

NOMIOS

Preliminary perspectives
May 2022



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SENIOR EXECUTION TEAM ON CYBER SECURITY



EMMANUEL AMIOT

Partner
Telco & Cyber, Paris

- Leading OW Tech, Telco and Cyber practice for France
- 25 years of experience in strategy and transformation
- Led numerous due diligences in tech, ICT, Cyber and Telcos



THIERRY BONHOMME

Senior Advisor,
Cybersecurity - OBS

- Senior Advisor at Oliver Wyman since 2019
- Previous CEO of Orange Business Services, where he created 3 new growth domains: cloud, cyber defense, application & analytics
- Previous CEO of Orange Cyber Defense. Grew the Cyber Business for Orange
- Former Director of B2B in France Telecom, where he defined and setup French B2B strategy
- Cyber defense carve-outs in non-European geos



VIRGILE BERTOLA

Partner
Private Capital, Paris

- Head of Private capital for France and Belgium
- With Oliver Wyman since September 2018 with a strong focus on Due Diligences especially on technology targets
- More than 20 years of professional experience, half of which in key positions (Head of M&A, Head of Strategy, Head of Financial control) of large industrial & services groups (Nexans / La Poste)

1

OLIVER WYMAN CREDENTIALS

OLIVER WYMAN IS PART OF MARSH MCLENNAN, A US\$17 BN GLOBAL PROFESSIONAL SERVICES FIRM



Staff: 76,000¹

Annualized revenues: US \$17.2 BN¹

Clients in more than 130 countries

New York Stock Exchange (MMC)



**Insurance broker
and risk advisor**

- Risk management, consulting, and transfer
- Financial solutions and insurance program management services

1871 year founded

40,000+ colleagues

500+ offices worldwide

\$8.6 BN 2020 revenue



**Risk and reinsurance
specialist**

- Reinsurance and risk management
- Contract management, claims handling, and fiduciary accounting

1922 year founded

3,200+ colleagues

60+ offices worldwide

\$1.7 BN 2020 revenue



**Talent, health, retirement
and investment consulting**

- Personnel strategy
- HR systems
- Compensation
- Incentive systems
- Communication

1937 year founded

25,000+ colleagues

170+ offices worldwide

\$4.9 BN 2020 revenue



+ Lippincott

+ **NERA**
Economic Consulting

**Management, economic
and brand strategy consulting**

- Strategy
- Organization
- Operations
- Risk management
- Transformation management

1984 year founded

5,000+ colleagues

60+ offices worldwide















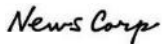





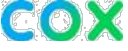






















































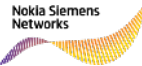






































\$2.0 BN 2020 revenue

1. As of Dec. 31st, 2020

COMMUNICATIONS, MEDIA AND TECHNOLOGY

Our partners have worked with or conducted due diligence on leading players across the digital landscape

Selection of Clients and Targets

Content, Advertising	                  
Service Providers	                            
Software, IT Services	                   
Hardware	              
Communications Infrastructure	<div> <p>Engin., Constr., & Infra. Mgmt.</p>     </div> <div> <p>Data Centers, CDNs</p>      </div> <div> <p>Fiber Networks</p>               </div> <div> <p>Towers, Small Cells, DAS</p>         </div>

OLIVER WYMAN HAS A DEDICATED GLOBAL CYBER RISK TEAM

Senior advisors have led the cyber programs for the likes of the White House, US Air Force, and JP Morgan Chase

Oliver Wyman cyber practice - global footprint



Example of profile

James 'Jim' Cummings

Senior Advisor

Digital, Technology & Analytics

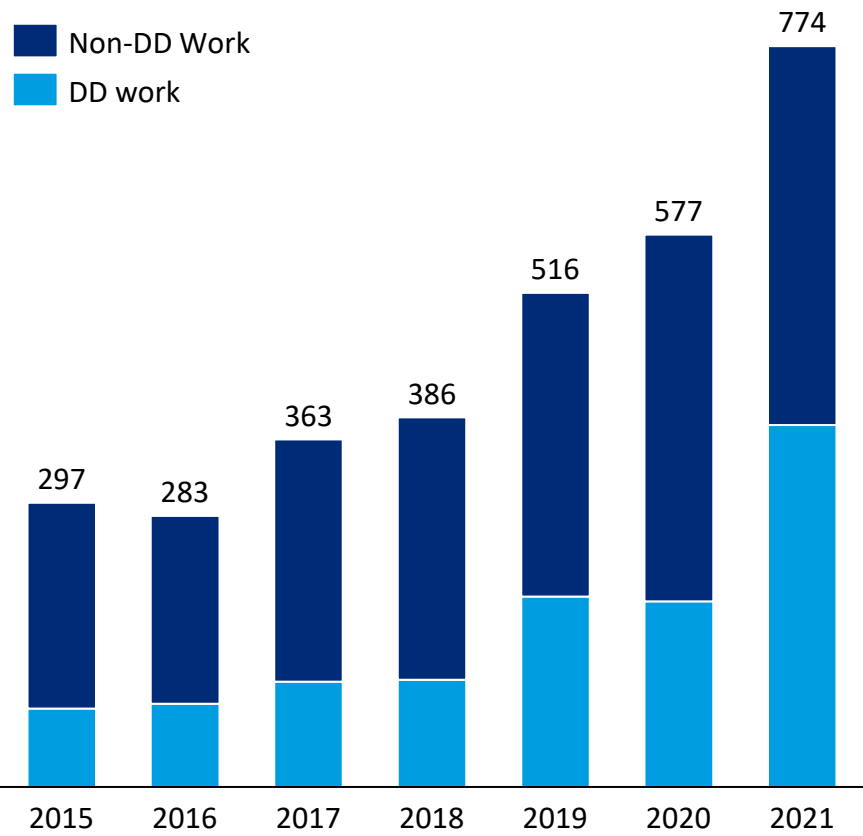


- For **JP Morgan Chase**, directed and executed physical and cyber security, investigations, and business resiliency efforts for over 240,000 employees in 60 countries and 6,500+ facilities worldwide.
- For the **President of the United States** and the National Security Advisor, served as an advisor on United States Homeland Defense policy, United States Air Force, and Department of Defense (DoD) cyberspace issues
- For the **Air Force**, led global computer network offense, defensive, and exploitation operations

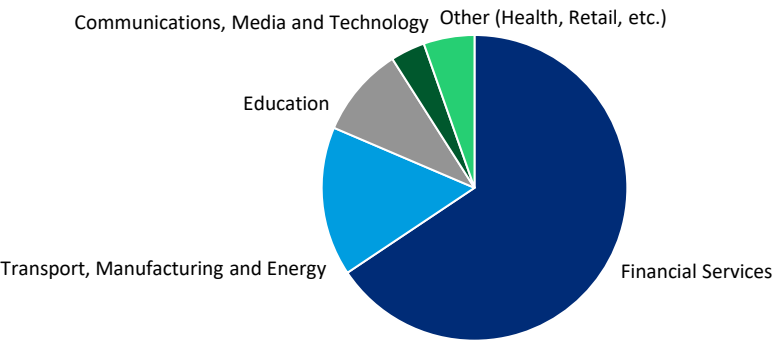
PRIVATE CAPITAL

Oliver Wyman has consistently supported in excess of 250 projects per year across the investment and M&A cycle

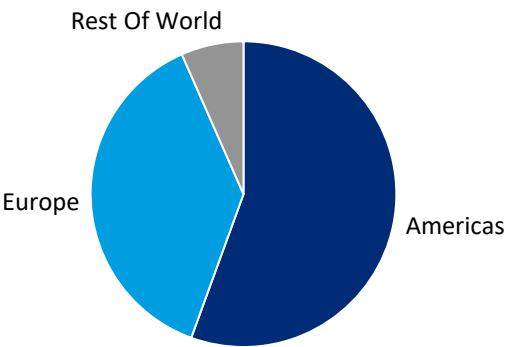
Oliver Wyman Private Capital projects
Number of projects (2015 – 2021)



