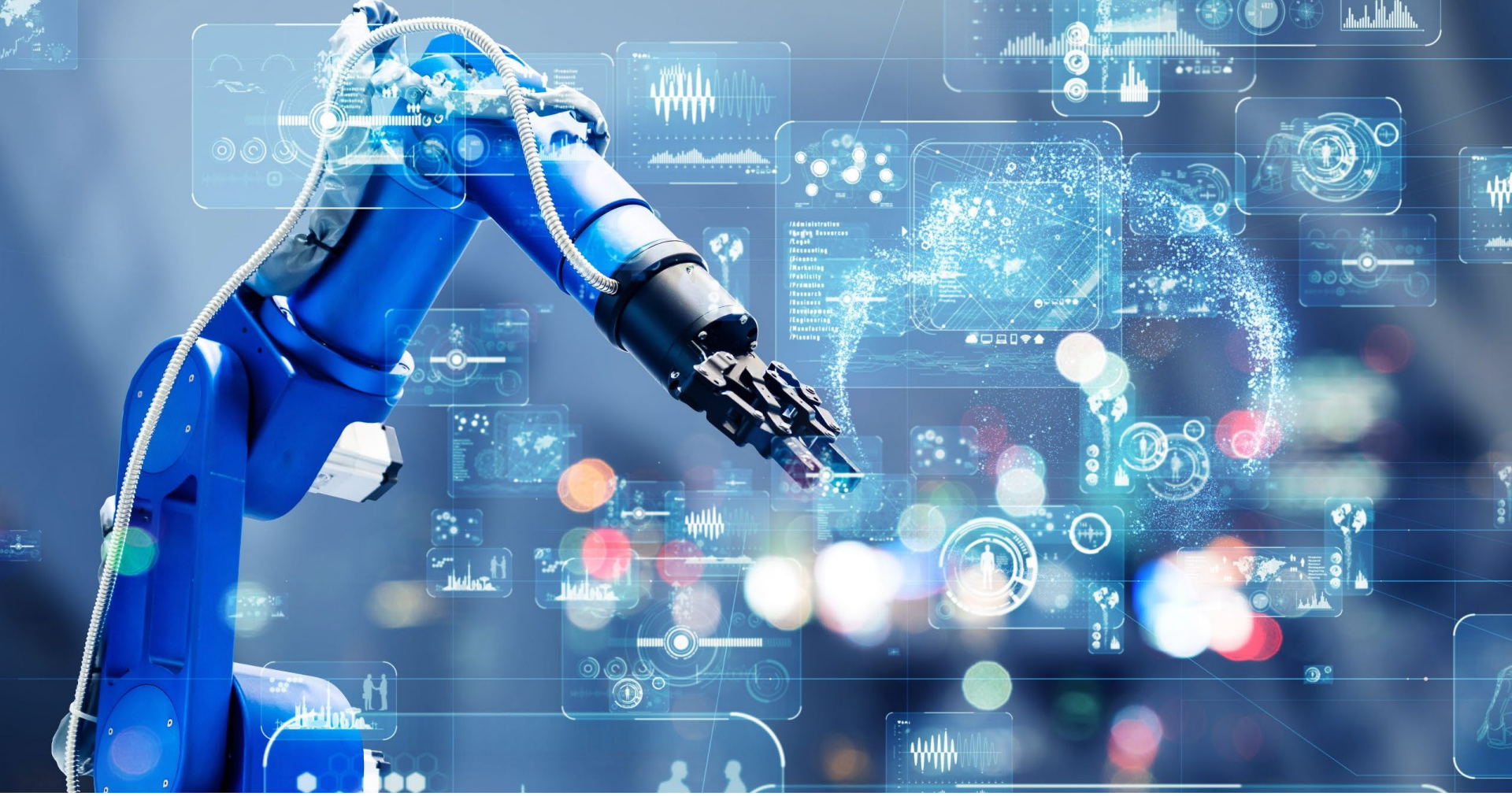


# Physical AI: From Digital Intelligence to Real-World Action

2026

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# Executive Summary

# Executive Summary

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Physical AI is bringing AI into the real world, creating opportunities across industries, but realizing its commercial potential will depend on overcoming the challenges of scaling beyond early deployments

## Physical AI: Turning Intelligence into Action

AI is evolving from generating content to helping machines sense, decide and act in the real world

**27%*** of firms deploying/scaling Physical AI

## What Is Driving This Shift

- Smarter AI models
- Simulation and synthetic data
- Labor shortages and easier deployment

These drivers are making Physical AI more capable, accessible, and widely used

## Where Adoption Is Already Visible

- Manufacturing (adaptive handling, inspection)
- Warehousing & Logistics (robotic picking, trailer loading)
- Autonomous Mobility (self-driving vehicles, drone delivery)

Applications also span construction, healthcare and defense technology

## Emerging Trends Shaping Physical AI Development and Deployment

Existing robots are becoming more adaptable, handling varied tasks with less programming

Simulation, synthetic data and real-world feedback are helping reduce robot training costs and improve performance

Integrated safety systems (monitoring, fail-safes and validation tools) are becoming important for safer robot operations

## What This Means for Stakeholders

**Infrastructure Players:** Expanding GPU capacity, cloud services and specialized chips

**Developers:** Prioritizing AI software, real-time control and reliable systems

**Enterprises:** Redesigning workflows and reskilling employees

## Why Scaling Remains Hard

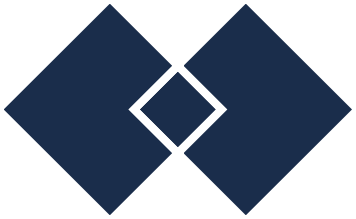
- Complex integration with existing operations
- High upfront costs and long payback
- Limited real-world reliability

