

TOP 50 CONSTRUCTION TECHNOLOGY STARTUPS: REPORT 2023

Contech investment review,
forecast and map of the most
promising startups that will
redefine the ecosystem in 2023



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Gonzalo Galindo

Head of CEMEX Ventures



Introduction

“Even the smallest person can change the course of the future.”
J.R.R. Tolkien, *The Fellowship of the Ring* (Lord of the Rings)

Whether from a small startup or group of people, every great innovation or discovery has to start from somewhere. But the real measure of success, or what separates a great solution from an ordinary one, is the gravity of the underlying challenge it attempts to solve.

2022 marked a critical turning point after a series of challenging and unprecedented years. We experienced the beginning of the end of the Covid-19 pandemic, experienced the return of temporarily limited markets and closed borders, and witnessed increasing commitment to curb temperature increases and shift toward a green, zero-waste economy.

However, this juncture also led to economic stagnation, fraught with inflation and decreased consumer spending. But while investment in overall venture capital funding has indeed decreased compared to prior years, investment in construction technology remains strong.

The construction industry's previous latency with productivity, digitalization, and sustainability has created a unique opportunity for innovation across different verticals and geographies, and thus, an unlikely industry forges the way forward.

I see a world that will look very different five to ten years from now, in which new technologies and the mainstream use of existing innovations will change the way we design and build bridges, tunnels, and roads. In order to make this future a reality, increased spending on infrastructure will be essential to keep up with global GDP growth and ensure carbon neutrality. The pressure is on players in the construction ecosystem to find solutions that solve multiple pain points at once, such as reducing CO₂ emissions, improving the management of global, national, and local supply chains, increasing productivity, and reducing waste, among many others. After all, we should see building more resilient homes and day-to-day infrastructure that are more respectful of natural resources and time effective as serving the greater good.

It is our privilege at CEMEX Ventures to meet the entrepreneurs and startups with the most promising solutions that not only revolutionize our industry, but also intend to improve our built environments and societies by and large.

As the open innovation unit of CEMEX, a global leader in the building materials industry, we are dedicated to engaging innovation to revolutionize the industry. We believe that the best ideas start out small, which is why we partner with and invest in startups from around the world. We're always looking for the newest, brightest, and best solutions!

Our corporate venture capital invests in industry-leading startups, promoting their growth and connecting their solutions with CEMEX's operations around the world. As of January 2023, we count 23 internationally renowned startups in our investment portfolio. And recently, we launched our exclusive accelerator program, CEMEX Ventures Leaplab, to expedite the growth of high-potential early-stage Contech startups. In its inaugural edition, Leaplab is currently accelerating the growth of five thoughtfully selected startups located in

six different geographies during an intensive 14-week period.

We launch the TOP 50 Contech Startups list to add value to our ecosystem and aid in the interconnectedness between entrepreneurs, investors, CEMEX, and forward-thinking companies. In this report and on our website, we have compiled the top 50 most promising construction technology startups to watch out for in 2023.

Each startup has an innovation related to one of CEMEX Ventures' four market-driven opportunity areas: Green Construction, Enhanced Productivity, Construction Supply Chain, and Future of Construction. For a closer look at what each of these strategic opportunity areas encompasses, keep reading. We look forward to keeping track of these 50 trailblazers and seeing how they help us **foster the construction revolution!**

2022 Investment Review: Contech Figures

Despite decades of dedicated research and financing, Contech investment has soared to unprecedented levels in recent years as a result of heightened industry momentum to innovate, streamline, digitize, and become more sustainable. 2022 was a year unlike any other, which is why we've summarized the most important Contech investment figures for you to take into 2023.

Let's look at 2022 in review!

Total Contech Investment in 2022

\$5.38Bn

228 Deals

Despite record-breaking spending and the most acquisitions ever reported for the sector in 2021, total Contech investment in 2022 flatlined—representing a less than a 1% drop (2021: **\$5.4Bn**, 2022: **\$5.38Bn**). This represents a very resilient performance compared to other sectors and venture capital in general.

