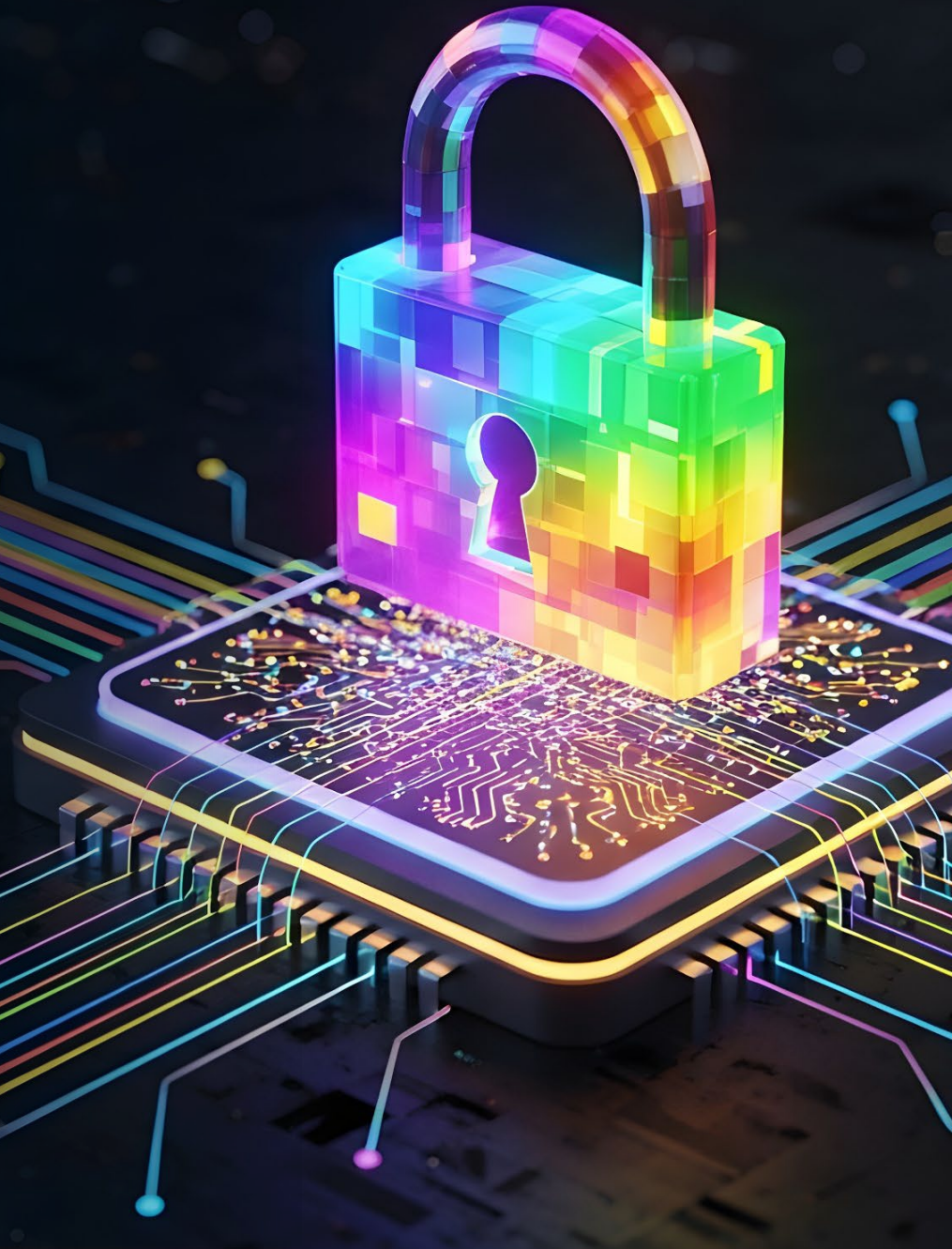




Cybersecurity Sector

M&A Industry Insights

Winter 2026



Cybersecurity Sector

M&A Industry Insights, Winter 2026

Cybersecurity M&A activity surged in 2025, representing a new yearly high for both deal volume (with 303 announced transactions) and value at \$78.8 billion. Q4 saw several \$1 billion-plus transactions, including investments from Palo Alto Networks, ServiceNow, Francisco Partners and Veeam, across segments including observability, exposure management, endpoint protection and data protection. The breadth of buyer interest in the quarter was notable, spanning financial and strategic as well as non-cybersecurity buyers.

