

7 Mile Advisors



Sectorwatch: Industrial IoT

February 2021



Industrial IoT

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Overview

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.

We publish our sectorwatch, a review of M&A and operational trends in the industries we focus.

DASHBOARD

- Summary metrics on the sector
- Commentary on market momentum by comparing the most recent 12-month performance against the last 3-year averages.

PUBLIC BASKET PERFORMANCE

- Summary valuation and operating metrics for a basket of comparable public companies.

VALUATION COMPARISON

- Graphical, detailed comparison of valuation multiples for the public basket.

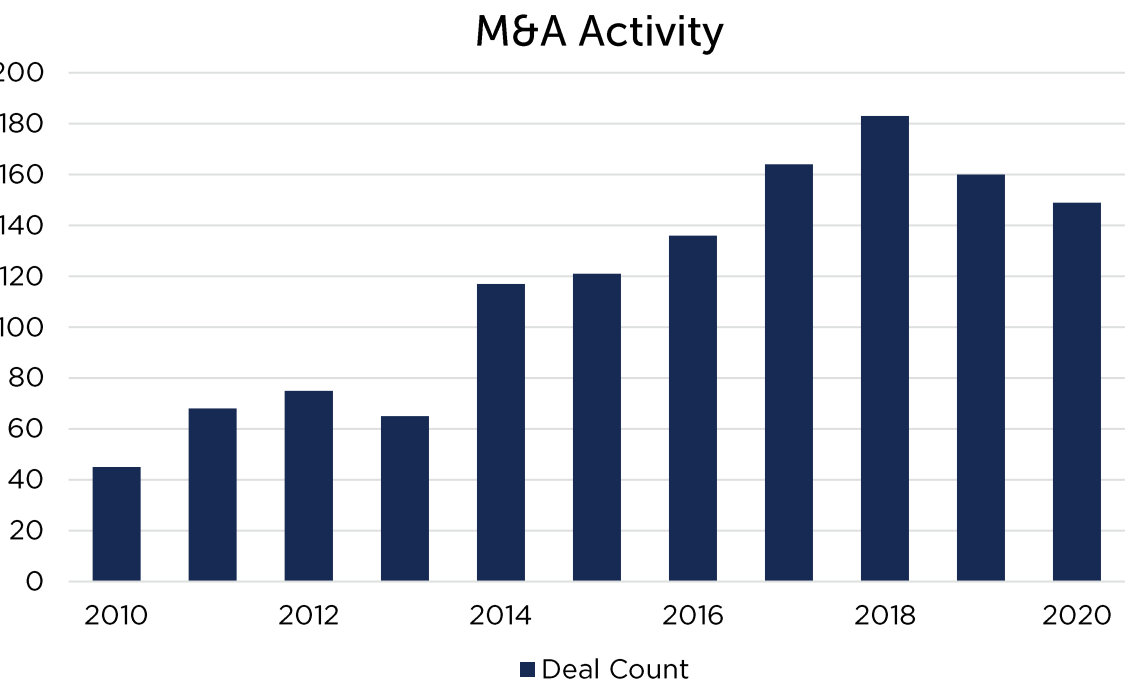
RECENT DEALS

- The most recently announced deals in the sector

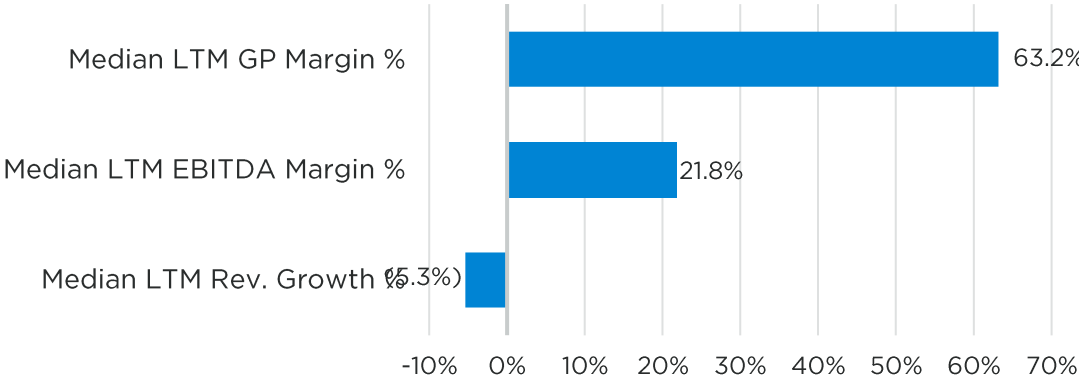
Dashboard

REVENUE GROWTH MOMENTUM ↓ -9.6%

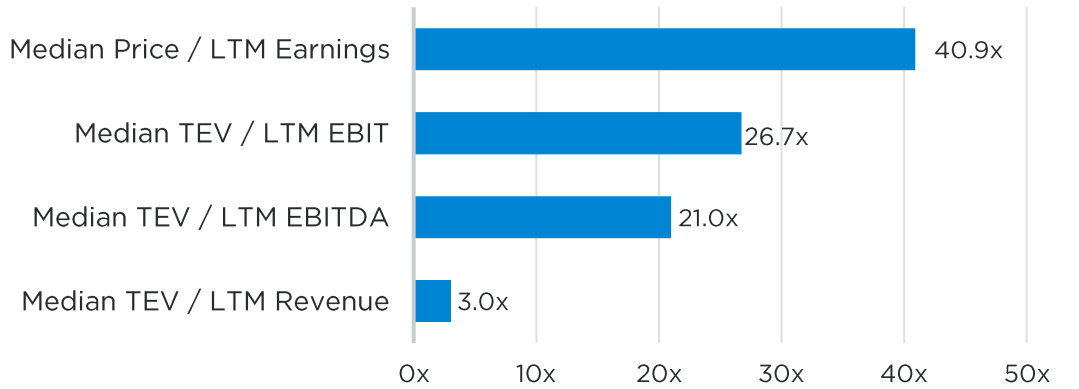
1 - year revenue growth compared to revenue growth average for last 3 years - Current revenue growth rate is less than the average of the last 3 years, indicating that the market may be flattening or declining



