



# IoT Analytics Industry Report

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# Market Overview

**IoT analytics** involves the collection, integration, and analysis of data generated by Internet of Things (IoT) devices to gain insights, improve decision-making, and optimize processes. It employs various data analytics techniques to process large volumes of data from connected devices, enabling smarter actions based on real-time or historical data analysis.

## Sample Use Cases:



Predictive Maintenance

IoT sensors and data analytics enable industries with large machinery, like utilities, to predict equipment failures and schedule maintenance.



Supply Chain Management

IoT data analytics optimizes supply chain efficiency and product condition by tracking location, speed, and environmental factors, enhancing delivery timeliness and quality.



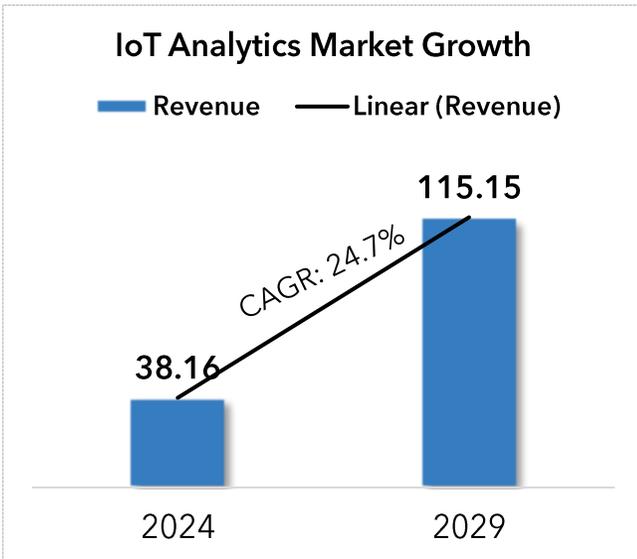
Security

IoT analytics software companies enhance cybersecurity by analyzing data from connected devices to detect and mitigate potential threats in real-time.

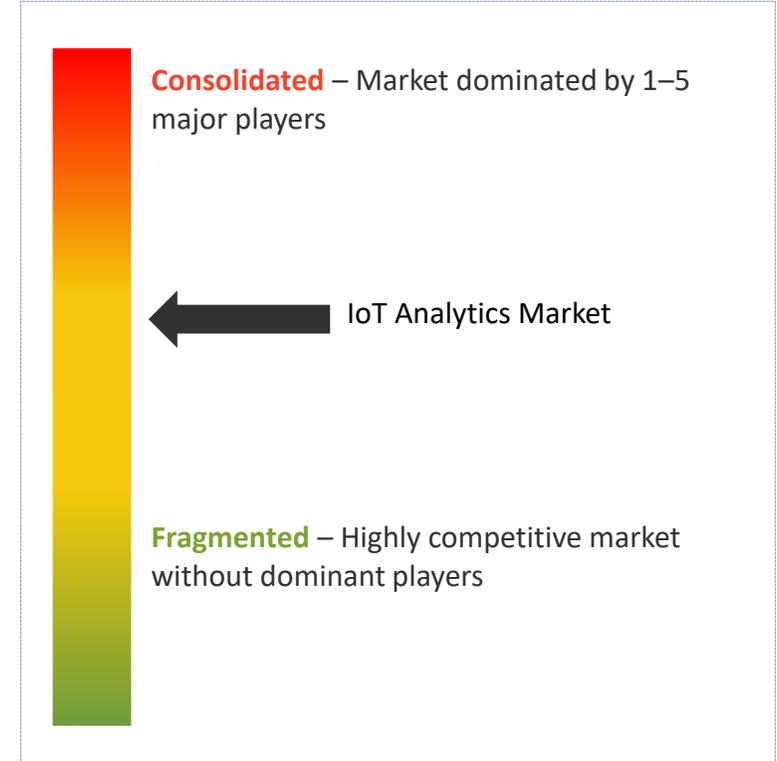




# IoT Analytics Market Summary



- Healthcare is expected to see huge IoT Analytics investments and growth as the industry increases the amount of IoT devices used
- Edge computing, a trend in IoT analytics, involves processing data close to its source to minimize delays and enhance privacy, tackling bandwidth and connectivity challenges by ensuring efficient and secure data management.

