



Houlihan  
Lokey

# Cybersecurity Quarterly Update

Q4 2024

# Global Cybersecurity Team

## U.S. Cyber Team



**Keith Skirbe**  
Managing Director  
San Francisco



**Bobby Wolfe**  
Director  
Miami



**Joseph Miller**  
Vice President  
San Francisco



**Sydney Scadden**  
Vice President  
Charlotte



**Patrick Wong**  
Associate  
San Francisco



**Alex Maffei**  
Financial Analyst  
San Francisco



**Sean Fitzgerald**  
Managing Director  
New York



**Chris Hebble**  
Managing Director  
Los Angeles



**David Kelnar**  
Managing Director  
U.K.



**Greg Wertz**  
Director  
San Francisco

## Global Cyber Reach



**Mark Smith**  
Director  
U.K.



**Malte Abrams**  
Managing Director  
Frankfurt



**Sara Napolitano**  
Managing Director  
Paris



**Raymond Fröjd**  
Managing Director  
Stockholm



**Sameer Jindal**  
Managing Director  
Mumbai



**Gabrielle Worrall**  
Vice President  
U.K.



**Christie Adams**  
Associate  
Paris



**Samuel Pattison**  
Financial Analyst  
U.K.

## Cybersecurity Technology Expertise



**Joshua Holmes**  
Senior Vice President  
Dallas

# Executive Summary: Q4 2024 in Review

## Executive Summary

- Q4 **continued to exhibit signs of an improving M&A market**, principally driven by a higher volume of deals and an increase in the velocity of moderately large transactions (<\$300 million).
- Sustained growth in the volume of capital investments implies a **growing investor appetite**, as confidence develops around the 2025 macroeconomic outlook.
- We **anticipate activity to continue rising in 2025**, driven by an improving economy and lower interest rates with a high accumulation of dry powder.
- This past quarter, **Broadcom** and **WithSecure** saw the greatest stock price movements, with the former surging 38.4%—reaching its all-time high during the quarter—and the latter falling 26.2%.

## A Strong Quarter for Public Companies

Houlihan Lokey Cybersecurity Index<sup>(1)</sup>



## Q4 2024 Report Themes



Machine identities are essential for securing cloud-native environments.



Organizations are pursuing a proactive approach to cybersecurity, leveraging threat intelligence solutions to inform decision-making.



AI-generated security code is introducing supply chain vulnerabilities.



Ransomware continues to be a prevalent security concern, with threat actors leveraging AI to increase the volume of cyberattacks.



Data security platforms represent the new frontier between AI and cybersecurity.



Organizations are determined to remain agile but desire complete, unencumbered cybersecurity coverage.

## M&A Volume Jumps, Underscored by More Deals

	Q4 '24	VS. Q4 '23	VS. Q4 '22
<b>Volume</b>	\$3.5B	↗ 80.9%	↗ 44.3%
<b>Number of Deals</b>	93	↗ 89.8%	↗ 47.6%

**Secureworks®**

\$825M

**DAZZ.**

\$450M

**OffSec**

\$400M

## Financing Volume Driven by Big Equity Checks

	Q4 '24	VS. Q4 '23	VS. Q4 '22
<b>Volume</b>	\$3.9B	↗ 43.0%	↘ 20.1%
<b>Number of Deals</b>	188	↘ 0.5%	↘ 3.1%

**COHESITY**

\$950M

**CYERA**

\$300M

**SANDBOXAQ™**

\$300M



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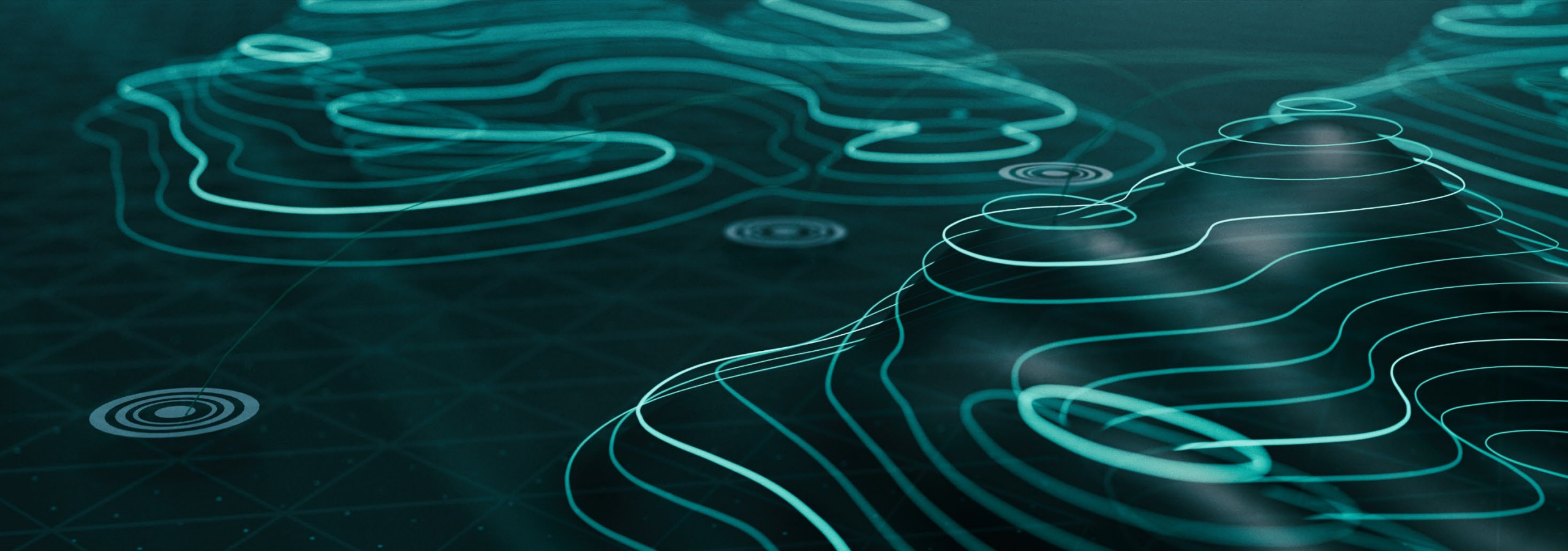
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# Perspectives From the Front

01

# Houlihan Lokey 2024 Cybersecurity Transaction Summary

Transaction Pending

**Bridewell**  
a portfolio company of **gcp**  
forms a strategic partnership with **I-TRACING**  
supported by majority investment from **Oakley Capital** and **Sagard EURAZEO**

Sellside Advisor

**PROCILON GROUP**  
a portfolio company of **HARALD QUANDT**  
has been acquired by **MAIN CAPITAL PARTNERS**

Sellside Advisor

**HID**  
Citizen Identity Solutions Business  
has been acquired by **TOPPAN**

Sellside Advisor

**CYBOLT**  
Security Innovation  
has integrated **Cyber Guards**  
Security Made Simple

Buyside Advisor

**NEVERHACK**  
a portfolio company of **CARLYLE**  
has acquired **INNOVORY**  
a portfolio company of **WISE EQUITY**

Buyside Advisor

**ALCHEMY TECH GROUP**  
has received a strategic investment from **AVANCE**

Sellside Advisor

**nuspire**  
a portfolio company of **abry partners**  
has been acquired by **PDI TECHNOLOGIES**  
a portfolio company of **INSIGHT PARTNERS**, **TA ASSOCIATES**, and **GENSTAR**

Sellside Advisor

**CLANGO**  
has merged with **MajorKey**  
a portfolio company of **accacia**

Exclusive Placement Agent

**CYBOLT**  
Security Innovation  
has integrated **PRI**  
pontis research

Buyside Advisor

## Notable Highlights



Houlihan Lokey's Cybersecurity team was responsible for the successful close of eight mandates throughout the year, reaffirming the team's sector expertise and connectivity among strategic and financial parties.



Demonstrate presence and global coverage of Houlihan Lokey's Cybersecurity team with transactions across North America, Europe, Latin America, and the DACH region.



Experience across transaction structures and roles; Houlihan Lokey finds a way to add value for clients throughout the business lifecycle.



Strong momentum going into 2025 positions the Cybersecurity practice for another banner year.

# Cybersecurity Predictions for 2025

## Shortage of AI-Proficient Professionals



- 34% of surveyed security teams referenced a lack of AI-skilled cybersecurity talent, especially relating to the handling of new attack avenues and vulnerabilities.
- Comprehensive training, particularly around the deployment of AI, is quickly becoming an essential component of cybersecurity preparedness.

## The Rise of Cybercrime-as-a-Service (CaaS)



- CaaS comprises a variety of cybercrimes that include ransomware-as-a-service, phishing-as-a-service, DDoS-as-a-service, and exploit-as-a-service.
- These services are relatively inexpensive and can be carried out by nontechnical users, demonstrating a need for thorough monitoring tools such as MDR solutions.

## GRC Solutions Are an Organizational Necessity



- GRC solutions will be increasingly utilized to enhance internal controls, manage business risk, ensure compliance, and drive strategic alignment.
- AI/ML deployments within GRC will further the value proposition, enabling organizations to proactively manage cybersecurity posture and consolidate data sources.

## Biometric Data Will Be Targeted by Threat Actors



- Biometrics has the potential to transform security protocol; however, its application opens new attack avenues and system vulnerabilities.
- The U.S. Department of Defense has identified biometrics as a "security blind spot," with organizations not applying a heightened level of security to this particularly sensitive data.

## Behavioral Analytics Is a Growing Frontier



- 30% of survey respondents considered insider threats to be a major risk factor to their organizations' cybersecurity posture, revealing a need for behavioral analytics that can identify unusual user patterns and mitigate malicious activity.
- The time to contain an insider threat is 85 days, with costs per incident of \$15.38 million.

## IT-OT/ICS Convergence



- The convergence of IT-operational technology and industrial control systems will optimize data exchanges between machines and infrastructure assets.
- However, this convergence meaningfully increases the magnitude of repercussions for breaches, as threat actors can disrupt and destroy critical infrastructures.

# Venafi: The Impact of Machine Identities on the State of Cloud-Native Security in 2024



The complexity of cloud-native environments has prompted organizations to reevaluate their security practices in these dynamic infrastructures.

## Key Findings



Cloud-native security incidents are **impacting businesses** by slowing production, harming customer experiences, disrupting developer workflows, and allowing unauthorized access to sensitive data.



Developer and security teams are primarily responsible for **establishing policies, guidelines, and processes** for machine identities, service accounts, and APIs.



Teams cite an **over-reliance on manual processes and human oversight** as contributors to the inconsistency of machine identity results and the corresponding security vulnerabilities.

## Understanding the Importance of Identity Security

99%

Of teams **rely on the use of service accounts.**

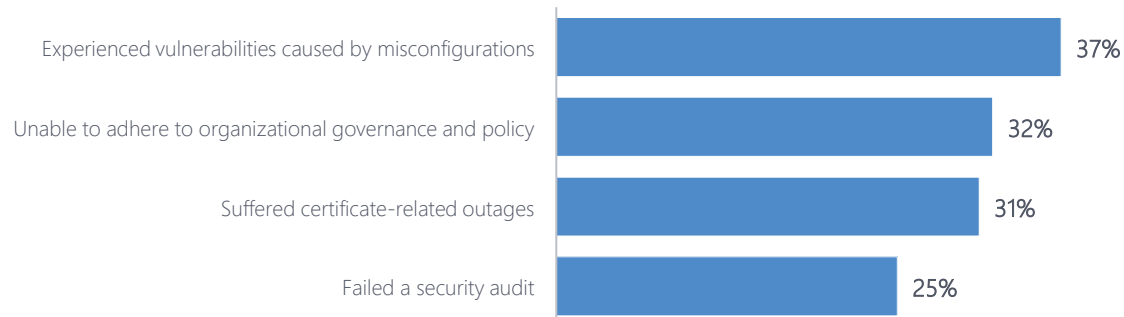
89%

Of firms have encountered **challenges in managing secrets** at scale in cloud-native environments.

