



Environment, Health, Safety, and Quality (EHSQ) Primer





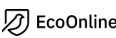
December 2022





State of the EHSQ Market

Key Industry Drivers Are Elevating EHSQ As A Key Corporate Priority

Strong EHSQ Technology Adoption Supported By Continued Regulatory And Social Pressures

Public awareness pushes EHS role to forefront, says Eco Canada expert  October 2022	EHS will guide future success for many organizations through records and reporting  September 2022	Partners Group to acquire a significant minority stake in VelocityEHS  August 2022	Limerick firm AMCS to acquire German EHS company Quentic  April 2022	Merging EHS and ESG will future proof your business  March 2022
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Influential Strategic Themes

-  • The past narrative of EHS vendors as cost-avoidance solutions has given way to becoming foundational to ESG success, particularly given their vast data troves, analytics and reporting capabilities
-  • EHS solutions have evolved from “nice to have” to “must have” technologies as corporations proactively seek to improve worker safety and improve worker engagement
-  • Mid-market organizations are seeking the perfect balance of “out-of-the-box” EHS functionality coupled with configurability to cater to their unique workflows and data
-  • Recent M&A activity has created new scaled platforms with significant resources targeting the global market while smaller vendors continue to gain traction
-  • Vendors which were once focused on the enterprise market are coming down-market, making the mid-market an even more contested battleground for EHS technology wallet share
-  • EHS software vendors are increasingly seeking to embed learning / training into their platforms to help increase employee safety and retention
-  • Industries beyond the core historical customers of EHS solutions increasingly leverage EHS software as part of their overall regulatory strategy

Emerging Themes and Players

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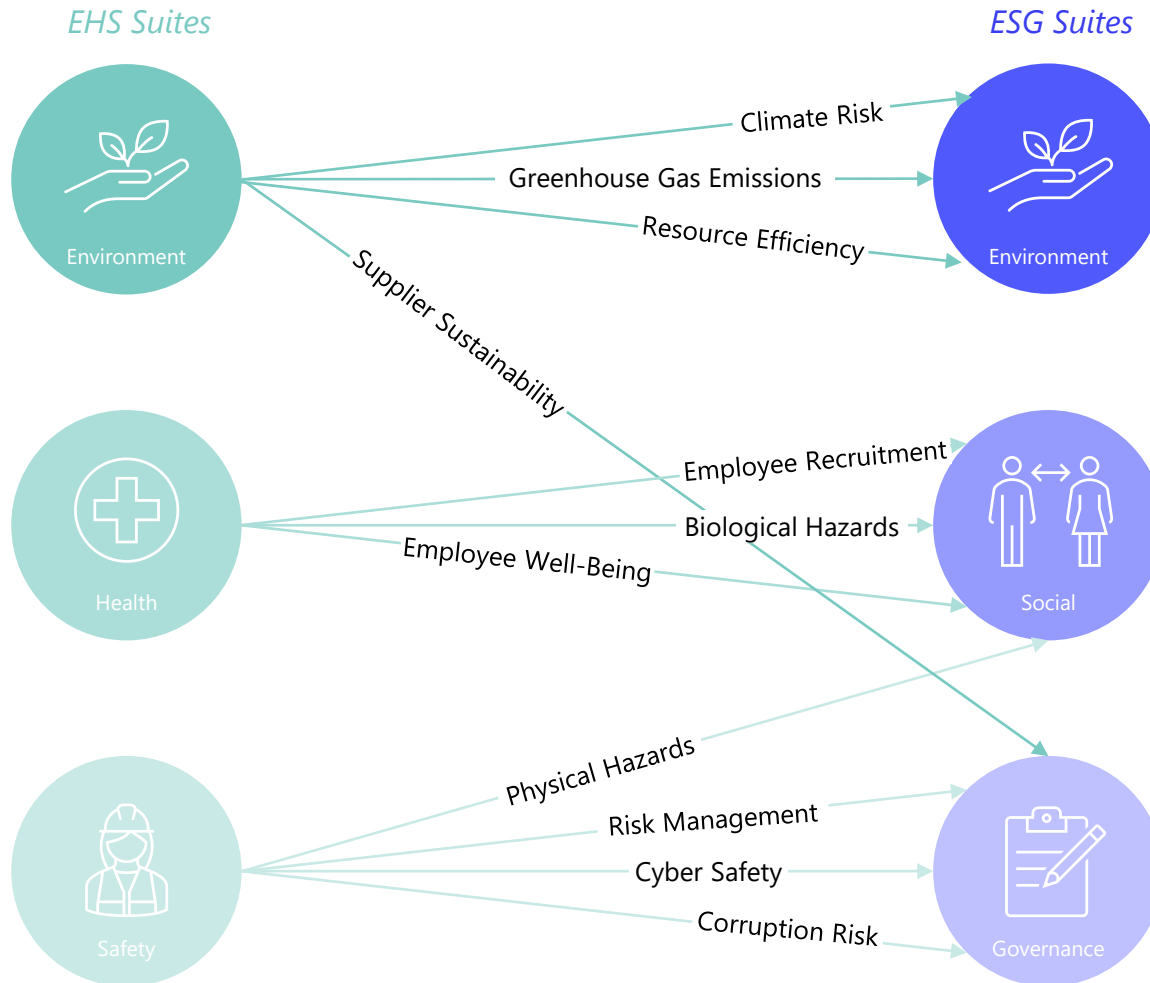
Multiple Exciting Subsegments Within The EHSQ Ecosystem

