



2023 annual results

22 March 2024





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WALLIX
today

European leader in Identity & Access cybersecurity solutions



+ €1bn

Wallix Adressable
Market



~3,000

active contracts
(31/12/2023)



€30m

2023 turnover



65%

annual recurring
business



3

R&D
centers



+240

employees in 16
countries
(2023 average FTE)



+300

resellers
& integrators



90

countries covered



HEXATRUST
CLOUD CONFIDENCE & CYBERSECURITY





WALLIX offering: Simplifying cybersecurity

A simple and scalable identity and digital access management software suite suitable for a **Zero Trust** strategy

Identities

Identity management and enhanced authentication solution

Authentication & single sign-on (SSO) for employees and service providers

Secrets vault

Access

Privileged access for people and machines

Remote access

Secrets and session management

Traceability

Governance

Identity and access governance

Dashboard, mapping, data automation

Compliance and certification requirements

Offering recognized in IT
and OT environment



wallix
IT environment



ot • security
by wallix
OT environment

Our solutions are available :

in software, cloud, hybrid
and SaaS versions

on the main cloud platforms



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⁽²⁾



Common
Criteria
Certification



The image features a hand pointing at a tablet, with a background of financial charts and candlesticks. A dark blue diagonal overlay covers the right side of the image, containing the WalliX logo and the text '2023 highlights'.

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2023 highlights



Record full-year turnover



Upswing in recurring business



Improvement in operating expenses*/turnover ratio



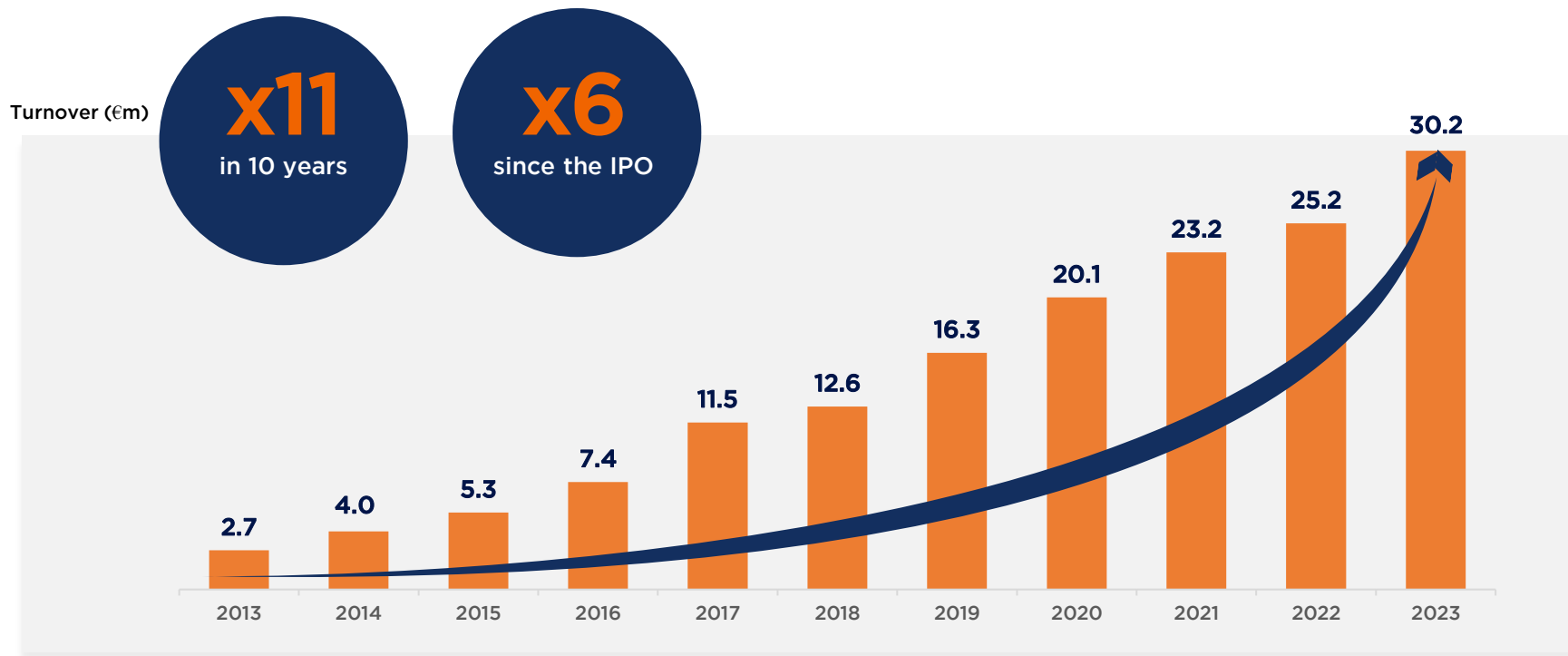
Increase in gross cash and cash equivalents



