

US Security Solutions - Fire and Life Safety Solutions

Sector Brief Review – Oct 2023



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Security Solutions (Fire & Life Safety) Market M&A Overview

- Fire & Life Safety Solutions market continued to witness accelerated deal activity in 2023, with multiple strategic and PE backed acquisitions announced in line with the momentum of 2022
- Deal volume in first 3 quarters of FY23 was up ~35% compared to that of FY22
- **PE Platform deals:** BlackRock backed Summit companies announced acquisition of around 6 companies in various regions of USA in fire protection, alarm communications and safety solutions in 2023. Similarly, Atlas Partners backed Pye-Barker Fire & Safety announced acquisition of California based Maximum Security and Comtron Systems in 2023
- **Strategic acquisitions** - Endeavor Fire Protection acquired High Sierra Fire Protection Alarms in Aug, 2023
- United States fire safety market stood at **~US\$ 13 Bn in 2022** and is expected to grow at a **CAGR of 9.3% to reach ~US\$ 18 Bn by 2025**

Source: New Articles, Company Press Releases

Key Trends Shaping Security Solutions Market M&A

M&A in Security Solutions and Fire Protection sees equally strong demand from strategic and financial buyers

Continued strong interest of PE funds through platform-based roll-up deals and add-on deals

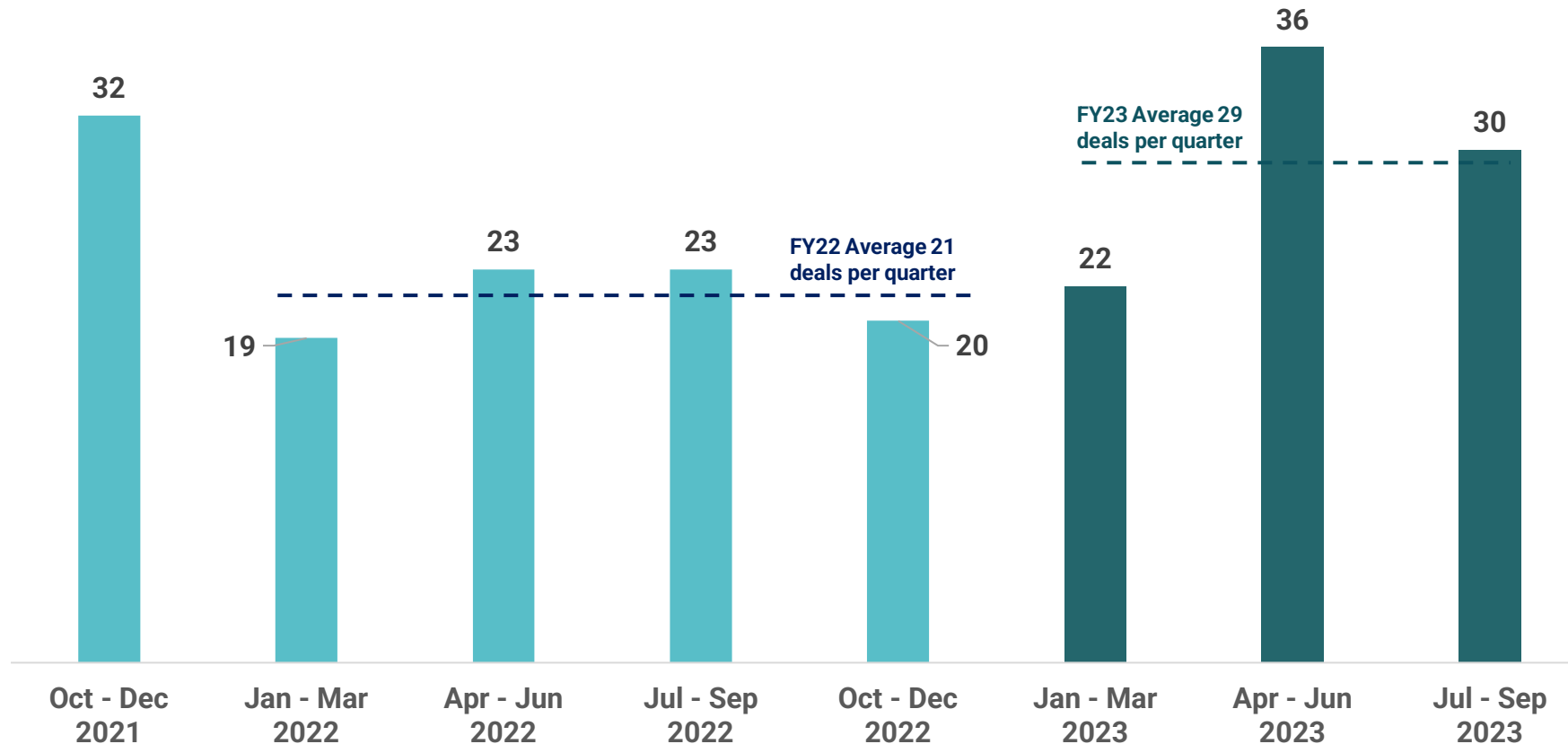
Many M&A deals are focusing on combining cybersecurity with physical security solutions to offer comprehensive protection solutions

