



# Industrial System Integration

Navigating Market Crosswinds  
Through Strategic M&A

M&A insight | Europe | 2025





## ERVIN SCHELLENBERG

Managing Director, Technology

### Key (M&A) Trends

“ *The M&A market for industrial system integrators is currently experiencing decreased deal activity due to global uncertainty.*

*Buyers have become more cautious, prioritizing strategic acquisitions in key end-markets and technologies.*

*Private equity firms remain highly active, leveraging buy-and-build platforms.*

*With strong capital positions, strategic positioning in key end-markets and technologies, players are well-placed to capitalize current market crosswinds through M&A.*

*Ongoing consolidation, underscores the sector's long-term potential for scalable growth.* ”

## KEY INSIGHTS

8.7  
€bn

ADDRESSABLE  
MARKET FOR  
EUROPEAN SYSTEM  
INTEGRATORS

5.3%  
CAGR

LONG-TERM  
MARKET GROWTH

75  
Deals p.a.

STABLE M&A  
ACTIVITY

>8x  
EBITDA

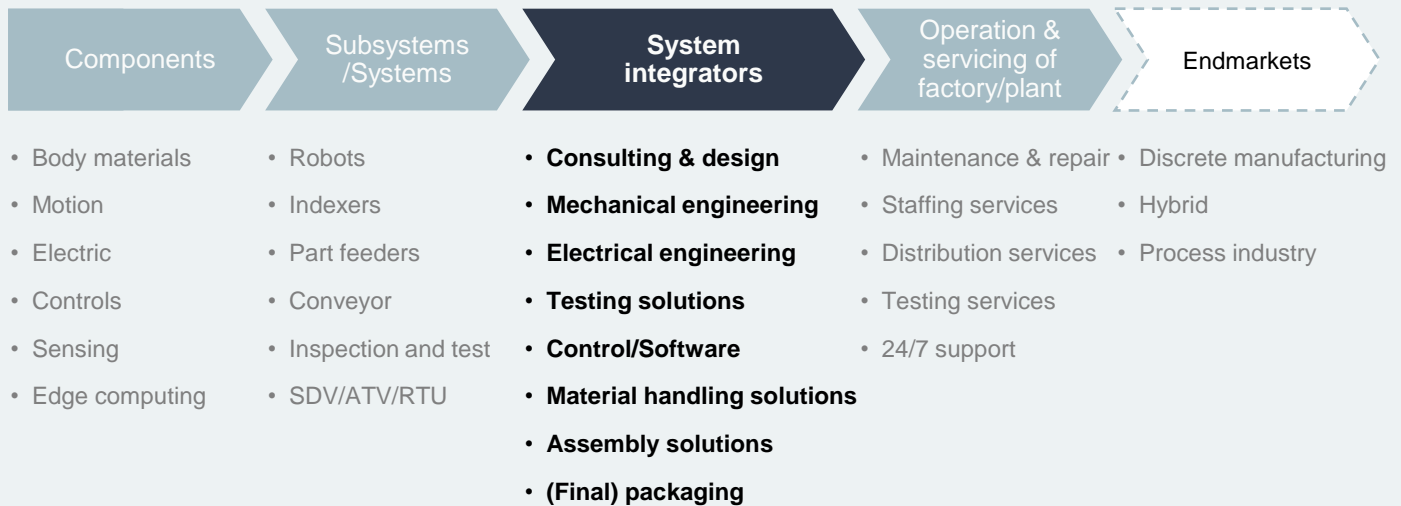
VALUATIONS UNDER  
PRESSURE

>20  
Buy & Build

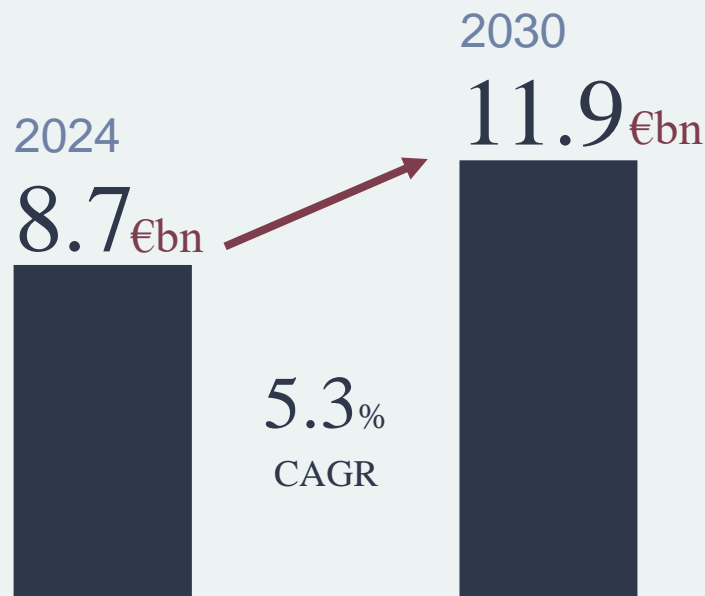
PLATFORMS ACTIVE  
IN THE MARKET

# Mapping the industrial system integration market

Market players connect all loose ends in production & logistics processes to automated systems, throughout the entire value chain of discrete products:



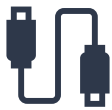
## EUROPEAN MARKET VOLUME DEVELOPMENT



# Manufacturing trends shaping customer needs



**Flexible:** Products & variations (e.g., low volume, high mix), size, and weight  
**Space saving:** Minimal space requirements in factory  
**Fast:** Combine high-speed elements with slow tasks



**Modular:** Never replace system – adapt & expand (green & brown field)  
**Cobotics:** Familiarize HR & machines (cobotics & processes)  
**Integrate labor:** Design system to integrate (low-skilled) labor ergonomically



**End-to-end:** Inbound