



# F-Secure Corporation

Sari Somerkallio, CFO

Pörssisijoittajan viikko 11.9.2023

# Our purpose

We exist to make **every digital moment more secure**, for everyone

# Our vision

To become the **#1 security experience** company in the world

# Our mission

Continuously deliver brilliantly **simple, frictionless security experiences** to our customers and partners



# F-Secure in brief (2022)

Revenue

**111**  
MEUR  
(+4.5%)

Subscribers

**17**  
million across  
channels

Number of Service  
Provider Partners\*

**~200**

Adjusted **EBITA**

**43.9**  
MEUR  
(39.6% margin)

Sales from  
**over 100**  
countries

Employees\*  
**511**

Gross margin

**91.6%**  
of revenue

Cash conversion

**96.2%**

Earnings per share

**0.17**  
EUR

## Strategy based on three pillars:

### 01.

Increase average revenue per user (ARPU)

### 02.

Developing current offering and new products

### 03.

Expand into new channels

# Creating a strong consumer focused company

Life as an independent company post-demerger

## **JUNE 2022**

Demerger from  
WithSecure  
completed

## **FEBRUARY 2023**

Launch of new  
brand identity

## **FEBRUARY 2023**

New generation  
F-Secure Total  
launch

## **APRIL 2023**

Acquisition of  