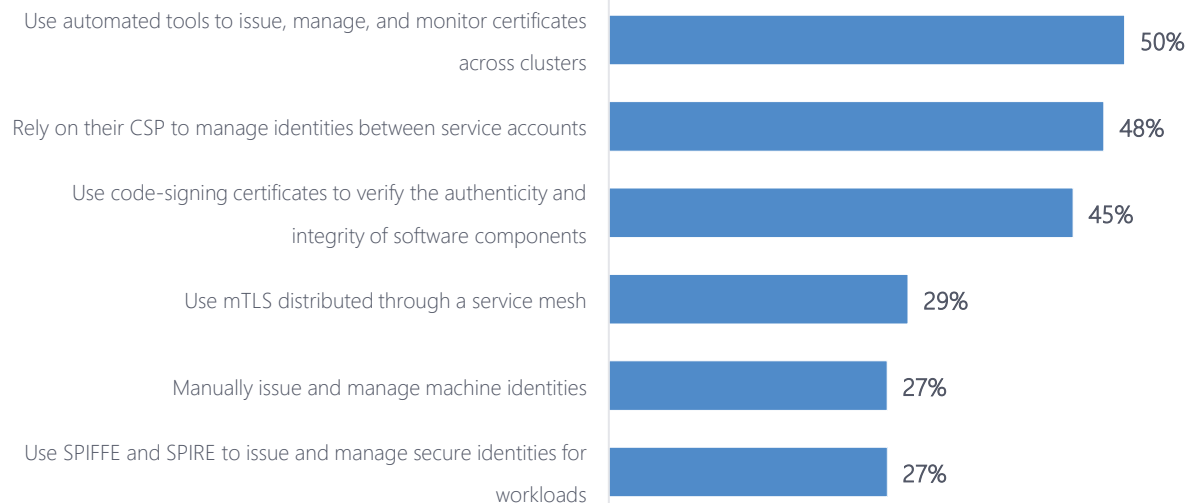
83%

Of security teams maintain that **if operations at the workload identity level are not properly secured, then all other security measures are obsolete.**

## The Downsides of Modernizing Applications With Cloud-Native Technologies



## Top Strategies for Managing and Securing Cloud-Native Machine Identities



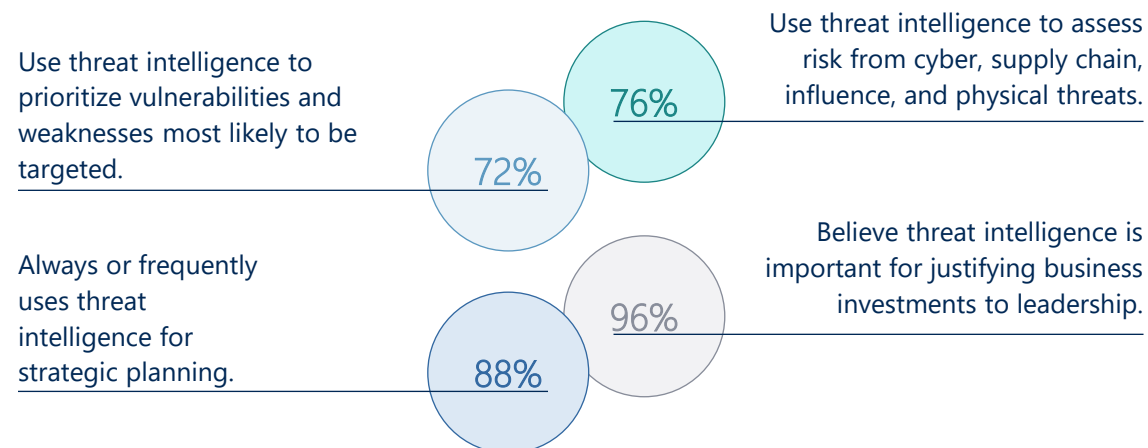
# Recorded Future: 2024 State of Threat Intelligence

Recorded Future® Organizations are targeting a proactive approach to threat intelligence without compromising agility or burdening operations.

## Key Insights

- Organizations Are Embracing Proactive Threat Intelligence**  
 Security teams have shifted their focus to maintaining an offensive position in relation to threat actors—identifying prospective vulnerabilities and weaknesses.
- Teams Measure Success Based on Detection, Response, and Remediation Outcomes**  
 The threat intelligence value proposition is supported by tangible outcomes, with 57% of respondents citing reductions in the volume of incidents and 66% of respondents citing enhanced threat detection rates.
- Internal Research and Threat Intelligence Vendors Come Out on Top**  
 Cybersecurity teams have prioritized the development and sourcing of internal threat intelligence research.
- Support, Efficiency, and Actionable Insights Are Top Vendor Traits**  
 There is a preference for customized insights and specialized support, with 58% of respondents indicating that access to bespoke research and support is strategically significant.
- Threat Intelligence Programs Continue to Mature**  
 80% of organizations have a dedicated threat intelligence team, and 85% believe their efforts are intermediate or advanced.
- Security Teams Are Spending More Strategically on Threat Intelligence**  
 90% of respondents revealed that their organizations intend to increase threat intelligence budgets in 2025, and 88% indicated that their organizations will consolidate duplicative threat intelligence offerings in the same period.

## Top Four Reasons Organizations Utilize Threat Intelligence Offerings



## Key Conclusions

- Organizational decision-makers have identified threat intelligence as a core pillar of cybersecurity posture, planning to expand investment allocations.
- Organizations are gravitating toward vendor consolidation, strategically searching for an end-to-end threat intelligence platform that can yield more value and insights per dollar spent.

“We’ve got to shift the whole focus to stopping the event before it happens, and that is the shift that most security teams really have to undergo.”

Jason Steer  
Chief Information Security Officer, Recorded Future



# Synk: 2024 Open-Source Security Report



Open-source supply chain security is currently in a nascent stage, and the utilization of AI-generated code has led to increasing security vulnerabilities.

## Key Findings



“**AppSec exhaustion**” has been observed with diminished organizational engagement in security practices and struggles to achieve vulnerability management goals.



Practitioners have placed **excessive confidence in AI’s ability** to generate secure codes, despite evidence of AI-caused security vulnerabilities.



The open-source security community has made substantial **advancements in time-to-fix for critical vulnerabilities** in open-source projects, continually exceeding proprietary software in response times (according to vulnerability database data).

## Contextualizing Concerns Surrounding the Use of AI-Coding Tools

78%

Of practitioners have **confidence in AI’s security capabilities** and believe the technology has improved code security.

57%

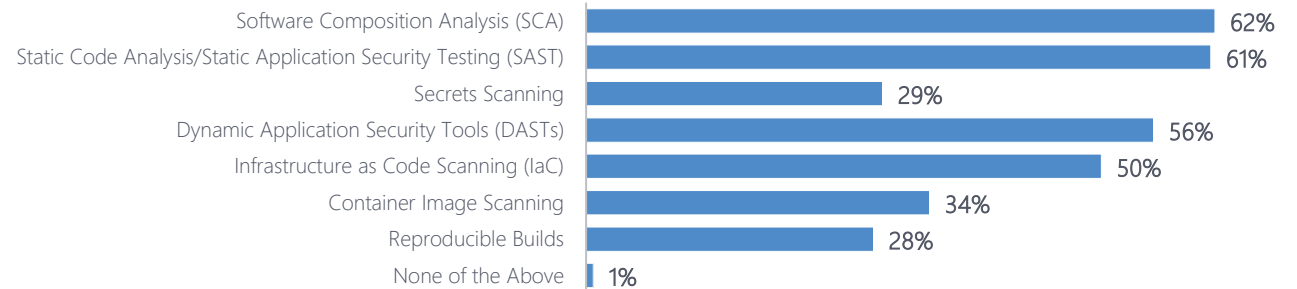
Of practitioners are **worried that AI coding tools will introduce** open-source licensing and **copyright issues**.

56%

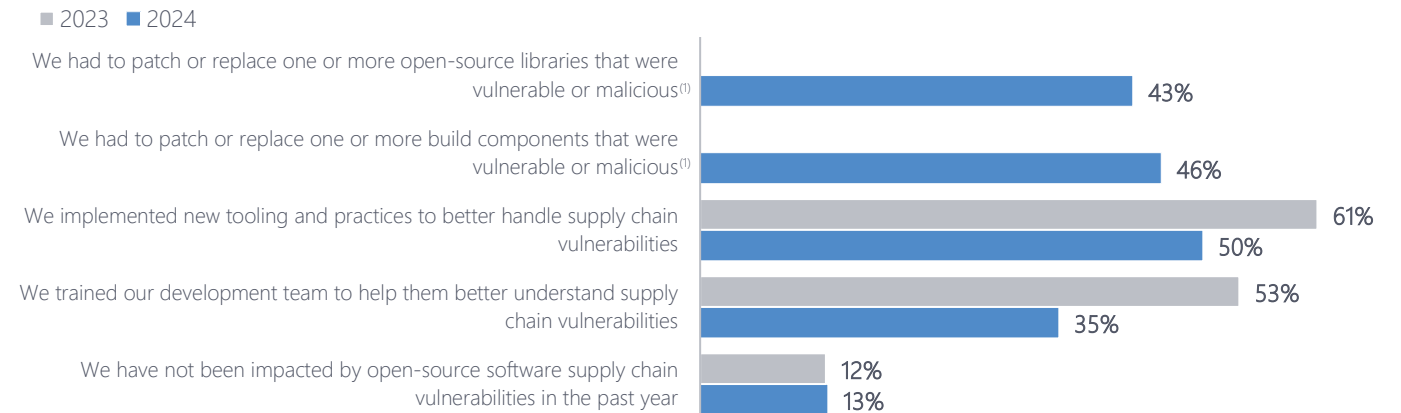
Of practitioners are **concerned that AI coding tools will introduce security vulnerabilities** in their applications.

## Prevalence of Particular Security Strategies and the Impact of Vulnerabilities

### What Security Practices Do You Use?



### How Have You or Your Organization Been Impacted by an Open-Source or Supply Chain Security Vulnerability in the Past Year?



Source: Snyk, “2024 The State of Open Source.”

Note: The survey group consisted of 453 technologists across security and application development industries.

(1) Represents a new question addition for the 2024 open-source report.

# Opentext: 2024 Global Ransomware Survey

**ot opentext™** Ransomware attacks remain prevalent among enterprises with steep repercussions.

## What Is Happening to SMBs and Enterprises



### Prevalence of Ransomware Attacks

- **Nearly half (48%)** of small and medium-sized businesses (SMBs) and enterprises have experienced a ransomware attack.
- Of those, approximately **73% faced such attacks within the past year.**



### Supply Chain Vulnerabilities

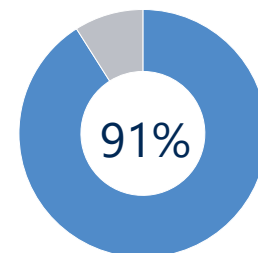
- Overwhelming concern about the effects of a supply chain attack for both SMBs and enterprises shows a need for improved security practices.
- A significant **62% of organizations** impacted by ransomware **identified the attack's origin as a software supply chain partner.**



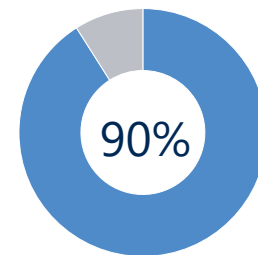
### Impacts of AI

- 45% of respondents have observed an increase in phishing attacks attributed to the **growing use of AI by threat actors.**
- Among those who experienced a ransomware attack, **69% noted a rise in phishing attempts linked to AI advancements.**

## Their Responses

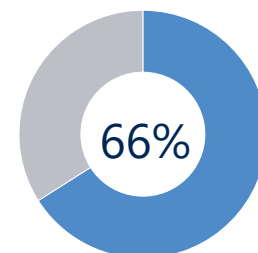


**Mandate regular security awareness or phishing training** for their employees, with 66% conducting such training at least quarterly.



The majority are planning to **increase collaboration with software suppliers** to improve security practices in the next year.

Almost three-quarters have a formal process for assessing the cybersecurity practices of their software suppliers.



A majority (66%) of companies are **prioritizing investments in cloud security solutions.**

# Software Analyst Cyber Research: Data Security Platforms—The New Frontier in Cybersecurity and AI



If the history of cybersecurity is any indication of the future, then it likely leads to data security. The market lacks a clear incumbent, a \$1+ billion data security platform, and the opportunity is ripe for new entrants.

## Key Findings



**Data security constitutes the greatest cybersecurity challenge moving forward**, as data has been dispersed across dynamic destinations with varying levels of access and controls.



