

# SOFTWARE BUSINESSES FOR BOTH CORPORATE AND CONSUMER CUSTOMERS GROWING

## Q1/2021 Highlights

Juhani Hintikka, President & CEO



# KEY TAKEAWAYS FROM Q1/2021

## Software businesses for both corporate and consumer customers growing

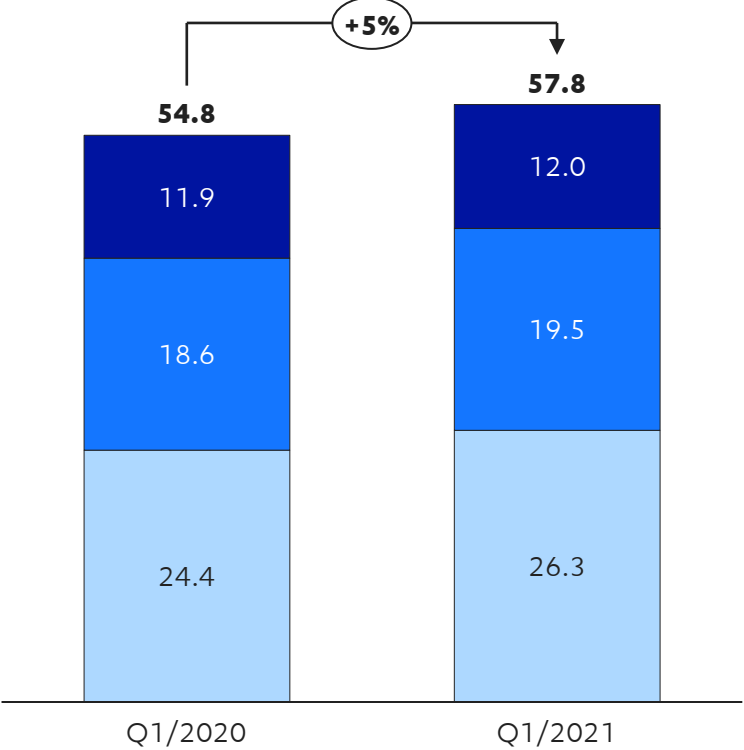
- Deferred revenue growth backs up the acceleration of revenue growth in corporate security products
  - In business security software the growth in orders clearly outpaced revenue growth
  - In Managed Detection and Response (MDR) several new customers across Europe
- Cyber security consulting performance improved in Q1
- Consumer security continued on a growth track - revenue up by 8%
- The overall revenue growth and improved performance in consulting resulted in an adjusted EBITDA margin of 17%
- Best-in-class awards from the AV-TEST institute combined with the increasing sales of our new solutions is a testament to our successful R&D investments

# F-SECURE'S Q1/2021 IN BRIEF

(1-3/2021, EUR million)

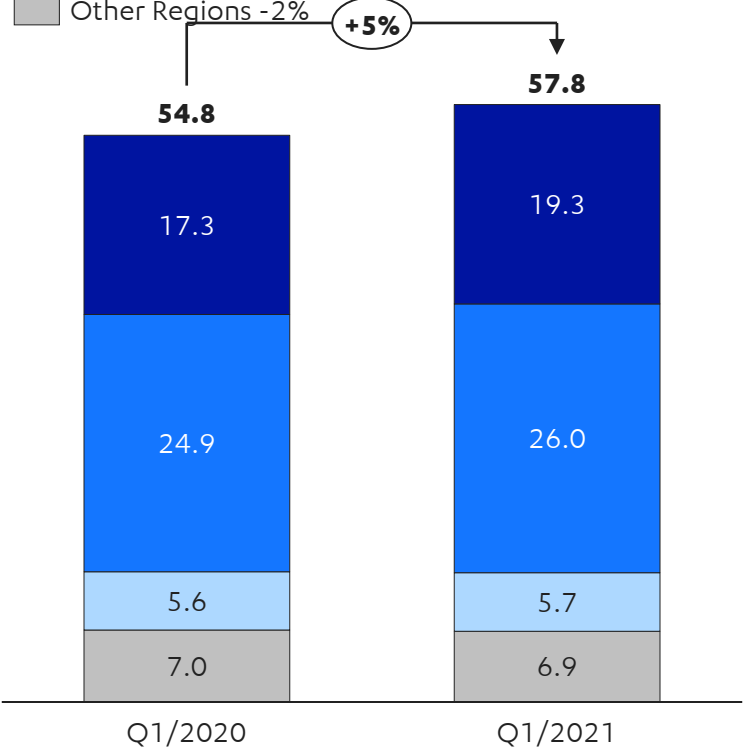
## Revenue split & growth by business

- Cyber Security Consulting +1%
- Corporate Security Products +5%
- Consumer Security +8%

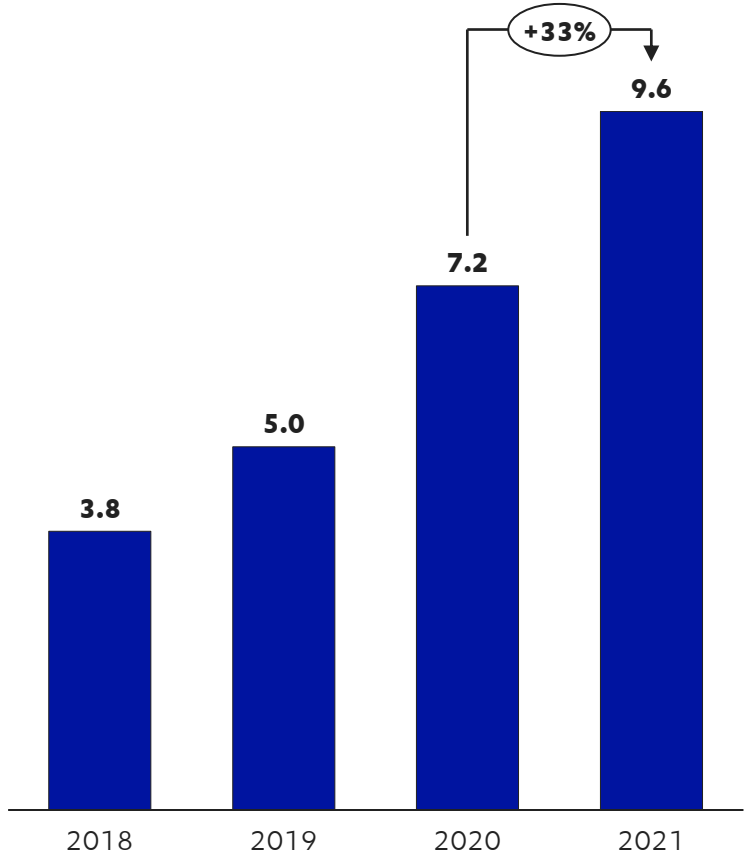


## Revenue split & growth by geography

- Nordics +11%
- Europe (excl. Nordics) +4%
- North America +1%
- Other Regions -2%