## What's Next

**65%*** of firms expect Physical AI to scale within 5 years

Wider adoption will depend on replicating proven applications across sites with less custom engineering

*Based on Capgemini Research Institute's global survey (Jan–Feb 2026) of 1,678 executives from organizations with annual revenues exceeding $1B, across 16 countries and 15 industries, supplemented by expert interviews



# Introduction to Physical AI

# Physical AI: From Digital Intelligence to Real-World Action

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AI is moving beyond digital applications, as advances in intelligence and robotics enable machines to take on increasingly complex tasks in the physical world

## Definition: Physical AI

Physical AI combines AI models with sensors, robotics, and control systems, enabling machines to sense their surroundings, **make decisions**, and **perform physical tasks with increasing autonomy**

**Example:** A robot recognizes an unfamiliar object, decides how to grasp it and adjusts its movements

## Expanding AI Capabilities: From Automation to Physical Intelligence

### Traditional Automation
*Follows instructions*

- Early industrial robots followed set instructions for repetitive tasks, improving speed and consistency

**Key Gap:** Limited ability to handle new tasks or sudden changes

### GenAI
*Generates content and insights*

- Foundation models like GPT perform varied digital tasks, from content creation and coding to knowledge work, without task-specific programming

**Key Gap:** Primarily operates digitally; physical tasks need integration with machines and control systems

### Physical AI
*Perceives, decides and acts*

- Builds on advances in GenAI through models such as VLAs*, enabling robots to understand instructions, adapt and act in the physical world

**Physical AI Adoption[1#]**

**79%** of organizations are exploring, piloting or deploying Physical AI

**27%** are already deploying or scaling Physical AI

*AI is moving beyond the digital world into the physical world, creating new ways for people and machines to work together"* - **Peggy Johnson, CEO, Agility Robotics[2]**

**Physical AI is gaining industry interest, with firms exploring and piloting applications, while commercial deployment remains early**

1. Capgemini
2. Agility Robotics

****Vision-language-action (VLA)** models are AI models that connect visual perception, language instructions and physical actions.*
*# Based on Capgemini Research Institute's global survey (Jan–Feb 2026) of 1,678 executives from organizations with annual revenues exceeding $1B, across 16 countries and 15 industries, supplemented by expert interviews*

# Key Drivers Accelerating the Shift to Physical AI

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The shift toward Physical AI is gaining momentum as advances in AI and robotics enhance machine capabilities, while labor shortages and lower deployment barriers accelerate adoption

| | Key Growth Drivers | Supporting Evidence |
|---|---|---|
| Technology Drivers | **Smarter AI Models** | AI models like VLA*, running on in-robot processors, let robots handle many tasks with less programming, adding value per robot and driving wider Physical AI adoption | **Figure AI's Helix VLA***[1] lets robots handle 1000s of objects via natural-language commands, without task-specific retraining — FIGURE |
| Technology Drivers | **Faster Robot Training via Simulation** | Simulation lets robots train virtually at scale, reducing reliance on costly real-world data and making Physical AI faster and cheaper to bring to market | **NVIDIA**[2] used simulation to make **780K** virtual robot-movement sequences in 11 hours, equal to 6.5K hours of human demos — NVIDIA |
| Market Drivers | **Labor Shortages** | Labor shortages are driving demand for Physical AI to automate repetitive, varied tasks that conventional robots struggle with | **74%** — Executives[#3] cite labor shortages as a top-5 driver of Physical AI adoption |
| Market Drivers | **Lower Deployment Barriers** | Firms can rent or subscribe to Physical AI robots instead of buying them, lowering upfront costs and boosting adoption | **31%** — Growth in **Robot-as-a-Service (rental/subscription) fleets** in 2024, sustained in 2025[4] |

**Together, technological advances and market forces are making Physical AI more capable, accessible and commercially viable across industries**

1. Figure
2. Nvidia
3. Capgemini
4. IFR

**Vision-language-action (VLA) models are AI models that connect visual perception, language instructions and physical actions.*
*# Based on Capgemini Research Institute's global survey (Jan–Feb 2026) of 1,678 executives from organizations with annual revenues exceeding $1B, across 16 countries and 15 industries, supplemented by expert interviews*

# Physical AI Use Cases Across Industries

# Physical AI Use Cases Across Industries (1/2)

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As Physical AI advances toward wider commercial adoption, applications are emerging across manufacturing, logistics and autonomous mobility, ranging from early-stage trials to commercial deployments

| Use Cases by Industry | Real-World Evidence & Results |
|---|---|
| **Manufacturing**[1,2] | |
| ▪ **Adaptive Part Handling:** AI-powered humanoids handle precise parts using learned movements | **90K+** **Sheet-metal parts** handled by Figure AI's humanoid robot using learned movements in a ~1K hour plant trial |
| ▪ **Industrial Inspection:** AI-powered robots navigate plants and detect equipment faults using sensor data | **~10K** **Autonomous inspections weekly** using AI-powered Spot robot at its Amsterdam plant |
| **Warehousing & Logistics**[3,4] | |
| ▪ **Adaptive Picking & Stowing:** AI vision and touch let robots grasp and adapt varied products | **~75%** of item types in its fulfillment centers **picked and stowed** by Vulcan using vision and touch |
| ▪ **Trailer Loading:** Physical AI systems detects package sizes and adjusts placement for efficient loading | **Expanding autonomous trailer loading** at its Hagerstown hub using Dexterity's AI-powered robotic systems |
| **Autonomous Mobility**[5,6] | |
| ▪ **Autonomous Ground Transport:** Self-driving vehicles sense environment and make real-time driving decisions | **68%** **Fewer police-reportable crashes per mile** for its robotaxis vs. human drivers in 4 US cities |
| ▪ **Drone Delivery:** Autonomously navigate routes and deliver goods without onboard pilots | **2.5M+** **Commercial deliveries completed** using autonomous drones by Jul'26 |



