

# Ascentage

## Built Environment – Segment Spotlight Construction Technology M&A

September 2024

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# Exit Options for Construct Tech Players

## 'Perfect Storm' as Construct Tech Ecosystem Matures

### Construct Tech Market

- Ongoing transition from point solutions deployed on project basis to platforms deployed across enterprise
- Acceleration to the trendline triggered in part by contractors moving to cloud-based ERP solutions and reconsidering total technology spend
- As market expectations increase, field and back office solutions better integrated

*Trends impact technology choices, but also business model options*

### Sell –side Dynamics

- Critical mass of founder-led firms, the 'OG' of VC-backed startups (from 2012-14) and others have reached and surpassed \$5M ARR mark
- In some cases, overly optimistic valuation expectations from early funding rounds have been resolved over time
- IPO 'window' and escape velocity remain a tough trajectory

*Investors and founders increasingly considering longer-term strategic opportunities and options*

### Buy-side Dynamics

- Publicly-listed strategics with ambitious growth plans fueled by healthy EV/revenue multiples
- Increased competition from PE 'buy and build' platforms
- Other PE firms still interested, having been outbid in prior transactions
- Increased attention from European firms on US options

*Potential acquirors well-positioned to move at attractive valuations*

***"A consolidating ecosystem, and an increased number of willing sellers and buyers make for a dynamic construct tech M&A market in 2024 and leading into 2025"***



R. Drew Ogden  
Managing Director  
[rdo@ascentageadvisors.com](mailto:rdo@ascentageadvisors.com)  
+1 (603) 491 9168



Jeff Herriman  
Managing Director  
[jsh@ascentageadvisors.com](mailto:jsh@ascentageadvisors.com)  
+1 (617) 513 9455



Jay Snyder  
Director  
[jsnyder@ascentageadvisors.com](mailto:jsnyder@ascentageadvisors.com)  
+1 (919) 980 0037

# Strategic Acquirors

Building a Broader Network of Integrations / Relationships with Other Industry Players  
Accelerates Growth and Increases Exit Optionality

Publicly-Owned Companies      Privately-Owned Software Companies

Design


Construction


GIS/Hardware


Database

				<div style="border: 1px solid gray; padding: 10px;"> <p style="text-align: center;">Software Aggregators</p> </div>			

















Construction Equipment


\* Division of publicly listed Constellation Software

"The Usual Suspects"


# Publicly Held Strategic Activity – Select Transactions (1 of 2)

## Serial Acquirers Continue to Invest in Built Environment Solutions ...

Acquirer	Target	Date	Target Description	Comments and Observations
		June 24	<ul style="list-style-type: none"> <li>Engineering information and data platform</li> </ul>	<ul style="list-style-type: none"> <li>Integration of model data with other project information</li> </ul>
		Jan 24	<ul style="list-style-type: none"> <li>Construction payment management solution – aka GC Pay in US market</li> </ul>	<ul style="list-style-type: none"> <li>Integration with Autodesk Construction Cloud solution</li> </ul>
		Mar 23	<ul style="list-style-type: none"> <li>BIM content lifecycle solutions</li> </ul>	<ul style="list-style-type: none"> <li>Solution for organizing, accessing and managing content in Revit, Civil 3D, Plant 3D and other design tools</li> </ul>
		Sept 24	<ul style="list-style-type: none"> <li>3D geospatial software platform solution</li> </ul>	<ul style="list-style-type: none"> <li>Integrated with iTwin digital twin platform</li> </ul>
		Aug 23	<ul style="list-style-type: none"> <li>AI computer vision solution for assessing road conditions</li> </ul>	<ul style="list-style-type: none"> <li>Integrated with infrastructure asset solutions</li> </ul>
		Feb 23	<ul style="list-style-type: none"> <li>Design and analysis tools for electrical engineering</li> </ul>	<ul style="list-style-type: none"> <li>Follows 2022 acquisition of Power Line Systems and integrates with power distribution and other infrastructure engineering solutions</li> </ul>
		July 24	<ul style="list-style-type: none"> <li>BIM and VDC Solutions</li> </ul>	<ul style="list-style-type: none"> <li>Integration with Geosystems business to better serve AECO market</li> </ul>
		Apr 24	<ul style="list-style-type: none"> <li>Asset performance management (APM) solutions</li> </ul>	<ul style="list-style-type: none"> <li>Integration with HxGN enterprise asset management (EAM) solution</li> </ul>
		Apr 24	<ul style="list-style-type: none"> <li>Machine control hardware and software solutions for safety</li> </ul>	<ul style="list-style-type: none"> <li>Fit into exiting hardware and software portfolio for construction</li> </ul>
		July 23	<ul style="list-style-type: none"> <li>Mine safety, automation and underground management solution</li> </ul>	<ul style="list-style-type: none"> <li>Enhances mining-specific technology stack</li> </ul>
		Jan 23	<ul style="list-style-type: none"> <li>Construction program management</li> </ul>	<ul style="list-style-type: none"> <li>Owner-focused solution complements HxGN SmartBuild, used primarily by GCs</li> </ul>
		July 23	<ul style="list-style-type: none"> <li>Construction ERP solution</li> </ul>	<ul style="list-style-type: none"> <li>To be integrated with OnTrack tool management and Fieldwire field management</li> </ul>


































