

# Q4: Quarterly Industry Update

AS OF December 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 December 31, 2023, the median 52-week share price return and the median YTD return of the Cyber Security industry was -12.05%. Between December 31, 2023 and December 31, 2024, the median EV/Revenue multiple increased from 3.2 to 3.6 and the median EV/EBITDA multiple increased from 14.6 to 14.7. The median price-to-earnings multiple increased from 20.1 to 22.4 and the median EV/Gross Profit multiple increased from 22.0 to 53.4 over the same period. The median MVIC/Earnings multiple increased from 13.2 to 23.6. The median Price/Revenue multiple increased from 26.6 to 26.7 over the same period.

### Public Company Key Statistics

Median 52-Week Return	Median YTD Return	Median EV/Revenue Multiple	Median EV/EBITDA Multiple
-12.05%	-12.05%	3.6x	14.7x
Median Price/Earnings Multiple	Median EV/Gross Profit Multiple	Median MVIC/Earnings Multiple	Median Price/Revenue Multiple
22.4x	53.4x	23.6x	26.7x

## Public Company Median Multiples by Quarter

	12/31/24	9/30/24	6/30/24	3/31/24	12/31/23	9/30/23	6/30/23	3/31/23
<b>Median EV/Revenue Multiple</b>	3.6x	3.2x	3.4x	2.7x	3.2x	3.4x	2.7x	3.1x
<b>Median EV/Gross Profit Multiple</b>	53.4x	32.3x	31.2x	44.6x	22.0x	14.6x	17.4x	14.6x
<b>Median EV/EBITDA Multiple</b>	14.7x	22.0x	14.6x	17.4x	14.6x	22.3x	23.2x	20.8x
<b>Median Price/ Revenue Multiple</b>	26.7x	13.2x	9.4x	12.7x	26.6x	31.2x	44.6x	24.4x
<b>Median Price/Earnings Multiple</b>	22.4x	20.1x	22.3x	23.2x	12.6x	2.7x	13.7x	15.4x
<b>Median MVIC/Earnings Multiple</b>	23.6x	12.6x	2.7x	13.6x	13.2x	9.4x	12.7x	26.6x

■ Highest Multiple    
 ■ Median Multiple    
 ■ Lowest Multiple

## Comparable Public Company Market Price Returns and Operating Results as of December 31, 2024 (dollars in millions)

Company Name	Q4 2024	12-months 2024	Two Year <sup>1</sup>	Revenues	Gross Profit	Net Income
Ability Inc.	-3.8%	-6.8%	2.9%	\$23.1	\$13.1	\$3.1
CyberArk Software Ltd.	-13.5%	-27.7%	-12.1%	\$909.5	\$737.3	\$12.6
Finjan Holdings, Inc.	-52.7%	-59.6%	-35.2%	\$9.56	\$9.39	\$4.15
Fortinet, Inc.	-11.2%	-12.2%	3.4%	\$5,955.8	\$4,798.2	\$1,745.2
Imperva, Inc.	11%	38.3%	-1.9%	\$66.65	\$27.40	\$1.24
ManTech International Corporation	-12.5%	-11.9%	-16.2%	\$14.00	\$44.20	\$11.80
NetScout Systems, Inc.	14.7%	-4.2%	54.4%	\$92.13	\$121.55	\$19.35
Radware Ltd.	-21.4%	-24.8%	-32.6%	\$23.1	\$34.2	\$2.1
Rapid7, Inc.	63.8%	70.8%	21.9%	\$833	\$588.5	\$417.1
Symantec Corporation	-52.2%	-57.4%	-37.8%	\$659.1	\$330.1	\$167.4
<b>Median of Industry Public Companies</b>	<b>-11.85%</b>	<b>-12.05%</b>	<b>-7.00%</b>	<b>\$79.39</b>	<b>\$82.88</b>	<b>\$12.20</b>

