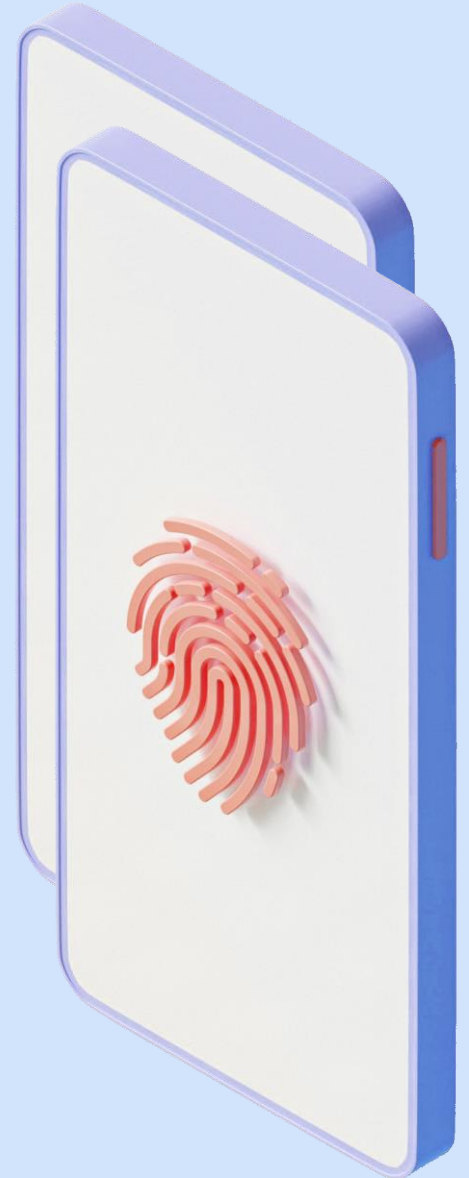


Cybersecurity

Sector Update

October 2023



Introduction to Flow Partners

We are a modern boutique investment banking firm focused exclusively on the digital economy

About us

- › Over 40 years of combined experience across technology and media investment banking, advising on M&A and capital raising
- › Strong sector coverage across application and infrastructure software, cybersecurity, IT services, industry 4.0
- › Long-standing affiliate partnerships with like-minded technology advisory firms and service providers
- › Global operations with presence in London, Berlin, Munich, Warsaw, Miami, Dubai and Riyadh

Selected Cybersecurity Deal Experience

 investment from 	 strategic advisory	 investment from 	 potential acquisition by 
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Leadership Team



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Key Takeaways

Early signs of overall cybersecurity market recovery but fundraising remains challenging

M&A – Valuations Continue To Climb

- › 149 transactions completed in the last six months (April – September 2023)
- › Median EV / Revenue multiple of 5.5x
- › Total deal volume of over \$35B, heavily driven by the \$28B acquisition of Splunk
- › Private equity firms successfully compete with strategic buyers
- › Take-private deals are on a rise
- › Notable M&A (Apr-Sep 2023):

splunk > acquired for **\$28B**

imperva acquired for **\$3.6B**

Forcepoint acquired for **\$2.5B**

ForgeRock acquired for **\$2.4B**

Capital Raising – Late-Stage Funding Frozen

- › 448 funding rounds completed in the last six months (April – September 2023)
- › Tough late-stage funding environment – only 20 rounds above \$50M+
- › Total capital invested of nearly \$4B
- › Median valuation of \$22M across all stages
- › Europe (outside of Israel) and Asia-Pacific with very little activity
- › Notable rounds (Apr-Sep 2023):

CATO NETWORKS raised **\$238M**

blackpoint raised **\$190M**

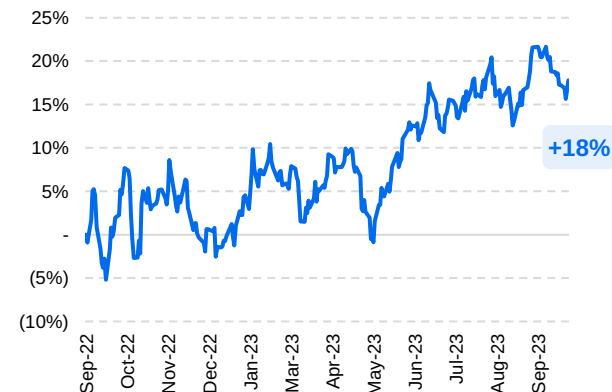
onetrust raised **\$150M**

cyera raised **\$100M**

Public Markets – Rebound is Finally There

[See all real-time cyber public comps](#)

- › The cybersecurity public markets rebounded
- › Indices across all verticals and both high and low-growth comps have risen
- › Still way to go to match broader S&P 500 Technology
- › Average EV / Revenue multiple of 5.4x as of September 2023
- › Public comps performance (HACK Index¹):



Source: [Multiples by Flow Partners](#), Pitchbook, proprietary research.

Note: ETFMG Prime Cyber Security ETF (NYSE ARCA) that tracks a portfolio of companies providing cybersecurity technology and services.

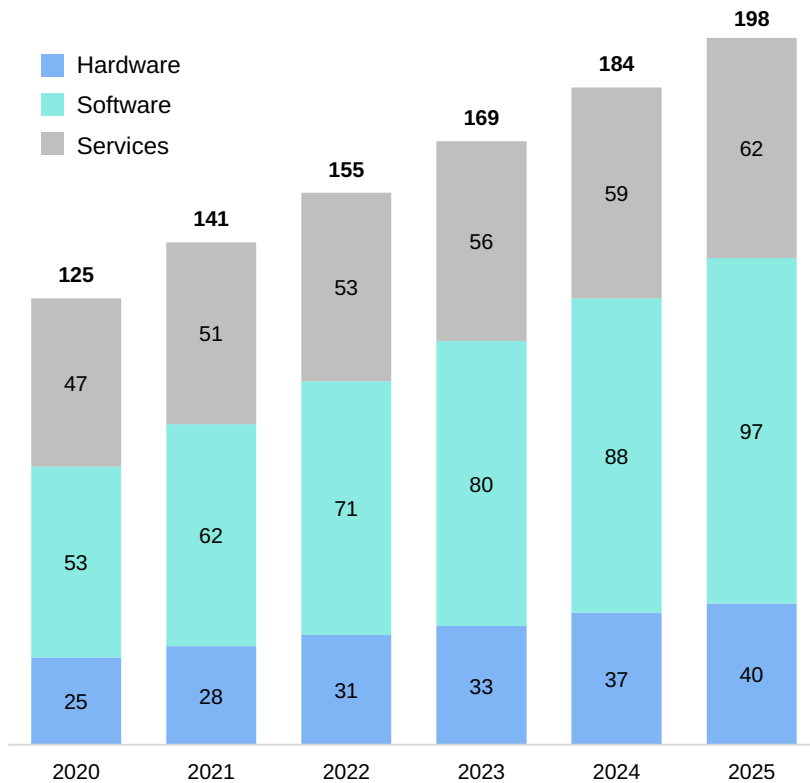
1 | Intro to Cybersecurity



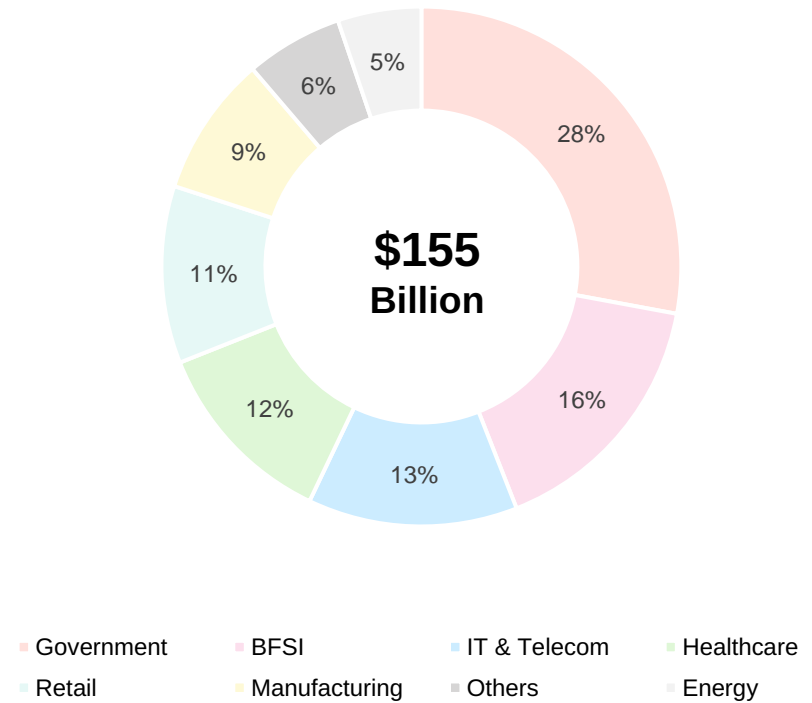
Market Forecast to Reach Almost \$200B by 2025E

Over 40% of cybersecurity service revenue expected to be via outsourced MSSP activities

Global Cybersecurity Revenue by Type (\$B) ¹



Services Split by End Market (2022) ²

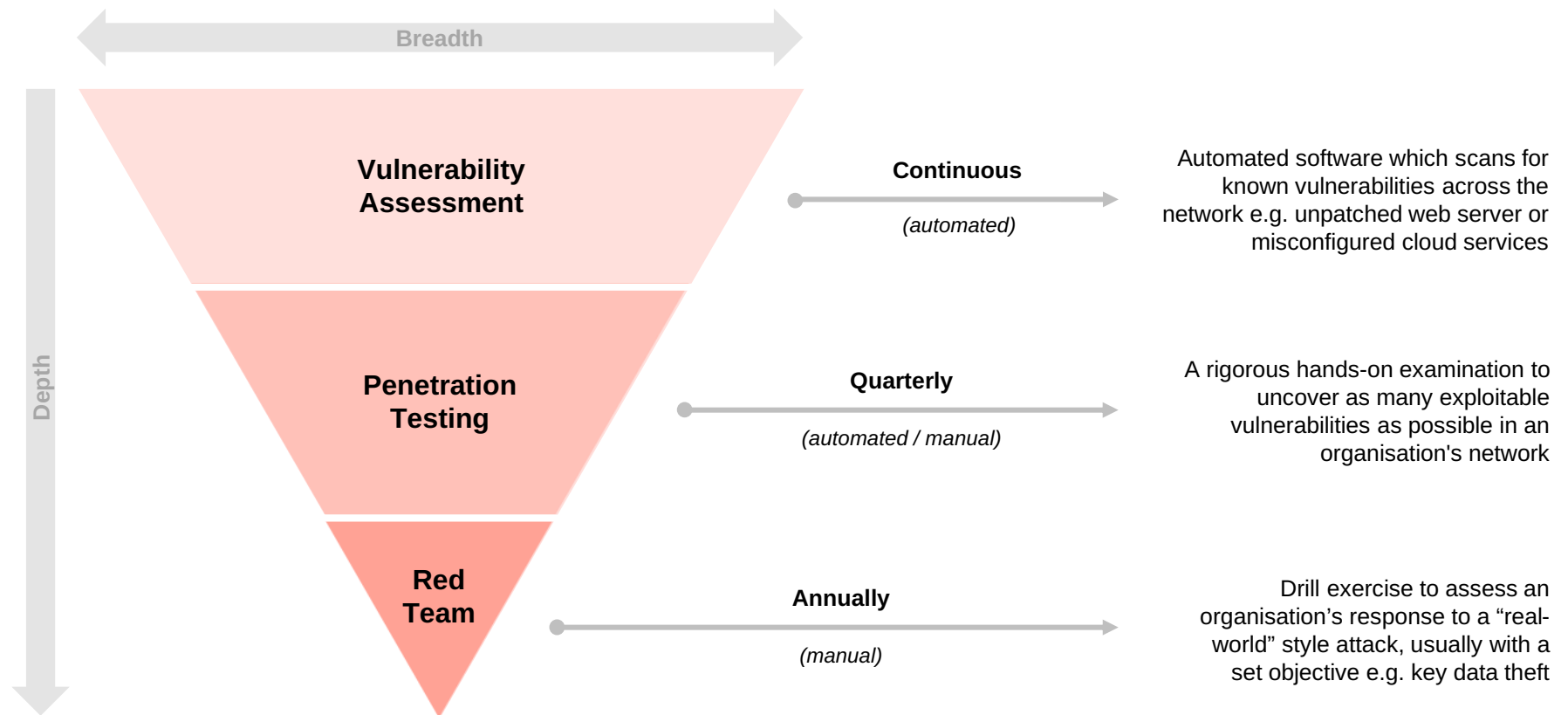


Source: 1. Global Thematic Research. 2. Grand View Research.