A key feature of the 2025 resurgence in cybersecurity deal-making has been the increasing activity of non-cybersecurity buyers. Technology providers across the board are responding to their customer demands by establishing or bolstering security divisions, including in 2025 with Mitsubishi's acquisition of Nozomi Networks, ServiceNow's acquisitions of Armis and Veza, and Twilio's acquisition of Stych, and in 2024 with MasterCard's acquisition of Recorded Future.

Sectors in focus throughout 2025 included risk management and compliance, with market tailwinds such as tightening regulation, rising cyber and operational risk, and a shift to AI-enabled tooling to reduce manual compliance costs. Identity management deals also surged in 2025, driven by the emergence of identity as a primary attack vector, the need for foundational controls for cloud transitions, and the need to manage agentic and machine identities. AI security continued to drive activity in Q4 2025, with Zscaler picking up SPLX for AI asset discovery and management as just one example.

In public markets, Q4 saw continued downward pressure on share prices, with the top quartile for EV/next twelve months revenue multiples continuing to trade down from 10.7x to 9.5x over the quarter, while only the bottom quartile saw a slight uptick in median multiples from 3.5x to 3.7x.

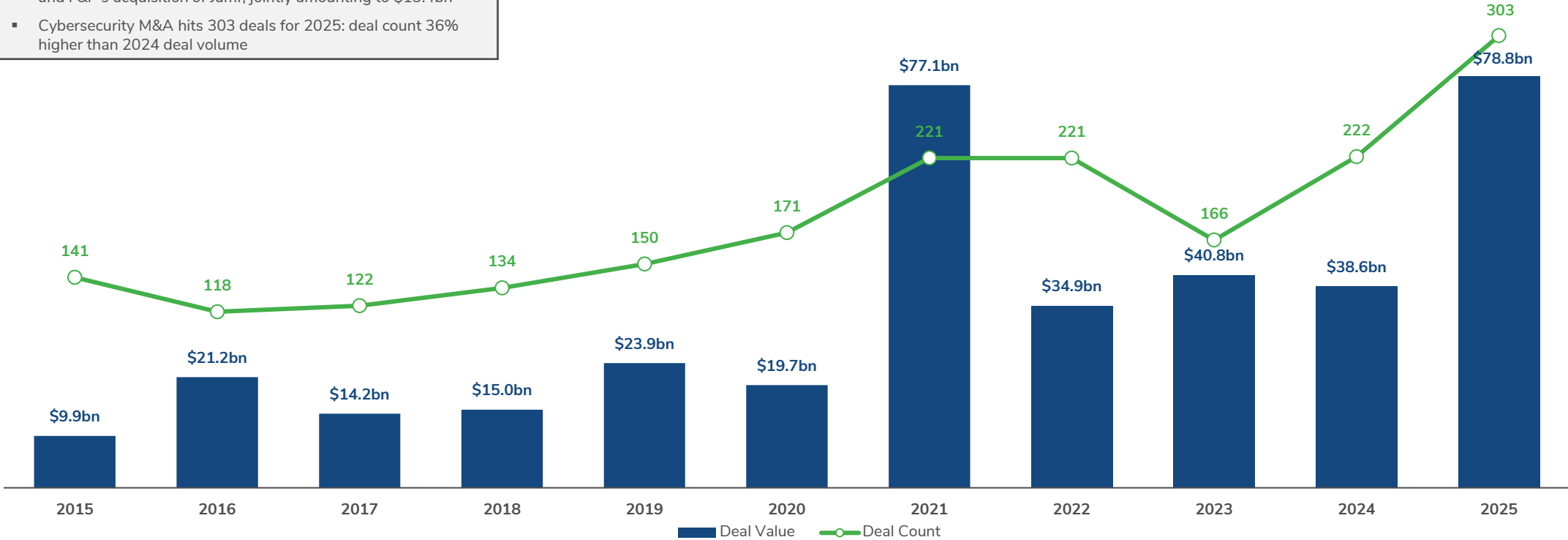
Entering 2026 with a busy M&A environment, we expect to see continued focus on key sectors such as AI-enabled threat detection, identity management, and cloud security, and platform consolidation continuing to drive deals in conjunction with a broadening of the "cybersecuritization" theme we are seeing as non-traditional buyers play more of a role in M&A.

