CYBERSECURITY

SECTOR BRIEFING

INTRODUCTION TO
ICON CORPORATE FINANCE

1

ICON AT A GLANCE

SPECIALIST INDEPENDENT M&A AND FUNDRAISING ADVISER TO FAST-GROWING TECHNOLOGY BUSINESSES

INDEPENDENT

Independent advice on strategy, fundraising and M&A, creating significant value for shareholders, customers, employees and other stakeholders

TRUSTED

Consistent track record of success built on M&A know-how, negotiation skills and providing the best advice and outcomes possible to our clients on turning technology into wealth

LEADER IN TECHNOLOGY DEALS

250+ Deals

100+ Combined years of deal making

100% Dedicated to tech sector

8 Senior Investment Bankers

INDUSTRY FOCUS

Enterprise Software

Fintech

Cybersecurity

Cloud/ Comms

Healthtech

Digital Media

GLOBAL

Extensive international transaction experience and global network, providing access to the most relevant investors, buyers and strategic partners

TECH EXPERTS

Experts in the technology sector, we have a deep understanding of disruptive business models and the entrepreneurial journey from start-up to successful exit

AWARDS & ACCOLADES

GLOBAL VENTURE AWARDS 2019

realdeals
FINALIST, UK CORPORATE FINANCE HOUSE OF THE YEAR 2018

2018 UK AWARDS

FINANCE MONTHLY
M&A AWARDS 2017

W&f FinTech awards

ACQ5 Global Awards 2018
EUROPE – CORPORATE FINANCE ADVISORY FIRM OF YEAR – TECHNOLOGY SECTOR

The Parliamentary Review
BEST PRACTICE REPRESENTATIVE

AI M&A awards
dealflow source

wealth&finance2016 finance awards

"We act exclusively for tech companies. Our clients are changing the world and we help them secure funding to build great companies and realise maximum value when they come to sell", Alan Bristow, Founder & CEO of ICON

LONG ESTABLISHED TEAM OF SEASONED DEAL MAKERS

HIGHLY EXPERIENCED, INTERNATIONAL, COMMITTED AND AWARD-WINNING

Alan Bristow – Founder, CEO
- Focus: Enterprise Software, Cloud (SaaS), e-Commerce, IoT, Telecoms, Cyber Security
- Specialist in M&A and funding, advised on over 250 transactions
- Over 20 years of experience

Nicky Cotter – Co-Founder, Head of FinTech
- Focus: FinTech, RegTech, InsurTech
- Specialist in M&A and funding from VCs, CVCs
- Co-founder of The FinTech50 & FinTechCity.com, Finastra World Trade Symposium Board member

Brian Parker – Partner, Head of M&A
- Focus: Enterprise Software, Financial Services, Wireless, Security, e-Commerce, Outsourcing & ICT Services
- Specialist exclusively in M&A
- Author, annual 'Technology M&A Review'
- Over 25 years of experience

Eddie Harding – Partner
- Focus: FinTech, Enterprise Software, Digital Media, Cloud (SaaS), Cyber Security, e-Commerce
- Specialist in M&A and funding
- Over 20 years of experience

Simon Moynagh – Partner
- Focus: Enterprise Software, FinTech. Digital Media, Energy, Electronics & e-Commerce
- Specialist in M&A and funding
- Over 7 years of experience

Florian Depner – Director
- Focus: Cyber Security, Enterprise Software, Infrastructure Software, Digital Media
- Specialist in M&A and funding
- Over 10 years of experience

Monica Shupikai Simmons – Director
- Focus: FinTech, HealthTech, e-Commerce
- Specialist in M&A and funding
- Over 17 years of experience in deal making, in London & New York, with extensive US investor network on East & West coasts

James Kenward – Director
- Focus: Capital Markets, RegTech, Telco, Logistics & IT Services
- Specialist in M&A and funding
- Over 12 years of experience

Ritika Hiranandani – US Representative
- Specialist in strategic partnerships across US and India
- Buyer reach
- Extensive US investor network on East & West coasts and India

Emily Rose – Associate
- Transaction support
- Assistance on M&A & Funding research
- Target list creation
- IM preparation

Younes Benchaiba – Analyst
- Transaction support
- Assistance on M&A & Funding research
- Target list creation
- IM preparation
- Deal sourcing

Laura Stepney – Transaction Support
- Assistance on M&A & Funding research
- Target list creation
- IM preparation

SOCIETE GENERALE — J.P.Morgan — Nationwide — pwc — LLOYDS BANKING GROUP — OPPENHEIMER — MOORELAND PARTNERS — KPMG — Deloitte. — CLSA ASIA PACIFIC MARKETS — ROLLS ROYCE

GLOBAL TRANSACTION TRACK RECORD

SELECTED RECENT DEALS ADVISED BY ICON CORPORATE FINANCE

FOCUS GROUP EUROPE
SOLD TO
accenture
SERVICENOW CONSULTING

mosaic SMART DATA
STRATEGIC INVESTMENT
J.P.Morgan
COMMERZ VENTURES Commerzbank Group
octopus ventures
FINTECH

Parmenion
SOLD TO
Aberdeen
FINTECH

LogBuy Benefits people
SOLD TO
VISMA
HCM

RUMM
SOLD TO
npower An RWE company
ENERGY MANAGEMENT SOLUTIONS

my-Channels
SOLD TO
software AG
BACK OFFICE SOFTWARE

THE MOBILITY HOUSE
STRATEGIC INVESTMENT
DAIMLER
MITSUI & CO.
ELECTRIC AUTOMOTIVE "V2G" IoT MGT S/W

Business Integrity
SOLD TO
THOMSON REUTERS
GRC SOFTWARE

Applicable
SOLD TO
NTT Communications
UNIFIED COMMUNICATIONS

Optimum Contact an IQVIA company
SOLD TO
IQVIA
HEALTHTECH

TOCARDO TIDAL POWER
STRATEGIC INVESTMENT
REPSOL
ENERGY

wealthify
STRATEGIC INVESTMENT
AVIVA
FINTECH

imx software
SOLD TO
INFINEA
FINTECH

redland
ACQUIRED BY
ideagen
REGTECH

SentryBay
STRATEGIC INVESTMENT
THINCATS
Cybersecurity

NATIV Total Video Logistics
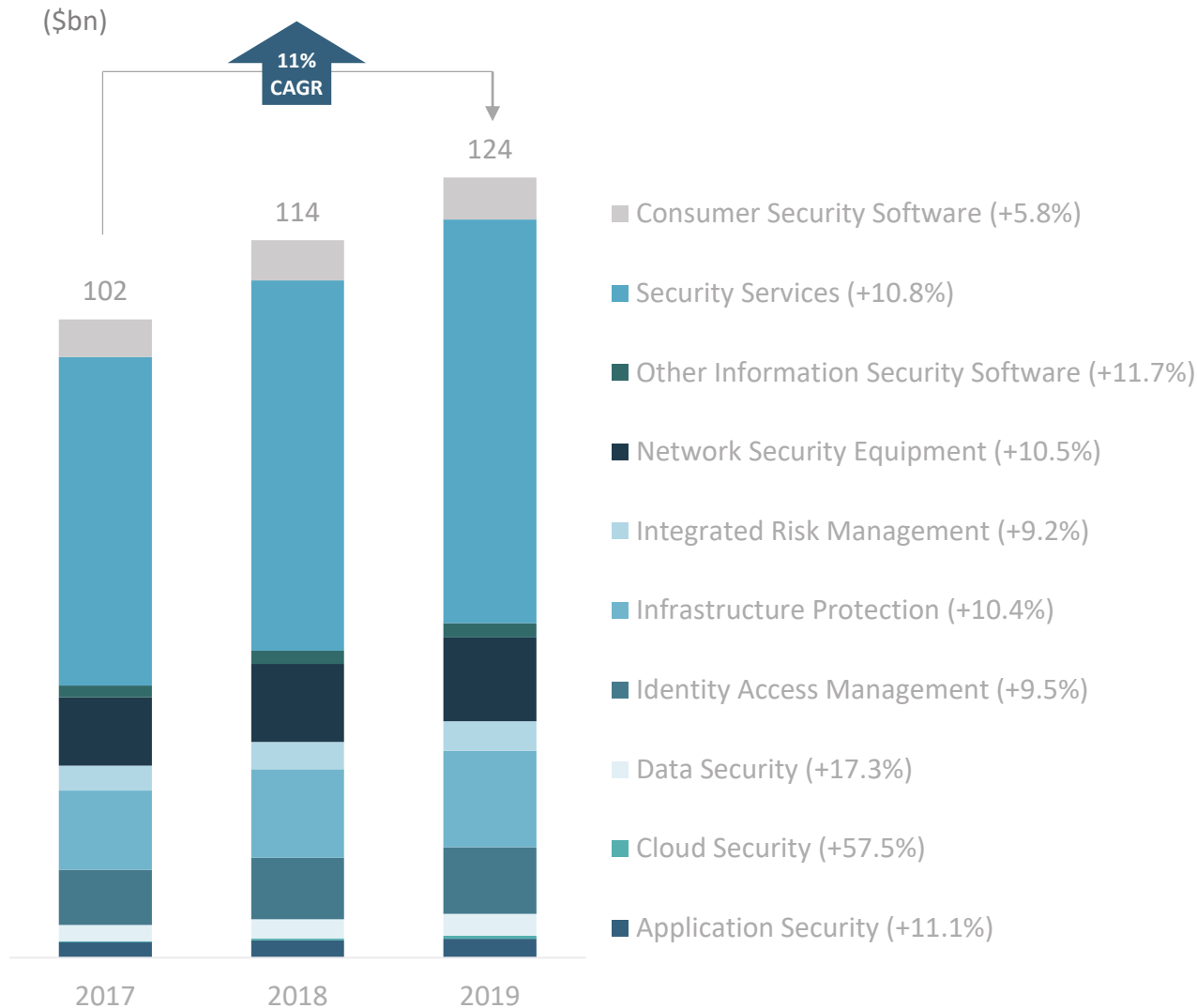SOLD TO
TELSTRA
VIDEO TECH SaaS