Cyber Defenses Are Built in Numerous Layers

From strengthening the external attack surface to running drills against real-world style attacks

Key Categories of Cybersecurity Testing

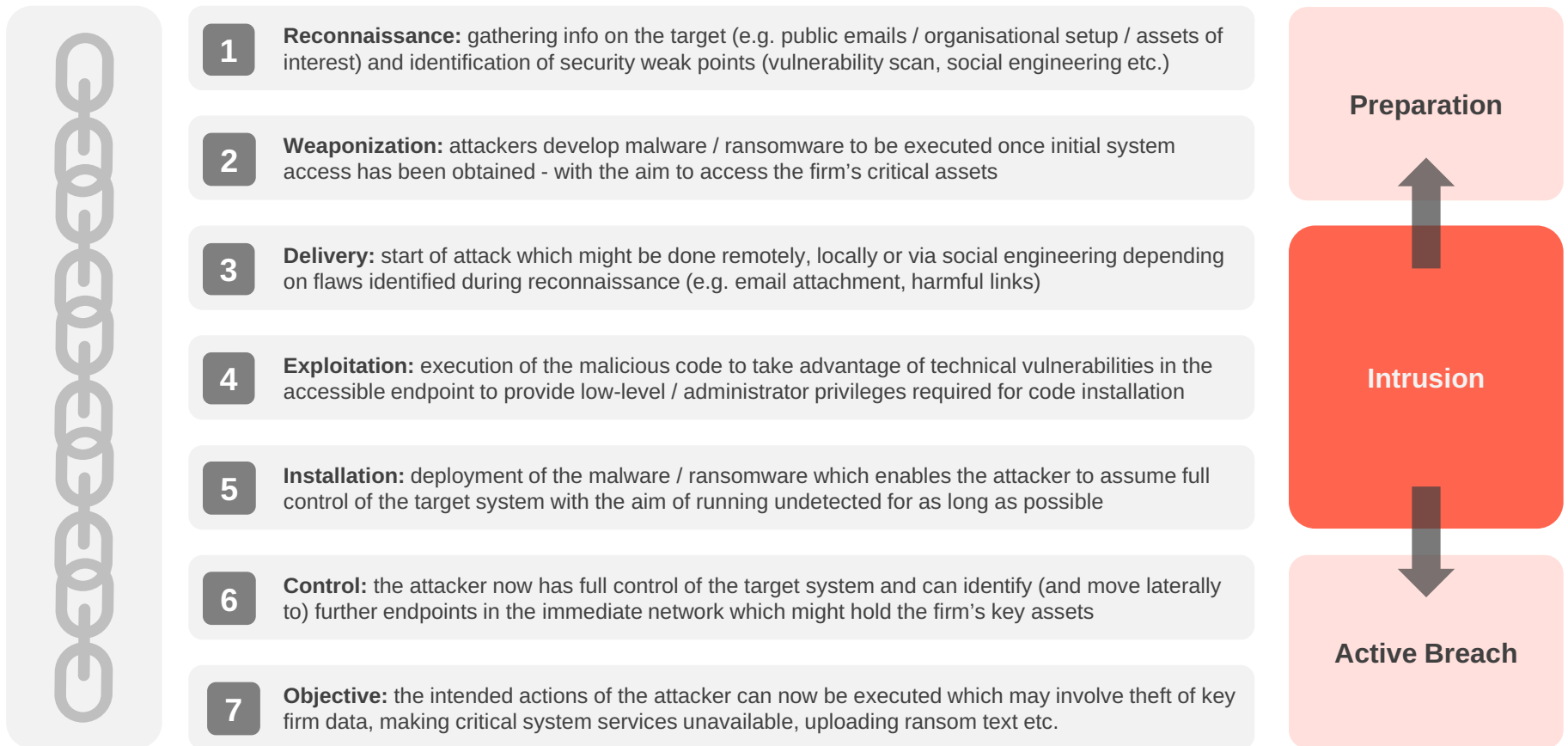




Modern Defenses Move Beyond the “Intrusion”

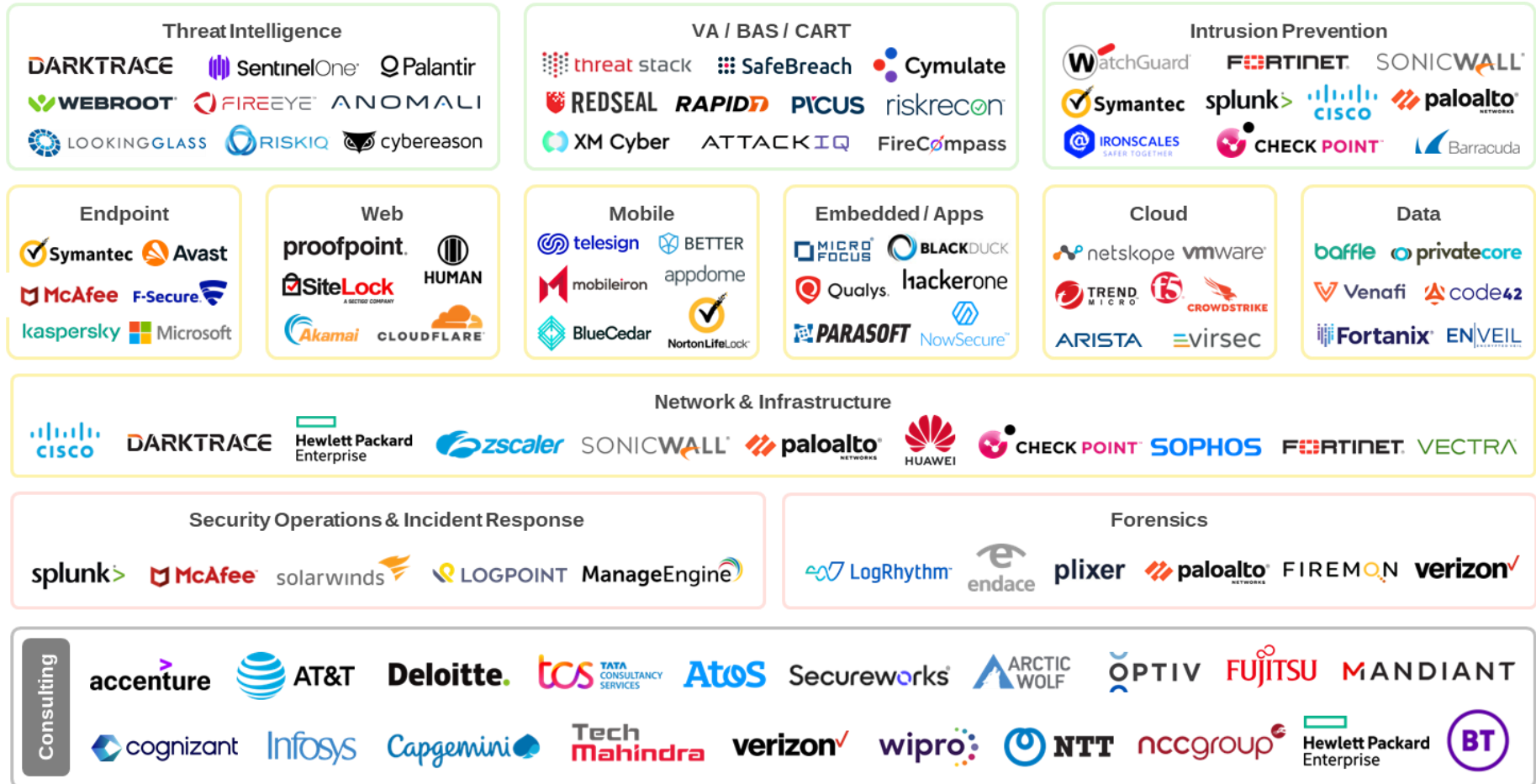
Newer approaches cover the entire attack lifecycle examining the before and after phases

The Cyber Kill Chain: An Industry-Standard Defence Framework by Lockheed Martin



A Complex Ecosystem of Specific Cyber Tools

Numerous specialised firms provide tailored defences which are deployed via service providers

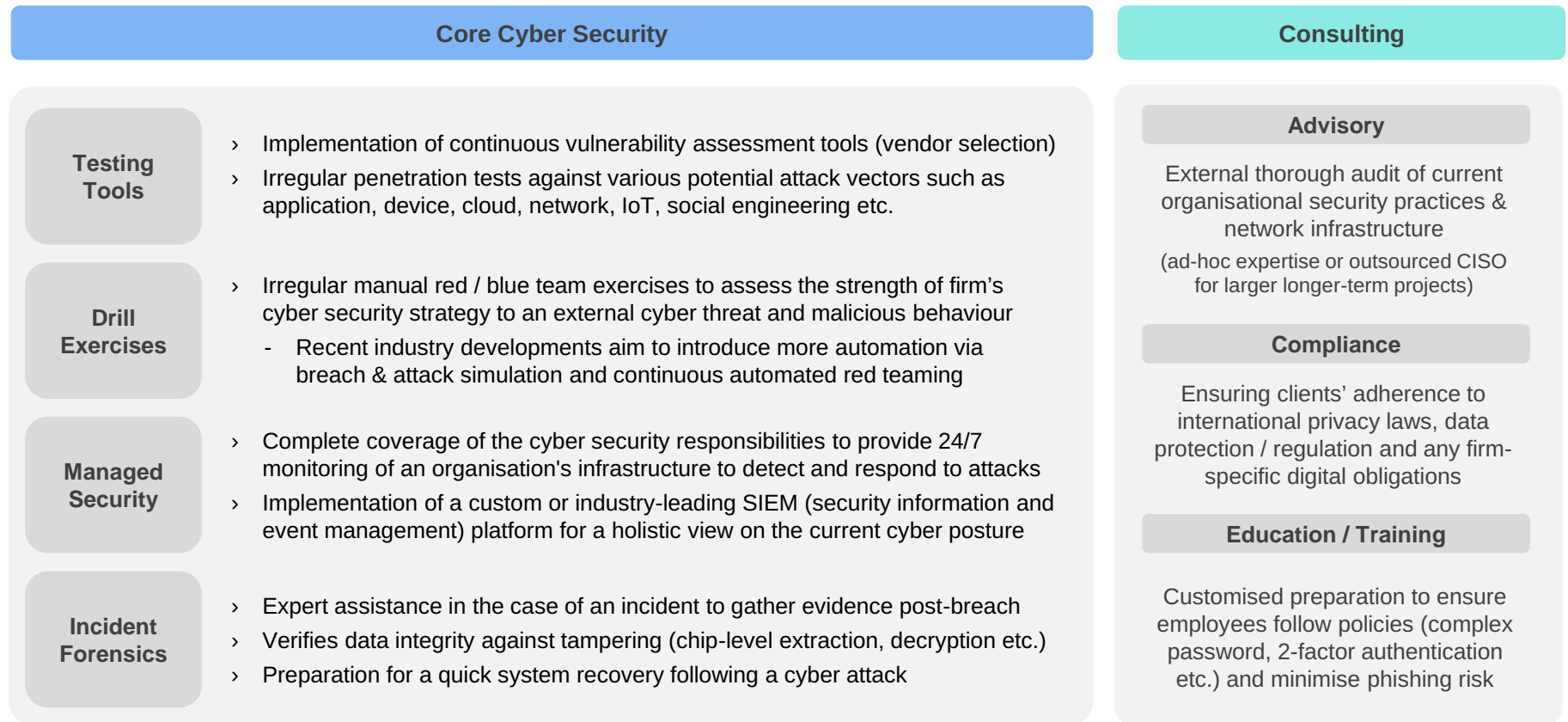




Cyber Specialists Provide A Holistic Service Offering

Range of complementary services as cyber becomes prioritised across enterprises of all sizes

Overview of Services Offered by Cybersecurity Specialists (Illustrative)



2 | M&A Activity

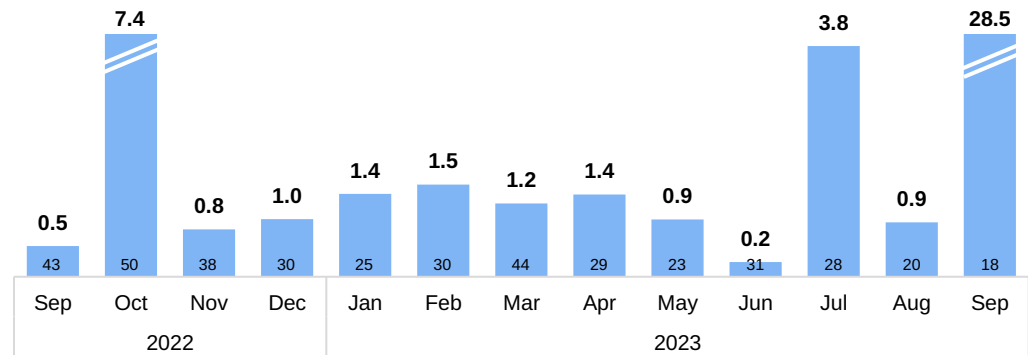
Cybersecurity M&A: Summary

Private equity increase focus on cybersecurity, more \$1B+ cybersecurity acquisitions

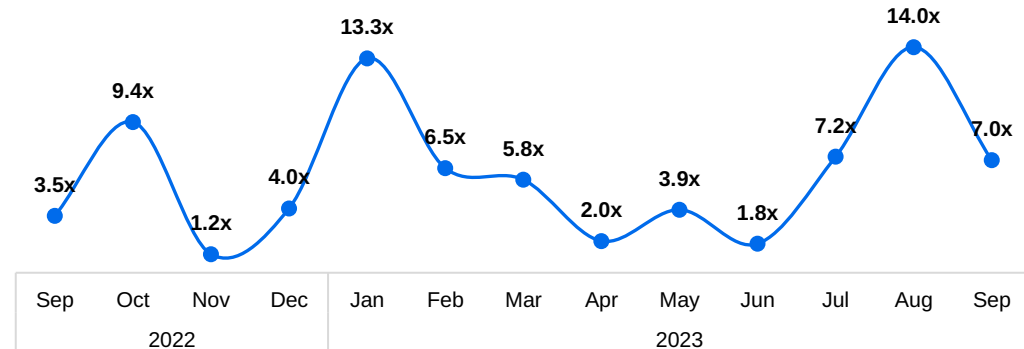
Key Trends

- › **M&A valuation multiples fluctuate month-to-month**
 - › EV/Revenue multiples still fluctuate each month, though some signs of recovery visible
 - › September 2023 median revenue multiple of 7.0x (100% increase vs. September 2022)
- › **More 'mega' deals happening**
 - › Splunk (\$28B) and Imperva (\$3.6B) acquisitions may pave the way for more 'unicorn' buyouts
 - › Excluding \$1B+ transactions, deal value remains roughly flat month-to-month
- › **Private equity investors remain strong buyer**
 - › PE firms go head-to-head with strategic buyers and demonstrated ability to outbid strategics for high quality assets
 - › 49% of all cybersecurity M&A in the last six months (April – September 2023) had PE firm as a buyer
 - › TA Associates, Thoma Bravo are leading the deal table

Deal Value (\$B) & Deal Count (#)



