

# Cyber Security

*Opportunity in Vulnerability*



# Agenda

- I. Industry Analysis
- II. Venture Capital & Fundraising Environment
- III. M&A Observations
- IV. MergerTech Overview

## Appendix

- A. Industry Landscape
- B. Public Comparables
- C. Precedent Transactions

Section I

# Industry Analysis



“Computer security is a fast-moving target...For better or worse, there is never-ending opportunity here.”

*- Ted Schlein, Partner at Kleiner Perkins Caufield & Byers*

# Cyber Security Overview

## What kind of overhaul should be expected?

🌀 “Security compromises are occurring in most companies” – Ponemon Institute and Unisys Corp (599 Executives)

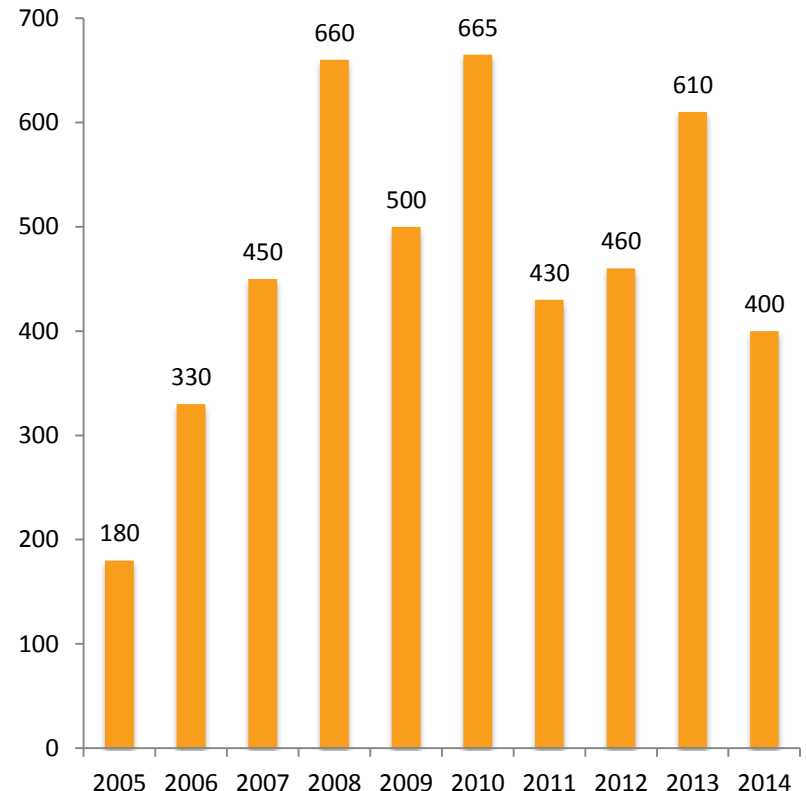
🌀 67% of respondents say their companies have had at least 1 security compromise in the last 12 months

🌀 “70% of CIOs plan to change their technology and sourcing relationships over the next 2 – 3 years” – Gartner Executive Programs Survey

🌀 “65% of respondents cite budget constraints as their number one obstacle to delivering value to business” - EY’s Global Information Security Survey 2013

🌀 “59% of organizations cite an increase in external threats” - EY’s Global Information Security Survey 2013

**Total Data Breaches Per Year**



Source: Gartner, Ernst & Young, Ponemon Institute

# Timeline of Threat History

## The most recent high-profile data breaches

2013

January 2013 – Operation “Last Resort” by Hactivist group, Anonymous, takes down websites of the Federal Reserve and compromises associated contact information

January 2013 – Chinese hackers infiltrate *The New York Times*’ internal network and compromise the usernames and passwords of the paper’s reporters

March 2013 – Attempted breach of Evernote causes the company to reset 50 million account passwords

May 2013 – 50+ million customers of LivingSocial have their user emails and passwords stolen

June 2013 – *The Guardian* reveals the leak of classified National Security Agency (NSA) documents. Edward Snowden is later revealed to be the source of the leak.

July 2013 – Hackers leak over 104,000 employee’s and contractors’ personal information from the Department of Energy

October 2013 – Adobe breach results in the theft of 3 million of its customers’ credit card information

November 2013 – 40 million Target customers’ credit and debit card numbers are stolen

November 2013 – Hackers steal usernames and passwords for 2 million accounts at Facebook, Google, Yahoo, LinkedIn, Twitter, etc.

2014

January 2014 – Snapchat suffers security gap causing the download of phone numbers and usernames of up to 4.6 billion accounts

January 2014 – Neiman Marcus reveals that hackers have stolen information relating to 1.1 million payment cards of its customers

February 2014 – Hackers compromised eBay’s database, affecting the personal information of 145 million of the company’s customers

March 2014 – The Seattle archdiocese reveals that hackers have exposed about 90,000 records of employees and volunteers

May 2014 – A contractor discovers a data breach in the State of Montana's Department of Public Health and Human Service, affecting the personal information of up to 1.3 million people



Section II

# Venture Capital & Fundraising Environment

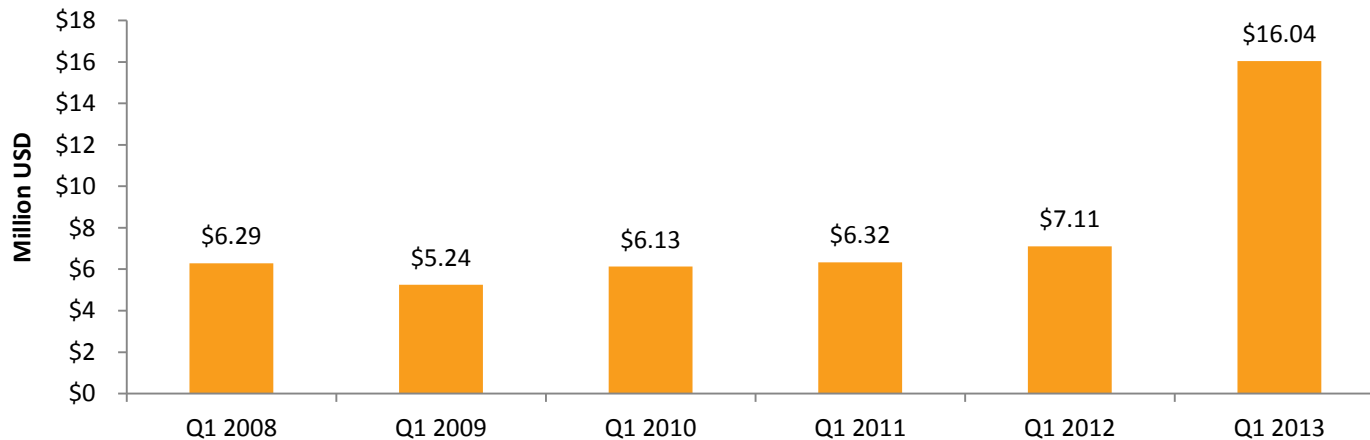


# VC Funding as an Indicator of Growth

## Strong, positive growth in past few years

- With the increased interest in companies such as FireEye, whose valuation is more than \$5 billion, VC support in the past few years has grown rapidly
- Firms are quickly joining the investment push with industry leaders, such as Sequoia Capital and Kleiner Perkins Caufield, already producing sizable returns
- Financing has almost tripled since 2010, and 2014 projections suggest persistent growth

**IT-Security Startup Venture Funding**



Source: CB Insights

“There are some really interesting new technologies that are emerging. The first is security. We all know about all the security issues that large enterprises face. It’s created a new market for products targeting advanced persistent threats.”

