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WithSecure Corp. (FSC1V.FI)

Q2 2024 Earnings Call

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MANAGEMENT DISCUSSION SECTION

Laura Viitala

Director-Investor Relations, WithSecure Corp.

Hello and welcome to WithSecure. This is our second quarter 2024 results release. My name is Laura Viita [Viitala]. I am responsible for the Investor Relations of WithSecure. Today, we will have our CEO, who is no longer Interim CEO, but the real CEO, Antti Koskela, and he will talk about the business highlights of the second quarter. He will also do a little bit of diving into our product launches and how we look at our and services portfolio today. And that includes this little helper. After Antti, our CFO, Tom Jansson, will go through the second quarter financials. After these two sets, we will take questions and answers. If you're watching us on the webcast today, please put in questions any time. I will take them up at the end.

Now, with that, I'm handing over to the President and CEO of WithSecure, Antti Koskela.

Antti Koskela

President & Chief Executive Officer, WithSecure Corp.

So, thank you, Laura, so much. And I start first with the SPHERE. So, quarter two for us was a quarter of our SPHERE event and the many product launches we did over there. So, we had over 800 people here in Finland together with us, 600-plus customers. And we had the opportunity to meet many of our partners and customers, of course, during the event.

We got really good feedback on our direction for becoming a European alternative for midsized companies together with our partners. I will go a little bit deeper into this when I talk about the portfolio. One of the things which I really enjoyed during the event was that we had nonstop queues to the demo booths. And so there was a good interest for everything we have made for our customers. And I'm happy to report we have first customer agreements for every single new product we launch.

So, we have deals for Exposure, we have deals for Identity Security, we have deals for WithSecure Managed Detection and Response. And one of these contracts was done right at the event when we did so. So, in a way,

there's a positive vibe among us all post-SPHERE and I'm also with this with Luminen here. So, and it's important to note what we did is that we embedded Luminen into our whole Elements Cloud and it's now activated to 200-plus customers. We believe it's key for customer retention as going forward.

So, when I look at then the results, so we grew Elements Cloud ARR grow 13% and this was a fourth quarter of growth in ARR terms in a row. The following previous quarter ARR, our revenue landed Cloud revenue at 10% growth and we were able to have a slight pickup on the Elements Cloud net revenue retention during the quarter. The Elements company as a whole, the revenue grew 4%. This was driven slightly down by planned on-premise decline, but there was also a decline in the non-recurring incident response projects. So, that's important to notice.

So, Elements Cloud is clearly the – so Elements Cloud and Elements Cloud software is the growth driver in this business and we are relatively pleased with the uptake now during Q2. Our Managed Services, i.e., the Countercept, is slightly below last year level as the transition of the sales to mid-market is ongoing. And Managed Services and the Countercept is part of the Cloud ARR as we calculate it.

So, the two top regions for us this quarter were DACH, which is the German-speaking Europe, and then France. And UK and Japan were below previous year level. In UK, we are rebuilding the partner channel, as we have talked about. And in Japan, Tom will talk about it more, we're a little bit hit by the currency rate topics.

So, WithSecure Elements, proactive, modular, made for co-security. I start a little bit from the distance first why are we doing the things we do? So, we have researched quite a bit the mid-market security needs. We even look at some of the World Economic Forum papers and what can be said is that small to midsize companies are universally losing their digital confidence. And at the same time, attackers and the criminals are not losing confidence. They operate at an industrial fashion, and that's what we need to work towards.

When we look at the large companies and what they have been doing at the same times, so cyber security has been developed for the large companies by the large manufacturers, and it has led to a quite human-centric view on the cybersecurity. The people do the work. So, this is incrementally safer absolutely, but it comes with a certain cost as well.

So, we have looked at these mid-sized companies are left a little bit without affordable and meaningful choices for them, and that's what we need to work on. So we researched this as well in the past quarters, and we went out to 1,500 people in the cyber landscape and the answers come in three categories. They talk about resiliency, they talk about trust and efficiency. And with those three things, we form the basis for the new cyber playbook.

And now when we look what we actually released now at the event, so we start with resiliency. So with our Extended Detection and Response, we introduced Identity Security. These small to midsize companies all have a digital infrastructure today. They have a lot of SaaS and cloud assets, different identity systems. So, it's important to have identity security and detect problems from there as well. So, we cover cloud, we cover [ph] Entra ADD ID (00:06:50) and those kind of topics. Endpoint Security includes here Endpoint Protection and Detection and Response, and that continues to be important. And we had a really good, I think actually last Friday, that made my day. So we had a prestigious AV-Test's Advanced EDR test, and we got stellar results from that one. So, we were able to capture every single method without detection with our Elements EDR. So, there was a press release made on that one by WithSecure. So, really good work from all teams. [ph] And it speaks to (00:07:30) the point is that we are not having a human-centric view, that we are having a very AI and automation-driven solution that solves your problems and the proof is there.

