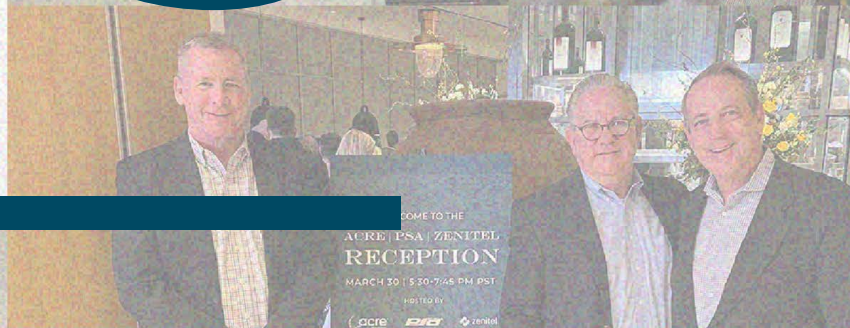


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23

PSA YEAR-END REVIEW



Letter from Matt Barnette

CEO and President

PSA Members and Partners,

As I reflect on 2023, I have so much gratitude for the PSA Network. We bring together the nation's top security integrators and the most sophisticated technology providers to do the important work of keeping people safe. I appreciate your commitment throughout the year to come together to collaborate to make this industry the most effective it can be. As the CEO of PSA Network, I am immensely proud of what we have achieved collectively in 2023.

A Year of Resilience and Adaptability:

These last few years have presented the security industry with numerous challenges from moving forward after the pandemic to the supply chain issues. One thing I can guarantee is that we will continue to face challenges and adaptability will continue to be needed. The companies that I see building a "culture of adaptability" will survive and thrive.

Embracing Technological Advancements:

In 2023, the industry continued our commitment to staying at the forefront of technological advancements. The big push in security is the shift to the cloud for all systems. I have talked with many PSA integrators who are successfully making this shift and have seen the benefit to their customers and to operational efficiency and the bottom line.

Investment in Education and Training:

By ensuring that our professionals are equipped with the latest knowledge and skills, we enhance service delivery and

overall industry professionalism. So many of you recognize that we must invest in the training and development of our teams. We saw a surge in participation in our education sessions at TEC 2023, and this year we launched PSA University, a digital training platform created for PSA members. P3 technology partner certifications are now available live on BuyPSA.com and Training Bucks eligible.

The Power of Collaboration and Partnership:

Our success is intrinsically tied to the collaborative relationships we have fostered in the security industry. A rising tide does lift all boats, and I thank you for your time and collaboration to make the security industry as effective as it can be. Whether you are at PSA TEC, ISC West and East or participate in a PSA Committee, together we have strengthened our collective impact on the security landscape by sharing insights, resources and expertise to elevate the entire industry.

As we begin 2024, I feel optimistic for what we can achieve together. I invite you and your staff to actively engage in the work at PSA and our shared vision. Your insights, feedback and collaboration are critical as we navigate the evolving landscape of the security industry.

Thank you, and I look forward to working together in 2024!

Matt



PSA Financial Performance FY 2023

PSA had a strong 2023 financial year with overall increases in revenue and dividends returned to owner companies. We are halfway through the 2024 fiscal year and are forecasting another successful year for PSA. We encourage you, our network, to continue to increase your purchasing through PSA to maximize your savings and total benefits in the 2024 fiscal year.



Allen Riggs, Chief Financial Officer

Fiscal Year 2023 Highlights

\$5,428,000

Dividends Returned

\$1,611,000

Ground Shipping Covered

\$1,118,000

Subsidized Trainings

	FY 2020		FY 2021		FY 2022		FY 2023	
Revenue	\$126,750,000	4.0%	\$136,712,000	4.7%	\$136,271,000	4.7%	\$177,280,000	28.2%
Profit Margin from Sale of	4.0%	4.9%	4.7%	4.9%	4.0%	4.9%	4.7%	4.9%
Fixed Expenses %	4.0%	4.9%	4.0%	4.9%	4.0%	4.9%	4.0%	4.9%
Contribution from Edge	\$971,000	0.8%	\$1,280,000	0.9%	\$1,270,000	0.9%	\$1,280,000	0.7%

Revenue and Profit Margin data may change due to timing of sales, interest rates for the day, terms and other variable costs of products sold.

