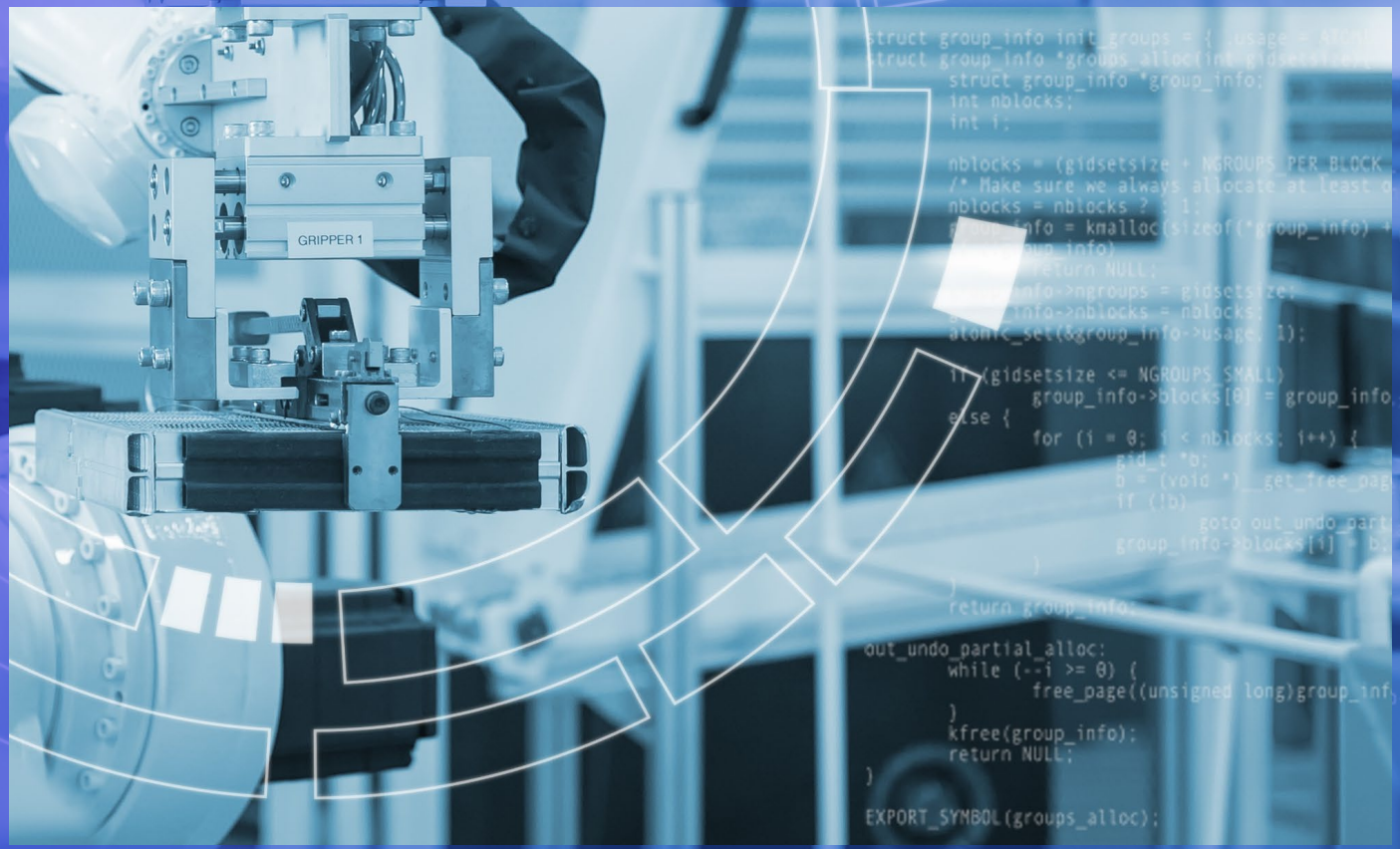
KPMG

The Last Mile of AI: Building Intelligence into the Physical World

How Edge AI and Physical AI are critical enablers of faster, more autonomous, and more efficient real-world operations



KPMG CF LLC AI + IoT Thought Leadership
Summer 2026

Introduction

Physical AI is transforming the Industrial Landscape

Building on our Fall 2025 Vision AI: Seeing is Solving report, the next frontier is Physical AI, where intelligence moves **from perception to real-world action.**

A new generation of intelligent systems is emerging, one that moves beyond analyzing the physical world to **directly acting within it**. Physical AI represents a step-change in how AI is applied, transforming intelligence from digital insight into **real-time perception, decision-making, and execution embedded in physical environments**.

Across industrial sectors, the next frontier of value creation is no longer driven by better data alone, but by the ability to translate intelligence into immediate, real-world outcomes. From autonomous machines and adaptive production systems to intelligent infrastructure and robotics, Physical AI enables systems to perceive environments, reason in context, and execute actions with speed and precision.

This shift is being enabled by the maturation of Edge AI, which provides the necessary computing and intelligence elements to process data at the source. While Edge AI brought intelligence closer to where data is generated, **Physical AI builds on this foundation – integrating sensing, decisioning, and actuation into closed-loop systems that operate autonomously in dynamic, real-world conditions**.

As a result, industrial systems are evolving from tools limited to digital analysis and actions into self-directed systems capable of continuous optimization and execution in the physical world. This unlocks massive improvements in productivity, safety, and reliability, while enabling new operating models across manufacturing, logistics, critical infrastructure, and field operations.

For investors and strategic acquirers, this evolution represents a fundamental shift in where value accrues – **from digital intelligence alone to platforms that bridge intelligence with physical execution at scale.**

No longer theoretical, Physical AI is actively moving AI into the real world – turning perception into action and redefining how work gets done.

Shift from Cloud-Centric AI 3
State of the Market 4
Distributed Intelligence: Edge / Physical AI 5
Company Spotlights 10
KPMG Market Insights 13
Closing Thoughts 31
Let's Connect 33

No longer a vision of the future, Edge and Physical AI are driving wholesale systems transformation.

© 2026 KPMG Corporate Finance LLC, a Delaware limited liability company. Member FINRA/SIPC. KPMG Corporate Finance LLC is a subsidiary of KPMG LLP, a Delaware limited liability partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. KPMG Corporate Finance LLC is not engaged in the practice of public accountancy. All rights reserved.

Shift from Cloud-Centric AI to Edge Intelligence

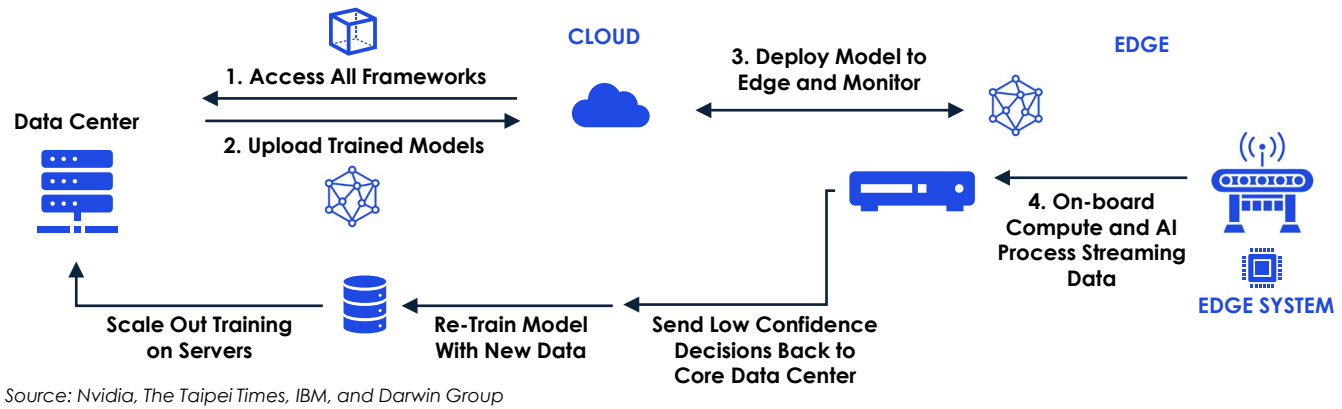
Why This Shift?

Cloud-centric AI is at the foundation of large-scale model training and analytics but **struggles in environments requiring immediate, resilient, and context-aware decisions**. As data generation accelerates across devices and industrial systems, routing information to centralized infrastructure creates latency, increases bandwidth demands, and heightens data exposure, limiting AI effectiveness in real-time settings.

In response, enterprises are deploying solutions that shift intelligence closer to the point of data creation, enabling localized processing that **supports faster decision-making, improved resilience in low-connectivity environments,** and tighter control over data privacy. Edge intelligence allows organizations to embed AI directly into operational workflows, reducing dependence on centralized systems while improving responsiveness and efficiency.

This **shift reflects a broader evolution in how AI is deployed**, moving from centralized, cloud-dependent architectures toward distributed intelligence where cloud and edge systems work together to deliver scalable, real-time, and context-driven outcomes across industries.

Edge AI at work



Source: Nvidia, The Taipei Times, IBM, and Darwin Group

What Edge AI Changes?

Cloud-Only AI	Edge AI
Round-trip latency delays real-time operational decision making	On-device processing significantly **curtails response time**
Data Volume Stresses Networks as traffic explodes	Processing near source **minimizes overall data transfer volumes**
Sensitive data exposure increases during cloud transmission	Sensitive and regulated data **remains securely stored locally**
Dependency on stable network connectivity limits system reliability	**Enables system to operate reliably** in constrained or offline environments
Centralized architecture **struggles with rapid data growth**	Distributed intelligence **supports scalable and efficient deployments**

© 2026 KPMG Corporate Finance LLC, a Delaware limited liability company. Member FINRA/SIPC. KPMG Corporate Finance LLC is a subsidiary of KPMG LLP, a Delaware limited liability partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. KPMG Corporate Finance LLC is not engaged in the practice of public accountancy. All rights reserved.

State of the Market: Physical AI

How is Physical AI Evolving the AI Space?

Physical AI moves beyond on-device inference (Edge AI) to enable systems that perceive, reason, and act within real world environments, **transforming intelligence from purely digital analysis and response into active execution embedded directly** within physical systems and operational workflows at scale.

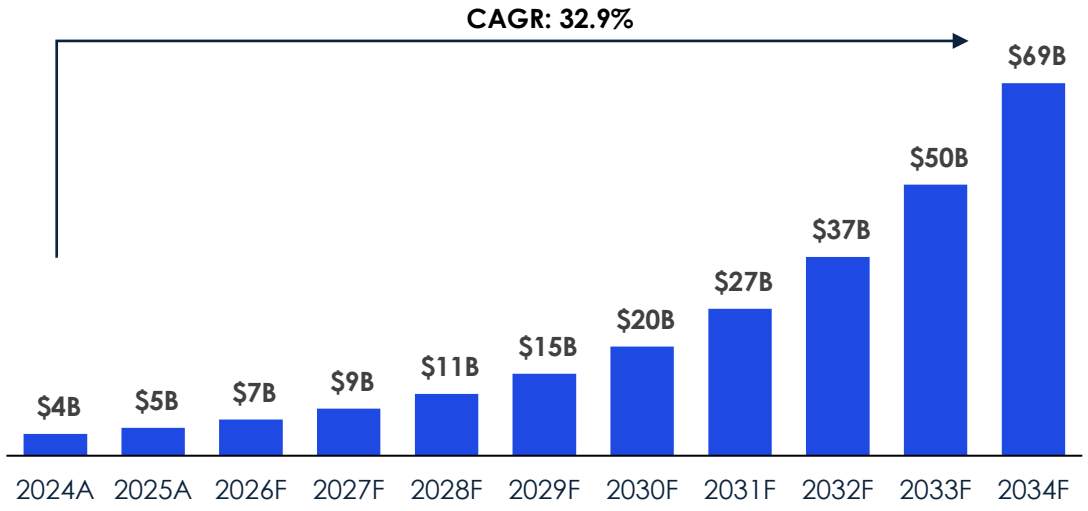
Building on Edge AI's foundation of local, low-latency computation, **Physical AI integrates sensing, decision-making, and actuation, combining sensors, AI models, and actuators** such as motors, wheels, and robotic systems to navigate, manipulate, and interact with real-world environments in real-time.

