

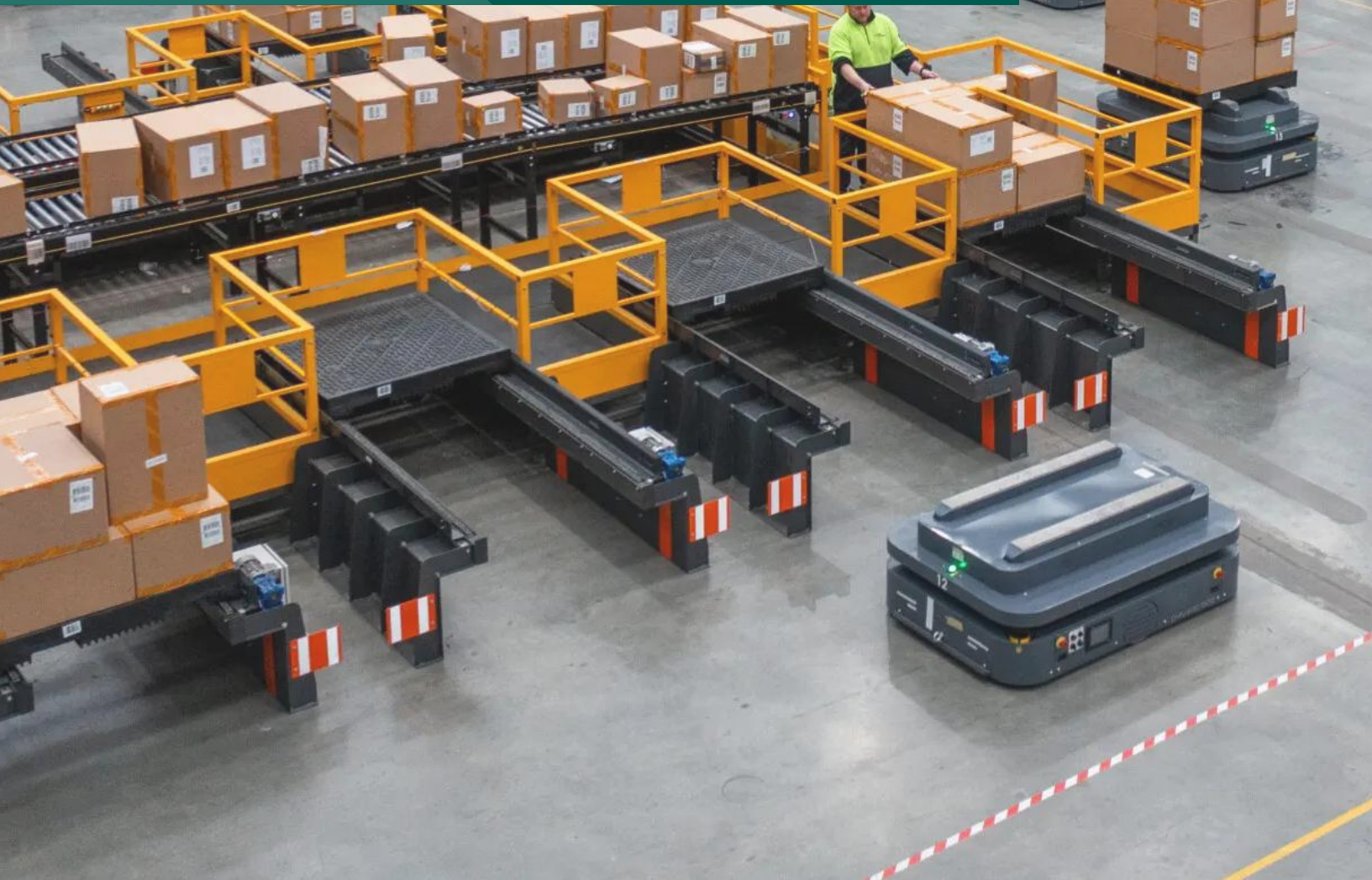
D|A|DAVIDSON | *mcf*  
INTERNATIONAL



Q1  
20  
25

# WAREHOUSE AUTOMATION

INDUSTRY UPDATE



# WHATS MOVING THE MARKET IN 2025

Growth across the broader industrial automation and intralogistics sector stagnated in 2024 due to global economic challenges and geopolitical tensions. Over the last year and half, weak growth in the industrial sector, rising input costs, and high interest rates have deterred businesses from making sizeable investments in automation. While geopolitical concerns remain, economic conditions have improved incrementally and expectation is that investment in automation and supply chain optimization will return to more normalized levels.

