



# Compliance Technology Sector Update

Environmental, Health and Safety (EHS), and Supply Chain Risk Management (SCRM)

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Harris Williams | Q3 2022

# Harris Williams Hosts EHS Compliance-Focused Panel With Industry CEOs



## Key Topics and Questions

- › **ESG in Today's Market** – How are your customers engaging with you around their ESG initiatives?
- › **ESG Technology Adoption** – How are companies evolving in adoption of technology to address their compliance needs?
- › **Primary Purchases of ESG Solutions** – How has the buyer persona changed over the last couple years?
- › **The Future of EHS and ESG** – Where do you view the next frontiers?

## Panel Participants



**Erik Szyndlar**  
*Managing Director*  
Harris Williams  
Panel Moderator



**Peter Granat**  
*Chief Executive Officer*  
SAI360



**Chris Fanning**  
*Chief Executive Officer*  
KPA

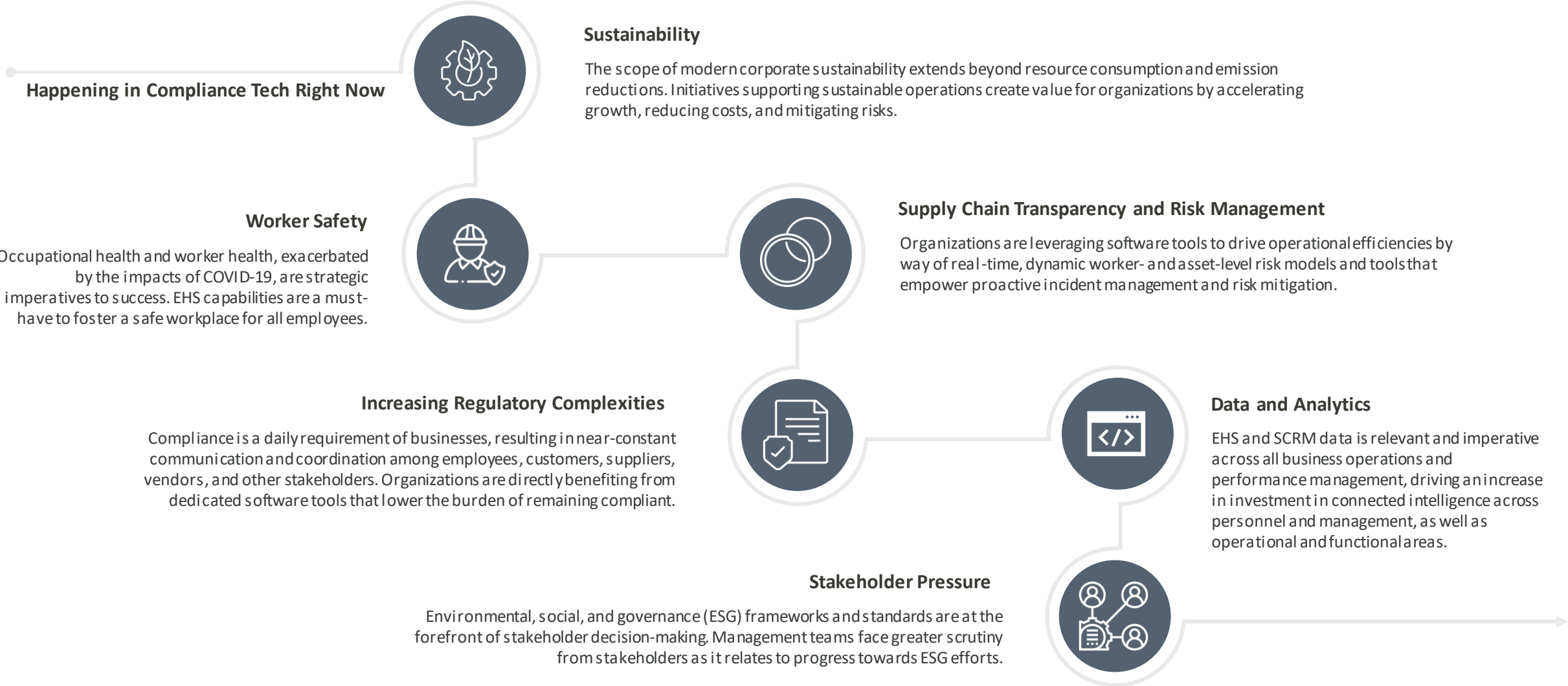


**Chad Birkelbaw**  
*Chief Executive Officer*  
Health and Safety Institute

To Watch a Recording Click Link [Here](#)

# EHS and SCRM Technology Observations and Key Trends

Increasing focus on worker safety, supply chain visibility, and sustainability is driving adoption of EHS and Supply Chain Risk Management solutions.



# Perspectives on EHS and SCRM Technology

## Environmental, Social, and Governance (ESG)

Solutions designed to manage, track, and measure ESG performance

### Environmental, Health, and Safety (EHS)



Solutions that streamline environmental, health, and safety management, and improve health and safety performance

#### Select Market Participants



#### Key Trends

- Cloud deployment with mobile functionalities
- Necessity of EHS training throughout the entire organization
- Convergence of employee safety and asset risk management
- Heightened regulatory and investor focus on sustainable business practices
- Data aggregation and benchmarking relating to sustainability commitments

### Supply Chain Risk Management (SCRM)



Solutions that manage supply chain and vendor risk

#### Select Market Participants



#### Key Trends

- Increased focus on supply chain transparency and risk mitigation
- Integration of climate risk, sustainability, and resilience
- Demand for tier 1 supplier sustainability initiatives
- Interest in platforms with end-to-end capabilities
- Growing importance of marketplaces with high network nodal density

