

yubico

**Making the
internet safer
for all**

Q3 report, 2024



Today's presenters

yubico



Mattias Danielsson
Chief Executive
Officer



Camilla Öberg
Chief Financial
Officer

Yubico – A global authentication leader

470+
Employees

4,500+
Business customers
+ millions of
consumers

30%
of Fortune 500
are customers

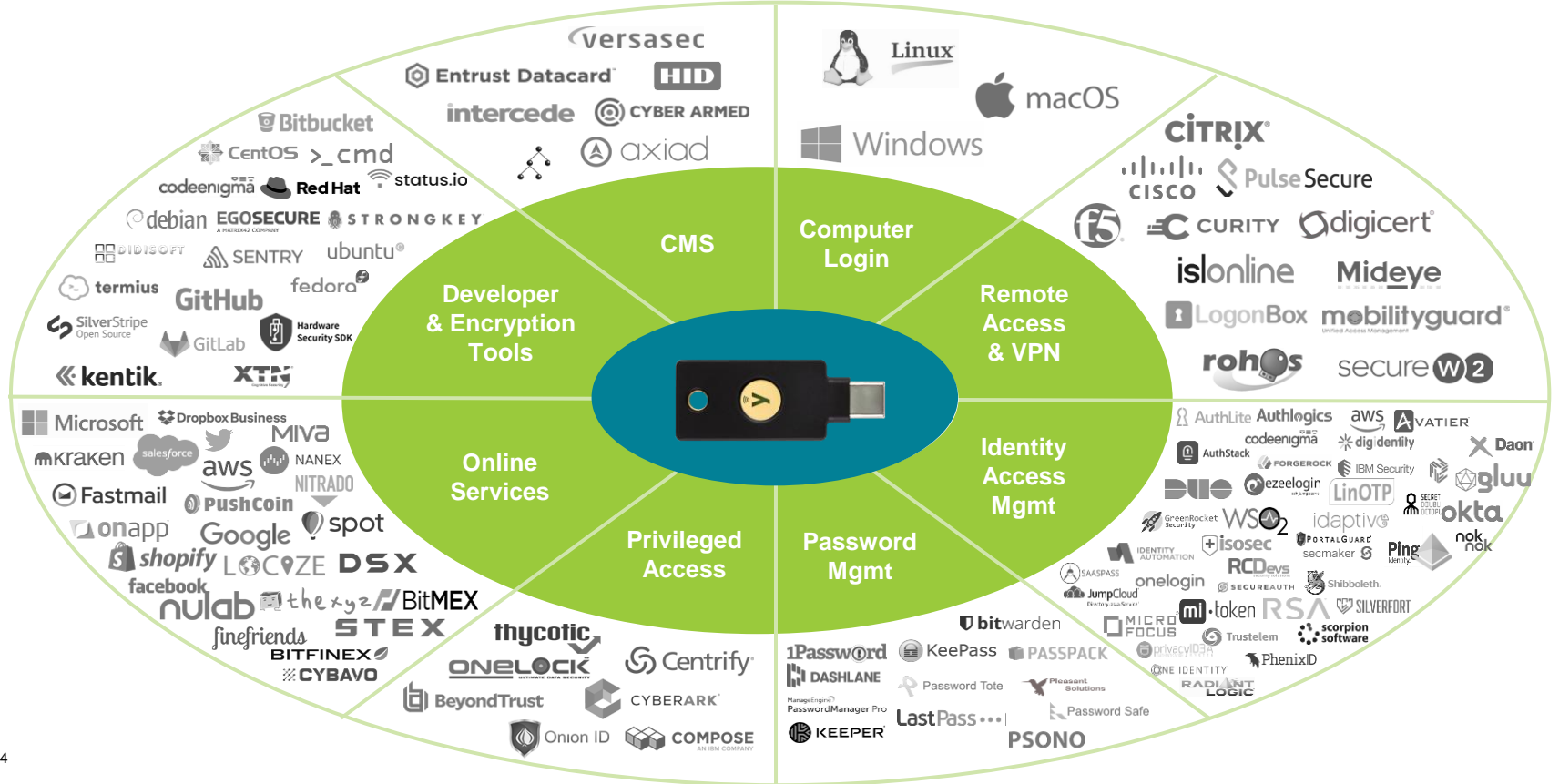
+33m
YubiKeys sold

SEK 2.3bn
Net sales LTM
Q3 2024

+80%
Gross margin
LTM Q3 2024

0
account
takeovers

YubiKey works with 1 000+ applications

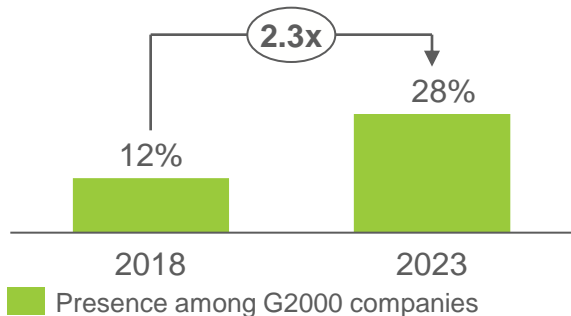


Trusted brands trust Yubico

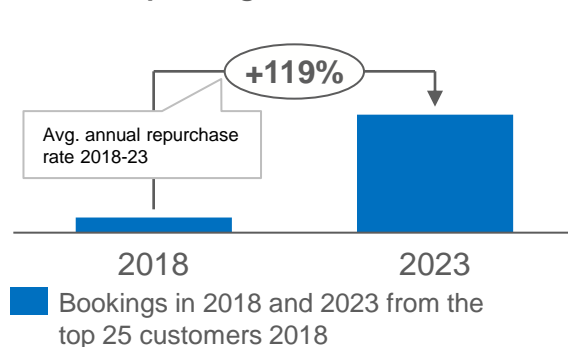


Scaling with existing customers

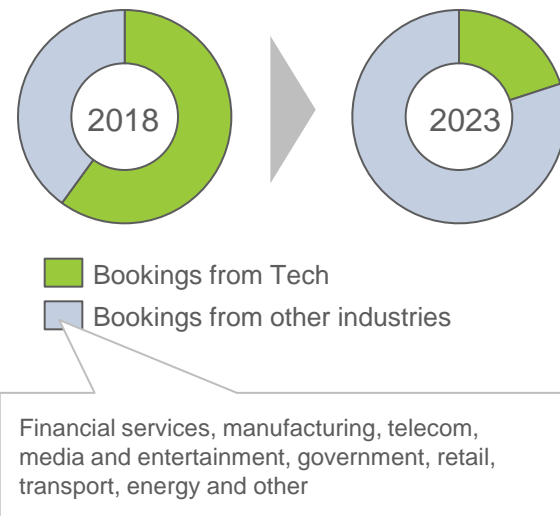
Continuously landing new key accounts...



...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

Highlights from the quarter

Strong order bookings:

- 53% Order Bookings growth across a wide set of geographies, industries and customers. Continued growth in public sector and high-tech companies