Cybersecurity M&A Peaks in 2025, Outpacing the 2021 Record

Market for Cybersecurity M&A deals continued to remain strong in Q4, concluding a solid 2025

Global cybersecurity M&A activity

- Deal value in Q4 2025 was boosted by ServiceNow's acquisition of Armis, Palo Alto's acquisition of Chronosphere, and F&P's acquisition of Jamf, jointly amounting to \$13.4bn
- Cybersecurity M&A hits 303 deals for 2025: deal count 36% higher than 2024 deal volume




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


Largest Cybersecurity Acquisitions in Q4 2025

ServiceNow led Q4 deal volume with c.\$9bn across two deals, followed by Palo Alto's acquisition of Chronosphere

December 2025




ARMIS
acquired by




ServiceNow's acquisition of Armis marked a strategic expansion into OT and IoT security, adding agentless asset visibility to extend its workflow-driven platform beyond traditional IT and enhance enterprise-wide risk management.

\$7.8 bn 22.8x

November 2025




chronosphere
acquired by




Palo Alto Networks acquired Chronosphere to expand its platform into AI-scale observability, enabling real-time visibility, resilience, and autonomous remediation across modern cloud and AI workloads. Integrated with Cortex AgentiX, the combined platform moves observability beyond passive monitoring to real-time, agentic remediation, allowing AI agents to detect issues, investigate root causes and autonomously resolve incidents at scale.

\$3.4 bn 20.9x

October 2025




jamf
acquired by




As a part of a take-private transaction, Francisco Partners acquired Jamf, recognizing its leading position in Apple device management, strong and predictable recurring revenue profile, and the opportunity to accelerate platform expansion and product investment under private ownership. The take-private structure provides Jamf with increased flexibility to execute long-term growth initiatives and deepen its mission-critical role within enterprise and education customers.

\$2.2 bn 3.2x

October 2025




securiti
acquired by




To elevate data protection into a data-centric security and governance platform for the AI era, Veeam acquired Securiti.ai to integrate autonomous data security, privacy, and governance capabilities across enterprise data estates. The acquisition expands Veeam's core backup and recovery offerings beyond resilience into proactive data protection, enabling customers to secure, govern, and responsibly manage sensitive data as it is increasingly consumed by AI and analytics workloads.

\$1.7 bn 23.0x

December 2025




veza
acquired by




ServiceNow acquired Veza to add AI-native identity security and access intelligence across modern hybrid and multi-cloud environments. The acquisition deepens ServiceNow's security portfolio by addressing identity as the critical control plane for enterprise risk, enabling organizations to understand who has access to what data and resources across complex IT ecosystems.

\$1.0 bn 40.0x

October 2025



ThreatConnect
acquired by



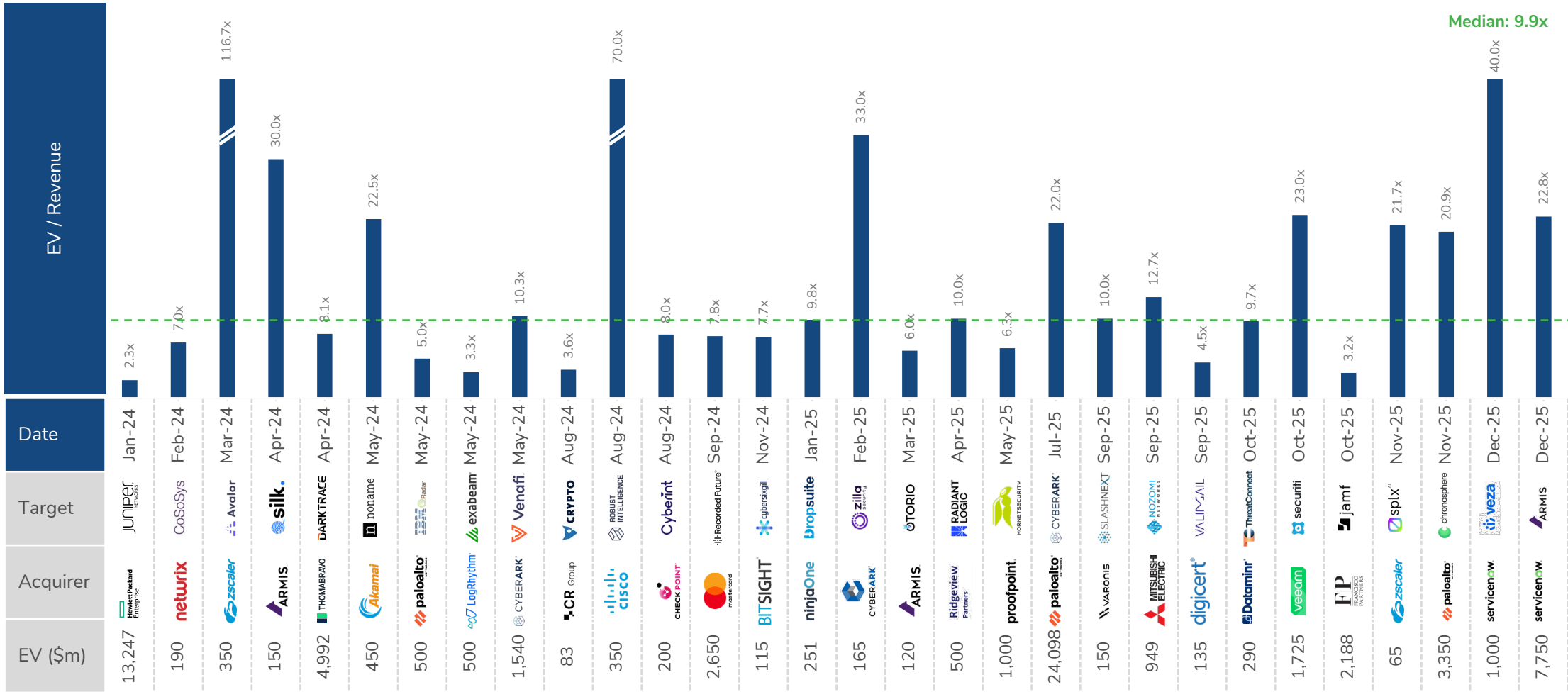
Dataminr
The combination transforms Dataminr from an external, signal-driven intelligence provider into a closed-loop, intelligence-to-action platform. By integrating ThreatConnect's prioritization, enrichment, and automation capabilities, Dataminr can move beyond event detection toward AI-driven decisioning and response across cyber, physical, and operational risk domains. This acquisition also strengthens Dataminr's enterprise and government footprint, deepens customer stickiness, and expands addressable spend in threat intelligence platforms, SOAR-adjacent workflows, and AI-driven risk management.

