



# DevOps – Sector report

Analysing market dynamics, valuation metrics and investor landscape

# Report highlights

The DevOps market is rapidly evolving, driven by digital transformation, AI, and demand for automation and security. With strong investor interest, rising valuations, and active M&A, it offers major opportunities for consolidation and value creation



## Digital transformation accelerates DevOps

Digital transformation spending is set to double from \$1.9T in 2022 to \$3.9T in 2027, boosting demand for DevOps solutions, driven by cloud adoption, compliance, and enterprise modernization

[More on Slide 4](#)



## Revenue growth fuels DevOps valuations

Strong revenue growth and market leadership boost DevOps valuations, with category leaders like Atlassian, Datadog, and ServiceNow commanding premium multiples

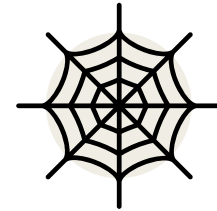
[More on Slide 9 & 10](#)



## Growing investor interest in DevOps

Investor interest in DevOps is surging, fueled by automation, cloud-native solutions, and security demands. VC-backed startups are thriving in CI/CD, Infrastructure as Code, and software delivery

[More on Slide 12 - 14](#)



## AI and automation reshaping DevOps

The DevOps landscape is evolving with AI automation, cloud-native architectures, security integration, and workflow standardization. Key trends include AI-driven DevOps, AIOps, serverless computing, & LCNC platforms



[More on Slide 5](#)

## DevOps Index signals growth ahead

The DevOps Index has stabilized at 7.0x-8.0x after an early 2021 peak, signaling resilience, growth potential, and renewed investor confidence



[More on Slide 11](#)

## Rising consolidation in DevOps

The industry is witnessing increased consolidation as established players and investors seek to integrate best-in-class solutions. M&A is accelerating to create end-to-end platforms and market dominance.



[More on Slide 17 & 18](#)



**William R. McDermott**  
Chair and CEO of ServiceNow<sup>1</sup>

*"On the IT spending environment, I think it's similar in the IT spending environment to what it's been. But I do think the big change is the move from AI fascination to AI business model innovation. And it's clear to me that the best CEOs in the world have AI at the forefront of their mind."*

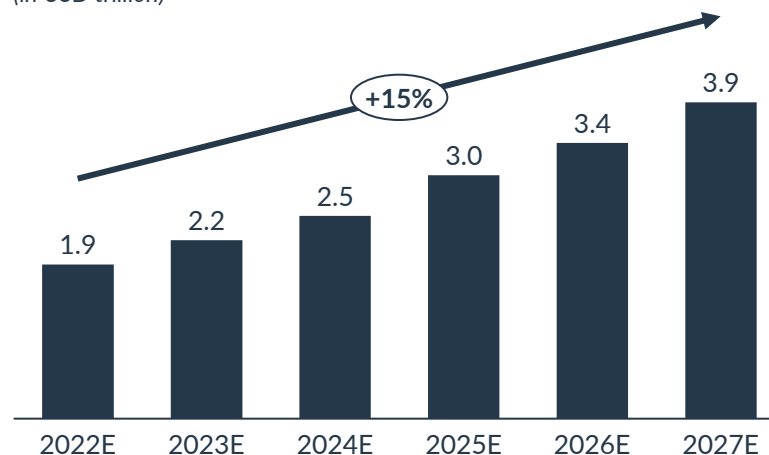
*"...as these models are being commoditised at a rapid rate and probably more rapid than anyone could have dreamed of, it's super, super exciting for platform and app vendors like us..."*

# Market Overview

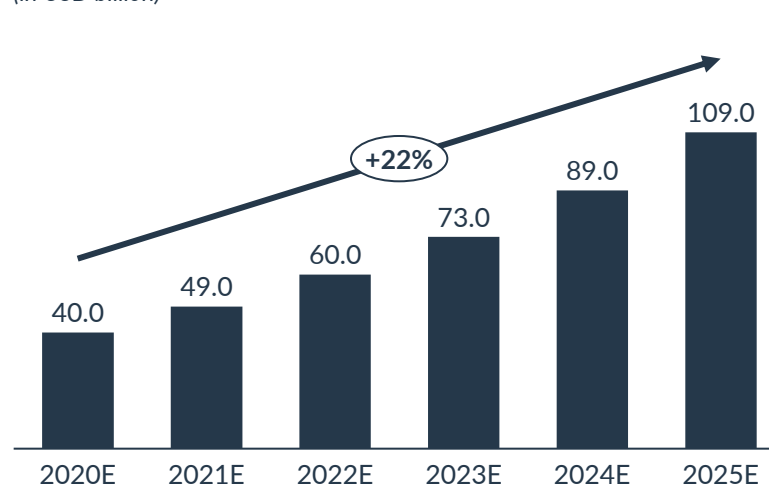
# Market growth

Strong tailwinds in cloud adoption, compliance mandates, and enterprise modernisation are driving robust growth in developer tools and digital transformation spending

