



Compliance Technology Sector Update

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

Harris Williams | Q2 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

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




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- GRC Sector Update



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Select Q2 2022 EHS and SCRM Technology Transactions

Intellect receives majority Investment from Strattam Capital



March 2, 2022

- Intellect is a provider of compliance management software that ensures compliance with ISO, FDA, EPA, and OSHA manufacturing standards and regulations.
- Intellect will use the capital infusion to expand its product and engineering team, and bolster the go-to-market and customer success organizations.

Hexagon acquires ETQ



February 25, 2022

- ETQ is a provider of a SaaS-based QMS, EHS, and compliance management solution serving a variety of end markets.
- ETQ's collection and delivery of manufacturing control data will enhance Hexagon's data capture capabilities and realize sales synergies, which management estimates to be over \$40M by 2026.

Alcumus has been acquired by Apax Partners



February 11, 2022

- 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.
- Apax will look to support management on their current growth plan to expand their presence globally, both organically and through additional acquisitions.

Verisk announces sale of 3E business to New Mountain Capital



January 24, 2022

- The 3E division of Verisk is a provider of EHS software serving customers globally across chemical manufacturing, retail, and pharmaceutical end markets.
- New Mountain is expected to invest in 3E's product innovation and market expansion, and pursue strategic MandA.

IBM acquires Envizi



January 11, 2022

- Envizi is a provider of data analytics software that automates collection and consolidation of data to meet major sustainability reporting frameworks.
- The acquisition builds on IBM's growing investment in AI-powered software and bolsters their existing ESG solution suite.

ProcessMAP partners with Hg



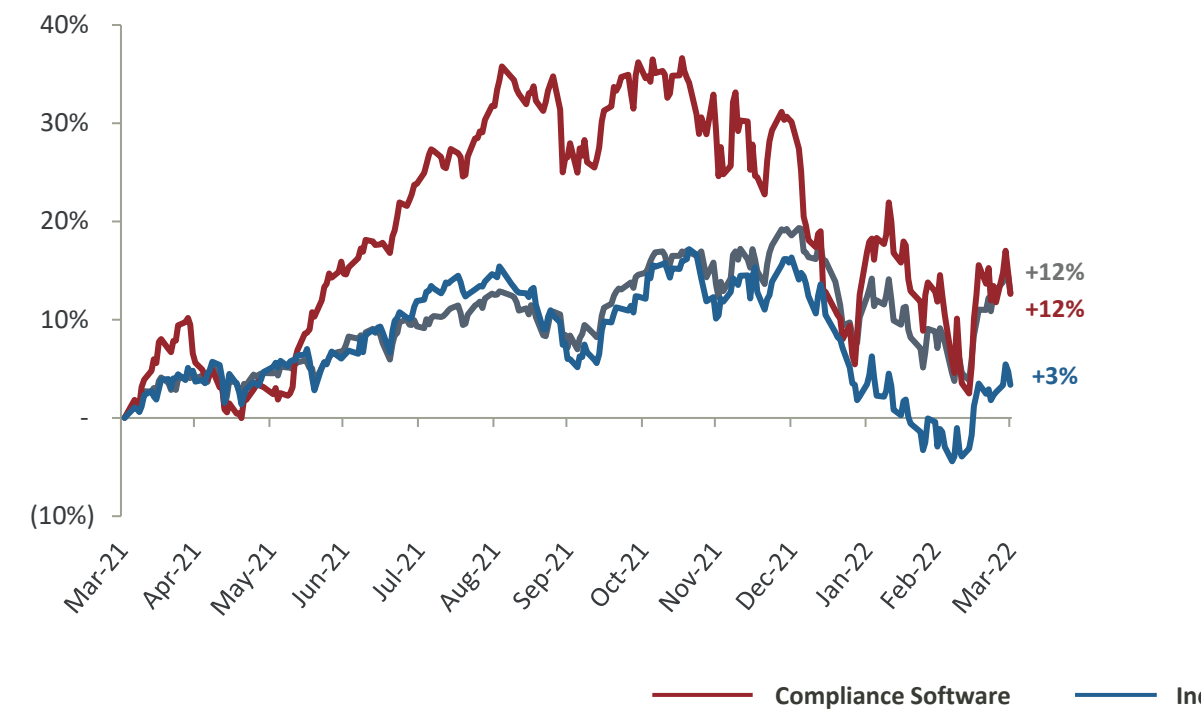
January 5, 2022

- ProcessMap is a provider of EHS software serving mid-market and enterprise customers across large industry verticals, such as automotive and manufacturing.
- The investment from Hg will allow ProcessMAP to expand their international operations, particularly in the EMEA and APAC markets.

