

# RSA® Conference 2022

San Francisco & Digital | June 6 – 9

SESSION ID: PART1-R05

## Cybersecurity Strategic Activity, Recent Trends & Predictions

**Dino Boukouris**

Founding Director  
Momentum Cyber  
[dino@momentumcyber.com](mailto:dino@momentumcyber.com)

# TRANSFORM



# Disclaimer

Presentations are intended for educational purposes only and do not replace independent professional judgment. Statements of fact and opinions expressed are those of the presenters individually and, unless expressly stated to the contrary, are not the opinion or position of RSA Conference LLC or any other co-sponsors. RSA Conference does not endorse or approve, and assumes no responsibility for, the content, accuracy or completeness of the information presented.

Attendees should note that sessions may be audio- or video-recorded and may be published in various media, including print, audio and video formats without further notice. The presentation template and any media capture are subject to copyright protection.

©2022 RSA Conference LLC or its affiliates. The RSA Conference logo and other trademarks are proprietary. All rights reserved.

# The Premier Strategic Advisor In Cybersecurity

The First And Only M&A And Strategic Advisory Firm Focused Exclusively On Cybersecurity.



**Dino Boukouris**  
Founding Director

## Firm Highlights



Over A Century Of Experience  
In Cybersecurity As World  
Class Operators & Advisors

**300+**    **\$300B+**

Total M&A Transactions &  
Deal Value As A Team Since  
1994



Cyber Exit Savvy – Deep  
Expertise Selling to Strategic  
& Financial Buyers

**50+**    **\$16B**

Cybersecurity Transactions &  
Total Deal Value Executed By  
Team Members Since 2002

**\$360M**

Average  
Cybersecurity  
Deal Value



Unparalleled Access with  
Executives, Board Members,  
Investors, & CISOs

**1M+**

Categorized Data Points On  
>3,500 Cybersecurity  
Companies (**CYBERcloud**)

**CYBER** cloud

Unrivaled Thought Leadership  
In Cybersecurity Through  
Insightful Research

# Key Themes Across Cybersecurity.

Cybersecurity Had A Record-Smashing Year In 2021 And Is Expected To Continue Its Upward Trajectory.

## Cybersecurity Outlook Entering 2022

	Growth Continuing To Accelerate	The necessity to protect digitized businesses, consumers, and devices from malicious threat actors will propel Cybersecurity spending further in 2022
	Sub-Sectors To Watch	Identification management, threat hunting, managed XDR, vulnerability management, and security awareness training sub-sectors are all expected to grow significantly
	The Age Of Zero Trust	Organizations are widely adopting zero trust principles to guard against modern, sophisticated threats
	The Great Shift-Left In Security	DevOps teams are guaranteeing security at the earliest stages in the development lifecycle as the market focuses on developers' needs
	Industrial Security's Importance	Enterprises Of All Sizes Are Demanding A Different Approach To Industrial Security As Threats Increase and key infrastructure is tested
	Cryptocurrency And Blockchain's Emergence	Cybersecurity will play an important role in cryptocurrency's mainstream adoption

# CYBER SCAPE

2022

**Network & Infrastructure Security**

Advanced Threat Protection, Cloud Security, Container Security, Edge Security, Firewall, Identity & Access Management, Network Firewall, SDN, SD-WAN, Threat Detection, Web Application Firewall, and Zero Trust.

**Web Security**

DDoS Protection, DNS Security, Network Analysis & Forensics, and Web Application Firewall.

**Endpoint Security**

Endpoint Prevention, Endpoint Detection & Response, and Fileless Detection.

**Application Security**

WAF & Application Security, API Testing, Database Testing, and Mobile Application Testing.

**MSSP**

Traditional MSSP, Advanced MSS & MDR.

**Data Security**

Encryption, DLP, Data Privacy, Data Centric Security, and Data Loss Prevention.

**Mobile Security**

Mobile Device Management, Network Security, and Secure Communication.

**Risk & Compliance**

Risk Assessment & Visibility, Risk Quantification, Security Awareness & Training, and Supply Chain Security.

**Security Ops & Incident Response**

SIEM, Security Incident Response, and Threat Intelligence.

**IoT**

IoT Devices, Connected Home, and Industrial Control Systems.

