

A photograph of a man with dark curly hair and a beard, wearing a light green t-shirt, sitting at a wooden desk. He is looking down at a pen being handed to him by a person standing next to him. The person standing is wearing a green corduroy cardigan over a light-colored shirt and green trousers. A silver laptop is open on the desk in front of the seated man. The background is a blurred office setting.

yubico

Q2 report, 2025

# Today's presenters



**Mattias Danielsson**  
Chief Executive  
Officer

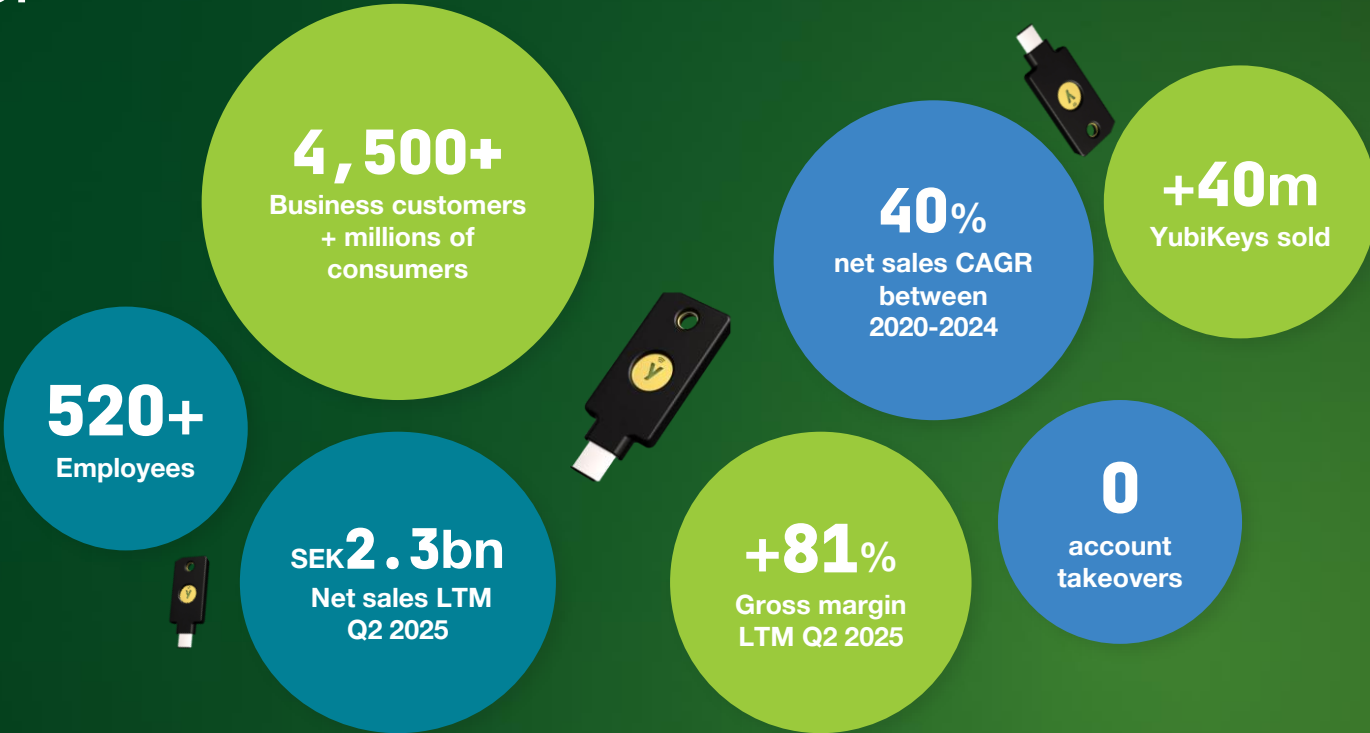


**Camilla Öberg**  
Chief Financial  
Officer

# Agenda

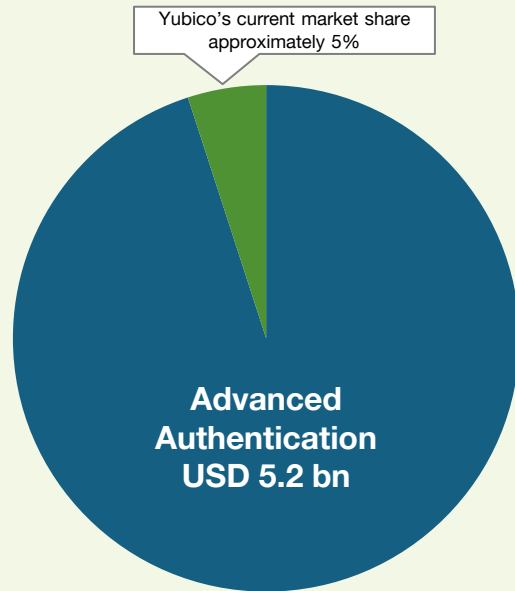
- Company overview
- Q2 25 Highlights
- Financial overview
- Concluding remarks
