



Investment
Banking

Canaccord Genuity



Cyber Security: Quarterly Update

Q1 2025



CG: the leading advisor to mid-market tech globally

Scaled Full-Service Investment Bank

Publicly listed (TSE:CF) \$1.2bn Revenue FY2024 2,700 employees

Services

Investment Banking

Equity Research

Sales & Trading

Asset Management

Tech Sector Specialists

Tech, media, marketing and information services is our largest practice

120+ technology banking professionals

240+ global tech deals since 2021

170 listed tech companies under coverage



Our Approach

- ✓ Senior attention
- ✓ Bespoke processes
- ✓ Emphasis on positioning
- ✓ Sector expertise
- ✓ Cohesive global team

Global reach



Ranked #1 for global mid-market TMT deal activity in FY24⁽¹⁾

Rank	Firm	# of transactions
1	Canaccord Genuity	73
2	Houlihan Lokey	37
3	William Blair	23
4	Moelis	20
5	Raymond James	17
6	Evercore	15
6	Lincoln International	15
8	Baird	14

The CG Cyber Security Summit, London June 2024

Thanks to the 100+ people who joined for our day-long summit on cyber security

PANEL TOPICS & PARTICIPATING COMPANIES:

CYBERSECURITY SERVICES – PANACEA FOR A RAPIDLY EVOLVING THREAT LANDSCAPE?

Exploring the attractions of services and platforms as a diversified investment to play the macro cyber growth theme

Corero, NCC and SmartTech247, moderated by Kai Korschelt

IDENTITY AS THE NEXT FRONTIER IN CYBER:

We explore how identity has become a critical part of cybersecurity posture, secular demand trends and how investors can play the space

Intercede, Performanta and Xalient, moderated by Richard Latner

AI IN CYBER: WHO BENEFITS MOST – ATTACKER OR DEFENDER?

Exploring the use of AI in cybersecurity, the importance of privacy and security and how vendors are leveraging the technology to drive better outcomes and economics

Narf, Netacea, Performanta and Quorum Cyber, moderated by Chris Lewis

PLAYING OFFENCE – A NEW GROWTH WAVE FOR RED-TEAM CYBERSECURITY:

Digging into growth opportunities and debunking the myth of commoditisation in pen-testing, vulnerability management & red teaming

CovertSwarm, Intruder, NCC, and Pen Test Partners, moderated by Kai Korschelt

DRIVING VALUE AND SECURITY IN THE GOVERNMENT SECTOR:

Exploring government as a core consumer and driver of innovation and value in cybersecurity

Aker Systems, Cyberfort, Glasswall and Interrupt Labs moderated by Simon Bridges



PARTICIPANTS FROM ACROSS THE PUBLIC AND PRIVATE MARKETS





A portfolio company of



Financial advisor on investment from



Jun-24



We are incredibly grateful for the expert guidance and strategic insight provided by Canaccord Genuity throughout this process. Their **sector expertise** and **outstanding positioning** have been crucial in navigating the complexities of the global cybersecurity market. Canaccord Genuity's **global reach** was instrumental in helping us secure the right partner, fostering growth and reinforcing our global presence

The team at Canaccord Genuity not only acted as advisors but also as coaches, providing invaluable guidance that significantly strengthened our team and proposition

This partnership is a testament to the power of collaboration and shared vision, and we look forward to working together again in the future

Fede Charosky, CEO, Quorum Cyber



The Canaccord Genuity team have played an instrumental role in achieving an **outstanding outcome** for the shareholders of Quorum Cyber. We benefitted from their **deep domain knowledge and insightful advice**, with their team working tirelessly throughout. Above all, we thoroughly enjoyed working with them