	FY 2020		FY 2021		FY 2022		FY 2023	
Revenue	\$126,750,000	4.0%	\$136,712,000	4.7%	\$136,271,000	4.7%	\$177,280,000	28.2%
Profit Margin from Sale of	4.0%	4.9%	4.7%	4.9%	4.0%	4.9%	4.7%	4.9%
Fixed Expenses %	4.0%	4.9%	4.0%	4.9%	4.0%	4.9%	4.0%	4.9%
Contribution from Edge	\$971,000	0.8%	\$1,280,000	0.9%	\$1,270,000	0.9%	\$1,280,000	0.7%
Total Returned to Owners	\$2,886,000	-29%	\$3,508,000	22%	\$5,373,000	53%	\$8,157,000	52%

PSA revenue data is only available to PSA owners and members. If that's you, check your inbox to see the entire review including the numbers and additional pages.

PSA Total Benefits of Ownership

Average PSA benefits when purchasing \$1,000,000 of product and utilizing 90-day credit terms.

Summary of Price Benefits	PSA	Not From PSA
Purchases	\$ 1,000,000	\$ 1,000,000
Free Freight	\$ (12,000)	\$ -
Training Bucks	\$ (6,000)	\$ -
Annual Dividend (cash)	\$ (3,000)	\$ -
Annual Dividend (stock)	\$ (12,000)	\$ -
Early Pay Discount	\$ -	\$ -
Carrying Costs	\$ (4,521)	\$ 6,027
Purchasing Agent Time Savings	\$ (28,800)	\$ -
Normalized Purchase Price	\$ 933,679	\$ 1,006,027
Your Savings	\$ 72,348	7.2%

Average PSA benefits when purchasing \$1,000,000 of product and utilizing 1% Net 25 credit terms.

Summary of Price Benefits	PSA	Not From PSA
Purchases	\$ 1,000,000	\$ 1,000,000
Free Freight	\$ (12,000)	\$ -
Training Bucks	\$ (6,000)	\$ -
Annual Dividend (cash)	\$ (3,000)	\$ -
Annual Dividend (stock)	\$ (12,000)	\$ -
Early Pay Discount	\$ (10,000)	\$ -
Carrying Costs	\$ (5,274)	\$ 6,027
Purchasing Agent Time Savings	\$ (28,800)	\$ -
Normalized Purchase Price	\$ 933,474	\$ 1,006,027
Your Savings	\$ 72,553	7.2%

PSA Total Benefits of Ownership

Average PSA benefits when purchasing \$1,000,000 of product and utilizing 2% Net credit terms.

Summary of Price Benefits	PSA	Not From PSA
Purchases	\$ 1,000,000	\$ 1,000,000
Free Freight	\$ (12,000)	\$ -
Training Bucks	\$ (6,000)	\$ -
Annual Dividend (cash)	\$ (3,000)	\$ -
Annual Dividend (stock)	\$ (12,000)	\$ -
Early Pay Discount	\$ (20,000)	\$ -
Carrying Costs	\$ (7,534)	\$ 6,027
Purchasing Agent Time Savings	\$ (28,800)	\$ -
Normalized Purchase Price	\$ 925,734	\$ 1,006,027
Your Savings	\$ 80,293	8.0%

If able, the 2% early pay discount saves the most money, but 1% discount and 90-day terms are also a great value!

Summary of Realized Value from PSA for \$1,000,000 of Purchases

Effective Purchase Price	PSA	Not from PSA	Savings %
Normalized with 90 Day Terms	\$933,679	\$1,006,027	7.2%
Normalized with 1% Net 25	\$933,474	\$1,006,027	7.2%
Normalized with 2% Net 10	\$925,734	\$1,006,027	8.0%

Letter from Darryl Keeler

PSA Board of Directors Chairman

I want to thank PSA owners, members, technology partners and the PSA staff for an incredible year. I am so proud to serve as the PSA board chairman. Each year, I get more and more inspired. The individuals who make up this industry share a deep sense of purpose in keeping people and property protected.

Our company, Tech Systems, joined PSA in 1997, and we haven't looked back. As a small organization, the PSA buying power was the driving force behind our membership as PSA helped us scale and grow. Today, over 80 percent of our spend goes through PSA. While the financial benefits remain strong, the value of PSA has grown significantly over the years to include industry collaboration, events, access to education and certifications and industry thought leadership. We get so much from the power of the PSA Network.

From my perspective, the highlights of 2023 were TEC and Convention.

