



Cybersecurity M&A Market Update

Q1 2025 Overview and 2025 Outlook



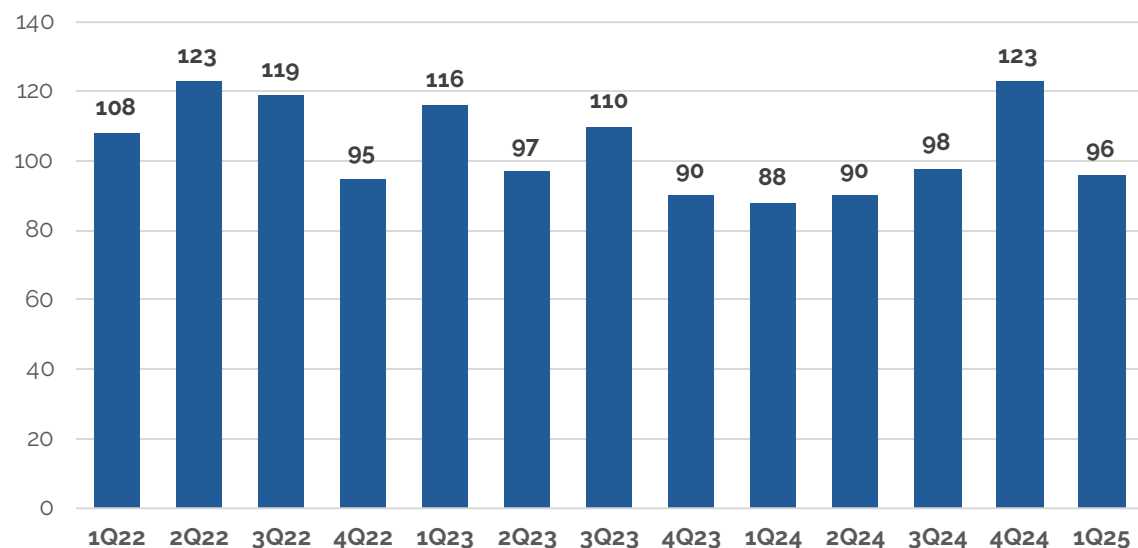
Cybersecurity

M&A Update and Commentary

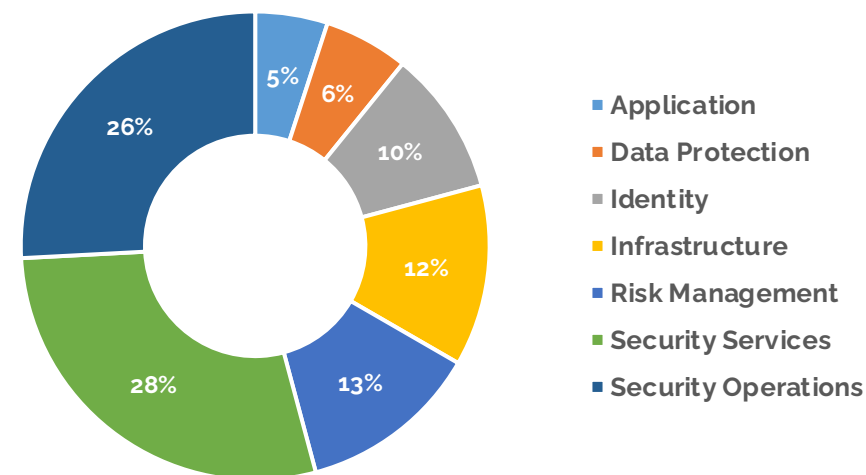
Market Commentary

- In Q1 2025, M&A transaction activity for cybersecurity companies declined compared to the previous quarter, although it increased compared to the same period last year. There was a significant drop in activity during February and March, following a strong start in January. This slowdown was likely attributed to heightened macroeconomic uncertainty.
- Despite the macro environment, overall M&A transaction activity in the cybersecurity sector remains robust. This is evidenced by continued consolidation among strategic buyers, highlighted by **Google's** announced acquisition of cloud security leader **Wiz** for an impressive **\$32 billion** in March.
- **Security Operations** constituted the **largest sub-sector of M&A activity**, followed by **Risk Management**, **Infrastructure**, and **Identity**. Strategic acquirers are increasingly unifying disparate security tools to simplify operations and gain greater visibility across organizations' attack surface and prioritize cyber risks.
- Total funding for venture capital-backed cybersecurity companies increased by **29%** sequentially to **\$2.7 billion in Q1 2025**. This growth reflects strong investor interest in emerging cybersecurity opportunities, in particular the disruptive potential of agentic AI for enhancing and automating security operations.
- Valuation multiples for publicly traded cybersecurity companies ranged from a median of **10.1x EV/2025E revenue** for high-growth vendors (those **growing more than 20%**) to a median of **4.6x EV/2025E revenue** for low-growth vendors (those **growing less than 10%**), likely reflecting decreased visibility around growth rates for 2025.

Cybersecurity M&A Deal Volume, Q1 2022 – Q1 2025



















Cybersecurity M&A Deal Mix, Q1 2025



















