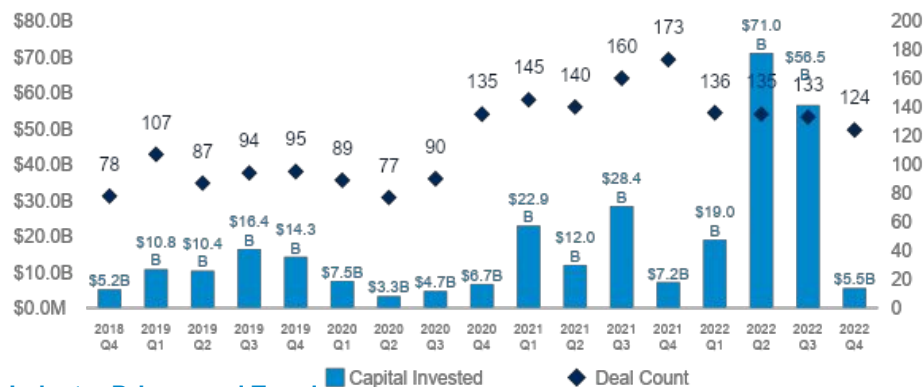


## Market Update Cybersecurity & Infrastructure Services

- 1 Market Overview
- 2 Sector Snapshot
- 3 Public Markets
- 4 Notable Deals

In Q4 2022, the Cybersecurity & Infrastructure Services industry saw nearly \$5.5 billion of capital deployed for M&A and Buyout/LBO transactions in Europe and North America. The quarter also saw 124 deals across a bevy of sub-sectors, including primarily network management software, IT consulting and outsourcing, and business/productivity software. The majority of these transactions took place in the U.S. (+50.0%), U.K. (+10.0%), Canada (+5.0%), France (+5.0%), and Germany (+4.8%), among others. Geographically, this composition has stayed in line with historical trends.



### Industry Drivers and Trends

**Cloud Security** – Driven by continued momentum following the COVID-19 pandemic and related shifts in employees' workplace preferences, global supply chain disruptions, and cost optimization initiatives. In addition, the increased prevalence of data breaches and cybersecurity threats leads to regulatory pressures for enterprises to secure and protect data.

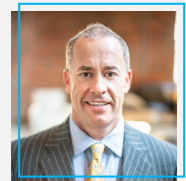
**DevOps/DevSecOps** – Driven by the growing risk of vulnerabilities introduced by development and operations. The rise in investment in advanced IT technologies such as AI and ML supports many automated processes used in DevSecOps. Despite the industry's strong forecasted growth, the DevSecOps industry is impacted by constraints associated with the shortage of qualified and skilled personnel. Therefore, pursuing inorganic growth strategies with the benefit of talent acquisition presents an attractive investment opportunity.

**MSSPs** – The increased prevalence of hybrid working, employees working from home (WFH), and bring-your-own-device (BYOD) policies and the growing demand for robust and cost-effective security services to monitor and mitigate security threats has been driving the growth of MSSP during 2022. Forecasts of this service type show that it will continue growing at similar levels in the coming years.

**API Security** – The governmental support for API security solutions to mitigate financial risk, the increase in the frequency of malicious attacks on APIs, and the adoption of APIs to connect services and transfer data, have been driving the growth in API security during 2022. In line with this, major players are pursuing various strategies, such as partnerships, collaborations, and acquisitions, to increase their presence, customer base, and solution offering.

7MA has completed numerous M&A transactions for companies operating in the aforementioned sectors and has developed unparalleled deal expertise and knowledge of the industry trends, valuation trends, and most active strategic and financial buyers. Please contact Leroy Davis or Sydney Scadden if you would like to learn more about Cybersecurity & Infrastructure Services.