# What We're Reading

## Safety Technology in the Workplace

### Safety + Health

Organizations are increasingly leveraging technology to eliminate workplace injuries as employee health and safety becomes a greater focus for employees and employers.

Listen to the full episode [here](#).

## Workplace Safety More Important Than Ever for Employed Americans

### EHS Today

Despite a heightened focus on employee safety, concerns remain regarding employers' ability to facilitate a safer workplace, as a recent study shows that only 55% of working Americans feel their employer has made more of an effort to ensure their safety than in previous years.

Read the full article [here](#).

## 7 Mistakes Companies Make With Safety Technology

### EHS Today

Implementation of safety technology does not guarantee workplace safety; an effective workplace safety program requires several different integrated systems that work together with seamless coordination.

Read the full article [here](#).

## Are You Ready for OSHA's Wave of New Rules?

### EHS Daily Advisor

OSHA is moving forward with a significant number of new regulatory standards, primarily in the healthcare sector. However, many expect the new regulations to affect both employees and employers across multiple industries.

Read the full article [here](#).

## Recent Harris Williams Technology and Compliance Content

- **Alcumus Deal Snapshot**



[Click to Read](#)

- **GRC Sector Update**



[Click to Read](#)

# Select Q2 2022 EHS and SCRM Technology Transactions

## Alcumus Acquires Cognibox



June 30, 2022

- Cognibox is a provider of contractor management, training, and employee compliance solutions
- The acquisition will support Alcumus' plan to expand its customer base geographically; the combined entity will have an aggregate of 50,000+ customers

## Lisam Systems Secures Investment by Keensight Capital\*



June 21, 2022



- Lisam Systems is a provider of environmental, health and safety compliance management software solutions and services
- The investment from Keensight will expand Lisam's existing SaaS EHS risk and compliance platform and assist the company in developing its sales and marketing team

## Ecovadis Secures \$500M Investment by Astorg



June 14, 2022

- EcoVadis is a provider of business sustainability ratings, intelligence, and collaboration performance improvement tools to over 95,000 customers
- The investment from Astorg will enable EcoVadis to scale its platform to meet growing market demand while also allowing the company to increase traction in the SME and private companies space