- Q&A

# Yubico at a glance – A global authentication leader

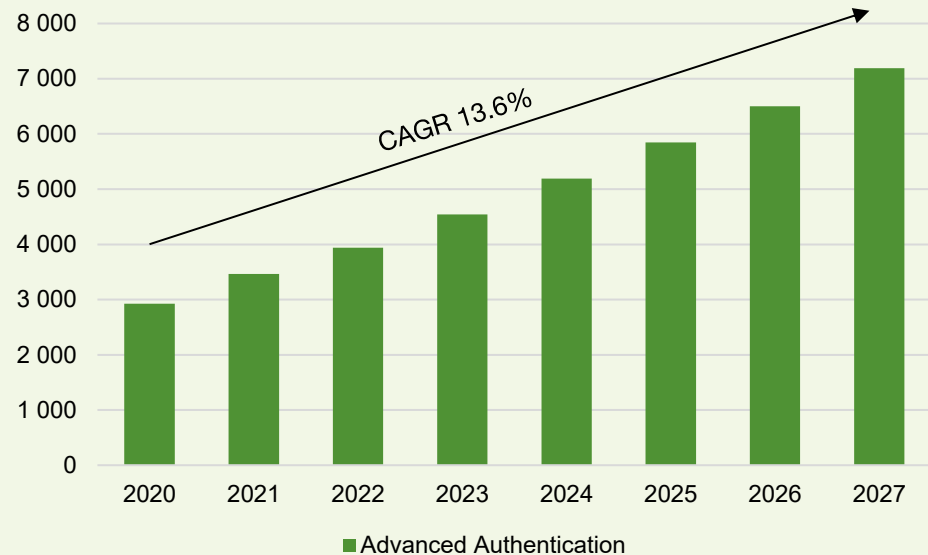


# Yubico's opportunity – a TAM of USD 5.2 bn

Yubico's estimated market share in  
Advanced Authentication market



Advanced Authentication has a CAGR of approx. 13.6%



Source: IDC, Market Insights on Advanced Authentication, 2024

**Security**

**Highest Security**

Smartcard

Phishing-resistant

YubiKey.  
It just works.

**Phishable**

Mobile application

Username and password

**Ease of use**

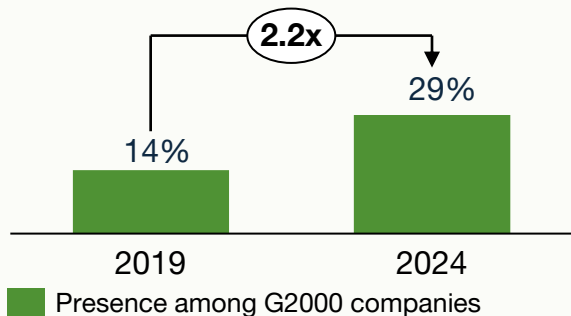
The diagram illustrates a 'Security Stack' centered around a USB drive icon. The stack is organized into five main categories, each with sub-sections and associated logos:

- Developer & Encryption Tools**
  - CMS**: WordPress, Joomla, Drupal, Magento, etc.
  - Computer Login**: Windows, macOS, Linux, etc.
  - Remote Access & VPN**: Citrix, LogonBox, etc.
  - Identity Access Mgmt**: Okta, Duo, etc.
- Online Services**
  - Cloud**: AWS, Azure, Google Cloud, etc.
  - Mobile**: iOS, Android, etc.
  - Web**: HTTP, HTTPS, etc.
- Privileged Access**
  - Network**: Cisco, Juniper, etc.
  - Database**: Oracle, Microsoft SQL Server, etc.
  - Application**: SAP, Salesforce, etc.
- Password Mgmt**
  - Personal**: LastPass, 1Password, etc.
  - Business**: Keeper, etc.
- Identity Access Mgmt**
  - Authentication**: Duo, Okta, etc.
  - Authorization**: Role-based access control, etc.

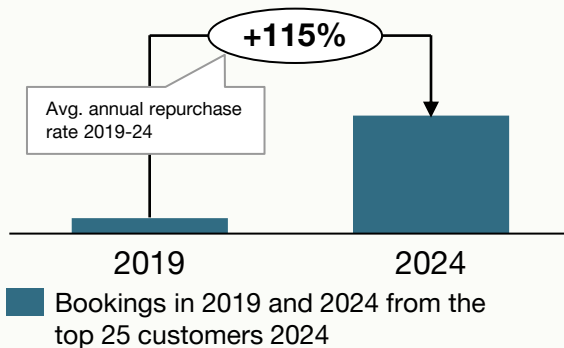
The diagram is surrounded by various logos of security and technology companies, including Microsoft, AWS, Google, and many others.

# Scaling with existing customers and...

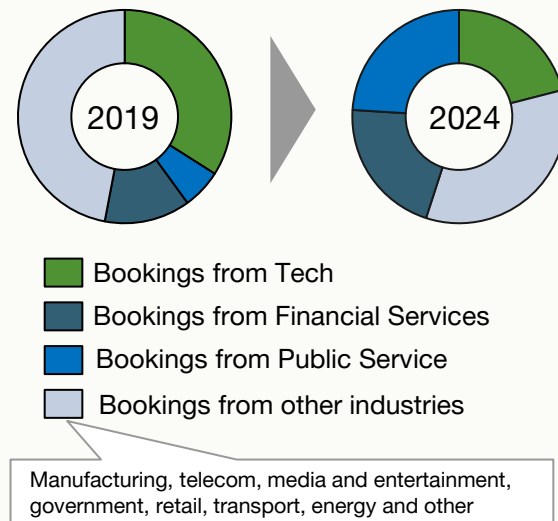
...continuously landing new key accounts...



...and expanding with current accounts



...while diversifying across verticals



...with a clear go-to-market strategy

1

Build accounts from a smaller group of influential privileged users

2

Expand from the initial footprint to other user groups and use-cases

3

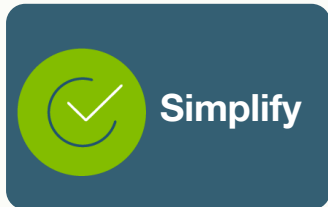
Easy access of buying keys simplifies the decision process and deployment of additional keys

# Strategic focus areas to execute our vision

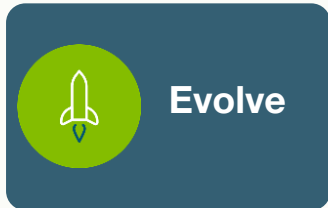
## Strategic focus areas.



