

Strong market performance, accelerating M&A, and autonomous AI as the next growth catalyst

Rising strategic demand for cybersecurity underpins strong M&A volumes in an increasingly complex risk environment

The cybersecurity sector has demonstrated strong resilience over the past twelve months, maintaining strong investor interest across both public and private markets despite a challenging geopolitical, global trade and economic environment. M&A activity rose by 26% year-on-year in the last twelve months with close to 550 deals recorded. The ICON Cyber Index of publicly listed cybersecurity firms reached an all-time high in recent months.

The industry now enters the next phase of its growth cycle with momentum from double- and triple-digit equity gains, a surge in strategic M&A, and the emergence of agentic AI as a transformative capability. Landmark transactions, such as Palo Alto Networks' acquisition of CyberArk, signal accelerating platform convergence, integrating identity, AI-driven orchestration, and full-stack threat defence. While macro headwinds and extended sales cycles warrant selective positioning, we believe agentic AI will expand addressable markets, deepen competitive moats, and reinforce the sector's role as a defensive allocation within technology. We expect high-quality, AI-enabled franchises to sustain premium valuations and deliver relative outperformance over the medium term.

Although sponsor backed deal activity has moderated from its 2021 peak, strategic investors have stepped up their own interest, as buyers from a range of sectors increasingly view cybersecurity as a critical capability to augment their existing product offering. Cybersecurity is now a non-negotiable and increasingly attracting interest from buyers in other sectors such as cloud providers, financial services and CRM platforms who recognise the need to have cybersecurity in end-to-end platforms to enhance enterprise protection.

Google's March 2025 acquisition of Wiz is the latest and largest in this series of strategic acquisitions, and a watershed moment for the sector. At a 64x revenue multiple, the highest price paid for a cybersecurity business, the transaction reflects the premium strategic acquirers are willing to pay for high quality security solutions. The deal follows a broader trend of notable acquisitions by IBM, Salesforce and Mastercard in the last year. M&A activity is likely to remain elevated as incumbents seek to consolidate fragmented submarkets and as PE-backed roll-ups and highly-funded VC bets look for liquidity events.

Agentic AI, self-directed AI systems capable of autonomous decision-making and remediation, has moved from concept to commercial reality. Unlike generative AI models requiring human prompts, agentic AI agents can continuously monitor, interpret, and respond to threats in real time, reducing dwell times and enabling pre-emptive defence at scale. Early adopters, including Palo Alto Networks and CrowdStrike, are embedding these capabilities directly into their platforms, aiming to drive stickier customer relationships, expand total addressable markets, and create defensible competitive moats.

Several structural tailwinds continue to underpin the long-term attractiveness of cybersecurity. These include the increase in Al-driven threats, increased integration risk of third-party supply chain technologies, and a growing number of high-profile data breaches. Together, these drivers are likely to sustain elevated deal activity and capital flows into the sector over the coming years.

Florian Depner Director, ICON



Key takeaways

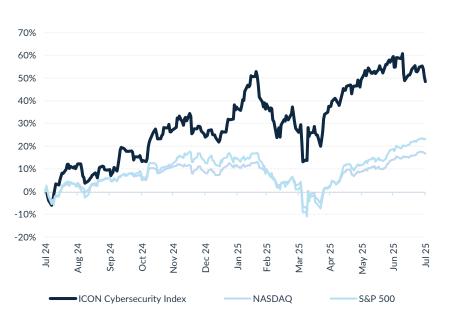
An unwavering, long-term growth opportunity:

- The cybersecurity sector continues to show strong structural resilience, with rising demand for digital protection fuelling investor appetite, which in turn pushes M&A deal activity
- Equity performance: The cybersecurity sector has outperformed broader tech over the past 12 months, with leaders like Cloudflare +136%, Zscaler +63%, and CrowdStrike +33%, delivering substantial gains despite macro-driven volatility
- M&A acceleration: Landmark transactions, notably Google's \$32bn acquisition of Wiz and Palo Alto's \$25B acquisition of CyberArk, underscore intensifying consolidation as broad platforms race to integrate security offerings for cloud, data, apps, and identity, with a view to offer end-to-end protection across all networks and endpoints
- Agentic Al adoption: Self-directed Al systems are emerging as a critical differentiator, enabling proactive threat hunting, autonomous policy enforcement, and cross-domain orchestration potentially expanding TAM and reinforcing premium valuations
- Investment Implications: We see scope for continued relative sector outperformance and strong M&A and capital raising activity, driven by platform convergence, structural demand resilience, and scarcity value in best-in-class AI-enabled franchises

Cybersecurity Sector Dashboard

Public Markets

Cybersecurity index is up +50% over the last 12 months



ICON cybersecurity index company performance (1-year: 1st July 2024 to 30th June 2025 performance)



Transaction environment

Cybersecurity M&A quarterly activity (# deals)



Cybersecurity fundraising activity (# announced deals)

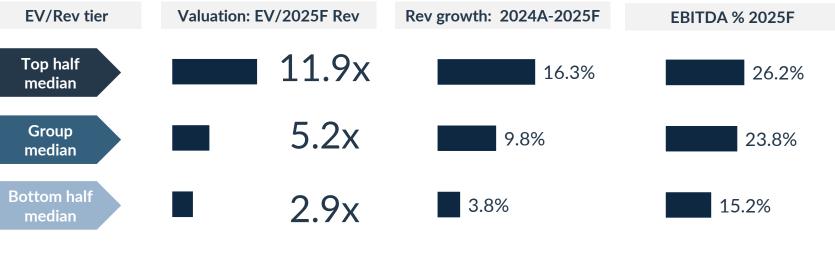


26% Deal Volume LTM vs LTM -1 Deal Value ⁽²⁾ LTM vs LTM -1 20%	-10% Deal Volume LTM vs LTM -1
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Date	Target	Acquirer	Amount (\$'m)		
May 25	HORNETSECURITY	proofpoint.	~1,000		
Mar 25	EXCLUSIVE NETWORKS	CD&R	2,218		
Feb 25	solarwinds	TURN $/\!\!/$ RIVER	4,678		
Dec 24	• Recorded Future	mastercard	2,650		
Nov 24	Own	salesforce	1,931		
Oct 24	♥ Venafi	CYBERARK'	1,563		
Apr 24	DARKTRACE	THOMABRAVO	5,592		

Date	Target	Amount (\$'m)
Jun 25	CYERA	540
Jun 25	CATO	359
Mar 25	RELIAQUEST	500
Mar 25	Island	250
Feb 25	ninjaOne	500
Jan 25	ID.me	275
Dec 24	SANDBOXAQ ™	300