\$0.3 bn 9.7x

Source: 451 Research, Mergermarket, Press Releases; OT = Operational Technology; CPS = Cyber-Physical Systems; SOAR = Security Orchestration, Automation, and Response

Precedent Transactions – Cybersecurity Software

Software cybersecurity deals since Jan-24 have had median EV / revenue multiple of 9.9x

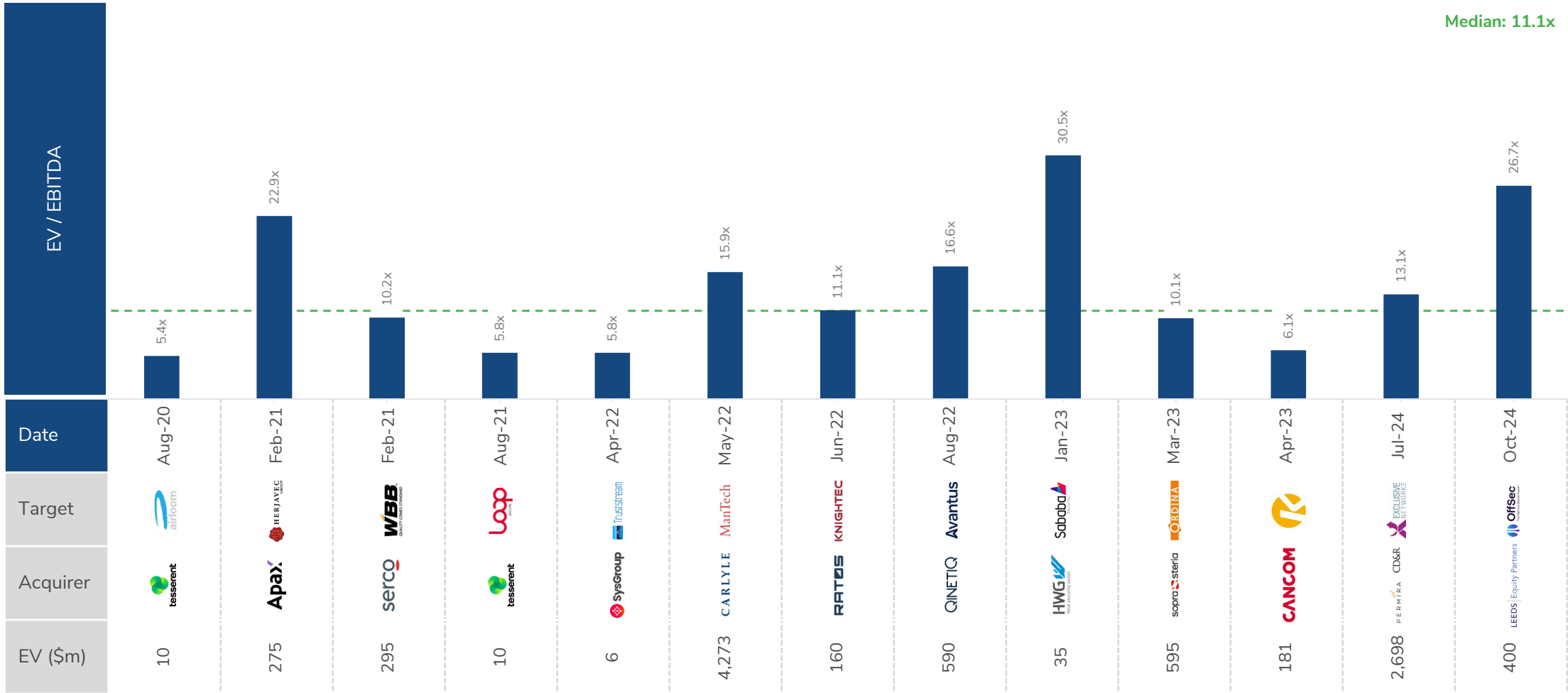


Median: 9.9x

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

Precedent Transactions – Managed Security Services

