

Cybersecurity M&A – Consolidation, scale and the impact of AI

RESEARCH NOTE | IT SERVICES | DECEMBER 2025

“As identity-based attacks continue to rise and AI adoption accelerates, cybersecurity has become a clear focus in the M&A market. Buyers increasingly favor platforms that secure cloud environments, identities and sensitive data in an integrated manner. Particular attention is given to providers with scalable architectures that integrate well into existing IT landscapes and deliver a demonstrable reduction in cyber risk.”

Dr. Daniel Spring
Oaklins Switzerland

Sector overview	2
M&A developments globally	3
M&A in the DACH region	4
M&A valuations	5
M&A activity	6



has acquired



M&A BUY-SIDE

TMT

Case study

Orange Cyberdefense has acquired Ensec AG

Orange Cyberdefense, the cybersecurity subsidiary of Orange, has acquired 100% of Ensec AG, a Swiss cybersecurity company. This acquisition strengthens Orange Cyberdefense’s presence in Switzerland by expanding into the German-speaking region and positioning the company as the national market leader. Oaklins has advised Orange during the entire acquisition process.



A growing market shaped by new architectures and rising investment

The cybersecurity market moves along 2025 with real momentum. Global spending sits at USD 235 billion and is expected to reach USD 423 billion by 2030, growing at 12.45% CAGR. Most of this comes from companies rethinking their architecture — shifting toward zero-trust models, linking IT and OT defenses, and starting to prepare for a future where quantum-safe encryption becomes necessary.

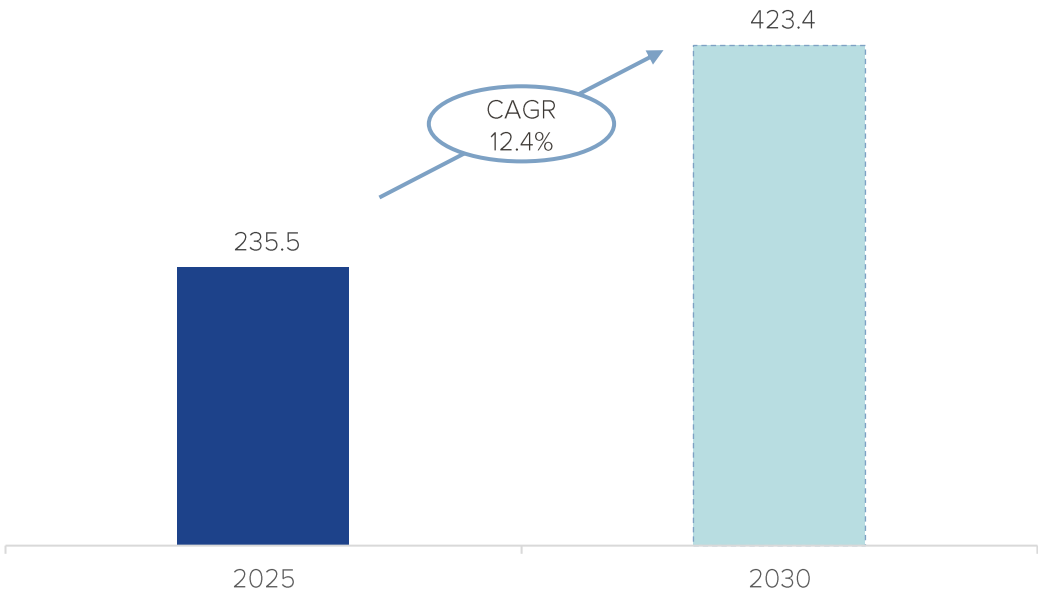
Market structure is evolving along the way. Solutions remain the largest part of the sector with 70.2% share, but services are scaling faster at 13.1% CAGR as organizations look for outside support they can't build internally. On-premise deployments still account for the majority of spend, although cloud-based security is compounding at 16.4%, reflecting how quickly hybrid environments are becoming the norm. Demand is broad across industries, as every sector is exposed to cybersecurity risks.

Identity compromise, and rising breach costs

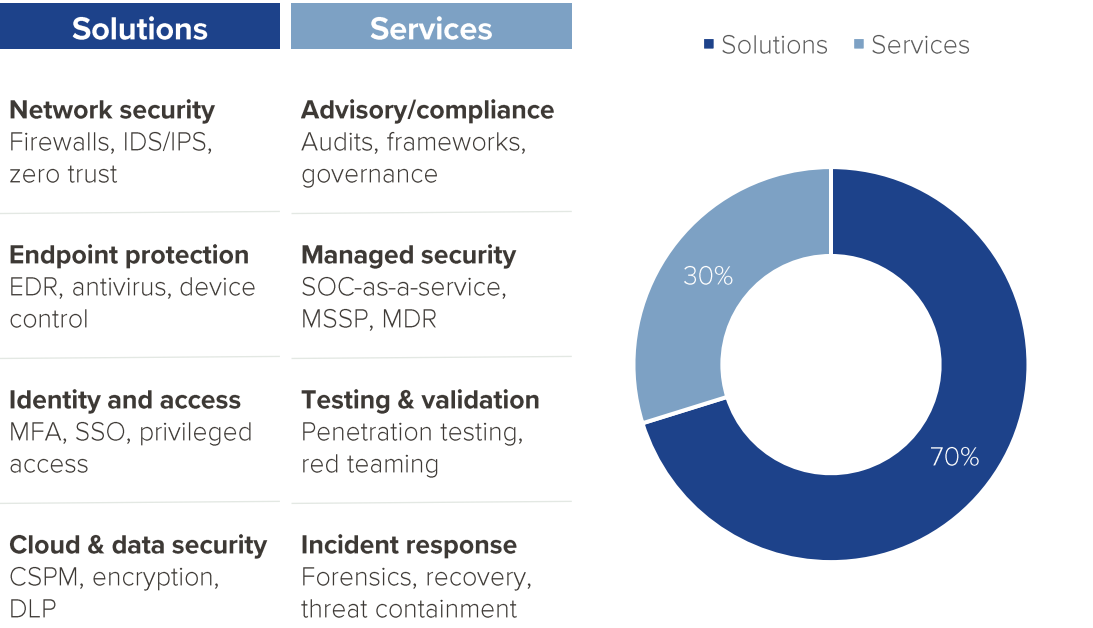
On the operational side, the picture looks very different from a few years ago. Hybrid IT is the default setup (77% of organizations now run mixed environments) and 60% are already using AI tools in production. This gives teams more capability but also creates more surface area. Attackers have adapted quickly. Nearly 80% of intrusions no longer rely on malware, and the average breakout time has dropped to 48 minutes, with the fastest at 51 seconds. Once inside, adversaries move through identities, cloud workloads, and everyday admin tools with a speed that bypasses traditional defenses.

