KROLL™

Cybersecurity Sector

Industry Insights

Spring 2026

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Cybersecurity Sector

M&A Industry Insights, Spring 2026

Cybersecurity M&A activity remained healthy in Q1 2026, with 75 announced transactions, representing an annualized pace broadly consistent with 2025's record volume. Although disclosed deal value moderated to $2.2 billion following the outsized transactions seen in 2025, activity remained robust, with Check Point, Palo Alto Networks and CrowdStrike accounting for approximately $1.1 billion of aggregate value during the quarter. The market continued to be defined by steady mid-market activity, despite the absence of transactions with a deal value of more than $1 billion.

Buyer interest remained focused on technologies that strengthen broader platform capabilities and address the security demands created by artificial intelligence (AI) adoption, cloud complexity and expanding enterprise attack surfaces. Q1 transactions highlighted continued momentum in identity-centric security, AI-native endpoint protection, exposure management and AI data security, including CrowdStrike/SGNL.ai, Palo Alto Networks/Koi Security, Delinea/strongDM, Varonis/AllTrue.ai and Check Point/Cyclops Security.

AI-related concerns hung over public equity market investors, with the release of Anthropic's Claude Code Security on February 20 prolonging the sell-off in cybersecurity shares. The upper quartile and median EV/NTM revenue multiples for Kroll's cybersecurity index dropped 43% and 26% respectively relative to Q4 2025.

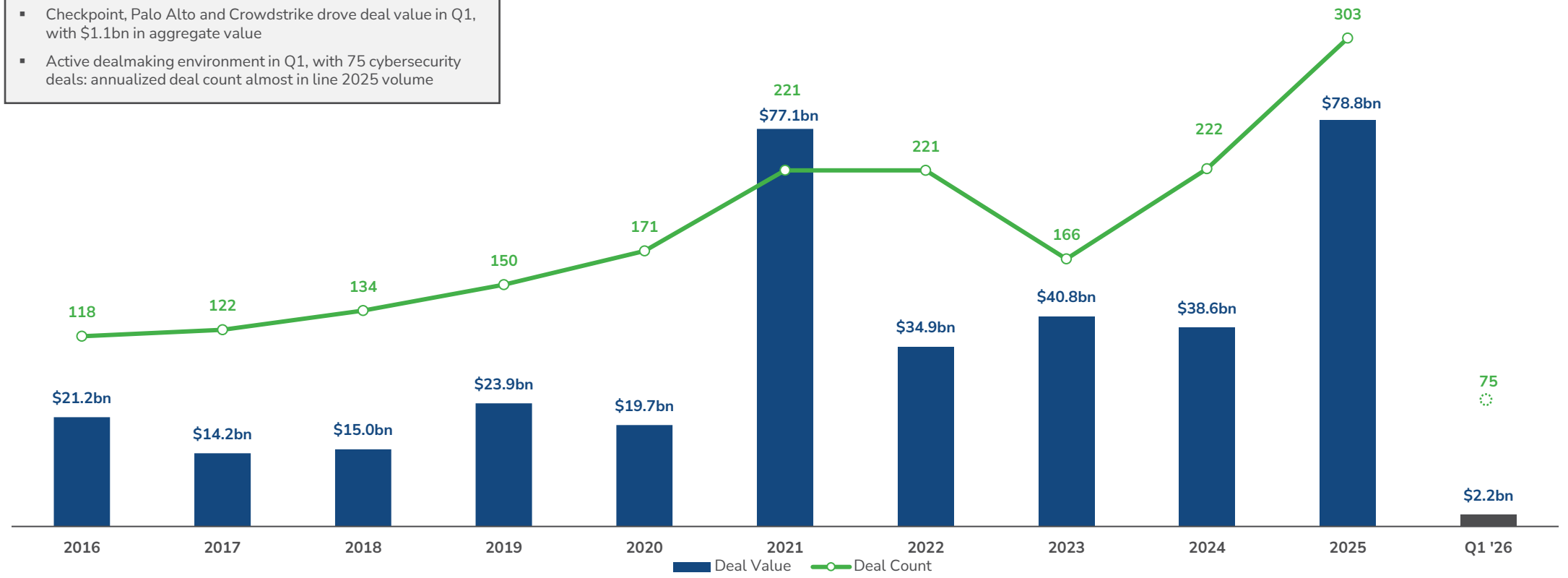
Looking ahead, we expect buyer interest to remain concentrated in segments aligned with platform consolidation and preemptive security architectures, particularly identity, AI-enabled security, exposure management and cloud security.