Recent managed cyber services deals have had median EV / EBITDA multiple of 11.1x



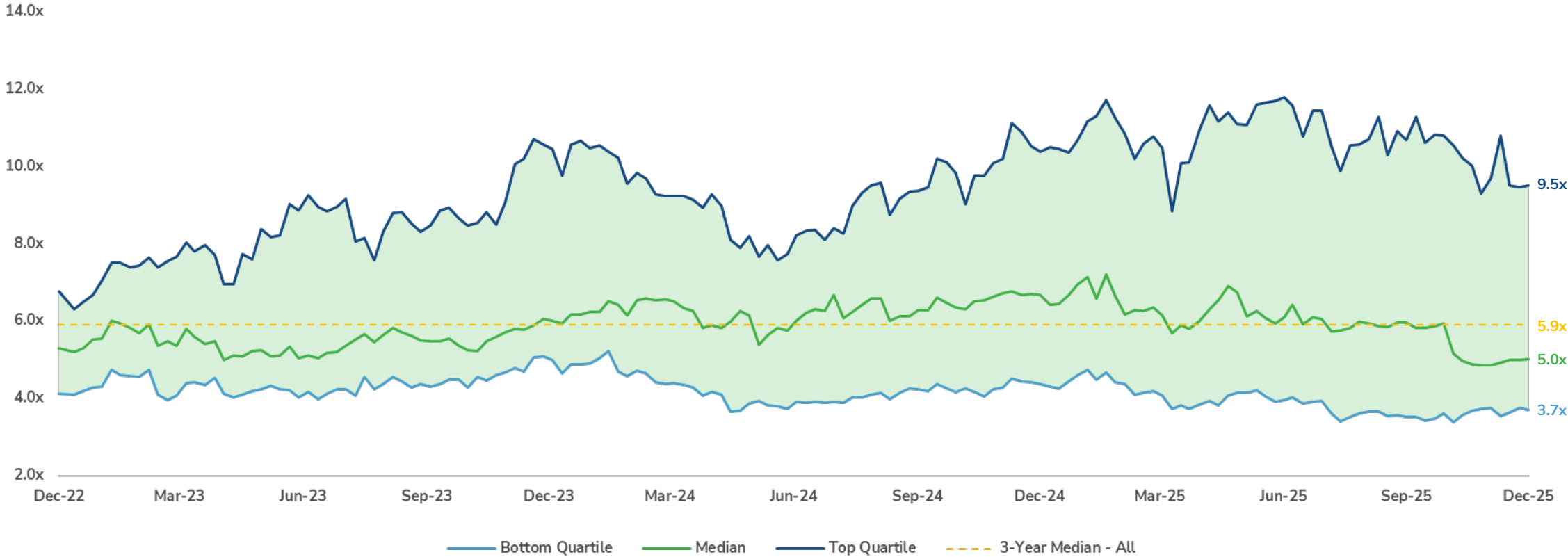
Sources: Mergermarket, Megabyte, Pitchbook, 451 Research, S&P Capital IQ

Public Comparables – Cybersecurity Through the Cycle

Upper-quartile multiples reached 9.5x, while the median declined to 5.0x, below the 3-year median

Performance of Our Technology Investment Banking Practice Cybersecurity Index over the Past 3 Years

