

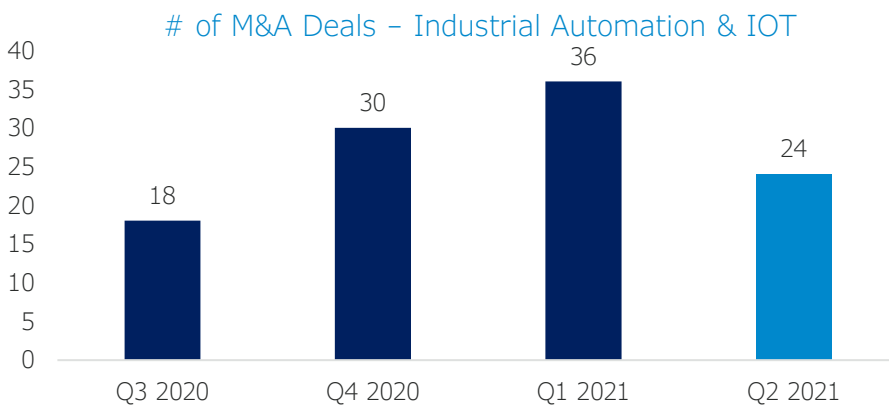
Market Update

Industrial Automation & IOT

- 1 Market Overview
- 2 Sector Snapshot
- 3 Public Markets
- 4 Notable Deals

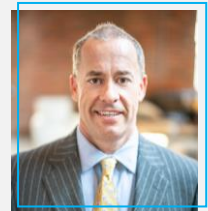
The pandemic has been an element of disruption in the Industrial Automation & IoT sector, intensifying the gap between the companies that embraced digital transformation and the ones that were left behind. As a result, the M&A activity in the sector has accelerated while new technologies have emerged. According to IBM, two-thirds of manufacturers have accelerated their integration of digital technologies, particularly technologies that facilitate remote learning. Additionally, as a response to the supply-chain crisis that affected businesses in almost every industry, many manufacturers opted to reshore their supply sources to the U.S. According to Paulo De Matos, the Chief Product Officer of SYSPRO, companies need to engage in dual sourcing to increase their resilience in front of supply-chain challenges.

Industrial Automation & IoT stock performance measured by 7MA's sector index has demonstrated momentum, surpassing that of the broader market since July 2021. Since the end of October, the overall market and the Industrial Automation & IoT index have risen sharply amid vaccination news, recovery efforts, and a positive outlook for the global economy. Industrial Automation & IoT stocks have continued to rise so far in 2021 and are hovering close to 40% higher than last August. Revenue multiples have stayed in between 6x - 7x while EBITDA multiples have been near 25x since January of this year.

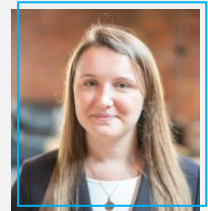


7MA has recently completed several M&A transactions for companies with Industrial Automation & IoT products, software platforms, and service offerings and has developed unparalleled deal expertise and knowledge of the industry trends, valuation trends, and most active strategic and financial buyers. Please contact Leroy Davis, Sydney Scadden, or Conor Smith if you would like to learn more about Industrial Automation & IOT.

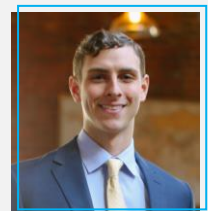
Sector Coverage Team



Leroy Davis, Partner
 leroy@7mileadvisors.com
 1.704.899.5962



Sydney Scadden, Vice President
 sydney@7mileadvisors.com
 1.704.973.3998



Conor Smith, Analyst
 conor@7mileadvisors.com
 1.704.855.2134

Rockwell Automation Acquires Plex Systems for \$2.2B



Plex Systems, a cloud-native smart manufacturing platform, was acquired by Rockwell Automation for \$2.2 billion. Plex Systems automates business processes for discrete manufacturers by connecting suppliers, machines, people, and systems with ERP and manufacturing automation capabilities among other services. Plex serves more than 700 customers and administers more than eight billion transactions per day. Plex can connect, automate, track and analyze clients' operations and connected supply chains at scale, in addition to its capabilities in advanced manufacturing execution systems. Rockwell Automation is a pure-play automation player. Through this acquisition, the company is looking to extend its technological capabilities and extend in the cloud.

Date: June 25, 2021
Deal Type: M&A
Target HQ: Troy, MI

Hyundai Motor Group Acquires Majority Stake in Boston Dynamics



Hyundai Motor Group acquired a controlling interest in mobile robot maker Boston Dynamics from SoftBank for \$1.1 billion.

