INDUSTRIAL AUTOMATION Q4 MARKET UPDATE

October to December 2025

BLUE RIVER FINANCIAL GROUP

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Firm Overview

Founded in 2002, Blue River Financial Group is a middle market merger and acquisition advisory firm. We assist corporations, private equity groups and individuals in the sale and acquisition of businesses, and have completed assignments in multiple business segments. With over 20 years of experience spanning across 50 global industries, Blue River provides a suite of services to middle market clients including corporate development, private equity support, valuations and transaction consulting, placing a premium on relationship-centered transaction counsel and client focus.

Our Services

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INDUSTRY INSIGHT

M&A INSIGHT

By: **Thomas Hagan**
Managing Director & Industrial
Automation Industry Leader

M&A Activity In The Industrial Automation Space

Industrial automation M&A cooled off further in Q4 2025, following a broader M&A trend of slower deal count growth but larger deals driving higher capital flows. For the full year 2025, deal count was down only modestly vs. 2024 and was up from 2023. Still, we see bright spots in the industry that can drive a re-acceleration of M&A in the sector in 2026, driven by strong fundamental trends, still near-record dry powder by financial buyers and continued acquisitive demand by strategics.

IA deal count slipped to 18 deals in Q4 from 24 in Q3 2025 and 21 in Q4 2024. This was in line with a broader slowdown in the North American M&A environment, with total deals in Q4 2025 down 8% sequentially and 9% year-over-year, according to Pitchbook data. For the full year 2025, IA deal count fell to 96 vs. 101 in 2024, echoing the 1.3% decline in the broader M&A industry deal count.

When evaluating a broader set of transactions including minority investments from private equity (PE) and venture capital (VC) investors, deal activity remained strong in 2025. The total number of PE and VC IA transactions increased to 162 in 2025 vs. 158 in 2024 and 159 in 2023. This suggests that, in the face of a slowdown in M&A activity, financial sponsors remain active and aggressive in IA deals, whereas strategics may have pulled back reflecting a bit more of a cautious stance entering 2026.

We have written in the past about the strong demand for industrial robots and robot programming driving M&A activity in the IA sector. In keeping with the broader macro discussion around AI and robotics' impact on employment, we decided to look at the data trends in robot installations vs. manufacturing payrolls over the last few years.

Since 2019, manufacturing payrolls in the U.S. are essentially flat, declining just 0.3% to 12.8 million jobs, according to ADP data. In that same time period, American factories have added nearly 250,000 industrial robots, an average of 35,000 per year. Additionally, the average hourly wage of manufacturing employees increased 28%, more than outpacing inflation over the period, according to the Bureau of Labor Statistics.

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This data suggests that continued investment in industrial robotics is not necessarily coming at the expense of jobs given stable employment and wages rising faster than inflation. Manufacturers are now hiring more people for higher-value roles that support their investments in robotics, while robots take over many of the labor-intensive tasks once done by lower-skill workers.

We believe the trend of increasing robot investment will continue and drive further demand across the supply chain, from component manufacturers through skilled programmers and implementation specialists. In Q4 2025, we highlight Peak Robotics' acquisition by Grenova as a prime example of this trend, enabling Grenova to offer automated laboratory systems and processes.

In addition to the macro backdrop, we noticed several other trends driving the M&A landscape in the IA sector in Q4 2025 that we expect to continue for the next few quarters:

- **AI-Driven Automation:** Leading-edge AI systems are simplifying factory workflows, enabling predictive maintenance and autonomous decision-making across global manufacturing operations.

- **Hyperautomation:** RPA, AI, and IIoT converge to automate complex processes end-to-end, creating dynamic, self-optimizing industrial ecosystems that reduce downtime across global operations.

- **Generative AI and Industrial Metaverse:** Digital twins enhanced with generative AI allow immersive simulation, predictive modeling, and workforce training to optimize safety and performance across global enterprises.

- **Humanoid & Collaborative Robots:** Cobots and humanoid robots are entering shop floors, augmenting human labor with flexibility, safety, and efficiency across industries, transforming productivity and workforce collaboration.

- **Circular Economy Automation:** Circular economy automation is emerging as a strategic imperative, with smart manufacturing enabling closed-loop systems that reduce waste, optimize resources, and align with ESG mandates for sustainable growth.

