Industrial Automation

Market Research 2025

Now, for tomorrow

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Contents

Intro

- **Feed summary**
- **Scope and definition**
- **Size and growth**
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Feed summary
Industrial Automation

This studio covers **Industrial Automation** sector and has been made by Baker Tilly. The goal od this study is to provide a general overview of the market.

All the data about companies, acquisitions and founding rounds was extracted **in May 2025**. Deals, rounds and companies founded after this date have not been included.
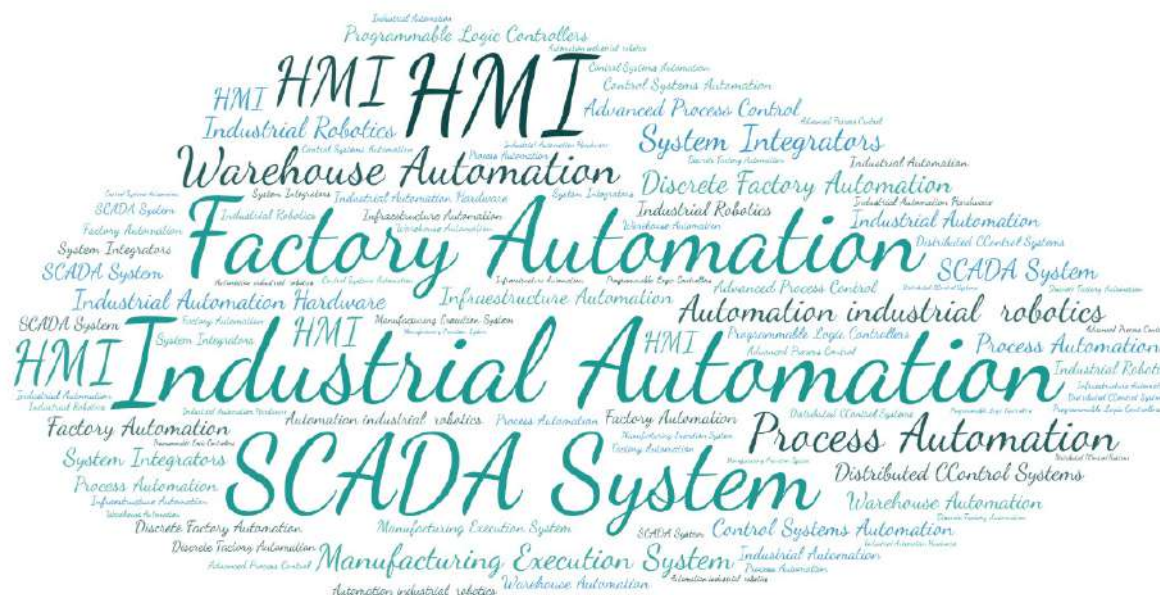
Feed summary
Industrial Automation

1	**2**	**3**
Lower costs	**Better** safety	**High** flexibility

4	**5**
Improved quality	**Higher** efficiency and productivity

Scope and definition
General Overview

Industrial Automation refers to the use of control systems such as:

- COMPUTERS
- ROBOTS
- INFORMATION TECHNOLOGIES

to manage industrial processes and machinery with minimal human intervention. Its main goals are to increase efficiency, precision, safety, and scalability while reducing operational costs and manual labor.

Industrial automation transforms traditional manufacturing into smart factories, improving production consistency, ensuring quality, and enabling companies to adapt quickly to changes in demand, which is essential for competitiveness and growth.

TOP COMPANIES

ABB
Founded in 1988

Siemens
Founded in 1847

Schneider
Founded in 1836

Scope and definition
General Overview

Industrial Automation acts as a connective tissue across the broader industrial and retail value chains:

It enhances:

- upstream productivity (e.g., in raw material processing and component manufacturing)
- ensures midstream consistency
- enables downstream responsiveness

Automation also supports inventory optimization, logistics orchestration, and data-driven retail forecasting, bridging the gap between production and end-consumer needs.

Its integration with ERP systems, digital twins, and supply chain platforms enables real-time transparency and agile operations, especially vital in just-in-time (JIT) and omnichannel environments.

Main segments:

Process Automation

Factory Automation

Warehouse Automation

Market growth
Robust Growth Trajectory Through 2030

The global industrial automation market **is witnessing strong and sustained growth** driven primarily by rising demand for operational efficiency, smart manufacturing technologies, and digital transformation across various industrial sectors.

- Straits Research estimates the market at USD **192.02 billion in 2024**, growing to USD **209.49 billion in 2025 and reaching USD 420.49 billion by 2033, with a CAGR of 9.1%.**

- Coherent Market Insights forecasts USD **238.13 billion in 2025**, growing to USD **449.77 billion by 2032, reflecting a CAGR of 9.5% between 2025 and 2032.**

- Research and Markets provides the highest 2024 valuation at **USD 255.88 billion, projecting growth to USD 399.12 billion by 2029, with a CAGR of 9.3%.**

- Grand View Research highlights the industrial automation and control systems segment alone reaching USD **206.33 billion by 2024, with an impressive CAGR of 10.8% from 2025 to 2030.**

MARKET FORECAST BY DIFFERENT REPORTS		
Reports	**CAGR**	**Market Value**
Granv View Research	10,8%	206,33 billion USD (2024)
Straits	9,1%	209,49 billion USD (2024)
Coherent Market Insight	9,5%	238,13 billion USD (2025)
Research and Markets	9,3%	255,88 billion USD (2025)

Market growth
Robust Growth Trajectory Through 2030

Average Market Forecast — CAGR +9,1%-10,8%
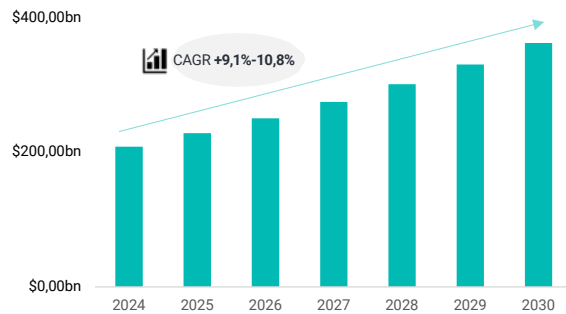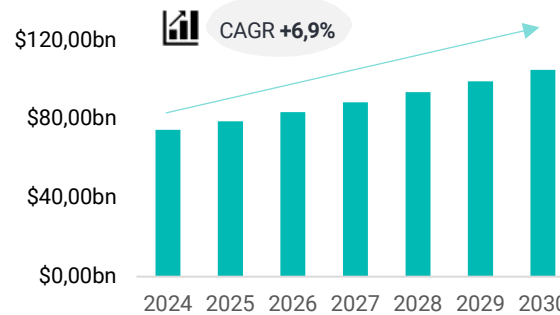
Process Automation — CAGR +6,9%

Warehouse Automation — CAGR +18,7%
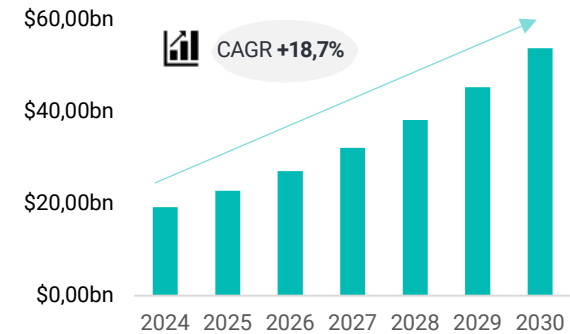
Geography
Regional Analysis

INDUSTRIAL AUTOMATION REGIONAL MARKET FORECAST

Europe

- While specific figures vary, Europe remains a significant player in the industrial automation sector.

- The Europe Industrial Automation Market is projected to reach $103.64 billion by 2032, at a CAGR of 8.5% from 2025 to 2032.

- 41 per cent of manufacturing processes in Europe are currently automated.

North America

- Projected to reach over USD 140.62 billion by 2031, up from USD 68.35 billion in 2023. Approximately 9.6% from 2024 to 2031.

- The main key driver is the Strong manufacturing base, early adoption of advanced technologies, and significant investments in automation to enhance productivity.

Latin America

- Specific figures are limited, but the region is experiencing growth in industrial automation.

- It expects the market to reach USD 34.77 billion by 2023, exhibiting a growth rate (CAGR) of 9.50% during 2025-2033.

Geography
Regional Analysis

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INDUSTRIAL AUTOMATION REGIONAL MARKET FORECAST

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⚙ Asia

- Estimated at USD 81.19 billion in 2024, projected to reach USD 224.86 billion by 2034.

- Approximately 9.45% from 2025 to 2034.

- Rapid industrialization, adoption of smart manufacturing technologies, and government initiatives like China's "Made in China 2025" and Japan's "Society 5.0".

⚙ Middle East and Africa

- Data is limited; however, the region is gradually adopting industrial automation technologies.

- Economic diversification efforts, particularly in Gulf countries, and investments in infrastructure and manufacturing.

- Countries are focusing on developing smart cities and industrial zones, incorporating automation to enhance productivitiy and sustainability.

