



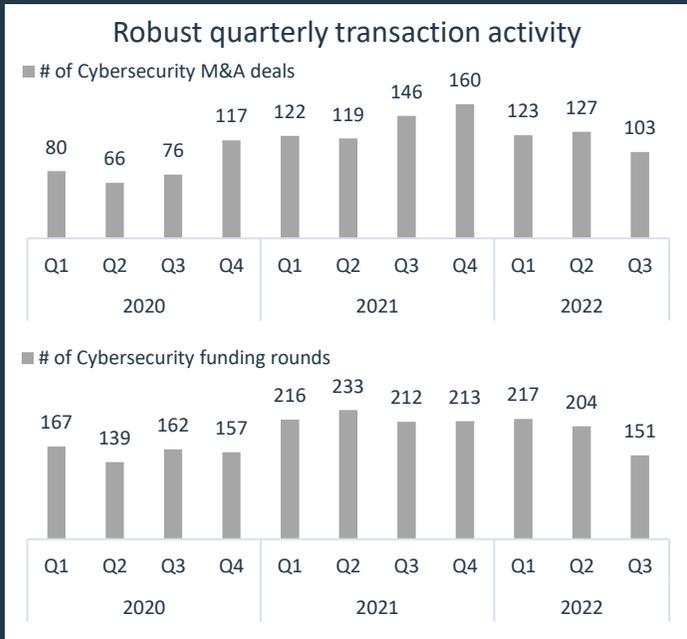
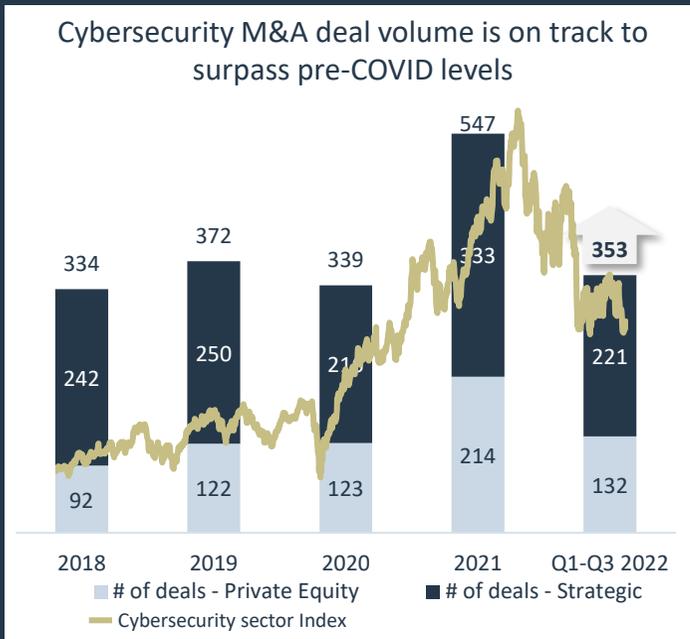
ICON
CORPORATE FINANCE

Cybersecurity

Sector Update – Q3 2022

Cybersecurity sector fast facts

Global Cybersecurity M&A and fundraising activity holds out against macroeconomic uncertainty and continues in line with long-term trends



\$125.8bn
Total disclosed M&A deal value across 353 deals in Q1-Q3 2022

-9% Volume vs 2021 +60% Volume vs 20220

\$15.4bn
Raised across 572 private funding rounds in Q1-Q3 2022

-13% Volume vs 2021 +22% Volume vs 2020

Public cybersecurity stocks have reset at lower levels but continue trading at a significant premium compared to the broader tech market

+61.5%
3-year cybersecurity index performance vs +35.5% of the NASDAQ

4.9x 2022E rev
Cybersecurity peer group median valuation

8.6x 2022E rev
Top Quartile valuation
+34.4%
Top Quartile growth 21-22E

3.6x 2022E rev
Bottom Quartile valuation
+6.1%
Bottom Quartile growth 21-22E

Source(s): Pitchbook (Geography: North America & Europe), Capital IQ

1 Cybersecurity is one of the few sectors defying current macroeconomic headwinds

- Is the Cybersecurity sector and related deal activity recession-proof? We believe so. Enterprises must continue investing in cyber defences to protect against an increasingly sophisticated threat landscape. Consequently, M&A and fundraising deal activity remains strong and publicly listed cybersecurity companies continue to trade at a significant premium to broader tech market peers
- The first three quarters of the year 2022 recorded 353 M&A deals and it is on track to surpass pre-COVID levels. Vendor platform consolidation, largely backed by Private Equity, is a major driver behind sustained deal activity
- \$15.4bn of VC money was invested in the sector globally across 572 deals in the first three quarters of 2022. Transaction volume was down -13% vs the first three quarters of 2021 but up +22% vs the same period in 2020
- Specialised cybersecurity-focused venture capital funds raised over £2.2bn in 2022 and are eager to deploy. Recent examples include: Paladin, \$372m; SYN Ventures, \$300m; Ten Eleven, \$600m; YL Ventures, \$400m; Cyberstarts, \$200m; Ballistic Ventures, \$300m

2 Cybersecurity deal activity fuelled by Private Equity

- In the US, the sector was subject to several large take-private transactions, such as Thoma Bravo's acquisition of enterprise identity security company SailPoint for \$6.9bn, or Turn/River's acquisition of network security specialist Tufin for \$570m (both in April 2022)
- Given the suppressed public market environment, Private Equity also provided a more attractive exit alternative to existing shareholders than the IPO route, e.g. KKR's acquisition of diversified enterprise security specialist Barracuda for \$3.9bn (April 2022)
- In Europe, Vitruvian acquired Swedish based cybersecurity risk and vulnerability management company Outpost24 in July 2022 and newly-formed alternative investment strategist SGT Capital Group acquired Germany-based hardware security appliances and compliance software provider Utimaco in June 2022
- Private equity also injected much needed growth fuel into later-stage scale-up companies in Europe, e.g. BlackRock-backed \$250m investment in Swiss-based storage management and personal backup services provider Acronis, or TA Associates' new funding for Germany-based cloud security and compliance SaaS provider HornetSecurity, alongside existing investors PSG and Verdane

