

# PT ITSEC Asia Tbk (CYBR)

Initiation Report

Monday 24 February 2025

## Innovation Drives The World's Fastest Growing Cybersecurity Stock

**Company Overview.** PT ITSEC Asia Tbk (CYBR) made its debut on the Indonesian Stock Exchange in 2023. Headquartered in Jakarta, the firm has rapidly established itself as a prominent player in the cybersecurity sector with a skilled workforce of over 330 employees distributed across three key markets: Indonesia, Singapore, and Australia. Drawing on over a decade of industry expertise, ITSEC Asia has successfully completed thousands of cybersecurity projects, consistently adding to its capabilities in new areas such as Fraud Management, Digital Forensics & Incident Response and Critical Infrastructure Security. The company partners with leading global technology firms to offer advanced cybersecurity solutions to over 100 blue-chip clients across diverse sectors including financial services, telecommunications, energy, critical infrastructure and government.

**Dynamic Cybersecurity Market Growth.** The Indonesian cybersecurity market is poised for significant expansion and is projected to reach ~USD 2.71 billion in revenue in 2025. Within this market, Security Services is anticipated to be the leading segment, contributing an estimated USD 1.66 billion this year. The industry is expected to reach a total market value of ~USD 3.92 billion by 2029, representing a robust CAGR of 10% 2025 – 2029F. We see ITSEC Asia taking market share in this dynamic and rapidly growing market.

**IntelliBroń: AI-driven proprietary cybersecurity technology.** The company's proprietary suite of AI-driven cybersecurity solutions, IntelliBroń, has the potential to boost ITSEC Asia's business by specifically addressing challenges prevalent in the market. The adoption of cybersecurity solutions is often hindered by affordability issues, creating a significant market gap. Currently, many foreign solutions, such as Palo Alto and Zscaler, tend to cater exclusively to large enterprises, leaving medium and small enterprises (SMEs) underserved. This scenario presents an opportunity for ITSEC Asia to target SMEs by providing more cost-effective and accessible cybersecurity solutions. By doing so, the company can effectively bridge this gap and expand its market reach, positioning IntelliBroń as a key growth driver for the company.

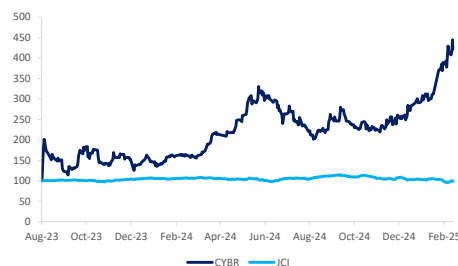
**Strong Growth Supports Future Profitability.** CYBR has demonstrated strong historical revenue growth, achieving a 42% CAGR from FY20-FY23. Looking ahead, we expect this momentum to accelerate, with revenue projected to grow at a 60% CAGR over FY23-FY26F. Revenue growth, economies of scale, and an uplift in margins from IntelliBroń drive our forecasted net profit margins of 7% in FY25F and 13% in FY26F.

**Valuation.** Our analysis shows that ITSEC Asia has the fastest growing revenues of any listed cybersecurity company globally. We value the company using a P/S multiple to capture strong revenue estimates and the Discounted Cash Flow (DCF) method to assess long-term value. In our P/S multiple analysis, we base our calculations on a projected FY25F revenue of IDR 572.5 billion using a FY25F P/S of 17.5x, which aligns with the average of comparable peers, and apply a discount of 10% to account for CYBR's lower market capitalization vs. the peer group. For our DCF analysis, we assume a WACC of 11.1% and a long-term growth rate of 3.5%. By taking a blended valuation approach we determine a Fair Value of IDR 970 per share, which represents an upside of 56.5%.

**Buy**

Current Price (IDR) (21/2)	620
<b>Target price (IDR)</b>	<b>970</b>
Upside/Downside (%)	56.5%
52 Week High (IDR)	620
52 Week Low (IDR)	204
Major Shareholders:	
INV Management	46.0%
MB Investment Management	27.3%
Public	24.7%

### Stock Price Movement



Source: Bloomberg, Shinhan Sekuritas Indonesia

**Billy Ibrahim Djaya**  
**+6221 80869900**  
billy.ibrahim@shinhan.com

**Helmi Therik, FRM**  
**+6221 80869900**  
helmi@shinhan.com

# PT ITSEC Asia Tbk (CYBR)

## Initiation Report

### Table of Contents

Background.....	3
Cybersecurity market growth in Indonesia.....	5
ITSEC Asia’s cybersecurity services and solutions.....	8
ITSEC Asia’s competitive edge.....	9
IntelliBroń: A potential game changer.....	10
Strategic growth post-IPO supports future profitability.....	13
Valuation.....	16
The world’s fastest growing listed cybersecurity company.....	17
Appendix 1: Ownership Structure.....	18
Appendix 2: Board of Commissioners.....	18
Appendix 3: Board of Directors.....	19

# PT ITSEC Asia Tbk (CYBR)

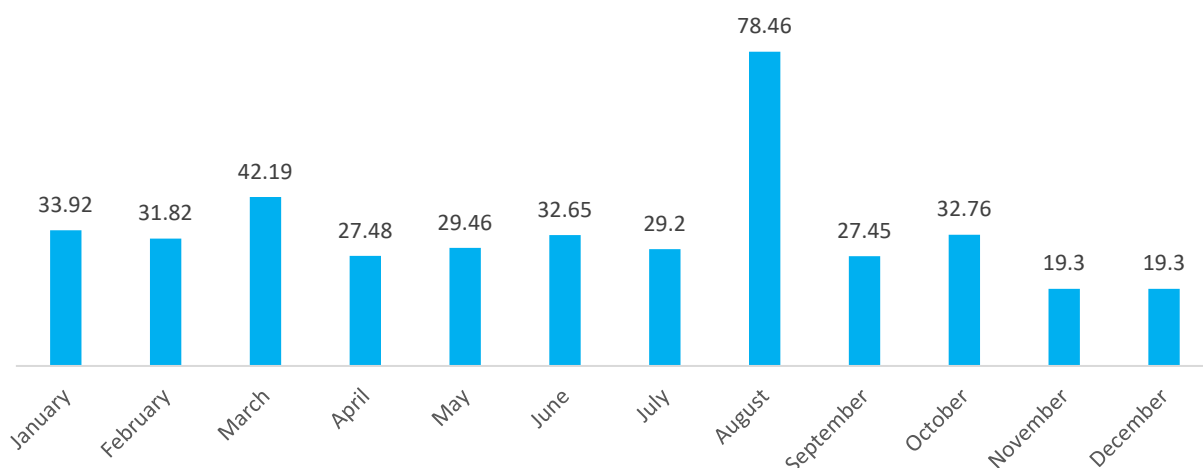
## Initiation Report

**Background.** PT ITSEC Asia Tbk (CYBR) became publicly listed on the Indonesian Stock Exchange (IDX) in 2023. Headquartered in Jakarta, Indonesia, it has become the fastest growing listed cybersecurity company globally according to our analysis (please see page 19). With a workforce of over 330 employees across three countries, the company provides high-value cybersecurity products, services and solutions to prominent organizations in each market. With over a decade of experience, the company has successfully completed thousands of cybersecurity projects, working alongside trusted technology partners to deliver cutting-edge solutions across various industries, including financial services, banking, telecommunications, manufacturing, healthcare, e-commerce, critical infrastructure, and government. Its vision is to be a trusted security partner, helping organizations mitigate cyber risks while safeguarding their brand, reputation, and customers in an ever-evolving threat landscape.

