

# Market Insights:

*Industry, Innovation  
and Infrastructure*

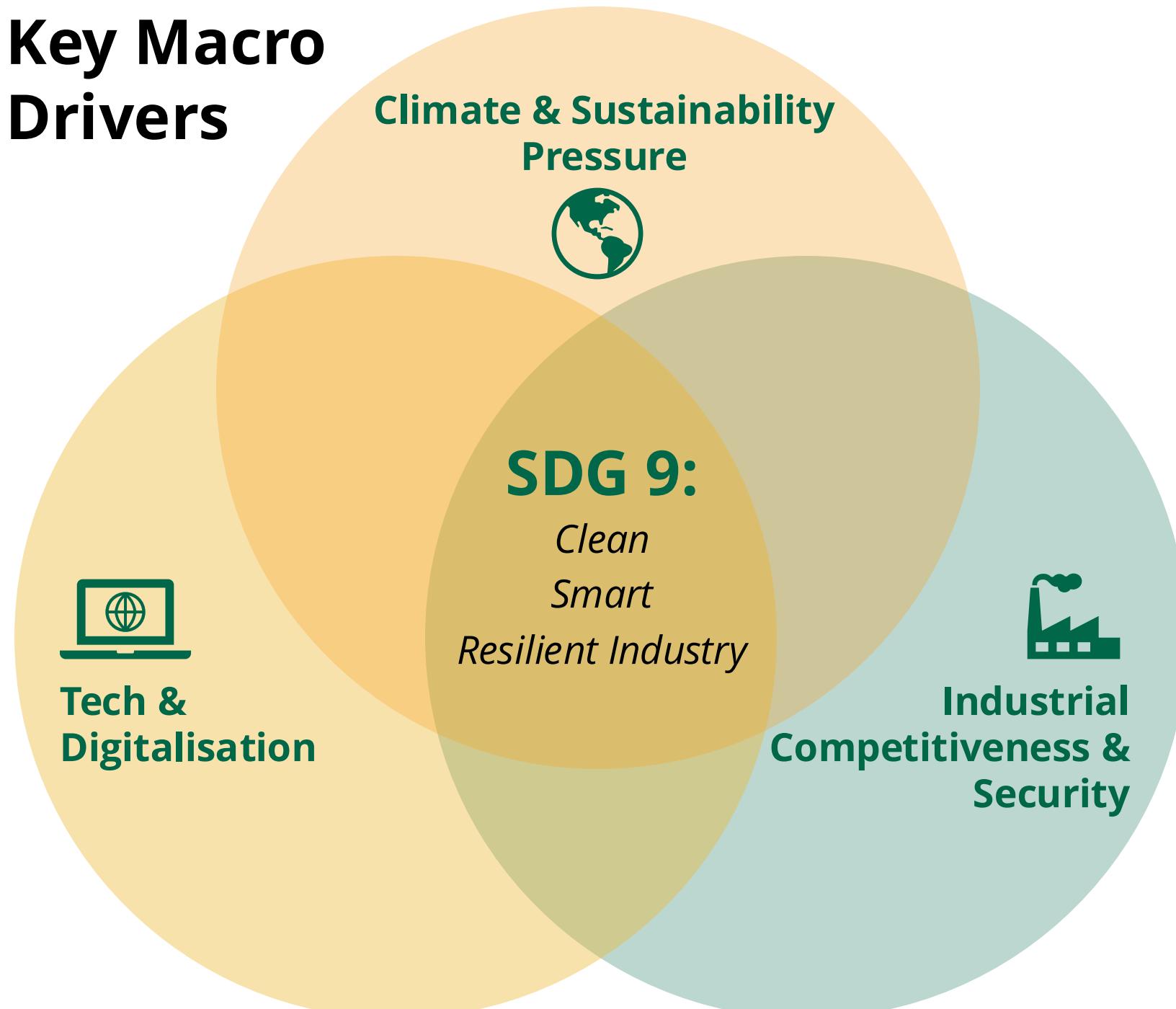
January 2026



earth capital  
RESEARCH

**Re-industrialisation** is emerging as a defining pillar of the **net-zero** transition. Global manufacturing is being reshaped by the intersection of **climate ambition**, **digitalisation**, and **economic security**. As nations rebuild supply chains and upgrade infrastructure, **SDG 9** captures the shift toward **clean, smart** and **resilient industry**: where sustainability becomes **a source of competitiveness** rather than constraint.

