



MERIDIAN CAPITAL

Industrial Automation Market Update

Q4 2025

Meridian Capital Technology Investment Banking

Meridian Capital leverages deep industry knowledge to execute complex and important transactions for middle market founder-focused clients

Meridian Capital by the Numbers

300+

transactions completed

\$1B

and less for transaction values

3

industry practice groups

30+

countries via REACH Partners

Meridian Technology Practice Areas



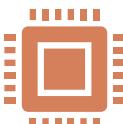
Software



Hardware / Systems



Tech-Enabled Services



Semiconductors



Internet

Representative Transactions

Industrial Software Solutions

INDUSTRIAL SOFTWARE SOLUTIONS | 

- Acquired by -



QC Data



- Acquired by -



Cimetrix*



- Acquired by -



OSI*



- Acquired by -



Silicon Mechanics



- Acquired by -



MTM



- Acquired by -



AMI



- Acquired by -



LocalTel



- Acquired by -



Patrick Ringland
President & Managing Director
15+ years experience



Matt Rechtin
Managing Director
15+ years experience



Tim Johnson
Vice President
6+ years experience



Kendell Jensen
Associate
3+ years experience

Notes: *Includes transactions completed by current employees while at previous firms



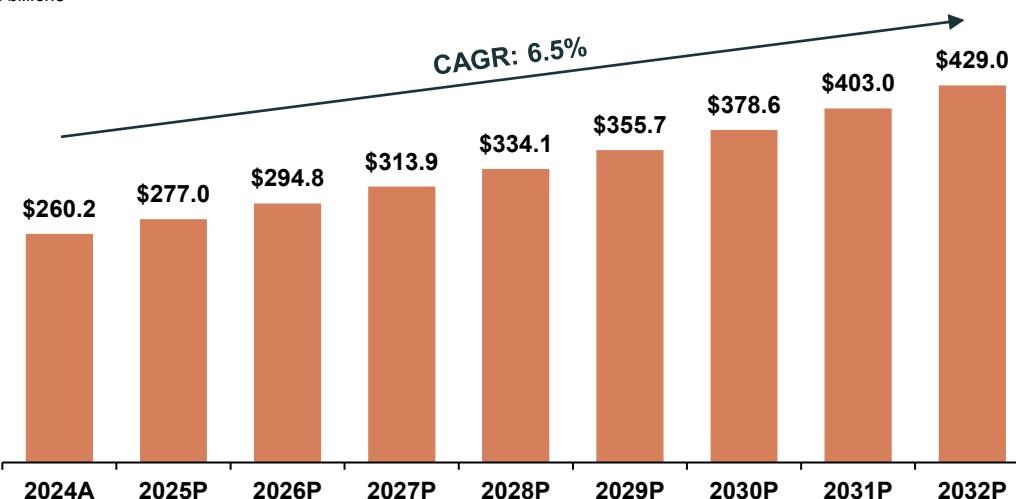
Industrial Automation Market Update

Industrial Automation Industry Overview & Trends¹

- Investors are prioritizing automation platforms as buyers seek flexible, data-driven manufacturing solutions and industry consolidation opportunities, as evidenced by Emerson's acquisition of Aspen Technology in February 2025
- Industry 4.0 technologies such as IoT, cloud systems, and big data analytics are driving consistent interest from financial and strategic buyers as they centralize industrial automation workflows
- Investment activity has shifted toward hardware and control systems driven by macro fundamentals like rising electricity needs, while workflow software investment has remained relatively flat
- Adoption of modular systems, edge computing, and AI-driven automation is accelerating, boosting the speed and efficiency of industrial automation