### Managed security services (MSS) to drive growth in Indonesia's cybersecurity industry

**Increasing complexity of cybersecurity solutions.** The evolving nature of cyber threats demands increasingly complex security solutions. To protect their digital assets, companies require deep expertise and a comprehensive understanding of the latest cybersecurity threats. This drives organizations to continuously seek more innovative and effective security solutions to safeguard themselves against sophisticated cyberattacks. Based on the data from *Mordor Intelligence* there were more than 400 million anomalies associated with cyber attacks in Indonesia. This underscores the importance of cyber security services in Indonesia to protect digital assets.

#### Monthly traffic anomalies associated with cyber-attacks in Indonesia, in millions



Traffic Anomalies (Millions)

Source: Mordor Intelligence

# PT ITSEC Asia Tbk (CYBR)

## Initiation Report

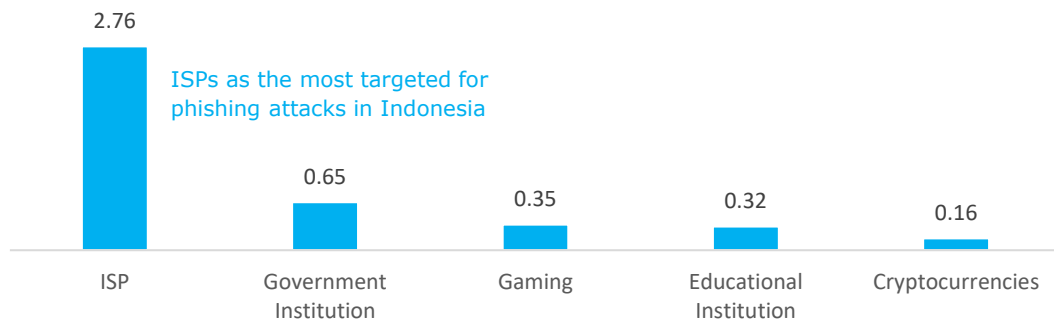
### Cloud technology is rapidly becoming the backbone of enterprise networks in Indonesia, driving significant IT sector growth.

However, this transition has exposed businesses to greater cybersecurity risks, including security breaches, misconfigurations, and gaps in identity access management (IAM) and privileged access management (PAM) across multiple cloud platforms. Cyber threats and ransomware attacks are on the rise, posing severe risks to organizations. In August 2023 alone, Indonesia recorded 400 million cyberattack-related anomalies, highlighting the urgent need for enhanced security measures. As these threats escalate, major cloud providers and cybersecurity firms are expected to ramp up their investments in security solutions. With more organizations adopting hybrid and multi-cloud environments, security complexities have intensified. Businesses leveraging AWS, Google Cloud, and Microsoft Azure face unique security challenges, driving the need for advanced protection measures such as encryption, access controls, and monitoring tools. Strengthening cybersecurity infrastructure is now essential to safeguarding sensitive data and mitigating potential cyber risks.

**Digital transformation and adaptation to remote working.** The pandemic has accelerated digital transformation, bringing significant changes to how companies operate. Remote working has become the norm, requiring businesses to implement comprehensive cybersecurity strategies. Managed Detection and Response (MDR), cyberattack simulations, zero trust frameworks, and various other security solutions are essential to support remote work environments. Partnering with MSSPs is a strategic choice, as they provide maximum protection at a lower cost compared to building an internal SOC.

**Phishing attacks on ISPs are significant.** The most frequently targeted sector for phishing attacks in Indonesia is Internet Service Providers (ISP), with an attack percentage reaching 2.76%, significantly higher than other sectors. Government institutions rank second with 0.65%, followed by the gaming industry (0.35%), educational institutions (0.32%), and cryptocurrency (0.16%). The high number of phishing attacks on ISPs reflects the sector's critical role in Indonesia's digital infrastructure, making it a prime target for cybercriminals seeking to access a vast network of internet users. Meanwhile, attacks on government institutions and educational organizations indicate attempts to exploit sensitive data and public information systems. Although the percentage of attacks in the gaming and cryptocurrency sectors is lower, mitigation measures are still necessary to protect users from the ever-evolving phishing threats.

### Most targeted online industries for Phishing Attacks in Indonesia (%)



Source: Mordor Intelligence

# PT ITSEC Asia Tbk (CYBR)

## Initiation Report

**Regulatory compliance in cybersecurity.** Companies are increasing their collaboration with MSSPs to ensure regulatory compliance, security audits, incident response, and penetration testing. This helps maintain compliance with data protection regulations applicable to their respective industries. Such partnerships also grant access to cybersecurity experts who can assist in designing security strategies that align with compliance standards set by regulatory authorities.

**Geopolitical impact on cybersecurity.** Global political tensions, such as the conflict between Russia and Ukraine, have heightened the risk of state-sponsored cyberattacks. These threats underscore the importance of a more proactive and adaptive security approach. Traditional security methods may no longer be sufficient to counter highly sophisticated and targeted attacks. As a result, both businesses and government entities are increasingly considering partnerships with MSSPs to obtain security solutions that integrate with operational technology (OT) and the Internet of Things (IoT).

**Lack of qualified cybersecurity professionals.** In recent years, companies have faced significant challenges in recruiting and retaining cybersecurity experts. As a result, many have opted to outsource their cybersecurity protection to Managed Security Service Providers (MSSP). With a broad range of services, MSSPs offer more efficient security solutions. By leveraging MSSP expertise, companies can focus more on their core business while saving costs that would otherwise be allocated to building and managing an internal Security Operations Centre (SOC).

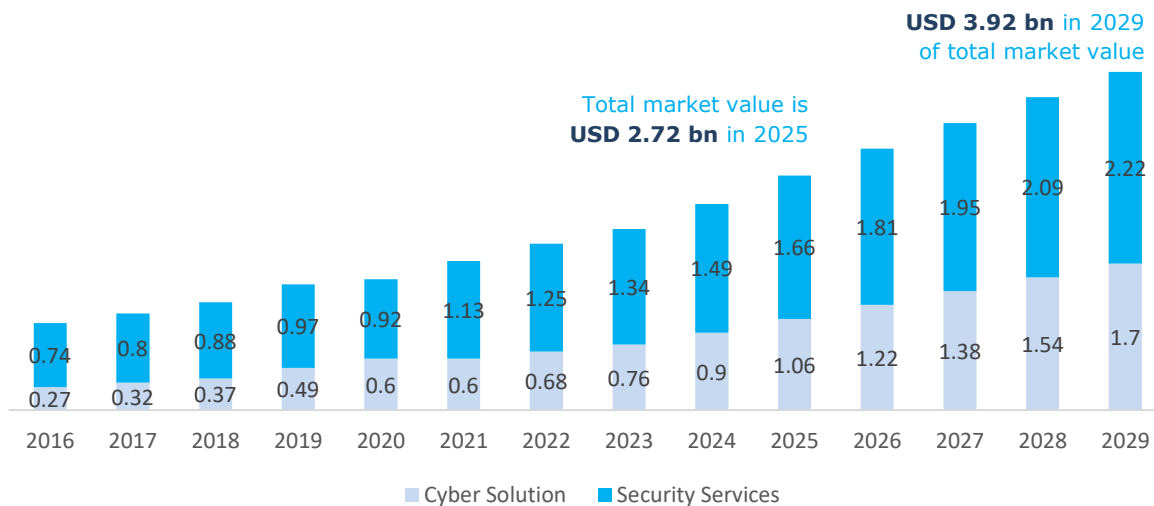
## Cybersecurity market growth in Indonesia

**The industry is projected to grow at a compound annual growth rate (CAGR) of 9.67%.** In 2025, Indonesia's cybersecurity market is expected to generate revenue of approximately USD 2.71 billion, with Security Services leading the segment at an estimated USD 1.66 billion. The industry is projected to grow at a compound annual growth rate (CAGR) of 9.67% from 2025 to 2029, ultimately reaching a market volume of USD 3.92 billion. Additionally, the average cybersecurity expenditure per employee in Indonesia is forecasted to be USD 18.89 in 2025, reflecting the increasing importance of digital security investments. As Indonesia continues its rapid digital transformation, the need for robust cybersecurity services is on the rise, presenting significant opportunities for security firms to expand and innovate in the region.