- Promod Haque,  
Senior Managing  
Partner at Norwest  
Venture Partners

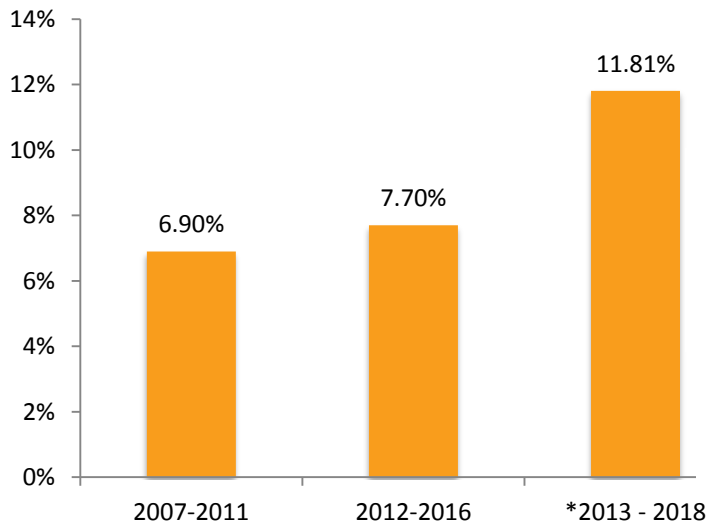


# VC Funding as an Indicator of Growth

## Strong, upward trend in financing

- 🌀 The core idea of financing now follows investing in both enterprise and consumer asset security solutions
- 🌀 Cloud computing has become the darling of VC funding
- 🌀 Data breaches now utilize cloud-based resources – necessitating the development of cloud-based solutions to counteract these attacks

**CAGR of Cyber Security Market**



**SEQUOIA CAPITAL**  
THE ENTREPRENEURS BEHIND THE ENTREPRENEURS

**KPCB** | KLEINER PERKINS CAUFIELD BYERS

**ANDREESSEN HOROWITZ**



“We’re starting to see a resurgence in the number of pitches for security-focused start-ups. Corporations continue to cite security as a growing and significant priority.”

- Asheem Chandna,  
Partner at Greylock Partners

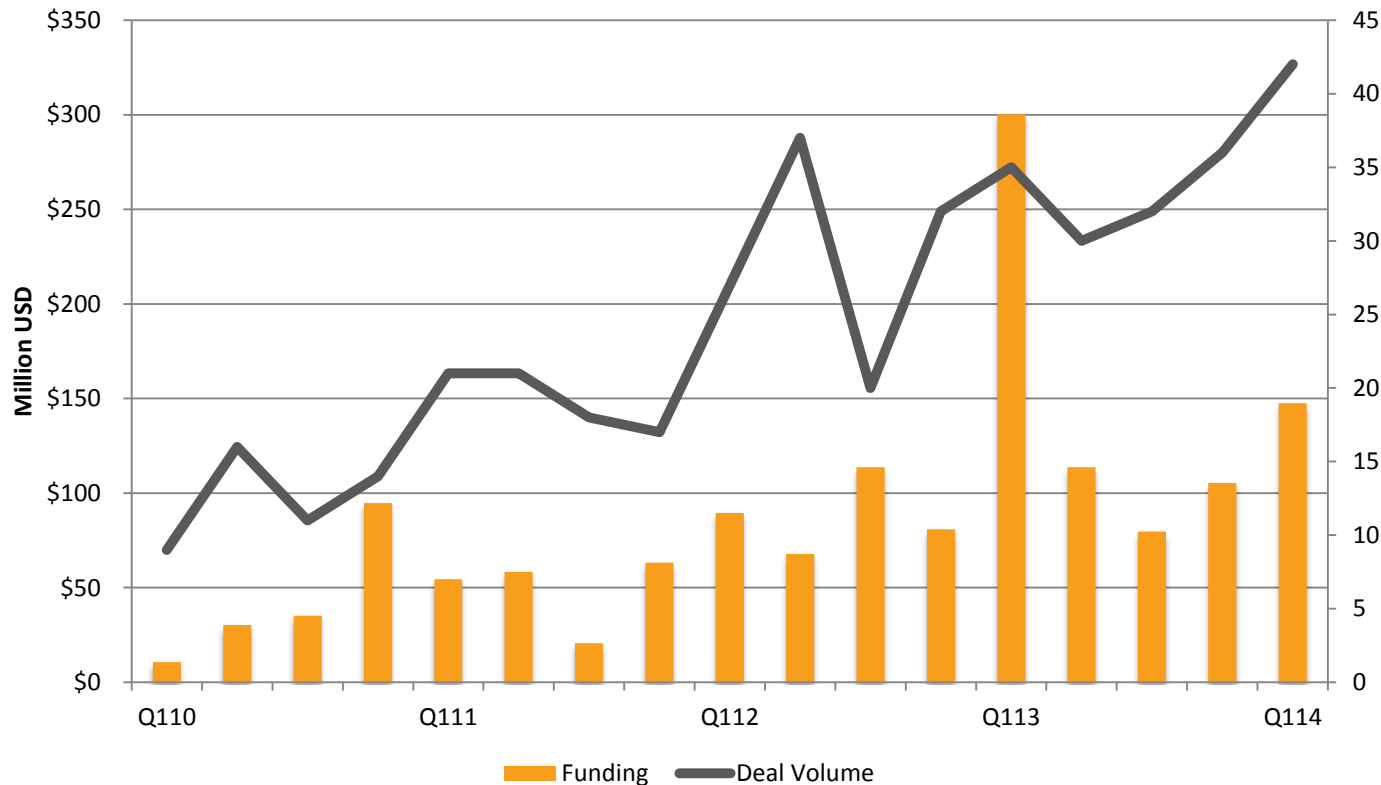
Source: Resource and Markets, Ltd., CIORReview

# Financing Trends

## Positive growth, especially in early stage investments

- Within the last 3 years, early stage funding has been steadily increasing both in deal volume and funding amount

Cyber Security Early Stage Financing Trends



Source: National Venture Capital Association, CB Insights, PrivCo

“In many respects it’s a pretty mature market, but it’s vastly different than when I got involved with my first cyber security startup in 1988. I remember people saying there’s no money in cyber...I’ve had many reasons to get back into the market again.”

