



# **secunet Security Networks AG**

## **German Equity Forum 2011 Corporate Presentation**

Frankfurt, Germany - November 22nd, 2011

Dr. Rainer Baumgart, CEO

# Agenda

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**1** Company

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**2** Market

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**3** Figures 2011

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**4** Strategy

# Positioning

## Leading German provider of reliable IT-security

### Strengths:

- **Competence** – secunet covers all aspects of complex IT security

- **Experience** – secunet is one of four IT security partners of the German Federal Government

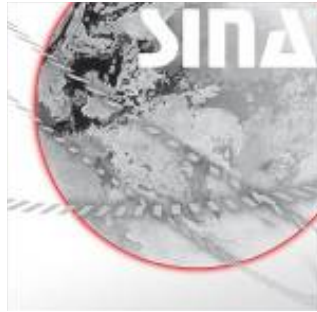


secunet is security partner of the German Federal Government

- **Technology** – SINA portfolio



# Customer focused organisation



**High Security**



**Government**







**Business Security**

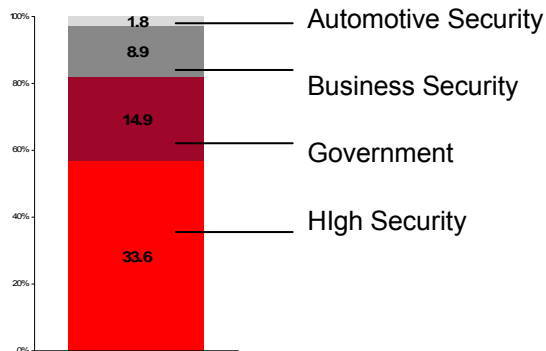


**Automotive Security**

# The business areas of secunet

Description		Added value				Comments
		Hard-ware	Soft-ware	Service	Solutions	
<b>High Security</b>	High security for secure communication 	●	●	●	●	<ul style="list-style-type: none"> <li>SINA, Consulting and Integration</li> </ul>
<b>Government</b>	IT security for public authorities 	●	●	●	●	<ul style="list-style-type: none"> <li>E-Government, Biometrics/identity documents, etc.</li> </ul>
<b>Business Security</b>	IT security for the private sector 	●	●	●	●	<ul style="list-style-type: none"> <li>Security Consulting, Identity Management, Managed Security Services, etc.</li> </ul>
<b>Automotive Security</b>	Key technology for the automotive industry 	●	●	●	●	<ul style="list-style-type: none"> <li>Flashware Protection, Function Enabling, Security of infotainment platforms in cars, etc.</li> </ul>

Sales 2010  
In EUR million



# Business Unit High Security



- SINA – Secure Inter Network Architecture – Products for processing, storage and transmitting of confidential Information (Classified information – VS)
  - Development
  - Consulting
  - Integration and training
- High security for public authorities, German armed forces and classified information – national as well as international
- Excellent market position
  - Increasing threat from the internet (CyberX), awareness and political pressure
  - High entry barriers (governmental costumers with regulatory framework conditions)
  - High innovation rate (i.e. Separation Kernel Technology)
  - New government networks and requirements (NdB, DOI, sTESTA)
  - Restructuring pressure by budget restrictions (MIL)
- Growth driver: technological leadership and internationalization

# Business Unit High Security



## SINA® - unique among the IP-based Crypto systems for the processing and transmitting of classified documents

Approved by BSI\* up to highest national security level  
STRENG GEHEIM (top secret)

- Approvals in Europe: up to EU SECRET
- Approvals of NATO: up to NATO SECRET
- Based on secured Linux-system platform
- Developed in cooperation with BSI\*
- More than 26.000 components in the field



**secunet** is security partner  
of the German Federal Government

\*BSI: Bundesamt für Sicherheit in der Informationstechnik  
– Federal Office for Information security