**Messaging Security**

Secure Email, Instant Messaging, and VoIP Security.

**Identity & Access Management**

Authentication, IDaaS, Privileged Management, Identity Governance, Consumer Identity, and Multi-Factor Authentication.

**Digital Risk Management**

Digital Risk Monitoring, Threat Intelligence, and Digital Forensics.

**Blockchain**

Blockchain Solutions, Cryptocurrency, and Blockchain Payments.

**Cloud Security**

Container, Infrastructure, and Cloud Computing.

**Fraud & Transaction Security**

Fraud Detection, Payment Processing, and Transaction Monitoring.

# Momentum Cyber's Snapshot of 2021

A Record Year For Cybersecurity Featured All-Time Highs Across The Industry.



15 \$1B+ M&A Deals  
Including

McAfee THOMABRAVO NortonLifeLock

Acquires  
McAfee  
\$14.1B

Acquires  
proofpoint.  
\$12.3B

Acquires  
Avast  
\$8.0B

okta PERMIRA STG  
Acquires auth0 Acquires mimecast Acquires McAfee Enterprise Business  
\$6.4B \$5.5B \$4.0B

wipro Centrify TPG STG  
Acquires CAPCO Acquires mycotic Acquires FIREYEY Product Division  
\$1.5B \$1.4B \$1.2B

**\$117M**  
Median 2021  
Disclosed M&A  
Deal Value



Security Consulting  
Was The Most  
Active Sector In  
M&A With 49 Deals

2021 Was A Record-Breaking Year For Deal Making

**\$81.2B**

Total M&A Volume

**\$28.9B**

Total Financing Volume

2021 Was The Most Active Year On Record

**1,031**  
Financing Deals

**293**  
M&A Deals



Risk & Compliance  
Was The Most Active Sector In Financing With 168 Raises

Private Equity ❤️'s Cybersecurity

131 Completed Deals in 2021

THOMABRAVO STG

INSIGHT

Adveq International Global Fund

Apax PARTNERS

30+ New Cyber Unicorns  
Including

feedzai orca security WIZ Socure Own[backup]  
 Lacework panther CERTIK DRAGOS Ledger  
 Fireblocks CLAROTY incode SALT noname

