

# Darktrace stock soars despite IPO cost backlash

Darktrace, the Cambridge cyber security AI company, watched its UK share price soar 44.43p (seven per cent) as it unveiled full year results to June 30 that showed massive revenue growth but huge losses related to its April IPO.

Stockholders were clearly backing future potential as they responded positively to a full-year revenue surge of 41.3 per cent to £281.34m.

They batted aside a net loss of almost £149.6m related to the IPO as Darktrace spelled out its potential global expansion in sales and operations. Darktrace is increasing its expectations for FY 2022 from those presented with its FY 2021 trading update.

The group has now confirmed strong sales trends exiting the second half of FY 2021, including a particularly strong June performance, and has seen early FY 2022 sales performance towards the upper end of its expectations. It is balancing this momentum with potential temporary sales productivity impacts that may occur as it evolves ways to expand and optimise its salesforce structure.

These efforts will begin in the second quarter of FY 2022 and are intended to support anticipated growth and continued scaling of its business.

Darktrace now expects year-on-year revenue growth of between 35 per cent and 37 per cent (previously 29 per cent to 32 per cent), driven by a year-over year increase in constant currency ARR of between 34 per cent and 36 per cent.

Darktrace also now expects that approximately 45-46 per cent of both its revenue and net constant currency ARR added will

be recognised in the first half of FY 2022.

CEO Poppy Gustafsson, said: “At our first full-year earnings, we are very pleased to report robust financial and operational performance and strong growth during the period.

“In this new era of cyber-threat, Darktrace is helping organisations from every industry sector, including providers of critical national infrastructure, to protect their digital assets, and avoid the serious disruption that cyber-attacks can cause.

“As the adoption of Self-Learning AI accelerates globally, we are also excited to be continually pushing the boundaries of innovation, extending the reach of our AI technology to new applications and use cases.

“From our world-class R & D centre in Cambridge, we are committed to delivering on a uniquely ambitious vision for the future of enterprise security.”

Darktrace recently revealed that it had joined the Microsoft Intelligent Security Association – an ecosystem of independent software vendors and Managed Security Services Providers that have integrated their security products with Microsoft’s to better defend against increasing cyber-threats. Darktrace was nominated to join for seamlessly integrating its autonomous detection, investigation and response capabilities into a number of Microsoft cloud and SaaS environments.

Darktrace’s immune system technology can be applied to all Microsoft 365 products – including Microsoft Exchange, OneDrive, SharePoint, and Teams – to autonomously defend joint customer environments from cyber-threats across cloud infrastructure and SaaS tools.

Darktrace AI also proactively protects users of Microsoft 365 email environments, defending against threats such as sophisticated spear phishing and supply chain attacks.

Combined with Microsoft's unlimited archiving, Self-Learning AI offers customers a watertight and efficient approach to email security, retention, and compliance.

In addition to the ability to integrate with Microsoft Azure Sentinel, Darktrace threat alerts and automated threat investigation reports can also be sent and visualised inside Sentinel with a bespoke Workbook.

Nicole Eagan, chief strategy officer, AI officer at Darktrace, said: "We are proud to be members of MISA. Where Microsoft runs, Darktrace protects and together we are empowering and augmenting human security teams with Self-Learning AI."