



Houlihan Lokey

Security and Safety Solutions

Market Update

Winter 2023

ABOUT OUR FIRM



Houlihan Lokey is a leading global investment bank with expertise in mergers and acquisitions, capital markets, financial restructuring, and financial and valuation advisory.

Our firm is the trusted advisor to more top decision-makers than any other independent global investment bank.

We invite you to learn more about how our bankers can serve your needs:

Learn More About Corporate Finance

Learn More About Financial Restructuring

Learn More About Financial and Valuation Advisory

Learn More About Our Industry Coverage

Key Facts and Figures



36
LOCATIONS
WORLDWIDE

~2,000
TOTAL FINANCIAL
PROFESSIONALS

309
MANAGING
DIRECTORS⁽¹⁾

2,000+
CLIENTS SERVED
ANNUALLY

\$6B
MARKET
CAPITALIZATION⁽²⁾

\$1.8B
REVENUE⁽³⁾

Our Ranking by Service

Corporate Finance

2022 M&A Advisory Rankings Global Transactions Under \$1 Billion

Advisor	Deals
1 Houlihan Lokey	381
2 Rothschild & Co	369
3 JP Morgan	217
4 Lazard	206
5 Goldman Sachs & Co	203

Source: Refinitiv. Excludes accounting firms and brokers.

No. 1 Global M&A Advisor for Transactions Under \$1 Billion

Leading Capital Markets Advisor

Financial Restructuring

2022 Global Distressed Debt & Bankruptcy Restructuring Rankings

Advisor	Deals
1 Houlihan Lokey	58
2 PJT Partners Inc	30
3 Lazard	29
4 Rothschild & Co	25
5 Moelis & Co	21

Source: Refinitiv.

No. 1 Global Restructuring Advisor

1,500+ Transactions Completed Valued at More Than \$3.0 Trillion Collectively

Financial and Valuation Advisory

1998 to 2022 Global M&A Fairness Advisory Rankings

Advisor	Deals
1 Houlihan Lokey	1,232
2 JP Morgan	1,030
3 Duff & Phelps, A Kroll Business	938
4 Morgan Stanley	725
5 BofA Securities Inc	710

Source: Refinitiv. Announced or completed transactions.

No. 1 Global M&A Fairness Opinion Advisor Over the Past 25 Years

1,000+ Annual Valuation Engagements

Fully Integrated Financial Sponsors Coverage

23 Senior officers dedicated to the sponsor community in the Americas and Europe

1,000+ Sponsors covered, providing market insights and knowledge of buyer behavior

650+ Companies sold to financial sponsors over the past five years

Houlihan Lokey Is a Global Firm

Americas

Atlanta Los Angeles São Paulo
Boston Miami Washington, D.C.
Chicago Minneapolis
Dallas New York
Houston San Francisco

Europe and Middle East

Amsterdam Manchester Tel Aviv
Dubai Milan Zurich
Frankfurt Munich
London Paris
Madrid Stockholm

Asia-Pacific

Beijing Hong Kong Shanghai
Fukuoka SAR Singapore
Gurugram Mumbai Sydney
Ho Chi Minh City Nagoya Tokyo
Osaka

(1) As of December 31, 2022. Excludes corporate managing directors. (2) As of March 2023. (3) LTM ended December 31, 2022.

ABOUT OUR INDUSTRIALS GROUP

Houlihan Lokey's Industrials Group has earned a reputation for providing superior service and achieving outstanding results in M&A advisory, capital raising, restructuring, and financial and valuation advisory services.

According to data provided by Refinitiv, our Industrials Group was once again ranked as the No. 1 M&A advisor for all U.S. industrials transactions in 2022.*

*Excludes accounting firms and brokers.

2022 M&A Advisory Rankings All U.S. Industrials Transactions

Advisor	Deals
1 Houlihan Lokey	35
2 Lincoln International	33
3 Goldman Sachs & Co	26
3 Stout	26
5 Benchmark International	25
5 Jefferies LLC	25

Source: Refinitiv. Excludes accounting firms and brokers.

Learn More About Our
Industrials Group Industry Coverage

Key Facts and Figures

165

Dedicated Industrials Group bankers

154

Completed Industrials Group M&A/
private placement transactions in CY22

\$2B

In disclosed financing deals in CY22

Industry Sector Coverage

We cover a broad array of sectors, with bankers dedicated to each of our primary coverage areas.



Aerospace



Advanced Manufacturing
and Engineered Products



Automotive, Truck, and
Automotive Technologies



Building Products



Chemicals



Decarbonization
Products and Services



Defense



Energy Services and
Technology



Government Services



Industrial Technology



Metals and Engineered
Materials



Packaging, Plastics, and
Paper



Security and Safety
Solutions



Specialty Distribution

Selected Industrials Group Transactions

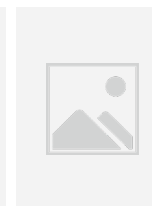
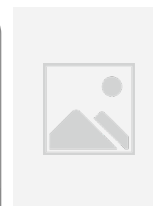
SureWerx
a portfolio company of
Riverside
has been acquired by
Partners Group
Sellside Advisor

SHINAGAWA
has acquired the Brazilian
refractories business and the U.S.
alumina-based wear-resistant
ceramics business from
Saint-Gobain S. A.
Buyside Advisor

AERO ACCESSORIES
has received a majority investment
from
ATI PARTNERS
Sellside Advisor

Minnesota Rubber & Plastics
a portfolio company of
KKR
has been acquired by
TRELLEBORG
Sellside Advisor

prefere resins
a portfolio company of
OSilverfleet
has been acquired by
ONE ROCK CAPITAL PARTNERS
Sellside Advisor



SECURITY AND SAFETY SOLUTIONS TEAM



The security and safety solutions sector, which operates within Houlihan Lokey's Industrials Group, has earned a reputation for providing superior service and achieving outstanding results in M&A advisory, capital raising, restructuring, and financial and valuation advisory services.

Our transaction quality and client work benefit from our company culture, where senior bankers are highly engaged in the execution of client projects, and from our experience as leaders in the market for more than a decade, which has given our professionals valuable exposure to a variety of situations and challenges.

Leadership



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Contact Us

Please reach out to us to schedule a call to discuss this quarter's market update or to explore how we can serve your business needs.

[Request a Meeting](#)

[Learn More About Us](#)

Subsector Coverage



- Access Control
- Authentication and Identification
- Building Technology and Automation
- Connected Home
- Fire and Life Safety
- Physical Security
- Public Safety Technology
- Safety Products and Services
- Security Monitoring
- Systems Integration
- Video Surveillance

Featured Transactions

 a portfolio company of has been acquired by 	 has divested Situational Intelligence Solutions to 	 has been acquired by 	 a portfolio company of has been acquired by
 has been acquired by 	 an operating subsidiary of has been acquired by 	 a subsidiary of has been acquired by 	 has been acquired by
 a portfolio company of has been acquired by 	 has merged with 	 a portfolio company of has been acquired by 	 has been acquired by
 a portfolio company of has been acquired by 	 has sold to 	 Gas & Flame Detection has been acquired by 	 has acquired

Selected transactions were executed by Houlihan Lokey professionals while at other firms acquired by Houlihan Lokey or by professionals from a Houlihan Lokey joint venture company

WINTER 2023 SECURITY AND SAFETY SOLUTIONS MARKET UPDATE

Introduction

In 2022, the Safety & Security sector experienced downward momentum, trailing the S&P 500's performance in the same period. Overall economic and macro volatility impeded growth in the sector.

