



Investment
Banking

Canaccord Genuity



Cyber Security: Quarterly Update

Q3 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 September 2023

Global Middle-Market TMT Advisory⁽¹⁾

Rank	Firm Name	# deals
1	Canaccord Genuity Investment Banking	48
2	Houlihan Lokey	39
2	Lincoln International	33

Leading Global Underwriter Since 2022⁽²⁾

Rank	Firm Name	Total Deals	Bookrun Deals
1	Canaccord Genuity Investment Banking	571	451
2	JPMorgan	486	472
3	Goldman Sachs	468	453

CG: a leading advisor to cybersecurity businesses and investors globally

<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>USA USA Sep-23</p>	<p>Industrial IoT</p> <p>IPKEYS POWER PARTNERS</p> <p>Financial advisor on sale to</p> <p>PARSONS</p> <p>USA USA Mar-23</p>	<p>MDR</p> <p>OSIS</p> <p>Financial advisor on sale to</p> <p>Allurity 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>USA USA Sep-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>USA USA 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>BE FR GB 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>CA USA 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>GB GB Jan-22</p>	<p>MDR</p> <p>LIVINGBRIDGE</p> <p>Financial advisor on investment into</p> <p>Quorum Cyber</p> <p>GB GB 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>SecOps</p> <p>Outpost24 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>GB GB 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>GB USA 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>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 GB 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>GB USA Jul-18</p>	<p>Offensive Security</p> <p>MWR INFOSSECURITY AN ETF-BACKED COMPANY</p> <p>Financial advisor on sale to</p> <p>F-Secure</p> <p>GB + 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>+ GB May-17</p>	<p>Endpoint PAM</p> <p>Avecto</p> <p>Financial advisor on investment from</p> <p>JMI EQUITY</p> <p>GB 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 will be attending...

