

# Cy4Gate

## European Midcap Conference - Virtual

November 27, 2024



**CY4**  
**GATE**  
Part of ELT Group



## AGENDA

- Cy4Gate at a Glance
- Addressable Markets
- Strategy & Outlook
- Financials
- Sustainability

# Speakers

**MARCO LATINI**



CFO & Investor Relations  
Manager

**ALESSIA PISONI**



Head of Group FP&A  
& IR Coordinator



# Cy4Gate at a Glance

# Highlights



## 360° CYBER VENDOR

Robust technology engine with proprietary solutions



## UNIQUE POSITIONING

Unique positioning in the cyber space with presence in all the 3 market segments



## TAILORMADE SOLUTIONS

Tailormade proprietary solutions to suit customer needs



## GLOBAL PRESENCE

Extensive coverage of the domestic and foreign markets



## HUGE TARGET ADDRESSABLE MARKET

Governments – Big Corporation & SME in the cyberintelligence and cybersecurity markets



## TALENT AND PEOPLE “AT THE CORE”

Investments in human capital and talent development



## PARTNERSHIP & M&A GROWTH

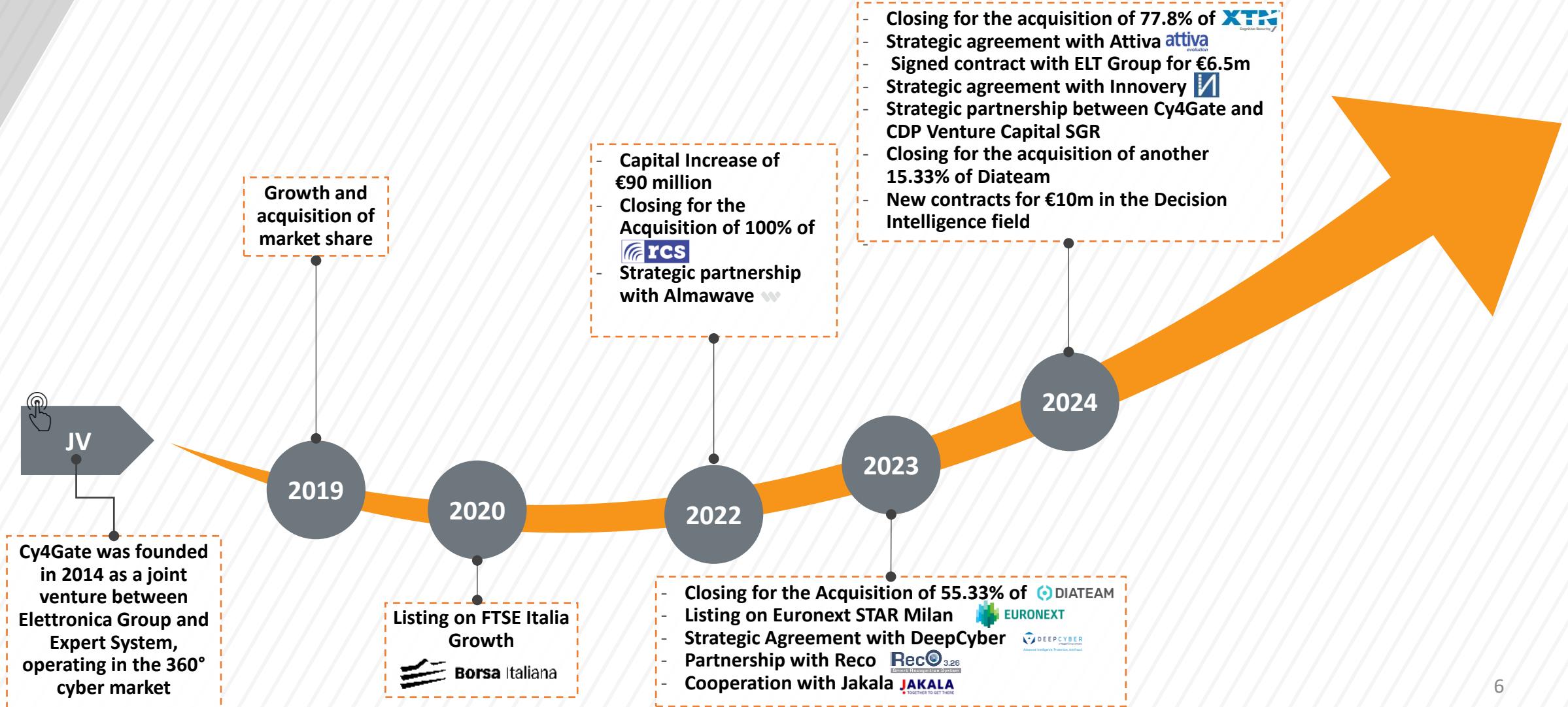
Expand our business through excellent partnership and M&A activity



