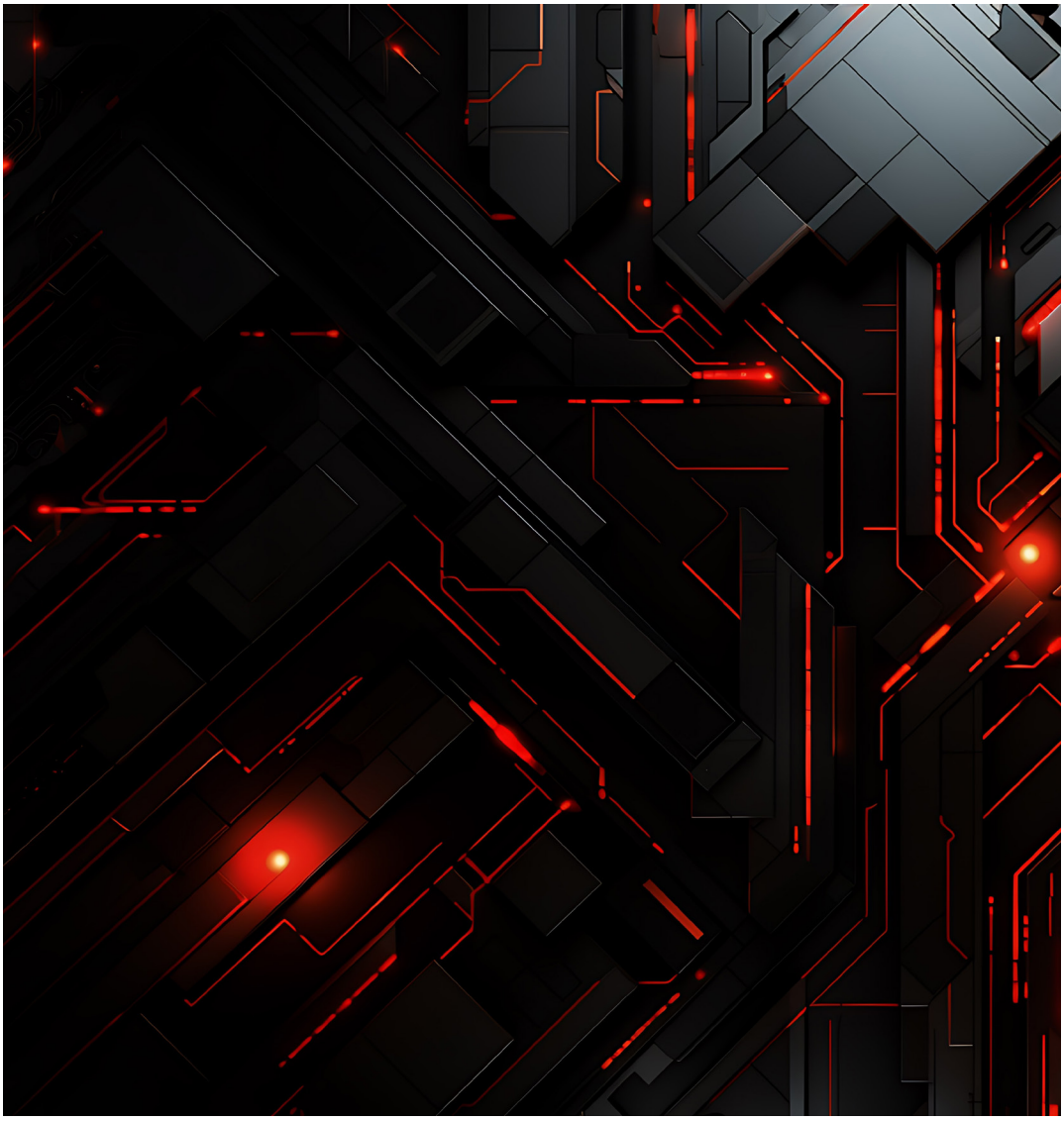
EveryCloud
AI & Data Security



VALUE IN TRUST

Cybersecurity as a foundation for PE value creation

PRIVATE EQUITY WIRE®

KEY TAKEAWAYS

Cybersecurity is seen more as a symbol of trust than a value driver

A quarter acknowledge the value of cybersecurity in efficiency and innovation

Firms prefer company-level cybersecurity value creation over fund-level plans

In private equity portfolios, cybersecurity's value remains skewed towards the symbolic over the operational – not quite the proverbial tick-box, but certainly a label to inspire confidence. Per our latest survey data from Q1 2026, 39% of firms view cybersecurity as a strategic foundation for business resilience and trust (see Figure 1).

Others view it as a defensive imperative – with more than a third (35%) classifying it as a necessary control to manage operational risk. There have been enough cautionary tales in the press to highlight the importance of cybersecurity in value preservation.