RSAConference™

Inf0security Europe

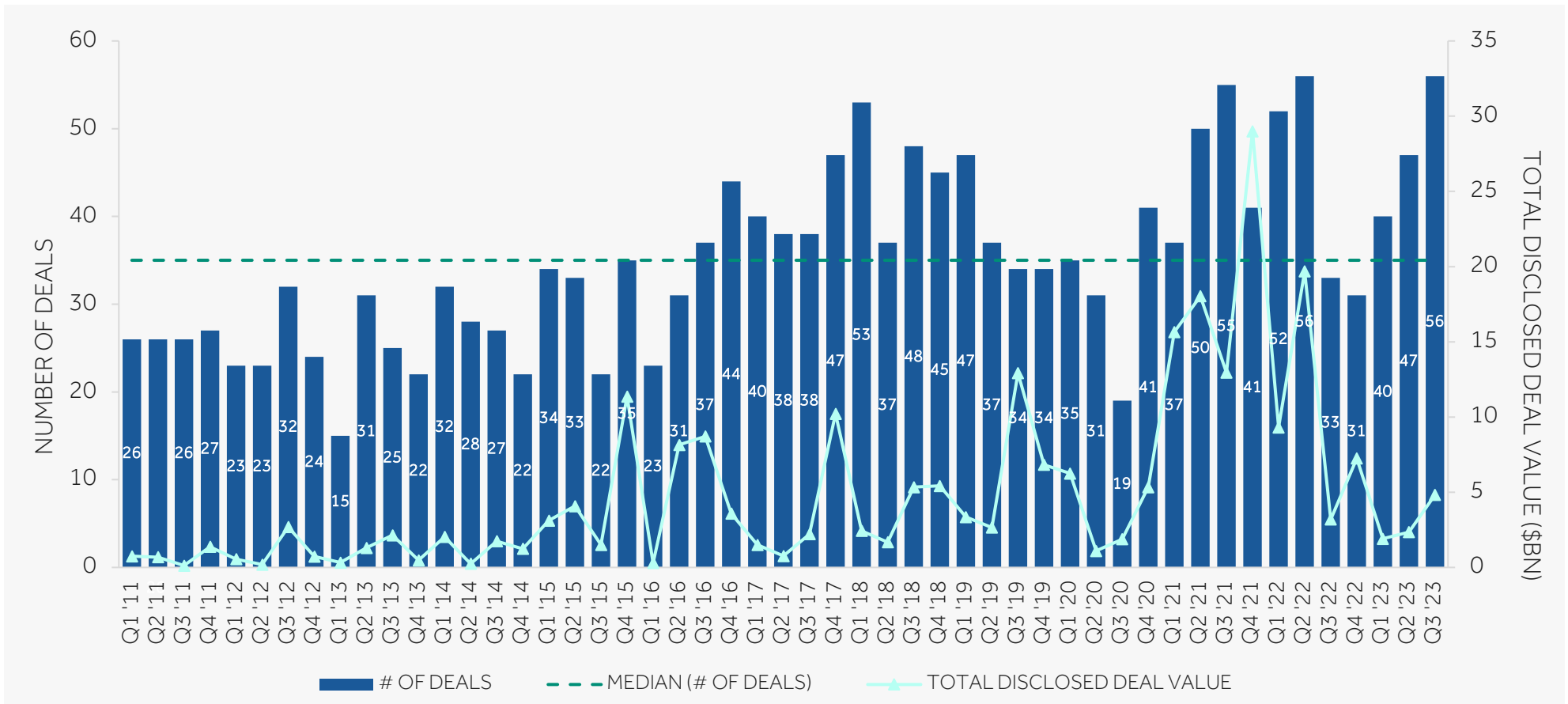
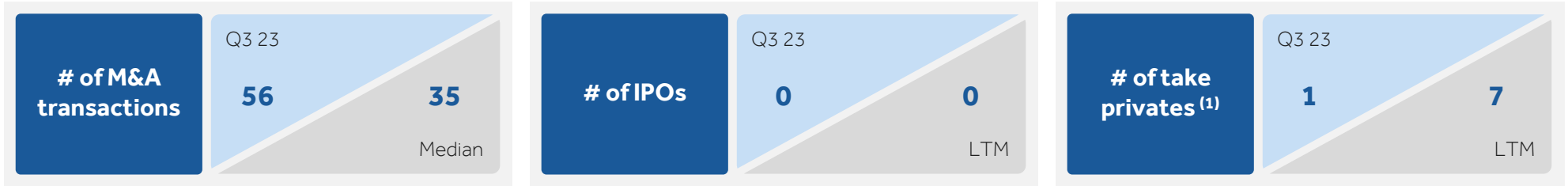
GC2023
Growth Conference



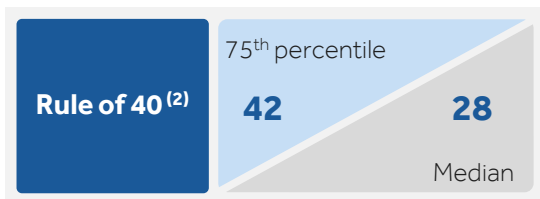
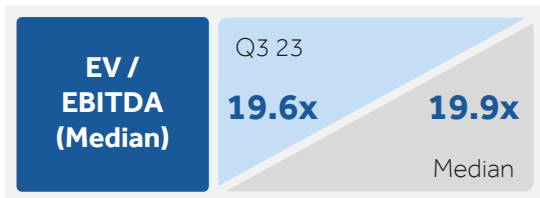