Confirmed excellence of non-financial performance

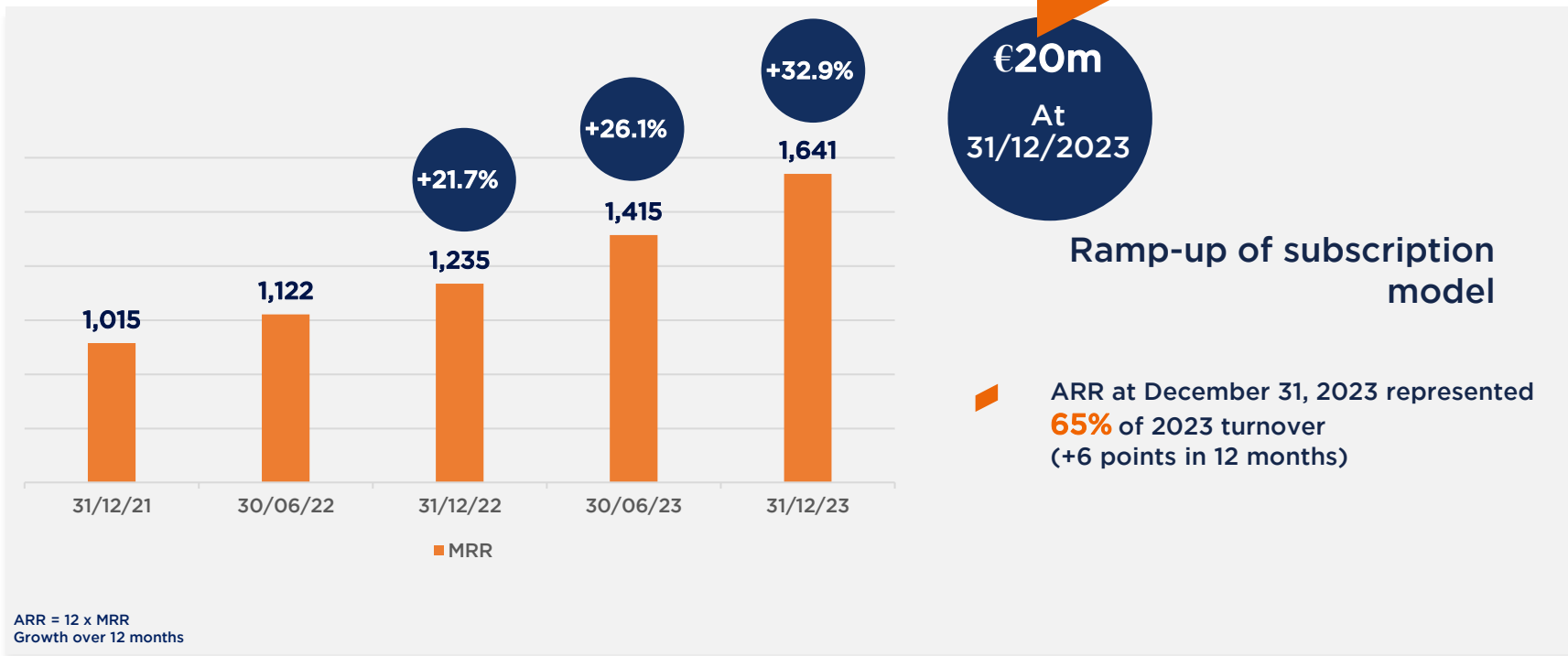
* excluding D&A and non-recurring items

An annual growth of more than 25% for 10 years



