

RPA & Intelligent Automation Market 2022 M&A Insights

Market Overview

Key Insights

Sector Spotlight

M&A Activity

Sector Leadership



Nas Chobanov
Vice President

[Email Nas](#)
+1 (703) 672-5680

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

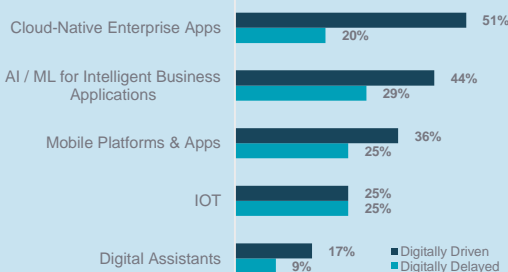
Despite turbulence in the global public markets, rising interest rates, and recession expectations, the RPA market witnessed healthy M&A activity in 2022. Clearsight tracked 62 high-profile transactions involving RPA & IA platforms, service specialists, and Process Discovery/Mining technologies, among others. This demonstrates the robust nature of the RPA market as businesses look for ways to automate business processes and tasks (micro), while buyers add new, synergistic automation technologies to fill capability gaps and complement existing business lines.

The evolving automation landscape supports a vendor-agnostic approach. Hyperautomation, touted by Gartner as a top 10 technology to watch, is creating a new wave of opportunities and expanding the addressable market. Investment in the hyperautomation space is fueling competition among the leading RPA vendors and the development of new technologies.

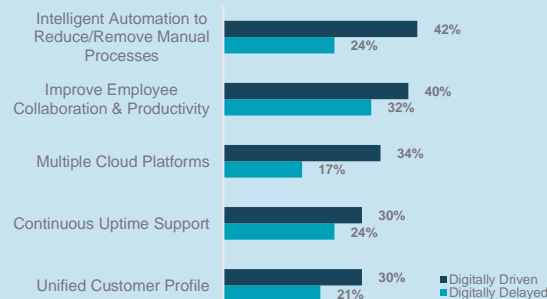
Many key market players have already made several strategic tuck-in acquisitions, which will continue to be a major factor in the ecosystem's future consolidation. Firms will continue to devote more resources to automation to cut costs and stay competitive. In turn, the services market should expand. The continuous market adoption of automation solutions and multibillion dollar funding in the space benefits not only the pure-play RPA specialists but also the traditional global system integrators and BPO providers. Key benefits include cost optimization and efficiency, real-time monitoring, deeper specialization, scalability, and improved customer experience.

Regardless of the slowdown in broader M&A activity, we expect the demand for high-quality automation software and service specialists to remain resilient in 2023. We at Clearsight welcome the opportunity to discuss more on this growing and constantly evolving space.

Top 5 Technologies Expected to Have Most Transformational Impact Over Next 3-5 Years



Top 5 IT-Led Digital Transformation Priorities



451 Research surveyed IT decision-makers, **44%** of whom expect AI/ML for intelligent business applications will have the greatest transformational impacts in the next three-five years, and **42%** expect intelligent automation to reduce/remove manual processes as a top priority, ahead of self-described digitally delayed enterprises.

Source: Capital IQ, Pitchbook, 451 Research, Company Press Releases, Precedent Research, Gartner

Key Insights

The RPA & IA ecosystem will likely remain a popular area of M&A activity globally and in the US over the next 24 months. On the back of robust market consolidation and convergence, demonstrated through traditional IT-focused vendors' recent acquisitions of unique end-to-end automation capabilities, we anticipate continued investment in and acquisitions of sophisticated digital automation platforms and process mining technologies. Pure-play RPA specialists with strong foundations and intelligent automation capabilities across the leading software platform ecosystems (UiPath, Automation Anywhere, Blue Prism, Microsoft, etc.) will be of main interest.

