



SKYWAY
CAPITAL MARKETS

Sector Update:

Security Solutions

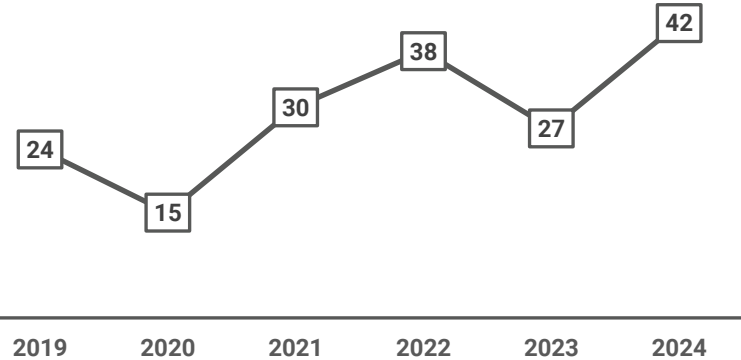
September 2025

M&A Update

M&A Drivers

- Private equity and strategic buyers are driving consolidation across physical security, systems integration, and managed services. The sector's **fragmentation and mission-critical role attract acquirers seeking scalable platforms** with recurring revenue.
- Valuations typically fall in the **8–12x EV/EBITDA** range, with premiums for **firms holding long-term contracts, monitoring subscriptions, or exposure to regulated end-markets**. Roll-up strategies are common, especially in integration and guard services, where scale and coverage improve client retention and competitiveness.
- Buyers favor platforms with **recurring monitoring revenues, diversified customers, and tech-enabled offerings** such as video analytics, IoT, and access control. Assets with strong compliance credentials (government, healthcare, financial services) and proprietary capabilities draw the most interest.
- **Persistent labor shortages** in licensed guard staffing and advanced installation strengthen buy vs. build strategies, as consolidators seek service breadth, density, and convergence of physical and digital security solutions.

M&A Deal Count



Commentary

“The 2025 lower and middle market M&A environments in the security services sector are characterized by robust growth, innovative deal structures, technological integration, and a focus on cultural alignment.”

Anthony Escamilla – Chief Financial Officer @ Protos Security

Notable Transaction – Client Spotlight

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*

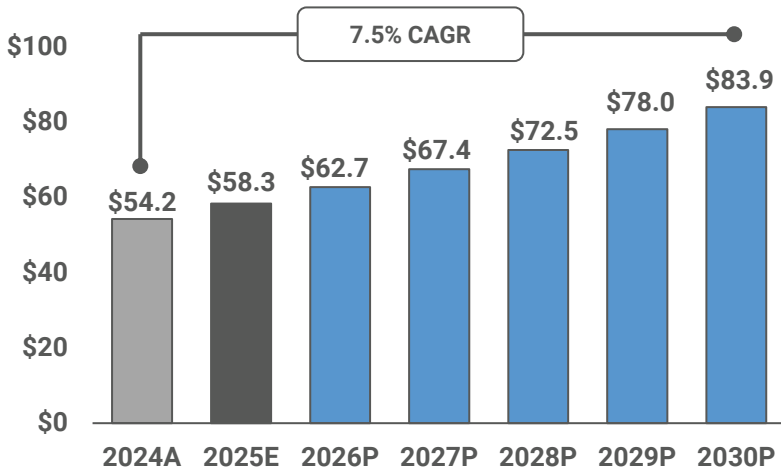
Industry Overview – Commercial Security

Market Snapshot

- Commercial Security is one of the largest and most resilient segments within the broader security solutions market. In 2024, the U.S. commercial security market was estimated at **\$54.2 billion** and projected to reach **\$88.9 billion by 2030**.
- Industry growth driven not only by construction activity (requires installation and ongoing maintenance) but a shift to digital platforms, cloud-based monitoring, and AI-enabled tools, which is fueling demand for smarter, more connected security solutions. In addition, the **recurring nature of monitoring and maintenance contracts** provide companies with a reliable and predictable revenue base.