# PT ITSEC Asia Tbk (CYBR)

## Initiation Report

### Market value of cybersecurity services and solutions in Indonesia

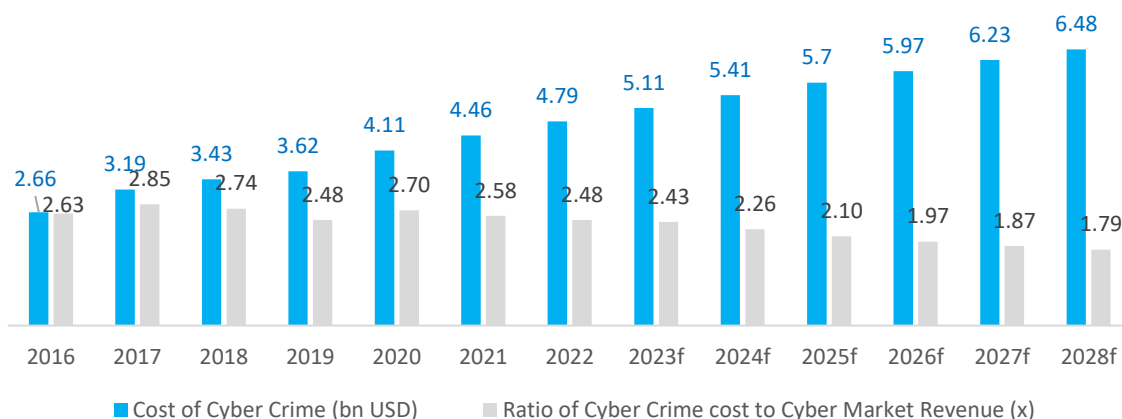


Source: Statista

Market values reflect revenues generated by key vendors, either directly or through distribution channels, based on manufacturer prices and excluding VAT. These revenues encompass spending across consumer (B2C), business (B2B), and government (B2G) sectors. Leading industry players include Microsoft, Accenture, and Palo Alto Networks.

The potential growth of the cyber security market is also driven by the push factor that comes from the cost of cybercrime which is elevated each year and potentially could deteriorate the company's digital assets. The higher cost means that it is rational to manage cybersecurity efficiently through Managed Security Services (MSS) with a third party.

### The cost of cybercrime in Indonesia

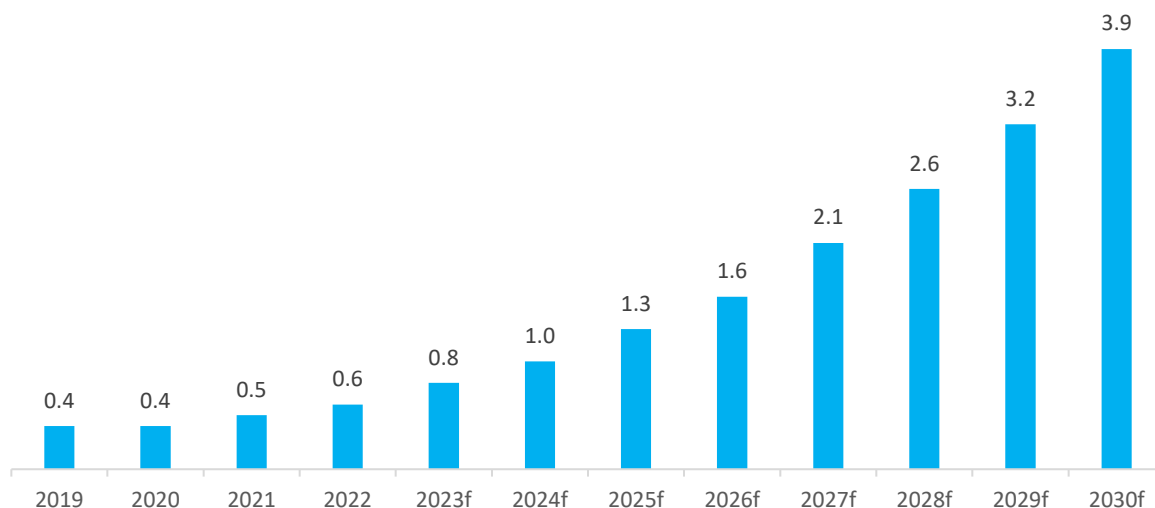


Source: Statista, Shinhan Sekuritas Indonesia

# PT ITSEC Asia Tbk (CYBR)

## Initiation Report

### Market size of Indonesia security market in payment (IDR tn)



Source: Frost & Sullivan, Company

**In the financial sector, particularly in payments security, there is a noticeable increase in awareness of cyber threats, reflected in the expanding market size for payment security solutions.**

The Indonesian payments security market was valued at IDR 1.3 tn in 2025 and is expected to grow to IDR 3.9 tn by 2030, representing a CAGR of 25.3%, making it one of the fastest-growing segments in cybersecurity, according to Frost & Sullivan.

Data on cybercrime costs indicate a significant upward trend in financial losses due to cyber threats, with estimates reaching USD 6.48 billion by 2028. This trend highlights the increasing complexity and impact of cyber threats on both businesses and government institutions. In the context of Indonesia, where digital transformation is accelerating, the demand for Managed Security Services (MSS) is becoming increasingly critical to counter these escalating threats.

The calculation of cybercrime costs is based on both direct and indirect financial impacts. Direct costs include financial losses due to the theft of funds or digital assets, system recovery expenses after an attack, and ransom payments in ransomware cases. Additionally, businesses face indirect costs, such as revenue losses due to downtime or service disruptions, reputational damage leading to customer or investor loss, and legal expenses related to investigations and litigation following a cyberattack. In the long term, companies must also allocate additional funds to enhance cybersecurity infrastructure to prevent future attacks. The rising cost of cybercrime indicates growing threats to businesses, making the Managed Security Services (MSS) industry a highly promising sector in Indonesia.

# PT ITSEC Asia Tbk (CYBR)

## Initiation Report

We observe that the reported costs of cybercrime are approximately 2.3 times greater than those associated with the cybersecurity market on average. This indicates that investing in security management is significantly more cost-effective for companies and institutions compared to the expenses incurred from cybercrime breaches.

ITSEC's Managed Security Services (MSS) provide clients with the ability to lower costs and enhance operational efficiency in IT.

In addition, ITSEC has established itself as a leading force in the cybersecurity incident response market, with its Digital Forensics and Incident Response (DFIR) Team which operates across the company's key markets. As organizations confront a growing array of complex cyber threats, demand for specialized DFIR solutions has soared.

By leveraging MSS and DFIR services, businesses can proactively mitigate risks and optimize their cybersecurity investments rather than facing the financial and reputational repercussions of cyber incidents.

