SWAEN CAPITAL

AvePoint Inc

Midyear Update

- 2Q headline beat: The 2Q26 results of AvePoint were largely positive with AvePoint's ARR, revenue, and Non-GAAP operating income ahead of management guidance and street consensus.
- The negative blip came from weaker-than-expected margins and a lowered FY26 guidance QoQ, largely attributed to FX headwinds and continued increased investment spending.
- AvePoint continued a high clip of share buybacks, spending another ~USD50mn repurchasing shares in 2Q26, bringing 1H26 share repurchases to USD111mn.
- The near-term margin trade-off is a conscious investment into the agentic AI governance opportunity, with AgentPulse traction a key point to watch as AvePoint competes to own the layer for agent management control.

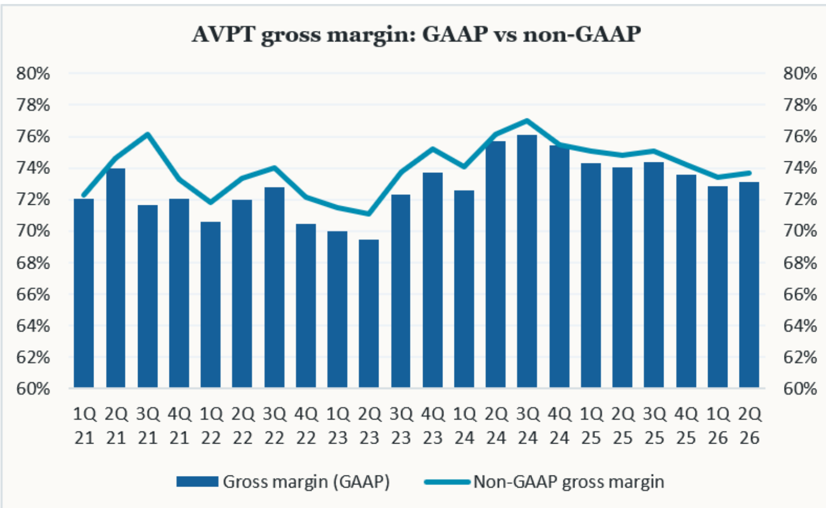
By the numbers...

Sales: 2Q26 revenue at 124.5mn is +22% YoY (21% constant FX) and came in ahead of management guidance, led by SaaS revenue growth at +27% YoY. SaaS now represents 79% of sales.

ARR growth has accelerated to +27% YoY (24% constant FX). Net new ARR increase of 29.9mn is a record high for the company.

On region basis, EMEA led ARR growth figures at +34% YoY versus APAC / America at 25%/21% YoY respectively. Across customer profiles, growth was led by major customers as large customer cohorts (>USD250k ARR) grew at or more than 30%, relative to broad ARR growth at 27% YoY.

GRR and NRR stayed the same from quarter to quarter at 89% / 111% (110% constant FX).



Source: Company

Margins: 2Q26 GPM% at 73.1% GAAP / 73.7% Non-GAAP is sequential improvement against 1Q26, but weaker versus 74% / 74.8% last year, which management cites as weaker gross margins of the service

17 August 2026

Snapshot (14 Aug 26)	
Ticker	AVPT / AVP
Bloomberg	AVPT US / AVPT SP
Refinitiv	AVPT.O / AVPT.SI
Current price (AVPT.O)	13.48
Current price (AVPT.SI)	17.52
Market cap (USDmn)	2,850
Market cap (SGDmn)	3,704
Current shares O/S (mn)	211.4
Rating	Unrated

