Cybersecurity M&A Market Update

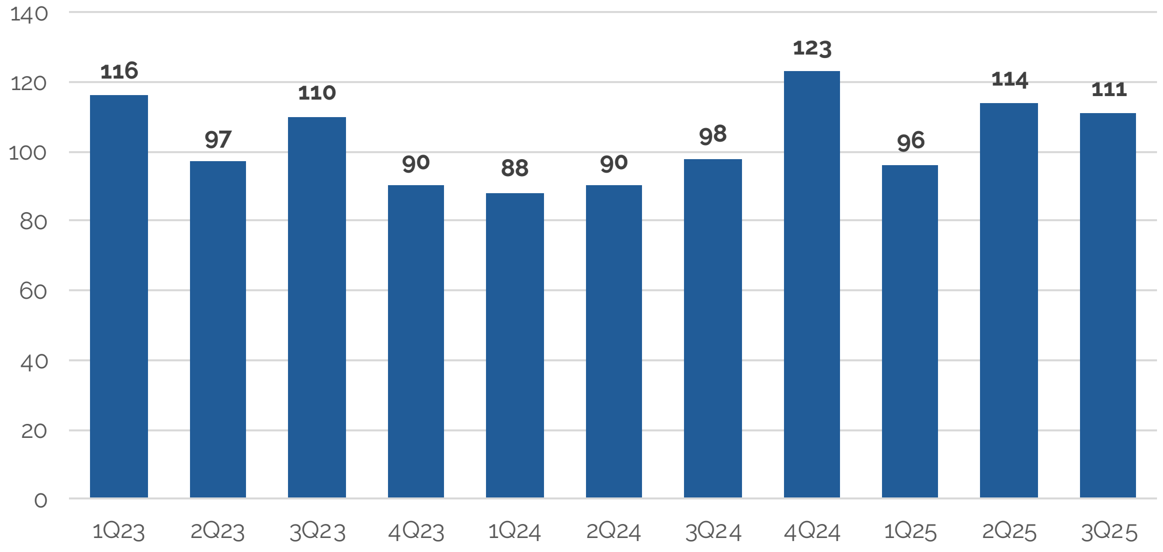
Q3 2025

Cybersecurity
M&A Update and Commentary

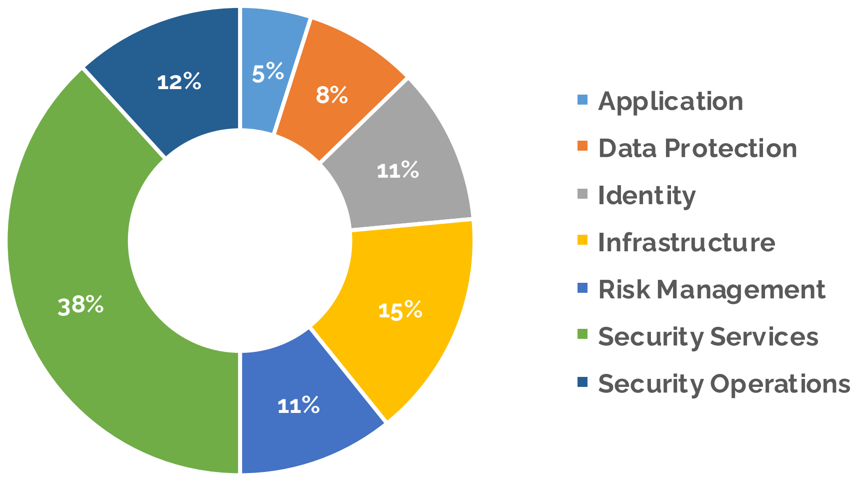
Market Commentary

- In Q3 2025, M&A transaction activity for cybersecurity companies remained steady at **111 deals,** compared to the previous quarter **(114),** and grew significantly from the same period last year **(98)**. The quarter started strongly in July, slowed in August, but finished higher in September – suggesting healthy momentum into Q4 2025.
- Strategic buyers executed several major transactions in Q3 2025, integrating complementary capabilities to capture greater share in key markets, including marquee deals such as Palo Alto Networks / CyberArk ($25B), Mitsubishi Electric / Nozomi Networks ($900MM), and Accenture / CyberCX ($650MM).
- **Infrastructure** constituted the **largest sub-sector of M&A activity**, followed by **Security Operations**, **Identity**, and **Risk Management**. Strategic buyers are actively focused on strengthening their artificial intelligence (AI) security stack, which drove key transactions such as Check Point / Lakera ($300MM) and F5 / CalypsoAI ($180MM).
- Total funding for venture capital-backed cybersecurity companies totaled **$3.3 billion** in Q3 2025, down from **$5.1 billion** in the previous quarter. Total rounds decreased to **167** in Q3 2025, compared with **209** in the previous quarter. Recent activity was primarily driven by larger rounds, including Quantinuum ($600MM), Ontic ($230MM), and Vanta ($150MM).
- Valuation multiples for publicly traded cybersecurity companies ranged from a median of **13.1x 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%**). The recent IPO of Netskope could signal additional public cyber issuances in 2026.

Cybersecurity M&A Deal Volume, Q1 2023 – Q3 2025



Cybersecurity M&A Deal Mix, Q3 2025