CYBERSECURITY MARKET OVERVIEW

A MASSIVE $124 BILLION MARKET OPPORTUNITY

CYBERSECURITY IS NOW ONE OF THE LARGEST TECHNOLOGY CATEGORIES BUT THE MARKET REMAINS HIGHLY FRAGMENTED

($bn)

11% CAGR

2017: 102
2018: 114
2019: 124

Legend:
- Consumer Security Software (+5.8%)
- Security Services (+10.8%)
- Other Information Security Software (+11.7%)
- Network Security Equipment (+10.5%)
- Integrated Risk Management (+9.2%)
- Infrastructure Protection (+10.4%)
- Identity Access Management (+9.5%)
- Data Security (+17.3%)
- Cloud Security (+57.5%)
- Application Security (+11.1%)

- According to Gartner, worldwide spending on cybersecurity is predicted to reach over $124bn in 2019 (CAGR of 10.6% 2017-2019)

- Services (subscription and managed) represent 50% of total market spend

- Widely publicised data breaches comprising millions of personal data records highlight importance of protecting sensitive data assets

- Nation-state level attacks drive the demand for protection of mission-critical IT infrastructure

- Security and risk management have become a top board-level priority and are increasingly regarded as a competitive differentiator

- Market remains highly fragmented: with app. 2,500 vendors and a large amount of VC funding creating new companies, consolidation is accelerating

Source(s): Gartner 2018; Note: percentage represents CAGR 2017-2019

INCREASING COST OF CYBERCRIME

THE GLOBAL ECONOMY IS ESTIMATED TO LOSE $5.2 TRILLION IN VALUE OVER THE NEXT FIVE YEARS BECAUSE OF CYBERCRIME (ACCENTURE, JULY 2019)

FT *Breaking News*

Equifax to pay up to $700m in US settlement over data breach

Equifax will pay up to $700m as part of a settlement with US authorities after a major 2017 hack that exposed the personal data of close to 150m people.

The resolution with the Federal Trade Commission, Consumer Financial Protection Bureau and 50 state attorneys-general draws a line under the hack, the largest-ever breach of consumer data. The US-based credit scoring company has also settled with claimants in a class-action lawsuit.

Opinion   Sport   Culture   Q Search   UK edition   **The Guardian**

...mics Banking Money Markets Project Syndicate B2B

BA faces £183m fine over passenger data breach

ICO says personal data of 500,000 customers was stolen from website and mobile app

Forbes   Billionaires   Innovation   Leadership   Money   Consumer

Marriott Faces $123 Million Fine For 2018 Mega-Breach

BBC   ⊙ Your account   🔔 •   News   Sport   Weather   iPlayer

NEWS

Capital One data breach: Arrest after details of 106m people stolen

The Washington Post   Sign
Democracy Dies in Darkness

Technology

Microsoft reports hundreds of election-related cyber probes

FINANCIAL TIMES
Google unearths 2-year-long iPhone spyware attack

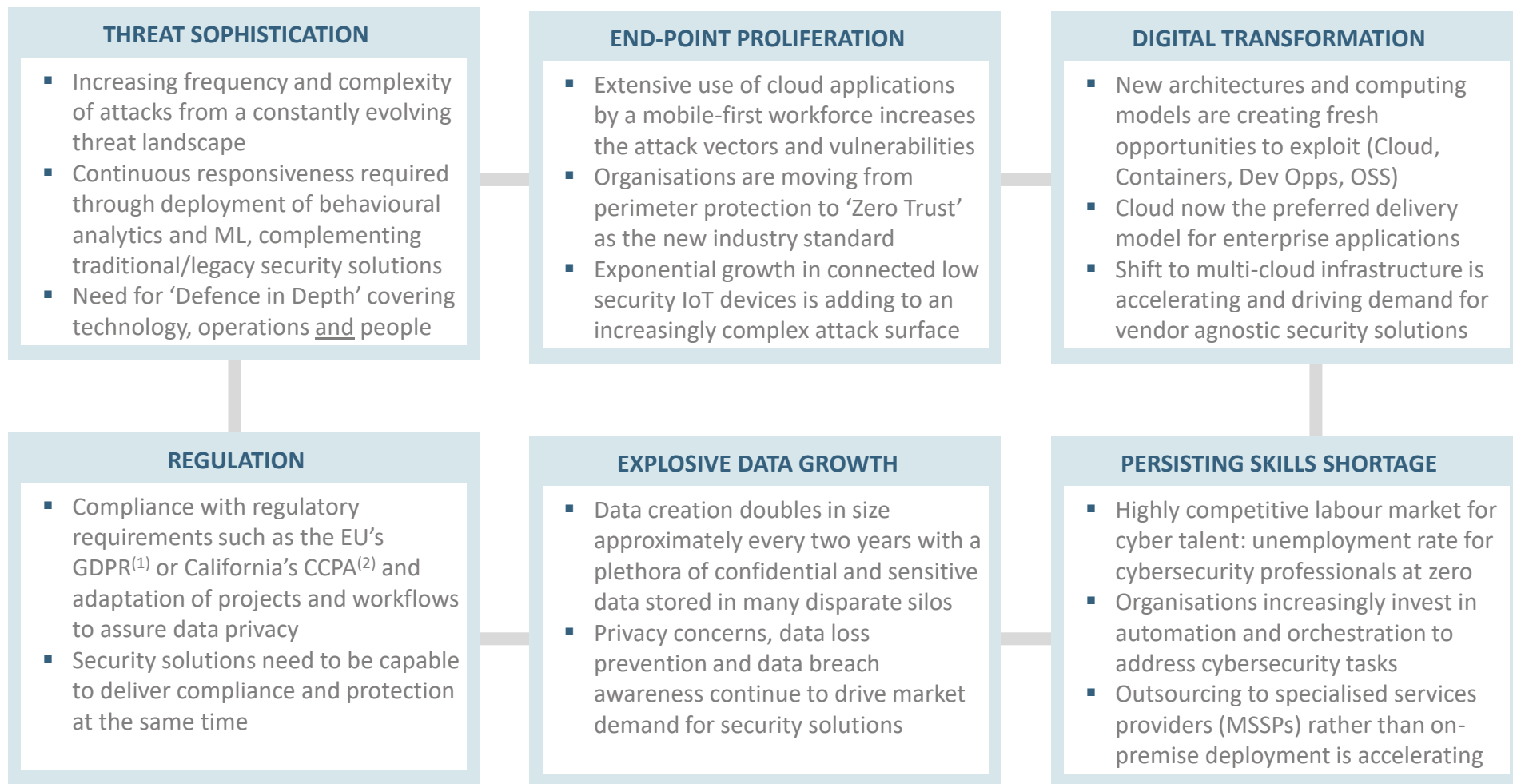Sustained hacking campaign could have affected hundreds of thousands of users

MARKET SPEND DRIVEN BY A CONTINUOUS ARMS RACE BETWEEN GOOD AND BAD

MAJOR NON-CYCLICAL TRENDS ARE SHAPING THE RAPIDLY ADVANCING CYBERSECURITY LANDSCAPE

THREAT SOPHISTICATION

- Increasing frequency and complexity of attacks from a constantly evolving threat landscape
- Continuous responsiveness required through deployment of behavioural analytics and ML, complementing traditional/legacy security solutions
- Need for 'Defence in Depth' covering technology, operations and people

END-POINT PROLIFERATION

- Extensive use of cloud applications by a mobile-first workforce increases the attack vectors and vulnerabilities
- Organisations are moving from perimeter protection to 'Zero Trust' as the new industry standard
- Exponential growth in connected low security IoT devices is adding to an increasingly complex attack surface

DIGITAL TRANSFORMATION

- New architectures and computing models are creating fresh opportunities to exploit (Cloud, Containers, Dev Opps, OSS)
- Cloud now the preferred delivery model for enterprise applications
- Shift to multi-cloud infrastructure is accelerating and driving demand for vendor agnostic security solutions

REGULATION

- Compliance with regulatory requirements such as the EU's GDPR[1] or California's CCPA[2] and adaptation of projects and workflows to assure data privacy
- Security solutions need to be capable to deliver compliance and protection at the same time

EXPLOSIVE DATA GROWTH

- Data creation doubles in size approximately every two years with a plethora of confidential and sensitive data stored in many disparate silos
- Privacy concerns, data loss prevention and data breach awareness continue to drive market demand for security solutions

PERSISTING SKILLS SHORTAGE

- Highly competitive labour market for cyber talent: unemployment rate for cybersecurity professionals at zero
- Organisations increasingly invest in automation and orchestration to address cybersecurity tasks
- Outsourcing to specialised services providers (MSSPs) rather than on-premise deployment is accelerating

Note(s): (1) GDPR – General Data Protection Regulation; (2) CCPA – California Consumer Privacy Act

CRITICAL COMPONENTS FOR A HOLISTIC CYBERSECURITY STRATEGY

CYBERSECURITY AND ENTERPRISE RISK MANAGEMENT FRAMEWORK, ENABLED THROUGH TECHNOLOGY

NETWORK SECURITY

- Prevent unauthorised access
- Protection from external and internal threats
- Manage and monitor activity
- Establish and test controls

INFORMATION RISK MANAGEMENT

- Establish risk governance structure and determine risk appetite
- Design appropriate information risk management policies

END USER EDUCATION AND AWARENESS

- Define user policies for appropriate use of enterprise systems
- Establish cyber and risk awareness training programs