This shift reflects a broader industry evolution where Edge AI defines where intelligence runs, while Physical AI defines what intelligence does through real-world context, action and control, **thus bridging the digital-to-real-world divide.**

Physical AI Impact

- Predictive Operations
- Autonomous Decisions
- Improved Safety
- Lower Downtime

Global Physical AI Market ($B)



Notable Market Trends

Rise of Collaborative Robots (Cobots): Cobots efficiently operates alongside humans, enhancing safety, flexibility, and productivity across manufacturing, logistics, and service environments

Vision-Language-Action Models: Robots are incorporating VLA models to interpret natural instructions and execute tasks, improving performance in unstructured environments and reducing dependence on rule-based programming

Humanoid Robot Emergence: Humanoid and generalist robots are transitioning from prototypes to real-world deployments, enhancing efficiency in labor-intensive tasks across sectors

Advancing AI and Hardware: Advancements in AI algorithms, computer vision, sensors, and actuators is enabling physical systems to perceive, analyze, and act in real time, improving accuracy, efficiency, safety, and adoption across industries

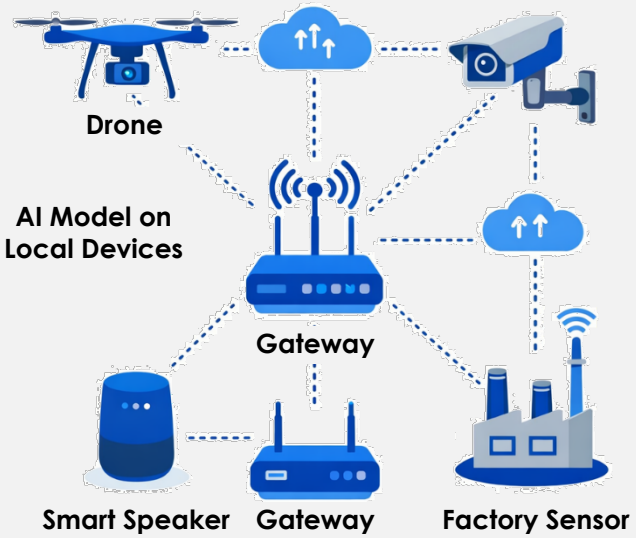
Source: Cervicorn Consulting

© 2026 KPMG Corporate Finance LLC, a Delaware limited liability company. Member FINRA/SIPC. KPMG Corporate Finance LLC is a subsidiary of KPMG LLP, a Delaware limited liability partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. KPMG Corporate Finance LLC is not engaged in the practice of public accountancy. All rights reserved.

Physical AI: Turning Edge Intelligence into Real-World Action

Edge AI: Foundational Layer for Physical AI

- Local Data Processing
- Reduces reliance on cloud

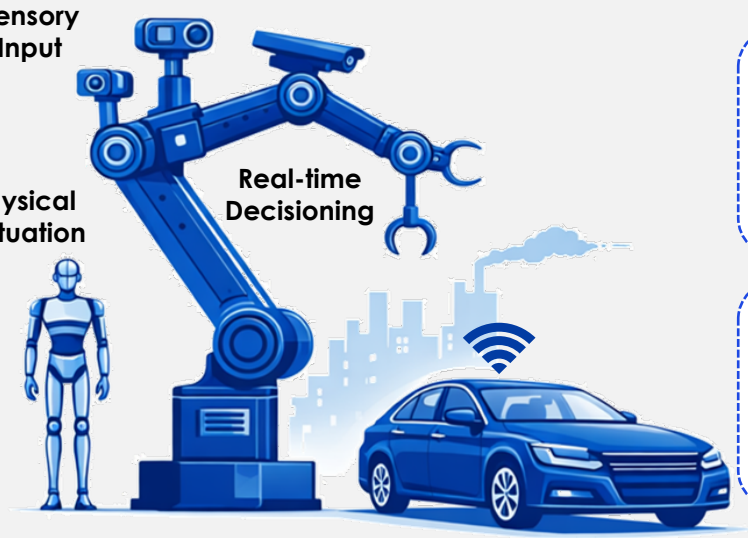


Core Capabilities Enabling Physical AI

- Real-Time Processing
- On-Device Inference
- Data Privacy

Embedded Hardware + Advanced Algorithms

Physical AI: Autonomous Systems Powered by Edge Intelligence



- Interact with dynamic environments
- Enhance Operational Safety

How Edge AI Enables Physical AI

- **Processes data at the source** in real time
- **Minimizes latency** and **bandwidth dependency**
- Supports **continuous sensing** and **local inference**

Drives

- Real-time **understanding of environment and context**
- **Autonomous decision-making** without human intervention
- **Immediate execution** of physical actions with **ultra-low latency**

Source: SolidRun and Numanufacturing

© 2026 KPMG Corporate Finance LLC, a Delaware limited liability company. Member FINRA/SIPC. KPMG Corporate Finance LLC is a subsidiary of KPMG LLP, a Delaware limited liability partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. KPMG Corporate Finance LLC is not engaged in the practice of public accountancy. All rights reserved.

From Digital Intelligence to Physical Intelligence at Scale

Physical AI integrates perception, reasoning, and action in real-world environments – enabled by edge execution

Why Physical AI Now?

Physical AI is entering deployment at scale as real-world systems require autonomous decisioning and actuation

~24% Projected Edge AI market growth 2024A–2034F

- **Compute at the Edge:** MCUs, NPUs, FPGAs and Accelerators enable real-time decisioning within physical systems
- **On-Device intelligence:** SLMs, Quantization and Model Compression
- **Operational Data Explosion:** Sensor-generated data necessitates local processing and control

Physical AI Operating Loop

Closed-loop intelligence embedded in real-world systems



Real-world systems cannot rely on:

- Latency-constrained environments
- Intermittent or degraded connectivity
- Centralized processing of high-frequency sensor data

Physical AI systems require:

- Deterministic, real-time response loops
- On-device decisioning and control
- Local processing for safety and reliability
- Operation in constrained / offline environments

What Enables Scale?

Physical AI Infrastructure Stack

- **Small Language Models** Optimized for real-time, on-device execution
- **Model Optimization Strategies** Quantization + Compression
- **Edge Runtimes & Frameworks** Low-latency inference and orchestration
- **Cloud-Native Compatibility** Model lifecycle management and Monitoring
- **Open Standards** Interoperability Across Platforms and systems

Key Takeaway

Physical AI is extending AI from digital workflows into real-world systems – transforming how industries operate. Edge AI services as the critical execution layer that enables real-time perception, decisioning, and action.

KPMG

© 2026 KPMG Corporate Finance LLC, a Delaware limited liability company. Member FINRA/SIPC. KPMG Corporate Finance LLC is a subsidiary of KPMG LLP, a Delaware limited liability partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. KPMG Corporate Finance LLC is not engaged in the practice of public accountancy. All rights reserved.

Physical AI Use Cases: Intelligent Systems Drive Real-World Autonomy

What Physical AI Unlocks for Businesses



Physical Intelligence in Action: Physical AI enables autonomous systems to perceive, decide, and act in the real world – combining sensing, AI reasoning, and actuation to drive dynamic, real-time outcomes across physical environments



Embedded Intelligence Across Industries: Industries such as manufacturing, logistics, and energy deploy physical AI to power autonomous workflows, adaptive operations, and self-optimizing systems across distributed assets



Multimodal Perception and Decisioning: Physical AI integrates inputs from vision, audio, motion, and environmental sensors with edge-based inference to enable contextual understanding and instant response in complex, real-world settings



Business Impact: Physical AI enhances productivity, reduces human intervention, improves safety and uptime, and unlocks fully autonomous operations across critical infrastructure and frontline environments

Key End-Market Applications of Physical AI



Autonomous Systems: Deploys AI-driven decisioning in robotics, drones, and vehicles to operate independently in dynamic, real-world conditions



Workforce Wearables & Copilots: Augments frontline workers with real-time guidance, contextual insights, and automated task execution in physical environments



Manufacturing Processes: Enables self-optimizing production lines through real-time monitoring, adaptive control, and closed-loop automation



Smart Physical Environment (Retail / Infrastructure): Transforms physical spaces into intelligent environments with autonomous checkout, real-time inventory orchestration, and adaptive customer experiences

Source: N-iX, IBM, and World Economic Forum

KPMG

© 2026 KPMG Corporate Finance LLC, a Delaware limited liability company. Member FINRA/SIPC. KPMG Corporate Finance LLC is a subsidiary of KPMG LLP, a Delaware limited liability partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. KPMG Corporate Finance LLC is not engaged in the practice of public accountancy. All rights reserved.

Physical AI: Extending Edge Intelligence into Real-World Action

Edge AI is a foundational layer, but Physical AI enables systems to sense, comprehend context, decide, and act in the real world

From Foundational Intelligence to Real-World Systems

Edge AI enables local perception

"Physical AI extends this foundation through integrated perception, allowing systems to operate autonomously and reliably in dynamic, real-world environments

Foundation Local Perception + **Integration** Decisioning + Control = **System Outcome** Autonomous Physical Operation

Edge AI enables systems to see; Physical AI enables systems to act in the real world

Five Production-Grade Differentiators:

What separates scalable Physical AI from proof-of-concept deployments

Accuracy / Low False Positives

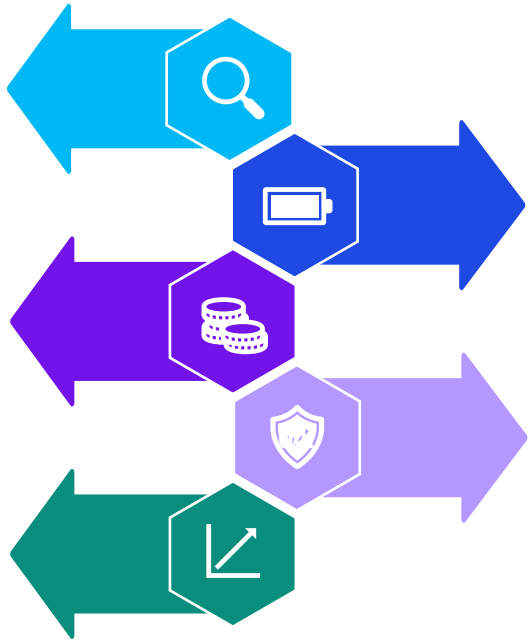
Not just detecting signals – but enabling correct decisions where errors have physical consequences

Unit Economics

Driven by autonomous operation and reduced human intervention – not just device-level efficiency

Edge-Case Robustness

Required to sustain performance across unpredictable, real-world environments



Power Efficiency

Supports continuous sensing, decisioning, and actuation within constrained systems