Robots installed per 10,000 employees — Rep. of Korea, Singapore, China, Germany, Japan, Sweden, Denmark, Slovenia, Switzerland, US, Chinese Taipei, Netherlands, Austria, Italy, Canada
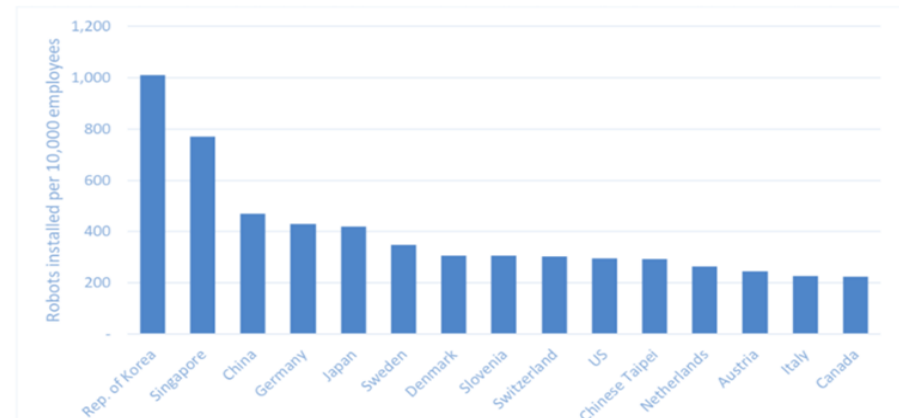
Geography
Industrial Automation in Spain

The industrial automation market in Spain is steadily expanding, driven by the need for operational efficiency, digital transformation, and adoption of advanced technologies such as robotics, AI, and smart manufacturing systems.

- Spain Industrial Process size wad valued at USD 1.08 billion in 2023, and is predicted to reach USD 1.62 billion by 2030, at a CAGR of 5.3% from 2024 to 2030.

- The number of industrial robots (using of robots in production environments or factories to automate tasks) installed during 2024 reached 5,160 units. This figure represents an increase of 2.1% over the previous year and marks the secon-best historical record, only behind 2018.

Spanish Industrial Process Automation

CAGR: 5.3%
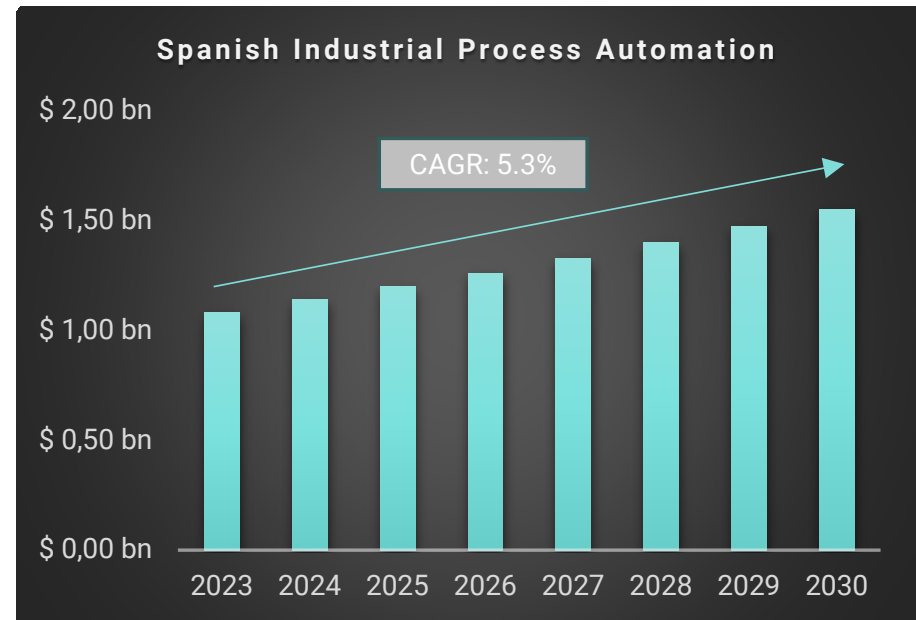
Geography
Industrial Automation in Spain

The 500 new industrial robots have been dedicated to the following sectors: Automotive, Metal, Food and Beverage and electrical & Electronics.

Spain Industrial Process Automation Market Segments
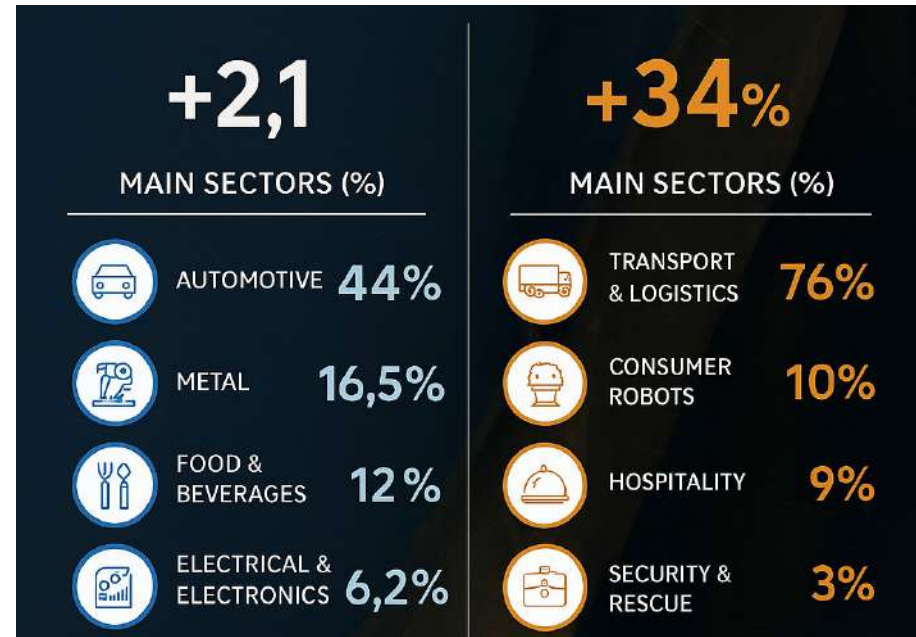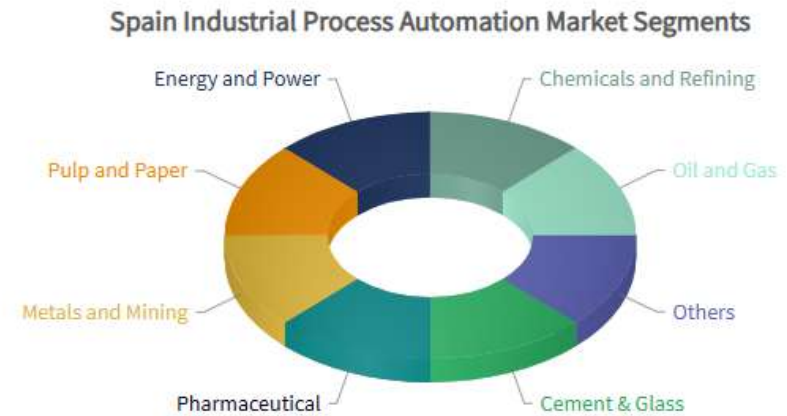
Key drivers
Key Growth Drivers of the Industrial Automation Market

MAIN GROWTH DRIVERS OF INDUSTRIAL AUTOMATION MARKET				
Labor Productivity & Cost Reduction	**Digital Transformation (Industry 4.0)**	**Worker Safety & Risk Reduction**	**Government Policies & Investment Incentives**	**Quality Control, Standardization & Compliance**
• Industrial automation reduces dependency on human labor, which is particularly relevant in developed economies facing aging populations and labor shortages. It also improves cost predictability and reduces exposure to wage inflation.	• The digitalization of manufacturing is more than automation - it includes real-time data connectivity, and intelligence built into systems.	• Industrial environments pose hazards-automation reduces human exposure to repetitive, heavy, or dangerous tasks.	• Public-sector support accelerates technology adoption, especially in capital-intensive industries where ROI takes time.	• Precision and reliability are mandatory in industries like pharmaceuticals, aerospace, and food & beverage. Automation ensures consistency and traceability.
• Automated systems operate 24/7 without fatigue or variation.	• Use of sensors, PLCs, and cloud platforms enable real-time visibility and control over operations.	• Autonomous systems take over high-risk operations.	• National and EU funding is subsidizing automation upgrades.	• Automated inspection systems can detect microdefects far beyond human capability.
• Companies in Europe and North America are investing heavily in robotics to offset shrinking workforces.	• AI and machine learning enhance predictive maintenance, anomaly detection, and adaptive process optimization.	• Robots reduce the risk of injury in manual assembly without full automation.	• Tax credits and grants make automation investments viable for SMEs, not just large enterprises.	• Standardized workflows reduce variability in high-volume production.
• In emerging markets, automation is increasingly seen not just as a cost-cutter but as a tool for global competitiveness.	• Integration with ERP/MES systems connects the shop floor to the decision-making layer.	• Safety interlocks, emergency shutoffs, and real-time monitoring systems prevent accidents.	• Digital transformation is being pushed as a strategic national objective.	• Audit trails and batch-level data logging simplify regulatory compliance.

Key trends

Key Trends Shaping the Future of Industrial Automation

Leading public companies and investor-backed platforms are actively acquiring specialized technologies to optimize their processes and strengthen both their market position and range of services.

Integration of Artificial Intelligence (AI)	Cloud and Edge Automation Platforms	Digital Twin Technology	Industrial Cybersecurity as a Priority	Industrial IoT Adoption
AI is no longer experimental in automation - it's becoming core to decision-making, prediction, and self-optimization. The **key areas of application** could be: • **Predictive Maintenance** • **Visual Inspection** • **Autonomous Optimization**	Manufacturers are moving from siloed on-premise systems to connected platforms using cloud computing and edge processing. • Cloud enables centralized monitoring, analytics, and fleet-wide optimization. • Edge computing allows real-time data processing on-site with minimal latency.	Digital twins replicate physical assets (machines, lines, factories) in virtual space to simulate, test, and optimize performance. • Reduces cost and risk of new process deployment. • Enables predictive modeling and root-cause analysis. • Enhances operator training and virtual commissioning.	As automation systems become more connected, **cybersecurity** is now a core concern. • Industrial systems are frequent targets of ransomware and state-sponsored attacks. • Securing PLCs, SCADA, HMIs, and sensors requires specialized protocols. • Cyber incidents can halt production, damage equipment, or leak IP.	The IoT represents a fundamental shift in how industrial operations are managed, creating interconnected ecosystems that generate and utilize data for optimization.

