

# Yubico

## Small key, big opportunities

- Demand for safer authentication solution is growing rapidly
- Recent setback is cyclical - not structural
- We initiate with BUY, TP SEK 160 (+28% upside)

### Benefiting from ever-increasing cybersecurity threats

Passwords have long been the standard method of authentication for users in our highly connected online world. However, the numerous problems associated with using passwords, including vulnerability to data breaches, have introduced safer ways for authentication. Sweden-based Yubico, through its HW-based multifactor authentication solution, the YubiKey, is capitalising on these trends. With a reputable customer base, including ~30% of the G2000 companies, Yubico's financial track record is strong, with a 34% sales CAGR in '19-'24, coupled with a 13-19% adj. EBIT margin in '22-'24.

### EBIT growth to pick up in 2026e and beyond

Following a normalisation of the extraordinarily high demand in '21-'24 coupled with the recent macro headwinds, growth rates have deteriorated lately. Together with increased emphasis on subscription revenues, profits have suffered. However, we argue that the current downturn is cyclical, not structural, while there are multiple benefits from the subscription transition, including less revenue volatility and increase long-term profits. After -41% EBIT growth in '25e, we forecast a 46% CAGR in '25e-'28e. Although our near-term EBIT forecast is below FactSet cons. (c. -15% in H2e, and -22% '26e), we expect market sentiment to gradually improve as the new sales model becomes clearer, with further support from a CMD in November.

### Look beyond near-term profit setback; BUY

A strong market position, financial track record, and long growth runway are all aspects we appreciate. Near-term multiples are rich, but the current transition to subscription-based sales prompts us to extend our timeline, where the '26e-'27e EV/EBIT of 24x-15x is much less demanding for this structural exposure. Yubico is one of the few pure plays on cybersecurity trends in the Nordics.

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SEKm	2023	2024	2025e	2026e	2027e
Sales	1,827	2,326	2,313	2,607	3,121
EBITDA	213	473	299	432	639
EBITDA margin (%)	11.6	20.4	12.9	16.6	20.5
EBIT adj.	266	438	257	387	592
EBIT adj. margin (%)	14.6	18.8	11.1	14.9	19.0
Pretax profit	180	462	212	367	577
EPS	1.52	4.17	1.86	3.25	5.10
EPS adj.	2.25	4.17	1.86	3.25	5.10
Sales growth (%)	17.8	27.3	-0.6	12.7	19.7
EPS growth (%)	-68.3	nm	-55.4	74.9	56.9

Source: ABG Sundal Collier, Company Data

### Reason: Initiating coverage

BUY ● HOLD ○ SELL ○

### IT

### YUBICO-SE/YUBICO SS

Share price (SEK) 16/9/2025 123.80  
 Target price 160.00

MCap (SEKm) 10,986  
 MCap (EURm) 1,004  
 No. of shares (m) 86.4  
 Free float (%) 49.2

**Next event** Q3 Report 12 November 2025

### Performance



	2025e	2026e	2027e
P/E (x)	66.6	38.1	24.3
P/E adj. (x)	66.6	38.1	24.3
P/BVPS (x)	6.67	5.79	4.67
EV/EBITDA (x)	32.8	21.7	14.1
EV/EBIT adj. (x)	38.0	24.2	15.3
EV/sales (x)	4.23	3.60	2.89
ROE adj. (%)	10.1	16.1	21.3
Dividend yield (%)	0.0	0.0	1.6
FCF yield (%)	1.7	2.8	3.6
Le. adj. FCF yld. (%)	1.5	2.6	3.4
Net IB debt/EBITDA (x)	-3.0	-2.6	-2.3
Le. adj. ND/EBITDA (x)	-3.4	-2.8	-2.5

## Company description

Yubico is a provider of secure authentication and identification solutions. The company offers a hardware-based security key that enables phishing-resistant multi-factor authentication (MFA). Yubico operates globally and has over 5,000 customers. Although most of its sales currently stem from perpetual licences, the company is gradually shifting towards a subscription-based model. Its medium-term financial targets include achieving 25% sales growth per year, and a 20% EBIT margin.

### [Sustainability information](#)

### Selected products

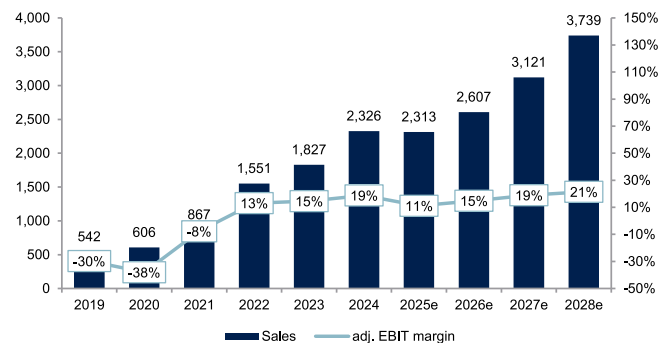


Source: company data

## Risks

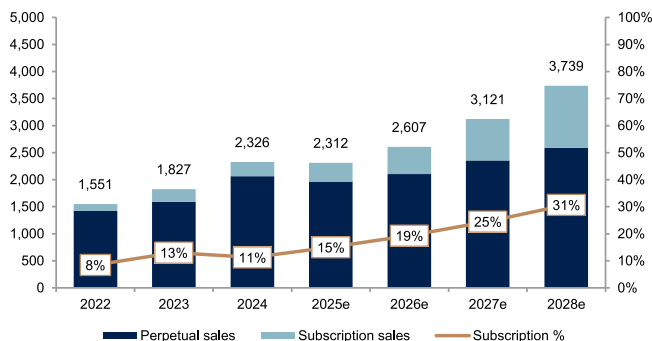
The company faces risks from both external and internal factors. These include intense competition, which could result in a loss of market share; financial and reputational consequences of security breaches; FX rates, particularly USD/SEK trends; potential revenue loss and operational disruption during the transition to a new sales model; and the comparably high volatility of quarterly revenues.

### Sales (SEKm) and adj. EBIT margin



Source: ABG Sundal Collier, company data

### Sales breakdown (SEKm)



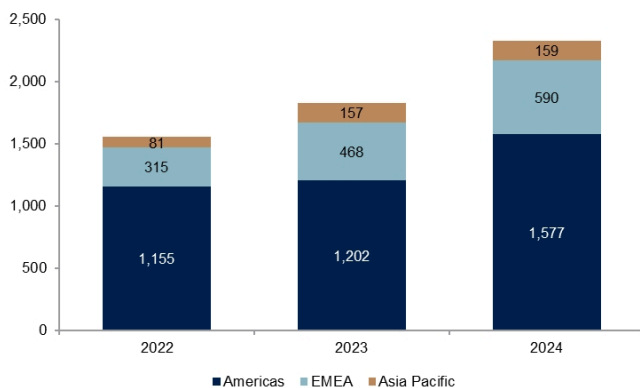
Source: ABG Sundal Collier, company data

### Organic sales y-o-y



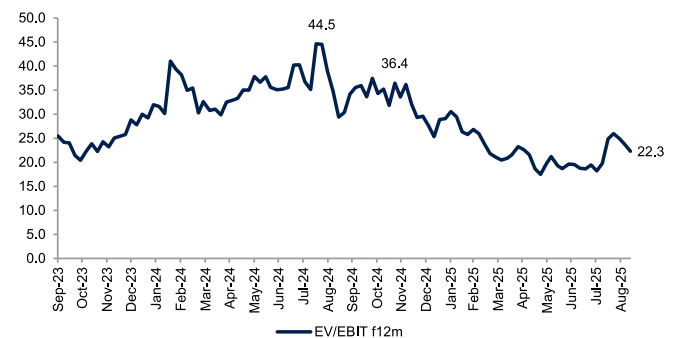
Source: ABG Sundal Collier, company data

### Geographical sales breakdown (SEKm)



Source: ABG Sundal Collier, company data

### EV/EBIT f12m



Source: ABG Sundal Collier, FactSet

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## Investment case

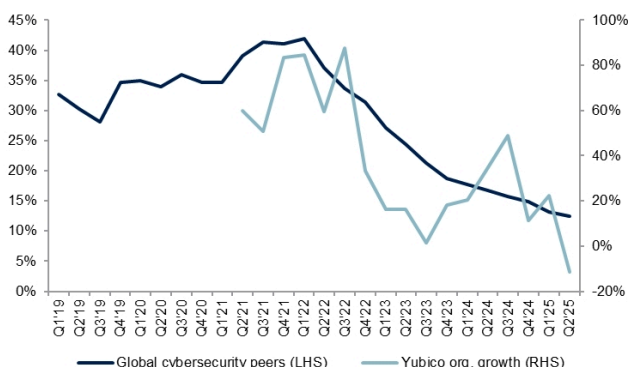
Yubico is a provider of secure authentication and identification solutions. With sales of SEK 2.3bn in 2024, up from SEK 0.5bn in 2019, giving a CAGR of 34%, coupled with an EBIT margin of 19%, its financial track record is strong. Although demand for the company's products has recently been affected by macroeconomic headwinds and a normalisation of demand, we believe that the company is well-positioned to continue benefiting from the increased need for companies to invest in secure authentication solutions. Not only is underlying market demand beneficial, but supportive regulation on the topic is also increasingly in place. Furthermore, in line with trends reported by many other tech companies, Yubico is currently transitioning to a subscription-based model. While the short-term financial impact of this is significant, the long-term benefits are substantial. Here, we calculate that underlying margins would be 9pp higher in '25e if no transition had been made. In the near term, we expect weak macroeconomic conditions to continue to impact orders. Together with subscription-transition headwinds, we expect Q3 to show lacklustre sales growth and margins. However, the mid- and long-term outlook is promising, and the company's multiple has recently contracted to 24x '26e EV/EBIT (versus ~35x f12m in 2024). As such, we are initiating coverage with BUY and a TP of SEK 160, corresponding to 20x '27e EV/EBIT. Our case is based on:

- Recent downturn has been cyclical - not structural, and poised for a recovery
- Subscription transition will both reduce sales volatility and improve earnings
- Low market sentiment after negative estimate revisions and multiple contraction creates good entry point

### Recent downturn has been cyclical, not structural

In the wake of increased macroeconomic turmoil and the subsequent slowdown in investment and net hiring, Yubico's organic growth rates have deteriorated markedly in recent quarters. While we believe that the market is struggling to fully understand the reasons for the recent downturn in organic growth — which is not too surprising given that Yubico is a newly listed company and cybersecurity threats are seemingly ever-increasing — we argue that this downturn is cyclical, not structural. This assessment is based on an analysis of peers in the cybersecurity sector, the IT hardware sector in general, and IT services. Here, we conclude that Yubico is far from alone in experiencing weakening organic growth in recent years. Interestingly, we also note that surveys suggest tariffs have lately become a key concern for organisations. As such, it makes sense that short-term investments in IT projects to address cybercrime have slowed recently. Nevertheless, cybercrime remains a pressing issue, and we anticipate that such investments will gradually account for a larger proportion of IT budgets.

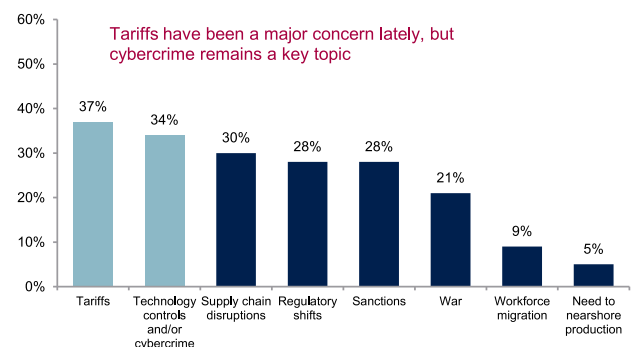
#### Global cybersecurity peers\* growth vs. Yubico



Source: ABG Sundal Collier, company data, FactSet

\*Palo Alto, CrowdStrike, Okta, Zscaler, Rapid7, Check Point, Fortinet

#### Top concerns for organisations

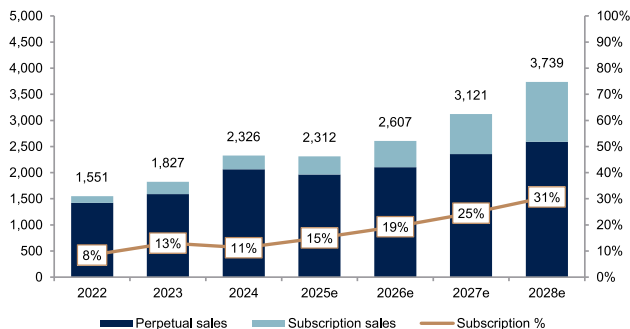


Source: ABG Sundal Collier, Kroll Business Sentiment Survey 2025, June 2025

## Reduced sales volatility and improved earnings

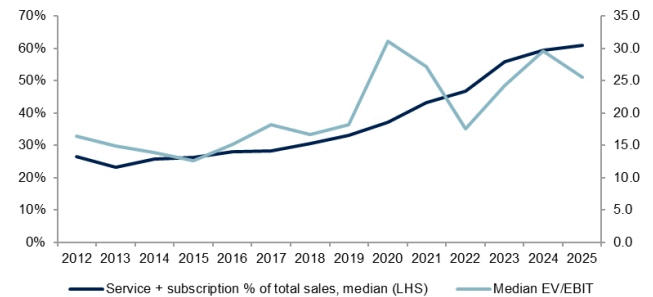
Although Yubico's transition has been ongoing for several years, the pace has recently accelerated. This has a substantial impact on short-term margins due to a mismatch between revenues and costs. Costs include not only operational items such as personnel and marketing, but also COGS related to shipped keys. Nevertheless, in this report, we highlight the benefits of the transition, including reduced sales volatility, increased long-term profit and customer usage, and greater customer acceptance of price changes. Interestingly, we have looked at several US tech hardware companies that have gradually moved towards generating more revenue from subscriptions and services, and we have noted that this has typically had a positive impact on multiples (which makes sense when you consider the aforementioned reasons). We expect subscriptions to account for 31% of revenues in 2028, up from 11% in 2024.

### Sales breakdown (SEKm)



Source: ABG Sundal Collier, company data

### More service/subscription revenues is typically positive for multiples\*

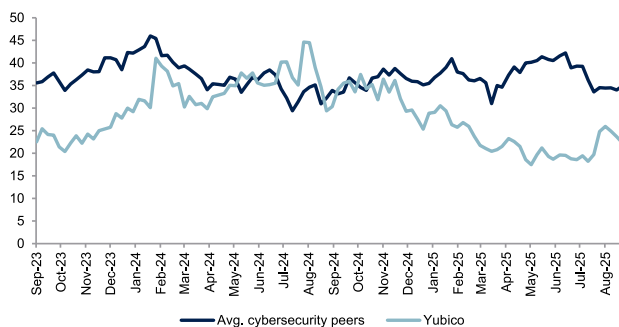


Source: ABG Sundal Collier, company data, FactSet, selected US tech companies

## Recent multiple contraction creates a good entry

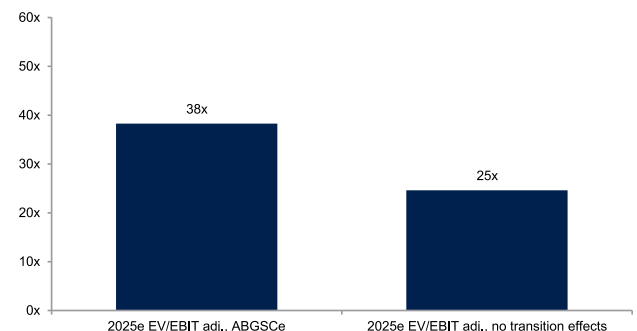
Following a period of positive EPS and EBIT estimate revisions for FactSet consensus, these have recently turned negative. Since November 2024, the 2025e–2026e EBIT estimates have fallen by as much as 55–45%, likely reflecting FX headwinds (~80% of sales are USD-denominated), a recent slowdown in demand, the transition to a more subscription-based sales model, and continued cost increases. Simultaneously, the stock has underperformed, resulting in a multiple contraction when looking at EV/EBIT f12m. Based on our estimates, we derive a valuation of 38x EV/EBIT in '25e (or 25x assuming no adverse effects from the subscription transition). For 2026, when we expect improved earnings, the multiple is even more attractive at 24x EV/EBIT. However, we note that our estimate for H2'25 EBIT is 14–15% below consensus, while we are 22% below for '26e. This likely reflects recent FX trends and modelling of subscription revenues. We believe that the market is beginning to understand the short-term challenges of this transition and the subsequent benefits for long-term profits, so we are not overly concerned about the anticipated negative estimate revisions from consensus.

### EV/EBIT f12m (x) - Yubico vs. cybersecurity peers



Source: ABG Sundal Collier, FactSet

### Illustrative valuation overview, assuming the same share of subscription sales in 2025e as in 2024



Source: ABG Sundal Collier

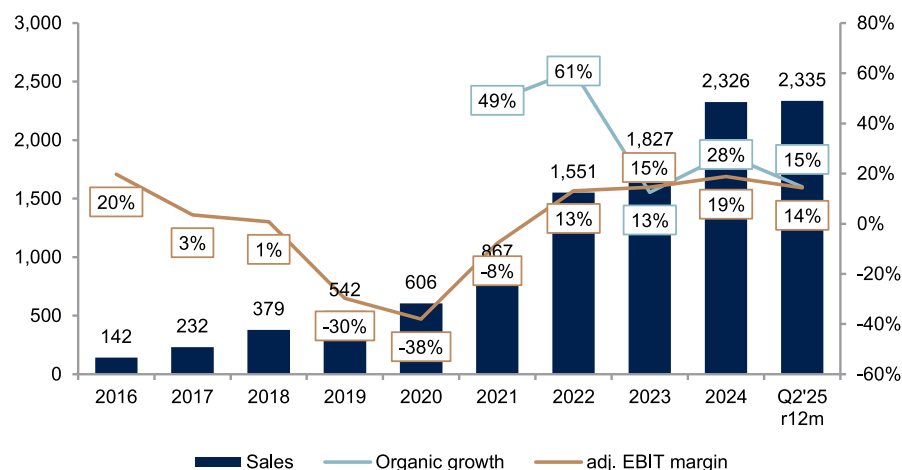
## Yubico in brief

Yubico, derived from 'your ubiquitous key', is a global cybersecurity company that specialises in secure authentication and identification solutions. Founded by Stina and Jakob Ehrensvärd in 2007, the company was established with the vision of creating a simple and secure method of verifying digital identities across systems. Since then, Yubico has played a pivotal role in the development of phishing-resistant passkey technology and hardware-based multifactor authentication (MFA). Its solutions enable secure, passwordless logins on computers, mobile devices, servers, browsers, and online accounts. The company derives ~60% of its sales from the US and, in our view, boasts an impressive customer base, including ~30% of the global top 2000 companies. All sales are hardware-based, with 11% sold on a subscription model with three- to five-year contracts, making a comparably low proportion of sales "recurring". As of the end of 2024, Yubico employed 473 FTEs and had a presence in over 160 countries worldwide. The company is headquartered in Stockholm and Santa Clara, California, and has manufacturing facilities in Sweden and the United States. Since its inception, Yubico has sold more than 40m YubiKeys and has had no reported account takeovers.

