

Industry Update

Industrial Technology Q3 2021



What we mean by Industrial Technology businesses ...

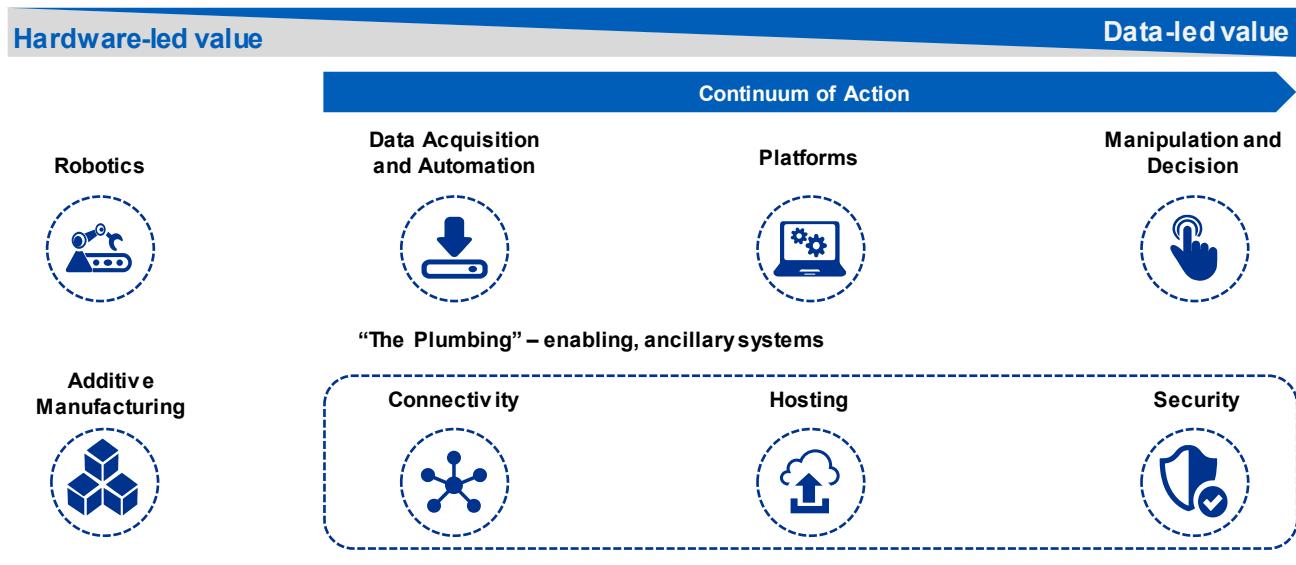
At a minimum

- Providing solutions which generate value in an **asset-intensive context**, sold **B2B**
- Providing IP beyond **more than just know-how**
- Improving what a business **already does** or its **resource management**
- Creating value via **data relationships** or **hyper-disruptive physical capabilities**

Will likely exhibit

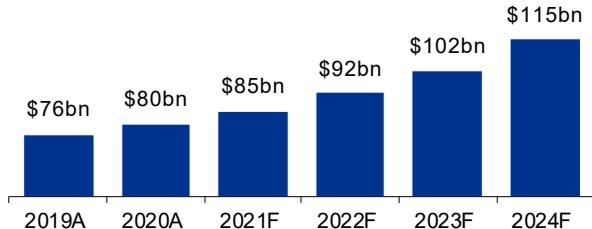
- **High barriers** to replication and correspondingly **high gross margin**
- In data-driven environments, **particularly high operating leverage**
- **Differentiated capabilities** which naturally embed, supporting subscription or other long-term commitments

How we arrange our thinking ...



Areas of growth in the space ...

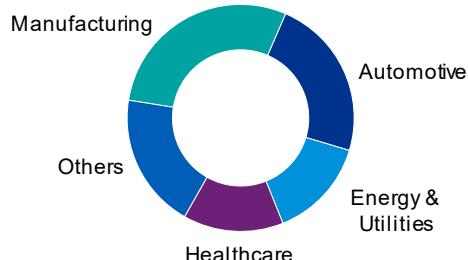
Industrial IoT (IIoT) is forecast to grow at a 10% CAGR globally



Source: BIS Research

Note: Above figures and forecasts are based on 2019, therefore do not consider COVID-19 impact.

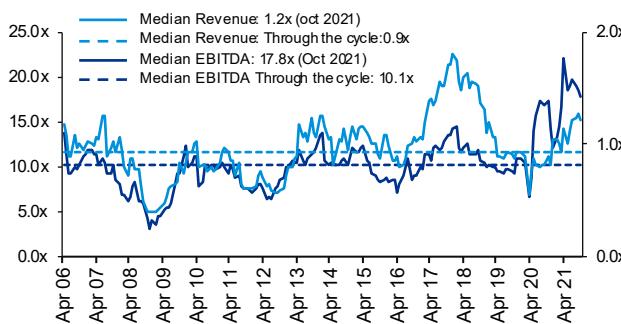
Manufacturing, Automotive and Energy share two thirds of the IIoT market



