



Compliance Technology Sector Update

Governance, Risk, and Compliance (GRC)

Harris Williams | Q1 2022

Perspectives on GRC Technology

Integrated Risk Management (IRM)

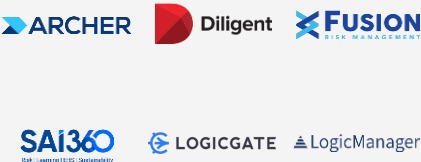
Practices and processes supported by risk awareness and enabling technologies that improve decision making and performance through integration and management risk control

Governance, Risk, and Compliance (GRC)



Solutions designed to manage business compliance and risk standards

Select Market Participants



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



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 performance

GRC Technology Observations and Key Trends

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



What We're Reading

Risk governance "critical for bank success" says ABA SVP of Risk

Banking Exchange

Synopsis of the "Top Bank Risks for 2022" report that indicates risk mitigation has become a main priority for financial services institutions.

Read the full article [here](#).

U.S. regulators raise expectations of third-party risk management

JDSUPRA
Results of the 2021 ESG & Compliance Survey find that organizations are challenged by properly managing systemic risk as it relates to broader ESG and Compliance reporting.

Read the full article [here](#).

41% of GRC professionals adopting cloud-based technology in post-pandemic recovery

Security Magazine
GRC efficiency is a strategic priority for the C-suite in a post-pandemic world, leading to an acceleration of GRC technology adoption.

Read the full article [here](#).

Survey highlights need for better data integration between risk and compliance

Compliance Week
Lack of interoperability between risk, compliance, and audit leads to siloed data and impedes a company's ability to detect and respond to emerging risk within the organization.

Read the full article [here](#).

Recent HW Technology & Compliance Content

- Harris Williams Technology Group 2022 Outlook



[Link to Read](#)

- EHS and SCRM Sector Update



[Link to Read](#)

Select 2021 GRC Technology Transactions

TA Associates completes growth investment in Riskconnect



Target



Buyer

November 11, 2021

- Riskconnect is a provider of integrated risk management software solutions that serves more than 950 customers across six continents.
- The growth investment from TA Associates will be used to expand Riskconnect's go-to-market programs and enable it to continue development of complementary solutions.

Ideagen acquires CompliSpace



Target



Buyer

November 9, 2021

- CompliSpace is a provider of risk-based software programs and education to organizations principally in the education and social care sectors.
- The acquisition expands Ideagen's reach to the Australian market, where there is a significant opportunity to sell its existing product suite.

Marlin Equity acquires ProcessUnity



Target



Buyer

September 28, 2021

- ProcessUnity is a provider of third-party risk and cybersecurity management software solutions.
- Marlin will leverage its operating resources to accelerate existing growth initiatives and invest in adjacent solutions.

SAI360 sells assurance business to Intertek



Target



Buyer

September 7, 2021

- SAI Global Assurance is a provider of compliance and quality assurance solutions.
- Following the sale, SAI Global will rebrand as SAI360, going to market as a comprehensive, pure-play ESG platform with a unified market presence and identity.

PSG investments in LogicGate



Target



Buyer

July 28, 2021

- LogicGate is a provider of transformative risk and compliance solutions.
- The investment will be used to advance LogicGate's product and platform capabilities, enabling it to deliver a more comprehensive risk management solution.

