

---

---

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

---

**FORM 8-K**

---

**CURRENT REPORT  
Pursuant to Section 13 or 15(d)  
of The Securities Exchange Act of 1934**

**Date of Report (Date of earliest event reported)  
August 6, 2024**

---

**QUALYS, INC.**  
(Exact name of registrant as specified in its charter)

---

**Delaware  
(State or other jurisdiction  
of incorporation)**

**001-35662  
(Commission  
File Number)**

**77-0534145  
(IRS Employer  
Identification No.)**

**919 E. Hillsdale Boulevard, 4th Floor  
Foster City, California 94404  
(Address of principal executive offices, including zip code)**

**(650) 801-6100  
(Registrant's telephone number, including area code)**

**(Former name or former address, if changed since last report)**

---

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

| Title of each class                       | Trading Symbol(s) | Name of each exchange on which registered |
|---|-------------------|---|
| Common stock, \$0.001 par value per share | QLYS              | The NASDAQ Stock Market LLC               |

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (17 CFR §230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR §240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

---

---

**Item 2.02 Results of Operations and Financial Condition.**

On August 6, 2024, Qualys, Inc. (“Qualys”) issued a press release announcing its financial results for the quarter ended June 30, 2024. In the press release, Qualys also announced that it will hold a conference call on August 6, 2024, to discuss its financial results for the quarter ended June 30, 2024. The full text of the press release is attached hereto as Exhibit 99.1 and is incorporated herein by reference.

This information is intended to be furnished under Item 2.02 of Form 8-K, “Results of Operations and Financial Condition” and shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such a filing.

**Item 9.01 Financial Statements and Exhibits.**

(d) Exhibits.

| Exhibit No. | Description  |
|-------------|--|
| 99.1        | <a href="#">Press release issued by Qualys, Inc. dated August 6, 2024</a>                                |
| 104         | Cover Page Interactive Data File (the cover page XBRL tags are embedded within the Inline XBRL document) |

---

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

**QUALYS, INC.**

**By:** /s/ JOO MI KIM

Name: Joo Mi Kim

Title: Chief Financial Officer

Date: August 6, 2024



## Qualys Announces Second Quarter 2024 Financial Results

*Revenue Growth of 8% Year-Over-Year*  
*GAAP EPS: \$1.17; Non-GAAP EPS: \$1.52*

**FOSTER CITY, Calif., – August 6, 2024** – Qualys, Inc. (NASDAQ: QLYS), a leading provider of disruptive cloud-based IT, security and compliance solutions, today announced financial results for the second quarter ended June 30, 2024. For the quarter, the Company reported revenues of \$148.7 million, net income under United States Generally Accepted Accounting Principles (“U.S. GAAP”) of \$43.8 million, non-GAAP net income of \$56.9 million, Adjusted EBITDA of \$69.9 million, GAAP net income per diluted share of \$1.17, and non-GAAP net income per diluted share of \$1.52.

“We delivered a strong quarter of rapid innovation on the Qualys Enterprise TruRisk Platform, reflecting our ongoing commitment to extend our technology leadership and customer success,” said Sumedh Thakar, president and CEO of Qualys. “Our comprehensive multi-sensor architecture and rapid innovation engine underscore our growing thought leadership and the value proposition we deliver to customers seeking to transform, consolidate, and fortify their security posture. We believe Qualys has created strong competitive differentiation and is strategically well positioned as the foundational risk management platform for the future with multiple avenues to drive sustainable long-term growth.”

### Second Quarter 2024 Financial Highlights

**Revenues:** Revenues for the second quarter of 2024 increased by 8% to \$148.7 million compared to \$137.2 million for the same quarter in 2023.

**Gross Profit:** GAAP gross profit for the second quarter of 2024 increased by 11% to \$122.3 million compared to \$110.5 million for the same quarter in 2023. GAAP gross margin was 82% for the second quarter of 2024 compared to 81% for the same quarter in 2023. Non-GAAP gross profit for the second quarter of 2024 increased by 11% to \$124.9 million compared to \$113.0 million for the same quarter in 2023. Non-GAAP gross margin was 84% for the second quarter of 2024 compared to 82% for the same quarter in 2023.

