



**WithSecure  
Q2 2024 Half-year Report**

**ARR growth developing favorably,  
consulting performance improving**

**Antti Koskela, President and CEO**

**Tom Jansson, CFO**

**16 July 2024**

# Highlights of Q2 2024

- Quarter of SPHERE and product launches
  - Elements Exposure Management
  - Elements Extended Detection and Response (XDR) and W/S Identity Security
  - WithSecure Managed Detection and Response service on EDR
  - First customer agreements for all new products signed in June
  - W/Luminen AI assistant activated by 200+ customers
- Elements Company
  - Cloud ARR growth 13% year-on-year; fourth growth quarter in a row
  - Cloud revenue growth 10%
  - Elements Cloud NRR 103%
  - Elements Company revenue growth 4%
  - Elements Cloud software driving growth
  - Managed services slightly below previous year level, transition of new sales to mid-market
  - Growth in DACH, France – UK, Japan below previous year level



# WithSecure™ Elements

Proactive and Modular. Made for Co-Security.



## Exposure Management



Attack Paths



Exposure Score



Remediation



## Extended Detection and Response



Endpoint Security



Identity Security



Collaboration Protection



## Co-Security Services



Elevate



Co-Monitoring



Managed Detection and Response



Incident Response



Exposure Management



Countercept

Hoot there!  
How can I assist you today?



WithSecure™ Support Services



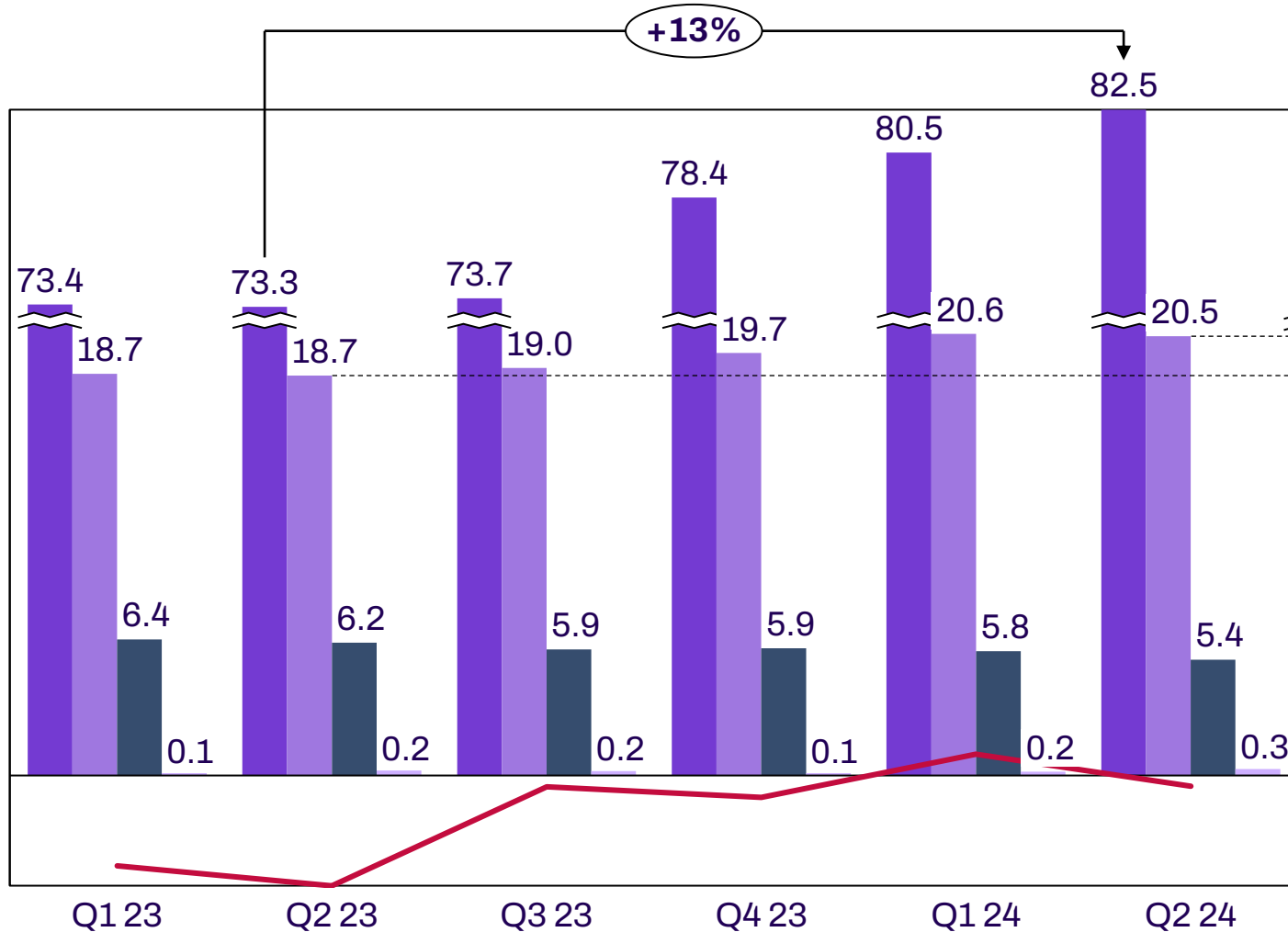
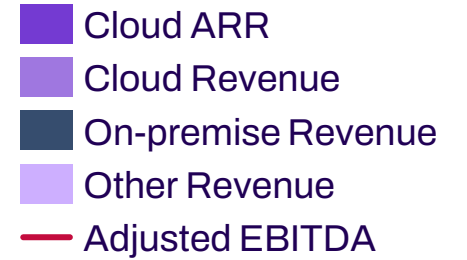
# Highlights of Q2 2024