*Integrating AI into robotics enhances capabilities, increases efficiency and improves adaptability ... opening the door to wider robot adoption across industries."*

**- Takayuki Ito, President, International Federation of Robotics**

1. BMW
2. Cargill
3. Amazon
4. FedEx
5. Waymo
6. Zipline

# Physical AI Use Cases Across Industries (2/2)

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Beyond industry and mobility, Physical AI is expanding into construction, defense, healthcare and life sciences, from site operations to rehabilitation and lab automation

| Use Cases by Industry | Real-World Evidence & Results |
|---|---|
| **Construction** | |
| ▪ **Autonomous Earthmoving:** AI-driven excavators dig and load with less human input<br>▪ **Autonomous Site Inspection:** AI-powered robots navigate sites, capture images and monitor construction progress | SUNDT **65K+**[1] **Cubic yards of earth and rock moved** by Bedrock Robotics' autonomous excavators under supervision its construction site<br>Turner **95%+**[2] **Reduction in site inspection time** using Boston Dynamics' Spot robots and DroneDeploy software |
| **Healthcare & Life Sciences** | |
| ▪ **Mobility and Rehabilitation:** Sensor-guided exoskeletons adjust movements to help patient walk<br>▪ **Lab Automation:** AI-powered robots run trials and use results to guide next steps | VILLA BERETTA Rehabilitation Research Innovation INSTITUTE **1.02M steps taken by 60+ patients**[4] across 750+ sessions using Wandercraft's robotic walking exoskeleton, Atalante X (2025)<br>Genentech Working with **Medra**[5], a Physical AI robotics company, to automate laboratory experiments in biopharma research |
| **Defense Tech** | |
| ▪ **Autonomous Threat Detection & Evasion:** AI-powered drones detect threats and adjust flight paths to avoid them<br>▪ **Autonomous Military Resupply:** AI-powered ground vehicles navigate rough terrain to deliver supplies | L3HARRIS™ **Tested AI-powered drones**[6] that detected electromagnetic threats and automatically rerouted aircraft during flight<br>U.S. ARMY **~50%**[7] **Shorter resupply times** using four AI-powered ULTRA ground vehicles during a military field exercise |

**As Physical AI adoption broadens across industries, it is reshaping robotics capabilities, competitive dynamics and strategic priorities across the technology ecosystem**

1. PR Newswire
2. Boston Dynamics
3. NVIDIA
4. Wandercraft
5. Gene
6. I3
7. Overalnd

# Emerging Trends Shaping Technology and Deployment

# Physical AI: Reshaping Robotics and the Technology Stack

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With Physical AI gaining traction across industries, robotics firms are enhancing existing machines with AI software, while tech firms are acquiring capabilities across the Physical AI stack

## Making Existing Industrial Robots More Adaptable

- Firms are adding Physical AI software to their existing robots to handle varied tasks with less programming
- This helps them expand robotic applications without replacing hardware

### Recent Partnerships Showing Physical AI Integration

Teradyne Robotics + Sereact[1]

Integrated Sereact's Cortex platform with Universal Robots arms for flexible picking and returns

FANUC[2] + Intrinsic

Integrated Intrinsic's Physical AI software with FANUC robots, showing AI-guided sheet-metal sorting

> *The intersection of AI with modular production is going to unlock new value and operating models across the industry."*
>
> ***– Wendy Tan White, CEO of*** intrinsic[2]

## Tech Firms Are Expanding Across the Physical AI Stack

- Rising demand for AI, perception and simulation capabilities is driving tech firms to acquire specialists and strengthen their position in the Physical AI ecosystem

### Recent Deals Highlighting Investment Across the Stack (2026)[3,4,5]

| | | |
|---|---|---|
| AMD to acquire World Labs | COGNEX to acquire RealSense | cadence acquired HEXAGON |
| **$8.2B** | **$500M** | **~€2.7B** |
| To gain spatial AI expertise and build Physical AI computing infrastructure | To add 3D robotic perception and expand into Physical AI | To strengthen physics-based simulation for Physical AI training and validation |

**Physical AI is reshaping robotics by expanding existing machines' capabilities and driving strategic investment in next-generation robot technologies**

1. Universal Robots
2. Intrinsic
3. AMD
4. Cognex
5. Cadence

# Physical AI: Transforming Robot Training and Development

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As robots take on more varied and complex tasks, developers are rethinking how they train, test and continuously improve Physical AI systems

## Shifting Toward Simulation-Based Training and Continuous Improvement

- Limited real-world training data is driving Physical AI developers toward simulation and synthetic data to train robots across varied conditions while reducing costly physical trials
- After deployment, real-world feedback can be used to retrain AI models, helping robots adapt to new conditions

### How Robot Training Is Evolving

| | | | | |
|---|---|---|---|---|
| **Traditional Approach** | **Program**<br>Hand-coded for each task | → | **Physically test**<br>Costly physical trials | → **Repeat for each new task** |
| **Emerging Approach** | **Simulate & train**<br>Virtual training at scale | → | **Deploy & validate**<br>Fewer physical trials | → **Learn & improve**<br>Better with real-world feedback |

**Continuous feedback into training**



*There is a continuous payoff from having really good simulation on your systems."*