Cybersecurity M&A Off to a Promising Start, Post a Strong 2025

Pace of Deal Activity on Track with 2025 but with a Focus on the Lower Mid-Market as No Deal Above $1 billion

Global cybersecurity M&A activity

- Checkpoint, Palo Alto and Crowdstrike drove deal value in Q1, with $1.1bn in aggregate value
- Active dealmaking environment in Q1, with 75 cybersecurity deals: annualized deal count almost in line 2025 volume



Source: 451 Research, Jan-16 to Mar-26

Largest Cybersecurity Acquisitions in Q1 2026

Mid-Market M&A Deals Dominated the Quarter

January 2026

sgnl *acquired by* CROWDSTRIKE

$740m | N/A

SGNL.ai provides AI-based continuous identity security and access management software for businesses in the U.S. Software provides features for policy-based access control, cloud infrastructure protection, identity governance and risk assessment.

CrowdStrike acquired SGNL to strengthen and extend its Falcon platform into continuous, real-time identity security, enabling dynamic authorization based on live risk signals rather than static access rules. SGNL's technology allows access for human, non-human and AI identities to be continuously granted or revoked across SaaS and cloud environments. The acquisition addresses a critical security gap created by the rapid growth of cloud workloads and AI agents, while expanding CrowdStrike's presence in the fast-growing identity security market.

February 2026

KOI *acquired by* paloalto NETWORKS

$300m | N/A

Koi Security provides AI-native endpoint security software for businesses globally. Software provides features for AI security, detecting malware and vulnerabilities in applications and extensions using large language models and AI agents.

Acquisition of Koi Security expands Palo Alto's portfolio into agentic endpoint security, addressing new risks posed by AI agents, extensions, plugins and scripts that operate with deep system access outside traditional endpoint controls. Koi's technology provides real-time discovery, governance and protection of AI-driven endpoint activity, closing a critical visibility and enforcement gap. The capability will be integrated into Palo Alto Networks' Prisma AIRS and Cortex XDR platforms, strengthening protection for AI-native, agentic workflows across the enterprise.

January 2026

strongdm *acquired by* Delinea

$150m | 5.0x

strongDM provides access management and infrastructure security software for businesses globally. Software provides features for lifecycle management, credential, session and permission management.

To extend its core privileged access management (PAM) platform with just-in-time, and runtime authorization capabilities, Delinea acquired strongDM. The Company adds developer-friendly, proxy-based access and ephemeral credentials, allowing Delinea to eliminate standing privileges and govern privileged actions in real time for both human and non-human identities. The combination positions Delinea as a unified identity security control plane, better suited to securing AI agents, machine identities and dynamic infrastructure while supporting a shift toward zero standing privilege.

February 2026

Qoria *acquired by* ĀURA

$710m | 9.2x

Qoria provides AI-based student cyber safety and wellbeing management software for families and schools globally. Software provides features for managing screen time limiting online gaming, tracking all smart devices, limiting social media, reporting, tracking, monitoring, voice recording, blocking adult content, mobile devices tracking, screen capture, network, policy and filter management, wireless network integration, identity management and firewall monitoring.

Acquisition brings together two complementary businesses - Qoria brings a strong presence in K-12 student safety and wellbeing with a large international school footprint, while Aura adds scale in U.S. consumer and employee benefits distribution alongside AI-driven identity protection and online safety tools.