**Spending on digital transformation tech & services**  
(in USD trillion)



**Developer tools market**  
(in USD billion)



**Priorities for IT tech initiatives in companies**



**Key market drivers**

- **Cloud-first strategies** – Enterprises are cloud adoption, accelerating the need for DevOps to streamline deployment and scalability
- **Compliance pressures** – Rising cyber threats & regulatory requirements are pushing companies to adopt DevSecOps for secure, compliant software delivery
- **Hybrid & Multi-cloud adoption** – Companies are leveraging hybrid & multi-cloud environments, driving the need for DevOps tools that support interoperability
- **Enterprise modernisation** – Legacy system upgrades & digital transformation initiatives are fueling investments in DevOps-driven IT modernisation
- **Developer productivity gains** – Organisations are prioritising DevOps to optimise developer workflows, reduce technical debt, and improve collaboration

# Market trends

The DevOps landscape is evolving with AI automation, cloud-native architectures, security integration, and workflow standardization, creating investment opportunities in AIOps, DevSecOps, multi-cloud orchestration, observability, and low/no-code tools

## AI-driven DevOps

AI and ML are revolutionizing DevOps with predictive analytics, automation, and intelligent monitoring, boosting deployment speed, preempting failures, and optimizing resources

## The DevSecOps surge

With rising cyber threats and stricter regulations, security is now integral to DevOps. DevSecOps helps enterprises mitigate vulnerabilities early, ensure compliance, and protect assets

## GitOps adoption

GitOps is emerging as the industry norm for managing cloud-native infrastructure, enabling version-controlled, automated deployments with consistency, auditability, and rapid rollbacks at scale

## AIOps expansion

AIOps market is rapidly growing as enterprises embrace AI-driven observability, automating anomaly detection, failure prediction, and root cause analysis to cut downtime and boost reliability

## Low/no-code (LCNC) growth

LCNC platforms speed up software development, enabling enterprises to build apps without deep coding. Adoption is expected to surpass 65% by 2025, fueling digital transformation

## Platform engineering

With developer productivity as a key differentiator, enterprises invest in Internal Developer Platforms (IDPs) to automate workflows, standardize CI/CD, and streamline development

## Serverless computing

Serverless architectures are reshaping DevOps economics, cutting costs with pay-as-you-go pricing, reducing overhead, and boosting scalability

## Multi & hybrid cloud strategies

Enterprises adopt multi-cloud and hybrid strategies for flexibility, cost optimization, and resilience, while DevOps evolves for seamless deployments across diverse clouds

## Infrastructure as Code (IaC)

With rising cloud adoption, firms expand IaC for compliance, standardization, & automation, leveraging modern tools for collaboration, policy-as-code, & real-time debugging

# DevOps

## Market segmentation

A detailed segmentation of the DevOps ecosystem, highlighting key categories shaping industry innovation, investment trends, and consolidation opportunities

### Platform / Workflow

- Agile development
- Collaboration & workflow orchestration
- Container management
- Continuous integration / continuous delivery (CI/CD)
- Infrastructure & platform-as-a-service (IaaS, PaaS)
- ...

### Infrastructure Management

- Application performance monitoring (APM)
- IT asset management
- Network & infrastructure monitoring
- System observability & incident response
- ...

### Low- and No-Code

- Application and GUI development platforms
- Automated testing and integration
- Data integration and transformation tools
- Focus on workflow-based applications
- ...

### DevSecOps

- Code governance
- Dynamic application security testing (DAST)
- Dynamic & Interactive application security testing
- Software composition analysis (SCA)
- ...

### Testing / QA

- Functional & stress testing
- Performance and load testing
- Quality assurance
- Test data management
- ...

### AI Applications

- AI app development
- AI-driven automation
- ML-enhanced app features
- AI for app personalisation
- ...

### Performance Management

- Load management
- Log management & analysis
- Performance analytics
- ...

### Blockchain Apps

- Auditability
- Decentralized apps (dApps)
- Smart contract integration
- Transaction or rules-based apps
- ...

### API Management

- API development, management and integration
- API lifecycle management
- API testing
- ...

### Service Management

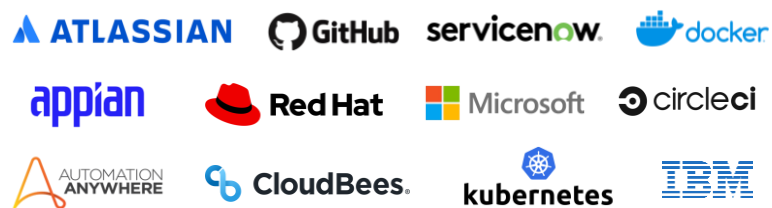
- Change management
- Incident response
- Release management
- Trouble ticketing
- ...

