

# Compliance, Risk & Cybersecurity

## Market Monitor

Market Overview  
Sector Spotlight  
Public Market Performance  
M&A Activity

### All the World's a Platform

*"All the world's a stage, and all the men and women merely players."*  
- William Shakespeare, *As You Like It*

The word "platform" originates from the Old French term "plateforme," meaning "flat form" or "flat shape." Its first usage in English referenced a raised, flat surface or stage. As a metaphorical usage emerged, it encompassed everything from political and business platforms, to now, technology platforms. In these cases, the platform is the base upon which multiple, protean components – like actors in a stage play – perform their various roles.

After a quiet period in cybersecurity investment and consolidation – driven as much by overinvestment as by interest rates – the platform approach to growth is gaining favor. Managed Security Service Providers (MSSPs) are contending with the proliferation of technology platforms already fitted with a wider array of interoperable capabilities. This could disrupt MSSPs that are aligned exclusively with a specific stack of tools or those over-reliant on proprietary tools that don't interact well with a range of technologies. However, the vendor platform approach provides flexibility, scalability, interoperability, and the promise of ease-of-use. With these many benefits, it's little wonder the market is consolidating around select technology platforms.

Despite this drive toward greater efficiency, industry observers were recently reminded of the downside to a "single throat to choke" approach. CrowdStrike, a massive vendor platform integrated with Windows servers throughout the world, sent a flawed security update on Friday, July 19th. The ensuing shuttered flights, communications, payments, food services, and more were a result of an innocuous mistake that CrowdStrike fixed relatively quickly. However, the time and monetary damages it caused to enterprises worldwide demonstrate the hazards of a single point of failure, especially if a malevolent actor were to target these systems. While the platform approach offers cost and efficiency advantages, and perhaps even better general security, breaches can become significantly more catastrophic when they do occur.

Shakespeare professed that on the world stage, "one man in his time plays many parts." This is the dream of the platform approach – that it may encompass every function, as needed. Yet Shakespeare, ever watchful, noted the mighty can be brought down by inherent, tragic flaws. In the M&A realm, this means acquirers and investors paying closer attention to the quantity and quality of technology stacks utilized by MSSPs and other risk management services firms as well as adopting cyber insurance for potential pitfalls. Perhaps Shakespeare saw that while man may be protean, a platform remains but a flat plane, useful but occasionally unequal to the demands we place upon it.

Source: Associated Press

### Sector Leadership



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# Sector Spotlight

## Quorum Cyber Receives Growth Investment from Charlesbank Capital

### Target

**Quorum Cyber**

### Acquirer

**Charlesbank  
Capital Partners**

### Deal Commentary

- Quorum Cyber defends organizations worldwide against cybersecurity breaches and attacks. The company provides solutions focused on maintaining customers' cybersecurity postures, among them Sentinel MDR, Defender MXDR, and Purview MDS
- With its recent investment from Charlesbank, Quorum Cyber plans to further develop its customer-facing platform, drive further market expansion in the US, and leverage AI with their current host of solutions to better defend organizations
- Darren Battistoni, Managing Director at Charlesbank, noted, "As cybersecurity threats become increasingly common, complex and global, Quorum Cyber stands out for its ability to meet the demand for high-caliber managed and professional cybersecurity and data security services"

### Transaction Summary

On June 5<sup>th</sup>, 2024, Charlesbank Capital Partners, a Boston-based private equity firm, announced a strategic growth investment in Quorum Cyber, a UK-based managed cybersecurity services company. Quorum Cyber offers a wide range of solutions including managed threat detection and response, risk assessments, and compliance and cloud advisory services

### Transaction Information

Announced Date	5-Jun-2024
Deal Type	PE Growth
<i>Target Information</i>	
Year Founded	2016
Target HQ	Edinburgh, Scotland
# of Employees	~250

## BV Investment Partners Announces Investment in CyberSheath

### Target

**CyberSheath**

### Acquirer

**BV Investment  
Partners**

### Deal Commentary

- CyberSheath assists organizations in complying with government cybersecurity regulations to ensure contractors are operate within federal information security and sensitive data requirements. The company provides end-to-end compliance solutions for clients including system assessments, implementation services, and ongoing system management, as well as tailored 24/7/365 security services
- Justin Harrison, Managing Partner at BV Investment Partners, noted, "We were attracted to CyberSheath because of the Company's wing-to-wing compliance solution that is backed by depth, breadth, and experience that is second to none. BV has significant experience investing in similar cybersecurity and compliance businesses and we are confident that this exciting partnership with Eric and his team will help strengthen CyberSheath's position in the market"

