

yubico

Q3 report, 2025



Today's presenters



Mattias Danielsson
Chief Executive
Officer

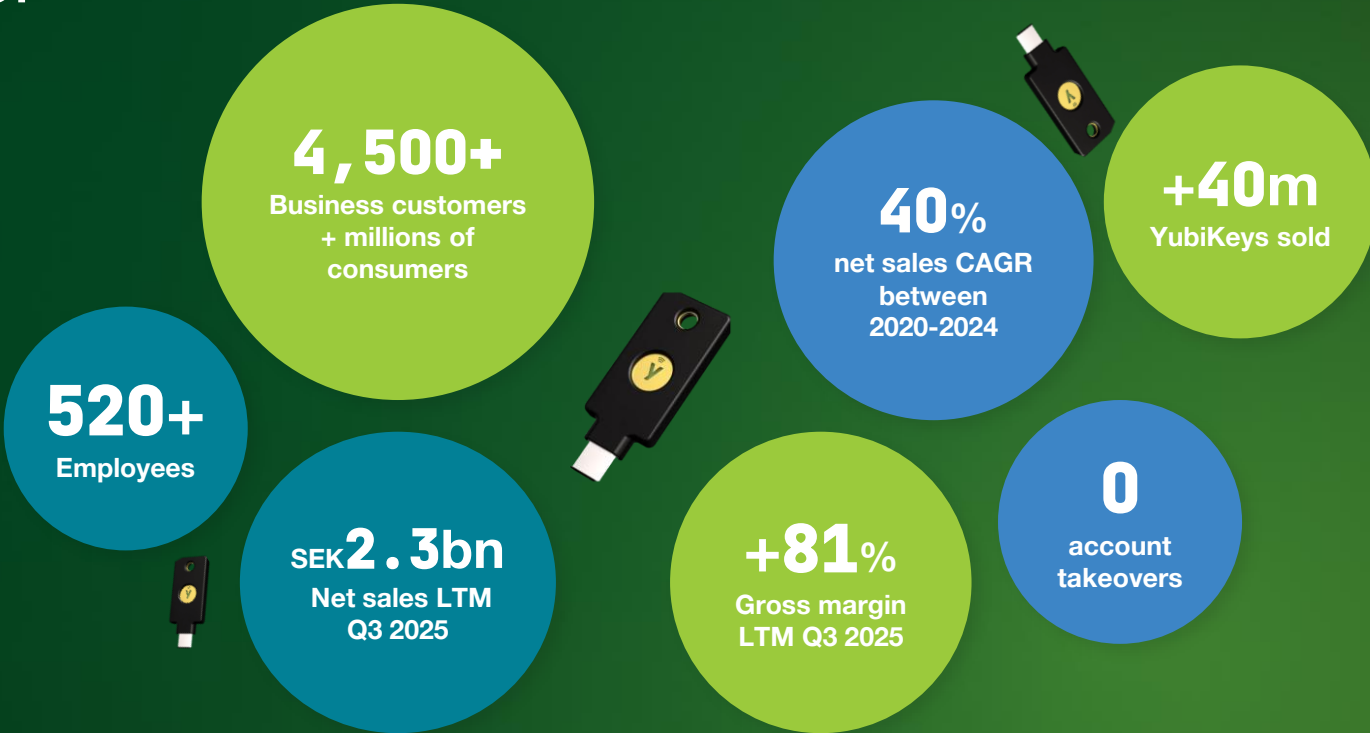


Snejana Koleva
Chief Financial
Officer

Agenda

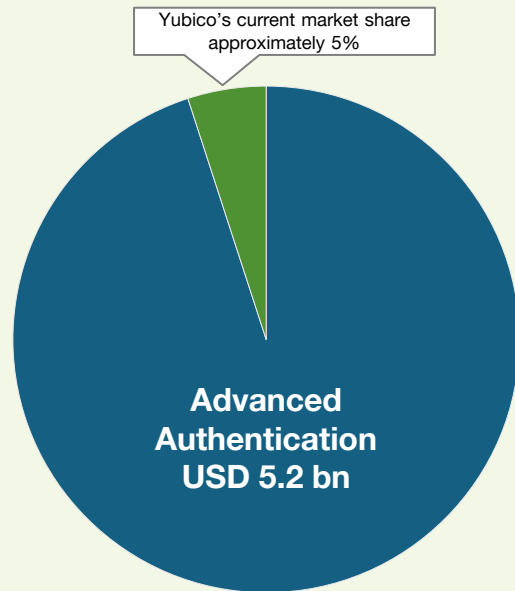
- Company overview
- Q3 25 Highlights
- Financial overview
- Concluding remarks
- Q&A

