The Rise of the Digital Twin: Cashing in on the $127 Billion Business Revolution

CHRISTIAN DEHAEMER'S BULL & BUST REPORT
There’s a second boom growing along with the spatial computing revolution, and it’s called “digital twins.”

A digital twin is a virtual 3D scale model of an object that is identical to the original. This technology melds advanced computing and automated systems with traditional manufacturing and industrial operations.

In short, engineers and designers no longer have to build expensive prototypes out of metal, clay, or cardboard boxes.

Digital twins incorporate billions of pieces of data from machines — both current and historical — in real time in order to manage and complete any number of complex tasks.

Data from multiple digital twins can be aggregated for a composite view across a number of real-world entities, such as a power plant, a college campus, or a city.

The technology is changing the way everything is built.

Gartner has noted digital twins are a 2022 top 10 strategic technology and that spatial computing in general is the biggest disruptive trend we’ll see over the next five years.

In another report, Gartner states that “75% of organizations implementing IoT already use digital twins or plan to within a year.”
This includes well-known companies like General Electric (NYSE: GE).

GE is using spatial technology to create exact digital twins of its physical assets, including in its aviation division. To date, the company has already created more than 1.2 million digital twins.

These help GE predict and prevent mechanical failures in products like jet engines and power systems before they happen. This in turn saves the company millions of dollars. Just one digital twin, for example, was reported to save GE $12 million and helped prevent countless headaches from unscheduled aircraft maintenance.

And GE isn’t the only one going all in on spatial computing. Oil and gas companies are using this technology to plan and build giant offshore oil rigs.

In this use case, digital twin technology can predict and prevent dangerous mechanical failures before they happen.

Source: PTC.com

It’s clear from the data that digital twin technology is already saving companies millions of dollars and countless lives around the world.

That’s why I’m excited about the two companies I will reveal today. These companies are leading the way in digital twin technology.
WORLD-CLASS DIGITAL TWIN SOLUTIONS: PTC INC.

PTC Inc. (NASDAQ: PTC) is a software and services company with operations in the Americas, Europe, and Asia.

PTC sells solutions in IoT, AR, spatial computing, and more. In short, the company helps global manufacturers increase operational efficiency, cut costs, and reduce development time with spatial computing software.

It makes factories better, faster, and stronger.

The company’s ThingWorx system for example is an IoT platform that enables customers to address digital transformation of their operations, products, and services.

To support this platform, the company also has its ThingWorx Solution Central, a centralized portal in the cloud that allows ThingWorx users to discover, deploy, and manage ThingWorx applications.

Perhaps the most innovative manufacturing solution the company offers is its Vuforia Spatial Toolbox, which helps clients speed up the development of spatial computing prototypes and use cases.

The company also provides its Vuforia Studio, a cloud-based tool that enables industrial enterprises to author and publish augmented reality experiences.
PTC BY THE NUMBERS

As we’ve seen with the big gains from 3D parts maker Materialise (NASDAQ: MTLS) — which gained 73% in 2020 — manufacturing is making a comeback. As the COVID-19 pandemic wanes, companies like PTC should see a surge in orders.

PTC Inc. (NASDAQ: PTC) is a $14 billion company in terms of market cap. It trades around $115 a share and has a forward price-earnings ratio (P/E) of 28.66 as of this writing.

On the year, PTC grew its EPS by $4.08, which was up an amazing 261% year over year.

Looking at the chart, we can see share value on PTC is depressed and nearing the second leg of a double bottom, all despite strong fundamentals, which means a reversal is coming in short order. And as we look more at the technical patterns, we can see the 365-day moving average (MA) has just crossed the 200-day to the upside. This gives us a great entry point to buy low at the right price and sell high thanks to PTC’s huge upside potential.
FURTHER TAILWINDS

In addition to the general manufacturing boost, I expect revenue growth to continue to accelerate with the adoption of ThingWorx. Rockwell Automation’s FactoryTalk InnovationSuite is powered by PTC’s platform and offers customers a comprehensive portfolio of products and solutions that bring edge-to-enterprise analytics, machine learning, and industrial IoT under one umbrella.

Furthermore, PTC’s Vuforia industrial augmented reality app suite, which is sold with its partner Microsoft, is expanding its use in industrial design and training.