[1] Calculated as the average annual 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 <sup>1</sup>	Debt <sup>1</sup>	LTM Revenue <sup>1</sup>	LTM EBITDA <sup>1</sup>	LTM Net Income <sup>1</sup>	LTM Cash Flows <sup>1</sup>
12/16/24	<b>CISO Global Inc.</b>	\$18.00	5.0	\$90.0	\$42.5	\$3.0	\$72.0	\$10.1	\$11.8	\$8.4
2/13/24	<b>Napatech</b>	\$9.43	2.4	\$22.6	\$22.5	\$0	\$225.8	\$1.0	\$1.0	\$5.9
1/10/24	<b>Avast Plc</b>	\$1.33	0.6	\$31.2	\$42.4	\$0.0	\$700.2	\$4.6	\$3.2	\$6.3
11/14/23	<b>GRC International Group plc</b>	\$0.96	60.0	\$11.3	\$44.5	\$0.0	\$8.6	\$5.3	\$0.6	\$0.8
12/1/22	<b>Wiit S.p.A.</b>	\$50.48	3.5	\$7.4	\$2.1	\$28.0	\$16.7	\$0.8	(\$72.4)	(\$48.1)
3/7/22	<b>Microware Group Limited</b>	\$0.19	8.0	\$112.0	\$917.8	\$0.0	\$138.7	(\$65.4)	(\$1.1)	(\$1.3)
12/13/21	<b>ECSC Group plc</b>	\$2.12	5.7	\$12.6	\$8.4	\$0.0	\$4.0	(\$1.3)	\$0.9	\$0.2
4/21/21	<b>SecureWorks Corp.</b>	\$14.00	112.0	\$19.6	\$6.7	\$17.0	\$339.5	\$2.0	(\$31.8)	(\$20.1)
4/11/21	<b>Osirium Technologies plc</b>	\$2.22	6.5	\$103.2	\$86.5	N/A	\$0.4	(\$24.2)	N/A	N/A
8/29/17	<b>Median of all IPOs</b>	<b>\$2.22</b>	<b>5.7</b>	<b>\$22.60</b>	<b>\$42.40</b>	<b>\$0.00</b>	<b>\$72.00</b>	<b>\$0.90</b>	<b>\$0.75</b>	<b>\$0.50</b>

[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 <sup>1</sup>	EV/ Revenues <sup>1</sup>
10/18/24	<b>GSE Systems, Inc.</b>	<b>True North Consulting</b>	\$38.83	100%	\$22.4	0.9x
3/12/24	<b>LTC Engineering Associates</b>	<b>LookingGlass Cyber</b>	\$5.0	100%	\$16.0	1.0x
2/19/24	<b>CloudShield Technologies</b>	<b>Engility Holdings, Inc.</b>	\$1,100.0	100%	N/A	4.3x
11/20/23	<b>TASC, Inc.</b>	<b>Belden Inc.</b>	\$710.0	100%	N/A	10.0x
12/16/22	<b>Tripwire, Inc.</b>	<b>BAE Systems plc</b>	\$232.5	80%	\$118.5	5.1x
10/28/22	<b>BAE Systems</b>	<b>Atos SE</b>	\$848.5	100%	N/A	5.3x
3/16/23	<b>Camber Corporation</b>	<b>Huntington Ingalls</b>	\$380	100%	\$364	2.3x
3/2/23	<b>CSRA Inc.</b>	<b>General Dynamics Corporation</b>	\$9,951.1	100%	\$5,064	4.5x