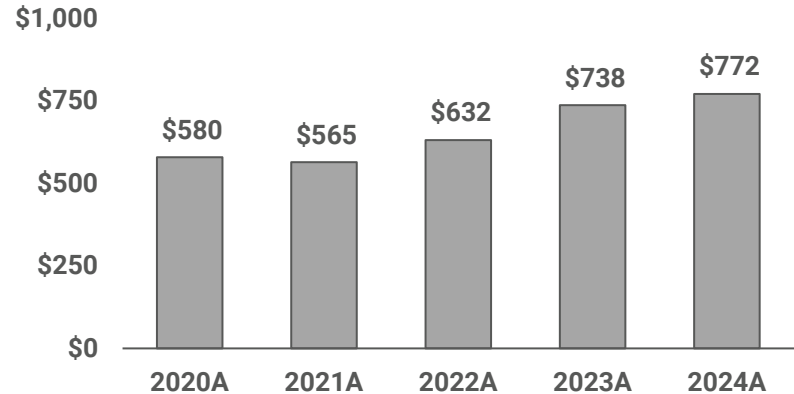
Market Size & Growth

(\$ in billions)

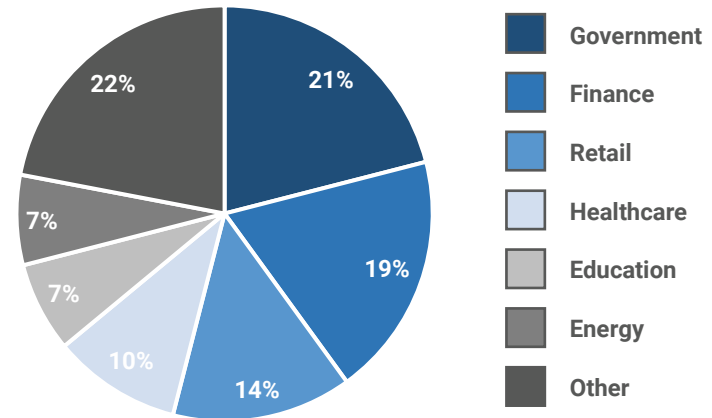


Non-Residential Building Growth

(\$ in billions)



Market Breakdown

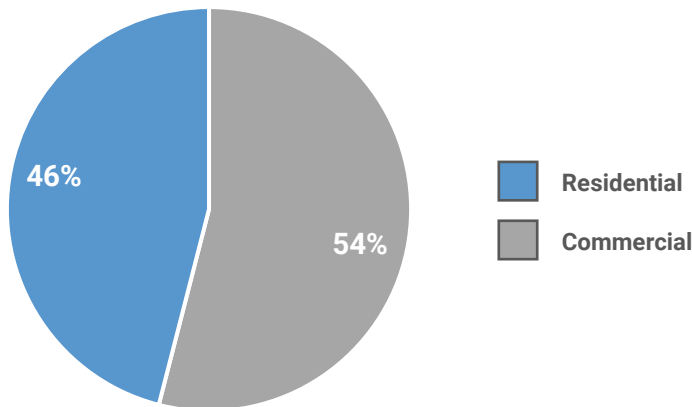


Industry Overview – Residential Security

Market Snapshot

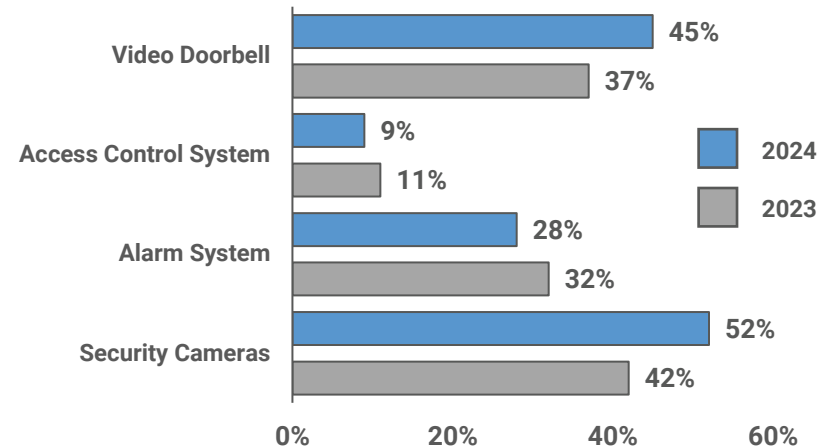
- Growth in the residential security industry is being driven by **smart home adoption**, with homeowners seeking **zero-touch, cloud-based platforms** that integrate into broader home automation systems and have app-based monitoring.
- **Rising property crime rates** and the **shift to hybrid work** have further **increased investment** in access control, surveillance, and alarm systems, as homeowners prioritize protecting assets.
- For leading providers, **recurring monitoring subscriptions and ongoing smart device integration** create sticky, predictable revenue streams.