Key Differentiators in the RPA & IA Space

Deep and Growing Talent Pool

Strong Recurring Revenue Model with Little to No Subscription License Resale

Solutions Verticalization

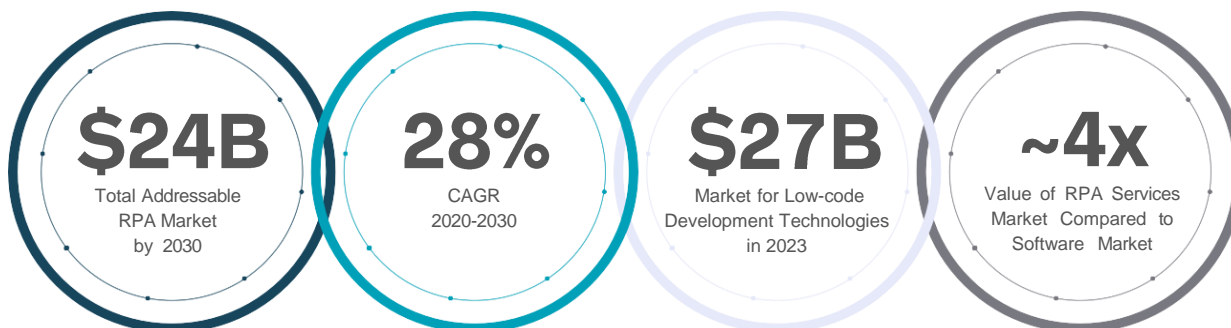
Presence, Scale and Deep Scarcity Value in Onshore and Nearshore Markets

Proprietary IP and AI/ML Capabilities

Leading Automation Specialists by Headcount



Companies are becoming increasingly focused on digital enablement. They continue to improve services to benefit customers and allow for greater speed and CX, devoting more resources to automation to cut costs and stay competitive. Hyperautomation is rapidly becoming necessary for businesses across various sectors like banking, insurance, healthcare, manufacturing, retail, education, and finance. So where do we go from here – will ChatGPT lead the next wave of hyperautomation? Conversational AI solutions and RPA platforms can be used together in certain scenarios to enhance the capabilities of automation and natural language processing (NLP). In 2023, the combination of ChatGPT and IA technologies is likely to gain traction and be further integrated into various industries and use cases.



Sector Spotlight

SVB Capital and Hercules Capital Invest in Automation Anywhere

Target

Automation Anywhere

Investor

SVB Capital and Hercules Capital

Deal Commentary

- This partnership and financing complement an already strong balance sheet and allow Automation Anywhere to continue to invest in and enhance its cloud-native automation platform.
- Automation Anywhere CEO, Mihir Shukla, said about the transaction, “We continue to be optimistic about the near-term opportunities, as more companies scale automation and use the flexibility of our cloud platform to mitigate the impact of global events and navigate market challenges. The financing enables us to expand on our mission to unleash human potential by helping every company build a digital workforce and succeed with automation.”

Transaction Summary

On October 3rd, 2022, Automation Anywhere, a global leader in RPA, secured \$200 million in financing from SVB Capital and Hercules Capital. The financing is intended to provide operational and strategic capital for the next several years.

Transaction Information

Announced Date	03-Oct-2022
Deal Type	Debt Financing
<i>Target Information</i>	
Year Founded	2003
Target HQ	San Jose, CA
# of Employees	~3,000

Ephesoft Acquired by Kofax

Target

Ephesoft

Acquirer

Kofax

Deal Commentary

- Kofax will expand its integrated intelligent document processing (IDP) and cloud capabilities through its acquisition of Ephesoft and enhance the combined company's market strategy.
- Ike Kavas, CEO at Ephesoft, said about the deal, “Kofax will enhance Ephesoft's go-to-market reach and ability to scale the business. Our customers will also benefit from Kofax's larger market reach, and together we'll be able to offer them the broadest range of software and solutions to accelerate their digital workflow transformation journeys.”

Transaction Summary

On August 18th, 2022, Kofax announced its acquisition of Ephesoft, an IDP platform provider. Kofax, a leading RPA and IA technology provider, was acquired by TA Associates and Clearlake Capital earlier in the year.

Transaction Information

Announced Date	18-Aug-2022
Deal Type	Acquisition
<i>Target Information</i>	
Year Founded	2010
Target HQ	Irvine, CA
# of Employees	~70

Sector Spotlight (continued)

Keystone Capital Invests in Novatio Solutions

Target

**Novatio
Solutions**

Investor

Keystone Capital

Deal Commentary

- Keystone's investment will support the development of new solutions to expand the impact of process consulting and automation within Novatio's client partner organizations.
- Novatio CEO, Gokul Solai, commented: "We are delighted to partner with a patient and experienced investor in Keystone Capital to help build on the success Novatio has enjoyed to date. Intelligent automation is still in its infancy and this partnership is an important step to ensure we will continue to be at the forefront of the industry."

Transaction Summary

On August 1st, 2022, Keystone Capital announced an investment partnership with Novatio Solutions, a fast-growing hyperautomation consultancy with a platform that standardizes the delivery of RPA. Novatio primarily works in partnership with UiPath and Automation Anywhere, the leading RPA and IA software platforms.