Diligent acquires Galvanize and Steele Compliance



Target



Buyer

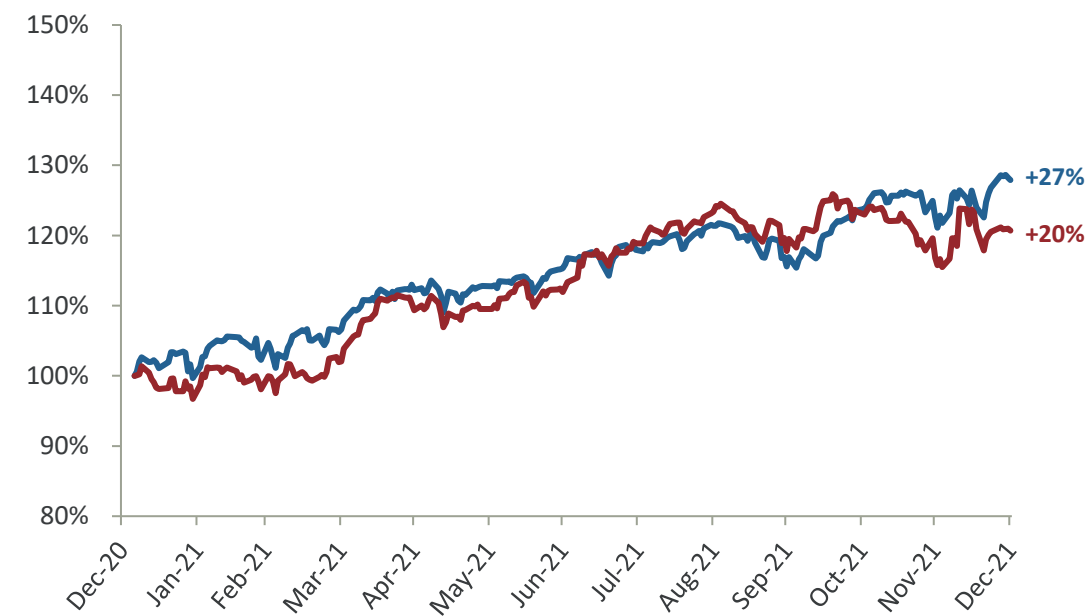
April 7, 2021

- Galvanize is a provider of cloud-based security, risk, compliance, and audit software for large enterprises.
- Steele Compliance Solutions is a provider of an ethics and compliance management platform.
- With both acquisitions, Diligent is now one of the largest GRC SaaS providers, offering a comprehensive solution suite to meet its clients' every GRC need.

Compliance Technology Public Company Trended Stock Performance¹

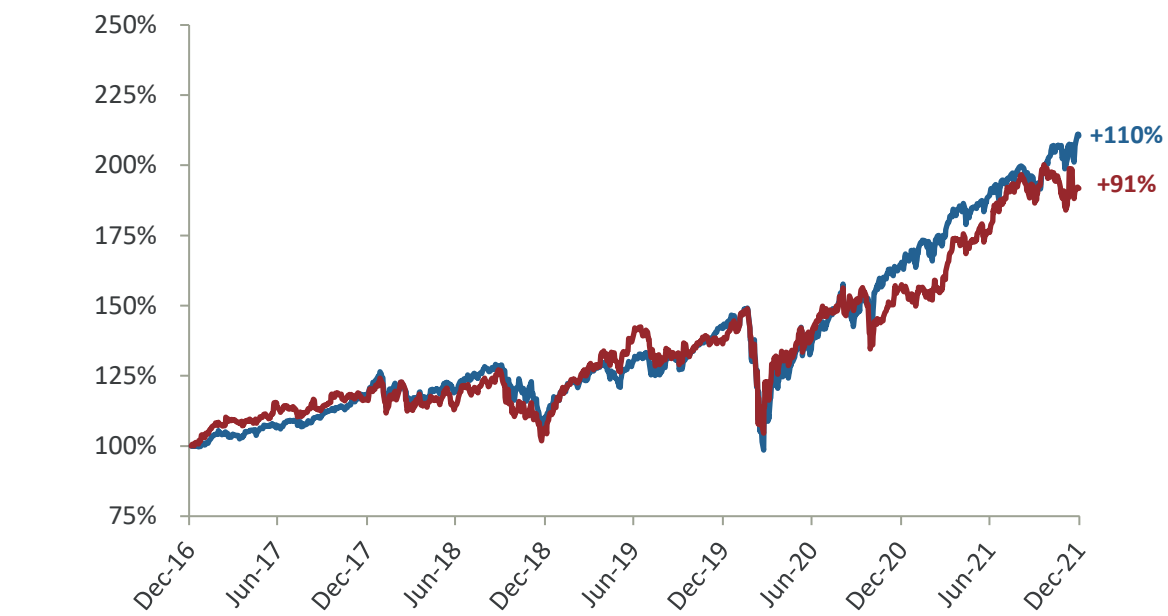
Public Company Stock Performance – Last 12 Months

Indexed Stock Price Performance for the period December 2020 – December 2021



Public Company Stock Performance – 5 Years

Indexed Stock Price Performance for the period December 2016 – December 2021



— Compliance Software — S&P 500

Compliance Technology

Broadridge

DXC technology

ECC ONLINE

fiserv.