### Sector Coverage Team



**Leroy Davis, Partner**  
leroy@7mileadvisors.com



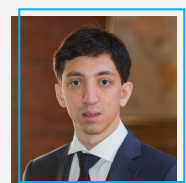
**Sydney Scadden, Vice President**  
sydney@7mileadvisors.com



**Nic Anderko, Senior Analyst**  
nic.anderko@7mileadvisors.com



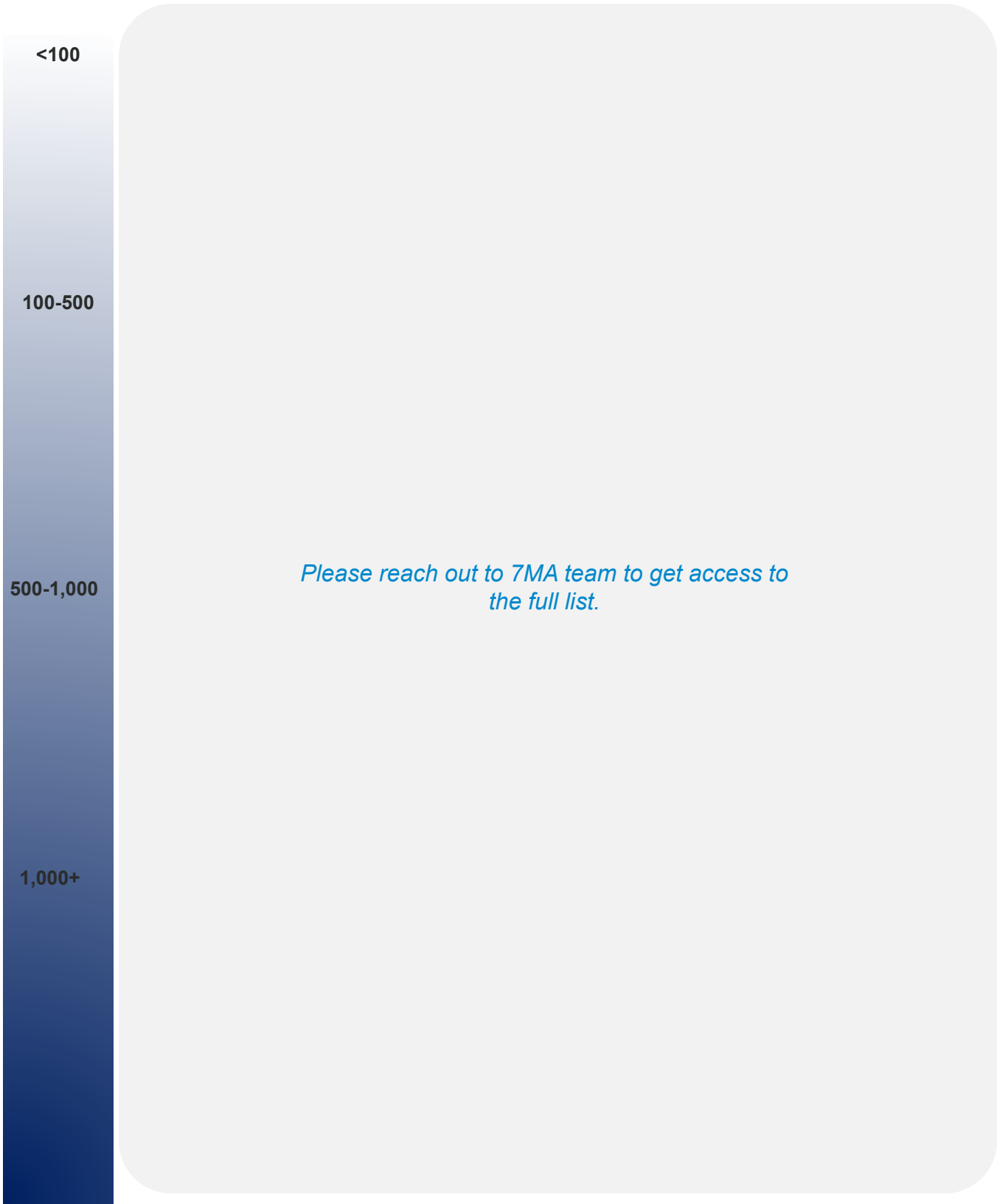
**Mitchell DeShurko, Senior Analyst**  
mitch.deshurko@7mileadvisors.com