to outbound (production, intralogistics & warehouse)  
**Link:** Interconnect the whole factory (from island to net)  
**Decentralized:** Keep system running despite local problems



**Efficient:** Use traveling time (e.g., test in line instead of separate station)  
**Precise:** Accuracy is key for “simple” automation and speed  
**Positioning:** Systems need precise “eyes & ears”



**Customer:**  
 “Sell a conveyor, robot, gripper, camera, PLC”

COMPONENT / DISCRETE CELL

**Customer:**  
 “Integrate smart hardware and software in my production line / plant section”

INTEGRATED SYSTEMS

**Customer:**  
 “Plan, engineer and automate my factory / plant”

TECHNOLOGY ENABLED SOLUTIONS

**Customer:**  
 “Take over the responsibility of my factories / plants’ sustainable performance”

Productivity Sustainability  
 Health & Wellbeing **OUTCOME-BASED SOLUTIONS** Efficiency  
 Safety & Security  
 Central utility plant Resilient Operations

Increase in Valuation

# M&A trends and activity in the new market

The new market is characterized by stable but slightly lower deal activity due to crosswinds in underlying manufacturing end-markets (increasing input prices, geopolitical tensions, supply chain issues) and the financing environment has become unfavorable for acquisitions.



## FRAGMENTED MARKET:

Commencing consolidation across all end-markets and service offerings, with only a few larger players and a multitude of small competitors.



## NEW PROFIT POOLS:

High demand for turnkey solutions, especially digital capabilities, drives up prices for production infrastructure, but attractive acquisition targets are limited.



## BUY & BUILD PLATFORMS:

Sponsor backed buy & build strategies to capitalize on industry growth.



## LEVERAGING NEW MARKET TAILWINDS:

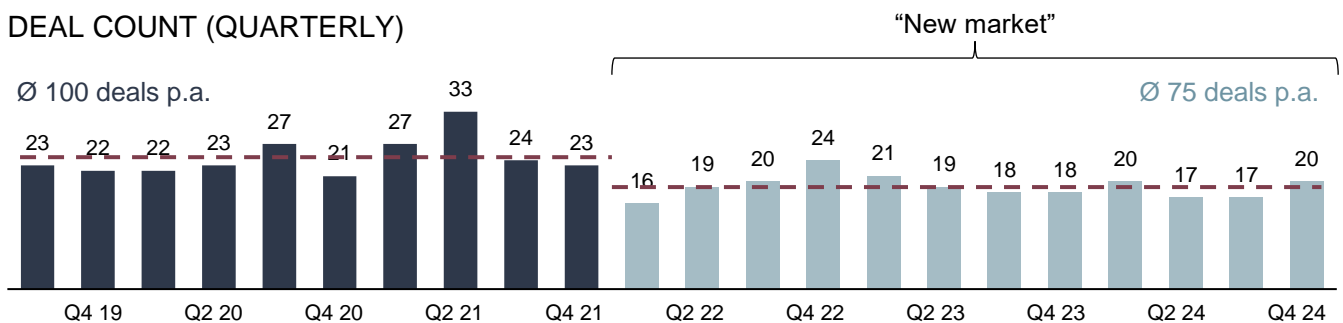
Companies with strong capital bases can capitalize on decreased buyer activity.