MALWARE PREVENTION

- Implement anti-malware protection mechanisms
- Scan for and neutralise malicious code across the entire organisation

HOME AND MOBILE WORKING

- Define mobile working user policies
- Protect and control all mobile devices
- Protect exchange and storage of data

MONITORING

- Continuous monitoring of all systems, networks, devices and user activity
- Log file and behavioural analytics

5 Recover
Identify **1**
4 Respond
Protect **2**
3 **Detect**

SECURE CONFIGURATION

- Maintain secure configuration of all ICT systems
- Patch management and pen testing
- Establish system inventory and certificate management

INCIDENT MANAGEMENT

- Implement incident response and disaster recovery policy and capabilities
- Reporting procedures
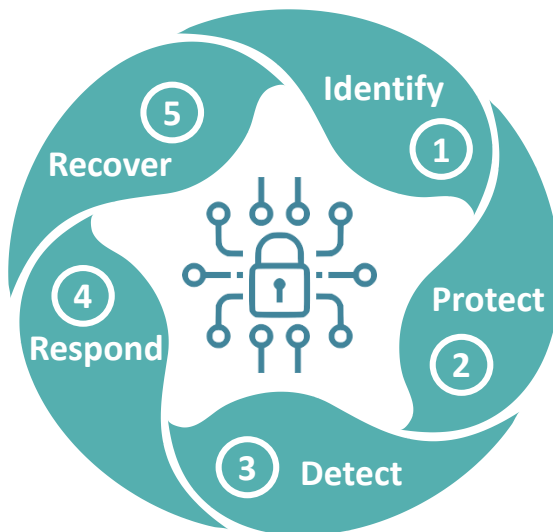
MANAGING USER PRIVILEGES

- Implement account management processes: limit user privileges and monitor user activity
- Control access to activity and audit logs

REMOVABLE MEDIA CONTROLS

- Control and monitor access to all removable data devices
- Limit types and usage of media
- Malware scanning of all removable media

Source(s): CESG, NIST

SELECTED CYBER THEMES (I)

IDENTITY & ACCESS MANAGEMENT – IDENTITY IS THE NEW CONTROL VECTOR IN A 'ZERO TRUST' ENVIRONMENT

DRIVERS & TRENDS

- Complex challenge to manage and control access for multiple user categories (customer, employees, partners, etc.) and devices across increasingly hybrid or virtualised application environments
- Increasing de-perimeterisation and growing intelligence-driven protection leads to convergence of network security and IAM
- Raise of adaptive authentication and behavioural biometrics

SELECTED VENDORS

CYBERARK · okta · SailPoint · DUO SECURITY
BOMGAR · IBM · Centrify · ONE IDENTITY

SELECTED M&A ACTIVITY

VIX VERIFY	beyondtrust	DUO SECURITY	Centrify
Acquired by	Acquired by	Acquired by	Acquired by
GBG	BOMGAR	CISCO	THOMABRAVO
$27m	Undisclosed	$2,350m	$500m
Oct 18	Sep 18	Aug 18	Jul 18

SELECTED FUNDRAISING ACTIVITY

dashlane	JumpCloud	Auth0
USA, Series D, $100m	USA, Series D, $50m	USA, Series E, $103m
Bamboo	onelogin	pindrop
China, Series B, $22m	USA, Series D, $100m	USA, Series D, $90m
VENAFI	evident	SYMPHONIC
USA, Series G, $100m	USA, Series B, $20m	UK, Series A

Source(s): Capital IQ, Mergermarket, Pitchbook

SELECTED CYBER THEMES (II)

MSSP/MDR – SPECIALIST 24/7 CYBERSECURITY PROTECTION HELPING TO OVERCOME SKILLS SHORTAGE

DRIVERS & TRENDS

- Rapidly evolving and fractured cybersecurity vendor landscape is becoming increasingly complex to oversee, implement and manage
- Organisations faced with a chronic cybersecurity skills shortage are outsourcing their cybersecurity management to specialised service providers
- Investment in upgrading SOC platforms with more autonomous technology (SIEM, SOAR, analytics) to improve functionality and ROIs

SELECTED VENDORS

Secureworks   OPTIV   Trustwave

secunet   orange™   KUDELSKI SECURITY

SELECTED M&A ACTIVITY

ADARMA	Secure Link	UNITED SECURITY PROVIDERS	MWR
Acquired by	Acquired by	Acquired by	Acquired by
LIVINGBRIDGE	orange™	swisscom	F-Secure
Undisclosed	$577m	Undisclosed	$139m
Jun 19	May 19	May 19	Jun 18

SELECTED FUNDRAISING ACTIVITY

ITrust IT Security Services	DIGITAL GUARDIAN	expel™
France, Growth, n.a.	USA, Series D, $30m	USA, Series C, $40m
BlueVoyant	DEFENDIFY	CI Security
USA, Series B, $82.5m	USA, Seed, $1.6m	USA, Series B, $9.6m

Source(s): Capital IQ, Mergermarket, Pitchbook

SELECTED CYBER THEMES (III)

CYBER AWARENESS TRAINING – STRENGTHENING THE HUMAN FIREWALL

DRIVERS & TRENDS

- 90% of advanced attacks are targeting humans via phishing to exploit the weakest link inside an organisation's defence
- Attacks are becoming increasingly people-centric, driven by social engineering
- Strengthen vigilance, reduce alert fatigue through awareness training and reduce risk at the end-user level
- Real-time breach and attack simulation to consistently validate and train cyber skills

SELECTED VENDORS

proofpoint. Elevate Security HABITU8

KnowBe4 COFENSE Barracuda

SELECTED M&A ACTIVITY

DECYBER	ataata	COFENSE	wombat security technologies
Acquired by	Acquired by	Acquired by	Acquired by
limehouse	mimecast	BLACKROCK PAMPLONA CAPITAL MANAGEMENT	proofpoint.
Undisclosed	$24m	$400m	$225m
Feb 19	Jul18	Jul18	Feb 18

SELECTED FUNDRAISING ACTIVITY

KnowBe4 Human error. Conquered.	SoSafe Cyber Security Awareness	IMMERSIVELABS
USA, PE Growth, $402m	Germany, Seed, n.a.	UK, Seed, $9m
CYBRARY	CYBEREADY	HABITU8
USA, Growth, $2.5m	Israel, Seed, $5m	US, Seed, n.a.

SELECTED CYBER THEMES (IV)

IOT SECURITY – ADVANCING ENDPOINT VISIBILITY IN COMPLEX INDUSTRIAL NETWORKS

DRIVERS & TRENDS

- IoT endpoints have become a prime target for hackers and the market for IoT specific security solution is predicted to grow at 50% CAGR (2018-2022)
- Low security IoT devices present a huge challenge to businesses attempting to deploy and scale their IoT use cases
- Identify and manage devices at scale, protect assets and secure communication between siloed systems (IT & OT)

SELECTED VENDORS

CISCO   IBM   Infineon   intel

Symantec   gemalto   allot   FÜRTINET

SELECTED M&A ACTIVITY

sentryo	DÉJÀ VU SECURITY	ICON LABS	CYLANCE
Acquired by	Acquired by	Acquired by	Acquired by
CISCO	accenture	SECTIGO	BlackBerry
Undisclosed	Undisclosed	Undisclosed	$1,500m
Jun 19	Jun 19	May 19	Nov 18

SELECTED FUNDRAISING ACTIVITY

KEYFACTOR	DOVER MICROSYSTEMS	VDOO
USA, Series C, $77m	USA, Seed, $12m	Israel, Series B, $32m
armis	PubNub	MOCANA
USA, Series C, $65m	USA, Series D, $23m	USA, Series F, $15m
cybereason	ambiq micro	SentryBay
Israel, Series E, $200m	USA, Series D, $34m	UK, Funding, £7m

3

PUBLIC MARKET ACTIVITY

PUBLIC MARKET VALUATION OVERVIEW

HIGH GROWTH CYBER SECURITY COMPANIES ARE CONSISTENTLY OUTPERFORMING THE MAJOR TECH INDEX

CYBERSECURITY PRICE PERFORMANCE INDEX

101.7%
24.6%
7.6%

— High Growth — Low Growth — NASDAQ Composite

TEV / LTM REVENUE MULTIPLES

9.6x
4.2x
3.2x

— High Growth — Low Growth — NASDAQ Composite

HIGH GROWTH COMPARABLES(1)

zscaler · {okta} · tenable · RAPID7
splunk> · mimecast · FORESCOUT · paloalto NETWORKS
proofpoint · CYBERARK · tufin

LOW GROWTH COMPARABLES

avast · FORTINET · Carbon Black. · nccgroup · TREND MICRO
FireEye · F-Secure · Secureworks · Check Point SOFTWARE TECHNOLOGIES LTD · Symantec
Qualys. · SailPoint · f5 NETWORKS · secunet · BlackBerry
MobileIron · radware Every second counts · SOPHOS

GROWTH DRIVES PREMIUM VALUATIONS...

