

In Conversation

In Conversation with Jesper Zerlang and Christian Melby

Carol Baker

As Summa Equity (“Summa”) acquires a majority stake in cybersecurity leader Logpoint, we talk to Jesper Zerlang, CEO, Logpoint, and Christian Melby, Summa Equity Partner and Chief Investment Officer, about the next stage in Logpoint’s development.

Christian Melby is Chief Investment Officer at Summa Equity (<https://www.summaequity.com>) and also leads sourcing efforts within the Tech-Enabled Transformation investment theme.

Over the last few years, he has been focusing on B2B software and investing in the GRC (Governance, Risk and Compliance) field which includes Cyber Security.

Christian has been working in the European Private Equity market for more than two decades, and before joining Summa as part of the founding team, he worked several years at Reiten & Co and Norvestor.



Jesper Zerlang has been CEO of Logpoint (<https://www.logpoint.com>) since 2009 and has led Logpoint to become one of the dominant SIEM vendors in Europe.

He has more than 25 years’ experience in the IT industry and has held top management positions at Telia Company, Dell Computer and Compaq.

His strong customer and partner focus, passion for his employees and strong entrepreneurial spirit helps to spark innovation and growth at Logpoint.

Jesper has supplemented his leadership skills with executive management programs at Harvard Business School.



Tell us a little about yourselves?

Christian – I am a Partner and Chief Investment Officer at Summa and have been with the company just over seven years. Summa is established and headquartered in Sweden, with additional offices in Norway and Germany.

Jesper – As the CEO of Logpoint I have been with the company for over 13 years. Over that time, we have become the leading creator of a reliable, innovative

cybersecurity operation platform empowering organizations worldwide to thrive in a world of evolving digital threats. We have teamed up with Summa Equity to help us during the next stage of our journey.

What sets Logpoint apart from its competitors?

Jesper – Logpoint is at the core of cybersecurity and it's what we do as a company. We have a mission to protect the digital heart of organizations. It's all about digital DNA in any organization, regardless of whether it's a company or government institution, or even a country – they all have a digital DNA. At Logpoint, we are constantly analyzing digital activity, ready to instantly react if something starts happening out of the ordinary from a digital perspective. This way, we can prevent cyberattacks before they happen or have a chance to take hold. We also have a platform for significant compliance towards GDPR, as well as other compliance frameworks.

There are numerous things which set us apart from our competitors, but a key factor is that we are European – we are the only non-US vendor within our space. As we all know, the geopolitical situation in Europe is quite tense which has spurred a huge interest for Europeans in cybersecurity. Now that we have Summa on board, we are all set to become the leading cybersecurity company in Europe within both cybersecurity and the data analytics space – that's an exciting journey that we are about to travel on together over the next four to six years.

Being European also sets us aside from how we deal with data protection. There is, of course, a very high agenda on protecting personal data here in Europe, whereas in the US, it's larger and not as prescriptive as in Europe. From the outset, we've had a big focus on ensuring that we not only had a European focus, but also a regional focus within Europe, as well as in the USA, UK, Germany and the Nordics.

Then of course, there's all the softer things in how we differentiate: we are still a small company, we are more agile and faster than our competitors; and we are heavily focused on support – over 60% of call support calls are answered and resolved within an hour. Of course, it's important that you find the right vendor, but what's even more important is that, once you get into trouble, you have a partner that you can reach out to who guarantees a fast response. These are just some of the reasons why Logpoint stands head and shoulders above our competitors.

What attracted Summa Equity to Logpoint?

Christian – The uniqueness of Logpoint and its very strong position in the European market, especially in the mid-market segment and its service to large enterprises and even nations, really attracted us to Logpoint. Cybersecurity is a global challenge. If you look at the cost to society alone its estimated that there's a USD 3 trillion cost associated with cybersecurity that's waiting to be addressed. This is why Summa want to engage with the best companies in the industry and support them with the necessary capital and experience, often keeping onboard existing shareholders to create solutions that will help deal with the uncertainty

facing the world. So, we spend a lot of time and effort to make sure the businesses we invest in continue to grow and achieve their high ambitions.