The costs of these lapses continue to rise. According to Netwrix, three out of four surveyed organizations reported financial damage from a cyber incident this year, and losses above USD 200,000 are becoming more common. Identity compromise remains the main pain point as 46% of companies faced account breaches, a sharp jump from 2020, and over half of all vulnerabilities relate to initial access. These pressures are shaping behavior. 62% of organizations now hold or plan to obtain cyber insurance, and underwriters are pushing harder on IAM and PAM controls before extending coverage.

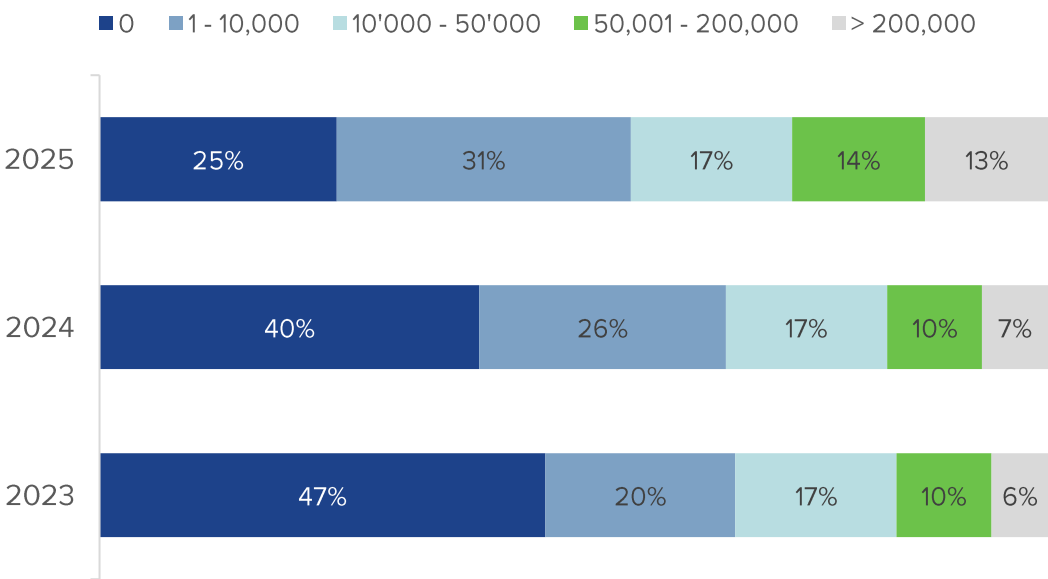
Cybersecurity global market size forecast in USD bn



Cybersecurity market share by offering



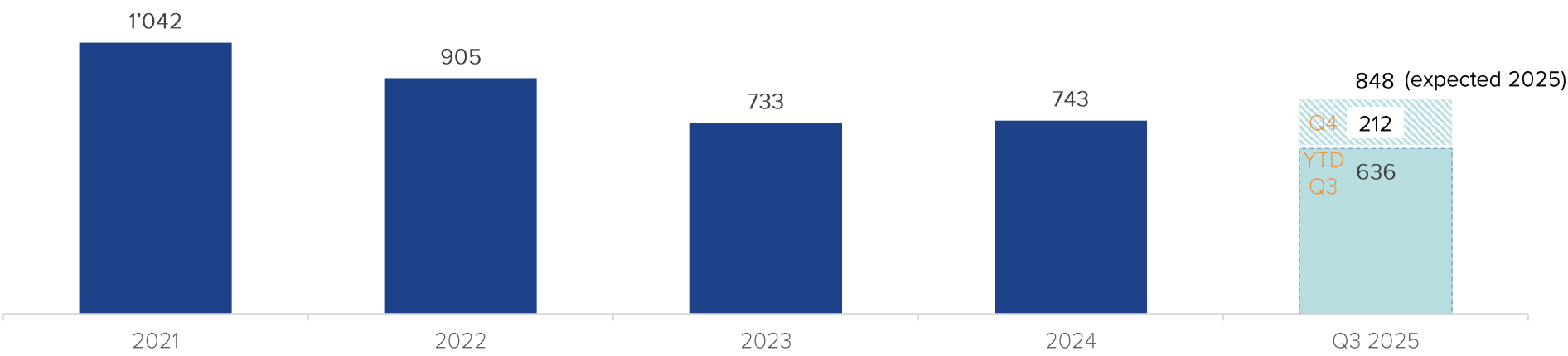
Cost of security incidents (in USD)