Bandwidth Reduction / Privacy

Enables closed-loop operation without reliance on constant cloud connectivity

Key Takeaway

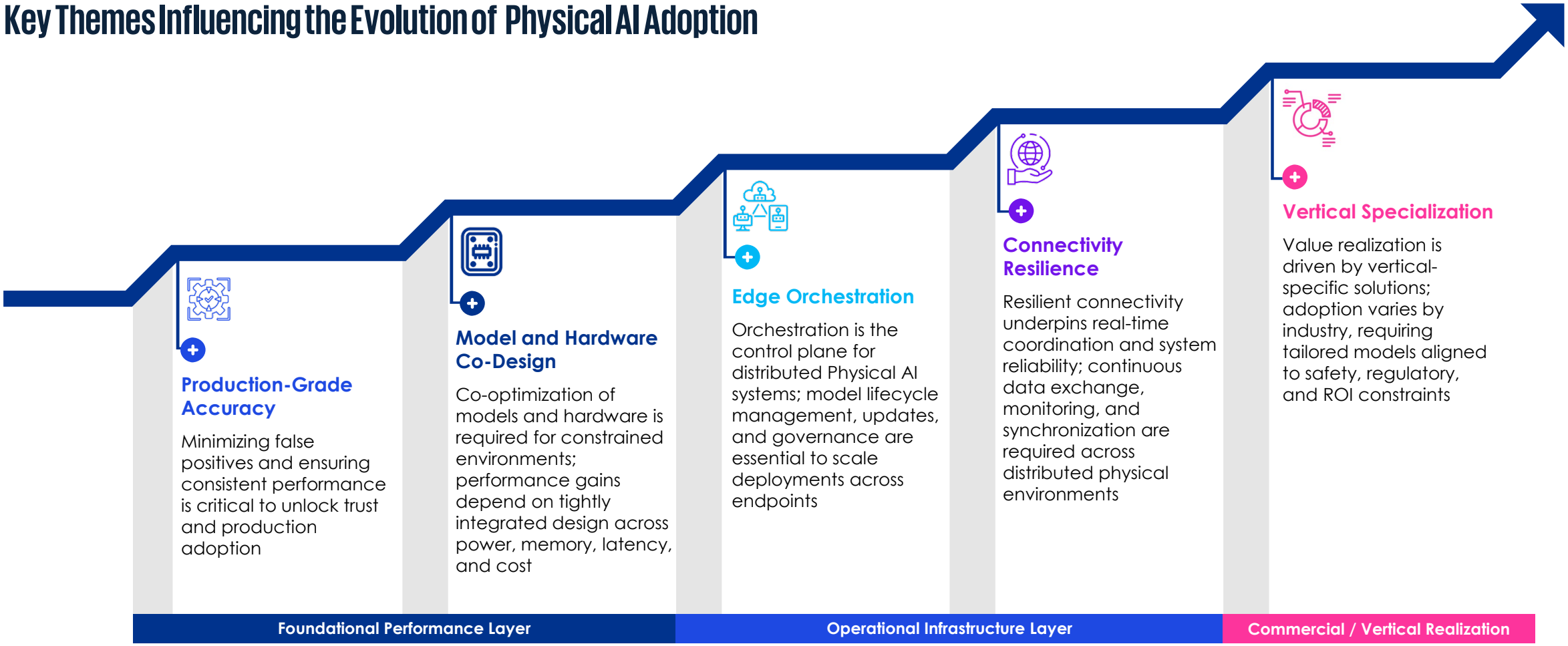
"Edge AI is a foundational enabler, but on its own it falls short of unlocking transformative value; the next leg of value creation belongs to Physical AI, where the fusion of perception, decisioning, & actuation allows intelligent systems to sense, reason, and act on the physical world — driving measurable, real-world outcomes at enterprise scale."

KPMG

© 2026 KPMG Corporate Finance LLC, a Delaware limited liability company. Member FINRA/SIPC. KPMG Corporate Finance LLC is a subsidiary of KPMG LLP, a Delaware limited liability partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. KPMG Corporate Finance LLC is not engaged in the practice of public accountancy. All rights reserved.

Physical AI Adoption: What Will Drive The Next Wave

Key Themes Influencing the Evolution of Physical AI Adoption



Physical AI ecosystem presents an opportunity window for strategic acquisitions to build differentiated capabilities and accelerate vertical integration

KPMG

© 2026 KPMG Corporate Finance LLC, a Delaware limited liability company. Member FINRA/SIPC. KPMG Corporate Finance LLC is a subsidiary of KPMG LLP, a Delaware limited liability partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. KPMG Corporate Finance LLC is not engaged in the practice of public accountancy. All rights reserved.

Company Spotlight: Aizip – Production-Grade AI For Endpoint Edge

Aizip offers efficient audio, vision, time-series, and language models that fit, ship, and scale across constrained endpoint devices.

Company Overview

Aizip develops **production-grade AI models and software solutions** for edge devices, helping hardware and enterprise partners embed intelligence directly into products.

Endpoint Focus: Designs edge AI models optimized for constrained compute, memory, power, and latency environments ensuring deployment

Partner Ecosystem: Supports broad ecosystem including IC partners, module providers, system integrators, hardware manufacturers, and enterprises

Deployment Orientation: Owns full stack enabling transition from optimized model design to production deployment across edge devices

Mobile AI Agent Platform

Gizmo

Aizip offers on-device private AI agent platform that enables local task automation using small language models while reducing latency and cloud dependency, improving data privacy, cost efficiency, and deployment flexibility.

Endpoint AI Model Stack

From optimized models to local intelligence

1. Define Use Case
Identify target applications across audio, vision, time-series, and language domains for edge deployment

2. Optimize Model
Design task-specific architectures with compression and quantization for constrained edge hardware

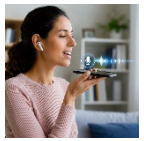
3. Deploy to Endpoint
Enable deployment across MCU, processors, and edge devices through integration with hardware partners

4. Infer Locally
Execute real-time inference on-device to detect, classify, and respond without reliance on cloud connectivity

5. Escalate What Matters
Transmit only relevant insights or outputs to downstream systems, reducing bandwidth and improving efficiency

Local first-response layer

Aizip's Edge AI Models



Audio Models

Provides voice recognition, noise reduction, and speech understanding, enhancing audio clarity and enabling reliable interaction across smartphones, wearables, and embedded voice-enabled devices



Vision Models

Delivers real-time image and video understanding, including object detection and tracking, offering intelligent monitoring across surveillance, industrial automation, and smart environment applications



Time-Series Models

Offers analysis of continuous sensor data to detect patterns and anomalies, enabling predictive monitoring, equipment diagnostics, and intelligent control in IoT and industrial systems



Language Models

Provides natural language processing to extract intent and structure data, enabling conversational interfaces, document understanding, and AI agents for enterprise and edge deployments

Please note that Aizip also provides models beyond those listed above

Customer Value Proposition

Production Accuracy: Delivers reliable inference across real-world edge conditions

Power Efficiency: Operates within strict power budgets using ultra-efficient models

Lower System Cost: Deploys AI on cost-efficient hardware reducing costs

Privacy and Bandwidth: Processes data on-device minimizing bandwidth preserving privacy

Faster Deployment: Accelerates edge AI integration into devices shortening cycles

Partnership With Top-Tier IC Companies

Analog Devices, arm, Bosch, cadence, CEVA, Himax, Infineon, Lattice, Microchip, nuvoTon, NXP, Qualcomm, Renesas, Silicon Labs, ST

KPMG

© 2026 KPMG Corporate Finance LLC, a Delaware limited liability company. Member FINRA/SIPC. KPMG Corporate Finance LLC is a subsidiary of KPMG LLP, a Delaware limited liability partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. KPMG Corporate Finance LLC is not engaged in the practice of public accountancy. All rights reserved.

Practitioner Perspective: An Interview with Aizip



Nathan Francis
Head of Business Development, Aizip

The Communications Systems & Technology Team at KPMG Corporate Finance recently had the pleasure of talking with Nathan Francis, Head of Business Development at Aizip.

Aizip develops advanced AI models for endpoint and edge device applications, enabling intelligent, automated, and interconnected systems for IC partners, module providers, and system integrators globally. The company specializes in deploying production-grade AI models directly on-device, optimizing for accuracy, efficiency, and real-world performance under constrained compute environments.

Aizip's solutions support a range of use cases including audio processing, sensor-driven applications, and embedded intelligence, with deployments across consumer electronics, enterprise workflows, and industrial environments.

Interview Highlights

The Market's Pivot to Practicality

The AI market is shifting from prioritizing model scale and theoretical capability toward efficiency and real-world deployment. While prior investment was concentrated on larger models and theoretical performance gains, **the market is now increasingly focused on optimizing models for on-device use**, driven by improvements in both hardware capability and model efficiency. As a result, there is **growing confidence that AI can operate locally and deliver meaningful value** – particularly in targeted, task-specific applications where deployment constraints are critical.

Role of Edge AI In the Technology Stack

Within the broader AI stack, Edge AI operates as a **first-layer inference and filtering mechanism, processing high-frequency data locally and transmitting only relevant information to downstream systems**. This architecture reduces bandwidth requirements and allows for faster response times, particularly in sensor-driven or real-time environments. Rather than replacing cloud-based AI, edge models complements it by handling immediate, localized decisions before escalating more complex tasks.

The primary challenge in Edge AI is bridging the gap between demonstration-level performance and real-world deployment. While many solutions can achieve high accuracy in controlled environments, production use requires models that can handle edge cases, operate within strict compute constraints, and maintain consistently high accuracy in upstream decision layers, where errors compound downstream.

How the Market is Evolving – Commercial Implications

The market is shifting **from experimentation toward practical, ROI-driven deployment**, with strongest adoption **where real-time processing, cost constrained, or reliability requirements make cloud-first architectures impractical**. As solutions move into production, success is increasingly defined by the ability to deliver consistent performance under real-world conditions.

Localized processing enables **meaningful economic and operational benefits**, including reduced bandwidth usage, lower system cost, and simplified infrastructure, while also supporting deployment in constrained environments such as offline or privacy-sensitive use cases. As these dynamics continue, **Edge AI is emerging as a standard architectural layer within scalable AI systems**.

> *"The winning proposition is not simply "AI on the edge," but rather "AI on the edge that meets production thresholds under real-world constraints."*

Core Themes

- Production-grade Performance Under Real-world Constraints is the Key Differentiator
- Bridging the Demo-to-Deployment Gap is a Major Hurdle
- Core Challenge: Mastering Efficiency and Edge Cases
- Adoption is Driven by Measurable Economic and Operational Benefits

© 2026 KPMG Corporate Finance LLC, a Delaware limited liability company. Member FINRA/SIPC. KPMG Corporate Finance LLC is a subsidiary of KPMG LLP, a Delaware limited liability partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. KPMG Corporate Finance LLC is not engaged in the practice of public accountancy. All rights reserved.

Company Spotlight: Trident IoT– Resilient Connectivity for Distributed Edge AI

Trident IoT is Enabling connected-device manufacturers to build, certify, and deploy products that communicate reliably across terrestrial and satellite networks

Company Overview

TRIDENT IoT

Trident IoT is a semiconductor and software company focused on **simplifying RF development**, **increasing product success** rates, and **decreasing time-to-market** for connected device manufacturers

Mission: Enable IoT solutions providers to get to revenue faster, with simply better products.

Integrated offering across IoT silicon and tools, engineering services, and certification lab capabilities.

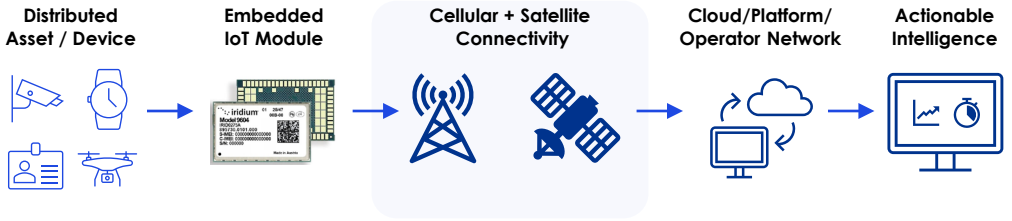
Founded by IoT industry veterans with over a century of combined experience across silicon, software, and connectivity.