## Strong financial track record

Yubico has a strong financial track record. For the period 2019–2024, it reported a sales CAGR of 34%, reaching SEK 2.3bn in 2024. Although FX has provided some tailwinds to revenues in recent years, no acquisitions have been made, meaning that the lion's share of growth has been organic. Given its high gross margins (around 80%), the company's business model is relatively scalable, although a significant proportion of sales are invested in R&D and sales and marketing. Nevertheless, Yubico achieved an adj. EBIT margin of 19% in 2024 and is targeting a margin of over 20% in the medium term. In terms of sales growth, the company is targeting 25% per year.

### Sales (SEKm) and organic growth y-o-y

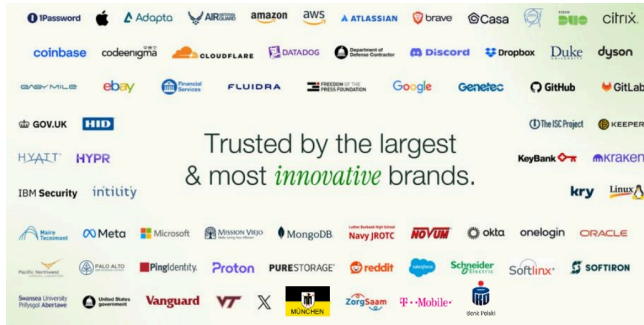


Source: ABG Sundal Collier, company data

## Reputable customer base, tilted towards the US

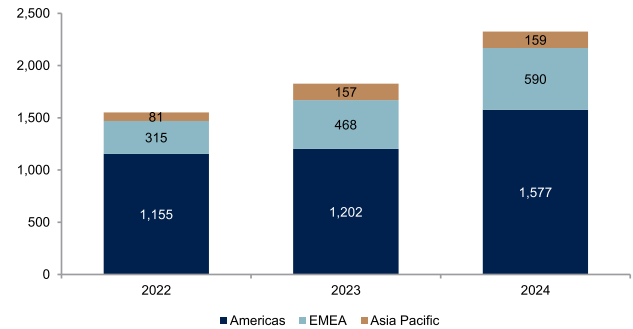
The Americas, and more specifically the US, are the company's most important geographical markets. This region has consistently accounted for around 70% of sales in recent years and is where most of Yubico's FTEs are located (two-thirds of its FTEs are based in the US). Yubico's customer base is impressive and includes companies such as Google, Microsoft, T-Mobile, Amazon and Oracle. Around 20% of its sales come from the tech sector, but other end markets such as financial services and the public sector have grown in importance and as a share of sales in recent years. In total, Yubico has around 5,000 customers. Not only is the customer base reputable, but Yubico also reports that key customers tend to increase their spending: between 2019 and 2024, spending by its top 25 customers increased by 115%.

## Selection of its ~5k customers



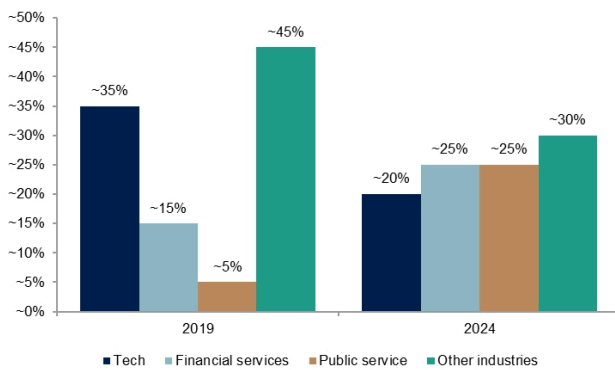
Source: Yubico

## Geographical sales breakdown (SEKm)



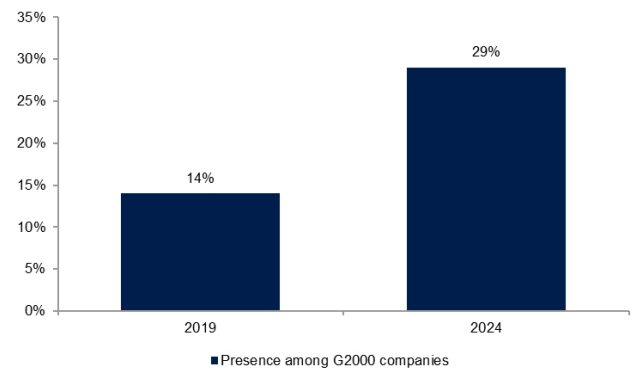
Source: ABG Sundal Collier, company data

## Bookings per end market



Source: ABG Sundal Collier, company data

## Growing with larger customers



Source: ABG Sundal Collier, company data

## Product offering

The company's core product, the YubiKey - a hardware-based security key that enables robust, phishing-resistant multifactor authentication (MFA) - was first introduced in 2008. MFA ensures that only authorised users can access sensitive accounts and systems. Designed to protect against cyberattacks such as phishing and account takeovers, YubiKeys are used in a variety of contexts, including social media and cloud services, corporate and government networks, and developer environments. YubiKeys are offered through two business models: a perpetual licence model (89% of 2024 sales) and a subscription model (11%) with a more service-oriented offering.

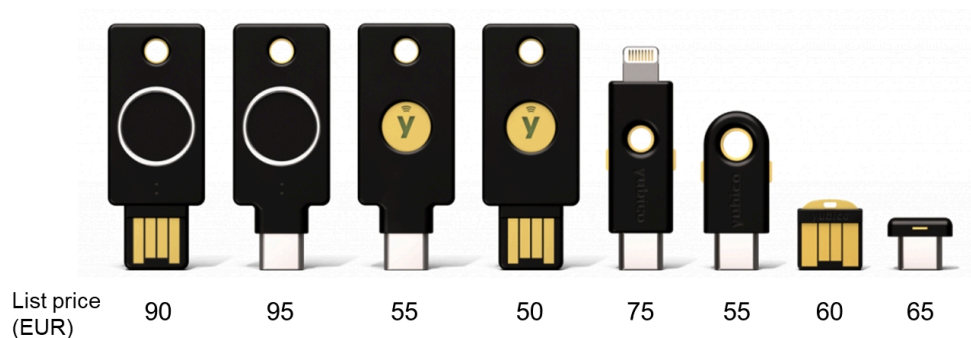
Unlike traditional authentication methods that rely on passwords or SMS codes, which are both vulnerable to phishing attacks — one of the most pressing challenges in cybersecurity — YubiKeys provide a physical option to verify identity. The products are both end market and platform-agnostic, meaning they are not only used by tech-savvy individuals or large corporates, but also in a variety of sectors, including finance, healthcare, government, as well as by individual consumers. Meanwhile, the keys work with various operating systems, including Windows, macOS, and mobile devices (e.g. via USB-C and NFC).

The company's product portfolio comprises several product lines. For example, the YubiKey 5 Series is the most versatile, supporting all major authentication protocols for both personal and enterprise use. Furthermore, Yubico also offers biometric alternatives, enabling authentication via built-in fingerprint sensors.

To support the deployment and integration of its hardware products, Yubico also provides complementary YubiKey services, including the Yubico Enrollment Suite, the Yubico Authenticator and software development kits. These solutions enable businesses to scale implementation, manage credentials, and integrate YubiKey authentication into existing infrastructure and applications. According to our research, the average list price of a YubiKey is ~EUR 80 (which varies across markets and models), though the ASP is lower due to sales discounts.



## Product offering



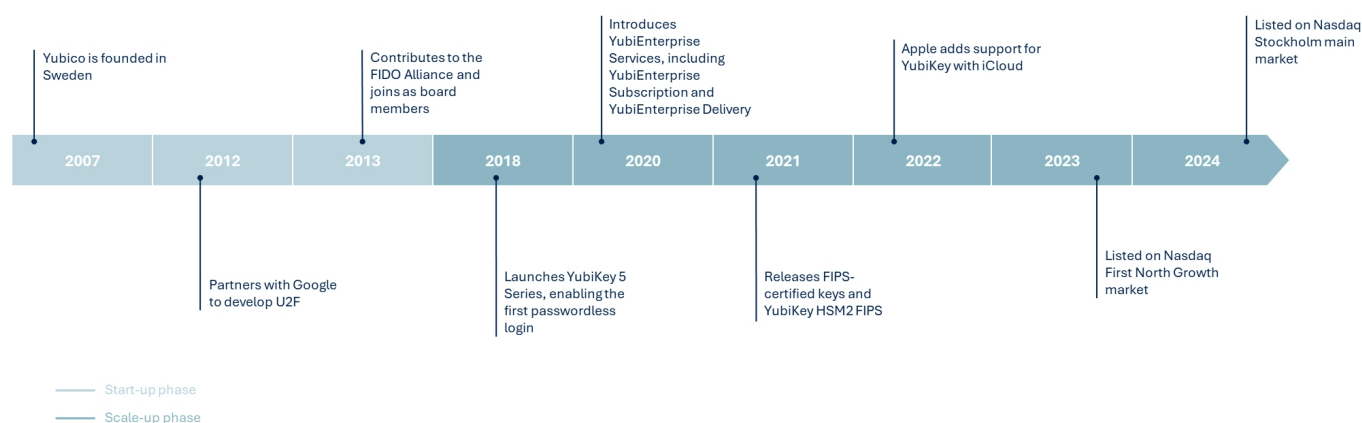
Source: ABG Sundal Collier, company data

## Timeline of key events

During its early years, Yubico received innovation grants from the Swedish government and moved some of its operations to Silicon Valley, where it collaborated with major internet companies to develop its technologies into global standards. The company partnered with Google to co-develop the Universal 2nd Factor (U2F) standard, becoming a founding member of the FIDO Alliance in the process. Since then, the company has continued to contribute to the development of open authentication standards, including FIDO2 and WebAuthn. In 2018, Yubico launched the YubiKey 5 Series, followed by FIPS-certified versions tailored to government agencies with high security requirements. In the 2020s, Yubico introduced YubiEnterprise Services to facilitate the distribution and management of YubiKeys on a large scale.

In 2023, co-founder Stina Ehrensvärd stepped down as CEO and was succeeded by the previous COO, Mattias Danielsson. That same year, Yubico was listed on the Nasdaq First North Growth Market through the ACQ Bure SPAC, with the first day of trading on 20 September 2023. In connection to this, Yubico also announced a SEK 340m share issue. Today, the stock is listed at the Nasdaq Stockholm main market.

## Timeline of key events



Source: ABG Sundal Collier, company data



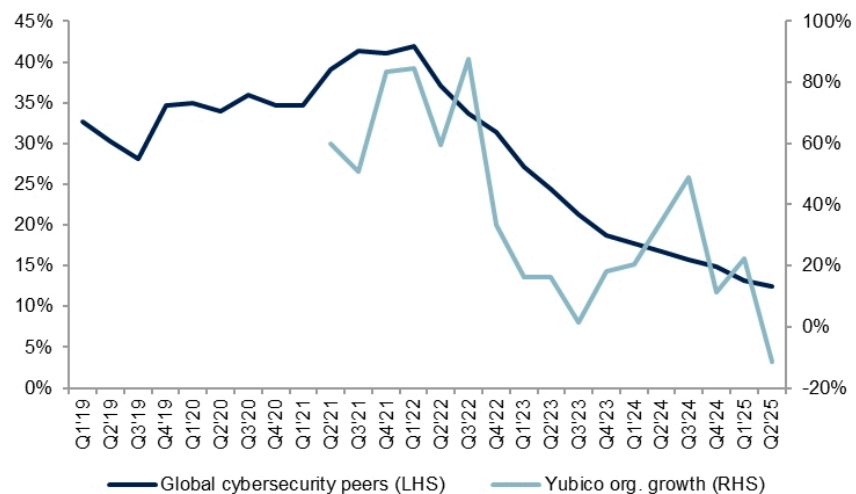
## Downturn is cyclical - not structural

In the wake of increased macroeconomic turmoil and the subsequent slowdown in investment and net hiring, Yubico's organic growth rates have deteriorated markedly in recent quarters. While we believe that the market is struggling to fully understand the reasons for the recent downturn in organic growth — which is not too surprising given that Yubico is a newly listed company and cybersecurity threats are seemingly ever-increasing — we argue that this downturn is cyclical, not structural. This assessment is based on an analysis of peers in the cybersecurity sector, the IT hardware sector in general, and IT services. Here, we conclude that Yubico is far from alone in experiencing weakening organic growth in recent years. Thales, a provider of smart card solutions (but also some directly competing products), has also experienced a slowdown in organic growth. Furthermore, we have observed that global tech firms, a particularly important end market for Yubico, have significantly reduced net recruitment since 2021.

### Global cybersecurity peers also see slower growth

We have compiled a broad set of peers in the cybersecurity sector. There are indeed material differences amongst these companies, though they all still address one common theme: the increasing demand for cybersecurity solutions. Notably, after experiencing average growth rates of around 30–40% between 2019 and 2022, these rates have gradually moderated. Yubico has experienced greater volatility in organic sales growth throughout this period, although the trend has largely remained consistent with that of these peers. As previously mentioned, we argue that this suggests the recent decline is cyclical and market-related rather than company-specific for Yubico.

#### Global cybersecurity peers\* growth vs. Yubico



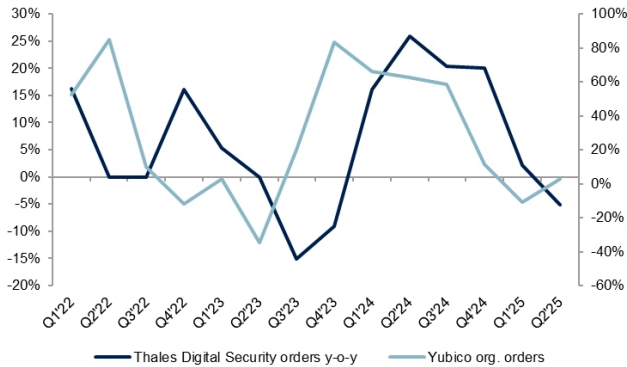
Source: ABG Sundal Collier, company data, FactSet

\*Palo Alto, CrowdStrike, Okta, Zscaler, Rapid7, Check Point, Fortinet

### Decelerating org. growth for Thales (smart cards)

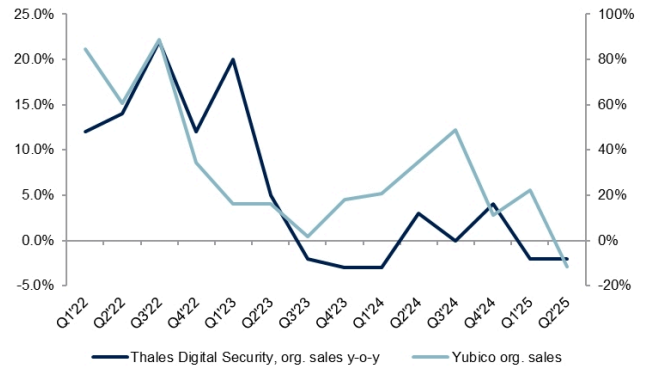
We also observe similar trends for Thales, which, through its Digital Security segment, is mainly a manufacturer of smart cards and other authentication solutions (though the company also offers some directly competing products). Here, Thales says that demand has recently *normalised after the COVID-catch-up effect that occurred until 2024*, and that it expects a progressive ramp up in H2.

### Orders for Thales have slowed...



Source: ABG Sundal Collier, company data

### ...and so have sales

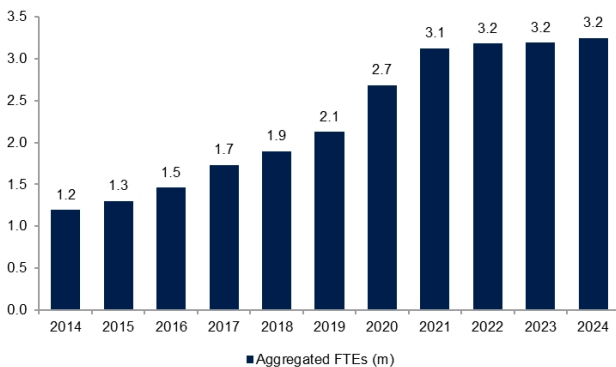


Source: ABG Sundal Collier, company data

## Global tech firms have slowed recruitments

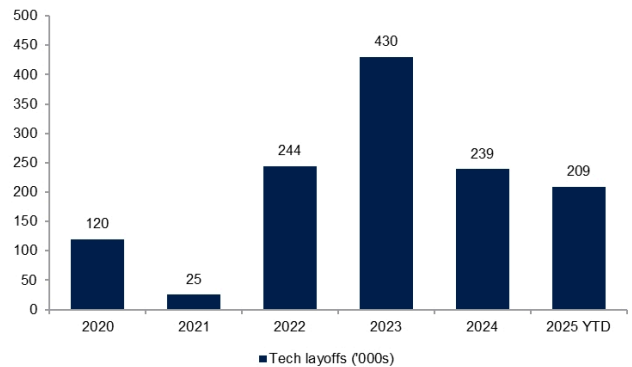
Another way of looking at demand is the net hirings for tech companies - a customer group that has historically accounted for 20-35% of Yubico's orders (~20% in 2024). Given that Yubico's sales are dependent on the number of users, it is reasonable that the combination of slower net hirings and more layoffs impacts its new sales, order value in terms of renewals, and churn. When aggregating the number of employees at the top-20 US tech companies, we note that the trajectory has flattened since 2021. On a positive note, tech layoffs have slowed since the peak in 2023, albeit they still remain at a level much higher than in 2020-2021.

### Aggregated FTEs for top-20 largest tech companies



Source: ABG Sundal Collier, company data, TrueUp

### Tech employees impacted by layoffs ('000s)

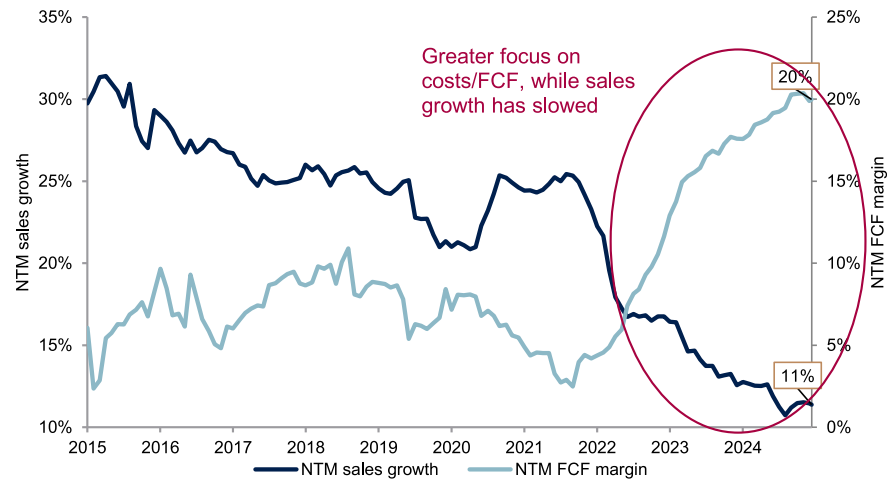


Source: ABG Sundal Collier, TrueUp

## Global software companies have focused on margins

In addition to the slowdown in hiring for global tech companies, we have expanded our analysis to the financials of the largest listed US software companies (n=73). Interestingly, the median growth rate for our selected companies has slowed markedly in recent years, while FCF margins have improved, indicating a greater focus on cost control. Although these players' offerings and end markets differ significantly from those of Yubico, and despite the fact that the company benefits from rising cybersecurity concerns, we argue that Yubico's sales depend on the business climate: stricter cost control also affects Yubico. Although the correlation between the sales development of these companies and Yubico is low, we believe it is important to note that there has still been no uptick in the expected growth rates, indicating that the business climate remains subdued.