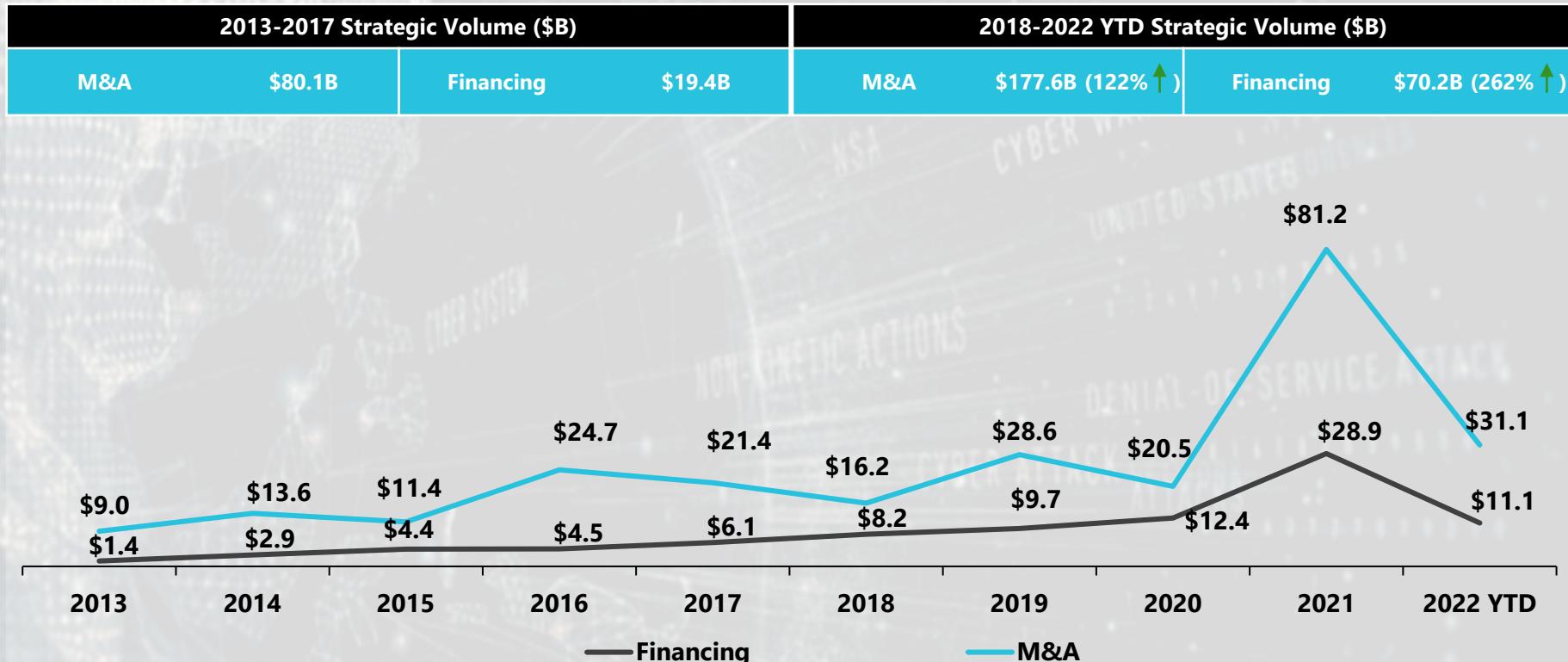
81 Capital Raises ≥ \$100M

Including

Lacework	snyk	orca security	transmit	Lacework
\$1.3B	\$605M	\$550M	\$543M	\$525M
Socure	CLAROTY	Fireblocks	Trulioo	LEDGER
\$450M	\$400M	\$400M	\$394M	\$380M

# The Last Decade Of Cybersecurity Strategic Activity

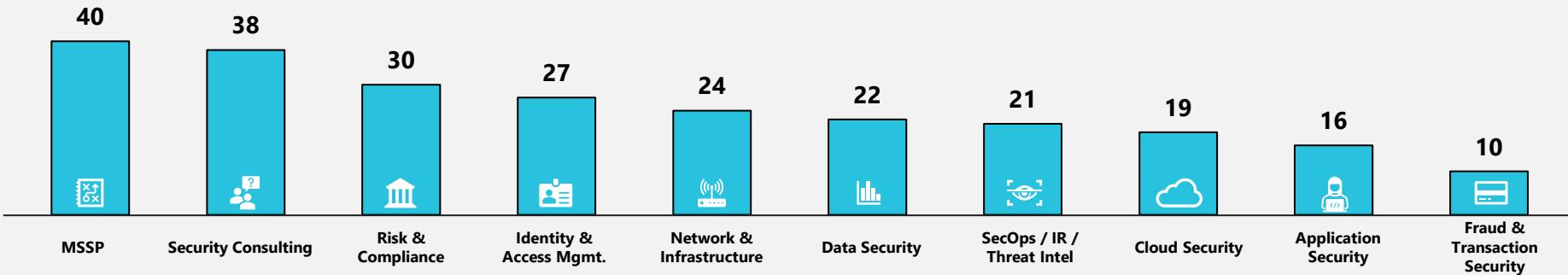
\$347B+ Deployed Across Cybersecurity M&A & Financing Over The Past Decade.



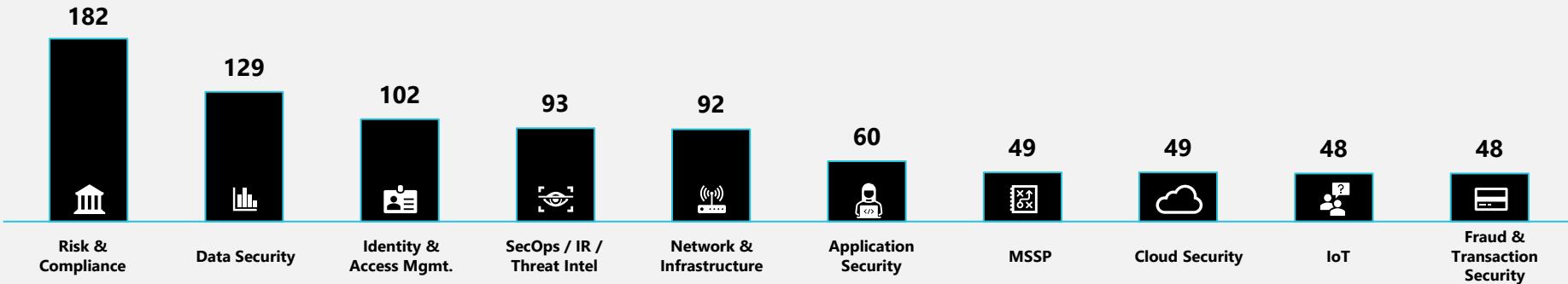
# M&A & Financing Volume By Sector Last 4 Quarters