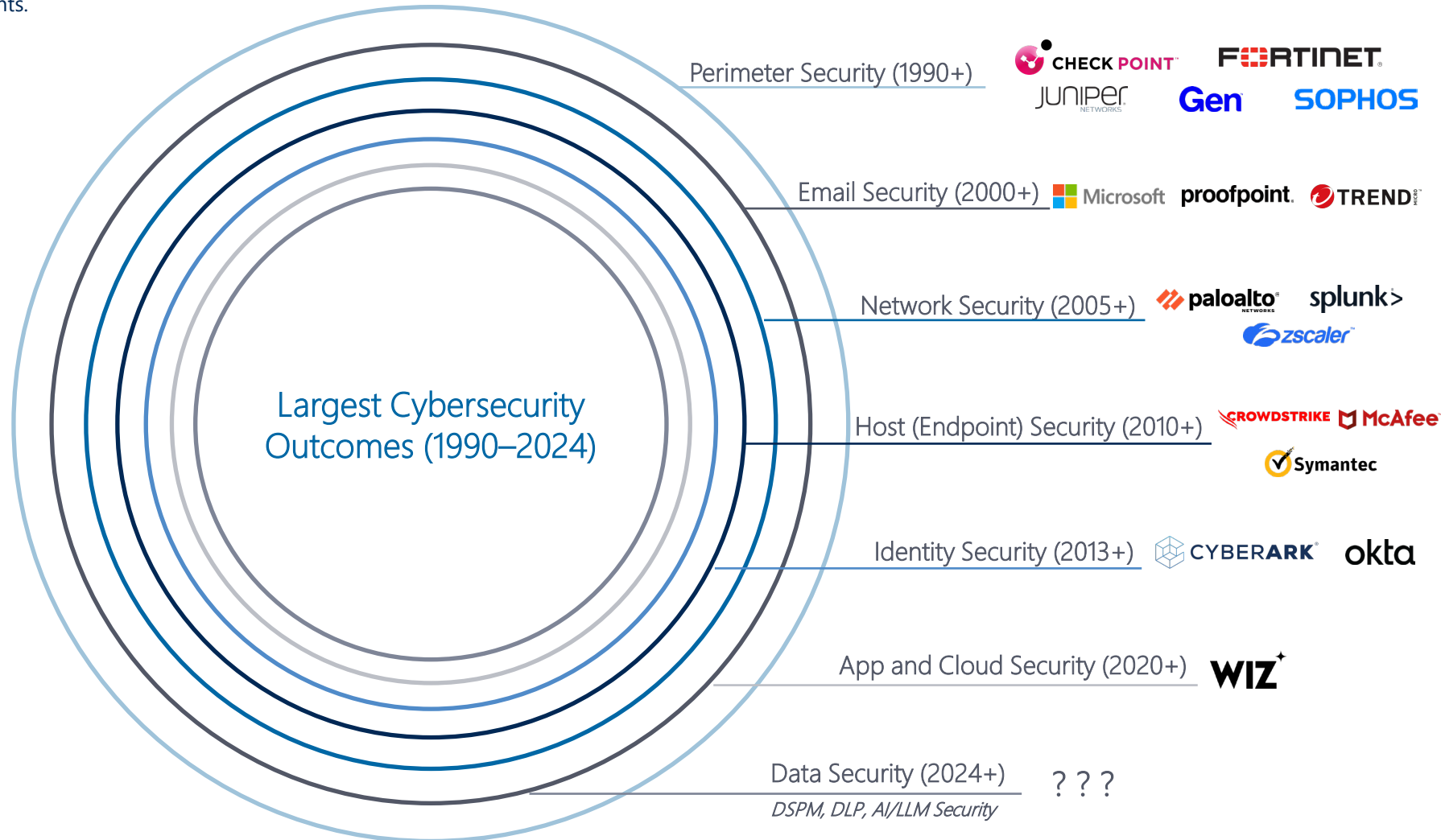
83% of enterprises currently employ endpoint DLP solutions; however, only **13% have fully deployed cloud data security capabilities**.



**75% of enterprises intend to utilize a DSPM solution** over the following 12 months.



More than 48% of information security professionals do not have sufficient visibility into data within SaaS environments, and **83% believe that a lack of data visibility undermines security posture**.





## Breach Overview

<b>Company Description</b>	FinTech platform for payments, lending, and banking solutions.
<b>Date of Discovery</b>	October 31, 2024.
<b>What Happened</b>	An internally hosted secure file transfer platform (SFTP) was compromised by a hacker.
<b>Outcome of Breach</b>	400GB of company and private client data was supposedly auctioned on a cybercriminal forum.

## Key Stats

**\$20,000**

Asking price for the compromised data.

**400GB**

Of compromised customer data.

## Attack Methodology and Rationale



An anonymous user known as “abyss0” gained unauthorized access to Finastra’s internally hosted secure file-sharing platform via compromised credentials.



The threat actor’s actions appear to be financially motivated, as the compromised data was quickly auctioned off to other cybercriminals.

## Expert Opinion and Commentary



“Right of Boom”—the actions and responses taken after the incident happens, the first priority is recovering positive control of the environment, and preventing re-compromise or further loss of control. The scope of impact often expands during that analysis.



Trey Ford

Chief Information Security Officer, Bugcrowd

## The Outcome



Although the hacker was able to extract customer data, Finastra contends that the threat actor did not disturb customer data in the environment nor was any malware deployed.



The stolen data was subsequently auctioned on a cybercriminal forum for an initial price of \$20,000, and the amount was eventually decreased to \$10,000.

## Key Takeaway

### Stringent Password Protection and Protocol



This breach highlights the importance of proper incident response, identifying what data was specifically compromised and how it will impact certain customers.



Considering the frequency and severity of data leaks and breaches, it is vital for organizations to implement defensive password policies and to consider introducing more secure password protocols such as MFA or biometrics to protect sensitive data.



## Breach Overview

**Company Description** National doughnut and coffeehouse chain.

**Date of Breach** December 11, 2024.

**What Happened** Threat actors gained unauthorized access to the company's IT systems, disrupting online orders.

**Outcome of Breach** Mild business interruptions due to the compromise of the online ordering system.

## Key Stats

1,000

Krispy Kreme **locations** globally.

21,000+

Krispy Kreme **employees** globally.

## Attack Methodology and Rationale



Play Ransomware gang has claimed responsibility for the Krispy Kreme data breach, asserting that they have stolen confidential information such as client documents, contracts, IDs, and financial information from the company's network.



Play Ransomware has a history of malicious activity, with the group's attacks originating in June 2022; in this instance, the threat actors are threatening to publish sensitive data.

## Expert Opinion and Commentary



Beyond initial concerns about business continuity, the entire Krispy Kreme supply chain is potentially vulnerable to follow-on cyberattacks.



Ryan Sherstobitoff  
Senior Vice President, SecurityScorecard

## The Outcome



Krispy Kreme notified federal law enforcement agencies and has contracted an external cybersecurity team to investigate the cyberattack and ensure its systems are properly monitored.



Although the company's operations were interrupted, the anticipated losses are expected to be offset by the company's cyber insurance.

## Key Takeaway

Incident Response and Preparedness are Critical



Cyberattacks and data breaches diminish customer trust; therefore, an organization must pursue a comprehensive incident response plan to regain this trust.



A key component of cybersecurity preparedness is cyber insurance; as illustrated by Krispy Kreme's breach, it can help minimize financial impacts.

# Rhode Island Data Breach

## Breach Overview

**Platform Description** RIBridges system, Rhode Island's online portal for government assistance.

**Date of Breach** December 13, 2024.

**What Happened** A group of hackers were able to infiltrate the RIBridges system, inserting malicious code and stealing personally identifiable information.

**Outcome of Breach** A portion of the obtained confidential information has been leaked on the dark web; however, there are no known instances of fraud or identity theft associated with the cyberattack.

## Key Stats

657,000

**Individuals** with personal information **potentially being compromised.**

709,000

**Individuals received a letter detailing the breach** and the possible consequences.

## Attack Methodology and Rationale



Brain Cipher, a threat group, has claimed responsibility for the cyberattack and has begun releasing the stolen information on a leak site.



The prompt release of stolen information on a dark web forum indicates the attack was done to encourage fraudulent behavior and activity.

## Expert Opinion and Commentary



This breach is a wake-up call...We need to ensure that our systems are resilient against increasingly sophisticated cyber threats. The stakes are too high to do otherwise.



Brian Tardiff  
Chief Digital Officer, Rhode Island

Sources: *Cybersecurity Dive*, "Hack of Rhode Island Social Services Platform Impacted at Least 709K, Officials Say"; *Reuters*, "Rhode Island Hit by Data Breach as Hackers Demand Ransom"; *State of Rhode Island*, "Governor McKee Issues Update on Cybersecurity Breach of RIBridges System"; *WJAR*, "McKee Administration Says Letters Being Sent to People Impacted by Data Breach"; *Security Intelligence*, "Ransomware Attack on Rhode Island Health System Exposes Data of Hundreds of Thousands."

## The Outcome



A third-party forensics report was conducted, providing confidence that Rhode Island officials know how the breach occurred and that the appropriate steps have been taken to remediate any further security threats.



The sensitive nature of the compromised information has presented an opportunity for cybercriminals to commit identity fraud, and in response, Rhode Island has offered free credit monitoring and identity theft protection solutions to those impacted.

## Key Takeaway

Reinforce Cyber Posture and Maintain Vigilance



This breach spotlights how highly sensitive and identifiable information can be compromised and maliciously used by threat actors. Therefore, it is necessary to routinely vet any internal or external cybersecurity positions to properly secure and store such information.



This cyberattack serves as a reminder for individuals to proactively monitor the presence of their sensitive data to ensure there is no fraudulent activity.



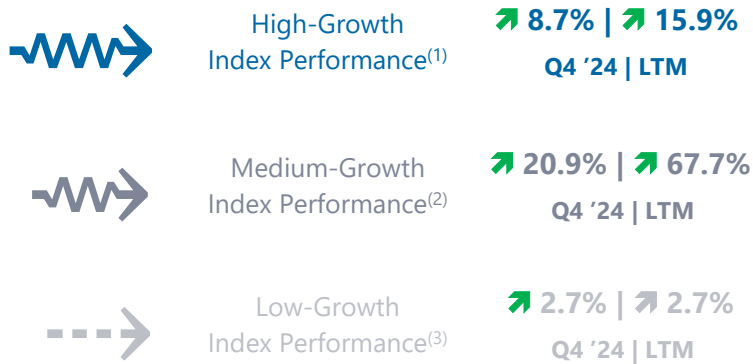
Capital Markets and  
Trends Update

02

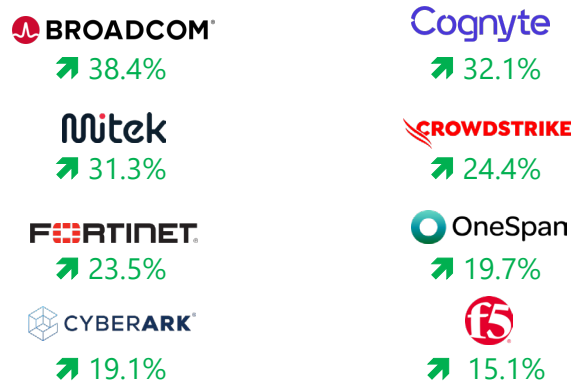
# Cybersecurity Dashboard

## Public Market Environment

The cybersecurity sector experiences robust growth, with medium-growth candidates leading the pack.

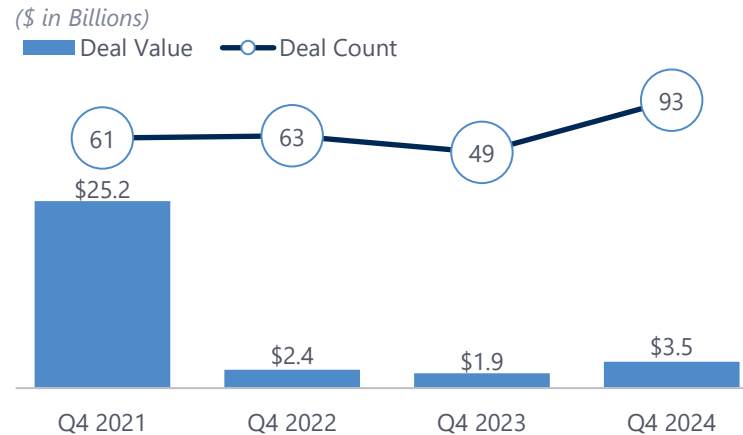


## Selected Cybersecurity Performance Q4 2024



## M&A Environment

A significant increase in the volume of transactions underscores the thawing dealmaking environment.

