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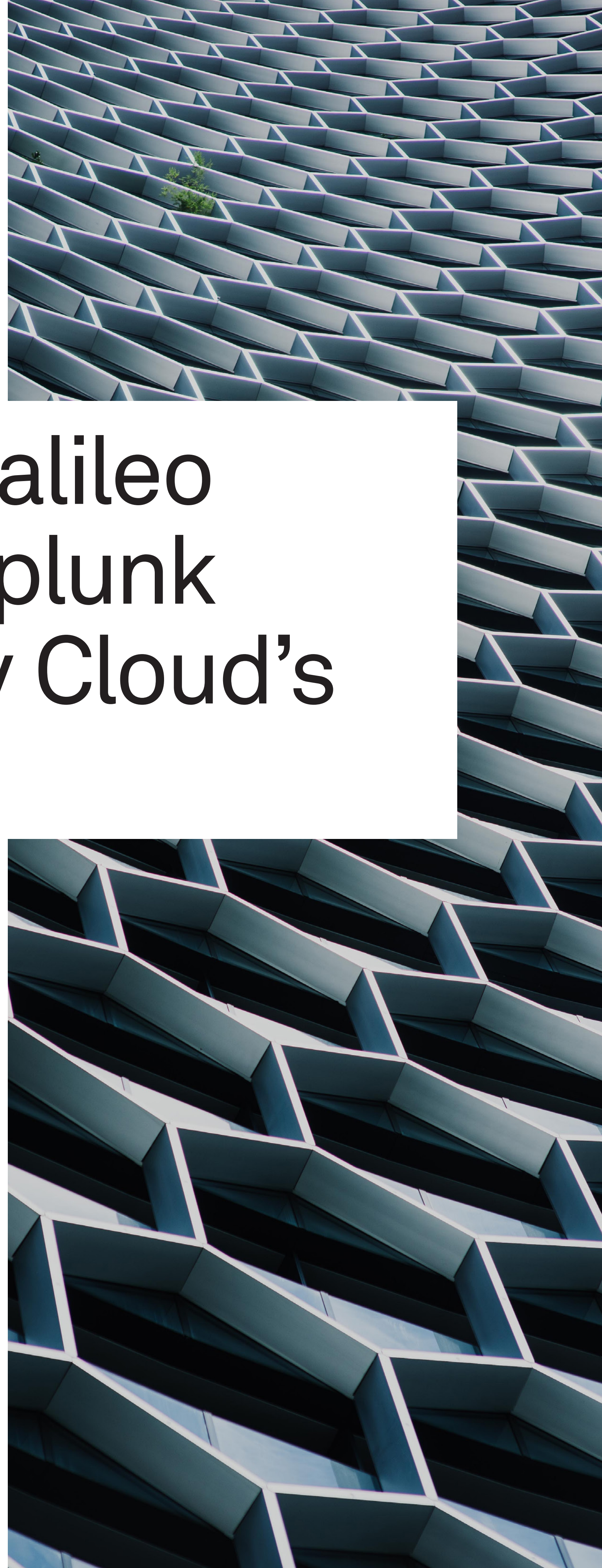
451 Research Market Insight Report Reprint

Cisco buys Galileo to sharpen Splunk Observability Cloud's AI visibility



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by Mike Fratto

The networking giant's purchase of AI observability specialist Galileo Technologies should bolster its AI observability monitoring capabilities and help it solidify its relationships with development teams working on generative and agentic AI applications.

Introduction

Cisco Systems Inc. has acquired AI observability specialist Galileo Technologies to bolster its AI observability monitoring capabilities and help it solidify its relationships with development teams working on generative and agentic AI applications. According to 451 Research's Voice of the Enterprise: DevOps, Agentic AI 2026 survey, enterprises are aggressively adopting agentic AI, with 43% of organizations currently deploying it and an additional 30% navigating the proof-of-concept stage. Moreover, AI observability is a hot market: 451 Research's M&A KnowledgeBase logged 42 deals totaling $6.6 billion between 2025 and 2026.

Snapshot

Acquirer	Cisco Systems Inc.
Target	Galileo Technologies
Subsector	Observability
Deal value	Undisclosed
Date announced	April 9, 2026
Closing date, expected	Q4 fiscal 2026
Advisers	None disclosed

Source: 451 Research.

THE TAKE

Cisco's reach for Galileo brings critical AI observability functionality to its Splunk Observability Cloud for both developers and IT operations personnel using and managing AI-powered applications. Galileo provides the explainability that IT lacks in understanding reasoning and accuracy of AI systems, and it can be deployed to enforce governance monitoring and guardrails for implementation of large language models. As such, the move should allow Cisco to jump-start development of its observability for AI platform with the valuable experience that Galileo has accrued.

Deal details

Terms of the transaction were not disclosed. Cisco expects it to close in the fourth quarter of fiscal 2026.

Deal rationale

Strategically, this deal expands Cisco's addressable opportunity in the AI operations sector and strengthens its differentiation in the enterprise observability and security category by integrating AI oversight into existing telemetry and workflows. The networking giant's key motivation for purchasing Galileo was to add AI-native observability and governance capabilities to its Splunk portfolio as enterprises move from AI pilots to production agentic systems that must be monitored and controlled. The target brings tooling to evaluate and track model and agent behavior (e.g., reliability, drift and unsafe outputs), helping customers operationalize trust, compliance and risk management.

Target profile

Galileo Technologies is an AI observability provider focused on monitoring, troubleshooting and securing AI agents and models in real time. Its platform helps organizations detect issues such as hallucinations, bias and drift in production AI systems, making AI deployments safer and more reliable. The vendor stands out by offering deep visibility into AI workflows and integrating directly with enterprise observability tools like Splunk.

Acquirer profile

Cisco Systems is a multinational technology company that specializes in networking hardware, software and telecom equipment. Its main lines of business include networking, where it provides routers, switches and wireless access points for enterprise and service-provider networks; cybersecurity, where it offers firewalls, intrusion prevention systems and security software; collaboration, where it has developed services such as videoconferencing, telephony and messaging (e.g., Webex); data centers, where it provides servers, storage and cloud infrastructure; and internet of things, where it delivers connectivity and management platforms for industrial and enterprise deployments. Additionally, Cisco owns Splunk, a leader in data analytics and security information and event management, further augmenting its cybersecurity and operational intelligence portfolio.

Competition

Via Splunk Observability Cloud, Cisco has a large observability footprint and it has been touting growth led by Splunk and ThousandEyes. Adding Galileo should give the company a clearer message that "observability" now spans apps, infrastructure and AI systems inside a single platform, offering incentives for enterprises that prefer consolidation and already run Cisco's observability and security products and services. The buyer's positioning explicitly frames Galileo as extending Splunk into AI and AI agent monitoring and governance.

Furthermore, the deal enhances Cisco's position against rival IT observability specialists like Dynatrace Inc., New Relic and LogicMonitor that are introducing their own AI observability tools in their product suites. AI operations platform developers like LangChain's LangSmith and ClickHouse (which recently acquired Langfuse), along with AI observability platform providers such as Arize AI, Elastic NV, Arthur AI, Evidently AI and Fiddler AI, will face stiffer competition from Cisco now that it can tie AI model, application and agentic activity to a larger IT operations monitoring system.

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