



Investment
Banking

Canaccord Genuity



Cyber Security: Quarterly Update

Q2 2023



Canaccord Genuity: a leading advisor to mid-market tech globally

Bulge bracket execution capabilities with boutique accountability and focus

A team of expert advisers...



115+ TMT bankers across our global franchise, including 80+ bankers in the US and 20+ in the UK

- Senior-level attention throughout projects
- Delivering the best outcomes and highest quality service

- Thought leaders across the technology industry
- Deep insight into trends, positioning and opportunities



- Completely committed to growth companies and the mid-market
- Working with companies from first institutional capital raise right up to IPO and beyond

- An integrated global team
- Unrivalled relationships with trade buyers and investors globally
- Track record of international deal making

...within a global growth-focused investment bank...



...ranked #1 by Pitchbook in LTM June 2023

Global Middle-Market TMT Advisory⁽¹⁾

Rank	Firm Name	# deals
1	Investment Banking	55
2	Houlihan Lokey	36
2	Lincoln International	36

Leading Global Underwriter Since 2022⁽²⁾

Rank	Firm Name	Total Deals	Bookrun Deals
1	Investment Banking	485	374
2	JPMorgan	416	402
3	Goldman Sachs	390	377

CG: a leading advisor to cybersecurity businesses and investors globally

<p>Industrial IoT</p> <p>IPKEYS POWER PARTNERS</p> <p>Financial advisor on sale to</p> <p>PARSONS</p> <p>A COMPANY BACKED BY TA ASSOCIATES, HGGC, CHARLESBANK, HARVEST PARTNERS SCF</p> <p>USA USA Mar-23</p>	<p>MDR</p> <p>CISIS</p> <p>Financial advisor on sale to</p> <p>Allurity</p> <p>A TRILL IMPACT-BACKED COMPANY</p> <p>DK SE Oct-22</p>	<p>MSSP</p> <p>Synoptek</p> <p>Financial advisor on investment from</p> <p>QUAD-C</p> <p>A COURT SQUARE-BACKED COMPANY</p> <p>USA USA Sep-22</p>	<p>MSSP</p> <p>EDGE TECHNOLOGY GROUP Clients First.</p> <p>Financial advisor on sale to</p> <p>THRIVE</p> <p>A COURT SQUARE-BACKED COMPANY</p> <p>USA USA Jun-22</p>	<p>Bug Bounty Platform</p> <p>INTiGRiti</p> <p>Financial advisor on investment from</p> <p>octopus ventures</p> <p>AND ENBW NEW VENTURES, WITH FOLLOW-ON INVESTMENT FROM METF PARTNERS</p> <p>BE UK Apr-22</p>	<p>Security Awareness Training</p> <p>TERRANOVA