Operating Metrics



Valuation



Public Basket Overview

Industrial IoT



HEXAGON



XILINX



ptc



Trimble®

DIGI®

software^{AG}

ABB

mX
TELEMATICS

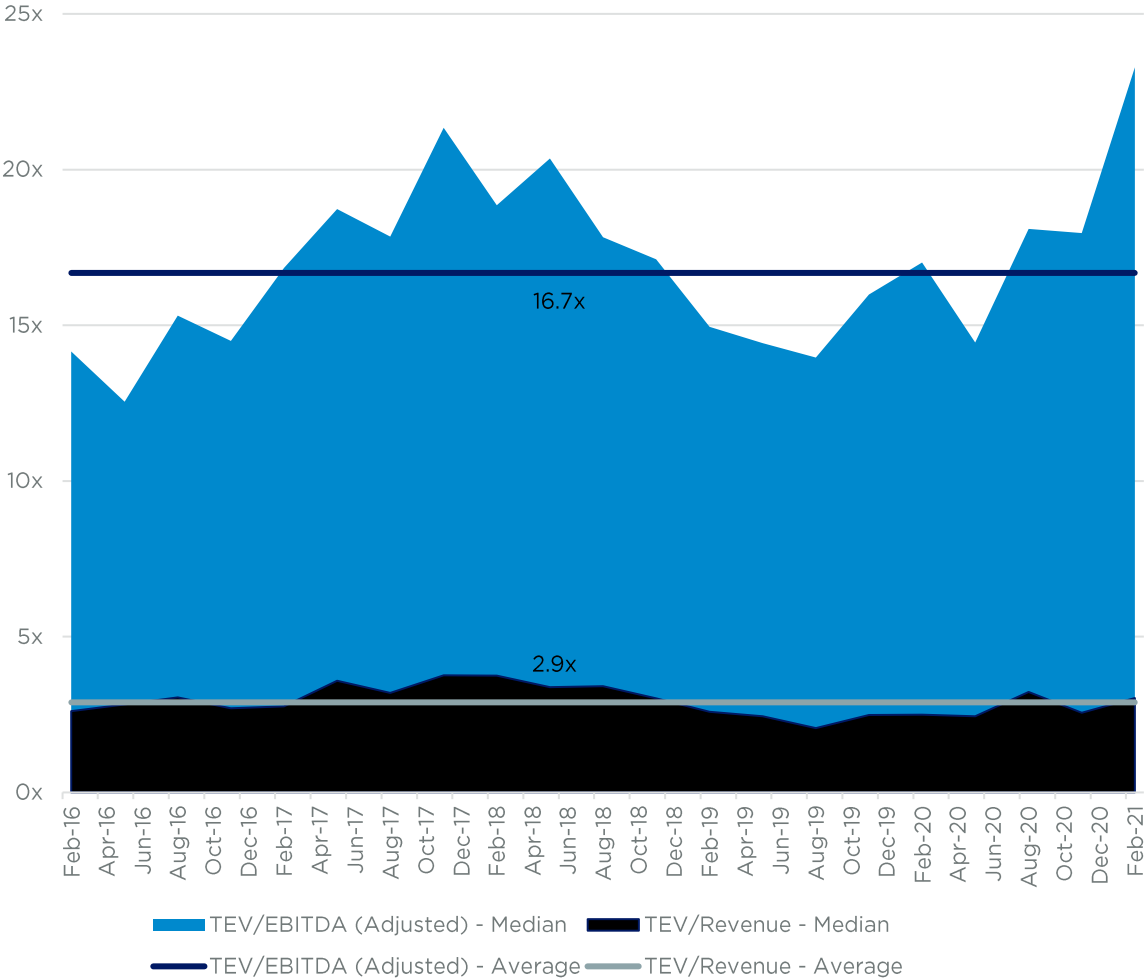
Cal/Amp®

Public Basket

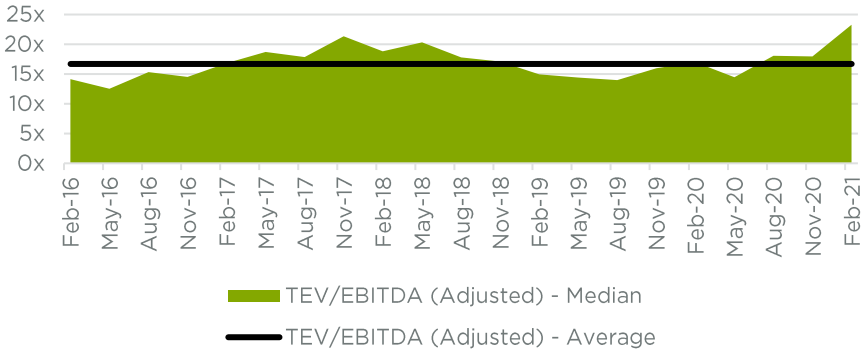
Company	TEV \$m	LTM EBITDA \$m	LTM Rev \$m	Rev Growth YoY	GP %	EBITDA %	TEV / Rev X	TEV / EBITDA X	# FTEs	Rev / FTE \$k
MiX Telematics	270	48	129	-11.7%	63.4%	37.0%	2.1x	5.7x	1,103	117
CalAmp	521	40	339	-6.7%	38.4%	11.9%	1.5x	12.9x	1,080	314
Digi International	735	35	290	14.1%	53.3%	12.1%	2.5x	21.0x	656	442
Software AG	2,892	208	954	-5.3%	75.9%	21.8%	3.0x	13.9x	4,642	205
PTC	17,702	565	1,531	19.9%	78.2%	36.9%	11.6x	31.3x	6,243	245
Trimble	19,931	780	3,142	-2.6%	55.6%	24.8%	6.3x	25.6x	11,484	274
Xilinx	33,779	999	3,053	-5.6%	69.2%	32.7%	11.1x	33.8x	4,891	624
Hexagon	34,436	886	4,237	-2.7%	63.2%	20.9%	8.1x	38.9x	20,351	208
ABB Group	61,058	-1,046	26,020	-8.1%	30.5%	-4.0%	2.3x	-58.4x	110,000	237
Average	19,036	279	4,411	-1.0%	58.6%	21.6%	5.4x	13.9x	17,828	296
Median	17,702	208	1,531	-5.3%	63.2%	21.8%	3.0x	21.0x	4,891	245