# DevOps

## Illustrative players

A detailed segmentation of the DevOps ecosystem, highlighting key categories shaping industry innovation, investment trends, and consolidation opportunities

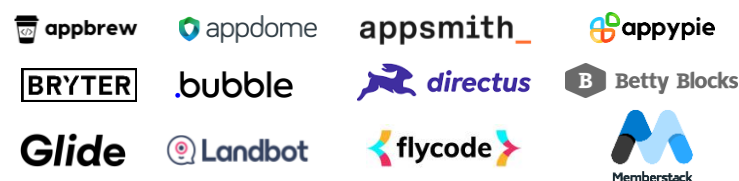
### Platform / Workflow



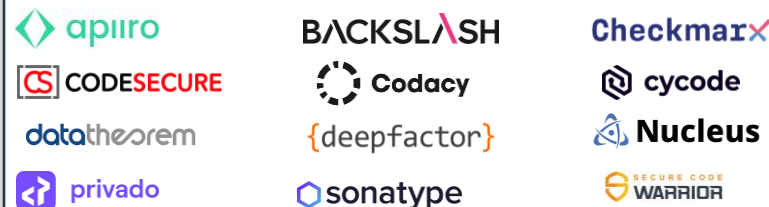
### Infrastructure Management



### Low- and No-Code



### DevSecOps



### Testing / QA



### AI Applications



### Performance Management



### Blockchain Apps



### API Management



























### Service Management



# Valuation Benchmarks

# Public comps

Comparable companies trade within a broad range, influenced by growth, profitability, and regional market factors. The median revenue multiple of 8.4x reflects a favorable outlook for firms demonstrating strong expansion and profitability. Notably, the DevOps sector consistently commands a premium EV/Revenue multiple, surpassing other SaaS segments including the SaaS average of 5.3x

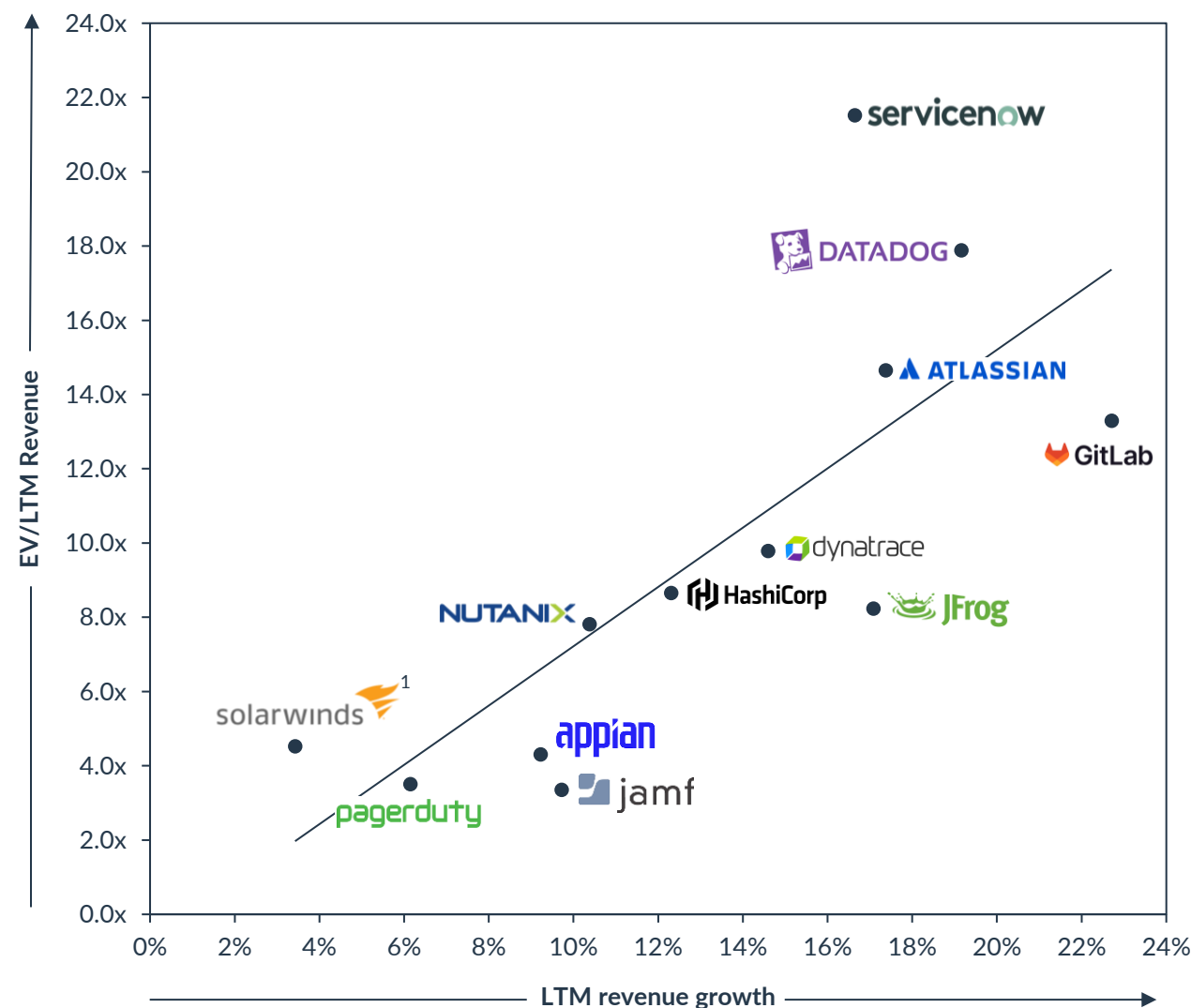
HQ	Company	Description	Enterprise value (\$m)	Revenue multiple LTM	Revenue growth LTM	Gross margin LTM	EBITDA margin LTM
	 <b>servicenow</b>	E2E intelligent workflow automation platform for digital businesses	230,457	21.5x	17%	79%	17%
