



Compliance Technology Sector Update

Governance, Risk, and Compliance (GRC)

Harris Williams | Q2 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

How Better Data Is Making ESG Actionable

Raconteur

Proliferation of ESG data and the rise in ESG data tracking technology is compelling executives to discuss how to best draw actionable insights and make ESG-centric strategic decisions.

Read the full article [here](#).

SEC Floats Mandatory Disclosure of Climate-Change Risks, Emissions

The Wall Street Journal

US regulators proposed more stringent legislation for publicly traded enterprises to report on greenhouse-gas emissions and other related risks associated with climate change.

Read the full article [here](#).

From Risk Management to Strategic Resilience

McKinsey & Company

The development of organizational risk is evolving from a small number of well-defined risks to complex, dynamic risks that require a strategy incorporating and focusing on sustainable resilience.

Read the full article [here](#).

When It Comes to Cyber Risk, You're Only as Safe as Your Vendors

Forbes

Many organizations still work with vendors who lack effective, integrated GRC technology; this gap impedes organizations from building and executing on an effective risk management strategy.

Read the full article [here](#).

Recent Harris Williams Technology & Compliance Content

- **Harris Williams Technology Group 2022 Outlook**



[Link to Read](#)

- **EHS and SCRM Sector Update**



[Link to Read](#)

Select Q2 2022 GRC Technology Transactions

Kroll acquires Resolver



Target



Buyer

March 30, 2022

- Resolver is a provider of a risk intelligence software solution offering audit, compliance, incidents, investigations, and security products to clients globally.
- The acquisition will complement Kroll's compliance services offering with a software solution that they can upsell into their existing customer base.

MyComplianceOffice acquires Schwab Compliance Technologies



Target



Buyer

March 7, 2022

- Schwab Compliance Technologies is a provider of risk management solutions focusing on monitoring employee trading activity.
- The acquisition will bolster MyComplianceOffice's conduct risk and conflict of interest solutions while adding scale to the overall platform.

Riskconnect acquires Sword GRC



Target



Buyer

February 28, 2022

- Sword GRC is a provider of project and enterprise risk management solutions, primarily serving the UK market.
- The acquisition enhances Riskconnect's presence in the UK market, where there is a significant opportunity to sell its existing product suite.

RapidRatings receives \$200 million growth investment led by Spectrum Equity



Target



Buyer

February 14, 2022

- RapidRatings is a provider of financial health ratings enabling customers to monitor third-party risks.
- Spectrum will leverage its operating resources to accelerate existing growth initiatives and invest in adjacent product expansion opportunities.

Ideagen acquires MailManager



Target



Buyer

February 9, 2022

- MailManager is a provider of email management software that improves control and compliance.
- The acquisition enhances Ideagen's presence in the UK market and will be Ideagen's first acquisition since raising €103.5M to fund their acquisition pipeline.