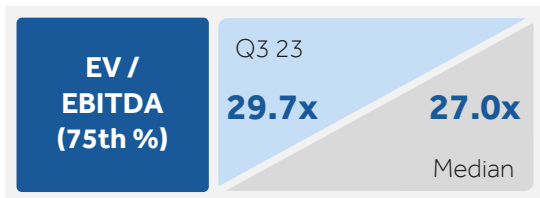
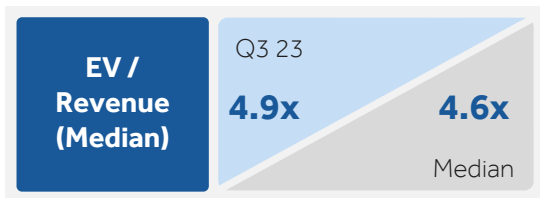
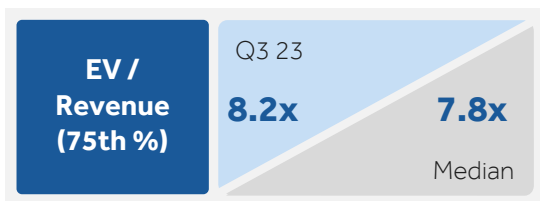
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itsa EXPO
CONGRESS
HOME OF IT SECURITY

