ILLUSTRATIVE SAMPLE DELIVERABLE · FICTIONALISED TARGET · NO CLIENT INFORMATION

PROJECT ANVIL

Cybersecurity Due Diligence · Investment Committee Summary

Target	Meridian Actuation Group B.V.	**Sponsor**	Buy-side, mid-market industrials fund
Sector	Industrial actuation and motion control	**Enterprise value**	€234m (9.0x FY25 EBITDA €26m)
Footprint	6 plants: DE, NL, PL, MX. 1,400 FTE	**Scope**	Confirmatory diligence, IT / OT / AI
Fieldwork	18 days, 3 sites visited	**Prepared for**	Investment Committee, 14 March

RECOMMENDATION

Proceed, with price adjustment and two conditions

No deal-breaker identified. The estate is under-invested rather than compromised. The exposure is priceable and the remediation is deliverable inside the hold period, but the run-rate cost is permanent and should be reflected in the entry multiple.

VALUE AT RISK
€14m – €31m
Modelled single-event loss, 8 to 15 day production halt

COST TO REMEDIATE
€4.3m
€2.9m one-off, €0.9m recurring annual run-rate

TIME TO DEFENSIBLE
14 months
To a control posture that survives buyer scrutiny at exit

FINDINGS THAT MOVE THE NUMBER

- No segmentation between corporate IT and plant control networks at any of the six sites. A commodity ransomware event on the corporate domain reaches production. This is the dominant driver of the value at risk range.
- Backups are neither tested nor isolated for OT. Recovery from the 2024 attempt was achieved by rebuilding from vendor media over eleven days.
- No accountable security leadership. The function is carried informally by an IT infrastructure manager at roughly 0.4 FTE alongside a full operational workload.
- NIS2 scope confirmed for the German and Dutch entities, with no registration, reporting process or management-body accountability in place.
- Cyber insurance renewal warranties on MFA and privileged access are not met as described. A claim under the current policy would be contestable.

DOMAIN ASSESSMENT

Governance & organisation	**Red**	**OT & plant systems**	**Red**
Resilience & recovery	**Red**	**Identity & access**	**Amber**
Third party & supply chain	**Amber**	**Data protection & regulatory**	**Amber**
AI governance	**Amber**	**Incident history**	**Green**

DEAL IMPLICATIONS

Price	Recurring cost of €0.9m against a 9.0x multiple supports an €8.1m enterprise value argument, plus €2.9m one-off. Open at €11.0m.
SPA	Specific indemnity for the 2024 incident and for the insurance warranty position. General cyber warranty is not sufficient here.
Conditions	Seller to confirm current insurance disclosure position pre-signing. Vendor to provide OT asset inventory for the two unvisited sites.
First 100 days	Appoint accountable security leadership in month one. Segment the two highest-revenue plants by month four. Full plan in the accompanying report.

Basis and limitations. Prepared from management interviews, documentation review, external attack surface analysis and site inspection at three of six locations. No intrusive testing was performed. Figures are ranges based on comparable programmes and are indicative for negotiation, not a warranty of outcome. Full findings, evidence and remediation plan are set out in the accompanying diligence report.