Shift from Siloed Hardware to Software Integration Fuels Security Solutions Market

SECURITY SOLUTIONS SECTOR UPDATE | NOVEMBER 2026



CAPSTONE PARTNERS

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Security Solutions

Shift from Siloed Hardware to Software Integration Fuels Security Solutions Market

Key Sector Takeaways

Capstone Partners' Aerospace, Defense, Government & Security (ADGS) Group is pleased to share its latest Security Solutions report. End market users have responded to rising security concerns by embracing technology. Demand for software-defined, technology-enabled physical security solutions has increased, driving merger and acquisition (M&A) interest in software companies possessing valuable intellectual property (IP) as well as systems integrators capable of updating legacy security infrastructure. The convergence of the physical and cyber security domains has reshaped the competitive landscape, with legacy providers of physical security solutions utilizing M&A to purchase cyber capabilities, avoiding heavy internal development costs. Several key report takeaways are outlined below.

1. Security Solutions sector M&A has remained in line with prior-year levels in year-to-date (YTD) 2026, with a one-deal increase year-over-year (YOY) continuing the elevated dealmaking momentum established in full-year 2025.

2. The Systems Integrators segment has received significant M&A attention, driven by a growing total addressable market and the potential for recurring revenue streams made possible by the latest technologies.

3. Vendor agnostic approaches to software and hardware compatibility will prove critical to maintaining market share as end user security systems remain fragmented brownfield environments.

4. Strategic buyers have recaptured a majority share of the sector's dealmaking, though private equity (PE) buyers have continued to deploy buy-and-build strategies aggressively to expand geographic reach and service lines across their platforms.

5. The Security Solutions sector has become one of the most attractive and resilient sectors for institutional equity investment, attracted by secular demand growth, high margin recurring revenue streams, and innovative products helping customers achieve peace of mind.

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Cyber and Physical Security Domain Convergence Accelerates with AI

Organizations have displayed a common shift in their approach to modern threats, driving portfolio rationalization efforts among security solutions providers. Risk analysis has increasingly combined traditional physical security tactics with cybersecurity efforts. This practice has been supported by the proliferation of internet-connected assets, which have expanded attack surfaces and increased the likelihood that cyberattacks result in tangible operational or physical security consequences. Cyber and physical security initiatives typically compete for the same budget; notably, the lion's share (34%) of organizations noted combined funding for the two categories, according to EY's March 2026 Forensic & Integrity Pulse survey.[1] This budgetary overlap has increased demand for unified platforms capable of addressing both physical and digital security priorities. Market participants have adapted by incorporating cyber-oriented solutions into their product suites. Building these capabilities internally would require significant product development and staffing investment in an area many security providers do not currently operate. As a result, physical security business owners have opted to obtain cybersecurity solutions through M&A.

Concurrently, software integration has developed into a force multiplier, amplifying the capabilities of existing solutions and further blurring the edges between cyber and physical security. Legacy hardware—such as closed-circuit television (CCTV) systems—that have historically required capital-intensive physical replacement can now be modernized through the creative integration of new technologies. Artificial intelligence (AI) has emerged as the most impactful form of technology refresh, transforming security assets from passive recording tools to active threat detection systems. This trend has attracted growth opportunities and M&A attention for software developers as well as systems integrators capable of effectively combining software with physical hardware.

Threat intelligence has emerged as an extension of the physical security playbook, linking the prevention of real-world harm to online activity. Rising social media use has introduced a new front for organizations to monitor. In the aftermath of violent incidents, investigations have frequently identified online behavioral indicators that may have provided early warning signs. Organizations have become increasingly proactive in identifying these early warning signs. Schools have rapidly adopted online monitoring as a standard practice to identify threats. A significant majority (88%) of K-12 educators in the U.S. reported use of student activity monitoring software on school-owned devices, while 42% extend this monitoring outside of school hours, according to a January 2025 survey by the Center for Democracy & Technology (CDT).[2] Likewise, corporations have adopted open-source intelligence (OSINT) platforms to monitor communication channels for internal and external sentiment. This capability has become particularly important as threats directed toward high-profile corporate stakeholders have risen materially in recent years, with 42% of Chief Security Officers (CSOs) noting a significant rise in threats of violence towards executives, according to Allied Universal's 2026 World Security Report.[3] Moreover, 93% of security leaders anticipate tackling these emerging threats with technology. Legacy security providers have embraced M&A to incorporate threat intelligence solutions alongside physical protection services, providing a new wave of technology-focused, intelligence-driven dealmaking.



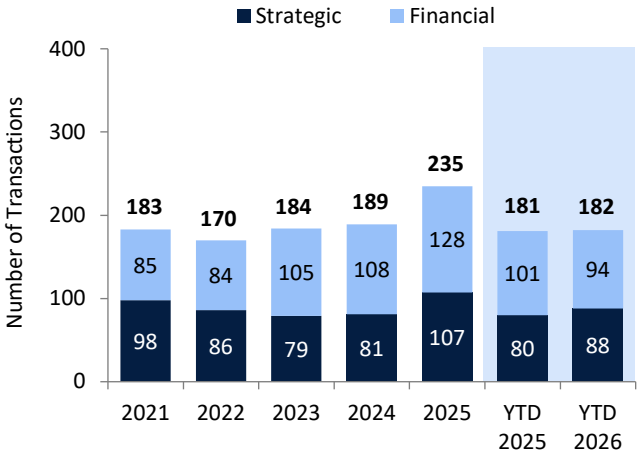
Private Equity Buy-and-Build Strategies Support Elevated M&A Volume

Deal activity in the Security Solutions sector has stabilized at elevated levels, tallying 182 transactions (+0.6% YOY) announced or completed to date. Technological advancements have accelerated M&A targeting systems integrators by nine deals (+42.9% YOY) to date as demand increases for service providers capable of modernizing legacy systems by connecting existing infrastructure to software-enabled solutions. Corporate strategies focused on expanding regional coverage and service lines have supported consolidation in the sector, though the highly-fragmented, locally-focused space still offers significant runway for further M&A opportunities.