	 <b>ATLASSIAN</b>	Designs, develops, licenses, and maintains various software products	68,506	14.7x	17%	82%	(1%)
	 <b>DATADOG</b>	Observability and security platform for cloud applications	46,418	17.9x	19%	81%	5%
	 <b>NUTANIX</b>	Provides an enterprise cloud platform	17,832	7.8x	10%	85%	6%
	 <b>dynatrace</b>	Provides a security platform for multi-cloud environments	15,654	9.8x	15%	82%	12%
	 <b>GitLab</b>	Develops software for the software development lifecycle	9,682	13.3x	23%	89% (21%)	
	 <b>HashiCorp</b>	Provides multi-cloud infrastructure automation solutions	5,801	8.7x	12%	82% (24%)	
	 <b>solarwinds</b> <sup>1</sup>	Provides IT management software products	3,636	4.5x	3%	90%	34%
	 <b>JFrog</b>	Offers an end-to-end hybrid software supply chain platform	3,452	8.2x	17%	78% (14%)	
	 <b>appian</b>	Provides a low-code design platform	2,628	4.3x	9%	75% (11%)	
	 <b>jamf</b>	Cloud software platform for infrastructure & device management	2,113	3.4x	10%	80% (1%)	
	 <b>pagerduty</b>	Operates a digital operations management platform	1,642	3.5x	6%	83% (12%)	
<b>Median</b>				<b>8.4x</b>	<b>13%</b>	<b>82%</b>	<b>(1%)</b>
<b>SaaS average</b>				<b>5.3x</b>			