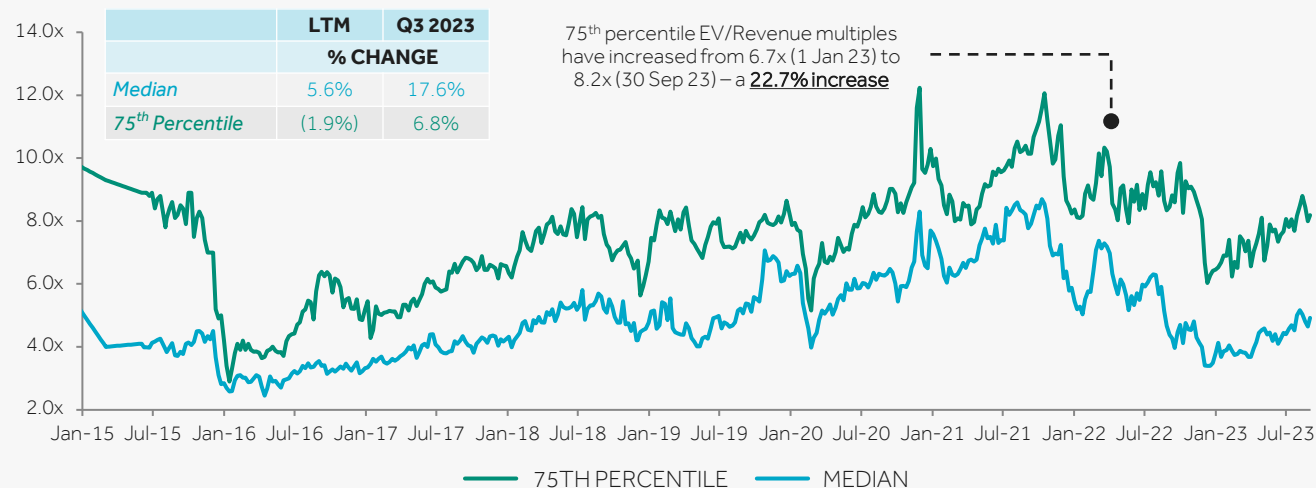
Transaction volumes in cyber security remain strong



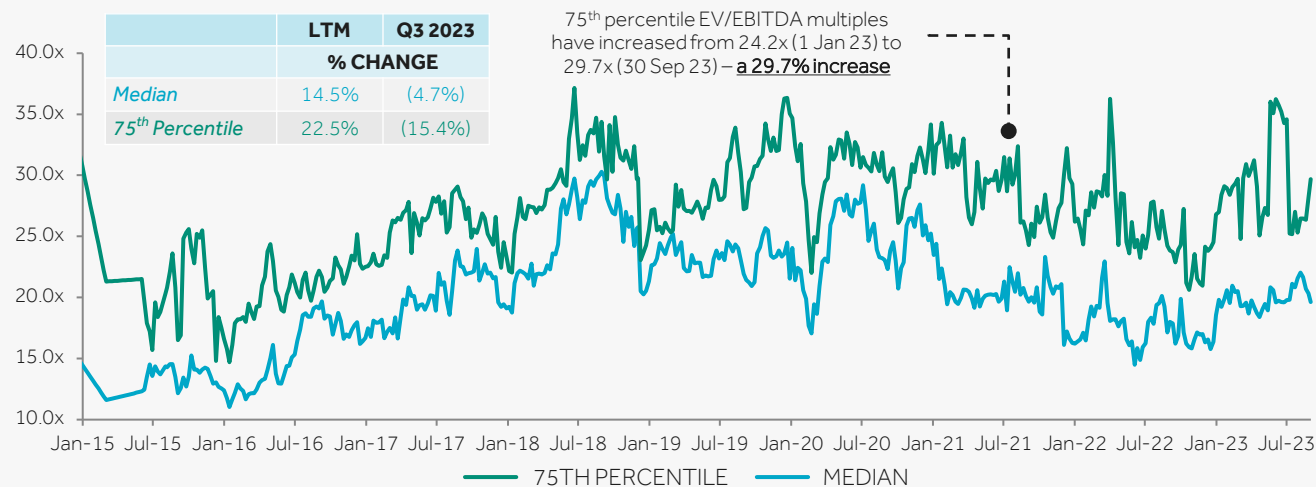
Public market multiples continue to rebound in 2023