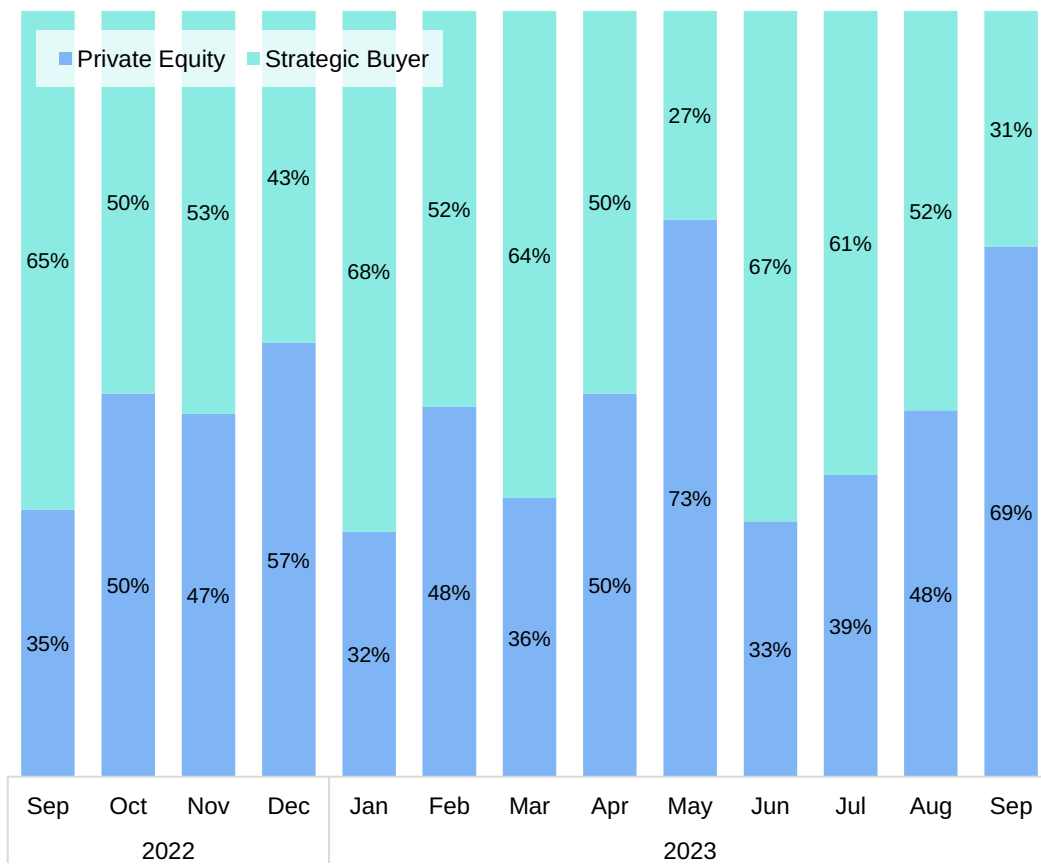
Median EV / Revenue Multiple



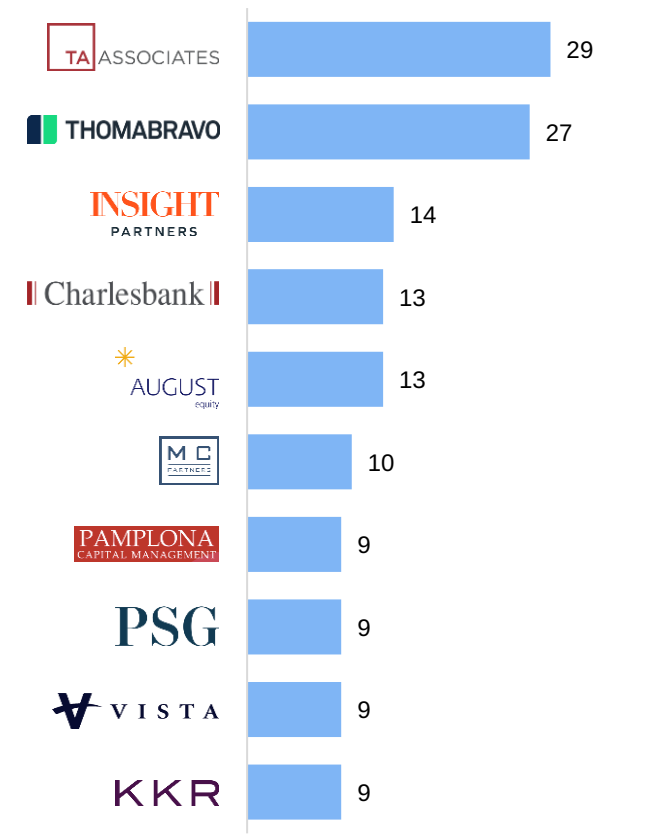
Cybersecurity M&A: Private Equity vs. Strategics

PE firms successfully compete with strategic buyers for high-quality cybersecurity assets

Cybersecurity M&A Split by Buyer Type (%)
















































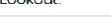


Top PE Buyers by Deal Count (2020 YTD)



Source: Pitchbook, proprietary research.

Cybersecurity M&A: Notable Transactions (US)

Plenty of US M&A activity in the last six months, with Cisco / Splunk deal taking the spotlight
















































Date	Target	Buyer	Target HQ	Target Overview	EV (\$M)	EV / Revenue
Sep-23	 splunk>	 CISCO		Software platform for searching, monitoring, and analyzing machine-generated data	28,000	7.6x
Sep-23	 CODESECURE	 BATTERY		Cybersecurity software for embedded, automotive and industrial automation industries	N/A	N/A
Sep-23	 GRAMMATECH	 BATTERY		Application security testing products and software research services	N/A	N/A
Aug-23	 LAMINAR	 RUBRIK		Data security posture management (DSPM) platform	200	N/A
Aug-23	 FORGEROCK	 THOMABRAVO		Cybersecurity provider that develops identity and access management products	2,342	9.6x
Aug-23	 SEALINGTECH	 PARSONS		Advanced cybersecurity and technology solutions to government and commercial clients	200	N/A
Jul-23	 COBWEBS	 SPIRE CAPITAL		Threat intelligence software provider offering AI-powered open-source intelligence	200	5.7x
Jul-23	 IMPERVA	 THALES		Application security provider, protects critical applications, APIs, and sensitive data	3,600	11.1x
Jul-23	 FORCEPOINT	 TPG		National security and mission critical information cybersecurity arm of Forcepoint	2,450	N/A
Jul-23	 DORT	 CISCO		Network security platform designed to streamline vendor access and risk management	N/A	N/A
Jun-23	 BERBIX	 SECURE		Identity verification software for photo ID checks online	70	N/A
Jun-23	 INDENI	 AUDAX GROUP		Crowd-sourced automation platform for network and security infrastructure	N/A	N/A
May-23	 ARMORBLOX	 CISCO		Email security platform provider	N/A	N/A
Apr-23	 LOOKINGGLASS	 ZEROFOX		Cybersecurity software company helping organizations protect against targeted attacks	26	N/A
Apr-23	 LOOKOUT	 F-SECURE		Mobile security arm of Lookout that protects consumer user devices	223	N/A
Apr-23	 ARCHER	 CINVEN		Integrated security risk management and GRC solutions provider	1,300	5.9x

Source: Pitchbook, proprietary research.

Note: Includes transactions completed in the last six months (April 2023 – September 2023).

Cybersecurity M&A: Notable Transactions (Non-US)

Israeli cybersecurity firms remain to be prime acquisition targets

Date	Target	Buyer	Target HQ	Target Overview	EV (\$M)	EV / Revenue
Sep-23	 Dig Security	 paloalto networks		Public cloud data security specialist	200	N/A
Sep-23	 zenzero	 MACQUARIE		Managed IT, cyber, data and digital services for UK-based SMEs	N/A	N/A
Sep-23	 hermetic	 tenable		Cloud-native application protection platform (CNAPP) company	265	N/A
Sep-23	 FRAUDWATCH Digital Brand Protection	 netcraft		Online brand protection services aimed at helping protect from digital brand threat	N/A	N/A
Sep-23	 Ingecom	 EXCLUSIVE NETWORKS		Value Added Distributor (VAD) specialized in cybersecurity and cyber intelligence	N/A	N/A
Sep-23	 Atmosec	 CHECK POINT		Security solution to help companies detect anomalies and protect their SaaS ecosystem	N/A	N/A
Aug-23	 perimeter 81	 CHECK POINT		Cloud and network security company that develops secure remote networks	490	N/A
Aug-23	 PARA FLARE	 Deloitte.		Australia's largest sovereign Managed Detection and Response (MDR) provider	N/A	N/A
Jul-23	 SCADAfence	 Honeywell		Full suite of industrial cybersecurity solutions for OT and IoT	N/A	N/A
Jun-23	 enso	 snyk		Security startup that offers an application security posture management solution	N/A	N/A
Jun-23	NEVERHACK	 CARLYLE		IT security services firm	N/A	N/A
Jun-23	 tesserent	 THALES		Suite of cybersecurity solutions catered toward SMEs and enterprise customers	151	N/A
Jun-23	 Union IDENTITY	 Sansec		Solutions provider in the field of identity and authority security	32	1.8x
May-23	 ABSOLUTE	 CROSSPOINT CAPITAL		Endpoint security provider strengthening cyber resilience of SMEs and corporate clients	870	3.9x
May-23	 SCALIAN	 WENDEL		Multinational cybersecurity consulting and services firm	1,066	2.0x
May-23	 P L A R	 IBM		Software platform to automate cloud data security and compliance	60	N/A

Source: Pitchbook, proprietary research.

Note: Includes transactions completed in the last six months (April 2023 – September 2023).



Cisco's Largest Ever Acquisition: \$28B on Splunk

Most significant deal ever in their 40-year history to strengthen the software side of business

Deal Summary

- › **Cisco announced the acquisition of cybersecurity firm Splunk on the 21st of September 2023 for a total of \$28 billion**
 - › Deal is one of the largest technology transactions of 2023, and by far the most significant for Cisco in their c. 40-year history
 - › Splunk provides a unified cyber security / observability platform which is trusted by the world's leading organizations
 - › 15,000 customers include household names such as Coca-Cola, Porsche and Intel
- › **Expected to add \$4 billion of recurring revenue to Cisco's financials once the deal is finalized in Q2 2024**
 - › Aim to diversify away from reliance on their network equipment business which has stagnated from both weakening demand and supply chain issues in recent years
 - › Also capitalizes on the current trend for AI-driven solutions
 - › Cisco and Splunk already had a data-security partnership in place with rumors of an acquisition circulating since 2022
- › **Deal valuation of around 7x Splunk's 2023E Revenue**
 - › Revenue for FY23 (January) was \$3.7 billion (37% YoY)
 - › Multiple is almost double that of Cisco which is expected to grow topline at low-single digits to 2025E

Key Financial Highlights

\$3.7B

Revenue

67%

US Revenue Share

37%

YoY Growth

790

Customers with >\$1M ARR

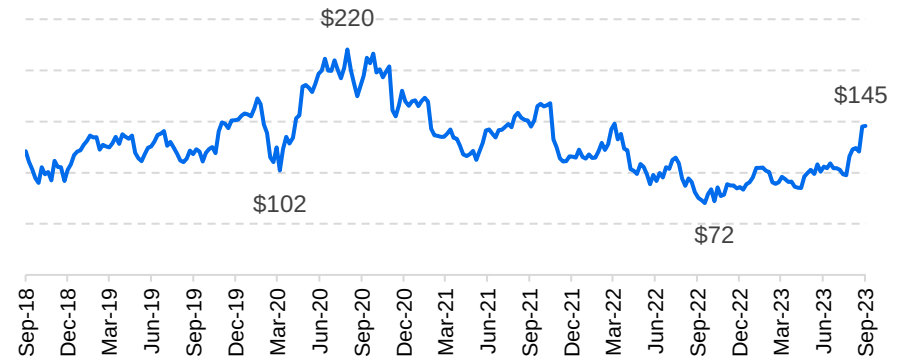
22%

EBITDA Margin 2023E

6.7x

Current EV / Revenue 2023E

Splunk Acquired for \$157 Per Share in a Cash Deal



3 | Capital Raising Activity

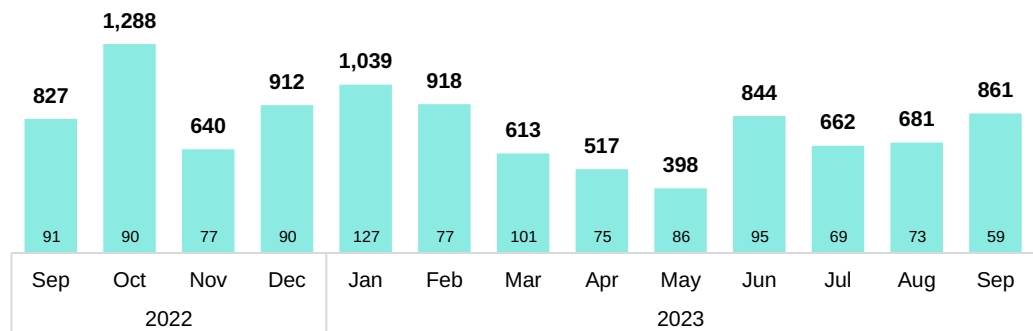
Cybersecurity Capital Raising: Summary

Venture markets remain challenging, with late-stage deal activity at all-time low

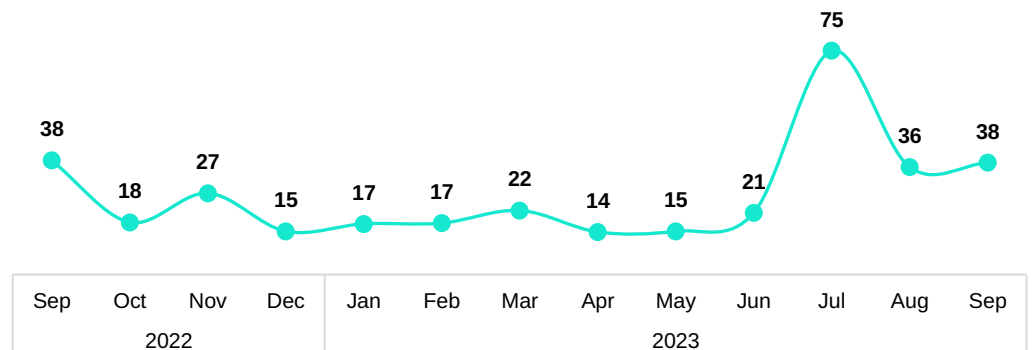
Key Trends

- › **Decreased venture funding activity**
 - › Fundraising market remains challenging as deal count and total deal value continued to decrease
 - › September 2023 total fundraising value of \$861M (slight uptick of 4% vs. September 2022)
 - › Excluding one-off cases, valuations remain flat(ish) across last six months
- › **Very little late-stage funding activity**
 - › Seed and series A rounds made up nearly 50% of total VC spend in the last six months
 - › Just 20 late-stage rounds (above \$50M) completed
- › **US, Israel continue to win VC money**
 - › 60% of all cybersecurity venture funding went to US-based startups in the last six months
 - › Outside of the US, Israel remains the go-to market for cyber innovation, getting 17% of all cybersecurity funding

Deal Value (\$B) & Deal Count (#)

