



Cybersecurity Quarterly Update

TECHNOLOGY

Q1 2022



HOULIHAN LOKEY

Leading Independent, Global Advisory Firm



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

2,200+
Employees

36
Locations

\$6+ Billion
Market Cap



~\$2 Billion
Annual Revenue

~25%
Employee-Owned

No
Debt

Corporate Finance

- No. 1 Global M&A Advisor
- Leading Capital Markets Advisor Raising More Than \$100 Billion in Past Five Years

2021 Investment Banking Rankings All Global Transactions

Rank	Advisor	Deals
1	Houlihan Lokey	549
2	Goldman Sachs	511
3	JP Morgan	508

Source: Refinitiv.
Excludes accounting firms and brokers.

Financial Restructuring

- No. 1 Global Restructuring Advisor
- \$3.0 Trillion of Aggregate Transaction Value Completed

2021 Global Distressed Debt & Bankruptcy Restructuring Rankings

Rank	Advisor	Deals
1	Houlihan Lokey	63
2	Rothschild	38
3	Moelis	34

Source: Refinitiv.

Financial and Valuation Advisory

- No. 1 Global M&A Fairness Opinion Advisor
- 1,000+ Annual Valuation Engagements

2002 to 2021 Global M&A Fairness Opinion Advisory Rankings

Rank	Advisor	Deals
1	Houlihan Lokey	952
2	JP Morgan	890
3	Duff & Phelps, A Kroll Business	882

Source: Refinitiv.
Announced or completed transactions.

Financial Sponsors Coverage

- No. 1 Global Advisor to Private Equity Firms
- 1,000+ Sponsors Covered Globally

2021 Most Active Global Investment Banks to Private Equity Firms

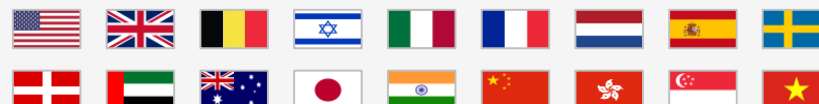
Rank	Advisor	Deals
1	Houlihan Lokey	323
2	Deloitte	218
3	William Blair	183

Source: PitchBook.



Houlihan Lokey acquired GCA in October 2021, significantly expanding the firm's geographic reach in Europe and Asia and creating the most active global M&A advisory firm.

Combined Global Presence:



Houlihan Lokey Is the Trusted Advisor to More Top Decision-Makers Than Any Other Independent Global Investment Bank

2021 M&A Advisory Rankings Global Technology Transactions

	Advisor	Deals
1	Houlihan Lokey	124
2	PricewaterhouseCoopers	118
3	Goldman Sachs	114
4	KPMG	108
5	JP Morgan	91

Source: Refinitiv.

2021 Investment Banking Rankings All Global Transactions

	Advisor	Deals
1	Houlihan Lokey	549
2	Goldman Sachs	511
3	JP Morgan	508
4	Rothschild	437
5	Morgan Stanley	393

Source: Refinitiv. Excludes accounting firms and brokers.

No. 1

Global M&A Advisor

No. 1

Global M&A Fairness Opinion
Advisor Over the Past 20 Years

No. 1

Global Restructuring Advisor

Leading

Capital Markets Advisor

1,500+

Transactions Completed Valued at
More Than \$3.0 Trillion Collectively

1,000+

Annual Valuation Engagements

Houlihan Lokey's Tech M&A Team Is the Global No. 1 With Unparalleled Reach

North America

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

Europe and Middle East

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

Asia-Pacific

- Beijing
- Fukuoka
- Ho Chi Minh City
- Hong Kong
- Mumbai**
- Nagoya
- New Delhi
- Osaka
- Shanghai
- Singapore
- Sydney
- Tokyo**

No. 1
TECH M&A
ADVISOR*

13
LOCATIONS
WORLDWIDE

200
TECHNOLOGY
BANKERS

40+
MANAGING
DIRECTORS

250+
TECHNOLOGY
DEALS IN CY21

Local Technology team.

*According to data provided by Refinitiv.

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 strategic and financial perspectives.

What We Offer

1  **Corporate Finance**

- Mergers and Acquisitions
- Capital Markets
- Private Funds Advisory
- Board Advisory Services

We are widely recognized as a leading M&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.

2  **Financial Restructuring**

- Company Advisory
- Special Situations
- Distressed M&A
- Liability Management
- Creditor Advisory

We have the largest restructuring practice of any global investment bank. Since 1988, we have advised on more than 1,000 restructuring transactions (with aggregate debt claims in excess of \$3.0 trillion). We served as an advisor in 12 of the largest 15 bankruptcies from 2000 to 2021.

3  **Financial and Valuation Advisory**

- Portfolio Valuation and Fund Advisory
- Transaction Opinions
- Corporate Valuation Advisory Services
- Transaction Advisory Services
- Real Estate Valuation and Advisory
- Dispute Resolution Consulting

Over nearly four 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.

Why We're Different


 No. 1 for U.S. and Tech M&A

 Significant Experience With Financing Markets

 Senior-Level Commitment and Dedication

 Deep, Industry-Specific Expertise

 Superior Work Product/Technical Abilities

 Creativity, Imagination, Tenacity, and Positivity

Global Team Focused on All Aspects of Cybersecurity

100+ Years and \$350+ Billion of Combined Technology Industry Knowledge and Transaction Experience



Bobby Wolfe
Director
Miami



Mark Smith
Director
Manchester



Malte Abrams
Managing Director
Frankfurt



Walid Khiari
Managing Director
San Francisco



Josh Wepman
Managing Director
New York



Rob Louv
Co-Head of U.S.
Technology
San Francisco

U.S. Leadership

European Leadership

U.S. Team




Core Domain Leadership

Additional Domain Experience

Broad Cybersecurity Sector Coverage

Cloud Security	Cyber Consulting, Services, and Training	Data Protection, Integrity, and Security
Endpoint Security	Encryption Security	Fraud and Risk Protection
Governance, Risk, and Compliance	Identity and Privileged Access Management	Identity Security and Management
Incident Response	IoT Security	Log Management
Managed Detection Response	Managed Security Service Providers	Managed SOC
Messaging Security	Mobile Security	Network Operations and Security
Penetration Testing	Threat Intelligence	Web Security

With Highly Relevant Experience

 <p>has been acquired by</p>  <p>Sellside Advisor</p>	 <p>has received a growth equity investment of \$70,000,000 from</p>  <p>Financial Advisor</p>	 <p>has made a strategic investment in</p>  <p>Buyside Advisor</p>	 <p>has received a strategic growth investment from</p>  <p>Sellside Advisor*</p>	 <p>has been acquired by</p>  <p>Sellside Advisor*</p>	 <p>has invested in</p>  <p>Financing Advisor*</p>	 <p>has received an investment from</p>  <p>Sellside Advisor*</p>
 <p>has been recapitalized in partnership with</p>  <p>Sellside Advisor</p>	 <p>has sold a majority stake to</p>  <p>Sellside Advisor*</p>	 <p>has invested in</p>  <p>Buyside Advisor*</p>	 <p>has sold a minority stake to</p>  <p>Sellside Advisor*</p>	 <p>has sold a majority stake in</p>  <p>Sellside Advisor*</p>	 <p>has entered into a partnership with</p>  <p>Sellside Advisor*</p>	 <p>has been acquired by</p>  <p>Sellside Advisor</p>
 <p>has been acquired by</p>  <p>Sellside Advisor*</p>	 <p>has been acquired by</p>  <p>Sellside Advisor*</p>	 <p>structured equity investment led by</p>  <p>Financing Advisor*</p>	 <p>has acquired</p>  <p>Buyside Advisor</p>	<p>Acquisition Financing</p>  <p>has acquired</p>  <p>Financing Advisor*</p>	 <p>has sold substantially all its assets, pursuant to Section 363 of the U.S. Bankruptcy Code, to</p>  <p>Company Advisor</p>	 <p>has been acquired by</p>  <p>Sellside Advisor*</p>
 <p>has been acquired by</p>  <p>Sellside Advisor*</p>	 <p>has been acquired by</p>  <p>Sellside Advisor*</p>	 <p>has received an equity investment from</p>  <p>Financial Advisor</p>	 <p>a portfolio company of</p>  <p>Financial Advisor</p>	<p>The Cyber Business of</p>  <p>has been acquired by</p>  <p>Sellside Advisor</p>	 <p>a wholly owned subsidiary of</p>  <p>has been acquired by</p>  <p>Sellside Advisor</p>	 <p>has been acquired by</p>  <p>Sellside Advisor*</p>

*Denotes transactions executed by a firm acquired by Houlihan Lokey.
Tombstones included herein represent transactions closed from 2010 forward.

