

CAPITAL MARKETS & INVESTMENT BANKING

# **PUBLIC SAFETY / FIRST RESPONDER TECHNOLOGY & SERVICES SECTOR OVERVIEW**

December 2024

Mesirow 



# Executive summary

## Introduction

- **Mesirow’s knowledge, experience and relationships** within the Public Safety / First Responder Technology & Services sector **enable us to add substantial value** and **unique insights** on behalf of our clients and prospects
- These discussion materials will highlight:
  - Mesirow’s dedicated coverage of the Public Safety / First Responder Technology & Services sector
  - Strategic insights of the Public Safety / First Responder Technology & Services segment and relevant case studies

## Mesirow capabilities

- Experienced professionals with a **strong track-record in the Public Safety / First Responder Technology & Services sector**
- Engagements are **led by senior industry bankers** who possess significant experience and unique, invaluable insight
- **Direct lines of communication** with key investor decision-makers enable Mesirow to add substantial value
- We welcome the opportunity to further develop strategic relationships, and we look forward to a constructive and on-going dialogue

## Team leadership



**Shane McDaniel**  
Managing Director  
*Technology & Software*

- 24+ years of investment banking experience
- Previously at Raymond James, Piper Jaffray and Citigroup
- M.B.A., Booth - University of Chicago
- B.A., University of Illinois



**Doug Brookman**  
Managing Director  
*Financial Sponsor Coverage*












- 14+ years of M&A and advisory experience
- Previously at Pacific Avenue Capital Partners and Platinum Equity
- B.S, University of Arizona












**Eric Markin**  
Director  
*Consumer & eCommerce*

- 10+ years of investment banking experience
- B.B.A., University of Wisconsin
- M.B.A., Northwestern University

# Dedicated coverage of the Public Safety / First Responder Technology & Services Sector

Public Safety / Mass Communication	First Responder eCommerce / Marketplaces	Safety Systems & Infrastructure	Public Safety / Mass Communication
<p>SELL-SIDE ADVISOR</p>  <p>Emergency dispatch notification service provider using voice, text and mobile application</p> <hr/> <p>HAS BEEN ACQUIRED BY</p> 	<p>SELL-SIDE ADVISOR</p>  <p>a portfolio company of</p>  <p>and</p>  <p>HAS BEEN ACQUIRED BY</p>  <p>Leading first responder ecommerce and marketplace for K9 equipment</p>	<p>SELL-SIDE ADVISOR</p>  <p>YOUR FIRE AND SECURITY SOLUTION</p> <hr/> <p>HAS BEEN ACQUIRED BY</p>  <p>ENGAGE. INSPIRE. DELIVER.</p> <p>a portfolio company of</p>  <p>Designs, installs and services safety systems including fire alarms, burglar alarms, etc.</p>	<p>SELL-SIDE ADVISOR</p>  <p>Provides a cloud-based B2C platform for outbound customer interaction management solutions</p> <hr/> <p>HAS BEEN ACQUIRED BY</p> 

## Key themes

<ul style="list-style-type: none"> <li> Grown to serve 5,000+ agencies, including fire, EMS and police departments</li> <li> Offers service portfolio including Audio &amp; CAD Dispatch, Hydrant Mapping and Mobility</li> </ul>	<ul style="list-style-type: none"> <li> Effective ecommerce, digital marketing and social media strategy</li> <li> Trusted relationships with third-party brands to supply law enforcement, the military and the government</li> </ul>	<ul style="list-style-type: none"> <li> Focuses on highly technical, large scale commercial projects that typically require a high level of customization</li> <li> Blue-chip customers across government facilities, retail and banking</li> <li> One-stop-shop solution for all fire, security and communication solutions and services</li> </ul>	<ul style="list-style-type: none"> <li> Created a market niche among utilities, government agencies and other companies interested in informing citizens</li> <li> Prior investments by Varolii allowed the company to expand on its core services prior to its eventual sale</li> </ul>
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## Business highlights