## LISTED ON THE STAR MARKET

Listed since June 2023 on the STAR Market of the Italian Stock Exchange

# 2014-2024: 10 Years of Growth



# Group & Shareholders

## GROUP



100%



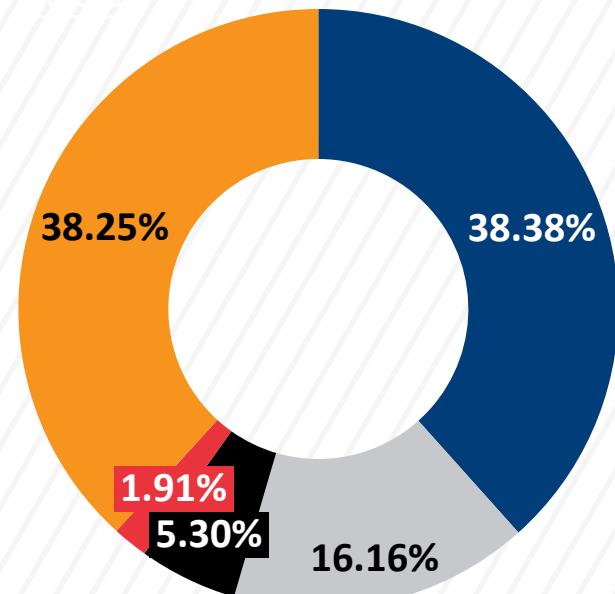
70.66%



77.8%



## SHAREHOLDERS



- Elettronica S.p.A.
- TEC Cyber S.p.A.
- First SICAF S.p.A.
- Treasury Shares
- Market

# Team



**Domitilla Benigni**  
CHAIRMAN



**Emanuele Galtieri**  
CEO & General  
Manager



**Marco Latini**  
CFO & Investor  
Relations  
Manager

## Board of Directors



**Domitilla Benigni**  
Chairman



**Emanuele Galtieri**  
CEO & General Manager

**Roberto Ferraresi**  
Member



**Maria Giovanna Calloni**  
Independent Member

**Cinzia Parolini**  
Independent Member



**Alessandro Chimenton**  
Member

**Alberto Luigi  
Sangiovanni Vincentelli**  
Member



**Paolo Izzo**  
Member

**Alessandra Bucci**  
Independent Member



Strategic and M&A Committee



# Addressable Markets

# Portfolio overview

## CYBER INTELLIGENCE

Decision  
Intelligence



Forensic  
Intelligence



## CYBER SECURITY



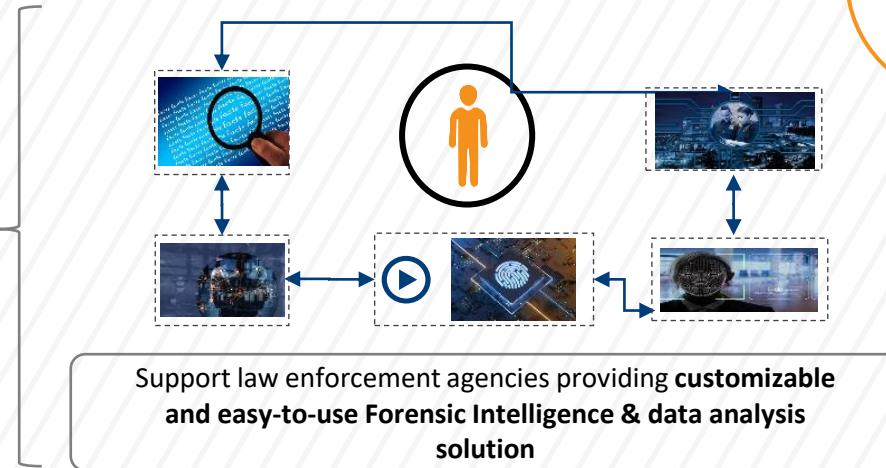
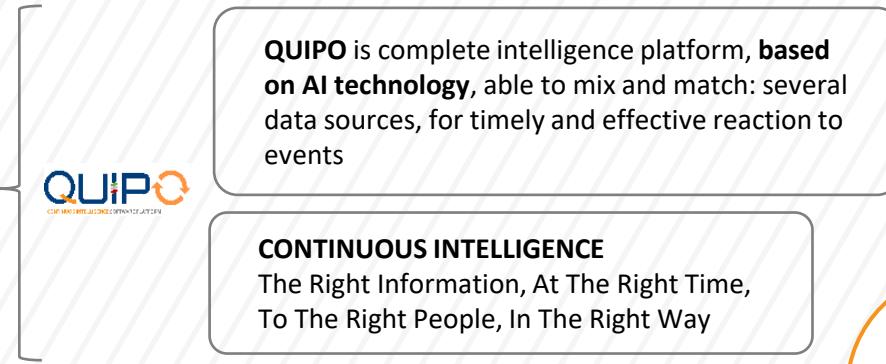
Cybersecurity  
Products