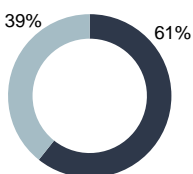
## (RE)FOCUS ON CORE BUSINESS:

Global turmoil makes buyers cautious, focusing only on acquisitions that align with their strategy and target end markets. Sellers must identify the best buyer to optimize transaction conditions and secure their future.

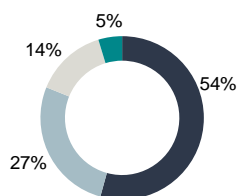
## DEAL COUNT (QUARTERLY)



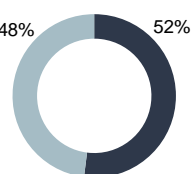
## BUYER TYPE



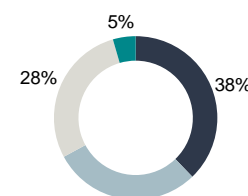
## DEAL SIZE



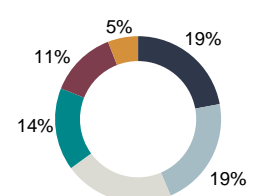
## CROSS BORDER



## COUNTRY BUYER



## COUNTRY SELLER



Strategic  
Private Equity

0-20m  
100-500m  
20-100m  
500m+

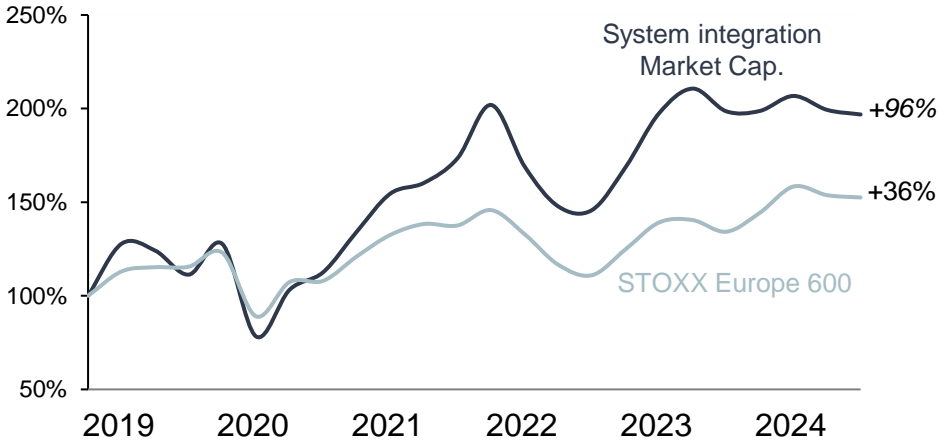
Domestic  
Cross-border

Europe  
Asia  
US  
Rest

Germany  
UK  
Italy  
France  
Rest  
Netherlands

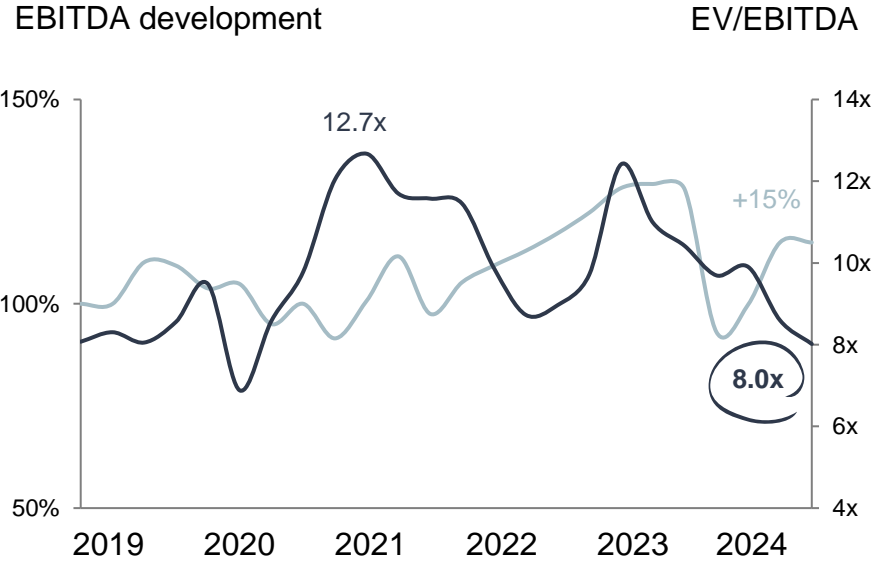
# European market performance & valuation

## MARKET CAP DEVELOPMENT



Growth peaked in 2022 due to strong post-COVID automation demand. In the new market, shaped by the Ukraine crisis, energy shortages, and inflation, growth slowed but remained resilient. In 2023 and 2024, demand for healthcare and F&B automation continued to drive outperformance.