Recent Case Study: iProov



Client Profile

iProov is the world leader in online facial biometric authentication, working with governments, banks, and other enterprises to securely verify customer identity. Used for effortless onboarding and authentication, customers include the U.S. Department of Homeland Security, the U.K. Home Office, the U.K. National Health Service (NHS), the Australian Taxation Office, GovTech Singapore, Rabobank, ING, and others. iProov's technologies include Liveness Assurance and Genuine Presence Assurance, which ensure that an online customer is the right person, a real person, and is authenticating right now. They protect against spoof attacks from photos, videos, masks and digital injection attacks, and the emerging threat of deepfakes.

Our Role

This transaction highlights Houlihan Lokey's expertise in and extensive domain knowledge of cybersecurity technology. Houlihan Lokey drove a successful outcome at a premium valuation for iProov as its exclusive financial advisor.

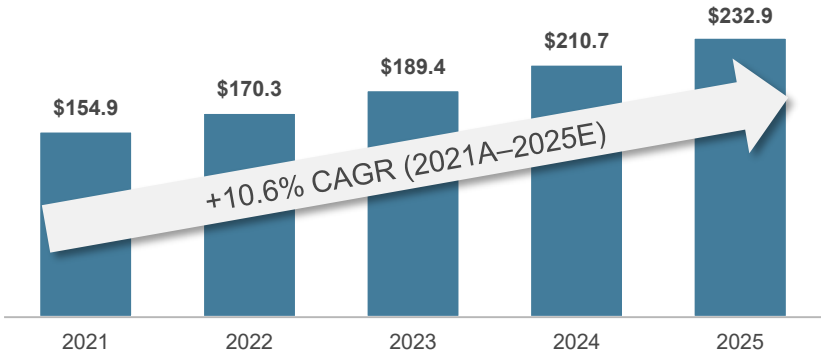
Transaction Snapshot

iProov engaged Houlihan Lokey to conduct an equity financing process with the aim to provide growth capital that could accelerate the adoption of iProov's assurance technology for high-security use cases. Houlihan Lokey reached out to carefully selected private and growth equity investors with a thesis and expertise that clearly aligned with iProov's market and business model. Houlihan Lokey facilitated confirmatory diligence with three parties simultaneously, demonstrating its ability to manage complex processes that require high certainty of close.

Momentum Continues in the Cybersecurity Sector

Momentum in the security market is expected to continue, driven by strong public markets and increasing threats.

General Market Environment (\$B)



- Digital transformation and an expanding digital footprint are driving security technology and, in particular, identity access management and endpoint security.

Public Market Environment

13.5x

TEV/NTM Revenue for High-Growth Security Companies

4.1x

TEV/NTM Revenue for Low-Growth Security Companies

- Security sector continues to have high demand, given strong fundamentals, increasing threats, and global macro tensions.
- Public markets continue to reward and prioritize topline growth.

M&A Environment

Q1 2022

68 Deals

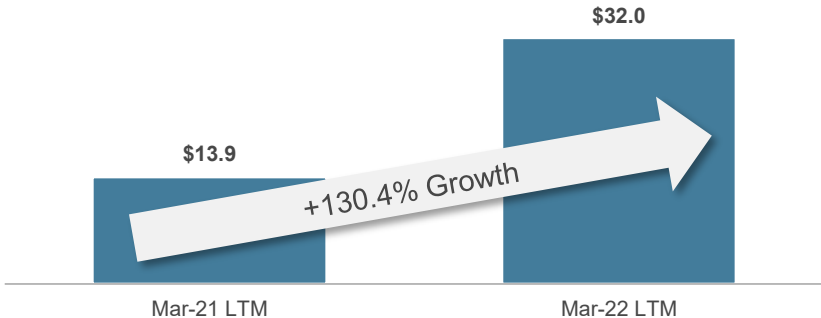
\$11.1B in Disclosed Transaction Value

Notable Q1 Transactions

Acquirer	Target
SentinelOne	Attivo Networks
TA ASSOCIATES	VERACODE
helpsystems	ALERT LOGIC
Google	MANDIANT

- Leading players continue to pay scarcity premiums for best-of-breed solutions to fill out product suite and portfolio gaps.
- There is considerable private equity interest given FCF profiles and a commitment to innovation investment.

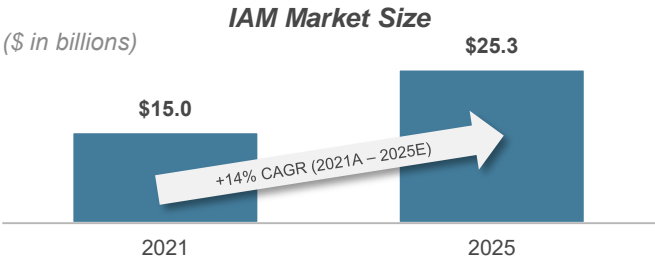
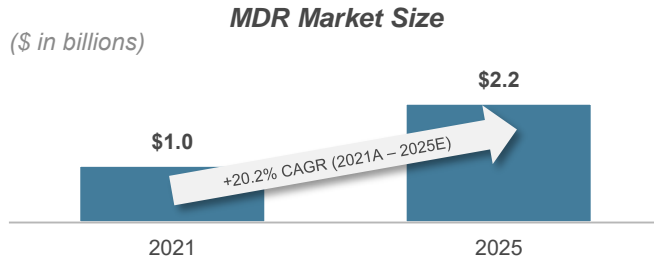
Private Company Funding (\$B)



- IAM and security operations continue to attract VC interest, as well as emerging segments such as cloud vulnerability scanning, fraud prevention, and passwordless authentication.

Sources: Gartner, 451 Research, PitchBook.com, S&P Capital IQ, market data as of March 31, 2021.

Highlighted Cybersecurity Trends

Cyber Topic	CIAM	Cyber Services												
<p>Trends</p>	<ul style="list-style-type: none"> Customer identity and access management tools manage identity, authentication, and authorization for external identity use cases. The CIAM market is fragmented into developer-focused vendors, CIAM specialists, online fraud detection vendors, and traditional access management vendors that deliver tools for CIAM use cases. Because users' interactions with businesses are increasingly digital, identity security is an essential foundation of the business ecosystem. CIAM adoption is expanding and represents one of the fastest-growing sectors in cybersecurity, expanding TAM and driving market growth in the broader IAM market. <p style="text-align: center;">IAM Market Size</p> <p>(\$ in billions)</p>  <table border="1"> <caption>IAM Market Size (\$ in billions)</caption> <thead> <tr> <th>Year</th> <th>Market Size (\$ in billions)</th> </tr> </thead> <tbody> <tr> <td>2021</td> <td>\$15.0</td> </tr> <tr> <td>2025</td> <td>\$25.3</td> </tr> </tbody> </table>	Year	Market Size (\$ in billions)	2021	\$15.0	2025	\$25.3	<ul style="list-style-type: none"> MSSP capabilities include security monitoring, detection and response, exposure assessment and management, as well as security consulting and security technology implementation. One of the key value propositions of MDR is performing the initial mitigation steps when a threat is identified to enable an effective incident response and remediation process. By taking action to disrupt or contain an attack, the MDRs buy time for the customer to perform further investigation and remediation. MDR is an established market and is growing rapidly. Gartner estimates that by 2025, 50% of organizations will be using MDR services for threat monitoring, detection, and response functions that offer threat containment and mitigation capabilities. <p style="text-align: center;">MDR Market Size</p> <p>(\$ in billions)</p>  <table border="1"> <caption>MDR Market Size (\$ in billions)</caption> <thead> <tr> <th>Year</th> <th>Market Size (\$ in billions)</th> </tr> </thead> <tbody> <tr> <td>2021</td> <td>\$1.0</td> </tr> <tr> <td>2025</td> <td>\$2.2</td> </tr> </tbody> </table>	Year	Market Size (\$ in billions)	2021	\$1.0	2025	\$2.2
Year	Market Size (\$ in billions)													
2021	\$15.0													
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Year	Market Size (\$ in billions)													
2021	\$1.0													
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<p>Companies to Watch</p>	<div style="display: flex; flex-wrap: wrap; justify-content: space-around;"> <div style="margin: 5px;"></div> <div style="margin: 5px;"></div> <div style="margin: 5px;"></div> <div style="margin: 5px;"></div> <div style="margin: 5px;"></div> <div style="margin: 5px;"></div> <div style="margin: 5px;"></div> <div style="margin: 5px;"></div> <div style="margin: 5px;"></div> </div>	<div style="display: flex; flex-wrap: wrap; justify-content: space-around;"> <div style="margin: 5px;"></div> <div style="margin: 5px;"></div> <div style="margin: 5px;"></div> <div style="margin: 5px;"></div> <div style="margin: 5px;"></div> <div style="margin: 5px;"></div> <div style="margin: 5px;"></div> <div style="margin: 5px;"></div> <div style="margin: 5px;"></div> <div style="margin: 5px;"></div> <div style="margin: 5px;"></div> </div>												

Source: Gartner.