3 Robust sector fundamentals, sticky business models and a fragmented market landscape drive continuous deal activity

- As malicious actors are taking advantage of uncertain times, protection of mission critical data, applications and infrastructure from cyber attacks remains a board-level investment priority for public and private organisations – despite the uncertain economic outlook
- Vendors are seeking to consolidate security functions into single platforms to offer more packaged solutions, leading to sustained strategic acquisition interest. Private Equity is a significant enabler behind these buy-and-build strategies

Cybercrime is taking advantage of significant geopolitical and economic uncertainty

Cyber threat is now seen as the dominant risk to business – ahead of the pandemic, economic downturn, skills shortages¹

- Uncertainty is fuelling cybercrime. The Ukraine war, supply chain disruptions, economic uncertainty and political instability all provide fertile ground and new incentives for malicious threat actors, ranging from private criminal groups to state-backed hackers. This also includes retaliatory attacks against western sanctions, targeting critical industries, particularly the energy and financial sectors
 - Hiscox Cyber Readiness Report 2022 shows that 48% of companies reported a cyber attack in the past 12 months
 - According to IBM's Cost of a Data Breach Report, the average data breach cost has surged 13% from 2020 to 2022 to \$4.35m, excluding the cost of reputation, brand, employees' morale; 83% of all surveyed organisations experienced more than one breach
- The financial industry remains the number one target for hacking attacks:
 - Malware attacks increased globally by 11% in H1 2022, but doubled for financial institutions. In the same period, ransomware attacks dropped 23% worldwide, but rose by 243% against financial targets
 - Norway's world's largest sovereign wealth fund has confirmed that hacking attempts against the organisation doubled in the past two to three years. It suffered about 100,000 cyber attacks a year, of which it classified more than 1,000 as serious
- The continually growing threat exposure and relentless need of organisations to harden security protection will continue to drive capital allocation towards the cybersecurity sector



**Binance hit by \$100 million
blockchain bridge hack**



Insurance giant AON hit by cyberattack



**Revolut hack exposes data of 50,000 users,
fuels new phishing wave**



**Norway's oil fund warns cyber security is top
concern**



**Ukraine defence ministry
website, banks, knocked offline**

Note(s): (1) Hiscox; Cyber Readiness Report 2022; Sources: IBM, Financial Times, Sonicwall

Revisiting cybersecurity spend drivers: the arms race between good and bad is heating up

Effective Cyber protection is now regarded as a significant competitive advantage. Security has become a major focus at board level of public and private organisations and an area of ongoing strategic investment

Threat sophistication

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

Attack surface expansion

- Extensive use of cloud applications by remote staff, customers, suppliers and distributors has multiplied the attack vectors and vulnerabilities across complex, interconnected IT supply chains
- Exponential growth in connected low security IoT devices is adding to a rapidly growing attack surface

Digital transformation

- The pandemic has significantly accelerated digital transformation; as a consequence, critical functions of digitised economic activity now constitute a systemic risk, if subjected to concerted cyber attacks
- Cyber defences are an essential component for the functioning of a digitally transformed Industry 4.0

Regulation

- Governments adapt data protection policies and compliance requirements to cover a rapidly digitalising corporate world
- Invest in building a culture of security awareness across organisations (not just specialist teams)
- Ensure protection and safeguarding of critical national infrastructure

Explosive data growth

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

Persistent skills shortage

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

Review of Gartner's Top 8 cybersecurity predictions for 2022-23 (I/II)

Selected companies that benefit from these trends and shape the strategic cybersecurity landscape

1

Data Privacy

"Through 2023, government regulations requiring organisations to provide consumer privacy rights will cover 5 billion citizens and more than 70% of global GDP"

Focus on managing data subject rights request and investment in data protection process automation

Selected Companies

Transactions

2

Identity and Access Management

"By 2025, 80% of enterprises will adopt a strategy to unify web, cloud services and private application access from a single vendor's SSE platform"

Focus on a consistent and simple web access and SaaS application security experience

Selected Companies

Transactions

3

Zero Trust

"60% of organizations will embrace Zero Trust as a starting point for security by 2025. More than half will fail to realize the benefits"

Replacing implicit trust with identity and context based risk assessment, both as a security principle and an organisational vision

Selected Companies

Transactions

4

Third Party Risk Management

"By 2025, 60% of organizations will use cybersecurity risk as a primary determinant in conducting third-party transactions and business engagements."

Cybersecurity risk assessment must be a significant factor when conducting business with third parties

Selected Companies

Transactions

Review of Gartner's Top 8 cybersecurity predictions for 2022-23 (II/II)

Selected companies that benefit from these trends and shape the strategic cybersecurity landscape

5

MDR/XDR

"Through 2025, 30% of nation states will pass legislation that regulates ransomware payments, fines and negotiations, up from less than 1% in 2021"

Involvement of MDR/XDR, MSSPs teams to boost protection and manage a coordinated response to incidents

Selected Companies



Transactions



6

Industrial Security

"By 2025, threat actors will have weaponised operational technology environments successfully to cause human casualties"

Utilise industrial security solutions to protect against attacks on OT environments which can cause real hazards to humans and the environment

Selected Companies



Transactions



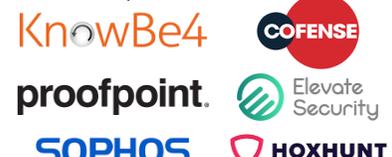
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Cybersecurity Awareness

"By 2025, 70% of CEOs will mandate a culture of organisational resilience to survive coinciding threats from cybercrime, severe weather events, civil unrest and political instabilities"

Build company-wide cyber and resilience strategy that engages staff, stakeholders, customers and suppliers

Selected Companies



Transactions



8

Risk Assessment and Analytics

"By 2026, 50% of C-level executives will have performance requirements related to risk built into their employment contracts"