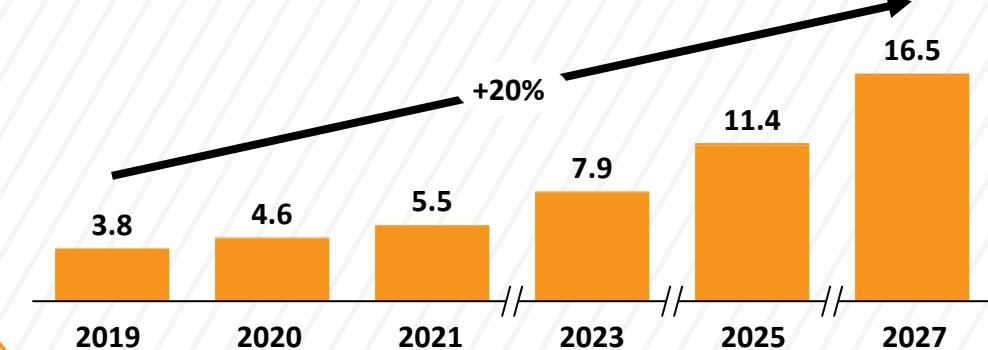
Cybersecurity  
Services

# Cyber Intelligence

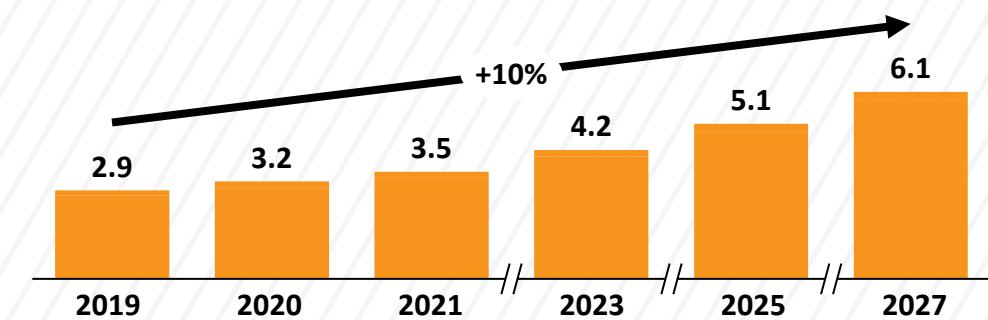
*Cyber Intelligence solutions collect and analyze information available online and generate added value insight thanks to AI*



**Global opensource intelligence (Osint) market**  
€ bln



**Global forensic intelligence & data analysis**  
€ bln



# Cyber Security

*Cyber security solutions protect clients' information systems, enabling the detection of anomalies and generating response actions*



Real time analytics (RTA) is a security information and event management (SIEM), advanced cyber security application that enables the analyst to detect cyber security anomalies and creates conditions to rapidly strike back.



PRONTOCYBER®

**CY4** ACADEMY

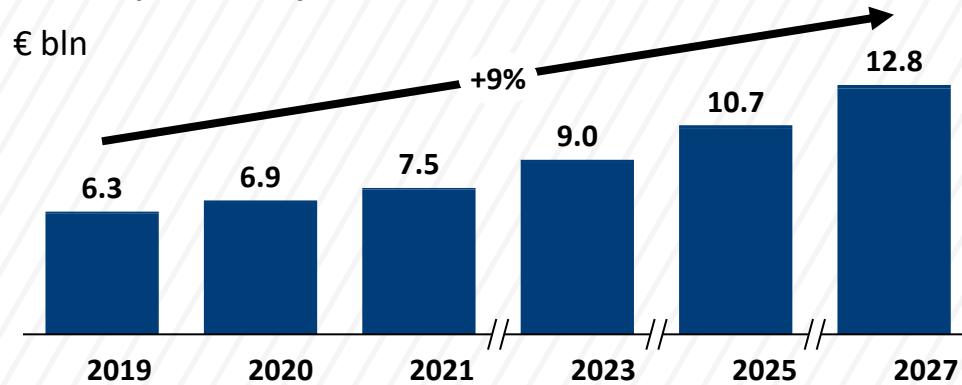


Pool of **Cyber Security** services covering the following topics:

- Red Teaming and Penetration Test
- Compliance Assessment
- Managed Detection & Response
- Incident Response & Malware Analysis
- Hands-on Cyber Training and Security Awareness
- Cyber Resilience Design for Critical Infrastructure