share price as of 10Feb21

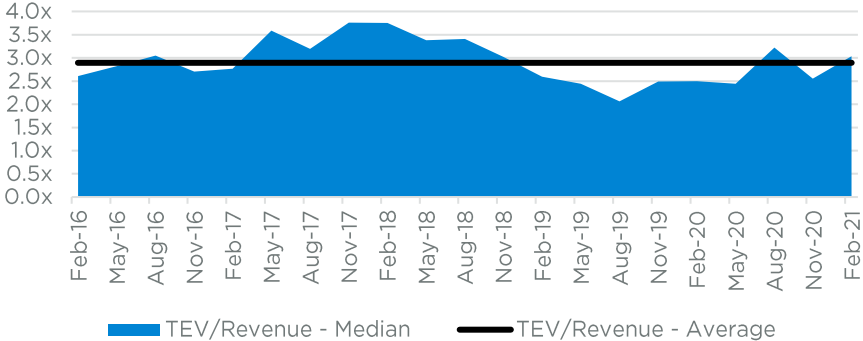
Public Basket



Public EBITDA Multiples over Time

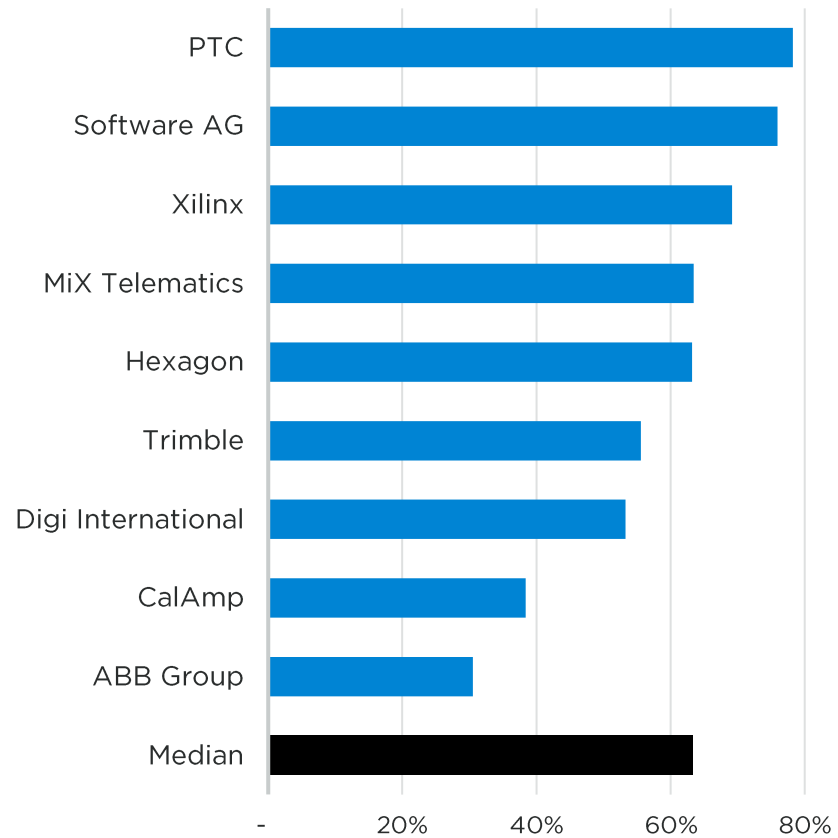


Public Revenue Multiples over Time

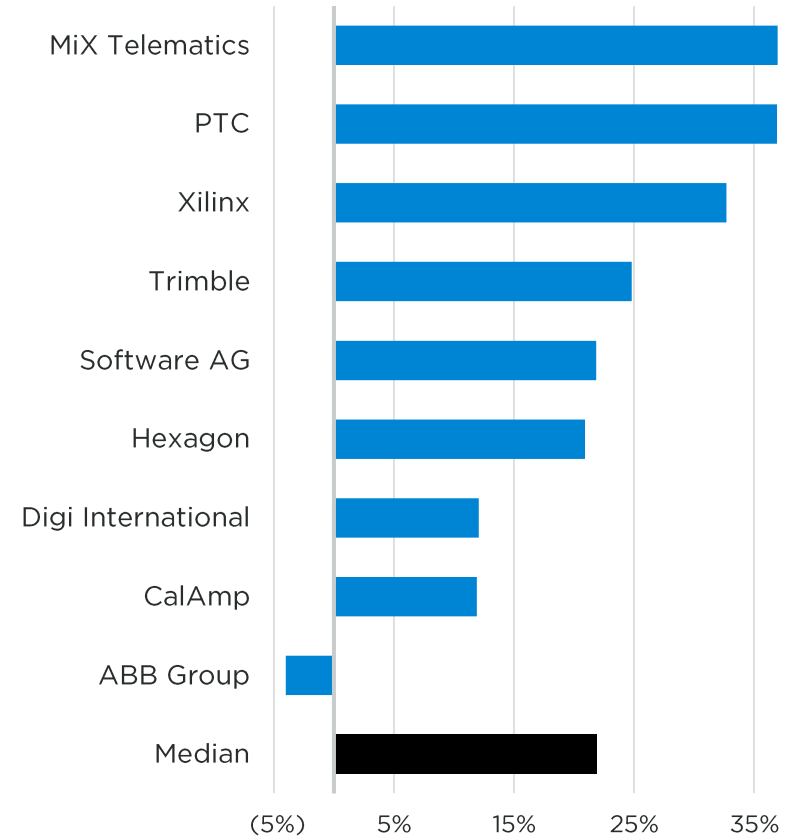


Operational Metrics

LTM Gross Profit Margin %

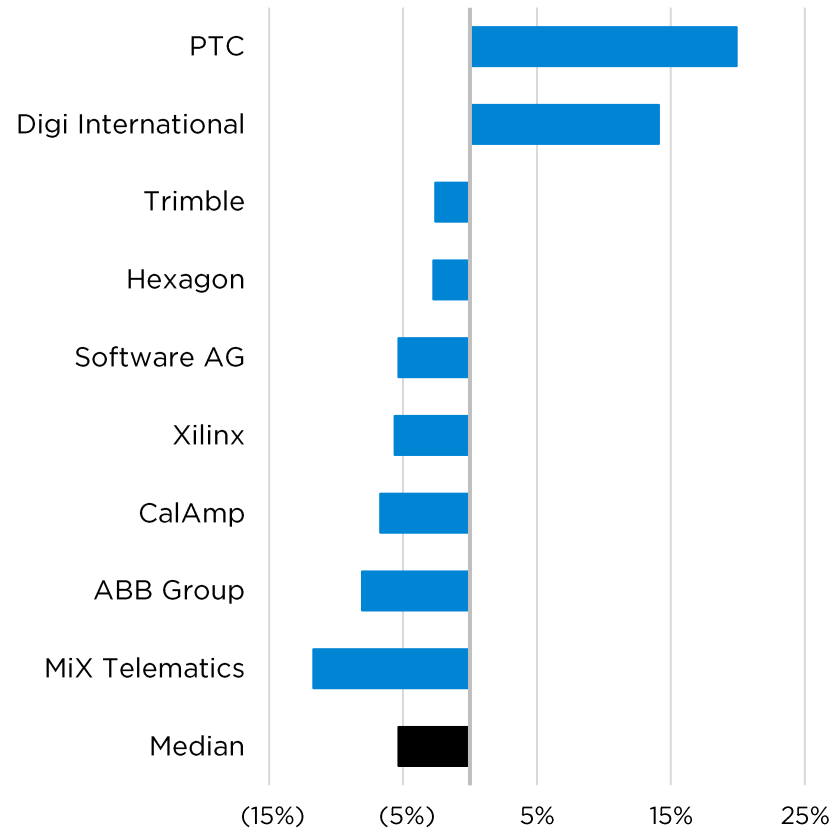


LTM EBITDA %

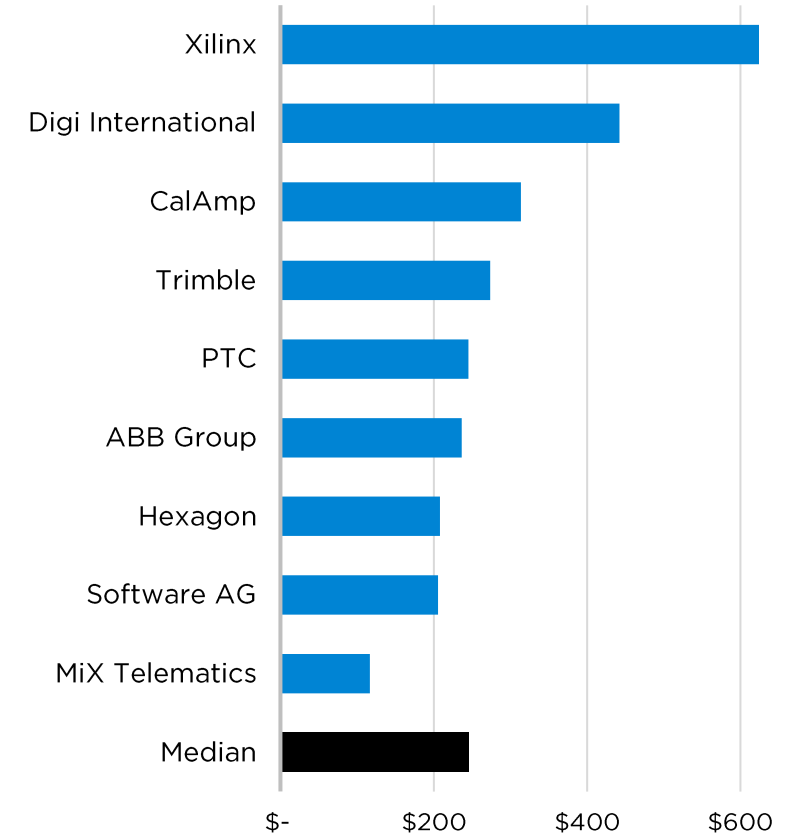


Operational Metrics

LTM Revenue Growth %