Services Led M&A Activity, While Products Across Risk, Data, And Identity Attracted The Most Financing.

Top 10 Sectors By M&A Activity



Top 10 Sectors By Financing Activity

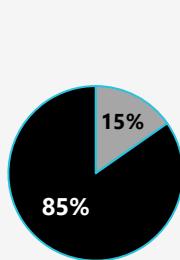


# Private Equity By The Numbers

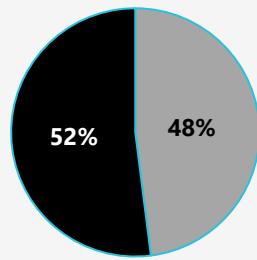
Private Equity's Market Share In Cybersecurity M&A Is Increasing Across Deal Volume And Count.

M&A Activity By Type of Buyer | 2011

Private Equity  
Strategic



Total Deal Count: 85



Total Amount Spent: \$5,921

Cyber Private Equity Universe

**Apax**  
PARTNERS

**ONTARIO**  
TEACHERS'  
PENSION PLAN

**GENERAL**  
ATLANTIC

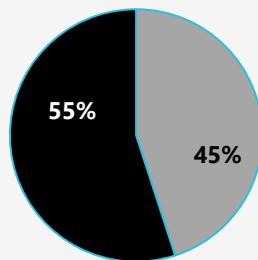
**PROVIDENCE**  
EQUITY

**INSIGHT**  
PARTNERS