FAST-GROWING CYBERSECURITY COMPANIES ARE COMMANDING A PREMIUM VALUATION

REVENUE GROWTH

2018 – 2019E Median: 17%
2019E – 2020E Median: 13%

■ 2018 - 2019E Revenue Growth   ■ 2019E - 2020E Revenue Growth

45% 33% | 39% 31% | 31% 23% | 30% 24% | 29% 21% | 26% 24% | 25% 21% | 24% 18% | 23% 21% | 23% 19% | 23% 20% | 24% 10% | 20% 12% | 17% 13% | 17% 18% | 16% 9% | 15% 15% | 13% 16% | 8% 11% | 9% 9% | 8% 10% | 8% 8% | 8% 7% | 5% 6% | 5% 8% | 4% 5% | 4% 3% | 4% 4% | 1% 2%
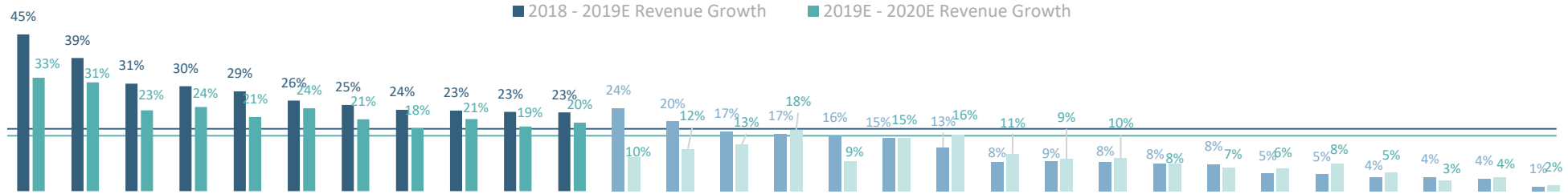
OPERATING MARGINS

2019E Median: 16%
2020E Median: 18%

■ 2019E Operating profit   ■ 2020E Operating profit

10% 11% | (10%) (2%) | 3% 8% | (12%) (8%) | 15% 19% | (11%) (6%) | (1%) 4% | 27% 28% | 15% 18% | 28% 28% | 16% 18% | 19% 20% | 11% 17% | 26% 27% | (15%) (10%) | 12% 13% | 40% 40% | 8% 11% | (0%) 5% | 17% 18% | 15% 18% | 14% 17% | 55% 55% | 0% 2% | 12% 15% | 32% 32% | 51% 52% | 38% 38% | 39% 46%
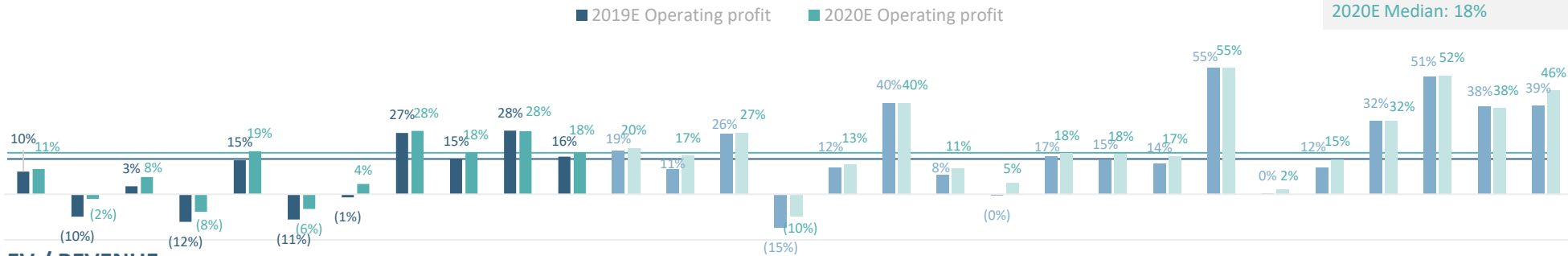
EV / REVENUE

2019E Median: 5.8x
2020E Median: 4.9x
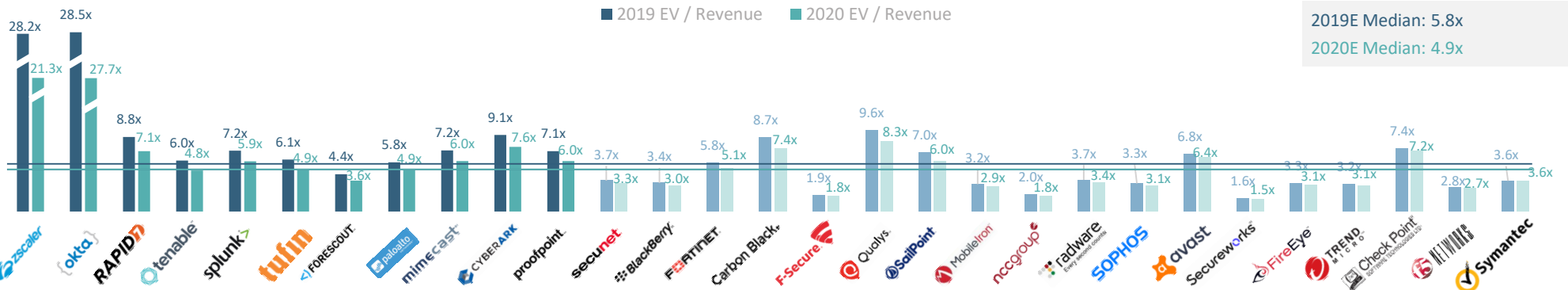
■ 2019 EV / Revenue   ■ 2020 EV / Revenue

28.2x 21.3x | 28.5x 27.7x | 8.8x 7.1x | 6.0x 4.8x | 7.2x 5.9x | 6.1x 4.9x | 4.4x 3.6x | 5.8x 4.9x | 7.2x 6.0x | 9.1x 7.6x | 7.1x 6.0x | 3.7x 3.3x | 3.4x 3.0x | 5.8x 5.1x | 8.7x 7.4x | 1.9x 1.8x | 9.6x 8.3x | 7.0x 6.0x | 3.2x 2.9x | 2.0x 1.8x | 3.7x 3.4x | 3.3x 3.1x | 6.8x 6.4x | 1.6x 1.5x | 3.3x 3.1x | 3.2x 3.1x | 7.4x 7.2x | 2.8x 2.7x | 3.6x 3.6x

Companies: zscaler, okta, RAPID7, tenable, Splunk, tufin, FORESCOUT, palo alto, mimecast, CYBERARK, proofpoint, secunet, BlackBerry, FORTINET, Carbon Black, F-Secure, Qualys, SailPoint, MobileIron, nccgroup, radware, SOPHOS, avast, Secureworks, FireEye, TREND MICRO, Check Point, F5, Symantec

STRIKING THE RIGHT BALANCE BETWEEN GROWTH AND PROFITABILITY DRIVES PREMIUM VALUATIONS[1]

2019E EV / Revenue

$R^2 = 0.3277$

2019E Revenue Growth + Operating Margins

Source(s): Capital IQ as of 28 August 2019
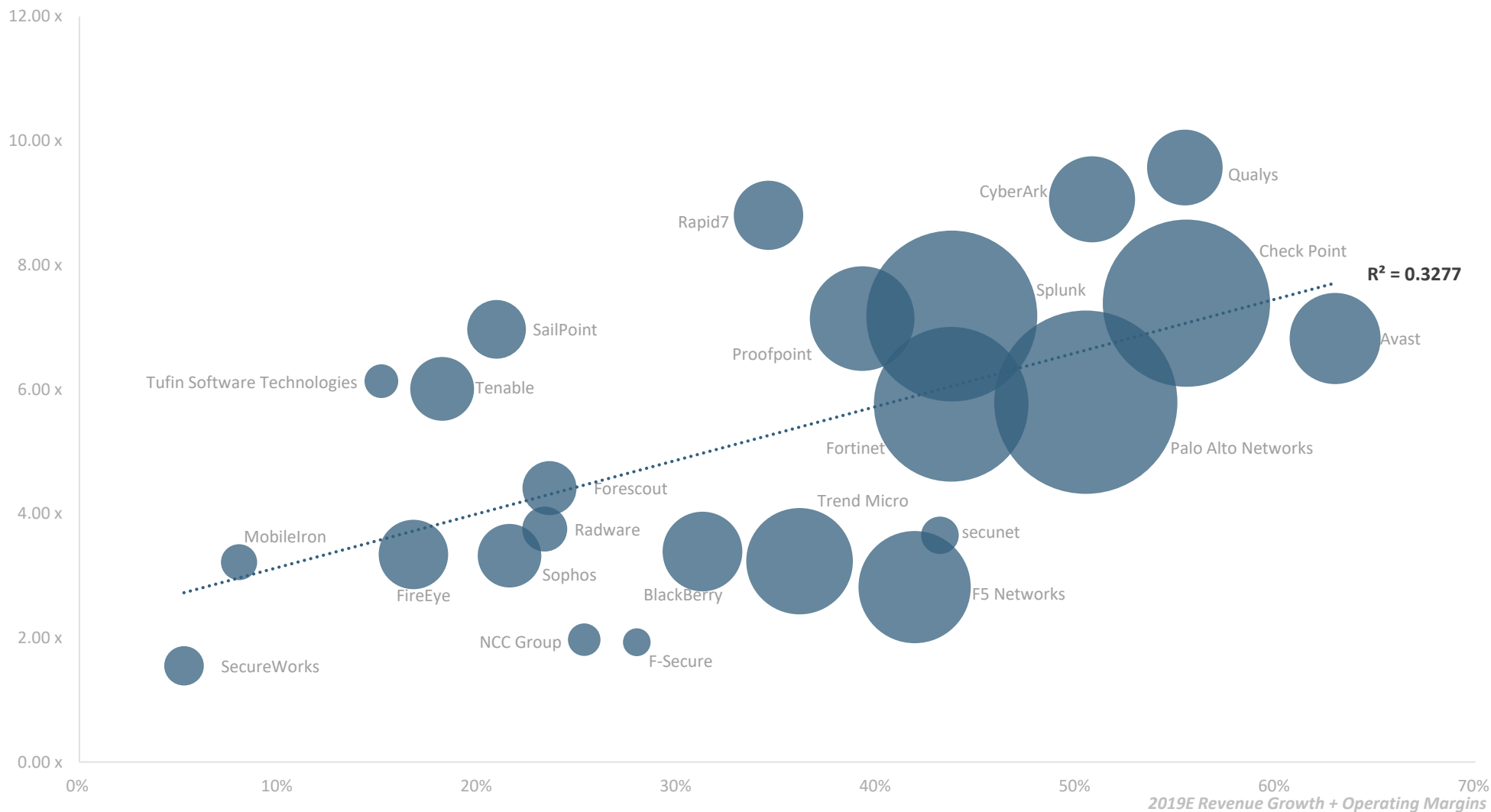
Note(s): (1) Peer group valuations cut-off at 14x EV/Revenue; (2) Size of the bubble indicates USD market cap; (3) Carbon Black and Symantec are currently under offer and have been removed from the analysis

