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Cybersecurity Sector

Industry Insights

Summer 2026

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Cybersecurity Sector

M&A Industry Insights, Summer 2026

Cybersecurity M&A activity continued in Q2 2026 at a similar cadence and tempo to that set in Q1, with 78 announced transactions, representing an annualized pace broadly consistent with 2025's record volume. Disclosed deal value increased from Q1, supported largely by Accenture's $3.2 billion acquisition of Dragos, the only Q2 transaction above $1 billion, while the broader market continued to be characterized by steady mid-market activity.

Strategic buyer appetite remained concentrated around technologies that extend platform breadth, improve visibility across complex enterprise environments and address emerging AI-driven security requirements. Notable Q2 transactions included Accenture/Dragos and Dragos/Phosphorus, Akamai/LayerX Security, and Cisco/Astrix Security, highlighting continued demand across operational technology (OT)/Internet of Things (IoT) security, browser security, and non-human and agentic identity security.

Valuation signals were constructive in Q2, with cybersecurity public market multiples rebounding from Q1 lows as heightened cyber threat risks and AI-related security investment supported improved sector performance. The median enterprise value/next 12 months (EV/NTM) revenue multiple for Kroll's cybersecurity index increased 35% from Q1 to 5.7x, while the upper and lower quartile multiples increased 15% and 36%, respectively. Transaction valuation benchmarks remained healthy, with cybersecurity software deals announced since January 2025 showing a median EV/revenue multiple of 10.0x.

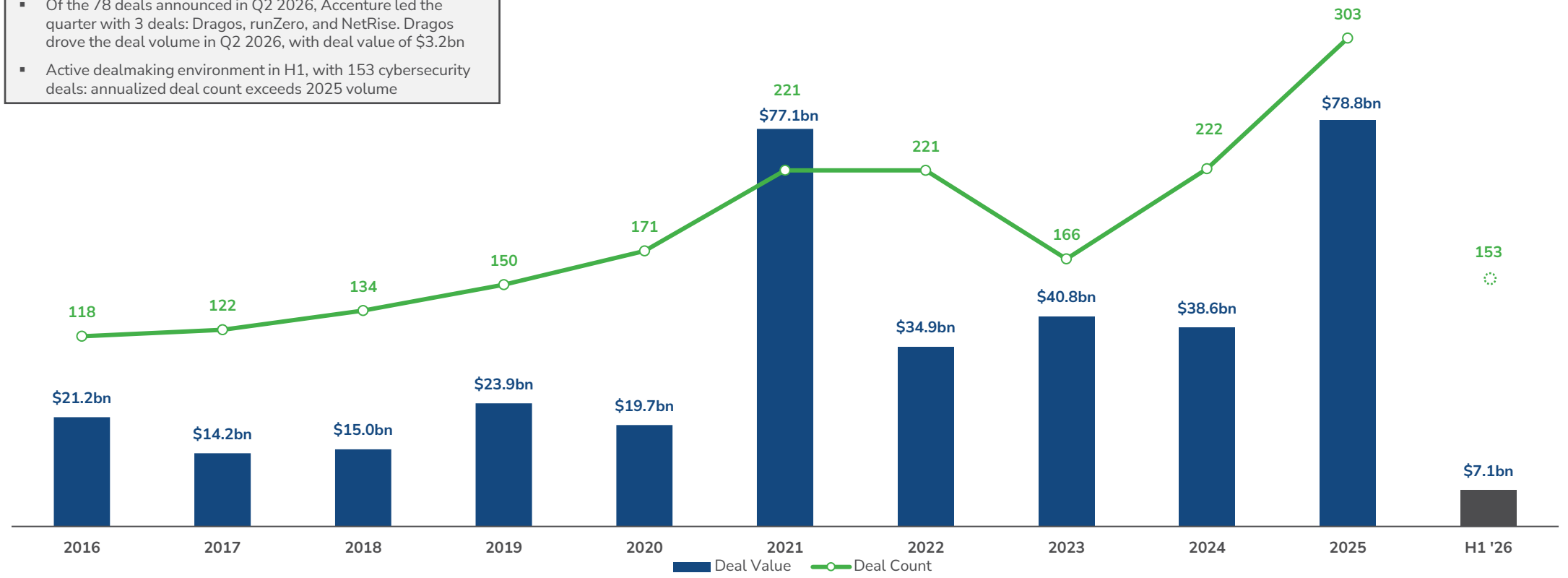
Looking ahead, we expect buyer interest to remain focused on platform consolidation and security architectures aligned to AI adoption, expanding identity surfaces, critical infrastructure protection and cloud/browser-centric enterprise workflows. Areas such as identity security, non-human identity and AI-agent governance, OT/IoT cybersecurity, browser security, exposure management, and cloud security are likely to remain active themes for strategic acquirors and financial sponsors.