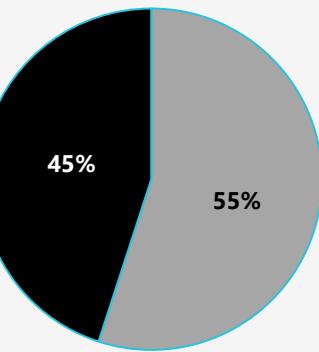
**THOMA BRAVO**

M&A Activity By Type of Buyer | 2021

Private Equity  
Strategic



Total Deal Count: 293



Total Amount Spent: \$81,220

Cyber Private Equity Universe

Advent International  
Global Private Equity

ONTARIO  
TEACHERS'  
PENSION PLAN

FP  
FRANCIOZI  
PARTNERS

SKYVIEW  
CAPITAL

Apax  
PARTNERS

CROSSPOINT<sup>®</sup>

HELLMAN &  
FRIEDMAN

TA  
ASSOCIATES

TZP  
GROUP

Audax Group

HGGC

THOMABRAVO

PERMIRA  
COMMITTED  
CAPITAL

INVESTCORP

INSIGHT  
PARTNERS

updata  
PARTNERS

STG

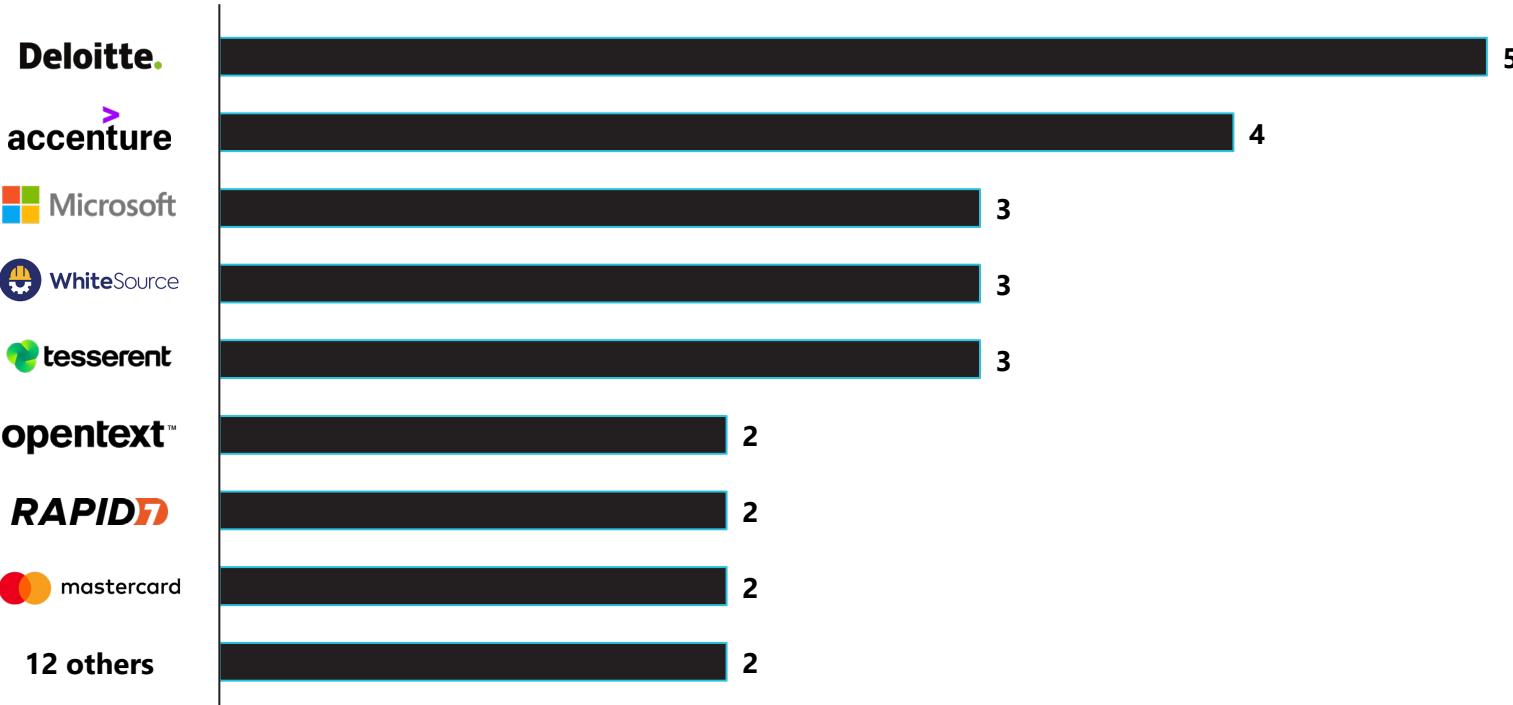
CORSAIR CAPITAL

INVESTCORP

THOMPSON STREET  
CAPITAL PARTNERS

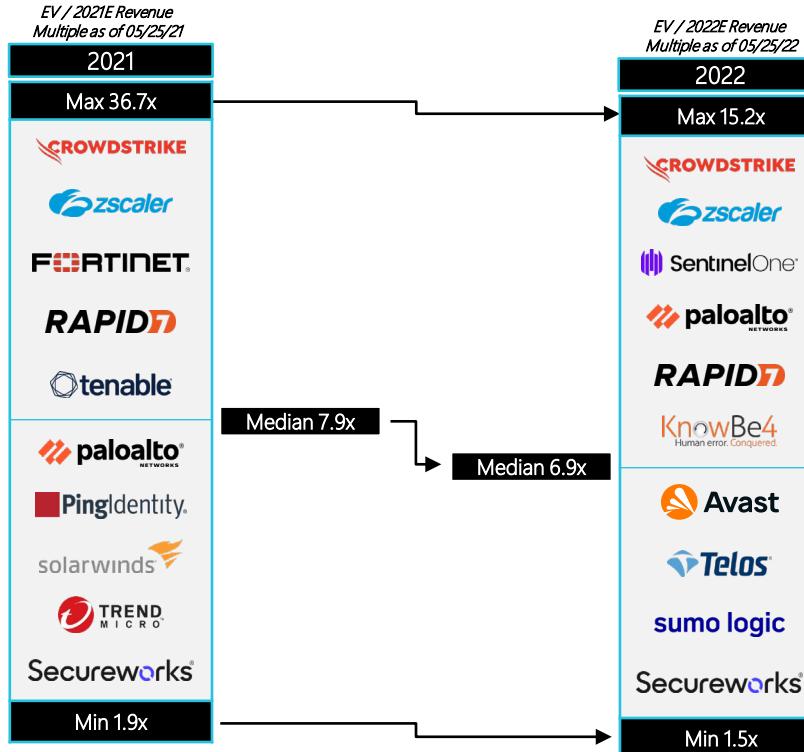
# Most Active Strategic Buyers Over The Last 4 Quarters