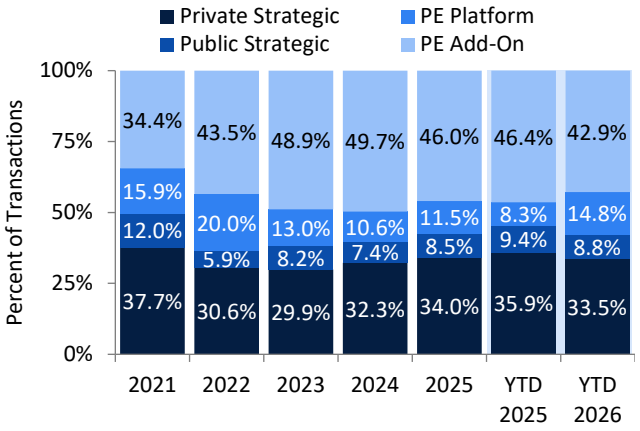
Strategics have expanded their share to nearly half (48.4%) of dealmaking in YTD 2026. This shift has been led by the continuation of elevated private buyer activity (-6.2% YOY) targeting scaling opportunities, with public companies (+80%) focused on portfolio rationalization. Though new platform creation has tempered to 16 deals (-5.9% YOY) in YTD 2026, this deal type has displayed historically cyclical pattern characterized by alternating periods of expansion and consolidation. YTD add-on activity has dropped marginally by six deals (-7.1% YOY) from record highs in the prior-year period, though remaining significantly elevated relative to prior years as PE-backed operators such as Pye-Barker Fire & Safety and Summit Fire & Security have continued to consolidate the fragmented sector.

The average sector M&A EBITDA multiple since 2024 has expanded to 10.9x—half a turn above the prior three-year period. Revenue multiples have matched this increase to an average of 2.6x, reflecting growing investor appetite for software-oriented companies, such as ADT's (NYSE:ADT) acquisition of Origin AI (February 2026, $170 million, 7.3x EV/Revenue). End market and service line diversification has remained a leading valuation driver, though exposure to data center tailwinds has also supported average EBITDA multiple growth. Prysmian's (BIT:PRY) August 2026 announced acquisition of safety infrastructure manufacturer Atkore (NYSE:ATKR) for $3.9 billion, equivalent to 12.8x EV/EBITDA, was driven by Atkore's presence in physical data center security alongside its broader end market exposure.

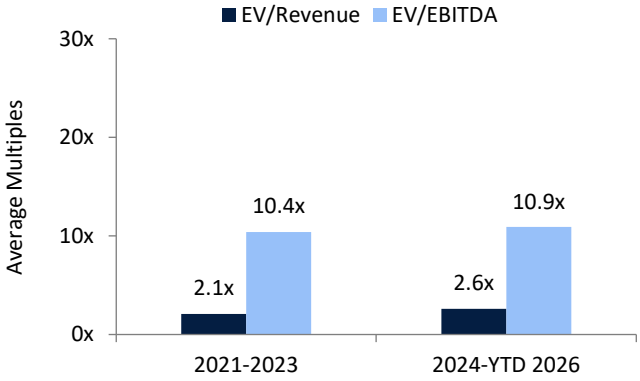
Security Solutions Deal Volume Tracks Record 2025 Pace



Public Portfolio Rationalization Supports Strategic Expansion



Security Solutions Valuation Multiples Display Healthy Growth



Note: Year to date (YTD) ended September 30
Source: Capital IQ, PitchBook, FactSet, and Capstone Partners

Notable Security Solutions M&A Transactions



Tom McConnell
Managing Director

"Institutional debt and equity investors have continued to deploy substantial capital for new opportunities in the highly attractive Security Solutions sector. In addition to growth and recurring revenues, the continued importance of trusted relationships for successful industry operators has given investors comfort in the resiliency of sector business models."

In June 2026, alarm monitoring service provider Scutum Digital acquired Home Security & Management Company (HSMC) for an undisclosed sum. Scutum was attracted to HSMC's significant U.S. customer base, leveraging its footprint to expand Scutum's new intelligence-driven value proposition. Scutum North America has prioritized AI-enablement as a key growth area, establishing the Scutum Digital brand by merging subsidiaries Statewide Central Station and Visentry in July 2026 to emphasize the company's digital transformation.

Atlas Partners-backed Pye-Barker Life & Safety has continued its aggressive add-on strategy, acquiring APS Corporation in May 2026 (undisclosed). APS provides installation, service, inspection, and integration services across security and fire safety systems. The transaction marked Pye-Barker's 13th of 30 total tuck-ins to date. APS' expertise in remote programming software (RPS) and remote system diagnostics were cited as key deal rationale, reflecting demand for technology-enabled service and monitoring capabilities.

ADT acquired AI sensing platform Origin Wireless (Origin AI) in February 2026 ($170 million, 7.3x EV/Revenue). The transaction highlights the value of IP in the Security Technology space—Origin AI brings more than 200 global patents for ADT to leverage in its AI expansion, according to a deal press release.[4]

"By integrating AI sensing…we plan to add a new intelligence layer, elevating traditional security and smart home capabilities," said Omar Khan, Chief Business Officer at ADT, in the press release.

Morgan Stanley's (NYSE:MS) PE arm, Morgan Stanley Capital Partners, acquired Security 101 from Gemspring Capital in February 2026 for an undisclosed sum. Security 101 provides integration services to a diversified customer base spanning the Education, Manufacturing, and Data Center markets. Gemspring scaled the company through 16 add-on transactions since its acquisition in January 2022 (undisclosed). The transaction emphasizes the value creation potential of geography- and service line-focused buy-and-build strategies.

Q&A with Volaris Group & Surview Systems

Acquires

Software holding company Volaris Group acquired UK-headquartered security solution developer SureView Systems (June 2026, undisclosed). SureView Systems, founded in 2001, has established itself as an innovative leader in the Physical Security Information Management (PSIM) market, enabling physical security operations centers (SOCs) with technology solutions. This positioning aligns with the growing convergence of offline and online security concerns while providing exposure to diversified revenue streams. SureView was spun off from video monitoring security software developer Immix Software in February 2021 as part of the company's acquisition by Norland Capital (undisclosed).

Volaris Group is an operating group of Constellation Software (TSX:CSU), a leading buy-and-hold acquirer and operator of focused software and technology companies. Volaris Group's portfolio spans more than 40 vertical markets and 60 countries. Throughout its history, Volaris and Constellation have acquired hundreds of software companies providing mission-critical solutions to their customers, while maintaining a long-term ownership strategy and never divesting core acquisitions.

Following Volaris Group's April 2026 acquisition of SureView Systems, Capstone spoke with Austin Smith, Director of M&A at Volaris Group and Simon Morgan, General Manager at SureView Systems, to discuss investment themes in the Security Solutions sector, the evolving role of technology on competitive dynamics, and the recent acquisition of SureView Systems.



Austin Smith is Director of M&A at Toronto-based buy-and-hold investment firm Volaris Group. In his role, he leads corporate development for the firm's Security Portfolio, seeking to grow vertical market software companies in a sustainable way. Austin has been at the firm for over nine years, rising through the ranks from Analyst to his current position.