Cybersecurity now regarded as a material business risk rather than solely a technical IT problem

Selected Companies



Transactions



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

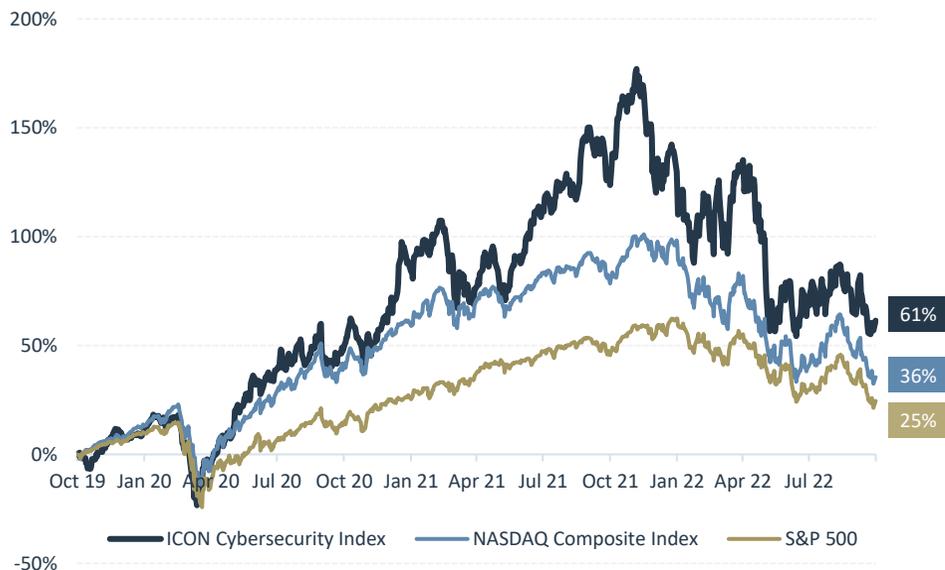


Public market activity

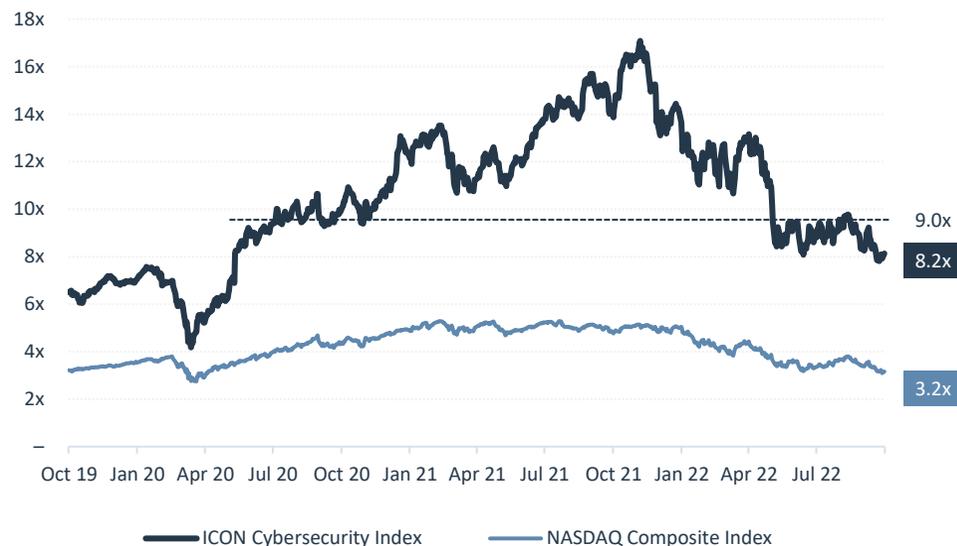
Public market valuation overview

Cybersecurity stocks continue to trade at significantly higher levels than the broader NASDAQ peer group

3 years cybersecurity price performance index



3 years TEV / LTM revenue multiples performance



COMMENTS

- After an 18-month-long bull-run following the COVID-19 crash, cybersecurity public stocks have recently dropped in line with the broader tech market sell-off. Yet public listed cybersecurity companies continue to trade a significant premium compared to its NASDAQ peers
- Valuations appear to have stabilised to a level that is still 30% higher than pre-COVID. It remains unclear to what extent the reset in valuations will feed through to the private sector
- The downgrade in valuations has led to a large number of take-private transactions. Most recently Vista Equity offered to acquire KnowBe4 at a valuation of \$4.22 billion, which represents a premium of nearly 39% to KnowBe4's prior closing price on Sep 16
- Due to the uncertain public market outlook, IPOs have been put on hold but a large IPO pipeline continues to build:
 - There are now over 70 of cybersecurity unicorns and the number is growing steadily
 - Over 199 of companies have now raised at least Series C funding and will look to explore an exit to public markets
- Revenue growth continues to be the determining valuation factor. The most valuable stocks (Cloudflare, Zscaler, CrowdStrike, SentinelOne) are all growing at +40% p.a.

Source(s): Capital IQ as of 4th October 2022; Pitchbook

Note(s): ICON Cybersecurity Index consists of all publicly listed company shown on page 12

Select large cap cyber security stock performance

Large cap cybersecurity companies remain stable and show resilience to anticipated economic turmoil

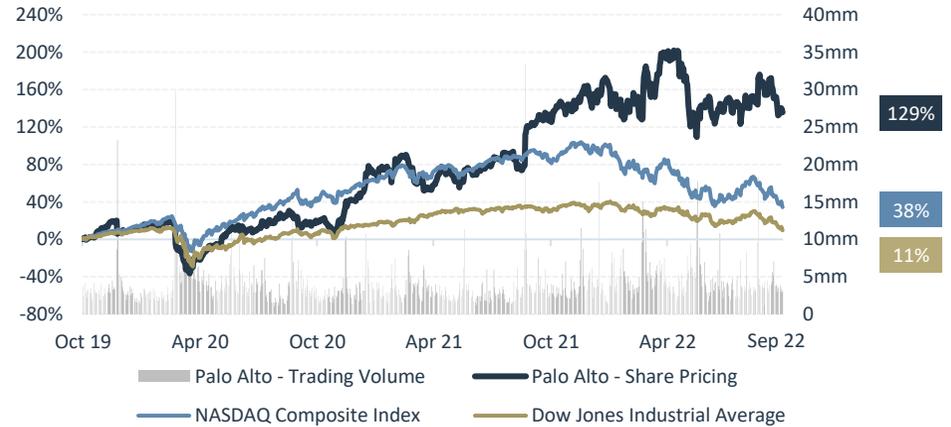
3-year large cap stock trading performance