Cybersecurity Industry Landscape

SOLGANICK

Application

Operation & Security
BLACKDUCK, brinqa, CEQUENCE, Checkmarx, Contrast, Coralogix, digital.ai, edgescan, HUMAN, imperva, ONAPSIS, oxsecurity, SALT SECURITY, PERFORCE, SUSE

Secure Development
aqua, bugcrowd, cycode, cypress, ENDOR LABS, IriusRisk, mend.io, SecurityCompass, snyk, sonar, sonatype, VERACODE

Data Protection

Data Security
baffle, druva, Fortanix, LightBeam.ai, mage, Nightfall AI, precisely, SPIRION, {tokenex}, VAST, veeam, ZAMA

Data Governance
Acronis, BigID, COHESITY, collibra, Cribl, CYERA, IMMUTA, PKWARE, privacera, PROTEGRITY, rubrik, securiti

Identity

Access Management
BeyondTrust, Delinea, okta, JUMIO, jumpcloud, PingIdentity, transmit

Identity Governance
britive, RADIANT LOGIC, SailPoint, SAVIYNT, SILVERFORT, sonrai security, VARONIS, veza, ZOHO

Lifecycle Management
entro, plainID, OASIS, Opal Security, SPHERE

Infrastructure

Network
CATO, CHECK POINT, CISCO, corelight, EXTRAHOP, netskope, FORTINET, paloalto, portnox, SONICWALL, VERSA, WatchGuard

Cloud
AppOmni, iboss, Lookout, OBSIDIAN, orca security, Skyhigh Security, sysdig, WIZ, zscaler

Endpoint
BROADCOM, CROWDSTRIKE, SentinelOne, Trellix, TREND, TANIUM

Risk Management

GRC
ARAVO, ARCHER, AUDITBOARD, Balbix, BITSIGHT, Diligent, DRATA, exterro, hyperproof, LOGICGATE, metricstream, NAVEX, CONTRACTS, netwrix, onetrust, ProcessUnity, riskonnect, SAFE, UpGuard, Vanta, whistic

Operations
IMMERSIVELABS, ThriveDX

Security Operations

Managed Security
ARCTIC WOLF, BINARY DEFENSE, CYDERES, BlueVoyant, CRITICALSTART, expel, CyberMaxx, eSENTIRE, HUNTRESS, deepwatch, FORTRA, LevelBlue, Ontinue, PONDURANCE, PROFICIO, RELIAQUEST, SDG

Security Automation
ANVILOGIC, DARKTRACE, DEVO, exabeam, INTEZER, tines, LOGPOINT, prophet, securonix, Simbian, torq, sumo logic, SWIMLANE

Source: Solganick & Co.

