



Sector Spotlight: DevOps

November 2023



Market Trends



DevSecOps and the shift-left approach to development is expected to grow in popularity as **cyber threats evolve** and organisations increasingly **prioritise security and compliance**.

Cloud-native technologies enable DevOps teams to build, deploy and manage applications that can support fast and frequent changes without impacting service delivery.



The demand for **low & no-code development** will increase as industries that aren't digital by nature are undergoing **rapid digital transformation**.

The significance of **observability** is on the rise, especially as **cloud-native applications** and production environments become progressively more **intricate and distributed**.



Continued **rise of artificial intelligence (AI)** allows DevOps teams to optimise and automate workflows, improving software development efficiency.

Microservices architecture implementation will continue to grow as the **loose coupling of functionalities** reduces downtime and allows developers to **work on one microservice without disrupting others**.

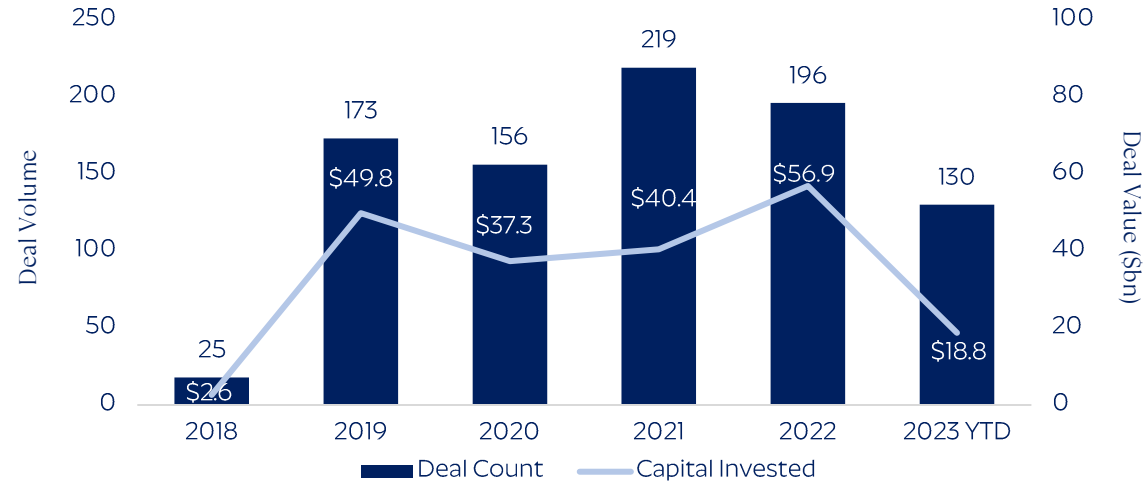


Notable Transactions

Target	Buyer	Month	Target Subsector	Buyer Subsector	Deal Value
loom	ATLASSIAN	Oct-23	Video Messaging (US)	DevOps (Australia)	\$975m
APPTIO	IBM	Aug-23	Technology Business Management (US)	Enterprise IT (US)	\$4.6bn
SUSE	EQT	Aug-23	Enterprise Open-Source Solutions (US)	Private Equity (Sweden)	ND
Laminar	rubrik	Aug-23	Agile Data Security (Israel)	Cloud Data Management (US)	\$225m
nChain	AVRE GROUP	Aug-23	Web3 Transformation (Switzerland)	Private Equity (Switzerland)	\$570m
new relic	FP FRANCISCO PARTNERS TPG	July-23	Observability (US)	Private Equity (US)	\$6.5bn
Paperspace	DigitalOcean	June-23	AI/ML Development Platform (US)	Cloud Computing (US)	\$111m
mobica	cognizant	Mar-23	IoT Engineering (UK)	Systems Integration (US)	\$325m
sumo logic	FP FRANCISCO PARTNERS	Apr-23	SaaS Analytics (US)	Private Equity (US)	\$1.7bn
MICRO FOCUS	opentext™	Jan-23	Business Software & Consulting (UK)	Information Management (Canada)	\$5.8bn

