

# Security and safety

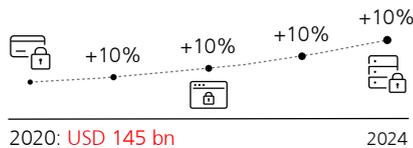
## Longer Term Investments (LTI)

The global security and safety market benefits not only from structural trends such as rising cyberattacks, but also from threats to the global food chain and to air, water, and soil quality. We estimate its overall size at around USD 726bn in 2021, reaching USD 767bn by 2023.

### Projections and opportunities

#### Cybersecurity

Cybersecurity remains as one of the most defensive segments within IT. Given the greater regulation of internet platforms, we see diversified growth opportunities within the cybersecurity space.



Source: IDC, Bloomberg Intelligence, UBS, as of February 2022

#### Smart locks

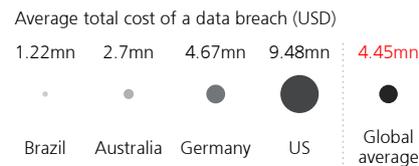
Most locks globally are still mechanical, a technology that has existed for 8,000 years, but electro-mechanical locks look set for take off.



Source: Assa Abloy, UBS, as of August 2018

#### Security breaches

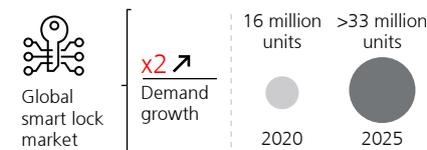
According to IBM Security and Ponemon Institute, 51% of organizations are planning to increase security investments as a result of a breach.



Source: IBM Security, Ponemon Institute (Cost of a Data Breach Report July 2023), UBS

#### Global smart lock market

We expect the global demand for smart locks to more than double to over 32 million units in 2025 from around 16 million units in 2020.

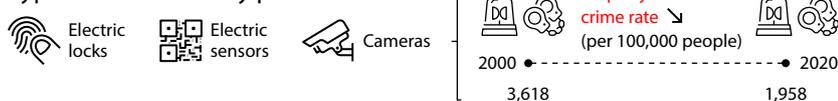


Source: UBS estimates, as of February 2021

#### Plunging total crime rates in the US

Better protection is also reflected in considerably lower crime rates, which have sunk over the last decade. Typical home security products include electric locks, sensors, and cameras. A nice side effect of better home security is a lower insurance premium, which creates additional incentives for investment.

#### Typical home security products

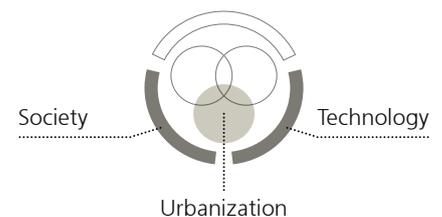


Source: US Disaster Center, as of February 2022

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#### Security and safety investment properties



○ Influencer    ⊗ Key drivers



#### Near-term drivers

- New cyberattacks that trigger more spending
- Higher demand in commercial and residential construction



#### Sustainable Development Goal

- SDG 9: Industry, innovation, and infrastructure

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