



MPG | MADISON PARK GROUP

Insights

Market Update
Environmental, Health & Safety (EHS)

Fall 2024

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I.



Market Update

Market Forces Driving Urgency

Multiple Tailwinds are Driving EHS Transaction Activity

Key Drivers

- ✓ Expanding EHS budgets
- ✓ Sustainability imperative - CSRD
- ✓ Increased AI development & adoption
- ✓ Software / content / training
- ✓ Real-time data feeds – advanced analytics
- ✓ IoT
- ✓ Connected worker / mobile initiatives
- ✓ EHS convergence with QMS, EAM and WFM
- ✓ Supply chain & contractor management
- ✓ Increased demand for EHS services

Robust Transaction Activity

<p>SafetyCulture</p> <p>Minority Investment</p> <p>AirTree</p> <p>Sep-24</p>	<p>amcs Avetta</p> <p>Majority Recap</p> <p>IEQT</p> <p>Aug-24 Apr-24</p>	<p>inx</p> <p>Majority Recap</p> <p>AKKR</p> <p>Jul-24</p>
<p>HAMMERTECH</p> <p>Majority Recap</p> <p>RIVERWOOD CAPITAL</p> <p>Jul-24</p>	<p>QUICKFDS</p> <p>Strategic Sale</p> <p>3E</p> <p>Apr-24</p>	<p>SUPPLYSHIFT</p> <p>Strategic Sale</p> <p>sphera</p> <p>Jan-24</p>
<p>Ideagen DAMSTRA InPhase. plant <small>assessor</small> OP CENTRAL lucidity</p> <p>DEVONWAY TRITAN <small>SOFTWARE</small> OnePlace Solutions GADEX ProcessMAP</p>		

Thoma Bravo explores \$2 billion sale of ESG software maker Cority, sources say

Select Market Players

Vendors are Taking Different Horizontal and Vertical Approaches

Large Vendors / Aggregators



Vertical Focused Software Providers

Services

Contact our EHS team to discuss your financing and M&A objectives

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Let's Start the Conversation Today

Our Focus is Understanding Your Goals And Objectives for a Transaction

As the owner / CEO of a business beginning to think about a transaction, there's a lot of factors you should consider. The team at MPG will work with you in identifying areas of strength as well as areas with room for improvement with the goal of developing the optimal strategy for success.

Transaction Goals

- Valuation expectations
- Is this the right time to pursue a transaction
- Deal structure: minority growth round with partial liquidity, 100% sale to a strategic, majority sale to PE firm with rollover
- Are shareholders aligned in objectives

Go-To-Market & Customers

- How effective is my go-to market (e.g., top of funnel lead gen, win rate, etc.)
- Retention: gross, net, logo
- Contract length (e.g., mix of single-year vs. multi-year contracts)
- Customer concentration

Market

- Size and growth rate of addressable market
- Market tailwinds or headwinds
- Competitors and differentiators
- Regulations the EHS software addresses
- Adjacencies / growth opportunities

Financials

- Revenue scale, mix (recurring vs services) and growth rate
- Gross margin: total and by recurring vs. non-recurring revenue
- Spend on S&M vs R&D vs G&A
- Overall profitability / loss trends

Product / Technology

- How will buyers view my product offering: mission-critical vs. nice to have
- Is the product built on modern tech or is there tech debt that requires investment
- Small, midmarket or enterprise focus
- Ease of implementation and configurability

Other Considerations

- How would employees view a transaction
- Channel relationships that could impact a sale (e.g., partner would not work with the company if sold to a certain buyer)
- Change of control provisions in contracts
- Timing of large customer contract renewals

II.
















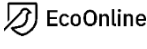






















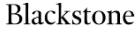







Precedent Transactions

Majority Strategic & Financial Transactions (With Valuation Multiples)



















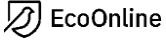





2019-YTD 2024

\$ in millions

Acquirer	Target	Date	Description	Est. Metric & Multiple	Acquirer	Target	Date	Description	Est. Metric & Multiple
 AKKR		Jul-24	Australian-based EHS and workforce mgmt. software		 LUMINATE		Feb-23	Plant floor audit and insights software	
 RIVERWOOD CAPITAL		Jul-24	Australian-based construction site safety				Oct-22	OSHA, EHS, and HR-compliance course provider	
		Apr-24	Contractor risk management and compliance software				Oct-22	Integrated EHS software with a health & safety focus	
		Jan-24	Enterprise safety and risk management software				Jun-22	Chemical safety, risk, and compliance software	
		Nov-23	Safety solutions for workforce management				Apr-22	German-based EHSQ and ESG technology vendor	
		Oct-23	Environmental health, safety and quality management				Apr-22	Risk management and quality solutions	
		Sep-23 ⁽¹⁾	Industrial compliance and operations management		 NEW MOUNTAIN CAPITAL		Mar-22	SDS and EHS compliant data management solutions	
		Sep-23	EHS tech-enabled recurring services				Feb-22 ⁽¹⁾	No-code QMS / EHS SaaS platform	
		Jun-23	Construction safety and compliance software				Feb-22	Compliance, certification and verification risk management	
		May-23	Global EHS and well-being software				Sep-21	EHS & ESG software platform	
		Apr-23	Lab safety and inventory for EHS & operations				Aug-19 ⁽¹⁾	EHSQ / GRC risk management software	