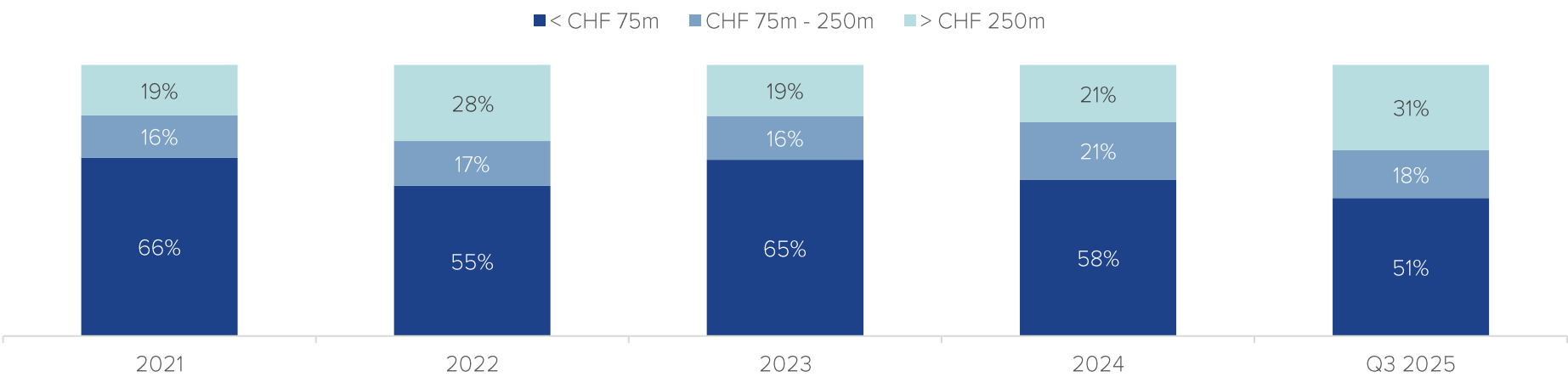
Source: CheckPoint, CrowdStrike, Netwrix, Mordor Intelligence, Oaklins analysis



Cybersecurity deal flow normalizes as market consolidation continues



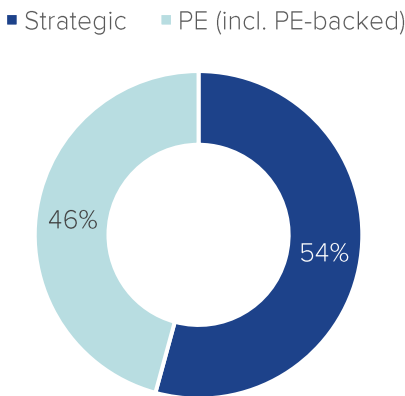
Smaller transactions (i.e., sub-CHF 75m) remain the majority, though larger deals (above CHF 250m) tend to become more frequent



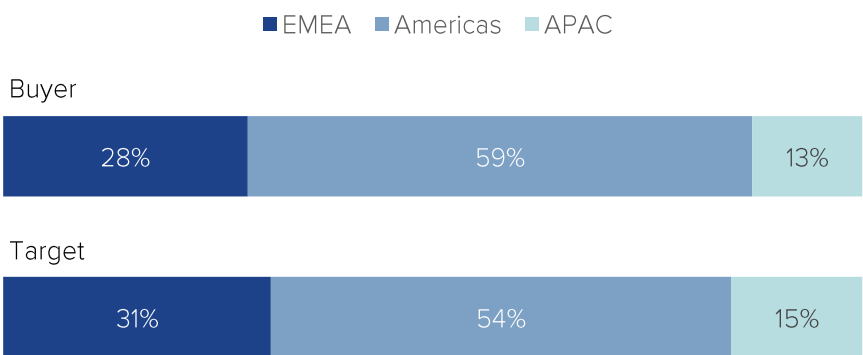
Key takeaways

- Cybersecurity M&A has settled into a more sustainable run-rate after the 2021 peak, with deal flow supported by structural demand around identity, cloud and AI security.
- Strategic buyers remain slightly ahead on volume, but PE (including sponsor-backed platforms) now accounts for close to half of transactions as investors lean into recurring revenue and clearly defined product-market fit.
- Most deals remain in the < CHF 75m bracket, where targets offer scalable technology and manageable integration risk, while larger transactions are gradually taking a bigger slice as buyers look to anchor broader platform strategies.
- Geographically, activity is still concentrated in the Americas, with EMEA and APAC providing a steady but smaller pipeline of both buyers and targets.
- The market itself remains highly fragmented, with hundreds of niche vendors clustered around identity, cloud, data protection and AI security. Consolidation is therefore a core theme rather than a side note, as strategics and scaled PE-backed platforms use M&A to stitch together more comprehensive offerings and reduce tool sprawl for customers. Looking ahead, most indicators point to a firmer M&A tape into 2026, helped by resilient cyber security budgets.

