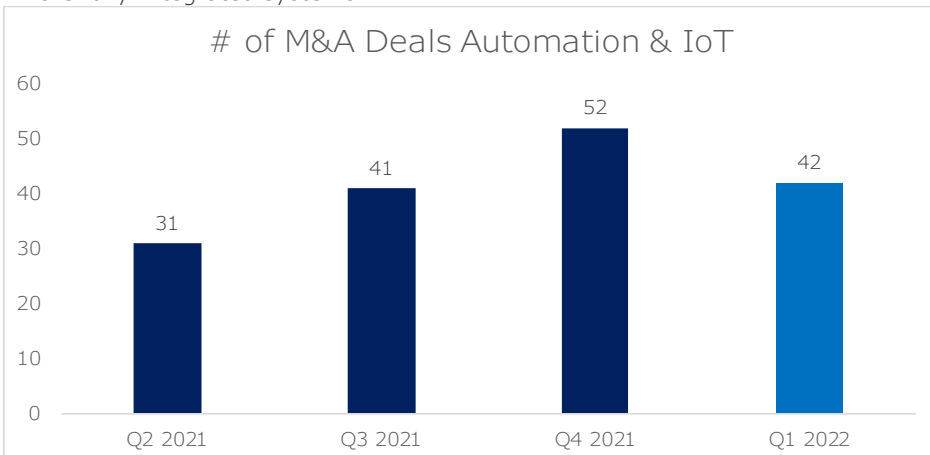


# Market Update Industrial Automation and IoT

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

As the manufacturing world expands its focus beyond enhancing foundational Industry 3.0 infrastructures, organizations are prioritizing optimizing operations through Industry 4.0 technologies. Smart Production in terms of Industry 3.0 alludes to applications and machinery tailored to specific, unique production needs. Historically, there has been a distinct split in the use of production data between operation technology (OT) and information technology (IT) sources, but Industry 4.0 offers digital technologies that are fully integrated with production operations. The value of this level of integration is influencing industrial players to implement end-to-end systems that help bridge the OT and IT worlds.

While utilizing modern automation infrastructure to maintain a comprehensive smart production cycle is still key, organizations must update their processes to fully leverage Industry 4.0 technologies. Gartner predicts that in the next five years, at least 50% of large manufacturing companies will function more as a collaborative digital ecosystem than as discrete firms - sharing inputs, assets, and innovations. This new degree of collaboration will allow manufacturers to correct issues faster and more effectively after they arise in the market and make real-time corrections in operations to prevent similar mistakes from happening in the future. This type of visibility has become imperative during the pandemic as supply chain issues have made shipping and order fulfillment delays a greater issue than ever before. Smart infrastructure integrated with technology-enabled production processes will continue developing to support more fully-integrated systems.



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 John Cooper, Ben Garber, Sydney Scadden, Conor Smith, or Tyler Ratterree if you would like to learn more about Industrial Automation & IoT.

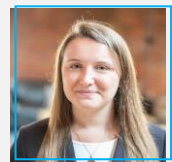
## Sector Coverage Team



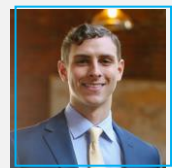
**John Cooper**, Partner  
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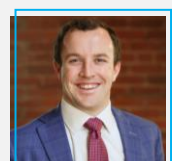
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# Sector Snapshot

## Rockwell Automation Expands Supply Chain Services with Acquisition of AVATA




AVATA, a supply chain management services provider, was acquired Rockwell Automation, the world’s largest company dedicated to industrial automation and digital transformation. AVATA has significant domain expertise in enterprise applications and is a leading consultant and systems integrator for Oracle cloud software applications.

The acquisition bolsters Rockwell's technology and consulting capabilities to better serve its customers with cloud-native solutions that are easy to implement, use, and maintain. By significantly improving end-to-end supply chain visibility and management, AVATA, together with Kalypso ([acquired in 2020](#)), Rockwell’s industrial digital transformation services business, will help further unlock the value of information technology/operational technology (IT/OT) convergence that Rockwell can deliver to customers.