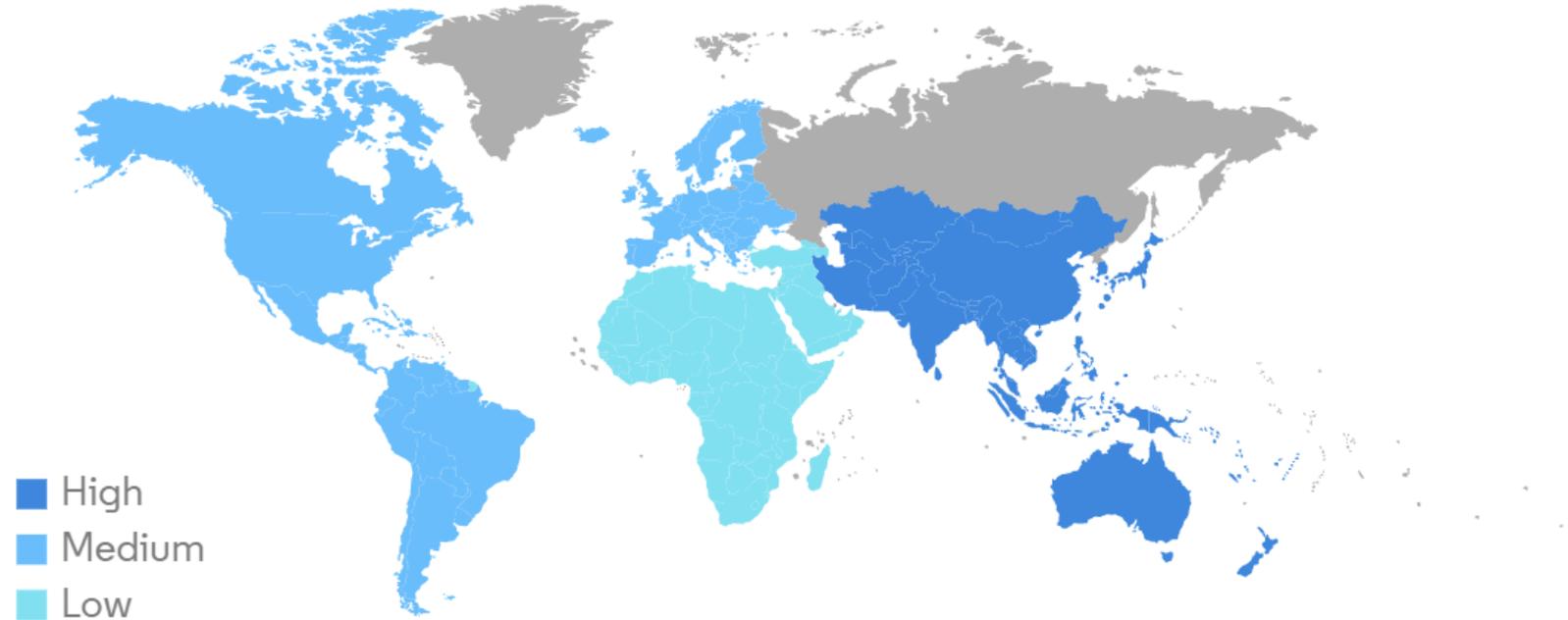


COVID-19 had a large negative affect on the industry, however post-pandemic the industry is rapidly growing due to an increase in IoT connectivity in many industries and an increase in demand for data driven analytics



# Growth in the IoT Analytics Market

IoT Analytics Market - Growth Rate by Region



*Asia Pacific is leading the market in growth due to rapid technological advances in the region and the need for better analytics. Regardless, North America still holds the highest market share due to the large amount of IoT appliances that North America has when compared to other regions.*



# Industry Use-Cases for IoT Analytics

Market	Major Buyers	IoT Analytics Application
Industrials 	Manufacturing	IoT Analytics software can provide insights on any robotics machinery that industrials companies have been shifting to for manufacturing
Financial 	Banks	Banks can leverage predictive analytics and security applications to keep consumer data safe and derive insights on customer bank data
Healthcare 	Healthcare	Healthcare appliances utilizing the internet can benefit from IoT security analysis applications as well as predictive analytics for improved treatment and diagnoses
Retail 	Retail	Retail stores can utilize predictive analyses and derive insights to determine customer patterns which can help increase efficiency within their marketing and sales

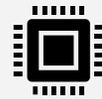


# Market Trends



## Impact of COVID-19

- The IoT analytics market faced challenges during the COVID-19 pandemic as customers or end-users curtailed budgets or postponed IT and IoT investments. Yet, in the post-pandemic era, this market is witnessing substantial growth, driven by heightened uptake within healthcare and manufacturing sectors, alongside accelerating digital transformation and the expansion of connected devices.