Select Public Multiples—Forward 12 Months

EV/NTM Revenue



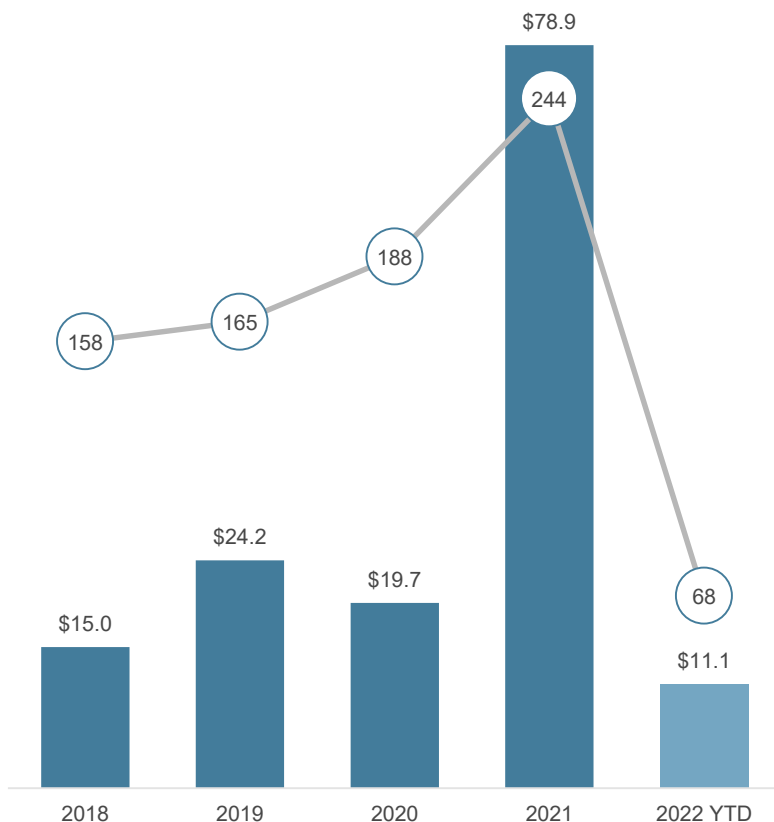
Sources: S&P Capital IQ, market data as of March 31, 2022.
 Note: Indices contain public companies on the following pages and are weighted by market capitalization.

M&A Remains an Exciting Exit for Cyber Companies

Cyber M&A Summary (2018–2022 YTD)

(\$ in billions)

■ Disclosed Value
○ Number of Deals



Select Transactions

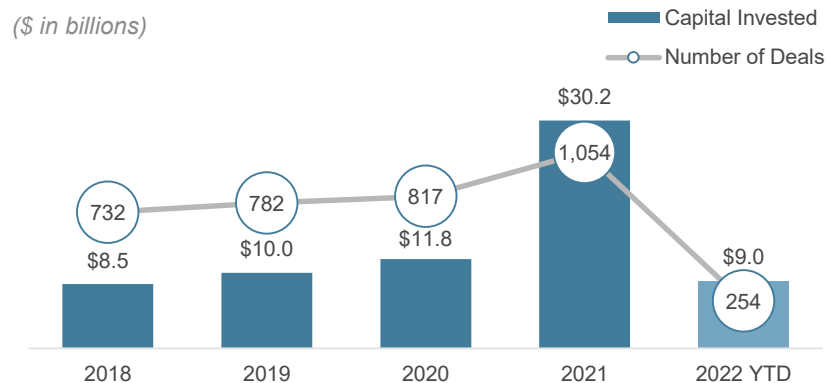
Ann. Date	Acquirer	Target	Subsector	EV \$M	EV/Rev
3/29/22	LIBERTY Strategic Capital	ZIMPERIUM MOBILE THREAT DEFENSE	Mobile Security	\$525	NA
3/23/22	Mitek	hooqu	Identity and Access Management	\$129	NA
3/15/22	TA ASSOCIATES	VERACODE	Application Security	\$2,500	NA
3/15/22	SentinelOne	Attivo NETWORKS	Network and Infrastructure Security	\$617	17.6x
3/9/22	helpsystems	ALERT LOGIC	MSSP/MDR	\$700	5.0x
3/8/22	Google	MANDIANT	MDR/Threat Intelligence	\$5,357	11.1x
2/23/22	CLOUDFLARE	AREA 1	Messaging Security	\$162	NA
2/23/22	DARKTRACE	CYBERSPRINT CYBERSECURITY	Digital Risk Management	\$54	NA
2/9/22	helpsystems	tripwire	Risk and Compliance	\$350	3.3x
2/1/22	Checkpoint	Spectral	Application Security	\$60	NA
1/31/22	CENGAGE	INFOSEC	Cyber Education and Compliance	\$190	NA
1/7/22	CERBERUS SENTINEL	true DIGITAL SECURITY	MSSP	\$171	NA

Sources: PitchBook.com, 451Research as of April 7, 2022.

Note: NA indicates not publicly available.

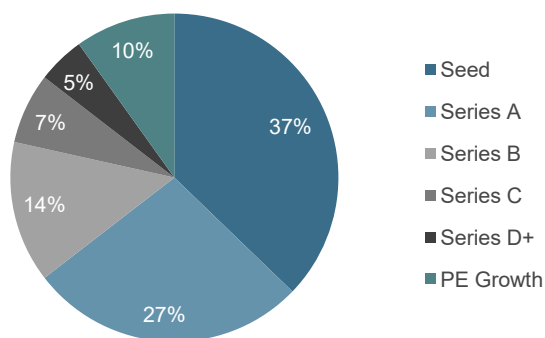
Cyber Is Drawing Growth Equity as Well

Private Funding Summary (2018–2022 YTD)



Private Funding by Round (2022 YTD)

Percent of Deals by Round



(\$ in millions)

Median Post-Money Valuation

Round	Seed/Angel	Series A	Series B	Series C	Series D+	PE Growth
Median Post-Money Valuation	\$16	\$70	\$220	\$1,000	\$2,000	\$2,500

Sources: PitchBook.com, 451Research as of April 7, 2022.

Note: NA indicates not publicly available.

(1) Val. reflects estimated post-money valuation.

