

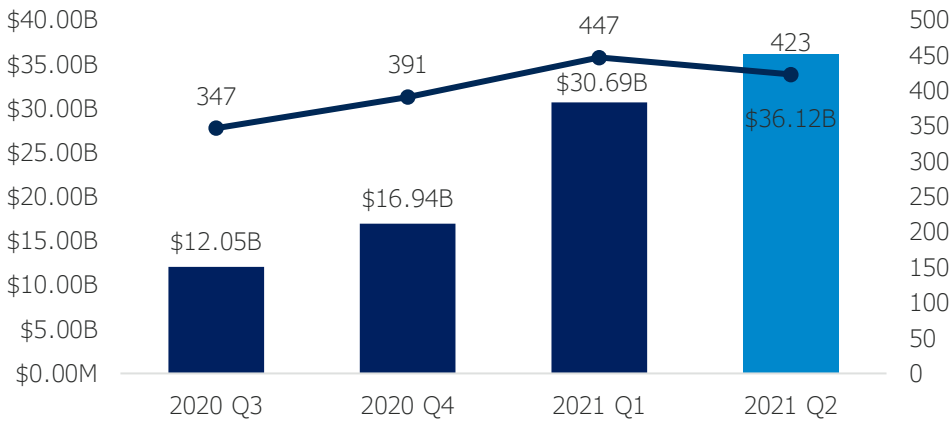
Market Update Cybersecurity & Infrastructure Services

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

In 2020, the global Cybersecurity industry rose to the top of all IT priority lists as workforces shifted to remote environments, creating new areas for exposure. This movement led to an extremely high demand for cyber software and services, not only as the result of more exposure within IT environments, but also the rising quality and sophistication of malicious attacks. As a result, analysts believe that the industry will grow by nearly 2.5x, from \$167 billion in 2020 to roughly \$382 billion in 2028.

Currently, infrastructure protection and identity and access management (IAM) are taking up the largest shares of revenue in security type and solution type, respectively. As for industry market demand, government/defense players are taking up the largest share with Healthcare players growing at the quickest rate.

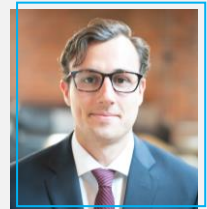
Global Capital Invested and # of M&A Deals -
Cybersecurity and Infrastructure Services



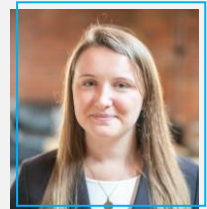
The second quarter of 2021 recorded 424 transactions, a 5% decrease compared to the Q1 2021 high. Deal volumes and valuations remain high as both strategic and financial buyers have been aggressively acquiring cyber analytics, management detection & response (MDR), identity authentication, and general infrastructure security service companies, across all countries.

7 Mile Advisors 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 Garth Martin, Sydney Scadden, and/or Trent McCauley if you would like to learn more about our Cybersecurity & Infrastructure Services.

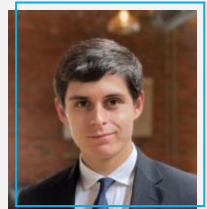
Sector Coverage Team



Garth Martin, Vice President
garth.martin@7mileadvisors.com
1.704.973.3997



Sydney Scadden, Vice President
sydney@7mileadvisors.com
1.704.973.3998



Trent McCauley, Analyst
trent.mccauley@7mileadvisors.com
1.704.644.1916

Okta Acquired Auth0, an identity and authentication (IAM) platform



Auth0 develops an identity and authentication platform designed to verify users and prevent identity fraud. The platform provides login and authentication for a bevy of device types in a variety of formats, including single-sign-on, multi-factor authentication, and password-less logins. All of these formats help enable third-party websites to securely authenticate the users who access their websites.

Date: May 3, 2021
Deal Type: M&A
Target HQ: USA

Thoma Bravo Acquired Proofpoint, a cloud-based security solution



Proofpoint Inc. is a provider of cloud-based security solutions to large and mid-sized organizations in a vast range of industries. The firm's solutions are delivered through its security-as-a-service platform, which hosts an integrated set of on-demand data protection applications. Proofpoint's solutions include threat protection, incident response, and regulatory compliance and the company derives revenue from subscription fees, hardware, training, and professional services. The majority of the firm's revenue is generated in the United States.