VALUATION SUMMARY[1]

USD millions, except per share data

Company	Vertical	Price (27-Aug-19)	% of 52 Week High	Market Cap	Net Debt	Enterprise Value	Revenue FY 2018A	Revenue FY 2019E	Revenue FY 2020E	EBITDA FY 2018A	EBITDA FY 2019E	EBITDA FY 2020E	Revenue Growth 2017-18A	Revenue Growth 2018-19E	Revenue Growth 2019-20E	EBITDA Margin FY 2018A	EBITDA Margin FY 2019E	EBITDA Margin FY 2020E
High growth																		
Zscaler	Network	71.46	79.8%	8,980	(365)	8,615	36.33 x	25.02 x	18.98 x	n.m.	n.m.	n.m.	55.4%	45.2%	31.8%	(9.0%)	0.4%	9.7%
Okta	IAM	135.07	95.2%	15,769	(118)	15,651	40.40 x	28.50 x	21.68 x	n.m.	n.m.	n.m.	55.8%	41.8%	31.4%	(29.8%)	(9.9%)	(2.0%)
Rapid7	Vulnerability Analytics	54.09	81.9%	2,804	12	2,816	11.54 x	8.80 x	7.13 x	n.m.	n.m.	n.m.	21.5%	31.1%	23.4%	(16.8%)	3.4%	7.5%
Tenable	Vulnerability Analytics	21.79	55.3%	2,380	(286)	2,094	7.83 x	6.01 x	4.83 x	n.m.	n.m.	n.m.	42.4%	30.4%	24.3%	(25.1%)	(12.2%)	(7.7%)
Splunk	Vulnerability Analytics	112.97	78.6%	17,140	(670)	16,470	9.35 x	7.25 x	5.94 x	n.m.	49.1 x	31.8 x	37.8%	28.9%	22.1%	(10.7%)	14.8%	18.7%
Tufin Software Technologies	Network	17.36	55.9%	696	(106)	590	6.95 x	5.44 x	4.41 x	n.m.	n.m.	n.m.	31.7%	27.8%	23.3%	(1.1%)	(6.2%)	(4.3%)
Forescout	Network	33.94	73.1%	1,702	(63)	1,639	5.51 x	4.41 x	3.65 x	n.m.	n.m.	n.m.	32.6%	24.9%	20.8%	(21.2%)	(1.3%)	4.4%
Palo Alto Networks	Cloud Security	202.08	77.5%	19,600	(1,373)	18,227	7.19 x	5.81 x	4.86 x	n.m.	43.1 x	20.3 x	28.3%	23.7%	19.5%	2.6%	13.5%	23.9%
Mimecast	Messaging	43.33	79.4%	2,799	51	2,850	8.89 x	7.21 x	5.96 x	n.m.	47.0 x	32.4 x	32.0%	23.3%	20.9%	8.3%	15.3%	18.4%
CyberArk	IAM	111.90	75.2%	4,320	(499)	3,821	11.13 x	9.05 x	7.62 x	66.3 x	32.4 x	27.4 x	31.1%	23.0%	18.7%	16.8%	27.9%	27.8%
Proofpoint	Messaging	112.40	84.6%	6,407	(126)	6,282	8.76 x	7.14 x	5.94 x	n.m.	43.3 x	32.5 x	38.0%	22.8%	20.1%	(3.9%)	16.5%	18.3%
Median							8.89 x	7.21 x	5.94 x	66.3 x	43.3 x	31.8 x	32.6%	27.8%	22.1%	(9.0%)	3.4%	9.7%
Mean							13.99 x	10.42 x	8.28 x	66.3 x	43.0 x	28.9 x	37.0%	29.3%	23.3%	(8.2%)	5.7%	10.4%
Low growth																		
secunet	Cybersecurity services	127.01	88.8%	822	(2)	820	4.53 x	3.65 x	3.32 x	25.7 x	19.1 x	16.4 x	3.1%	24.0%	9.9%	17.6%	19.1%	20.2%
BlackBerry	Endpoint	6.75	57.8%	3,722	(21)	3,701	4.07 x	3.39 x	3.02 x	35.5 x	30.6 x	18.0 x	(8.7%)	20.2%	12.3%	11.5%	11.1%	16.8%
Fortinet	Network	80.86	83.4%	13,962	(1,793)	12,170	6.76 x	5.76 x	5.07 x	42.4 x	21.8 x	18.8 x	20.5%	17.3%	13.5%	15.9%	26.4%	27.0%
Carbon Black	Vulnerability Analytics	26.11	99.5%	2,277	(131)	2,146	10.23 x	8.78 x	7.45 x	n.m.	n.m.	n.m.	30.4%	16.5%	17.8%	(30.2%)	(14.7%)	(8.8%)
F-Secure	Endpoint	2.86	74.7%	451	23	474	2.24 x	1.93 x	1.78 x	48.8 x	13.8 x	13.6 x	12.4%	16.1%	8.6%	4.6%	13.9%	13.1%
Qualys	Vulnerability Analytics	80.83	83.2%	3,340	(259)	3,080	11.05 x	9.57 x	8.29 x	38.9 x	24.0 x	20.8 x	20.8%	15.4%	15.4%	28.4%	39.9%	39.9%
SailPoint	IAM	21.98	63.5%	2,002	(51)	1,951	7.84 x	6.97 x	6.00 x	n.m.	n.m.	52.4 x	33.8%	12.5%	16.1%	8.7%	8.4%	11.5%
MobileIron	Endpoint	6.83	92.0%	758	(83)	675	3.49 x	3.22 x	2.91 x	n.m.	n.m.	56.8 x	7.5%	8.5%	10.8%	(20.0%)	(0.5%)	5.1%
NCC Group	Cybersecurity services	2.19	79.2%	616	25	641	2.14 x	1.97 x	1.80 x	13.7 x	11.9 x	10.0 x	7.8%	8.8%	9.4%	15.6%	16.6%	18.0%
Radware	Network	24.48	87.0%	1,186	(234)	953	4.06 x	3.75 x	3.42 x	53.3 x	25.1 x	19.4 x	10.9%	8.4%	9.5%	7.6%	15.0%	17.6%
Sophos	Endpoint	4.78	71.4%	2,364	128	2,492	3.60 x	3.33 x	3.08 x	37.2 x	24.5 x	18.3 x	13.2%	8.0%	8.1%	9.7%	13.6%	16.8%
Avast	Endpoint	4.72	96.1%	4,846	1,096	5,943	7.35 x	6.83 x	6.40 x	17.8 x	12.3 x	11.6 x	23.8%	7.6%	6.8%	41.2%	55.4%	55.3%
SecureWorks	Cybersecurity services	11.18	44.9%	908	(87)	821	1.61 x	1.52 x	1.43 x	n.m.	n.m.	n.m.	10.4%	5.6%	6.2%	(2.1%)	0.3%	1.8%
FireEye	Cloud Security	13.33	64.7%	2,821	92	2,913	3.51 x	3.34 x	3.09 x	n.m.	28.2 x	20.1 x	6.6%	4.9%	8.0%	(12.8%)	11.9%	15.4%
Trend Micro	Cloud Security	47.44	66.3%	6,607	(1,512)	5,095	3.36 x	3.26 x	3.11 x	10.4 x	10.1 x	9.7 x	7.8%	3.1%	4.9%	32.3%	32.3%	32.1%
Check Point	Network	106.72	80.4%	16,345	(1,615)	14,730	7.69 x	7.39 x	7.16 x	15.8 x	14.4 x	13.8 x	3.3%	4.1%	3.1%	48.6%	51.5%	51.9%
F5 Networks	Network	122.07	61.1%	7,340	(986)	6,354	2.92 x	2.82 x	2.71 x	8.9 x	7.3 x	7.2 x	3.4%	3.5%	4.0%	32.6%	38.4%	37.7%
Symantec	Cloud Security	23.07	88.5%	14,441	2,972	17,413	3.66 x	3.61 x	3.55 x	18.0 x	9.3 x	7.8 x	2.7%	1.3%	1.8%	20.3%	38.9%	45.6%
Median							3.86 x	3.50 x	3.22 x	25.7 x	16.7 x	17.2 x	9.1%	8.4%	9.0%	13.5%	15.8%	17.8%
Mean							5.03 x	4.56 x	4.13 x	28.4 x	18.0 x	19.9 x	12.2%	9.5%	9.2%	12.5%	21.1%	23.3%

High and Low growth comparables																		
Median							6.95 x	5.76 x	4.83 x	30.6 x	24.0 x	18.8 x	20.8%	16.5%	13.5%	7.6%	13.9%	17.6%
Mean							8.41 x	6.75 x	5.68 x	30.9 x	24.6 x	21.9 x	21.3%	17.5%	14.6%	4.8%	15.2%	18.3%