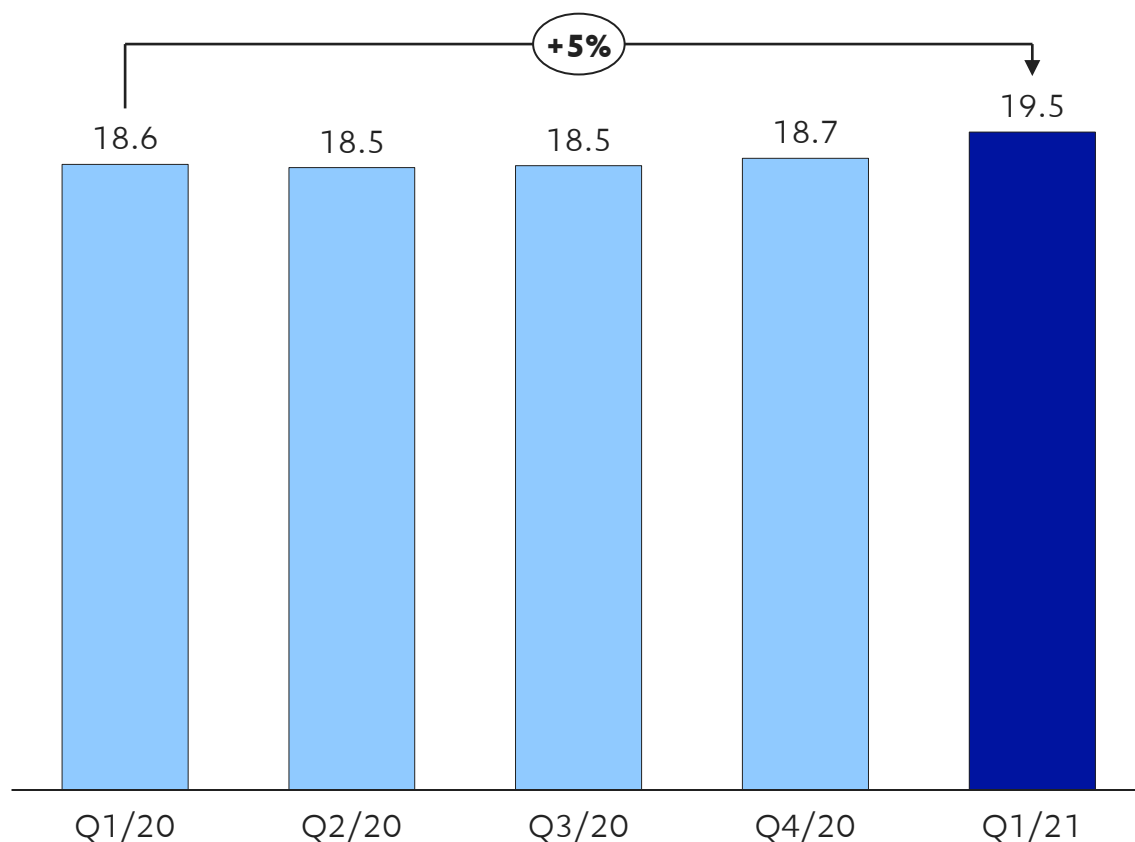
## Adjusted EBITDA in Q1



# CORPORATE SECURITY PRODUCTS REVENUE GREW 5%

(Q1/2020 – Q1/2021, EUR million)

## Revenue comparison



## Revenue from Endpoint Protection (EPP) solutions increased

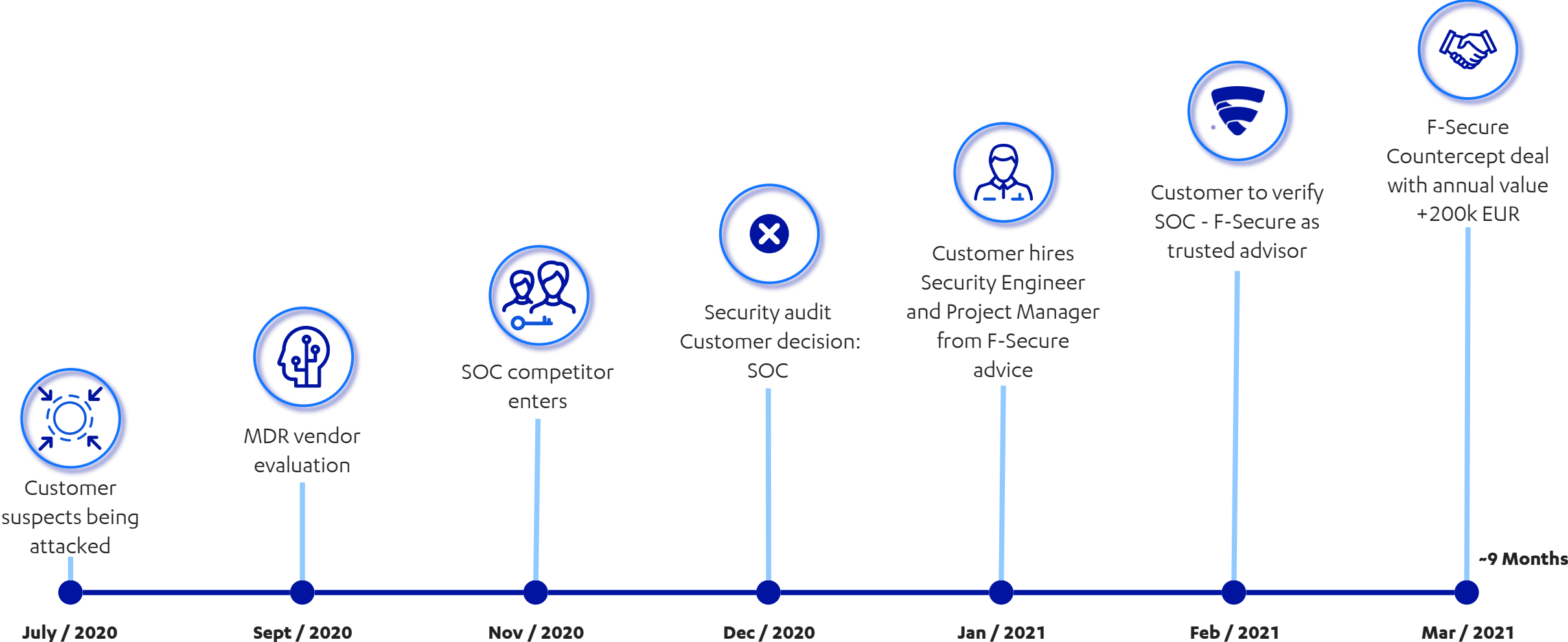
- Increase in orders clearly outpaced revenue growth
- Development from focus countries and across the whole portfolio
- Several new customers in cloud platform security and solid growth with EDR
- Rise in contract duration

