



TOP 20

Industry growth shows no signs of slowing as suppliers and their customers innovate at an unprecedented pace.

System Suppliers

As evidenced at ProMat in early April, the industry is enjoying yet another strong year, spurred by customer demand for innovations that help them navigate a rapidly changing competitive landscape. The future promises further change, but expectations remain optimistic even as system suppliers and end users continue to chart new territory.

BY JOSH BOND, SENIOR EDITOR

Top 20 worldwide materials handling systems suppliers

2016 Rank	2015 Rank	Company	Web site	Worldwide 2015 revenue (million USD)	Worldwide 2016 revenue (million USD)	Percent change '15-'16	Three-year change	Headquarters
1	1	Daifuku Co., Ltd.	daifuku.com	2726	2924	7.3%	19%	Osaka, Japan
2	2	Schaefer Holding International GmbH	ssi-schaefer.us	2595	2630	1.3%	-1%	Neunkirchen, Germany
3	3	Dematic	dematic.com	2000	2016	0.8%	34%	Atlanta, Ga.
4	4	Murata Machinery, Ltd.	muratec-usa.com	1250	1260	0.8%	31%	Kyoto, Japan
5	5	Vanderlande Industries B.V.	vanderlande.com	988	1170	18.4%	22%	Veghel, The Netherlands
6	6	Mecalux, S.A.	mecalux.com	952	952*	0%	0%	Barcelona, Spain
7	7	Beumer Group GmbH	beumergroup.com	788	852	8.1%	-1%	Beckum, Germany
8	8	Intelligrated	intelligrated.com	760	850	11.8%	46%	Mason, Ohio
9	9	Fives Group	fivesgroup.com	721	721*	0%	0%	Paris, France
10	10	Swisslog AG	swisslog.com	688	645	-6.3%	-2%	Buchs, Switzerland
11	11	Knapp AG	knapp.com	640	643	0.5%	4%	Hart bei Graz, Austria
12	12	TGW Logistics Group GmbH	tgw-group.com	525	568	8.2%	8%	Wels, Austria
13	13	Grenzebach Maschinenbau GmbH	grenzebach.com	477	477*	0%	0%	Hamlar, Germany
14	14	Witron Logistik + Informatik GmbH	witron.com	400	453	13.3%	33%	Parkstein, Germany
15	15	Kardex AG	kardex.com	378	397	5%	-29%	Zurich, Switzerland
16	16	Bastian Solutions	bastiansolutions.com	195	217	11.3%	N/A	Indianapolis, Ind.
17	20	Dearborn Mid-West Company	dmwcc.com	133	172	29.3%	12%	Southgate, Mich.
18	18	Egemin Automation	egemin-automation.com	145	159	9.7%	N/A	Zwijndrecht, Belgium
19	19	viastore systems	us.viastore.com	140	140	0%	-13%	Stuttgart, Germany
20	17	System Group	systemlogistics.com	155	129	-16.8%	-18%	Fiorano, MO, Italy

*Revenues were not available by press time.
Source: Modern Materials Handling

For the second-consecutive year, *Modern's* 20th-annual Top 20 Systems Suppliers list shows nearly universal revenue growth in 2016 among the top players, including some with double-digit gains. The list's combined revenues increased 3.4% since 2015 and grew nearly 10% since 2014.

"There's a lot more investment than in years past," says Norm Saenz, managing director at St. Onge Co. "E-commerce is driving a lot of it as customers try to find ways to deal with that channel's volume increase. When e-commerce goes up 40% to 50%, they're wondering how to reinvent a facility to handle those changes."

Saenz offers the example of a manufacturing client who once sent large shipments to customers like JC Penney and Kohl's, but now sends much smaller and more frequent shipments while also fulfilling its own e-commerce orders.

"It's so drastic that some of these clients are ripping out the entire building and starting over," he says. "They're trying to make a difference

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—Chris Cole, co-founder, chairman and general manager at Intelligrated

by investing money in the right places, and you see that reflected in the performance of the Top 20."

The view from the top

Daifuku and Schaefer Systems International (SSI) continue to lead the industry. Daifuku reported revenues of \$2.9 billion, a 7.3% increase from 2015 that contributed to a three-year growth of 19%. According to Stuart Oliphant in Daifuku's corporate communications department, business was good across the board.

"This can be partially attributed to the global expansion of investment in logistics systems by the e-commerce sector, rising demand for automation and larger facilities, and the use of capital investment to resolve labor shortages and boost productivity," Oliphant says.

