



SKYWAY
CAPITAL MARKETS

Sector Update:

Security, Fire & Life Safety Services

February 2025

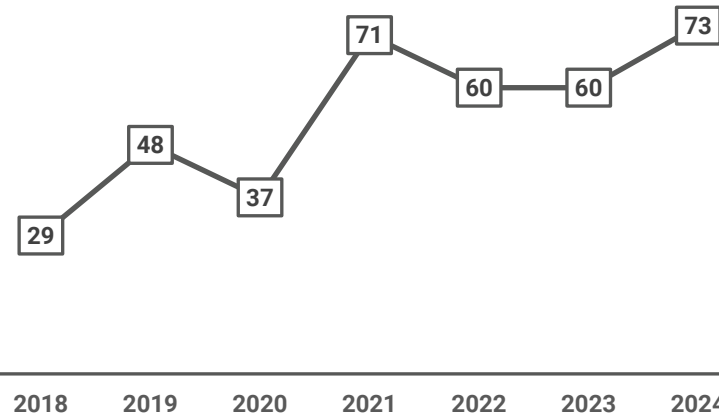
M&A Update

M&A Drivers

Over the past year, the Fire & Life Safety industry has experienced significant merger and acquisition (M&A) activity, driven by several key factors:

- **Stringent local, state, and federal mandates** require regular inspections, maintenance, and upgrades of fire safety systems. This creates non-discretionary, **recurring revenue streams** for service providers, making them attractive targets for investors seeking stable income sources.
- The industry is **highly fragmented**, with numerous small to medium-sized firms offering **specialized services**. This fragmentation presents opportunities for consolidation, as larger companies and private equity firms acquire smaller entities to expand their product/service offerings.
- The integration of **advanced technologies**, such as artificial intelligence (AI) and the Internet of Things (IoT), into fire safety systems has **enhanced detection, monitoring, and response capabilities**. Companies are investing in or acquiring firms with these technological capabilities to stay competitive and meet evolving customer demands.
- Fire and life safety services are essential and often mandated, regardless of economic conditions. This **recession resilience** makes companies in this sector appealing investments with recurring revenue being a target for investment platforms.

M&A Deal Count



Commentary

"The U.S. fire and life safety industry has continued to experience positive tailwinds, creating a highly attractive investment for private equity firms and strategics alike. The recurring nature of the services and regulatory-driven demand provide strong visibility into future earnings. It's an exciting time to be in the highly fragmented industry as platforms continue to grow through geographic and end market expansion."