**- Boris Fiedler, Global Head of Digital, Division Robotics, ABB Robotics[1]**

## Simulation and Synthetic Data in Practice[2,3,4]

| amazon | Lightwheel | NVIDIA |
|---|---|---|
| **50K+** Synthetic images per device | **100–1,000×** more synthetic training data | **40%** Higher GR00T N1 performance |
| Generated using NVIDIA simulation to train AI inspection models, helping robotic arms adapt to new products | Generated from robot demos via simulation, reducing costly real-world data needs | Achieved by combining synthetic and real-world training data vs. real-world data alone |

1. ABB Robotics
2. Amazon
3. Lightwheel
4. NVIDIA

# Physical AI: Safety Becomes a Prerequisite for Scale

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Increasingly capable robots are moving into real-world operations, creating new safety challenges and prompting companies to invest in integrated safety systems and validation

## Safety and Reliability Are Becoming Central to Physical AI Deployment

**The Challenge:** As Physical AI robots operate more autonomously alongside people in dynamic environments, new safety risks emerge

**Industry Response:** Companies are building and adding safety systems combining AI, sensors and robotic controls with:

- Live monitoring
- Fail-safes
- System validation

> *For humanoids to deliver value at scale, safety has to be built into the robot and validated across the entire system."*
>
> ***- Peggy Johnson, CEO, Agility Robotics[1]***

## Industry Initiatives Strengthen Physical AI Safety

**NVIDIA — Integrated Physical AI Safety Platform[1] (2026)**

- Launched **Halos for Robotics**, a unified safety platform combining AI computing, sensors, software, and validation tools to support safer autonomous robots
- **Agility Robotics** became its first partner, for its humanoid safety

**FORT Robotics — Physical AI Safety Technology Provider[2]:**

- Developed **Trust Layer for Physical AI** for safer robot operations

**Updated Industrial Robot Safety Standards (2025)[3]**

Revised **ISO 10218-1 and 10218-2** with requirements for functional safety, cybersecurity, and human–robot collaboration

**Safety is no longer just a technical need. It is key to building trust, scaling Physical AI deployment and realizing business value, while emerging as a distinct technology and investment category**

1. Nvidia
2. Fort Robotics
3. ISO

# Implications of Physical AI Across the Ecosystem

# A New Playbook: What Physical AI Means for Stakeholders (1/2)

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As Physical AI begins to show commercial value, companies across the ecosystem are realigning strategies, with infrastructure players expanding robotics services and chipmakers adapting their designs to emerging needs

## How the Physical AI Ecosystem Works

**Technology Enablers**
(Provide intelligence and infrastructure)

→

**Robotics Developers and Integrators**
(Turn technologies into deployable robots)

→

**Enterprise Adopters/End Users**
(Deploy Physical AI in real-world operations)

## Technology & Infrastructure Players

### Expanding Cloud Infrastructure for Physical AI

- Rising Physical AI adoption is driving GPU demand for robot training, simulation and synthetic data
- Cloud providers are expanding GPU capacity and adding robotics-specific AI development tools

NSCALE

Signed a **$3.5B**[1] compute deal for Figure AI's humanoid training, with up to 100,000 NVIDIA GPUs planned from H2'27

Microsoft Azure

Integrating NVIDIA's **Physical AI Data Factory**[2] **Blueprint** for robotics data generation and AI model evaluation

### Adapting Chip Design for Physical AI

- Physical AI needs powerful, energy-efficient chips for real-time perception and motion control, driving chipmakers to optimize designs and software for robotics workloads

**Qualcomm**[3]

Introduced **Dragonwing IQ10**, a robotics-focused processor delivering up to 700 TOPS of on-device AI computing for perception, planning and motion control

> *Building the compute platforms for the next generation of AI requires a deep insight of how models are evolving."*
> ***- Dr. Lisa Su, Chair and CEO, AMD***[4]

AMD

**By expanding GPU capacity and developing robotics-focused chips, technology providers are building the computing foundation for Physical AI, enabling developers and enterprises to advance real-world adoption**

1. Nscale
2. NVIDIA
3. Qualcomm
4. AMD

# A New Playbook: What Physical AI Means for Stakeholders (2/2)

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Building on this computing foundation, Physical AI is pushing developers to focus on building reliable, scalable robotic systems and enterprises to rethink operations and workforce roles

## Developers

### Prioritizing AI Software and Control

As AI-powered robots gain autonomy, developers are prioritizing **AI software, simulation, and real-time control** alongside hardware

**ABB, FANUC, KUKA and Yaskawa:** Adopting NVIDIA's simulation and edge AI tools to develop and validate smarter robotic systems

### Building Reliable, Deployment-Ready Systems

Developers need to ensure robots act predictably, operate safely and integrate with existing systems before deployment

**95%*** of robotics developers[1] consider predictable, real-time execution important for their systems

## Enterprises

### Integrating Intelligent Robots Into Operations

As Physical AI enables more complex tasks, enterprises are adapting workflows and integrating robots alongside employees to improve productivity

**Enterprises integrating AI-enabled robotics:**

HOLCIM · BMW GROUP · a · GXO

### Rethinking Workforce Roles and Skills

As robots handle repetitive and hazardous tasks, enterprises need to reskill staff for supervision, exception handling and human-robot collaboration

**42%** of manufacturers[2]** expect significant workforce augmentation through Physical AI in complex, hazardous and repetitive tasks

**Physical AI's value will depend not just on robot capabilities, but also on how reliably developers build these systems and how effectively enterprises integrate them into operations, both critical to scaling adoption**

1. QNX
2. TCS

*QNX, Inside the Robot: Architecture Benchmark Report (May 2026), survey of 1,000 robotics developers/Engineers worldwide
**Based on TCS's 2026 Physical AI Readiness Report, surveying 300 manufacturers across North America and Europe. The figure reflects expectations, not actual workforce changes.