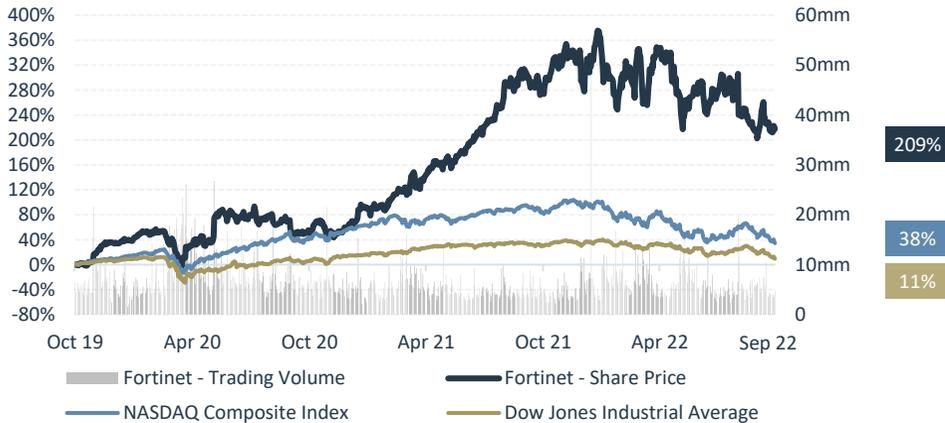
Market cap: \$39.5bn⁽¹⁾



Market cap: \$50.8bn⁽¹⁾



Market cap: \$40.2bn⁽¹⁾



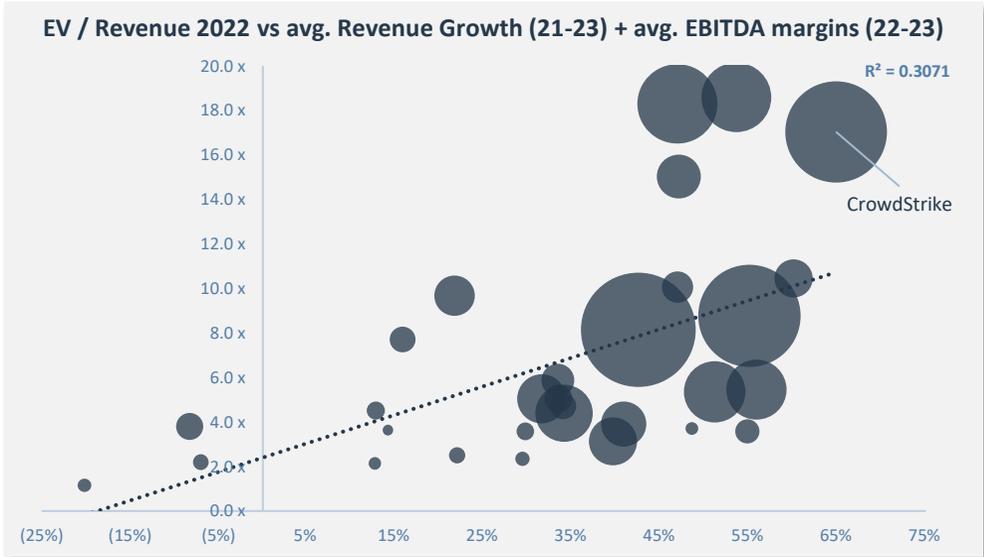
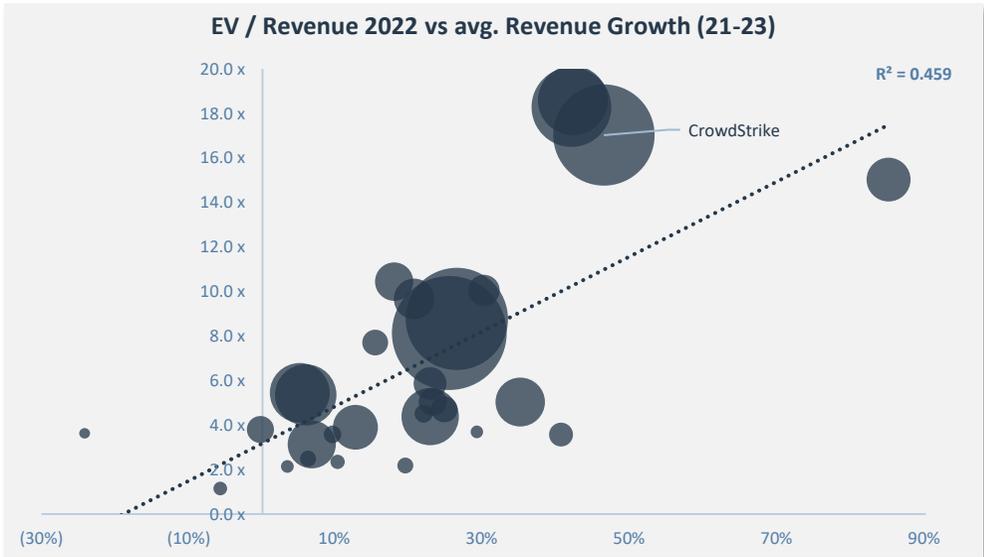
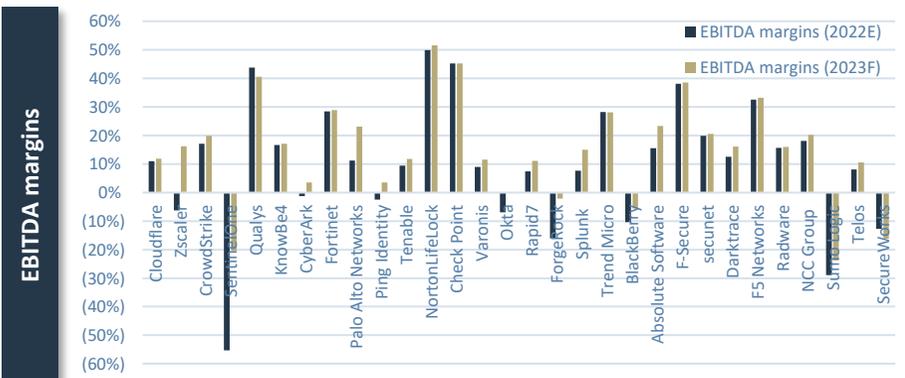
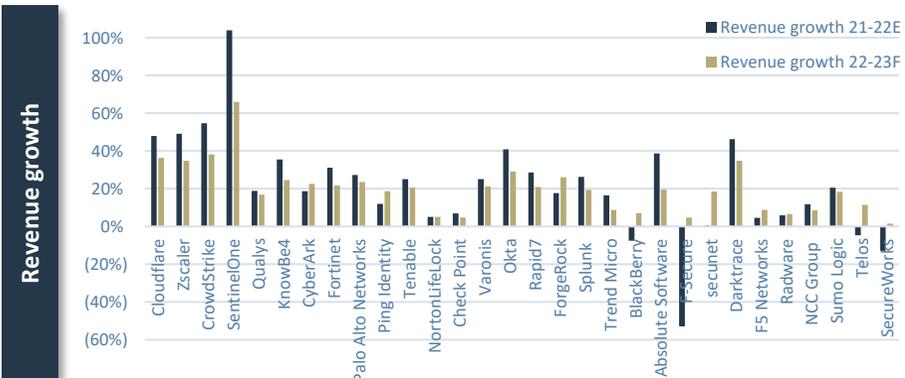
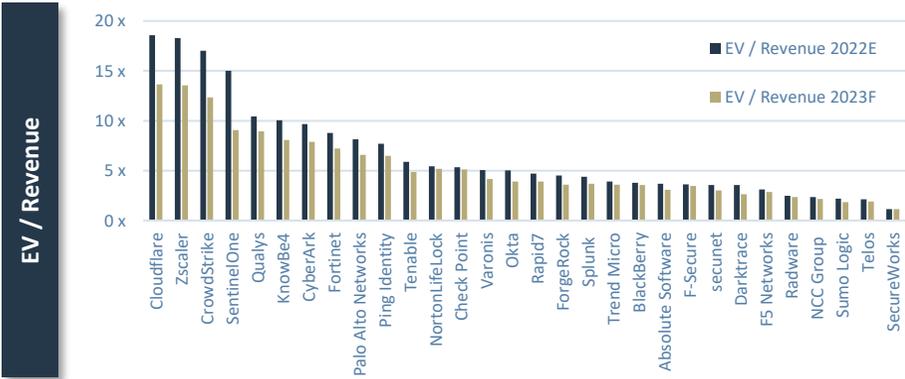
Market cap: \$14.5bn⁽¹⁾