Most acquisitions in Q1 2023 targeted firms specializing in the manufacture of equipment or the development of software platforms as buyers looked to enhance their portfolio of offerings and expand globally.

The largest deals were found in the connected home and public safety technology subsectors, which accounted for more than 30% of total disclosed transaction values in Q4.

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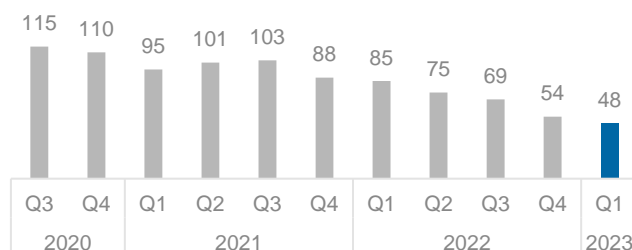
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Winter 2023 Quick Facts

Security and Safety Solutions M&A Transaction Volume

48

Transactions Q1 2023



Security and Safety Solutions Sector Market Snapshot

2.1x

TEV/NTM
Revenue

12.3x

TEV/NTM
EBITDA

6.4% ⁽²⁾

2022–2023E
Revenue CAGR

18.5%

NTM EBITDA
Margin

Sources: (1)S&P Capital IQ. Data as of March 27, 2023. The Houlihan Lokey Security and Safety Index consists of a diversified set of companies across the sector. See pages 18–21 for a complete list. (2) Acuity Research. Public Comps.

EXECUTIVE SUMMARY

Sector Business Conditions

- The global building automation and control system market size was \$87.3 billion in 2022 and is expected to grow at a 7.9% CAGR to reach \$168.8 billion by the end of 2031. The market for process safety solutions is expected to be worth as much as \$28.78 billion by 2029, growing at a 5.47% CAGR, according to Adroit Market Research. ⁽¹⁾
- The fire and life safety systems industry is presented with a key growth opportunity with the increased adoption of water mist systems, which uses a readily biodegradable foaming agent. ⁽²⁾
- Rising demand for integrated mobile-based access control systems and solutions is spurring market growth in the access control industry with a projected 8.4% CAGR from 2023 to 2028. ⁽³⁾
- According to SDM's 2023 Industry Forecast, 69% of security professionals consider the state of the video surveillance market to be very good or excellent. These ratings are propelled by the post-COVID-19 return-to-office policies, which have companies focusing on improving security, especially in the remote video monitoring space. ⁽⁴⁾
- Rapid digitalization and a rise in public and private investments in infrastructure development drive growth for the system integrators industry, which is projected to expand at a 13.8% CAGR through 2030. ⁽⁵⁾
- Strict regulatory mandates from large bodies such as the American National Standards Institute have made it a requirement to ensure workers are safe. This has been expected to expand the safety PPE market size. ⁽⁶⁾
- The National Retail Security Survey found that retailers experienced 26.5% more organized retail crime (ORC) in 2021, with eight in 10 respondents reporting more ORC-related violence in the past year. ⁽⁷⁾

News Highlights

- ADT announced that it had issued and sold 133.3 million shares of ADT common stock in a private placement to State Farm for a purchase price of \$1.2 billion.
- Everbridge partnered with the COP27 World Climate Summit, presenting on the collaboration between index-based insurance and public safety solutions as climate adaptation measures.
- Evolv Technology, a leader in AI-based weapons detection security, launched Evolve Express 3.0/5.0, an evolution of its advanced AI software platform.
- Alarm.com announced its first-to-market Smart Arming feature that auto-arms and disarms Alarm.com-powered home security systems based on user activity.
- Hikvision released version 2.0 of its Embedded Open Platform, providing partners with a safe environment for application operation and management.
- Identiv, Inc., a global leader in IoT digital security, launched bitse.io, an IoT platform with a catalog of pre-built customer engagement experiences.
- Municipal Emergency Services acquired the Long Island-based equipment and service provider Coastal Fire Systems, a leading provider to municipalities and volunteer fire departments across the island.

M&A Highlights







- Halma acquired WEETECH Holding GmbH, a designer and manufacturer of safety-critical testing technology for the aviation, rail, automotive, and engineering sectors.
- Siemens Digital Industries Software signed an agreement to acquire Avery Design Systems, a leading simulation-independent verification IP supplier, for the Siemens Xcelerator portfolio.
- Halma, a global group of life-saving technology companies, acquired IZI Medical Products, a manufacturer, designer, and distributor of medical devices, for £138 million.
- SureWex, a leading North American supplier of personal protective equipment, safety gear, and tool solutions, announced the sale of the company from The Riverside Company to Partners Group, a leading global private markets firm.

Public Comps Highlights ⁽⁸⁾












- On an LTM basis, the Houlihan Lokey Security and Safety Solutions Index was down, trailing the S&P 500 during the same period.
- Some subsectors, such as video surveillance (-5.9%), remained resilient compared to others, like physical security (-40.8%).
- The global economic downturn, when paired with multidecade-high inflation, has curbed spending in many security and safety solutions subsectors.

FEATURED SECTOR NEWS











Throughout winter 2023, acquisitions across security and safety solutions subsectors focused on the purchase of specialty equipment manufacturers and software platform developers.

Date	Company	Subsectors	Description	Article Link
1/4/2023	 SureWerx	Safety Products and Services	SureWerx, a leading North American supplier of personal protective equipment, safety gear, and tool solutions, announced the sale of the company from The Riverside Company to Partners Group, a leading global private markets firm.	Read More
12/27/2022	ASSA ABLOY	Physical Security	ASSA ABLOY acquired handheld computer provider Janam to enhance ASSA ABLOY's portfolio to include handheld readers for scanning via RFID technology.	Read More
12/22/2022	 HEXAGON	Public Safety Technology	Digital reality solutions provider Hexagon AB acquired LoCLab, a leader in 3D "digital twin" content creation.	Read More
12/16/2022	iLOQ	Building Technology and Automation	Users of iLOQ's digital locking system will no longer have to worry about power outages, as its cylinders now operate normally even during a power failure.	Read More
12/15/2022	Honeywell	Building Technology and Automation	Honeywell partnered with chemical producer Johnson Matthey to combine its LCH tech with Honeywell's carbon capture tech to produce lower-carbon intensity hydrogen.	Read More
12/14/2022	 Schneider Electric	Building Technology and Automation	Schneider Electric launched the Altivar Soft Starter ATS480 in the Indian market.	Read More
12/14/2022	IDENTIV	Physical Security	Global IoT digital security leader Identiv, Inc., launched bitse.io, an IoT platform with a catalog of pre-built customer engagement experiences.	Read More
12/14/2022	 MOTOROLA SOLUTIONS	Video Surveillance	Motorola Solutions acquired Rave Mobile Safety, a leader in mass notification incident management used by state and local governments to support emergency coordination.	Read More
12/13/2022	 WESCOM GROUP	Safety Products and Services	Wescom Group showcased its top-selling marine distress signals, demonstrating its value-add business and the importance of pyrotechnic distress signals.	Read More
12/12/2022	 ELATEC RFID Systems	Building Technology and Automation	Elatec showcased the use of authentication solutions utilizing RFID technology to improve the security of critical equipment such as forklifts and robotic operators.	Read More











FEATURED SECTOR NEWS (CONT.)