### Transaction Summary

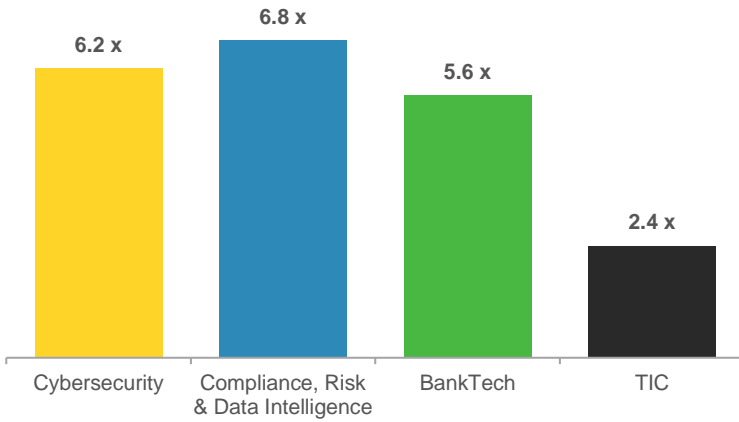
On May 22<sup>nd</sup>, 2024, BV Investment Partners, a Boston-based private equity firm, announced a majority investment in CyberSheath, a provider of cybersecurity compliance services catered to the manufacturing, engineering and research industries. CyberSheath specializes in compliance and threat mitigation efforts and eliminates redundant security practices

### Transaction Information

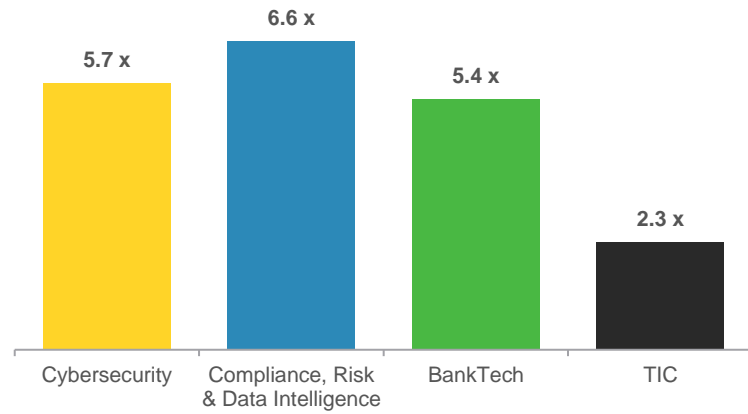
Announced Date	22-May-2024
Deal Type	Majority Recapitalization
<i>Target Information</i>	
Year Founded	2012
Target HQ	Reston, VA
# of Employees	~50