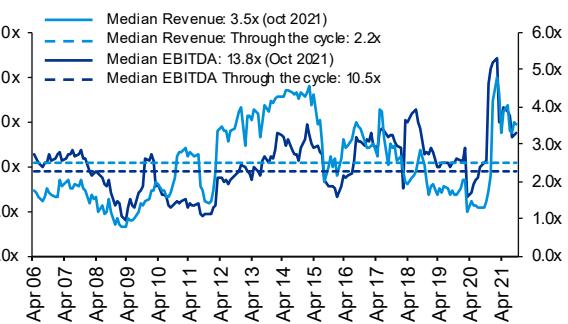
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Public Company Valuations – Through The Cycle – EV/LTM EBITDA and EV/LTM Revenue (RHS)

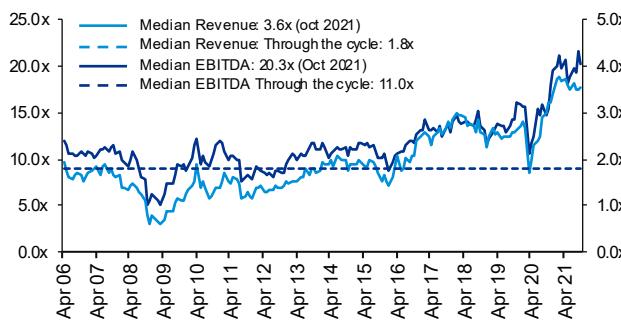
Robotics



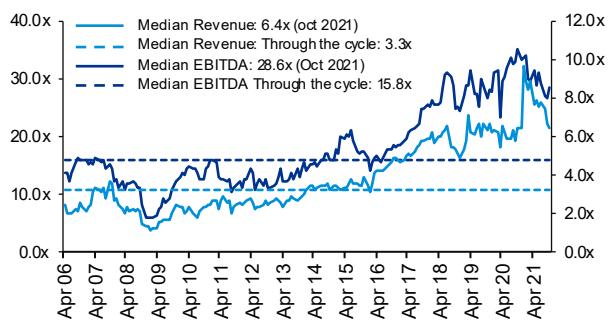
Additive Manufacturing



Data Acquisition and Automation



Manipulation and Decision



Source: CapitalIQ

Note: Enterprise Value is adjusted for minority interest, preference equity, pension deficit and investments in associates.

A Selection of Recent M&A Transactions

Date	Target	Target Country	Target Description	Acquirer	Acquirer Country
Aug-21	The ExOne Company	US	Listed company providing three-dimensional printing machines and printed products to industrial customers	Desktop Metal	US
Jul-21	ASTI Mobile Robotics	Spain	Designer, manufacturer and provider of automated intra-logistic solutions for large manufacturers	ABB	Switzerland
May-21	Additive Works	Germany	Develops and sells print to shape simulation software	3D Systems	US
Apr-21	Sensemetrics	US	Develops and offers Industrial Internet of Things (IIoT) sensor platform solutions	Bentley Systems	US
Apr-21	Kyoto Robotics	Japan	Develops and sells intelligent picking robots for logistics systems	Hitachi	Japan
Apr-21	Autostore A/S	Norway	A robotics and software company providing automation technology to warehouse & distribution facilities	SoftBank Group	Japan
Feb-21	MarkForged	US	Manufacturer of affordable metal & carbon fibre 3D printers and related software	One (SPAC)	US
Jan-21	Flir	US	An industrial technology company focused on intelligent sensing solutions for defense and industrial applications	Teledyne Technologies	US
Oct-20	Bright Wolf	US	Provider of custom Industrial Internet of Things (IIoT) solutions	Cognizant Technology Solutions	US
Oct-20	Codian Robotics	Netherlands	Provides delta robots for high-precision pick and place applications	ABB	Switzerland
Oct-20	Progea	Italy	Develops industrial automation software products for visualization, data acquisition, and management	Emerson Electric	US
Sep-20	XanTec Steuerungs- und EDV-Technik	Germany	Developer and supplier of automation and control solutions for industrial machinery	Dover	US
Aug-20	OSisoft	US	Provides an open enterprise infrastructure to connect sensor-based data, operations, and people to enable real-time and actionable insights	AVEVA Group	US
Jul-20	Maxim Integrated Products	US	Designs, develops, manufactures, and markets a range of linear and mixed-signal integrated circuits	Analog Devices	US
Feb-20	Adesto Technologies	US	Provider of application-specific, ultra-low power and smart non-volatile memory products	Dialog Semiconductor	UK

Source: MergerMarket

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KPMG Deal Advisory – Selected Credentials

  BISTel acquired by Synopsys Sep 2021	  Graphcore investment from Ontario Teachers' Pension Plan Dec 2020	  TerraQuest acquired by Apse Capital Nov 2020	  GroupBC acquired by Bentley Systems Mar 2020	  Oxbotica investment from Business Growth Fund (BGF) Mar 2020	  VisiumKMS acquired by Valsoft Feb 2020
  ESC Automation acquired by Ainsworth Jan 2020	  OCF Management Buyout Nov 2019	  Global Navigation Solutions acquired by CORNES Technologies Nov 2019	  Dynamic Systems Inc acquired by VPG Nov 2019	  Zenith Technologies acquired by Cognizant Jul 2019	  Ubisense acquired by Investcorp Jan 2019

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