Cybersecurity valuation metrics⁽¹⁾



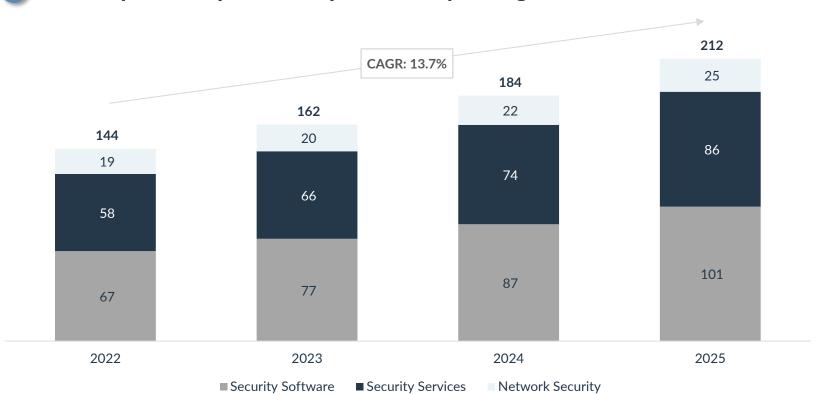






Cybersecurity - an unwavering, long-term +\$200bn growth opportunity

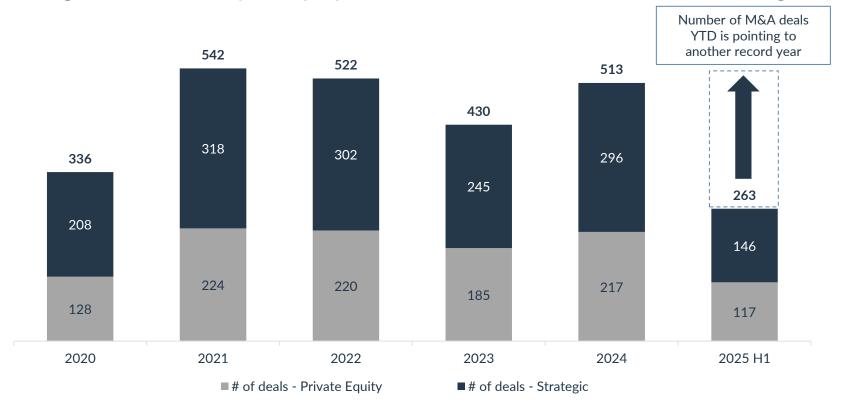
- 1 A perennial risk landscape costing companies over \$10 trillion p.a.
- Relentless threat environment: Persistent, ever-evolving attacks on our IT infrastructure are growing in frequency, severity and sophistication, with state-sponsored actors ramping up activity and geopolitical threat levels
- Expanding attack surface: Data risks and vulnerabilities compounding across complex cloud environments, deeply intertwined IT supply chains and burgeoning, hidden shadow IT estates, further challenged with the proliferation of machine identities and AI-enabled offence
- Talent crunch: Fewer than 1 in 10,000 companies has a CISO; the global cybersecurity workforce shortfall is estimated to reach 4.8 million, and fierce competition for AI talent is exacerbating the skills gap
- Regulatory catalysts: GDPR, DORA, NIS2 and SEC incident-disclosure rules force swift breach notifications and board-level accountability, driving accelerated cybersecurity investment and tighter controls
- 2 Gartner predicts cybersecurity end-user spending to exceed \$200 billion in 2025



3 Structural demand drives enduring cybersecurity equity outperformance



Strong demand and buoyant equity markets continue to fuel consolidation strategies





Al's reshaping of the cybersecurity industry

A new era has begun in which the rules of the industry are being rewritten between defence and offence, with massive financial implications

Defence: Improving intelligence and decision cycle

Al delivers a step change in capability, which can facilitate improved decision-making to effectively identify patterns and anomalies in data detection, access and potential exposure and enhance overall security automation. Cybersecurity firms are using Al to reduce 'mean-time-to-response' and improve the quality of decisions through:

- Enabling real-time anomaly detection
- Predictive threat modelling
- Automated incident response
- Augmentation of traditional threat analysis
- Addressing skills shortages in security teams, increasing productivity, and enhancing automation capabilities in security operations centres

The focus is on advancing agentic AI, systems capable of autonomous reasoning and problemsolving, in contrast to generative AI models that rely on human prompts to operate. SOC automation will be on of the main areas for transformation, completely revolutionising MSSP's protection delivery business model

CEO commentary



"There are tangible signs that bad actors use AI to accelerate attacks... the attack surface magnifies ... and their speed is increasing, which means the only way to fight them back is to increase our speed of defence."

Nikesh Arora, CEO of Palo Alto, Q2 earnings call, 14 Feb 2025

CROWDSTRIKE

"Generative artificial intelligence (AI) is empowering hackers by democratizing the complex knowledge required for cyber attacks ... even those with limited expertise can now use AI to execute sophisticated attacks rapidly and at scale."

George Kurtz, CEO of CrowdStrike Interview with Barrons, 5 Jun 2025



CLOUDFLARE -

"All security is just data analysis. And whoever has the most data... is able to most quickly spot the trends, most quickly spot threats"

Matthew Prince, CEO of Cloudflare, May 29, 2025

Offence: Accelerating the attack cycle

Al-assistance has enhanced the speed and efficiency of cyberattacks, shortening the 'time to impact' and widening the already challenging lag in response times to mitigate a compromise. According to Gartner, Al agents will reduce the time it takes to exploit account exposures by 50%. Hacking-as-a-service is bolstered by the efficiency that agentic Al offers, allowing for a greater volume of attacks on a limited budget.

- Quick identification of vulnerable machines and applications at scale
- Increases the sophistication of attacks through both their scale and enhancing code used
- Obfuscation of malware to enhance detection evasion capabilities
- Producing deepfake-enabled fraud and highly personalised phishing attacks
- Translating and localising content to enable global attacks
- Al facilitated research into target organisations, potential infrastructure and vulnerabilities

This has significant downstream implications, as nation-state actors gaining access to systems could embed themselves and remain dormant until a strategic moment to exploit that backdoor

Relevant recent M&A activity

Date	Target	Acquirer	Amount (\$'m)
April 2025	PROTECT AI	paloalto®	\$650m
May 2025	APEX	© tenable de la contraction de	\$105m
June 2025	FLETCH		\$60m
June 2025	→ Predibase	rubrik rubrik	\$100m <
August 2025	APrompt:	SentinelOne	~\$250m



Business continuity threats

Recent high-profile retail disruptions at UK retail chains M&S and Co-op reveal the extent of unprotected critical operational dependencies

\$10tn

Total cost of cyber attacks to companies globally

19,000

Number of ransomware attacks on UK businesses in 2024

Co-op

6.5_m

Number of customers whose personal details have been compromised

м&s **E300m**

Total estimated financial impact of the cyber attack

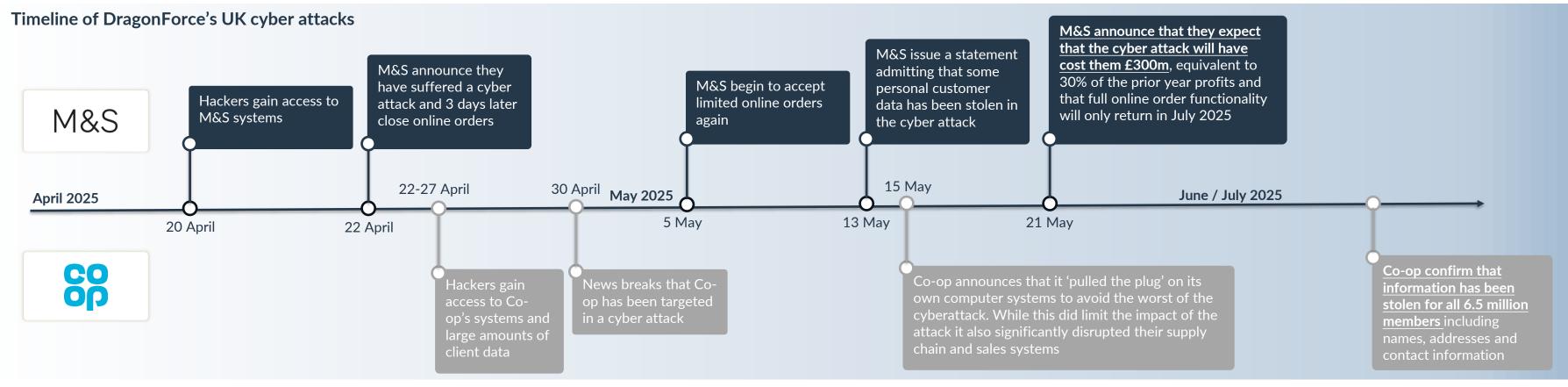
Business continuity disruption has become a defining threat vector within the cybersecurity landscape, as attackers increasingly seek not just to breach defences but to disrupt core operations. Sophisticated ransomware groups and state-backed actors are no longer solely motivated by data theft or financial extortion, they now aim to destabilise organisations by targeting supply chains, critical infrastructure, and digital operations.

