



# Business Value Report



FY2019

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## Overview

Egnyte's Business Value Assessment process is designed to assist our current and future customers in discovering and articulating the immense positive value of an investment in our platform. The Business Value Report summarizes the results from all value assessments performed in 2019<sup>1</sup> and outlines the most common value drivers as well as the average expected savings across three major categories of business value.

## Areas of Value – Savings Distribution

The Egnyte value proposition is composed of cost saving or value-added metrics that fall within three major areas of financial return: Direct IT expenses for hardware and software as well as supporting labor costs, business user labor/productivity costs, and costs incurred for securing as well as governing data.

Egnyte is specifically designed to achieve maximum returns in each of these categories. How it does this, and the average distributed percentage of savings discovered in the sampled value assessments are shown in the chart below.

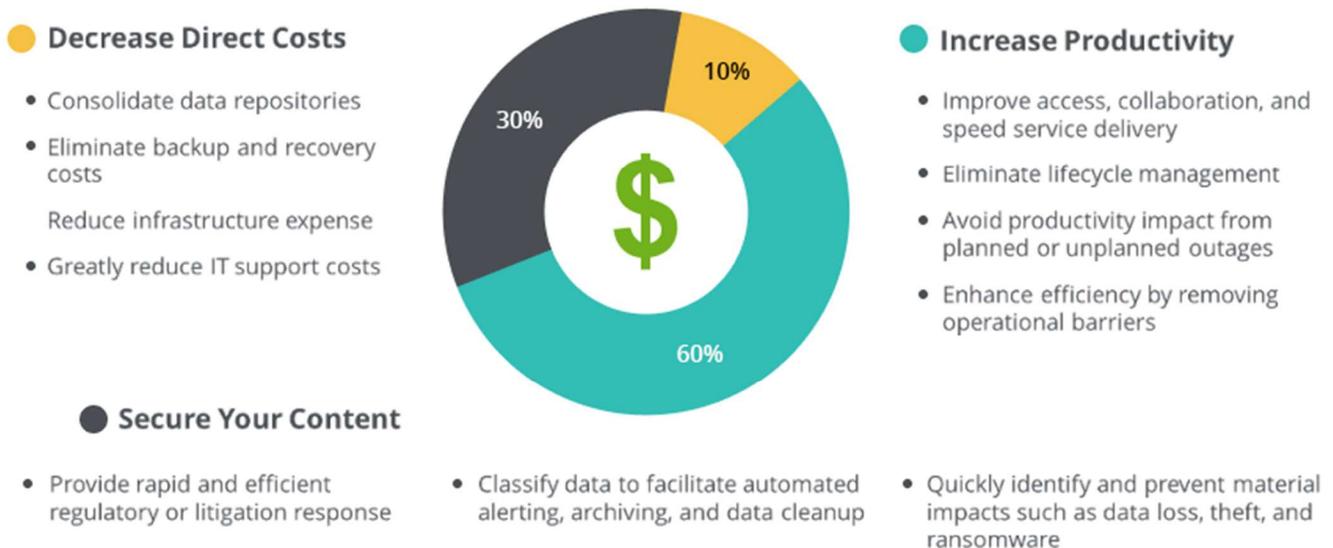


Figure 1 - Most common value drivers and each category's assessed % contribution to total ROI

<sup>1</sup> Sample consists of 65 value assessments performed between January 1<sup>st</sup> and December 31<sup>st</sup>, 2019

## Decrease IT Costs

A primary area of value for the Egnyte platform is in the reduction or elimination of numerous direct costs associated with supplying and maintaining an organization's various file services. Unification and thus simplification of management, use, and security are core to Egnyte's value proposition. By being able to meet all business needs around storage, replication/disaster recovery, remote/mobile access, sharing, and performance (via industry best hybrid offering) a consistently positive financial return was seen in the assessments performed.

