Making the internet safer for all

Q4 year-end report, 2023
Today’s presenters

Mattias Danielsson
Chief Executive Officer

Camilla Öberg
Chief Financial Officer
Yubico – A global authentication leader

- 4,500+ Business customers + millions of consumers
- 30% of Fortune 500 are customers
- +28m YubiKeys sold
- +86% Gross margin LTM Q4 2023
- SEK 1.8bn Net sales LTM Q4 2023
- 0 account takeovers
- 400+ Employees

© 2024 Yubico
Trusted brands trust Yubico
YubiKey works with 800+ applications
A year of change

- Updates to management:
  - February 2023, Yubico’s co-founder Stina Ehrensvärd stepped down and Mattias Danielsson was appointed new CEO
  - June 2023, Ram Shriram, Yubico’s longtime chairman was succeeded by Patrik Tigerschiöld
- Yubico went public through a merger with the spac ACQ Bure:
  - Listed on Nasdaq First North Growth market 20 Sept 2023
  - Ticker YUBICO
- Well known, long-term shareholders:
  - Bure, AMF, Yubico’s founders, Andreessen Horowitz
- New board appointed:
  - A combination of former Yubico and former ACQ Bure boards
Q4 2023 – Quarterly summary

Notes: 1) Annual recurring revenue

- **Subscription share of net sales**
  Q 14.0 (11.5)%  YDT 13.8 (9.0)%

- **Gross margin**
  Q 83.2 (82.8)%  YTD 85.6 (84.3)%

- **ARR**
  SEK 286.5 (204.7) million, growth of 40%

- **Items affecting comparability**
  SEK +6.7 million relating to the merger of ACQ and Yubico
Bookings and subscription bookings

Bookings and subscription bookings (SEKm)

- Bookings growth of 83.4% in the quarter, to SEK 684.1 (372.9) million, growth of 83.2% in local currencies
- Full year growth of 16.1%, to SEK 1,840.0 million
- Q4 strong growth in multiple industries and geographies, especially American high tech and financial services companies and a spread of Canadian and European customers
- Subscription bookings amounted to SEK 129.2 (64.1) million, corresponding to 18.9% (17.2) of bookings. High share of renewal contracts
Net sales and annual recurring revenue

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

- Net sales increased 19.5% to SEK 559.9 (468.5) million, corresponding to an increase of 17.8% in local currencies
- Subscription sales represented 14.0% (11.5) of net sales
- High growth in EMEA and APJ while Americas shows lower growth due to last year’s exceptionally larger order

ARR\(^1\) (SEKm)

- ARR increased 40.0% and amounted to SEK 268.5 (204.7) million at the end of the period
- Yubico added SEK 31.2 million of net new ARR in the quarter and SEK 81.8 million from December 31, 2022

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

- Adjusted EBIT SEK 88.3 (67.5) million, corresponding to an adjusted EBIT margin of 15.8% (14.4)
- Gross margin 83.2% (82.8). Full year margin stable, 85.6% (84.3)
- Higher commission costs due to strong bookings and Q4 effects in commission terms
- Unrealized currency effects of SEK -14.3m (-23.0) million
- Items affecting comparability amounting to SEK +6.7 million relating to the merger, accumulated effect SEK -87.2 million
Cash flow and financial position

Comments

- Operating cash flow SEK -17.7 (40.9) million in Q4
- Continued build-up of inventory amounting to SEK 93.4 million in Q4
- Net change in working capital of SEK -99.9 million
- Full year operating cash flow SEK 97.6 (32.7) million
- Full year net change in working capital of SEK -151.3 million, whereof inventory increase represents SEK 335.7 million
- Cash and cash equivalents at the end of the period SEK 547.3 (283.5) million
- Net cash at the end of the period SEK 508.3 (231.5) million

Inventory and % of net sales
The most secure type of two-factor is the physical security key, such as Yubico’s $55 YubiKey 5C NFC. When you log into a protected account, you tap it against your phone or insert it into your phone or laptop’s USB port.
 Positioned for continued growth

- Cyber security has never been more important – and Yubico is recognized as the market leader in a rapidly growing segment
- Our business continues to perform well
- Broad customer base and healthy sales pipeline
- Working with American and EU regulators to set up policies promoting cybersecurity
- Joining forces with tech partners to facilitate adoption
Q&A
Thanks