

## H1 2020 turnover up 10%

## Sustained growth in Europe amid a challenging environment

- Strong start to the year curbed by postponements due to the health crisis;
- Continued positive momentum abroad, particularly in the DACH region;
- High client acquisition rate with 168 new accounts over the period;
- Launch of 2 new cybersecurity solutions adapted to the new uses and threats posed by digital technologies;
- Gross cash of €27 million at June 30, 2020;
- Reaffirmed leadership ambition for the European cybersecurity market.

Paris, July 23, 2020 - WALLIX (Euronext ALLIX), a European cybersecurity software developer and expert in privileged access management (PAM), reports H1 2020 turnover.

Unaudited results, €000	H1 2019	H1 2020	Change
France	4,837	5,333	+10%
International	2,491	2,758	+11%
<b>Consolidated turnover</b>	<b>7,328</b>	<b>8,091</b>	<b>+10%</b>

**Jean-Noël de Galzain, Chairman of the WALLIX GROUP Management Board, said:** “The 2020 financial year started with significant growth. We noted disruptions on a number of our markets due to the public health crisis. We are nonetheless proud to have posted an increase in revenue during this turbulent period. While this crisis has highlighted more than ever the growing need to secure access to companies’ sensitive data, particularly given the increasing use of remote access, we have had to manage the postponement of project deployments without letting this impact orders already taken. Business momentum remains strong, both in the French middle market and among international key accounts, where we are starting to record some major successes. We are also stepping up the roll-out of our subscription offers, giving us greater visibility of future revenue.

In two years, we have expanded our offer portfolio, in particular to address the new threats related to increased user mobility and the management of access to industrial networks, we have developed a first-rate partner network and we have grown and bolstered our international operations. As businesses and organizations pursue their digital transformation, we have no doubt that WALLIX is ideally placed to play a leading unifying role in the construction of an independent European cybersecurity offer of global stature.”

### Booming growth slowed by the public health crisis

WALLIX maintained its growth trajectory in H1 2020 with turnover up 10% to €8.1 million. The Group started the year in line with the 2019 growth trend (turnover up 29% over the previous year) but had to extend deadlines towards the end of the period under the impact of the public health crisis and lockdown.

International turnover rose 11% to €2.8 million, accounting for 34% of total business. Amid an economic downturn, France continued to grow with revenue up 10% to €5.3 million.

#### Business growth by region:

- France: the Group has noted a growing interest in middle-market offers and certain sectors such as healthcare in recent months, while key accounts showed a wait-and-see attitude in view of the current situation, which led to postponement of the deployment of projects related to previously signed master agreements.
- International: WALLIX continued to implement the strategic plan capital expenditure program by developing the office network (Germany, UK and Spain) and expanding the partner network in target markets (Italy). While the public health crisis impacted business more severely in North America, leading to a decline in sales, Europe recorded sustained growth in H1 2020, with a significant increase in the DACH/Eastern Europe region and the UK.

### Continued growth in recurring business

Unaudited results, €000	H1 2019	H1 2020	Change
Licenses	4,021	3,452	-14%
Maintenance & Subscriptions <sup>1</sup>	2,902	3,902	+34%
Professional services	405	737	+82%
<b>Consolidated turnover</b>	<b>7,328</b>	<b>8,091</b>	<b>+10%</b>

Sales of licenses were down over the period: the dampening effect of the increase in new contracts signed on a subscription basis was exacerbated by the health crisis, which delayed the deployment of solutions particularly among key accounts.

Revenue growth for the period was driven by the increase in recurring business, which was boosted by additional maintenance revenue generated by the increase in the number of clients equipped, and by the increase in subscription revenue driven by the growing appeal of subscription solutions (licenses in SaaS mode and managed services).

Recurring business grew 34% in H1 2020, resulting in a recurrent portion of revenue of 48% in H1 2020 compared to 41% in H1 2019, providing greater visibility of the Group's business.

At June 30, 2020, the Group estimates that the future value of the subscription contracts billed in the first half of the year amounts to €1.9 million over a 3-year period.

### Strategy underpinned by financial strength

At June 30, 2020, gross cash and cash equivalents amounted to €27.3 million versus €29.3 million at December 31, 2019. The Group continued to invest in organic growth during the first half (workforce increasing from 172 to 197 over the period) and in the commercial deployment of its new offers.

This financial strength affords the Group the flexibility required to pursue these investments and take advantage of acquisition opportunities.

### Reaffirmed leadership ambition for European cybersecurity

Recently listed among the leading PAM companies in the KuppingerCole 2020 "Leadership Compass for Privileged Access Management" analyst report, WALLIX is the sole European software company among the 7 global leaders.

Over the last two years, WALLIX has enlarged its now comprehensive PAM offering and has expanded into adjacent market segments in accordance with the strategic plan. As a result, it now boasts a portfolio of four fully complementary offerings ((WALLIX Bastion, WALLIX BestSafe launched in February 2020, WALLIX Trustelem launched in May 2020, WALL4IoT) that address the new uses and threats posed by digital technologies.

<sup>1</sup> o/w Managed services



Backed by this extensive portfolio, a significantly broader commercial network in France and abroad and a base of over 1,000 clients representing outstanding embedded growth potential, WALLIX has the means to achieve a rapid return to strong growth in the second half of 2020 driven by the international market.

Operating in a market expected to be particularly buoyant once the crisis is over, WALLIX also reaffirms its desire and capacity to establish itself as one of the key players in European cybersecurity. In this regard, a number of potential acquisitions are currently under review and the Group will communicate any significant developments in this area.

**Next publication:** H1 2020 earnings, October 15, 2020

## **ABOUT WALLIX**

A software company providing cybersecurity solutions, WALLIX Group is the European specialist in privileged account governance. In response to recent regulatory changes and the cybersecurity threats affecting all companies today, WALLIX's solutions help users defend against cyber-attacks, theft and data leaks linked to stolen credentials and abused privileges. It is the first market solution to have been awarded first-level security certification (CSPN) by France's National Cybersecurity Agency (ANSSI) and thus meet all of the criteria for regulatory compliance. Listed on the Euronext under ALLIX and distributed by a network of more than 170 resellers and trained and accredited integrators, WALLIX accompanies more than 1000 companies in securing their digital future.

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