Warehouse automation, now adopted by c. 25% of facilities (up from 5% a decade ago), remains a key focus. Despite high upfront costs and long ROI timelines, businesses prioritize automation to boost efficiency and reduce labor dependency. Small to mid-sized companies are adopting automation at an accelerated rate as the barrier to entry is lowered via tech costs coming down and the use of alternate pricing models (i.e., Robotics as a Service). Holistic solutions integrating hardware and software are in high demand for scalability and cost savings. Space availability challenges persist, with tight capacity in many regions of Europe and the U.S. which has further driven the need for vertical solutions. Businesses are debating centralized vs. forward-deployed inventory models to balance cost and delivery speed. Warehouse sizes continue to grow, now exceeding 100,000 square meters on average, necessitating the shift to AI and predictive analytics to better manage facilities of scale. The overall warehouse automation market is expected to realize high single digit growth in order intake and project revenue in 2025 and 2026 followed by a strong double digit growth from 2027 through 2030 driven primarily

by investment in fulfillment center automation as retailers expand their networks to meet e-commerce demand.

Public valuations for warehouse automation firms remain strong, with a median NTM EV / EBITDA multiple of 13.6x. Attractive trading valuations reflect investors strong belief in the underlying growth prospect of companies that operate in the warehouse automation sector. Both these publicly traded and large private equity backed warehouse automation businesses have been actively pursuing M&A strategies that target acquisitions in specific areas to enhance their competitive edge by expanding their technology and solutions offering. Key focus areas include advanced automation hardware technologies like AMRs, AGVs, and AS/RS, which streamline material handling, reduce labor dependency, and increase a facility's overall efficiency and productivity. In addition, Warehouse software platforms, such as Warehouse Control Systems (WCS), Warehouse Execution Systems (WES) and Warehouse Management Systems (WMS), have been a critical area of focus for the warehouse automation sector. As the brains of the warehouse automation systems, these products provide instruction to the various hardware technologies integrated into the automated solution and manage inventory, orders and logistics. Warehouse system integrators are eager to expand their software capabilities through acquisition or internally developed platforms (or a combination thereof). With improving macro-economic conditions and the forecasted growth in the warehouse automation market, we expect to see a near-term pick up in M&A activity in the sector. This report examines trends in warehouse automation shaping the M&A landscape in 2025.

## LET'S MEET AT LogiMAT AND PROMAT

The D.A. Davidson MCF Industrial Automation team takes part in the LogiMAT in Stuttgart and the PROMAT in Chicago. Reach out to the team to arrange a short introduction meeting!



11<sup>th</sup> – 13<sup>th</sup> March, 2025

Messe Stuttgart, Germany



17<sup>th</sup> – 20<sup>th</sup> March, 2025

McCormick Place, Chicago, IL

# TRENDS IN WAREHOUSE AUTOMATION



## The Rise of AGVs and AMRs

Automation of the warehouse continues to be a key investment for management teams as it reduces labor dependency and exposure to rising wages, while increasing long-term flexibility, efficiency, and productivity of the warehouse operation. The growth of automated guided vehicles (AGVs) and autonomous mobile robots (AMRs) in modern warehouses are minimizing labor-intensive bottlenecks, while allowing businesses to quickly scale operations in-line with demand.

Annual shipments of AMRs are expected to grow from ~547,000 units in 2023 to ~2.79 million by 2030, representing a CAGR of nearly ~25%. Accordingly, revenue generated from mobile robots will rise from ~\$18 billion in 2023 to ~\$124 billion by 2030. While warehousing and logistics will remain the primary adopters, hospitals, agriculture, retail stores, and last-mile delivery providers (amongst other verticals) are nearing mass adoption of mobile robots and will fuel growth through the end of the decade.



## Vertical Expansion

Maximizing warehouse capacity has become more critical than ever as e-commerce surges, real estate costs rise, and space availability declines. As such, warehouse operators are turning to space-saving solutions within their current footprint as opposed to costly relocations. This is especially true in environments with high SKU counts and rapid fulfillment requirements – when designing floorplans, businesses are looking up as opposed to out.