## Revenue from Managed Detection and Response (MDR) solutions (F-Secure Countercept) increased slightly

- New customers won in verticals such as technology, finance and professional services
- Several deals closed e.g. in UK, Germany, France and Belgium

# MDR SALES PROCESSES ARE MULTI-FACETED WITH EXPERTISE BEING THE KEY TO BUILD TRUST

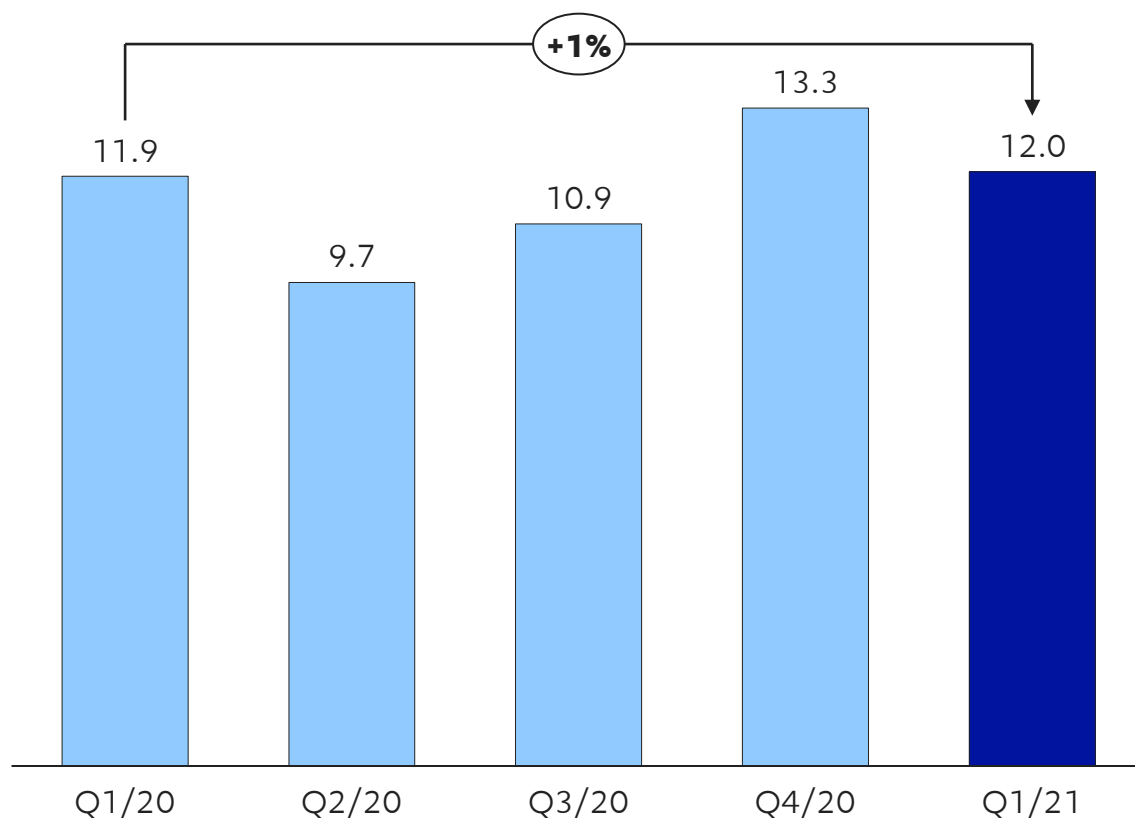
Sales cycle behind a F-Secure Countercept deal



# CYBER SECURITY CONSULTING PERFORMANCE IMPROVED

(Q1/2020 – Q1/2021, EUR million)