Ideagen

IBM

MICRO FOCUS

MSCI

ORACLE

PEGA

RELX

SAP

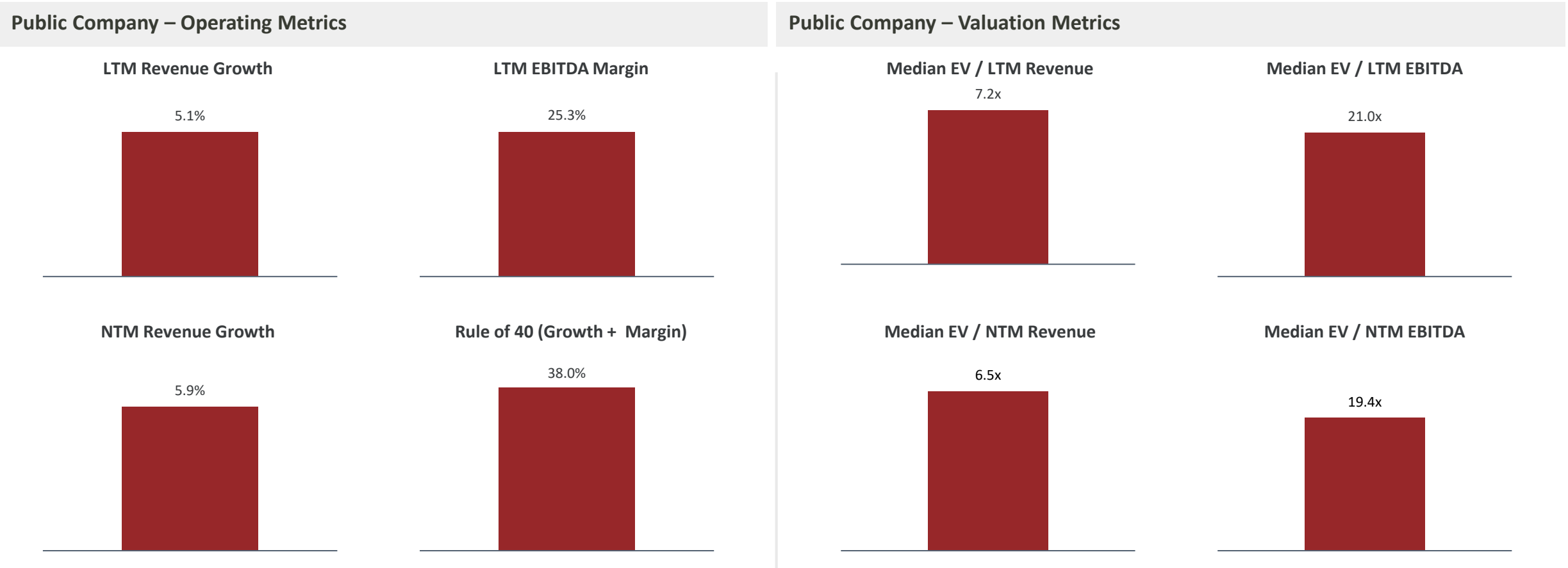
servicenow

THOMSON REUTERS

Verisk

Wolters Kluwer

Compliance Technology Public Company Operating and Valuation Metrics¹



Compliance Technology

Broadridge

DXC technology

ECC ONLINE

fiserv.

Ideagen

IBM

MICRO FOCUS

MSCI

ORACLE

PEGA

RELX

SAP

servicenow

THOMSON REUTERS


Verisk

Wolters Kluwer


GRC Technology Market Landscape

To view full market map please contact:
hwTech_Compliance@harriswilliams.com


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 US and Europe

The Harris Williams Technology Group

- **35+** dedicated professionals in Boston, London, and San Francisco
- **45** closed technology transactions since January 2020

Technology Coverage Areas

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

Sector Coverage Areas

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

Thematic Focus Areas

- SaaS / Cloud
- Integrated Payments
- Digital Transformation
- A.I. / Machine Learning

Harris Williams Contacts

Erik Szyndlar
Managing Director
eszyndlar@harriswilliams.com
(415) 217-3418



Brian Titterington
Director
btitterington@harriswilliams.com
(415) 217-3425

Mathew Tsui
Director
mtsui@harriswilliams.com
+44 20 7518 8900





Thierry Monjauze
Head of Technology Group
Managing Director
tmonjauze@harriswilliams.com
+44 20 7518 8901