- Mike Lloyd, Chief Executive Officer at AI FIRE

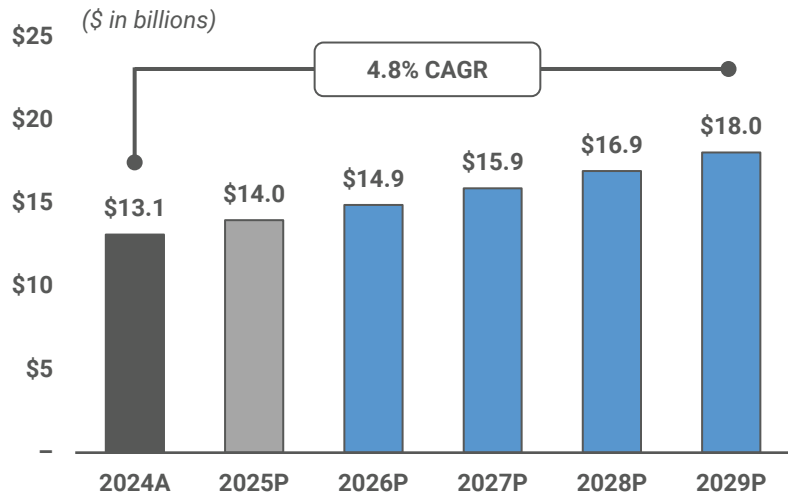
Industry Overview – Fire Protection

Market Snapshot

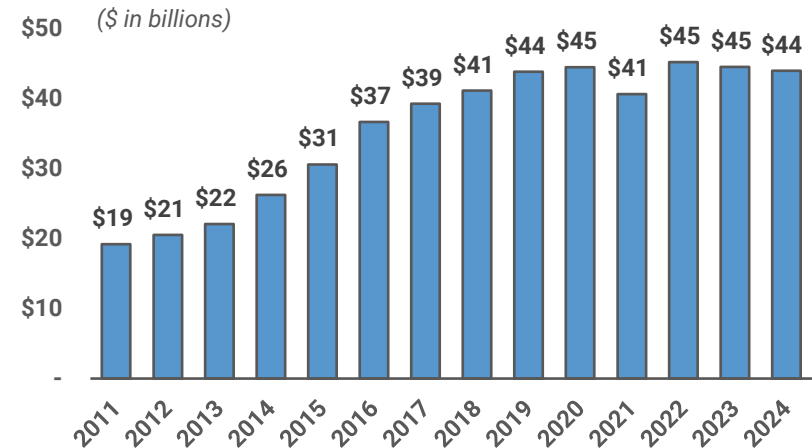
The fire and life safety services market was valued at **\$13 billion** in **2024**, growing at a **compound annual growth rate of 4.8%**, reaching **\$18 billion by 2029**. This growth is driven by several key factors, including:

- **Increased building activities**, both for **new structures** requiring fire safety systems and the **repair/replacement of existing infrastructure** and technologies.
- **Stringent regulatory compliance**, which continues to accelerate in line with public sentiment and evolving safety standards.
- **Advancements in technologies**, enhancing the ability to prevent, detect, and respond to fire and life safety incidents.