## Key Macro Drivers



## The Industrial & Productivity Challenge

- Industry drives ~57% of global CO<sub>2</sub> emissions
- Steel and cement dominate embodied carbon
- Global manufacturing growth is slowing
- SMEs face major technology and efficiency gaps

## Digital & AI Transformation

- IoT adoption expanding across industrial sites
- Digital twins used for full-factory optimisation
- AI improves maintenance, quality and energy use
- Automation boosts output, consistency and resilience

## Policy & Investment Momentum

- IRA and EU Industrial Plan accelerate clean industry
- CSRD and CBAM reshape reporting and compliance
- Capital shifting to electrification and efficiency tech
- Governments backing resilient low-carbon supply chains

**Sources:** IEA, UNEP, WRI, Deloitte, Eurostat, McKinsey

# Market Overview

**\$4.8T  
Market Value  
2025**

**90% of Global  
Manufacturing  
firms are SMEs**

**\$2.9T  
Global R&D  
Spending**  
Innovation Ecosystem Backbone

## Subsectors

### Climate-Resilient Infrastructure



Sustainable transport, renewable-energy grids, and resilient logistics systems

### Advanced Manufacturing & Automation



Robotics, AI-driven process optimization, and additive manufacturing.

### Sustainable Construction Materials



Low-carbon cement, recycled steel, modular construction, and smart building systems.

### Industrial Decarbonisation Tech



Hydrogen, carbon capture, electrification of heavy industry, and process heat decarbonization.

### Industrial IoT & Data Infrastructure



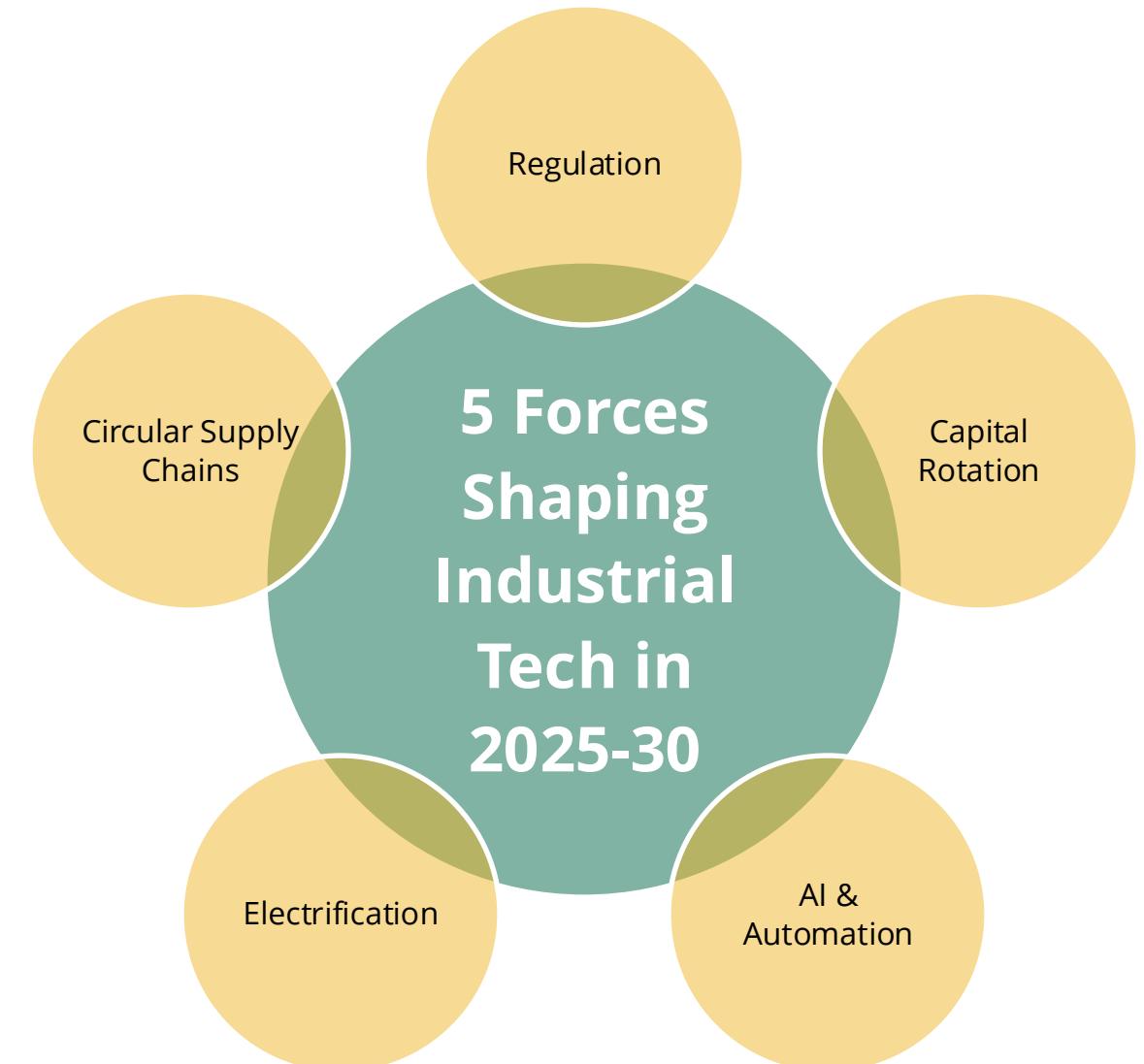
Connected sensors, edge computing, digital twins, and predictive analytics.