SSI held steady in second place, posting 8% greater worldwide sales, according to Arnold Heuzen, president and COO. After converting to U.S. dollars, Schaefer's revenues are up 1.3% to \$2.6 billion. Heuzen says the company continues to experience strong growth worldwide, particularly in the areas of retail and food distribution.

Following its acquisition by forklift and logistics leader KION Group in late 2016, Dematic again finished third with just more than \$2 billion in revenues. This is less than 1% year-over-year growth in U.S. dollars, but adds to a three-year growth figure of 34%.

In fourth place is Murata Machinery, which last year was one of three companies to post more than 20% growth. This year it grew slightly to \$1.26 billion and achieved a three-year increase of 31%. A spokesperson notes continued growth following the company's 2014 acquisition of Finnish automated materials handling supplier Cimcorp. "Our revenue increased this fiscal year due to ongoing collaborative projects with Cimcorp," the spokesperson adds. "We also acquired a very large-scale project in the United States that will be ongoing for several years."

Again crossing the \$1 billion mark, Vanderlande Industries, which was recently acquired by Toyota Industries Corp., held the fifth-place spot. Its growth rate of more than 18% is the highest on this list, and places it within \$100 million of a fourth-place finish. Vanderlande recently announced record

Making the list

To qualify for *Modern's* Top 20 list, companies must be suppliers of materials handling systems, not just equipment providers. In addition to manufacturing at least two major handling system components, a company must also employ full-time staff that designs, installs and integrates materials handling systems.

These systems include at least two of the following: transportation devices, storage and staging equipment, picking units, sortation systems, information management systems, data capture technologies and other types of handling equipment.

To be considered worldwide suppliers, companies must have a presence in North America and must also be able to report materials handling revenues to *Modern*. (Lockheed Martin, for example, is a systems supplier with a North American presence, but isn't included in our Top 20 list because they can't single out the revenue that comes from materials handling contracts.)

revenue, order book and profit for 2016, which CEO Remo Brunschwiler attributes to growth of life-cycle services and certain parcel projects in North America.

“Warehousing has performed in line with expectations, bolstered by the continued growth of the food retail and e-commerce sectors,” Brunschwiler says. “There is a high level of interest for the type of solutions and services we provide, and revenue is expected to increase again.”

The combined value of the Top 5 totals exactly \$10 billion, a 4.6% increase and nearly 60% of the total list’s value. The remainder of the list grew 2%.

Climbing the ladder

As with the Top 5, companies ranked 6 through 16 remain unchanged. Mecalux was unable to provide revenues by press time and faces increasing competition from seventh-place Beumer. After growing revenues by 8%, Beumer totaled \$852 million. According to Christopher Bryan, chief financial officer, Beumer Group experienced growth across its business segments in 2016, most notably in the airport baggage handling and customer support segments.

Although final 2016 revenues were not available by press time, Intelligrated supplied an estimate of \$850 million, up nearly 12%. Growing 46% in three years, No. 8 Intelligrated has increased revenues by double digits in all but one of the last six years. This performance follows the mid-2016 news of Intelligrated’s acquisition by Honeywell. In a transaction valued at

\$1.5 billion, Intelligrated joins Honeywell’s Sensing and Productivity Solutions (S&PS) in its Automation and Controls Solutions Business.

“Companies are increasingly investing in logistics infrastructure, driven by advanced technology and ambitious customer service level agreements, powering growth for the material handling industry,” says Chris Cole, co-founder, chairman and general manager at Intelligrated. “Intelligrated’s acquisition by Honeywell positions us to continue delivering the results our customers depend on while breaking new ground, capitalizing on the need for connectivity in the always-on economy and gearing up to serve an expanded global market.”

Ninth-place finisher Fives Group was unable to provide 2015 revenues by press time, so the company’s previous total of \$721 million has been carried over.

Rounding out the Top 10, Swisslog reports revenues of \$645 million. According to Bill Leber, director of business development for Swisslog, the decline is again due to the strengthened dollar versus European currencies. However, Leber expects significant increases in revenue in 2017 because 2016 was “our largest order intake year ever.”

Swisslog, managed as a separate business unit of the KUKA Group, also acquired Power Automation Systems (PAS) in April 2016, which manufactures the PowerStore, a leading pallet shuttle system. Swisslog has also fully integrated both PAS and Forte Industries, which it acquired in April 2015, under the Swisslog brand. The company now operates from

the headquarters office in Newport News, Va., a Midwest office in Mason, Ohio, and a West Coast office in Salida, Calif., where it has also established a new Technology Center.