Matt Jacobs, Partner, Livingbridge

CG: ten years of delivering for cybersecurity leaders

<p>MDR</p> <p>Quorum Cyber A LIVINGBRIDGE-BACKED COMPANY</p> <p>Financial advisor on investment from</p> <p>Charlesbank</p> <p> Jun-24</p>	<p>Data Erasure</p> <p>FP FRANCISCO PARTNERS</p> <p>Financial advisor on investment into</p> <p>blancco</p> <p> Nov-23</p>	<p>Application Security</p> <p>GRAMMATECH A REYNOLDA EQUITY PARTNERS-BACKED COMPANY</p> <p>Financial advisor on sale of its software business to</p> <p>Battery</p> <p> Sep-23</p>	<p>MDR</p> <p>CISIS</p> <p>Financial advisor on sale to</p> <p>Allurity A TRILL IMPACT-BACKED COMPANY</p> <p> Oct-22</p>	<p>MSSP</p> <p>EDGE TECHNOLOGY GROUP Clients First</p> <p>Financial advisor on sale to</p> <p>THRIVE A COURT SQUARE-BACKED COMPANY</p> <p> Jun-22</p>	<p>Bug Bounty Platform</p> <p>INTIGRITI</p> <p>Financial advisor on investment from</p> <p>octopus ventures AND ER&W NEW VENTURES, WITH FOLLOW-ON INVESTMENT FROM ETF PARTNERS</p> <p> Apr-22</p>	<p>Security Awareness Training</p> <p>TERRANOVA SECURITY</p> <p>Financial advisor on sale to</p> <p>helpsystems A COMPANY BACKED BY TA ASSOCIATES, HGGC, CHARLESBANK, HARVEST PARTNERS SCF</p> <p> Apr-22</p>
<p>Anti-Ransomware</p> <p>redstor A BEECH TREE-BACKED COMPANY</p> <p>Financial advisor on investment from</p> <p>BregalMilestone</p> <p> Jan-22</p>	<p>MDR</p> <p>LIVINGBRIDGE</p> <p>Financial advisor on investment into</p> <p>Quorum Cyber</p> <p> Jan-22</p>	<p>Zero Trust</p> <p>NEWTOWN LANE MARKETING</p> <p>Financial advisor on acquisition of</p> <p>appgate</p> <p> Oct-21</p>	<p>SecOps</p> <p>Outpost24 A MONTERRO-BACKED COMPANY</p> <p>Financial advisor on acquisition of</p> <p>Blueliv.</p> <p> Jul-21</p>	<p>Security Awareness Training</p> <p>KnowBe4 Human error. Conquered.</p> <p>\$175,000,000 Equity Offering Co-Manager</p> <p> Apr-21</p>	<p>Cloud Security</p> <p>kloudless</p> <p>Financial advisor on sale to</p> <p>netskope</p> <p> Mar-21</p>	<p>Security Awareness Training</p> <p>TENZING GROW WITH US</p> <p>Financial advisor on investment into</p> <p>MetaCompliance</p> <p> Jan-21</p>
<p>DLP Software</p> <p>Boldon James A QNETIQ company</p> <p>Financial advisor on sale to</p> <p>helpsystems A COMPANY BACKED BY TA ASSOCIATES, HGGC, CHARLESBANK.</p> <p> Jun-20</p>	<p>SecOps</p> <p>Outpost24 A MONTERRO-BACKED COMPANY</p> <p>Financial advisor on acquisition of</p> <p>PWNIE EXPRESS</p> <p> Oct-19</p>	<p>IAM Services</p> <p>inragen</p> <p>Financial advisor on investment from</p> <p>FPE CAPITAL</p> <p> Sep-19</p>	<p>Endpoint PAM</p> <p>Avecto A JMI EQUITY-BACKED COMPANY</p> <p>Financial advisor on sale to</p> <p>BOMGAR A FRANCISCO PARTNERS-BACKED COMPANY</p> <p> Jul-18</p>	<p>Offensive Security</p> <p>MWR INFOSECURITY AN ETF-BACKED COMPANY</p> <p>Financial advisor on sale to</p> <p>F-Secure</p> <p> Jun-18</p>	<p>Offensive Security</p> <p>F-Secure</p> <p>Financial advisor on acquisition of</p> <p>DigitalAssurance Information Security Services</p> <p> May-17</p>	<p>Endpoint PAM</p> <p>Avecto</p> <p>Financial advisor on investment from</p> <p>JMI EQUITY</p> <p> Dec-15</p>

Deep transaction expertise across cyber services and software

A global team serving the cyber security industry

Investment Banking



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We attend...