## ITSEC Asia's cybersecurity services and solutions

With a team of more than 330 employees spanning three countries, the company delivers premium cybersecurity products, services, and solutions to leading organizations in each region. Below is an overview of the products and services the company offers to the market and its accreditations and certifications.

### Cybersecurity Services



### Cybersecurity Solutions



Source: Company



# PT ITSEC Asia Tbk (CYBR)

## Initiation Report

### Accreditations & Certifications



**BSSN**  
Verified



**CYBERSECURITY  
SERVICES  
REGULATION  
OFFICE**

**CSRO**  
Licensed



**CREST**  
Accredited



**ISO 9001**  
for Quality  
Management System



**ISO 27001**  
for Information Security  
Management System



**ISO 14001**  
for Environmental  
Management System

Source: Company

### What gives ITSEC Asia a competitive edge?

**Comprehensive services and solutions offering.** The company distinguishes itself within the cybersecurity sector through a wide-ranging suite of service offerings, and a strong focus on continuous innovation. Its comprehensive portfolio encompasses services such as Managed Security Services, Risk and Compliance, Application Security, and Digital Forensics. This diverse array of offerings enables the company to effectively meet varied client needs while simultaneously capitalizing on multiple growth opportunities.

Moreover, ITSEC Asia's ongoing commitment to enhancing its service capabilities — particularly in areas like Fraud Management and Critical Infrastructure Security — has significantly contributed to its financial performance. The company has achieved an impressive compound annual growth rate (CAGR) of 42% from 2020 to 2023, underscoring its potential for sustained revenue growth in the expanding cybersecurity landscape.

**Investment in talent to underpin long-term client relationships.** A key competitive advantage is ITSEC Asia's investment in talent, ensuring employees receive advanced training and certifications, which results in high satisfaction and retention rates. This approach enables the company to provide best-in-class client service and maintain long-term relationships. Furthermore, the company has secured strategic partnerships with leading global cybersecurity providers such as Microsoft, SecureWorks, Checkmarx, and Darktrace. These partnerships create economies of scale and enhance the company's ability to deliver cutting-edge cybersecurity solutions.

# PT ITSEC Asia Tbk (CYBR)

## Initiation Report

**Innovation remains at the core of the company's strategy, with ongoing investments in research and development to create proprietary technologies and new revenue streams.**

ITSEC Asia also focuses on brand awareness and education, hosting cybersecurity summits and client events, as well as partnering with universities in Indonesia to provide training and internship programs. Through these initiatives, the company strengthens its industry presence and reinforces its commitment to developing the next generation of cybersecurity professionals.

### ITSEC Asia's portfolio of blue-chip clients

The company caters to more than 100 prestigious clients across multiple sectors, such as telecommunications, banking, energy, and government. It offers a wide range of services, including Managed Security Services, Risk and Compliance, Application Security, and Digital Forensics. The majority of company revenues are derived from long-term contracts yielding sustainable revenue streams.

### IntelliBroń: A potential game changer

#### What is IntelliBroń?

**IntelliBroń is a suite of proprietary AI-driven products and solutions developed by ITSEC Asia's R&D division in collaboration with major customers.** The technology is specifically designed to seamlessly integrate with existing business operations, including Small and Medium Enterprises (SMEs), SD-WAN, and Telecommunications Mobile Networks.

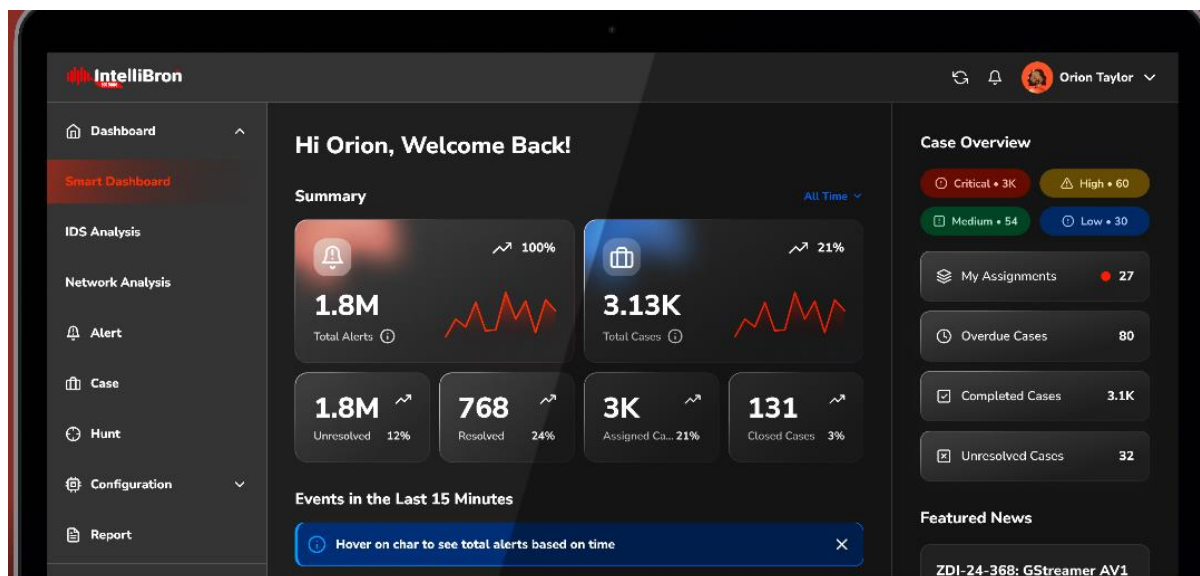
Utilizing subscription-based revenue models, IntelliBroń products and solutions aim to efficiently enter the market without requiring complex installations. IntelliBroń provides high-level defence against cyberattacks based on AI and guided by cybersecurity experts.

# PT ITSEC Asia Tbk (CYBR)

## Initiation Report

**IntelliBroń Orion is ITSEC Asia's cybersecurity solution for customers with budget constraints and lack of expertise. We expect these new products to represent a major growth driver for the company going forward.** IntelliBroń Orion, developed in partnership with key industry players such as XL Axiata and Hypernet Technologies, is a robust cybersecurity solution tailored for Small and Medium-sized Enterprises (SMEs). It is specifically designed to tackle common challenges faced by SMEs, including limited cybersecurity expertise and budget constraints, by offering a cost-effective and efficient security solution. Utilizing advanced AI and machine learning, IntelliBroń can differentiate between regular and suspicious activities, enabling real-time threat detection and response. This makes it a useful tool for SMEs seeking to strengthen their cybersecurity defences without the need for extensive in-house security teams.

### IntelliBroń dashboard



Source: Company

**IntelliBroń Aman: Targeting mobile internet users and enhancing mobile internet security through collaboration with telecommunication providers.** IntelliBroń Aman is an advanced cybersecurity platform designed to safeguard mobile internet users, addressing the growing digital security concerns. With more essential service providers, such as banks, healthcare institutions, and government agencies, relying on mobile apps to improve user experiences, ensuring the security of these applications has become increasingly critical.