Date: April 26, 2021
Deal Type: PE Buyout
Target HQ: USA

Most Active M&A Subsectors in Q2 2021 globally

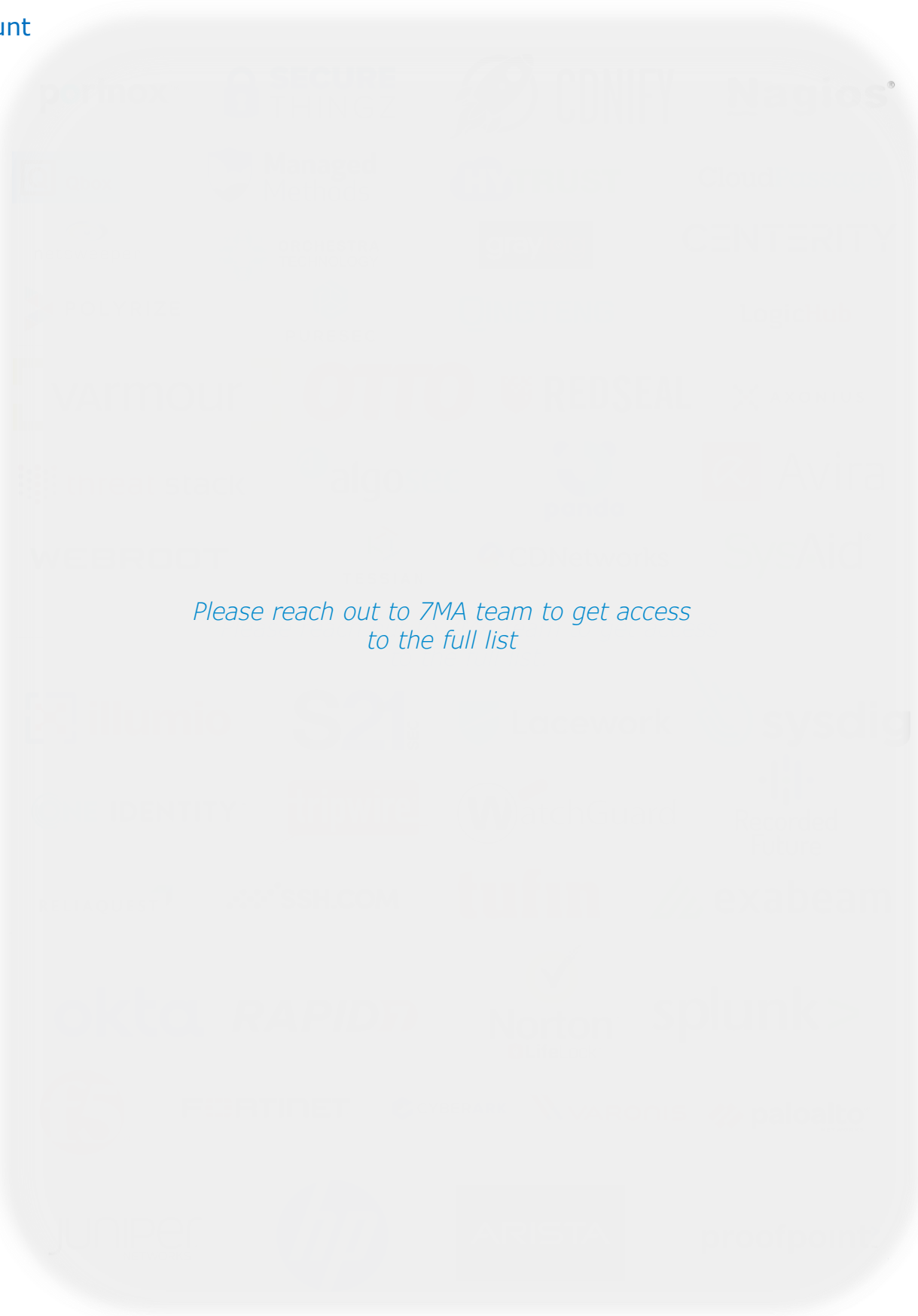
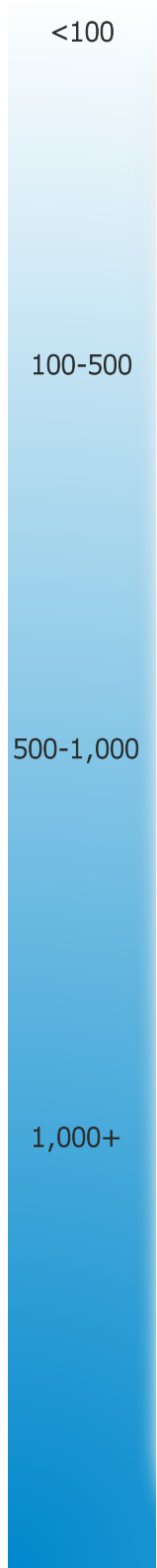
Business /
Productivity
Software