U.S. Security Market



Source: IBIS World, SafeHome

Homes with Security Devices



US Crime Data

- 1 **Property crime rose by 7% in 2024.** This figure includes burglary, larceny-theft, and motor vehicle theft.
- 2 **Automobile theft jumped by 11%.** As more consumers park vehicles in unsecured residential areas, theft has become a rising concern.
- 3 **Major metropolitan areas with growing populations** are experiencing an increased share of property-related offenses, driving a new wave of security-conscious consumer behavior.

Service & Installation – Attractive Revenue Streams

Type	Key Trends	Services	Revenue Model
Access Control	<ul style="list-style-type: none"> • Cloud-based solutions • Mobile access • Biometrics • Integration with visitor management systems 	<ul style="list-style-type: none"> • Design, installation, and programming • Ongoing maintenance • Cloud-based management 	<ul style="list-style-type: none"> • One-time system design, install & set-up • Recurring: contractual ongoing
Video Surveillance	<ul style="list-style-type: none"> • High-definition and IP cameras • AI-powered analytics • Cloud video surveillance and remote monitoring 	<ul style="list-style-type: none"> • Design, installation, and placement strategy • Remote viewing setup • Video storage solutions • Ongoing maintenance 	<ul style="list-style-type: none"> • One-time system design, install & set-up • Recurring: contractual ongoing
Intrusion Detection & Alarm	<ul style="list-style-type: none"> • Wireless sensors • Integration with smart building systems 	<ul style="list-style-type: none"> • Design, installation, and programming • Integration with monitoring • Ongoing testing and maintenance 	<ul style="list-style-type: none"> • One-time system design, install & set-up • Recurring: contractual ongoing
Monitoring Services	<ul style="list-style-type: none"> • Remote video monitoring with AI analytics 	<ul style="list-style-type: none"> • Professional monitoring 	<ul style="list-style-type: none"> • Recurring: contractual ongoing
Physical Security	<ul style="list-style-type: none"> • Integration of technology and automated/robotic guards • Specialized training • Guard workforce availability and retention challenges 	<ul style="list-style-type: none"> • On-site Guarding • Mobile patrols • Executive protection • Event security 	<ul style="list-style-type: none"> • Recurring: contractual ongoing • Event driven: Typically, one-time but can be reoccurring

Fire & Life Safety (FLS) Expanding with Security Solutions

Select Platforms Acquiring Security Services Providers

Company	Sponsor	Select Security Services Add-on Acquisitions
		    
		   
		  

M&A Drivers

Key factors for FLS platforms driving the acquisition of **security services businesses** to expand their facility services portfolios.

- **Shared Synergies:** Existing monitoring, service and compliance operations make it efficient for FLS providers to add security solutions to the company’s service offerings.
- **Integrated Solutions:** Customers want bundled security solutions along with fire, life & safety services for convenience, compliance, and centralization.
- **Growth & Value Expansion:** Expanding into Security Solutions broadens the market, deepens customer relationships, and drives higher valuations for current FLS platform companies.