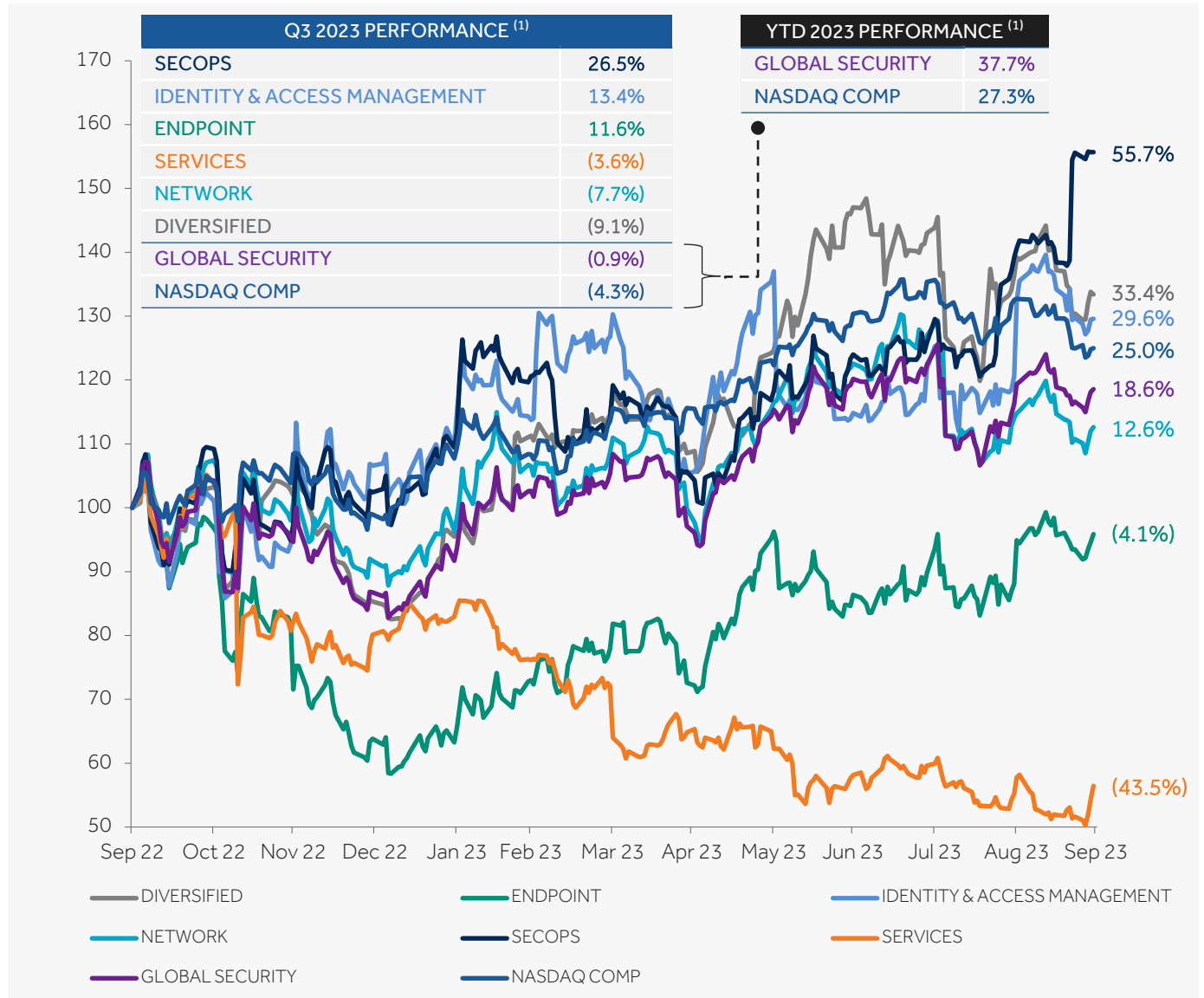
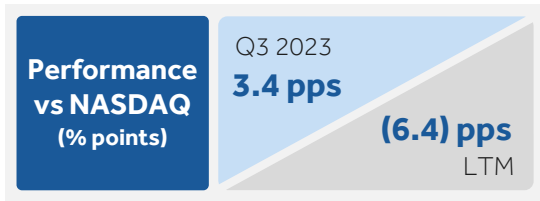
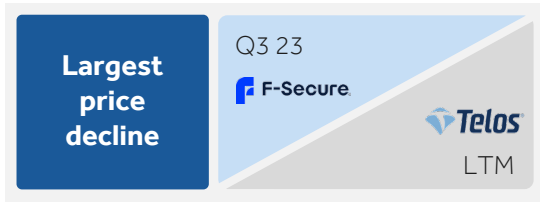
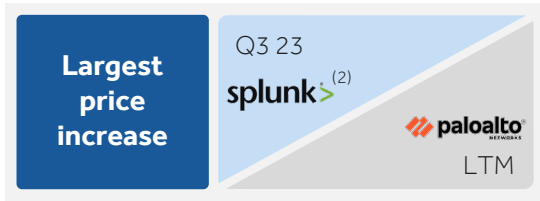
EV / CY REVENUE ⁽¹⁾