Strategic acquirors lead transaction activity, with PE and PE-backed buyers still representing a significant share of deal flow (Q3 2025*)



The Americas remain the largest hub for cybersecurity M&A, while EMEA and APAC show stable participation (Q3 2025*)

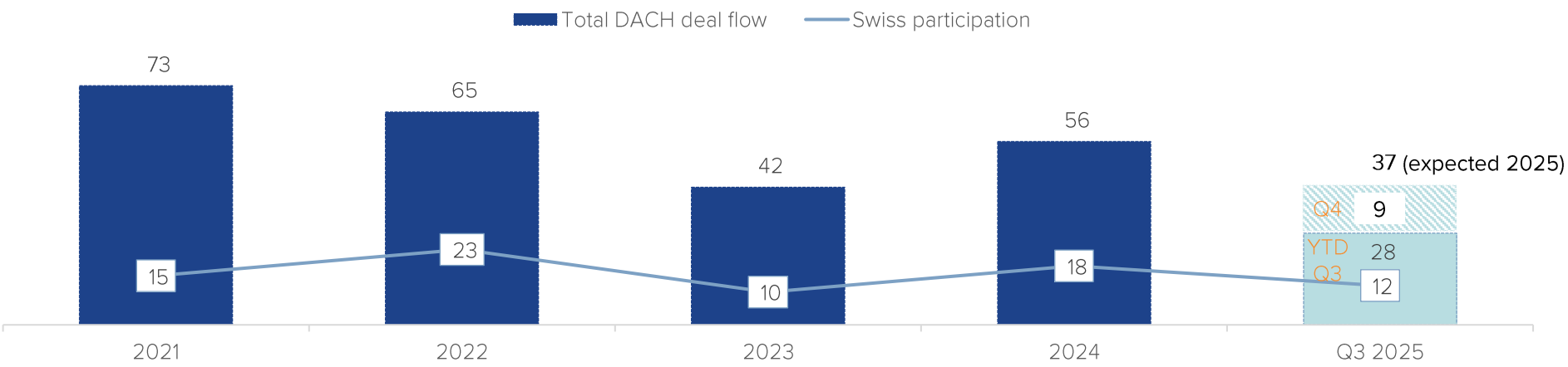


Source: Capital IQ, Oaklins analysis

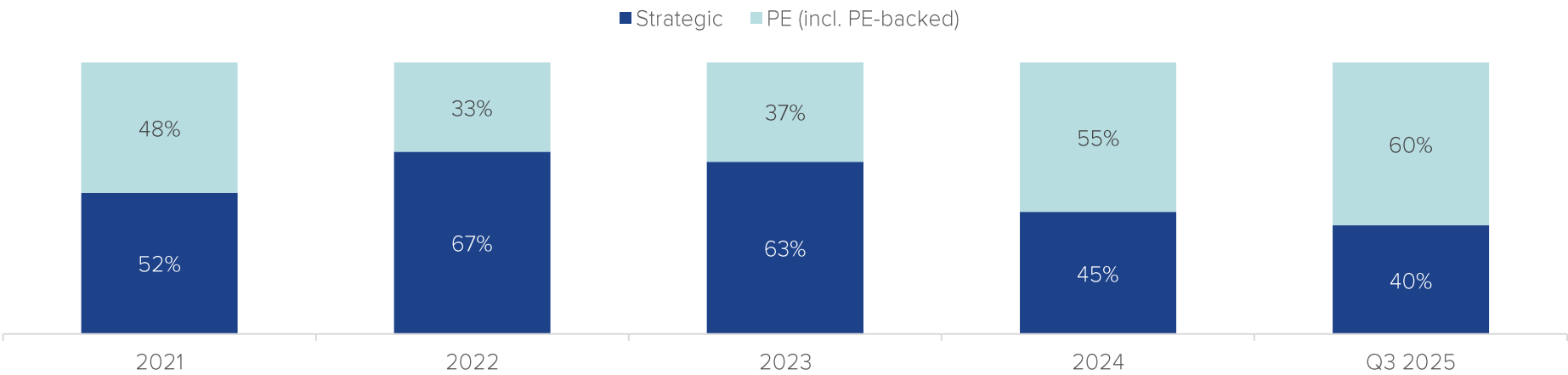
*Q3 2025 refers to the period January–September 2025

M&A developments in the DACH region

Deal volumes ease across DACH, with Switzerland maintaining a consistent share



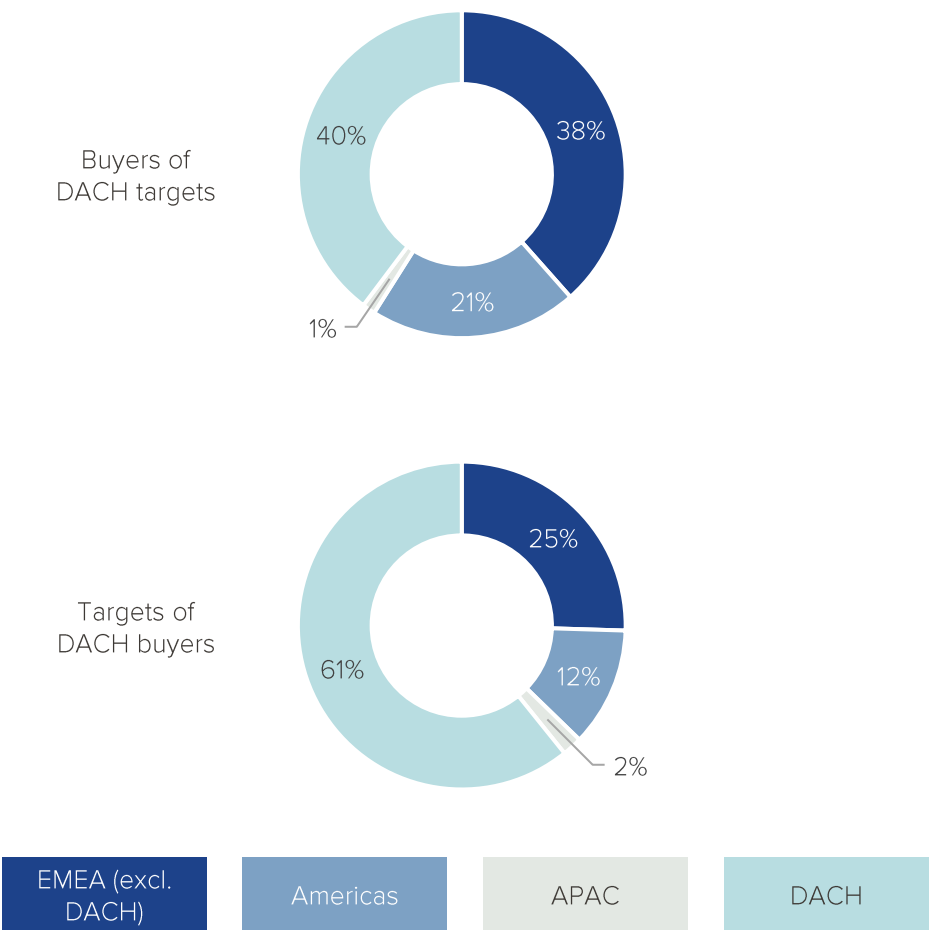
PE and PE-backed deals surpass strategics, becoming the dominant buyer type in the region



