

## Summary

# Executive summary

Berg Insight defines cellular IoT gateways as standalone devices intended for connecting machines to a cellular network. These include primarily general-purpose cellular routers, gateways and modems that are enclosed in a chassis with external power supply, no display and at least one input/output port. Trackers, telematics devices and other specialised devices are excluded from this report. Berg Insight has found that 3.2 million IoT gateways and modems were sold globally during 2017 at a total market value of approximately US\$ 785 million. The Americas, Europe and Asia-Pacific regional markets are similar in size in terms of shipments, accounting for about 1 million units each. The ASP on the North American market is significantly higher, primarily due to a higher share of feature-rich 4G LTE devices in the product mix. The market value of the Americas amounted to US\$ 352 million, followed by Europe and the Asia-Pacific, which accounted for US\$ 226 million and US\$ 184 million respectively. Berg Insight forecasts that shipments of cellular IoT gateways will grow at a CAGR of 18.2 percent in the next five years to reach 8.6 million units in 2023.

The IoT gateway vendor landscape is more fragmented than the cellular IoT module market. Berg Insight ranks US-based Cradlepoint as the market leader with an estimated US\$ 115 million in annual revenues from IoT gateway sales. Sierra Wireless is the second largest provider with an estimated US\$ 79 million in annual revenues. Top players further include Cisco, Digi International and Teltonika, which generated an estimated US\$ 70 million, US\$ 65 million and US\$ 52 million respectively from their cellular IoT gateway businesses. The top five vendors held a combined market share of close to 50 percent in 2017. Other notable vendors are CalAmp, MultiTech Systems, Encore Networks and Systech in North America, InHand Networks, Maestro Wireless, Four-Faith, Robustel Technologies and NetComm Wireless in the Asia-Pacific region, and HMS Networks, Advantech B+B SmartWorx, NetModule, Matrix Electrónica, Eurotech, Gemalto, Sagemcom Dr. Neuhaus, Beijer Electronics Group and Option in Europe.