- New market coverage
- Deeper engagements in installed base
- Go-to-market Partnerships



- Global Channel model
- Delivery from order to doorstep
- Optimize delivery processes & simplify deployment & adoption



- Pursue business opportunities in adjacent areas to solve customer life cycle
- B2B2C and B2G2C - Build scalable enterprise-to-enterprise sell-through solution

## Financial targets:

**25%**

Average annual growth  
rate in net sales

**20%**

EBIT margin

### Dividend policy:

**For the foreseeable future, Yubico will primarily use generated cash flow for investing in continued growth**

*Set in 2024 and apply for the next five years.*

# Highlights from the quarter

- **Underlying momentum returns:** The short-term earnings are not satisfactory, but sales momentum returned at the end of the quarter. Order bookings declined by 8% in the quarter, but showcased growth of 3% in local currency and growth by 19% vs Q1 25
- **FX impact:** Stronger SEK ( $\approx 10\%$  vs USD) compared to Q2 24, impact on reported numbers as  $\sim 80\%$  of revenue is USD-denominated
- **Subscription breakthrough:** YubiKey-as-a-Service reached 32% of bookings; major high-tech client converted entire fleet to subscription in multi-year deal

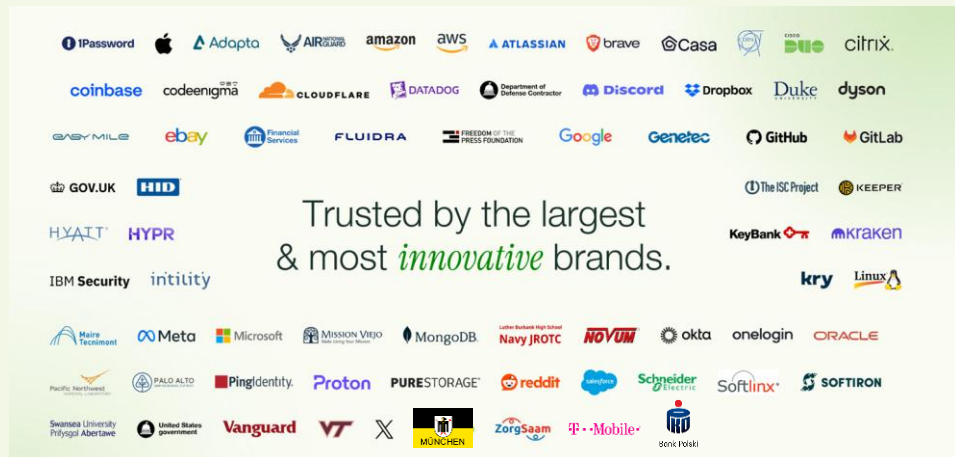


# Trusted by leading organizations worldwide

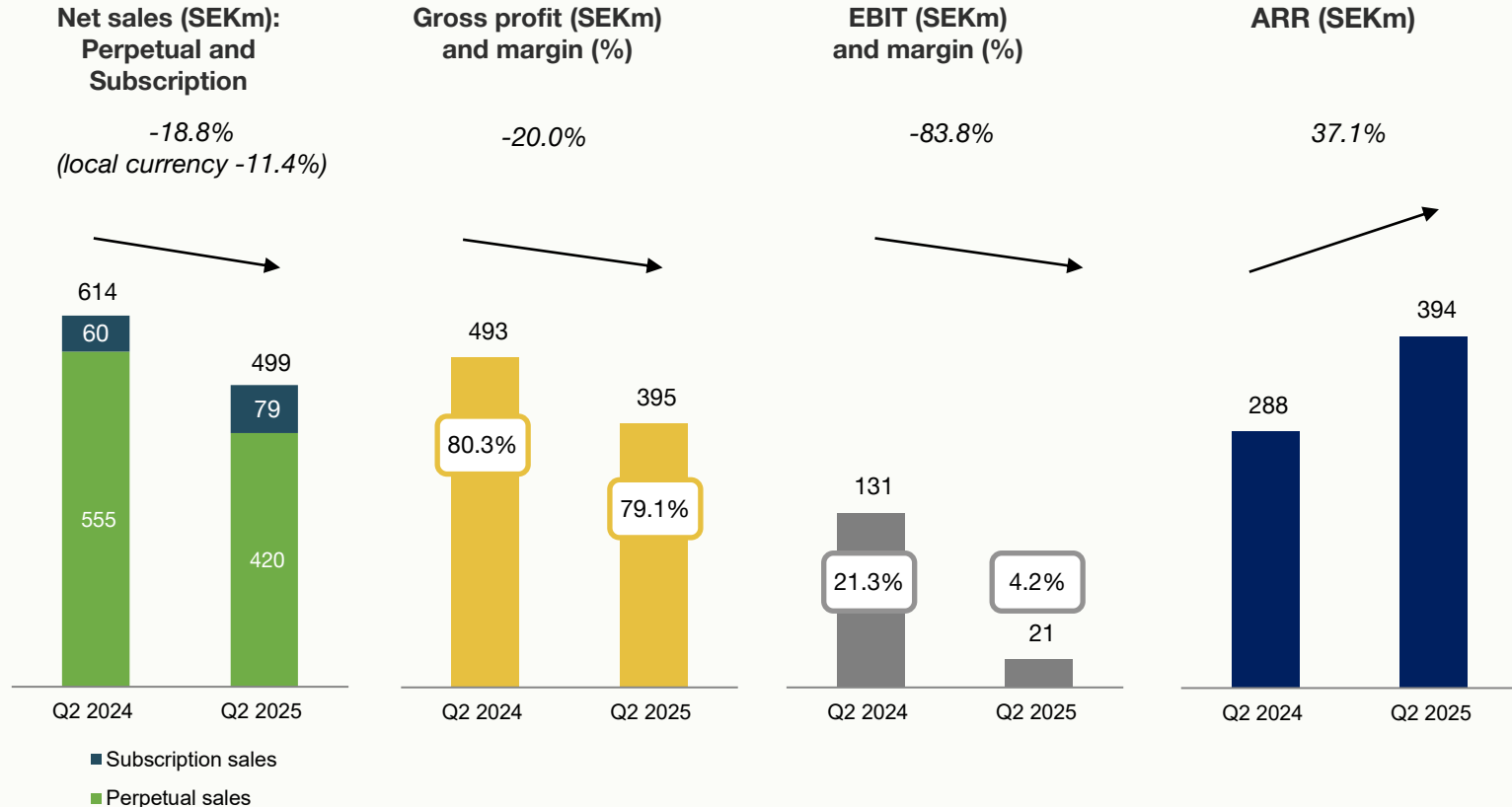
## Highlighted customer cases in Q2

- **Leading AI companies select Yubico to protect critical assets**, internal access, and sensitive data against advanced phishing and AI-powered attacks
- **One of the world's top high-tech firms expands partnership with a multi-year YubiKey-as-a-Service deal**, converting existing fleet and scaling company-wide via subscription