Siemens and ABB deploy digital twins across European manufacturing to reduce commissioning time by 20-40%.

Segmentation

- **Subsegment**
- **Segmentation type**
- **Taxonomy**

Segmentation

Taxonomy Industrial Goods and Manufacturing

MANUFACTURING SERVICES

Heat Treatment Services

Certificate Testing

Industrial Processing

Maintenance and Repair

Automation Services

Product Design Services

Consulting

Diversified

INDUSTRIAL AUTO-MATION EQUIPMENT

Horizontal

Mechanical Systems

Electrical Systems

Fluid Power Systems

Electronic Systems

Actuators and Valves

Flow Meters

Grippers and Clamps

INDUSTRIAL AIR CONDITIONING SYSTEMS

Manufacturers

Distributors

INDUSTRIAL SAFETY

Hardware

Software

Distributors

INDUSTRIAL GOODS AND MANUFACTURING

Manufacturing Services

Industrial Automation Equipment

Industrial Air Conditioning Systems

Manufacturing Tech

Industrial Safety

Packaging Tech

Packaging Machinery

Industry 4.0

MANUFACTURING TECH

Product Design & Development

Manufacturing Execution System

Workforce Management

Process Control

Enterprise Asset Management

EHS & Sustainability

Model-based Systems Engineering

Modular Production Software

Surface Treatment Process

Lubrication Systems

Smart Drill

On Demand Manufacturing

Industrial Equipment Rental

Contact Manufacturer Marketplace

Freelancer Marketplace

PACKAGING MACHINERY

Horizontal

Primary Packaging

Secondary Packaging

Packaging Manufacturing

Package Testing

Industry Specific

Distributors

Online Marketplaces

MANUFACTURING TECH

Sustainable Packaging

Packaging Software

Labelling Software

Smart Packaging

Smart Package Inspection

Packaging Manufacturers

Online Retailers

On Demand Packaging Machines

Robotic Packaging

Co Packager Discovery

Segmentation
Segmentation types (1)

| PROCESS AUTOMATION | | | INDUSTRIAL AUTOMATION | | WAREHOUSE AUTOMATION | | |

PROCESS AUTOMATION

By solution

Programmable Logic Controllers (PLC)

Supervisory Control and Data Acquisition (SCADA)

Distributed Control Systems (DCS)

Human Machine Interface (HMI)

Advanced Process Control (APC)

Manufacturing Execution Systems (MES)

Safety Instrumented Systems (SIS)

By End Use

Automotive

Chemical

Energy & Utilities

Food & Beverage

Metals & Mining

Oil & Gas

Pharmaceutical

Food & Pulp & Paper

Others

By instrument type

Field Instruments

Control Valves & Analyzers

INDUSTRIAL AUTOMATION

FACTORY AUTOMATION

By End Use

Automotive

Manufacturing

Packaging & Processing

Energy & Power

Semiconductor & Electronics

Printing & Converting

Others

By Type

Fixed Automation

Programmable Automation

Flexible Automation

Integrated Automation

WAREHOUSE AUTOMATION

By component

Hardware

Software

Services

By Automation Level

Basic Automation

Intermediate Automation

Advanced Automation

Autonomous Warehouse

By Application

Retail & E-commerce

Healthcare

Automotive

Aerospace & Defense

Electronics & Semiconductors

Others

Segmentation
Segmentation types (1)

Hardware

- Autonomous Robots (Agv, Amr)
- Automated Storage and Retrieval Systems (As / Rs)
- Automated Sorting Systems
- De-Palletizing / Palletizing Systems
- Conveyor Systems
- Automatic Identification And Data Collection (Aidc)

Software

- Warehouse Management System (WMS)
- Warehouse Execution Systems (WES)
- Labor Management Systems (LMS)

Services

- Analytics and Reporting Tools
- Consulting, Training & Education
- Installation and Integration
- Maintenance and support

Segmentation
Segmentation types (2)

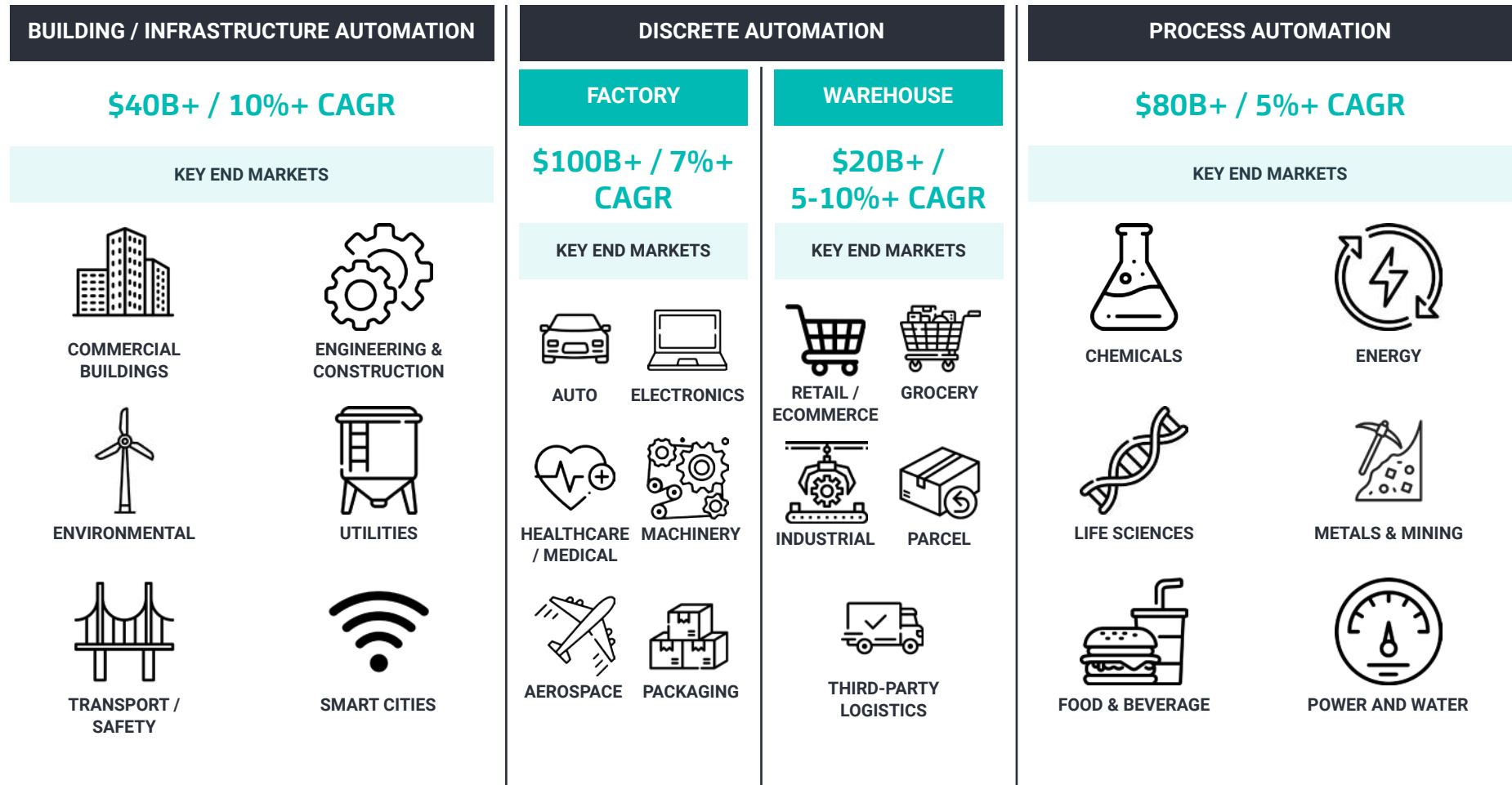| BY COMPONENT	BY BUSINESS SIZE	BY MARKET DEMAND
HMI	DCS	Aerospace & Defense
Industrial Robots	PLC	Automotive
Control Valves	SCADA	Chemical
Sensors	Ohers	Energy & Utilities
Others		Food and Beverage
		Healthcare
		Manufacturing
		Mining & Metal
		Oil & Gas
		Transportation
		Others

Segmentation
Segmentation types (3)

BY TECHNOLOGY PROVIDERS	BY SOFTWARE / SOLUTION PROVIDERS	BY END-MARKET APPLICATION
HMI & Diversified	Manufacturing Execution Systems	Aerospace
Industrial Robots	Engineering Design & Simulation	Automotive
Industrial Sensors	Warehouse Management System	Chemical
Industrial Machine Vision	Industrial Cybersecurity Providers	Energy & Power
Industrial PC	Industrial IoT & Backend	Food and Beverage
Industrial 3D Printing		Oil & Gas
		Pharmaceutical
		Semiconductors & Electronics

Segmentation
Segmentation types (4)

