

## Contacts

For more information on how we can help you proactively manage the economic impact of cyber threats throughout the transaction life cycle, please contact:



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### About EY

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# Cyber due diligence

Helping you manage the economics of cyber threats at all stages of the transaction life cycle

**EY**  
Building a better  
working world

# Being agile and resilient to cyber threats throughout the M&A life cycle

EY's Cyber Due Diligence services can provide clients (i) early identification of cyber threats in acquisitions, divestitures and joint ventures; (ii) evaluation of the financial impact on the transaction rationale; and (iii) threat mitigation strategy that considers transaction value.



## M&A and joint ventures bring increased risks to a company's strategic imperatives, deal rationale and transaction value

More than **90%** of executives view cybersecurity as a **significant risk to their deal process**.\*



**56%** Only **56%** of companies perform cybersecurity due diligence **as a standard procedure**.\*

Companies are **increasing their focus outside of IT** when considering cybersecurity risks with transactions. Areas of focus include business relationships such as **customers and vendors**, as well as **joint ventures and affiliates of the target company**.\*

**Heightened media attention and greater corporate awareness** of cyber risks are contributing to increased scrutiny at the C-suite and board levels.\*

### EY's Cyber Due Diligence services can help address your risk by:

- ✓ Uncovering cyber threats in target companies early in the transaction life cycle
- ✓ Translating technical cyber risks into financial business terms executives can understand and act upon
- ✓ Valuing the risk of disruption or conversion related to a potential cyber event or IP theft, including brand or reputation damage, lost profits and diminished value of key intangible assets
- ✓ Bringing specific points to transaction value discussions
- ✓ Helping you demonstrate to the board and to regulators an approach to cyber risk mitigation focused on protecting the value and strategic drivers of the transaction

## EY can identify the most serious threats by conducting diligence through the eyes of an attacker

Transaction life cycle

Strategy and opportunity analysis	Diligence	Negotiation and execution	Integration
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### EY Cyber Due Diligence Tools and Processes

EY Cyber Due Diligence Tools and Processes				
Phase 1 (passive assessments/no company access)				
External technical analysis and benchmarking	✓	✓	✓	✓
Evaluation of likely attackers and tactics	✓	✓	✓	✓
Estimating dollar value range of highest impact cyber risk scenarios	✓	✓	✓	✓
Entity relationship analysis	✓	✓	✓	✓
Phase 2 (limited company access)				
Risk assessment interviews		✓	✓	
Analysis of key documents		✓		
Full financial valuation of validated cyber risks on key deal drivers and major assets		✓		
Strategic prioritization of mitigation based on dollar value of key risks for deal price and terms			✓	
Phase 3 (full company access)				
Prioritization of cyber threat mitigation based on exposure of strategic assets				✓
Development of Day 1 through Day 100 integration plan				✓
Third-party (e.g., customer, supply chain) cyber threat assessment and mitigation plan				✓
Identification of hidden attacker access through simulated attack scenarios and recommendation of steps for removal				✓

\* EY's Capital Confidence Barometer 13th edition - October 2015