These developments signal a shift in the threat model, compelling businesses to treat cyber resilience as a foundational pillar of enterprise risk management. The ability to maintain operational continuity in the face of disruption is now viewed as a strategic differentiator, especially in regulated and infrastructure-intensive sectors.

This convergence presents a significant growth opportunity. As cyber threats evolve from data exfiltration to operational disruption, solutions that enhance continuity assurance are becoming mission critical. The sector is seeing increasing attention from both private equity and strategic acquirers, with valuations increasingly reflecting a premium for firms that enable resilience at scale.

Common failure modes being exposed

- Single points of operational dependency (POS/checkout, identity/help-desk flows, order management) that, if encrypted or disabled, halt revenue immediately
- Identity & support-desk abuse (SIM/helpdesk resets) to leapfrog MFA and push malicious changes at scale





Spotlight: Identity Security

Identity-first security is core to Zero Trust and is moving from feature to foundation of the modern security stack

Why identity security is increasingly important



Identity theft risks

Al bots are increasing the speed and success rates of threat actors' ability to bypass traditional security systems



Authentication challenges

The increase in Deepfake sophistication means that identity verification methods such as video and audio confirmation can now be spoofed



Targeting insiders

Staff or management with administrative access to company computer systems

Market set to double from \$23.5bn in 2024 to \$47.1bn in 2028⁽¹⁾

Deepfakes, synthetic audio, video, or text generated using artificial intelligence, have rapidly evolved from a technological novelty into a credible cybersecurity threat with material implications for identity security and digital trust.

Deepfakes pose a direct challenge to identity security, particularly in sectors reliant on biometric verification and voice authentication. Threat actors can now use AI bots that probe defences at scale to identify exploitable weaknesses before launching targeted attacks. As a result, voice and facial recognition systems are being systematically bypassed in ways not previously thought possible.

The cybersecurity sector is responding through detection tools capable of real-time forensic analysis. Enterprises are beginning to embed liveness detection, behavioural analytics, and cross-institutional threat intelligence sharing to counteract the growing sophistication of generative attacks.

Deepfake technologies are reframing identity security as a systemic, not isolated, risk. This shift is creating demand for a new class of cybersecurity tools focused on digital authenticity, real-time verification, and behavioural risk modelling.

July 2025



dequires



Source(s): (1) IDC



\$25bn
Estimated acquisition

price

Market structure is converging: Historically siloed domains, IDP/SSO & MFA (Okta, Microsoft Entra, Ping/ForgeRock), PAM (CyberArk, BeyondTrust, Delinea), IGA (SailPoint; next-gen players like Zilla), and CIEM/identity posture, are consolidating into end-to-end identity fabric offerings.

Palo Alto's agreement to acquire CyberArk is a watershed that pulls Privileged Access Management (PAM) and emerging IGA directly into a Tier-1 cybersecurity platform.

Competitive implications: Microsoft (Entra) remains the horizontal incumbent with distribution and bundling leverage. Okta retains strength in workforce/CIAM but now faces a platform competitor that can bundle identity with network, cloud, and endpoint controls. PE-backed identity suites (Ping/ForgeRock, SailPoint) gain validation but may need deeper AI-driven analytics and machine-identity controls to keep pace.

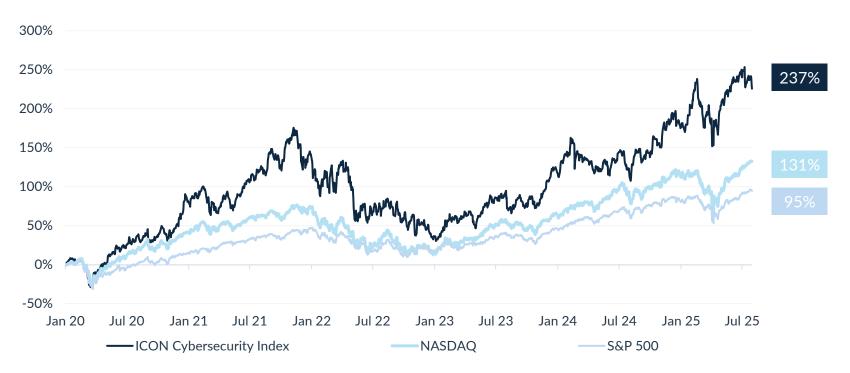
Identity will remain a hot lane for consolidation. Expect additional platform buyers and PE roll-ups to pursue capability gaps





Cybersecurity stock performance has eclipsed the broader tech market

Cybersecurity price index appreciated +240% since January 2020



Cybersecurity EV/LTM revenue valuations through the cycle



Sector buoyed by AI tailwinds and geopolitical uncertainty

- Cybersecurity stocks have posted strong double- or even triple-digit gains over the past twelve months. After overcoming pockets of macro-driven sector volatility at the start of 2025, Cloudflare surged ~+136%, Zscaler +63%, and CrowdStrike +33%, briefly hitting record highs. Notably, CrowdStrike's rebound follows a plunge of more than 49% from its 2024 peak, after a routine software update triggered a major global outage
- Al adoption remains a primary growth driver. Al-related cybersecurity investment is projected to grow from \$15 billion in 2021 to ~\$135 billion by 2030⁽¹⁾. Market leaders such as Palo Alto Networks are expanding AI capabilitiese.g., via the acquisition of Protect AI and enhanced platform integration-to deliver proactive, agent-driven defence solutions
- Near-term caution amid budget pressures and elongated sales cycles. U.S. cybersecurity budget growth slowed to ~4% in 2025 (vs. ~8% in 2024) (2). Heightened contract scrutiny and extended deal timelines are weighing on guidance, while execution concerns have pressured sentiment, e.g., Fortinet fell 23% at the beginning of August on firewall-cycle saturation despite beating earnings estimates
- **Long-term industry outlook remains exceptionally strong.** The sector remains a core beneficiary of rising global cyber threats, with global cybersecurity spending expected to exceed \$225 billion in 2025⁽³⁾. Growth is underpinned by non-discretionary budget prioritisation, regulatory mandates, cloud migration, and accelerated AI deployment
- M&A and fundraising momentum accelerating. Elevated public-market valuations are fuelling a wave of consolidation and capital-raising activity, with both strategic acquirers and financial sponsors increasing their exposure to the sector

