

Nixu

H2 2018 review

Petri Kairinen, CEO, @kairinen
28.2.2019



Happy Kalevala Day!

28.2. - Day of Finnish culture



 **MUST READ:** [Windows 10: New study shows Home edition users are baffled by updates](#)

EU orders recall of children's smartwatch over severe privacy concerns

EU warns that ENOX Safe-KID-One smartwatches contain several security flaws that let third-parties track and call children's watches.



By [Catalin Cimpanu](#) for [Zero Day](#) | February 5, 2019 -- 01:16 GMT (01:16 GMT) | Topic: [Security](#)

Cybersecurity

Marriott Breach Exposes Weakness in Cyber Defenses for Hotels

By Patrick Clark

14 December 2018, 12:00 EET

- ▶ Hack affected up to 500 million guests; linked to Chinese
- ▶ Commerce Secretary Ross says firms must invest in security

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Year	Respondents who claimed their organization had a problematic shortage of cybersecurity skills
2014	23%
2015	25%
2016	46%
2017	45%
2018	51%

Source: <https://www.esg-global.com/blog/esg-research-suggests-cybersecurity-skills-shortage-is-getting-worse>



**”WE KEEP THE DIGITAL
SOCIETY RUNNING**

nixu

“Strong organic growth and preparation for the next steps



KEEPING THE DIGITAL SOCIETY RUNNING

Case: If Insurance cybersecurity partnership



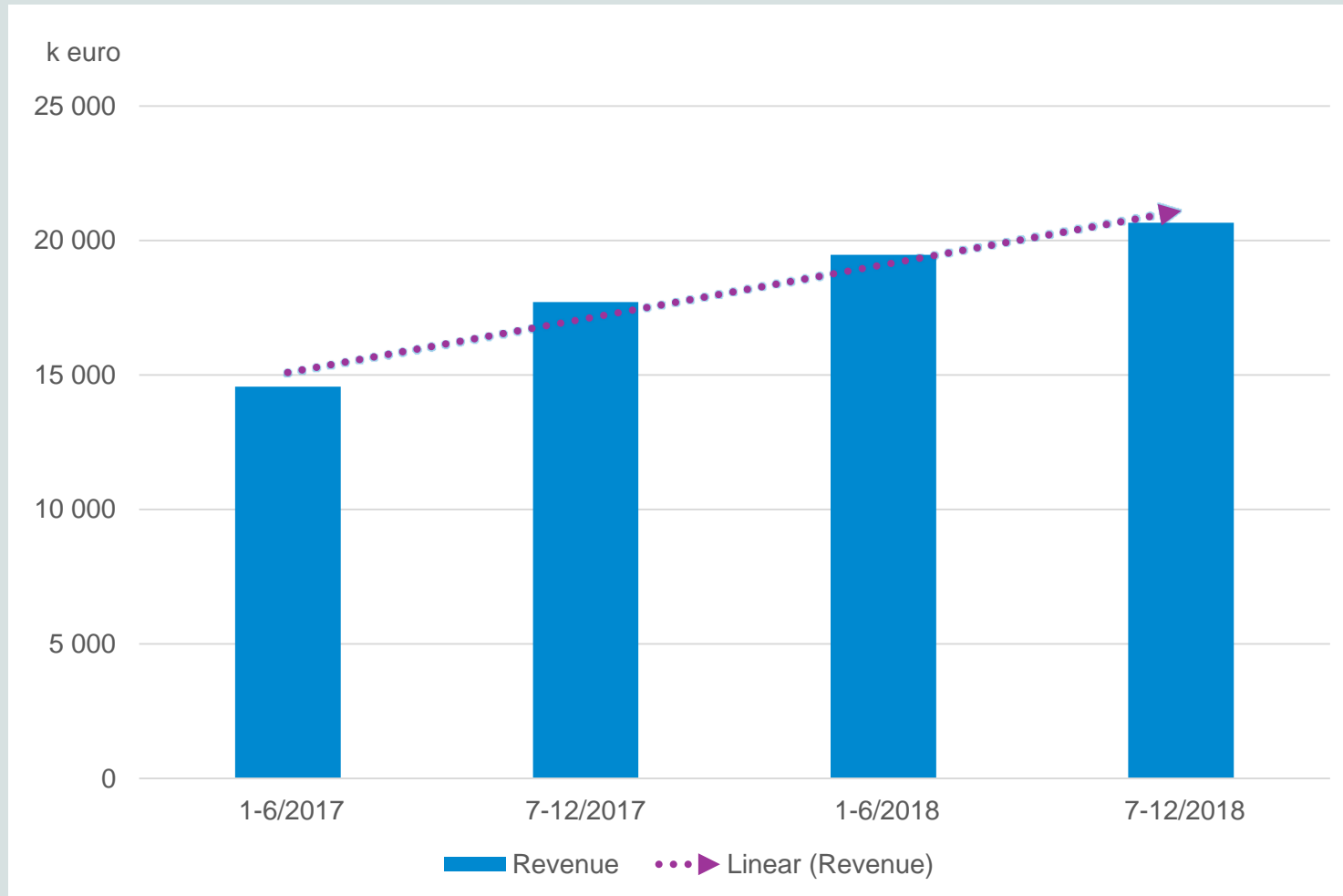
If P&C Insurance buys a complete solution for cybersecurity