Lookout Life  
consumer business

Updated mid-term  
financial targets

## **JUNE 2023**

Changes in the  
Leadership Team

## **SEPTEMBER 2023**

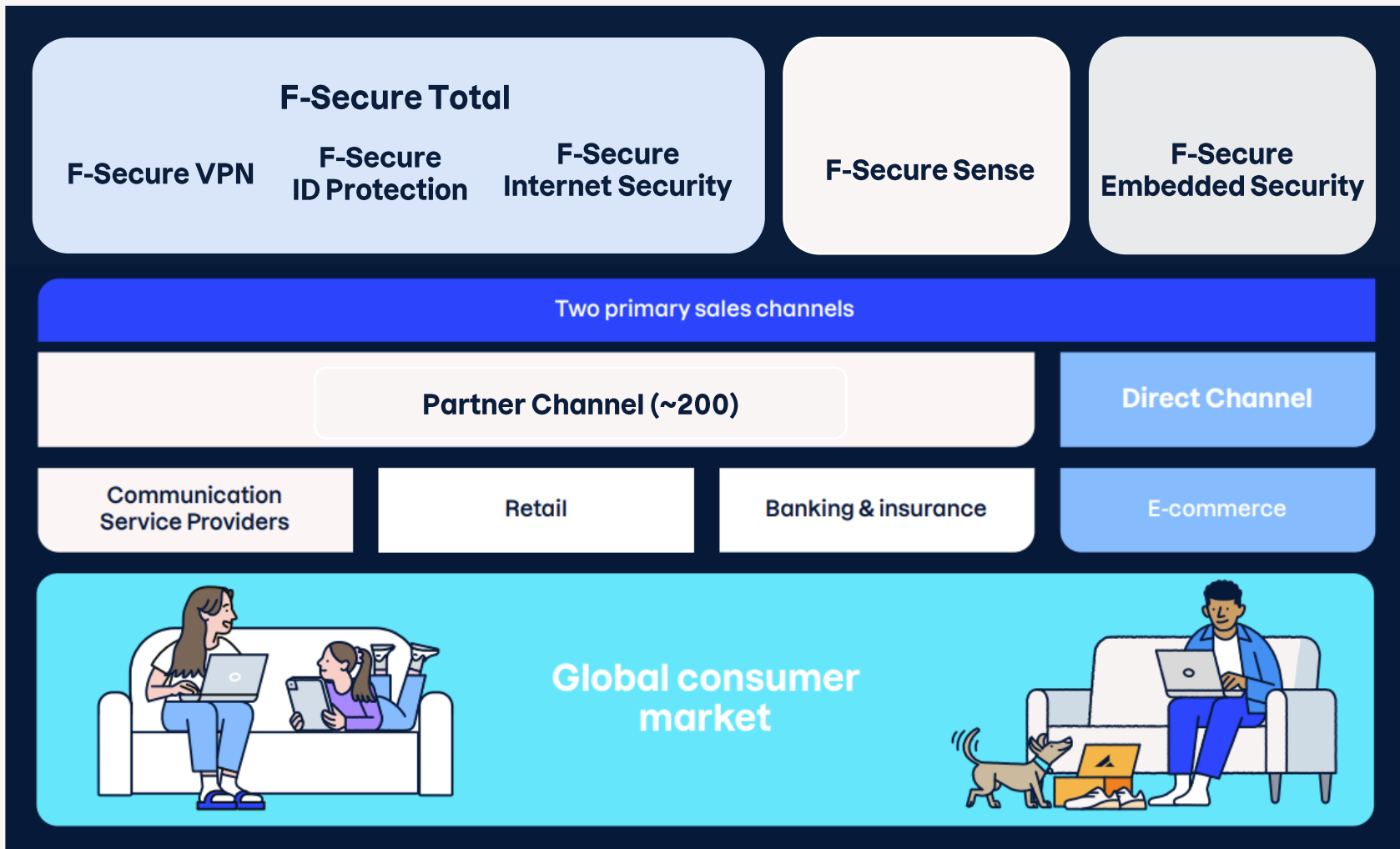
Investor Day  
20 September 2023

# F-Secure portfolio

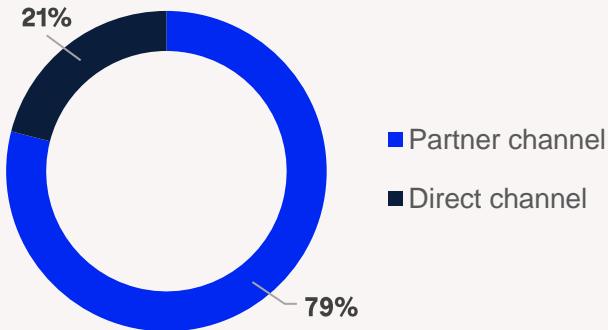
Securing every digital moment. Simplified.



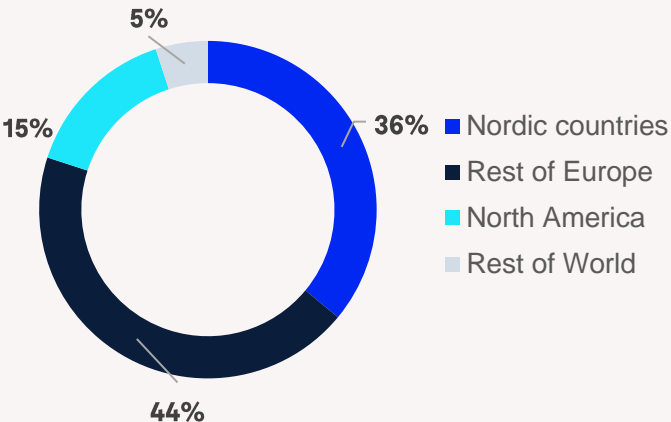
# All-in-one integrated security experience



Revenue by channel, %\*



Revenue by geography, %\*



# Towards our strategic targets

2022



## Independence

### Establish F-Secure as an agile and empowered organization

- Demerger completed June 30, 2022
- Ramp-up of own business operations and building up capabilities as an independent company

2023



## Total

### Growth through Total and replacing stand-alone products

- Strong focus on roll-outs of F-Secure Total, incl. important new vertical partnerships
- Busy launch schedule in 2023

2024



## Innovation

### 2x Customer base with service that talks to people

- In-app communication
- Enhanced set of F-Secured digital moments
- Enhanced market reach through major service provider partners
- 70% increase in number of served customers post Lookout consumer business acquisition

