



Compliance Technology Sector Update

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

Harris Williams | Q4 2022

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 for marketplaces with high network nodal density

What We're Reading

Investors Should Demand Toxic Emissions Transparency

Planet Tracker

A new report highlights the need for transparency of businesses with toxic emissions so that investors can thoroughly assess the risks of their investments. There is an opportunity for investors to leverage their position to drive change.

Read the full article [here](#).

The Evolution of Risk Management and Workplace Safety

EHS Today

In order to achieve world-class safety performance, safety must be integrated into the culture of the enterprise. Overall, the organizations that are demonstrating a commitment to safety, and the well-being of their employees' lives, are rising to the top.

Read the full article [here](#).

Navigating the Path to Digital Transformation for Environmental Compliance

Spiceworks

Technologies that drive transformation provide critical assistance to companies with dispersed facilities that don't have a roadmap for how environmental compliance should work and do not receive enough support.

Read the full article [here](#).

How EHS Software Helps Businesses Keep Pace with Transforming Work

Oil & Gas Journal

The speed and the pace of work is creating new challenges and opportunities for health and safety as EHS management systems look to drive operational performance.

Read the full article [here](#).

Recent Harris Williams Technology and Compliance Content

- **360training Deal Snapshot**



[Click to Read](#)

- **EHS Software CEO Roundtable**



[Click to Read](#)

- **GRC Sector Update**



[Click to Read](#)

Select Q3 2022 EHS and SCRM Technology Transactions

ACA Group acquires Ethos ESG



September 21, 2022

- Ethos ESG is a provider of Environmental, Social, and Governance (ESG) ratings data and software for financial advisors, asset managers, institutions, and investors
- This acquisition marks ACA's first analytics offering, which will be paired with ACA's ESG experts to form an integrated tech and advisory offering

Cority acquires Reporting 21



September 20, 2022

- Reporting 21 is a provider of Environmental, Social, and Governance (ESG) performance solutions and advisory services to financial institutions and corporations
- The Reporting 21 solution will be incorporated into Cority's Sustainability Cloud to better support customers in managing, reporting, and actioning their sustainability and ESG initiatives

Sphera acquires Riskmethods



September 13, 2022

- riskmethods is a provider of Environmental, Social, and Governance (ESG) performance and risk management software, data, and consulting services
- The acquisition of riskmethods will add advanced AI and machine-learning software to Sphera's current product portfolio, enhancing their current technology offering

Partners Group acquires a significant minority stake in VelocityEHS



August 16, 2022

- VelocityEHS is a provider of EHS software, serving enterprise customers globally
- The investment from Partners Group will enable VelocityEHS to accelerate growth of their ESG product, expand into international markets, develop new products, and pursue strategic acquisitions

Enhesa acquires RegScan



July 21, 2022

- RegScan is an online provider of Environmental, Health, Safety & Sustainability (EHS&S) regulatory compliance and audit content for jurisdictions around the globe
- Following the acquisition, Enhesa and RegScan are exploring ways to blend the content, platform capabilities, and sales approaches to best provide for their customers