# Public Market Performance

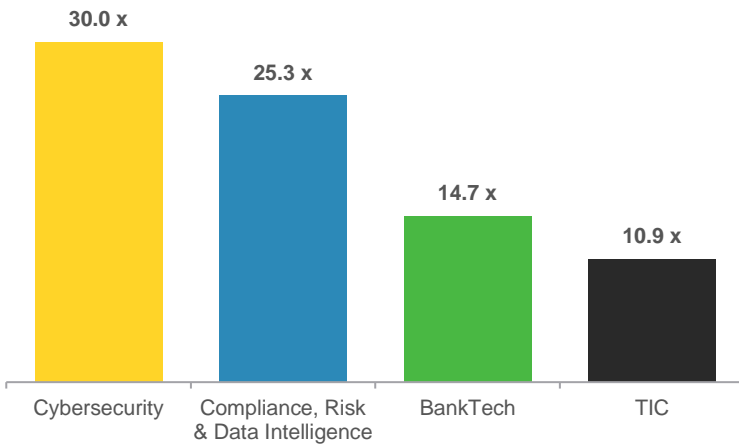
## LTM EV / Revenue



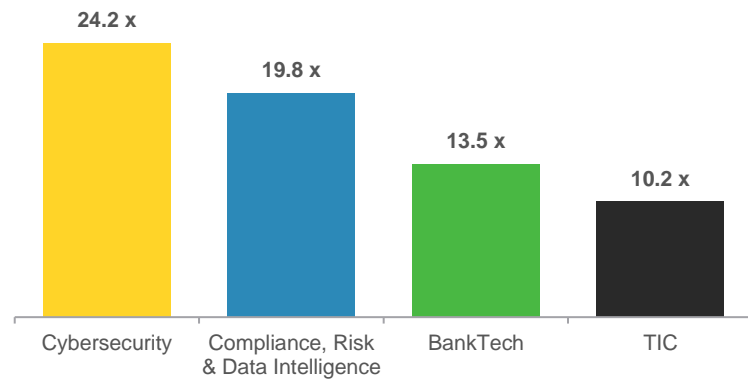
## 2024E EV / Revenue



## LTM EV / EBITDA



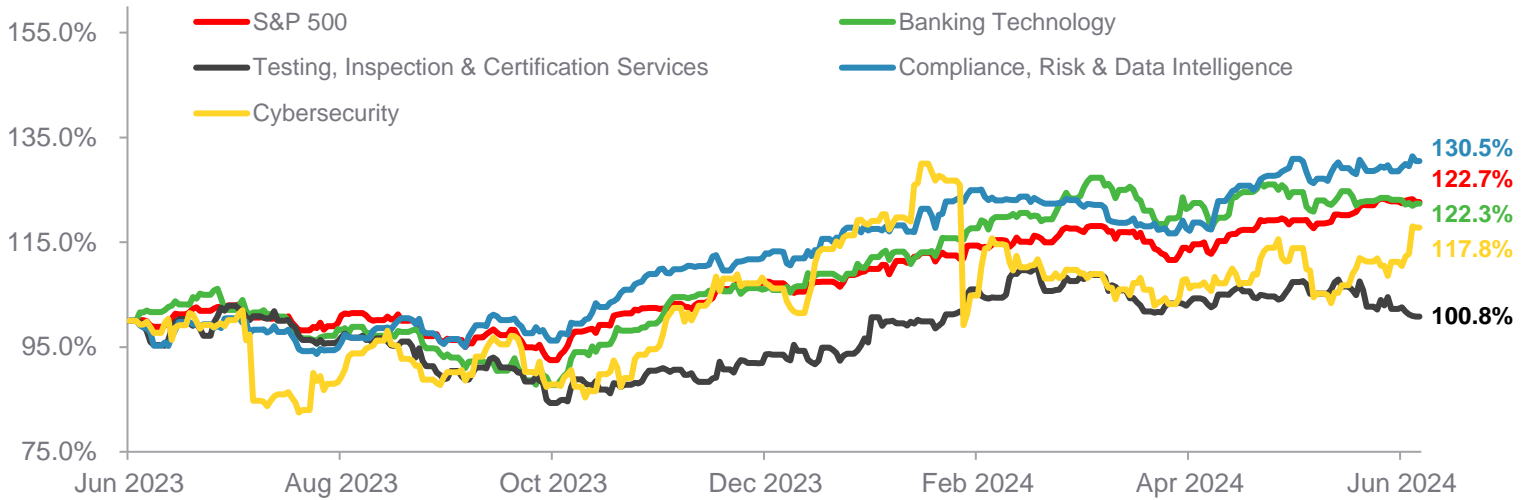
## 2024E EV / EBITDA



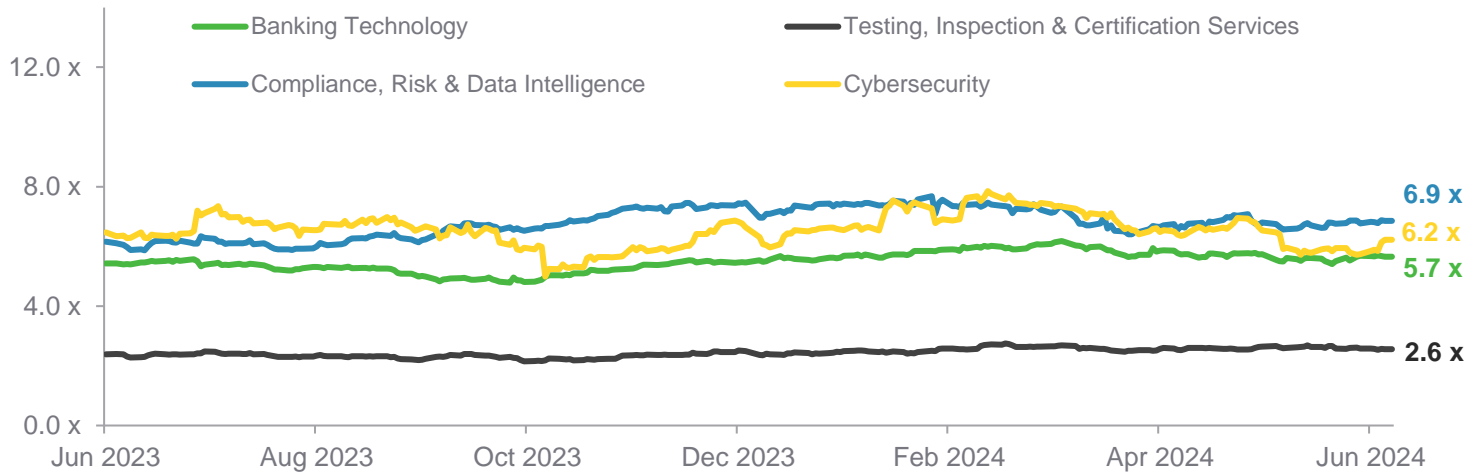
Source: Capital IQ, market data as of 30-Jun-2024

# Public Market Performance

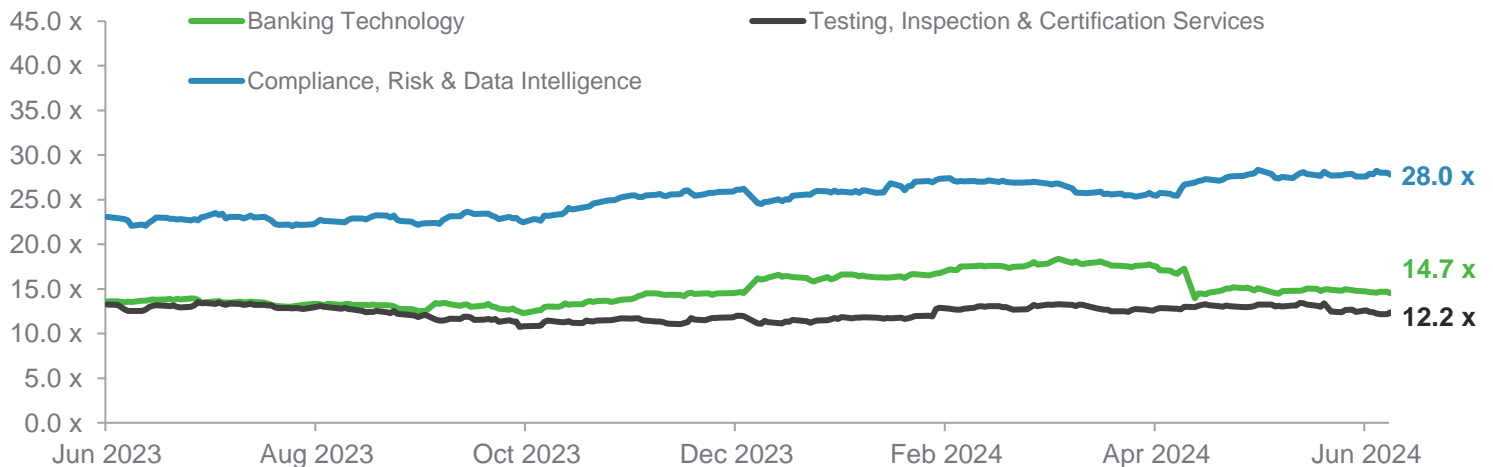
## Compliance Market Indices Performance – 1 Year



## LTM EV / Revenue Multiple Trend – 3 Years



## LTM EV / EBITDA Multiple Trend – 3 Years



Source: Public filings as of 30-Jun-2024, Capital IQ

Note: Multiples charts may differ from Comparable Company Analysis figures due to detailed adjustments made to the Comparable Company Analysis

Note: Cybersecurity index excluded from LTM EV / EBITDA Multiple Trend due to above average market volatility

