



2025 Snapshot

The Founder Focus

Trident Search

Trident Search sources the very best security, GTM and R&D professionals across North America and EMEA. With a track record of over 1,000 searches completed, we have become a trusted partner to 180+ organizations within the industry, supporting them to build high-performing teams. Through our global operations, we support VCs and founding teams in early-stage and growth vendors to achieve their ARR growth metrics and gain market share.

We're on a mission to fight cyber-crime by connecting our clients with top talent faster than anyone else in the industry, and to equip and challenge our people to redefine what good looks like in this sector.

Executive summary

As a global search and build firm, Trident Search is a trusted partner to leaders from across the cyber security industry. Speaking to founders and executives every day means we benefit from a unique birds-eye view across the sector, with an in-depth understanding of the challenges and opportunities businesses are facing.

With three months already behind us in 2025, we're getting a clearer picture of how this year is unfolding for the cyber security sector. Some of the trends and predictions we presented at the end of last year are coming to fruition, yet with unexpected federal layoffs and the evolving threat landscape, the picture that's being painted of 2025 is already diverging from what some experts believed at the start of the year.

For business leaders, these trends present both opportunities and risks. This report offers key insights to help cyber security founders and executives navigate the evolving landscape, capitalize on emerging market shifts and position their organizations for sustained success.

Whether it's understanding how AI is reshaping security operations, preparing for increased regulatory scrutiny or identifying the next major growth areas, this report will arm you with the intelligence you need to stay ahead.



Josh Keeley
CEO, Trident Search

2024 in review

When thinking back to 2024, it's clear that the cyber security industry experienced its fair share of flux. Despite facing several challenges, including stringent compliance requirements, escalating geopolitical tensions and a more sophisticated threat landscape, as an industry we made notable progress in terms of innovation and impact.

As a result of the last 12 months and the issues we have all faced head on, many organizations are now more connected and collaborative, detecting threats faster and wielding the authority and resources necessary to tackle emerging issues.

Over the course of the year we saw some clear themes emerge, notably the maturation of AI-driven cyber security platforms, a surge in M&A activity and a strategic shift toward profitability over hypergrowth. Now comfortably into 2025, it's been interesting to see these trends continue to evolve.

Cyber security continued to be a business-critical priority; and with Richard Stiennon recording **\$16.1 billion** invested into the industry in 2024 (a **60% increase** on the year before), its importance to the global economy is clearly understood.

\$16.1B

Invested into the cyber security industry in 2024

What does this mean for the rest of 2025?

Looking ahead now, the industry is poised for significant advancements in AI integration, further consolidation and a reinvigorated IPO pipeline featuring leaders like Snyk and Cohesity.

As companies rise to the challenge of **generative AI's** dual potential for disruption and defence, the race is on, with cyber security uniquely positioned for continued growth and innovation in the digital world. Although this tech remains a key focus in 2025, with so many vendors offering AI-backed security tools saturating the market, we're now seeing other technologies come to prominence in the investment landscape. As securing cloud environments becomes an increasing priority, the importance of **cloud-based infrastructure** is increasing. We can also expect a rise in critical infrastructure organizations connecting **operational technology (OT)** systems to IT or the cloud, which will result in greater VC attention.

The sector is also witnessing increased M&A activity too. So far this year we've seen a trend towards strategic consolidation within the industry, aiming to integrate diverse security solutions and expand market reach. Private equity firms are vying to acquire established cyber security companies, such as the ongoing bids for Japan's Trend Micro, valued at approximately **\$8.54B**, and the recent SailPoint listing on the Nasdaq at **\$1.38B**. In January 2025 alone, **45** cyber security-related M&A deals were announced, with **80+** deals made in February, a strong start to the year. Midmarket vendors are particularly ripe for acquisition.

This move reflects a favourable investment climate and a growing demand for identity management solutions, especially with the proliferation of Internet of Things (IoT) devices and AI applications. The industry's ongoing evolution to stay ahead of cyber attackers reflects its resilience and a clear recognition of the task ahead.



How can founders stay ahead of the curve?

