



MERIDIAN CAPITAL

Cybersecurity Market Update

Q2 2026



MERIDIAN CAPITAL

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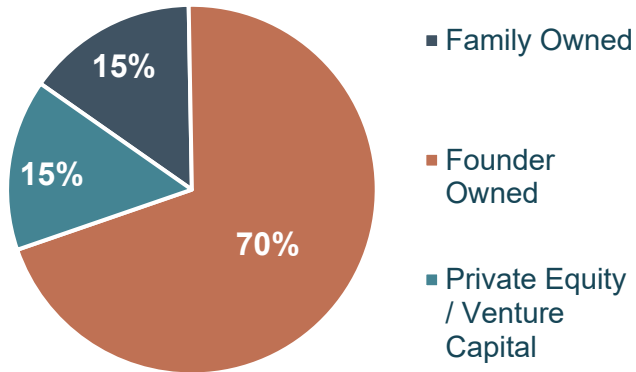
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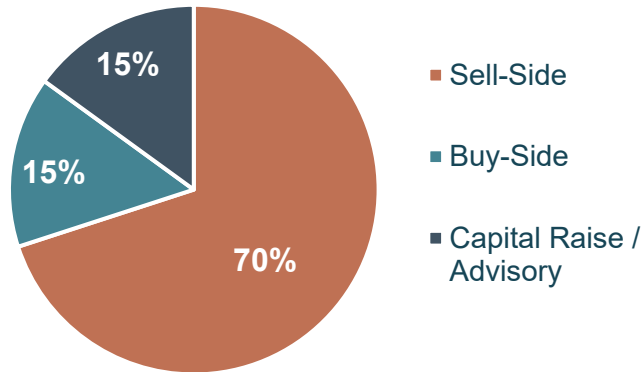
Firm Overview

CLA Meridian Capital has served as a trusted advisor to founders and entrepreneurs in achieving their M&A and corporate finance goals since 1995

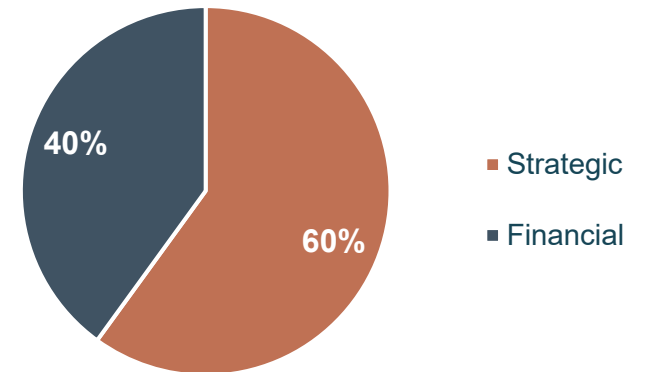
Client Type



Transaction Type



Buyer Type



85%+
Success Rate on Engaged Transactions

92%+
Deals Closed Above or Within Initial Valuation Range

CLA Meridian Capital Technology Investment Banking

CLA Meridian Capital leverages deep industry knowledge to execute complex and important transactions for middle market founder-focused clients

CLA Meridian Capital by the Numbers

300+ transactions completed	\$20M - \$500M transaction size range
30+ finance professionals	30+ countries via REACH M&A Partners




CLA Meridian Technology Practice Areas

				
Cybersecurity	Tech-Enabled Services	Hardware / Systems	Vertical Software	IT Services

Representative Transactions

<p>Project Bastion</p> <hr/> <p>Cybersecurity Consulting Firm</p> <hr/> <p>- Current In Market Sell-Side Engagement -</p>	<p>Crosslake Technologies</p> <hr/> <p>CROSSLAKE</p> <p>- Acquired by -</p> <p>FALFURRIAS CAPITAL</p>	<p>Ascent Solutions</p> <hr/> <p>ASCENT SOLUTIONS</p> <p>- Acquired by -</p> <p>RUNTIDE CAPITAL</p>	<p>ASERVO Software</p> <hr/> <p>ASERVO Software</p> <p>- Acquired by -</p> <p>knowmad mood</p>
<p>Avant Systems Group</p> <hr/> <p>AVANT SYSTEMS GROUP</p> <p>- Acquired by -</p> <p>PRAECIPIO</p> <p>REACH</p>	<p>Blended Perspectives</p> <hr/> <p>blended perspectives</p> <p>- Acquired by -</p> <p>CONTEGIX</p> <p>REACH</p>	<p>Accelalpha</p> <hr/> <p>accelalpha</p> <p>- Recapitalized by -</p> <p>CENTURY PARK CAPITAL PARTNERS</p>	<p>Health Perspectives Group</p> <hr/> <p>HPG LLC</p> <p>Health Perspectives Group</p> <p>- Acquired by -</p> <p>424 CAPITAL</p>