# Business Unit Government

## Innovative solutions for complex problems



### Biometrics / sovereign documents

- Biometrics/eID documents
- Biomiddle & eID PKI
- Border control
- Aviation security



### Safety validation

- Testing laboratory
- CC consulting
- Conformity tests
- Technical guidelines



### Public Health

- Secure eHealth-netKonnektor
- Security concepts (eGK)
- PKI-consulting



### E-Government

- Security awareness
- Security concepts/management
- ISO 27001 – IT baselin protection
- Public authority-PKIs
- De-Mail
- Critical infrastructures
- Digital radio for authorities
- Safe surfer



### Secure Web Solutions

- Safe web solutions (SOA)
- ELSTER
- AUTHEGA
- HSM competence center



# Business Unit Business Security

## ■ Strong market position

- Market leader “qualified signature”
- Market leader “De-Mail”

## ■ Solution provider for IT-Security systems

- Data Loss Prevention
- Security management systems (ISO 27001)
- Single-Sign-On

## ■ IT Security Service Provider

- Managed Security Services

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**We protect the intellectual  
property of companies.**

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# Market Trends Business Security

Every day a new data scandal



The image shows a screenshot of the Stern.de website. At the top left is the Stern logo (a red square with a white star) and the text "stern.de". To the right is a search bar containing the word "Rewe" and a "powered by" logo. Below the search bar is a navigation menu with categories: Politik, Panorama, Sport, Kultur, Wirtschaft, Auto, Gesundheit, and Life. A secondary menu below that includes: Computer, Online, Telefon, Home Entertainment, Spiele, Wissenstests, and Archiv. The main content area shows a date "20. Juli 2011, 10:05 Uhr" followed by a sub-headline "Hackerangriff auf Rewe" and a main headline "Kundendaten stehen im Netz" in red. The first line of the article text reads: "Schlechte Nachrichten für Nutzer der Rewe-Bildertauschbörse: Bei d Kundendaten kopiert worden - die inzwischen im Internet veröffentlic".

**stern.de**  powered by

Politik Panorama Sport Kultur Wirtschaft Auto Gesundheit Life

Computer Online Telefon Home Entertainment Spiele Wissenstests Archiv

20. Juli 2011, 10:05 Uhr

Hackerangriff auf Rewe

## Kundendaten stehen im Netz

Schlechte Nachrichten für Nutzer der Rewe-Bildertauschbörse: Bei d Kundendaten kopiert worden - die inzwischen im Internet veröffentlic

# secunet Automotive Security

Did you know, that ...

...~5.000 cars are produced daily using secunet technology?



... we are designing a security-based future?



... our systems are used worldwide?



... we shape up new technologies to reach standardization?



# Business Unit Automotive Security

Applicable cryptography for automotive trends

## Positioning

- Service provider for OEMs and suppliers in Germany
- Development partner for complex IT security with a focus on backend
- Experience in related industries / technologies such as Telco, Payment, Smart Token etc.
- “Enter the age of networked vehicles with IT Security ”

## Automotive Trends



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# Sales Drivers and Trends

## Compliance, Cybercrime, Mobile Devices and Cloud Computing

### Laws

- De-Mail / ePostbrief
- Compliance (SOX, KonTraG, BDSG,...)



Konnektor De-Mail/ePostbrief  
Trustcenter-/De-Mail-Components  
Identity Management

### Data protection and information security

- Wikileaks
- Anonymous
- Lulz Security ...