## Apax Acquires EcoOnline



June 14, 2022

- EcoOnline is a provider of a SaaS-based environmental, health, and safety management solutions
- The acquisition by Apax will further support management in executing their current growth plan to expand EcoOnline's presence both organically and through strategic M&A

## AMCS Acquires Quentic



May 12, 2022

- Quentic is a provider of a SaaS-based EHSQ and ESG management platform
- The acquisition of Quentic will expand AMCS' existing portfolio of digital solutions while increasing the company's customer base and geographic reach

## FoodChain ID Acquires Promag



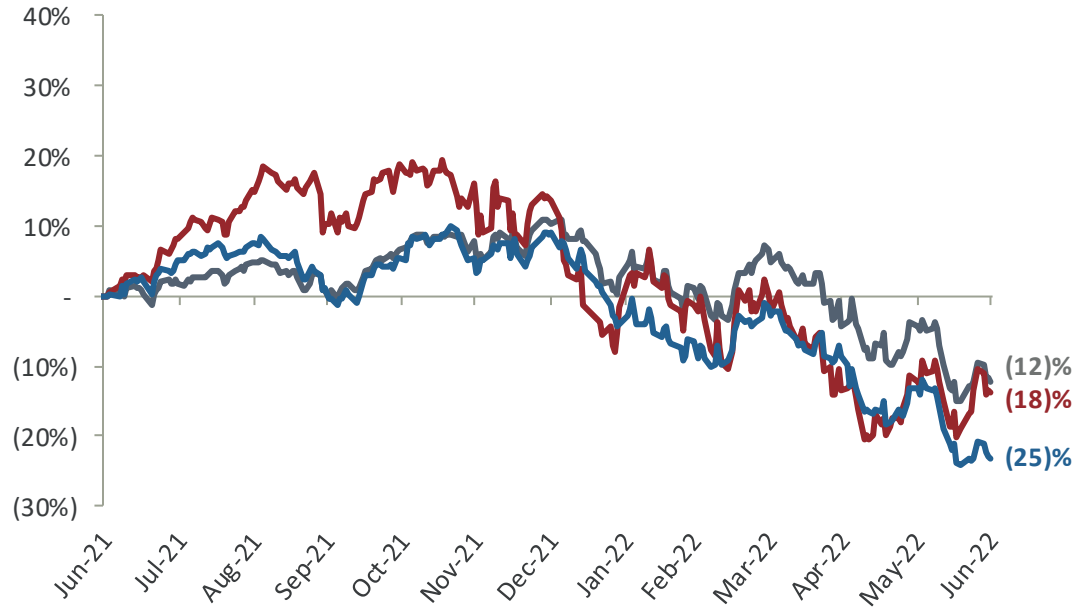
April 21, 2022

- Promag is a provider of feed safety certification solutions with a strong presence in the European markets
- Promag's technical services, testing, and food operations will complement FoodChain ID's existing platform and enable FoodChain ID to better serve discrete European markets

