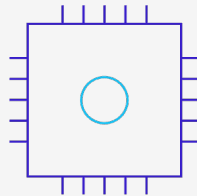


DEEP TECH UPDATE

STRATEGIC M&A • VENTURE CAPITAL • INSIGHTS



**AI & COMPUTER
VISION**



SEMICONDUCTORS



**IoT & EDGE
INTELLIGENCE**

QUARTERLY UPDATE

APRIL 2024

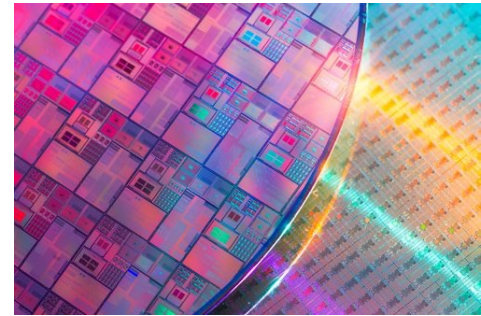
DEEP TECHNOLOGY

M&A, CAPITAL and INDUSTRY NEWS

SEMICONDUCTORS TAKE OVER

We continue to see signs of market improvement for Deep Tech M&A and capital markets going into 2024. But the big winner are semiconductors, which since 2022 have [far outperformed](#) its software and hardware counterparts in M&A by M&A transaction revenue multiples.

IDC predicts that the semiconductor market will grow 20% in 2024, driven by demand in ADAS, AI and consumer electronics. We believe that these factors combined with government investments like the CHIPS act signal a strong M&A environment for semiconductors in the next 12-36 months.



Brent Lorenz & Paul Werp, CVA Founders

\$1B+ TECH DEALS & IPOs

- Udacity acquired by Accenture for \$1B
- Tokopedia acquired by TikTok for \$1.5B
- EchoStar acquired by Dish Network for \$1.8B
- Viessman Climate acquired by Carrier for \$13B
- Imperva acquired by Thales for \$3.6B

MACRO

	3/15/23	3/15/24
Dow Jones	31,875	38,724
US unemployment	3.5%	3.9%
US inflation	5.0%	3.1%

DEEP TECH DEAL METRICS



Deep Tech M&A valuations have continued their rebound, rising from an average revenue multiple of 2.1 in 2022 to 2.5 in 2024 so far [\[see page 5\]](#)



Semiconductors have been the best performer (M&A revenue multiples), and software the worst performer, seemingly changing decades of precedent [\[see page 5\]](#)



Top Deep Tech buyers since 2020 included Meta, Apple, IBM, Intel, Qualcomm, Cisco and Microsoft [\[see page 6\]](#)

INTERESTING DEEP TECH M&A TRANSACTIONS

STRATEGIC M&A



to be acquired by



Circuit Design Software

ALTIUM TO ACQUIRED BY RENESAS

DEAL METRICS: \$6B • 21.2x Revenue

Altium provides software for the design of printed circuit boards. It also owns and operates the world's largest online marketplace for searching and sourcing electronic components used in the design and manufacture of electronics.



acquired by



Industrial Automation

RED LION CONTROLS ACQUIRED BY HMS NETWORKS

DEAL METRICS: \$345M • 2.6x Revenue

Red Lion is a manufacturer of industrial automation and networking products, specializing in monitoring, control and communication. Products include controllers, sensors, switches and M2M technology. Its products enable worldwide customers insight into real-time data visibility of industrial assets.



to be acquired by



Enterprise Infrastructure

JUNIPER TO BE ACQUIRED BY HP ENTERPRISE

DEAL METRICS: \$14B • 2.5x Revenue

Juniper designs and sells products enabling high-performance networks. Offerings routing, switching, Wi-Fi, network security, AI operations (AI Ops) and Software Defined Networking (SDN).

INTERESTING DEEP TECH VC TRANSACTIONS

SERIES B AND ABOVE

The logo for Synthetaic, featuring the word "synthet" in black, "ai" in yellow, and "c" in black.

SERIES B

Analytics as a Service

SYNTHETAIC \$16M SERIES B

PRE-MONEY: \$84M • 1.7x Valuation Step-Up

INVESTORS: Lupa, TitledownTech, Booz Alen Hamilton, IBM Ventures

Developer of an analytics as a service platform for AI modeling of complex data-limited workloads.

