



Qualys Inc (QLYS) — Research Summary

Technology | Software - Infrastructure | 2026-08-05

Price: \$183.25

Signal: BUY (7.58/10)

Market: bull_tech

Equity Research Summary: Qualys Inc (QLYS)

Sector: Technology – Software (Infrastructure) | **Price:** \$183.25 | **Market Cap:** \$5.7B

1. COMPANY OVERVIEW & INVESTMENT THESIS

Qualys is a cloud-based cybersecurity company specializing in vulnerability management, compliance, and threat detection—helping enterprises identify and fix security weaknesses across their networks. The stock is compelling right now because the company just delivered a strong earnings beat, raised full-year guidance, and is expanding aggressively into AI security governance, riding a powerful tailwind in enterprise cyber spending.

2. FUNDAMENTAL SNAPSHOT

Valuation: Qualys trades at a trailing P/E of 27.7x, falling to 19.3x on a forward basis—a meaningful compression that reflects strong expected earnings growth. At roughly 8.3x sales and an EV of \$4.7B against ~\$0.2B EBITDA, the stock carries a premium valuation, though its ~46% adjusted EBITDA margin justifies part of that premium. This is not cheap, but pricing is reasonable for a high-margin software leader.

Earnings Trend: The track record is excellent—Qualys has beaten estimates in all four recent quarters, including a +22.8% beat in Q2 2026 (EPS \$1.56 vs. \$1.27 expected) and a +19.2% beat two quarters prior. Management raised 2026 revenue guidance to \$732–738 million, signaling confidence.

Growth & Margins: Revenue grew 11% year-over-year in the most recent quarter to \$182.2 million—an acceleration from the mid-single-digit growth seen earlier. Margins are best-in-class: gross margin of ~83%, operating margin above 35%, and a net profit margin near 29%.

Balance Sheet: Rock solid. With \$0.4B in cash against just \$0.1B in debt (D/E of 0.09), Qualys is in a net cash position and generates healthy free cash flow, funding ongoing buybacks.

3. TECHNICAL OUTLOOK

Qualys is trading near the top of its 52-week range of \$74.51–\$201.54, sitting at \$183.25—roughly 91% of its high and more than double its low. This reflects powerful momentum over the past year.

Momentum: Building. The stock surged following the early-August earnings beat and guidance raise, confirming buyer conviction. The strong upward move suggests the market is rewarding the improving growth story.

Levels to Watch: Resistance sits near the 52-week high of ~\$201.50; a break above could open further upside. Support can be expected on any pullback toward prior consolidation zones well below current levels, with the recent breakout area acting as the first line of defense.

4. NEWS & SENTIMENT

Overall Sentiment: Slightly Bullish

Recent news flow is dominated by strongly positive earnings coverage, tempered by valuation concerns from analysts.

Key Themes:

- **Earnings strength:** Multiple outlets highlighted the Q2 beat on both revenue and profit, plus the raised full-year outlook and "channel strength."
- **AI-driven innovation:** Qualys is expanding its product line with launches like InstaScan (rapid vulnerability detection) and TotalAI (AI security governance), and joined the CSA's AI security coalition—positioning it at the frontier of a fast-growing category.
- **Valuation caution:** Several pieces (Simply Wall St, Morgan Stanley) flagged that cybersecurity valuations, including QLYS, look stretched—one estimate suggested the stock may be up to 41% overvalued.

Market Narrative: Investors see a high-quality, highly profitable cybersecurity operator executing well, but debate whether the premium price already captures the good news. Notably, the analyst consensus target of \$133 sits well below the current price—a clear signal that Wall Street views the stock as ahead of itself.

5. BOTTOM LINE

Aerondight Systems Signal: BUY (7.58/10)

One-line thesis: Qualys is a profitable, cash-rich cybersecurity leader with accelerating revenue and strong earnings momentum, though its rich valuation demands strong continued execution.

Key upcoming catalyst: The next quarterly earnings report, where investors will look for confirmation that revenue growth and AI-product traction are sustaining.

Risk Level: Medium. Fundamentals and momentum are strong, and the balance sheet is pristine, but the elevated valuation and analyst price targets sitting well below the current price create meaningful downside risk if growth disappoints.

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