

# WithSecure Financial statement release Q4 2024

Strong growth in Cloud Protection for Salesforce,  
improving profitability and cash flow, divestment of  
Cyber security consulting

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# Highlights of Q4 2024

## Elements Company

- Elements Cloud ARR growth 6% year-on-year
  - Year-end ARR impacted by timing of discounts
  - Elements Cloud NRR 99%
- Elements Cloud revenue growth 9%
  - Elements Cloud software growth continued, driven by full portfolio
  - Managed services slightly below previous year level due to churn of larger customers
- Elements Company revenue growth 4% year-on-year
- Adjusted EBITDA 1.5 million EUR for the fourth quarter (EUR 4 million for FY2024)

## Strategy execution progressing:

- Identity Security reached General Availability
- Elements available in AWS Marketplace
- Gartner Magic Quadrant (EPP Platforms) – improved position
- MITRE Attack evaluations – excellent results especially in detection-to-alert ratios



# Highlights of Q4 2024

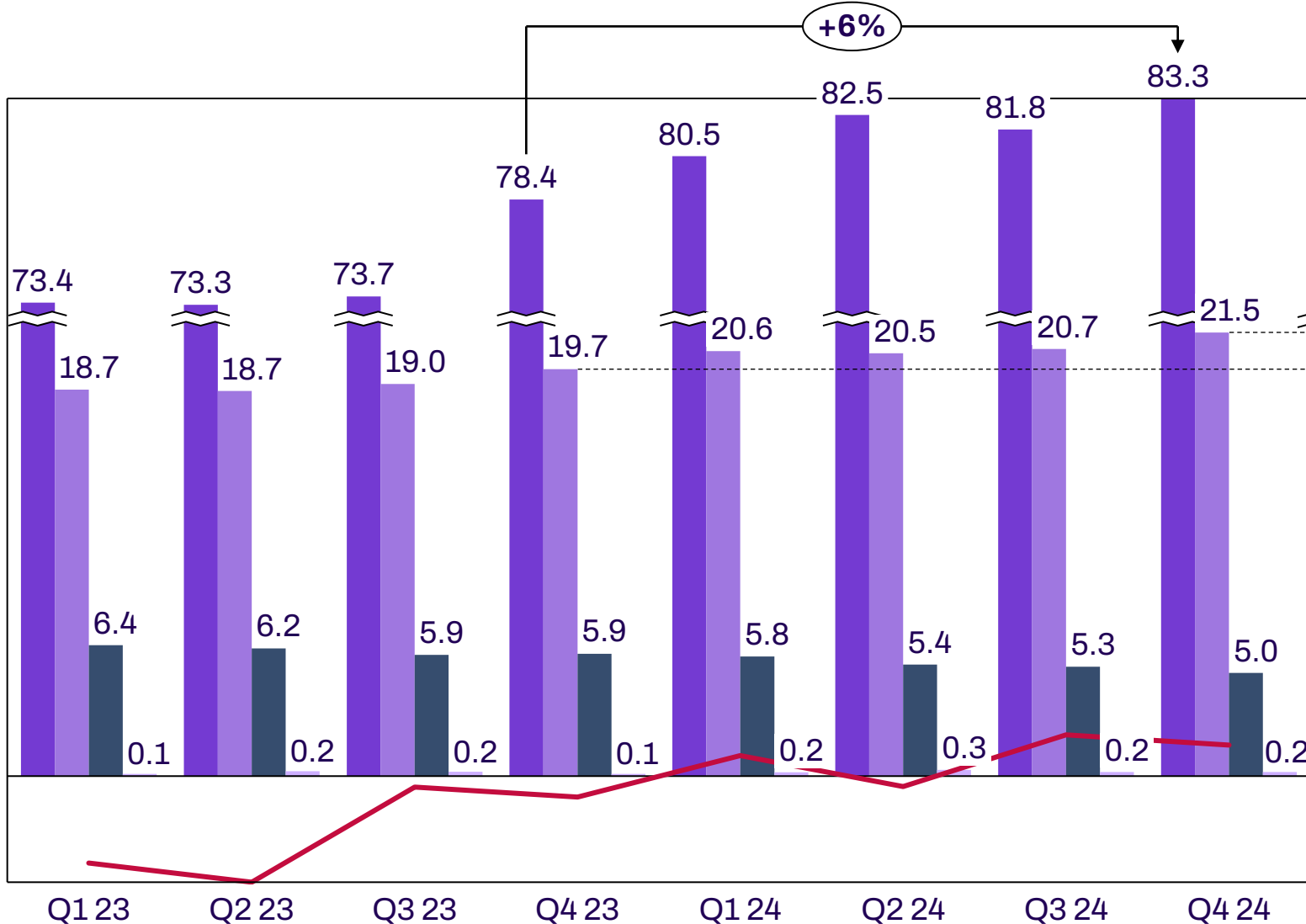
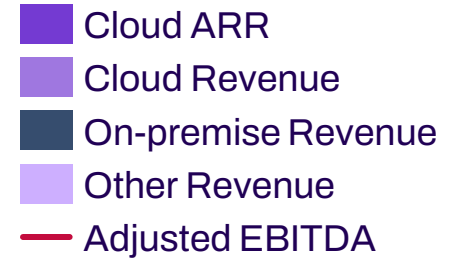
## Cloud Protection for Salesforce