February 2026

AllTrue.ai *acquired by* VARONIS

$150m | N/A

AllTrue.ai provides AI data security management software for businesses globally. Software monitors how sensitive data is retrieved by AI agents and provides features for security posture and GRC management, AI runtime protection, security testing and compliance management.

Combination extends Varonis' data-centric security platform into the governance and protection of enterprise AI systems, addressing the risks created by AI models, copilots and autonomous agents operating at machine speed. By adding AllTrue's AI trust, risk and security management (AI-TRiSM) capabilities, such as real-time AI discovery, behavior monitoring and runtime enforcement, Varonis enables organizations to control how AI systems access and use sensitive data.

February 2026

CYCLOPS *acquired by* CHECK POINT

$85m | N/A

Cyclops provides AI-driven cybersecurity exposure management software for businesses globally. Software provides features for risk management and analysis.

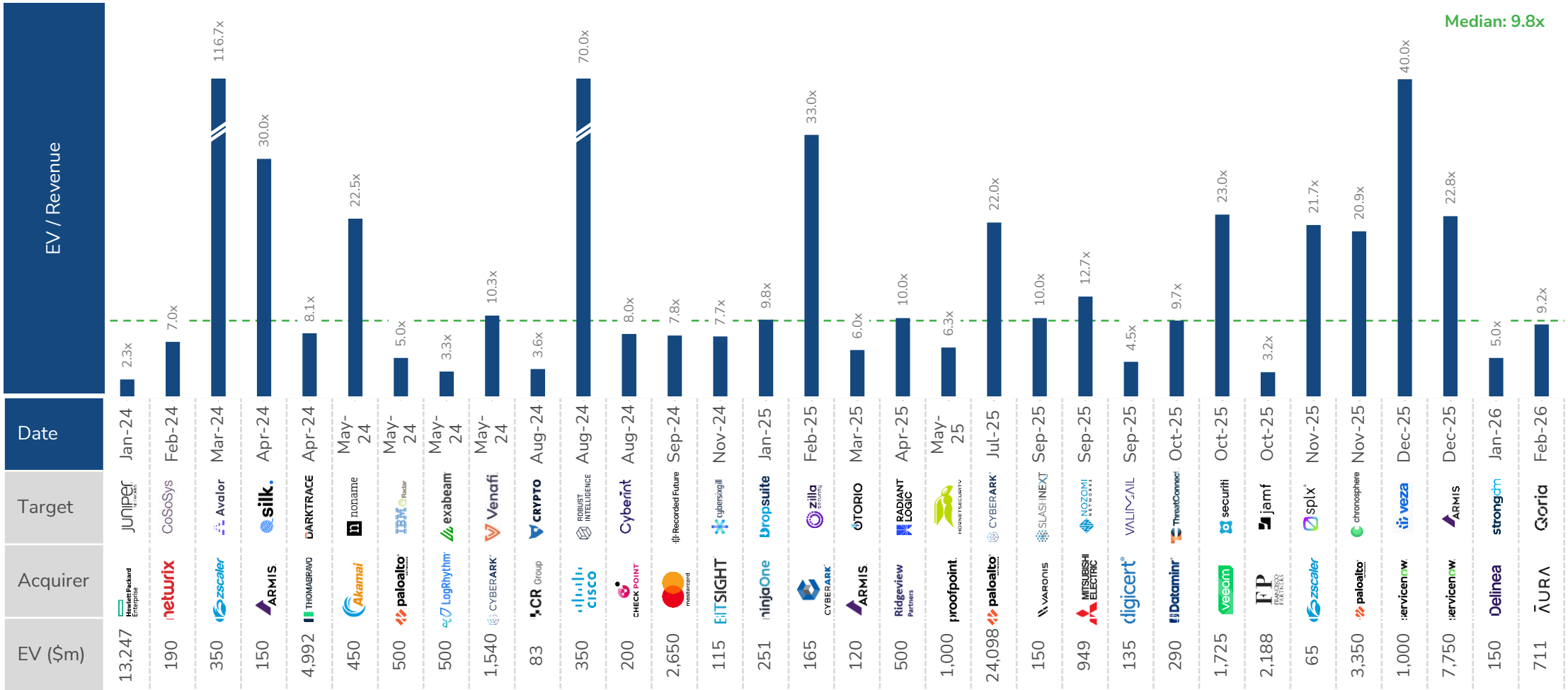
Cyclops Security strengthens Check Point's exposure management capabilities by adding AI-driven cyber asset attack surface management (CAASM) across cloud, on-premises, OT and SaaS environments. Cyclops provides continuous discovery and monitoring of enterprise assets, enabling more accurate risk prioritization and supporting a complete continuous threat exposure management (CTEM) offering. The acquisition enhances Check Point's Infinity platform by improving visibility and control over expanding enterprise attack surfaces and accelerating its push into AI-enabled exposure management.