## Rising Demand in Healthcare

- IoT in healthcare generates extensive data, requiring advanced analytics to convert into insights for effective patient care, significantly increasing the demand for IoT analytics in the sector.
- Additionally, with the amount of IoT devices increasing at around a 12% CAGR, there is a large demand for Analytics software on these appliances



## Adoption by Industrials Sector

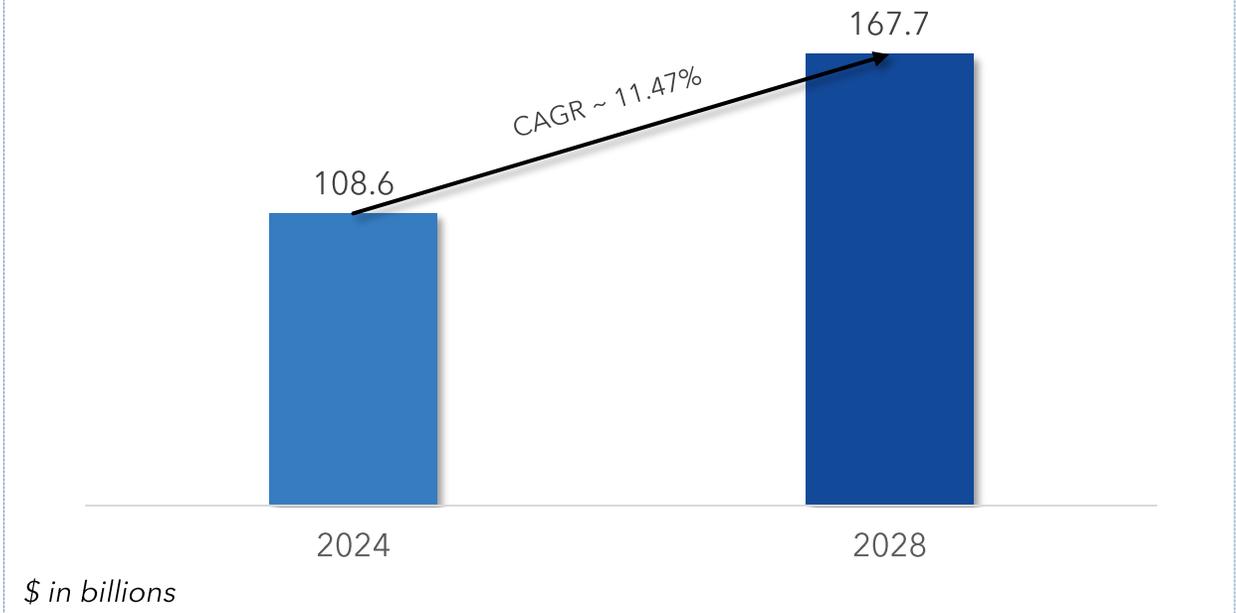
- The industrial sector is embracing IoT analytics to optimize their increasingly automated factories, where robots, often interconnected, allow manufacturers to leverage data for improved decision-making.
- These IoT devices can be monitored to help firms improve machine efficiency and to mitigate any risk

# Sector Highlight

Rising demand for Healthcare IoT appliances has greatly driven IoT Analytics Market Size within the Healthcare Sector