Date	Company	Subsectors	Description	Article Link
12/6/2022		Connected Home	The acquisition accelerates the realization of NRG's consumer-focused growth strategy and creates the leading essential home services platform fueled by market-leading brands, unparalleled insights, proprietary technologies, and complementary sales channels.	Read More
12/5/2022		Connected Home	Alarm.com announced its first-to-market Smart Arming feature that auto-arms and disarms Alarm.com-powered home security systems based on user activity.	Read More
11/29/2022		Video Surveillance	Hikvision released version 2.0 of its Embedded Open Platform, providing partners with a safe environment for application operation and management.	Read More
11/22/2022		Building Technology and Automation	Siemens launched the HB1-Compact, a versatile and highly customizable generator circuit breaker.	Read More
11/21/2022		Building Technology and Automation	Multination HVAC and fire and security provider Carrier released a new version of its Hourly Analysis Program (HAP), which upgraded its HVAC system design software.	Read More
11/18/2022		Building Technology and Automation	Envera Systems, a provider of automated and software-enabled security, was acquired by Chicago-based PE firm Wind Point Partners.	Read More
11/17/2022		Fire and Life Safety	Safety and specialty services provider APi Group raised its value capture opportunities target to \$80 million from \$40 million to acquire Chubb Fire & Security.	Read More
11/16/2022		Building Technology and Automation	Johnson Controls launched OpenBlue Enterprise Manager on the Alibaba Cloud, deepening the relationship between the two companies.	Read More
11/15/2022		Public Safety Technology	Evolv Technology, a leader in AI-based weapons detection security, launched Evolve Express 3.0/5.0, an evolution of its advanced AI software platform.	Read More
11/14/2022		Connected Home	Essence Group showcased its advanced IoT-based security solutions at the Expoprotection exhibition held in Paris, France.	Read More
11/14/2022		Physical Security	Biometric smart card producer Freevolt introduced a fingerprint-activated access control card system based on the LEGIC Security Platform.	Read More

FEATURED SECTOR NEWS (CONT.)

Date	Company	Subsectors	Description	Article Link
11/10/2022	 ESI ELEVATOR SYSTEMS INC	Security Monitoring	Midwest elevator service provider ESI expanded into Minneapolis and St. Paul via the launch of Twin Cities Elevator, marking its fifth new market entry in 2022.	Read More
11/7/2022	 ALLEGION	Physical Security	Allegion finalized plans to acquire German workforce management solution firm Plano Group to serve advanced workforce management services as part of its Interflex portfolio.	Read More
11/3/2022	 SIEMENS	Building Technology and Automation	Siemens Digital Industries Software agreed to acquire Avery Design Systems, a leading simulation-independent verification IP supplier, for the Siemens Xcelerator portfolio.	Read More
11/3/2022	 SureWerx	Safety Products and Services	SureWerx, a global supplier of personal protection equipment and tool solutions, acquired leading equipment manufacturer Oberon.	Read More
10/27/2022	 tyler technologies	Public Safety Technology	Tyler Technologies agreed to acquire Rapid Financial Solutions in a move to bolster Tyler's payments offering for all clients.	Read More
10/26/2022	 TELEDYNE TECHNOLOGIES INCORPORATED	Fire and Life Safety	Teledyne Technologies Inc. announced it would acquire ETM Electromatic, Inc., a manufacturer of high-power microwave and high-energy X-ray subsystems.	Read More
10/25/2022	 MOTOROLA SOLUTIONS	Video Surveillance	Motorola Solutions acquired leading provider of radio coverage extension solutions Futurecom Systems Group.	Read More
10/25/2022	 SIEMENS	Building Technology and Automation	Siemens launched its new cloud-native electrical design software Electra X as a service offering for small to medium-sized businesses.	Read More
10/24/2022	 LEGIC	Physical Security	LEGIC welcomed U.K.-based ID card manufacturer Ingenia to the LEGIC Partner Network, providing access to secure semiconductors.	Read More
10/19/2022	 ALARM.COM	Connected Home	Alarm.com acquired next-generation connected safety platform Noonlight, which will continue to operate independently as an IoT device monitoring provider.	Read More

FEATURED SECTOR NEWS (CONT.)

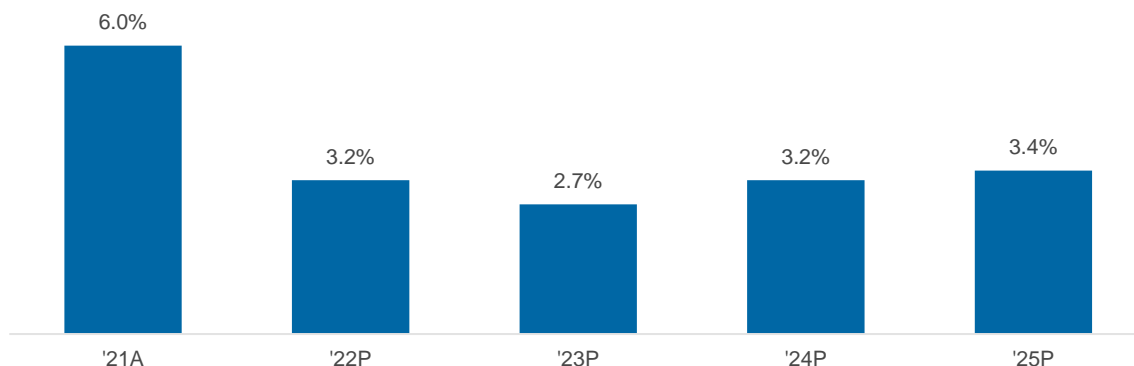
Date	Company	Subsectors	Description	Article Link
10/17/2022	 everbridge®	Public Safety Technology	Everbridge partnered with the COP27 World Climate Summit to present on index-based insurance and public safety solutions as climate adaptation measures.	Read More
10/17/2022	 HIKVISION®	Video Surveillance	Hikvision announced the introduction of Jik-Partner Pro, a one-stop security management platform tailored for security partners like installers, distributors, and systems integrators.	Read More
10/14/2022	 MES MUNICIPAL EMERGENCY SERVICES	Fire and Life Safety	Municipal Emergency Services acquired Long Island-based Coastal Fire Systems, a leading provider to municipalities and volunteer fire departments across the island.	Read More
10/13/2022	 ADT	Connected Home	ADT announced it had issued and sold 133.3 million shares of ADT common stock in a private placement to State Farm for a purchase price of \$1.2 billion.	Read More
10/12/2022	 3M	Safety Products and Services	3M announced it would be joining with Microsoft to provide the Post-it App for Microsoft Teams, enabling an inclusive teamwork environment.	Read More
10/6/2022	 Halma	Fire and Life Safety	Halma acquired WEETECH Holding GmbH, a designer and manufacturer of safety-critical testing technology for the aviation, rail, automotive, and engineering sectors.	Read More
10/6/2022	 ASSA ABLOY	Physical Security	ASSA ABLOY acquired German manufacturer Bird Home Automation GmbH, reinforcing its IP door intercom offerings.	Read More
10/6/2022	 LATCH®	Building Technology and Automation	Latch, Inc., announced two new products, the Latch T and Latch Link, allowing owners and operators of retrofit properties to modernize quickly and affordably.	Read More
10/5/2022	 essence Peace of mind by innovation	Connected Home	Essence SmartCare partnered with community equipment provider Medequip to implement its Care@Home telecare services platform in care facilities across England.	Read More
10/3/2022	 Halma	Fire and Life Safety	Halma, the global group of life-saving technology companies, acquired IZI Medical Products, a manufacturer, designer, and distributor of medical devices, for £138 million.	Read More

