



Cybersecurity M&A Market Update

Q4 2025

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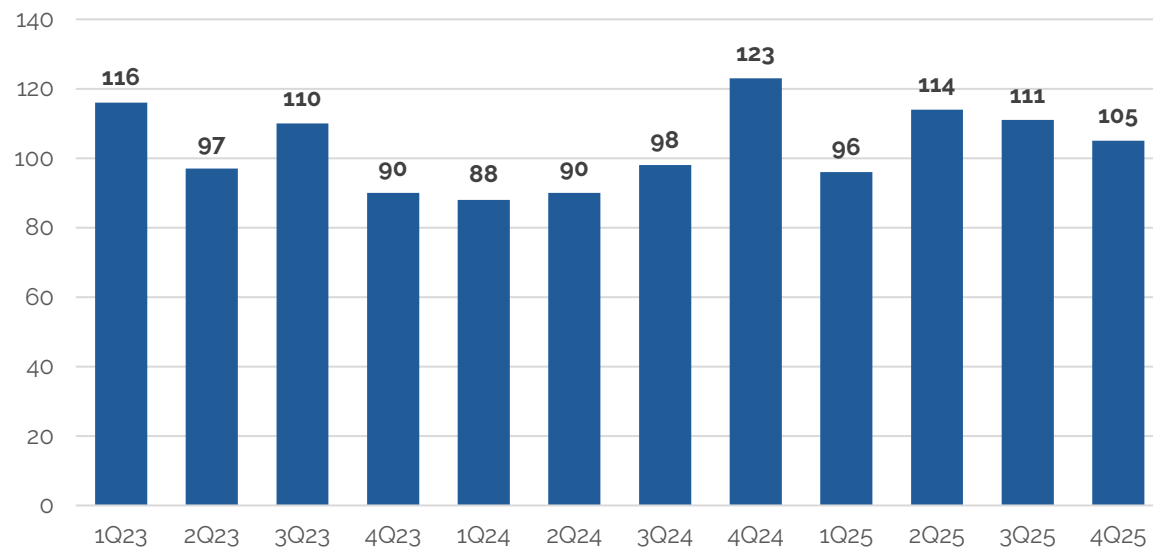
Cybersecurity

M&A Update and Commentary

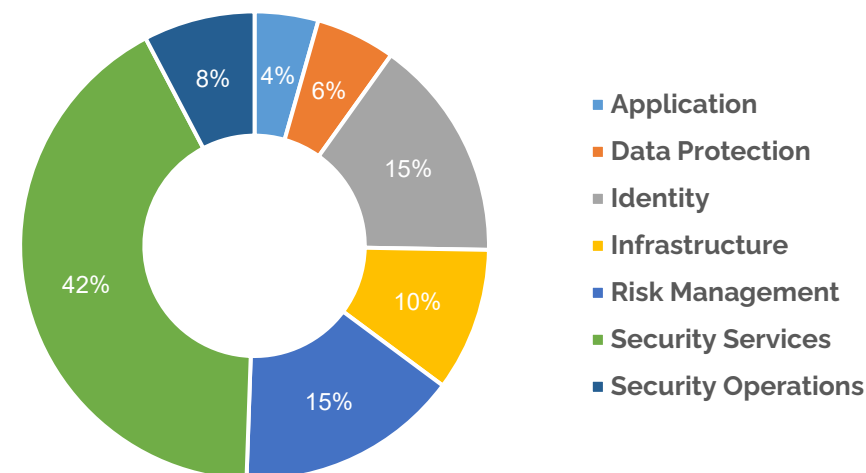
Market Commentary

- 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 <div> </div>	Data Security <div> </div>	Access Management <div> </div> Identity Governance <div> </div>	Network <div> </div> Cloud <div> </div>	GRC <div> </div>	Managed Security <div> </div>
Secure Development <div> </div>	Data Governance <div> </div>	Lifecycle Management <div> </div>	Endpoint <div> </div>	Operations <div> </div>	Security Automation <div> </div>









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	 KEYLESS	 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.)

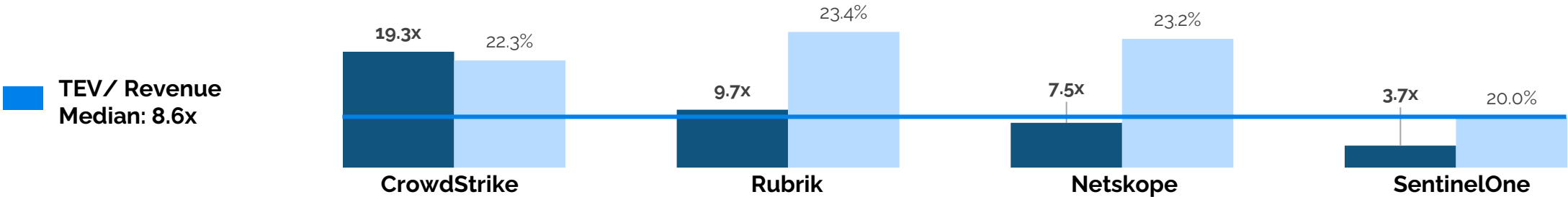
Announced Date	Target	Acquirer	Buyer Type	Sector	Transaction Size (\$MM)	Target Description
Oct-25			Strategic	Identity		Developer of an authentication software designed to offer an authentication infrastructure with a flexible application programming interface-first approach.
Oct-25			Financial	Infrastructure	\$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.)