Harris Williams' Compliance Technology Experience



Selected Compliance Tech Transaction Experience

 <p>has been acquired by</p> 	 <p>has acquired</p> 	 <p>has acquired</p> 	 <p>has acquired</p> 
 <p>has been acquired by</p> 	 <p>has been acquired by</p> 	 <p>has acquired</p> 	 <p>has acquired</p> 
 <p>has been acquired by</p> 	 <p>has been acquired by</p> 	 <p>has been acquired by</p> 	 <p>has been acquired by</p> 

Harris Williams' Transaction Spotlight

 <p>has acquired</p> 	<p>Company Background</p> <p>Cority is a provider of SaaS-based environmental, health, safety, and quality (EHSQ) software solutions to enterprise customers globally across diverse end-markets</p> <p>Successful Outcomes</p> <p>The WeSustain transaction delivered another successful outcome for Cority within the EHS software sector. The acquisition enhances Cority's product offering across EHS and sustainability.</p> <p>As a market leader with an attractive customer base, high retention, and proven M&A platform, Cority was a well sought-after asset in the EHSQ sector. Thoma Bravo's investment will allow Cority to further expand its solution offering, turning Cority into a full-scale EHS platform.</p> <p>Harris Williams served as the lead financial advisor to Cority in both transactions.</p>
 <p>has been acquired by</p> 	

Harris Williams' Transaction Spotlight

 <p>has been acquired by</p> 	<p>Company Background</p> <p>TPC is a provider of industrial skills and workplace safety training, performance management, and environmental, health and safety (EHS) compliance SaaS solutions.</p> <p>Successful Outcome</p> <p>The transaction delivered another successful outcome within the compliance tech sector. The combination of TPC and American Safety Council (ASC) brings together two highly complementary companies that sit at the center of workforce development and enterprise compliance.</p> <p>Harris Williams served as exclusive financial advisor to TPC, a portfolio company of Frontenac Company, in this transaction.</p>
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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 & Government Services		Business Services		Building Products & Materials		Consumer		Energy, Power & Infrastructure
	Healthcare & Life Sciences		Industrials		Specialty Distribution		Technology		Transportation & Logistics

Office Locations

United States		Europe	
Boston One International Place Suite 2620 Boston, Massachusetts 02110 Phone: +1 (617) 482-7501	Minneapolis 222 South 9th Street Suite 3350 Minneapolis, Minnesota 55402 Phone: +1 (612) 359-2700	San Francisco One Market Plaza, Steuart Tower 11th Floor San Francisco, California 94105 Phone: +1 (415) 288-4260	Frankfurt Bockenheimer Landstrasse 33-35 60325 Frankfurt Germany Phone: +49 069 3650638 00
Cleveland 1900 East 9th Street 25th Floor Cleveland, Ohio 44114 Phone: +1 (216) 689-2400	Richmond (Headquarters) 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	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

Disclosures and Disclaimers

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Appendix

Public Market Operational and Valuation Metrics

As of December 31, 2021

\$ in Thousands

<i>\$ in Thousands</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									
Oracle Corporation	\$232,890	\$288,926	82.0%	80.0%	44.5%	7.0x	6.7x	15.7x	13.6x
SAP SE	167,553	175,034	96.3%	72.3%	25.6%	5.5x	5.4x	21.6x	16.2x
ServiceNow, Inc.	129,170	128,080	91.7%	77.1%	12.7%	21.7x	18.4x	NM	58.5x
International Business Machines Corporation	119,866	167,851	87.5%	54.9%	20.9%	2.9x	2.9x	14.0x	9.5x
Fiserv, Inc.	68,525	89,569	81.5%	51.5%	35.4%	5.7x	5.2x	16.0x	13.0x
RELX PLC	62,735	71,581	98.0%	65.7%	31.4%	7.4x	6.9x	23.6x	18.5x
Thomson Reuters Corporation	58,230	60,686	96.6%	35.0%	25.0%	9.7x	9.3x	38.8x	28.7x
MSCI Inc.	50,514	53,564	90.1%	82.4%	58.2%	26.2x	23.8x	45.0x	41.2x
Verisk Analytics, Inc.	36,862	39,985	98.8%	64.3%	44.8%	13.6x	12.7x	30.3x	25.9x
Wolters Kluwer N.V.	30,458	33,324	98.4%	71.0%	30.1%	6.1x	6.1x	20.4x	19.6x
Broadridge Financial Solutions, Inc.	21,348	25,512	98.6%	28.0%	20.8%	4.7x	4.5x	22.8x	19.4x
Pegasystems Inc.	9,133	9,469	75.1%	72.5%	NM	7.9x	6.7x	NM	81.3x
DXC Technology Company	8,120	11,334	72.9%	22.5%	13.2%	0.7x	0.7x	5.2x	4.1x
Micro Focus International plc	1,899	6,075	70.1%	75.4%	21.0%	2.0x	2.2x	9.7x	6.0x
Ideagen plc	1,092	1,096	82.1%	91.6%	9.0%	10.6x	8.7x	NM	25.5x
EcoOnline Holding AS	385	374	73.2%	33.1%	NM	7.7x	6.4x	NM	NM
Median	\$43,688	\$46,775	88.8%	68.3%	25.3%	7.2x	6.5x	21.0x	19.4x