So, when we then look at the Exposure Management, that has to be the key thing. Of course, that includes what we have capabilities from vulnerability and cloud protection – cloud posture management. But what is the problem we are really solving? So, when you have a digital infrastructure that is open and the open infrastructure is exposed in the Internet, and you need to understand through the lenses of attacker how you might be attacked, too. That's why we have attack path modeling and exposure management. Then you are able to understand, secondly, what is the digital risk I'm having and what do I need to do about it? And that's the Exposure's core on remediation and we believe that type of preemptive mechanism to work on your IT hygiene is critical for small to midsize companies that they can restore their digital confidence.

In the past, this may have been endpoint protection on firewalls, but in the open era, that's not the way to go. You need to do that together with extended detection. And the cool thing this Luminen – Luminen here. So many of you have used ChatGPT and know the Copilots of the world and they are separately priced and what have you. So we thought it's important to put generative AI as an integral part of our user experience so that this icon, this aluminum icon, is inside the products when you use it. [indiscernible] (00:09:18) of events. You click, you get a summary of what's relevant, you get actionable insights so that it just makes the workflow more efficient. And that's what the mid-market companies need.

But then trust was the last one, what I had in my list. So, when we look at the co-security services here, so many of our partners and end customers, they might not have the cybersecurity skills as a large enterprise might have. They don't have teams of 30 to 50 people to run security operation centers. So, we have a simple mechanism. So, the single item you can elevate to us so that we can solve one by one. Then if you work 8 to 5 with your service offer as a partner, we can co-monitor. And now we released Managed Detection and Response. So, we have been doing Countercept for our direct customers. But what we do today, we have now Managed Detection available with Elements Cloud through our partners to all the mid-market customers. So, that should increase our reach quite a bit.

Then we have packaged incident response as a co-security service. We are introducing Exposure Management services as well as we move on. And the Countercept here is the direct, the premium Managed Detection and Response service we have. So hopefully this is the modeling we are going to use to describe our portfolio going forward because it explains better what the customers are actually buying from us.

So, the summary is a data and AI-driven solution. There are tools for Exposure Management, Detection and Response, and the services are packaged in a subscription model from one place, which is Elements. So, hopefully you found this useful and a little bit describes what we do. And so we made many introductions to these in SPHERE. So, summarizing, Exposure Management was launched, Identity Security was launched, Managed Detection and Response was launched for Elements and Luminen as the digital AI assistant embedded into the experience. So, it was quite a bit of things that we got to the market.

So, hey, then moving on. So Cloud Protection for Salesforce, ARR growth 5%, revenue at the previously level and NRR at 88%. And last time when we spoke here, we talked about a few large customers contributing to the NRR. And what I'm not saying here, but I am having a positive, optimistic outlook on the Cloud Protection for Salesforce, the quarter-on-quarter performance and ARR growth was meeting the levels we were thinking about internally. And we have had a good pipeline here. Another good pipeline development continues and we are working with the team to realize the potential of this one.

So, we are continuing the strategic review and I know both from Consulting and Cloud Protection, you would like to hear more details on that one. But I think for both of the businesses, we say the revenue continues and the focus is on increasing operative independence, which is naturally a part of the strategic review.

So, when we look at Consulting then, so the revenue growth was 12% year-on-year and Nordics financial sector and large US accounts were performing well. And like I said, we continue the strategic review and we focus on increasing operative independence. And finally, I was appointed the CEO of WithSecure 1st of July. I'm humbled and I'm excited to lead the next phase of WithSecure with all the things we have launched with SPHERE and the positive vibe we have in the company. I'm cautiously optimistic on what's ahead of us. And in this business, working close to customer and doing continuous innovation is the key.

So, thank you for my part. And over to Tom.

Thomas Jansson

Chief Financial Officer, WithSecure Corp.