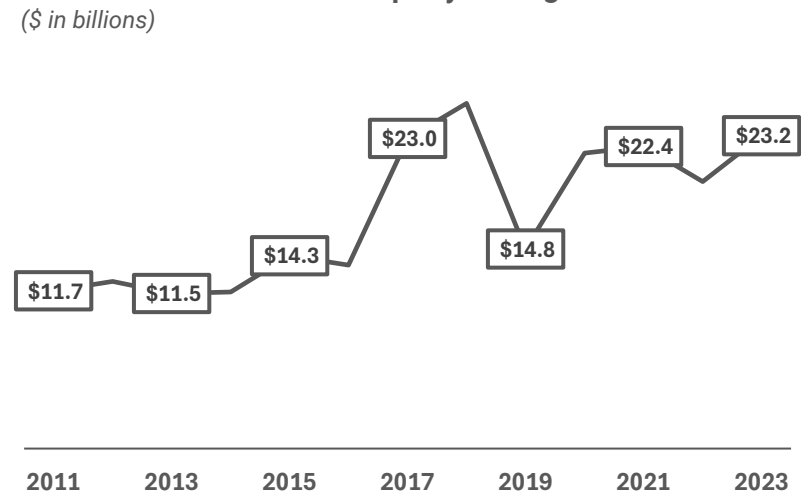
Market Size & Growth



Commercial Property Spending



Direct Property Damage



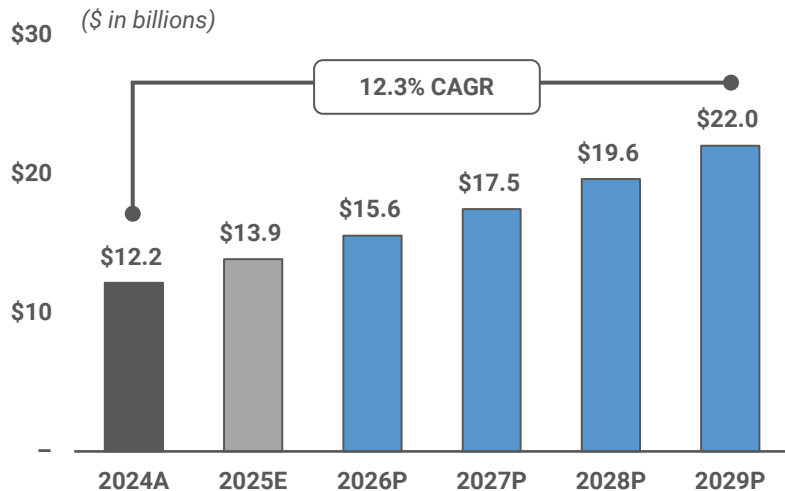
Industry Overview – Security

Market Snapshot

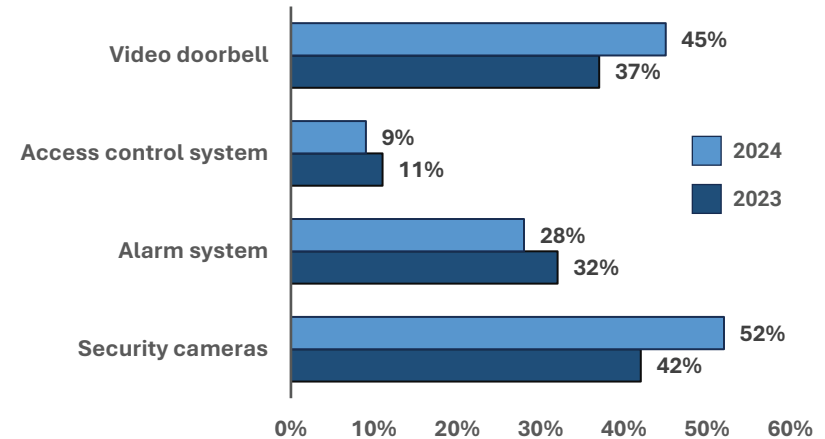
The U.S. security surveillance sector is experiencing a major technological shift, fueled by the adoption of **advanced analytics** and **AI-driven surveillance technologies**. The market size was valued at **\$12 billion in 2024**, with an expected growth to **\$22 billion by 2029**, reflecting a **compound annual growth rate of 12.3%**.

- Smart home security systems now include **motion detection**, **biometric access**, and **mobile integration**. Innovations such as touchless video doorbells and automated threat detection enhance remote security management, driving increased residential and commercial security demand.

