Back to the Basics: Building Security By Design

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## Cybersecurity Presents a Continued Challenge

### Despite a dynamic market...

- **$106B**: Worldwide information security spending in 2019; projected to reach $133B by 2022.
- **26%**: Combined annual growth rate of next-generation security software.
- **$6.2B**: Venture financing volume in 2018 on +400 cyber transactions.
- **$15.5B**: Total security M&A volume in 2018 on +180 transactions.

### Challenges to security persist

- **$600B**: Estimated annual global cost of cybercrime.
- **145M**: Equifax consumers personal information exposed.
- **$790M**: Combined quarterly loss from NotPetya ransomware by FedEx, Maersk, Mondelez & Saint-Gobain.
- **78**: Days (median) from compromise to discovery.
- **67%**: Increase in security breaches in the last five years.

Source: BTIG, Mandiant, McAfee, Momentum Cyber
## Macro Drivers of Cybersecurity Market

### Large Trends Contributing to Growth of Security Spending

<table>
<thead>
<tr>
<th>CIO Budget Survey</th>
<th>Cyber Talent Shortage</th>
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<tbody>
<tr>
<td>78% of polled companies that plan to increase IT security spending</td>
<td>~1.5 million expected global information security worker shortage by 2022</td>
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### Nation-state competition increasingly evident in cyberspace

### Costs of cybercrimes increasing due to:

- Adoption of new technologies by cybercriminals
- Lower cost-of-entry to commit cybercrime due to rise of cybercrime-as-a-service
- Growth of cybercrime safe havens (e.g., North Korea, Vietnam, Russia, Brazil)

### Regulatory Compliance

- New regulatory requirements for enterprises
- General Data Protection Regulation (EU)
- New York Department of Financial Services
- FDIC, Federal Reserve, OCC Enhanced Cyber Risk Management Standards

### Dynamic Threat Landscape

- Ransomware
- IP Theft
- Cryptojacking
- DDoS
- Phishing
- Malware
Increased frequency and sophistication of attacks

Cybersecurity market expected to grow at a robust pace through 2022

Top priority for Boards and CEOs: Preventing a career-ending cyberattack
- Equifax, Deloitte, Maersk, Yahoo, NSA, OPM

### Cybersecurity Market CAGR of 8.5% From 2017 to 2022

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<tbody>
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<td>2016</td>
<td>$4.6</td>
<td>$48.1</td>
<td>$9.8</td>
<td>$15.2</td>
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<tr>
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<td>$4.7</td>
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<tr>
<td>2018</td>
<td>$4.9</td>
<td>$58.7</td>
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<tr>
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<tr>
<td>2022</td>
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<td>$82.6</td>
<td>$14.8</td>
<td>$23.9</td>
<td>$6.6</td>
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Source: Gartner
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