



SOLUTION
DE CYBER-SÉCURITÉ
ET DE GOUVERNANCE
DES ACCÈS AU SYSTÈME
D'INFORMATION



WALLIX
TRACE, AUDIT & TRUST

Paris, Feb 14, 2019

2018: SOUND BASES FOR STEPPING UP INTERNATIONAL BUSINESS AND EMBARKING ON THE AMBITION 2021 PLAN

- **53% growth internationally:** strong sales penetration in the priority regions; 36% of revenue earned outside France;
- **Signing of several master agreements, and the winning of several large-scale bid calls in France** representing a combined sales potential of close upon €15 million for the next three years;
- **Increasing resources and structuring the Group:** setting up several new operational Departments, strengthening the sales and marketing teams in the wake of the raising of capital;
- **Net cash of €35 million** at December 31, 2018;
- **Robust growth expected in 2019.**

WALLIX GROUP (ALLIX: FR0010131409 - Euronext Growth), a software company providing cyber security solutions and the European specialist in privileged account governance, is announcing its revenue for the financial year 2018.

Audited data, €000	2017	2018	Change
Consolidated revenue	11,545	12,640	+9%
France	8,589	8,116	-6%
International	2,956	4,524	+53%

Jean-Noël de Galzain, Wallix Group CEO, said: « Back by the fresh resources derived from our capital increase in the first half of 2018, the WALLIX teams lost no time in executing the strategic plan designed to earn us revenue of €50 million in 2021:

- We extended our geographical coverage with the opening of offices in the United States, Germany and Poland;
- We bolstered our product offer with highly innovative solutions some which have already been launched, while others will enhance our sales drive in the coming half-years;



- We conducted a major drive to structure our organization, setting up new Departments and optimizing our processes;
- We have embarked on an ambitious policy of alliances to boost our sales potential and position us as a world-class cyber-security player.

This major overhaul was conducted without slackening our sales drive, as attested by the international performance in 2018. In France, major accounts have recently been taking on board the issues entailed in the GDPR and the NIS/OES directive, leading them to take a global approach to their cyber defense needs, with PAM central for protecting access to critical infrastructure and sensitive data. This enabled us to embark on a virtuous drive of signing multi-year contracts with key accounts of SBF 120. This radical change temporarily hampered the sales drive in the 2nd half, with fewer unscheduled orders, although it gives us a greater commercial visibility for the years to come.

In operating readiness, with a larger strike force and a firm outlook, starting in 2019, WALLIX intends to resume high growth in pursuit of its ambition: to become a benchmark cyber-security software publisher on the world market. “

FIRM-PACED SALES INTERNATIONALLY

€000	2017	2018	Change
Software	11,135	12,332	+11%
Licenses	7,937	7,578	-5%
Maintenance	3,197	4,754	+49%
Managed services	410	308	-25%

WALLIX recorded revenue of €12.6 million for its 2018 financial year, registering 9% organic growth compared with the 2017 financial year. The software publishing business (Licenses + Maintenance) grew 11%, while Managed Services fell 25% before the launch scheduled in early 2019 of the new Bastion Managed Services offer.

This combined performance overlies a contrasting pattern, with strong sales growth internationally (by 53%) and a slight decrease in France (by 6%).

In France, the entry into force of the GDPR and the NIS/OES directive led numerous operators to rethink their organization and their outlook on cyber defense. The coming to awareness of the issues involved in cyber security and particularly, in Privileged Access Management (PAM), is now leading an increasing number of businesses to institute a genuine group purchasing policy in order to deploy a single solution for all their sites. Accordingly, WALLIX has entered into a number of master agreements and has won several multi-year bid calls of wider scope, instead of the conventional orders for each site individually. After several months of a bid-call process, WALLIX has also been awarded the UGAP contract (The leading central purchasing office for public-sector operators). WALLIX BASTION has thus been confirmed as the sole solution referenced for privileged account management.