Index components by EV/Rev 2025 valuation tier

Coanvte



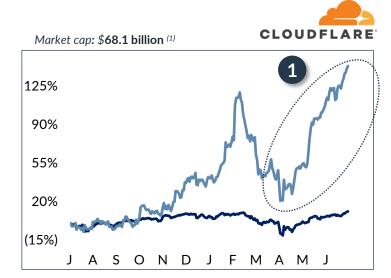
riskified

▼Telos



Largest cap cybersecurity stock performance



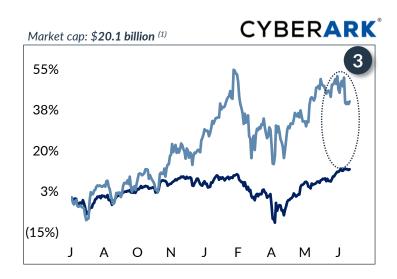




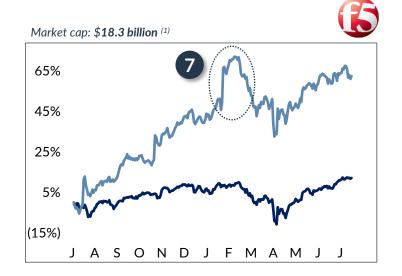












- Against the backdrop of significant uncertainty across the wider market following Donald Trump's tariff policy announcements, cybersecurity companies have seen sustained outperformance throughout the remainder of 2025. Notably Cloudflare is up 100% since its April lows while Zscaler and CrowdStrike are up 80% and 58%, respectively
- July 2024: **CrowdStrike** IT outage affects 8.5 million Windows devices, leading to a plunge in its stock price of close to 50% from its 2024 peak
- WSJ) that **Palo Alto** was in advanced talks to acquire **CyberArk** in a deal potentially worth over \$20bn. CyberArk's share price surged ~12-13% on the news. Palo Alto's stock declined by about 5%, as investors priced in dilution and transaction uncertainties

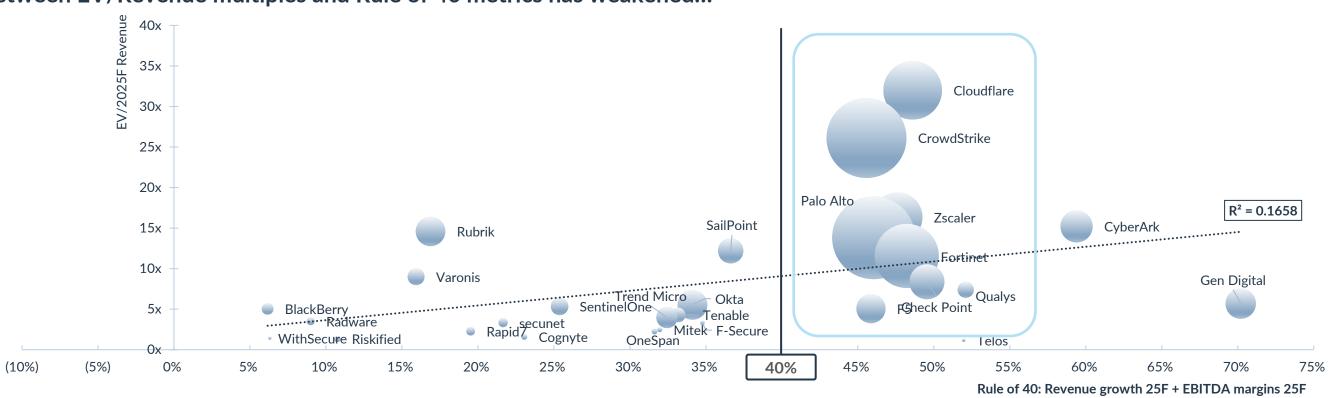
July 29, 2025 Multiple reports emerged (notably from The

- Fortinet climbed in November 2024 after expanding generative Al across its platform with new FortAl integrations, embedding its Al-powered security assistant into core products. The early move strengthened its position in automated threat response and differentiated Fortinet within the crowded network security space
- CheckPoint's Q4 earnings expectations beat, and 2025 guidance triggered a notable stock rebound. The investment thesis was further bolstered by Check Point's focus on Al capabilities within its Infinity platform, which management spotlighted as a key differentiator in adapting to evolving cyber threats
- Gen Digital's October rally was underpinned by a newly authorised \$3bn share repurchase program and continued dividend support signals of management's confidence in the business. However, performance corrected in December following the acquisition of MoneyLion, which introduced integration risks and investor caution over potential dilution and strategic focus.
- Amid growing enterprise demand for Al-native infrastructure, **F5** rallied in early 2025 following the debut of ADC 3.0 in February and its ADSP platform in March transforming traditional load balancers into Al-integrated security and delivery systems



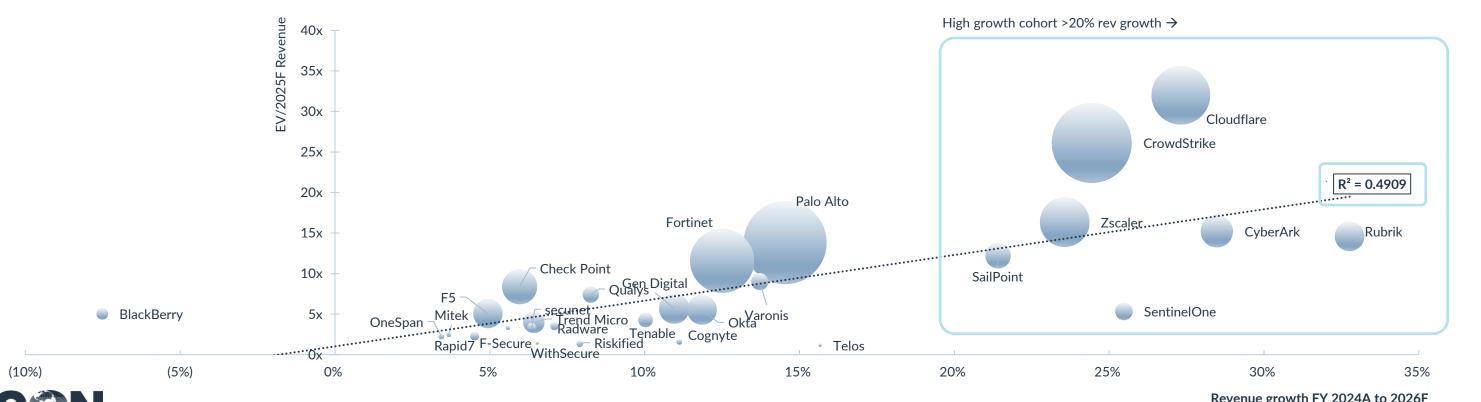
Pendulum has swung to overweighing consistent and continuous growth

The correlation between EV/Revenue multiples and Rule of 40 metrics has weakened...



Well-established largecap cybersecurity companies have all optimised for strong Rule of 40 metrics above 40%. However, correlation to valuation is low, in particular in the large-cap segment