Diligent acquires Insightia



Target



Buyer

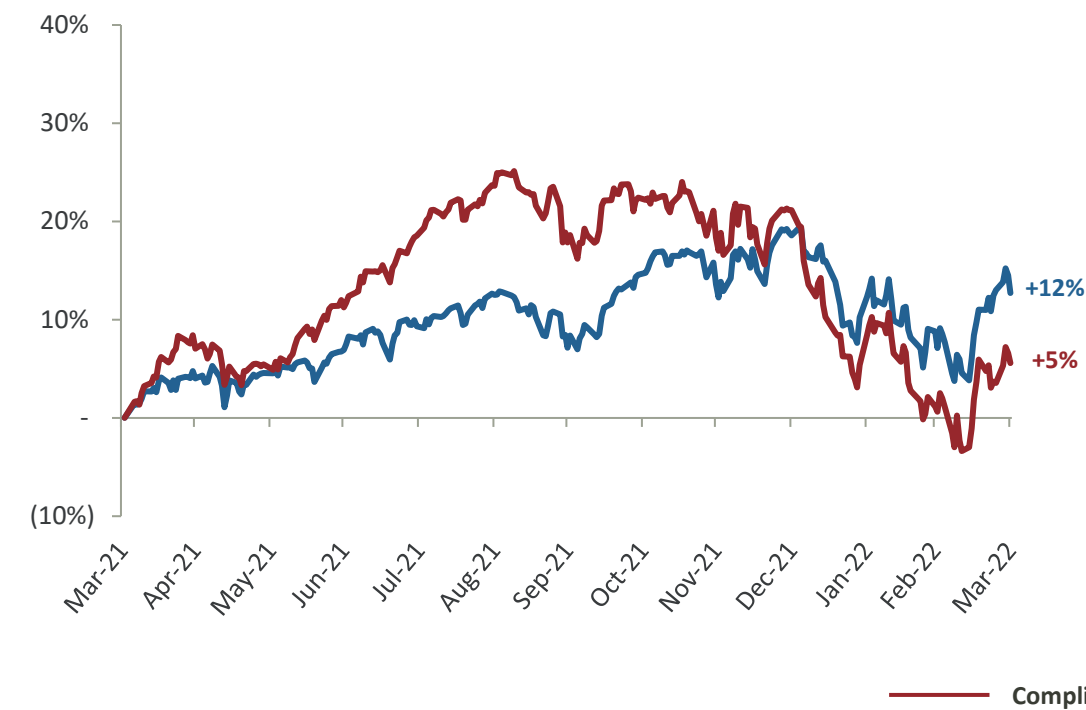
January 11, 2022

- Insightia is a provider of expert insights and intelligent analytics for listed companies, with a focus on shareholder activism, proxy voting, and corporate governance.
- The investment will bolster Diligent's existing GRC, analytics, and ESG solutions through integrating Insightia's public company governing data.

Compliance Technology Public Company Trended Stock Performance¹

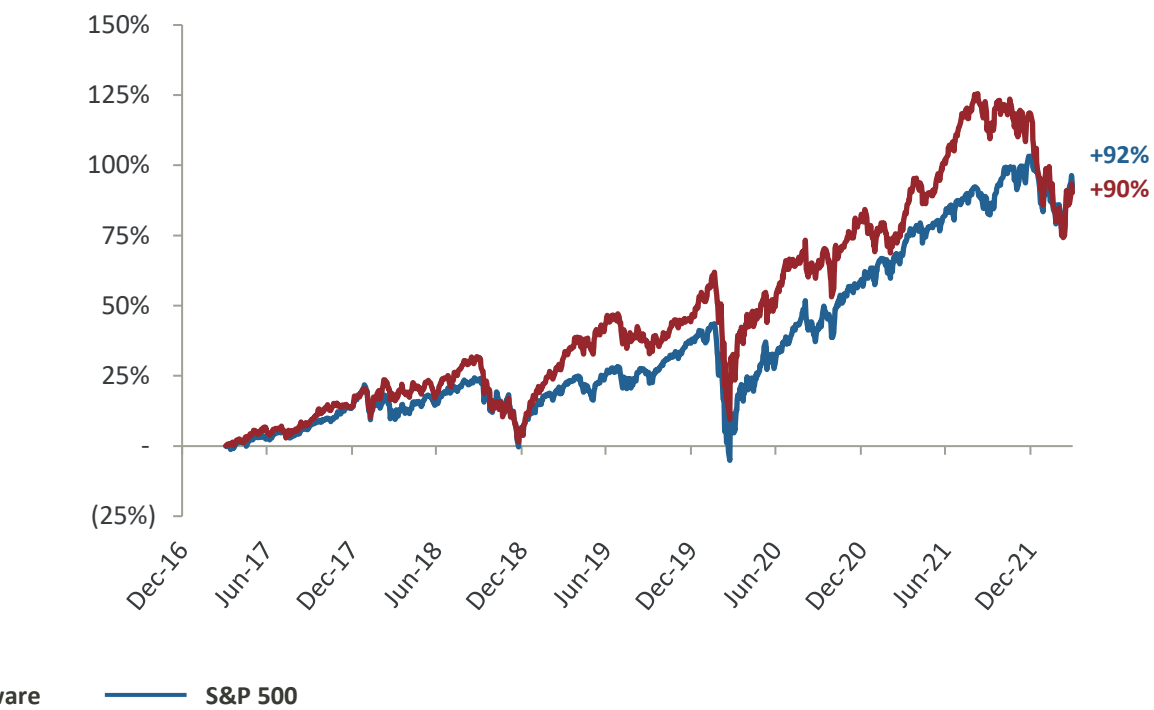
Public Company Stock Performance – Last 12 Months