DD projects by industry



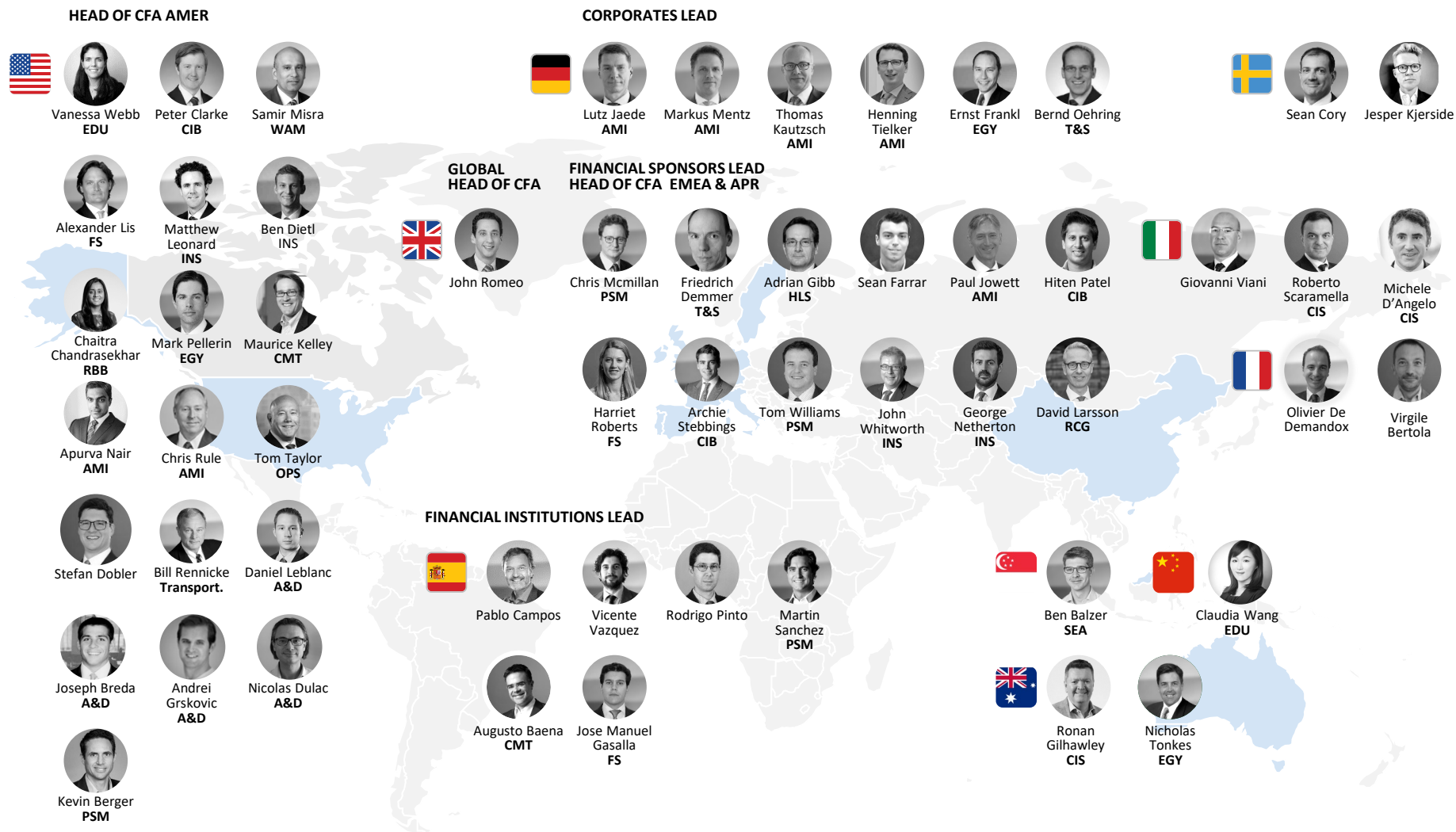
DD projects by region



Source: Oliver Wyman PC Credentials Database

PRIVATE CAPITAL PARTNERS: GLOBAL OVERVIEW

We have 54 partners globally, with 31 in Europe, 19 in the Americas and 4 in APR



REPRESENTATIVE SAMPLE OF PE FIRMS – THEY COME TO US FOR OUR DIFFERENTIATED EXPERTISE

250+
projects
annually

Illustrative selection of Oliver Wyman financial sponsor clients



2

PRELIMINARY VIEW ON NOMIOS

NOMIOS IS A LEADING SECURITY INTEGRATOR PROVIDING IT SOLUTIONS AND SERVICES TO PUBLIC AND CORPORATE INSTITUTIONS

BUSINESS OVERVIEW

- Nomios is a security-oriented IT integrator mainly covering 6 countries in Western Europe and one hub in New York
- It results from the merger between the Dutch Infradata and the French Nomios, that was acquired by Infradata in 2016
- Nomios accompanies clients in securing their networks and infrastructure through an offering of:
 - Security and networking solutions
 - Managed security or network services
 - Specific professional services (consulting, audits, etc.)
- The group relies on strategic partnerships with a significant number of industry solution vendors: Palo Alto Networks, Juniper Networks, Cisco, etc.

RECENT DEVELOPMENTS AND OWNERSHIP HISTORY

- 2016:** Nomios is acquired by Infradata
- 2018:** Acquisition of Infradata by IK Investment Partners from Waterland PE
- 2020:** Sebastien Kher, founder of Nomios, becomes Infradata's CEO
- 2021:** Full integration of Infradata activities under the Nomios name
- 2022:** partnership with EfficientIP on Cybersecurity

1. Before amortisation of intangible assets from acquisition

Sources: Press releases, Nomios website, Societeinfo, Oliver Wyman analysis

CORPORATE KPIS

€250M+

Revenues generated in Europe

7

Offices in W. Europe and U.S.

c. ¾ of sales estimated to be done in France and the Netherlands

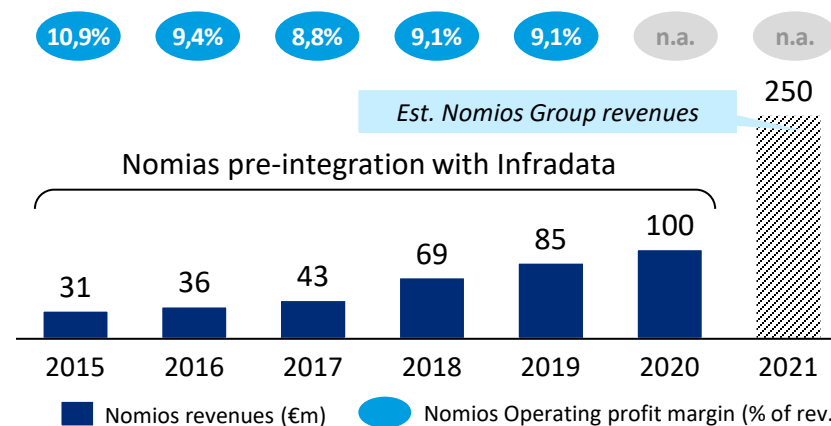
+500

Employees worldwide

2 500+

Clients throughout the world

REVENUES AND OPERATING PROFIT¹ MARGIN €M & % OF REV. (2015-21)



NOMIOS HAS 3 BUSINESS LINES: THE 1ST IS FOCUSED ON OUTSOURCED IT SERVICES, THE 2ND ON AUDIT & CONSULTING AND THE 3RD ON SOLUTIONS IMPLEMENTATION

Network solutions, Infradata core business, estimated to still represent more than 40 % of the total business

Business lines	Key Services	Marketed value proposition
Managed services 	<ul style="list-style-type: none"> • Outsourced security or network functions related to network, operations or workplace security • Tailor-made solutions to support IT teams 	<ul style="list-style-type: none"> • 24/7 monitoring and management for threat identification and mitigation • Dedicated team of network experts • State-of-the-art network technology
Professional services 	<ul style="list-style-type: none"> • Audit & assessment services for security, network, wireless and cloud • Technology consulting: delivering and implementing IT-related solutions 	<ul style="list-style-type: none"> • European talent pool of 50+ consultants / advisers • Strategic partnerships with 40% of leading tech vendors • Full range of internal and external risk assessments
Security solutions 	<ul style="list-style-type: none"> • Security services and tools with implementation by dedicated experts • Portfolio of 25+ solutions to cover a wide range of security frameworks and concepts: SASE, DDOS, ZTNA, XDR, EPP, IAM, SOAR, etc. 	<ul style="list-style-type: none"> • Direct expert access to certified engineers and 24/7 mission critical support • Powerful ecosystem of specific partnerships with leading vendors for each solution
Network solutions 	<ul style="list-style-type: none"> • All-encompassing fundamental network solutions with implementation by dedicated experts • Enterprise networking & wireless, secure SD-WAN, data centre & cloud networking, service provider networking, 5G & mobile solutions 	<ul style="list-style-type: none"> • Development of tailor-made solutions for customers • Peer-to-peer engagement to foster engagement and deliver efficiently

Sources: Press releases, Nomios website, Oliver Wyman analysis

NOMIOS WORKS WITH A WIDE RANGE OF CLIENTS IN ALL INDUSTRIES, AND IS SUPPORTED BY A NUMBER OF RELIABLE VENDOR PARTNERS

Our preliminary understanding is that Infradata and Nomios Vendor policy have not been harmonized yet

Nomios has a broad client base spanning all industries



Source: Nomios website

© Oliver Wyman

...and relies on 35+ vendor partnerships to support them



PRELIMINARY VIEW ON NOMIOS: A SUCCESSFUL PLAYER WITH A STRONG CLIENTS PORTFOLIO ON A DYNAMIC MARKET THAT NEEDS TO BE FURTHER INTEGRATED 1/2

Preliminary SWOT analysis

Strengths:

- Fast-growing player (consistent >20% sales growth per year)
- Sizeable player on the Cybersecurity space (with 2 SOC's)
- Strong Cybersecurity expertise (especially in France)
- Strong customer base especially on mid market targets and partner base
- Economic model: each country manager is shareholder of Nomios

Weaknesses:

- Still 40 % of business on Network solutions
- Not strong innovator (Resale 50 % product of other)
- Lack of homogeneity between the different offers in the different countries. Still weak in the UK and Germany
- Level of overall integration between Nomios and Infradata (Infradata staff turnover understood to be high)

Opportunities:

- Build-up opportunities in Europe to carry on current dynamic
- Focus on higher added value services to increase EBITDA margin above 10 % of sales
- Increase share of recurring revenues above 35 %
- Grow in the US

Threats:

- Competitive market with few sizeable targets available to consolidate
- Ability to attract talents if the external perception is not enough positive

PRELIMINARY VIEW ON NOMIOS: A SUCCESSFUL PLAYER WITH A STRONG CLIENTS PORTFOLIO ON A DYNAMIC MARKET THAT NEEDS TO BE FURTHER INTEGRATED 2/2

Key topics to be deep dived to better qualify the asset

MARKET

- **Market offering and client perception** of Nomios in each of the 7 countries (what is their exact offering and its homogeneity across countries / how are they perceived by client's vs key competitors)
- Assessment of **potential M&A targets** for future external developments to accelerate growth in key geographies

TARGET

- Review Nomios **governance and level of integration / transversality across countries** of its management chain
- Confirm **Nomios value proposition** on Cybersecurity key segments and its differentiation from competitors like OCD or Exclusive Network
- Clarification of **Nomios Vendor policy** (especially Nomios vs Infradata) and the quality of the relationship with its key partners
- Nomios **attractiveness as an employer** especially in France and the Netherlands and review current turnover rates
- Assessment of Nomios' **profitability per segment** (risk of profitable infra legacy contracts at risk in case of cloud migration)
- Review **quality of integration of past acquisitions**

3

CYBERSECURITY MARKET PERSPECTIVES

THE CYBERSECURITY MARKET WILL CONTINUE TO KNOW A STRONG GROWTH OVER NEXT YEARS, DUE TO STRUCTURAL TRENDS

Selected elements driving the cyber market growth

INCREASING NUMBER OF CYBER ATTACKS, 2020 saw a **~35% increase in IoT attack** volume worldwide compared to 2019¹

SOPHISTICATION OF CYBERATTACKS, **~70%** of intrusion attempts include phishing attack²; **~40%** of security breaches are caused by indirect attacks from within networks³

HUMAN ERROR, **~95%** of security breaches come from human errors – employees remain the weakest link⁴

NUMBER OF IOT OBJECTS, **7.6 billion** of IoT devices in 2019, expected to grow up to **24 billion** in 2030⁵, a 11% CAGR

DIGITALISATION OF HUMAN ACTIVITIES could create an extra **€2.5 trillion** GDP in Europe by 2025 compared to 2017⁶

INDUSTRY 4.0, EDGE, 5G & SDWAN, automation & smart technology adoption

INCREASING DATA GENERATION, the share of data generated by enterprises will shift from **~53%** in 2017 to **~64%** in 2025¹¹

Selected trends shaping the evolution of cyber market

DEMAND FOR CONSULTING & MANAGED SECURITY INCREASING due to increased level of complexity

RISE OF HYBRID (internalized + outsourced) **SOLUTIONS**, **>30%** of enterprise want an hybrid model for SOC and CERT services

RISE OF ZERO TRUST ARCHITECTURE¹⁰, **none** elements within the organization should be trusted

STRONG XDR⁹ TREND, shift to a cross-technical layers approach, with business models such as MicroSOC

AUTOMATION, DATA & AI, technologies (SOAR⁹, XDR⁸ ...) will increase efficiency while reducing number of L1 analysts

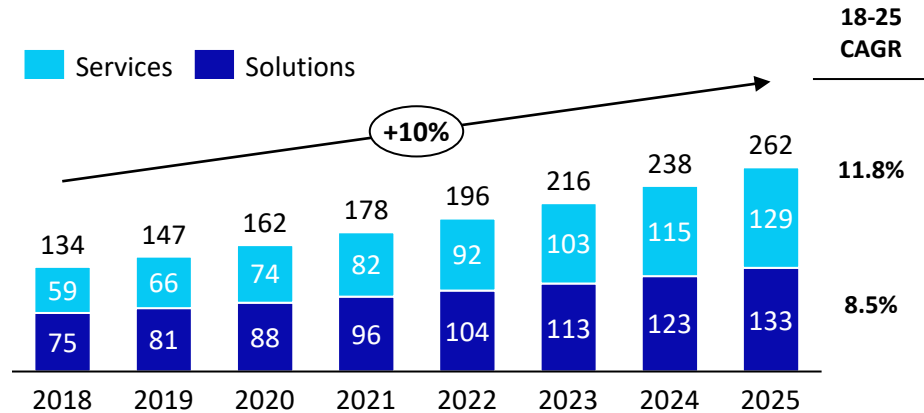
RISE OF PLATFORM OFFERS: SW AS A TROJAN HORSE IS EATING THE WORLD

SECURITY SINCE INCEPTION (development of application, products, processes...)

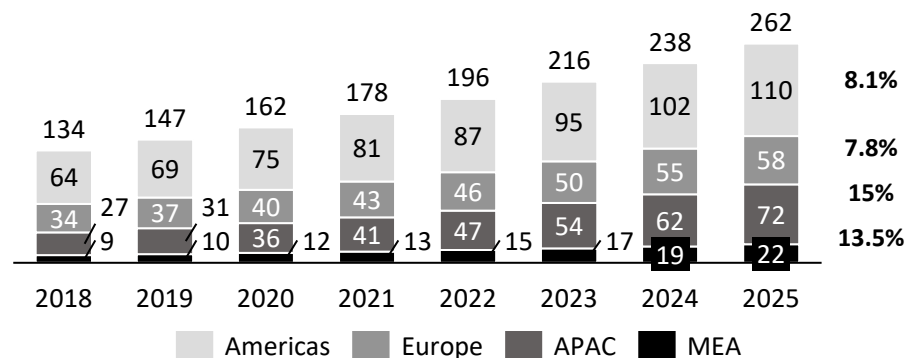
1. Kearney, "Global Services Location Index" 2019; 2. Microsoft, "digital defence report", 2020; 3. Accenture, "State of Cyber Resilience Report", 2020; 4. Cybint.com, 2020; 5. Transforma Insights, 2020; 6. McKinsey, "Digitalisation, AI and the future of work", 2017; 7. Computer Economics by Avasant Research, "IT outsourcing statistics 2019/2020"; 8. Cross-layered Detection & Response; 9. Security Orchestration Automation & Response; 10. ZTA is a combination of technologies that identify and secures a "protect surface" (consolidation of most critical valuable data, assets, application and services) by creating microperimeters that ensures that only allowed traffic or legitime application have access to the protect surface; 11. Seagate, "The digitization of the World"
Sources: Marsh, Microsoft, Kearney, Accenture, Cybint.com, Transforma Insights, McKinsey, Avasant Research, Oliver Wyman