Key takeaways

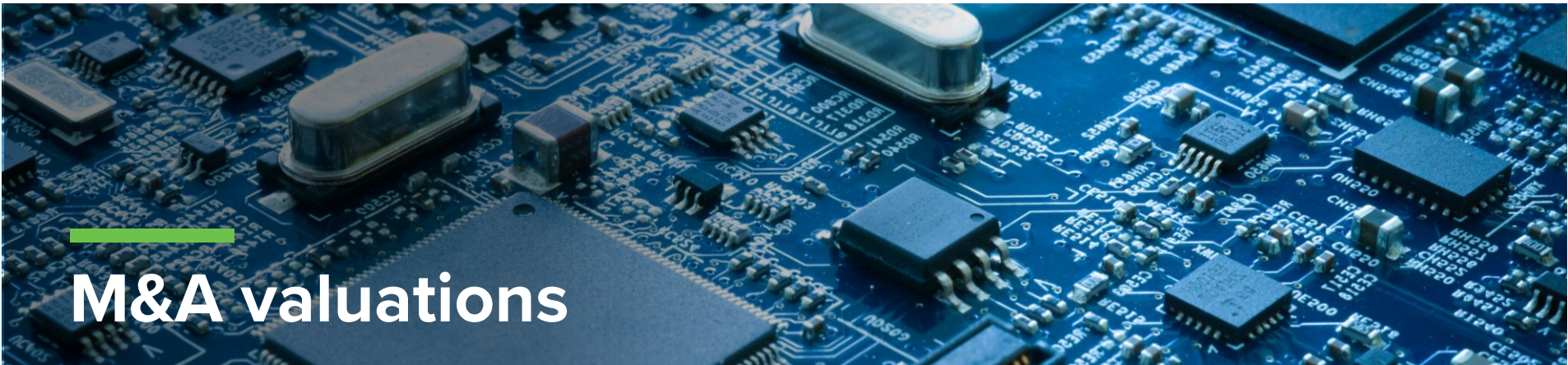
- Deal activity in the DACH region remains resilient, softening from the 2021 peak but maintaining a stable pace. Swiss participation continues to appear consistently within the overall transaction mix.
- The buyer landscape has shifted, with PE and PE-backed investors steadily increasing their share and becoming the majority from 2024 onward.
- Cross-border dynamics remain active, yet DACH continues to operate with a strong domestic base. About 40% of buyers targeting DACH assets are from the DACH-region, while 61% of DACH acquirors focus within the region.
- DACH cybersecurity M&A environment is transitioning from a post-peak adjustment phase into a more stable cycle. A continued focus on scalable solutions, compliance-driven security needs and recurring revenue models is likely to shape future transactions, with add-on opportunities playing an increasingly visible role as platforms mature.

Geographical distribution of the transactions (2024 - Q3 2025*)