Simon Morgan is General Manager at SureView Systems. In his current role, Simon oversees the company's strategic direction, product development, and day-to-day operations. Simon has been at SureView for over 17 years, previously serving as Chief Technology Officer, Chief Product Officer, and Director of Technology.

What attracted Volaris Group to acquire SureView?

Volaris had been interested in SureView for some time before the acquisition. Generally, SureView has some very attractive qualities, like its best-in-class solution, strong financial performance, long history with blue-chip clients, and solid pipeline. From a strategic vantage point, SureView's PSIM solution is highly complementary to Intellicene—acquired in October 2022 from Cognyte [Nasdaq:CGNT]—and its video management system. As we look to expand our portfolio to provide solutions across the security technology stack for both physical and cyber security, this was a logical next step.

What are some of the biggest value drivers SureView provides to its customers?

One consistent way to monitor, regardless of the underlying systems: Customers run different combinations of cameras, access control, and alarm panels across their locations, often different brands at different sites. SureView gives operators a single, unified interface and response process on top of all of it, so the customer isn't managing a different workflow for every system or every site.

Q&A with Volaris Group & Surview Systems

Automation finds efficiencies across the whole operation: Customers report 70–80% reductions in the time it takes to process an alarm, up to 90% less time needed to train a new operator (from about 80 hours down to eight), and roughly one day a week saved on pulling together SOC performance reporting.

Operators focus on real incidents: SureView tackles nuisance alarms through a combination of configurable automation and AI-powered decision-making. Customers can establish workflows that automatically process, group, and prioritize alarms before they reach an operator, while the Virtual Operator reviews alarm events and live video in real time to determine whether an incident requires intervention or can be safely dismissed. This two-tiered approach dramatically reduces alarm volume, with some customers reporting up to a 90% reduction in nuisance alarms through rules-based automation alone.

Data-driven decision-making: Every alarm-related action is captured and fed into reporting, giving customers a clear view of how their SOC is actually performing through response times, alarm volumes, and site trends. That same data doubles as a defensible record if a customer's leadership, an insurer, or a regulator ever questions how an incident was handled. It's both a management tool and an accountability record.

This is what lets them scale: Because monitoring is consistent regardless of what's underneath it, alarms are filtered before they reach a person, and automation removes manual work throughout the operation. A customer's SOC network can take on more locations, whether through organic growth or acquisition, without adding more staff or standing up additional SOCs.

What organic and/or inorganic growth opportunities are ahead for SureView?

Fast-growing technology firms are a target market for SureView. A lot of companies are expanding at an incredible pace, adding offices, data centers, and facilities quickly. Those organizations need a security platform that can scale with them without forcing them to keep adding headcount or standing up new command centers every time they grow. That makes them a natural fit for SureView and a segment worth actively pursuing.

Customers' own M&A activity is another real growth lever. Many of SureView's customers are themselves acquisitive: banks and other enterprises that grow by buying other companies. When that happens, the acquired company's sites typically get folded into the parent's existing security operation rather than the customer standing up a separate SOC. That means SureView's footprint grows every time a customer makes an acquisition, without SureView needing to win a new logo.

There's also room to cross-sell into existing accounts. SureView's modules cover the full lifecycle of a security event, from initial alarm detection and triage, through field response, to investigation and case management. That means the platform touches multiple different teams involved in security and response, not just the SOC, giving SureView more surface area to expand within an account it already has, adding modules like Cases, Field Operations, and the new AI capabilities as trust in the core platform grows.

How is the current technology transformation impacting Security Solutions?

Value shifts from headcount to software: Organizations running their own monitoring have traditionally scaled by adding operators and guards, more people watching screens and handling alarms. AI-based triage and automation change that. The software absorbs more of that work, so an organization's capacity comes from the software it runs, not the size of its team.

Hardware is becoming commoditized: Cameras, access control panels, and alarm sensors are increasingly interchangeable across vendors. That pushes the real differentiation, and the pricing power, up into the software that sits on top and makes all those different systems work together.

Q&A with Volaris Group & Surview Systems

Monitoring operations will consolidate: The old model was lots of small, local security command centers. Software is what makes centralizing them possible, and that centralization carries large cost-saving implications, since fewer, bigger operations need less duplicated staff and infrastructure. Software is what turns that consolidation into real return on investment [ROI].

A [Software-as-a-Service] SaaS business model: Instead of one-time hardware and installation sales, more of the sector's revenue comes from ongoing software subscriptions.

How will legacy technology platforms converge in the future, leveraging cloud connectivity and AI?

Cloud becomes the common connection point in a hybrid model: Instead of trying to get every legacy system talking to each other directly (which usually meant custom, one-off integrations), cloud platforms sit above them and pull data from each system into one place. Some processing can stay local, for speed or reliability, while the cloud handles storage, AI processing, and visibility across sites. That means legacy hardware doesn't need to be replaced to be part of a modern, connected operation.

AI does the work of making sense of it all: Legacy systems weren't built to talk the same language. Video, access control, and alarm data come in different formats. AI can interpret and correlate that data (for example, matching an access event to the right camera feed) without needing the underlying systems themselves to change.

Hardware gets replaced on its normal cycle, not forced out early: Because the cloud and AI layer handles the integration and interpretation work, customers can modernize their operation now and still replace older equipment on its normal lifecycle timeline, rather than being forced into an early, disruptive rip-and-replace to get a unified experience.

The result is one platform experience across old and new equipment: Over time, customers stop thinking in terms of "which system is this alarm from" and just interact with one consistent interface, regardless of the age or brand of the equipment behind it.

How important is cybersecurity in maintaining physical security?

Physical security systems are now information technology [IT] systems: Cameras, access control, and alarm panels are all networked and often cloud-connected. If the network or software behind them is compromised, an attacker can disable alarms, view camera feeds, or unlock doors remotely, so a cybersecurity failure becomes a physical security failure.

Centralizing monitoring raises the stakes of a breach. As more customers move to centralized, cloud-based monitoring, one vendor's platform is protecting more locations at once, so the vendor's own cybersecurity has to be strong enough for everyone relying on it.

Customers now buy on both: Security questionnaires and requests for proposals [RFPs] increasingly ask about cybersecurity certifications and data protection alongside physical capabilities. It's become a purchasing requirement, not a nice-to-have.

This is an area SureView takes seriously in its own operations: SureView holds [International Organization for Standardization] ISO 27001 certification and undergoes regular third-party penetration testing. It's also been vetted directly by some of the toughest organizations in the world, including major financial institutions, through detailed vendor security questionnaires and due diligence, so its security posture has been independently tested, not just self-declared.

