



VISTA POINT ADVISORS

**Governance, Risk, and  
Compliance Technology  
Market Update**

Q3 2024

# **I. Executive Summary**

# Executive Summary

## Sector Overview

- By 2023, the Global Governance, Risk, and Compliance Software (“GRC Tech”) sector had reached a value of \$51b and is anticipated to surge to \$138b by 2030, exhibiting a growth rate of 15.4%.
- Regulatory change and technological innovation are accelerating in financial services. In 2024, institutions have adapted business models and solidified key policies in conduct, digital assets, AI, ESG, regulatory streamlining, operational resilience, and Basel III reforms.
- 2024 has witnessed several critical governance, risk, and compliance trends, with organizations embracing digital transformation and leveraging emerging technologies to optimize their operations.

## Q3 2024 Report Themes



Factors such as increased demand for risk management and stricter regulations are expected to fuel growth in this industry.



The GRC architecture is rapidly evolving to address interconnected risks as data transitions to cloud environments.



The overall rise in the utilization of social media governance is additionally driving growth.

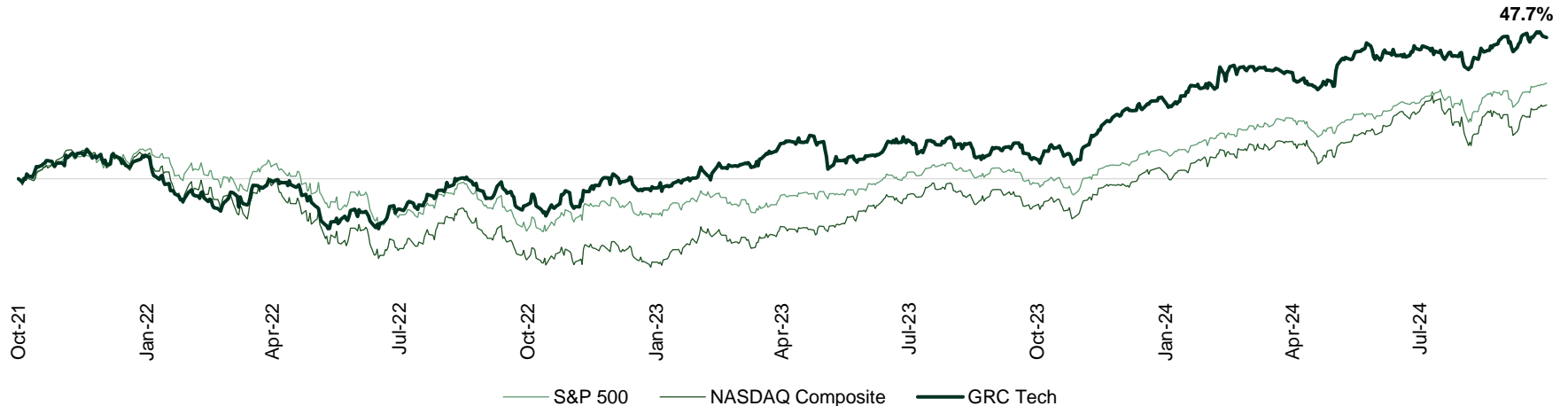


A surge in cyber threats, data theft, and concerns regarding audit security has spurred the widespread adoption of GRC solutions.



The government intends to boost spending to enhance the security of federal networks, applications, and data.

## GRC Tech Companies Performance\*



# Select Key Players in GRC Tech

## Risk Management

## Audit Management / Data Compliance

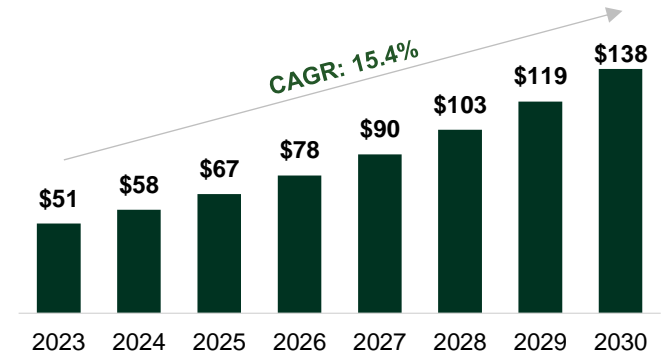
## EHS Management

*Denotes select public companies considered as part of the GRC Tech index*

# Industry Trends and Outlook (1/2)

## Global GRC Tech Market Size (\$b)

- As data increasingly migrates to cloud environments and application infrastructures, GRC architecture is swiftly evolving to tackle the interconnected risks that arise, such as dynamic risk and control mapping, arising from the expanding network of systems.
- Rising cyber threats, data theft, and audit security worries in organizations, along with widespread GRC software adoption to manage such risks, are fueling market growth.
- There has been an increase in the utilization of social media governance to efficiently communicate with clients, staff members, and customers in an organization which is further propelling growth.



## 2024 Outlook Trends



### Technological Integration

With the advent of regulatory technologies and AI, organizations are poised to enhance their GRC processes significantly. Automation will play a central role in compliance and risk management, making operations more efficient and responsive.



### Rising Cybersecurity Concerns

As reliance on third-party vendors grows, so does the cybersecurity risk. Strategies to mitigate these risks through advanced cyber risk management and continuous monitoring is expected to be prevalent.



### Focus on Sustainability

The integration of Environmental, Social, and Governance (ESG) factors into GRC strategies reflects the growing demand for sustainability and transparency in business practices.



### Interconnected GRC Strategies

The year 2024 will see a shift towards integrated GRC platforms. These systems facilitate better communication and data sharing across various organizational domains, essential for managing the increasingly interconnected risks.