GLOBAL MACROECONOMIC TRENDS

Global GDP has slowed down, with most regions reporting lower growth rates than previous years

1 Global economic activity is experiencing a broad-based and sharper-than-expected slowdown...

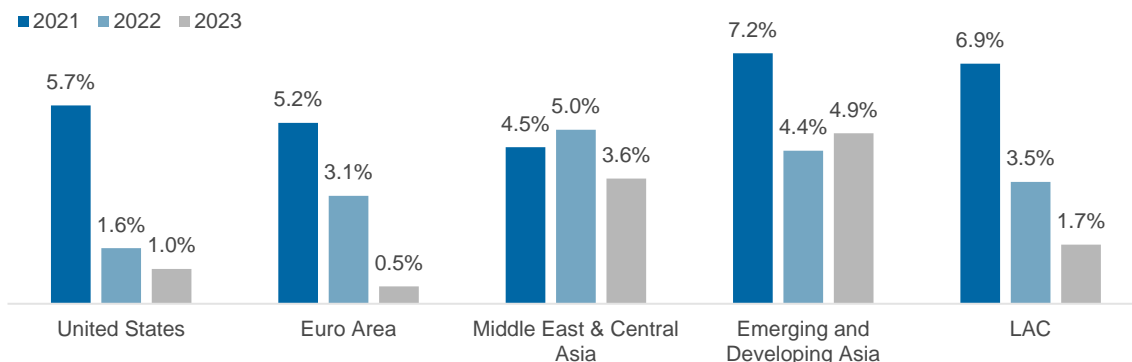
Global Real GDP Growth (annual percent change)⁽¹⁾



- 2023 global GDP projections remain subdued due to inflation being higher than it's been in several decades, the cost-of-living crisis, and tightening financial conditions in most regions
- The ongoing conflict in Ukraine and lingering COVID-19 headwinds weigh heavily on growth projections globally

2 Growth rates are low across most geographical regions to start 2023...

Real GDP Growth by Region (annual percent change)⁽¹⁾



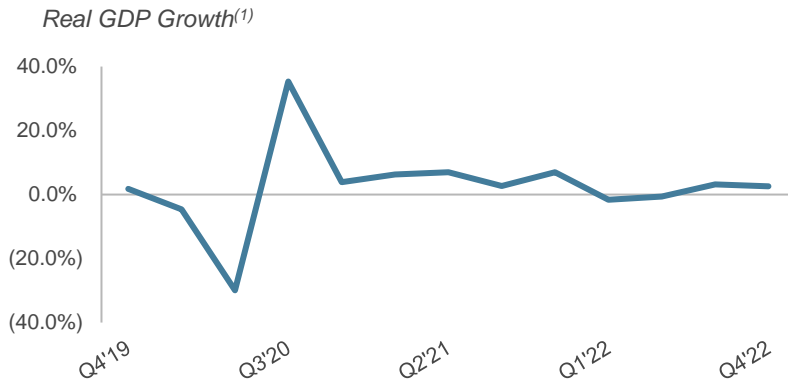
- Global growth is projected to fall to 2.7% in 2023—the weakest growth projection since 2001 (excluding the financial crisis and acute phase of the pandemic)
- Global inflation is expected to fall to 6.5% in 2023 and 4.1% by 2024
- Fiscal policy aims ease cost of living while keeping in line with a tight monetary stance

⁽¹⁾ International Monetary Fund as of October 2022.

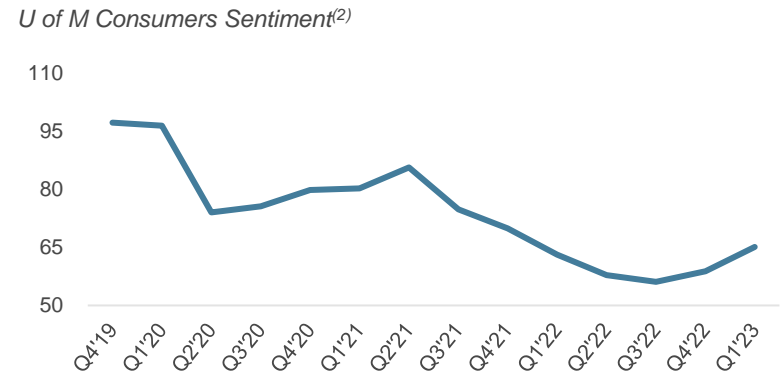
KEY U.S. ECONOMIC INDICATORS

Key economic indicators show slow economic contraction

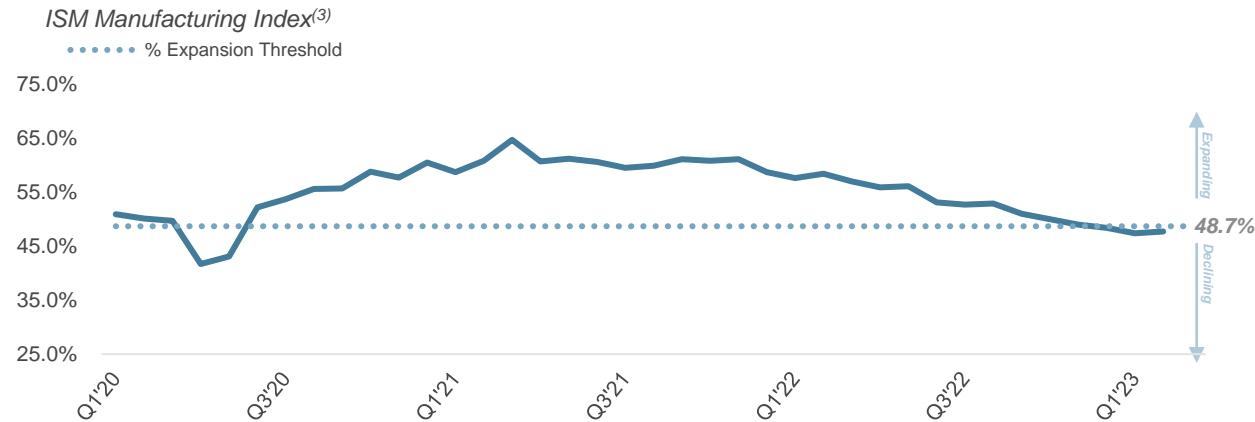
1 GDP growth stays flat through the end of 2022...



