Lytx Announces Majority Investment from the Permira Funds

Largest-ever investment in video telematics values Lytx in excess of $2.5 billion

Transaction reflects Lytx’s leadership in a fast-growing data-intelligence market that is transforming the $30 trillion global transportation economy

SAN DIEGO and MENLO PARK (January 8, 2020) – Lytx Inc. and Permira, the global private equity firm, today announced that a company backed by the Permira funds and co-investors have entered into a definitive agreement to acquire a majority stake in Lytx. The transaction values Lytx, a leading provider of machine vision and artificial intelligence-powered video telematics solutions for commercial, public sector and field services fleets, in excess of $2.5 billion.

Fleets of every size and sector are looking to machine vision and artificial intelligence to turn vast amounts of data into business insights that can help them gain competitive advantage in the $30 trillion global transportation economy. Lytx’s intelligent video telematics technologies help thousands of clients surface deeper insights that can transform their businesses, save hundreds of millions of dollars a year, and protect the lives of more than one million commercial drivers by detecting such risks as distracted and unsafe driving.

“Permira is a leading technology investor globally and has a proven track record of helping companies build and grow their businesses over the long term,” said Brandon Nixon, CEO of Lytx. “With their expertise and the capital from this transaction, Lytx is poised to accelerate product innovation, make strategic acquisitions, expand globally, and further lead the digital transformation of fleets worldwide.”

The market for video telematics remains virtually untapped. Only an estimated one million commercial vehicles are currently leveraging data derived from video telematics technologies – less than 1% of the 125.6 million commercial vehicles globally, according to industry research firm Frost & Sullivan.

“While Lytx has experienced rapid, double-digit growth in recent years, we’ve barely begun to scratch the surface of the addressable global market,” Nixon added.

“We have long admired Lytx and its management team as the clear market leader in this incredibly promising, high-growth sector,” said Brian Ruder, Partner and Co-head of Technology at Permira. “In
a field of more than 100 competitors, Lytx stands head and shoulders above the rest. We’re especially impressed by Lytx’s ability to aggressively set the pace for innovation, while maintaining positive EBITDA. We see numerous opportunities to leverage our cross-sector expertise in technology and industrials, as well as our global footprint, to accelerate Lytx’s already strong revenue growth domestically and internationally. We look forward to backing the Company in its next growth phase.”

Founded in 1998, Lytx is one of the first companies to tap into the combined power of machine vision, artificial intelligence, and big data to help commercial fleets make informed business decisions, identify and remove driving risks, streamline operations, and better service their customers – all in real-time. Lytx has a growing portfolio of more than 130 issued and pending patents.

With over 120 billion miles of driving data, Lytx also has the largest, fastest-growing proprietary database of commercial driving data to evolve its artificial intelligence algorithms. In addition, Lytx’s vast network of cloud-connected cameras is capable of surfacing insights on how vehicle types, road types, weather conditions, driver behavior, time of day, or a host of other factors can affect collisions, delivery schedules, fuel consumption, vehicle wear and tear, and overall fleet operations.

“Lytx’s patented technologies, the scale of its network, and its unrivaled and growing proprietary database make it the company that’s best positioned to not only win in today’s market, but also shepherd the advancement of autonomous vehicles,” Ruder said.

Among many other applications, Lytx’s machine vision and artificial intelligence technologies are used to combat distracted driving, which claims more than 3,100 lives a year in the U.S. and injures hundreds of thousands more. By detecting signs of distracted driving such as cell phone use and smoking with a high degree of accuracy, its algorithms give commercial vehicles a vital tool to protect its drivers. Such innovations have helped Lytx’s clients reduce claims costs by 50% to 80% and optimize fleet operations in ways that yield between 3x and 6x annual return on their investments.

“Today marks the beginning of an exciting new part of Lytx’s journey to help the leaders of the global transportation economy use video data and analytics to transform their industries,” said Nixon, who will remain Lytx’s CEO and Chairman of the Board. “With the Permira funds’ investment, the largest ever in video telematics, we will embark on our next phase of growth and innovation. Our clients remain at the center of our efforts as we continue to seek new ways to help them solve their toughest operational problems and keep their workers safe.”

Lytx’s current executive leadership team will remain in their roles following the close of the transaction, which is expected in the first quarter of 2020. Rothschild & Co. served as exclusive financial advisor to Lytx and Kirkland & Ellis provided legal counsel. Union Square Advisors LLC served as financial advisor to Permira, and Fried, Frank, Harris, Shriver & Jacobson provided legal counsel.

About Lytx
Lytx® is a leading provider of video telematics, analytics, safety, and productivity solutions for commercial, public sector and field services fleets. Our Driver Safety Program, powered by our best-in-class DriveCam® Event Recorder, is proven to help save lives and reduce risk. We harness the power of video to help clients see what happened in the past, manage their operations more efficiently in the present, and improve driver behavior to change the future. Our customizable services and programs span driver safety, risk detection, fleet tracking, compliance, and fuel management. Using the world’s largest driving database of its kind, along with proprietary machine vision and artificial intelligence technology, we help protect and connect thousands of fleets and more than one million drivers worldwide. For more information, visit http://www.lytx.com, @lytx on Twitter, LinkedIn, our Facebook page or YouTube channel.

About Permira
Permira is a global investment firm. Founded in 1985, the firm advises funds with a total committed capital of approximately US$48bn (€44bn) and makes long-term investments, including majority control investments as well as strategic minority investments, in companies with the objective of transforming their performance and driving sustainable growth. The Permira funds have made over 250 private equity investments in five key sectors: Technology, Consumer, Financial Services, Industrial Tech and Services, and Healthcare. Permira employs over 250 people in 14 offices across Europe, North America, and Asia.