Thank you very much, Antti, and good afternoon for my part as well. So if we look at a little bit more detail on our numbers, I said our Elements Cloud ARR grew 13% and specifically software we're doing well in the second quarter. The Managed Services stayed pretty much at last year's level at this point. From a geographical point of view, we continue to have strong performance in France and DACH. Japan also on a local currency point of view did quite well. But unfortunately the yen development during the year and over the last 12 months has been quite significantly negative for them. So that of course impacts our [indiscernible] (00:14:33) numbers for Japan. And as said in the UK, there has been some churn with the larger Countercept accounts, as we have been discussing in the previous quarters, and we are rebuilding that and of course, have also targeting now more the midsize market for this, and that is progressing quite well.

As said we had slight improvement in our Elements Cloud NRR up to 103% this quarter and then our on-premise revenue declined as we have been planning and communicating also in our previous quarters. And as we also mentioned, this quarter too was as expected also a heavy cost quarter for us with the SPHERE investment, which is our largest and biggest marketing event that we do every year. And therefore also our adjusted EBITDA for Elements company was down slightly negative. So that's about the Elements company.

Then if we look at the Cloud Protection for Salesforce, we had a good quarter with this business and we could show a good ARR growth year-on-year, even a better one quarter-to-quarter. So we are quite happy with the performance and we clearly can see a break in the trend in this quarter. And as also Antti mentioned, we have a pretty strong pipeline and we look quite favorably on this going forward.

Net revenue retention here, as has been in the previous quarters, was relatively low related to a few large customers that we have seen reducing the value and over Q4 last year and Q1 this year. But other than that, we see very good retention with the customers' [ph] care for those. (16:27) And we, of course, assume this will also improve going forward.

Adjusted EBITDA, slightly negative. This was very much planned, but it is also from a comparable point have improved quite a bit. And of course this last year's measure have also impacted Cloud Protection for Salesforce.

Then Cybersecurity Consulting, we got a pretty good growth in our revenue in second quarter and specifically in the Nordics financial sector and US, we did quite well. We have also in the first half got quite a bit of new logos into this business. So, we are quite happy about that and so on and we have a good level of backlog going into the second half of this year.

Adjusted EBITDA here, slightly negative. We had had some one-time payroll impacts on second quarter on this one. But other than that, we are of course working on the profitability all the time for this business.

Then overall company grew 6% and then gross margin also improved. This is, of course, an item that we have discussed many times before, and it's an item that we continuously work on to get more efficient with all our costs related to-date and also delivery and so on.

OpEx was down €3.9 million. And good to know that in our comparable numbers, we had some TSA income still from last year. And so the total OpEx reduction year-on-year is about €5.7 million. We had some additional adjustments in this quarter, so which impacts the comparability as well. So, we are on track to fulfill all the cost savings and measures that we implemented last year still also in this quarter and going forward.

Then the last slide outlook is unchanged. So, we're expecting the ARR for Elements Cloud to grow 10% to 20% this year. And the revenue for Elements Cloud products and services will grow between 10% and 16% and total revenue 6% to 12%. And we do expect the adjusted EBITDA on a full year basis to be positive.

So, with that, I would invite questions-and-answers. And Laura, maybe you can come here next to us with the questions.

QUESTION AND ANSWER SECTION

Laura Viitala

Director-Investor Relations, WithSecure Corp.

A

All right. Maybe we'll start with questions from the room. So, Atte, please.

Atte Riikola

Analyst, Inderes Oyj (Research Firm)

Q

Hi. It's Atte Riikola from Inderes. Maybe first about your outlook. If you look at the overall growth, 4% for the first half and so you're expecting 6% to 12% growth for the full year. So, I'm just trying to figure out what are your planning assumptions behind that? Are you expecting growth to improve on every area on the H2?

Antti Koskela

President & Chief Executive Officer, WithSecure Corp.

A

So, it's 6% year-on-year growth on the company level and 4% for the Elements company segment. And after SPHERE, we have a positive vibe on the ARR development and the sales development. And that's what we are planning to do.

Atte Riikola

Analyst, Inderes Oyj (Research Firm)

Q

All right. You mentioned that you have been doing pretty well in sales in France and DACH region. So is there any particular reason behind that?

Antti Koskela

President & Chief Executive Officer, WithSecure Corp.

A

I think we have strong teams. We have good, good partners over there that we work well with them. And that is exactly what we are rebuilding in the UK, similar things and also in all the other regions that we work. So, for us,

it's quite important to have partners that grow with us. And so that's what we are continuously developing in the market.

Atte Riikola

Analyst, Inderes Oyj (Research Firm)

Q

And then what kind of feedback you have received about Exposure Management? Like, we know that it's very early, but now like the initial feedback from our partners or customers?