Transaction Information

Announced Date	01-Aug-2022
Deal Type	PE Growth / Expansion

Target Information

Year Founded	2014
Target HQ	Chicago, IL
# of Employees	~60

Growth Capital Partners (GCP) Invests in Robiquity

Target

Robiquity

Investor

**Growth Capital
Partners (GCP)**

Deal Commentary

- GCP's investment will support Robiquity's goal to become an independent leader in the automation space, with the intention to create 100+ new tech jobs in the UK and drive international growth.
- Tom Davies, Robiquity's CEO, commented: "We are delighted to have received investment from GCP, they are the ideal investment partner for UK-headquartered technology services businesses with ambitious growth plans like Robiquity. GCP share our excitement about the potential for the business and have a standout track record in helping similar businesses develop and succeed."

Transaction Summary

On July 8th, 2022, Robiquity, a Manchester-headquartered services provider, received an investment from GCP. Robiquity is a leading UK pure-play intelligent automation services provider and specializes in implementing RPA applications.

Transaction Information

Announced Date	08-Jul-2022
Deal Type	PE Growth / Expansion

Target Information

Year Founded	2016
Target HQ	Manchester, England
# of Employees	~110

M&A and Investment Activity

Date	Target	Buyer/Investor	Type	Summary
Dec-22	FourTENS	Ashling Partners	RPA	<ul style="list-style-type: none"> FourTENS is a Digital Process Automation provider, using RPA tools to specialize in cloud conversions, managed services, and infrastructure services
Nov-22	Rewst	OpenView Venture Partners	RPA	<ul style="list-style-type: none"> Rewst is an RPA platform for managed service providers (MSPs)
Nov-22	Roots Automation	Mission OG	RPA, DAP	<ul style="list-style-type: none"> Roots Automation is a developer of a cognitive process automation platform that utilizes RPA and AI
Oct-22	Unito	CDPQ	DAP	<ul style="list-style-type: none"> Unito is a Montreal-based provider of workflow automation platform
Oct-22	InRule Technology	Pamlico Capital	DAP	<ul style="list-style-type: none"> InRule Technology is an IA company providing integrated decisioning, ML, and process automation software
Oct-22	SMA Technologies	Thoma Bravo	RPA, DAP	<ul style="list-style-type: none"> SMA Technologies is a developer of an Enterprise Workload Automation platform for financial services firms, banks, insurers, credit unions, and retailers
Oct-22	Automation Anywhere	SVB, SVB Capital, Hercules Capital	RPA	<ul style="list-style-type: none"> Automation Anywhere is a leading RPA software platform
Sep-22	Work-Relay	Neostella	DAP	<ul style="list-style-type: none"> Work-Relay is a Business Process Management software provider
Sep-22	Eleviant Tech	CTG	RPA	<ul style="list-style-type: none"> Eleviant Tech is a digital transformation company with expertise in mobile, cloud, web, blockchain, RPA, and AI technologies
Sep-22	Doculayer	Process Maker (Aldrich Capital Partners)	IDP	<ul style="list-style-type: none"> Doculayer is a Netherlands-based intelligent document processing solutions provider
Sep-22	WeMake	Roboyo	RPA	<ul style="list-style-type: none"> WeMake is an automation and cybersecurity specialist
Sep-22	Lean Consulting	Roboyo	RPA	<ul style="list-style-type: none"> Lean Consulting is a UK-based consulting firm that specializes in organizational improvement, lean training, and RPA
Aug-22	Robiquity	Growth Capital Partners	RPA	<ul style="list-style-type: none"> Robiquity is a specialist IA services provider with a heritage in implementing RPA applications
Aug-22	OmnePresent Technologies	Accscient	RPA, DAP	<ul style="list-style-type: none"> OmnePresent provides digital transformation services including business process automation, legacy modernization, and hyper-automation

RPA - Robotic Process Automation
PDT - Process Discovery Technology / Process Mining
DAP - Digital Automation Platform
IDP - Intelligent Document Processing
ConvAI - Conversational AI