Meet the Technology Team

Team Leads		Patrick Ringland <i>President & Managing Director</i> 15+ years experience		Tim Johnson <i>Vice President</i>
		Teague Collins <i>Managing Director</i> 15+ years experience		Kendell Jensen <i>Vice President</i>
		Matt Rehtin <i>Managing Director</i> 15+ years experience		David Leber, CFA <i>Sr. Analyst</i>
				Drew Jackson <i>Analyst</i>

*Includes transactions completed by current employees while at previous firms

Select Business Services & Technology Transactions

CLA Meridian's bankers have significant experience across many years and technology transactions

<p>Project Bastion</p> <hr/> <p>Cybersecurity Consulting Firm</p> <p>- Current In Market Sell-Side Engagement -</p>	<p>Project Obsidian</p> <hr/> <p>Multimodal AI Fraud Detection Firm</p> <p>- Current In Market Sell-Side Engagement -</p>	<p>Ascent Solutions</p> <hr/>  <p>- Acquired by -</p> 	<p>ASERVO Software</p> <hr/>  <p>- Acquired by -</p> 	<p>Avant Systems Group</p> <hr/>  <p>- Acquired by -</p>  <p>REACH</p>	<p>Blended Perspectives</p> <hr/>  <p>- Acquired by -</p>  <p>REACH</p>
<p>Health Perspectives Group</p> <hr/>  <p>- Acquired by -</p> 	<p>Crosslake Technologies</p> <hr/>  <p>- Acquired by -</p> 	<p>Xtreme Consulting</p> <hr/>  <p>- Acquired by -</p> 	<p>QC Data</p> <hr/>  <p>- Acquired by -</p> 	<p>Cyient</p> <hr/>  <p>- Buy-side Advisory -</p> 	<p>Accelalpha</p> <hr/>  <p>- Recapitalized by -</p> 
<p>Subsplash</p> <hr/>  <p>- Growth equity financing by -</p> 	<p>Incluit</p> <hr/>  <p>- Acquired by -</p>  <p>REACH</p>	<p>Apax Partners</p> <hr/>  <p>- Has Acquired -</p>  <p>REACH</p>	<p>ENEA</p> <hr/>  <p>- Acquired by -</p>  <p>REACH</p>	<p>Smartfront</p> <hr/>  <p>- Venture Funding by -</p>  <p>REACH</p>	<p>Nirvana Soft</p> <hr/>  <p>- Acquired by -</p> 

Notes: Includes transactions completed by current employees while at previous firms



Cybersecurity Market Update

Cybersecurity Industry Overview & Trends



The State of AI in Cybersecurity - As generative AI tools become embedded across workflows, the same technologies are enabling more sophisticated, scalable cyberattacks, automating phishing, malware development, and vulnerability discovery, which is increasing threat volume and complexity while emerging as a primary security challenge for enterprises



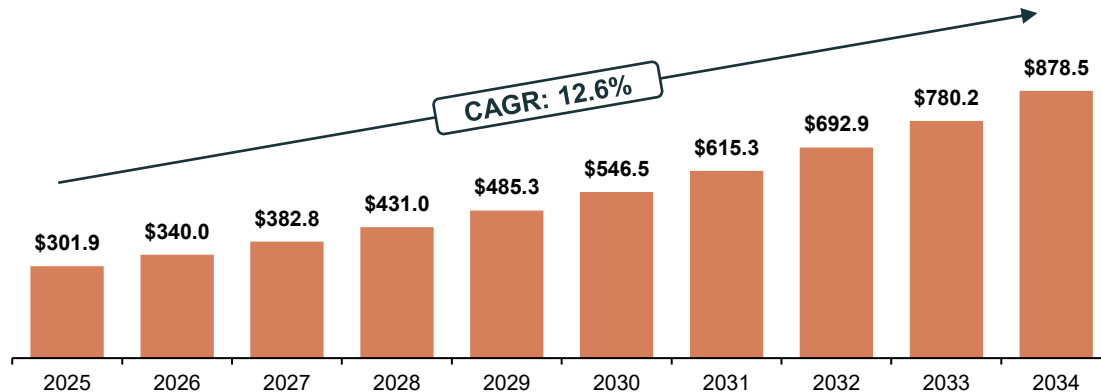
Identity as a New Perimeter - As traditional network perimeters dissolve in cloud-first environments, security is increasingly defined by dynamic trust boundaries, where every interaction requires verification, reinforcing identity as a critical control layer but not a replacement for distributed enforcement points across systems