IT Consulting
and Outsourcing

Network
Management
Software

Market Landscape

Headcount

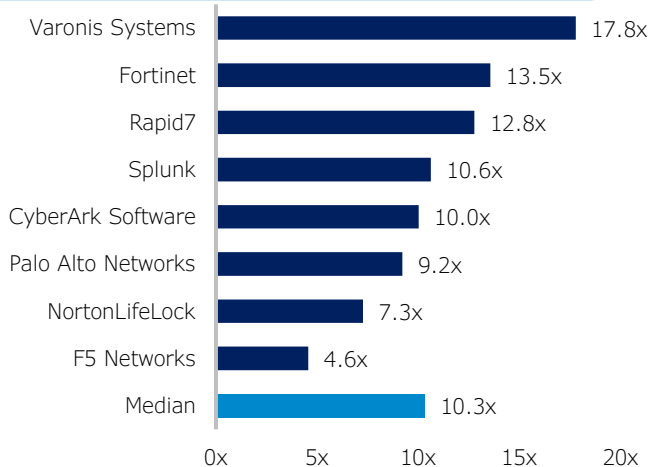


Publicly-traded Cybersecurity & Infrastructure Companies – Q2 2021

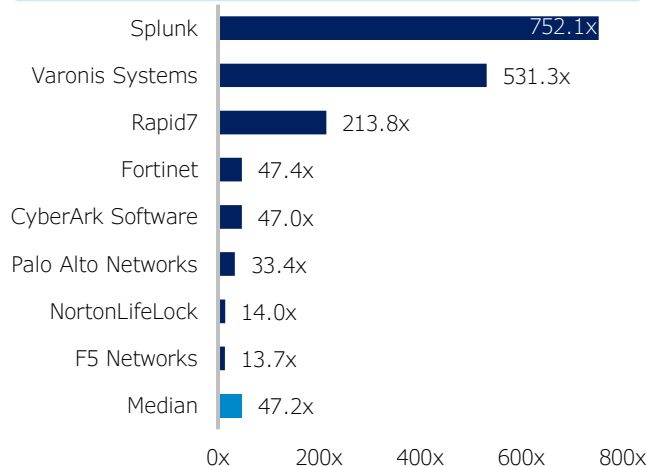
Companies	TEV \$m	LTM EBITDA \$m	LTM Rev \$m	Rev Growth YoY	GP %	EBITDA %	TEV / Rev X	TEV / EBITDA X	# FTEs	Rev / FTE \$k
CyberArk Software	4,708	100	470	5.8%	81.6%	21.3%	10.0x	47.0x	1,689	278
Rapid7	5,550	26	435	24.8%	70.1%	6.0%	12.8x	213.8x	1,847	235
Varonis Systems	5,567	10	313	24.3%	84.8%	3.3%	17.8x	531.3x	1,719	182
F5 Networks	11,232	818	2,468	7.0%	81.3%	33.1%	4.6x	13.7x	6,109	404
NortonLifeLock	18,528	1,326	2,551	2.4%	85.8%	52.0%	7.3x	14.0x	2,800	911
Splunk	24,389	32	2,297	-3.0%	74.3%	1.4%	10.6x	752.1x	7,573	303
Palo Alto Networks	36,700	1,098	3,987	22.2%	69.7%	27.5%	9.2x	33.4x	9,715	410
Fortinet	36,951	780	2,727	20.4%	78.1%	28.6%	13.5x	47.4x	9,043	302
Average	17,953	524	1,906	13.0%	78.2%	21.7%	10.7x	206.6x	5,062	378
Median	14,880	440	2,383	13.7%	79.7%	24.4%	10.3x	47.2x	4,455	302

