

Q4: Quarterly Industry Update

AS OF March 31, 2024



Cyber Security Industry Summary

COGENT VALUATION identified **Cyber Security** publicly traded companies, IPOs, and recent M&A transactions within the Cyber Security industry, which provides a basis for market and transaction pricing that can be used by your firm in estimating market sentiment and its impact on your firm's value. Over the last year since March 31, 2023, the median 52-week share price return of the Cyber Security industry decreased from 1.2% to -4.5%, and the median YTD return increased from 14.1% to 15.6%. Between March 31, 2023 and March 31, 2024, the median EV/Revenue multiple increased from 1.8 to 3.0 and the median EV/EBITDA multiple decreased from 33.8 to 23.5. The median price-to-earnings multiple increased from 21.5 to 22.7 and the median EV/Gross Profit multiple decreased from 56.7 to 55 over the same period. The median MVIC/Earnings multiple increased from 2.2 to 26.4. The median Price/Revenue multiple increased from 24.7 to 22.7 over the same period.

Public Company Key Statistics

Median 52-Week Return	Median YTD Return	Median EV/Revenue Multiple	Median EV/EBITDA Multiple
-4.5%	15.6%	3.7x	23.5x
Median Price/Earnings Multiple	Median EV/Gross Profit Multiple	Median MVIC/Earnings Multiple	Median Price/Revenue Multiple
22.7x	55x	26.4x	22.7x

Public Company Median Multiples by Quarter

	3/31/24	12/31/23	9/30/23	6/30/23	3/31/23	12/31/22	9/30/22	6/30/22
Median EV/Revenue Multiple	3.7	3.2x	3.4x	2.7x	3.1x	3.2x	2.9x	3.0x
Median EV/EBITDA Multiple	23.5x	22.0x	14.6x	17.4x	14.6x	14.6x	19.4x	10.7x
Median Price/Earnings Multiple	22.7x	20.1x	22.3x	23.2x	20.8x	19.7x	17.9x	17.7x
Median EV/Gross Profit Multiple	55x	32.3x	31.2x	44.6x	24.4x	23.3x	20.4x	26.2x
Median MVIC/Earnings Multiple	26.4x	12.6x	2.7x	13.7x	15.4x	20.5x	12.2x	13.2x
Median Price/ Revenue Multiple	22.7x	13.2x	9.4x	12.7x	26.6x	2.5x	13.2x	13.2x

■ Highest Multiple
 ■ Median Multiple
 ■ Lowest Multiple

Comparable Public Company Market Price Returns as of March 31, 2024

Company Name	Q1 2024	12-months 2023	Two Year ¹	Three Year ¹	2022	2021	2020
Ability Inc.	-6.8%	-6.8%	4.9%	-3.0%	-6.8%	-17.4%	-3.3%
CyberArk Software Ltd.	-27.7%	-27.7%	-11.1%	-8.2%	-27.7%	-33.0%	-59.8%
Finjan Holdings, Inc.	-59.6%	-59.6%	-50.2%	-45.6%	-59.6%	-40.0%	-53.0%
Fortinet, Inc.	-12.2%	-12.2%	4.4%	9.4%	-12.2%	25.7%	16.5%
Imperva, Inc.	15.6%	38.3%	-1.9%	7.8%	38.3%	3.6%	-35.8%
ManTech International Corporation	-11.9%	-11.9%	-19.2%	-15.1%	-11.9%	3.7%	-2.0%
NetScout Systems, Inc.	15.9%	-4.5%	55.4%	49.0%	65.9%	9.0%	N/A
Radware Ltd.	-24.8%	-24.8%	-33.7%	-41.3%	-24.8%	-53.4%	-58.1%
Rapid7, Inc.	70.8%	70.8%	61.9%	48.2%	70.8%	-16.5%	67.5%
Symantec Corporation	-57.4%	-57.4%	-37.8%	-39.2%	-57.4%	-69.8%	-4.4%
Median of Industry Public Companies	15.6	-4.5%	-6.2%	8.6%	9.4%	-1.5%	-3.3%

[1] Calculated as the average annual return.

■ Highest Return
 ■ Lowest Return
 ■ Median Return

Industry Initial Public Offerings—Cyber Security (dollars in millions, except share prices)

Effective Date	Company Name	Offer Price	Shares Offered	Amount Raised	Total Assets ¹	Debt ¹	LTM Revenue ¹	LTM EBITDA ¹	LTM Net Income ¹	LTM Cash Flows ¹
2/13/24	Napatech	\$9.43	2.4	\$22.6	\$22.5	\$0	\$225.8	\$1.0	\$1.0	\$5.9
1/10/24	Avast Plc	\$1.33	0.6	\$31.2	\$42.4	\$0.0	\$700.2	\$4.6	\$3.2	\$6.3
11/14/23	GRC International Group plc	\$0.96	60.0	\$11.3	\$44.5	\$0.0	\$8.6	\$5.3	\$0.6	\$0.8
12/1/22	Wiit S.p.A.	\$50.48	3.5	\$7.4	\$2.1	\$28.0	\$16.7	\$0.8	(\$72.4)	(\$48.1)
3/7/22	Microware Group Limited	\$0.19	8.0	\$112.0	\$917.8	\$0.0	\$138.7	(\$65.4)	(\$1.1)	(\$1.3)
12/13/21	ECSC Group plc	\$2.12	5.7	\$12.6	\$8.4	\$0.0	\$4.0	(\$1.3)	\$0.9	\$0.2
4/21/21	SecureWorks Corp.	\$14.00	112.0	\$19.6	\$6.7	\$17.0	\$339.5	\$2.0	(\$31.8)	(\$20.1)
4/11/21	Osirium Technologies plc	\$2.22	6.5	\$103.2	\$86.5	N/A	\$0.4	(\$24.2)	N/A	N/A
6/29/17	Median of all IPOs	nm	nm	\$17.3	\$15.6	\$0.0	\$77.7	\$0.9	\$0.7	\$0.1