The Rise of Third-Party Cyberattacks - With enterprise ecosystems becoming more interconnected and vendor-reliant, the traditional network perimeter has eroded, increasing reliance on third-party access and making external partners a key entry point; limited visibility into fourth- and nth-party dependencies has created blind spots, driving continuous monitoring and dependency mapping to better manage cyber risk

Global Cybersecurity Market Size¹

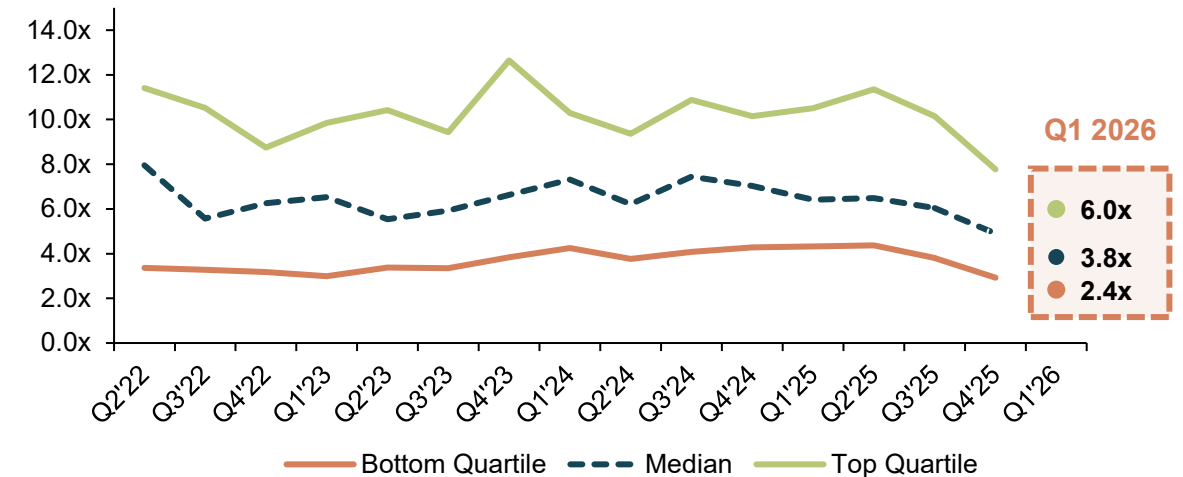
\$ in billions



Source: (1) Fortune Business Insights, (2) Pitchbook as of 03/25/2026

Cybersecurity – Public Company Valuation Multiples²

EV / LTM Revenue Multiple



- Cybersecurity EV/revenue multiples have remained relatively resilient since 2022, supported by durable demand, mission-critical spend, and increasing prioritization of security across enterprise SaaS platforms
- More recently, multiples have moderated as growth normalizes, budgets face increased scrutiny, and capital rotates toward mega-cap AI leaders, driving greater selectivity and pressure on non-platform or slower-growth vendors
- Valuations in 2026 are expected to bifurcate further as the market shifts from broad sector tailwinds to a performance-driven environment. While median multiples for legacy tools remain compressed, premium assets that anchor on identity-first security and autonomous remediation are positioned for valuation expansion. This trend will likely carry through the year as enterprise buyers consolidate spend toward integrated platforms that meet the "Rule of 40" and demonstrate clear ROI against increasingly automated threats



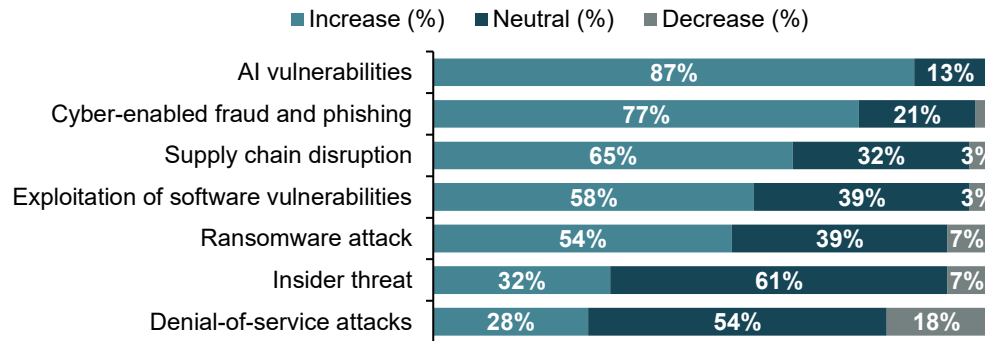
The State of AI in Cybersecurity

As the cybersecurity landscape evolves, AI is increasingly shaping both the sophistication of threats and the tools used to defend against them

The Rise of Offensive AI

AI-driven threats are emerging as the dominant cyber risk: 87% of respondents cite AI vulnerabilities as increasing, followed by cyber-enabled fraud and phishing (77%) and supply chain disruption (65%), highlighting a shift toward more complex, technology-driven attack vectors