The increase in number of fire incidents in US and growing importance of regulatory standards provides continued resilience to Fire and Life Safety segment

Companies in the security and fire safety industry have been partnering with firms in allied sectors, such as smart building technology, to offer comprehensive solutions – offering strong value proposition to buyers










Security Solutions M&A Deals Gaining Traction in 2023

Volume of Deals in Security Solutions Market for past 8 Quarters









- The M&A deal volume for security solutions has shown significant growth YoY, with increase of approximately 16%, 56%, and 30% in Q1, Q2 & Q3 2023, respectively, as compared to the same period last year

Active PE Backed Platform Buyers

PE Firm	Platform Company	Platform Overview	Select Acquisitions by Platform Company
		<p>Altas Partners acquired Pye-Barker Fire & Safety which provides services covering testing, upkeep and setup of fire detection systems. Pye-Barker Fire & Safety has 65 companies in portfolio (5-6 acquisitions after Atlas acquisition)</p>	
		<p>BlackRock acquired Summit which provides fire and life safety services designed to protect buildings, assets and individuals. Summit has completed approximately 60 acquisitions since inception</p>	
		<p>Snow Phipps Group completed the acquisition of AI Fire, a prominent provider of fire and life safety services. Since 2010, AI Fire has strategically expanded through 29 acquisitions</p>	

Active PE Backed Platform Buyers (cont'd)

PE Firm	Platform Company	Platform Overview	Select Acquisitions by Platform Company
<p>The Carlyle Group</p>		<p>The Carlyle Group has completed the acquisition of Sciens Building Solutions from Huron Capital. Sciens Building Solutions specializes in providing fire detection services and has undertaken approximately 16 acquisitions in the past 6 years</p>	
<p>Wind Point Partners</p>		<p>Wind Point Partners has acquired Corbett Technology solutions which was rebranded as Pavion. It has completed 15+ acquisitions in security solutions including fire protection, access control and video management since inception</p>	
<p>Riverside</p>		<p>Riverside founded Certasite on July 11th, 2019, as a commercial fire protection and life safety company. Certasite has grown through a total of about 21 acquisitions, with its most recent additions including Eastman Fire Protection and Ace Fire Protection</p>	

Active Add-On PE Buyers

Acquiror



M&A Overview

Lee Equity Partners is a PE firm that invests in growing middle-market companies, including security systems integration firms. Their recent acquisitions of Tessco and Unlimited Technology demonstrates their focus of expanding fire & safety portfolio by doing complimentary add-on deals

Select Acquisitions



Baymark Partners is a growth-focused private equity firm that acquires middle market businesses in various sectors. Their recent purchase of Swanson Fire Protection and Residential & Commercial Fire Protection companies positions them as leaders in the fire safety market, as both these companies were known for their excellence in fire safety services



Gemspring Capital, known for its strategic investments, has recently ventured into acquiring companies within the fire and life safety solutions market. Their acquisition of a security solutions company and fire safety firms reflects their commitment to fostering growth and leveraging their extensive management expertise



There has been a notable surge in add-on deals by private equity firms, providing competition to strategics and platform-based M&A

Active Strategic Buyers

Acquiror

M&A Overview

Select Acquisitions



Allied Universal is a provider of security and facility services, offering proactive security solutions. Till date Allied Universal has acquired 34 companies in total and successfully acquired ~10 companies since 2021



Wayne Alarm Systems Inc. offers installation, maintenance, and monitoring of alarm systems, access control and video surveillance. To date, the company has completed 4 acquisitions with Sentry Protective being the most recent addition to its portfolio