Q&A with Volaris Group & Surview Systems

How do you anticipate market participants to adapt to the convergence of technologies and adoption of cloud-based, AI-powered, unified management platforms?

The winners will be the ones who solve the operator's problem, not just install hardware: Historically, a lot of integrators have measured success by how much hardware they got installed, without thinking through what all those extra alerts actually mean for the team that has to respond to them. The integrators who win going forward will be the ones who think about the real problem: helping the security team actually respond to and manage events effectively, rather than just adding more sensors and cameras to a site.

Their core service gets automated: Systems integrators have traditionally made money by custom-wiring together different vendors' hardware. Cloud and AI platforms increasingly do that integration work natively, so the manual "make these systems talk to each other" work that integrators charged for becomes less necessary.

The ones who adapt will shift from installers to advisors: Instead of competing on integration labor, successful integrators will reposition around helping customers choose, configure, and roll out a unified platform that actually improves how their security team operates, not just what hardware sits on the wall.

Revenue shifts from one-time install fees to recurring services: As the market moves toward subscription-based software, integrators who stay relevant will move with it, building ongoing managed-service relationships instead of one-off installation projects.

Those who don't adapt will get squeezed out or acquired: Integrators who keep measuring success by hardware installed, without considering the operational impact on the teams responding to alerts, will find themselves losing relevance as customers demand outcomes instead of equipment.

Anything else relevant to security that you would like to discuss?

Openness remains the growth advantage, especially in brownfield environments: Building a proprietary stack that covers everything (cameras, access control, alarms, monitoring software) can work well in a greenfield deployment where a customer is starting from scratch, but most organizations don't look like that. They've accumulated a mix of systems over time, often through their own acquisitions, and need interoperability so they can keep choosing the best hardware for each site or situation rather than being locked into one vendor's ecosystem. Because SureView works on top of what a customer already has, it can sell into these real-world environments that a closed, proprietary competitor can't easily reach without forcing a rip-and-replace.



Select Transactions

Date	Target	Acquirer	Target Business Description	Enterprise Value (mm)	EV/LTM Revenue	EV/LTM EBITDA
08/04/26	Video Solutions division of Kustom Entertainment	Cycurion (Nasdaq:CYCU)	Provides body-worn and in-car cameras to Public Safety markets.	$5.0	-	-
07/31/26	Monaco Enterprises	Perimeter Solutions (NYSE:PRM)	Manufactures and installs fire and security alarm systems.	$120.0	-	-
07/17/26	Sentry Alarms	Doyle Security Systems	Designs residential and commercial security systems.	-	-	-
07/07/26	TJS USA	Monetary Metals	Develops retail inventory management software and hardware.	$28.5	-	-
06/30/26	Home Security & Management Company	Scutum	Operates an alarm monitoring central station.	-	-	-
06/30/26	Noremac Sprinkler	Summit Fire & Security	Provides fire protection services.	-	-	-
06/29/26	SureView	Volaris Group	Develops integrated security event management software.	-	-	-
06/10/26	Legacy Security Services	Graham Partners	Provides alarm monitoring services.	-	-	-
06/01/26	Superior Fiber & Data Services	Hexatronic Group (OM:HTRO)	Offers installation and maintenance of security systems.	$28.7	0.7x	~5.8x
05/27/26	National Technology Integrators	Dycom Industries (NYSE:DY)	Provides audiovisual (AV) and security systems integration.	$275.0	1.6x	~10.0x
05/06/26	APS	Pye-Barker Fire & Safety	Offers security systems and electrical contracting services.	-	-	-
05/01/26	GESI Hospitality	ASSA ABLOY (OM:ASSA B)	Manufactures electronic locks for the Hotel industry.	-	-	-
04/14/26	Philadelphia Detection Systems	Pye-Barker Fire & Safety	Installs fire, burglar, access control, and surveillance systems.	-	-	-
04/01/26	BaseSix Systems	White Mountain Partners	Designs, installs, and upgrades commercial systems.	$97.0	-	-
03/19/26	Madison Fire & Rescue	3M (NYSE:MMM)	Manufactures fire and life safety systems and equipment.	$1,950.0	-	-
02/27/26	Event Risk	Knightscope (Nasdaq:KSCP)	Provides executive protection and security consulting services.	$19.7	-	-
02/24/26	Origin AI	ADT (NYSE:ADT)	Develops AI sensing technology to enhance home security systems.	$170.0	7.3x	-
02/24/26	Security 101	Morgan Stanley (NYSE:MS)	Designs, installs, and maintains integrated security systems.	-	-	-
02/11/26	Secure Lock Solutions	Security 101	Installs access control, CCTV, and other security systems.	-	-	-
02/03/26	Social Navigator	Securitas (OM:SECU B)	Provides security intelligence.	-	-	-
01/13/26	Advanced Intelligent Computing	Minuteman Security	Operates as a commercial security integrator.	-	-	-