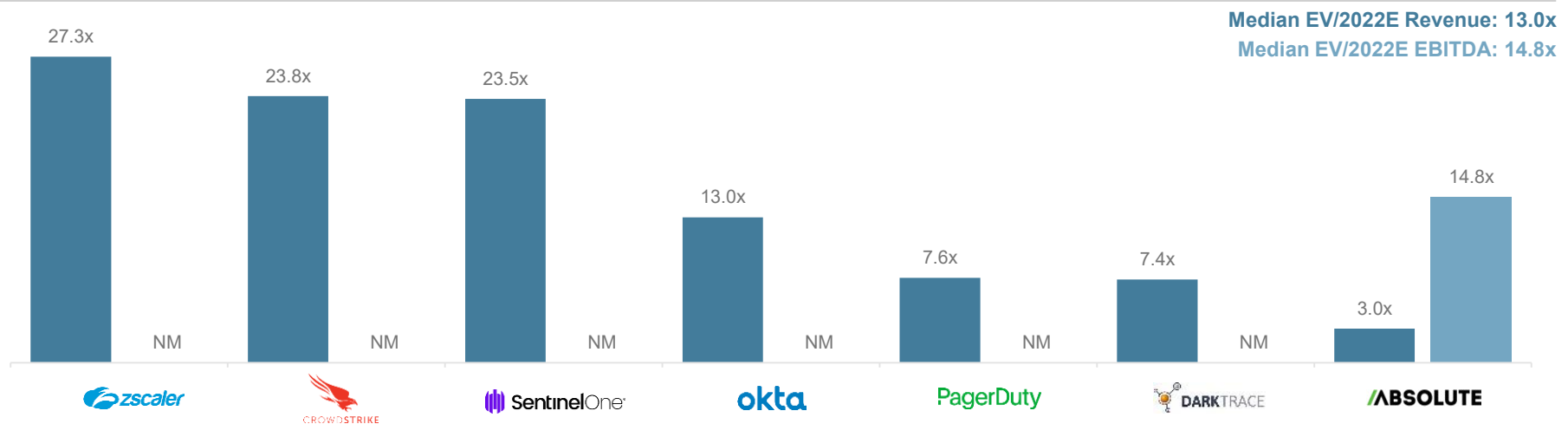
Select Minority Transactions⁽¹⁾

Ann. Date	Lead Investor	Target	Subsector	Amt. (\$M)	Val. (\$M)
3/29/22	INSIGHT PARTNERS	CERTIK	Blockchain	\$88	\$2,000
3/8/22	Accel	AXONIUS	Risk and Compliance	\$200	\$2,600
3/7/22	LIBERTY Strategic Capital	BlueVoyant	MSSP	\$250	NA
2/22/22	TIGERGLOBAL	CHEQ	Fraud and Transaction Security	\$150	\$1,000
2/22/22	evo/ution EQUITY PARTNERS	BEYOND IDENTITY	Identity and Access Management	\$100	\$1,100
2/14/22	VISTA	securonix	Security Ops and Incident Response	\$1,000	NA
2/10/22	CapitalG	SALT	API Threat Security	\$140	\$1,400
1/27/22	D1 CAPITAL PARTNERS Venture Arm	Fireblocks	Blockchain	\$550	\$8,000
1/25/22	servicenow	interos	Digital Risk Management	\$126	NA
1/19/22	ICONIQ	1Password	Identity and Access Management	\$650	\$6,800
1/12/22	INSIGHT PARTNERS	BigPanda	Incident Management	\$190	\$1,200
1/11/22	CI INVESTMENT MANAGEMENT	PENTERA	Automated Security Validation	\$150	\$1,200
1/6/22	iProov	Sumeru	Identity and Access Management	\$70	NA

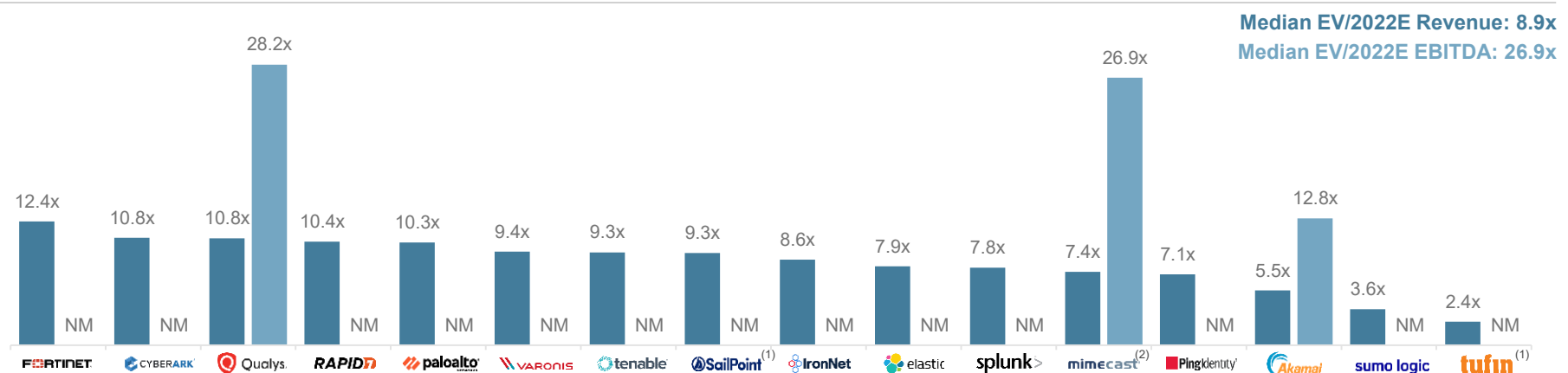
Public Company Benchmarking: EV/CY 2022E Revenue and EBITDA

■ EV/2022E Revenue ■ EV/2022E EBITDA

High-Growth Cyber (30%+ Revenue Growth)



Medium-Growth Cyber (>10% and <30% Revenue Growth)



Sources: Trading multiples are based on share price, other market data, and broker consensus future earnings estimates from S&P Capital IQ as of March 31, 2022. All financials calendarized to a December year-end; NM indicates not meaningful or EV/EBITDA >50x. Sorted by EV/2022E revenue.

(1) Acquisition announced/pending.

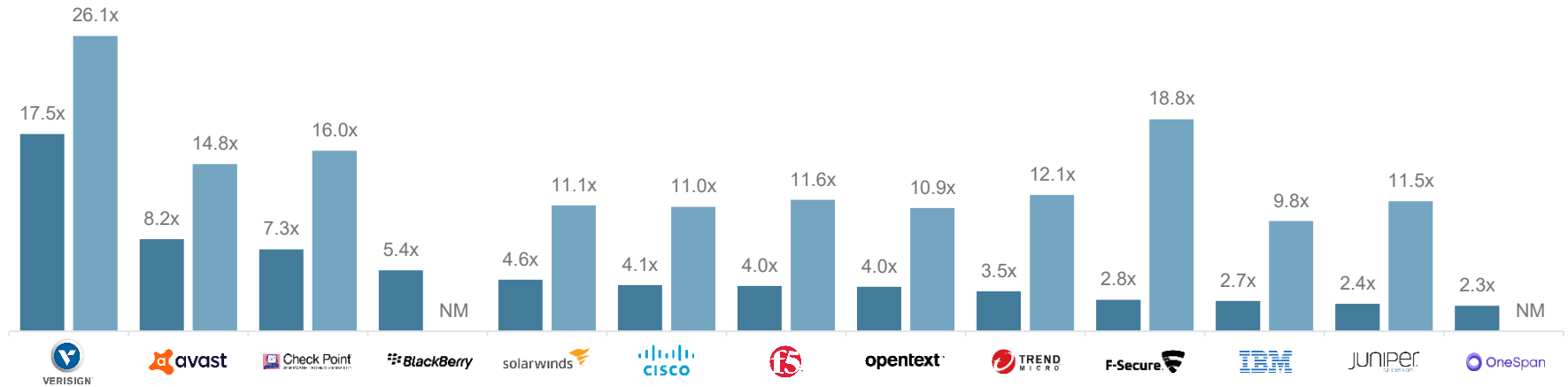
(2) Mimecast is based on unaffected price as of December 6, 2021.