### NTM sales growth and FCF, US listed software companies (n=73)

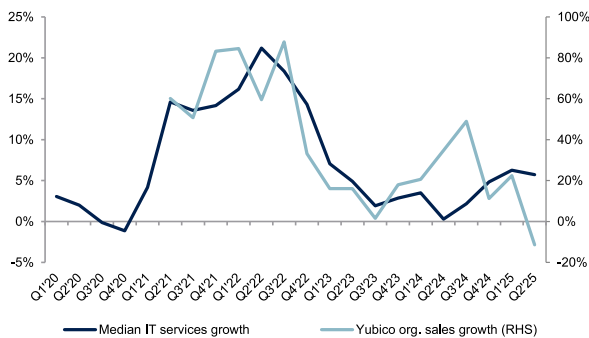


Source: ABG Sundal Collier, company data, FactSet

### Similar growth trends for IT hardware and IT services companies

Similarly, we also observe that growth rates for both global IT services and IT hardware companies - both of which we argue serve as a solid proxy for general IT spending - have slowed recently. Interestingly, the correlation between these data and Yubico's organic growth rates is high. Again, this supports our thesis that the recent downturn has been market-related, with companies holding back their IT spending budgets.

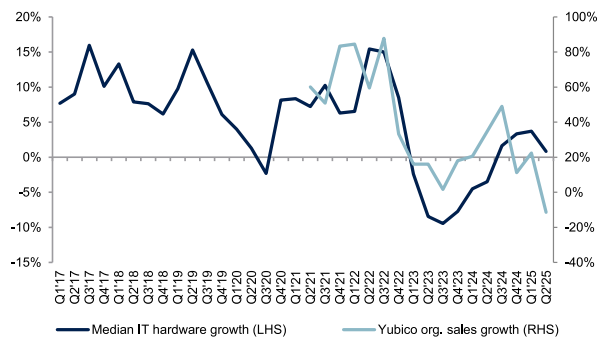
#### IT services\* growth vs. Yubico



Source: ABG Sundal Collier, company data, FactSet

\*Accenture, CGI, Cognizant, Tata, Infosys, Capgemini, Atos

#### IT hardware\* growth vs. Yubico



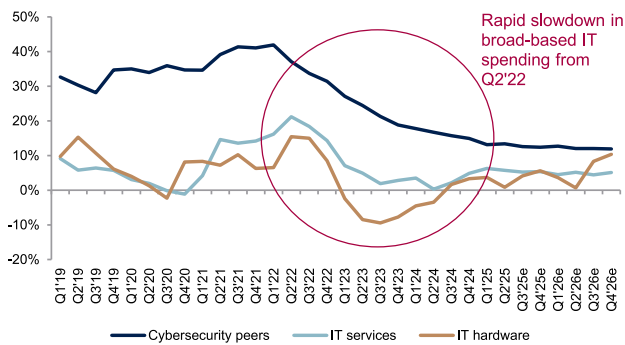
Source: ABG Sundal Collier, company data, FactSet

\*CDW, Computacenter, Bechtle, Cancom, Atea, Dustin

### Cybersecurity likely to grab a larger share of IT budgets

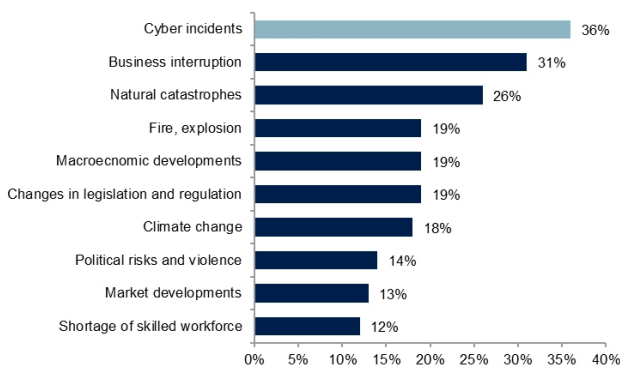
Having concluded that the downturn has been cyclical, we now take a brief look at the outlook. It is well known that cybersecurity threats are increasing; for example, the chart below shows the number of ransomware attacks blocked by Zscaler. This increases demand for Yubico's products. FactSet's estimates of the aforementioned growth trends suggest stable or improving trends in 2026e. As previously mentioned, not all of these peers operate in the same market as Yubico. However, when combined with our belief that a greater share of IT budgets will be allocated to cybersecurity-related areas, these trends lead us to expect a rebound in demand for Yubico's products in 2026 and beyond. This view is also supported by recent surveys, such as one conducted by the global financial and risk advisory firm Kroll in June, which concluded that tariff concerns had become the primary concern, slightly ahead of cybersecurity-related topics. This supports our view that tariff discussions have recently halted spending, as was evident in Yubico's H1'25 results. However, we are encouraged by the fact that Kroll also stated: 'We expect demand for advanced risk intelligence and enterprise risk mitigation to accelerate in the second half of 2025'.

## Growth trends, cybersecurity peers, IT services and IT hardware



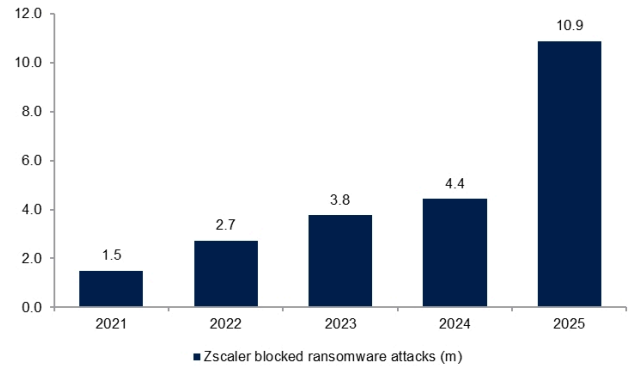
Source: ABG Sundal Collier, company data, FactSet

## Most important business risks 2024



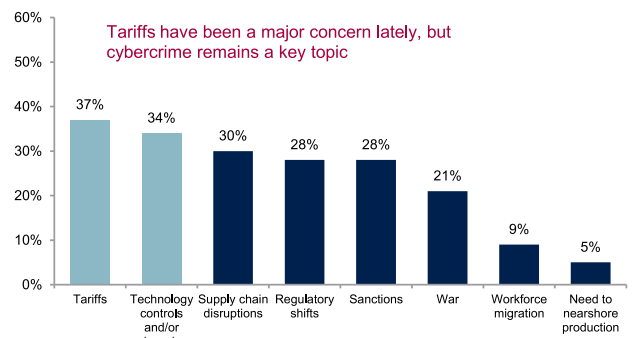
Source: ABG Sundal Collier, Allianz Risk Barometer 2024

## Cyberattacks continue to grow



Source: ABG Sundal Collier, ZScaler Ransomware Report 2025

## Top concerns for organisations

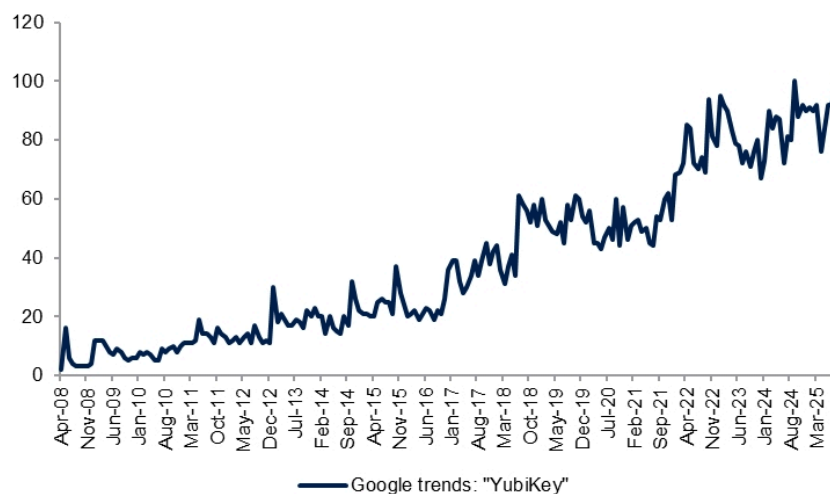


Source: ABG Sundal Collier, Kroll Business Sentiment Survey 2025, June 2025

## Google Trends suggest interest continues to increase

Despite the recent downturn in organic growth rates, Google Trends data shows that searches for YubiKeys are still rising. Many factors may impact the data, including ads, SEO campaigns, regulatory policies, sampling (Google uses a sample of searches, not the full dataset) and searches for competitive products (which generate interest in alternatives); however, we believe that the upward trend indicates growing interest.

## Growing interest in YubiKeys



Source: ABG Sundal Collier, Google trends

# Implication of the new sales model

In this section, we outline the effects of switching from a perpetual model to a subscription-based model.

While transitioning to a subscription-based model has been particularly common in the software industry - including companies such as Microsoft, Salesforce, and Adobe - the benefits of such a change have also prompted hardware companies to start making a similar transition. The subscription-based model was primarily introduced by software companies to stabilise revenue streams, while clients wanted to avoid high upfront payments (a significant commitment for customers). Alongside improvements in terms of accessibility, scalability and automatic updates, this new model quickly gained traction, with many companies following suit. However, not receiving the initial high upfront payment and only collecting a fraction of that sum means that the short-term impact on revenues and margins is negative.

## Summary of business models

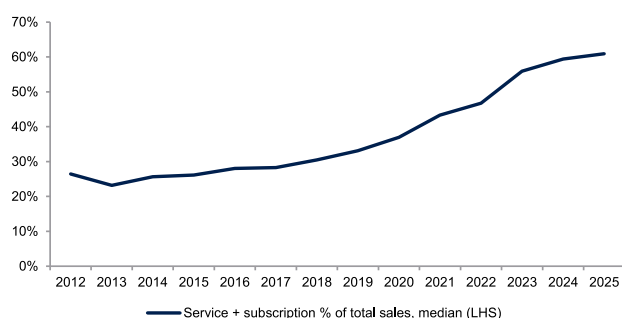
Business Model	Key Terms	Customer Benefits	Implications for Yubico	Customer segments	% of net sales (2024)
Perpetual	One-time payment, customer owns hardware	No hidden costs, CAPEX-based investment	Immediate cash, low complexity, no long-term commitment	Consumers, SMBs, prosumers, enterprises	89 %
Subscription	Multi-year terms (usually 3-5 years), Yubico retains ownership	Predictable costs, flexible, access to new services	Recurring revenue, deeper relationships, more complex sales	Medium & large enterprises, US public sector	11 %

Source: ABG Sundal Collier, company data

## Subscriptions on the rise - also for traditional HW companies

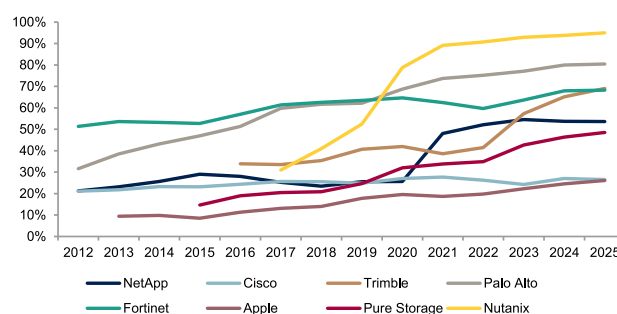
In the chart below, we show the progress for a selection of hardware companies (operating in various sectors) that have initially predominantly sold hardware products, but have then gradually emphasised either recurring revenues or services. We acknowledge that the way we have looked at this metric may differ across the companies, whereas we have looked at recurring revenues for some, and services for others (which may not be recurring). Still, the trend towards less hardware sales is clear. The market trend also suggests that enterprises, in particular, have become accustomed to suppliers increasingly emphasising the subscription-based model.

### Less hardware sales on the rise\*



Source: ABG Sundal Collier, company data, FactSet, \*selected US tech companies

### Less hardware sales on the rise\*

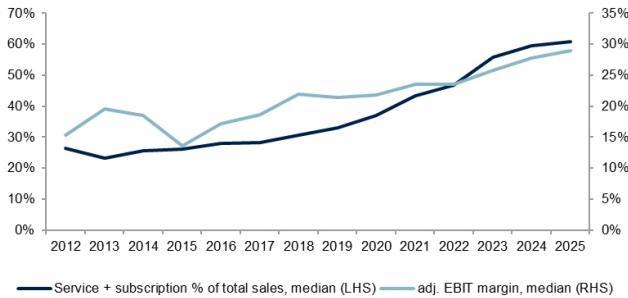


Source: ABG Sundal Collier, company data, FactSet, \*selected US tech companies

## Both margins and multiples have increased

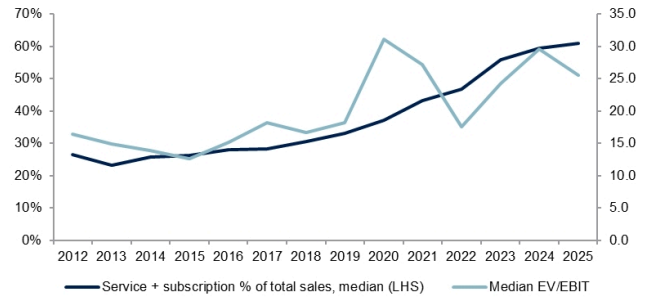
Alongside lower hardware sales, the margins of our selected companies have increased. While the increase is presumably due in part to operational leverage on higher sales, it is nonetheless significant. Even more interestingly, the median multiple for this group of companies has increased during this period, suggesting that the market values this transition (although generally lower interest rates may of course impact the multiples as well). In our view, one reason for this is that a smaller share of sales from hardware typically translates into a higher return on capital (as companies then tie up less capital in inventory).

## Margins have expanded...



Source: ABG Sundal Collier, company data, FactSet

## ...and so have the EV/EBIT multiples

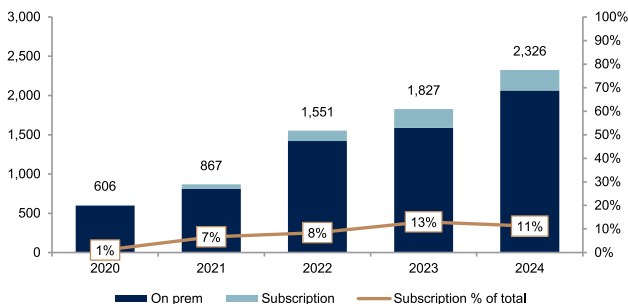


Source: ABG Sundal Collier, company data, FactSet

## Yubico's transition is not new

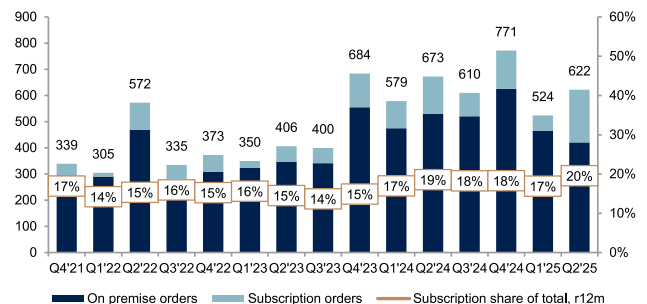
Yubico's transition has been ongoing for several years. Although subscriptions only accounted for 11% of revenue in 2024, this figure has recently increased, particularly in terms of orders. In Q2, 32% of orders comprised subscription-based bookings, driving the metric to 20% on a r12m basis. This has been particularly due to increased adoption of the subscription-based model in the tech industry, whereas historically it has mainly been driven by the financial services and public sectors. We expect these trends to continue, putting pressure on near-term sales and profits (compared to the traditional on-premises model), although the adverse impact should gradually subside.

## Sales breakdown (SEKm)



Source: ABG Sundal Collier, company data

## Order intake breakdown (SEKm)



Source: ABG Sundal Collier, company data

## Why Yubico is making the transition

In our view, there are several reasons for Yubico's transition:

- Reduces sales volatility
- Increases the long-term profit, as the total value of the contracts is booked at a premium (~30%) to perpetual licences, albeit spread out over several years
- Increases usage and ensures that the customer has the latest versions of the keys (thus best security)
- Makes customers more open to accepting price changes, and naturally renew contracts (due to greater usage)

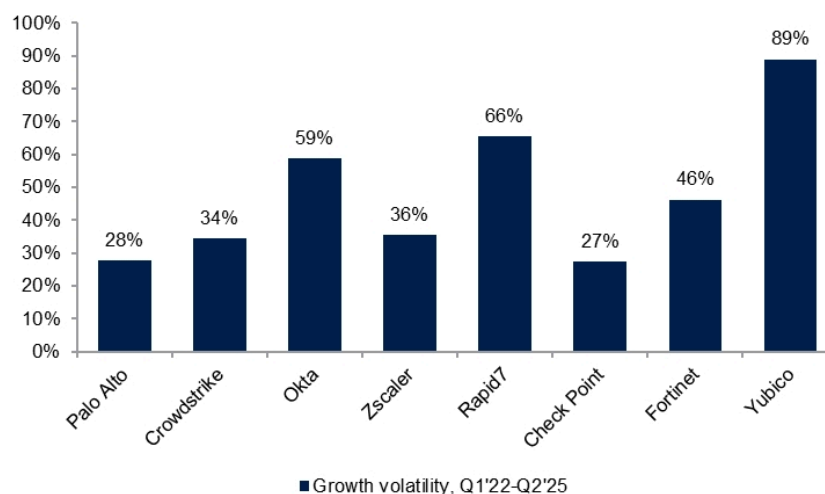
## Reduced sales growth volatility

Being a hardware company with a relatively high customer concentration - some orders may account for 10-20% of the quarter's total orders - means that revenue volatility is comparably high. However, the shift to more subscription-based sales should gradually reduce this volatility, given that the contracts are on multi-year terms, typically 3-5 years, with revenue recognised linearly during this period (as opposed to the perpetual model where most revenue is booked upfront).

Looking at sales volatility in terms of y-o-y growth, Yubico stands out as a company with a high level when comparing to cybersecurity peers (though we acknowledge that scale naturally also plays an important aspect in this analysis). Therefore, we think it makes

perfect sense to strive to reduce this level. Not only would it enhance the predictability of the business, but also improve the resilience against economic downturns or market disruption.

### Sales growth volatility

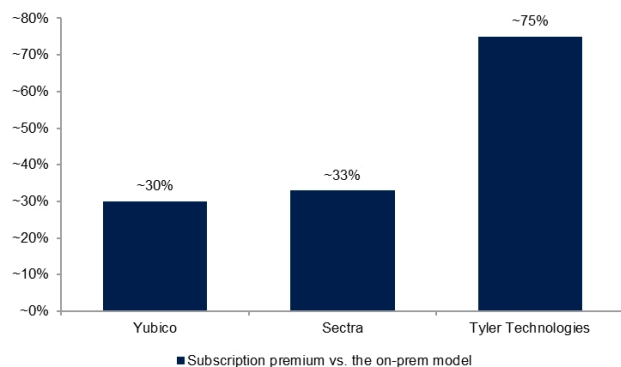


Source: ABG Sundal Collier, company data

### Increases the long-term profit

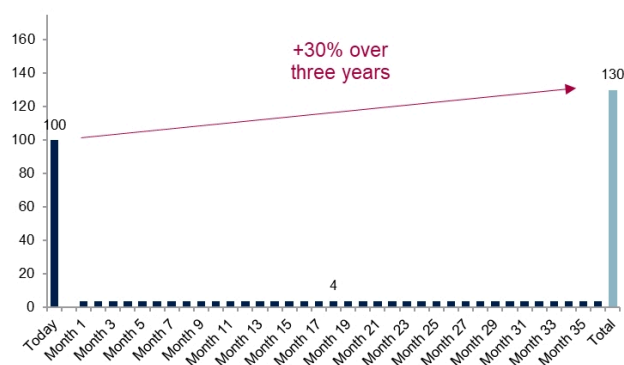
On a like-for-like basis, Yubico has indicated [\(link\)](#) that subscription-based contracts incur a 30% premium compared to the perpetual model. Needless to say, this is a significant premium, and sounds reasonable based on data disclosed by other companies that have transitioned to a similar model, such as the software companies Sectra and Tyler Technologies. For the sake of example (illustratively), the transition essentially means that instead of selling a YubiKey for EUR 100, the customer instead pays EUR 4/month, assuming a three-year contract (and a total value of EUR 130, i.e. +30%).