Antti Koskela

President & Chief Executive Officer, WithSecure Corp.

A

So, we did earlier launches of the concept back in November. We had the collaterals already in February and we actually launched this [ph] app (00:21:09) together with four partners on stage, so that there were four partners launching it together with us and then we had close to 30 partners developing it together with us. So, there's an absolute need what you have in the market. So, we have a good, good, good pipeline of opportunities now both from the partner side and from end customer side that we are now working on. And it's up to us to accelerate that growth. So, positive, it's quite feedback. It is a problem that needs to be solved.

Atte Riikola

Analyst, Inderes Oyj (Research Firm)

Q

You haven't opened up yet at least the pricing of Exposure Management or other new products. So, can you say anything about the upsell opportunity, for example, for the like classical EPP, EDR customers if they take also the Exposure Management and other new modules?

Antti Koskela

President & Chief Executive Officer, WithSecure Corp.

A

So, we are pricing Exposure priced on a – based on kind of subscription pricing. And also based on the cloud accounts you would connect to, what identities would you connect to the exposure. And in general we look Elements Cloud as a kind of almost like a total package so that all the pricing models need to be consistent with each other. So, it's a subscription-based pricing within the Elements.

Atte Riikola

Analyst, Inderes Oyj (Research Firm)

Q

All right. And then you mentioned the MDR revenue was little bit down because of those lost big clients. But when do you expect those new sales in mid-market to like pick up the growth again?

Antti Koskela

President & Chief Executive Officer, WithSecure Corp.

A

Actually, the mid-market growth is picking up because, so the fact that there's a slight decline, but it's relatively flattish. But if you have a churn, then of course it needs to come from somewhere. So we are winning new in the mid-market with Countercept.

Atte Riikola

Analyst, Inderes Oyj (Research Firm)

Q

Yeah. But if you think about the impact or churn impact of those big clients, was it like end of last year when those churn?

Antti Koskela

President & Chief Executive Officer, WithSecure Corp.

A

Yeah, end of last year, during last year. And I think generally I think we have got our portfolio more competitive for the mid-market during past 12 months and with the launches. And I think we are optimistic with opportunities that arise from there.

Atte Riikola

Analyst, Inderes Oyj (Research Firm)

Q

And then the last question from me, if you think about your new – this Luminen AI assistant and from cost-wise, if you think about most of your customers start to utilize it, will it have like some kind of impact on your costs?

Antti Koskela

President & Chief Executive Officer, WithSecure Corp.

A

So, that's why the beauty of it is that so we have not retrained a large language model. That's what many analysts should be worried about. So, we are using generative AI models that are available. We are using technology called AWS Bedrock. It's a cutting-edge technology for software organization. So, we are able to securely run our dataset against available alternative algorithms and we are embedding the prompt in our code. So, we work slightly differently with technical answer, but we don't retrain our own LLMs, but we use generative AI for the purpose of getting end customer results. And it's working for us because we are in control on the prompts.

Atte Riikola

Analyst, Inderes Oyj (Research Firm)

Q

All right. Thank you.

Laura Viitala

Director-Investor Relations, WithSecure Corp.

A

Thanks, Atte. So moving to the questions on the chat now, there are a couple of questions from our audience today. So, first, WithSecure's cash flow was negative significantly in Q2 2024. Do you expect the cash flow to be positive in Q3 2024?

Thomas Jansson

Chief Financial Officer, WithSecure Corp.

A

Okay. So, of course, we knew always that our first half is quite cash burning. Part of the year because we have the – in Q1 we have a lot of the previous year-end – our previous year payouts. And then in Q2 we have SPHERE and a lot of activities. But this is of course an item that we continuously work on and we expect that to improve in the future over time.

Laura Viitala

Director-Investor Relations, WithSecure Corp.

A

EBITDA result is still negative. Which quarter can we expect WithSecure to reach positive EBITDA figures?

Thomas Jansson

Chief Financial Officer, WithSecure Corp.

A

I would refer to our guidance that we expect our full year to be positive EBITDA.

Laura Viitala

Director-Investor Relations, WithSecure Corp.

A

What would you say is the most significant risk for WithSecure's business during the rest of the year 2024?

Antti Koskela

President & Chief Executive Officer, WithSecure Corp.

A

That's a good question. I'm more looking at the point of view that we have opportunity now enhanced with a new portfolio and working with the partners. So, that's a positive side. In a SaaS business, if you don't have a customer-centric way of working and work relentlessly for customer success, that can cause surprises. So, that I would see as a risk. But I think we are proactively working on that, that we are improving our customer partner's success.