## EV/EBITDA & EBITDA DEVELOPMENT



By 2024, the EV/EBITDA ratio has decreased to 8.0x, reflecting the European energy crisis, inflation, and rising interest rates and dimmed investor expectations.

The gradual recovery in EBITDA reflects improving market conditions and continued investor confidence in the sector, fueled by consistent demand for automation solutions across future industries.

Source: CapitalIQ, annual reports, company press releases, transactions advised on by Investec & deal information provided by private equity & system integration companies

# Transaction analysis

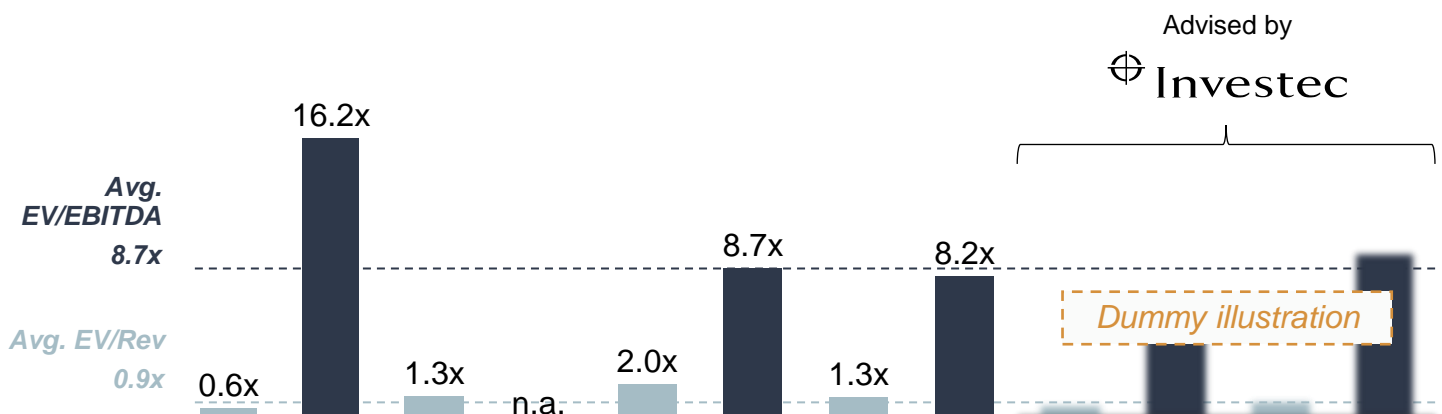
## TRANSACTION MULTIPLES



















- Served end-markets significantly impact valuations, beneficiaries are e.g., healthcare and F&B
- Businesses with a strong presence in the automotive sector, on the other hand, achieve lower valuations depending on their exposure to trends such as e-mobility
- Companies with robust software platforms that enable seamless integration of advanced technologies continue to command premium valuations in this competitive market.