BUILDING / INFRASTRUCTURE AUTOMATION

$40B+ / 10%+ CAGR

KEY END MARKETS

COMMERCIAL BUILDINGS	ENGINEERING & CONSTRUCTION
ENVIRONMENTAL	UTILITIES
TRANSPORT / SAFETY	SMART CITIES

DISCRETE AUTOMATION	
FACTORY	WAREHOUSE

$100B+ / 7%+ CAGR	**$20B+ / 5-10%+ CAGR**
KEY END MARKETS	KEY END MARKETS

AUTO	ELECTRONICS	RETAIL / ECOMMERCE	GROCERY
HEALTHCARE / MEDICAL	MACHINERY	INDUSTRIAL	PARCEL
AEROSPACE	PACKAGING	THIRD-PARTY LOGISTICS	

PROCESS AUTOMATION

$80B+ / 5%+ CAGR

KEY END MARKETS

CHEMICALS	ENERGY
LIFE SCIENCES	METALS & MINING
FOOD & BEVERAGE	POWER AND WATER

Segmentation
Segmentation type (5)

PROCESS AUTOMATION	Focuses on continuous production industries. Uses sensors, control systems, and analytics to optimize entire processes.
FACTORY AUTOMATION	Applies to discrete manufacturing (piece-by-piece assembly). Involves robotics, PLCs, machine vision for tasks like welding, assembly, inspection.
BUILDING AUTOMATION	Integrates control of HVAC, lighting, security, and energy in commercial and industrial buildings.
INDUSTRIAL ROBOTICS	Deployment of robotic arms or mobile units for repetitive, dangerous, or precision-intensive tasks.
CONTROL SYSTEMS	Includes PLCs, RTUs, and DCS for automation control and monitoring.
MOTION CONTROL & DRIVES	Automation of movement via servos, motors, and precision drives.
INDUSTRIAL SOFTWARE & SCADA	Visualization, data acquisition, and operations management software.
LOGISTICS & WAREHOUSE AUTOMATION	Automation of warehouse and material handling operations.

Segmentation

Segmentation type (6)

According to the Motor Analysis: there exist two main types of motors used in Automation the alternating current and direct current, the first one being the only one that can change the direction of the electric flow during the process, each of them having different advantages.

BASED ON COMPONENT ANALYSIS		BASED ON MOTOR ANALYSIS	
SOFTWARE	**HARDWARE**	**AC (ALTERNATING CURRENT)**	**DC (DIRECT CURRENT)**
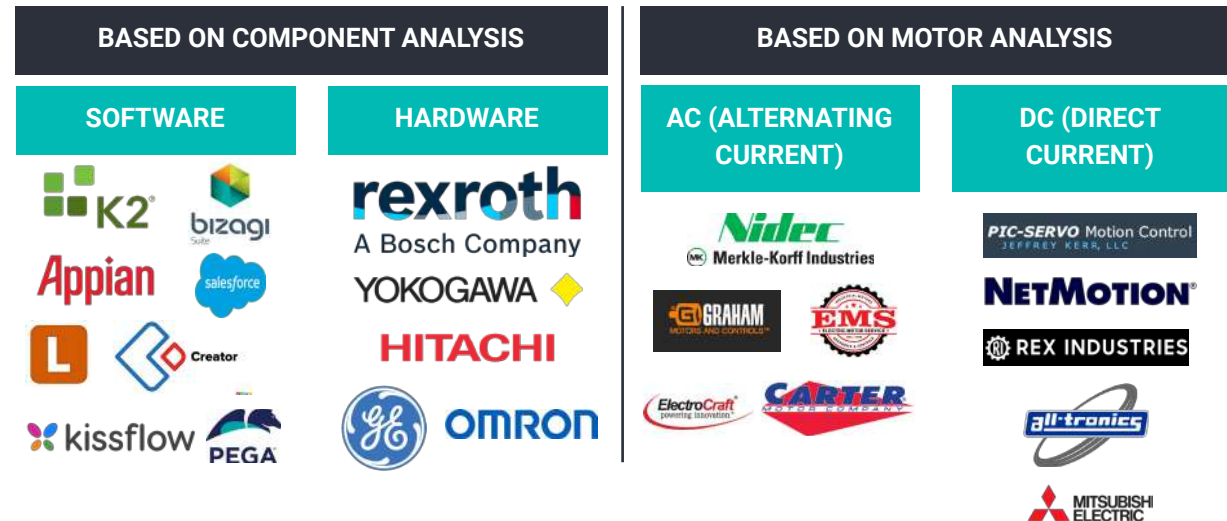
Segmentation
Segmentation type (6)

According to the Service Industry Analysis: Discrete automation is the production of parts that are of a quantifiable nature, i.e. at the end of the process the product can be counted. And Process Automation is the And the Process Automation encompasses a larger industrial operation.

BASED ON SERVICE INDUSTRY ANALYSIS	
DISCRETE AUTOMATION	PROCESS AUTOMATION
SIEMENS	Honeywell
Rockwell Automation	COGNEX
ABB	APPLIED MATERIALS
invensys	EMERSON
Schneider Electric	TATA

5Fs Porter

- Market
- Suppliers
- Competitors
- Complementary products
- Substitute products

Market
User Categories

END USERS

Manufacturing Plants	Process Industries	Logistics & Warehouses	OEMs & Machine Builders	Utilities & Infraestructure	Small & Medium Enterprises
Large-scale production lines requiring automation for efficiency and quality control.	Continuous flow-based operations needing DCS, sensors, and analytics.	Facilities looking to optimize internal transport, picking, and inventory.	Businesses that integrate automation into equipment or offer turnkey solutions.	Automation of critical, infrastructure for efficiency, uptime, and safety.	Often with limited budgets but growing demand for compact, modular, or cloud-based automation.

Industrial Automation and Control System Market
Share, by Control System, 2024

DCS · SCADA · PLC · Others

Industrial Automation
Share, by Industry (Discrete Automation), 2021

Automotive · Electronics · Heavy Manufacturing · Packaging · Others
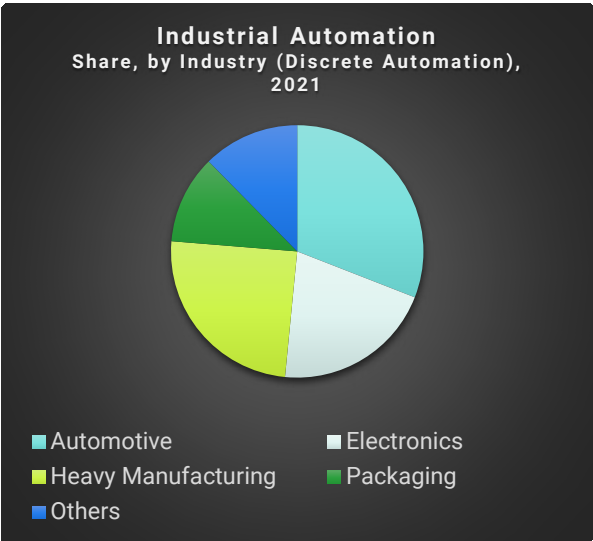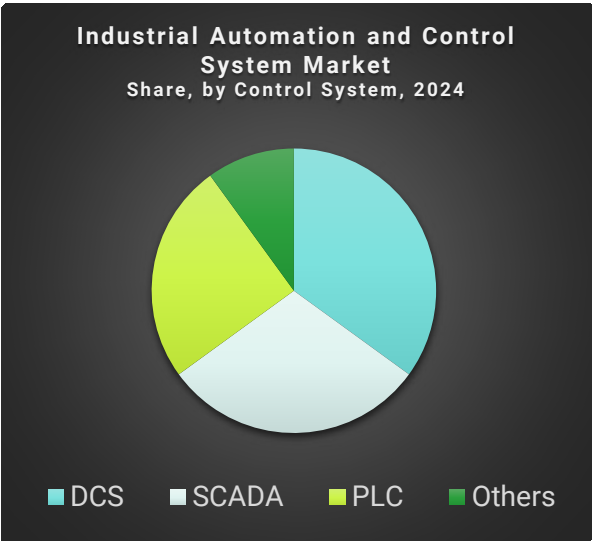
Market
Go-to Market Strategies

SALES CHANNELS

Direct Sales

System Integrators

Distributors / VARs

OEM Partnership

E-commerce Portals

PRICING STRATEGIES

CapEx (One-time)

OpEx / Subscription

Modular / Tiered Pricing

Pay-per-use

Bundled Offerings

Trend: Customers increasingly expect flexible pricing, especially for software (SCADA/MES), and want usage-based or results-driven models.

PARTNERSHIPS AND COLLABORATIONS

System Integrators

OEM & Machine Learning

Cloud Providers

Consulting Firms

Component Providers

Market
Go-to Market Strategies

| SEGMENT	USER PRIORITIES	TAILORED VALUE PROPOSITION
AUTOMOTIVE	Throughput, traceability, downtime reduction.	End-to-end robotics integration for zero-defect production and 24/7 uptime.
PHARMACEUTICALS	Compliance, cleanroom standards, batch traceability.	Validated SCADA/MES systems with CFR 21 Part 11 compliance.
FOOD & BEVERAGE	Hygiene, speed, packaging variability.	Washdown-ready robotics and flexible conveyors for rapid product changes.
LOGISTICS / E-COMMERCE	Order accuracy, space utilization, same-day dispatch.	AI-powered AMRs and WMS to boost pick rate and inventory accuracy.
ENERGY & UTILITIES	Uptime, safety, remote operations.	Secure remote SCADA, predictive maintenance, and incident response platforms.
SMEs (CROSS-SECTOR)	Simplicity, budget, plug-and-play.	Low-code automation platforms, robots, cloud SCADA with low TCO.