- Cloud Protection for Salesforce
  - ARR growth 5%
  - Revenue at previous year level EUR 2.2 million
  - CPSF NRR 88%
  - Good pipeline development
  - Strategic review continues, focus on increasing operative independence
- Cyber security consulting
  - Revenue growth 12% year-on-year
  - Nordics financial sector, US large accounts performing well
  - Strategic review continues, focus on increasing operative independence
- CEO appointment as of 1 July 2024



# Elements Company

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



Elements Cloud ARR growth of 13%

- Elements Software products performing well
- Managed services at previous year level
- France, DACH driving growth
- Japan – FX rate, UK – churned Countercept accounts causing lack of growth

Elements Cloud Net Revenue Retention (NRR) was 103%

On-premise revenue decline as expected

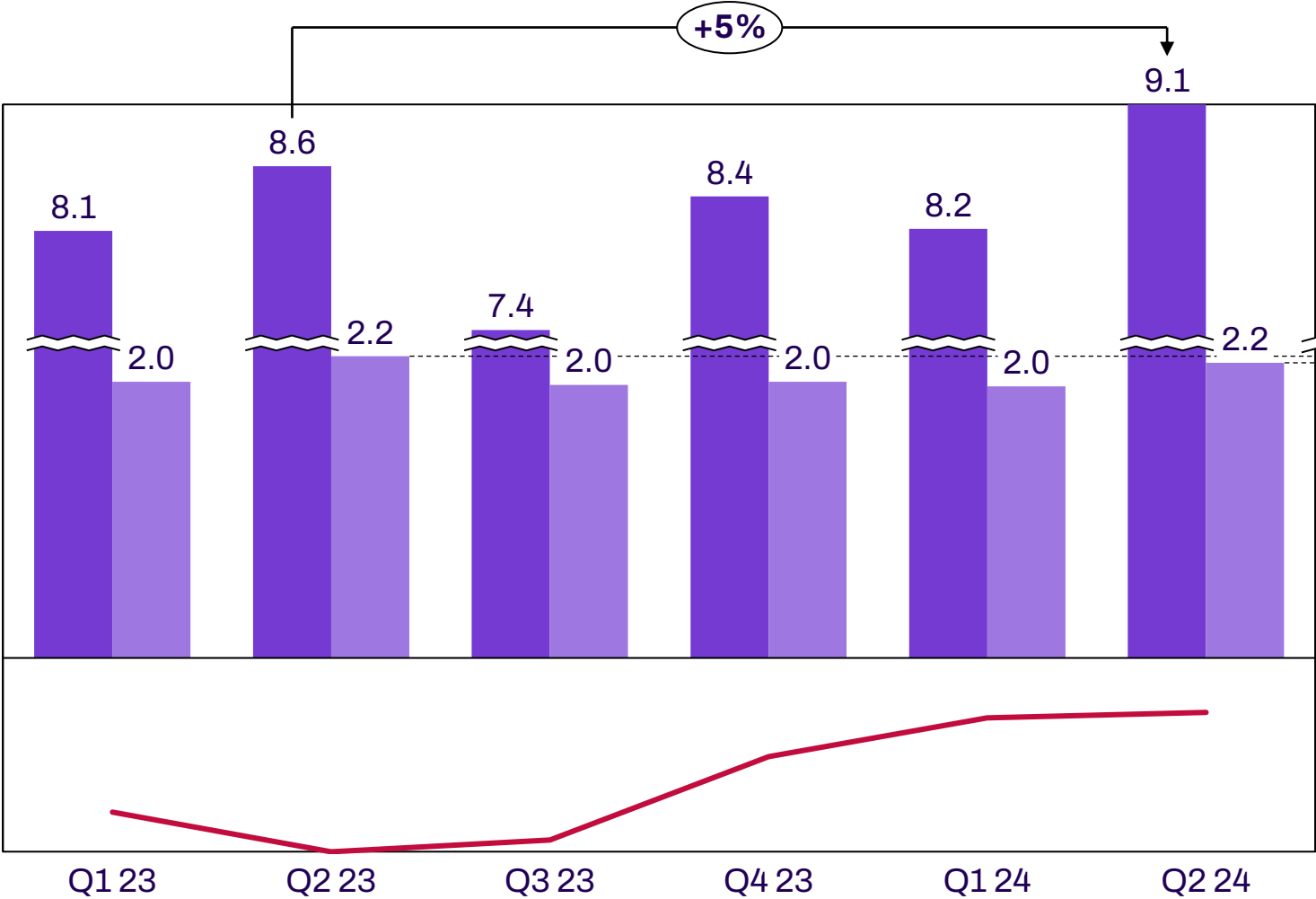
Other – minor products, speaker fees & other occasional revenue; partial divestment in 2H2024