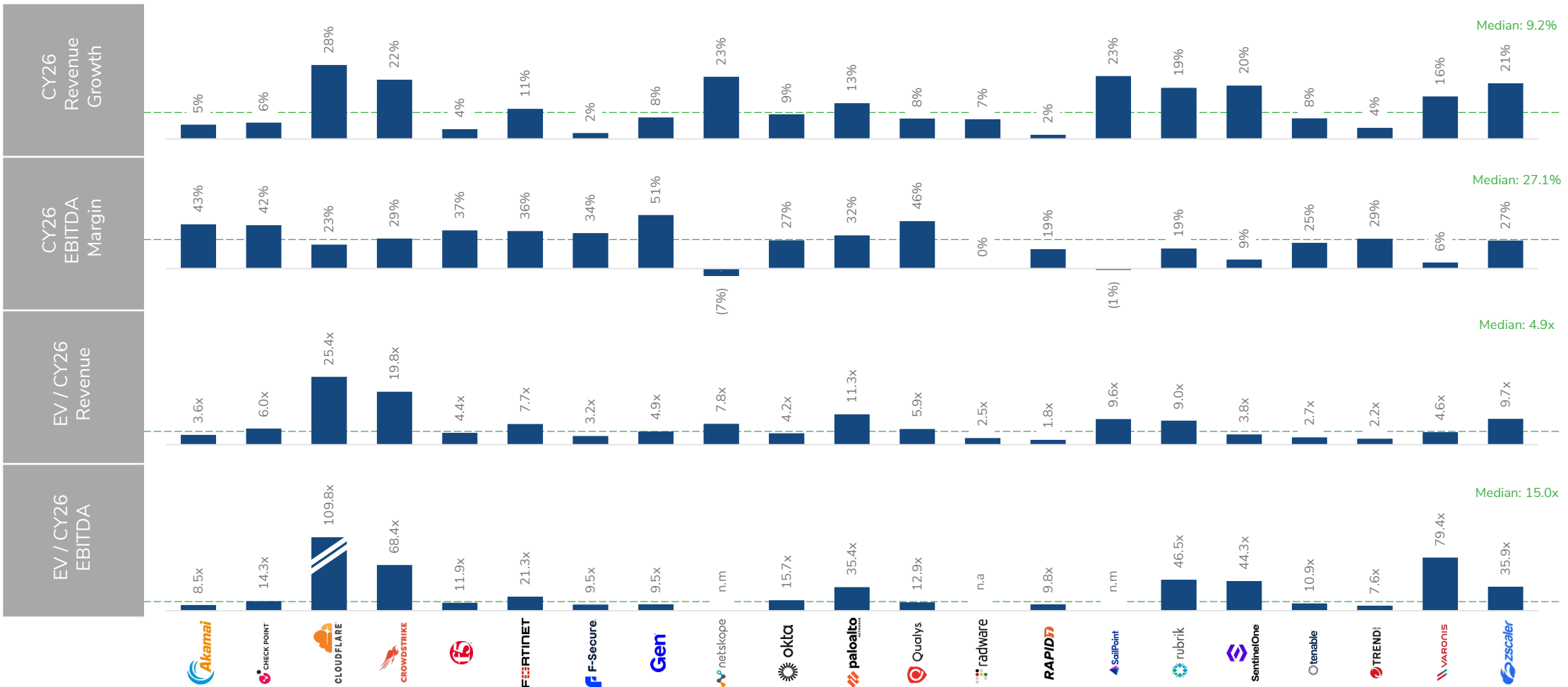
EV / Next 12 Months Revenue



Source: Capital IQ as of 31.12.2025; Note: Index includes 21 public traded cybersecurity companies as detailed in the next slide
 Note: Netskope included from September 2025

Public Comparables – Benchmarking






































































Cloudflare and CrowdStrike trading at highest revenue multiples of c. 25x and 20x respectively