Global Industrial Automation Market Size²

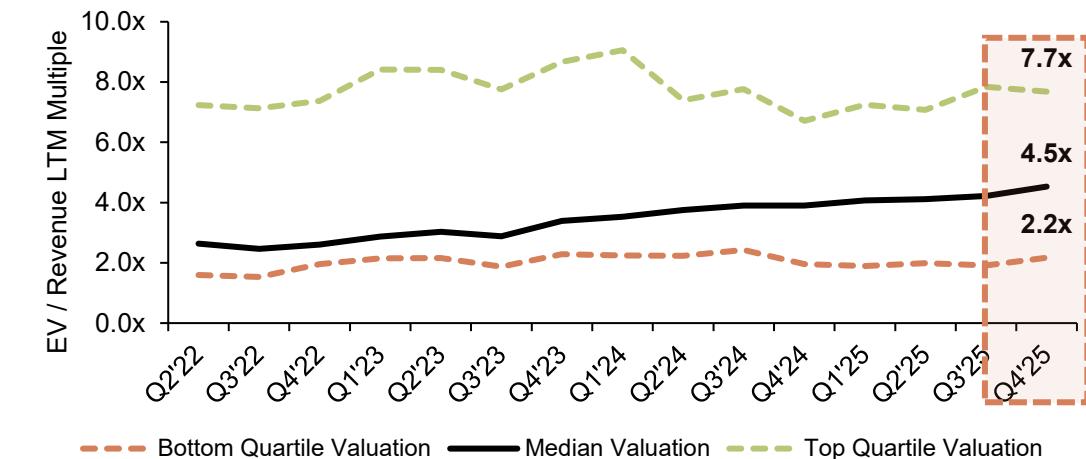
\$ in billions



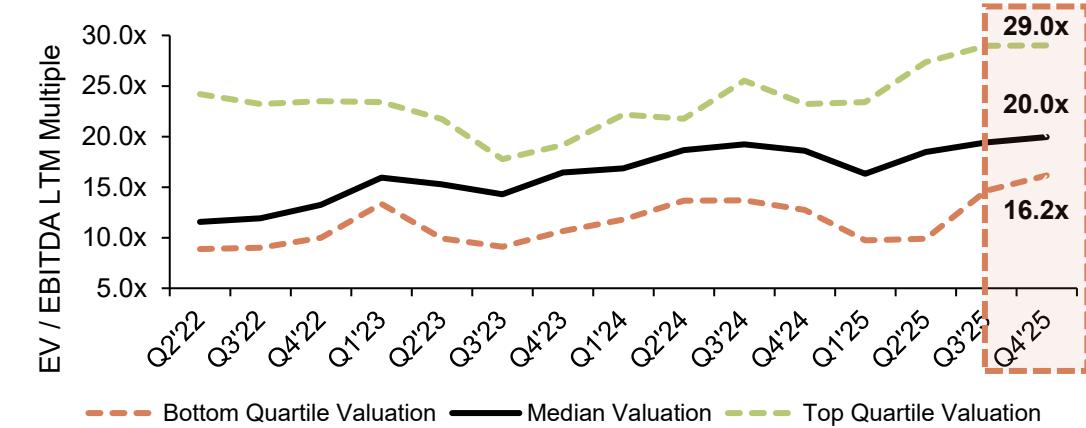
Source: (1) Autodesk – Trends in Industrial Automation 2025, (2) Kings Research, (3) Pitchbook as of 10/31/2025