## Trusted brands trust us

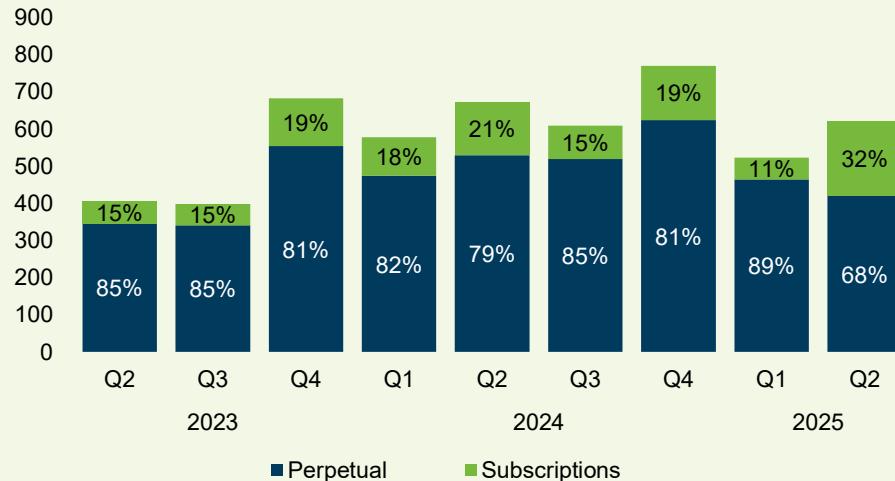


# Q2 2025 – Quarterly summary



# Bookings and subscription bookings

## Bookings and subscription bookings (SEKm)



## Comments

- Bookings decreased by -7.6% in the quarter, to SEK 621.8 (672.6) million, but grew by 2.6% in local currencies. A recovery of 18.7% vs Q1
- Subscription contracts grew significantly, while number of perpetual contracts increased but had a smaller average deal size, leading to y-o-y decline. This was most evident in EMEA with the region being affected by macroeconomic challenges
- Subscription bookings amounted to SEK 200.8 (142.2) million, a growth of 41.2%, corresponding to 32.3 percent (21.1) of bookings
- The largest part of subscriptions are new customers and add-on contracts while SEK 43.2 million are renewals
- Continued interest from high-tech, financial and public sectors as well as companies in the AI space and European defense industry

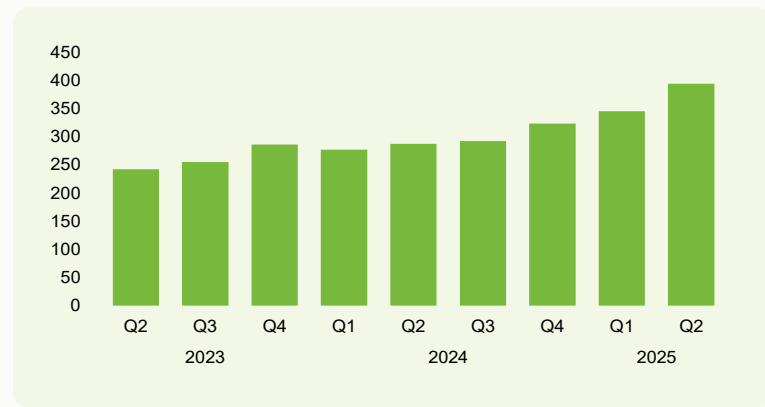
# Net sales and Annual Recurring Revenue

## Net sales, quarterly and 12-months rolling (SEKm)



- Net sales decreased -18.8% to SEK 499.1 (614.4) million, corresponding to a decrease of -11.4% in local currencies
- Subscription sales increased by 32.5% and amounted to SEK 79.2 (59.8) million, corresponding to 15.9 (9.7) percent of net sales
- Continuous demand from high-tech-, public- and telecom sectors. Americas is 71.7% (65.7%), EMEA is 19.3% (27.7%) and Asia Pacific is 8.9% (6.6%) of net sales

## ARR<sup>1</sup> (SEKm)



- ARR grew significantly during the quarter and increased 37.1% amounting to SEK 394.4 (287.6) million at the end of the period
- The SEK 48.8 million increase in the quarter was driven by several new deals, among them the major multi-year contract with a high-tech company

Note: 1) Total contract value related to subscription contracts as of the end of the reporting period, excluding one-time fees, divided by the term of the contract, translated based on the average foreign exchange rate on a rolling 12-month basis