GLOBAL CYBERSECURITY MARKET IS GROWING FAST IN ALL GEOGRAPHIES AND IS EXPECTED TO REACH ~\$250BN BY 2025

Global cybersecurity market forecast - USD bn, 2018 to 2025



Global cybersecurity market forecast by regions



Cyber is expected to be a huge market of \$250bn by 2025

- Europe accounts for ~25% of this market today

Cybersecurity market is expected to grow at 10% p.a. from 2018 to 2025

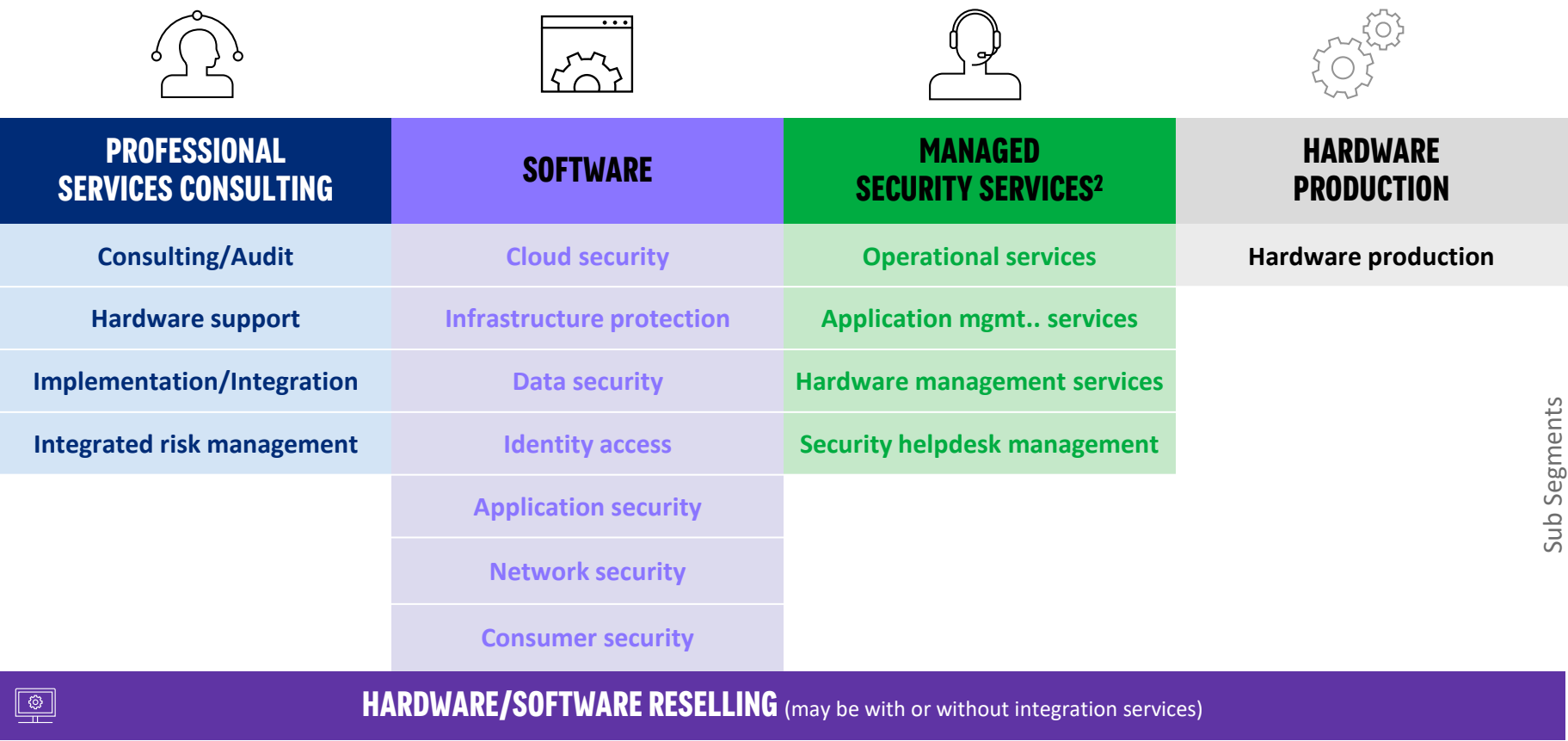
- “Services” is the offering with the fastest growth (11.8% p.a.)
- APAC and MEA are fastest growing regions globally with CAGR at respectively 15.0% and 13.5%

Europe and MEA market are less developed

- Scarcity of talent to provide quality services
- Lower adoption of cloud, which enforces applying of on-site cybersecurity products and building internal teams instead of outsourcing services

Source: Oliver Wyman analysis based on Experts Interviews, Gartner and Markets&Markets

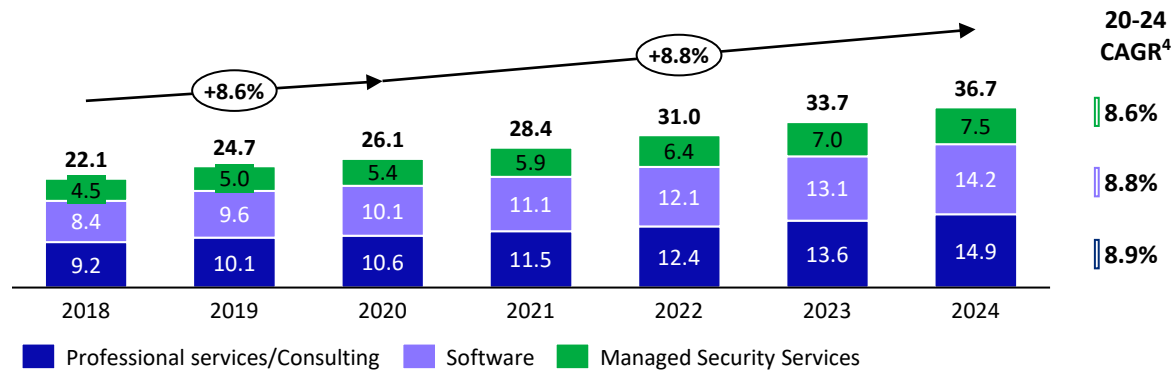
THE CYBER SECURITY MARKET IS STRUCTURED AROUND FIVE MAIN SEGMENTS



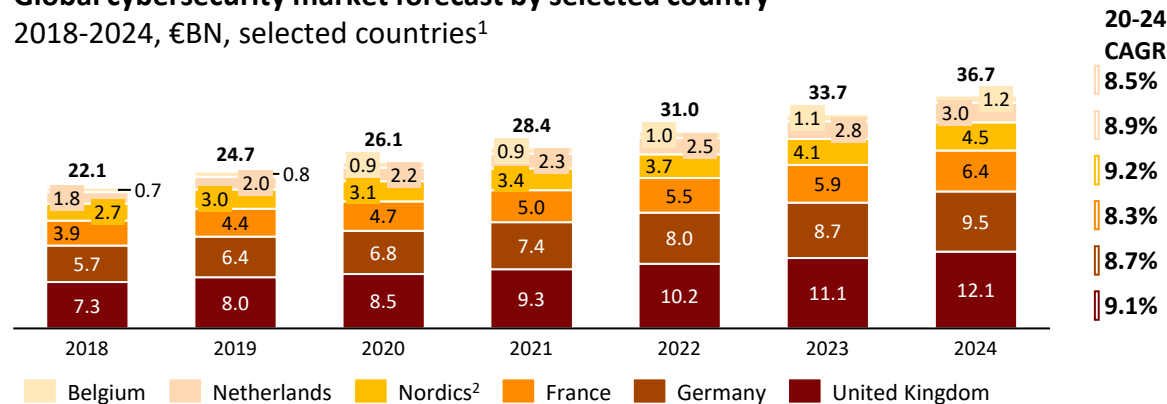
IN EUROPE, CYBERSECURITY MARKET IS EXPECTED TO GROW AT HIGH SINGLE DIGIT FIGURE ACROSS ALL SEGMENTS AND GEOGRAPHIES, REACHING ~€37BN BY 2024

Cyber security market evolution forecast
2018-2024, €BN³, selected countries¹

Hardware/Software resell
included across segments



Global cybersecurity market forecast by selected country
2018-2024, €BN, selected countries¹



Commentary

Cybersecurity market is expected to continue growing at ~8.8% CAGR from 2020 to 2024

- Software and Professional Services will continue being the major contributors with ~80% market share
- All segments are expected to grow at similar pace (8.6-8.9%)

UK and Germany represent largest share of Cybersecurity market in Europe currently and going forward

- UK and Nordics² are the fastest growing markets growing at a CAGR 9.1% and 9.2% respectively
- However, no significant growth discrepancies across countries

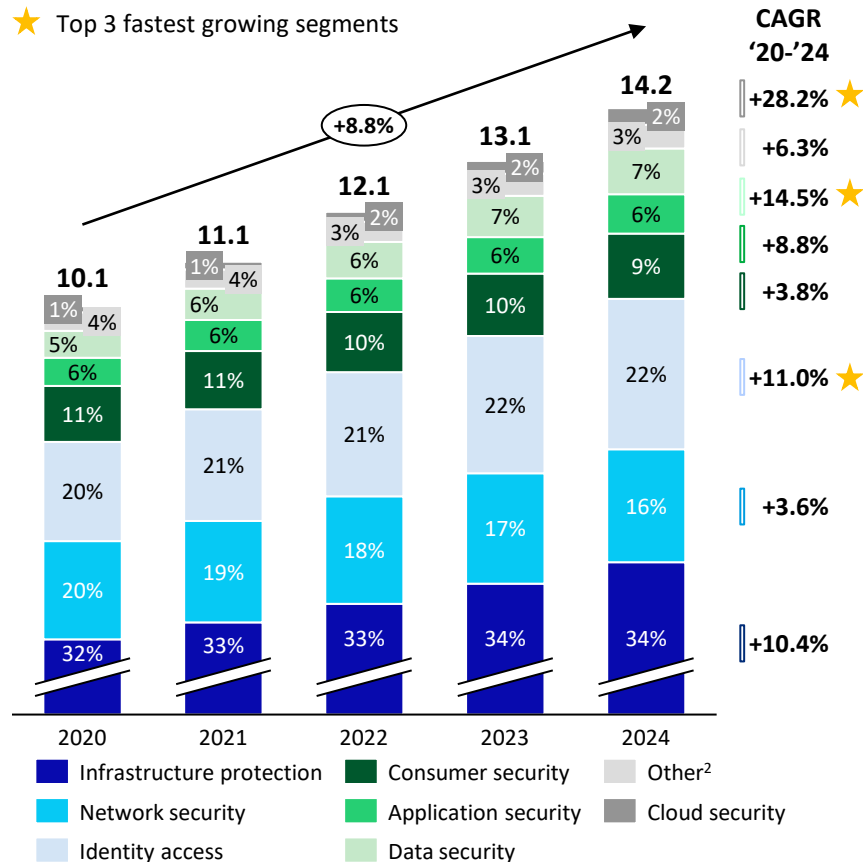
82% of surveyed CISOs have increased cybersecurity spending in the past 3 years, and 30% of the respondents believe it will increase by 10%+ in the next 3 years

