Palo Alto Networks to Extend Leading Observability Platform with Innovative Digital Experience Monitoring

July 21, 2026

Update: Palo Alto Networks subsequently closed its acquisition of Embrace on Thursday, Aug. 27, 2026

New RUM and Synthetics capabilities unify infrastructure, application and user experience insights, catching problems before a user does

SANTA CLARA, Calif., July 21, 2026 /PRNewswire/ -- Palo Alto Networks® (NASDAQ: PANW), the global cybersecurity leader, today announced its intent to acquire Embrace, a leading provider of user-focused observability, to add high-fidelity Real User Monitoring (RUM) capabilities to the Palo Alto Networks Observability platform. Palo Alto Networks is also introducing Synthetics, a new capability built with its world-class Autonomous Digital Experience Management (ADEM) team, for proactively validating application performance from anywhere. These new capabilities will extend Palo Alto Networks Observability to Digital Experience Monitoring. Customers will gain a complete, unified view, from end-user interactions and proactive app validation to backend software and infrastructure, all on the industry's leading, innovative, cost-effective platform.

Modern applications are increasingly complex and autonomous, and organizations need full performance visibility to ensure reliability. Legacy tools are fragmented, cost-prohibitive, and frequently miss when a user's experience is broken. Embrace's proven RUM capabilities are built for modern environments, allowing customers to deliver applications that scale at the pace of AI. Synthetics will leverage Palo Alto Networks' globally distributed infrastructure to proactively validate application availability and performance from strategic locations across the globe. With these new capabilities, organizations will be able to:

- **Eliminate blindspots:** Monitor user experiences and infrastructure health through a single interface to help ensure user-facing applications and workflows are seamlessly executing without introducing hidden digital issues.
- **Prevent revenue impacting downtime:** Combine Embrace's advanced monitoring with Palo Alto Networks' deep data analytics, to quickly pinpoint and resolve complex performance issues, protecting revenue and brand reputation.
- **Catch problems before any user does**: Palo Alto Networks' Observability platform and ADEM deliver a complete view of digital experience by catching issues before they impact both customers and employees.

Following the acquisition of Chronosphere in January 2026, Palo Alto Networks continues to drive innovation across its Observability platform, surpassing $300M ARR in Q3 FY26. The company also earned recognition from Gartner® Magic Quadrant™ for Observability Platforms, where it was named a leader for the third consecutive year, earning the top ranking for Observability Cost Control in the 2026 Gartner® Critical Capabilities™ report.

Lee Klarich, Chief Product & Technology Officer of Palo Alto Networks
"To truly understand how their applications are performing, organizations need to see the whole picture - from the moment a user taps or clicks to what exactly happens on the backend. By combining Palo Alto Networks' leading Observability platform with Embrace's innovative Real User Monitoring and the organically developed Synthetic Monitoring capabilities, we'll deliver exactly that. And we're taking it a step further - by linking these capabilities with Cortex AgentiX, organizations will be able to both see and automatically fix issues across their ecosystem. This is what true platformization looks like in practice."

The acquisition is subject to customary closing conditions, and is expected to close in Palo Alto Networks first quarter of fiscal 2027.

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About Palo Alto Networks

Palo Alto Networks (NASDAQ: PANW), the global AI cybersecurity leader, protects our digital way of life with a comprehensive portfolio of cybersecurity solutions and platforms across Network, Cloud, Security Operations, AI and Identity. Trusted by 70,000+ customers and powered by Unit 42 threat intelligence, our AI-driven platforms eliminate complexity, empowering enterprises to modernize with confidence and securing the speed of innovation. Explore the future of security at **www.paloaltonetworks.com**.

Forward-Looking Statements

This press release contains forward-looking statements that involve risks, uncertainties, and assumptions, including, but not limited to, statements regarding the anticipated benefits and impact of the proposed acquisition of Embrace on Palo Alto Networks, Embrace and their customers. There are a significant number of factors that could cause actual results to differ materially from statements made in this press release, including, but not limited to: the effect of the announcement of the proposed acquisition on the parties' commercial relationships and workforce; the ability to satisfy the conditions to the closing of the acquisition; the ability to consummate the proposed acquisition on a timely basis or at all; significant and/or unanticipated difficulties, liabilities or expenditures relating to proposed transaction, risks related to disruption of management time from ongoing business operations due to the proposed acquisition and the ongoing integration of other recent acquisitions; our ability to effectively operate Embrace's operations and business following the closing, integrate Embrace's business and products into our products following the closing, and realize the anticipated synergies in the transaction in a timely manner or at all; changes in the fair value of our contingent consideration liability *associated with acquisitions or the fair value of our convertible senior notes and capped call transactions; developments and changes in general market, political, economic and business conditions; failure of our platformization product offerings; risks associated with managing our growth; risks associated with new product, subscription and support offerings; shifts in priorities or delays in the development or release of new product or subscription or other offerings or the failure to timely develop and achieve market acceptance of new products and subscriptions, as well as existing products, subscriptions and support offerings; failure of our product offerings or business strategies in general; defects, errors, or vulnerabilities in our products, subscriptions or support offerings; our customers' purchasing decisions and the length of sales cycles; our ability to attract and retain new customers; developments and changes in general market, political, economic, and business conditions; our competition; our ability to acquire and integrate other companies, products, or technologies in a successful manner; our debt repayment obligations; and our share repurchase program, which may not be fully consummated or enhance shareholder value, and any share repurchases which could affect the price of our common stock.*

Additional risks and uncertainties that could affect our financial results are included under the captions "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" in our Quarterly Report on Form 10-Q filed with the SEC on June 2, 2026, which is available on our website at investors.paloaltonetworks.com and on the SEC's website at www.sec.gov. Additional information will also be set forth in other filings that we make with the SEC from time to time. All forward-looking statements in this press release are based on information available to us as of the date hereof, and we do not assume any obligation to update the forward-looking statements provided to reflect events that occur or circumstances that exist after the date on which they were made.

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press@paloaltonetworks.com