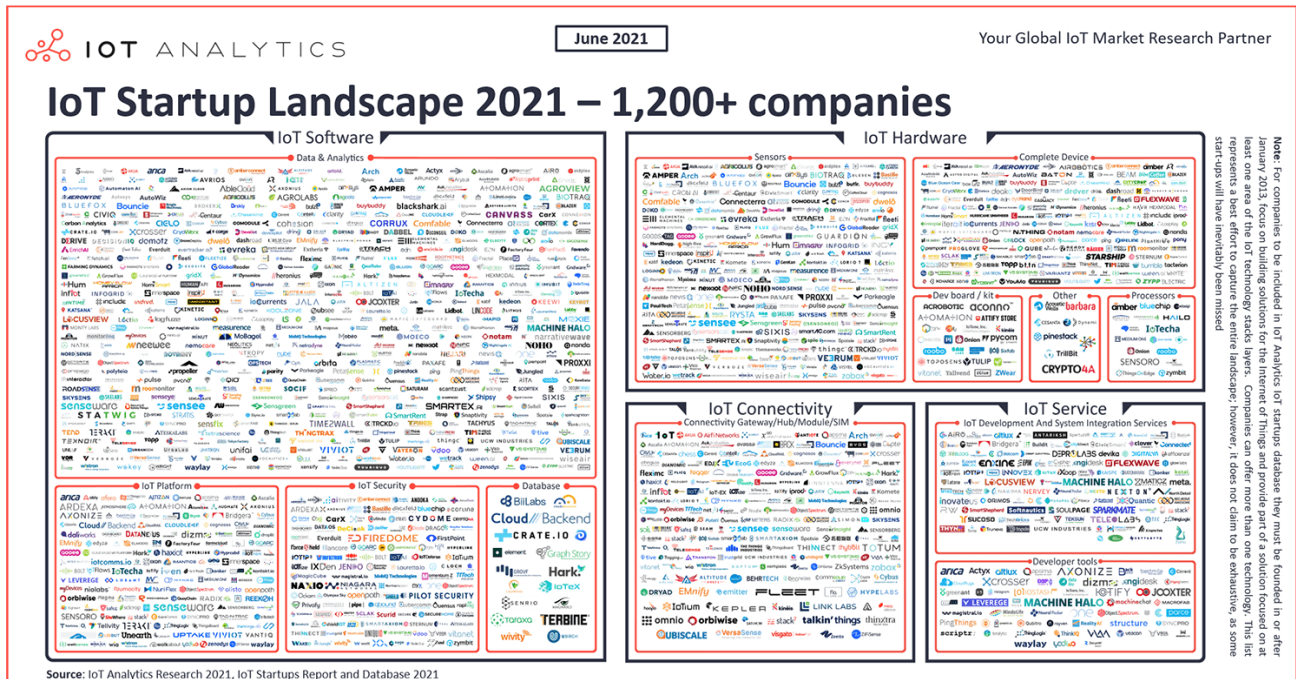


# INSIGHTS RELEASE

## The 1,200 IoT companies that are creating the connected world of the future – IoT Startup Landscape 2021



Note: For companies to be included in IoT Analytics IoT startups database they must be founded in or after January 2013, focus on building solutions for the Internet of Things and provide part of a solution focused on at least one area of the IoT technology stack layers. Companies can offer more than one technology. This list represents a best effort to capture the entire landscape; however, it does not claim to be exhaustive, as some start-ups will have inevitably been missed.

### In short

- In 2021, the number of identified active Internet of Things (IoT) startups has grown to over 1,200, according to IoT Analytics' latest report on the topic.
- Investments in IoT startups are back to pre-COVID-19 levels, after funding decreased substantially in Q2 and Q3 of 2020.
- The most common offering of IoT startups is IoT software (offered by 77% of startups), followed by IoT hardware (45%), IoT connectivity (17%), and IoT services (14%).

**Hamburg/Germany, June 29, 2021:** IoT Analytics, a leading provider of market insights and competitive intelligence for the Internet of Things (IoT) and Industry 4.0, today released the IoT Startup Report & Database 2021, showing that more than 1,200 companies make up the landscape of upcoming, innovative companies competing for market share in the connected IoT world of the future.

## THE IOT STARTUP LANDSCAPE IN 2021

While the IoT space continues to see a constant inflow of new startups every year, the gold rush to become the next big IoT platform or connectivity service is a thing of the past. In 2014 and 2015, the “golden” years of IoT startup funding, more than 200 startups were founded annually (2014: 237; 2015: 209). Since then, the number of new firms started each year has been stabilizing below 200. Moreover, some IoT startups vanish every year. Of the 1,018 startups identified in IoT Analytics’ 2019 IoT Startups Report (IoT Startups Report & Database 2019), 237 have ceased to exist in 2021, and 46 have been acquired.

Startup investors hope to see high growth rates and an initial public offering (IPO) or exit after a few years. Of the more than 541 companies in our database that were founded between 2013 and 2015, and that have not undergone an IPO, 37% reached the status of a scale-up, laying the foundation for a potential public offering in the coming years.

Commenting on the findings of the research **Knud Lasse Lueth, CEO at IoT Analytics**, says: *“COVID-19 had a devastating effect on startup funding in 2020. Funding for IoT startups decreased substantially in Q2 2020 (\$127 million) and Q3 2020 (\$31 million) as investments were halted globally. However, the total amount invested in IoT startups has since returned to pre-COVID-19 levels. Contributions to IoT startup funding rounds in Q4 2020 amounted to \$372 million, leading to an overall funding increase in 2020 as compared to 2019.”*

**Philipp Wegner, senior analyst at IoT Analytics**, says, *“Software is the area in which IoT startups compete the most. The majority of IoT startups (77%) have a dedicated IoT software offering, while 45% offer IoT hardware, 17% offer IoT connectivity, and 14% offer services for IoT (Note: Many startups compete in more than one category).”* Within IoT software, data and analytics is the largest segment (37% of all new IoT startups in 2020). New IoT security startups are also rising quickly. IoT startups with a dedicated focus on IoT security made up 10% of all IoT startups founded in 2020.

### FURTHER NOTES:

For companies to be included in IoT Analytics’ IoT startups database, they must have been founded on or after January 2013 and must focus on building solutions for the Internet of Things and provide part of a solution in at least one area of the IoT technology stacks layers.

Scale-ups (as defined for this report) are startups that fulfill at least two of the following three requirements: more than \$1 million in annual revenue, more than 50 employees, and at least series B funding.

### MORE INFORMATION AND FURTHER READING

[www.iot-analytics.com/research-blog](http://www.iot-analytics.com/research-blog)

### FOR FURTHER INQUIRIES

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