## ATTRACTIVE BUSINESSES TRADE AT >8X EBITDA

EV/Revenue >0.9x

EV/EBITDA >8.7x



Target						
Country						
Activity	F&B processing solutions	Solutions for shelving systems & warehouse automation	Integrator of industrial machinery	End-of-line automation and palletising solutions	Automation & electrical engineering for furniture industry	Automation & robotic systems integrator for food sector
Buyer						
Rev (€m)	€261m	€290m	€300m <sup>1</sup>	€48m	Not disclosed	Not disclosed
EBITDA (%)	4%	n.a.	17%	15%	Not disclosed	Not disclosed
Year	2021	2023	2023	2024	2023	2023

<sup>1</sup> adjusted

Source: Investec Research, Orbis, Capital IQ, MergerMarket, annual reports & press releases



# Trading Comparables

Listed companies' active in Europe (as of September 2024)

	EBITDA margin	Revenue Growth		EV/EBITDA	
		2023	2022-23	2023-24	2023
Dürr	6%	7%	5%	7.1x	6.2x
Vinci	16%	12%	5%	8.3x	8.0x
ATS*	14%	27%	4%	11.1x	7.0x
Mpac	8%	17%	7%	7.1x	12.9x
Kardex	14%	24%	10%	high	high
Aumann	6%	34%	17%	9.8x	2.6x
Max Automation	8%	16%	15%	11.5x	high
Gérard Perrier	9%	9%	2%	12.6x	11.3x
SPIE	8%	8%	8%	9.6x	13.8x
<b>Median</b>	<b>8%</b>	<b>14%</b>	<b>6%</b>	<b>9.7x</b>	<b>8.0x</b>
<b>Average</b>	<b>9%</b>	<b>15%</b>	<b>5%</b>	<b>9.6x</b>	<b>8.8x</b>

## TRADING MULTIPLES

- The European energy crisis, inflation, and rising interest rates weighed on valuations in 2024, dimming investor expectations.
- Companies like Kardex and ATS, which have stronger growth (especially in healthcare and F&B sectors) show higher valuations.
- Automotive-focused providers like Dürr show lower multiples, consistent with industry trends. Manz AG's insolvency highlights challenges for automotive-focused companies struggling to maintain profitability under sector pressures.
- Strong margins and revenue growth tend to correlate with higher EV/EBITDA multiples.

\*ATS included despite Canada origin with strong exposure to European market  
 Notes: neg. stands for negative multiples, which were taken out of the analysis  
 Source: CapitalIQ, annual reports, company press releases



