



Manufacturing Operations Management – Connected Worker Spotlight

Houlihan Lokey's Software team is among the leading industrial software practices in the middle market, dedicated to providing valuable insights to assess strategic opportunities and stay informed about market trends.

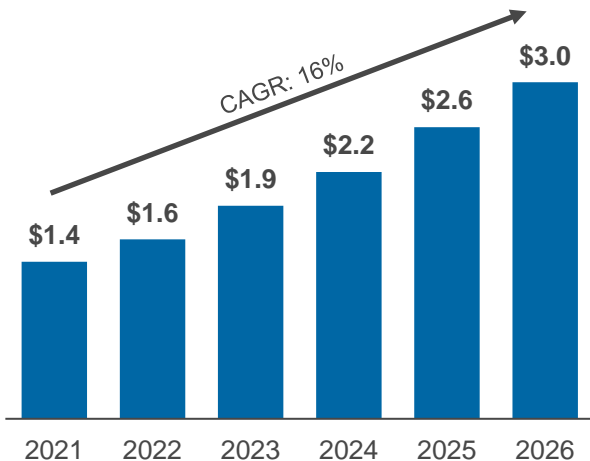
Driving Productivity on the Manufacturing Floor



- Connected worker software is a technology solution designed to enhance productivity, quality, and safety in manufacturing environments by providing real-time data, communication tools, and training resources to workers on the shop floor.
- The software can be accessed through mobile devices, wearables, or tablets, and it enables workers to receive instructions, report issues, access relevant documents and checklists, and collaborate with peers and supervisors.
- Connected worker software also collects data from various sources, such as machines, sensors, and workers themselves, which can be analyzed to improve operational efficiency and identify opportunities for process optimization.
- Overall, connected worker software helps manufacturers create a more agile, efficient, and informed workforce that can adapt to changing demands and achieve better outcomes.

Emerging Category With Favorable Tailwinds

Connected Worker Technology Market Size (\$B)



Sources: Telepresenz, Verdantix.

1

Manufacturers pursuing profitability improvements

Connected worker technology provides real-time information to workers on the line, which reduces downtime. Additionally, step-by-step instructions for complex tasks via augmented reality (AR) is the most cost-effective and efficient way to provide instruction.

2

Increasing prevalence of remote collaboration and training

Fifty percent of factory work is projected to be done remotely by 2025. Connected worker technology enables workers to collaborate remotely and receive training without the need of a physical presence.

3

Improvement of worker safety and training

Worker safety continues to be a priority for manufacturers. Real-time information and guidance on safe work practices reduce the risk of accidents and improve overall safety.

4

Growing collaboration and hiring overseas

Offshoring efforts have increased since the pandemic as corporations look to reduce manufacturing costs and recruit the top talent globally, making communication across multiple time zones and countries critical.

Notable Recent Transactions

IFS acquires Poka

Poka



Date: 6/20/2023

EV: N/A

Rev: N/A

EV / Rev: N/A

Target: Social industrial communication and training platform

Rationale: Combines IFS ERP/FSM/EAM technology with Poka and extends value all the way to the end user

Innovapptive raises \$26M Series B



Date: 4/24/2023

EV⁽¹⁾: \$131M

Rev: N/A

EV / Rev: N/A

Target: Connected worker solutions for maintenance, operations, and warehousing

Use of Proceeds: Accelerate product innovation and reach new regional markets

QAD acquires Redzone

Redzone



Date: 12/27/2022

EV: \$885M

Rev: N/A

EV / Rev: N/A

Target: Connected workforce management solutions for manufacturers

Rationale: Strong strategic fit with existing product suite and access to fast growing industry segment

Dozuki receives investment from Marlin

DOZUKI



Date: 9/27/2021

EV: N/A

Rev: N/A

EV / Rev: N/A

Target: Connected work instructions and training software

Use of Proceeds: Accelerate product innovation and platform growth

Lightguide raises \$15M Series B

LightGuide

G2VP

Date: 7/1/2021

EV⁽¹⁾: \$79M

Rev: N/A

EV / Rev: N/A

Target: Industrial AR platform for assembly and manufacturing

Use of Proceeds: Expand global sales and support networks to accelerate growth

Parsable raises \$60M Series D

PARSABLE



Date: 6/12/2020

EV⁽¹⁾: \$200M

Rev: \$10M

EV / Rev: 20x

Target: Mobile collaboration and workflow connected worker platform

Use of Proceeds: Global expansion, global partnerships/integration, and internal platform development

(1) Post-money valuation.

