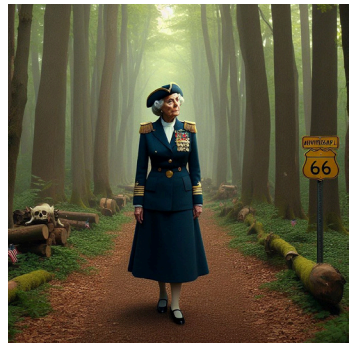
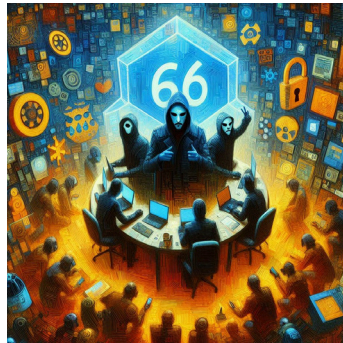


THE HOTTEST PRIVATELY HELD CYBERSECURITY COMPANIES

# 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.

**Contrast Security**



**Founded:** 2014  
**Revenue:** \$50-\$100M

www.contrastsecurity.com  
 888.371.1333

240 3rd St., 2nd Floor  
 Los Altos, CA 94022

**Company Summary:** Contrast Security enables customers to incorporate application security into the entire software development life cycle (SDLC) when developing applications. Contrast agents are injected into the code, providing sensors that detect and correct vulnerabilities prior to deployment. Working tightly with agile DevOps teams, Contrast has the ability to transform software applications from a weak point to a stronghold in an enterprise’s security stack. Contrast empowers developers to defend their applications and protect the sensitive data that they contain.

**Products/Services:** Core to the Contrast portfolio is the Contrast Secure Code Platform. The platform integrates into the developer’s pipeline and tools, and then it embeds Contrast sensors into code to support continuous security observation. The platform secures applications end to end throughout the SDLC. Leveraging a single integrated agent, the Contrast platform delivers comprehensive DevSecOps with Contrast SCA (software composition analysis), Contrast Scan (SAST), Contrast Assess (IAST), Contrast Protect (RASP), and Contrast Serverless (Cloud Native).

**Key Officers:**  
 Rick Fitz – CEO  
 Peter Daley – CFO  
 Jeff Williams – CTO & Co-Founder  
 Andy Vallila – Chief Revenue Officer  
 David Lindner – CISO  
 Julie Giannini – Chief Customer Officer

**Competition:**  
 Checkmarx  
 HP Fortify  
 Imperva (Prevoty)  
 Snyk  
 Synopsys (Black Duck)  
 Veracode

**Board of Directors:**  
 Rick Fitz – Chairman & CEO, Contrast Security  
 Brian Chang – MD, Warburg Pincus  
 Dharmesh Thakker – MD, Battery Ventures  
 Jeff Williams – CTO & Co-Founder, Contrast Security  
 Rami Elkhatib – General Partner, Acero Capital  
 John M. Jack – Ex. CEO, Fortify  
 Steven T. Mnuchin – Former Secretary of Treasury

Total Funding: \$269M

**Key Investors:**  
 Acero Capital  
 AXA Venture Partners  
 Battery Ventures  
 General Catalyst  
 Liberty Strategic Capital  
 M12  
 Warburg Pincus

Headcount: ~360

Open Positions: 10  
 U.S. based: 6  
 International: 4  
 Sales: 2  
 Other: 8

Source: Company website, all revenues are CY-23