Valuation (14 Aug 26)	
EV/Sales (x)	4.2x
EV/FCF (x)	19.3x

Source: LSEG

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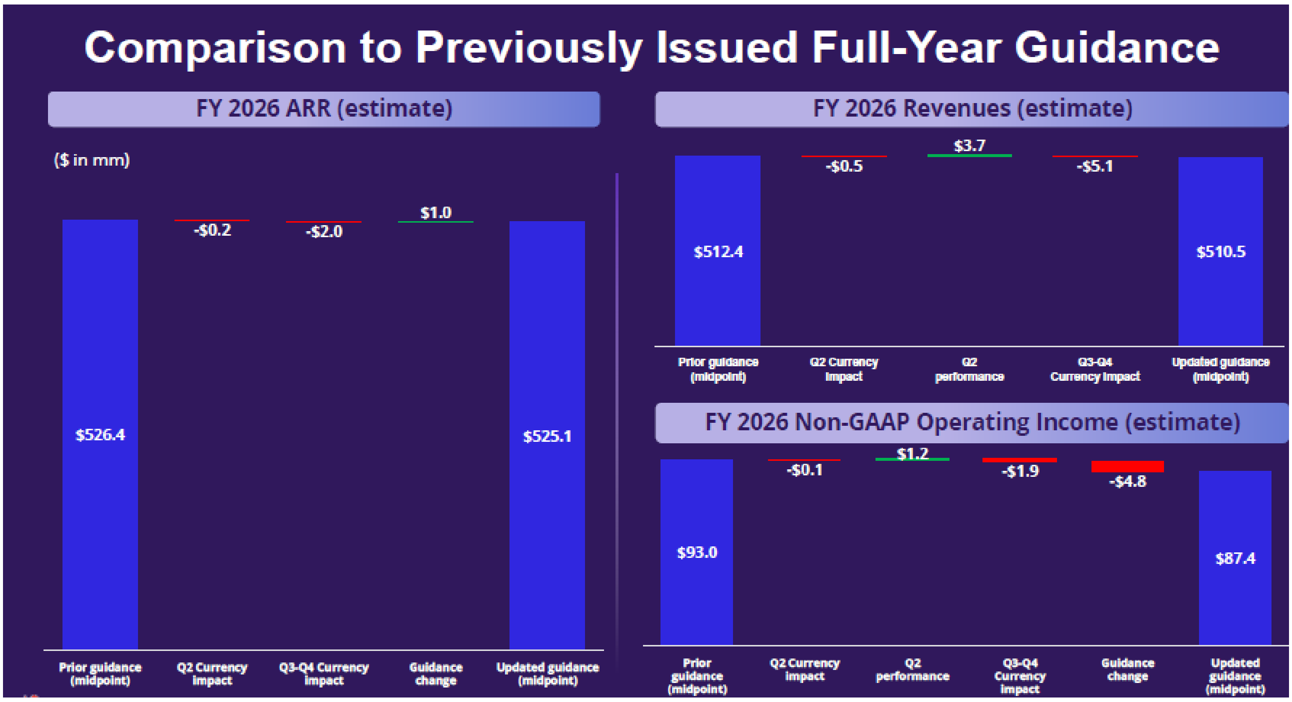
business, while the software business maintained 83% GPM%. Non-GAAP operating income at 20.3mn represents a 16.3% margin, ahead of management guidance but sequentially weaker than 4Q25/1Q26 following a step-up in marketing and R&D expense.

Metric	3Q26F Guide	Implied 4Q26F
Revenue guide — mid	**129.2**	**139.6**
Revenue guide YoY	*17.7%*	*21.7%*
NG op income guide — mid	**21.5**	**25.1**
NG op income margin	*16.6%*	*18.0%*

Metric pre-print	Street 3Q26F	Street 4Q26F
Revenue	**133.6**	**140.5**
Revenue YoY	*21.8%*	*22.5%*
Surprise (%)	**-3.3%**	**-0.7%**
EBIT	**26.2**	**27.1**
EBIT margin (%)	*19.6%*	*19.3%*
Surprise (%)	**-17.9%**	**-7.1%**

Source: Company, LSEG. EBIT used as closest proxy to NG op income.

Guide: AvePoint lowered their FY26 guidance across the board and illustrated that a bulk of guidance change was based on AvePoint's estimated FX headwind. As a result, the company's 3QFY26 midpoint guidance at 129.2mn of sales and 21.5mn Non-GAAP operating income came in below street estimates that were positioned for a beat-and-raise (2H26F of 274.1mn sales vs management midpoint implied 270.7mn sales prior to results).



Source: Company

Beyond the estimated FX impact from a weakened US dollar, another USD4.8mn was reduced from non-GAAP operating income guidance, as

AvePoint will look to step up R&D and marketing spend to pursue the growing AI governance opportunity.

AvePoint also continued high buyback activity in 2Q26, with another ~USD50mn spent to acquire 4.9mn shares, bringing 1H26 buyback count to 10.3mn shares for USD111.3mn, and 6 August-to-date spend at USD121.5mn. The board has refreshed the Share Purchase Program, with authorised amount of USD108.6mn as of 6 Aug 2026. The recent buying pace offsets dilution from equity incentive programs, with share count dropping a few hundred thousand QoQ.