Source(s): Capital IQ Note(s); (1) Market Cap. as of 4th October 2022

Revenue growth remains the major valuation driver for cybersecurity stocks

Even in the current market environment where profitability is a key investment criteria, growth remains the dominant valuation driver. Only if EBITDA margins reach above 40% (e.g. Qualys, Norton, Checkpoint) profitability becomes a dominant force



Source(s): Capital IQ as of 2 Sep 2022

Note(s): (1) Size of the bubble indicates USD market cap

Public comparables overview

Valuation summary

USD millions		Enterprise Value Multiples											Operating Statistics					
Company	Vertical	Price (30-Sep-22)	% of 52 Week High	Market Cap	Net Debt	Enterprise Value	Revenue			EBITDA			Revenue Growth			EBITDA Margin		
							FY 2021A	FY 2022E	FY 2023F	FY 2021A	FY 2022E	FY 2023F	2020-21A	2021-22E	2022-23F	FY 2021A	FY 2022E	FY 2023F
ICON Cybersecurity Comparables																		
Cloudflare	Network Security	55.31	25.0%	18,112	(74)	18,037	27.5 x	18.6 x	13.6 x	n.m.	n.m.	n.m.	52.3%	47.9%	36.4%	(12.4%)	10.9%	11.9%
Zscaler	Cloud Security	164.37	43.7%	23,769	(686)	23,083	27.2 x	18.3 x	13.6 x	n.m.	n.m.	83.9 x	59.2%	49.0%	34.8%	(26.8%)	(6.2%)	16.2%
CrowdStrike	XDR	164.81	55.2%	38,463	(1,529)	36,934	26.3 x	17.0 x	12.3 x	n.m.	99.6 x	62.0 x	66.7%	54.6%	38.1%	(5.6%)	17.1%	19.9%
SentinelOne	XDR	25.56	32.5%	7,180	(1,190)	5,990	30.6 x	15.0 x	9.1 x	n.m.	n.m.	n.m.	119.2%	104.0%	65.9%	(126.8%)	(55.3%)	(20.5%)
Qualys	Vulnerability Analytics	139.39	85.9%	5,482	(376)	5,106	12.4 x	10.4 x	8.9 x	33.84 x	23.9 x	22.1 x	13.3%	18.9%	16.8%	36.7%	43.8%	40.5%
KnowBe4	Awareness & Training	20.81	70.5%	3,656	(301)	3,355	13.6 x	10.1 x	8.1 x	n.m.	60.6 x	47.3 x	40.8%	35.5%	24.6%	(0.6%)	16.6%	17.1%
CyberArk	IAM	149.94	74.3%	6,142	(373)	5,770	11.5 x	9.7 x	7.9 x	n.m.	n.m.	n.m.	8.3%	18.7%	22.5%	(12.7%)	(1.3%)	3.5%
Fortinet	Network Security	49.13	66.1%	39,153	(752)	38,400	11.5 x	8.8 x	7.2 x	52.6 x	30.8 x	24.9 x	28.8%	31.1%	21.6%	21.8%	28.4%	28.9%
Palo Alto Networks	Diversified	163.79	76.7%	49,008	381	49,389	10.3 x	8.1 x	6.6 x	n.m.	72.8 x	28.6 x	26.9%	27.2%	23.5%	(0.8%)	11.2%	23.0%
Ping Identity	IAM	28.07	92.3%	2,484	98	2,581	8.6 x	7.7 x	6.5 x	n.m.	n.m.	n.m.	22.9%	11.9%	18.7%	(20.1%)	(2.5%)	3.5%
Tenable	Vulnerability Analytics	34.80	54.7%	4,057	(88)	3,970	7.3 x	5.9 x	4.9 x	n.m.	62.3 x	41.3 x	22.9%	25.0%	20.5%	(3.5%)	9.4%	11.8%
NortonLifeLock	Consumer and SMB	20.14	65.1%	13,414	2,125	15,539	5.7 x	5.4 x	5.2 x	12.2 x	10.9 x	10.1 x	7.3%	5.1%	5.0%	46.9%	49.9%	51.6%