Laura Viitala

Director-Investor Relations, WithSecure Corp.

A

Very good. Would you consider doing M&A transactions during the rest of the year 2024? If so, what kind of targets?

Antti Koskela

President & Chief Executive Officer, WithSecure Corp.

A

So, we have one thing what we have in the pipeline obviously. We are looking at the strategic reviews and we actually did one small divestment. So, that's also an M&A transaction. So, we did that now in Q2. And then we are continuing the strategic review of both of the businesses. But M&A on the buying to WithSecure, that's always an option. But I think we have quite a bit of work to do now in getting our offering to the market and focusing on that.

Laura Viitala

Director-Investor Relations, WithSecure Corp.

A

Okay. Thanks. Then questions from Walteri Rossi, our analyst. Are you expecting Cloud ARR growth to be more at 5% during the second half or at current levels?

Antti Koskela

President & Chief Executive Officer, WithSecure Corp.

A

So, 5% quarter-on-quarter or year-on-year?

Laura Viitala

Director-Investor Relations, WithSecure Corp.

A

I think year-on-year.

Antti Koskela

President & Chief Executive Officer, WithSecure Corp.

A

So, stick to our guidance, I think it was between 10% to 20% year-on-year cloud revenue growth.

Laura Viitala

Director-Investor Relations, WithSecure Corp.

A

And what's the biggest challenge you currently face in tough, competitive market?

Antti Koskela

President & Chief Executive Officer, WithSecure Corp.

A

What is really good in the recent quarters is that we have a positive sentiment now in the company post-SPHERE and there's, in a way, people are getting out to the customers. People are getting out to the customers because we have something new to say that is genuinely meeting the customer things, so that it's always that if you watch too much on the competition and you don't focus on the value you bring to the customer, that can be a problem itself, so that I'm more getting the teams to get out there, compete and deliver the value of what we do, because I think we need to get the part that belongs to us in the mid-market.

Laura Viitala

Director-Investor Relations, WithSecure Corp.

A

Very good. Are there any new cost saving or efficiency programs expected for the rest of the year 2024?

Thomas Jansson

Chief Financial Officer, WithSecure Corp.

A

So, cost is something we work on continuously. So, we continue to work on that. And I think that is a continuous work that we do relentlessly all the time and of course try to improve the situation.

Laura Viitala

Director-Investor Relations, WithSecure Corp.

A

All right. Then, another set of questions from our audience today. So strategic reviews, is there anything new that you're able to comment at this point?

Antti Koskela

President & Chief Executive Officer, WithSecure Corp.

A

So we are able to comment at this point is that we are in a way building strong independence for the both businesses. And then we come back to the strategic review later.

Laura Viitala

Director-Investor Relations, WithSecure Corp.

A

What about – are you happy with the current group capital structure or could we expect any significant changes in the capital structure during 2024?

Thomas Jansson

Chief Financial Officer, WithSecure Corp.

A

At the moment, we are happy where we are. Yeah.

Laura Viitala

Director-Investor Relations, WithSecure Corp.

A

Nothing else to say. All right. And is the current negative cash flow sustainable in the long run? Will there be needs for new capital in near future?

Thomas Jansson

Chief Financial Officer, WithSecure Corp.

A

As we said earlier, we are working on our cash flow continuously and over time we expect that to improve, of course, and that's what we can say at this point about that.

Laura Viitala

Director-Investor Relations, WithSecure Corp.

A

Yeah. There's another one saying that the cash flow worries me. Are there initiatives in place to turn it positive in the near future?

Thomas Jansson

Chief Financial Officer, WithSecure Corp.

A

I would maybe repeat the answer we said earlier that this is something we are working on. And of course, as said, we are assuming that to be improving in the future.

Antti Koskela

President & Chief Executive Officer, WithSecure Corp.

A

Yeah.

Laura Viitala

Director-Investor Relations, WithSecure Corp.

A

Good. Then I'm moving on to questions from [indiscernible] (00:30:29) our analyst. Countercept in 2023, you had challenges with Enterprise Segment customers. Has there still been new churn in that large corporate segment or are you referring to churn seen in 2023?

Antti Koskela

President & Chief Executive Officer, WithSecure Corp.

A

There has been churn last year and there has been also new churn, which is in our ARR numbers. And then we have been winning new in the mid-market segment, which is also in the same ARR numbers. So that it's really about that we are scoping the company to be a mid-market-centric company.