<p><b>~12k/~7.5k</b>    <b>5,000+</b></p> <p>Daily Auto Alerts / CAD Alerts    Loyal customers</p>	<p><b>62.5%</b>    <b>4,500+</b></p> <p>Online Sales    Active SKUs Sold</p>	<p><b>28k</b>    <b>145+</b></p> <p>Customer Accounts    Years in Operation</p>	<p><b>400+</b>    <b>75M</b></p> <p>Businesses Served    Customers</p>
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# Public Safety / First Responder Technology & Services market is large and growing

Valuable segments of the market remain underserved and continue to grow larger

## The Public Safety / First Responder Technology & Services market is highly attractive...



Significant addressable market of \$16.4 billion, forecasted to grow at a CAGR of 10.5% through 2031 to reach a market size of \$36.5 billion



The overall Public Safety market is \$464 billion and expected to grow to \$810 billion by 2030 as a result of increase crime and demand for higher protection



Poised for rapid near-term growth as 86% of First Responders expect modern technology upgrades in the near-term



Increased AI and machine learning integration provides a significant opportunity for Public Safety / First Responder Technology & Services to expand its accessibility and effectiveness



Crucial addressable customer base of police and fire departments, municipal establishments and homes

## ...Supported by sector growth drivers

Increasing emphasis on technology to improve record management, allowing resources to be deployed to more crucial areas

Generative AI is a transformative force, enhancing efficiency and freeing First Responder to focus on the task at hand

Demand for computer-aided dispatch to help record crucial incident information and promptly deploy necessary resources



Ever-growing development of smart cities and homes to improve municipal infrastructure and services

Mobile device software for First Responders is minimizing hardware required for the job

Augmented reality's growth has significantly enhanced training for first responders

# Public Safety / First Responder Technology & Services Spectrum



## Security

- Biometric security and authentication systems
- Electronic article surveillance
- Managed security services
- Residential and commercial locks
- Residential and commercial digital security systems



## First Responder Equipment

- Augmented reality lenses and technology
- Outsourced training, certification and consulting services
- Protective gear and equipment
- Wearable technology and health sensors



## Emergency Management

- Deployment optimization
- Disaster and staffing predictive analytics
- Emergency scenario modeling and management
- Geographic information systems
- Real-time data collection



## Public Safety Communication

- Communication networks and services
- Community engagement and alert systems
- Mass notification systems / emergency alert systems
- Mobile dispatch services
- Next-Gen 911 ("NG 911")
- Tech-enabled dispatch



## Situational Training and Execution

- Body cameras and equipment
- Emergency tech-enabled devices
- Indoor / outdoor digital mapping systems
- Outsourced training and simulation
- Unmanned aerial devices and recording systems

### Cross spectrum developments

Real-time mapping and updates

Smart infrastructure

Cloud-based incident platforms

Data processing and archiving

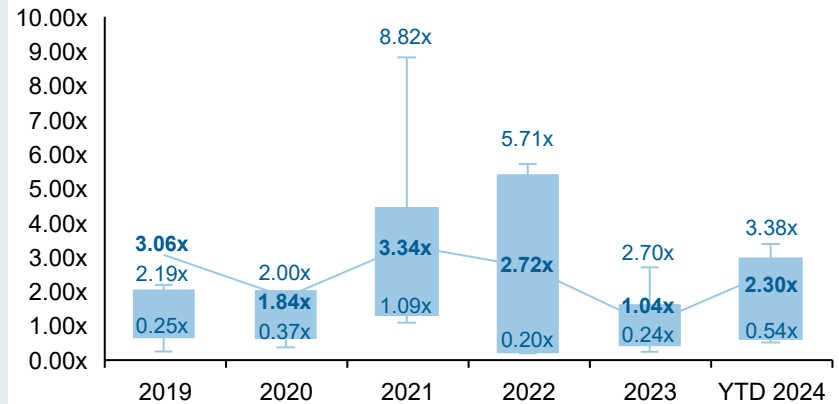
# Public Safety / First Responder Technology & Services M&A Overview