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



Public Company Stock Performance – 5 Years

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



Compliance Technology

Broadridge

DXC technology

ECC ONLINE

fiserv.

Ideagen

IBM

MICRO FOCUS

MSCI

ORACLE

PEGA

RELX

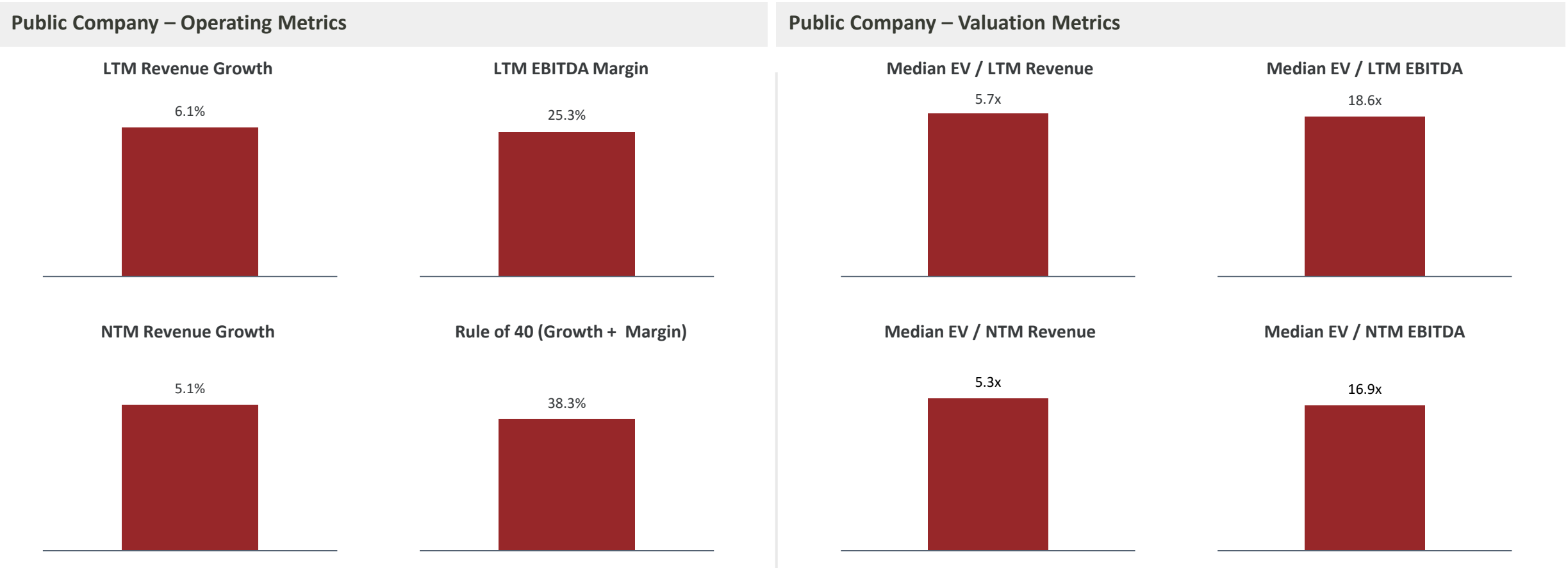
SAP

THOMSON REUTERS

Verisk

Wolters Kluwer

Compliance Technology Public Company Operating and Valuation Metrics¹



Compliance Technology

Broadridge

DXC technology

Eco
ONLINE

fiserv.