1. Belgium, Denmark, France, Germany, Netherlands, Norway, Sweden, United Kingdom; 2. Denmark, Norway, Sweden; 3. Constant currency, based on 2020 EUR/USD rate; 4. 2015-2019 CAGR for global cybersecurity spending was ~12%, while CAGR for global cyber-insurance spending was ~19% according to Marsh & Microsoft "Global Cyber Risk Survey", 2019

Source: Gartner; Oliver Wyman analysis; Marsh; Microsoft

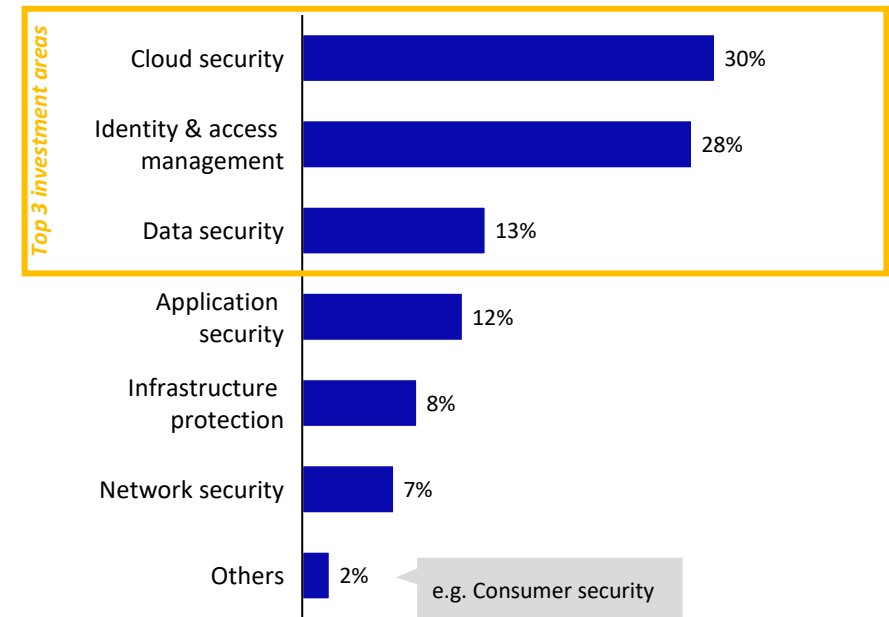
SOFTWARE: IDENTITY, CLOUD AND DATA ARE EXPECTED TO BE THE FASTEST GROWING SUBSEGMENTS ENHANCED BY CHANGES IN THE CYBERSECURITY VALUE CHAIN

Cybersecurity software market forecast by sub-segment
2018-2024, €BN³, selected countries¹



Cybersecurity areas of investment by order of importance
% of times selected as top 1 answer

In which cybersecurity areas do you expect to invest the most in the next three to five years? [Ranked in order of importance]



1. Belgium, Denmark, France, Germany, Netherlands, Norway, Sweden, United Kingdom; 2. Estimates including deception, cloud workload protection platforms, runtime app self-protection among others; 3. Constant currency, based on 2020 EUR/USD rate

Source: RBC – “Faster to the Future; Thinking through the evolving Security Software landscape”; Gartner; Oliver Wyman analysis

MANY OFFERS ARE CRITICAL FOR CUSTOMERS STARTING WITH CLOUD SECURITY, IAM AND CROSS-TECHNICAL LAYERS

NETWORK SECURITY		DATA SECURITY		IDENTITY ACCESS	
Email security	●	Data discovery/inventory	●	Active Directory	●
Content filtering	●	Data Classification	●	Provisioning automation	●
Network sandboxing	●	Encryption/tokenization	●	Multi-factor Authentication	●
Network firewall	●	Enterprise key mgmt.	●	Single Sign-On	●
Intrusion prevention/detection	●	Database monitoring	●	Identity Audit	●
Intrusion deception	●	User activity monitoring	●	Data Loss Prevention (DLP)	●
Network access control	●	User behavior analytics	●		
SDN (Switching, routing, wireless)	●	Data back-up & recovery	●		
Unified Threat Management	●				
Intrusion detection	●				
APPLICATION SECURITY		INFRA./ ENDPOINT SECURITY		CROSS-TECHNICAL LAYER	
Application security testing	●	Endpoint sandboxing / EDR ¹	●	DDoS ² mitigation	●
Application sandboxing	●	Endpoint firewall	●	Risk & Compliance Management	●
Applications firewall	●	Endpoint anti-malware	●	Advisory, design & integration	●
				SIEM ³ / Threat detection	●
				Encryption	●
				Penetration testing	●
				Data Loss Prevention (DLP)	●

Level of criticality for customers: **Low** **High**

TOP10 CYBER SERVICES COMPANIES BY LEVEL OF KNOWLEDGE

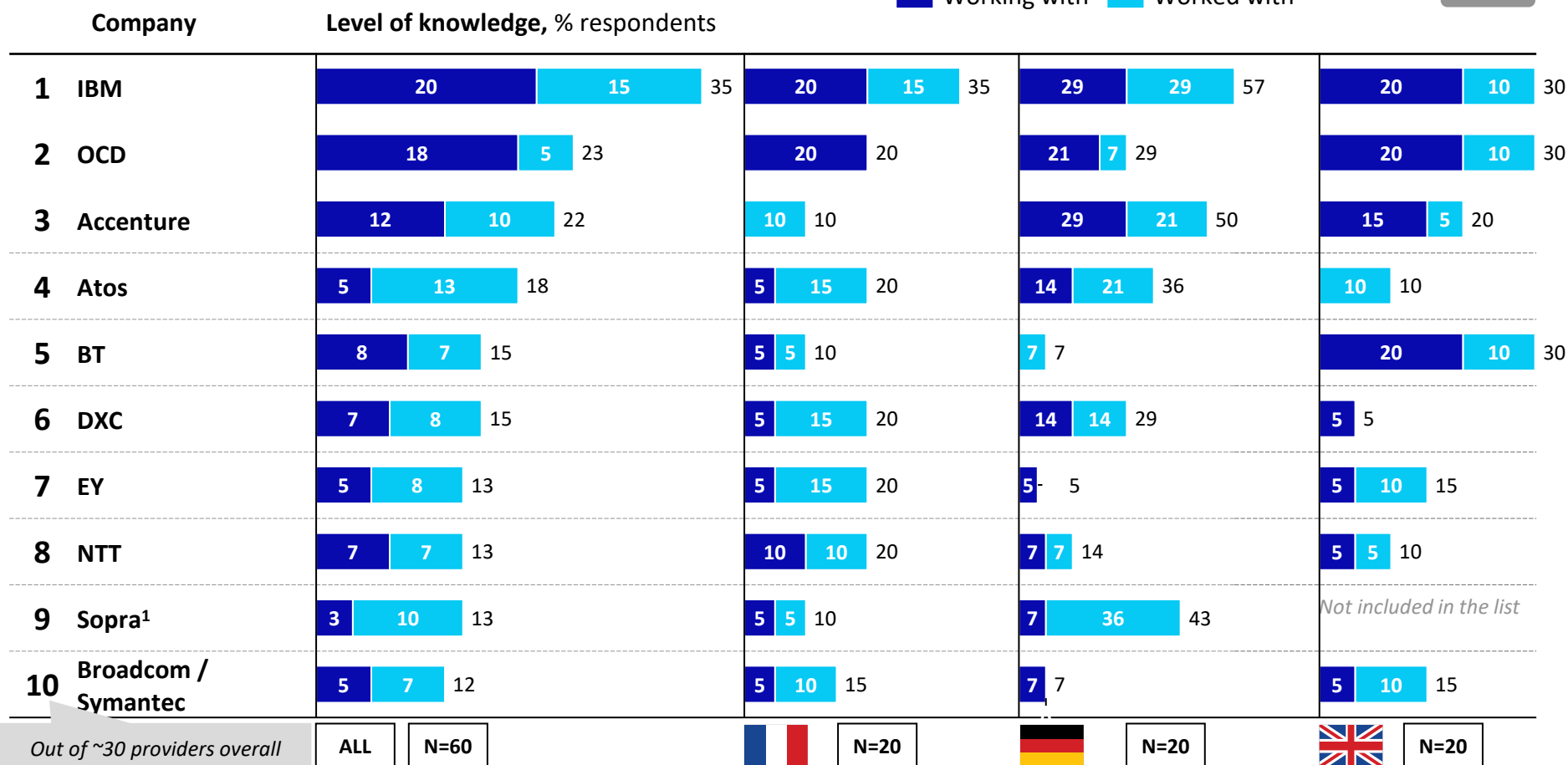
Top 10 most frequently procured companies

% of respondents

Which statement best describes your relationship with each of the following companies?