Source: 451 Research, Mergermarket, Press Releases; AIRS = AI Runtime Security; XDR = Extended Detection and Response; GRC = Governance, Risk, and Compliance

EV | EV/LTM Rev

Precedent Transactions – Cybersecurity Software

Software cybersecurity deals since Jan-24 have had median EV / revenue multiple of 9.8x



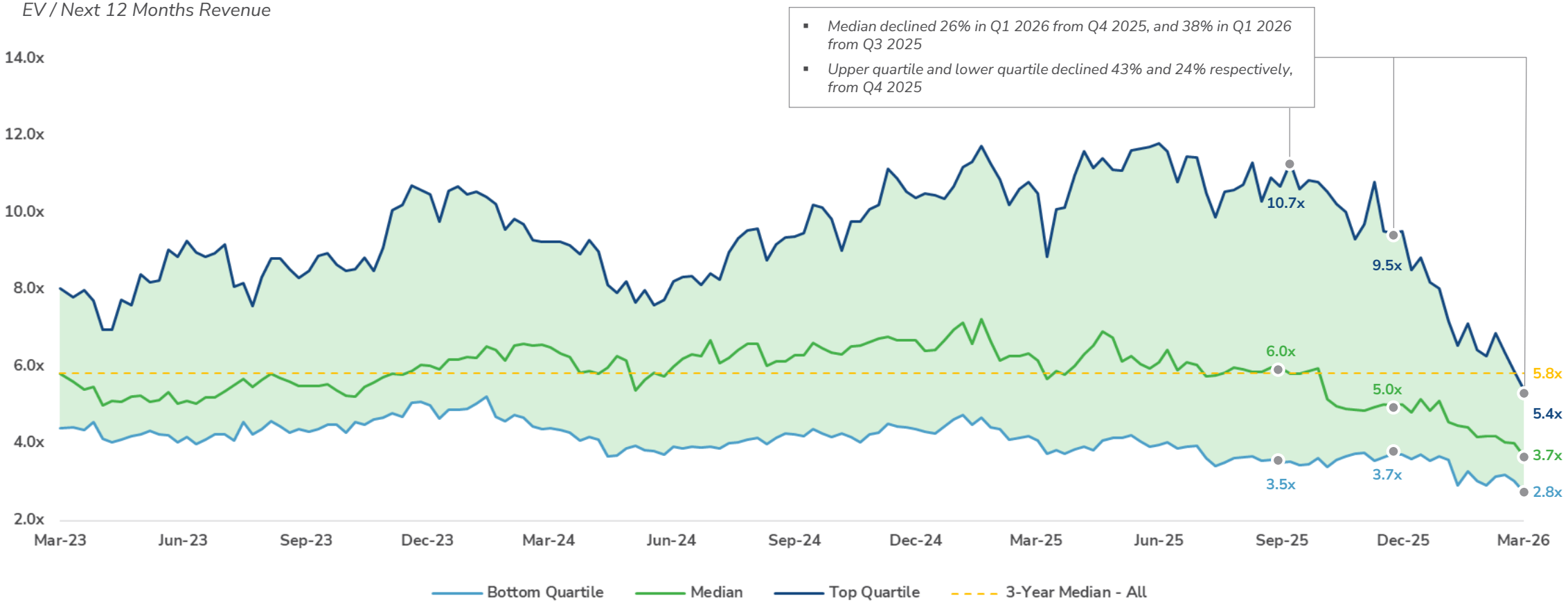
Sources: Mergermarket, Megabuyte, Pitchbook, 451 Research, S&P Capital IQ