Adjusted EBITDA EUR -0.5 million

# Cloud Protection for Salesforce

Content protection for Salesforce external content

- ARR
- Revenue
- Adjusted EBITDA



Good sales pipeline, visible in the ARR growth

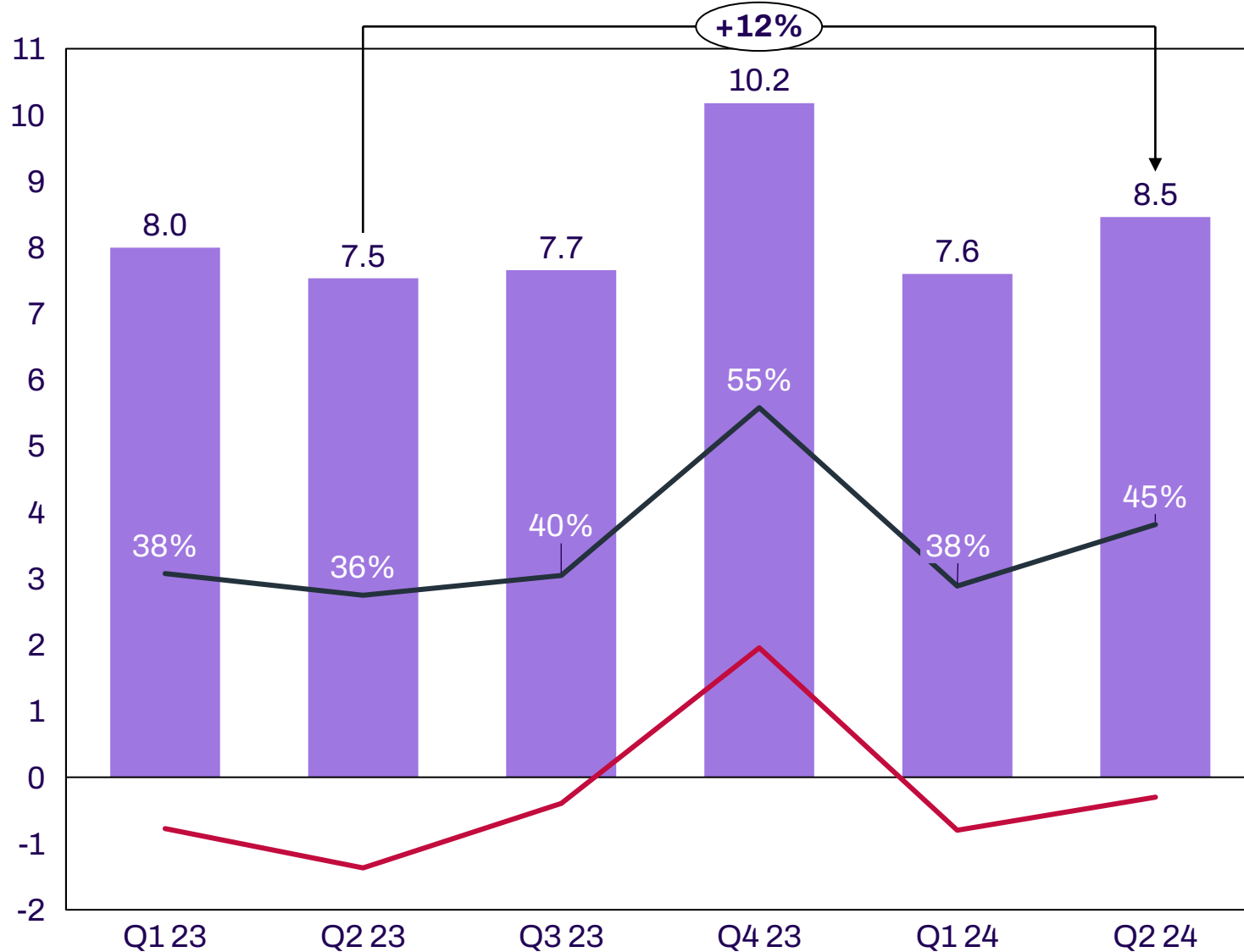
Net Revenue Retention (NRR) was 88%

Adjusted EBITDA EUR -0.4 million, negative but improved from previous year

# Cyber security consulting

Offensive cyber security services to enterprise clients

Revenue  
Gross margin  
Adjusted EBITDA



Revenue grew by 12% year-on-year

- financial sector customers in the Nordics
- large accounts in the US

Adjusted EBITDA EUR -0.3 million

# Q2 2024 profitability | WithSecure Group

(mEUR)	4-6/2024	4-6/2023	Change %	1-6/2024	1-6/2023	Change %	1-12/2023
<b>Revenue</b>	<b>36.8</b>	34.8	<b>6%</b>	<b>73.1</b>	<b>70.1</b>	<b>4%</b>	<b>142.8</b>
Gross Margin	26.5	24.0	10%	52.1	48.4	8%	100.2
<i>of revenue, %</i>	<i>71.9 %</i>	<i>68.9 %</i>		<i>71.4 %</i>	<i>69.1 %</i>		<i>70.2 %</i>
Other operating income <sup>1)</sup>	0.5	0.4	17%	0.9	0.8	9%	1.4
Operating expenses <sup>1)</sup>	-28.1	-32.0	12%	-54.2	-63.3	14%	-117.7
Sales & Marketing	-15.8	-19.9	21%	-29.3	-37.3	21%	-68.1
Research & Development	-8.9	-9.2	3%	-18.1	-20.9	14%	-36.3
