



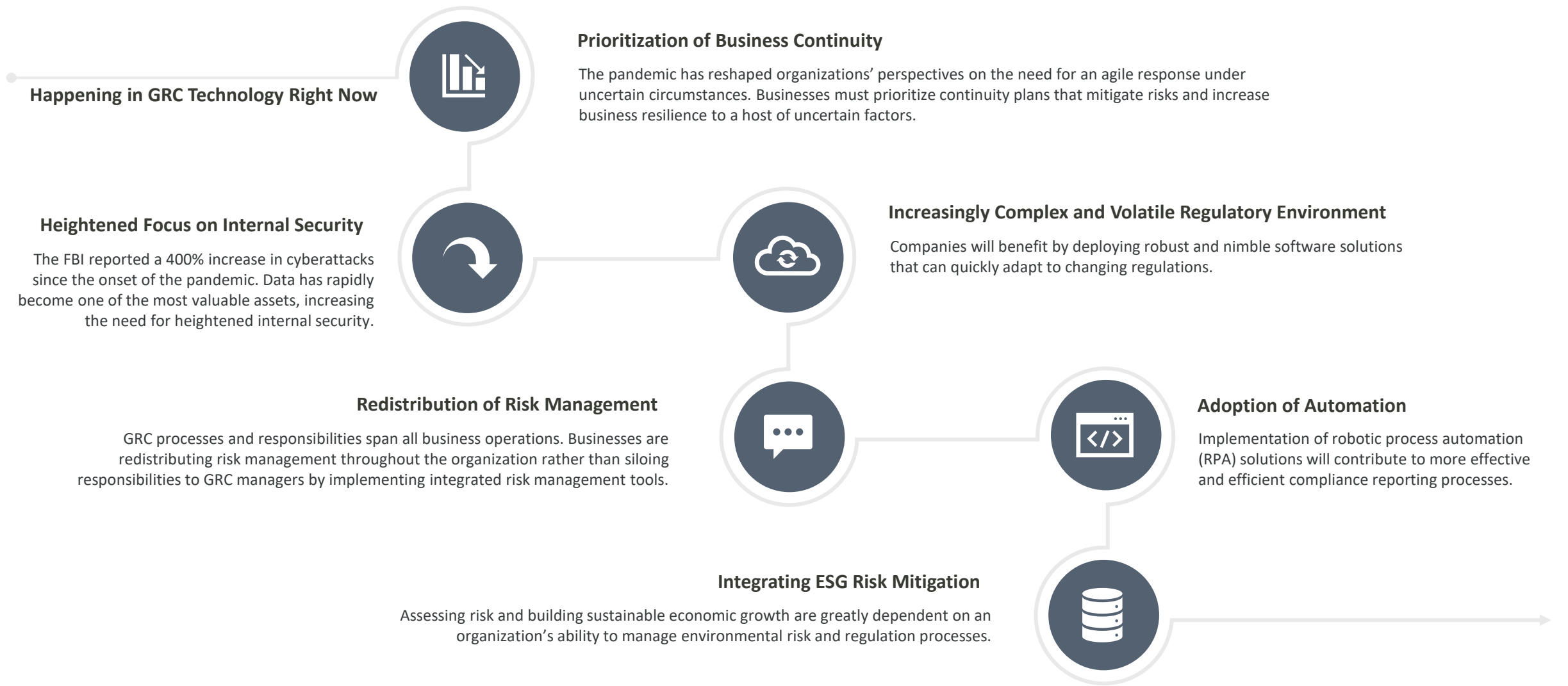
Compliance Technology Sector Update

Governance, Risk, and Compliance (GRC)

Harris Williams | Q4 2022

GRC Technology Observations and Key Trends

The need for GRC software is rapidly increasing due to the growing complexity and maturity of regulatory compliance and business risk.