# Key Barriers to Physical AI Adoption

# Physical AI: Barriers and Risks to Scalable Adoption

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As stakeholders are adapting their strategies and operations to Physical AI, they also face cost, integration, reliability and safety challenges that continue to make scaling beyond pilots difficult

## Key Barriers to Scaling Physical AI

| % of Physical AI buyers ranking each among their top three scaling barriers[1]* | | Implications for Deployment |
|---|---|---|
| Integration With Existing Operations | 51% | Adapting robots to different sites requires integration, testing and workflow changes, increasing deployment time and costs |
| Upfront Cost / Capital Required | 44% | Long payback periods can delay further investment, with 55% of buyers expecting deployment payback to exceed two years |
| Reliability in Real-World Conditions | 39% | AI-powered robots can struggle with unfamiliar tasks, varied objects and changing conditions, limiting real-world reliability |

55%

### Other Barriers & Risks

**Humanoids Face a Longer Path to Scale****

Executives expect humanoid robots to take ~7 years[2] to reach large-scale deployment

**Physical Safety & Cybersecurity Risks**

Once AI controls machines, mistakes become physical.

System failures or cyberattacks can cause physical harm and operational disruption

**Takeaway**

Because Physical AI errors can have real-world consequences, scaling requires more than successful pilots: companies need to integrate systems into operations, prove returns and ensure reliable, safe performance

*Georgian/NewtonX, Physical AI Survey, Wave 1 (2026), surveyed 85 robotics and Physical AI buyers across seven countries (78% US), July–August 2026

**Capgemini Research Institute, Physical AI: Taking Human-Robot Collaboration to the Next Level (2026), global survey of 1,678 executives across 16 countries and 15 industries, conducted January–February 2026.

1. Georgian
2. Capgemini

# The Next Phase of Physical AI

# Physical AI: Adoption Outlook and Future Trends

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As Physical AI enters its next phase, adoption is expected to expand beyond pilots, with growth concentrated in high-value applications and opportunities emerging across the technology ecosystem

**Adoption of Physical AI Will Rise**

**65%*** of organizations[1] expect to deploy Physical AI at scale within five years (by 2031)

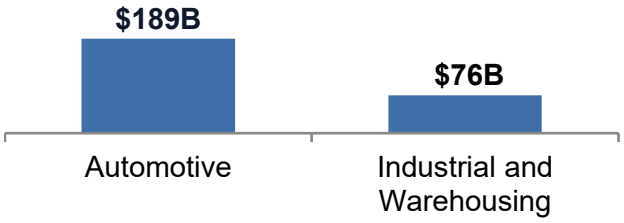
This expansion will mark a transition from experimentation to broader commercial deployment

**Market Projection[2]**

**$476B**

Projected global Physical AI market by 2030

**Automotive and Industrial Automation to Lead Market Opportunity, 2030[2]**




Early opportunities are expected to be strongest where automation needs are clear and economic returns are measurable

## Key Trends Shaping the Next Phase of Physical AI

**Near-Term Growth Will Favor High-Value Tasks** 1 — Physical AI adoption will prioritize tasks with measurable returns and reliable real-world performance

**Growing Value in Physical AI Software** 2 — Software, AI models and integrated solutions will become increasingly important sources of commercial value alongside hardware

*"Physical AI has arrived — every industrial company will become a robotics company."*



***- Jensen Huang, Former CEO[3], NVIDIA***

**Looking ahead, Physical AI's commercial impact will increasingly depend on how easily proven robotic applications can be adapted to new products, tasks and sites. The opportunity lies in reducing the need for custom engineering at each deployment, making robotic solutions easier to replicate and scale**

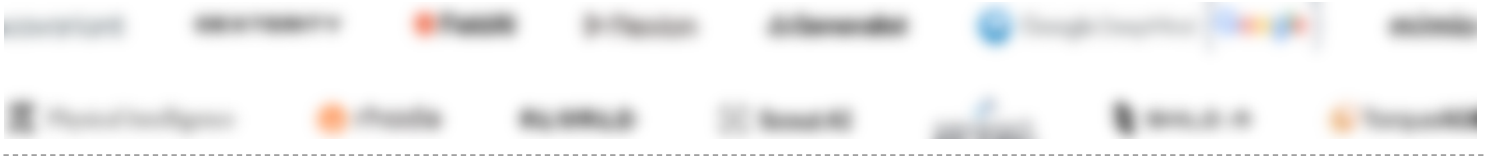
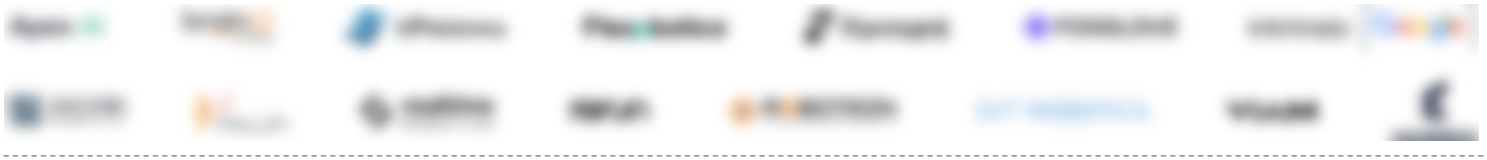
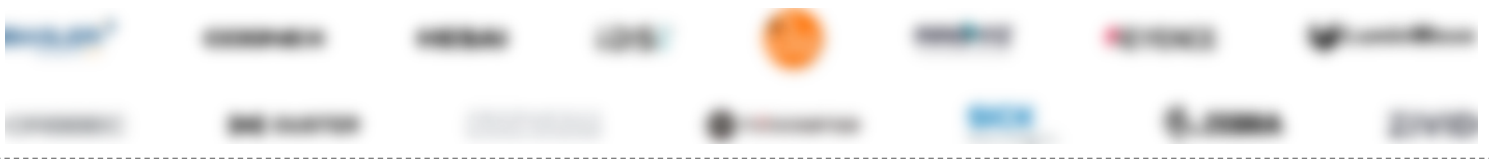
1. Capgemini
2. PwC
3. Nvidia