Industrial Automation – Public Company Valuation Multiples³

EV / LTM Revenue Multiple



EV / LTM EBITDA Multiple



Industrial Automation Technology M&A Trends

Recent Industrial Automation M&A Transactions and Activity

| Date | Target | Acquirer(s) | Target Description | Enterprise Value (\$M) | Enterprise Revenue | Enterprise EBITDA |
|--------|---------------------------------|--------------------------------------|---|------------------------|--------------------|-------------------|
| Oct-25 | IAR Systems | QT Group (HEL: QT) | Developer of embedded software tools for industrial automation, IoT, and electronic systems | \$244 | 5.3x | 17.8x |
| Oct-25 | Veeco Instruments | Axcelis Technologies (NAS: ACLS) | Manufacturer of thin-film process equipment for industrial automation and semiconductor applications | \$4,845 | 6.9x | 63.5x |
| Sep-25 | Proficy | TPG (NAS: TPG) | Developer of artificial intelligence-based software catering to the needs of industrial and manufacturing sectors | \$600 | nd | nd |
| Sep-25 | Rapid Robotics | RobCo | Developer of industrial automation software and hardware designed to deploy robotic arms in the factory | nd | nd | nd |
| Sep-25 | Heitek Automation | SunSource (Clayton, Dubilier & Rice) | Developer of an industrial automation platform designed to improve machine performance and streamline operational workflows | nd | nd | nd |
| Jul-25 | ONExia | Doosan Robotics (KRX: 454910) | Distributor of custom machine building and robotics integrator products for manufacturing process automation | \$29 | nd | nd |
| Jun-25 | ENGloba | Gulf Island Fabrication (NAS: GIFI) | Developer of industrial automation and engineering systems serving energy, government, and education sectors | nd | nd | nd |
| May-25 | Ifm Electronic | Kohlberg Kravis Roberts (NYS: KKR) | Manufacturer of sensors and controllers designed for industrial automation | nd | nd | nd |
| Feb-25 | Vector Technics | Zen Technologies (BOM: 533339) | Manufacturer of electric propulsion and motion systems for robotics and industrial automation | \$564 | nd | nd |
| Feb-25 | Aspen Technology | Emerson Electric (NYS: EMR) | Developer of industrial automation software optimizing engineering, manufacturing, and asset performance | \$16,800 | nd | nd |
| Jan-25 | End 2 End Technologies | Ceragon Networks (NAS: CRNT) | Manufacturer of industrial automation connectivity systems enabling efficient wireless communication and IIoT integration | \$13 | nd | nd |
| Jan-25 | Industrial Software Solutions | ECCOL Electric (Wesco) | Provider of software solutions catering to industrial verticals | Confidential | | |
| Jul-24 | Hollsys Automation Technologies | Ascendent Capital Partners | Provider of industrial automation solutions offering proprietary software, mechanical, and electrical solutions | \$1,216 | 1.5x | 14.4x |
| May-24 | Vitronic Machine Vision | PPF Group | Manufacturer of image processing and machine vision systems designed for industrial automation, logistics, and traffic technology | \$142 | 0.5x | 7.5x |
| May-23 | M2I Corporation (KRX: 347890) | K-Bridge Ventures | Provider of manufacturing and export of HMI systems for industrial automation applications | \$140 | 4.7x | 17.5x |
| | | | | Mean | \$2,384 | 4.8x |
| | | | | Median | \$244 | 3.8x |
| | | | | | | 17.5x |