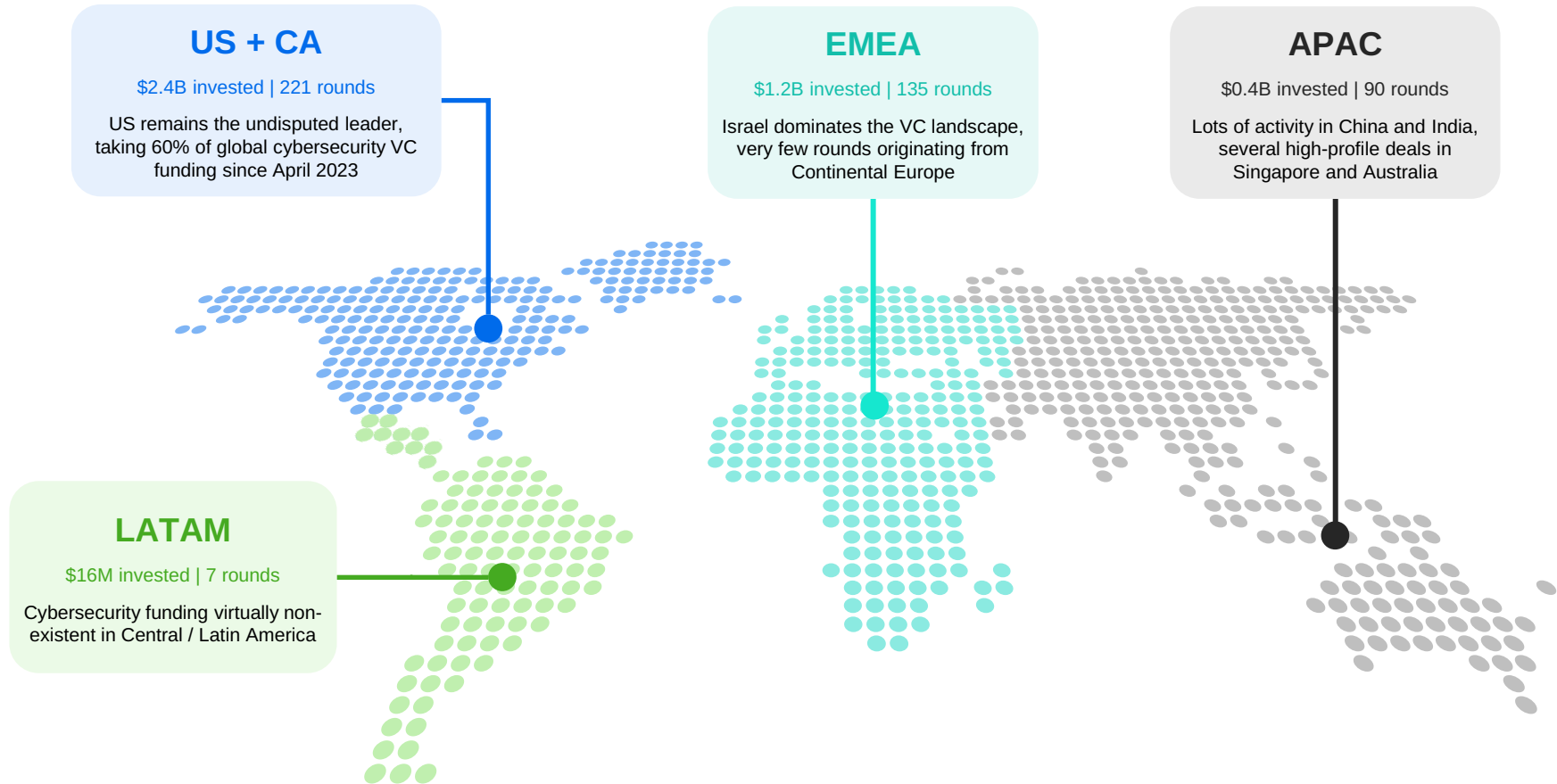


Median Pre-Money Valuations (\$M)



Cybersecurity Capital Raising: Deals by Region

American startups remain to dominate the cybersecurity VC landscape, followed by Israeli peers that tend to operate 'double headquarters' model (R&D in Israel, sales in the US)

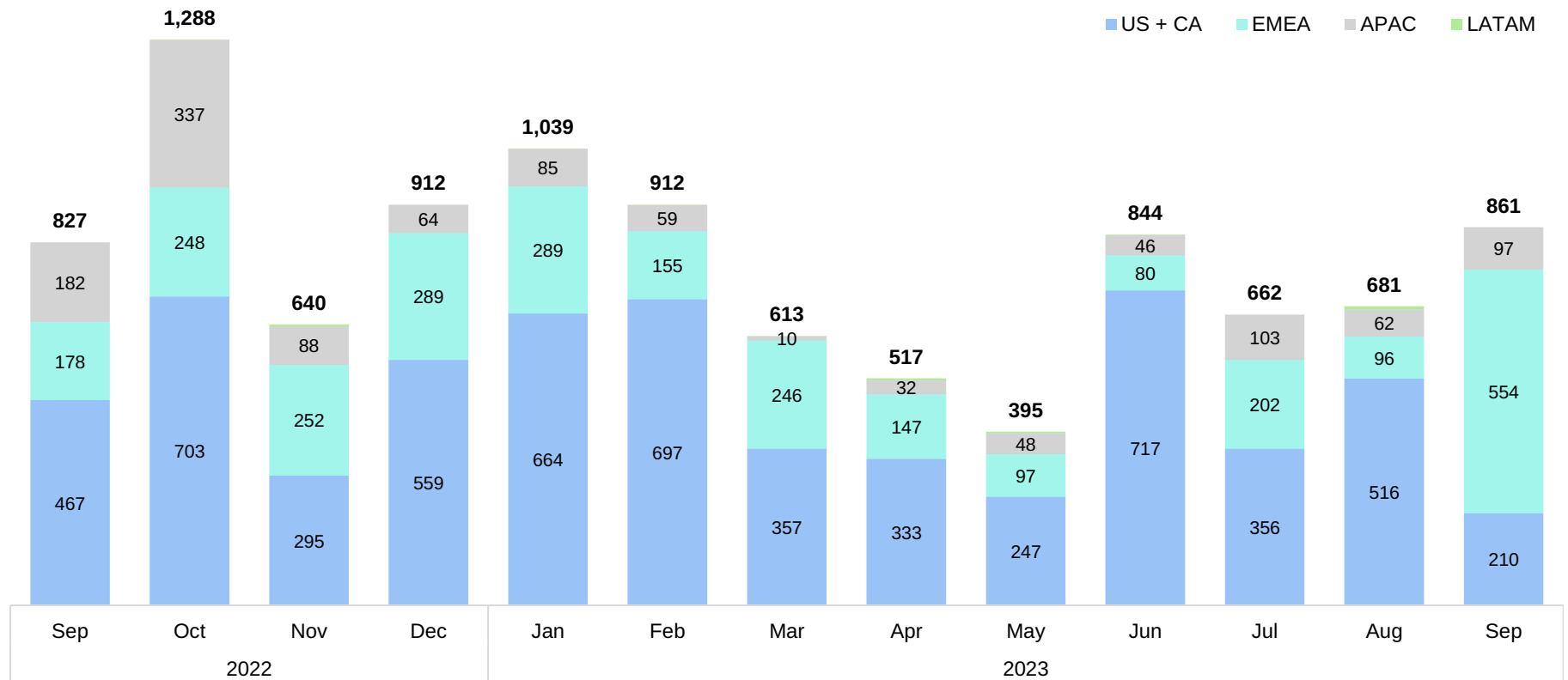


Source: Pitchbook, proprietary research.
Note: Analysis for last six months period (April 2023 – September 2023).

Cybersecurity Capital Raising: Deals by Region

Early signs of recovery for European late-stage funding activity with \$100M round for Nord Security in September 2023

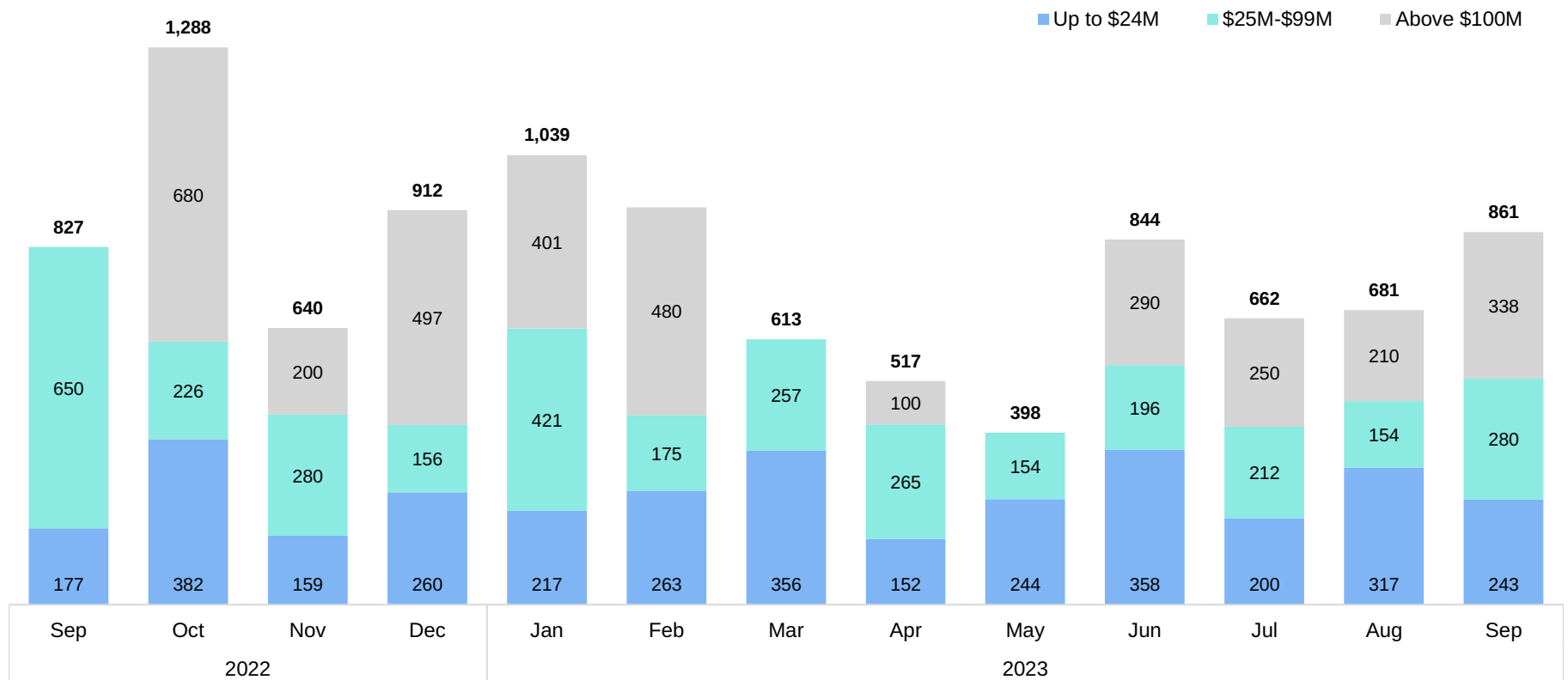
Cybersecurity Venture Funding by Region (\$M)



Cybersecurity Capital Raising: Deals by Size

Early-stage companies continue to get the majority of venture funding

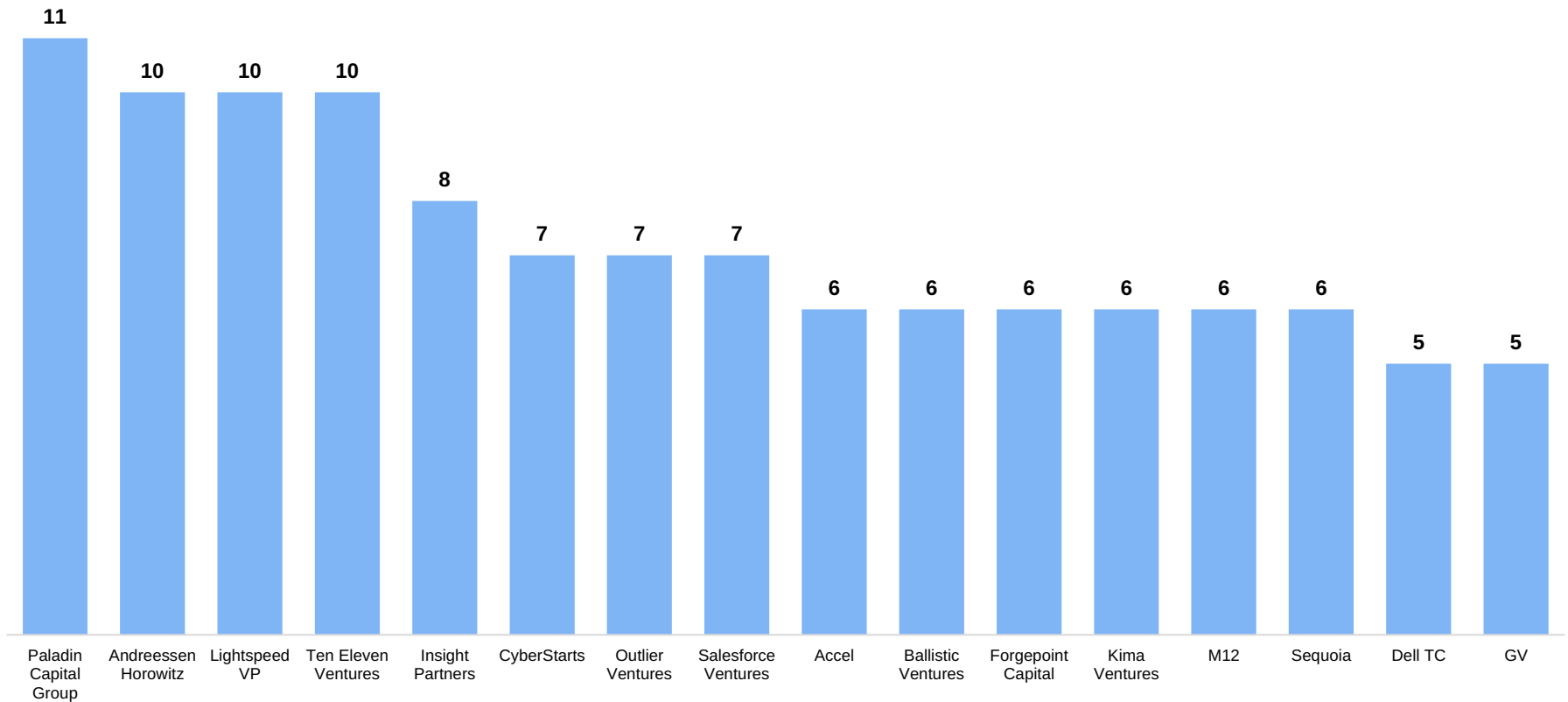
Cybersecurity Venture Funding by Round Size (\$M)