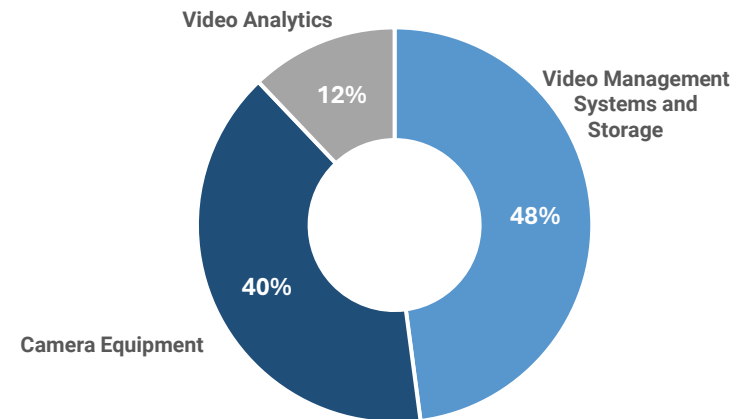
Market Size & Growth



Households with Security Devices



Market Share by Type Segment



Competitive Landscape

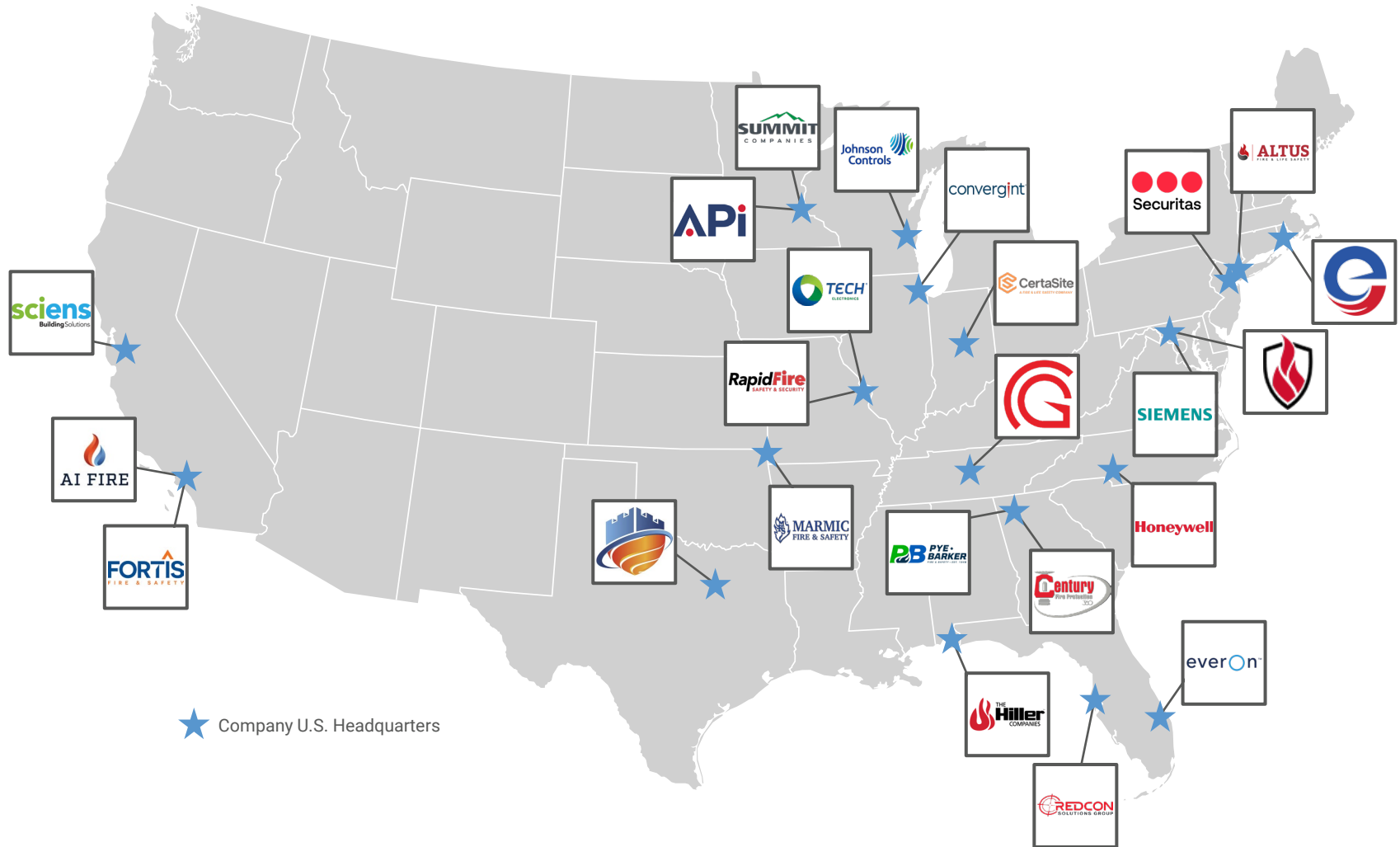
Select Private Equity-Backed Fire & Life Safety Companies

 BlackRock	 GTCR	 	 LITTLEJOHN & Co.
 	 LGP	 CARLYLE	convergi nt 
 HGGC	 Apax	 	RapidFire 
 	 	 KNOX-LANE	 

Select Stand-Alone Fire & Life Safety Companies

SIEMENS					Honeywell
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Geographic Competitive Landscape



Notable Transaction

Skyway Capital recently served as the exclusive investment banker to Redcon Solutions Group (“REDCON”) on its acquisition by Sciath Security, a platform company of Fire Pit Capital.

Redcon Solutions Group

- Founded in 2014 and headquartered in St. Petersburg, Florida, Redcon Solutions Group (REDCON) is a provider of both armed and unarmed security solutions to government, commercial, and non-profit entities.
- REDCON specializes in rapid resource mobilization, exceptional contract performance, and dynamic workforce management to ensure its clients receive reliable and efficient service.

Transaction Rationale

- With this acquisition, Sciath Security expands its service offerings, ensuring that clients benefit from enhanced expertise, greater geographical coverage, and a broader range of security services.
- Sciath Security, backed by Fire Pit Capital, is building a scalable platform in the security services industry, and the acquisition of REDCON, supports its long-term growth strategy.



Management Quote

"Skyway Capital played a key role in guiding Redcon Solutions Group through the transaction process, helping us find the right partners to help us achieve an outcome that exceeded expectations and fuels our future growth. Their expertise and dedication made all the difference." - *Kyle Evans, Founder & Chief Executive Officer*