# Public Market Performance

## Banking Technology Index

	Closing Price 30-Jun-24	% of 52 Week High	Equity Market Cap	Enterprise Value	EV / Revenue Multiples			EV / EBITDA Multiples			2024E Revenue Growth	2024E EBITDA Margin
					LTM	2024E	2025P	LTM	2024E	2025P		
<b>Banking Technology</b>												
Fidelity	\$75.36	95.7%	\$41,919	\$49,788	5.0x	4.9x	4.7x	14.7x	12.6x	12.1x	3.1%	39.0%
Fiserv	149.04	93.2%	87,204	109,877	5.7	5.7	5.2	13.4	13.5	12.2	6.6%	42.3%
Jack Henry & Associates	166.02	93.1%	12,103	12,326	5.6	5.4	5.0	21.9	18.3	17.0	6.5%	29.3%
<b>High</b>		<b>95.7%</b>	<b>\$87,204</b>	<b>\$109,877</b>	<b>5.7x</b>	<b>5.7x</b>	<b>5.2x</b>	<b>21.9x</b>	<b>18.3x</b>	<b>17.0x</b>	<b>6.6%</b>	<b>42.3%</b>
<b>Median</b>		<b>93.2%</b>	<b>41,919</b>	<b>49,788</b>	<b>5.6</b>	<b>5.4</b>	<b>5.0</b>	<b>14.7</b>	<b>13.5</b>	<b>12.2</b>	<b>6.5%</b>	<b>39.0%</b>
<b>Mean</b>		<b>94.0%</b>	<b>47,075</b>	<b>57,330</b>	<b>5.4</b>	<b>5.3</b>	<b>5.0</b>	<b>16.7</b>	<b>14.8</b>	<b>13.8</b>	<b>5.4%</b>	<b>36.9%</b>
<b>Low</b>		<b>93.1%</b>	<b>12,103</b>	<b>12,326</b>	<b>5.0</b>	<b>4.9</b>	<b>4.7</b>	<b>13.4</b>	<b>12.6</b>	<b>12.1</b>	<b>3.1%</b>	<b>29.3%</b>

## Compliance, Risk & Data Intelligence Index

	Closing Price 30-Jun-24	% of 52 Week High	Equity Market Cap	Enterprise Value	EV / Revenue Multiples			EV / EBITDA Multiples			2024E Revenue Growth	2024E EBITDA Margin
					LTM	2024E	2025P	LTM	2024E	2025P		
<b>Compliance, Risk &amp; Data Intelligence</b>												
GB Group	\$4.29	95.2%	\$1,083	\$1,183	3.4x	3.3x	3.1x	NM	13.9x	12.7x	0.4%	24.0%
RELX PLC	45.99	99.0%	85,665	93,257	8.0	7.6	7.1	25.3	19.5	18.3	5.4%	38.7%
Thomson Reuters	168.49	94.9%	75,758	77,659	11.2	10.7	10.0	36.0	27.6	25.3	6.8%	38.7%
Wolters Kluwer	165.86	98.9%	39,522	41,664	6.8	6.6	6.2	22.2	20.0	18.6	2.8%	32.7%
Workiva	72.99	62.9%	4,002	3,926	6.0	5.4	4.7	NM	NM	NM	14.8%	5.2%
<b>High</b>		<b>99.0%</b>	<b>\$85,665</b>	<b>\$93,257</b>	<b>11.2x</b>	<b>10.7x</b>	<b>10.0x</b>	<b>36.0x</b>	<b>27.6x</b>	<b>25.3x</b>	<b>14.8%</b>	<b>38.7%</b>
<b>Median</b>		<b>95.2%</b>	<b>39,522</b>	<b>41,664</b>	<b>6.8</b>	<b>6.6</b>	<b>6.2</b>	<b>25.3</b>	<b>19.8</b>	<b>18.5</b>	<b>5.4%</b>	<b>32.7%</b>
<b>Mean</b>		<b>90.2%</b>	<b>41,206</b>	<b>43,538</b>	<b>7.1</b>	<b>6.7</b>	<b>6.2</b>	<b>27.8</b>	<b>20.3</b>	<b>18.7</b>	<b>6.0%</b>	<b>27.9%</b>
<b>Low</b>		<b>62.9%</b>	<b>1,083</b>	<b>1,183</b>	<b>3.4</b>	<b>3.3</b>	<b>3.1</b>	<b>22.2</b>	<b>13.9</b>	<b>12.7</b>	<b>0.4%</b>	<b>5.2%</b>