## Revenue comparison

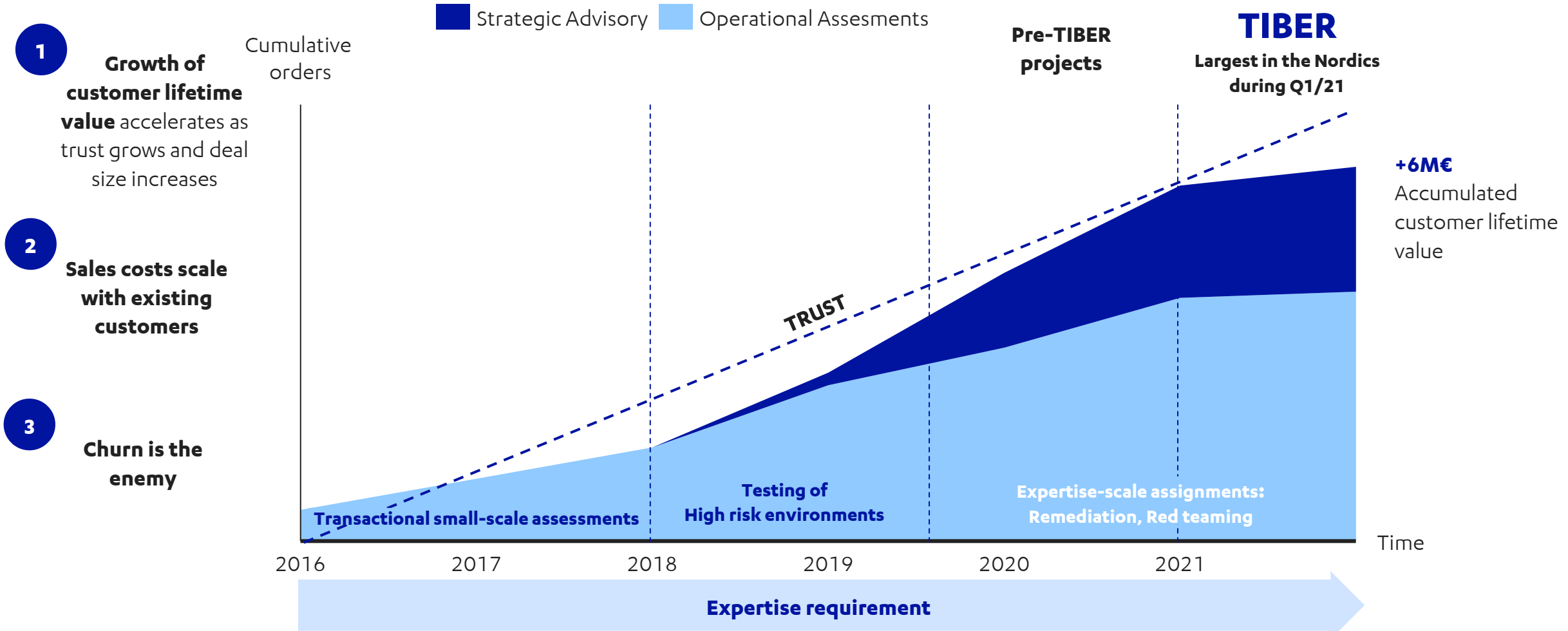


## Cyber security consulting performance improved

- Revenue from cyber security consulting remained at the previous year's level
- Regional variations continued - the UK and Scandinavia had a good start of the year
- New customer acquisition improved
- Strong demand for Incident Response assignments

# FROM TRANSACTIONAL CONSULTING TO STRATEGIC ADVISORY

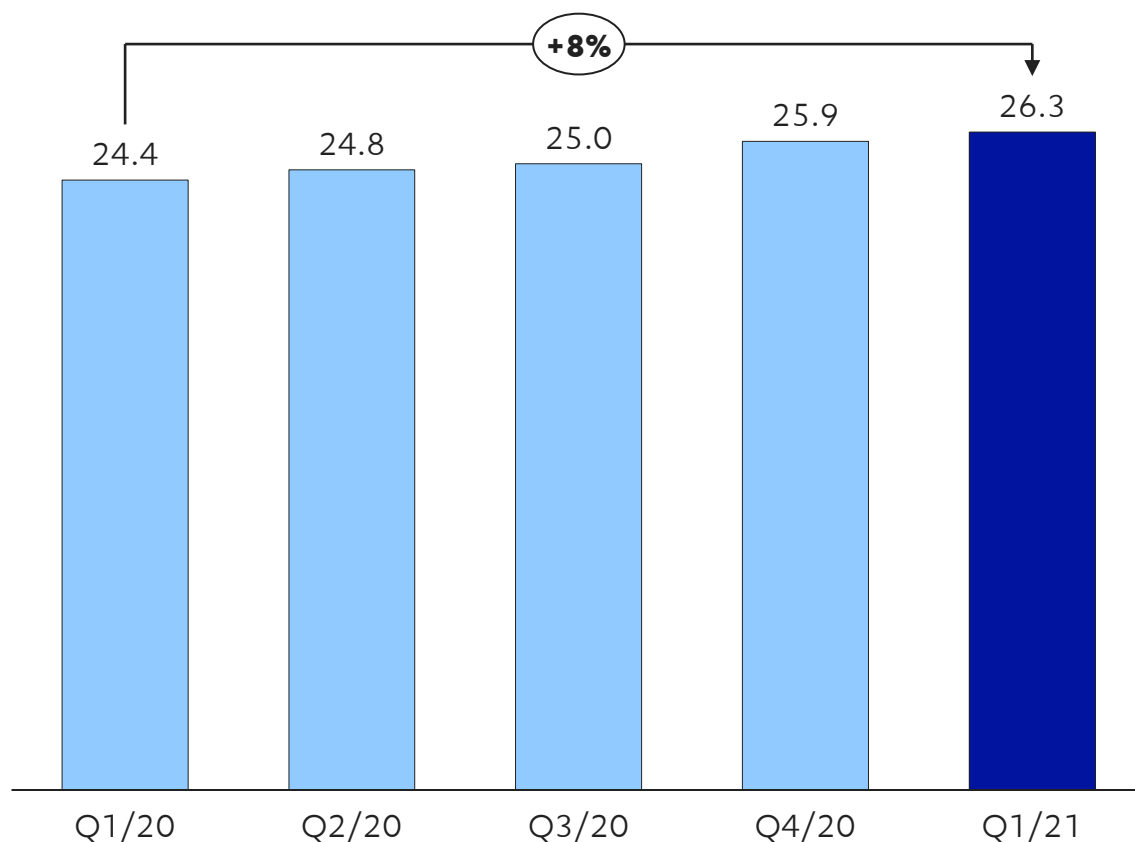
F-Secure Consulting: Customer lifetime & Project TIBER



# CONSUMER SECURITY REVENUE GREW BY 8%

(Q1/2020 – Q1/2021, EUR million)

## Revenue comparison



## Revenue from the operator channel grew

- Growth from core endpoint solution
- Backed up by increased subscriptions and a solid renewal performance
- Several partners rolled out F-Secure ID PROTECTION and SENSE to their customer base

