# FROST & SULLIVAN

# AUGURY RECEIVES THE 2023
## COMPANY OF THE YEAR AWARD

*Identified as best in class in the global industrial analytics solutions industry*

## Best Practices Criteria for World-Class Performance

Frost & Sullivan applies a rigorous analytical process to evaluate multiple nominees for each Award category before determining the final Award recipient. The process involves a detailed evaluation of best practices criteria across two dimensions for each nominated company. Augury excels in many of the criteria in the industrial analytics solutions space.



**AWARD CRITERIA**

| Visionary Innovation & Performance | Customer Impact |
| --- | --- |
| Addressing Unmet Needs | Price/Performance Value |
| Visionary Scenarios Through Mega Trends | Customer Purchase Experience |
| Implementation of Best Practices | Customer Ownership Experience |
| Leadership Focus | Customer Service Experience |
| Financial Performance | Brand Equity |

### A Market Snapshot: Industrial Analytics Solutions

Frost & Sullivan monitors how industrial artificial intelligence (AI) continues to realize opportunities in the manufacturing industry, providing intelligent production automation, introducing new levels of efficiency and cost-effectiveness, and transforming how manufacturers manage their operations. With the help of algorithms and software, AI provides human-like intelligence to industrial assets and systems and enhances decision-making capabilities. Factories are integrating AI into their production systems and processes, which enables predictive maintenance, cognitive computing, and other advanced technologies. Presently, AI and machine learning (ML) are driving innovations across various industries and functional areas - and the focus is shifting from generic AI models to more specific industrial AI models.

Despite the rising interest in AI/ML-driven processes, Frost & Sullivan's own analysis confirms that existing challenges continue to restrain adoption. Many industrial systems generate large data volumes, but this data is often unstructured or

> *"The company continues to sustain tremendous growth because of the value it provides its customers and their continued trust in expanding and championing Augury's solution throughout their organization. Finally, Augury's ongoing evolution and growth are key to future-proofing the company, solidifying its position as a leader in the industrial analytics solutions space."*
>
> *- Samantha Fisher,*
> *Best Practices Research Analyst*

incomplete, making it quite difficult to use. AI technologies often require significant investments in hardware, software, and human resources, which represent a barrier to adoption for smaller companies or those with limited budgets. Additionally, AI integration can be challenging to implement and maintain, requiring specialized expertise that may be limited. Finally, many industrial organizations rely on traditional or legacy approaches to data analytics, translating to low digital maturity, which can further impact adoption and implementation. Regardless, Frost & Sullivan estimates that nearly 80% of top-tier manufacturing organizations will have AI-based solutions in 2023, with the total addressable market for industrial AI worth $80 billion by 2030.[1]

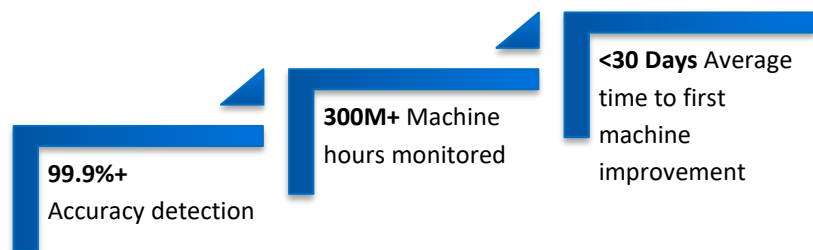## Best Practices Excellence: Augury

Founded in 2011 and headquartered in New York City, New York, and in Haifa, Israel, Augury is an AI software and hardware solutions provider that helps its customers reduce maintenance costs, eliminate downtime, and maximize productivity for rotating machines and production processes in industrial and commercial applications. The company continues to sustain tremendous growth due to the value it provides its customers and their continued trust in expanding and championing Augury's solution throughout their organization. Finally, Augury's ongoing evolution and growth are key to future-proofing the company, solidifying its position as a leader in the industrial analytics solutions space.

In 2021, Frost & Sullivan recognized Augury for its product leadership, growth potential, and customer-centric approach and remains impressed with the company's continuing innovation and sustained leadership.

## An Established Global Leader

Augury creates innovative products through its best-in-class research and development processes. The company refined these processes over several years, perfecting its approach. However, innovation continues even when a vendor becomes a leader. The company's evolution and growth are critical to maintaining its reputation for its customers, investors, and other stakeholders as it builds for a better future and brings manufacturing into the next industrial age.

The company offers the most comprehensive solutions portfolio, spanning both robust features and capabilities. A leader in Machine Health and Process Health solutions, Augury sets that roadmap for digital transformation to change how organizations work and what they create. The company's purpose-built AI is trained by industry experts and one of the largest data libraries, helping manufacturing and industrial organizations eliminate production downtime, improve process efficiency, maximize yield, and reduce waste and emissions.

