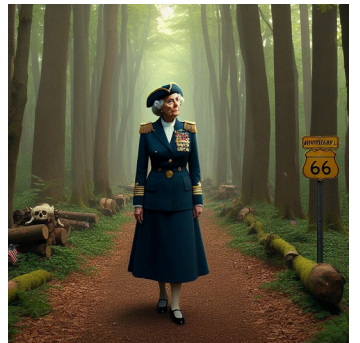


THE HOTTEST PRIVATELY HELD CYBERSECURITY COMPANIES

# Cyber 66



Source: Images generated with Microsoft Bing Image Creator powered by DALL-E-3

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## EXECUTIVE SUMMARY

Looking back at 2023, the cybersecurity industry continued to grapple with ongoing macroeconomic uncertainty; companies adjusted to a “new normal” of customer buying patterns and swiftly amplified messaging to highlight potential cost savings and return-on-investment (ROI) associated with their products. Novel external influences entered the picture in the form of enhanced Securities and Exchange Commission (SEC) cyber incident disclosure rules for public companies and high-profile breaches leveraging identity-based attacks. We expect these themes (and others) to continue in 2024, and are pleased to highlight our view of the most well-positioned private cybersecurity companies currently influencing the landscape.

Perhaps the only topic that eclipsed (or at least shared the spotlight with) broader economic and market debates in 2023 was artificial intelligence (AI). The release of ChatGPT and other similar large language models created a frenzy of activity throughout the last 12 months, as companies, investors, and average citizens sought to leverage and comprehend the ramifications of this powerful technology. Within our coverage of public cyber companies, AI concepts ranged from data as the new security “gold” to digital AI security analysts supercharging the workflows of their human counterparts; the next 12 months will see some of these notions come to market, while new considerations will surely emerge. This brings us to the cover art for this year’s Cyber 66 report. We thought it appropriate to utilize a generative AI solution (OpenAI’s DALL-E 3 tool) to create the cover image for the 2024 publication. Our prompts included computer science legend (and Cyber 66 title inspiration) Admiral Grace Hopper, cybersecurity platforms, hackers, etc., combined with motifs, such as 70s sci-fi, movie posters, or the master work styles of Caravaggio and Salvador Dali. The possibilities are endless, and we chose a mosaic of AI-generated images for the visual enjoyment of our readers.

In addition to AI, another dominant theme in cybersecurity in 2023 was the notion of platformization/consolidation of the security tool stack. The swinging of the pendulum between platforms versus best-of-breed point solutions is perennial, but the macro backdrop has certainly tilted the scales toward consolidation as customers look to reduce costs. As in previous years, we personally spoke with executives from almost every Cyber 66 member, and as part of those discussions we conducted a brief survey on this topic for the 2024 report. In an attempt to better understand how cyber companies think about their platform approaches, we asked the executives two questions: 1) how many discernible products or modules comprise your entire platform; and 2) given your answer to question #1, is there a target number of products/modules that you drive toward internally that signifies a customer as buying into your platform vision? As one would imagine, the survey led to a wide array of discussions; full results, along with additional analysis/perspectives can be found below.

The last section of the report, prior to the individual company profiles, examines venture capital activity in 2023. Although public cybersecurity valuations improved throughout 2023 (median forward revenue multiples in our coverage increased from 7.9x in January 2023 to 13.7x in December 2023), fund raising activity continued to decline from suppressed levels in 2022. Venture funding in the United States decreased 36% y/y in 2023, with a 42% decrease y/y globally. Within our Cyber 66 cohort, venture funding totaled \$999M in 2023, down ~32% from 2022. For investors, maintaining the balance between growth and profitability is now the focus, and it will be interesting to witness how AI and platform strategies potentially influence this dynamic. We are excited to about the 2024 cohort of Cyber 66 companies and welcome your feedback and discussion on this impressive group of cyber firms.

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### About the Cover:

We thought it would be appropriate to utilize generative AI (OpenAI’s DALL-E 3 tool) to create the cover image for the 2024 publication. Picking just one image proved difficult, so we hope our readers enjoy the mosaic of cyber-inspired art.



**Next DLP**

**Founded:** 2016  
**Revenue:** <\$25M

www.nextdlp.com  
 1.833.639.8357

191 Wood Ln.  
 London W12 7FP, England

**Company Summary:** Next DLP is a next-generation provider in data loss prevention (DLP) and insider risk management solutions. The Reveal Platform, Next DLP’s flagship offering provides identification and risk mitigation for potentially malicious insider activities, all via a cloud-native solution. As opportunities for data loss are fueled by remote work and the risk stemming from inside users, Next DLP has an install base of over 100 customers leveraging its data protection solutions. Its differentiation from legacy DLP providers stems from a focus on contextualized, user-centric behavioral analysis.

**Products/Services:** The Reveal Platform leverages a non-intrusive and cloud-native Reveal agent to provide human-centric data protection. The platform utilizes endpoint machine learning to classify data quickly at the point-of-risk, establishing baselines for users. This system enables IT staff to focus on what is important while having prompt detection and response capabilities. Emphasizing the human aspect of cybersecurity, Next DLP touts their “human firewall” culture and mindset through real-time point-of-risk training.

**Key Officers:**  
 Connie Stack – CEO  
 Fergal Glynn – CMO  
 Irina Lazarova – Head of Finance  
 Simon Humphrey – Head of Engineering  
 Chris Denbigh-White – CSO  
 John Stringer – Head of Product  
 Sheena Blanco – Head of Customer Experience

**Competition:**  
 CyberHaven  
 Microsoft  
 NetSkope  
 Symantec  
 Forcepoint  
 Zscaler

Total Funding: \$20M

**Board of Directors:**  
 Fredrik Halvorsen – Chairman, Ubon Partners  
 OJ Winge – Partner, Ubon Partners  
 Mark Blake – Partner, Ubon Partners  
 Si Evans – Non-Executive Director, Next DLP  
 Rick Snyder – Former SVP, Cisco  
 Kjell Skappel – CEO, TD Veen

**Key Investors:**  
 TD Veen

Headcount: 90

Open Positions: 1  
 U.S. based: 0  
 International: 1  
 Sales: 0  
 Other: 1

Source: Company website, all revenues are CY-23