# PT ITSEC Asia Tbk (CYBR)

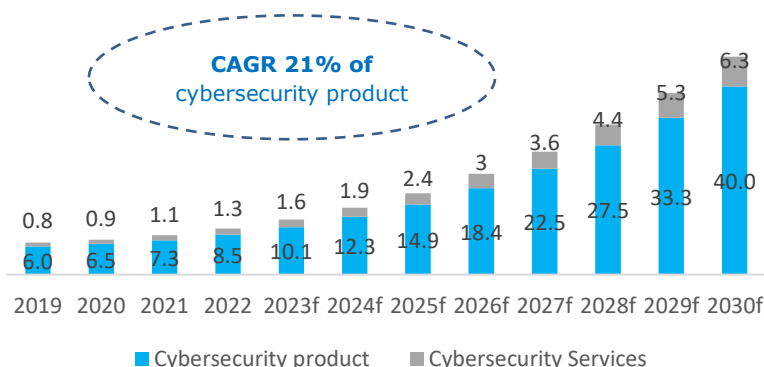
## Initiation Report

The platform offers a strong defence against cyber threats, particularly as cybercriminals shift their focus to personal mobile users, exploiting vulnerabilities in mobile devices. IntelliBroń Aman provides comprehensive protection, allowing subscribers to access vital mobile services securely and confidently. **The platform enhances the value proposition of telecommunication providers by offering a subscription-based cybersecurity solution for both individual consumers and business users within their networks.**

**The market size for cybersecurity products is 6x that of cybersecurity services.** By developing and marketing IntelliBroń products, ITSEC Asia can expand further into the cybersecurity products market, which is 6 times the size of the services market.

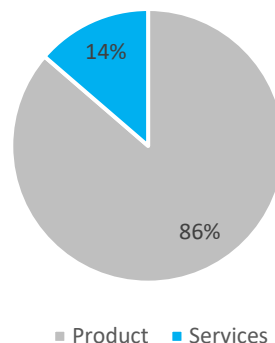
According to Frost & Sullivan, the Indonesian cybersecurity product market has an estimated value of IDR 14.9 tn in 2025 and will increase to IDR 40 tn by 2030F, representing a CAGR of 21%.

Indonesia cybersecurity products and services in IDR tn



Source: Frost & Sullivan, Company

88% market size is in cybersecurity product



Source: Frost & Sullivan, Company

# PT ITSEC Asia Tbk (CYBR)

## Initiation Report

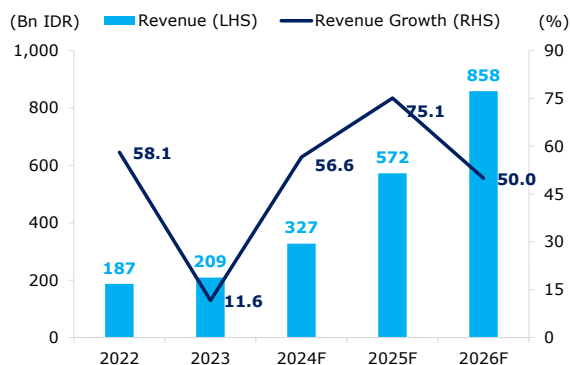
### Strategic growth post-IPO to support future profitability

Since its IPO in August 2023, CYBR has aggressively expanded its service offerings and geographical presence, resulting in sustained revenue growth. This momentum underscores the company's ability to capture increasing demand for cybersecurity solutions, particularly in regulated industries such as banking, finance, and telecommunications.

We note that PT ITSEC Asia Tbk (CYBR) recorded 21.0% YoY revenue growth in 9M24, reaching IDR 167.1 billion, primarily fueled by the Services Segment, which surged 65.1% YoY to IDR 138.1 billion. This segment accounted for 82.6% of total revenue. Meanwhile, the Software Service Segment contributed IDR 26.6 billion, and the Product Sales Segment added IDR 2.4 billion. By region, Indonesia remained the largest revenue contributor, generating IDR 101.4 billion (+5.9% YoY), representing 60.7% of total revenue. However, the most significant growth came from Singapore, where revenue soared 73.5% YoY to IDR 52.0 billion, reflecting CYBR's expanding footprint in the region. Australia also posted solid growth, with revenue rising 10.8% YoY to IDR 13.7 billion.

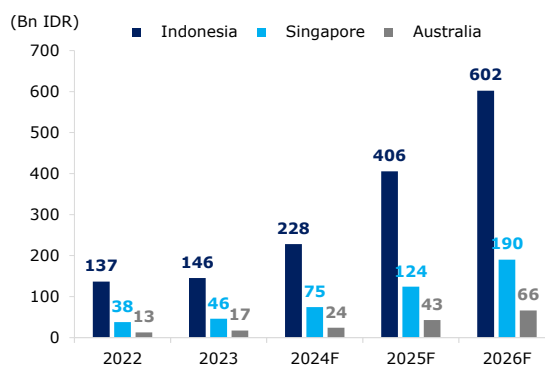
**CYBR has demonstrated strong historical revenue growth, achieving a 42% CAGR from 2020 to 2023. Looking ahead, we expect this momentum to accelerate, with revenue projected to grow at a 62% CAGR over 2023 – 2026F.** This growth will be driven by multiple factors including company's expanding cybersecurity service offerings, increasing market penetration and international expansion. In Indonesia, CYBR's market share in cybersecurity services stood at 10.5% in 2022, and we anticipate a significant rise to 26.5% in FY28F. The Services Segment will continue to be the backbone of CYBR's revenue, with key offerings such as Managed Security Services, Threat Hunting, and Incident Response remaining in high demand. This segment is expected to grow at a 28.6% CAGR, reaching IDR 880 billion by FY28F. However, the most significant growth driver will come from IntelliBroń, CYBR's proprietary subscription-based cybersecurity solution, which is projected to expand at an impressive 94.7% CAGR, reaching IDR 749 billion by FY28F. This shift towards proprietary cybersecurity IP monetization will diversify CYBR's revenue streams and enhance its margins over the long term, in our view.

#### CYBR Revenue Forecast



Source: Company, Shinhan Sekuritas Indonesia

#### CYBR Revenue Breakdown



Source: Company, Shinhan Sekuritas Indonesia

# PT ITSEC Asia Tbk (CYBR)

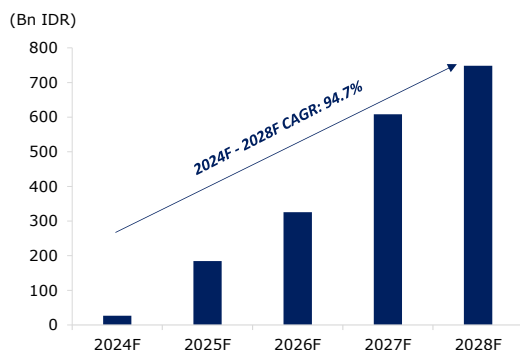
## Initiation Report

**From linear to scalable growth with IntelliBroń.** Historically, CYBR's business model has been heavily reliant on cybersecurity services and consultancy, which are constrained by the availability and expertise of human resources. The launch of IntelliBroń in June 2024 marks a strategic shift towards a non-linear, scalable growth model, as it transitions from a purely service-based business to a product-driven model with proprietary cybersecurity solutions. IntelliBroń's software-based solutions have low COGS, high scalability, and capitalized development costs, enabling CYBR to significantly increase sales volume without proportional cost increases. This transformation allows CYBR to expand revenue streams beyond service capacity limitations, driving higher margins and long-term profitability. We estimate that IntelliBron revenue to grow and contribute by 39.1% of total revenue in FY28F.

**CYBR's IntelliBroń sell-through strategy via partnerships with established enterprises, rather than direct sales, provides a cost-efficient approach.** A key partnership with XL Axiata (EXCL), which has ~4,000 enterprise clients and is targeting an expansion to ~20,000 clients, through EXCL's XL Business Solution, IntelliBroń will be bundled as a value-added cybersecurity service within annual enterprise packages, allowing for rapid adoption. This distribution model minimizes CYBR's sales force requirements, enabling exponential growth and justifying significant top-line acceleration in FY25F and FY26F.