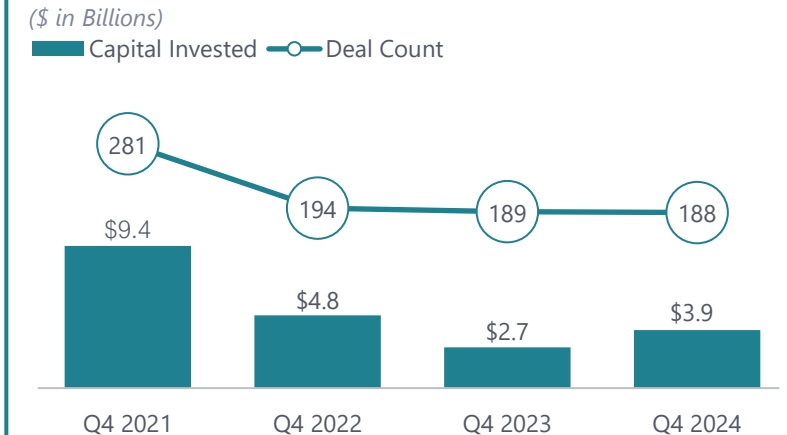


## Selected Q4 Transactions

Ann. Date	Acquirer	Target	EV	EV/Rev
Nov. 21	<b>WIZ</b>	<b>DAZZ</b>	\$450	NA
Nov. 20	<b>N-ABLE</b>	<b>Adlumin</b>	\$252	NA
Nov. 6	<b>CROWDSTRIKE</b>	<b>ADAPTIVE SHIELD</b>	\$300	NA
Oct. 21	<b>SOPHOS</b>	<b>Secureworks</b>	\$825	2.4x
Oct. 15	<b>LEEDS   Equity Partners</b>	<b>OffSec</b>	\$400	6.7x

## Private Funding Environment

Private funding environment improves, as investors gain confidence and look to cut bigger equity checks.



## Selected Q4 Financings

Ann. Date	Investor	Target	Amount	Val.
Dec. 18	<b>IGTALENT PARTNERS</b> , <b>Risiti Traverse</b>	<b>SANDBOXAQ</b>	\$300	\$5,300
Dec. 10	<b>HAVELI</b>	<b>COHESITY</b>	\$950	\$4,800
Nov. 25	<b>evo/ution EQUITY PARTNERS</b>	<b>halcyon</b>	\$115	\$1,000
Nov. 20	<b>Accel SAPPHERE VENTURES</b>	<b>CYERA</b>	\$300	\$3,000
Oct. 28	<b>ALKEON CAPITAL MANAGEMENT</b> , <b>GENERAL CATALYST</b>	<b>ARMIS</b>	\$200	\$4,200

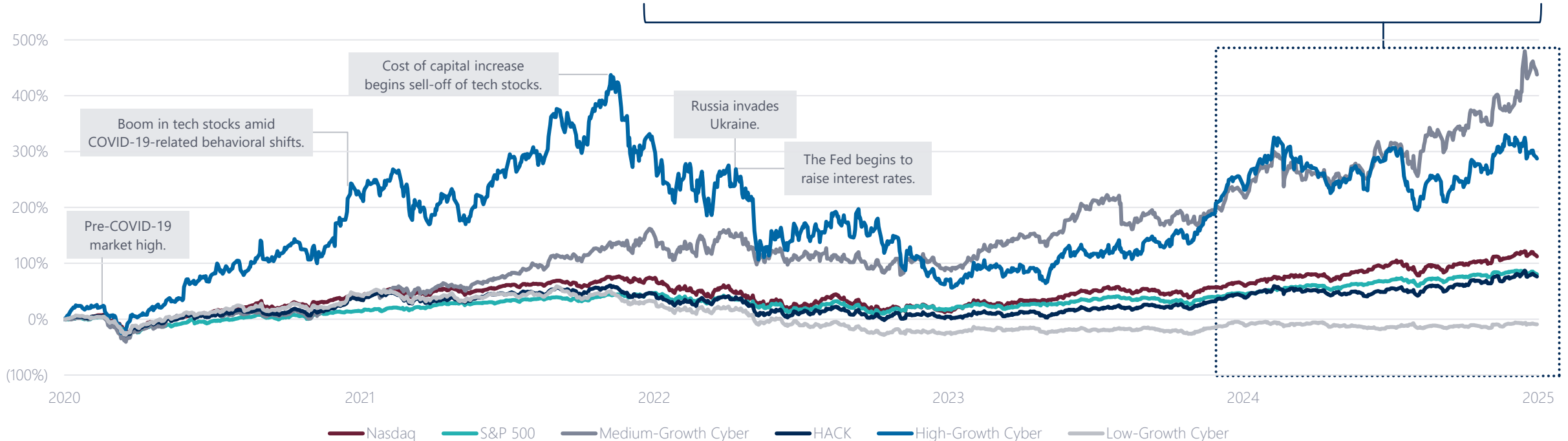
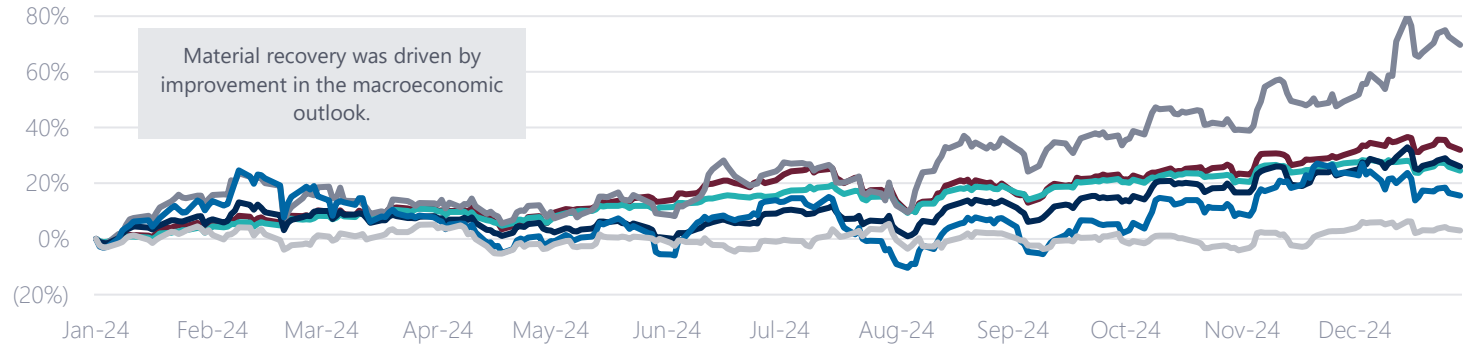
Source: S&P Capital IQ as of December 31, 2024.

Notes: NA indicates not available.

(1) High-growth cybersecurity includes S, CRWD, ZS, and CYBR. (2) Medium-growth cybersecurity includes AVGO, PANW, and FTNT. (3) Low-growth cybersecurity includes RPD, QLYS, CGNT, 4704, WITH, CHKP, FFIV, OSPN, SWI, FSECURE, GEN, TLS, OTEX, TENB, MITK, OKTA, and RSKD.

# Segments of Cybersecurity and Broader Indexes

Index	Q4 '24	LTM
High-Growth Cyber <sup>(1)</sup>	↗ 8.7%	↗ 15.9%
Medium-Growth Cyber <sup>(2)</sup>	↗ 20.9%	↗ 67.7%
Low-Growth Cyber <sup>(3)</sup>	↗ 2.7%	↗ 2.7%
HACK <sup>(4)</sup>	↗ 9.1%	↗ 25.4%
S&P 500	↗ 2.1%	↗ 24.0%
Nasdaq	↗ 6.2%	↗ 30.8%



Source: S&P Capital IQ as of December 31, 2024.

(1) High-growth cybersecurity includes S, CRWD, ZS, and CYBR.

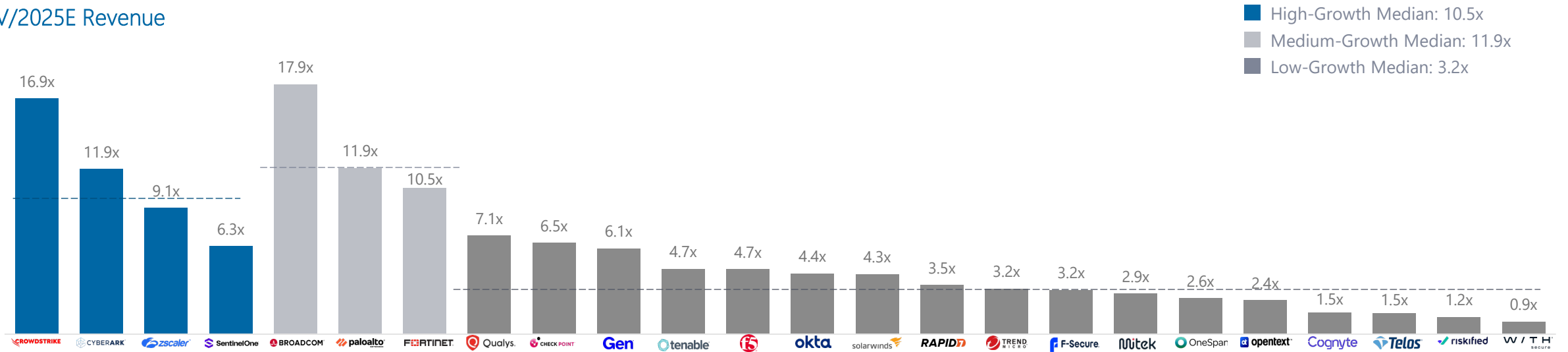
(2) Medium-growth cybersecurity includes AVGO, PANW, and FTNT.

(3) Low-growth cybersecurity includes RPD, QLYS, CGNT, 4704, WITH, CHKP, FFIV, OSPN, SWI, FSECURE, GEN, TLS, OTEX, TENB, MITK, OKTA, and RSKD.

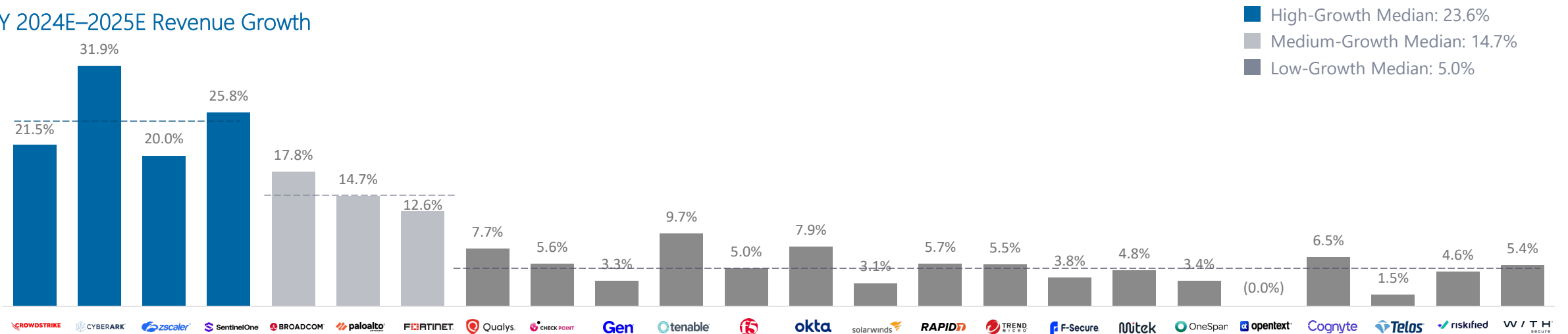
(4) Amplify Cybersecurity ETF (ARCA:HACK).