## Recent deal activity

### Secular tailwinds driving digital transformation

- Today, constituents expect public services to use emerging technologies to reduce costs, increase efficiency and improve service quality
- Technologies originally developed for international conflict and military applications have increasingly been adopted domestically and at the local government level
- US-based companies have seen a significant deployment of capital
  - 63% of investors are US-based
- Increase confidence in new technologies, such as blockchain and AI, has led to the government automating processes and using virtual storage for documentation
- Large industry players are rapidly being recapitalized by private equity firms, leading to more aggressive M&A activity post recapitalization
- The majority of acquisitions within the Public Safety / First Responder Technology & Services sector have been made by strategic buyers, which has supported higher valuations

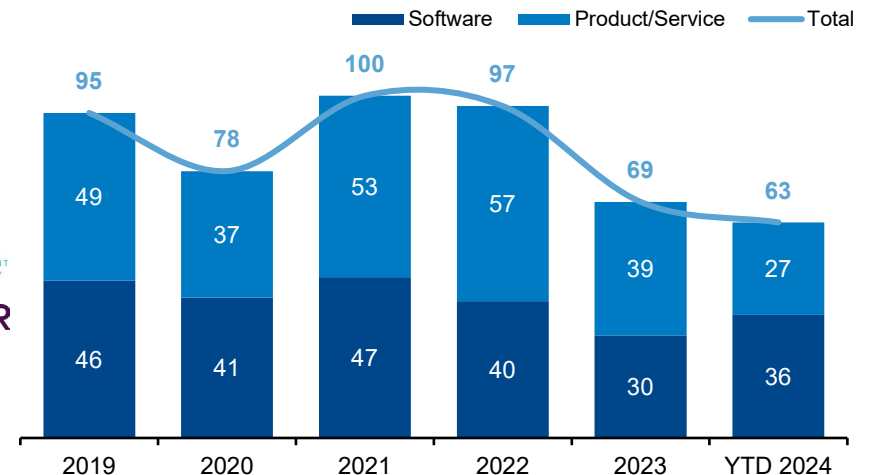
### Annual Public Safety / First Responder Technology & Services Deals Revenue Multiples<sup>1</sup>



### Active participants













<b>Strategic Acquirers</b>	AXON	flock safety	HEXAGON	maximus
	MOTOROLA	REKOR	tyler technologies	
<b>Private Equity / Venture Capital</b>	abry partners	FP FRANCISCO PARTNERS	MDP	PSG
	TA ASSOCIATES			
<b>Hybrid Acquirers</b>	Alert Media	VISTA	CIVICA	Blackstone
	CIVICPLUS	INSIGHT PARTNERS	NATIONAL SAFETY APPAREL	BLUEPOINT Capital Partners
	GRANICUS	VISTA	LEXIPOL	GTCR
	Neighborhood Software	KKR		
	versaterm	Banneker Partners	RapidSOS	BlackRock
	SOMA GLOBAL	WEATHERFORD CAPITAL		

### Public Safety / First Responder Technology & Services Deals by Year<sup>1</sup>














Source: PitchBook, Capital IQ, GovTech.Global and other sources. 1. Only represents disclosed transactions

