



Compliance, Risk & Cybersecurity

Market Monitor

Market Overview

Sector Spotlight

Public Market Performance

M&A Activity

The Urgent Need for U.S. Cybersecurity Workforce Development: Market Implications

The cybersecurity M&A landscape in 2025 reflects a growing yet critical national priority: accelerating U.S. workforce development in the face of an unprecedented skills gap and increasingly insidious global digital warfare. America's cybersecurity workforce shortage has become a critical vulnerability that demands immediate and sustained government action. Meanwhile, public and private-sector stakeholders are beginning to take note by investing in platforms that enable scalable training, simulation, and upskilling.

The Scale of the Threat

The cyber threat landscape has fundamentally transformed into a theater of continuous warfare. Russia is conducting "a violent and escalating campaign of sabotage and subversion against European and U.S. targets," with the number of Russian attacks nearly tripling between 2023 and 2024¹. China has strategically infiltrated U.S. critical infrastructure through sophisticated cyberattacks targeting everything from government officials to SCADA systems that control essential services². The implications are clear: cyber warfare has evolved from a theoretical concern to an active threat to American sovereignty.

Workforce Urgency as a Market Driver

While the U.S. Cyber PIVOTT Act, proposed to congress in February 2025, and other federal initiatives underscore the urgency of building a skilled cybersecurity workforce³, execution has fallen short as organizations struggle to fill nearly 470,000 cybersecurity job openings in the U.S.⁴. Globally, up to 3.5 million cybersecurity positions remain unfilled in 2025, representing a critical gap in our collective defense infrastructure⁵. The consequences of this workforce gap extend far beyond vacant positions. Even once hired, entry-level cybersecurity employees face training pipelines of 4-9 months and incur an additional \$1-\$5k of increased cost to the organization⁶, while more experienced cybersecurity professionals face increased workloads, higher stress levels, and burnout rates. These further exacerbate retention challenges and amplify demand for efficient upskilling solutions and services.

Key Transactions and M&A Impact

M&A volume across cybersecurity firms in H1 2025 reflect a strategic shift aimed at investing in the "people layer" of cybersecurity to meet mounting workforce demands. Notable industry transactions include:

- Proofpoint's acquisition of Hornetsecurity, a provider of AI-powered Microsoft 365 security, data protection, compliance, and security awareness services (May 2025)⁷
- Bow River Capital's majority investment in CloudShare, a provider of AI-guided solutions for complex cybersecurity training (April 2025)⁷
- Cyber Guru's acquisition of Mantra, a provider of fully automated security awareness training solutions (March 2025)⁷

With policy momentum, U.S. enterprises flat-lining headcount expansion, and threat environments intensifying, the second half of 2025 and beyond creates a critical window of opportunity for enterprise businesses (and the federal government) to invest in training, simulation, and human-centric cybersecurity solutions and related implementation/consulting partners. Companies that can scale learning, deliver AI-personalized insights, and improve retention will not only dominate deal flow, but hopefully provide a much-needed solution to the current cybersecurity workforce crisis.

Sector Leadership



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1. CSIS
2. The Soufan Center
3. Industrial Cyber
4. Dark Reading
5. Cybercrime Magazine
6. ISC2 Research
7. Business Wire

Sector Spotlight

Zscaler Announces Agreement to Acquire Red Canary

Target

Red Canary

Acquirer

Zscaler

Deal Commentary

- Red Canary is a recognized leader in Managed Detection Response (MDR) with over 10 years of experience in security operations, building an extensive customer base to investigate modern cyber threats and streamline workflows through automated remediation
- With Zscaler's extensive high-quality data derived from the world's largest security cloud, the combination will deliver an enhanced Security Operations Center (SOC) that leverages AI and human expertise to detect, respond to, and mitigate cyber threats
- Brian Beter, CEO of Red Canary noted, "As part of Zscaler, we will elevate how IT and security teams address the rapidly shifting threat landscape with the strength of our combined technology and expertise"

Transaction Summary

On May 27th, 2025, Zscaler, a public leader in cloud security, announced a strategic acquisition of Red Canary, a US-based cybersecurity services company. Red Canary offers a wide range of solutions, including managed threat detection, response, and intelligence