The logo for Exafunction, featuring a green icon of three squares and the word "Exafunction" in green.

SERIES B

Deep Learning Optimization

EXAFUNCTION \$65M SERIES B

PRE-MONEY: \$450M • 3.6x Valuation Step-Up

INVESTORS: General Catalyst, Greenoaks, Kleiner Perkins

Deep learning acceleration platform, supports models from all deep learning frameworks and moves model inferences and supporting computations like video decoding and image preprocessing remotely, enabling clients to integrate accelerated deep learning into an interactive or batch application.

The logo for Lambda, featuring a black icon of a lambda symbol and the word "Lambda" in black.

SERIES C

GPU • Deep Learning

LAMBDA \$320M SERIES C

PRE-MONEY: \$1.20B • 7.1x Valuation Step-Up

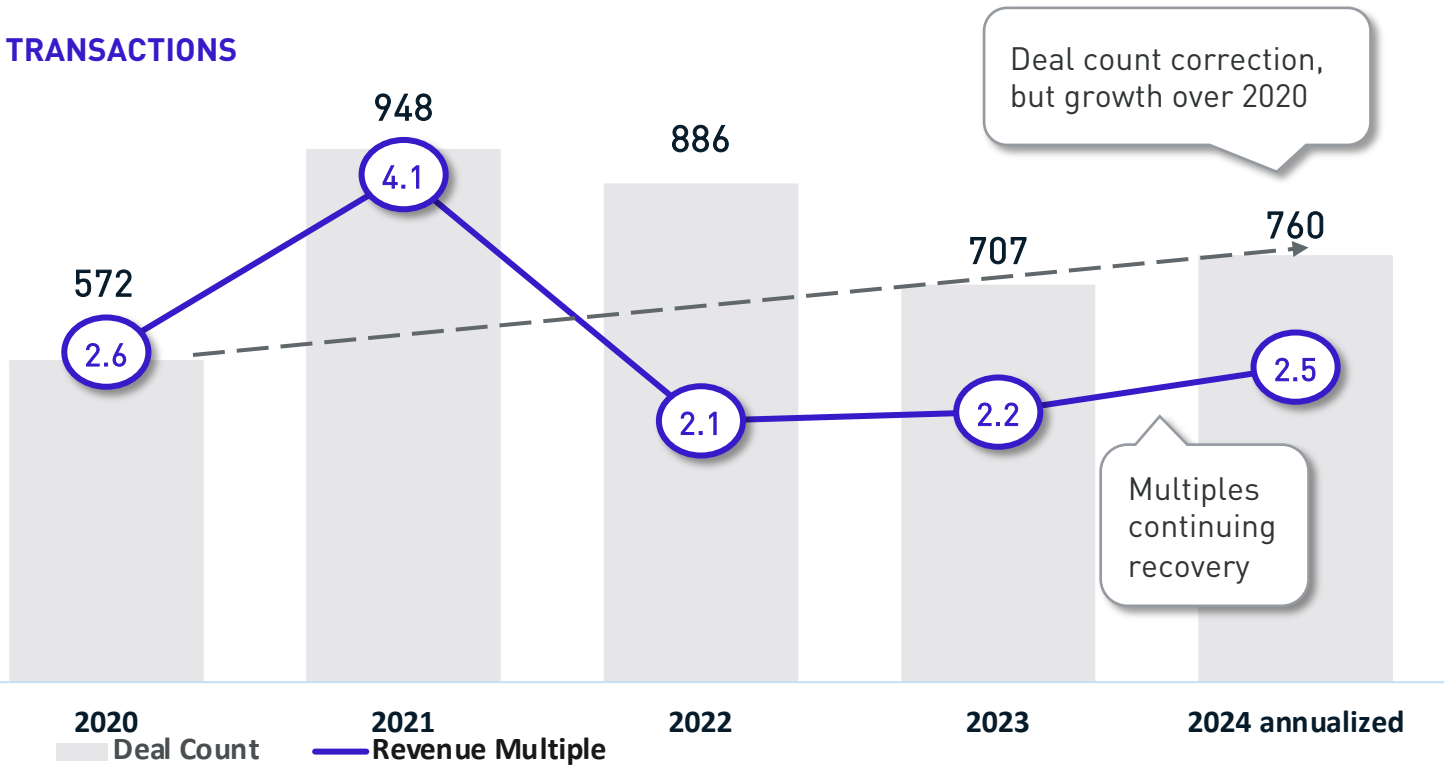
INVESTORS: Alpha Square Group, SK Telecom, +

