

FROST & SULLIVAN



CROWDSTRIKE

2022 COMPANY OF THE YEAR

*ASIA-PACIFIC
ENDPOINT SECURITY INDUSTRY*

Best Practices Criteria for World-Class Performance

Frost & Sullivan applies a rigorous analytical process to evaluate multiple nominees for each award category before determining the final award recipient. The process involves a detailed evaluation of best practices criteria across two dimensions for each nominated company, CrowdStrike excels in many of the criteria in the endpoint security space.

AWARD CRITERIA	
<i>Visionary Innovation & Performance</i>	<i>Customer Impact</i>
Addressing Unmet Needs	Price/Performance Value
Visionary Scenarios Through Mega Trends	Customer Purchase Experience
Implementation of Best Practices	Customer Ownership Experience
Leadership Focus	Customer Service Experience
Financial Performance	Brand Equity

Challenges of an Evolving Endpoint Market

Endpoint security is a dynamic market influenced by evolving work environments and perpetually advancing cyber threats. With the changing threat landscape, attacks are increasingly sophisticated and aimed at high-profile targets. Advanced and targeted threats and malware are also becoming more frequent. In addition, enterprise digital transformation initiatives followed by the rapid growth of the internet of things (IoT) significantly increase the number of connected devices and, thus, attacks targeting emails and computing and IoT devices.

Cloud migration has accelerated since the COVID-19 pandemic to accommodate the work-from-home culture, including small offices and home office setups. Security vendors are also transitioning from on premises to cloud-based applications. Cloud-based endpoint security solutions aim to keep organizations safe throughout the transition to the cloud, but it is a difficult job. Threat actors continuously improvise to find new ways to penetrate an organization’s network, such as exploiting endpoint vulnerabilities, stolen credentials, and fileless malware, disrupting business processes and stealing confidential data.

Legacy endpoint security solutions like antivirus, provide limited protection in the cloud with no visibility or protection against malware threats. This is because they have limitations, including protection gaps, software lags and lapses, performance and support barriers, and blind spots. Point solutions also contribute to management complexity and lack holistic environmental visibility.

CrowdStrike is a global cybersecurity leader offering a unified security platform that protects enterprise risk areas, such as endpoints, cloud workloads, identity, and data, against malicious attacks. Purpose-built in the cloud with an intelligent, single lightweight agent, the CrowdStrike Falcon platform enables organizations to leverage solutions spanning endpoint security and XDR, cloud security, identity protection, data protection, managed services, security and IT operations, threat intelligence and observability at scale and without friction. The company embodies the best security trends by providing a platform that holistically protects and enables people, processes, and technologies to drive enterprises. It demonstrates a commitment to innovation, establishing best practices in line with connectivity and convergence trends.

CrowdStrike Falcon Enables Cyber Resilience

Using artificial intelligence (AI) that gives real-time attack indicators and threat intelligence, the CrowdStrike Security Cloud powers the CrowdStrike Falcon platform. The platform records and transmits the readings to provide accurate detection, automated protection, and remediation across the customer platform in real time. This allows organizations to tackle attacks.

The CrowdStrike Falcon platform enables easy deployment and on-demand scalability, making it popular among clients. It offers a single cloud-based administrative control and easy-to-use application programming interfaces, interoperable with other security platforms and tools to simplify security

“CrowdStrike’s cloud-native endpoint security solution eliminates blind spots and offers holistic protection against sophisticated attacks. The company embodies the best security trends by providing a platform that holistically protects and enables people, processes, and technologies to drive enterprises.”

***- Georgia Edell,
Consultant***

operations. The platform’s cloud-delivered, universal, and lightweight agent runs on various endpoints and operating systems, including workstations, servers, virtual machines, desktops, containers, mobile devices, and IoT endpoints. It does not require a corporate network and virtual private network connectivity.

The CrowdStrike Falcon platform includes CrowdStrike Threat Graph, CrowdStrike Asset Graph, CrowdStrike Intel Graph, CrowdStrike Falcon Insight XDR, and CrowdStrike Falcon LogScale.

