



Cybersecurity Software Sector

M&A Industry Insights

Spring 2025

[Learn More](#)



Cybersecurity Software Sector

M&A Industry Insights, Spring 2025

Cybersecurity continues to demonstrate strong, resilient growth in 2025, driven by rising threat complexity, increasing regulatory pressure and enterprise demand for integrated, AI-enabled platforms. M&A activity remains high (with Q1's annualized deal count in line with 2024's record deal volume) as strategic buyers and investors consolidate capabilities across key domains – cloud security, exposure management, identity and SecOps – positioning themselves to meet evolving enterprise needs and capitalize on cross-platform value.

High-profile transactions, most notably Google's record \$32 billion acquisition of Wiz in March, reflect enterprise priorities: reducing technology stack complexity, shifting to proactive threat prevention and securing the expanding cloud ecosystem. Investors are focused on platform vendors that offer differentiated capabilities in fast-growing categories like Cloud-Native Application Protection Platforms (CNAPP), Data Security Posture Management (DSPM) and next-gen SIEM.

Kroll's 2025 Financial Crime Report highlights the urgency behind these moves: 71% of executives expect financial crime risk to increase this year, with cybersecurity and criminal use of AI cited as top drivers. Nearly half of surveyed organizations have increased their cybersecurity budgets, while regulatory mandates like the EU's Digital Operational Resilience Act (DORA) and NIS2 Directive are accelerating security investments across Europe.

Generative AI remains a key theme. Enterprises are looking for solutions that can both mitigate new AI-driven attack vectors and harness GenAI to improve internal security operations – from detection and triage to incident response. Vendors that can deliver both are gaining meaningful traction.

Exposure Management is emerging as one of the fastest-growing market segments, encompassing vulnerability management, attack surface monitoring and digital risk protection. The shift toward continuous threat exposure management (CTEM) reflects a broader move from reactive defense to preemptive risk mitigation. Other domains where we expect to see continued growth include identity management, data security, operational technology and cyber-physical security, post-quantum readiness and further evolution in the SecOps space.

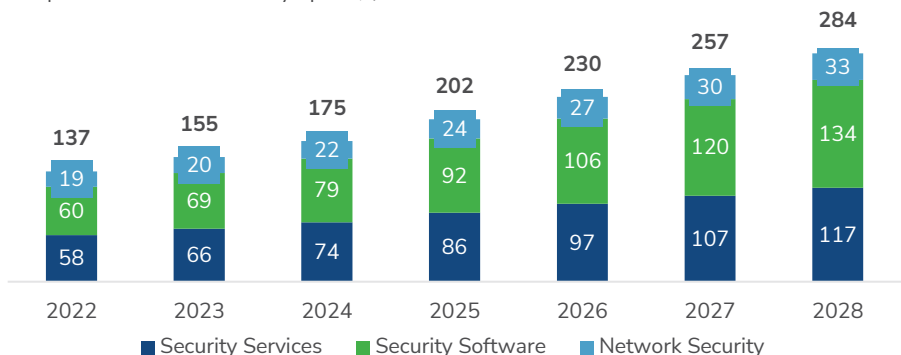
For investors, cybersecurity in 2025 represents a dynamic, high-growth sector driven by structural demand, platform consolidation and continuous innovation – making it one of the most compelling areas for long-term strategic allocation.

Cybersecurity Market Overview

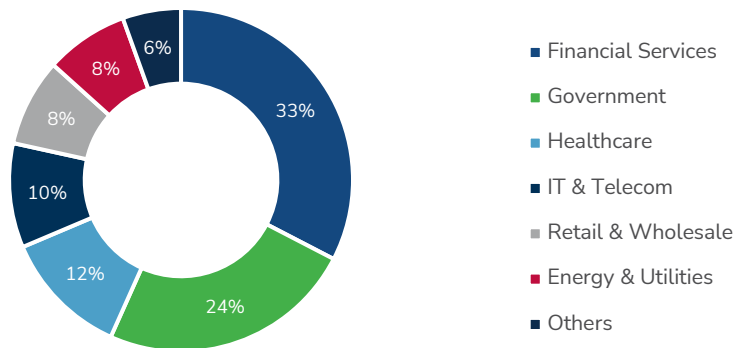
Cybersecurity represents a large \$200bn+ market

Cybersecurity market growing at ~13% CAGR

Enterprise Information Security Spend, \$bn



Cybersecurity spend by industry



Sources: Gartner, Statista

Market trends

Exponential growth of data

The rapid increase in security-related data is overwhelming traditional tools and analysts, requiring advanced analytics and automation for effective processing. Security teams are struggling to monitor the massive volume of telemetry across their expanding infrastructure, underscoring the urgent need for sophisticated data processing and threat detection tools

Increasing sophistication of threat actors

While AI developments have allowed IT teams to streamline threat detection and response processes, they have also allowed cybercriminals to employ increasingly complex and multi-staged attack techniques. These capabilities have potential to evade traditional security measures, orchestrating more targeted, persistent threats

From “threat management” to “risk management”

In the face of an ever-increasing threat landscape, practitioners are shifting from “threat management” to “risk management,” adopting a more comprehensive approach that assesses and prioritizes threats in relation to business outcomes, critical systems and broader enterprise risks and investments

Human risk management (HRM)