# Public Company Benchmarking Cybersecurity Software

## EV/2025E Revenue



## CY 2024E–2025E Revenue Growth

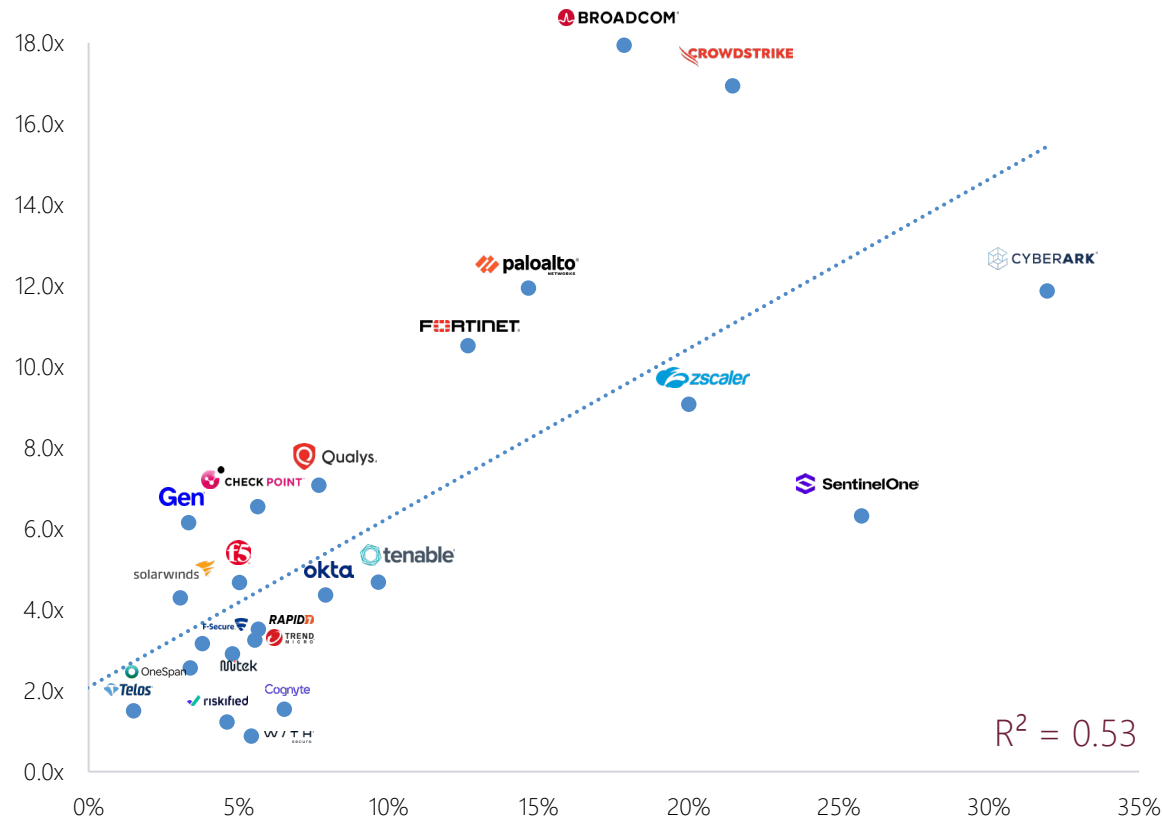


# Public Investors Have Shifted Their Preferences Toward Profitability

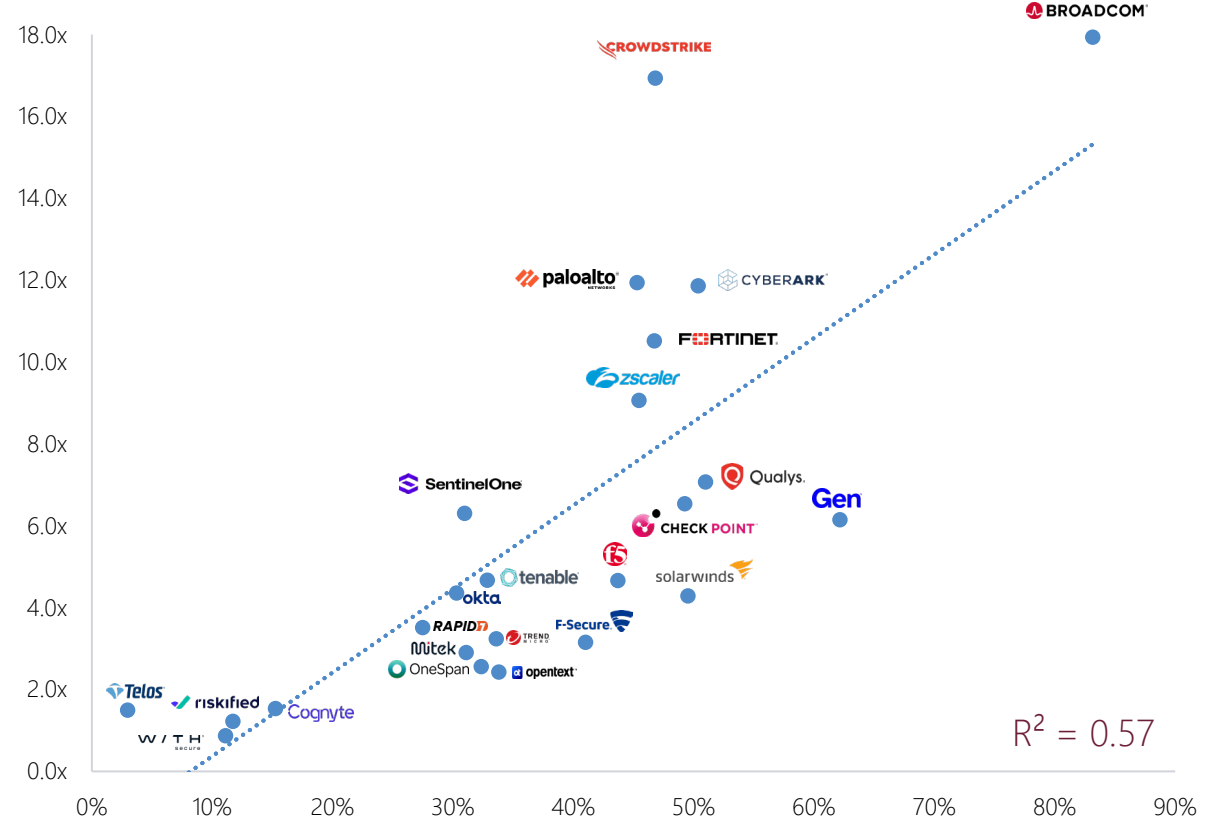
Low-Revenue Growth Rate	Medium-Revenue Growth Rate	High-Revenue Growth Rate
Mean: 5%   3.6x Median: 5%   3.2x	Mean: 15%   13.5x Median: 15%   11.9x	Mean: 25%   11.0x Median: 24%   10.5x

Below Rule of 40	Above Rule of 40
Mean: 7%   2.9x Median: 5%   2.7x	Mean: 12%   9.2x Median: 10%   8.1x

EV/2025E Revenue to 2025E/2024E Revenue Growth



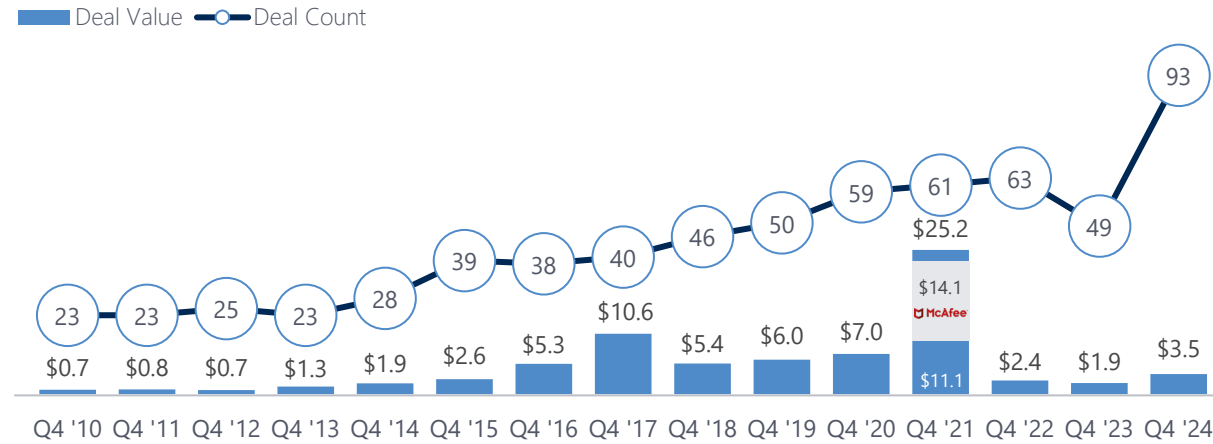
EV/2025E Revenue to Rule of 40



# Cybersecurity M&A Activity

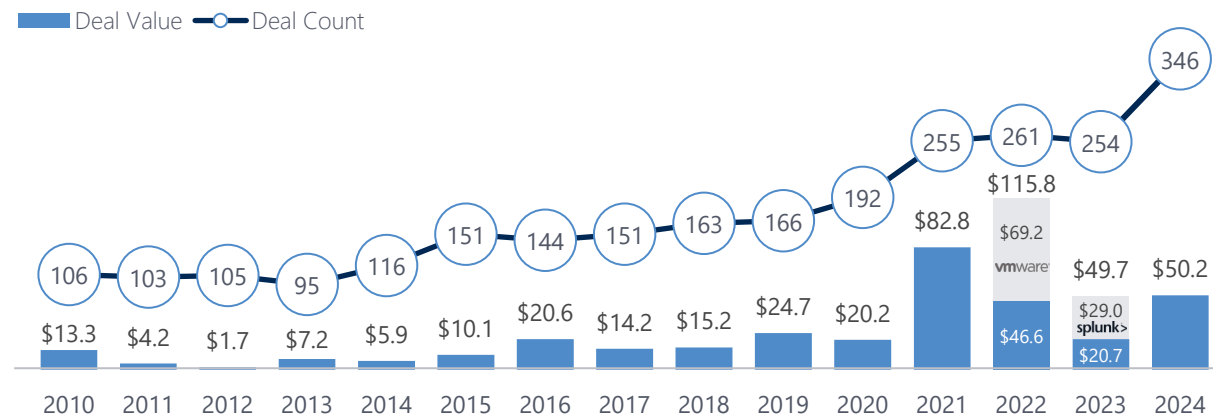
## Historical Q4 M&A Summary

(\$ in Billions)



## Annual M&A Summary

(\$ in Billions)



## Featured M&A Transactions

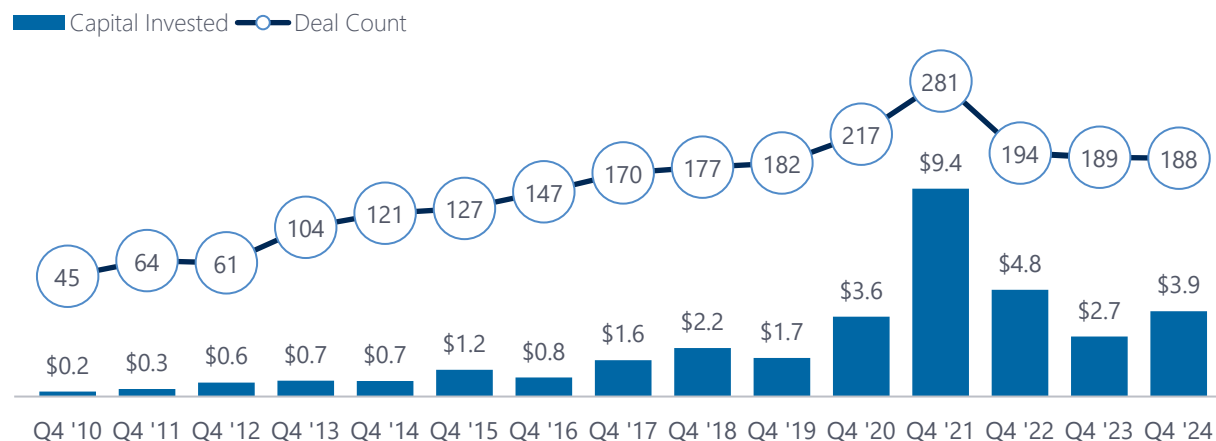
(\$ in Millions)

Ann. Date	Acquirer	Target	EV	EV/Rev
Dec. 16	ae Industrial Partners	PARAGON	\$139	NA
Nov. 21	WIZ	DAZZ	\$450	NA
Nov. 20	N-ABLE	Adlumin	\$252	NA
Nov. 14	BITSIGHT	sixgill	\$115	7.7x
Nov. 6	CROWDSTRIKE	ADAPTIVE SHIELD	\$300	NA
Oct. 30	ncino	artesian	\$135	NA
Oct. 24	Socure	effectiv	\$136	NA
Oct. 21	SOPHOS	Secureworks	\$825	2.4x
Oct. 17	CYERA	trail	\$162	NA
Oct. 15	LEEDS Equity Partners	OffSec	\$400	6.7x
Oct. 4	experian	ClearSale	\$350	NA
Oct. 2	MITRATECH	Prevalent	\$125	5.0x

# Cybersecurity Financing Activity

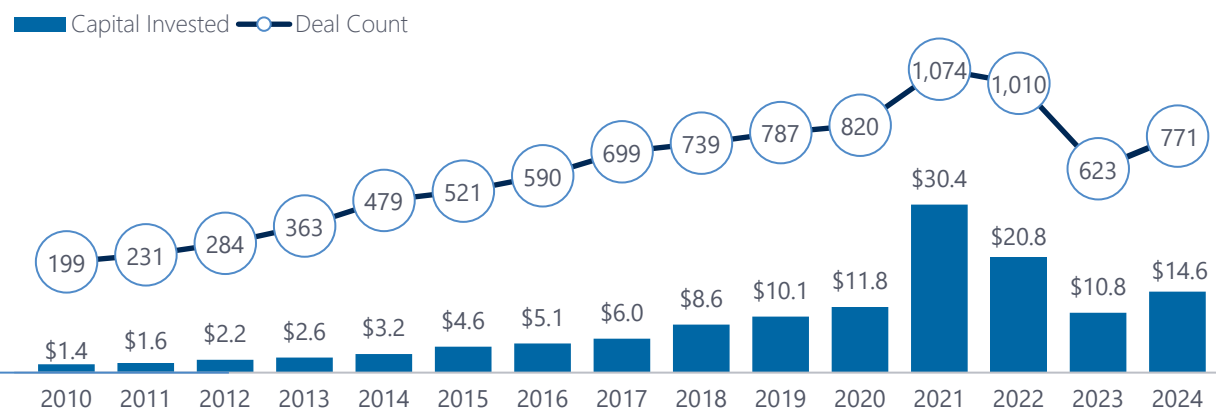
## Historical Q4 Financing Summary

(\$ in Billions)



## Annual Financing Summary

(\$ in Billions)



## Featured Minority Transactions

(\$ in Millions)

Ann. Date	Investor	Target	Amount	Valuation
Dec. 18	IQTALENT PARTNERS, Rizvi Traverse	SANDBOXAQ™	\$300	\$5,300
Dec. 12	ivp	Sublime Security	\$60	\$330
Dec. 10	HAVELI	COHESITY	\$950	\$4,800
Dec. 6	NA	EVERFOX	\$168	NA
Dec. 2	CRAFT	Upwind	\$100	\$900
Nov. 26	BOND	EON	\$70	\$1,330
Nov. 25	evo/ution EQUITY PARTNERS	halcyon	\$115	\$1,000
Nov. 20	Accel SAPPHERE VENTURES	CYERA	\$300	\$3,000
Nov. 13	NA	Riot	\$28	\$172
Oct. 28	ALKEON CAPITAL MANAGEMENT, GENERAL CATALYST	ARMIS	\$200	\$4,200
Oct. 24	HARBOURVEST, TopTier	CONCENTRIC	\$44	\$290
Oct. 22	ABSTRACT VENTURES	Socket	\$40	\$320

The background features a dark teal color with a subtle grid pattern. Overlaid on this are several glowing, wavy teal lines that resemble ripples on water or abstract digital patterns. Some lines are thicker and more prominent, while others are thinner and more delicate. The overall effect is a sense of movement and depth.