2 Consumers' confidence wanes over high pricing...



3 Product demand and production levels signal slow contraction...



- Manufacturing PMI index contracted for the fourth straight month, signaling slow contraction and the continuation of a downward trend that began in June 2022
- In March, consumer sentiment fell for the first time in the past four months. Despite this, the quarterly average, is still above last year's ratings.
- Consumers' expectations primarily worsened based on consistently high prices

(1) Bureau of Economic Analysis as of March 2023.

(2) University of Michigan as of March 2023.

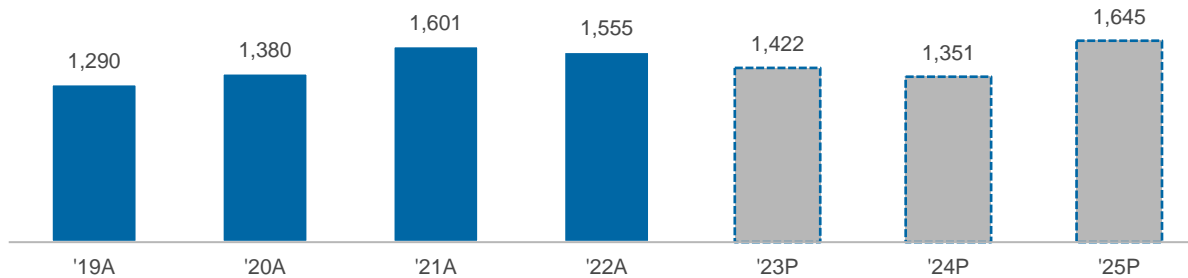
(3) Institute for Supply Management as of February 2023.

KEY U.S. CONSTRUCTION TRENDS

The residential housing sector is experiencing a slowdown, while the nonresidential outlook is more upbeat, led by strength in domestic manufacturing, energy, data centers, and federal infrastructure spend

1 Housing investment subdued due to rising rates environment...

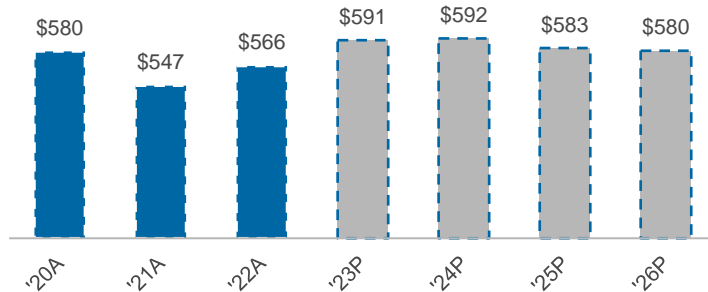
Housing Starts (\$ in Thousands)⁽¹⁾



- Mortgage rate increases had an immediate negative impact on new housing starts in 2022
- Higher interest rates have caused a pause in home appreciation
- Inflationary price environment is slowing R&R spend

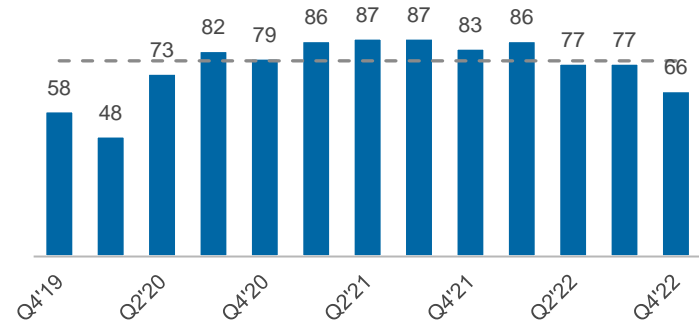
2 Nonresidential spending expected to increase with larger federal infrastructure budgets...

Nonresidential Construction Put in Place (\$ in Billions)⁽²⁾



3 RMI index decreases as remodeling project leads slow down...

Remodeling Market Index (RMI)⁽³⁾



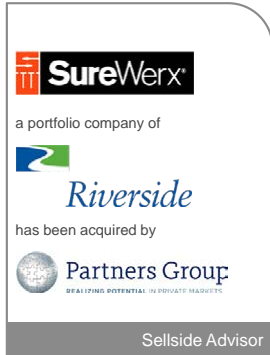
(1) United States Census Bureau, Fannie Mae, National Association of Realtors, and Mortgage Bankers Association as of February 2023.

(2) United States Census Bureau and FMI U.S. Construction Outlook as of September 2022.

(3) National Association of Home Builders as of December 2022.

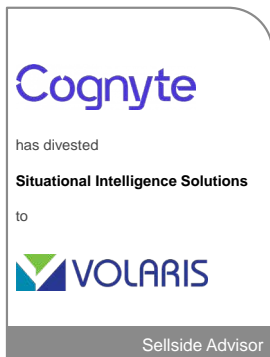
SELECT TRANSACTIONS EXECUTED BY HOULIHAN LOKEY'S SECURITY AND SAFETY SOLUTIONS TEAM

Houlihan Lokey Advises SureWerx












- Co-headquartered in Vancouver, B.C., and Chicago, Illinois, SureWerx is a leading supplier of technical safety equipment and safety tools that help improve employee wellbeing, working conditions, and productivity. SureWerx owns 18 well-established safety brands across 27 product categories, including welding safety, head protection, safety footwear and traction aids, arc flash apparel, detectable warning equipment, and abrasive and cutting tools. SureWerx is positioned to benefit from tailwinds in the safety equipment market, such as increasing regulatory requirements on worker safety, a proliferating culture of safety across industries and geographies, and new use-case scenarios for innovative safety equipment.
- The Riverside Company is a global private equity firm focused on investing in growing businesses valued at up to \$400 million. Since its founding in 1988, Riverside has made more than 850 investments. The firm's international private equity and structured capital portfolios include more than 140 companies.
- Partners Group is a leading global private markets firm. Since 1996, the firm has invested \$185 billion in private equity, private real estate, private debt, and private infrastructure on behalf of its clients globally. The firm employs more than 1,600 diverse professionals across 20 offices worldwide and has regional headquarters in Baar-Zug, Switzerland; Denver, USA; and Singapore.
- Houlihan Lokey served as lead financial advisor to SureWerx and assisted in initiating, structuring, and negotiating the transaction on its behalf.