HRM has emerged as a critical risk factor, recognizing that the expanded digital workplace and complex modern communications have vastly increased the human attack surface. This approach goes beyond traditional security awareness training to address a wide range of human-related risks, including error, privilege misuse and social engineering

Consolidation of vendors and tech stacks

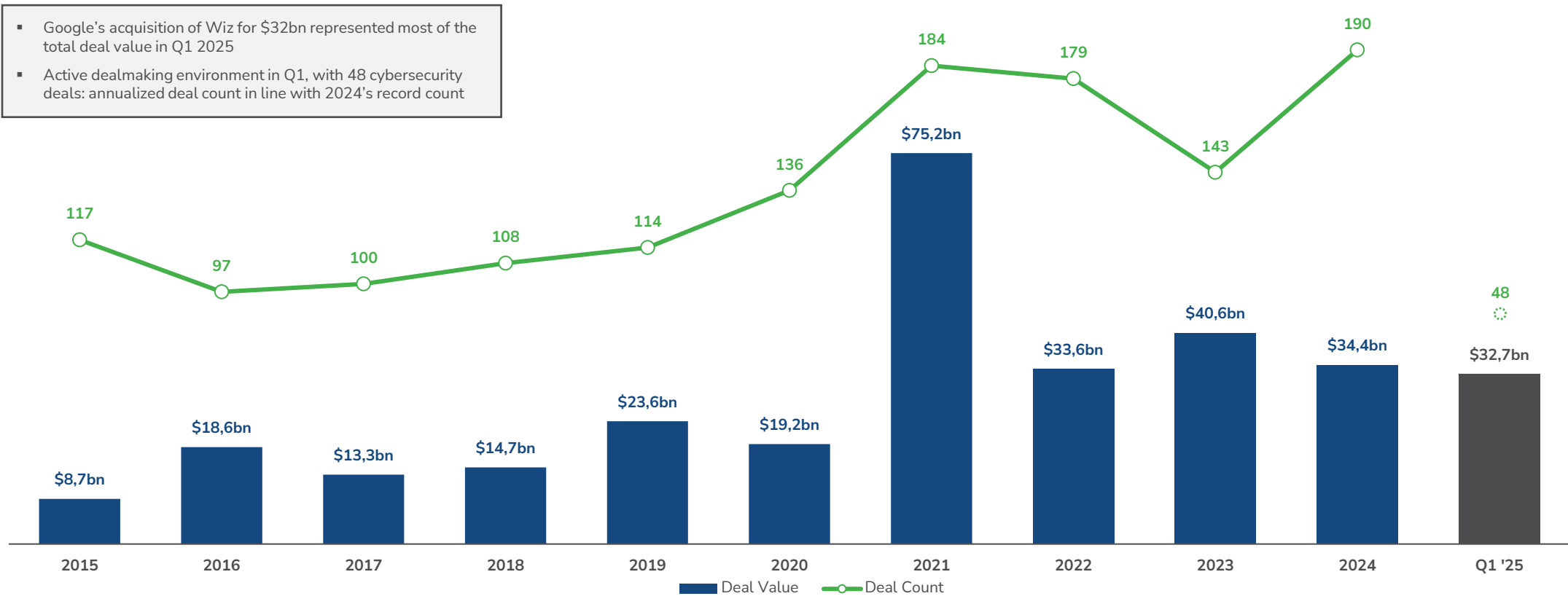
Layered infrastructure security stacks are increasing the challenges of security configuration management, leaving organizations with security control gaps. Platforms with modular sets of integrated security product capabilities are increasingly in demand, leading to consolidation between security vendors, with larger players utilizing M&A to build security platforms focused on broader domains

M&A Industry Insights

Q1 2025 Cybersecurity Software M&A

Deal value in Q1 2025 already exceeds 90% of 2024's total value due to Google's acquisition of Wiz

Global M&A activity in cybersecurity software



Source: 451 Research, Jan-15 to Mar-25

Case Study: Google's Acquisition of Wiz

The largest ever private technology company deal to bolster and revolutionize cloud security and multicloud offering



has been acquired by



for a consideration of

\$32bn

Mar-25

Target Overview

- Wiz is a global provider of cloud security software solutions to healthcare, life sciences, financial services and others
- Its unified platform offers software with features for threat intelligence, cloud-native application protection, risk assessment, root cause analysis, inventory and asset management, vulnerability and patch assessment, external exposure, secure configuration and graph-based analysis

Acquiror Overview

- Google is a global technology company providing internet products and services including search and display advertising tools, cloud computing and AI tools, operating systems and application development tools, infrastructure services, communication and collaboration tools and other subscription-based tools and applications

Deal Overview and Rationale

- In May 2024, Wiz raised \$1bn at a \$12bn valuation in a Series E round led by Andreessen Horowitz, Lightspeed Venture Partners and Thrive Capital, which collectively acquired an 8.3% stake. The funds were intended to support Wiz's ambition of becoming a publicly listed company
- Following this, in July 2024, Google offered to buy Wiz for \$23bn, nearly double its previous valuation. This offer aligned with Google's strategy to enhance its cloud security and multicloud offerings, and to compete with leading rivals. However, Wiz declined the offer, citing its IPO goals
- In March 2025, Google made an improved all-cash offer of \$32 billion, including a 10% termination fee if the deal fell through. Wiz, known for its end-to-end, unified and automated cloud security solutions for organizations of all sizes, had established itself as a strong provider with ARR of approximately \$500m in 2024 and with plans to double revenue in 2025, making it a perfect fit for Google's vision of providing accessible, simplified, competitive and scalable cloud security solutions
- Google's acquisition of Wiz will enhance cloud security design, operation and automation, scale cybersecurity teams, lower security management costs, protect against AI-driven threats and boost multicloud security adoption. Upon closing, Wiz will be integrated into Google's Cloud business