## Revenue from direct sales to consumers grew

- Positive performance with F-Secure TOTAL
- The renewal performance continued on a good level



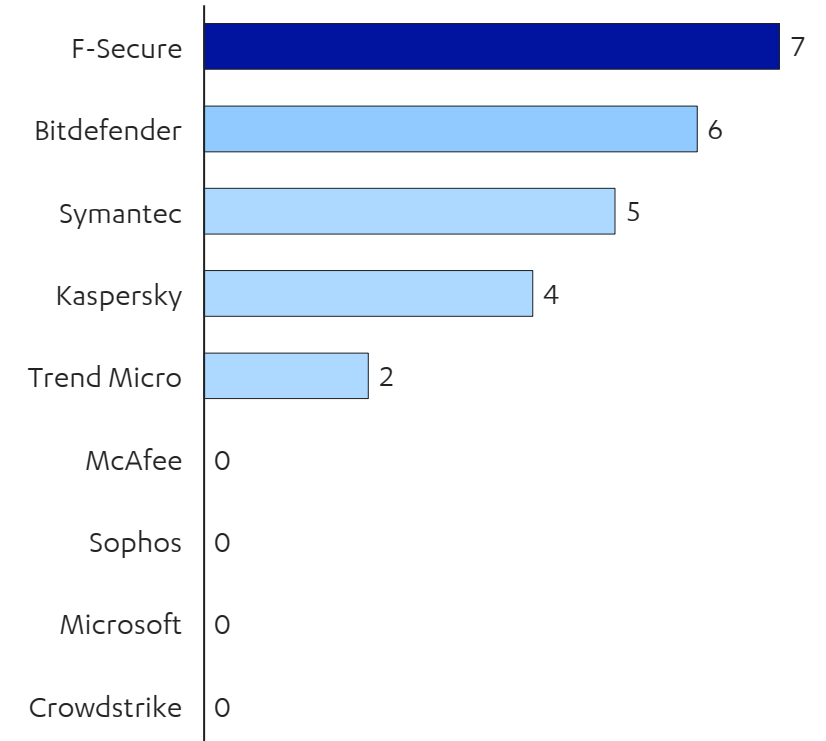
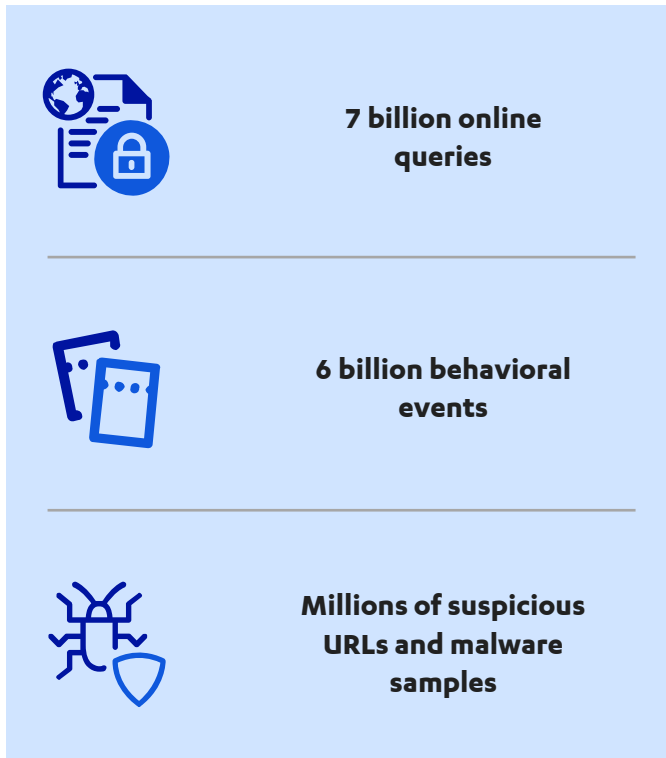
# ONLY F-SECURE HAVE WON AV-TEST BEST PROTECTION IN 7 OF THE LAST 10 YEARS

Industry recognitions by AV-TEST.org in Q1/2021

**F-Secure analyzes daily vast amounts of data utilizing the cloud and AI**

**F-Secure won Best Protection from AV-TEST for home and business users, along with a Best Performance for home users**

**Only company to win AV-TEST Best Protection in 7 of the last 10 years<sup>1</sup>**



<sup>1</sup>AV-TEST Best Protection awarded annually for both home and business security software products. During some years, the award has also been given to couple of vendors

# REVENUE GROWTH DRIVING IMPROVED PROFITABILITY

## Q1/2021 Financial review

Eriikka Söderström, CFO



# REVENUE GROWTH DRIVING IMPROVED PROFITABILITY

(Financial Highlights Q1/2021)

EUR million	1-3/2021	1-3/2020	Change %	1-12/2020
<b>Revenue</b>	<b>57.8</b>	<b>54.8</b>	<b>5 %</b>	<b>220.2</b>
Consumer security	26.3	24.4	8 %	100.1
Corporate security products	19.5	18.6	5 %	74.3
Cyber security consulting	12.0	11.9	1 %	45.8
<b>Adjusted EBITDA<sup>1</sup></b>	<b>9.6</b>	<b>7.2</b>	<b>33 %</b>	<b>35.7</b>
% of revenue	17 %	13 %		16 %
<b>EBIT</b>	<b>6.2</b>	<b>3.6</b>	<b>73 %</b>	<b>19.7</b>
% of revenue	11 %	7 %		9 %
Net Debt <sup>2</sup>	-12.2	13.6		-11.6
Cash flow from operations before financial items and taxes	6.3	9.6	-34 %	48.3
Earnings per share (EUR) <sup>3</sup>	0.03	0.01		0.08
Personnel, end of period	1,670	1,688	-1 %	1,678

<sup>1</sup>Excluding Items Affecting Comparability (IAC) and depreciation and amortization. Adjustments are material items outside normal course of business associated with acquisitions, integration, restructuring, gains or losses from sales of businesses and other items affecting comparability