Public Comparables – Cybersecurity Through the Cycle

Median EV/NTM Revenue Multiple Declined 26% in Q1 2026 from Q4 2025, as AI-Related Concerns Weighed Heavily

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

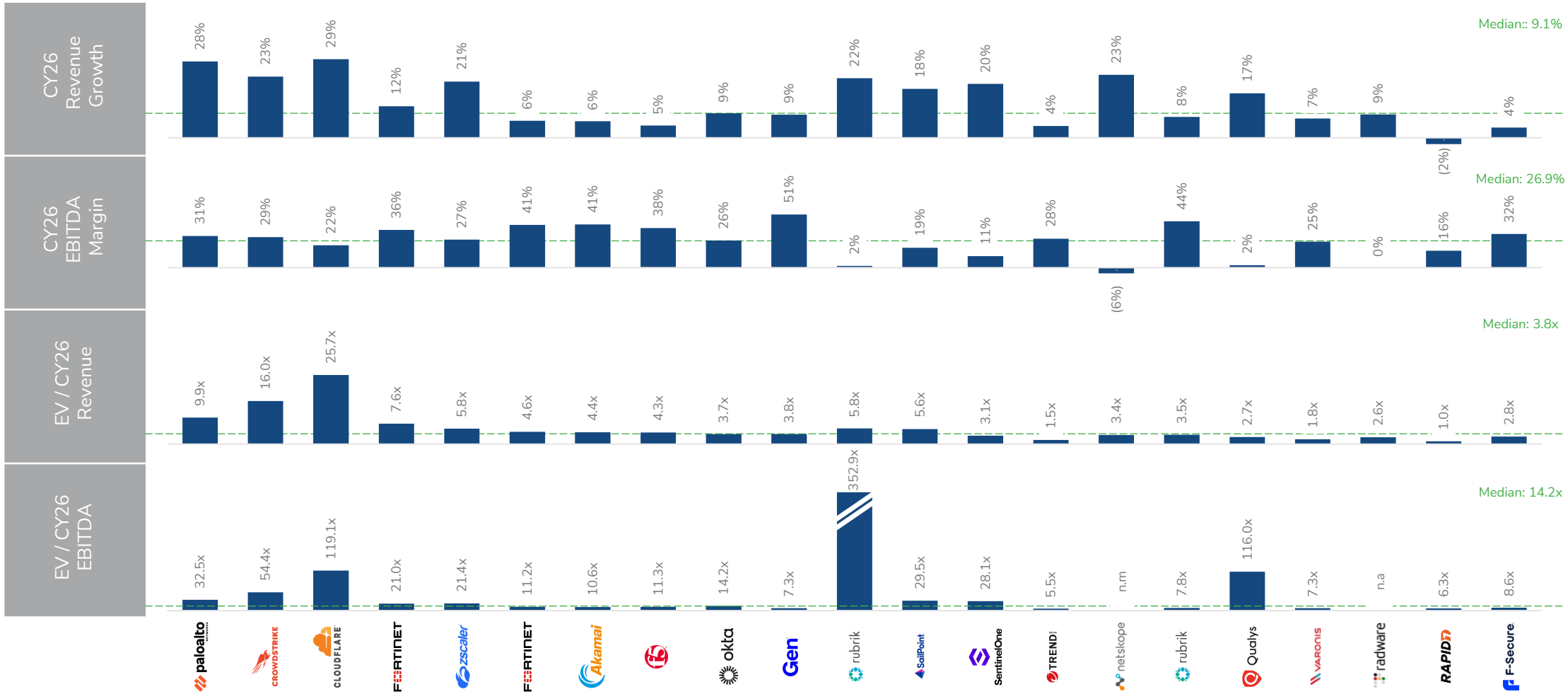
EV / Next 12 Months Revenue



Source: Capital IQ as of 31.03.2026; Note: Index includes 21 public traded cybersecurity companies as detailed in the next slide