Competitive Landscape

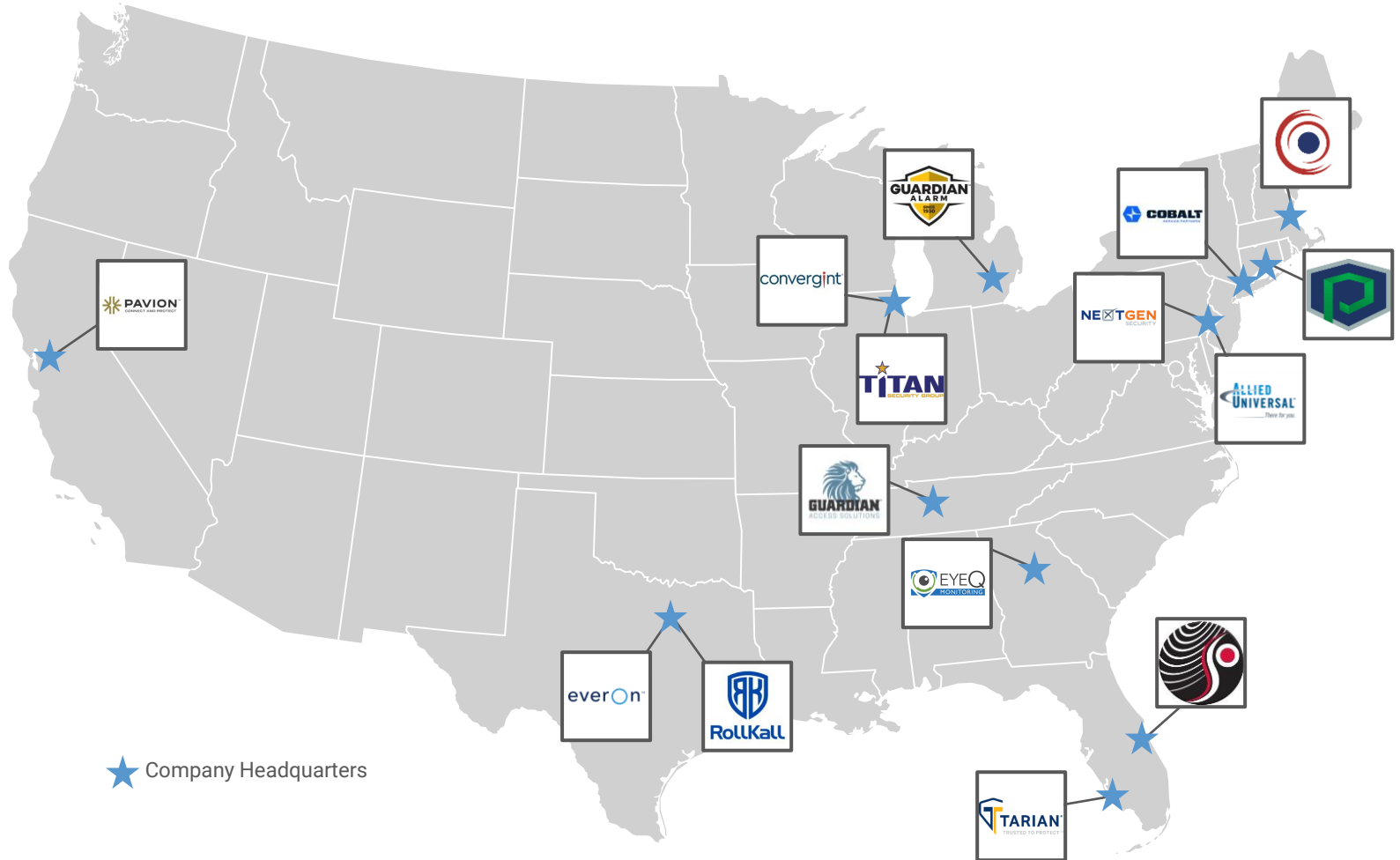
Select Private Equity-Backed Security Solutions Companies

 CARLYLE	 ALPINE	 	 GTCR
 HPS	 	 Certares	 TENEX CAPITAL MANAGEMENT
 DUNES POINT CAPITAL	 	 SIGULER GUFF	 
 NAUTIC	 	 	 VISTA

Select Stand-Alone Security Solutions Companies

					
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Geographic Competitive Landscape