Compliance and Industrial Technology Public Company Trended Stock Performance¹

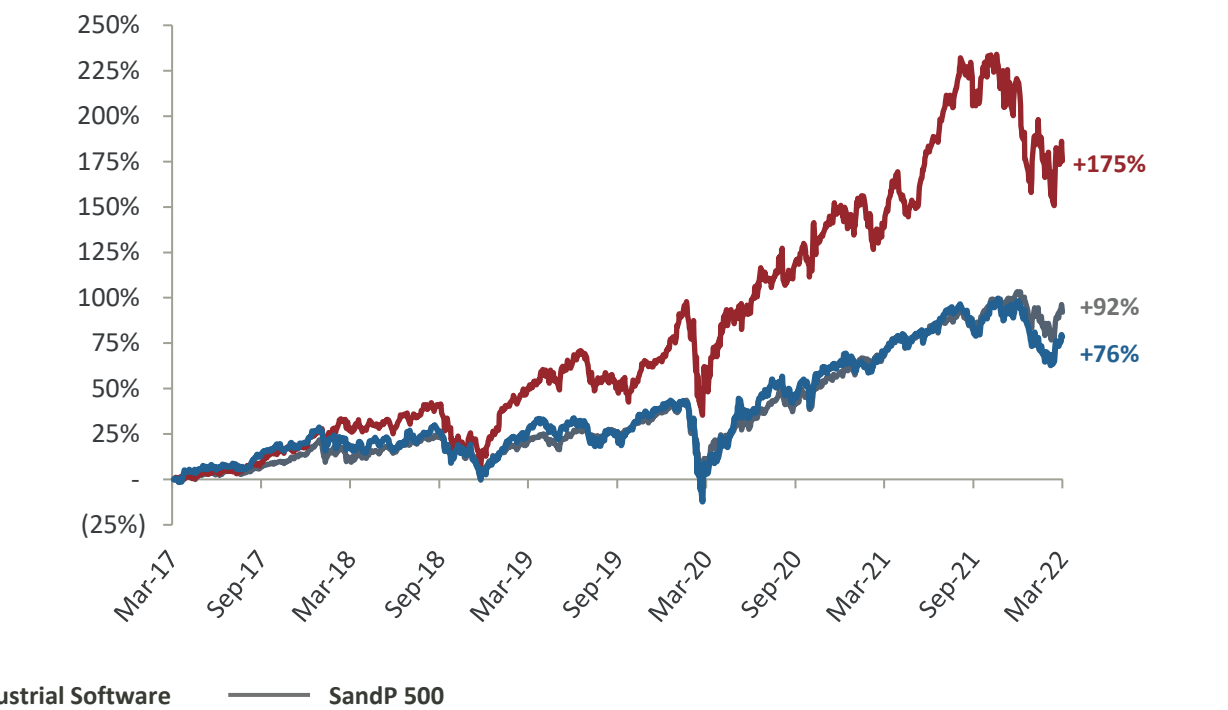
Public Company Stock Performance – Last 12 Months