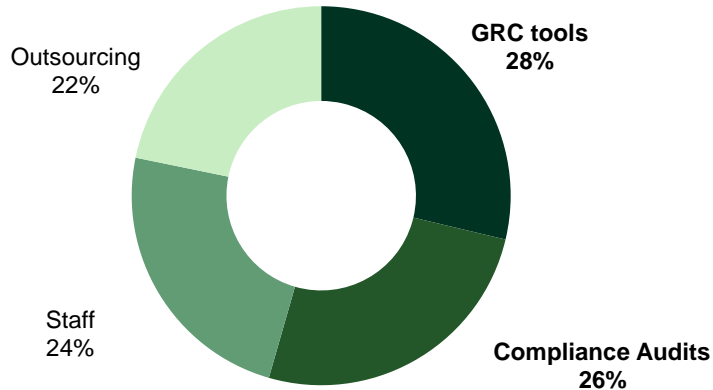


### Supply Chain and Operational Resilience

In light of recent global disruptions, strengthening supply chain and operational resilience has become paramount. Companies are adopting methods for improving resilience through proactive risk management and crisis response strategies.

# Industry Trends and Outlook (2/2)

## Allocation of Funds in Compliance



The current administration is looking to increase spending to secure federal networks, applications, and data to \$12.7b, a 13% increase over the prior year.

Furthermore, the administration is looking to spend \$200m in 2024 on the Technology Modernization Fund.

The government's 2024 budget includes more than \$500m to strengthen activities focused on modernizing programs, reducing administrative burdens, and piloting new online tools and technologies.

## Role of AI in Governance, Risk, and Compliance



### Integration of AI in Risk Assessment:

AI technologies will revolutionize risk assessment, enabling organizations to conduct real-time risk evaluations, identify vulnerabilities, and fortify risk management strategies. This integration will encourage organizations to manage risks and compliance requirements proactively.



### Automation of Compliance Monitoring:

Automating compliance monitoring through AI will streamline the oversight of regulatory adherence, detect anomalies, and facilitate proactive compliance management. This automated approach will bolster organizations' capabilities to ensure compliance with evolving regulations.



### Modeling and Predictive Analysis for Risk Management:

AI-driven modeling and predictive analysis will empower organizations to anticipate risks, model potential scenarios, and fortify risk management frameworks. This predictive approach will enable organizations to mitigate risks proactively and optimize their GRC strategies.

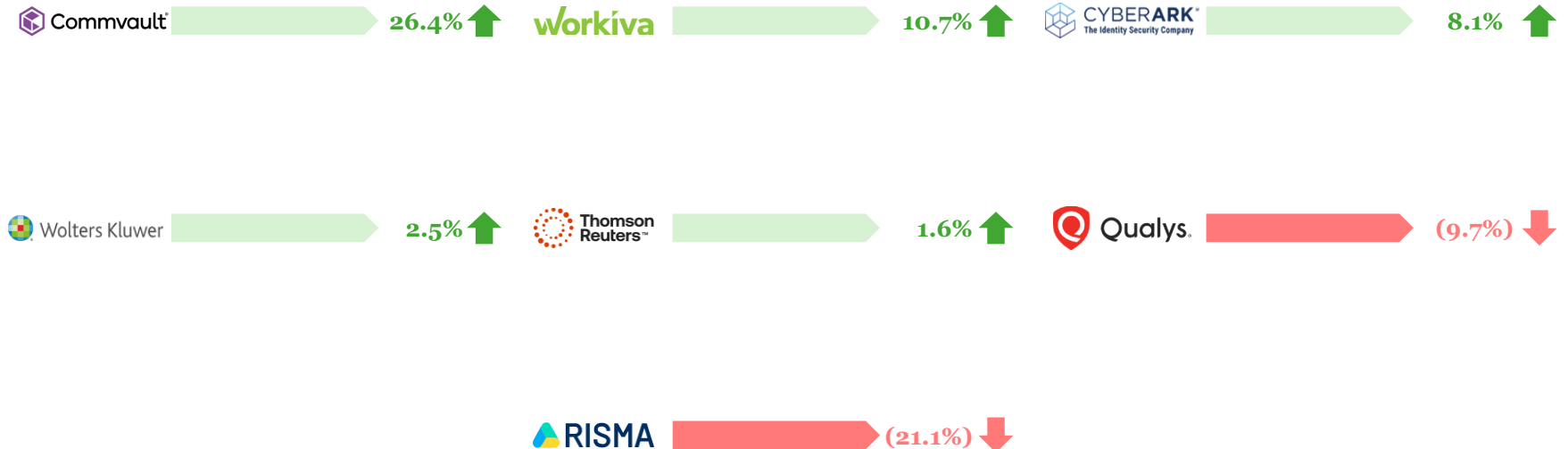
### **III. Capital Markets & Public Trading Data**