# Compliance and Industrial Technology Public Company Trended Stock Performance<sup>1</sup>

## Public Company Stock Performance – Last 12 Months

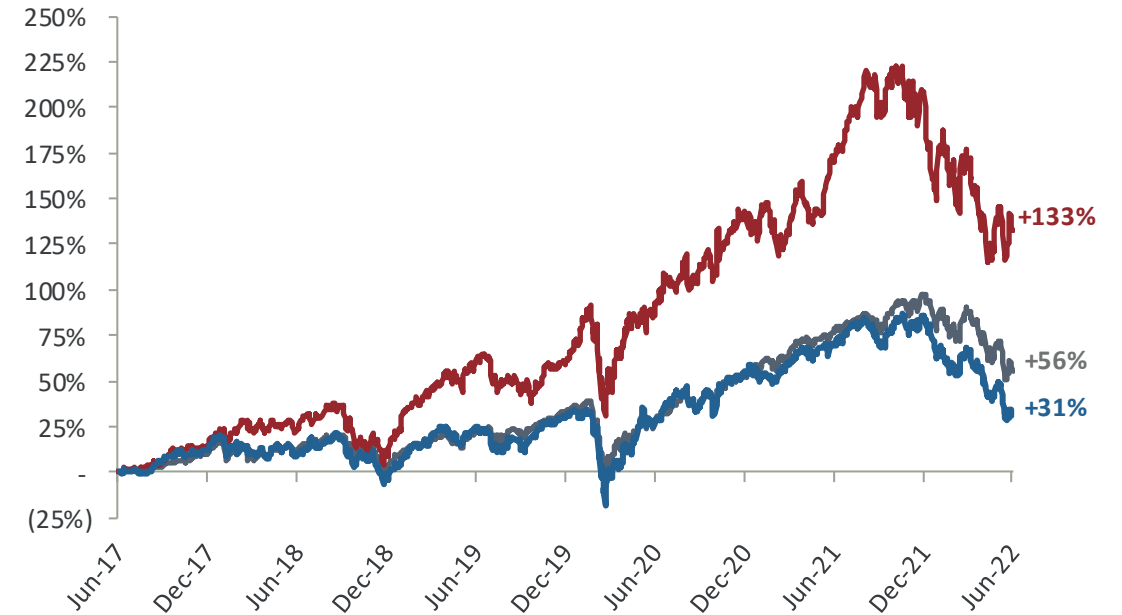
Indexed Stock Price Performance for the period June 2021 – June 2022