Working with Worked with

B2a



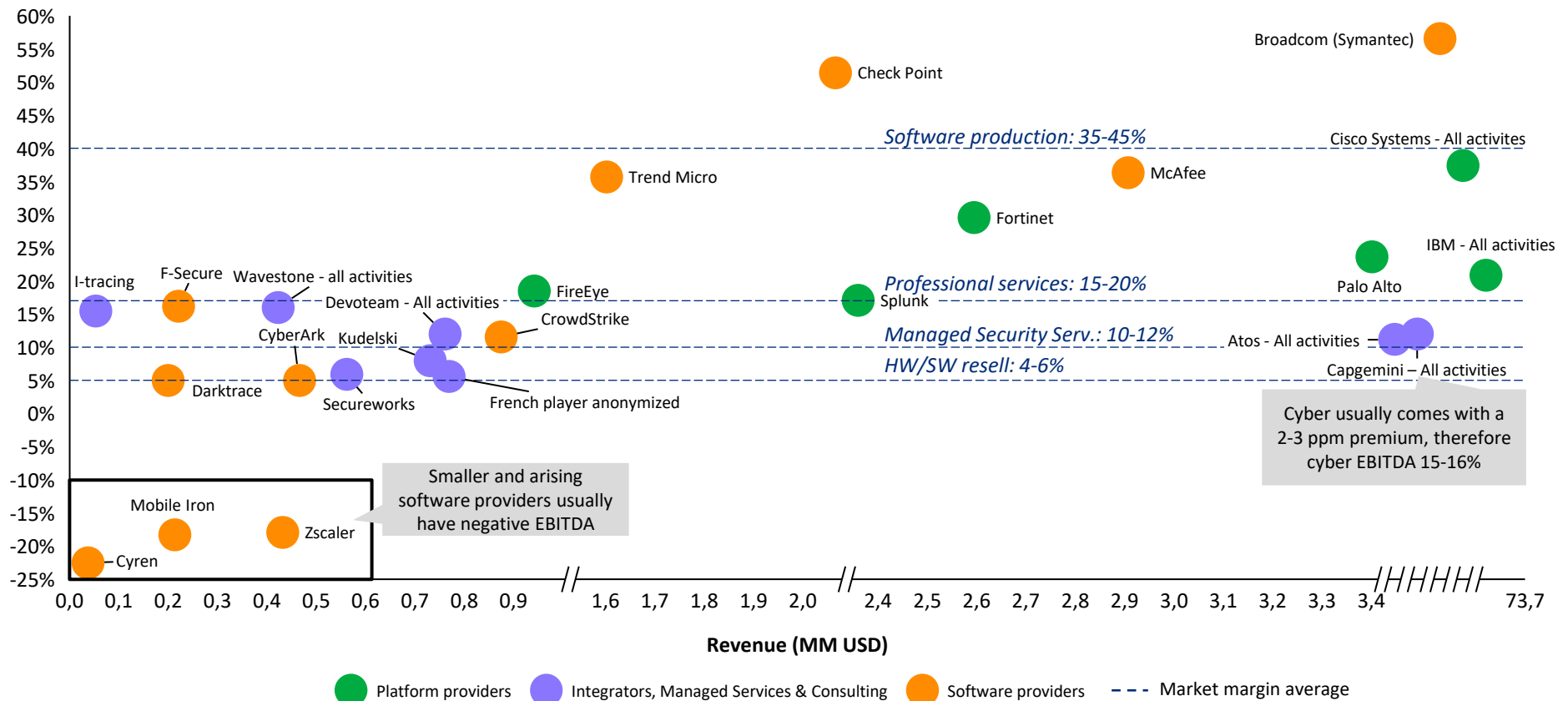
15-16% EBITDA MARGIN IS BEST PRACTICE IN THE INDUSTRY OVERALL, HOWEVER, SIGNIFICANT DIFFERENCES EXIST BETWEEN PLAYERS AND MARKET SEGMENTS

IT Service & Cyber Security players comparison – Sales & EBITDA¹

Revenue in BN USD, 2020²

EBITDA (%)

Examples – Non exhaustive








1. EBITDA margin calculated using total global revenue and EBITDA not European specific, unless otherwise specified (e.g. Atos); 2. Wavestone revenue 2019/20

Source: Companies' annual reports, MarketScreener, expert insights, Oliver Wyman analysis

CYBERSECURITY ATTRACTS NEW COMPETITORS. THEY CAN BE SPLIT IN FOUR MAIN CATEGORIES + SOFTWARE PLATFORM PROVIDERS, SEEN AS AN ARISING THREAT






EUROPEAN/GLOBAL IT FIRMS		MNCs ++	SMEs +
<div>Deloitte.</div> <div>DXC.technology</div> <div>NTTAtos</div> <div>Capgemini</div> <div>TATAIBM</div>		<ul style="list-style-type: none">+ Large geographical coverage+ Large portfolio offering (technical layer & type of service)+ Strong branding- Lower flexibility and client management for SMEs	
REGIONAL IT FIRMS		MNCs +	SMEs ++
<div>devoteam</div> <div>wipro</div> <div>BAE SYSTEMS</div> <div>THALES</div> <div>nccgroup</div> <div>sopra steria CONSULTING</div> <div>Infosys</div> <div>WAVESTONE</div>		<ul style="list-style-type: none">+ Higher flexibility and agility across the service portfolio- Smaller players less well-known by large clients- Limited geographical coverage	
TELCOS		MNCs ++	SMEs +
<div>Telefónica</div> <div>Orange Cyberdefense</div> <div>T</div> <div>BT</div>		<p>Similar to European/Global IT firms</p> <ul style="list-style-type: none">+ Leaders in network security	
INCREASINGLY INVESTING IN CYBER AS THEIR CORE GROWTH AREA			
CYBER SPECIALISTS		MNCs +	SMEs ++
<div>I-TRACING CYBERSECURITY EXPERT</div> <div>infoGuard SWISS CYBER SECURITY</div> <div>Secureworks</div> <div>F-Secure</div> <div>Trustwave</div> <div>NETITUDE A LLOYD'S REGISTER COMPANY</div> <div>KUDELSKI SECURITY</div> <div>GDvens SECURITY FOR THE DIGITAL AGE</div>		<ul style="list-style-type: none">+ Strong cybersecurity focus+ Higher flexibility and agility across the service portfolio+ Clear portfolio of services- Limited branding- Limited geographical coverage	
PLATFORM PROVIDERS			
<div>Microsoft</div> <div>paloalto NETWORKS</div> <div>FORTINET</div> <div>FIREEYE</div> <div>splunk</div> <div>CISCO</div>		<ul style="list-style-type: none">+ Proprietary software solutions covering multiple technological layers under unified solutions+ Strong branding+ Highly automatize- Usually limited MSSP offering- Usually implementing solutions through third parties	

GENERAL IT PLAYERS ARE FOCUSING THEIR STRATEGY ON CYBER SECURITY; CYBER SPECIALISTS ARE INVESTING ON IDENTITY SECURITY, CLOUD AND AUTOMATION

Type	Company	Strategic intention
General IT Players		<ul style="list-style-type: none"> • ~€250MM⁷ estimated pure cyber revenues out of the ~€1.2BN revenues from Big Data & Cybersecurity, 11% of total revenues (as of 2020); Digital Security is a key pillar in the announced 2020 strategy, with ambitions of €2BN revenue from Big Data & Cybersecurity on a mid-term perspective • Highly acquisitive – 6 cybersecurity companies since 2020, capabilities acquired include cyber consulting, cloud, MSS/MDR and cryptography/identity, generating +€60MM additional sales⁶ from acquired companies
		<ul style="list-style-type: none"> • Cybersecurity is one Capgemini's 7 “priority markets” • Expanding through acquisitions (acquired the commercial cybersecurity arm of Leidos in 2018, focused on North American MSS) and organic growth (recruiting 1,500 new employees in the UK in 2021); strongly recognised for their cloud cybersecurity offer • Current focus on MSS automation through new form of SOC leveraging XDR¹ based on Microsoft Azure Sentinel machine learning solutions
		<ul style="list-style-type: none"> • High growth (~30% CAGR); strength in network & infra. security (90% of employees are operational engineers) • Focus on diversifying expertise: acquired Idento (2019), a French IT consultancy, broadening their competencies on Identity access, with aims to develop automated threat response
Cyber Specialist		<ul style="list-style-type: none"> • Focus on strengthening its IoT and cloud capabilities, partnered with Luatix² in 2021 to develop a cyberthreat intelligence platform through an opensource portal, OpenCTI – a first expansion into software solutions
		<ul style="list-style-type: none"> • Aims to reinforce EDR⁴ capabilities: integrated SentinelOne in their vendor partners, firm has identified OT⁵ & IoT security as focus areas to develop expertise within