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We see a lot of momentum for the strong industrial automation M&A trends to continue in 2026 and remain active advisors in the space. If you're interested in learning more about our services or just generally discuss the industry, don't hesitate to reach out to our team. Otherwise, please keep reading for more detailed analysis of M&A trends in the IA sector.

Thomas Hagan, Managing Director & Industrial Automation Industry Leader

Thomas Hagan has over 20 years of proven PE portfolio company leadership experience, encompassing mid-cap domestic and multi-national companies.

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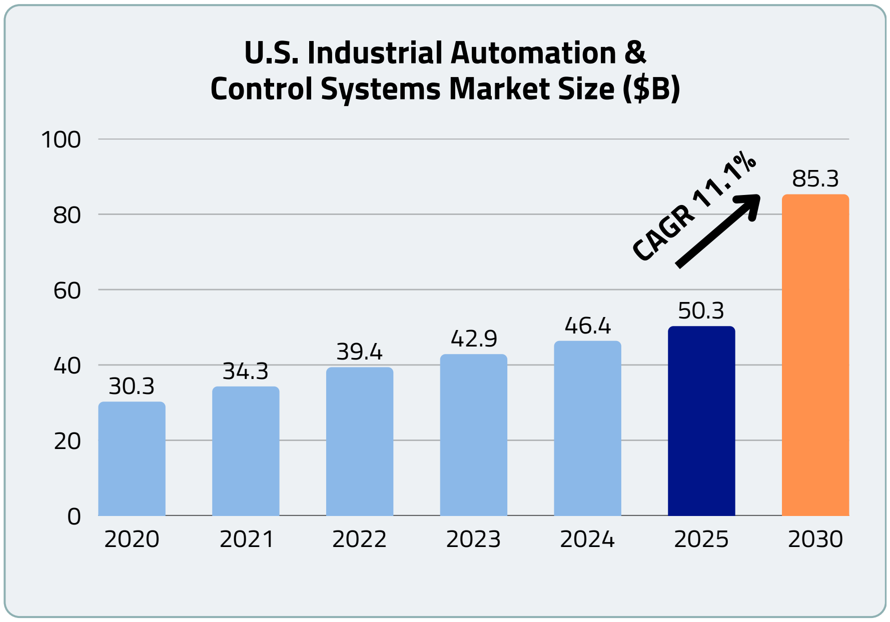
MARKET OVERVIEW

Trends in IA M&A

How is the Market Growing?



Our Take:

- The fundamental backdrop for the industrial automation sector in the U.S. remains robust.
- Our analysis suggests the IA market grew 8.4% in 2025 and is forecast to grow at an 11.1% CAGR through 2030.
- We expect the strong fundamental backdrop to continue driving M&A and PE activity in the sector.

Key Trends

AI-Driven Automation

Leading-edge AI systems are simplifying factory workflows, enabling predictive maintenance and autonomous decision-making across global manufacturing operations.

Hyperautomation

RPA, AI, and IIoT converge to automate complex processes end-to-end, creating dynamic, self-optimizing industrial ecosystems that reduce downtime across global operations.

Generative AI & Industrial Metaverse

Digital twins enhanced with generative AI allow immersive simulation, predictive modeling, and workforce training to optimize safety and performance across global enterprises.

Humanoid & Collaborative

Cobots and humanoid robots are entering shop floors, augmenting human labor with flexibility, safety, and efficiency across industries, transforming productivity and workforce collaboration.

Circular Economy Automation

Circular economy automation is emerging as a strategic imperative, with smart manufacturing enabling closed-loop systems that reduce waste, optimize resources, and align with ESG mandates for sustainable growth.