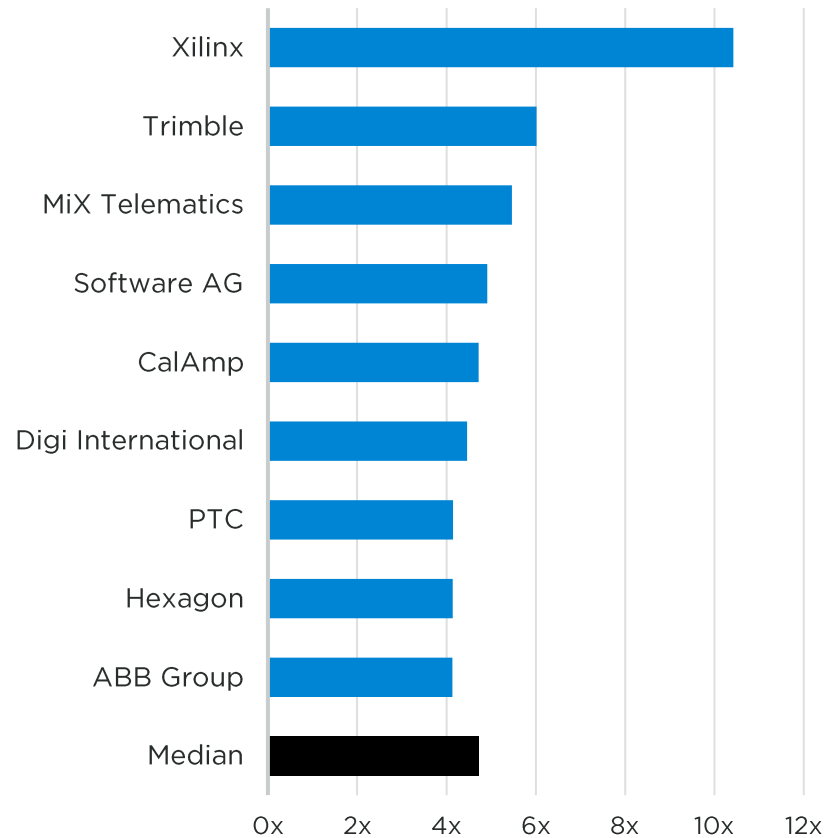


LTM Revenue per Full Time Employee x 000's

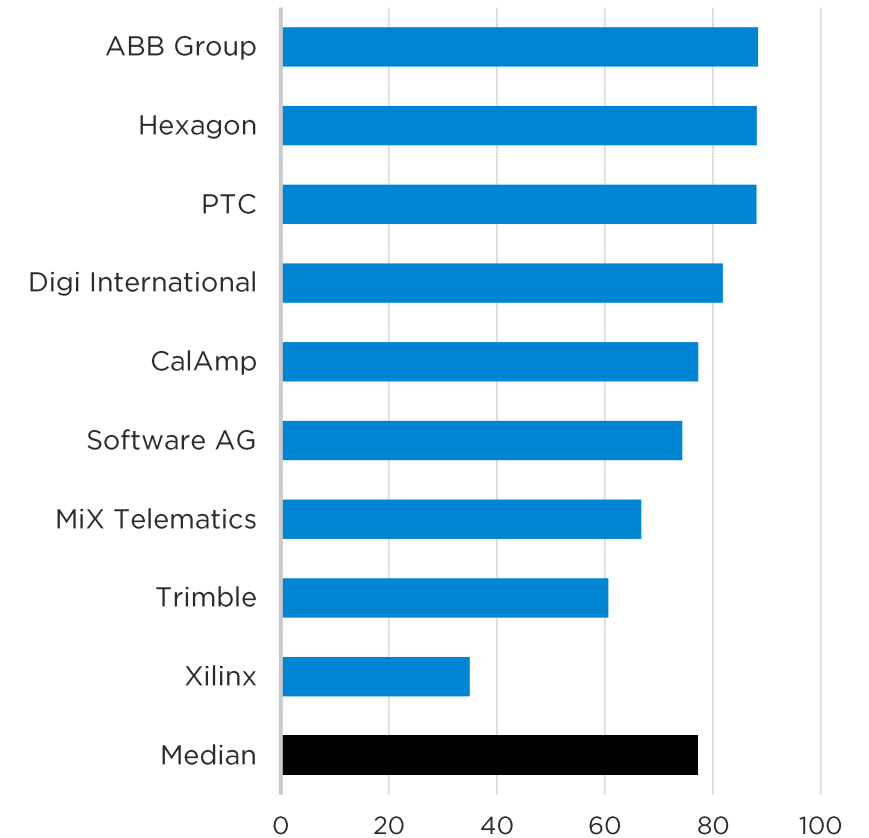


Operational Metrics

Accounts Receivable Turnover

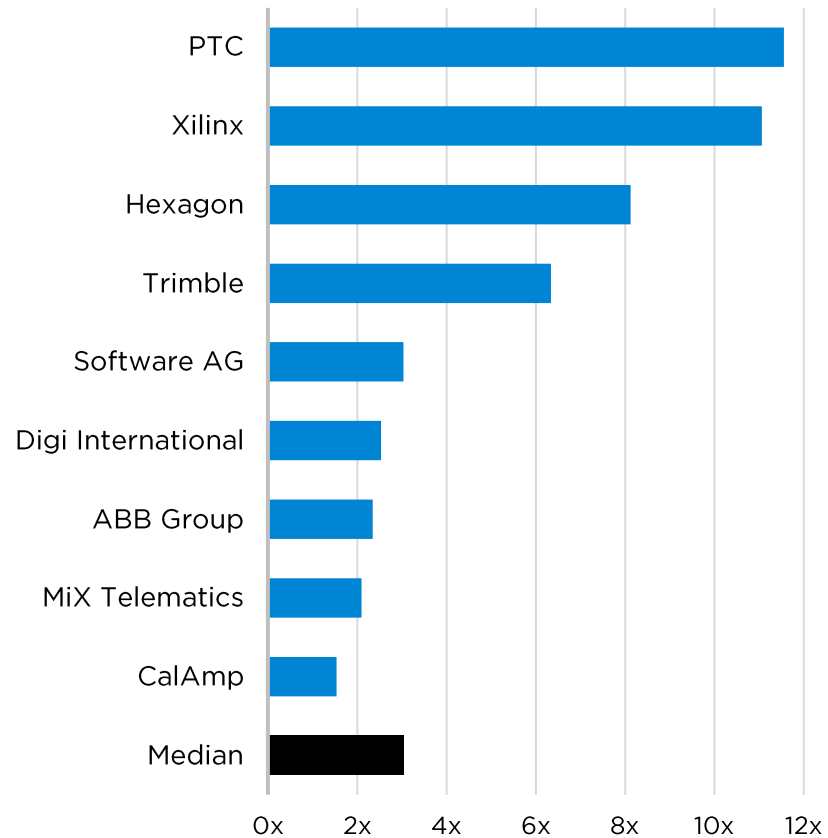


Average Days Sales Outstanding

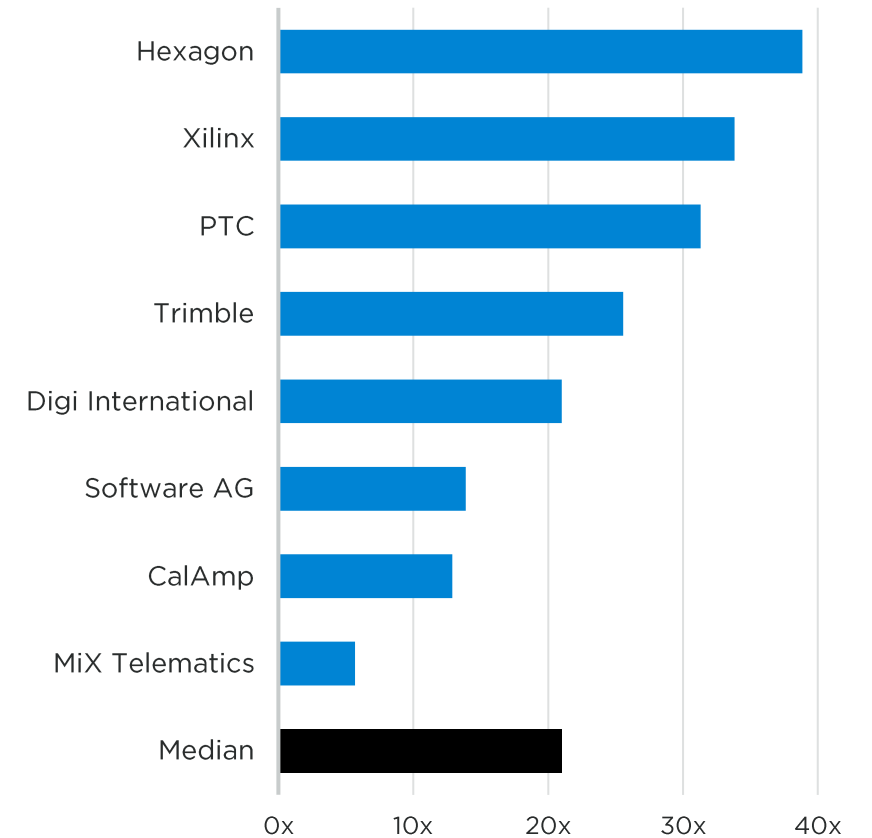


Valuation

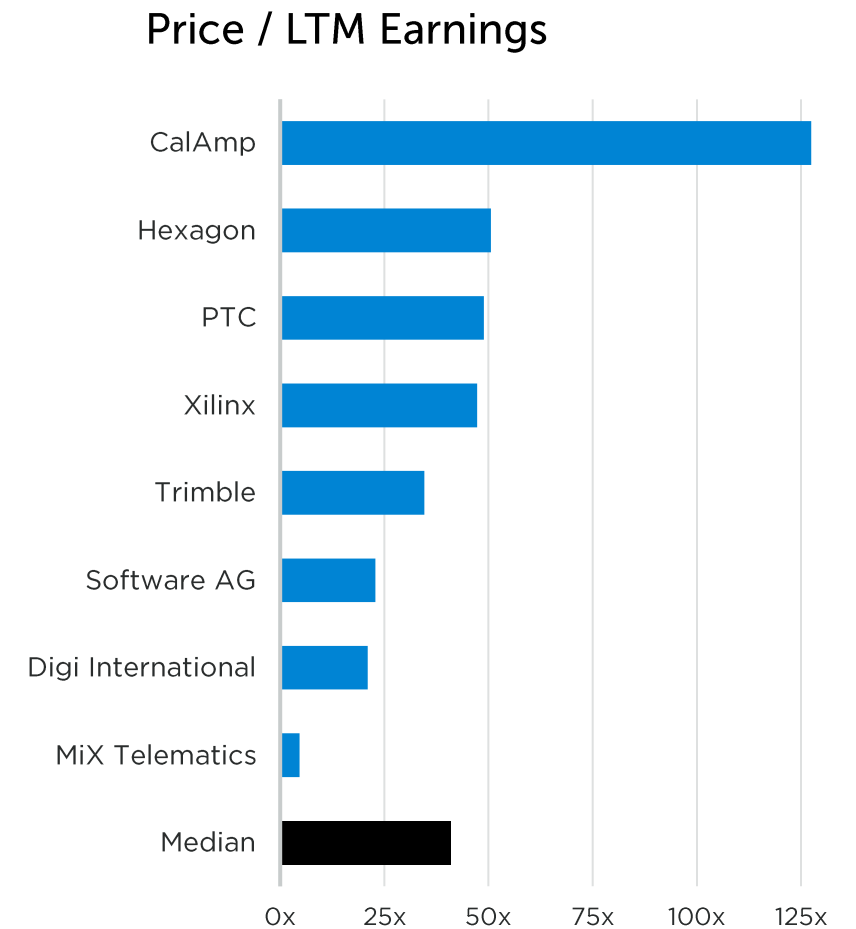
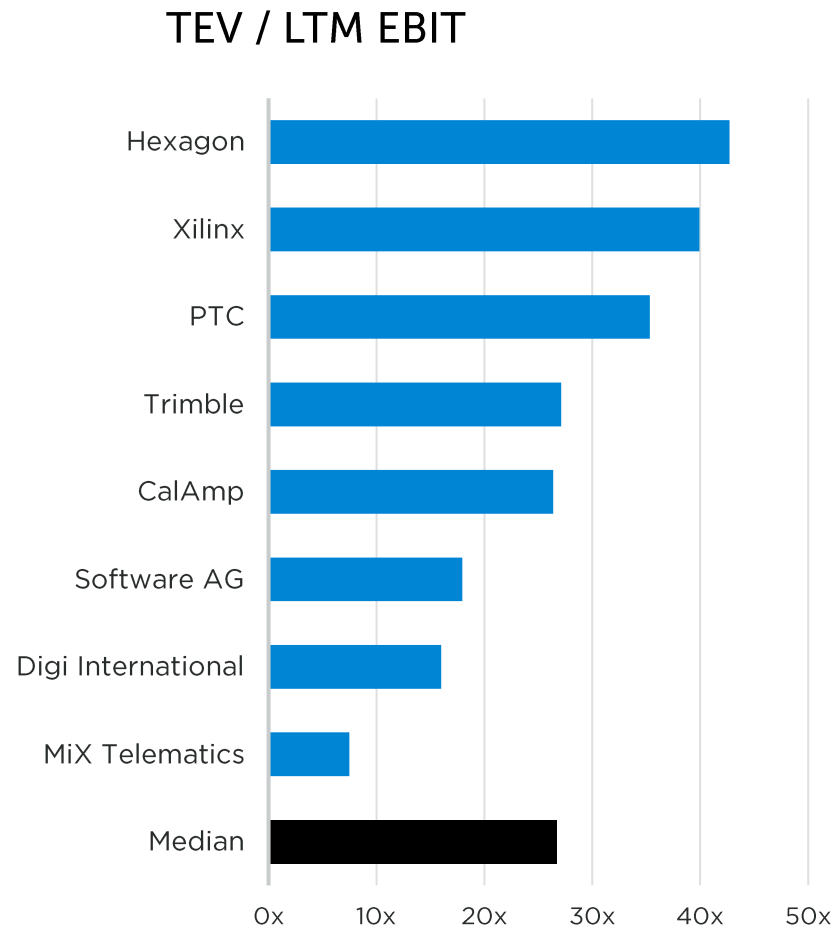
TEV / LTM Revenue