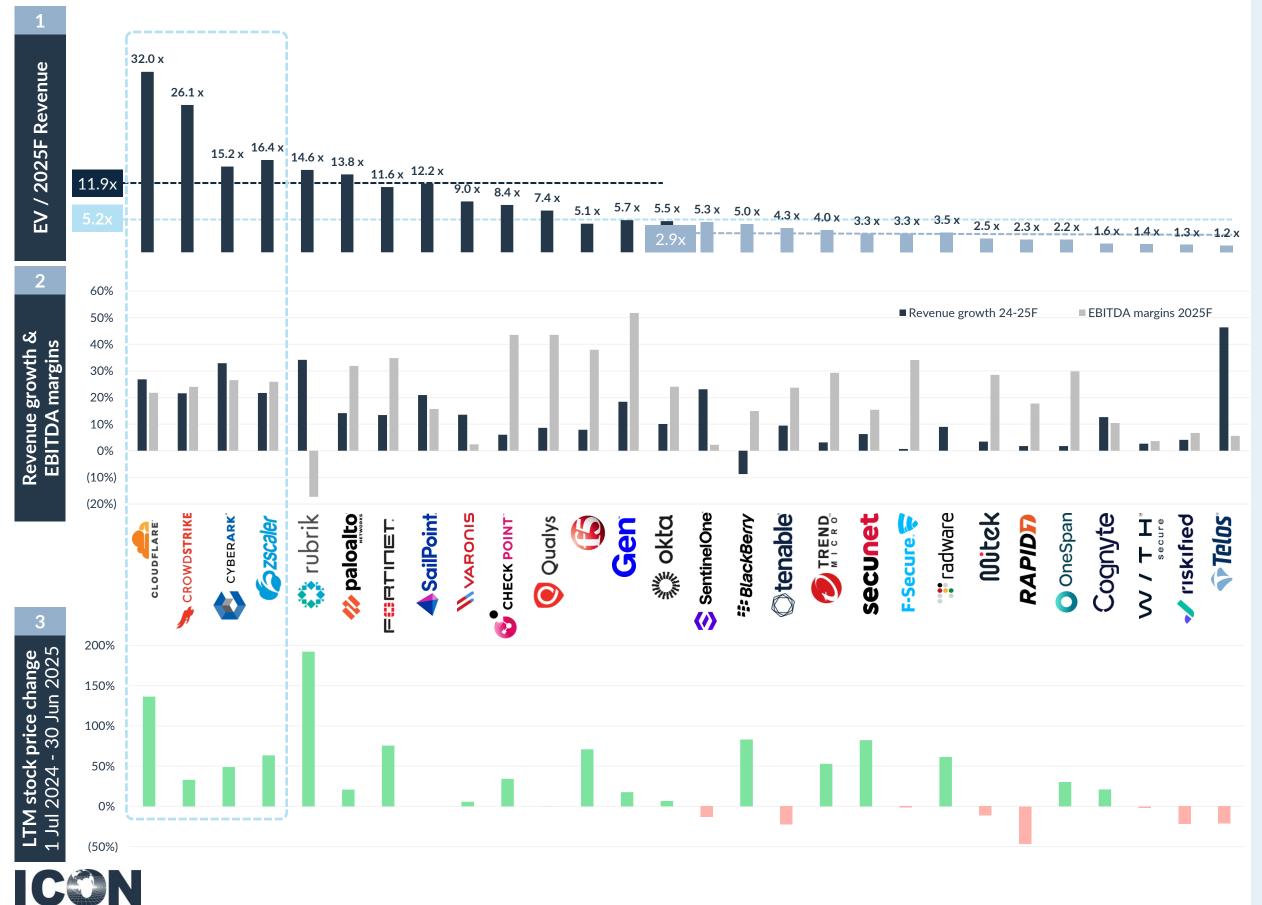
...whilst valuations are once again being driven primarily by long-term, consistent revenue growth



Valuations are deeply correlated to consistent and continuous strong revenue growth at scale (i.e. sustainable turnover visibility, as shown in revenue growth patterns from FY 2024A to 2026F). Successful Al adoption has been the primary growth driver

Revenue growth FY 2024A to 2026F

Key valuation and performance metrics



Valuation multiples for public cybersecurity companies ranged from a median of 11.9x

EV/2025F revenue for the vendors in the valuation top half to a median of 2.9x EV/2025F revenue for companies in the valuation bottom half cohort (with EV/revs < 5.3x)

An equally balanced Rule of 40 (combination of revenue growth and operational profitability of similar rates above 20%) seems to drive premium valuation outcomes, as is the case for Cloudflare, CrowdStrike, CyberArk and Zscaler

Over the past twelve months, cybersecurity stocks have delivered strong overall performance, with the majority of vendors posting significant share price gains. This rally reflects robust demand trends and sustained investor interest in the sector. However, decreasing visibility around sustainable revenue growth has led to bouts of underperformance in certain names, as public markets adjust expectations for forward growth trajectories.

Against this backdrop, equity analysts are increasingly viewing cybersecurity as a defensive segment within the technology sector. In periods of heightened market volatility, investors may look to rotate out of growth bets and into security software, drawn by the sector's resilient demand profile, non-discretionary nature, and potential to outperform other technology subsectors.