### Subscription premium vs. the on-prem model



Source: ABG Sundal Collier, company data

### Illustrative example of subscription transition (EUR)



Source: ABG Sundal Collier

### More subscriptions should ease the price increases process

Historically, Yubico has made few price changes. We understand that this was an active decision, with volumes being prioritised over ASP. According to data from its website and sampling data from Waybackmachine, we note that a significant price increase of ~15% was implemented for a broad range of its product series in Q1'23. However, we emphasise that these changes relate to the list price, whereas large customers have different prices due to volume discounts. Nevertheless, we argue that a greater share of subscription-related revenues should ease the process of implementing price changes due to improved usage. Furthermore, another important reason for Yubico's migration to a subscription model is that it ensures customers have the latest version of the keys, providing the best security. This improves the customer experience and, in our view, makes customers more open to



accepting price changes. Nevertheless, the competitive landscape is constantly changing, so aggressive competitors could naturally impact future pricing.

That said, despite the aforementioned general trend of more subscription-based models, one limiting factor is that IT departments are still accustomed to paying upfront for a significant share of their IT investments.

### Historical price changes

Product	#	#	#	%	%	%
EUR	Dec-22	Mar-23	Sep-25	Dec-22	Mar-23	Sep-25
<b>YubiKey 5 Series</b>						
YubiKey 5 NFC	45	50	50		11%	0%
YubiKey 5C NFC	55	55	55		0%	0%
YubiKey 5Ci	70	75	75		7%	0%
YubiKey 5 Nano	50	60	60		20%	0%
YubiKey 5C	50	55	55		10%	0%
YubiKey 5C Nano	60	65	65		8%	0%
<b>Average</b>	<b>55</b>	<b>60</b>	<b>60</b>		<b>9%</b>	<b>0%</b>
<b>YubiKey Bio Series</b>						
YubiKey Bio FIDO	80	90	90		13%	0%
YubiKey C Bio FIDO	85	95	95		12%	0%
<b>Average</b>	<b>83</b>	<b>93</b>	<b>93</b>		<b>12%</b>	<b>0%</b>
<b>YubiKey 5 FIPS Series</b>						
YubiKey 5 NFC FIPS	55	80	80		45%	0%
YubiKey 5C NFC FIPS	75	85	85		13%	0%
YubiKey 5Ci FIPS	90	105	105		17%	0%
YubiKey 5C Nano FIPS	85	95	95		12%	0%
YubiKey 5 Nano FIPS	70	90	90		29%	0%
YubiKey 5C FIPS	70	85	85		21%	0%
<b>Average</b>	<b>74</b>	<b>90</b>	<b>90</b>		<b>21%</b>	<b>0%</b>
<b>Average change, all products</b>					<b>16%</b>	<b>0%</b>

Source: ABG Sundal Collier, Waybackmachine

### Attempting to map out the negative effects

While the aforementioned reasons are positive, the adverse impact on short-term margins is substantial. This is due to sales being spread out, and to the fact that Yubico's costs are incurred upfront; including not only operational costs such as personnel and marketing, but also COGS related to the shipped keys. While we understand that, with large subscription-related contracts, shipments of keys may be gradual, there is nonetheless a mismatch between revenues and costs.

To illustrate what earnings would have looked like if the earnings embedded in recent orders had been recognised upfront rather than being spread out over multiple years, we have constructed the table below. Please note that the calculations include several assumptions and simplifications:

- 1) Subscription-based contracts of 3 years (in reality, this varies between 3 and 5 years), with 1/12 recognised in the same quarter.
- 2) 85% gross margin for subscription-based contracts
- 3) Fixed opex

## Estimated implication on margins from the transition

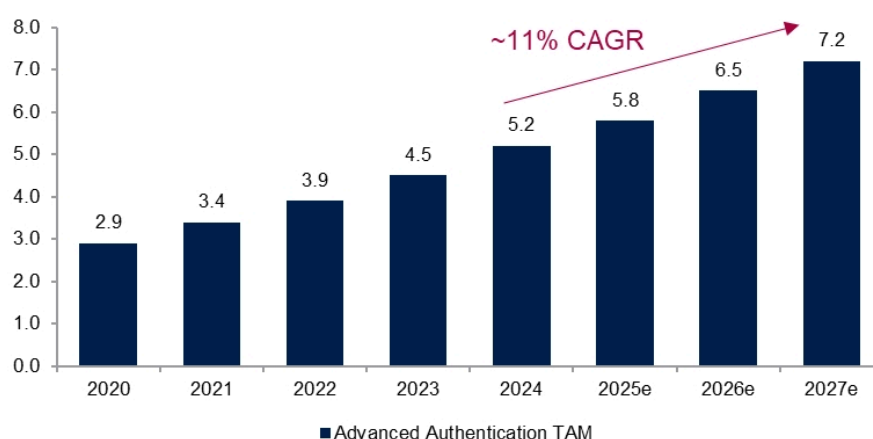
	Q1'22	Q2'22	Q3'22	Q4'22	Q1'23	Q2'23	Q3'23	Q4'23	Q1'24	Q2'24	Q3'24	Q4'24	Q1'25	Q2'25	Q3'25e	Q4'25e
<b>Orders</b>	<b>305</b>	<b>572</b>	<b>335</b>	<b>373</b>	<b>350</b>	<b>406</b>	<b>400</b>	<b>684</b>	<b>579</b>	<b>673</b>	<b>610</b>	<b>771</b>	<b>524</b>	<b>622</b>	<b>638</b>	<b>816</b>
o/w subscription	14	102	61	64	27	60	58	129	104	142	89	146	58	201	120	225
o/w on-prem	291	470	273	309	323	346	342	555	475	530	520	625	466	421	518	591
Assumed 3y contracts	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Quarters	12.0	12.0	12.0	12.0	12.0	12.0	12.0	12.0	12.0	12.0	12.0	12.0	12.0	12.0	12.0	12.0
Subscription/quarter, coming 3y	1	9	5	5	2	5	5	11	9	12	7	12	5	17	10	19
"Lost" sales today, adj. for 30% sub. premium	10	72	43	45	19	42	41	91	73	100	63	103	41	142	85	159
<b>Sales</b>	<b>329</b>	<b>366</b>	<b>391</b>	<b>465</b>	<b>414</b>	<b>451</b>	<b>407</b>	<b>555</b>	<b>499</b>	<b>614</b>	<b>590</b>	<b>623</b>	<b>623</b>	<b>499</b>	<b>555</b>	<b>636</b>
o/w subscription	19	30	33	50	47	59	59	74	57	60	71	74	80	79	89	99
o/w on-prem	310	336	358	415	367	392	348	481	442	555	519	549	544	420	465	537
<b>Sales including "lost sales"</b>	<b>320</b>	<b>409</b>	<b>401</b>	<b>460</b>	<b>386</b>	<b>435</b>	<b>389</b>	<b>573</b>	<b>516</b>	<b>655</b>	<b>582</b>	<b>652</b>	<b>585</b>	<b>561</b>	<b>550</b>	<b>696</b>
<b>GP reported</b>	<b>250</b>	<b>287</b>	<b>302</b>	<b>358</b>	<b>330</b>	<b>363</b>	<b>333</b>	<b>432</b>	<b>402</b>	<b>493</b>	<b>478</b>	<b>524</b>	<b>489</b>	<b>395</b>	<b>435</b>	<b>501</b>
GM reported	75.9%	78.4%	77.3%	77.1%	79.8%	80.5%	81.8%	77.8%	80.7%	80.3%	81.0%	84.1%	78.4%	79.1%	78.5%	78.8%
Assumed GM "lost sales"	85%	85%	85%	85%	85%	85%	85%	85%	85%	85%	85%	85%	85%	85%	85%	85%
GP "lost sales"	8	61	37	38	16	36	35	77	62	85	54	88	35	120	72	135
<b>GP reported</b>	<b>250</b>	<b>287</b>	<b>302</b>	<b>358</b>	<b>330</b>	<b>363</b>	<b>333</b>	<b>432</b>	<b>402</b>	<b>493</b>	<b>478</b>	<b>524</b>	<b>489</b>	<b>395</b>	<b>435</b>	<b>501</b>
<b>GP including "lost sales"</b>	<b>272</b>	<b>347</b>	<b>341</b>	<b>391</b>	<b>328</b>	<b>369</b>	<b>331</b>	<b>487</b>	<b>438</b>	<b>557</b>	<b>494</b>	<b>554</b>	<b>497</b>	<b>477</b>	<b>467</b>	<b>591</b>
%	85%	85%	85%	85%	85%	85%	85%	85%	85%	85%	85%	85%	85%	85%	85%	85%
adj. opex, reported	-238	-229	-232	-295	-262	-266	-317	-348	-317	-363	-367	-413	-396	-373	-371	-422
adj. EBIT, reported	12	58	71	63	68	97	-78	91	85	131	111	111	93	21	64	79
adj. EBIT, including "lost sales"	34	118	109	96	66	104	14	139	121	194	127	141	101	104	96	169
adj. EBIT, r12m					260	299	151	179	196	229	418	438	445	335	289	257
adj. EBIT, including "lost sales" r12m					389	374	279	322	377	467	581	583	563	472	442	470
adj. EBIT, r12m margin					16%	17%	9%	10%	11%	11%	18%	19%	18%	14%	13%	11%
Underlying margin					24%	22%	17%	18%	20%	22%	25%	24%	23%	20%	19%	20%

Source: ABG Sundal Collier, company data

## Targeting a USD 5.2bn TAM

Yubico operates in the advanced authentication (AA) market, a growing submarket of the broader identity and access management (IAM) market. This market includes authentication, access control and monitoring functions, which are becoming increasingly critical. In 2024, the global IAM market was valued at USD 22.6bn, according to data from IDC (data from Yubico's annual report), and it is expected to grow at a CAGR of 17.5% in 2024-2027. Within this market, the advanced authentication (AA) segment, in which Yubico's hardware-based solutions are positioned, was valued at USD 5.2bn in 2024 and is expected to grow at a CAGR of 11% over the same period. This growth is driven by several factors, including the increasing sophistication of cyber threats, rising geopolitical tensions, stricter regulatory and compliance requirements, and the shift towards more advanced authentication methods in response to the widespread adoption of cloud-based infrastructure and remote working.

### Advanced Authentication TAM (USDbn)



Source: ABG Sundal Collier based on data from Yubico (derived from IDC, Market Insights on Advanced Authentication, 2024)

### Regulatory tailwinds

In response to cybersecurity breaches and phishing attacks, regulators around the world are gradually moving towards mandating more secure authentication methods, including hardware-based MFA. YubiKeys, which are FIDO2/WebAuthn compliant, FIPS certified and widely supported, fit neatly into this regulatory trend. We have noted such developments

not only among governments and similar public entities, but also across several private sectors. The table below shows a comprehensive, though not exhaustive, array of regulatory tailwinds.

Selected regulatory tailwinds

Region / Regulation	Year(s)	Mandate Details	Relevance to YubiKey / Hardware MFA	Sources
Government regulation				
U.S. – Executive Order 14028	2021	Federal agencies must adopt phishing-resistant MFA and Zero Trust; legacy MFA (SMS, OTP) insufficient.	YubiKeys (FIDO2, PIV, FIPS 140-2 compliant) directly meet the requirement.	US GSA
OMB M-22-09 (U.S.)	2022	Requires agencies to phase out weak MFA and adopt phishing-resistant authentication; full compliance targeted by 2024.	Explicitly favors security keys over push/SMS; YubiKeys meet AAL3 assurance level.	US Gov
CISA / Zero Trust Maturity Model	2022–2023	Federal agencies must move to phishing-resistant MFA as part of Zero Trust adoption.	YubiKeys are on CISA's recommended list of phishing-resistant solutions.	CISA
EU – PSD2 (Strong Customer Authentication)	2019 full effect	Requires strong MFA for payments above €50; banks/fintechs must enforce MFA.	While not hardware-specific, FIDO2/YubiKeys meet strong auth requirements.	European Commission
EU – NIS2 Directive	2022 adoption, 2024–25 implementation	Expands cybersecurity requirements for critical infrastructure sectors, mandates MFA for access control.	Hardware-based MFA like YubiKeys supports compliance.	European Commission
EU – DORA (Digital Operational Resilience Act)	2023 law, applies 2025	Requires financial institutions to implement MFA and secure access controls.	YubiKeys support phishing-resistant MFA for regulated entities.	European Commission
NY Department of Financial Services (DFS)	2023 update, enforcement 2025	Requires MFA for all users accessing sensitive data and AI systems.	Enterprises in finance/insurance may adopt YubiKeys for phishing-resistant MFA.	US Gov
FINRA (Financial Industry Regulatory Authority)	Jul-25	Requires MFA for access to FINRA systems; security keys allowed.	YubiKeys fit seamlessly as FIDO-based devices.	FINRA
CJIS (U.S. Criminal Justice Information Services)	Oct-24	Requires MFA for systems handling criminal justice information.	YubiKeys qualify as phishing-resistant MFA for agencies.	US Department of Justice
Enterprise requirements				
Microsoft Azure / Entra ID	2024 rollout	Mandatory MFA for admins, with expansion to all users. Encourages phishing-resistant FIDO2 keys.	YubiKeys natively integrate with Microsoft Entra ID, Office 365, Azure.	Microsoft
Google Cloud	2025 (announced)	Mandatory MFA for all users; promoting passkeys and security keys.	YubiKeys are FIDO2/WebAuthn certified, widely supported by Google ecosystem.	Cybersecurity Dive, Infosecurity Mag

Source: ABG Sundal Collier

USD 5.2bn TAM looks realistic

To check the accuracy of the estimated TAM, we have examined employment data from both the U.S. Bureau of Labor Statistics and the European Commission. Although a direct comparison is not possible due to differences in the reported numbers, we note that there are approximately 71m addressable employees in the US and 81m in the EU. The specific ASP for Yubico's products has not been disclosed (we have, throughout this report, mentioned a list price if ~EUR 80, albeit a significant share of its customers get volume discounts), and this metric differs across its products, but we have assumed an ASP of USD 30. Based on the aforementioned data, this yields a calculated TAM of USD 4.6bn - a level not too far from IDC's estimate, which also includes other markets. The calculation implies that Yubico captured ~5% of its TAM in 2024.

TAM sensitivity check	
US - total employment (civilian labor force), 2024	161,346
Non-addressable employees	90,602
Management, professional, and related occupations	70,744
% of total	44%
EU - total employment (civilian labor force), 2024	197,900
Non-addressable employees	116,900
EU "highly skilled people" (ISCO-08 1-3 groups)	81,000
% of total	41%
YubiKey ASP (USD), ABGSCe	30
TAM, US (USDbn)	2.1
TAM, EU (USDbn)	2.4
TAM (USDbn)	4.6

Source: ABG Sundal Collier, BLS, European Commission

# Market trends around passkeys

Passwords have long been the standard method of authentication for users in our highly connected online world. However, the numerous problems associated with using passwords, including vulnerability to data breaches, have prompted the introduction of a new standard: passkeys. The FIDO Alliance defines passkeys as follows:

*Passkeys are a replacement for passwords that provide faster, easier, and more secure sign-ins to websites and apps across a user's devices - [FIDO Alliance](#)*

This means that a passkey is a digital login credential, similar to the private key in a key pair. It can be stored in various locations, including your mobile phone, your computer's operating system or a password manager. In the context of Yubico's products, a YubiKey is a physical hardware key capable of *storing* passkeys. When you use a YubiKey to log in, your private passkey information is kept on the physical device rather than on your computer or in the cloud; hence, the main difference lies in where the passkey is stored.

## YubiKey in action



Source: company data

## Passkeys are superior to traditional passwords

Traditional password-based authentication has proven to be a primary and persistent entry point for cyberattacks, with over 90% of data breaches linked to weak or stolen credentials ([link](#)). This vulnerability is not a new development: attacks such as credential stuffing (where attackers use leaked login data to compromise accounts) and phishing (where users are tricked into divulging their credentials) have been increasing significantly and consistently for years. The root cause of this systemic failure is the human element, which introduces a pervasive and fundamental security risk into the authentication process. Recent research suggests that almost one in three users reuse the same password for different services ([link](#)). This means they create low-complexity passwords that are easy to guess.

The primary and most significant advantage of passkeys is that they are inherently resistant to phishing. It is the user's browser or operating system that verifies whether the website or application they are attempting to log into is the legitimate service with which the passkey was registered. This means that an attacker cannot deceive a user into authenticating on a fraudulent site, as the challenge-response mechanism would fail due to the mismatched origin. This contrasts starkly with traditional multifactor authentication (MFA) methods such as SMS one-time passcodes (OTPs), which can be compromised through phishing and MFA fatigue attacks ([link](#)). Furthermore, passkeys offer substantial improvements to the end-user experience by eliminating the need to remember, type, or manage complex passwords.

## There are both software- and hardware-based passkeys

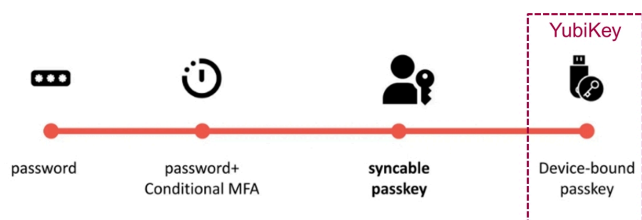
A critical distinction exists between software- and hardware-bound passkeys, representing a fundamental trade-off between security and convenience. Software passkeys are stored in a device's operating system and can be synchronised via cloud services such as iCloud Keychain or Google Password Manager ([link](#)). This provides a seamless experience, allowing users to access their passkeys across multiple devices.

In contrast, hardware-bound passkeys store their private key on a physical security key, such as a YubiKey, or in a device's Trusted Platform Module (TPM). They are not synced

or backed up to the cloud, which is the source of their superior security. Since the private key never leaves the physical hardware, the passkey is immune to remote attacks, cloud breaches and attempts to intercept the encrypted key in transit. Hardware-bound passkeys are considered the 'gold standard' for high-security environments.

While passkeys offer significant advantages in security, user experience, and operational cost reduction, their widespread adoption is hindered by user-centric and organisational challenges.