# Public Companies Performance (1/3)

## Select GRC Tech Public Companies Constituting the Public Index



## Q3 24 GRC Tech Companies Performance

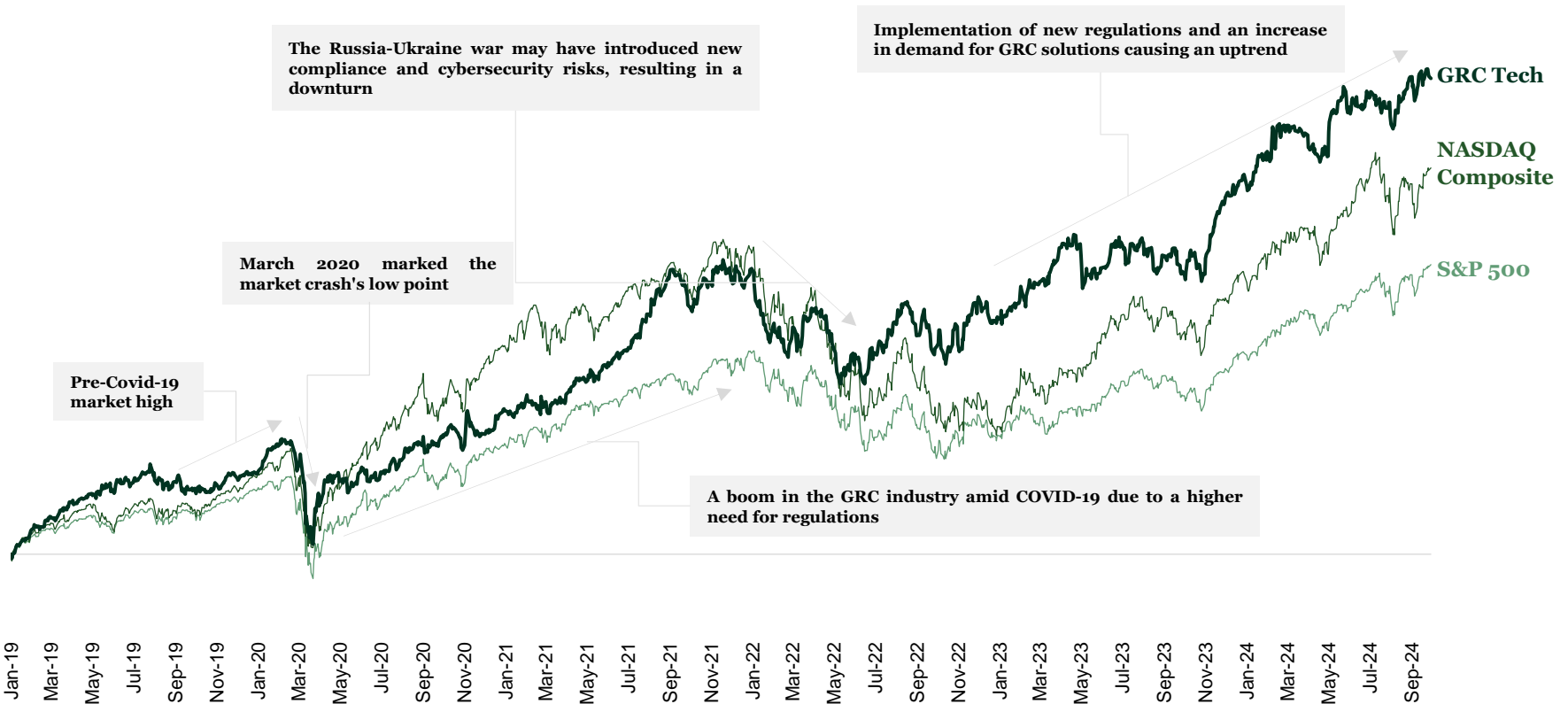




# Public Companies Performance (2/3)

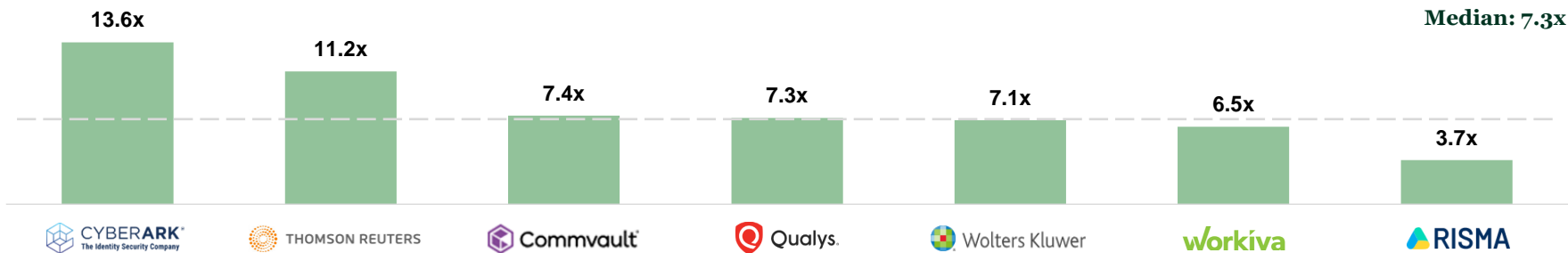
The GRC Tech sector's performance outperformed the S&P 500 and NASDAQ composite. Emerging technologies such as 5G, the Internet of Things, high-performance computing, and intelligent edge appear crucial for the technology sector's overall recovery, driving increased demand for GRC software.

Index Growth	CY 23	Q3 23	Q3 24
GRC Tech	31.2%	(4.8%)	2.8%
S&P 500	24.7%	(3.8%)	5.2%
NASDAQ Composite	44.5%	(4.3%)	1.7%

