

Compliance, Risk & Cybersecurity

Market Monitor

Cybersecurity & Risk: 2025 Key Insights and 2026 Strategic Outlook

2025 proved to be a tumultuous year for cybersecurity and risk management, defined not only by accelerated innovation and mounting regulatory pressure, but also by growing turbulence fueled by AI-driven disruption and shifting government policies. Despite this volatility, the sector's long-term growth trajectory remains strong, supported by continued consolidation, automation, and next-generation architectures that are attracting sustained investment.

Market Demand for AI-Driven Platforms

M&A activity in 2025 grew more than 10% year-over-year¹, signaling a decisive industry shift toward AI-driven platforms². High-profile transactions, including Google's acquisition of Wiz Security, Palo Alto Networks' purchase of CyberArk, and Commvault's acquisition of Satori Cyber³, underscore the race to deliver holistic solutions that unify identity management, data security, and zero-trust architectures. This consolidation reflects a broader shift toward scalable ecosystems capable of addressing increasingly complex threat landscapes and compliance requirements.

Escalating AI Threats Redefine Priorities

Technology advancements created both opportunities and challenges for cyber. AI became deeply embedded across threat detection, cloud security, and incident response, enabling zero-day threat detection up to 70% faster⁴ and supporting more autonomous SOC operations. Simultaneously, AI-driven threats to enterprise data and network infrastructure contributed to global cybercrime losses reaching a record \$10.5 trillion in 2025⁵. While AI continues to accelerate adversarial capabilities, cybersecurity vendors that fail to integrate AI risk significant erosion of market position. Cloud-native and hybrid environments, OT security, and supply-chain protection emerged as high-growth segments, while AI-powered threats such as deep fakes, phishing, and agentic malware, shifted priorities from prevention to resilience, continuity, and rapid recovery. Identity security and zero-trust frameworks solidified as foundational, reinforced by agentic AI and real-time intelligence sharing.

Regulatory Complexity Accelerates Global Compliance

On the compliance front, regulatory complexity has surged, with 144 countries now enforcing data privacy laws and 21 U.S. states adopting comprehensive statutes, double the coverage seen in 2024⁶. Anticipated federal action through the ADPPA seeks to standardize U.S. requirements, while global frameworks such as the EU AI Act and NIS2 introduce new layers of oversight. Additional government initiatives, such as FedRAMP modernization, have added further uncertainty to the market. Organizations are responding by accelerating adoption of digital-first compliance models powered by AI-driven contract analysis, automated vendor risk scoring, blockchain-based audit trails, and cloud-native governance platforms. AI governance itself has emerged as a critical discipline, demanding structured audits, bias mitigation programs, explainability controls, and human-oversight mechanisms.

Governance Gains Competitive Edge

In 2025, cybersecurity and compliance evolved from reactive support functions into strategic enablers of long-term enterprise value. Looking ahead in 2026, regulatory expansion, heightened automation, and deeper convergence between cybersecurity and compliance functions will likely continue. As organizations integrate these domains under zero-trust principles and centralized governance, adaptability and digital trust will become defining competitive advantages, and we can expect an active M&A market to support acquiring those capabilities.

1. Forrester

2. Infosecurity Magazine

3. Pitchbook

4. Censinet

5. Cybercrime Magazine

6. International Association of Privacy Professionals (IAPP)

Market Overview

Sector Spotlight

Public Market Performance

M&A Activity

Sector Leadership



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Sector Spotlight

Veeam Completes Acquisition of Securiti AI

Target

Securiti AI

Acquirer

Veeam

Transaction Summary and Deal Commentary

- Securiti AI is a recognized leader in Data Security Posture Management (DSPM), privacy, governance, and AI trust, trusted by ~82% of the Fortune 500
- This combination unites Veeam's leading data resilience platform with the industry's most advanced data security, governance, and AI trust platform, creating the first unified system to provide visibility, continuous compliance, zero-trust security, guaranteed clean recovery, and trusted data pipelines
- "AI investment is exploding, yet nearly 90% of enterprise initiatives fail because the data powering AI cannot be trusted," said Anand Eswaran, CEO at Veeam. "Safe AI at scale requires more than great models – it demands trusted, governed, recoverable data."