PSA TEC: We had strong attendance and great event reviews of TEC this year. The event brought PSA members and technology partners together to collaborate on big industry issues and participate in education on topics ranging from DEI and Six Sigma to supply chain and effective succession planning. We had strong attendance and great event reviews.

Convention: The PSA team did a great job transitioning Convention to Oahu in weeks after the devastating fire on Maui.

Convention is an incredible opportunity for integrator-driven leadership education on industry trends. Most importantly, we came together to inspire one another and learn together.

In 2024, my call to action for our owners and members is to take full advantage of your PSA membership benefits and to get your teams involved. I encourage you to think about PSA like we do at Tech Systems – as an outsourced extension of your company. Take advantage of events, education, Training Bucks, committee collaboration, mentorship and more.

Thank you for a wonderful 2023, and I am looking forward to an incredible 2024.

Best,

Darryl



Event Recaps

ISC West 2023

Vegas, NV March 28-31

The security industry came together for likely the busiest ISC West on record at the Venetian Expo in Vegas on March 28-31. The PSA Network spent the week providing education, covering the show floor and hosting a private reception with P3 partners, acre security and Zenitel.

TEC@ISC education sessions covered a broad range of topics relevant to security systems integrators and helped them future proof their organizations. Members of the PSA executive leadership team, PSA committees and other industry experts led six successful courses on topics including company culture, social networking, security sales professionals, operational efficiency, managed service pricing models and cyber awareness.

[RECAP LINKED HERE](#)

PSA TEC 2023

Dallas, TX May 1-4

This year's TEC emphasized the power of our network with an added focus on networking, including three rounds of TEC Talks and exclusive partner receptions, which provided our members with valued collaboration time surrounded by like-minded business leaders. The event hosted more than 400 attendees representing more than 100 of PSA's most progressive owner and member companies.

The PSA TEC 2023 education program delivered sessions focused on leadership, operations, sales, next generation talent and technical skills for four days of education as well as Keynote Erik Qualman.

[RECAP LINKED HERE](#)

Mark your calendars!

TEC 2024 is scheduled in Dallas on May 13 – 16.



[VIEW TEC HIGHLIGHT VIDEO](#)

Event Recaps

PSA Convention 2023

Oahu, HI Oct. 9-12

PSA owners, members and technology partners came together for business leadership education and networking with their peers for PSA's annual Convention. Joining us this year were 79 integrators representing 55 of PSA owner and member companies from across the country. We all enjoyed the well-deserved time in paradise alongside peers, and we celebrated another monumental year at PSA.

Convention offers attendees multiple networking opportunities with PSA integrators and sponsoring technology partners as well as planned excursions and activities. PSA kicked off a new networking event this year called Tiki Talks, which provided dedicated time for integrators to visit with sponsors to connect and learn about their latest solutions. Additional networking opportunities included a sponsor appreciation reception, welcome

reception and Hawaiian cowboy luau along with excursions to Pearl Harbor and Kualoa Ranch and activities including snorkeling, sailing and golf. Convention education included a human connection keynote, a PSA overview and peer breakouts discussing key challenges and opportunities facing integrators.

We would also like to take a moment to thank everyone for their support and flexibility in moving Convention from Maui to Oahu due to the devastating fires in Lahaina. We heard PSA members loud and clear about their desire to support those affected by the fire, and PSA donated \$20,000 to the Maui Strong Fund through the Hawai'i Community Foundation.

