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J.P. Morgan Research

Global Cybersecurity Spending Outlook

Enterprise budgets, threat landscape, and vendor consolidation

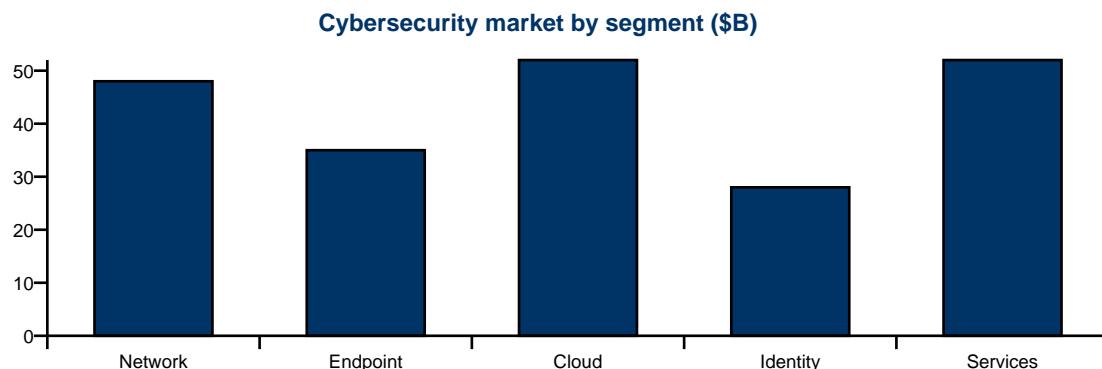
February 11, 2026

Executive Summary

Global cybersecurity spending is projected to grow at a low double digit pace in 2026, driven by an expanding threat landscape, regulatory mandates, and the increasing complexity of enterprise IT environments. We present our updated market sizing and growth framework, with analysis across key segments including endpoint, cloud, identity, and managed security services. Our coverage reflects the ongoing trend toward vendor consolidation and platform based approaches. We maintain overweight ratings on select platform leaders and highlight names with strong recurring revenue and margin expansion potential.

Market sizing and growth drivers

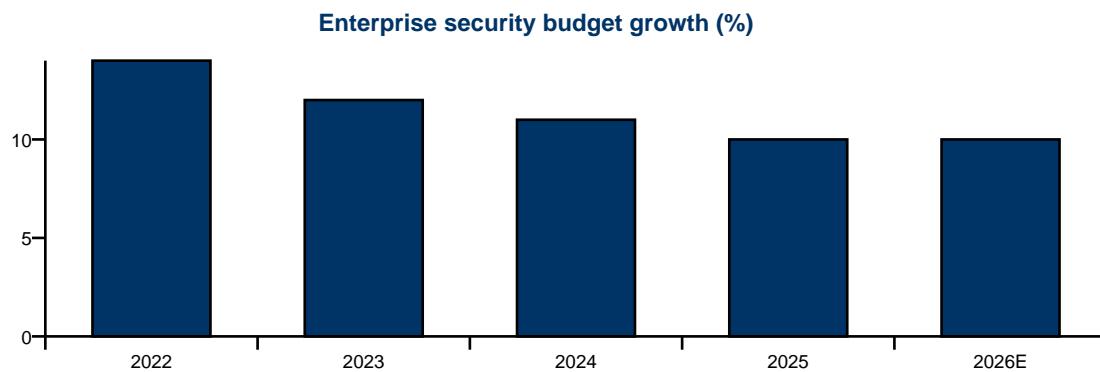
We estimate the global cybersecurity market at approximately \$215 billion in 2026, up from \$195 billion in 2025, representing roughly 10 percent year over year growth. Enterprise IT security budgets continue to grow as a share of total IT spending, reflecting the elevated threat environment and the expanding attack surface from cloud, IoT, and remote work. Regulatory requirements including SEC disclosure rules, DORA in Europe, and sector specific mandates are adding incremental demand. AI powered threats and the emergence of adversarial AI are also driving investment in advanced detection and response capabilities. We model the market across key segments and geographies and discuss the outlook for spending priorities.



Source: J.P. Morgan Research. 2026E market sizing by segment.

Vendor consolidation and platform trends

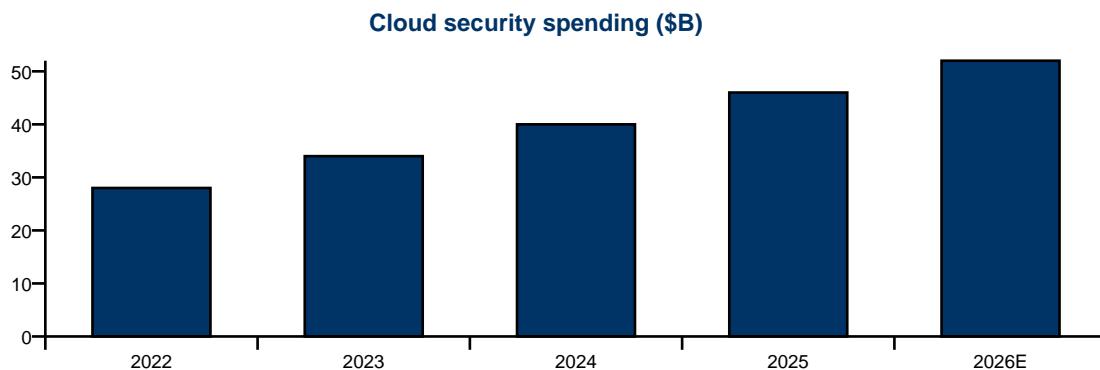
The cybersecurity vendor landscape continues to consolidate, with large platform providers gaining share at the expense of point solution vendors. Enterprises are increasingly favoring integrated security platforms that reduce operational complexity and improve visibility. M&A activity remains active, with several large transactions announced in the past year. We analyze the competitive dynamics and discuss the implications for market structure and pricing. Platform vendors with broad product portfolios, strong channel partnerships, and high switching costs are best positioned in our view. We also assess the role of managed security service providers, which are capturing a growing share of the market as enterprises outsource security operations.



Source: J.P. Morgan estimates. Average enterprise cybersecurity budget growth.

Cloud and identity security

Cloud security is the fastest growing segment, driven by the ongoing migration of workloads and data to public and hybrid cloud environments. We estimate cloud security spending growth at approximately 18 percent in 2026, outpacing the broader market. Identity and access management is another high growth area, with zero trust architectures becoming the standard framework for enterprise security posture. We discuss the competitive landscape in cloud security and identity and highlight names with differentiated technology and strong customer retention. Integration of AI and automation into security workflows is a key differentiator, and we assess the implications for product roadmaps and vendor positioning.



Source: J.P. Morgan Research. E = estimate. Global cloud security market.

Recommendations and valuation

We maintain overweight ratings on platform leaders with strong recurring revenue, high retention rates, and expanding margins. Our price targets reflect a blend of peer multiples and discounted cash flow analysis, with premium valuations justified by growth visibility and competitive moats. We recommend selective exposure to high growth segments including cloud and identity security. Risks include potential slowdown in IT spending, competitive displacement, and execution challenges related to M&A; integration. We provide a detailed valuation table and discuss the catalyst calendar for our coverage universe.

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