Enhesa acquires ToxPlanet



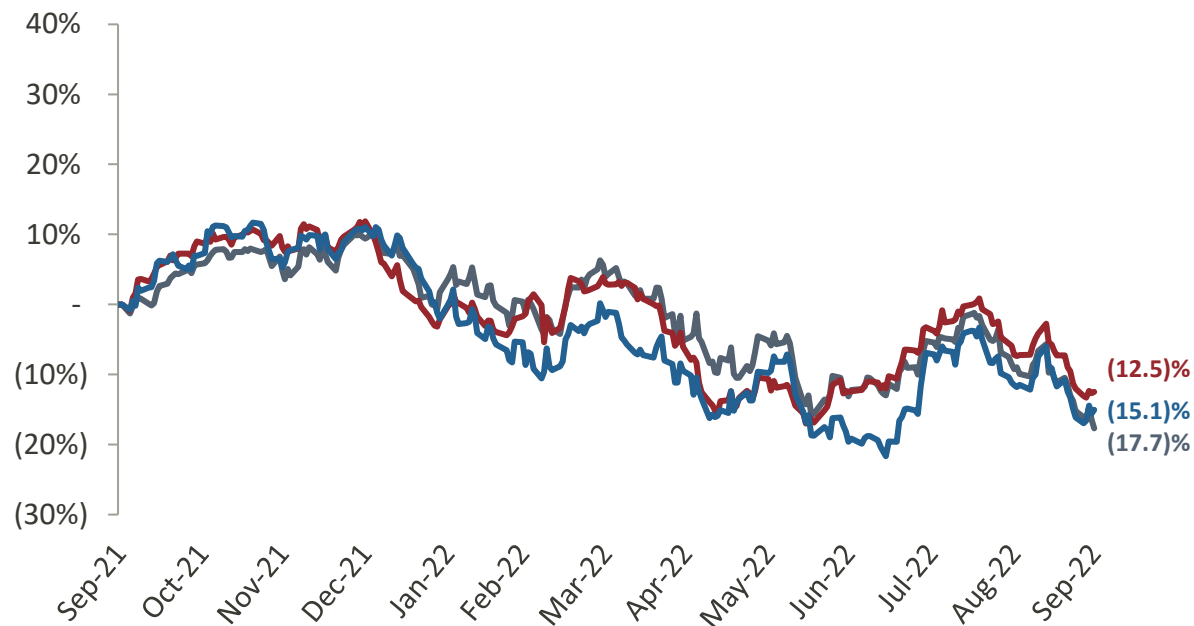
July 5, 2022

- ToxPlanet is a provider of chemical and toxicology literature for safety professionals managing the impact of chemicals on people, the workplace, and the environment
- The acquisition of ToxPlanet complements Enhesa's existing platform focused on global operations, product and chemicals management compliance, and sustainability

Compliance and Industrial Technology Public Company Trended Stock Performance¹

Public Company Stock Performance – Last 12 Months

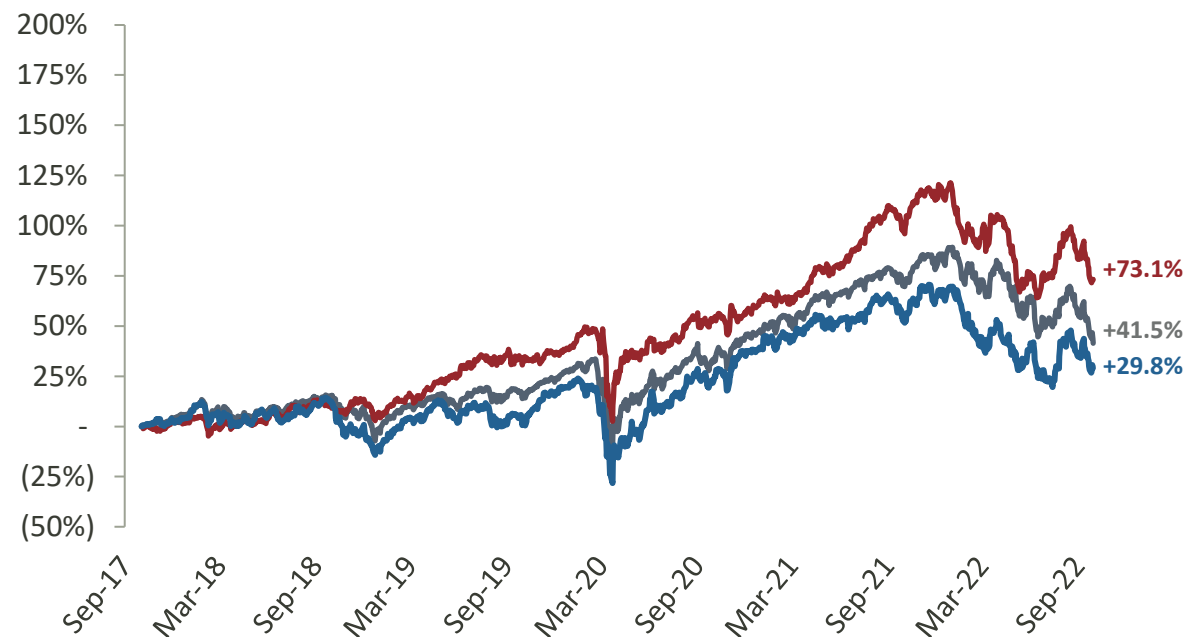
Indexed Stock Price Performance for the period September 2021 – September 2022