RSA Conference[®] 2024

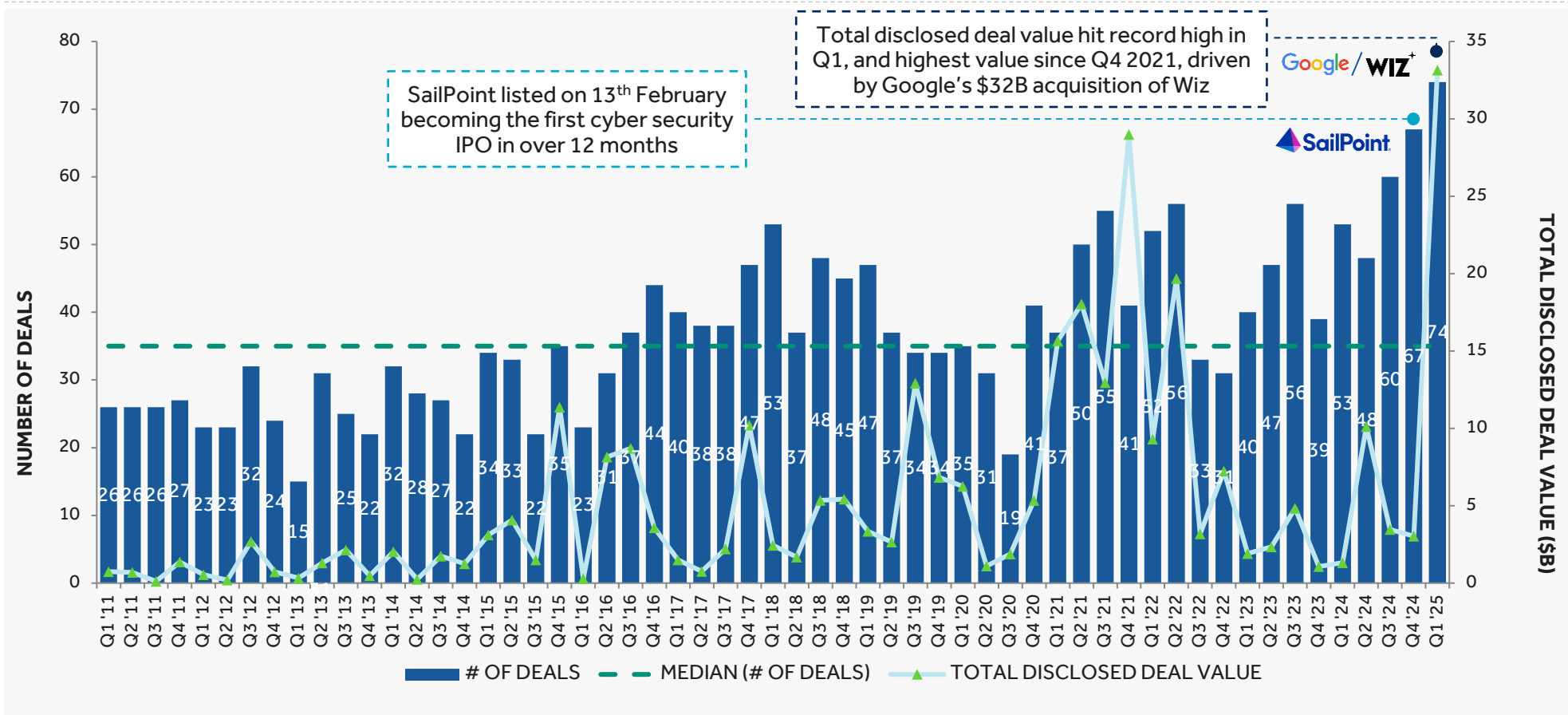
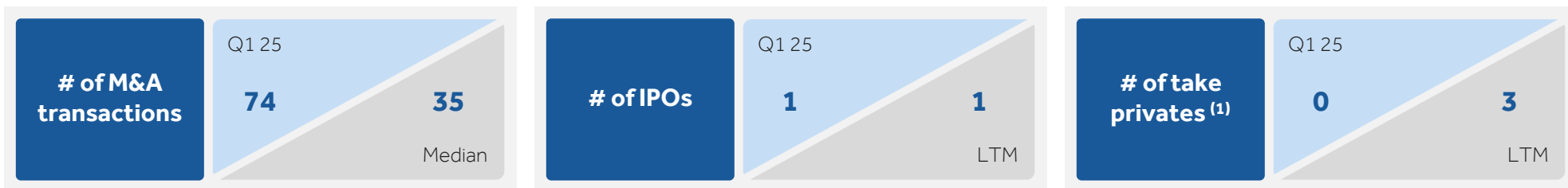
Inf0security Europe