Source: Capital IQ as of 31.12.2025

Top Strategic Acquirors of Cybersecurity Software

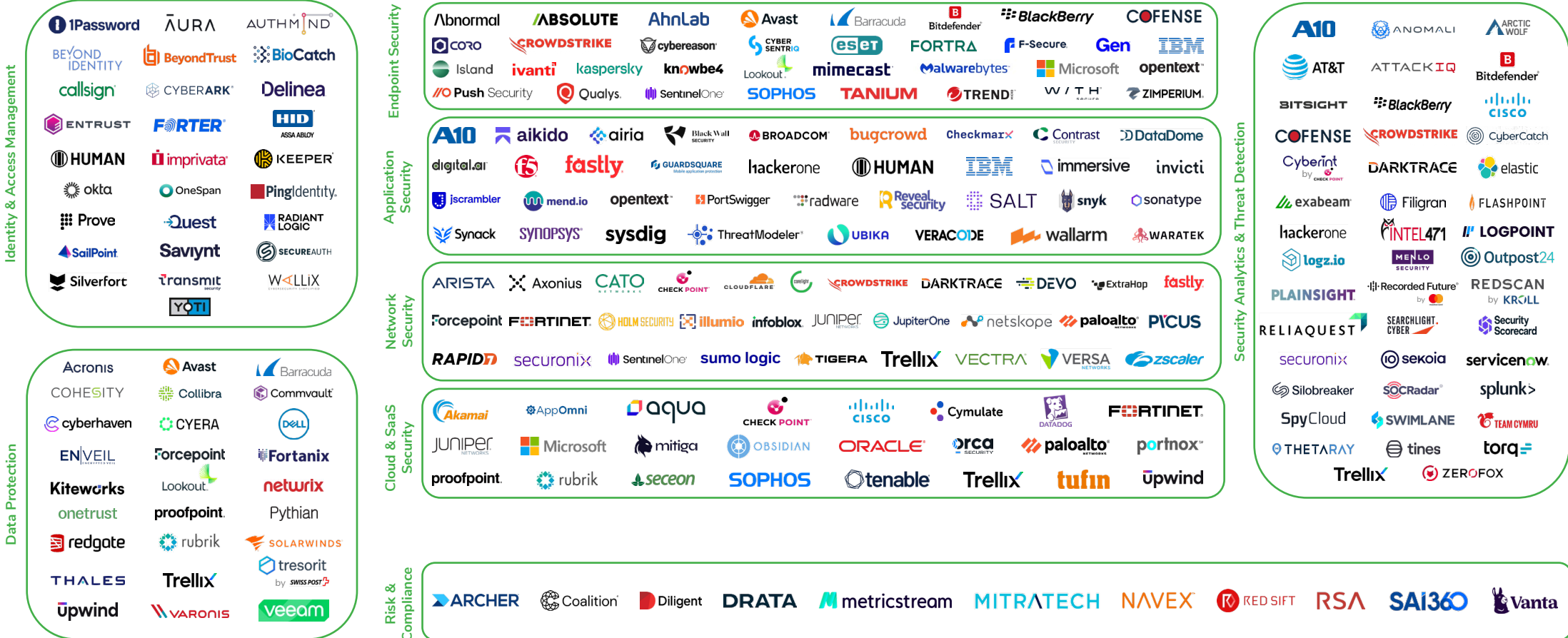
Most active strategic acquirors of cybersecurity software businesses over the last 5 years

Company	# Acquisitions	(earlier)	Select Transactions					(most recent)
 FORTRA	14	 AGARI Email security	 PHISHLABS Threat intelligence	 DIGITAL GUARDIAN Threat mgmt. & protection	 tripwire Security management	 TERRANOVA SECURITY Security awareness	 Lookout Cloud Security Business	
 paloalto NETWORKS	11	 Dig Cloud data security	 TALON Enterprise browser protection	 IBM Radar Detection & response	 PROTECT AI Threat detection & security	 CYBERARK Identity Security	 chronosphere AI Observability	
 zscaler	10	 ShiftRight Security workflow automation	 CANONIC Application security	 Avalor Data security	 AIRGAP Zero trust segmentation	 red canary MDR	 splx AI Security	
 CISCO	9	 Lightspin Cloud security	 Armorblox Email security	 DORT Identity & access management	 splunk Security & observability	 ROBUST INTELLIGENCE AI security	 SNAPATTACK Threat management	
 netwrix	9	 USERCUBE Identity management	 MATESO PASSWORD SAFE Password management	 GroupID Active directory security	 Remediant Privileged access mgmt.	 CoSoSys Endpoint protection	 PING CASTLE Vulnerability management	
 CROWDSTRIKE	9	 Reposify External attack surface mgmt.	 BIONIC App security posture mgmt.	 FLOW. Cloud security	 ADAPTIVE SHIELD Vulnerability management	 onum Real-time telemetry pipeline	 pangea AI detection & response	
 FORTINET	8	 SHIELDX Cloud & network security	 sken.ai Application security	 Gigamon ThreatINSIGHT business	 LACEWORK CNAPP	 next Data loss prevention	 PERCEPTION POINT Email security	
 tenable	8	 cymptom Attack path mgmt.	 BIT DISCOVERY External attack surface mgmt.	 ermetic CNAPP	 eureka DSPM	 VULCAN. Cyber risk mgmt.	 APEX Exposure mgmt.	
 CHECK POINT	8	 Spectral Developer security	 perimeter 81 Network security & SASE	 Atmosec Security management	 Cyberint Threat intelligence	 VERITI Exposure remediation	 LAKERA AI application security	
 RAPID7	6	 DivyCloud Cloud security	 alcide Kubernetes security	 Velociraptor Endpoint security	 INTSIGHTS Threat intelligence & protection	 MINERVA Managed detection & response	 noetic CAASM	