Source: Capital IQ, equity research reports, market data as of 30-Jun-2024

Notes: \$ in millions (except share price), any negative multiples or multiples greater than 40.0x are marked "NM", any negative margin trends are marked "NA"  
Multiples may differ slightly from p. 4 due to detailed adjustments

# Public Market Performance

## Cybersecurity Index

	Closing Price 30-Jun-24	% of 52 Week High	Equity Market Cap	Enterprise Value	EV / Revenue Multiples			EV / EBITDA Multiples			2024E Revenue Growth	2024E EBITDA Margin
					LTM	2024E	2025P	LTM	2024E	2025P		
<b>Cybersecurity</b>												
Fortinet, Inc.	\$60.27	74.2%	\$46,043	\$44,012	8.2x	7.6x	6.7x	31.5x	25.6x	22.4x	9.4%	29.7%
Okta, Inc.	93.61	81.8%	15,748	14,583	6.2	5.7	5.1	NM	28.0	24.1	13.2%	20.5%
Palo Alto Networks, Inc.	339.01	89.0%	110,110	108,383	13.9	12.8	11.1	NM	NM	36.7	12.5%	29.8%
Rapid7, Inc.	43.23	69.9%	2,694	3,214	4.0	3.8	3.5	NM	18.0	15.8	8.0%	21.4%
Tenable Holdings, Inc.	43.58	81.5%	5,180	5,031	6.1	5.6	4.9	28.4	22.9	NM	14.3%	19.5%
<b>High</b>		<b>89.0%</b>	<b>\$110,110</b>	<b>\$108,383</b>	<b>13.9x</b>	<b>12.8x</b>	<b>11.1x</b>	<b>31.5x</b>	<b>28.0x</b>	<b>36.7x</b>	<b>14.3%</b>	<b>29.8%</b>
<b>Median</b>		<b>81.5%</b>	<b>15,748</b>	<b>14,583</b>	<b>6.2</b>	<b>5.7</b>	<b>5.1</b>	<b>30.0</b>	<b>24.2</b>	<b>23.2</b>	<b>12.5%</b>	<b>21.4%</b>
<b>Mean</b>		<b>79.3%</b>	<b>35,955</b>	<b>35,044</b>	<b>7.7</b>	<b>7.1</b>	<b>6.3</b>	<b>30.0</b>	<b>23.6</b>	<b>24.7</b>	<b>11.5%</b>	<b>24.2%</b>
<b>Low</b>		<b>69.9%</b>	<b>2,694</b>	<b>3,214</b>	<b>4.0</b>	<b>3.8</b>	<b>3.5</b>	<b>28.4</b>	<b>18.0</b>	<b>15.8</b>	<b>8.0%</b>	<b>19.5%</b>

## Testing, Inspection & Certification Index

	Closing Price 30-Jun-24	% of 52 Week High	Equity Market Cap	Enterprise Value	EV / Revenue Multiples			EV / EBITDA Multiples			2024E Revenue Growth	2024E EBITDA Margin
					LTM	2024E	2025P	LTM	2024E	2025P		
<b>Testing, Inspection &amp; Certification</b>												
Bureau Veritas SA	\$27.71	90.2%	\$12,571	\$13,665	2.1x	2.0x	2.1x	10.2x	9.6x	11.8x	2.5%	20.2%
Intertek Group plc	60.59	93.2%	9,769	10,593	2.4	2.3	2.5	10.9	10.2	11.7	3.6%	22.1%
SGS SA	89.03	90.6%	16,851	19,678	2.5	2.6	2.5	14.4	11.7	10.8	NA	22.2%
<b>High</b>		<b>93.2%</b>	<b>\$16,851</b>	<b>\$19,678</b>	<b>2.5x</b>	<b>2.6x</b>	<b>2.5x</b>	<b>14.4x</b>	<b>11.7x</b>	<b>11.8x</b>	<b>3.6%</b>	<b>22.2%</b>
<b>Median</b>		<b>90.6%</b>	<b>12,571</b>	<b>13,665</b>	<b>2.4</b>	<b>2.3</b>	<b>2.5</b>	<b>10.9</b>	<b>10.2</b>	<b>11.7</b>	<b>3.0%</b>	<b>22.1%</b>
<b>Mean</b>		<b>91.3%</b>	<b>13,064</b>	<b>14,645</b>	<b>2.3</b>	<b>2.3</b>	<b>2.4</b>	<b>11.8</b>	<b>10.5</b>	<b>11.4</b>	<b>3.0%</b>	<b>21.5%</b>
<b>Low</b>		<b>90.2%</b>	<b>9,769</b>	<b>10,593</b>	<b>2.1</b>	<b>2.0</b>	<b>2.1</b>	<b>10.2</b>	<b>9.6</b>	<b>10.8</b>	<b>2.5%</b>	<b>20.2%</b>