**Tomas Adduci, Analyst**  
tomas@7mileadvisors.com

# Market Landscape

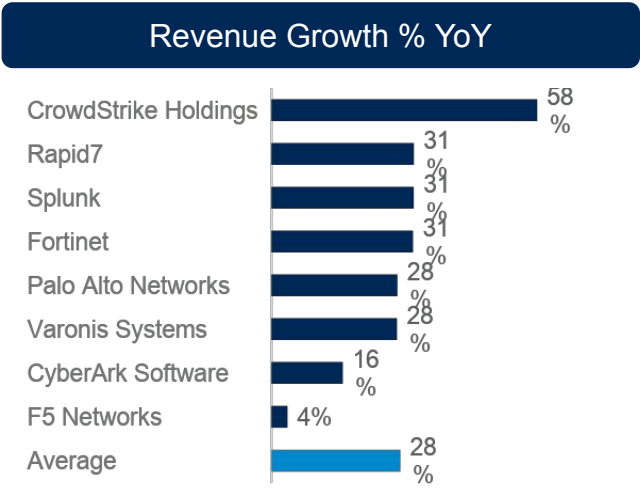
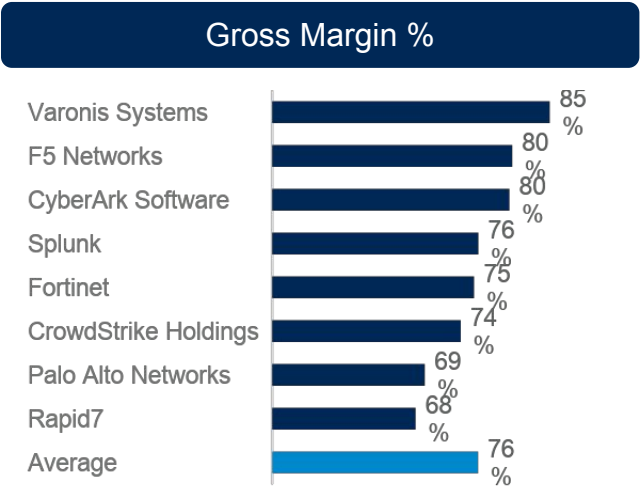
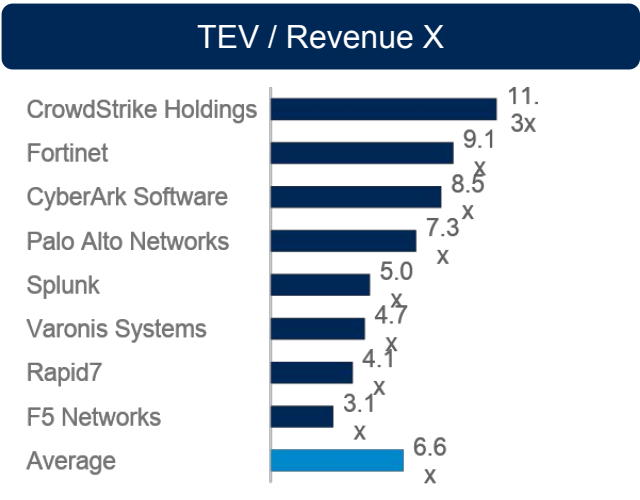
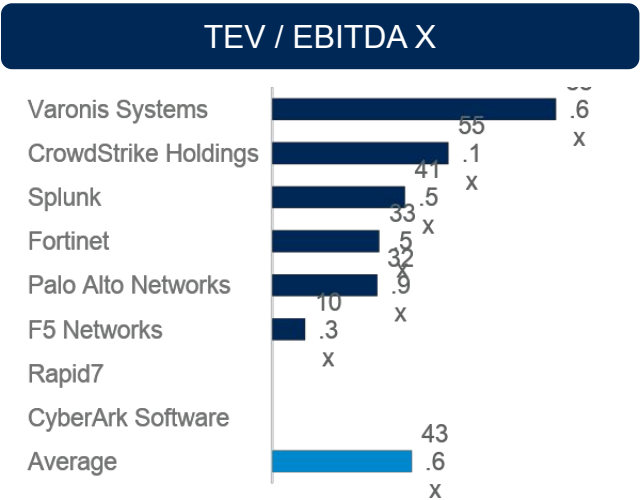
Headcount