# Publicly Held Strategic Activity – Select Transactions (2 of 2)

... Leading to Record-Breaking Period in Terms of Number of Acquisitions

Acquirer	Target	Date	Target Description	Comments and Observations
 NEMETSCHEK GROUP	 go canvas	June 24	<ul style="list-style-type: none"> <li>Field worker collaboration solution</li> </ul>	<ul style="list-style-type: none"> <li>Integration with BlueBeam and other Nemetschek Build solutions</li> </ul>
 ROPER	<b>Replicon</b>	May 23	<ul style="list-style-type: none"> <li>Time tracking solution</li> </ul>	<ul style="list-style-type: none"> <li>Integrated with Deltek ERP functionality</li> </ul>
<b>PROCORE</b>	<b>Uneath</b>	Sept 23	<ul style="list-style-type: none"> <li>GIS mapping software solution</li> </ul>	<ul style="list-style-type: none"> <li>Integrates GIS data with Procore solution to extend to horizontal/infrastructure construction</li> </ul>
 sage	 Bridgetown SOFTWARE	Jan 24	<ul style="list-style-type: none"> <li>BidMatrix bid analysis solution</li> </ul>	<ul style="list-style-type: none"> <li>Integrates SaaS capabilities with existing Sage 100 and 300 estimating solutions</li> </ul>
	 Corecon technologies	May 23	<ul style="list-style-type: none"> <li>Construction management solution</li> </ul>	<ul style="list-style-type: none"> <li>Forward integration by construction ERP market leader into operational software</li> </ul>
 Schneider Electric	<b>ecoact</b>	July 23	<ul style="list-style-type: none"> <li>International consulting and project development firm focused on sustainability</li> </ul>	<ul style="list-style-type: none"> <li>Acquisition from Atos consulting – integrated with Schneider’s sustainability consulting division</li> </ul>
	<b>AVEVA</b>	Jan 23	<ul style="list-style-type: none"> <li>Industrial software solutions</li> </ul>	<ul style="list-style-type: none"> <li>Completion of all shares in formerly UK-listed firm</li> </ul>
 TOPCON	 DIGITAL CONSTRUCTION WORKS	Mar 23	<ul style="list-style-type: none"> <li>Data and systems integration solutions for construction</li> </ul>	<ul style="list-style-type: none"> <li>Acquisition of Bentley’s share in former JV</li> </ul>
 Trimble	 PLATFORM SCIENCE	Sept 24	<ul style="list-style-type: none"> <li>Transportation telematics business unit</li> </ul>	<ul style="list-style-type: none"> <li>Spinout of portion of transportation business in return for shares</li> </ul>
	 Flashtract	May 24	<ul style="list-style-type: none"> <li>Construction payment management solution</li> </ul>	<ul style="list-style-type: none"> <li>Integration with Trimble Viewpoint ERP solution and Trimble Construction One</li> </ul>
	<b>TRANSPOREON</b>	Apr 23	<ul style="list-style-type: none"> <li>Transportation/supply chain management solution</li> </ul>	<ul style="list-style-type: none"> <li>\$2.0B acquisition represents new line of business for Trimble</li> </ul>
	 RYVIT	Jan 23	<ul style="list-style-type: none"> <li>Software integration platform and integration services provider for AEC industry</li> </ul>	<ul style="list-style-type: none"> <li>Provides Construction One customers with access to integration, data mapping and automation options</li> </ul>