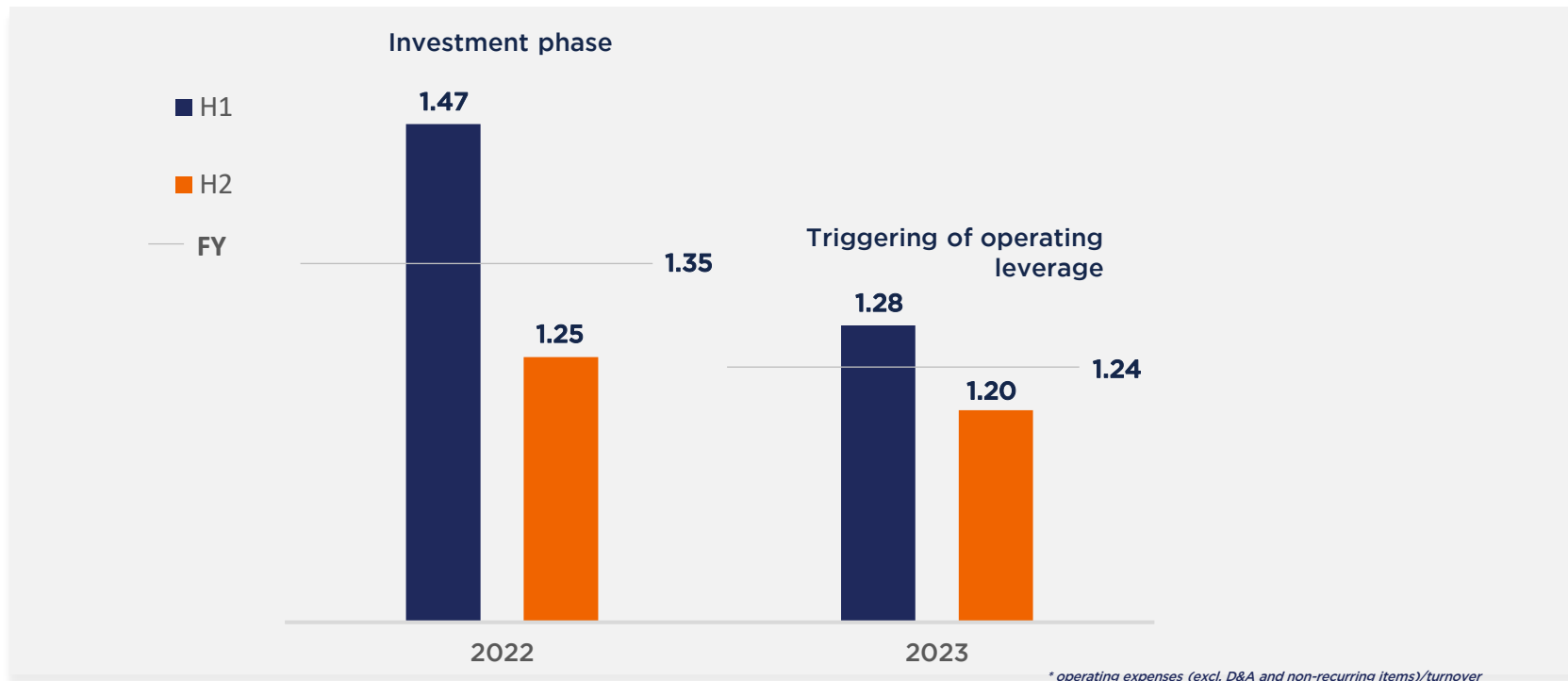
Solid growth in monthly recurring revenue (MRR)¹

Unaudited data (€000) – French GAAP



¹ Recurring business = maintenance revenue + subscriptions + multi-year managed services