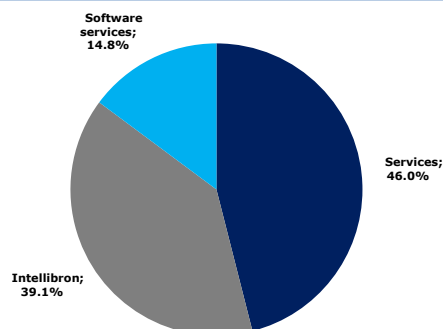
In addition, demand from Internet Service Providers (ISPs) is already high, but rather than pursuing direct ISP sales, CYBR is streamlining adoption through its partnership with EXCL via Hypernet, enabling it to tap into multiple ISPs across Indonesia. As cybersecurity awareness grows, revenue contribution from IntelliBroń is expected to follow an adoption curve, with 2H24 and 1Q25 serving as a learning phase and monetization accelerating from 2Q25 onwards.

### CYBR IntelliBron Revenue Forecast



Source: Company, Shinhan Sekuritas Indonesia

### CYBR Revenue Breakdown (FY28F)



Source: Company, Shinhan Sekuritas Indonesia

# PT ITSEC Asia Tbk (CYBR)

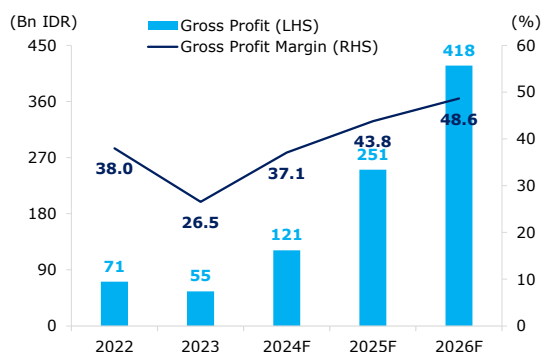
## Initiation Report

**CYBR's path to profitability.** We expect a turnaround in the bottom line, with net profit projected to reach IDR 37.9 billion in FY25F and IDR 109.5 billion in FY26F, driven by economies of scale and higher-margin revenue streams.

A key driver of profitability will be IntelliBroń, which we estimate is set to become CYBR's second-largest revenue contributor as of FY25F, surpassing the software revenue segment. Unlike reselling cybersecurity software, which generates a gross margin of up to 20%, ITSEC Asia can generate a gross margin up to 80% from selling its IntelliBroń IP. As a result, we anticipate operating profit margins to improve to 9% in FY25F and 17% in FY26F, marking a turnaround from net operating losses in FY23A.

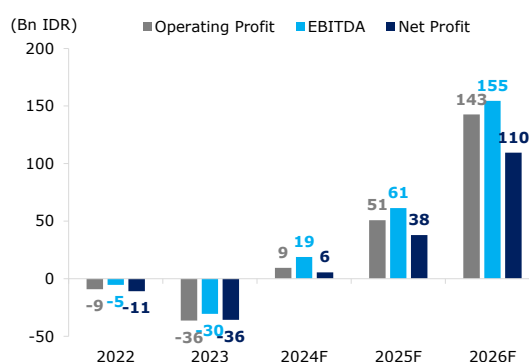
With this transformation, CYBR is set to transition from an expansion-driven loss-making phase to a phase of high-growth in revenues and profits. As ITSEC Asia reports profits going forward, we believe that this will result in an enhanced profile for the stock and an increasing investor base.

### CYBR Gross Profit Forecast



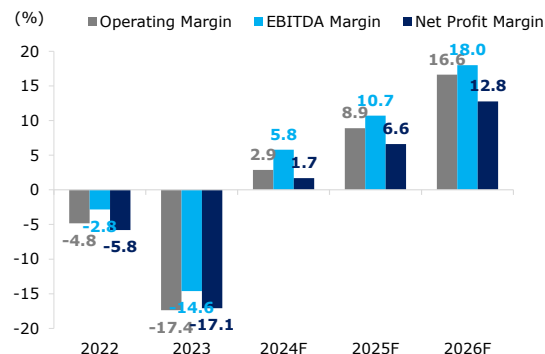
Source: Company, Shinhan Sekuritas Indonesia

### CYBR Operating, EBITDA, & Net Profit Forecast



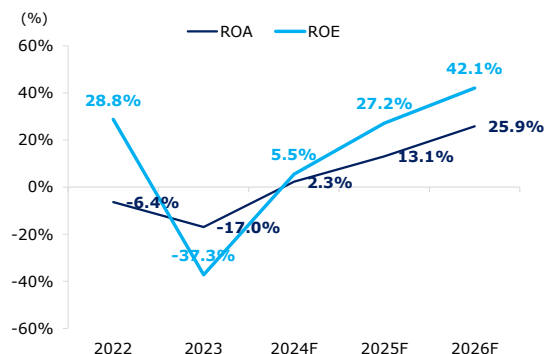
Source: Company, Shinhan Sekuritas Indonesia

### CYBR Profitability



Source: Company, Shinhan Sekuritas Indonesia

### CYBR ROA & ROE



Source: Company, Shinhan Sekuritas Indonesia

# PT ITSEC Asia Tbk (CYBR)

## Initiation Report

### Valuation

We value the company using a Market Based Price/Sales multiple to capture strong revenue growth estimates and Discounted Cash Flow (DCF) method to assess the stock's long-term value.

In our Market-Based P/S multiple analysis, we base our calculation on a projected FY25F revenue of IDR 572.5 billion and apply an FY25F P/S of 17.5x, which aligns with the average of comparable peers. We then apply a 10% discount to account for CYBR's relatively low market capitalization vs. the peer group. For the DCF analysis, we assume a WACC of 11.1% and a long-term growth rate of 3.5%.

We use our P/S and DCF models to determine a blended fair value for CYBR of IDR 970 per share. Our price target corresponds to a FY25F P/S ratio of 11.8x, which still looks attractive compared to the peer group.

#### Market-Based FY2025F Price/Sales Valuation

Ticker	Name	Market Cap. (Bn IDR)	ROA %	ROE %	NPM %	P/S x
CRWD US	CrowdStrike Holdings Inc	24,969	7.08	33.32	23.98	28.32
NET US	Cloudflare Inc	28,103	4.62	12.82	14.13	28.17
ZS US	Zscaler Inc	23,603	4.45	30.45	18.53	12.38
CYBR US	CyberArk Software Ltd	9,256	5.16	6.96	14.44	15.47
PANW US	Palo Alto Networks Inc	77,063	8.93	29.81	24.70	14.44
OKTA US	Okta Inc	45,741	0.42	8.02	19.32	6.33
Average						17.52

#### DCF Valuation Assumptions

Risk Free Rate	6.8%
Beta	1.0
Equity Risk Premium	6.5%
Cost of Equity	13.3%
Terminal Growth	3.5%
WACC	11.1%
Cost of Debt	7.1%

#### Blended Valuation Method

Valuation	Weighting	Value to CYBR (Billion IDR)
Market Based P/S Multiple	50%	4,513
Discounted Cash Flow (DCF)	50%	2,216
<b>CYBR Equity Value</b>		<b>6,729</b>
Outstanding Shares (Billion, Fully Diluted)		6.95
<b>Fair Value per Share</b>		<b>970</b>
Current Price		620
<b>Upside (%)</b>		<b>56.5%</b>



# PT ITSEC Asia Tbk (CYBR)

## Initiation Report

**The world's fastest growing listed cybersecurity company with high return potential**

Our analysis shows that CYBR stands out amongst its global cybersecurity peers with the highest revenue growth trajectory FY23 - FY26F and is set to turn profitable in FY24F, highlighting the company's strong market positioning and solid management, in our opinion.