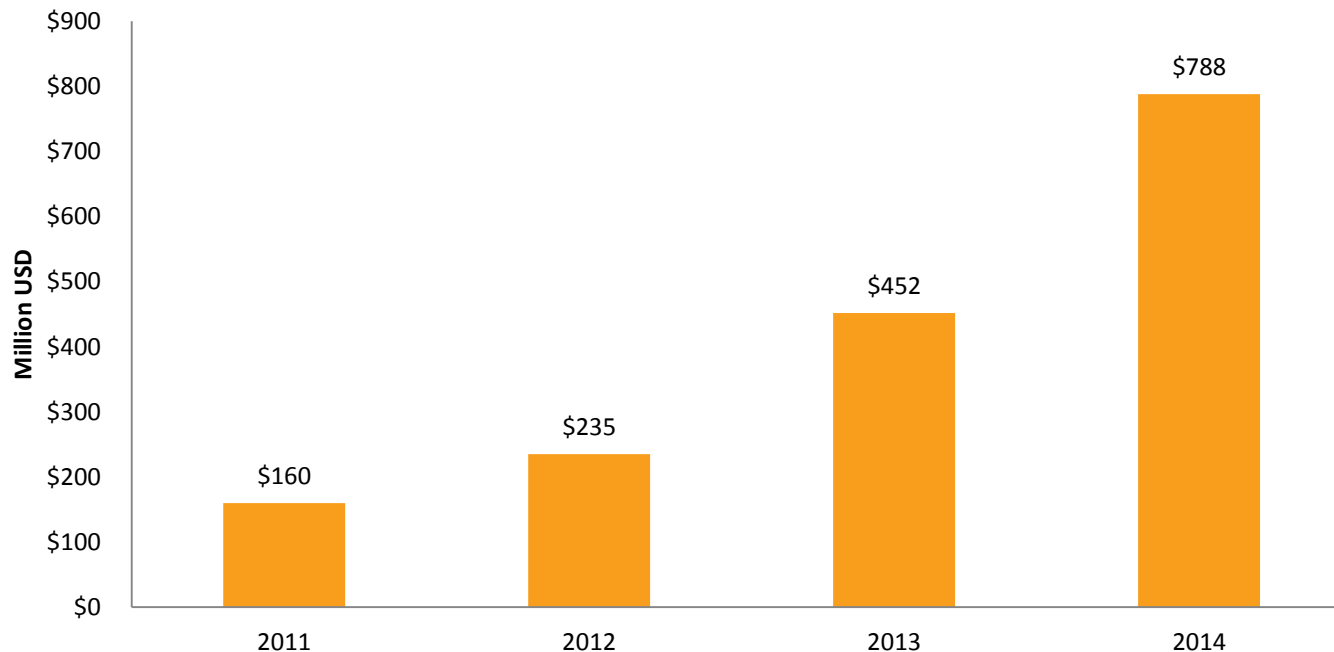
- Rick Gordon,  
MACH37 Managing  
Partner

# Financing Trends

## Positive growth, especially in early stage investments

- ⚙️ The breaches of personal data likely serve as a significant driver for the security-solutions space
- ⚙️ The sharp increase in funding at the beginning of 2013 indicates a turning point in cyber security VC funding

Total Early Stage Cyber Security VC Investment



“...companies need to rethink the way they approach security. ‘People are always searching for the silver bullet. I don’t think it exists. There’s a speed and a need to adapt that’s often much faster than corporate policy can do.’”

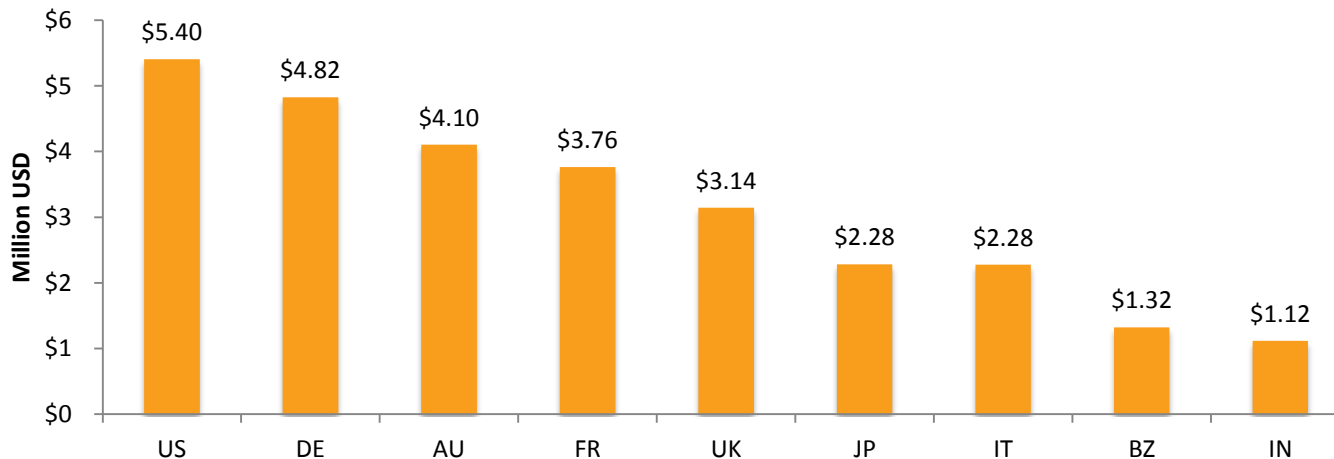
- Dan Kaufman,  
Director of DARPA’s  
Information  
Innovation Office

# The Size of Vulnerability

## Opportunities in the market post-2013

- Arguably, 2013 was the year of the larger, if not the largest, breaches to date
- Internationally, the US continues to be pigeonholed by the majority of cyber attacks
- Data breach prevalence seems to follow technological growth – countries with developing or developed technology ecosystems unsurprisingly attract attention i.e. UK's burgeoning FinTech scene

**Average Total Organization Cost of Data Breach**



Source: Information Security Media Group

“You cannot secure what you cannot see on your network. Today’s networks are far more complex than ever before and the growing severity and alarming success rates of cyber attacks are on the rise. It is paramount that enterprises and government agencies start getting a better handle on nefarious activities taking place across their complex network infrastructures.”

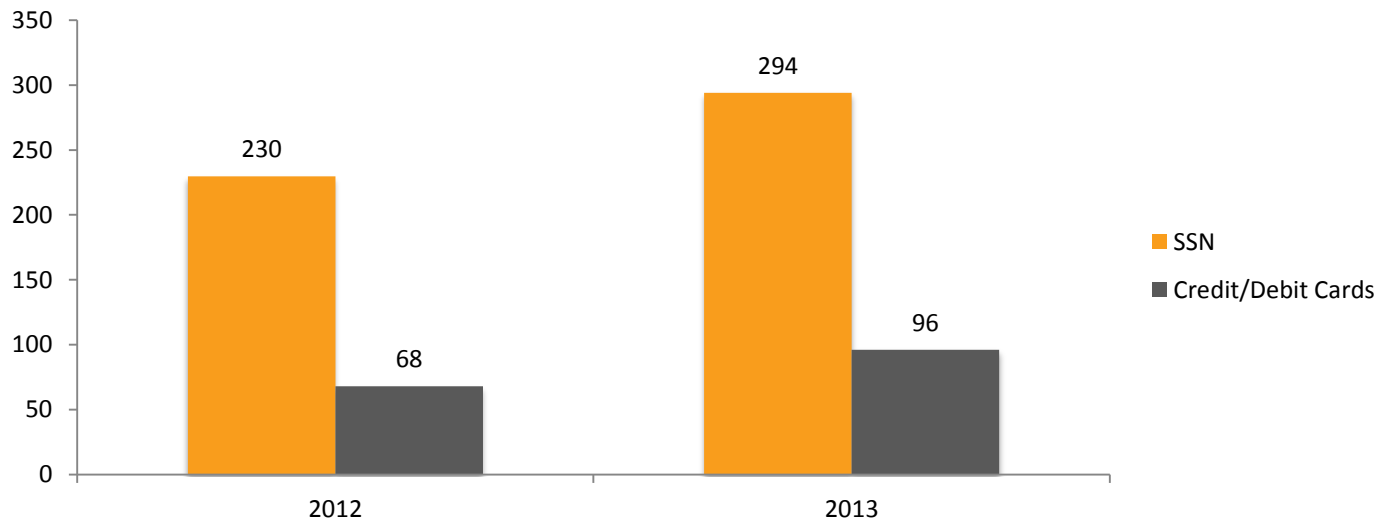
- Ray Rothrock,  
Managing General  
Partner at Venrock