# Select Construct Tech M&A Transactions 2024

## Exceptionally Strong Market Momentum Leading into Second Half ...

Investor	Acquirer	Target	Date	Target Description	Comments and Observations
			Sept 24	<ul style="list-style-type: none"> <li>Construction program management solution</li> </ul>	<ul style="list-style-type: none"> <li>Buyout of founder-led firm started in 2006</li> </ul>
			Sept 24	<ul style="list-style-type: none"> <li>Geo-centric property record and analysis solutions for local governments</li> </ul>	<ul style="list-style-type: none"> <li>Integrated with GIS parcel management solution</li> </ul>
			Aug 24	<ul style="list-style-type: none"> <li>Fleet and materials management solutions</li> </ul>	<ul style="list-style-type: none"> <li>Further build out of construction management suite starting from ToolWatch asset management</li> </ul>
			Aug 24	<ul style="list-style-type: none"> <li>Robotic structural steel welding solution</li> </ul>	<ul style="list-style-type: none"> <li>Growth capital investment in founder-led firm started in 1992</li> </ul>
			July 24	<ul style="list-style-type: none"> <li>Construction worksite safety management solution</li> </ul>	<ul style="list-style-type: none"> <li>Integration of workplace safety, efficiency and compliance solutions (i)</li> </ul>
			July 24	<ul style="list-style-type: none"> <li>Construction project management solution</li> </ul>	<ul style="list-style-type: none"> <li>Integrated SaaS and IoT construction site solution</li> </ul>
			July 24	<ul style="list-style-type: none"> <li>Construction safety management platform</li> </ul>	<ul style="list-style-type: none"> <li>\$70M growth investment to accelerate US growth plan</li> </ul>
			July 24	<ul style="list-style-type: none"> <li>IoT construction jobsite and workforce safety solution</li> </ul>	<ul style="list-style-type: none"> <li>Merger of two VC-backed players in access control, workforce and visitor management</li> </ul>
			July 24	<ul style="list-style-type: none"> <li>Infrastructure/civil construction software solutions</li> </ul>	<ul style="list-style-type: none"> <li>Growth capital investment in founder-led firm started in 1977</li> </ul>
			July 24	<ul style="list-style-type: none"> <li>Leading CRE Sage VAR and systems integration provider</li> </ul>	<ul style="list-style-type: none"> <li>Continuation of roll-up strategy for construction IT services – see Alliance on following page</li> </ul>
			June 24	<ul style="list-style-type: none"> <li>Incident management and storm response solution</li> </ul>	<ul style="list-style-type: none"> <li>Further penetration into utility industry</li> </ul>
			June 24	<ul style="list-style-type: none"> <li>BIM/3D model software solution</li> </ul>	<ul style="list-style-type: none"> <li>Growth equity investment in founder-led firm started in 2012</li> </ul>
			May 24	<ul style="list-style-type: none"> <li>Spinout of Bentley e-procurement solution</li> </ul>	<ul style="list-style-type: none"> <li>Integration of payment with cost management solution (fka ARES Prism)</li> </ul>

