



# RPA & IA Market Spotlight



**Clearsight Advisors**  
Investment Banking

H1 2022

# THE RPA & IA ECOSYSTEM

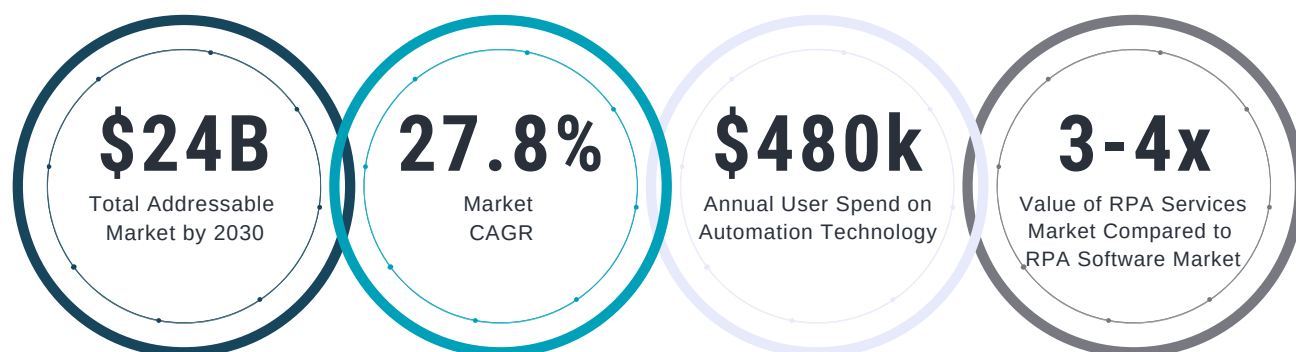
**The global Robotic Process Automation (RPA) & Intelligent Automation (IA) market, comprised of cloud and on-prem RPA software platforms, hyperautomation solutions leveraging AI/ML technologies and professional services specialists, is expected to grow to \$24B by 2030, per recent studies by Precedent Research.**

UiPath continues to be the leading provider of RPA software solutions around the world, with recent investments in Automation Cloud and Automation Hub. UiPath has also shifted from a licensing model to a persona-based model, which bundles various automation tools to better meet specific user needs.

RPA's intent is not to replace the human workforce, but rather, to assist with routine and tedious tasks. RPA technology has been increasingly used across various sectors including, insurance, finance and banking. These industries commonly process an immense number of operations and may employ RPA tools as low-cost workers for more repetitive tasks.

RPA can enable many other industries to meet data quality and security needs while enhancing operational efficiency. In the retail sector, RPA can tackle order updates, fake account identification and shipping notifications. Similarly, in the telecommunication sector, RPA can oversee CRM-subscribed feeds, fraud management and customer data updates. With increased technological innovation, RPA vendors can now enable fast and precise operations across various sectors to enhance enterprise efficiency and cost effectiveness.

High-end advisory and intelligent automation solution vendors have evolved to meet the demands of an increasingly digital world where enterprise customers face massive data and workflow challenges. Leading pure-play RPA specialists, backed by financial sponsors with significant dry powder, have already made several tuck-in acquisitions and will continue to play a major role in the ecosystem consolidation.



# MARKET TRENDS

At ClearSight, we believe the RPA & IA ecosystem will remain a popular area of global M&A activity over the next 24 months. We anticipate continued investments in and acquisitions of sophisticated RPA platforms and process mining technologies. Pure-play RPA partner firms with strong foundations and IA-driven capabilities across the leading software platform ecosystems (UiPath, Automation Anywhere, Blue Prism, NICE, etc.) will also see increased demand.

**Acquirers and investors in the space will look for firms with:**

1

**Deep Talent Pools**

2

**Strong Recurring Revenue Models**

3

**Industry Verticalization**

4

**Presence, Scale and Deep Scarcity Value in High-Growth Markets**

Leading GSIs and IT & BPO services providers have a larger market share than pureplay RPA providers. UiPath has focused on building relationships to become one of the top practices in these influential and global organizations – Accenture and PwC have become two of their largest partners. However, as the pace of innovation continues within the space, those companies with differentiated platforms and capabilities are poised to capitalize on growing enterprise demand.