**Operating Income:** GAAP operating income for the second quarter of 2024 increased by 12% to \$48.1 million compared to \$42.8 million for the same quarter in 2023. As a percentage of revenues, GAAP operating income was 32% for the second quarter of 2024 compared to 31% for the same quarter in 2023. Non-GAAP operating income for the second quarter of 2024 increased by 11% to \$65.9 million compared to \$59.6 million for the same quarter in 2023. As a percentage of revenues, non-GAAP operating income was 44% for the second quarter of 2024 compared to 43% for the same quarter in 2023.

**Net Income:** GAAP net income for the second quarter of 2024 increased by 24% to \$43.8 million, or \$1.17 per diluted share, compared to \$35.4 million, or \$0.95 per diluted share, for the same quarter in 2023. As a percentage of revenues, GAAP net income was 29% for the second quarter of 2024 compared to 26% for the same quarter in 2023. Non-GAAP net income for the second quarter of 2024 was \$56.9 million, or \$1.52 per diluted share, compared to \$47.5 million, or \$1.27 per diluted share, for the same quarter in 2023. As a percentage of revenues, non-GAAP net income was 38% for the second quarter of 2024 compared to 35% for the same quarter in 2023.

**Adjusted EBITDA:** Adjusted EBITDA (a non-GAAP financial measure) for the second quarter of 2024 increased by 6% to \$69.9 million compared to \$65.8 million for the same quarter in 2023. As a percentage of revenues, Adjusted EBITDA was 47% for the second quarter of 2024 compared to 48% for the same quarter in 2023.

**Operating Cash Flow:** Operating cash flow for the second quarter of 2024 decreased by 3% to \$49.8 million compared to \$51.5 million for the same quarter in 2023. As a percentage of revenues, operating cash flow was 34% for the second quarter of 2024 compared to 38% for the same quarter in 2023.

## Second Quarter 2024 Business Highlights

- Reinforced Qualys' commitment to the Managed Security Service Provider (MSSP) channel by launching a new global MSSP portal to streamline partner operations with a single-user interface that helps accelerate client acquisition and growth.
- Delivered CyberSecurity Asset Management 3.0 with significant External Attack Surface Management (EASM) enhancements for an accurate, real-time view of asset inventory that reduces false positives.
- Qualys' VMDR was named the best vulnerability management solution by the prestigious SC Awards Europe.
- Expanded our focus on the government sector by accelerating support for federal zero-trust strategies through automated asset visibility and attack surface risk management aligning with the Federal Information Security Modernization Act (FISMA) guidelines. Additionally, Qualys hosted more than 200 attendees at its first Public Sector Cyber Risk Conference in Washington, D.C., with notable speakers from the public sector.
- Introduced Qualys' Containerized Scanner Appliance (QCSA) providing agility, flexibility, scalability, isolation, and standardization of Docker containers, an invaluable tool for modern IT environments.
- Expanded File Integrity Monitoring (FIM) to support network devices, providing customers with comprehensive tracking of file and folder changes, as well as critical file access. This includes real-time File Access Monitoring and Agentless FIM to help organizations achieve Payment Card Industry - Data Security Standard (PCI DSS) 4.0 compliance.

## Financial Performance Outlook

Based on information as of today, August 6, 2024, Qualys is issuing the following financial guidance for the third quarter and full year fiscal 2024. The Company emphasizes that the guidance is subject to various important cautionary factors referenced in the sections entitled "Legal Notice Regarding Forward-Looking Statements" and "Non-GAAP Financial Measures" below.

**Third Quarter 2024 Guidance:** Management expects revenues for the third quarter of 2024 to be in the range of \$149.8 million to \$151.8 million, representing 5% to 7% growth over the same quarter in 2023. GAAP net income per diluted share is expected to be in the range of \$0.85 to \$0.93, which assumes an effective income tax rate of 22%. Non-GAAP net income per diluted share is expected to be in the range of \$1.28 to \$1.36, which assumes a non-GAAP effective income tax rate of 21%. Third quarter 2024 net income per diluted share estimates are based on approximately 37.4 million weighted average diluted shares outstanding for the quarter.