Deep learning infrastructure company to sell advanced compute and GPU cloud services to enterprises, AI startups and universities. The company's cloud tech are pre-configured with common ML frameworks, enabling clients to simplify and accelerate their efforts. Most notable was that the Series C was a 7.1x valuation step-up.

DEEP TECH STRATEGIC M&A

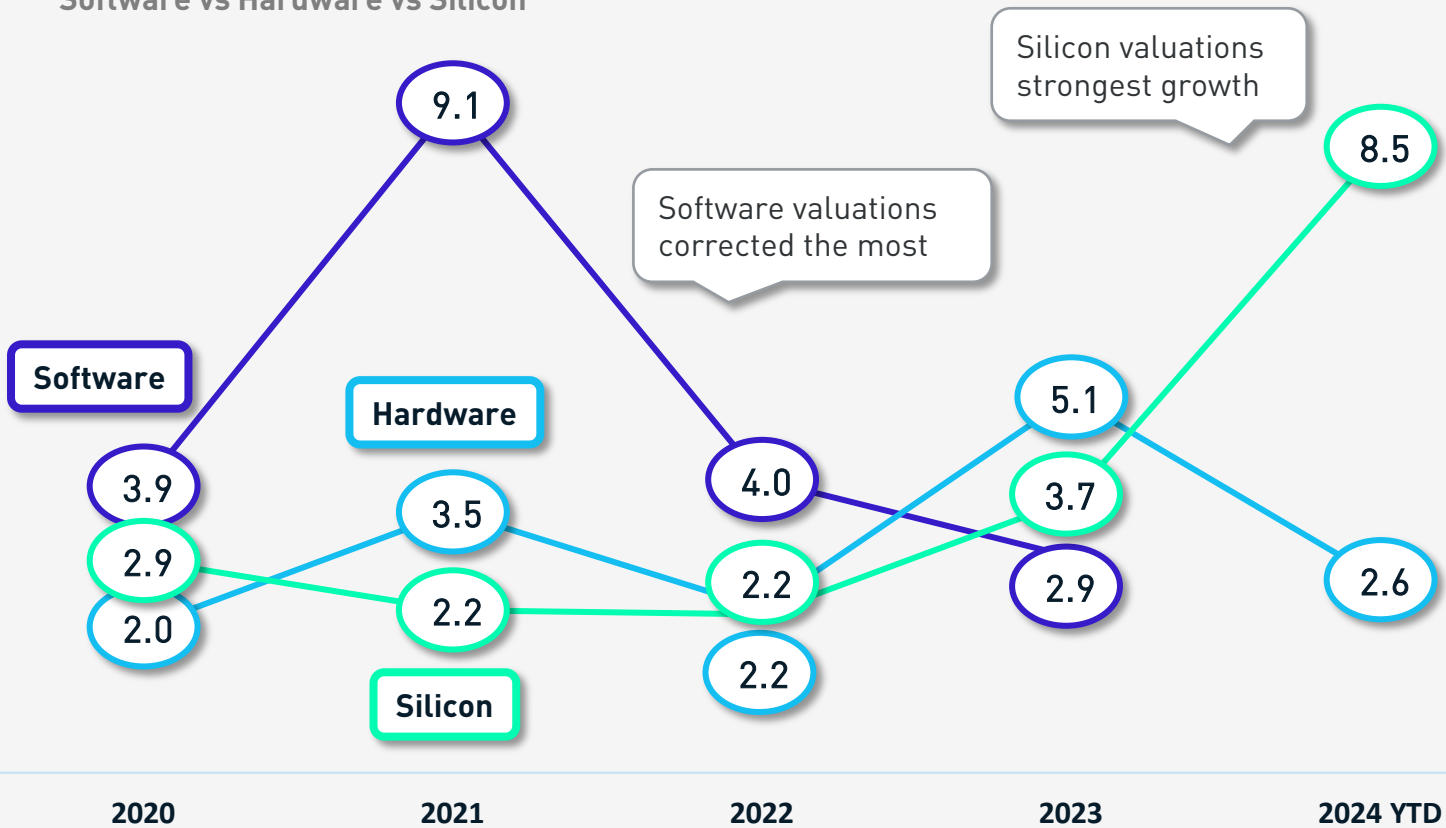
AI, COMPUTER VISION, SEMICONDUCTORS, IoT/EDGE

TRANSACTIONS



REVENUE MULTIPLES

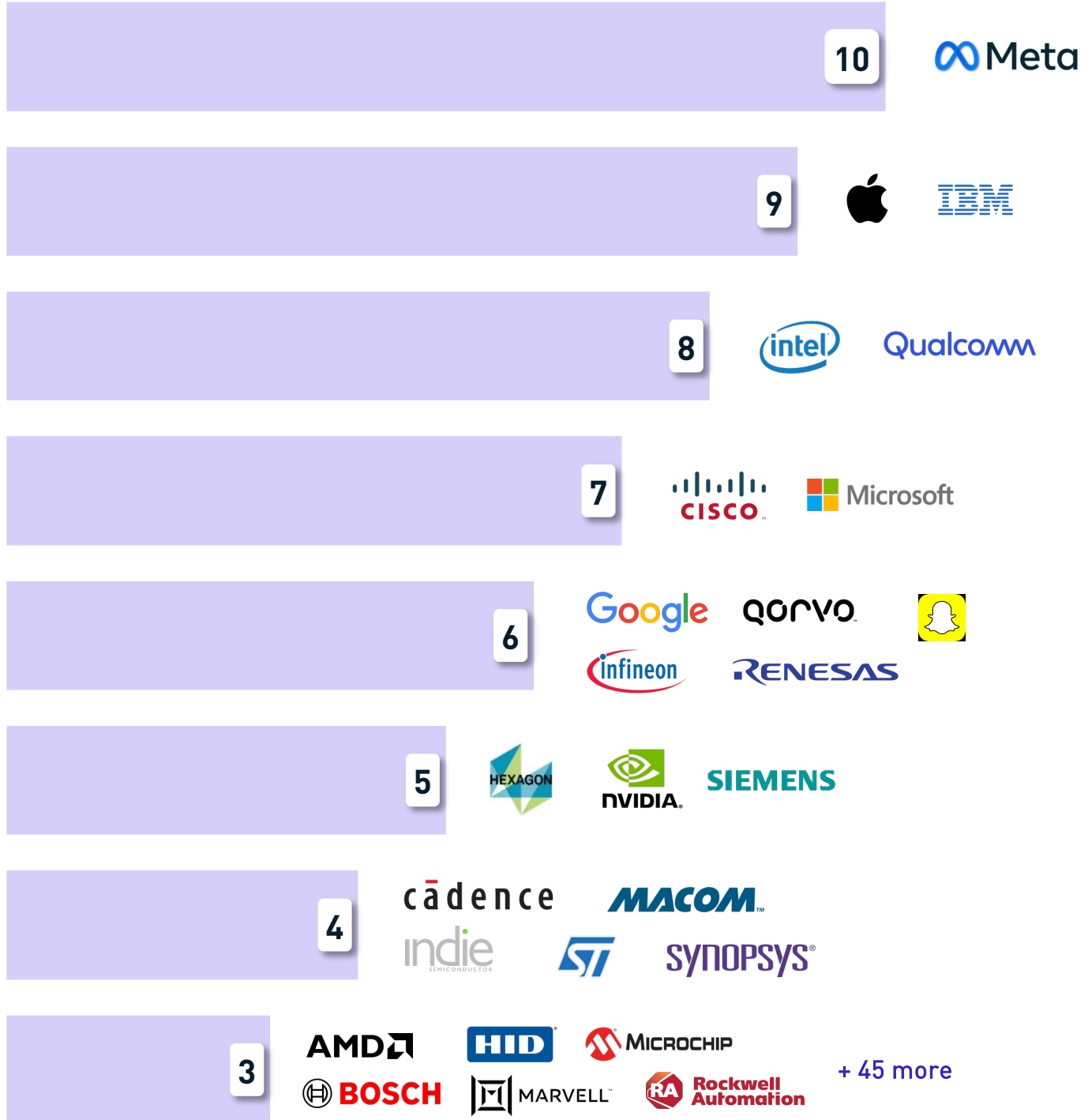
Software vs Hardware vs Silicon



TOP DEEP TECH BUYERS

AI, COMPUTER VISION, SEMICONDUCTORS, IoT/EDGE

TOP BUYERS – DEAL COUNT SINCE 2020

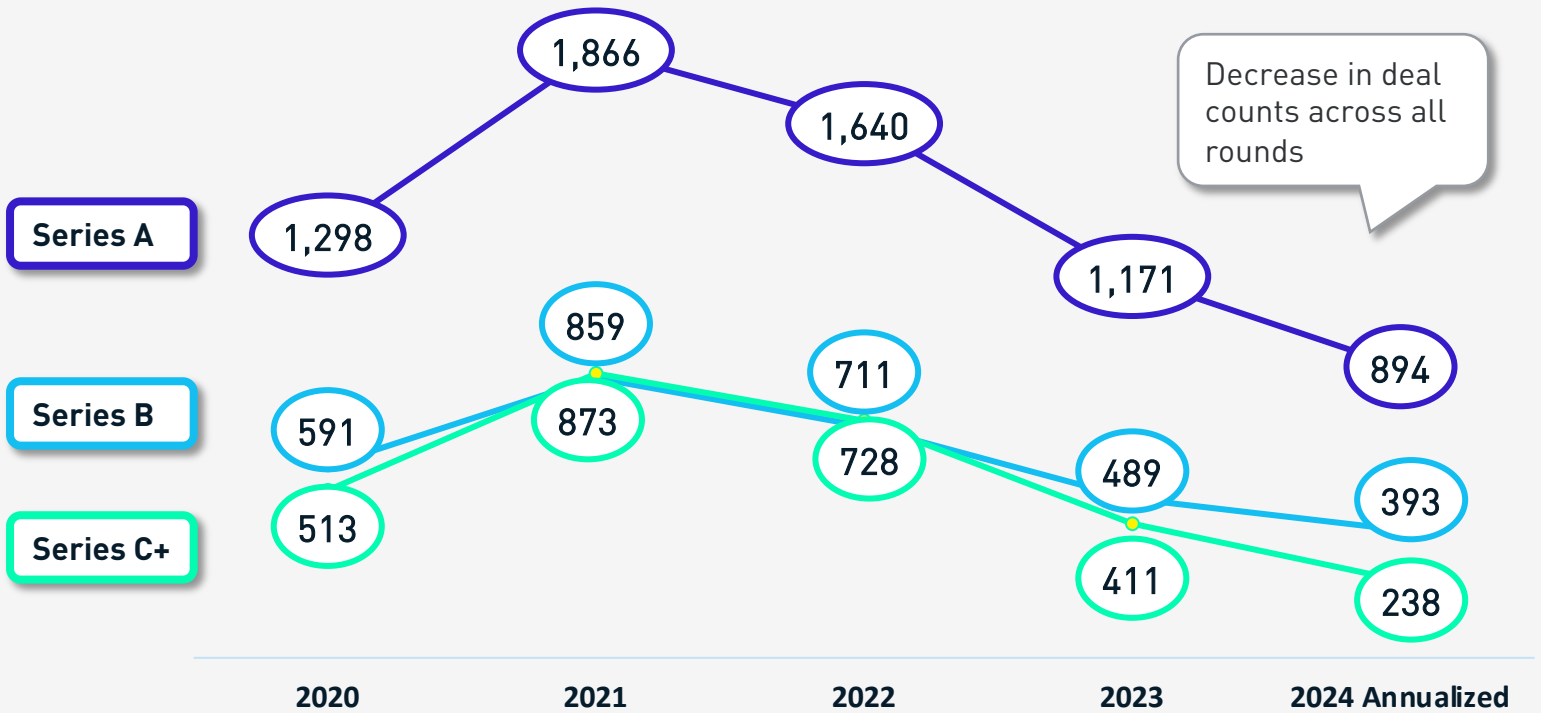


2,528 investors with at least 1 deal

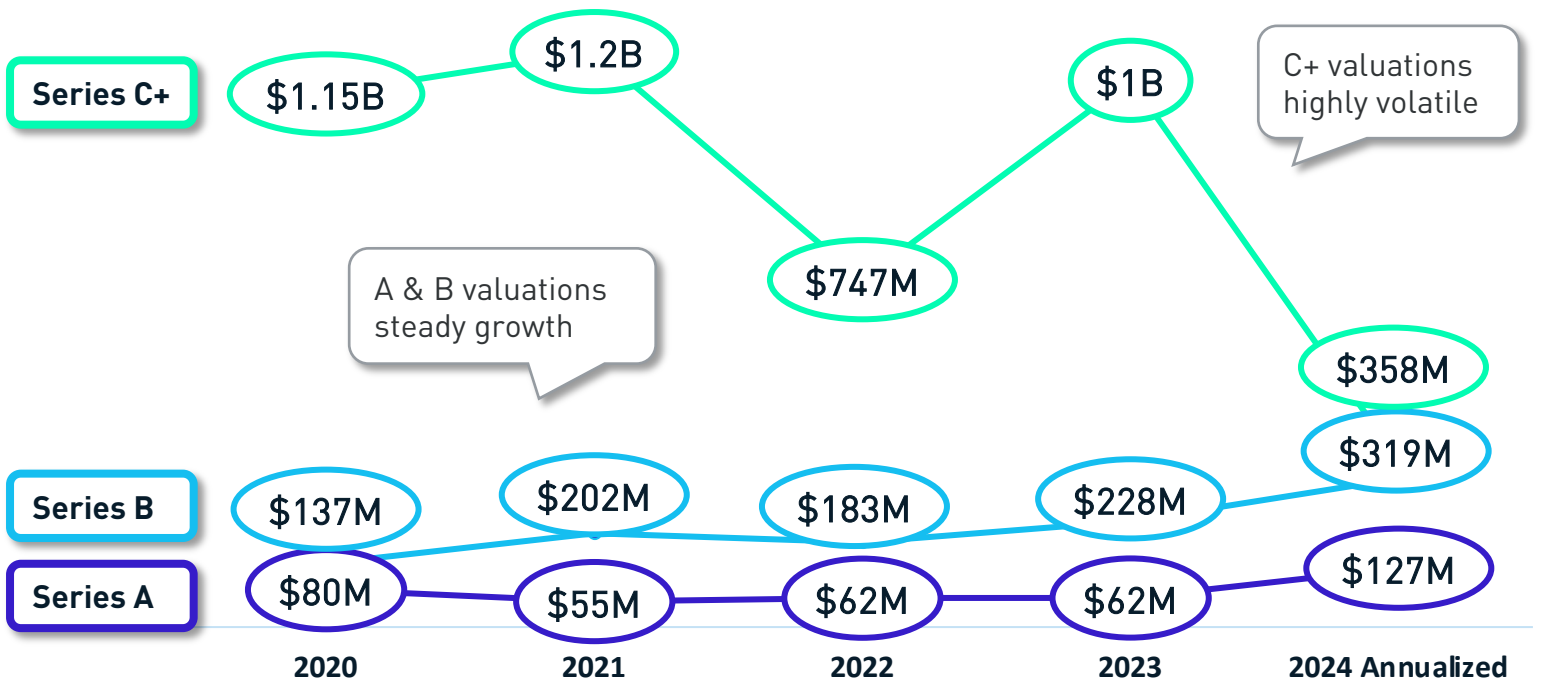
DEEP TECH CAPITAL RAISES BY YEAR

TOUGHER TO RAISE BUT VALUATIONS REMAIN STRONG