Transaction Information

Announced Date 27-May-2025
Deal Type Merger / Acquisition

Target Information

Year Founded 2013
Target HQ Denver, Colorado
of Employees ~500

Proofpoint Acquires Hornetsecurity and Nuclei

Targets

**Hornetsecurity,
Nuclei**

Acquirer

**Proofpoint
(Thoma Bravo)**

Deal Commentary

- Hornetsecurity (HS) is a cybersecurity provider focused on Microsoft 365 users with fully managed cloud security solutions across diversified compliance and risk governance needs
 - The acquisition of Hornetsecurity strengthens Proofpoint's global reach and expands its human-centric security solutions for small to medium-sized businesses and managed service providers
- Nuclei is a firm specializing in compliance archiving and AI-driven data enrichment for modern workplace communications, including Microsoft Teams, Slack, Zoom, Webex, WhatsApp, and RingCentral
 - Nuclei will bolster Proofpoint's digital communications governance capabilities, particularly in capturing and archiving data across collaboration platforms

Transaction Summary

In May 2025, Proofpoint, a cybersecurity and compliance firm, announced acquisitions of Hornetsecurity and Nuclei. Hornetsecurity provides Microsoft 365 security, data protection, compliance, and security awareness services, and Nuclei specializes in compliance archiving for modern workplace communications

Transaction Information

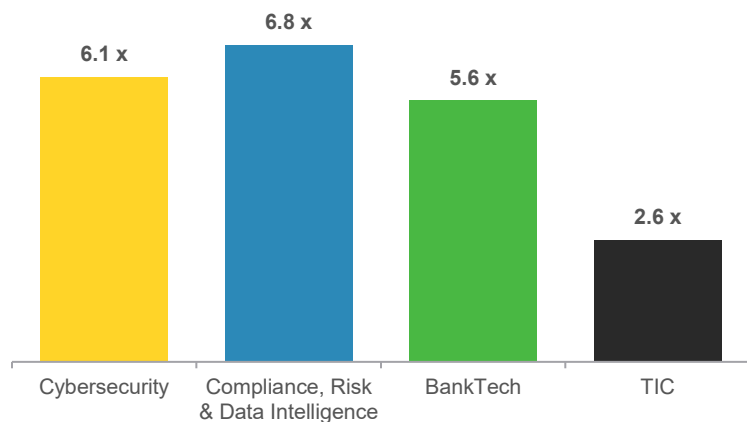
Announced Date May-2025
Deal Type Merger / Acquisition

Target Information

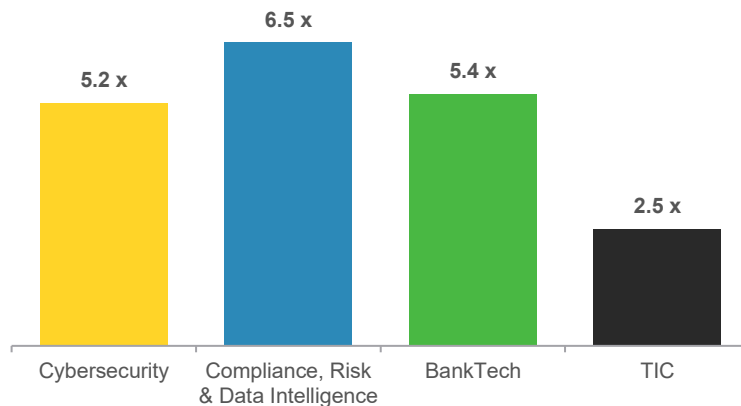
Year Founded 2007 (HS), 2019 (Nuclei)
Target HQ Hanover, Germany (HS)
Holmdel, NJ (Nuclei)
of Employees ~700 (HS), ~5 (Nuclei)