Cybersecurity Capital Raising: Top VC Investors

Specialized investor Paladin Capital Group remains the most active VC for cybersecurity

Most Active Cybersecurity VCs by Deal Count (September 2022 – September 2023)



Cybersecurity Capital Raising: Notable Raises (US)

Not many late-stage rounds in the last six months as companies navigate market challenges

Date	Company	Key Investors	HQ	Company Overview	Raised (\$M)	EV (\$M)
Sep-23	DRAGOS	WESTCAP		Industrial cybersecurity company	74	N/A
Sep-23	HIDDENLAYER	IBM Ventures M12		Platform that helps to monitor the inputs and outputs of ML algorithms	50	200
Aug-23	SpyCloud	SILVERTON PARTNERS RIVERWOOD CAPITAL		Account takeover prevention and fraud investigation platform	110	410
Aug-23	RESILIENCE	FOUNDERS FUND Lightspeed		Supports companies assess, measure, and manage their cyber risk	100	N/A
Aug-23	HORIZONS.ai	CRAFT SignalFire		Develops NodeZero which provides an autonomous penetration testing	40	N/A
Aug-23	hyperproof	RIVERWOOD CAPITAL		Cloud-based compliance operations software	40	N/A
Jul-23	CYBLE	BLACKBIRD JANUARY VENTURES		AI-based threat intelligence solutions and tools	184	N/A
Jul-23	onetrust	generation_		Platform to help companies manage security and GRC requirements	150	4,500
Jun-23	blackpoint	BainCapital Accel		Provider of cybersecurity threat hunting, detection, and response	190	N/A
Jun-23	cyera	Accel SEQUOIA		Data security platform for deep data context	100	500
Jun-23	SHIFT5	INSIGHT PARTNERS jetBlue technology ventures		Hardware and software to defend operational technology (OT) platforms	83	370
May-23	EAGLE EYE NETWORKS	SECOM		Cloud video surveillance company	100	N/A
May-23	HUNTRESS	FORGEPOINT SAPPHIRE VENTURES		Managed security platform that stops hidden threats	60	660
Apr-23	cyberason	SoftBank		Endpoint detection and response platform	100	N/A
Apr-23	ID.me	CapitalG Viking		Online identity verification platform	132	1,600
Apr-23	SAFE	EIGHT ROADS Fidelity		Cyber risk quantification and management platform	50	200

Source: Pitchbook, proprietary research.

Note: Includes transactions completed in the last six months (April 2023 – September 2023).

Cybersecurity Capital Raising: Notable Raises (Non-US)

Except Israel, late-stage cybersecurity funding almost non-existent outside of the US

Date	Company	Key Investors	HQ	Company Overview	Raised (\$M)	EV (\$M)
Sep-23	CATO	Lightspeed SoftBank	Israel	Provider of a SASE cybersecurity platform	238	3,000
Sep-23	NORD SECURITY	WARBURG PINCUS BurdaPrincipal Investments	Hungary	Internet privacy and security provider	100	2,900
Sep-23	Josys	NTT docomo RakSul	Turkey	SaaS platform that streamlines and secures corporate IT operations	93	N/A
Sep-23	THETARAY	JVP OurCrowd	Israel	AI-powered transaction monitoring for anti-money laundering	57	N/A
Sep-23	Upwind	CRAFT greylock	Israel	Cybersecurity platform that protects cloud infrastructure in real-time	50	300
Sep-23	zenity	intel capital	Israel	Security governance platform for low-code/no-code applications	17	N/A
Sep-23	b nalyze	cisco investments Molten	Germany	DFIR platform to speed up cyber incident response	13	N/A
Sep-23	.Cleafy	United Ventures	Italy	Online fraud management and prevention solution	11	N/A
Aug-23	grip	THIRD POINT intel capital	Israel	SaaS-based security management platform	41	N/A
Aug-23	DATTAK	bpi france XAnge	France	Provider of cyber insurance services to insurance brokers	12	N/A
Aug-23	sweet.	GLILOT CAPITAL PARTNERS CYBERARK	Israel	Delivers runtime attack security for cloud workloads	12	N/A
Jul-23	netcraft	SPECTRUM EQUITY	United Kingdom	Services company that provides data mining and cybersecurity services	100	N/A
Jul-23	SECURE CODE WARRIOR	PALADIN CAPITAL GROUP FORGEPOINT	Australia	Learning platform enables developers to learn secure coding technique	50	N/A
Jul-23	惠康资本	遠辰創投 FORTUNE CAPITAL	China	Cybersecurity provider, focuses on software, system, and cloud security	14	N/A
Jun-23	Astrix	Bessemer Venture Partners CFV	Israel	Provides access management for third-party app integrations	25	N/A
Apr-23	SEKŌIA	Seventure MNES	France	Intelligence driven real-time SOC platform	38	N/A

Source: Pitchbook, proprietary research.

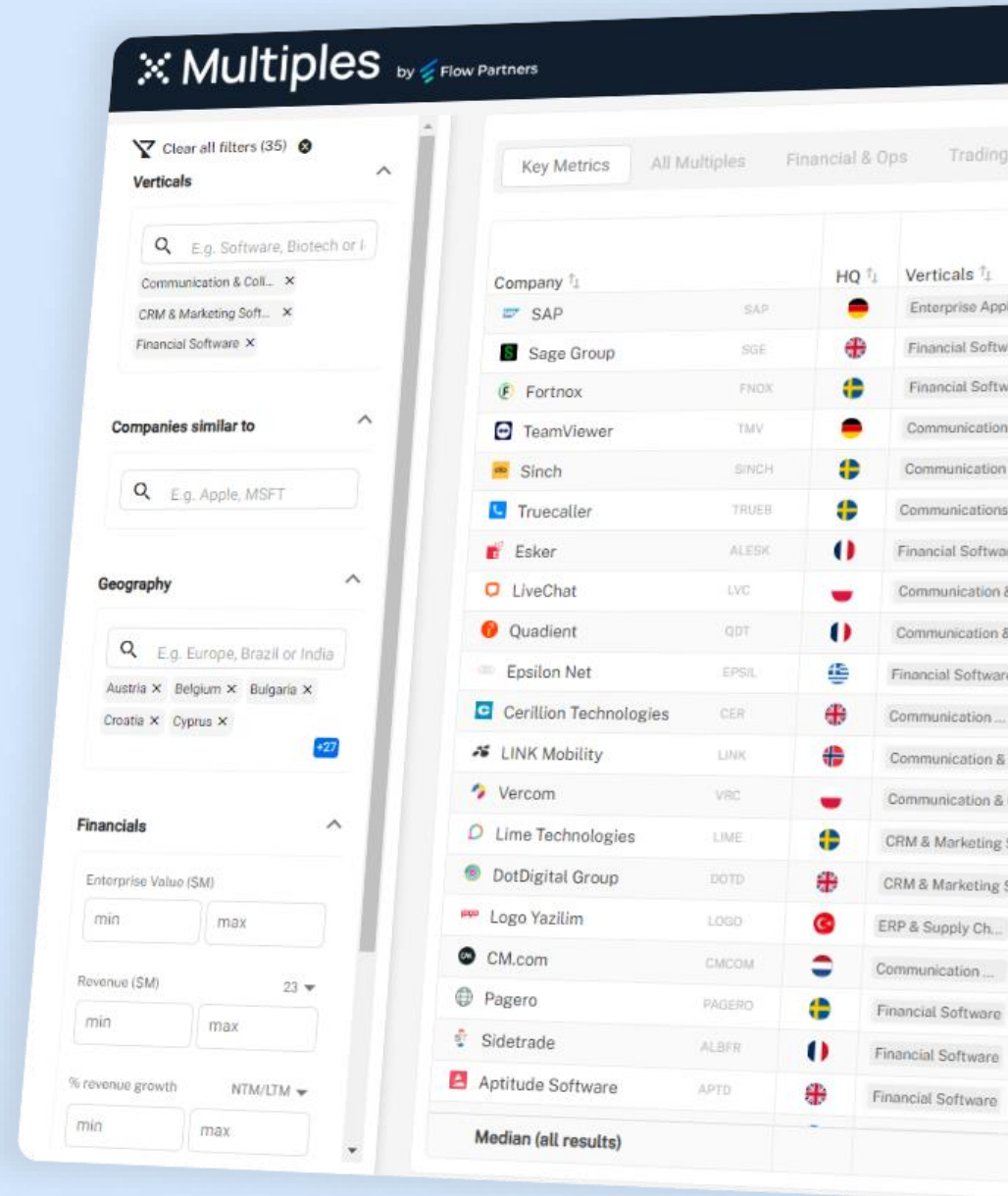
Note: Includes transactions completed in the last six months (April 2023 – September 2023).

3 | Public Markets Update

Introducing Multiples

Real-time public
comps database
for cybersecurity,
software and 100+
other tech verticals

Set up your free account 



The screenshot displays the Multiples by Flow Partners web application. The interface is divided into several sections:


- Header:** Multiples by Flow Partners
- Filters:**
 - Verticals:** Search bar with "E.g. Software, Biotech or I". Filtered categories include "Communication & Coll...", "CRM & Marketing Soft...", and "Financial Software".
 - Companies similar to:** Search bar with "E.g. Apple, MSFT".
 - Geography:** Search bar with "E.g. Europe, Brazil or India". Filtered countries include Austria, Belgium, Bulgaria, Croatia, and Cyprus.
 - Financials:** Search bar with "E.g. Europe, Brazil or India". Filtered countries include Austria, Belgium, Bulgaria, Croatia, and Cyprus.
- Main Table:** A table listing companies with columns for Company, HQ, and Verticals. The table includes a "Median (all results)" row at the bottom.



















Company	HQ	Verticals
SAP	Germany	Enterprise App
Sage Group	United Kingdom	Financial Softw
Fortnox	Sweden	Financial Softw
TeamViewer	Germany	Communication
Sinch	Sweden	Communication
Truecaller	Sweden	Communications
Esker	France	Financial Softwa
LiveChat	Vietnam	Communication &
Quadient	France	Communication &
Epsilon Net	France	Financial Softwa
Cerillion Technologies	United Kingdom	Communication ...
LINK Mobility	Norway	Communication &
Vercom	Vietnam	Communication &
Lime Technologies	Sweden	CRM & Marketing
DotDigital Group	United Kingdom	CRM & Marketing
Logo Yazilim	Turkey	ERP & Supply Ch...
CM.com	Netherlands	Communication ...
Pagero	Sweden	Financial Software
Sidetrade	France	Financial Software
Aptitude Software	United Kingdom	Financial Software
Median (all results)		

Benchmark Data That Matters

Compare all relevant valuation, financial and operational metrics

Set up your free account 

Multiples by  Flow Partners

Company ^{↑↓}		Margins (FY)			Revenue Growth	
		Gross ^{↑↓}	EBITDA ^{↑↓}	Net ^{↑↓}	NTM/LTM ^{↑↓}	23-
 Adyen	ADYEN	11%	8%	6%	(69%)	2
 Kaspi Bank	KSPI	92%	80%	46%	0%	2
 Nexi	NEXI	59%	26%	3%	(40%)	8
 Worldline	WLN	66%	20%	7%	7%	9
 Rakuten	4755	(17%)	(4%)	(21%)	8%	10
 Wise	WISE	68%	19%	12%	28%	11
 Global-e Online	GLBE	39%	2%	(48%)	36%	3
 One97 Communications	PAYTM	15%	(21%)	(22%)	32%	2
 DLocal	DLO	48%	31%	26%	43%	3
 Euronet Worldwide	EEFT	40%	16%	7%	8%	9
 GMO Payment Gateway	3769	67%	37%	69%	19%	2
 Flywire	FLYW	63%	(8%)	(14%)	22%	2
 ACI Worldwide	ACIW	51%	18%	10%	9%	6
 Paysafe	PSFE	59%	20%	(124%)	8%	8
 Kakao Pay	A377300	100%	(1%)	10%	24%	2
 Network International	NETW	70%	31%	18%	18%	1
 EVERTEC	EVTC	53%	35%	39%	6%	6
 DLocal	DLO	54%	15%	2%	(40%)	7
Median (all results)		53%	16%	7%	(40%)	12%