Google Cloud and Wiz share a joint vision to make cybersecurity more accessible and simpler to use for organizations of any size and industry. Enabling more companies to prevent cyber attacks, including in very complex business software environments, will help organizations minimize the cost, disruption and hassle caused by cybersecurity incidents"
-Thomas Kurian, CEO, Google Cloud

Largest Other Cybersecurity Software Acquisitions in '24 & '25

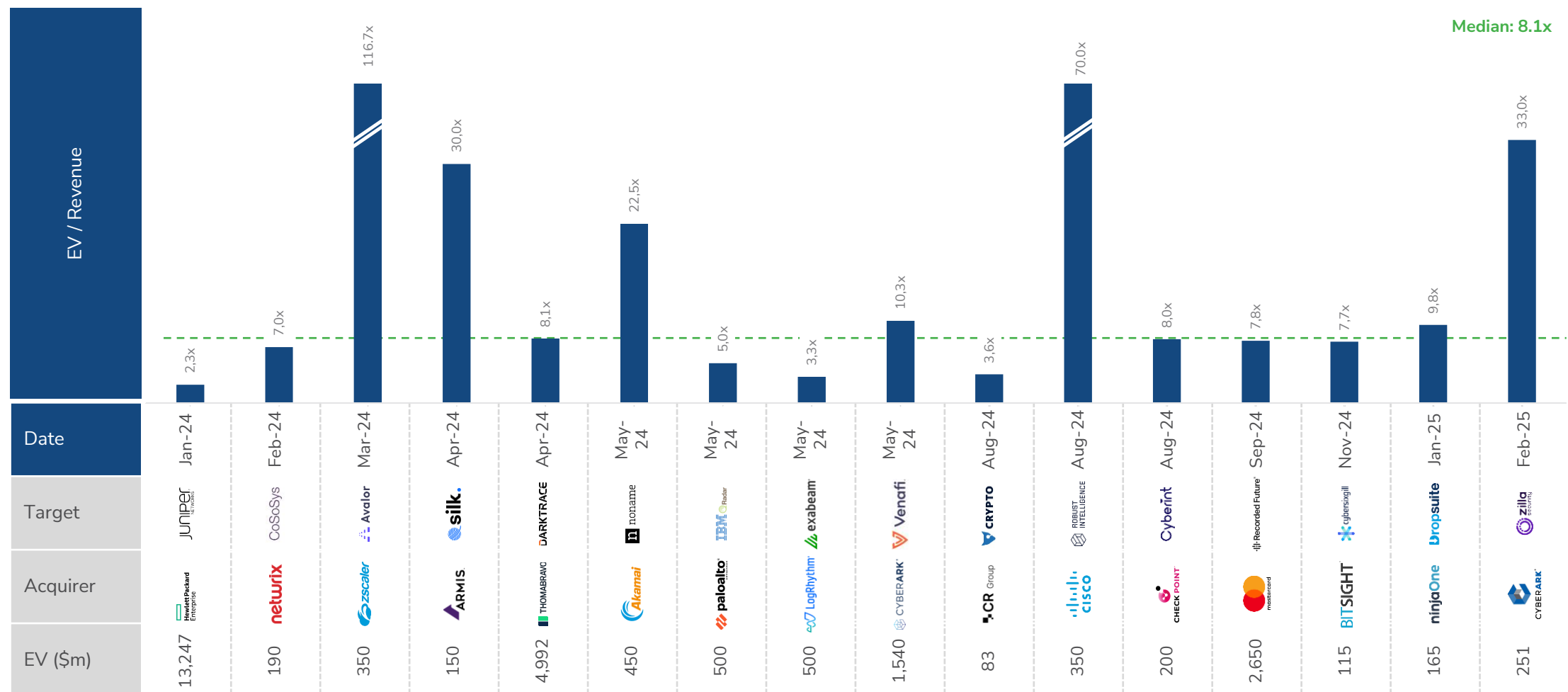
Multiple \$1bn+ cybersecurity deals in 2024