**Based on Capgemini Research Institute's global survey (Jan–Feb 2026) of 1,678 executives from organizations with annual revenues exceeding $1B, across 16 countries and 15 industries, supplemented by expert interviews*
*Note: Market projections have been converted from EUR to USD using the exchange rate of 1 EUR = 1.106084 USD (November 13, 2026)*

# Competitive Landscape

# Physical AI Competitive Landscape

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| | |
|---|---|
| **AI Models & Embodied Intelligence** |  |
| **Robotics Software, Middleware & Orchestration** |  |
| **Simulation, Digital Twins & Synthetic Data** |  |
| **AI Compute & Edge Platform** |  |
| **Sensors, Vision & Perception** |  |
| **Intelligent Robotics & Automation** |  |

***Contact Allied Advisers at info@alliedadvisers.com to get access to the market landscape***

{ } *Denotes Parent company*

# Select Public and Private Companies

# Select Public Players in Physical AI Landscape (1/2)

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| Company | HQ | Business Description | Capabilities | EV | EV/ Revenue | Recent Deals |
|---|---|---|---|---|---|---|
| Ambarella |  | Developer of low-power AI vision processors enabling real-time perception and autonomous decision-making in robotic systems | Edge AI Processing, Computer Vision, Stereovision, Neural Network Acceleration, Autonomous Perception | $2.3B | 5.6x | OCULii M&A - $307.0M |
| AMD |  | Provider of adaptive computing and embedded AI solutions supporting robotic perception, motion control and autonomous operations | Embedded AI Processing, Adaptive SoCs & FPGAs, Machine Vision, Sensor Fusion, Motion Control | $729.6B | 16.1x | World Labs M&A - $8.2B |
| COGNEX |  | Provider of machine vision and AI-powered imaging systems enabling robotic guidance, inspection and automated object recognition | Machine Vision, Vision-Guided Robotics, AI-Based Inspection, Image Processing, Object Recognition | $7.4B | 6.6x | RealSense M&A - $500.0M |
| KEYENCE |  | Provider of industrial machine vision and sensing technologies enabling robotic guidance, object detection and automated inspection | Machine Vision, 2D/3D Imaging, Vision-Guided Robotics, Object Detection, Automated Inspection | $97.9B | 11.3x | traceparts M&A – Undisclosed |
| NVIDIA |  | Provider of accelerated computing and AI platforms enabling the development, simulation and deployment of intelligent robotic systems | Robotics Foundation Models, Simulation & Digital Twins, Synthetic Data, Robotics Software, Edge AI Computing | $4.5T | 14.8x | DEEPMAP M&A - Undisclosed |
| NXP |  | Provider of embedded processing and intelligent sensing solutions enabling AI-powered robotics and autonomous industrial systems | Edge AI Processing, Embedded Control, Sensor Connectivity, Motor Control, Industrial Networking | $70.3B | 5.1x | kinara M&A - $284.0M |

*Source – Allied Advisers' various databases*
*Note: EV & EV/Rev multiples are as of 11/06/2026*

# Select Public Players in Physical AI Landscape (2/2)

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| Company | HQ | Business Description | Capabilities | EV | EV/ Revenue | Recent Deals |
|---|---|---|---|---|---|---|
| OUSTER |  | Developer of lidar-based sensing and perception technologies enabling autonomous navigation and environmental awareness in robotic systems | Digital Lidar, 3D Perception, Environmental Mapping, Autonomous Navigation, Sensor Fusion | $2.1B | 9.5x | StereoLabs* M&A - $70.8M |
| Qualcomm |  | Developer of AI-powered semiconductor and computing platforms enabling intelligent robotics and autonomous machines | Edge AI Computing, Robotics Software, Multimodal Perception, Motion Control, On-Device AI Inference | $184.4B | 4.3x | PICKNIK M&A – Undisclosed |
| RENESAS |  | Provider of embedded semiconductor and AI solutions supporting sensing, motion control and intelligent robotic systems | Embedded AI, Motion Control, Sensor Processing, Power Management, Robotics System Integration | $32.6B | 3.2x | IRIDA LABS M&A – Undisclosed |
| SIEMENS |  | Provider of industrial software and digital twin technologies enabling the simulation, development and optimization of robotic systems | Robotics Simulation, Digital Twins, Virtual Commissioning, Industrial Automation, Robotics Programming | $264.4B | 2.8x | precision Innovating chip design M&A – Undisclosed |
| STMicroelectronics |  | Developer of semiconductor and embedded AI technologies enabling perception, sensing and control in intelligent robots | Edge AI Processing, Image Sensors, Time-of-Flight Sensing, Motion Sensors, Embedded Control | $36.3B | 2.7x | Deeplite M&A – Undisclosed |
| ZEBRA |  | Provider of machine vision and intelligent automation solutions enabling robotic perception and industrial operations | 3D Machine Vision, AI-Based Image Processing, Vision-Guided Robotics, Industrial Automation, 3D Sensing | $17.8B | 2.9x | Photoneo Focused on 3D M&A - $62.0M |

*Source – Allied Advisers' various databases*
*Note: EV & EV/Rev multiples are as of 11/06/2026*