* Meridian Capital Client

Select Industrial Automation Investors

* Acquisitions since 2020



9+ Acquisitions



9+ Acquisitions



7+ Acquisitions



5+ Acquisitions



8+ Acquisitions



7+ Acquisitions



6+ Acquisitions



7+ Acquisitions



5+ Acquisitions

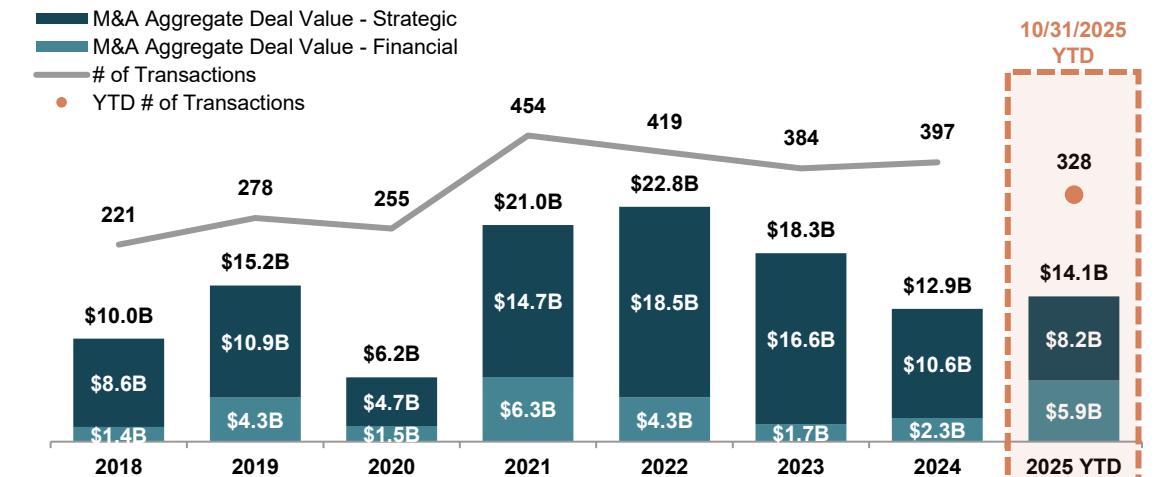


4+ Acquisitions



4+ Acquisitions

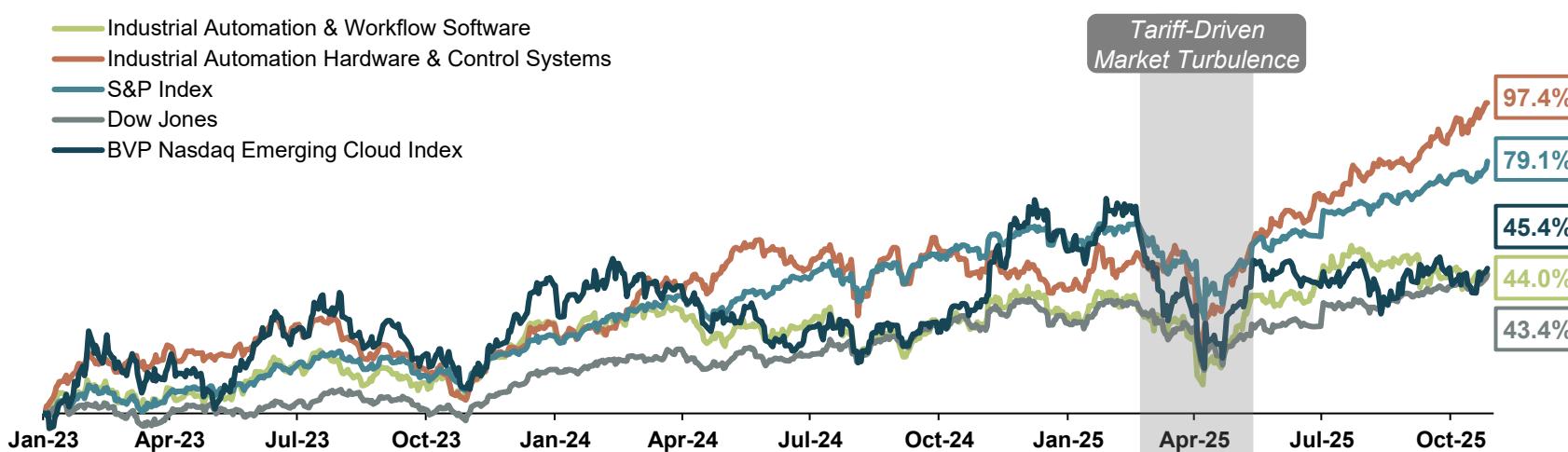
Global Industrial Automation M&A Activity



Source: Pitchbook as of 10/31/2025

Recent Industrial Automation Public Market Performance

Public Market Index Performance, % Change since Jan-23



Select Market Trends

- While tariffs and broader economic uncertainty have created headwinds, the industrial automation market has remained resilient, with hardware in particular outperforming major market indices since 2023
- Industrial automation software index performance has slowed amid slower capital spending and post-pandemic normalization, though long-term digitalization and AI trends continue to support the sector
- A worldwide push for electrification and sustainability is transforming industrial automation and control systems markets. As decarbonization and automation accelerate across aviation, manufacturing, and infrastructure, companies like GE, ABB, and Mitsubishi Electric have experienced rapid growth over the past year
- Investors remain optimistic about the industrial automation market as broader equities strengthen, and confidence builds around AI-driven efficiency gains and the global shift automation centralization