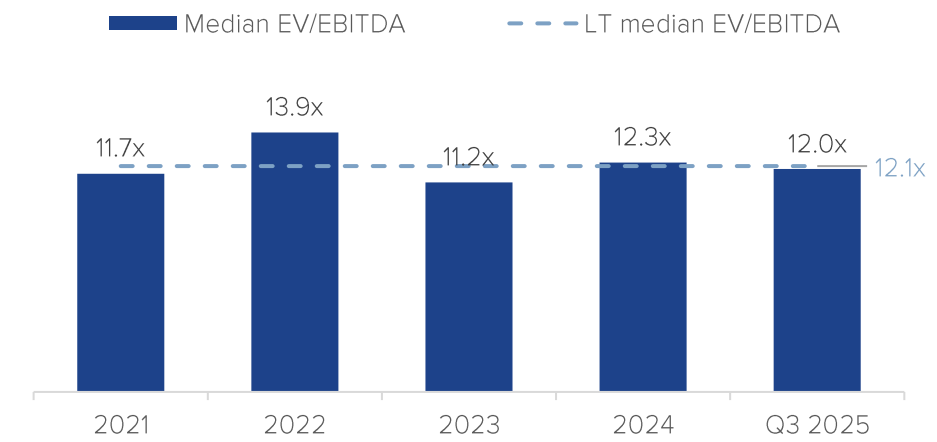


Source: Capital IQ, Oaklins analysis

*Q3 2025 refers to the period January–September 2025

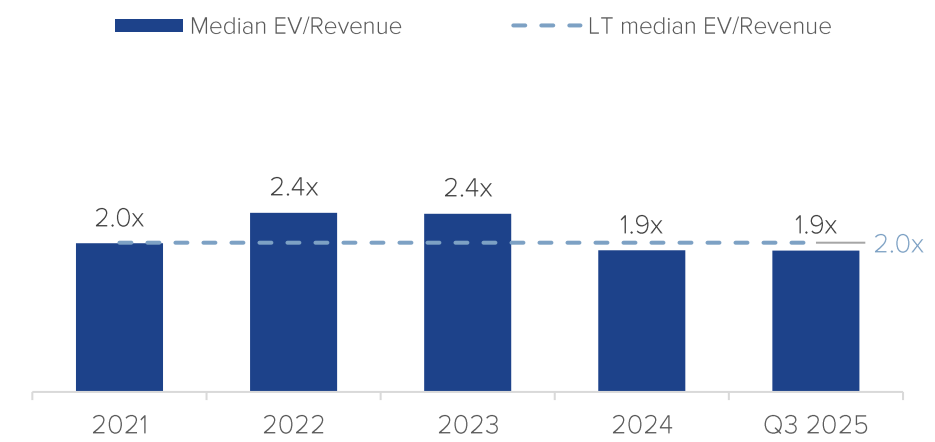


24m rolling EV/EBITDA median multiples

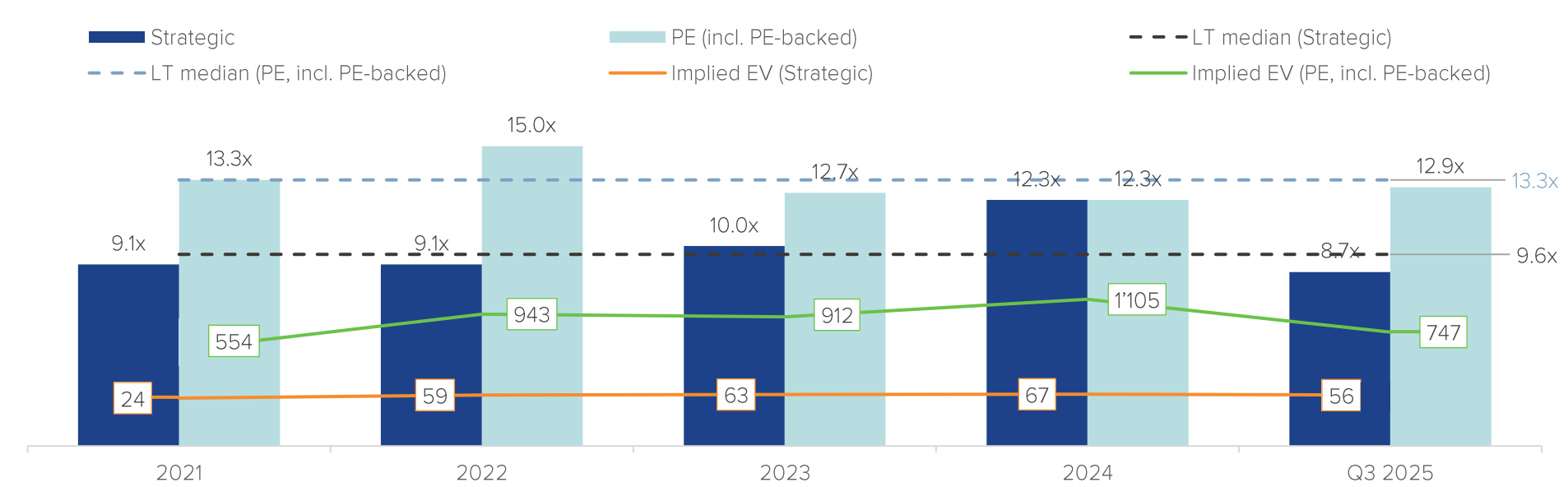


Source: Capital IQ, Oaklins analysis

24m rolling EV/Revenue median multiples

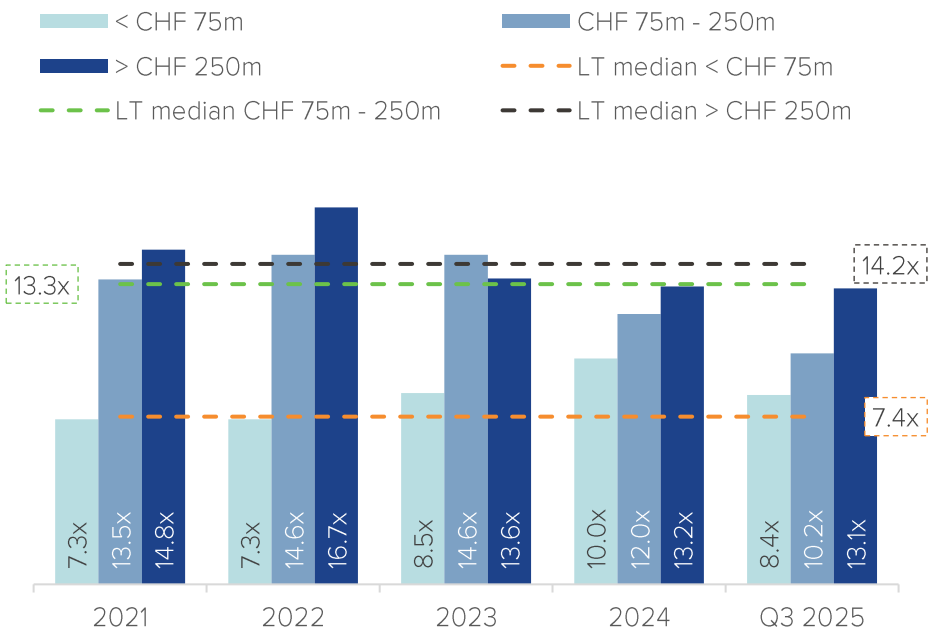


24m rolling EV/EBITDA median multiples: Driven by larger transactions, PE consistently pays a premium over strategics