Public Comparables – Benchmarking

Cloudflare and CrowdStrike trading at highest revenue multiples of c. 25x and 16x respectively



Source: Capital IQ as of 31.03.2026; Note: Companies arranged as per Market Cap

Public Comparables – Market Performance

Only Akamai, Cloudflare, F5 and Radware Showing Positive QoQ and LTM Stock Momentum in Q1 2026

Company	Market Cap. ($m)	Stock Price QoQ % Change	Stock Price LTM 2025 % Change
paloalto NETWORKS	130,019.5	14%	6%
CROWDSTRIKE	99,013.5	18%	11%
CLOUDFLARE	72,627.6	3%	83%
FORTINET	60,466.6	2%	15%
zscaler	22,557.3	38%	29%
Akamai	16,908.6	31%	43%
CHECK POINT	15,084.4	24%	37%
f5	15,059.7	12%	9%
okta	13,922.8	10%	25%
Gen	11,404.6	31%	29%

Company	Market Cap. ($m)	Stock Price QoQ % Change	Stock Price LTM 2025 % Change
rubrik	9,905.5	37%	20%
SailPoint	7,464.8	36%	29%
SentinelOne	4,382.8	16%	29%
TREND MICRO	4,276.5	21%	51%
Qualys	3,134.1	35%	30%
VARONIS	2,521.6	35%	47%
tenable	1,943.3	29%	52%
radware	1,113.5	9%	22%
RAPID7	363.1	65%	79%
F-Secure	324.3	18%	2%

Source: Capital IQ; Market Cap as on 31st March 2026; Note: Netskope is not included; QoQ % change: 31st Mar 2026 vs. 31st Dec 2025; LTM 2025 % change: 31st Mar 2026 vs. 31st Mar 2025.