share price as of 30Jun21

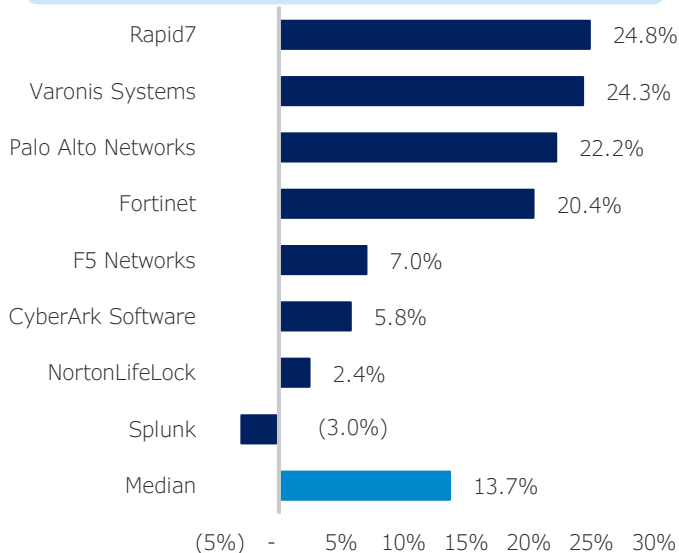
TEV / EBITDA X



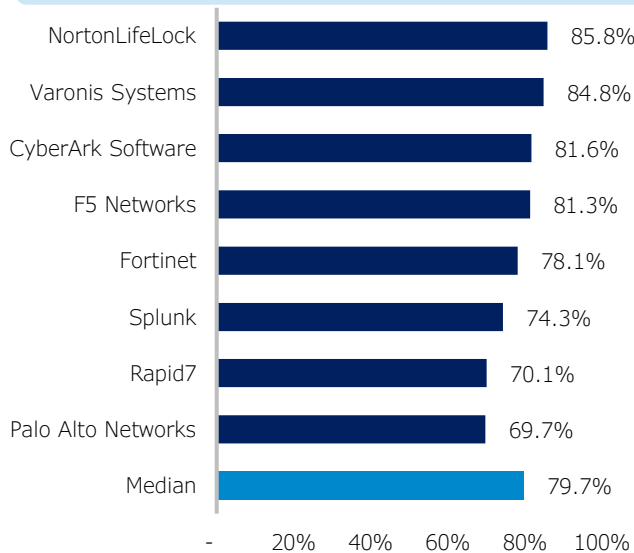
TEV / Rev X



LTM Gross Margin %



LTM Rev Growth %



Q2 2021 M&A Transactions

Date	Target	Buyer / Investor	Target Description
June-2, 2021			<ul style="list-style-type: none"> FireEye (NAS:FEYE) entered into a definitive agreement to sell its products business division to STG Partners through an LBO on June 2, 2021. The transaction was supported by an undisclosed amount of debt financing from UBS Financial Services and Jefferies Group.
June-1, 2021	 NOVETTA		<ul style="list-style-type: none"> Novetta is a provider of scalable advanced analytics and technology intended to find clarity from complexity in dealing with massive disparate data sets. The company works primarily with U.S. federal organizations and pioneers disruptive technologies in machine learning, data analytics, full-spectrum cyber, open-source analytics, cloud engineering, and multi-int analytics that brings actionable insights to its customers. The company reached a definitive agreement to be acquired by Accenture (NYS: ACN) on June 1, 2021.
May-3, 2021	 Auth0		<ul style="list-style-type: none"> Auth0 develops an identity and authentication platform designed to verify users and prevent identity fraud. The platform provides login and authentication for a bevy of device types in a variety of formats, including single-sign-on, multi-factor authentication, and password-less logins. All of these formats help enable third-party websites to securely authenticate the users who access their websites.
May-3, 2021			<ul style="list-style-type: none"> The enterprise business of McAfee was acquired by STG Partners through an LBO on May 03, 2021. UBS, Jefferies Finance, Barings, and Bank of America provided an undisclosed amount debt financing and PennantPark Floating Rate Capital provided a first lien loan in support of the transaction.
April-26, 2021			<ul style="list-style-type: none"> Proofpoint Inc. is a provider of cloud-based security solutions to large and mid-sized organizations in a vast range of industries. The firm's solutions are delivered through its security-as-a-service platform, which hosts an integrated set of on-demand data protection applications. Proofpoint's solutions include threat protection, incident response, and regulatory compliance and the company derives revenue from subscription fees, hardware, training, and professional services.

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.



508 W. 5th Street,
Suites 140 & 225
Charlotte, NC 28202



+1 (704) 899-5960



www.7mileadvisors.com

Notable 7 Mile Transactions


acuant 
a portfolio company of Audax Private Equity

 **HELLOSODA**




SourceCapital | LLC



technologymanaged

PFINGSTEN