Source: Capital IQ, Oaklins analysis

24m rolling EV/EBITDA median multiples: Small and mid-market multiples continue to trail large-cap benchmarks



Source: Capital IQ, Oaklins analysis

Key takeaways

- Valuations in the cybersecurity sector remain high. The 24-month rolling median EBITDA multiple currently stands at 12.0x, although the range is wide.
- Revenue multiples have declined somewhat since their peak in 2022 and are now slightly below the long-term median of 1.9x, indicating that more weight is being placed on profitability.
- Private equity pays higher multiples than strategic buyers in this area. The difference can be explained primarily by the fact that financial investors tend to make larger transactions than strategics (as evidenced by the higher implied EV) and that larger companies generally achieve higher valuations than smaller peers due to more stable cash flows, a broader customer base, and a stronger market position. It is therefore more a matter of size than investor type.
- The size effect is also evident in the chart on the left. Although the gap has narrowed somewhat over the years, multiples are still heavily dependent on company size. Companies valued at over CHF 250 million have multiples that are on average almost twice as high as smaller companies valued at less than CHF 75 million.

*Q3 2025 refers to the period January–September 2025

M&A activity

Select cybersecurity M&A transactions

Date	Type	Target	Deal description & investor rationale		Acquirer/investor	
Sep 2025	Strategic	 LAKERA		Check Point's acquisition of Lakera enhances its cybersecurity platform by integrating an AI-native runtime protection layer into its Infinity stack, adding end-to-end coverage for LLMs, autonomous agents and multi-modal workflows.	 CHECK POINT™	
Jun 2025	Strategic	 ergonomics		audius' acquisition of Ergonomics expands its Swiss footprint and adds secure workplace and communications capabilities, enabling deeper managed-services penetration and cross-selling in the DACH enterprise market.	audius	
Jun 2025	PE	 Data-Sec		Sophora's acquisition of Data-Sec creates a platform for security-focused IT services, adding managed security, compliance and infrastructure expertise to accelerate buy-and-build across the German cybersecurity and IT-services landscape.	 SOPHORA UNTERNEHMERKAPITAL	
May 2025	PE-backed	 HORNETSECURITY		Proofpoint's acquisition of Hornetsecurity broadens its reach into the MSP and SMB ecosystem by integrating Hornetsecurity's cloud-native Microsoft 365 security platform and Europe-wide partner network.	 THOMABRAVO proofpoint.	
Apr 2025	PE-backed	 procloud ^{AG}		Sequotech's acquisition of ProCloud strengthens its cloud and cybersecurity offering while preserving founder-led continuity and expanding SOC, migration and managed-services capabilities across the Swiss mid-market, supported by its sponsor Verium AG .	Verium   Sequotech	
Mar 2025	Strategic	 wecan [®]		SEALSQ's investment in Wecan Group advances its trusted-identity strategy by combining secure hardware and digital-sovereignty software, enabling blockchain-based compliance, messaging and data exchange for regulated industries.	WIS@key  SEAL SQ semiconductors + quantum	
Feb 2025	Strategic	 IDQ		IonQ's acquisition of ID Quantique , a subsidiary of SK Telecom, deepens its quantum stack by adding quantum-safe networking, random number generation and single-photon detection capabilities, positioning it as a full-spectrum secure quantum provider.	 IONQ	
Jan 2025	Strategic	 data consulting ▶		Omegro's acquisition of Data Consulting expands its footprint into the Swiss business-software and services market by adding an established ERP and operations platform with embedded requirements for data protection, access control and compliant process management.	OMEGRO 	

Source: Capital IQ, Oaklins analysis

Oaklins case study

Orange Cyberdefense has acquired Ensec AG

Orange Cyberdefense, the cybersecurity subsidiary of Orange, has acquired 100% of Ensec AG, a Swiss cybersecurity company. This acquisition strengthens Orange Cyberdefense's presence in Switzerland by expanding into the German-speaking region and positioning the company as the national market leader.

Orange Cyberdefense is the expert cybersecurity business unit of the Orange Group, the French multinational telecommunications operator and digital service provider.

Ensec is a Swiss cybersecurity company headquartered in Zurich, recognized for its expertise in consulting, IT security integration, managed security services and customized support across a broad range of solutions from leading cybersecurity providers. The company employs around 40 specialized experts and serves more than 130 clients, including financial institutions, energy and retail companies and public sector organizations.

