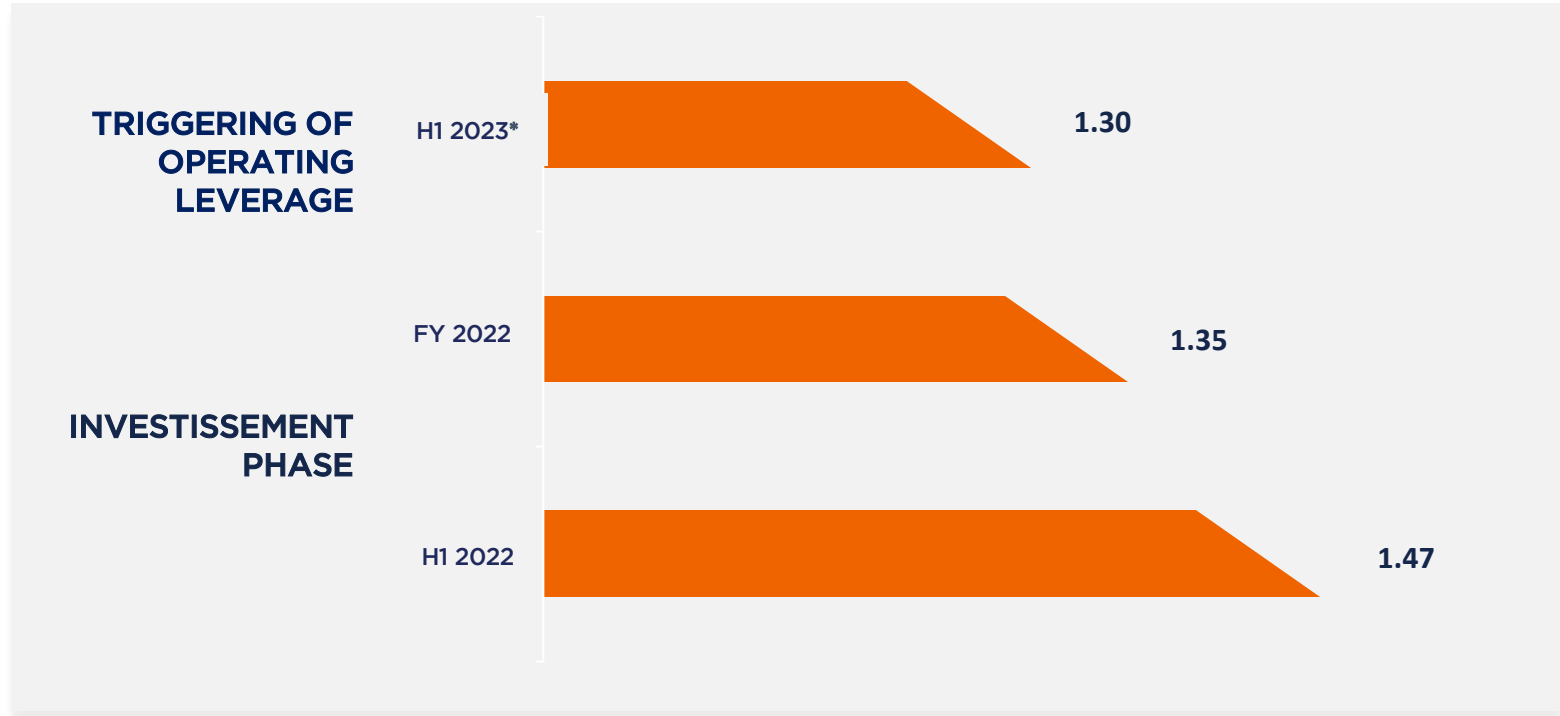
Annual recurring revenue (ARR)<sup>1</sup> (€m)

## Upswing in recurring business



<sup>1</sup> ARR = 12 x MRR at period-end

# Improvement in recurring operating expenses/turnover ratio



*\*operating expenses (excl. D&A and non-recurring items)/turnover*

## 2023: capitalize on our investments to achieve our targets

**Maintain strong organic growth**

**Study targeted external growth opportunities**

**Ongoing strict control of financial metrics**

**Gradual improvement in earnings and return to profitability in 2024**



[finance@wallix.com](mailto:finance@wallix.com)