Investment by Region

Most Contech investment took place in North America and Europe, but we also saw increased activity in the Asia-Pacific and Middle East regions. Here is the distribution of all Contech investment divided by region:

Region	Number of Startups	% of Total Investment
North America	113	49,6%
Europe	72	31,6%
Asia Pacific	29	12,7%
Middle East	9	3,9%
Latin America	4	1,8%
Africa	1	0,4%
Total	228	100,0%

Within these regions, the most active countries were:

Country	Number of Startups	% of Total Investment
United States	97	42,5%
United Kingdom	20	8,8%
Canada	16	7,0%
Australia	10	4,4%
Israel	8	3,5%

Investment by Focus Area & Topic

Construction technology has come to encompass a broad range of technologies and processes as the industry revolutionizes thanks to new and cutting-edge business models. Below is the breakdown of the different deals in 2022 according to CEMEX Ventures' four market-driven opportunity areas.

Focus Area	Sum of Deal Size (USD Millions)	% of Total Investment
Enhanced Productivity	2782	53,1%
Future of Construction	1191	20,6%
Green Construction	795	14,9%
Construction Supply Chain	612	11,4%
Total	5380	228

Each of the aforementioned focus areas include hundreds of different sub-topics, ranging from popular, mainstream processes to more niche, specialized technologies. The top seven most common topics related to Contech investment in 2022 were as follows:

Topics	Sum of Deal Size (USD Millions)	% of Total Investment
Planning & scheduling	958,0	17,1%
Project monitoring & control	299,1	12,7%
Project design, specification and budgeting	1059,6	11,0%
Offsite & modular construction	361,2	8,3%
Materials & resources marketplaces	387,6	7,9%
Robotics & machine assisted applications	230,2	5,3%
Sustainable materials	214,6	4,4%

Focus Areas:

Green Construction

Enhanced Productivity

Construction Supply Chain

Future of Construction

Investment by Deal Type

Commitment to investing in construction technology has been a long-term strategy for decades, which is illustrated by the diverse range of deals that were forged in 2022. What's interesting to note is that despite a global economic slowdown in the later part of last year, there remained a high number of Seed and Series A deals, as well as acquisitions.

Although 2022 revealed many high value deals, valuations of Contech startups appear to be adjusting more to reality after years of especially high valuations.

Type of Funding	Frequency	% of Total Investment
Seed	91	39,9%
Series A	53	23,2%
Series B	27	11,8%
Acquisition	20	8,8%
Later Stage	10	4,4%
Series C	8	3,5%
Growth equity	5	2,2%
Series D	4	1,8%
SPAC	1	0,4%
Other	9	3,9%
Total	228	100,0%

2022 was a hot year for Contech players in North America and Europe, especially with respect to solutions that improve industry productivity and that bring future technologies into practice today. What can we expect for 2023? Keep reading and find out.

2023 Forecast: Industry Insights

January 2023

Forecasting investment is no easy feat, especially in the wake of volatile macroeconomic and non-market forces desolating even the most absolute of projections. Nonetheless, perhaps almost as important as reviewing Contech activity is projecting it, which is why CEMEX Ventures' team of investment specialists have analyzed the market, extracted key insights, and summed up their prospects for the industry in 2023.

Despite record-breaking spending in

recent years, total Contech investment in 2022 flatlined—representing a less than a 1% drop from the year prior (2021: **\$5.4Bn**, 2022: **\$5.38Bn**)—because of unfavorable macroeconomic forces, which are expected to continue throughout this year.

Compared to investment in other innovation-oriented segments, such as Fintech and PropTech, which experienced drastic declines of 30% and 38% respectively, we expect Contech investment to continue its resilience amidst the current macro-

economic conditions. Why? Because Contech is an emerging sector with a less crowded marketplace brimming with opportunities for ambitious entrepreneurs. There are many scopes within construction technology that we expect to evolve and see amplified in 2023. Later in the year we hope to start seeing a light recovery as the sector continues its path towards growth.

Investment in 4 Focus Areas

Enhanced Productivity received the majority of total Contech investment in 2022, 53%, and will remain an important and large part of Contech innovation in 2023. This is largely because it requires less upfront capital, has a high ROI in the short term, and is one of the most accessible and "straightforward" operational areas to attack.