## Select Public Safety / First Responder Technology & Services Transactions

Acquirer	Target	Enterprise Value (\$MM)	Commentary
 THOMABRAVO	 everbridge™	\$1,517	<ul style="list-style-type: none"> <li>• Thoma Bravo acquired Everbridge for \$1.5 billion in July 2024</li> <li>• Enables customers to anticipate, mitigate, respond to and recover from critical events</li> <li>• <b>EV / Revenue of 3.38x and EV / EBITDA of 96.8x</b></li> </ul>
 HAVELI	 ZEROFOX™	\$323	<ul style="list-style-type: none"> <li>• Haveli acquired ZeroFox for \$323 million in February 2024</li> <li>• Offers cybersecurity solutions to the government</li> <li>• <b>EV / Revenue of 1.38x</b></li> </ul>
 AXON	 fūsus	\$303	<ul style="list-style-type: none"> <li>• Axon acquired Fusus for \$303 million in February 2024</li> <li>• Develops a real-time crime center technology that offers security, monitoring and communication</li> <li>• This acquisition further developed Axon as a global leader in connected public safety technologies</li> </ul>
 Amphenol	 PCTEL	\$140	<ul style="list-style-type: none"> <li>• Amphenol acquired PCTEL for \$140 million in December 2023</li> <li>• Provides industrial IoT, antenna systems and test and measurement solutions for public safety and military applications</li> <li>• <b>EV / Revenue of 1.27x and EV / EBITDA of 14.4x</b></li> </ul>
 Banneker Partners	 HS GOVTECH™	\$27	<ul style="list-style-type: none"> <li>• Banneker Partners acquired HS GovTech for \$27 million in September 2023</li> <li>• Develops information and communication systems for government inspection departments</li> <li>• <b>EV / Revenue of 4.09x</b></li> </ul>
 miovision	 GTT™	\$108	<ul style="list-style-type: none"> <li>• Miovision acquired Global Traffic Technologies for \$108 million in April 2023</li> <li>• Manufacturers traffic management systems intended for emergency response and traffic industries</li> <li>• <b>EV / Revenue of 2.70x and EV / EBITDA of 10.0x</b></li> </ul>

Source: PitchBook, Capital IQ and other sources.

## Select Public Safety / First Responder Technology & Services Transactions

Acquirer	Target	Enterprise Value (\$MM)	Commentary
		\$2,800	<ul style="list-style-type: none"> <li>NRG Energy, Inc. acquired Vivint for \$2.8 billion in March 2023</li> <li>Installs and services smart home security systems</li> <li><b>EV / Revenue of 1.67x and EV / EBITDA of 6.3x</b></li> </ul>
		\$1,536	<ul style="list-style-type: none"> <li>EQT acquired SK Shieldus for \$1.5 billion in March 2023</li> <li>Provides machine security, personnel guard, security monitoring, dispatch service and security services</li> <li><b>EV / Revenue of 1.64x and EV / EBITDA of 7.1x</b></li> </ul>
	  	NA	<ul style="list-style-type: none"> <li>NeoGov acquired agency 360, CueHit and PlanIt in January 2022</li> <li>These three acquisitions will grow NeoGov's comprehensive public safety workforce platform</li> </ul>
		\$20	<ul style="list-style-type: none"> <li>Securitas acquired Supreme Security for \$20 million in December 2021</li> <li>Sells, installs and services security alarm system solutions for facilities and residences</li> <li><b>EV / Revenue of 2.00x</b></li> </ul>
		\$68	<ul style="list-style-type: none"> <li>Irisity acquired Agent Video Intelligence for \$68 million in September 2021</li> <li>Develops information and communication systems for government inspection departments</li> <li><b>EV / Revenue of 4.09x</b></li> </ul>
 Mission-Critical Systems		\$32	<ul style="list-style-type: none"> <li>Haivision acquired CineMassive for \$32 million in June 2021</li> <li>Delivers visual collaboration solutions for mission-critical environments</li> <li><b>EV / Revenue of 1.60x</b></li> </ul>

Source: PitchBook, Capital IQ and other sources.



## Notable Private Placements in the Public Safety / First Responder Technology & Services Sector

Date	Target	Lead Investor	Amount Raised (\$MM)	Est. Amount Raised To Date (\$MM)	Number of Rounds	Commentary
May-24	 MARK43	 GENERAL CATALYST	\$55	\$260	8	Provides computer-aided emergency dispatch and records management for law enforcement
Apr-24	 CENTRAL SQUARE	 ARES	\$330	\$1,410	6	Develops public safety software designed to assist in first responder communication and record management
Apr-24	 CRG CRITICAL RESPONSE GROUP <small>America's Common Operating Picture®</small>	 McCarthy Capital	\$49	\$55	4	Develops digital incident mapping solutions for critical situations
Mar-24	 RapidSOS	 BlackRock	\$150	\$350	10	Develops an emergency technology platform designed to link crucial information to first responder devices
Mar-24	 flock safety	 SANDS CAPITAL	\$200	\$685	8	Develops a public safety operating system that provides vehicle capturing cameras and gun-shot audio detection to protect communities and help first responders
Oct-23	 Ambient.ai	 ALLEGION VENTURES	\$20	\$92	7	AI-powered security platform designed to prevent physical security incidents and improve response capabilities

Source: PitchBook, Capital IQ and other sources.