E.g. Software, Biotech or IoT

Streaming

Finance

BNPL

Capital Markets Infrastructure

Cryptocurrency

FinTech Infrastructure

Lending Solutions

Market Information

Money Transfer

Neobanking

Neoinsurance

Online Brokerage

Software - Infrastructure

Cloud Services

Cybersecurity

Data Centers

Dev Ops & IT Management Software

IT Infrastructure

Networking

Software - Vertical

Automotive Software

Education Software

Segmentation Across 100+ Tech Verticals

All comps precisely
categorized by business
model and operational niche

Set up your free account 



Public Cybersecurity Universe

We track 64 listed cybersecurity companies



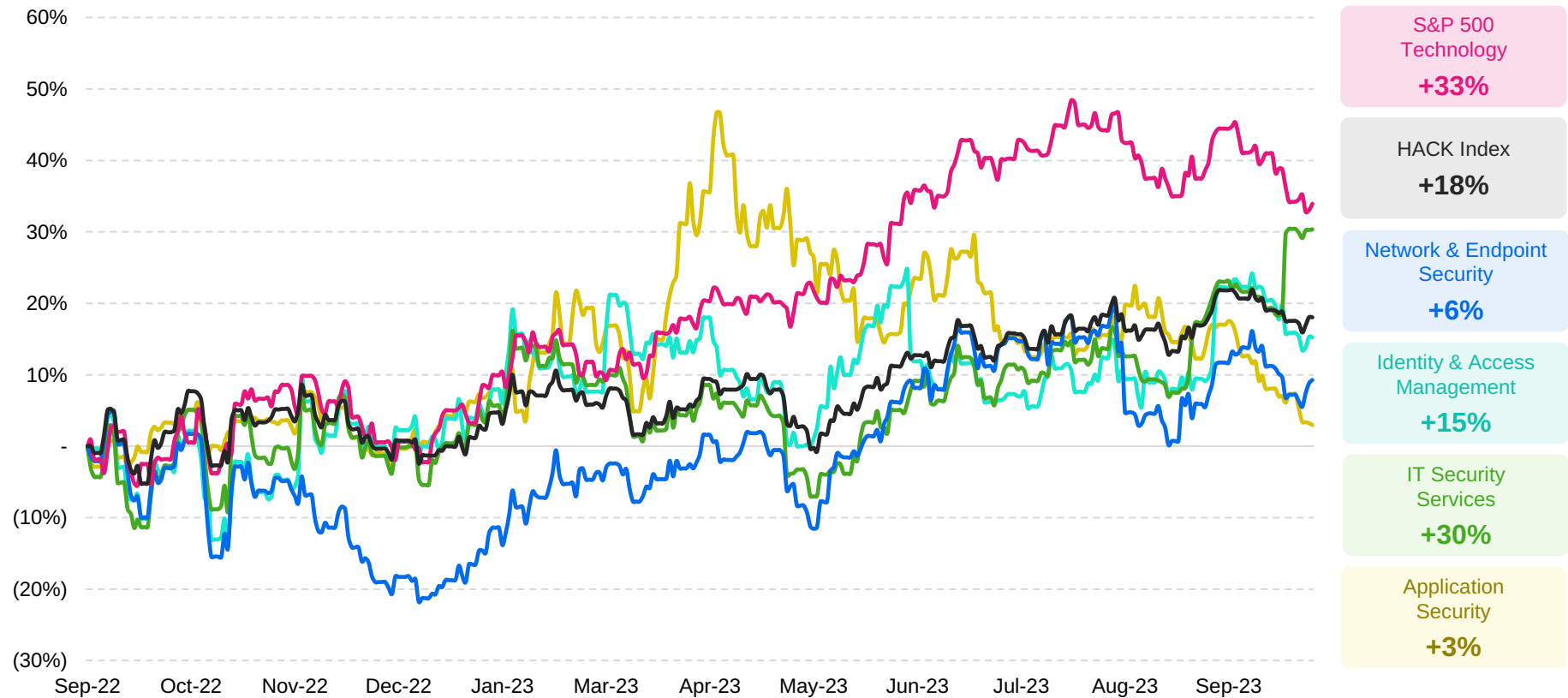
Multiples		by Flow Partners	
Company		HQ	Ver
Palo Alto Networks	PANW	USA	Cy
Fortinet	FTNT	USA	Cy
CrowdStrike	CRWD	USA	Cy
Splunk	SPLK	USA	Cy
Lumen Technologies	LUMN	USA	Co
Gen Digital	GEN	USA	Cy
Zscaler	ZS	USA	Cy
Cloudflare	NET	USA	Cy
Okta	OKTA	USA	Cy
Check Point	CHKP	ISR	Cy
F5	FFIV	USA	Cy
Qihoo 360	601360	CHN	Cy
CyberArk	CYBR	ISR	Cy
Qualys	QLYS	USA	Cy
Tenable	TENB	USA	Cy
SentinelOne	S	USA	Cy
Trend Micro	4704	JPN	Cy
Redid7	RDD	USA	Cy
Median (all results)			



Public Markets: Share Price Performance

Cybersecurity sector rebounded but still yet to recover in line with S&P 500 index

Share Price Performance LTM

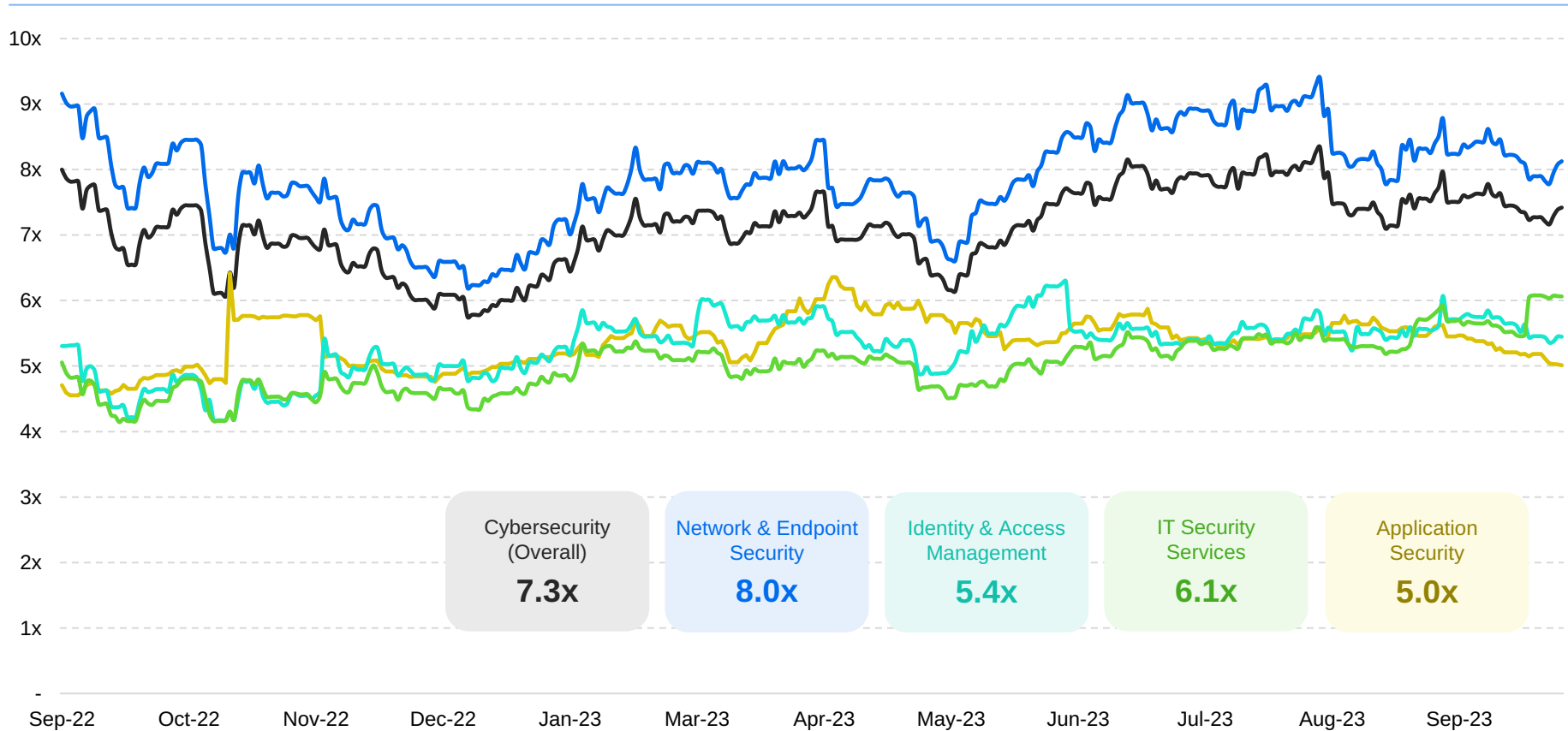


Source: [Multiples by Flow Partners](#).
Note: Indexed as of 28 September 2022.

Public Markets: Valuation Multiples by Sector

Network and endpoint security peers trade at significant premium vs. other sectors

EV / Forward Revenue by Sector



Source: [Multiples by Flow Partners](#).

Note: Calculated as weighted average based on EV. Multiples in excess of 50x or less than 0x are considered not meaningful and excluded from calculation.

Public Markets: Valuation Multiples by Region

American cybersecurity stocks are valued 42% higher vs. European and Asian peers

EV / Forward Revenue by Region



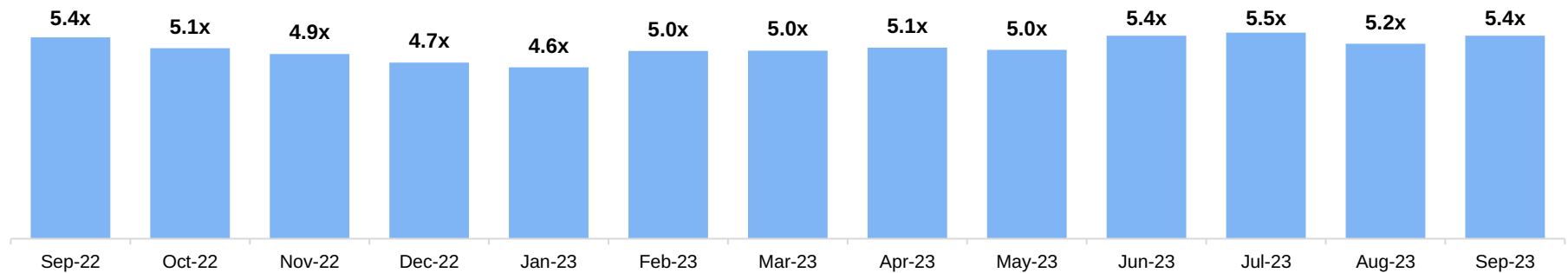
Source: [Multiples by Flow Partners](#).

Note: Calculated as weighted average based on EV. Multiples in excess of 50x or less than 0x are considered not meaningful and excluded from calculation.

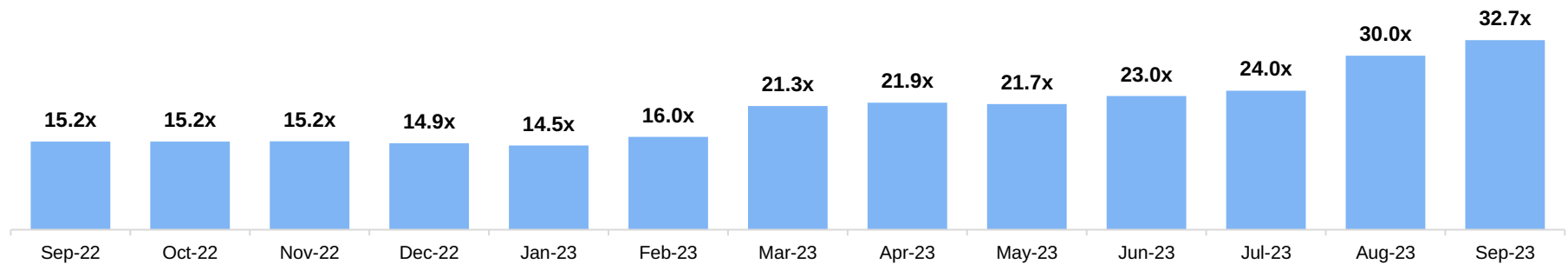
Public Markets: Average Valuation Multiples

Steady improvements in EV / EBITDA multiples in the last six months

Average EV / LTM Revenue Multiples



Average EV / LTM EBITDA Multiples



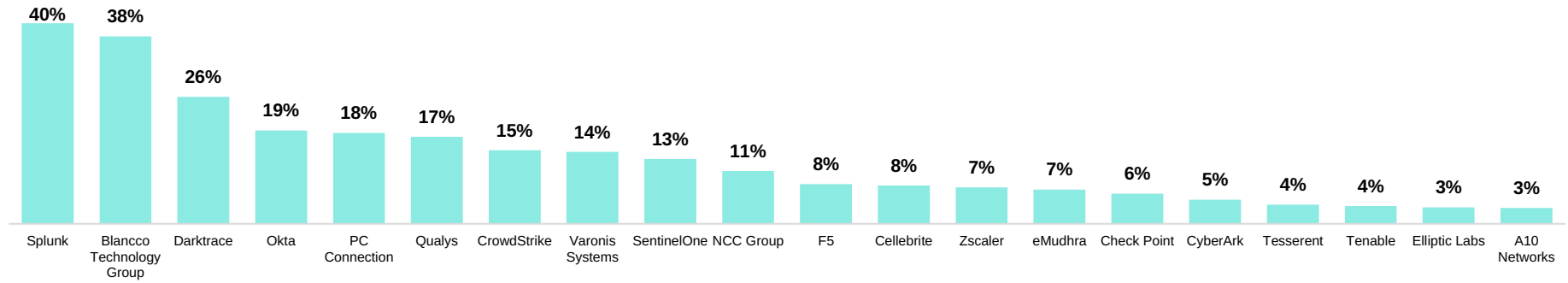
Source: [Multiples by Flow Partners](#).

Note: Multiples in excess of 50x or less than 0x are considered not meaningful and excluded from calculation.

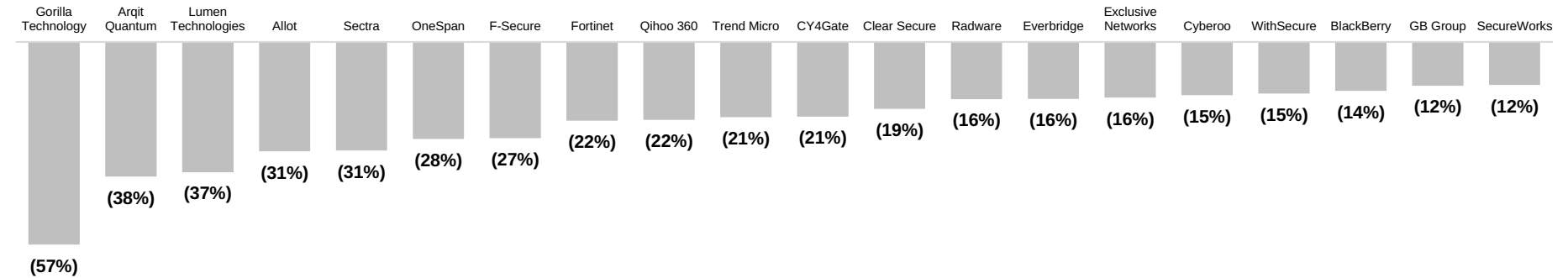
Public Markets: Gainers & Losers (Last 90 Days)

Splunk shot up over 40%+ on the Cisco acquisition news

Top 20 Market Cap Gainers



Top 20 Market Cap Losers



Source: [Multiples by Flow Partners](#).