Cybersecurity Industry Landscape

Application	Data Protection	Identity	Infrastructure	Risk Management	Security Operations
Operation & Security <div> </div>	Data Security <div> </div>	Access Management <div> </div> Identity Governance <div> </div>	Network <div> </div> Cloud <div> </div> Endpoint <div> </div>	GRC <div> </div> Operations <div> </div>	Managed Security <div> </div> Security Automation <div> </div>
Secure Development <div> </div>	Data Governance <div> </div>	Lifecycle Management <div> </div>			









Cybersecurity: Selected M&A Activity, Q1 2025

Announced Date	Target	Acquirer	Buyer Type	Sector	Transaction Size (\$MM)	Target Description
Mar-25			Strategic	Infrastructure	\$32,000	Wiz is a cloud security platform that facilitates collaboration between security, dev, and DevOps teams
Mar-25			Financial	Infrastructure	NA	NetWitness provides network security monitoring software products for commercial and government organizations internationally
Mar-25			Strategic	Infrastructure	\$120	OTORIO provides cybersecurity solutions for operational technology environments, helping industrial companies manage digital risks
Mar-25			Financial	Identity	\$295	IDnow provides advanced machine-learning technology for its Identity Verification-as-a-Service platform
Mar-25			Strategic	Identity	\$215	Identity Automation provides identity and access management solutions for user authentication, authorization and access privileges
Feb-25			Strategic	Data Protection	\$38	Votiro's data security platform automatically scans and sanitizes every file sent or shared and reconstructs a fully functional, threat-free file
Feb-25			Strategic	Identity	\$165	Zilla Security's Identity Governance Automation SaaS platform automates the processes of identity compliance, provisioning, and security
Feb-25			Strategic	Risk Management	\$250	SafeBase's trust center platform enables friction-free security reviews to facilitate how companies communicate their security and trust posture

Cybersecurity: Selected M&A Activity, Q1 2025 (cont.)