These large-scale master agreements and bid calls generated €3.4 million in revenue for 2018 in France, earned from 14 customers of which 4 are CAC40 companies, and three major public operators which on their own represent potential orders of close upon €15 million over the next three years. The group will thus enjoy enhanced visibility, in addition to its maintenance services, which expanded 49% to €4.8 million, equivalent to close upon 38% of revenue.



Internationally, the Group achieved 53% sales growth to €4.5 million, equivalent to 36% of revenue earned outside France, compared with 26% in 2017.

The Group capitalized in particular on investments carried out in the priority zones, particularly the DACH/EASTERN zones where the hiring of a new sales Director from July 2018, resulted in sizable sales penetration.

AMBITION 21 PLAN DEPLOYED

2018 marked a turning point with the entry into force of the GDPR and the elapse of the time limit for transposing the NIS/OES directive. Implementing a solution for Privileged Access Management (PAM) has become essential for managing risks within organizations. WALLIX, positioned today as the only developer boasting a certified solution in Europe, is ideally placed to take advantage of this trend.

For this purpose, the Group has undertaken a major reinforcement and structuring drive, with for example the extension of the capabilities of its CRM for finer-tuned control of its activities. To strengthen the recruitment policy, a Human Resources Department has been created. This has helped optimize the strong growth in the workforce, from 83 employees at December 31, 2017 to 127 at December 31, 2018. Particular emphasis was placed on the marketing and sales teams, which expanded from 28 to 46 people within 12 months.

WALLIX has stepped up its international investment, opening its Boston office in the United States, manned today by 5 employees. In the strategic DACH/EASTERN zone, a team of 12 people has been formed. At the same time, the Group has instituted a channel department to bolster its sales network. To conclude, a Customer Success Department was set up to provide 24/7 customer service worldwide thanks to the creation of a support subsidiary in Canada, capable of supporting the sales team across the Atlantic and of providing night-time service in the EMEA zone.

This organization became fully operational on January 1, 2019, giving WALLIX great confidence in its ability to resume, as early as the first half of 2019, a pace of growth consistent with its objectives.

NET CASH OF ALMOST €35 MILLION AT DECEMBER 31, 2018

Relying on the €34.1 million of net proceeds from the capital increase in May last year, WALLIX accelerated its strategic investment while keeping a sharp eye on cash management. Thus, the Group has net cash of €35 million as of December 31, 2018 compared with €5 million as of December 31, 2017 and €37.7 million at June 30, 2018. This comfortable situation leaves it the full financial latitude necessary to implement its development plan and to make targeted acquisitions.

Next publication: 2018 annual results on March 27, 2019

ABOUT WALLIX

A software company providing cyber security solutions, WALLIX Group is a European specialist in privileged account governance.

In response to recent regulatory change (NIS/GDPR in Europe and OVIs in France) and the cyber security threats affecting all companies today, Bastion helps users protect their critical IT assets: data, servers, terminals and connected objects. It is the first market solution to have been awarded first-level security certification (CSPN) by France's National Cybersecurity Agency (ANSSI) and thus meet all of the criteria for regulatory compliance



WALLIX accompanies more than 670 companies and organizations on a day-to-day basis, securing the access to more than 200,000 hardware and software resources. Its solutions are marketed through a network of more than 130 resellers and trained and accredited integrators. Listed on Euronext under the code ALLIX, WALLIX Group is a leader on the PAM market with a strong presence throughout Europe and EMEA. Alain Afflelou, Dassault Aviation, Gulf Air, Maroc Telecom, McDonald's, Michelin, and PSA Peugeot-Citroën trust WALLIX to secure their information systems.

WALLIX Bastion was a winner at the 2016 Computing Security Awards and has been rated Best Buy by SC Magazine, as well as being named among the PAM leaders in the Product and Innovation categories of the KuppingerCole 2017 Leadership Compass report. The company is a member of Bpifrance Excellence, a champion of the Pôle Systematic Paris Region cluster and a founding member of the Hexatrust grouping of cyber security companies. In 2017, WALLIX Group was included in Forbes France's Futur40 ranking of fastest-growing listed companies.

For more information, visit the WALLIX website at: www.wallix.com

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