SECURITY</p> <p>Financial advisor on sale to</p> <p>helpsystems</p> <p>A COMPANY BACKED BY TA ASSOCIATES, HGGC, CHARLESBANK, HARVEST PARTNERS SCF</p> <p>CA USA Apr-22</p>	<p>Anti-Ransomware</p> <p>redstor</p> <p>A BEECH TREE PRIVATE EQUITY-BACKED COMPANY</p> <p>Financial advisor on investment from</p> <p>BregalMilestone</p> <p>UK UK Jan-22</p>
<p>MDR</p> <p>LIVINGBRIDGE</p> <p>Financial advisor on investment into</p> <p>Quorum Cyber</p> <p>UK UK Jan-22</p>	<p>Zero Trust</p> <p>NEWTOWN LANE MARKETING</p> <p>Financial advisor on acquisition of</p> <p>appgate</p> <p>USA USA Oct-21</p>	<p>Industrial IoT</p> <p>BAYSHORE Industrial Network Security</p> <p>Financial advisor on sale to</p> <p>OPSWAT.</p> <p>USA USA Jul-21</p>	<p>SecOps</p> <p>Outpost24</p> <p>A MONTERRO-BACKED COMPANY</p> <p>Financial advisor on acquisition of</p> <p>Blueliv.</p> <p>SE ES Jul-21</p>	<p>Security Awareness Training</p> <p>KnowBe4 Human error. Conquered.</p> <p>\$175,000,000 Equity Offering Co-Manager</p> <p>USA Apr-21</p>	<p>Cloud Security</p> <p>kloudless</p> <p>Financial advisor on sale to</p> <p>netskope</p> <p>USA USA 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>UK UK Jan-21</p>
<p>DLP Software</p> <p>Boldon James A QNETIQ company</p> <p>Financial advisor on sale to</p> <p>helpsystems</p> <p>A COMPANY BACKED BY TA ASSOCIATES, HGGC, CHARLESBANK,</p> <p>UK USA Jun-20</p>	<p>SecOps</p> <p>Outpost24</p> <p>A MONTERRO-BACKED COMPANY</p> <p>Financial advisor on acquisition of</p> <p>PWNIE EXPRESS</p> <p>SE USA Oct-19</p>	<p>IAM Services</p> <p>intragen</p> <p>Financial advisor on investment from</p> <p>FPE CAPITAL</p> <p>DK UK Sep-19</p>	<p>Endpoint PAM</p> <p>Avecto</p> <p>A JMI EQUITY-BACKED COMPANY</p> <p>Financial advisor on sale to</p> <p>BOMGAR</p> <p>A FRANCISCO PARTNERS-BACKED COMPANY</p> <p>UK USA Jul-18</p>	<p>Offensive Security</p> <p>MWR InfoSECURITY</p> <p>ANETF-BACKED COMPANY</p> <p>Financial advisor on sale to</p> <p>F-Secure</p> <p>UK + Jun-18</p>	<p>Offensive Security</p> <p>F-Secure</p> <p>Financial advisor on acquisition of</p> <p>DigitalAssurance Government Security Services</p> <p>+ UK May-17</p>	<p>Endpoint PAM</p> <p>Avecto</p> <p>Financial advisor on investment from</p> <p>JMI EQUITY</p> <p>UK USA Dec-15</p>