Public Market Performance

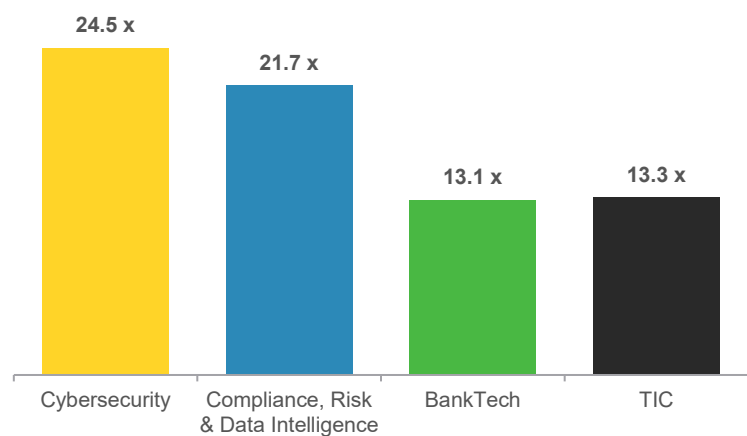
LTM EV / Revenue



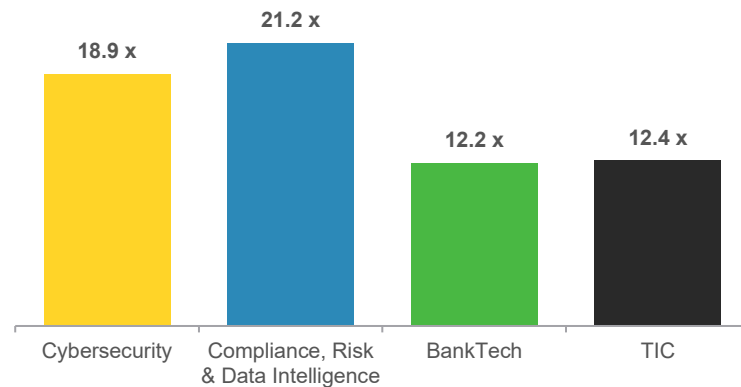
2025E EV / Revenue



LTM EV / EBITDA

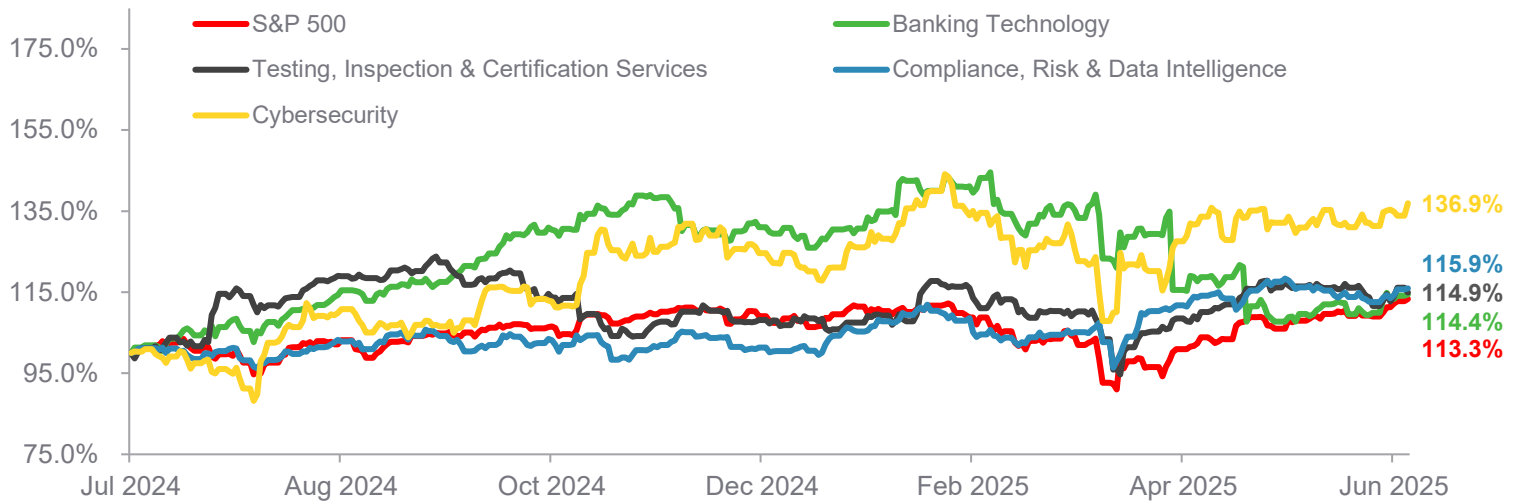