Recent Transaction Activity

Target (Ownership)	Acquirer (Ownership)	Close Date	Location
Fire Protection Equipment Company <i>Provider of comprehensive fire protection and security systems.</i>	Pye-Barker Fire & Safety (Leonard Green & Partners)	Jun-25	Richmond, VA
JAC Security <i>Provider of commercial security services..</i>	Security 101 (Gemspring Capital)	Jun-25	Friendswood, TX
SDS Security <i>Supplier of electronic security systems.</i>	RapidFire Safety & Security (Concentric Equity Partners)	May-25	Fort Worth, TX
Automation Design + Entertainment <i>Provider of smart home and integrated technology.</i>	Daisy (Costa Mesa)	May-25	Kalamazoo, MI
Jadtec Security Services <i>Provider of security and alarm monitoring services.</i>	Post Alarm Systems	May-25	Orange, CA
Imperial Fire Alarm & Security <i>Provider of fire alarm and security services.</i>	Blinded	Apr-25	Fort Myers, FL
Integrated Systems & Services (Eatontown) <i>Provider of security systems integration services.</i>	Security 101 (Gemspring Capital)	Apr-25	Eatontown, NJ
Federal Alarm <i>Provider of fire alarm systems.</i>	Clarion Security	Apr-25	Memphis, TN
Presidio (Physical Security Integration Business) <i>Provider of custom-designed security systems.</i>	Mobile Communications America (Sentinel Capital Partners)	Apr-25	Indianapolis, IN
Superior Alarm Systems <i>Provider of alarm security systems.</i>	Cobalt Service Partners (Alpine Investors)	Apr-25	Canoga Park, CA
Alta Protection Services <i>Provider of life safety and security systems for senior living communities.</i>	1st Fire & Security	Mar-25	Ashland, OH
Progressive Protection Security Systems <i>Provider of home and business security services.</i>	RapidFire Safety & Security (Concentric Equity Partners)	Mar-25	Belton, TX
Independent Alarm <i>Provider of security and fire alarm services.</i>	Pye-Barker (Leonard Green & Partners)	Mar-25	Pennsauken, NJ
WSS integrated technologies <i>Provider of integrated security systems and services.</i>	B Safe Security	Mar-25	Bloomsbury, NJ
Alarm Engineering <i>Provider of electronic security system services.</i>	B Safe Security	Mar-25	Salisbury, MD
Metro USA Fire Protection <i>Provider of fire protection services.</i>	Encore Fire Protection (Levine Leichtman Capital Partners)	Feb-25	Pawtucket, RI

Recent Transaction Activity (cont.)

Target (Ownership)	Acquirer (Ownership)	Close Date	Location
Nebraska Safety and Fire Equipment <i>Provider of safety and fire protection services.</i>	Pye-Barker (Leonard Green & Partners)	Feb-25	North Platte, NE
FirePro Tech <i>Provider of fire protection services.</i>	Bluejack Fire Holdings (Agellus Capital)	Feb-25	Houston, TX
Sonitrol Pacific <i>Provider of electronic security equipment.</i>	Pye-Barker (Leonard Green & Partners)	Feb-25	Portland, OR
Frase Protection <i>Provider of security and fire alarm services.</i>	Guardian Alarm (Certares)	Feb-25	Cordova, TN
TEC Carolinas <i>Provider of fire and life safety solutions.</i>	Guardian Fire Services (Northern Lakes Capital)	Feb-25	Fort Mill, SC
Advanced Security Contractors <i>Provider of security systems services.</i>	RapidFire Safety & Security (Concentric Equity Partners)	Feb-25	El Paso, TX
Cincinnati Alarm Systems <i>Provider of integrated security services.</i>	Pye-Barker (Leonard Green & Partners)	Jan-25	Blue Ash, OH
Encore Technology Solutions <i>Provider of integrated technology solutions.</i>	Pye-Barker (Leonard Green & Partners)	Jan-25	North Little Rock, AR
Accu-Com <i>Provider of security services.</i>	Per Mar Security Services	Jan-25	Oshkosh, WI
Fire, Security & Sound Systems <i>Provider of fire safety, security, and communication systems.</i>	Sciens Building Solutions [NAS: CG]	Jan-25	Latham, NY
Sonitrol of New Orleans <i>Provider of commercial security systems and camera systems.</i>	Securitas Technology	Jan-25	New Orleans, LA
Pacific Alarm Group <i>Providing fire and life safety services and systems.</i>	The Hiller Companies (Littlejohn & Co.)	Jan-25	Tarzana, CA
Integrated Precision Systems <i>Provider of security system services.</i>	SafeEdge Solutions (Northern Lakes Capital)	Dec-24	Valley View, OH
Seacoast Security <i>Provider of security systems and monitoring services.</i>	Pye-Barker (Leonard Green & Partners)	Dec-24	West Rockport, ME
Action Technology Systems <i>Provider of intrusion detection system services.</i>	Performance Systems Integration (The Riverside Company)	Nov-24	Portland, OR
Security On-Line Systems <i>Provider of integrated electronic security and life safety systems.</i>	Pye-Barker (Leonard Green & Partners)	Oct-24	Ambler, PA