**Full Year 2024 Guidance:** Management now expects revenues for the full year of 2024 to be in the range of \$597.5 million to \$601.5 million, representing 8% growth over 2023. This compares to the previous guidance range of \$601.5 million to \$608.5 million. GAAP net income per diluted share is expected to be in the range of \$3.85 to \$4.01, up from the previous guidance range of \$3.26 to \$3.50. This assumes an effective income tax rate of 21%. Non-GAAP net income per diluted share is expected to be in the range of \$5.46 to \$5.62, up from the previous guidance range of \$5.06 to \$5.30. This assumes a non-GAAP effective income tax rate of 21%. Full year 2024 net income per diluted share estimates are based on approximately 37.5 million weighted average diluted shares outstanding.

Qualys has not reconciled non-GAAP net income per diluted share guidance to GAAP net income per diluted share guidance because Qualys does not provide guidance on the various reconciling cash and non-cash items between GAAP net income and non-GAAP net income (i.e., stock-based compensation, amortization of intangible assets from acquisitions and non-recurring items). The actual dollar amount of reconciling items in the third quarter and full year 2024 is likely to have a significant impact on the Company's GAAP net income per diluted share in the third quarter and full year 2024. A reconciliation of the non-GAAP net income per diluted share guidance to the GAAP net income per diluted share guidance is not available without unreasonable effort.

## Investor Conference Call

Qualys will host a conference call and live webcast to discuss its second quarter financial results at 5:00 p.m. Eastern Time (2:00 p.m. Pacific Time) on Tuesday, August 6, 2024. To access the conference call by phone, please register [here](#). A live webcast of the earnings conference call, investor presentation and prepared remarks can be accessed at <https://investor.qualys.com/events-presentations>. A replay of the conference call will be available through the same webcast link following the end of the call.

## **Investor Contact**

Blair King  
Vice President, Investor Relations and Corporate Development  
(650) 538-2088  
[ir@qualys.com](mailto:ir@qualys.com)

## **About Qualys**

Qualys, Inc. (NASDAQ: [QLYS](#)) is a leading provider of disruptive cloud-based Security, Compliance and IT solutions with more than 10,000 subscription customers worldwide, including a majority of the Forbes Global 100 and Fortune 100. Qualys helps organizations streamline and consolidate their security and compliance solutions onto a single platform for greater agility, better business outcomes, and substantial cost savings.

The Qualys Enterprise TruRisk Platform leverages a single agent to continuously deliver critical security intelligence while enabling enterprises to automate the full spectrum of vulnerability detection, compliance, and protection for IT systems, workloads and web applications across on premises, endpoints, servers, public and private clouds, containers, and mobile devices. Founded in 1999 as one of the first SaaS security companies, Qualys has strategic partnerships and seamlessly integrates its vulnerability management capabilities into security offerings from cloud service providers, including Amazon Web Services, the Google Cloud Platform and Microsoft Azure, along with a number of leading managed service providers and global consulting organizations. For more information, please visit [www.qualys.com](http://www.qualys.com).

*Qualys, Qualys VMDR<sup>®</sup> and the Qualys logo are proprietary trademarks of Qualys, Inc. All other products or names may be trademarks of their respective companies.*