### Clean Industrial Supply Chains



Recycling, reuse and resource-recovery technologies creating closed-loop, low waste

## 5 Forces Shaping Industrial Tech in 2025-30



## Market Trends

### Sustainability and Regulatory Tailwinds

Over 40 new ESG, AI, and digital compliance regulations (EU CSRD, Data Act, AI Act) are accelerating adoption of connected, auditable manufacturing systems.

### AI-Driven Predictive & Autonomous Ops

Rapid adoption of AI-enabled predictive maintenance and digital twins is cutting downtime and emissions, improving yield and OEE across factories.

### UK Industrial Strategy

Government pledged £2.8 bn in R&D and support for clean manufacturing, with plans to lower industrial electricity costs; creating tailwinds for IoT and automation solutions

# Subsector Breakdown

## Core Infrastructure Systems



### Climate-Resilient Infrastructure

Sustainable transport, renewable-energy grids, and resilient logistics systems



### Sustainable Construction Materials

Low-carbon cement, recycled steel, modular construction, and smart building systems.

- Driven by regulation and long-term infrastructure needs
- High capex, slower commercial adoption
- Dependent on public-private partnerships

## Industrial Productivity and Upgrading



### Clean Industrial Supply Chains

Recycling, reuse and resource-recovery technologies creating closed-loop, low waste



### Industrial Decarbonisation Tech

Hydrogen, carbon capture, electrification of heavy industry, and process heat decarbonization.

- Scaling through corporate pilots & early development
- Tech risk decreasing, adoption rising
- Strong alignment with decarbonization & digitalisation

## Enabling Technologies



### Advanced Manufacturing & Automation

Robotics, AI-driven process optimization, and additive manufacturing.



### Industrial IoT & Data Infrastructure

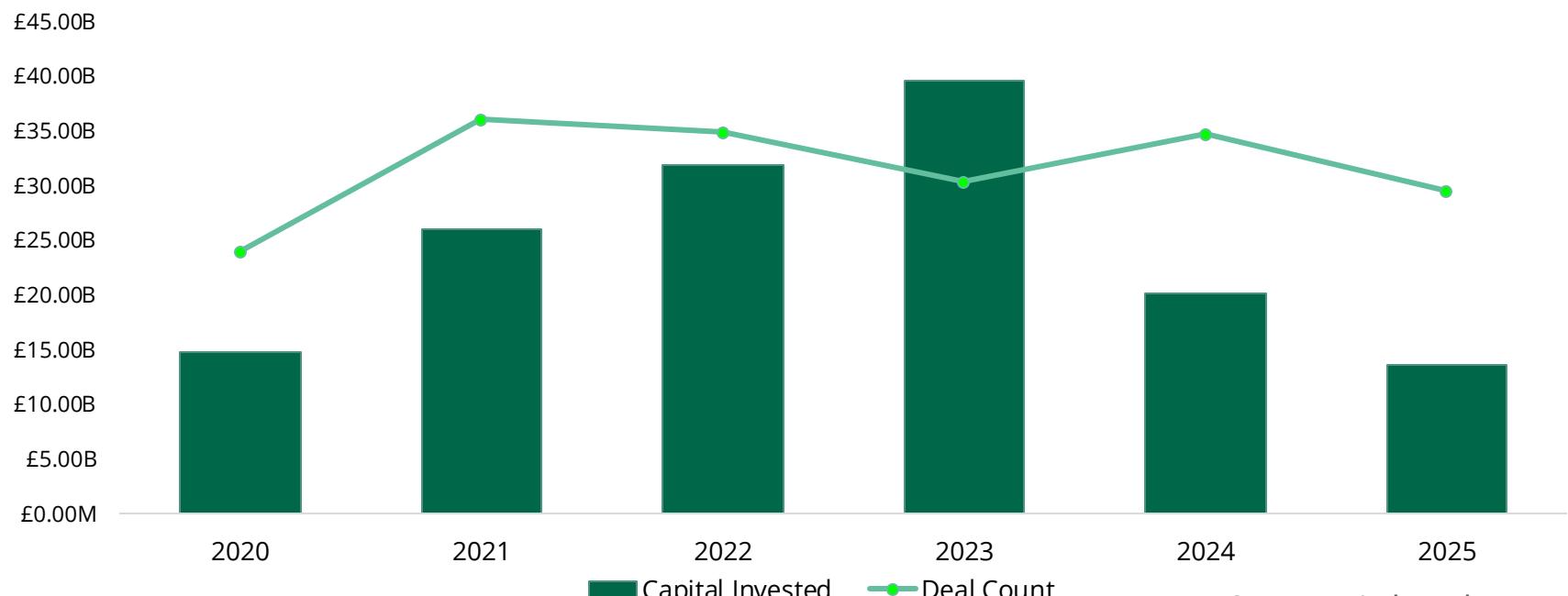
Connected sensors, edge computing, digital twins, and predictive analytics.