Industrial Automation & Workflow Software



Industrial Automation Hardware & Control Systems



BVP Emerging Cloud Index

Tracks emerging public companies primarily providing innovative and scalable cloud software

S&P 500 Index

Dow Jones

Representative Industrial Automation Landscape

The industrial automation market connects industrial hardware and software solutions to serve diverse end-market applications

Technology Providers

HMI & Diversified



Industrial Robot



Industrial Sensors



Industrial Machine Vision



Industrial 3D Printing



Industrial PC



Software / Solution Providers

Manufacturing Execution Systems



Engineering Design & Simulation



Warehouse Management Systems



Industrial Cybersecurity Providers



Industrial IoT & Backend



End-Market Applications



Aerospace

AIRBUS

BOEING

LOCKHEED MARTIN



Automotive

Ford

gm

TOYOTA



Chemicals

BASF

DOW

DUPONT



Energy & Power

enel

IBERDROLA



Food & Beverages

Nestle

PEPSICO

Unilever



Oil & Gas

bp

Exxon

Shell

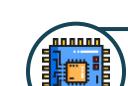


Pharmaceuticals

Johnson&Johnson

Pfizer

Roche



Semiconductors & Electronics

NVIDIA

Qualcomm

SAMSUNG



Industrial Automation – Publicly Traded Comparables

| (\$ in millions, except for share data) | As of Oct 31, 2025 | | | | EV / Revenue | | EV / EBITDA | | Revenue Growth | | 2025E | | |
|---|--|-------------|------------|------------------|------------------|----------|-------------|----------|----------------|----------|----------------|----------------|----------|
| | Company Name | Share Price | LTM Change | Market Cap | Enterprise Value | CY 2024E | CY 2025E | CY 2024E | CY 2025E | CY 2024E | CY 2025E | Gross Margin % | EBITDA % |
| | Industrial Automation & Workflow Software | | | | | | | | | | | | |
| Siemens | | \$286.57 | 45.0% | \$224,367 | \$266,814 | 3.2x | 2.9x | 18.5x | 16.8x | 0.1% | 10.2% | 37.6% | 17.5% |
| Honeywell | | \$200.11 | 1.5% | \$135,161 | \$151,697 | 4.0x | 3.7x | 15.1x | 14.6x | 4.4% | 6.6% | 37.6% | 25.4% |
| Synopsys | | \$442.93 | (14.6%) | \$84,579 | \$94,820 | 15.7x | 11.8x | 37.2x | 36.3x | 13.6% | 32.6% | 73.6% | 32.6% |
| Emerson Electric | | \$136.82 | 26.1% | \$76,783 | \$89,668 | 5.1x | 4.9x | 19.1x | 17.6x | 10.2% | 4.6% | 51.0% | 27.7% |
| Autodesk | | \$300.77 | 5.0% | \$63,278 | \$64,562 | 10.5x | 9.1x | 31.3x | 28.3x | 14.6% | 15.4% | 90.2% | 32.2% |
| Rockwell Automation | | \$365.66 | 36.1% | \$41,393 | \$44,658 | 5.6x | 5.3x | 26.7x | 26.5x | (12.0%) | 4.6% | 39.9% | 20.1% |