Conferences and Events

03

# Recent Conferences and Events

## Houlihan Lokey Global Tech Conference

### New York: October 23, 2024

#### Selected Sponsor Attendees



#### Participating Cybersecurity Companies



#### What Happened

- **Panel Discussions From CEOs at High-Growth Companies:** A wide range of speakers shared their insights about navigating current market conditions and positioning their companies for future success across a variety of technology sectors.
- **Featured Speakers:** The conference featured high-profile speakers and candid panel discussions with distinguished tech thought leaders, discussing a variety of topical themes.
- **Targeted One-on-One Meetings:** Houlihan Lokey arranged targeted one-on-one meetings for presenting companies over the course of the conference, advising on prospects, meeting structure, and materials and coordinating any follow-up.
- **Networking Opportunities:** An audience of strategic, financial, and institutional investors, as well as other capital providers, gathered for lunch and end-of-day cocktails.

70+  
Participating  
Companies

8 to 10  
Targeted One-on-  
One Meetings per  
Presenting Company

600+  
Conference  
Attendees

# Conferences and Events

## AWS re:Invent

### Las Vegas: December 2–6, 2024



- AWS re:Invent is a learning conference hosted by AWS for the global cloud computing community. It offers technical training sessions, workshops, and opportunities to connect with peers and experts.
- The conference features keynote announcements, training and certification opportunities, access to 2,000+ technical sessions, and numerous after-hours events.



**Innovation Talks:** Dive deep into cloud computing topics with AWS subject-matter experts across analytics, databases, developer experience, and much more.

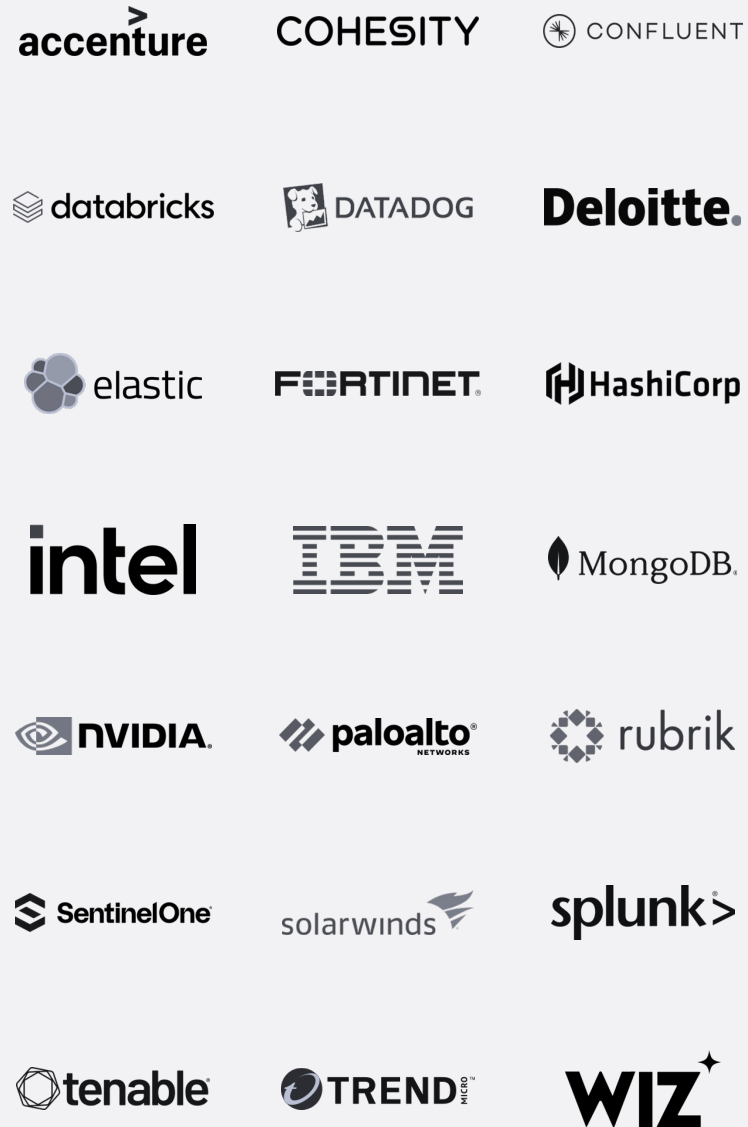


**Keynotes:** Hear from AWS leaders about what is top of mind for them, from innovations in infrastructure and AI/ML to the latest trends and breakthroughs in cloud computing.



**Peer Talk Platform:** Find, connect, and network with other attendees who share similar interests.

### Selected Event Sponsors



### 2024 Conference Highlights

54,000+ Attendees

2,300+ Sessions and Hands-On Labs

Conference Offerings

Bootcamps

Chalk Talks

Code Talks

Dev Chats

Workshops

## Upcoming Conferences and Events

Event	Date	Location	Event Overview
 The Montgomery Summit	March 4–5, 2025	Santa Monica, CA	The Montgomery Summit gathers 1,200+ leading executives, entrepreneurs, and investors to discuss the latest developments in business and technology.
 SINET	March 20, 2025	Silicon Valley, CA	SINET connects cybersecurity professionals, entrepreneurs, and government officials to discuss and showcase cutting-edge cybersecurity solutions.
 Gartner	March 24–25, 2025	London, U.K.	The Gartner IAM Summit includes 1,000+ CISOs and IT executives, keynote presentations, and exhibit showcases for the latest IAM technology developments.
 CYBERTECHTLV THE EVENT FOR THE CYBER INDUSTRY	March 24–26, 2025	Tel Aviv, Israel	Cybertech is a networking platform featuring a variety of cybersecurity decision-makers from multinational corporations, startups, and investment firms.
 RSAConference	April 28 – May 1, 2025	San Francisco, CA	The RSA Conference features cybersecurity leaders, innovators, and policymakers discussing the latest trends through a series of educational sessions and exhibits.
 Infosecurity Europe	June 3–5, 2025	London, U.K.	Infosecurity Europe is a leading cybersecurity event in London. It features 13,000+ visitors, 380+ exhibitors, 200+ talks, and 90+ CPE credits.
 Gartner	June 9–11, 2025	National Harbor, MD	The Gartner Security & Risk Management Summit delivers actionable insights into the challenges of complex cyber environments.
 AWS re:Inforce	June 16–18, 2025	Philadelphia, PA	AWS re:Inforce is an annual cloud-security event featuring keynote speakers, innovation talks, and opportunities to connect with cloud security professionals.
 black hat	August 2–7, 2025	Las Vegas, NV	Black Hat offers specialized cybersecurity trainings, briefings on the latest research from cybersecurity experts, and networking and social events.
 DEFCON	August 7–10, 2025	Las Vegas, NV	DEF CON is an annual conference that explores emerging cybersecurity threats and technologies through a variety of workshops and specialized hacker villages.
 INTERNATIONAL CYBER EXPO	September 30 – October 1, 2025	London, U.K.	The International Cyber Expo attracts a variety of key industry players, offering immersive cybersecurity demonstrations and relevant information sessions.

The background features a dark teal color with a subtle grid pattern. Overlaid on this are several glowing, teal-colored lines that form complex, swirling patterns. Some of these lines resemble concentric ripples or waves, while others are more chaotic and tangled. The overall effect is a sense of dynamic movement and digital connectivity.

About Houlihan Lokey

04

# Leading Independent, Global Advisory Firm

Houlihan Lokey is the trusted advisor to more top decision-makers than any other independent global investment bank.

2,707 Global Employees<sup>(1)</sup>      36 Locations Worldwide      \$12.75B Market Cap<sup>(2)</sup>      \$2.2B Annual Revenue<sup>(3)</sup>      ~25% Employee-Owned      No Debt



## CORPORATE FINANCE

2024 M&A Advisory Rankings  
All Global Transactions

Advisor	Deals
1 <b>Houlihan Lokey</b>	<b>415</b>
2 Rothschild	406
3 Goldman Sachs	371
3 JP Morgan	342
5 Morgan Stanley	309

Source: LSEG (formerly Refinitiv).  
Excludes accounting firms and brokers.

## FINANCIAL RESTRUCTURING

2024 Global Distressed Debt &  
Bankruptcy Restructuring Rankings

Advisor	Deals
1 <b>Houlihan Lokey</b>	<b>88</b>
2 PJT Partners	59
3 Rothschild	48
4 Lazard	44
5 Perella Weinberg Partners	40

Source: LSEG (formerly Refinitiv).

## FINANCIAL AND VALUATION ADVISORY

2000–2024 Global M&A  
Fairness Advisory Rankings

Advisor	Deals
1 <b>Houlihan Lokey</b>	<b>1,243</b>
2 Duff & Phelps, A Kroll Business	1,045
3 JP Morgan	1,020
4 UBS	792
5 Morgan Stanley	698

Source: LSEG (formerly Refinitiv).  
Announced or completed transactions.

## FINANCIAL SPONSORS COVERAGE

2023 Most Active Investment Banks to  
Private Equity—Globally

Advisor	Deals
1 <b>Houlihan Lokey</b>	<b>217</b>
2 Lincoln International	156
3 William Blair	112
4 Lazard	96
5 Raymond James Financial	85

Source: PitchBook. Excludes accounting firms and brokers.

**No. 1**  
Global M&A Advisor

**No. 1**  
Global Restructuring Advisor

**No. 1**  
Global M&A Fairness Opinion Advisor  
Over the Past 25 Years

**No. 1**  
Global Private Equity M&A Advisor

**Leading**  
Capital Markets Advisor

**1,800+**  
Transactions Completed Valued at More  
Than **\$3.8 Trillion** Collectively

**2,000+**  
Annual Valuation Engagements

**1,300+**  
Sponsors Covered Globally

(1) As of December 31, 2024.  
(2) As of January 31, 2025.  
(3) LTM ended December 31, 2024.

# Our Tech M&A Team Is No. 1 Globally With Unparalleled Reach

**No. 1**

Tech M&A  
Advisor

**15**

Locations  
Worldwide

**140+**

Technology  
Financial  
Professionals

**30+**

Managing  
Directors

**101**

Technology Deals  
in CY24



**AMERICAS**

- Atlanta
- Baltimore
- Boston**
- Charlotte
- Chicago**
- Dallas
- Houston
- Los Angeles**
- Miami**
- Minneapolis
- New York**
- San Francisco**
- São Paulo
- Washington, D.C.

**EUROPE  
AND  
MIDDLE  
EAST**

- Amsterdam
- Antwerp
- Dubai
- Frankfurt**
- London**
- Madrid
- Manchester**
- Milan**
- Munich
- Paris**
- Stockholm**
- Tel Aviv
- Zurich

**ASIA-  
PACIFIC**

- Beijing
- Fukuoka
- Gurugram
- Hong Kong SAR
- Mumbai**
- Shanghai
- Singapore
- Sydney**
- Tokyo**

## No. 1 Global Tech Team

2024 M&A Advisory Rankings  
All Global Technology Transactions

	Advisor	Deals
<b>1</b>	<b>Houlihan Lokey</b>	<b>101</b>
2	Goldman Sachs	98
3	JP Morgan	93
4	Morgan Stanley	81
5	Rothschild	65

Source: LSEG (formerly Refinitiv).  
Excludes accounting firms and brokers.