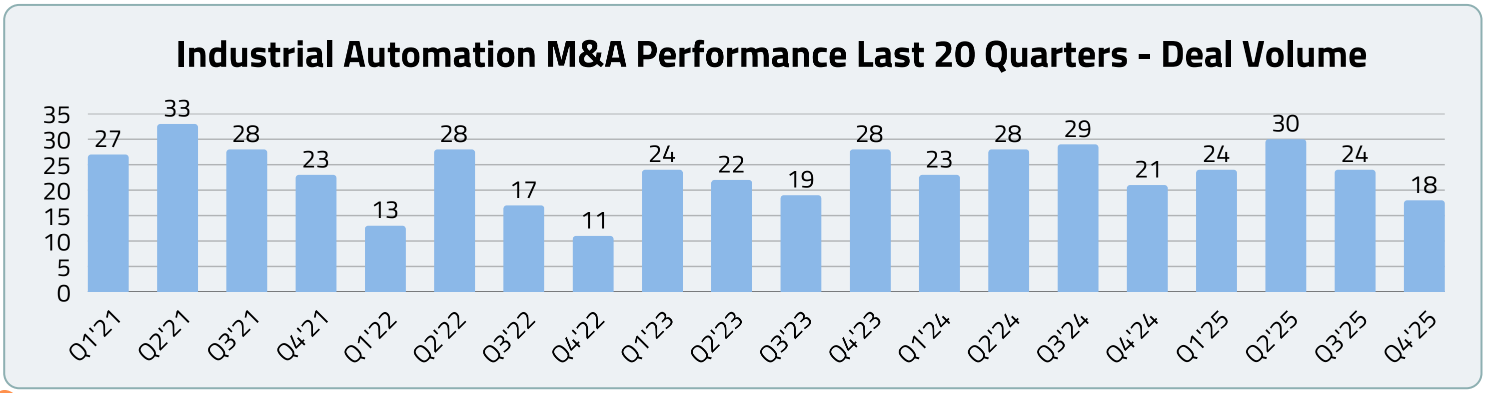
M&A Trends in Industrial Automation

Industrial M&A accelerates as megadeals signal renewed confidence, with more than two thirds of total deal value this year from transactions above $5 billion—a sharp jump from the prior year when there were no megadeals at all.

MARKET PERFORMANCE

IA Market Performance

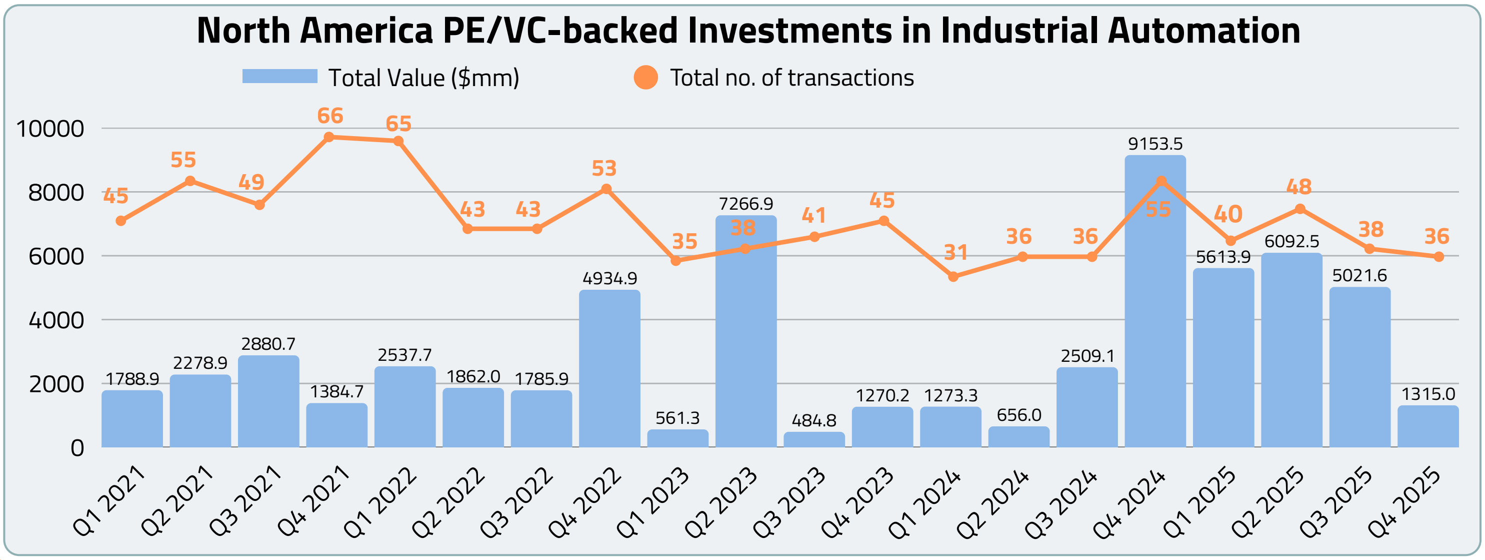
How is M&A Performing in the Industry?



Our Take:

- Although Industrial Automation M&A cooled further in Q4, the longer-term trend remains strong, and we see the market accelerating into 2026 given the fundamental drivers discussed.
- In 10 of the last 12 quarters, the sector has seen 20 or more deals, a strong stretch after the market bottomed out in 2022.