| Dassault Systemes | | \$28.48 | (18.5%) | \$38,288 | \$35,943 | 5.6x | 4.9x | 15.5x | 14.0x | 0.5% | 13.6% | 83.4% | 34.9% |
| PTC | | \$197.38 | 6.7% | \$23,702 | \$24,857 | 10.9x | 9.3x | 28.1x | 21.0x | 4.6% | 16.9% | 78.9% | 44.3% |
| Mean | | \$244.84 | 10.9% | \$85,944 | \$96,627 | 7.6x | 6.5x | 23.9x | 21.9x | 4.5% | 13.1% | 61.5% | 29.4% |
| Median | | \$243.34 | 5.8% | \$70,030 | \$77,115 | 5.6x | 5.1x | 22.9x | 19.3x | 4.5% | 11.9% | 62.3% | 30.0% |
| (\$ in millions, except for share data) | | | | | | | | | | | | | |
| As of Oct 31, 2025 | | | | | | | | | | | | | |
| Company Name | As of Oct 31, 2025 | | | | EV / Revenue | | EV / EBITDA | | Revenue Growth | | 2025E | | |
| | Share Price | LTM Change | Market Cap | Enterprise Value | CY 2024E | CY 2025E | CY 2024E | CY 2025E | CY 2024E | CY 2025E | Gross Margin % | EBITDA % | |
| | Industrial Automation Hardware & Control Systems | | | | | | | | | | | | |
| GE Aerospace | | \$310.75 | 81.0% | \$331,507 | \$335,321 | 9.7x | 8.1x | 41.1x | 33.3x | (1.7%) | 19.6% | NA | 24.3% |
| Schneider Electric (Electrical Equipment) | | \$288.89 | 10.6% | \$167,963 | \$183,447 | 4.4x | 3.9x | 22.6x | 18.8x | 6.3% | 12.9% | 40.5% | 21.0% |
| Texas Instruments | | \$160.51 | (21.7%) | \$145,616 | \$154,703 | 10.0x | 8.7x | 21.8x | 19.3x | (11.5%) | 14.2% | 56.4% | 45.3% |
| ABB (Distributors/Wholesale) | | \$74.94 | 33.7% | \$136,799 | \$139,817 | 4.3x | 4.0x | 21.7x | 19.2x | 1.3% | 7.0% | 35.2% | 20.8% |
| TE Connectivity | | \$243.45 | 62.3% | \$70,918 | \$76,294 | 4.8x | 4.3x | 20.1x | 18.1x | (0.9%) | 11.7% | NA | 23.7% |
| Mitsubishi Electric | | \$27.54 | 53.5% | \$56,482 | \$53,540 | 1.5x | 1.5x | 15.1x | 12.3x | (6.4%) | 3.6% | NA | 12.1% |
| Fanuc | | \$31.83 | 19.6% | \$29,699 | \$25,592 | 5.0x | 4.7x | 21.0x | 17.8x | (12.3%) | 6.7% | 39.6% | 26.6% |
| STMicroelectronics | | \$24.81 | (8.3%) | \$22,692 | \$19,728 | 1.5x | 1.7x | 5.8x | 8.2x | (23.4%) | -11.3% | 42.9% | 20.5% |
| Yaskawa Electric | | \$27.51 | (4.5%) | \$7,133 | \$7,572 | 2.1x | 2.1x | 13.3x | 15.3x | (12.9%) | 0.8% | 38.7% | 13.7% |
| Yokogawa Electric | | \$29.71 | 33.6% | \$7,565 | \$6,716 | 1.8x | 1.7x | NA | NA | (1.6%) | 6.6% | 45.7% | NA |
| Dürr | | \$23.26 | (0.0%) | \$1,629 | \$2,002 | 0.4x | 0.4x | 4.8x | 5.9x | 12.5% | -3.0% | 24.4% | 6.9% |
| Mean | | \$113.02 | 23.6% | \$88,909 | \$91,339 | 4.1x | 3.7x | 18.7x | 16.8x | (4.6%) | 6.2% | 40.4% | 21.5% |
| Median | | \$31.83 | 19.6% | \$56,482 | \$53,540 | 4.3x | 3.9x | 20.6x | 18.0x | (1.7%) | 6.7% | 40.1% | 20.9% |

Source: Pitchbook as of 10/31/2025

Thank you

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