GC2024
Growth Conference

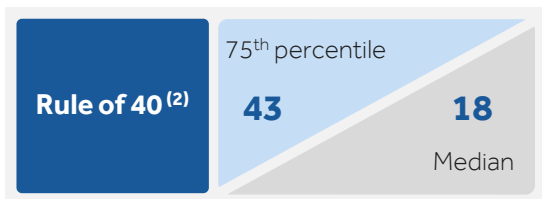
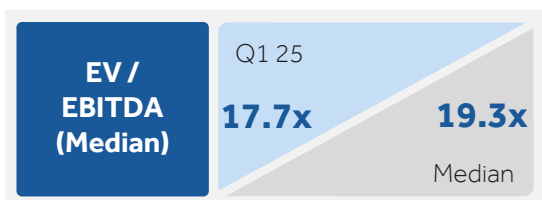
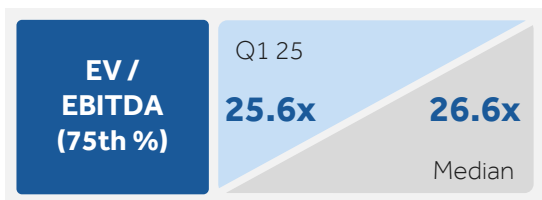
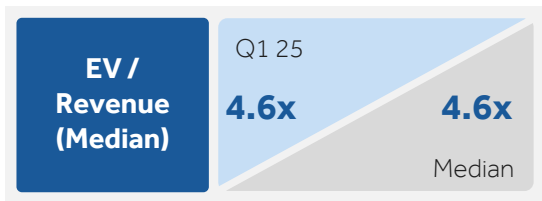
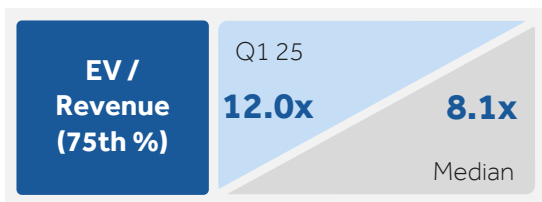

blackhat USA 2024

itsa EXPO CONGRESS
HOME OF IT SECURITY

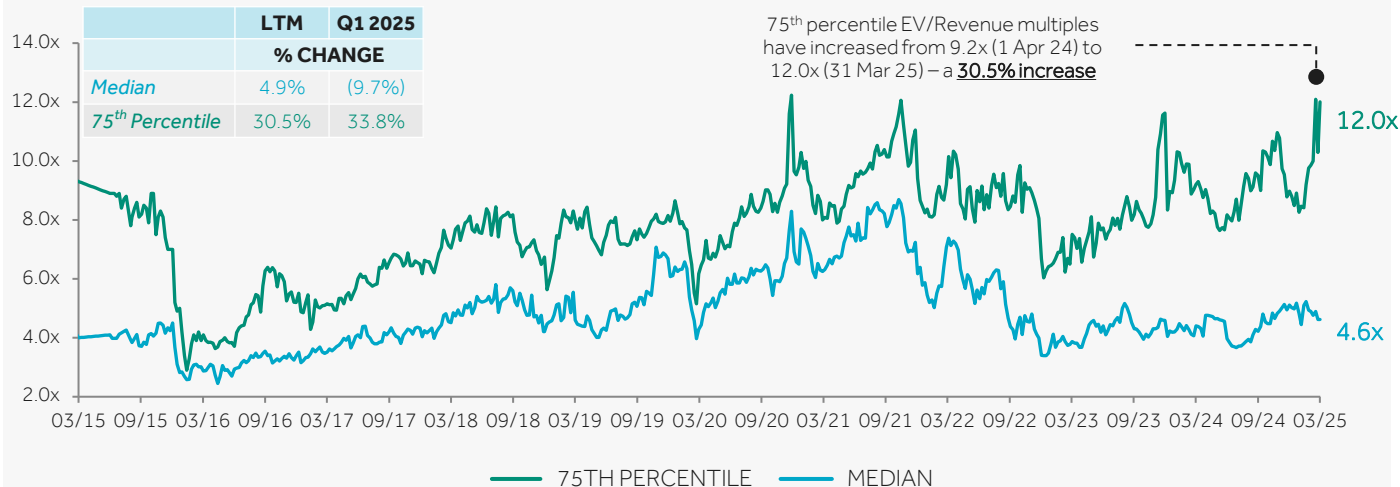
A sustained increase in private market deal activity in Q1 2025, as transaction volumes reach third record quarter in a row