[1] As of the close of the Transaction

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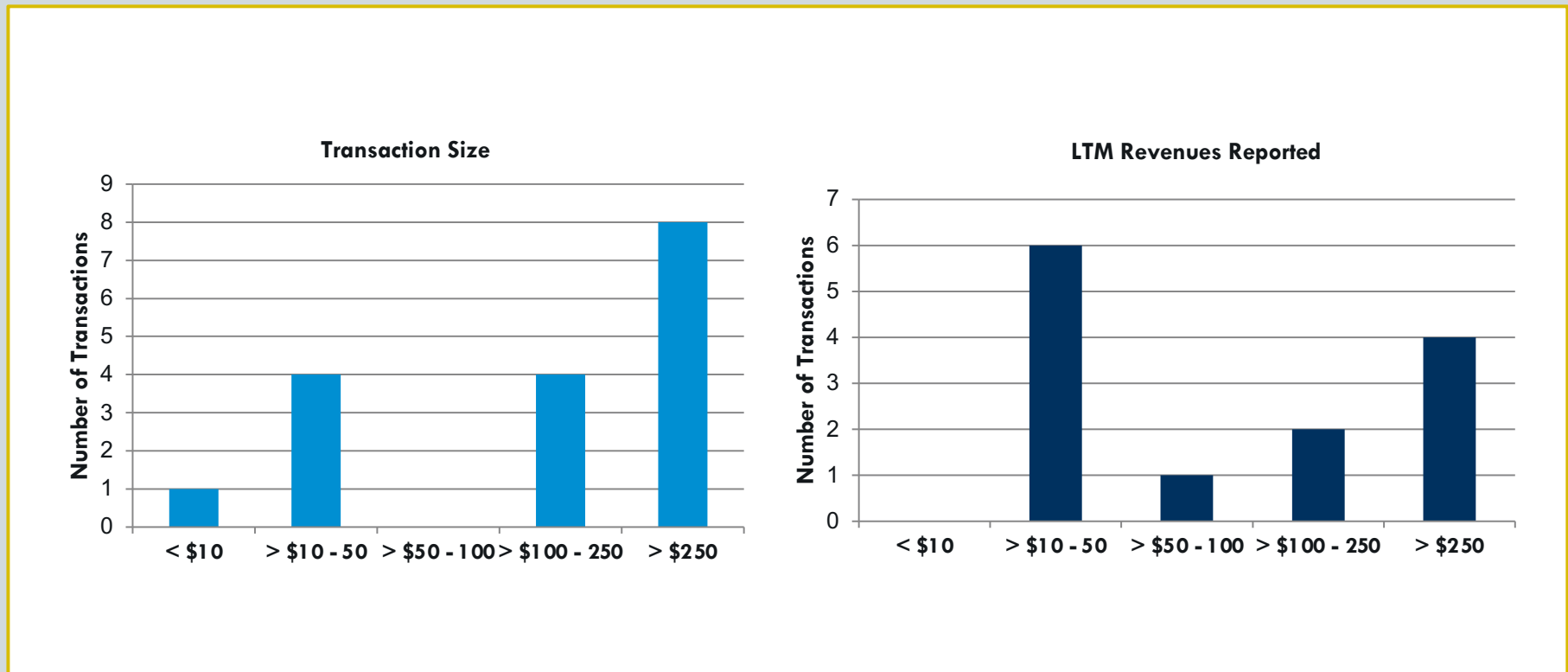
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2/28/23	<b>Wombat Security Tech.</b>	<b>Proofpoint, Inc.</b>	\$225.0	100%	\$125.3	5.3x
12/21/22	<b>Cyberinc</b>	<b>KPMG LLP</b>	\$34.3	100%	\$27.1	1.3x
12/15/23	<b>NCI, Inc.</b>	<b>H.I.G. Capital</b>	\$289.2	100%	\$325.4	2.3x
7/3/21	<b>NES Associates, LLC</b>	<b>CSRA Inc.</b>	\$105.0	100%	N/A	5.7x
8/31/21	<b>Wave Systems Corp.</b>	<b>Huntington Ingalls</b>	\$372.0	100%	\$364.0	7.4x
8/16/21	<b>Sypris Electronics, LLC</b>	<b>Analog Devices, Inc.</b>	\$42.0	55%	\$18.0	1.4x
12/12/20	<b>Recall Holdings Limited</b>	<b>Iron Mountain Inc.</b>	\$2,452.5	100%	\$45.2	2.3x
12/3/20	<b>Sypris Electronics, LLC</b>	<b>Analog Devices, Inc.</b>	\$42.0	100%	\$76.3	4x
9/27/20	<b>Fox-IT Group B.V.</b>	<b>NCC Group (Solutions)</b>	\$140.6	100%	\$29.0	8.1x
<b>Median of the M&amp;A Transaction Targets</b>			<b>\$232.50</b>	<b>100%.</b>	<b>\$76.30</b>	<b>5.3x</b>

[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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