M&A 1H 26 Pace Consistent with 2025 on Deal Count

But Tracking at Less than 20% of 2025 Pace on Deal Value, as Focus is on Small-Mid Cap Deals

Global cybersecurity M&A activity

- Of the 78 deals announced in Q2 2026, Accenture led the quarter with 3 deals: Dragos, runZero, and NetRise. Dragos drove the deal volume in Q2 2026, with deal value of $3.2bn
- Active dealmaking environment in H1, with 153 cybersecurity deals: annualized deal count exceeds 2025 volume



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

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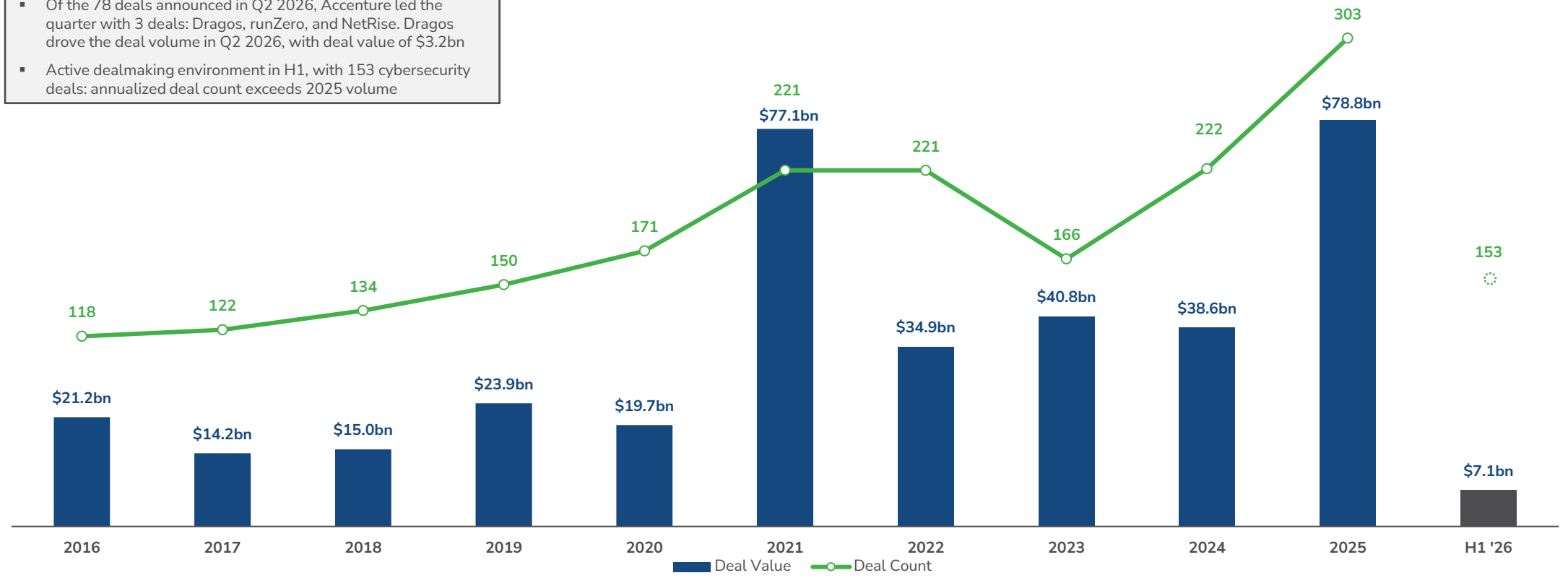

