

11/21/2019

Х

x Allied to pursue electronic security buys with eye toward IPO

Security firm	was presented th	ne opportunity to buy	-backed	_
iµ•š (Á Á I• (}Œ	š} Ç[• o Á	• vv}µv U •] K ^š
^&}Œšµvšo(Ç v}µPZU šZ] Œ } š Z Œ]• μ	ı••]}v•] v[š Á	·}ŒI}µšU
compelli v P } ((CE	ĔU_ :}v • •]]	v]vš CEÅ] Å	Á Á]šZ šZ]• v	Á••ŒÀ]
:}v • v}š šZ	. š]š Á • v}š]((] µoš (}Œ	oo] hv]À Œ•	oš}}u
talking to (SOS CEO) Ec	ddie Silverman seven to	eight years ago. We tried	d to buy the company	
before ^µv ‰]	š oU_ Z •] X	^tZ À ŒÇ	•u oo Á]v}Á	š} }µŒ
When SOS first launche	ed a sale process with	in late 2018, Allied	Universal had just	
closed its acquisition of	f	U:}v••]X^	t •š Œs ČŒ	Z]vP }µš
•		g the two companies tog		
		~} ‱		Ç š} }u

Santa Ana, California-based Allied Universal said on Thursday it plans to merge with Parsippany, New Jersey-based SOS in a deal that would create a security services company with USD 8bn in

in ongoing talks to find a buyer.

SOS, the fourth largest security services business in the US, was marketed off USD 30m to USD 40m in pro-forma adjusted EBITDA, and looked for a 10x EBITDA or higher valuation during its • o ‰ Œ } ••U š Z]• v Á• • Œ À] Œ ‰ } Œ š X d Z } u ‰ v Ç o } I acquisition of US Security. Allied paid USD 1bn for the company, which according to this news service, generated USD 100m in adjusted EBITDA, suggesting a deal multiple of around 10x. Jones said the EBITDA figure Mergermarketpreviously reported for SOS did not reflect three • μ • $\langle \mu$ v š $\langle \mu$]•] š] \rangle v • u (\rangle Œ š \rangle Ç[• o Á • v v \rangle μ v \rangle in revenue.



SOS brings a relatively small amount of guarding revenue overall to Allied Universal, Jones said. The SOS guarding business totals about USD 300m in the US.