Endeavor Fire, a key player in fire and life safety services in the United States, has successfully concluded 3 acquisitions, the latest being the acquisition of High Sierra Fire Protection, LLC



Selected M&A Deals in 2023 (1/2)

Date	Target	Acquirer	Date	Target	Acquirer
Oct-23	Comtron systems	Pye-Barker Fire & Safety	Aug-23	American Automatic Sprinkler	Summit Companies
Oct-23	Vintage Security LLC	Guardian Protection Services, Inc.	Aug-23	Minuteman Security Technologies, Inc.	Tenex Capital Management, L.P.
Sep-23	Alarm Monitoring Services, Inc.	Pye-Barker Fire & Safety, LLC	Aug-23	REECE Complete Security Solutions	Pavion
Sep-23	Eastman Fire Protection	CertaSite	Aug-23	Fire Defense Services Inc	The Hiller Companies, Inc.
Sep-23	West Coast Fire & Integration Inc.	Climatec, LLC	Aug-23	High Sierra Fire Protection, LLC	Endeavor Fire Protection Inc.
Aug-23	EyeSite Surveillance, Inc./ EyeOn Monitoring Services, Inc.	Stallion Infrastructure Services, Ltd.	Jul-23	Pierce Fire Protection	Summit Companies
Aug-23	Force Security Solutions, LLC.	Konica Minolta Business Solutions, U.S.A.	Jul-23	Advanced Engineered Systems – Fire Security Solutions	Pye-Barker Fire & Safety, LLC
Aug-23	Pavion	Wind Point Partners	Jul-23	CERK Security	NextGen Security, LLC
Aug-23	RFI enterprise	Pavion	Jul-23	K&J integrated systems	Pavion
Aug-23	Legacy Fire and Safety	Summit Companies	Jul-23	ISO Smart Systems	NextGen Security, LLC
Aug-23	AAA Fire Safety & Alarm, Inc.	Pye-Barker Fire & Safety, LLC	Jun-23	Gainesville Fire Protection	Impact Fire
Aug-23	ADT security	GTCR	Jun-23	Acadiana Security Plus, Inc.	Pye-Barker Fire & Safety, LLC

Selected M&A Deals in 2023 (2/2)

Date	Target	Acquirer	Date	Target	Acquirer
Jun-23	Superior Fire of Florida	Summit Companies	Apr-23	Southern Nevada Fire Protection, Inc.	The Hiller Companies, Inc.
Jun-23	Evansville Security Services	Security Pro 24/7 LLC	Apr-23	The Hartline company	Pye-Barker Fire & Safety
Jun-23	Shield Fire & Suppression	Summit Companies	Apr-23	Cameron Engineering & Associates	IMEG
Jun-23	Priority Fire and Security	Altus Fire and Life Safety	Apr-23	Security Source	Pavion
May-23	Integrated Fire Systems, Inc.	Performance Systems Integration, Corp.	Mar-23	Shiver Security Systems	Pye-Barker Fire & Safety
May-23	Automatic Fire Sprinklers	Pye-Barker Fire & Safety	Mar-23	Global Alarm Systems	Summit Companies
May-23	Fisher Engineering	Bowman Consulting	Mar-23	Meredean	Marmic Fire & Safety
May-23	Premier Security Solutions	Pavion	Mar-23	Netronix Integration	Pavion
May-23	Yorkana Fire	Southern Area Fire Emergency Rescue	Mar-23	A.C. Daughtry, Inc.	Pye-Barker Fire & Safety, LLC
Apr-23	Traffic Land	SmartCTY Technologies	Feb-23	Life Safety Inspections, LLC	Superhero Fire Protection, LLC
Apr-23	Automated Systems Design	RAF Equity	Feb-23	Ace Fire Protection	CertaSite
Apr-23	Alarm Computer Technology	OMNI Resource Management	Jan-23	XpressGuards, LLC	IBS Institutional Capital

Have questions about this report or would like to speak to our team?

Reach out to:




Taylor Yohner

Vice President,
Three Sixty Seven Advisors

 (813) 680-1686

 tyohner@threesixtyseven.com

 (850) 509-8775

 810 Sterling Avenue, Tampa FL 33609

Our Expertise

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|  Janitorial & Cleaning |  HVACR |  Facility Technology Services |  Pool Maintenance |
|  Landscaping & Grounds Maintenance |  Restoration & Remediation |  Security Systems Integration | |

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