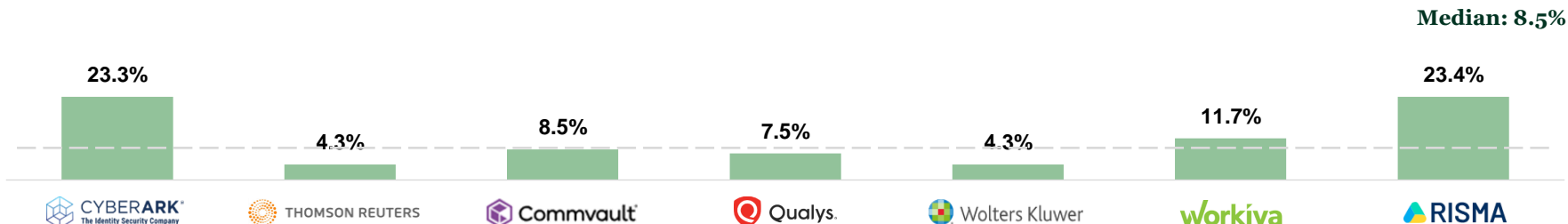


# Public Companies Performance (3/3)

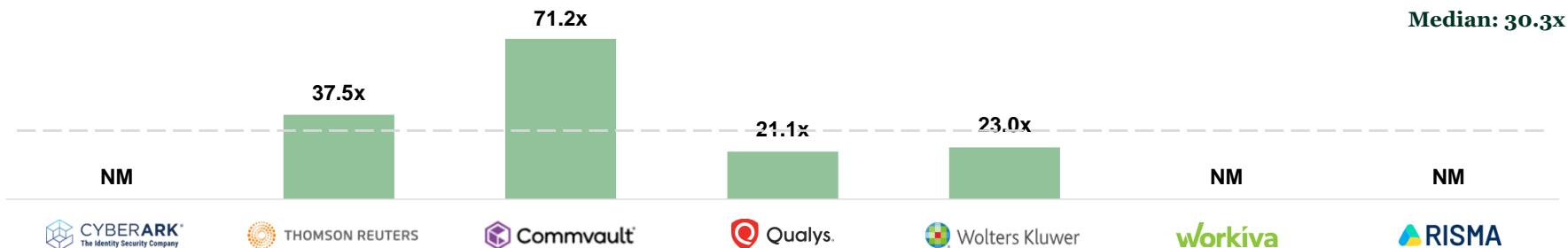
## EV/Revenue (LTM)



## Revenue Growth (LTM)



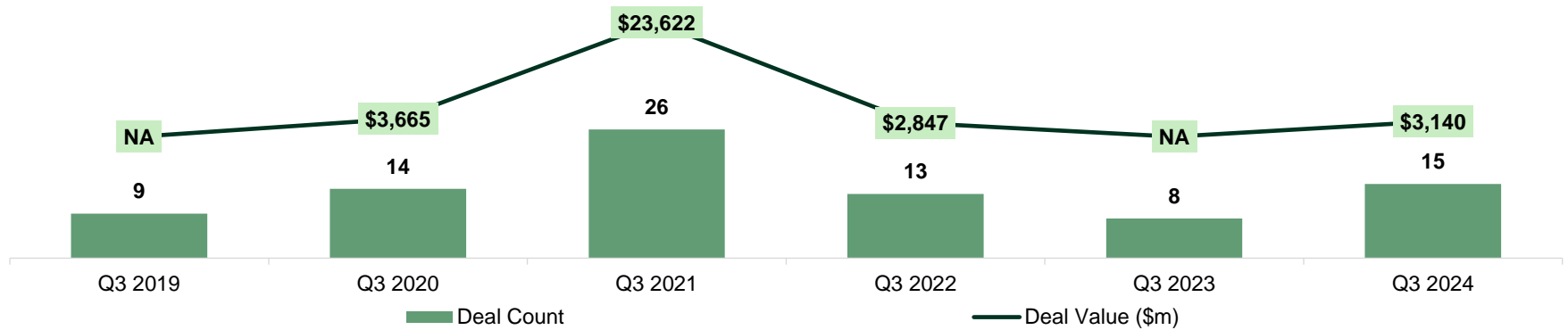
## EV/EBITDA (LTM)



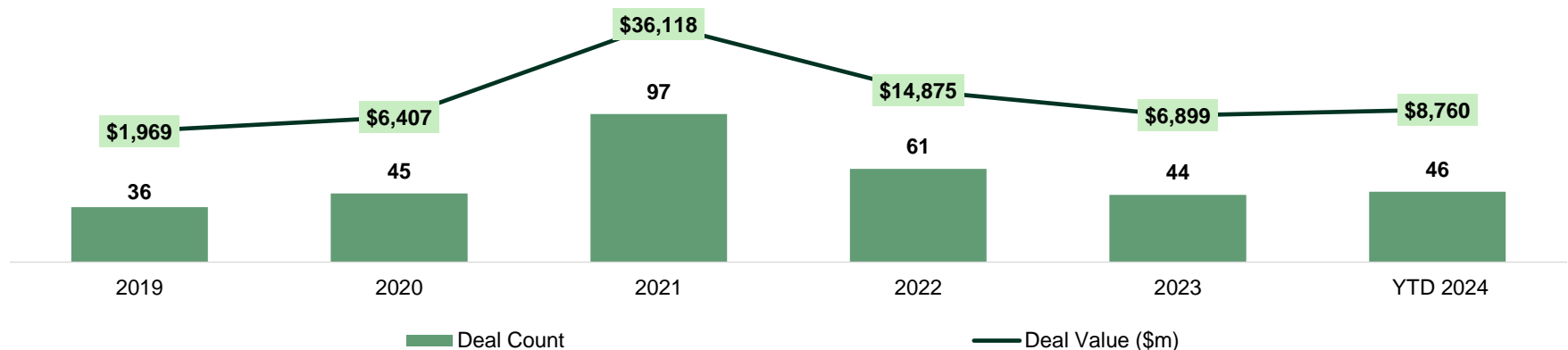
# GRC Tech M&A Activity (1/4)

M&A transactions in the GRC industry peaked in 2021 and has since declined, possibly due to liquidity constraints. In 2024, several compliance technology sectors, such as GRC, EHS, and SCRM, are seeing strong M&A activity. Demand for GRC software is also increasing due to growing regulatory complexity and business risk.