— Compliance Software — Industrial Software — S&P 500

## Public Company Stock Performance – 5 Years

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

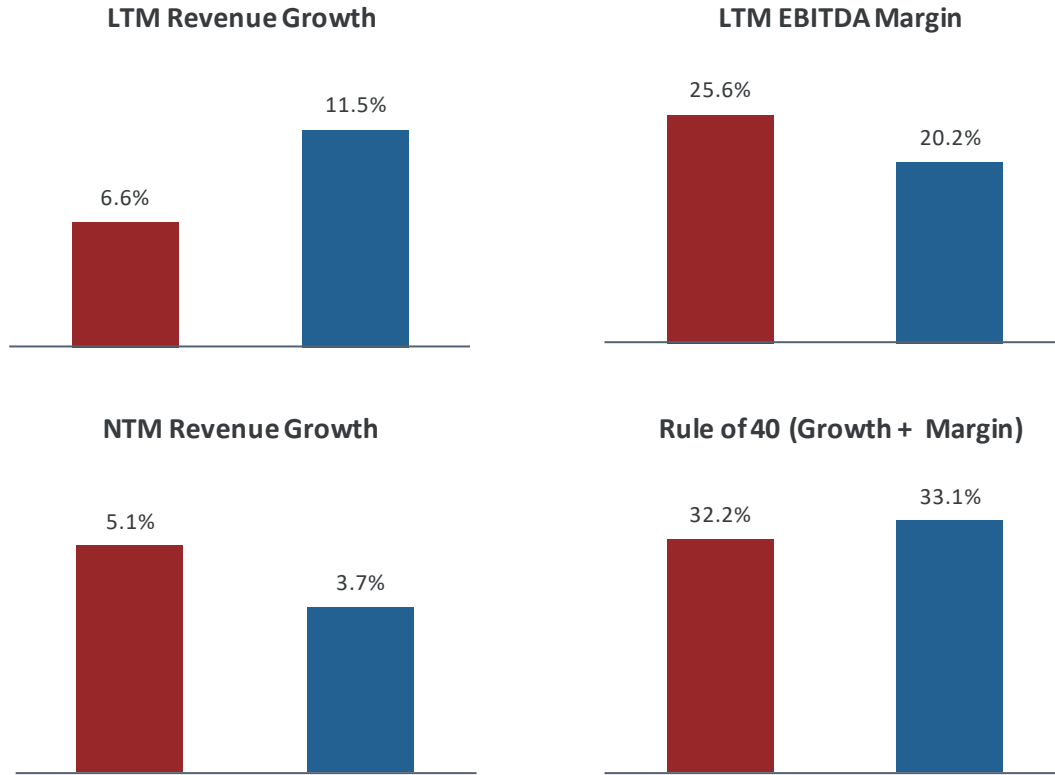


### Compliance Technology

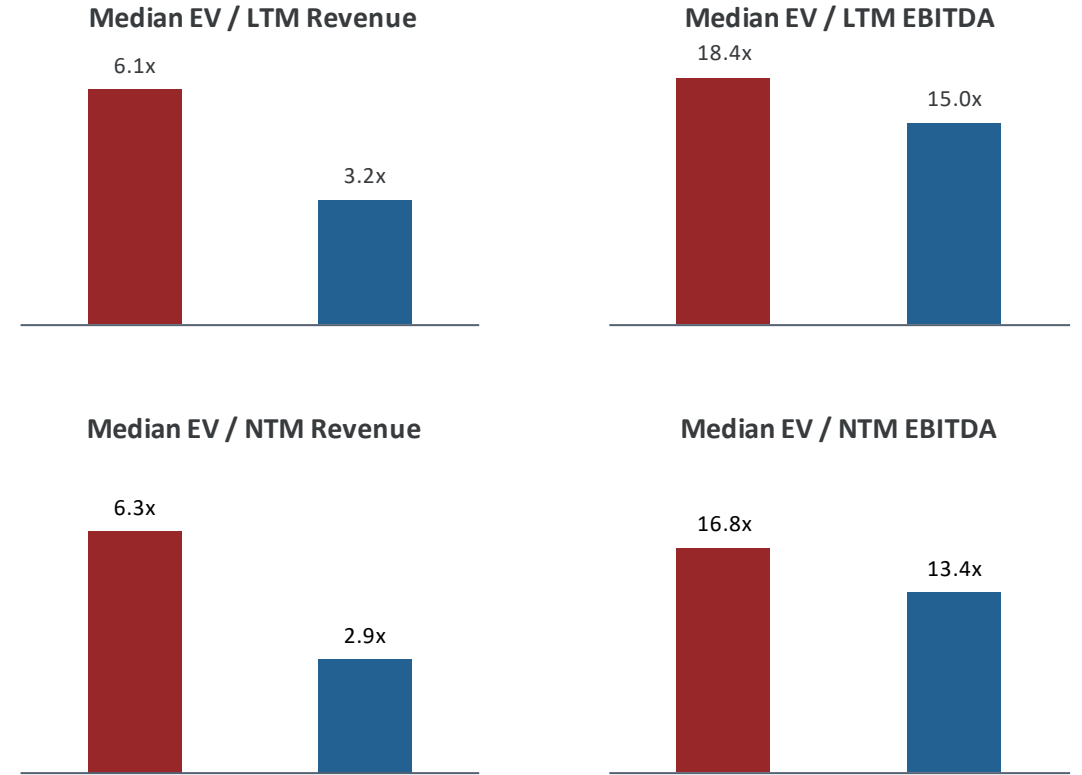
### Industrial Technology

# Compliance and Industrial Technology Public Company Operating and Valuation Metrics<sup>1</sup>

## Public Company – Operating