“For a major company like If that operates in the finance industry, comprehensive cybersecurity service is a necessity. We realize the challenge in obtaining, retaining and delivering the same level of cybersecurity services and know-how as in a specialized cybersecurity company — such as Nixu. When we buy the service from a partner, we can focus on our core competency”, says Chief Information Security Officer Peter Granlund from If.

Summary of H2 2018:

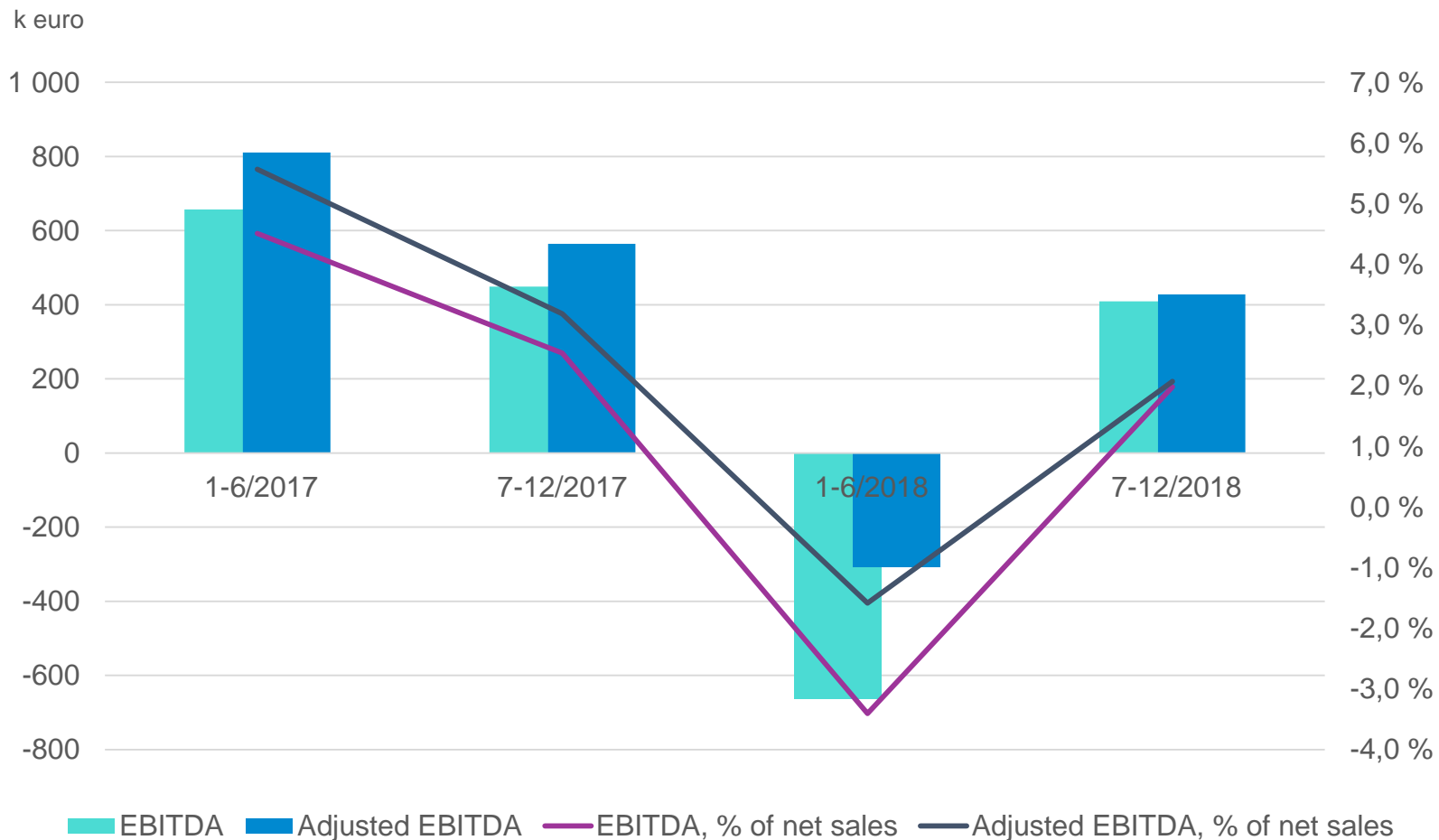
- Revenue 20,7 MEUR (growth +17 %, organic)
- Revenue of managed continuous services +97 %, representing 10 % of whole revenue of 2018
- EBITDA 409 kEUR, adjusted EBITDA 428 kEUR
- Solidification of international platform continued
- Increased operational efficiency and narrowed focus