## Historical Q3 M&A Summary



























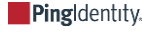
















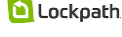


















## Annual M&A Summary



# GRC Tech M&A Activity (2/4)

## Most Active Buyout Investors

Active Investors from 2019 – Q3 2024			
Company Name	Investor Type	# of New Investments	Notable Investments
 Hg	PE/Buyout	11	      
 INSIGHT PARTNERS	Growth/Expansion	10	      
 TA ASSOCIATES	PE/Buyout	10	      
 THOMABRAVO	PE/Buyout	8	      
 CLEARLAKE	PE/Buyout	6	    
 VISTA EQUITY PARTNERS	PE/Buyout	6	     
 NOBLE ROCK SOFTWARE	PE/Buyout	5	    
Blackstone	PE/Buyout	4	   
 STG SYMPOHONY TECHNOLOGY GROUP	PE/Buyout	4	   

# GRC Tech M&A Activity (3/4)

Date	Target	Buyer	Sub-Sector	Deal Size	EV/Revenue	Target Description
30-Sep	 BLACK DUCK	 CLEARLAKE	Risk Management	\$2,100m	Undisclosed	<ul style="list-style-type: none"> <li>Developer of security and license management software designed to enhance value while reducing risk from open source.</li> </ul>
30-Sep	 VANTAGE POINT	 LCP tracker	Data Compliance	Undisclosed	Undisclosed	<ul style="list-style-type: none"> <li>Developer of a contract compliance software based in Costa Mesa, California.</li> </ul>
17-Sep	 alcion	 VEEAM	Risk Management	Undisclosed	Undisclosed	<ul style="list-style-type: none"> <li>Developer of an AI-driven data protection platform designed to securely protect data from ransomware, malware, accidents, and outages.</li> </ul>
6-Sep	 HATCH COMPLIANCE	 Kipu	Data Compliance	Undisclosed	Undisclosed	<ul style="list-style-type: none"> <li>Developer of a compliance management system designed to manage all compliance and operations needs for behavioral healthcare companies.</li> </ul>
30-Aug	 venminder AN NCONTRACTS COMPANY	 N CONTRACTS	Risk Management	Undisclosed	Undisclosed	<ul style="list-style-type: none"> <li>Developer of a vendor risk management platform designed to address the tactical challenges of vendor management tasks.</li> </ul>
29-Aug	 N CONTRACTS	 Hq	GRC Suite	\$40m	Undisclosed	<ul style="list-style-type: none"> <li>Developer of integrated risk management software designed to continually improve clients' ability to manage risk and compliance.</li> </ul>
16-Aug	 iconectiv	 KOCH EQUITY DEVELOPMENT	Risk Management	\$1,000m	Undisclosed	<ul style="list-style-type: none"> <li>Developer of cloud-based information as a service network and operations management and numbering solutions intended for digital identity management and fraud prevention.</li> </ul>
15-Aug	 CYBER TRUST ALLIANCE	 coreplus	Risk Management	Undisclosed	Undisclosed	<ul style="list-style-type: none"> <li>Developer of risk management and compliance software intended to cater to organizations and their third-party vendors.</li> </ul>

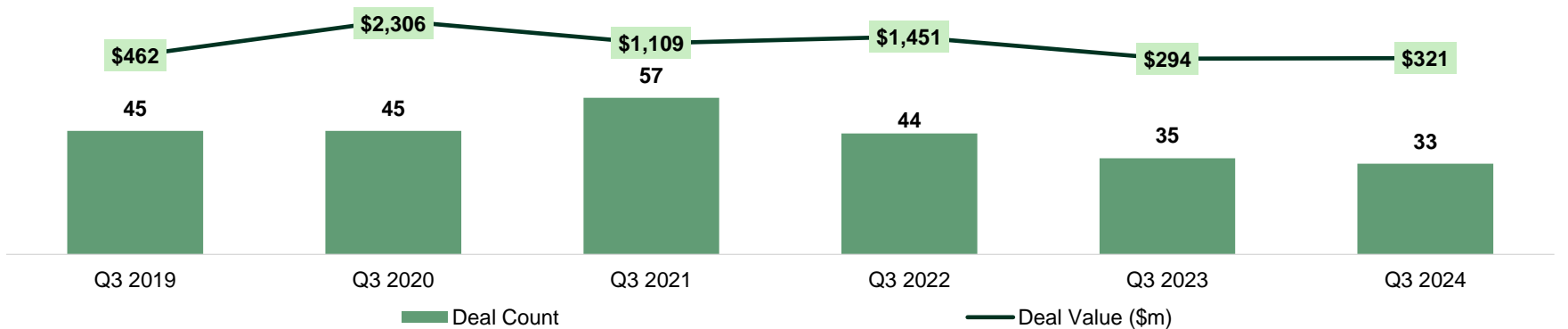
# GRC Tech M&A Activity (4/4)