What Trident IoT Offers

- **IoT Silicon and Tools**
- **Engineering Services**
- **Certification Lab (Z-Wave, Zigbee, Thread & Matter)**

Satellite Business Unit: Connectivity as a Strategic Layer

As intelligence moves to the edge, connectivity is the bridge between distributed assets and actionable insights



- Satellite connectivity enables IoT devices where cellular coverage is unavailable, unreliable, or insufficient for critical operations.
- Supports use cases across maritime, transportation, utilities, oil & gas, agriculture, asset tracking, and other infrastructure-heavy environments
- Hybrid SAT/CEL modules deliver resiliency, global reach, and long-term connectivity for fixed and mobile IoT devices.

Why Satellite?

- **Availability** Coverage beyond cellular reach
- **Mobility** Support for global mobile assets
- **Resiliency** Reliable failover connectivity
- **Longevity** Satellite networks outlive cellular generations

Core Capabilities

IoT Silicon & Developer Tools (non-Sat)

Optimized chipsets, SDKs, and development tools that help OEMs move from prototype to production with less engineering friction

- Highly integrated, low-power silicon
- Robust SDKs, reference designs, dev kits
- Secure, reliable, & performance-focused

Design, Development & Certification

Engineering and certification support that reduces RF design risk and accelerates product readiness

- RF optimization and protocol expertise
- Pre-certification and test services
- CSA and Z-Wave authorized test lab

Hybrid Satellite-Cellular Modules

Integrated SAT/CEL module solutions designed to extend IoT communication into remote, mobile, & critical infrastructure environments.

- Supports leading satellite networks
- NB-IoT / LTE-M + satellite
- Compact, low-power, production-ready

Customer Value Proposition

- **Faster Time-to-Revenue** Reduces development & certification friction from silicon to launch.
- **Lower Execution Risk** De-risks development through RF, protocol, and testing expertise
- **Robust Connectivity** Extends IoT connectivity beyond cellular coverage worldwide.
- **Expanded Use Cases** Enables remote monitoring, mobile assets, infrastructure, and field autonomy.

Trusted by Leading Satellite Operators

iridium ORBCOMM

Proprietary, global satellite IoT networks create an underserved opportunity for hybrid SAT/CEL modules and next-generation connectivity solutions.

KPMG

© 2026 KPMG Corporate Finance LLC, a Delaware limited liability company. Member FINRA/SIPC. KPMG Corporate Finance LLC is a subsidiary of KPMG LLP, a Delaware limited liability partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. KPMG Corporate Finance LLC is not engaged in the practice of public accountancy. All rights reserved.

Physical AI Ecosystem: A Full-Stack Market Framework

Physical AI APPLICATION LAYER

Where intelligence is deployed to solve real-world problems

Humanoid Robots & General Purpose



Versatile robots for broad enterprise applications

Industrial Robots & Cobots



Automating tasks with precision, safety, and collaboration

AMR & Warehouse Automation



Autonomous material movement and smart fulfillment

Autonomous Vehicles & Ground Mobility



Self-driving platforms for people and goods on the move

Aerial Systems, Drones & eVTOL



Intelligent flight systems for inspection, delivery, & mobility

Medical Surgery & Rehabilitation Robotics



Precision robotics advancing surgery & rehabilitation

Agriculture & Field Robotics



Autonomous field operations for higher yields & efficiency

Construction & Infrastructure Robotics



Robotics for safer, smarter construction & infrastructure

Physical AI ENABLING LAYER

Core capabilities that power perception, decision, and action

Computer Vision & Sensing

Enable machines to see and understand the world

Actuators, Motors & Drives

Convert intelligence into precise motion

Motion Control & Robot Safety

Ensure reliable, safe, and compliant operation

Manipulation, End-Effectors & Tactile

Enable robots to handle, feel, and interact

Robot OS, Middleware & Simulation

Software platforms to connect, manage, & simulate systems

Edge AI FOUNDATION LAYER

The infrastructure that delivers low-latency intelligence at scale

AI Silicon & Accelerators

High-performance chips optimized for real-time AI inference

Connectivity & Edge Infrastructure

High-bandwidth, low-latency networks and edge clouds to move and process data

Edge Compute Hardware

Rugged, efficient hardware built for harsh, real-world environments

Inference Platforms & Model Optimization

Optimized models and software to run efficiently on resource-constrained edge devices

KPMG

© 2026 KPMG Corporate Finance LLC, a Delaware limited liability company. Member FINRA/SIPC. KPMG Corporate Finance LLC is a subsidiary of KPMG LLP, a Delaware limited liability partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. KPMG Corporate Finance LLC is not engaged in the practice of public accountancy. All rights reserved.

Edge AI: Foundation Layer

For a full landscape map, please reach out to jradecki@kpmg.com

AI Silicon & Accelerators



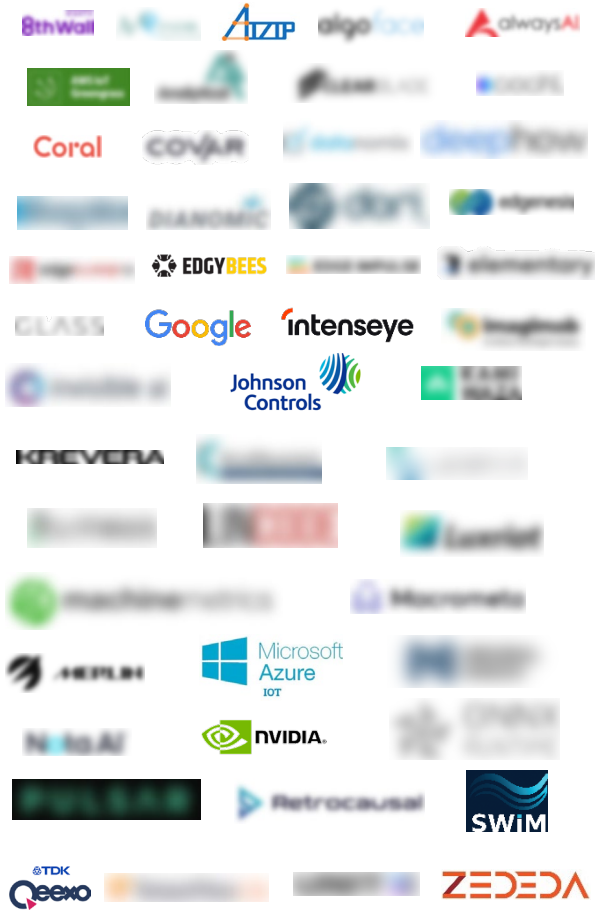
Connectivity & Edge Infrastructure



Edge Compute Hardware



Inference Platforms & Model Optimization



© 2026 KPMG Corporate Finance LLC, a Delaware limited liability company. Member FINRA/SIPC. KPMG Corporate Finance LLC is a subsidiary of KPMG LLP, a Delaware limited liability partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. KPMG Corporate Finance LLC is not engaged in the practice of public accountancy. All rights reserved.

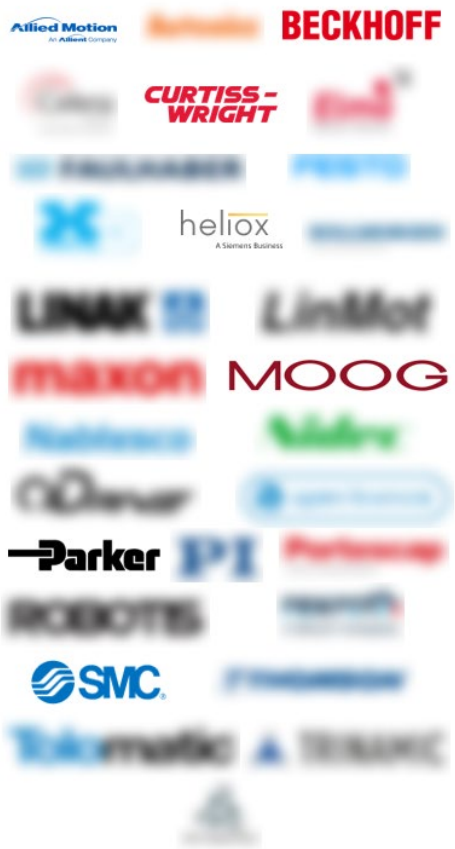
Physical AI: Foundation & Enabling Layers

For a full landscape map, please reach out to jradecki@kpmg.com

Computer Vision & Sensing Hardware



Actuation, Motors & Drive Systems



Motion Control & Robot Safety



Manipulation End-Effect & Tactile



Robot OS Middleware & Simulation

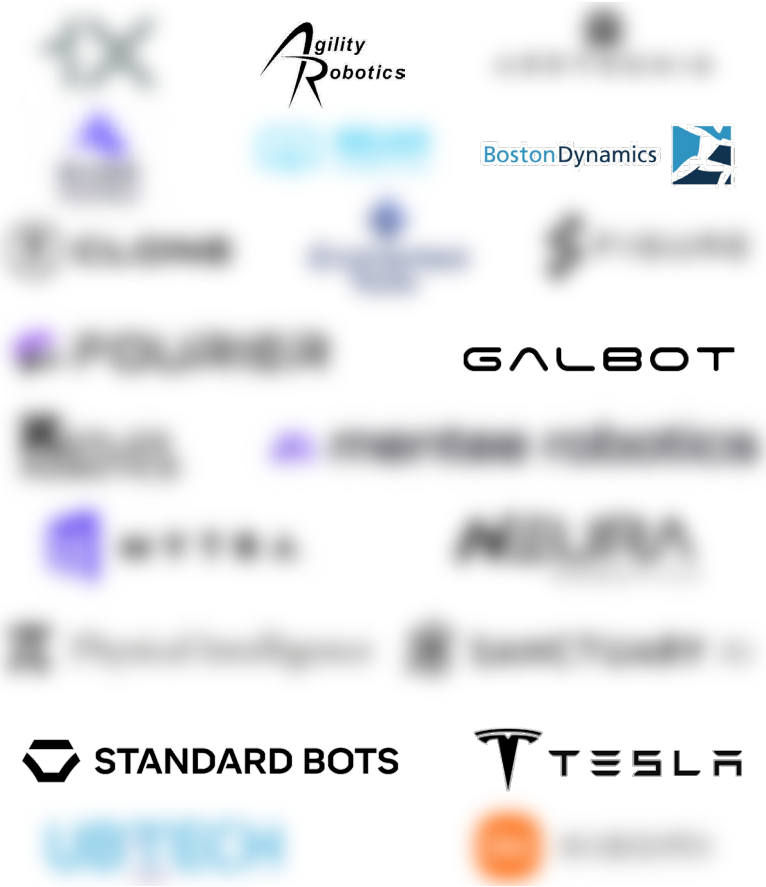


© 2026 KPMG Corporate Finance LLC, a Delaware limited liability company. Member FINRA/SIPC. KPMG Corporate Finance LLC is a subsidiary of KPMG LLP, a Delaware limited liability partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. KPMG Corporate Finance LLC is not engaged in the practice of public accountancy. All rights reserved.