## Notable Private Placements in the Public Safety / First Responder Technology & Services Sector

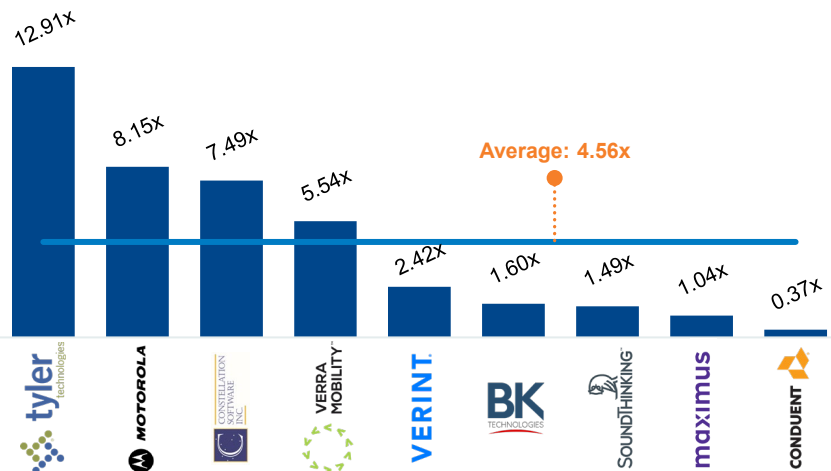
Date	Target	Lead Investor	Amount Raised (\$MM)	Est. Amount Raised To Date (\$MM)	Number of Rounds	Commentary
Jun-23	 RapidDeploy	 edisonpartners	\$34	\$85	3	Offers computer-aided dispatch and analytics software designed to reduce emergency response times
Sep-22	 CARBYNE	 COX ENTERPRISES	\$56	\$200	10	Develops real-time emergency communication platform designed to provide public safety technology for emergency infrastructure Recently secured investments from AT&T Ventures, Global Medical Response and Socium Ventures for an undisclosed amount
Apr-21	 AlertMedia	 VISTA	\$400	\$525	6	Develops an emergency mass notification platform that sends out health, safety, security and weather messages

Source: PitchBook, Capital IQ and other sources.

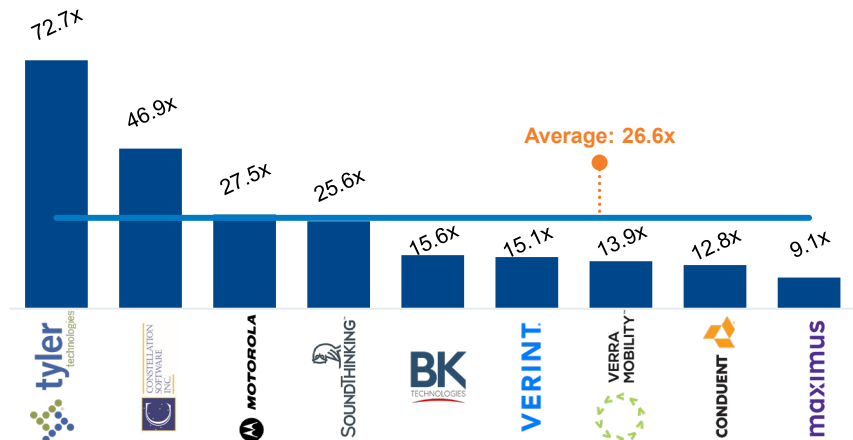
# Comparable Public Company Analysis

Selected Public Safety / First Responder Technology & Services companies: multiple analysis

