

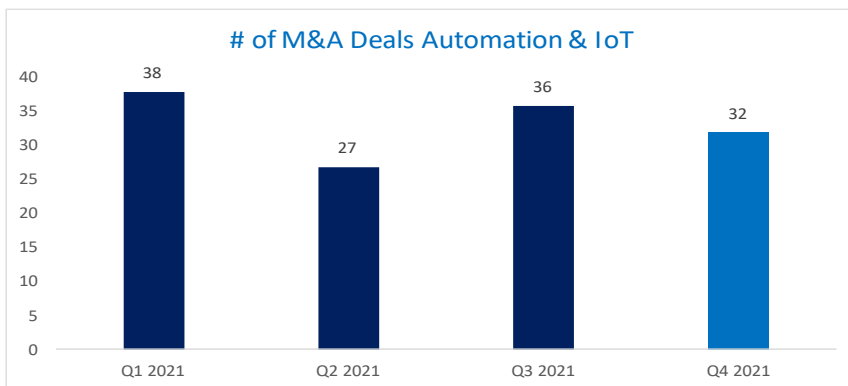
Market Update

Industrial Automation and IoT

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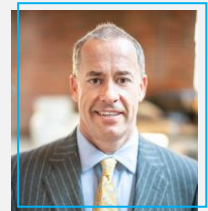
Advancements in digital technologies are blurring the lines between the physical and digital spheres of global production systems. Coined 'Industry 4.0', these advancements in tech have particularly impacted the manufacturing sector, as a connected environment of big data, people, processes, and production systems has evolved, turning manufacturing into a more information-intensive space. Manufacturing decision makers are expected to take advantage of these tech capabilities to improve efficiency in operations and find practical solutions to respond to demand volatility, supply chain shocks, and build agility and resiliency into their businesses. Market Research Engine projects that due to this momentum in the Industrial IoT market, the industry will grow at a CAGR of 23% percent over the next seven years.

The accelerating momentum of Industry 4.0 adoption is being spurred by factors such as reduced technology costs, improved connectivity, and widespread customization. The unit selling price of technologies such as advanced robotics, IoT, AR/VR, AI, and 3D printing have declined by 50 to 75 percent since their introduction, along with reductions in implementation costs. Connectivity of production assets has become more streamlined as 40 percent of equipment is now connected with IoT technology. Mass customization is becoming more commonplace, providing flexibility to choose from a wider range of tooling options. This ease of implementation and integration and improved costs are influencing leading manufacturers to view adoption of digital technologies as a way to significantly reduce their unit costs in the immediate future.



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, Conor Smith, or Tyler Ratterree if you would like to learn more about Industrial Automation & IoT.

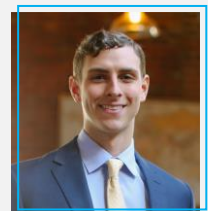
Sector Coverage Team



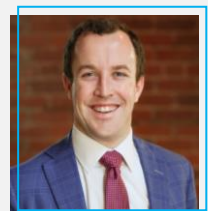
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Sector Snapshot

Inpixon Acquires IntraNav GmbH



The indoor intelligence company, Inpixon, announced it signed a definitive agreement to acquire the German-based industrial automation company, IntraNav GmbH, specializing in advanced location-aware technologies that help organizations realize the benefits of Industry 4.0 including smart factories, smart warehouses, virtual manufacturing, paperless factories, virtual yard management, and digital supply chains.

Inpixon’s CEO believes this acquisition will put the company at the heart of the Industry 4.0 movement because the IntraNAV IoT platform can better connect Inpixon to the end user. With the acquisition, Inpixon will be able to leverage IntraNAV’s line of proprietary smart sensors, including the tags for driverless transport systems, smart pallets, automated guided vehicles, and more.

Date: December 9, 2021

Deal Type: M&A

Target HQ: Eastborn, Germany

Sverica Capital Acquires Automated Control Concepts



Automated Control Concepts (“ACC”), a provider of system integration services catering to manufacturing and utility companies and specializing in process automation and manufacturing intelligence, was acquired by Sverica Capital Management. ACC is a leading Industry 4.0 solutions provider and is a Tier 1 partner for Rockwell Automation, Inductive Automation, and Parsec Automation. By partnering with a growth-focused firm like Sverica, ACC will be able to pursue new strategic business areas and additional opportunities to help continue growing ACC to a market-leading provider of Industry 4.0 solutions.