DEAL COUNT BY ROUND



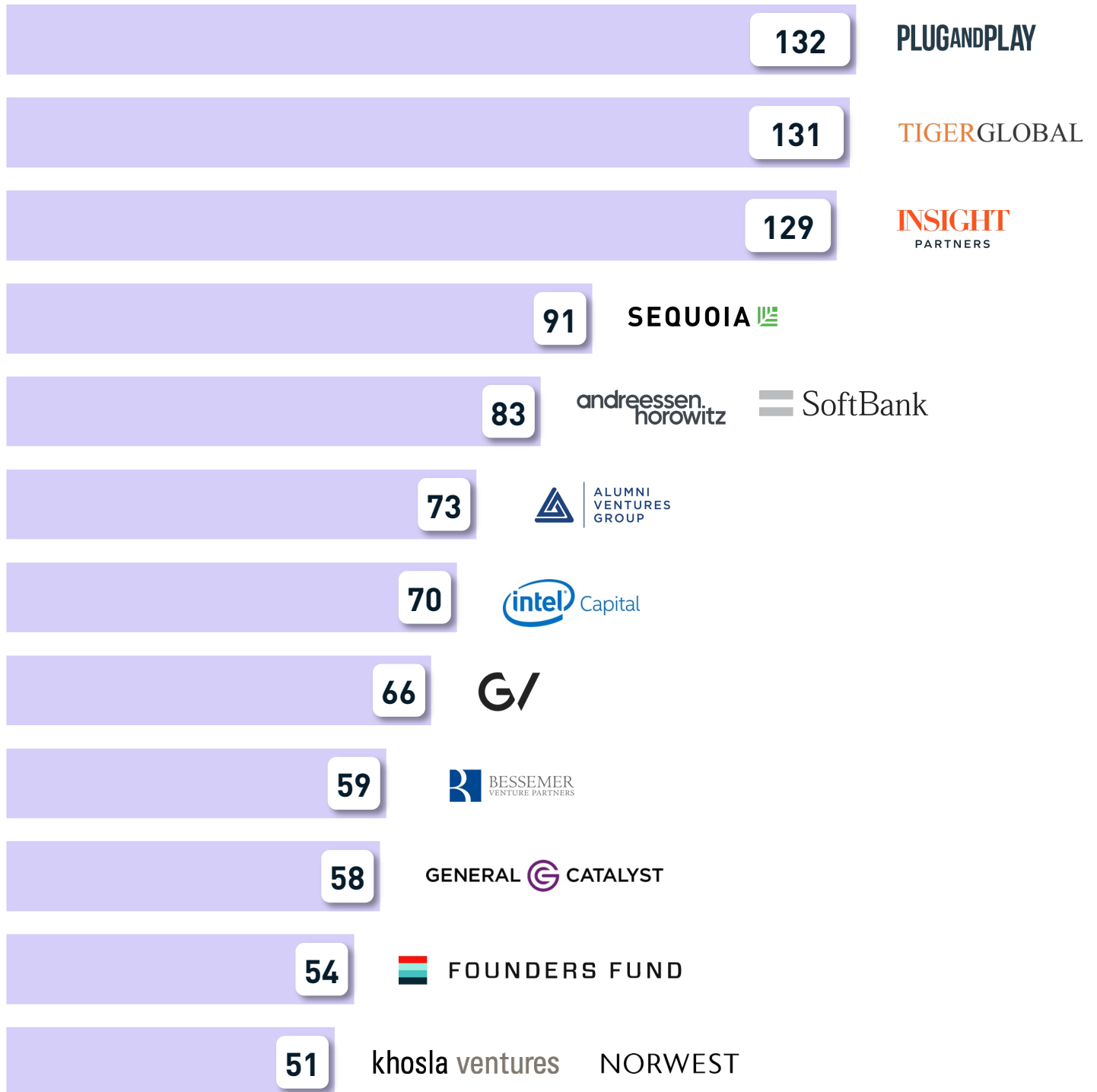
MEAN PRE-MONEY BY ROUND



TOP DEEP TECH INVESTORS

GROWTH EQUITY, SERIES B AND HIGHER

TOP INVESTORS – DEAL COUNT SINCE 2020



7,065 investors with at least 1 deal








RECENT DEEP TECH M&A TRANSACTIONS

STRATEGIC ACQUISITIONS

TARGET	BUYER	VALUE (\$M)	REVENUE MULTIPLE	DESCRIPTION
Newport Wafer Fab	Vishay Intertechnology	177		Semiconductor fab services for automotive
Pangiam	BigBear.ai	70		Facial recognition and biometrics for gov customers
ficonTEC	RoboTechnik Intelligent	130		Micro-assembly and packaging for photonics
MAGnetIC	Satori Electric	13		Magnetic sensors for wireless current measurement
Altium	Renesas	6,000	21.2x	Software for design of circuit boards
Engion	Doosan Tesna	23		Semiconductor wafer post-processing services in Korea
Wolfspeed (Radio Frequency Business)	MACOM	125		RF business for aerospace, defense & industrial