# The Size of Vulnerability

## Opportunities in the market post-2013

- Consumer and corporate targets are increasingly become the focus of attacks
- 2013 represents the prevalence of the “personal data breach”
- Referencing ITRC Breach List’s, in total, 47.9% of the reported breaches involved SSN or Credit/Debit exposure

ITRC Breach List's Number of Data Breaches



Source: Identity Theft Resource Center

“In our experience, financial services [organizations] do not always identify and log the cyber-element of economic crime experienced...if cybercrime is not being accurately tracked, the true risk of cybercrime cannot be fully grasped and understood...cyber crime is growing and the methods are constantly.”

*-Andrew Clark,  
Partner in PwC's  
Forensics Practice*

# Venture Funding

## Early stage growth & successes

Date of Funding	Company	Amount	Currency	Series	City	State	Country
7/20/14	Malwarebytes	30,000,000	USD	A	San Jose	California	USA
7/3/14	TeleSign	9,000,000	USD	B	Marina del Rey	California	USA
6/27/14	Elastica	18,300,000	USD	Venture	San Jose	California	USA
6/25/14	Blockscore	2,000,000	USD	Seed	Menlo Park	California	USA
6/18/14	BalaBit IT Security	8,000,000	USD	A	New York	New York	USA
6/17/14	BioCatch	10,000,000	USD	A	Boston	Massachusetts	USA
6/15/14	CounterTack	5,000,000	USD	B	Waltham	Massachusetts	USA
6/13/14	Lawrence Livermore National Laboratory	5,600,000	USD	Venture	Livermore	California	USA
6/10/14	EyeVerify	6,000,000	USD	Venture	Kansas City	KS	USA
6/5/14	Infrascale	16,300,000	USD	B	El Segundo	California	USA
6/2/14	Fortscale	10,000,000	USD	Venture	New York	New York	USA
5/30/14	CrowdCurity	470,000	USD	Seed	San Mateo	California	USA
5/30/14	1Lay	170,000	USD	Seed	--	--	--
5/29/14	RiskIQ	25,000,000	USD	B	San Francisco	California	USA
5/27/14	Distil Networks	10,000,000	USD	A	Arlington	Virginia	USA
5/21/14	Silent Circle	30,000,000	USD	Venture	National Harbor	Maryland	USA
5/19/14	Dashlane	22,000,000	USD	B	New York	New York	USA
5/15/14	Verafin	60,000,000	USD	Private Equity	St. John's	Newfoundland and Labrador	Canada
5/14/14	BetterCloud	8,600,000	USD	Venture	New York	New York	USA
5/13/14	Agilience	5,000,000	USD	Venture	Sunnyvale	California	USA
5/1/14	Tresorit	3,000,000	USD	A	Budapest	Hungary	USA
5/1/14	CertiVox	8,000,000	USD	B	London	--	Great Britain
4/30/14	Vidder	6,100,000	USD	A	San Jose	California	USA
4/29/14	Vorstack Corporation	5,200,000	USD	A	Los Altos Hills	California	USA
4/29/13	ZeroFOX	11,000,000	USD	A	Baltimore	Maryland	USA
4/23/14	Sentinel	14,500,000	USD	A	Palo Alto	California	USA
4/16/14	Threat Stack	11,000,000	USD	A	Baltimore	Maryland	USA
4/15/14	Malcovery Security	4,600,000	USD	Venture	Bethel Park	Pennsylvania	USA
4/14/14	Liaison Technologies	15,000,000	USD	--	Alpharetta	Georgia	USA
4/13/14	AvePoint	90,000,000	USD	Private Equity	Jersey City	New Jersey	USA
3/1/14	Socure	2,000,000	USD	Seed	New York	New York	USA
3/1/14	Auth0	125,000	USD	Seed	Seattle	Washington	USA

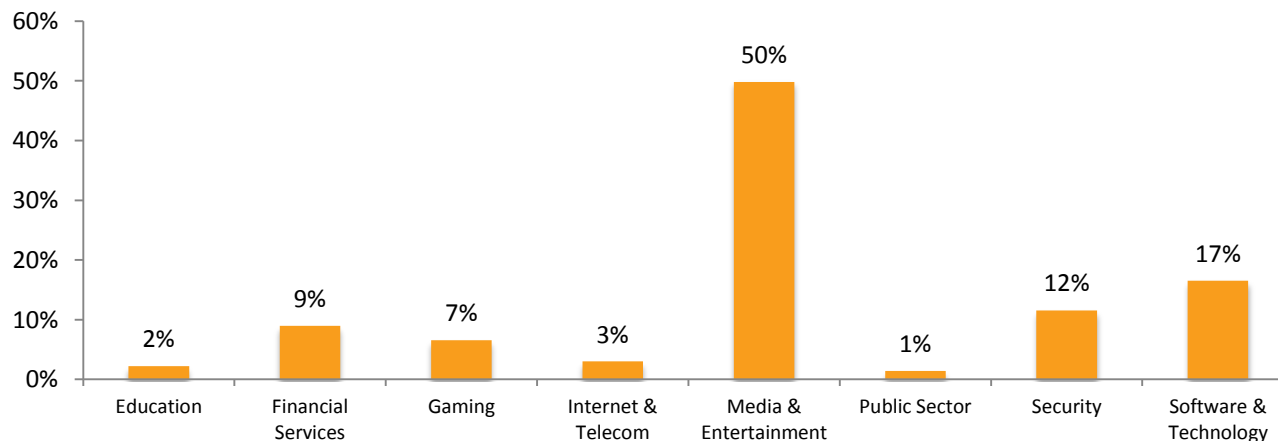
Source: Mattermark, CrunchBase, AngelList

# The Traditional Model of Security

## Shortcomings and developments

- ❌ The existing security model no longer works:
  - ❌ Conventional practice favors the basic “protection” of the network, creating a perimeter-level defense
  - ❌ New-age threats concentrate on the discrete targeting of applications and individualized components to cripple the system
  - ❌ These threats demonstrate identity-based solicitation techniques

**Q1 2014 Distribution of DDoS Attacks by Industry Vertical**



Source: Prolexic

“I’m convinced C-level executives don’t understand the risks they’re accepting. These systems [traditional model of security] are insecure by design. If they truly understood the risk they were taking, they would find it unacceptable.”