Company	Vertical	Price	% 52wk	Mkt Cap	Net Debt	EV	Rev 18A	Rev 19E	Rev 20E	EBITDA 18A	EBITDA 19E	EBITDA 20E	RG 17-18A	RG 18-19E	RG 19-20E	EM 18A	EM 19E	EM 20E
UK Small Caps																		
Shearwater Group	Cybersecurity services	0.02	47.6%	55	5	60	2.54 x	1.26 x	1.02 x	n.m.	36.6 x	11.5 x	309.2%	100.9%	23.7%	(19.1%)	3.5%	8.9%
Osirium Technologies	Endpoint	0.69	36.5%	11	(3)	8	6.58 x	4.94 x	3.18 x	n.m.	n.m.	n.m.	47.9%	33.2%	55.6%	(274.8%)	(130.6%)	(57.8%)
Intercede Group	Network	0.41	75.5%	21	2	23	1.85 x	1.70 x	6.66 x	n.m.	38.4 x	n.m.	10.1%	9.1%	(74.5%)	(9.3%)	4.4%	5.5%
Median							2.54 x	1.70 x	3.18 x	n.m	37.5 x	11.5 x	47.9%	33.2%	23.7%	-19.1%	3.5%	5.5%
Mean							1.85 x	1.70 x	6.66 x	n.m.	38.4 x	n.m.	10.1%	9.1%	(74.5%)	(9.3%)	4.4%	5.5%

Source(s): Capital IQ as of 28 August 2019

Note(s): (1) High growth comparables comprise of companies with average 18-20E revenue growth greater than 20%; (2) Carbon Black and Symantec are currently under offer

M&A & CAPITAL RAISING ACTIVITY

4

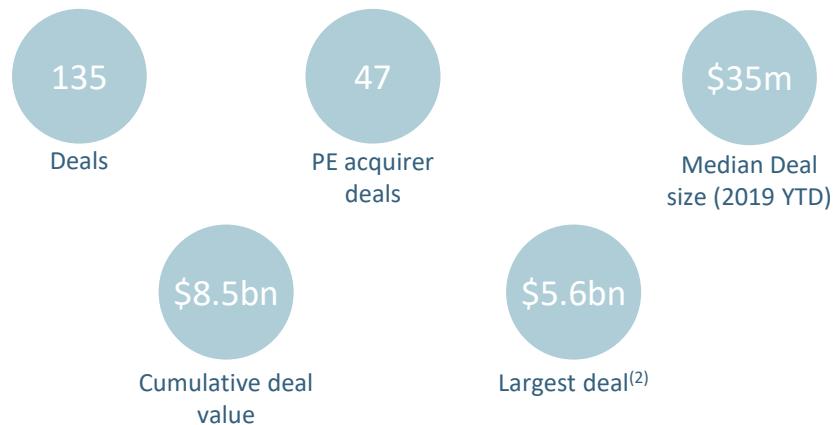## TRANSACTION ACTIVITY CONTINUES TO THRIVE ON BOTH SIDES OF THE ATLANTIC

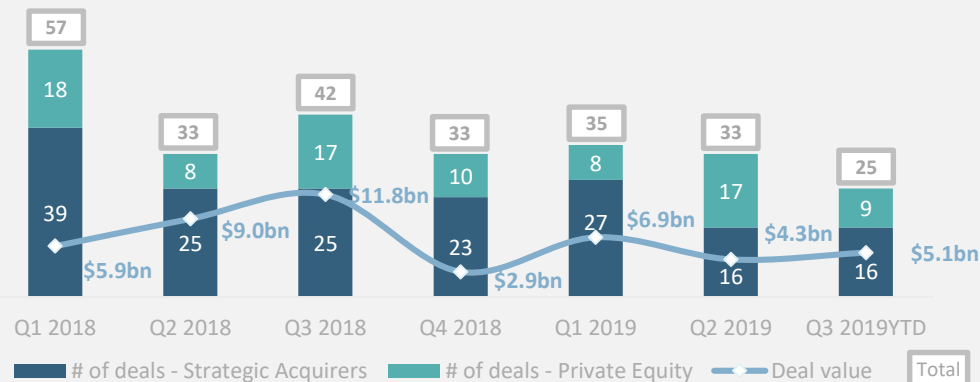### US HQ'd Cybersecurity transactions – Key Stats
2018 – 2019YTD

- **255** Deals
- **87** PE acquirer deals
- **$410m** Median Deal size (2019 YTD)
- **$45.8bn** Cumulative deal value
- **$10.7bn** Largest deal[1]

US Cybersecurity - Deal Count and Deal Size
Q1 2018 – Q3 2019YTD

Quarter	Strategic Acquirers	Private Equity	Total	Deal value
Q1 2018	39	18	57	$5.9bn
Q2 2018	25	8	33	$9.0bn
Q3 2018	25	17	42	$11.8bn
Q4 2018	23	10	33	$2.9bn
Q1 2019	27	8	35	$6.9bn
Q2 2019	16	17	33	$4.3bn
Q3 2019YTD	16	9	25	$5.1bn

■ # of deals - Strategic Acquirers ■ # of deals - Private Equity ◆— Deal value ▢ Total

European HQ'd Cybersecurity transactions – Key Stats
2018 – 2019YTD

- **135** Deals
- **47** PE acquirer deals
- **$35m** Median Deal size (2019 YTD)
- **$8.5bn** Cumulative deal value
- **$5.6bn** Largest deal[2]

European Cybersecurity - Deal Count and Deal Size
Q1 2018 – Q3 2019YTD

Quarter	Strategic Acquirers	Private Equity	Total
Q1 2018	18	9	27
Q2 2018	18	5	23
Q3 2018	10	5	15
Q4 2018	10	8	18
Q1 2019	12	11	23
Q2 2019	16	5	21
Q3 2019YTD	10	4	14

■ # of deals - Strategic Acquirers ■ # of deals - Private Equity ◆— Deal value ▢ Total

PRECEDENT M&A TRANSACTIONS OVERVIEW (1/6)

JULY 2018 – 2019YTD

Date announced	Acquirer	Target	Target company description	EV	EV / Revenue	EV / EBITDA
22 Aug 2019	VMware, Inc.	Carbon Black, Inc.	Cloud-native security platform that enables customers to predict, prevent, detect, respond to, and remediate cyber-attacks before they cause a damaging incident or data breach	2,139.7	9.3x	n.m.
21 Aug 2019	VMware, Inc.	Intrinsic	Develops an application runtime security technology for serverless computing applications	-	n.a.	n.a.
21 Aug 2019	Splunk Inc.	SignalFx, Inc.	Cloud application monitoring solutions	1,050.0	n.a.	n.a.
21 Aug 2019	Elastic N.V.	Perched, LLC	Provides education and consulting services for security analytics, threat hunting, and security operations	-	n.a.	n.a.
20 Aug 2019	PerimeterX, Inc.	PageSeal	Develops software to block malware on websites. The company's product helps to stop pop-up ads, hiding ads, and redirects that diverts website visitors from the intended destination website	-	n.a.	n.a.
16 Aug 2019	Vmware	Veriflow	Focuses on network verification and troubleshooting, helping customers model, analyze and verify their hybrid networks to allow IT teams to operate, secure and resilient networks	-	n.a.	n.a.
13 Aug 2019	Barracuda Networks, Inc.	InfiSecure Technologies Private Limited	Web security platform to detect and block online security threats. It platform enables online businesses to control bot traffic on their Websites and protects businesses from various online threats	-	n.a.	n.a.
08 Aug 2019	McAfee LLC	NanoSec Co.	Application-centric security solutions aimed at protecting data centre and cloud traffic.	-	n.a.	n.a.
08 Aug 2019	TEMASEK Holdings / Ensign	D'Crypt	Cryptographic cybersecurity solutions	72.3	n.a.	n.a.
08 Aug 2019	Broadcom Inc.	Enterprise Security assets Of Symantec Corporation	Provides cyber security products, services, and solutions worldwide. It operates through two segments, Enterprise Security and Consumer Cyber Safety	10,700.0	4.6x	30.6x
05 Aug 2019	Razorpay Software Private Limited	ThirdWatch Data Pvt Ltd	Develops real-time fraud detection and prevention platform. Its product Mitra evaluates in real-time whether every transaction is fraudulent or genuine based on a trust score	-	n.a.	n.a.
01 Aug 2019	Everbridge, Inc.	NC4, Inc.	Develops and provides safety and security solutions to collect, manage, share, and disseminate information to reduce cyber threats, fight crime, mitigate risks, manage incidents	86.8	n.a.	n.a.
01 Aug 2019	Perspecta Inc.	Knight Point Systems, LLC	Provides IT services and solutions to federal and commercial clients that include program management, cyber security, cloud computing, application development, infrastructure services, and service desk management	250.0	n.a.	n.a.
01 Aug 2019	GoSecure, Inc.	EdgeWave, Inc.	Develops and markets on demand, on-premises, and hybrid secure content management solutions	-	n.a.	n.a.
31 Jul 2019	JAMF Software, LLC	Digita Security LLC	Developer of enterprise-grade, purpose-built endpoint protection solutions designed to protect Mac users from malicious activities and threats	-	n.a.	n.a.