Red Lion Controls	HMS Networks	345	2.6x	Industrial automation and networking
Transphorm	Renesas	339	18.1x	GaN semiconductors for high-voltage power conversion
Juniper Networks	HP Enterprise	14,000	2.5x	Products for high-performance networking
Good Chemistry	SandboxAQ	75		Prediction of chemical properties leveraging quantum computing
Orbit One	Hanza Group	45		Contract manufacturing for electronics
EA Elektro-Automatik	Fortive	1,732		Programmable power supplies
SYNQ3	SoundHound	29		Restaurant order management software
Valispace	Altium	20		Engineering data productivity tool
StreamSets	IBM	2,130		Data integration platform for smart data pipelines

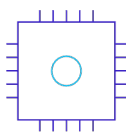
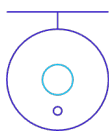
RECENT DEEP TECH VC TRANSACTIONS

CAPITAL RAISE, SERIES B+

COMPANY	SERIES	Up or Down Round	DEAL SIZE (\$M)	PRE MONEY (\$M)	Valuation Step-Up	DESCRIPTION
RapidSOS	C1	Up 	150	489	1.3x	IoT emergency response system
Baseten	B	Up 	40	180	2.5x	Scalable ML inference models
Brain	D2	Flat 	32	633	1.2x	Robotics automation software
AssetWatch	B	Up 	25	149	1.6x	Condition monitoring sensors & software
Lambda	C	Up 	320	1,200	7.1x	GPU cloud and deep learning infrastructure
Scribe	B	Up 	25	220	1.6x	Workflow documentation platfor
ZEDEDA	C	Up 	72	299	1.6x	Edge virtualization platform
Synthetactic	B	Up 	16	84	1.7x	Analytics as a Service
Exafunction	B	Up 	65	450	3.6x	Deep learning optimization
Anomalo	B	Up 	33	117	1.3x	AI data validation
ElevenLabs	B	Up 	80	920	9.2x	AI voice dubbing tool
Artisight	B	Up 	42	125	4.3x	IoT sensor network
Noodle.ai	C2	Down 	10	190	0.8x	Enterprise AI applications for supply chain
Luma AI	B	Up 	42	178	1.8x	Photorealistic 3D capture software
