



# Cybersecurity M&A Market Update

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Q2 2025 Overview and 2025 Outlook

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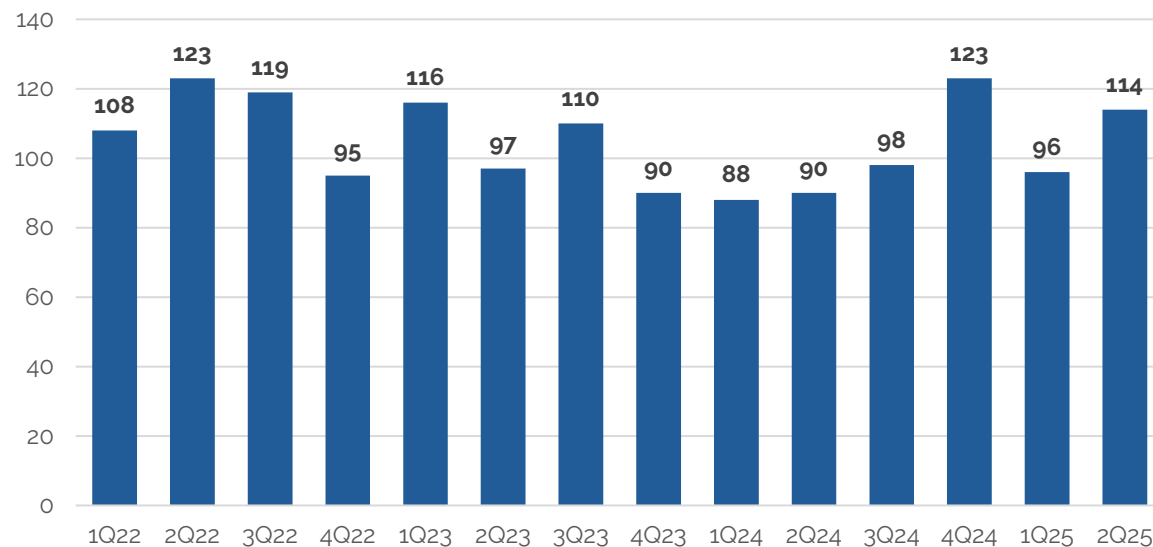
# Cybersecurity

## M&A Update and Commentary

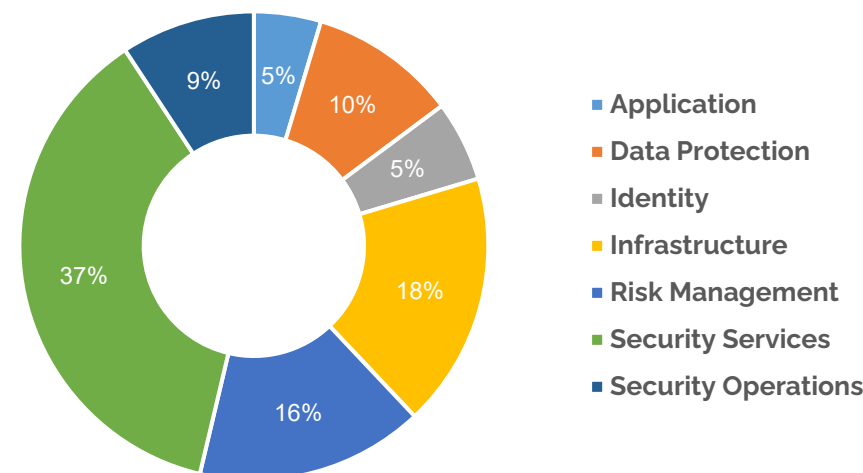
### Market Commentary

- In Q2 2025, M&A transaction activity for cybersecurity companies rebounded strongly to **114 deals**, compared to the previous quarter (**96**) and the same period last year (**90**). The quarter started at a slower pace in April, possibly due to macroeconomic and policy uncertainty, but ramped substantially in May and June.
- We expect continued consolidation activity by strategic buyers in 2H 2025, prioritizing the acquisition of critical capabilities and accretive growth, as reflected by recent transactions such as Proofpoint / Hornetsecurity (\$1 billion), Zscaler / Red Canary (\$675MM), and Palo Alto Networks / Protect AI (\$500MM+).
- **Infrastructure** constituted the **largest sub-sector of M&A activity**, followed by **Risk Management** and **Data Protection**. Artificial intelligence (AI) is especially becoming a key focus for acquirers, not only for its security benefits but also because of the escalating risks related to AI-powered applications not addressed by traditional security tools.
- Total funding for venture capital-backed cybersecurity companies reached the highest level in 3 years and totaled **\$9.4 billion** in 1H 2025, up from **\$8.8 billion** in the prior year period. Deal count decreased to **497** in 1H 2025, compared with **595** in 1H 2024, reflecting fewer deals overall but significant contribution from larger deals (>\$100MM).
- Valuation multiples for publicly traded cybersecurity companies ranged from a median of **14.2x EV/2025E revenue** for high-growth vendors (those **growing more than 20%**) to a median of **5.3x EV/2025E revenue** for low-growth vendors (those **growing less than 10%**), a substantially wider gap from the previous quarter (**8.9x** versus **5.5x**).