- Proven tech with established business models
- Clear revenue visibility and corporate demand
- Attractive private market and growth equity opportunities

## Landmark Transactions M&A

Target	Buyer	Date	Deal Value (\$)	Description
 <b>ALTAIR</b> (USA)	 <b>SIEMENS</b> (Germany)	May 2025	\$10bn	Positions Siemens as the undisputed leader in digital-twin and industrial-AI software. It marks a major pivot from traditional automation hardware to fully integrated, data-driven manufacturing platforms.
 <b>JM Johnson Matthey</b> (UK)	 <b>Honeywell</b> (USA)	May 2025	£1.8bn	Extends Honeywell's reach into sustainable manufacturing and low-carbon process innovation. It highlights the growing link between industrial digitalisation and decarbonisation.
 <b>aspentech</b> (USA)	 <b>EMERSON</b> (USA)	Jan 2025	\$7.2bn	Combines Emerson's automation expertise with AspenTech's analytics to enable predictive maintenance and unified, software-led industrial performance management.

## M&A and Buyouts Trends



## Active Buyers



Founded in **1847**, Germany-based **Siemens** is a global leader in **industrial automation and digital infrastructure**. Its 2025 acquisition of **Altair Engineering** strengthened its **digital-twin and AI manufacturing** portfolio, marking a decisive shift toward **data-driven, sustainable industry solutions**.



Headquartered in **Zurich, Switzerland**, **ABB** delivers **electrification, robotics, and automation** technologies. In 2025, it expanded its **energy-efficient systems** and **digital grid** offerings, reinforcing its position as a key enabler of **industrial decarbonization and smart infrastructure** worldwide.



Founded in **1836** and based in **France**, **Schneider Electric** leads in **energy management and industrial automation**. In 2025, it scaled **AI-driven efficiency platforms** and deepened its **smart building** presence, driving global **electrification and digital transformation**.



U.S.-based **Honeywell** operates across **automation, aerospace, and sustainable materials**. Its 2025 purchase of **Johnson Matthey's Catalyst Technologies** expanded its reach in **low-carbon manufacturing and process innovation**, aligning industrial digitalization with decarbonization.