Perspectives on GRC Technology

Integrated Risk Management (IRM)

Practices and processes supported by risk awareness and enabling technologies that improve decision making and performance through integration and management of risk control

Governance, Risk, and Compliance (GRC)



Solutions designed to manage business compliance and risk standards

Select Market Participants

ARCHER Camms. Diligent

SAI360 LOGICGATE LogicManager

Key Trends

- Corporate risk and compliance solutions that manage the ever-increasing complexities and inherent risks that confront organizations today
- Compliance-centric tools that help protect an organization's customers, business, and brand from systemic risks

IT and Operational Risk Management



Solutions that help identify, assess, and address operational and IT risks

Select Market Participants

Asigra. Prevalent. ProcessUnity

RECIPROCITY RESOLVER venminder

Key Trends

- Holistic solutions that can address regulatory, financial, IT, or vendor risk
- Operational risk tools that enable risk assessment, risk decision making, and risk control at a tactical level

Environment, Social, and Governance (ESG)

Solutions designed to manage, track, and measure ESG metrics and performance

What We're Reading

Reputation Is a Company's Most Precious Asset. How to Nurture and Preserve It?

Corporate Compliance Insights

A company can tarnish its reputation with a single instance of poor judgment. Organizations can benefit from following these four tips for nurturing and preserving their reputation.

Read the full article [here](#).

Creating an Internal Compliance Program in a Digital World

Forbes

A comprehensive compliance program within a company is mandatory and indispensable. These programs create a regulated and audited market, fostering good conduct which benefits both the company and its customers and partners.

Read the full article [here](#).

Four Methods for Keeping up With Changing Regulations

Corporate Compliance Insights

Increasing regulatory oversight, renewed geopolitical tensions, and Covid-19 have created unprecedented levels of regulatory change over the past few years. A new Gartner report identifies potential options available to legal and compliance leaders to cope with the pace of change.

Read the full article [here](#).

Risk Management Means Looking Beyond Current Problems


Forbes

The last few years have been a perfect example of how risk is unpredictable and ever-changing. Risk leaders need to be more proactive to identify what investments make sense right now to be prepared for the future.

Read the full article [here](#).


Recent Harris Williams Technology & Compliance Content

- Harris Williams EHS Software CEO Roundtable**



Link to Watch

- EHS and SCRM Sector Update**



Link to Read

Select Q3 2022 GRC Technology Transactions

Reciprocity announces \$60M growth investment from Francisco Partners



September 8, 2022

- Reciprocity is a provider of IT risk management software that ties an organization's risk directly to its business strategy
- The investment from Francisco Partners will accelerate product innovation and enhance Reciprocity's capabilities, including offering differentiated levels of functionality and deeper intelligence

Holland Capital invests in ComplianceWise



September 6, 2022

- ComplianceWise is a provider of financial software solutions primarily serving financial institutions, accounting organizations, and tax advisors to comply with Wwft (Money Laundering and Terrorism Financing Act)
- The investment from Holland Capital will help expand ComplianceWise into new markets across Europe

Unified Compliance secures strategic investment from Allomer Capital



August 23, 2022

- Unified Compliance is a provider of an extensive library of over 1,000 interdependent regulatory compliance documents
- The investment from Allomer Capital will support United Compliance's organizational headcount expansion efforts and position the company for continued growth via new tools and products

SteelEye raises \$21M in Series B to accelerate growth



August 18, 2022

- SteelEye is a provider of GRC software that assists financial institutions in complying with global regulations for record keeping and archiving, trade and communications surveillance, and reporting
- The investment, led by Ten Coves Capital, will allow SteelEye to continue rapid global expansion with a primary focus on the North American market

RLDatix acquires Galen Healthcare Solutions



July 26, 2022

- Galen Healthcare Solutions is a provider of services and solutions that help healthcare organizations meet data retention regulatory requirements
- The acquisition by RLDatix will expand their existing healthcare GRC product line to better support customers in meeting regulatory requirements for data retention and ensuring continuity of care for patients