2024 M&A Advisory Rankings  
U.S. Technology Transactions Under \$1 Billion

	Advisor	Deals
<b>1</b>	<b>Houlihan Lokey</b>	<b>50</b>
2	Moelis	43
3	William Blair	38
4	JP Morgan	37
5	Raymond James Financial	33

Source: LSEG (formerly Refinitiv).

# Deep Cybersecurity Experience Across the Ecosystem

<p>Transaction Pending</p> <p><b>Bridewell</b> a portfolio company of <b>gcp</b> forms a strategic partnership with <b>I-TRACING</b> supported by majority investment from <b>Oakley Capital</b> <b>Sagard EURAZEO</b></p> <p>Sellside Advisor</p>	<p><b>PROCILON GROUP</b> a portfolio company of <b>HARALD QUANDT</b> INDUSTRIEBETEILIGUNGEN has been acquired by <b>MAIN</b> CAPITAL PARTNERS</p> <p>Sellside Advisor</p>	<p><b>HID</b> Citizen Identity Solutions Business has been acquired by <b>TOPPAN</b></p> <p>Sellside Advisor</p>	<p><b>NEVERHACK</b> a portfolio company of <b>CARLYLE</b> has acquired <b>INNOVATION DISCOVERY</b> a portfolio company of <b>WISE EQUITY</b></p> <p>Buyside Advisor</p>	<p><b>ALCHEMY</b> has received a strategic investment from <b>AVANCE</b></p> <p>Sellside Advisor</p>	<p><b>CYBOLT</b> has integrated <b>Cyber Guards</b> Security Made Simple</p> <p>Buyside Advisor</p>	<p><b>nuspire</b> a portfolio company of <b>abry partners</b> has been acquired by <b>PDI</b> a portfolio company of <b>INSIGHT PARTNERS</b> <b>TA ASSOCIATES</b> <b>GENSTAR</b></p> <p>Sellside Advisor</p>
<p><b>CLANGO</b> has merged with <b>MajorKey</b> a portfolio company of <b>acacia</b></p> <p>Exclusive Placement Agent</p>	<p><b>CYBOLT</b> has integrated <b>PRI</b> pontis research</p> <p>Buyside Advisor</p>	<p><b>CARLYLE</b> has acquired a majority stake in <b>NEVERHACK</b> formerly known as <b>PROPHETCY</b> a portfolio company of <b>IK Partners</b></p> <p>Buyside Advisor</p>	<p><b>PRIVITAR</b> has been acquired by <b>Informatica</b></p> <p>Sellside Advisor</p>	<p><b>Armorblox</b> has been acquired by <b>Cisco</b></p> <p>Sellside Advisor</p>	<p><b>XALIENT</b> accelerate your business has received investment from <b>VOLPi</b> CAPITAL</p> <p>Sellside Advisor</p>	<p><b>THRIVE</b> a portfolio company of <b>COURT SQUARE</b> HoldCo PIK Notes Acquisition Financing</p> <p>Exclusive Placement Agent</p>
<p><b>ROHDE &amp; SCHWARZ</b> Cybersecurity SAS has been acquired by <b>total specific solutions</b></p> <p>Sellside Advisor</p>	<p><b>i proof</b> has received a growth equity investment of \$70,000,000 from <b>SEP</b> SUMERU EQUITY PARTNERS</p> <p>Financial Advisor</p>	<p><b>SVERICA</b> has made a strategic investment in <b>SHADOW DRAGON</b></p> <p>Buyside Advisor</p>	<p><b>Acumera</b> has received a strategic growth investment from <b>PEAK ROCK CAPITAL</b></p> <p>Sellside Advisor*</p>	<p><b>AnaCap</b> Financial Partners has acquired a majority stake in <b>WebID</b> Your True Identity Company</p> <p>Buyside Advisor*</p>	<p><b>tresorit</b> has been acquired by <b>SWISS POST</b></p> <p>Sellside Advisor*</p>	<p><b>CVC</b> has invested in <b>Acronis</b></p> <p>Financing Advisor*</p>
<p><b>IDIQ</b> has sold a majority stake to <b>CORSAIR CAPITAL</b></p> <p>Sellside Advisor*</p>	<p><b>netwrix</b> has received an equity investment from <b>update</b> PARTNERS</p> <p>Financial Advisor</p>	<p><b>Threema.</b> has entered into a partnership with <b>Afinum</b></p> <p>Sellside Advisor*</p>	<p><b>LIVINGBRIDGE</b> has invested in <b>TitanHQ</b></p> <p>Buyside Advisor*</p>	<p><b>DSwiss</b> SECURE DIGITAL SERVICES has sold a minority stake to <b>Verium</b></p> <p>Sellside Advisor*</p>	<p><b>Acronis</b> structured equity investment led by <b>Goldman Sachs</b></p> <p>Financing Advisor*</p>	<p><b>NC4</b> has been acquired by <b>everbridge</b></p> <p>Sellside Advisor</p>

Tombstones included herein represent transactions closed from 2017 forward.

\*Selected transactions were executed by Houlihan Lokey professionals while at other firms acquired by Houlihan Lokey or by professionals from a Houlihan Lokey joint venture company.

# How Houlihan Lokey Can Help

Our firm is extremely well equipped to help our clients navigate uncertain times.

We respond quickly to challenging situations and are constantly helping clients analyze, structure, negotiate, and execute the best possible solutions from both a strategic and a financial perspective.

## What We Offer

<p>Corporate Finance</p> 	<ul style="list-style-type: none"> <li>› Mergers and Acquisitions</li> <li>› Capital Markets</li> <li>› Private Funds Advisory</li> <li>› Board and Special Committee Advisory</li> </ul>	<p>We are widely recognized as a leading M&amp;A advisor to the mid-cap and have long-standing relationships with capital providers, including commercial banks and other senior credit providers, insurance funds, asset managers, and mezzanine fund investors. Few other investment banks maintain the breadth of relationships and capital markets intelligence that we do.</p>
<p>Financial Restructuring</p> 	<ul style="list-style-type: none"> <li>› Creditor Advisory</li> <li>› Special Situations</li> <li>› Distressed M&amp;A</li> <li>› Liability Management</li> <li>› Creditor Advisory</li> </ul>	<p>We have the largest restructuring practice of any global investment bank. Since 1988, we have advised on more than 1,800 restructuring transactions (with aggregate debt claims in excess of \$3.8 trillion). We served as an advisor in 12 of the 15 largest bankruptcies from 2000 to 2024.</p>
<p>Financial and Valuation Advisory</p> 	<ul style="list-style-type: none"> <li>› Portfolio Valuation and Fund Advisory</li> <li>› Transaction Opinions</li> <li>› Corporate Valuation Advisory Services</li> <li>› Transaction Advisory Services</li> <li>› Real Estate Valuation and Advisory</li> <li>› Dispute Resolution Consulting</li> </ul>	<p>Over more than five decades, we have established ourselves as one of the largest financial and valuation advisory firms. Our transaction expertise and leadership in the field of valuation help inspire confidence in the financial executives, boards of directors, special committees, investors, and business owners we serve.</p>

## Why We Are Different

**No. 1** For All Global M&A and All Global Tech M&A in 2024\*



Significant Experience With Financing Markets



Senior-Level Commitment and Dedication



Deep, Industry-Specific Expertise



Superior Work Product/ Technical Abilities



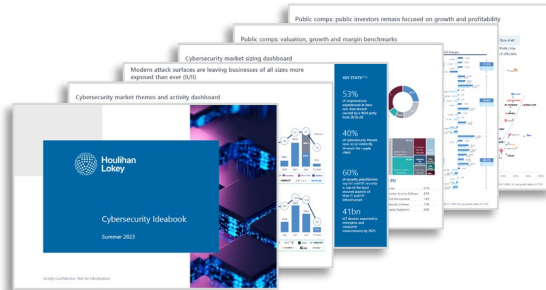
Creativity, Imagination, Tenacity, and Positivity

# Other Houlihan Lokey Cyber Sector Reports

## Generative AI in Cybersecurity Report



## European Cybersecurity Ideabook



## Identity Sector Report



## Managed Security Services Report



To gain access to these decks, please reach out to the following:

### U.S. Cyber Team



**Keith Skirbe**  
Managing Director  
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[Keith.Skirbe@HL.com](mailto:Keith.Skirbe@HL.com)



**Bobby Wolfe**  
Director  
Miami  
[BWolfe@HL.com](mailto:BWolfe@HL.com)

### Global Cyber Reach



**Mark Smith**  
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**Greg Werntz**  
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### Yearly Conferences



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**Sydney Scadden**  
Vice President  
Charlotte  
[Sydney.Scadden@HL.com](mailto:Sydney.Scadden@HL.com)



**Sara Napolitano**  
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[Sara.Napolitano@HL.com](mailto:Sara.Napolitano@HL.com)



**Sameer Jindal**  
Managing Director  
Mumbai  
[Sameer.Jindal@HL.com](mailto:Sameer.Jindal@HL.com)



**Joshua Holmes**  
Senior Vice President  
Dallas  
[JLHolmes@HL.com](mailto:JLHolmes@HL.com)

### Cybersecurity Technology Expertise






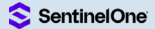


Appendix

05

# High-Growth Cybersecurity Trading Metrics

(\$ in Millions, Except Price per Share)

Company	Stock Price	52-Wk High	% of 52-Wk High	YTD Stock Performance	Cash and ST Inv	Equity Mkt Cap	Enterprise Value	EV/Revenue			EV/EBITDA		
								CY 2023A	CY 2024E	CY 2025E	CY 2023A	CY 2024E	CY 2025E
 CROWDSTRIKE	\$342.16	\$398.33	85.9%	38.6%	\$4,260	\$85,594	\$80,847	26.5x	20.6x	16.9x	NM	NM	NM
 zscaler	180.41	259.61	69.5%	(15.0%)	2,708	27,209	26,213	13.8x	10.9x	9.1x	NM	44.1x	35.6x
 CYBERARK	333.15	336.84	98.9%	54.1%	1,475	14,566	15,462	20.6x	15.7x	11.9x	NM	NM	NM
 SentinelOne	22.20	30.76	72.2%	(14.2%)	660	6,877	6,494	10.5x	7.9x	6.3x	NM	NM	NM




Top Quartile	\$41,805	\$39,871	22.0x	16.9x	13.1x	NM	44.1x	35.6x
Mean	33,562	32,254	17.8x	13.8x	11.0x	NM	44.1x	35.6x
Median	20,888	20,837	17.2x	13.3x	10.5x	NM	44.1x	35.6x
First Quartile	12,644	13,220	13.0x	10.1x	8.4x	NM	44.1x	35.6x

Source: Trading multiples are based on share price, other market data, and broker consensus future revenue and earnings estimates from S&P Capital IQ as of December 31, 2024.

Notes: All financials are calendarized to a December year-end. NM indicates not meaningful, not disclosed, or EV/EBITDA >50x or <0x. Sorted by enterprise value. Growth categorizations are based on 2024E–2025E revenue growth breakpoints; high-growth ≥ 20%, medium-growth >10% and <20%, low-growth ≤ 10%.

# Medium-Growth Cybersecurity Trading Metrics

(\$ in Millions, Except Price per Share)

Company	Stock Price	52-Wk High	% of 52-Wk High	YTD Stock Performance	Cash and ST Inv	Equity Mkt Cap	Enterprise Value	EV/Revenue			EV/EBITDA		
								CY 2023A	CY 2024E	CY 2025E	CY 2023A	CY 2024E	CY 2025E
 BROADCOM	\$231.84	\$251.88	92.0%	113.6%	\$9,348	\$1,107,732	\$1,146,285	29.5x	21.1x	17.9x	NM	33.3x	27.5x
 paloalto NETWORKS	181.96	207.24	87.8%	26.0%	3,391	129,255	117,109	15.6x	13.7x	11.9x	NM	44.3x	39.0x
 FORTINET	94.48	100.59	93.9%	63.5%	3,701	72,861	69,791	13.2x	11.8x	10.5x	NM	33.3x	30.9x
Top Quartile						\$618,493	\$631,697	22.5x	17.4x	14.9x	NM	38.8x	34.9x
Mean						436,616	444,395	19.4x	15.6x	13.5x	NM	37.0x	32.4x
Median						129,255	117,109	15.6x	13.7x	11.9x	NM	33.3x	30.9x
First Quartile						101,058	93,450	14.4x	12.8x	11.2x	NM	33.3x	29.2x

Source: Trading multiples are based on share price, other market data, and broker consensus future revenue and earnings estimates from S&P Capital IQ as of December 31, 2024.