Enhanced Productivity will always be a popular area for investment because of the high demand for digital solutions that modernize the industry, however, there are also a lot of solutions currently available, meaning the marketplace is quite crowded. With new innovations we expect to see more consolidation at the same time as less successful players disappear.

On the **Green Construction** front, as governments enforce stricter environmental regulations worldwide and corporations set ambitious environment targets, **there will be heightened demand for new processes, products, and services that reduce the negative environmental impacts in the construction industry.** We should expect to see

not only an increased number of **Clean-tech** deals in this operational area, but also an increase in the amount of money invested in these projects.

Due to the nature of these technologies, there is a certain disparity between the valuations and amount of capital raised between Cleantech and Contech startups because usually pilots of the former are simply more expensive. To keep up with these high valuations, we will see more competition in the early stages of funding, as well as in the search for grants. **Heightened pressure to comply with climate targets will undoubtedly fuel the growth of Green Construction in 2023.**

Likewise, past data reveals a **promising year ahead for advanced building materials, industrialized construction methodologies, and robotics and machine assisted applications, such as 3D printing robots, BIM, and autonomous equipment.** These technologies all fall under the Future of Construction investment vertical. Global labor shortages, the lack of a skilled workforce, project delays and cost overruns, and sustainability targets will fuel the growth of this operational area in 2023.

More specifically, we will see **off-site construction** as a category of interest. Off-site construction in its different forms, such as industrialized, modular, and panelized construction, will certainly experience growth in 2023.

Finally, **although the projected investment in Construction Supply Chain solutions is positive, we can expect to**

see it grow at a slower rate. This is because it's the most difficult operational area to solve. Pain-points in the supply chain are some of the hardest to change given the diversity and large number of stakeholders involved (e.g., distributors, suppliers, trucking, etc.).

Geography

Contech innovation is global in nature, however, **we can expect North America and Europe to continue as the main beneficiaries of Contech investment.** Having said that, we are starting to see concentrated Contech innovation in Latin America and Asia Pacific. However, **many of the startups that emerge from these emerging markets (e.g., Chile, Colombia, etc.) end up moving to large markets early on, such as North America, due to its size and maturity.**

Deals

Most investors in the Contech industry prefer to enter in early-stage funding rounds, as a result **Seed and Series A funding will predominate in 2023 again. This is especially true for corporate venture capitals (CVC) that seek to link startup solutions with their core products,** which is one of the most difficult tasks of a CVC but is more likely to be achieved during the early stages of any startup.

In 2023, we will also see co-investing as another mechanism of industry collaboration. There is no doubt that partnerships are necessary to drive long-lasting and sustainable innovation and solve the most critical challenges of the industry. By the same token, co-investing is another way

that different stakeholders can bring together their expertise to drive change.

While investing will certainly always be financial in motive to achieve a favorable economic return, co-investing provides many other tangible benefits to startups. With a diverse lineup of co-investors (e.g., venture capital funds, large corporates, etc.), startups can combine financial capital with other valuable benefits such as industry know-how, new networks, and extensive resources. Co-investing will provide tangible value to the quantity and quality of solutions developed in the upcoming year, which is why its benefits should not be overlooked.

Our Recommendation to Entrepreneurs

As a corporate venture capital (CVC), **we believe in the importance of prudence and collaboration in the year to come.**

Although we remain hopeful for the upturn of the market late in 2023, be prudent with your cash and valuations for the entire year, but especially in the first half of the year. We are not out of the current macroeconomic environment yet, so stay ambitious while preparing for the worst.

Collaboration is the bedrock of our industry. Look for ways to include your end-user in the design of new products and services, as well as their continual improvements. Collaboration also might be unexpected, look outside of your circle to see what new opportunities or synergies can be leveraged.

In 2023, expect the unexpected.

TOP 50 Contech Startups 2023

List of startups by focus area

It is our privilege at CEMEX Ventures to meet the entrepreneurs and startups with the most promising solutions that not only revolutionize our industry, but also intend to improve our built environments and societies by and large.