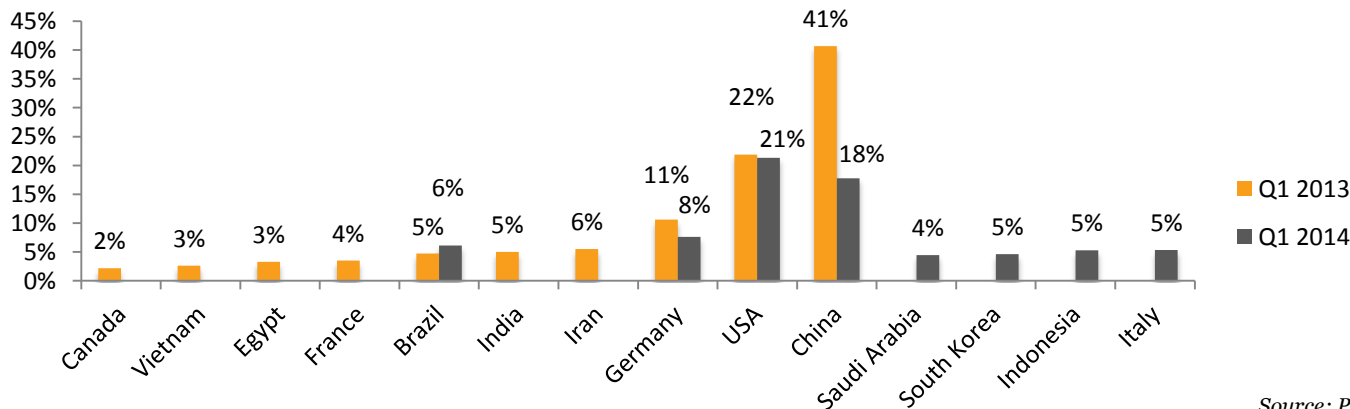
- Dale Peterson,  
Digital Bond CEO

# The Traditional Model of Security

## Shortcomings and developments

- Zero-Day attacks and DDoS are just two of the disseminating breach techniques
- The US and China remain the largest targets likely due to sociopolitical reasons as well as general economic development
- Media & Entertainment represents a prime target due to the volume of solicitation achievable
- Larger players i.e. Google have set aside funding specifically to address these threats

Distribution of DDoS Attacks by Country



Source: Prolexic

“Until now, many companies have relied on technical responses to cybercrime – effectively building a wall around the company’s IT and presuming that, with sufficient investment and effort, it can be made impregnable. But this is a dangerous delusion.”

- Simon Placks, Head of Cybercrime Investigation at Consultancy EY



Section III

# M&A Landscape Observations



“Spending, globally, continues to remain elevated as the cyber security market seeks greater definition and maturity; with the rapid pace of the development of solutions in response to the evolving threat landscape, the future horizon for security is ever broadening.”

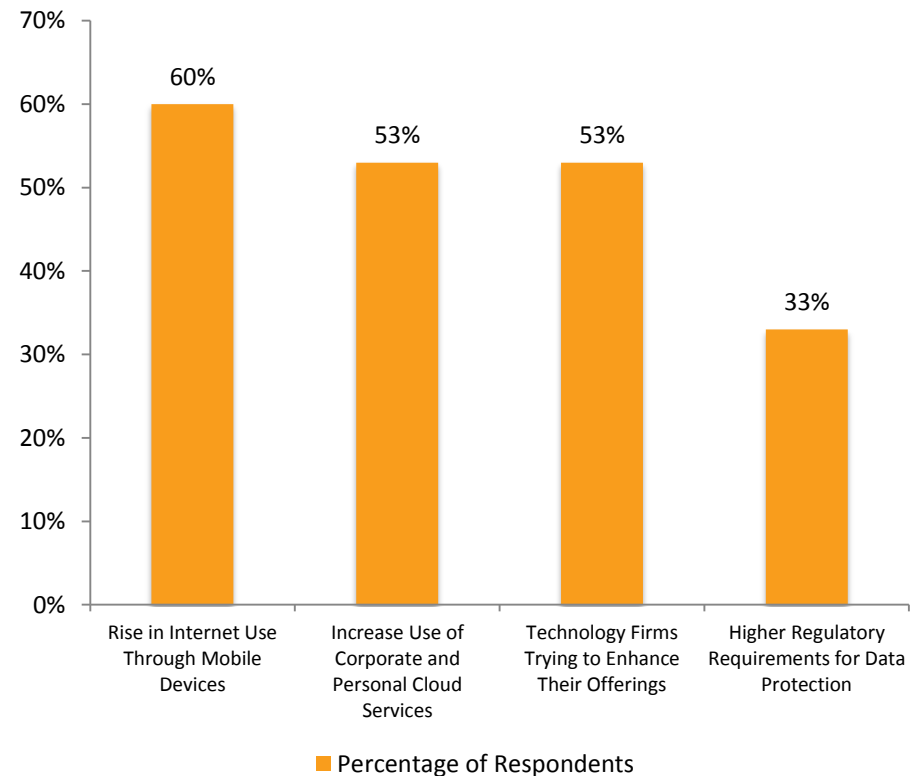
*-ASDReports, Cyber Security Market Forecast 2014-2024*

# Key M&A Drivers

## Expansion and a growing business mandate

- ✿ With expansion of the cyber security market, significant drivers include:
  - ✿ Widespread use of social media across various mediums; concentration on cloud technology via smart devices
  - ✿ Readily available infrastructure attack toolkits (DDoS) through the internet
  - ✿ Misconfigured / undeveloped networks still in perimeter-protection models
  - ✿ Expansion of corporate and government budgets to guarantee security of assets

**Most Significant Driver of Information Security-Related M&A for Next 12 Months**



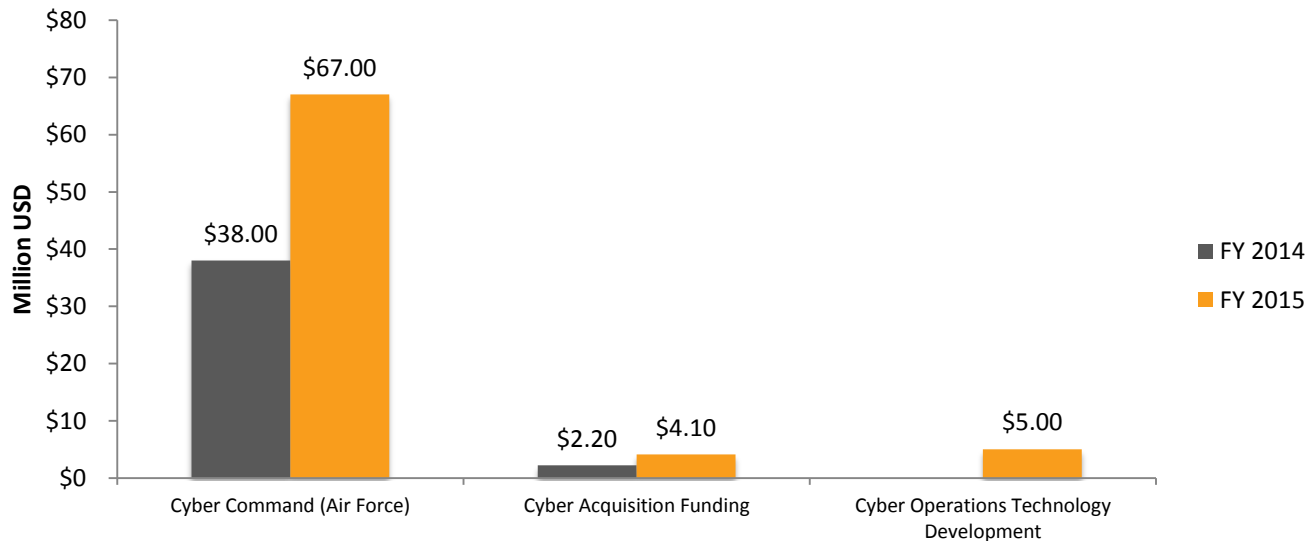
Source: RR Donnelley

# Key M&A Drivers: Federal Sector

## Increased budgetary allocations

- US Federal budget indicates a large increase in security spending
  - Especially at the national level, budgetary increases will flag continued efforts in the security-solutions space
  - Projections past 2015 also suggest positive, increased spending

Department of Defense IT/Security Budget

























Source: Federal Times, Market Research Media

“There’s no set of program elements that lead to this number [2015 Budget]. Maybe there needs to be, but right now there isn’t. We tried to capture it all, but I’d say there’s a gray area here in what counts as ‘cyber’”

- Bob Hale,  
Department of  
Defense Comptroller

# Precedent Transactions























Larger IT companies who conduct business across a wide span of IT segments were very active in acquiring more specialized security businesses, seeking platform extensions into network protection, compliance, risk, authentication, and accessibility.