**Date:** November 1, 2021

**Deal Type:** M&A

**Target HQ:** Austin, Texas

## Thoughtworks Acquires Leading Consultancy Fourkind




Fourkind, a leading Finnish provider of management consulting and advisory services, was acquired by Thoughtworks, a global technology consultancy firm that integrates strategy, design, and software engineering. Fourkind specializes in offering services that combine machine learning and data science with strategy, design and engineering, thereby committed to helping decision-makers to build organizations in an efficient manner.

This acquisition will grow Fourkind and expand Thoughtworks’ European footprint and significantly improve its machine learning, data science, strategy, design and engineering capabilities.

**Date:** February 1, 2021

**Deal Type:** Buyout/LBO

**Target HQ:** Finland



### Market outlook on smart manufacturing industry

- Global market size was valued at \$236 billion in 2020
- Smart manufacturing market is segmented hardware, software, and services
- Software accounted for ~50% of the market in 2020 and is expected to continue dominance through the remainder of the decade
- Distributed Control System (DCS) segment dominated the market in 2020 and accounted for over 16.0% of the revenue share

# Market Landscape

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## Offerings

Services

Products  
&  
Services

Products  
&  
Platforms

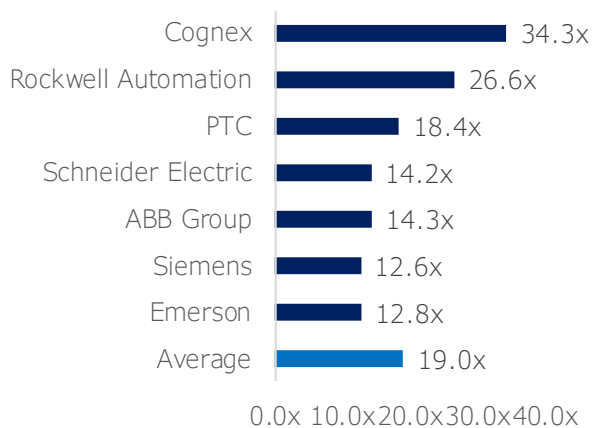
*Please reach out to 7MA team to get access to the market landscape.*

# Industrial Automation & IoT Public Markets

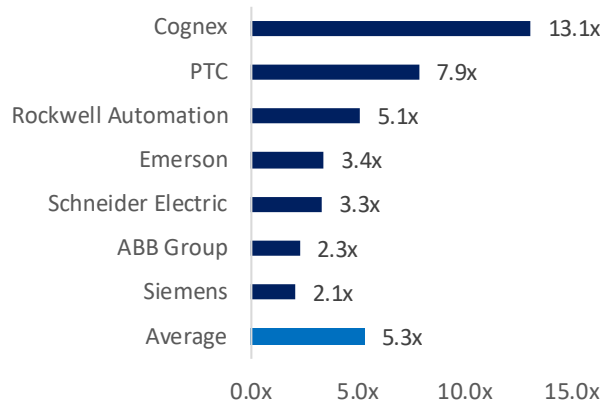
## Publicly-traded Industrial Automation & IoT – Q1 2022

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	152,807	12,094	76,485	13%	37%	16%	2.0x	12.6x	305,000	50
Schneider Electric	106,637	7,502	34,174	15%	41%	22%	3.1x	14.2x	166,025	64
ABB Group	64,570	4,514	28,945	11%	33%	16%	2.2x	14.3x	104,400	62
Emerson	62,861	4,926	18,548	9%	41%	27%	3.4x	12.8x	86,700	73
Rockwell Automation	36,772	1,384	7,289	11%	41%	19%	5.0x	26.6x	24,500	150
PTC	13,948	758	1,836	24%	79%	41%	7.6x	18.4x	6,709	208
Cognex	13,118	383	1,037	28%	73%	37%	12.6x	34.3x	2,257	581
Average	64,387	4,509	24,045	16%	49%	25%	5.1x	19.0x	99,370	170
Median	62,861	4,514	18,548	12%	41%	22%	3.4x	14.3x	86,700	73