Source: Capital IQ, FactSet, PitchBook, and Capstone Partners

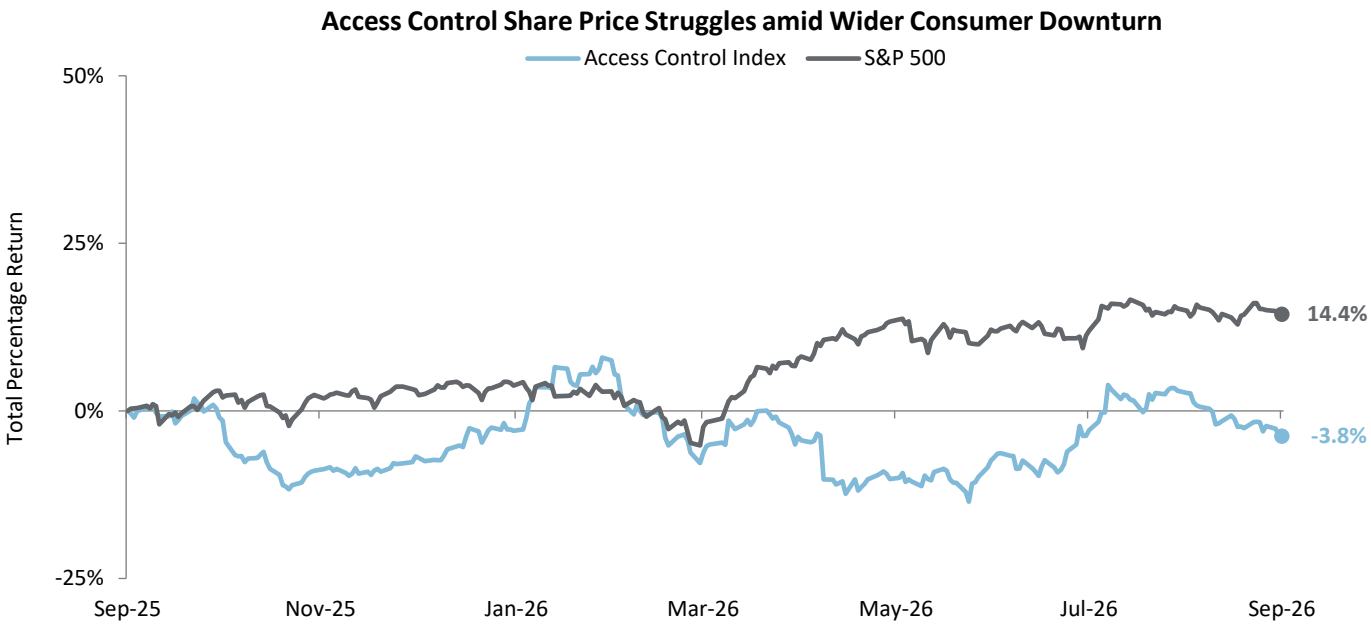
Public Company Data

Access Control

Company	Price 09/30/26	% 52 Wk High	Market Cap	Enterprise Value	LTM Revenue	LTM EBITDA	LTM Margin	EV / LTM Revenue	EV / LTM EBITDA
Allegion	$153.77	84.0%	$13,076.1	$14,977.8	$4,288.5	$1,124.3	26.2%	3.5x	13.3x
ASSA ABLOY	$35.62	89.6%	$39,568.9	$46,350.0	$15,627.7	$3,204.2	20.5%	3.0x	14.5x
dormakaba	$75.39	86.2%	$3,135.3	$3,777.4	$3,455.9	$500.7	14.5%	1.1x	7.5x
Fortune Brands Innovations	$38.05	58.7%	$4,542.1	$7,132.3	$4,391.9	$807.7	18.4%	1.6x	8.8x
Motorola Solutions	$445.97	90.1%	$73,805.3	$82,730.3	$12,237.0	$3,946.0	32.2%	NM	21.0x

Mean	**22.4%**	**2.3x**	**13.0x**
Median	**20.5%**	**2.3x**	**13.3x**
Harmonic Mean	**20.7%**	**1.9x**	**11.4x**

EV = enterprise value; LTM = last twelve-month; NM = not meaningful
$ in millions, except per share data



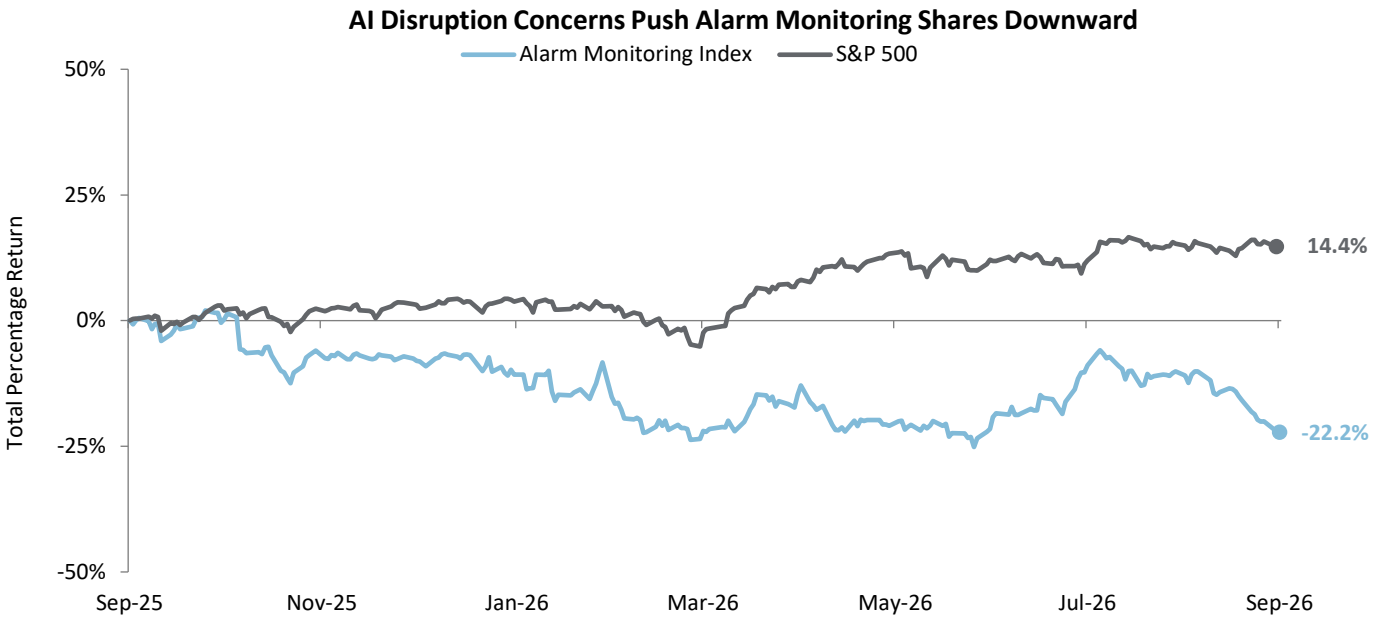
Access Control Index includes: ALLE, ASSA B, DOKA, FBIN, MSI
Source: Capital IQ and Capstone Partners as of September 30, 2026

Public Company Data (continued)

Alarm Monitoring

Company	Price 09/30/26	% 52 Wk High	Market Cap	Enterprise Value	LTM Revenue	LTM EBITDA	LTM Margin	EV / LTM Revenue	EV / LTM EBITDA
ADT	$6.08	68.4%	$4,441.8	$12,190.5	$5,164.9	$2,761.3	53.5%	2.4x	4.4x
Alarm.com	$54.47	93.7%	$2,673.9	$2,806.0	$1,061.0	$186.4	17.6%	2.6x	15.1x
Arlo Technologies	$12.40	62.2%	$1,334.4	$1,201.0	$587.1	$18.2	3.1%	2.0x	NM
Mean							**24.7%**	**2.4x**	**9.7x**
Median							**17.6%**	**2.4x**	**9.7x**
Harmonic Mean							**7.5%**	**2.3x**	**6.8x**

EV = enterprise value; LTM = last twelve-month; NM = not meaningful
$ in millions, except per share data