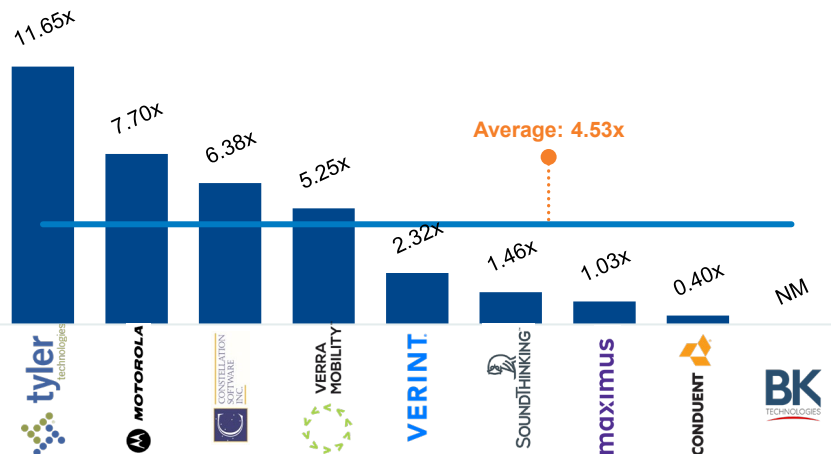
EV / LTM Revenue



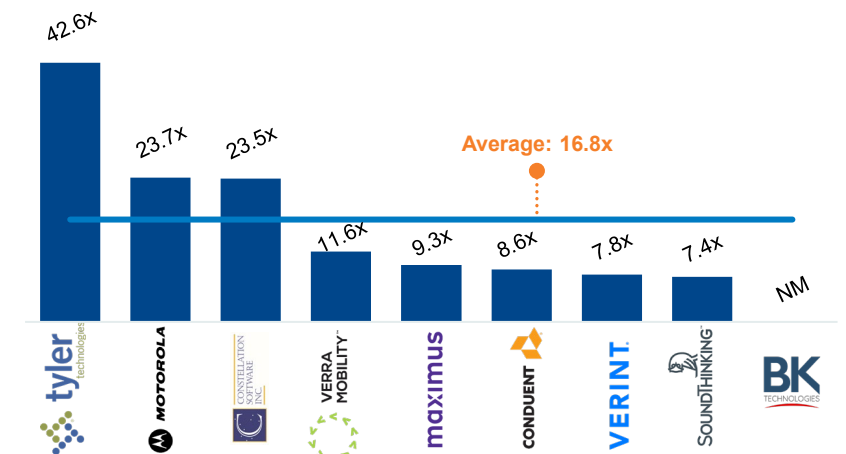
EV / LTM EBITDA



EV / NTM Revenue



EV / NTM EBITDA

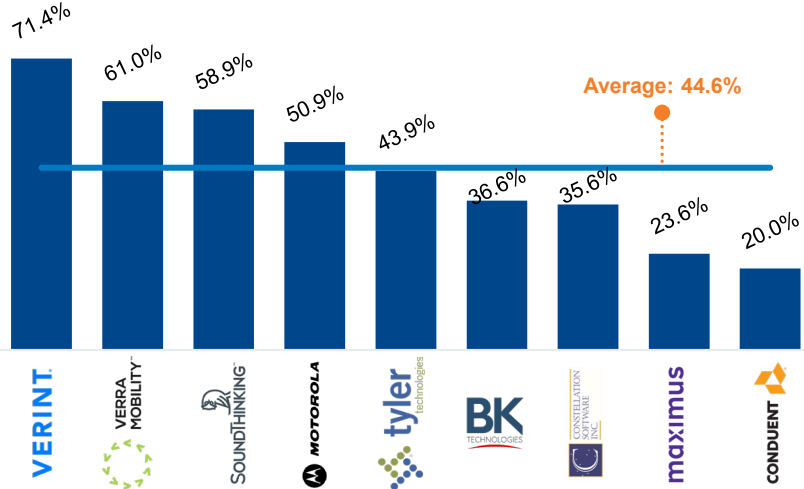


Source: S&P Capital IQ as of November 25, 2024.