Security advisory (YSA-2024-03):

- On September 3, Yubico issued a Security Advisory about a moderate-severity vulnerability in Infineon's cryptographic library, affecting YubiKey 5 Series prior to 5.7.0 and YubiHSM 2 prior to 2.4.0

Strategic partnership with PKO Bank

- Yubico achieved a key milestone by partnering with Poland's largest bank, PKO Bank, enabling secure YubiKey logins for its 12 million customers

Nomination committee:

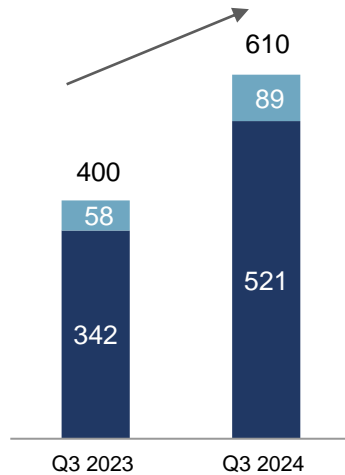
- On September 23 Yubico announced the Nomination Committee for the 2025 Annual General Meeting.



Q3 2024 – Quarterly summary

Bookings & Subscription Booking (SEKm)

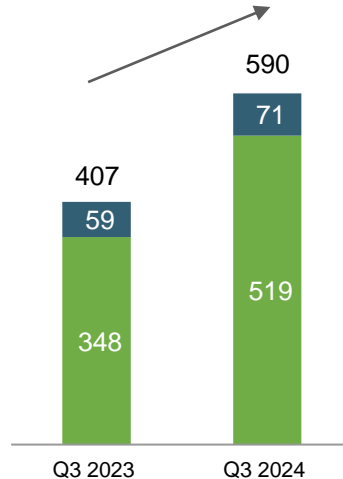
52.6%
(local currency 58.5%)



■ Subscription bookings
■ Bookings

Net sales (Perpetual and Subscription) (SEKm)

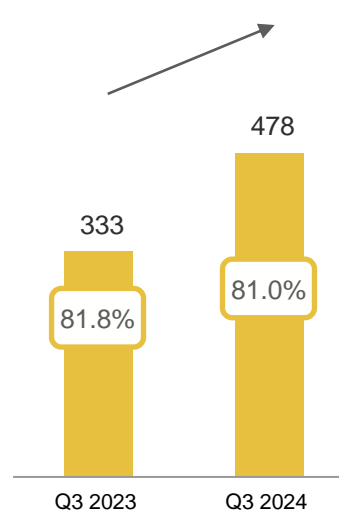
44.8%
(local currency 49.0%)