Yubico at a glance – A global authentication leader

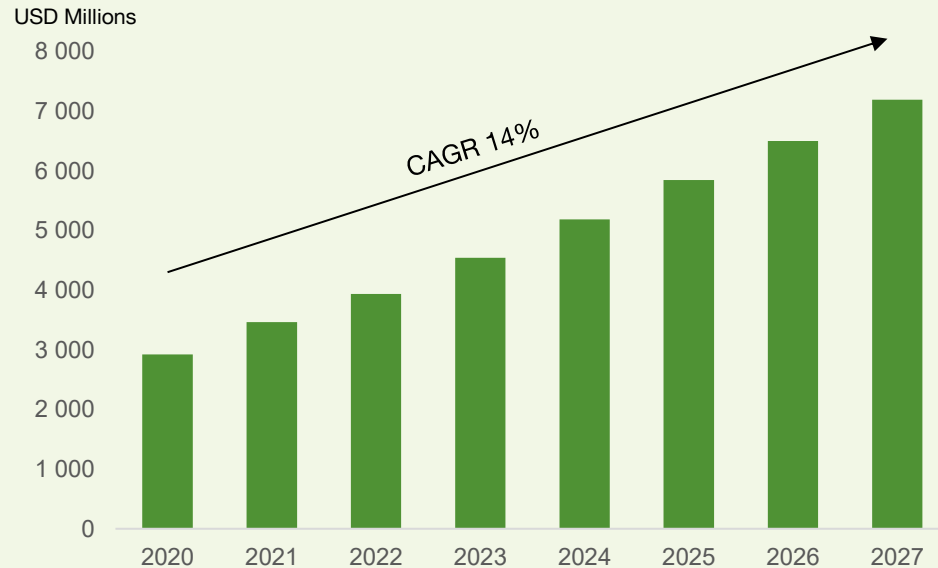


Yubico's opportunity – a TAM of USD 5.2 bn

Yubico's estimated market share in Advanced Authentication market



Advanced Authentication market grows with ca 14% p.a.

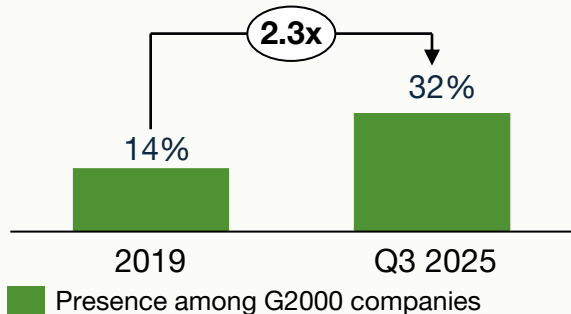


	Low Ease of use	High Ease of use
High Security	Smartcard Phishing-resistant	 YubiKey. It just works.
Low Security	 Mobile application	 Username and password

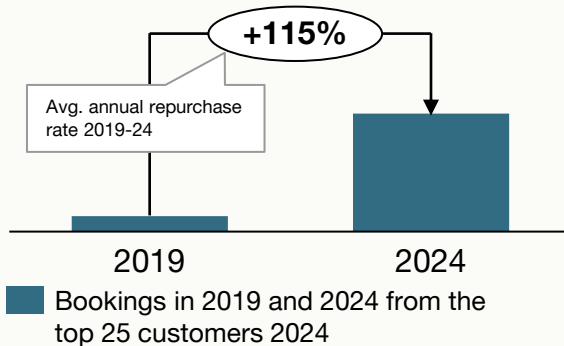
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Land and Expand

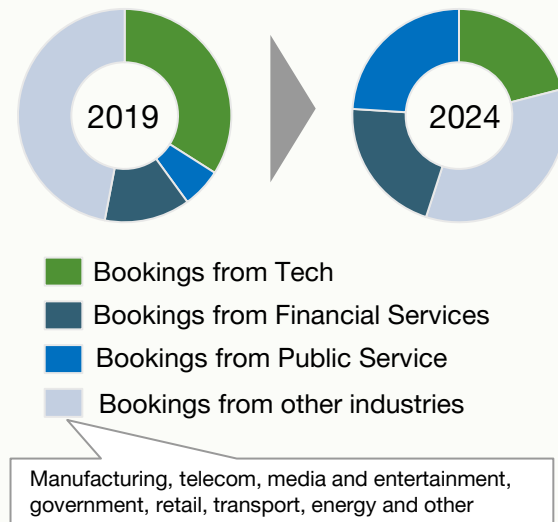
...continuously landing new key accounts...