<sup>1</sup>SolarWinds will be taken private and will no longer be listed on the New York Stock Exchange after acquisition by Turn/River Capital in Feb-25  
Source(s): ICON, Pitchbook, S&P Capital IQ as of Feb-25

# Valuation trends

Strong revenue growth and sustained market leadership are the primary drivers of valuations within the DevOps public market landscape, reflecting investor confidence in scalability, innovation, and long-term value creation

Correlation between EV/LTM revenue multiples and LTM revenue growth



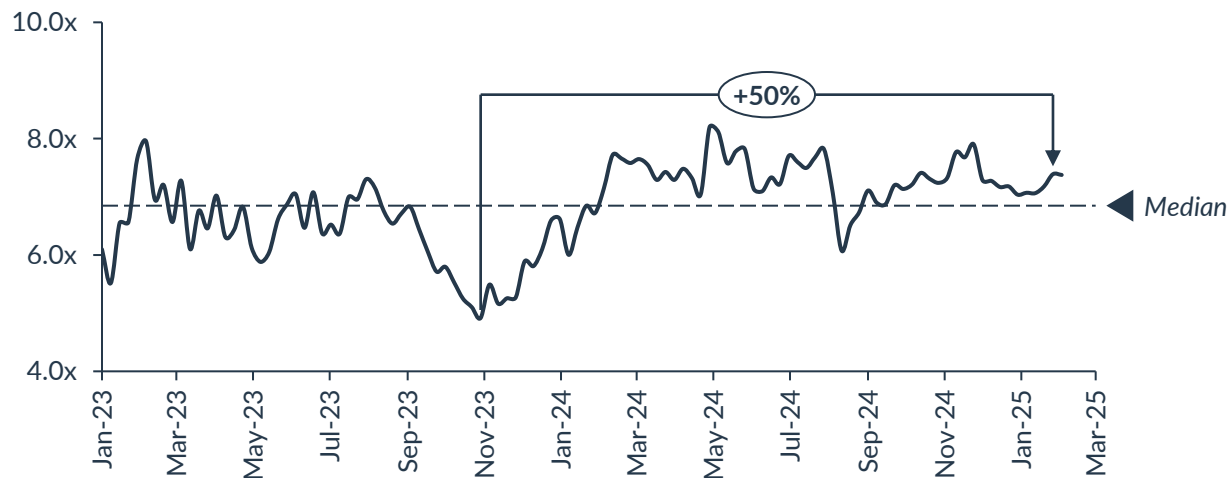
## Comments

- Strong correlation between Revenue growth and valuations:** There is a clear positive relationship between revenue growth and valuation multiples across the DevOps sector, reflecting investor confidence in the future of the sector
- Category leaders securing premium valuations:** DevOps companies that are leaders in their respective categories, such as **Atlassian**, **Datadog**, and **ServiceNow**, are commanding significant valuation premiums. These companies are positioned above the regression line, reflecting their dominant market positions and strong growth trajectories
- Weak correlation between EBITDA margin and valuation:** There is poor correlation between EBITDA margins and valuation multiples. This indicates that investors prioritise **growth** over current profitability margins

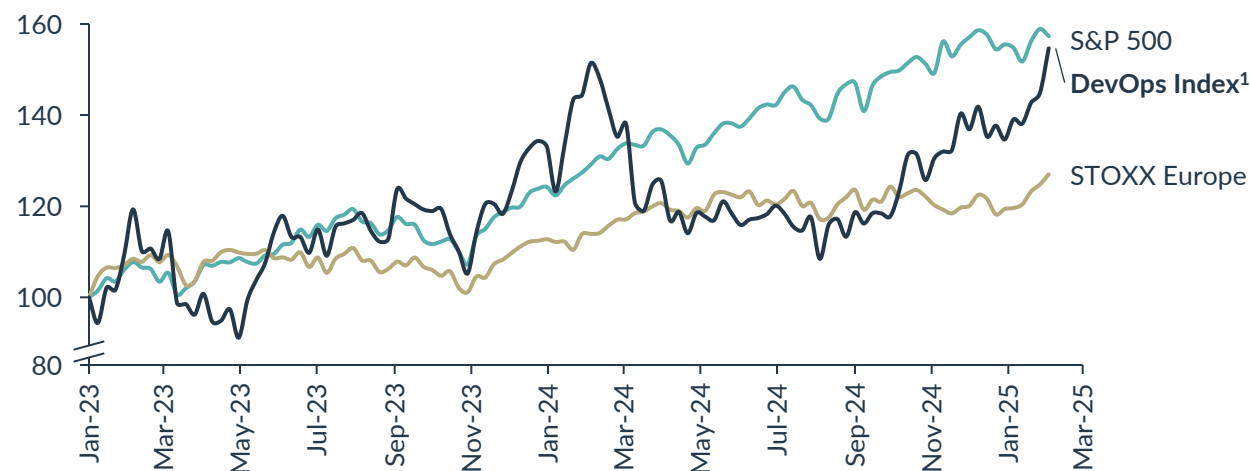
# Market dynamics

The DevOps market is rebounding, with valuations up 50% since November 2023 and ranging between 7.0x – 8.0x. The DevOps Index has surged 54.7% in the last 24 months, closely tracking the S&P 500 and positioning itself to reclaim market leadership

Median EV/LTM Revenue multiples for DevOps Index<sup>1</sup> over the past 24 months



Comparing DevOps sector performance against S&P 500 and STOXX Europe



Source: S&P Capital IQ as of Feb-25

<sup>1</sup>DevOps Index Composition: The comp set for the charts includes data for ServiceNow, Atlassian, Datadog, Nutanix, Dynatrace, GitLab, HashiCorp, SolarWinds, Jfrog, Appian, Jamf Holding, and PagerDuty