The question remains of whether a shored-up systems stack can be more than a preservation measure – perhaps even a facilitator of growth and value creation. At the moment, only 17% of firms view cybersecurity as a strategic foundation to generate returns on tech investments, but there are plenty of arguments to suggest this number will increase.

The first and most pertinent of these arguments is the rapid advancement of AI – widely acknowledged among the most popular levers for value creation across sectors and regions, as supported by our own research. The operational efficiency benefits from a single implementation are now exponential in many cases.

Still, it is this pace of change that is creating friction with stakeholders and, more importantly, risk. Having defined guardrails is critical before embarking on an AI-based transformation, but firms struggle to find the happy middle here – either investing below par in cybersecurity or creating elaborate layers of protection that may not be necessary. This is where the potential for value creation is high.

Asked about their view on cybersecurity as a value lever, 43% of firms say it simply enhances investor confidence in governance (see Figure 2), while another 22% say it builds brand strength and credibility at the point of exit – both very much symbolic in their merit.

At the same time, more than a quarter (26%) say a focus on cybersecurity can lead to better operational efficiency through tool optimisation, signalling a more proactive approach. And as for cybersecurity being a springboard for advancement in AI, data and cloud innovation – only 9% currently subscribe to that view.

Jamie Little, CTO at EveryCloud, says: "Looking at these findings through the lens of what we routinely observe in assessments – which are focused on value, visibility and validation – there's a clear alignment between perception and the underlying reality inside many organisations.

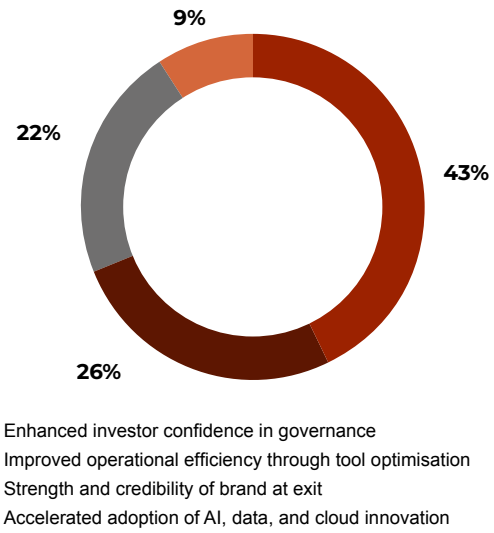
"The emphasis from 45% of firms on cybersecurity as a strategic foundation for resilience is consistent with the operational gaps we frequently identify. EveryCloud often finds that around 20% of devices are missing one or more required security controls – indeed, 12% of endpoints in one estate were operating without a functioning anti-virus deployment. These kinds of issues highlight why firms instinctively frame cybersecurity around trust and stability.

"The responses around value creation are also telling. Half of firms connect cybersecurity to investor confidence,

Figure 1 Perceptions of cybersecurity in PE portfolios



Figure 2 How cybersecurity contributes to value creation



but fewer recognise its potential to influence efficiency and investment returns. Our own data suggests otherwise. In recent assessments, organisations have uncovered an average of 24% savings in annual optimisation opportunities simply through improved licensing and configuration hygiene, which shows that cybersecurity, when examined in operational detail, often exposes inefficiencies that go far beyond risk reduction.

“One particularly telling insight from the research is that only 9% of firms currently view cybersecurity as an enabler of AI, data and cloud innovation. This is notable given the growing dependency on data-driven models and distributed cloud architectures across most sectors.”

MODEL OF IMPLEMENTATION

Evaluating a firm’s approach to cybersecurity from top down has its drawbacks. Every portfolio company is different, with idiosyncratic operations and security risks. That may be why many firms (30%) believe the most effective method of leveraging cybersecurity for value creation would be to create individual implementation plans per company (see Figure 3).

Others would prefer to centralise standards and frameworks at the fund level (26%), while only 17% would opt for a shared security operation – or what can be classified as a cybersecurity “centre of excellence” at the fund level. The breakdown is likely to coincide with the perceptions of cybersecurity highlighted above – with more defensive-minded firms opting for common standards, while the more proactive opt for innovation resources or per-company implementation.

Little says: “On governance models, the preference for decentralised portfolio-level planning reflects the diverse maturity levels across assets.”

At any rate, more than a quarter (27%) of firms would ideally partner with an external service provider to ensure ongoing cyber resilience in their portfolios.

“Overall, the findings suggest that while the sector broadly understands cybersecurity’s role in valuation and trust, there remains a gap in recognising the measurable operational and financial benefits a robust cyber security strategy can deliver. Systematic validation, rather than assumptions, can help firms appreciate cybersecurity not just as a stabilising force, but as an enabler of efficiency and informed decision-making,” Little concludes.

Figure 3 Ideal implementation models for cybersecurity across PE portfolios



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