In a recent survey by Robocorp, two-thirds of IT teams have invested in RPA technology in the past 12 months, and 81% plan to invest for the first time and/or invest more in 2022. This general trend toward RPA highlights companies' desires to improve their operational and costs efficiencies, regardless of increased short-term capital expenditures.

According to Automation Anywhere, 77% of enterprise firms plan to devote more resources to automation in 2023.

***These positive market trends reinforce the resiliency of the RPA & IA sector despite volatility in other industries.***

***As firms invest in RPA technology to cut costs and stay competitive, the greater partner ecosystem and services market will likely continue to grow.***

# NOTABLE M&A ACTIVITY

Despite the turbulence in the global public markets, rising interest rates and recession expectations, the RPA & IA market witnessed healthy M&A and capital raising activity in the first half of 2022. ClearSight tracked a total of 33 high-profile transactions involving RPA & IA platforms, Process Discovery/Mining solutions, as well as RPA service specialists. This represents 12% growth from 1H2021 and demonstrates the robust nature of the RPA & IA sector as firms continue to look for ways to automate business processes and tasks, while buyers add new, synergistic automation technologies to fill capability gaps and complement existing business segments.

## SS&C Technologies Acquires Blue Prism

- **Deal Size: \$1.6B**
- London-based Blue Prism is a market-leading worldwide RPA solution provider
- The deal combines Blue Prism's RPA business and SS&C's intelligent automation platform SS&C Chorus, together marketed as a new brand, SS&C Blue Prism, that can be leveraged by SS&C's 20,000+ global customers to optimize internal business processes

## Microsoft Acquires Minit

- **Deal Size: ND**
- Based in Slovakia, Minit is a leading process mining software platform
- The acquisition provides Microsoft (NASDAQ: MSFT) clients with a resource to transform the way they analyze, monitor and optimize their process from a single platform

## WNS Acquires Vuram

- **Deal Size: \$165M**
- Vuram is a global leader in enterprise automation services
- The acquisition will help WNS (NYSE: WNS) drive end-to-end enterprise automation and the creation of custom, scalable BPM solutions, using OCR and AI-based document processing. It will also aid in developing rule-based processing engines and ML-based augmentation

## TA Associates & Clearlake Acquire Kofax

- **Deal Size: \$3.0B**
- Kofax is known for its leading intelligent automation software
- Under Thoma Bravo's previous ownership, Kofax introduced several new software solutions and made several acquisitions in a 5-year span
- TA Associates and Clearlake Capital will continue to support Kofax's future growth and market position in RPA & IA ecosystem

## Delta-V Capital Invests in Tquila Automation

- **Deal Size: ND**
- Tquila, a leading pure-play RPA & IA specialist, received growth investments from Delta-V Capital enabling the team to grow organically and through M&A
- Tquila's M&A focus will be on US- and EMEA-based targets offering high-demand IA skills and services, including RPA specialists with pre-configured automations

## Nintex Acquires Kryon

- **Deal Size: \$100M**
- First backed by Thoma Bravo, and later sold to TPG Capital in a \$2B deal (Oct 2021), Nintex continues its spree of acquiring highly-complementary digital process automation targets (including EnableSoft in 2019 and K2 Software in 2020)

# TRANSACTION LOG - 1H 2022

Date	Target	Acquirer	Size (\$M)	Type	Target Description
Jul-22	Vuram	WNS	\$165	RPA, DAP	Vuram is a global leader in enterprise automation services
Jun-22	Prime Source	FatBrain AI	-	RPA	Prime Source is an automation specialist, optimizing BPO through RPA, digital transformation and siloed data integration
Jun-22	airSlate	G Squared, UiPath	\$52	RPA	airSlate provides no-code workflow automation technology, document management solutions, e-signature capabilities and contract templates
May-22	EverFlow	Pegasystems	-	PDT	EverFlow is a process mining software company based in Brazil
May-22	Tquila Automation	Delta-V Capital	-	RPA	Tquila Automation is a leading RPA/IA specialist
Apr-22	Webonise	Pearl Street Equity	-	RPA, DAP	Webonise provides digital products and proprietary SaaS B2B platforms across RPA & IA
Apr-22	ShadowBot	Goldman Sachs, CVC	\$100	RPA, DAP	ShadowBot is a developer of a software robot designed to perform repetitive online tasks
Apr-22	Kofax	TA Associates, Clearlake Capital	\$3,000	RPA, DAP	Kofax is a provider of intelligent automation software designed to facilitate digital workflow transformations
Apr-22	Mindsay	Laiye	-	DAP	Mindsay is a Paris-based chatbot platform