Sources: 451 Research, S&P Capital IQ, PitchBook.

Top 10 Companies to Watch

Augmentir

AR-based work instruction, collaboration, training, and issue management platform with a core focus on industrial and manufacturing companies.

HQ: Horsham, PA

Founded: 2017

Notable Investors: Gardner Lewis, Lerer Hippeau

Recent Transaction: \$3.9M at \$44M EV | Series A | 2023

DOZUKI

Connected work instructions and training software focusing on driving frontline digitization for manufacturing companies.

HQ: San Luis Obispo, CA

Founded: 2011

Notable Investor: Marlin Equity Partners

Recent Transaction: PE Growth | 2021

GUARDHAT

Connected frontline worker platform intended to provide a productive work environment for workers through owned and third-party wearable devices

HQ: San Jose, CA

Founded: 2014

Notable Investors: Augment Ventures, Annox Capital

Recent Transaction: N/A | Later Stage VC | 2022

INNOVAPPTIVE

Connected worker solutions for maintenance, operations, and warehousing throughout the manufacturing and industrial landscapes.

HQ: Houston, TX

Founded: 2012

Notable Investor: Vista Equity

Recent Transaction: \$26M at \$131M EV | Series B | 2023

LightGuide

Industrial AR platform for assembly and manufacturing with real-time operational insights that connect seamlessly across the factory environment.

HQ: Wixom, MI

Founded: 2005

Notable Investor: Michigan Capital Advisors

Recent Transaction: \$15M at \$79M EV | Series B | 2021

mobideo

Integrated suite of applications to support safe, compliant, and efficiently managed workforces with a core focus on industries that have strict compliance requirements.

HQ: Houston, TX

Founded: 2000

Notable Investor: Delek US

Recent Transaction: \$4.5M at \$45M EV | Seed | 2019

operations1

Process documentation platform that digitizes production floor processes for manufacturers irrespective of end market.

HQ: Augsburg, Germany

Founded: 2017

Notable Investors: 42CAP, Cherry Ventures

Recent Transaction: \$11.7M at \$42M EV | Series A | 2022

PARSABLE

Mobile collaboration and workflow platform that connects executives, functional experts, and frontline workers for manufacturing and industrial companies.

HQ: San Francisco, CA

Founded: 2013

Notable Investors: GV, Lightspeed Venture Partners

Recent Transaction: \$60M at \$200M EV | Series D | 2020

SwipeGuide.

Digital work instruction platform that combines expert, in-house knowledge with visual step-by-step instructions on the shop floor.

HQ: Amsterdam, Netherlands

Founded: 2014

Notable Investors: Capital Mills

Recent Transaction: Undisclosed | Later Stage VC | 2023

workerbase

Mobile platform for factory floor task management, safety alert notification, productivity analysis, data analytics, and workforce automation.

HQ: Munich, Germany

Founded: 2017

Notable Investors: Point Nine Capital

Recent Transaction: \$9.8M | Series A | 2022

How Houlihan Lokey Covers Manufacturing Software

Design/Engineer

CAD/CAE/EDA

Verification/Simulation

CAM

PLM/PIM/PDM

Execute/Manufacture

MES

QMS

MOM/Connected Worker

SCADA/IIoT/DCS/PLC/HMI

Manage/Maintain

EAM/CMMS/Repositories

EHS

Risk/Requirements

Service/Repair

Contact the Houlihan Lokey team to discuss their perspective on market activity in the industrial software sector.



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Selected Manufacturing Software Experience

KEENSIGHT CAPITAL
has acquired
Quanos
a portfolio company of
IK Partners
Buy-side Advisor

SEMA
a portfolio company of
VIA equity LEA
has been acquired by
Bregal
Unternehmerkapital
Sell-side Advisor

selerant
has been acquired by
Traceone
a portfolio company of
STG
Sell-side Advisor

LEA PARTNER
has sold
PRO-FILE
to
revalize
a portfolio company of
TA ASSOCIATES
Sell-side Advisor*

CGTECH
has been acquired by
SANDVIK
Sell-side Advisor

SpecPage
has been acquired by
revalize
a portfolio company of
TA ASSOCIATES
Sell-side Advisor*

OSAS
has been acquired by
aptean
Sell-side Advisor*

*Selected transactions were executed by Houlihan Lokey professionals while at other firms acquired by Houlihan Lokey or by professionals from a Houlihan Lokey joint venture company. Tombstones included herein represent transactions closed from 2020 forward.



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