Houlihan Lokey Advises Cognyte



- Cognyte Software Ltd., headquartered in Herzliya, Israel, is a global leader in investigative analytics software addressing many security use cases. Situational Intelligence Solutions (SIS) offers an integrated, intelligence-driven portfolio of security solutions under the Symphia brand that deliver actionable insights for deeper situational awareness, greater command, and control as well as more effective incident management, response, and investigations. SIS' software and analytics platform helps organizations guard against disruption and attacks targeting their physical facilities and employees. Symphia takes an open, scalable, and adaptable approach to the video-centric analytics and security needs of the government, safe city, transportation, critical infrastructure, and essential retail markets.
- Volaris Group Inc., headquartered in Ontario, Canada, is a buy-and-hold acquirer of mission-critical software businesses. As an operating group of Constellation Software Inc. (TSX:CSU), Volaris focuses on strengthening businesses within the markets they serve and facilitating platform growth through various initiatives, including organic measures such as new greenfield initiatives, product development, day-to-day business enhancements, or, inorganically, through complementary acquisitions.
- Houlihan Lokey served as the exclusive sellside financial advisor to Cognyte and assisted in initiating, structuring, and negotiating the transaction on its behalf.

SELECT 2023 INDUSTRY EVENTS

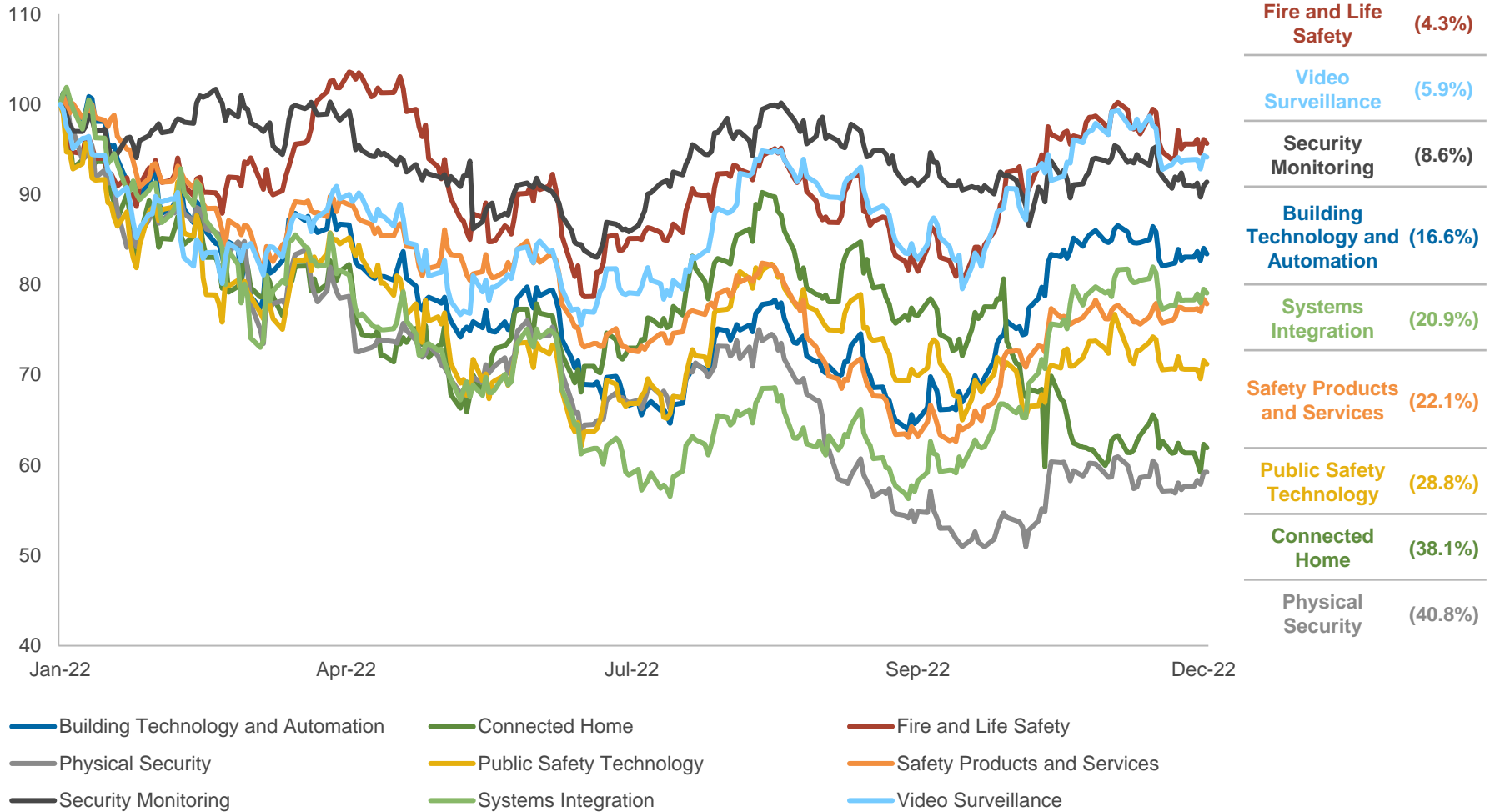
Show	Location	Date
	Las Vegas, NV	March 28-30, 2023 COMPLETED
 Houlihan Lokey 17th Annual Global Industrials Conference	New York, NY	May 16, 2023
	London, U.K.	May 16-18, 2023
	Washington, D.C.	May 16-17, 2023
RSA Conference2023	San Francisco, CA	April 24-27, 2023
	Las Vegas, NV	June 19-21, 2023
	Dallas, TX	September 11-13, 2023
	New Orleans, LA	October 20-26, 2023
	New York, NY	October 17-18, 2023
	Las Vegas, NV	November 14-16, 2023