SINA Business  
Data Loss Prevention  
Security concepts (ISO27001)

### Mobile Security

- Laptops
- Smartphones
- Apps



Strong authentication  
Pentest for apps  
Security concepts

# The Most Important Market Trends

The majority of the market trends have a positive impact on secunet

## Trends

- 1 New technologies induce changing security threats (cloud computing, smart grid)

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- 2 Automobile internet: next generation

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- 3 International standards for crypto components (MILS, HAIPE, SKIP)

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- 4 Authorities develop new networks, new electronic ID documents

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- 5 Traditional market is served by major product manufacturers (US, China)

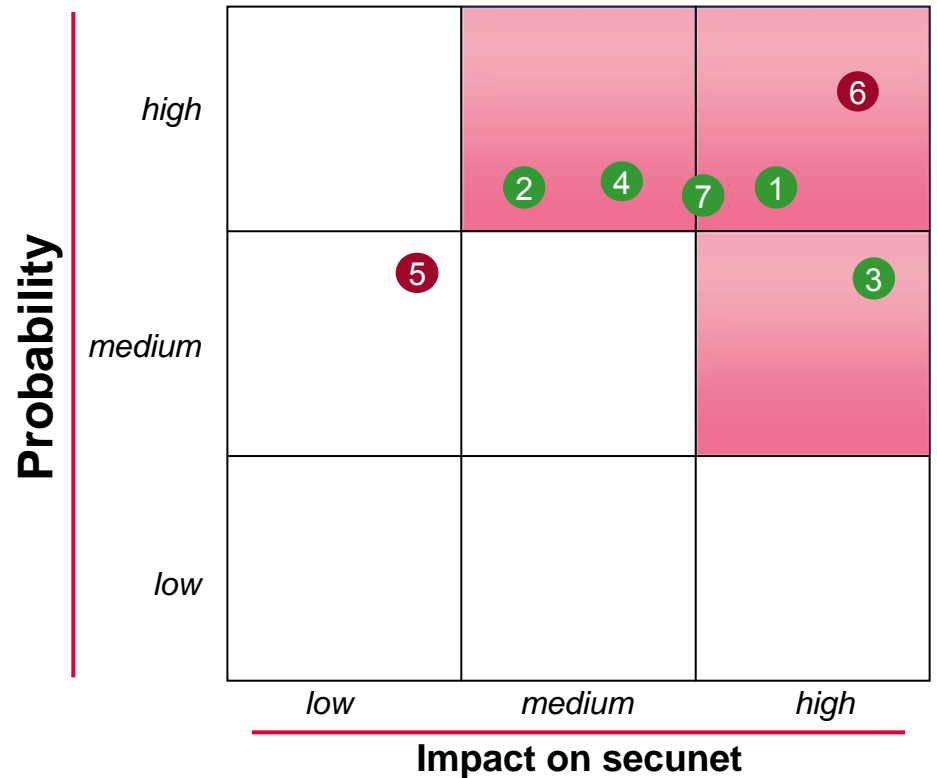
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- 6 Savings in the defence segment

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- 7 Cyber attacks (digital underworld)