Supplier categories
Key Supplier Categories

ELECTRONIC COMPONENT MANUFACTURERS	Enable real-time processing, motion control, and efficient power management in PLCs, drives, and sensors.	Infineon TEXAS INSTRUMENTS
SENSOR & INSTRUMENT VENDORS	Provide the sensing layer that allows automation systems to monitor and react to physical variables.	SICK Sensor Intelligence. Endress+Hauser
MECHANICAL COMPONENT PROVIDERS	Essential for enabling controlled motion and mechanical integration of automotion hardware.	SEW EURODRIVE THK The Mark of Linear Motion
INDUSTRIAL CONNECTIVITY PROVIDERS	Enable machine-to-machine (M2M) and machine-to-cloud communication in harsh industrial environments.	HARTING MOXA
SOFTWARE & AI INFRASTRUCTURE VENDORS	Support advanced AI/ML functions, real-time analytics, and cloud deployment of SCADA/MER/IoT platforms.	NVIDIA. Microsoft Azure
MANUFACTURING & ASSEMBLY PARTNERS	Provide scale, supply chain integration, and cost-effective production of automotion hardware.	Fii Foxconn Industrial Internet JABIL
CYBERSECURITY VENDORS	Help automation firms secure their systems from threats targeting PLCs, SCADA, and edge devices.	CLAROTY NOZOMI NETWORKS
TESTING & CERTIFICATION BODIES	Ensure equipment complies with regulatory and safety standards for global deployment.	UL Solutions TÜVRheinland Genau. Richtig.
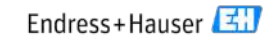
Competitive Landscape
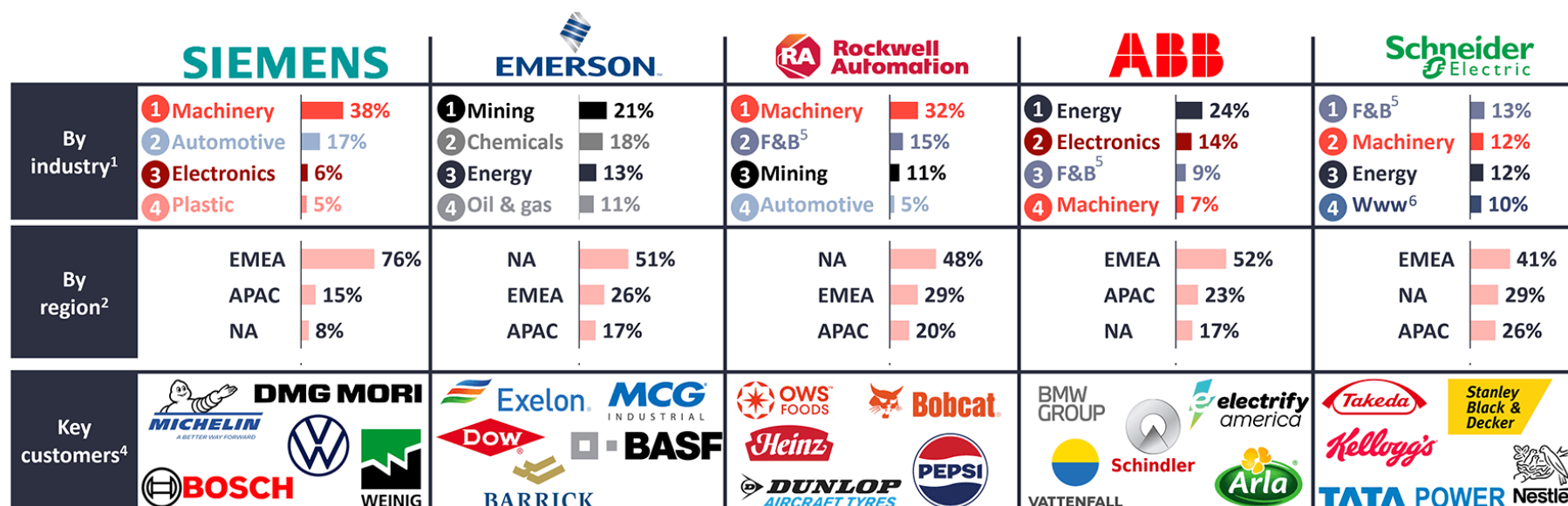# Market Landscape
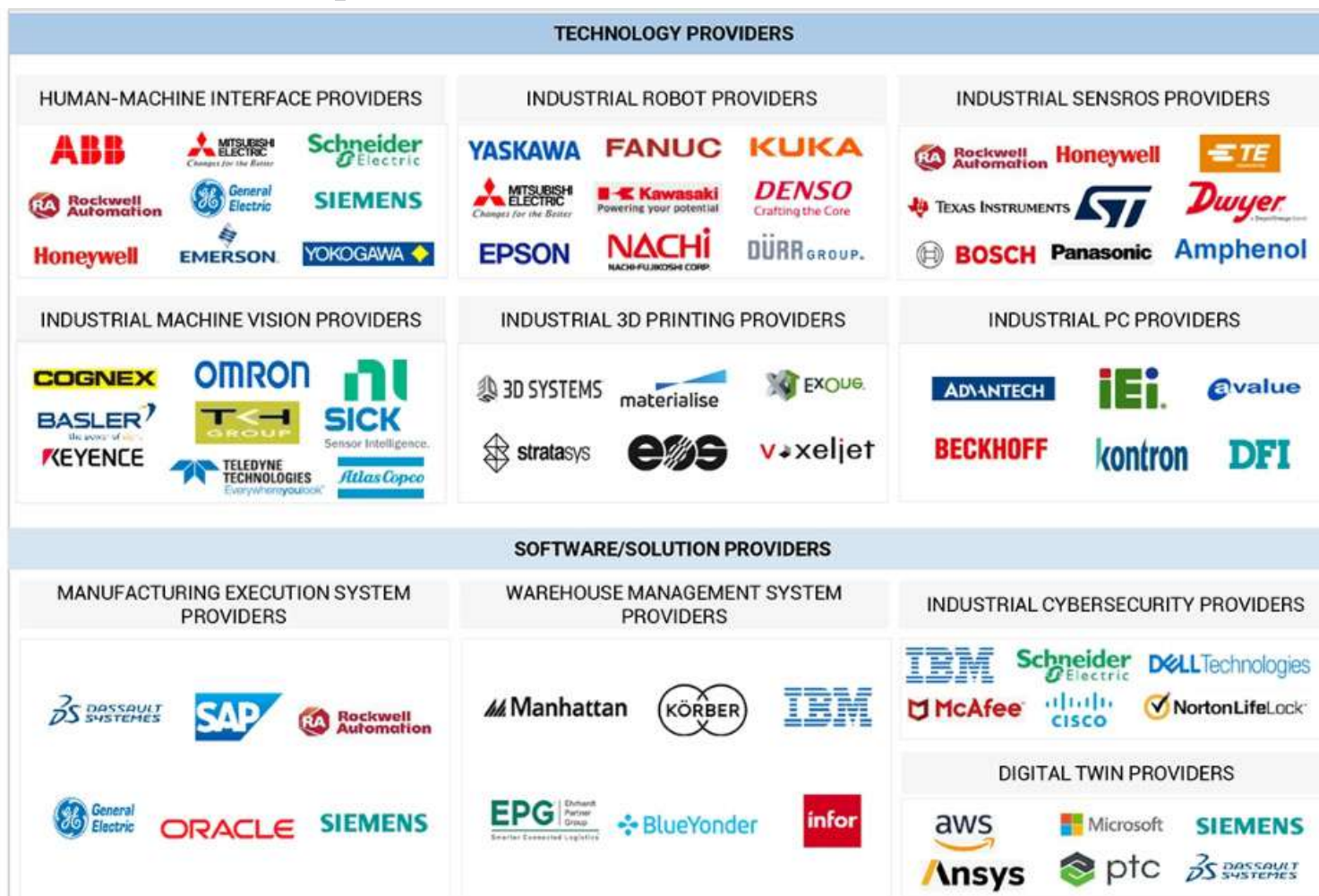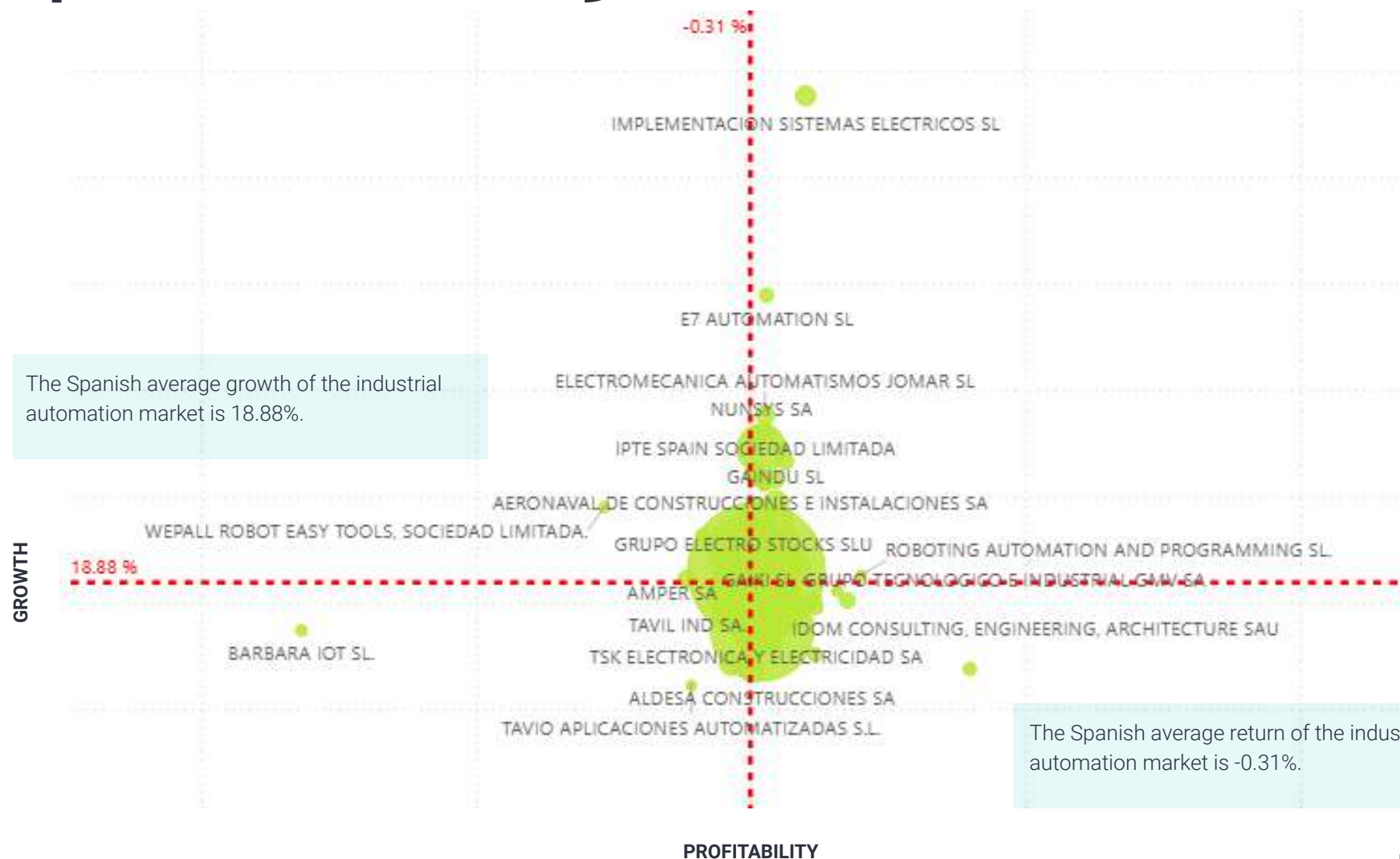
Competitive Landscape
Top Market Companies Market

