

Formic Raises \$27.4 Million to Bring Automation to More Manufacturers

Robots-as-a-Service Provider Removes CapEx and Labor Challenges for Manufacturers to Enable Faster Increased Capacity and Growth

CHICAGO, IL, USA, June 25, 2024 /EINPresswire.com/ -- [Formic](#), a provider of [Robots-as-a-Service](#) (RaaS) [automation](#) for U.S. manufacturers, today announced it has raised another \$27.4 million in Series A financing led by Blackhorn Ventures with participation from Mitsubishi HC Capital America, NEC and Translink Orchestrating Future Fund, Alumni Ventures, FJ Labs, Lux Capital, Initialized Capital and Lorimer Ventures. This new funding brings the total Series A round to more than \$53.9 million since January 2022.



Formic delivers fully supported robotic automation at a low hourly rate, including deploying the system and providing continuous monitoring and maintenance throughout the engagement to ensure success. In 2.5 years, Formic's growing fleet of robotic equipment has completed 100,000 production hours at more than 99% uptime, with another 100,000 hours expected in the next 170 days (See more milestones below). With the new financing, Formic plans to:

Expand its fleet of standardized equipment to provide more automation to more manufacturers, offering rapid deployment and shorter lead times (75% of Formic customers are automating their material handling processes for the first time)

Increase its network of support experts across the U.S., enabling even faster customer response while continuing to uphold industry-leading maintenance service level agreements (SLAs)

Enhance its equipment-agnostic robotic automation software that leverages artificial intelligence (AI) for motion planning, predictive maintenance and system design, as well as more intuitive customer interfaces and dashboards

“Manufacturers continue to struggle with labor challenges, yet robotic solutions that can automate these difficult-to-fill jobs are traditionally capital intensive and even intimidating for those without a specialist on hand to manage the project long term,” said Saman Farid, co-founder and CEO, Formic. “With this additional financing, we can take on the heavy lifting for even more manufacturers, handling financing, deployment, management and support throughout the entire lifecycle. It’s all about simplicity and standardization that enables better productivity outcomes for customers.”

An MIT report shows only 10% of U.S. manufacturers leverage automation in their production facilities. With U.S. manufacturing needing as many as 3.8 million new employees by 2033, and 1.9 million of these jobs could go unfilled, automation becomes a must-have for manufacturers to thrive.

“We continue to invest in businesses and technology that will rapidly unlock manufacturing capacity and create resiliency in the US supply chain,” said Melissa Cheong, Managing Partner, Blackhorn Ventures. “Working with Formic to augment front-line labor by democratizing access to automation is an actionable way for us to strengthen our industrial economy in real time.”

Joint Commercial Agreement with Mitsubishi HC Capital America

Formic today also announced a joint commercial agreement with Mitsubishi HC Capital and U.S.-based Group Company Mitsubishi HC Capital America. The two companies will collaborate to source and finance the entire lifecycle of Formic’s RaaS model, an all-encompassing managed solution for manufacturing automation.

“Automation can help small- and mid-size manufacturers address labor shortages, control costs, improve safety and drive growth. However, financing is often a barrier to adoption,” said Mitsubishi HC Capital America’s President of Vendor Solutions Jim Freund. “With Formic’s innovative solution and our ability to finance it, businesses can rethink their entire manufacturing model, from their human capital needs to equipment requirements.”

Formic Milestones: 2022 to 2023

7x growth in total robot production hours for U.S. manufacturers

3x growth in deployed systems

2x growth in customer base (number of customers)

80% increase in existing business (number of repeat customers), resulting in 65% of Formic customers who have already signed a second contract or are currently negotiating

4x faster time to deploy (from signed contract)

97% renewal rate (after contract expires, all customers re-signed)

Learn more about how Formic can help manufacturers increase productivity, grow their business and experience a three-month trial of the RaaS solution in their facility by visiting <http://www.formic.co>

About Formic

Founded in 2020, Formic provides Robots-as-a-Service (RaaS) automation to U.S. manufacturers. Companies pay a low hourly rate for equipment, 24/7 monitoring, 100% maintenance, and guaranteed performance rates (99%+ uptime) without the need for human and capital-intensive investments. By removing the financial and operational barriers to automation adoption, Formic allows manufacturers to increase productivity, safety, and quality faster than ever before, while achieving positive ROI on day one. For more information, visit <http://www.formic.co>

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