Improvement in recurring operating expenses*/turnover ratio



Strengthening of gross cash and cash equivalents

HYBRID FINANCING POLICY

Capital increase

€5.5m

Convertible bond issue

€5.0m

Recovery Loan

€2.5m

Further €13m secured during the year

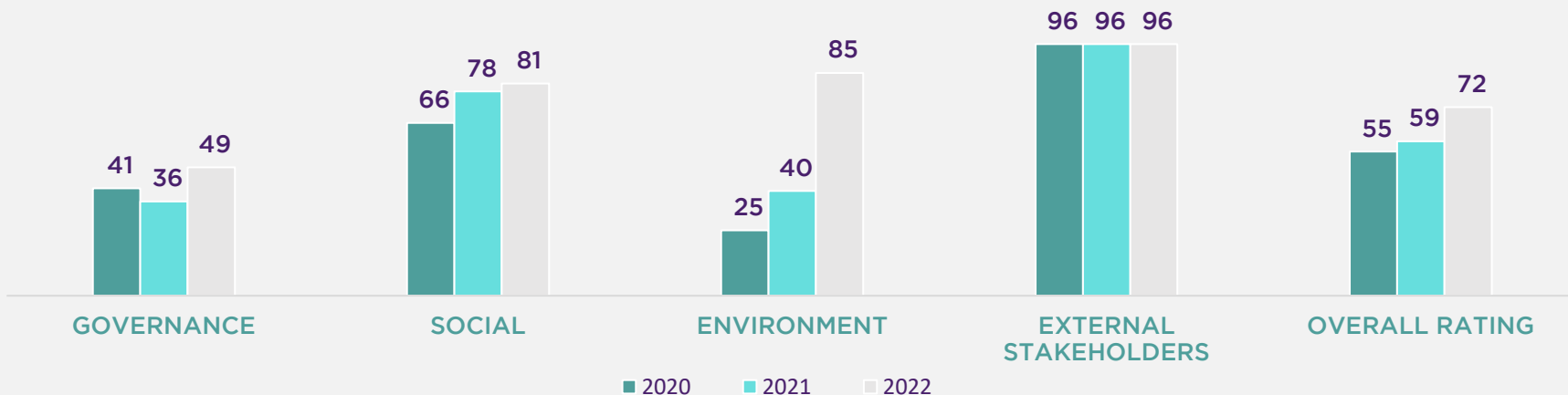
Confirmed excellence of non-financial performance



72/100

Industry
benchmark
47/100

Annual
increase
13 point



The background of the slide features a financial market chart with various indicators. A hand is shown pointing at a laptop screen, which is part of the overall scene. The chart includes candlestick patterns and moving average lines in green and red. The right side of the slide is a dark blue gradient overlay.

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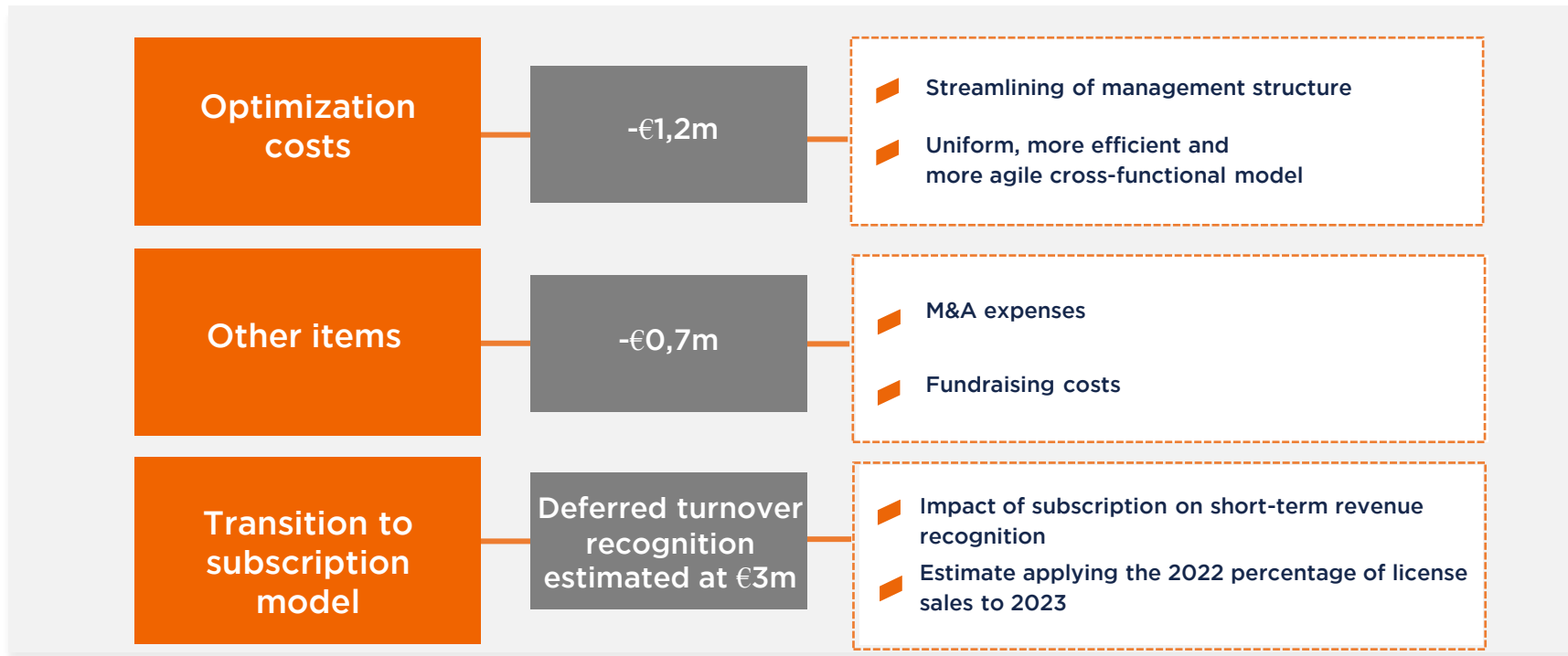
2023 annual results