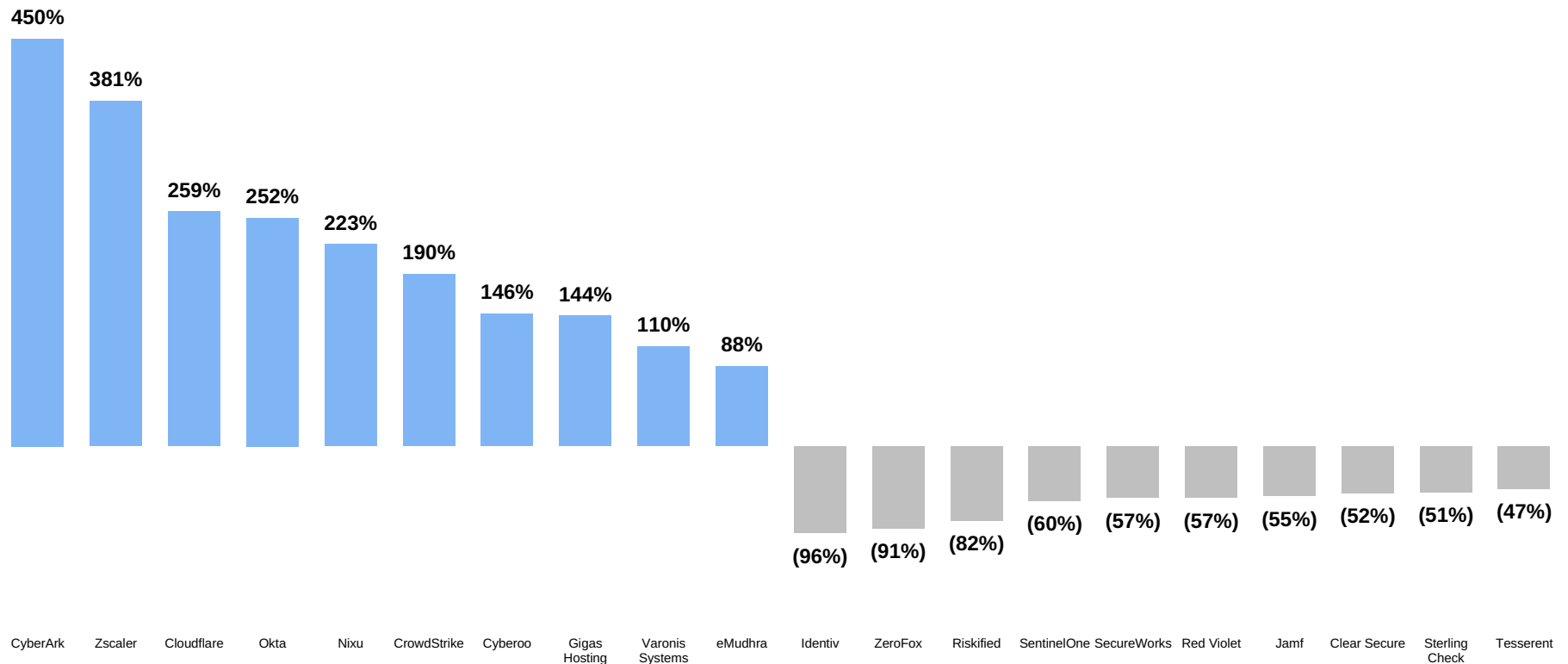
Note: Calculated as market cap difference between 01 July 2022 and 29 September 2023. Includes companies above \$100M market cap.



Public Markets: Return from IPO

Excellent performance from high-growth public peers (Zscaler, Cloudflare, CrowdStrike that delivered sizable returns to public investors

Current Market Cap vs. Market Cap at IPO (% difference)



Source: [Multiples by Flow Partners](#).

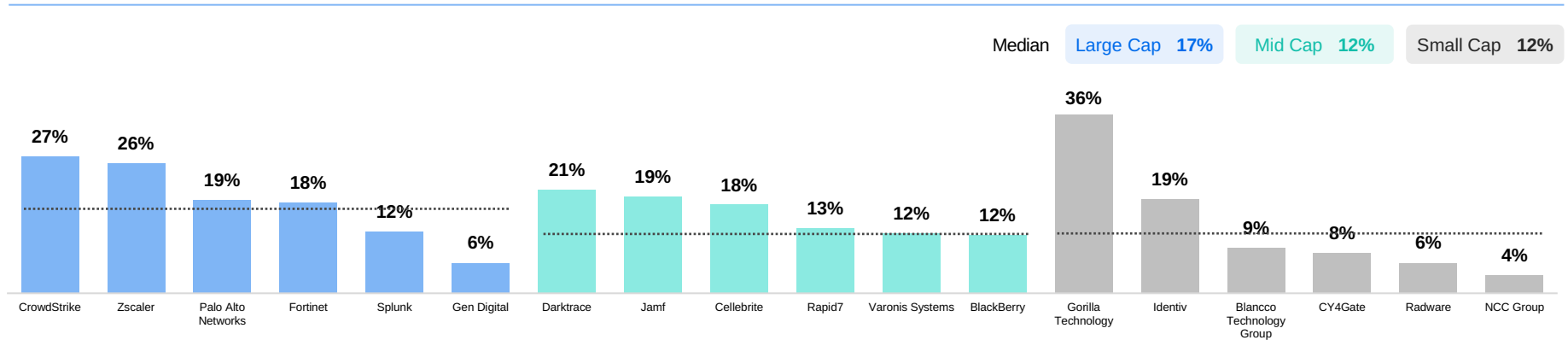
Note: Data as of 29 September 2023. Includes companies above \$100M market cap and that went public less than 10 years ago.



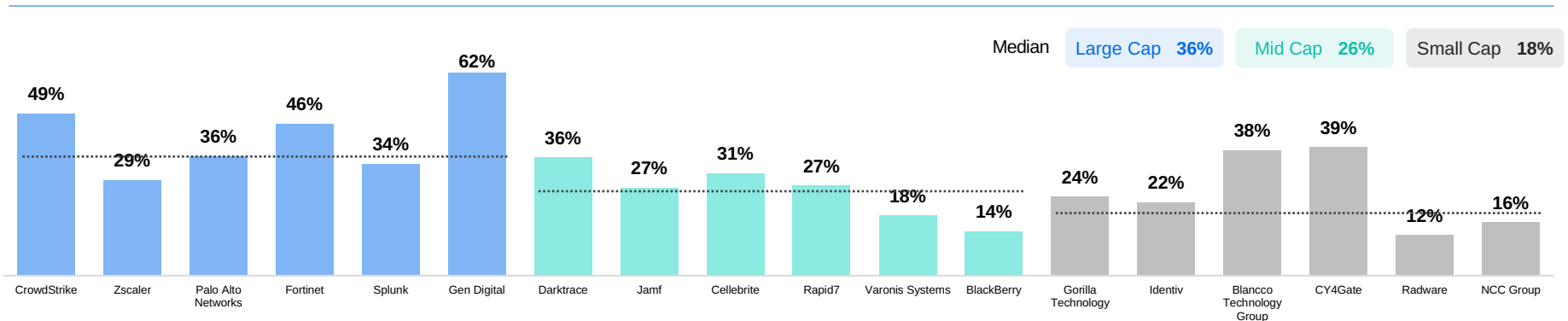
Public Markets: Operating KPIs

Large cap public peers remain on the growth trajectory with healthy operational metrics

Revenue Growth 2023-2025E



Rule of 40



Source: [Multiples by Flow Partners](#).

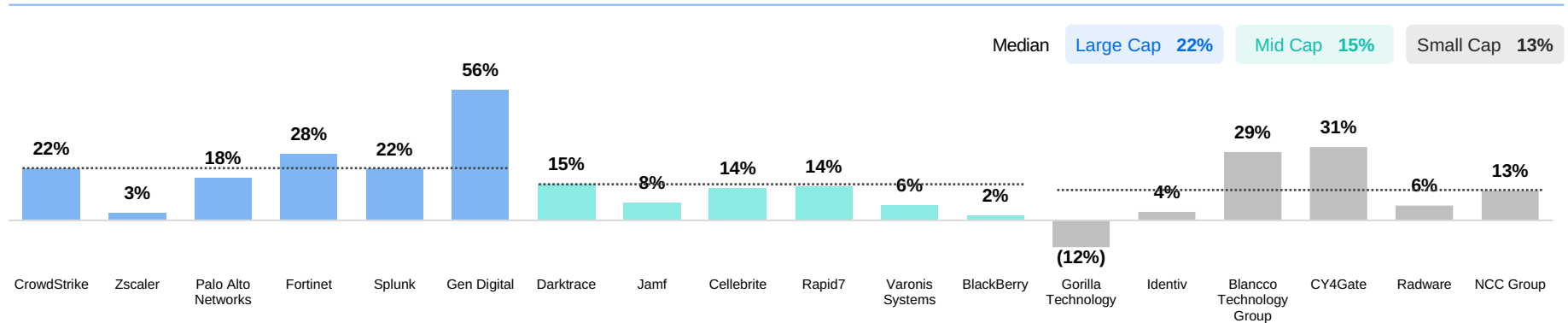
Note: Large cap EV >\$5B, mid cap EV \$500M-\$5B, small cap EV <\$500M. Rule of 40 calculated as 2023-2025E revenue growth + 2023E EBITDA margin.



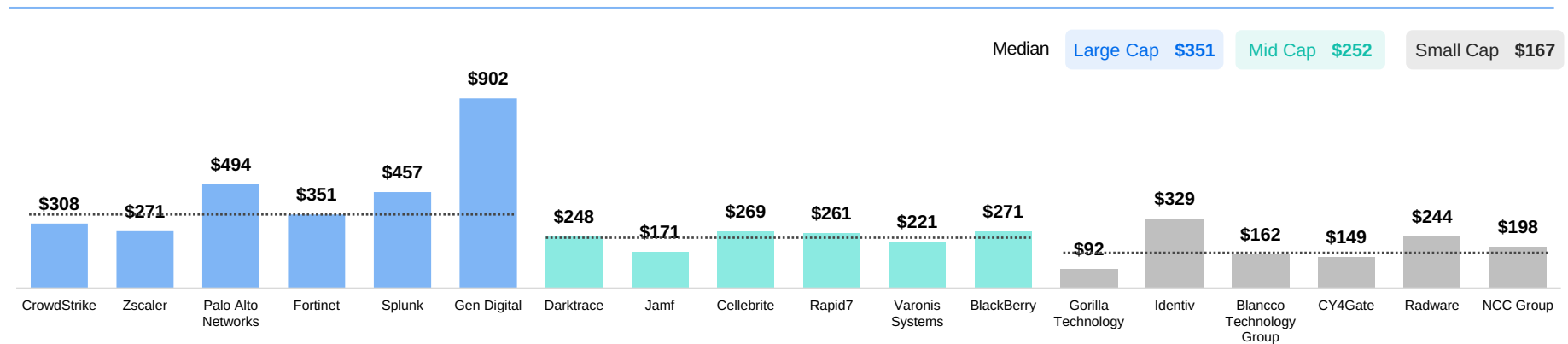
Public Markets: Operating KPIs

Strong margins and higher revenue per employee for large cap comps

EBITDA Margin 2023E



Revenue per FTE



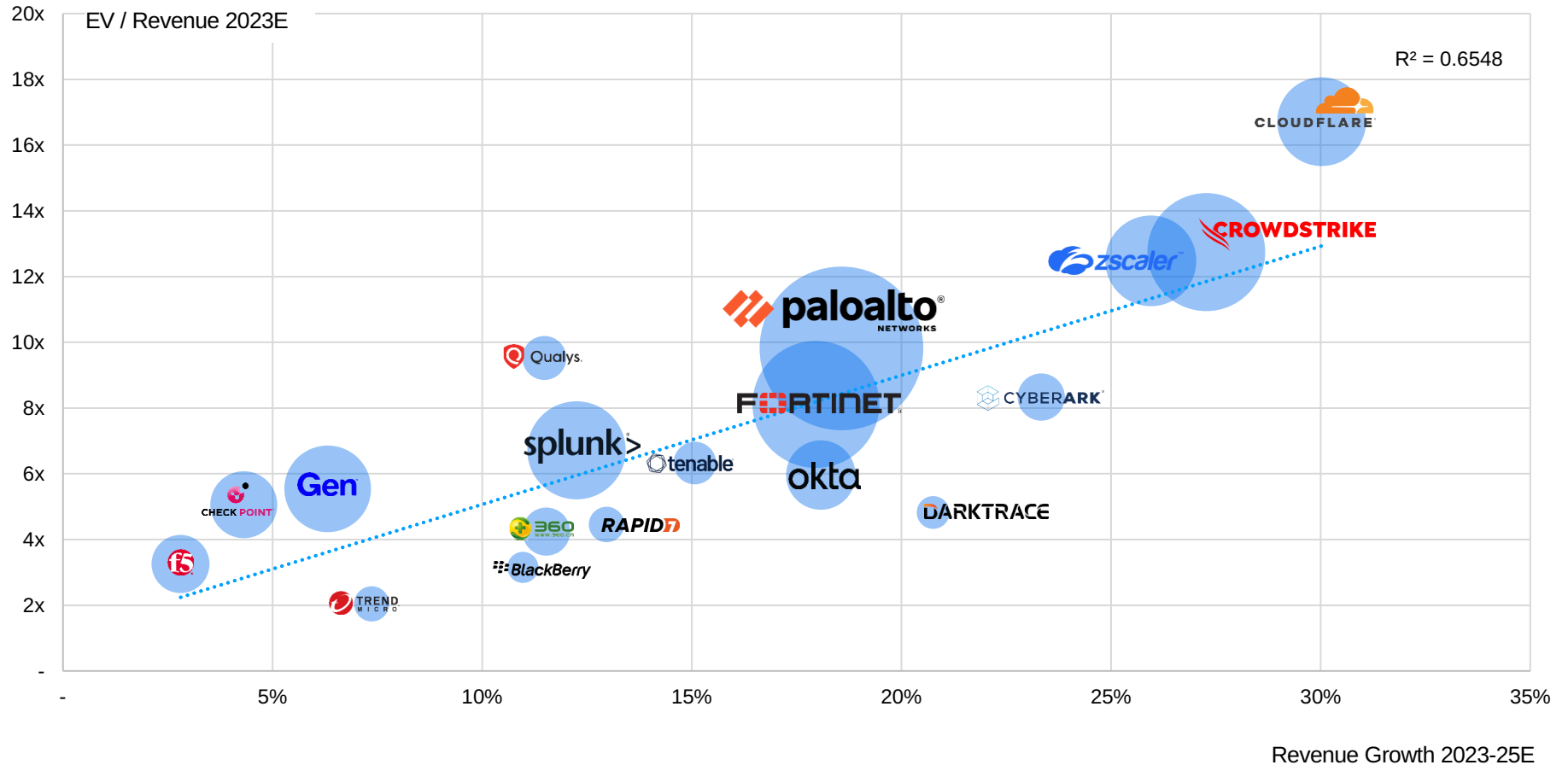
Source: [Multiples by Flow Partners](#).

Note: Large cap EV >\$5B, mid cap EV \$500M-\$5B, small cap EV <\$500M. Rule of 40 calculated as 2023-2025E revenue growth + 2023E EBITDA margin.