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Largest Cybersecurity Acquisitions in Q2 2026

Mid-Market M&A Deals Dominated the Quarter with only 1 Deal Crossing the $1bn Mark

June 2026

DRAGOS *acquired by* accenture

$3.2bn | 27.0x

Dragos provides operational technology (OT) cyber threat intelligence software and services for businesses globally. Its software provides features for vulnerability management, asset identification, visibility and inventory, threat detection, investigation and response, and ransomware detection. It also provides threat hunting, incident response and assessment services.

Accenture acquired Dragos, along with runZero and NetRise, to build a leading end-to-end cybersecurity platform for critical infrastructure and industrial environments. These acquisitions strengthen Accenture's position in the fast-growing OT/extended operational technology (xOT) cybersecurity market and help address rising AI-driven and geopolitical cyber threats.

May 2026

Astrix *acquired by* CISCO

$400m | N/A

Astrix Security provides cybersecurity software that discovers, governs and secures AI agents and non-human identities across enterprise environments. Offerings provide visibility into service accounts, API keys, OAuth applications and AI agents, enabling organizations to manage access privileges, detect threats, enforce policies and reduce identity-related security risks.

Cisco's acquisition of Astrix Security strengthens its ability to secure non-human identities and AI agents, a growing attack surface as enterprises adopt AI-driven workflows. Astrix adds visibility, governance and threat detection for machine identities, complementing Cisco's Zero Trust strategy and enhancing protection across platforms such as Duo, Secure Access, Identity Intelligence and Splunk.

June 2026

Phosphorus *acquired by* DRAGOS

$180m | 18.0x

Phosphorus provides IoT-based physical and mobile device security software for businesses globally. Its software provides features for asset discovery, vulnerability assessment, password and firmware management, and device monitoring.

Dragos acquired Phosphorus to expand its OT cybersecurity platform beyond traditional operational technology systems and secure the broader xOT environment. Together, the companies provide deeper asset visibility, device intelligence, automated risk reduction and continuous security across both OT networks and connected devices, strengthening Dragos' ability to protect critical infrastructure against increasingly sophisticated cyber threats.

April 2026

iC CONSULT *acquired by* Bridgepoint

$498m | N/A

iC Consult provides identity and access management (IAM) security services for enterprises globally. Services include advisory, implementation, integration and managed services that help organizations secure access to critical systems, applications and data across complex IT environments.

Bridgepoint acquired a majority stake in iC Consult to capitalize on the growing demand for IAM services driven by rising cybersecurity threats, regulatory requirements, and the rapid expansion of digital and AI-related identities. The investment supports iC Consult's international expansion, enhancement of AI-enabled and -managed service capabilities, and further development as a global identity security platform.

May 2026

LayerX *acquired by* Akamai

$205m | N/A

LayerX Security provides AI-enabled enterprise usage control and browser security software for businesses globally. Its software provides features for real-time monitoring, risk analysis, policy enforcement, user activity tracking, cross-browser support, anti-tampering and cloud infrastructure.

Akamai's acquisition of LayerX reflects a strategic effort to strengthen security visibility at the browser level, where an increasing share of enterprise interactions now takes place. By incorporating browser detection and response capabilities, Akamai can extend threat monitoring beyond network and application delivery layers to observe user activity and identify risks directly within browser sessions. The deal strengthens Akamai's web and application security offerings by closing gaps in cloud-based, browser-centric environments.

June 2026

STRATA Identity Orchestration *acquired by* rubrik

$60m | 7.5x

Strata Identity provides identity orchestration and management software for businesses in the US. Its software provides features for identity migration, digital transformation, management of multiple identity systems, secure authentication, cloud migration, access control and identity resilience.