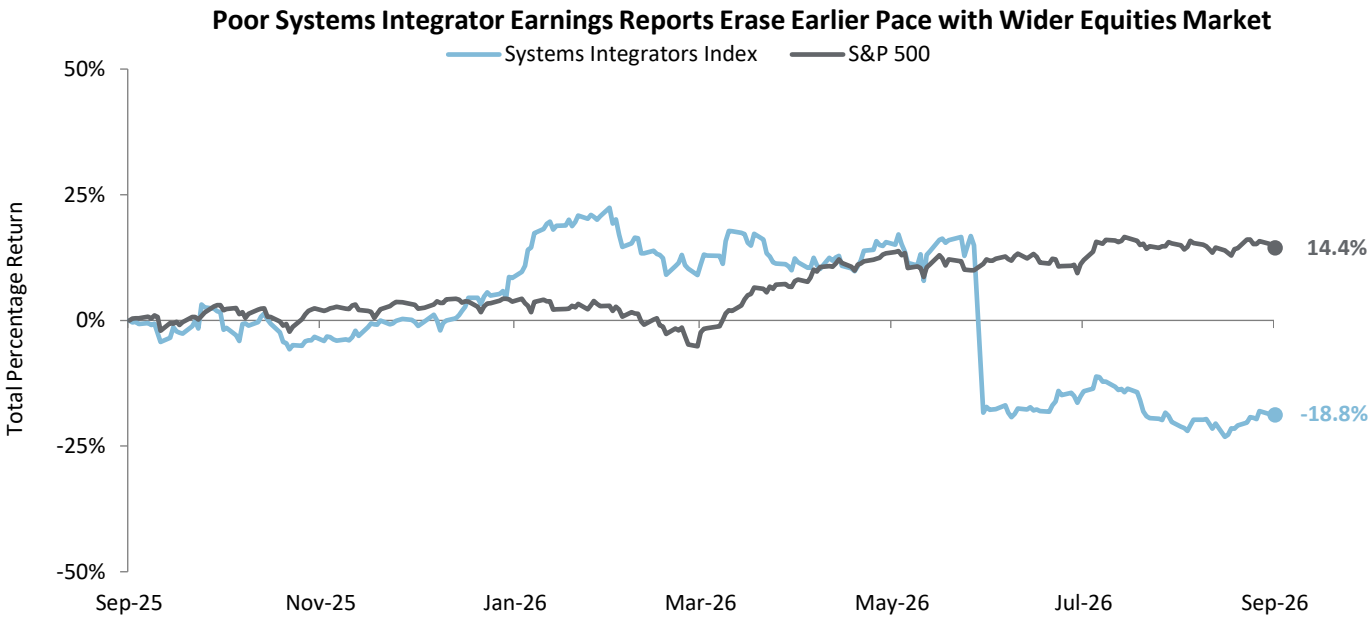
Alarm Monitoring Index includes: ADT, ALRM, ARLO
Source: Capital IQ and Capstone Partners as of September 30, 2026

Public Company Data (continued)

Systems Integrators

Company	Price 09/30/26	% 52 Wk High	Market Cap	Enterprise Value	LTM Revenue	LTM EBITDA	LTM Margin	EV / LTM Revenue	EV / LTM EBITDA
Diebold Nixdorf	$61.22	66.5%	$2,078.2	$2,927.1	$3,871.9	$541.9	14.0%	0.8x	5.4x
Honeywell	$210.94	42.5%	$66,855.3	$92,934.3	$38,057.0	$8,543.0	22.4%	2.4x	10.9x
Johnson Controls	$148.65	94.6%	$90,043.5	$98,910.5	$24,995.0	$4,329.0	17.3%	4.0x	22.8x
Securitas	$15.45	89.7%	$8,850.0	$12,240.6	$15,579.5	$1,495.1	9.6%	0.8x	8.2x
The Brink's Company	$100.99	74.1%	$4,159.7	$7,188.6	$5,481.4	$1,212.1	22.1%	1.3x	5.9x
Mean							**17.1%**	**1.9x**	**10.6x**
Median							**17.3%**	**1.3x**	**8.2x**
Harmonic Mean							**15.5%**	**1.2x**	**8.2x**

EV = enterprise value; LTM = last twelve-month
$ in millions, except per share data



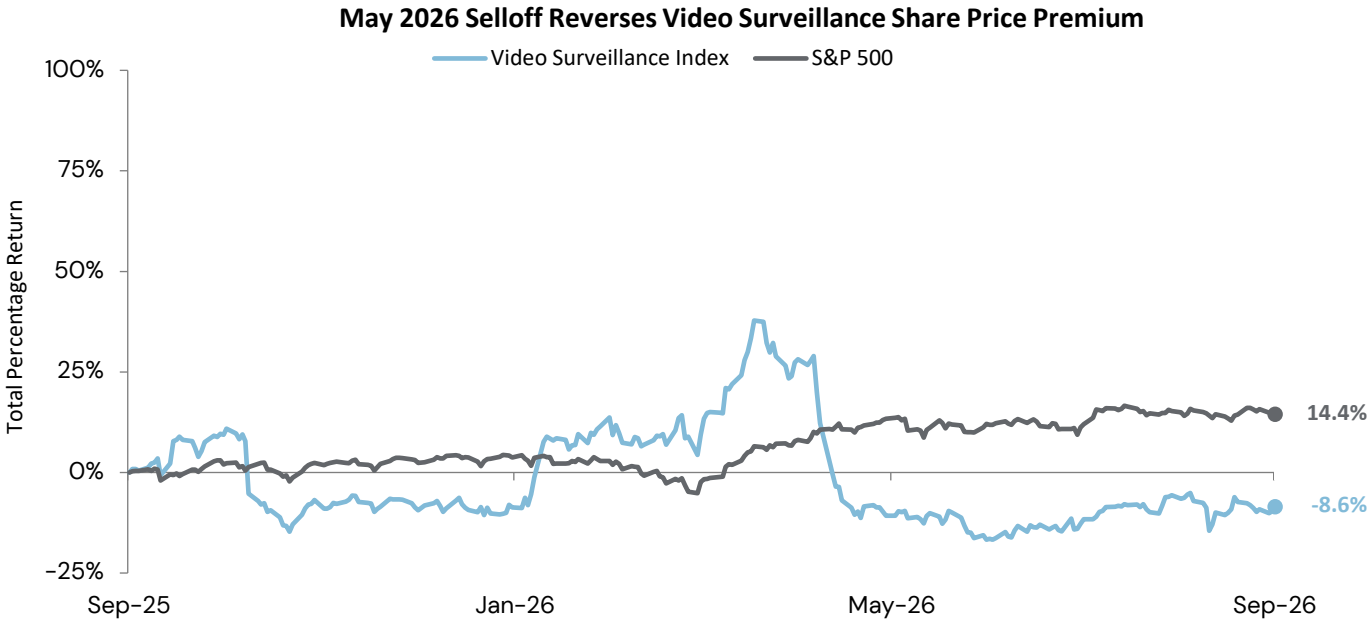
Systems Integrators Index includes: BCO, DBD, HON, JCI, SECU B
Source: Capital IQ and Capstone Partners as of September 30, 2026