Announced Date	Target	Acquirer	Target Description	TEV (\$MM)	LTM Rev. (\$MM)	TEV/LTM Rev
5/20/2014	 NETCITADEL INTELLIGENT NETWORK SECURITY	 proofpoint	Enterprise threat response software	\$ 24.0	\$ 310.0	0.1 x
3/19/2014	 CYVERA CYBER DEFENSE SOLUTIONS	 paloalto NETWORKS	Remote endpoint prevention SaaS	200.0	111.0	1.8
2/21/2014	 cryptzone	 MEDINA CAPITAL	Encryption & anti-data leakage software	13.4	3.7	3.6
12/30/2013	 MANDIANT	 FireEye	Cybersecurity services & software	843.6	102.0	8.3
11/11/2013	 APPLICATION SECURITY, INC.	 Trustwave Security begins with Trust	Database activity monitoring software	25.0	22.0	1.1
10/1/2013	 41STPARAMETER A part of Experian	 Experian A world of insight	Device identification & anti-fraud software	324.0	310.0	1.0
9/17/2013	 versafe	 fs NETWORKS	End-user anti-malware SaaS	91.7	310.0	0.3
8/15/2013	 Trusteer	 IBM	Financial anti-fraud & endpoint integrity software	900.0	40.0	22.5
7/22/2013	 SOURCEfire	 CISCO	Intrusion detection & prevention & anti-malware	2,394.8	247.4	9.7
5/21/2013	 SOLERA NETWORKS	 Blue Coat	Security vulnerability assessment software	225.0	12.0	18.8
5/19/2013	 websense ESSENTIAL INFORMATION PROTECTION	 Vista Equity Partners	Web content filtering systems	1,054.8	359.4	2.9

Source: CapitalIQ, 451 Research, and other public sources

# Precedent Transactions

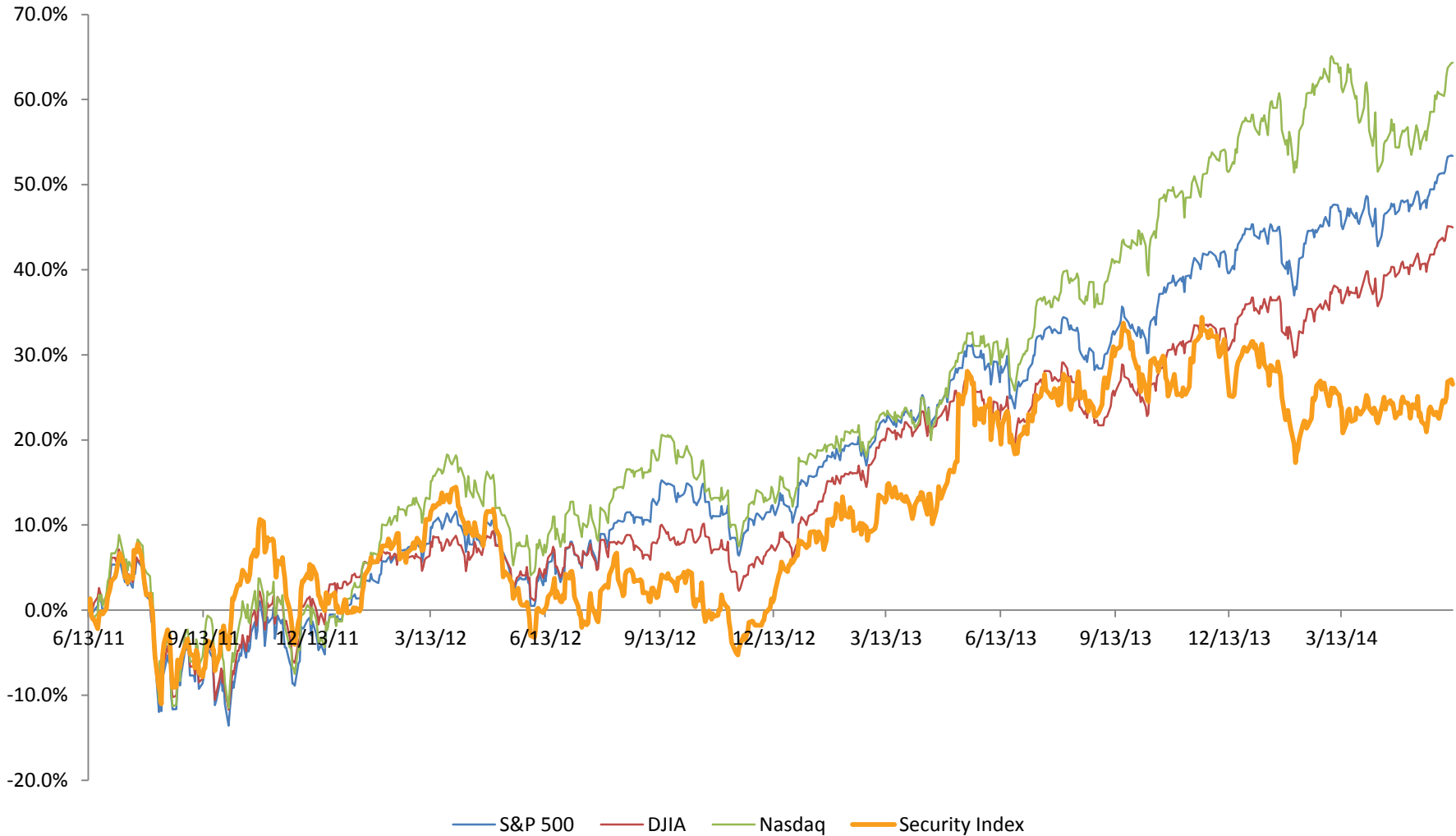
Larger IT companies who conduct business across a wide span of IT segments were very active in acquiring more specialized security businesses, seeking platform extensions into network protection, compliance, risk, authentication, and accessibility.