<p>January 2024</p> <p>JUNIPER NETWORKS</p> <p>acquired by</p> <p>Hewlett Packard Enterprise</p> <p>\$13.2 bn 2.3x</p>	<p>Juniper Networks provides AI-based cloud-native networking management software, systems and related APIs. Their software provides features for network automation, threat detection, analytics, cloud-native test and service assurance, license management and security management.</p> <p>Despite the prominence of AI in its acquisition announcement, HPE's purchase is more about expanding its reach into datacenters than juicing its AI offerings. Juniper should prove to be a valuable asset for HPE as it struggles to maintain volume and margins in its classic server business. Although graphics processing unit availability is commonly identified as the primary bottleneck to generative AI, high-performance networking is the most cited requirement for enhancing AI performance in 451 Research's surveys in each of the last two years.</p>
<p>February 2024</p> <p>VERITAS</p> <p>acquired by</p> <p>COHESITY</p> <p>\$3.0 bn N/A</p>	<p>Veritas provides cybersecurity and data protection software. The software has features for cyber resilience, access control, authentication, threat mitigation, anomaly detection, automated malware scanning and data recovery to help organizations secure their digital assets.</p> <p>The combination with Veritas' enterprise data protection business positions Cohesity as the world's largest data protection software provider, serving over 12,000 enterprise customers and protecting hundreds of exabytes of data. This strategic merger enhances Cohesity's ability to deliver AI-powered data security solutions, expands its workload support capabilities, and strengthen its global market presence while accelerating innovation in cloud-scale data protection.</p>
<p>April 2024</p> <p>DARKTRACE</p> <p>acquired by</p> <p>THOMABRAVO</p> <p>\$5.0 bn 8.1x</p>	<p>Darktrace is a global leader in cybersecurity AI, with a mission to free the world from cyber disruption. The Darktrace ActiveAI Security Platform provides a full lifecycle approach to cyber resilience that, within seconds, can autonomously spot and respond to known and unknown in-progress threats across an organization's entire ecosystem, including cloud, apps, email, endpoint, network and operational technology.</p> <p>Thoma Bravo recognizes that Darktrace is a pioneer in using self-learning Alto neutralize cyber threats and automate responses to cyber incidents, leveraging its deep research and development expertise. Thoma Bravo, as a longstanding software investor, aims to bring operational expertise and strong cybersecurity knowledge to support Darktrace's growth.</p>
<p>September 2024</p> <p>Recorded Future</p> <p>acquired by</p> <p>mastercard</p> <p>\$2.7 bn 7.8x</p>	<p>Recorded Future is the world's largest threat intelligence company. Recorded Future's Intelligence Cloud provides end-to-end intelligence across adversaries, infrastructure and targets. Indexing the internet across the open web, dark web and technical sources, Recorded Future provides real-time visibility into an expanding attack surface and threat landscape, empowering clients to act with speed and confidence to reduce risk and securely drive business forward.</p> <p>Both Mastercard and Recorded Future use AI to analyze billions of data points to identify potential threats, helping to protect people and businesses. Bringing these teams, technology and expertise together will enable the development of even more robust practices and drive greater synergies in cybersecurity and intelligence, reinforcing the Mastercard brand as a trust mark.</p>
<p>August 2024</p> <p>Acronis</p> <p>acquired by</p> <p>EQT</p> <p>~\$4 bn⁽¹⁾ N/A</p>	<p>Acronis provides AI and blockchain-based cybersecurity software and cloud backup solutions. The software has features for cyberattack management, automated data protection, vulnerability assessment, patch management, ransomware protection, server backup, disaster recovery and access control.</p> <p>The acquisition by EQT enables Acronis to accelerate its strategic expansion in cybersecurity and data protection solutions while strengthening its platform for Managed Service Providers. With EQT's investment expertise and global reach, Acronis can enhance its innovative product suite, deepen its technological capabilities and expand its network beyond 150 countries serving more than 20,000 service providers.</p>
<p>May 2024</p> <p>SYNOPSIS assets</p> <p>acquired by</p> <p>FP FRANCISCO PARTNERS CLEARLAKE</p> <p>\$1.6 bn N/A</p>	<p>Synopsys, the provider of comprehensive silicon to systems design solutions, agreed to sell its Software Integrity Group business to Francisco Partners and Clearlake to create a newly independent application security testing software provider. The business provides integrated software solutions that transform the way development teams build and deliver software, accelerating innovation while addressing business risk.</p> <p>For Synopsys, the move sharpens their focus on the high-growth opportunities they see in their core business – where the engineering of silicon and systems is converging as technology R&D teams look to capitalize on an AI-driven era of pervasive intelligence.</p>

Sources: 451 Research, Mergermarket, Press Releases; Note: (1) EQT reported that Acronis' valuation had increased since their 2022 financing round at \$3.5bn

Precedent Transactions – Cybersecurity Software






































































Software cybersecurity deals since Jan-24 have had median EV / Revenue multiple of 8.1x



Sources: Mergermarket, Megabuyte, Pitchbook, 451 Research, S&P Capital IQ

Top Strategic Cybersecurity Acquirors

Most active strategic acquirors in cybersecurity over the last 5 years

Company	# Acquisitions	Select Transactions					
		(earlier)					(most recent)
FORTRA	13	 Vulnerability management	 Email security	 Threat intelligence	 Threat mgmt. & protection	 Security management	 Security awareness
	9	 Cloud security	 Email security	 Identity & access management	 Security & observability	 AI security	 Threat management
	9	 Identity management	 Password management	 Active directory security	 Privileged access mgmt.	 Endpoint protection	 Vulnerability management
	8	 SASE	 Cloud security	 Application security	 Cloud data security	 Enterprise browser protection	 Detection & response
	8	 Cloud security	 Defense & deception	 Security workflow automation	 Application security	 Data security	 Zero trust segmentation
	8	 Cloud & network security	 Application security	 ThreatINSIGHT business	 CNAPP	 Data loss prevention	 Email security
	7	 Log mgmt. & observability	 Endpoint security	 External attack surface mgmt.	 App security posture mgmt.	 Cloud security	 Vulnerability management
	7	 Developer security	 Attack path mgmt.	 External attack surface mgmt.	 CNAPP	 DSPM	 Cyber risk mgmt.
	6	 Cloud security	 Kubernetes security	 Endpoint security	 Threat intelligence & protection	 Managed detection & response	 CAASM
	6	 Secure remote access	 Cloud email security	 Developer security	 Network security & SASE	 Security management	 Threat intelligence