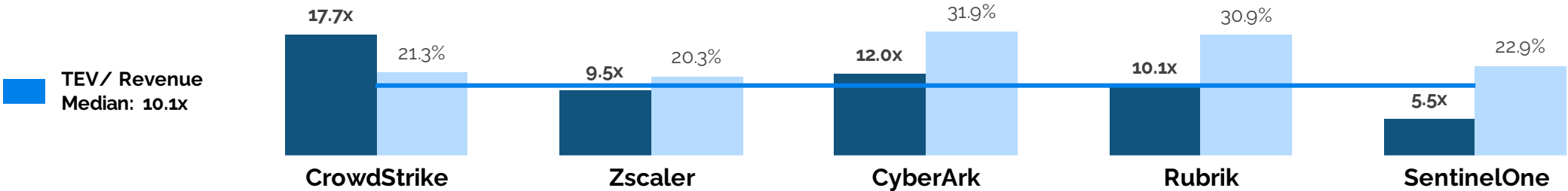
Announced Date	Target	Acquirer	Buyer Type	Sector	Transaction Size (\$MM)	Target Description
Feb-25	 SOLARWINDS	 TURN // RIVER	Financial	Infrastructure	\$4.400	SolarWinds provides information technology and management software that manages IT infrastructures
Jan-25	 ASSETNOTE	 SEARCHLIGHT CYBER	Strategic	Security Operations	\$62	AssetNote provides reconnaissance and continuous security analysis to help enterprises gain insight and control of their evolving exposure
Jan-25	 VULCAN	 tenable	Strategic	Security Operations	\$150	Vulcan Cyber's vulnerability remediation platform centralizes, prioritizes, and reduces enterprise cyber risk across the entire attack surface
Jan-25	 Dropsuite	 ninjaOne	Strategic	Data Protection	\$252	Dropsuite's software platform enables small and medium enterprises to backup, recover, and protect their digital assets
Jan-25	 W / T H [®] secure	 Neqst	Financial	Security Services	\$23	WithSecure's cybersecurity consulting unit provides offensive security consultancy services
Jan-25	 CYBERSAFE SOLUTIONS	 CyberMaxx	Strategic	Security Operations	NA	CyberSafe Solutions provides proactive cybersecurity services to identify and mitigate cyber threats
Jan-25	 onShore SECURITY	 CyberMaxx	Strategic	Security Operations	NA	onShore Security provides 24/7 real-time monitoring, correlation, and analysis of organization-wide network security data
Jan-25	 Alteryx	 Chainalysis	Strategic	Identity	\$150	Alteryx provides AI-powered threat intelligence designed for cross-chain transactions and asset allocation

Cybersecurity: Selected M&A Activity, Q1 2025 (cont.)

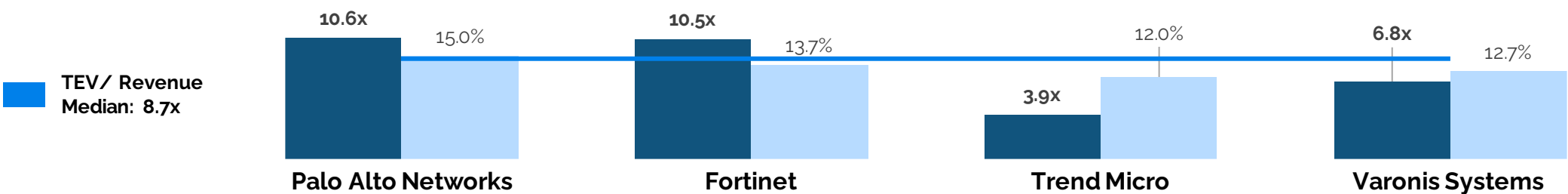
Announced Date	Target	Acquirer	Buyer Type	Sector	Transaction Size (\$MM)	Target Description
Jan-25			Strategic	Security Services	NA	Kivu is a cybersecurity consulting firm that provides incident response, risk management, and cyber forensics investigation services
Jan-25			Strategic	Security Operations	\$162	Cado Security provides a cloud-native digital forensics platform designed for enterprises to investigate and respond to cyber incidents
Jan-25			Strategic	Security Operations	NA	ActZero provides software solutions used to enable managed security services through a unified, artificial intelligence-driven security platform
Jan-25			Strategic	Application	NA	Phylum's cybersecurity platform defends applications at the perimeter of the open-source ecosystem and the tools used for software development