Date: October 22, 2021

Deal Type: LBO

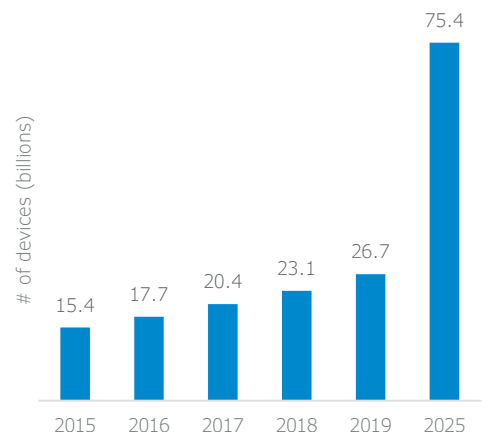
Target HQ: Neptune, New Jersey



What is driving Industrial IoT growth?

- Pressure on margins placing emphasis on cost reductions
- Accelerated IoT adoption (see graph to right)
- Improved affordability of tech
- Easing availability of solutions
- Advancement in data maturity and analytics solutions
- Expansion cloud and edge computing environments

Installed IoT Devices



Market Landscape

Offerings

Services

Products
&
Services

Products
&
Platforms

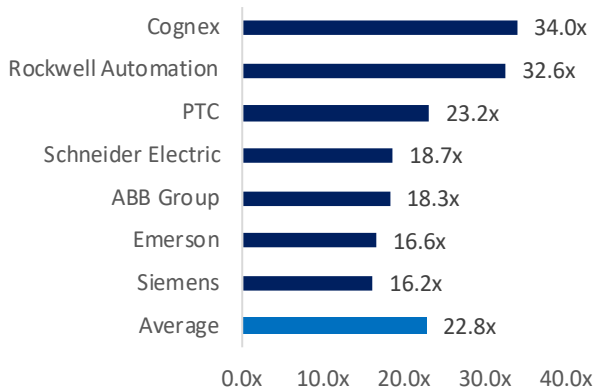
Please reach out to 7MA team to get access to the market landscape.

Public Markets

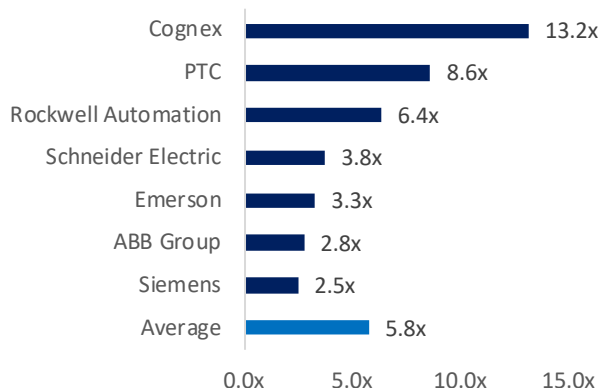
Publicly-traded Industrial Automation & IOT – Q4 2021

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
Siemens	186,900	11,542	74,404	13%	37%	16%	2.5x	16.2x	303,000	62
Schneider Electric	122,397	6,555	32,613	-7%	41%	20%	3.8x	18.7x	155,466	79
ABB Group	79,638	4,347	28,560	-7%	32%	15%	2.8x	18.3x	106,080	75
Emerson	60,146	3,614	18,236	9%	41%	20%	3.3x	16.6x	86,700	69
Rockwell Automation	44,491	1,366	6,997	11%	41%	20%	6.4x	32.6x	24,500	182
PTC	15,602	674	1,807	24%	79%	37%	8.6x	23.2x	6,709	233
Cognex	13,382	393	1,017	12%	74%	39%	13.2x	34.0x	2,055	651
Average	74,651	4,070	23,376	8%	49%	24%	5.8x	22.8x	97,787	193
Median	60,146	3,614	18,236	11%	41%	20%	3.8x	18.7x	86,700	79