Deloitte Leads Strategic Acquirers, Followed By Accenture And A Wide Array Of Other Strategies.



# Cybersecurity Multiples Year-Over-Year

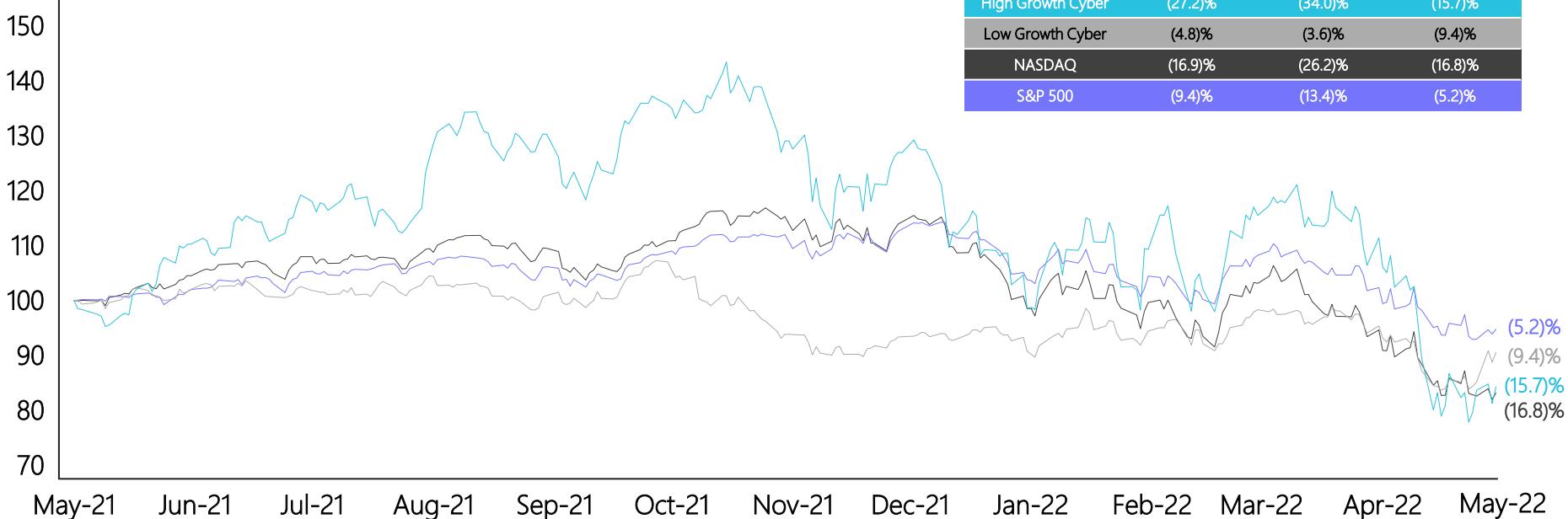
Majority Of Public Company Valuations Have Decreased Along With Broader Market Indices.



- In-step with the decline of the broader market, the majority of Cybersecurity revenue multiples have declined in the past 12 months
- Several companies have seen their revenue multiples sharply decrease including Zscaler (56%↓), CrowdStrike (59%↓), and Okta (79%↓)

# Cybersecurity vs. The Benchmarks

Cybersecurity Stocks Have Fallen In Line With The Broader Market.