Steady growth continued during 2018



- Strong 17% organic growth throughout 2018
- 1H2018 growth further supported by 2017 M&A making the full year growth 24% in 2018

EBITDA turned back into black figures



- Dip in EBITDA levels during 2H17-1H18 starting to correct
- H2/2017 shows the effect of acquiring less profitable companies and investing into international growth
- During H1 our cost control was not adequate

SWOT analysis of Nixu today

STRENGTHS

- Talented team with a good culture
- Holistic, relevant service portfolio
- Dedicated sales driving organic growth
- Capability to serve clients as-a-service
- Lack of legacy offering, no technology bets

OPPORTUNITIES

- Digital transformation just beginning to drive cybersecurity demand
- No established holistic European leader yet
- Possibilities for further consolidation

WEAKNESSES

- Maturity levels across market areas different
- Growth investments and service transformation eating into profitability
- Low Nixu brand recognition outside Finland

THREATS

- New entrants over-investing and spoiling the market
- Risks associated with M&A boosted growth

Digitalization, done right

Identity

Security

Privacy

nixu

Growth investment strategy

The background of the slide features a hand placing a puzzle piece into a larger puzzle. The puzzle pieces are light-colored and have a cityscape pattern. The hand is positioned in the upper left, and the puzzle piece being placed is in the center. The cityscape is visible through the puzzle pieces, showing various buildings and structures.

2015-2017

Plan & Build

**2018-
202X**

Establish &
Grow

Leverage One
Nixu

Strategic themes towards 202X

- Cybersecurity talent community
 - Cybersecurity partner for digitalization
 - Data-driven services built on platforms
 - Expand market presence
- + Profitable, lean growth

Profitable, faster growth for 2019

- Main drivers:
 - Increased share of continuous (+39 % of revenue 2018) and managed businesses
 - Partnerships closed during 2018 showing results
 - Stock listing and platform consolidations completed
- Balance between client prices and personnel costs remains stable

Guidance for 2019:

- Mid term goal of $>15\%$ growth and $>10\%$ EBITDA
- Nixu continues to emphasize the importance of growth, and continues to invest in growth projects.
- Supported by strong organic growth, expected revenue growth over 20%
- The full year EBITDA is estimated to improve significantly in comparison to the preceding financial year.

Nixu vision statement

**The trusted, go-to partner
for cybersecurity services
for digitalization in
Northern Europe**

and

**the best place to work for
cybersecurity
professionals**



*Akseli Gallen-Kallela:
The making of Sampo, 1893*

Thank you!

For more information:

<https://www.nixu.com/investors>