Public Company Benchmarking: EV/CY 2022E Revenue and EBITDA

■ EV/2022E Revenue ■ EV/2022E EBITDA

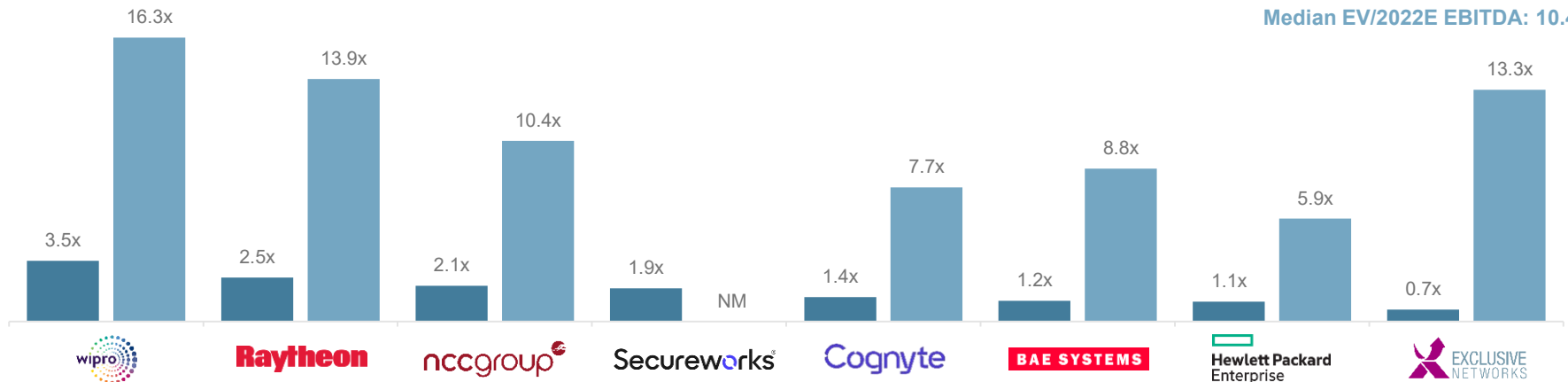
Low-Growth Cyber (<10% Revenue Growth)

Median EV/2022E Revenue: 4.0x
Median EV/2022E EBITDA: 11.6x



Security Services

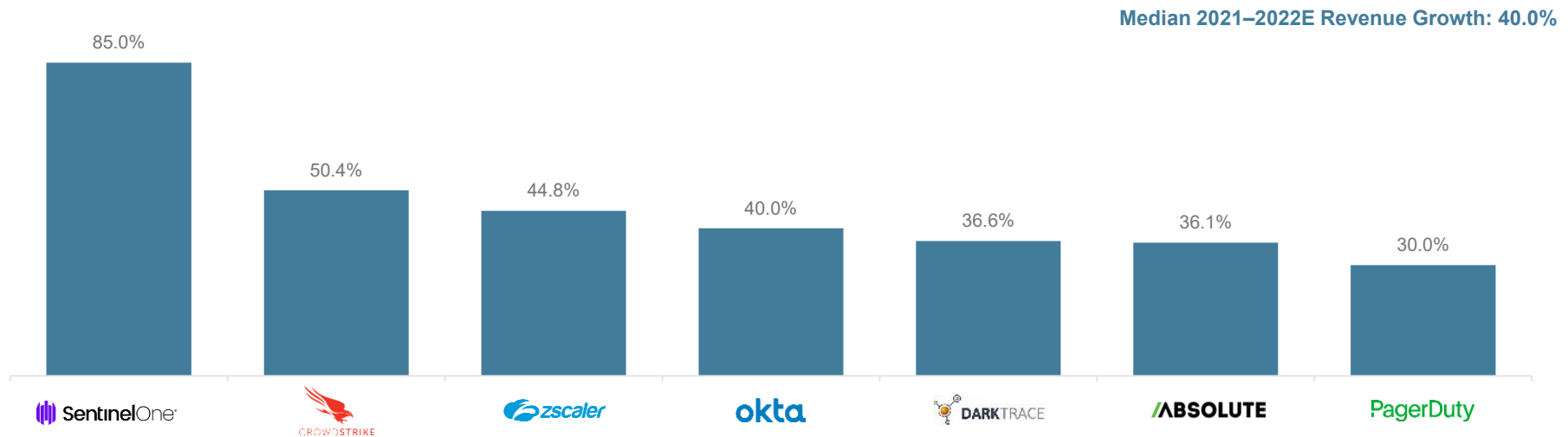
Median EV/2022E Revenue: 1.6x
Median EV/2022E EBITDA: 10.4x



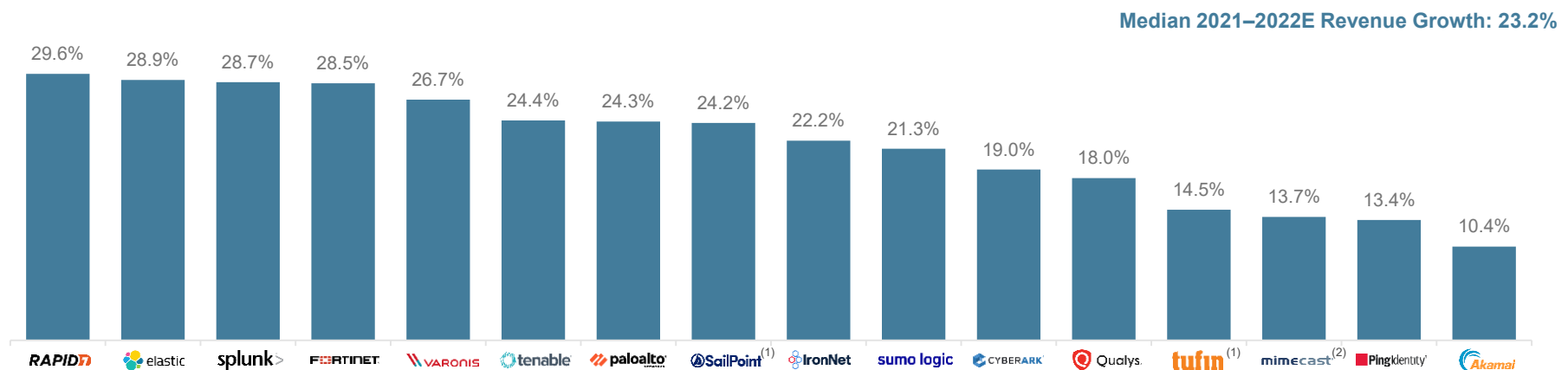
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Public Company Benchmarking: CY 2021–2022E Revenue Growth

High-Growth Cyber (30%+ Revenue Growth)



Medium-Growth Cyber (>10% and <30% Revenue Growth)



Sources: Trading multiples are based on share price, other market data, and broker consensus future earnings estimates from S&P Capital IQ as of March 31, 2022. All financials calendarized to a December year-end; NM indicates not meaningful or EV/EBITDA >50x.

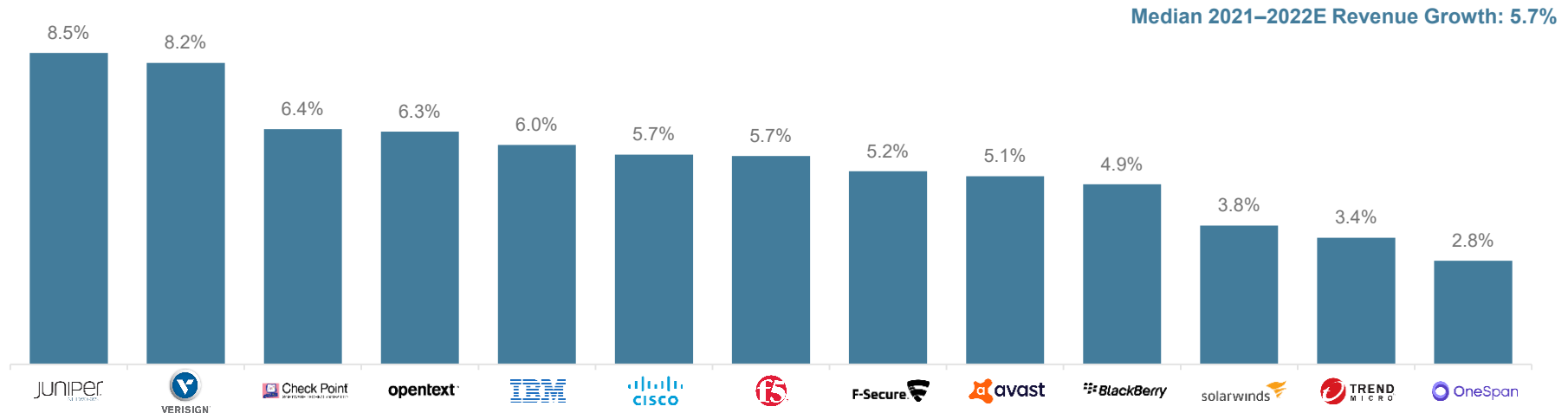
Sorted by 2021–2022E revenue growth.

(1) Acquisition announced/pending.