Optimization of structural operating expenses

	Sales and Marketing	Customer Success	Innovation and Products	Support functions
2023 weighting as % of turnover (change vs. 2022)	54% (-6 pp)	17% (+1 pp)	26% (-6 pp)	27% (-1 pp)
	<ul style="list-style-type: none">Streamlining of management structure and unified decision-making powerHiring	<ul style="list-style-type: none">Strengthening of client support (training, assistance, sales administration, etc.)	<ul style="list-style-type: none">Focus on development, optimization and enhancement of the software suite	<ul style="list-style-type: none">Stabilization of support functions
2024/2025 Trends	Gradual reduction as % of turnover	Economies of scale	Gradual reduction as % of turnover	Economies of scale

Operating expenses before D&A and non-recurring expenses

Identified impacts on operating profit



Profit margins temporarily impacted by restructuring costs and ramp-up of subscriptions

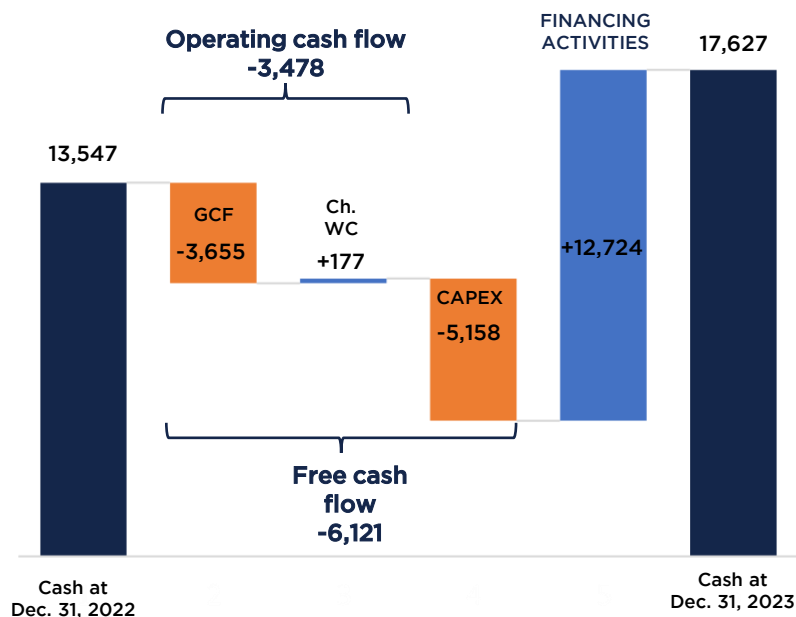
Audited consolidated data (€000) - French GAAP