How Active Are Financial Sponsors in IA M&A?

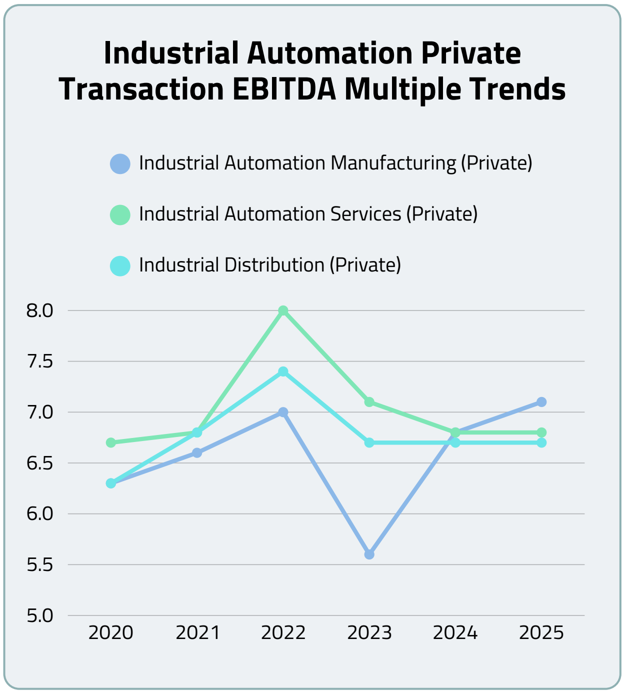


Our Take:

- In keeping with the slowdown in sector M&A, investments by venture capital and private equity buyers in IA companies – including minority investments – cooled modestly in Q4. But for the full year, PE and VC investments increased.
- Still, PE firms in the U.S. are sitting on over $1 trillion of dry powder, per Pitchbook data, suggesting a lot of capital still to be deployed.

IA Market Performance

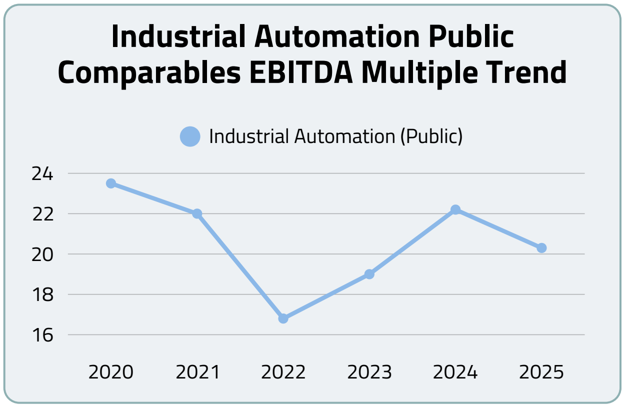
How Have Multiples Trended for Middle Market IA Deals?



Our Take:

- Multiples for Industrial Automation M&A comps – a proxy for private market multiples – ticked higher in 2025, especially for manufacturing companies.
- This signals underlying market strength, even as the deal count ticked down.

How Have Multiples Trended for Public IA Companies?

