

Cybersecurity M&A Market Update

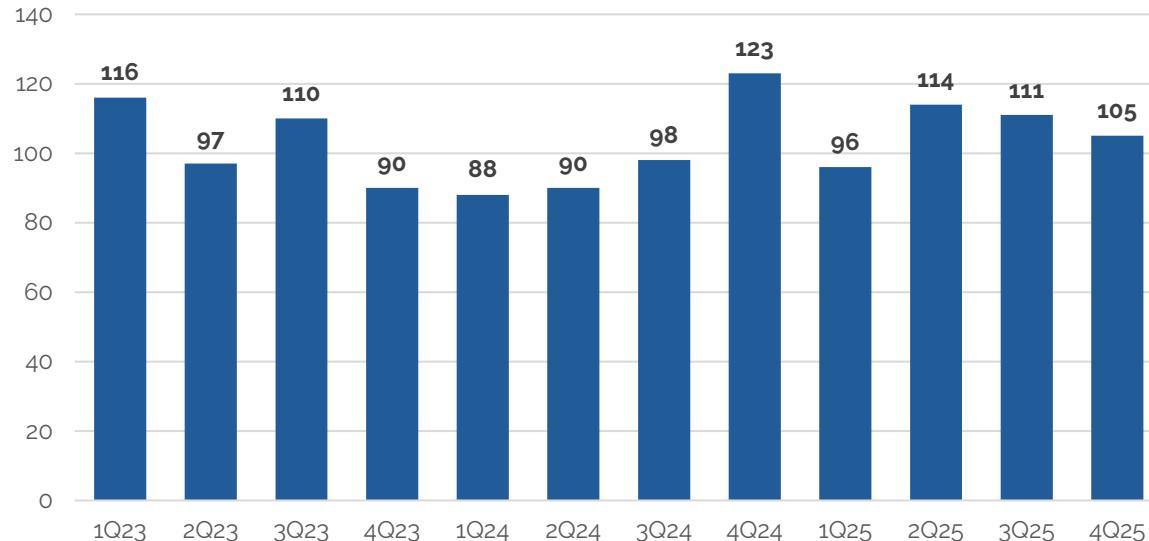
Q4 2025



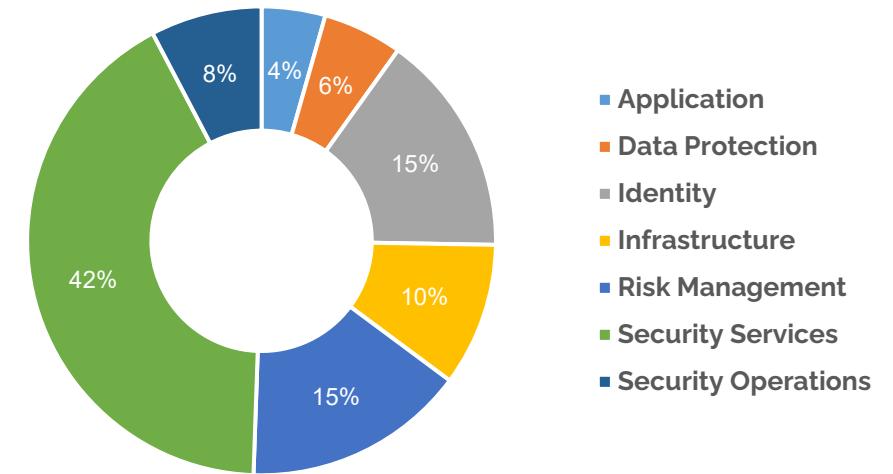
Market Commentary

- In Q4 2025, M&A transaction activity for cybersecurity companies totaled **105 deals**, compared to the previous quarter (**111**) and same period last year (**123**). The quarter started strongly in October, but deal volume moderated in November and December.
- Strategic and financial buyers executed several major transactions in Q4 2025, including deals such as ServiceNow / Armis (**\$7.75B**), Palo Alto Networks / Chronosphere (**\$3.35B**), Jamf / Francisco Partners (**\$2.2B**), and Veeam / Securiti AI (**\$1.725B**).
- Risk Management** and **Identity** constituted the **largest sub-sectors of M&A activity**, followed by **Infrastructure** and **Security Operations**. Strategic buyers strongly focused on addressing the critical security and compliance challenges from AI adoption, with the need for greater observability, automation and unified security posture.
- Total funding for cybersecurity vendors reached **\$13.97 billion** in 2025, up 47% from **\$9.5 billion** in 2024. Total funding rounds reached **392** in 2025, up 30% from **304** in 2024. The significant rebound in funding activity reflected investor focus on vendors with strong technical capabilities, operational focus, and positioning aligned with buyers' priorities.
- Valuation multiples for publicly traded cybersecurity companies ranged from a median of **8.6x EV/2026E revenue** for high-growth vendors (those **growing more than 20%**) to a median of **4.2x EV/2026E revenue** for low-growth vendors (those **growing less than 10%**).