	2022	2023
Turnover	25,179	30,180
Total operating income	30,956	35,127
Recurring expenses excl. DAP	(33,875)	(37,517)
<i>Recurring expenses excl. DAP (% of turnover)</i>	<i>(135%)</i>	<i>(124%)</i>
DAP	(4,214)	(5,261)
Operating profit/(loss) excluding non-recurring items	(7,133)	(7,651)
Non-recurring items		(1,845)
Operating profit/(loss)	(7,133)	(9,496)
Net financial income/(expense)	(285)	(278)
Non-recurring income/(expense)	418	(161)
Tax (expense)/income	998	1,401
Net profit/(loss)	(6,002)	(8,534)

- Turnover up 19.9%
- Operating profit/(loss) excluding non-recurring items virtually stable
- Impact of subscription ramp-up on operating profit/(loss) estimated at €3m
- Impact of hiring: +7 FTEs versus 2022
- CIR research tax credit €1.2m vs €1.0m in 2022

Strong financial position: €18m cash and cash equivalents

Audited consolidated data (€000) - French GAAP



- Impact of non-recurring items and subscription ramp-up on gross cash flow (GCF)
- Working capital under control
- Investments under control (mainly capitalized development costs):
16% of 2023 turnover vs 21% in 2022
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
- €2.5m Recovery Loan: 8-year maturity, repayment deferred for 4 years

Balance sheet

Audited consolidated data (€000) - French GAAP

	December 31, 2022	December 31, 2023
Non-current assets	19,648	21,330
o/w Goodwill	4,802	5,148
o/w Other intangible assets	13,077	14,052
Current assets	31,426	37,136
o/w Trade receivables	12,721	14,026
o/w Cash and cash equivalents	13,547	17,629
Total assets	51,074	58,465
Shareholders' equity	17,504	15,129
Provisions	865	1,490
Liabilities	32,705	41,846
o/w Loans and borrowings	1,956	8,954
o/w Trade payables	2,249	1,496
o/w Prepayments*	21,844	24,266
Total equity & liabilities	51,074	58,465

Impact of Kleverware consolidation on intangible assets and goodwill

Borrowings:

- €5m convertible bond issue and €2.5m Recovery Loan
- Almost 90% long-term debt incl. 87% maturing in over 3 years

16% increase in prepayments on income over 12 months (€23.2m at the end of 2023)

* 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.



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**2024 : Growth,
recurrence and
profitability**

New growth drivers

- ▮ Ramp-up in OT
- ▮ Expansion into governance segment
- ▮ Launch of WALLIX One SaaS platform
- ▮ Entry into force of NIS2 Directive

OT.security: tapping into a new world of opportunity

Trained **partners**
(distributors and integrators)

An offering recognized by **Gartner**
as one of the few solutions designed
specifically for OT

Strategic technological **alliances**



STORMSHIELD

ot•security
by WALLIX

Value of won contracts in 2023 : **+173%**

9.4% of MRR
at 31/12/2023

5%
of 2022 order
intake

14%
of 2023 order intake
(vs. target of 10%)

GARTNER®:
"Wallix is one of the few
players to have developed PAM
solutions specifically dedicated
to the OT environment, in
particular by developing
Universal Tunneling."

Kleverware acquisition: expansion into the Identity and Access Governance sector

Why Kleverware?

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



Launch of the SaaS Wallix One platform

All solutions available in a
unique central
*(early adopters program until
June 2024)*

Optimization of
development and
maintenance costs

IDENTITIES

Identity management and authentication services...



ACCESS

Privileged access management for people and machines, secret and session management, remote access, traceability...

GOVERNANCE

Identity and access governance, data mapping, compliance...

A **SaaS platform** suitable for a flexible and simple
Zero Trust architecture of all digital access and
identities, at a lower cost

NIS 2: regulatory framework leading to a tenfold increase in Europe potential



NIS 2:
Harmonize
and strengthen
cybersecurity
in the European
market

- Broadening of objectives
- Expansion of scope
- Strengthening of sanctions



- Transport
- Digital services
- Healthcare
- Banking
- Energy
- Digital infrastructure
- Financial markets
- Water management



- Space
- Waste management
- Public administration
- Manufacturing
- Postal services
- Digital providers
- Wastewater
- Research

