



Seale & Associates

INDUSTRIAL AUTOMATION INDUSTRY
Q3 2023
VALUATION UPDATE

Introduction

We are pleased to share our Industrial Automation Industry Multiples Valuation Update for Q3 2023.

At Seale & Associates, we are committed to providing process-driven solutions designed to optimize value and achieve our client's strategic objectives in a range of transactions, including **Mergers, Acquisitions, Divestitures and Carve-Outs, Business Sales, Recapitalizations, and Joint Ventures**, among other corporate finance and strategy consulting services.

Over the course of 25+ years, we have successfully served clients all over the world, and we are delighted to continue providing investment banking advisory services to our Industrial Automation Industry clients who are looking to grow through acquisitions or optimize their portfolios through strategic divestitures.

Seale has extensive experience advising leading multinational companies, private equity firms, and family-owned businesses across a wide range of industries.



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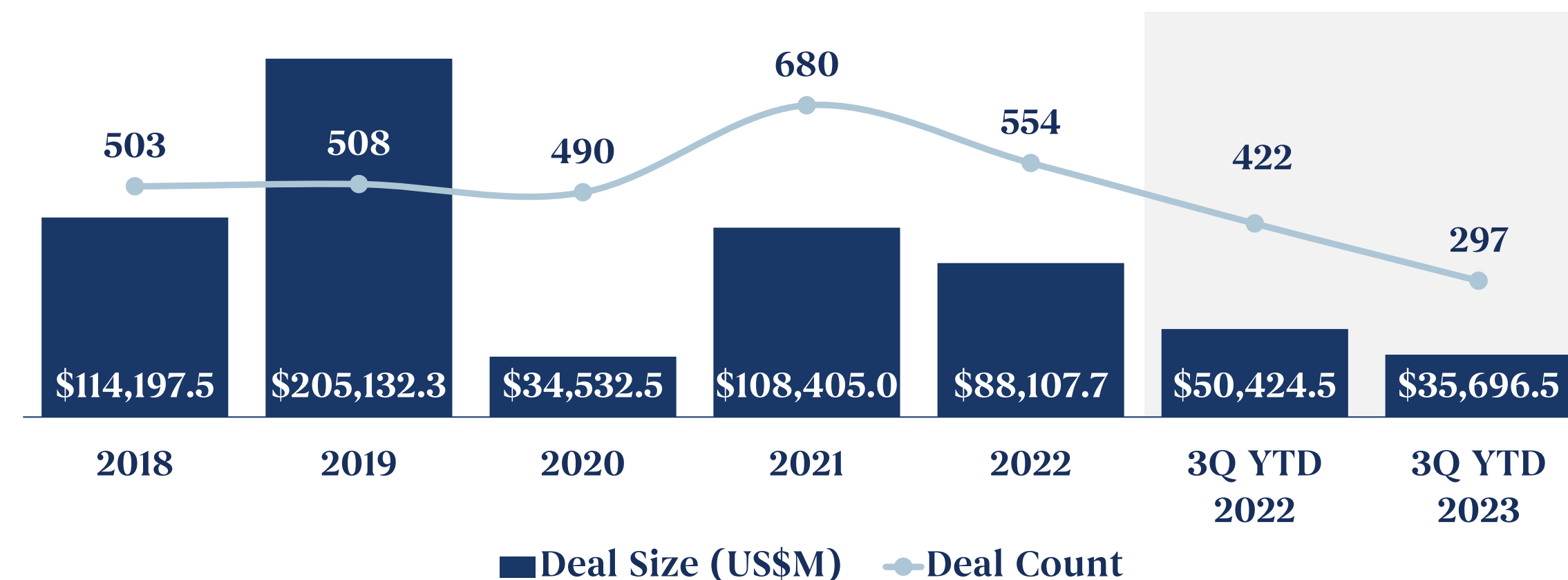
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Industrial Automation’s Industry Overview, M&A Trends and Market Intelligence