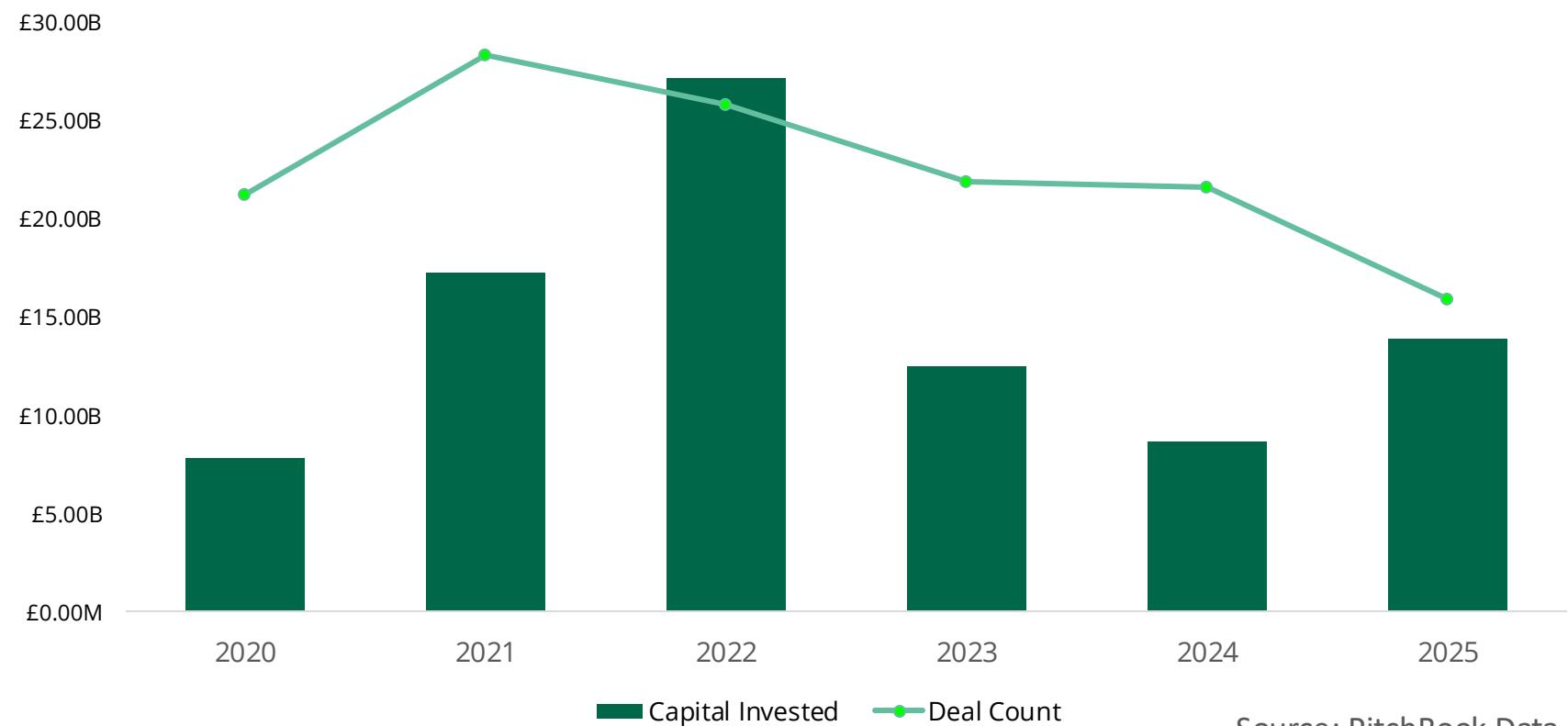


Founded in **1890** in **St. Louis**, **Emerson** provides **automation and industrial software** solutions. Its 2025 full acquisition of **Aspen Technology** advanced **AI-driven performance management**, solidifying Emerson's push toward **intelligent, software-led industrial operations**.

# Landmark Transactions VC & Growth Equity

Company	Investor	Date	Deal Value (\$)	Description
FAIRMAT	TEMASEK	Apr 2025	\$29.8mn Series B	This investment will support scaling of sustainable material production, including new European facilities and strategic partnerships in aerospace and renewable sectors.
NEURA ROBOTICS	Lingotto	Jan 2025	\$120mn Series B	This investment will support global growth initiatives, including expansion into key manufacturing markets and acceleration of AI-driven industrial automation capabilities.
PHYSICS X	atomico	Jun 2025	\$21mn Series B	This investment will support growth in AI-powered engineering design, including platform expansion and deeper integration with global manufacturing clients.

# VC & Growth Equity Trends



# Active Players



**Alumni Ventures** is a **US-based venture capital firm** offering accredited investors access to diversified VC portfolios. It backs **early to growth-stage startups** across sectors like **technology, sustainability, and digital infrastructure**, aiming to **democratize venture investing** while supporting scalable innovation and industrial modernization.



**InnoEnergy** is a **European innovation and investment firm** supported by the **EIT (European Institute of Innovation & Technology)**. It invests in and scales companies driving the **clean energy transition**, focusing on **batteries, renewables, mobility, and sustainable industrial technologies** that advance **decarbonization and infrastructure innovation** across Europe.



**Green Angel Ventures** is a **UK-based climate-focused venture capital firm** investing in **early-stage companies** tackling **net-zero, resource efficiency, and clean energy challenges**. Its portfolio targets **carbon reduction, circular economy, and sustainable infrastructure**, supporting **climate-positive industrial transformation** across multiple sectors.