Ideagen

IBM

MICRO
FOCUS

MSCI

ORACLE

PEGA

RELX

SAP

THOMSON REUTERS

Verisk


Wolters Kluwer

GRC Technology Market Landscape


To view full market map please contact:

hwTech_Compliance@harriswilliams.com

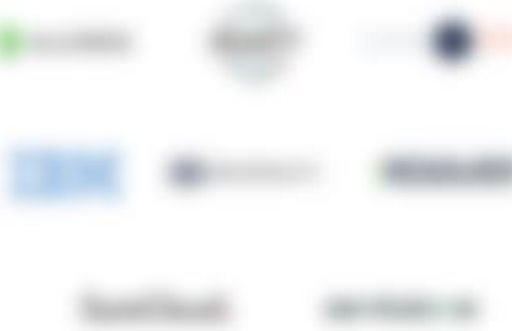
Established GRC Platforms




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 MandA 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

- **48+** closed technology transactions since January 2020

Technology Coverage Areas

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

Sector Coverage Areas

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

Thematic Focus Areas

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

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Harris Williams Compliance Technology Experience

Selected Compliance Tech Transaction Experience

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

Harris Williams Transaction Spotlight



has been acquired by



Company Background

Alcumus is a leading provider of compliance and ESG software and technology-enabled solutions that address a broad range of risk categories across diversified end markets.

Successful Outcomes

The transaction delivered another successful outcome within the ESG / EHSandQ tech sector. The transaction delivered the greatest cash-on-cash returns in Inflexion's history driven by a highly targeted process that led to a signing 21 days after distributing materials.

Harris Williams served as exclusive financial advisor to Alcumus, a portfolio company of Inflexion, in this transaction.

Harris Williams Transaction Spotlight



has been acquired by



Company Background

TPC is a provider of industrial skills and workplace safety training, performance management, and environmental, health, and safety (EHS) compliance SaaS solutions.

Successful Outcome

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.

Harris Williams served as exclusive financial advisor to TPC, a portfolio company of Frontenac Company, 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 & Government Services		Business Services		Building Products & Materials		Consumer		Energy, Power & Infrastructure
	Healthcare & Life Sciences		Industrials		Specialty Distribution		Technology		Transportation & Logistics

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Sources and Disclosures

Sources

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

Disclosures and Disclaimers

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Appendix

Public Market Operational and Valuation Metrics¹

As of March 31, 2022

\$ 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	\$220,737	\$276,246	77.8%	79.4%	44.0%	6.6x	6.3x	15.0x	12.7x
SAP SE	131,820	137,170	77.9%	72.3%	23.2%	4.3x	4.3x	18.6x	12.9x
International Business Machines Corporation	116,928	164,913	85.1%	54.9%	21.3%	2.9x	2.7x	13.5x	9.8x
Fiserv, Inc.	65,785	87,922	79.6%	49.9%	33.9%	5.4x	5.3x	16.0x	12.5x
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
Verisk Analytics, Inc.	34,074	37,425	92.7%	64.7%	46.1%	12.5x	12.3x	27.1x	24.5x
Wolters Kluwer N.V.	27,497	29,921	91.8%	71.2%	29.8%	5.5x	5.5x	18.5x	17.4x
Broadridge Financial Solutions, Inc.	18,183	22,347	84.0%	28.0%	20.8%	4.2x	3.8x	20.0x	16.4x
Pegasystems Inc.	6,584	6,906	56.1%	72.2%	NM	5.7x	4.7x	NM	55.1x
DXC Technology Company	7,977	11,506	73.9%	22.5%	11.5%	0.7x	0.7x	6.0x	4.3x
Micro Focus International plc	1,787	6,007	71.5%	73.3%	22.6%	2.1x	2.2x	9.2x	6.4x
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
Median	\$34,074	\$37,425	77.9%	64.7%	25.1%	5.7x	5.3x	18.6x	16.9x