Recent Transaction Activity

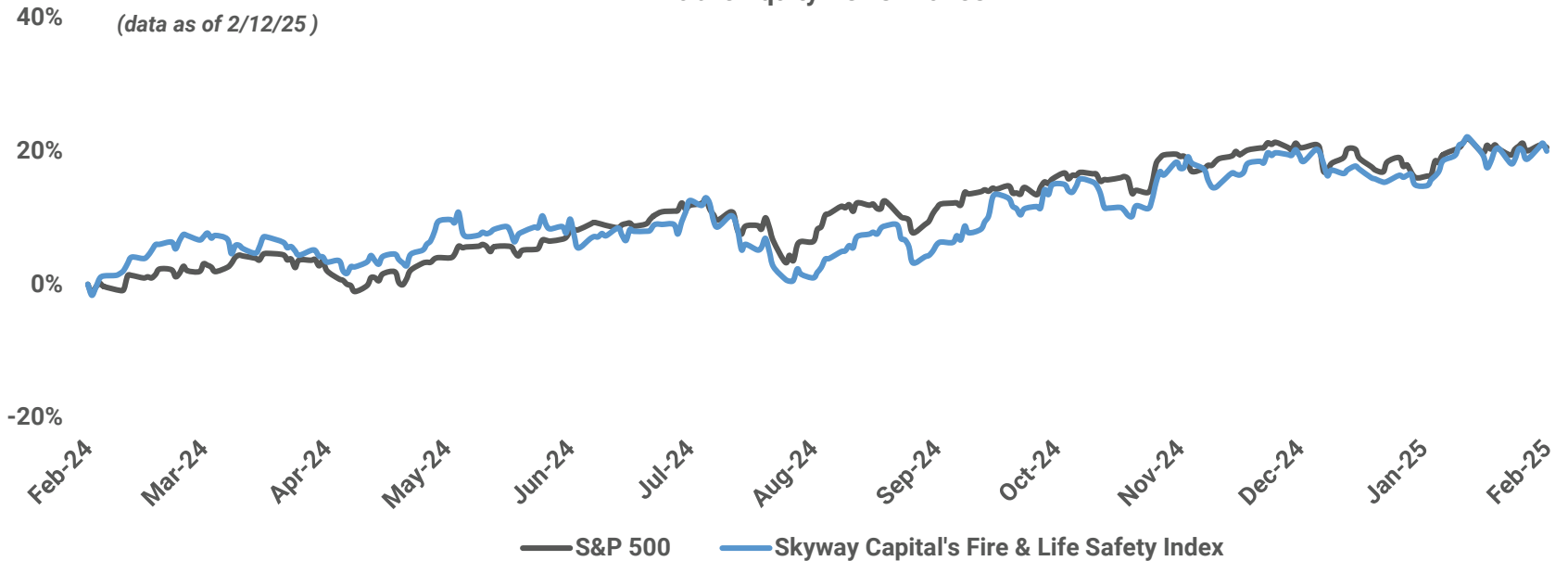
Target (Ownership)	Acquirer (Ownership)	Close Date	Location
Encore Technology Solutions <i>Provider of installation services specializing in fire alarm systems</i>	Pye-Barker Fire & Safety (Leonard Green & Partners)	Jan-25	North Little Rock, AR
All Source Fire Protection <i>Provider of fire protection insallation, inspection, and maintenance</i>	RapidFire Safety & Security (Concentric Equity Partners)	Jan-25	Kerrville, TX
Kane Fire Protection <i>Provider of a fire protection contract services</i>	RapidFire Safety & Security (Concentric Equity Partners)	Jan-25	East Alton, IL
Sanderson Fire Protection <i>Provider of fire extinguisher services for commercial customers</i>	Performance Systems Integration (The Riverside Company)	Dec-24	Portland, OR
SFS Security Fire Systems <i>Provider of fire protection systems to the healthcare and government markets</i>	Blackford Capital	Dec-24	Coppell, TX
Facility Compliance Services <i>Provider of fire safety consulting services focused on fire code compliance</i>	Altus Fire and Life Safety (Apax Partners)	Dec-24	Berlin, CT
J.W. Dielmann <i>Provider of fire safety systems products and services</i>	Sciens Building Solutions (The Carlyle Group)	Dec-24	San Antonio, TX
Meridian Fire and Security <i>Provider of fire and security system services for commercial and industrial clients</i>	Summit Companies (BlackRock)	Dec-24	Centennial, CO
Endeavor Fire Protection <i>Provider of fire and life safety services intended to serve national chains</i>	APi Group [NYS: APG]	Nov-24	Boston, MA
DFS Fire Systems <i>Provider of fire protection and life safety services intended for maintenance and emergencies</i>	Better Protection (Abry Partners)	Nov-24	Garland, TX
Systems Design Group <i>Provider of surveillance services intended to serve residential and commercial clients</i>	Pye-Barker Fire & Safety (Leonard Green & Partners)	Nov-24	Flemington, NJ
Security On-Line Systems <i>Provider of integrated electronic security and life safety systems</i>	Pye-Barker Fire & Safety Leonard Green & Partners	Oct-24	Ambler, PA
ECD Systems <i>Operator of security and communication solutions</i>	Pavion (Wind Point Partners)	Sep-24	Tempe, AZ
Dacsis <i>Provider of fire systems, security system solutions</i>	Pye-Barker Fire & Safety (Leonard Green & Partners)	Sep-24	Scott, LA
General Sprinkler <i>Provider of fire systems, security system solutions</i>	Pye-Barker Fire & Safety (Leonard Green & Partners)	Sep-24	Blaine, MN