Check Point	Network Security	112.02	74.9%	14,049	(1,646)	12,402	5.7 x	5.4 x	5.1 x	13.3 x	11.8 x	11.3 x	4.9%	7.0%	4.8%	42.9%	45.3%	45.2%
Varonis	Data Security	26.52	39.1%	2,930	(469)	2,461	6.3 x	5.0 x	4.2 x	n.m.	56.0 x	36.1 x	33.3%	25.0%	21.2%	(22.5%)	9.0%	11.5%
Okta	IAM	56.87	20.9%	9,035	(89)	8,946	7.1 x	5.0 x	3.9 x	n.m.	n.m.	n.m.	54.8%	40.8%	29.1%	(45.4%)	(6.9%)	(0.0%)
Rapid7	Vulnerability Analytics	42.90	29.6%	2,564	676	3,239	6.0 x	4.7 x	3.9 x	n.m.	63.6 x	35.1 x	30.1%	28.5%	20.8%	(14.7%)	7.4%	11.1%
ForgeRock	IAM	14.53	38.0%	1,235	(296)	939	5.3 x	4.5 x	3.6 x	n.m.	n.m.	n.m.	38.6%	17.7%	26.0%	(15.5%)	(16.0%)	(2.2%)
Splunk	Data Security	75.20	42.6%	12,249	2,332	14,581	5.5 x	4.4 x	3.7 x	n.m.	57.6 x	24.5 x	17.7%	26.2%	19.2%	(36.7%)	7.6%	15.0%
Trend Micro	Cloud Security	54.04	85.5%	7,601	(1,633)	5,968	4.5 x	3.9 x	3.6 x	13.4 x	13.8 x	12.7 x	9.4%	16.5%	8.8%	33.9%	28.2%	28.1%
BlackBerry	Endpoint	4.74	42.2%	2,738	(115)	2,623	3.5 x	3.8 x	3.5 x	n.m.	n.m.	n.m.	(18.6%)	(7.5%)	7.0%	(8.3%)	(10.4%)	(5.6%)
Absolute Software	Endpoint	11.64	97.1%	601	213	815	5.1 x	3.7 x	3.1 x	50.6 x	23.7 x	13.3 x	41.1%	38.6%	19.5%	10.1%	15.6%	23.3%
F-Secure	Endpoint	2.41	77.5%	420	(24)	396	1.7 x	3.6 x	3.5 x	19.8 x	9.5 x	9.0 x	7.3%	(52.9%)	4.7%	8.6%	38.0%	38.5%
secunet	Cybersecurity services	181.02	30.4%	1,171	18	1,189	3.6 x	3.6 x	3.0 x	17.5 x	18.0 x	14.7 x	18.2%	0.5%	18.5%	20.5%	19.9%	20.5%
Darktrace	XDR	3.29	29.9%	2,157	(328)	1,829	5.2 x	3.6 x	2.6 x	n.m.	28.6 x	16.5 x	44.7%	46.2%	34.8%	5.0%	12.5%	16.0%
F5 Networks	Network Security	144.73	58.1%	8,657	(75)	8,582	3.3 x	3.1 x	2.9 x	13.5 x	9.6 x	8.6 x	8.7%	4.6%	8.8%	24.3%	32.5%	33.2%
Radware	Network	21.79	51.6%	977	(222)	755	2.6 x	2.5 x	2.3 x	26.6 x	15.9 x	14.7 x	14.6%	5.9%	6.5%	9.9%	15.6%	15.9%
NCC Group	Cybersecurity services	2.43	82.0%	769	95	864	2.6 x	2.3 x	2.2 x	17.2 x	12.9 x	10.6 x	10.7%	11.8%	8.5%	15.2%	18.1%	20.2%
Sumo Logic	Data Security	7.50	42.1%	942	(314)	628	2.6 x	2.2 x	1.8 x	n.m.	n.m.	n.m.	20.2%	20.4%	18.3%	(46.1%)	(28.9%)	(23.8%)
Telos	Network Security	8.89	30.7%	601	(108)	493	2.0 x	2.1 x	1.9 x	n.m.	26.5 x	18.1 x	34.7%	(4.7%)	11.5%	(15.6%)	8.0%	10.5%
SecureWorks	Cybersecurity services	8.05	33.9%	684	(148)	536	1.0 x	1.1 x	1.1 x	n.m.	n.m.	n.m.	(4.1%)	(13.0%)	1.6%	(1.9%)	(12.7%)	(16.2%)
Median							5.7 x	4.9 x	3.9 x	17.5 x	25.2 x	18.1 x	22.9%	19.7%	19.4%	-2.7%	11.1%	16.0%
Mean							8.9 x	6.7 x	5.3 x	24.6 x	35.4 x	26.0 x	27.8%	21.4%	19.9%	-4.7%	10.2%	15.0%