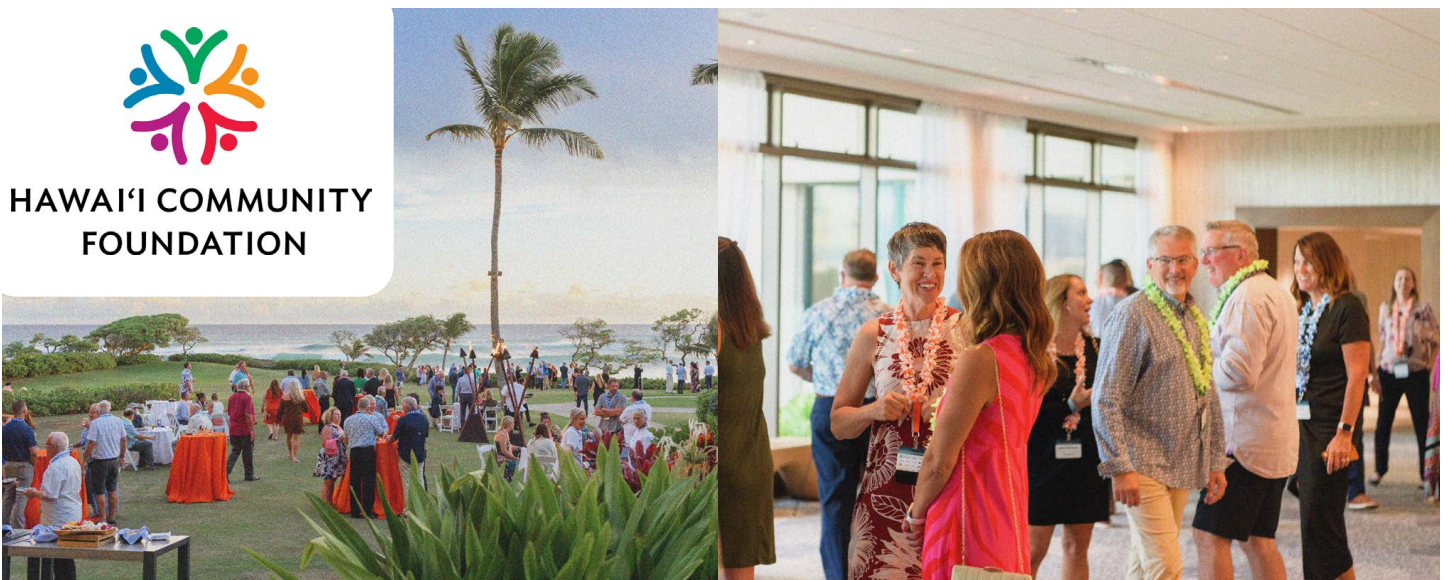
[RECAP LINKED HERE](#)

Mark your calendars!

PSA Convention 2024 is heading to Marco Island, Florida, on Oct. 14-17.



HAWAI'I COMMUNITY
FOUNDATION



Event Recaps

Grand Getaway

Oahu, HI Oct. 12-15

PSA's success is built on the loyalty of our owners and members, so we created the Grand Getaway to recognize PSA companies who continue to increase their purchases through PSA and take full advantage of PSA's member benefits. This year's Grand Getaway winners were awarded a trip to Oahu following PSA Convention.

The following PSA companies had the highest purchase growth within their respective categories in the second half of FY2023 winning the Grand Getaway!

APL Access & Security
AVS Technology
D/A Central
Digitronics, Inc.
eVigilant.com, LLC
Inteconnex
Integrated Security Holdings Group
Koorsen Fire & Security, Inc.
LVC Companies
Minuteman Security Technologies
Paladin Technologies, Inc.
Premise One LLC
Prime Secured
SAGE Integration Holdings LLC
scDataCom
Securityhunter, Inc.
Strategic Security Solutions
Tech Systems, Inc.
Unlimited Technology, Inc.
Videotec Corporation
Vision Southeast Companies, Inc.



This financial year, companies can earn unlimited award trips, spanning four days and three nights, in Marco Island on Oct. 17-20, 2024. Contact your sales representative to [learn more](#).

ISC East

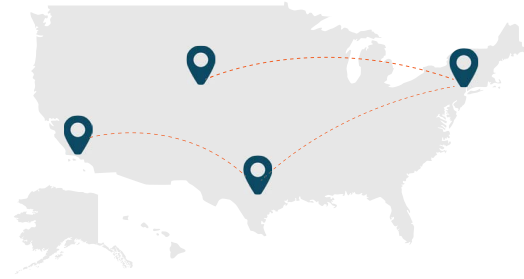
NYC, New York Nov. 14-16

The PSA team had a busy week in NYC at ISC East where they presented education sessions on leadership, organizational structure and career development, hosted a happy hour with P3 technology partners AMAG Technology, Salient Systems and Zenitel and explored the show floor to see familiar faces as well as build new connections. We look forward to heading west in April 2024 for ISC West!

WINNERS LINKED HERE

Event Recaps

PSA Partner Roadshows



Englewood, CO, March 15 — — — — —
Quantum Executive Briefing Center

Colorado was home to the first PSA Partner Roadshow featuring Hanwha, Milestone and Quantum. Attendees learned about exciting product integrations and how the partners supported a multi-million-dollar security upgrade at an international transportation hub.