Deep transaction expertise across cyber services and software

A global team serving the cyber security industry

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We'll be attending...

RSAConference[®]

Inf0security Europe

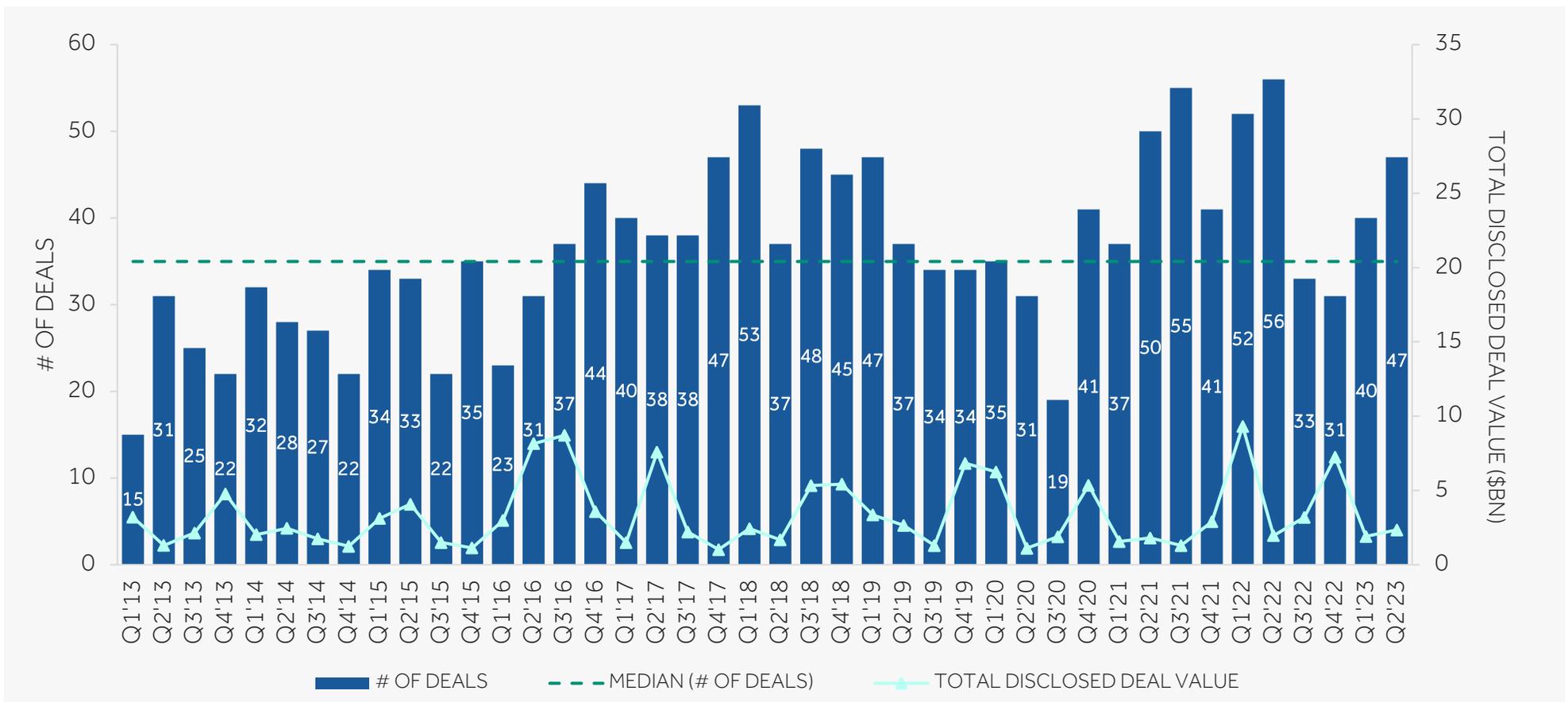
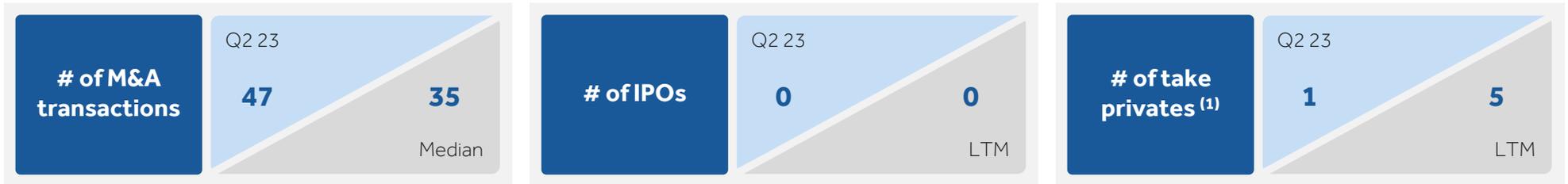
GC2023
Growth Conference



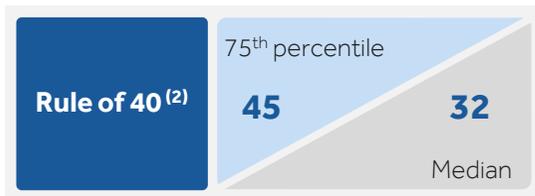
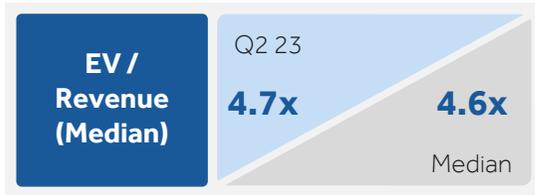
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itsa EXPO
CONGRESS
HOME OF IT SECURITY