Cyber security leaders are under a lot of pressure to advance and innovate as the industry landscape evolves. As new threats emerge and technology advances, organizations must adapt quickly to remain competitive and resilient. To help you navigate these challenges, we've compiled our insights on the key trends shaping the industry, including:

- The technologies, strategies and solutions that are set to achieve significant growth this year
- How many of our expectations for 2025 have materialized so far and what that means for the months ahead
- How to best position yourself and your organization to take advantage of unfolding industry trends, investment patterns and security priorities

"At this stage of the year, these trends are a bellwether for those raising capital and understanding the dynamics of the market. It's important for CEOs and Founders to understand how the trajectory has changed in order to make informed decisions as to how to proceed for the rest of 2025."

**Sean Hendon,
Director, Trident Search**

Market Snapshot

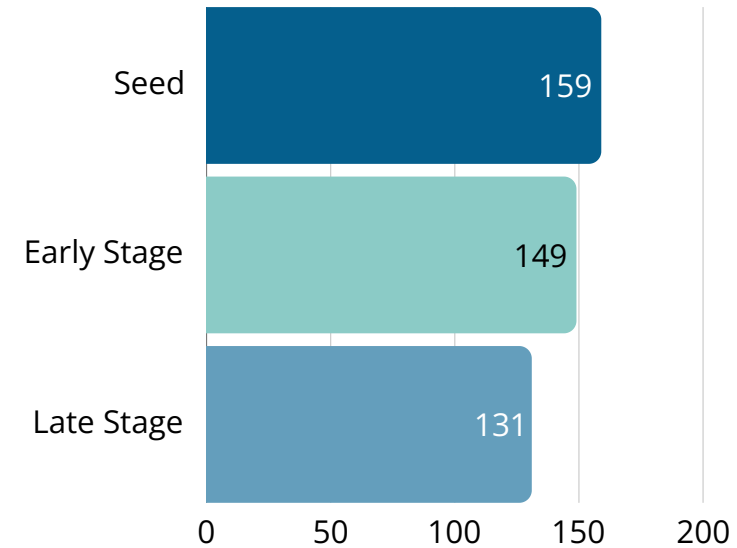
Cyber security spending

Continued investment and confidence in the sector means it is outperforming leading software categories like AI and Application Software.

Over \$16.1 billion was invested in the sector in 2024, and with Pitchbook predicting a demand-supply ratio of 1.4x for late-stage companies and 1.2x for venture-growth-stage companies, we expect an uplift in activity in 2025.

Deal Activity

Last year, Pitchbook reported there were 439 deals over \$1M, which breaks down into:



Top Investors

Leading players last year included Sequoia, SYN Ventures, Rally Ventures, a16z, Bessemer Venture Partners, Cyberstarts, Gaingels, Accel, Insight and Evolution Equity Partners.

In 2025 we're already seeing activity from a16z, SYN Ventures, Atlantic Bridge, Bain Capital and Lightspeed ventures, amongst others.

Over the course of the year, we expect to see a bigger focus on median deal sizes and investor scrutiny, with a heightened emphasis on paths to profitability over hypergrowth.

