

# Top



# systems suppliers

**Modern's 14th-annual survey of leading materials handling systems suppliers from around the world shows that business in general is headed in a positive direction and revenue is growing again.**

By Lorie King Rogers, Associate Editor

**I**T MAY BE TOO EARLY to pop the champagne cork and celebrate the return of a robust economy, but according to *Modern's* 14th-annual survey of the world's leading systems suppliers, it's not too early to put a few bottles on ice.

This year's survey results show that all of last year's Top 20 companies are on the list again, but mergers and acquisitions have made room for two new companies to hit the chart. In all, 12 of the Top 20 companies reported an increase in revenue, two remained about even, and only five reported a decrease. That's quite a turn of events from last year when 17 of the Top 20 companies reported a drop in revenue, one stayed flat, and only two reported increases.

So here's how the current Top 20 stack up. Once again Schaefer Systems International, Daifuku and Dematic remain in the top three positions, respectively. No. 1 Schaefer saw a 7% decrease, but still reported an impressive \$2.19 billion in revenue. With \$1.95 billion in revenue, No. 2 Daifuku realized an increase of more than 10%, narrowing the gap between first and second

## Top 20 worldwide materials handling systems suppliers

2010 Rank	Company	URL	2009 Rank	Worldwide 2010 revenue (US\$)	Headquarters
1	Schaefer Holding International GmbH	ssi-schaefer.us	1	\$2.19 billion	Neunkirchen, Germany
2	Daifuku Co. Ltd.	daifukuamerica.com	2	\$1.95 billion	Osaka, Japan
3	Dematic	dematic.com	3	\$1.2 billion	Luxembourg
4	Murata Machinery Ltd.	muratec-usa.com	5	\$749 million	Kyoto, Japan
5	Vanderlande Industries	vanderlande.us	4	\$742 million	Veghel, The Netherlands
6	Swisslog AG	swisslog.com	6	\$650 million	Buchs, Switzerland
7*	Interlake Mecalux	interlakemecalux.com	7	\$570 million	Barcelona, Spain
8	Kardex Remstar	kardexremstar.com	10	\$470 million	Zurich, Switzerland
9	Fives Group	fivesgroup.com	13	\$383 million	Paris, France
10	Intelligrated	intelligrated.com	15	\$378 million	Mason, Ohio
11	Legris Industries	legris.com	8	\$338 million	Rennes, France
12	Knapp Logistik Automation GmbH	knapp.com	14	\$329 million	Graz, Austria
13	TGW Transportgerate GmbH	tgw-group.com	12	\$306 million	Wels, Austria
14	Witron GmbH	witron.com	16	\$270 million	Parkstein, Germany
15	Beumer Maschinenfabrik GmbH	beumer.com	9	\$210 million	Beckum, Germany
16	FlexLink AB	flexlink.com	19	\$203 million	FlexLink Systems (Allentown, Pa.)
17	Wynright	wynright.com	N/A	\$135 million	Elk Grove, Ill.
18	System Logistics	systemlogistics.com	N/A	\$126 million	Modena, Italy
19	viastore systems	viastore.com	20	\$104 million	Stuttgart, Germany
20	Dearborn Mid-West Conveyor Co.	dmwcc.com	18	\$100 million	Taylor, Mich.

\*based on an industry estimate

Source: Peerless Media Group, independent research survey

positions. No. 3 Dematic experienced an increase of almost 20%, bringing its 2010 total revenue to \$1.2 billion.

Rounding out the top five are Murata Machinery (No. 4) and Vanderlande Industries (No. 5), which traded places this year. The 20% increase reported by Murata Machinery was enough to move it into the fourth position, with less than 1% separating the two companies.

Together, the top five systems suppliers reported combined 2010 revenue of more than \$6.83 billion, which is a 3.3% increase over last year's combined total of \$6.61 billion.

One important caveat: As we'll see below, some of the increases in revenue were the result of acquisitions and not from organic growth. That is one reason the combined total 2010 revenue for all

Top 20 companies of \$11.4 billion is actually down 4.2% from the 2009 total of \$11.9 billion. In addition, the cut off to make the list dropped from \$140 million to \$100 million.