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

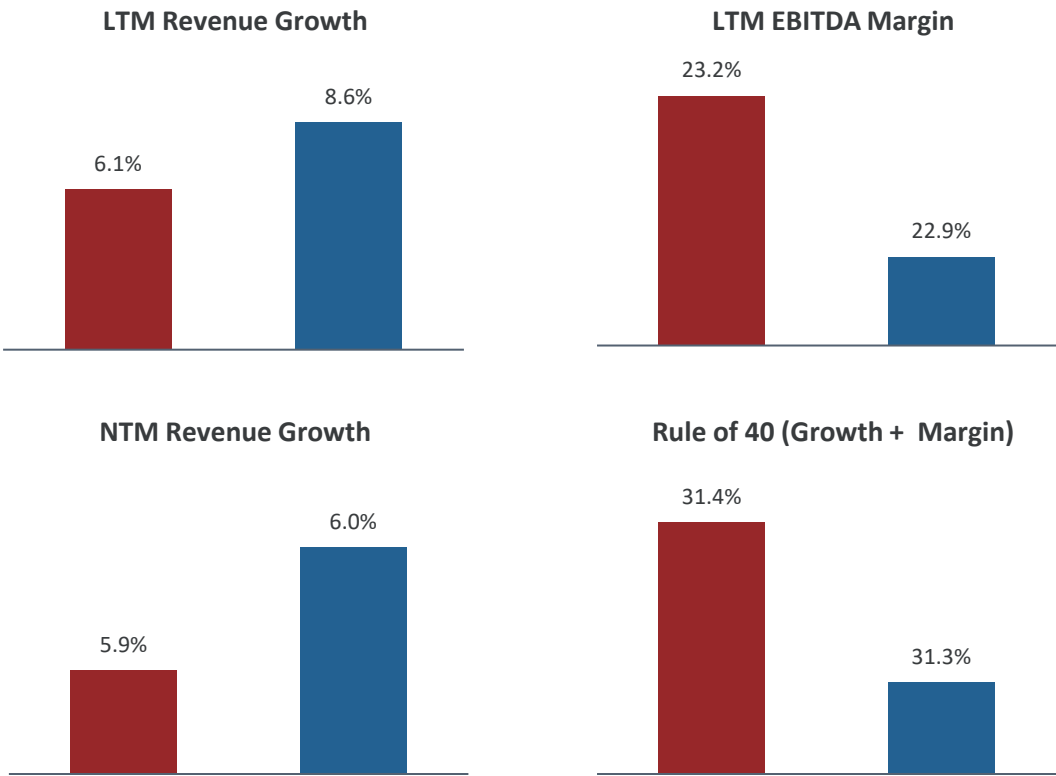


Compliance Technology

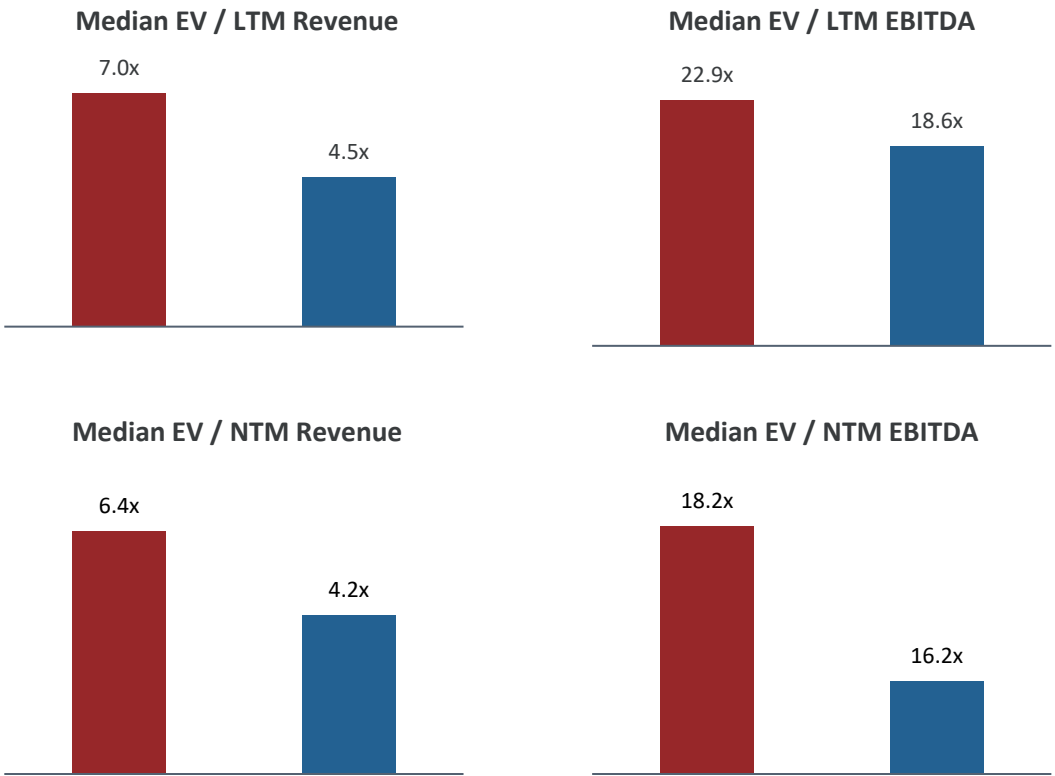
Industrial Technology

Compliance and Industrial Technology Public Company Operating and Valuation Metrics¹