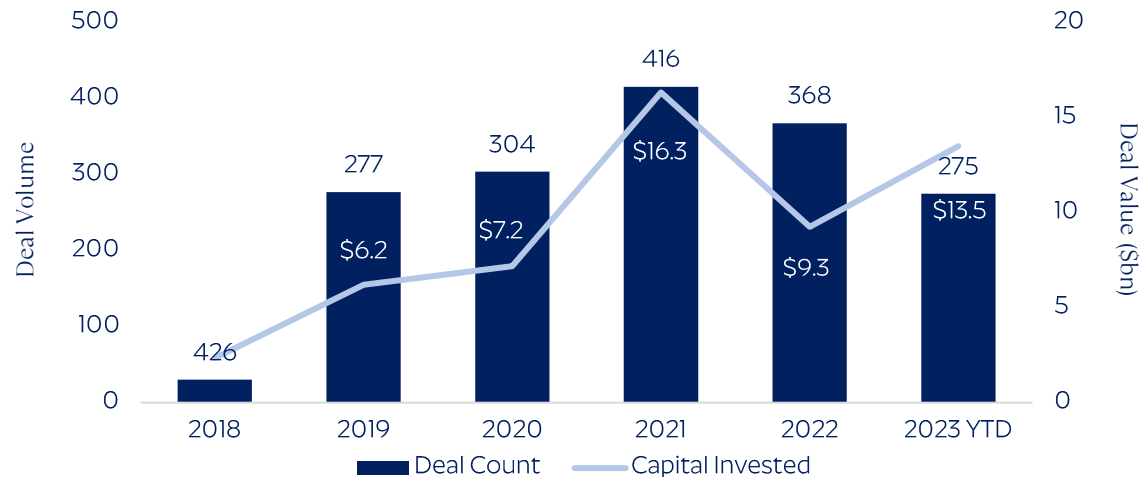
CloudTech & DevOps M&A Deal Activity

As at 17-Nov-23



CloudTech & DevOps Fundraising Deal Activity

As at 17-Nov-23



Most Acquisitive Buyers

THOMABRAVO Founded in 1980 \$131bn AUM Chicago, USA HQ 95 employees

Recent acquisitions: User Testing, applitools, flexera, Venafi

VISTA Founded in 2005 \$101bn AUM Austin, USA HQ 195 employees

Recent acquisitions: SMARTBEAR, sonatype, aptean

CISCO Founded in 1984 MCap \$216bn San Jose, USA HQ 99,680 employees

Recent acquisitions: Code BGP, opsani, replex, epsagon

vmware Founded in 1998 MCap \$65bn Palo Alto, USA HQ 38,300 employees

Recent acquisitions: SALTSTACK, Datrium, OCTARINE, Pivotal

TPG Founded in 1992 \$212bn AUM Fort Worth, USA HQ 183 employees

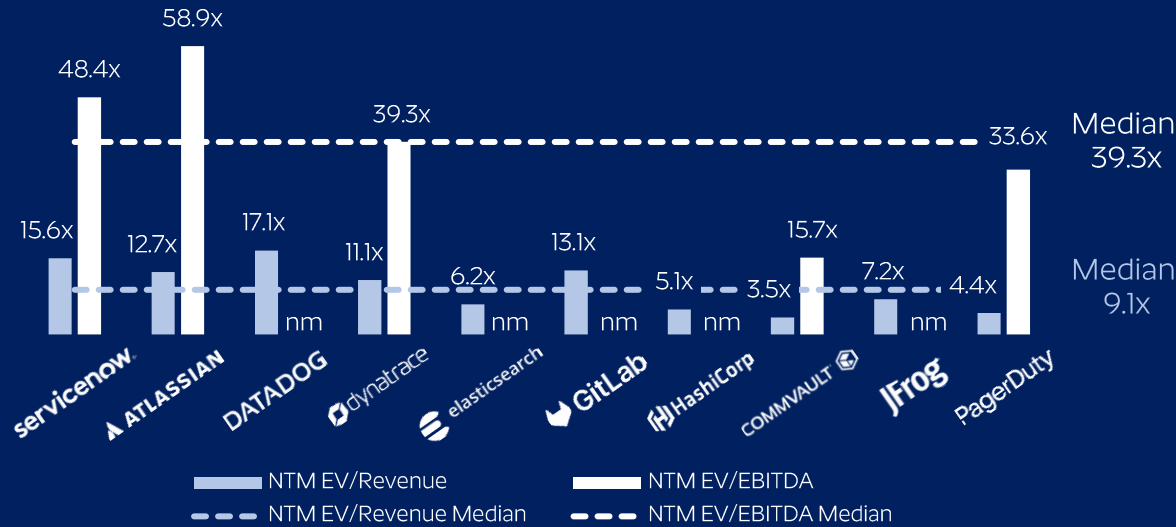
Recent acquisitions: new relic, Checkmarx, digital.ai

Most acquisitive buyers in the last 5 years

Public Comps

As at 17-Nov-23

DevOps Peer Group Valuation Multiples



Note: New Relic and SUSE have been excluded from the data set as their take private investments were completed by Francisco Partners & TPG on 08-Nov-2023 and by EQT on 14-Nov-2023, respectively.

Recent CEO Commentary

ATLASSIAN

“Through our Cloud platform, thousands of customers ... are already realizing value from the AI capabilities we've introduced across our Cloud products... The early feedback has been terrific, and we're incredibly excited by the opportunities that AI presents us” – **Scott Farquhar, Co-CEO**
 Q1 2024 Earnings Call, 02-Nov-2023

“The industry has been talking about the idea of DevSecOps, the breaking down of silos among development, operations and security teams. And we entered the security space on the premise that DevOps and security teams should share the same data in the same platform.” – **Olivier Pomet, CEO**

DATADOG

Q3 2023 Earnings Call, 07-Nov-2023

Sector Valuations Over Time

TTM EV/Revenue over the last 5 years



TTM EV/EBITDA over the last 5 years



Note: TTM EV/EBITDA multiples > 60x are deemed to be not material and have been removed from the data set
 Note: Valuation Multiples for New Relic and SUSE have been included up to the point of completion of their take private investments by Francisco Partners & TPG on 08-Nov-2023 and by EQT on 14-Nov-2023, respectively.

Leadership



13+
years of leading Ciesco

20+
years of corporate leadership



Board Advisory Member: Palantir accenture

Chris Sahota
Founder & CEO

Sector Team



13+
years of Investment Banking
experience

>£7bn
deal value executed



Ateesh Srivastava
Managing Director



6+
years of Investment Banking
experience

MSc
Corporate Finance



Jack Andrews
Associate



20+
years of experience

SaaS
Enterprise Sales Expert



Matt Bruun
Senior Advisor



2+
years of Investment Banking
experience

BSc
Accounting & Finance

STIFEL

William Oldcorn
Analyst

Contact us: DevOps@cisco.com

Ciesco Experience



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SELL-SIDE ADVISORY
HEALTHCARE SERVICES / PRIVATE EQUITY



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MEDIA CONSULTING / PUBLIC COMPANY



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156-158 Buckingham Palace
Road
London, SW1W 9TR
United Kingdom
<https://www.ciesco.com>

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