Cybersecurity: Selected M&A Activity, Q3 2025

Announced Date	Target	Acquirer	Buyer Type	Sector	Transaction Size ($MM)	Target Description
Sep-25	LAKERA	CHECK POINT	Strategic	Infrastructure	$300	Developer of a security platform designed to protect Generative AI systems
Sep-25	pangea	CROWDSTRIKE	Strategic	Infrastructure	$260	Developer of a security APIs portfolio designed to deliver a collection of security services and APIs for application builders
Sep-25	VALIMAIL	digicert	Strategic	Infrastructure		Developer of high-assurance digital software that offers certificates intended to provide a better way to authenticate on the Internet
Sep-25	Calypso AI	f5	Strategic	Infrastructure	$180	Developer of a security and orchestration platform designed to help enterprises leverage large language models (LLM)
Sep-25	NOZOMI NETWORKS	MITSUBISHI ELECTRIC	Strategic	Infrastructure	$883	Developer of an online cybersecurity platform designed to deliver real-time visibility into process network communications and configurations
Sep-25	IAMconcepts	accenture	Strategic	Identity		Provider of cybersecurity services focused on enterprise identity and access management
Sep-25	observo.ai	SentinelOne	Strategic	Security Operations	$225	Developer of an artificial intelligence (AI)-driven observability pipeline designed to optimize telemetry data for security and development and operations (DevOps) teams
Sep-25	BLACKDUCK	ultraviolet	Strategic	Application		Black Duck's Application Security Testing (AST) services business

Source: PitchBook, Industry Media, and Solganick & Co. Proprietary M&A Database.

Cybersecurity: Selected M&A Activity, Q3 2025 (cont.)

Announced Date	Target	Acquirer	Buyer Type	Sector	Transaction Size ($MM)	Target Description
Sep-25	AIM security	CATO Networks	Strategic	Infrastructure	$350	Developer of a generative artificial intelligence security platform designed to offer a guide to secure GenAI adoption
Sep-25	SlashNext	Varonis	Strategic	Infrastructure	$150	Developer of artificial intelligence-powered anti-phishing software designed to offer protection against malware, exploits, and data theft
Aug-25	onum	CrowdStrike	Strategic	Security Operations	$290	Developer of data orchestration edge computing platform designed to reduce noise in data management
Aug-25	Axiom	okta	Strategic	Identity	$100	Developer of a cloud-based security platform designed to automate cloud identity and access management operations
Aug-25	CyberCX	accenture	Strategic	Security Services	$650	Provider of cybersecurity services intended for private and public sector organizations
Aug-25	findings.	diginex	Strategic	Risk Management	$305	Developer of an AI-based security assessment platform designed to streamline and facilitate third-party security compliance
Aug-25	Prompt:	SentinelOne	Strategic	Infrastructure	$250	Developer of singular security platform designed for generative artificial intelligence protection
Aug-25	arctera	cloud software group	Strategic	Data Protection		Created in 2024 from Veritas Technologies, Arctera comprises three business units: Data Compliance, Data Protection, and Data Resilience

Source: PitchBook, Industry Media, and Solganick & Co. Proprietary M&A Database.

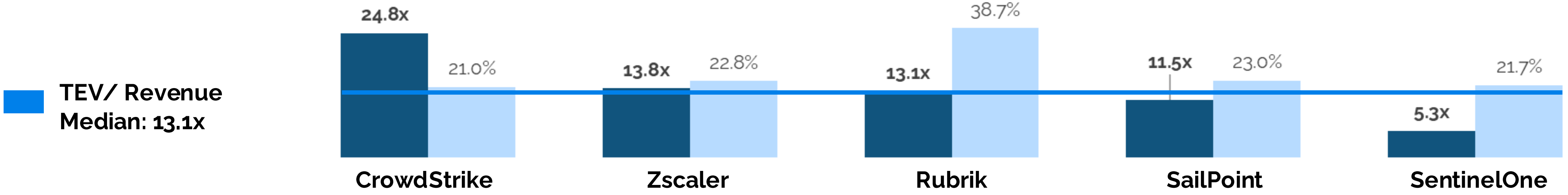
Cybersecurity: Selected M&A Activity, Q3 2025 (cont.)