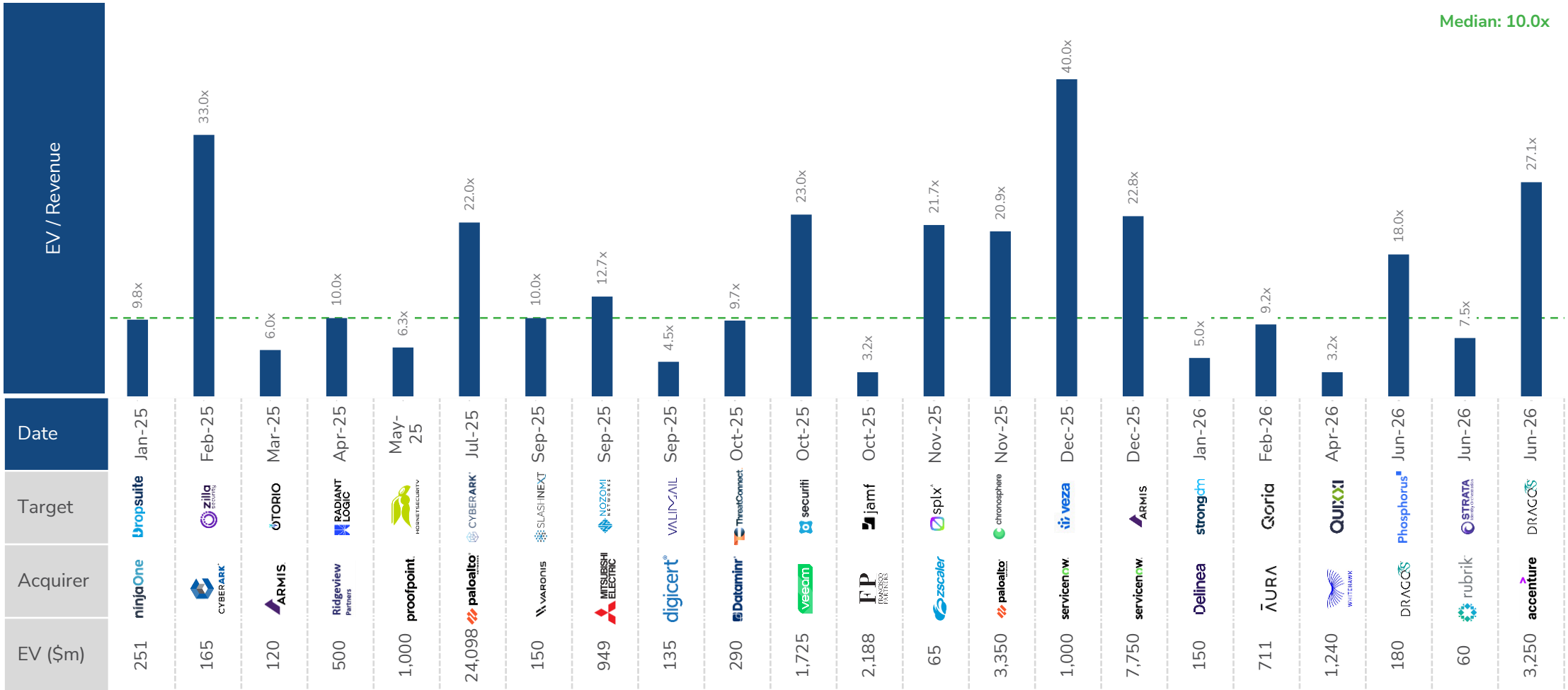
The acquisition strengthens Rubrik's Identity Resilience platform and ensures business continuity during identity-related cyber incidents. Strata adds identity orchestration and Identity Continuity capabilities that enable automatic failover to a secondary Identity Provider. The acquisition also enhances Rubrik's ability to manage complex multi-cloud, hybrid and on-premises IAM environments, addressing the growing threat of identity-based attacks and expanding Rubrik's cyber recovery and resilience offerings.