- ARR growth 52% year-on-year, to EUR 12.8 million (EUR 8.4 million)
- Land-and-expand strategy successful, significant part of ARR growth from expansions
- New significant customer logos won
- Addressable market not limiting growth
- Developed as independent business inside WithSecure, strategic review options open



# Elements Company

Elements Cloud software and services | Managed Services | On-premise software | Other



Elements Cloud ARR growth of 6 %

- Elements software growth continued
- Managed Services churn not fully compensated by new business
- UK, US regions impacted by the MS churn
- Year-end ARR value impacted by discount timing

+9%

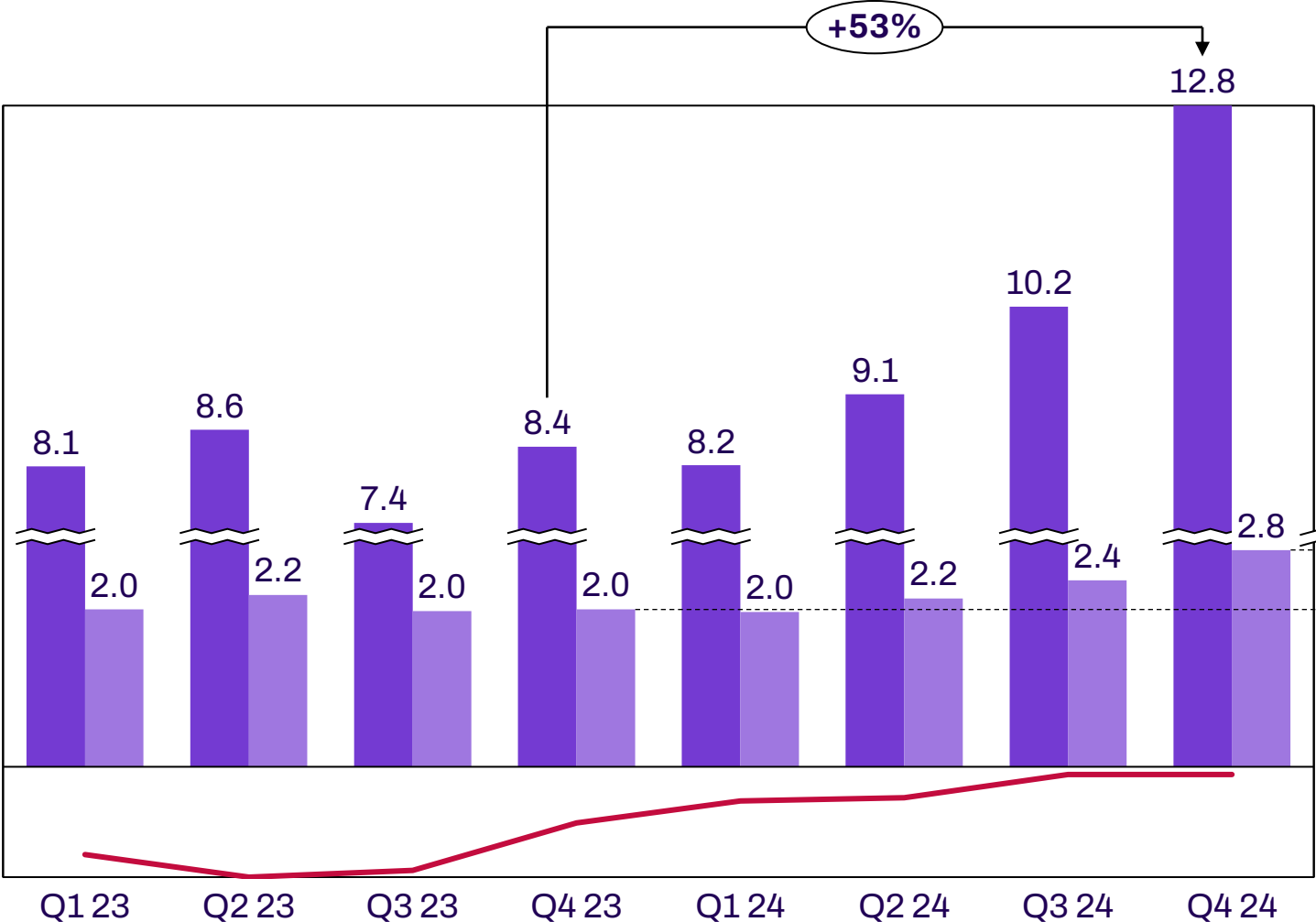
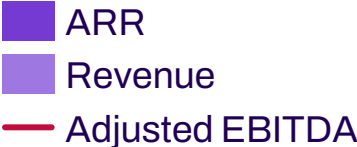
Elements Cloud Net Revenue Retention (NRR) was 99%

On-premise revenue decline as expected

Adjusted EBITDA EUR 1.5 million

# Cloud Protection for Salesforce

Content protection for Salesforce external content



Back on track to growth mode in ARR.

Continuous growth from Q1 onwards and strong Q4, winning several significant new customers