## **Legal Notice Regarding Forward-Looking Statements**

This press release contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Forward-looking statements generally relate to future events or our future financial or operating performance. Forward-looking statements in this press release include, but are not limited to, quotations of management and statements related to: the benefits of our existing, new and upcoming products, features, integrations, acquisitions, collaborations and joint solutions, and their impact upon our long-term growth; our ability to advance our value proposition and competitive differentiation in the market; our ability to address demand trends; our ability to maintain and strengthen our category leadership; our ability to solve modern security challenges at scale; our strategies and ability to achieve and maintain durable profitable growth; our guidance for revenues, GAAP EPS and non-GAAP EPS for the third quarter and full year 2024; and our expectations for the number of weighted average diluted shares outstanding and the GAAP and non-GAAP effective income tax rate for the third quarter and full year 2024. Our expectations and beliefs regarding these matters may not materialize, and actual results in future periods are subject to risks and uncertainties that could cause actual results to differ materially from those projected. These risks include our ability to continue to develop platform capabilities and solutions; the ability of our platform and solutions to perform as intended; customer acceptance and purchase of our existing solutions and new solutions; real or perceived defects, errors or vulnerabilities in our products or services; our ability to retain existing customers and generate new customers; the budgeting cycles and seasonal buying patterns of our customers; general market, political, economic and business conditions in the United States as well as globally; our ability to manage costs as we increase our customer base and the number of our platform solutions; the market for cloud solutions for IT security and compliance not increasing at the rate we expect; competition from other products and services; fluctuations in currency exchange rates; unexpected fluctuations in our effective income tax rate on a GAAP and non-GAAP basis; our ability to effectively manage our rapid growth and our ability to anticipate future market needs and opportunities; and any unanticipated accounting charges. The forward-looking statements contained in this press release are also subject to other risks and uncertainties, including those more fully described in our filings with the Securities and Exchange Commission, including our Annual Report on Form 10-K and Quarterly Reports on Form 10-Q.

The forward-looking statements in this press release are based on information available to Qualys as of the date hereof, and Qualys disclaims any obligation to update any forward-looking statements, except as required by law.

## **Non-GAAP Financial Measures**

In addition to reporting financial results in accordance with GAAP, Qualys provides investors with certain non-GAAP financial measures, including non-GAAP gross profit, non-GAAP gross margin, non-GAAP operating expenses, non-GAAP operating income, non-GAAP net income, non-GAAP net income per diluted share, Adjusted EBITDA (defined as earnings before interest expense, interest income and other income (expense), net, income taxes, depreciation, amortization, and stock-based compensation) and non-GAAP free cash flows (defined as cash provided by operating activities less purchases of property and equipment, net of proceeds from disposal).

In computing non-GAAP financial measures, Qualys excludes the effects of stock-based compensation expense, amortization of intangible assets from acquisitions, non-recurring items and for non-GAAP net income, certain tax effects. Qualys believes that these non-GAAP financial measures help illustrate underlying trends in its business that could otherwise be masked by the effect of the income or expenses that are excluded in non-GAAP gross profit, non-GAAP gross margin, non-GAAP operating expenses, non-GAAP operating income, non-GAAP net income, non-GAAP net income per diluted share, Adjusted EBITDA and non-GAAP free cash flows.

Furthermore, Qualys uses some of these non-GAAP financial measures to establish budgets and operational goals for managing its business and evaluating its performance. Qualys believes that non-GAAP gross profit, non-GAAP gross margin, non-GAAP operating expenses, non-GAAP operating income, non-GAAP net income, non-GAAP net income per diluted share, Adjusted EBITDA and non-GAAP free cash flows provide additional tools for investors to use in comparing its recurring core business operating results over multiple periods with other companies in its industry.

Although Qualys does not focus on or use quarterly billings in managing or monitoring the performance of its business, Qualys provides calculated current billings (defined as total revenues recognized in a period plus the sequential change in current deferred revenue in the corresponding period) for the convenience of investors and analysts in building their own financial models.

In order to provide a more complete picture of recurring core operating business results, the Company's non-GAAP net income and non-GAAP net income per diluted share include adjustments for non-recurring income tax items and certain tax effects of non-GAAP adjustments to achieve the effective income tax rate on a non-GAAP basis. The Company's non-GAAP effective tax rate may differ from the GAAP effective income tax rate as a result of these income tax adjustments. The Company believes its estimated non-GAAP effective income tax rate of 21% in 2024 is a reasonable estimate under its current global operating structure and core business operations. The Company may adjust this rate during the year to take into account events or trends that it believes materially impact the estimated annual rate. The non-GAAP effective income tax rate could be subject to change for a number of reasons, including but not limited to, significant changes resulting from tax legislation, material changes in geographic mix of revenues and expenses and other significant events.

The presentation of this non-GAAP financial information is not intended to be considered in isolation or as a substitute for results prepared in accordance with GAAP. A reconciliation of the non-GAAP financial measures discussed in this press release to the most directly comparable GAAP financial measures is included with the financial statements contained in this press release. Management uses both GAAP and non-GAAP information in evaluating and operating its business internally and as such has determined that it is important to provide this information to investors.