Announced Date	Target	Acquirer	Buyer Type	Sector	Transaction Size ($MM)	Target Description
Jul-25	CyberArk	Palo Alto Networks	Strategic	Identity	$25,000	CyberArk is a cybersecurity vendor focused on the identity market
Jul-25	Cynerio	Axonius	Strategic	Infrastructure	$100	Operator of a cybersecurity platform intended to protect healthcare by focusing on the clinical network and connected medical devices
Jul-25	Mira Security	Darktrace	Strategic	Infrastructure		Developer of network security solutions designed to provide visibility into network traffic
Jul-25	Trustwave	LevelBlue	Strategic	Security Operations	$205	Provider of a threat detection services intended to help businesses embrace digital transformation securely

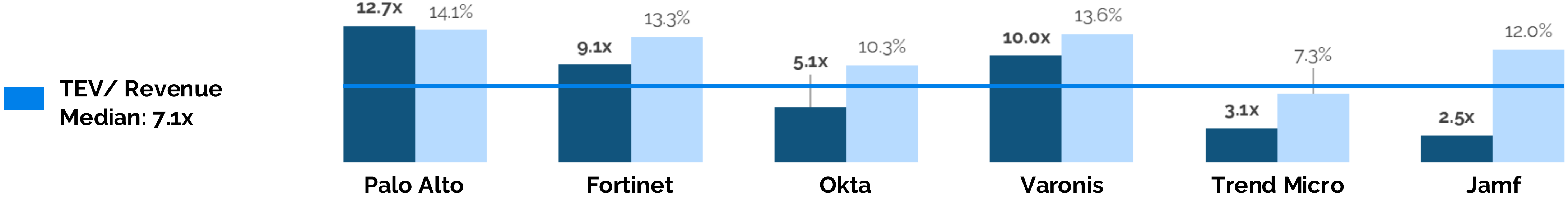
Source: PitchBook, Industry Media, and Solganick & Co. Proprietary M&A Database.

2025E Market Valuation Metrics

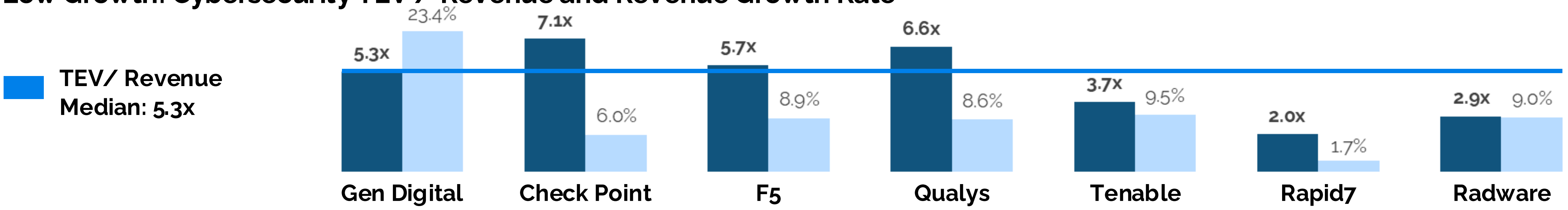
High Growth: Cybersecurity Total Enterprise Value (TEV) / Revenue and Revenue Growth Rate



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%

Source: S&P Global Market Intelligence.