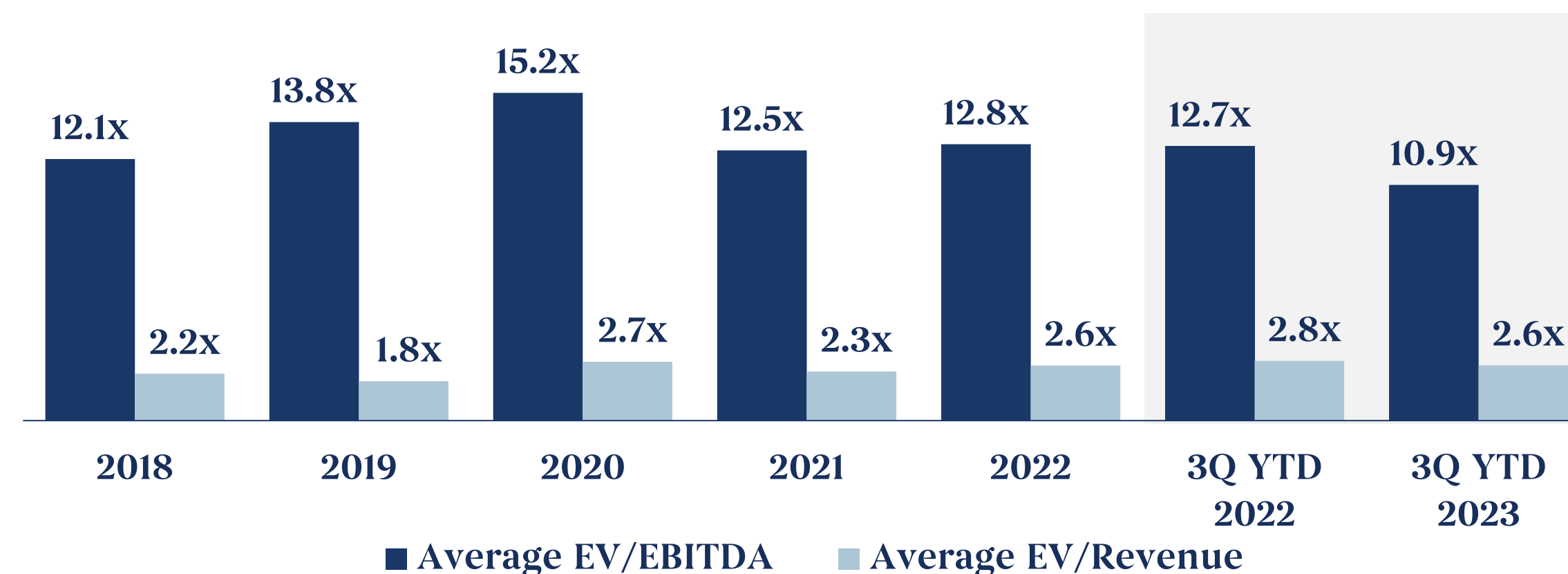
Industrial Automation M&A Trends and Market Intelligence

- The factory automation and industrial controls market is projected to experience a **CAGR** of 8.8%, increasing from **US\$183.5B** in 2023 to **US\$279.8B** by 2028 in terms of market size
- M&A activity has surged in the last five years, primarily driven by **financial sponsors** who initiate **platform investments** and subsequently concentrate on executing **add-on acquisitions** to expand their portfolio
- A frequent **challenge** involves locating **skilled** management and highly proficient employees to operate automation machinery, prompting companies to turn to **acquisitions** to acquire new talent
- With a **growing standard** for quality, and increasing **labor costs**, factories have been transitioning to **automation**. This shift not only reduces costs but also enhances the overall **quality** of the products
- The automotive industry is a major **player** in the global landscape of automated manufacturing facilities
- Thanks to advancements in **Industry 4.0 technology**, the demand for automated solutions like **robots** has surged in various industrial domains. This progress empowers factories to operate round the clock, all year long, without human oversight
- The market experienced a **disruption** when the COVID-19 **pandemic** led to the shutdown of businesses and manufacturing facilities. However, it has been on the path to **recovery**, as the situation has underscored the essential role of automation in industrial production

Industrial Automation Industry M&A Deal Size and Volume







Industrial Automation Industry M&A Average EV/EBITDA and EV/Revenue
























Industrial Automation Global Comparable Public Companies (1/2)