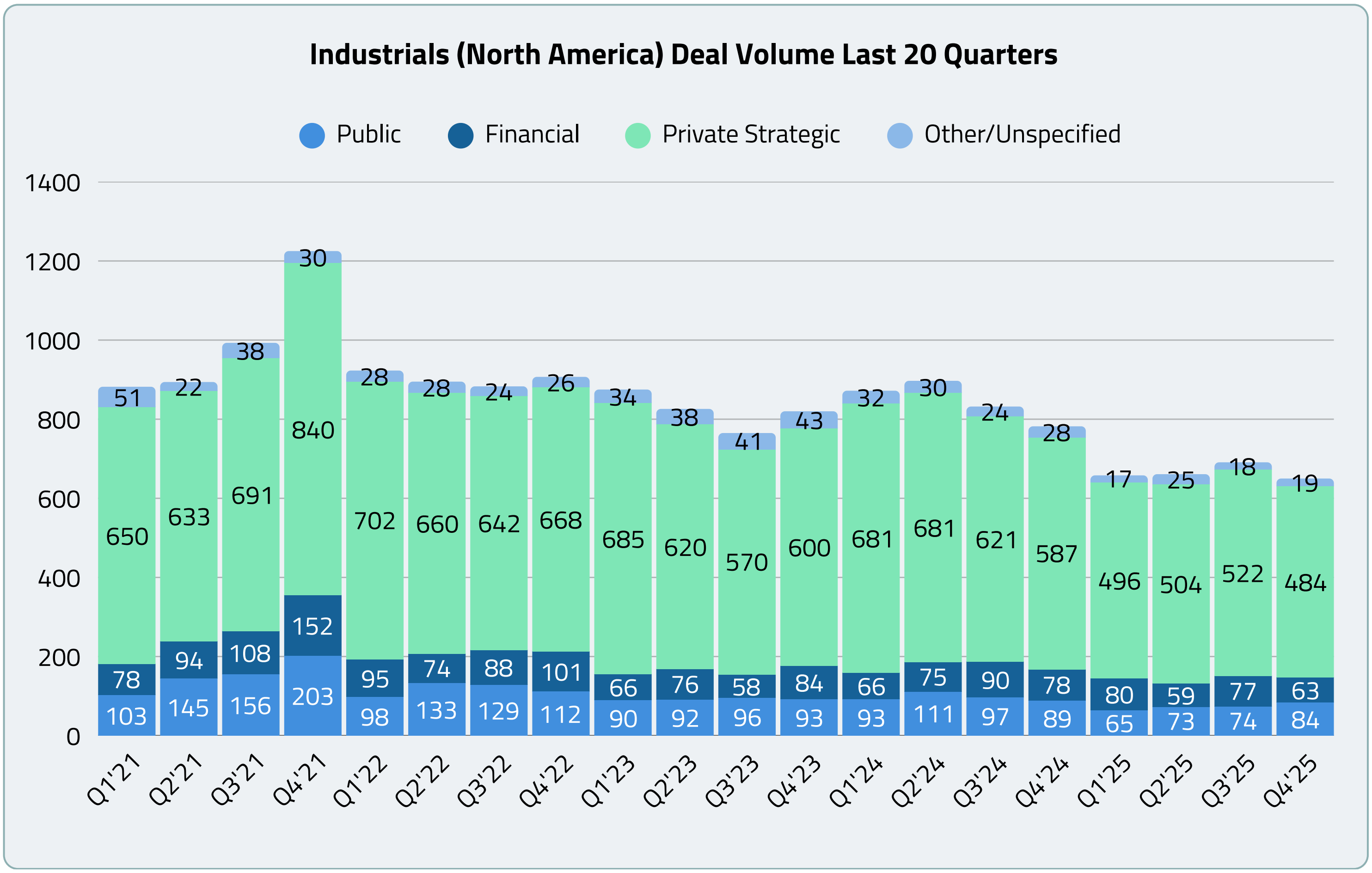


Our Take:

- Public IA comps have ticked lower in 2025 amid a broader decline in multiples for industrials businesses, especially those that are exposed to geopolitical and trade risks.

IA Market Performance

How Has M&A Performed in the North American Industrials Sector?