### Cybersecurity M&A Deal Volume, Q1 2022 – Q2 2025



















### Cybersecurity M&A Deal Mix, Q2 2025









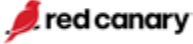









# Cybersecurity Industry Landscape

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





## Cybersecurity: Selected M&A Activity, Q2 2025

Announced Date	Target	Acquirer	Buyer Type	Sector	Transaction Size (\$MM)	Target Description
Jun-25	 Predibase	 rubrik	Strategic	Data Protection	\$100	Developer of a machine learning platform designed to make writing high-performance, low-code machine learning algorithms easy
Jun-25	 PRIMX	 MAIN CAPITAL PARTNERS	Financial	Data Protection	ND	Developer of encryption software designed to offer security services to clients, using an on-the-fly encryption technique
Jun-25	 zivver	 Kiteworks	Strategic	Infrastructure	ND	Developer of an online communication platform designed for secure data transfer by alerting users of the risks related to sensitive information
Jun-25	 TECHMD	 Integris.	Strategic	Security Services	ND	Provider of information technology services intended to bring enterprise-level productivity, scalability and security to small and medium businesses
Jun-25	 THREATQUOTIENT	 securonix	Strategic	Security Operations	ND	Developer of an extensible threat intelligence platform designed to optimize security operations through prioritization and automation for threat detection
Jun-25	 CORELLIUM	 Cellebrite	Strategic	Infrastructure	\$190	Developer of security software designed for Arm device virtualization for mobile security research, mobile app testing, and IoT device modeling
Jun-25	 TitanHQ	 redstor	Strategic	Security Operations	ND	Developer of email and web security software intended to offer protection from cyber threats
Jun-25	 FLETCH	 f5	Strategic	Infrastructure	ND	Developer of a cybersecurity platform designed to resolve cyber threats using a natural language engine to deliver intelligence at scale

## Cybersecurity: Selected M&A Activity, Q2 2025 (cont.)

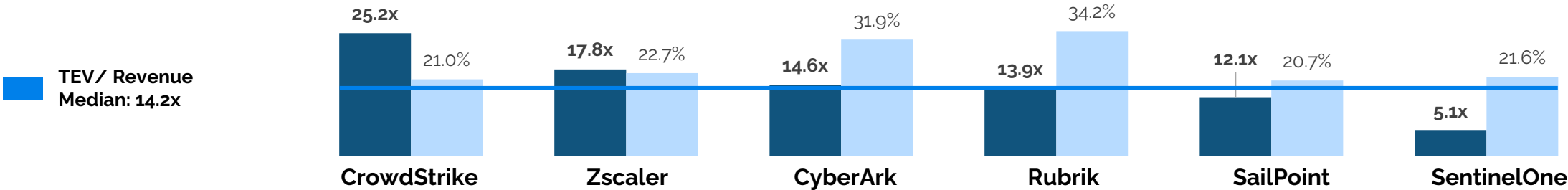
Announced Date	Target	Acquirer	Buyer Type	Sector	Transaction Size (\$MM)	Target Description
May-25			Strategic	Data Protection	ND	Developer of an artificial intelligence native data security risk remediation platform designed to provide real-time data security and privacy
May-25			Strategic	Risk Management	\$105	Developer of security tools designed to harness the power of artificial intelligence and actively mitigate AI risks on a large scale
May-25			Strategic	Security Services	\$300	Developer of cyber offense and security software created for both businesses and national security
May-25			Strategic	Security Operations	\$675	Operates as a cloud-based endpoint threat detection & response using behavioral and binary analytics
May-25			Strategic	Risk Management	\$100	Developer of a unified security posture management platform intended to maximize security while ensuring business uptime
May-25			Strategic	Infrastructure	ND	Developer of data discovery and protection platform designed to gain visibility to obtain control over sensitive data and secure SaaS applications
May-25			Strategic	Security Services	\$215	Provider of managed information technology and cybersecurity services intended to serve financial services, healthcare, and payments industries
May-25			Strategic	Infrastructure	\$1,000	Provider of cloud-based email security and data protection intended for global organizations