Oaklins' team in France advised Orange throughout the Ensec acquisition process, ensuring the smooth execution of the transaction in just a few weeks.



has acquired



M&A BUY-SIDE


TMT





Our track record

A selection of Oaklins’ experience in the Cybersecurity sector



has been acquired by



M&A SELL-SIDE

Business Support Services/Private Equity/TMT



have acquired 81.46% shares of



M&A BUY-SIDE

Private Equity/TMT



has acquired



M&A BUY-SIDE

TMT




has been acquired by




M&A SELL-SIDE

TMT



has been acquired by



M&A SELL-SIDE

TMT



has been acquired by



M&A SELL-SIDE

TMT




has been acquired by




M&A SELL-SIDE

Aerospace, Defense & Security/TMT



has been acquired by



M&A SELL-SIDE

Business Support Services/Private Equity/TMT



has launched a mandatory public tender offer for



M&A BUY-SIDE

TMT



has been acquired by



M&A SELL-SIDE

TMT




has been acquired by




M&A SELL-SIDE

TMT



has been acquired by



M&A SELL-SIDE

Private Equity/TMT



has been acquired by Vincent Saint-Martin and



M&A SELL-SIDE

Private Equity/TMT



have sold



to



M&A SELL-SIDE

Private Equity/TMT



has received an investment from



M&A SELL-SIDE

Private Equity/TMT



has sold



to



M&A SELL-SIDE

Private Equity/TMT

Deep local roots, global commitment

Oaklins connects you with global opportunities
and delivers expert guidance wherever you are

OAKLINS OFFERS A COMPREHENSIVE RANGE OF SERVICES

- M&A (buy-side and sell-side)
- Corporate finance (valuation, due diligence)
- Growth equity and ECM
- Debt Advisory

IT services is one of our core focus areas. By combining deep industry expertise with seamless global execution, Oaklins has established itself as one of the most experienced mid-market M&A advisors in the IT services sector. Our extensive network of key market players worldwide enables us to deliver the best possible merger, acquisition, and divestment opportunities for our clients.

If mergers, acquisitions, or divestitures of businesses or business units are part of your strategy, we would be delighted to explore opportunities with you.

Talk to our industry experts



Dr. Daniel Spring

Partner

d.spring@ch.oaklins.com

+41 31 326 18 17

Daniel is a partner at Oaklins Switzerland. He has worked with both listed companies and SMEs on various M&A and valuation projects. IT services is one of his main areas of focus. With extensive experience in M&A and valuation, he has advised notable clients such as Straumann, Landis+Gyr, MSC Cruises, Netrics, Boss Info, Breitling, Bühler, Goldbach, Sonova, Calida, SNB, Olo Marzipan, Westiform, Espisa, Extramet, and Global IT.



Dr. Jürg Stucker

Partner

j.stucker@ch.oaklins.com

+41 44 268 45 35

Jürg is a partner at Oaklins Switzerland and serves as president of Oaklins' executive committee. With extensive experience in M&A and corporate finance, he has a particular focus on TMT, industrial machinery & components and business support services. Blue-chip clients he has advised include ABB, Axpo, BASF, Bühler, Breitling, ETH, Givaudan, Goldbach, Holcim, Migros, MSC, Novartis, NZZ, Oerlikon, SMG, Sonova, Stäubli, Straumann, Swiss and Swisscom. Prior to joining Oaklins, Jürg spent 10 years at EY, where he was a partner and led the M&A and valuation team.

United by a strong belief that we can achieve the extraordinary.

Oaklins is a global team of 850+ financial advisory professionals in 40 countries providing M&A, growth equity, ECM, debt advisory and corporate finance services to support entrepreneurs, corporates and investors in reaching their goals.



GLOBAL OFFICES

Deep local roots, global commitment

Offices around the world



EUROPE AND MIDDLE EAST

- Austria, Vienna

Belgium, Brussels

Bulgaria, Sofia

Croatia, Zagreb

Cyprus, Nikosia

Czech Republic, Prague

Denmark, Copenhagen

Estonia, Tallinn

Finland, Helsinki

France, Lyon

France, Nantes

France, Paris

France, Toulouse

Germany, Frankfurt

Germany, Hamburg

Ireland, Dublin

Israel, Tel Aviv

Italy, Milan
- Latvia, Riga

Lithuania, Vilnius

Netherlands, Amsterdam

Norway, Oslo

Poland, Warsaw

Portugal, Lisbon

Romania, Bucharest

Slovakia, Bratislava

Spain, Madrid

Sweden, Stockholm

Switzerland, Basel

Switzerland, Bern

Switzerland, Zurich

Turkey, Istanbul

United Kingdom, Bristol

United Kingdom, Cambridge

United Kingdom, London

AMERICAS

- Argentina, Buenos Aires
- Brazil, São Paulo
- Canada, Montreal
- Canada, Toronto
- Chile, Santiago
- Colombia, Bogotá
- Mexico, Mexico City
- Peru, Lima
- United States, Atlanta
- United States, Boston
- United States, Dallas
- United States, Irvine
- United States, Jacksonville
- United States, Los Angeles
- United States, New York
- United States, Savannah

ASIA PACIFIC

- Australia, Melbourne
- Australia, Sydney
- China, Shanghai
- India, Mumbai
- Japan, Tokyo
- Korea, Seoul
- Singapore, Singapore

AFRICA

- Morocco, Casablanca
- South Africa, Johannesburg

OUR OFFICES IN SWITZERLAND



Zurich

Lintheschergasse 15
8001 Zurich
Tel. +41 44 268 45 35



Bern

Zeughausgasse 20
P.O. Box
3001 Bern
Tel. +41 31 326 18 18



Basel

Sternengasse 6
4051 Basel
Tel. +41 61 271 88 44

Disclaimer

This report is provided for information purposes only. Oaklins and its member firms make no guarantee, representation or warranty of any kind regarding the timeliness, accuracy or completeness of its content. This report is not intended to convey investment advice or solicit investments of any kind whatsoever. No investment decisions should be taken based on the contents and views expressed herein. Oaklins and its member firms shall not be responsible for any loss sustained by any person who relies on the publication.

Oaklins is the collective trade name of independent member firms affiliated with Oaklins International Inc. Oaklins itself does not provide advisory services. For details of the nature of affiliation, please refer to www.oaklins.com/legal