Post-closing, the Group holds an 80 percent stake in Boston Dynamics and SoftBank, through one of its affiliates, retains the remaining 20 per cent.

Boston Dynamics develops agile, mobile robots that integrate into the business operations of industrial firms to make work safer.

The acquisition will enable Hyundai Motor Group to continue what it says is a strategic transformation into a smart mobility solutions provider by investing in the development of future technologies such as autonomous driving, artificial intelligence (AI), urban air mobility (UAM), smart factories and robots.

Date: June 23, 2021
Deal Type: M&A
Target HQ: Waltham, MA

What is Driving the Activity in the Space?

**PANDEMIC
DISRUPTIONS**

**DIGITAL
TRANSFORMATION**

**PURSUIT OF
GROWTH**

Offerings

Services

Products
&
Services

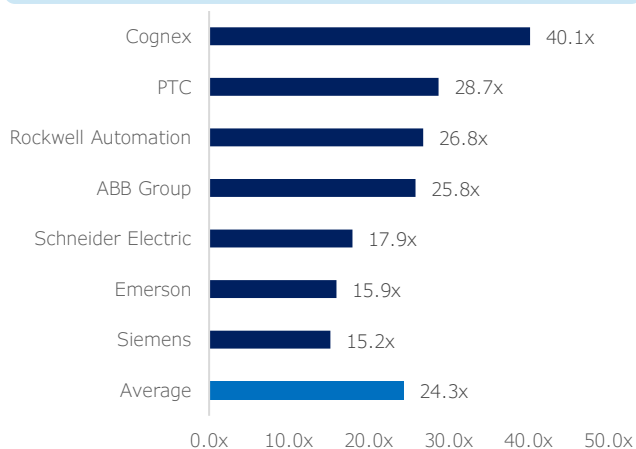
Products
&
Platforms

Please reach out to 7MA team to get access to the full list.

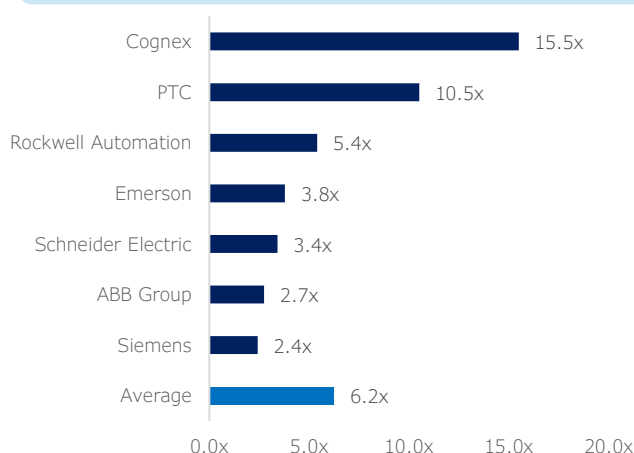
Publicly-traded Industrial Automation & IOT – Q2 2021

Companies	TEV \$m	LTM EBITDA \$m	LTM Rev \$m	Rev Growth YoY	GP %	EBITDA %	TEV / Rev X	TEV / EBITDA X	# of FTEs	Rev / FTE \$k
Cognex	13,670	341	883	12%	75%	39%	15.5x	40.1x	41,168	33
PTC	17,158	598	1,634	16%	79%	37%	10.5x	28.7x	400	4,290
Rockwell Automation	34,013	1,270	6,305	-5%	41%	20%	5.4x	26.8x	1,200	2,834
Emerson	64,602	4,057	17,064	-9%	42%	24%	3.8x	15.9x	6,625	975
ABB Group	73,529	2,849	26,819	-7%	31%	11%	2.7x	25.8x	3,031	2,426
Schneider Electric	97,662	5,451	28,679	-7%	40%	19%	3.4x	17.9x	2,056	4,750
Siemens	160,314	10,568	66,438	-2%	36%	16%	2.4x	15.2x	7,139	2,246
Average	65,850	3,591	21,117	0%	49%	24%	6.2x	24.3x	8,803	2,508
Median	64,602	2,849	17,064	-5%	41%	20%	3.8x	25.8x	3,031	2,426