2025



## No.1 Security experience

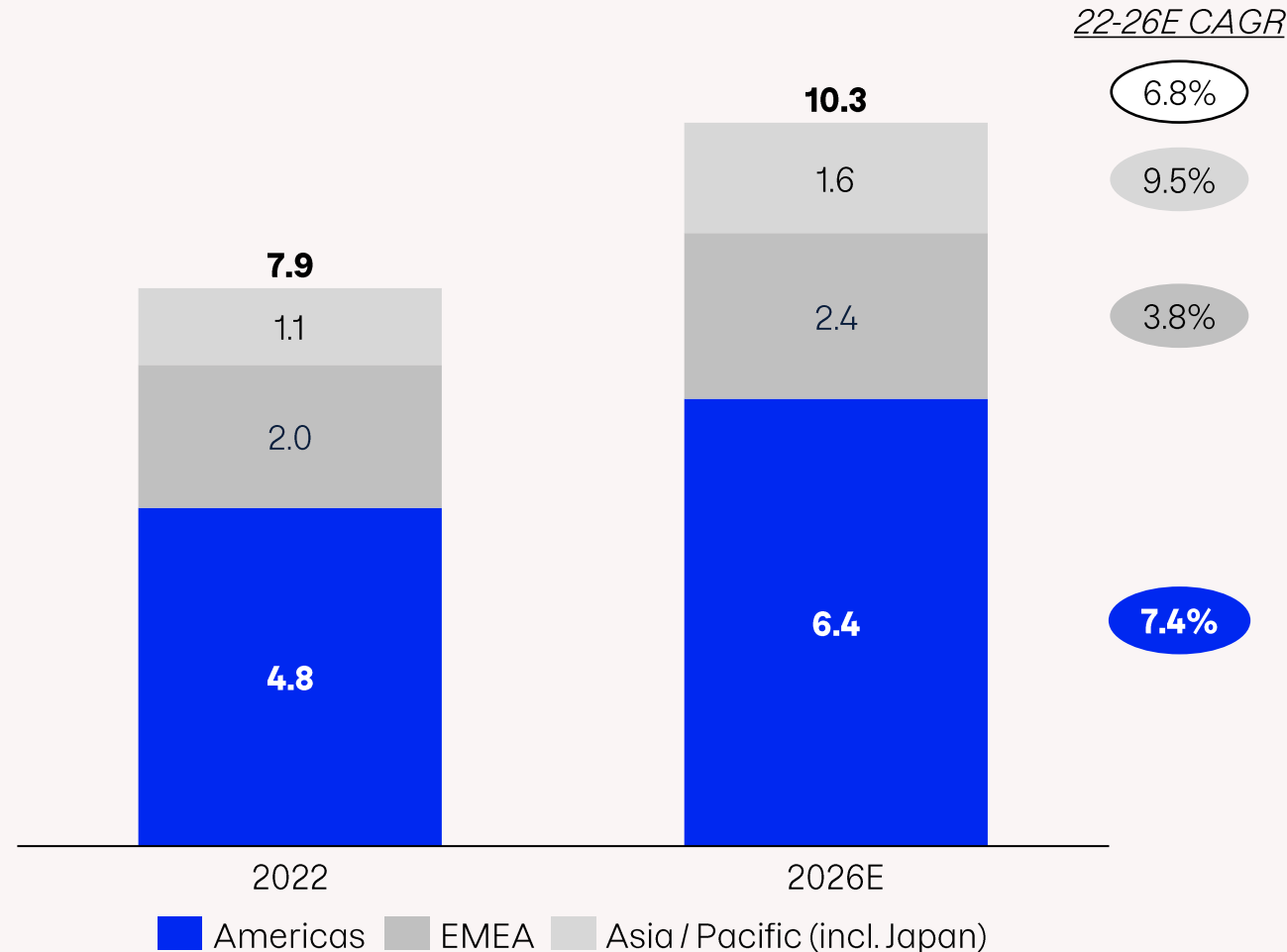
### Double-digit revenue growth

- Value proposition: Sense of Security on the internet
- Data-driven, context-aware user experience that guides users
- Service that educates users to get safer and savvier on the internet
- Lookout's product launch due in Q4/23 represents next evolution phase in security experience

# Consumer cyber security is a large, growing market

Several market drivers accelerating growth

Global cyber security market (EURbn)\*



- Increasing digitalization affects consumer behavior
- Consumers' increasing willingness to pay is increasing
- Cyber security concerns have increased
- Cyber security remains complex for consumers