...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

- **Short-term softness, underlying growth:** The quarter was impacted by delayed larger deals, with order bookings down with 17% YoY (–9% underlying, –8% FX) and net sales down with –7% YoY. Subscription sales grew 22%, reinforcing the recurring revenue base
- **Currency headwinds:** A stronger SEK (≈10% vs USD) affected reported results, as ~80% of revenue is USD-denominated
- **Innovation driving adoption:** Next-gen YubiKey firmware development is on track, and enterprise and public sector clients continue adopting hardware-based and passwordless security, supporting long-term growth
- **Market expansion:** Investments in new geographies, with a new hub in Singapore, sales channels, and recurring revenue models lay the foundation for sustainable growth despite near-term delays in larger orders

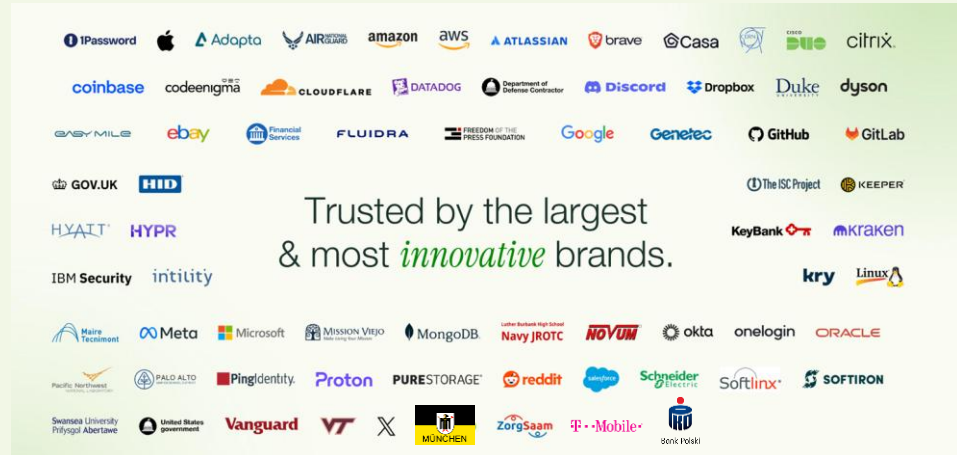


Trusted by leading organizations worldwide

Highlighted collaboration in Q3

- **Yubico expands retail presence & digital safety impact:** YubiKeys now available in 350+ BestBuy stores across the U.S., one of the nation's largest electronics retailers.