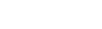
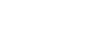
Cybersecurity M&A Deal Volume, Q1 2023 – Q4 2025



Cybersecurity M&A Deal Mix, Q4 2025



Cybersecurity Industry Landscape

Application	Data Protection	Identity	Infrastructure	Risk Management	Security Operations
Operation & Security	Data Security	Access Management	Network	GRC	Managed Security
 BLACKDUCK  	  	  	  	  	  
 Checkmark  	  	 	  	  	  
 digitalair  	  	 	  	  	  
  	  				
  					
Secure Development	Data Governance	Identity Governance	Cloud	Operations	Security Automation
  	  	  	  	 	  
  	  	 	  		  
  	  	  	 		 
  	 	 	  		  
			  		 

Cybersecurity: Selected M&A Activity, Q4 2025

Announced Date	Target	Acquirer	Buyer Type	Sector	Transaction Size (\$MM)	Target Description
Dec-25	 ARMIS	 servicenow	Strategic	Infrastructure	\$7.750	Developer of an asset intelligence cybersecurity platform designed to manage cyber risk exposure and protect the entire attack surface.
Dec-25	 Cycuity	 ARTERIS IP	Strategic	Infrastructure	\$45	Developer of proprietary security verification software designed to analyze the properties in hardware designs and maintain chip-level system security.
Dec-25	 TROMZO	 Checkmarx	Strategic	Application		Developer of an application security management platform designed for modern security teams.
Dec-25	 veza	 servicenow	Strategic	Identity	\$1,000	Developer of an identity security platform designed to secure access across the enterprise and provide visibility and control of permissions.
Nov-25	 chronosphere	 paloalto NETWORKS	Strategic	Infrastructure	\$3.350	Developer of a scalable cloud-native monitoring tool designed to eliminate the cognitive load of monitoring infrastructure and tracking data locality.
Nov-25	 Balbix	 SAFE	Strategic	Risk Management		Developer of an AI-powered cybersecurity platform designed to assess and manage cyber risks for organizations.
Nov-25	 CYBERSOLVE	 HEXWARE	Strategic	Identity	\$66	Provider of cybersecurity services catering to businesses, institutions, and governments facing challenges and cyber threats.
Oct-25	 K E Y L E S S	 PingIdentity	Strategic	Identity		Developer of a passwordless authentication platform designed for privacy-preserving biometrics for consumers and workforce authentication.

Cybersecurity: Selected M&A Activity, Q4 2025 (cont.)

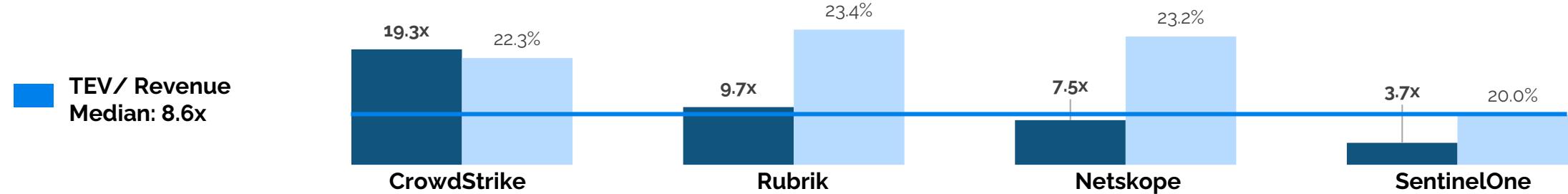
Announced Date	Target	Acquirer	Buyer Type	Sector	Transaction Size (\$MM)	Target Description
Oct-25	STYTCH		Strategic	Identity		Developer of an authentication software designed to offer an authentication infrastructure with a flexible application programming interface-first approach.
Oct-25			Financial	Infrastructure	\$2,200	Jamf is the standard in Apple Enterprise Management, and its cloud software platform is the vertically focused Apple infrastructure and security platform.
Oct-25			Strategic	Data Protection	\$1,725	Developer of privacy management software designed for data security, privacy, governance, and compliance in one place.
Oct-25			Strategic	Risk Management	\$290	Developer of threat intelligence software intended to provide real-time insights to security leaders to make business decisions.
Oct-25			Strategic	Security Services		Provider of end-to-end security, governance and cybersecurity services intended for enterprises and governments.
Oct-25			Strategic	Security Operations		Developer of an endpoint detection and cybersecurity platform designed to protect companies from advanced cyber attacks.
Oct-25			Financial	Risk Management		Developer of a cloud-based data privacy management software designed to facilitate privacy compliance and risk management.
Oct-25			Financial	Security Services		Provider of cybersecurity services and platforms intended for threat resilience and operational efficiency.