**European Innovation Council (EIC)** is an **EU-backed public investor** funding **deep tech and breakthrough innovations**. Through its **EIC Fund and blended finance**, it supports **startups and scale-ups** in **manufacturing, energy, and digital technologies**, fostering **industrial resilience and sustainable innovation** aligned with Europe's **green and digital strategy**.



**Speedinvest** is a **European venture capital firm** investing in **early-stage technology startups** across sectors such as **climate tech, industrial tech, fintech, and digital infrastructure**. With offices across Europe, it backs **founders driving innovation in sustainable industry and digital transformation**, aligning with **SDG 9's focus on innovation and resilient infrastructure**.

# Buyer Landscape

## Ideal Target Profile

### Scalable & Defensible Business Model



- Proprietary water or wastewater treatment platform with proven performance across municipal, industrial, and agricultural applications.
- Addresses key challenges in water scarcity, quality improvement, and resource recovery.

### Repeatable Performance



- Generates predictable cash flows through service contracts, consumables, subscriptions, or long-term DBO (Design-Build-Operate) agreements.
- Offers SaaS-enabled smart water management or leak detection solutions for recurring revenue and operational efficiency.

### Measurable Sustainability Impact



- Demonstrated water, energy, or contaminant reduction with measurable impact.
- Aligned with emerging regulations and low-carbon, energy-efficient operations.

## What Buyers are Doing

### Consolidation & Scaling

- Executing roll-ups across MES, quality, and predictive maintenance software
- Leveraging platform synergies for cross-selling and margin expansion

### ESG-Linked Value Creation

- Embedding sustainability and digital metrics into value-creation plans
- Measuring carbon, energy, and resource efficiency improvements

### Operational Acceleration

- Backing management to drive automation, AI adoption, and recurring revenue
- Using carve-outs or buy-and-build to unlock scale and pricing power

## Types of Buyers

Industrial Software Roll-ups



Mid-market digital platforms



Energy &amp; Resource Optimisation



Backing frontier innovation in AI, digital twins, and industrial decarbonisation



### TPG Capital's acquisition of GE Vernova's Proficy software unit

(September 2025)



Transforms a legacy industrial software business into a scalable platform, reflecting private equity's push toward recurring-revenue industrial automation and digital operations.

### PE & Growth Funds

### Sustainability & Impact Funds

### Corporate Venture Capital

### Sorin Investments' Series A funding in Enmovil

(August 2025)



Supports an emerging IoT platform optimising logistics and decarbonising supply chains, signalling renewed venture interest in energy-efficient industrial technologies.

# Fundraising Investment Landscape

## Investor Appetite & Thesis

### Infrastructure Modernisation Platforms

- Investing in technologies modernising energy, water, transport, and digital networks with measurable ROI and stable revenue
- Targeting scalable picks-and-shovels platforms, sensors, control systems, edge software, that convert legacy assets into efficient systems

### Cost Competitive Decarbonisation

- Focusing on electrified heat, resource-efficient processes, and advanced materials that lower emissions without margin trade-offs
- Prioritising technologies with policy support, proven cost declines, and validated industrial payback

### Intelligent Industrial Systems

- Backing AI, robotics, and connected manufacturing platforms that drive productivity, uptime, and supply-chain precision
- Seeking recurring-revenue, data-moat business models embedded across multiple industrial sites

## Capital Deployment Strategies

### Growth Equity & Late-Stage VC

- Backs scalable industrial and deep-tech ventures commercializing new technologies
- Typical cheque size: **\$20-100M**, focused on expansion and global rollout

### Early-Stage VC

- Seed to Series A** funding for startups developing industrial automation, advanced materials, or digital infrastructure tools
- Focused on 5-10-year growth horizons and IP-heavy technologies

### Impact & Blended Finance

- Provides catalytic and concessional funding to de-risk **infrastructure innovation** in emerging markets
- Targets measurable outcomes tied to **SDG 9 indicators**: industrial growth, infrastructure access, and innovation capacity