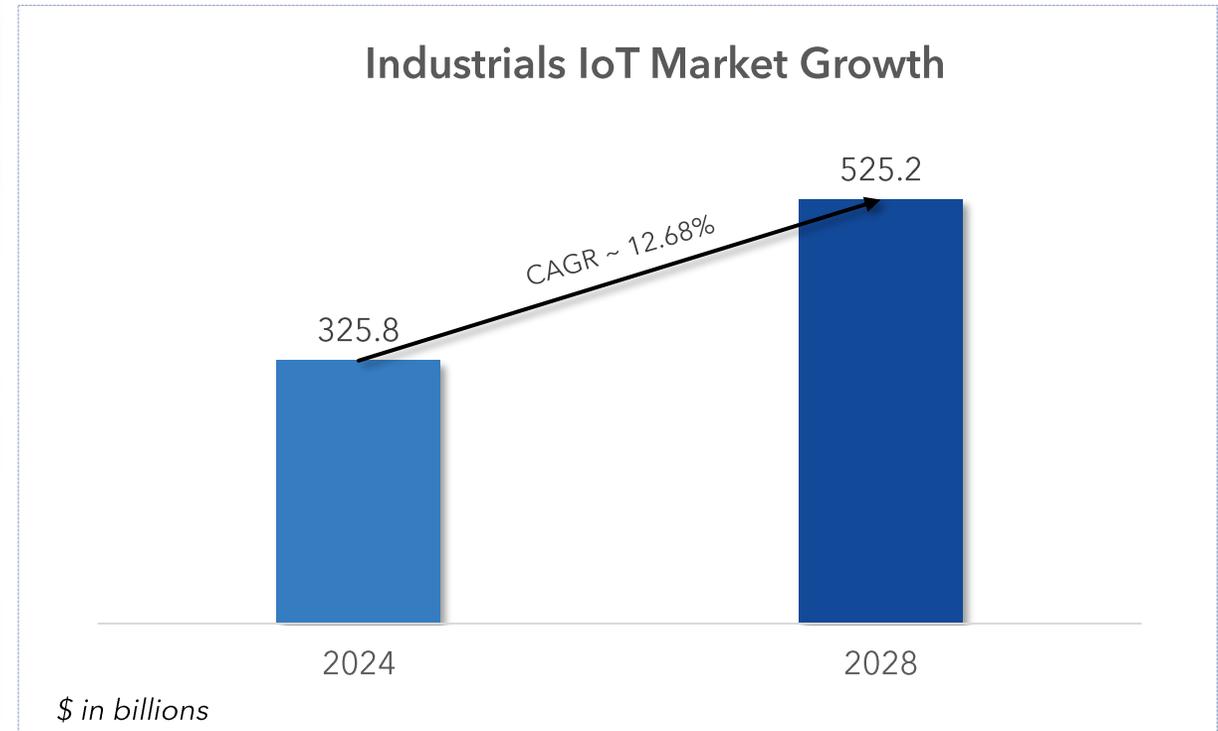
## Healthcare IoT Market Growth



- The Healthcare continue to adopt more analytics software technology as they increase their use of IoT appliances which leads to massive growth within the IoT Analytics industry
- A lot of this growth is happening within the APAC region which is why the IoT Analytics market growth has been highest there

# Sector Highlight Pt.2

Increase in the use of IoT appliances and robots within the industrials/manufacturing industry has increased demand for IoT Analytics



- As innovation continues, the industrials sector has increased its use of robotic IoT appliances which has resulted in many of these companies seeking IoT Analytics software to optimize machine use
- Once again, a large amount of this growth comes from the APAC region and more specifically in China