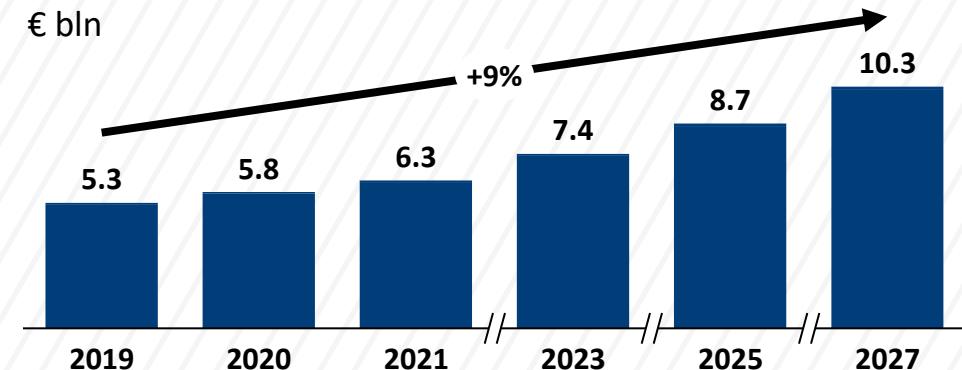
## Global Cybersecurity Products<sup>1</sup> Market

€ bln



## Global Cybersecurity Services<sup>2</sup> Market

€ bln



1. Includes Security Operations products such as SIEM, SOAR, UEBA, Threat Intelligence and related products

2. Includes Penetration testing, Vulnerability management and related services

Source: IDC, industry reports and expert interviews



# Strategy & Outlook

# Our growth Strategy: Market

Cy4Gate Group portfolio – cyber intelligence & cyber security products - perfectly fits with the following **3 fast growing markets**, both in Italy and abroad:

## Defence



- Increasing internal and external security threats and undergoing military network-centric modernization;
- Market CAGR 8% - predicted to grow to 1350B\$ in 2030 from 750B\$ (2022).

## Security & Law Enforcement



- Digital crime via digital/electronic devices is LEAs biggest challenge; AI is a key enabler;
- Market is globally growing at 9% CAGR up to 2028;
- Need for cases management, track evidences, data gathering and correlation, creation of reports.

## Corporate



- Double digit growth for digital transformation market (around 20% CAGR to 2027);
- Cyber security market is underpenetrated in terms of for SMEs, targets of massive attacks.

## Products involved

- Decision Intelligence & AI (Quipo) for C2 platforms
- Cyber security products and services bundle (RTA, Diateam, CTI, customization services)
- Decision Intelligence & AI (Quipo & Mito) for data gathering and correlation
- Forensic Intelligence suite
- Decision Intelligence & AI (Quipo)
- Cyber security products and services bundle (RTA, Diateam, CTI, Pronto Cyber, Services) for a 360° capabilities coverage

# Our growth Strategy: Actions

2024

2025-2026

## Opportunities

### Defence

- **Strengthen industrial partnerships** with Tier-1 Italian and European Defence Contractors
- **Penetrate new geographies** through Cyber Academy and Cyber Labs
- **Increase direct domestic and international market penetration** leveraging mother company network

### Security & Law Enforcement

- **Consolidate the Italian market**, focusing on more relevant P.P.O. districts whilst decreasing exposure on less profitable Offices
- **Maintain commercial advantage** while mitigating need for relevant investments through selected partnership with specialized boutique firms
- **Increase market penetration** of newly developed tactical devices in Italy and abroad

### Corporate

- **Shift from products to capabilities offering** to improve competitiveness (cyber security platform)
- **Complement sales force efforts** through new effective channel partnerships (Attiva, Innovery)
- **Enlarge domestic market penetration** in big/medium size corporation through a reinforced and well seasoned sales team
- **Pursue up-selling and cross-selling** opportunities in new corporate segments (banking, automotive, luxury, travel) thanks to XTN acquisition

- **Capture EU funds** (NATO, EDA, ESA) for R&D in the cyber also through industrial partnership
- **Take part to international consortia** or JVs for pluriannual defence programs

- **Progressively gain relevant shares and presence** in the more stable European region
- **Ensure consistent growth in the Spanish market** leveraging on our pluriannual presence in the Country (Dars), to create Cy4 second domestic market for revenues after Italy.

- **Expand business to new geographies in E.U.** partnering with foreign channels and fostering development of an international sales team
- **Push on inorganic growth** via M&A

The strategy will be a key enabler to:

- ✓ intercept growing Defence market needs, characterized by global relevant investments, huge size and pluri-annual contracts, enabling quick creation of backlog, thus supporting Corporate sales in seasonality risks reduction
- ✓ further consolidate leadership position in Italy (notwithstanding sector justice reform) and boost growth primarily in E.U.
- ✓ expand Corporate market presence to support creation of recurring stream of regular revenues throughout the year, accelerating the process of seasonality mitigation

# Expected Revenues 2024

	PIPELINE	CONVERSION RATE	TOTAL
TOTAL	<b>~122 €M</b>	<b>~11%</b>	<b>~13-15 €M</b>
	BACKLOG	RECURRING	TOTAL
TOTAL	<b>~38 €M</b>	<b>~31-34 €M</b>	<b>~69-72 €M</b>

# Financials

# Highlights



The results of the first 9 months of 2024 confirm the soundness of the CY4Gate Group with the **improvement of all economic indicators** compared to 9M 2023; **seasonality of turnover** - historically concentrated in the last quarter of the year - **is still relevant** partially offset by XTN and DARS (RCS group Company) sales