Trading metrics summary of publicly listed cybersecurity companies

USD millions							Enterprise Value Multiples				Operating Statistics							
		Price	% of 52	Market	Net	Enterprise		Revenue			EBITDA		Revenue	Growth		EBITDA Margir	า	Ruleof40
Company	Vertical	(05-Aug-25)	Week High	Сар	Debt	Value	FY 2024A	FY 2025F	FY 2026F	FY 2024A	FY 2025F	FY 2026F	2024-25F	2025-26F	FY 2024A	FY 2025F	FY 2026F	
ICON Cybersecurity	Comps							V										
Cloudflare	Network Security	195.83	90.8%	68,243	(498)	67,746	40.6 x	32.0 x	25.3 x	n.m.	n.m.	n.m.	26.8%	26.4%	(2.2%)	21.8%	23.0%	48.6%
CrowdStrike	XDR	509.31	98.3%	126,945	(3,789)	123,156	31.8 x	26.1 x	21.4 x	n.m.	n.m.	n.m.	21.6%	21.9%	2.6%	24.0%	28.1%	45.6%
CyberArk	IAM	406.88	90.0%	20,549	(320)	20,230	20.2 x	15.2 x	12.7 x	n.m.	n.m.	n.m.	32.9%	19.5%	(1.1%)	26.5%	25.1%	59.4%
Zscaler	Cloud Security	313.94	98.6%	49,000	(1,776)	47,224	19.9 x	16.4 x	13.6 x	n.m.	n.m.	n.m.	21.7%	20.5%	9.6%	25.9%	27.1%	47.6%
Rubrik	Data Security	89.59	87.0%	17,335	(398)	16,937	19.6 x	14.6 x	11.6 x	n.m.	n.m.	n.m.	34.2%	25.9%	(120.7%)	(17.3%)	(3.9%)	16.9%
Palo Alto	Diversified	204.64	97.3%	136,686	(2,494)	134,192	15.8 x	13.8 x	12.1 x	n.m.	43.3 x	37.2 x	14.2%	13.9%	21.7%	31.9%	32.6%	46.0%
Fortinet	Network Security	105.72	92.1%	81,600	(3,474)	78,126	13.1 x	11.6 x	10.3 x	40.7 x	33.2 x	29.4 x	13.4%	11.8%	32.3%	34.8%	35.2%	48.2%
SailPoint	IAM	22.86	86.8%	12,724	(207)	12,517	14.8 x	12.2 x	10.2 x	n.m.	n.m.	n.m.	20.9%	19.9%	4.6%	15.7%	17.3%	36.6%
Varonis	Data Security	50.75	83.8%	5,687	(54)	5,633	10.2 x	9.0 x	7.7 x	n.m.	n.m.	n.m.	13.5%	17.2%	(18.1%)	2.4%	7.7%	15.9%
Check Point	Network Security	221.25	94.4%	24,316	(1,524)	22,792	8.9 x	8.4 x	7.9 x	24.4 x	19.3 x	18.3 x	6.0%	5.7%	36.4%	43.5%	43.4%	49.5%
Qualys	Vulnerability Analytics	142.87	84.0%	5,196	(315)	4,881	8.0 x	7.4 x	6.9 x	23.73 x	17.0 x	16.3 x	8.6%	6.6%	33.9%	43.5%	42.6%	52.1%
F5	Network Security	294.32	88.1%	16,922	(1,167)	15,755	5.5 x	5.1 x	4.8 x	18.1 x	13.4 x	17.0 x	7.9%	4.5%	30.2%	38.0%	28.5%	45.9%
Gen Digital	Consumer and SMB	29.40	92.7%	18,235	8,035	26,270	6.7 x	5.7 x	5.2 x	14.2 x	11.0 x	9.7 x	18.4%	8.4%	47.6%	51.8%	54.1%	70.2%
Okta	IAM	99.97	78.4%	17,502	(1,778)	15,724	6.1 x	5.5 x	5.0 x	n.m.	23.0 x	19.0 x	10.1%	9.7%	(0.3%)	24.0%	26.6%	34.1%
SentinelOne	XDR	18.28	62.4%	6,052	(767)	5,285	6.6 x	5.3 x	4.4 x	n.m.	n.m.	n.m.	23.1%	20.2%	(37.6%)	2.3%	8.6%	25.4%
BlackBerry	Endpoint Security	4.54	70.7%	2,700	(71)	2,629	4.6 x	5.0 x	4.7 x	36.7 x	33.8 x	28.4 x	(8.7%)	6.7%	12.5%	14.9%	16.6%	6.2%
Tenable	Vulnerability Analytics	33.78	74.3%	4,190	33	4,223	4.7 x	4.3 x	4.0 x	n.m.	18.1 x	15.4 x	9.5%	7.9%	3.8%	23.7%	25.7%	33.2%
Trend Micro	Cloud Security	67.64	82.0%	9,010	(1,430)	7,580	4.1 x	4.0 x	3.7 x	14.5 x	13.6 x	11.8 x	3.2%	6.5%	28.3%	29.3%	31.7%	32.4%
secunet	Cybersecurity services	264.56	92.9%	1,712	(39)	1,673	3.6 x	3.3 x	3.1 x	24.0 x	21.7 x	19.2 x	6.3%	9.6%	14.8%	15.4%	15.9%	21.7%
F-Secure	Endpoint Security	2.22	86.8%	387	177	564	3.3 x	3.3 x	3.2 x	9.8 x	9.7 x	9.2 x	0.7%	3.9%	34.0%	34.1%	34.6%	34.8%
Radware	Network	29.44	93.2%	1,268	(215)	1,053	3.8 x	3.5 x	3.3 x	n.m.	n.a.	n.a.	9.0%	7.1%	2.6%	0.0%	0.0%	9.0%
Mitek	IAM	9.90	84.0%	453	(12)	441	2.6 x	2.5 x	2.3 x	16.0 x	8.6 x	7.8 x	3.5%	7.3%	15.9%	28.5%	29.6%	32.0%
Rapid7	Vulnerability Analytics	23.13	52.0%	1,504	456	1,960	2.3 x	2.3 x	2.2 x	24.3 x	12.8 x	11.4 x	1.7%	3.3%	9.5%	17.8%	19.4%	19.5%
OneSpan	IAM	16.69	82.0%	640	(83)	556	2.3 x	2.2 x	2.1 x	9.4 x	7.5 x	7.1 x	1.8%	5.1%	24.3%	29.8%	30.1%	31.6%
Cognyte	Threat & Risk intel	9.24	79.3%	673	(51)	623	1.8 x	1.6 x	1.4 x	n.m.	15.3 x	n.m.	12.6%	9.8%	1.3%	10.4%	0.9%	23.1%
WithSecure	Endpoint Security	1.17	90.8%	205	(8)	197	1.5 x	1.4 x	1.3 x	7.7 x	39.3 x	15.9 x	2.7%	11.4%	18.9%	3.6%	8.1%	6.3%
Riskified	Threat & Risk intel	4.99	82.5%	786	(331)	455	1.4 x	1.3 x	1.2 x	n.m.	20.0 x	9.4 x	4.1%	9.6%	(13.5%)	6.7%	12.9%	10.8%
Telos	Network Security	3.17	65.8%	233	(48)	185	1.7 x	1.2 x	0.9 x	n.m.	20.8 x	10.3 x	46.3%	26.2%	(37.2%)	5.6%	9.0%	52.0%
Median							5.8 x	5.2 x	4.8 x	18.1 x	18.1 x	15.7 x	9.8%	9.6%	9.6%	23.8%	25.4%	33.6%
Mean							9.5 x	8.0 x	6.9 x	20.3 x	20.1 x	16.3 x	13.1%	12.4%	5.5%	21.0%	22.5%	34.1%
Top half							13.9 x	11.9 x	10.3 x	23.7 x	19.3 x	18.3 x	16.3%	15.6%	7.1%	26.2%	27.6%	46.8%
Bottom half	_						2.9 x	2.9 x	2.7 x	15.3 x	16.7 x	11.4 x	3.8%	7.6%	11.0%	15.2%	16.2%	24.2%



Cybersecurity M&A activity



Europe Cybersecurity M&A - Key Stats ITM O3 2024 to O2 2025

114 (+5% YoY) 110 (+17% YoY) PE deals

108 (+38% YoY)

PE deals

Strategic deals

LTM largest strategic deal(1) \$5.5bn

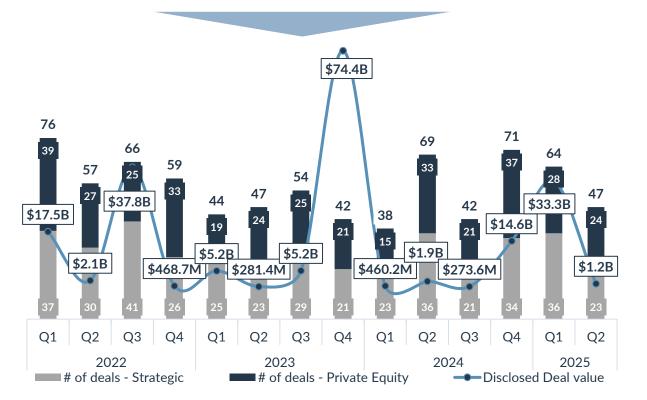
LTM largest PE deal⁽²⁾

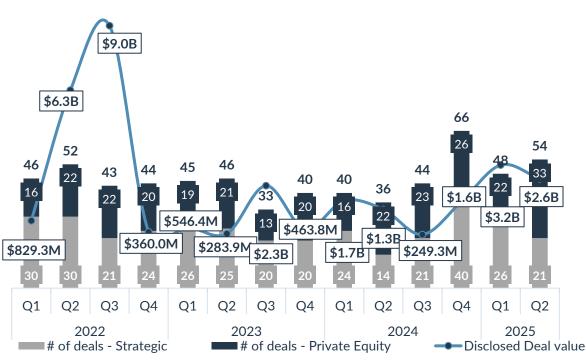
\$946m

Strategic deals

LTM largest strategic deal(3) \$2.4bn

LTM largest PE deal⁽⁴⁾





- Mega-deal distortion: LTM deal value is dominated by Alphabet-Wiz at \$32bn, with Darktrace's \$5.5bn take-private and Exclusive Networks' \$2.4bn adding further spikes. Underlying activity is steadier than headline value suggests
- PE momentum is back: PE deal counts rose +17% YoY in the USA (110 deals) and +46% YoY in Europe (104 deals), led by take-privates and buy-and-build platforms
- Strategic deal activity: The USA logged 114 strategic deals (+5% YoY), with buyers prioritising cloud/security platform consolidation and "Al-ready" capabilities
- Strategics also stepped up in Europe: 108 strategic deals (+38% YoY), driven by consolidation around cloud/CNAPP, identity, and data security to simplify customer stacks
- Cross-border flow remains high: US financial sponsors continue to buy European assets (e.g., Darktrace, Exclusive Networks), and Palo Alto's acquisition of Hornet Security
- **Channel distributors and security services** solutions services are strategic to scaling Al security stacks, with buyers valuing reach to bundle AI-first endpoint/cloud offerings and simplify procurement



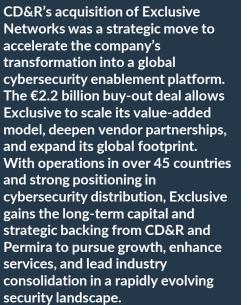
Recent M&A Highlights



Proofpoint's acquisition of Hornet Security was a strategic move to expand its reach into the fastgrowing SMB and MSP market, enhance its Microsoft 365 security capabilities, and strengthen its presence in Europe. Hornet's Aldriven cloud security platform and strong regional compliance support complement Proofpoint's enterprise focus, enabling broader threat intelligence and customer coverage. With Hornet's leadership staying on, the deal ensures continuity while boosting Proofpoint's recurring revenue and positioning it for a potential IPO in 2026.