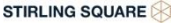




























(i) Ascentage advised transaction

Sources: Pitchbook, LinkedIn, company websites, press releases



# Select Construct Tech M&A Transactions 2023-24

## ... As Private Equity Firms Play Increased Role in Ecosystem






















Investor	Acquirer	Target	Date	Target Description	Comments and Observations
			May 24	<ul style="list-style-type: none"> <li>European construction information conglomerate</li> </ul>	<ul style="list-style-type: none"> <li>\$1B+ take private of formerly publicly listed UK firm by Stirling Square, TA Associates and Macquarie</li> </ul>
			May 24	<ul style="list-style-type: none"> <li>Contractor risk management platform solution</li> </ul>	<ul style="list-style-type: none"> <li>\$3B trade sale from consortium of PE firms</li> </ul>
			Mar 24	<ul style="list-style-type: none"> <li>Norwegian BIM collaboration solution</li> </ul>	<ul style="list-style-type: none"> <li>Trade sale - Catenda formerly held by Spring Capital and Strahl Capital</li> </ul>
			Mar 24	<ul style="list-style-type: none"> <li>Desktop construction ERP solution</li> </ul>	<ul style="list-style-type: none"> <li>Long-term home for Penta client base; Struxi SaaS payroll and construction management solutions to be spun off</li> </ul>
			Jan 24	<ul style="list-style-type: none"> <li>US infrastructure/civil construction management solution</li> </ul>	<ul style="list-style-type: none"> <li>Platform investment in horizontal construction ecosystem</li> </ul>
			Dec 23	<ul style="list-style-type: none"> <li>Dutch BIM software and professional services provider</li> </ul>	<ul style="list-style-type: none"> <li>Buyout of longstanding European industry player – founded in 1995</li> </ul>
			Dec 23	<ul style="list-style-type: none"> <li>Construction time and attendance solution</li> </ul>	<ul style="list-style-type: none"> <li>Horizontal integration of asset and workforce management solutions</li> </ul>
			Dec 23	<ul style="list-style-type: none"> <li>European infrastructure/civil design/construct/operate suite</li> </ul>	<ul style="list-style-type: none"> <li>Trade sale – Sogelink ‘buy and build’ platform by Keensight Capital</li> </ul>
			Nov 23	<ul style="list-style-type: none"> <li>Preconstruction platform solution</li> </ul>	<ul style="list-style-type: none"> <li>Growth investment in firm spun out of Beck Construction</li> </ul>
			Oct 23	<ul style="list-style-type: none"> <li>Leading CRE Sage VAR and systems integration provider</li> </ul>	<ul style="list-style-type: none"> <li>IT services and systems integration consolidator – part of Alpine (i)</li> </ul>
			Oct 23	<ul style="list-style-type: none"> <li>UK subcontractor payment application solution</li> </ul>	<ul style="list-style-type: none"> <li>Further expansion into UK by Australia/US construction payment provider; acquired by Autodesk in January 2024</li> </ul>
			Oct 23	<ul style="list-style-type: none"> <li>Dutch residential construction management solution</li> </ul>	<ul style="list-style-type: none"> <li>Expansion into Europe by US SMB construction ERP solution</li> </ul>
			Sept 23	<ul style="list-style-type: none"> <li>Leading Sage and Acumatica VAR and systems integration provider</li> </ul>	<ul style="list-style-type: none"> <li>\$130M buyout by business services PE firm for new platform</li> </ul>

(i) Ascentage advised transaction

Sources: Pitchbook, LinkedIn, company websites, press releases

# Select Construct Tech Investor Transactions 2024

## Funding Rounds Demonstrate Increased Interest in AI-Powered Solutions

Lead Investor	Target	Date	Target Description	Deal Type	Amount Raised <sup>(i)</sup>	Pre-Money Valuation <sup>(i)</sup>	Amount Raised To-Date <sup>(i)</sup>
 Redpoint.	 trunk.tools	Aug 24	AI-driven construction project management solution	Series A	\$20.0	\$55.0	\$29.0
 SIGNIA VENTURE PARTNERS	 INERTIA	Aug 24	Construction project management solution	Seed	\$3.2	\$11.0	\$16.4
 SIERRA VENTURES	 planera	Aug 24	Construction project scheduling solution	Series A	\$13.5	\$35.5	\$18.8
 Commerce Ventures®	 constrafor	July 24	Construction procurement platform solution	Later Stage	\$10.6	\$64.4	\$126.5
 ENERGY IMPACT PARTNERS	 Urbint	June 24	AI risk management solution for utilities	Series C2	\$63.0	\$487.0	\$168.0
 INNOVIUS	 SewerAI	June 24	AI inspection and analysis of sewer systems	Series B	\$15.0	\$50.0	\$24.5
 PRUDENCE.	 CLEARSTORY	June 24	Construction change order management solution (fka ExTracker)	Series B	\$16.0	\$76.0	\$30.3
 A tinum INVESTMENT	 CUPIX	May 24	Construction reality capture and digital twin solution	Series C	\$23.4	n/a	\$55.8
 BUILDING VENTURES	 SmartPM™	May 24	Construction schedule management solution	Series A	\$5.5	\$46.5	\$13.5
 NORWEST	 ediphi	Mar 24	Construction estimating solution	Series A	\$12.0	n/a	\$18.5
 NAVITAS CAPITAL	 DOCUMENT CRUNCH	Feb 24	AI-based construction document review solution	Series A	\$9.0	n/a	\$19.0
 NEMETSCHKE GROUP	 briq	Jan 24	AI construction financial payments and analysis automation solution	Series B	\$38.0	\$150.0	\$51.0
 socii capital	 KOPE	Jan 24	'Kit of Parts' design configuration solution for modular construction	Seed	\$7.0	\$17.55	\$9.6





# About Us

# Why Ascentage Advisors?

We Leverage Our Distinctive Key Competencies to Drive Superior Client Outcomes

## Legitimate Industry Insight

We are explicitly not generalists.