Source: Capital IQ, equity research reports, market data as of 30-Jun-2024

Notes: \$ in millions (except share price), any negative multiples or multiples greater than 40.0x are marked "NM", any negative margin trends are marked "NA"  
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# Featured M&A Activity

Date	Target	Buyer/Investor	Summary
25-Jun-24	<b>Cyber Guards</b>	<b>Cybolt</b>	<ul style="list-style-type: none"> <li>Cyber Guards provides comprehensive, turn-key cybersecurity programs for small and mid-size businesses</li> </ul>
22-Jun-24	<b>Pillr</b> (Novacoast)	<b>OpenText</b>	<ul style="list-style-type: none"> <li>Pillr offers cybersecurity and IT solutions intended to augment organizations' technological experience</li> </ul>
20-Jun-24	<b>Venafi</b>	<b>CyberArk</b>	<ul style="list-style-type: none"> <li>Venafi is a developer of a machine identity protection platform intended to serve the finance, manufacturing, technology, energy, retail, and healthcare industries</li> </ul>
5-Jun-24	<b>Quorum Cyber</b>	<b>Charlesbank Capital Partners</b>	<ul style="list-style-type: none"> <li>Quorum Cyber is a global cybersecurity firm providing professional and managed services</li> </ul>
4-Jun-24	<b>MindPoint Group</b>	<b>Tyto Athene</b> (Arlington Capital Partners)	<ul style="list-style-type: none"> <li>MindPoint Group is a cybersecurity consulting firm offering information security and GRC advisory services</li> </ul>
22-May-24	<b>CyberSheath</b>	<b>BV Investment Partners</b>	<ul style="list-style-type: none"> <li>CyberSheath offers managed security services to help defense contractors navigate information technology, governance, and cybersecurity challenges</li> </ul>
21-May-24	<b>Netsurion</b>	<b>Lumifi Cyber</b>	<ul style="list-style-type: none"> <li>Netsurion provides remotely managed data and network security services to US and international businesses</li> </ul>
7-May-24	<b>Vumetric</b>	<b>TELUS</b>	<ul style="list-style-type: none"> <li>Vumetric is a services provider offering a range of cybersecurity assessment services</li> </ul>
30-Apr-24	<b>Airgap Networks</b>	<b>Zscaler</b>	<ul style="list-style-type: none"> <li>Airgap Networks provides a range of cybersecurity technology solutions, specializing in secure network access and segmentation</li> </ul>
26-Apr-24	<b>Darktrace</b>	<b>Thoma Bravo</b>	<ul style="list-style-type: none"> <li>Darktrace is an AI-based cybersecurity solutions provider</li> </ul>
11-Apr-24	<b>Ipseity Security</b>	<b>Cyderes</b>	<ul style="list-style-type: none"> <li>Iperseity Security is an operator of an information security company providing a range of advanced technological solutions and services to customers</li> </ul>
9-Apr-24	<b>Rimes</b>	<b>Five Arrows</b>	<ul style="list-style-type: none"> <li>Rimes provides cloud-based managed data services and regtech solutions to asset managers, owners, servicers, and banks worldwide</li> </ul>