This push to optimize storage capacity has given rise to the use of vertical solutions like automated storage and retrieval systems (AS/RS). There are different types of AS/RS technologies that have been designed for specific applications and can consist of unit and mini load cranes, shuttles, carousels, vertical lift modules, etc. These technologies provide for a more efficient use of space, increase storage density and throughput, and reduce reliance on labor. The global AS/RS market is expected to grow from ~\$10 billion in 2025 to ~\$15 billion by 2030, representing a CAGR of ~8.5%.



## AI & Robotics

Companies are increasingly adopting AI-powered robotics to manage a more diverse set of tasks, allowing robots to adapt to evolving warehouse environments with greater efficiency. These AI-powered robots use machine learning in real-time, helping to reduce downtime, increase productivity, and create flexible workflows capable of scaling with demand.

The evolution of AI and robotics has led to several notable transactions and strategic partnerships across the sector. In January 2024, ABB acquired Sevensense, a Swiss start-up specializing in AI-enabled 3D vision navigation technology for AMRs. In September 2024, Toyota Industries announced a strategic investment in Gideon, a robotics and AI company specializing in automating material handling using AMRs. In January 2025, Symbotic announced a \$200 million deal to acquire Walmart's Advanced Systems and Robotics division. In January 2025, KION announced a collaboration with NVIDIA and Accenture to integrate "Physical AI" into warehouse operations.

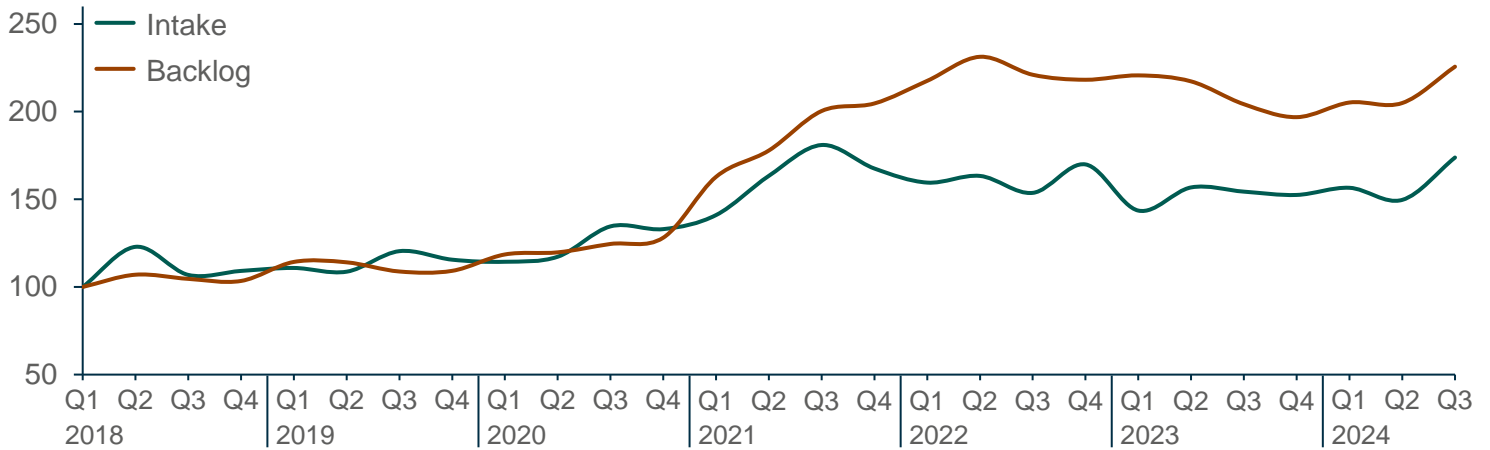


## AI Within the Supply Chain

Artificial intelligence is driving transformative changes in supply chain management by providing companies enhanced inventory management, demand forecasting, and preventative maintenance capabilities. Access to, and analysis of, real-time data is providing strategic decision-makers the tools needed to swiftly adjust procurement, production, and distribution tactics to address changes across the broader marketplace. As computing power continues to increase, so will the adoption of AI in the warehouse. Of the 1,700+ supply chain survey respondents in MHI's 2024 Annual Report, 85% of respondents are expected to adopt AI technologies over the next five years.

