



Marion Stewart

# RED ALERT? NO PROBLEM

Marion Stewart, chief executive of private equity-backed Red Helix, tells Insider about the challenges and excitement of the cyber security and network performance specialist's first acquisition – and how more acquisitive growth is on the horizon

Mid-market private equity firm LDC first invested in Buckinghamshire-based Red Helix in 2021 and has since supported the expansion plans of chief executive Marion Stewart and her management team.

This has included Red Helix acquiring security consultancy Risk Crew earlier this year, expanding its existing client offering with new cyber assurance capabilities. The London-based firm provides security governance risk, compliance consultancy and security penetration testing.

"When we went to market, we did an extensive search for our acquisition," says Stewart. "Risk Crew is able to go in and do gap assessments for companies small, medium and large. They cover the whole range of UK businesses and, as well as their

consultancy, they also have a very robust compliance practice."

She adds: "Red Helix comes into the cyber journey once customers or prospects know they need some robust security measures.

"What we didn't have in our portfolio was the gap analysis and being able to say: 'This is what you've got, this works, this is where your gaps are, this is where your exposure might lie, here are some recommendations'.

"We've extended the circle of services that we can provide in Red Helix by doing the Risk Crew acquisition."

In light of high-profile attacks on household names, including Marks & Spencer, the Co-op and Jaguar Land Rover, cyber security awareness is high and is driving demand at Red Helix, albeit at different

speeds depending on the type of business in question.

"We're seeing different momentum based on the size of the market, which is interesting," says Stewart. "At the smaller and small end of mid-size, companies very much know they need to do something, and we have a lot of conversations with them when it comes to allocating budget.

"But with some of the recent increases in the cost of running businesses on that scale, it's become really difficult for those companies to make the decision to invest in robust cyber posture, versus 'do I hire another couple of people to help cement my growth?' There is activity, but the momentum of deals is much slower in that segment of the market.

"In the middle and upper mid, however, you've got the complete opposite. The momentum to do something is very high. If you're in those mid-sized businesses and something happens, it's very unlikely that you're going to recover effectively from it as a business. So the momentum to act and the funding to do something has increased in that part of the market.

"Much of the mid market has some protection in place already, but what they have is relatively legacy technology, so they don't have the next generation security tools.

"What we're trying to do at Red Helix is make that transition from legacy to next generation really easy. They don't have the double cost of running and they can do the migration safely.

"As a business, we're having to be quite innovative in how we approach that. But the momentum is definitely there."

Stewart continues: "Then with the large enterprises, the shock and awe of the M&S, the Co-op, and the recent Land Rover attack has had an impact. I'm going to hugely generalise here, but companies in that segment always felt, 'We've got a couple of tools deployed, we're OK.' They're actually sitting up and really taking stock of what they need to do to improve their posture.

"The mindset around some boards six months ago was 'this is never going to happen to me' – I don't think there's any board around the country sitting with that thought in their minds any more, and there's definitely momentum at that end of the market.

"It's interesting for us because we span all three segments of the market."

Acquiring Risk Crew is the latest milestone in Red Helix's ambitious growth journey, made easier by LDC, says Stewart: "LDC has a value

creation team and an M&A [mergers and acquisitions] integration specialist, who we were able to speak to.

"Having access to LDC's value creation team helped and, I think, the selection process that we undertook to find the right target.

"We explored, on paper, upwards of 50 companies and we met with somewhere over 20 companies in order to pick the right target, not just the right product or portfolio set, but a good match for us.

"We put a lot of forethought into how the integration would work. It also helped us think about the type of company that we wanted to acquire. This is Red Helix's first acquisition, so it was important for me that we selected a company that had similar values and similar culture."

Being like-minded companies with similar cultures has made the integration "really smooth", Stewart adds, and the experience of LDC and the advice from investment manager Ana-Maria Garaba were invaluable.

"There's a lot of data coming in, so correlating, interpreting that data, what's the story behind the numbers? LDC were really helpful in that.

"The scale of LDC's investment portfolio also means there isn't a tricky issue – the sort which comes up in any deal – that they haven't come across before. They knew exactly what we needed to do to not let the deal stall, or, worse, fail. Their expertise, right from the search through to the close of the deal, was really helpful to us."

Asked whether it was a cultural or business fit which was of most importance with the Risk Crew deal, Stewart says the former: "Because of the type of business it is, the culture and quality of people mattered probably more than the numbers. If you get that right in the consultancy side, if you've got high calibre, highly committed individuals with a core set of beliefs that match yours, the business growth will come."

With the first acquisition integrating well, Stewart says further deals for Red Helix are likely, and soon, adding that she gets a "buzz" from the "very exciting" process.

"At some point in the first six months of next year, we'll hopefully be in a position where we're looking at our second acquisition," she says.

"We are a great platform for roll-up. The cyber sector is home to a lot of very small companies, and I think the market is beginning to mature so the opportunity for roll-up and being a platform for roll-up is exceptional for a private equity-backed business.

"I think Red Helix is perfectly primed. We've built a really solid foundation in the core business.

"I don't know what shape the next acquisition will take, but we'll do another broad sweep of the market, see what's available, and it'll probably be bigger but with different value added services to Red Helix."

Away from driving growth in the business, Red Helix is on a mission to tackle the cyber

skills shortage and Stewart sits on the board of OxCyber, an organisation designed to encourage cybersecurity and technology growth in the Thames Valley by facilitating interactions between experts, small and medium-sized enterprises and startups.

Red Helix has launched The Red Helix Coding Club in response to the chronic shortage of cyber skills in the UK, and to encourage more diversity in the sector, with a specific focus on aiding social mobility.

"It's very difficult to find diversity when you're recruiting in cyber," says Stewart. "I want to champion diversity in the sector, in terms of social and economic backgrounds, neurodiversity and all the other diversity and inclusion factors that you can think of.

"Our industry is not particularly welcoming to those cohorts."

## Ana-Maria Garaba, investment manager, LDC

At LDC, we support management teams across the UK to help navigate the process of acquiring and integrating new businesses. We work together to map out existing markets, explore new territories, review potential growth areas and identify targets.

With Red Helix, we supported the business throughout the entire process to identify, evaluate and execute the acquisition of Risk Crew.

We provided hands-on help to research industry segments adjacent to Red Helix's existing capabilities, screen companies, and identify those that were a good strategic and cultural fit.

In addition, we directly supported the negotiations on pricing, structure, as well as co-ordinating all the required due diligence workstreams.

Post transaction, we continue to work closely with Marion and her team to ensure a smooth operational and cultural integration, including employee engagement, communications, and cultural alignment.

Looking ahead, we will continue to support Red Helix as it deepens its position as a trusted cybersecurity partner. The business has strong technical expertise and loyal customers – the focus now is

on helping the business to scale these strengths. This means investing in talent, expanding managed services capabilities, and exploring adjacent areas of the cyber ecosystem, organically and via future acquisitions, where Red Helix can add value.

We are actively exploring potential acquisitions that could further enhance our service offering and add value to our clients. Ultimately, our focus remains on helping the business to grow in a way that combines technical excellence with the scale and resilience that organisations need in an evolving threat landscape.

Cyber threat has become one of the most persistent challenges for businesses across all sectors with the threat landscape evolving rapidly and becoming more complex particularly through the use of AI-driven attacks. What we are seeing is that it's no longer an issue involving only the IT function – it's a board level risk that touches reputation, operations, and even regulatory compliance.

From an investment perspective, it underlines why businesses like Red Helix are so important. They help organisations move from a reactive stance to a proactive one – building systems and capabilities that evolve as quickly as the threats themselves.