**99.9%+** Accuracy detection

**300M+** Machine hours monitored

**<30 Days** Average time to first machine improvement

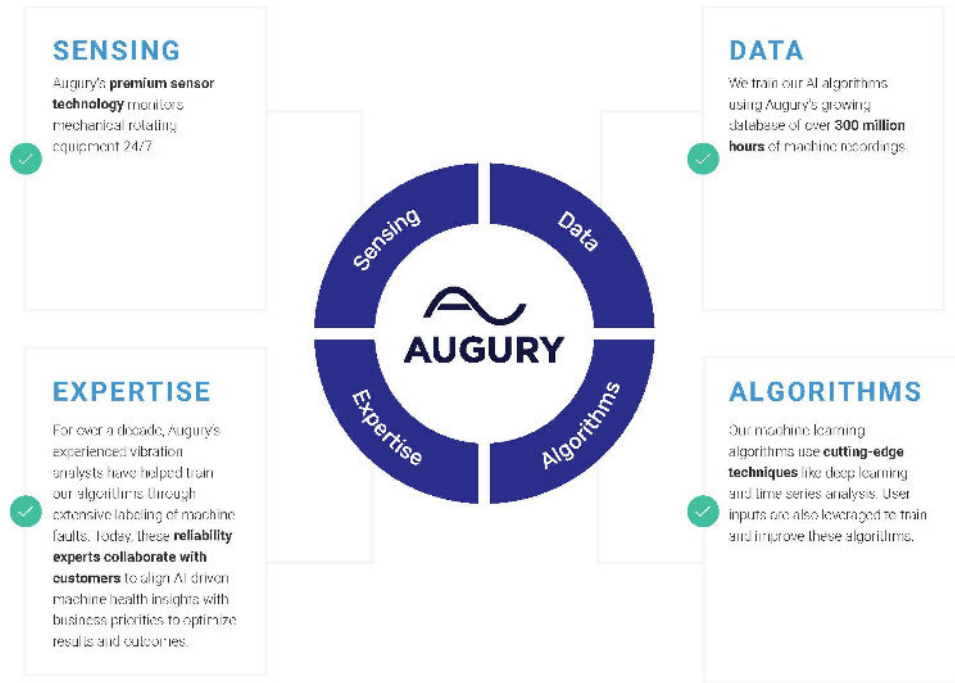*The Impact of Augury's Data-driven Predictive Maintenance*

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[1] *Top 10 Growth Opportunities for the Automation and Manufacturing Industries* (Frost & Sullivan April 2023)

Augury's Machine Health-as-a-Service solution leverages AI algorithms to analyze data from sensors to detect potential issues with the equipment before they become serious problems. The product's key capabilities include:

- **Full-stack solution:** State-of-the-art hardware and IoT to wirelessly monitor equipment 24/7/365.

- **AI-driven machine diagnostics:** fully prescriptive, early detection and analysis across hundreds of faults and equipment types with 99.9%+ accuracy.

- **Powerful cloud-based platform:** with in-app collaboration for reliability and maintenance teams, a unified view of real-time health and integration into EAM workflows.

- **Global support at enterprise scale:** end-to-end implementation, reliability success management, engagement, and technical support in 30+ regions.

- **Sensing:** Augury's premium sensor technology monitors and captures vibration, temperature, and magnetic data on rotating equipment around-the-clock, updating its database to over 300 million hours.

Moreover, Augury's predictive and prescriptive solutions can sift through and interpret huge data volumes, enabling customers to move from data collection to applying insights that can transform their maintenance activities. The company reports that its global customers achieve up to ten times the return on investment in as little as four months, to create business value at scale.

**_Augury's AI-Powered Machine Health Solution_**



**SENSING**

Augury's **premium sensor technology** monitors mechanical rotating equipment 24/7.

**DATA**

We train our AI algorithms using Augury's growing database of over **300 million hours** of machine recordings.

**EXPERTISE**

For over a decade, Augury's experienced vibration analysts have helped train our algorithms through extensive labeling of machine faults. Today, these **reliability experts collaborate with customers** to align AI-driven machine health insights with business priorities to optimize results and outcomes.

**ALGORITHMS**

Our machine learning algorithms use **cutting-edge techniques** like deep learning and time series analysis. User inputs are also leveraged to train and improve these algorithms.

_Source: Augury_

## A Purpose-filled Mission and Vision

Augury's vision centers on creating a world where people and machines collaborate to make life better in every way, with the stated purpose of providing insights into machines, processes, and operational health to transform how people work and collaborate. The company's Machine Health solution is founded on the idea that platform workflows integrated with purpose-built AI solutions can unlock tremendous reliability, efficiency, and productivity. Moreover, Augury is presently applying these concepts to Process Health. The company's early process optimization results demonstrate the same scale of impact, with customers seeing meaningful scrap and energy waste reductions while gaining benefits around quality and yield. Combining these two AI-powered solutions (Machine Health and Process Health) enables customers to identify novel ways of working around integrated teams and focusing on overall production health, not just process efficiency and overall equipment effectiveness.