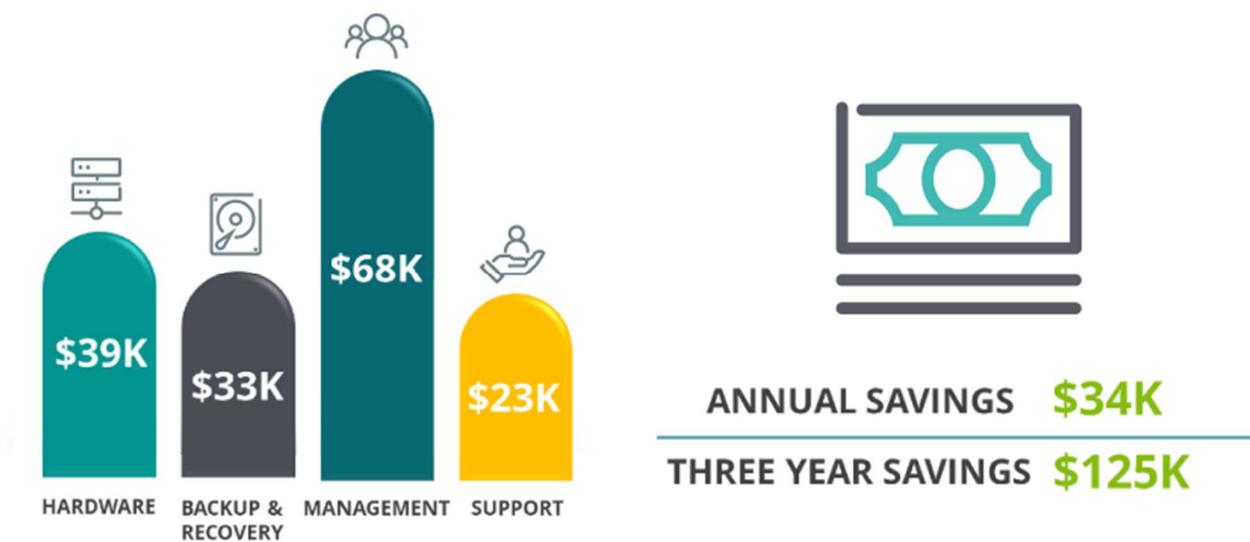


Figure 2 - Average annual savings for each major direct cost category along with total annual and three-year average savings (after Egnyte investment) across all assessments

## Improve Collaboration & Productivity

As with any tool, the real value of a file solution is not just the sticker price compared against alternatives but rather its ability to improve the execution and achievement of business goals. Our assessments focused on numerous hidden costs associated with reduced labor efficiency as well as missed opportunities resulting from not having an effective means to easily access, edit, and share important business data. The impact of this poor user experience coupled with system downtime and project hours spent refreshing infrastructure was quite large and, in most cases, contributed to the highest area of cost associated with a company's file solution.

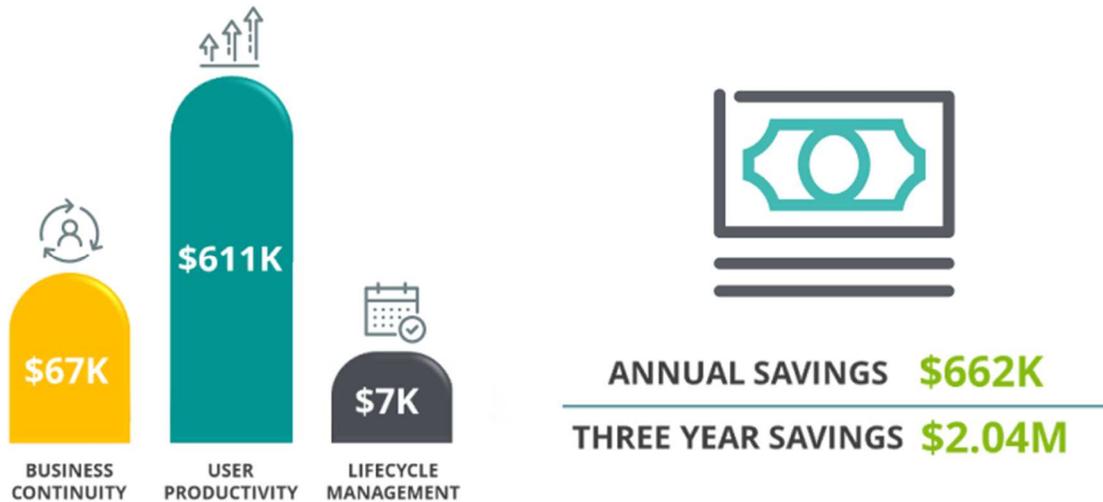


Figure 3 - Average annual savings for each major productivity cost category along with total annual and three-year average savings across all assessments

## Increase Control & Reduce Risk

The third area of value that continues to grow in importance to those assessed is their ability to effectively protect as well as manage the lifecycle and compliance of sensitive business data. The unending growth of content, the increasing threat of data attacks (ransomware, theft, etc.), and the ever-expanding need to comply with industry and data privacy regulations is clearly becoming a very expensive part of the cost of doing business in the 21<sup>st</sup> century. Egnyte’s effectiveness at solving these challenges quickly and easily was a major contributing factor to the positive ROI totals seen in the assessments.