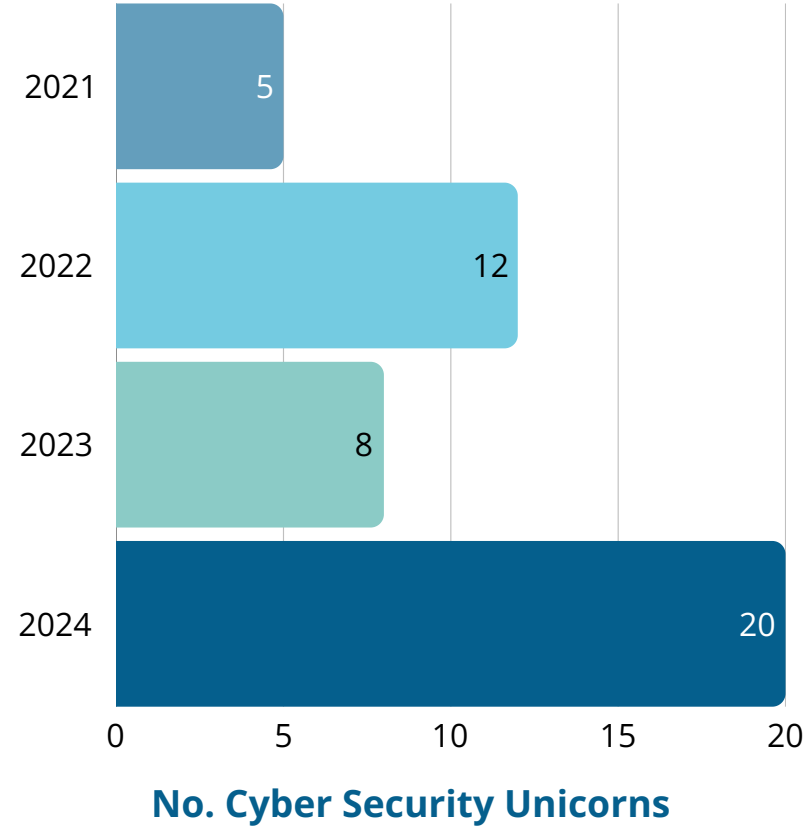
1.2x

Expected demand-supply ratio for growth-stage companies in 2025



Notable funding rounds

- Chainguard raised \$140M in Series C, becoming a unicorn.
- Abnormal Security raised \$250M in Series D, achieving 100% revenue growth and \$200M ARR.
- Wiz closed a \$1B Series E, one of 2024's top megadeals.
- Semgrep secured \$100M in Series D, bringing the company's total funding to over \$204M.
- Tines announced \$125M in Series C, raising its valuation to \$1.13B.

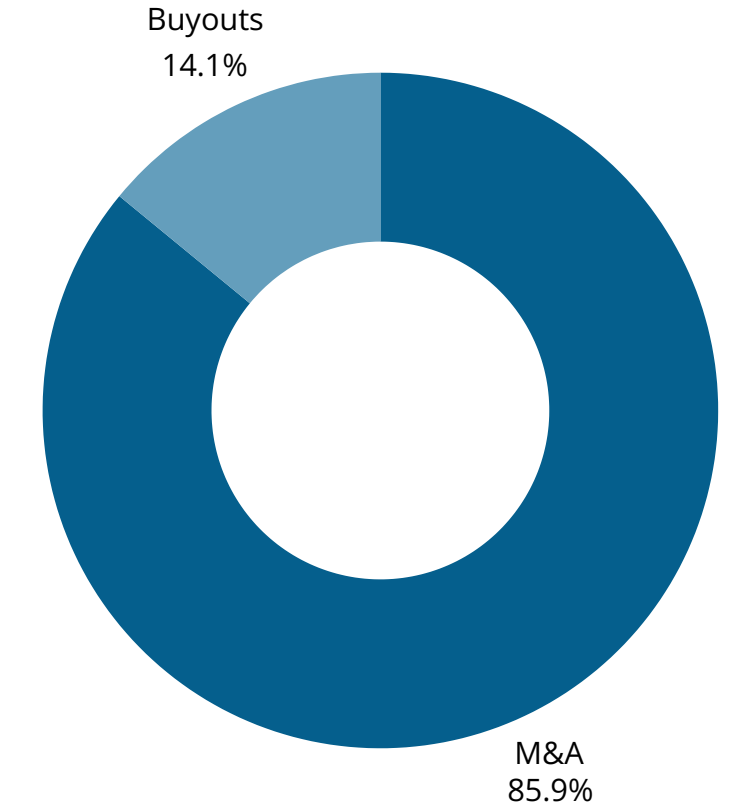


Strongest ARR Growth

- Armis raised \$200M, increasing its valuation to \$4.3B.
- SentinelOne achieved a 75% year-on-year increase in ARR, surpassing \$550M.
- Wiz has surpassed \$700M in ARR, securing a \$32B acquisition by Google in March 2025.
- CrowdStrike reported a 23% annual increase in ARR, reaching \$4.24B.
- The number of unicorns more than doubled in 2024; with strong ARR growth cyber organisations are attractive for investors seeking predictable revenue streams.

Exits and M&A

- In the past year we saw 351 exits, primarily led by mergers and acquisitions (269) and buyouts (44).
 - Notable acquisitions: Cisco acquired Splunk and Robust Intelligence, and Fortinet acquired Lacework and Next DLP.
 - Significant buyouts: BioCatch exited to Permira for \$723.4M, and ZeroFox was acquired by Haveli Investments for \$350M.
- 15 IPOs in 2024, 2 so far in 2025.
- Darktrace went private under a notable take-private trend led by Thoma Bravo.
- Mastercard acquired Recorded Future for \$2.65B.



Exits over the last 12 months

20

Unicorns emerged in the cyber security industry in 2024

\$700M

ARR growth barrier broken by Wiz



What challenges are founders facing?