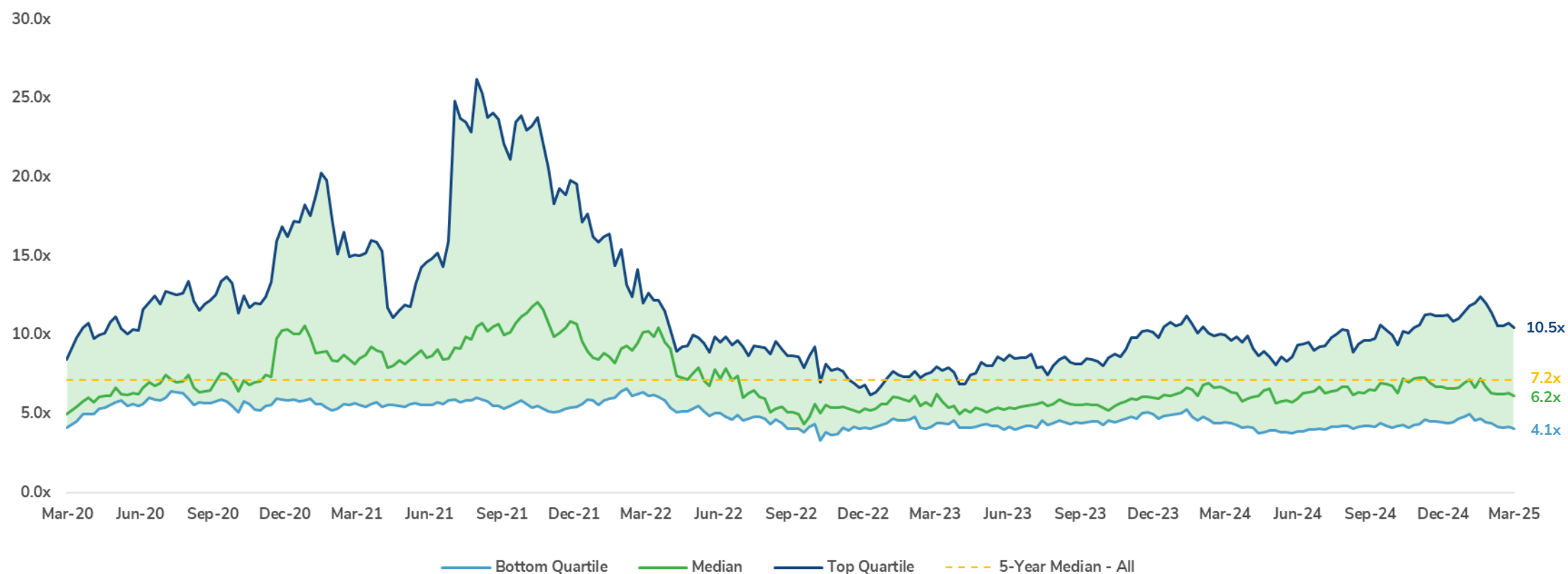
Source: 451 Research, Jan-20 to Mar-25

Public Comparables – Cybersecurity Through the Cycle

Median of 6.2x EV / revenue has dipped below 5-year average of 7.2x

Performance of Our Technology Investment Banking Practice Cybersecurity Index over the Past 5 Years