## Cybersecurity: Selected M&A Activity, Q2 2025 (cont.)

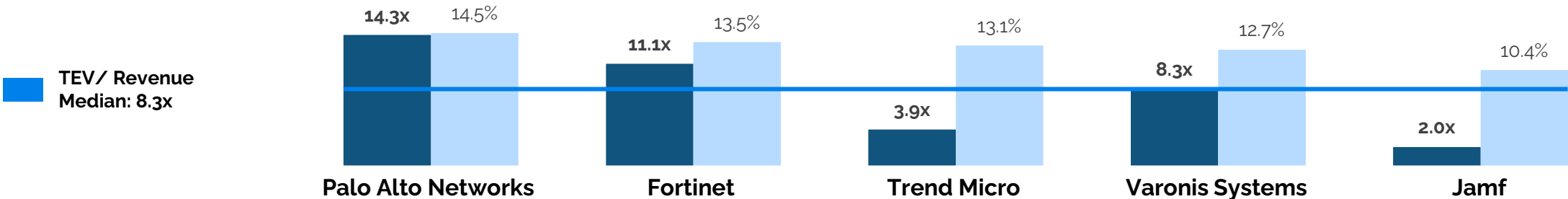
Announced Date	Target	Acquirer	Buyer Type	Sector	Transaction Size (\$MM)	Target Description
May-25	 <b>XYPRO</b> Mission Critical Security	 <b>PartnerOne</b>	Financial	Risk Management	ND	Provider of server security, compliance, audit and encryption services intended to serve businesses of all scale
Apr-25	 <b>PROTECT AI</b>	 <b>paloalto</b> NETWORKS	Strategic	Risk Management	\$500	Developer of a cybersecurity platform intended to defend against artificial intelligence security threats
Apr-25	 <b>Demyst</b>	 <b>feedzai</b>	Strategic	Risk Management	\$100	Developer of a cloud-based data workflow automation platform designed to orchestrate and operationalize external data with speed, safety and reliability
Apr-25	 <b>themissinglink</b>	 <b>Infosys</b>	Strategic	Security Services	\$62	Provider of IT solutions and services intended to help businesses achieve their goals with the right IT solutions

# 2025E Market Valuation Metrics

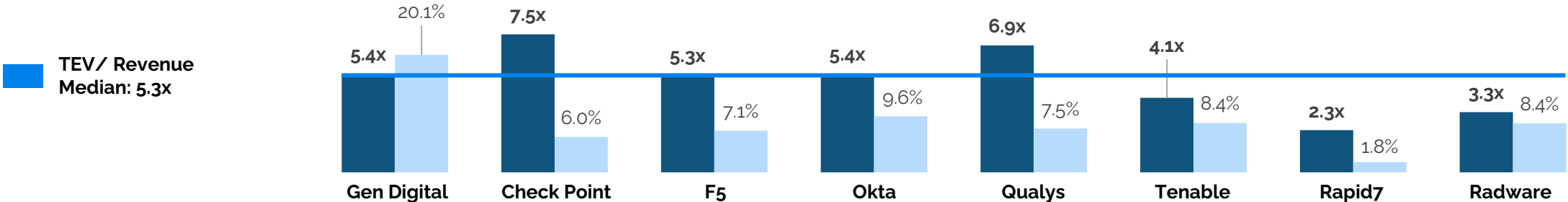
## High Growth: Cybersecurity Total Enterprise Value (TEV)/ Revenue and Revenue Growth Rate