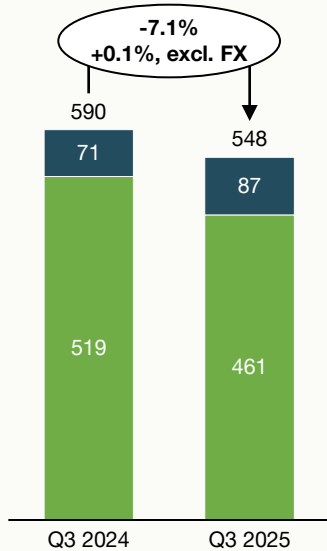
Trusted brands trust us



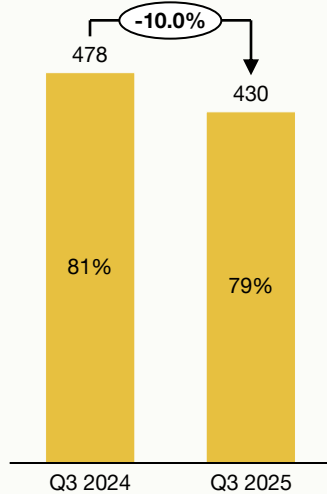
Q3 2025 Key figures

SEK Millions

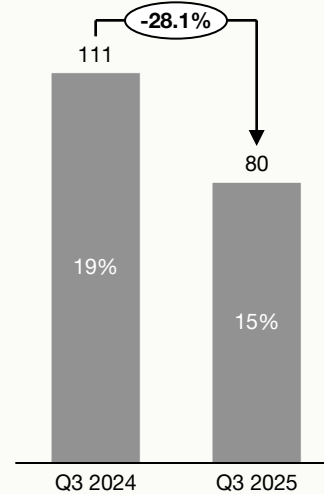
Net sales
Perpetual and
Subscription



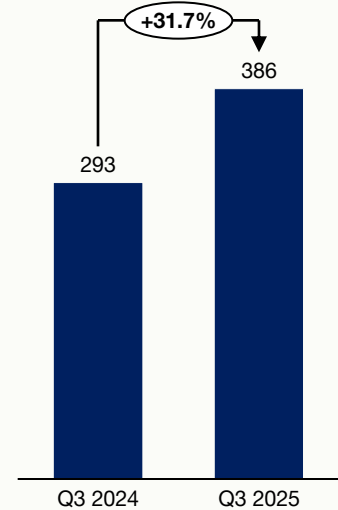
Gross profit, margin (%)



EBIT, margin (%)