# DEVELOPMENTS IN WAREHOUSE AUTOMATION

## STRONG DEVELOPMENTS ACROSS WAREHOUSE AUTOMATION AS BACKLOG REBOUNDS



- The graph presents the unweighted arithmetic mean of reported order intake and order backlog of the peer group<sup>[1]</sup>; indexed as per Q1-2018
- The 2020/21 COVID-shutdowns and accompanied supply-chain disruptions caused a significant increase in the backlog
- Over the course of 2021, COVID forced companies to intensify their automation strategy pushing order intake and backlog to new heights
- Since 2022, order intake and backlog have stabilised causing revenues to move sideways

## Q3/4 2024 COMMENTARY

“[...] solid order backlog of USD 478.6 million. Order intake came in at USD 143.9 million, down 5.1% compared to the same period last year, while it remained at the same level as the previous quarter. This reflects continued prolonged decision-making cycles among end customers and normal variations from one quarter to another. [...] AutoStore continues to see positive underlying market activity measured by number of proposals and active dialogues with customers, healthy pipeline and persistent high-quality backlog.”

*Mats Hovland Vikse, CEO – Autostore*



“[...] a challenging market environment in new business was more than compensated by growth in customer service.”

*Executive Board – Jungheinrich*



“Orders increased YoY, with significant growth in airport systems in North America and favorable growth in intralogistics systems for manufacturers and distributors, cleanroom systems for the semiconductor sector, and automotive systems.”

*Hiroshi Geshiro, President and CEO – Daifuku*



“[...] the year was characterized by the lack of sizable orders in the project business, which could be compensated with a rebound in the product business.”

*Heinz Hösli, CFO and Head of Investor Relations – Interroll*



## OUR WAREHOUSE AUTOMATION COVERAGE

### WE MAINTAIN RELATIONSHIPS WITH MANY RELEVANT CONSOLIDATORS IN THE WAREHOUSE AUTOMATION SEGMENT

Over the years, we've cultivated a robust network with numerous prominent companies in the Warehouse Automation sector within various key areas such as Material Handling Equipment, Motion Control Sensors, Process Automation, Robotic Technologies and System Integrators. Our ongoing dialogue with the most active consolidators in the sector has granted us deep insights into their strategic perspectives on M&A opportunities, including strategy and potential synergies. This extensive network enables us to provide comprehensive understanding and tailored solutions for our clients.

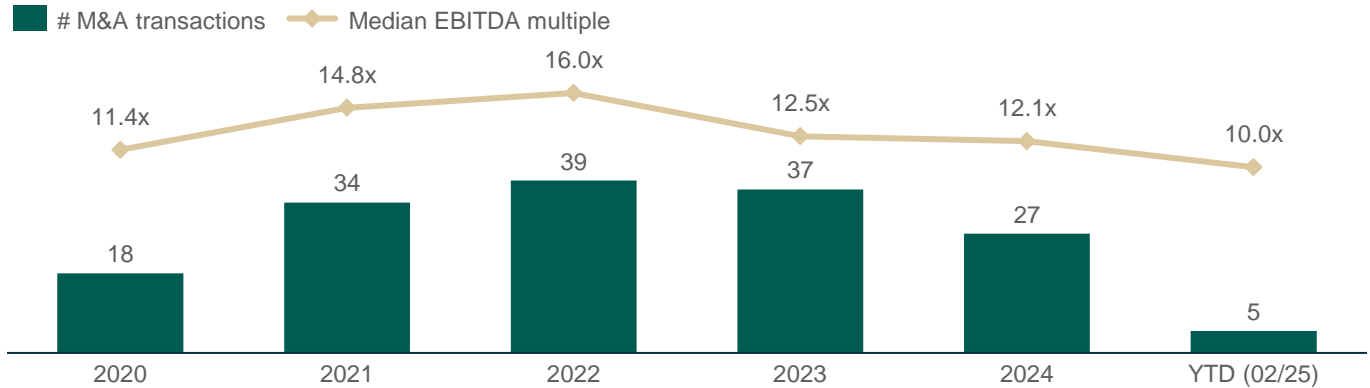
### EXCERPT WAREHOUSE AUTOMATION NETWORK