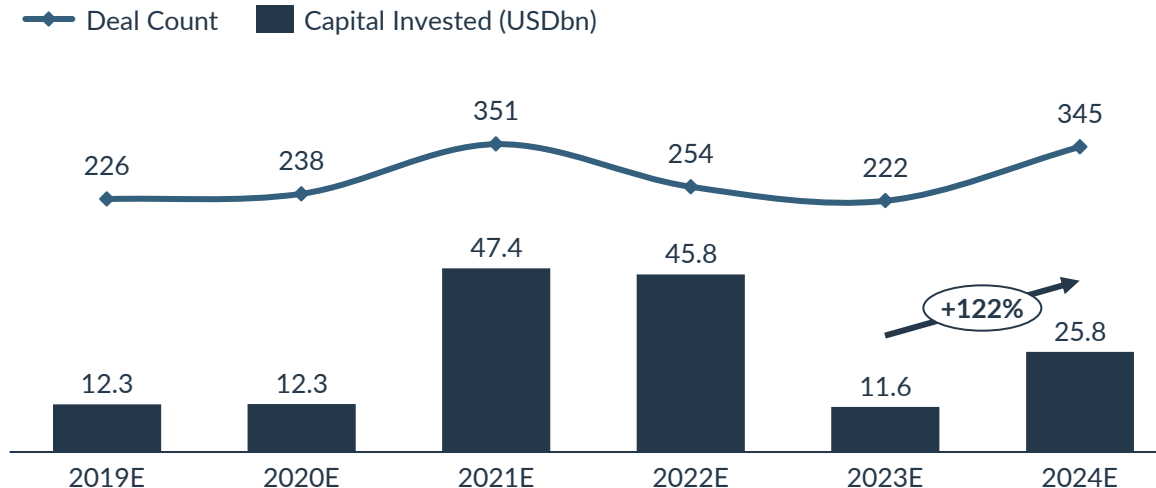
## Comments

- Valuation base:** The market struggled as valuations declined due to price corrections, with high cash-burn companies being hit the hardest. However, since the low in November 2023, it has rebounded by 50%, reflecting improved investor sentiment and a recovering market. The current valuation levels range between 7.0x – 8.0x, indicating a strong recovery from last year's downturn
- DevOps market rebound:** The DevOps Index is showing strong momentum, climbing back up and closely tracking the S&P 500. Over the past 24 months, the DevOps Index has surged by 54.7%, nearly matching the S&P 500's 57.3% gain. Historically, the DevOps Index has outperformed the market at key points, and with its current trajectory, it is well-positioned to take the lead again. Investor confidence is rising, and if this trend continues, the index could soon outpace the broader market, reclaiming its dominance

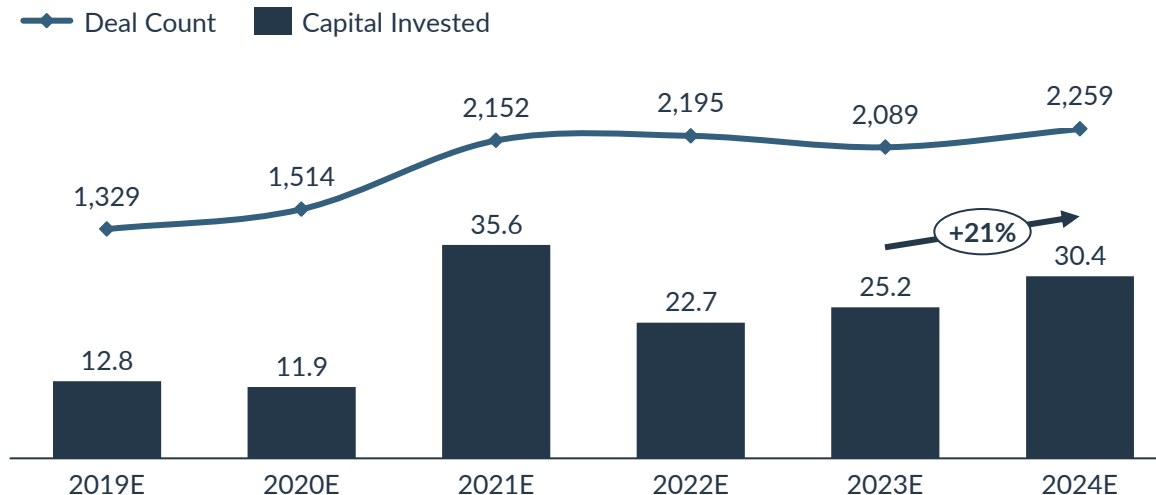
# Investment trends

Stable valuations, AI-driven automation, and rising security concerns are driving M&A activity and investor confidence in DevOps, positioning the sector for continued growth

## Analysis of M&A trends in the DevOps Sector



## Analysis of fundraising trends in the DevOps Sector























## Comments

- **Sustained Demand for DevOps:** Digital transformation continues to drive strong demand for DevOps solutions, making it a critical enabler of enterprise efficiency
- **M&A Activity Gaining Momentum:** With tech valuations stabilizing in 2024, companies are increasingly exploring acquisitions to strengthen their technology stacks and market positions
- **AI Transforming DevOps:** AI is enhancing CI/CD, test automation, and security, accelerating software delivery and reinforcing DevOps' role in digital transformation
- **Rise of DevSecOps:** Growing emphasis on security is driving the adoption of DevSecOps, integrating security into development workflows and fueling industry consolidation
- **Future Investment Outlook:** Private capital will continue driving DevOps expansion, ensuring a dynamic market landscape

# Recent M&A

Major acquisitions in DevOps and cloud automation highlighting market consolidation and multi-billion-dollar transactions in enterprise technology