Recent Transaction Activity (cont.)

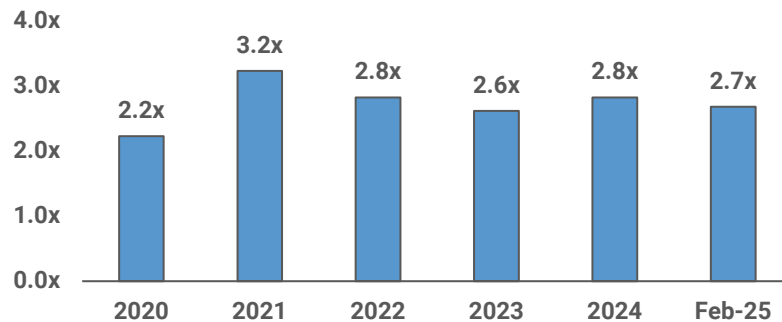
Target (Ownership)	Acquirer (Ownership)	Close Date	Location
Essco <i>Provider of security and fire alarm installation services</i>	Convergint Technologies (Leonard Green & Partners)	Sep-24	Lake Zurich, IL
Altus Fire and Life Safety <i>Provider of fire and life safety protection and support services</i>	Apax Partners	Aug-24	New York, NY
Treasure Valley Fire Protection <i>Provider of fire safety installation services</i>	Pye-Barker Fire & Safety(Leonard Green & Partners)	Jul-24	Boise, ID
Garden City Fire & Safety <i>Provider of fire safety inspection services</i>	Pye-Barker Fire & Safety(Leonard Green & Partners)	Jul-24	Garden City, KS
CANA Communications <i>Provider of security systems intended to serve every facility business</i>	Eagle Fire(Rosewood Private Investments)	Jul-24	Kennesaw, GA
Low Voltage Integrated Systems <i>Provider of fire and life safety protection and support services</i>	Sciens Building Solutions(The Carlyle Group)	Jul-24	Vista, CA
AMA Group USA <i>Provider of fire safety and electrical installation services</i>	Legence(Blackstone)	Jul-24	New York, NY
Allstar Fire Protection <i>Provider of fire protection services to commercial and residential clients</i>	Pye-Barker Fire & Safety(Leonard Green & Partners)	Jun-24	Madison, TN
Vytis Security Systems <i>Provider of video surveillance, access control, fire systems and monitored security</i>	LOUD Security Systems	Jun-24	Atlanta, GA
Cox Fire Protection <i>Provider of fire protection services intended for businesses</i>	Pye-Barker Fire & Safety(Leonard Green & Partners)	Jun-24	Tampa, FL
Bates Security <i>Provider of alarm and security systems to residential and commercial clients</i>	Pye-Barker Fire & Safety(Leonard Green & Partners)	May-24	Lexington, KY
Brightspeed Security Systems <i>Provider of security systems services intended to serve residential and commercial clients</i>	Pye-Barker Fire & Safety(Leonard Green & Partners)	May-24	Monroe, LA
ADS Systems <i>Provider of life safety and property protection services</i>	Pye-Barker Fire & Safety(Leonard Green & Partners)	May-24	Kenner, LA
AKF Group <i>Provider of fire and life safety protection and support services</i>	WSP Global [TSE: WSP]	May-24	New York, NY
Walter Gorman Jr. <i>Provider of fire alarm consulting services</i>	Socotec USA	Apr-24	New York, NY

