



Seale & Associates

INDUSTRIAL AUTOMATION INDUSTRY
Q4 2023
VALUATION UPDATE

Introduction

We are pleased to share our Industrial Automation Industry Multiples Valuation Update for Q4 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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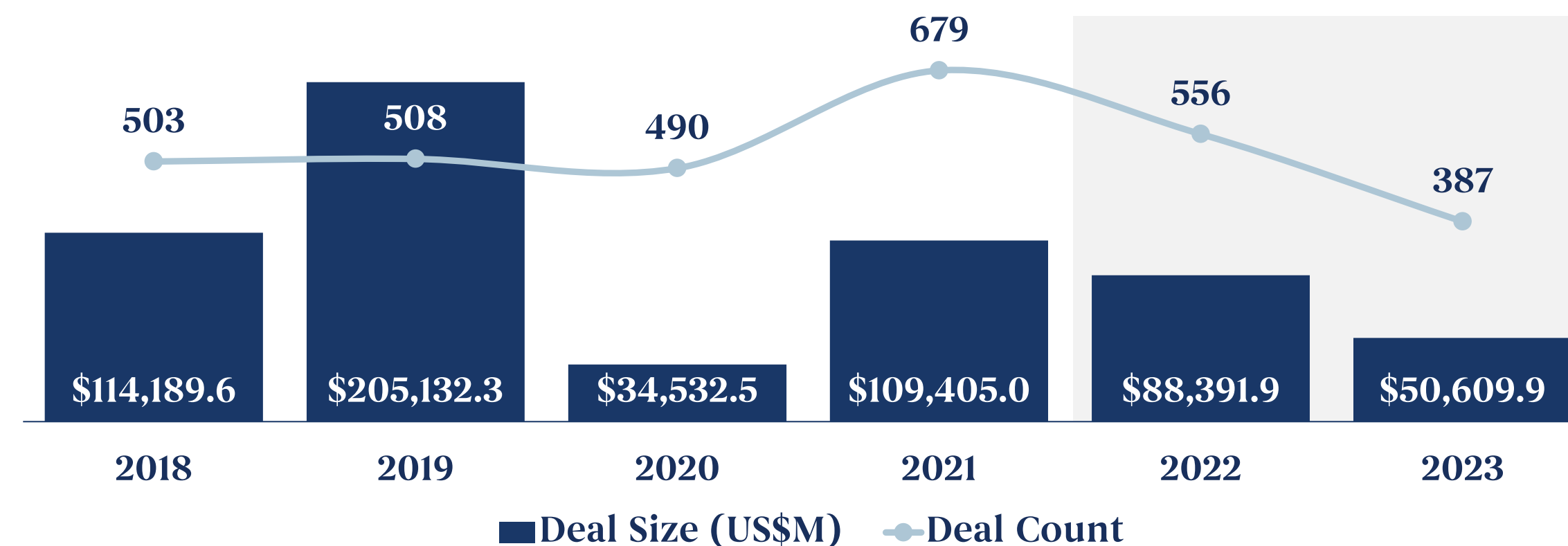
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Industrial Automation’s Industry Overview, M&A Trends and Market Intelligence