Announced Date	Target	Acquirer	Target Description	TEV (\$MM)	LTM Rev. (\$MM)	TEV/LTM Rev
5/5/2013	 Secure Information Flow	 Proven Security	Network security software & systems	\$ 387.0	\$ 53.7	7.2 x
4/26/2013	 NETWORK SECURITY	 A HUB COMPANY	UTM systems & software provider	21.1	16.6	1.3
3/11/2013			Security vulnerability assessment software	125.0	38.0	3.3
11/9/2012			Network security systems provider	110.0	80.0	1.4
9/13/2012			ESIM software provider	88.0	12.1	7.3
8/20/2012			Anti-data leakage systems & software	90.0	20.0	4.5
7/26/2012			Biometric sensor systems provider	399.6	76.1	5.3
3/14/2012		 Relentlessly Protecting Your Identity	Identity protection software provider	176.9	26.9	6.6
3/6/2012		 Security Begins with Trust	Anti-malware systems & software provider	120.0	65.0	1.8
10/4/2011			Security information management software	575.0	65.0	8.8
10/4/2011		 Proven Security	Security information management systems	160.0	30.0	5.3

Source: CapitalIQ, 451 Research, and other public sources

# Cyber Security Index

Positive growth since 2011; Upward trend Q2 2014



Source: CapitalIQ, Google Finance, 451 Research

Section IV

# MergerTech Overview

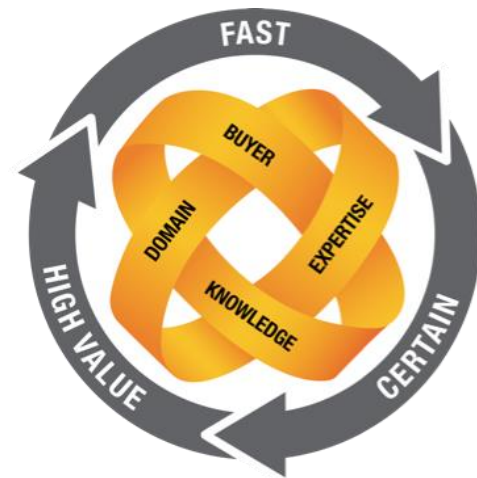






# Our Competitive Edge

- MergerTech's team combines both technology industry veterans and seasoned investment banking professionals each with over 10+ years experience
- We have founded, grown and sold technology companies ourselves, so we speak your language and recognize your company's best selling points
- MergerTech leaders have expertise in all aspects of technology investment banking, including mergers and acquisitions, capital raises for growth or recapitalization, and a spectrum of advisory services
- As a result, we understand how to best prepare and present your company for the best possible outcome – allowing you to move quickly past marketing and get down to negotiating a sale with multiple buyers



# Selected Client Testimonials

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“The team at MergerTech proved to be invaluable as they shepherded us through a complex and demanding process. They worked tirelessly on our behalf and never knew the word ‘quit.’ Special thanks to MergerTech for their focus and dedication in ensuring an ideal strategic outcome for WellnessFX.”

*Jim Kean, Co-founder & CEO, WellnessFX*

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"We closed the transaction less than five months from initiating the Mergers and Acquisitions M&A Advisory Process conversation and without MergerTech the transaction would not have closed with the same outcome for shareholders.

MergerTech delivered on their promise as a valued and trusted Mergers Acquisitions M&A Advisor, and helped us to successfully sell our technology company firm."

*Tom Kingsley, Co-founder & CEO, CrowdCompass*

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“MergerTech’s ability to understand and articulate our vision and space allowed them to shepherd us through a complex global process. I cannot overstate how much I appreciated their invaluable strategic advice, dedication, and complete concern for all parties during the process. A sincere thank you to my friends at MergerTech.”

*Josh, Co-founder & CEO, Simple*

# Our Process



## Preliminary Process

We will help you first evaluate your M&A objectives, establish a valuation range, and identify the best possible strategic and financial buyers for your business

## Materials Development

MergerTech will assist you with preparation of professionally designed company collateral and management materials to present your business in the best possible light to identified buyers

## Marketing

We will then commence marketing of your business and begin strategic conversations to determine interest. At every step we will guide you through management meetings, requests for information, and preliminary diligence

## Negotiation

After marketing is complete, MergerTech will gather and help you evaluate LOIs in order to negotiate the best possible terms for you and your company

## Diligence & Closing

Once an agreement is reached, we will help you manage a due diligence process with the buyer, negotiate purchase agreement, and execute a closing

Our process helps sellers swiftly get through an M&A process with the fastest possible time to close, allowing our clients to focus on running their business.

# Selected MergerTech Transaction Experience



Acquired by  
**CANCOM**

March 2014



IT Systems Integration



Acquired by  
**BBVA**

March 2014



Financial Technology

**WellnessFX**  
Acquired by  
Health Elements™  
in partnership with  
Throne Research

December 2013



Healthcare Technology



has been sold a stake to  
**WPP**

August 2013



Mobile Application  
Development



June 2013



Platform-as-a-Service



Acquired by  
**TEK**  
systems.

October 2012



Business Intelligence Services



Acquired by  
**KPMG**

April 2012



Big Data



Acquired by  
**Dexcom**

March 2012



Healthcare Technology

Appendix A

# Industry Landscape



# Cyber Security Industry Landscape



Source: MergerTech

Appendix B

# Public Comparables





# Cyber Security

(\$ in millions, except share prices)

Company Select Companies	Ticker	Share Price at 08/05/14	Market Value [a]	Total Enterprise Value	TEV / Revenue [b]			TEV / EBITDA [b]			Rev. 2-year Growth [c]
					LTM	CY2013E	CY2014E	LTM	CY2013E	CY2014E	
EMC Corporation	EMC	\$ 29.47	\$ 59,784.6	\$ 59,591.6	2.5 x	2.6 x	2.4 x	10.9 x	8.8 x	8.1 x	10.8 %
Symantec Corporation	SYMC	23.78	16,468.2	14,856.2	2.2	2.2	2.2	7.6	7.6	7.0	1.7
CA Technologies, Inc.	CA	29.54	13,147.5	11,801.5	2.6	2.6	2.7	8.3	6.6	7.0	1.2
Check Point Software Technologies Ltd.	CHKP	68.38	13,046.2	12,728.7	8.9	9.1	8.6	16.2	16.5	14.9	4.8
Red Hat, Inc.	RHT	56.17	10,621.5	10,057.4	6.3	6.8	5.9	32.8	24.7	21.8	18.9
Akamai Technologies, Inc.	AKAM	59.10	10,519.9	10,861.8	6.2	6.9	5.6	17.6	15.9	13.2	15.4
F5 Networks, Inc.	FFIV	114.29	8,504.9	8,262.9	5.0	5.5	4.6	16.1	14.1	12.2	20.7
Trend Micro Inc.	TSE:4704	35.99	4,822.6	4,267.4	4.0	4.1	3.8	11.5	12.2	11.4	7.6
Fortinet Inc.	FTNT	25.28	4,121.6	3,917.6	5.7	6.4	5.3	46.1	45.3	27.1	19.0
Barracuda Networks, Inc.	CUDA	28.82	1,483.7	1,347.0	5.5	6.0	5.1	340.7	nm	19.2	na
Qualys, Inc.	QLYS	25.07	819.3	771.5	6.5	7.2	5.9	54.5	42.5	34.9	na
Radware Ltd.	RDWR	16.70	755.2	735.1	3.6	3.8	3.4	26.5	24.8	17.6	7.0
Mean					4.1 x	4.1 x	4.0 x	10.8 x	9.9 x	9.2 x	4.6 %
Median					2.6	2.6	2.6	9.6	8.2	7.5	3.2
High					8.9	9.1	8.6	16.2	16.5	14.9	10.8
Low					2.2	2.2	2.2	7.6	6.6	7.0	1.2
Mean excl High and Low					2.6	2.6	2.6	9.6	8.2	7.5	3.2