**Qualys, Inc.**  
**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**  
**(unaudited)**  
**(in thousands, except per share data)**

|   | Three Months Ended<br>June 30, |            | Six Months Ended<br>June 30, |            |
|---|--------------------------------|------------|------------------------------|------------|
|   | 2024                           | 2023       | 2024                         | 2023       |
| Revenues  | \$ 148,708                     | \$ 137,209 | \$ 294,513                   | \$ 267,892 |
| Cost of revenues <sup>(1)</sup>                                 | 26,415                         | 26,662     | 53,613                       | 53,616     |
| Gross profit  | 122,293                        | 110,547    | 240,900                      | 214,276    |
| Operating expenses:   |                                |            |                              |            |
| Research and development <sup>(1)</sup>                         | 27,119                         | 27,424     | 54,649                       | 55,219     |
| Sales and marketing <sup>(1)</sup>                              | 32,146                         | 26,241     | 61,554                       | 51,869     |
| General and administrative <sup>(1)</sup>                       | 14,960                         | 14,055     | 31,868                       | 29,183     |
| Total operating expenses  | 74,225                         | 67,720     | 148,071                      | 136,271    |
| Income from operations  | 48,068                         | 42,827     | 92,829                       | 78,005     |
| Other income (expense), net:                                    |                                |            |                              |            |
| Interest income   | 6,703                          | 3,809      | 12,826                       | 6,206      |
| Other expense, net  | (587)                          | (959)      | (1,986)                      | (1,175)    |
| Total other income, net   | 6,116                          | 2,850      | 10,840                       | 5,031      |
| Income before income taxes                                      | 54,184                         | 45,677     | 103,669                      | 83,036     |
| Income tax provision  | 10,412                         | 10,295     | 20,166                       | 18,549     |
| Net income  | \$ 43,772                      | \$ 35,382  | \$ 83,503                    | \$ 64,487  |
| Net income per share:   |                                |            |                              |            |
| Basic   | \$ 1.19                        | \$ 0.96    | \$ 2.26                      | \$ 1.75    |
| Diluted   | \$ 1.17                        | \$ 0.95    | \$ 2.22                      | \$ 1.72    |
| Weighted average shares used in computing net income per share: |                                |            |                              |            |
| Basic   | 36,915                         | 36,842     | 36,935                       | 36,954     |
| Diluted   | 37,464                         | 37,435     | 37,594                       | 37,551     |
| <sup>(1)</sup> Includes stock-based compensation as follows:    |                                |            |                              |            |
| Cost of revenues  | \$ 1,866                       | \$ 1,717   | \$ 3,886                     | \$ 3,309   |
| Research and development  | 5,160                          | 5,103      | 10,463                       | 10,063     |
| Sales and marketing   | 3,632                          | 2,897      | 7,371                        | 5,351      |
| General and administrative                                      | 6,428                          | 6,288      | 14,397                       | 13,315     |
| Total stock-based compensation, net of amounts capitalized      | \$ 17,086                      | \$ 16,005  | \$ 36,117                    | \$ 32,038  |