Recent Sector Transactions Detail^{1 2}

Announced Date	Target	Buyer	Description	Enterprise Value (\$M)	EHS or GRC?
3/30/22	Resolver	Kroll	Resolver is a provider of a risk intelligence software solution offering audit, compliance, incidents, investigations, and security products to clients globally.	NA	GRC
3/7/22	Schwab Compliance Technologies	MyComplianceOffice	Schwab Compliance Technologies is a provider of risk management solutions focusing on monitoring employee trading activity.	NA	GRC
3/2/22	Intellect	Strattam Capital	Intellect is a provider of compliance management software that ensures compliance with ISO, FDA, EPA, and OSHA manufacturing standards and regulations.	NA	EHS
2/28/22	Sword GRC	Riskconnect	Sword GRC is a provider of project and enterprise risk management solutions primarily serving the UK market.	NA	GRC
2/25/22	ETQ	Hexagon	ETQ is a provider of a SaaS-based QMS, EHS, and compliance management solution serving a variety of end markets.	\$1,200.0	EHS
2/23/22	SecureFrame	Accomplish	SecureFrame is a provider of compliance automation solutions to ensure enterprises are compliant with standards including HIPAA and SOC 2.	NA	GRC
2/14/22	RapidRatings	Spectrum	RapidRatings is a provider of financial health ratings to gain visibility into third-party risks.	NA	GRC
2/14/22	Clearview Strategic Partners	Syntrio	Clearview Strategic Partners is a provider of ethics reporting and whistleblower hotline solutions.	NA	GRC
2/11/22	Alcumus	Apax Partners	Alcumus is a provider of compliance and ESG software and technology-enabled solutions that address a broad range of risk categories across diversified end markets.	HW Confidential	EHS
2/9/22	Mail Manager	Ideagen	Mail Manager is a provider of email management software that improves control and compliance.	NA	GRC
1/24/22	ConstructSecure	Summit Partners	ConstructSecure is a provider of an end-to-end contractor management platform serving the construction industry.	NA	EHS
1/24/22	Verisk (3E)	New Mountain Capital	The 3E division of Verisk is a provider of environmental, health, and safety software serving customers globally across chemical manufacturing, retail, and pharmaceutical end markets.	\$950.0	EHS
1/20/22	Technical Toolboxes	HKW	Technical Toolboxes is a provider of cloud-based pipeline engineering software that enables engineers, consultants, and operators to reduce risk and accelerate project schedules.	NA	EHS
1/20/22	Anitian	Sageview Capital	Anitian is a provider of pre-engineered cloud security and compliance automation solutions.	NA	GRC
1/20/22	RiskPoynt	Prometheus Group	RiskPoynt is a provider of risk management software that gives corporations insights into the health of assets to enable proactive management of incident mitigation activities.	NA	GRC
1/19/22	Silobreaker	Marlin Equity Partners	Silobreaker is a provider of risk and threat intelligence software that generates actionable insights from unstructured complex data sets.	NA	GRC
1/11/22	Insightia	Diligent	Insightia is a provider of expert insights and intelligent analytics for listed companies, with a focus on shareholder activism, proxy voting and corporate governance.	NA	GRC
1/11/22	Envizi	IBM	Envizi is a provider of data analytics software that automates collection and consolidation to meet major sustainability reporting frameworks.	NA	EHS
1/11/22	Collibra	Snowflake Ventures	Collibra is a provider of policy enforcement and governance solutions based in Belgium.	NA	GRC
1/5/22	ProcessMap	HgCapital	ProcessMap is a provider of environmental, health, and safety software serving mid-market and enterprise customers across large industry verticals such as automotive and manufacturing.	NA	EHS
1/4/22	Climate Service	S&P Global	The Climate Service is a provider of a climate risk application that models and quantifies risks that are aligned with the Task Force on Climate-related Financial Disclosures (TCFD).	NA	EHS