**For more information, please contact:**

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# M&A ENVIRONMENT

## DEVELOPMENT OF THE GLOBAL M&A MARKET IN THE WAREHOUSE AUTOMATION SEGMENT



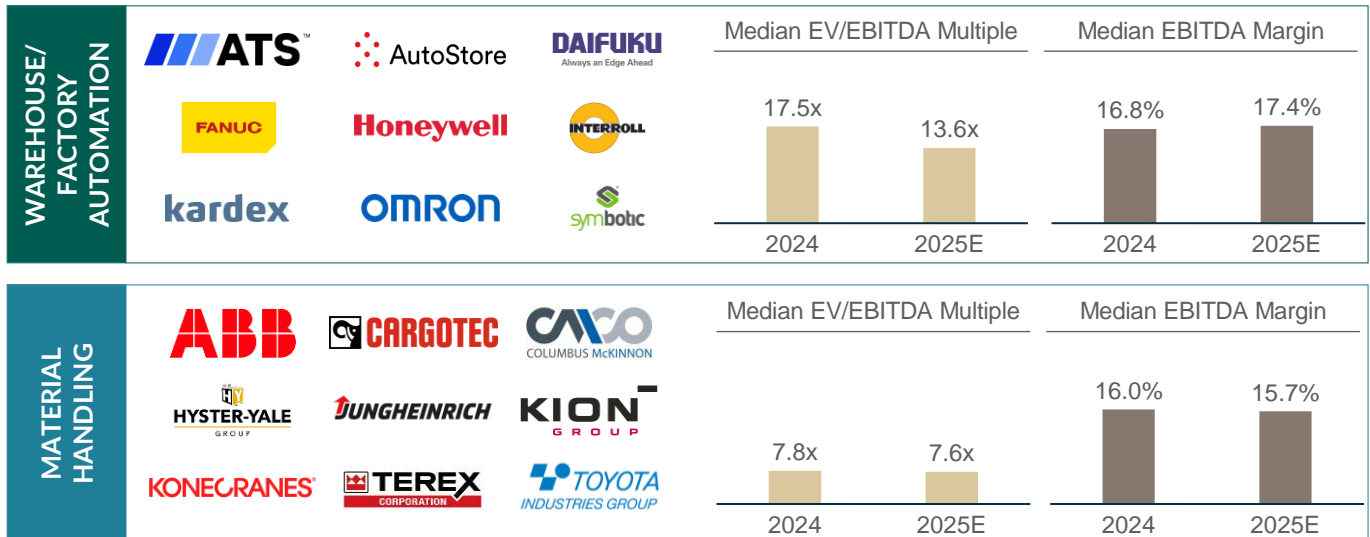
The Warehouse Automation sector has shown continuous M&A activity throughout the 5 years, with a healthy mix of sponsor-backed and strategic transactions. While valuation levels came down starting in 2022, the number of M&A transactions remained more or less stable with a light dip in 2024. Although valuation levels came down in 2024, the Warehouse Automation segment is still characterized by stable high double-digit EV/EBITDA valuations - we expect this to continue in 2025. This is mainly driven by greater competition from strategic investors and financial sponsors for high-quality assets focused on growth markets such as health-care, Third-Party Logistics (3PLs) and data centers.

## SELECTED RECENT M&A TRANSACTIONS IN THE WAREHOUSE AUTOMATION SEGMENT

 Advanced Systems and Robotics division  In January 2025, Symbotic announced the acquisition of the advanced systems and robotics business from Walmart. The deal will involve Symbotic to develop Walmart's Accelerated Pickup and Delivery centers ("APDs"). Enterprise Value: €3500m 	 In June 2024, financial sponsor Ardian acquired Alstef Group, a French provider of automated turnkey solutions for airports and parcel handling centers. Enterprise Value: not available 
 In April 2024, financial sponsor IK Partners acquired Austria-based Schwingshandl, a provider of engineered and made-to-measure intralogistics automation solutions across the full warehouse spectrum. Enterprise Value: Confidential 	 In August 2023, financial sponsor AEA acquired SCIO Automation, a Germany-based provider of robotic warehouse automation solutions and other intralogistics systems. Enterprise Value: Confidential 
 In April 2023, Columbus McKinnon agreed to acquire montratec, a Germany-based company that develops and manufactures intra-logistics solutions connecting robots and workspaces. Enterprise Value: €113m 	 In March 2023, Jungheinrich agreed to acquire Storage Solutions, a US-based provider of industrial storage solutions and material handling equipment. The business has estimated Sales of €290m and EBIT of c. €31m. Enterprise Value: €344m 