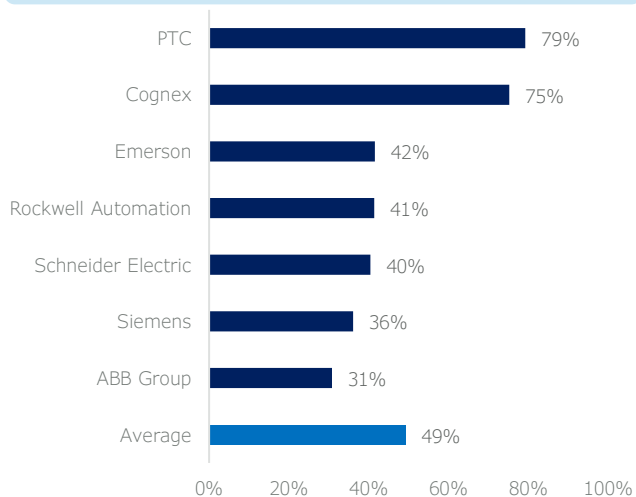
TEV / EBITDA X



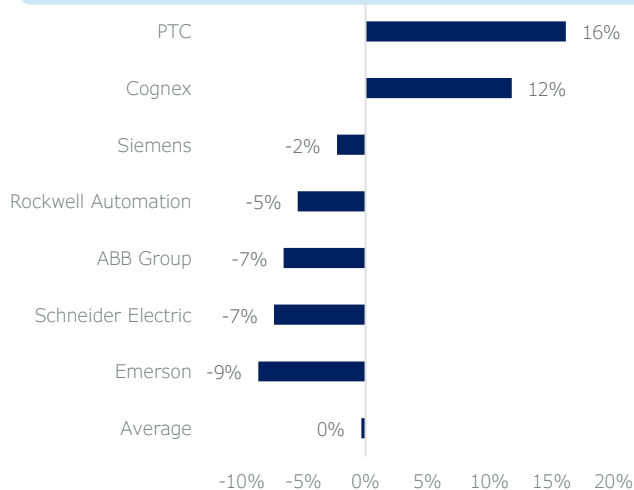
TEV / Rev X











Gross Margin %



Rev Growth YoY



Q2 2021 M&A Transactions

Date	Target	Buyer / Investor	Target Description
June-2, 2021			<ul style="list-style-type: none"> • Process Automation Solutions (“PA”), one of the leading, manufacturer-independent suppliers of complete automation solutions for the process, manufacturing and automotive industries acquired Control and Information Management Ltd. (“CIM”). CIM is a industrial automation system integrator based in Ireland. The deal adds automation and service capabilities to PA for biopharma, pharmaceutical, and other manufacturing and services industries and enhances its digitization strategy.
May-25, 2021			<ul style="list-style-type: none"> • TTTech Industrial Automation AG acquired core technology and strategic customers from pioneering fog/edge computing start-up Nebbiolo Technologies. Integrating features and know-how from Nebbiolo Technologies will support TTTech Industrial’s commitment to delivering the world’s most advanced industrial edge computing platform to its customers. TTTech Industrial is a leading provider of industrial IoT solutions, and partners with key players in IoT such as Intel and Microsoft.
April-8, 2021			<ul style="list-style-type: none"> • Accenture (NYSE:ACN) acquired Pollux, a provider of industrial robotics and automation solutions, headquartered in Brazil. The acquisition will expand Accenture’s capabilities for clients in consumer goods, pharmaceutical and automotive industries seeking to make their factories, plants and supply chains more productive, safe and sustainable. Pollux provides solutions to optimize manufacturing and logistics processes. The company designs, engineers and deploys fully functional assembly lines that include robots and other hardware, plus the software that controls them.
April-1, 2021			<ul style="list-style-type: none"> • Sensata Technologies (NYSE: ST), a leading industrial technology company and provider of sensor-rich solutions that create insight for customers, acquired leading telematics and data insight provider, Xirgo Technologies for \$400 million. Xirgo offers innovative, full-featured, application-specific wireless IoT communication devices for numerous markets and verticals.

7MA provides Investment Banking & Advisory Services to the Business Services and Technology Industries globally. We advise on M&A and private capital transactions and provide market assessments and benchmarking. As a close-knit team with a long history together and a laser focus on our target markets, we help our clients sell their companies, raise capital, grow through acquisitions, and evaluate new markets. All securities transactions are executed by 7M Securities, LLC, member FINRA / SIPC. For more information, including research on the M&A markets, visit www.7mileadvisors.com.



508 W. 5th Street,
Suites 140 & 225
Charlotte, NC 28202



+1 (704) 899-5960



www.7mileadvisors.com

Notable 7 Mile Transactions

7MA

KALYPSO

RA Rockwell Automation

7MA

Ajax
BUILDING CORPORATION

STRUCTURETONE
Organization

7MA

GRANITE
COMPANIES

Altisource

7MA

RS&H

TSIOUVARAS SIMMONS HOLDERNESS
CONSULTING ENGINEERS