■ Subscription sales
■ Perpetual sales

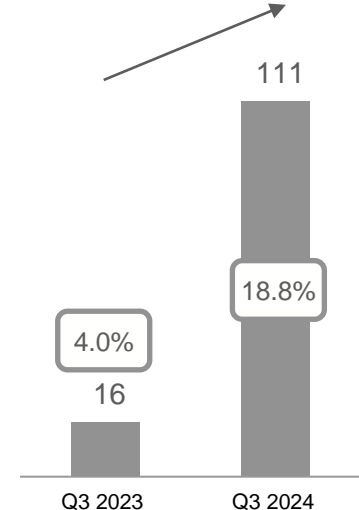
Gross profit (SEKm) and margin (%)

43.5%



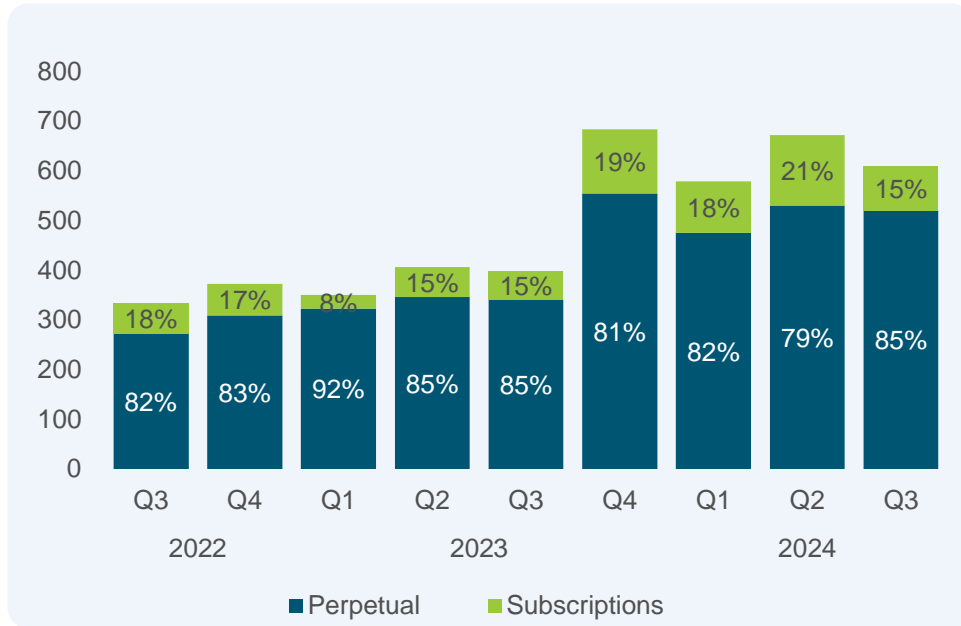
Adj EBIT (SEKm) and margin (%)

587%



Bookings and subscription bookings

Bookings and subscription bookings (SEKm)

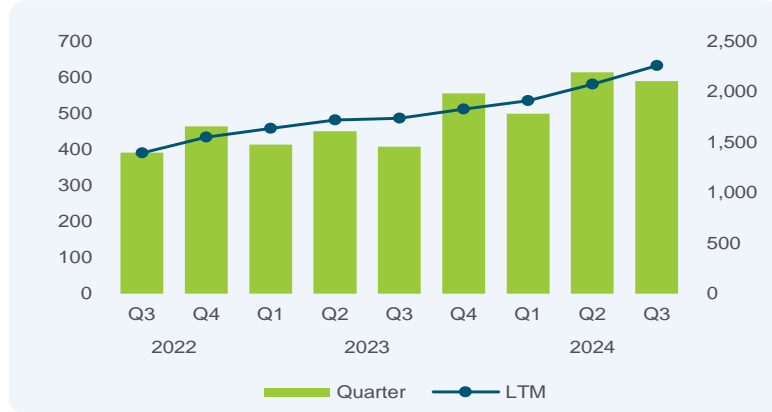


Comments

- Bookings growth of 52.6% in the quarter, to SEK 609.7 (399.6) million, growth of 58.5% in local currencies. YTD bookings grew by 61.0% to SEK 1,861.2 million (SEK 1,155.9 million)
- Growth was driven by a diverse customer base, with the largest orders from the public sector and major tech companies. Continued interest is noted in the European defense sector
- Subscription bookings amounted to SEK 89.3 (57.9) million, corresponding to 14.6% (14.5%) of bookings
- A large share of the subscription bookings, SEK 61.9 million, are contract renewals