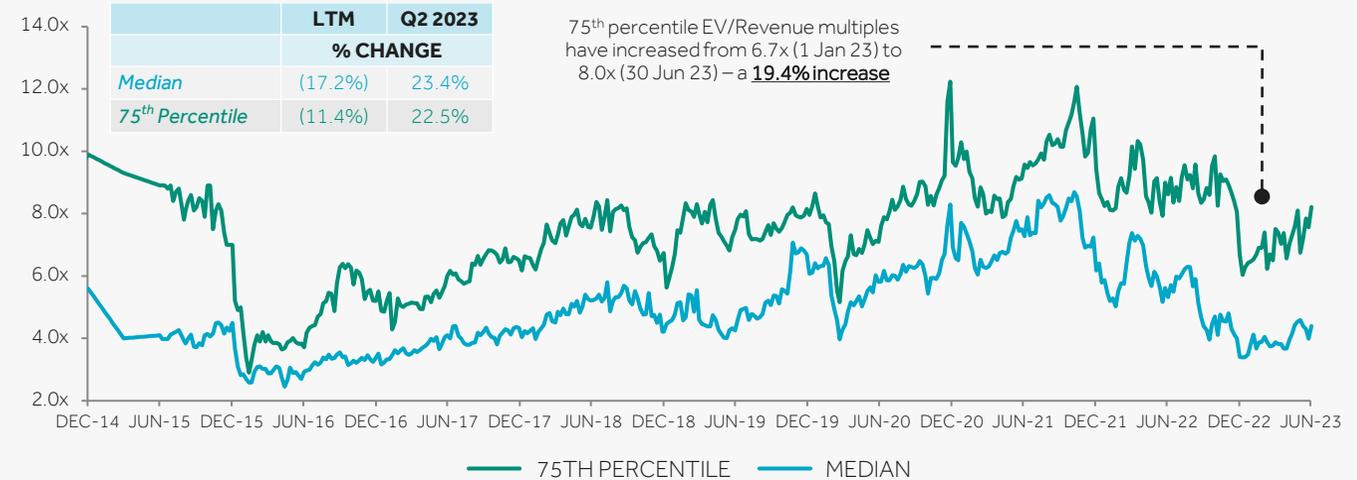
Private market transaction volumes in cyber security remain strong