RPA - Robotic Process Automation  
PDT - Process Discovery Technology / Process Mining  
DAP - Digital Automation Platform



# TRANSACTION LOG - CONT'D

Date	Target	Acquirer	Size (\$M)	Type	Target Description
Apr-22	Entrago	Deloitte	-	RPA	Entrago is an Elite ServiceNow Partner and UiPath RPA expert that supports healthcare customers
Mar-22	Minit	Microsoft	-	PDT	Minit is an AI-based business process mining SaaS for businesses in Europe and the US
Mar-22	Skan.ai	Dell Technologies Capital	\$40	PDT	Skan.ai is a data mining, intelligent automation platform
Mar-22	Process Analytics Factory (PafNow)	Celonis	\$100	PDT	PafNow designs and develops process mining software solutions
Mar-22	Blue Prism	SS&C Technologies	\$1,650	RPA	Blue Prism is a leading RPA software platform
Mar-22	Thirdware Solution	Tech Mahindra	\$42	RPA	Thirdware is a global IT services firm providing consulting, development and implementation services and RPA, ERP, and EPM solutions
Mar-22	JIFFY.ai	Eight Roads Ventures	\$53	RPA, DAP	JIFFY.ai is an app-based, low-code/ no-code IA platform
Feb-22	Kryon	Nintex	\$100	RPA, PDT	Kryon is a leading RPA software platform
Feb-22	Chazey Partners	QX Global Group	-	RPA	Chazey Partners is a management consultancy specializing in business advisory and digital transformation, including RPA

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# CLEAR SIGHT'S TAKE

To summarize, the Robotic Process Automation and Intelligent Automation sector is a dynamic area ripe with opportunity for M&A. The software ecosystem appears relatively established, consisting of an oligopoly of UiPath, Automation Anywhere and Blue Prism. While niche and complimentary software products are likely to emerge, the greater services ecosystem will likely orbit around these big three. Fragmentation in the services ecosystem is more abundant, as there are no dominant players of scale to date. To fill the white space, a number of private equity-backed companies are competing to secure a leading position where no established winners exist.

Despite this rush towards consolidation, the urgency in the RPA & IA services market is exaggerated as the sector is still in its early stages. A variety of business models have the potential to be successful including those featuring high-end advisory, managed services and/or verticalized solutions. In turn, the rapidly growing market will reward winners in multiple segments. Savvy investors are now considering “from scratch” platform investments that will require further buy-and-build strategies. These investors recognize the unique opportunity at hand to achieve abnormal returns in an industry that is still very fragmented, growing at double-digit rates, and continuously introducing innovative emerging technologies to accelerate digital transformation programs.

On the strategic side, there is also ample opportunity for large legacy technology businesses to acquire fast-growing automation platforms and RPA specialists with verticalized solutions. By acquiring firms with complimentary capabilities, enterprises will be able to fill in the “white space” in response to continuously evolving client needs.

To learn more about the factors at play in the RPA & IA landscape, better identify useful platforms and add-ons, and design a differentiated business strategy, please contact ClearSight's Nas Chobanov below.



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# About us






















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## Select Transactions

 <b>Postlight</b> has been acquired by <b>NTT DATA</b>	  has received a growth investment from <b>abry partners</b>	  has received a growth investment from <b>JLL Partners</b>	  has been acquired by <b>Cognizant Softvision</b>	 <b>F&amp;SIGHT SECURITY</b> has been acquired by  a portfolio company of <b>Battery</b>
  has been acquired by <b>PERFICIENT</b>	 <b>CORECOMPETE</b> has been acquired by <b>accenture</b>	 <b>novo/scale</b> has merged with   backed by 	 <b>COVESTIC</b> has been acquired by <b>MILESTONE</b> Strategic IT • Enabling Success a portfolio company of 	  has received a growth investment from 

Sources: RPA Today.com, Automation Anywhere

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