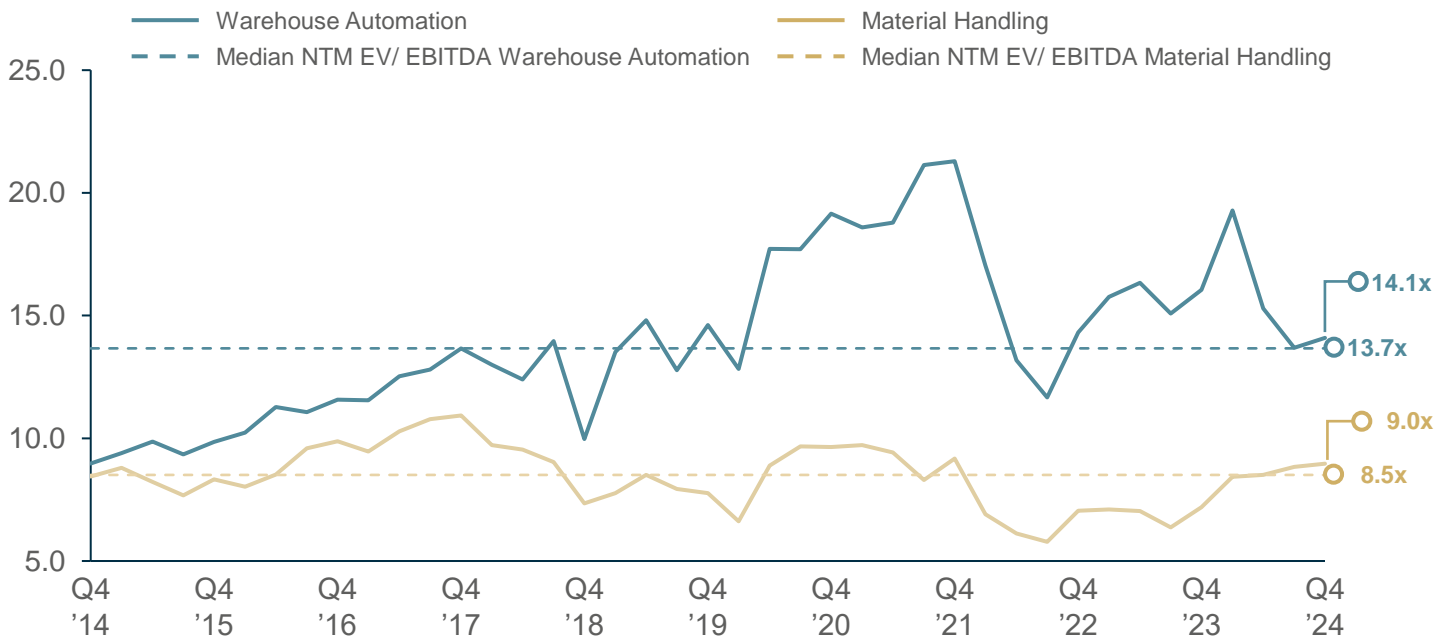
# PUBLIC VALUATION ENVIRONMENT

## PUBLIC TRADING MULTIPLES OF WAREHOUSE AUTOMATION AND MATERIAL HANDLING COMPANIES



## NTM EV/EBITDA DEVELOPMENT WAREHOUSE AUTOMATION AND MATERIAL HANDLING COMPANIES

Valuation levels are slightly below last year, and still below the level of peak valuation in 2021. With a NTM<sup>[1]</sup> EBITDA multiple of 14.1x<sup>[2]</sup>, Warehouse/ Factory Automation are trading above the 10y historical median of 13.7x. Simultaneously, Material Handling companies are trading at 9.0x<sup>[2]</sup> – slightly above the 10y historical median of 8.5x.



# WE INVEST IN RELATIONSHIPS

## EVERYONE'S BUSINESS JOURNEY IS DIFFERENT | WE ARE HERE TO HELP YOU TAKE THE NEXT STEP

Each business is different and so is our approach. D.A. Davidson MCF International is a strategic partnership between D.A. Davidson and MCF Corporate Finance and offers corporate finance advisory services focusing on cross-border and middle market transactions. For us, tailor-made M&A and debt advisory means that every client receives relationship-driven advice.