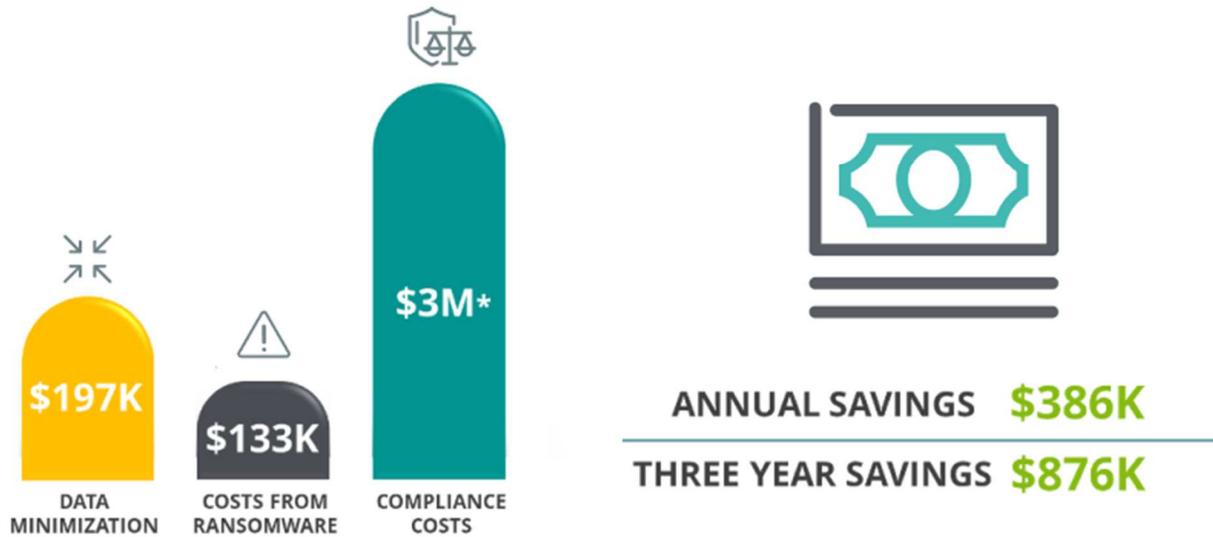


Figure 4 - Average annual savings for each major risk cost category along with total annual and three-year average savings across all assessments. \*Average compliance cost reduction from centralized data governance program (not factored in all results). Source: "The True Cost of Compliance with Data Protection Regulations," Ponemon Institute, December 2017.

## Conclusion

Throughout this year’s assessments it was readily apparent that most of the environments we studied were rife with inefficiencies, had duplication of data and services, and were not equipped with effective tools to adequately meet the demands of their end users. IT departments were stretched thin by the growing demands placed upon them for rapid expansion, increased reliability, and ever-increasing threats to data security. By measuring how the Egnyte turn-key solution effectively solved these challenges across the three highest value categories, it became remarkably clear that in the majority of cases, the expected returns far exceeded the costs of investment.

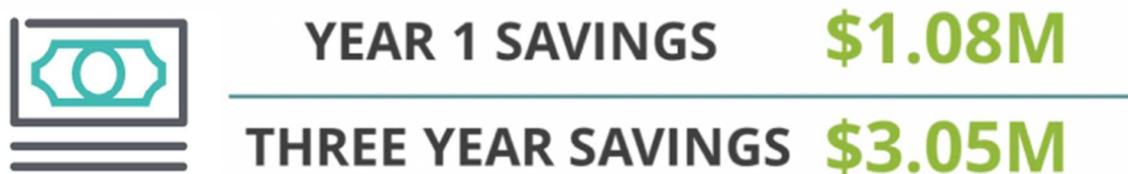


Figure 5 - Total average expected ROI. Savings from data minimization typically higher in first year.