



# MPG | MADISON PARK GROUP

## Insights

IIoT  
Data from the Physical Industrial World  
September 2022

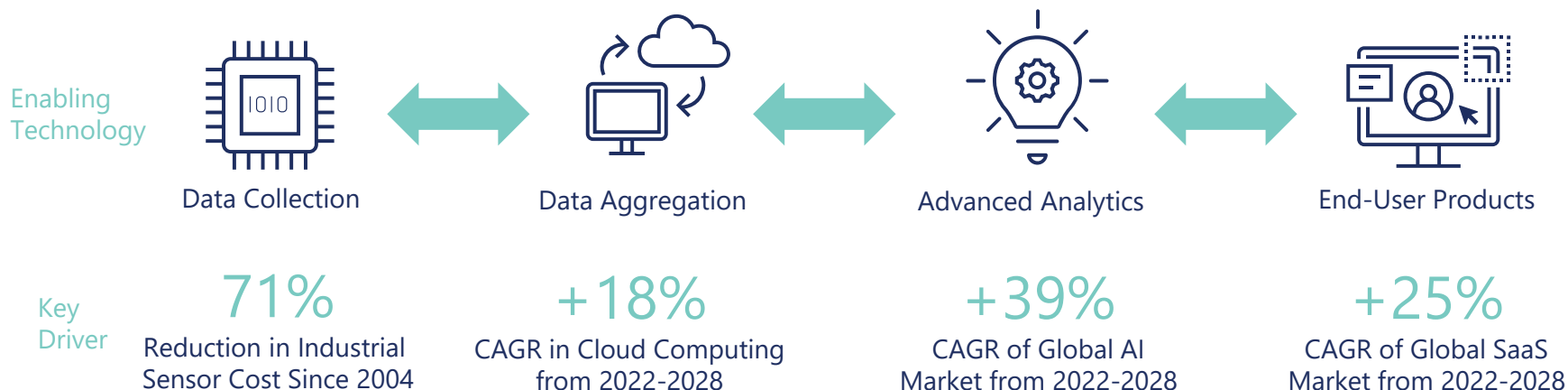
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# Our View of IIoT

Tech Advancements Have Made IIoT More Effective and Less Costly, Ushering in an Acceleration of Use Cases

Industrial IoT is a **fragmented** market with companies often specializing in a specific area of the value chain



## Technological Drivers

Growing Ubiquitous Devices	Industrial IOT connections are forecast to grow to 36.8 billion in 2025, with manufacturing a key growth sector	Edge Computing	Intermittent connectivity, for wider range of real-time features and quicker feedback (than online computing)	Reduced Sensor & Data Storage Cost	Unit price per sensor and storage cost per GB have declined significantly over the last decade
AI & Machine Learning	High speed data ingestion and advancements in AI/ML & deep learning have empowered IoT centric analytics platforms	Low-code/No-Code Platforms	Ready to use APIs and simplified development have enabled cost-effective creation and implementation of use cases	5G Connectivity	Better and seamless connectivity to overcome manufacturing floor interferences

# Key IIoT Markets

Now Experiencing Greater Visibility and Operational Efficiency

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With IIoT solutions, industries are utilizing data and machine learning algorithms to optimize business functions to a degree never possible before



## Manufacturing

Manufacturers have emerged as major users of IIoT solutions, as edge computing and advanced AI & ML software enable **predictive maintenance** and increase product precision



## Engineering

Engineering firms, especially automotive engineering, have integrated IIoT solutions to innovate driverless cars, **optimize production** inefficiencies, and gain greater data visibility



## Construction

Construction Software has integrated IIoT hardware, and software, to ensure **employee safety** through wearable devices and video tracking capabilities.



## Supply Chain

Supply Chain Software integration with RFID sensors and end user products has provided greater visibility into **asset tracking** and condition monitoring



## Healthcare




















Healthcare adoption of IIoT through wearable devices and advanced AI software provides **actionable insights** for practitioners