Source: Capital IQ, Pitchbook

M&A and Investment Activity

Date	Target	Buyer/Investor	Type	Summary
Aug-22	Celonis	Qatar Investment Authority	PDT	<ul style="list-style-type: none"> Celonis is a provider of enterprise-ready process mining & automated business process discovery solutions
Aug-22	Ephesoft	Kofax	IDP	<ul style="list-style-type: none"> Ephesoft is an Intelligent Document Processing (IDP) provider
Aug-22	Novatio Solutions	Keystone Capital	RPA	<ul style="list-style-type: none"> Novatio Solutions is an hyperautomation consultancy with deep expertise in RPA and software implementation
Aug-22	Frevvo	DocuPhase	IDP	<ul style="list-style-type: none"> Frevvo is a workflow automation company providing digital online web forms to capture and manage data
Aug-22	Digital Detox Ventures	EY	RPA	<ul style="list-style-type: none"> Digital Detox Ventures is a digital engineering consultancy specializing in custom software development for digital applications
Aug-22	Re:infer	UiPath	RPA, PDT	<ul style="list-style-type: none"> Re:infer is a software provider utilizing AI/ML to mine and transform context from communication messages
Jul-22	Extra Technology	BP3 Global	DAP	<ul style="list-style-type: none"> Extra Technology is a global leader in designing and delivering process automation programs
Jul-22	Vuram	WNS	RPA, DAP	<ul style="list-style-type: none"> Vuram is a global leader in enterprise automation services
Jun-22	ESSPL	Youngsoft	RPA	<ul style="list-style-type: none"> ESSPL is a software development company with expertise in the business automation space
Jun-22	Prime Source	FatBrain AI	RPA	<ul style="list-style-type: none"> Prime Source is an automation specialist, optimizing BPO through RPA, digital transformation, and siloed data integration
Jun-22	airSlate	G Squared	RPA	<ul style="list-style-type: none"> airSlate provides no-code workflow automation technology, document management solutions, e-signature capabilities and contract templates
May-22	EverFlow	Pegasystems	PDT	<ul style="list-style-type: none"> EverFlow is a process mining software company based in Brazil
May-22	Tquila Automation	Delta-V Capital	RPA	<ul style="list-style-type: none"> Tquila Automation is a leading RPA & IA specialist
Apr-22	Webonise	Pearl Street Equity	RPA, DAP	<ul style="list-style-type: none"> Webonise is a provider of digital products and proprietary SaaS B2B platforms across RPA & IA

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Apr-22	ShadowBot	Goldman Sachs, CVC	RPA, DAP	<ul style="list-style-type: none"> ShadowBot is a developer of a software robot designed to perform repetitive online tasks
Apr-22	Kofax	TA Associates, Clearlake Capital	RPA, DAP	<ul style="list-style-type: none"> Kofax develops intelligent automation software designed to facilitate digital workflow transformations
Apr-22	Mindsay	Laiye	DAP	<ul style="list-style-type: none"> Mindsay is a Paris-based chatbot platform
Apr-22	Entrago	Deloitte	RPA	<ul style="list-style-type: none"> Entrago is an Elite ServiceNow Partner and UiPath RPA specialist supporting healthcare customers
Apr-22	Active.AI	Gupshup	ConvAI	<ul style="list-style-type: none"> Active.AI is a leading Conversational AI platform used by banks and fintech firms
Apr-22	Thoughtful Automation	Drive Capital, SVB	RPA, DAP	<ul style="list-style-type: none"> Thoughtful Automation is a developer of RPA tools on a cloud-based automation platform using a bots-as-a-service model
Mar-22	Minit	Microsoft	PDT	<ul style="list-style-type: none"> Minit is a developer of AI-based business process mining SaaS solutions
Mar-22	Skani.ai	Dell Technologies Capital	PDT	<ul style="list-style-type: none"> Skani.ai is a data mining and intelligent automation platform
Mar-22	PafNow	Celonis	PDT	<ul style="list-style-type: none"> PafNow is a developer of process mining software solutions
Mar-22	Blue Prism	SS&C Technologies	RPA	<ul style="list-style-type: none"> Blue Prism is a leading RPA software platform
Mar-22	Thirdware Solution	Tech Mahindra	RPA	<ul style="list-style-type: none"> Thirdware Solution is a global IT services firm providing consulting, development & implementation services, and RPA, ERP & EPM solutions
Mar-22	JIFFY.ai	Eight Roads Ventures	RPA, DAP	<ul style="list-style-type: none"> JIFFY.ai is an app-based, low-code/no-code IA platform
Feb-22	Kryon	Nintex	RPA, PDT	<ul style="list-style-type: none"> Kryon is a leading RPA software platform
Feb-22	Chazey Partners	QX Global Group	RPA	<ul style="list-style-type: none"> Chazey Partners is a management consultancy specializing in business advisory and digital transformation, including RPA

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Source: Capital IQ, Pitchbook

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 1650 Tysons Boulevard,
Suite 710
McLean, Virginia 22102

1350 Avenue of the Americas,
Suite 1710
New York, NY 10019

2626 Cole Ave, Suite 700
Dallas, TX 75204
































 703.672.3100

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 Sellside Advisor  has been acquired by  a portfolio company of 	 Sellside Advisor  has been acquired by 	 Sellside Advisor  has been acquired by 	 Sellside Advisor  has merged with   backed by 	 Sellside Advisor  has been acquired by  a portfolio company of 

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