### Security spectrum



Source: ABG Sundal Collier, FIDO Alliance

### Software- vs. hardware-bound passkeys

Software Passkeys	Hardware Passkeys
Stored in a device's OS and synced via cloud services.	Stored on a physical security key (USB, NFC, etc.) or in the Trusted Platform Module.
Can be synchronised and used across multiple devices.	Cannot be copied; bound to the specific device.
Ideal for personal use due to the ease of recovery via cloud backup.	Ideal for enterprises and high-security environments.
Easier to recover if a device is lost, using cloud sync or account recovery methods.	Difficult to recover; requires possession of the specific hardware key.
Lower assurance of security due to the potential vulnerability of cloud services and password managers.	Higher security assurance; the passkey remains on the hardware key and can't be exported.
Supported by platforms like Apple iCloud Keychain, Google, and Microsoft.	Supported by FIDO2-compatible hardware keys like YubiKey.
Suitable for convenience-focused use cases where security needs are moderate.	Best for users requiring top-tier security with minimal exposure to cloud risks.

Source: ABG Sundal Collier, Rublon

## Limitations and challenges in using passkeys

Despite the widespread view that passkeys are very secure compared to passwords, adoption has suffered due to usability issues. There is much [literature written on the subject](#), where we note that some key challenges are:

### Technical challenges:

- 1) Storage of the device, and concerns about what happens if the passkey is lost or damaged;
- 2) Implementation considerations, both in terms of [potentially hidden implementation costs](#), interoperability issues in heterogeneous environments, and that it potentially adds another layer of complexity.

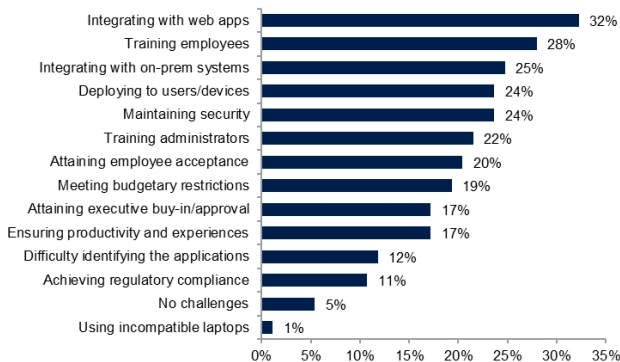
### Usability challenges:

- 1) **Lack of user awareness:** Many users are unfamiliar with passkeys and how they work, creating a significant barrier to adoption. This lack of knowledge can lead to misperceptions, with individuals viewing them as confusing or complicated. To overcome this, user education needs to focus on the simplicity and enhanced security benefits of passkeys, rather than on complex technical details.
- 2) **Setup complexity:** The initial setup of passkeys can be complicated, especially when it involves platform-specific requirements or specialised hardware. This can make the onboarding process seem daunting to new users. Simplifying the registration process and providing clear, intuitive guidance is essential to encourage widespread use.
- 3) **Lack of portability and platform dependency concerns:** Passkeys often lack interoperability and are tied to specific devices or ecosystems. For instance, a passkey stored on an iPhone may not be easily transferable to an Android device. This creates a risk of vendor lock-in and limits user freedom, posing a significant challenge for people who use multiple types of device.
- 4) **Account delegation:** Delegating account access to another user is more complicated with passkeys than with traditional passwords. Since a passkey is designed to be device-specific, sharing access requires a complex process that undermines the passkey's core security model. This presents a significant obstacle for users who need to share access for personal or professional reasons.
- 5) **Account recovery:** If a user loses or breaks their device, they may lose access to all their passkeys, which makes account recovery critical. Traditional methods used for passwords are not secure enough for passkeys, meaning service providers must develop

robust, secure recovery processes. Consequently, attackers have shifted their focus from password phishing to exploiting weaknesses in the recovery process.

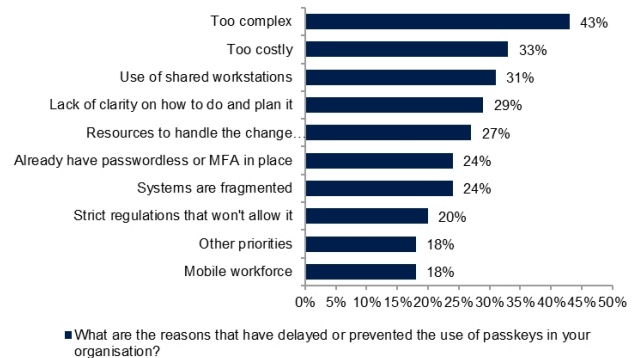
**6) Adoption in enterprise environments:** Businesses face numerous challenges when adopting passkeys, including integrating them with existing security policies and multifactor authentication (MFA) requirements. Issues such as managing corporate and personal passkeys in a Bring Your Own Device (BYOD) environment, as well as the requirement for new compliance and business analysis, can hinder or even prevent implementation.

### Challenges while introducing passwordless authentication



Source: ABG Sundal Collier, EMA 2023 The Current State of Authentication

### What are the reasons that have delayed or prevented the use of passkeys in your organisation?

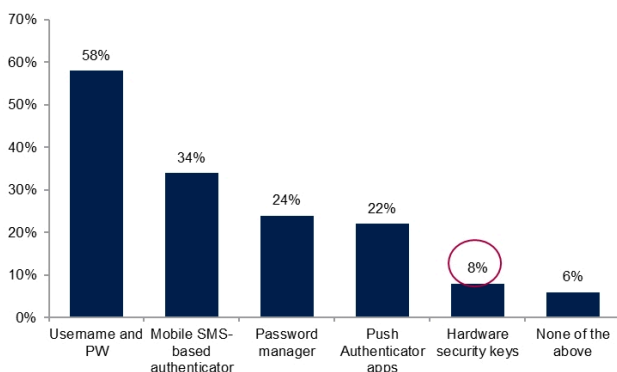


Source: ABG Sundal Collier, FIDO Alliance March 2025

## Penetration rate likely remains moderate

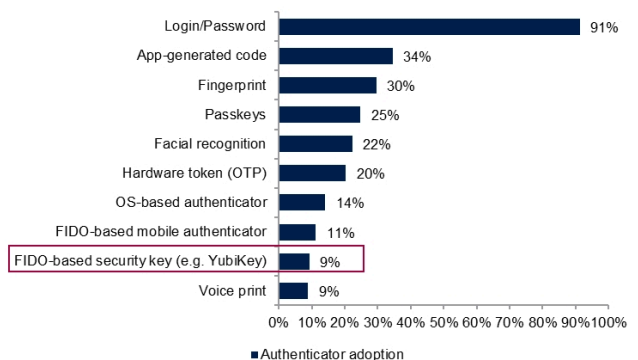
Comprehensively assessing the penetration rates of hardware-based passkeys - or even more relevant, YubiKeys - is challenging. However, in an attempt to answer the question, we have looked at multiple surveys, all of which point to moderate penetration rates. For example, Okta published a survey around MFA user adoption in 2024, concluding that the usage of hardware tokens was only 1%. Yubico has also done surveys on the topic, noting in its 2024 report that only 8% of the respondents said that they use hardware security keys for authorisation. Meanwhile, [LastPass found in 2021](#) that only 4% of its MFA users used a hardware-based option (more specifically, YubiKey). Furthermore, [EMA's survey from 2023](#) saw a ~9% adoption rate for FIDO-based security keys.

### How do you authenticate/login to your personal accounts?



Source: ABG Sundal Collier, Yubico State of Authentication Survey 2024

### Authenticator adoption



Source: ABG Sundal Collier, EMA 2023 The Current State of Authentication



# Competitive landscape

Yubico operates within a competitive, and quickly evolving, cybersecurity landscape, particularly within the advanced authentication segment. Its main competitors broadly fall into three categories: hardware-based, software-based and traditional smart card-based solutions. While Yubico maintains a strong and specialised position in hardware-based authentication, many competitors benefit from broader product portfolios, greater brand visibility and stronger financial resources. The competitive landscape continues to be shaped by rapid technological change and shifting customer preferences.

## Competitive landscape overview

Category	Key characteristics	Key competitors
<b>Hardware-based</b>	Physical keys, high security, FIDO2 standard, phishing-resistant	Feitian, Nitrokey, Thetis, Kensington, Google
<b>Software-based</b>	Cloud-integrated MFA apps, biometrics, passkeys	Microsoft, Google, Okta (Duo/Auth0), Fortinet, Ping ID
<b>Smart card-based</b>	Secure and used in regulated sectors like government and finance	Thales, RSA, HID Global, OneSpan, Gemalto

Source: ABG Sundal Collier, company data

## Hardware-based competitors

The most direct competition comes from other providers of hardware-based solutions that are developing physical security keys in line with standards such as FIDO2. These keys are designed to resist phishing and other advanced threats. Key players include:

**Feitian Technologies:** A Chinese firm offering a broad range of USB and biometric authentication security keys.

**Nitrokey:** a German company focused on open-source hardware for secure data encryption and two-factor authentication.

**Thetis:** A US-based provider of FIDO-certified hardware security keys, especially active in the low-price segment.

**Kensington:** Known for enterprise-grade peripherals, including authentication keys for secure access.

**Google:** Offers the Titan Security Key, which is integrated into Google's broader identity and authentication services. Notably, Google is also one of Yubico's first (and largest) customers.

## Software-based competitors

Yubico also competes with software-based providers, offering flexible, cloud-integrated MFA through mobile apps, push notifications, passkeys or biometrics. Key competitors in this area include Microsoft, Google, Okta (including Duo and Auth0), Fortinet and Ping Identity.

## Smart card-based competitors

Lastly, smart card-based solutions remain prevalent in regulated sectors such as banking and government. Prominent providers in this area include Thales, RSA Security, HID Global, OneSpan and Gemalto.

## Growing China concerns have likely benefited Yubico

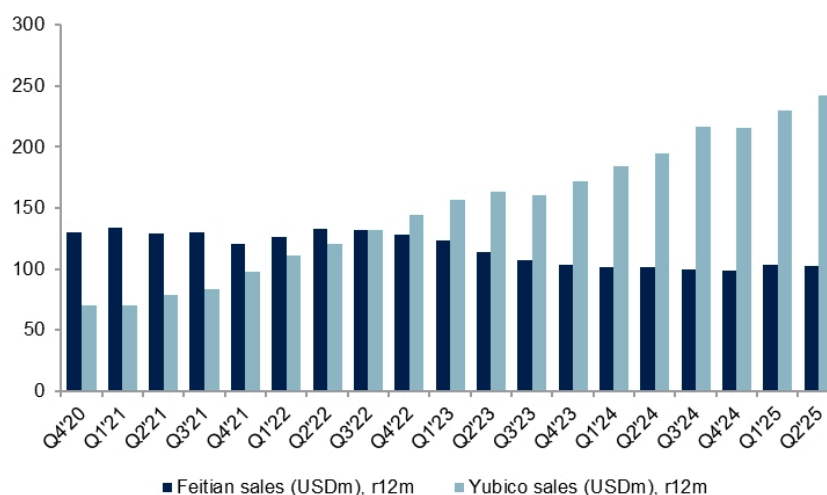
Headquartered in Beijing, Feitian Technologies is a diversified authentication solutions provider with a product portfolio spanning FIDO-compliant security keys, PKI tokens, smart cards and payment terminals. In the hardware authentication sector, Feitian is one of the few credible competitors to Yubico's YubiKey. According to news articles ([link](#)), Feitian has previously supplied hardware components for Google's Titan security keys, which highlights its technical capability and global relevance. Feitian also mentions Google as a customer on its website ([link](#)).



Despite these strengths, we believe that Feitian has faced structural growth challenges in Western markets, as indicated by its recent financial performance. Growing regulatory and political scrutiny of technology originating from China — as evidenced by bans and restrictions on firms such as Huawei ([link](#)) — has created a trust deficit that is increasingly limiting the adoption of Chinese hardware in critical sectors. This trend has been particularly pronounced in North America and Europe.

Against this backdrop, Yubico benefits from its Swedish-American roots and its widespread adoption by enterprises and governments. While a direct comparison is not possible due to Feitian's broader product portfolio, we have noted a significant discrepancy in revenue trends between the two companies in recent years, and we believe that Yubico has gained market share.

### Yubico has outperformed Feitian markedly in recent quarters



Source: ABG Sundal Collier, company data, FactSet

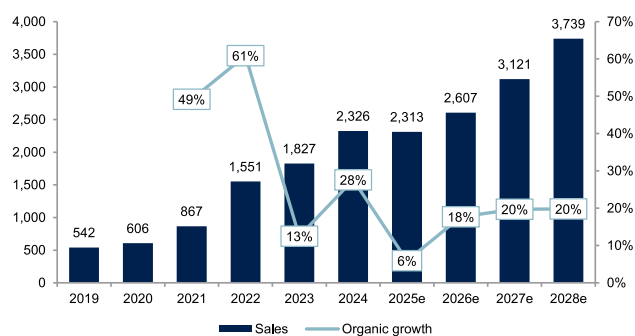
## Financials and valuation

We initiate coverage with a BUY rating and TP of SEK 160 amid 1) a gradual recovery in demand; 2) an improved revenue mix through more subscription-based revenue, 3) comparably attractive valuation of 24x-15x '26e-'27e EV/EBIT. Our TP corresponds to 20x 2027e EV/EBIT.

### Sales and profit recovery in 2026e

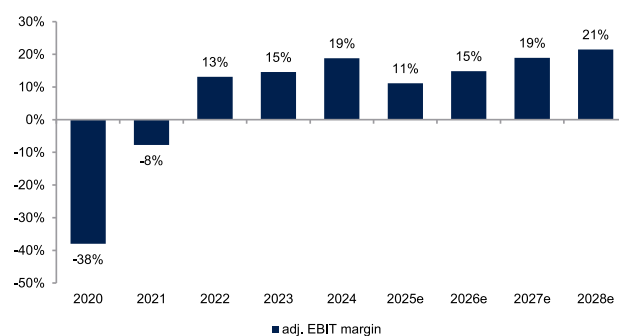
As previously described, we believe that the recent setback in organic growth is cyclical rather than structural. The transition to a greater share of subscription-based revenues has further hurt the reported numbers. Consequently, we forecast organic growth of just 6% in 2025, which is markedly down on the corresponding metrics in previous years. However, we expect growth rates to gradually improve in 2026e and beyond, driven by reduced drag from the subscription transition and a broader market recovery. Although we expect costs to continue to increase, including continued investment in R&D and sales and marketing expenses, we anticipate that operational leverage (evident in the margins of 2023–2024) will improve margins in 2026 and beyond, partly due to the company's rich gross margins. As such, we expect Yubico to achieve an adj. EBIT margin of 21% in 2028e.

#### Sales and organic growth



Source: ABG Sundal Collier, company data

#### Adj. EBIT margin

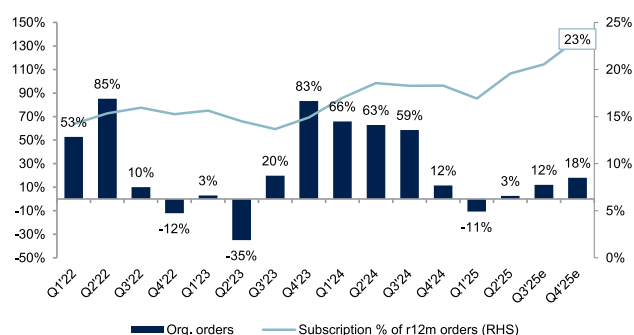


Source: ABG Sundal Collier, company data

### Gradually improving revenue mix

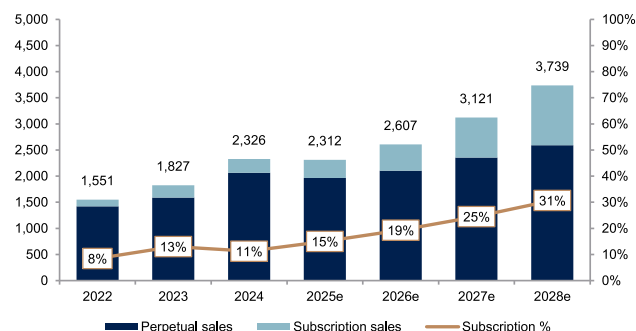
The recent slowdown in organic growth has also been reflected in reported orders. Following an extraordinary period of high order growth from Q4'23 to Q3'24, organic orders have deteriorated markedly in Q4'24-Q2'25. However, given tough comparisons and the fact that the macro environment remains subdued in the wake of the enacted tariffs, we would argue that the 3% increase in organic orders in Q2 was a decent result. We believe this marked the beginning of our anticipated recovery, and we therefore expect to see continued improvements in H2'25. In line with recent trends, we expect subscription-based orders to remain prominent over the coming quarters. Although this will continue to impact the reported numbers (due to revenues being spread out versus the perpetual model), we still expect reported sales to gradually improve amid lower drag from the subscription transition, coupled with a recovery in perpetual orders. In terms of the revenue mix, we predict that subscription-based sales will account for 31% of sales in 2028e, up from 11% in 2024.

### Org. orders y-o-y vs. subscription % of r12m orders



Source: ABG Sundal Collier, company data

### Sales breakdown (SEKm)



Source: ABG Sundal Collier, company data

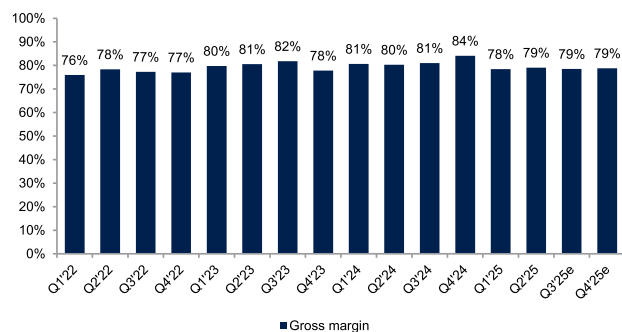
## Gross margin and EBIT margin

Owing to the comparably low cost for manufacturing a key combined with the high degree of intelligence (software) embedded into the products, Yubico enjoys strong gross margins. Not only are the margins rich, but they have also been relatively stable in recent years. Although we expect some gross margin pressure in the near term due to the enacted tariffs, we believe that gross margins should gradually increase over time from operational leverage (about 1/3 of the COGS relate to scalable items such as support functions).

Looking at other costs, Yubico is, in our view, not a company that we would characterise as having strict cost control. Sales and marketing expenses account for ~36% of sales, which we think suggests that variable pay (bonuses) is a meaningful item.

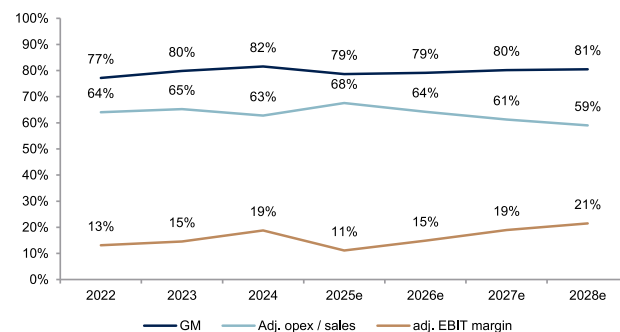
Furthermore, Yubico deploys ~15% of sales into R&D. We expect these levels to remain high as Yubico invests in products to ensure that they stay secure in the face of changing cybersecurity threats.

