

Security and safety

Longer Term Investments (LTI)

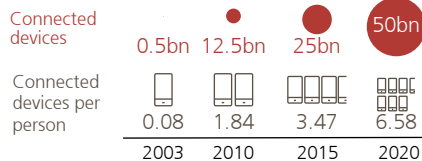
The global security and safety market benefits not only from structural trends such as rising cyberattacks but from threats to the global food chain and to air, water and soil quality. We estimate its overall size at around USD 600bn in 2018, and think it will reach USD 700bn by 2021.



Projections and opportunities

More connected devices mean more security risks

In May 2018 the EU implemented its new "General Data Protection Regulation (GDPR)" that brings a material risk of fines (up to 4% of global revenues for noncompliance), driving further investment in cyber-security.



Source: Cisco, Bloomberg Intelligence, UBS, April 2015

Smart locks

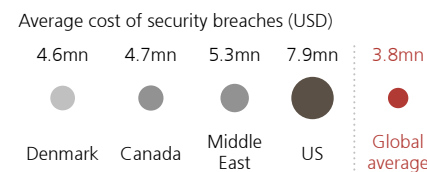
Most locks globally are still mechanical, a technology that has existed for 8,000 years, but electro-mechanical locks look set for take-off.



Source: UBS 2018

Security breaches

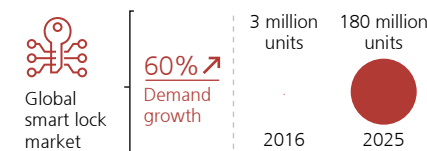
The WannaCry ransomware attack in 2017 again highlighted the need for secure systems as it affected users in more than 150 countries.



Source: Ponemon, July 2018. UBS

Global smart lock market

Over the decade to 2025, we expect around 60% p.a. growth in demand for the global smart lock market, growing from around three million smart locks in 2016 to over 180 million units.



Source: UBS 2018

Fire security

Tighter regulation, construction activity and asset protection are the most important factors with regard to fire security. Many countries have laws in place that ensure the use of alert systems in old and new buildings. According to the US National Fire Protection Association, reported home fires were 50% lower in 2014 than in 1980, and fire deaths were down 47%.

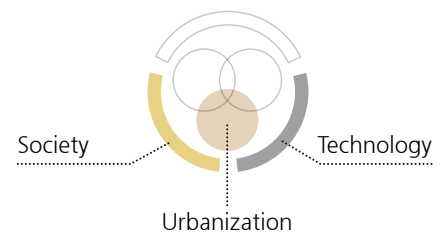
Fire security factors



Source: US Fire Administration, National Fire Protection Association, UBS 2018



Security and safety investment properties



○ Influencer ⊗ Key drivers



Near-term drivers

- New cyber-attacks that trigger more spending.
- Higher demand in commercial and residential construction.



Sustainable investing impact

- Cyber-security
- Testing, inspection & certification
- Life science tools
- Commercial and residential construction security



Impact investing (UN SDGs)

- SDG 16: Peace, justice and strong institutions

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