# M&A used to build champions

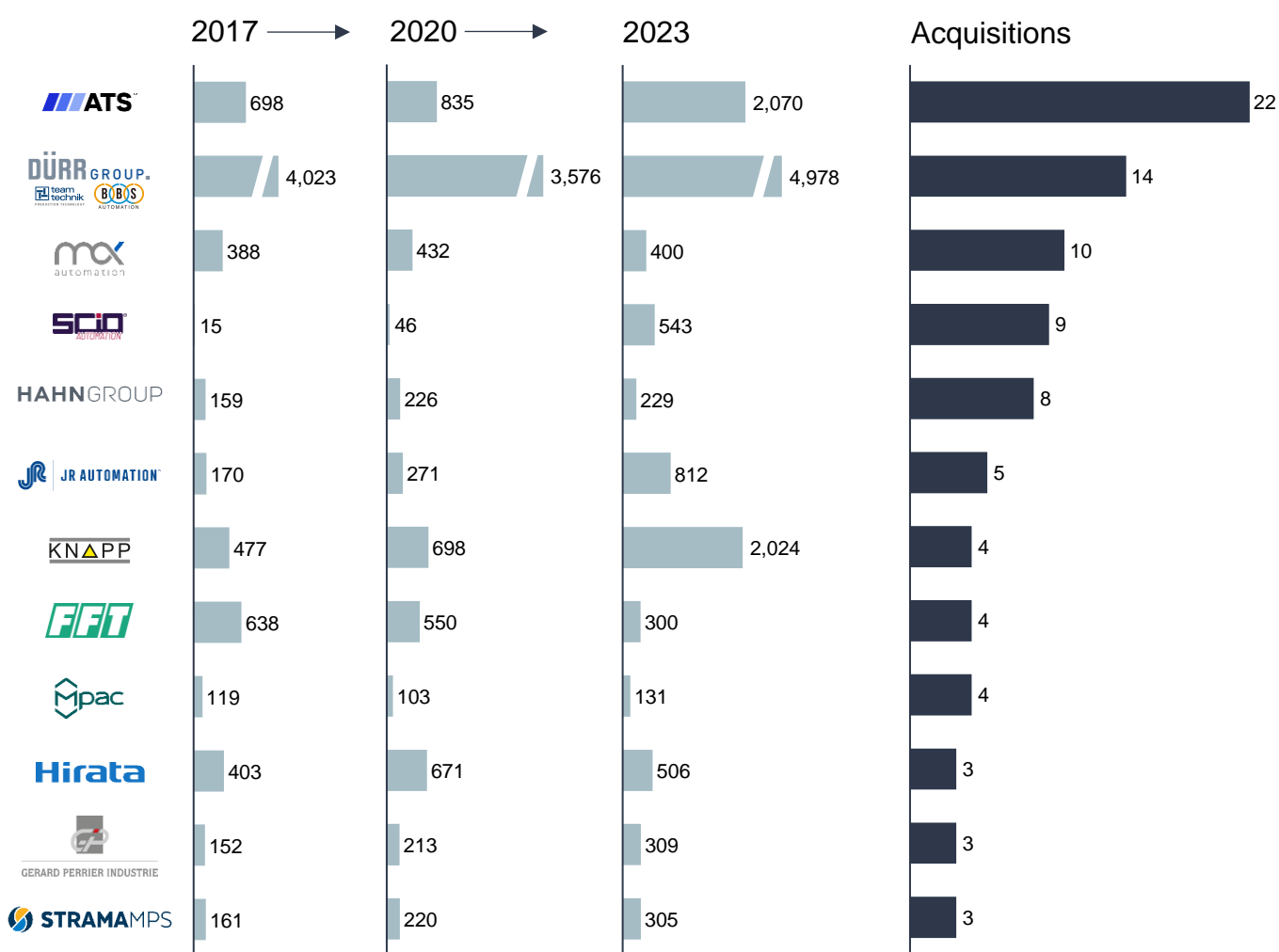
## HARVESTING OPPORTUNITIES BY BUILDING OFFERINGS SUITING CUSTOMER NEEDS

Active M&A strategies help players to build offerings suited to the customers' (future) needs, thus achieving sustainable growth with appealing profitability.

The fragmented market still offers plenty of opportunities.

ATS is a good example of a consolidation driver and has emerged over the past 10 years as one of the most relevant players in the space (+18.6% sales CAGR FY2018-2021, 13% EBITDA margin and valued at 16x EBITDA), thanks to more than 22 acquisitions. And there is substantial potential left for the years to come.

## EXAMPLES OF SUCCESSFUL SERIAL BUYERS



## PRIVATE EQUITY BACKED

- Platform investments serve as the basis for aggressive buy-and-build strategies in the system integration space.

## LISTED COMPANIES

- Listed system integrator companies use M&A to systematically expand their offering, acquire technology, access new end markets and strengthen competitive positioning.

## MID MARKET

- Mid-market system integration companies are mostly interested in accessing or securing competitive positioning in niche markets.



## SELECTED SERIAL ACQUIRER

PE Backed

<b>Triton</b> Revenue: €1,200m Invested 2016 	<b>AEA</b> Revenue: €543m Invested 2023 	<b>HOCH REIN</b> Revenue: n.a. Invested 2024 
<b>CGIS MANAGEMENT</b> the business builders Revenue: €70m Invested 2017 	<b>RSBG HAHNGROUP</b> Revenue: n.a. Invested 2020  <b>DAHL ROBOTICS</b>	<b>Nimbus</b> Revenue: €100m Invested 2019 
<b>cerea PARTNERS</b> Revenue: €25m Invested 2023 	<b>BPE</b> Revenue: €20m Invested 2018 	<b>PARAGON PARTNERS</b> Revenue: €80m Invested 2018 

Listed companies

<b>DÜRR</b> Revenue: €4,600m Invested in 	<b>mx automation</b> Revenue: €401m Invested in Cisens Automation Shanghai 	<b>VINCI</b> Revenue: €70,055m Invested in 
<b>ATS</b> Revenue: €1,751m Invested in INDUSTRIAL AUTOMATION PARTNERS 	<b>TESLA</b> Revenue: €87,577m Invested in 	<b>LINCOLN ELECTRIC</b> Revenue: 3,793m Invested in 