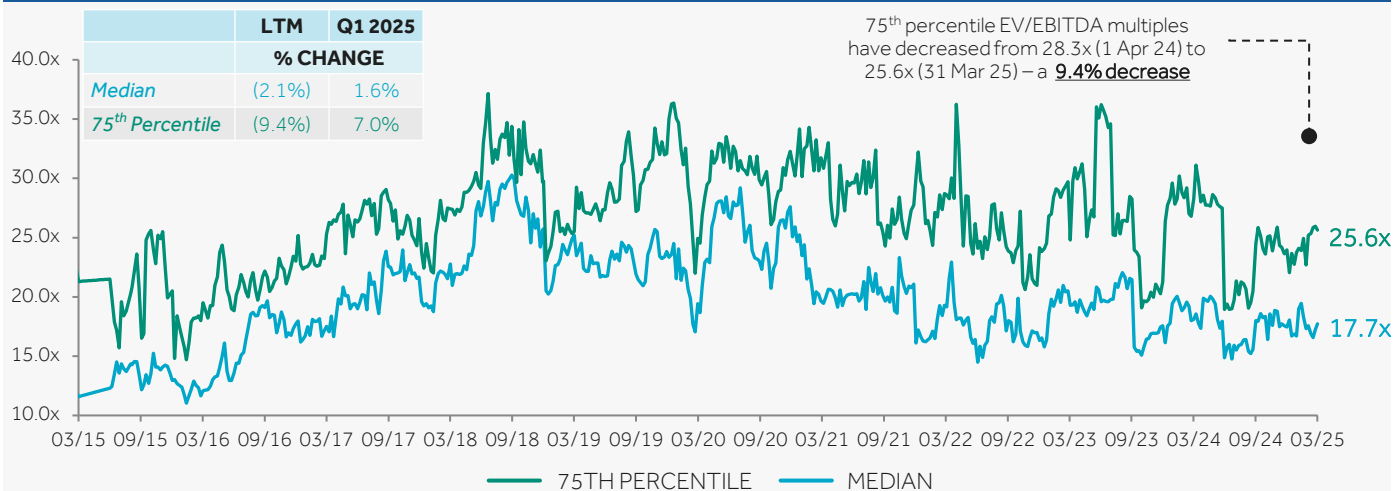
A continuing divergence between median and upper quartile multiples, reflective of flight to quality and next-gen platform offerings