Cybersecurity: Selected M&A Activity, Q4 2025 (cont.)

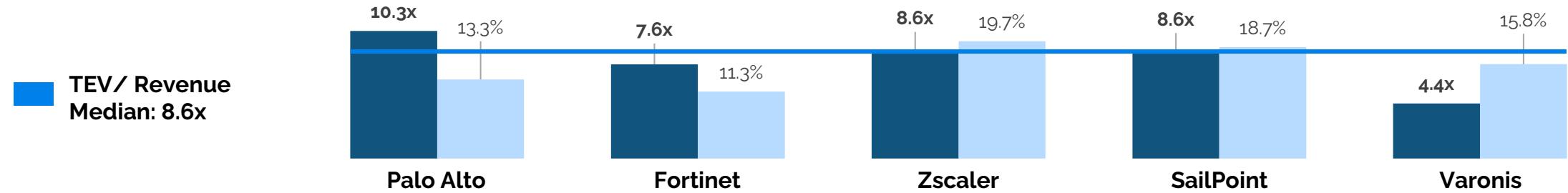
Announced Date	Target	Acquirer	Buyer Type	Sector	Transaction Size (\$MM)	Target Description
Oct-25	 INTRAGEN	 nomios	Strategic	Identity		Provider of Identity and Access Management (IAM) advisory, integration, and managed services designed to accelerate IAM transformation.
Oct-25	 INKY	 Kaseya	Strategic	Infrastructure		Developer of an AI-based anti-phishing platform designed to track and block unusual or suspicious threats.
Oct-25	 HBS	 GenNx360	Financial	Security Services		Provider of information technology services intended for business automation and networking.
Oct-25	 SILVERFENCE	 SAIC	Strategic	Security Services	\$205	Provider of cyber security, information technology, intelligence analysis, and a software suite intended for the defense and intelligence communities.

2026E Market Valuation Metrics

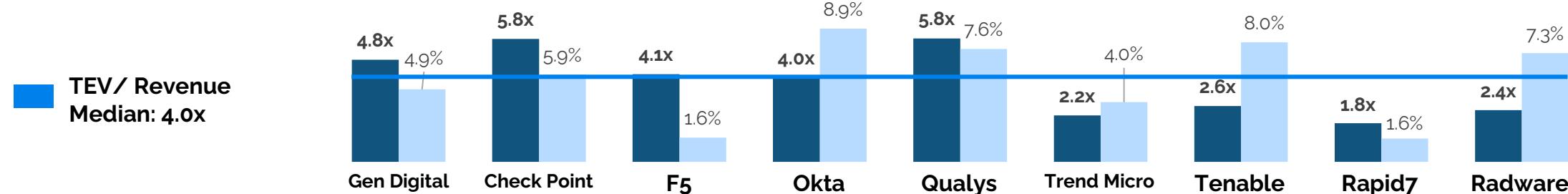
High Growth: Cybersecurity Total Enterprise Value (TEV) / Revenue and Revenue Growth Rate



