



Optiv sees international growth as strategic priority; targeting Western Europe, CFO says
by Nate Trela 02/20/2018

Optiv, a Denver, Colorado-based cybersecurity firm, will be looking for buys in Western Europe as international expansion becomes a strategic priority, said Dave Roshak, CFO.

The cybersecurity market lacks a "global pure-play cyber-focused solutions provider," Roshak told this news service. "Our partners and clients have been asking for it, and we think we can leverage the platform we have built to make it happen."

Roshak said Optiv will make growth in Europe a priority this year, both organically and through tuck-ins. Western Europe—particularly the United Kingdom—are of particular interest, he said. Optiv is backed by private equity firm KKR. In December 2016, the company announced it would sell a majority stake to KKR instead of going public. No terms were disclosed but media reports put the sale price around USD 1.9bn.

Roshak said one benefit to bypassing the IPO was the opportunity to pursue international expansion at a measured pace without having the pressures associated with public reporting every quarter.

When asked what offerings could make for attractive targets, Roshak said Optiv could look at General Data Protection Regulation (GDPR) capabilities, identity and access management tools and services, and global managed security service capabilities.

In January, Optiv hired Simon Church, a veteran of more than 25 years of experience running global technology and managed services programs, as general manager and EVP, Europe. In that role, he is charged with establishing and growing Optiv's presence on the continent, which Roshak said will include both organic growth and identifying potential acquisition targets.

While Optiv would ideally add as much scale as possible in buys, Roshak acknowledged that the company would likely be making smaller deals first in Europe. He said there is no "sweet spot" for target size, as it could buy much smaller companies if they hold attractive IP or tools that Optiv could fill in gaps of Optiv's offerings.

Optiv provides end-to-end cybersecurity solutions, including cybersecurity strategy, managed security services, incident response, risk and compliance, security consulting, training and support, integration and architecture services, and security technology. It claims more than

1,700 employees, more than 350 technology partners and more than 7,600 clients served in the past three years, including 79 members of the Fortune 100.

Roshak declined to discuss revenues, but in an October 2016 report, this news service cited a source familiar with the company saying it was on track that year to reach more than USD 1.5bn in revenue with an EBITDA "well north" of USD 100m. Optiv reported more than USD 947.3m revenue and USD 97.5m adjusted EBITDA in 2015 in an earlier filing.

Going public is not a priority in the next two years, said Roshak, but added that "thinking and acting like a public company is always a good idea for a company this size and we will maintain IPO readiness."

Classification:

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