Supply Chain Compliance		Industrial Reporting & Checklists		Platform Technologies	
					
Track & Trace Solutions	Supply Chain Risk Management	EPA Data Reporting	Remote Audits / Inspections	No-Code / Low-Code	Artificial Intelligence
Following the logistics path of products as they flow throughout the global supply chain	Holistic monitoring, including supplier ESG compliance, climate change and disruptions	Recent mandate of Scope 3 emissions reporting has raised the bar on EPA disclosures	Digitize processes and conduct safety checks to mitigate against workplace safety hazards	Platforms that empower citizen developers to create solutions to complex problems	Eliminate manual processes through automated and intelligent technologies
Enables regulated manufactures to achieve compliance through item level visibility in their outsourced operations / supply chains	Global companies face turbulence in complex supply chain networks and require robust risk management solutions to be resilient	Scope 3 emissions remain a challenge given their indirect nature and necessitate technology solutions for efficient data capture / aggregation	Mobile-first inspection capabilities enable clients to reduce workplace incidents, meet compliance requirements and drive safety & quality	Innovative platforms are enabling customers to configure EHSQ solutions to their business processes, not the other way around	AI can power multiple EHSQ use cases, including, automated regulatory document scanning / review, liability assessment and motion-capture risk assessment
 Strategic Sale  (Sep-22)		 Minority Investment  (Jun-22)		 Financial Sale  (Mar-22)	
 Strategic Sale  (Sep-22)		 Minority Investment  (May-21)		 Strategic Sale  (Jul-21)	

Intersection of EHS and ESG

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EHS Solutions Are Foundational To ESG Data Collection And Program Execution



How Are EHS And ESG Linked?

- EHS systems have the underlying data which could feed into all pillars of an ESG strategy
- ESG program execution requires the right data, tools and technology; while there are dedicated ESG technology solutions in the market, EHS suites alone can provide
- Foundational EHS compliance supports sustainable business practices which inherently increase the likelihood of meeting ESG criteria
- The rise and mission-criticality of ESG will accelerate the elevation of related EHS suites from "nice to have" to "must have"

An Evolving Market Landscape

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Robust Transaction Activity Across Both Incumbents And Emerging Vendors

Established Vendors Amassing Even Larger War Chests...