**Qualys, Inc.**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**  
**(unaudited)**  
**(in thousands)**

|   | <b>June 30,<br/>2024</b> | <b>December 31,<br/>2023</b> |
|---|--------------------------|------------------------------|
| <b>Assets</b>                               |                          |                              |
| Current assets:                             |                          |                              |
| Cash and cash equivalents                   | \$ 281,205               | \$ 203,665                   |
| Restricted cash                             | —                        | 1,500                        |
| Short-term marketable securities            | 112,004                  | 221,893                      |
| Accounts receivable, net                    | 109,584                  | 146,226                      |
| Prepaid expenses and other current assets   | 31,266                   | 26,714                       |
| Total current assets                        | 534,059                  | 599,998                      |
| Long-term marketable securities             | 162,058                  | 56,644                       |
| Property and equipment, net                 | 27,758                   | 32,599                       |
| Operating leases - right of use asset       | 44,100                   | 22,391                       |
| Deferred tax assets, net                    | 70,433                   | 62,761                       |
| Intangible assets, net                      | 8,172                    | 9,715                        |
| Goodwill                                    | 7,447                    | 7,447                        |
| Noncurrent restricted cash                  | 1,200                    | 1,200                        |
| Other noncurrent assets                     | 21,373                   | 19,863                       |
| Total assets                                | <u>\$ 876,600</u>        | <u>\$ 812,618</u>            |
| <b>Liabilities and Stockholders' Equity</b> |                          |                              |
| Current liabilities:                        |                          |                              |
| Accounts payable                            | \$ 1,277                 | \$ 988                       |
| Accrued liabilities                         | 36,095                   | 43,096                       |
| Deferred revenues, current                  | 324,334                  | 333,267                      |
| Operating lease liabilities, current        | 10,123                   | 11,857                       |
| Total current liabilities                   | 371,829                  | 389,208                      |
| Deferred revenues, noncurrent               | 28,812                   | 31,671                       |
| Operating lease liabilities, noncurrent     | 40,437                   | 16,885                       |
| Other noncurrent liabilities                | 7,727                    | 6,680                        |
| Total liabilities                           | 448,805                  | 444,444                      |
| Stockholders' equity:                       |                          |                              |
| Common stock                                | 37                       | 37                           |
| Additional paid-in capital                  | 623,939                  | 597,921                      |
| Accumulated other comprehensive loss        | (534)                    | (1,704)                      |
| Accumulated deficit                         | (195,647)                | (228,080)                    |
| Total stockholders' equity                  | 427,795                  | 368,174                      |
| Total liabilities and stockholders' equity  | <u>\$ 876,600</u>        | <u>\$ 812,618</u>            |

**Qualys, Inc.**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**(unaudited)**  
**(in thousands)**

|   | Six Months Ended<br>June 30, |            |
|---|------------------------------|------------|
|   | 2024                         | 2023       |
| Cash flow from operating activities:  |                              |            |
| Net income  | \$ 83,503                    | \$ 64,487  |
| Adjustments to reconcile net income to net cash provided by operating activities: |                              |            |
| Depreciation and amortization expense   | 10,019                       | 14,446     |
| Provision for credit losses   | 277                          | 160        |
| Loss on non-marketable securities   | —                            | 533        |
| Stock-based compensation, net of amounts capitalized                              | 36,117                       | 32,038     |
| Accretion of discount on marketable securities, net                               | (3,520)                      | (1,412)    |
| Deferred income taxes   | (8,165)                      | (9,122)    |
| Changes in operating assets and liabilities:                                      |                              |            |
| Accounts receivable   | 36,365                       | (3,277)    |
| Prepaid expenses and other assets   | (4,489)                      | (7,450)    |
| Accounts payable  | 229                          | (813)      |
| Accrued liabilities and other noncurrent liabilities                              | (3,215)                      | 8,736      |
| Deferred revenues   | (11,792)                     | 20,002     |
| Net cash provided by operating activities   | 135,329                      | 118,328    |
| Cash flow from investing activities:  |                              |            |
| Purchases of marketable securities  | (191,812)                    | (159,392)  |
| Sales and maturities of marketable securities                                     | 198,250                      | 167,120    |
| Purchases of property and equipment   | (3,077)                      | (5,455)    |
| Net cash provided by investing activities   | 3,361                        | 2,273      |
| Cash flow from financing activities:  |                              |            |
| Repurchase of common stock  | (53,017)                     | (108,817)  |
| Proceeds from exercise of stock options   | 5,970                        | 7,148      |
| Payments for taxes related to net share settlement of equity awards               | (17,711)                     | (9,494)    |
| Proceeds from issuance of common stock through employee stock purchase plan       | 3,608                        | 2,988      |
| Payment of acquisition-related holdback   | (1,500)                      | —          |
| Net cash used in financing activities   | (62,650)                     | (108,175)  |
| Net increase in cash, cash equivalents and restricted cash                        | 76,040                       | 12,426     |
| Cash, cash equivalents and restricted cash at beginning of period                 | 206,365                      | 176,419    |
| Cash, cash equivalents and restricted cash at end of period                       | \$ 282,405                   | \$ 188,845 |