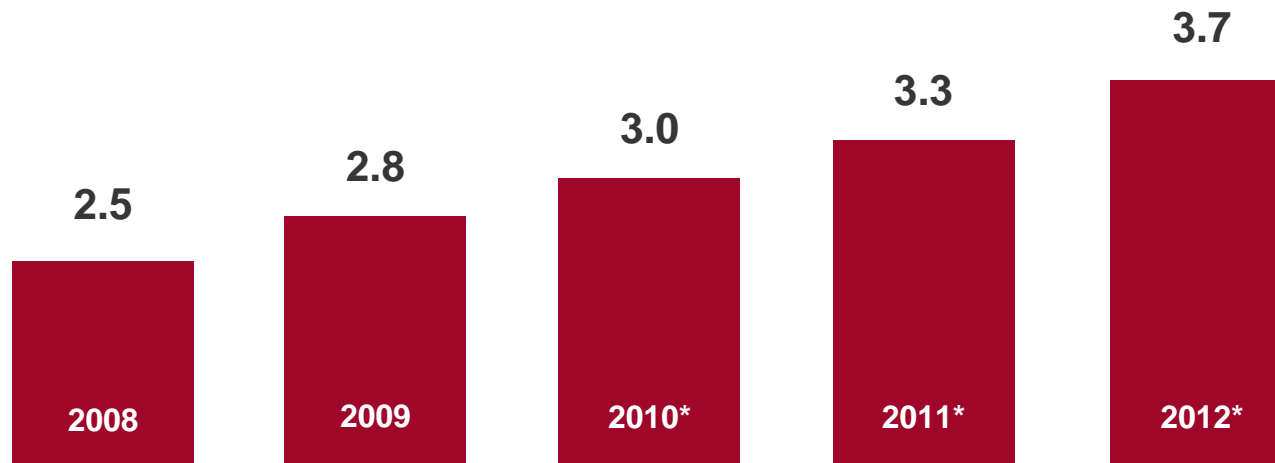
## Prioritization of Market Trends



- Positive effect on secunet
- Negative effect on secunet

# Growing IT Security Market

German market for IT-Security in EUR Billion



\* Expected

Source: BOOZ & CO, "Die IT-Sicherheitsbranche in Deutschland" (IT security sector in Germany) , Feb '10

# Market Participants

## ■ National

- Fragmented market structure: majority small and medium-sized providers

## ■ International

- Large, multinational companies resp. national Champions
  - General Dynamics
  - Raytheon
  - Thales
  - Cassidian

**„IT Security Made in Germany“ is a trademark-  
German IT-Security products enjoy a best standing and confidence.”**

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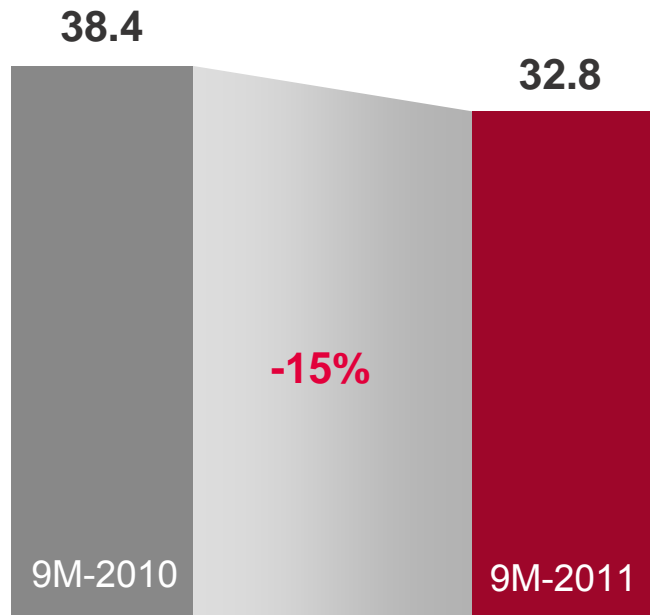
**3 Figures 2011**

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4 Strategy

# Sales Development 2010-2011

Sales in EUR million

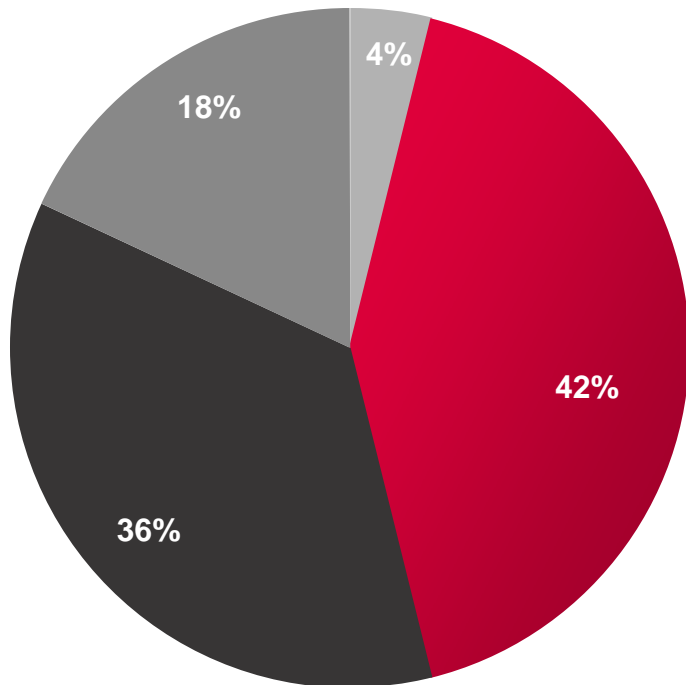


- Postponements of major projects in the business unit High Security: Lag in the hardware business (SINA)
- Service business (consulting) satisfactory: High capacity utilization in this segment