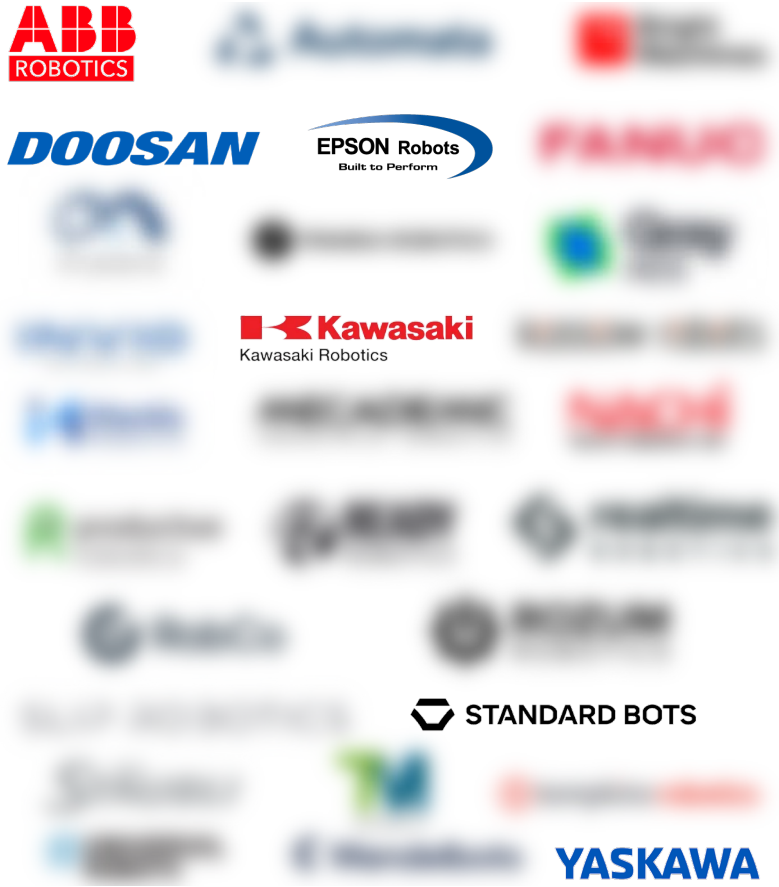
Physical AI: Robotics & Automation

For a full landscape map, please reach out to jradecki@kpmg.com

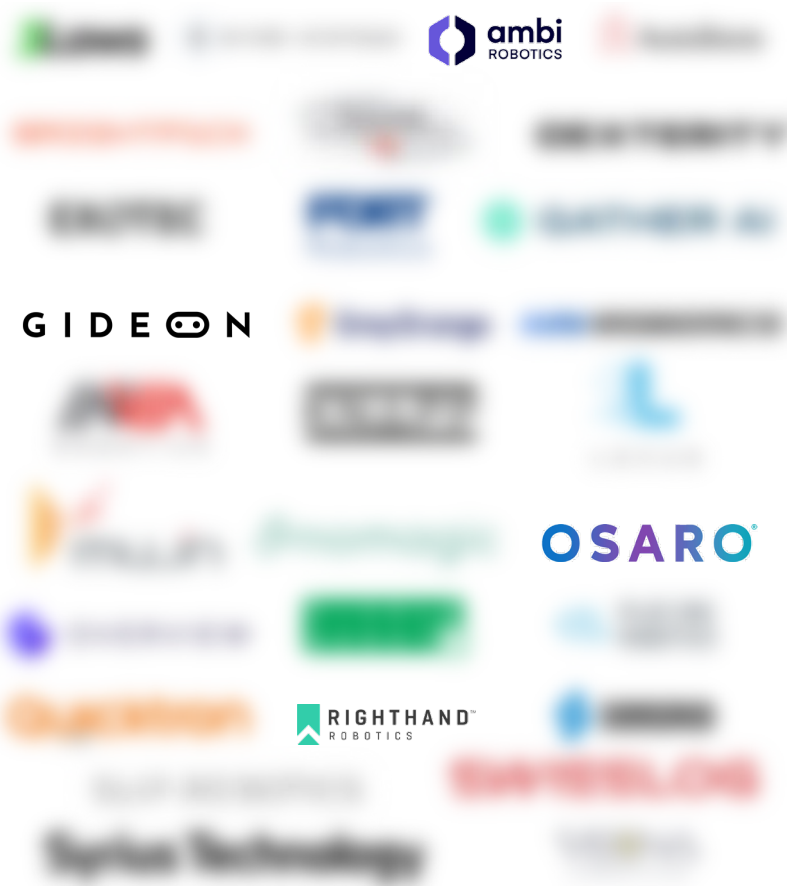
Humanoid & General-Purpose Robots



Industrial Robots & Cobots



AMR & Warehouse Automation



© 2026 KPMG Corporate Finance LLC, a Delaware limited liability company. Member FINRA/SIPC. KPMG Corporate Finance LLC is a subsidiary of KPMG LLP, a Delaware limited liability partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. KPMG Corporate Finance LLC is not engaged in the practice of public accountancy. All rights reserved.

Physical AI: Mobility, Aerial & Vertical Applications

For a full landscape map, please reach out to jradecki@kpmg.com

Autonomous Vehicles & Ground Mobility



Aerial Autonomous Systems (Drones, UAVs & eVTOL)



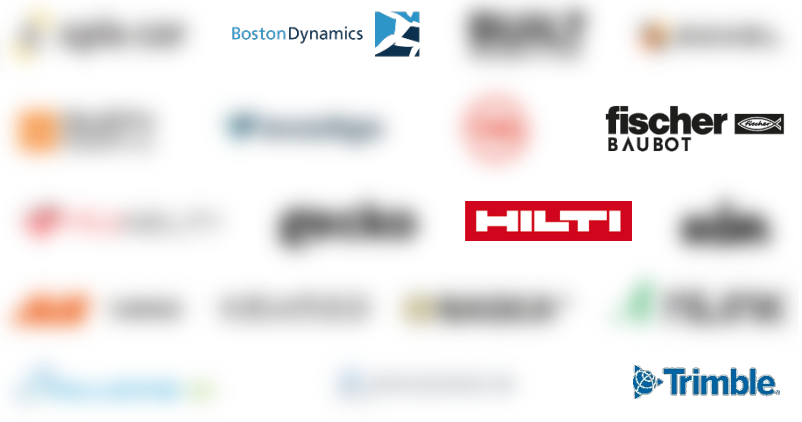
Medical, Surgical & Rehabilitation Robotics



Agricultural & Field Robotics



Construction, Infrastructure & Field Robots



KPMG

© 2026 KPMG Corporate Finance LLC, a Delaware limited liability company. Member FINRA/SIPC. KPMG Corporate Finance LLC is a subsidiary of KPMG LLP, a Delaware limited liability partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. KPMG Corporate Finance LLC is not engaged in the practice of public accountancy. All rights reserved.

AI + IoT M&A Highlights

Strong sector tailwinds have fueled sustained AI and IoT M&A momentum over the past 12 months (408 deals / $48.2B), with strategic acquirers accounting for ~80% of volume as they actively consolidate capabilities in a rapidly evolving landscape.

Total global AI + IoT deal volume in last 12 months [1]

408

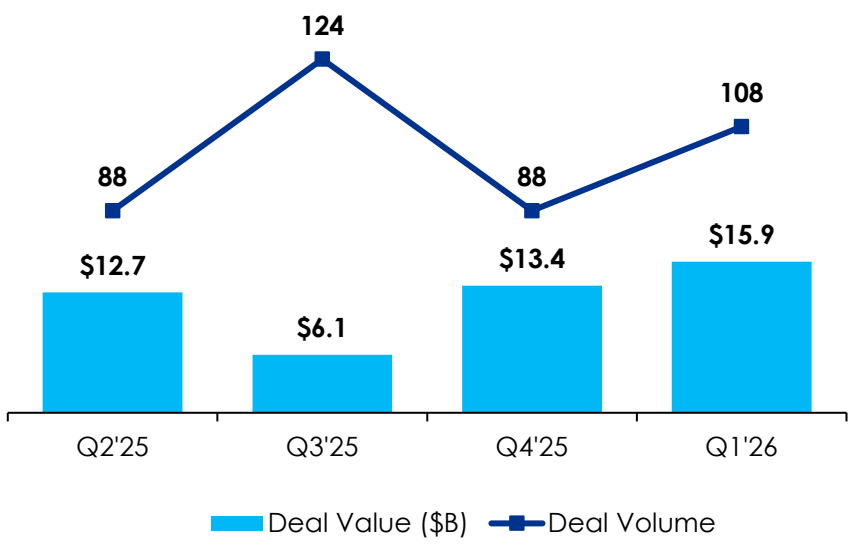
$48.2B

Aggregate deal value in last 12 months [1]

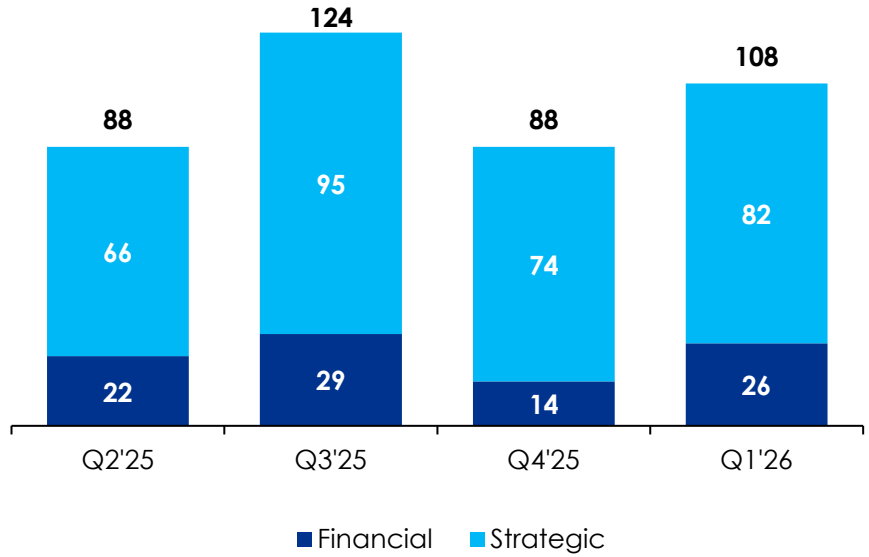
~80%

deals in last 12 months were conducted by strategic investors

AI + IoT M&A Activity [1]



Strategic vs. Financial Investors [1]



(1) Market data as of Jun 17th, 2026
Source: CapitalQ

© 2026 KPMG Corporate Finance LLC, a Delaware limited liability company. Member FINRA/SIPC. KPMG Corporate Finance LLC is a subsidiary of KPMG LLP, a Delaware limited liability partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. KPMG Corporate Finance LLC is not engaged in the practice of public accountancy. All rights reserved.

Transaction Spotlight (1/3)

Date	Target	Acquirer
May 2026	IRIDA LABS	RENESAS

EV: NA | EV / Revenue: NA | EV / EBITDA: NA

Target Overview

Provides embedded software for AI-powered visual perception systems that integrate physical AI and software to power camera and machine vision systems across industrial, smart city, IoT, and healthcare markets

Deal Rationale

The acquisition strengthens Renesas' **edge AI embedded processing offering** and **expand its vision AI software capabilities**

"By combining Irida Labs' edge Vision AI expertise and our PerCV.ai software with Renesas hardware and global ecosystem, we open up exciting new opportunities to deliver meaningful impact on edge AI worldwide system."

- Vassilis Tsagaris, CEO & Co-Founder, Irida Labs

Date	Target	Acquirer
Apr 2026	UDlive.io	Badger Meter

EV: $100M | EV / Revenue: 4.5x | EV / EBITDA: NA

Target Overview

Provides sewer line monitoring systems and software for utilities globally. Offerings include water level sensors, accessories, and road temperature monitoring sensors

Deal Rationale

The deal expands Badger Meter's **presence in wastewater infrastructure monitoring** alongside its ultrasonic smart meters and BEACON SaaS platform and boosts its critical infrastructure monitoring capabilities

"This acquisition further advances our strategy of providing utilities with hardware-enabled software solutions that deliver actionable intelligence across the water cycle."