Mid Market

<b>KNAPP</b> Revenue: €2,024m Invested in 	<b>KÖRBER</b> Revenue: €3,336m Invested in cohesio group Qubiq	<b>SHAPE TECHNOLOGIES GROUP</b> Revenue: €73,5m Invested in 
<b>HIROTEC</b> Revenue: €412m Invested in 	<b>spiraXtec</b> Revenue: €70,7m Invested in 	<b>RNA</b> We handle it. Revenue: €61m Invested in HOFMANN & STIRNER Rächle Automation

# Hero Story: BBS Automation

THE SYSTEM INTEGRATION MARKET HOLDS OPPORTUNITIES FOR SUPPLIERS AND INVESTORS TO BUILD A “WIN-WIN SUCCESS STORY”



**ANDREAS FISCHER**

Partner, EQT



Very rarely do we find businesses of this size that operate as a truly global platform like BBS Automation. EQT Mid Market is delighted to partner with the co-founders of BBS Automation and their team to further develop this key enabler of Industry 4.0 production systems.



- Investment focus on Industrial Technology opportunities
- Relevant transactions ~ #40
- €242bn assets under Management

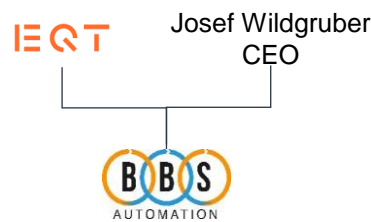


- Flexible automation solutions & testing processes
- BBS Smart Factory
- Serving the Mobility, Life Science and Consumer Goods Market



- Leader in engineering for automation and digitalization, serving the automotive industry globally

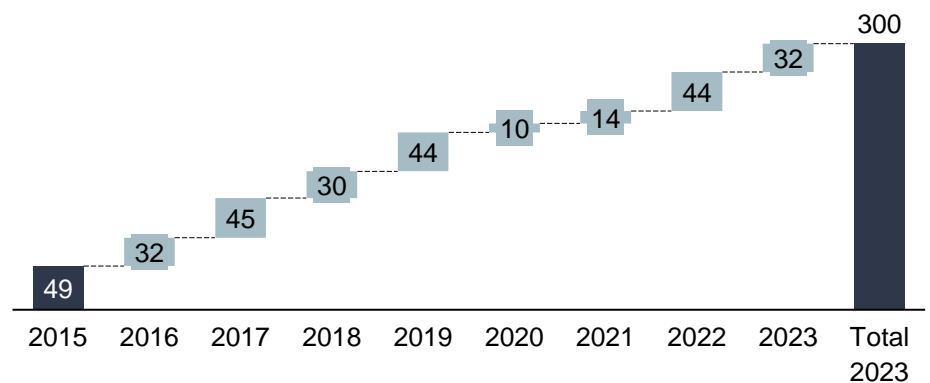
## TRANSACTION STRUCTURE 2018



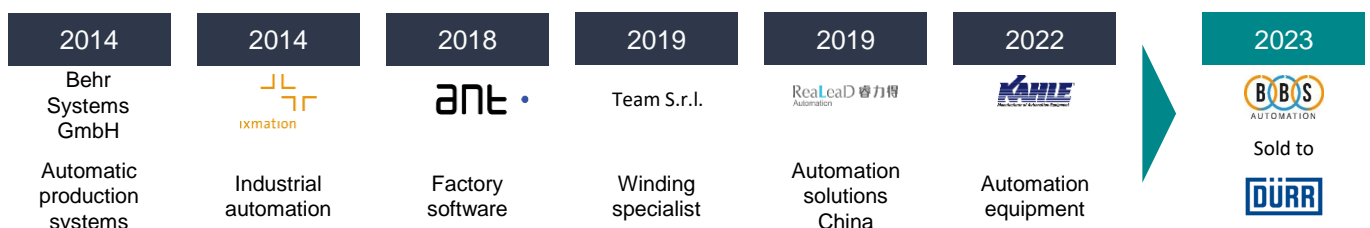
## TRANSACTION STRUCTURE 2023



## REVENUE DEVELOPMENT (€M)



## TRANSACTIONS IN TOTAL # 6 (INCL. ONE MERGER) PRIOR EXIT



# Selected transactions advised by our team

INVESTEC HAS EXTENSIVE EXPERIENCE ADVISING ON DEALS IN THE SYSTEM INTEGRATION SECTOR. WITH 12 FOCUSED DEALMAKERS ACROSS EUROPE, WE CAN HELP YOU ACHIEVE YOUR STRATEGIC AMBITIONS.