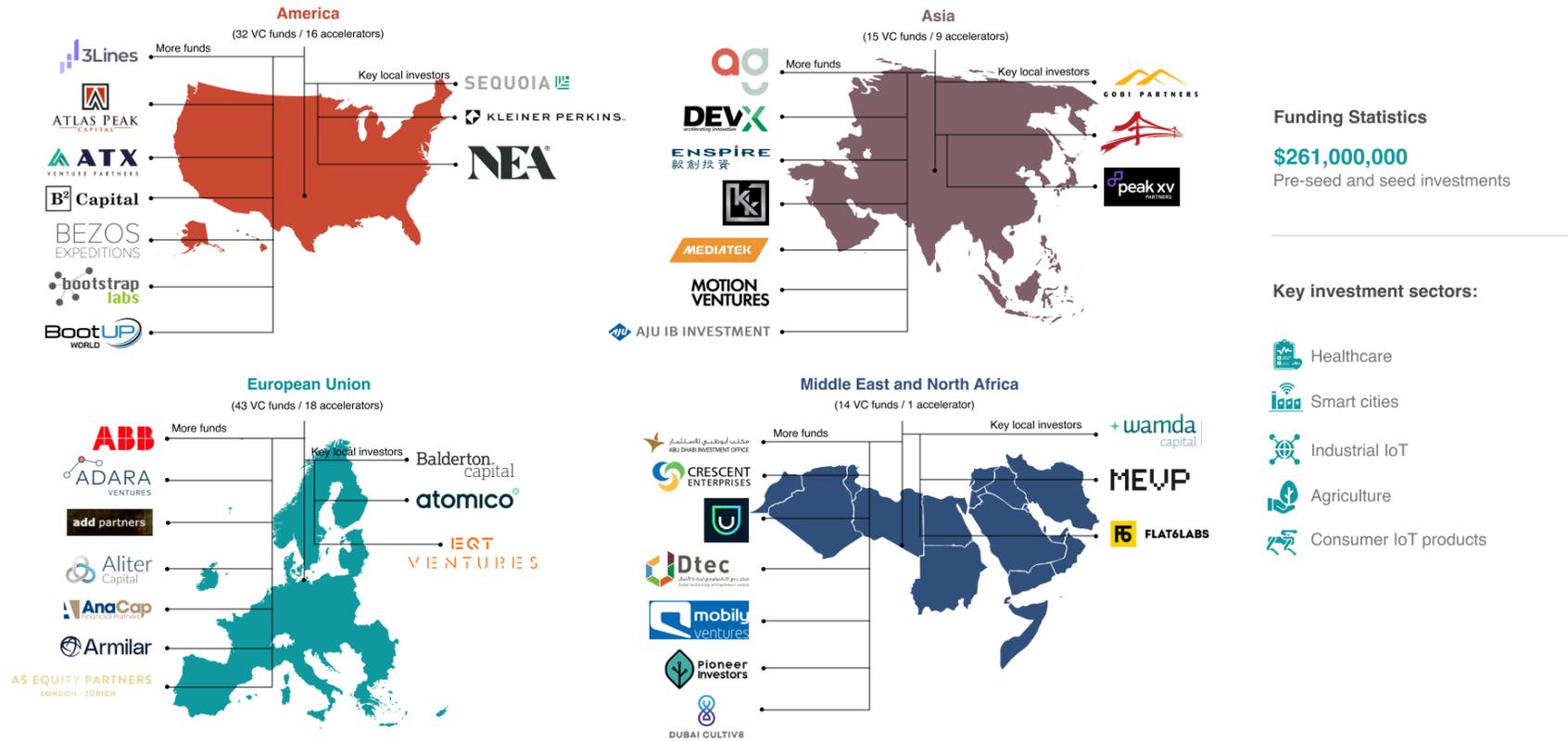
# IoT Analytics Companies to Watch

Use Case	Company	Description
Security	Datadog 	<ul style="list-style-type: none"><li>Datadog leverages advanced analytics to monitor data from IoT devices, enhancing security measures by identifying anomalies and potential threats swiftly, facilitating immediate response actions to maintain system integrity.</li></ul>
Security	Sumo Logic 	<ul style="list-style-type: none"><li>Sumo Logic provides comprehensive security solutions for IoT environments by aggregating and meticulously analyzing data across devices, pinpointing vulnerabilities and emerging threats to ensure robust data protection and maintain continuous operational functionality.</li></ul>
Predictive Maintenance	Sas 	<ul style="list-style-type: none"><li>SAS employs sophisticated predictive analytics and machine learning techniques to scrutinize data from connected IoT devices, allowing organizations to anticipate trends, behaviors, and potential issues, thereby enabling more informed decision-making and optimizing overall operational efficiency.</li></ul>
Predictive Maintenance	PTC 	<ul style="list-style-type: none"><li>PTC uses IoT analytics to predict equipment failures and streamline maintenance, reducing downtime and increasing efficiency.</li></ul>
Supply Chain	DataRobot 	<ul style="list-style-type: none"><li>DataRobot applies IoT analytics in supply chain management by using machine learning to predict and optimize logistics, improving efficiency and reducing costs.</li></ul>
Supply Chain	Flexport 	<ul style="list-style-type: none"><li>Flexport integrates IoT analytics to enhance visibility and control within the supply chain, facilitating real-time tracking and smarter decision-making for logistics and transportation.</li></ul>



# VC Activity within IoT and its effect on Analytics

## Internet of Things (IoT) funding ecosystem 2023



- Healthcare and Industrials have seen a huge surge within IoT VC investment which has caused a surge in spending on IoT Analytics from both sectors
- Asia was the biggest spender on IoT VC investments; hence they are also the fastest growers within IoT Analytics as well