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-SEP-23)	% OF 52 WEEK HIGH	MARKET CAP	TOTAL CASH	NET DEBT	ENTERPRISE VALUE	OPERATING METRICS					VALUATION METRICS				
							REVENUE	REV. GROWTH	GROSS MARGIN	EBITDA MARGIN		RULE	REVENUE		EBITDA	
							CY2023	CY23-24	HISTORICAL	CY2023	CY2024	OF 40	CY2023	CY2024	CY2023	CY2024
DIVERSIFIED																
Palo Alto Networks	234.44	90.6%	72,347	2,390	(59)	72,288	7,432	18.8%	72.3%	17.9%	29.4%	37	9.7x	8.2x	n.m.	27.8x
Trend Micro	37.98	71.7%	5,126	1,751	(1,751)	3,375	1,652	7.0%	75.7%	22.8%	22.5%	30	2.0x	1.9x	9.0x	8.5x
ENDPOINT																
BlackBerry	4.75	82.2%	2,775	456	4	2,779	847	(7.0%)	63.9%	1.4%	6.9%	(6)	3.3x	3.5x	n.m.	n.m.
CrowdStrike	167.38	92.0%	40,449	3,167	(2,345)	38,104	2,972	29.0%	73.2%	22.2%	24.4%	51	12.8x	9.9x	n.m.	40.7x
F-Secure	1.85	50.8%	323	13	206	529	137	15.5%	91.6%	30.5%	36.2%	46	3.9x	3.3x	12.6x	9.2x
WithSecure	1.09	59.2%	191	50	(37)	154	153	9.8%	65.1%	(14.3%)	(1.2%)	(5)	1.1x	1.0x	n.m.	n.m.
SentinelOne	16.86	59.0%	5,532	732	(706)	4,826	590	32.5%	65.8%	(27.8%)	(2.7%)	5	8.2x	6.2x	n.m.	n.m.
IDENTITY & ACCESS MANAGEMENT																
CyberArk	163.77	93.6%	6,760	905	(334)	6,425	731	24.2%	78.7%	3.2%	8.9%	27	8.8x	7.1x	n.m.	n.m.
Okta	81.51	89.1%	13,890	2,106	(533)	13,357	2,188	16.8%	70.7%	7.1%	11.8%	24	6.1x	5.2x	n.m.	44.5x
NETWORK																
Check Point Software	133.28	96.2%	15,735	1,585	(1,565)	14,170	2,414	4.4%	87.4%	44.4%	43.9%	49	5.9x	5.6x	13.2x	12.8x
Cloudflare	63.04	82.9%	22,071	1,585	(126)	21,945	1,285	29.9%	76.1%	16.5%	16.2%	46	17.1x	13.1x	n.m.	n.m.
Darktrace	4.92	94.2%	3,140	359	(301)	2,839	559	23.1%	89.8%	11.7%	18.4%	35	5.1x	4.1x	43.4x	22.4x
Exclusive Networks	18.23	81.4%	1,650	293	259	1,909	n.a.	11.6%	18.0%	5.0%	5.1%	17	0.5x	0.4x	9.3x	8.2x
Fortinet	58.68	72.2%	46,536	3,314	(2,249)	44,287	5,405	17.9%	75.4%	28.4%	29.0%	46	8.2x	6.9x	28.9x	24.0x
F5 Networks	161.14	96.0%	9,578	691	(398)	9,179	2,815	1.8%	80.0%	34.9%	27.6%	37	3.3x	3.2x	9.3x	11.6x
Radware	16.92	72.1%	712	343	(283)	429	261	5.3%	81.6%	6.2%	10.8%	12	1.6x	1.6x	26.3x	14.4x
Secunet	212.74	78.5%	1,376	3	25	1,401	400	15.1%	26.0%	17.9%	18.0%	33	3.5x	3.0x	19.6x	16.9x
Zscaler	155.59	83.7%	23,072	2,100	(882)	22,190	1,802	26.5%	77.6%	3.2%	20.8%	30	12.3x	9.7x	n.m.	46.8x
SECOPS																
Qualys	152.55	96.6%	5,718	349	(315)	5,403	554	12.0%	79.0%	44.5%	42.5%	57	9.8x	8.7x	21.9x	20.5x
Rapid7	45.78	82.3%	2,822	294	621	3,443	774	12.9%	68.7%	14.5%	17.9%	27	4.5x	3.9x	30.7x	22.0x
Splunk	146.25	99.4%	24,661	2,449	1,622	26,283	3,923	11.4%	77.7%	22.0%	25.0%	33	6.7x	6.0x	30.5x	24.1x
Tenable	44.80	90.0%	5,377	646	(226)	5,152	789	15.4%	77.3%	13.9%	14.9%	29	6.5x	5.7x	47.0x	38.0x
SERVICES																
NCC Group	1.44	52.0%	452	42	97	549	408	2.5%	39.4%	11.6%	14.0%	15	1.3x	1.3x	11.6x	9.4x
SecureWorks	6.21	61.7%	537	65	(55)	481	379	(5.4%)	58.7%	(12.3%)	1.6%	(11)	1.3x	1.3x	n.m.	n.m.
Smartech247 Group	0.39	84.2%	48	4	(2)	47	10	19.3%	54.0%	24.8%	n.a.	44	4.8x	n.a.	19.3x	n.a.
Telos	2.39	21.3%	166	103	(91)	75	130	5.4%	36.4%	(11.5%)	(8.5%)	(9)	0.6x	0.5x	n.m.	n.m.
25th percentile		71.8%					400	5.8%	64.2%	3.6%	8.9%	9	2.3x	1.9x	12.1x	11.9x
Median		82.6%					774	14.0%	74.3%	14.2%	17.9%	28	4.9x	4.1x	19.6x	21.2x
75th percentile		91.7%					2,186	19.2%	78.4%	22.6%	25.0%	42	8.2x	6.9x	29.7x	26.9x

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