

Top 20 Systems Suppliers

Modern's 15th-annual survey of the world's leading materials handling systems suppliers shows a continued trend of increased revenue in 2011 for the majority of the top companies.

By Lorie King Rogers, Associate Editor

Here's the equation: Take the world's top systems suppliers, add their reported revenue for 2011 and what do you get? A really big number: \$14,338,000,000. In fact, Carl Sagan might have said there were *billions and billions* of dollars spent in the materials handling industry last year.

Modern's 15th-annual survey shows increased revenue for 18 of the world's leading materials handling systems suppliers. In fact, this year's combined total revenue tops last year's \$11.4 billion by about 25%. In addition, the cut off to make the list rose from \$100 million to \$110 million.

This year's list also welcomes back all of last year's Top 20, plus one. If you're doing the math and come up with 21, you're right. Here's why: With last year's No. 1 Schaefer and No. 2 Daifuku both reporting \$2.5 billion this year, and currency conversion and fiscal-year-end timing differences, the race was simply too close to call. As a result, both companies can claim top honors.

Here are the details on where the remaining top five companies landed in the Top 20. Dematic keeps a tight hold on its ranking with \$1.3 billion, up from \$1.2 billion last year. Murata Machinery breaks into the billion dollar category, going from \$749 million

to \$1.05 billion. Mecalux made a run at the billion-dollar threshold with an estimated \$952 million in revenue, while Vanderlande posted modest growth to \$747 million.

The next five system suppliers, which all experienced an increase in revenue, include Swisslog, Kardex Remstar, Beumer Group, Fives Group and Intelligated. The combined revenues for these companies totaled \$2.79 billion.

Adding to the equation

Going back to the top of the list, Daifuku saw its revenue spike more than \$600 million dollars, from \$1.95 million to \$2.5 billion. The increase was due in part to the April 2011 acquisition of three companies which provide airport baggage handling systems and services, including Logan Teleflex Ltd. (headquartered in the United Kingdom), Logan Teleflex S.A. (headquartered in France) and Logan Teleflex (headquartered in the U.S.). In a statement to *Modern*, Daifuku also attributed the increased revenue to its sale of storage, transport, sorting and picking systems (primarily automated storage and retrieval systems) to a broad range of industries including food, pharmaceuticals and agriculture.

Top 20 worldwide materials handling systems suppliers

2011 Rank	Company	URL	2009 Rank	2010 Rank	Worldwide 2010 revenue (US\$)	Worldwide 2011 revenue (US\$)	Headquarters
1*	Daifuku Co. Ltd.	daifuku.com	2	2	\$1.95 billion	\$2.5 billion	Osaka, Japan
1*	Schaefer Holding International GmbH	ssi-schaefer.us	1	1	\$2.19 billion	\$2.5 billion	Neunkirchen, Germany
2	Dematic	dematic.us	3	3	\$1.2 billion	\$1.3 billion	Offenbach, Germany
3	Murata Machinery Ltd.	muratec-usa.com	5	4	\$749 million	\$1.05 billion	Kyoto, Japan
4**	Mecalux, S.A.	mecalux.com	7	7	\$574 million	\$952 million	Barcelona, Spain
5	Vanderlande Industries	vanderlande.com	4	5	\$742 million	\$747 million	Veghel, The Netherlands
6	Swisslog AG	swisslog.com	6	6	\$650 million	\$654 million	Buchs, Switzerland
7	Kardex AG	kardexremstar.com	10	9	\$470 million	\$596 million	Zurich, Switzerland
8	Beumer Group GmbH	beumergroup.com	9	15	\$210 million	\$592 million	Beckum, Germany
9	Fives Group	fivesgroup.com	13	10	\$383 million	\$508 million	Paris, France
10	Intelligrated	intelligrated.com	15	11	\$378 million	\$435 million	Mason, Ohio
11	Knapp Logistik Automation GmbH	knapp.com	14	12	\$329 million	\$423 million	Graz, Austria
12	TGW Logistics Group GmbH	tgw-group.com	12	13	\$306 million	\$394 million	Wels, Austria
13	KUKA Systems North America	kuka-systems.com	N/A	N/A	N/A	\$352 million	Sterling Heights, Mich.
14	Legris Industries	legris-industries.com	8	8	\$500 million	\$289 million	Rennes, France
15	Witron GmbH	witron.com	16	14	\$270 million	\$270 million	Parkstein, Germany
16	FlexLink AB	flexlink.com	19	16	\$203 million	\$228 million	FlexLink Systems (Allentown, Pa.)
17	Wynright	wynright.com	N/A	17	\$135 million	\$216 million	Elk Grove, Ill.
18	viastore systems	viastore.com	20	19	\$104 million	\$125 million	Stuttgart, Germany
19	Elettric 80	elettric80.com	N/A	N/A	\$94.5 million	\$120 million	Viano, RE, Italy
20	Dearborn Mid-West Conveyor Co.	dmwcc.com	18	20	\$100 million	\$110 million	Taylor, Mich.