- Kenneth Bockhorst, President & CEO, Badger Meter

Date	Target	Acquirer
Feb 2026	LOSANT	SUSE

EV: $100M | EV / Revenue: NA | EV / EBITDA: NA

Target Overview

Provides an enterprise IoT application enablement platform with visual workflow, low-code development, device management, digital twins, and edge computing capabilities.

Deal Rationale

This strategic move completes SUSE's Edge vision by **extending its reach directly to the Tiny Edge** and offers a full-stack open process automation platform for IIoT

"The acquisition of Losant transforms SUSE from an edge infrastructure provider to a full-stack Industrial IoT leader. It allows us to deliver to customers the part of the Edge where AI can be meaningfully deployed to gain better insight into real-world processes."

- Keith Basil, General Manager, SUSE Edge

Sources: 451 Research and Press Releases

KPMG

© 2026 KPMG Corporate Finance LLC, a Delaware limited liability company. Member FINRA/SIPC. KPMG Corporate Finance LLC is a subsidiary of KPMG LLP, a Delaware limited liability partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. KPMG Corporate Finance LLC is not engaged in the practice of public accountancy. All rights reserved.

Transaction Spotlight (2/3)

Date	Target	Acquirer
Feb 2026	StereoLabs*	OUSTER

EV: $71M | EV / Revenue: 4.5x | EV / EBITDA: NA

Target Overview

Provides AI-enabled 3D camera systems, perception software, and SDKs, including stereo and monocular cameras, LiDAR sensors, 3D perception, indoor localization, and body tracking.

Deal Rationale

The acquisition **expands Ouster's capabilities** in high-performance digital lidar, cameras, **AI compute, sensor** fusion and perception software, **and cutting-edge AI models**

"This acquisition builds on Ouster's momentum and positions us as the foundational end-to-end sensing and perception platform for Physical AI."

- Angus Pacala, CEO, Ouster

Date	Target	Acquirer
Dec 2025	ZF ADAS Business	HARMAN

EV: $1.8B | EV / Revenue: NA | EV / EBITDA: NA

Target Overview

ADAS Business of ZF Friedrichshafen provides advanced driver assistance systems (ADAS) sensors and related software. Offerings include automotive compute, smart cameras, and radars

Deal Rationale

The acquisition secures HARMAN's strategic inroads in the ADAS and central compute platforms market, reinforcing a foundation that anchors and advances its role in the growing software-defined vehicles market

"The industry is at an inflection point where safety, intelligence and in-cabin experience must come together through a unified computing architecture. With this agreement, we take a strategic step to expand our portfolio with complementary ADAS capabilities."

- Christian Sobottka, CEO & President, HARMAN (Automotive Division)

Date	Target	Acquirer
Dec 2025	Blickfeld	SENSTAR

EV: $12M | EV / Revenue: NA | EV / EBITDA: NA

Target Overview

Provides 3D LiDAR sensors and related software. The offerings include 3D environmental mapping, crowd analytics, object detection, and real-time data processing

Deal Rationale

The acquisition strengthens Senstar's position as a provider of fully integrated, multi-layered security offerings by adding Blickfeld's high-precision 3D security LiDAR sensor range

"Combining Blickfeld's proven, semiconductor-based LiDAR solutions with our portfolio expands our addressable market and enhances our situational awareness capabilities. Blickfeld's real-time 3D monitoring extends our intelligence capabilities in meaningful ways."

- Fabien Haubert, CEO, Senstar Technologies

Sources: 451 Research and Press Releases

KPMG

© 2026 KPMG Corporate Finance LLC, a Delaware limited liability company. Member FINRA/SIPC. KPMG Corporate Finance LLC is a subsidiary of KPMG LLP, a Delaware limited liability partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. KPMG Corporate Finance LLC is not engaged in the practice of public accountancy. All rights reserved.

Transaction Spotlight (3/3)

Date	Target	Acquirer
Oct 2025	Insight Intelligent Sensors	ONDAS

EV: NA | EV / Revenue: NA | EV / EBITDA: NA

Target Overview

Provides AI-powered electro-optical systems for real-time anomaly detection. Its proprietary Smart Imaging Module (SIM) performs edge processing to detect small drones, vehicles, people, and early signs of wildfires

Deal Rationale

The acquisition strengthens Ondas' **AI-driven electro-optical sensing capabilities**. The move deepens Ondas' reach across defense, homeland security, and environmental resilience markets

> *"The addition of Insight Intelligent Sensors strengthens Ondas' ability to deliver advanced autonomy and sensing. Their AI-based edge processing technology adds a new layer of perception and awareness to our aerial, ground, and counter-UAS platforms."*
>
> **- Eric Brock, Chairman and CEO, Ondas**

Date	Target	Acquirer
Sep 2025	LEVEREGE	COHERE CAPITAL

EV: NA | EV / Revenue: NA | EV / EBITDA: NA

Target Overview

Provides a suite of AI-native software products based on IoT and vision AI technology for automotive, manufacturing, retail, industrial, and entertainment sectors

Deal Rationale

The partnership with Cohere will support Leverege's continued growth, including continued technology platform investment, new end-market and product use case development

> *"Leverege provides a highly differentiated product suite and has unique expertise in VisionAI and sensor networking. We are very excited to partner with the Leverege team as they continue to build the Company."*
>
> **- Nik Shah, Managing Partner and Co-Founder, Cohere Capital**

Date	Target	Acquirer
Aug 2025	deepomatic	IQGeo

EV: NA | EV / Revenue: NA | EV / EBITDA: NA

Target Overview

Provides AI-powered image recognition and computer vision software for telecom, utilities, and green energy businesses

Deal Rationale

The addition of Deepomatic's AI capabilities will enable IQGeo to enhance its network lifecycle solutions with optimized detail capture and analysis in field operations

> *"With IQGeo's geospatial expertise, we will be able to redefine what's possible by empowering companies to create data-driven digital twins. AI is fast becoming integral to successful infrastructure management, and together we will expand our industry footprint."*
>
> **- Augustin Marty, CEO, Deepomatic**

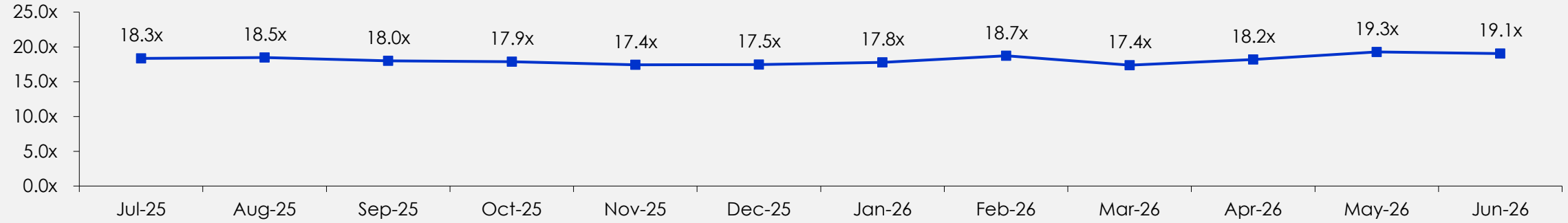
Sources: 451 Research and Press Releases

KPMG

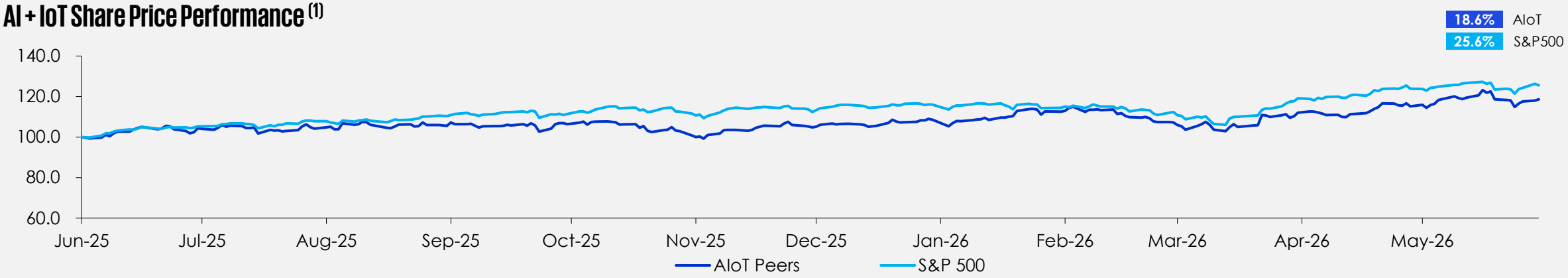
© 2026 KPMG Corporate Finance LLC, a Delaware limited liability company. Member FINRA/SIPC. KPMG Corporate Finance LLC is a subsidiary of KPMG LLP, a Delaware limited liability partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. KPMG Corporate Finance LLC is not engaged in the practice of public accountancy. All rights reserved.

AI + IoT Comps EBITDA Multiple & Stock Analysis

AI + IoT EV / LTM EBITDA Multiples (1)



AI + IoT Share Price Performance (1)



(1) Market data as of Jun 17th, 2026
Source: CapitalIQ

© 2026 KPMG Corporate Finance LLC, a Delaware limited liability company. Member FINRA/SIPC. KPMG Corporate Finance LLC is a subsidiary of KPMG LLP, a Delaware limited liability partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. KPMG Corporate Finance LLC is not engaged in the practice of public accountancy. All rights reserved.

Notable AI + IoT M&A Activity (1/7)

Date	Target	Acquirer	Target Country	Buyer Type	Enterprise Value ($M)	LTM Revenue ($M)	EV / LTM Revenue (x)	Target Description
Jun-26	Foresight Autonomous	VisionWave	Israel	Strategic	$28.9	$0.4	72.6x	Vision sensing software & sensor kits
Jun-26	D-Fend Solutions	Motorola Solutions	Israel	Strategic	$1,500.0	-	-	Anti-drone management systems & software
May-26	PONM	Nexalin Technology	US	Strategic	$1.3	-	-	Healthcare infrastructure management software
May-26	Omnisys	Ondas	Israel	Strategic	$199.0	-	-	Defence battle resource optimization software
May-26	Spinoff Robotics	Nanoveu	Singapore	Strategic	$0.1	-	-	Robotics drone systems
May-26	Aireon	Iridium Communications	US	Strategic	$638.8	-	-	Air traffic surveillance systems & software
May-26	Neurovia AI	Robo.ai	Virgin Islands, British	Strategic	$100.0	-	-	Lossless data compression software
May-26	NIRLAB	908 Devices	Switzerland	Strategic	$23.0	-	-	Wireless chemical analysis devices
May-26	Eigen AI	Nebius Group	US	Strategic	$623.3	-	-	AI model optimization & customization software
Apr-26	Idelic	The Descartes Systems	US	Strategic	$28.0	-	-	Fleet safety management software
Apr-26	TAP	Mphasis	Canada	Strategic	$7.3	$1.2	5.9x	Decision intelligence software
Apr-26	Electro-Sensors	Steute Technologies	US	Financial	$18.7	$10.5	1.8x	Industrial monitoring sensor systems
Apr-26	Honeywell (Productivity Solutions and Services)	Brady Corporation	US	Strategic	$1,400.0	$1,100.0	1.3x	Mobile computers, scanners & printer manufacturer
Apr-26	Udlive	Badger Meter	UK	Strategic	$99.6	$22.0	4.5x	Sewer line monitoring systems & software

Source: 451 Research

KPMG

© 2026 KPMG Corporate Finance LLC, a Delaware limited liability company. Member FINRA/SIPC. KPMG Corporate Finance LLC is a subsidiary of KPMG LLP, a Delaware limited liability partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. KPMG Corporate Finance LLC is not engaged in the practice of public accountancy. All rights reserved.