What Changed

The hottest topic has been the proliferation of agentic AI. Microsoft reports that Agent 365 registered nearly 40mn agents in its first 2 months of operation since May 2026 General Availability launch; Salesforce reports Agentic Work Units at +111% QoQ, spending 28.6tn tokens, +152% QoQ in their 1QFY27 call. Early adopters of agentic workflow are seeing agent sprawl as an upcoming challenge. Gartner has carved out an “AI Agent Management Platforms” category to assist with vendor profiling and identification, with the prediction that by 2028, the average Fortune 500 company will use over 150,000 agents that need to be governed.

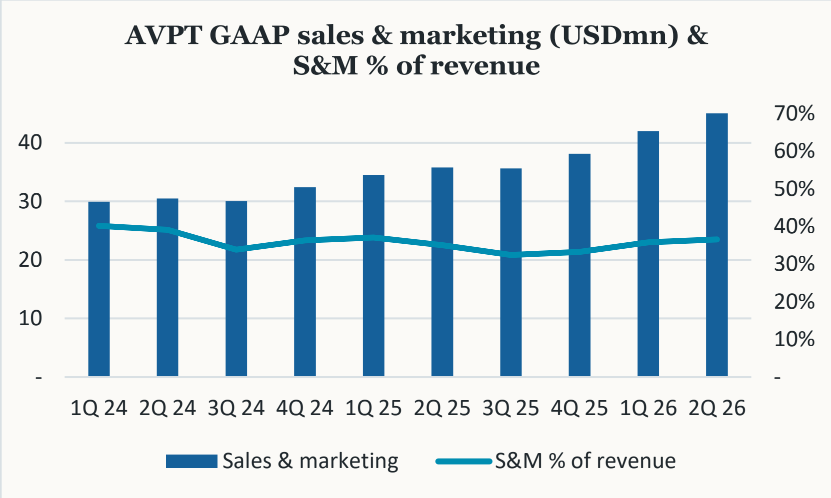
Correspondingly, AvePoint is seeing strong demand for AgentPulse and has made a couple changes in the quarter for their offering.

AvePoint shared in 2Q26 that AgentPulse supported:

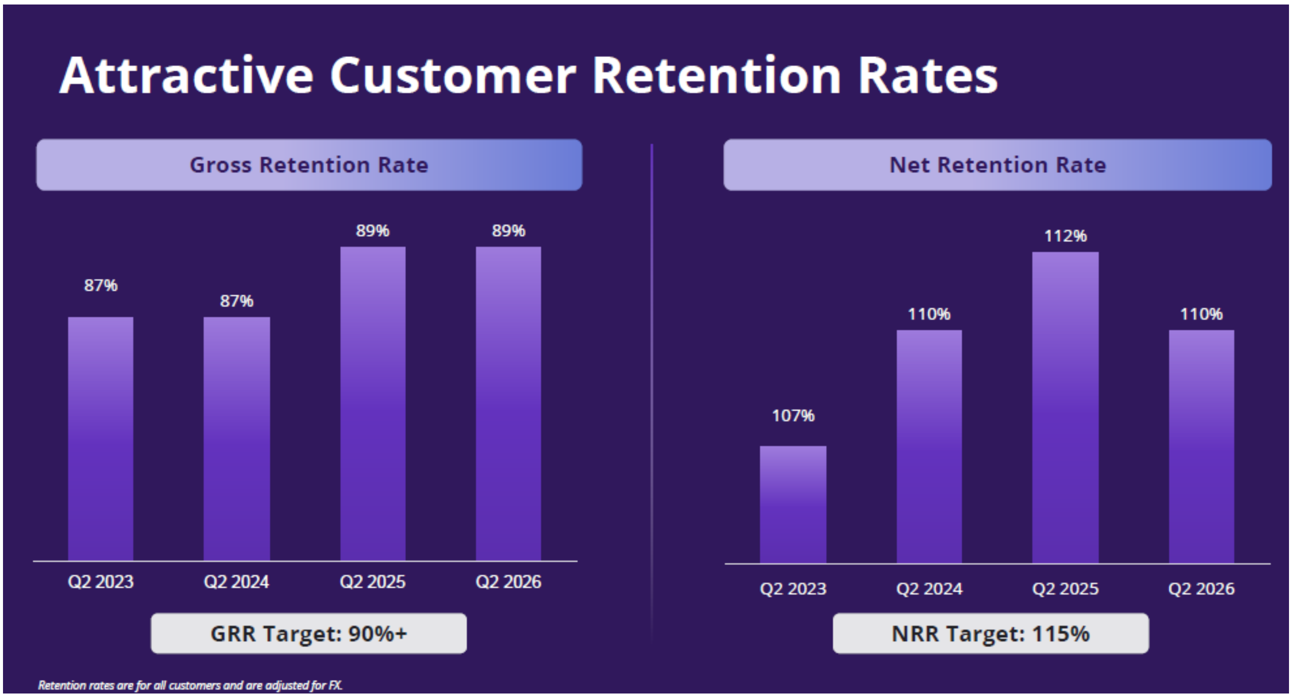
1) **Larger deal sizes**: Deals with AgentPulse are 2–3x larger in dollar value than standard deals
2) **Customers doubled**: Customers purchasing Control Suite package doubled QoQ from 1Q26 to 2Q26
3) **Agent counts**: The average AgentPulse customer has >5k active AI agents

