

Osirium Technologies

Building a UK cyber security brand

Osirium's privileged access management software helps protect critical IT infrastructure from unauthorised use of privileged IT accounts, whether from hacking or internal threats. Since last year's IPO, Osirium has strengthened its sales & marketing and R&D teams, added a global channel-based route to the mid-market and further developed its product suite. It is now focused on growing its user base, while upselling to its existing customer base.

Protection from internal and external threats

The vast majority of hacking attacks are targeted at privileged access accounts (ie accounts used by IT staff to manage a company's IT estate). Osirium's software helps protect critical IT assets, infrastructure and devices by preventing targeted cyber attacks from directly accessing privileged accounts, limiting access and powers of privileged account users, deterring legitimate privileged account users from abusing their roles and containing the effects of a breach if one does happen. The high growth PAM software market was worth \$690m in 2015 (source: Gartner), +33% y-o-y. Osirium's software is designed to be simple to use and easy to deploy; its PAM solution helps businesses secure access to their IT infrastructure by creating a "virtual air gap" between privileged users and their passwords, while its PTM task automation solution improves efficiency while reducing security risks.

Good progress since IPO

Osirium has substantially achieved the targets it set at IPO, including strengthening the senior management team and building a channel to access the large number of potential mid-market accounts (UK, APAC, MENA and DACH distributors signed to date). To support the channel strategy, the company has invested in marketing and global support. In addition, it has grown its R&D team to focus on strategic development of its technology and recently added Privileged Behaviour Management (PBM) to its product range. In H216, the company signed up a global asset manager and in Q117 signed up another three enterprise customers.

Future milestones

In the absence of forecasts in the market, tracking key performance indicators will be crucial to assess progress and support the share price (which is down 35% since IPO). The company's KPIs include bookings, revenue, customer retention and upsell, new customers and channel partners, and the number of proof of concept and software evaluations installed. Osirium will report interims in September when we would expect to see an update on these KPIs.

Historic financials

Year end	Revenue (£k)	Bookings (£k)	PBT (£k)	EPS (p)	DPS (p)	P/E (x)
10/13	120.0	143.9	(714.6)	N/A	0.0	N/A
10/14	207.0	239.3	(892.8)	N/A	0.0	N/A
10/15	290.2	267.7	(857.1)	(7.1)	0.0	N/A
12/16*	477.6	540.8	(1,812.8)	(13.1)	0.0	N/A

Source: Osirium. Note: *14-month period.

Software & comp services

25 July 2017

Price 102.0p
Market cap £11m

Net cash at end FY16 £3.6m

Share price graph



Share details

Code OSI
Listing AIM
Shares in issue 10.39m

Business description

UK-based Osirium designs and supplies subscription-based cyber security software. It has four products: privileged access management (PAM), privileged task management (PTM), privileged session management (PSM) and privileged behaviour management (PBM).

Bull

- Experienced management team
- High profile, high growth market
- Blue chip enterprise customers

Bear

- Early stage, loss making
- High customer concentration
- Likely to require funding

Analysts

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