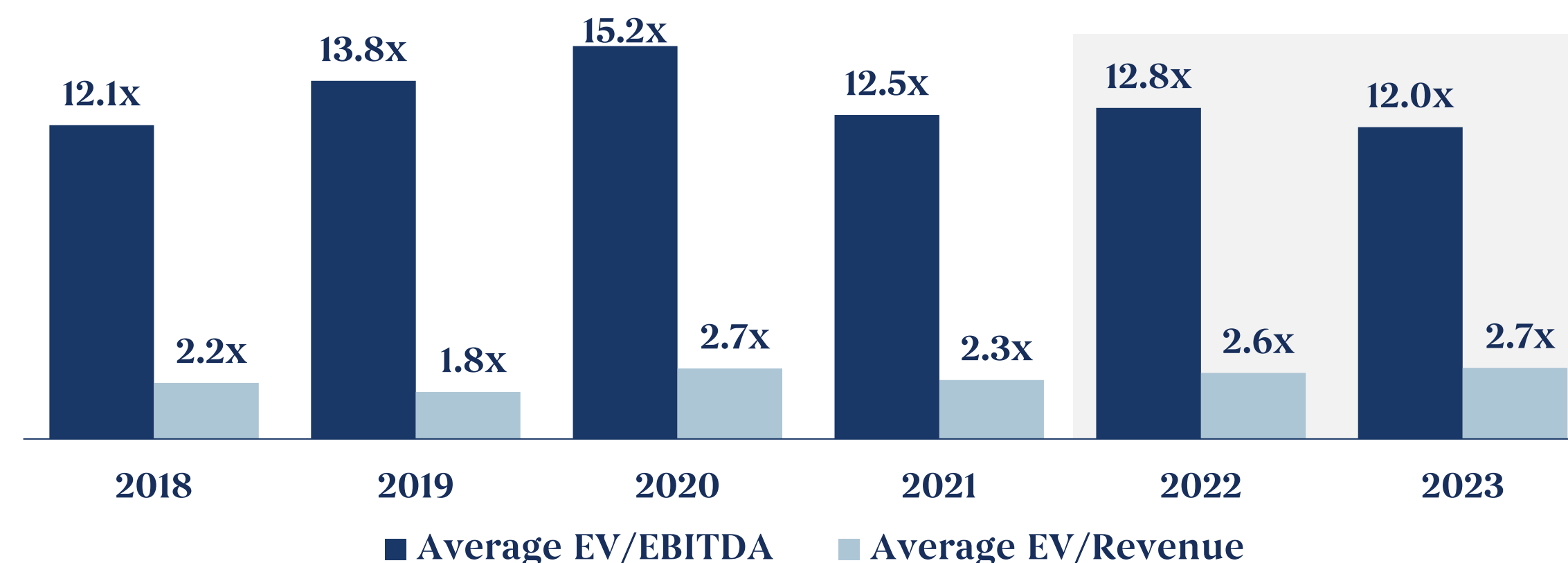
Industrial Automation M&A Trends and Market Intelligence

- 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		Fourth Quarter Dec. 31, 2023		
						2021	2022	EV/EBITDA	EV/Revenue	
ABB Ltd		CHE	\$81,637	\$86,788	\$31,814	17.4%	19.4x	13.5x	15.6x	2.7x
AMETEK, Inc.		USA	\$38,056	\$39,544	\$6,492	31.6%	22.7x	18.3x	19.3x	6.1x
Daifuku Co., Ltd.		JPN	\$7,501	\$7,105	\$4,295	10.4%	24.1x	15.9x	15.9x	1.7x
Datalogic S.p.A.		ITA	\$407	\$460	\$658	9.8%	15.1x	8.1x	7.1x	0.7x
Emerson Electric Co.		USA	\$55,626	\$62,189	\$15,165	25.7%	15.1x	13.9x	15.9x	4.1x
Honeywell International Inc.		USA	\$138,251	\$152,169	\$36,408	24.8%	19.5x	16.2x	16.8x	4.2x
Mitsubishi Electric Corporation		JPN	\$29,693	\$28,817	\$36,908	11.1%	6.5x	5.8x	7.0x	0.8x
Murata Manufacturing Co., Ltd.		JPN	\$40,114	\$37,277	\$11,187	25.9%	11.7x	8.0x	12.9x	3.3x
OMRON Corporation		JPN	\$9,196	\$8,771	\$6,188	11.2%	20.4x	13.2x	12.7x	1.4x
Rockwell Automation, Inc.		USA	\$35,575	\$38,027	\$9,058	21.7%	25.8x	22.0x	19.3x	4.2x