TEV / LTM EBITDA

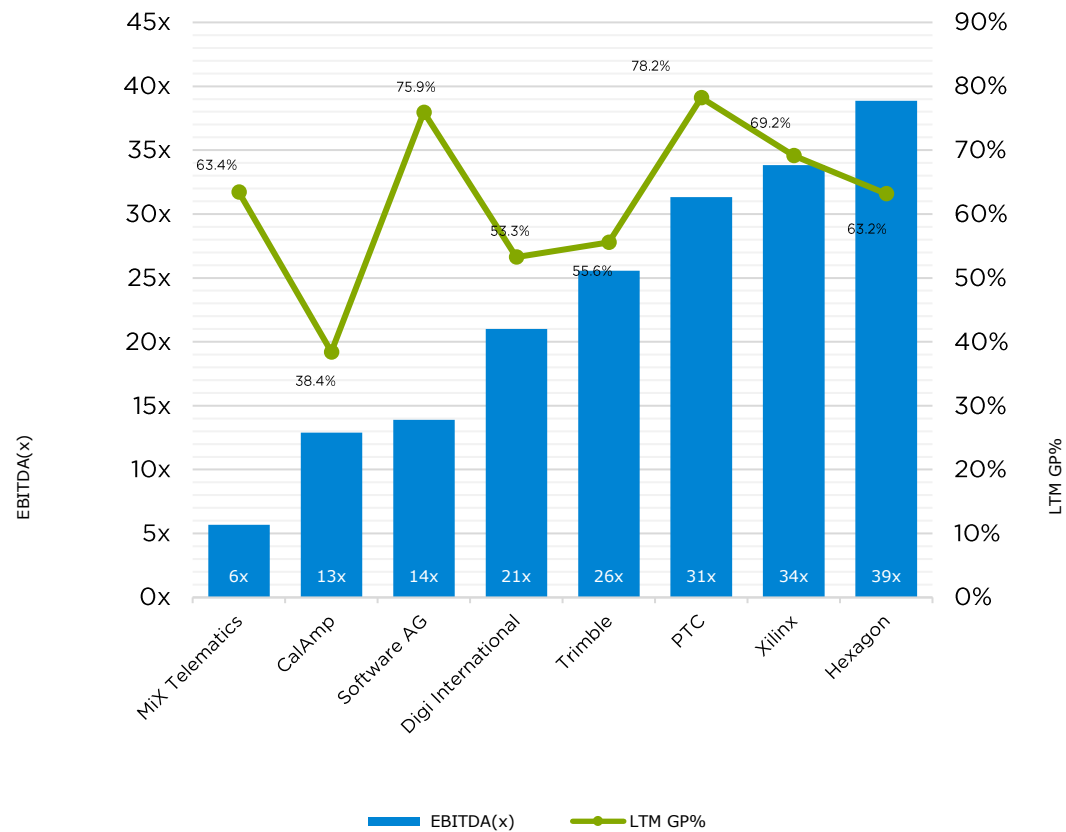


Valuation

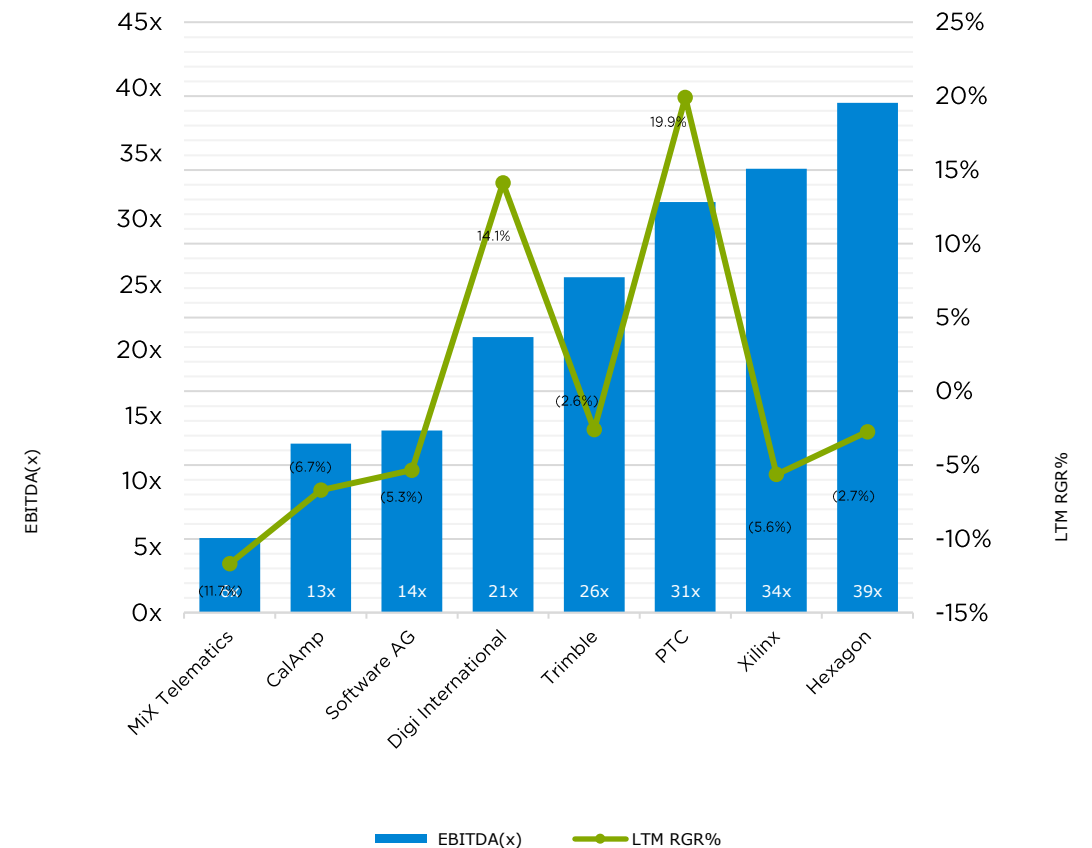


Valuation

Historical Valuation Multiples versus Gross Profit



Historical Valuation Multiples versus Revenue Growth Rate



Recent Transactions

Date	Target	Buyer / Investor	Total Transaction Value	Target Revenue	TEV / Revenue	TEV / EBITDA
07-Jan-21	NimbeLink	Airgain	15.00	-	1.20	-
06-Jan-21	Yonomi	Allegion	-	-	-	-
09-Dec-20	Precisely (Confirm Software)	Clearlake Capital Group	-	-	-	-
24-Nov-20	Azeti	Aurubis	-	-	-	-
19-Nov-20	Datamobile	Montagu Private Equity	-	-	-	-
09-Nov-20	ClearObject	ABS Capital Partners	-	-	-	-
03-Nov-20	Bright Wolf	Cognizant Technology Solutions	-	-	-	-
20-Oct-20	Applied MagiX	SPYR	-	-	-	-
13-Oct-20	Automile	ABAX	-	-	5.75	-
15-Sep-20	BitBox USA	Radix IoT	-	-	-	-
15-Sep-20	Radix IoT	N/A	-	-	-	-
11-Sep-20	Syn-Apps	Apollo Global Management	-	-	-	-
31-Aug-20	STRATIS IoT	RealPage	-	-	-	-
11-Jul-20	Assets 365	Metalfrio Solutions	-	-	-	-
10-Jun-20	Fleet Complete	Telia Company	-	-	-	-
18-May-20	New Forest Communications	Smarter Technologies	-	-	-	-
14-Feb-20	Artisense	Kudan	-	-	-	-
07-Feb-20	Smart OES	Ingenero	-	-	-	-
07-Jan-20	Styletronic	CVC Capital Partners	-	-	-	-
01-Jan-20	Aviata	Onfido	-	-	-	-
17-Dec-19	Geoforce	GCP Capital Partners	-	-	-	-
10-Dec-19	Integron	ABRY Partners	-	-	-	-
20-Nov-19	Brava Home	Middleby	-	-	-	-
15-Nov-19	Grandcentrix	Vodafone Germany	-	-	-	-
10-Oct-19	DeepMagic	Standard Cognition	-	-	-	-

Appendix

*Public Basket
Contact Information*

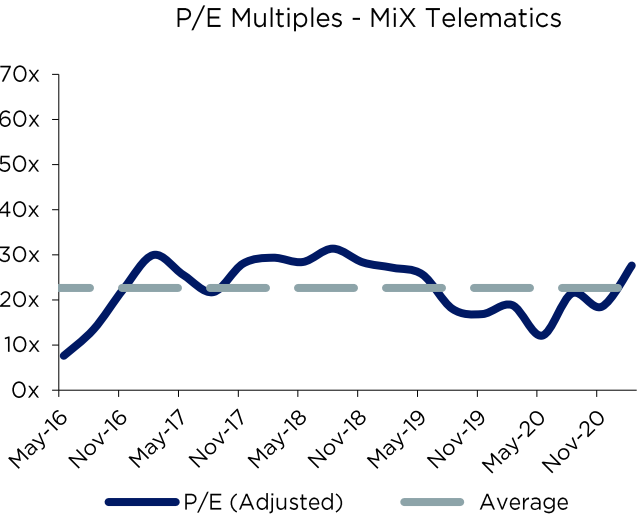
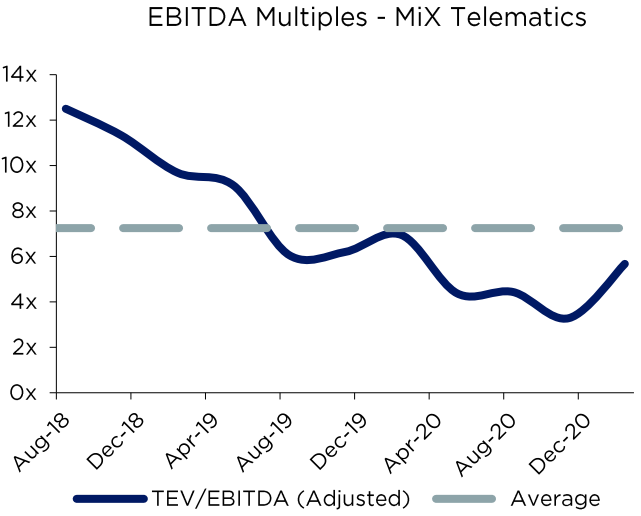
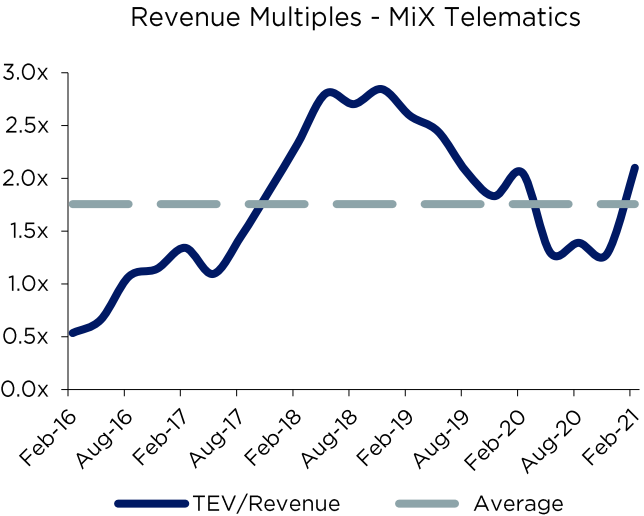
MiX Telematics

MiX Telematics Ltd offers fleet and mobile asset management solutions delivered as Software-as-a-Service to customers across the globe.

The company solutions include MiX Fleet Manager Premium; MiX Fleet Manager Essential; MiX Asset Manager and Value Added Services. It serves Fast Moving Consumer Goods, Utilities, Security, Construction, Transport and Distribution, Emergency Services, Government, Rental and Leasing, Mining, Oil and Gas and Public Transport industries. Geographically, it derives a majority of revenue from Africa and also has a presence in the Americas, Middle East and Australasia, Europe, Brazil and Central Services Organization (CSO). The company derives maximum revenues from subscriptions to its fleet and mobile asset management solutions.

Public Basket

MiX Telematics



Company Name	Date	Deal Synopsis
Mobitech (Application Software)	07-Feb-14	The company was acquired by MiX Telematics (NYSE: MIXT) for an undisclosed amount on February 7, 2014.
Datatrak Europe	01-Apr-07	The company was acquired by MiX Telematics in April 2007 for an undisclosed sum.

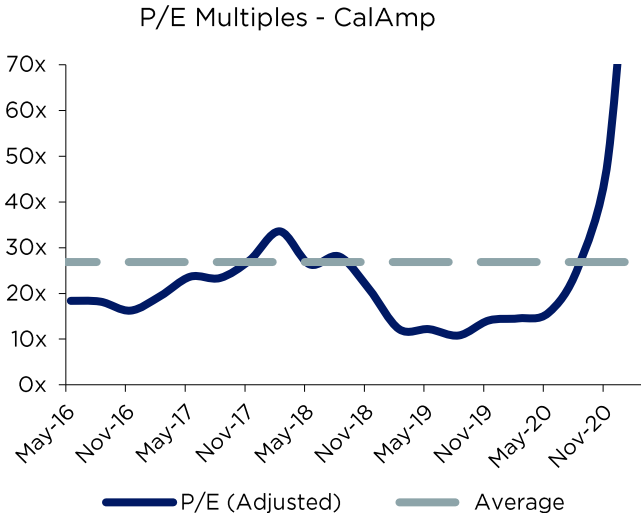
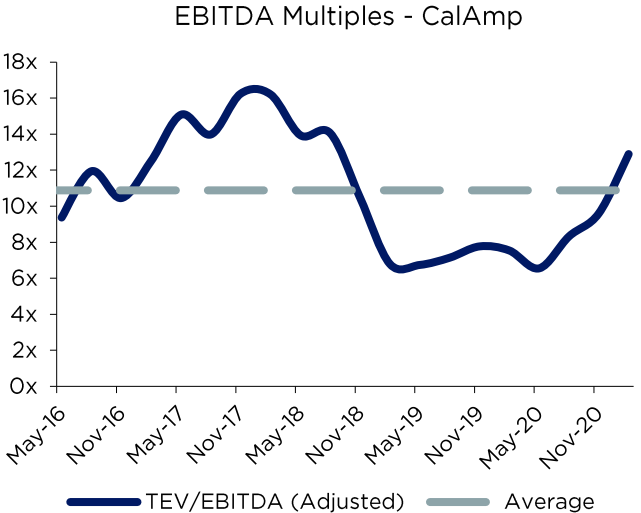
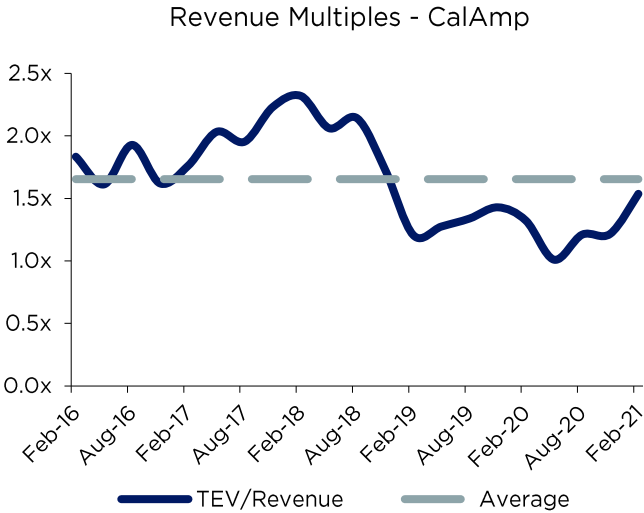
CalAmp

CalAmp Corp provides wireless communications solutions applications to customers.

The company's products, software, and application services are sold into a broad array of market verticals including transportation, government, construction, and automotive to customers in the United States, Latin America, Western Europe, Asia Pacific, Middle East and Africa. Its business activities are organized into its Telematics Systems and Software & Subscription Services. Telematics Systems segment offers a series of Mobile Resource Management ('MRM') telematics products and applications. Software & Subscription Services segment offers cloud-based application enablement and telematics service platforms.