Green Construction: These Contech startups are playing a key role in the transition to a Low-Carbon Economy by decarbonizing the built environment, mitigating its carbon footprint, and promoting a circular economy by giving a new life to used and demolished materials. These trailblazers are adopting renewable energy resources for more sustainable cities and urban areas in the future.

Enhanced Productivity: These startups seek to increase efficiency and productivity to improve overall stakeholder collaboration, communication, and

coordination through a connected and monitored construction value chain. These startups prioritize data-driven decisions to maximize efficiency and quality.

Construction Supply Chain: Helping key actors of the industry get the right resources to the right place at the right time for a more efficient construction ecosystem, these are the solutions driving the construction industry by optimizing resource sourcing, material and fleet tracking, and inventory management.

Future of Construction: These are the startups building a better planet with robotics and machine assisted applications, advanced building materials and industrialized construction methodologies to boost productivity, enforce radical efficiency, and make the future of construction a reality today.

GREEN CONSTRUCTION



CONSTRUCTION SUPPLY CHAIN



ENHANCED PRODUCTIVITY



FUTURE OF CONSTRUCTION



TOP 50 Alumni Testimonials

We do more than just invest. We also **share** the most promising startups with the construction technology ecosystem, not only highlighting companies from our portfolio, but also startups with whom we've met through our different activities (Construction Startup Competitions,

CEMEX Ventures Leaplab, TOP 50 lists, etc.).

We invite you to take a look some of our TOP 50 alumni and see where a spot on the TOP 50 list has taken them!



Yosh Rozen, CEO
PartRunner, TOP 50 2021 Alumnus

PARTRUNNER



Can you tell me a little bit about your relationship with CEMEX and CEMEX Ventures (from the beginning to now)?

I've worked close to the CEMEX Ventures team, with support on fundraising, strategy, and networking. I look forward to continuing to work with them and continue growing the ConTech world and the resources and support that CEMEX and CEMEX Ventures bring to their portfolio companies.

What exposure did the TOP 50 list give your startup?

Since being in the TOP 50 list we have been able to connect to multiple startups in the ConTech/PropTech world as well as major VCs in the industry. Learning about other innovative ideas in the ecosystem is inspiring, as there is a lot of collaboration potential with many of these startups.

How did your selection in CEMEX Ventures' 2021 TOP 50 ConTech Startups list lead to a relationship and their investment in your startup?

More than direct investments, it was more of a network boost in the space. Not only have I been introduced via email to many of the startups in this ecosystem, but we've created groups on other social media platforms that have allowed us to remain in touch.

Can you tell me a little bit about what projects you are currently working on with CEMEX Ventures and what successes or milestones you have accomplished?

We continue to work alongside with CEMEX Ventures on the strategy and growth that we have in the Mexican market, as well as new ways on how we can work with CEMEX as a whole.



Jeremy Hammond, Co-CEO
hyperTunnel, TOP 50 2021 Alumnus



How has your inclusion in CEMEX Ventures' TOP 50 list helped your startup?

Winning international awards and being included in prestigious listings such as the CEMEX Ventures' TOP 50 list has over the past year provided hyperTunnel with an industry profile that no marketing budget could possibly have achieved. Independent accreditation by association with successful global brands such as CEMEX is what all start-ups should aspire to and getting onto the CEMEX Ventures TOP 50 list should be up there as an ambition for all Contech start-ups. hyperTunnel remains extremely grateful for that early recognition.

What exposure did the TOP 50 list give your startup?

A listing on the CEMEX Ventures website was almost incidental to the exposure gained from such an association. The CEMEX Ventures team is extremely well connected within the construction industry and if not actively opening doors, then they were always available as a reference point for others if needed. hyperTunnel was also a finalist [of the] Construction Startup 2021 awards in Miami which was led by CEMEX Ventures together with partners Leonard (VINCI), Ferrovial, Hilti, Nova (Saint-Gobain), GS and dysruptek. The combination of the two awards were undoubtedly influential in Leonard's decision to include hyperTunnel in their 2022 Catalyst cohort which has proven to

be extremely successful. Exposure gained included meeting important industry contacts outside our own sphere of influence, as well as the chance to talk to VCs. The TOP 50 list was particularly helpful to gain exposure in the US market. Finally, the exposure helped provide us with an understanding of the industry's wants and needs, allowed us to meet entrepreneurs and learn from their mistakes, and seek out partnering opportunities.