## Representative Companies



# Reference M&A Transactions

## Broad Acquisition Interest in IIoT Solutions Remains Strong

















Acquirer	Target	Date	Target Description
		Aug-22	<ul style="list-style-type: none"> <li>Developer of an AI-IIoT-based machine monitoring platform designed to monitor turbomachinery and processes for industrial customers</li> </ul>
		Jul-22	<ul style="list-style-type: none"> <li>The company's technology enables engineers to find cost-effective instrumentation for product development and deploy ML models to the product's firmware</li> </ul>
		Jun-22	<ul style="list-style-type: none"> <li>Cloud-based machine monitoring and diagnostics platform that enables manufacturers to predict machine failure and increase operational efficiency</li> </ul>
		May-22	<ul style="list-style-type: none"> <li>AI technology that predicts and prevents quality, yield, and waste losses. The company's technology mitigates process inefficiencies by using automated root cause analysis and predictive recommendations</li> </ul>
		May-22	<ul style="list-style-type: none"> <li>Developer of radio-frequency identification (RFID) tags used for diverse asset tracking with medical devices, long-range vehicle tracking, and the oil industry</li> </ul>
		May-22	<ul style="list-style-type: none"> <li>Item chain management platform managing the entire life-cycle of unique identities from source to sale to the consumer. The company's platform works in real-time, providing visibility for critical business functions like operational performance, location monitoring and tracking</li> </ul>
SourceCapital   LLC		May-22	<ul style="list-style-type: none"> <li>Developer of controls, monitors, sensors, and IIoT tech for foodservice outlets and equipment manufacturers. The company's products include controllers, timers, food safety sensor technologies, and production decision automation that employs predictive analytics</li> </ul>
		Mar-22	<ul style="list-style-type: none"> <li>Computer vision platform providing industrial automation solutions for the retail sector. The platform provides various insights about the shopper, employee, assets, and store activity</li> </ul>
		Jan-22	<ul style="list-style-type: none"> <li>Edge intelligence software delivering the power of real-time industrial-grade analytics to resource-constrained edge devices</li> </ul>
		Oct-21	<ul style="list-style-type: none"> <li>The company's automated performance tracking platform predicts performance issues and offers full support for cloud resources through automated data correlation, payloads, and end-to-end observability within microservice environments</li> </ul>

# Reference Investor Activity

## Investors Continue to Engage with Young IIoT Companies

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\$ in millions

Investor	Target	Date	Target Description	Deal Type	Amount Raised	Pre-Money Valuation	Amount Raised To-Date
 YAMAHA MOTOR VENTURES	<b>CANVASS</b>	Aug-22	• Automation software designed to empower the industrial workforce using AI	Series A	\$18.7	n/a	\$25.2
 ENERGIZE VENTURES	<b>ZEDEDA</b>	Jun-22	• Cloud-native edge virtualization platform to monitor, visualize, and secure real-time edge applications	Series B	\$26.0	n/a	\$57.6
 MAREL	 WORXIMITY	May-22	• Cloud-based data collection and analytics software to monitor production in the manufacturing industry	Series B	\$10.9	n/a	\$20.6
 HAX	 AMPER	Mar-22	• Machine monitoring system designed to digitize factories and provide real-time key metrics	Series A	\$10.9	\$25.0	\$14.8
 TIKEHAU CAPITAL	<b>Rombit</b>	Feb-22	• Database security platform to improve workflows and efficiency in industrial settings	Series B	\$25.0	n/a	\$47.0
 HSCM VENTURES	 PARSYL	Jan-22	• Insurance technology company providing data-driven solutions for essential supply chains	Series B	\$25.2	\$85.0	\$45.2
 BAIRD CAPITAL	 CIRCONUS	Nov-21	• Real-time monitoring and analytics platform designed for logistics and fintech	Series B	\$10.1	\$25.0	\$20.65
 INSIGHT PARTNERS	 TULIP	Aug-21	• Manufacturing development platform that digitally transforms factories through actionable data	Series C	\$100.0	\$739.0	\$839.0
 PHILLIPS 66	<b>Seeq</b>	Aug-21	• Process analytics platform designed to accelerate analytics on industrial data	Late Stage	\$12.6	n/a	\$127.5
 PBJ CAPITAL	 DATANOMIX	May-21	• Production management software designed to offer real-time data insight on manufacturing equipment	Series A	\$6.0	\$18.0	\$10.2

# MPG's Industrial Technology Focus

Right People, Right Narrative, Right Time

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Leaders in the technology economy trust our commentary, analysis, and advice when it comes to their most critical operational, financial, and strategic decisions

## Partnership Approach



We specialize in impacting growth strategies to optimize shareholder value creation



High-touch, targeted, and customized process



Access to firm-wide resources and relationships across +1,300 investor relationships



Approach marries thoughtful corporate strategy planning with stalwart transactional execution



Founded on domain expertise and focus on strategic themes within our core practices



Focused on M&A and capital raising in the mid-market; \$100 mil to \$500 mil enterprise value

For more information contact:

**Jon Adler**

Managing Director


[Email](#) | [LinkedIn](#)

**Rohan Khanna**


Managing Director

[Email](#) | [LinkedIn](#)