Date	Target	Buyer	Sub-Sector	Deal Size	EV/Revenue	Target Description
14-Aug	<b>Aware</b>	<b>mimecast</b>	GRC Suite	Undisclosed	Undisclosed	<ul style="list-style-type: none"> <li>Developer of governance, compliance, and monitoring platforms designed to make enterprises throughout the world more connected, collaborative, and secure.</li> </ul>
31-Jul	 <b>SECURVIEW</b>	 <b>gruve</b>	Risk Management	Undisclosed	Undisclosed	<ul style="list-style-type: none"> <li>Provider of risk assessment and managed security services designed to deliver services that protect organizations against security threats.</li> </ul>
29-Jul	<b>FileTrail</b>	 <b>LITERA</b>	GRC Suite	Undisclosed	Undisclosed	<ul style="list-style-type: none"> <li>Developer of a governance software suite designed for legal firms and corporate departments.</li> </ul>
26-Jul	 <b>lemon squeezezy</b>	 <b>stripe</b>	Audit Management	Undisclosed	Undisclosed	<ul style="list-style-type: none"> <li>Developer of payment software designed to cater SaaS business.</li> </ul>
24-Jul	<b>eComplySolutions</b>	 <b>B2GNOW</b>	Data Compliance	Undisclosed	Undisclosed	<ul style="list-style-type: none"> <li>Developer of a cloud-based labor compliance and diversity management service based in Bellevue, Washington.</li> </ul>
23-Jul	 <b>Aberrant</b>	 <b>360ADVANCED</b>	GRC Suite	Undisclosed	Undisclosed	<ul style="list-style-type: none"> <li>Developer of an information security management platform designed to offer clients compliance and security automation.</li> </ul>
11-Jul	 <b>LeaseAccelerator</b>	 <b>insightsoftware</b>	Data Compliance	Undisclosed	Undisclosed	<ul style="list-style-type: none"> <li>Developer of a global lease lifecycle automation software designed to improve cash flow and simplify compliance.</li> </ul>
			<b>Median</b>	<b>\$1,000m</b>	<b>NA</b>	

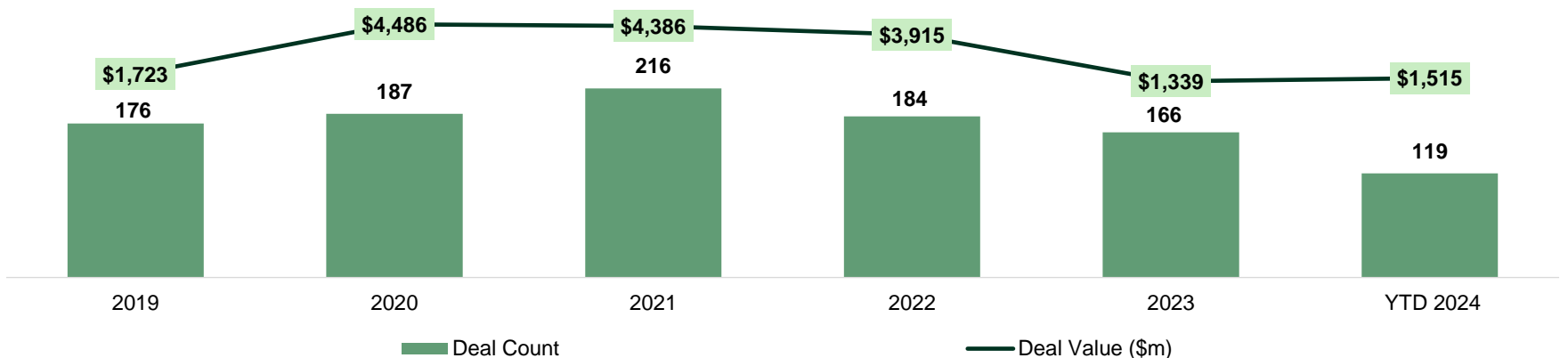
# GRC Tech Investment Activity (1/6)

Rising regulatory complexity and key trends are boosting demand for compliance technology, presenting investment opportunities. Key factors include the integration of employee safety and asset risk management, a focus on business continuity, heightened internal security, and greater emphasis on supply chain transparency and risk mitigation.

## Historical Q3 Financing Summary



















































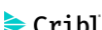







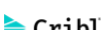













## Annual Financing Summary



















# GRC Tech Investment Activity (2/6)

## Most Active Minority Investors



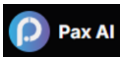













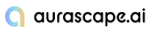

Active Investors from 2019 – Q3 2024			
Company Name	Investor Type	# of New Investments	Notable Investments
	Growth/Expansion	24	      
	Venture Capital	17	      
	Venture Capital	16	      
	Venture Capital	14	      
	Venture Capital	12	     
	Venture Capital	11	      
	Growth/Expansion	10	      
	Venture Capital	9	      
	Venture Capital	9	     





















# GRC Tech Investment Activity (3/6)

Date	Target	Buyer	Sub-Sector	Deal Size	EV/Revenue	Target Description
30-Sep	 NOTICE NINJA DIGITAL NOTICE COMPLIANCE	 TAMPA BAY wave	Data Compliance	Undisclosed	Undisclosed	<ul style="list-style-type: none"> <li>Developer of a digital notice compliance platform designed to streamline back-office tax operations.</li> </ul>
19-Sep	 OPNOVA	 Preface Ventures scalex	Data Compliance	<\$10m	Undisclosed	<ul style="list-style-type: none"> <li>Developer of information technology and compliance optimization platform designed to bridge the automation gap to improve operational processes.</li> </ul>
17-Sep	 MontyCloud	18 09 CAPITAL	GRC Suite	<\$10m	Undisclosed	<ul style="list-style-type: none"> <li>Developer of a cloud management platform designed to simplify the management and governance of modern cloud infrastructure, applications, and services.</li> </ul>
16-Sep	 agri*trak	Morgan Stanley	EHS Management	<\$10m	Undisclosed	<ul style="list-style-type: none"> <li>Developer of labor tracking and compliance software designed to streamline farm management for every farmer.</li> </ul>
11-Sep	 RiskScout	 FIS	Data Compliance	Undisclosed	Undisclosed	<ul style="list-style-type: none"> <li>Operator of a compliance management platform intended to streamline Bank Secrecy Act (BSA) programs.</li> </ul>
9-Sep	 ob2.ai	 techstars_	Risk Management	<\$10m	Undisclosed	<ul style="list-style-type: none"> <li>Developer of an extended security intelligence platform designed to focus on data privacy and security.</li> </ul>
5-Sep	 Acu*ity	 foundation capital	GRC Suite	<\$10m	Undisclosed	<ul style="list-style-type: none"> <li>Developer of an artificial intelligence (AI) security and governance platform intended for both employees and application builders.</li> </ul>
5-Sep	 CloudSphere	 ATLANTIC BRIDGE	GRC Suite	\$12m	Undisclosed	<ul style="list-style-type: none"> <li>Developer of cloud governance platform designed for enterprises and cloud service providers.</li> </ul>
1-Sep	 Finosu	 SOMA CAPITAL	Data Compliance	Undisclosed	Undisclosed	<ul style="list-style-type: none"> <li>Developer of a compliance automation software intended to support the credit industry.</li> </ul>