Company	Country	Market Cap. US\$M	Enterprise Value US\$M	Revenue US\$M	EBITDA Margin	Annual Average EV/EBITDA		Third Quarter Sep. 30, 2023		
						2021	2022	EV/EBITDA	EV/Revenue	
ABB Ltd		CHE	\$66,519	\$72,409	\$31,814	17.1%	19.4x	13.5x	13.3x	2.3x
AMETEK, Inc.		USA	\$34,090	\$35,852	\$6,492	30.7%	22.7x	18.3x	18.0x	5.5x
Daifuku Co., Ltd.		JPN	\$7,054	\$6,525	\$4,059	10.9%	24.1x	15.9x	14.7x	1.6x
Datalogic S.p.A.		ITA	\$361	\$391	\$675	11.0%	15.1x	8.1x	5.3x	0.6x
Emerson Electric Co.		USA	\$55,190	\$59,869	\$15,165	35.5%	15.1x	13.9x	11.1x	3.9x
Honeywell International Inc.		USA	\$122,660	\$136,857	\$36,408	24.7%	19.5x	16.2x	15.2x	3.8x
Mitsubishi Electric Corporation		JPN	\$26,012	\$24,651	\$34,832	10.1%	6.5x	5.8x	7.0x	0.7x
Murata Manufacturing Co., Ltd.		JPN	\$34,580	\$32,470	\$10,558	26.9%	11.7x	8.0x	11.5x	3.1x
OMRON Corporation		JPN	\$8,787	\$8,461	\$5,840	15.1%	20.4x	13.2x	9.6x	1.4x
Rockwell Automation, Inc.		USA	\$32,835	\$36,763	\$9,058	20.9%	25.8x	22.0x	19.5x	4.1x

Industrial Automation Global Comparable Public Companies (2/2)

Company	Country	Market Cap. US\$M	Enterprise Value US\$M	Revenue US\$M	EBITDA Margin	Annual Average EV/EBITDA		Third Quarter Sep. 30, 2023		
						2021	2022	EV/EBITDA	EV/Revenue	
Schneider Electric S.E.		FRA	\$93,187	\$108,448	\$37,820	19.9%	17.4x	14.8x	14.4x	2.9x
Siemens Aktiengesellschaft		DEU	\$113,640	\$160,428	\$82,313	17.1%	19.0x	15.7x	11.4x	1.9x
TE Connectivity Ltd.		CHE	\$38,781	\$42,003	\$16,034	23.0%	16.8x	11.7x	11.4x	2.6x
Yokogawa Electric Corporation		JPN	\$5,057	\$4,455	\$3,381	15.9%	9.6x	10.8x	8.3x	1.3x
■ Excluded from mean and median						Mean	13.2x	11.1x	11.1x	1.7x
						Median	18.2x	13.7x	11.4x	2.4x

Industrial Automation – Q3 Global Transactions

Date	Target	Country	Description	Buyer	Seller	% Acquired	Size US\$M	EV/ EBITDA	EV/ Revenue
Sep-23		NLD	Manufactures a range of automated chemistry analyzers		-	100.0%	-	-	-
Sep-23		CHE	Manufactures automated testing technology, assembly automation, robotics, and image processing machinery		-	100.0%	-	-	-
Sep-23		DNK	Supplies cutting tools, transmissions, machine tools, and automation solutions to companies in the iron and machine industry		-	100.0%	-	-	-
Aug-23		GBR	Manufactures manual and automated electric arc welding systems for industrial applications		-	100.0%	\$23.9	-	-
Aug-23		USA	Designs and manufactures coil processing equipment and pressroom automation systems		-	100.0%	-	-	-
Jul-23		CAN	Designs and manufactures heavy machinery automation systems for the mining industry		-	100.0%	-	-	-
Jul-23		DEU	Provides integrated automation solutions along with automated material handling and intralogistic solutions for a wide range of industries			ND	-	-	-
Jul-23	Körber Tissue S.p.A.	ITA	Specializes in machine design, automation, and manufacturing of industrial machinery for the tissue and towel converting industry			100.0%	\$416.1	-	-
Jul-23		DEU	Provides industrial automation, power plant and building automation, electrical engineering planning, and industrial IT services		-	100.0%	-	-	-
Jul-23		CHE	Provides industrial automation systems for clients in industries such as automotive, electronics, and pharmaceuticals		-	100.0%	-	-	-

ND: Not Disclosed

Selected Transactions Commentary



“The acquisition is a good strategic fit and complements Valmet’s tissue making offering with strong expertise and complete solutions from tissue converting to packaging.”