Administration	-3.4	-2.9	-17%	-6.8	-5.1	34%	-13.3
<b>Adjusted EBITDA</b>	<b>-1.1</b>	<b>-7.9</b>	<b>86%</b>	<b>-1.1</b>	<b>-14.1</b>	<b>92%</b>	<b>-16.1</b>
<i>of revenue, %</i>	<i>-3.1 %</i>	<i>-22.6 %</i>		<i>-1.5 %</i>	<i>-20.1 %</i>		<i>-11.3 %</i>

Revenue comments: see each segment

Operating expenses reduction EUR -3.9 million y-o-y

In addition, Q2 23 included EUR 1.8 million of opex related to TSA agreements with F-Secure.

Total opex reduction y-o-y is EUR 5.7 million

Additional EUR 0.3 million of cumulative adjustments of personnel expenses was recognized in Q2.

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 2024

*Unchanged*

Annual recurring revenue (ARR) for Elements Cloud products and services will grow by 10–20 % from the end of 2023. At the end of 2023, Elements Cloud ARR was EUR 78.4 million.

Revenue from Elements Cloud products and services will grow by 10–16 % from previous year. Previous year revenue from Elements Cloud was EUR 76.1 million.

Total revenue of the group will grow by 6–12 % from previous year. Previous year revenue of the group was EUR 142.8 million.

Adjusted EBITDA of full year 2024 will be positive.





WITH<sup>TM</sup>

secure