Additional Select Strategic & Financial Transactions

2023-YTD 2024

Acquirer	Target	Date	Description	Acquirer	Target	Date	Description
		Aug-24	Sustainability software for foundational industries			Jan-24	Supply chain sustainability software
		Aug-24	Contractor management, risk and compliance software platform			Oct-23	Employee protection software application business
		May-24	Global safety training and competence provider			Oct-23	France-based chemical substance regulatory compliance
		Apr-24	France-based Safety Data Sheets (SDS) compliance			Aug-23	Real-time safety and compliance management
		Jan-24	Australia-based plant safety and maintenance management			Jan-23	Software division focused on EHS management and risk
		Jan-24	Blockchain-enabled chemicals supply chain solution			Jan-23	Supply chain mapping for food safety

Select Capital Raise Transactions

2023-2024

SafetyCulture

\$165m Minority Investment



Sep-24

- Workplace safety company SafetyCulture is valued at \$2.5 billion after a capital raise led by Airtree and joined by existing investors Blackbird and Morpheus Ventures
- It plans to use the new capital to help fund industry-leading innovation for larger enterprise customers, accelerate AI adoption and reward long-term employees

"Few tech companies have our direct reach to frontline workers across so many different industries, so we have both a responsibility and a massive opportunity to create significant change for these people."

- Luke Anear, Founder, SafetyCulture

Intenseye

\$64m Series B



Feb-24

- AI-powered workplace safety solutions leader
- Intenseye will expand its technology ecosystem to unlock greater value in customers' existing infrastructure, further incorporate (LLMs) and mobile support to optimize dozens of use cases, and continue to invest in privacy innovations

"The scope, scale, and costs of workplace incidents are escalating rapidly, with a need for AI-driven solutions that pinpoint and mitigate hazards while aligning to the highest standards of accuracy, privacy, and enterprise readiness."

- Sercan Esen, CEO, Intenseye



Minority Recap



Nov-23

- Technology and proprietary content solutions for training, safety management and compliance
- HSI reduces the financial and reputation risk of its customers, improves business outcomes, and helps with compliance in an increasingly complex regulatory environment

"We have long admired HSI as a clear market leader in making workplaces safer, with a demonstrated track record of organic growth that has been augmented by a thoughtful acquisition strategy."

- Nikhil Krishnan, Managing Director, Neuberger Berman



\$12m Strategic Investment



Aug-23

- AI-enabled workplace safety solutions
- Existing investors Eclipse Ventures, Mtech and the World Innovation Lab also participated, with the total amount of money raised to \$30 million
- Voxel will continue to develop its technology and drive for greater commercial impact

"It's a product that has obvious worth and value. It's not just that it saves money, though that is important because accidents and inefficient working do carry significant costs; rather, there's a real social impact."

- Alex Senemar, CEO and Co-Founder, Voxel

III.



MPG Credentials

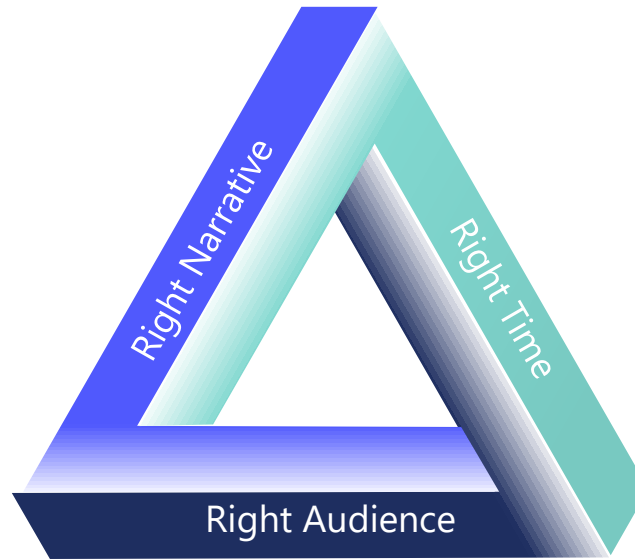
Trusted Advisor To Software and Tech-Enabled Services Companies