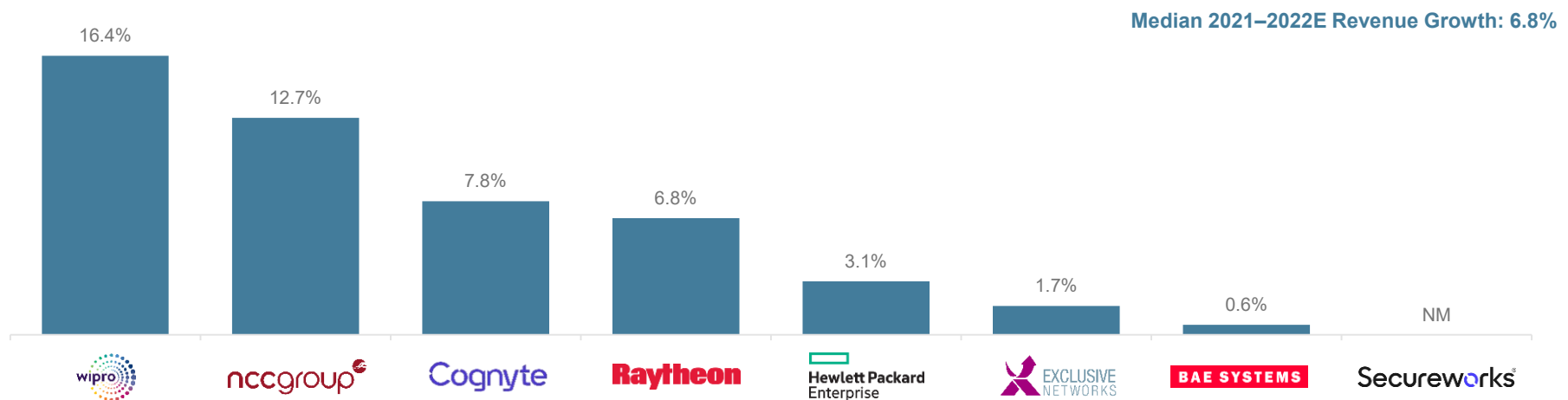
(2) Mimecast is based on unaffected price of December 6, 2021.

Public Company Benchmarking: CY 2021–2022E Revenue Growth

Low-Growth Cyber (<10% Revenue Growth)



Security Services



Sources: Trading multiples are based on share price, other market data, and broker consensus future earnings estimates from S&P Capital IQ as of March 31, 2022. All financials calendarized to a December year-end; NM indicates not meaningful or EV/EBITDA >50x. Sorted by 2021–2022E revenue growth.

High-Growth Cyber Trading Metrics

(\$ in millions)

Company	Stock Price	% of 52-wk High	Equity Mkt Cap	Enterprise Value	EV/Revenue			EV/EBITDA		
					CY 2021E	CY 2022E	CY 2023E	CY 2021E	CY 2022E	CY 2023E
Crow dStrike	\$227.08	76.1%	\$52,415	\$51,181	35.7x	23.8x	17.7x	NM	NM	NM
Zscaler	241.28	64.2%	34,041	33,409	39.5x	27.3x	20.8x	NM	NM	NM
Okta	150.96	52.5%	23,655	23,182	18.2x	13.0x	9.7x	NM	NM	NM
SentinelOne	38.74	49.3%	10,528	8,700	43.5x	23.5x	14.4x	NM	NM	NM
Darktrace	5.92	44.9%	3,806	3,489	10.1x	7.4x	5.7x	NM	NM	NM
PagerDuty	34.19	67.9%	2,977	2,741	9.8x	7.6x	6.0x	NM	NM	NM
Absolute Software	8.45	54.8%	426	645	4.1x	3.0x	2.6x	16.8x	14.8x	12.3x

Top Quartile	\$28,848	\$28,296	37.6x	23.6x	16.0x	16.8x	14.8x	12.3x
Mean	18,264	17,621	23.0	15.1	11.0	16.8	14.8	12.3
Median	10,528	8,700	18.2	13.0	9.7	16.8	14.8	12.3
1st Quartile	3,391	3,115	10.0	7.5	5.9	16.8	14.8	12.3

Sources: Trading multiples are based on share price, other market data, and broker consensus future earnings estimates from S&P Capital IQ as of March 31, 2022. All financials calendarized to a December year-end; NM indicates not meaningful, not disclosed, or EV/EBITDA >30x. Sorted by market capitalization.

Medium-Growth Cyber Trading Metrics

(\$ in millions)

Company	Stock Price	% of 52-wk High	Equity Mkt Cap	Enterprise Value	EV/Revenue			EV/EBITDA		
					CY 2021E	CY 2022E	CY 2023E	CY 2021E	CY 2022E	CY 2023E
Palo Alto Networks	\$622.51	97.9%	\$61,308	\$61,924	12.8x	10.3x	8.5x	NM	NM	NM
Fortinet	341.74	91.9%	54,974	53,461	16.0x	12.4x	10.4x	NM	NM	NM
Splunk	148.61	84.1%	23,882	25,574	10.0x	7.8x	6.4x	NM	NM	NM
Akamai	119.39	98.0%	19,144	20,991	6.1x	5.5x	5.0x	13.5x	12.8x	11.5x
Elastic	88.95	46.9%	8,314	8,037	10.2x	7.9x	6.3x	NM	NM	NM
CyberArk	168.75	83.7%	6,764	6,375	12.9x	10.8x	9.0x	NM	NM	NM
Rapid 7	111.24	76.7%	6,461	7,150	13.5x	10.4x	8.5x	NM	NM	NM
Tenable	57.79	98.0%	6,373	6,239	11.6x	9.3x	7.8x	NM	NM	NM
Qualys	142.41	97.9%	5,558	5,201	12.7x	10.8x	9.2x	27.5x	28.2x	23.5x
Varonis	47.54	64.7%	5,144	4,621	12.0x	9.5x	7.7x	NM	NM	NM
Mimecast ⁽¹⁾	75.00	87.7%	5,019	4,824	8.4x	7.4x	6.8x	NM	26.9x	23.4x
SailPoint ⁽²⁾	51.18	80.8%	4,803	4,804	11.5x	9.3x	7.6x	NM	NM	NM
Ping Identity	27.43	90.7%	2,298	2,391	8.1x	7.1x	6.0x	NM	NM	NM
Sumo Logic	11.67	49.7%	1,332	1,048	4.4x	3.6x	3.0x	NM	NM	NM
Tufin ⁽²⁾	8.93	66.1%	339	297	2.7x	2.4x	2.1x	NM	NM	NM
IronNet	3.80	8.0%	338	289	10.5x	8.6x	5.6x	NM	NM	NM
Top Quartile			\$11,021	\$11,276	12.7x	10.4x	8.5x	24.0x	27.6x	23.4x
Mean			13,253	13,327	10.2	8.3	6.9	20.5	22.6	19.5
Median			5,966	5,720	11.0	8.9	7.2	20.5	26.9	23.4
1st Quartile			4,177	4,063	8.3	7.3	5.9	17.0	19.8	17.5

Sources: Trading multiples are based on share price, other market data, and broker consensus future earnings estimates from S&P Capital IQ as of March 31, 2022. All financials calendarized to a December year-end; NM indicates not meaningful, not disclosed, or EV/EBITDA >30x.

Sorted by market capitalization.

(1) Mimecast is based on unaffected price as of December 6, 2021.

(2) Acquisition announced/pending.