Augury's combination of Machine Health and Process Health creates the next stage in its product evolution: Production Health. This solution shapes the industry by uncovering AI-driven insights into the interdependence of machines, processes, and operations. By leveraging these insights, businesses can make better decisions, improve reliability, empower the workforce, and benefit the environment. When they announced this new evolution, over 2/3 of its existing customers  expressed interest in Production Health and the opportunity it presents for their businesses.

**PRODUCTION HEALTH**

| Level 1 | | Level 2 | | Level 3 |
|---|---|---|---|---|
| **STABILITY** | | **OPTIMIZATION** | | **AUTONOMY** |
| Machines and processes running reliably, predictably and resiliently | ▶ | Insight-driven operational and engineering innovation, change management | ▶ | Autonomous and sustainable production based on global parameters, encompassing machines, people and process |

*Source: Augury*

Additionally, beginning in 2023, the company is unlocking a new Internet of Things (IoT) paradigm by launching AI on the edge and moving more AI functions from the cloud into sensing platforms on machines. This approach will help Augury to shorten latency times, reduce bandwidth costs, and set the stage for more embedded solutions for original equipment manufacturer partners. The company is launching new algorithmic regimes that increase analysis flexibility, reduce power and bandwidth requirements, and cover machines previously below most sensing and analytics detection solutions' ranges. Augury's near-perfect AI accuracy record in some of the harshest manufacturing environments well-positions it for success.

### *Unmatched Price/Performance Value*

Augury initiates regular technological improvements and enhancements to ensure optimal performance and to support alliances with companies like Grundfos, Carrier, and Baker Hughes. Augury collaborates with commercial partners to apply its modern AI approach to their existing technology. For example, in the case of Baker Hughes, the companies collaborated to leverage the existing install base of Bentley Nevada's sensors to provide more value to the oil and gas (O&G) industry.

Moreover, Augury was the first company to bring scalable Machine Health to the market and as a software-as-a-service (SaaS) subscription. Previously, most companies in the product data management space were sensor providers, requiring customers to purchase their hardware and services separately. Augury's SaaS changes all that. Most competitors follow suit, although none can directly copy Augury's model. Most competitors continue to focus on the "at the sensor" level of subscription (although most do now offer a subscription model).

Finally, in 2023, Augury introduced a new online customer community, which enables users to share experiences and knowledge. The company's full-services approach helps organizations drive high adoption and usage rates while making success shareable and personal to users as they become champions with their own organization and the larger Augury community.

### Building Trust through a Customer-centric Approach

Augury's customer support approach goes beyond merely adding sensors and collecting data by solving real industry challenges, with customer value as a strategic imperative. Through the years, the company has earned a sterling reputation supporting customers 'path toward optimizing machine and process health. Augury collaborates with customers from the beginning to understand their value metrics, and the company's team works to improve their success metrics through monthly, quarterly, and annual business reviews, as well as internal meetings where sites can share their wins and experiences with others in their organizations, which Augury calls the Champions program. This program enables customers to become Augury advocates by highlighting successes and learnings between sites, transforming users into leaders in their organizations because of their ability to adopt and leverage Augury's insights. The company amplifies these champions in several ways, including speaking opportunities, content creation for internal and external audiences, and sharing their successes via social media.

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>
> *- Sebastián Trolli,*
> *Senior Industry Analyst, Industrial Technologies*

Unlike many other competitors, Frost & Sullivan points out that Augury builds its technology collaborating closely with a range of stakeholders and partners to evolve alongside market needs and trends. The company is unique in the market as it guarantees its diagnostics efficacy through a partnership with HSB, a wholly-owned subsidiary of Munich Re that helps clients prevent losses and improve their operations. The company supersedes competitors by offering guaranteed diagnostics, which means if a customer's equipment fails under Augury's watch, the company and HSB will pay to repair or replace the machine. Augury's sophisticated AI analytics and hybrid intelligence model facilitate the delivery of this service; the combination is unique and one that competitors cannot match or replicate. Moreover, the company works constantly with HSB to extend this diagnostic guarantee to more equipment types across different verticals, pushing the envelope on the value customers can expect from AI-driven solutions.

Frost & Sullivan finds Augury's transparent, seamless, and customer-centric approach and close relationships position it as a preferred partner of choice in the market.