Source: 451 Research, Mergermarket, Press Releases

EV | EV/LTM Rev

Precedent Transactions – Cybersecurity Software

Software cybersecurity deals since Jan-25 have had median EV / revenue multiple of 10.0x



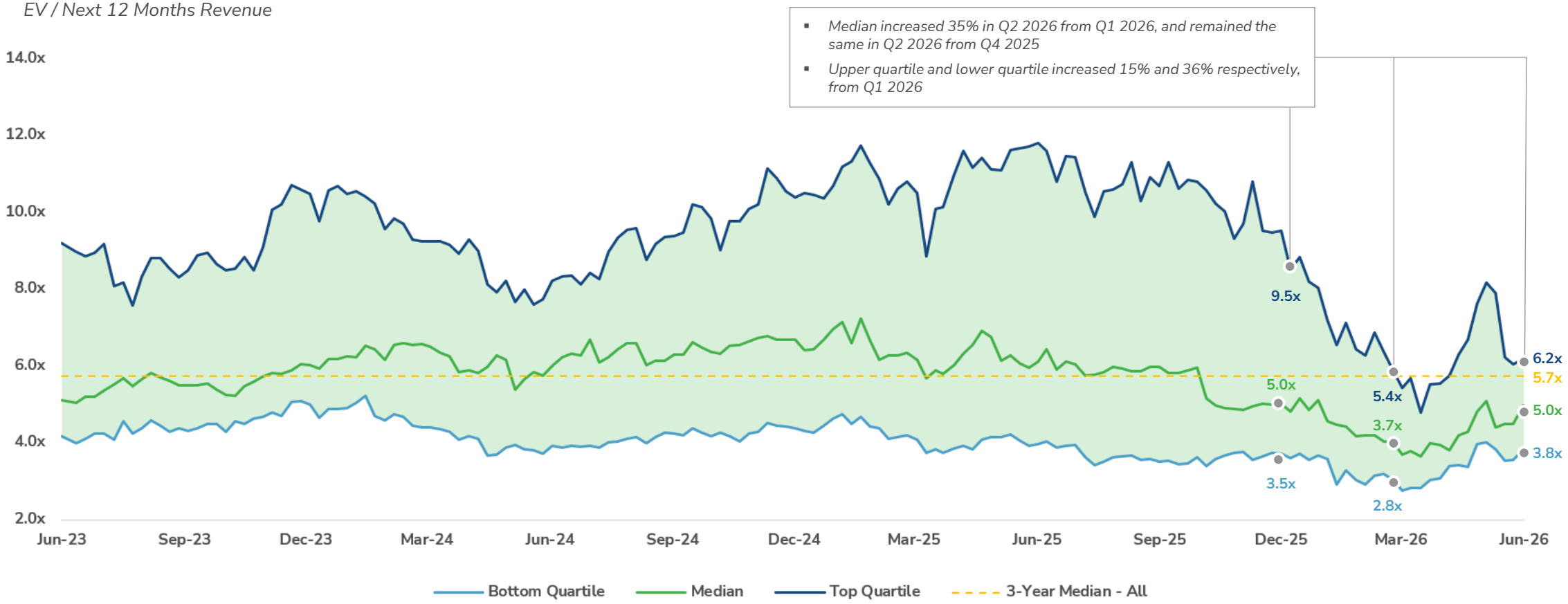
Sources: Mergermarket, Megabuyte, Pitchbook, 451 Research, S&P Capital IQ

Public Comparables – Cybersecurity Through the Cycle

Median EV/NTM Revenue Multiple Increased 35% in Q2 2026 from Q1 2026, as heightened cyber threat risks prompted greater AI-related security investments, boosting sector performance