The next catalyst is its subscription model. Software as a service (SaaS) subscriptions CTGQPQHQVJGDKVpEXQUTQHVJGFC[qQP9CNN5VTGGV26%KUQXKPQVUEUQVQ0GTU to subscriptions. Operating margins increased 21% year over year from 2020 to 2021 due to strong revenue performance as strong product differentiation improved sales and renewals. These margins should continue to expand over the coming years.

PTC has a proven management team, top-notch partners, is in the sweet spot of a manufacturing rebound, and provides sought-after solutions in a dynamic market segment.

Now for our next company leading the way in digital twin technology...

CLEAN CITIES FOR A CLEAN FUTURE

The world’s population is exploding and some experts estimate that to accommodate this growth we’ll need to design and build 10,000 new cities worldwide by 2050.

In an age when the demand for green architecture and sustainable designs are peaking, actually doing so will be a massive undertaking.

But thanks to digital twin technology, it’s all going to be a lot easier now.
With digital twin technology, city planners can create perfectly scaled virtual replicas of their projects, allowing them to test and fine-tune their designs before ever beginning construction.

Then, using real-time information from embedded sensors and other data sources, planners can simulate a multitude of “stress tests,” from weather events and medical emergencies to political protests and pollution. Doing so allows planners to see how their designs hold up in the real world and lets them proactively manage problems rather than react to them.

This saves stakeholders massive amounts of time and materials. It also saves taxpayers millions.

**AT THE INTERSECTION OF TWO INCREDIBLE INDUSTRIES: CITYZENITH**

Smart cities are the way of the future and from an investor perspective, this opportunity is ripe for the picking. A MarketsandMarkets report predicts the smart city development market will grow from approximately $411 billion to roughly $821 by 2025, with a cost-adjusted growth average (CAGR) of 14.8%, as reported by Constructech.com.

As such, there’s a huge opportunity in the brand-new sector of digital twin technology. MarketsandMarkets also notes the digital twin industry will grow from roughly $3.1 billion in 2020 to approximately $48 billion by 2026 with a cost-adjusted growth rate of 58%, as reported by AiThority.com.

And sitting right at the intersection of these two incredible trends is our second company.

Founded in 2009, Cityzenith’s mission is to assure the success of the world’s building industry by helping it leverage data in brand-new ways across every phase of the building life cycle, from design through demolition.
According to the company's website, its SmartWorldPro digital twin platform “combines best-in-class game design technology with an innovative, robust, back-end data management architecture in a one-of-a-kind solution unlike any other [on] the market today.”

Currently, its platform is in use globally across all sectors of the building industry, universities, and energy and utility providers.

And according to company reports, its digital twin platform has “yielded recurring managers noting a 15% increase in tenant retention when utilizing Cityzenith’s digital tech.

into this company for a per-share price of $0.50. Today you will pay a minimum of $1.50 per share. That’s still extremely cheap by my calculations.
A CHANCE TO GET IN ON THE TRUE GROUND FLOOR

It's important to note that Cityzenith is not a publicly traded company. You won't find it on any exchange or broker listing. That said, you can still invest in the company through the company's website. And you don’t have to be rich, know some insider, or be an accredited investor to get in on this action. This is truly a chance to get in on the ground floor, well before the greater public market even gets a chance to invest — and that means potentially massive gains if this company goes public.

The company is currently hosting a Regulation A+ Tier 2 (RegA+) private funding round. This means you could invest in this company right now while it is still a private company.

First, a little background.

As per the SEC, Regulation A+ Tier 2 private funding rounds allow companies to raise up to $50 million per year from nonaccredited investors and accredited investors. Additionally, nonaccredited investors cannot invest more than 10% of their annual income or net worth when buying securities, under Tier 2 rules.

The offering company needs to file annual, semiannual, and current reports with the SEC on an ongoing basis, which offers investors a lot more transparency.

- Last Reg CF funding round in 2021 was for $750,000
- Current company valuation is $27.5 million
- Current common share price is $1.50
- Minimum investment is $900
• Offering is for common shares at a per-share price of $1.50
• Has over 6,000 investors to date
• $15 million is the raise target

When you’re ready to invest in this private deal, you can go here.

All the best,

Christian DeHaemer
Bull and Bust Report