Date	Target	HQ	Description	Acquirer	Enterprise Value (\$m)	Revenue multiple
Feb-25	 SOLARWINDS	USA	Provider of secure observability and IT management software	TURN // RIVER	4,518.2	5.8x
Dec-24	 PARADYME	USA	Provides advanced technology solutions to the federal government, specialising in AI/ML, DevSecOps, etc.	CATHEXIS	-	-
Nov-24	 OCTOPAI	USA	Octopai transforms metadata management with AI-powered tools, enabling faster insights and reduced error	CLOUDERA	Conf.	Conf.
Oct-24	 SYNOPSYS®	USA	Provider of electronic design automation (EDA), semiconductor IP, software quality, and security solutions	 CLEARLAKE FP FRANCISCO PARTNERS	2,100.0	-
Aug-24	 MORPHEUS	USA	Provider of multi-cloud management platform for hybrid IT and DevOps automation	 Hewlett Packard Enterprise	-	-
Jul-24	 StreamSets WEBMETHODS	USA	<b>StreamSets:</b> Real-time data ingestion for AI analytics <b>webMethods:</b> Simplifies hybrid & multi-cloud integrations	 IBM	2,324.9	-
Jun-24	 Verta	USA	Provides software infrastructure for enterprise data science and ML teams to develop and deploy models	CLOUDERA	-	-
May-24	 Netreo	USA	Provider of IT management/AIOps solutions to monitor cloud, on-prem, and hybrid networks, apps, and devices	 bmc	-	-
Apr-24	 HashiCorp	USA	Provider of Infrastructure Cloud™ solutions for automating multi-cloud and hybrid environments	 IBM	7,668.5	11.0x
Apr-24	 FOUNDRIES.IO	UK	Cloud-native DevOps platform to build and deploy secure solutions for IoT & Edge	 Qualcomm	-	-
Mar-24	 jama software®	USA	Provider of Engineering Management, Requirements Management and Traceability software solutions	 FP FRANCISCO PARTNERS	1,200.0	-
Feb-24	 codefresh	USA	Next-gen enterprise CI/CD software delivery platform for cloud-native applications	 Octopus Deploy	-	-

■ ICON banker worked on this transaction  
Source(s): ICON, Pitchbook, F/X rate (as of Feb-25)

## Recent fundraises

Increased venture capital activity driving growth and innovation across AI, DevOps, and cloud automation markets

Date	Target	HQ	Description	Investor	Capital raised (\$m)
Dec-24	 <b>Anysphere</b>	USA	Cutting-edge AI-powered coding assistant company, renowned for developing Cursor	 <b>THRIVE CAPITAL</b>	105.0
Dec-24	 <b>LAMBDATEST</b>	USA	AI-powered enterprise text execution cloud platform focused on faster test execution	 <b>AVATAAR VENTURES</b>  <b>Qualcomm ventures</b>	38.0
Nov-24	 <b>evoluteiq</b> <small>Absolute Automation</small>	Sweden	AI-powered end-2-end automation player	 <b>Round2 CAPITAL PARTNERS</b>  <b>Nordea ASSET MANAGEMENT</b>	20.0
Nov-24	 <b>Tricentis</b>	USA	Developer of software model-based testing tools	<b>GTCR</b>	1,330.0
Oct-24	 <b>xtype</b>	Israel	Developer of multi-instance management software on the ServiceNow platform	<b>NORWEST servicenow</b>	21.0
Oct-24	 <b>Resolve.ai</b>	USA	Develops AI solution dedicated on automating software processes	<b>greylock</b>	35.0
Aug-24	 <b>opkey</b>	USA	No-code test automation platform	<b>PEAKSPAN</b>	47.0
Jun-24	 <b>Plandek</b>	UK	Intelligent DevOps analytics platform	 <b>YFM Equity Partners</b>	5.2
Jun-24	 <b>testsigma</b>	India	Low-code cloud-based test automation platform	<b>Accel</b>  <b>MassMutual</b>	8.2
May-24	 <b>Firefly</b>	Israel	Cloud asset management technology intended to catalog, codify, and control cloud platforms	 <b>SoftBank</b>  <b>redseed</b>  <b>vertex VENTURES</b>	23.0
May-24	 <b>Vercel</b>	USA	Platform that allows companies to develop web applications in the cloud	<b>Accel</b>  <b>TIGERGLOBAL</b>	250.0
Feb-24	 <b>antithesis</b>	USA	Provider of automated testing platform	<b>Amplify</b>	47.0

■ ICON banker worked on this transaction  
Source(s): ICON, Pitchbook, F/X rate (as of Feb-25)



# Strategic players

Identifying the most active strategic acquirers and financial investors in the DevOps ecosystem, showcasing the key players driving consolidation, capital deployment, and value creation through M&A and strategic investments

## Key Strategic Acquirers

























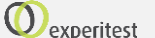


















## Key Financial Investors





























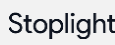




## Key players (I/II)

The DevOps sector continues to see strong momentum, with high-growth, VC-backed players emerging across CI/CD, Infrastructure as Code, Security, and Software Delivery, driven by increasing enterprise adoption and automation trends