### Gross margin



Source: ABG Sundal Collier, company data

### GM, adj. opex/sales, adj. EBIT margin

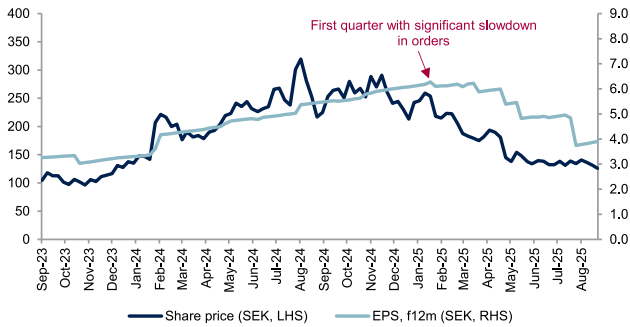


Source: ABG Sundal Collier, company data

## Negative est. revision trend - but also multiple contraction

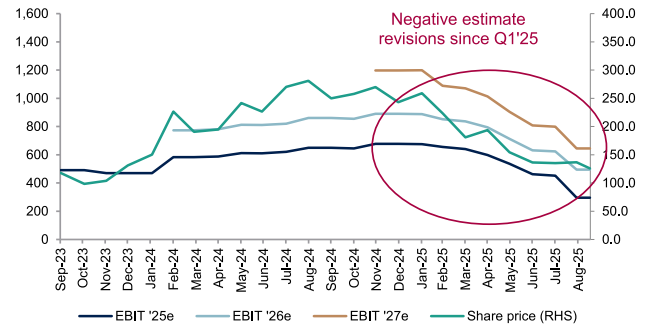
After a period of positive EPS and EBIT estimate revisions for FactSet consensus, these have recently turned positive negative. Since November 2024, the 2025e–2026e EBIT estimates have fallen by as much as 55–45%. In our view, this is due to: 1) the transition to a more subscription-based sales model; 2) slower demand for its products; 3) FX headwinds, and 4) continued cost increases, with Yubico maintaining a high pace in terms of R&D and sales and marketing. Simultaneously, the stock has performed poorly, resulting in a multiple contraction when looking at EV/EBIT f12m.

## Share price vs. f12m EPS



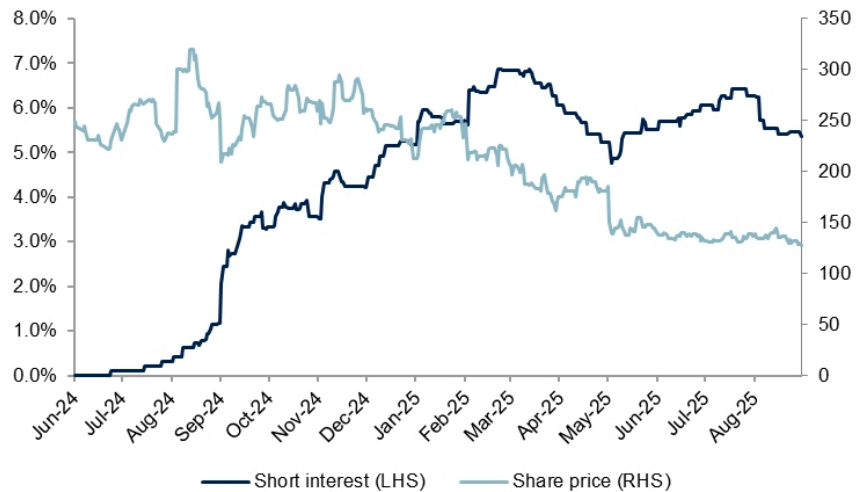
Source: ABG Sundal Collier, FactSet

## Consensus EBIT revisions vs. share price



Source: ABG Sundal Collier, FactSet

## Short interest vs. share price

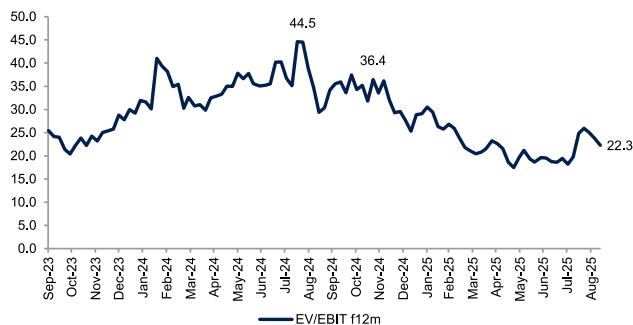


Source: ABG Sundal Collier, FactSet, Holdings

## Bear in mind the adverse transition effects

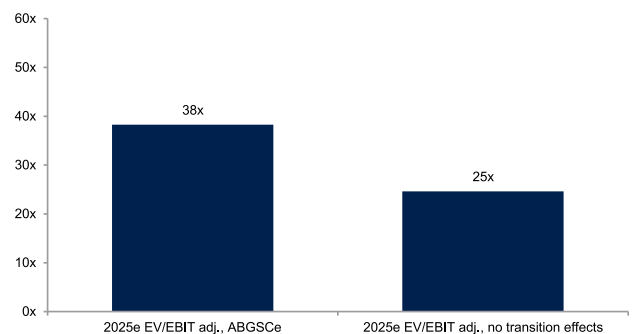
Based on current consensus estimates (FactSet), the EV/EBIT f12m multiple is currently 22x, down from a peak of ~45x in August 2024. In this report, we previously attempted to calculate earnings for a scenario in which the transition to subscription-based revenues had not occurred. Given the recent acceleration in pace, another way to understand the recent multiple contraction is to consider earnings in a scenario where the share of subscription-based revenue remained unchanged between 2024 and 2025. This exercise requires us to make several assumptions, but we derive a multiple of 38x at reported earnings on 2025e EV/EBIT (not to be confused with the previously mentioned f12m EV/EBIT based on consensus), or ~25x when calculating without adverse transition effects.

## EV/EBIT f12m



Source: ABG Sundal Collier, FactSet

## Illustrative valuation overview, assuming the same share of subscription-sales in 2025e as in 2024



Source: ABG Sundal Collier

## Q2'25: 78% EBIT miss, but stock only -1%

In terms of sentiment, we note that the stock has recently underperformed markedly following the release of earnings reports. Between Q3'24 and Q1'25, the stock fell by 9–19% in conjunction with earnings reports, which is likely due to the negative outcome in terms of reported EBIT versus FactSet consensus forecasts. In Q2'25, the discrepancy was remarkable: adj. EBIT came in 78% below consensus. Interestingly, however, the stock fell by only 1% during the day. As discussed several times in this report, Yubico's earnings are currently being affected by the shift towards a subscription model, which accelerated in Q2. In our view, the relatively minor 1% share price reaction to a significant earnings miss suggests that the market is starting to grasp the transition and its subsequent benefits to long-term profits. As such, despite us being 14–15% below consensus on H2'25e EBIT (and -22% on '26e), we expect the market to continue looking beyond near-term weakness (assuming subscription-based orders continue to improve, of course).

### Yubico deviation vs. consensus and share price reaction (%)

%	Q1'24	Q2'24	Q3'24	Q4'24	Q1'25	Q2'25
Sales deviation	-3.7	8.6	4.2	-15.5	-1.7	-20.1
adj. EBIT deviation	-8.6	10.4	-9.8	-31.1	-2.4	-77.9
SP reaction	5.2	25.7	-8.7	-14.5	-19.1	-0.6

Source: ABG Sundal Collier, company data, FactSet for consensus

## Yubico vs. peers

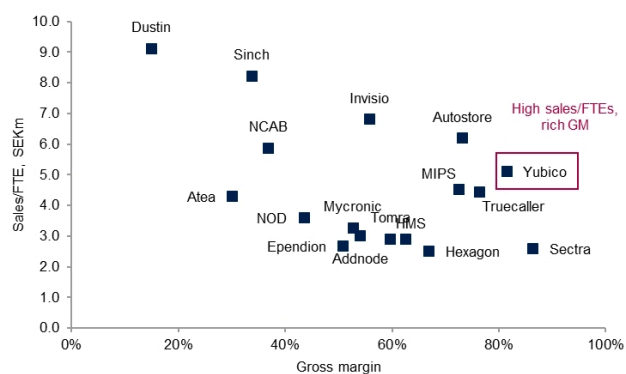
Although we struggle to find any perfect peer, we believe that constructing a peer group of global cybersecurity companies is relevant as it is as close as we can get. Based on estimates from FactSet, we note that Yubico is trading 48% above these peers on '25e EV/EBIT (median), while it is trading 20% below on '27e. Meanwhile, it offers a high growth trajectory. Additionally, we have compiled a group of Nordic technology companies, primarily from the hardware sector. Here, Yubico is trading above these companies on near-term multiples. However, we would argue that its runway of strong growth is longer than that of most of these companies. Furthermore, Yubico's high gross margins, coupled with its high sales efficiency (in terms of sales per FTE), offer good operating margin potential in a mature stage. As the chart below illustrates, Yubico is performing well in the context of Nordic tech. However, upon further investigation into personnel costs, it becomes clear that Yubico stands far above other Nordic tech companies. This suggests that its personnel are expensive, likely due to a high proportion of US-based FTEs and the previously mentioned lack of strict cost control.

## Peer table

Valuation	McCap	EV/Sales			EV/EBIT			P/E			Sales y-o-y		
	USDbn	2025e	2026e	2027e	2025e	2026e	2027e	2025e	2026e	2027e	2025e	2026e	2027e
<b>Global cybersecurity</b>													
Check Point	21.5	7.4	6.8	6.5	17.8	16.4	15.7	20.0	18.5	16.7	6%	6%	6%
CrowdStrike	111.6	22.7	18.3	14.7	106.2	77.1	56.7	120.7	95.5	74.5	21%	22%	22%
Fortinet	62.1	8.5	7.4	6.4	25.9	22.4	19.2	32.2	29.2	26.5	13%	12%	10%
Okta	15.3	4.8	4.1	3.6	18.8	15.6	13.1	27.4	25.3	23.0	10%	9%	10%
Palo Alto	134.6	13.3	11.3	9.8	45.7	38.1	32.2	56.9	50.1	44.4	15%	14%	13%
Rapid7	1.3	1.8	1.6	1.0	12.2	9.9	5.8	9.9	9.7	9.1	2%	3%	4%
Zscaler	45.2	14.7	11.9	9.7	66.7	52.1	40.5	83.1	72.1	59.4	23%	22%	20%
<b>Median</b>	<b>45.2</b>	<b>8.5</b>	<b>7.4</b>	<b>6.5</b>	<b>25.9</b>	<b>22.4</b>	<b>19.2</b>	<b>32.2</b>	<b>29.2</b>	<b>26.5</b>	<b>13%</b>	<b>12%</b>	<b>10%</b>
<b>Average</b>	<b>55.9</b>	<b>10.5</b>	<b>8.8</b>	<b>7.4</b>	<b>41.9</b>	<b>33.1</b>	<b>26.2</b>	<b>50.0</b>	<b>42.9</b>	<b>36.2</b>	<b>13%</b>	<b>13%</b>	<b>12%</b>
<b>Nordic technology</b>													
Autostore	2.8	7.0	5.8	5.0	23.4	17.2	14.2	36.9	24.0	19.6	-18%	17%	13%
CTT	0.3	9.5	6.5	4.7	38.1	21.7	14.7	47.4	26.8	18.3	0%	44%	37%
engcon	0.8	6.3	5.1	4.2	33.8	23.9	18.8	46.4	31.0	24.6	16%	23%	20%
Ependion	0.4	2.1	1.8	1.5	18.3	13.6	10.8	24.7	18.0	14.2	5%	13%	14%
Dynavox	1.2	5.3	4.2	3.4	41.1	24.8	18.0	56.7	32.6	23.0	28%	21%	20%
Hexagon	25.9	5.6	5.2	4.8	21.9	19.0	17.0	25.1	22.3	20.1	1%	4%	6%
HMS Networks	2.1	7.0	5.9	5.2	32.4	25.2	21.2	40.2	31.0	26.0	16%	16%	11%
Invisio	1.4	8.0	6.4	5.4	39.5	26.8	20.8	55.6	37.5	29.6	2%	22%	17%
LumenRadio	0.1	2.2	1.6	1.2	35.0	11.0	8.2	34.0	15.0	12.5	1%	27%	19%
Mips	0.9	17.4	12.6	9.6	54.9	29.4	20.7	64.0	36.9	26.4	17%	38%	30%
Nordic Semiconductor	2.6	4.3	3.6	2.9	80.4	36.7	21.2	123.3	50.1	29.4	29%	19%	19%
NCAB	0.9	2.8	2.5	2.3	29.7	22.2	19.3	41.8	29.5	26.0	5%	9%	6%
Mycronic	3.9	5.3	5.1	5.0	19.9	20.4	20.7	25.6	26.6	27.4	7%	1%	0%
Tomra	3.8	2.9	2.4	2.0	23.9	16.9	13.0	34.4	22.9	17.8	6%	20%	18%
<b>Median</b>	<b>1.3</b>	<b>5.4</b>	<b>5.1</b>	<b>4.5</b>	<b>33.1</b>	<b>22.0</b>	<b>18.4</b>	<b>41.0</b>	<b>28.2</b>	<b>23.8</b>	<b>5%</b>	<b>19%</b>	<b>18%</b>
<b>Average</b>	<b>3.4</b>	<b>6.1</b>	<b>4.9</b>	<b>4.1</b>	<b>35.2</b>	<b>22.1</b>	<b>17.0</b>	<b>46.9</b>	<b>28.9</b>	<b>22.5</b>	<b>8%</b>	<b>20%</b>	<b>17%</b>
<b>Yubico (ABGSCe)</b>	<b>1.2</b>	<b>4.3</b>	<b>3.6</b>	<b>2.9</b>	<b>38.3</b>	<b>24.3</b>	<b>15.3</b>	<b>66.4</b>	<b>37.9</b>	<b>24.2</b>	<b>-1%</b>	<b>13%</b>	<b>20%</b>
vs. global cybersecurity		-50%	-51%	-55%	48%	9%	-20%	106%	30%	-9%			
vs. Nordic tech		-22%	-29%	-35%	16%	11%	-17%	62%	35%	2%			

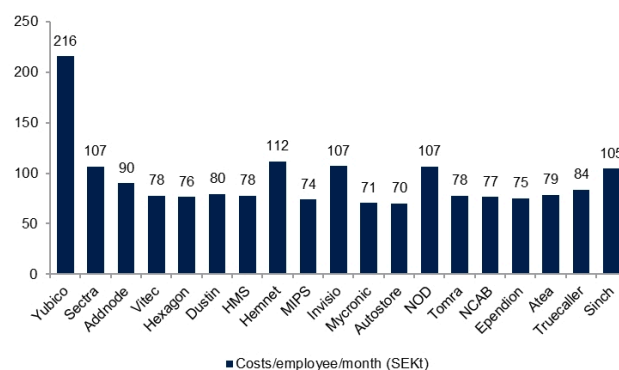
Source: ABG Sundal Collier, company data, FactSet

## Sales/FTE (SEKm) vs. gross margin - 2024\*



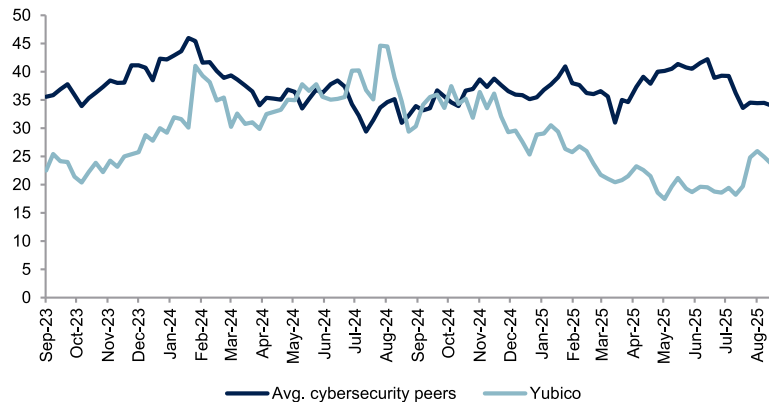
Source: ABG Sundal Collier, company data, \*selective Nordic tech companies

## Personnel costs/FTE/month (SEKt) - 2024\*



Source: ABG Sundal Collier, company data, \*selective Nordic tech companies

## EV/EBIT f12m (x) - Yubico vs. cybersecurity peers



Source: ABG Sundal Collier, FactSet

## Breakdown of forecasts, quarterly

SEKm	Q1'22	Q2'22	Q3'22	Q4'22	Q1'23	Q2'23	Q3'23	Q4'23	Q1'24	Q2'24	Q3'24	Q4'24	Q1'25	Q2'25	Q3'25e	Q4'25e
Net sales	329	366	391	465	414	451	407	555	499	614	590	623	623	499	555	636
COGS	-79	-79	-89	-107	-84	-88	-74	-123	-97	-121	-112	-99	-134	-105	-119	-135
Gross profit	250	287	302	358	330	363	333	432	402	493	478	524	489	395	435	501
R&D					-64	-70	-69	-72	-74	-83	-84	-92	-93	-80	-78	-90
Sales expenses					-139	-147	-164	-199	-187	-196	-198	-256	-198	-213	-216	-255
Admin expenses					-59	-62	-83	-64	-69	-76	-75	-77	-113	-87	-82	-82
Other income and costs					1	13	-95	-6	13	-8	-11	11	8	6	5	5
Opex	-238	-229	-232	-295	-262	-266	-411	-341	-317	-363	-367	-413	-396	-373	-371	-422
adj. opex	-238	-229	-232	-295	-262	-266	-317	-348	-317	-363	-367	-413	-396	-373	-371	-422
EBIT	12	58	71	63	68	97	-78	91	85	131	111	111	93	21	64	79
Net financials					-1	-1	4	0	9	-1	2	15	-24	-11	-5	-5
PTP					67	96	-74	91	94	130	113	126	69	10	59	74
Taxes					-18	-21	3	-16	-20	-26	-31	-13	-17	-2	-15	-18
Net profit	15	56	68	106	69	75	-71	75	74	104	81	113	51	9	45	55
EPS, diluted	0.3	1.1	1.3	2.1	1.4	1.5	-1.3	0.9	0.8	1.2	0.9	1.3	0.6	0.1	0.5	0.6
Adj. EBIT	12	58	71	63	68	97	16	84	85	131	111	111	93	21	64	79
Order intake	305	572	335	373	350	406	400	684	579	673	610	771	524	622	638	816
o/w subscription	14	102	61	64	27	60	58	129	104	142	89	146	58	201	120	225
o/w perpetual	291	470	273	309	323	346	342	555	475	530	520	625	466	421	518	591
Book-to-bill	0.9	1.6	0.9	0.8	0.8	0.9	1.0	1.2	1.2	1.1	1.0	1.2	0.8	1.2	1.2	1.3
Growth	Q1'22	Q2'22	Q3'22	Q4'22	Q1'23	Q2'23	Q3'23	Q4'23	Q1'24	Q2'24	Q3'24	Q4'24	Q1'25	Q2'25	Q3'25e	Q4'25e
Sales growth y-o-y	103%	67.9%	117%	51.2%	25.6%	23.1%	4.2%	19.5%	20.6%	36.3%	44.8%	12.2%	24.9%	-18.8%	-6.0%	2.0%
Of which organic	84.5%	59.5%	87.8%	33.2%	16.1%	16.1%	1.6%	18.0%	20.6%	34.7%	49.0%	11.2%	22.4%	-11.4%	1.3%	14.2%
Of which FX	18.9%	8.4%	29.5%	18.0%	9.5%	7.0%	2.6%	1.5%	0.0%	1.6%	-4.2%	1.0%	2.5%	-7.4%	-7.3%	-12.2%
Of which structure	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Adj. EBIT y-o-y	n.a.	-350%	-307%	540%	460%	67.8%	-77.2%	34.3%	24.6%	34.4%	588%	31.7%	8.8%	-83.8%	-41.8%	-28.9%
Orders y-o-y	69.8%	98.0%	40.0%	10.1%	14.9%	-29.0%	19.4%	83.5%	65.4%	65.5%	52.6%	12.7%	-9.5%	-7.6%	4.7%	5.8%
Organic orders y-o-y	52.7%	85.1%	10.0%	-12.0%	3.0%	-34.9%	19.8%	83.2%	65.9%	62.8%	58.5%	11.5%	-10.7%	2.6%	12.0%	18.0%
Margins	Q1'22	Q2'22	Q3'22	Q4'22	Q1'23	Q2'23	Q3'23	Q4'23	Q1'24	Q2'24	Q3'24	Q4'24	Q1'25	Q2'25	Q3'25e	Q4'25e
Gross margin	75.9%	78.4%	77.3%	77.1%	79.8%	80.5%	81.8%	77.8%	80.7%	80.3%	81.0%	84.1%	78.4%	79.1%	78.5%	78.8%
EBIT margin	3.7%	15.8%	18.0%	13.5%	16.5%	21.6%	-19.1%	16.4%	17.1%	21.3%	18.8%	17.8%	14.9%	4.2%	11.6%	12.4%
Adj. EBIT margin	3.7%	15.8%	18.0%	13.5%	16.5%	21.6%	4.0%	15.2%	17.1%	21.3%	18.8%	17.8%	14.9%	4.2%	11.6%	12.4%
Sales breakdown	Q1'22	Q2'22	Q3'22	Q4'22	Q1'23	Q2'23	Q3'23	Q4'23	Q1'24	Q2'24	Q3'24	Q4'24	Q1'25	Q2'25	Q3'25e	Q4'25e
Perpetual	310	336	358	415	367	392	348	481	442	555	519	549	544	420	465	537
Subscription	19	30	33	50	47	59	59	74	57	60	71	74	80	79	89	99
Total	329	366	391	465	414	451	407	555	499	614	590	623	623	499	555	636