Cybersecurity: Public Comparables

($ in millions, except for stock price)	Stock Price 9/30/2025	Market Capitalization	Enterprise Value	TEV / Revenue 2025E	TEV / Revenue 2026E	TEV / EBITDA[1] LTM	TEV / EBITDA[1] FWD	Revenue Growth 2025E	Revenue Growth 2026E	EBITDA Margin LTM	Rule of 40 LTM
High Growth Cybersecurity											
CrowdStrike	$ 490.38	$ 122,580	$ 118,460	24.8x	20.3x	NA	NA	21.0%	22.0%	-2.1%	21.4%
Zscaler	299.66	47,000	45,220	13.8x	11.5x	NA	NA	22.8%	19.8%	-2.9%	20.4%
Rubrik	82.25	16,460	16,100	13.1x	10.5x	NA	NA	38.7%	25.2%	-37.6%	10.1%
SailPoint	22.08	12,420	12,170	11.5x	9.7x	NA	NA	23.0%	18.9%	-7.2%	NA
Netskope	22.73	9,150	10,680	NA	NA	NA	NA	NA	NA	-22.9%	NA
SentinelOne	17.61	6,060	5,260	5.3x	4.3x	NA	NA	21.7%	21.0%	-32.9%	NA
High Growth Median				**13.1x**	**10.5x**	**NA**	**NA**	**22.8%**	**21.0%**	**-15.0%**	**20.4%**
Medium Growth Cybersecurity											
Palo Alto Networks	$ 203.62	$ 136,430	$ 133,940	12.7x	11.2x	NA	NA	14.1%	13.4%	14.4%	29.3%
Fortinet	84.08	64,860	61,390	9.1x	8.1x	29.4x	26.1x	13.3%	11.7%	32.9%	47.4%
Okta	91.70	16,550	14,630	5.1x	4.6x	NA	19.0x	10.3%	9.4%	6.1%	18.8%
Varonis Systems	57.47	6,640	6,230	10.0x	8.5x	NA	NA	13.6%	17.5%	-17.5%	NA
Trend Micro	54.79	7,260	5,840	3.1x	3.0x	10.6x	10.5x	7.3%	4.3%	29.2%	44.4%
Jamf	10.70	1,440	1,750	2.5x	2.3x	NA	10.8x	12.0%	9.5%	1.7%	13.0%
Medium Growth Median				**7.1x**	**6.4x**	**20.0x**	**14.9x**	**12.7%**	**10.6%**	**10.3%**	**29.3%**
Low Growth Cybersecurity											
Gen Digital	$ 28.39	$ 17,730	$ 25,840	5.3x	5.1x	13.5x	10.1x	23.4%	5.1%	45.4%	55.9%
Check Point Software	206.91	22,090	19,180	7.1x	6.7x	20.5x	16.3x	6.0%	5.5%	35.5%	41.7%
F5	323.19	18,540	17,370	5.7x	5.4x	20.4x	14.9x	8.9%	4.9%	28.2%	37.2%
Qualys	132.33	4,930	4,360	6.6x	6.2x	20.4x	15.2x	8.6%	6.6%	33.6%	43.2%
Tenable	29.16	3,610	3,650	3.7x	3.4x	NA	15.6x	9.5%	7.6%	3.5%	15.0%
Rapid7	18.75	1,260	1,710	2.0x	1.9x	24.3x	11.2x	1.7%	3.2%	8.2%	12.9%
Radware	26.49	1,150	874	2.9x	2.7x	NA	NA	9.0%	7.1%	5.7%	17.2%
Low Growth Median				**5.3x**	**5.1x**	**20.4x**	**15.0x**	**8.9%**	**5.5%**	**28.2%**	**37.2%**
Overall Median				**6.1x**	**5.8x**	**20.4x**	**15.0x**	**12.7%**	**9.4%**	**5.7%**	**21.4%**

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")

Source: S&P Global Market Intelligence.

Who We Are?

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

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.

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

SOLGANICK

Technology Services
Kavaliro
has been acquired by
Accordion

Technology Services
Nextira
has been acquired by
accenture

Technology Services
Pandera
has merged with
66degrees
backed by Sunstone Partners

Technology Services
visualbi
has been acquired by
Atos

Technology Services
SIG
has been recapitalized by
Fort Point Capital

Technology Services
Flagship
has merged with
DataStorage Corporation

Technology Services
Lone Star
has been recapitalized by
HCAP Partners

Technology Services
Navigator
has been acquired by
Alerion Capital Group, LLC

Technology Services
iXerv
has been acquired by
TSP
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
eSentire
backed by Warburg Pincus
'Transaction completed at another investment bank

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

Solganick & Co.

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