# Sales By Divisions

Sales in % of group sales

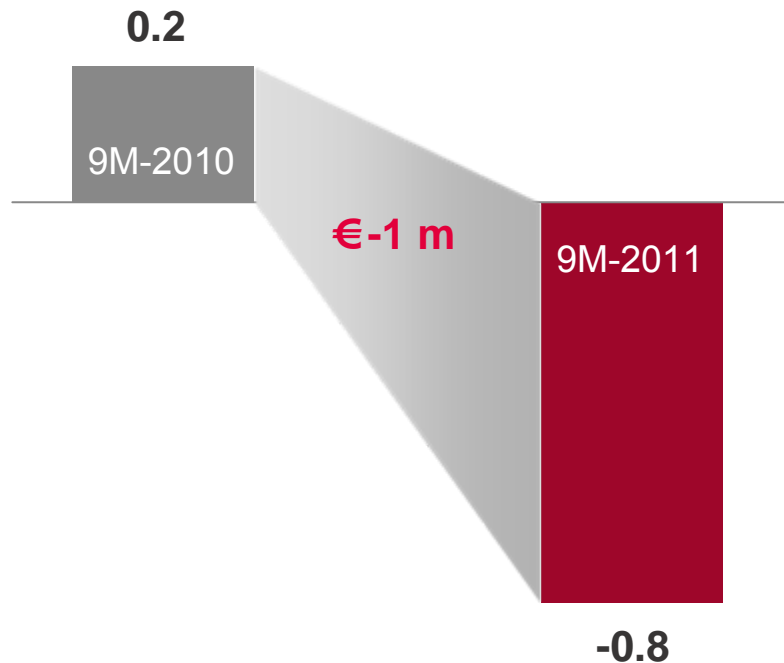
- High Security
- Business Security
- Government
- Automotive Security



- Main focus on the public sector
- High Security SINA plays dominant role

# Earnings Before Interest And Taxes (EBIT) 2010-2011

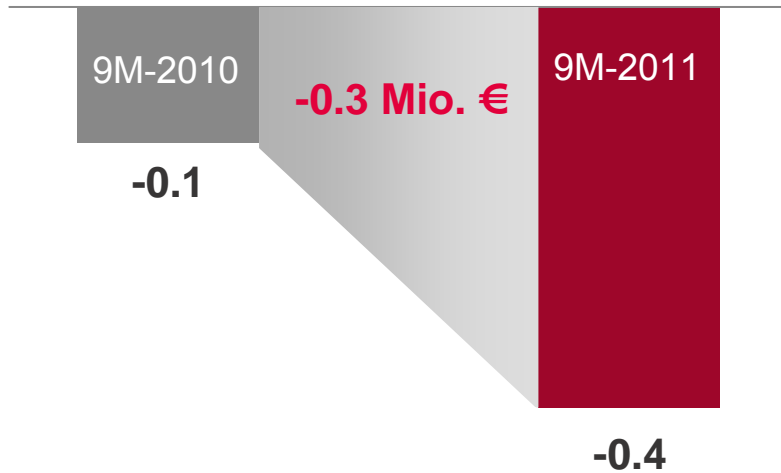
EBIT in EUR million



- Decrease of material- (-34%) and personnel expenses (-5%)
- No changes in depreciation
- Other operating expenses slightly increase (+3%)
- Decrease in total expenses