Announced Date

11-Dec-2025

Target Year Founded

2019

Deal Type

Merger / Acquisition

Target HQ

San Jose, California

TEV

~\$1.7B

Target # of Employees

~600

Accenture to Acquire CyberCX

Target

CyberCX

Acquirer

Accenture

Transaction Summary and Deal Commentary

- CyberCX is a leading privately-owned cybersecurity services provider for private and public sector organizations across the world
- This transaction marks Accenture's largest cybersecurity acquisition to date, strengthening its Asia Pacific capabilities and leadership while enhancing resilience, critical infrastructure protection, and secure enterprise reinvention amid rising regulatory and threat complexity
- John Paitaridis, CEO of CyberCX, says, "Joining Accenture's global cybersecurity organization enables our exceptional people to combine forces with global capabilities and provide world-leading cybersecurity services to an even greater number of clients across Asia Pacific as we accelerate our growth in the region."

Announced Date

14-Aug-2025

Target Year Founded

2019

Deal Type

Merger / Acquisition

Target HQ

Melbourne, Australia

TEV

~\$650M

Target # of Employees

~1,400

Palo Alto Networks Announces Agreement to Acquire CyberArk

Target

CyberArk

Acquirer

Palo Alto

Transaction Summary and Deal Commentary

- CyberArk is a longstanding leader in Identity Security and Privileged Access Management, offering solutions to secure human and machine identities across applications, workloads, and DevOps lifecycles
- In one of the largest ever deals in the cyber space, Palo Alto Networks will establish Identity Security as a core new platform, pairing its AI-driven capabilities with CyberArk's leadership in the space to accelerate the evolution for stronger, integrated customer outcomes
- Udi Mokady, Founder and Executive Chairman of CyberArk, said: "Together, we'll bring unmatched expertise across human and machine identities, privileged access, and AI-driven innovation to secure what's next."