Public Company – Operating Metrics



Public Company – Valuation Metrics



Compliance Technology

DXC technology

ECO
ONLINE

IBM

Ideagen

MSCI

RELX

servicenow

THOMSON REUTERS

Wolters Kluwer

Industrial Technology

DASSAULT
SYSTEMES

EMERSON

FORTIVE

Honeywell

Rockwell
Automation

ROPER

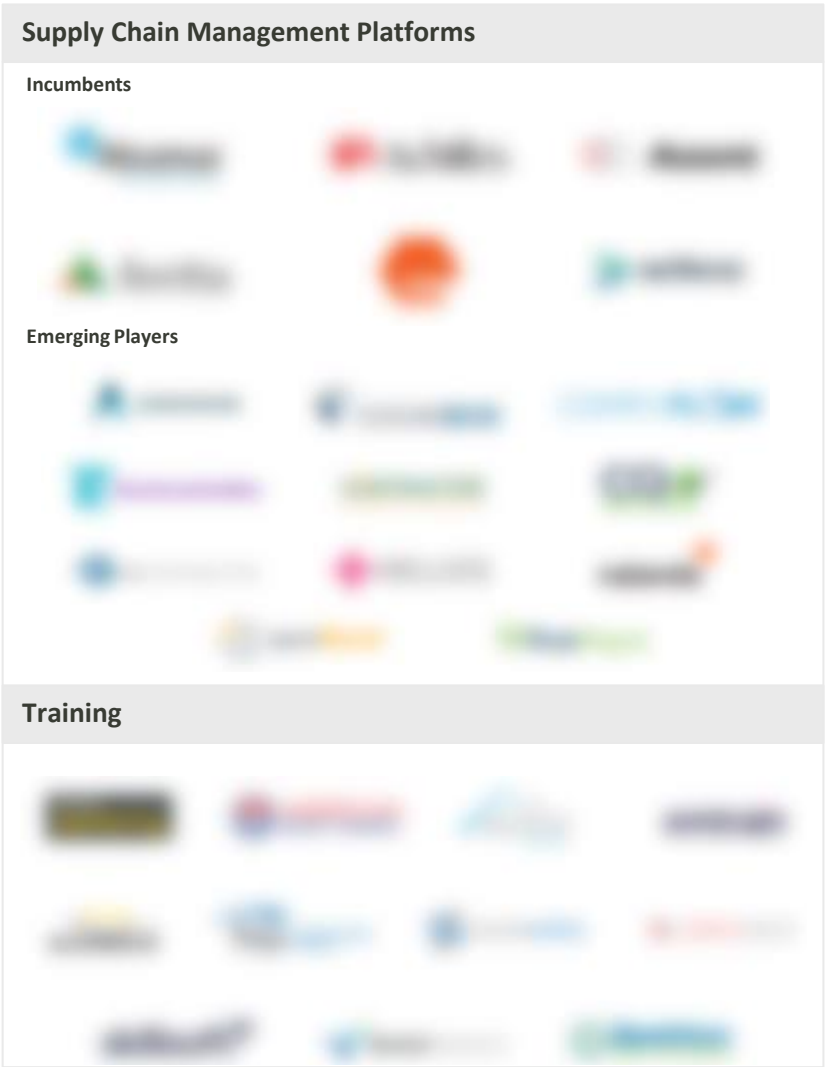
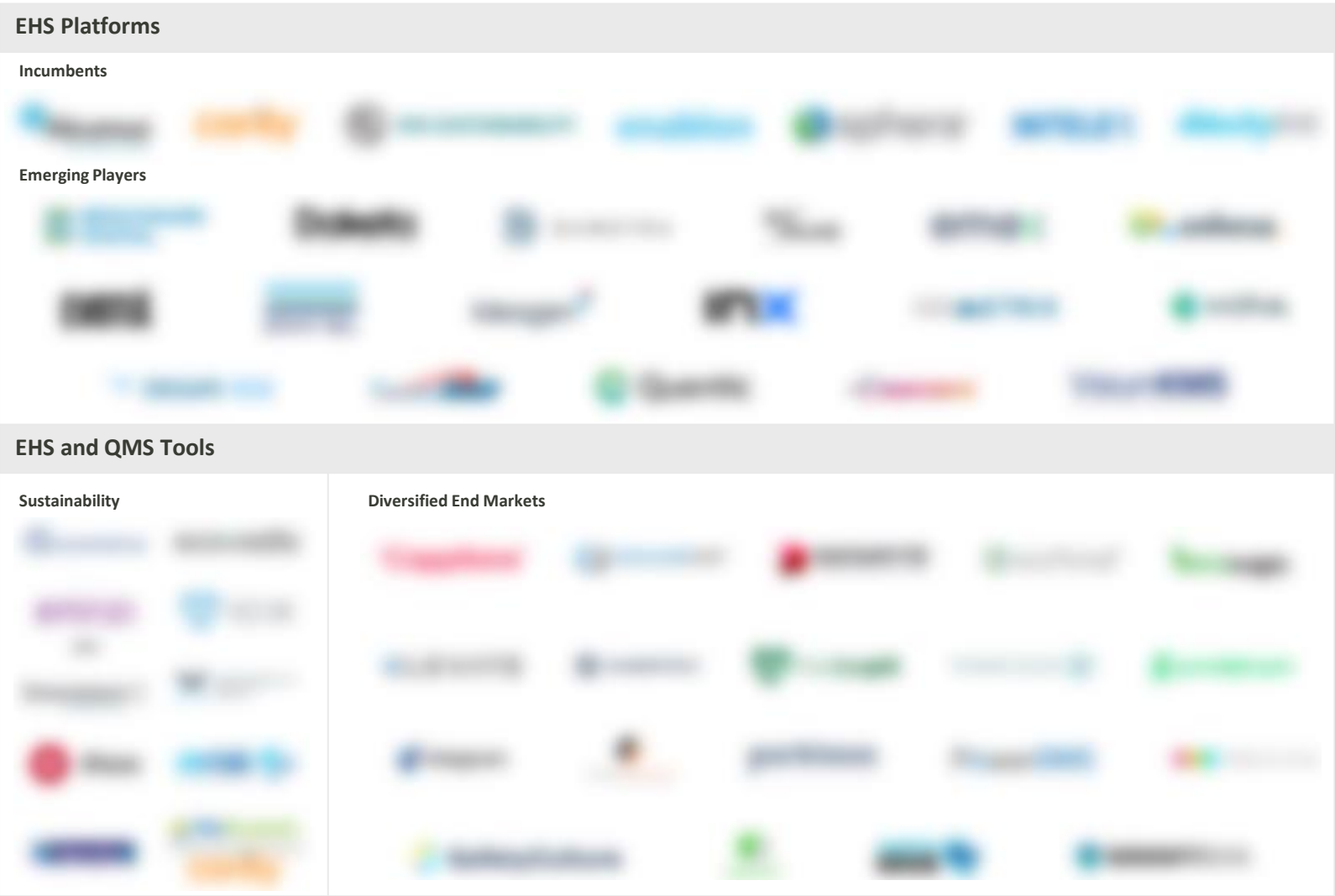
Schneider
Electric

SIEMENS

EHS and SCRM Technology Market Landscape

To view full market map please contact:

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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 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

Office Locations			
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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	London 25 Savile Row 4th Floor London, England W1S 2ER Phone: : +44 20 7518 8900

Sources and Disclosures

Sources

- 1. SandP Capital IQ
- 2. Pitchbook

Disclosures and Disclaimers

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Appendix

Public Market Operational and Valuation Metrics ^{1, 2}

As of March 31, 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									
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
Median	\$40,868	\$43,781	78.7%	64.6%	23.2%	7.0x	6.4x	22.9x	18.2x
Industrial Technology									
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
Median	\$61,778	\$64,943	80.9%	41.2%	22.9%	4.5x	4.2x	18.6x	16.2x

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