ARR

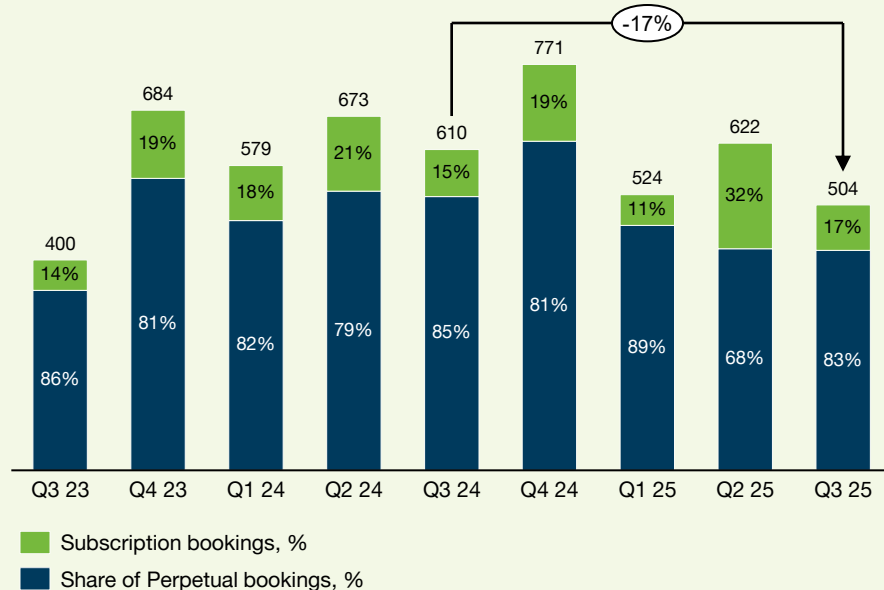


■ Subscription Sales
■ Perpetual sales

Bookings declined 17%, Subscriptions growing as share of Bookings

SEK Millions

Bookings, Perpetual and Subscription



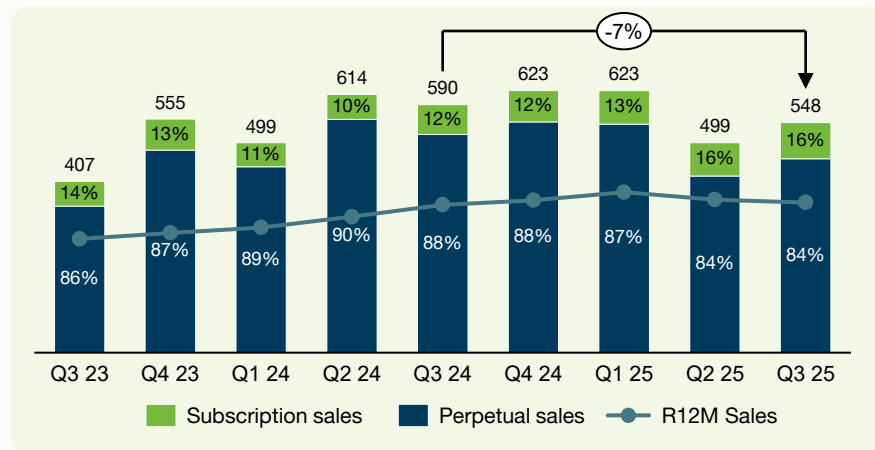
Comments

- Bookings -17% vs last year, whereof of -9% was underlying change, and -8.0% was negative currency impact
- The year-over-year decline driven by fewer high-value perpetual bookings, vs very strong Q3 2024, which included multiple large government and enterprise contracts
- Subscription bookings amounted to SEK 86.5m (89.3), a decline of -3.2% but now corresponding to a larger share of bookings at 17% (15%). Renewals represented SEK 42.8m
- While there was fewer large subscription deals compared to last year, the overall subscription activity reflects broadening adoption

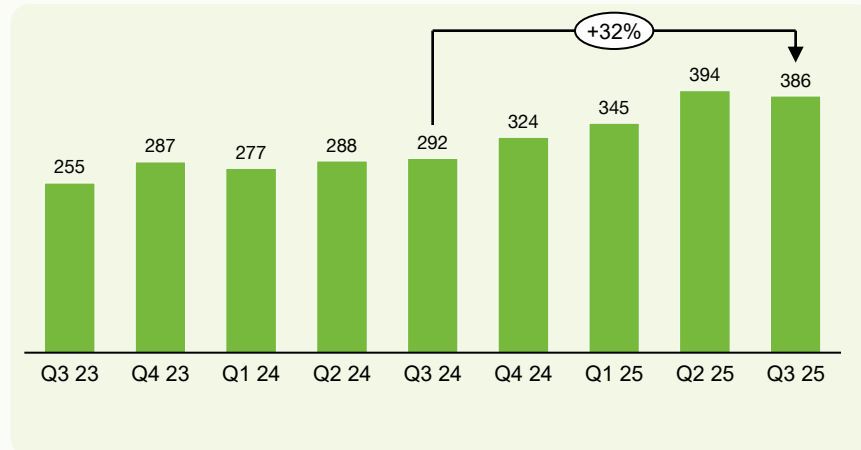
Net sales impacted by negative currency development, ARR increasing with 32%

SEK Millions

Net sales



ARR¹



- Net sales decreased by -7% driven by negative currency impact
- Subscription sales increased by 22% in the same period and amounted to SEK 86.7m (71.2), 16% (12)% of net sales
- Americas is 64% (67%), EMEA is 25% (24%) and Asia Pacific is 10% (9%) of net sales

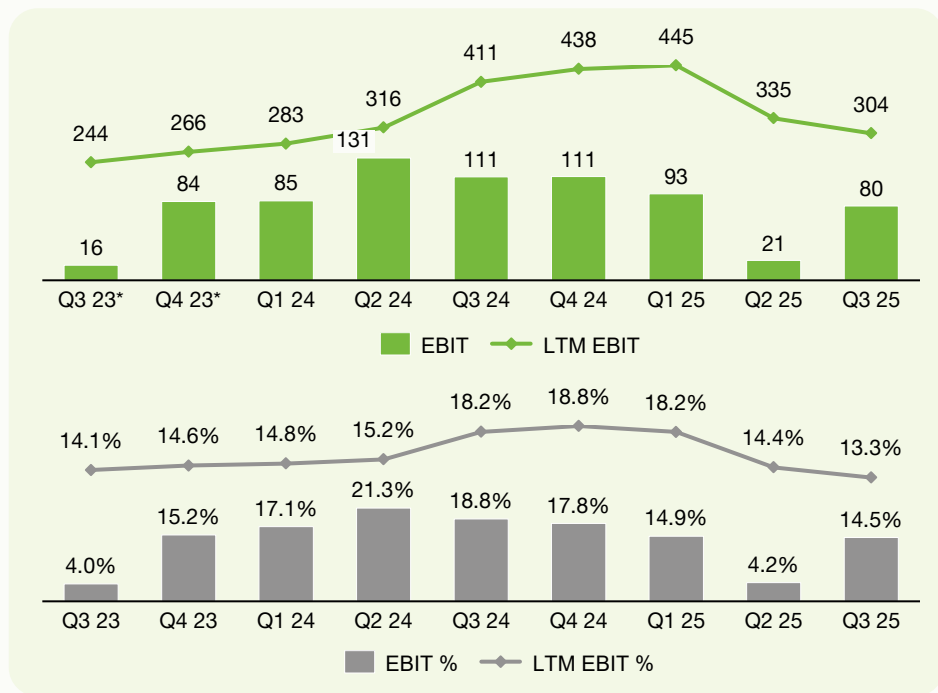
- ARR increased by 32% driven by high renewal rate and adding new customers