- Incumbents tend to have broad product suites spanning multiple pillars of EHSQ
- Strategics continue to consolidate as they seek new product capabilities, geographic exposure and financial scale
- Significant PE investment into large platforms as sponsors seek EHSQ exposure, setting up next wave of consolidation




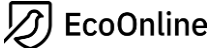



...While A New Crop of Competitors Emerges



- Emerging vendors tend to specialize in a specific capability (traceability, forms / inspections, etc.), although some have built out multi-product portfolios
- Upcoming players are attracting significant funding rounds as corporations continue prioritizing EHSQ initiatives
- Many successfully compete with incumbent players

Landmark EHSQ Transactions

Aggressive M&A Activity Across A Diverse Buyer Set


Strategic Acquirer				Blackstone
Target				
Buyer Category	Private Equity	Waste Management Software	Industrial Technology	Private Equity
Closing Date	June 2022 (Announced)	April 2022	February 2022	September 2021
Valuation	\$400 Million	n/a	\$1.2 Billion	\$1.4 Billion
Est. Revenue	\$47 Million	n/a	\$75 Million	n/a
Est. EV/Revenue	8.54x	n/a	16.0x	n/a
Strategic Commentary	<ul style="list-style-type: none"> Apax previously acquired Alcumus, a provider of compliance technology solutions spanning EHSQ, ESG and contractor mgmt. Investment will help EcoOnline cement its presence in Europe and continue attacking white space in the EHS market 	<ul style="list-style-type: none"> Acquisition of Quentic adds complementary EHS/ESG capabilities to waste, recycling & logistics management suite Allows AMCS to geographically expand into Europe, while providing Quentic with new distribution/sales channels in the U.S. 	<ul style="list-style-type: none"> Will sit in Hexagon's Manufacturing Intelligence division - drive quality data capture to reduce defects and drive autonomous feedback loops Highly applicable technology across Hexagon's manufacturing and process industries - ability to cross-sell into respective geographies 	<ul style="list-style-type: none"> Sphera historically provided EHSQ software to "dirty industries" (manufacturing, mining, energy, etc.) and was an aggressive consolidator Sphera's emerging traction in the ESG ecosystem through its carbon reporting product for broader corporates excited Blackstone
Buyer Quote	<p><i>"We view the EHS market as highly compelling, with growth and demand driven by strong tailwinds. We see considerable opportunity to build a truly unique pan-European vendor in this space and view EcoOnline as [the] platform for doing so."</i></p> <p>– Frank Ehmer & Andrew Waidhofer, Partner & Principal (Apax)</p>	<p><i>"We are thrilled to bring the technology from Quentic into the AMCS portfolio of solutions and can now move forward with a stronger focus on influencing the entire supply chain offering smarter outcomes from automating and digitizing their businesses...."</i></p> <p>– Jimmy Martin, CEO (AMCS)</p>	<p><i>"Our leadership in quality data capture and smart digital realities makes ETQ an excellent fit. The acquisition brings a mix of talent and deep quality expertise across extensive industry verticals, targeting the...gap between quality data creation and leverage."</i></p> <p>– Ola Rollén, CEO (Hexagon)</p>	<p><i>"What excites us [at Blackstone] so much about Sphera is that they offer emissions measurement and reporting at the product level in addition to the corporate level. This is possible because of the software platform they've developed."</i></p> <p>– Eli Nagler, Senior Managing Director (Blackstone)</p>

Acquisition & Investment Activity

Robust Interest Across The Spectrum

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Majority Transactions

Acquirer	Target(s)	Date	Description
 Ideagen	 ProcessMAP	Oct-22	Integrated enterprise EHS software with a health & safety focus
 HSI Health & Safety Institute	 SafetySkills	Oct-22	E-learning provider of EHS-compliance courses
 Sphera	 riskmethods	Oct-22	Supply chain risk management software
 EcoOnline	 StaySafe Lone Worker	Jun-22	Safety software for remote/lone workers
 AMCS	 Quentic	Apr-22	German-based EHSQ and ESG technology vendor
 VelocityEHS	 m abilities	Mar-22	Two products: (i) smart health and (ii) physical demands analysis
 New Mountain Capital	 3E	Mar-22	SDS and EHS compliant data management solutions
 Strattam Capital	 intellect	Mar-22	No-code QMS and EHS solutions
 Hexagon	 etq	Feb-22	SaaS-based QMS, EHS and compliance management software
Blackstone	 Sphera	Sep-21	EHSQ, risk mgmt., product stewardship & ESG solutions