Top Strategic Acquirors of Cybersecurity Software

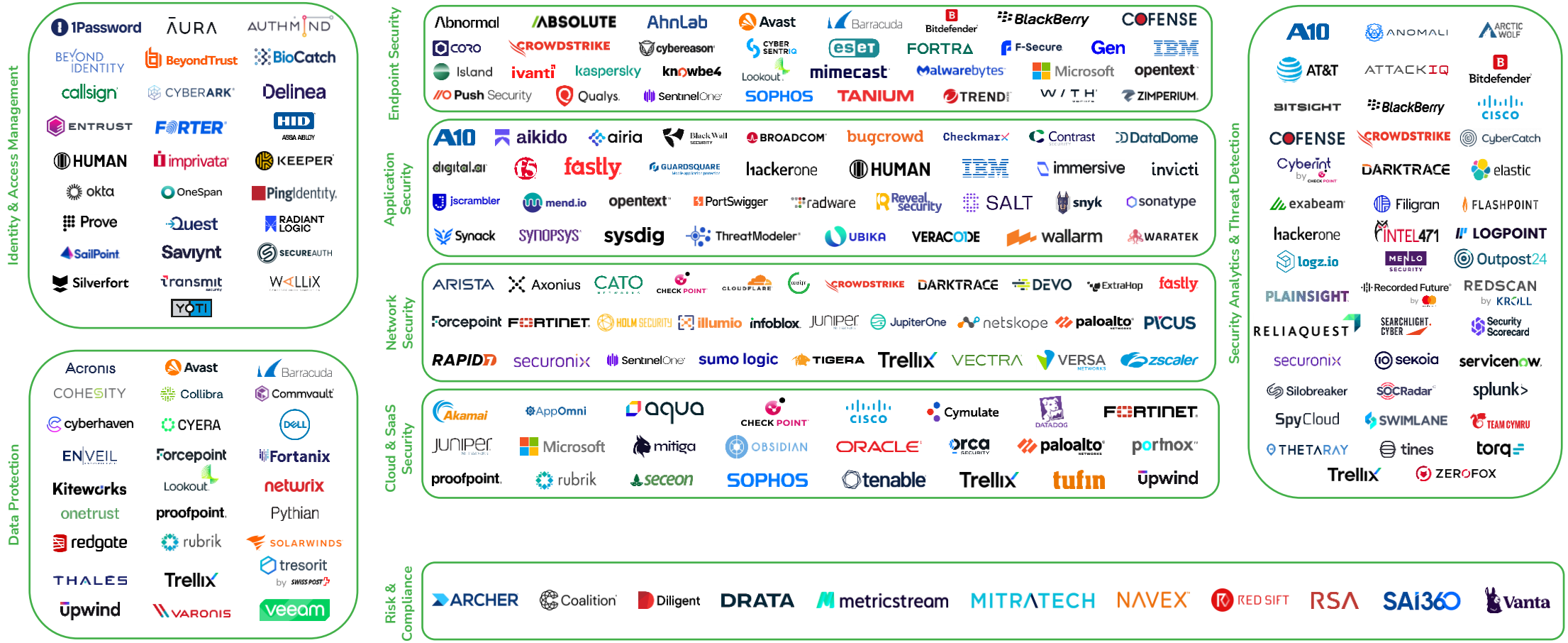
Most active strategic acquirors of cybersecurity software businesses

Company	# Acquisitions	(earlier)	Select Transactions				(most recent)
FORTRA	15	AGARI *Email security*	PHISHLABS *Threat intelligence*	DIGITAL GUARDIAN *Threat mgmt. & protection*	tripwire *Security management*	TERRANOVA SECURITY *Security awareness*	Lookout *Cloud Security Business*
paloalto NETWORKS	12	TALON *Enterprise browser protection*	IBM Radar *Detection & response*	PROTECT AI *Threat detection & security*	CYBERARK *Identity Security*	chronosphere *AI Observability*	KOI *Endpoint Security*
zscaler	11	CANONIC *Application security*	Avalor *Data security*	AIRGAP *Zero trust segmentation*	red canary *MDR*	splx *AI Security*	SquareX *Browser Detection & Response*
CROWDSTRIKE	11	FLOW. *Cloud security*	ADAPTIVE SHIELD *Vulnerability management*	onum *Real-time telemetry pipeline*	pangea *AI detection & response*	sgnl *Identity Security & Access*	seraphic *Enterprise Browser Security*
CHECK POINT	11	Cyberint *Threat intelligence*	VERITI *Exposure remediation*	LAKERA *AI application security*	Rotate *Security Management*	CYATA *AI Agent Identity Security*	CYCLOPS *Exposure Management*
CISCO	9	Lightspin *Cloud security*	Armorblox *Email security*	ORT *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*
tenable	8	cymptom *Attack path mgmt.*	BIT DISCOVERY *External attack surface mgmt.*	ermetic *CNAPP*	eureka *DSPM*	VULCAN. *Cyber risk mgmt.*	APEX *Exposure mngmt.*
FORTINET	8	SHIELDX *Cloud & network security*	sken.ai *Application security*	Gigamon *ThreatINSIGHT business*	LACEWORK *CNAPP*	next *Data loss prevention*	PERCEPTION POINT *Email security*
RAPID7	7	alcide *Kubernetes security*	Velociraptor *Endpoint security*	INTSIGHTS *Threat intelligence & protection*	MINERVA *Managed detection & response*	noetic *CAASM*	KENZO SECURITY *Agentic Security*