Perceived Changes in Cyber Risks Over the Past Year¹:



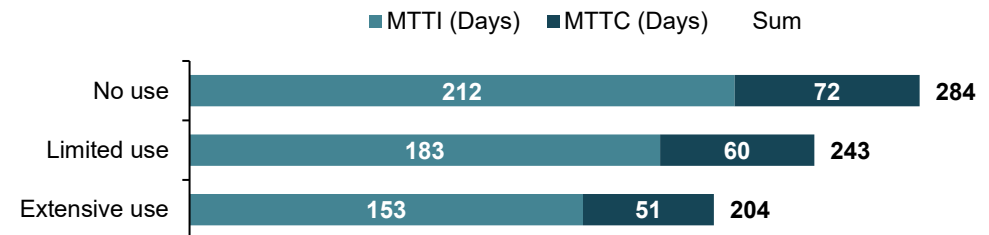
16%² of breaches now involve AI, with attackers increasingly leveraging it to enhance sophistication, automate execution, and evade detection. These incidents are primarily driven by phishing (37%) and deepfakes (35%), underscoring how AI is amplifying social engineering and making attacks more scalable, targeted, and difficult to identify

AI in Cybersecurity as a Catalyst for Enhancement²

AI is reshaping cybersecurity as both a source of emerging threats and a powerful defense enabler, with attackers leveraging AI to scale and make sophisticated attacks while organizations deploy it to rapidly detect, respond to, and mitigate risks more efficiently. This dual dynamic is driving a broad, industry-wide push to invest in AI-driven security tools and automation to keep pace with an increasingly complex threat landscape



Time to Identify and Contain a Breach With vs. Without AI (Days)²:



Organizations using AI and automation reduced breach response times by 80 days, driving significant cost savings and highlighting how AI is becoming critical to faster, more efficient security operations

Source: (1) WEF Global Cybersecurity Outlook 2026, (2) IBM – Cost of Data Breach

Identity as a New Perimeter

The shift toward Zero Trust and identity-first security is moving away from perimeter-based models, with identity emerging as the primary control layer while automation improves response times and reduces costs

The Zero Trust Revolution¹

- The shift toward Zero Trust and identity-first security reflects a fundamental move away from perimeter-based “castle-and-moat” models, as distributed work and cloud adoption eliminate the traditional network edge and require continuous verification of users, devices, and behavior to govern application-level access
- Identity is increasingly acting as the new firewall, replacing VPN-based implicit trust with real-time, context-driven authentication that grants access to specific applications rather than broad network entry, reducing attack surfaces and limiting lateral movement



Identity-Driven Micro-Segmentation

Segmentation is shifting to identity-based enforcement, where workloads are isolated into granular segments and system interactions are tightly controlled, with leaders like Illumio enabling scalable deployment to limit lateral movement and breaches



Continuous Adaptive Risk Scoring

Access is becoming a real-time, continuously evaluated process, with companies using platforms like Zscaler to dynamically update risk scores and automatically restrict or re-authenticate access based on behavioral anomalies such as unusual data or device activity



Biometric & Behavioral Authentication

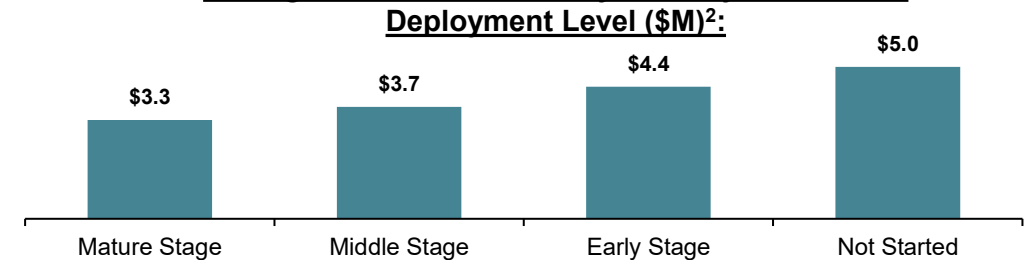
Continuous, identity-driven authentication is replacing static passwords, with behavioral signals enabling real-time, frictionless verification and step-up security for high-risk actions, as companies like BioCatch support global banks including HSBC and Barclays



Zero-Trust Market Growth & Outlook²

- Rising credential-based attacks are accelerating Zero Trust adoption, with compromised credentials driving ~20% of breaches and costing ~\$4.4M on average, while mature Zero Trust implementations reduce breach costs by ~\$1.8M (~40%+) compared to organizations without adoption

Average Data Breach Cost by Security Automation



Expected Areas of Growth in 2026¹:

- **Advanced Analytics & Predictive Threat Intelligence** - Zero Trust solutions are leveraging advanced analytics and threat intelligence to shift toward proactive risk identification and mitigation
- **Legacy System Integration** - Innovation is enabling integration between Zero Trust architectures and legacy systems, supporting gradual modernization
- **Edge & IoT Expansion** - Zero Trust frameworks are expanding to secure a growing network of edge environments and connected devices

Source: (1) TrustCloud, (2) IBM – Data Breach Costs

The Rise of Third-Party Cyberattacks

As vendor ecosystems expand, cyber risk is increasingly originating from third- and external-party relationships, while limited visibility continues to create critical blind spots

Third-Party Risk & Supply Chain Visibility Challenges

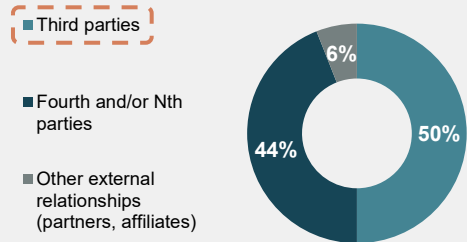
Third-Party Cyber Risk Expansion

- As enterprise ecosystems have become more interconnected and vendor-reliant, the traditional network perimeter has eroded, increasing dependence on third-party access to systems and data
- This shift has made external partners a primary entry point for attackers, with breaches increasingly originating through vendors, credentials, and integrations

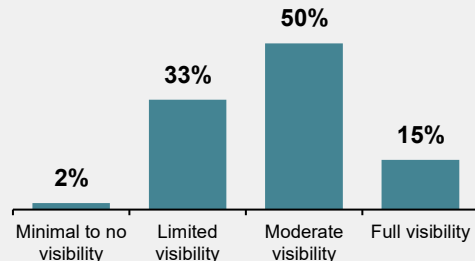
The Supply Chain Visibility Gap

- As vendor networks have expanded beyond direct relationships, organizations have historically lacked visibility into fourth- and nth-party dependencies, creating structural blind spots
- In response, continuous monitoring and dependency mapping have emerged as critical capabilities to improve transparency and proactively manage cyber risk

Primary Sources of Cyber Incidents²:



Organizational Visibility Across the Supply Chain²:



The Growing Prevalence of Third-Party Attacks³

Business leaders are facing rising supply chain cyber risk, with most organizations experiencing third-party incidents and a growing share of breaches linked to vendor involvement, while preparedness remains limited as few have fully integrated incident response into their supply chain security programs

88%

of organizations are concerned about supply chain cybersecurity risks

70%

of organizations experienced at least 1 material third-party cyber incident in the past year

30%

of breaches are linked to third-party involvement (twice as much since 2024)

26%

of organizations include incident response in their supply chain cybersecurity programs

Mitigation Strategies in 2026⁴



Embedding contractual safeguards, SLAs, and audit rights strengthens accountability and ensures vendors maintain required security and compliance standards



Aligning third-party risk management with regulatory frameworks and governance standards is becoming essential to maintain compliance and reduce exposure across vendor ecosystems



Leveraging real-time threat intelligence and ongoing assessments enables earlier detection of vendor incidents and reduces downstream impact from external breaches

Source: (1) IBM – Data Breach Costs, (2) Panorays – CISO Survey, (3) Marsh, (4) 2026 Guide to Third Party Risk Management

Cybersecurity – Representative Competitive Landscape

Application Security

Vulnerability scanning, application security testing, web application firewall and intrusion prevention systems



Data Security

Data encryption, data loss prevention solutions and data access control



Managed Services

Threat intelligence &, identity & access management, vulnerability monitoring management, security information and event & firewall management



Cloud Security

Cloud intelligence & threat prevention solutions, cloud access security broker and workload protection solutions



Network Security

Network firewalls, intrusion detection, prevention systems and virtual private networks protection



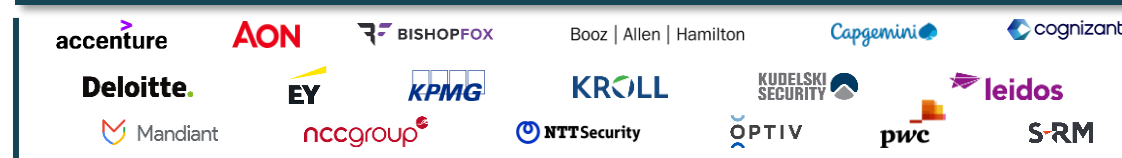
Endpoint Security

Integrated firewall security, advanced antivirus programs, zero-day threat detection and response & endpoint encryption



Professional Services

Cybersecurity assessment, incident detection & response, penetration testing, security architecture, and strategy