Announced Date

30-Jul-2025

Target Year Founded

1999

Deal Type

Merger / Acquisition

Target HQ

Newton, Massachusetts

TEV

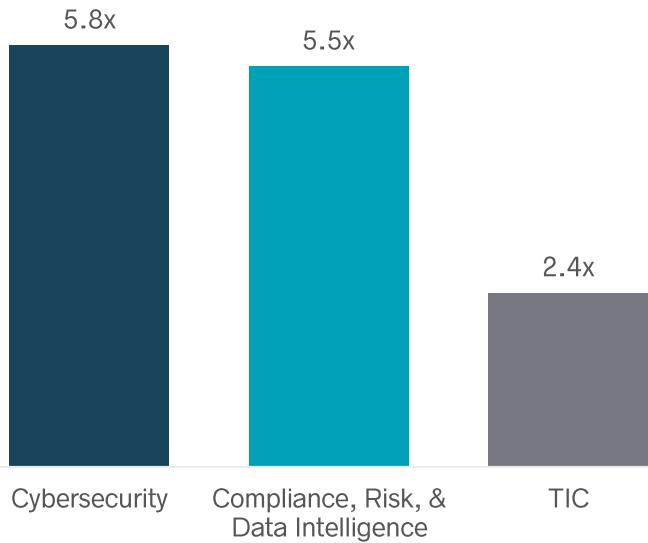
~\$25B

Target # of Employees

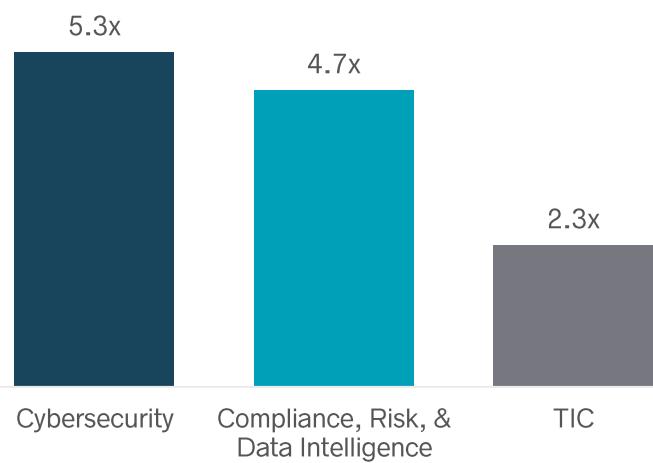
~3,800

Public Market Performance

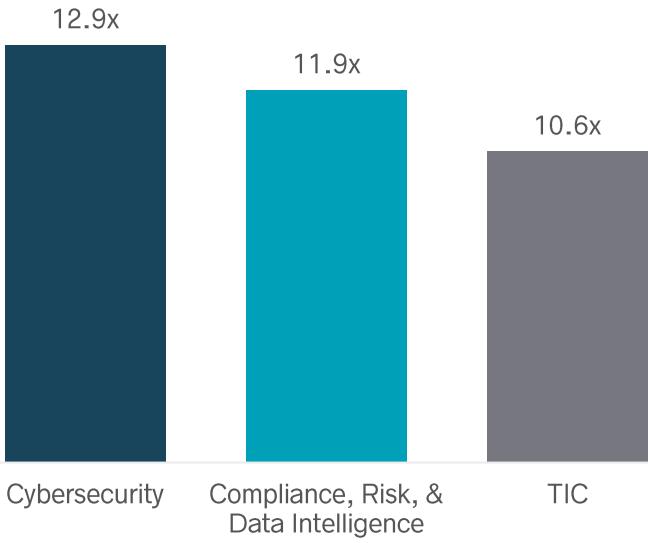