How did your relationship with CEMEX Ventures evolve after your selection in the 2021 TOP 50 list?

CEMEX Ventures and hyperTunnel have remained in close contact throughout the course of the past year and in fact it could be argued that the relationship has strengthened substantially with an MoU signed with CEMEX itself and investment discussions with CEMEX Ventures ongoing.

What are the next steps in your relationship with CEMEX and CEMEX Ventures?

In December 2022 hyperTunnel signed a development collaboration agreement with CEMEX that will see the two companies jointly develop a new set of chemistry technologies that will enhance the offerings and addressable markets for both companies.



Or Lakritz, Co-Founder & CPO
StructShare, TOP 50 2021 Alumnus



How has your inclusion in CEMEX Ventures' TOP 50 list helped your startup?

Being included on a list like CEMEX Ventures' TOP 50 was a strong endorsement of the company's offering to the industry and helped to build credibility and trust with potential stakeholders.

What exposure did the TOP 50 list give your startup?

It provided recognition and awareness among investors and potential partners of the StructShare brand.

How did your relationship with CEMEX Ventures evolve after your selection in the 2021 TOP 50 list?

CEMEX Ventures is a great team and we have built a trusted relationship to share knowledge and feedback for the growth of the company.

What are the next steps in your relationship with CEMEX and CEMEX Ventures?

CEMEX is a strategic player in the supply chain industry and this fits our profile of strategic partners that can help StructShare achieve growth and credibility in the construction industry.



Tommy Williams, Founder & CEO
PLINX, TOP 50 2021 Alumnus



How has your inclusion in the CEMEX Ventures' TOP 50 list helped your startup?

Being featured in 2021's TOP 50 ConTech Startups list raised the profile of Plinx at a crucial time, expanding our reach outside of our existing customer base. As a direct result, we have built lasting relationships with leading construction companies and broadened our network of construction technology investors.

What exposure did the TOP 50 list give your startup?

In addition to the exposure from social media campaigns/news articles regarding the TOP 50 list, we were included in other 'top' lists within construction industry technology reports.

Following your selection in the TOP 50 ConTech Startups list, have you received further funding or partnerships from notable corporations or businesses?

Since featuring in CEMEX's TOP 50 list in 2021 we have been lucky enough to be able to continue to grow our business organically. In two years, we have doubled the number of products on sale

and the number of employees based at our Malvern Head Office, reaching profitability. As the market for construction technology continues to build upon itself, we have chosen to raise our first round of external investment allowing us to service more large projects, establish a roadmap (based on customer demand), develop a new more user-friendly business model, and expand internationally. We are currently working closely with 80% of the UK's top-ten construction companies and their tech supply-chains to help them on their digitization journey.

What are some of your latest achievements or objectives for the next year?

Through 2022 we focused on developing a suite of new products that fit into the Plinx Connect eco-system, including a sensor that improves machine monitoring, a private 5G networking built specifically for construction, a physical hazard zoning tool, and a tunnel location system. In addition to growing our existing product lines, Plinx will deploy these at scale across projects across the U.K. and Europe, working with our industry partners to demonstrate the value of leveraging digital construction.

Previous TOP 50 Lists

Take a look at the selected startups that were featured in our previous 2019, 2020 and 2021 TOP 50 editions and discover their solutions.

[GO TO THE 2019 EDITION](#)

[GO TO THE 2020 EDITION](#)

[GO TO THE 2021 EDITION](#)

Contact Us

We empower startups and entrepreneurs in the global construction industry. If you're ready to foster the construction industry revolution, contact us and we will answer you as soon as possible.

CONTACT US



This report and any information contained herein has been prepared for the sole purpose of publishing a list about the companies that, according to Cemex Ventures, are the most promising of year 2023 within the construction technology startups sector.

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