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		Fourth Quarter Dec. 31, 2023		
						2021	2022	EV/EBITDA	EV/Revenue	
Schneider Electric S.E.		FRA	\$112,692	\$128,629	\$39,496	19.9%	17.4x	14.8x	16.4x	3.3x
Siemens Aktiengesellschaft		DEU	\$147,802	\$192,828	\$85,961	17.5%	19.0x	15.7x	12.8x	2.2x
TE Connectivity Ltd.		CHE	\$43,664	\$46,730	\$16,034	22.7%	16.8x	11.7x	12.9x	2.9x
Yokogawa Electric Corporation		JPN	\$4,983	\$4,430	\$3,583	17.7%	9.6x	10.8x	7.0x	1.2x
						Mean	17.4x	13.4x	13.7x	2.8x
						Median	18.2x	13.7x	14.2x	2.8x

Industrial Automation – Q4 Global Transactions

Date	Target	Country	Description	Buyer	Seller	% Acquired	Size US\$M	EV/ EBITDA	EV/ Revenue
Dec-23	 barth industrial automation	NLD	Provides engineering, vision, robotics, and automation services, intended for machine building and the food industry	 foodmate A DURAVANT COMPANY	-	100.0%	-	-	-
Nov-23	 SENTRY EQUIPMENT AND DIRECTORS	USA	Provides conveyor equipment and related container-handling machinery and robotics	 PROMACH	-	100.0%	-	-	-
Nov-23	Assets of Versatech LLC	USA	Offers manufacturing, engineering, machinery automation, and consulting solutions	 PASCO®	 Versatech	100.0%	-	-	-
Nov-23	 SÄHKÖ-ÄIJÄT TEOLLISUUS OY	FIN	Offers high-quality industrial electrical and automation installation services	 INSTALCO	-	100.0%	-	-	-
Nov-23	 TEI TOOLING & EQUIPMENT INTERNATIONAL	USA	Offers hot and cold box blowtubes, prototype castings, production tooling, fixtures, and automation systems	 gm	-	100.0%	~\$100.0	-	-
Nov-23	 MOTION SOLUTIONS	USA	Offers automation and robotics solutions, focusing on motion-centric applications	 Novanta	 Frontenac	100.0%	\$189.0	-	-
Nov-23	 AVR SYSTEMS Mechanical & Electrical Engineers	GBR	Designs and builds mechanical, electrical, instrumentation, controls, and automation (MEICA) solutions	 GallifordTry	-	100.0%	\$8.6	-	-
Oct-23	 esco	DEU	Develops and distributes software solutions and integrated solutions for automated manufacturing and quality control	 SANDVIK	-	100.0%	-	-	-
Oct-23	Excent LLC	USA	Operates as a packaging company that provides an automated robotic production line for packaging services	 Sprecher	-	100.0%	-	-	-
Oct-23	 AG AUTOMATION GROUP	USA	Provides automation services to a wide range of industries, including life sciences, food and beverage, data centers, electric vehicles, and distribution and logistics	 E TECH GROUP	-	100.0%	-	-	-
Oct-23	 GARBE AUTOMATISME	FRA	Manufactures multi-step automation systems tailored for injection molders in the automotive, medical, packaging, and household-appliance industries	 SEPRO GROUP	-	100.0%	-	-	-

Selected Transactions Commentary



“With the addition of Automation Group, E Tech Group expands its market-leading positions in automation of Life Sciences, Data Centers, Consumer Packaged Goods, and Food and Beverage industries.”

Matt Wise, CEO of E Tech Group



“Motion Solutions is an exciting business with intelligent subsystem competencies within attractive medical and precision medicine markets. The business adds complementary motion subsystem solutions to Novanta’s product portfolio, giving us greater exposure to leading OEM customers in markets such as spatial biology, genomics, proteomics, medical robotics, and lab automation.”

Matthijs Glastra, Chair and CEO of Novanta



“In the context of increasing demand for automated lines equipped with more and more robots, it seemed obvious to us that Sepro Group could be the ideal partner to offer global reach and enhance our 25 years of experience in automation.”










Dominique Garbe, Founder of Garbe Automatism



“SÄT is a welcome addition to our industry group in Finland. The company has showcased mature leadership, a willingness to collaborate, and strong development within a niche of the Finnish market where continued investments are expected going forward. We see good opportunities for cross-selling and continued profitable growth.”