Metrics



## Public Company – Valuation Metrics



### Compliance Technology

DXC technology

IBM

MSCI

RELX

servicenow

THOMSON REUTERS

Wolters Kluwer

### Industrial Technology

DASSAULT SYSTEMES

EMERSON

FORTIVE

Honeywell

Rockwell Automation

ROPER

Schneider Electric

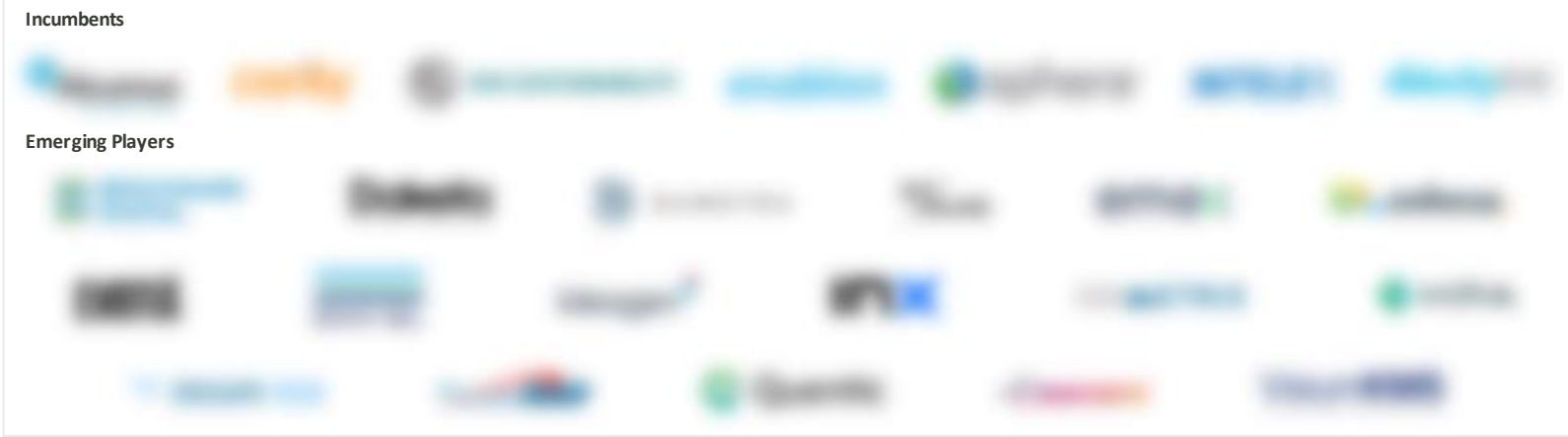
SIEMENS



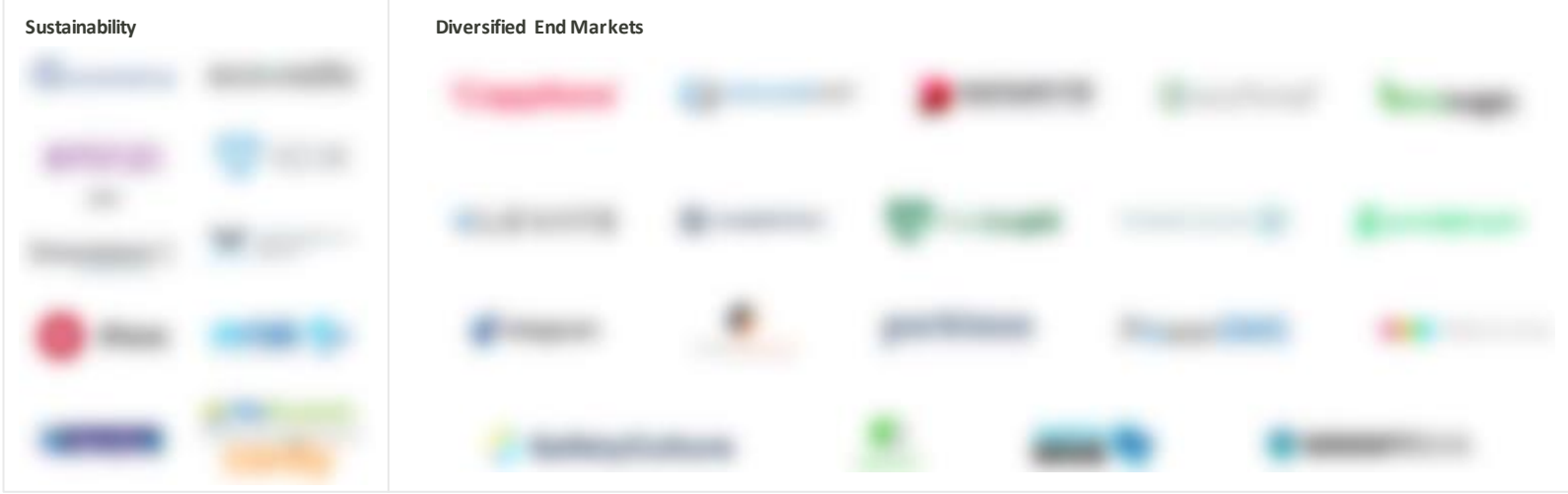
# EHS and SCRM Technology Market Landscape