Growth across the board

Knapp held steady at \$643 million, and is positioned to continue growth into advanced automation. According to Kevin Reader, director of business development and marketing for Knapp Logistics Automation, “It’s been a very strong year as we continue to invest in research and development, specifically in the areas of vision systems, robotics, shuttle technologies and software.”

Reader says Knapp has now shipped more than 25,000 shuttles, including single-deep, double-deep, triple-deep and its 3D YLOG shuttle.

“We have installed the first omnichannel solution that integrates shuttles and pocket sorters,” Reader adds, “and our customer REI has also won major awards for productivity, sustainability and technology innovation.”

Finishing 12th, TGW expects to grow revenues by about 15% by the end of the fiscal year in June. At \$568 million, revenues are still up 8% after currency conversion.

“Already at the beginning of the business year we won a number of well-known customers, securing the workload in our production units,” says Georg Kirchmayr, CEO of TGW Logistics Group. “With an order intake of more than 200 million Euros in the first quarter of the year, we were able



to set the most successful start in our company's history."

In 13th, Grenzebach elected not to report revenues this year, so its 2015 revenues have been carried over.

Witron retained 14th place with \$453 million, achieving the second-highest growth rate on the list at 13.3%.

Finishing again in 15th place, Kardex grew 5% to 397 million. "With a decrease in federal and capital spending, we saw our sales flatten in the second half of 2016," says Mark Dunaway, executive vice president of new business for Kardex. "However, with a relatively stable economy and our newly released products we expect a sizable increase in revenues for 2017."

Bastian Solutions is the fourth and final company on our list to grow more than 10%, which is enough to comfortably retain 16th place. In early 2017, Toyota Industries Corporation acquired Bastian as the first company in its new business division to manage North American activities in the area of logistics solutions named Toyota Advanced Logistics Solutions (TALS).

Aaron Jones, president of Bastian, says 2016 saw expansions in product offerings including both hardware and software.

"We provide three different forms of goods-to-person systems (AutoStore, Servus, and Perfect Pick), as well as an expanded sortation line," Jones says. "In addition to expansion offices in Memphis, Dallas, Boise and Philadelphia, Bastian Solutions also expanded into Europe with our first office in Spain."

Dearborn Mid-West Company, including its subsidiary DMW&H, reported revenues \$172 million, enough to

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leap from 20th last year to 17th place. DMW&H is the result of the company's late-2015 acquisition of W&H Systems, which is now headquartered in Southgate, Mich. According to a spokesperson, the growth in revenue in 2016 is primarily attributable to the inclusion of a full year's revenue from the new business. "Significant new project awards at both DMW and DMW&H during 2016," the spokesperson adds, "are projected to result in consolidated sales revenue in 2017 of \$237 million."

Again finishing 18th, Egemin Automation grew revenues by nearly 10% to \$159 million. Egemin's handling automation division was acquired by KION Group in mid-2015. The 2015 figures also now includes the combined revenues of Egemin and Retrotech, which Egemin Group acquired from Savoye in early 2016. KION went on to acquire Dematic in mid-2016, but is still reporting revenues separately for 2016.

Viastore systems also held 19th place despite posting level revenues at \$140 million. Tom Coyne, president and chief operating officer at viastore, says the figures belie order bookings that were 8.5% higher.

Rounding out the list is Italy-based System Group (System Logistics, Modula), which reports \$129 million in revenues. According to a release, in 2016 System SpA sold 60% of the shares of System Logistics SpA to the interna-

tional group Krones, headquartered in Neutraubling, Germany. Later, System Logistics acquired the Vertique business from Illinois Tool Works through its U.S. subsidiary System Logistics.

Looking ahead

Going forward, Saenz expects the same big players will continue to make waves, but he doesn't discount the role of up-and-comers.

"There are some new companies coming onto the scene, in hardware, software and everything in between," Saenz says. "Some are targeting the warehouse control system (WCS) and warehouse execution system (WES) space to leverage the increased automation that controls more of the building."

Business is good, but the pace of change, the emergence of more niche players, and acquisitions large and small could complicate things for the end-user.

"Companies acquire others looking for more market share, and that can work, but once they're under one roof it's not always very clear to the consumer what they're selling and what they're phasing out. Which is the brand that will stick?" Saenz cautions. "The end-user has to do a lot of homework when making a buying decision, whether hardware or software. Which products and brands are being continuously developed and maintained, and which are dying off?" •



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