**Qualys, Inc.**  
**RECONCILIATION OF NON-GAAP DISCLOSURES**  
**ADJUSTED EBITDA**  
**(unaudited)**  
**(in thousands, except percentages)**

|   | Three Months Ended<br>June 30, |           | Six Months Ended<br>June 30, |            |
|---|--------------------------------|-----------|------------------------------|------------|
|   | 2024                           | 2023      | 2024                         | 2023       |
| Net income  | \$ 43,772                      | \$ 35,382 | \$ 83,503                    | \$ 64,487  |
| Net income as a percentage of revenues                  | 29 %                           | 26 %      | 28 %                         | 24 %       |
| Depreciation and amortization of property and equipment | 4,009                          | 6,230     | 8,476                        | 12,902     |
| Amortization of intangible assets                       | 771                            | 772       | 1,543                        | 1,544      |
| Income tax provision                                    | 10,412                         | 10,295    | 20,166                       | 18,549     |
| Stock-based compensation                                | 17,086                         | 16,005    | 36,117                       | 32,038     |
| Total other income, net                                 | (6,116)                        | (2,850)   | (10,840)                     | (5,031)    |
| Adjusted EBITDA   | \$ 69,934                      | \$ 65,834 | \$ 138,965                   | \$ 124,489 |
| Adjusted EBITDA as a percentage of revenues             | 47 %                           | 48 %      | 47 %                         | 46 %       |

**Qualys, Inc.**  
**RECONCILIATION OF NON-GAAP DISCLOSURES**  
**(unaudited)**  
**(in thousands, except per share data)**