Low-Growth Cyber Trading Metrics

(\$ in millions)

Company	Stock Price	% of 52-wk High	Equity Mkt Cap	Enterprise Value	EV/Revenue			EV/EBITDA		
					CY 2021E	CY 2022E	CY 2023E	CY 2021E	CY 2022E	CY 2023E
Cisco	\$55.76	86.7%	\$231,636	\$223,130	4.3x	4.1x	3.9x	11.7x	11.0x	10.8x
IBM	130.02	85.1%	117,007	163,991	2.9x	2.7x	2.6x	NM	9.8x	9.3x
VeriSign	222.46	86.6%	24,369	25,085	18.9x	17.5x	15.8x	27.3x	26.1x	21.8x
Check Point	138.26	92.4%	17,739	16,648	7.7x	7.3x	6.9x	15.7x	16.0x	15.1x
F5	208.95	83.9%	12,634	11,296	4.3x	4.0x	3.7x	11.9x	11.6x	NM
Juniper	37.16	97.4%	12,006	12,488	2.7x	2.4x	2.3x	12.9x	11.5x	10.9x
OpenText	42.40	76.7%	11,437	14,417	4.2x	4.0x	3.9x	11.3x	10.9x	10.2x
Trend Micro	58.96	96.8%	8,232	5,995	3.7x	3.5x	3.3x	11.0x	12.1x	11.3x
Avast	7.44	87.3%	7,718	8,149	8.6x	8.2x	7.6x	15.6x	14.8x	13.8x
BlackBerry	7.43	38.1%	4,280	4,168	5.7x	5.4x	5.1x	NM	NM	NM
SolarWinds	13.31	35.6%	2,136	3,383	4.7x	4.6x	4.3x	11.3x	11.1x	10.3x
F-Secure	5.07	80.8%	885	794	2.9x	2.8x	2.6x	18.7x	18.8x	15.1x
OneSpan	14.44	49.5%	578	492	2.3x	2.3x	2.1x	NM	NM	NM

Top Quartile	\$17,739	\$16,648	5.7x	5.4x	5.1x	15.7x	15.4x	14.8x
Mean	34,666	37,695	5.6	5.3	4.9	14.7	14.0	12.9
Median	11,437	11,296	4.3	4.0	3.9	12.4	11.6	11.1
1st Quartile	4,280	4,168	2.9	2.8	2.6	11.4	11.1	10.4

Sources: Trading multiples are based on share price, other market data, and broker consensus future earnings estimates from S&P Capital IQ as of March 31, 2022. All financials calendarized to a December year-end; NM indicates not meaningful, not disclosed, or EV/EBITDA >30x. Sorted by market capitalization.

Security Services Trading Metrics

(\$ in millions)

Company	Stock Price	% of 52-wk High	Equity Mkt Cap	Enterprise Value	EV/Revenue			EV/EBITDA		
					CY 2021E	CY 2022E	CY 2023E	CY 2021E	CY 2022E	CY 2023E
Raytheon	\$99.07	94.9%	\$148,857	\$173,987	2.7x	2.5x	2.3x	16.7x	13.9x	12.2x
Wipro	\$7.80	80.0%	\$42,708	\$40,407	4.0x	3.5x	3.1x	18.2x	16.3x	14.8x
BAE Systems	\$9.43	93.6%	\$30,117	\$34,531	1.2x	1.2x	1.1x	9.1x	8.8x	8.4x
HPE	\$16.71	94.1%	\$21,772	\$32,922	1.2x	1.1x	1.1x	6.6x	5.9x	5.8x
Exclusive Networks	\$19.17	81.0%	\$1,728	\$2,180	0.7x	0.7x	0.6x	14.7x	13.3x	11.9x
SecureWorks	\$13.25	49.3%	\$1,119	\$921	1.7x	1.9x	1.8x	NM	NM	NM
Cognyte	\$11.31	38.1%	\$774	\$719	1.5x	1.4x	1.3x	8.4x	7.7x	6.6x
NCC Group	\$2.40	52.5%	\$742	\$885	2.3x	2.1x	1.9x	11.8x	10.4x	9.2x

Top Quartile			\$33,265	\$36,000	2.4x	2.2x	2.0x	15.7x	13.6x	12.0x
Mean			30,977	35,819	1.9	1.8	1.7	12.2	10.9	9.8
Median			11,750	17,551	1.6	1.6	1.6	11.8	10.4	9.2
1st Quartile			1,033	912	1.2	1.2	1.1	8.8	8.2	7.5

Sources: Trading multiples are based on share price, other market data, and broker consensus future earnings estimates from S&P Capital IQ as of March 31, 2022. All financials calendarized to a December year-end; NM indicates not meaningful, not disclosed, or EV/EBITDA >30x. Sorted by market capitalization.

High-Growth Cyber Operating Metrics

(\$ in millions)

Company	Stock Price	Equity Mkt Cap	Enterprise Value	Revenue			EBITDA			Revenue Growth			EBITDA Margin		
				CY 2021E	CY 2022E	CY 2023E	CY 2021E	CY 2022E	CY 2023E	2020-2021E	2021-2022E	2022-2023E	CY 2021E	CY 2022E	CY 2023E
Crow dStrike	\$227.08	\$52,415	\$51,181	\$1,432	\$2,154	\$2,896	\$237	\$391	\$575	63.8%	50.4%	34.5%	16.6%	18.2%	19.9%
Zscaler	\$241.28	\$34,041	\$33,409	\$846	\$1,225	\$1,607	\$122	\$166	\$250	57.8%	44.8%	31.2%	14.4%	13.5%	15.5%
Okta	\$150.96	\$23,655	\$23,182	\$1,277	\$1,788	\$2,393	(\$44)	(\$164)	(\$48)	52.9%	40.0%	33.8%	NM	NM	NM
SentinelOne	38.74	10,528	8,700	200	370	604	(177)	(182)	(92)	114.8%	85.0%	63.2%	NM	NM	NM
Darktrace	5.92	3,806	3,489	345	471	610	19	30	78	47.0%	36.6%	29.4%	5.5%	6.4%	12.8%
PagerDuty	34.19	2,977	2,741	279	363	457	(16)	(8)	12	30.7%	30.0%	25.8%	NM	NM	2.6%
Absolute Software	8.45	426	645	156	213	244	38	44	53	40.2%	36.1%	14.6%	24.6%	20.5%	21.5%

Top Quartile	\$28,848	\$28,296	\$1,061	\$1,507	\$2,000	\$80	\$105	\$164	60.8%	47.6%	34.2%	18.6%	18.8%	19.9%
Mean	18,264	17,621	648	941	1,259	26	40	118	58.2%	46.1%	33.2%	15.3%	14.7%	14.5%
Median	10,528	8,700	345	471	610	19	30	53	52.9%	40.0%	31.2%	15.5%	15.9%	15.5%
1st Quartile	3,391	3,115	240	366	530	(30)	(86)	(18)	43.6%	36.4%	27.6%	12.2%	11.8%	12.8%

Sources: Trading multiples are based on share price, other market data, and broker consensus future earnings estimates from S&P Capital IQ as of March 31, 2022. All financials calendarized to a December year-end; NM indicates not meaningful, not disclosed, or EV/EBITDA >30x. Sorted by market capitalization.

Medium-Growth Cyber Operating Metrics

(\$ in millions)

Company	Stock Price	Equity Mkt Cap	Enterprise Value	Revenue			EBITDA			Revenue Growth			EBITDA Margin		
				CY 2021E	CY 2022E	CY 2023E	CY 2021E	CY 2022E	CY 2023E	2020-2021E	2021-2022E	2022-2023E	CY 2021E	CY 2022E	CY 2023E
Palo Alto Netw orks	\$622.51	\$61,308	\$61,924	\$4,822	\$5,993	\$7,270	\$1,123	\$1,403	\$1,730	27.5%	24.3%	21.3%	23.3%	23.4%	23.8%
Fortinet	341.74	54,974	53,461	3,341	4,294	5,165	951	1,192	1,478	28.8%	28.5%	20.3%	28.5%	27.8%	28.6%
Splunk	148.61	23,882	25,574	2,549	3,279	3,999	(284)	122	415	14.3%	28.7%	22.0%	NM	3.7%	10.4%
Akamai	119.39	19,144	20,991	3,456	3,815	4,160	1,554	1,645	1,820	8.0%	10.4%	9.0%	45.0%	43.1%	43.8%
Elastic	88.95	8,314	8,037	786	1,014	1,266	6	(3)	74	41.8%	28.9%	24.9%	0.8%	NM	5.8%
CyberArk	168.75	6,764	6,375	496	590	712	30	(10)	27	6.8%	19.0%	20.6%	6.1%	NM	3.8%
Rapid 7	111.24	6,461	7,150	530	687	840	27	51	73	28.7%	29.6%	22.4%	5.1%	7.4%	8.7%
Tenable	57.79	6,373	6,239	537	668	802	59	58	93	21.9%	24.4%	20.1%	11.0%	8.7%	11.7%
Qualys	142.41	5,558	5,201	410	484	566	189	184	221	12.9%	18.0%	16.9%	46.2%	38.1%	39.1%
Mimecast ⁽¹⁾	75.00	5,019	4,824	574	653	714	160	179	206	19.1%	13.7%	9.4%	27.9%	27.5%	28.9%
Varonis	47.54	5,111	4,606	386	489	597	32	43	71	31.8%	26.7%	22.1%	8.4%	8.8%	11.9%
SailPoint ⁽²⁾	51.18	4,803	4,804	417	518	630	9	(19)	16	14.2%	24.2%	21.6%	2.2%	NM	2.5%
Ping Identity	27.43	2,298	2,391	295	335	396	30	4	30	21.3%	13.4%	18.2%	10.0%	1.3%	7.5%
Sumo Logic	11.67	1,332	1,048	240	291	346	(44)	(95)	(86)	18.3%	21.3%	19.1%	NM	NM	NM
IronNet	3.80	338	289	28	34	51	(69)	(81)	(96)	NM	22.2%	53.0%	NM	NM	NM
Tufin ⁽²⁾	8.93	339	297	109	125	141	(23)	(24)	(21)	8.6%	14.5%	12.2%	NM	NM	NM