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

Cybersecurity Software Ecosystem

Selected Kroll tracked cybersecurity software universe



Security Services Market – Value Chain

Security services vendors are building out new technology-enabled service and MSSP offerings by leveraging best-of-breed software capabilities

Specialized Security Services

Architecture / Code Review	Policy Development	Penetration Testing	Staffing	Forensics & Incident Response	Execution	Vulnerability Assessment	Risk Analysis	Independent Verification & Validation	Certification / Security Training	Application Testing						
accenture	BISHOPFOX	Booz Allen Hamilton®	breachlock	Cigital / SYNOPSIS®	CALFIRE.	cognizant	Deloitte.	DXC TECHNOLOGY	EY	HCL	IBM	KPMG	KROLL	logica be brilliant together / CGI	nccgroup®	NEOHAPSIS / CISCO
NetSPI™	NISOS The Managed Intelligence Company*	NOPSEC	OPTIV	praetorian	pwc	TATA	TRUSTEDSEC	STROZ FRIEDBERG / AON	wipro							

Diversified MSSPs

AV / Content Protection	PKI / IAM	Managed Detection & Response	Vulnerability Scanning	Intelligence & Information Sharing Analysis	Security Management (Network)	Security Management (Host)	DDoS / DNS Protection	Security Monitoring (Network)	Security Monitoring (Host)	Security Monitoring (Application)								
ARCTIC WOLF	ARMOR	Atos	AT&T	AVERTIUM	BINARY DEFENSE®	BlueVoyant	Booz Allen Hamilton®	BT	CERBERUS SENTINEL	CLOUDFLARE								
CRITICALSTART	CYDERES	CYSIV / FORESCOUT	DEEP seas	deepwatch	eSENTIRE	expel	FIELD EFFECT	FORTRA	GOSECURE	IBM	McAfee	NETSCOUT	neustar.	NTT Security	nuspire	Orange Cyberdefense	PROLEXIC / Akamai	red canary
SAVIYNT	Secureworks®	SOPHOS	Symantec / accenture	THALES	Trustwave® / Singtel	VERISIGN	verizon / cybertrust											

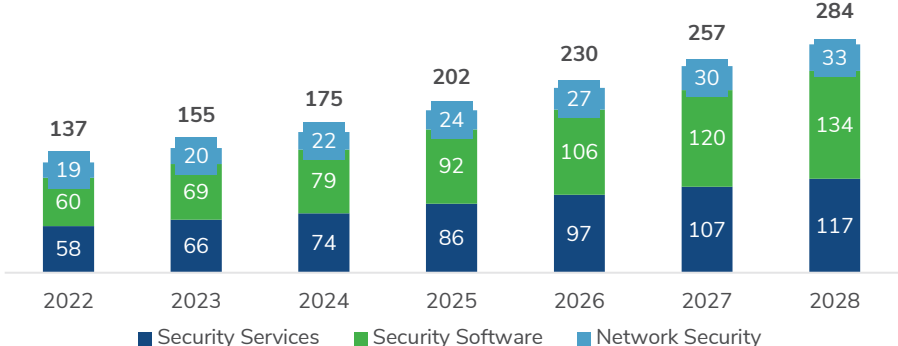
Note: Company name after grey slash indicates financial backer

Cybersecurity Market Overview

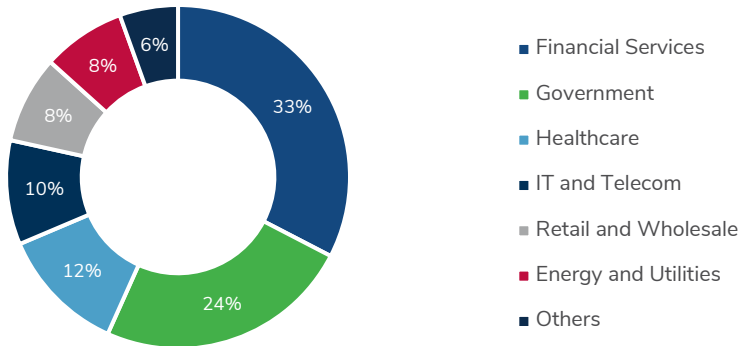
Cybersecurity represents a large \$200bn+ market

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.

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.

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.

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 using M&A to build security platforms focused on broader domains.



For more information, please go to:
Kroll.com

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