2025E Market Valuation Metrics

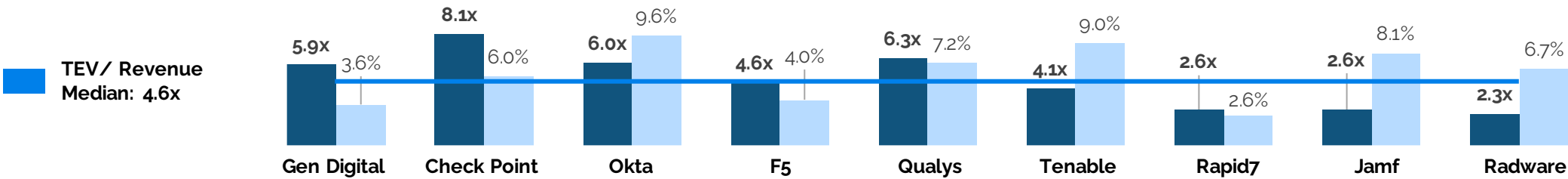
High Growth: Cybersecurity Total Enterprise Value (TEV)/ Revenue and Revenue Growth Rate



Medium Growth: Cybersecurity TEV/ Revenue and Revenue Growth Rate



Low Growth: Cybersecurity TEV/ Revenue and Revenue Growth Rate



Note: High growth implies 2025E revenue growth greater than 20%; medium growth between 10% and 20%; and low growth, less than 10%

Cybersecurity: Public Comparables

(\$ in millions, except for stock price)				TEV		TEV	P/E				Revenue Growth	EBITDA Margin	Rule of 40
				Revenue		EBITDA ⁽¹⁾	EPS						
	Stock Price	Market	Enterprise										
	3/31/2025	Capitalization	Value	2024E	2025E	LTM	2024E	2025E	2024E	2025E	LTM	LTM	
High Growth Cybersecurity													
CrowdStrike	\$ 352.58	\$ 88,520	\$ 85,020	21.5x	17.7x	NA	NA	NA	29.3%	21.3%	2.6%	32.0%	
Zscaler	198.42	32,050	30,410	11.4x	9.5x	NA	NA	NA	22.7%	20.3%	-2.4%	25.4%	
CyberArk	338.00	16,610	15,790	15.8x	12.0x	NA	NA	NA	33.1%	31.9%	-1.1%	32.0%	
Rubrik	60.98	12,080	11,730	13.2x	10.1x	NA	NA	NA	41.2%	30.9%	-125.5%	NA	
SentinelOne	18.18	6,210	5,510	6.7x	5.5x	NA	NA	NA	32.3%	22.9%	-36.4%	NA	
High Growth Median				13.2x	10.1x	NA	NA	NA	32.3%	22.9%	-2.4%	32.0%	
Medium Growth Cybersecurity													
Palo Alto Networks	\$ 170.64	\$ 114,380	\$ 112,120	12.2x	10.6x	NA	NA	NA	14.5%	15.0%	15.9%	29.8%	
Fortinet	96.26	74,280	71,290	12.0x	10.5x	NA	NA	NA	12.3%	13.7%	32.3%	44.5%	
Trend Micro	66.94	9,050	7,640	4.4x	3.9x	15.6x	NA	NA	-1.8%	12.0%	28.3%	26.5%	
Varonis Systems	40.45	4,690	4,210	7.6x	6.8x	NA	NA	NA	10.4%	12.7%	-18.1%	NA	
Medium Growth Median				9.8x	8.7x	15.6x	NA	NA	11.3%	13.2%	22.1%	29.8%	
Low Growth Cybersecurity													
Gen Digital	\$ 26.54	\$ 16,290	\$ 23,940	6.1x	5.9x	10.8x	12.0x	10.9x	2.8%	3.6%	56.6%	59.7%	
Check Point Software	227.92	24,750	21,990	8.6x	8.1x	23.5x	24.9x	23.0x	6.2%	6.0%	36.4%	42.7%	
Okta	105.22	18,750	17,210	6.6x	6.0x	NA	NA	32.8x	15.3%	9.6%	1.0%	16.3%	
F5	266.27	15,210	14,340	4.8x	4.6x	17.7x	18.5x	17.2x	7.0%	4.0%	28.1%	31.1%	
Qualys	125.93	4,640	4,110	6.8x	6.3x	20.0x	20.5x	21.7x	9.6%	7.2%	33.9%	43.4%	
Tenable	34.98	4,200	4,050	4.5x	4.1x	NA	27.1x	23.3x	12.7%	9.0%	3.8%	16.5%	
Rapid7	26.51	1,760	2,260	2.7x	2.6x	28.1x	11.6x	14.5x	8.5%	2.6%	9.5%	18.1%	
Jamf	12.15	1,610	1,770	2.8x	2.6x	NA	19.9x	14.6x	11.9%	8.1%	-1.2%	10.8%	
Radware	21.62	923	677	2.5x	2.3x	NA	24.9x	21.6x	5.2%	6.7%	2.6%	7.8%	
Low Growth Median				4.8x	4.6x	20.0x	20.2x	21.6x	8.5%	6.7%	9.5%	18.1%	
Overall Median				6.7x	6.2x	18.8x	20.2x	21.6x	12.1%	10.8%	3.2%	29.8%	