Networks was a strategic move to accelerate the company's transformation into a global cybersecurity enablement platform. The €2.2 billion buy-out deal allows Exclusive to scale its value-added model, deepen vendor partnerships, and expand its global footprint. With operations in over 45 countries and strong positioning in cybersecurity distribution, Exclusive gains the long-term capital and strategic backing from CD&R and Permira to pursue growth, enhance services, and lead industry consolidation in a rapidly evolving security landscape.





Alphabet's acquisition of Wiz was a strategic move to significantly enhance Google Cloud's security capabilities in the rapidly expanding multi-cloud market. Wiz's advanced cloud-native platform offers comprehensive, real-time threat detection and risk management across major cloud environments. By integrating this technology, Alphabet can deliver more automated, scalable, and proactive security solutions, strengthening its competitive position against Microsoft and Amazon while accelerating innovation to meet the evolving and complex security needs of enterprise customers worldwide.





acquired



• Recorded Future

Delivers threat intelligence and cyber risk analytics

Mastercard's acquisition of Recorded Future was a strategic move to enhance its cybersecurity and fraud-prevention capabilities. By integrating Recorded Future's Aldriven threat intelligence, Mastercard strengthens real-time fraud detection, identity solutions, and risk analytics across its global payment's ecosystem. The deal builds on existing AI-driven successes (e.g. doubling compromised-card detection rates) and enables Mastercard to embed proactive threat insights across the transaction lifecycle, reinforcing its position as a global leader in trust and security.





acquired



DARKTRACE

Al-driven cybersecurity and threat detection solutions

Thoma Bravo's acquisition of Darktrace, was a strategic move to strengthen its leadership in cybersecurity by adding Darktrace's cutting-edge Al-powered threat detection platform. The \$5.3 billion take-private deal positions Darktrace to accelerate innovation and global growth with Thoma Bravo's long-term capital and operational expertise. This acquisition enhances Thoma Bravo's portfolio in autonomous security solutions, meeting growing market demand for advanced, scalable defence against evolving cyber threats.





acquired





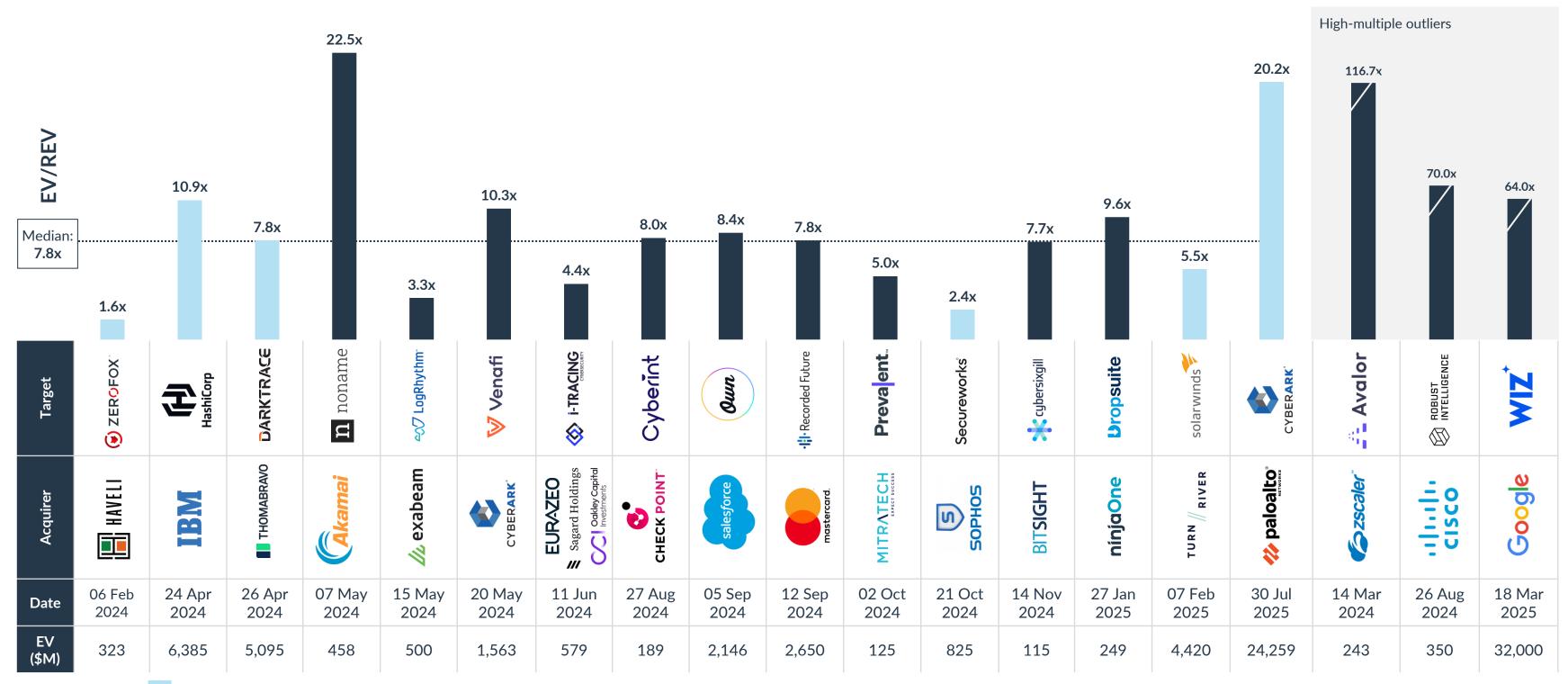
Data resilience, compliance, and security solutions

Salesforce's acquisition of Own Company was a strategic move to deepen its data security and compliance capabilities within its cloud ecosystem. By integrating Own Company's advanced cloudnative data protection and disaster recovery solutions. Salesforce strengthens its ability to safeguard critical customer data and support regulatory compliance. This deal enhances Salesforce's broader commitment to delivering secure, reliable, and trusted enterprise solutions, positioning it to better serve customers in highly regulated industries while reinforcing its leadership in cloud innovation.