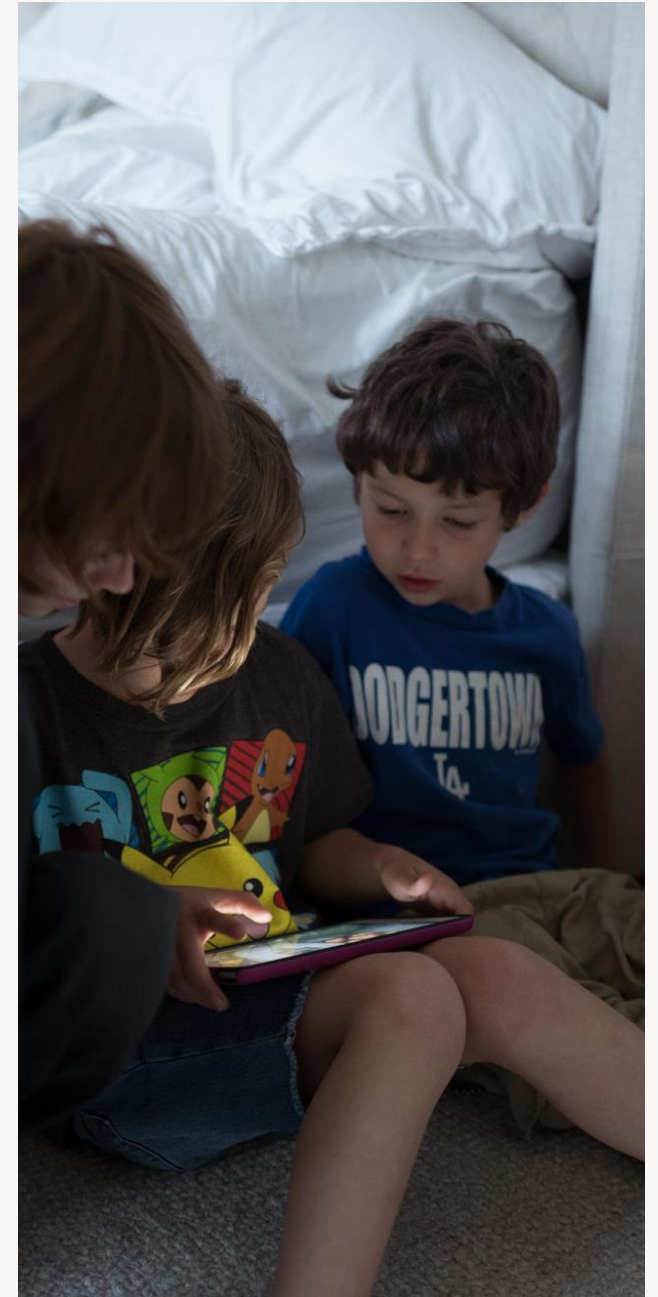


# Acquisition of Lookout consumer business

Significant step in expanding F-Secure business in the US

## Acquisition of the mobile consumer security business unit from Lookout Inc.:

- Enterprise value USD 223 million (approx. EUR 202 million), financed with debt
- Increased presence in the US cybersecurity software market
- Highly complementary product portfolio, with mobile-first solutions used by millions of customers across the world
- Transaction expected to deliver at least EUR 12 million of revenue synergies and incremental EBITA level synergies of EUR 10 million per annum in 2027
- Integration process ongoing and 65 employees transferred to F-Secure.