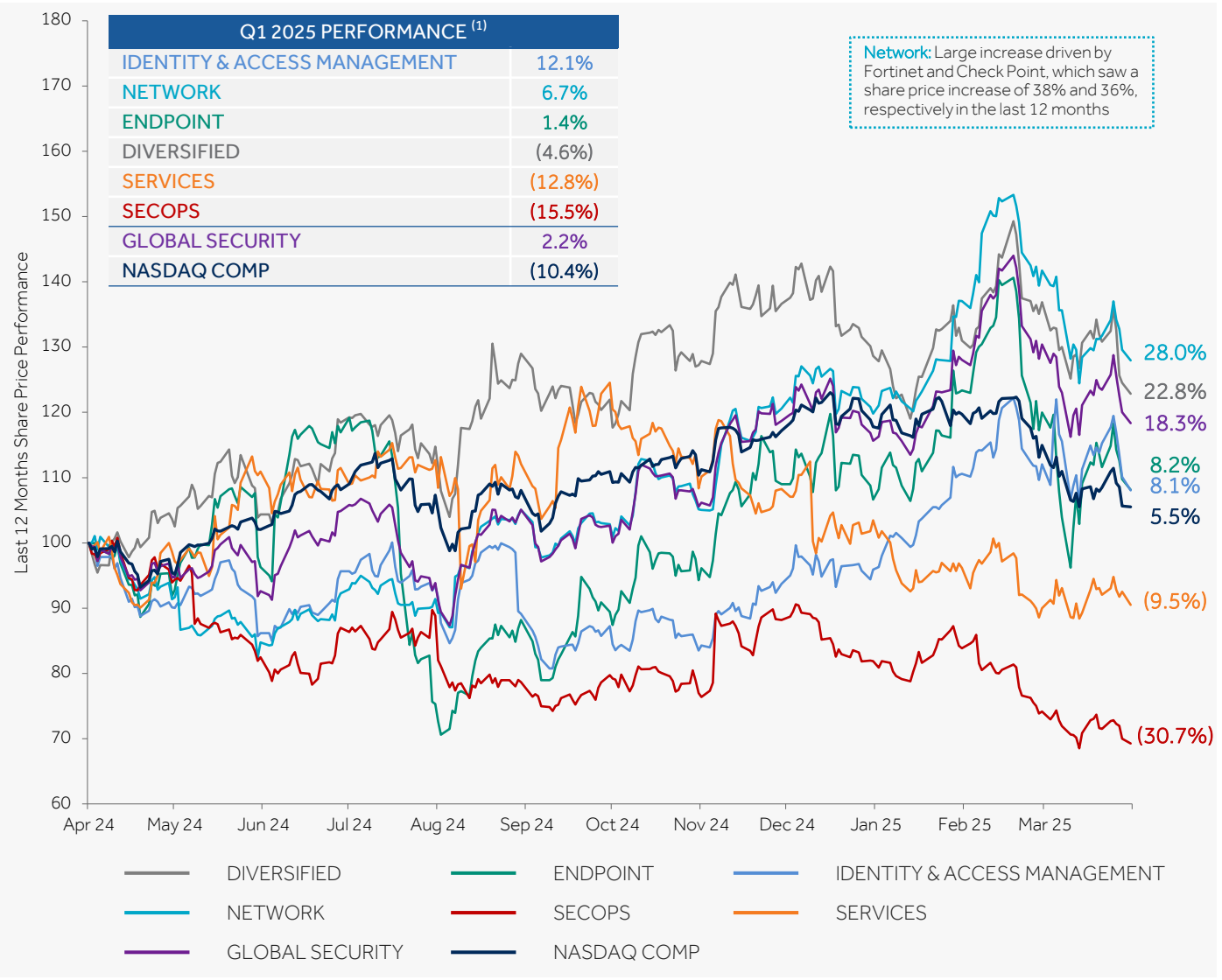
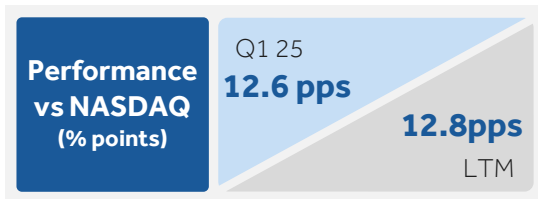
EV / CY REVENUE ⁽¹⁾



EV / CY EBITDA ⁽¹⁾



The global security market outperformed the NASDAQ Composite in Q1, driven by a strong large cap performance in Network and Diversified