Source(s): Capital IQ
Note(s): (1) As of 30 September 2022



M&A and capital raising activity

M&A activity - snapshot

Overall M&A activity in line with previous quarters but lower than in record quarters Q3/4 2021



US HQ'd Cybersecurity transactions – Key Stats

Jan 2022 – Sep 2022

179

Deals

77

PE acquirer deals

\$161m

Median Deal size

\$114b

Cumulative deal value

\$61b

Largest deal⁽¹⁾



European and UK HQ'd Cybersecurity transactions – Key Stats

Jan 2022 – Sep 2022

127

Deals

51

PE acquirer deals

\$52m

Median Deal size

\$11.6b

Cumulative deal value

\$5.8b

Largest deal⁽²⁾

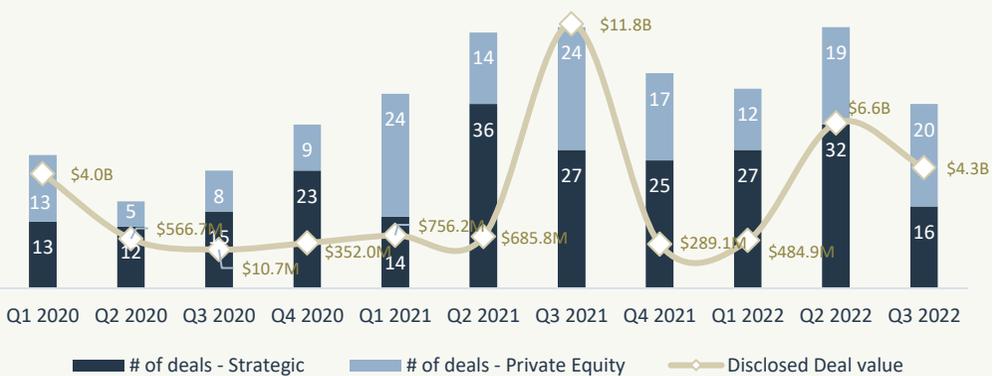
US Cybersecurity - Deal Count and Disclosed Deal Size

Q1 2020 – Q2 2022



European and UK Cybersecurity - Deal Count and Disclosed Deal Size⁽³⁾

Q1 2020 – Q2 2022



Source(s): ICON Analysis, Pitchbook, Capital IQ

Note(s): (1) May 26th Acquisition of VMware by Broadcom; (2) May 17th Acquisition of Mimecast by Permira

Recent European M&A highlights in 2022

US strategic acquirers continue to be very active



acquired



Security & Compliance Management Platform

- **Date:** 12/07/2022
- **Valuations:** n.a.
- **Transaction:** Acquisition
- **Target description:** On-demand security risk and compliance management platform designed for identifying and managing cybersecurity threats and vulnerabilities



acquired



Hardware Security Appliances & Compliance Software

- **Date:** 01/06/2022
- **Valuation:** \$450m
- **Transaction:** Acquisition
- **Target description:** On-prem and cloud-based hardware security appliances and compliance software intended for telecommunication, governments and corporations



acquired



Cybersecurity Risk and Compliance Platform

- **Date:** 01/03/2022
- **Valuation:** \$54m
- **Transaction:** Acquisition
- **Target description:** Cybersecurity compliance platform designed for attack surface management



acquired



MSSP

- **Date:** 17/05/2022
- **Valuation:** \$127m
- **Transaction:** Acquisition
- **Target description:** Pure-play MSSP, with more than 400 security experts and a global MultiSOC. Maxive was created in 2020 as a holding company that combined two MSSPs, S21sec and Excellium

Notable Cybersecurity M&A transactions 2022 YTD

Jan 2022 – Sep 2022

Date	Acquirer	Target	Target company description	EV (\$m)	EV / Rev	Date	Acquirer	Target	Target company description	EV (\$m)	EV / Rev
20 Sep	 CROWDSTRIKE	 Reposify	External surface management solution, which identifies, manages, and defends an organisation's digital assets	-	n.a.	27 Apr	 VECTOR CAPITAL	 WatchGuard	Designs, develops, and manufactures network security products	-	n.a.
03 Aug	 THOMABRAVO	 PingIdentity	Offers intelligent, cloud-based identity solutions for companies and government organisations	2,796.3	9.1x	12 Apr	 KKR	 Barracuda	Designs and develops security and data protection solutions	3,800.0	n.a.
13 Jul	 VITRUVIAN PARTNERS	 Outpost24	Security risk and compliance management platform for identifying and managing cybersecurity threats and vulnerabilities	-	n.a.	11 Apr	 Kaseya	 datto	Provides cloud-based software and technology solutions for delivery through the MSP channel	6,028.4	9.4x
12 Jul	 THALES	 onewelcome	Cloud-based identity and access management platform	100.6	7.7x	11 Apr	 THOMABRAVO	 SailPoint	Provides enterprise identity security solutions	7,051.2	15.2x
01 Jun	 RELIAQUEST	 digital shadows	Cyber threat protection platform designed to minimise digital risk and improve cyber situational awareness	160.0	6.4x	06 Apr	 TURN/RIVER	 tufin	Software-based solutions that help organisations visualize, define and enforce a unified security policy	488.8	4.2x
23 May	 PARSONS	 Xator	Biometrics and identity management solutions services to the government and its support contractors	400.0	n.a.	05 Apr	 SysGroup	 Truststream	Operates as an information security consulting company	10.3	2.5x
05 May	 DATADOG	 Hdiv	Develops security software to provide protection against security bugs and design flaws	-	n.a.	29 Mar	 LIBERTY Strategic Capital	 ZIMPERIUM	Mobile threat defence platform designed to detect and protect organizations from mobile cyberattacks in real-time	525.0	n.a.
03 May	 LexisNexis	 BehavioSec	Provides an advanced behavioural biometrics technology	140.0	17.5x	15 Mar	 SentinelOne	 Attivo NETWORKS	Operates as an identity security and lateral movement protection company	616.5	n.a.
29 Apr	 SABANCI	 Radiflow	Automated cyber risk management and threat detection platform intended to protect critical industrial networks	88.2	n.a.	15 Mar	 TA ASSOCIATES	 VERACODE	Develops application security testing software solutions	2,500.0	9.9x
27 Apr	 SYNOPSYS	 NTT Security	Application security testing SaaS	307.3	1.5x	08 Mar	 Google	 MANDIANT	Provides incident response, threat intelligence, automated response, and managed security solutions	5,357.1	11.1x

