

DATE

April 12, 2022

SECTORS

Technology & Software

DEAL TYPE

M&A Advisory

DEAL LOCATIONS



DEAL TEAM



Matt Fiore

Managing Director



Eric Wagner

Managing Director

DC Advisory advised Critical Start on its \$215M+ strategic growth investment from Vista Equity Partners



Background

- Critical Start is a leading provider of managed detection and response (MDR) cybersecurity solutions. Critical Start's MDR platform simplifies breach prevention by helping organizations identify, assess, and respond to cyber threats in real-time while analyzing threat data to inform future responses
- Critical Start's technology and Security Operation Center (SOC) analysts leverage a proprietary automation engine and behavioral data to automatically resolve over 99% of security alerts, reduce risk acceptance and improve team productivity
- Since its founding in 2011, Critical Start has experienced rapid growth as enterprises cope with a rising volume of threats and a widening cybersecurity talent gap, resulting in the growth of its annual recurring revenue by more than 400% in the last three years

Process

- Critical Start and DC Advisory (DC) maintained close contact and conducted regular

strategic meetings after DC represented Critical Start on its growth investment from Bregal Sagemount in 2019

- Critical Start selected DC to advise on this transaction due to our deep expertise in the cybersecurity sector, long-standing relationship with both Critical Start and Bregal Sagemount and proven track record advising growth-stage companies
- DC worked closely with the management team to position Critical Start as an attractive growth opportunity within the MDR sector
- DC optimized the transaction to find the right partner for Critical Start. Investors were screened based on cybersecurity experience and ability to provide strategic resources and capital to enable Critical Start to continue along its tremendous growth trajectory

Outcome

- Critical Start announced a \$215 million plus strategic growth investment from Vista Equity Partners, a leading global investment firm
- Existing investors, Bregal Sagemount, and co-founder and CEO, Rob Davis, will both remain significant shareholders going forward
- Committed to a 100% channel go-to-market model, Critical Start will use the capital to further invest in its technology, product and service offerings, as well as meaningfully expand its talented teams to meet the massive market demand, increase its investment into developing a world-class partner ecosystem and expand its geographic reach
- This transaction closed on May 18, 2022

"This is my second time working with Matt, Eric and the DC Advisory team for CriticalStart. DC Advisory have built an effective relationship with me and my management team prior to us being a scaled-up leader in the MDR space and provided consistently good judgement and advice along our journey to this latest \$215+ million capital raise with Vista Equity as our new partner. Their knowledge of the cybersecurity landscape and investor universe is extremely impressive, and their entire team delivered a phenomenal outcome for me and my shareholders."

Rob Davis
Co-founder and CEO, Critical Start