Riskconnect acquires business resilience management company Castellan



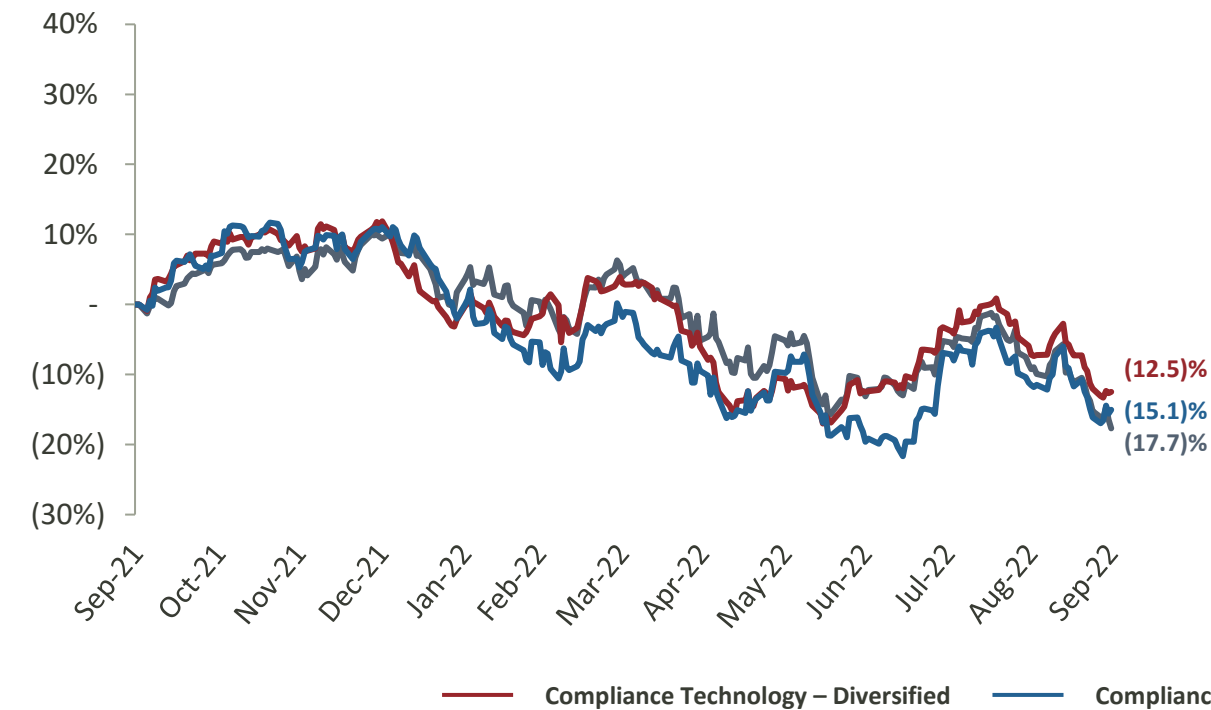
July 12, 2022

- Castellan is a provider of GRC software that helps companies identify vulnerabilities in their business continuity and recovery strategies
- The acquisition by Riskconnect will integrate Castellan's technology and product offerings directly into their platform. Castellan's customers will also benefit from Riskconnect's expanded IRM product capabilities

Compliance and Industrial Technology Public Company Trended Stock Performance¹

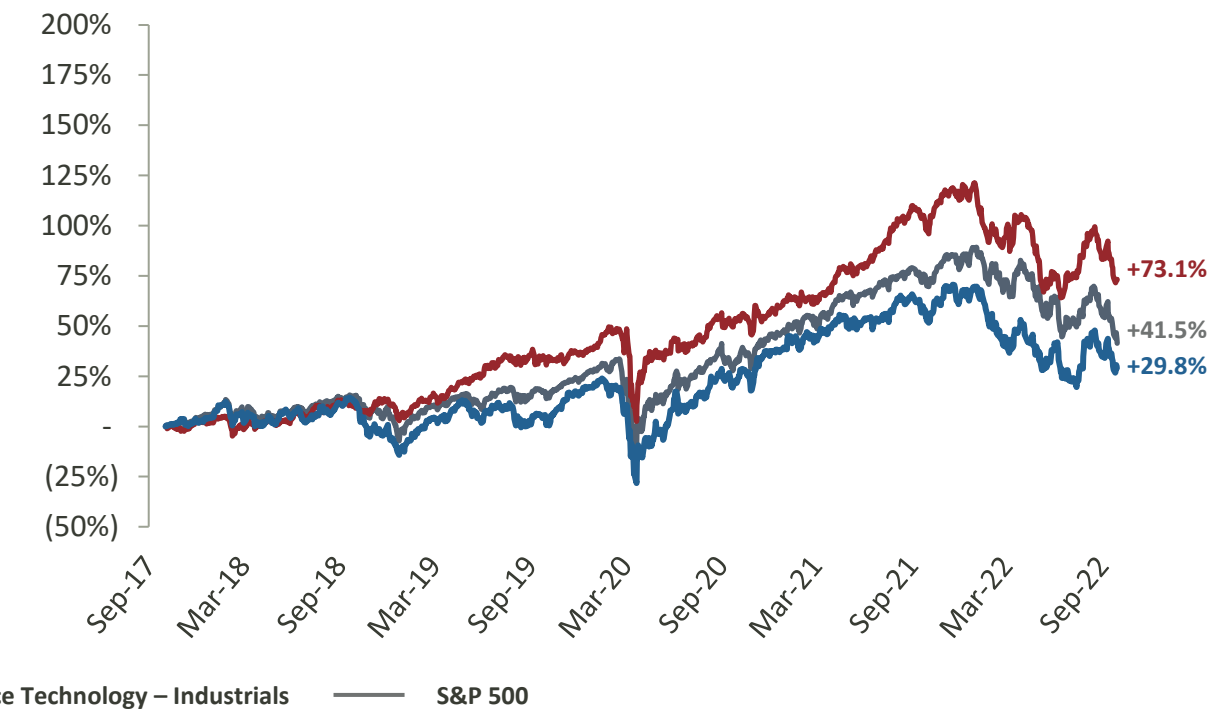
Public Company Stock Performance – Last 12 Months