Top Quartile	\$11,021	\$11,276	\$1,227	\$1,580	\$1,949	\$168	\$180	\$270	28.1%	27.2%	22.0%	28.1%	27.7%	28.6%
Mean	13,251	13,326	1,186	1,454	1,728	234	291	378	20.3%	21.7%	20.8%	17.9%	19.0%	17.4%
Median	5,966	5,720	513	621	713	30	47	73	19.1%	23.2%	20.4%	10.5%	16.1%	11.7%
1st Quartile	4,177	4,052	363	447	523	(1)	(12)	24	13.6%	17.1%	17.9%	5.9%	7.7%	7.5%

Sources: Trading multiples are based on share price, other market data, and broker consensus future earnings estimates from S&P Capital IQ as of March 31, 2022. All financials calendarized to a December year-end; NM indicates not meaningful, not disclosed, or EV/EBITDA >30x. Sorted by market capitalization.

(1) Mimecast is based on unaffected price as of December 6, 2021.

(2) Acquisition announced/pending.

Low-Growth Cyber Operating Metrics

(\$ in millions)

Company	Stock Price	Equity Mkt Cap	Enterprise Value	Revenue			EBITDA			Revenue Growth			EBITDA Margin		
				CY 2021E	CY 2022E	CY 2023E	CY 2021E	CY 2022E	CY 2023E	2020-2021E	2021-2022E	2022-2023E	CY 2021E	CY 2022E	CY 2023E
Cisco	\$55.76	\$231,636	\$223,130	\$51,485	\$54,414	\$57,167	\$19,107	\$20,244	\$20,714	7.2%	5.7%	5.1%	37.1%	37.2%	36.2%
IBM	130.02	117,007	163,991	57,303	60,715	63,140	NA	16,816	17,665	3.8%	6.0%	4.0%	NM	27.7%	28.0%
VeriSign	222.46	24,369	25,085	1,328	1,436	1,589	919	960	1,149	5.0%	8.2%	10.6%	69.2%	66.8%	72.3%
Check Point	138.26	17,739	16,648	2,154	2,292	2,407	1,062	1,042	1,102	4.3%	6.4%	5.0%	49.3%	45.5%	45.8%
F5	208.95	12,634	11,296	2,657	2,807	3,088	947	971	NA	10.4%	5.7%	10.0%	35.6%	34.6%	NM
Juniper	37.16	12,006	12,488	4,705	5,103	5,334	969	1,084	1,149	5.8%	8.5%	4.5%	20.6%	21.2%	21.5%
OpenText	42.40	11,437	14,417	3,431	3,648	3,723	1,274	1,320	1,411	3.9%	6.3%	2.1%	37.1%	36.2%	37.9%
Trend Micro	58.96	8,232	5,995	1,635	1,692	1,816	545	497	532	NM	3.4%	7.3%	33.3%	29.4%	29.3%
Avast	7.44	7,718	8,149	949	998	1,072	521	551	589	6.3%	5.1%	7.5%	54.9%	55.2%	54.9%
BlackBerry	7.43	4,280	4,168	736	772	814	(4)	(30)	(66)	NM	4.9%	5.6%	NM	NM	NM
SolarWinds	13.31	2,136	3,383	715	742	778	300	304	327	NM	3.8%	4.9%	42.0%	40.9%	42.1%
F-Secure	5.07	885	794	270	284	307	43	42	53	0.2%	5.2%	8.0%	15.8%	14.9%	17.1%
OneSpan	14.44	578	492	211	217	230	(7)	1	7	NM	2.8%	6.2%	NM	0.4%	2.9%

Top Quartile	\$17,739	\$16,648	\$3,431	\$3,648	\$3,723	\$992	\$1,084	\$1,214	6.3%	6.3%	7.5%	47.5%	42.1%	43.9%
Mean	34,666	37,695	9,814	10,394	10,882	2,140	3,369	3,719	5.2%	5.5%	6.2%	39.5%	34.2%	35.3%
Median	11,437	11,296	1,635	1,692	1,816	732	960	845	5.0%	5.7%	5.6%	37.1%	35.4%	36.2%
1st Quartile	4,280	4,168	736	772	814	236	304	259	3.9%	4.9%	4.9%	33.9%	26.1%	24.8%

Sources: Trading multiples are based on share price, other market data, and broker consensus future earnings estimates from S&P Capital IQ as of March 31, 2022. All financials calendarized to a December year-end; NM indicates not meaningful, not disclosed, or EV/EBITDA >30x. Sorted by market capitalization.

Security Services Operating Metrics

(\$ in millions)

Company	Stock Price	Equity Mkt Cap	Enterprise Value	Revenue			EBITDA			Revenue Growth			EBITDA Margin		
				CY 2021E	CY 2022E	CY 2023E	CY 2021E	CY 2022E	CY 2023E	2020-2021E	2021-2022E	2022-2023E	CY 2021E	CY 2022E	CY 2023E
Raytheon	\$99.07	\$148,857	\$173,987	\$64,628	\$69,049	\$74,556	\$10,416	\$12,512	\$14,267	14.2%	6.8%	8.0%	16.1%	18.1%	19.1%
Wipro	\$7.80	\$42,708	\$40,407	\$9,995	\$11,632	\$12,929	\$2,223	\$2,481	\$2,732	18.9%	16.4%	11.1%	22.2%	21.3%	21.1%
BAE Systems	\$9.43	\$30,117	\$34,531	\$29,022	\$29,193	\$30,249	\$3,786	\$3,936	\$4,102	10.3%	0.6%	3.6%	13.0%	13.5%	13.6%
HPE	\$16.71	\$21,772	\$32,922	\$27,968	\$28,847	\$29,700	\$5,009	\$5,579	\$5,679	4.1%	3.1%	3.0%	17.9%	19.3%	19.1%
Exclusive Netw orks	\$19.17	\$1,728	\$2,180	\$3,112	\$3,164	\$3,502	\$149	\$164	\$184	34.5%	1.7%	10.7%	4.8%	5.2%	5.3%
SecureWorks	\$13.25	\$1,119	\$921	\$536	\$483	\$501	\$10	(\$62)	(\$67)	NM	NM	3.7%	1.9%	NM	NM
Cognyte	\$11.31	\$774	\$719	\$479	\$517	\$569	\$85	\$94	\$108	8.1%	7.8%	10.1%	17.8%	18.1%	19.0%
NCC Group	\$2.40	\$742	\$885	\$382	\$430	\$468	\$75	\$85	\$96	7.3%	12.7%	8.8%	19.6%	19.8%	20.6%

Top Quartile	\$33,265	\$36,000	\$28,231	\$28,933	\$29,837	\$4,092	\$4,347	\$4,497	16.5%	10.3%	10.2%	18.3%	19.6%	19.9%
Mean	30,977	35,819	17,015	17,915	19,059	2,719	3,099	3,388	13.9%	7.0%	7.4%	14.2%	16.5%	16.8%
Median	11,750	17,551	6,553	7,398	8,216	1,186	1,322	1,458	10.3%	6.8%	8.4%	17.0%	18.1%	19.1%
1st Quartile	1,033	912	522	509	552	83	92	105	7.7%	2.4%	3.7%	11.0%	15.8%	16.3%

Sources: Trading multiples are based on share price, other market data, and broker consensus future earnings estimates from S&P Capital IQ as of March 31, 2022. All financials calendarized to a December year-end; NM indicates not meaningful, not disclosed, or EV/EBITDA >30x. Sorted by market capitalization.

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