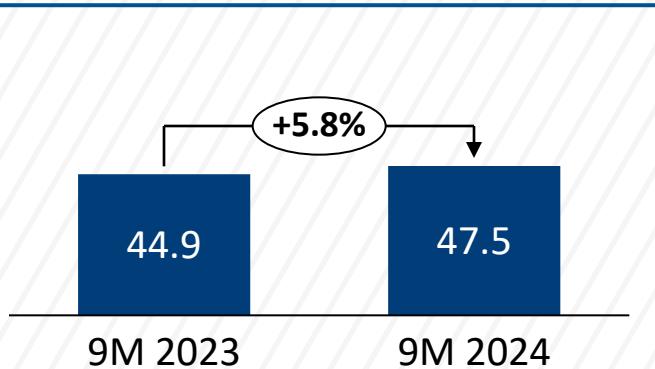
**The Value of Production** compared to 30 September 2023 **grows by around 6%** thanks to the defence sector, the cyber intelligence sector to support law enforcement in Italy, and the excellent performance of the newly acquired XTN. This growth offset the lack of revenues related to **foreign orders in the Forensic Intelligence sector**, affected by the uncertainty of the international geopolitical scenario



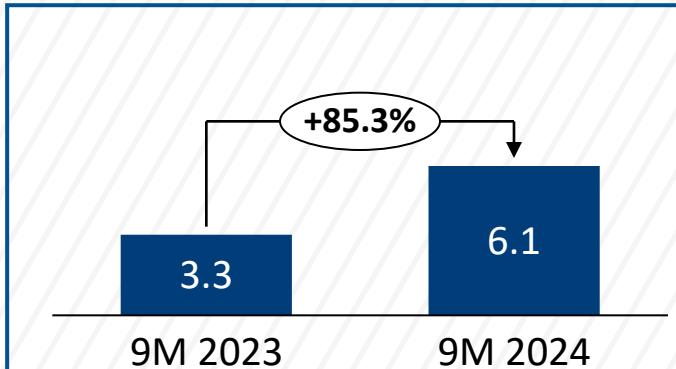
The Group continues to pursue **its strategy to deseasonalize the business**, also thanks to the creation of an **important backlog** with the closing of significant **contracts in terms of amount and profitability**, with multi-year duration. **Guidance 2024 confirmed**.

# 9M 2024 Key Data

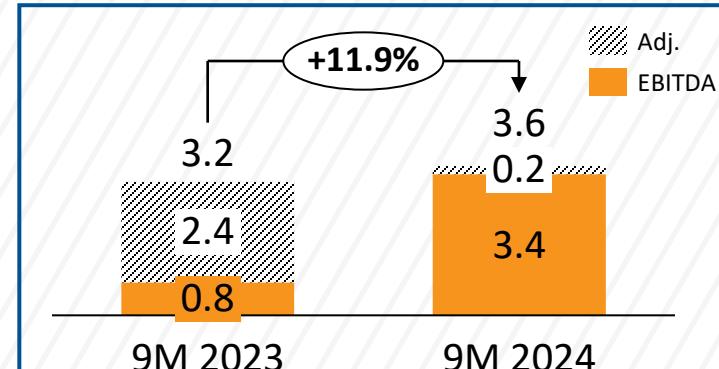
Revenues<sup>1</sup> (€ mln)



R&D (€ mln)



EBITDA Adj. (€ mln)



- **Revenues** +5.8% compared to the first nine months of 2023, thanks to Defence and national Forensic Intelligence sectors, as well as the excellent performance of the newly acquired XTN Cognitive Security

- **R&D Costs** +85% compared to the comparative period taking account of the exposure of RCS's R&D costs from end of 2023.

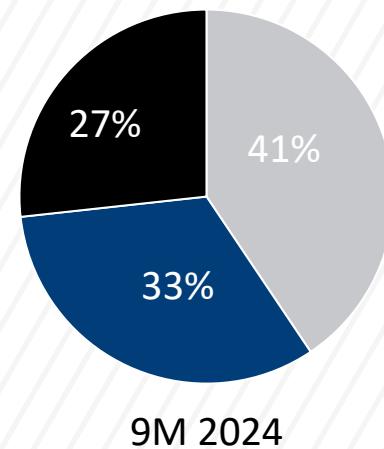
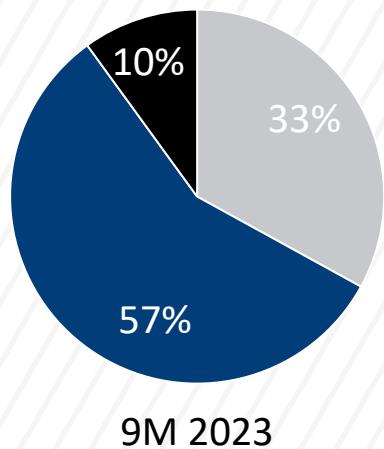
- **EBITDA Adjusted** at €3.6 million – margins increased by 12% but still affected by lower revenues in foreign Forensic Intelligence