WALLIX published a white paper dedicated to NIS 2

NIS 2 Directive Unpacked

All you need to know
about the NIS 2 Directive

Steptoe

Levers for generating recurring profitable growth

Reorganization + SaaS offer

- Enhance value of client base
- Help key accounts implement their projects
- Leverage WALLIX One to expand use of WALLIX solutions

Positive impact
on turnover and
margin

Operating efficiency

- Optimize pricing policy
- Streamline total amount of purchases (OPEX/CAPEX) by 10%

Positive impact
on margin

2024: a year of scaling-up without additional investment

Confirmation of a
hypergrowth rate in MRR
(subscription + SaaS + maintenance)

Levers to boost sales margins
and operating efficiency

**Generate a positive
operating profit
from H2 2024**

Save the date

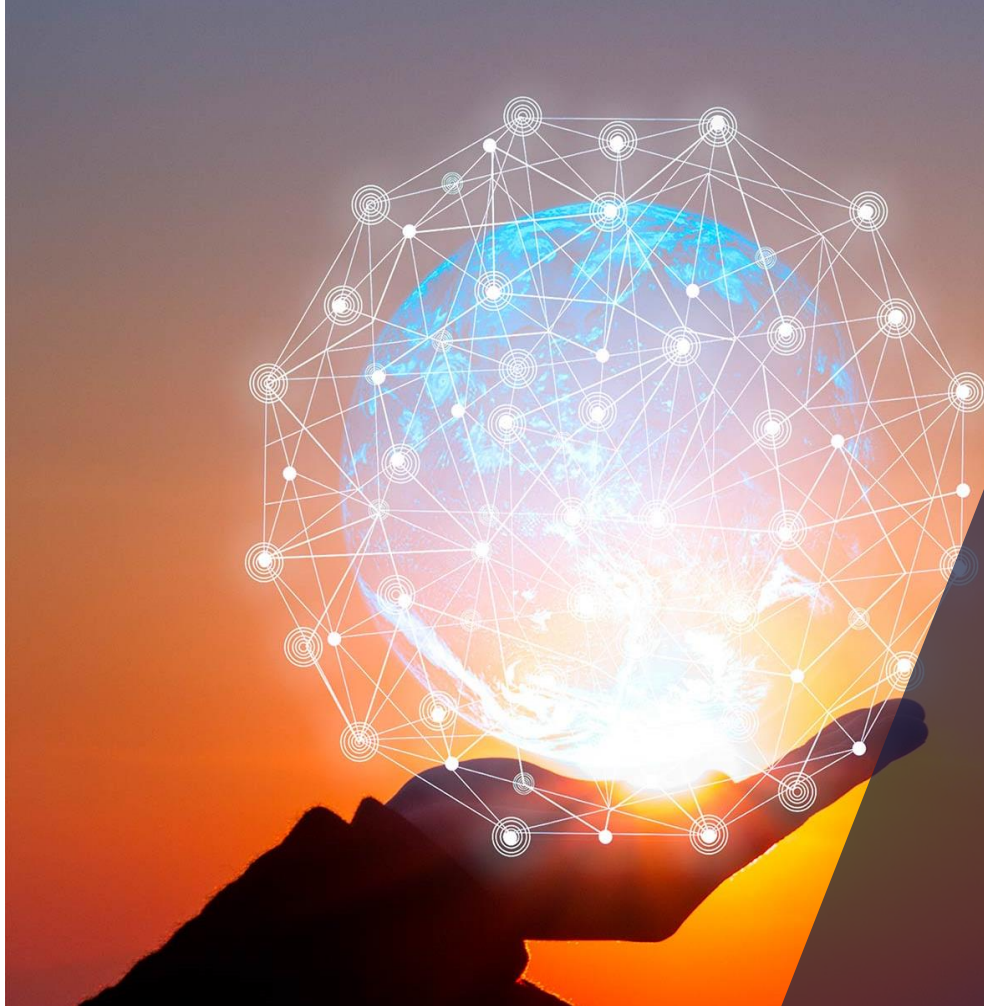


Cyber Vision by WALLIX

May 21, 2024

An opportunity to discover the challenges and prospects facing cybersecurity





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Q&A

Q&A Instructions



**« Raise hand »
button**



**Press *
then 6**

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finance@wallix.com