Notable AI + IoT M&A Activity (2/7)

Date	Target	Acquirer	Target Country	Buyer Type	Enterprise Value ($M)	LTM Revenue ($M)	EV / LTM Revenue (x)	Target Description
Apr-26	Dr. Frucht Systems	BiomX	Israel	Strategic	$10.7	-	-	LADARbased detection systems
Apr-26	Quixxi Pty	WhiteHawk	Australia	Strategic	$1.2	$0.4	3.2x	Mobile application security software
Apr-26	Dream America (xClibre AI video intelligence IP assets)	VisionWave	US	Strategic	$57.4	-	-	Video intelligence & analytics software
Apr-26	Zorronet	BiomX	Israel	Strategic	$5.1	-	-	Crowdsourcing emergency & crime response software
Apr-26	Global Impx	Blue Cloud Softech	US	Strategic	$35.2	$2.8	12.4x	Energy & digital infrastructure software
Apr-26	Fasthink S.R.L.	TXT e-solutions	Italy	Strategic	$3.5	$5.2	0.7x	Industrial automation systems
Mar-26	Somatix	Vitalist	US	Strategic	$4.8	$0.1	43.1x	Remote patient monitoring devices & software
Mar-26	Financial Software & Systems (ATM Managed Serv. business)	CMS Info Systems	India	Strategic	$12.1	$152.1	0.1x	ATM managed services
Mar-26	World View Enterprises	Ondas	US	Strategic	$135.8	-	-	Balloon remote sensing systems
Mar-26	Urgent.ly	Agero	US	Strategic	$71.0	$129.2	0.5x	Roadside & mobility assistance software
Mar-26	NuCrypt	Quantum Computing	US	Strategic	$5.0	-	-	Quantum communications systems
Mar-26	Covelya Group	Kraken Robotics	UK	Strategic	$448.5	$191.1	2.3x	Underwater sensor systems
Mar-26	Dovre Group	Mitta Group	Finland	Strategic	$0.4	-	-	3D reality capture software
Mar-26	XPLN	Similarweb	Germany	Strategic	$7.0	-	-	Digital shelf analytics software

Source: 451 Research

© 2026 KPMG Corporate Finance LLC, a Delaware limited liability company. Member FINRA/SIPC. KPMG Corporate Finance LLC is a subsidiary of KPMG LLP, a Delaware limited liability partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. KPMG Corporate Finance LLC is not engaged in the practice of public accountancy. All rights reserved.

Notable AI + IoT M&A Activity (3/7)

Date	Target	Acquirer	Target Country	Buyer Type	Enterprise Value ($M)	LTM Revenue ($M)	EV / LTM Revenue (x)	Target Description
Feb-26	Origin AI	ADT	US	Strategic	$170.0	-	-	Wi-Fi network sensing & home security software
Feb-26	Losant IoT	SUSE	US	Financial	$100.0	-	-	Enterprise IoT application enablement tool
Feb-26	Masimo Corporation	Danaher Corporation	US	Strategic	$10,025.8	$1,526.9	6.6x	Patient monitoring systems
Feb-26	XTEND Reality Expansion	JFB Construction	Israel	Strategic	$1,500.0	-	-	Autonomous machine sensor systems & software
Feb-26	Cyata Security	Check Point Software	Israel	Strategic	$44.0	-	-	AI agent identity security software
Feb-26	Stereolabs	Ouster	US	Strategic	$71.5	$16.0	4.5x	3D camera systems & software
Feb-26	Pi Innovo	New Eagle	US	Financial	$15.0	-	-	Embedded control ECUs & software
Feb-26	Eddyfi Technologies	ESAB Corporation	Canada	Strategic	$1,450.0	-	-	Industrial inspection & monitoring systems
Jan-26	Particle Industries	Digi International	US	Strategic	$50.0	$20.0	2.5x	IoT application infrastructure software
Jan-26	Luminar Technologies (assets)	MicroVision	US	Strategic	$33.0	-	-	Autonomous vehicle LiDAR sensors
Jan-26	Diligent Robotics	Serve Robotics	US	Strategic	$0.6	-	-	Healthcare robotic systems manufacturer
Jan-26	Flipside AI	Nexscient	Philippines	Strategic	$13.7	-	-	Data labeling & annotation software
Jan-26	Observe	Snowflake	US	Strategic	$636.5	$40.0	15.9x	Observability & monitoring software
Jan-26	Mentee Robotics	Mobileye Global	Israel	Strategic	$913.8	-	-	Humanoid robotics systems manufacturer

Source: 451 Research

KPMG

© 2026 KPMG Corporate Finance LLC, a Delaware limited liability company. Member FINRA/SIPC. KPMG Corporate Finance LLC is a subsidiary of KPMG LLP, a Delaware limited liability partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. KPMG Corporate Finance LLC is not engaged in the practice of public accountancy. All rights reserved.

Notable AI + IoT M&A Activity (4/7)

Date	Target	Acquirer	Target Country	Buyer Type	Enterprise Value ($M)	LTM Revenue ($M)	EV / LTM Revenue (x)	Target Description
Dec-25	Aquanexa	a.Quantum	Italy	Strategic	$240.9	$155.3	1.6x	Meter data collection hardware & software
Dec-25	SR Labs Healthcare	Dynavox Group	Italy	Strategic	$4.9	-	-	Healthcare communication systems & software
Dec-25	ZF Group (ADAS Business)	Harman International	Germany	Strategic	$1,763.7	-	-	ADAS sensors & software
Dec-25	ARKA Group	CACI International	US	Strategic	$2,600.0	-	-	Space system & software
Dec-25	Caranx Medical	Affluent Medical	France	Strategic	$19.5	-	-	Robotic surgery systems & software
Dec-25	ArteDrone	Affluent Medical	France	Strategic	$13.8	-	-	Autonomous robotic cardiovascular systems manufacturer
Dec-25	Blickfeld	Senstar Technologies	Germany	Strategic	$12.1	-	-	3D LiDAR sensor manufacturer
Dec-25	Solar Drone	VisionWave	Israel	Strategic	$17.7	-	-	Autonomous robotic systems
Nov-25	Robo-Team NA	Ondas Holdings	US	Strategic	$80.0	-	-	Tactical unmanned ground vehicles manufacturer
Nov-25	Intelerad Medical Systems	GE HealthCare	Canada	Strategic	$2,300.0	-	-	Medical imaging software
Nov-25	MARSS Group (interceptor business)	Electro Optic Systems	UK	Strategic	$7.2	-	-	Unmanned aerial systems
Nov-25	PTC (industrial connectivity and IoT businesses)	TPG Global	US	Financial	$600.0	$200.0	3.0x	Industrial connectivity & IoT software
Nov-25	Sentrycs	Ondas Holdings	Israel	Strategic	$223.3	$16.3	13.7x	Unmanned aircraft systems
Nov-25	Orbit Technologies	Kratos Defense & Security Solutions	Israel	Strategic	$336.1	$79.9	4.2x	Tracking-based communication systems

Source: 451 Research

KPMG

© 2026 KPMG Corporate Finance LLC, a Delaware limited liability company. Member FINRA/SIPC. KPMG Corporate Finance LLC is a subsidiary of KPMG LLP, a Delaware limited liability partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. KPMG Corporate Finance LLC is not engaged in the practice of public accountancy. All rights reserved.

Notable AI + IoT M&A Activity (5/7)

Date	Target	Acquirer	Target Country	Buyer Type	Enterprise Value ($M)	LTM Revenue ($M)	EV / LTM Revenue (x)	Target Description
Oct-25	4M Defense	Ondas Holdings	Israel	Strategic	$12.0	-	-	Robotic demining systems & software
Oct-25	Woori IO	OSR Holdings	South Korea	Strategic	$10.9	-	-	Monitoring & detection systems
Oct-25	ABB (robotics business)	SoftBank Group	Switzerland	Strategic	$5,375.0	$2,279.0	2.4x	Industrial & collaborative robots
Oct-25	Mindsgate (indoor farm management system)	TrustBIX	Canada	Strategic	$0.1	-	-	Farm management systems & software
Oct-25	iGUIDE	REA Group	Canada	Strategic	$59.0	$13.9	4.3x	Camera systems & software
Sep-25	Landis+Gyr AG (EMEA metering business)	Aurelius	Switzerland	Financial	$215.0	$600.0	0.4x	Smart metering systems
Sep-25	Duagon Group	Knorr-Bremse	Switzerland	Strategic	$587.2	-	-	Railway control & communication systems
Sep-25	Aura Semiconductor (Vcore Power Technology)	onsemi	India	Strategic	$72.0	-	-	Mixed-signal ICs & sensors
Sep-25	Vector Atomic	IonQ	US	Strategic	$378.6	-	-	Quantum sensing hardware systems
Sep-25	AI Mindbot Equity Union	Vestand	South Korea	Strategic	$6.8	-	-	Smart card & mobile security software
Sep-25	ADT Security Services	Everon	US	Financial	$55.0	-	-	Security system integration services
Sep-25	SewerVUE Technology	NameSilo Technologies	Canada	Strategic	$1.8	-	-	Multi-sensor inspection equipment
Sep-25	CalypsoAI	F5	US	Strategic	$180.0	-	-	Threat defense & data security software
Sep-25	Vuno (technology and business of bone age analysis solution)	Maihub Corporation	South Korea	Strategic	$1.9	-	-	Medical image analysis software

Source: 451 Research

KPMG

© 2026 KPMG Corporate Finance LLC, a Delaware limited liability company. Member FINRA/SIPC. KPMG Corporate Finance LLC is a subsidiary of KPMG LLP, a Delaware limited liability partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. KPMG Corporate Finance LLC is not engaged in the practice of public accountancy. All rights reserved.

Notable AI + IoT M&A Activity (6/7)

Date	Target	Acquirer	Target Country	Buyer Type	Enterprise Value ($M)	LTM Revenue ($M)	EV / LTM Revenue (x)	Target Description
Sep-25	XD Motion	EVS Broadcast	France	Strategic	$3.5	$4.1	0.8x	Robotic camera & aerial filming systems
Sep-25	GE Vernova (Proficy manu. software business)	TPG Capital	US	Financial	$600.0	-	-	Manufacturing execution system software
Sep-25	Nozomi Networks	Mitsubishi Electric	US	Strategic	$949.5	$74.7	12.7x	OT & IoT security management software
Aug-25	Telemetrics	EVS Broadcast	US	Strategic	$6.5	$12.0	0.5x	Camera robotics & control systems
Aug-25	Jolt Software	Digi International	US	Strategic	$145.5	$28.0	5.2x	Operations execution software
Aug-25	Apeiro Motion	Ondas Holdings	Israel	Strategic	$12.0	-	-	Robotics & communications systems
Aug-25	Vayu Robotics	Serve Robotics	US	Strategic	$57.9	-	-	Autonomous navigation robotic systems
Aug-25	u-blox Holding	Advent International	Switzerland	Financial	$1,173.8	$367.8	3.2x	Communication chips & modules
Aug-25	Evolutions AI	Power Technology	US	Strategic	$200.0	-	-	Industrial data analytics software
Aug-25	Everythink Innovations (EDGE datacenter and telecom assets)	Nixxy	Canada	Strategic	$3.6	$48.0	0.1x	Edge datacenters & telecom infrastructure software
Aug-25	ASIOT	MytePro Technology	Japan	Strategic	$4.7	-	-	Meter reading camera systems
Aug-25	oneEvent Technologies	SensorHubb	US	Strategic	$0.3	-	-	Refrigeration temperature monitoring systems
Aug-25	Intelligent Observation	HID Global	US	Strategic	$14.0	-	-	Hand hygiene compliance monitoring device
Aug-25	Daedalean	Destinus Group	Switzerland	Strategic	$222.6	-	-	AI-based avionics systems & software

Source: 451 Research

KPMG

© 2026 KPMG Corporate Finance LLC, a Delaware limited liability company. Member FINRA/SIPC. KPMG Corporate Finance LLC is a subsidiary of KPMG LLP, a Delaware limited liability partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. KPMG Corporate Finance LLC is not engaged in the practice of public accountancy. All rights reserved.