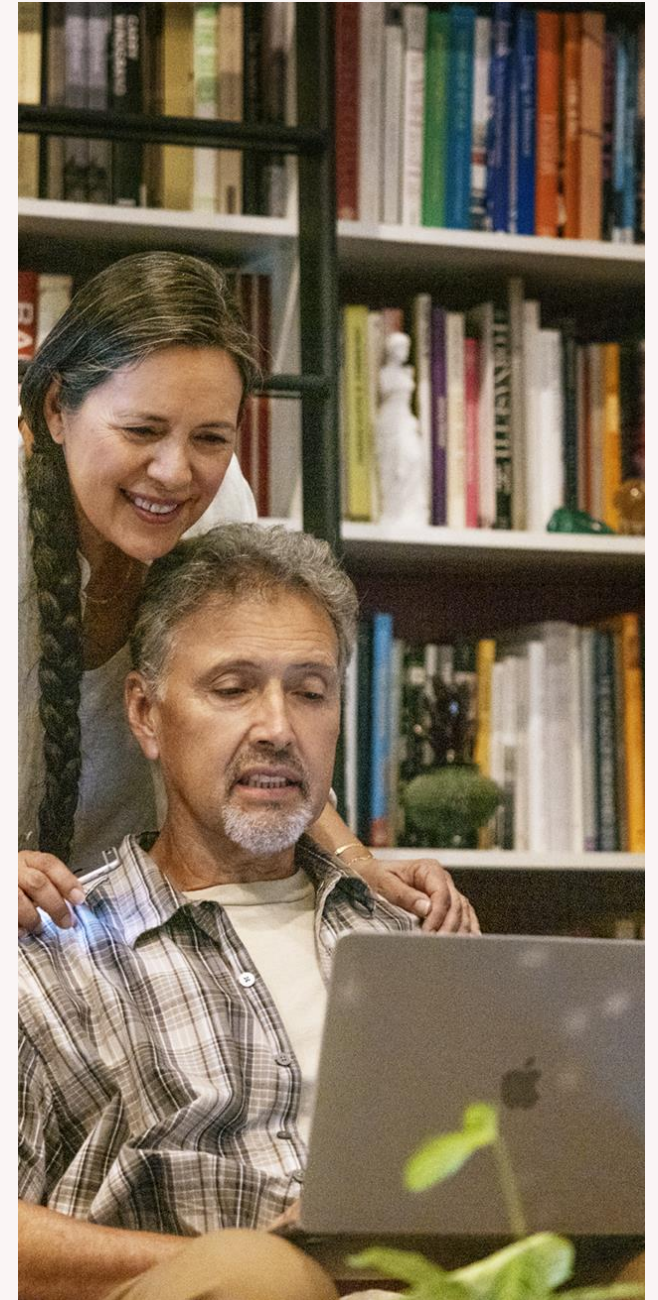
# Outlook 2023 (updated September 8, 2023)

**Growth:** F-Secure estimates that revenue for 2023 will be in the range of EUR 128–132 million.

**Profitability:** The group's adjusted EBITA is expected to be in the range of EUR 41–45 million. The adjusted EBITA margin is estimated to temporarily decrease in 2023 due to acquisition related additional OPEX investments of about EUR 3 million to ensure successful integration and drive revenue synergies.

## Background for the outlook:

- F-Secure expects the cyber security market to grow in 2023, although we see strong price sensitivity among the consumers, in the face of a challenging operating environment.
- Lookout consumer BU included from June to December (7 months).
- Lookout consumer BU has received payments in advance related to part of its revenue. Such payments are recognised as deferred revenue. As part of the acquisition, F-Secure fair values the deferred revenue according to IFRS reporting for the purposes of acquisition balance sheet, thus the revenues recognised post-acquisition related to deferred revenue balances will be lower compared to revenue recognised by Lookout consumer BU for those advance payments. The preliminary negative revenue impact included in the outlook is estimated to be approximately EUR 3.2 million in 2023, and negative EBITA-level impact in the outlook approximately EUR 2.6 million, respectively.



# Medium-term financial targets (updated April 26, 2023)

By 2026

## **Growth:**

Total revenue of more than EUR 200 million by 2026.

## **Profitability:**

After initial growth investments, adjusted EBITA margin of above 42%.

## **Dividend Yield:**

Around or above 50% of net profit on an annual basis.

## **Leverage:**

Net debt / adjusted EBITDA ratio below 2.5x, excluding temporary impact from acquisitions.



**Target to consistently  
outperform market  
growth  
&  
Rule of 40**



# Why to invest in F-Secure?

- 1 **Consumer cyber security is a large and growing market opportunity**
- 2 **Global leader in communication service provider (“CSP”) segment**
- 3 **Replicating CSP proven business model in new channels**
- 4 **Profitable SaaS business model, outperforming market growth and rule of 40**
- 5 **Highly profitable and strong cash flow generation**

# Thank you!

**Next up:**

**Investor Day:** September 20, 2023 – welcome!

**Interim Report for Q3/2023:** October 25, 2023

Silent period begins on September 25, 2023