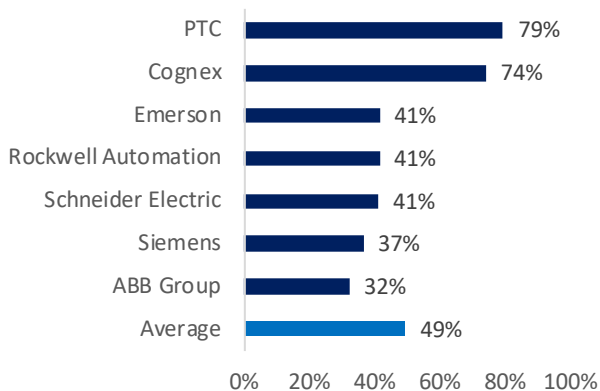
TEV / EBITDA X



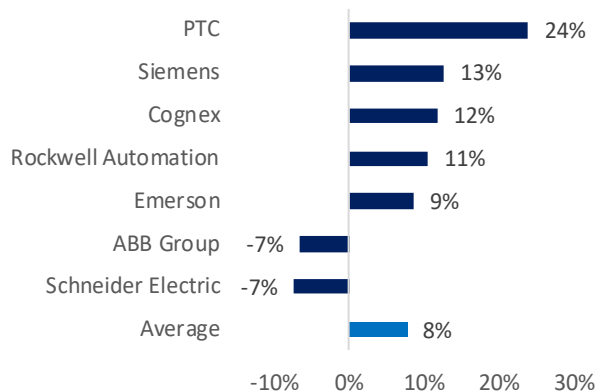
TEV / Rev X



Gross Margin %



Rev Growth YoY



Q4 2021 M&A Transactions

Date	Target	Buyer / Investor	Target Description
December 31, 2021			<ul style="list-style-type: none"> • Allied Motion (NAS: AMOT) has acquired Spectrum Controls in a \$70 million cash and stock transaction. Spectrum is a manufacturer of industrial automation and gateway communication products and specializes in designing and manufacturing a range of I/O modules, marquee displays, and industrial universal gateways. Allied believes it can drive growth through using Spectrum's strong partner relationships with large industrial automation companies, utilizing their global distribution channels, and benefiting from the continued digital transformation around IoT, AI, and analytics that are driving the increased use of smart factory floor devices.
December 31, 2021			<ul style="list-style-type: none"> • Geprom, an operator of a technology-based engineering company intended to develop projects for industrial automation and digital transformation, was acquired by Telefónica Tech to help Telefónica improve and increase its capabilities and offer a more complete and innovative service for the digital transformation of the industrial sector. Geprom specializes in the development and integration of avant-garde technological systems to enhance productivity and reduce operational overheads while facilitating real-time decision making with seamless logistics.
December 16, 2021			<ul style="list-style-type: none"> • AAP Automation, a provider of machine automation and control systems services intended for robotic, pneumatic, and electromechanical applications, was acquired by Ohio Transmission Company ("OTC"), a large industrial equipment distributor and service provider for pump, fluid power, power transmission, fluid handling, pneumatic, and electrical applications. With the acquisition, OTC will help continue expanding its geographical presence, now totaling 61 locations and 38 service shops throughout the country.
November 3, 2021			<ul style="list-style-type: none"> • Regal Rexnord Corporation has acquired Arrowhead Systems, a global leader in providing industrial process automation solutions. With this deal, Arrowhead will complement Regal's current conveying offering while also increasing its exposure to attractive and high-growth end markets. Additionally, Regal Rexnord's CEO anticipates cost synergies of approximately \$12 million and an ROIC above 10% by the fifth year.
November 3, 2021			<ul style="list-style-type: none"> • Essemtec, a manufacturer of industrial automation products for microdispensing, material storage, and logistic systems, has been acquired by Nano Dimension for \$24.8 million. The acquisition will allow Nano to use Essemtec's machines and greatly assist with its goal of implementing Industry 4.0 solutions, which entail building an artificial intelligence "distributed digital manufacturing application" rather than just machines as capital equipment.

About 7 Mile Advisors

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.



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Notable 7 Mile Transactions

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KALYPSO

RA Rockwell Automation

7MA

Ajax
BUILDING CORPORATION

STRUCTURETONE
Organization

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GRANITE
COMPANIES

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RS&H

TSIOUVARAS SIMMONS HOLDERNESS
CONSULTING ENGINEERS