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

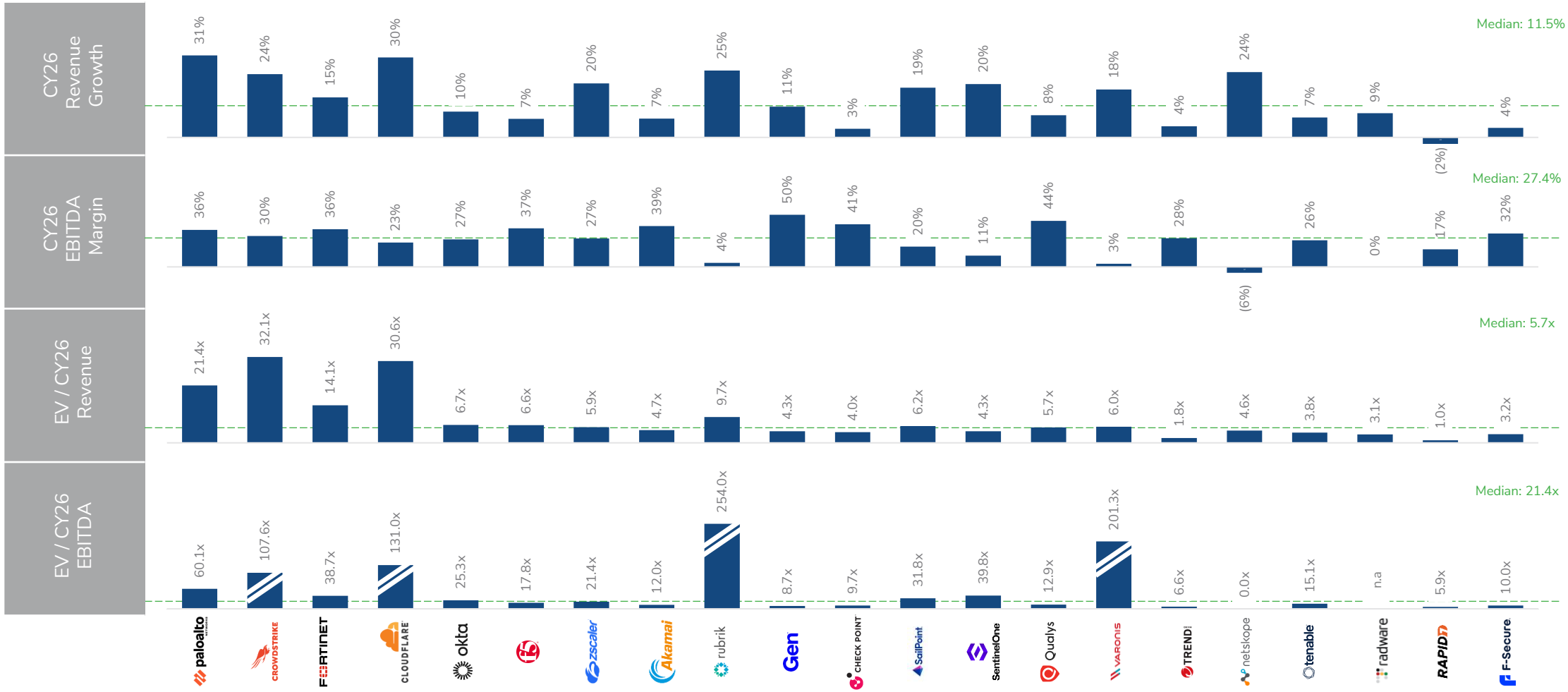
EV / Next 12 Months Revenue



Source: Capital IQ as of 30.06.2026; Note: Index includes 21 public traded cybersecurity companies as detailed in the next slide

Public Comparables – Benchmarking

CrowdStrike and Cloudflare trading at highest revenue multiples of c. 32x and 30x respectively



Source: Capital IQ as of 30.06.2026; Note: Companies arranged as per Market Cap

Public Comparables – Market Performance

Nearly Half of Cybersecurity Public Companies Maintain Positive QoQ and LTM Stock Momentum, Reflecting Continued Sector Resilience

Company	Market Cap. ($m)	Stock Price QoQ % Change	Stock Price LTM 2025 % Change
paloalto NETWORKS	277,931.3	113%	67%
CROWDSTRIKE	194,268.6	95%	50%
FORTINET	112,549.4	88%	45%
CLOUDFLARE	86,698.2	19%	25%
okta	23,716.0	73%	36%
f5	23,468.1	44%	41%
zscaler	22,825.3	1%	(55%)