2025E EV / EBITDA

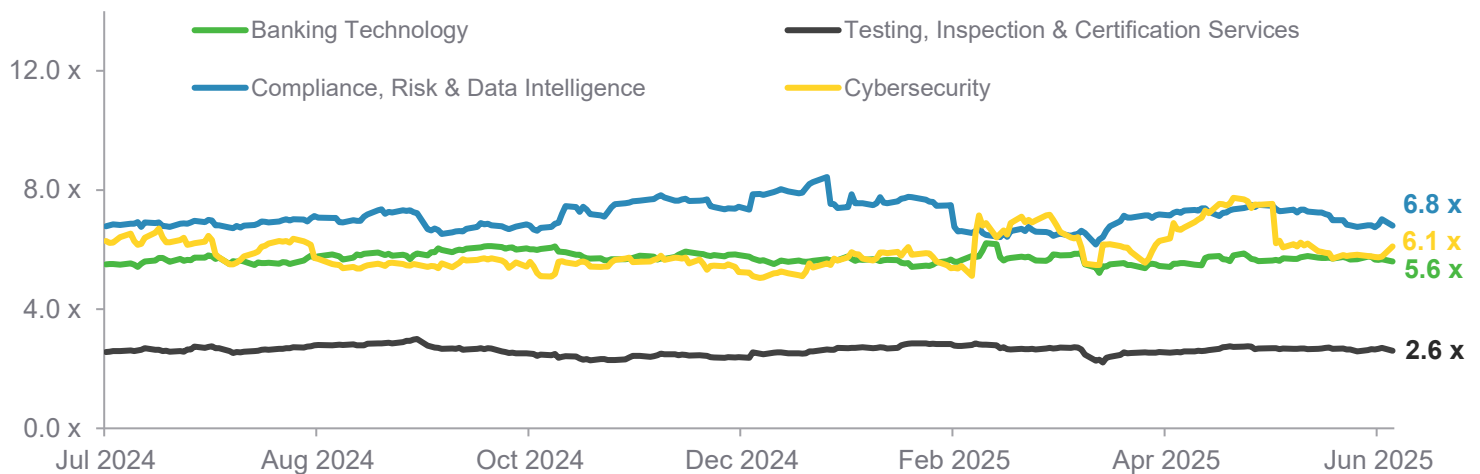


Public Market Performance

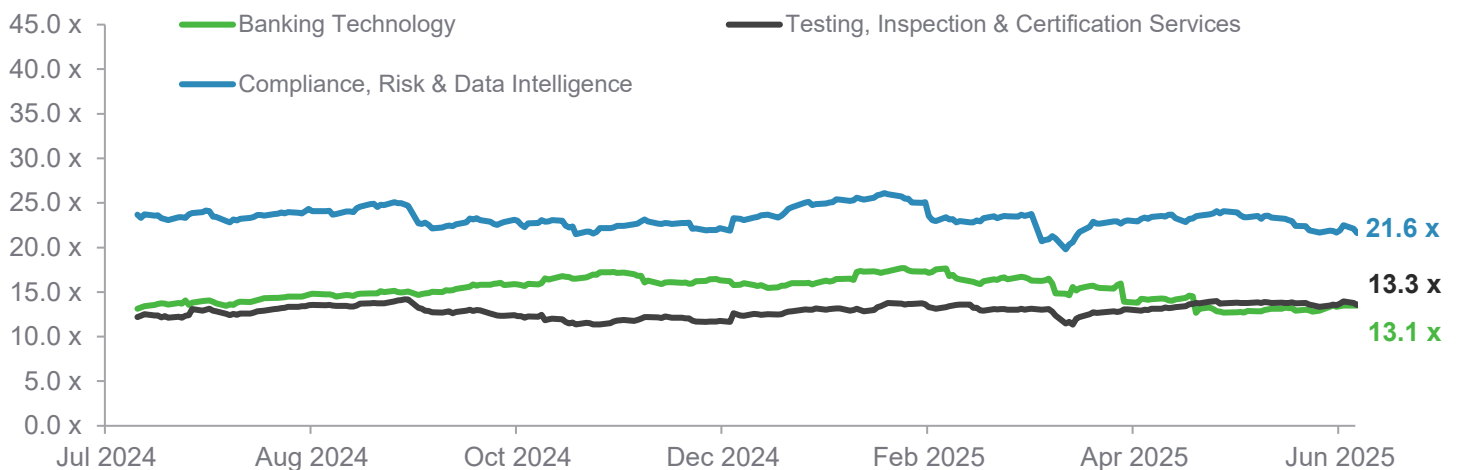
Compliance Market Indices Performance – 1 Year