Selected cyber security sector publicly traded companies

COMPANY	PRICE (31-MAR-25)	% OF 52 WEEK HIGH	MARKET CAP	TOTAL CASH	NET DEBT	ENTERPRISE VALUE	OPERATING METRICS					RULE Of 40	VALUATION METRICS			
							REVENUE	REV. GROWTH	GROSS MARGIN	EBITDA MARGIN			REVENUE		EBITDA	
							CY2024	CY24-25	HISTORICAL	CY2024	CY2025		CY2024	CY2025	CY2024	CY2025
DIVERSIFIED																
Palo Alto Networks	132.07	81.9%	87,446	2,502	(1,751)	85,695	6,590	14.7%	74.3%	21.5%	31.2%	36	13.0x	11.3x	n.m.	36.3x
Trend Micro	51.78	82.4%	6,798	1,090	(1,090)	5,708	1,410	6.1%	76.2%	28.3%	29.8%	34	4.0x	3.8x	14.3x	12.8x
ENDPOINT																
BlackBerry	2.92	61.2%	1,727	170	3	1,730	467	(9.1%)	61.0%	5.6%	14.8%	(3)	3.7x	4.1x	n.m.	27.4x
CrowdStrike	272.89	77.4%	67,984	3,346	(2,705)	65,279	3,002	21.6%	75.3%	2.6%	23.3%	24	21.7x	17.9x	n.m.	n.m.
F-Secure	1.47	75.3%	256	7	140	396	122	4.4%	86.2%	34.0%	35.0%	38	3.2x	3.1x	9.5x	8.9x
WithSecure	0.77	80.6%	136	23	(1)	135	105	14.8%	79.8%	18.9%	5.2%	34	1.4x	1.2x	7.4x	23.2x
SentinelOne	14.07	62.1%	4,824	559	(544)	4,280	623	23.7%	71.3%	(37.6%)	2.6%	(14)	6.9x	5.6x	n.m.	n.m.
IDENTITY & ACCESS MANAGEMENT																
CyberArk	261.61	80.3%	12,963	634	(612)	12,351	775	31.5%	79.2%	(1.1%)	22.0%	30	15.9x	12.1x	n.m.	n.m.
Intercede	1.44	66.2%	84	16	(16)	68	17	1.4%	97.2%	22.6%	20.4%	24	4.0x	4.0x	17.7x	19.4x
Okta	81.44	89.1%	14,317	1,953	(1,190)	13,128	1,998	10.1%	74.3%	(0.3%)	23.2%	10	6.6x	6.0x	n.m.	25.8x
SailPoint	14.51	71.2%	8,077	94	716	8,794	656	20.0%	60.5%	4.6%	24.1%	25	13.4x	11.2x	n.m.	46.2x
NETWORK																
Check Point Software	176.41	97.3%	19,583	1,062	(1,039)	18,545	1,985	6.1%	88.5%	36.4%	43.7%	43	9.3x	8.8x	25.6x	20.1x
Cloudflare	87.22	63.5%	30,850	1,436	(304)	30,546	1,292	25.6%	77.3%	(2.2%)	21.3%	23	23.6x	18.8x	n.m.	n.m.
Corero	0.17	57.0%	86	4	(4)	82	19	17.1%	91.3%	3.9%	13.7%	21	4.3x	3.7x	n.m.	26.7x
Fortinet	74.50	83.8%	57,685	3,147	(2,317)	55,369	4,610	13.7%	80.6%	32.3%	34.3%	46	12.0x	10.6x	37.2x	30.8x
F5 Networks	206.09	85.1%	11,891	891	(678)	11,213	2,218	6.2%	80.2%	30.4%	38.6%	37	5.1x	4.8x	16.7x	12.4x
Radware	16.73	86.5%	714	213	(168)	547	213	6.7%	80.6%	2.6%	0.0%	9	2.6x	2.4x	n.m.	n.a.
Securinet	144.22	75.0%	933	48	(28)	905	340	6.5%	23.9%	14.8%	14.9%	21	2.7x	2.5x	17.9x	16.8x
Zscaler	153.58	91.1%	23,815	2,229	(1,270)	22,545	1,836	21.5%	78.1%	9.4%	25.6%	31	12.3x	10.1x	n.m.	39.5x
SECOPS																
Qualys	97.47	72.3%	3,569	295	(259)	3,310	470	7.2%	81.7%	33.9%	41.4%	41	7.0x	6.6x	20.8x	15.9x
Rapid7	20.52	52.4%	1,319	404	384	1,703	653	2.6%	70.3%	9.5%	17.7%	12	2.6x	2.5x	27.3x	14.4x
Tenable	27.07	69.9%	3,338	447	(120)	3,218	697	8.9%	77.8%	3.8%	23.6%	13	4.6x	4.2x	n.m.	18.0x
SERVICES																
NCC Group	1.39	75.5%	426	30	73	499	320	(0.5%)	41.6%	10.5%	14.3%	10	1.6x	1.6x	14.8x	10.9x
Smarttech247 Group ⁽¹⁾	0.07	30.7%	9	3	(3)	7	n.a.	7.8%	37.8%	5.0%	9.6%	13	0.4x	0.4x	9.0x	4.3x
Telos	1.84	47.3%	134	42	(34)	99	84	32.4%	43.0%	(37.2%)	1.1%	(5)	1.2x	0.9x	n.m.	n.m.
25th percentile		63.5%					294	6.1%	70.3%	2.6%	14.3%	9	2.7x	2.5x	13.1x	13.6x
Median		75.3%					655	8.9%	77.3%	9.4%	22.0%	18	4.6x	4.2x	17.2x	19.4x
75th percentile		82.4%					1,873	20.0%	80.6%	22.6%	29.8%	43	12.0x	10.1x	22.0x	27.1x

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