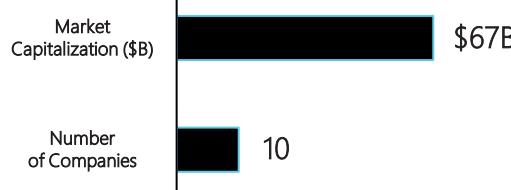


# Significant Growth in Public Cyber Companies | 2011 – CY 2021

Aggregate Market Capitalization For Cybersecurity Has Grown Considerably Over The Last Decade.

## Explosive Growth In Public Cybersecurity Companies

### Public Company Stats | 2011



### Public Company Stats | CY 2021



**560%**

Growth in Market Capitalization

**280%**

Growth in Number of Public Cybersecurity Companies

### Public Cyber Companies | 2011

AhnLab

### Public Cyber Companies | CY 2021

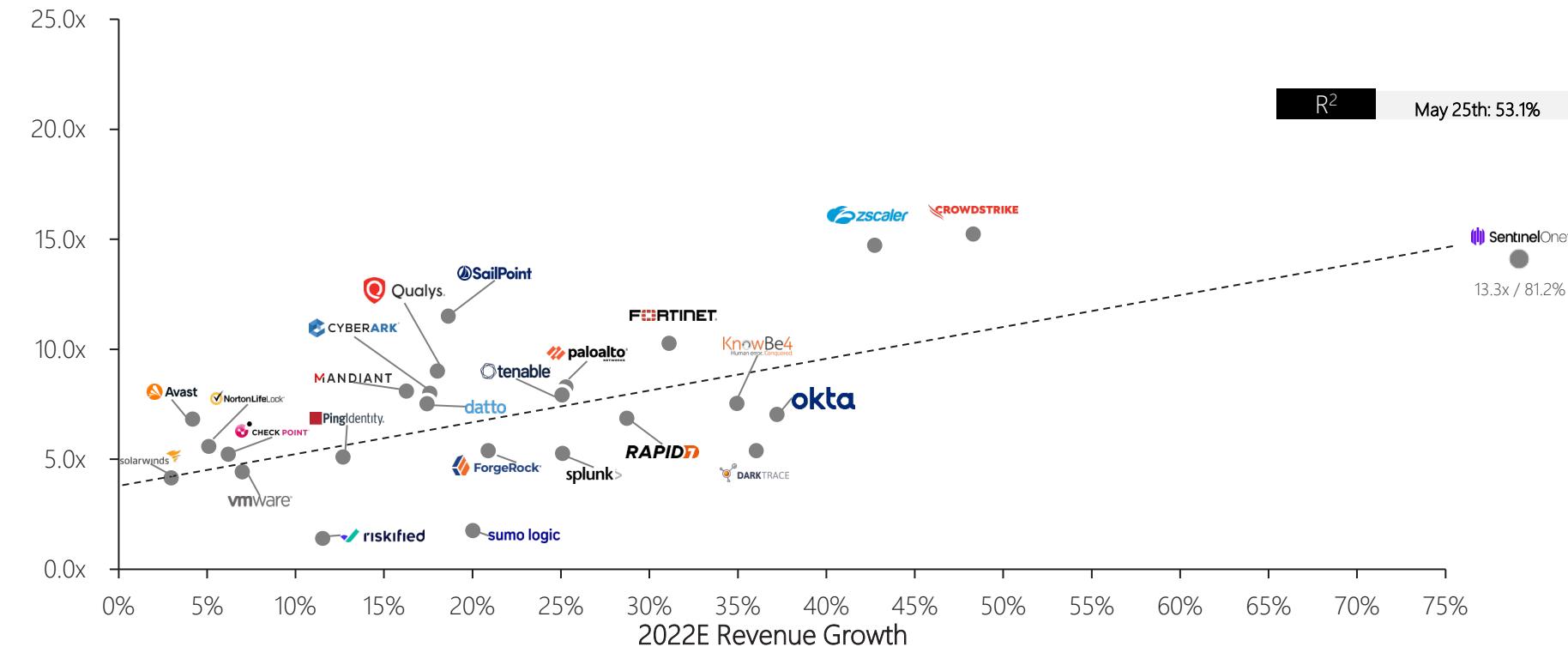


Source: Capital IQ, Public Market Data as of December 31<sup>st</sup>, 2021.

Note: Only includes companies with a market capitalization greater than \$100M.