Public Basket

CalAmp



Company Name	Date	Deal Synopsis
Synovia Solutions	12-Apr-19	The company was acquired by CalAmp (NAS: CAMP) for \$50 million on April 12, 2019. The acquisition expands CalAmp's fleet management and vehicle safety services portfolio and accelerates its transformation to high-value subscription-based services.
Car Track	19-Mar-19	The company was acquired by CalAmp (NAS: CAMP) for \$13 million on March 19, 2019. This acquisition will enable CalAmp to synergistically integrate two of Europe's most advanced SVR and telematics solutions providers to support key enterprise customer opportunities on a pan-European basis.

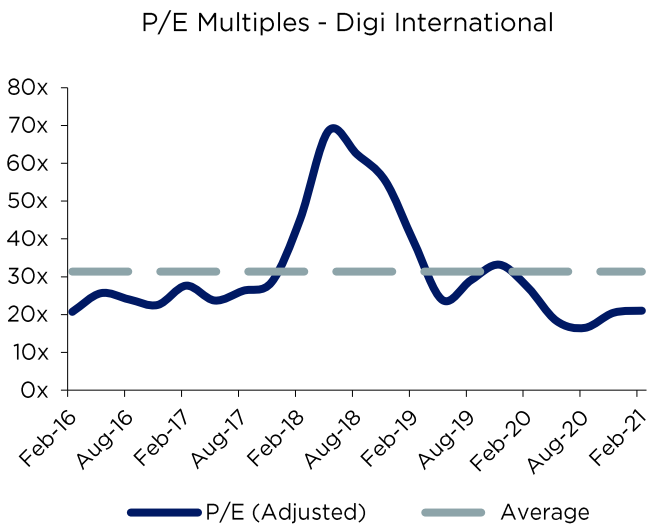
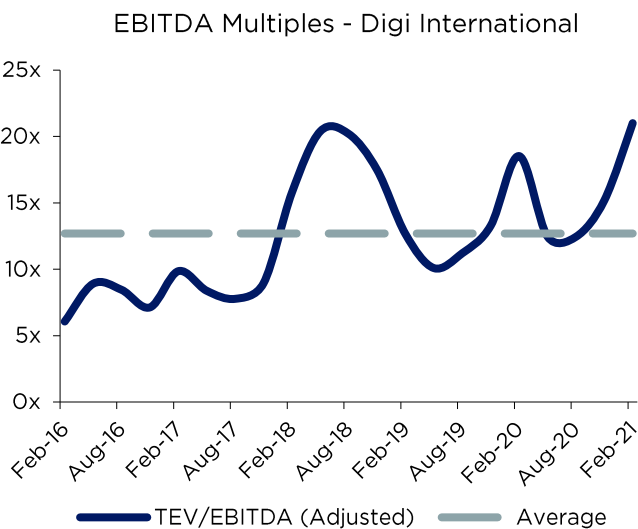
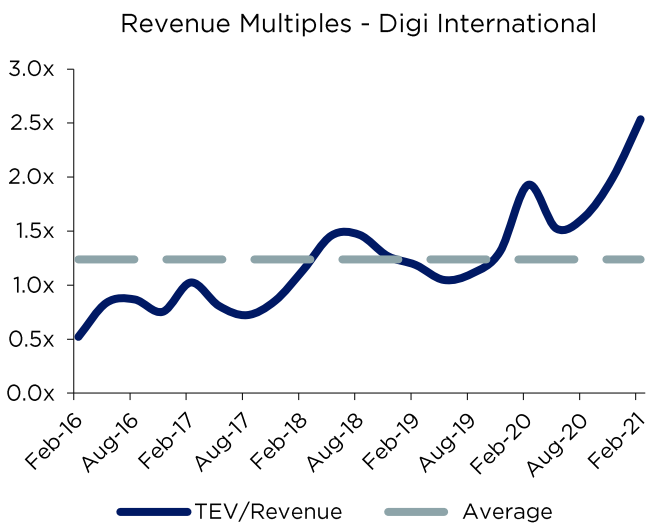
Digi International

Digi International Inc is a Minnesota corporation.

The company provides business and mission-critical and Internet of Things (IoT) connectivity products and services. It has two segments: IoT Products and Services and IoT Solutions. The IoT Products and Services segment consists primarily of distinct communications products and communication product development services. IoT Solutions segment offers wireless temperature and other environmental condition monitoring services as well as employee task management services.

Public Basket

Digi International



Company Name	Date	Deal Synopsis
Opengear	13-Dec-19	The company was acquired by Digi International (NAS: DGII) for \$157.15 million on December 13, 2019. The company will receive a contingent payout of \$15 million based on revenue performance through 2020.
Accelerated Concepts	22-Jan-18	The company was acquired by Digi International (NASDAQ: DGII) for \$22.9 million on January 22, 2018. The acquirer will also pay future earn-out consideration based on top line performance. The acquisition of enhances the acquirer's existing cellular product lines and immediately extends its market reach with a line of commercial routers and network appliance products.

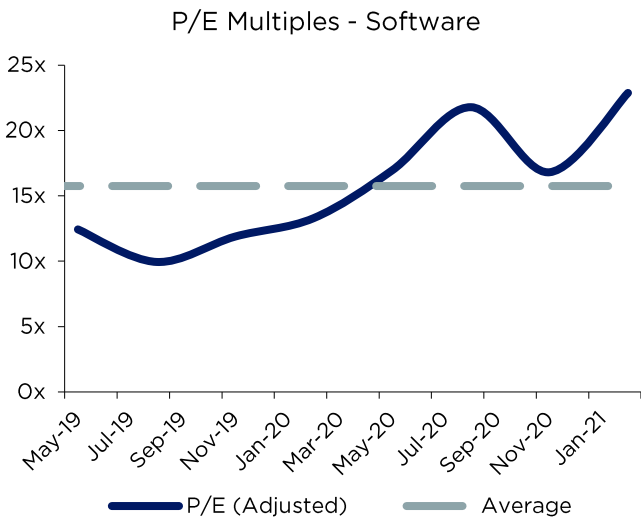
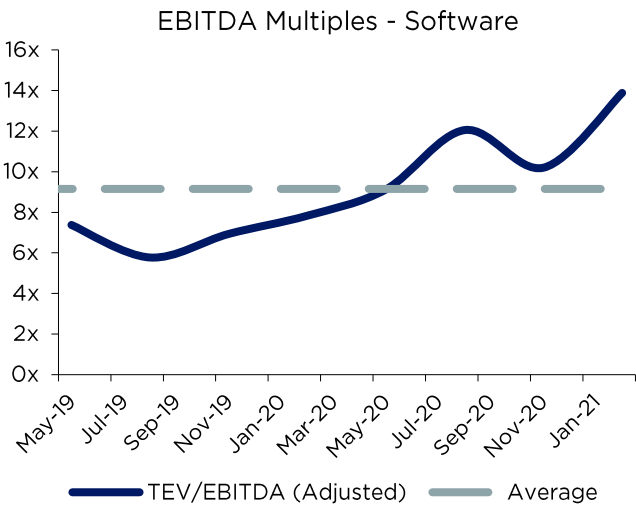
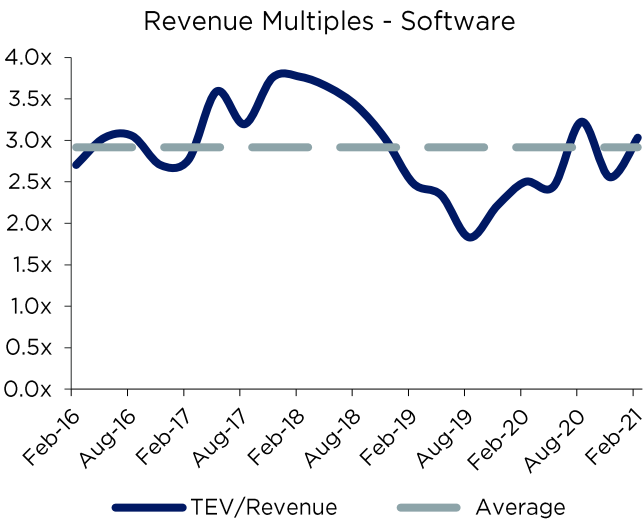
Software AG

Software AG is a Germany-based provider of software solutions for the banking, communication and media, local and federal government, energy, insurance, transportation, retail, and manufacturing end markets.

Its services include business process management, portfolio management, risk and compliance management, operational intelligence, and streaming analytics, many of which are delivered via cloud-based software applications. The firm has operations in North America, South America, Europe, Middle East, Africa, Australia, and Asia-Pacific.

Public Basket

Software AG



Company Name	Date	Deal Synopsis
Built.io	28-Sep-18	The company was acquired by Software (FRA: SOW) for EUR 17.1 Million on September 28, 2018. The acquisition opens the acquirer's webMethods integration capabilities to any Node.js developer and allows for enterprise-wide participation in integration projects.
TrendMiner	12-Jun-18	The company was acquired by Software (FRA: SOW) for \$34.6 Million on June 12, 2018. The acquisition will be able Software to offer a leading streaming and visual time-series analytics platform in a few months.