2025E EV / Revenue



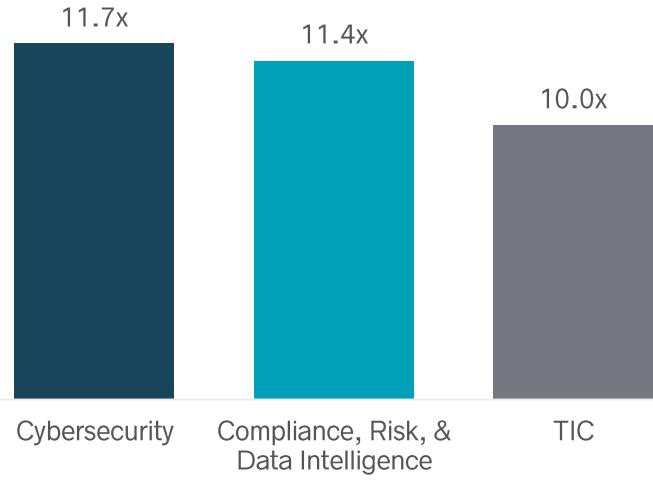
2026P EV / Revenue



2025E EV / EBITDA

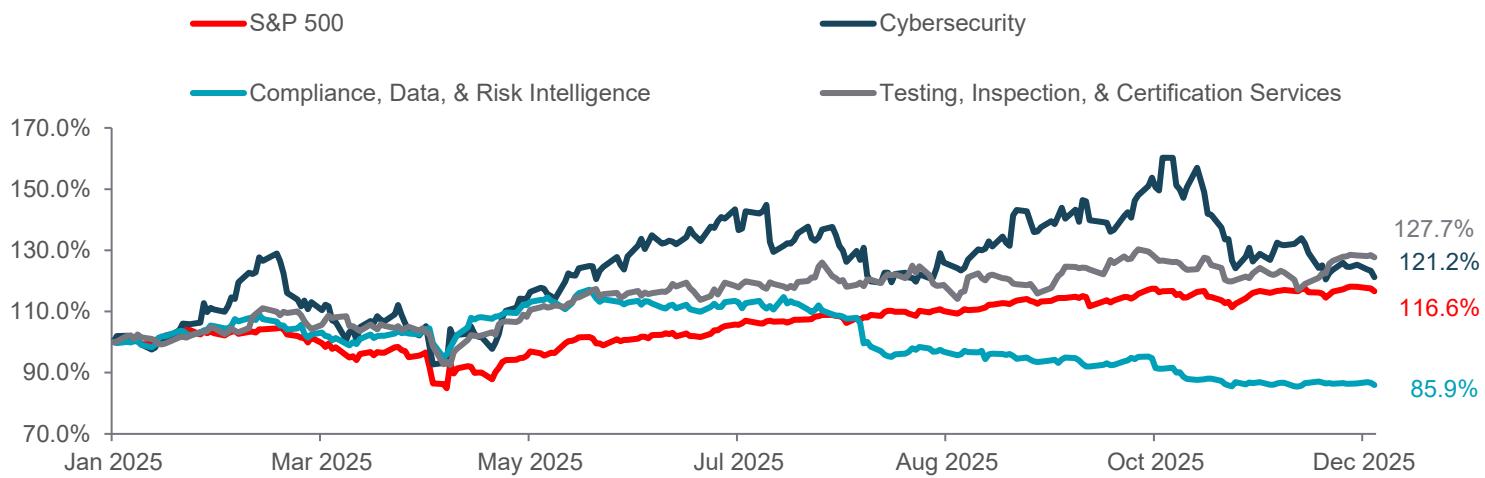


2026P EV / EBITDA

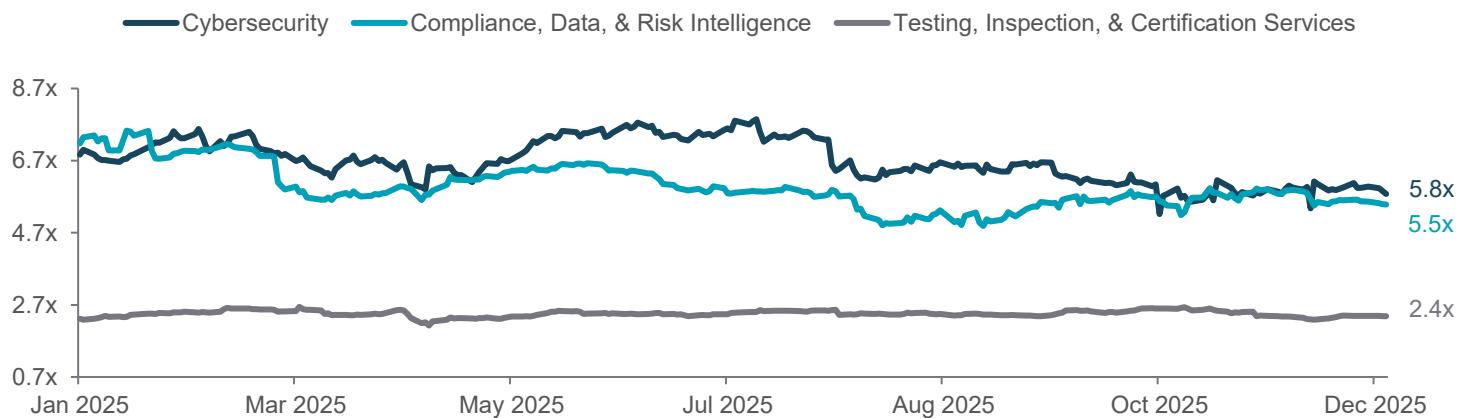


Public Market Performance

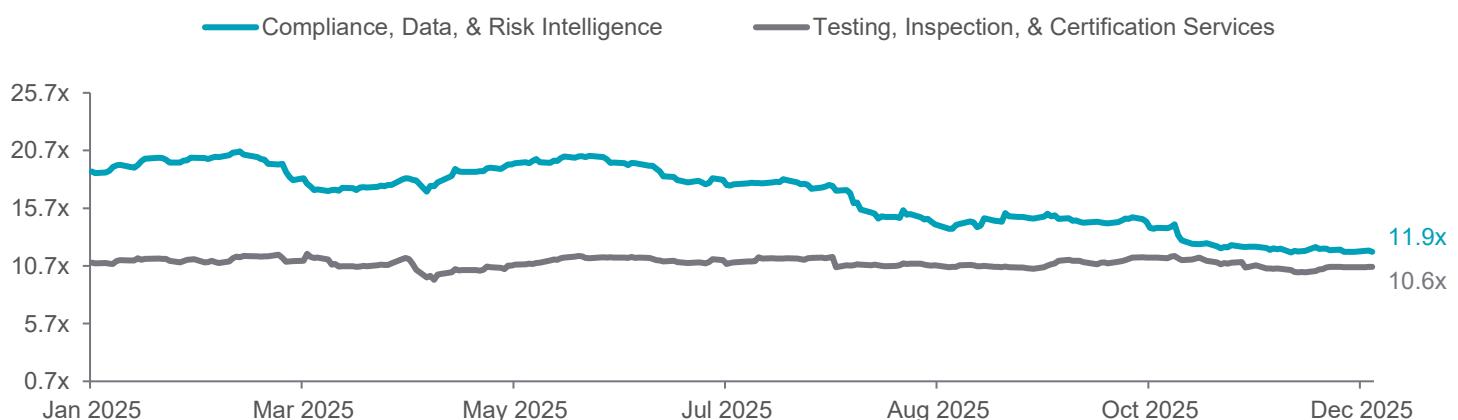
Compliance Market Indices Performance – 1 Year