Public Company Data (continued)

Video Surveillance

Company	Price 09/30/26	% 52 Wk High	Market Cap	Enterprise Value	LTM Revenue	LTM EBITDA	LTM Margin	EV / LTM Revenue	EV / LTM EBITDA
Canon	$29.30	91.5%	$24,888.2	$29,527.8	$28,919.4	$4,468.6	15.5%	1.0x	6.6x
Mobotix	$1.06	29.2%	$16.1	$12.8	$60.6	$6.5	10.7%	0.2x	2.0x
Ubiquiti	$567.53	51.6%	$34,351.7	$33,820.4	$3,274.2	$1,225.5	37.4%	NM	27.6x
Mean							**21.2%**	**0.6x**	**12.1x**
Median							**15.5%**	**0.6x**	**6.6x**
Harmonic Mean							**16.3%**	**0.3x**	**4.3x**

EV = enterprise value; LTM = last twelve-month; NM = not meaningful
$ in millions, except per share data



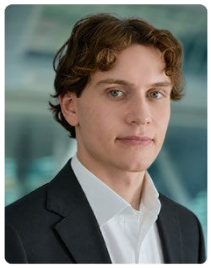
Video Surveillance Index includes: 7751, MBQ, UI
Source: Capital IQ and Capstone Partners as of September 30, 2026

Security Solutions Report Contributors



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Tom joined Capstone Partners in 2011 and brings over 25 years of investment banking experience for clients' benefit. He has an impressive track record of completed transactions with cyber security, physical security, compliance and risk management related companies. Mergers, acquisitions, and capital raise engagements with founder-owned, private equity-backed and public corporations across the United States and internationally, demonstrate the depth of his sector knowledge and transaction acumen. Throughout his career, Tom has also believed in the importance of giving back to the community and has been recognized for his professional accomplishments and leadership. He co-founded Colorado Cyber with the mission of connecting private and public sector leaders in the cybersecurity ecosystem, stimulating discussion on critical issues, and supporting economic growth. Tom has also served on numerous nonprofit boards including the Breckenridge Outdoor Education Center, Griffith Centers for Children, and the Denver Advisory Board.



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Brendan serves as a Market Intelligence Associate at Capstone Partners covering the Aerospace, Defense, Government & Security and Healthcare industries. Prior to joining Capstone, Brendan was an analyst at VDC Research, a Boston-based market research and consulting firm, where he provided M&A commercial due diligence, growth opportunity analysis, product strategy support, and consumer insights research to technology vendors and investment firms. Brendan graduated with a Bachelor of Arts degree in Economics with a Concentration in Financial Markets from Colby College.

Firm Awards & Accolades

Capstone Partners is consistently recognized as an elite middle market firm by multiple leading industry organizations. This has afforded our clients with immediate market credibility in the acquirer and investor communities. From 2016 to 2026, Capstone has received 23 "investment banking firm of the year" awards from organizations such as The M&A Atlas Awards, The M&A Advisor, M&A Today, and ACQ5. A sampling of Capstone's recent awards is shown below.

2026
U.S. INVESTMENT BANKING FIRM OF THE YEAR
THE M&A ATLAS AWARDS

2024
INVESTMENT BANKING FIRM OF THE YEAR
THE M&A ATLAS AWARDS

2023
INVESTMENT BANKING FIRM OF THE YEAR
THE M&A ATLAS AWARDS

2022
INVESTMENT BANKING FIRM OF THE YEAR
THE M&A ADVISOR

Firm Track Record

Capstone has a proven track record of providing advisory services to highly innovative and disruptive technology companies across the ADGS industry, including businesses within the Security Solutions sector. Several of these transactions are highlighted below.