Sami Vanhamaki, Business Area Manager for Electrical Installations of Instalco Finland

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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We 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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Analysis of transactions and market trends

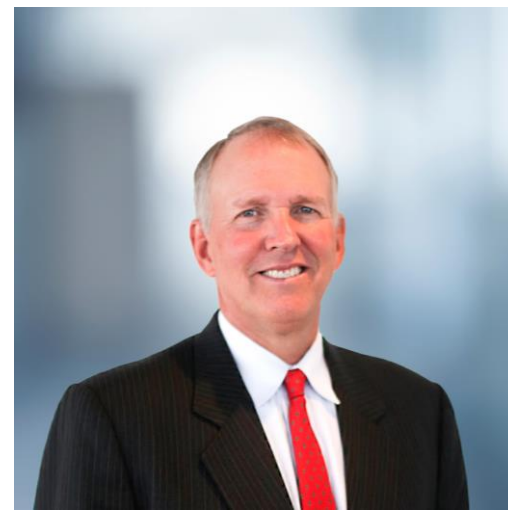
Valuable insights for industry leaders

Receive email updates with our proprietary data, reports, and insights as they're published for the industries that matter to you the most

S U S C R I B E

Global M&A Representative Engagements

<p>BEIJER REF</p> <p>has been acquired by</p>  <p>HERITAGE DISTRIBUTION HOLDINGS</p>	<p>avangardinnovative MOVING THE CIRCULAR ECONOMY FORWARD</p> <p>has sold a controlling interest to</p>  <p>WASTE MANAGEMENT</p>	<p>ZN ZINC NACIONAL</p> <p>has sold</p> <p>GSDKO</p> <p>Zinc Oxide Corporation a subsidiary of</p>  <p>Korea Zinc</p>	<p>Electrolux PROFESSIONAL</p> <p>has acquired</p> <p>unified brands a DOVER company</p> <p>from</p>  <p>DOVER</p>	<p>Port Contractors STEVEDORES - TERMINAL OPERATORS</p> <p>has been acquired by</p>  <p>ENSTRUCTURE</p>	<p>Oxbow</p> <p>Oxbow's Senior Subordinated debt issued by</p>  <p>H.J. BAKER ESTABLISHED 1880</p> <p>was refinanced by</p>  <p>BMO</p>	<p>Hertz</p> <p>has acquired</p>  <p>DONLEN</p>
<p>Standex</p> <p>has sold</p> <p>Enginetics</p> <p>to</p>  <p>Enjet AERO</p>	<p>ITT</p> <p>has sold</p> <p>BURNY KALIBURN PLASMA CUTTING INNOVATION</p> <p>and</p> <p>CNC Cleveland Motion Controls</p> <p>to</p>  <p>LINCOLN ELECTRIC</p>	<p>Honeywell</p> <p>has sold</p> <p>TENSOR</p> <p>to</p>  <p>GE Power Systems</p>	<p>TRIUMPH™</p> <p>has sold</p> <p>Triumph Processing - Embee Division</p> <p>to</p>  <p>AMP ALL METALS PROCESSING</p>	<p>TRIUMPH™</p> <p>has sold</p> <p>Triumph Air Repair, the APU Overhaul Operations of Triumph Aviation Services - Asia, and Triumph Engines businesses</p> <p>to</p>  <p>TGG THE GORES GROUP</p>	<p>Rheem</p> <p>has acquired</p>  <p>HTPG</p>	<p>GRACE</p> <p>has sold its GRACE Membranes business</p> <p>Uop a subsidiary of</p> <p>Honeywell</p>
<p>convatec - forever caring -</p> <p>has sold</p> <p>SENSI CARE</p> <p>and</p> <p>ALOE VESTA™</p> <p>to</p>  <p>MEDLINE</p>	<p>United Technologies</p> <p>has sold</p> <p>MobileView</p> <p>to</p> <p>SAFE FLEET Driving Safety Forward™</p>	<p>United Technologies</p> <p>has sold</p> <p>HTPG A division of Carrier Commercial Refrigeration, Inc.</p> <p>to</p> <p>MONOMOY CAPITAL PARTNERS and Starboard Capital Partners</p>	<p>LOCKHEED MARTIN</p> <p>has sold</p> <p>Commercial Flight Training Business</p> <p>to</p> <p>ALTEON A BOEING COMPANY</p>	<p>FLOWSERVE</p> <p>has sold</p> <p>D&B</p> <p>to</p> <p>DB DaviesBaird</p>	<p>KBR</p> <p>has acquired</p> <p>Wabi Wabi Development Corporation</p>	<p>HARRISON GYPSUM, LLC</p> <p>has been recapitalized by</p> <p>H. I. G. PRIVATE EQUITY</p>