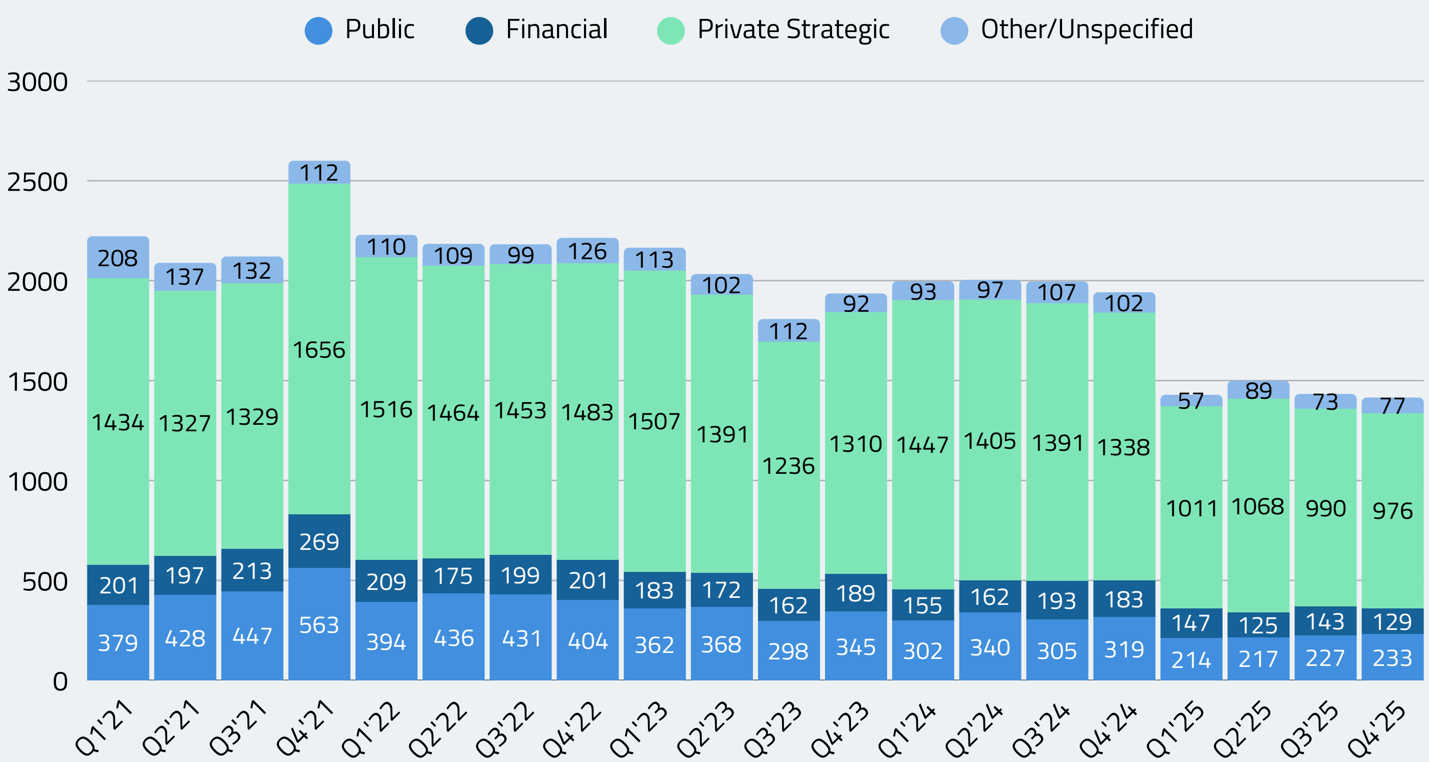
Our Take:

- Broader industrials M&A in North America inched lower in Q4 2025 sequentially, but still remains at somewhat depressed levels vs. 2024.
- A stabilization in the macro environment and the possibility of rate cuts through 2026 could help spur more deals.

IA Market Performance

How Has M&A Performed in the Global Industrials Sector?

Industrials (Global) Deal Volume Last 20 Quarters



Our Take:

- Globally, industrials M&A is tracking similarly to the North American market.