LTM EV / Revenue Multiple Trend – 1 Year



LTM EV / EBITDA Multiple Trend – 1 Year



Source: Public filings as of 31-Dec-2025, Capital IQ

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

Public Market Performance

Cybersecurity Index

Cybersecurity	Closing Price	% of 52	Enterprise	EV / Revenue Multiples		EV / EBITDA Multiples		2025E Rev. Growth	2025E EBITDA Margin%		
	31-Dec-25	Week High		Market Cap	2025E	2026P	2025E	2026P			
Check Point Software Technologies	\$185.56	79.2%	\$20,091	\$17,274	6.3x	6.0x	14.8x	14.3x	6.5%	41.7%	
Cloudflare	197.15	75.8%	70,603	70,061	32.7x	25.6x	NM	NM	29.1%	23.1%	
CrowdStrike Holdings	468.76	82.7%	118,624	114,641	23.9x	19.5x	NM	NM	22.2%	28.9%	
Fortinet	79.41	69.2%	59,290	57,256	8.5x	7.6x	23.1x	21.1x	14.6%	36.1%	
Gen Digital	27.19	84.4%	16,769	24,849	5.3x	4.9x	9.9x	9.5x	21.2%	51.5%	
Okta	86.47	67.8%	15,388	13,348	4.6x	4.2x	17.0x	15.5x	12.0%	27.1%	
Palo Alto Networks	184.20	82.4%	128,387	124,606	12.6x	11.1x	NM	NM	15.5%	31.9%	
Qualys	132.90	85.5%	4,777	4,168	6.2x	5.8x	13.4x	12.7x	10.3%	45.7%	
Rapid7	15.20	36.7%	996	1,560	1.8x	1.8x	9.8x	9.6x	2.1%	18.7%	
SentinelOne	15.00	59.4%	5,182	4,542	4.5x	3.8x	NM	NM	22.3%	8.6%	
Tenable Holdings	23.53	51.8%	2,825	2,838	2.9x	2.7x	12.3x	10.8x	10.6%	24.7%	
Trend Micro	41.47	53.5%	5,414	3,883	2.2x	2.1x	7.5x	7.5x	1.5%	28.6%	
Varonis Systems	32.80	51.3%	3,867	3,281	5.3x	4.6x	NM	NM	10.8%	5.8%	
Zscaler	224.92	66.7%	35,868	34,384	11.5x	9.5x	NM	NM	23.9%	26.9%	
		High	85.5%	\$128,387	\$124,606	32.7x	25.6x	23.1x	21.1x	29.1%	51.5%
		Median	68.5%	16,078	15,311	5.8x	5.3x	12.9x	11.7x	13.3%	27.8%
		Mean	67.6%	34,863	34,049	9.2x	7.8x	13.5x	12.6x	14.5%	28.5%
		Low	36.7%	996	1,560	1.8x	1.8x	7.5x	7.5x	1.5%	5.8%