21

OFFICES IN EU AND NA

180+

PROFESSIONALS

1,200+

TRANSACTIONS

## OUR ADVISORY SERVICES

### MERGERS & ACQUISITIONS



- COMPANY SUCCESSION
- PRIVATE EQUITY SELL-SIDE
- CORPORATE SPIN-OFFS
- BUY-SIDE ADVISORY
- M&A STRATEGY ADVISORY
- ADD-ON ACQUISITIONS
- GROWTH CAPITAL
- VENTURE CAPITAL

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### DEBT ADVISORY



- LEVERAGED BUYOUT FINANCINGS
- BOLT-ON ACQUISITIONS
- GROWTH FINANCING
- REFINANCING/ RECAPITALISATION
- STAPLED FINANCE
- SELL-SIDE LENDER EDUCATION
- PRIVATE PLACEMENTS
- BRIDGE FINANCING

## OUR CUSTOMERS

FAMILY BUSINESSES & ENTREPRENEURS



PRIVATE EQUITY



CORPORATES





## OUR MISSION IS TO PROVIDE UNPARALLELED CROSS-BORDER M&A AND DEBT ADVISORY SERVICES

The D.A. Davidson MCF International Industrials team has built long-lasting relationships with industry specialists and management teams across the broader Industrials and Industrial Automation sectors. Our expertise, combined with our transatlantic capabilities, allows us to offer a full-service platform, providing M&A, debt advisory, and capital markets execution services.