PRECEDENT M&A TRANSACTIONS OVERVIEW (2/6)

JULY 2018 – 2019YTD

Date announced	Acquirer	Target	Target company description	EV	EV / Revenue	EV / EBITDA
29 Jul 2019	Microsoft Corporation	BlueTalon, Inc.	Develops and operates data collaboration and data unification technology platform and solutions. It develops and maintains BlueTalon Virtual Database, a cloud-based virtual database	-	n.a.	n.a.
24 Jul 2019	Equistone Partners Europe	Heras	Provides mobile and permanent perimeter protection systems and products including fencing systems, manual and automated gates, hostile vehicle mitigation barriers and electronic perimeter detection products	-	n.a.	n.a.
19 Jul 2019	Quadrum Capital BV; Quadrum Investment Fund II	DataExpert BV	Develops software for cyber-crime prevention and data security. Its products include analytical software, cyber security solutions, digital forensics solutions, mobile forensics, and cloud forensics software	-	n.a.	n.a.
18 Jul 2019	Workday, Inc.	Trusted Key Solutions Inc.	Develops blockchain based secure digital identity solutions. Its platform protects the privacy of consumer data and allows enterprises to verify the customers that they claim to be	-	n.a.	n.a.
10 Jul 2019	Braes Capital LLC	Siege Technologies, LLC	Provides defensive cyber security solutions for private and government sectors in the United States. Its portfolio includes Hypervisor designed for enhanced CNO, security, and advanced research capabilities; Hauberk, a software protection suite for critical applications	-	n.a.	n.a.
09 Jul 2019	TA Associates, Clearlake Capital	DigiCert, Inc.	Provides SSL certificates and SSL management tools for small and large companies. It offers standard SSL certificates (single name), extended validation (EV) certificates, unified communications (UC or SANS) certificates, etc.	-	n.a.	n.a.
09 Jul 2019	AppLovin Corporation	SafeDK Mobile LTD	Offers an infrastructure solution, which improves mobile apps' security, stability and QoS, by monitoring and controlling 3rd party tools integrated in the apps	-	n.a.	n.a.
02 Jul 2019	Certified Security Solutions, Inc.	Evolium Technologies S.L.U	Designs and develops digital identities management software solutions	-	n.a.	n.a.
02 Jul 2019	Exabeam, Inc.	SkyFormation Ltd.	Develops application, which provides visibility of threats and compliance risks	-	n.a.	n.a.
02 Jul 2019	Certified Security Solutions, Inc.	Evolium Technologies S.L.U	Designs and develops digital identities management software solutions	-	n.a.	n.a.
17 Jun 2019	Accenture plc	Deja vu Security, LLC	Offers cybersecurity research and consulting services. the Company specialises in security design and testing of enterprise software platforms and internet of things (IoT) technologies.	-	n.a.	n.a.
13 Jun 2019	CACI Limited	Mood Enterprises Limited	MooD Enterprises provides software and managed services to defence, national security and commercial organisations	-	n.a.	n.a.
07 Jun 2019	SmoothWall Ltd.	SafeGuard Software Limited	Develops digital record keeping safeguarding software for schools, multi academy trusts, local authorities and other organizations	-	n.a.	n.a.
06 Jun 2019	Cisco Systems, Inc.	Sentryo SAS	Provides cybersecurity and situational awareness solutions. Its solutions enable corporations to ensure continuity, resilience and safety of industrial operations by providing continuous visibility over ICS and SCADA infrastructures.	-	n.a.	n.a.
05 Jun 2019	Elastic N.V.	Endgame, Inc.	Provides security intelligence and analytics solutions for federal and commercial customers/enterprises to give them real-time visibility and actionable insight across their digital domains	234.0	11.8x	n.a.

JULY 2018 – 2019YTD

Date announced	Acquirer	Target	Target company description	EV	EV / Revenue	EV / EBITDA
04 Jun 2019	Imperva, Inc.	Distil Networks, Inc.	Provides public and private cloud security software that blocks malicious bots and automated computer programs attacking websites	100.0	5.0x	n.a.
03 Jun 2019	Sophos Group plc	Rook Security, LLC	Offers managed digital detection and response services. Further, the company offers Force which is a security operations management platform that optimizes security resource workflows, metrics, and outcomes; and digital security consulting and advisory services, etc.	-	n.a.	n.a.
30 May 2019	Insight Venture Partners LLC	Recorded Future, Inc.	Provides real-time threat intelligence solutions to companies and security professionals	780.0	12.0x	n.a.
29 May 2019	Palo Alto Networks, Inc.	Twistlock Inc.	Provides docker container security solutions for DevOps with seamless CI integration, API support, and a security framework	410.0	n.a.	n.a.
28 May 2019	FireEye, Inc.	Verodin, Inc.	Platform to test weaknesses in company cybersecurity networks, by identifying gaps in security effectiveness due to equipment misconfiguration, changes in the IT environment, evolving attacker tactics	264.0	n.a.	n.a.
07 May 2019	Orange S.A.	SecureLink nv	Cybersecurity services provider, plans, builds, and manages clients' network and cybersecurity infrastructures	576.0	2.1x	n.a.
06 May 2019	Proofpoint, Inc.	Meta Networks Ltd.	Develops cloud native networking and security solutions for enterprises	120.0	n.a.	n.a.
09 Apr 2019	Shearwater Group PLC	Certain Business And Assets of Secarma Limited	Business unit that provides cyber threat analytics and monitoring services	9.7	2.0x	n.a.
28 Mar 2019	Nixu Oyj	Ezenta A/S	Provides information technology consulting services such as IT security, consulting, and advice	9.1	0.9x	n.a.
22 Mar 2019	NSEIT Ltd.	Aujas Networks Pvt. Ltd.	Provides cyber security services to banking, insurance, retail, energy, communications, and technology industries in North America, South Asia, and the Middle East	-	n.a.	n.a.
18 Mar 2019	Nixu Oyj	Cybersecurity business of Vesper Group	Application development services provider for financial services companies	1.8	1.0x	n.a.
12 Mar 2019	SecureSky, Inc.	EvengX, LLC	Develops and provides SafetyNet, an agent-based and network technology that offers cross-platform technology and defence capabilities against threats and malicious behaviours	-	n.a.	n.a.
05 Mar 2019	NTT Security Corporation	WhiteHat Security, Inc.	Operates a Software-as-a-Service (SaaS) platform. Its platform enables enterprises to secure their digital businesses ranging from application creation through production, and from the desktop to mobile device	315.0	5.3x	n.a.
01 Mar 2019	Comcast Corporation	BluVector, Inc.	Operates a cyber-threat detection and hunting platform that defends enterprises against evolving security threats	-	n.a.	n.a.
01 Mar 2019	Verizon Communications Inc.	ProtectWise, Inc.	Offers cloud-based network security services	-	n.a.	n.a.

JULY 2018 – 2019YTD

Date announced	Acquirer	Target	Target company description	EV	EV / Revenue	EV / EBITDA
25 Feb 2019	Thoma Bravo, LLC	ConnectWise, Inc.	Provides professional services automation solutions for small and mid-sized companies	-	n.a.	n.a.
22 Feb 2019	Entrust Datacard Corporation	nCipher Security Limited	Designs and develops cryptographic and security solutions for general purpose hardware, cloud, blockchain, and digital payments applications	-	n.a.	n.a.
19 Feb 2019	Palo Alto Networks, Inc.	Demisto, Inc.	Operates a security orchestration, automation, and response platform that combines orchestration, incident management, and interactive investigation into a seamless experience	464.5	n.a.	n.a.
15 Feb 2019	Micro Focus International plc	Interset Inc.	Is an enterprise threat detection company which provides behavioural-centric security solutions	100.0	14.3x	n.a.
14 Feb 2019	Limehouse Agencies Limited	Decyber Limited	Offers cyber awareness training, Internet security/anti-virus, cyber insurance, dark web monitoring, and other cyber security protection services	-	n.a.	n.a.
12 Feb 2019	Symantec Corporation	Luminate Security Ltd.	Operates software-as-a-service (SaaS) security platform which allows users to securely manage access to all corporate resources from any device	139.0	n.a.	n.a.
11 Feb 2019	Qualys, Inc.	Adya Inc.	Provides cloud applications management that enable enterprises to manage and secure their SaaS applications from a single console	1.8	n.a.	n.a.
07 Feb 2019	Carbonite, Inc.	Webroot Inc.	Provides cloud-based Internet threat detection solutions for consumers, businesses, and enterprises	618.5	2.9x	n.a.
07 Feb 2019	Haven Cyber Technologies	Onevinn AB	Designs and develops cyber security solutions	-	n.a.	n.a.
06 Feb 2019	HelpSystems, LLC	Core Security Assets of SecureAuth Corporation	Core Security Assets of SecureAuth Corporation was acquired by HelpSystems, LLC. Core Security Assets of Core Security Solutions, Inc. comprises security device equipment	-	n.a.	n.a.
01 Feb 2019	Orange S.A.	SecureData Europe Limited	Offers SecureData GI, an integrated security platform that is hosted and managed in the cloud	157.0	2.7x	n.a.
31 Jan 2019	Baffin Bay Networks AB	Loryka	Provides data security solutions	-	n.a.	n.a.
29 Jan 2019	Sophos Group plc	DarkBytes, Inc.	Develops a unified endpoint protection platform which offers cyber security services to commercial organizations	-	n.a.	n.a.
16 Jan 2019	Onapsis Inc.	Virtual Forge GmbH	Provides cyber security software solutions for systems applications and products (SAP)	-	n.a.	n.a.
15 Jan 2019	Zix Corporation	AppRiver, LLC	Provides cloud-based email and cyber security solutions to businesses worldwide	268.5	3.0x	n.a.