Cybersecurity M&A Trends

Recent Cybersecurity M&A Transactions and Activity

Date	Target	Acquirer(s)	Target Description	Enterprise Value (\$M)	Enterprise Revenue	Enterprise Value / EBITDA
Mar-26	Wiz	Alphabet (NAS: GOOGL)	Developer of a cloud security platform designed to help businesses secure their infrastructure at scale	\$32,000	32.0x	-
Feb-26	CyberArk Software	Palo Alto Networks (NAS: PANW)	Provider of identity security and privileged access management solutions	\$25,000	18.4x	-
Jan-26	Jamf	Francisco Partners	Developer of cloud platform for Apple device management and security	\$1,954	2.8x	-
Dec-25	Hornetsecurity	Proofpoint (Inflection Ventures, Thoma Bravo)	Provider of cloud-based email security and data protection intended for global organizations	\$2,086	-	-
Dec-25	Securiti	Veeam (Alkeon Capital Management, Insight Partners)	Developer of privacy management software designed for data security, privacy, governance, and compliance	\$1,725	-	-
Dec-25	Veza	ServiceNow Ventures	Developer of a data security platform designed to secure multi-cloud data	\$1,000	-	-
Nov-25	ThreatConnect	Dataminr (Various VCs)	Developer of threat intelligence software that offers threat data collection, analysis and collaboration	\$290	-	-
Oct-25	WithSecure	CVC Capital Partners (AMS: CVC)	Provider of cybersecurity software and services for enterprise threat protection	\$320	2.5x	22.3x
Oct-25	Spirent Communications	Keysight Technologies (NYS: KEYS)	Provider of network testing and assurance solutions for communications infrastructure	\$1,306	2.8x	51.8x
Aug-25	Red Canary	Zscaler (NAS: ZS)	Developer of cloud-based detection systems designed to improve security and threat management	\$651	-	-
Aug-25	Telent	CVC Capital Partners (AMS: CVC)	Provider of communications and cybersecurity services for critical infrastructure sectors	\$329	0.5x	8.1x
Apr-25	Nitel	Comcast (NAS: CMCSA)	Provider of internet connectivity and networking technology services	\$1,300	6.9x	-
Mar-25	Exclusive Networks	CD&R	Provider of cybersecurity and cloud computing solutions	\$3,200	2.0x	19.5x
Feb-25	SecureWorks	Sophos (Thoma Bravo)	Developer of information security software designed to detect and respond to cybersecurity threats	\$703	2.1x	-
				Mean	\$5,133	7.8x 25.4x
				Median	\$1,303	2.8x 20.9x