Source: ABG Sundal Collier, company data



## Breakdown of forecasts, yearly

SEKm	2019	2020	2021	2022	2023	2024	2025e	2026e	2027e	2028e
<b>Net sales</b>	<b>542</b>	<b>606</b>	<b>867</b>	<b>1,551</b>	<b>1,827</b>	<b>2,326</b>	<b>2,313</b>	<b>2,607</b>	<b>3,121</b>	<b>3,739</b>
COGS	-163	-83	-158	-354	-369	-429	-493	-545	-618	-729
<b>Gross profit</b>	<b>379</b>	<b>523</b>	<b>710</b>	<b>1,197</b>	<b>1,459</b>	<b>1,898</b>	<b>1,820</b>	<b>2,062</b>	<b>2,503</b>	<b>3,010</b>
R&D				-235	-274	-336	-341	-369	-431	-505
Sales expenses				-545	-649	-836	-881	-952	-1,104	-1,303
Admin expenses				-234	-269	-294	-364	-364	-386	-409
Other income and costs				21	-87	6	24	10	10	10
Opex	-540	-753	-777	-994	-1,280	-1,460	-1,562	-1,674	-1,911	-2,206
adj. opex	-540	-753	-777	-994	-1,192	-1,460	-1,563	-1,674	-1,911	-2,206
<b>EBIT</b>	<b>-161</b>	<b>-230</b>	<b>-67</b>	<b>203</b>	<b>179</b>	<b>438</b>	<b>257</b>	<b>387</b>	<b>592</b>	<b>803</b>
Net financials			11	2	1	25	-45	-20	-15	-10
<b>PTP</b>			<b>-56</b>	<b>206</b>	<b>180</b>	<b>462</b>	<b>212</b>	<b>367</b>	<b>577</b>	<b>793</b>
Taxes			-4	39	-50	-90	-52	-92	-144	-198
<b>Net profit</b>			<b>-60</b>	<b>244</b>	<b>131</b>	<b>372</b>	<b>160</b>	<b>276</b>	<b>432</b>	<b>595</b>
<b>EPS, diluted</b>			<b>0.0</b>	<b>0.0</b>	<b>1.5</b>	<b>4.2</b>	<b>1.9</b>	<b>3.2</b>	<b>5.1</b>	<b>7.0</b>
<b>Adj. EBIT</b>	<b>-161</b>	<b>-230</b>	<b>-67</b>	<b>203</b>	<b>266</b>	<b>438</b>	<b>257</b>	<b>387</b>	<b>592</b>	<b>803</b>
<b>Order intake</b>			<b>1,041</b>	<b>1,584</b>	<b>1,840</b>	<b>2,633</b>	<b>2,600</b>	<b>2,991</b>	<b>3,649</b>	<b>4,378</b>
o/w subscription			176	242	274	482	604	850	1,250	1,750
o/w perpetual			865	1,342	1,566	2,151	1,996	2,141	2,399	2,628
Book-to-bill			1.2	1.0	1.0	1.1	1.1	1.1	1.2	1.2
<b>Growth</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025e</b>	<b>2026e</b>	<b>2027e</b>	<b>2028e</b>
Sales growth y-o-y		11.9%	43.1%	78.9%	17.8%	27.3%	-0.6%	12.7%	19.7%	19.8%
Of which organic			49.2%	60.9%	12.5%	27.6%	5.9%	17.7%	19.7%	19.8%
Of which FX			-6.1%	18.0%	5.3%	-0.3%	-6.5%	-5.0%	0.0%	0.0%
Of which structure			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Adj. EBIT y-o-y			-70.9%	-403.6%	30.9%	64.4%	-41.2%	50.7%	52.7%	35.8%
Orders y-o-y			25.3%	52.2%	16.2%	43.1%	-1.2%	15.0%	22.0%	20.0%
Organic orders y-o-y			29.0%	30.8%	10.2%	43.5%	6.4%	20.0%	22.0%	20.0%
<b>Margins</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025e</b>	<b>2026e</b>	<b>2027e</b>	<b>2028e</b>
Gross margin		86.3%	81.8%	77.2%	79.8%	81.6%	78.7%	79.1%	80.2%	80.5%
EBIT margin		-38.0%	-7.7%	13.1%	9.8%	18.8%	11.1%	14.9%	19.0%	21.5%
Adj. EBIT margin		-38.0%	-7.7%	13.1%	14.6%	18.8%	11.1%	14.9%	19.0%	21.5%
<b>Sales breakdown</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025e</b>	<b>2026e</b>	<b>2027e</b>	<b>2028e</b>
Perpetual		600	809	1,420	1,589	2,064	1,965	2,103	2,356	2,591
Subscription		7	58	131	238	262	347	503	765	1,147
<b>Total</b>		<b>606</b>	<b>867</b>	<b>1,551</b>	<b>1,827</b>	<b>2,326</b>	<b>2,312</b>	<b>2,607</b>	<b>3,121</b>	<b>3,739</b>

Source: ABG Sundal Collier, company data

# Risks

## **Intensified competition**

Rapid changes in the competitive landscape could put Yubico at a disadvantage, forcing a response that could, for example, require higher capital expenditures.

## **Difficulty in transitioning into the subscription-based model**

Although Yubico has already gained traction with its new subscription-based model, its financial success is less proven. As such, the transition could result in an adverse effect on the company's operations.

## **Risk of losing personnel**

Employees are one of Yubico's most important resources. Being unsuccessful in recruitment, retention or the succession of key staff could have an adverse effect on the company's operations.

## **Cyberattacks/data breaches**

Digital business models are vulnerable to cyberattacks. Failing to prevent or respond to a significant cyberattack could have negative implications for Yubico, particularly given that this is the key demand driver for its products. According to the company, it has never reported any account takeovers.

## **Currency risk**

Yubico operates in several countries and is therefore exposed to a number of different currencies. Fluctuations in currency exchange rates could have a negative impact on its financials. In particular, the company is exposed to USD/SEK, accounting for ~80% of net sales.

## **Commercial risks**

Sales of products launched by Yubico may not meet market expectations. Our estimates are based on subjective assumptions and forecasts. The future of the products is subject to a number of uncertainties. The risk is largely dependent on market acceptance of the products.

# Appendix

## Growth strategy

Yubico's growth strategy focuses on increasing volume by expanding its customer base, broadening its market reach, boosting usage among existing clients and introducing new offerings. This strategy builds on the company's core strengths, which include a global blue-chip customer base, a scalable sales model, robust R&D capabilities and an extensive partner network.

To support this growth, Yubico is scaling up its global operations by refining its go-to-market strategies in key regions such as Asia, Europe, the Middle East and the Americas. In collaboration with selected channel partners, a more efficient two-tier distribution model is being implemented to enable the company to better serve both local and multinational customers.

In parallel, Yubico is - as we have previously discussed - developing its subscription-based offering, YubiKey as a Service, to strengthen customer retention rates, drive increased usage, and generate more revenues. This complements the company's hardware sales and supports the shift towards a more service-oriented business model, in line with broader industry trends such as cloud migration and digital transformation.

## Yubico's growth strategy

Initiative	Goal	Means	Examples / Focus
Expand current customer base	Increase usage among existing customers	New use cases, more users	Large enterprise rollouts, expanded licenses
Expand to customers' customers	Extend protection across the value chain	B2B2C focus, supplier onboarding	Secure contractors, third-party vendors
Land new customers in all verticals	Grow into new markets and industries	Regional sales expansion, tailored offerings	Government, finance, healthcare
Enter new authentication adjacencies	Broaden product portfolio and address new use cases	R&D, M&A, partnerships	Mobile authentication, cloud identity, passkeys

Source: ABG Sundal Collier, company data

## Shareholders

#	Owner	Owner Country	Shares	Capital	Votes	Verified
1	Bure Equity	Sweden	15,041,943	17%	17%	Jun-25
2	AMF Pension & Fonder	Sweden	11,347,162	13%	13%	Aug-25
3	Stina Ehrensvärd	Sweden	8,823,938	10%	10%	Aug-25
4	Handelsbanken Fonder	Sweden	4,286,735	5%	5%	Aug-25
5	Fjärde AP-fonden	Sweden	4,058,826	5%	5%	Jun-25
6	Ramanujam Shriram med närstående	United States	3,245,068	4%	4%	Dec-24
7	SEB Funds	Sweden	2,555,618	3%	3%	Jul-25
8	Swedbank Robur Fonder	Sweden	2,441,768	3%	3%	Jul-25
9	Johan Hernmarck via bolag	Sweden	2,128,356	2%	2%	Sep-23
10	Marc R. Benioff Revocable Trust	United States	2,085,840	2%	2%	Sep-23
11	Meritech Capital Partners	United States	1,948,827	2%	2%	Dec-24
12	SEB-Stiftelsen	Sweden	1,660,000	2%	2%	Jun-25
13	C WorldWide Asset Management	Denmark	1,643,000	2%	2%	Jul-25
14	Simon Josefsson	Sweden	1,432,876	2%	2%	Jun-25
15	Yubico AB	Sweden	487,900	2%	1%	Sep-25
16	TVF Direct Invest	Germany	1,294,727	1%	1%	Sep-23
17	Capital Group	United States	1,100,000	1%	1%	Jun-25
18	Andra AP-fonden	Sweden	1,023,599	1%	1%	Jun-25
19	Stefan Persson & Familj	Sweden	1,000,000	1%	1%	Jun-25
20	Degroof Petercam Asset Management SA	Belgium	895,500	1%	1%	May-25
21	Lannebo Kapitalförvaltning	Sweden	873,612	1%	1%	Jul-25
22	Outerholding LLC	United States	869,100	1%	1%	May-24
23	Invesco	United States	853,572	1%	1%	May-25
24	BlackRock	United States	809,356	1%	1%	Aug-25
25	TIN Fonder	Sweden	700,006	1%	1%	Jul-25
26	New Enterprise Associates LLC	United States	613,556	1%	1%	Sep-23
27	Andreas Bechtolsheim	Germany	610,017	1%	1%	Jun-25
28	Martin Gren (Grenspecialisten)	Sweden	585,039	1%	1%	Jun-25
29	Mattias Danielsson	Sweden	577,391	1%	1%	May-25
30	Jakob Ehrensvärd	Sweden	561,966	1%	1%	Nov-24








Source: ABG Sundal Collier, Holdings September 2025

## Management

	<b>Mattias Danielsson</b> Chief Executive Officer Since 2010	<b>Background:</b> Danielsson (1971) was appointed as CEO in 2023 after 13 years at Yubico. He co-founded Tradera and Avito and was previously CEO and board member of Tradera. He has a PhD from Stockholm School of Economics. Current roles include CEO of Aameo and board member of Solvatten.  <b>Number of shares:</b> 577,391 (and 58,000 PSUs)
	<b>Camilla Öberg</b> Chief Financial Officer Since 2020	<b>Background:</b> Öberg (1964) has been CFO at Yubico since 2020. She holds an MSc from SSE and has held senior finance roles in the IT consulting sector, including at Cybercom, Logica Holdings, and WM Data. She chairs Southside Stories and serves on the boards of Xvivo Perfusion, Vålnäslund, and Instalco.  <b>Number of shares:</b> 18,725 (and 26,500 PSUs)
	<b>Jerrod Chong</b> Chief Operating Officer Since 2013	<b>Background:</b> Chong (1974) has been COO at Yubico since 2013. He holds a BSc and MSc in Computer Engineering from the University of Michigan and has extensive experience in IT security and enterprise sales, including roles at Check Point and Protect Data AB.  <b>Number of shares:</b> 262,259 (and 47,333 PSUs)
	<b>Carl Helle</b> Chief Revenue Officer Since 2024	<b>Background:</b> Helle (1966) was appointed CRO at Yubico in 2024. He holds a BA from Iowa State University and an MBA from Marquette University. With over 20 years in IT security, he has held senior roles at Cisco, Proofpoint, BeyondTrust, and Deepwatch.  <b>Number of shares:</b> (130,000 PSUs)
	<b>Giles House</b> Chief Marketing Officer Since 2024	<b>Background:</b> House (1982) was appointed CMO at Yubico in 2024. He holds a BSc in Electronic Engineering from the University of Southampton. Previous roles include CMO and CPO at A-LIGN, EVP of Sales Cloud at SAP, and CMO at CallidusCloud.  <b>Number of shares:</b> (25,000 PSUs)
	<b>Henrik Lejdebom</b> General Counsel Since 2018	<b>Background:</b> Lejdebom (1976) has served as General Counsel at Yubico since 2018. He holds a law degree from Stockholm University and has many years of experience leading legal functions in fast-growing high-tech companies at various stages of development.  <b>Number of shares:</b> 54,714 (and 25,900 PSUs)
	<b>Chad Thunberg</b> Chief Information and Security Officer Since 2019	<b>Background:</b> Thunberg (1978) has served as Chief Information and Security Officer at Yubico since 2019. He has over 26 years of experience in information security and leadership, with previous roles at Leviathan Security Group, Washington Mutual, and Guardent.  <b>Number of shares:</b> 23,128 (and 11,667 PSUs)
	<b>Emanuela Todaro</b> Chief People Officer Since 2017	<b>Background:</b> Todaro (1971) has been CPO at Yubico since 2017. She holds a BSc from Politecnico di Torino and an MSc from Stanford University in Materials Science and Engineering. She has extensive HR experience in tech, including roles at Accellion and Embrane among others.  <b>Number of shares:</b> 67,117 (and 28,667 PSUs)

Source: ABG Sundal Collier, data from Yubico's latest annual report

## Board of directors

	<b>Patrik Tigerschiöld</b> Chairman of the Board  Since 2023	<b>Background:</b> Tigerschiöld (1964) has a background as CEO of Bure Equity AB and SEB Asset Management. Other current roles include Chair of Bure Equity AB, Mycronic AB, and Cavotec S/A.  <b>Number of shares:</b> 15,111,943 (and 4,200,000 sponsor warrants <sup>1</sup> ) <b>Independency<sup>2</sup>:</b> Yes
	<b>Jaya Baloo</b> Director  Since 2024	<b>Background:</b> Baloo (1973) has extensive cybersecurity experience, including roles as CISO at Avast and KPN, and former Vice Chair of the EU Quantum flagship. She serves on the boards of Cyber Threat Alliance and TIN Capital.  <b>Number of shares:</b> 0 <b>Independency<sup>2</sup>:</b> Yes
	<b>Stina Ehrensward</b> Director  Since 2007	<b>Background:</b> Ehrensward (1967) is the founder of Yubico and a key innovator in secure authentication. She has a background in industrial design and has led the company since its inception.  <b>Number of shares:</b> 9,310,739 (and 13,445 PSUs) <b>Independency<sup>2</sup>:</b> No
	<b>Gösta Johannesson</b> Director  Since 2017	<b>Background:</b> Johannesson (1959) has extensive experience in both investments and investment banking, and previously worked at Öhman Fondkommission. He is currently Chair of XVIVO Perfusion, Board member of Mentice and PG Advice.  <b>Number of shares:</b> 238,761 <b>Independency<sup>2</sup>:</b> Yes
	<b>Paul Madera</b> Director  Since 2019	<b>Background:</b> Madera (1956) is a General Partner at Meritech Capital Partners. He has prior experience from the US Air Force and holds an MBA from Stanford. Other assignments include board roles at DataStax, GuideCX, and Kinetica DB.  <b>Number of shares:</b> 1,948,827 <b>Independency<sup>2</sup>:</b> Yes
	<b>Ramanujam Shriram</b> Director  Since 2014	<b>Background:</b> Shriram (1957) is a veteran investor and board member at companies including Alphabet Inc., Paperless Post, and Abacus.AI. He is also Managing Director of Sherpalo Ventures.  <b>Number of shares:</b> 3,245,068 <b>Independency<sup>2</sup>:</b> Yes
	<b>Eola Änggård Runsten</b> Director  Since 2023	<b>Background:</b> Änggård Runsten (1965) has served as CFO at AcadeMedia, SEB Wealth Management, and Affibody Biotechnology. Current roles include Chair of Caybon Holding and board member of Softronic, Mentice, and ILT Group.  <b>Number of shares:</b> 2,000 <b>Independency<sup>2</sup>:</b> Yes

Source: ABG Sundal Collier, data from Yubico's latest annual report

1) Including Bure Equity's holding of shares and sponsor warrants in the company.

2) Independent in relation to Yubico and its management, and not independent in relation to major shareholders.