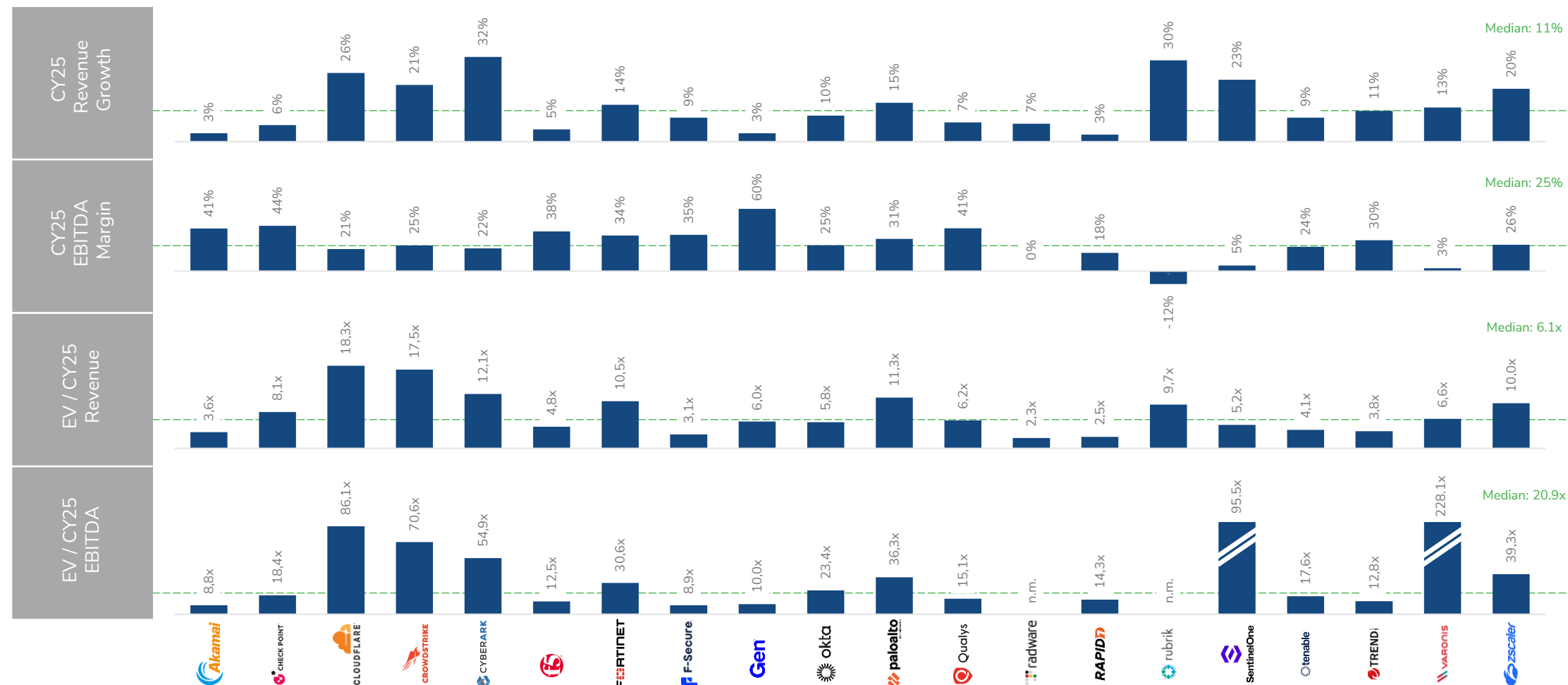
EV / Next 12 Months Revenue



Source: Capital IQ as of 31.03.2025; Note: Index includes 20 public traded cybersecurity companies as detailed in the next slide

Public Comparables – Benchmarking

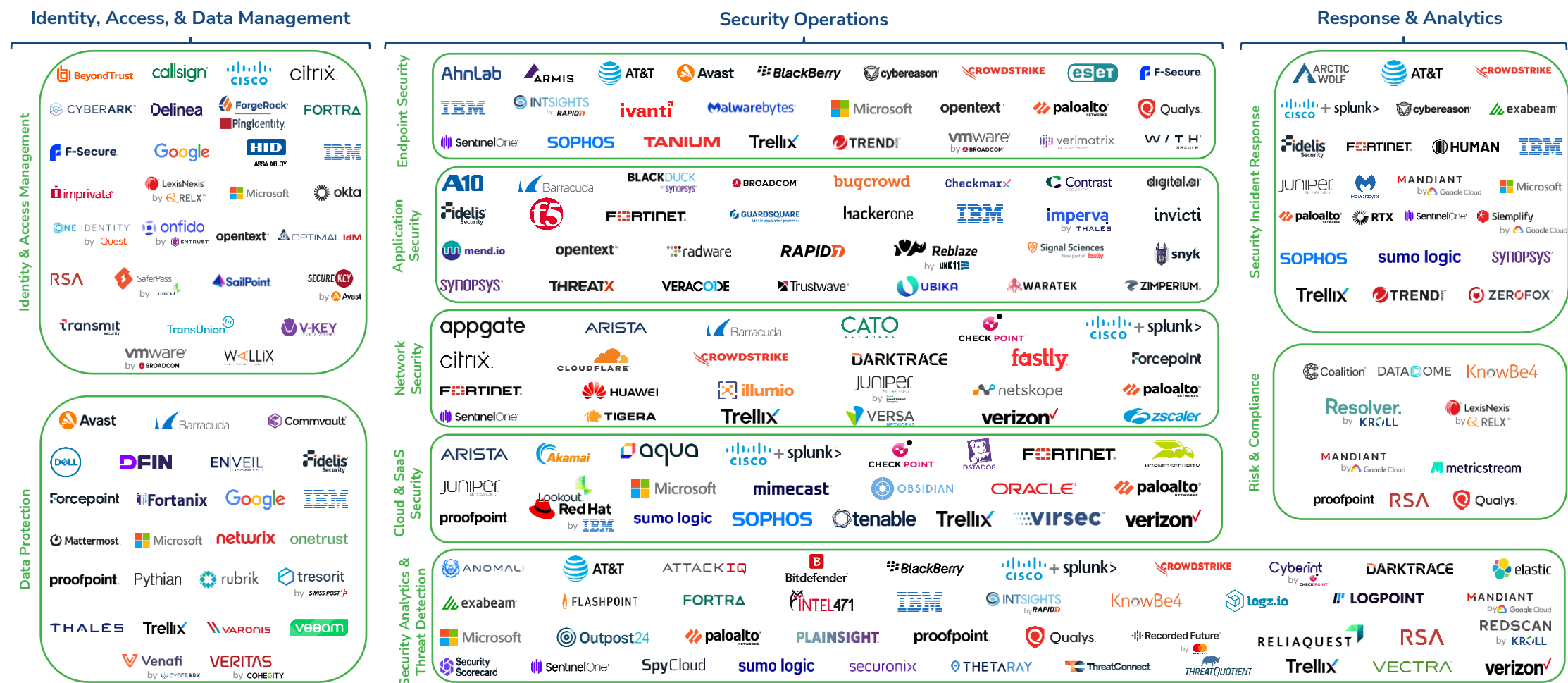
Cloudflare and CrowdStrike trading at highest multiples at c. 18x revenue