Public market multiples have rebounded since early 2023



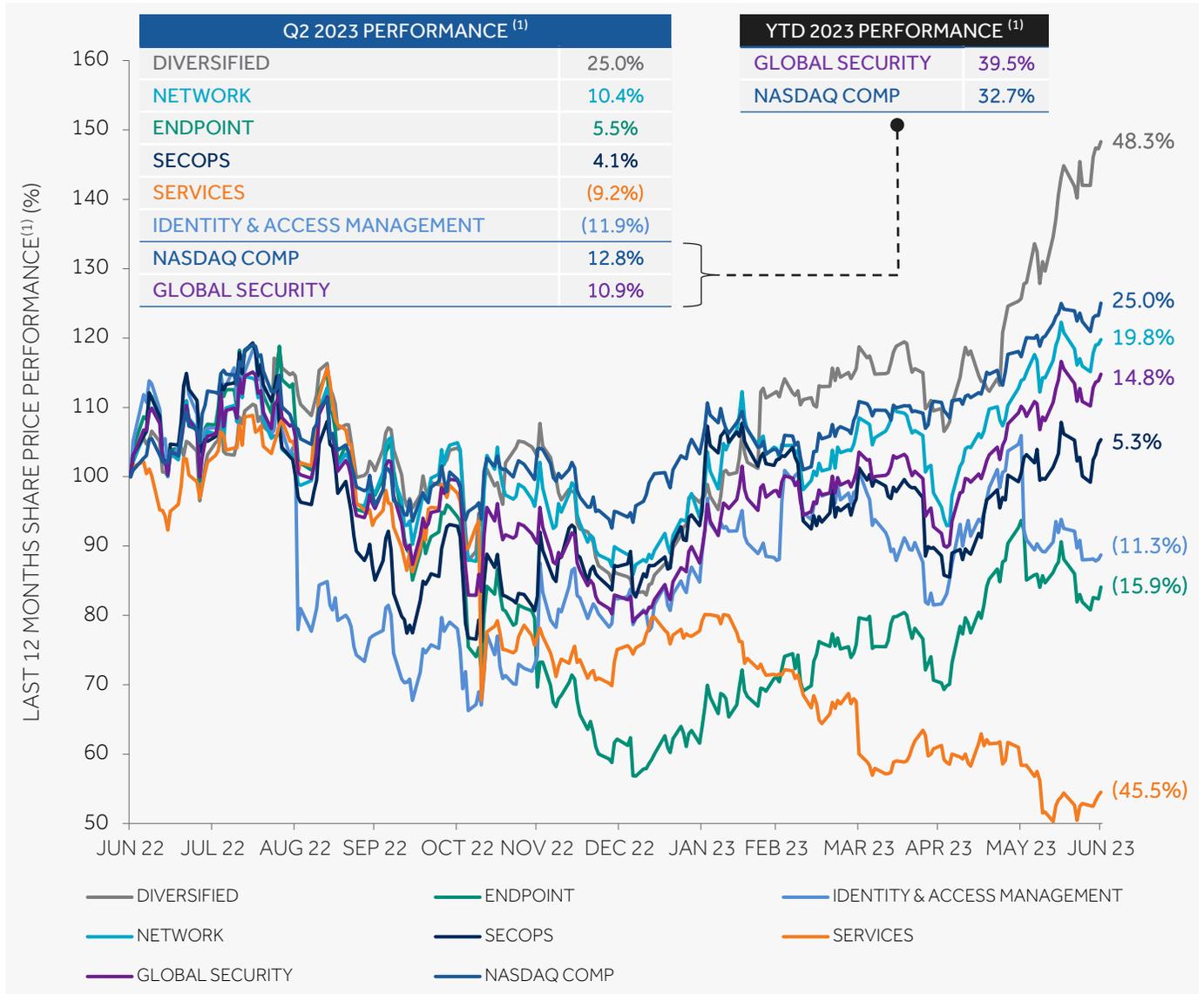
EV / CY REVENUE ⁽¹⁾



EV / CY EBITDA ⁽¹⁾



During 2023 share price performance for global security has outperformed the NASDAQ