We have raised three funds; our latest closed at EUR 2.3 billion, and has the mandate to invest in the Nordics and Northern Europe, within the growth and buyout space. Our investment in Logpoint builds on Summa's proven track record of incorporating the UN SDG framework in shaping the investment and value creation strategy to drive long-term value, focusing on thematic investments.

Fund III's investment in Logpoint fits well into our Tech-Enabled Transformation investment theme, as it means we can help address the major global challenge of cybersecurity incidents which are estimated to cost the global economy in excess of EUR 7.6 trillion every year.

Investors in our funds include large European and US leading institutional investors, university endowments and other large institutions. Although the majority of Summa's investments tend to focus on businesses in Europe, we do also have some US investments. Over the lifetime of a fund we normally invest in between 15 to 20 businesses.

Our EUR 2.3 billion Summa Equity Fund III focuses on thematic investments in Resource Efficiency, Changing Demographics and Tech-Enabled Transformations, and is supported by close to 70 diverse institutional investors.

Which emerging technology and geopolitical developments can we expect to see in the cybersecurity domain this year, and will Logpoint's technology need to take any new direction to deal with these?

Jesper – We are seeing a significant shift in the cyber agenda and businesses are recognizing the urgency of the situation. I have many meetings where CEOs and CFOs are reaching out to us not just as an IT discipline, to fix a problem and provide a solution, but because there's a pressing need for cybersecurity to become a substantial part of their business strategy, and we are engaged in more strategic discussions with these larger customers. We are also getting involved with partnerships with the likes of Deloitte and CGI to protect major ICS systems.

Why is strategic cybersecurity resiliency so vital for Europe, and how can technology-enabled transformation and cybersecurity be created for the future? For instance, what is Logpoint and Summa's view of looking at the "grand scheme of things"?

Jesper – Last year we donated a big Logpoint solution to the Ukrainian defense. So, we are significantly involved in protecting Ukraine from Russian aggression today.

We are also playing a central role in rebuilding the digital infrastructure of Ukraine to prepare them for the future so that they have the ability to integrate from a digital perspective into the EU and eventually, into NATO.

How do you explain the need to align and quantify cyber security initiatives to board level management so that they have greater understanding about future returns from their investment into cybersecurity and risk mitigation and how it impacts business performance?

Jesper – CEOs and CFOs are seeing their businesses being shut down simply because of an attack on their ERP systems so many are now realizing the importance of cyber compliance in the technology stack of the business. The need for all businesses to invest in protecting their business' critical infrastructure and applications is paramount, especially at a European level. Converging SIEM, SOAR, UEBA, Business-Critical Security technologies and EDR capabilities into one platform is what enables us to provide complete insight into the security posture and performance, enabling the CISO to address cybersecurity from a business value perspective and align with the rest of the C-suite on cybersecurity investment needs and proper protection.

Christian – From an investor perspective, cybersecurity has become a very important part of all of our due diligence. Having good cyber protection in place for the business will increase the value of the enterprise simply because reducing risk is as important to the business as creating more revenue and profitability. We are now seeing corporate boards engage with cybersecurity as a vital element in protecting the company's values and beliefs. Cybersecurity has risen to the top of the corporate agenda.

Are there any other closing thoughts you would like to get over to our readers?

Jesper – If we look at things from a global level, there are more than three million cyber jobs available – and the cyber threat is impossible to contain with only human beings. So, we need to develop technologies that can automate the process, and, in many ways, leverage technology to combat the threat that we are seeing at all levels. As Logpoint grows we are looking to acquire strategic players and build them into our infrastructure.

Christian – By 2024, incoming EU directives will require all critical infrastructure companies like energy companies, hospitals, universities, etc. to be compliant at a much higher level than ever before in terms of cybersecurity, and if they do not comply, they will face fines of EUR 10 million or 2% of their global revenue, whichever is greater. The world is at this very interesting inflection point where cyber will be so much more strategic and, through Logpoint, we want to be a significant part of this.