Business has reached break even point by end of Q4

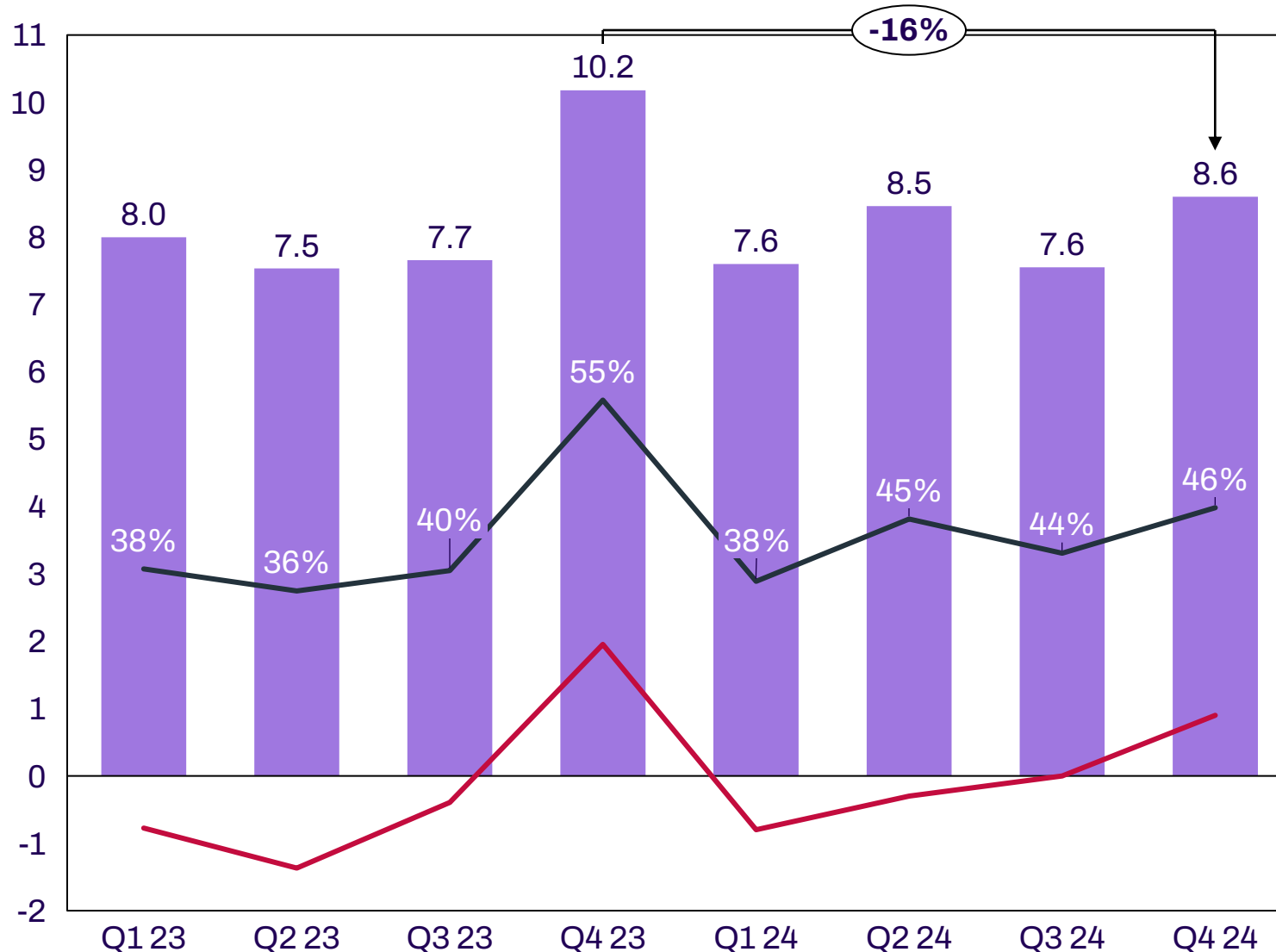
NRR also back on track, reached 121% by end of Q4

Land & Expand strategy working well, notable part of ARR growth in 2024 from expansions

# Cyber security consulting

Offensive cyber security services to enterprise clients

Revenue  
Gross margin  
Adjusted EBITDA



Revenue down from previous year, mainly due to US and DK

Continuous work on efficiency and profitability during 2024, yielded result in Q4

Many transformative actions taken during 2024, which will improve the future of Consulting business

Deal with Neqst closed in January and closing is expected in Q2 2025 – segment reporting will be discontinued

# Consulting divestment

- Agreement signed on 23 January 2025 with Neqst, Swedish investment company
- Enterprise Value EUR 22.5 million
  - 60% (EUR 13.5 million) – becomes payable on closing
  - 40% (EUR 9 million) – tied to realistic performance metrics of the business in the next 2 years; becomes payable in Q1 26 and Q1 27
- Fair value of the purchase price, deducted by cost of selling and Net asset value of the business sold – EUR 13.3 million impairment of goodwill recognized in the Discontinued operations result of Q4 24
- Cyber security consulting segment presented according to previously applied accounting principles
- Bridge between Cyber security consulting segment vs. discontinued operations:

	Q4 2024			FY 2024			
	Cyber Security Consulting Segment	Discontinued Operations	Diff	Cyber Security Consulting Segment	Discontinued Operations	Diff	
Revenue	8.6	8.3	-0.3	32.3	31.4	-0.9	(-) Japan revenue, (+) Product in Elements Other
Cost of revenue	-4.6	-4.5	0.1	-18.3	-17.8	0.5	
GM	4.0	3.7	-0.2	14.0	13.6	-0.4	
GM%	46.3 %	45.3 %		43.3 %	43.3 %		
Operating expense	-3.1	-2.7	-0.4	-13.9	-12.4	-1.5	Group functions allocation
Adj.EBITDA	0.9	1.0	0.1	0.1	1.2	1.1	
Adj.EBITDA %	10.7 %	12.6 %		0.3 %	3.8 %		

Revenue and CoR diff – presented in Elements Other

Opex diff - To be reviewed during Q1 25

# Q4 2024 profitability | WithSecure Group

(mEUR)	10-12/2024	10-12/2023	Change %	FY 2024	FY 2023	Change %
<b>Revenue</b>	<b>29.9</b>	<b>28.0</b>	<b>7%</b>	<b>116.0</b>	<b>109.9</b>	<b>6%</b>
Gross Margin	24.0	22.3	3%	92.8	86.8	7%
<i>of revenue, %</i>	<i>80.4%</i>	<i>79.7%</i>		<i>79.8%</i>	<i>79.0%</i>	
Other operating income <sup>1)</sup>	0.4	0.4	11%	2.0	1.4	41%
Operating expenses <sup>1)</sup>	-23.0	-24.3	-6%	-92.6	-103.1	-10%
Sales & Marketing	-12.2	-13.1	-7%	-47.9	-57.2	-16%
Research & Development	-8.5	-8.8	-3%	-35.0	-36.3	-4%
Administration	-2.3	-2.4	-5%	-9.7	-9.5	2%
<b>Continuing operations Adjusted EBITDA</b>	<b>1.4</b>	<b>-1.6</b>		<b>2.0</b>	<b>-14.8</b>	
<i>of revenue, %</i>	<i>4.7%</i>	<i>-5.7%</i>		<i>1.7%</i>	<i>-13.5%</i>	
<b>Discontinued operations Adjusted EBITDA</b>	<b>1.0</b>	<b>1.8</b>		<b>1.1</b>	<b>-1.3</b>	
<b>Combined operations Adjusted EBITDA</b>	<b>2.4</b>	<b>0.2</b>		<b>3.1</b>	<b>-16.1</b>	

## Adjusted EBITDA:

- Significant improvement in 2024
- Restructurings in 2023, continuous efficiency measures
- Approximately EUR 1.5 million of group allocations of Consulting moved to Continuing operations

1) Excluding Items Affecting Comparability (IAC), depreciation and amortization. In 2023, excluding also costs of services provided to F-Secure under TSA and equivalent income charged for TSA services.



# Outlook 2025

Annual Recurring Revenue (ARR) for Elements Cloud products and services will grow by 10-20% from the end of 2024.

At the end of 2024, Elements Cloud ARR was EUR 83.3 million.

Elements Company segment's Adjusted EBITDA will be 3-7% of revenue.

Annual Recurring Revenue (ARR) for Cloud Protection for Salesforce (CPSF) will grow by 20-35% from the end of 2024.

At the end of 2024, CPSF ARR was EUR 12.8 million.

Cyber security consulting business will be divested in 2025. Elements company and CPSF will have their own guidance going forward. Both are recurring, subscription-based businesses, which is reflected in the new guidance.



# Medium-term financial target

*For Elements Company segment*

Over the next three years (2025-2027), WithSecure will become a “Rule of 30+” company.

The components of the target are

- Annual revenue growth as percentage
- Adjusted EBITDA as percentage of revenue

WithSecure is targeting to reach a sum of the components that exceeds 30.



# WithSecure Annual Report 2024



Published on 12 Feb 2025, with the Q4 results

Apart from the financials, includes a CSRD compliant Sustainability Report for 2024

Other parts:

- Board of Directors' report
- Remuneration report
- Corporate Governance statement

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