— Compliance Technology – Diversified — Compliance Technology – Industrials — S&P 500

Public Company Stock Performance – 5 Years

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

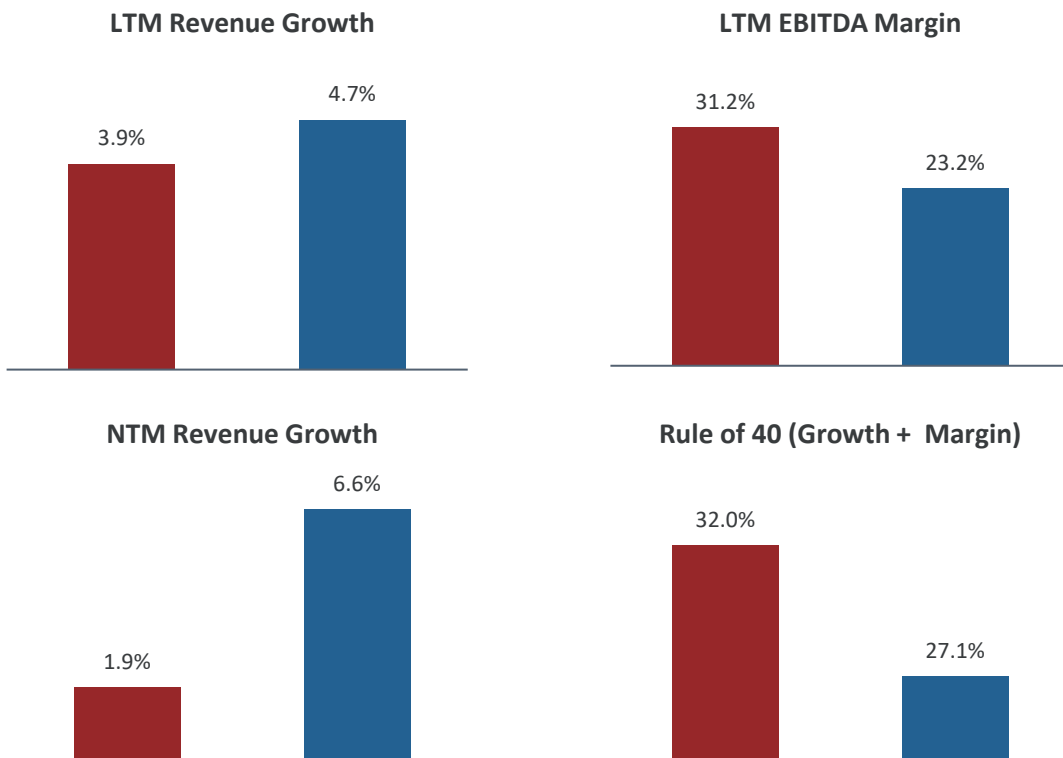


Compliance Technology – Diversified

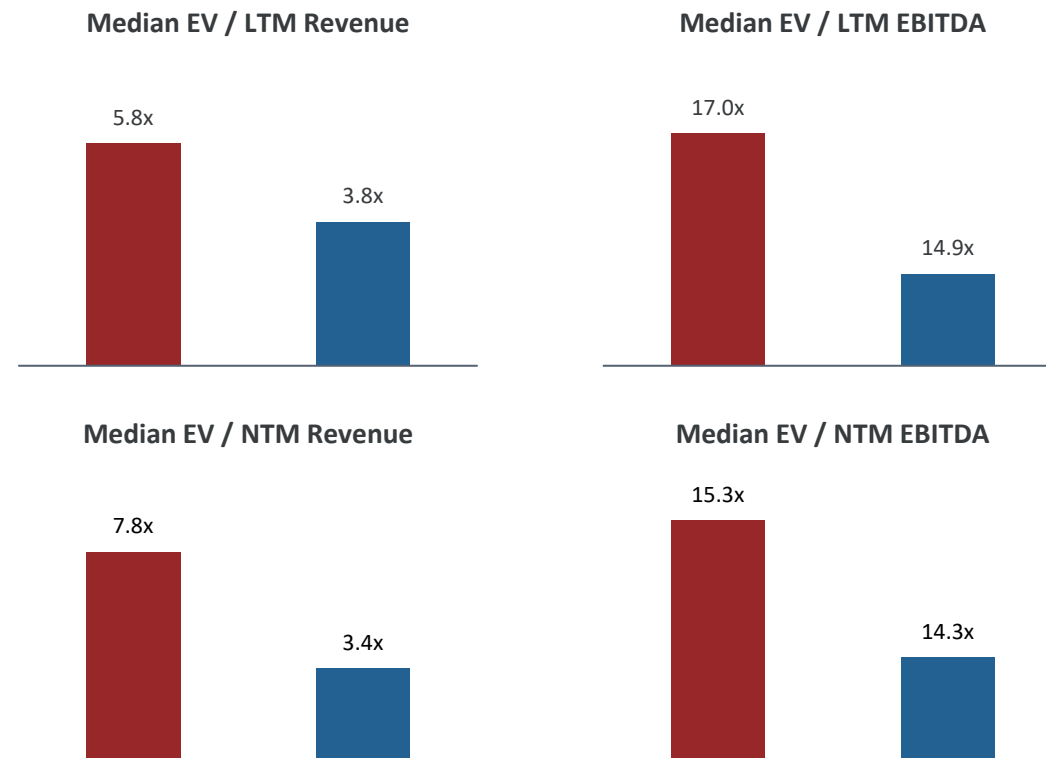
Compliance Technology – Industrials