Industrial automation vendor project footprint
Based on 4000 publicly-known client projects from five leading industrial automation vendors

	SIEMENS	EMERSON	Rockwell Automation	ABB	Schneider Electric
By industry[1]	① Machinery 38% ② Automotive 17% ③ Electronics 6% ④ Plastic 5%	① Mining 21% ② Chemicals 18% ③ Energy 13% ④ Oil & gas 11%	① Machinery 32% ② F&B[5] 15% ③ Mining 11% ④ Automotive 5%	① Energy 24% ② Electronics 14% ③ F&B[5] 9% ④ Machinery 7%	① F&B[5] 13% ② Machinery 12% ③ Energy 12% ④ Www[6] 10%
By region[2]	EMEA 76% APAC 15% NA 8%	NA 51% EMEA 26% APAC 17%	NA 48% EMEA 29% APAC 20%	EMEA 52% APAC 23% NA 17%	EMEA 41% NA 29% APAC 26%
Key customers[4]	MICHELIN, DMG MORI, VW, WEINIG, BOSCH	Exelon, MCG INDUSTRIAL, Dow, BASF, BARRICK	OWS FOODS, Bobcat, Heinz, PEPSI, DUNLOP AIRCRAFT TYRES	BMW GROUP, electrify america, Schindler, Arla, VATTENFALL	Takeda, Stanley Black & Decker, Kellogg's, TATA POWER, Nestlé

Competitive Landscape
Spanish Market Ecosystem

-0.31 %

IMPLEMENTACION SISTEMAS ELECTRICOS SL

E7 AUTOMATION SL

ELECTROMECANICA AUTOMATISMOS JOMAR SL

NUNSYS SA

IPTE SPAIN SOCIEDAD LIMITADA

GANDU SL

AERONAVAL DE CONSTRUCCIONES E INSTALACIONES SA

WEPALL ROBOT EASY TOOLS, SOCIEDAD LIMITADA.

GRUPO ELECTRO STOCKS SLU   ROBOTING AUTOMATION AND PROGRAMMING SL.

GAIKEL GRUPO TECNOLOGICO E INDUSTRIAL GMV SA

18.88 %

AMPER SA

TAVIL IND SA   IDOM CONSULTING, ENGINEERING, ARCHITECTURE SAU

BARBARA IOT SL.   TSK ELECTRONICA Y ELECTRICIDAD SA

ALDESA CONSTRUCCIONES SA

TAVIO APLICACIONES AUTOMATIZADAS S.L.

GROWTH

PROFITABILITY

The Spanish average growth of the industrial automation market is 18.88%.

The Spanish average return of the industrial automation market is -0.31%.

Complementary Products

Complementary Products Enhancing Industrial Automation

Industrial Cybersecurity Solutions

- A Deployed alongside SCADA, PLCs, and DCS to monitor traffic, detect anomalies, and protect against OT attacks.
- They don't control machines but secure the entire industrial automation environment.

AR/MR Systems for Industrial Use

- Overlay live data from automation systems onto real equipment for training or remote diagnostics.
- Enhance workforce enablement; not part of control systems but improves human-machine interaction.

IoT / Edge AI Platforms

- Collect data from sensors and devices, run AI models locally or in the cloud.
- Deliver advanced analytics and predictions, without being part of the real-time control layer.

Connectivity Infrastructure

- These products from the physical/data layer between devices and systems.
- Enabling layer, not part of automation logic, but essential for robust operations.

Enterprise Software Integrations

- Link MES/SCADA with ERP, financial systems, asset lifecycle management.
- These platforms connect shop floor to top floor - vital for data visibility and ROI tracking.

Robotic Accesories & Tooling

- Attach to robotic arms or conveyors to expand functional use cases.
- Not core robotics but **modular enhancers** that enable new automation tasks.

Energy & ESG Monitoring Systems

- Overlay on top of control systems to monitor CO_2 power draw, and enable energy optimization.
- These tools enable ESG compliance and carbon tracking, now critical for industrial buyers.

Digital Twin & Simulation Engines

- Simulate physical equipment or production lines based on automation data.
- Used in design, optimization, and training, not real-time control.

Substitute Products
Alternatives to Industrial Automation

1. MANUAL LABOR AUGMENTATION TOOLS	Boost human productivity and reduce fatigue in environments where robots might not be viable.	Competes in industries where automation ROI is low or flexibility is critical.
2. OUTSOURCED CONTRACT MANUFACTURING	Instead of automating internally, companies outsource production to high-efficiency partners.	Particularly common in electronics, pharma and consumer goods.
3. LOW-COST HUMAN-MACHINE HYBRIDS	Offer flexibility and ease of use at a fraction of the cost of full automation cells.	Ideal for SMEs or variable product lines.
4. SaaS-BASED VIRTUAL MONITORING TOOLS	Replace traditional SCADA/MES infrastructure with cloud-based, user-friendly SaaS.	Fast adoption, especially among mid-market manufacturers.
5. PRE-CONFIGURED SMART EQUIPMENT	Eliminates the need for separate integration of PLCs, sensors, SCADA.	Growing in packaging, wood, textile, and consumer goods sectors.
6. ADDITIVE MANUFACTURING (3D PRINTING)	Bypasses traditional subtractive manufacturing processes automated with robotics.	Useful in prototyping, small batches, or complex geometries.

Value Chain

- **Primary and support activities**

Value Chain
Primary and support activities

PRIMARY ACTIVITIES			
PRODUCERS	**INTEGRATORS**	**END USERS**	**ADVISORY**
• Development and production of automation components and subsystems.	• Assemble, configure, and tailor automation systems to customer needs.	• Final customers (factories, logistics, utilities) implement and benefit from automation.	• Provide consulting to end users on solution design, vendor selection, ROI, ESG, and adoption.

SUPPORT ACTIVITIES					
TECHNOLOGY DEVELOPMENT	**PROCUREMENT**	**MARKETING & SALES**	**AFTER-SALES SUPPORT**	**COMPLIANCE & CERTIFICATION**	**STRATEGIC PARTNERSHIPS**
• This involves sourcing raw materials, semiconductors, software licenses or cloud services needed before production begins.	• This involves sourcing raw materials, semiconductors, software licenses, or cloud services needed before production begins.	• These functions do not build or integrate automation systems, but they enable their commercial success by positioning, educating, and selling them.	• Post-sale services support the lifecycle of the installed automation system.	• Ensures solutions meet mandatory standards.	• These alliances (with OEMs, governments, cloud providers) enable fatser go-to-market or product enhancement but are not part of the product delivery itself.

Investment activity

- **Key investment metrics**
- **Key acquisition metrics**
- **Main transactions**
- **Key transactions**

Investment analysys in the sector
Market report "Industrial Automation": key investment metrics

From a geographic perspective, the US has the largest number of companies in the market, accounting for 63% of the total population of companies. However, these companies generate only 36% of total revenue. This indicates that the US market is dominated by many smaller private companies - 94% of US companies are private.

In contrast, Europe has about half as many companies as the US but generates approximately 75% more revenue. This is expected, as the average revenue per listed company in Europe (about £4.7 billion) is significantly higher than in the US (£2.7 billion).

Focusing on Germany, it represents 10% of the total number of companies but contributes 24% of total revenue. This highlights the presence of large international companies headquartered in Germany (such as Siemens, GEA, Infineon, Dürr Group, etc.) and reflects the country's strong tradition in industrial manufacturing.