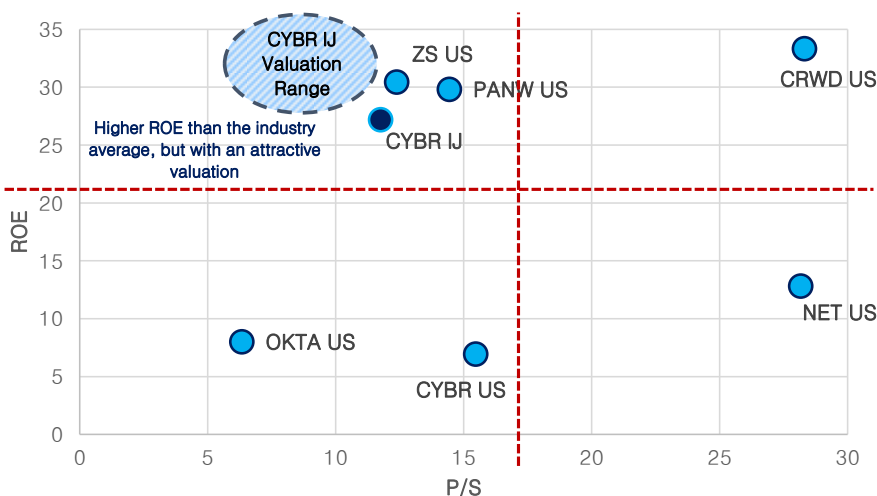
We note that from a valuation perspective, CYBR's FY25F P/S vs. ROE suggests higher return potential compared to its listed peers. With a compelling mix of robust top-line expansion, an accelerating shift to high-margin cybersecurity IP, and early profitability, CYBR represents a cybersecurity sector investment opportunity, offering high growth at an attractive valuation, in our view.

### CYBR Peer Group Comparison

Ticker	Name	Cybersecurity IP Monetization	Revenue Growth (YoY)			IPO	Estimated Year of Profit
			FY24F	FY25F	FY26F		
CRWD US	CrowdStrike Holdings Inc	✓	36.3%	28.6%	21.3%	2019	FY24F
NET US	Cloudflare Inc	✓	28.8%	25.3%	26.7%	2019	FY25F
ZS US	Zscaler Inc	✓	34.1%	21.6%	20.5%	2018	FY25F
CYBR US	CyberArk Software Ltd	✓	33.1%	31.6%	19.6%	2014	FY25F
PANW US	Palo Alto Networks Inc	✓	16.5%	14.3%	15.2%	2012	FY23A
OKTA US	Okta Inc	✓	15.1%	15.1%	7.8%	2017	FY25F
CYBR IJ	ITSEC Asia	✓	56.6%	75.1%	50.0%	2023	FY24F

Source: Company, Shinhan Sekuritas Indonesia

### CYBR Valuation Matrix: FY25F Price/Sales vs. ROE Implies High Return Potential

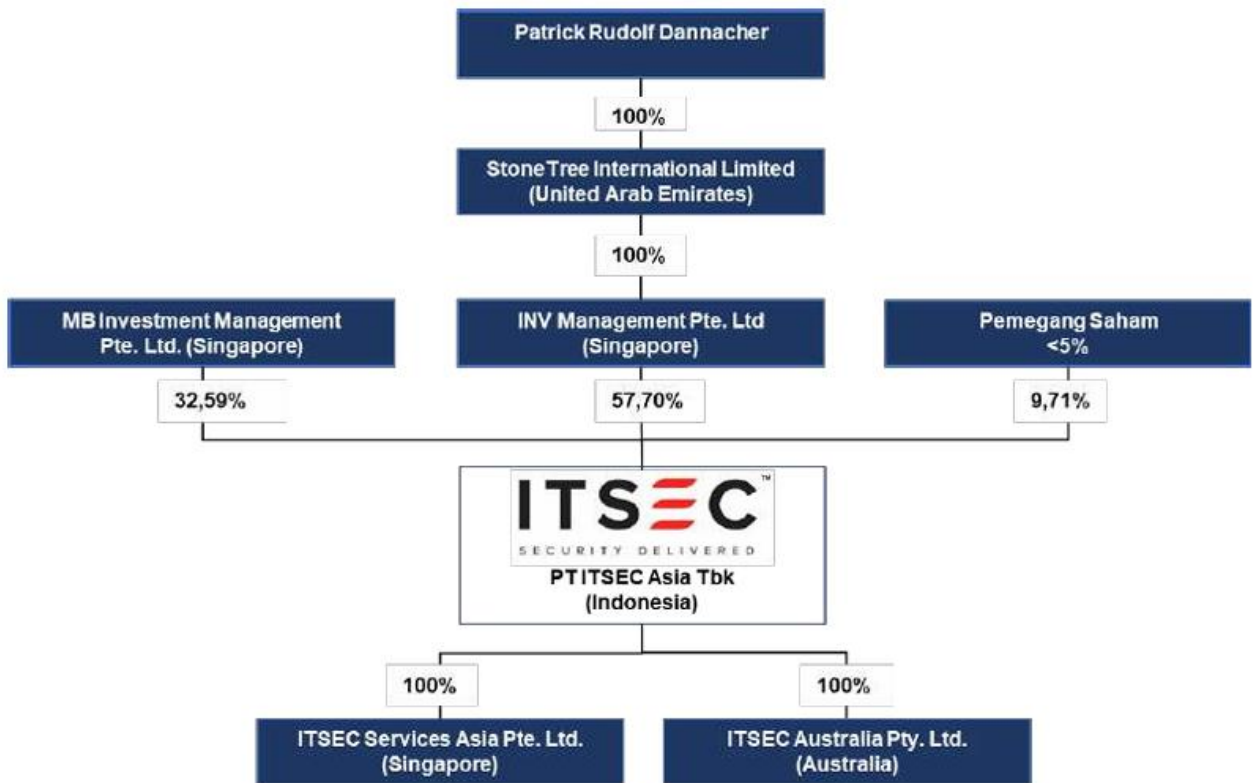


Source: Company, Shinhan Sekuritas Indonesia

# PT ITSEC Asia Tbk (CYBR)

## Initiation Report

### Appendix 1: Ownership Structure



### Appendix 2: Board of Commissioners

<b>Patrick Rudolf Dannacher</b> President Commissioner	Swiss citizen aged 45-year old, currently serves as the company's President Commissioner since March7, 2023 with a term of office of up to 5 years.
<b>Rico Rizal Budidarmo</b> Commissioner	Indonesian citizen aged 59 years, with a bachelor degree from New York University in 1996. Currently serves as the company's Commissioner since March 7, 2023 with a term of office of up to 5 years.
<b>Yulius C Rusli</b> Commissioner	Indonesian citizen aged 47 years, obtained a post-graduate degree from Curtin University in 1998. Currently serves as the company's Commissioner from march 7, 2023, and has a term of office of up to 5 years.
<b>Andri Hutama Putra</b> President Director	Indonesian citizen aged 34 years, holding a post-graduate degree from Curtin-University in 2012. Currently servers as the company's Commissioner from 29 November 2023, having previously served as President Director of the company.
<b>Richardus Eko Indrajit</b> Independent Commissioner	Indonesian citizen aged 54 years with Doctor of Business Administration degree at the University of Information Technology & Management, Rzeszow, Poland in 1995, Doctor of Educational Technology at Jakarta State University in 2021, and Doctor of Defence Science at the Republic of Indonesia Defence University in 2022.
<b>Agustinus Nicholas L. Tobing</b> Independent Commissioner	Indonesian citizen aged 44 years with doctoral degree at the Pelita Harapan University in 2022. Currently serves as the company's Commissioner from march 7, 2023 with a term of office of up to 5 years.