Teaneck, NJ, June 21
Hanwha Innovation and Technology Center

The New Jersey roadshow reviewed the same project as the Colorado roadshow, the exploration of how Hanwha Vision, Milestone and Quantum supported a multi-million-dollar security upgrade at an international transportation hub, but with PSA New Jersey members and partners.

Austin, TX, Oct. 3 — — — — —
Salient Systems Headquarters

The Texas roadshow offered a review of multiple project success stories from AMAG Technology, Salient Systems and Zenitel. A key highlight was the detailed exploration of how Equinix, the world's digital infrastructure company, implemented a comprehensive security program across its multiple data centers with solutions to achieve the highest security standards.

Diamond Bar, CA, Dec. 5
Allegion Sales Office

For the fourth and final PSA Partner Roadshow of 2023, we met with Allegion, Eagle Eye Networks, JCI and Partner Alliance for Safer Schools (PASS), for a deep dive into school safety, an overview of funding opportunities and grants, face time with technology partners and product immersion.

Stay tuned for more information as our Partner Roadshows continue.

Next stop: Washington, D.C. in 2024!

PSA Procurement Roundtables

In 2023, PSA conducted two Procurement Roundtable events, bringing together purchasing professionals, managers and PSA leaders. These events, held in April and August, were focused on fostering collaborative discussions on procurement challenges and strategies. The roundtables offered insights into PSA's operations, educational initiatives and tech partnerships, encouraging attendees to share experiences and develop actionable solutions. This interactive approach not only highlighted key procurement issues but also led to the formulation of innovative strategies, demonstrating PSA's commitment to driving productive collaborations in the security industry.

PSA Introduces Swell

A Marketing Agency for Integrators

In September, PSA launched Swell, an integrated marketing agency to help security and AV integrators and technology partners access necessary strategic marketing expertise for a fraction of the cost of big, traditional agencies.

Through close collaboration with clients and a comprehensive range of services, Swell delivers exceptional value at attractive rates. Services include brand strategy workshops, website redesign, logo redesign, blog updates, search engine optimization (SEO), social media strategy, content strategy, email marketing and more.

"The Swell brand exercise was very thorough and brought us closer to understanding how to effectively communicate our value to potential and current clients."

Lauren Kauffman, SecurAlarm.

Swell's unwavering dedication to delivering low-cost, high-value marketing solutions ensures that our partners' prosperity remains the ultimate priority. The Swell business model is built with focus to help our partners *make waves* in the security and AV industries.

[LEARN MORE](#)



PSA Launches PSA University

A New Learning Management System

PSA University is a learning management system (LMS) created for PSA owner and member companies. PSA University utilizes a digital training platform that gives users easy access to online, collaborative and useful educational content from industry experts across the network!

PSA University hosts free PSA courses and a library of industry partner content and certifications available for purchase through BuyPSA.com!

[LEARN MORE](#)

The PSA University platform:

- Free to join and accessible to all PSA owners and members.
- A collaborative platform that allows users to exchange with their peers in education forums.
- Accessible anytime, anywhere and on any computer, tablet or smartphone
- A library of 80+ free courses, partner trainings, content and certifications
- Certifications offered are Training Bucks eligible.

Building a Great PSA Team

In 2023, we added new talent to Team PSA! To better serve our members, PSA revamped the inside and outside Sales team and realigned Customer Success. We also added a controller and additional experts in accounting, education, marketing and pricing.

Accounting



Martin Henle
Controller



Krista O'Neal
Cash Applications
Associate



Trevor Pierce
Credit Manager

Education



Mary O'Sullivan
Manager of Learning
& Development

Customer Success



Chelsea Esposito
Customer Success
Representative



James Keller
Customer Success
Representative



Michele Ortez
Customer Success
Representative

Executive



Kacie Gummerson
Executive Assistant

Marketing



Jennifer Pringle
Director of Marketing
& Communications



Laurel Sickels
Marketing
Coordinator



Marissa Vacek
Managing Director,
Swell Agency

Pricing



Brian Welk
Business Analyst

Sales



Doug Dement
Director of Sales -
Central



Kevin Gerthe
Account Executive -
East



Hunter Hill
Quote Specialist -
East



James Hoag
Account Executive -
West



Cade Taormina
Account Executive -
Central

Not Pictured: Ryan Grady, Customer Success Representative



Thanks to all PSA members and owners for a strong 2023. Twenty twenty-four is set to be another great year, and we look forward to being part of your success.