Compliance, Risk & Data Intelligence Index

Compliance, Risk, and Data Intelligence	Closing Price	% of 52	Enterprise	EV / Revenue Multiples		EV / EBITDA Multiples		2025E Rev. Growth	2025E EBITDA Margin%		
	31-Dec-25	Week High		Market Cap	2025E	2026P	2025E	2026P			
Fair Isaac	\$1,690.62	76.2%	\$40,215	\$43,267	21.1x	16.8x	NM	NM	14.7%	60.8%	
GB Group	3.46	69.7%	841	935	2.5x	2.4x	9.9x	9.4x	7.5%	24.9%	
NICE Ltd	112.01	55.7%	7,037	6,668	2.3x	2.1x	6.5x	6.9x	7.7%	30.5%	
RELX PLC	40.65	71.8%	73,918	83,952	6.5x	6.0x	16.2x	15.1x	8.9%	40.2%	
Thomson Reuters	132.10	60.5%	59,046	60,774	8.1x	7.5x	20.8x	18.8x	2.9%	40.1%	
Wolters Kluwer	103.72	48.7%	23,435	28,491	3.9x	3.8x	11.9x	11.4x	18.0%	33.4%	
Workiva	86.25	74.7%	4,897	4,833	5.5x	4.7x	NM	NM	20.0%	13.3%	
		High	76.2%	\$73,918	\$83,952	21.1x	16.8x	20.8x	18.8x	20.0%	60.8%
		Median	69.7%	23,435	28,491	5.5x	4.7x	11.9x	11.4x	8.9%	33.4%
		Mean	65.3%	29,913	32,703	7.1x	6.2x	13.1x	12.3x	11.4%	34.7%
		Low	48.7%	841	935	2.3x	2.1x	6.5x	6.9x	2.9%	13.3%

Testing, Inspection & Certification Index

Testing, Inspection, & Certification	Closing Price	% of 52	Enterprise	EV / Revenue Multiples		EV / EBITDA Multiples		2025E Rev. Growth	2025E EBITDA Margin%		
	31-Dec-25	Week High		Market Cap	2025E	2026P	2025E	2026P			
ALS Limited	\$14.70	97.1%	\$7,461	\$8,484	4.1x	3.7x	16.0x	14.6x	20.7%	25.2%	
Bureau Veritas SA	31.91	86.2%	14,179	16,196	2.1x	2.0x	10.6x	10.0x	18.2%	20.4%	
Eurofins Scientific SE	73.27	89.9%	13,038	17,313	2.0x	1.9x	9.1x	8.4x	19.5%	22.7%	
Intertek Group plc	62.26	83.0%	9,558	11,040	2.4x	2.3x	10.5x	9.9x	8.6%	22.9%	
SGS SA	114.58	91.7%	22,180	25,755	2.9x	2.7x	13.4x	12.3x	16.4%	22.3%	
		High	97.1%	\$22,180	\$25,755	4.1x	3.7x	16.0x	14.6x	20.7%	25.2%
		Median	89.9%	13,038	16,196	2.4x	2.3x	10.6x	10.0x	18.2%	22.7%
		Mean	89.6%	13,283	15,757	2.7x	2.5x	11.9x	11.0x	16.7%	22.7%
		Low	83.0%	7,461	8,484	2.0x	1.9x	9.1x	8.4x	8.6%	20.4%

Source: Capital IQ, equity research reports, market data as of 31-Dec-2025

Note: \$ in millions (except share price), any negative multiples or multiples greater than 35.0x are marked "NM", any negative margin trends are marked "NA"

Note: 2026P EV/EBITDA multiples for Palo Alto Networks and Fair Isaac are marked NM and excluded from analysis because their 2025E EV/EBITDA was NM; their 2026P EV/EBITDA multiples are 34.9x and 27.6x, respectively