Laura Viitala

Director-Investor Relations, WithSecure Corp.

A

All right. And then about Consulting, how much of the strong performance seen in Q2 was thanks to projects postponed from Q1?

Antti Koskela

President & Chief Executive Officer, WithSecure Corp.

A

There was a portion of that, but there was also a portion of new things that we won during Q2. So that was a mix of both.

Laura Viitala

Director-Investor Relations, WithSecure Corp.

A

And you said you started the year with a strong order book. What is the situation with current order book and what is your visibility in general to this business?

Antti Koskela

President & Chief Executive Officer, WithSecure Corp.

A

We have a quite good order backlog at this point. We have higher than last year. And that gives us some flexibility, of course, to the rest of the year. So I guess that's where we are at this point.

Thomas Jansson

Chief Financial Officer, WithSecure Corp.

A

Yeah.

Laura Viitala

Director-Investor Relations, WithSecure Corp.

A

All right. Was the SPHERE cost fully allocated to Elements company or where there some allocations to Consulting and Salesforce as well?

Antti Koskela

President & Chief Executive Officer, WithSecure Corp.

A

It was an Elements company cost.

Laura Viitala

Director-Investor Relations, WithSecure Corp.

A

Very good. Then moving to questions from [indiscernible] (00:32:19), our analyst. First, your guidance implicitly calls for positive EBITDA for the second half. Is achieving this purely a top line game or do you have any levers to pull to lower costs beyond not having the SPHERE again in the second half?

Antti Koskela

President & Chief Executive Officer, WithSecure Corp.

A

I think it's both the top line development with ARR growth getting the Consulting revenue and of course being prudent with the cost. It's a combination of all of that and that's in the plans.

Laura Viitala

Director-Investor Relations, WithSecure Corp.

A

How would you describe your visibility on the demand outlook for second half now versus three months ago? Have you noticed any change in customer behavior?

Antti Koskela

President & Chief Executive Officer, WithSecure Corp.

A

Yeah. I think like I mentioned in my beginning part, it is a big change when you are at the SPHERE event this year compared to last year. And we have nonstop queues at the [indiscernible] (00:33:18) looking at the new things we have done. I think the portfolio speaks better for the small to mid-sized companies that have a digital infrastructure and a lot of cloud and SaaS and identity-based assets and I think we are positive with the outlook of those opportunities that emerge from therein.

Laura Viitala

Director-Investor Relations, WithSecure Corp.

A

Good. Your cash position has halved from last year. Can you elaborate on your thoughts regarding the company's liquidity situation for the foreseeable future?

Thomas Jansson

Chief Financial Officer, WithSecure Corp.

A

As said previously, it is of course an item that we continuously work on and we expect that to improve over time.

Laura Viitala

Director-Investor Relations, WithSecure Corp.

A

All right. And then back to [indiscernible] (00:34:04) how much sales the divested unit was generating? Does it move a needle?

Antti Koskela

President & Chief Executive Officer, WithSecure Corp.

A

So, sorry, it's not part of what's the terminal part [Foreign Language] (00:34:14).

Laura Viitala

Director-Investor Relations, WithSecure Corp.

A

It's not discontinued.

Antti Koskela

President & Chief Executive Officer, WithSecure Corp.

A

This is not a discontinued operation and that gives you a framework. So, that it's material from that point of view.

Laura Viitala

Director-Investor Relations, WithSecure Corp.

A

And maybe I can comment. So, it's included in the Elements company, other section of the financials, which is quite small in itself.

And then back to Walteri Rossi, really sorry. So, and back to the question about ARR growth. So, this was quarter-on-quarter growth that was meant, but I guess we answered hopefully the question already.

Antti Koskela

President & Chief Executive Officer, WithSecure Corp.

A

Yeah. The guidance is 10% to 20%. And I think – so we grew from – we had a 10% quarter one, now 13%. Now, we have SPHERE below our belt and all the excitement and opportunity, so I have a reason to be optimistic on that.

Laura Viitala

Director-Investor Relations, WithSecure Corp.

A

All right. That was actually all the questions on the chat. Now, do we have any more questions in the room? No. And the chat seems to be going quiet. So, I think we are ready to wrap it up.

Antti Koskela

President & Chief Executive Officer, WithSecure Corp.

So thank you so much.

Thomas Jansson

Chief Financial Officer, WithSecure Corp.

Thank you very much. And we're back in October.

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