# PT ITSEC Asia Tbk (CYBR)

## Initiation Report

### Appendix 3: Board of Directors

<b>Joseph Edi Hut Lumban Gaol</b> President Director	Indonesian citizen aged 53 years with a postgraduate degree from Bandung Institute of Technology in 1992. Currently serves as the company's President Director from 29 November 2023, having previously served as Commissioner of the company.
<b>Marek Bialoglowy</b> Vice President Director	Polish citizen aged 41 years, currently serves as the company's Vice President Director since March 7, 2023, with a term of office of up to 5 years.
<b>Eko Prasudi Widiyanto</b> Director	Indonesian citizen aged 54 years, holding a bachelor's degree from Padjajaran University in 1993. Currently serves as the company's Director from March 7, 2023 with a term of up to 5 years.
<b>Bima Kurniawan</b> Director	Indonesian citizen aged 50 years, holding a diploma degree from Ambarukmo Palace Tourism Academy (AMPTA) in 1993. Currently serves as the company's Director from March 7, 2023 with a term of office of up to 5 years.
<b>Bambang Susilo</b> Director	Indonesian citizen aged 46 years, holding a post graduate degree from University of Indonesia in 2018. Currently serves as the company's Director from March 7, 2023, with a term of office of up to 5 years.
<b>Doni Mora</b> Director	Indonesian citizen aged 48 years, holding a graduate degree from University of Andalas in 1998. Currently serves as the company's Director from March 7, 2023, with a term of office of up to 5 years.

# PT ITSEC Asia Tbk (CYBR)

## Initiation Report

### Income Statement

(In Billion IDR)	2022	2023	2024F	2025F	2026F
Revenue	187	209	327	572	858
COGS	-116	-153	-206	-322	-441
Gross Profit	71	55	121	251	418
EBITDA	-5	-30	19	61	155
Operating Expenses	-80	-92	-112	-200	-275
Operating Profit	-9	-36	9	51	143
Pre-Tax Profit	-9	-38	7	49	140
Income Tax Expenses	-2	3	-2	-11	-31
Net Profit	-11	-36	6	38	110

Source: Company, Shinhan Sekuritas Indonesia

### Balance Sheet

(In Billion IDR)	2022	2023	2024F	2025F	2026F
<b>Assets</b>					
Cash & Cash Equivalents	15	50	36	60	168
Accounts Receivable	33	29	40	63	82
Inventories	0	0	0	0	0
Other Current Assets	34	94	86	87	87
<b>Total Current Assets</b>	<b>82</b>	<b>173</b>	<b>162</b>	<b>209</b>	<b>337</b>
Net Fixed Assets	5	10	26	29	35
Other Assets	83	27	52	52	52
<b>Total Assets</b>	<b>170</b>	<b>210</b>	<b>239</b>	<b>290</b>	<b>423</b>
<b>Liabilities and equities</b>					
Accounts Payables	9	25	31	44	54
Other Short-Term Liabilities	179	32	44	43	44
<b>Total Current Liabilities</b>	<b>189</b>	<b>57</b>	<b>75</b>	<b>87</b>	<b>99</b>
Long-Term Borrowings	0	0	0	0	0
Other Long-Term Liabilities	19	58	63	63	65
<b>Total Liabilities</b>	<b>208</b>	<b>114</b>	<b>138</b>	<b>151</b>	<b>163</b>
Minority Interest	1	0	0	0	0
<b>Total Equity</b>	<b>-38</b>	<b>96</b>	<b>101</b>	<b>139</b>	<b>260</b>

Source: Company, Shinhan Sekuritas Indonesia

### Cash Flows

(In Billion IDR)	2022	2023	2024F	2025F	2026F
Net Profit	-11	-36	6	38	110
Change in Working Capital	65	-193	-1	-9	-8
<b>CFs from Operating</b>	<b>55</b>	<b>-228</b>	<b>4</b>	<b>29</b>	<b>101</b>
<b>CFs from Investing</b>	<b>-69</b>	<b>55</b>	<b>-34</b>	<b>-5</b>	<b>-7</b>
<b>CFs from Financing</b>	<b>19</b>	<b>208</b>	<b>15</b>	<b>0</b>	<b>14</b>
Net Inc./ (Dec.) in Cash	5	35	-14	24	108
<b>Cash at End. Period</b>	<b>15</b>	<b>50</b>	<b>36</b>	<b>60</b>	<b>168</b>

Source: Company, Shinhan Sekuritas Indonesia

### Key Ratio

Year-End 31 Dec	2022	2023	2024F	2025F	2026F
<b>Profitability</b>					
Gross Margin	38%	27%	37%	44%	49%
Operating Margin	-5%	-17%	3%	9%	17%
EBITDA Margin	-3%	-15%	6%	11%	18%
Profit Margin	-6%	-17%	2%	7%	13%
ROA	-6%	-17%	2%	13%	26%
ROE	29%	-37%	5%	27%	42%
<b>Growth</b>					
Revenue	58%	12%	57%	75%	50%
Gross Profit	34%	-22%	119%	107%	67%
Operating Profit	N/A	N/A	N/A	442%	180%
EBITDA	N/A	N/A	N/A	224%	152%
Net Profit	N/A	N/A	N/A	580%	189%
<b>Solvency</b>					
Current Ratio (x)	0.4	3.1	2.2	2.4	3.4
Quick Ratio (x)	0.9	4.7	2.1	2.6	3.9
Debt to Equity (x)	-0.4	0.2	0.4	0.3	0.2
Interest Coverage (x)	-6.3	-13.8	3.4	19.0	51.1

Source: Company, Shinhan Sekuritas Indonesia

Research Team		
<b>Helmi Therik, FRM</b>	Head of Research	helmi@shinhan.com
<b>Billy Ibrahim Djaya</b>	Research Analyst	billy.ibrahim@shinhan.com
<b>Muhammad Adra Wijasena</b>	Fixed Income Analyst	adra.wijasena@shinhan.com

Office
<p align="center"><b>PT. Shinhan Sekuritas Indonesia</b> Member of Indonesia Stock Exchange</p>
<p align="center"><b>Head Office :</b> Equity Tower Floor. 50 Sudirman Central Business District Lot 9 Jl. Jend. Sudirman Kav. 52-53 Senayan Jakarta 12920 Indonesia Telp.: (+62-21) 80869900 Fax : (+62-21) 22057925</p>

**Disclaimer:** All opinions and estimates included in this report constitute our judgments as of the date of this report and are subject to changes without notice. This information has been compiled from sources we believe to be reliable, but we do not hold ourselves responsible for its completeness or accuracy. It is not an offer to sell or solicitation of an offer to buy any securities. Clients should consider whether it is suitable for their particular circumstances before acting on any opinions and recommendations in this report. This report is distributed to our clients only, and any unauthorized use, duplication, or redistribution of this report is prohibited.