Featured M&A Activity

Date	Target	Buyer/Investor	Summary
17-Dec-25	CloudScale365	Broadwing Capital Management	<ul style="list-style-type: none"> CloudScale365 offers managed and co-managed IT services, including cloud hosting, cybersecurity, compliance, and disaster recovery
03-Dec-25	Online Business Systems	CGI	<ul style="list-style-type: none"> Online Business Systems provides technology, cybersecurity, data management, cloud solutions, and digital transformation consulting services
02-Dec-25	Cloud Compliance Solutions	Corporate Technologies (Tonka Bay Equity Partners; Northstar Capital)	<ul style="list-style-type: none"> Cloud Compliance delivers cloud-based IT solutions, compliance services, and managed security services
18-Nov-25	24By7Security	Amplix (Gemspring Capital)	<ul style="list-style-type: none"> 24By7Security provides cybersecurity, compliance, and cyber incident management services across regulated industries
12-Nov-25	CORL Technologies	Meditology Services (Primus Capital)	<ul style="list-style-type: none"> CORL Technologies offers managed vendor risk and compliance services, including assessment, auditing, and response support
05-Nov-25	IS Partners	Axiom GRC (Inflexion Private Equity)	<ul style="list-style-type: none"> IS Partners provides IT compliance, cybersecurity, audit, and risk advisory services
22-Oct-25	VerifyID.ai	MTX Group	<ul style="list-style-type: none"> VerifyID.ai develops and offers AI services focused on intelligent verification, compliance automation, and security testing solutions
15-Oct-25	Eden Data	Riveron Consulting (Kohlberg & Company)	<ul style="list-style-type: none"> Eden Data delivers cybersecurity, compliance, and privacy services, including audit readiness, risk management, and vCISO support
14-Oct-25	TrustArc	Main Capital Partners	<ul style="list-style-type: none"> TrustArc provides privacy management and compliance solutions, including automated privacy workflows, certifications, and regulatory governance
01-Oct-25	URM Consulting Services	Cooper Parry (Lee Equity)	<ul style="list-style-type: none"> URM provides information security, cybersecurity testing, data protection, and business continuity consulting services
30-Sep-25	Clearwater Security & Compliance	Sunstone Partners	<ul style="list-style-type: none"> Clearwater delivers healthcare-focused cybersecurity, risk management, and compliance solutions
29-Sep-25	Latitude Information Security	Fortified Health Security (Silversmith Capital)	<ul style="list-style-type: none"> Latitude Information Security provides cybersecurity consulting, compliance support, risk management, and vCISO services, with a focus on healthcare

Featured M&A Activity

Date	Target	Buyer/Investor	Summary
24-Sep-25	Security Compliance Associates	360 Advanced (Bregal Sagemount)	<ul style="list-style-type: none"> Security Compliance Associates provides cybersecurity and compliance advisory services to organizations across regulated industries
15-Aug-25	Integrated Computer Solutions	The One 23 Group (Willow Creek Partners)	<ul style="list-style-type: none"> Integrated Computer Solutions provides cybersecurity assessments, disaster recovery, penetration testing, and IT consulting
14-Aug-25	CyberCX	Accenture	<ul style="list-style-type: none"> CyberCX delivers cybersecurity and cloud services, including security testing, managed security, incident response, and cyber education
12-Aug-25	Richard Fleischman and Associates	Titan	<ul style="list-style-type: none"> Richard Fleischman provides IT, cloud, cybersecurity, and compliance solutions for financial institutions
06-Aug-25	ProActive Information Management	Aligned Tek	<ul style="list-style-type: none"> ProActive Information Management provides managed IT, cybersecurity, compliance, penetration testing, and cloud and data management services
31-Jul-25	Spector IT	Evergreen Services Group (Alpine Investors)	<ul style="list-style-type: none"> Spector IT provides IT compliance, cybersecurity risk management, and managed IT support
31-Jul-25	Treliant	Huron Consulting Group	<ul style="list-style-type: none"> Treliant provides compliance, risk management, and strategic advisory services for the financial services industry
25-Jul-25	Institut for Cyber Risk	Bureau Veritas	<ul style="list-style-type: none"> Institut for Cyber Risk provides cybersecurity governance, risk and compliance services, penetration testing, and cyber awareness training
24-Jul-25	ImageQuest	Evergreen Services Group (Alpine Investors)	<ul style="list-style-type: none"> ImageQuest provides IT services, cybersecurity, compliance, cloud migration, and virtual CISO support for regulated industries
08-Jul-25	Abacode	Thrive Operations (Court Square; Berkshire Partners)	<ul style="list-style-type: none"> Abacode provides managed cybersecurity and compliance services, including advisory, MDR, incident response, and compliance readiness
08-Jul-25	A-LIGN Compliance and Security	Hg Capital	<ul style="list-style-type: none"> A-LIGN provides cybersecurity compliance services, including SOC, federal, and PCI assessments, ISO certifications, and cybersecurity program support
01-Jul-25	Trustwave Holdings	LevelBlue (WillJam Ventures)	<ul style="list-style-type: none"> Trustwave delivers cloud-native security operations, including MDR, managed security, penetration testing, consulting, and email and database security services

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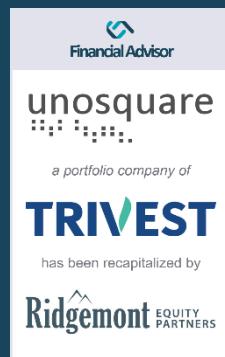
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