*Tie for No. 1

**based on industry estimate

Source: *Modern Materials Handling*, independent research survey

Schaefer, tied for No. 1, experienced a 16% increase in revenue over last year, going from \$2.19 billion up to \$2.5 billion. Schaefer company president Arnold Heuzen told *Modern* that “the company expects continued growth as a worldwide systems supplier as it opens new markets and subsidiaries in Asia, South America and other emerging economies.”

Top 10 news

Dematic and Murata Machinery attributed their company growth to similar factors. On the product side, Ken Ruehrdanz, warehousing and distribution market manager for Dematic,

says the market is embracing new enabling technology and that applications for certain systems are on the rise. Regarding geographic coverage, while they were not able to disclose specifics, Murata Machinery told *Modern* that a significant portion of growth came from increased expansion in specific regions within key vertical markets.

Vanderlande Industries also extended its reach as a systems supplier by acquiring Beewen, a German company that supplies a number of materials handling systems. Swisslog enhanced its offerings by forming a joint venture with Heron Corp., an Austria-based producer of automation

components, to manufacture state-of-the-art transport robots and continue its light goods technology expansion.

Beumer Group, which is back in the top 10, also expanded its footprint in September 2011 by acquiring Enexo Teknologies India Limited, located near New Dehli.

Rounding out the top 10 suppliers is the Fives Group, which experienced a bump from \$383 million to \$508 million, and Intelligrated, which grew from \$378 to \$435 million.

“Last year, our customers increased their earnings and were looking for an attractive ROI that can be found in our products, services and auto-

mated materials handling systems,” says Chris Cole, CEO of Intelligrated. “Intelligrated saw expansion of exports and growth in international business in Canada, Mexico and South America.”

In other news

A number of companies benefitted in 2011 when end users loosened purse strings and invested in materials handling solutions. “There was a lot of pent up demand in the market due to companies not spending money on projects for awhile, and we benefitted nicely from market activity,” explains Jerry Johnson, marketing manager for Knapp. Knapp benefitted to the tune of \$94 million, going from \$329 million to \$423 million.

Market activity also led to a record year for Wynright. In fact, according to Brigitte Janos Brozenec, executive vice president of marketing, 2011 proved to be the strongest year in Wynright’s

40-year history. In addition to a 125% increase in robotic systems sales, the trends toward industry consolidation, productivity related infrastructure investments, planned DC expansion, and distribution center repurposing contributed to this overall revenue growth, she explains.

Stuttgart-based viastore’s reach beyond the four walls resulted in revenue of \$125 million up from \$104 million last year. New business development and market manager Amanda Rogalski says, “The increase was due mainly to our headquarters out of Germany expanding its export markets. Specifically, the Russian market performed quite well for us in 2011.”

While the Russian market helped viastore achieve a 20% increase, the European market wasn’t as good to System Logistics, which experienced a 15% decrease and missed the Top 20 list this year. Paul Roy, vice president of marketing and product management, believes “the lag was mainly due to the business challenges in Europe last year.” On the upside, Roy adds, “This year is already looking much stronger in both the U.S. and abroad.”

Back in the U.S., Dearborn Midwest Conveyor saw its revenue increase by \$10 million thanks to a boom in its automotive division, explains Michael Paisley, controller for the company’s Michigan division. “Automotive work was slow through 2008 and leading into 2009 with the bankruptcies of Chrysler and GM. They simply slowed production and delayed plans for new car models during that time,” says Paisley, “But since then, there has been a resurgence of new models being pushed out by the Big 3 starting in late 2010, and going well into this year.”

New to the list

Making its first appearance on the list at No. 13 is Kuka Systems North

America. Kuka, which develops, implements and launches robot-based logistics solutions for general industry purposes, reported \$352 million in revenue for its North American business alone, as global numbers were not ready for release as *Modern* went to press.

Industry outlook

On the surface, these larger revenue figures may seem like it’s smooth sailing for the materials handling industry. Let’s hope so. But *Modern*’s recent *State of the Industry* reader survey, which ran in our March issue, leads us to believe there are still some rough waters yet to navigate.

We reported that 2011 survey results showed that the budgets for equipment spending increased from an average of \$395,000 in 2010 to \$451,000 in 2011. That makes sense. A number of factors motivated end users to spend money on materials handling equipment, and that’s reflected in increased revenue for most of the leading systems suppliers.

However, our 2012 *State of the Industry* survey also showed forward momentum stalling a little. And, while the industry outlook isn’t gloomy, the short-term future might not be as bright as hoped. This was also the message at the State of the Industry meeting held at Modex 2012 in Atlanta in February, when the Material Handling Industry of America (MHIA) forecasted continued, but slower growth.

In an interview with *Modern*, George Prest, CEO of the MHIA said, “What I hear from our members is that there is money out there, and there’s a lot of quote activity. However, people are being cautious with regard to when they are releasing orders.”

That said, MHIA anticipates an increase in new orders of 8% for 2012 followed by an uptick in orders to 12% in 2013. □

Making *Modern*’s 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.)