Elephas	C	Up 	51	125	1.1x	Live tumor diagnostics
Shield AI	F	Flat 	500	2,500	1.1x	AI frameworks for defense tech

ABOUT CONNECTED VISION ADVISORS

DEEP TECH INVESTMENT BANKING



+ **We are a deep tech investment banking firm.** We advise on M&A and capital raise transactions and are experts at driving strategic value in technology deals.

+ **We aren't your typical financial bankers.** We are electrical engineers and former executives, and we have seen deals from all sides: large tech, startups and as bankers. Our experience gives us unique insights that helps us drive the best outcome for our clients.

+ **We focus on AI, Computer Vision, Semiconductor Ecosystems and Edge Intelligence,** working with market-leading software, hardware and IP companies. We follow markets like Automotive, Industrial Automation, Smart Buildings, Consumer Electronics and Enterprise.

+ **Our team is global,** based in the USA, Europe and Canada. We have deep experience doing deals across North America and Europe.

+ **We work with buyers and investors** like Qualcomm, SONY, Cisco, ARM, Bosch, Amazon, Renesas, Intel, Lattice, Faurecia and many more.

Transaction Experience

ARDUINO
Series B

BOSCH arm
RENESAS ANZU PARTNERS

4D Imaging
Radar Silicon

Has been acquired by

mirametrix

Has been acquired by

SPORTS TECH
COMPUTER VISION AI

Has been acquired by

MOD.CAM

Has been acquired by

VanGogh
Imaging

IP licensed by

nyansa
Insight From Network Data

Has been acquired by

CLOUD NATIVE
ACTIVE TESTING

Has been acquired by

SMART GRID IoT

Has been acquired by

cognivue
Innovating With Vision

Has been acquired by

IRYStec

faurecia

Strategic Advisory

TWISTEDPAIR

Has been acquired by



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