# Profit / Loss of the period 2010-2011

Profit / Loss of the period in EUR million



- Financial result on the previous year's level
- Tax benefit due to the creation of deferred taxes
- Earnings per share for the period:
  - 9M 2010: -0.01 €
  - 9M 2011: -0.06 €

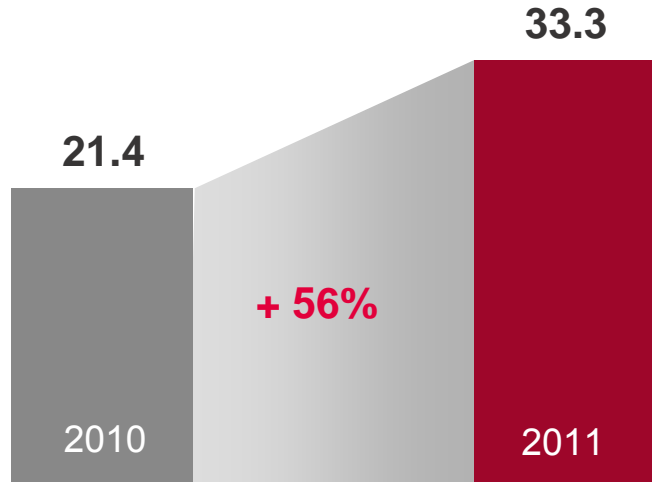
# Balance Sheet

in EUR million

	31 December 2010	30 September 2011	Change
Cash and cash equivalents	14.3	12.7	-12%
Equity	25.0	24.6	-2%
Liabilities	9.8	2.8	€-7 m
Loans	0.0	0.0	-/-

# Order Book 2010-2011

Order book in EUR million (per 30 September)



- Strong growth through large-scale assignments in the business units of Government and High Security
  - Services for the optimizing of the SINA-portfolio (development and consulting)
  - Electronic tax returns (ELSTER)
  - Hardware-supplies (SINA)
- Sales contribution is spread over several periods

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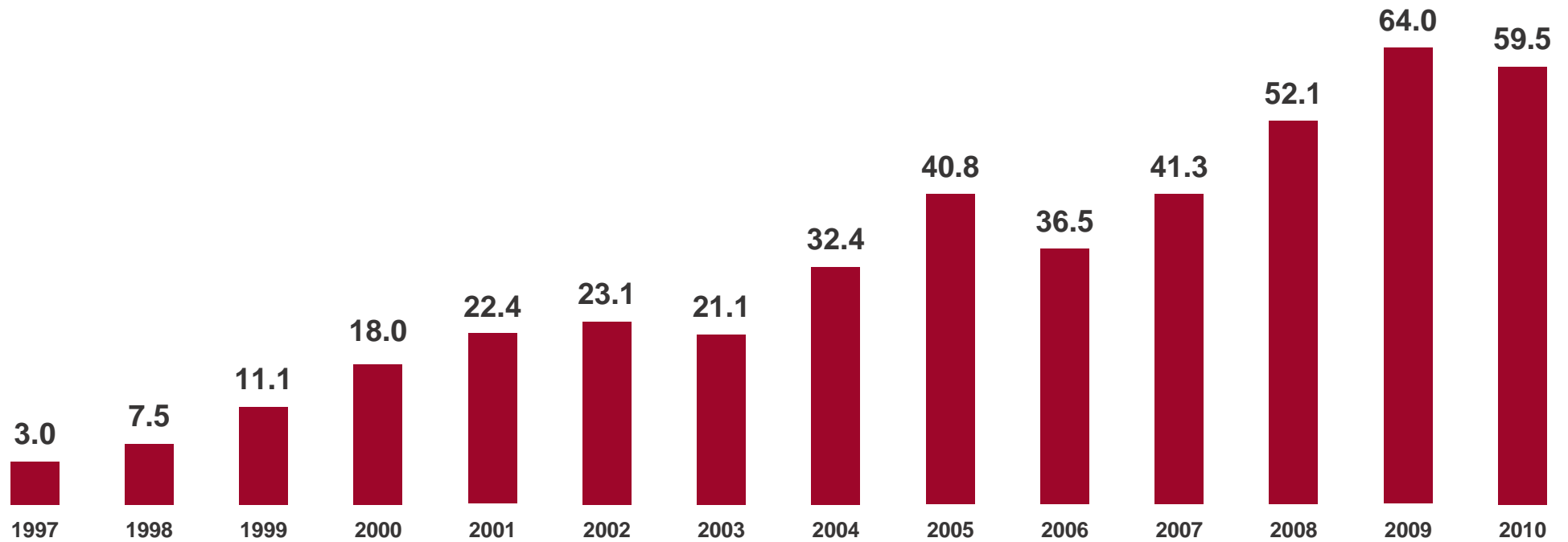
3 Figures 2011