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

Funding activity - snapshot

Recent activity levels point to a stable funding environment after the post Covid-19 catch-up



US Cybersecurity funding rounds – Key Stats

2022 – 2022 YTD

263

Funding rounds

714

Investors

\$1.2bn

Largest deal⁽¹⁾

\$10bn

Cumulative deal value

US Cybersecurity - Deal Count and Deal Size

Q1 2020 – Q2 2022



European and UK Cybersecurity transactions – Key Stats

2022 – 2022 YTD

114

Funding rounds

257

Investors

\$250m

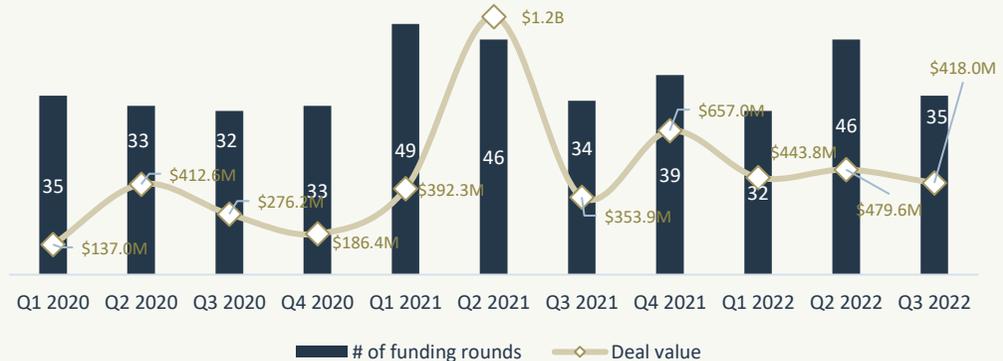
Largest deal⁽²⁾

\$1.4bn

Cumulative deal value

European and UK Cybersecurity - Deal Count and Deal Size

Q1 2020 – Q2 2022



Source(s): ICON Analysis, Pitchbook
 Note(s): (1) 28th April: Securonix raised \$1.16b (Series D) from Vista Equity Partners, Capital One Ventures, Snowflake Ventures, Verizon Ventures, Wipro Ventures, Volition Capital, Eight Roads
 (2) 26th July: Acronis raised \$250m (Growth) from BlackRock

Recent European fundraising highlights in 2022

Multiple high profile fundraises



DataGuard

Raised \$61m from

ONE PEAK PARTNERS Morgan Stanley

KREOS CAPITAL

Data privacy and compliance software

- **Date:** 22/09/2022
- **Deal type:** Series B
- **Raised to date:** \$83m
- **Post money valuation:** n.a.
- **Target description:** The company's platform audits customer personal data flows, creates process documentation, processes and documents data breaches



Acronis

Raised \$250m from

BlackRock

Fraud Detection Platform

- **Date:** 26/07/2022
- **Deal type:** Growth Funding
- **Raised to date:** \$673m
- **Post money valuation:** \$3.5bn
- **Target description:** Provider of storage management and personal backup services intended to offer hybrid cloud data protection



NORD SECURITY

Raised \$100m from

NOVATOR

BurdaPrincipal Investments

BALTCAP

GENERAL CATALYST

SOC, MDR and Monitoring Solutions

- **Date:** 04/04/2022
- **Deal type:** Series A
- **Raised to date:** \$100m
- **Post money valuation:** \$1.6bn
- **Target description:** Developer of digital security and privacy solutions intended for individuals and businesses



SEON

Raised \$94m from

I V P

PortfoLion
member of otp group

Crew Capital

CREANDUM

Data Privacy

- **Date:** 19/04/2022
- **Deal type:** Series B
- **Raised to date:** \$108m
- **Post money valuation:** n.a.
- **Target description:** Developer of fraud detection software designed to detect and stop fraud in real-time through transactional data analysis

Overview of specialised cybersecurity funds

Several specialised cybersecurity funds are providing venture capital for high growth cyber businesses

Firm	Geo	HQ	Selected Cybersecurity Portfolio Companies			
ALLEGIS CYBER		Palo Alto			DRAGOS	
		San Francisco				
		North Palm Beach				BLUELAVA
		New York, Zurich			BEYOND IDENTITY	
		San Mateo				SUREFIRE
		Washington				
		Porto				
		Washington				
		Boston				
		West Palm Beach				
		Mill Valley, CA				

ICON at a glance

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

TRUSTED



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

LEADER IN TECHNOLOGY DEALS

300+

Deals

200+

Combined years of deal making

100%

Dedicated to tech sector

9

Senior Investment Bankers

INDUSTRY FOCUS



Enterprise Software



Cybersecurity



FinTech



Cloud/Comms



IT services



Digital Media

GLOBAL



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

TECH EXPERTS



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

AWARDS & ACCOLADES

realdeals

FINALIST, UK CORPORATE FINANCE HOUSE OF THE YEAR



The FinTech50



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Read more ICON insight:

- [*H1 2022 UK Technology M&A Snapshot*](#)
- [*Tech Private Equity Demystified Q1 2022*](#)
- [*ICON Cybersecurity Sector Update – April 2021*](#)