



Interview Shortlisted Company – European Small and Mid-Cap Awards 2021

Name of the company
CY4Gate S.p.A.
What are the key qualities your company has?
<p>CY4Gate is a lean company that has made technological innovation the linchpin around which the proprietary products it has developed since inception revolve. It is one of a kind in Italy and one of a small few in Europe to have developed a series of products that cover every area of the market, making it a 360° cyber software house. CY4Gate is, therefore, active as much in cyber intelligence as it is in cyber security, sectors currently boasting strong growth trends and extremely attractive margins. Thanks to the modular solutions of its product portfolio, the company’s customer value proposition meets the needs of both corporate customers (Corporate Intelligence, Cyber Resilience, Education & Training and the COVID-19 Emergency) and governments (Cyber Intelligence and Cyber Security) equally.</p>
What prompted your company to go public?
<p>The Board of Directors and Top Management have fully embraced the vision of the company as a one-stop-shop for the niche segment in which it operates. The decision to go public was mostly dictated by three key needs: a) to significantly boost research and innovation in the pursuit of continuous improvement of proprietary products; b) to expand the opportunities to penetrate and win over new markets and customers in Italy and abroad by gaining a more structured sales force; and c) to strengthen – through specific promotional campaigns – the company’s brand and image.</p>
What were the main challenges along the road to becoming public?
<p>It was a new, complex process that entailed intense efforts to persuade investors, who then became our shareholders, of the soundness of the company’s vision and strategy. But the greatest challenge was reshaping the governance model and internal organizational structure to meet the more stringent requirements applicable to publicly listed companies.</p>
What have been the key benefits (for your company) of going public?
<p>This important process led us to grow and mature and helped us see the business world from a new perspective, that of financial markets and the many new stakeholders and shareholders we found before us. It resulted in improved efficiency and an even greater drive to develop an efficient, well-structured management approach.</p>

After going public, what reactions have you had from investors, customers, employees, etc.?

CY4Gate's IPO was very well received by institutional investors, as the company is considered one of a kind in Italy. Demand exceeded supply more than sixfold. Today, one year since the listing (June 2020), the CY4Gate share is very attractive (performance of 100%) thanks to the company's and management's excellent track record of delivering sound business and financial results.

What experience/advice would you want to share with companies that are thinking of going public?

The route we have chosen is challenging and requires energy, enthusiasm, vision and a spirit of sacrifice to succeed. But it is the only route to take if we are to give the company and our business the chance to grow in step with the rapid development of the markets in which we operate. The factors that made our IPO a resounding success include: a competent, tight-knit, highly motivated management team and corporate structure that expresses the ability to improve and adapt continuously in response to the current context and market dynamics that reflect volatility, uncertainty, complexity and ambiguity.

Where do you see yourselves in 5 years?

We aspire to steady growth that will take us from €12 million in turnover to over €100 million in five years, with a stronger foothold on the domestic market and a more robust presence on foreign markets as well.

This is why we are confidently forging ahead with our next challenge: joining the MTA's STAR segment.

Have you had any assistance from the European Union, e.g. funding projects, etc.

For three years now we have been answering European calls for cyber research and innovation proposals. In particular, we were recently awarded contracts financed with the European Defence Fund (EDF) to create a shared European technological base, capitalising on the know-how of companies in various member states to achieve important synergies that level the playing field for the EU, especially with the US and Israel, which are at the sector's cutting edge.

If you had 3 wishes: What should the EU be doing to encourage more SMEs to go public? What should the EU be doing to provide ongoing support for listed companies?

Europe's economic success relies heavily on the ability of small and medium-sized enterprises to fully harness their growth potential. And SMEs often face considerable difficulties in raising the funds necessary to grow and innovate. The solution could be finding the energy and resources to go public. Europe should, therefore: a) hold awareness campaigns on this issue; b) support SMEs with specific grants to cover the high listing costs; c) establish streamlined procedures for admission to equity markets within the European Community.