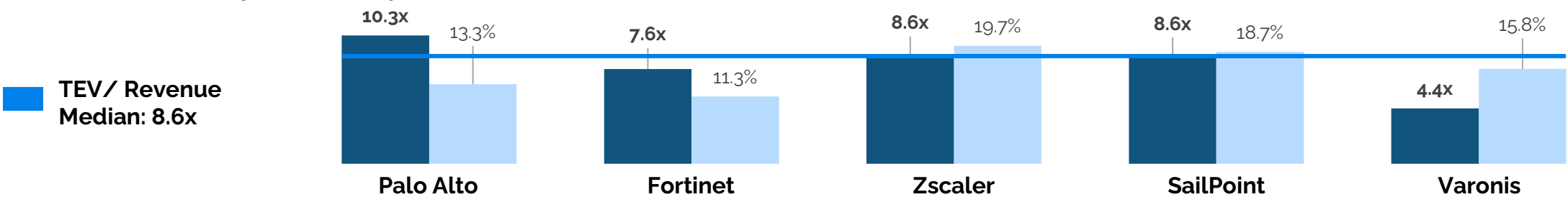
Announced Date	Target	Acquirer	Buyer Type	Sector	Transaction Size (\$MM)	Target Description
Oct-25			Strategic	Identity		Provider of Identity and Access Management (IAM) advisory, integration, and managed services designed to accelerate IAM transformation.
Oct-25			Strategic	Infrastructure		Developer of an AI-based anti-phishing platform designed to track and block unusual or suspicious threats.
Oct-25			Financial	Security Services		Provider of information technology services intended for business automation and networking.
Oct-25			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

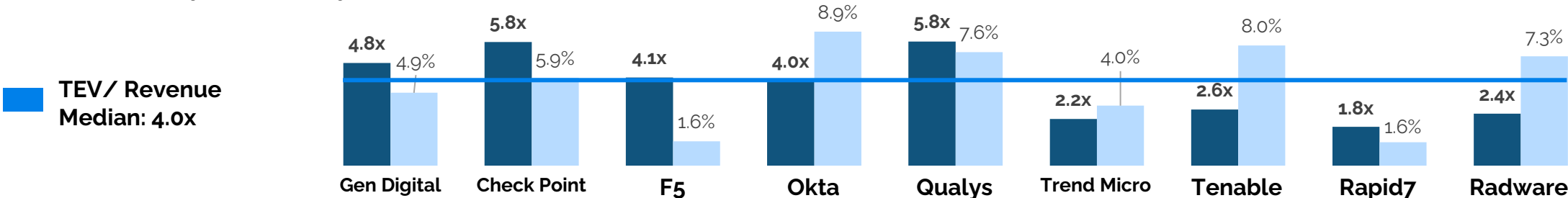
High Growth: Cybersecurity Total Enterprise Value (TEV) / Revenue and Revenue Growth Rate



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)

(\$ in millions, except for stock price)					TEV		TEV		Revenue Growth		EBITDA Margin		Rule of 40	
					Revenue		EBITDA ⁽¹⁾							
					2025E	2026E	LTM	FWD						
	Stock Price 12/31/2025	Market Capitalization	Enterprise Value						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.

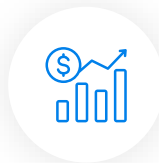
Our M&A transactions have the following characteristics:



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



Client Ownership:
Founder-led and PE backed



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















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

Dallas – Los Angeles – San Francisco – Tampa

Solganick & Co.

Select M&A Transaction Experience

Technology Services  has been acquired by  backed by 	Technology Services  has been acquired by 	Technology Services  has been acquired by 	Technology Services  has merged with  backed by 	Technology Services  has been acquired by 
Technology Services  has been recapitalized by 	Technology Services  has merged with 	Technology Services  has been recapitalized by 	Technology Services  has been acquired by 	Technology Services  has been acquired by  backed by 
Software  has been recapitalized by 	Software  has been acquired by 	Technology Services  has been acquired by  backed by 	Cybersecurity  has been acquired by  <small>*Transaction completed at another investment bank</small>	Cybersecurity  has been acquired by  backed by  <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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