### A Promising Outlook for 2023 and Beyond

Since its inception, Augury's sterling reputation and customer-centric framework have led to its coveted preferred partner status. Over the years, it added a range of new customers to its established base. The company's investment in new technologies and emphasis on customer adoption and use cases are fundamental to how organizations can leverage AI to drive process optimization. As such, Augury is a recognized leader in AI-driven solutions across many industry segments, including building materials, pharmaceuticals, and O&G. It continues to see consistent 75% to 100% growth in its annual recurring

revenue. Moreover, in October 2021, Augury announced it raised $180 million in new funding, bringing the company's post-funding valuation to over $1 billion and thus achieving unicorn status.

Additionally, Augury is an official partner of the World Economic Forum and is part of their Global Innovators Community, whose goal is to answer the most critical problems facing the industry and the world with current or future technology. With a 90% platform program failure rate pervading the market, Augury can provide unique knowledge on integrating AI and IoT and the scaling complexities impacting manufacturing organizations. Augury is also leveraging its 2022 acquisition of Seebo, a leader in process-based AI, and their solution to empower manufacturing teams to achieve global process optimization across multiple conflicting objectives from improving quality, throughput, and yield to reducing waste and scrap, cutting energy costs, and lowering emissions. Presently, Augury is working to introduce Process Health to the market.

Furthermore, the company is in the process of integrating conversational AI into its products, unlocking a new realm of possibilities for productivity, collaboration, knowledge sharing and advanced expertise for industrial customers.

Frost & Sullivan believes the company is well-positioned to drive the industrial analytics solutions space into its next growth phase, capturing market share and sustaining its leadership in the coming years.

## Conclusion

Although the industrial sector continues to see the value in digital transformation and advanced technologies like artificial intelligence (AI), key challenges with integration, cost and digital immaturity continue to impact adoption. Overall, Augury addresses these restraints with a strong leadership focus that incorporates customer-centric strategies and exemplifies best practice implementation. The company offers the most comprehensive solutions portfolio combined with purpose-built AI trained by industry experts and one of the largest data libraries. Moreover, Augury works quite closely with customers - from the first interaction to improve their value and success metrics through regular business reviews. As a recognized leader in AI-driven solutions, Augury continues to innovate and expand to strengthen its position and reach new customers.

With its strong overall performance, Augury earns the 2023 Frost & Sullivan Global Company of the Year Award in the industrial analytics solutions industry.

## What You Need to Know about the Company of the Year Recognition

Frost & Sullivan's Company of the Year Award is its top honor and recognizes the market participant that exemplifies visionary innovation, market-leading performance, and unmatched customer care.

### Best Practices Award Analysis

For the Company of the Year Award, Frost & Sullivan analysts independently evaluated the criteria listed below.

#### *Visionary Innovation & Performance*

**Addressing Unmet Needs**: Customers' unmet or under-served needs are unearthed and addressed by a robust solution development process

**Visionary Scenarios Through Mega Trends**: Long-range, macro-level scenarios are incorporated into the innovation strategy through the use of Mega Trends, thereby enabling first-to-market solutions and new growth opportunities

**Leadership Focus**: Company focuses on building a leadership position in core markets and on creating stiff barriers to entry for new competitors

**Best Practices Implementation**: Best-in-class implementation is characterized by processes, tools, or activities that generate a consistent and repeatable level of success

**Financial Performance**: Strong overall business performance is achieved in terms of revenue, revenue growth, operating margin, and other key financial metrics

#### *Customer Impact*

**Price/Performance Value**: Products or services provide the best value for the price compared to similar market offerings

**Customer Purchase Experience**: Quality of the purchase experience assures customers that they are buying the optimal solution for addressing their unique needs and constraints

**Customer Ownership Experience**: Customers proudly own the company's product or service and have a positive experience throughout the life of the product or service

**Customer Service Experience**: Customer service is accessible, fast, stress-free, and high quality

**Brand Equity**: Customers perceive the brand positively and exhibit high brand loyalty

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Frost & Sullivan's proprietary model to systematically create ongoing growth opportunities and strategies for our clients is fuelled by the Innovation Generator™.

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■ **Growth Pipeline:** *Continuous Flow of Growth Opportunities*

■ **Growth Strategies:** *Proven Best Practices*

■ **Innovation Culture:** *Optimized Customer Experience*

■ **ROI & Margin:** *Implementation Excellence*

■ **Transformational Growth:** *Industry Leadership*

*Key Impacts*:

### The Innovation Generator™

Our 6 analytical perspectives are crucial in capturing the broadest range of innovative growth opportunities, most of which occur at the points of these perspectives.

*Analytical Perspectives:*

■ **Mega Trend (MT)**

■ **Business Model (BM)**

■ **Technology (TE)**

■ **Industries (IN)**

■ **Customer (CU)**

■ **Geographies (GE)**