

Make well-informed decisions around Mergers and Acquisitions with Withum's Cyber Due Diligence services.

Withum understands that executing a merger or acquisition is a challenging and important undertaking for an organization. Understanding the cybersecurity posture of your acquisition target is critical to your investment's success.

By 2022, 60% of organizations engaging in M&A activity will consider cybersecurity posture as a critical factor in their due diligence process, up from less than 5% today.

Source: Gartner report

Withum's Cyber and Information Security team not only helps clients combat threats of cyber breaches and data theft, but they also work closely with our Transaction Advisory team to help uncover, assess and address information security risks, pre- and post-transaction. Our diverse expertise helps ensure the confidentiality, integrity, and availability of business-critical systems throughout the acquisition process.

- Global M&A activity volume is greater than \$2.5 trillion today. M&A activity carries economic growth but also a level of risk that requires a thorough due diligence process.
- Historically, cybersecurity posture has been overlooked during the due diligence process and only incorporated after the deal closed as part of an overall IT integration effort.
- A high-profile breach can seriously impact the valuation of the target and may even potentially cause the deal to falter.

Cybersecurity due diligence should be a vital step in your M&A process along with the existing financial, tax and legal due diligence. You can't just rely on data provided by your target. To ensure a successful merger or acquisition, companies need to assess the IT infrastructure, security, and regulatory adherence requirements that may affect future business risks and strategy.



WE ARE AN INDEPENDENT MEMBER OF
THE GLOBAL ADVISORY
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Withum's Cyber and Transaction Advisory teams will help you better understand potential cyber-related gaps and risks of your target. The results can help uncover potential deal breakers, protect your investment, or put your mind at ease with a roadmap cost and timeline of remediation steps.

WHAT WE DO:

- Collect and seed information from a series of assessments on the entity you are acquiring or merging with, including SWOT analysis, maturity assessments, and technical assessments (if possible).
- Prepare an action plan for the integration phase to remediate any vulnerabilities or gaps that have been identified during the due diligence process, and collate them in a risk register exclusive to the M&A process. Cash flow and financial forecast/modeling.
- Make a recommendation on the impacts of the proposed deal. The decision to hold off or caution an acquisition will be based on your overall risk appetite and your ability to manage the risk that arises from the findings assessed above. Prioritize risks around Day 0, Day 1 and post-Day 1.

Unique to Withum, our cyber team operated at the highest levels of government, including but not limited to the United States Secret Service, U.S. Treasury Department, U.S. Department of Justice, intelligence agencies and on behalf and/or in partnership with foreign government agencies. Cyber expertise stems from offensive and defensive capabilities with the United States Central Command of the U.S. Department of Defense, the U.S. Air Force Cyber Systems, the Department of Homeland Security, United States Secret Service, among other prestigious branches of government. Our Cyber team's experience reflects some of the most notable network intrusions, including the Sony Network intrusions; Target retail chain's data breach; Banner Health Networks intrusion, Operation Firewall, Operation Get Rich or Die Tryin', and many more.

Having provided services in over 71+ countries and counting, our Cyber team is comprised of leading experts with expertise from SME's to global enterprise-class environments, specifically on M&A type assessments, compliance, investor and stakeholder due diligence. We have provided due diligence on several confidential high-profile M&A, SPAC, and IPO transactions. Private sector expertise includes but is not limited to banking, energy, telecommunications, technology, e-commerce, retail, healthcare, U.S. critical infrastructure, and much more.



ARE YOU WORKING ON A MERGER OR ACQUISITION?

Reach out to our Cyber and Transaction Advisory teams to learn more about due diligence services.