Compliance and Industrial Technology Public Company Operating and Valuation Metrics²

Public Company – Operating Metrics



Public Company – Valuation Metrics



Compliance Technology – Diversified



Compliance Technology – Industrials



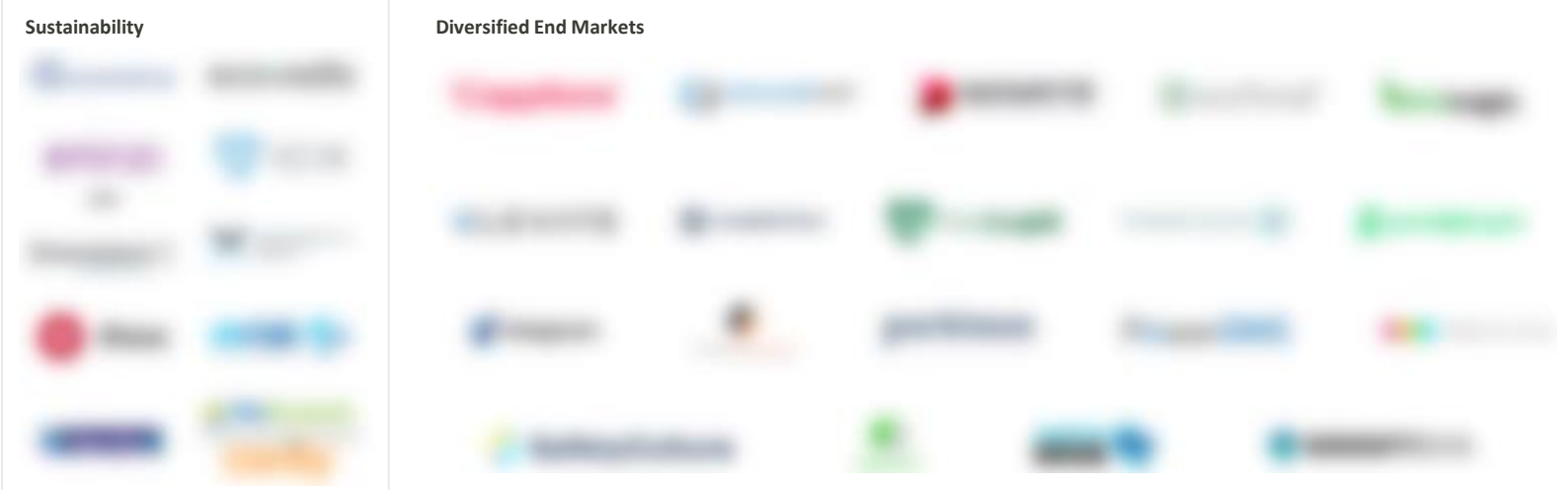
EHS and SCRM Technology Market Landscape