Company	Theme	Description	Investors	Acquired
	Collaboration & Issue Tracking	Provides tools for project management, issue tracking, and collaboration	Publicly traded	 Optic 2024  loom 2023  AirTrack 2022
	CI/CD	Offers a continuous delivery automation platform for web and mobile applications	 SAPPHIRE VENTURES  Base10  ivp	 Ponicode 2022  vamp 2021
	Application Release Orchestration	Provides cloud-based solutions for software delivery with continuous delivery services	 Bridgepoint  8 <sup>RD</sup> EIGHT ROADS  ACCENTURE VENTURES  Goldman Sachs	 Launchable 2024  ReleaseIQ 2022
	Application Performance Monitoring	Offers monitoring and analytics tools for developers, IT operations teams, and business users	Publicly traded	 QUICKWIT 2025  actiondesk 2023  Codiga 2023
	End-to-End DevOps Platform	Integrates agile planning, version control, and deployment automation into one unified platform	 TPG	 Numerify 2020  experitest 2020
	Release Automation	Simplifies deployment and collaboration with tools for tracking, testing, and deployment changes	 SILVERSMITH CAPITAL PARTNERS	 Clayton 2024
	Source Code Repository & Management	A platform for code sharing, collaboration, and project management	 Microsoft	 npm 2020
	Project Management & Collaboration	Offers tools for managing source code repositories, issue tracking, and planning	 RESURGENS TECHNOLOGY PARTNERS  DOVESCO	 CodeSee 2024  bigbrassband 2021
	Infrastructure Automation	Provides consistent workflows to provision, secure, and manage multi-cloud infrastructure	Publicly traded	 BLUBRACKET 2023
	Requirements and Test Management	Combines requirements management with test management for collaborative product delivery	 FP FRANCISCO PARTNERS	 NOTION 2018

## Key players (II/II)

The DevOps sector continues to see strong momentum, with high-growth, VC-backed players emerging across CI/CD, Infrastructure as Code, Security, and Software Delivery, driven by increasing enterprise adoption and automation trends

Company	Theme	Description	Investors	Acquired
 JFrog	End-to-End DevOps Platform	Offers DevSecOps solutions, including CI/CD automation & containerised application delivery	Publicly traded	 Qwak 2024  UPSWIFT 2021  Vdoo 2021
 MEND	DevSecOps	Focuses on open-source security management to address software vulnerabilities	 pitango  SUSQUEHANNA GROWTH EQUITY	 Atom Security 2023
 MORPHEUS	Cloud Infrastructure	Empowers DevOps teams to manage hybrid cloud applications and infrastructures	 Hewlett Packard Enterprise	
 Octopus Deploy	CI/CD	CI platform for automating secure and reliable application deployments across environments	 INSIGHT PARTNERS	 codefresh 2024  dist 2022
 outsystems	Low-Code Platform	Enables low-code application development for web and mobile platforms	 KKR  TIGERGLOBAL  Goldman Sachs	 ionic 2022
 PERFORCE	End-to-End DevOps Platform	Provides solutions for version control, distributed workflows, and collaboration	 CLEARLAKE FP FRANCISCO PARTNERS	 Delphix 2024  puppet labs 2022  21Labs 2021
 POSTMAN	API Lifecycle Management	Simplifies API development and collaboration with tools for API lifecycle management	 Battery  COATUE  INSIGHT PARTNERS	 Orbit 2024  Akita 2023
 SauceLabs	Test Automation	Offers cloud-based mobile and web testing tools across multiple devices and browsers	 TPG	 TestFairy 2021  Backtrace 2021  AutonomIQ 2021
 SMARTBEAR	Test Automation & Management	Provides tools for software testing, API testing, and performance optimisation	 VISTA FP FRANCISCO PARTNERS	 Reflect 2024  QMETRY 2024  Stoplight 2023
 Tricentis	Test Automation & Management	Develops software testing tools with a focus on risk-based testing and automation	 INSIGHT PARTNERS  wipro ventures	 waldo 2024  Sealights 2024  TX <sup>3</sup> 2023

# Introduction to ICON

# ICON at a glance

Specialist independent M&A and fundraising adviser to technology businesses

## Leader in technology deals



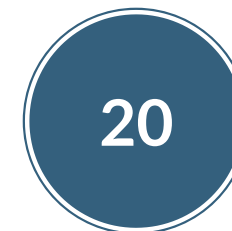
Deals



Combined years of  
deal making



7 of last 10 deals  
were cross border



Investment  
Bankers

### Independent



Independently owned  
and 100% committed.  
Fully aligned with clients  
with 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 cross-  
border deals

### Tech Focus



Deep understanding of  
disruptive Tech business  
models and the  
entrepreneurial journey

## Strong sub-sector expertise



DataTech



Cloud Solutions



Enterprise Software



DevOps

# Deal track record

Selected US & Global funding and M&A transactions in automation software and related sectors

- Demonstrable track record in Series A, B & C/Recap fundraising deals
- Unrivalled track record in automation tech and enterprise software
- Extensive global network of specialist investor relationships





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