Recent Sector Transactions Detail

Announced Date	Target	Buyer	Description	Enterprise Value (\$M)
12/15/21	Safety Plus	Lone Tree	Safety Plus is a provider of safety management, contractor management, and compliance solutions for a diverse set of industries.	NA
12/9/21	RIA in a Box	ComplySci	RIA in a Box is a provider of compliance, cybersecurity, and operational software serving the wealth management industry.	NA
12/8/21	QIMA	CDPQ	QIMA is a provider of supply chain quality management solutions for the non-durable and durable consumer goods, food, and industrial parts end-markets.	NA
12/8/21	Planetly	Onetrust	Planetly is a provider of software solutions enabling companies to analyze and reduce their carbon emissions.	NA
12/3/21	PassFort	Moody's Corporation	PassFort is a provider of identity verification, customer onboarding, and risk analysis solutions for regulated end markets.	NA
12/1/21	Six Lambda	StarCompliance	Six Lambda is a provider of conflict of interest and political contribution monitoring software.	NA
12/1/21	TPC	American Safety Council	TPC is a provider of industrial skills and workplace safety training, performance management, and environmental, health & safety (EHS) compliance SaaS solutions.	HW Confidential
11/18/21	illumis	ComplySci	illumis is a provider of conflict of interest and political contribution monitoring software.	NA
11/15/21	CompliancePath	Ideagen	CompliancePath is a provider of validation and assurance software serving the healthcare and life science sectors.	\$12.0
11/10/21	Riskconnect	TA Associates	Riskconnect is a provider of integrated risk management software solutions serving a variety of end markets.	NA
11/9/21	CompliSpace	Ideagen	CompliSpace is a provider of GRC and policy management software based out of Australia.	\$81.0
11/9/21	Compliance Solutions Strategies	Confluence Technologies	Compliance Solutions Strategies is a provider of regulatory software serving financial service organizations.	NA
11/9/21	Colibra	Battery Ventures	Colibra is a provider of data governance and catalog software for large enterprises.	NA
11/9/21	Zenwork	Spectrum Equity	Zenwork is a provider of digital tax and regulatory reporting software.	NA
11/5/21	Drata	ICONIQ Growth	Drata is a provider of security and compliance automation software.	NA
11/2/21	Laika	Bain Capital Venture Partners	Laika is a provider of compliance and security certification software.	NA
10/27/21	Audit Analytics	Ideagen	Ives Group is a provider of audit compliance software serving financial services.	\$49.9
10/21/21	NRS	ComplySci	National Regulatory Sciences is a provider of regulatory compliance software solutions for the financial services sector.	NA
10/14/21	Pentana Compliance	Star Compliance	Pentana Compliance, a division of Ideagen, is a provider of regulatory compliance software solutions for financial services businesses.	NA
10/11/21	Scivera	Enhesa	Scivera is a provider of cloud-based chemical safety training platform.	NA
10/7/21	iCIX North America	Riskconnect	ICIX is a provider of cloud-based supply chain risk management and compliance solutions that manage, monitor, and verify ESG performance.	NA
9/21/21	CareSafely	Vector Solutions	CareSafely is a provider of quality, safety, and compliance software and content to senior living and long-term care providers.	NA