**Ervin Schellenberg**  
 Managing Partner  
 +49 177 4132911  
[ervin.schellenberg@investec.com](mailto:ervin.schellenberg@investec.com)



**Guillaume ten Have**  
 Partner  
 +33 148 246301  
[guillaume.tenhav@investec.com](mailto:guillaume.tenhav@investec.com)



**Markus Decker**  
 Managing Partner  
 +41 445 752822  
[markus.decker@capitalmind.com](mailto:markus.decker@capitalmind.com)



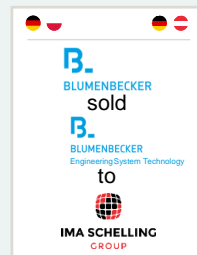
**Holger Truckenbrodt**  
 Partner  
 +49 172 656 4405  
[holger.truckenbrodt@investec.com](mailto:holger.truckenbrodt@investec.com)



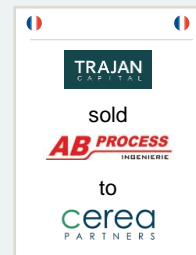
**Bart Jonkman**  
 Managing Partner  
 +31 736 238774  
[bart.jonkman@investec.com](mailto:bart.jonkman@investec.com)



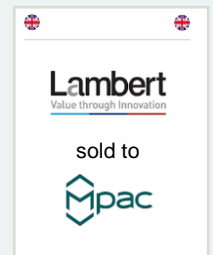
**Marc Potel**  
 Managing Partner  
 +44 207 5975876  
[marc.potel@investec.com](mailto:marc.potel@investec.com)



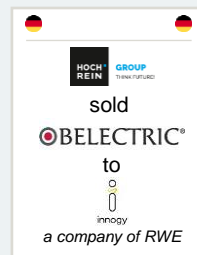
Industrial automation in furniture industry



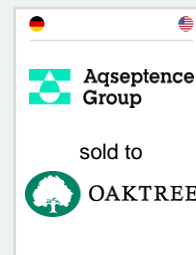
Industrial automation in food industry



Packaging automation solutions



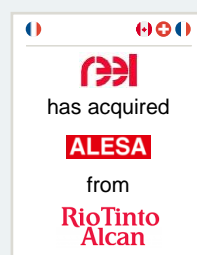
System integration in solar industry



Water treatment systems



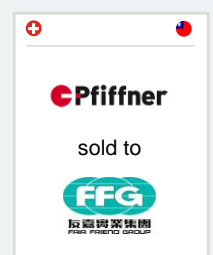
Engineering and technology consulting



Material handling solutions



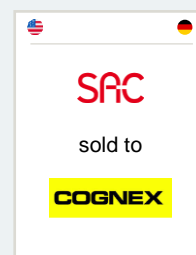
Manufacturer of welding robots



High-precision rotary transfer systems



Industrial automation systems



Machine vision systems



Industrial automation systems

Investec's Investment Banking group assists entrepreneurs & founders, family businesses, private equity and corporates in selling, buying and financing businesses at best terms.

Our 300+ strong investment bankers team invests significant time in the following sectors to shape the best possible outcome for you:

**Business Services – Consumer – Energy & Infrastructure – Financial Services – Food & Agri – Healthcare – Industrials – TMT.**

Investec (dual listed on the London, FTSE-250 and Johannesburg Stock Exchanges) is an international banking and wealth management group in Europe, the United States, Southern Africa and Asia-Pacific. Investec is a purpose-driven organisation, dedicated to its core purpose of creating enduring worth, striving to create long-term value for all stakeholders and contribute meaningfully to people, communities and the planet.

Further information can be found at [www.investec.com/advisory](http://www.investec.com/advisory)