1. Including other operating revenues; comparative 2023 does not include 9M of XTN

# 9M 2024 Revenues Breakdown

## By business line

Decision Intelligence    Forensic Intelligence    Cyber Security



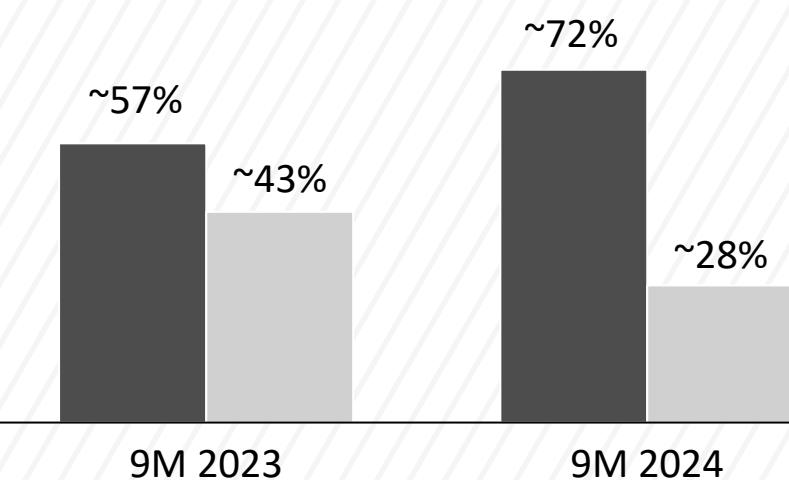
9M 2023

9M 2024

Business mix changes, mainly due to the consolidation of XTN and increase in cyber activities in the Defence sector