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**4 Strategy**

# Long-term growth trend

Sales in EUR million



# Strategic Positioning

## The four most important statements

1

**Customer loyalty**

Strategic partnerships with our customers as a cornerstone of our success

2

**Internationalization**

Growing global orientation from a dominated German market

3

**Technological leader**

Technological leadership in mobile high-security cryptosystems (SINA)

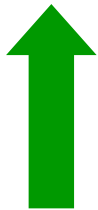
4

**Efficiency**

The efficiency of our business – i.e. long-term profitable growth

# Leveraged Growth

Growth



## Products

(High Security, Biometrics)



## Internationalization

G&D, own sales organisation, local partner



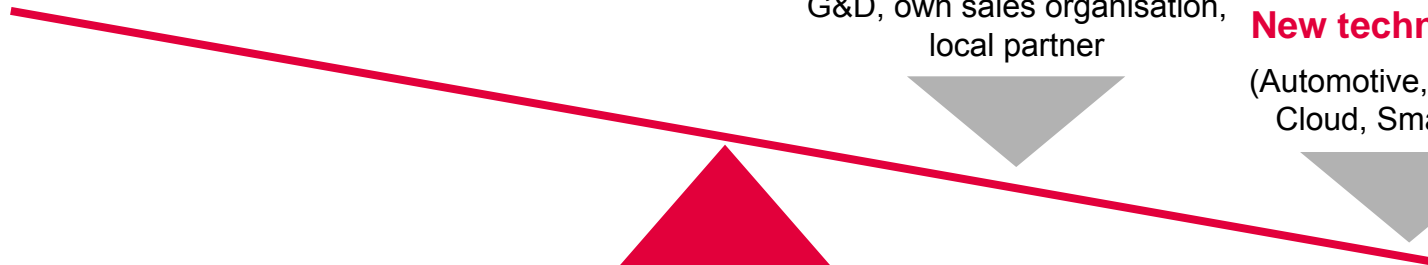
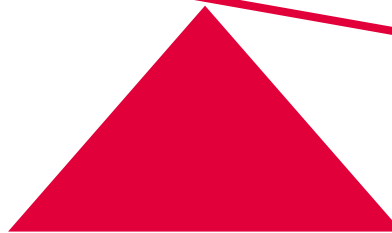
## Partner solutions

(G&D, ATMedia, etc.)



## New technologies

(Automotive, Services, Cloud, Smart Grid)



**secunet**

**secunet Security Networks AG**

**Thank you for your attention.**



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# Disclaimer

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*This release contains forward-looking statements. Forward-looking statements are statements that are not historical facts; they include statements about our beliefs and expectations. Any statement in this release that states our intentions, beliefs, expectations or predictions (and the assumptions underlying them) is a forward-looking statement. These statements are based on plans, estimates and projections as they are currently available to the management of secunet Security Networks AG. Forward-looking statements therefore speak only as of the date they are made, and we undertake no obligation to update publicly any of them in light of new information or future events.*