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

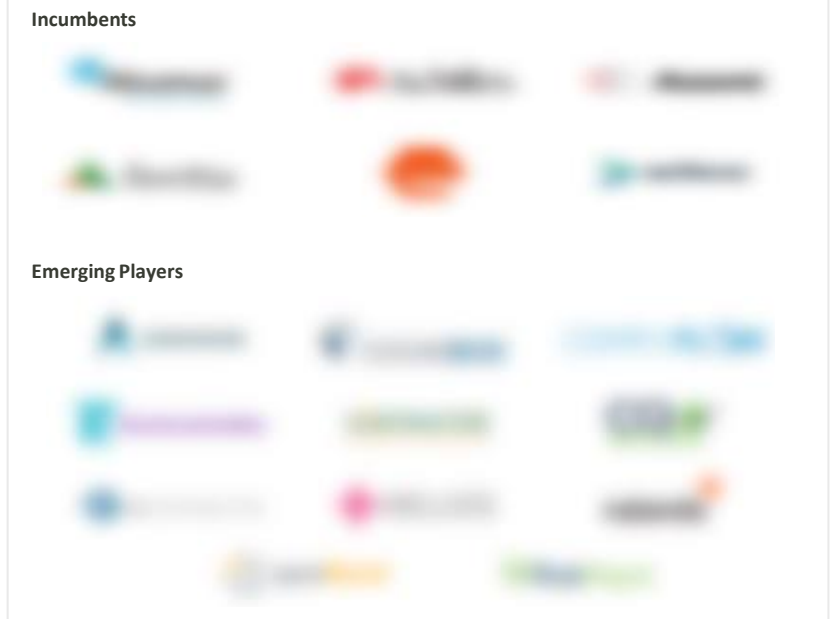
EHS Platforms



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

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Harris Williams Compliance Technology Experience

Selected Compliance Tech Experience

 <p>has acquired</p> 	 <p>has received a significant 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> 

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

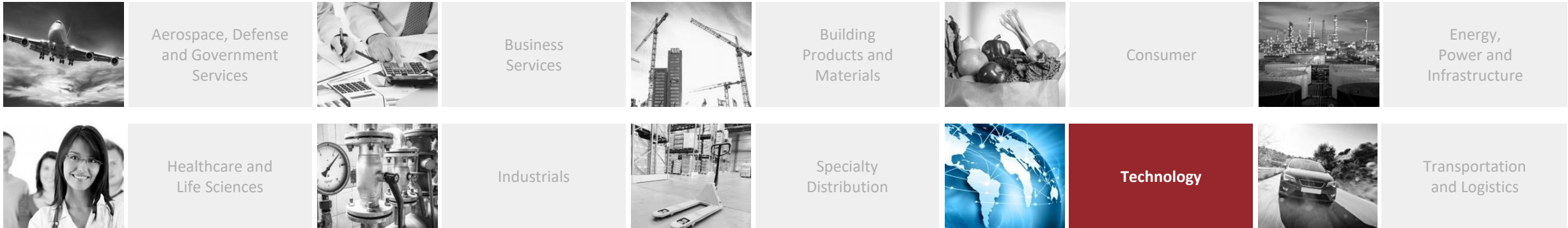
The transaction delivered another successful outcome within the professional training and regulatory compliance management sector. Vestar joins current investors GreyLion and RedHawk Management to support the Company's organic growth initiatives and accelerate its proven M&A strategy.

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.



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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

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
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