Source: Capital IQ as of 31.03.2025

Cybersecurity Software Sector Ecosystem

Kroll tracked cybersecurity universe



About Kroll

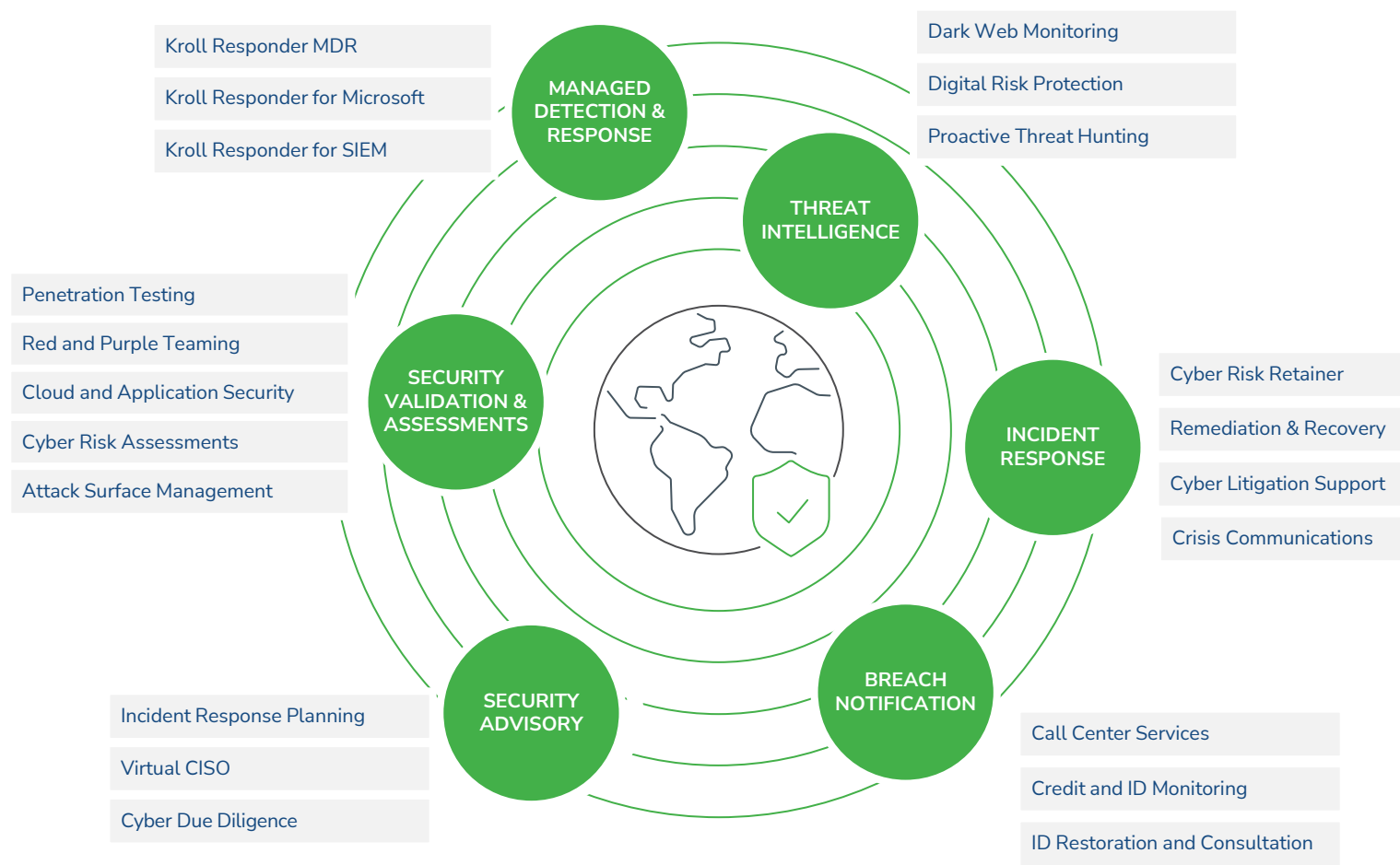
Cybersecurity Diligence across the Deal Lifecycle

Kroll's **suite of technology-enabled diligence offerings** are designed to meet the needs of deal teams seeking to understand cybersecurity risk in the context of a transaction.