PUBLIC COMPANIES

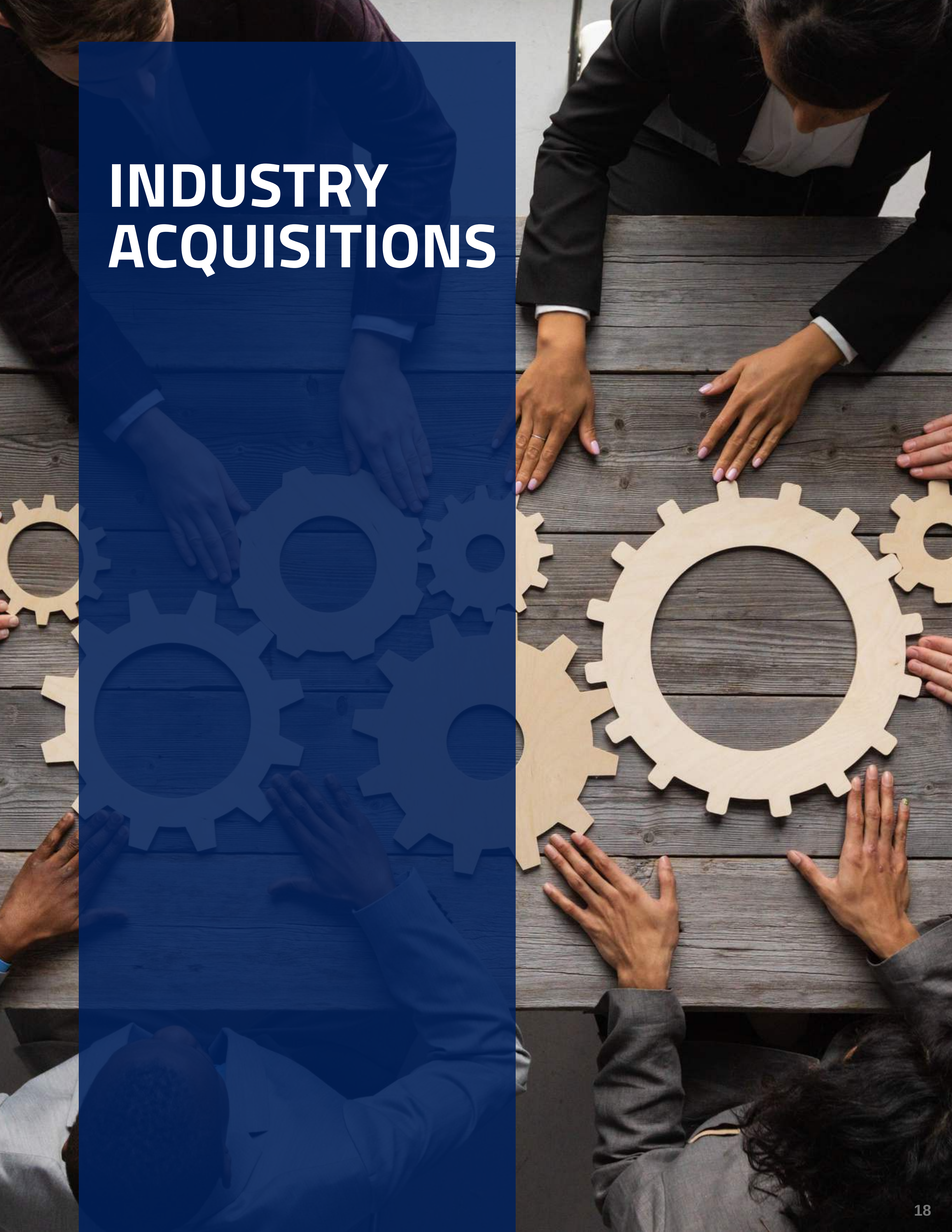
Q4 2025
Publicly Traded Automation Companies

The following is a list of publicly traded automation companies, used to calculate our public IA valuation index listed in the table above.

Public Company	Ticker	Q4 Starting Share Price	Q4 Ending Share Price	Q4 Performance	Market Cap ($M)	Revenue ($M)	EBITDA ($M)	TEV ($M)	TEV / EBITDA	Debt / EBITDA
ABB	ABBN	$72.02	$74.68	3.7%	$135,848	$34,508	$6,942	$140,132	20.2x	1.4x
Cognex Corporation	CGNX	$45.83	$35.98	-21.5%	$6,028	$972	$189	$5,807	30.7x	0.4x
Eaton Corporation	ETN	$373.84	$318.51	-14.8%	$123,709	$26,633	$6,116	$134,453	22.0x	1.8x
Emerson Electric	EMR	$131.19	$132.72	1.2%	$74,629	$18,016	$5,040	$86,860	17.2x	2.7x
Honeywell International	HON	$210.18	$195.09	-7.2%	$123,860	$40,670	$9,778	$149,688	15.3x	3.9x
Rockwell Automation	ROK	$349.32	$389.07	11.4%	$43,744	$8,342	$1,736	$46,980	27.1x	2.1x
Schneider Electric	SU	$287.21	$275.80	-4.0%	$155,100	$46,173	$9,111	$171,397	18.8x	2.2x
Siemens	SIE	$271.50	$280.79	3.4%	$218,280	$92,589	$13,465	$273,021	20.3x	4.9x
TE Connectivity	TEL	$221.69	$227.51	2.6%	$66,931	$17,262	$4,206	$72,199	17.2x	1.5x
AVERAGE:		$218.09	$214.46	-2.8%	$105,348	$31,685	$6,287	$120,060	21.0x	2.3x
MEDIAN:		$221.69	$227.51	1.2%	$123,709	$26,633	$6,116	$134,453	20.2x	2.1x