Note: High growth implies 2025E revenue growth greater than 20%; medium growth between 10% and 20%; and low growth, less than 10% (1) EBITDA multiples <0x or >35x considered not applicable ("NA")

Who We Are?

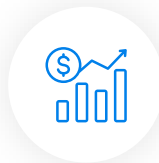
Formed in 2009, **Solganick & Co.** is a data-driven **investment bank** and **mergers and acquisitions (M&A) advisory firm** focused exclusively on the **Software** and **IT Services** sectors.

We advise buyers and sellers of technology companies on M&A strategies and execution to maximize shareholder value.

Our M&A transactions have the following characteristics:



Deal Size Range:
\$25M to \$250M+



Revenues:
\$10M to \$250M+



Client Ownership:
Founder-led and PE backed


















EBITDA:
\$2M to \$20M+

Offices located in **Dallas** and **Los Angeles**

Solganick & Co.

Select M&A Transaction Experience

Technology Services  has been acquired by ACCORDION	Technology Services NEXTIRA has been acquired by accenture	Technology Services  has merged with 66 degrees backed by 	Technology Services  has been acquired by Atos	Technology Services  has been recapitalized by FORT POINT CAPITAL
Technology Services  has merged with DataStorage CORPORATION	Technology Services  has been recapitalized by HCAP PARTNERS	Technology Services  has been acquired by 	Technology Services  has been acquired by  backed by 	Software  has been recapitalized by QUAD PARTNERS
Software  has been acquired by 	Technology Services  has been acquired by  backed by 	Technology Services Waypoint has been acquired by WIPFLI	Cybersecurity DRAWBRIDGE has been acquired by  <small>*Transaction completed at another investment bank</small>	Cybersecurity  has been acquired by esentire backed by WARBURG PINCUS <small>*Transaction completed at another investment bank</small>

Highlighted Transaction: *Nextira*

Solganick Advises Nextira in its Sale to Accenture

- Nextira, an AWS Premier Partner headquartered in Austin, TX, uses AWS to deliver cloud-native innovation, artificial intelligence, predictive analytics, and immersive experiences for their clients.
- Because of Solganick & Co.'s deep experience within technology services, including the buyer universe, valuation drivers, and overall M&A environment, Solganick & Co. was engaged to run a highly targeted, efficient and competitive M&A process.
- The Solganick team worked closely with Nextira management to attractively position the business and ultimately receive several attractive offers exceeding initial valuation expectations.
- Solganick & Co. supported the entire M&A process, including the client's initial selection of Accenture as well as successful transaction negotiations.
- The transaction was completed in June 2023.

Technology Services NEXTIRA has been acquired by accenture	Artificial Intelligence
	Cloud Computing
	Data & Analytics

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