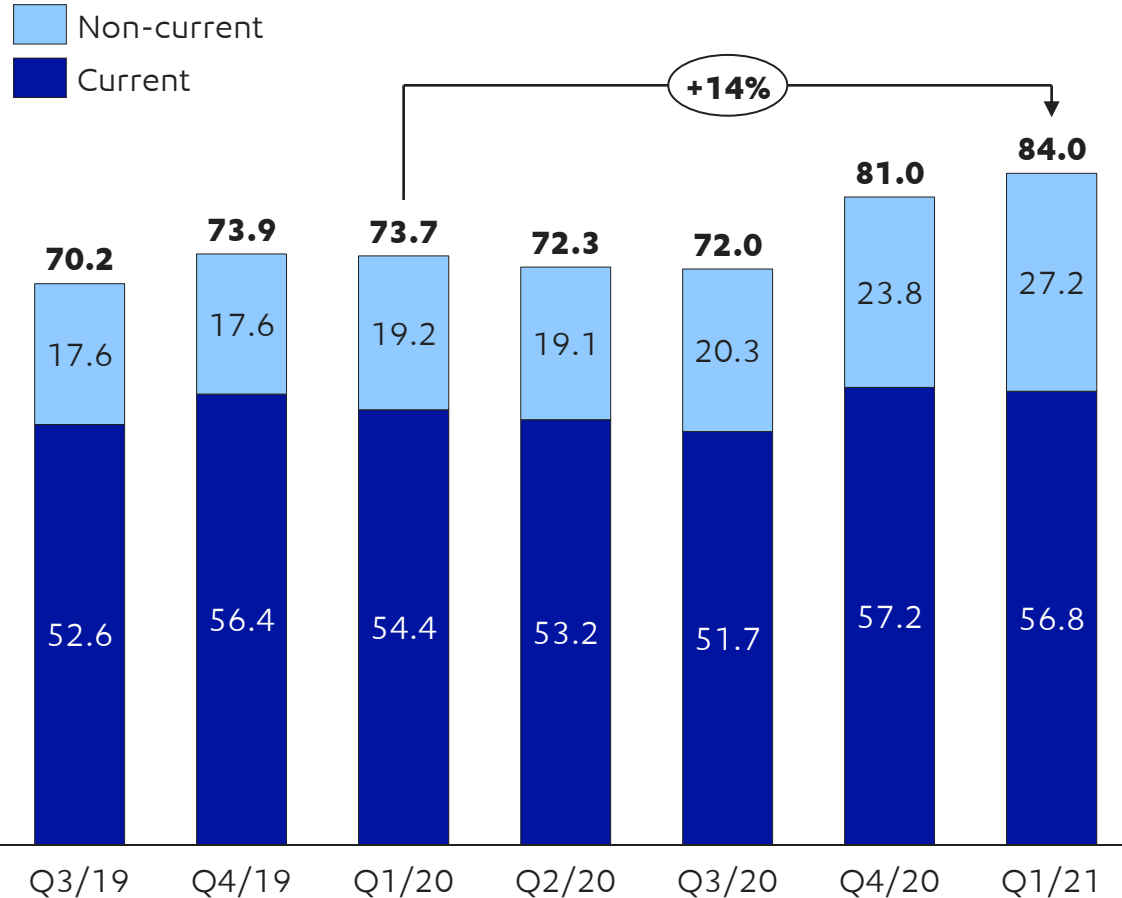
<sup>2</sup>Net Debt = Interest bearing liabilities (including IFRS16 liabilities) - Cash and financial assets at fair value through P&L

<sup>3</sup>Based on the weighted average number of outstanding shares during the period 158,253,892 (1-3/2021).

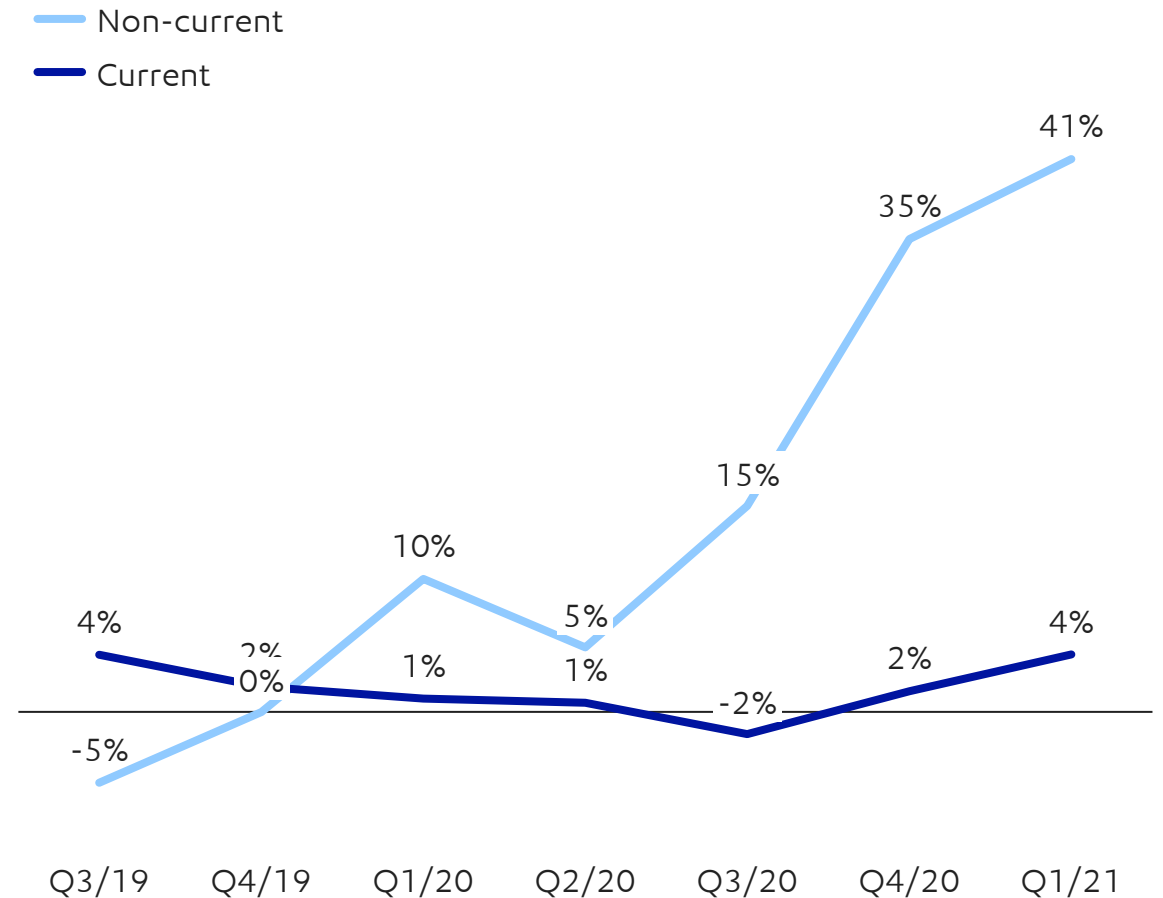
# DEFERRED REVENUE GROWTH DRIVEN BY MULTI-YEAR DEALS FROM CORPORATE SECURITY PRODUCTS