Select Active Cybersecurity Investors

Acquisitions since 2019



52+ Acquisitions



41+ Acquisitions



28+ Acquisitions



22+ Acquisitions



18+ Acquisitions



18+ Acquisitions



17+ Acquisitions



16+ Acquisitions



14+ Acquisitions



13+ Acquisitions

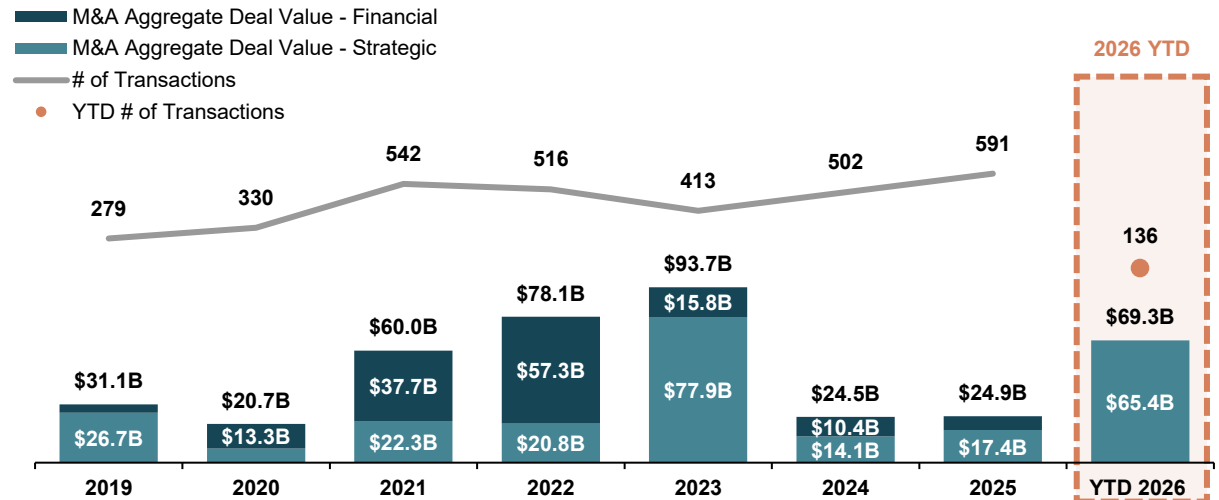


13+ Acquisitions



9+ Acquisitions

Global Cybersecurity M&A Activity

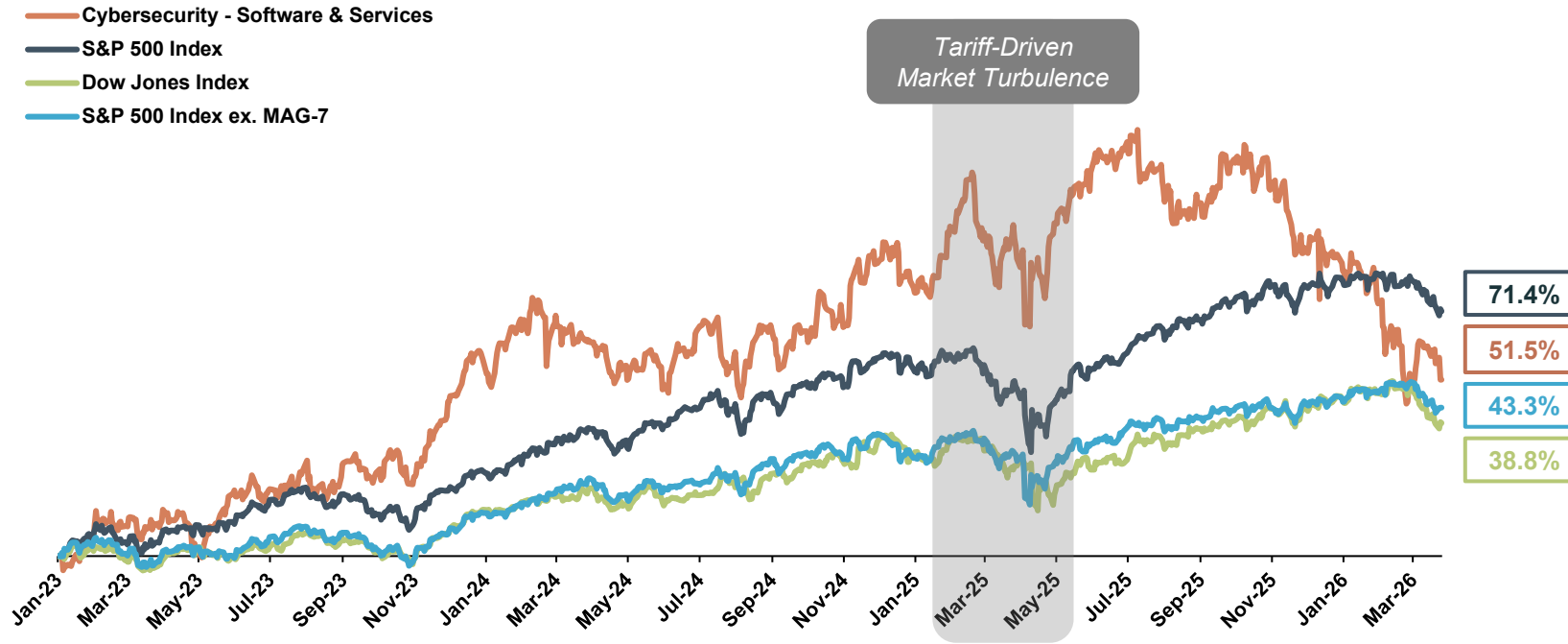


Source: Pitchbook as of 03/25/2026



Cybersecurity Public Market Performance

Public Market Index Performance, % Change since Jan-23



Cybersecurity - Software & Services



S&P 500 Index ex. MAG-7

S&P 500 Index excluding the "Magnificent 7" stocks (Alphabet, Amazon, Apple, Meta, Microsoft, Nvidia & Tesla)

S&P 500 Index

Dow Jones Index

Select Market Trends

- **Cybersecurity equities pulled back after a strong run into late-2025**, as elevated valuations prompted profit-taking and a rotation of capital toward mega-cap AI names. At the same time, growth is normalizing from prior peaks, and enterprises are becoming more selective with spending by prioritizing vendor consolidation and tighter budgets - which is weighing on near-term momentum across the sector
- **Public Cybersecurity Software and Services companies have been led by a concentrated group of leaders since 2023**, with companies such as CrowdStrike, Palo Alto Networks, and Zscaler delivering strong returns and significantly outpacing major indices, driven by strong platform adoption, AI-driven innovation, and durable growth; in contrast, the broader cohort has seen more moderate or uneven performance as investor focus has shifted toward scaled, category-leading platforms
- **Public equities broadly experienced volatility in mid-2025** as renewed tariff concerns and trade policy uncertainty weighed on investor sentiment, driving market-wide pullbacks and increasing dispersion across sectors as companies with global exposure faced heightened cost pressures and demand uncertainty