## 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		Revenue Growth		EBITDA Margin	Rule of 40
				Revenue		EBITDA <sup>(1)</sup>					
	Stock Price 6/30/2025	Market Capitalization	Enterprise Value	2025E	2026E	LTM	FWD	2025E	2026E	LTM	LTM
<b>High Growth Cybersecurity</b>											
CrowdStrike	\$ 509.31	\$ 124,460	\$ 120,670	25.2x	20.7x	NA	NA	21.0%	22.2%	-0.3%	25.6%
Zscaler	313.94	49,090	47,320	17.8x	14.7x	NA	NA	22.7%	20.7%	-2.9%	22.6%
CyberArk	406.88	20,010	19,240	14.6x	12.2x	NA	NA	31.9%	19.7%	0.3%	35.4%
Rubrik	89.59	16,910	16,510	13.9x	11.1x	NA	NA	34.2%	25.2%	-49.2%	NA
SailPoint	22.89	12,735	12,535	12.1x	10.0x	NA	NA	20.7%	20.2%	-9.6%	13.6%
SentinelOne	18.28	5,910	5,140	5.1x	4.2x	NA	NA	21.6%	21.1%	-34.8%	NA
High Growth Median				<b>14.2x</b>	<b>11.6x</b>	<b>NA</b>	<b>NA</b>	<b>22.1%</b>	<b>20.9%</b>	<b>-6.2%</b>	<b>24.1%</b>
<b>Medium Growth Cybersecurity</b>											
Palo Alto Networks	\$ 204.64	\$ 133,740	\$ 131,250	14.3x	12.5x	NA	NA	14.5%	13.9%	14.1%	28.0%
Fortinet	105.72	78,920	75,220	11.1x	9.9x	NA	33.4x	13.5%	12.9%	33.5%	47.3%
Trend Micro	68.77	9,040	7,690	3.9x	3.7x	14.6x	12.2x	13.1%	5.6%	28.9%	37.0%
Varonis Systems	50.75	5,630	5,180	8.3x	7.2x	NA	NA	12.7%	16.3%	-16.7%	NA
Jamf	9.51	1,230	1,400	2.0x	1.8x	NA	8.7x	10.4%	9.5%	0.4%	11.1%
Medium Growth Median				<b>8.3x</b>	<b>7.2x</b>	<b>14.6x</b>	<b>12.2x</b>	<b>13.1%</b>	<b>12.9%</b>	<b>14.1%</b>	<b>32.5%</b>
<b>Low Growth Cybersecurity</b>											
Gen Digital	\$ 29.40	\$ 18,160	\$ 25,470	5.4x	5.1x	13.6x	10.0x	20.1%	5.1%	47.7%	51.3%
Check Point Software	221.25	23,460	20,520	7.5x	7.1x	21.9x	18.3x	6.0%	5.9%	36.0%	42.4%
F5	294.32	16,990	15,990	5.3x	5.1x	19.4x	14.2x	7.1%	4.0%	28.0%	33.7%
Okta	99.97	17,230	15,450	5.4x	4.9x	NA	20.6x	9.6%	9.8%	3.8%	17.3%
Qualys	142.87	5,120	4,530	6.9x	6.5x	21.4x	17.1x	7.5%	6.6%	34.0%	43.2%
Tenable	33.78	4,010	3,970	4.1x	3.8x	NA	18.1x	8.4%	7.6%	4.9%	16.7%
Rapid7	23.13	1,460	1,980	2.3x	2.2x	27.7x	13.2x	1.8%	4.2%	8.4%	14.6%
Radware	29.44	1,250	980	3.3x	3.1x	NA	NA	8.4%	6.2%	4.5%	14.0%
Low Growth Median				<b>5.3x</b>	<b>5.0x</b>	<b>21.4x</b>	<b>17.1x</b>	<b>7.9%</b>	<b>6.0%</b>	<b>18.2%</b>	<b>25.5%</b>
<b>Overall Median</b>											
				<b>6.9x</b>	<b>6.5x</b>	<b>20.4x</b>	<b>15.7x</b>	<b>13.1%</b>	<b>9.8%</b>	<b>4.5%</b>	<b>26.8%</b>

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.

Top 10 Investment Banks, Q1 2025



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+



**Client Ownership:**  
Founder-led and PE backed



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




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

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

# Solganick & Co.

## Select M&A Transaction Experience

**Technology Services**

  
kavaliro  
Joining Success

has been acquired by

**ACCORDION**

**Technology Services**

**NEXTIRA**

has been acquired by

**accenture**

**Technology Services**

 PANDERA

has merged with

**66 degrees**

backed by  **SUNSTONE PARTNERS**

**Technology Services**

 visualbi  
LOOK FORWARD. THINK AHEAD

has been acquired by

**Atos**

**Technology Services**

 **SIG**

has been recapitalized by


**FORT POINT CAPITAL**

### 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**

 **FLAGSHIP**  
SOLUTIONS GROUP

has merged with

**DataStorage CORPORATION**

**Technology Services**

 **LONE STAR**

has been recapitalized by

 **HCAP PARTNERS**


**Technology Services**

 **NAVIGATOR**  
BUSINESS SOLUTIONS

has been acquired by


 **ALERION**  
Capital Group, LLC

**Technology Services**

 **iXerv**

has been acquired by

 **TSP**  
THE SILICON PARTNERS

backed by  **MONETA VENTURES**


**Software**

 **learn**  
on demand systems


has been recapitalized by

**QUAD PARTNERS**

**Software**

 **VIRIDIAN SCIENCES**

has been acquired by

 **AKERNA**

**Technology Services**

 **eMedApps™**

has been acquired by

 **Med Tech Solutions**

backed by  **SUNSTONE PARTNERS**


**Technology Services**

**Waypoint**


has been acquired by

**WIPFLI**

**Cybersecurity**


 **DRAWBRIDGE**

has been acquired by

 **FP**  
FRANCISCO PARTNERS

\*Transaction completed at another investment bank

**Cybersecurity**

 **CyFIR**

has been acquired by

**ESSENTIRE**

backed by **WARBURG PINCUS**

\*Transaction completed at another investment bank

#### Technology Services

**NEXTIRA**

has been acquired by

**accenture**

Artificial Intelligence

Cloud Computing

Data & Analytics

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