That said, No. 1 Schaefer reports that revenue for 2010 was lower than 2009 due to a high backlog of unfinished projects at the end of the year. However, the company tells *Modern*



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that order intake has increased favorably and is expected to positively affect upcoming sales revenues.

#### On the plus side

Having a positive effect on its bottom line was No. 2 Daifuku's strategic maneuver last October to take on a capital stake in Knapp with the acquisition from its current management team of approximately 6% of total shares outstanding. This deal is credited with having a positive, albeit fairly slight, impact on Daifuku's year-end results.

Also having a positive effect on the bottom line was Dematic's acquisition of HK Systems, which was finalized in September of 2010. HK Systems, a North American automated materi-

als handling and software solutions provider, was No. 17 on *Modern's* Top 20 ranking last year with \$200 million in revenue. The purchase explains, in part, Dematic's 20% jump in revenue.

Kardex Remstar International also saw an increase in revenue with the purchase of its United States competitor Kardex Systems. With the deal sealed and the two entities now reporting together under one management team, Kardex Remstar, as it is now known, has moved up two positions from No. 10 into the No. 8 spot.

The Fives Group, headquartered in Paris, also climbed the chart thanks to an 11% increase in revenue that moved the company up four positions from No. 13 to No. 9.

Another notable business maneuver was the acquisition of the New York-based engineering services company Retrotech by Chicago-based Savoye, which is a division of No. 11 Legris Industries. But because this deal happened in February of 2011, the financial impact will not be noted until next year.

We'll also have to wait for an official revenue figure from Interlake Mecalux. At the time *Modern* went to press, Interlake Mecalux did not have an approved number to report, so we are using the best information available to us at the time. Our estimate has the company holding on to the No. 7 position.

Intelligated has broken into the top 10, at No. 10. Last year's total revenue reflects the first full year that Intelligated reports with its expanded product and solutions portfolio.

#### Welcome aboard

Last year *Modern* said we would be watching Illinois-based Wynright and System Logistics, headquartered in Modena, Italy. It's a good thing we did because both have joined the ranks of this year's Top 20 list.

Wynright is making its debut on the list at No. 17 with \$135 million in revenue. A significant factor in Wynright's recent growth was its 2009 acquisi-

### Making *Modern's* list

To qualify for *Modern's* 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 sys-

tems, 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 their 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.)

tion of Tellurian, a robotics company in Texas, which was its fastest growing business unit in 2010.

System Logistics, which joined forces with systems integrator and materials handling technology supplier Diamond Phoenix in September 2009, is now ranked No. 18 with \$126 million in revenue.

So, who is *Modern* watching now? This time, we're keeping an eye on Elettric 80, headquartered in Viano, Italy. Specializing in end-of-the-line automation, Elettric 80 reported \$94.5 million in revenue last year, just 5.5% away from making the Top 20 list.

**Among the missing**

There are a couple of familiar names missing from this year's Top 20 list. For example, HK Systems, which ranked in the No. 17 position last year with \$200 million in revenue, was acquired by Dematic.



Columbus McKinnon, which held the No. 11 position last year with \$400 million in revenue, voluntarily bowed out of *Modern's* survey this time around. Although the company is still involved with systems work, it has sold a number of divisions.

According to the Material Handling Industry of America, the industry is anticipating double-digit growth in the coming year.

**Future forecast**

While the champagne is chilling, let's take a look at where we are and where we may be headed. True, the industry is not back to pre-recession numbers, but many sectors came back quicker than expected, according to John Nofsinger, CEO of the Material Handling Industry of America ([www.mhia.org](http://www.mhia.org)). In fact, in last month's annual Industry Outlook, Nofsinger told *Modern* that in a survey of industry leadership, all signs are pointing toward underlying optimism end-to-end. Numbers aside, he said, there's confidence and industry feedback supports low double-digit growth for the coming months. □

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