The CrowdStrike Threat Graph is the CrowdStrike Falcon platform’s critical element, powered by the cloud-scale AI. It assimilates and contextualizes real-time analytics, enriching the comprehensive endpoint and workload telemetry. It also quickly predicts, investigates, and hunts threats in the environment, speeding up the organization’s response time.

In addition, the CrowdStrike Asset Graph provides a deep, unified attack surface visibility. It offers a 360-degree view of managed and unmanaged assets across the enterprise, enabling visibility across devices, users, accounts, applications, and cloud workloads. This simplifies IT and security operations. The CrowdStrike Asset Graph also monitors and tracks complex interactions between assets, with a single holistic view of the risks these assets pose. This reduces complexity and provides more clarity on the risks the organization face. Scalability and ease of use without sacrificing security make this an attractive offering for many consumers.

The CrowdStrike Intel Graph contextualizes threats by viewing the connections between adversaries and attacks to prioritize investigations and understand the threat landscape. The organization receives the latest information on adversaries, techniques, and targets seamlessly delivered within the CrowdStrike Falcon platform. With the intelligence from CrowdStrike's industry-leading cyber threat intelligence team, the organization can develop strategies and make decisions to remediate attacks, a capability some competitors cannot provide.

CrowdStrike Falcon Insight XDR takes endpoint detection and response to the next level by providing consolidated multiplatform telemetry that enhances the threat correlation and speed response time against sophisticated attacks. Transforming the stored disconnected data into strong cross-platform attack indicators, insights, and alerts allows it to accelerate threat analysis and hunting. CrowdStrike Falcon Insight XDR empowers security teams to design and automate multiplatform and multistage workflows for full-stack remediation.

CrowdStrike Falcon LogScale, a better and more cost-effective version of some competitive offerings, is a centralized log management and observability solution. Built using a unique index-free architecture and advanced compression technology that minimizes hardware requirements, CrowdStrike Falcon LogScale enables organizations to aggregate, correlate and search live log data with sub-second latency.

Overall, the CrowdStrike Falcon platform enhances endpoint protection by combining malware analysis, malware search, and threat intelligence into a single solution. It also reduces customers' time and skill requirements to perform manual incident investigations. In addition, it identifies and investigates related threats and blocks similar attacks in the future.

CrowdStrike Offers Superior Customer Experience

CrowdStrike is known for offering top-of-the-class security solutions to customers, keeping them safe from breaches. Its security solutions identify an organization's unique threats and risk levels. As more IT and cybersecurity products create complexity, organizations seek a unified security platform to cater to their needs. Hence, CrowdStrike is seeing customer consolidation in its platform, and an increase in the number of modules used.

CrowdStrike has a robust partner ecosystem, with numerous partners globally. The company also has several channel partners providing differentiated business and services to CrowdStrike's customers. In addition, the offerings from its technology partners enable an open technology ecosystem built on the CrowdStrike Falcon platform.

CrowdStrike provides flexible deployment of all its modules, enabling customers to choose the modules by purchasing them as bundles or individual suites. The company reports rapid growth globally. CrowdStrike added 1,638 new customers in Q4 FY2022. It recorded 16,325 customers as of January 31, 2022, representing 65% year-on-year (YoY) growth due to increased customer subscription satisfaction rates, overall services, and cost-effectiveness.

Frost & Sullivan commends CrowdStrike for offering customers products and services that suit their needs by developing a large and diverse partner ecosystem and incorporating advanced technology into its offerings.

CrowdStrike Builds Future Growth through Acquisitions and Third-Party Integrations

CrowdStrike's total revenue in FY2021 was \$874.4 million, an 82% increase from \$481.4 million in FY2020. The annual recurring revenue grew to \$1.05 billion as of January 31, 2021, a 75% YoY increase, indicating repeat customers. In addition, the subscription revenue rose 84% between FY2020 and FY2021, from \$436.3 million to \$804.7 million.

"CrowdStrike acquired Humio (now CrowdStrike Falcon LogScale), a leading high- performance cloud log management and observability technology provider in 2021. The company also expanded its cloud security posture management and cloud workload protection capabilities to deliver greater control, visibility, and security for cloud workloads and cloud-native applications, from build to runtime."

