
CISCO ACQUIRES ISOVALENT

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CONTEXT

Cisco, a global leader in networking and cybersecurity solutions, recently announced a strategic move to redefine the landscape of multi-cloud networking and security with its intent to acquire Isovalent.

The Isovalent team will join the Cisco Security Business Group once the acquisition closes, which is expected in the third quarter of the fiscal year 2024.

This acquisition signifies a significant step in addressing the complexities of modern software networking, particularly in environments dominated by distributed applications, virtual machines, and cloud assets.

At the heart of the acquisition is the advanced open-source technology eBPF, which Isovalent uses in its leading cloud-native solutions, such as Cilium and Tetragon.

WHO IS ISOVALENT?

Isovalent is a company specializing in advanced cloud-native technologies, known for its contributions to eBPF (extended Berkeley Packet Filter) technology.

Founded by the creators of eBPF, Isovalent is recognized for its role in developing leading-edge solutions that leverage this powerful open-source technology.

Key highlights of Isovalent include:

1. **eBPF Expertise:** Isovalent has played a pivotal role in advancing eBPF, a technology that allows for sophisticated programming of the operating system kernel, enabling enhanced security, observability, and networking functionality.
2. **Cilium:** The company is behind Cilium, a prominent cloud-native networking solution built on eBPF. Cilium is used widely for cloud-native connectivity, particularly in Kubernetes environments, and is a default choice in several major public cloud offerings.

3. **Tetragon:** Alongside Cilium, Isovalent developed Tetragon, an open-source security application that provides in-depth insights into application processes and network behavior, enhancing cloud workload security.
4. **Cloud-Native Solutions:** Isovalent focuses on creating solutions that address the complexities of modern, distributed cloud environments, including virtual machines, containers, and cloud assets.
5. **Hybrid Cloud Capabilities:** Isovalent has introduced innovations like Cilium Mesh, facilitating the connection of Kubernetes clusters with existing infrastructure across hybrid cloud environments.
6. **Industry Collaboration:** Isovalent's products have gained significant adoption among hyperscalers and cloud providers, underlining the company's impact and collaboration within the cloud computing industry.
7. **Series A Funding Participation:** Cisco became an investor in Isovalent during its Series A funding round, showcasing the early recognition of Isovalent's potential in cloud-native technologies.

Isovalent stands out as a leader in cloud-native networking and security solutions, with its deep expertise in eBPF technology positioning it at the forefront of innovation in this rapidly evolving domain.

BENEFIT TO CISCO

The acquisition of Isovalent by Cisco provides several substantial benefits to the company:

1. **Enhanced Multicloud Networking and Security:** Cisco will leverage Isovalent's expertise in eBPF technology to advance its multi-cloud networking and security offerings, catering to the growing demand for more sophisticated cloud infrastructure solutions.
2. **Strengthening Cloud-Native Connectivity:** Isovalent's Cilium, already popular among major public cloud providers, enhances Cisco's ability to provide robust cloud-native connectivity options, particularly in Kubernetes environments.
3. **Advanced Security Capabilities:** With Tetragon, Cisco gains an open-source security application that provides detailed insights into application processes and network behavior, enhancing the security of cloud workloads.
4. **Integration with Existing Cisco Technologies:** Isovalent's technologies complement Cisco's existing networking and security solutions, potentially leading to more comprehensive and integrated customer offerings.
5. **Innovation in Open-Source Projects:** Cisco's commitment to maintaining Cilium and Tetragon as open-source projects and its plan to create an advisory

board for these shows a dedication to contributing to and driving innovation in the open-source community.

6. **Enhanced Cloud Analytics and Compliance:** Tetragon's capabilities in compliance and integration with monitoring and remediation tools align with Cisco's focus on providing advanced analytics and compliance solutions in cloud environments.
7. **Broadened Market Reach:** Isovalent's existing relationships with hyperscalers and cloud providers can broaden Cisco's market reach and enhance its position in the cloud computing sector.
8. **Future-Proofing Cisco's Portfolio:** By acquiring a company at the forefront of cloud-native solutions, Cisco will stay ahead in an increasingly cloud-centric IT landscape, ensuring long-term relevance and competitiveness.
9. **Leveraging AI and Machine Learning:** The acquisition allows Cisco to incorporate more AI and machine learning capabilities into its offerings, especially in network policy enforcement and security threat detection.
10. **Aligning with Cisco's Hybrid Cloud Strategy:** This acquisition aligns well with Cisco's hybrid cloud strategy, offering customers more seamless and secure networking from various environments, including branch offices, data centers, and public clouds.

Cisco's acquisition of Isovalent is a strategic move that enhances its current product offerings and positions the company strongly for future innovation and market leadership in cloud networking and security.

ANALYSIS

The acquisition of Isovalent by Cisco is a strategic move that significantly bolsters Cisco's position in the cloud-native networking and security landscape.

Isovalent's expertise in eBPF technology, which allows for sophisticated programming of the operating system kernel, places it at the forefront of modern cloud networking solutions.

The acquisition notably enhances Cisco's capabilities in managing distributed cloud environments, particularly those involving Kubernetes.

Isovalent's flagship product, Cilium, is widely recognized for its cloud-native connectivity and is a default choice in several major public cloud offerings, highlighting the company's strong market presence.

Additionally, Isovalent's Tetragon, an open-source security application, complements Cisco's security portfolio, offering deeper insights into application processes and network behavior.

This acquisition is not just about absorbing Isovalent's current technologies; it's also a strategic investment in the future of cloud networking and security. Cisco's involvement in Isovalent's Series A funding and its continued interest underscores a commitment to leading innovation in the cloud space.

By integrating Isovalent's cutting-edge solutions, Cisco is poised to offer its customers more comprehensive and advanced services, addressing the complex challenges of modern cloud infrastructures.

The acquisition clearly indicates Cisco's strategy to stay ahead in an increasingly cloud-centric IT landscape, ensuring long-term relevance and competitiveness in an ever-evolving technological world.



RESEARCH NOTE

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