Pasi Laine, President and CEO of Valmet



“The aim is to continue to supply our customers with innovative and smart welding technology solutions Made in Germany in the coming years and to create a long-term perspective for our employees.”

Wolfgang Grüb, Managing Partner of Lorch Schweißtechnik GmbH



“Our goal remains to globally scale our platform organically and through acquisitions to enable us to further expand and strengthen our product- and service offering for international blue-chip clients.”



Michael Goepfarth, CEO of SCIO Automation



“Etteplan shares many of the same success factors as LAE with a vision of collaborative, integrated expertise, a passion for serving customers and a strong focus on innovative solutions.”

Werner Rensch, Managing Director of LAE Engineering

Private Equity Transactions

INDUSTRY CLASIFICATION	PERIOD	AVERAGE ENTERPRISE VALUE (IN USD)	REVENUE (IN USD)	TTM REVENUE GROWTH	ENTERPRISE VALUE / REVENUE	EBITDA MARGIN	ENTERPRISE VALUE /EBITDA	NUMBER OF TRANSACTIONS
 Industrial robot automation applications <i>NAICS 541511 – Custom Computer Programming Services</i>	2021-2022	\$65.3M	\$35.9M	35.2%	2.8x	32.2%	9.1x	3
 Robotics automation engineering services <i>NAICS 541330 – Engineering services</i>	2022-2023	\$34.2M	\$24.8M	21.6%	1.9x	27.1%	7.2x	8

Notes:

- Data obtained via GF Data, a subscription-based information platform, offering detailed information and metrics about the transactions of Private Equity funds in the U.S.
- The data is provided under a blind confidential format. Users of the data are unable to identify the exact company and transaction corresponding to the transaction details. Given this blind approach, the data submitted is less likely to be biased or manipulated.

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One of our core capabilities is to deliver sector-specific intelligence designed specifically for industry leaders, private equity firms, and their advisors. Our industry reports and featured articles deliver real-time access to key industry data, including:



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S U S C R I B E

Representative Global Engagements

 <p>INMAGUSA Grupo Galaz, S.A de C.V.</p> <p>has been acquired by</p> 	 <p>has sold</p>  <p>to</p> 	 <p>has sold its Sanitaryware business units ST. THOMAS CREATIONS and VITROMEX to </p>	 <p>has sold</p>  <p>to</p> 	 <p>has sold</p>  <p>to</p> 	 <p>has been acquired by</p> 	  <p>acquired</p> <p>The Zinc Recycling Business of</p> 
 <p>acquired</p>  <p>Automotive dealerships from</p> 	 <p>has sold</p>  <p>to</p> 	 <p>has sold</p> <p>Kidde de Mexico, S.A. de C.V. Fire Safety Solutions Business</p> <p>to an affiliate of</p> 	 <p>has sold its concrete pumping business</p> <p>to</p> 	<p>CORPORACION </p> <p>has sold</p>  <p>to</p> 	 <p>has been acquired by</p> 	 <p>has been acquired by</p> 
 <p>has been acquired by</p> 	<p>intelectiva®</p> <p>has acquired</p>  <p>KFC Costa Rica from</p> 	 <p>Multiple acquisitions</p> 	 <p>has partnered with</p>  <p>a subsidiary of</p> 	 <p>has been acquired by</p> 	 <p>has merged its Beverage Division with</p> 	 <p>has merged its Beverage Division with</p> 

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Please contact us if you would like further information about M&A trends and/or specific transaction multiples for your industry

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25

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EXPERIENCE

\$50B+

TRANSACTIONS
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We have worked repeatedly with many of the most well-known companies in the world...

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Creative Solutions. Trusted Advice.