EQUITY MARKET INDEX PERFORMANCE

SECURITY AND SAFETY SOLUTIONS SUBSECTORS

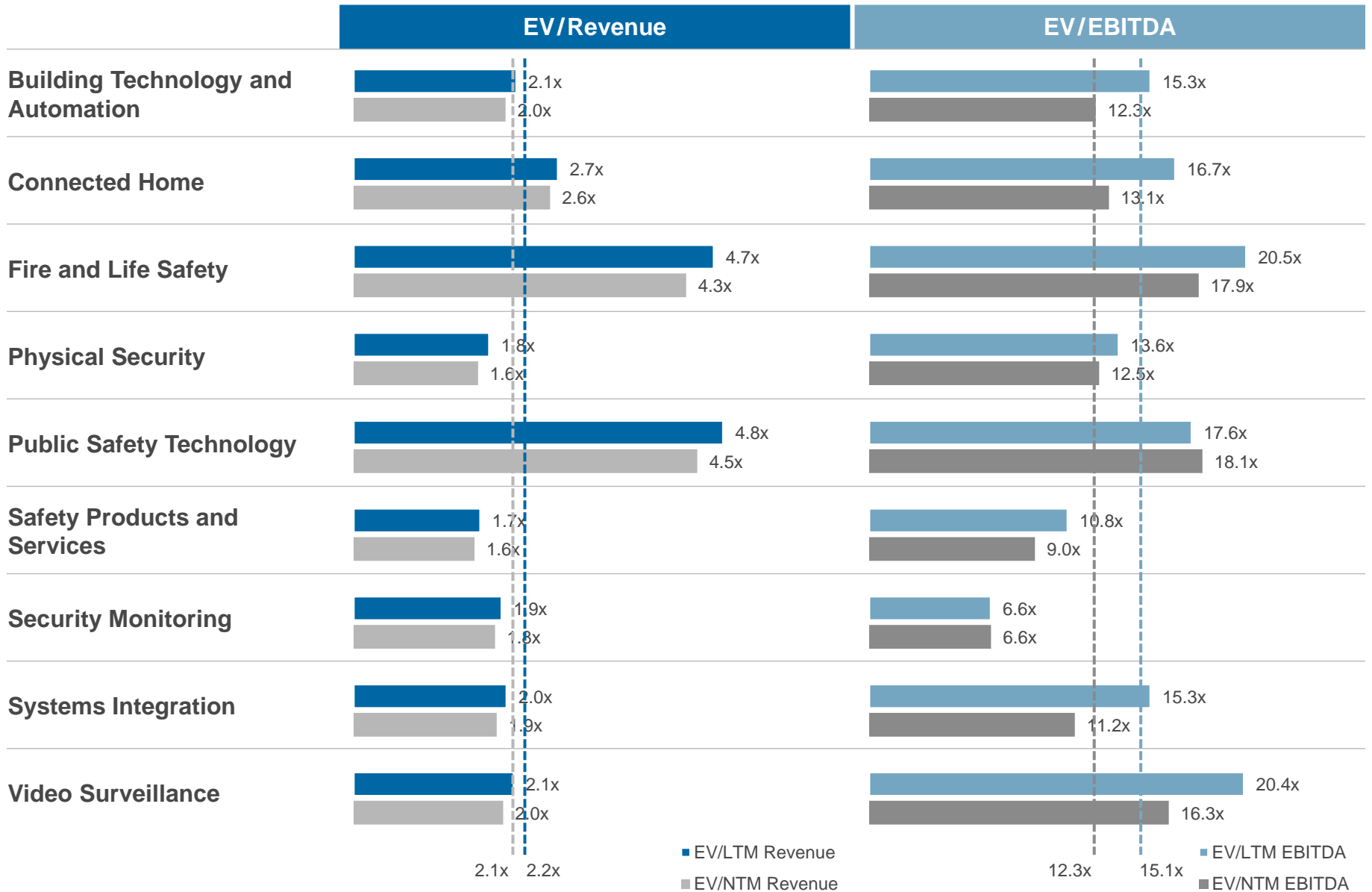
The video surveillance (-5.9%) and fire and life safety (-4.3%) subsectors remained resilient relative to other security and safety solutions subsectors in 2022

2022 Performance by Subsector



Source: S&P Capital IQ. Data as of December 30, 2022. All share prices rebased to 100.

PUBLIC COMPANY VALUATIONS



Source: S&P Capital IQ. Data as of March 27, 2023.

PUBLIC COMPARABLES

SECURITY AND SAFETY SOLUTIONS

(\$ in millions, except per-share prices)

Company Name	Stock Price	% of 52 Week High	Equity Value	Enterprise Value	LTM			Net Debt / EBITDA	TEV /				
					Revenue	EBITDA	EBITDA Margin		LTM Revenue	NTM Revenue	LTM EBITDA	NTM EBITDA	
Building Technology and Automation	Siemens Aktiengesellschaft	\$152.73	93.1%	\$121,048	\$169,155	\$79,299	\$11,043	13.9%	3.8x	2.1x	2.0x	15.3x	11.2x
	Honeywell International Inc.	\$187.99	85.1%	\$125,604	\$136,660	\$35,466	\$8,274	23.3%	1.3x	3.9x	3.7x	16.5x	14.6x
	Schneider Electric S.E.	\$156.31	90.8%	\$86,958	\$100,964	\$36,847	\$6,883	18.7%	1.9x	2.7x	2.6x	14.7x	12.8x
	Johnson Controls International plc	\$58.56	84.1%	\$40,241	\$50,984	\$25,505	\$3,172	12.4%	3.0x	2.0x	1.9x	16.1x	12.3x
	Carrier Global Corporation	\$44.30	90.1%	\$36,988	\$43,289	\$20,421	\$2,877	14.1%	2.1x	2.1x	2.0x	15.0x	12.2x
	SmartRent, Inc.	\$2.39	36.3%	\$476	\$270	\$168	(\$85)	N/M	N/M	1.6x	1.1x	N/M	N/M
Mean:								16.5%	2.4x	2.4x	2.2x	15.5x	12.6x
Median:								14.1%	2.1x	2.1x	2.0x	15.3x	12.3x
Connected Home	ADT Inc.	\$7.08	70.1%	\$6,427	\$16,065	\$6,395	\$2,425	37.9%	4.0x	2.5x	2.4x	6.6x	6.2x
	Alarm.com Holdings, Inc.	\$49.37	62.5%	\$2,450	\$2,382	\$843	\$89	10.6%	(1.0x)	2.8x	2.8x	26.7x	19.9x
Mean:								24.3%	1.5x	2.7x	2.6x	16.7x	13.1x
Median:								24.3%	1.5x	2.7x	2.6x	16.7x	13.1x
Fire and Life Safety	Cintas Corporation	\$440.68	93.7%	\$44,782	\$47,792	\$8,377	\$1,988	23.7%	1.5x	5.7x	5.3x	24.0x	21.1x
	Teledyne Technologies Incorporated	\$427.20	86.5%	\$20,080	\$23,520	\$5,459	\$1,316	24.1%	2.6x	4.3x	4.1x	17.9x	16.7x
	Halma plc	\$25.97	81.5%	\$9,810	\$10,423	\$2,041	\$450	22.0%	1.2x	5.1x	4.6x	23.2x	19.1x
	API Group Corporation	\$21.50	87.8%	\$5,043	\$8,263	\$6,558	\$508	7.7%	4.8x	1.3x	1.2x	16.3x	10.9x
Mean:								19.4%	2.5x	4.1x	3.8x	20.3x	17.0x
Median:								22.9%	2.1x	4.7x	4.3x	20.5x	17.9x

PUBLIC COMPARABLES (CONT.)