In response to customer demand, AvePoint has now also launched AgentPulse on a standalone basis in early July 2026, outside of the initial Control suite bundle. It is currently offered with two pricing models (Base, Advanced), priced on a per-seat/per-user basis instead of per-agent basis, for simplicity of billing, as customers themselves aren’t sure of the number of agents in their environments.

Management believes that the opportunity is sufficiently attractive to sacrifice some FY26 margin progression to capture it, leading to ~110bps lowered FY26 Non-GAAP operating margin guidance of 17.1% versus the prior guide.



Source: Company



Source: Company

The question around AgentPulse is less about whether enterprises require AI governance, but whether which existing software's control platform will own it. Platform natives continue to extend basic agent control features. Meanwhile, other resilience vendors are also moving rapidly towards the same control point (Rubrik's Agent Cloud, Agent Identity; Commvault's AI Protect). The increased pipeline should lead to rising cross-sell opportunities that materialise in a higher NRR%, which is not evident yet in 1H26 as FX-adjusted NRR% falls back to 110%.

The R&D, marketing and brand of AvePoint's resilience capabilities have also been adapting alongside the resilience frontier with the framing of a "Minimum Viable Company", introduced and announcements of capabilities following AvePoint's showcase at Black Hat USA in early Aug 2026. Features introduced include:

- Kinetic Classification, a continuous sensitivity labelling to assist with agentic governance
- Rapid Recovery Wizard, pre-build and sequence recovery plans before incident, assisting with orchestration

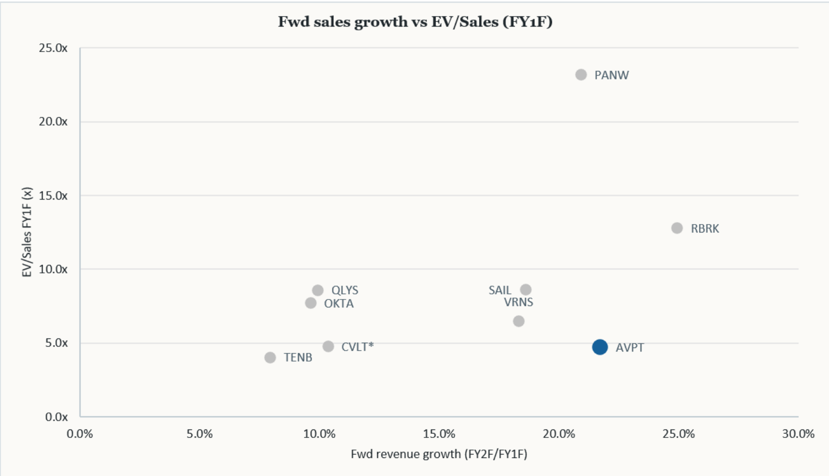
- Express Recovery for Entra ID, improving their identity recovery offering