# Private Equity Activity

## Notable Leveraged Buyouts

### Buyer Rationale

**sumo logic**



**FP**  
FRANCISCO  
PARTNERS

Sumo logic was bought by FP due to their impressive security IoT Analytics software and their immense growth in recent years

### Buyer Rationale

**software AG**



**SILVER LAKE**

Software AG was bought by Silver Lake due to help them transition into a cloud-first analytics business

## IoT Analytics PE Trends



Many PE firms look to **integrate** these IoT Analytics **companies with the Cloud**



There has been an **influx of LBOs within the IoT Analytics** space due to increased demand for observability and security solutions

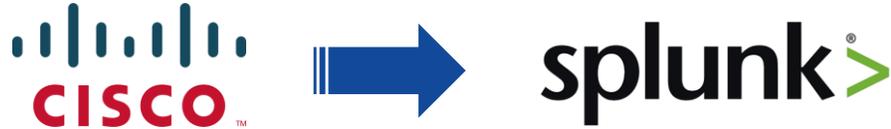


Some companies are **acquired as Bolt on acquisitions** to larger companies who directly benefit from the smaller company's IoT Analytics software



# Notable IoT Analytics Transaction

Cisco acquires Splunk for \$28B



## ● Splunk's Business:

- Splunk was founded in 2003, initially focusing on analyzing machine-generated data for IT operations
- In the realm of IoT analytics, Splunk harnesses the power of data from connected devices to deliver comprehensive insights, enabling businesses to optimize operations, enhance security measures, and improve performance across various industries.

## ● Transaction Data:

- Splunk was acquired by Cisco for \$28B all cash
- This deal is Cisco's biggest transaction in terms of valuation

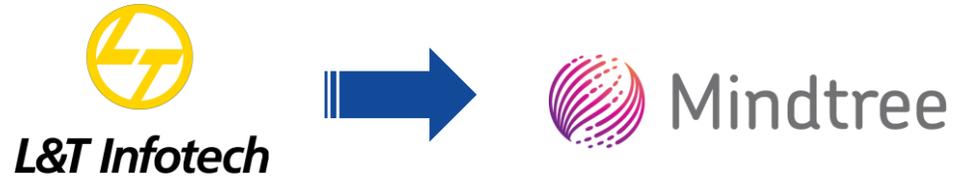
## ● Investment Rationale:

- This acquisition has enabled Cisco to access Splunk's network IoT Analytics software to use for its own networking appliances, as well as for other firms looking to use the software.
- The team at Cisco claimed that Merging Cisco and Splunk will offer unparalleled visibility and insights across an entire organization's digital landscape, ensuring an unmatched degree of resilience with the market's broadest and most potent security and observability product lineup.



# Notable IoT Analytics Transaction

## L&T Infotech acquires Mindtree



### ● Mindtree's Business:

- Mindtree, founded in 1999, emerged as a leading provider of IT services, renowned for its customer-centric approach and innovation
- Mindtree offers a comprehensive suite of IT analytics services, encompassing data analytics, business intelligence, and data visualization solutions, aimed at helping organizations derive valuable insights from their data assets to drive informed decision-making, enhance operational efficiency, optimize processes, and gain competitive advantage in their respective industries.

### ● Transaction Data:

- Before the merger Mindtree was valued at \$3.5B
- The combined company called LTI Mindtree now sits at around \$7.24B

### ● Investment Rationale:

- The merger between LTI and Mindtree aimed to combine their complementary strengths and resources to create a larger, more diversified entity capable of offering enhanced IT services and solutions to a broader range of clients worldwide.
- Additionally, the merger sought to leverage synergies to drive operational efficiencies and achieve sustainable growth in the competitive IT services market.



# Select M&A Transactions

Date	Target Company	Acquirer	Transaction Size (\$M)	EV/Rev
3/18/2024	Splunk	Cisco	28,000	6.59x
5/6/2022	Mindtree	L&T Infotech	7,240	4.42x
7/12/2019	Mnubo	Aspen Technology	75	-
6/10/2020	10 Healthio	Millman Inc.	-	-
10/3/2022	Blue Pillar	Generac Holdings	-	-
1/3/2022	EVERYTHING	Digimarc Corp.	50	5.00x
7/9/2020	Electric Imp	Twilio	-	-



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