Focused On Growth Stage Sponsor-Backed & Founder-Owned Companies

Mergers & Acquisitions

Equity Capital Raising

Debt Capital Raising



Our distinctive transaction approach delivers superior outcomes

Areas of Expertise

Industrial Technology

Risk and Compliance

Supply Chain

Healthcare / Life Sciences

Public Good

Workforce Management

\$50-\$500

MILLION ENTERPRISE VALUE FOCUS

220+

TRANSACTIONS COMPLETED

60% / 40%

SPONSOR VS. FOUNDER-OWNED CLIENTS

2004

FOUNDING YEAR

\$30+

BILLION IN DEAL VALUE

+30%

INTERNATIONAL TRANSACTIONS

Holistic Transaction Advisory Services

Tailored To Our Clients' Unique Requirements

M&A Advisory

- ✓ Sell-side M&A
- ✓ Majority Recapitalization
- ✓ Divestitures / Carve-outs

Equity Capital Raising

- ✓ Late-Stage Venture Rounds
- ✓ Growth Equity
- ✓ Minority Recapitalization

Debt Capital Raising

- ✓ Mezzanine / Venture Debt
- ✓ Structured Debt / Equity
- ✓ Term Loans

We Deliver With A Laser Focus On Success

EXPERTISE

We focus on segments within technology and services where we have deep domain knowledge, market intelligence and conviction

PREPARATION

Extensive diligence on our clients and planning well ahead of market launch sets up a successful transaction and avoids surprises

RELATIONSHIPS

Longstanding relationships and constant dialogue with decision makers at public and private strategic acquirers as well as PE firms

EXECUTION

Thoughtful positioning, disciplined process management and tactical negotiation drives premium outcomes

EHS Client Case Study

DevonWay Had Inbound Interest; Used MPG To Drive The Best Outcome

DEVONWAY

Client Overview

- Industrial operations and compliance software
- Capabilities spanned EHS, QMS, EAM and WFM
- Targeted enterprise customers in high-risk industries (nuclear, utilities, advanced manufacturing, life sciences, etc.)
- Also provided implementation and training services – was beginning to leverage partners for services (e.g., ERM)
- ~\$20 million revenue, growing and profitable
- Backed by Crosslink Capital
- Received significant inbound interest from strategics and PE firms

Exceptional Process Results

- ✓ Ran highly competitive process comprised of strategics and top tier PE firms
- ✓ Received strong interest with 13 IOIs (20 including verbal offers)
- ✓ Ideagen (backed by Hg) subsequently submitted a pre-emptive, superior bid ahead of the LOI deadline
- ✓ DevonWay became Ideagen's enterprise solution and continues to thrive within Ideagen's overall EHS strategy

Client Feedback

"The MPG team did an incredible job running our process. They know the industry inside and out, so we didn't waste any time dealing with potential acquirers who weren't going to be a good fit. The volume and quality of the work they put in, their responsiveness, and their deep experience made the process infinitely smoother than if we had tried to manage it on our own. And most importantly, we ended up with the best outcome for everyone involved, and it's not an exaggeration to say that outcome wouldn't have been possible without MPG's guiding hand. Worth every penny."

Chris Moustakas, CEO of DevonWay

DEVONWAY

CROSSLINK CAPITAL

Strategic Sale

Ideagen

Hg

Client Testimonials

Exceptional Outcomes Across the EHS / Compliance Ecosystem



*"We decided to work with Madison Park Group because of their integrity, commitment and **deep knowledge and expertise in the industrial compliance and EHSQ sectors**. Their strategic and tactical advice and **network of close relationships with the right buyers and investors** were critical in achieving this exceptional outcome for Intellect. They go the extra mile to get the right story, strategic messaging and growth opportunity while collaborating closely with management and the Board of Directors. Thanks to their dedicated effort, I truly believe Intellect has found a great partner for its next phase of continued growth."*

Romeo Elias, Co-Founder & CEO of Intellect



*"The Madison Park Group team did an amazing job representing PlayerLync on its sale to Intertek. **They left no stone unturned, catalyzed a robust process, and consistently put forth thoughtful analysis and objective advice**. Great to have them on our side."*

Roger Hurwitz, Founder and Managing Partner, Volition Capital



*"The team at Madison Park Group **exceeded our expectations**. They brought a wealth of experience, knowledge, and a deep understanding and appreciation of the unique aspects of our business. They were great in guiding us in complex discussions and **delivered an outstanding outcome** for our shareholders and employees. I would highly recommend them."*

Marc Haskelson, CEO of Compliance Group

Trusted M&A and Capital Raising Partner for The EHS / Risk & Compliance Sector

For More Information, Contact:



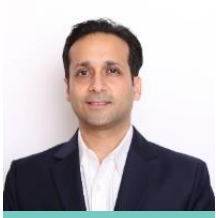
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DEVONWAY

Strategic Sale

Ideagen

PLAYERLYNC

Strategic Sale

intertek

intellect

Majority Recap

STRATTAM CAPITAL

Compliance Group

Majority Recap

ALDRICH

RedSky

Strategic Sale

everbridge

FORM

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