|   | Three Months Ended<br>June 30, |            | Six Months Ended<br>June 30, |            |
|---|--------------------------------|------------|------------------------------|------------|
|   | 2024                           | 2023       | 2024                         | 2023       |
| GAAP Cost of revenues   | \$ 26,415                      | \$ 26,662  | \$ 53,613                    | \$ 53,616  |
| Less: Stock-based compensation  | (1,866)                        | (1,717)    | (3,886)                      | (3,309)    |
| Less: Amortization of intangible assets                                 | (746)                          | (747)      | (1,493)                      | (1,494)    |
| Non-GAAP Cost of revenues   | \$ 23,803                      | \$ 24,198  | \$ 48,234                    | \$ 48,813  |
| GAAP Gross profit   | \$ 122,293                     | \$ 110,547 | \$ 240,900                   | \$ 214,276 |
| Plus: Stock-based compensation  | 1,866                          | 1,717      | 3,886                        | 3,309      |
| Plus: Amortization of intangible assets                                 | 746                            | 747        | 1,493                        | 1,494      |
| Non-GAAP Gross Profit   | \$ 124,905                     | \$ 113,011 | \$ 246,279                   | \$ 219,079 |
| GAAP Research and development   | \$ 27,119                      | \$ 27,424  | \$ 54,649                    | \$ 55,219  |
| Less: Stock-based compensation  | (5,160)                        | (5,103)    | (10,463)                     | (10,063)   |
| Less: Amortization of intangible assets                                 | (25)                           | (25)       | (50)                         | (50)       |
| Non-GAAP Research and development                                       | \$ 21,934                      | \$ 22,296  | \$ 44,136                    | \$ 45,106  |
| GAAP Sales and marketing  | \$ 32,146                      | \$ 26,241  | \$ 61,554                    | \$ 51,869  |
| Less: Stock-based compensation  | (3,632)                        | (2,897)    | (7,371)                      | (5,351)    |
| Non-GAAP Sales and marketing  | \$ 28,514                      | \$ 23,344  | \$ 54,183                    | \$ 46,518  |
| GAAP General and administrative   | \$ 14,960                      | \$ 14,055  | \$ 31,868                    | \$ 29,183  |
| Less: Stock-based compensation  | (6,428)                        | (6,288)    | (14,397)                     | (13,315)   |
| Non-GAAP General and administrative                                     | \$ 8,532                       | \$ 7,767   | \$ 17,471                    | \$ 15,868  |
| GAAP Operating expenses   | \$ 74,225                      | \$ 67,720  | \$ 148,071                   | \$ 136,271 |
| Less: Stock-based compensation  | (15,220)                       | (14,288)   | (32,231)                     | (28,729)   |
| Less: Amortization of intangible assets                                 | (25)                           | (25)       | (50)                         | (50)       |
| Non-GAAP Operating expenses   | \$ 58,980                      | \$ 53,407  | \$ 115,790                   | \$ 107,492 |
| GAAP Income from operations   | \$ 48,068                      | \$ 42,827  | \$ 92,829                    | \$ 78,005  |
| Plus: Stock-based compensation  | 17,086                         | 16,005     | 36,117                       | 32,038     |
| Plus: Amortization of intangible assets                                 | 771                            | 772        | 1,543                        | 1,544      |
| Non-GAAP Income from operations   | \$ 65,925                      | \$ 59,604  | \$ 130,489                   | \$ 111,587 |
| GAAP Net income   | \$ 43,772                      | \$ 35,382  | \$ 83,503                    | \$ 64,487  |
| Plus: Stock-based compensation  | 17,086                         | 16,005     | 36,117                       | 32,038     |
| Plus: Amortization of intangible assets                                 | 771                            | 772        | 1,543                        | 1,544      |
| Less: Tax adjustment  | (4,717)                        | (4,704)    | (9,513)                      | (9,440)    |
| Non-GAAP Net income   | \$ 56,912                      | \$ 47,455  | \$ 111,650                   | \$ 88,629  |
| GAAP Net income per share:  |                                |            |                              |            |
| Basic   | \$ 1.19                        | \$ 0.96    | \$ 2.26                      | \$ 1.75    |
| Diluted   | \$ 1.17                        | \$ 0.95    | \$ 2.22                      | \$ 1.72    |
| Non-GAAP Net income per share:  |                                |            |                              |            |
| Basic   | \$ 1.54                        | \$ 1.29    | \$ 3.02                      | \$ 2.40    |
| Diluted   | \$ 1.52                        | \$ 1.27    | \$ 2.97                      | \$ 2.36    |
| Weighted average shares used in GAAP and non-GAAP net income per share: |                                |            |                              |            |
| Basic   | 36,915                         | 36,842     | 36,935                       | 36,954     |
| Diluted   | 37,464                         | 37,435     | 37,594                       | 37,551     |

**Qualys, Inc.**  
**RECONCILIATION OF NON-GAAP DISCLOSURES**  
**FREE CASH FLOWS**  
**(unaudited)**  
**(in thousands)**

|  | <b>Six Months Ended</b> |                   |
|--|-------------------------|-------------------|
|  | <b>June 30,</b>         |                   |
|  | <b>2024</b>             | <b>2023</b>       |
| GAAP Cash flows provided by operating activities                   | \$ 135,329              | \$ 118,328        |
| Less:  |                         |                   |
| Purchases of property and equipment, net of proceeds from disposal | (3,077)                 | (5,455)           |
| Non-GAAP Free cash flows   | <u>\$ 132,252</u>       | <u>\$ 112,873</u> |

**Qualys, Inc.**  
**RECONCILIATION OF NON-GAAP DISCLOSURES**  
**CALCULATED CURRENT BILLINGS**  
**(unaudited)**  
**(in thousands, except percentages)**

|   | <b>Three Months Ended<br/>June 30,</b> |             |
|---|--|-------------|
|   | <b>2024</b>                            | <b>2023</b> |
| GAAP Revenue  | \$ 148,708                             | \$ 137,209  |
| GAAP Revenue growth compared to same quarter of prior year                | 8 %                                    | 14 %        |
| Plus: Current deferred revenue at June 30                                 | 324,334                                | 302,446     |
| Less: Current deferred revenue at March 31                                | (332,128)                              | (296,516)   |
| Non-GAAP Calculated current billings                                      | \$ 140,914                             | \$ 143,139  |
| Calculated current billings growth compared to same quarter of prior year | (2 %)                                  | 11 %        |