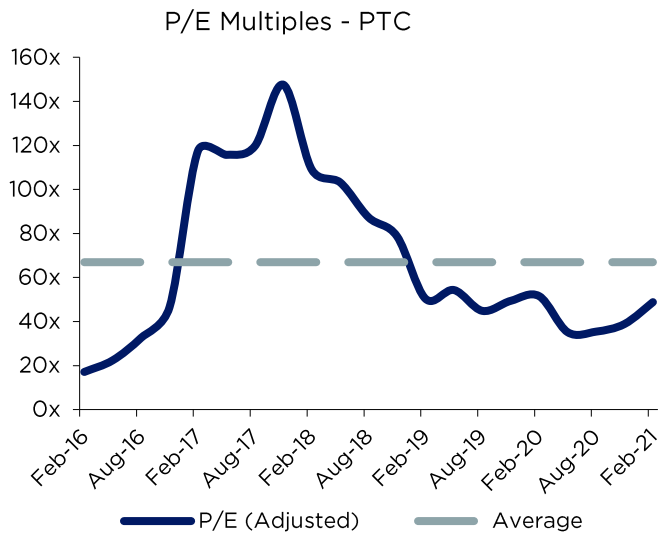
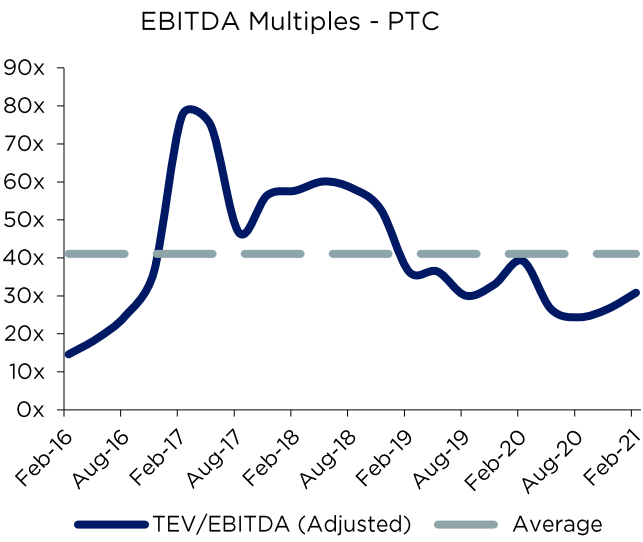
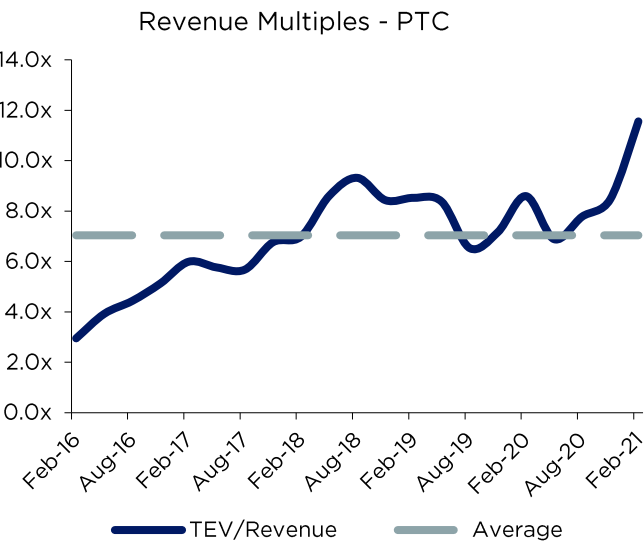
PTC

PTC offers high-end computer-assisted design (Creo) and product lifecycle management (Windchill) software as well as Internet of Things and AR industrial solutions.

Founded in 1985, PTC has 28,000 customers, with revenue stemming mostly from North America (45%) and Europe (40%).

Public Basket

PTC



Company Name	Date	Deal Synopsis
Arena Solutions	15-Jan-21	The company was acquired by PTC (NAS: PTC) for \$715 million on January 15, 2021. The acquisition will help PTC to expand it's SaaS business unit and it's market-leading Vuforia augmented reality technology.
ioxp	22-Sep-20	The company was acquired by PTC (NAS: PTC) for an undisclosed amount on September 22, 2020. The acquirer plans to integrate ioxp technology for the validation and verification of procedural instructions into its Enterprise AR solution suite which will support critical manufacturing, assembly, inspection and service use cases, improve the operator experience and enable companies to more effectively ensure that quality assurance standards are being met.

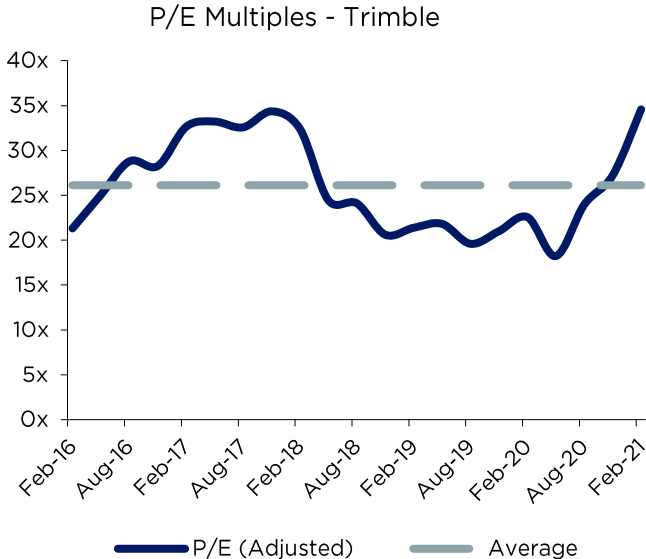
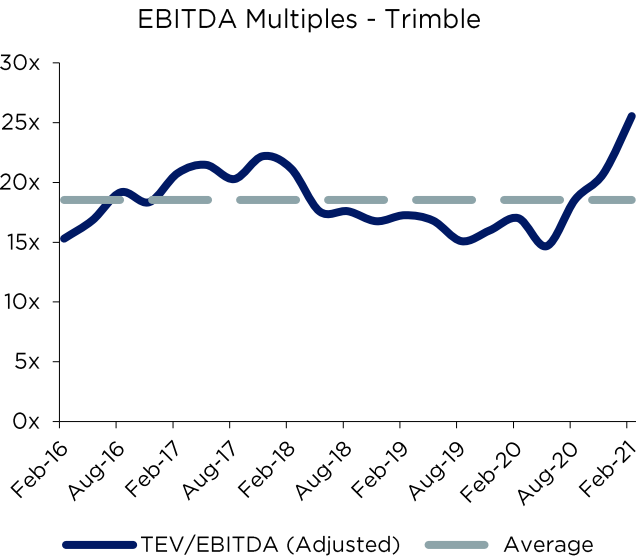
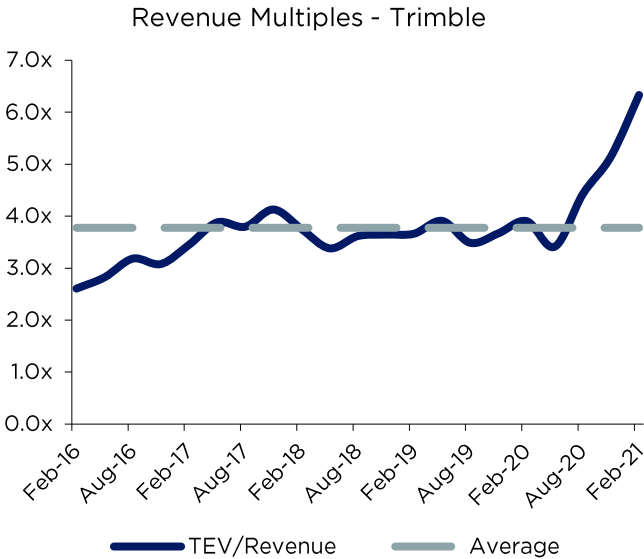
Trimble

Trimble Inc provides location-based solutions that are used in global positioning system (GPS), laser, optical and inertial technologies.

Its products portfolio includes 3D laser scanning, flow and application control systems, monitoring systems, water management, and navigation infrastructure. It also manufactures laser and optics-based products, and GPS products. The company serves various industries which include agriculture, architecture, civil engineering, survey and land administration, construction, geospatial among others. The company operates in four reportable segments namely, Buildings and Infrastructure, Geospatial, Resources and Utilities, and Transportation. It derives most of its revenues from the US and Europe with the rest coming from the Asia Pacific and other markets.

Public Basket

Trimble



Company Name	Date	Deal Synopsis
MidStates VRS	14-Sep-20	The business division of Butler Machinery and Frontier Precision was acquired by Trimble for an undisclosed amount on September 9, 2020. The addition of the network, located in North and South Dakota, increases the footprint of Trimble's VRS Now® GNSS corrections service to cover more than one million square miles in North America.
Kuebix	09-Jan-20	The company was acquired by Trimble (NAS: TRMB) for \$201.1 million on January 9, 2020. The acquisition will enable the acquirer to bring more than 21,000 shipper and third-party logistics customers into its network.

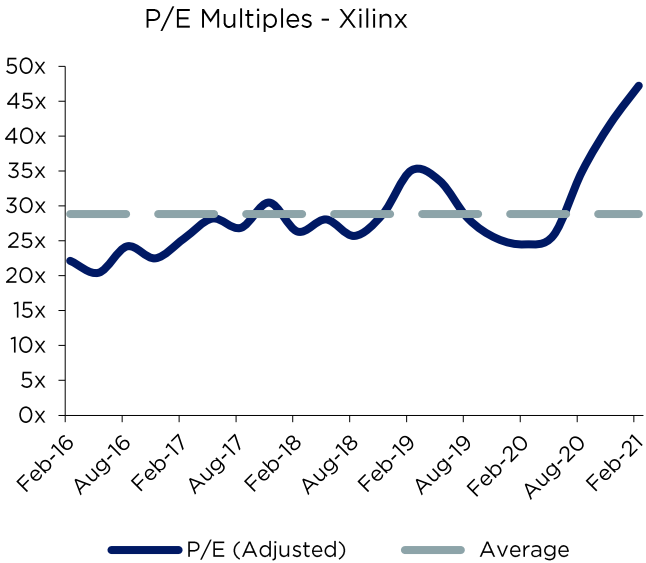
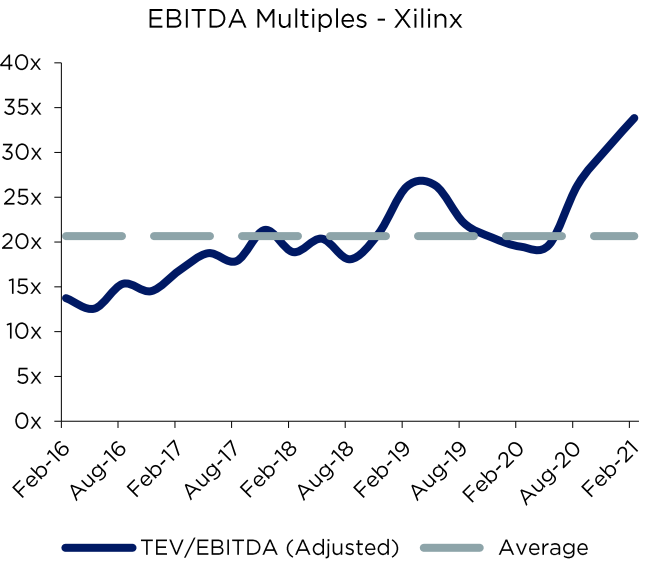
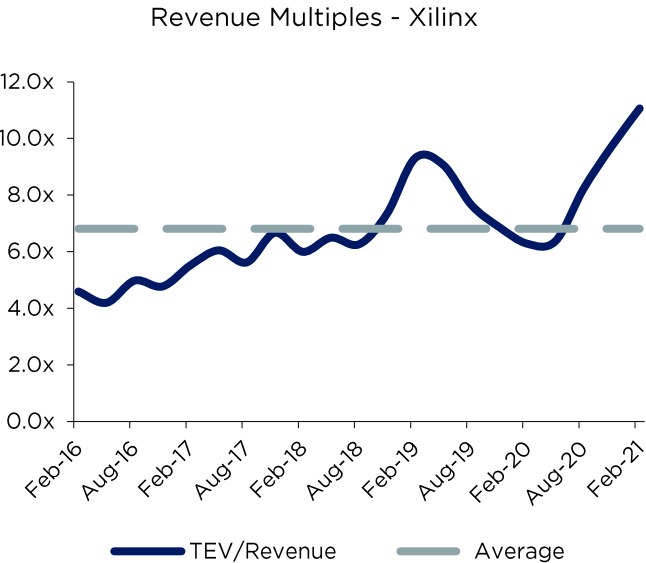
Xilinx

Founded in 1984, Xilinx is the leader in FPGAs by market share.