400+

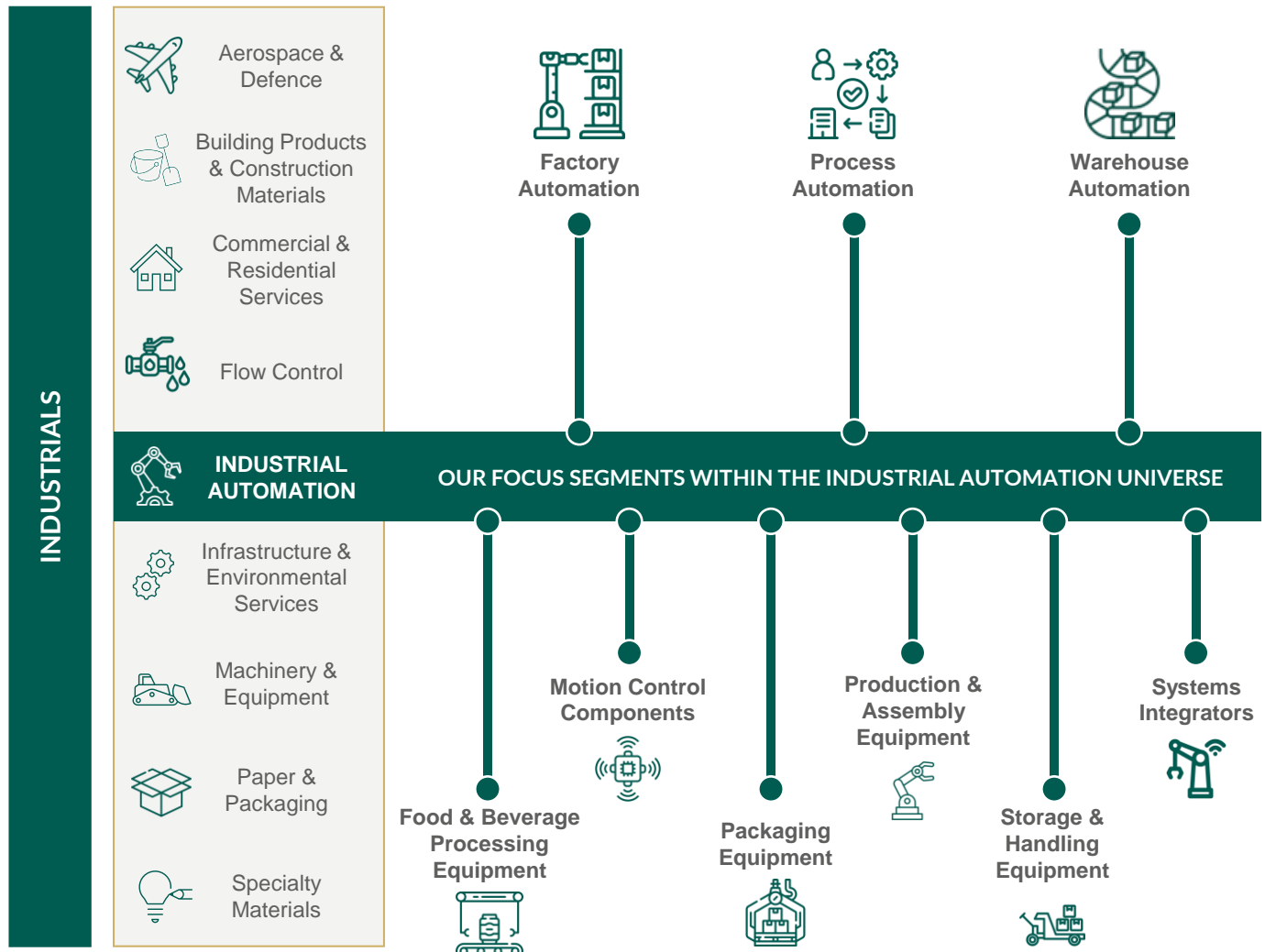
INDUSTRIALS TRANSACTIONS

40+

SPECIALISED INDUSTRIAL BANKERS

€5bn

TOTAL TRANSACTION VALUE SINCE 2021





## SELECTED REFERENCES

INDUSTRIALS

**PWD**  
Precision Warehouse Design

acquired

**SAMMONS**  
Warehouse Solutions

from

**Sammons Industrial**

BUY-SIDE ADVISOR

INDUSTRIALS

**ok**  
AUFZÜGE

sold to

**Orona**

SELL-SIDE ADVISOR

INDUSTRIALS

**EP**  
Engineered Products

sold to

**MSOUTH**  
EQUITY PARTNERS

SELL-SIDE ADVISOR

INDUSTRIALS

**ALSTEF**  
GROUP

sold to

**SOLUTION NET SYSTEMS, INC.**

BUY-SIDE ADVISOR

INDUSTRIALS

**Accent Equity**

**MOTUM**

sold to

**MITSUBISHI ELECTRIC**  
Changes for the Better

BUY-SIDE ADVISOR

INDUSTRIALS

**Hy-Tek**  
Material Handling, LLC.

sold to

**DUNES POINT CAPITAL**

SELL-SIDE ADVISOR

INDUSTRIALS

**STB**  
Stahhammer Bommern  
a corporation of

**CACO**  
COLUMBUS MCKINNON CORPORATION

sold to

**Turbo Investment**

SELL-SIDE ADVISOR

INDUSTRIALS

**worldsource**

sold to

**DUNES POINT CAPITAL**

SELL-SIDE ADVISOR

INDUSTRIALS

**KKR**  
**Crosby**  
acquired

**GUANEDO**  
Industries

BUY-SIDE ADVISOR

INDUSTRIALS

**LATOUR**  
LEADER INDUSTRIES

**BEMSIQ GROUP**  
acquired

**GREYSTONE**  
ENERGY SYSTEMS INC.

BUY-SIDE ADVISOR

INDUSTRIALS

**KONECRANES**

sold

**STAHL**  
Crane Systems

to

**CACO**  
COLUMBUS MCKINNON CORPORATION

SELL-SIDE ADVISOR

INDUSTRIALS

**FORTE**

sold to

**EWISSELOG**

SELL-SIDE ADVISOR

INDUSTRIALS

**RITE-HITE**  
HEAVY DUTY STORAGE AREAS

**CALJAN**

sold to

**LATOUR**

SELL-SIDE ADVISOR

INDUSTRIALS

**PORTEC**

sold to

**INTERROLL**

SELL-SIDE ADVISOR

INDUSTRIALS

**DELS**

sold to

**DAIFUKU**

SELL-SIDE ADVISOR

INDUSTRIALS

**KONECRANES**

acquired selected container handling assets from

**Linde**

BUY-SIDE ADVISOR

INDUSTRIALS

**Aker**  
Material Handling

sold to

**ALTOR**

SELL-SIDE ADVISOR

INDUSTRIALS

**KONECRANES**

acquired

**STAHL**

BUY-SIDE ADVISOR

INDUSTRIALS

**CACO**  
COLUMBUS MCKINNON CORPORATION

acquired

**PAFF**  
silberblau

BUY-SIDE ADVISOR

INDUSTRIALS

**CACO**  
COLUMBUS MCKINNON CORPORATION

acquired

**UNIVEYOR**

BUY-SIDE ADVISOR

# D.A. DAVIDSON MCF INTERNATIONAL



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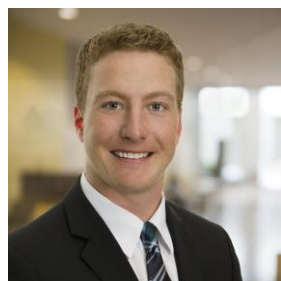
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