Public Cybersecurity Company Valuations

Company Name	As of Mar 25, 2026				EV / Revenue			EV / EBITDA			Revenue Growth			TTM	
	Share Price	LTM Change	Market Cap	Enterprise Value	CY 2024A	CY 2025A	CY 2026E	CY 2024A	CY 2025A	CY 2026E	CY 2024A	CY 2025A	CY 2026E	Gross Margin %	EBITDA %
	Cybersecurity - Software & Services														
Palo Alto Networks	\$157.21	(15.0%)	\$133,045	\$123,333	14.4x	12.6x	9.7x	NM	40.0x	32.4x	13.9%	14.6%	29.0%	73.5%	32.7%
CrowdStrike Holdings	\$392.99	5.8%	\$104,821	\$95,302	24.1x	19.8x	16.1x	NM	NM	NM	29.4%	21.5%	22.9%	74.7%	22.5%
Fortinet	\$79.34	(21.5%)	\$61,243	\$56,119	9.4x	8.3x	7.4x	24.4x	22.5x	20.2x	12.3%	13.4%	12.5%	80.5%	37.8%
Zscaler	\$139.41	(34.1%)	\$24,408	\$20,767	8.6x	7.1x	5.7x	36.0x	27.3x	20.3x	27.8%	21.6%	23.2%	76.5%	24.4%
Gen Digital	\$19.78	(28.2%)	\$12,731	\$19,765	5.1x	4.3x	3.9x	9.1x	8.5x	7.8x	3.4%	18.4%	11.3%	78.8%	52.1%
F5	\$289.29	6.0%	\$16,376	\$15,404	5.3x	5.1x	4.7x	14.5x	14.0x	12.5x	3.0%	4.9%	8.5%	81.4%	37.0%
Check Point Software Technologies	\$144.53	(36.6%)	\$16,237	\$14,473	5.6x	5.3x	5.0x	13.0x	12.9x	12.0x	6.2%	6.3%	6.1%	86.8%	42.3%
Okta	\$76.76	(32.7%)	\$14,346	\$11,447	4.4x	3.9x	3.6x	19.1x	14.5x	13.5x	15.3%	11.4%	9.5%	77.4%	27.2%
SentinelOne	\$13.04	(34.3%)	\$4,893	\$3,824	4.7x	3.8x	3.2x	NM	45.6x	23.9x	32.2%	21.9%	20.0%	74.1%	4.2%
Commvault Systems	\$78.34	(52.6%)	\$3,552	\$3,335	3.5x	3.0x	2.6x	16.4x	14.4x	12.6x	15.2%	16.8%	15.4%	81.4%	20.3%
Trend Micro	\$33.83	(50.9%)	\$4,339	\$2,941	1.6x	1.7x	1.6x	5.4x	5.5x	5.7x	1.7%	(2.9%)	6.2%	76.3%	27.0%
Qualys	\$92.34	(28.5%)	\$3,471	\$2,899	4.8x	4.3x	4.0x	10.2x	9.3x	9.0x	9.6%	9.8%	8.1%	82.8%	46.8%
Tenable	\$18.94	(48.0%)	\$2,330	\$2,188	2.4x	2.2x	2.0x	11.4x	9.5x	8.2x	12.7%	10.1%	8.1%	78.1%	22.7%
Varonis	\$22.02	(47.2%)	\$2,786	\$2,186	4.0x	3.5x	3.0x	NM	NM	NM	10.4%	12.3%	17.4%	78.8%	(2.8%)
Radware	\$25.89	13.4%	\$1,118	\$925	3.4x	3.1x	2.8x	26.7x	23.2x	20.0x	5.2%	9.2%	9.3%	80.7%	15.1%
Rapid7	\$5.71	(80.4%)	\$417	\$870	1.0x	1.0x	1.0x	4.6x	5.4x	6.3x	8.5%	1.6%	(2.2%)	70.3%	18.8%
Telos	\$4.40	70.5%	\$325	\$281	2.6x	1.7x	1.5x	NM	17.7x	11.5x	(25.5%)	50.7%	18.7%	37.0%	11.6%
Mean	\$93.75	(24.4%)	\$23,908	\$22,121	6.2x	5.3x	4.6x	15.9x	18.0x	14.4x	10.7%	14.2%	13.2%	75.8%	25.9%
Median	\$76.76	(32.7%)	\$4,893	\$3,824	4.7x	3.9x	3.6x	13.7x	14.4x	12.5x	10.4%	12.3%	11.3%	78.1%	24.4%

Source: Pitchbook as of 03/25/2026



Thank you

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