1. Cross-layer Detection & Response; 2. Luatix is a non-profit organisation for R&D on cyber security and crisis management; 3. Security Information and Event Management; 4. Endpoint detection and response; 5. Operational technology ; 6. Estimate from 3 of the 6 acquired companies; 7. €60MM in France in 2018 and ~€150MM in Europe with additional acquisitions and organic growth up to ~€250MM in 2020; Source: Annual reports, press releases

SIMULTANEOUSLY, PLATFORM PROVIDERS ARE BETTING ON REINFORCING THEIR CLOUD SECURITY OFFER AND AUTOMATED THREAT DETECTION AND RESPONSE

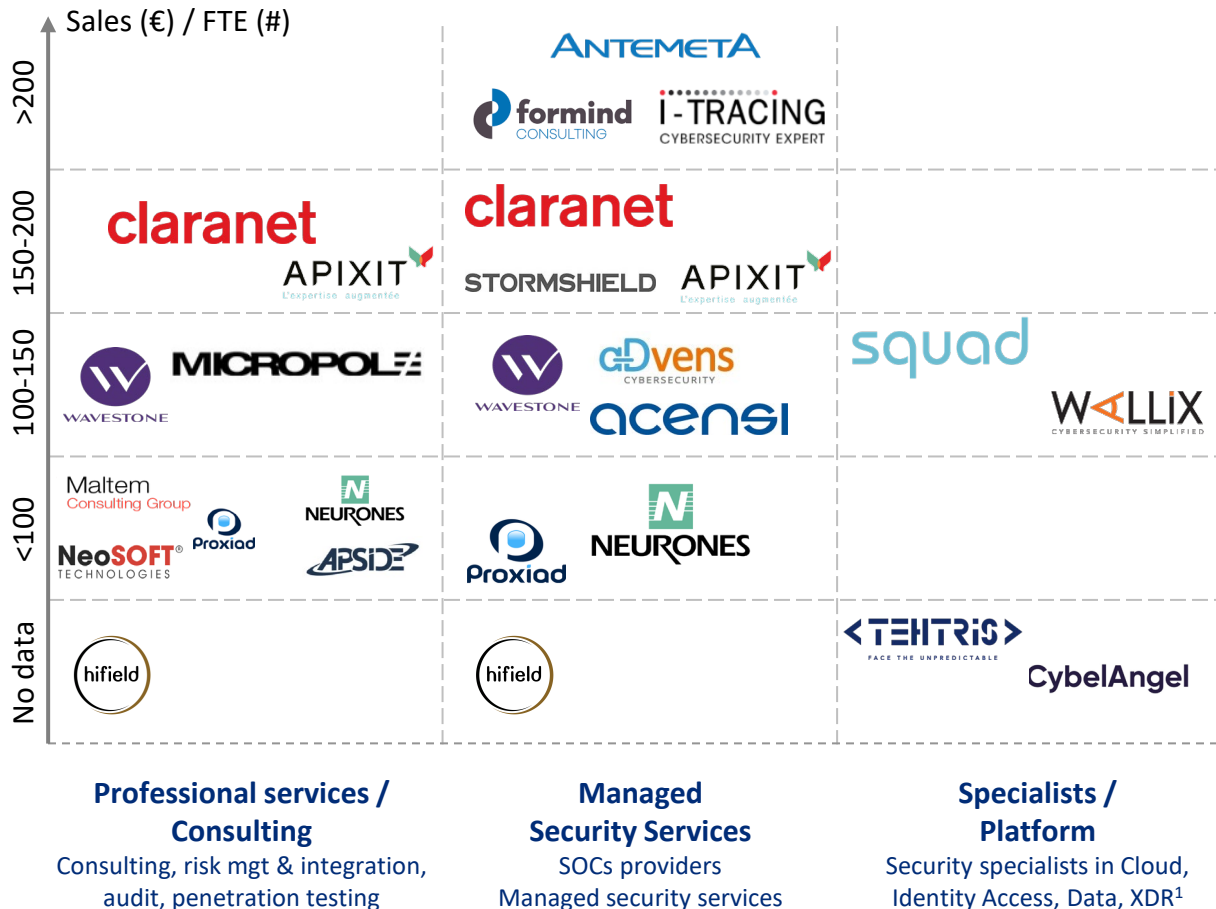
Type	Company	Strategic intention
Platforms	 FORTINET	<ul style="list-style-type: none"> Seek to increase sales to large and medium-sized businesses, service providers and government organizations with a focus on improved marketing/branding Highly acquisitive focusing on cloud and automation – 4 recent cyber acquisitions in the field: ShieldX (multi-cloud security and micro-segmentation solutions) Panopta (SaaS-based hybrid infrastructure monitoring and diagnostics platform), OPAQ (SD-WAN, Zero Trust and SASE¹ platform) and ZoneFox (cloud-based security platform, with strong machine learning intellectual property)
	 CISCO	<ul style="list-style-type: none"> Cybersecurity has been one of the fastest growing segments for the company: between 2018 & 2020, cybersecurity experienced a +12% CAGR, while group revenues have remained flat; Cisco intends to leverage its advantage as a hardware/software developer to sell cybersecurity solutions as part of broader IT infrastructure Cisco identified multicloud protection and XDR technologies as the next frontier for innovation: they launched their Cisco Intersight cloud monitoring and Cisco SecureX XDR (AI-enabled) platform
	 paloalto NETWORKS	<ul style="list-style-type: none"> Focused commercial efforts upon increasing their pool of MSSP partners: +50% MSS providers in 2021 vs 2020 The firm has set its focus on SASE, Cloud and XDR/SOAR solutions: their Prisma (Cloud and SASE) and Cortex (XDR/SOAR) platforms have been deployed, and their NextWave 3.0 program incentivizes their partners to promote these solutions to their clients Aggressive M&A strategy - Cloudgenix (SD-WAN leader in March 2020, \$420MM) and Expanse (leading internet asset inventory platform in Nov 2020, \$800M)
Telecoms players	 Telefónica	<ul style="list-style-type: none"> ~€450MM revenues on cyber (as of 2020); growth strategy focused on pure services business (reselling and MSS) <ul style="list-style-type: none"> Increasing revenues and profitability through stronger partnerships (better rebates, discounts, a say in product roadmap, etc) Continue acquiring service providers – in 2020 Govertis (specializing in governance, risk and compliance) and iHack Labs (cybersecurity training specialist with SaaS cloud-training platforms to mimic real threats) Additionally, it has launched Telefonica Tech Venture investment vehicle for cybersecurity startups (e.g. Alias Robotis, CounterCraft, 4iQ, BlueLive, LogTrust, IMBox and Alise Devices)
	 BT	<ul style="list-style-type: none"> Traditional strength in MSS provision, leveraging pre-existing network infrastructure; currently broadening cybersecurity offerings towards consulting / implementation – in March 2020 BT launched their Security Advisory Services Practise, offering security consulting and solutions spanning cyber-threats, zero-trust, governance, risk/compliance and cloud

1. Secure Access Service Edge; Source: Annual reports, press releases

CYBER SECURITY SPECIALISTS HAVE DIFFERENTIATED POSITIONING WITH 3 KEY SUB-SEGMENTS STRUCTURING THE MARKET

Positioning on market sub-segments

Focus on companies with sales > 50 M€ and sales < 500 M€



1. Cross-layer Detection & Response
Source: company websites, Oliver Wyman analysis

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Key pockets of value

- **Level of EBITDA margin vary greatly depending on business model in cyber:**
 - Software production: >35%
 - Professional services & consulting: ~15-20% EBITDA
 - Managed Security Services: 10-12%
 - Software reselling: 4-6%
- **Platform positioning**, i.e. blend of managed services with own in-house solutions on top of partners' solutions **is a key trend to disrupt the cyber market**
- **XDR¹ technology is arising**, with players partnering with solutions or building them (e.g. Tehtris)