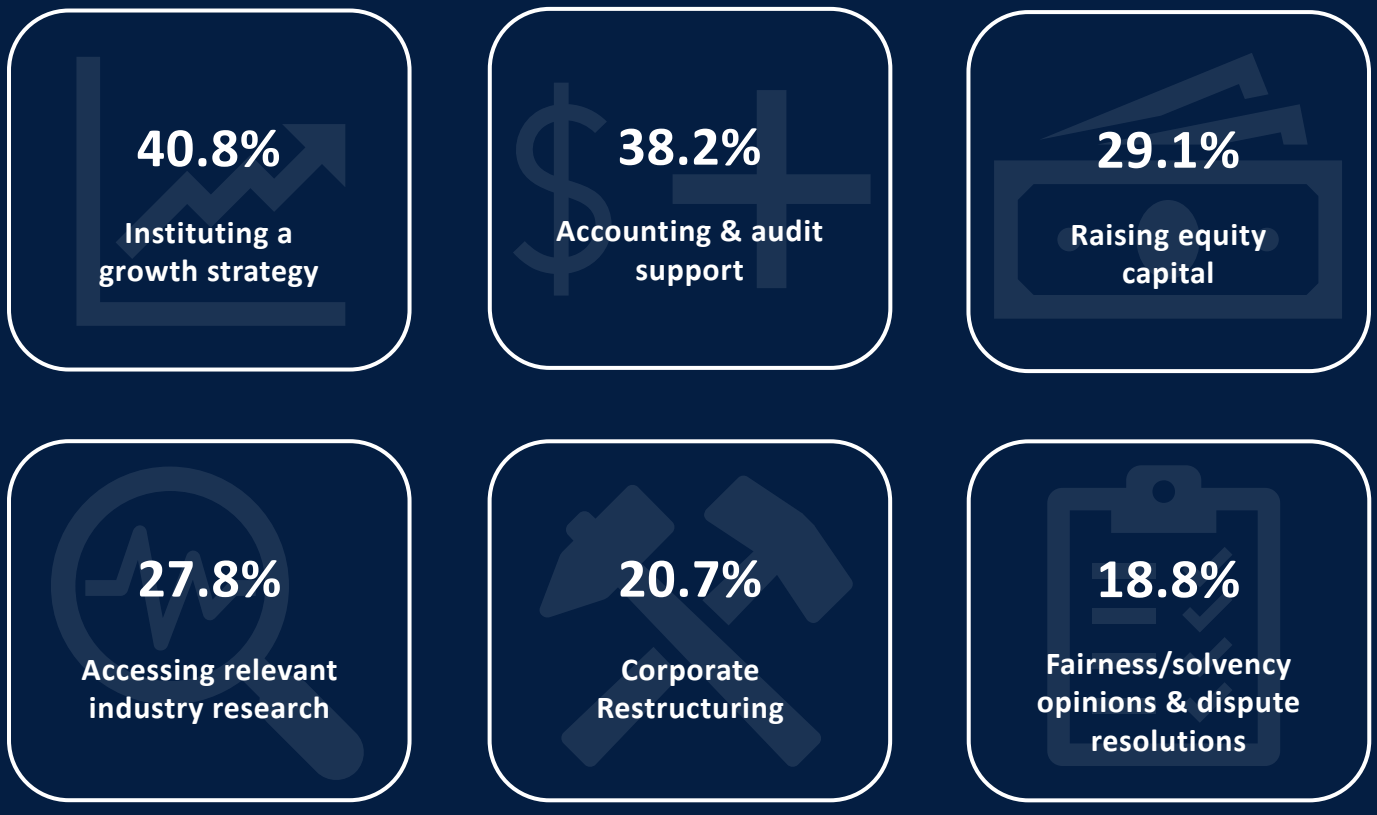
Extra Duty Solutions HAS RECEIVED A GROWTH EQUITY INVESTMENT FROM BregalSagemount	Mack Fire Protection a portfolio company of Newlook Capital / Fengate HAS BEEN ACQUIRED BY Summit Fire & Security a portfolio company of BlackRock	IFSS Integrated Fire and Security a portfolio company of Newlook Capital / Fengate HAS BEEN ACQUIRED BY Fortis Fire & Safety a portfolio company of Imperial Capital	Safe Haven Defense HAS BEEN ACQUIRED BY Dominus Capital
Integrated Openings Solutions HAS PARTNERED WITH Frontenac	Minuteman security & life safety a portfolio company of Prospect Partners HAS BEEN ACQUIRED BY TENEX Capital Management	Safemark a portfolio company of MSouth Equity Partners HAS SOLD Safemark Systems to ASSA ABLOY	ASD a portfolio company of Centerfield Capital Partners / Palmares Capital Partners HAS BEEN RECAPITALIZED BY RAF — A Different Kind of Equity
FireKing Security Group a portfolio company of Pfingsten HAS BEEN ACQUIRED BY Cennox a portfolio company of York Capital Management	Signet — The Power of One HAS SOLD ITS FIRE ALARM DIVISION TO encore Fire Protection	Safe Electronics Inc. — Protecting Lives Since 1984 HAS BEEN ACQUIRED BY AN UNDISCLOSED STRATEGIC BUYER	ISONAS HAS BEEN ACQUIRED BY Allegion
NMC National Monitoring Center HAS MERGED TO FORM netwatch Group a portfolio company of Riverside	Summit Companies a portfolio company of Prospect Partners HAS BEEN ACQUIRED BY CI Capital Partners	SURV HAS BEEN ACQUIRED BY securadyne systems a portfolio company of Pamlico Capital	Continental Fire & Safety a portfolio company of Housatonic Partners HAS BEEN ACQUIRED BY RHV Capital, LLC

Capstone's Proprietary Research Reveals Top Services in Demand

The stage and initiatives of a business often dictate which financial services are in demand. As the bulk of CEOs polled in Capstone's 2026 Middle Market Business Owners Survey indicated growth strategies are a priority for 2027, the lion's share (40.8%) of owners anticipate a need for growth strategy support services. Similarly, 29.1% of CEOs require equity capital advisory services to support operational initiatives and business expansion. Notably, 27.8% of CEOs demonstrated an interest in accessing relevant industry research to keep up with emerging industry trends, complete competitor analyses, and track capital markets activity in their space. In addition, 18.8% of business owners have sought fairness/solvency opinion and dispute resolution support to mitigate litigation exposure and ensure fiduciary duties for transactions are fulfilled.

Capstone has developed a full suite of corporate finance solutions to help privately owned businesses and private equity firms through each stage of the company's lifecycle, ranging from growth to an ultimate exit transaction. In addition, we developed specialty advisory practices to provide financial performance, buy-side, employee stock ownership plan (ESOP), and equity and debt services. All of these capabilities are supported by 12 industry banking groups, an active sponsor coverage group, and a dedicated Market Intelligence Team.

Top Financial Services Required by Business Owners in 2027



Question: Have you ever had, or do you anticipate having, a need for any of the following services?
Source: Capstone Partners' Middle Market Business Owner Survey, Rebased Sample Size (N): 309

Endnotes

1. EY, "Forensic & Integrity Pulse Series," ey.com/en_us/insights/forensic-integrity-services/physical-security-crisis-management-pulse-poll?_sp=acf11149-8a76-4fa6-ae88-f3da805293f0.1787857294950, accessed September 8, 2026.
2. Center for Democracy & Technology, "Out of Step: Students, Teachers in Stride with EdTech Threats While Parents Are Left Behind," cdt.org/insights/out-of-step-students-teachers-in-stride-with-edtech-threats-while-parents-are-left-behind/, accessed September 8, 2026.
3. Allied Universal, "World Security Report 2026," worldsecurityreport.com/, accessed September 8, 2026.
4. ADT, "ADT Acquires Origin AI to Power AI Sensing and Ambient Intelligence for the Home," investor.adt.com/News--Events/news/news-details/2026/ADT-Acquires-OriginAItoPowerAISensing-and-Ambient-Intelligence-for-the-Home/default.aspx, accessed September 8, 2026.

CAPSTONE PARTNERS

Common Goals. Uncommon Results.

Disclosure

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CAPSTONE PARTNERS

Market Presence

The Power of Scale: Enhances Access & Credibility

U.S. Activity

25,000+	2,000+	3,000+	70+
Deal Related Calls Per Year	Private Equity & Family Office Relationships	Strategic Buyer Relationships	Managing Directors

Global Activity

Capstone's global platform partner, IMAP (International M&A Partners), combines global sector expertise with specific local knowledge to deliver top-tier M&A and advisory services

280	$20B	40%	51	450+	4th
Deals Closed per Yr.	Transaction Value per Yr.	Cross Border Deals	Countries with Local Offices	Professionals Worldwide	Global Ranking



Note: IMAP Global Activity data is based on H1-2026 annualized activity.