# EBIT

## EBIT, quarterly and 12-months rolling (SEKm)



## Comments

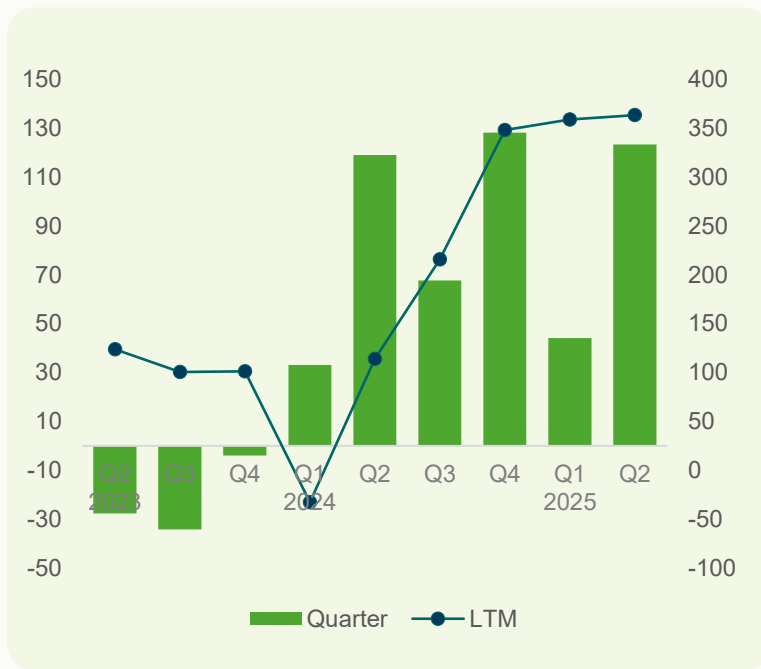
- Gross profit SEK 394.5 (493.4) million, corresponding to a gross margin of 79.1% (80.3), negatively impacted by changes in currency exchange rates. Given our high gross margin, the decline in net sales has had a significant negative impact on our results
- EBIT SEK 21.2 (130.8) million, corresponding to an EBIT margin of 4.2% (21.3). Costs increase due to organizational growth to meet long-term targets, with headcount up 15%. Personnel expenses grew 8%, in line with staffing increases but partly offset by USD depreciation
- LTIP programs amounted to SEK 26.1 (14.6) million in the quarter
- Unrealized currency effects of SEK 8.3 (-7.2) million in the quarter

# Cash flow and financial position

## Comments

- Net change in working capital of SEK 81.1 (-0.8) million
- Operating cash flow SEK 123.3 (118.8) million
- Cash and cash equivalents at the end of the period SEK 945.5 (678.2) million
- Net cash at the end of the period SEK 902.6 (618.5) million
- Interest bearing liabilities of SEK 42.9 (59.8) million, whereof leases of SEK 42.9 (27.3) million
- Inventory decreased in absolute terms, with a positive net change of SEK 15.3 (-29.2) million. Inventory as a percentage of LTM sales increased slightly to 29.5 percent, compared to 29.0 percent in Q1

## Cash flow from operating activities (SEKm)



# Key takeaways

- **Sales momentum returns**

The short-term earnings are not satisfactory, but sales momentum returned at the end of the quarter. Order bookings declined by 8% in the quarter but showcased growth of 3% in local currency and growth by 19% vs Q1 25

- **Subscription growth and earnings impact**

Subscription sales up 33% and subscription bookings up 41%; YubiKey-as-a-Service now 32% of bookings, including a major high-tech client converting entire fleet to subscription. Shift delays revenue recognition, pressuring short-term EBIT

- **Expanding in high-growth sectors**

Increasing demand from some of the world's most successful and security-conscious organisations, including leading high-tech, AI, IT security, and financial services

- **H2 2025 Outlook**

Healthy pipeline and renewed order momentum entering H2 2025

- **Investor Day**

19 November 2025 - In Stockholm and remote; deep dive into business model, growth drivers, and strategic priorities, with Q&A. More information to come closer to the date



**Q&A**

**Thank You**

# yubico

The Key to Trust