# Public Markets



## Publicly-traded Cybersecurity & Infrastructure Companies – Q4 2022

Companies	LTM		LTM	Rev	GP %	EBITDA %	TEV / Rev		# of	Rev /
	TEV \$m	EBITDA \$m	Rev \$m	Growth YoY			X	EBITDA X		FTE \$k
Varonis Systems	2,156	24	458	27.6%	84.7%	5.3%	4.7x	88.6x	2,065	104
Rapid7	2,678	21	652	31.3%	67.9%	3.2%	4.1x	n/a	2,353	114
CyberArk Software	4,898	10	574	15.7%	79.6%	1.7%	8.5x	n/a	2,373	206
F5 Networks	8,444	818	2,696	3.6%	80.0%	30.3%	3.1x	10.3x	7,089	119
Splunk	16,407	396	3,304	31.2%	75.8%	12.0%	5.0x	41.5x	8,180	201
CrowdStrike Holdings	23,005	418	2,035	58.3%	73.5%	20.5%	11.3x	55.1x	6,959	331
Fortinet	37,466	1,120	4,098	31.1%	75.2%	27.3%	9.1x	33.5x	12,091	310
Palo Alto Networks	42,349	1,289	5,818	27.6%	69.1%	22.2%	7.3x	32.9x	13,513	313
Average	17,175	512	2,454	28.3%	75.7%	15.3%	6.6x	43.6x	6,828	212
Median	12,425	407	2,365	29.4%	75.5%	16.3%	6.1x	37.5x	7,024	203



# Notable Deals

## Q4 2022 M&A Transactions

October 2022			The company entered into a definitive agreement to be acquired by Thoma Bravo through an estimated \$2.34 billion public-to-private LBO. ForgeRock Inc is a next-generation cloud identity company. Its products include Identity Management, Access Management, Identity Governance, and AI-powered Autonomous Identity. Its revenue comprises of recurring revenue from term licenses, SaaS, and maintenance and support, which it refers to as subscription revenue. It generates revenues from the Americas, EMEA, and APAC.
October 2022			The company was in talks to be acquired by GTCR through an estimated GBP 1.3 billion public-to-private LBO. GB Group PLC provides identity intelligence solutions through its three divisions Location, Identity, and Fraud. It offers electronic ID Verification services, ID Registration, ID Engage, and ID Trace and Investigation software and services.
October 2022			Developer of penetration testing software intended for transforming the cyber security testing industry with tech-enabled services and prevention-based cyber security techniques. The company performs deep dive manual penetration testing of applications, networks, and cloud attack surfaces for banks, healthcare organizations, and global cloud providers, enabling them to find, fix and prevent threats using adaptable processes, trusted automation, and experienced insights.
October 2022			Operator of a cybersecurity holding company based out of Maia, Portugal. The company deals in risk analysis, cybersecurity partners, managing risks in IT, OT and cloud, proactive cybersecurity and others as such, enabling clients to avail services aligned to the NIST framework.
November 2022			Provider of enterprise brand protection services based in San Francisco, California. The company offers technology and services including domain management, preventing online brand abuse, monitoring and enforcing the illegal distribution and promotion of pirated digital content, thereby helping in protection from phishing and malware attacks to protect the revenues and reputations of the world's foremost brands.
November 2022			Provider of network management and security compliance services intended to address the specific challenges of distributed enterprises and retail enterprises. The company offers a range of services including large-scale deployments, cloud VPN and VoIP as well as cloud-based network management and monitoring services, helping businesses streamline and secure their networks.
December 2022			Operator of a network security platform intended to stop cyberattacks before they compromise home computers and business endpoints. The company's platform uses an advanced heuristic detection engine that removes malicious threats from computers, thereby enabling businesses and other users to get protection against dangerous threats such as malware, ransomware and exploits that escape detection by traditional antivirus alternatives.
December 2022			Developer of fraud and risk detection software intended to protect large consumer-facing enterprises from digital threats. The company's platform utilizes unsupervised analytics to identify fraudulent transactions, spam, fake reviews, promotion abuse, fake application installs and more, enabling clients to stay protected from a wide array of online fraud damage.

# About 7 Mile Advisors

7MA provides Investment Banking & Advisory Services to the Business Services and Technology Industries globally. We advise on M&A and private capital transactions and provide market assessments and benchmarking. As a close-knit team with a long history together and a laser focus on our target markets, we help our clients sell their companies, raise capital, grow through acquisitions, and evaluate new markets. All securities transactions are executed by 7M Securities, LLC, member FINRA / SIPC. For more information, including research on the M&A markets, visit [www.7mileadvisors.com](http://www.7mileadvisors.com).



508 W. 5th Street,  
Suites 225  
Charlotte, NC 28202



+1 (704) 899-5960



[www.7mileadvisors.com](http://www.7mileadvisors.com)

## Notable 7 Mile Transactions



a portfolio company of 





a portfolio company of 





a portfolio company of 





a portfolio company of 





redi for Intelligent IT





technologymanaged