Premium valuations sustains momentum in cybersecurity M&A

Notable recent cybersecurity deals with disclosed valuations





Indicates take-private transactions

Cybersecurity fundraising activity



Europe Cybersecurity Funding Rounds- Key Stats LTM Q3 2024 to Q2 2025

LTM Largest deal⁽¹⁾

Cumulative deal value

LTM Largest deal⁽²⁾

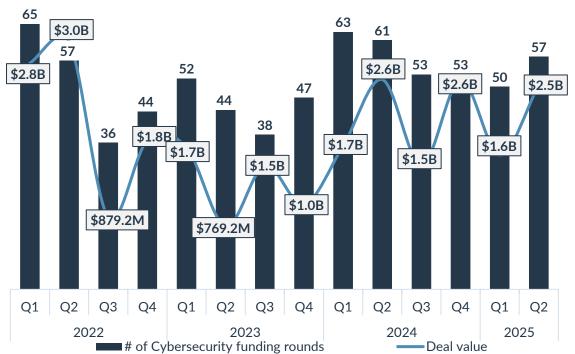
\$687m Cumulative deal value

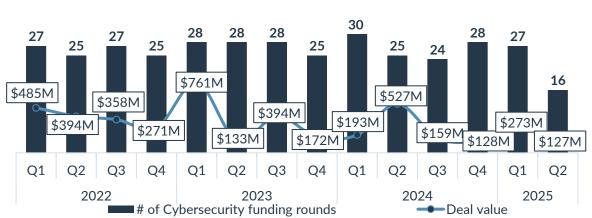
Funding rounds LTM

Median Post Money Valuation LTM

Funding rounds LTM

Median Post Money Valuation LTM







Source(s): ICON, Pitchbook Note(s): (1) 10th December 2024: Cohesity received a \$1bn investment led by Coatue, Sapphire Ventures, Dragon Fund, Sequoia Capital, Softbank (2) 11th Feb 2025: Tines received a \$ 125m investment from Accel, Activant Capital, Addition, CrowdStrike Holdings, Felicis, Goldman Sachs & SoftBank

- The US remains the engine of cyber funding, **\$8.2bn** across **213** rounds. While deal volume has remained flat in the US, overall deal value has increased as cheque size's increase
- The value of fundraising in Europe fell to \$687m across 95 rounds, driven with a focus on earlierstage businesses and price-disciplined rounds
- Average US cheque size (\$38.5m) is significantly larger than Europe's (\$7.2m). Capital is available but concentrated in late-stage US names. Capital remains focussed on a handful of large rounds, with the US commanding around 4× larger average deal size than Europe
- There is a shift from "Al-enhanced tools" to Alautomated platforms that cut time-to-mitigation and headcount. Example Cyera (Jun '25): \$540m Series-E at a \$6bn valuation, an Al-native DSPM automating data discovery, classification, and controls across clouds

Recent fundraising highlights



Date: 07 May 2024

Deal type: Series E (6th VC Round)

Post money valuation: \$12 billion

Target Description:

Wiz, Inc. offers a cloud security platform that prioritizes risks across misconfigurations, vulnerabilities, malware, and more. Using deep analysis and the Wiz Security Graph, it identifies critical attack paths to reduce cloud exposure. Its solutions include CSPM, CNAPP, CIEM, container and serverless security, compliance, and vulnerability management.



Date: 10 Dec 2024

Deal type: Series H (8th VC Round)

Post money valuation: \$4.8 billion

Target Description:

Cohesity, Inc. provides a data management platform that consolidates and secures non-critical data across cloud and on-prem environments. Key products like Helios, Data Protect, and Smart Files support backup, disaster recovery, ransomware recovery, and long-term retention for industries such as finance, healthcare & government.



Raised \$456m from



Cloud-based cybersecurity platform

Date: 18 Aug 2024

Deal type: PE growth

Post money valuation: n.a.

Target Description:

Kiteworks USA, LLC provides a private cloud platform for secure mobile content access, sharing, and collaboration. Its solutions support onprem, hybrid, and hosted deployments, enabling secure workflows and custom mobile app development for industries like finance, healthcare, government, and education.



Date: 11 Jun 2025

Deal type: Series E (6th VC Round)

Post money valuation: \$6 billion

Target Description:

Cyera US Inc operates as an Alpowered data security platform that helps organizations manage and protect their data in digital landscape. Its platform combines advanced data security posture management with real-time enforcement controls providing customers with a solution

for securing their data assets against



Date: 31 Mar 2025

Deal type: PE growth

Post money valuation: \$3.4 billion

Target Description:

ReliaQuest, LLC designs and develops
Al powered security operations

ReliaQuest, LLC designs and develops
Al powered security operations
platform. The company through its
open extended detection and
response architecture platform
GreyMatter offers threat hunting,
detection investigation, threat
intelligence, model index, automated
response playbook, breach and attack
simulation, digital risk protection,
phishing analyser, and Al agent.



Date: 05 Mar 2024

Deal type: Series E (6th VC Round)

Post money valuation: \$2.6 billion

Target Description:

Axonius, Inc. develops cybersecurity solutions that unify asset management and risk mitigation. Its platform provides asset inventory, SaaS discovery, cloud compliance, and automated policy enforcement to help organisations reduce security gaps and automate response across industries like finance, healthcare & government.



evolving threats.

Overview of specialised cybersecurity funds

Firm	Location	HQ	AUM	Current Cybersecurity Portfolio Companies
ALLEGISCYBER	=	Palo Alto	n.a.	Vicarius DRAGOS Source Apr-24 Sep-23 Apr-22 Dec-21 May-21
BALLISTIC	=	San Francisco	n.a.	ZIP HYPERNATIVE Jun-25 SetReal Labs Apr-25 Apr-25 Apr-25 Mar-25
ClearSky	<u></u>	North Palm Beach	\$840m	Guardz. MITIGA HUMAN ARCTIC WOLF Jun-25 Oct-24 ARCTIC Phylum May-22 Phylum May-22
evo/ution EQUITY PARTNERS	6	New York, Zurich	\$1.5b	Bright OX O GetReal Labs May-25 May-25 Mar-25 Mar-26 Mar-27 Mar-27 Mar-27 Mar-27 Mar-27 Mar-28 Mar-28 Mar-
FORGEPOINT	=	San Mateo	\$770m	Oevlar Al Apr-25 GetReal Labs Feb-25 May-24 Sep-23 SYMMETRY Aug-23
PALADIN CAPITAL GROUP	•	Washington	\$1b	Circumvent Jun-25 SECURE CODE WARRIOR May-24 Nov-24 May-24 Aug-23 Jul-23
33 VENTURES	⑤	Porto	\$165m	STRICE Panorays / hackuity cybersixgill SafeBreach Mar-23 Oct-22 May-22 May-22
Strategic Cyber Ventures	<u></u>	Washington	n.a.	Jul-24 May-23 Jun-22 Apr-22 Nov-21 Feb-17
S Y N: VENTURES	<u></u>	Boston	\$500m	[Square] X MIGGO AICEBERS Apr-25 Mar-25 Jan-25 Jan-25
TENELEVEN	_	West Palm Beach	\$1b	HYPERNATIVE CORSha RELIAQUEST Jun-25 RELIAQUEST Mar-25 Mar-25 Mar-25 Mar-25 Dec-24
YLVENTURES	€ ₹	Mill Valley, CA	\$800m	# MIND minimus MIGGO Grip Walence Hunters. Apr-25 Apr-25 Aug-23 Oct-22 Jan-22





Leader in technology deals



Deals



Combined years of deal making



8 of last 10 deals were cross border



Investment Bankers

ICON at a glance

Specialist independent M&A and fundraising adviser to fast-growing technology businesses

Independent



Independently owned and 100% committed. Fully aligned with clients through results-based fees

Trusted



Consistent track record over 20 years. Built significant intellectual capital. Partner led teams

Global



Local advice but extensive global reach. Superb record of crossborder deals

Tech Focus



Deep understanding of disruptive Tech business models and the entrepreneurial journey

Strong sub-sector expertise



Enterprise Software



Cloud Solutions



Cybersecurity



Supply Chain Management



Our global transaction track record

Selected B2B tech deals advised by ICON





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