



Sector Spotlight: DevOps

April 2024



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.

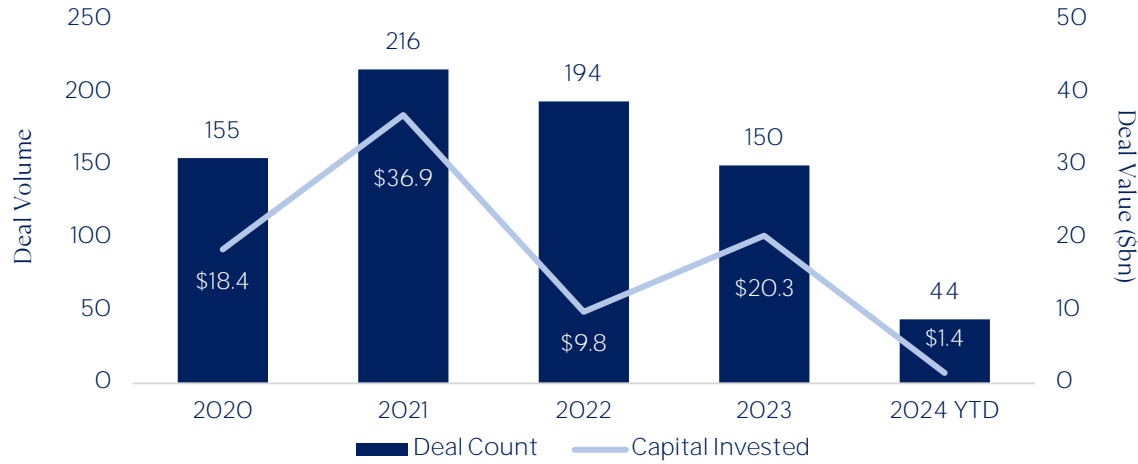


Notable Transactions

Target	Buyer	Month	Target Subsector	Buyer Subsector	Deal Value
jama software	FP FRANCISCO PARTNERS	Mar-24	Requirements Management & Traceability (US)	Private Equity (US)	\$1.2bn
Delphix	PERFORCE CLEARBASE FP FRANCISCO PARTNERS	Feb-24	Test Data Management (US)	PE backed DevOps (US)	n.a.
sophos solutions	GFT	Jan-24	Banking IT consultancy (Colombia)	Digital Transformation (Germany)	\$95m
SADA	Insight	Dec-23	CloudTech (US)	IT Solutions & System Integrator (US)	\$800m
new relic	FP FRANCISCO PARTNERS TPG	Nov-23	Observability (US)	Private Equity (US)	\$6.5bn
loom	ATLASSIAN	Nov-23	Video Messaging (US)	DevOps (Australia)	\$975m
APPTIO	IBM	Aug-23	Financial & Operation IT Management (US)	Business Management Software (US)	\$4.6bn
sumo logic	FP FRANCISCO PARTNERS	May-23	Software Analytics (US)	Private Equity (US)	\$1.7bn
MICRO FOCUS	opentext	Jan-23	Business Software & Consulting (UK)	IT Operations Management (Canada)	\$5.8bn
User Testing	SUNSTONE PARTNERS THOMABRAVO	Jan-23	Software Experience Research Solutions (US)	Private Equity (US)	\$1.3bn

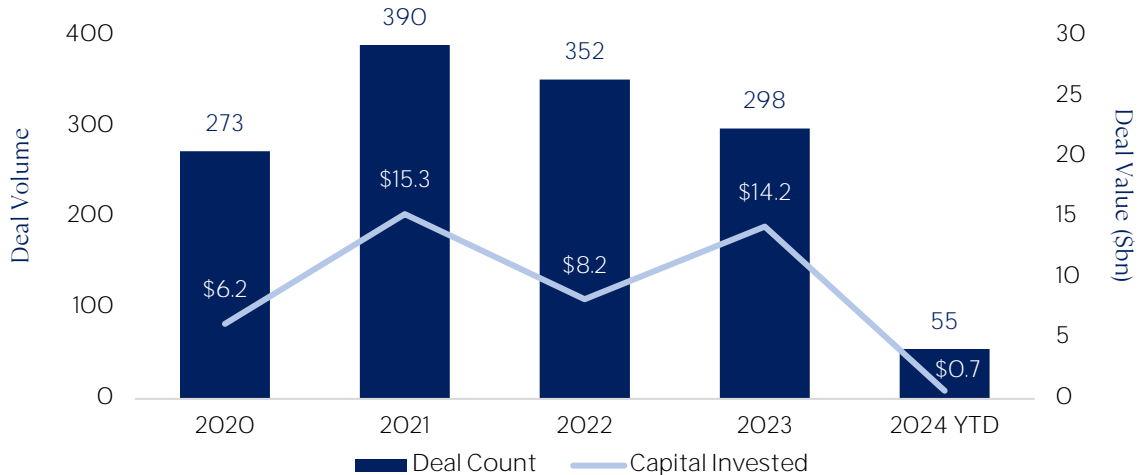
CloudTech & DevOps M&A Deal Activity

As at 19-Apr-24



CloudTech & DevOps Fundraising Deal Activity

As at 19-Apr-24



Most Acquisitive Buyers



Founded In 1999

\$45bn AUM

San Francisco, US HQ

97 employees

Recent acquisitions:



Founded In 1980

\$134bn AUM

Chicago, US HQ

122 employees

Recent acquisitions:



Founded In 1911

MCap \$166bn

New York, US HQ

282,200 employees

Recent acquisitions:



Founded In 1998

MCap \$65bn

London, UK HQ

38,300 employees

Recent acquisitions:



Founded In 1992

\$222bn AUM

New York, US HQ

183 employees

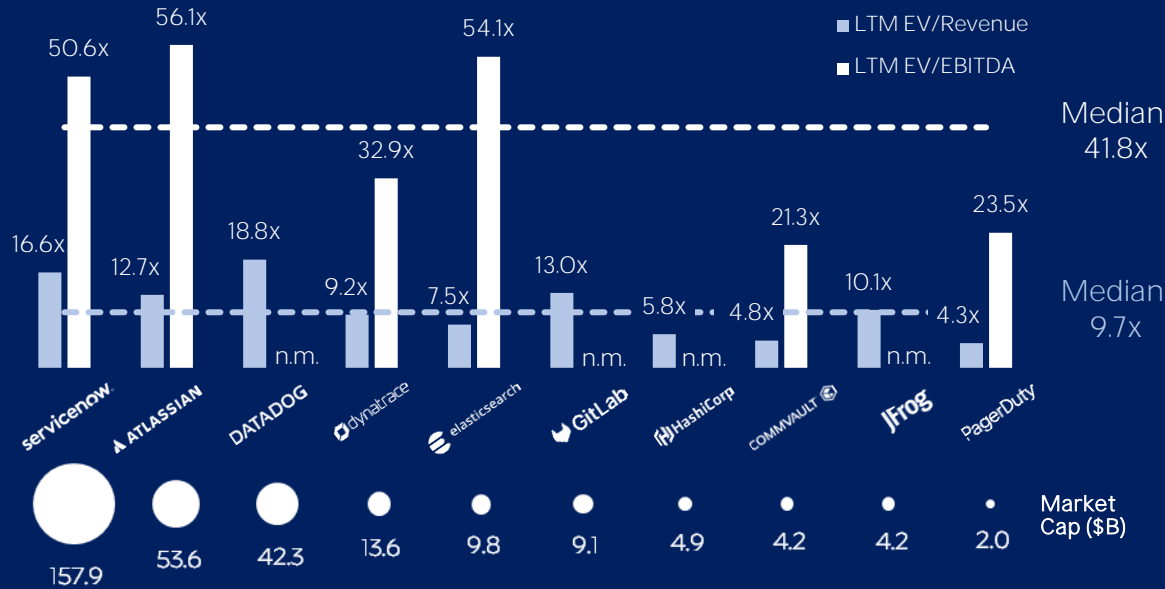
Recent acquisitions:



Public Comps

As at 19-Apr-24

Valuation Multiples



Recent CEO

Commentary

servicenow "We see AI as a 360-degree strategic imperative. It's why ServiceNow joined the AI Alliance to advance open, safe, and responsible AI."
 - *Bill McDermott, CEO* Q4 2023 Earnings Call, 24-Jan-2024

DATADOG "We continue to believe digital transformation and cloud migration are long-term secular growth drivers of our business and critical motions for every company to deliver value and competitive advantage. We see AI adoption as an additional driver of investment and accelerator of technical innovation and cloud migration."
 - *Olivier Pomel, CEO* Q4 2023 Earnings Call, 13-Feb-2024

ATLASSIAN "We're excited by the momentum we are seeing across the business and remain laser-focused on executing against our key strategic priorities: Cloud migrations, serving the enterprise, IPSM, and now AI."
 - *Scott Farquhar, Co-CEO & Director* Q2 2024 Earnings Call, 01-Feb-2024

Source: Pitchbook

Sector Valuations Over Time

TTM EV/Revenue over the last 5 years



TTM EV/EBITDA over the last 5 years



Notes:

- Given the nature of the tracked business, EV/Revenue is a more relevant valuation multiple compared with EV/EBITDA which shows extremely high multiples.

- 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



Chris Sahota
Founder & CEO

13+
years of leading Cisco

20+
years of corporate leadership



Board Advisory Member: Palantir accenture

Sector Team



Ateesh Srivastava
Managing Director

13+
years of Investment Banking
experience

>£7bn
deal value executed



Matt Bruun
Senior Advisor

20+
years of experience

SaaS
Enterprise Sales Expert



Jack Andrews
Associate

6+
years of experience

MSc
Corporate Finance



William Oldcorn
Analyst

2+
years of experience

BSc
Accounting & Finance



Contact us: DevOps@cisco.com

Cisco Experience



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Our team is proud to have worked with transformative businesses across the Technology landscape:



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

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