# Select Private Players in Physical AI Landscape (1/2)

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| Company | HQ | Business Description | Capabilities | Last Deal Details | Lead Investors |
|---|---|---|---|---|---|
| Applied Intuition |  | Developer of an autonomous vehicle platform designed for simulation, validation, and deployment | Autonomous Systems Simulation, Scenario Generation, Virtual Testing & Validation, Synthetic Data, Autonomy Development | Deal Date: Jun-25<br>Funding Amount: $600.0M<br>Post-Valuation: $15.0B | Kleiner Perkins<br>BlackRock |
| AXELERA AI |  | Developer of an AI hardware and software acceleration platform designed for edge computing and computer vision inference | Edge AI Acceleration, AI Inference Processors, Computer Vision, Neural Network Processing, Energy-Efficient AI Computing | Deal Date: Feb-26<br>Funding Amount: $250.0M<br>Post-Valuation: NA | Innovation Industries |
| DUALITY |  | Developer of robotics simulation tools designed to generate synthetic AI data and autonomy simulation with digital twins and world models | Digital Twin Simulation, Synthetic Data Generation, Virtual Sensor Modeling, Autonomy Testing & Validation, Sim-to-Real Development | Deal Date: Dec-21<br>Funding Amount: $11.9M<br>Post-Valuation: $39.4M | DRIVE |
| FieldAI |  | Developer of a field-proven artificial intelligence technology designed to unlock the full potential of robots in real-world environments | Robotics Foundation Models, World Models, Autonomous Navigation, Risk-Aware Decision-Making, Multi-Robot Coordination | Deal Date: Feb-26<br>Funding Amount: NA<br>Post-Valuation: NA | WIND COPEC<br>Ferocity Capital<br>graph |
| FOXGLOVE |  | Developer of visualization and debugging platform designed to accelerate robotics development | Robotics Data Management, Data Visualization, Fleet Observability, Robot Debugging, Data Collection & Curation | Deal Date: Sep-25<br>Funding Amount: $40.0M<br>Post-Valuation: $185.0M | Bessemer Venture Partners |
| LuminWave |  | Manufacturer of advanced 3D vision and distance-sensing systems intended to support perception and measurement tasks | FMCW Lidar, Solid-State Lidar, 3D Sensing, Depth Perception, Robotic Navigation & Localization | Deal Date: Dec-25<br>Funding Amount: NA<br>Post-Valuation: NA | XIOPM 西科控股 HOLDING |

*Source – Allied Advisers' various databases*

# Select Private Players in Physical AI Landscape (2/2)

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| Company | HQ | Business Description | Capabilities | Last Deal Details | Lead Investors |
|---|---|---|---|---|---|
| Physical Intelligence |  | Operator of a general-purpose company intended to bridge the gap between artificial intelligence and the physical world | Robotics Foundation Models, Vision-Language-Action Models, Robot Learning, Dexterous Manipulation, Cross-Robot Generalization | Deal Date: May-26<br>Funding Amount: $1.0B<br>Post-Valuation: $11.7B | ALPHA WAVE<br>PAPERCLIP PARTNERS<br>Hypersphere Capital |
| PROPHESEE METAVISION FOR MACHINES |  | Developer of a neuromorphic vision platform designed to improve the efficiency and intelligence of video processing | Event-Based Vision, Neuromorphic Imaging, AI-Powered Perception, High-Speed Motion Detection, Low-Latency Visual Sensing | Deal Date: Jun-26<br>Funding Amount: $23.2M<br>Post-Valuation: NA | C/P |
| SiMa.ai |  | Developer of machine learning technology designed to deliver a software-centric platform | Edge AI Processing, Machine Learning SoCs, On-Device AI Inference, Neural Network Acceleration, Low-Power AI Computing | Deal Date: Aug-26<br>Funding Amount: $150.0M<br>Post-Valuation: $1.5B | Amplify<br>Fidelity |
| SKILD AI |  | Developer of a robotics foundation model designed to enable robots to autonomously perceive, act, and interact across diverse environments | General-Purpose Robotics AI, Embodied Intelligence, Robotic Manipulation, Autonomous Navigation, Adaptive Robot Control | Deal Date: Jan-26<br>Funding Amount: $1.4B<br>Post-Valuation: $14.0B | NVIDIA<br>SoftBank Group |
| VIAM |  | Developer of an open-source platform intended to simplify the building, monitoring, and data management of machines | Robotics Software Development, Device Integration, Fleet Management, Data Management, Machine Learning | Deal Date: Mar-25<br>Funding Amount: $30.0M<br>Post-Valuation: $126.0M | USV Union Ventures Square |
| wandelbots |  | Developer of industrial robotics designed to program any robot via smart input devices and example-based teaching | Robot Programming, Robot-Agnostic Control, Motion Planning, Robotics Orchestration, Digital Twin Integration | Deal Date: Jan-22<br>Funding Amount: $84.0M<br>Post-Valuation: $315.7M | INSIGHT PARTNERS |

*Source – Allied Advisers' various databases*

# Investors and Buyers Landscape

# Select Investors & Buyers in the Physical AI Space – M&A, VC and CVC

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## ACTIVE ACQUIRERS

### STRATEGIC ACQUIRERS

ABB · AVS · Agile Robots · amazon · AMD · Analog Devices · Applied Intuition · Axon · Bentley · cadence · CNH Industrial · Cognex · John Deere · Hexagon · Infineon · Keyence · Keysight · Microchip · NVIDIA · NXP · Omron · Ondas · Ouster · Qualcomm · Renesas · Rockwell Automation · Samsung · Serve Robotics · Shield AI · Siemens · STMicroelectronics · symbotic · Synopsys · Teledyne Technologies · Zebra