# GRC Tech Investment Activity (4/6)

Date	Target	Buyer	Sub-Sector	Deal Size	EV/Revenue	Target Description
1-Sep			Risk Management	Undisclosed	Undisclosed	<ul style="list-style-type: none"> <li>Developer of AI-powered threat intelligence and response software designed for proactive cybersecurity.</li> </ul>
1-Sep			Audit Management	Undisclosed	Undisclosed	<ul style="list-style-type: none"> <li>Developer of duty drawback management software designed to streamline the claims process for customs duties.</li> </ul>
26-Aug			Risk Management	Undisclosed	Undisclosed	<ul style="list-style-type: none"> <li>Developer of a data security platform designed for businesses to operate efficiently.</li> </ul>
21-Aug			GRC Suite	<\$10m	Undisclosed	<ul style="list-style-type: none"> <li>Developer of a security and compliance intelligence platform designed to document standard security practices.</li> </ul>
19-Aug			Data Compliance	<\$10m	Undisclosed	<ul style="list-style-type: none"> <li>Developer of data validation software designed to validate the accuracy and compliance of consumer data.</li> </ul>
16-Aug			Data Compliance	<\$10m	Undisclosed	<ul style="list-style-type: none"> <li>Developer of a compliance automation software intended to support the credit industry.</li> </ul>
16-Aug			Data Compliance	<\$10m	Undisclosed	<ul style="list-style-type: none"> <li>Developer of a regulatory compliance platform designed to assist in accountability and reporting.</li> </ul>
8-Aug			GRC Suite	Undisclosed	Undisclosed	<ul style="list-style-type: none"> <li>Developer of a data governance platform designed to manage scattered databases and security policies.</li> </ul>
6-Aug			Risk Management	\$13m	Undisclosed	<ul style="list-style-type: none"> <li>Developer of generative artificial intelligence cybersecurity systems intended for organizations.</li> </ul>

# GRC Tech Investment Activity (5/6)

Date	Target	Buyer	Sub-Sector	Deal Size	EV/Revenue	Target Description
5-Aug	 vectari		Data Compliance	<\$10m	Undisclosed	<ul style="list-style-type: none"> <li>Developer of bank-grade AI tools designed to help in compliance functions.</li> </ul>
1-Aug	 Lukka		Audit Management	\$52m	Undisclosed	<ul style="list-style-type: none"> <li>Developer of a financial, audit, and compliance platform designed for solving complex data challenges.</li> </ul>
31-Jul			Data Compliance	<\$10m	Undisclosed	<ul style="list-style-type: none"> <li>Developer of compliance platform designed to help simplify the privacy challenges faced by data-powered organizations.</li> </ul>
30-Jul			GRC Suite	\$21m	Undisclosed	<ul style="list-style-type: none"> <li>Developer of AI governance platform designed to automate artificial intelligence oversight and risk management.</li> </ul>
25-Jul			Data Compliance	<\$10m	Undisclosed	<ul style="list-style-type: none"> <li>Developer of an artificial intelligence tool designed to automate compliance processes in organizations.</li> </ul>
24-Jul			Risk Management	\$150m	Undisclosed	<ul style="list-style-type: none"> <li>Developer of a compliance and security automation software designed to keep consumer data safe.</li> </ul>
22-Jul			Risk Management	\$27m	Undisclosed	<ul style="list-style-type: none"> <li>Operator of an identity security platform intended for modern enterprises.</li> </ul>
20-Jul			Data Compliance	<\$10m	Undisclosed	<ul style="list-style-type: none"> <li>Developer of compliance management software designed to streamline regulatory document analysis for manufacturers.</li> </ul>
15-Jul			EHS Management	<\$10m	Undisclosed	<ul style="list-style-type: none"> <li>Developer of labor tracking and compliance software designed to streamline farm management for every farmer.</li> </ul>

# GRC Tech Investment Activity (6/6)

Date	Target	Buyer	Sub-Sector	Deal Size	EV/Revenue	Target Description
12-Jul	 BITE		Risk Management	Undisclosed	Undisclosed	<ul style="list-style-type: none"> <li>Developer of an AI-powered compliance platform designed to identify and mitigate risks in real-time across trade, financial, and cyber-related transactions.</li> </ul>
3-Jul	 EasyFiling		Audit Management	<\$10m	Undisclosed	<ul style="list-style-type: none"> <li>Operator of a tax compliance platform intended for non-residents.</li> </ul>
3-Jul			Risk Management	<\$10m	Undisclosed	<ul style="list-style-type: none"> <li>Developer of a cybersecurity SaaS company intended to offer identity and access management.</li> </ul>
1-Jul			Data Compliance	<\$10m	Undisclosed	<ul style="list-style-type: none"> <li>Provider of artificial intelligence compliance and monitoring solutions intended for affiliate marketing.</li> </ul>
1-Jul			GRC Suite	Undisclosed	Undisclosed	<ul style="list-style-type: none"> <li>Developer of web-based regulatory compliance platform intended to provide governance, risk management, and compliance services.</li> </ul>
1-Jul			EHS Management	Undisclosed	Undisclosed	<ul style="list-style-type: none"> <li>Developer of compliance software intended for industrial coatings, infrastructure, marine, oil and gas, and renewables industries.</li> </ul>