# Revenue Growth Is Correlated To Value...

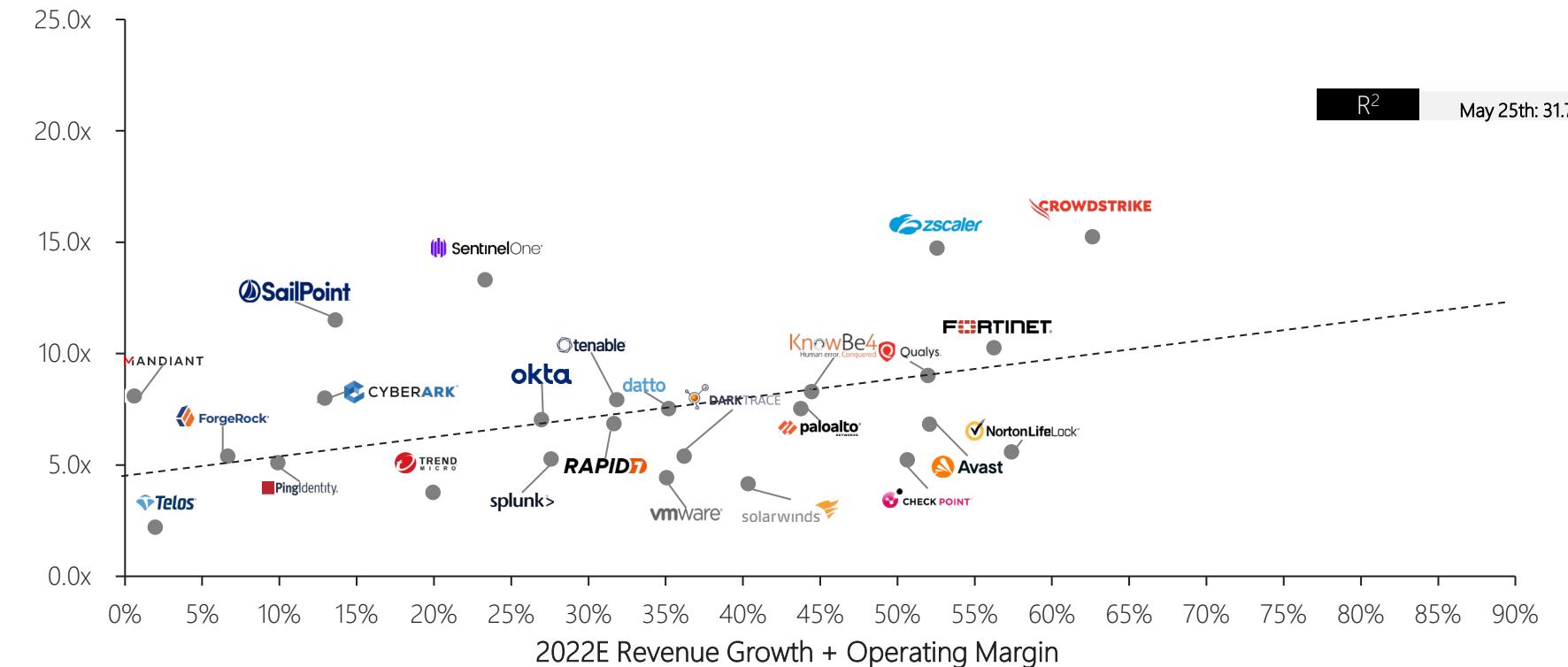
Public Markets Today Are Still Focused On Growth, Albeit Less Than Before.



Source: Capital IQ. Public Market Data as of May 25<sup>th</sup>, 2022. Using Latest Spot Exchange Rate. SecureWorks, Telos, and Trend Micro have been excluded from the output.

# ...While The Correlation To Growth and Profitability Is Weaker

Public Markets Today Are Still Focused On Growth, Albeit Less Than Before.



Source: Capital IQ. Public Market Data as of May 25<sup>th</sup>, 2022. Using Latest Spot Exchange Rate. Riskified, Sumologic, and SecureWorks have been excluded from the output.



**ADVICE**



**ACCESS**

**MOMENTUM CYBERSECURITY GROUP, LLC**  
101 2nd Street, Suite 1275, San Francisco, California 94105