[1] As of the effective date of the IPO

Size of Recent Merger and Acquisition Transactions for a Majority Stake (dollars in millions)

Transaction Date	Target	Acquirer	Transaction Size	% Bought	LTM Revenues ¹	EV/ Revenues ¹
3/12/24	LTC Engineering Associates	LookingGlass Cyber	\$5.0	100%	\$16.0	1.0x
2/19/24	CloudShield Technologies	Engility Holdings, Inc.	\$1,100.0	100%	N/A	1.7x
11/20/23	TASC, Inc.	Belden Inc.	\$710.0	100%	N/A	N/A
12/16/22	Tripwire, Inc.	BAE Systems plc	\$232.5	80%	\$118.5	N/A
10/28/22	BAE Systems	Atos SE	\$848.5	100%	N/A	4.2x

[1] As of the close of the Transaction

■ USA
 ■ International

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Size of Recent Merger and Acquisition Transactions for a Majority Stake (dollars in millions)

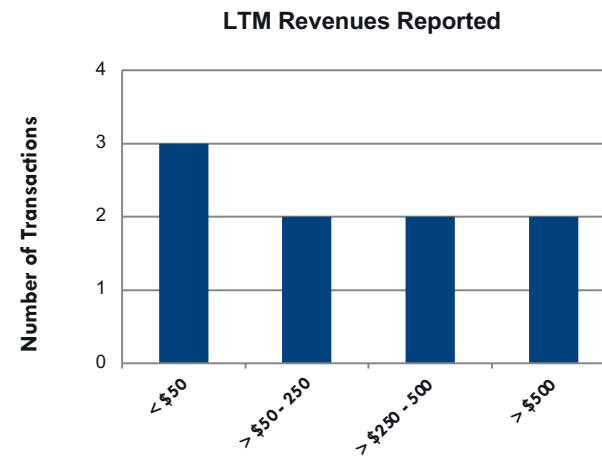
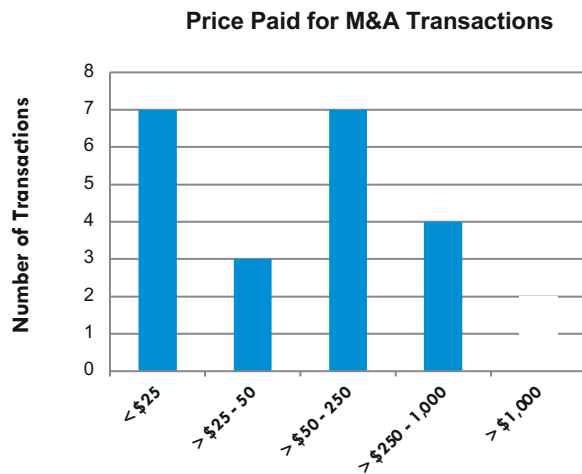
Effective Date	Company Name	Offer Price	Shares Offered	Amount Raised	Total Assets ¹	LTM Revenues ¹
3/16/23	Camber Corporation	Huntington Ingalls	\$380	100%	\$364	\$44.2
3/2/23	CSRA Inc.	General Dynamics Corporation	\$9,951.1	100%	\$5,064	\$65.2
2/28/23	Wombat Security Tech.	Proofpoint, Inc.	\$225.0	100%	\$125.3	\$52.2
12/21/22	Cyberinc	KPMG LLP	\$34.3	100%	\$27.1	\$50.6
12/15/23	NCI, Inc.	H.I.G. Capital	\$289.2	100%	\$325.4	N/A
7/3/21	NES Associates, LLC	CSRA Inc.	\$105.0	100%	N/A	\$3.5
8/31/21	Wave Systems Corp.	Huntington Ingalls	\$372.0	100%	\$364.0	\$25.7
8/16/21	Sypris Electronics, LLC	Analog Devices, Inc.	\$42.0	55%	\$18.0	\$4.4
12/12/20	Recall Holdings Limited	Iron Mountain Inc.	\$2,452.5	100%	\$45.2	\$43.5
12/3/20	Sypris Electronics, LLC	Analog Devices, Inc.	\$42.0	100%	\$76.3	\$34.2
9/27/20	Fox-IT Group B.V.	NCC Group (Solutions)	\$140.6	100%	\$29.0	\$44.2
Median of the M&A Transaction Targets			\$68.0	100%	\$161	\$50.6

■ USA ■ International

[1] As of the effective date of the IPO

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Size of Recent Merger and Acquisition Transactions for a Majority Stake (dollars in millions)



Definitions of Financial Terms Used in this Quarterly Industry Update:

Enterprise Value (EV): Market Value of Equity + Market Value of Debt - Cash

Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA): Profitability metric sometimes also referred to as operating profit or operating earnings.

Gross Cash Flows: Net Income + Depreciation and Amortization Expense

Latest Twelve Months (LTM): Financial information is as of the latest twelve months through the date of this Quarterly Industry Update.

Market Value of Invested Capital (MVIC): Market Value of Equity + Market Value of Debt

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