(Q1/2020 – Q1/2021, EUR million)

Deferred Revenue<sup>1</sup>



Deferred Revenue growth



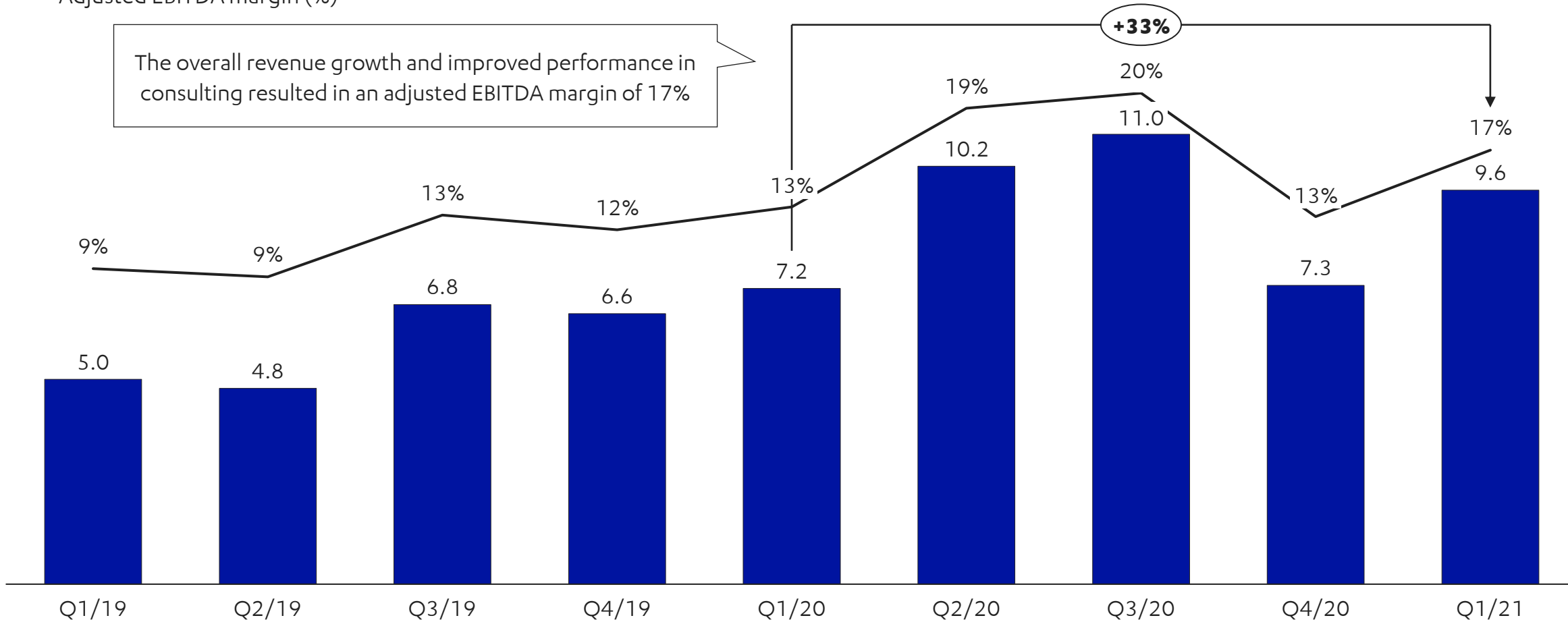
<sup>1</sup>Non-current deferred revenue = recognized as revenue after the next 12 months onwards  
Current deferred revenue = recognized as revenue within the next 12 months

# PROFITABILITY DEVELOPMENT DRIVEN BY REVENUE GROWTH AND CONSULTING PERFORMANCE IN Q1

(Q1/2019 – Q1/2021, EUR million)