LTM EV / Revenue Multiple Trend – 3 Years



LTM EV / EBITDA Multiple Trend – 3 Years



Source: Public filings as of 30-Jun-2025, Capital IQ

Note: Cybersecurity index excluded from LTM EV / EBITDA Multiple Trend due to above average market volatility

Public Market Performance

Banking Technology Index

	Closing Price 30-Jun-25	% of 52 Week High	Equity Market Cap	Enterprise Value	EV / Revenue Multiples			EV / EBITDA Multiples			2025E Revenue Growth	2025E EBITDA Margin
					LTM	2025E	2026P	LTM	2025E	2026P		
Banking Technology												
Fidelity	\$81.41	88.5%	\$42,620	\$52,731	5.2x	5.0x	5.0x	12.7x ¹	12.2x	12.1x	2.9%	41.3%
Fiserv	172.41	72.3%	95,590	119,650	5.8	5.8	5.7	13.1	11.7	10.7	8.5%	49.2%
Jack Henry & Associates	180.17	91.9%	13,119	13,249	5.6	5.4	5.1	17.6	16.9	15.6	7.6%	32.1%
	High	91.9%	\$95,590	\$119,650	5.8x	5.8x	5.7x	17.6x	16.9x	15.6x	8.5%	49.2%
	Median	88.5%	42,620	52,731	5.6	5.4	5.1	13.1	12.2	12.1	7.6%	41.3%
	Mean	84.2%	50,443	61,877	5.5	5.4	5.3	14.5	13.6	12.8	6.3%	40.9%
	Low	72.3%	13,119	13,249	5.2	5.0	5.0	12.7	11.7	10.7	2.9%	32.1%

Compliance, Risk & Data Intelligence Index

	Closing Price	% of 52 Week High	Equity Market Cap	Enterprise Value	EV / Revenue Multiples			EV / EBITDA Multiples			2025E Revenue Growth	2025E EBITDA Margin
	30-Jun-25				LTM	2025E	2026P	LTM	2025E	2026P		
	Compliance, Risk, & Data Intelligence											
GB Group	\$3.24	61.4%	\$804	\$865	2.4x	2.4x	2.3x	10.1x ¹	10.0x	8.6x	4.3%	24.0%
RELX PLC	53.94	93.6%	98,786	105,775	9.0	8.7	8.4	27.7	22.2	21.4	6.8%	39.2%
Thomson Reuters	200.78	99.9%	90,448	91,880	12.6	12.3	12.1	NM	31.4	28.6	10.2%	39.0%
Wolters Kluwer	166.71	78.3%	38,528	41,519	6.8	6.5	6.3	21.7	20.2	19.3	6.3%	32.0%
Workiva	68.45	58.6%	3,815	3,813	5.0	4.4	3.8	NM	NM	NM	37.5%	6.0%
	High	99.9%	\$98,786	\$105,775	12.6x	12.3x	12.1x	27.7x	31.4x	28.6x	37.5%	39.2%
	Median	78.3%	38,528	41,519	6.8	6.5	6.3	21.7	21.2	20.4	6.8%	32.0%
	Mean	78.4%	46,476	48,771	7.1	6.8	6.6	19.9	20.9	19.5	13.0%	28.1%
	Low	58.6%	804	865	2.4	2.4	2.3	10.1	10.0	8.6	4.3%	6.0%

Source: Capital IQ, equity research reports, market data as of 30-Jun-2025

Notes: \$ in millions (except share price), any negative multiples or multiples greater than 40.0x are marked "NM", any negative margin trends are marked "NA"