## ACTIVE INVESTORS

### VENTURE CAPITAL

8VC · Accel · Air Street Capital · Amplify · andreessen horowitz · B Capital · BainCapital · Bessemer Venture Partners · BOND · COATUE · Creandum · CRV · Deviation Capital · Eclipse · Emergence · Felicis · First Round · General Catalyst · Greenoaks · Headline · Index Ventures · khosla ventures · Kleiner Perkins · Lightspeed · Lux · Mac VC · Menlo Ventures · Nimble Partners · Parkway · Point Nine Capital · Radical Ventures · Redpoint. · Sequoia · Thrive Capital · USV Union Ventures Square

### CORPORATE VENTURE CAPITAL

amazon · AMD Ventures · AT&T Ventures · Autodesk · Boeing · Bosch Invented for life · CapitalG · CoreWeave · Dell Technologies · Google · intel capital · LG Technology Ventures · Lockheed Martin · Mercedes-Benz · NVIDIA NVentures · Presidio Ventures · Prologis Ventures · Qualcomm ventures · RTX Ventures · salesforce ventures · Samsung NEXT · Samsung Ventures · SE Ventures · SK telecom · T-Mobile Ventures · Toyota Ventures · Zeroline

# Prominent Exits and Fundings

# Notable Exits in Physical AI

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| Deal Date | Target | Acquiror | Deal Value | EV/ Rev | Rationale |
|---|---|---|---|---|---|
| Jul 17, 2025 | Ansys | SYNOPSYS | $33.9B | 12.7x | The acquisition combines semiconductor design and simulation capabilities, enabling integrated silicon-to-systems design and accelerating product innovation |
| Nov 16, 2026 | World Labs | AMD | $8.2B | 16.1x | The acquisition combines World Labs' 3D world models and simulation capabilities with AMD's computing platforms, advancing Physical AI development |
| Feb 23, 2026 | MSC Software (HEXAGON) | cadence | $3.1B | NA | The acquisition expands Cadence's multiphysics simulation capabilities, strengthening its system-level design solutions and Physical AI portfolio |
| Nov 4, 2026 | ALIF SEMICONDUCTOR | ANALOG DEVICES | $1.4B | NA | The acquisition combines Alif's AI processors with Analog Devices' sensing technologies, strengthening its edge AI capabilities |
| Feb 3, 2026 | mentee robotics | mobileye | $900.0M | NA | The acquisition expands Mobileye's Physical AI capabilities by integrating Mentee's humanoid robotics technology with its autonomous driving expertise |
| Oct 2, 2023 | CLEARPATH ROBOTICS | Rockwell Automation | $608.5M | NA | The acquisition strengthens Rockwell's industrial automation portfolio with autonomous mobile robots and fleet management software, enhancing logistics |
| Oct 27, 2025 | kinara | NXP | $284.0M | NA | The acquisition |
| Jul 26, 2024 | GHOST ROBOTICS | LIG Defense & Aerospace | $240.0M | 6.8x | The acquisition combines Ghost Robotics' quadruped robots with LIG Nex1's defense expertise, expanding autonomous robotics capabilities |

*Source – Allied Advisers' various databases*
*Note: MSC Software is a division of Hexagon*

# Notable Fundings

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| Deal Date | Target | Investor | Amount Raised | Rationale |
|---|---|---|---|---|
| Apr 22, 2026 | WAYMO | DRAGONEER, DST GLOBAL, SEQUOIA | $16.0B | The funding will accelerate the global expansion of Waymo's autonomous ride-hailing services, supporting fleet growth and entry into new markets |
| Jul 22, 2026 | ATOMS | andreessen horowitz | $1.7B | The funding will support the development and deployment of AI-powered robotics to automate operations across industries |
| May 22, 2026 | FIGURE | PARKWAY | $1.5B | The funding will accelerate humanoid robot production, expand real-world deployments and strengthen AI training infrastructure and data collection capabilities |
| June 10, 2026 | NEURA | tether. | $1.4B | The funding will scale robot manufacturing, expand the Neuraverse platform and support the global rollout of physical AI training facilities |
| Jan 14, 2026 | SKILD AI | NVIDIA., SoftBank Group | $1.4B | The funding will advance Skild's general-purpose robotics foundation model, enabling deployment across diverse robot platforms and real-world applications |
| Jul 8, 2026 | wayve | ECLIPSE, Balderton. capital, SoftBank Group | $1.2B | The funding will accelerate commercial deployment of Wayve's autonomous driving technology, supporting robotaxi expansion and integration |
| May 21, 2026 | Physical Intelligence | ALPHA WAVE, Hypersphere Capital, PAPERCLIP PARTNERS | $1.0B | The funding is expected to advance general-purpose robotics AI models, enabling robots to perform diverse tasks across real-world environments |
| Jun 17, 2025 | Applied Intuition | KLEINER PERKINS, BlackRock. | $600.0M | The funding will accelerate vehicle intelligence, expand product capabilities and support global team growth across autonomous mobility applications |

*Source – Allied Advisers' various databases*

# About Allied Advisers



Contact us: info@alliedadvisers.com

## Allied Advisers: Investment Banking for Technology Companies and Investors

Allied Advisers is a global technology-focused boutique advisory firm focused on investment banking for entrepreneurs and investors. The Silicon Valley-based firm, with a presence in Los Angeles, Israel, and India, serves entrepreneurs and investors of technology growth companies globally on strategic advisory including M&A and capital raises. Allied Advisers bankers have completed technology transactions globally for clients with Fortune 50 buyers and top tier Private Equity firms.