## Fund Manager Profiles

Industrial Tech/Automation



Deep Tech



Climate &amp; Energy Transition



Infra Modernisation



### Industrial & Deep Tech VC

### Climate & Infrastructure Growth Funds

### Impact & Development Finance Platforms



Swedfund



### Eclipse Ventures' Seed investment in Genesis AI (July 2025)



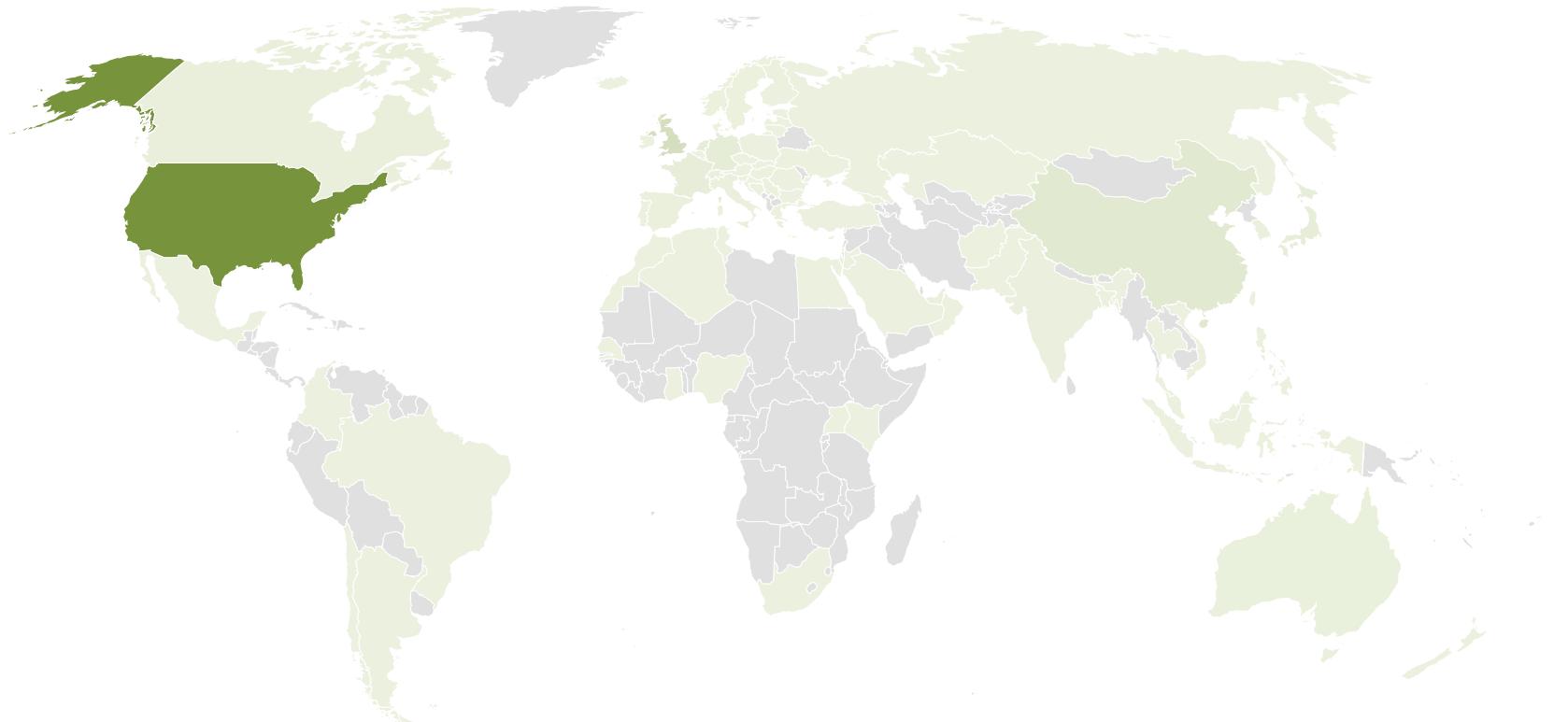
This funding supports Genesis AI's development of a **universal robotics foundation model** designed to automate physical labour across industrial sectors. The investment accelerates **AI-driven automation, robotics integration, and scalable deployment** within **manufacturing, logistics, and infrastructure operations**, advancing next-generation industrial productivity.