Notable AI + IoT M&A Activity (7/7)

Date	Target	Acquirer	Target Country	Buyer Type	Enterprise Value ($M)	LTM Revenue ($M)	EV / LTM Revenue (x)	Target Description
Aug-25	Kappa optronics	Theon International	Germany	Strategic	$86.6	-	-	Cameras & vision systems
Jul-25	Earth Science Analytics	IMDEX	Norway	Strategic	$21.1	-	-	Energy geoscience software
Jul-25	UFACTORY	Cheetah Mobile	China	Strategic	$22.8	-	-	Open-source robotic systems
Jul-25	Cynerio	Axonius	Israel	Strategic	$100.0	-	-	Healthcare IoT cybersecurity software
Jul-25	SPTel	Seraya AQX	Singapore	Strategic	$214.7	$52.8	4.1x	Managed network services
Jul-25	Frauscher Sensor Technology Group	Wabtec	Austria	Strategic	$795.2	-	-	Train detection & control systems
Jul-25	Chesapeake Technology	Parsons Corporation	US	Strategic	$89.0	-	-	Military systems & software

Source: 451 Research

© 2026 KPMG Corporate Finance LLC, a Delaware limited liability company. Member FINRA/SIPC. KPMG Corporate Finance LLC is a subsidiary of KPMG LLP, a Delaware limited liability partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. KPMG Corporate Finance LLC is not engaged in the practice of public accountancy. All rights reserved.

Publicly Traded AI + IoT Companies

Public Market Trends[1]								
Company	**Share price ($)**	**% of 52 Week High**	**Market Cap ($M)**	**Enterprise Value ($M)**	**LTM Revenue ($M)**	**LTM EBITDA ($M)**	**EV / LTM Revenue (x)**	**EV / LTM EBITDA (x)**
Cisco	$117.3	90.0%	$462,448.5	$478,809.5	$60,746.0	$17,007.0	7.9x	28.2x
Siemens	316.6	97.5%	243,891.8	304,221.0	91,893.2	13,656.2	3.3x	22.3x
Deere & Company	588.5	87.3%	158,850.1	217,079.1	47,337.0	8,614.0	4.6x	25.2x
Honeywell	228.6	92.1%	144,859.4	171,297.4	37,660.0	8,526.0	4.5x	20.1x
Legrand	168.1	86.9%	43,934.5	49,384.6	11,230.7	2,480.7	4.4x	19.9x
CNH Industrial	10.3	72.0%	12,746.7	37,750.7	18,093.0	1,082.0	2.1x	34.9x
Ericsson	11.7	85.4%	38,803.9	36,345.4	24,271.7	3,769.1	1.5x	9.6x
Corpay	353.3	96.2%	23,094.3	31,377.7	4,783.7	2,550.7	6.6x	12.3x
Hubbell	508.9	90.0%	26,889.6	29,122.0	5,996.1	1,466.7	4.9x	19.9x
PTC	116.9	53.2%	13,507.2	14,449.2	2,997.9	1,319.3	4.8x	11.0x
Advantech	15.5	90.6%	13,418.4	12,842.4	2,311.3	414.5	5.6x	31.0x
Trimble	48.9	55.9%	11,392.2	12,570.9	3,686.6	866.9	3.4x	14.5x
Acuity	305.7	80.4%	9,205.0	9,740.7	4,587.1	767.3	2.1x	12.7x
The Toro Company	90.9	86.4%	8,653.5	9,610.1	4,658.5	673.7	2.1x	14.3x
Digi International	67.4	95.2%	2,540.4	2,662.5	475.1	103.6	5.6x	25.7x
Lindsay Corporation	116.1	76.9%	1,206.9	1,159.4	636.6	88.8	1.8x	13.1x
PowerFleet	4.1	69.6%	540.7	807.2	443.8	85.8	1.8x	9.4x
Mean		**82.7%**					**3.9x**	**19.1x**
Median		**86.9%**					**4.4x**	**19.9x**

(1) Market data as of Jun 17th, 2026
Source: CapitalIQ

© 2026 KPMG Corporate Finance LLC, a Delaware limited liability company. Member FINRA/SIPC. KPMG Corporate Finance LLC is a subsidiary of KPMG LLP, a Delaware limited liability partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. KPMG Corporate Finance LLC is not engaged in the practice of public accountancy. All rights reserved.

Closing Thoughts

Key Takeaways

Physical AI is transitioning from emerging technology themes to practical deployment priorities. As enterprises scale AI across assets, devices, facilities, and field operations, adoption is increasingly being driven by tangible requirements: faster response times, lower bandwidth dependence, stronger data privacy, improved resiliency, and measurable operating impact.

The next phase of market leadership will depend on deployment quality. Winning platforms will need to combine model accuracy, low false positives, power efficiency, resilient connectivity, and strong unit economics to perform reliably across distributed and constrained operating environments.

This shift creates a broad strategic opportunity across the ecosystem. Operators can use Edge and Physical AI to improve uptime, safety, productivity, and asset visibility, while investors and strategic acquirers can build differentiated exposure across sensors, embedded intelligence, connectivity, edge infrastructure, and verticalized software.



AI is entering the physical world.
Intelligence is moving closer to the assets, machines, workers, and infrastructure where decisions are made and actions happen.

Scalability requires more than model performance.
Real-world AI must be accurate, efficient, resilient, and economical in production.

The edge becomes the execution layer.
The next wave of AI value will come from turning digital insight into immediate operational action in the physical world.



© 2026 KPMG Corporate Finance LLC, a Delaware limited liability company. Member FINRA/SIPC. KPMG Corporate Finance LLC is a subsidiary of KPMG LLP, a Delaware limited liability partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. KPMG Corporate Finance LLC is not engaged in the practice of public accountancy. All rights reserved.

We Are One of the Most Active M&A Advisors in AI + IoT

Ongoing

Project Chorus

Sale of an AI infrastructure platform

Ongoing

Project Osprey

Sale of a digital infrastructure company

Ongoing

Project America

Sale of an embedded computing hardware provider

LEVEREGE has been acquired by COHERE CAPITAL

VisionAI

matrix TELEMATICS has been acquired by BRIDGES Fund Management

IoT / Fleet Management

LOCKMASTERS INCORPORATED has been acquired by DOMINUS CAPITAL

IoT / Smart Building

ACD TRADE, DIVERSITECH a portfolio company of PERMIRA has been acquired by BEIJER REF

IoT / Smart Building

ESC AUTOMATION has been acquired by AINSWORTH

IoT / Smart Building

Cognizant has acquired ZENTH TECHNOLOGIES

Industrial IoT

Technology Deal of the Year M&A Atlas Award

Ubisense has sold its Smart Space division to INVESTCORP

Industrial IoT

OSRAM has divested LEDVANCE to IDG資本 IDG Capital Partners, MLS

Smart Lighting

TRS Technologies has been acquired by TAYCA TAYCA CORPORATION

Sensor Technologies

FREEWAVE

FreeWave has been acquired by its founder

Industrial IoT

GREENCREATIVE has been acquired by HARBOUR GROUP

Smart Lighting

CLIFFORD THAMES has been acquired by OECconnection a portfolio company of PROVIDENCEEQUITY

IoT / Connected Car

3M has divested its Smart Traffic and Tolling Technologies business to NEOLOGY

IoT / Smart Traffic

FINELITE Better Lighting has been acquired by legrand®

Smart Lighting

WABCO

Buyside financial advisory on an undisclosed fleet management company

Fleet Management

ALPINE INVESTORS has sold Linx TECHNOLOGIES to ARGOSY CAPITAL

IoT Platform

PINNACLE ARCHITECTURAL LIGHTING has been acquired by legrand®

Smart Lighting

lytx DriveCam

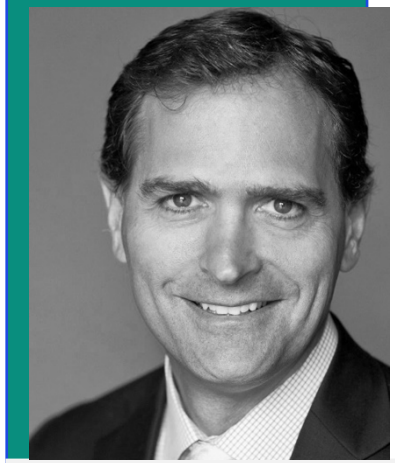
Financial advisory on Lytx for an undisclosed bidder

IoT / Fleet Management

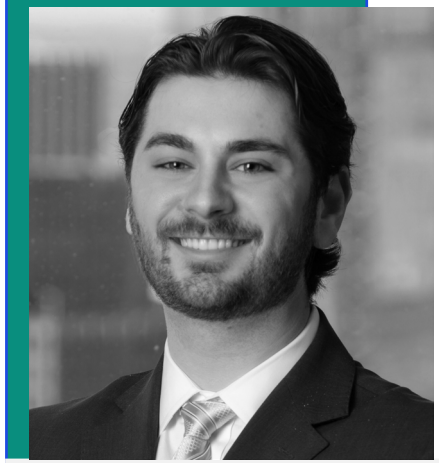
© 2026 KPMG Corporate Finance LLC, a Delaware limited liability company. Member FINRA/SIPC. KPMG Corporate Finance LLC is a subsidiary of KPMG LLP, a Delaware limited liability partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. KPMG Corporate Finance LLC is not engaged in the practice of public accountancy. All rights reserved.

Let's Connect

We look forward to talking with you and sharing the insights we have gathered in our extensive travels in the AI+IoT space.



Joseph Radecki
Managing Director
TMT Investment Banking
US Corporate Finance
+1 312-655-4401
jradecki@kpmg.com



Steven Vinezeano
Senior Associate
TMT Investment Banking
US Corporate Finance
+1 713-819-6630
svinezeano@kpmg.com



Joel Buchanan
Senior Associate
TMT Investment Banking
US Corporate Finance
+1 773-343-5852
joelbuchanan1@kpmg.com

© 2026 KPMG Corporate Finance LLC, a Delaware limited liability company. Member FINRA/SIPC. KPMG Corporate Finance LLC is a subsidiary of KPMG LLP, a Delaware limited liability partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. KPMG Corporate Finance LLC is not engaged in the practice of public accountancy. All rights reserved.





kpmg.com/socialmedia

The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavor to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation. The information contained in this communication does not constitute a recommendation, offer, or solicitation to buy, sell or hold any security of any issuer. Past performance does not guarantee future results.

The KPMG name and logo are trademarks used under license by the independent member firms of the KPMG global organization.

© 2026 KPMG Corporate Finance LLC, a Delaware limited liability company. Member FINRA/SIPC. KPMG Corporate Finance LLC is a subsidiary of KPMG LLP, a Delaware limited liability partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. KPMG Corporate Finance LLC is not engaged in the business of public accountancy. All rights reserved.