SECURITY AND SAFETY SOLUTIONS

(\$ in millions, except per-share prices)

Company Name	Stock Price	% of 52 Week High	Equity Value	Enterprise Value	LTM			Net Debt / EBITDA	TEV /				
					Revenue	EBITDA	EBITDA Margin		LTM Revenue	NTM Revenue	LTM EBITDA	NTM EBITDA	
Physical Security	ASSA ABLOY AB (publ)	\$22.94	88.5%	\$25,487	\$28,420	\$11,621	\$2,091	18.0%	1.4x	2.4x	2.3x	13.6x	12.2x
	Allegion plc	\$102.40	82.9%	\$8,998	\$10,908	\$3,272	\$712	21.8%	2.7x	3.3x	3.0x	15.3x	12.8x
	dormakaba Holding AG	\$404.78	74.1%	\$1,691	\$2,501	\$3,085	\$337	10.9%	2.4x	0.8x	0.8x	7.4x	6.2x
	Identiv, Inc.	\$6.00	35.0%	\$136	\$124	\$113	\$2	1.9%	(5.8x)	1.1x	1.0x	NM	22.3x
	Mean:							13.1%	0.2x	1.9x	1.8x	12.1x	13.4x
Median:							14.5%	1.9x	1.8x	1.6x	13.6x	12.5x	
Public Safety Technology	Motorola Solutions, Inc.	\$274.20	99.4%	\$45,860	\$51,101	\$9,112	\$2,504	27.5%	2.1x	5.6x	5.3x	20.4x	18.1x
	Hexagon AB (publ)	\$10.91	80.8%	\$29,343	\$33,011	\$5,564	\$1,880	33.8%	1.9x	5.9x	5.8x	17.6x	15.6x
	Tyler Technologies, Inc.	\$332.25	73.3%	\$13,894	\$14,730	\$1,850	\$316	17.1%	2.6x	8.0x	7.5x	NM	30.8x
	Smiths Group plc	\$20.67	93.2%	\$7,276	\$7,809	\$3,522	\$591	16.8%	0.9x	2.2x	2.1x	13.2x	11.0x
	Everbridge, Inc.	\$33.25	63.8%	\$1,339	\$1,663	\$432	(\$30)	NM	NM	3.9x	3.6x	NM	19.6x
	Evolv Technologies Holdings, Inc.	\$2.85	72.2%	\$422	\$224	\$55	(\$97)	NM	NM	4.1x	3.7x	NM	NM
Mean:							23.8%	1.9x	4.9x	4.7x	17.1x	19.0x	
Median:							22.3%	2.0x	4.8x	4.5x	17.6x	18.1x	

PUBLIC COMPARABLES (CONT.)

SECURITY AND SAFETY SOLUTIONS

(\$ in millions, except per-share prices)

Company Name	Stock Price	% of 52 Week High	Equity Value	Enterprise Value	LTM				TEV /				
					Revenue	EBITDA	EBITDA Margin	Net Debt / EBITDA	LTM Revenue	NTM Revenue	LTM EBITDA	NTM EBITDA	
Safety Products and Services	3M Company	\$101.49	65.6%	\$55,969	\$68,990	\$34,229	\$7,424	21.7%	1.7x	2.0x	2.1x	9.3x	8.8x
	MSA Safety Incorporated	\$130.88	89.4%	\$5,132	\$5,580	\$1,528	\$369	24.1%	1.2x	3.7x	3.4x	15.1x	14.7x
	Ansell Limited	\$17.85	90.1%	\$2,255	\$2,603	\$1,778	\$273	15.3%	1.2x	1.5x	1.5x	9.5x	9.3x
	Delta Plus Group	\$76.55	76.3%	\$548	\$762	\$412	\$58	14.1%	3.6x	1.8x	1.7x	13.1x	11.5x
	Bergman & Beving AB (publ)	\$12.20	84.8%	\$324	\$463	\$454	\$38	8.5%	3.5x	1.0x	1.0x	12.1x	8.1x
	Lakeland Industries, Inc.	\$14.51	73.8%	\$106	\$75	\$111	\$8	7.6%	(3.7x)	0.7x	0.6x	9.0x	5.3x
	Mean:							15.2%	1.3x	1.8x	1.7x	11.4x	9.6x
Median:							14.7%	1.5x	1.7x	1.6x	10.8x	9.0x	
Security Monitoring	ADT Inc.	\$7.08	70.1%	\$6,427	\$16,065	\$6,395	\$2,425	37.9%	4.0x	2.5x	2.4x	6.6x	6.2x
	SECOM CO., LTD.	\$62.16	86.5%	\$13,385	\$11,102	\$8,196	\$1,503	18.3%	(3.1x)	1.4x	1.3x	7.4x	7.0x
	Prosegur Compañía de Seguridad, S.A.	\$1.92	81.5%	\$1,022	\$2,634	\$4,500	\$449	10.0%	3.5x	0.6x	0.6x	5.9x	4.7x
	Napco Security Technologies, Inc.	\$38.34	97.8%	\$1,409	\$1,368	\$161	\$32	20.2%	(1.3x)	8.5x	7.4x	NM	30.6x
	Mean:							21.6%	0.8x	3.2x	2.9x	6.6x	12.1x
Median:							19.3%	1.1x	1.9x	1.8x	6.6x	6.6x	
Systems Integration	Siemens Aktiengesellschaft	\$152.73	93.1%	\$121,048	\$169,155	\$79,299	\$11,043	13.9%	3.8x	2.1x	2.0x	15.3x	11.2x
	Johnson Controls International plc	\$58.56	84.1%	\$40,241	\$50,984	\$25,505	\$3,172	12.4%	3.0x	2.0x	1.9x	16.1x	12.3x
	Securitas AB (publ)	\$8.30	71.9%	\$4,753	\$8,795	\$12,818	\$1,068	8.3%	3.8x	0.7x	0.6x	8.2x	7.1x
	Mean:							11.6%	3.5x	1.6x	1.5x	13.2x	10.2x
Median:							12.4%	3.8x	2.0x	1.9x	15.3x	11.2x	

PUBLIC COMPARABLES (CONT.)

SECURITY AND SAFETY SOLUTIONS

(\$ in millions, except per-share prices)

Company Name	Stock Price	% of 52 Week High	Equity Value	Enterprise Value	LTM				TEV /			
					Revenue	EBITDA	EBITDA Margin	Net Debt / EBITDA	LTM Revenue	NTM Revenue	LTM EBITDA	NTM EBITDA
Hangzhou Hikvision Digital Technology Co., Ltd.	\$6.33	94.1%	\$59,313	\$57,000	\$12,081	\$2,256	18.7%	(1.2x)	4.7x	4.1x	25.3x	20.8x
Motorola Solutions, Inc.	\$274.20	99.4%	\$45,860	\$51,101	\$9,112	\$2,504	27.5%	2.1x	5.6x	5.3x	20.4x	18.1x
Delta Electronics, Inc.	\$9.88	97.7%	\$25,653	\$26,484	\$12,656	\$1,965	15.5%	(0.2x)	2.1x	1.9x	13.5x	11.8x
Canon Inc.	\$21.89	81.9%	\$22,232	\$24,364	\$30,656	\$4,410	14.4%	0.1x	0.8x	0.8x	5.5x	5.4x
Zhejiang Dahua Technology Co., Ltd.	\$3.26	94.9%	\$9,856	\$9,495	\$4,724	\$451	9.5%	(0.9x)	2.0x	2.0x	21.1x	16.3x
Mean:							17.1%	(0.0x)	3.0x	2.8x	17.1x	14.5x
Median:							15.5%	(0.2x)	2.1x	2.0x	20.4x	16.3x
Overall Mean:							17.7%	1.5x	2.9x	2.7x	14.5x	13.6x
Overall Median:							16.8%	1.9x	2.2x	2.1x	15.1x	12.3x

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