Kroll Cyber Risk Services

Leading end-to-end services offering provides unique market insight for thoughtful positioning and buyer access



3,000+

Engagements per year for Fortune 100 companies to medium sized businesses

650+

Practitioners across 19 countries with global cyber expertise

100+

Industry certifications (CISM, CREST, ISO, CISSP, ISSAP, and more)

60+

Preferred / approved vendor for 60+ cyber insurance carriers

Technology & Business Services Investment Banking Group

Kroll's dedicated technology & business services investment banking team is comprised of industry professionals with deep sector expertise and an extensive network of strategic advisors and industry executives

Practice Overview

Significant Transaction Experience



Strong track record of execution, 500+ transactions completed

Unparalleled Access to Buyers



Deep reach into tech and business services focused financial sponsors and strategics

Deep Domain Expertise



Fluency in key trends in the tech & business services sectors

Unconflicted and Focused Approach



Singular focus on sector advisory services

Verticals & Thematic Areas of Focus



Information Technology



Financial Services



Professional Services



Engineering & Facility Services



Cybersecurity



Supply Chain & Logistics



Education & Training



Data & Analytics



Real Estate & Construction



Human Capital Management



Marketing & Media



Retail & Commerce

Extensive Cybersecurity M&A Expertise

Secure Comms & Secure Hosting

LUXSCI

has received investment from

MAIN
CAPITAL PARTNERS

Online Protection & Product Authentication



has gone public via SPAC merger backed by

INVESTCORP

Email and Cloud Security SaaS

PSG

has reinvested alongside TA Associates into

HORNETSECURITY

Mobile Application Protection SaaS

whiteCryption

has been acquired by

ZIMPERIUM

App Threat Detection and Protection SaaS

Prevoty

has been acquired by

imperva

Online Risk and Cyber Threat Intelligence

brandprotect.

has been acquired by

LLRpartners

SIEM & Network Monitoring

accelops

has been acquired by

FORTINET

Embedded Security and Content Protection

Elliptic

has been acquired by

SYNOPSYS

Data Security and Enterprise Mgmt.

LIQUIDMACHINES
The Freedom of Security™

has been acquired by

CHECK POINT

Email Encryption

POSTX

has received investment from

CISCO **IRONPORT**

Email and Web Security

BorderWare

has been acquired by

WatchGuard

Identity and Access Management

eurekify

has been acquired by

ca
technologies

Strong Track Record Closing Deals with Software Investors

Kroll's technology investment banking team has long-standing embedded relationships with global players across private equity and strategic buyer communities

Select Private Equity Transactions

 <p>has received investment from</p> 	 <p>has received investment from</p>  <p>THOMABRAVO</p>	 <p>has received investment from</p> 
 <p>has received investment from</p> 	 <p>has received investment from</p> 	 <p>has received investment from</p> 
 <p>has received investment from</p>  <p>TRUE WIND</p>	 <p>has received investment from</p> 	 <p>has received investment from</p> 

Select Strategic Buyer Transactions

 <p>has been acquired by</p> 	 <p>has been acquired by</p> 	 <p>has been acquired by</p> 
 <p>has been acquired by</p> 	 <p>has been acquired by</p> 	 <p>has been acquired by</p> 
 <p>has been acquired by</p> 	 <p>has been acquired by</p> 	 <p>has been acquired by</p> 



For more information, please contact:



Nicholas Collins
Managing Director
Investment Banking
Palo Alto
+1 650 354 4020
Nicholas.Collins@Kroll.com



Matt De La O
Managing Director
Investment Banking
Washington DC
+1 202 449 1813
Matt.DeLaO@Kroll.com



Rory O'Sullivan
Managing Director
Investment Banking
London
+44 20 7089 4810
Rory.OSullivan@Kroll.com



Hamish Shah
Managing Director
Investment Banking
London
+44 20 7089 4870
Hamish.Shah@Kroll.com



Scott Munro
Vice Chairman
Investment Banking
Palo Alto/Toronto
+1 650 354 4040
Scott.Munro@Kroll.com



Vineet Asthana
Managing Director
Investment Banking
New York
+1 212 277 0132
Vineet.Asthana@Kroll.com



Corey Maurer
Director
Investment Banking
Los Angeles
+1 424 281 6348
Corey.Maurer@kroll.com



Philipp Bose, CFA
Director
Investment Banking
Munich
+49 89 38 88 84 280
Philipp.Bose@Kroll.com

About Kroll

As the leading independent provider of risk and financial advisory solutions, Kroll leverages our unique insights, data and technology to help clients stay ahead of complex demands. Kroll's global team continues the firm's nearly 100-year history of trusted expertise spanning risk, governance, transactions and valuation. Our advanced solutions and intelligence provide clients the foresight they need to create an enduring competitive advantage. At Kroll, our values define who we are and how we partner with clients and communities. Learn more at www.kroll.com.

M&A advisory, capital raising and secondary market advisory services in the United States are provided by Kroll Securities, LLC (member FINRA/SIPC). M&A advisory, capital raising and secondary market advisory services in the United Kingdom are provided by Kroll Securities Ltd., which is authorized and regulated by the Financial Conduct Authority (FCA). Valuation Advisory Services in India are provided by Kroll Advisory Private Limited (formerly, Duff & Phelps India Private Limited), under a category 1 merchant banker license issued by the Securities and Exchange Board of India.

The material in this report is for information purposes only and is not intended to be relied upon as financial, accounting, tax, legal or other professional advice. This report does not constitute, and should not be construed as soliciting or offering, any investment or other transaction, identifying securities for you to purchase or offer to purchase, or recommending the acquisition or disposition of any investment. Kroll does not guarantee the accuracy or reliability of any data provided from third-party resources. Although we endeavor to provide accurate information from third-party sources, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future.