Funding Amount and Rounds by Year
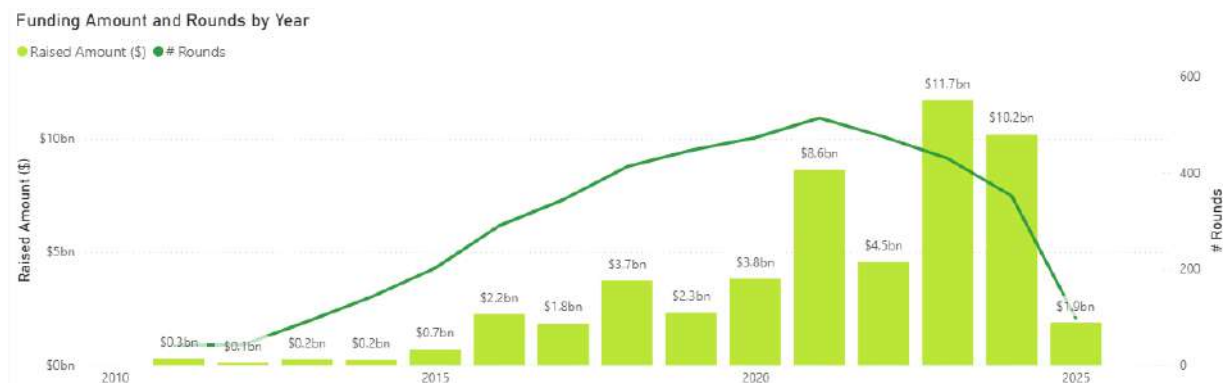
Investment analysis in the sector
Market report "Industrial Automation": key acquisition metrics

High operating costs are pushing companies to pursue automation. As a result, many turn to external capital, either by raising equity or taking on debt. This dynamic creates a clear opportunity for mergers and acquisitions, as well as for investment funds looking to enter the sector.

Summary of M&A Activity in Industrial Automation

Over the past five years, industrial automation has become one **of the hottest sectors for mergers and acquisitions.**

This surge is largely fueled by financial investors - **particularly private equity funds and family offices** - who are executing platform + bolt-on strategies. They typically acquire a core business and expand it through add-ons, especially in high-growth areas like industrial software and SaaS.

Demand for acquisitions far exceeds the supply of quality targets, which has driven up valuations, especially for companies with strong growth potential and integrated technologies. At the same time, strategic buyers remain highly active, lookin to gain scale, efficiency, and advanced capabilities through consolidation.

Key drivers such as labor shortages, the need for operational efficiency, ESG commitments, and supply chain resilience are accelerating automation across the board. While the UK still lags behind in robot density globally, recent tech developments are making adoption much more accesible - even for SMEs.

Consolidation will remain strong, and the most attractive opportunities will lie in scalable, tech-enabled businesses that can lead the next wave of industrial innovation.

M&A Transactions in Industrial Automation Market

2020	2021	2022	2023	2024
448	585	518	451	437
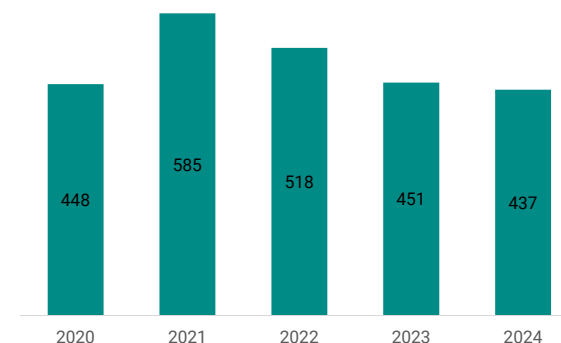
Transactions
Valuation Drivers

1. MARKET INNOVATION	★	Owning unique technologies and patents gives a business a clear edge over competitors. These assets can help the company achieve higher profit margins and safeguard its earnings over the long term, which often results in a higher company valuation.
2. INNOVATION OWNERSHIP	🔑	Companies that consistently innovate and lead their industry tend to be valued more highly. This is because their ongoing development signals strong future growth prospects and a solid position in the market.
3. DIGITAL-DRIVEN SOLUTIONS	⏚	By integrating software into their products or services, companies can automate more processes, improve efficiency, and offer features like predictive maintenance. This not only makes customers more loyal but also creates steady, recurring revenue, all of which are attratcive to investors and boost valuation.
4. LIFECYCLE SUPPORT SOLUTIONS	♥	Providing services after the initial sale - such as maintenance, upgrades, or support - generates continuous income, often at better margins. This ongoing revenue stream adds financial stability and increases the company's value.
5. SCALE ADVANTAGE	📊	Larger businesses are usually valued higher because they benefit from economies of scale, reach more customers, and are seen as less risky. Diversifying their markets and customer base also helps reduce risks, making them even more attractive for valuation.

Transactions
Valuation Drivers

The chart shows the evolution of the median EV/EBITDA multiple for a sample of 189 companies from 2022 to 2024. There is a steady increase from x13.23 in 2022 to x14.71 in 2024, representing an 11.2% growth. As a median figure, it offers a more representative view of the market by reducing the impact of outliers. This upward trend suggests stronger buyer appetite or more optimistic expectations, potentially creating more favorable conditions for M&A activity.

Median of EV/EBITDA Multiple for each year

x13,23 | x14,41 | x14,71

2022 | 2023 | 2024
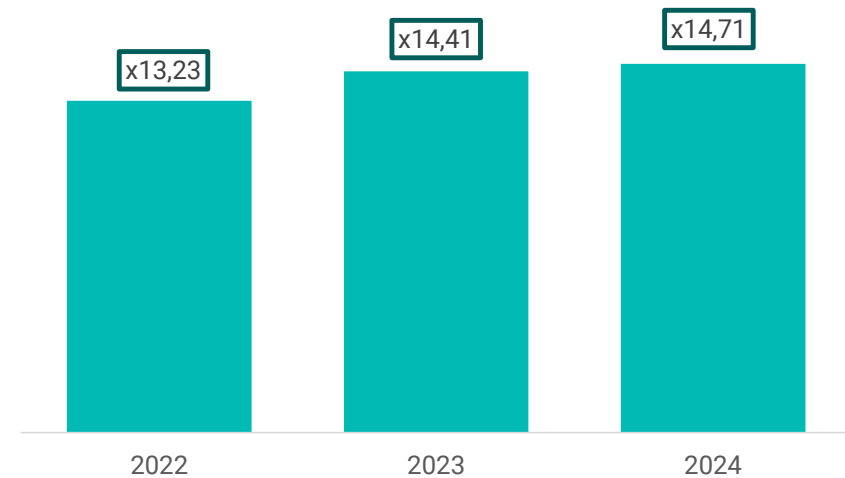
M&A Strategy
Buyer profile

BUYER TYPE	DESCRIPTION	EXAMPLE COMPANIES
Industrial Automation OEMs	Manufacturers of physical automation equipment such as PLCs, HMIs, motion control systems, industrial robots, and sensors. These firms often acquire to expand product lines, enter adjacent segments, or integrate vertically. They are usually well-established with global manufacturing and distribution networks.	Gefran, HAWE Hydraulik, Lincoln Electric
System Integrators	Companies that specialize in designing, programming, ans installing automation systems across industries. They often work with SCADA, MES, PLC/HMI setups, and offer consulting, engineering, and maintenance. They acquire to expand technical capacity or geographic reach.	DSI Innovations, CONVERGIX
Industrial Distributors with Tech Arms	Traditional MRO and industrial product distributors evolving to offer automation as a value-added service. These buyers are focused on cross-selling, enhancing service offerings, and owning more of the client solution lifecycle.	FloWorks International, Applied Industrial Technologies, Rubix
Digital-First Industrial Tech Firms	Tech-driven automation companies offering Industry 4.0 solutions such as AI-driven predictive maintenance, digital twin platforms, IIoT stacks, and cloud-based control systems. Acquisitions often target niche IP or to fill functional gaps.	Thira-Utech, Cognite, Unica
Engineering & EPCs	Engineering Procurement and Construction firms integrating automation into infrastructure, energy, and utilities projects. Their acquisitions are usually meant to internalize automation capabilities for delivery efficiency.	Tetra Tech, Bosch Energy & Building Solutions
Vertical Automation Builders	Companies building automation solutions tailored for specific industries (pharma, packaging, F&B, semiconductors). Their M&A strategy focuses on acquiring highly specialized automation players with domain expertise.	Omnia Technologies, Cellular Origins
Private Equity & Buyout Platforms	Financial sponsors acquiring firms in the automation space to create platforms for roll-up strategies or value creation. They often look for fragmented markets with cross-selling or synergy potential.	Architect Equity, One Equity Partners, Fusion Capital Partners
Digital Transformation Firms	Broader IT consultancies or service providers entering industrial tech by acquiring automation firms. Motivated by convergence of IT and OT (Operational Technology), and Industry 4.0 digital services growth.	Sword Group, Accenture