To view full market map please contact:  
[hwTech\\_Compliance@harriswilliams.com](mailto:hwTech_Compliance@harriswilliams.com)

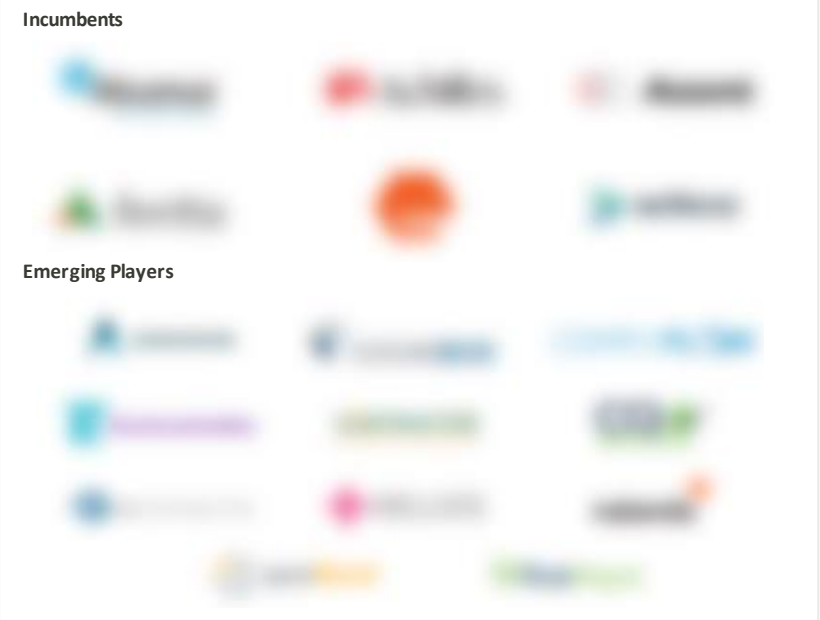
## EHS Platforms



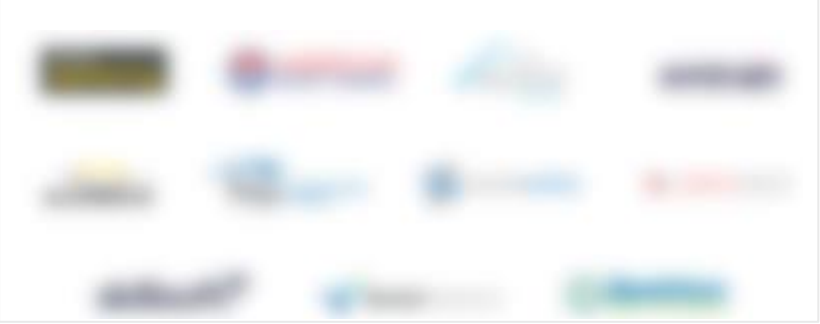
## EHS and QMS Tools



## Supply Chain Management Platforms



## Training



# 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

### Harris Williams Contacts

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# Harris Williams Compliance Technology Experience


## Select Compliance Tech Transaction Experience

 <p>has received a significant growth investment from</p> 	 <p>has made an investment in</p> 	 <p>has been acquired by</p> 	 <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> 

## Harris Williams Transaction Spotlight



has received a significant growth investment from



### Company Background

360training is a leading provider of online, regulatory-approved training for professionals and businesses, primarily serving the environmental health & 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 Transaction Spotlight



has made an investment in



### Company Background

Lisam is a provider of EHS compliance management software and content to over 2,000 clients globally.