Net sales and annual recurring revenue

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



ARR¹ (SEKm)



- Net sales increased 44.8% to SEK 589.9 (407.3) million, corresponding to an increase of 49.0% in local currencies. YTD Net sales amounted to SEK 1,703.2 (1,271.9) million corresponding to an increase of 33.9%
- Subscription sales represented 12.1% (14.4%) of net sales
- Solid growth driven by the public & high-tech sectors. EMEA is 24% (21%) and Asia Pacific is 9% (7%) of net sales

- ARR is trending positively during the quarter and increased 14.6% amounting to SEK 292.7 (255.3) million at the end of the period

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

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



Comments

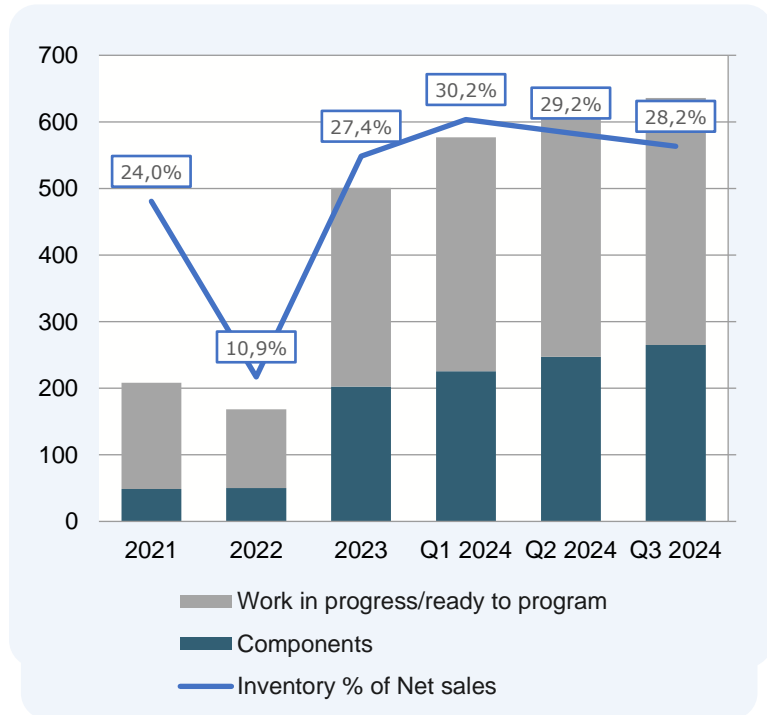
- Gross profit SEK 478.0 (333.2) million, corresponding to a stable gross margin of 81.0% (81.8)
- Adj EBIT SEK 110.7 (16.1) million, corresponding to an EBIT margin of 18.8% (4.0). EBIT SEK 110.7 (-77.1) million, corresponding to an EBIT margin of 18.8% (-19.1)
- LTIP program, granted in June, amounted to SEK 18.2 million in the quarter
- Unrealized currency effects of SEK -9.0 (-3.3) million in the quarter

Cash flow and financial position

Comments

- During 2023 and Q1 2024, a strategic decision was made to increase inventory levels. By the end of the quarter, inventory reached 28.2 percent of LTM net sales, representing a reduced level from Q2 2024
- Net change in working capital of SEK -74.5 (-3.3) million
- Operating cash flow SEK 67.6 (-24.2) million in Q3
- Cash and cash equivalents at the end of the period SEK 727.6 (581.4) million
- Net cash at the end of the period SEK 676.1 (496.9) million
- Interest bearing liabilities of SEK 51.4 (84.4) million, whereof leases of SEK 22.2 (42.2) million

Inventory and % of LTM net sales



Continuous advancements in several areas

- Increasing AI-driven cyber threats and tightening regulations are accelerating demand for robust security products like Yubico's, enabling stronger multifactor authentication and data protection across industries.
- Yubico's partnership with PKO Bank, Poland's largest bank, underscores the critical need for secure authentication in financial services, further solidifying Yubico's position in the industry
- Yubico reinforces its commitment to global digital identity protection through actively contributing to regional projects like the European Digital Identity Wallet and Germany's EU ID initiative
- Yubico has begun adapting to the CSRD framework, aligning with its commitment to transparency and accountability in sustainability practices, while advancing its vision of making secure login accessible for all—viewing IT security as essential for protecting individuals, communities, and upholding democracy



Q&A



A blue-tinted image of Earth from space, showing the curvature of the planet and the dark void of space filled with stars. The word "Thanks" is centered in white text.

Thanks