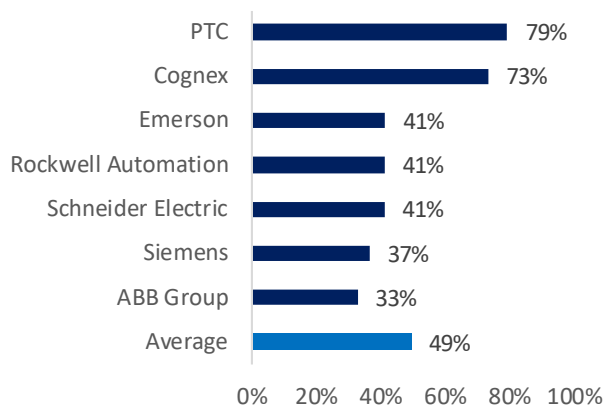
### TEV / EBITDA X



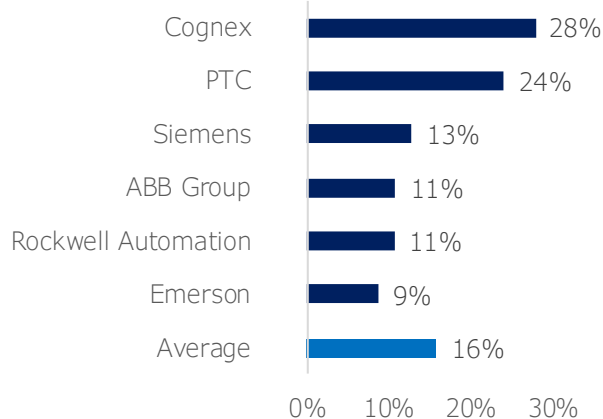
### TEV / Rev X



### Gross Margin %



### Rev Growth YoY



Q1 2022 M&A Transactions

Date	Target	Buyer / Investor	Target Description
March 10, 2022			<ul style="list-style-type: none"> <li>• <b>PwC Germany</b>, one of the largest public accounting firms in the world, has acquired a minority stake in Hamburg-based <b>Cybus GmbH</b>, an Industrial Internet of Things (IIoT) company. Cybus specializes in smart factory automation software. Cybus' software enables industrial manufacturers to efficiently connect and automate their production and leverage real-time data from the production environment to help customers drive increased efficiency and quality of the production process. PwC Germany is part of PwC's larger, global IT consulting network, and follows PwC's recent trend of investment and M&amp;A in the IT consulting, enterprise application, cloud, and cybersecurity industries.</li> </ul>
February 28, 2022			<ul style="list-style-type: none"> <li>• <b>Röbex</b>, a company that offers turnkey installation, maintenance and repair services, was acquired by <b>Angeles Equity Partners</b>. Röbex is a precision integrator of industrial robots for the material handling space. The business designs, builds, and installs custom robotic systems that improve productivity and safety through industrial, collaborative, and autonomous mobile robots ("AMR").</li> </ul>
February 14, 2022			<ul style="list-style-type: none"> <li>• A top 100 business process outsourcing company <b>QX Global Group</b> has acquired <b>Chazey Partners</b>, a Texas-based management consulting and advisory firm that specializes in business and digital transformation. With the acquisition, QX Global Group gains experience in implementing and operating business support and shared services organizations around the globe, as well as expertise in robot process automation and AI. By adding Chazey Partners, QX Global is able to continue its strategy to provide integrated, end-to-end solutions to help its customers take advantage of the latest operating models and emerging technologies.</li> </ul>
February 1, 2022			<ul style="list-style-type: none"> <li>• <b>Telstra Purple</b>, the IT services division of Telstra, acquired <b>Alliance Automation</b>, one of Australia's largest independent providers of Industrial IoT solutions and control systems. Alliance was founded in 2010, is headquartered in Australia, and staffs over 250 engineers and consultants. The acquisition will help Telstra expand its digital transformation services, industrial automation capabilities, digital twins, smart spaces, and operational technology cybersecurity capabilities.</li> </ul>
January 17, 2022			<ul style="list-style-type: none"> <li>• <b>VerAutomation</b>, a provider of industrial automation services intended to ensure hassle-free working of a company, was acquired by <b>VINCI Energies</b>. For 25 years, VerAutomation offered services and solutions in industrial automation, panel building and installation technology with a focus on the OEM (Original Equipment Manufacturer) market segment. The acquisition is fully in line with VINCI Energies' strategy to strengthen its industrial portfolio.</li> </ul>

# 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](http://www.7mileadvisors.com).



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## Notable 7 Mile Transactions

  
**KALYPSO**  

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Multi-national Industrial  
Conglomerate  

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Strategic Advisor

  
  
Global Leader in Beverage  
Production  

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Strategic Advisor