Notes: All financials are calendarized to a December year-end. NM indicates not meaningful, not disclosed, or EV/EBITDA >50x or <0x. Sorted by enterprise value. Growth categorizations are based on 2024E–2025E revenue growth breakpoints; high-growth ≥ 20%, medium-growth >10% and <20%, low-growth ≤ 10%.

# Low-Growth Cybersecurity Trading Metrics

(\$ in Millions, Except Price per Share)

Company	Stock Price	52-Wk High	% of 52-Wk High	YTD Stock Performance	Cash and ST Inv	Equity Mkt Cap	Enterprise Value	EV/Revenue			EV/EBITDA		
								CY 2023A	CY 2024E	CY 2025E	CY 2023A	CY 2024E	CY 2025E
Gen	\$27.38	\$31.72	86.3%	20.1%	\$883	\$17,167	\$24,725	6.5x	6.4x	6.1x	14.6x	10.8x	10.5x
CHECK POINT	186.70	210.70	88.6%	22.6%	1,372	21,172	17,696	7.3x	6.9x	6.5x	19.0x	15.7x	15.0x
F5	251.47	264.50	95.1%	42.7%	1,151	14,890	13,915	5.0x	4.9x	4.7x	19.2x	13.2x	12.1x
opentext	28.32	45.47	62.3%	(30.3%)	1,002	7,692	13,101	2.3x	2.4x	2.4x	9.1x	7.3x	7.2x
okta	78.80	114.50	68.8%	(9.4%)	2,248	13,245	12,215	5.4x	4.7x	4.4x	NM	20.8x	19.5x
TREND	54.49	58.69	92.8%	2.4%	1,374	7,148	5,896	3.3x	3.4x	3.2x	13.6x	12.9x	11.6x
Qualys	140.22	201.03	69.8%	(26.9%)	386	5,265	4,605	8.3x	7.6x	7.1x	24.2x	16.9x	16.3x
tenable	39.38	53.50	73.6%	(10.4%)	548	4,648	4,592	5.7x	5.1x	4.7x	NM	24.4x	20.2x
solarwinds	14.25	14.94	95.4%	17.6%	199	2,442	3,491	4.6x	4.4x	4.3x	15.4x	9.3x	9.2x
RAPID	40.23	61.88	65.0%	(26.8%)	444	2,858	3,121	4.0x	3.7x	3.5x	NM	16.7x	16.1x
OneSpan	18.54	19.58	94.7%	75.4%	77	722	636	2.7x	2.6x	2.6x	NM	9.6x	8.8x
Cognyte	8.65	9.59	90.2%	38.6%	102	639	573	1.8x	1.6x	1.5x	NM	21.9x	17.6x
Nitek	11.13	16.24	68.5%	(13.7%)	130	528	521	3.2x	3.0x	2.9x	24.1x	9.7x	11.0x
F-Secure	1.85	2.41	76.6%	(15.4%)	15	314	498	3.5x	3.3x	3.2x	13.1x	9.0x	8.5x
riskified	4.73	6.65	71.2%	6.5%	390	827	415	1.4x	1.3x	1.2x	NM	25.0x	17.2x
Telos	3.42	5.03	68.0%	(16.0%)	70	244	188	1.3x	1.8x	1.5x	NM	NM	NM
W / T H secure	0.78	1.29	60.7%	(31.8%)	24	137	141	0.9x	0.9x	0.9x	NM	NM	15.5x





<b>Top Quartile</b>	\$7,692	\$12,215	5.4x	4.9x	4.7x	19.2x	18.9x	16.6x
<b>Mean</b>	5,901	6,255	4.0x	3.8x	3.6x	16.9x	14.9x	13.5x
<b>Median</b>	2,858	3,491	3.5x	3.4x	3.2x	15.4x	13.2x	13.5x
<b>First Quartile</b>	639	521	2.3x	2.4x	2.4x	13.6x	9.6x	10.2x

Source: Trading multiples are based on share price, other market data, and broker consensus future revenue and earnings estimates from S&P Capital IQ as of December 31, 2024.

Notes: All financials are calendarized to a December year-end. NM indicates not meaningful, not disclosed, or EV/EBITDA >50x or <0x. Sorted by enterprise value. Growth categorizations are based on 2024E-2025E revenue growth breakpoints; high-growth ≥ 20%, medium-growth >10% and <20%, low-growth ≤ 10%.

# High-Growth Cybersecurity Operating Metrics

(\$ in Millions, Except Price per Share)




Company	Stock Price	Equity Mkt Cap	Enterprise Value	Revenue			EBITDA			Revenue Growth			EBITDA Margin		
				CY 2023A	CY 2024E	CY 2025E	CY 2023A	CY 2024E	CY 2025E	2022A-2023A	2023-2024E	2024-2025E	CY 2023A	CY 2024E	CY 2025E
 CROWDSTRIKE	\$342.16	\$85,594	\$80,847	\$3,056	\$3,930	\$4,773	\$106	\$1,010	\$1,210	36.3%	28.6%	21.5%	NM	3.5%	25.7%
 zscaler	180.41	27,209	26,213	1,896	2,409	2,891	(153)	594	736	40.6%	27.1%	20.0%	NM	NM	24.7%
 CYBERARK	333.15	14,566	15,462	752	988	1,303	(100)	155	240	27.1%	31.3%	31.9%	NM	NM	15.7%
 SentinelOne	22.20	6,877	6,494	621	818	1,029	(340)	(18)	53	47.1%	31.7%	25.8%	NM	NM	NM
<b>Top Quartile</b>		\$41,805	\$39,871	\$2,186	\$2,789	\$3,361	(\$48)	\$698	\$854	42.2%	31.4%	27.3%	NM	3.5%	25.2%
<b>Mean</b>		33,562	32,254	1,581	2,036	2,499	(122)	435	560	37.8%	29.7%	24.8%	NM	3.5%	22.0%
<b>Median</b>		20,888	20,837	1,324	1,698	2,097	(127)	375	488	38.5%	30.0%	23.6%	NM	3.5%	24.7%
<b>First Quartile</b>		12,644	13,220	719	945	1,234	(200)	111	193	34.0%	28.2%	21.1%	NM	3.5%	20.2%

Source: Trading multiples are based on share price, other market data, and broker consensus future revenue and earnings estimates from S&P Capital IQ as of December 31, 2024.

Notes: All financials are calendarized to a December year-end. NM indicates not meaningful, not disclosed, or EV/EBITDA >50x or <0x. Sorted by enterprise value. Growth categorizations are based on 2024E-2025E revenue growth breakpoints; high-growth ≥ 20%, medium-growth >10% and <20%, low-growth ≤ 10%.

# Medium-Growth Cybersecurity Operating Metrics

(\$ in Millions, Except Price per Share)

Company	Stock Price	Equity Mkt Cap	Enterprise Value	Revenue			EBITDA			Revenue Growth			EBITDA Margin		
				CY 2023A	CY 2024E	CY 2025E	CY 2023A	CY 2024E	CY 2025E	2022A-2023A	2023-2024E	2024-2025E	CY 2023A	CY 2024E	CY 2025E
 BROADCOM	\$231.84	\$1,107,732	\$1,146,285	\$38,865	\$54,212	\$63,888	\$20,404	\$34,401	\$41,706	12.9%	39.5%	17.8%	57.9%	52.5%	63.5%
 paloalto NETWORKS	181.96	129,255	117,109	7,527	8,552	9,805	973	2,642	3,003	22.3%	13.6%	14.7%	4.0%	12.9%	30.9%
 FORTINET	94.48	72,861	69,791	5,305	5,891	6,636	1,350	2,096	2,262	20.1%	11.1%	12.6%	24.2%	25.4%	35.6%
Top Quartile		\$618,493	\$631,697	\$23,196	\$31,382	\$36,846	\$10,877	\$18,521	\$22,355	21.2%	26.6%	16.2%	41.0%	39.0%	49.5%
Mean		436,616	444,395	17,232	22,885	26,776	7,576	13,046	15,657	18.4%	21.4%	15.0%	28.7%	30.3%	43.3%
Median		129,255	117,109	7,527	8,552	9,805	1,350	2,642	3,003	20.1%	13.6%	14.7%	24.2%	25.4%	35.6%
First Quartile		101,058	93,450	6,416	7,222	8,220	1,161	2,369	2,632	16.5%	12.3%	13.6%	14.1%	19.2%	33.2%

Source: Trading multiples are based on share price, other market data, and broker consensus future revenue and earnings estimates from S&P Capital IQ as of December 31, 2024.

Notes: All financials are calendarized to a December year-end. NM indicates not meaningful, not disclosed, or EV/EBITDA >50x or <0x. Sorted by enterprise value. Growth categorizations are based on 2024E-2025E revenue growth breakpoints; high-growth ≥ 20%, medium-growth >10% and <20%, low-growth ≤ 10%.

# Low-Growth Cybersecurity Operating Metrics

(\$ in Millions, Except Price per Share)

Company	Stock Price	Equity Mkt Cap	Enterprise Value	Revenue			EBITDA			Revenue Growth			EBITDA Margin		
				CY 2023A	CY 2024E	CY 2025E	CY 2023A	CY 2024E	CY 2025E	2022A-2023A	2023-2024E	2024-2025E	CY 2023A	CY 2024E	CY 2025E
Gen	\$27.38	\$17,304	\$24,725	\$3,786	\$3,891	\$4,021	\$1,693	\$2,283	\$2,364	21.9%	2.8%	3.3%	43.8%	44.7%	58.7%
CHECK POINT	186.70	21,381	17,696	2,415	2,560	2,704	933	1,129	1,179	3.6%	6.0%	5.6%	39.0%	38.6%	44.1%
IP	251.47	14,927	13,915	2,805	2,840	2,983	725	1,053	1,153	3.6%	1.2%	5.0%	18.5%	25.9%	37.1%
opentext	28.32	7,692	13,101	5,696	5,398	5,395	1,435	1,805	1,826	61.2%	(5.2%)	(0.0%)	27.4%	25.2%	33.4%
okta	78.80	13,245	12,215	2,263	2,597	2,802	(376)	587	628	21.8%	14.8%	7.9%	NM	NM	22.6%
TREND	54.49	7,148	5,896	1,764	1,721	1,816	432	457	510	4.0%	(2.4%)	5.5%	25.3%	24.5%	26.6%
Qualys	140.22	5,265	4,605	554	605	651	190	272	282	13.2%	9.1%	7.7%	33.7%	34.3%	45.0%
tenable	39.38	4,648	4,592	799	896	983	(11)	188	228	16.9%	12.2%	9.7%	NM	NM	21.0%
solarwinds	14.25	2,442	3,491	759	789	813	227	377	378	5.5%	4.0%	3.1%	24.4%	29.9%	47.8%
RAPID7	40.23	2,858	3,121	778	840	888	19	187	194	13.5%	8.0%	5.7%	NM	2.4%	22.3%
OneSpan	18.54	722	636	235	240	249	(5)	66	72	7.4%	2.2%	3.4%	NM	NM	27.6%
Cognyte	8.65	639	573	313	349	372	(8)	26	32	0.4%	11.4%	6.5%	NM	NM	7.5%
Nitek	11.13	528	521	164	171	179	22	54	47	3.6%	4.6%	4.8%	24.4%	13.2%	31.5%
F-Secure	1.85	314	498	144	152	158	38	55	59	21.5%	5.3%	3.8%	34.8%	26.4%	36.5%
riskified	4.73	827	415	298	324	339	(73)	17	24	13.9%	8.9%	4.6%	NM	NM	5.1%
Telos	3.42	244	188	145	107	126	(35)	(13)	2	(33.0%)	(26.1%)	1.5%	NM	NM	NM
W / T H secure	0.78	137	141	158	153	161	(29)	2	9	9.7%	(3.0%)	5.4%	NM	NM	1.4%

<b>Top Quartile</b>	\$7,692	\$12,215	\$2,263	\$2,560	\$2,704	\$432	\$587	\$628	16.9%	8.9%	5.7%	34.8%	33.2%	38.8%
<b>Mean</b>	5,901	6,255	1,357	1,390	1,449	304	503	529	11.1%	3.2%	4.9%	30.2%	26.5%	29.3%
<b>Median</b>	2,858	3,491	759	789	813	22	188	228	9.7%	4.6%	5.0%	27.4%	26.1%	29.5%
<b>First Quartile</b>	639	521	235	240	249	(11)	54	47	3.6%	1.2%	3.4%	24.4%	24.7%	21.9%

Source: Trading multiples are based on share price, other market data, and broker consensus future revenue and earnings estimates from S&P Capital IQ as of December 31, 2024.

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