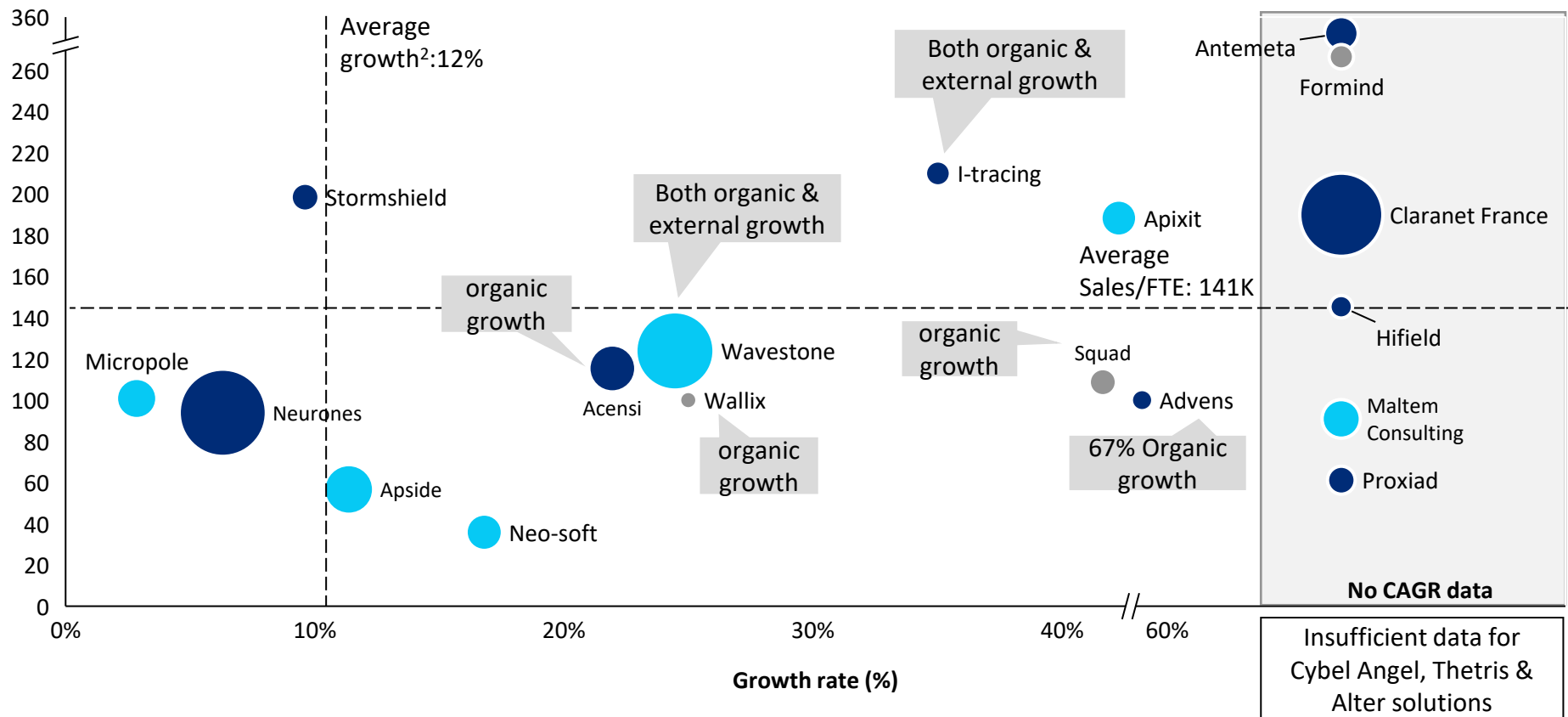
Very fragmented market with niche players < €20m sales: Intrinsic, GateWatcher, CyberProtect, Citalid, Sekoia, Risk & Co, KeoPass, Seald, Tanker

CYBER SECURITY PLAYERS HAVE HIGH GROWTH RATE AND GENERATE HIGH CYBER SECURITY PLAYERS ZOOM ON PLAYERS COMPARATIVE WITHIN A UNIVERSE

Positioning of cyber security players based on financial performance

€/FTE¹, % growth², revenue

Sales / FTE (in thousand)



1. For revenue & Sales per FTE: 2020 data was used when available, if not 2019 data was used

2. CAGR 15-19 used for Neurones, Wavestone, Apside, Micropole, Neo-soft, I-tracing, , - YoY 19-20 used for Acensi

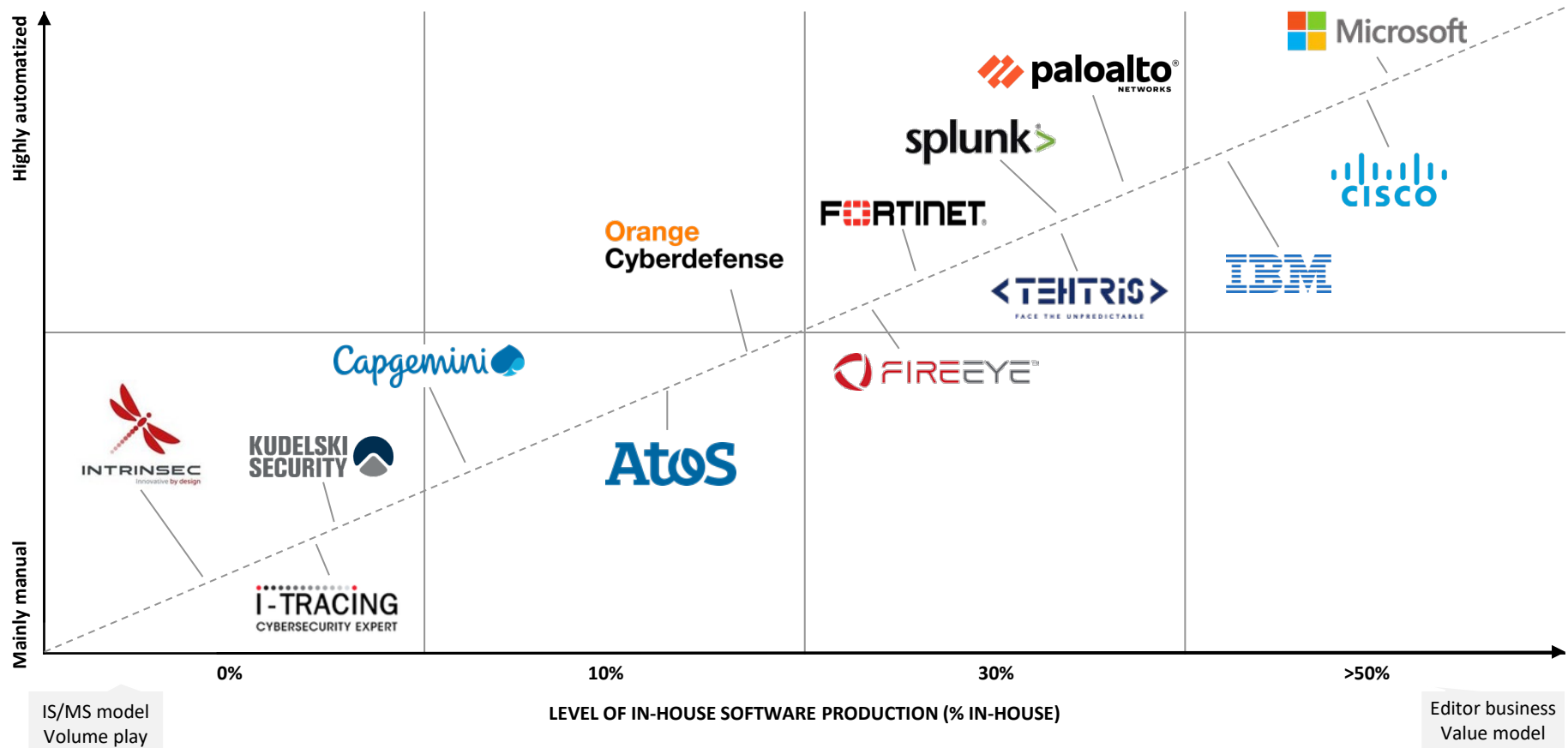
Source: Capital IQ, Orbis, Company's website

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PLAYERS GRADUALLY MOVE TO A PLATFORM POSITIONING LEVERAGING AUTOMATION AND IN-HOUSE SOFTWARE PRODUCTION

Illustration of strategic plays to a platform 2.0 positioning



SOFTWARE AND PLATFORM PROVIDERS HAVE SIGNIFICANTLY HIGHER VALUATIONS THAN MSSP, CONSULTING AND INTEGRATION COMPANIES

Zoom on selected Cyber players

	Software providers					Platform providers				MSSP, consulting, integration	
											
Founded on	2009	1984	1993	1999	2013	2005	2000	2003	2004	1999	1999
Enterprise value¹ (EV) – in m€	29,513	12,843	10,202	4,139	<3,500 ²	28,805	25,837	19,105	4,062	922	747
Revenue - in m€	695	2,074	1,718	387	165	3,148	2,159	1856	783	307	467
EBITDA	-148	821	769	20.7	n.c.	21.9	466	-562	-43	41.8	7.3
Operating margin	-170	813	752	7.8	n.c.	-149	409	-640	-108	26.1	-27
EV/Revenue	x 42.4	x 6.2	x 5.9	x 10.8	x 14.8	x 9.1	x 12.0	x 10.3	x 5.2	x 3.0	x 1.6

1. Enterprise Value takes more parameters into account than Capitalization (e.g. strengths, weaknesses, level of debt, etc.)

2. Expected valuation at IPO in the next months: over £3 Bn

Source: Companies, Capital IQ, Press, Oliver Wyman

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