## By geographical area

Italy    Export

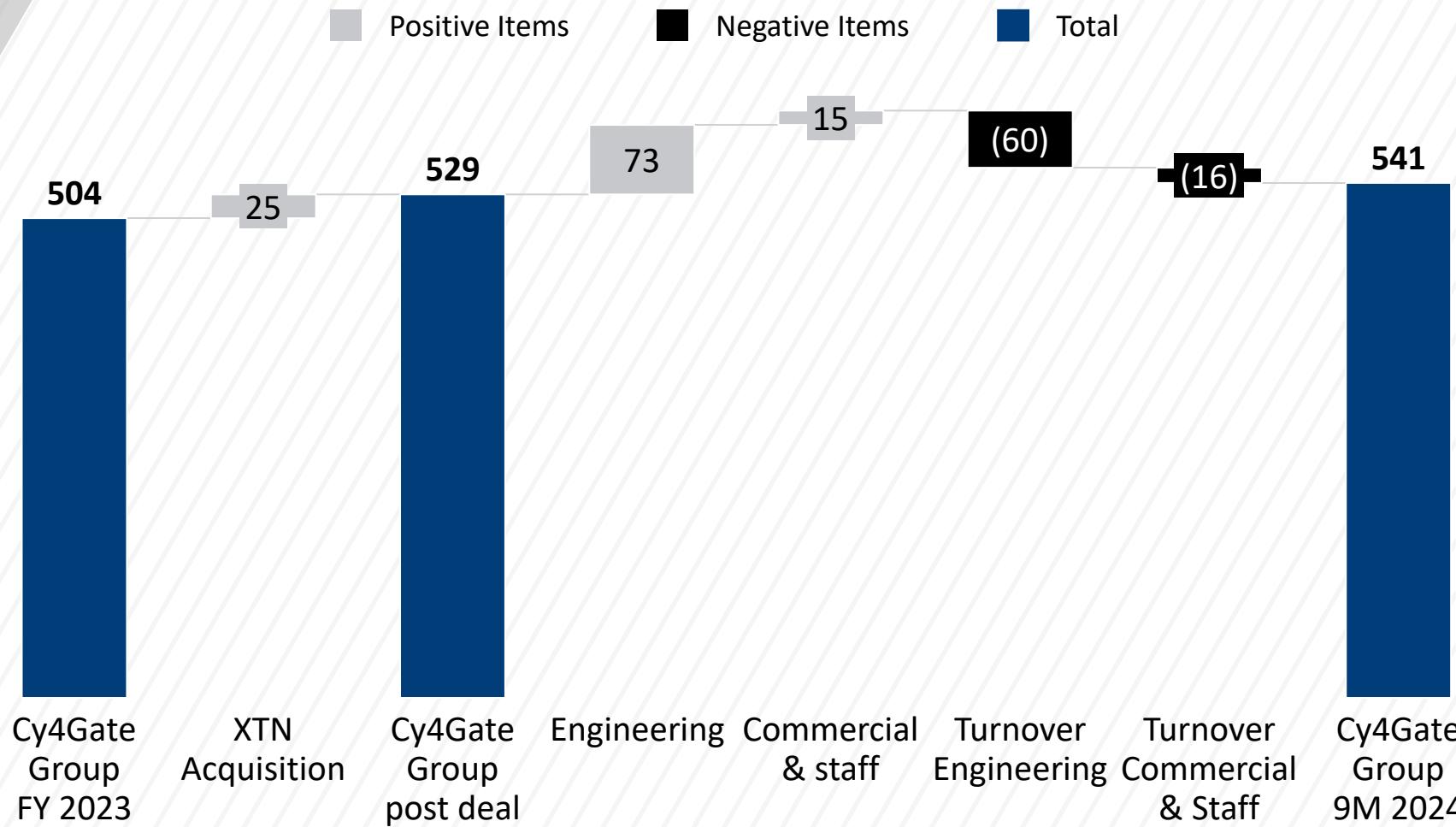


9M 2023

9M 2024

International sales are down compared to the 9M 2023 due to the slowdown of Forensic Intelligence market

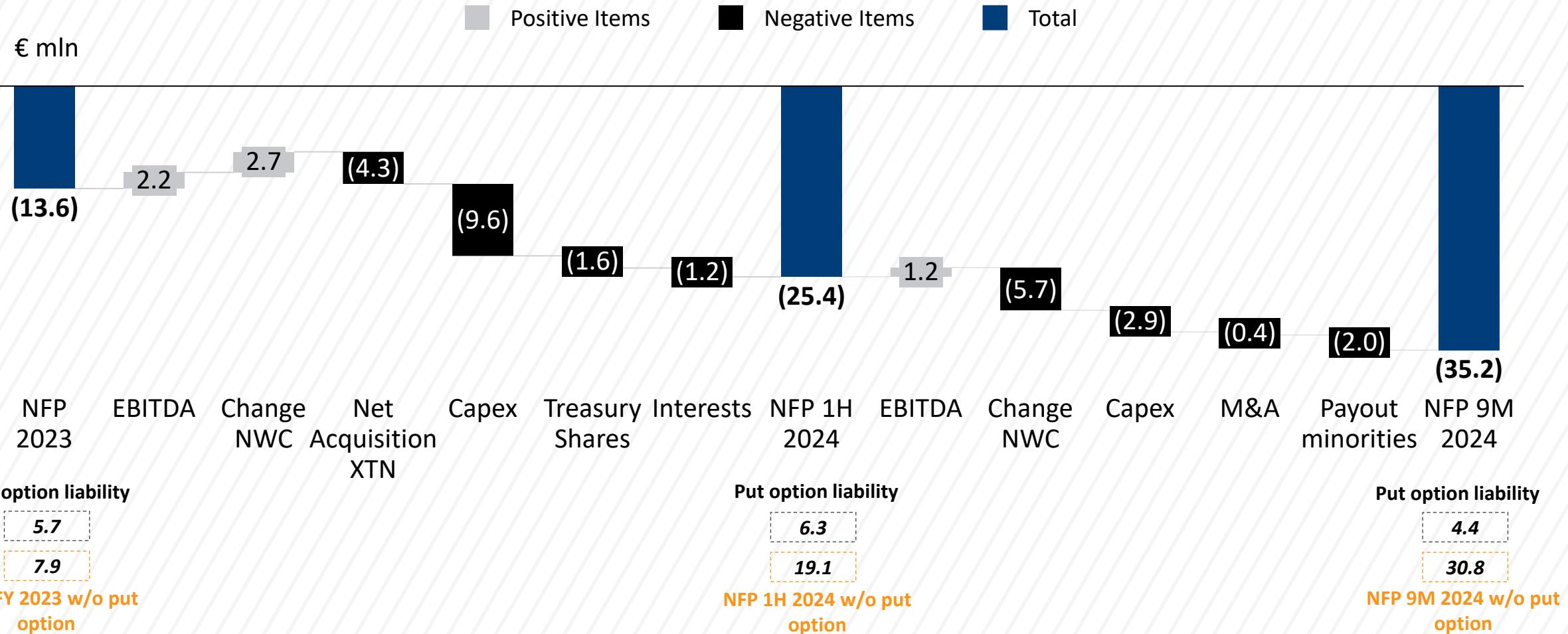
# 9M 2024 People Investment



Total personnel increased in the first nine months of 2024 by a total of 37 resources:

- Increase of 25 resources related to the XTN acquisition that will strengthen the cybersecurity line
- Increase of 88 resources in engineering and commercial & staff compared to 76 exits