## **IV. Vista Point Advisors Overview & Credentials**

# A Truly Unconflicted Approach

**Vista Point Advisors Is  
The Leading Sell-Side  
Investment Bank  
Exclusively Focused On  
M&A and Capital Raising  
For Founder-Led  
Software And Internet  
Companies**

- Focus on **Founder-Led**, minimally-funded businesses

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- Unconflicted advice: **exclusively** a sell-side advisor

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- Software and Internet domain expertise

# Key Metrics

**120**

TRANSACTIONS

**22**

INVESTMENT BANKERS

**24%**

CROSS BORDER DEALS

**\$50 – \$400M**

TRANSACTION SIZE RANGE

**\$7.8B**

TOTAL ENTERPRISE VALUE

**\$6.0B**

LIQUIDITY TO FOUNDERS

**100%**

SELL-SIDE TRANSACTIONS

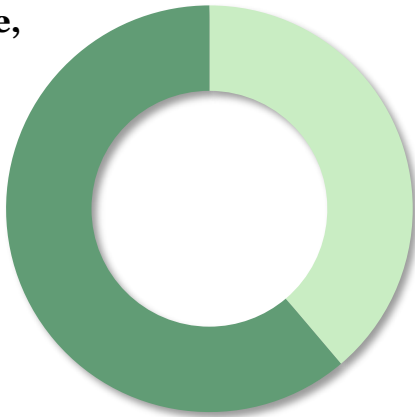
**1,500+**

LOIs RECEIVED

**10+ Years**

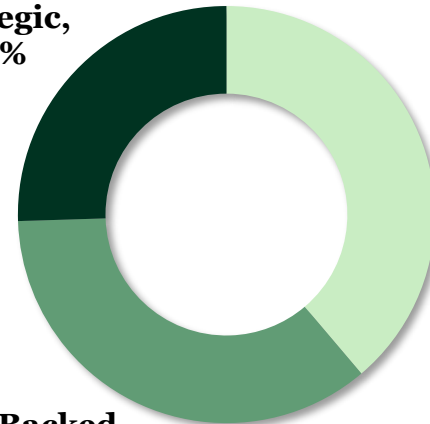
SENIOR BANKER TENURE

**Full Sale,  
61%**



**Investment,  
39%**

**Strategic,  
26%**



**PE Platform,  
39%**

**PE-Backed  
Strategic, 36%**

# Leading Advisor to Founder-Led Technology Companies

The past thirty-six months have been a record at VPA. Here are our results:

**42**  
CLOSED TRANSACTIONS

**\$3.6B**  
ENTERPRISE VALUE

**9.0x**  
AVG. ARR MULTIPLE

 investment from 	 acquired by 	Undisclosed acquired by 	 acquired by 	 acquired by 	 acquired by 	 investment from 
 investment from 	 investment from 	 acquired by 	 investment from 	 investment from 	Undisclosed acquired by 	 acquired by 
 acquired by 	Undisclosed acquired by 	 investment from 	 investment from 	 investment from 	 investment from 	 acquired by 
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# For Founders

## Perspectives

[Learn More](#)

**SaaS Founder Focus in an Election Year: Separating Hype from Market**

**The Pitfalls of Prematurely Sharing Data with Investors**

**The Reason So Many Private Equity Firms Call You**

Why Do So Many Private Equity Firms Call You?

with **Michael Lyon**  
FOUNDER & VENTURE PARTNER

VISTA POINT ADVISORS

## Insights

[Learn More](#)

**The Do's and Don'ts of Sell-Side Due Diligence**

**Why Hire an Investment Banker When Selling Your Company**

**Transaction Options: Minority vs. Majority vs. Full Sale**

Transaction Options: Minority vs. Majority vs. Full Sale Transaction

with **Michael Lyon**  
FOUNDER & VENTURE PARTNER

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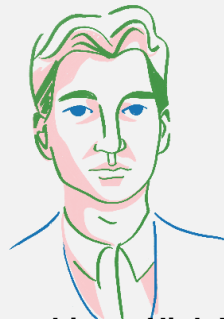
## Sell-Side Stories

[Browse All Founder Stories](#)



### Keeping Buyers Competitive Through Non-Exclusive Diligence

By: Jonathan Pototschnik  
Co-Founder, Service Autopilot



### Reaching a High Valuation Through Strategic Positioning

By: Jake Harrington  
Founder, On-Site

# The Path To Exit

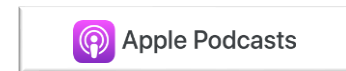
A VISTA POINT ADVISORS PODCAST

Learn what every technology founder needs to know as they grow their business towards an eventual M&A transaction.

In this podcast, Mike Lyon from Vista Point Advisors chats with tech founders and the VPA team to address questions like: - What is the process for selling a software or internet business? - What drives the valuation of a SaaS business? - What are my different transactions options? - And more.



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Software & Internet M&A Advisory

Founder-Led Focus

Unconflicted Advice

*[vistapointadvisors.com](http://vistapointadvisors.com)*