Selected cyber security sector publicly traded companies

COMPANY	PRICE (30-JUN-23)	% 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	
							CY2023	CY23-24	HISTORICAL	CY2023	CY2024		CY2023	CY2024	CY2023	CY2024
DIVERSIFIED																
Palo Alto Networks	255.51	99.5%	78,149	3,958	(12)	78,137	7,523	21.0%	68.8%	27.6%	28.1%	49	10.4 x	8.6 x	37.7 x	30.5 x
Trend Micro	48.06	75.9%	6,564	1,599	(1,599)	4,965	1,704	7.2%	75.7%	23.0%	22.8%	30	2.9 x	2.7 x	12.7 x	11.9 x
ENDPOINT																
BlackBerry	5.54	79.4%	3,233	516	(75)	3,158	825	(2.8%)	63.9%	2.0%	6.3%	(1)	3.8 x	3.9 x	n.m.	n.m.
CrowdStrike	146.87	71.4%	35,245	2,930	(2,106)	33,139	2,961	29.1%	73.2%	19.2%	22.0%	48	11.2 x	8.7 x	n.m.	39.5 x
F-Secure	2.55	67.9%	445	30	(22)	423	148	16.9%	91.6%	33.6%	38.3%	51	2.9 x	2.4 x	8.5 x	6.4 x
WithSecure	1.28	44.3%	225	66	(51)	173	165	10.4%	65.1%	(9.3%)	2.4%	1	1.1 x	1.0 x	n.m.	43.4 x
SentinelOne	15.10	50.3%	4,900	718	(692)	4,208	580	33.9%	65.8%	(29.7%)	(4.8%)	4	7.2 x	5.4 x	n.m.	n.m.
IDENTITY & ACCESS MANAGEMENT																
CyberArk	156.33	94.6%	6,451	914	(344)	6,107	730	23.7%	78.7%	2.6%	8.5%	26	8.4 x	6.8 x	n.m.	n.m.
Okta	69.35	62.5%	11,700	2,370	(405)	11,295	2,156	17.9%	70.7%	5.1%	10.7%	23	5.2 x	4.4 x	n.m.	41.6 x
NETWORK																
Check Point Software	125.62	92.4%	14,779	1,686	(1,665)	13,114	2,418	4.3%	87.4%	43.4%	44.2%	48	5.4 x	5.2 x	12.5 x	11.8 x
Cloudflare	65.37	80.7%	22,736	1,716	(135)	22,601	1,282	30.1%	76.1%	15.9%	15.9%	46	17.6 x	13.5 x	n.m.	n.m.
Darktrace	3.92	55.0%	2,574	380	(316)	2,258	610	21.9%	89.2%	19.4%	20.4%	41	2.9 x	2.4 x	15.0 x	11.7 x
Exclusive Networks	21.29	92.2%	1,949	298	313	2,262	n.a.	11.3%	18.0%	5.0%	5.0%	16	0.5 x	0.5 x	10.9 x	9.7 x
Fortinet	75.59	99.1%	60,029	2,879	(1,808)	58,221	5,469	19.1%	75.4%	28.0%	28.7%	47	10.6 x	8.9 x	38.0 x	31.1 x
F5 Networks	146.26	83.9%	8,863	755	(452)	8,411	2,821	2.6%	80.0%	33.6%	35.9%	36	3.0 x	2.9 x	8.9 x	8.1 x
Radware	19.39	79.2%	850	323	(262)	587	285	5.7%	81.6%	10.6%	12.8%	16	2.1 x	1.9 x	19.4 x	15.2 x
Secunet	237.44	69.7%	1,536	23	(2)	1,534	410	15.1%	26.0%	18.2%	18.3%	33	3.7 x	3.3 x	20.6 x	17.8 x
Zscaler	146.30	75.3%	21,569	1,968	(754)	20,815	1,782	27.6%	77.9%	18.4%	20.3%	46	11.7 x	9.2 x	n.m.	45.1 x
SECOPS																
Qualys	129.17	79.6%	4,841	334	(295)	4,546	554	12.2%	79.0%	41.9%	41.4%	54	8.2 x	7.3 x	19.6 x	17.7 x
Rapid7	45.28	60.5%	2,763	262	652	3,415	776	15.6%	68.7%	10.8%	12.5%	26	4.4 x	3.8 x	40.8 x	30.5 x
Splunk	106.09	90.8%	17,575	2,463	1,610	19,185	3,889	12.5%	77.7%	18.4%	21.2%	31	4.9 x	4.4 x	26.8 x	20.7 x
Tenable	43.55	82.9%	5,191	617	(196)	4,995	781	15.0%	77.3%	14.0%	15.5%	29	6.4 x	5.6 x	45.7 x	35.8 x
SERVICES																
NCC Group	1.23	39.5%	384	56	107	490	420	2.7%	42.1%	12.7%	14.3%	15	1.2 x	1.1 x	9.2 x	7.9 x
SecureWorks	7.23	63.5%	623	95	(83)	540	396	3.0%	58.7%	(13.6%)	3.3%	(11)	1.4 x	1.3 x	n.m.	40.2 x
Smarteck247 Group	0.41	88.0%	51	4	(2)	49	10	19.3%	54.0%	24.8%	n.a.	44	4.9 x	n.a.	19.8 x	n.a.
Telos	2.56	20.5%	178	112	(100)	78	128	8.9%	36.4%	(17.7%)	(9.5%)	(9)	0.6 x	0.6 x	n.m.	n.m.
25th percentile		62.8%					410	7.7%	64.2%	5.0%	8.5%	13	2.9x	2.4x	12.1x	11.7x
Median		77.6%					776	15.1%	74.3%	17.0%	15.9%	32	4.7x	3.9x	19.5x	19.2x
75th percentile		87.0%					2,156	20.6%	78.5%	24.3%	22.8%	45	8.0x	6.8x	29.5x	36.7x

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