Minority Transactions

Investor(s)	Target	Date	Description	Type
 MA Growth Ventures	 SafetyCulture	Oct-22	Enterprise compliance and remote inspection platform	Growth / Recap
 Susquehanna Growth Equity	 ZENQMS	Oct-22	Cloud-based QMS platform for life sciences	Growth / Recap
 Partners Group	 VelocityEHS	Aug-22	AI-powered EHS and ESG solutions	Growth / Recap
 Base10	 SERENITYEHS	Aug-22	EHS applications built on ServiceNow	Seed
 Drive Capital	 ENCAMP	Jun-22	Environmental compliance data management & reporting	Growth / Recap
 NOTION	 Protex	Jun-22	Real-time workplace safety and facilities monitoring	Series A
 CA	 cikaba	Mar-22	EU-based EHSQ solution	Series B
 elevate ventures	 ANVL	Mar-22	Frontline worker safety and compliance software	Seed
 OMERS Ventures	 safesite	Jan-22	Construction-site safety management software	Series B
 INSIGHT PARTNERS	 intenseye	Sep-21	Facility safety monitoring platform using AI	Series A

M&A Advisors To The Software Economy

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Technology Leaders Trust MPG With Critical Financial & Strategic Decisions

MPG's EHSQ Practice Leaders



Jonathan Adler
Managing Director
Email | [LinkedIn](#)



James Tomasullo
Vice President
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Gabriel Lechner
Analyst
Email | [LinkedIn](#)



Matt Farrington
Analyst
Email | [LinkedIn](#)

By The Numbers

200+
COMPLETED TRANSACTIONS

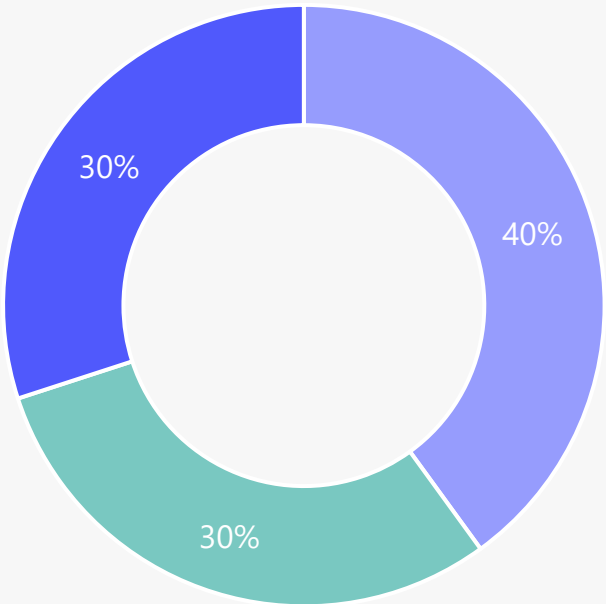
40%+
SPONSOR-BACKED CLIENTS

98%
TRANSACTION SUCCESS RATE

\$30+
BILLION IN DEAL VALUE

22
DEDICATED ADVISORS

MPG's Process Outcomes by Buyer Type⁽¹⁾



PE-Backed Strategic Public Strategic Financial Sponsor

(1) Select deals completed in the last two years



FOCUS

We partner with global technology clients across North America and Europe



EXPERTISE

We specialize in impacting growth strategies to optimize shareholder value creation



STRATEGY

We marry thoughtful corporate strategy planning with stalwart transactional execution



RESOURCES

Domain experts with active relationships across +1,500 investors