Source: Public filings as of 30-Jun-2024, Capital IQ, Pitchbook



# Featured M&A Activity


Date	Target	Buyer/Investor	Summary
3-Apr-24	<b>Protega</b>	<b>Stefanini</b>	<ul style="list-style-type: none"> <li>Protega is a Brazil-based cybersecurity solutions provider offering GRC, DevSecOps, cloud security, and managed services</li> </ul>
2-Apr-24	<b>Q1 Group</b>	<b>Seisma</b>	<ul style="list-style-type: none"> <li>Q1 Group is an Australia-based consultancy offering cybersecurity, IT risk, threat and incident management, financial crime, and cloud security services</li> </ul>
19-Mar-24	<b>Resmo</b>	<b>JumpCloud</b>	<ul style="list-style-type: none"> <li>Resmo provides governance solutions, cyber asset management, visibility, and security services for the cloud stack</li> </ul>
26-Feb-24	<b>Network People</b>	<b>Integris (Frontenac)</b>	<ul style="list-style-type: none"> <li>Network People is an IT services provider specializing in managed cybersecurity services and cloud solutions</li> </ul>
26-Feb-24	<b>Redshift Group</b>	<b>Atena Equity Partners</b>	<ul style="list-style-type: none"> <li>Redshift Group offers IT consulting services such as security audits, network monitoring, maintenance, infrastructure design, and security support services</li> </ul>
20-Feb-24	<b>Kolide</b>	<b>1Password (AgileBits)</b>	<ul style="list-style-type: none"> <li>Kolide operates a security platform that offers endpoint security and cybersecurity solutions to monitor, manage, and secure firms' computer infrastructure</li> </ul>
8-Feb-24	<b>Veritas</b>	<b>Cohesity</b>	<ul style="list-style-type: none"> <li>Veritas is the developer of a suite of enterprise software that delivers mission-critical data management solutions</li> </ul>
8-Feb-24	<b>BigID</b>	<b>Riverwood Capital</b>	<ul style="list-style-type: none"> <li>BigID develops and operates data security, privacy, compliance, and governance solutions to help companies secure their data</li> </ul>
30-Jan-24	<b>Compliance Risk Concepts</b>	<b>MidOcean</b>	<ul style="list-style-type: none"> <li>Compliance Risk Concepts provides compliance consulting services to financial services businesses</li> </ul>
16-Jan-24	<b>CoorpID, Blacksmith KYC</b>	<b>Encompass</b>	<ul style="list-style-type: none"> <li>CoorpID and Blacksmith KYC are banking technology providers specializing in enhancing KYC processes for the financial services industry</li> </ul>
5-Jan-24	<b>Trustwave</b>	<b>MC<sup>2</sup> (The Chertoff Group)</b>	<ul style="list-style-type: none"> <li>Trustwave is a cybersecurity and managed security services provider specializing in managed threat detection and response</li> </ul>
3-Jan-24	<b>6point6</b>	<b>Accenture</b>	<ul style="list-style-type: none"> <li>6point6 is a UK-based digital transformation and cybersecurity consultancy serving the government, defense and security, financial services, and insurance sectors</li> </ul>

Source: Public filings as of 30-Jun-2024, Capital IQ, Pitchbook



# About ClearSight

ClearSight Advisors is an investment banking firm dedicated to driving the Knowledge Economy by providing world-class M&A and capital raising solutions exclusively to growth-oriented Business Services and Technology companies. ClearSight combines deep market insights across software, services and data. ClearSight Advisors, Inc. is a wholly owned subsidiary of Regions Financial Corporation. All securities are offered exclusively through Regions Securities LLC, a registered broker-dealer and member of FINRA and SIPC. For more information about ClearSight, visit [www.clearsightadvisors.com](http://www.clearsightadvisors.com)

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**Critical Infrastructure Division**

to


 Modaxo  
a division of

 CONSTELLATION SOFTWARE INC.

**Financial Advisor**

 RLH  
Equity Partners


has sold a majority stake in

 CROSSCOUNTRY CONSULTING

to

**INVESTCORP**


**Financial Advisor**

 USEREADY


has received a growth investment from

**abry partners**

**Sellside Advisor**

 TRIANGLE INSIGHTS GROUP

has been acquired by

 trialcard+  
simplify access

a portfolio company of

 ODYSSEY PARTNERS

**Sellside Advisor**

 PCIHIPAA

has been acquired by

 Rectangle HEALTH

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**Sellside Advisor**

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a portfolio company of

 BLUEDELTA CAPITAL PARTNERS

has been acquired by

 ACHIEVE PARTNERS

**Sellside Advisor**

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has been acquired by

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**Financial Advisor**

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