Income Statement (SEKm)	2018	2019	2020	2021	2022	2023	2024	2025e	2026e	2027e
Sales	-	-	606	867	1,551	1,827	2,326	2,313	2,607	3,121
COGS	-	-	-83	-158	-354	-369	-429	-493	-545	-618
Gross profit	0	0	523	710	1,197	1,459	1,898	1,820	2,062	2,503
Other operating items	0	0	-753	-777	-994	-1,246	-1,424	-1,521	-1,630	-1,864
<b>EBITDA</b>	<b>0</b>	<b>0</b>	<b>-230</b>	<b>-67</b>	<b>203</b>	<b>213</b>	<b>473</b>	<b>299</b>	<b>432</b>	<b>639</b>
Depreciation and amortisation	0	0	0	0	0	-33	-36	-41	-44	-47
of which leasing depreciation	-	-	0	0	0	-19	-19	-19	-19	-19
<b>EBITA</b>	<b>0</b>	<b>0</b>	<b>-230</b>	<b>-67</b>	<b>203</b>	<b>179</b>	<b>438</b>	<b>257</b>	<b>387</b>	<b>592</b>
EO Items	-	-	0	0	0	-87	0	0	0	0
Impairment and PPA amortisation	0	0	0	0	0	0	0	0	0	0
<b>EBIT</b>	<b>-</b>	<b>-</b>	<b>-230</b>	<b>-67</b>	<b>203</b>	<b>179</b>	<b>438</b>	<b>257</b>	<b>387</b>	<b>592</b>
Net financial items	0	0	-2	11	2	1	25	-45	-20	-15
<b>Pretax profit</b>	<b>0</b>	<b>0</b>	<b>-233</b>	<b>-56</b>	<b>206</b>	<b>180</b>	<b>462</b>	<b>212</b>	<b>367</b>	<b>577</b>
Tax	-	-	-5	-4	39	-50	-90	-52	-92	-144
<b>Net profit</b>	<b>0</b>	<b>0</b>	<b>-237</b>	<b>-60</b>	<b>244</b>	<b>131</b>	<b>372</b>	<b>160</b>	<b>276</b>	<b>432</b>
Minority interest	-	-	-	-	-	-	-	-	-	-
Net profit discontinued	-	-	0	0	0	0	0	0	0	0
<b>Net profit to shareholders</b>	<b>0</b>	<b>0</b>	<b>-237</b>	<b>-60</b>	<b>244</b>	<b>131</b>	<b>372</b>	<b>160</b>	<b>276</b>	<b>432</b>
EPS	-	-	-	-	4.79	1.52	4.17	1.86	3.25	5.10
EPS adj.	-	-	-	-	4.79	2.25	4.17	1.86	3.25	5.10
Total extraordinary items after tax	0	0	0	0	0	-63	0	0	0	0
Leasing payments	-	-	0	0	0	-20	-21	-19	-19	-19
<i>Tax rate (%)</i>	--	--	-2.0	-6.7	-18.8	27.5	19.6	24.5	25.0	25.0
<i>Gross margin (%)</i>	--	--	86.3	81.8	77.2	79.8	81.6	78.7	79.1	80.2
<i>EBITDA margin (%)</i>	--	--	-38.0	-7.7	13.1	11.6	20.4	12.9	16.6	20.5
<i>EBITA margin (%)</i>	--	--	-38.0	-7.7	13.1	9.8	18.8	11.1	14.9	19.0
<i>EBIT margin (%)</i>	--	--	-38.0	-7.7	13.1	9.8	18.8	11.1	14.9	19.0
<i>Pre-tax margin (%)</i>	--	--	-38.4	-6.5	13.3	9.9	19.9	9.2	14.1	18.5
<i>Net margin (%)</i>	--	--	-39.1	-6.9	15.8	7.1	16.0	6.9	10.6	13.9
<b>Growth Rates y-o-y</b>	-	-	-	-	-	-	-	-	-	-
<i>Sales growth (%)</i>	--	--	--	43.1	78.9	17.8	27.3	-0.6	12.7	19.7
<i>EBITDA growth (%)</i>	--	--	--	-70.9	-403.7	4.5	122.8	-36.9	44.6	48.0
<i>EBITA growth (%)</i>	--	--	--	-70.9	-403.7	-11.9	144.3	-41.2	50.6	52.7
<i>EBIT growth (%)</i>	--	--	--	-70.9	-403.7	-11.9	nm	-41.2	50.6	52.7
<i>Net profit growth (%)</i>	--	--	--	-74.6	-505.6	-46.6	184.6	-56.8	71.8	56.9
<i>EPS growth (%)</i>	--	--	--	--	--	-68.3	nm	-55.4	74.9	56.9
<b>Profitability</b>	-	-	-	-	-	-	-	-	-	-
<i>ROE (%)</i>	--	--	-101.8	-13.4	41.8	14.1	27.6	10.1	16.1	21.3
<i>ROE adj. (%)</i>	--	--	-101.8	-13.4	41.8	20.9	27.6	10.1	16.1	21.3
<i>ROCE (%)</i>	--	--	-86.7	-8.9	32.4	18.3	34.6	15.7	22.0	28.4
<i>ROCE adj. (%)</i>	--	--	-86.7	-13.0	31.6	26.9	31.1	15.7	22.0	28.4
<i>ROIC (%)</i>	--	--	-222.8	-32.5	72.1	25.3	54.8	27.7	41.4	60.0
<i>ROIC adj. (%)</i>	--	--	-222.8	-32.5	72.1	37.7	54.8	27.7	41.4	60.0
<b>Adj. earnings numbers</b>	-	-	-	-	-	-	-	-	-	-
EBITDA adj.	0	0	-230	-67	203	300	473	299	432	639
<i>EBITDA adj. margin (%)</i>	--	--	-38.0	-7.7	13.1	16.4	20.4	12.9	16.6	20.5
EBITDA lease adj.	0	0	-230	-67	203	279	453	280	413	620
<i>EBITDA lease adj. margin (%)</i>	--	--	-38.0	-7.7	13.1	15.3	19.5	12.1	15.8	19.9
EBITA adj.	0	0	-230	-67	203	266	438	257	387	592
<i>EBITA adj. margin (%)</i>	--	--	-38.0	-7.7	13.1	14.6	18.8	11.1	14.9	19.0
EBIT adj.	0	0	-230	-67	203	266	438	257	387	592
<i>EBIT adj. margin (%)</i>	--	--	-38.0	-7.7	13.1	14.6	18.8	11.1	14.9	19.0
Pretax profit Adj.	0	0	-233	-56	206	267	462	212	367	577
Net profit Adj.	0	0	-237	-60	244	194	372	160	276	432
Net profit to shareholders adj.	0	0	-237	-60	244	194	372	160	276	432
<i>Net adj. margin (%)</i>	--	--	-39.1	-6.9	15.8	10.6	16.0	6.9	10.6	13.9

Source: ABG Sundal Collier, Company Data

Cash Flow (SEKm)	2018	2019	2020	2021	2022	2023	2024	2025e	2026e	2027e
EBITDA	0	0	-230	-67	203	213	473	299	432	639
Net financial items	0	0	-2	11	2	1	25	-45	-20	-15
Paid tax	0	0	-5	-4	-11	-21	-97	-52	-92	-144
Non-cash items	0	0	-164	-45	4	55	37	0	0	0
Cash flow before change in WC	0	0	-402	-105	198	248	438	202	320	480
Change in working capital	0	0	142	52	-166	-134	-94	7	7	-69

Cash Flow (SEKm)	2018	2019	2020	2021	2022	2023	2024	2025e	2026e	2027e
<b>Operating cash flow</b>	-	-	-260	-53	33	114	344	209	327	411
Capex tangible fixed assets	-	-	0	-8	-18	-13	-47	-15	-15	-17
Capex intangible fixed assets	-	-	-9	-1	-0	-0	-12	-15	-17	-19
Acquisitions and Disposals	0	0	0	0	0	0	0	0	0	0
<b>Free cash flow</b>	<b>0</b>	<b>0</b>	<b>-269</b>	<b>-63</b>	<b>14</b>	<b>101</b>	<b>285</b>	<b>179</b>	<b>295</b>	<b>375</b>
Dividend paid	-	-	0	0	0	-3,803	0	0	0	0
Share issues and buybacks	0	0	312	10	6	143	0	-126	-63	0
Leasing liability amortisation	-	-	0	0	0	-20	-21	-19	-19	-19
Other non-cash items	0	0	213	2	62	3,831	49	0	-0	0
Balance Sheet (SEKm)	2018	2019	2020	2021	2022	2023	2024	2025e	2026e	2027e
Goodwill	-	-	0	0	0	0	0	0	0	0
Other intangible assets	0	0	15	13	10	7	15	20	25	30
Tangible fixed assets	-	-	19	21	32	30	32	35	36	39
Right-of-use asset	-	-	0	0	0	33	51	51	51	51
Total other fixed assets	0	0	3	8	59	67	92	92	92	92
Fixed assets	0	0	36	42	102	138	189	197	203	211
Inventories	-	-	199	208	168	501	690	659	704	796
Receivables	-	-	177	133	418	192	415	347	391	468
Other current assets	-	-	26	88	150	103	90	90	97	110
Cash and liquid assets	-	-	318	264	283	547	824	859	1,072	1,429
<b>Total assets</b>	<b>0</b>	<b>0</b>	<b>756</b>	<b>736</b>	<b>1,122</b>	<b>1,481</b>	<b>2,209</b>	<b>2,152</b>	<b>2,467</b>	<b>3,013</b>
Shareholders equity	0	0	466	436	733	1,123	1,566	1,601	1,814	2,246
Minority	-	-	0	0	0	0	0	0	0	0
<b>Total equity</b>	<b>0</b>	<b>0</b>	<b>466</b>	<b>436</b>	<b>733</b>	<b>1,123</b>	<b>1,566</b>	<b>1,601</b>	<b>1,814</b>	<b>2,246</b>
Long-term debt	-	-	0	52	39	26	0	0	0	0
Pension debt	-	-	0	0	0	0	0	0	0	0
Convertible debt	-	-	0	0	0	0	0	0	0	0
Leasing liability	0	0	0	0	0	35	52	52	52	52
Total other long-term liabilities	0	0	0	3	4	3	14	14	14	14
Short-term debt	-	-	65	13	13	13	0	0	0	0
Accounts payable	-	-	27	40	86	67	45	46	78	109
Other current liabilities	0	0	197	192	248	215	532	438	509	592
<b>Total liabilities and equity</b>	<b>0</b>	<b>0</b>	<b>756</b>	<b>736</b>	<b>1,122</b>	<b>1,481</b>	<b>2,209</b>	<b>2,152</b>	<b>2,467</b>	<b>3,013</b>
Net IB debt	0	0	-255	-207	-291	-541	-864	-899	-1,112	-1,468
Net IB debt excl. pension debt	0	0	-255	-207	-291	-541	-864	-899	-1,112	-1,468
Net IB debt excl. leasing	0	0	-255	-207	-291	-576	-916	-951	-1,164	-1,521
Capital employed	0	0	531	501	785	1,197	1,619	1,653	1,866	2,299
Capital invested	0	0	211	229	442	582	702	702	702	778
Working capital	0	0	177	197	403	515	618	611	604	673
<b>EV breakdown</b>	-	-	-	-	-	-	-	-	-	-
Market cap. diluted (m)	0	0	0	0	6,314	10,659	11,031	10,684	10,498	10,498
Net IB debt adj.	0	0	-255	-207	-291	-541	-864	-899	-1,112	-1,468
Market value of minority	0	0	0	0	0	0	0	0	0	0
Reversal of shares and participations	0	0	0	0	0	0	0	0	0	0
Reversal of conv. debt assumed equity	-	-	-	-	-	-	-	-	-	-
<b>EV</b>	<b>0</b>	<b>0</b>	<b>-255</b>	<b>-207</b>	<b>6,023</b>	<b>10,119</b>	<b>10,167</b>	<b>9,785</b>	<b>9,386</b>	<b>9,030</b>
Total assets turnover (%)	--	--	160.4	116.3	167.0	140.4	126.1	106.1	112.9	113.9
Working capital/sales (%)	--	--	14.6	21.6	19.4	25.1	24.4	26.6	23.3	20.5
<b>Financial risk and debt service</b>	-	-	-	-	-	-	-	-	-	-
Net debt/equity (%)	--	--	-54.8	-47.6	-39.7	-48.1	-55.2	-56.1	-61.3	-65.4
Net debt / market cap (%)	--	--	--	--	-4.8	-5.1	-8.1	-8.6	-10.8	-14.2
Equity ratio (%)	--	--	61.7	59.2	65.3	75.8	70.9	74.4	73.5	74.6
Net IB debt adj. / equity (%)	--	--	-54.8	-47.6	-39.7	-48.1	-55.2	-56.1	-61.3	-65.4
Current ratio	--	--	2.49	2.83	2.94	4.56	3.50	4.03	3.85	4.00
EBITDA/net interest	--	--	99.6	6.4	84.8	193.2	19.2	6.7	21.6	42.6
Net IB debt/EBITDA (x)	--	--	1.1	3.1	-1.4	-2.5	-1.8	-3.0	-2.6	-2.3
Net IB debt/EBITDA lease adj. (x)	--	--	1.1	3.1	-1.4	-2.1	-2.0	-3.4	-2.8	-2.5
Interest coverage	--	--	99.6	6.4	84.8	162.8	17.8	5.7	19.4	39.4

Source: ABG Sundal Collier, Company Data

Share Data (SEKm)	2018	2019	2020	2021	2022	2023	2024	2025e	2026e	2027e
Actual shares outstanding	-	-	0	0	49	86	86	85	83	83
Actual shares outstanding (avg)	0	0	0	0	49	86	86	85	83	83



Share Data (SEKm)	2018	2019	2020	2021	2022	2023	2024	2025e	2026e	2027e
All additional shares	0	0	0	0	49	37	0	-1	-2	0
Issue month	-	-	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Assumed dil. of shares from conv.	-	-	0	0	0	0	0	0	0	0
As. dil. of shares from conv. (avg)	-	-	0	0	0	0	0	0	0	0
Conv. debt not assumed as equity	-	-	0	0	0	0	0	0	0	0
No. of warrants	-	-	0	0	0	0	0	0	0	0
Market value per warrant	-	-	0	0	0	0	0	0	0	0
Dilution from warrants	-	-	0	0	2	0	3	2	2	2
Issue factor	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Actual dividend per share	-	-	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2.00
Reported earnings per share	-	-	0.00	0.00	0.00	1.52	4.17	1.86	3.25	5.10

Source: ABG Sundal Collier, Company Data

Valuation and Ratios (SEKm)	2018	2019	2020	2021	2022	2023	2024	2025e	2026e	2027e
Shares outstanding adj.	0	0	0	0	49	86	86	85	83	83
Diluted shares adj.	0	0	0	0	51	86	89	86	85	85
EPS	-	-	-	-	4.79	1.52	4.17	1.86	3.25	5.10
Dividend per share	-	-	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2.00
EPS adj.	-	-	-	-	4.79	2.25	4.17	1.86	3.25	5.10
BVPS	-	-	-	-	14.37	13.04	17.58	18.55	21.39	26.49
BVPS adj.	-	-	-	-	14.17	12.96	17.41	18.32	21.10	26.14
Net IB debt/share	-	-	-	-	-5.70	-6.28	-9.70	-10.42	-13.11	-17.32
Share price	123.80	123.80	123.80	123.80	123.80	123.80	123.80	123.80	123.80	123.80
Market cap. (m)	0	0	0	0	6,116	10,659	10,672	10,498	10,313	10,313
<b>Valuation</b>	-	-	-	-	-	-	-	-	-	-
P/E (x)	--	--	--	--	25.8	81.6	29.7	66.6	38.1	24.3
EV/sales (x)	--	--	-0.4	-0.2	3.9	5.5	4.4	4.2	3.6	2.9
EV/EBITDA (x)	--	--	1.1	3.1	29.6	47.6	21.5	32.8	21.7	14.1
EV/EBITA (x)	--	--	1.1	3.1	29.6	56.5	23.2	38.0	24.2	15.3
EV/EBIT (x)	--	--	1.1	3.1	29.6	56.5	23.2	38.0	24.2	15.3
Dividend yield (%)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.6
FCF yield (%)	0.0	0.0	0.0	0.0	0.2	0.9	2.6	1.7	2.8	3.6
Le. adj. FCF yld. (%)	0.0	0.0	0.0	0.0	0.2	0.8	2.4	1.5	2.6	3.4
P/BVPS (x)	--	--	--	--	8.62	9.49	7.04	6.67	5.79	4.67
P/BVPS adj. (x)	123.80	123.80	123.80	123.80	8.46	9.55	6.88	6.64	5.76	4.65
P/E adj. (x)	--	--	--	--	25.8	55.0	29.7	66.6	38.1	24.3
EV/EBITDA adj. (x)	--	--	1.1	3.1	29.6	33.8	21.5	32.8	21.7	14.1
EV/EBITA adj. (x)	--	--	1.1	3.1	29.6	38.0	23.2	38.0	24.2	15.3
EV/EBIT adj. (x)	--	--	1.1	3.1	29.6	38.0	23.2	38.0	24.2	15.3
EV/CE (x)	--	--	-0.5	-0.4	7.7	8.5	6.3	5.9	5.0	3.9
<b>Investment ratios</b>	-	-	-	-	-	-	-	-	-	-
Capex/sales (%)	--	--	1.5	1.1	1.2	0.7	2.5	1.3	1.2	1.2
Capex/depreciation	--	--	--	--	--	0.9	3.5	1.3	1.3	1.3
Capex tangibles / tangible fixed assets	--	--	0.7	38.6	55.5	43.4	147.2	43.5	41.7	44.2
Capex intangibles / definite intangibles	--	--	61.1	8.7	4.2	2.8	83.0	76.1	68.8	64.0
Depreciation on intang / def. intang	--	--	0.0	0.0	0.0	40.3	31.3	50.8	48.6	47.1
Depreciation on tangibles / tangibles	--	--	0.0	0.0	0.0	39.4	39.1	36.2	37.5	37.7

Source: ABG Sundal Collier, Company Data

## Analyst Certification

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	Research Coverage	Investment Banking Clients (IBC)	
	% of	% of	% of
Total of Rating	Total Rating	Total IBC	Total Rating by Type
<b>BUY</b>	59.80%	22%	9.36%
<b>HOLD</b>	35.62%	7%	5.00%
<b>SELL</b>	3.82%	0%	0.00%

IBC: Companies in respect of which ABG SC or an affiliate has received compensation for investment banking services within the past 12 months.

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## Stock price, company ratings and target price history

Company: Yubico

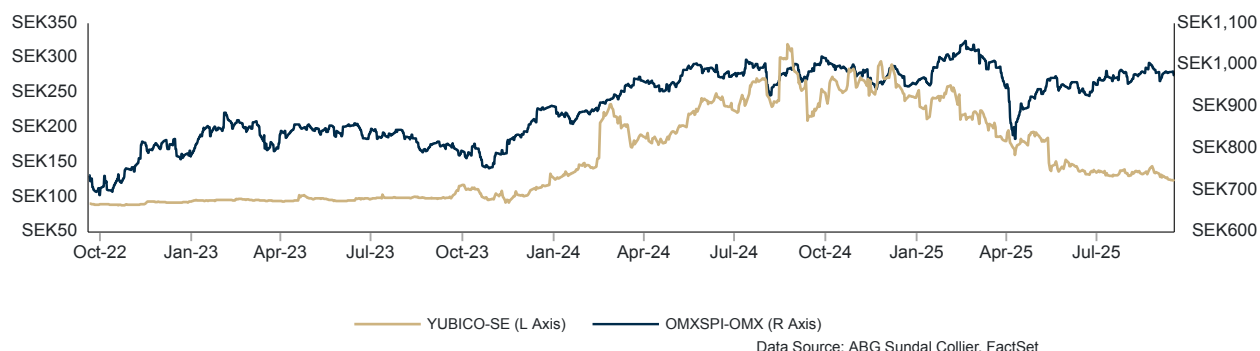
Currency: SEK

Current Recommendation: BUY

Date: 16/9/2025

Current Target price: 160.00

Current Share price: 123.80



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Production of recommendation: 9/17/2025 05:42.

All prices are as of market close on 16 September, 2025 unless otherwise noted.

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