Medium Growth: Cybersecurity TEV / Revenue and Revenue Growth Rate



Low Growth: Cybersecurity TEV / Revenue and Revenue Growth Rate



Note: High growth implies 2026E 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
	Stock Price 12/31/2025	Market Capitalization	Enterprise Value	2025E	2026E	LTM	FWD	2025E	2026E	LTM	LTM		
High Growth Cybersecurity													
CrowdStrike	\$ 468.76	\$ 117,408	\$ 113,468	23.6x	19.3x	NA	NA	21.5%	22.3%	-2.1%	20.0%		
Rubrik	76.48	15,712	15,282	11.9x	9.7x	NA	NA	44.4%	23.4%	-29.8%	19.2%		
Netskope	17.54	6,801	6,461	9.2x	7.5x	NA	NA	30.4%	23.2%	-81.2%	NA		
SentinelOne	15.00	5,044	4,404	4.4x	3.7x	NA	NA	21.7%	20.0%	-28.7%	NA		
High Growth Median				10.6x	8.6x	NA	NA	26.1%	22.7%	-29.2%	19.6%		
Medium Growth Cybersecurity													
Palo Alto Networks	\$ 184.20	\$ 126,448	\$ 122,668	11.6x	10.3x	NA	NA	14.2%	13.3%	14.5%	29.8%		
Fortinet	79.41	59,012	56,972	8.4x	7.6x	26.2x	23.0x	13.3%	11.3%	33.1%	47.9%		
Zscaler	224.92	35,511	34,031	10.3x	8.6x	NA	NA	23.6%	19.7%	-2.4%	20.9%		
SailPoint	20.23	11,176	10,896	10.2x	8.6x	NA	NA	24.2%	18.7%	-8.7%	14.7%		
Varonis Systems	32.80	3,773	3,183	5.1x	4.4x	NA	NA	12.3%	15.8%	-19.3%	NA		
Medium Growth Median				10.2x	8.6x	26.2x	23.0x	14.2%	15.8%	-2.4%	25.3%		
Low Growth Cybersecurity													
Gen Digital	\$ 27.19	\$ 16,726	\$ 24,806	5.0x	4.8x	12.8x	9.6x	25.4%	4.9%	43.5%	59.6%		
Check Point Software	185.56	19,478	16,668	6.1x	5.8x	18.1x	14.3x	6.4%	5.9%	34.3%	40.7%		
F5	255.26	13,989	12,909	4.2x	4.1x	14.6x	11.2x	9.6%	1.6%	28.6%	38.3%		
Okta	86.47	14,610	12,570	4.3x	4.0x	NA	16.0x	11.5%	8.9%	7.4%	19.5%		
Qualys	132.90	4,767	4,157	6.2x	5.8x	18.2x	13.4x	9.8%	7.6%	34.9%	45.0%		
Trend Micro	41.23	5,406	3,966	2.3x	2.2x	7.3x	7.6x	1.0%	4.0%	29.5%	28.5%		
Tenable	23.53	2,766	2,806	2.8x	2.6x	NA	12.2x	10.1%	8.0%	3.9%	15.0%		
Rapid7	15.20	1,011	1,576	1.8x	1.8x	24.8x	9.9x	1.6%	1.6%	7.4%	10.5%		
Radware	24.09	1,026	781	2.6x	2.4x	NA	NA	9.2%	7.3%	6.6%	16.9%		
Low Growth Median				4.2x	4.0x	16.3x	11.7x	9.6%	5.9%	28.6%	28.5%		
Overall Median				5.6x	5.3x	18.1x	12.2x	12.8%	10.1%	7.0%	20.9%		

Note: High growth implies 2026E revenue growth greater than 20%; medium growth between 10% and 20%; and low growth, less than 10%

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+

Dallas – Los Angeles – San Francisco - Tampa

Technology Services	
	has been acquired by complete backed by
	has been acquired by ACCORDION

Technology Services	
	has been acquired by accenture
	has merged with 66degrees 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
	has been recapitalized by HCAP PARTNERS

Technology Services	
	has been acquired by ALERION Capital Group, LLC
	has been acquired by backed by

Software	
	has been recapitalized by QUAD PARTNERS
	has been acquired by AKERNA

Technology Services	
	has been acquired by backed by
	has been acquired by

Cybersecurity	
	has been acquired by esENTIRE backed by
<small>*Transaction completed at another investment bank</small>	<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	
	has been acquired by accenture

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Cloud Computing

Data & Analytics

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