■ Adjusted EBITDA

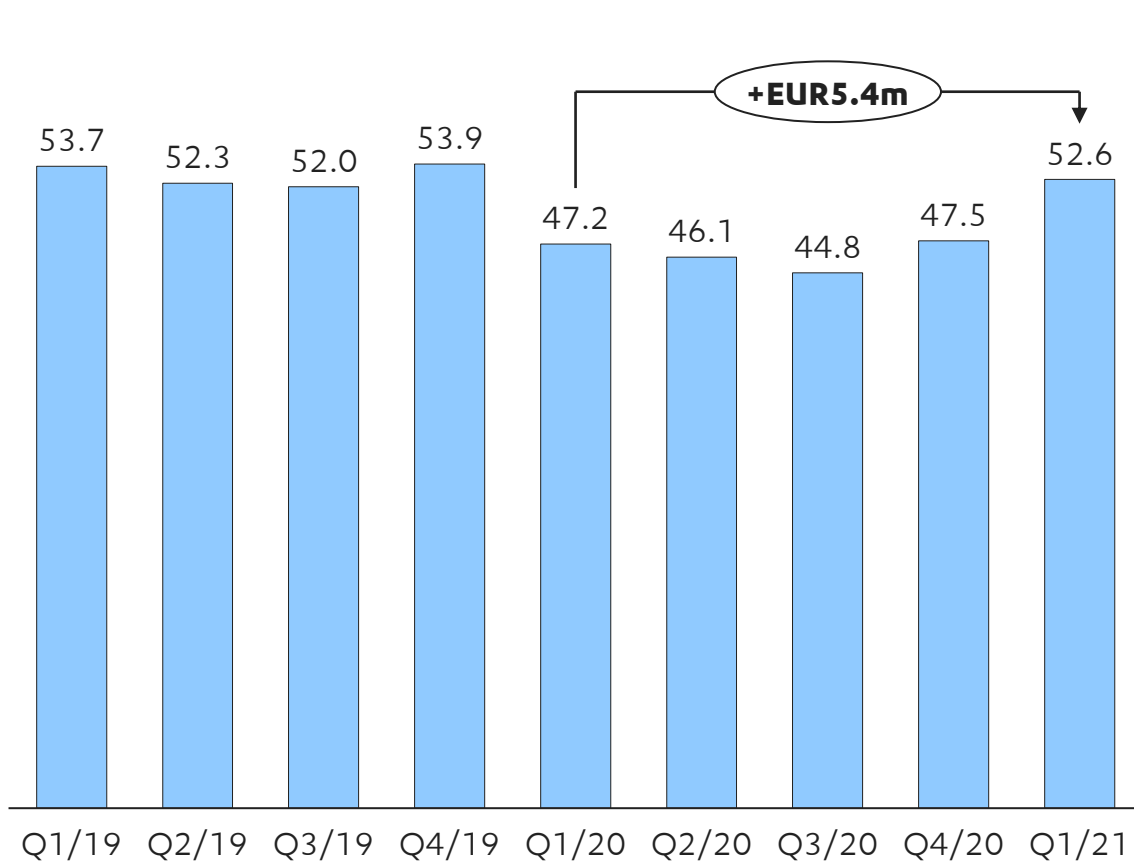
— Adjusted EBITDA margin (%)



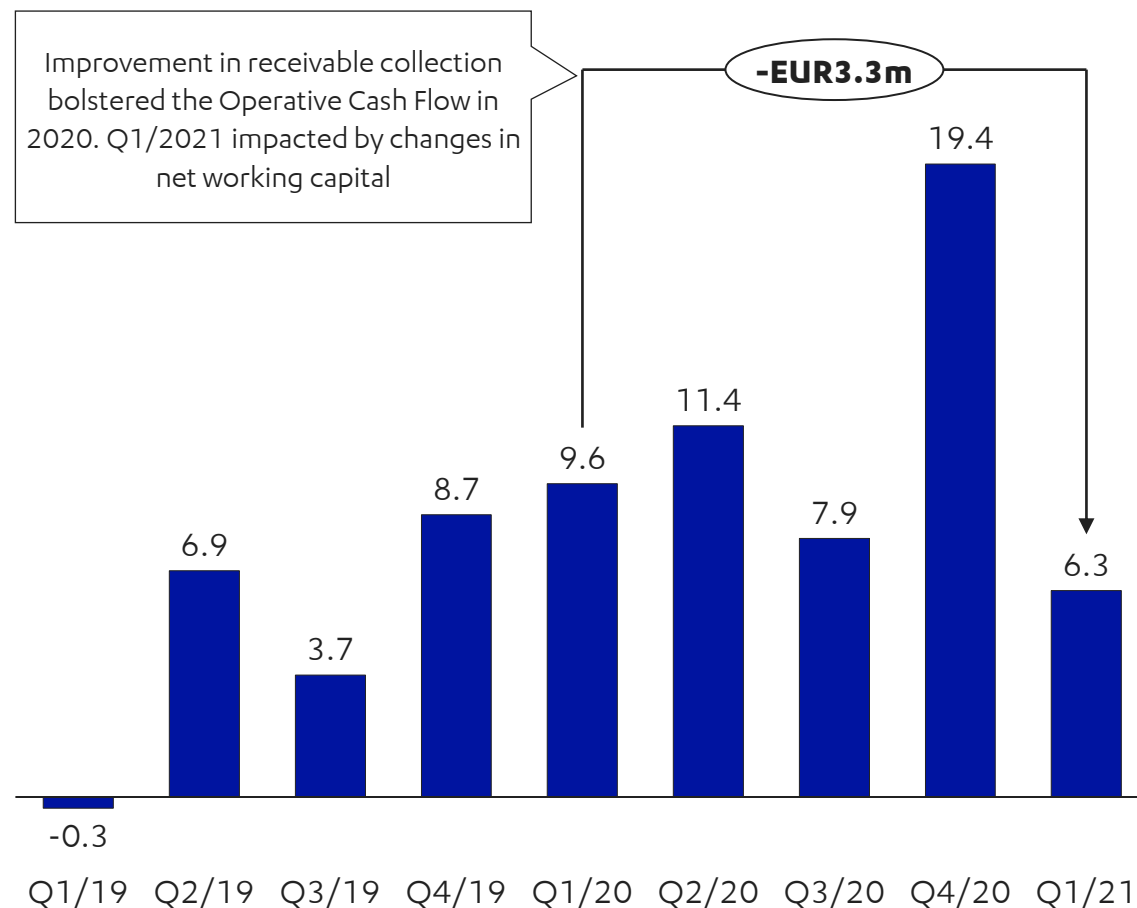
# INCREASE IN RECEIVABLES IMPACTING OPERATIVE CASH FLOW

(Q1/2019 – Q1/2021, EUR million)

## Trade and other receivables



## Cash flow from operating activities before financial items and taxes



# OUTLOOK UNCHANGED

EUR million	2019	2020	Change %	2021 Outlook
Corporate security products, revenue	72.5	74.3	2 %	Expected to grow at a high single-digit rate.
Cyber security consulting, revenue	50.0	45.8	-8 %	Expected to grow but uncertainty remains due to the COVID-19 pandemic.
Consumer security, revenue	94.8	100.1	6 %	Expected to grow approximately at the same rate as in 2020.
Adjusted EBITDA	23.2	35.7	54 %	Expected to remain approximately at the previous year's level.

# Q&A







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