

H1 2021 turnover up 28%

Strong growth in France and worldwide

- Continued high client acquisition rate with 265 new accounts in the first half;
- International turnover rose sharply by 51% and now accounts for 40% of Group business, boosted by new distributor partnerships;
- Recurring business accounted for 50% of H1 turnover;
- Initial success of WALLIX BestSafe and signing of major WALLIX Inside contracts;
- Gross cash of €23 million at June 30, 2021;
- Sustained growth and profitability outlook for second half reaffirmed for 2021.

Paris, July 22, 2021 - WALLIX (Euronext ALLIX), a European cybersecurity software developer and expert in privileged access management (PAM), reports H1 2021 turnover.

Unaudited data, €000	H1 2020	H1 2021	Change
France	5,333	6,165	+16%
International	2,758	4,156	+51%
Consolidated turnover	8,091	10,321	+28%

Jean-Noël de Galzain, Chairman of the WALLIX GROUP Management Board, said: “Strong first half business growth has confirmed the solid momentum recorded in the second half of 2020. Besides the digital transformation currently in full swing, there is also a growing need for cybersecurity risk management and expertise. With its extensive offer and technological leadership in access and identity protection, today WALLIX is reaping the benefits of its strategic investments thanks to the development of a global network of business partners and the extension of its offer with strong verticals in manufacturing, cloud computing and healthcare.

With 50% recurring revenue and 40% of business now generated abroad, our business model is gradually moving towards a subscription-based format, which provides a sustainable foundation and confirms our ability to attain our short and medium-term goals. We are confident that the Group can achieve significant growth in the second half of 2021 which will enable us to post an operating profit for the period.

We believe this will foster the emergence of new European tech champions to guide us through this new era of trusted digital solutions underpinning IoT and big data. WALLIX will have a leading and driving role when it comes to building a European cybersecurity offering aimed at helping users take back control of access and data in a digital world.”

Continued strong growth in France and abroad

WALLIX maintained its growth trajectory in H1 2021 with turnover up 28% to €10.3 million. This strong growth reflects the positive impact of investments made over the last 18 months in the product catalog and business verticals (particularly healthcare and manufacturing), regional expansion, and the development of a distributor partner network (channel). The new WALLIX BestSafe offer brought to market in H2 2020 also contributed to business growth during the period.

International turnover rose 51% in the first half to €4.2 million, accounting for 40% of total business. Amid a gradual economic recovery, France continued to grow with turnover up 16% to €6.2 million.

Business growth by region:

- In France, the Group benefits from positive sales momentum in the healthcare sector, where WALLIX Bastion is one of ten families of “priority” cybersecurity solutions recommended by the French National Cybersecurity Agency (ANSSI). Major contracts previously signed in France generated invoices totaling €3.1 million over the first half. WALLIX estimates potential turnover of €20.7 million from these key account equipment contracts over the next three years (2021-2023).

- In the international segment, WALLIX continued to roll out the strategic plan capital expenditure program and expand the partner network in target markets. The Group has seen a marked acceleration in the commercial pipeline offered by its partners. WALLIX doubled its first half turnover in the European Union and posted strong growth in the UK (where the Group signed its first major contract outside France in 2020) and Africa-Middle East. The Group is signing a growing number of major contracts (billing > €100,000) in the international market, which generated invoices totaling €1.5 million over the first half. WALLIX estimates potential turnover of €7.9 million from equipment contracts over the next three years (2021-2023).

Continued growth in recurring business

Unaudited data, €000	H1 2020	H1 2021	Change
Licenses ¹	3,452	4,203	+22%
Maintenance & Subscriptions ²	3,902	5,200	+33%
Professional services	737	918	+24%
Consolidated turnover	8,091	10,321	+28%

First half sales of licenses rose 22%, boosted by strong growth in international markets due to the launch of the partner network. Turnover generated by subscription contracts (SaaS licenses and managed services) doubled to €850,000, reflecting the growing success of this contract model.

Combined with the impact of the increase in clients served on maintenance revenues, recurring business rose 33% in H1 2021 to 50% of total business compared to 48% in H1 2020, thereby improving visibility of the Group's business.

At June 30, 2021, the Group estimates that the future value of subscription contracts billed in the first half of 2021 will amount to €3.6 million over a 3-year period.

Strategy underpinned by consistent financial strength

At June 30, 2021, gross cash and cash equivalents amounted to €22.7 million versus €23.2 million at December 31, 2020. The relatively stable cash position over the period reflects the €1.2 million research tax credit (CIR) received during the first half.

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

Continued strong growth trajectory in 2021, second half operating profit target confirmed

WALLIX operates in a particularly favorable market context: the accelerating impact of new uses on the digital transition calls for growing investment in cybersecurity in response to the proliferation of cyberattacks.

WALLIX is in prime position to take advantage of sector growth. Named Challenger and the only European software publisher among the ten global leaders in the PAM³ Magic Quadrant 2021 by Gartner, WALLIX has a comprehensive PAM offering (WALLIX Bastion) expanded into adjacent market segments (WALLIX BestSafe and WALLIX Trustelem), enabling it to address all the threats posed by new technologies (IoT, cloud computing, etc.) and new digital services (telemedicine, WFH, smart city, predictive maintenance, etc.). The launch of version 9 of WALLIX Bastion, which further automates and simplifies privileged access management for all kinds of information systems, wherever they are located, is expected to encourage its adoption by organizations.

¹ including hardware sales

² including Managed services

³ Privileged Access Management

To boost its growth, WALLIX also intends to leverage high-potential business verticals such as healthcare and manufacturing. In manufacturing, WALLIX will also offer its embedded technology for Industry 4.0, WALLIX Inside, which combines WALLIX access and identity security solutions integrated by design into business solutions. Following its first partnership with Fives, WALLIX Inside is now integrated into Schneider Electric's new Harmony P6 "edge box" industrial infrastructure security range. Based on an OEM (Original Equipment Manufacturer) sales model, WALLIX Inside will be a powerful driver of profitable growth over the coming years.

In addition to its strong foothold in Europe, WALLIX can count on the proven efficiency and continued ramp-up of its "channel" partner network. In Europe, the Group recently signed partnerships with TechData in Spain and IT2Soft in Scandinavia. In May this year, WALLIX also signed a major partnership agreement with leading electronics distributor Arrow Electronics, giving it access to over 1,000 resellers and integrators supporting millions of US customers spanning all sectors. This partnership will boost the distribution of WALLIX solutions in the United States, thereby offering US companies all the Group's expertise in access and identity security. Thanks to these partnerships, in 2021 WALLIX will achieve its goal to cover 80% of the global digital market, with considerable growth potential on these markets.

Fueled by sustained market demand and an innovative marketing approach, the Group is particularly confident in its ability to continue business growth throughout the second half of 2021 and confirms its target of posting an operating profit for the period.

Next publication: First half 2021 earnings, October 14, 2021

ABOUT WALLIX

A software company providing cybersecurity solutions, WALLIX is the European specialist in Identity and Access Security Solutions. WALLIX's unified solutions portfolio enables companies to respond to today's data protection challenges. WALLIX solutions guarantee detection of and resilience to cyberattacks, which enables business continuity. The solutions also ensure compliance with regulatory requirements regarding access to IT infrastructures and critical data. The portfolio of unified solutions is distributed through a network of more than 180 resellers and integrators worldwide. Listed on the Euronext (ALLIX), WALLIX supports more than 1,300 organizations in securing their digital transformation. WALLIX is a founding member of the HEXATRUST group and has been included in the Futur40, the first ranking of growth companies on the stock exchange published by Forbes France and is part of the Tech 40 index.

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