# 9M 2024 NFP Bridge



# 9M 2024 Profit & Loss

€ mln	9M 2024 <sup>1</sup>	9M 2023
Operating Revenues	45.4	43.6
Other Operating Revenues	2.2	1.3
<b>Total Revenues</b>	<b>47.5</b>	<b>44.9</b>
Services, Procurement & other operating costs	20.1	19.3
Personnel Costs	23.8	22.4
<b>Costs</b>	<b>43.9</b>	<b>41.7</b>
<b>EBITDA Adjusted</b>	<b>3.6</b>	<b>3.2</b>
D&A [including leasing costs]	(11.4)	(9.6)
<b>EBIT Adjusted</b>	<b>(7.8)</b>	<b>(6.3)</b>
D&A [related to PPA]	(3.4)	(3.4)
<b>EBIT</b>	<b>(11.1)</b>	<b>(9.7)</b>
Financial Income (Expenses)	(1.8)	(1.0)
One off costs	(0.2)	(2.4)
<b>EBT</b>	<b>(13.2)</b>	<b>(13.2)</b>

1. Including the consolidation of XTN from 1st January 2024

# 9M 2024 Asset & Liabilities

€ mln	9M 2024	FY 2023
<b>Fixed assets</b>	<b>96.8</b>	<b>87.9</b>
Inventory	1.5	0.8
Contract assets (liabilities)	6.1	3.1
Trade receivables	49.4	53.7
Trade payables	(11.1)	(14.4)
<b>Trade Working Capital</b>	<b>45.9</b>	<b>43.1</b>
Other assets (liabilities)	(13.0)	(6.3)
<b>Net Working Capital</b>	<b>32.9</b>	<b>36.8</b>
<b>Net Capital Invested</b>	<b>129.7</b>	<b>124.8</b>
Cash and cash equivalents	8.3	17.6
Financial assets	3.4	1.4
Financial Liabilities	(43.1)	(28.8)
Lease liabilities	(3.8)	(3.8)
<b>Net Financial Position</b>	<b>(35.2)</b>	<b>(13.6)</b>
Put option liability	(4.4)	(5.7)
Book value of treasury shares in portfolio	(3.2)	(1.6)
<b>Net Financial Position Adjusted</b>	<b>(27.5)</b>	<b>(6.3)</b>
<b>Shareholders' Equity</b>	<b>(94.5)</b>	<b>(111.1)</b>
<b>Sources</b>	<b>(129.7)</b>	<b>(124.8)</b>



# Sustainability

# Our commitment for a greater sustainability

## UN Global Compact & SDGs

By joining the United Nations Global Compact, CY4GATE shares, supports and applies the fundamental Ten Principles of the Global Compact in its sphere of influence and actively contributes to the achievement of the United Nations Sustainable Development Goals.



CY4GATE has included in 2023-2025 business plan investments to adopt its Social Report structured on the indications contained in the GRI (GRI 200, 300, 400) and GBS standards.

And, we will contribute to the achievement of the following 6 of the 17 goals of the 2030 Agenda for Sustainable Development.

### Goal 4

To ensure **inclusive and equitable quality education and promote lifelong learning opportunities for all**



### Goal 12

To ensure **sustainable production and consumption patterns**



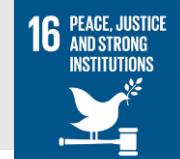
### Goal 8

To promote **sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all**



### Goal 16

Relating to **Peace, justice and strong institutions**. Defence is a crucial component of security, and security constitutes the prerequisite for peace, prosperity, international cooperation, economic and social development.



### Goal 9

To build resilient infrastructure, and to promote inclusive and **sustainable industrialization and foster innovation**



### Goal 5

To achieve **gender equality and empower all women and girls**, for operational efficiency and social inclusiveness, actively promoting the implementation of the Women Empowerment Principles.



# Business ethic and human empowerment

## Governance

- Solid corporate governance
- Sustainability-oriented strategies and policies
- Responsible business conduct
- Information security and privacy
- Transparency of information towards investors
- Prevention to corruption
- Prevention on anticompetitive behaviour



## Human rights

- Respect for human rights
  - in the production and sale of products
  - in People management
  - in the gender equality and diversity empowerment
  - in the supply chain management



## Environment

- Energy efficiency and emissions reduction
- Use of water resource
- Waste management



## Business management

- Leadership in innovation
- Customer relationship management
- Responsible management of the supply chain



## Relationship and working conditions

- People management and care
- People empowerment
- Occupational health and safety
- Equal opportunities and gender equality



## Responsability towards the community

- Protection and safety of the community
- IT security and critical infrastructure protection



# ESG – Environmental, Social, Governance



## Climate positive goal

- In 2022, 100 trees planted to reduce 17 tons of Co2
- In 2023, 56% saving of energy consumed outside the organization resulting from smart working
- We are always looking to improve energy efficiency and we joined the project «M'illumino di meno»



## Employees and community

- Health Plan Regulation to all permanent employees
- Specific regulations to facilitate smart working
- Support to non profit associations and participation in charity events
- We completed the UNI /PdR 125:2022 Gender Certification Process



## Robust governance and responsible business conduct

- Voluntary ESG disclosure in accordance with GRI Standards
- Anti corruption policy & Code of Ethics
- GDPR compliance
- ESG-ES Rating Ethifinance 82/100 above the average of the 264 companies assessed in IT sector



Follow us:



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