1. LTM EBITDA multiple calculated using 2024 LTM EBITDA due to inconsistencies with source data.

Public Market Performance

Cybersecurity Index

	Closing Price 30-Jun-25	% of 52 Week High	Equity Market Cap	Enterprise Value	EV / Revenue Multiples			EV / EBITDA Multiples			2025E Revenue Growth	2025E EBITDA Margin
					LTM	2025E	2026P	LTM	2025E	2026P		
Cybersecurity												
Fortinet, Inc.	\$102.43	92.1%	\$78,402	\$74,616	12.5x	11.0x	9.8x	38.8x	31.8x	28.1x	13.4%	34.8%
Okta, Inc.	99.95	78.4%	16,712	14,845	6.1	5.2	4.7	NM	20.0	17.8	9.7%	26.0%
Palo Alto Networks, Inc.	204.64	98.2%	136,659	133,742	15.1	13.6	12.0	NM	NM	NM	14.6%	32.6%
Rapid7, Inc.	23.13	52.0%	1,486	1,882	2.2	2.2	2.1	10.1 ¹	11.9	10.7	10.4%	18.4%
Tenable Holdings, Inc.	33.78	68.7%	4,127	4,127	4.5	4.2	3.9	NM	17.8	15.1	22.2%	23.8%
	High	98.2%	\$136,659	\$133,742	15.1x	13.6x	12.0x	38.8x	31.8x	28.1x	22.2%	34.8%
	Median	78.4%	16,712	14,845	6.1	5.2	4.7	24.5	18.9	16.4	13.4%	26.0%
	Mean	77.9%	47,477	45,842	8.1	7.3	6.5	24.5	20.4	17.9	14.1%	27.1%
	Low	52.0%	1,486	1,882	2.2	2.2	2.1	10.1	11.9	10.7	9.7%	18.4%

Testing, Inspection & Certification Index

	Closing Price	% of 52 Week	Equity Market	Enterprise Value	EV / Revenue Multiples			EV / EBITDA Multiples			2025E Revenue	2025E EBITDA
	30-Jun-25	High	Cap		LTM	2025E	2026P	LTM	2025E	2026P	Growth	Margin
	Testing, Inspection & Certification											
Bureau Veritas SA	\$33.99	91.8%	\$15,253	\$16,584	2.5x	2.5x	2.4x	14.6x	12.4x	12.0x	4.4%	19.9%
Intertek Group plc	64.94	85.0%	10,197	10,868	2.6	2.5	2.4	11.9	11.2	10.7	5.6%	22.2%
SGS SA	101.22	81.3%	19,654	22,062	2.8	2.9	2.8	13.3 ¹	12.9	12.2	5.1%	22.0%
	High	91.8%	\$19,654	\$22,062	2.8x	2.9x	2.8x	14.6x	12.9x	12.2x	5.6%	22.2%
	Median	85.0%	15,253	16,584	2.6	2.5	2.4	13.3	12.4	12.0	5.1%	22.0%
	Mean	86.0%	15,035	16,505	2.6	2.6	2.6	13.2	12.2	11.6	5.0%	21.4%
	Low	81.3%	10,197	10,868	2.5	2.5	2.4	11.9	11.2	10.7	4.4%	19.9%

Source: Capital IQ, equity research reports, market data as of 30-Jun-2025

Notes: \$ in millions (except share price), any negative multiples or multiples greater than 40.0x are marked "NM", any negative margin trends are marked "NA"