Founder-Owned




Financial Sale




EHS/QMS Software

Founder-Owned




Strategic Sale




GovTech Software

PE-Backed

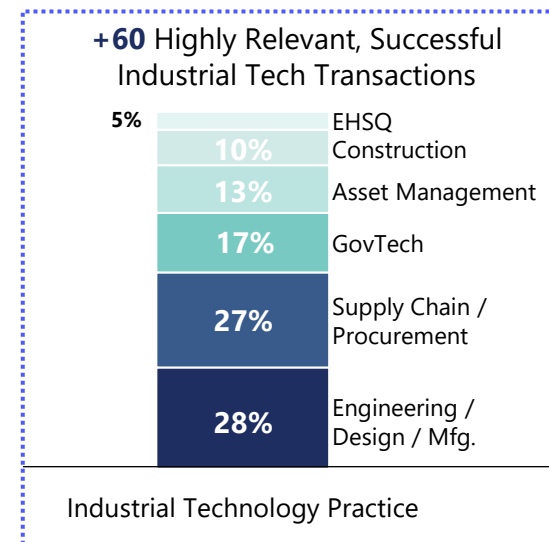


Strategic Sale



ENG/MFG Software

## Our Deep Domain Expertise Drives Better Outcomes<sup>(1)</sup>



(1) Select deals completed in last ten years, categories are not mutually exclusive

# Industrial Technology Client Highlight

## Strategic M&A Advisor to AgileAssets in its Sale to Trimble

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In Partnership with the Founding Team



Strategic Sale



Exclusive Financial Advisor

**MPG**

Contact us for more information at  
[insights@madisonparkgrp.com](mailto:insights@madisonparkgrp.com)

### Transaction Highlights

- AgileAssets' market leading transportation infrastructure asset management platform powers the complete asset lifecycle from capital planning through operations management across all major infrastructure asset categories
- Trimble provides technologies in positioning, modeling, connectivity and data analytics which enable customers to improve productivity, quality, safety, transparency and sustainability
- The addition of AgileAssets to Trimble's platform will add "as-designed" and "as-built" data to the 3D model for the maintenance and improvement phases. Availability of this data within the model creates a robust Digital Twin for owners throughout the lifecycle

### About the Deal

- Founder owned business seeking a strategic sale that maximizes financial returns while ensuring the company's customers and technology will continue to grow
- Selectively engaged with highly qualified strategic acquirers and financial sponsors which were attracted to the company's unmatched technology platform, blue-chip client rolodex and exciting proof-points of growth acceleration
- Selected Trimble as the preferred partner given shared strategic vision, highly complementary capabilities for infrastructure lifecycle management and attractive acquisition proposal

*"Madison Park Group delivered high-quality deal execution, industry knowledge and professionalism, resulting in an incredible outcome for AgileAssets. The MPG deal team brings a tremendous breadth of knowledge across both strategic and financial markets and helped us navigate the perfect storm to get to this grand outcome."*

— Stuart Hudson, Founder & CEO of AgileAssets

### Market Relevance

Industrial Technology	Enterprise Asset Management	Public Sector
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# Industrial Technology Client Highlight

## Strategic M&A Advisor to Romax in its Sale to Hexagon

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In Partnership with 8<sup>th</sup> EIGHT ROADS™



Sale To



Exclusive Financial Advisor

**MPG**

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[insights@madisonparkgrp.com](mailto:insights@madisonparkgrp.com)

### Transaction Highlights

- Romax will help Hexagon catalyze further advancement in the CAE market as it sits at the intersection of two key trends – specialization of advanced model-based systems engineering and the electrification of products
- Romax's cloud-enabled offering, Romax Nexus, will further enhance Hexagon's Smart Factory offerings and drive further cross-sell into Hexagon's MSC Software customer base
- Romax is a critical component to Hexagon achieving its vision of Smart Factory

### About the Deal

- MPG began informally advising Romax management in 2016 but was formally engaged by the board after the company had received an unsolicited in-bound LOI in 2019
- Limited pure-play competitive ecosystem made Romax a highly coveted strategic asset in a top priority strategic category
- MPG developed compelling narratives for each individual party based on continuous dialogue with key decision makers within corporate development and end-market practices

*"This is a multi-faceted transaction that required collaboration across the United States and Europe, and is driven by the need for highly advanced multi-physics electro-mechanical simulation products. We are thrilled to be joining the Hexagon organization and could not be more pleased with the outcome that MPG's Engineering & Manufacturing Technology practice achieved on all aspects of the deal."*

- Andy Poon, CEO of Romax

### Market Relevance

Engineering & Design	Simulation & CAE	Electrification
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