- The cyber security space comes with a significant **R&D price tag**. With the market changing so quickly, companies have to continually adapt and reinvent to meet demand and stay ahead of competition.
- The market has been saturated by an influx of new vendors entering the space due to significant VC investment. This is driving **hyper-competition** and has resulted in **end-users feeling overwhelmed** by choice – all in all, a perfect catalyst for consolidation plays.
- We're emerging from the rubble of the market downturn, so sourcing capital is both more expensive and treacherous than before. As a result, we have seen a trend of **down rounds** and a **drag on valuations**.
- A constant demand to **attract and retain top talent** and provide high performers with a career path means competitive compensation plans are now critical to retain top sales performers who can demand strong OTE elsewhere.

How can you stay ahead of the curve?

- In a crowded industry, being able to clearly explain why your technology is superior, and using data and real-world impact to show how you're solving problems your competitors can't, will help to **demonstrate the unique value** in your GTM strategy.
- Startups in our sector need a **solid operational foundation** that allows them to scale quickly. This includes having streamlined processes, financial discipline and an agile workforce. Being strategic with the skills your new hires bring to the table, rather than splurging on big team builds, will pay dividends.
- A **strong C-suite** with experience in scaling businesses and securing funding is critical. Surround yourself with key advisors who understand the market and can help identify both opportunities and potential risks.
- **Expanding into new markets** is no easy task. You must consider cultural nuances, regulatory differences and language barriers to ensure your product resonates. Putting the right first hires on the ground, building relationships with key stakeholders and ensuring the platform is fully localized can be the difference between success and failure.
- Attracting funding requires more than just a strong product. Founders must leverage **storytelling** (backed by data of course) to communicate your company's market position, growth potential and Total Addressable Market (TAM). A well-crafted equity narrative helps secure investment and strategic partnerships.
- Whether aiming for acquisition, IPO or continued independence, having a clear long-term vision and **exit strategy** is essential.



What trends are we seeing now?

1. With **the rise of AI**, we're seeing a shift in the cyber security space with vendors either bolstering their products with AI or newcomers bringing innovative AI products to market. These platforms are poised to disrupt traditional methods and enhance threat detection capabilities.
 2. The **shifting political landscape**, particularly between the Trump and Biden administrations, is expected to impact cyber security regulations. It is unclear yet to what extent his cyber security policy and recent mass layoffs in federal agencies will have on investor confidence in the private sector, but Trump's demands for Europe to increase defence spending will certainly have an impact in the cyber space. With the continued escalation of global threats, we expect to see increased scrutiny and investment in national security.
 3. With more favourable conditions on the horizon we have a strong list of **candidates for IPO**, including Snyk, Cohesity, Illumio and OneTrust.
2. There's a big potential for **M&A activity** due to the increased competitor landscape, providing an opportunity for increased consolidation. We expect to see vendors seeking economies of scale and competitive differentiation.
 3. The **talent gap** is set to widen in 2025, leaving leaders struggling to fill critical roles. With the World Economic Forum reporting that two out of three organizations have a moderate-to-critical cyber skills gaps, innovative recruitment strategies and investment in training and development to attract and retain skilled professionals will be necessary in order to safeguard against evolving cyber threats.

2/3

Organizations report having a moderate-to-critical skills gap in their cyber teams

The market at a glance

As we move further into 2025, the cyber security industry faces a complex landscape filled with plenty of both challenges and opportunities. Continued pressure on valuations is influencing investment decisions, prompting increased scrutiny on the ROI of security solutions. We're seeing CEOs and founders walking a fine line between achieving profitability and sustaining momentum.

Despite these pressures, those building businesses around AI and cloud security are set to dominate. Security automation and AI-enhanced threat detection are expected to be breakout areas, offering organizations the ability to respond faster and more effectively to cyber threats. At the same time, the battle for top talent will become increasingly strategic. We're talking to many companies who are focussing on building high-performing, lean teams, and leveraging technology to streamline operations and reduce costs while maintaining their security posture.

As the only global search and build firm in cyber security, Trident Search are partnering with some of the most innovative and rapidly growing industry players. With a track record of over 1,000 searches completed, we have become a trusted partner to organizations across the industry and are uniquely positioned to understand the specific challenges that CEOs and business owners are now facing.



We look forward to partnering with visionary investors, inspiring founders and talented leadership teams in 2025. For more information on our services and capabilities, get in touch.

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