Business Services Group

Business Services Focus

FACILITY & RESIDENTIAL	TECH-ENABLED SERVICES
TRAINING & EDUCATION	HUMAN CAPITAL MANAGEMENT
WASTE & ENVIRONMENTAL	ENGINEERING & INFRASTRUCTURE
INFORMATION TECHNOLOGY	PROFESSIONAL & CONSULTING

Featured Transactions

CROWTHER Roofing & Cooling acquired by ROOFING CORP OF AMERICA	REDCON SOLUTIONS GROUP acquired by Sciath Security	Sentinel MAINTENANCE acquired by KLEEN-TECH	STELLA POINT CAPITAL has acquired TotalMed	THERMAL CONCEPTS acquired by TRIVEST
Aerial Bouquets acquired by AURORA CAPITAL PARTNERS	FWP acquired by TENEX CAPITAL MANAGEMENT	MELCO Companies acquired by CoADVANTAGE	TDG acquired by P-C Primoris	datablue acquired by THE GORES GROUP
ORION INTERNATIONAL acquired by CENTREPARTNERS	UHEL POLLY HANDLING acquired by WM WASTE MANAGEMENT	MidAmerica Administrative & Retirement Solutions, Inc. acquired by ALPINE	MOT PERSONNEL acquired by TRUEBLUE	eti Coleman Technologies, Inc. a PRESIDIO Company acquired by PRESIDIO BE Secure in the Knowledge

Investment Banking Team



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Jim DiCesaro, CFA
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Dillan Gibbons
Associate



Cole Phillips
Analyst



John Paul (JP) Sieh
Analyst



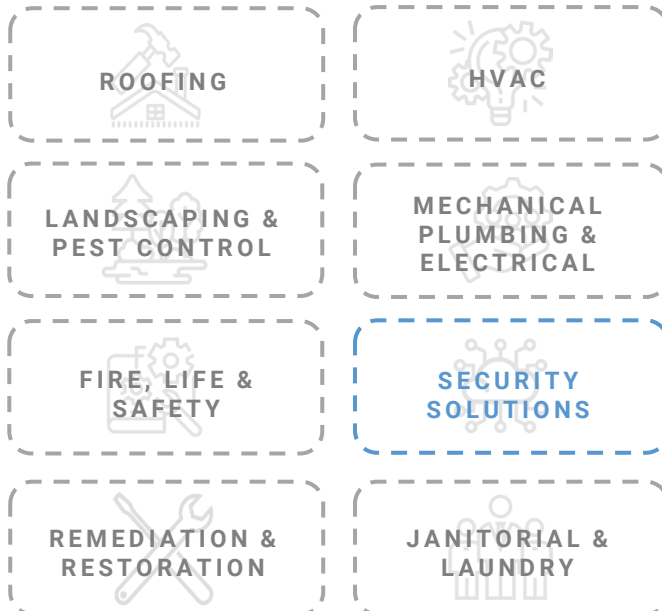
Facility & Residential Services (F&RS)

Dedicated Team

Skyway Capital's **Facility & Residential Services (F&RS)** team includes **senior investment bankers** with **50+ years** of combined experience and expertise in **mergers and acquisitions (M&A)** having completed **50+ transactions** with a total transaction value exceeding **\$5 billion**.

The team is focused on providing **sell-side and buy-side M&A advisory services** to leading **middle-market businesses** across several key sub-sectors of the F&RS industry.

Sub-Sector Focus



Sub-Sector Reports

ROOFING SERVICES



HVAC SERVICES



LANDSCAPING & PEST CONTROL SERVICES



WASTE & ENVIRONMENTAL SERVICES



FIRE, LIFE & SAFETY SERVICES



SECURITY SOLUTIONS



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