Company	Market Cap. ($m)	Stock Price QoQ % Change	Stock Price LTM 2025 % Change
Akamai	17,186.0	3%	48%
rubrik	16,523.9	64%	(10%)
Gen	14,994.6	32%	(15%)
CHECK POINT	13,672.4	(8%)	(41%)
SailPoint	8,303.6	11%	(36%)
SentinelOne	5,817.4	32%	(7%)
Qualys	4,842.0	57%	(4%)

Company	Market Cap. ($m)	Stock Price QoQ % Change	Stock Price LTM 2025 % Change
VARONIS	4,817.6	95%	(17%)
TREND MICRO	4,775.7	12%	(47%)
netskope	4,418.9	29%	-
tenable	4,066.8	118%	9%
radware	1,298.7	17%	5%
RAPID7	541.3	47%	(65%)
F-Secure	411.2	27%	5%

Source: Capital IQ; Market Cap as on 30th June 2026; QoQ % change: 30th Jun 2026 vs. 31st Mar 2026; LTM 2026 % change: 30th Jun 2026 vs. 30th Jun 2025.

Top Strategic Acquirors of Cybersecurity Software

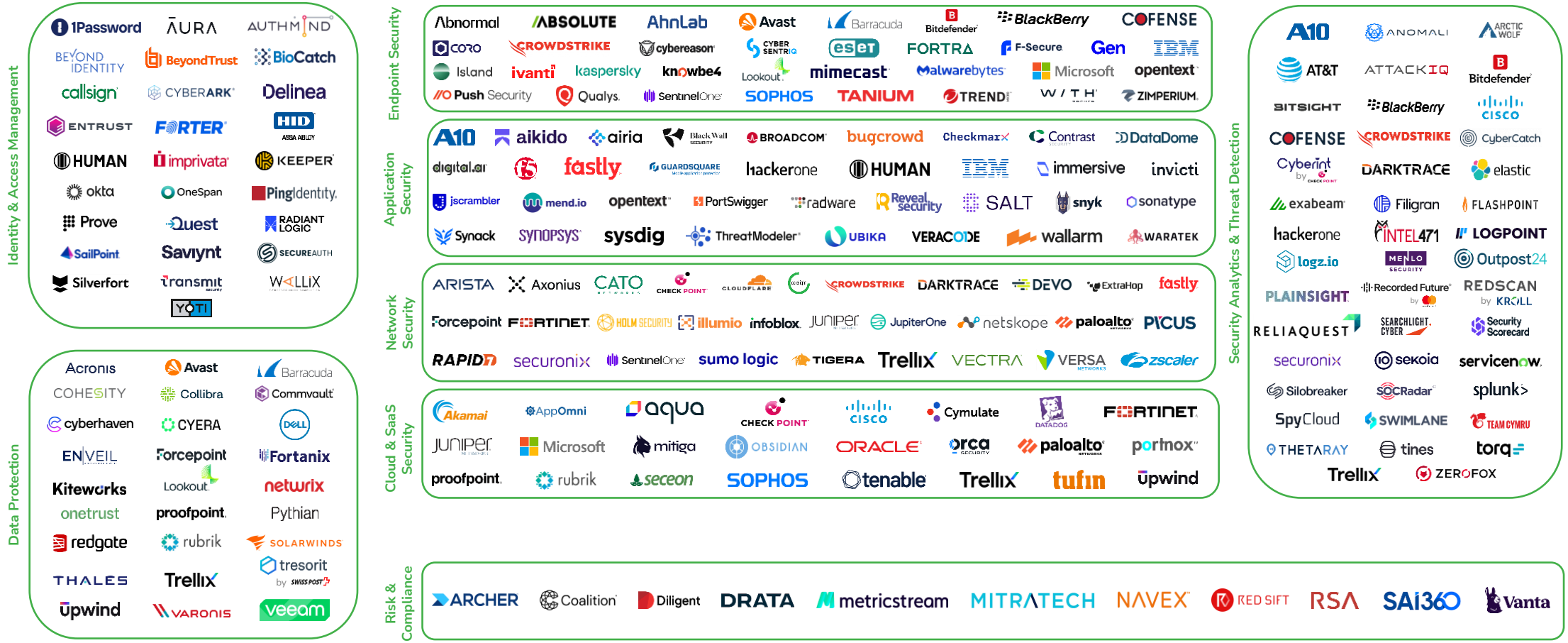
Most active strategic acquirors of cybersecurity software businesses