Its chips are critical in the performance of various devices in the communications, data processing, industrial, consumer, and automotive markets. Xilinx designs and sells chips, but it outsources manufacturing to third-party chip foundries such as TSMC.

Public Basket

Xilinx



Company Name	Date	Deal Synopsis
Falcon Computing	01-Dec-20	The company was acquired by Xilinx (NAS: XLNX) for an undisclosed amount on December 1, 2020.
XMOS	01-Jul-20	The company raised GBP 15.45 million of Series E2 venture funding through a combination of debt and equity on July 20, 2020, putting the company's pre-money valuation at GBP 50.16 million. GBP 5.45 million of venture funding was raised from Robert Bosch Venture Capital, Target Global, Huawei Technologies Company, Xilinx Infineon Technologies, Kew Capital China, Lanza techVentures and 6 other investors. A GBP 9.99 of loan was provided by Harbert Management. The company will use the funding for it's continued growth and an expanded global presence, including new staff, in the office and for development of its AloT solution portfolio.

Hexagon

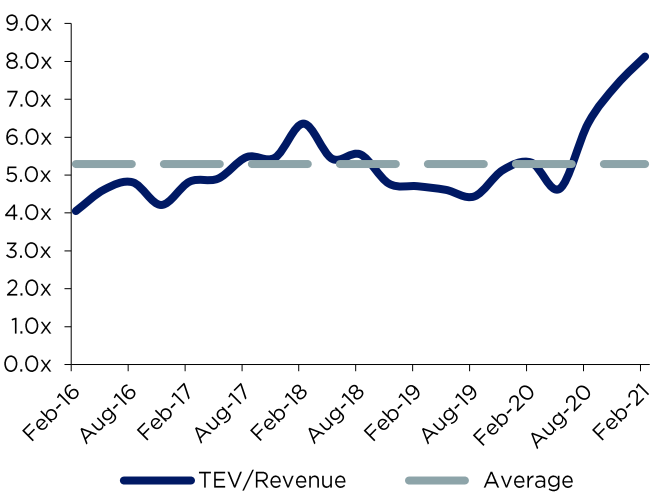
Hexagon AB provides information technology for industrial applications.

It offers solutions in two segments: geospatial enterprise solutions and industrial enterprise solutions. Each segment contributes roughly half of the firm's overall revenue. Hexagon's geospatial solutions are used for infrastructure, mining, agriculture, and public safety. The industrial enterprise solutions are used to measure and inspect the quality of complex parts used in manufacturing processes. Hexagon's largest geographic markets are North America and Western Europe, with each market contributing more than a fourth of the firm's overall revenue.

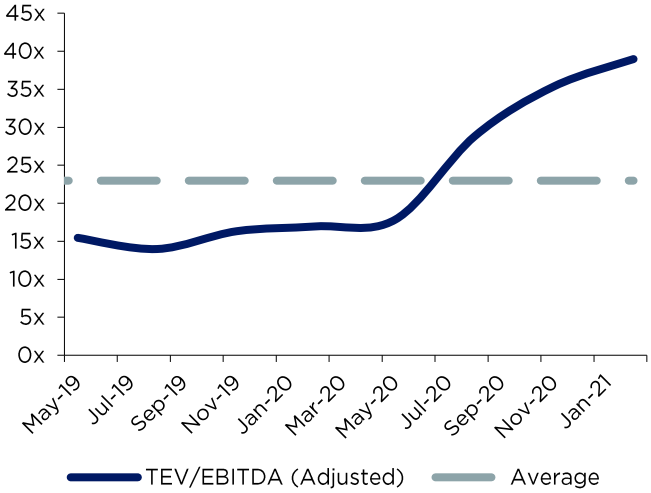
Public Basket

Hexagon

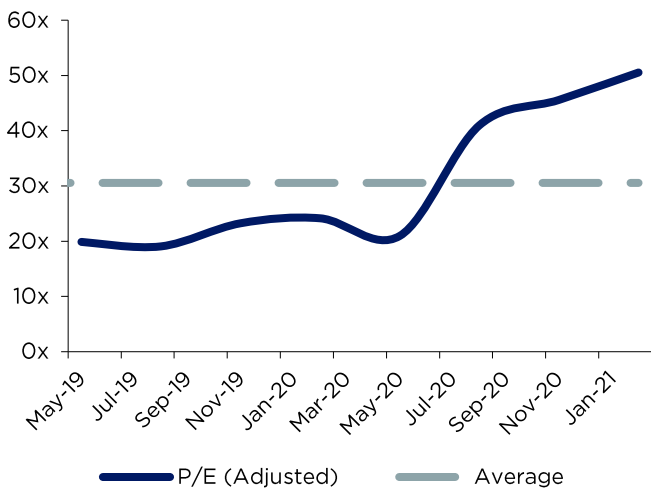
Revenue Multiples - Hexagon



EBITDA Multiples - Hexagon



P/E Multiples - Hexagon



Company Name	Date	Deal Synopsis
OxBlue	18-Dec-20	The company was acquired by Hexagon (STO: HEXA B) for an undisclosed amount on December 18, 2020. The acquisition enables Hexagon to strengthen its capabilities to serve the architecture, engineering, and construction ecosystem.
PAS Global	04-Nov-20	The company reached a definitive agreement to be acquired by Hexagon (STO: HEXA B) for an undisclosed amount on November 4, 2020. The acquisition represents a new cybersecurity-focused business segment within Hexagon's PPM division, which will also provide opportunities with other Hexagon divisions. The process safety solutions brought to Hexagon from the company will be integrated into the PPM owner operator line of business.

ABB Group

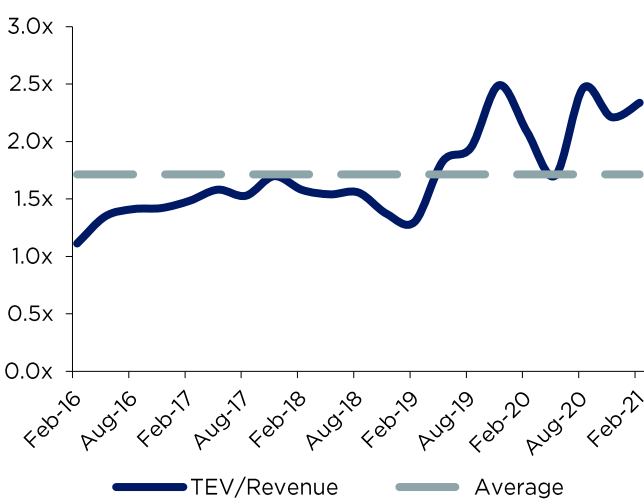
ABB is a global supplier of electrical equipment and automation products.

Founded in the late 19th century, the company was created out of the merger of two old industrial companies--ASEA and BBC--and is now called Asea Brown Boveri Group, or ABB. The company is the number-one or number-two supplier in all of its core markets and the number-two robotic arm supplier globally. In automation, it offers a full suite of products for both discrete and process automation as well as robotics.

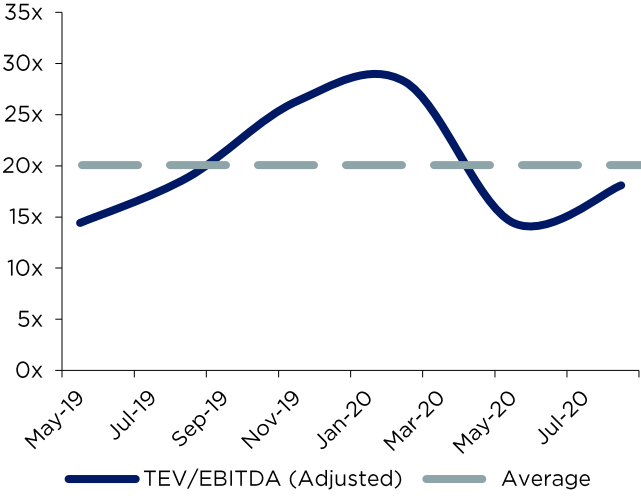
Public Basket

ABB Group

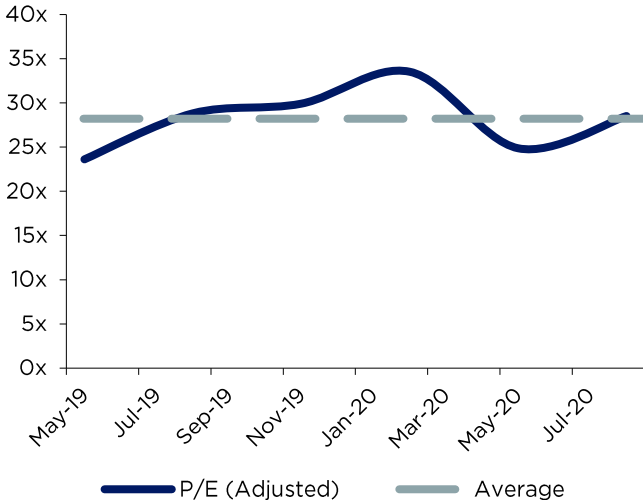
Revenue Multiples - ABB Group



EBITDA Multiples - ABB Group



P/E Multiples - ABB Group



Company Name	Date	Deal Synopsis
Codian Robotics	01-Oct-20	The company was acquired by ABB Group (SWX: ABBN) for an undisclosed amount on October 1, 2020. This acquisition helps ABB Group's customers to fully realize the potential of automation and increase their flexibility in a rapidly changing business landscape.
Cylon Controls	03-Mar-20	The company was acquired by ABB Group (SWX: ABBN) for an undisclosed amount on March 3, 2020.

Contact Info

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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. Securities offered through 7M Securities LLC.

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