Indexed Stock Price Performance for the period September 2021 – September 2022



Public Company Stock Performance – 5 Years

Indexed Stock Price Performance for the period September 2017 – September 2022

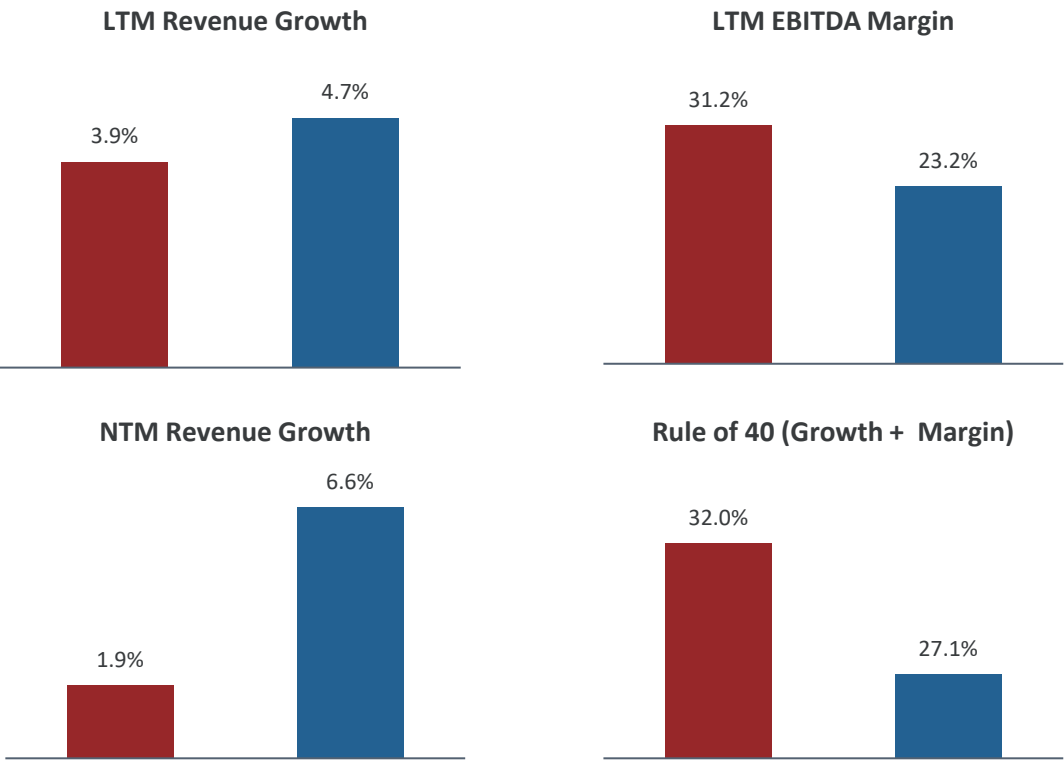


Compliance Technology – Diversified

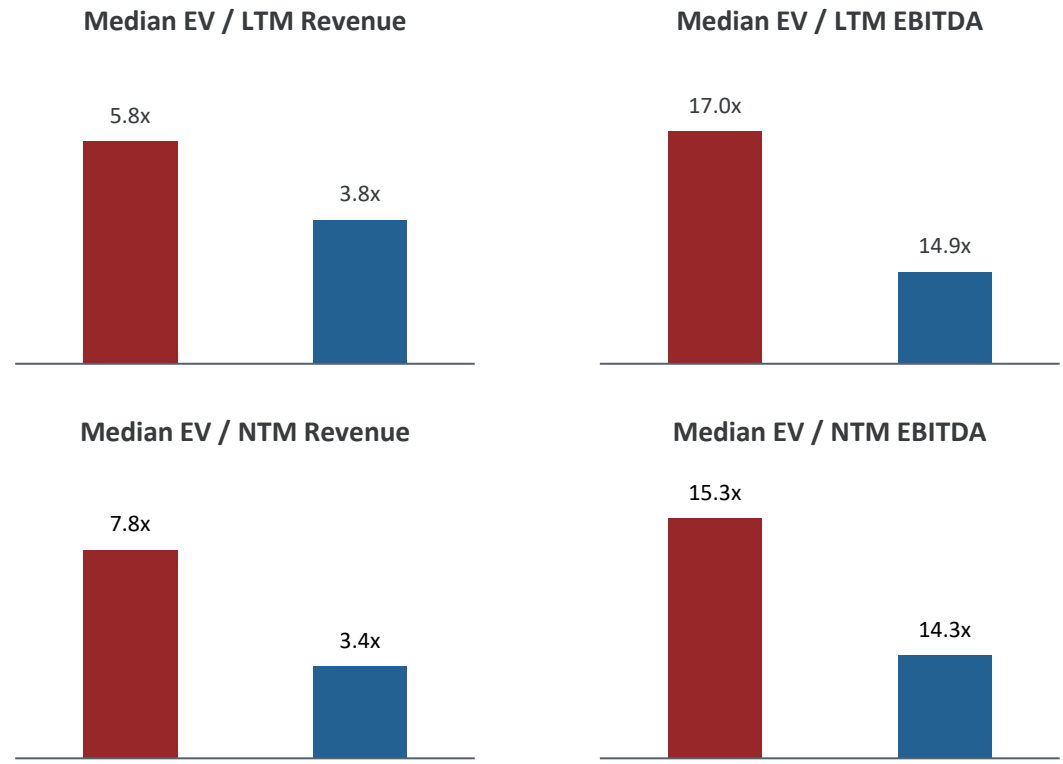
Compliance Technology – Industrials

Compliance and Industrial Technology Public Company Operating and Valuation Metrics²

Public Company – Operating Metrics



Public Company – Valuation Metrics




Compliance Technology – Diversified

Compliance Technology – Industrials


GRC Technology Market Landscape

To view full market map, please reach out to the contacts listed on page 8


Established GRC Platforms




Emerging GRC Platforms




IT Risk




IT Vendor Risk



Vendor Risk



Business Continuity



Harris Williams: At a Glance



- **30 years** and thousands of deals closed
- **100%** of revenue is from M&A advisory
- **10** industry groups with deep sector expertise
- **70%** of revenue from repeat clients
- **8** offices across the U.S. and Europe

The Harris Williams Technology Group

Technology Coverage Areas

Application Software • Infrastructure & Security Software • IT & Managed Services

Sector Coverage Areas

Architecture, Engineering, and Construction **Compliance** eCommerce & Retail Education
Government & Public Sector Healthcare Human Capital Management Industrial
Legal Office of the CFO Pharma Real Estate & Property Supply Chain & Logistics

Thematic Focus Areas

• SaaS/Cloud • Integrated Payments • Digital Transformation • AI/Machine Learning

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Harris Williams Compliance Technology Experience

Selected Compliance Tech Experience

 has acquired 	 has received a significant investment from  	 has made an investment in 	 has been acquired by 
 has been acquired by 	 has acquired 	 has acquired 	 has acquired 
 has been acquired by 	 has been acquired by 	 has acquired 	 has acquired 

Harris Williams Client Engagement Spotlight


has acquired


Company Background

Reporting 21 is a provider of innovative Environmental, Social, and Governance (ESG) performance solutions and advisory services to financial institutions and corporations

Successful Outcome

The transaction delivered another successful outcome within the EHS software sector. Reporting 21's profile has a strong fit within Cority's investment mandate and will further support the customer base as the company pursues its growth and expansion strategy in the years ahead.

Harris Williams served as exclusive financial advisor to Cority in this transaction.