JULY 2018 – 2019YTD

Date announced	Acquirer	Target	Target company description	EV	EV / Revenue	EV / EBITDA
14 Jan 2019	Check Point Software Technologies Ltd.	ForceNock Security Ltd.	Designs and develops a machine learning based web application security software	-	n.a.	n.a.
08 Jan 2019	Sophos Group plc	Avid Secure, Inc.	Develops cloud infrastructure security platform to deliver security analytics, compliance automation, and rugged DevSecOps	-	n.a.	n.a.
21 Dec 2018	Bechtle AG	R.Bücker EDV-Beratung Datentechnik GmbH	Provides information technology consulting and security services	-	n.a.	n.a.
05 Dec 2018	Inside Secure S.A. (nka:Verimatrix Société anonyme)	Verimatrix, Inc.	Specialises in securing and enhancing revenue for multi-network/multi-screen digital TV services around the globe	155.9	2.0x	10.8x
29 Nov 2018	Neustar, Inc.	TRUSTID, Inc.	Provides Software-as-a-Service based phone ownership authentication solutions for call centres	-	n.a.	n.a.
16 Nov 2018	BlackBerry Limited	Cylance Inc.	Develops artificial intelligence based prevention-first and predictive security solutions	1,500.0	11.5x	n.a.
08 Nov 2018	Forescout Technologies, Inc.	SecurityMatters B.V.	Provides cyber security solutions to critical infrastructure and industrial automation companies	113.3	14.2x	n.a.
08 Nov 2018	IK Investment Partners; IK VIII	Infradata Group B.V.	Provides cyber security and cloud networking solutions	-	n.a.	n.a.
05 Nov 2018	Thoma Bravo, LLC	Veracode, Inc.	Develops SaaS platform and integrated solutions that help security teams and software developers to find and fix security-related defects in software development lifecycle	950.0	7.6x	n.a.
30 Oct 2018	Gro Capital A/S; CVC Capital Partners SICAV-FIS S.A; CVC Growth Partners	Omada A/S	Provides identity and access management, and identity and access governance solutions	140.0	4.7x	n.a.
23 Oct 2018	Fortinet, Inc.	Zonefox Limited	Provides security software to protect business-critical assets, data, and intellectual property	18.0	n.a.	n.a.
22 Oct 2018	GB Group plc	Vix Verify Global Pty Ltd	Offers identity verification and location intelligence software	27.1	1.7x	n.a.
16 Oct 2018	Temasek Holdings (Private) Limited	Sygnia Consulting Ltd.	Operates as a cyber technology and services company, providing consulting and incident response support for organizations worldwide	-	n.a.	n.a.
10 Oct 2018	Thoma Bravo, LLC	Imperva, Inc.	Engages in the development, market, sale, and support of cyber security solutions that protect business critical data and applications in the cloud or on premises worldwide	1,814.7	5.7x	n.m.
03 Oct 2018	Palo Alto Networks, Inc.	RedLock, Inc.	Develops internet security software	173.0	n.a.	n.a.

JULY 2018 – 2019YTD

Date announced	Acquirer	Target	Target company description	EV	EV / Revenue	EV / EBITDA
13 Sep 2018	Bomgar Corporation	BeyondTrust Software, Inc.	Develops and offers privileged access management software solutions to prevent data breaches related to stolen credentials, misused privileges, and compromised remote access	750.0	6.8x	18.8x
20 Aug 2018	Six Degrees Technology Group Ltd	Convergent Network Solutions Limited	Provides IT security and networking consultancy services. The company operates in three divisions: Network and Security Solutions, Security Assessment, and Managed Services.	-	n.a.	n.a.
17 Aug 2018	Shearwater Group PLC	Brookcourt Solutions Limited	Sells, implements, integrates, and supports cyber security and networking technologies to business sectors	39.5	1.4x	15.1x
16 Aug 2018	Cyberfort Software, Inc.	Just Content Software	Provides an ad blocking application that protects families and businesses against unsafe links, adult contents, phishing sites, inflammatory hate speeches, backdoor attacks, and cyber threats	-	n.a.	n.a.
02 Aug 2018	Cisco Systems, Inc.	Duo Security, Inc.	Provides unified access security and multi-factor authentication solutions for customers worldwide	2,350.0	18.8x	n.a.
10 Jul 2018	AT&T Communications, LLC	AlienVault, Inc.	Provides unified security management and crowd-sourced threat intelligence solutions	600.0	6.0x	n.a.
10 Jul 2018	Thoma Bravo, LLC	Centrify Corporation	Designs and develops unified identity management software for cloud, mobile, and data centre platforms	500.0	3.3x	n.a.
10 Jul 2018	Bomgar Corporation	Avecto Limited	Develops endpoint security software solutions that protect businesses from advanced threats	-	n.a.	n.a.
05 Jul 2018	Claranet Limited	NotSoSecure Global Services Limited	Provides penetration testing and hacking training services	-	n.a.	n.a.

					Median	5.00x	15.15x
					Mean	6.11x	14.88x

Source(s): ICON Analysis, Capital IQ, 451 Research

FUNDING ACTIVITY - SNAPSHOT

US IS LEADING THE CHARGE IN CYBERSECURITY FUNDRAISING

US Cybersecurity funding rounds – Key Stats
2018 – 2019YTD

623 Deals	**990** Investors
$295m Largest deal[1]	**$8.2bn** Cumulative deal value

US Cybersecurity - Deal Count and Amount Invested
Q1 2018 – Q3 2019YTD
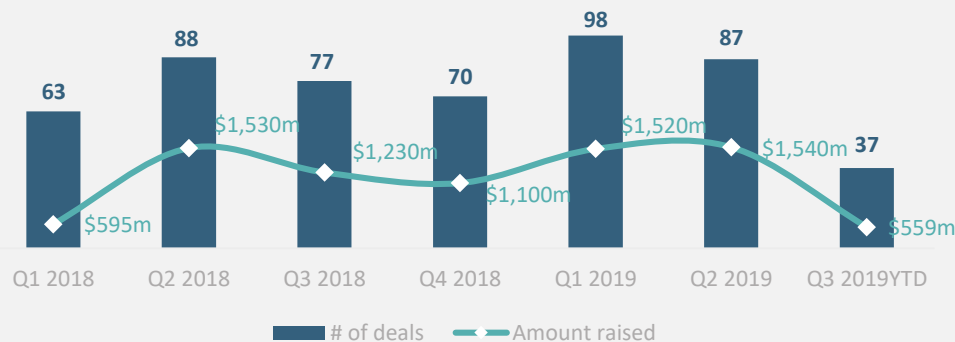
Deal counts: Q1 2018: 63 ($595m); Q2 2018: 88 ($1,530m); Q3 2018: 77 ($1,230m); Q4 2018: 70 ($1,100m); Q1 2019: 98 ($1,520m); Q2 2019: 87 ($1,540m); Q3 2019YTD: 37 ($559m)

# of deals — Amount raised

European Cybersecurity transactions – Key Stats
2018 – 2019YTD
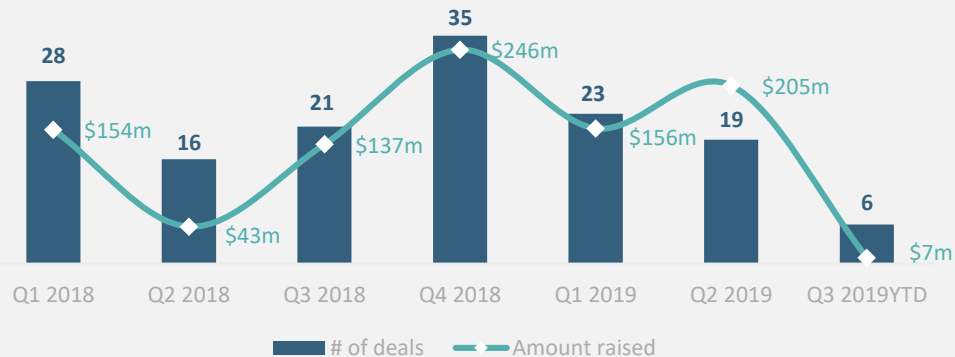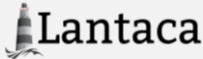
233 Deals	**312** Investors
$85m Largest deal[2]	**$973m** Cumulative deal value

European Cybersecurity - Deal Count and Amount Invested
Q1 2018 – Q3 2019YTD

Deal counts: Q1 2018: 28 ($154m); Q2 2018: 16 ($43m); Q3 2018: 21 ($137m); Q4 2018: 35 ($246m); Q1 2019: 23 ($156m); Q2 2019: 19 ($205m); Q3 2019YTD: 6 ($7m)

# of deals — Amount raised

MOST ACTIVE CYBERSECURITY EARLY STAGE INVESTORS (1/2)

UK IS A HOTBED FOR CYBERSECURITY START-UP FUNDING

TOP 3 SEED INVESTORS

	Company	Country	Category	Selected Past Investments			
1	CYLON	UK	Accelerator / Incubator	CYBER SMART UK, Seed, $0.3m	TORSION INFORMATION SECURITY UK, Seed, $0.3m	MyDocSafe™ UK, Seed, $0.3m	Lantaca Ireland, Seed, $0.1m
2	Amadeus Capital Partners	UK	VC	SENSEON UK, Seed, $6.4m	HAZY UK, Seed, $2.8m	THE ID Co. UK, Seed, $2m	DynaRisk™ UK, Seed, n.a.
3	STARQUEST CAPITAL	France	VC	seclab France, Seed, $1.2m	NEOWAVE France, Seed, $0.3m	Yogosha France, Seed, $1.3m	

Source(s): ICON Analysis, Pitchbook

ICON

MOST ACTIVE CYBERSECURITY EARLY STAGE INVESTORS (2/2)

CYBERSECURITY IS ONE OF THE MOST ACTIVE SECTORS FOR EARLY STAGE VENTURE CAPITAL

TOP 3 SERIES A INVESTORS

	Company	Country	Category	Selected Past Investments			
1	kima ventures	🇫🇷	VC	sqreen — France, Series A, $14m	Cobalt — US, Series A, $5m	Tanker — France, Series A, $7.2m	ACORUS NETWORKS — France, Series A, $5.7m
2	MAVEN CAPITAL PARTNERS	🇬🇧	VC	NorthRow — UK, Series A, $4m	eSafe — UK, Series A, $2m	SYMPHONIC — UK, Series A, n.a.	
3	dawn.	🇬🇧	VC	zivver — Netherlands, Series A, $15m	reachfive — France, Series A, $14m	HOXHUNT — Finland, Series A, $3m	

ICON
CORPORATE FINANCE

Florian Depner, Director
florian@iconcorpfin.co.uk
+44 (0) 7533 355 852

Alan Bristow, CEO
alan@iconcorpfin.co.uk
+44 (0) 7899 921 600

53 Davies Street, London W1K 5JH
T: +44 (0) 207 152 6375
www.iconcorpfin.co.uk