Source: Capital IQ

Source: CapitalIQ & other public sources

# Cyber Security

Company Select Companies	Ticker	Last Twelve Months			Margins (as % of Revenue)			Balance Sheet Data	
		Revenue	EBITDA [a]	N.I. [a][b]	Gross	EBITDA	N.I.	Cash	Debt
EMC Corporation	EMC	\$ 23,580.00	\$ 5,453.0	\$ 2,588.0	62.2 %	23.1 %	11.0 %	\$ 5,687.0	\$ 5,494.0
Symantec Corporation	SYMC	6,676.00	1,944.0	898.0	83.6	29.1	13.5	3,707.0	2,095.0
CA Technologies, Inc.	CA	4,489.0	1,425.0	789.0	85.5	31.7	17.6	3,255.0	1,909.0
Akamai Technologies, Inc.	AKAM	1,761.31	618.4	305.8	68.5	35.1	17.4	248.7	590.7
F5 Networks, Inc.	FFIV	1,662.1	512.5	293.4	82.3	30.8	17.7	242.0	-
Red Hat, Inc.	RHT	1,595.11	306.2	175.6	84.9	19.2	11.0	564.1	-
Check Point Software Technologies Lt	CHKP	1,436.0	786.0	666.6	88.4	54.7	46.4	317.5	-
Check Point Software Technologies Lt	CHKP	1,436.0	786.0	666.6	88.4	54.7	46.4	317.5	-
Trend Micro Inc.	TSE:4704	1,068.9	371.0	202.2	82.8	34.7	18.9	555.2	-
Fortinet Inc.	FTNT	685.1	84.9	37.5	70.0	12.4	5.5	203.9	-
Barracuda Networks, Inc.	CUDA	243.72	4.0	(1.1)	77.4	1.6	nm	141.6	4.8
Radware Ltd.	RDWR	205.11	27.7	16.7	81.3	13.5	8.1	20.1	-
Qualys, Inc.	QLYS	119.45	14.1	2.6	77.4	11.8	2.2	48.3	0.5
Mean					76.4 %	30.0 %	15.4	\$ 2,627.9	\$ 2,017.7
Median					82.3	30.8	17.4	3,255.0	1,909.0
High					85.5	35.1	17.7	5,687.0	5,494.0
Low					62.2	23.1	11.0	242.0	-
Mean excl High and Low					78.1	30.6	16.1	2,403.6	1,531.6

Source: CapitalIQ & other public sources

Appendix C

# Precedent Transactions



# Cyber Security

(\$ in millions) Announced	Target	Acquirer	Target Summary	TEV [a]	Target	
					TTM Rev.	TEV/ Revenue
5/20/2014	NetCitadel, Inc.	Proofpoint, Inc.	Email security SaaS provider	\$ 24.0	\$ 310.0	0.1 x
3/19/2014	Cyvera Ltd	Palo Alto Networks, Inc.	Remote endpoint prevention SaaS	200.0	111.0	1.8
2/21/2014	Cryptzone Group AB (publ)	Medina Capital; Medina Capital Fund L.P.	Encryption & anti-data leakage software	13.4	3.7	3.6
12/30/2013	Mandiant Corporation	FireEye, Inc.	Cybersecurity services & software	843.6	102.0	8.3
11/11/2013	Application Security, Inc.	TrustWave Holdings, Inc.	Database activity monitoring software	25.0	22.0	1.1
10/1/2013	The 41st Parameter, Inc.	Experian plc	Device identification & anti-fraud software	324.0	310.0	1.0
9/17/2013	Versafe Ltd.	F5 Networks, Inc.	Networking hardware & software provider	91.7	310.0	0.3
8/15/2013	Trusteer, Inc.	International Business Machines Corporation	Financial anti-fraud & endpoint integrity software	900.0	40.0	22.5

Source: CapitalIQ & other public sources

# Cyber Security

(\$ in millions) Announced	Target	Acquirer	Target Summary	TEV [a]	Target	TEV/
					TTM Rev.	Revenue
7/22/2013	Sourcefire, Inc.	Cisco Systems, Inc.	Intrusion detection & prevention & anti-malware	2,394.8	247.4	9.7
5/21/2013	Solera Networks, Inc.	Blue Coat Systems Inc.	Security vulnerability assessment software	225.0	12.0	18.8
5/19/2013	Websense, Inc.	Vista Equity Partners; Vista Equity Fund 4	Web content filtering systems	1,054.8	359.4	2.9
5/5/2013	Stonesoft Oyj	McAfee, Inc.	Network security software & systems	387.0	53.7	7.2
4/26/2013	Arkoon Network Security	Cassidian SAS	UTM systems & software provider	21.1	16.6	1.3
3/11/2013	nCircle Network Security, Inc.	Tripwire, Inc.	Security vulnerability assessment software	125.0	38.0	3.3
11/9/2012	Crossbeam Systems, Inc.	Thoma Bravo, LLC	Network security systems provider	110.0	80.0	1.4
9/13/2012	Sensage, Inc.	The KEYW Holding Corporation	ESIM software provider	88.0	12.1	7.3
8/20/2012	Fidelis Security Systems, Inc.	General Dynamics Advanced Information Systems, Inc.	Anti-data leakage systems & software	90.0	20.0	4.5

Source: CapitalIQ & other public sources

# Cyber Security

(\$ in millions)					Target	TEV/
Announced	Target	Acquirer	Target Summary	TEV [a]	TTM Rev.	Revenue
7/26/2012	AuthenTec, Inc.	Apple Inc.	Biometric sensor systems provider	399.6	76.1	5.3
3/14/2012	ID Analytics, Inc.	LifeLock, Inc.	Identity protection software provider	176.9	26.9	6.6
3/6/2012	M86 Security, Inc.	TrustWave Holdings, Inc.	Anti-malware systems & software provider	120.0	65.0	1.8
10/4/2011	Q1 Labs, Inc.	International Business Machines Corporation	Security information management software	575.0	65.0	8.8
10/4/2011	NitroSecurity, Inc.	McAfee, Inc.	Security information management systems	160.0	30.0	5.3
Mean				\$ 379.5	\$ 105.0	5.8
Median				168.5	59.4	4.5
High				2,394.8	359.4	22.5
Low				13.4	3.7	0.3
Mean excl High and Low				297.0	97.4	5.3

Source: CapitalIQ & other public sources

# Contact Us

If you are thinking about selling or buying a technology company, we are ready to talk to you.

MergerTech is headquartered in the Bay Area and has additional offices in Portland and Southern California.

## **Edward Nepomuceno**

Associate

[enepomuceno@mergertech.com](mailto:enepomuceno@mergertech.com)

## **David Chiang**

Summer Analyst

[dchiang@mergertech.com](mailto:dchiang@mergertech.com)

## **MergerTech Headquarters**

5858 Horton Street, Suite 101  
Emeryville, CA 94608  
925.215.2770

## **Portland**

111 SW Fifth Avenue  
Suite 1740  
Portland, OR 97204

## **Orange County**

500 Newport Center Drive  
Suite 950  
Newport Beach, CA 92660



@mergertech



[mergertech.com](http://mergertech.com)