***- Georgia Edell,
Consultant***

For FY2021, the Generally Accepted Accounting Principles (GAAP) subscription margin was 77%, rising from 74% in 2020. Non-GAAP subscription margin was 79%, which rose from 75% in 2020. The net cash generated from operations was \$356.6 million in FY2021 compared to \$99.9 million in FY2020. Free cash flow was \$292.9 million in FY2021 compared to \$12.5 million in FY2020.

CrowdStrike acquired Humio (now CrowdStrike Falcon LogScale), a leading high- performance cloud log management and observability technology provider in 2021. The company expanded its cloud security posture management and cloud workload protection capabilities to deliver greater control, visibility, and security for cloud workloads and cloud-native applications, from build to

runtime. CrowdStrike also integrated the CrowdStrike Falcon platform's threat intelligence feeds with the Amazon Web Services (AWS) Network Firewall. The AWS Network Firewall is a managed service that eases the deployment of essential network protections across the customer's Amazon Virtual Private Clouds.

Its machine learning provides the first line of defense against threats and works on the cloud and endpoints. Although CrowdStrike Falcon LogScale can detect threats without an internet connection, it requires connectivity for report generation. The solution protects containers and hosts by deploying a side-level service mesh through a hypervisor.

Frost & Sullivan believes these product features and substantial financial performance make CrowdStrike a market leader.

Conclusion

CrowdStrike provides customers with a unified security platform with a single, lightweight agent solution that provides comprehensive visibility and protection across endpoints and cloud workloads, data, and identity. This platform also provides effective reporting that stops breaches before they can compromise network systems and extract important business information. It is compact, making it easy to deploy and integrate with existing security tools. It is also cost-effective and efficient, offering users a seamless operating experience.

CrowdStrike continues to improve its platform with new product capabilities and enhancements. Legacy systems using on-premises solutions to detect and remediate cyber breaches are ineffective and increase complexity in meeting the security needs of modern enterprises. As more systems move to cloud-based environments, a single platform that lowers costs, limits data complexity, and mitigates multiple software use, becomes vital. CrowdStrike is effective in catering to all these requirements.

The company's market-leading performance with revenues and customer satisfaction is proof that it has the potential to reach new milestones on its journey toward helping companies achieve cyber resilience.

With its strong overall performance and visionary innovation, CrowdStrike earns Frost & Sullivan's 2022 Asia-Pacific Company of the Year Award in the endpoint security industry.

What You Need to Know about the Company of the Year Recognition

Frost & Sullivan's Company of the Year Award is its top honor and recognizes the market participant that exemplifies visionary innovation, market-leading performance, and unmatched customer care.

Best Practices Award Analysis

For the Company of the Year Award, Frost & Sullivan analysts independently evaluated the criteria listed below.

Visionary Innovation & Performance

Addressing Unmet Needs: Customers' unmet or under-served needs are unearthed and addressed by a robust solution development process

Visionary Scenarios Through Mega Trends: Long-range, macro-level scenarios are incorporated into the innovation strategy through the use of Mega Trends, thereby enabling first-to-market solutions and new growth opportunities

Leadership Focus: Company focuses on building a leadership position in core markets and on creating stiff barriers to entry for new competitors

Best Practices Implementation: Best-in-class implementation is characterized by processes, tools, or activities that generate a consistent and repeatable level of success

Financial Performance: Strong overall business performance is achieved in terms of revenue, revenue growth, operating margin,

and other key financial metrics

Customer Impact

Price/Performance Value: Products or services provide the best value for the price compared to similar market offerings

Customer Purchase Experience: Quality of the purchase experience assures customers that they are buying the optimal solution for addressing their unique needs and constraints

Customer Ownership Experience: Customers proudly own the company's product or service and have a positive experience throughout the life of the product or service

Customer Service Experience: Customer service is accessible, fast, stress-free, and high quality

Brand Equity: Customers perceive the brand positively and exhibit high brand loyalty