### Energy Impact Partners' Series A investment in AssetCool (July 2025)



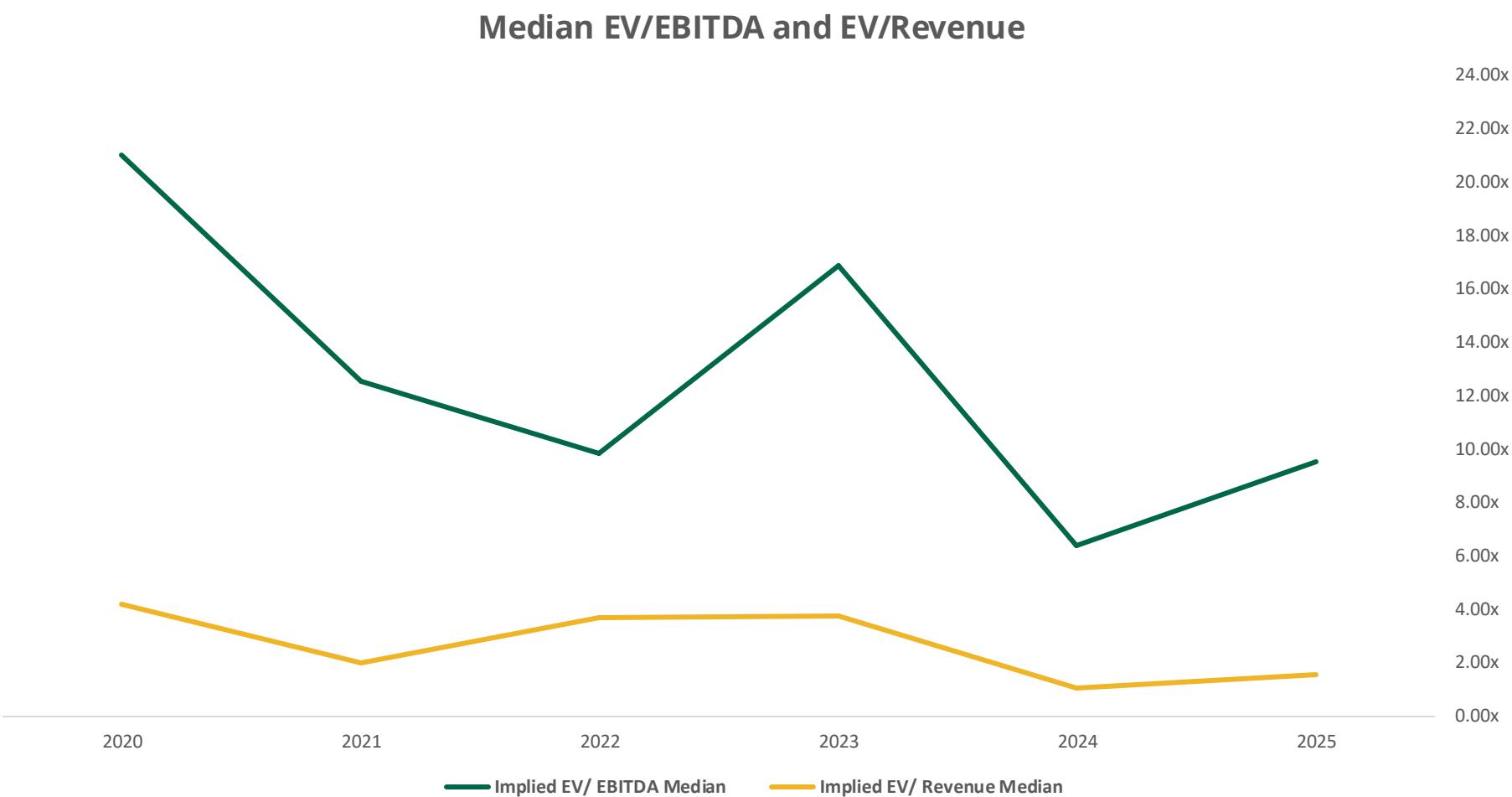
This investment enables AssetCool to expand deployment of its **advanced power-line coating and thermal management technology**, which improves grid efficiency and resilience. The funding supports **scale-up of manufacturing, global commercialization, and R&D** into next-generation materials for **sustainable energy infrastructure**.

# Capital Invested by Global Regions



Source: Pitchbook

# Sector Valuations



Source: Pitchbook

## Outlook

The industry and infrastructure sector is entering a pivotal transformation driven by digitalisation, decarbonisation, and resilience. Around the world, companies are reinventing how things are built, powered, and connected through automation, AI, and advanced manufacturing. Infrastructure is shifting from static assets to smart, adaptive systems that integrate energy, logistics, and digital networks. Governments are directing massive capital toward industrial upgrading and clean infrastructure, while corporates race to cut emissions and improve efficiency. Investors are recognising that industrial innovation and infrastructure modernisation now sit at the core of sustainable growth, offering both impact and durable returns. In short, the backbone of the global economy is being rebuilt for the next century.



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