### Successful Outcome

The transaction delivered another successful outcome within the EHS software sector. Lisam's profile has a strong fit within Keensight's investment mandate, and this transaction will further support Lisam as the company pursues its growth and expansion strategy in the years ahead.

Harris Williams served as exclusive financial advisor to Keensight Capital 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](http://www.harriswilliams.com).



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# Sources and Disclosures

## Sources

1. S&P Capital IQ
2. Pitchbook

## Disclosures and Disclaimers

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## Appendix

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# Public Market Operational and Valuation Metrics <sup>1,2</sup>

As of June 30, 2022

\$ in Millions

Company	Market Capitalization	Enterprise Value	% of 52-Week High	LTM Gross Margin	LTM EBITDA Margin	Enterprise Value/			
						LTM Revenue	NTM Revenue	LTM EBITDA	NTM EBITDA
<b>Compliance Technology</b>									
International Business Machines Corporation	\$116,928	\$164,913	85.1%	54.9%	21.3%	2.9x	2.7x	13.5x	9.8x
ServiceNow, Inc.	111,378	110,288	78.7%	77.1%	12.4%	18.7x	14.9x	NM	46.9x
RELX PLC	60,272	68,468	97.2%	64.6%	30.5%	7.0x	6.6x	22.9x	17.6x
Thomson Reuters Corporation	52,868	56,139	86.7%	34.8%	25.1%	8.8x	8.4x	35.2x	24.4x
MSCI Inc.	40,868	43,781	74.0%	82.4%	57.4%	21.4x	18.8x	37.3x	32.7x
Wolters Kluwer N.V.	27,497	29,921	91.8%	71.2%	29.8%	5.5x	5.5x	18.5x	17.4x
DXC Technology Company	7,977	11,506	73.9%	22.5%	11.5%	0.7x	0.7x	6.0x	4.3x
Ideagen plc	841	845	65.1%	91.6%	9.0%	8.2x	6.4x	91.0x	18.9x
EcoOnline Holding AS	270	268	51.1%	10.1%	NM	6.3x	4.4x	NM	NM
<b>Median</b>	<b>\$40,868</b>	<b>\$43,781</b>	<b>78.7%</b>	<b>64.6%</b>	<b>23.2%</b>	<b>7.0x</b>	<b>6.4x</b>	<b>22.9x</b>	<b>18.2x</b>
<b>Industrial Technology</b>									
Honeywell International Inc.	\$133,381	\$143,169	82.1%	32.0%	25.3%	4.2x	4.0x	16.5x	15.4x
Siemens Aktiengesellschaft	111,669	162,121	79.6%	36.5%	13.8%	2.2x	2.2x	16.0x	12.8x
Schneider Electric S.E.	93,960	107,526	85.1%	41.0%	18.6%	3.3x	3.1x	17.6x	15.5x
Dassault Systèmes SE	65,314	67,026	78.7%	83.7%	25.9%	12.1x	11.5x	46.9x	30.3x
Emerson Electric Co.	58,242	62,861	92.5%	41.3%	21.4%	3.4x	3.2x	15.8x	13.0x
Roper Technologies, Inc.	49,869	57,671	93.5%	67.8%	38.3%	10.0x	9.3x	26.1x	24.1x
Rockwell Automation, Inc.	32,538	36,771	78.9%	41.2%	19.0%	5.0x	4.4x	26.5x	19.9x
Fortive Corporation	21,878	25,207	76.3%	57.3%	24.4%	4.8x	4.3x	19.6x	16.9x
<b>Median</b>	<b>\$61,778</b>	<b>\$64,943</b>	<b>80.9%</b>	<b>41.2%</b>	<b>22.9%</b>	<b>4.5x</b>	<b>4.2x</b>	<b>18.6x</b>	<b>16.2x</b>