Harris Williams Client Engagement Spotlight


has received a significant investment from



Company Background

360training is a leading provider of online, regulatory-approved training for professionals and businesses, primarily serving the Environmental, Health, and Safety (EHS), Food & Beverage, and Real Estate markets

Successful Outcomes











The transaction delivered another successful outcome within the professional training and regulatory compliance management sector. Vestar joins current investors GreyLion and RedHawk Management to support the Company's organic growth initiatives and accelerate its proven M&A strategy.

Harris Williams served as exclusive financial advisor to 360training in this transaction.

Harris Williams Capabilities and Locations



Harris Williams has a broad range of industry expertise, which creates powerful opportunities. Our clients benefit from our deep sector experience, integrated industry intelligence and collaboration across the firm, and our commitment to learning what makes them unique. For more information, visit our website at www.harriswilliams.com.

	Aerospace, Defense and Government Services		Business Services		Building Products and Materials		Consumer		Energy, Power and Infrastructure
	Healthcare and Life Sciences		Industrials		Specialty Distribution		Technology		Transportation and Logistics

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Cleveland 1900 East 9th Street 25th Floor Cleveland, Ohio 44114 Phone: +1 (216) 689-2400	Richmond 1001 Haxall Point 9th Floor Richmond, Virginia 23219 Phone: +1 (804) 648-0072	Washington, D.C. 800 17th St. NW 2nd Floor Washington, D.C. 20006 Phone: +1 (202) 207-2300	Frankfurt Bockenheimer Landstrasse 33-35 60325 Frankfurt Germany Phone: +49 069 3650638 00
			London 25 Savile Row 4th Floor London, England W1S 2ER Phone: : +44 20 7518 8900

Sources and Disclosures

Sources

- 1. S&P Capital IQ
- 2. Pitchbook

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Appendix

Public Market Operational and Valuation Metrics ^{1 2}

As of September 30, 2022

\$ in Millions

<i>\$ in Millions</i>	Market	Enterprise	% of 52-Week	LTM	LTM	Enterprise Value/			
Company	Capitalization	Value	High	Gross Margin	EBITDA Margin	LTM Revenue	NTM Revenue	LTM EBITDA	NTM EBITDA
Compliance Technology -- Diversified									
Intercontinental Exchange, Inc.	\$50,457	\$68,054	64.6%	100.0%	61.9%	9.3x	9.1x	15.0x	13.9x
Nasdaq, Inc.	27,843	33,250	79.1%	58.3%	32.1%	5.4x	9.1x	17.0x	16.4x
RELX PLC	46,927	55,172	89.1%	64.3%	31.2%	5.8x	5.6x	18.6x	15.0x
Thomson Reuters Corporation	49,937	53,369	90.5%	35.6%	26.3%	8.2x	7.8x	31.1x	21.0x
Wolters Kluwer N.V.	24,094	26,410	89.7%	71.2%	30.4%	5.0x	4.9x	16.3x	15.3x
Median	\$46,927	\$53,369	89.1%	64.3%	31.2%	5.8x	7.8x	17.0x	15.3x
Compliance Technology -- Industrials									
Aspen Technology, Inc.	\$15,348	\$15,253	99.0%	58.6%	30.4%	31.6x	13.0x	NM	28.8x
Dassault Systèmes SE	46,056	46,578	62.9%	84.0%	24.6%	8.5x	8.2x	34.6x	21.8x
Emerson Electric Co.	43,295	58,870	72.9%	40.9%	22.1%	3.1x	2.9x	13.9x	11.3x
Schneider Electric S.E.	63,655	77,227	65.4%	40.6%	18.6%	2.4x	2.3x	12.7x	11.6x
Fortive Corporation	20,731	23,736	73.0%	57.4%	25.0%	4.3x	4.0x	17.2x	15.4x
Honeywell International Inc.	112,486	124,558	73.1%	32.1%	24.3%	3.6x	3.4x	14.9x	13.2x
Rockwell Automation, Inc.	24,831	29,069	60.6%	39.4%	18.4%	3.9x	3.5x	21.2x	15.8x
Siemens Aktiengesellschaft	78,354	127,423	64.1%	35.6%	14.2%	1.8x	1.8x	12.5x	8.2x
Median	\$44,675	\$52,724	69.1%	40.8%	23.2%	3.8x	3.4x	14.9x	14.3x