Industry 4.0 Thesis

UPDATED AS OF JUNE, 2026

About MiddleGround Capital

MiddleGround Capital is a private equity firm that invests in industrial, manufacturing and specialty distribution businesses in the North American and European middle market. We make control equity investments in fundamentally strong businesses that align with our operational expertise.

Investment Criteria

INDUSTRY
Industrial and warehouse automation

SECTORS
Business-to-Business Manufacturing and Specialty Distribution

THESIS
Future growth driven by key trends listed below, definable exposure to current areas of interest

BUSINESS ATTRIBUTES
Demonstrated business model with established products, and/or technology with established customers. Market/niche leader of highly engineered products

EXCLUSIONS	No pure software businesses
CONTROL	Majority
REVENUE	>$20 million*
EBITDA	>$5 million
INITIAL ENTERPRISE VALUE	Up to $300 million
EQUITY INVESTMENT	$25 - 100 million
GEOGRAPHY	NA/EU HQ; Global Ops

* With path to $75M (incl. through inorganic growth)

Key Trends in Industry 4.0

AUTOMATED MANUFACTURING SYSTEMS
Hardware and control systems that automate production processes across factory environments. Example sub-categories of interest include: integrators, sensors, actuators, servo motors, robotic systems, and components.

QUALITY ASSURANCE AND AUTOMATED INSPECTION
Vision, sensing and analytics systems that monitor and validate product quality and process performance. Example sub-categories of interest include: industrial cameras, sensors, vision systems, lasers, 3D scanners and condition monitoring systems.

SELECT INDUSTRY 4.0 INVESTMENTS

iT8 — YOUR ENGINEERING PARTNER

HQ: Valencia, Spain **Acquired:** Mar 2024	**Description:** PLC and robot programming, mechanical, and electrical engineering services, as well as installation and site services	**Key Trends:** Future growth driven by factory and warehouse automation

STEMMER IMAGING

HQ: Munich, Germany **Acquired:** Nov 2024	**Description:** Machine and artificial vision solutions for industrial and non-industrial applications	**Key Trends:** Future growth driven by increasing need for data/image capture across industries and automation.

The above investments reflect MiddleGround Capital's portfolio comapnies with exposure to Industry 4.0 markets. Specific investments described herein do not represent all investment decisions made by MiddleGround. The reader should not assume that investment decisions identified and discussed were or will be profitable. Specific investment advice references provided herein are for illustrative purposes only and are not necessarily representative of investments that will be made in the future.

INDUSTRY 4.0 INVESTMENT EXPERTISE

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