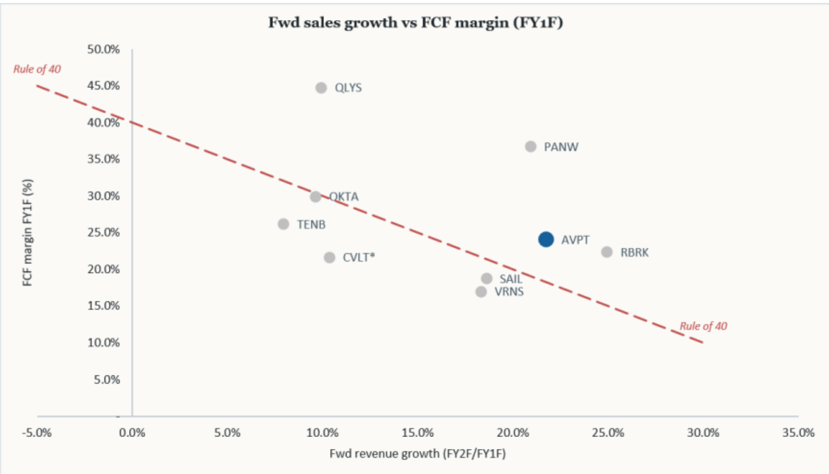
The improved service offerings further aid in differentiating AvePoint from platform natives and bring them closer to par with frontier service capabilities.

Valuation

Name	MktCap (USDmn)	Net debt (USDmn)	EV (USDmn)	Rev FY0 (USDmn)	Rev FY1F (USDmn)	Fwd rev growth %	EV/Sales FY1F(x)	FCF margin FY1F %
AvePoint Inc (Delaware)	2,909	-481	2,428	419	511	21.7%	4.8x	24.1%
Rubrik Inc	21,631	-545	21,085	1,316	1,644	24.9%	12.8x	22.4%
Commvault Systems Inc	6,262	-19	6,243	1,184	1,306	10.3%	4.8x	21.7%
Varonis Systems Inc	5,263	-469	4,794	624	738	18.3%	6.5x	17.0%
Okta Inc	26,931	-2,203	24,728	2,919	3,200	9.6%	7.7x	30.0%
Palo Alto Networks Inc	322,740	-2,903	319,837	11,395	13,777	20.9%	23.2x	36.7%
SailPoint Inc	11,338	-358	10,980	1,071	1,271	18.6%	8.6x	18.8%
Tenable Holdings Inc	4,409	-45	4,363	999	1,079	7.9%	4.0x	26.2%
Qualys Inc	6,776	-446	6,331	669	736	9.9%	8.6x	44.8%
Core Median (ex-AVPT)						**17.6%**	**8.8x**	**22.0%**
Core Mean (ex-AVPT)						**17.6%**	**8.8x**	**22.0%**
Median (ex-AVPT)						**14.3%**	**8.2x**	**24.3%**
Mean (ex-AVPT)						**15.1%**	**9.5x**	**27.2%**

RBRK/OKTA/SAIL: FY0/FY1 maps to years ending Jan-26/Jan-27
CVLT: Period=FY0/FY1 = years ending Mar-26/Mar-27 (~1 quarter behind Dec/Jan year-end peers)
PANW: 31-Jul FY end, so shown on FY1/FY2 (years ending Jul-26/Jul-27) rather than FY0/FY1





Source: LSEG

Valuations have largely risen 15–20% across the resilience and data security industry as capital rotates from the AI hardware infrastructure trade back into software. Continued execution and growth should stave off fears of AI obsolescence across the companies with irreplaceable offerings.

What We're Watching

Key driver	What we're watching	What would confirm	What would challenge
AgentPulse	Paid agent adoption / deal sizes	Continues driving increased deal sizes Rising NRR on cross-sell	Usage doesn't convert to revenue
SaaS growth	ARR / NRR / Control cross-sell	ARR stays mid-20s	ARR convergence toward revenue growth
Margins	S&M productivity	Growth accelerates after spending	Opex rises without ARR acceleration
Capital allocation	Buyback / SBC	Value-sensitive buybacks	SBC pickup