Fire & Life Safety Public Equity Performance

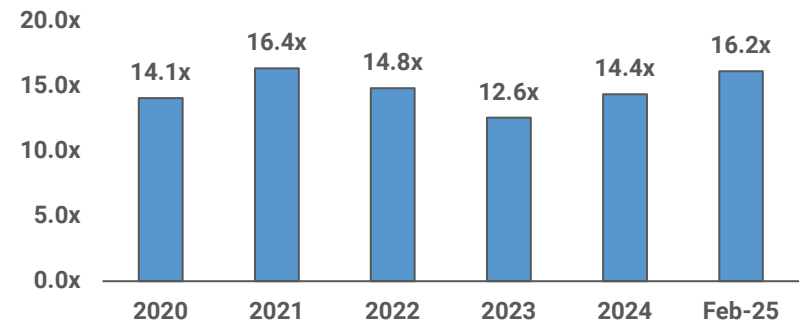
LTM Public Equity Performance



Revenue Trading Multiples



EBITDA Trading Multiples



Skyway Capital Markets Industry index: SIEGY, HON, JCI, APG, SECU-B, PRM, ADT

Skyway Capital – Firm Overview

Our team of 45+ professionals includes senior investment bankers with 25+ years, on average, of experience and expertise in mergers and acquisitions (M&A), capital markets, and private capital advisory. The firm is focused on middle-market businesses and has completed more than 200 transactions with a total transaction value exceeding \$20 billion.

M&A Advisory

Skyway Capital is a middle-market investment bank led by a team of highly experienced professionals, providing tailored sell-side and buy-side advisory services.

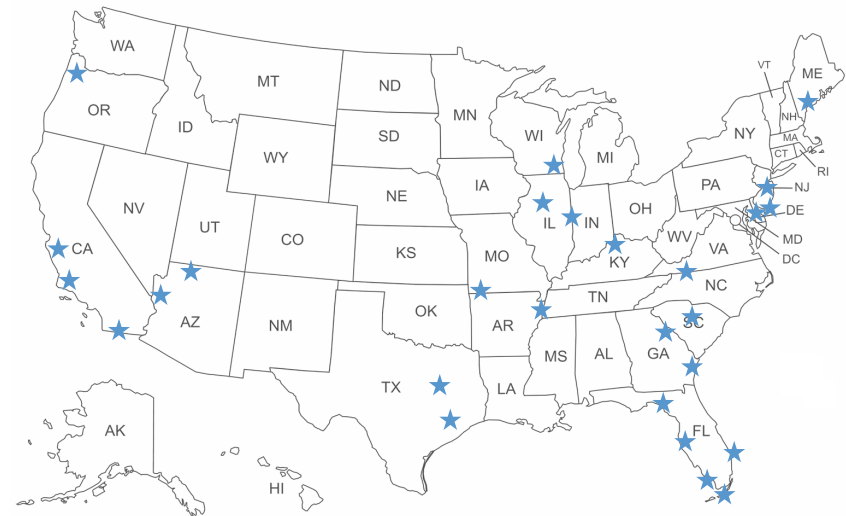
Capital Markets Advisory

Our team maintains a deep network of investor relationships and access to a wide range of capital sources to help companies obtain the necessary capital for achieving their growth, liquidity, and financing objectives.

Private Capital Advisory

Working with a select group of best-in-class sponsors, Skyway Capital helps structure offerings that provide investors with attractive features and risk-adjusted returns.

Nationwide Coverage



★ - Indicates select active & completed transactions

Sector Coverage

**BUSINESS
SERVICES**

HEALTHCARE

INDUSTRIALS

**FINANCIAL
SERVICES**

CONSUMER

Skyway Capital – Firm Overview (cont.)

Senior M&A Bankers



Jim DiCesaro, CFA
Senior Managing Director



Keith Hodgdon
Senior Managing Director



Jeff Hunt
Senior Managing Director



Russ Hunt
Senior Managing Director



Roger Overby
Senior Managing Director



Recent M&A Transactions



acquired by




acquired by



Sciath Security, LLC




acquired by




Strong bonds. Trusted solutions.



acquired by

acquired by




acquired by



Chartwell Investments
ENTREPRENEUR & FOUNDER CAPITAL



acquired by



Kinderhook
INDUSTRIES



acquired by




acquired by



CONGRUEX
NETWORKS BUILT BETTER



acquired by



GRAHAM
PARTNERS

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