Source: S&P Capital IQ

INDUSTRY ACQUISITIONS



Q4 2025
Industry Acquisitions

Acquirer	Seller	Date	Subsector	EV ($M)	Rationale
GALCO	AD-TECH CCI. INC	12/18/2025	Automation	-	**Galco Industrial Electronics** acquired **Ad-Tech Cci**. This acquisition expands Galco's industrial automation portfolio with Ad-Tech's control systems expertise.
SHIFT	PREDICTIV	12/16/2025	AI	-	**Shift Technologies Canada Inc. & HouseStack Holdings Inc.** acquired **Predictiv AI Inc**. This transaction consolidates Shift's operations, streamlining its smart sensor and analytics platform.
UNION PARK CAPITAL	GAM	12/12/2025	Motion Controls & Motors	-	**Union Park Capital** acquired **GAM Enterprises.** This acquisition strengthens Union Park's industrial automation holdings with GAM's precision gear technologies.
quickbase	JUICED TECHNOLOGIES	12/02/2025	Automation	-	**QuickBase** acquired **Juiced Technologies.** This deal enhances QuickBase's low-code platform with Juiced's integration and automation capabilities.
TECAN.	FUJIFILM	12/01/2025	Automation	-	**Tecan Group** acquired **FUJIFILM Wako Automation.** This transaction expands Tecan's lab automation offerings with FUJIFILM's robotic sample processing systems.
McKIM&CREED ENGINEERS SURVEYORS PLANNERS	Signature Automation	12/01/2025	Automation	-	**McKim & Creed** acquired **Signature Automation.** This acquisition boosts McKim & Creed's industrial automation services with Signature's control system engineering expertise.
HOSKIN SCIENTIFIC	Davis Controls	11/30/2025	Motion Controls & Motors	-	**Hoskin Scientific** acquired **Davis Controls.** This deal strengthens Hoskin's instrumentation portfolio with Davis Controls' process automation solutions.
kinective	Compuflex	11/25/2025	Automation	-	**Kinective** acquired **The Compuflex Corporation.** The combination integrates cash flow management with automation expertise, strengthening financial technology solutions for enterprise clients.

Q4 2025
Industry Acquisitions

Acquirer	Seller	Date	Subsector	EV ($M)	Rationale
Corterra GROUP	SYSTEM7	11/19/2025	Motion Controls & Motors	-	**The Corterra Group of Companies** acquired **System7.** This acquisition expands Corterra's industrial services with System7's automation and control system solutions.
ankura	OMNISCIENT PLATFORMS	11/19/2025	Automation	-	**Ankura Consulting Group** acquired **Omniscient Platforms.** This acquisition adds AI-driven analytics capabilities to Ankura's enterprise risk and strategy consulting services.
Grenova	PEAKROBOTICS	11/18/2025	Robotics	-	**Grenova** acquired **Peak Robotics.** This acquisition strengthens Grenova's lab automation portfolio with Peak Robotics' robotic handling systems.
BW Design Group	Malisko ENGINEERING, INC.	11/11/2025	Motion Controls & Motors	-	**Barry-Wehmiller Design Group** acquired **Malisko.** This acquisition expands Barry-Wehmiller's automation engineering capabilities with Malisko's control system integration expertise.
XTI aerospace	ANZU ROBOTICS	11/10/2025	Robotics	3.3	**XTI Drones** acquired **Anzu Robotics.** This acquisition enhances XTI's drone technology portfolio with Anzu's autonomous robotics systems.
GREEN VALLEY MANUFACTURING, INC.	BENDA	11/03/2025	Robotics	-	**Green Valley Manufacturing** acquired **Benda Conveyor Solutions.** This acquisition expands Green Valley's material handling solutions with Benda's conveyor system expertise.
SYMETRI	SOLIDCAD	10/27/2025	Robotics	112.3	**Symetri AB** acquired **Solid Cadgroup.** This deal strengthens Symetri's CAD and BIM software services with Solid Cadgroup's design technology offerings.
opyn	empara	10/22/2025	AI	-	**Opyn Health** acquired **Empara.** This transaction enhances Opyn's healthcare SaaS platform with Empara's patient engagement and care coordination tools.

Q4 2025
Industry Acquisitions

Acquirer	Seller	Date	Subsector	EV ($M)	Rationale
OSO ELECTRIC EQUIPMENT	ELECTRIC SHEEP AUTONOMOUS MOWERS	10/20/2025	Robotics	-	**Oso Electric Equipment** acquired **Electric Sheep Robotics.** This transaction adds autonomous landscaping robotics to Oso's electric equipment portfolio.
ZIMMER BIOMET	monogram	10/07/2025	Robotics	678.1	**Zimmer Biomet Holdings** acquired **Monogram Technologies.** This acquisition strengthens Zimmer Biomet's orthopedic robotics capabilities with Monogram's precision surgical systems.

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