Company	# Acquisitions	(earlier)		Select Transactions			(most recent)
FORTRA	16	PHISHLABS *Threat intelligence*	DIGITAL GUARDIAN *Threat mgmt. & protection*	tripwire *Security management*	TERRANOVA SECURITY *Security awareness*	Lookout *Cloud Security Business*	ZERO POINT SECURITY *Cybersecurity Training*
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	12	Avalor *Data security*	AIRGAP *Zero trust segmentation*	red canary *MDR*	splx *AI Security*	SquareX *Browser Detection & Response*	SYMMETRY *Data & AI Security*
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	10	Armorblox *Email security*	ORT *Identity & access management*	splunk> *Security & observability*	ROBUST INTELLIGENCE *AI security*	SNAPATTACK *Threat management*	Astrix *AI agent identity security*
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 Jun-26

Cybersecurity Software Ecosystem

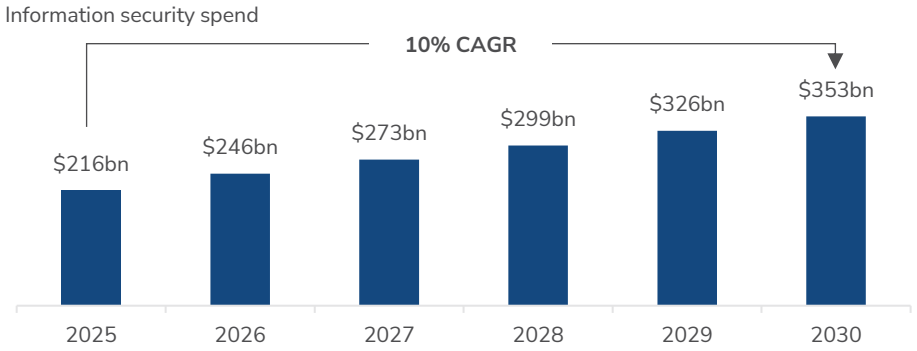
Selected Kroll tracked cybersecurity software universe



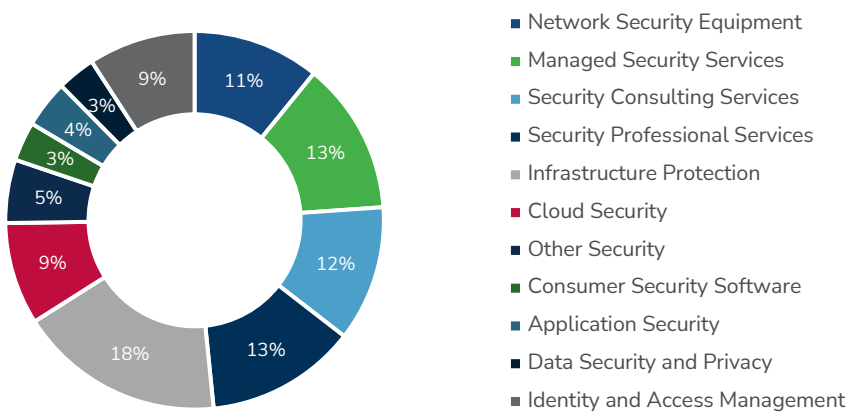
Cybersecurity Market Overview

Cybersecurity represents a market worth more than $200 billion

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 enable organizations to focus on the 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 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, 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 contact:

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