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 impacted by higher costs

SEK Millions

EBIT and EBIT Margin, %



Comments

- Gross profit decreased by -10.0% to SEK 430.2m (478.0), corresponding to a Gross margin of 78.6% (81.0%). Currency exchange rate development had a negative impact on the gross margin
- EBIT margin decreased with 4.3ppt vs last year. Costs in the quarter were driven by higher personnel costs, reflecting the company's continued expansion ambition
- LTIP programs costs in the quarter amounted to SEK SEK 29.5m (23.2) in the quarter
- Unrealized currency effects are affecting EBIT with net amount SEK 0.3m (-9.3)

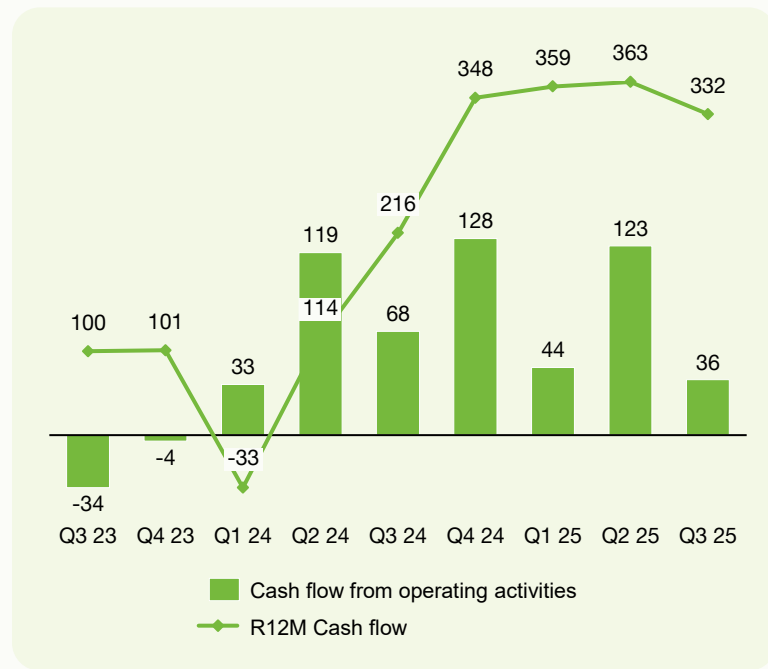
Cash flow and financial position

SEK Millions

Comments

- Cash flow before changes in Working capital amounted to SEK 105.6m (142.2)
- Cash flow from changes in Working capital amounted to SEK -69.4m (-74.5)
- Cash and cash equivalents at the end of the period amounted to SEK 874.7m (727.6)
- Net cash at the end of the period SEK 835.7 (676.1) million
- Interest bearing liabilities of SEK 39.0m (51.5), whereof leases of SEK 39.0m (22.2)
- Inventory as a percentage of LTM sales increased to 33.1%, compared to 29.5% in Q2

Cash flow from operating activities



Key takeaways

- **Delay in large orders impacted order bookings this quarter**

Large order delays impacted Q3 results, mainly due to prolonged purchasing processes among enterprise customers and budget constraints in the U.S. public sector. Despite this, fundamentals remain solid as Yubico expands across markets and customer segments

- **Continuous growth in Subscription**

Subscription revenue grew 22% year over year, now representing 16% of total sales

- **Collaboration with BestBuy**

Partnership with BestBuy expands YubiKey availability to 350 U.S. stores. The collaboration increases reach and awareness among consumers seeking trusted authentication tools

- **Investments in innovation & future growth**

Continued investment in innovation with next-generation YubiKey firmware, passkey development, and quantum-resilient authentication. Expansion into new geographic markets and sales channels positions Yubico for long-term growth and broader customer reach

- **Investor Day**

19 November 2025 - in Stockholm and remote. The event will provide a deep dive into Yubico's business model, growth drivers, and strategic priorities



Q&A

Thank You

yubico

The Key to Trust