



Ramp-up of growth in 2019 & multiple drivers in effect for 2020

- **Consolidated growth of 29%** up sharply from 2018 (9%);
- **Sustained 36% growth in France and surge in recurring business;**
- **International operating capacity bolstered** by strong indirect sales network;
- **Development of a range of cyber-security solutions** available in 2020 and adapted to the new uses and threats posed by digital technologies;
- **Net cash of €26 million** at December 31, 2019;
- **Strong growth expected in 2020.**

WALLIX (Euronext – ALLIX), a software company providing cyber-security solutions and the European specialist in privileged access management, is announcing its unaudited 2019 turnover.

Jean-Noël de Galzain, Chairman of the WALLIX GROUP Management Board, said: "WALLIX's growth in 2019 reflects a dual reality. After signing major framework agreements with key accounts in 2018 and bolstering the corporate business line in regulated sectors via our integrator partners, the company posted revenue growth of 36% in France. With regard to international operations, the transition to an indirect distribution model in the major global regions required significant investment and an intensive partner recruitment drive designed to boost sales in the UK, German-speaking countries (DACH), Eastern Europe, North Africa, the Middle East, Africa and North America. These investments are in line with the objective of the Ambition 2021 plan to cover 80% of the major IT markets by 2021. Implementing the model has required a little more time than anticipated, resulting in 18% international growth. The system is now in place and will enable us to commence scale-up. Meanwhile, client acquisition remains very high globally with 1,045 active accounts at the end of 2019. At the same time, we have completed two acquisitions enabling us to strengthen our solutions portfolio in privileged access management, our core business, protecting Windows-based workstations and access to sensitive applications. Without impact in 2019, these solutions will contribute to the company's 2020 turnover and transformation into a major European cyber-security provider. As this year gets underway, teams are in place and sales momentum is much stronger than at the start of 2019. As such, we have every confidence in maintaining our growth trajectory with a view to becoming a profitable, international mid-tier company by 2021, with a large regular client base."



New business in France, international scale-up

Unaudited results, €000	2018	2019	Change
Consolidated turnover	12,640	16,335	+29%
France	8,116	11,002	+36%
International	4,524	5,333	+18%

WALLIX posted 2019 turnover of €16.3 million, up 29% year-on-year.

France saw a year of dynamic 36% growth, reaping the first benefits of the strategic plan launched in 2018.

WALLIX crossed the symbolic 1,000 clients threshold during the year, thanks to a 36% increase in the number of active accounts, 54% of which are based in France.

With the renewal of ANSSI certification for WALLIX Bastion, the Group remains the benchmark in privileged access management software and can leverage a network of powerful partners such as Atos (now a global distribution partner), Orange Cyberdéfense and Schneider Electric (for dedicated industrial IoT solutions) in order to position its solutions within high added value global offerings.

With regard to international operations, WALLIX has focused on strengthening its network by recruiting strategic partners in targeted zones, which will constitute a powerful driver of future growth.

In the DACH/Eastern Europe region, WALLIX signed a new partnership agreement with Infinigate, the German leader in value-added distribution (VAD) of security solutions, which also operates in more than 10 other European countries. In the UK, WALLIX has teamed up with e92plus, the leader in cyber-security product distribution, for the resale of its solutions. Finally, the Group has signed an agreement with distributor Credence Security, enabling WALLIX to position its entire offer in the Middle East and Africa, both fast-growing markets.

The strengthening of this channel has been supported by an increase in recruitment in newly opened offices with the number of international staff increasing from 12 to 33, including 15 in the DACH/Eastern Europe region and 10 in North America (sales force and Customer Success).

Major growth in turnover from recurring business

Unaudited results, €000	2018	2019	Change
Consolidated turnover	12,640	16,335	+29%
Licenses	7,295	8,914	+22%
Maintenance & Subscriptions	4,580	6,415	+40%
Professional services	766	1,005	+31%

The 22% increase in license sales is only one component of overall sales growth. The Group also expanded its range of SaaS solutions sold in the form of subscriptions or as managed services.

Revenues from recurring business comprising maintenance, subscriptions and the recurring portion of managed services increased 40% year-on-year. As a result, 2019 recurring business accounted for 39% of turnover, up 3 percentage points from the previous year.



Professional services turnover rose 31% thanks to the sale of training services and the signing of a pilot project based on WALLIX's technological expertise.

Strategy underpinned by financial strength

At December 31, 2019, gross cash amounted to €29.3 million versus €36.4 million a year earlier. The Group has deployed its financial strength to support its controlled development strategy by financing organic growth (headcount increased from 127 to 172 over the year), two targeted acquisitions (€2.4 million) and a share buyback program (€0.5 million) to help cover acquisition earnout payments.

The Group also diversified its sources of financing by taking out a €2.6 million loan with BNP Paribas. The foregoing arrangements resulted in net cash of €25.7 million.

Ambition 2021 plan drivers

Over the last two years, WALLIX has added to its now comprehensive PAM **offering** and has expanded into adjacent market segments as set out in the strategic plan. As a result, it now boasts a portfolio of four fully complementary offerings that address the new uses and threats posed by digital technologies:

- **WALLIX Bastion**, the Group's core solution, is now recognized in the Gartner Magic Quadrant, the Forrester Wave and by Kuppinger Cole and is distributed worldwide;
- **WALLIX BestSafe**, developed with the acquisition of Simarks, extends WALLIX's offering to include the protection of office and business users against ransomware, malware and cryptoviruses;
- **WALLIX Trustelem** simplifies and controls user access to applications, whether administrators or standard users, in SaaS (Software as a Service) mode;
- **WALL4IoT**, a dedicated industrial asset protection solution to support companies in their secure digital transformation to Industry 4.0 and the Internet of Things (IoT).

International operations have also benefited from the Group's ambitious recruitment policy as well as the implementation of the channel, the Group having all but reached its target of covering 80% of the global PAM market by 2021.

Backed by this range of solutions, a significantly stronger sales network in France and overseas and numerous new clients in the launch phase, WALLIX expects to see a further ramp-up in growth in 2020 driven by a much higher contribution from international operations.

About WALLIX

WALLIX is a cybersecurity software vendor dedicated to defending and fostering organizations' success and renown against the cyberthreats they are facing. For over a decade, WALLIX has strived to protect companies, public organizations, as well as service providers' most critical IT and strategic assets against data breaches. Founded in 2003, WALLIX is the first European cybersecurity software vendor to be publicly traded in 2015 (EuroNext ALLIX code).

WALLIX accompanies more than 1 000 worldwide companies and organizations on a day-to-day basis. WALLIX is being named among the PAM leaders in the Product categories of the KuppingerCole 2018 Leadership Compass report. In 2017 and 2018, WALLIX was included in Forbes France's Futur40 ranking of fastest-growing listed companies.

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