1. LTM EBITDA multiple calculated using 2024 LTM EBITDA due to inconsistencies with source data.

Featured M&A Activity

Date	Target	Buyer/Investor	Summary
30-Jul-25 ¹	CyberArk	Palo Alto	<ul style="list-style-type: none"> CyberArk is a leading Identity Security Provider, helping organizations protect business data, infrastructure, and accelerate business in the cloud
24-Jun-25	BluePeak Technology	Nexus IT	<ul style="list-style-type: none"> BluePeak Technology Solutions provides IT services that support business operations, infrastructure, and cybersecurity needs
16-Jun-25	TechMD	Integris	<ul style="list-style-type: none"> TechMD Consulting provides cybersecurity and IT services, including unified communications, managed detection, and response
11-Jun-25	Rhoads Online Institute	Equality Asset Management	<ul style="list-style-type: none"> Rhoads Online Institute provides compliance management solutions for insurance service providers; the transaction was part of a strategic rollup of entities
5-Jun-25	Exium	NETGEAR	<ul style="list-style-type: none"> Exium offers cloud-based cybersecurity and networking solutions for managed service providers
27-May-25	CyberCrowd	Limerston Capital	<ul style="list-style-type: none"> CyberCrowd Limited is a cybersecurity service provider that specializes in cyber incident exercises, compliance consulting, and security reporting
27-May-25	DAS Health	Coalesce Capital	<ul style="list-style-type: none"> DAS Health Ventures provides health information technology, compliance, and operations solutions
27-May-25	Red Canary	Zscaler	<ul style="list-style-type: none"> Red Canary provides endpoint security and cyber threat detection solutions in the United States and internationally
22-May-25	Black Breach	Intelligent Technical Solutions (Tower Arch Capital)	<ul style="list-style-type: none"> Black Breach provides military-grade, AI-tooled managed cybersecurity and compliance services
21-May-25	GroupSense	Cognyte Software	<ul style="list-style-type: none"> GroupSense provides cyber intelligence and reconnaissance services, with a focus on threat detection and prevention
21-May-25	Agio	Netrio (L Squared Capital)	<ul style="list-style-type: none"> Agio is a managed IT and cybersecurity provider specializing in the financial services sector
21-May-25	Nuclei	Proofpoint (Thoma Bravo)	<ul style="list-style-type: none"> Nuclei is a U.S. – based technology company specializing in compliance archiving and AI-driven data enrichment for modern workplace communications

Source: Public filings as of 30-Jun-2025, Capital IQ, Pitchbook

1. While this transaction is not in H1 2025, its relevance, recency, and scale warrant its inclusion




Featured M&A Activity

Date	Target	Buyer/Investor	Summary
15-May-25	Hornetsecurity	Proofpoint (Thoma Bravo)	<ul style="list-style-type: none"> Hornetsecurity is a leading pan-European provider of AI-powered Microsoft 365 security, data protection, compliance, and security awareness services
8-May-25	stackArmor	Tyto Athene (Arlington Capital Partners)	<ul style="list-style-type: none"> stackArmor is an IT solutions company that specializes in delivering secure and compliance-oriented solutions to regulated industries
17-Apr-25	The Missing Link	Infosys	<ul style="list-style-type: none"> The Missing Link is an award-winning Australian cybersecurity services specialist firm with capabilities across the full stack of cyber solutions
16-Apr-25	Oxford Computer Group	MajorKey Technologies (The Acacia Group)	<ul style="list-style-type: none"> Oxford Computer Group is a distinguished identity specialist with deep expertise in the Microsoft and Saviynt ecosystems
15-Apr-25	OMNIPOTECH	Netsurit	<ul style="list-style-type: none"> OMNIPOTECH is a leading MSP company that designs, builds, and services datacenter infrastructure through custom solutions
1-Apr-25	Princeton Hosted Solutions	Helient Technologies (Genesis Park)	<ul style="list-style-type: none"> Princeton Hosted Solutions is a cloud-based technology solutions provider, specializing in hosted PBX, cloud computing, and data center services
17-Mar-25	NetWitness	PartnerOne Capital	<ul style="list-style-type: none"> NetWitness develops and offers threat detection, cybersecurity monitoring, and cybersecurity compliance solutions
13-Mar-25	Elevative Networks	Optimal Networks	<ul style="list-style-type: none"> Elevative Networks offers managed compliance, security and IT support services
13-Feb-25	Secured Network Services	Thrive Operations (Berkshire Partners, Court Square)	<ul style="list-style-type: none"> Secured Network Services is an IT services company that provides mission-critical solutions, including security compliance and network management
5-Feb-25	CyberScope	TAC Security	<ul style="list-style-type: none"> CyberScope Limited engages in contract audits and vulnerability assessments for blockchain-based applications
30-Jan-25	Deduce	CHEQ	<ul style="list-style-type: none"> Deduce offers an identity access platform intended to help detect highly realistic AI-generated identities
08-Jan-25	ActZero	WatchGuard	<ul style="list-style-type: none"> ActZero is a leading provider of MDR services with rapid, automated threat response systems and cross-platform AI-driven threat analyses

Source: Public filings as of 30-Jun-2025, Capital IQ, Pitchbook

About ClearSight

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 Financial Advisor  has received a strategic investment from 	 BuySide Advisor  has acquired 	 Sellside Advisor  has been acquired by  a portfolio company of 	 Sellside Advisor  a portfolio company of  has been acquired by 	 Sellside Advisor  has been acquired by  a portfolio company of 

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