Our perspectives on the built environment and industrial software are backed by data, 20+ years of experience and a deep understanding of these industry’s challenges and technology gaps.

## Senior Management Attention

We do not settle for generic checklists or PowerPoints.

We ‘roll up our sleeves’ to work closely with our clients to understand their unique needs and adapt our focus and rhythm, becoming a seamless extension of their team.



## Extensive Industry Network

We don’t just email or call on ‘corp dev.’

We leverage our broad network and deep, long-term industry relationships to create unique prospects for acquisition and/or partnerships, and then work to get the transaction done.

## Comprehensive Service

We are neither traditional management consultants nor conventional investment bankers.

We provide a holistic commercial service offering, geared around the ever-changing requirements of our clients.

We explicitly recognize that the best deal is about identifying the right strategic and operational fit, maximizing valuation and making sure that the transaction closes.

### Corporate Development Consulting

- **Strategy** – assess the Company’s overall strategic direction, market trends and momentum
- **Customer/Market** – assess current sales and marketing strategy, including customer targeting, messaging, pricing, channels and overall market penetration strategy
- **Product/Technology** – assure product feature set requirements and product/market fit; evaluate technology roadmap in context of market/competitive positioning and strategic objectives
- **Organization** – assess the strengths/weaknesses of team
- **Partnering** – review current partnering agreements/terms; identify and rank future partnering opportunities – best fits, synergies, etc.
- **Financial** – review historic financial performance and financial projections; identify major milestones and drivers that will increase Company enterprise value

and

### Transaction Advisory

#### Sell-Side M&A

- Preparation and outside-in due diligence – develop Company value proposition and marketing materials
- Market building of potential investors/acquirors
- Execution through negotiation and close

#### Equity/Financing

#### JVs, Alliances and Strategic Partnering

for

### Technology-Based Companies

- **Software** – SaaS through to mobility applications
- **Location-based** – GIS and LiDAR
- **Hardware** – robotics, drones and IoT sensors
- **Data** – analytics and artificial intelligence (AI)
- **Solution/consulting/professional services**

focused  
on

### Built Environment/Engineering/Manufacturing



















- **Design/Analysis** – CAD, BIM, PLM, CAM, CAE, simulation and design tools for architecture, civil engineering, environmental and manufacturing
- **Build** – vertical and horizontal construction collaboration, estimating, scheduling, workforce and project management software; prefabrication/modular
- **Operate/Maintain** – inspection/monitoring, building controls, facility, energy, safety and asset management
- **Manufacture** – enterprise manufacturing, engineering, quality management and supply-chain software; optimization and analysis solutions

*“As the company founder, I knew my strengths and weaknesses. When I sat with the acquirer’s CEO and CFO, it was worth every penny to have Ascentage involved in every aspect of the negotiation.”*



# Trusted Advisor

25+ Years of Successful M&A Transactions Backed by Extensive Industry Knowledge

## Built Environment

 Sale to  Construction Workforce Management Solution	 Strategic Investment by  Field Service/Construction Operations Management	 Sale to  Transportation/Infra Asset Management
 Sale to  Cloud BIM Construction Project Management	 Sale to  3D Modeling Automated Laser Scanning	 Sale to  Right-of-Way Management Software
 Sale to  5D Virtual Construction BIM Software	 Sale to  GIS-Based Asset Management	 Sale to  Point-cloud Processing Software

## Manufacturing/Engineering

 Sale to  PLM and MES Solutions	 Sale to  CAE Tool Solutions	 Strategic Investment by  Engineering Visualization Toolkits
 Sale to  Drivetrain Design and Simulation Solutions	 Sale to  PLM for Discrete Manufacturing	 Sale to  Collaborative Robotic Control and Simulation
 Strategic Investment by  Enterprise PLM Solutions	 Sale to  Engineering Software and Services	 Sale to  PDM Software Application

# Sources and Disclosures

## Ascentage Advisors, LLC



### Sources and Notes

#### Data Sources

1. Pitchbook
2. LinkedIn
3. Public company releases, filings, and earnings transcripts

#### Company References

1. Miscellaneous company and press releases

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*Helping technology companies evolve*

Ascentage Advisors, LLC  
36 Maplewood Avenue  
Portsmouth, NH 03801 USA  
<https://ascentagegroup.com>



Pickwick Capital Partners, LLC  
3445 Hamilton Avenue, Suite 1102  
White Plains, NY 10601  
<https://www.pickwickcapitalpartners.com>  
<https://brokercheck.finra.org>