Source: Swaen Capital

Financial Summary

(USD, millions unless stated)	FY23A	FY24A	FY25A	1QFY26A	2QFY26A
INCOME STATEMENT					
Revenue	272	330	419	117	124
Cost of goods sold	(77)	(83)	(109)	(32)	(33)
Gross profit	**194**	**248**	**311**	**85**	**91**
Research & development	(36)	(49)	(53)	(14)	(17)
SG&A	(145)	(163)	(195)	(54)	(57)
Other operating income/(expense)	(29)	(29)	(30)	(5)	(7)
EBIT (GAAP)	**(15)**	**7**	**33**	**13**	**10**
Net interest (expense)/income	-	0	5	0	(1)
FX gain/(loss)	-	(1)	(6)	1	3
Other non-operating income/(expense)	(3)	6	9	3	0
Associates & JV	-	-	-	-	-
Exceptionals / one-offs	-	(37)	0	-	-
Pretax profit/(loss)	**(19)**	**(24)**	**41**	**17**	**12**
Income tax	(3)	(5)	(5)	(1)	16
Minority interests	(0)	0	(0)	-	-
Reported net profit	**(22)**	**(29)**	**35**	**15**	**28**
Stock-based compensation	36	39	39	7	10
Others	1	1	7	0	0
Non-GAAP operating income	**22**	**48**	**79**	**20**	**20**

Source: LSEG

(USD, millions unless stated)	FY23A	FY24A	FY25A	1QFY26A	2QFY26A
BALANCE SHEET					
Cash & ST investments	227	291	481	444	417
Accounts receivable	86	87	125	100	117
Inventory	-	-	-	-	-
Other current assets	13	17	20	18	23
Total current assets	**326**	**395**	**625**	**562**	**557**
Property, plant & equipment (net)	19	21	23	28	33
Intangibles	11	9	12	12	11
Investments in associates & JV	-	-	-	-	-
Other non-current assets	87	94	129	132	155
Total non-current assets	**117**	**124**	**164**	**172**	**200**
Total assets	**443**	**519**	**789**	**734**	**757**
Accounts payable	43	60	80	72	70
Short-term debt	-	-	-	-	-
Other current liabilities	133	163	193	189	209
Total current liabilities	**177**	**223**	**274**	**260**	**279**
Long-term debt	-	-	-	-	-
Other non-current liabilities	41	25	37	35	41
Total liabilities	**218**	**248**	**310**	**295**	**320**
Shareholders' equity	211	269	479	439	437
Minority interests	14	2	-	-	-
Total equity	**225**	**271**	**479**	**439**	**437**
Total liabilities & equity	**443**	**519**	**789**	**734**	**757**

Source: LSEG

(USD, millions unless stated)	FY23A	FY24A	FY25A	1QFY26A	2QFY26A
CASH FLOW					
Pretax profit/(loss)	(19)	(24)	41	17	12
Depreciation & amortisation	5	5	6	2	2
Change in working capital	(2)	29	(6)	(1)	(7)
Stock-based compensation	36	39	39	7	10
Other operating / non-cash	21	47	12	2	8
Tax paid	(6)	(7)	(7)	(3)	(9)
Cash flow from operations	**35**	**89**	**85**	**24**	**16**
Capex	(2)	(3)	(4)	(1)	(1)
Other investing	(4)	0	(17)	(0)	(1)
Cash flow from investing	**(6)**	**(3)**	**(20)**	**(2)**	**(2)**
Free cash flow	**33**	**86**	**82**	**23**	**15**
Dividends paid	-	-	-	-	-
Change in borrowings	(0)	(0)	(0)	(0)	(0)
Equity raised / (bought back)	(33)	(9)	124	(59)	(39)
Other financing	(0)	(7)	-	-	(2)
Cash flow from financing	**(34)**	**(16)**	**124**	**(59)**	**(41)**
Net change in cash	**(5)**	**71**	**189**	**(36)**	**(27)**

Source: LSEG

(USD, millions unless stated)	FY23A	FY24A	FY25A	1QFY26A	2QFY26A
VALUATION / KEY METRICS					
Market cap	1,508	3,204	2,987	2,015	2,370
Enterprise value (EV)	1,295	2,915	2,506	1,571	1,953
EV/Sales (x)	4.8x	8.8x	6.0x	3.5x	4.2x
EV/FCF (x)	39.7x	34.0x	30.7x	14.9x	19.3x
ARR	265	327	417	435	465
ARR growth (YoY%)	23.2%	23.6%	27.5%	26.0%	26.5%
NRR%	108%	110%	111%	111%	111%

Source: LSEG

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