Public Markets: Revenue Growth vs. EV / Revenue




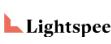








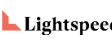





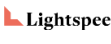








































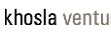











Clear message from public markets – revenue growth is key for premium valuation



Source: [Multiples by Flow Partners](#).
Note: Size of bubble represents relative enterprise value.

Public Markets: IPO Pipeline

No significant cybersecurity IPOs as of September 2023, but many rumored candidates remain

Company	Vertical	HQ	Total Raised (\$M)	Last Valuation (\$M)	Key Shareholders
 ARCTIC WOLF	IT Security Services		1,060	4,300	OWL ROCK  ONTARIO TEACHERS' PENSION PLAN  Lightspeed  DTCP
 ARMIS	Asset Management		592	3,400	CapitalG  TEMASEK  DFJ GROWTH  INSIGHT PARTNERS
 AXONIUS	Asset Management		395	395	SILVERLAKE  Lightspeed  ICONIO  Accel
 exabeam	Incident Response		433	2,400	OWL ROCK  CISCO investments  Lightspeed  SAPPHIRE VENTURES
 HUNTRESS	IT Security Services		160	660	SAPPHIRE VENTURES  HIGHLAND  FORGEPOINT  JMI EQUITY
 illumio	Cloud Security		558	3,130	THOMABRAVO  OWL ROCK  BlackRock  andressen horowitz
 LACEWORK	Cloud Security		1,860	8,300	COATUE  ALTIMETER  TIGERGLOBAL  G/
 netskope	Cloud Security		1,450	7,500	SEQUOIA  ONTARIO TEACHERS' PENSION PLAN  DELL Technologies  Accel
 OPTIV	IT Security Services		N/A	1,800	KKR  Blackstone  LFT  D1 CAPITAL PARTNERS  NIGHT DRAGON
 Pindrop	Identity & Access Mgmt		228	900	andressen horowitz  CapitalG  Felicis  G/
 QOMPLX:	Compliance & Risk		102	1,400	MARTINSON VENTURES  CANNAE HOLDINGS, INC.  PLUGANDPLAY  MOTIVE PARTNERS
 rubrik	Data Protection		1,070	4,000	Lightspeed  greylock  khosla ventures  ivp
 snyk	Application Security		1,070	7,400	TIGERGLOBAL  BlackRock  QIA  Accel
 TANIUM	Endpoint Security		982	9,000	andressen horowitz  ONTARIO TEACHERS' PENSION PLAN  WELLINGTON MANAGEMENT  BAILLIE GIFFORD



Public Markets: Live Trading Comparables

See real-time valuation multiples for all cybersecurity companies at www.multiples.finance

Multiples by Flow Partners

Clear all filters (1) ✕

Verticals

Search: E.g. Software, Biotech or IoT
Cybersecurity X

Companies similar to

Search: E.g. Apple, MSFT

Geography

Search: E.g. Europe, Brazil or India

Financials

Enterprise Value (\$M)
min max

Revenue (\$M) 23 ▼
min max

% revenue growth NTM/LTM ▼

Key Metrics | All Multiples | Financial & Ops | Trading Data | Basic Info

Company ↓	TICKER	EV/Revenue	Growth-Adj EV/Revenue		Revenue Growth		EV/EBITDA				
			NTM ↑	23 ↑	NTM/LTM ↑	23-25 ↑	LTM ↑	NTM ↑	23 ↑	24 ↑	25 ↑
Fortinet	FTNT	0.8x	0.4x	0.4x	17%	18%	34.3x	27.4x	28.7x	23.8x	19.8x
CrowdStrike	CRWD	0.6x	0.3x	0.5x	31%	27%	n/m	44.3x	55.3x	39.4x	29.5x
Splunk	SPLK	0.3x	0.7x	0.5x	9%	12%	241.8x	25.5x	30.2x	23.8x	19.4x
Lumen Technologies	LUMN	0.6x	n/m	n/m	(9%)	(3%)	4.2x	4.9x	4.5x	4.8x	4.8x
Gen Digital	GEN	0.1x	0.7x	0.9x	8%	6%	12.2x	9.9x	10.2x	9.1x	8.4x
Zscaler	ZS	0.3x	0.4x	0.4x	28%	26%	n/m	51.2x	370.4x	44.4x	32.8x
Cloudflare	NET	0.6x	0.4x	0.5x	30%	30%	n/m	80.0x	88.4x	69.3x	47.7x
Okta	OKTA	0.2x	0.4x	0.3x	15%	18%	n/m	45.1x	83.3x	43.6x	28.9x
Check Point	CHKP	0.7x	1.2x	1.1x	4%	5%	13.4x	11.4x	11.6x	11.2x	10.7x
F5	FFIV	0.0x	33.0x	1.1x	0%	3%	15.3x	8.6x	9.1x	n/a	n/a
Qihoo 360	601360	0.4x	0.3x	0.4x	16%	12%	n/m	73.4x	73.4x	56.0x	35.2x
CyberArk	CYBR	0.5x	0.3x	0.4x	24%	23%	n/m	102.0x	259.6x	75.7x	32.9x
Qualys	QLYS	0.5x	0.7x	0.8x	12%	11%	29.9x	20.7x	21.0x	19.7x	18.1x
Tenable	TENB	0.8x	0.4x	0.4x	14%	15%	n/m	44.5x	45.7x	36.9x	27.8x
SentinelOne	S	0.9x	0.2x	0.2x	33%	32%	n/m	n/m	n/m	n/m	62.0x
Trend Micro	4704	0.8x	0.5x	0.3x	4%	7%	8.8x	8.9x	9.2x	8.7x	8.1x
Rapid7	RPD	0.5x	0.4x	0.3x	12%	13%	n/m	24.5x	30.5x	21.8x	18.2x

3 | About Flow Partners

We are a modern advisory firm focused exclusively on the digital economy

Passion for technology is at the very heart of what we do.

Flow Partners connects innovative companies with transformative sources of capital and advises management teams on strategic decisions.

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Capital Raising

Financial Advisory

Valuations

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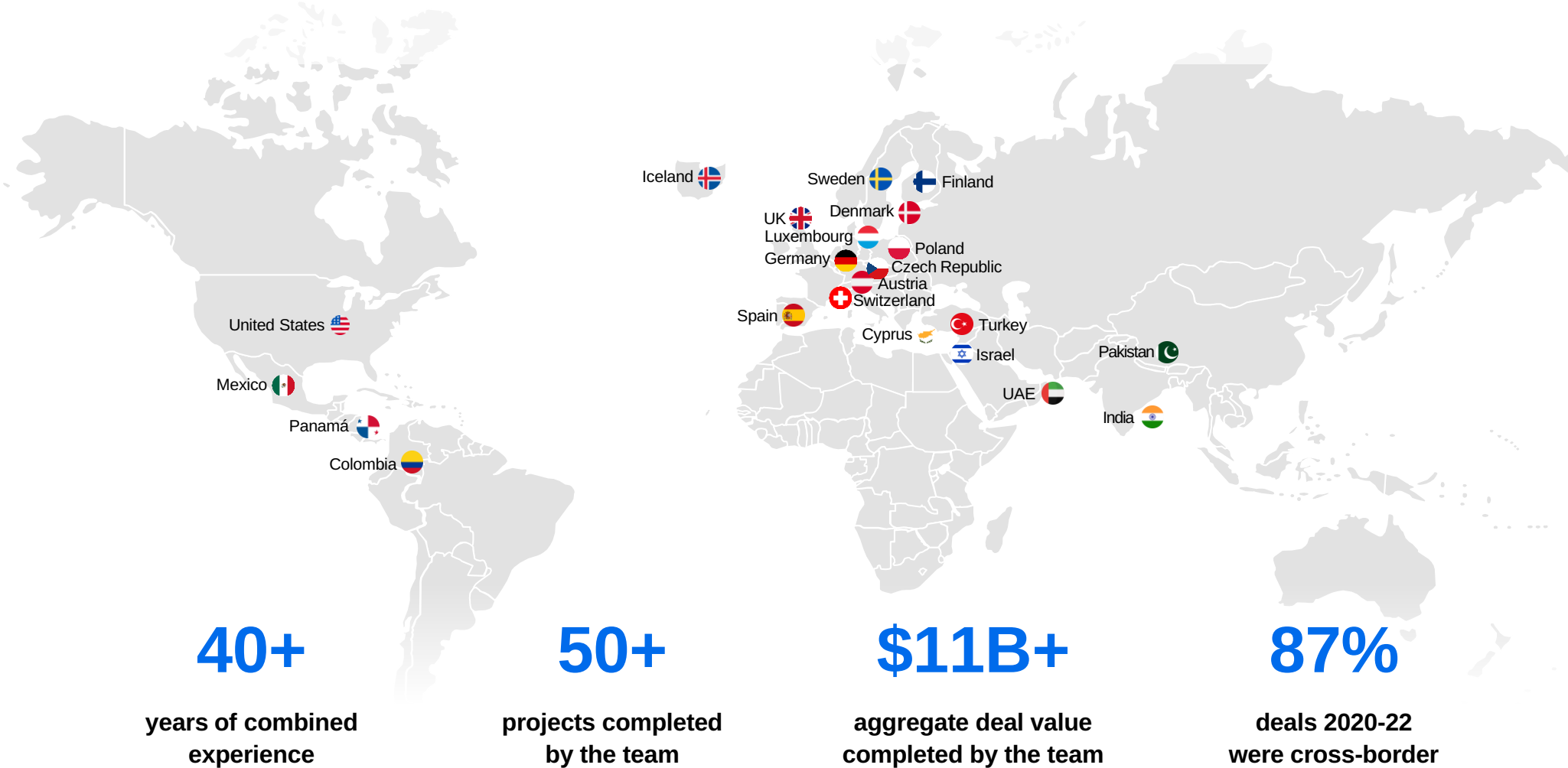
Commercial Due Diligence

Deal Origination

Fairness Opinions




















Valuations

From emerging markets to established economies, we are advising digital leaders across the globe



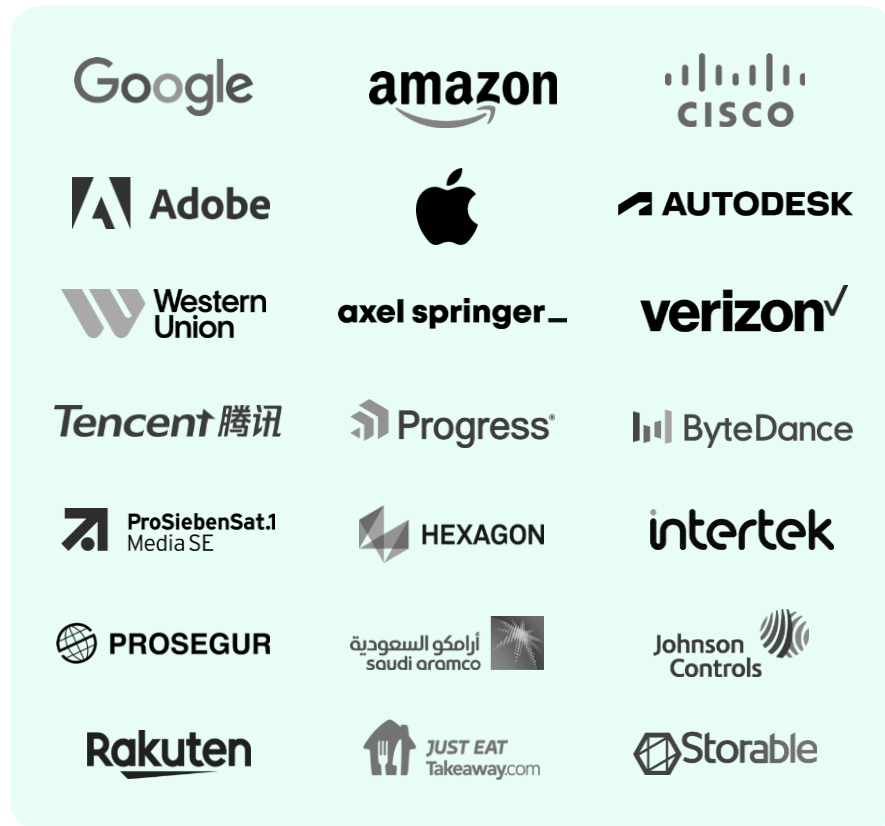
Map represents completed and active engagements.

Selected M&A and capital raising track record

<p>September 2023</p>  <p>strategic advisory</p>	<p>July 2023</p> <p>Rebellion</p> <p>acquisition by</p> 	<p>June 2023</p>  <p>acquisition by</p> 	<p>January 2023</p>  <p>strategic advisory</p>	<p>December 2022</p>  <p>investment from</p> 	<p>August 2022</p>  <p>potential acquisition by</p> <p>Global TIC Company</p>	<p>August 2022</p>  <p>acquisition by</p> 
<p>August 2022</p>  <p>investment from</p> <p>ELYSIAN FIELDS</p>	<p>July 2022</p>  <p>investment from</p> <p>ELYSIAN FIELDS</p>	<p>July 2022</p>  <p>investment from</p> 	<p>April 2022</p>  <p>investment from</p> 	<p>January 2022</p>  <p>investment from</p> <p>CROSSLANTIC / CAPITAL</p>	<p>October 2021</p>  <p>investment from</p> <p>TURKVEN</p>	<p>May 2021</p>  <p>investment from</p> <p>ARENA</p>



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- › Vertical SaaS
- › IT Services
- › Software Development
- › Software Testing



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- › Coupons & Lead Generation
- › Social Networks
- › Online Dating
- › EduTech
- › Direct-To-Consumer Brands



Travel & Mobility

- › Food Delivery
- › Ridesharing
- › Micromobility
- › Navigation & Mapping
- › Online Travel
- › OTAs & Booking Platforms



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- › Online Advertising & Content
- › Research & Publishing
- › Streaming
- › Gaming
- › E-Sports
- › Sports Tech



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- › Neobanking
- › Digital Banking Infrastructure
- › Online Payments
- › BNPL & Lending Platforms
- › Online Brokerage & Trading Tech
- › InsurTech



Industrial Technology

- › Industry 4.0
- › Industrial IoT
- › PropTech
- › AgriTech
- › Supply Chain Tech
- › Climate Tech Software Solutions



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- › DevOps & IT Management
- › IoT
- › Cybersecurity
- › Connectivity & Networking
- › IT Infrastructure



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- › Digital Mental Health Solutions
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Managing Partner

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London School of Economics (LSE)



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Managing Partner

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Jan Brandes
Managing Partner

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Maastricht University



Lukas Schlund
Managing Partner

Munich Riyadh

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KEDGE Business School, EBS



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