M&A Strategy
Target profile

BUYER TYPE	DESCRIPTION	EXAMPLE COMPANIES
Industrial Software & Vision	Companies offering industrial software, AI, machine vision, analytics platforms, or digital twins for automation, monitoring, or predictive control.	SAGE Automation, Huffman Automation, AJA Vision, Grey Matter Analytics, Opto Engineering
Robotics & Motion	Providers of robotic systems, motion control technologies, or cobot-based solutions involving physical automation and mechanical handling.	Hyunjun FA, IAR Group, Liberty Robotics, Generix Automation, Machina Solutions
Automation Components / OEM Hardware	OEMs or manufacturers of sensors, valves, actuators, pneumatic modules, and other core automation hardware and subsystems.	Gibbs Die Casting, Tavoron, Cashco, All-matic Maschinenbau, EGE-Elektronik
Process Control & Instrumentation	Specialists in measurement, calibration, process control equipment, or instrumentation for sectors like pharma, chemicals, and energy.	CZ Elettronica, Insight Engineering Systems, Datametrics Instruments, Systech Controls, FlowMetrics
Electrical & Panel Systems	Providers of electrical control panels, power distribution cabinets, low-voltage infrastructure, or electrification services for industrial sites.	Hydra-Fab Fluid Power, Worcester Electrical Distributors, Panelmatic, Electro Panels & Controls, Entech
System Integration & Control Services	Turnkey engineering firms and system integrators delivering control systems, PLC/SCADA/HMI integration, and automation project execution.	Applied Controls Systems Integration, Eagle Technologies, Peak Control, DMC Inc., Stanza Controls
Field Services & Maintenance Providers	Companies offering repair, support, commissioning, and retrofit services for installed automation and industrial infrastructure.	RAF Automation
Niche & Application-Specifc Automation	Firms focused on automation tailored to specific verticals like biotech, food packaging, railway, or laboratory automation.	Autologous Cell Therapy Automation, GMP Lab Automation, Multiplex Engineering, Pharma Systems, RailTech Automation

M&A Strategy
Strategy for each buyer profile

Strategic corporates	Target Profile	Why Attractive	Synergies
Industrial Automation OEMs	• Automation Hardware OEMs • AI / Vision / Software • System Integrators • R&D / Spinouts	• Product line extension, vertical integration, supply chain control. • Embed intelligence in hardware (edge AI, predictive control). • Gain field expertise, ensure downstream control, lock-in ecosystem. • Acquire IP before competitors or build next-gen systems in-house.	• R&D efficiency: Integrating external IP into OEM platforms reduces in-house development costs. • Bundling: Combine hardware with software/vision for higher-margin, turnkey offerings. • Sales channels leverage OEMs can distribute acquired products through existing global channels. • Lifecycle control: Owning integration or software ensures revenue from commissioning + support.
System Integrators	• Advanced Software / AI / Vision Players • Field Services & Maintenance Firms • Automation Components & Hardware • System Integrators & Engineering Services	• Add machine learning, predictive control, and AI vision into integration stack. • Expand service contracts and secure recurring revenue. • Reduce third-party dependence, bundle products. • Expand regionally or vertically, scale engineering headcount.	• Technical bundling: Integrate new tech (AI/vision) into existing SCADA or PLC projects. • Cross-sell services: Upsell field services to existing automation clients. • Talent acquisition: Engineering team consolidation is often a key driver. • Regional expansion: Buy small integrators in other geos to scale footprint.
Industrial Distributors with Tech Arms	• Automation Components & Hardware • Field Services & Maintenance Firms • Process Instrumentation Specialist • System Integrators & Emerging Services	• Natural upstream consolidation, product margin. • Add service revenue, lock in installed base. • Deep client integration and spec-in potential. • Enable turnkey project delivery, differentiate from basic distribution.	• Modernization of Legacy Infrastructure • ESG & Energy-Efficiency Mandates • Recurring Revenue through Services • Geographic & Sectoral Penetration • System Integration & Control Stack Expansion
Digital-First Industrial Tech Firms	• Advanced Software / AI / Vision Players • R&D-Heavy or University Spinouts • System Integrators & Engineering Services	• Direct alignment: IP, talent, or models that extend their platform. • Propietary innovation before competitors can produce it. • Boost implementation capacity or vertical deployment	• Embed acquired AI, vision, or analytics models into own platform. • Bundle solutions, sell more licenses per deployment. • Combine multiple industrial data sources into a unified offering. • Acquire teams skilled in computer vision, ML, edge computing.

M&A Strategy
Strategy for each buyer profile

Buyer Subtype	Target Vertical	Why It's Attractive	Common Synergies
Industrial Distributor & MRO Chain	• System Integrators & Engineering Services • *Process Instrumentation Specialists* • *Field Services & Maintenance Providers* • Automation Components & Hardware	• Expand in-house control systems, reduce subcontracting • Provide accurate, spec-compliant systems for industrial projects • Enable long-term O&M contracts post-deployment • Control more of the value chain in packaged solutions.	• Project integration: Better margins and timelines by internalizing control/integration. • Standardization: Reduce vendor variability by owning consistent automation stacks. • Lifecycle expansion: Sell services beyond construction. • Compliance/technical depth: In-house control ensures adherence to regulatory and process standards.
Software / IIoT & Data Platform Entrant	• Advanced Software / AI / Vision Players • R&D-Heavy / University Spinouts • Process Instrumentation Specialists	• Core acquisitions — expand platform analytics, visualization, and intelligence. • Acquire emerging IP, early AI models, or unique ML techniques. • Enable deeper vertical integration (e.g., chemicals, water, pharma).	• Data layer unification: Integrate new ML/AI models to enhance existing analytics engines. • Edge enablement: Acquire technologies that run locally on devices/sensors. • Vertical expansion: Entry into sectors where acquired firms already have traction. • Unified platform sell: Bundle IP, visualization, analytics, and connectors.
Private-Equity Platform Builder	• System Integrators & Engineering Services • Field Services & Maintenance-Focused Players • Automation Components & Hardware • Process Instrumentation Specialists	• Scalable, fragmented, repeatable project models. • Sticky revenue, predictable cash flows. • Add-on to platform or cross-sell through distribution. • Niche markets with strong service margins.	• Commercial: Cross-sell across bolt-ons using centralized sales. • Back-office: Consolidate HR, finance, IT = EBITDA margin lift. • Procurement: Bulk purchasing across entities. • Geographic: Build national or continental presence by buying regionals.
Family Office / Independent Sponsor	Field Services & Maintenance Players System Integrators & Engineering Services Automation Components & Hardware Niche Application-Specific Automation	• Stable, cash-generative with local/regional dominance. • Scalable, project-based models with deep relationships. • Often family-owned OEMs with strong brand and gross margin. • Specialty firms with high barriers to entry or regulatory complexity	• Succession planning: Acquire from retiring founders with no next-gen leadership. • Steady cash flows: Field services and integration firms generate consistent EBITDA. • Strategic add-ons: Build small regional consolidation platforms. • Operational improvement: Deploy lean, ERP, CRM to lift margins.

M&A Strategy
Strategic of each target profile

Target Profile	Most Likely Buyer Type	Key Synergies	Strategic Rationale
Automation Components / OEM Hardware	Industrial Distributors with Tech Arms	Product bundling, procurement leverage, margin capture	Distributors seek to internalize high-volume components to enhance gross margins and customer lock-in
Electrical & Panel Systems	Private Equity Platform Builder	Consolidation of fragmented suppliers, back-office efficiency	PE firms can create regional/national leaders by rolling up small panel builders under one brand
Industrial Software & Vision	Industrial Automation OEMs	Native integration into control hardware, enhanced differentiation	OEMs seek to digitize their stack and embed proprietary software to lock in long-term clients
Niche & Application-Specific Automation	Private Equity Platform Builder	Vertical specialization, high-margin custom projects	PE funds target niche automation providers with strong vertical IP for roll-up or bolt-on strategies
Process Control & Instrumentation	Private Equity Platform Builder	Service integration, regulated sector penetration	Attractive for PE due to recurring calibration/validation contracts and sector defensibility (e.g., pharma)
Robotics & Motion	Industrial Automation OEMs	Hardware integration, end-to-end automation capability	OEMs extend their motion offering through robotics M&A to deliver complete automation solutions
System Integration & Control Services	Digital Transformation Firms	Execution muscle for digital roadmaps, system rollout	Consulting and IT firms acquire integrators to ensure implementation capabilities and expand industrial footprint

M&A Strategy
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M&A Strategy
Buyer Profile vs Preferred Target Size

Buyer Type	Small (<$10M)	Mid ($10M–$50M)	Upper Mid ($50M–$100M)	Large (>$100M)	Rationale
Industrial Automation OEMs	✓	✓	✓	✓	Broaden tech portfolio and embed proprietary capabilities across stack.
System Integrators	✓	✓	✗	✗	Acquire regional players and deepen niche vertical expertise.
Industrial Distributors w/ Tech Arms	✗	✓	✓	✗	Internalize key OEM supply for margin and product control.
Digital-First Industrial Tech Firms	✓	✓	✗	✗	Expand digital offering via early-stage, AI/IIoT-focused players.
Engineering & EPCs	✗	✗	✓	✓	Acquire high-tech integrators for smart infra & vertical scale.
Vertical Automation Builders	✓	✓	✗	✗	Target niche leaders in pharma, food, or railway automation.
Private Equity & Buyout Platforms	✓	✓	✓	✓	Wide scope: build scalable platforms or bolt-ons across size spectrum.
Digital Transformation Firms	✓	✓	✗	✗	Add delivery execution capabilities to complement IT/consulting stack.

M&A Strategy
Cross-Geography M&A Analysis

WHO'S BUYING THE MOST?

Western Europe

- Strong activity as strategic acquirers, primarily within their own borders or across EU neighbors.

- Italy shows high domestic consolidation, with Italian buyers acquiring Italian targets.

- Germany combines local acquisitions with select international moves.

North America

- Canada displays more diversified international activity, acquiring in the U.S., Italy, and domestically.

- While the U.S. is underrepresented in your dataset as a buyer, it's historically the dominant global acquirer in this sector - likely underreported here due to missing entries.

Ireland

- Small but strategic.

- Shows outbound acquisition patterns, including U.S. and Brazil - likely driven by investment funds or focused tech groups.

India

- Focused on domestic transactions, indicating a growing but still inward-looking market.

- Reflects local industrial growth and consolidation as automation adoption rises.

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