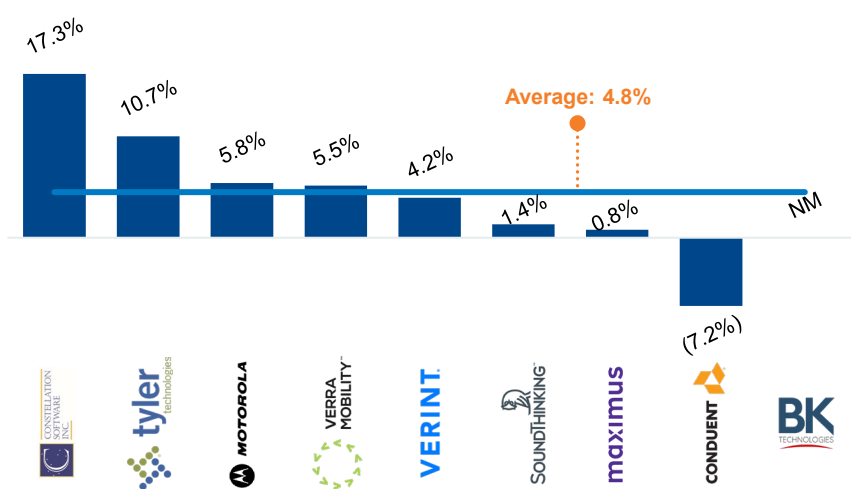
# Comparable Public Company Analysis

## Selected Public Safety / First Responder Technology & Services companies: metric analysis

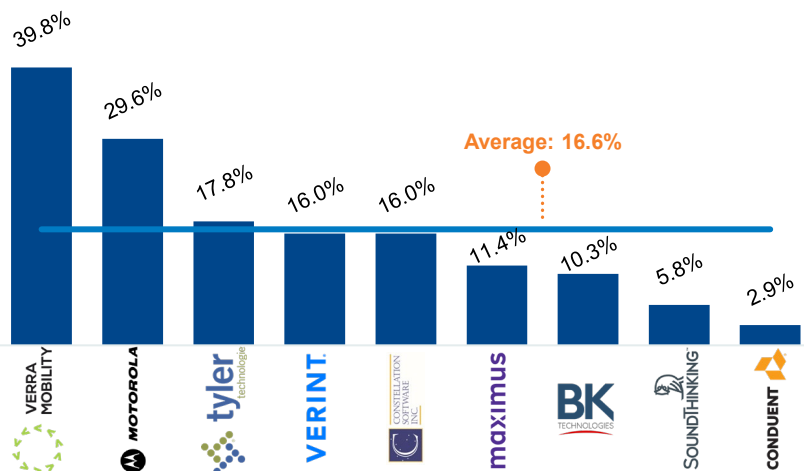
LTM Gross Margin



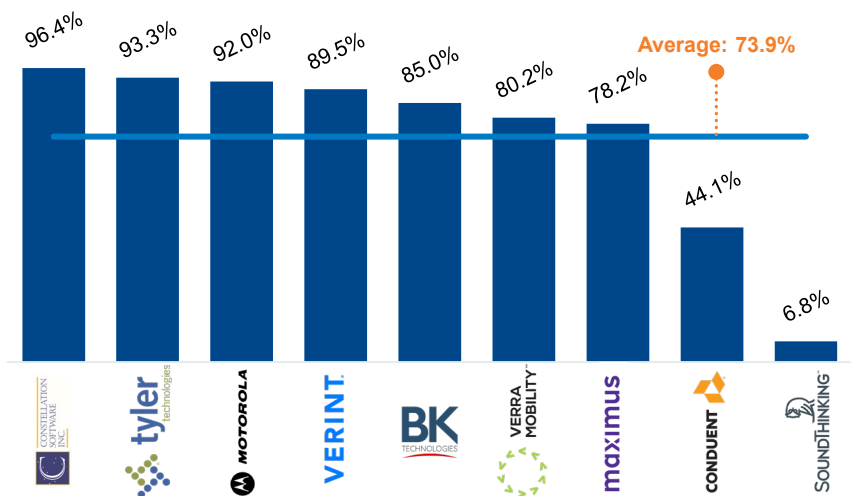
Revenue CAGR (LTM - NTM)



LTM EBITDA Margin



LTM FCF Conversion



Source: S&P Capital IQ as of November 25, 2024.



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