Source: 451 Research, Jan-20 to Mar-26

Cybersecurity Software Ecosystem

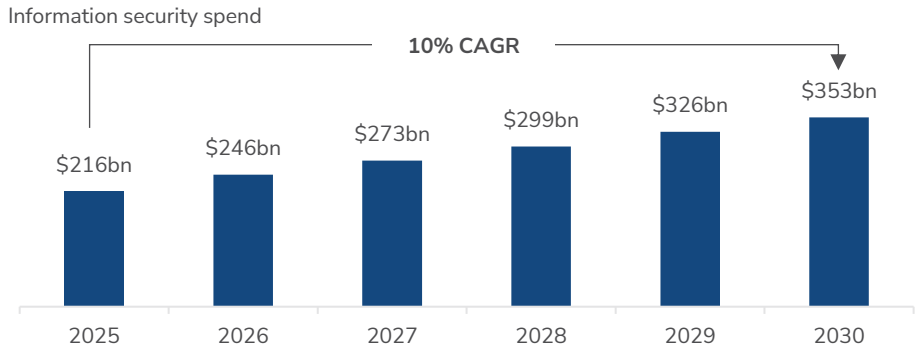
Selected Kroll tracked cybersecurity software universe



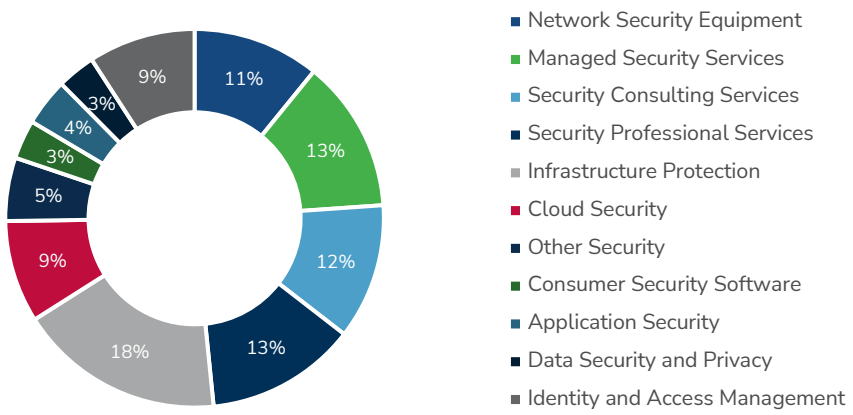
Cybersecurity Market Overview

Cybersecurity represents a large more than $200 billion market

Cybersecurity market growing at ~10% CAGR



Information Security Spending by Subsegment: 2025 - 2030



Sources: Gartner

Market trends

From Data Explosion to Risk-Prioritized Intelligence

Security teams are moving away from managing ever-growing volumes of data toward risk-based data prioritization. AI-driven analytics, automated triage and continuous threat exposure management (CTEM) enable organizations to focus on the smallest set of exposures that matter most, reducing noise while improving detection speed and decision quality.

Increasing Sophistication of Threat Actors

Threat actors are increasingly leveraging automation, AI and multistage attack techniques to execute more targeted, persistent and evasive campaigns. As adversaries adopt capabilities once reserved for advanced teams, organizations must evolve beyond static controls toward adaptive, intelligence-led and AI-enabled security defenses.

Platformization of Cloud Security to Manage Infrastructure Complexity

As cloud environments grow more complex, organizations are prioritizing investments in integrated, cloud-native security platforms that reduce tool fragmentation, optimize costs and improve operational efficiency. This is driving increased adoption of frameworks such as Security Service Edge (SSE) and greater investment in scalable, centralized cloud security capabilities.

From Threat Management to Risk Management

Security leaders are transitioning from reactive threat management to business-aligned risk management. This approach prioritizes threats based on their potential impact on assets, operations and objectives, enabling more informed investment decisions and alignment between cybersecurity and risk governance.

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.

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For more information, please contact:

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About Kroll

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