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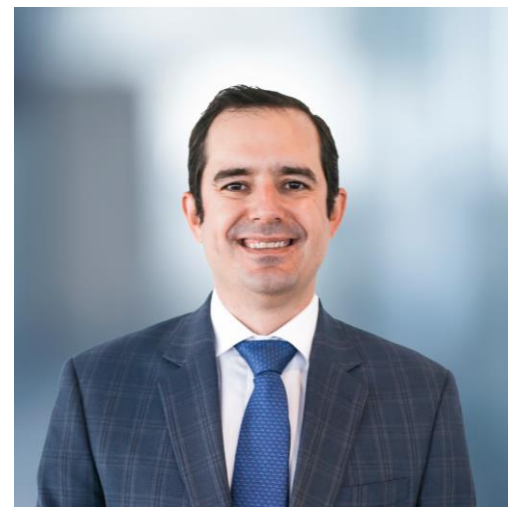


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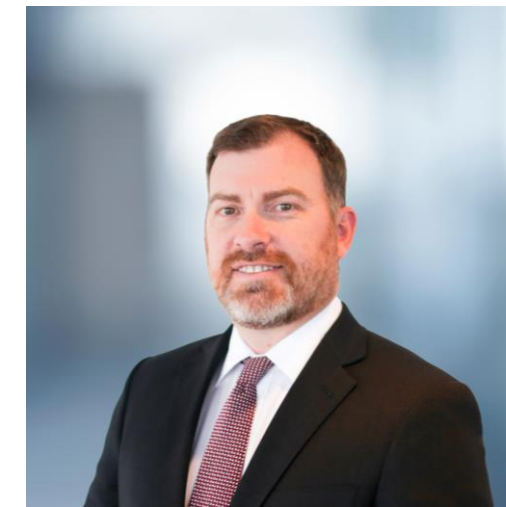


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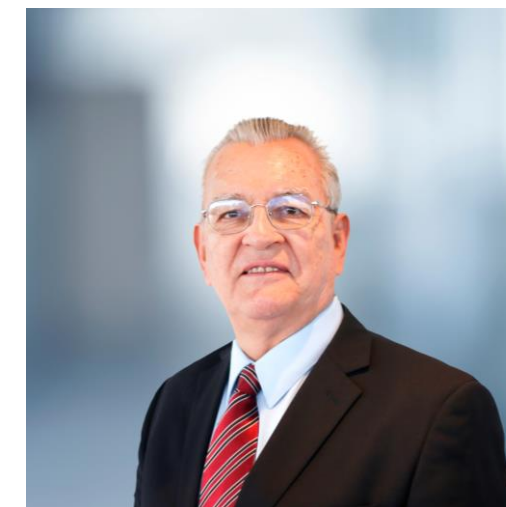


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Please contact us if you would like further information about M&A trends and/or specific transaction multiples for your industry.

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For over 25 years, Seale & Associates has served leading public and private companies from around the world and operating in a broad range of industries with a high level of quality, integrity and independence while presenting innovative ideas and trusted solutions to address their most complex dealings.

25

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EXPERIENCE

\$50B+

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GLOBALLY

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Divestitures

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Trusted Advisor to Leading Companies Worldwide

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

...as well as with reputable funds, family-offices and privately held companies.





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