

Securing Private Equity Investments, Increasing Cyber Resiliency, and Accelerating Deal Value with Zscaler

Cybersecurity challenges in private equity

PE firms and their PortCos aren't immune to the threats of the evolving cyber landscape. In fact, many bad actors view them as **target-rich zones**.

Four major risk areas impact PE firms:

- 1 Investment risk:** The potential for value erosion due to a cyber breach or incident that makes the asset less attractive to prospective buyers
- 2 Reputation risk:** Loss of customer confidence due to a cyber breach or incident
- 3 Operational risk:** Downtime and disruption brought on by an attack that impacts PortCo's operations
- 4 Regulatory risk:** Penalties such as those imposed by governmental and regulatory bodies

Business leaders and board-level executives share key concerns, with a recent survey revealing that:

68% of business leaders believe cyber risks to their companies are increasing

92% of US businesses saw an increase in cyberattacks

300x more cyberattacks hit financial services firms (e.g., banking, insurance, asset mgmt.) compared to other industries

What questions are board of directors asking PortCo management?

As threats have evolved, so has the level of sophistication and fiduciary responsibilities of the board. Common questions board members pose to their management and operating partners (based on [HBR](#)) include:

- What are our critical assets (i.e., crown jewels), and how are we protecting them?
- What layers of protection (e.g., policies, procedures, internal controls) have we put in place?
- How do we know if we've been breached? How do we detect a breach?
- What are our response plans in the event of an incident?
- How are we responding to regulatory changes such as the proposed SEC 4A ruling on breach disclosure?
- Is our cybersecurity investment enough?

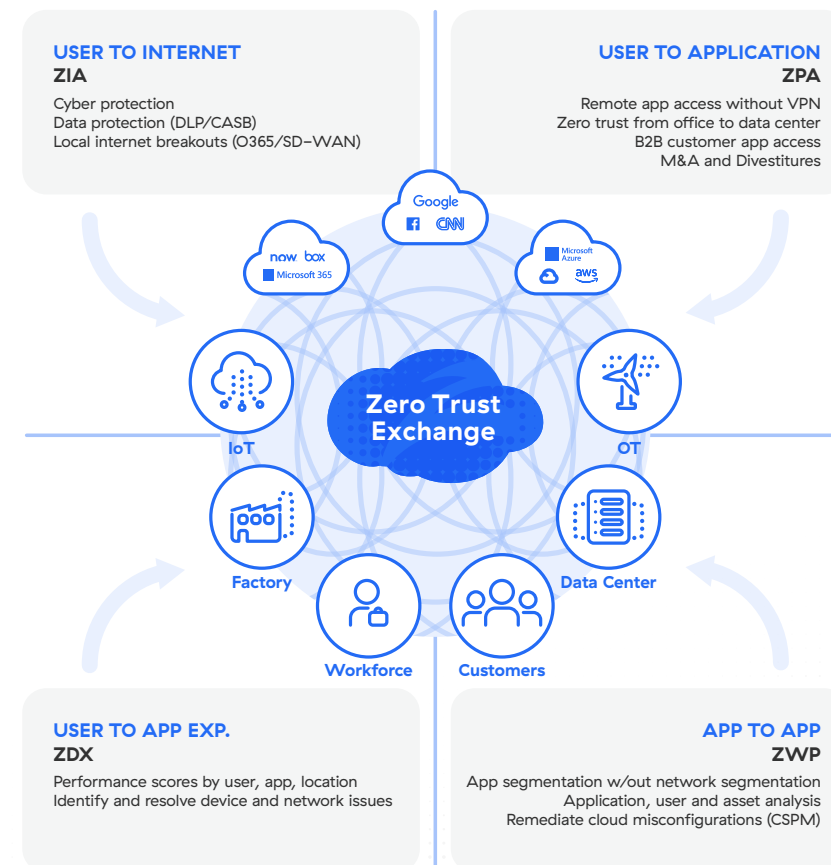
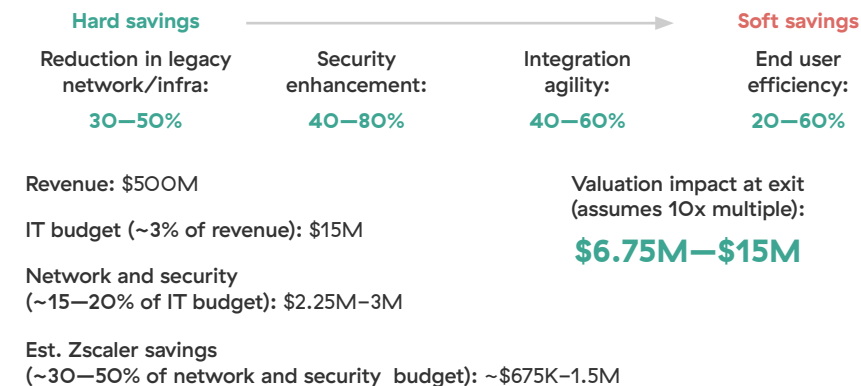
How Zscaler helps PE firms, transactions, and PortCos with cyber resiliency and value creation

Our cloud native security as a service platform provides:

- Cyberthreat protection (e.g., cloud firewall, URL filtering, cloud sandbox, eliminates attack surface and prevents lateral movement)
- Drives zero-trust and user to app connectivity
- Secure work-from-anywhere access
- Faster acquisition integrations and carve-out standup

Our solution drives value creation and cost savings relative to existing IT budgets.

Savings example



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Zscaler Private Equity 360° Framework

PE Firms

- Secure and protect the most **critical assets**
- Enable investment professionals to **work securely from anywhere**
- Simplify and **manage IT network, security, and infrastructure spend**

PE PortCos

- Enhance **cyber resiliency**
- Preserve and **protect deal value**
- **Simplify and optimize** IT network, security, and infrastructure spend

PE Transactions

- Accelerate platform add-ons and tuck-ins
- Simplify carve-out integrations and standup time
- Accelerate time to value and mitigate cyber risk post acquisition

Zscaler Private Equity 360° Program

Education:

Provide PE firms and Portco's with Zscaler accelerators such as our business value and case assessment tool and enable access to Zscaler education and training resources

Engagement:

Support PE firms and their PortCo's with cyber resiliency reviews (Zscaler has a network of Strategic Risk Assessment advisors who complement our services). Provide PE firms and PortCo's with extended Proof of Concept windows to assess the breadth of Zscaler's capabilities

Relationships:

Provide a forum for PE firms, Portco's and Operating Partners to connect and share best practices around M&A due diligence and integration, cybersecurity and emerging threats

Results:

Support implementation excellence to drive value creation and optimize PE, Portco and Transaction value

Zscaler thought leadership



[Increasing Deal Velocity for Private Equity Firms & Portfolio Companies](#)



[Increasing Deal Velocity for Financial Services M&A](#)



[The Role of Cybersecurity in M&A Deal Value and Synergy Targets](#)

About Zscaler PE practice

Zscaler's Global Private Equity practice drives cyber resiliency, EBITDA improvement and value creation in strategic PE firms, their PortCos and ongoing buy/sell transactions:

- We serve dozens of PE firms globally, including 6 of the 10 largest PE funds according to the PEI 300
- Combined AUM of our top PE customers: >\$1 trillion
- Hundreds of PE backed companies leverage Zscaler to drive costs down, improve EBITDA and enhance security posture through zero trust while delivering superior user experience

Questions? Reach out or visit us online

zscaler.com/solutions/mergers-acquisitions-divestitures



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