

Press Release n°8

The preview of the Strategic Analysis of the Shelving Sector, co-financed by INTRALOGISTICA ITALIA and AISEM allied with ANIMA

Milan 4th April 2017 – INTRALOGISTICA ITALIA in the lead up to the exhibition, due to take place in 2018, and with the intent of bringing itself even closer to the market, has co-financed the WHITE PAPER of AISEM allied with ANIMA, which presented on last Friday, March 31st a preview of the Strategic Analysis of the Shelving Sector.

The event “Spotlights on the market” - organised by the Italian branch of HANNOVER FAIRS INTERNATIONAL GMBH and which took place in Milan at the Sala Terrazzo of Palazzo dei Giureconsulti, was the setting for the preview of one of the volumes that will be part of the White Paper, a project commissioned to the Polytechnic University of Milan, the Catholic University of the Sacred Heart and the Luigi Bocconi Business University. The project's objective is to carry out an in-depth research into each division in the sector, taking account of their respective peculiarities. The speakers, Paolo Galloso, head of the research office for ANIMA, together with Giancarlo Giudici and Andrea Boaretto from the Polytechnic University of Milan, presented – among the many topics – an analysis of commercial flows in the shelving sector, its principal market countries, the companies that operate in it and the strategies it adopts.

“The research project is aimed at analysing the sector on the basis of product-market combinations describing their typical organisational and productive forms”, commented Paolo Galloso. “The objective is reached in accordance with the analysis of company strategies, demand and context references (in terms of market segment and subdivision of market shares), historical trends and forecasts in relation to the main economic aggregates in the sector. Data that help to analyse the sector prospects also through the discussion of the most significant financial indicators for appreciation of company performance.”

Thus the market perimeter has been established to bring about the analysis of Italian shelving manufacturers. Analysing commercial flows, it has emerged that 76% of exports from these companies is concentrated in Europe and only 2% in the United States, the market with the highest potential but where there are difficulties related to local regulations.

The shelving sector is very diversified in terms of types of products manufactured. In fact, half of the companies involved in the analysis have a production logic that extends to a wide selection of product families (industrial, light and commercial shelving).

The critical elements for the sector that emerge from the analysis are a lack of brand strength, a problem not experienced by multi-nationals that represent 20% of the market turnover, along with series of variables that are outside companies control. Of the latter, the most noteworthy are the high level of bureaucracy that oppresses the Italian market and the many regulations that guide product manufacturing (anti-fire and anti-seismic legislation, etc.).

“On one hand, current regulations are inclined towards a logic of innovation and are an enabling factor for the stimulus of demand and personalisation”, commented Andrea Boaretto. “On the other hand, they generate increases in costs and a need for cautious management, due to diversification in regulations on local and regional levels.”

The market offers a very fragmented demand caused by the presence of numerous small companies, a peculiarity that often obliges companies to personalise their products for single clients and, as a consequence, rationalise their production and distribution chains.

“Product personalisation is only one of the valid alternatives to avoid products being perceived as commodities and, as a consequence, to determine the price as the sole commercial lever”, Boaretto continued. “The key issue is to focus on after-sales service, starting with installation and maintenance, and also following up on integration with warehouse automation and taking influences from the lifting sector.”

In a typically fragmented market with difficulties in the generation of loyalty, the acquiring of new clients is entrusted to continual scouting in the market and at trade fairs, which are today essential occasions for relationship building. INTRALOGISTICA ITALIA the exhibition dedicated to the most innovative solutions and integrated systems for materials handling, warehouse management, materials storage and picking, responds to these requirements.

“The sixteen thousand visitors to the past edition of INTRALOGISTICA ITALIA and their satisfaction rate of over ninety per cent is generating excellent expectations for the edition next year”, Andreas Züge, General Manager Hannover Fairs International declared. “The integration in the

new exhibition 'The Innovation Alliance' enhances the synergies of five tradeshow exhibitions dedicated to an equal number of capital goods sectors closely connected to internal logistics."

The second edition of INTRALOGISTICA ITALIA, organised by HANNOVER FAIRS INTERNATIONAL GMBH, and part of the international network CeMAT, will take place from May 29th to June 1st 2018 at the pavilions of Fiera Milano-Rho.

The presentation continued with a detailed financial analysis of the sector that permitted many positive elements to emerge.

"Profitability in companies in the sector has improved a lot in recent years", declared Giancarlo Giudici, "and business volumes have been recovering since 2013".

The companies that belong to the sector have on average good capitalisation, excellent liquidity and have solid finances and assets. Investments seem relatively more consistent for smaller companies, considering the investment-turnover ratio.

"However, some negative elements can also be seen", explained Giudici. "The Shelving Sector is characterised by 'simpler' technology compared to other mechanical industry sectors and consequently profitability is 'lower'. It was also noted that in companies that were part of the study capital productivity is decreasing".

The sector study, co-financed by INTRALOGISTICA ITALIA, a renowned international sector showcase, is still in full swing and will be completed next summer with the definitive publication of the White Paper, which will include the analysis - along with that of the Shelving Sector - also of other product sectors such as lifting and transport, self-propelled industrial forklifts and mobile cranes.

Photos

- Photo 1 - At the speakers table, from the left: Silvia Origoni and Alessio Fineo both Project Managers at Hannover Fairs International, Andreas Züge - General Manager Hannover Fairs International, Giancarlo Giudici - Associate Professor at the Polytechnic University of Milan, Andrea Boaretto - Founder & CEO Personalive and Paolo Galloso - Head of the ANIMA Research Office.



- Photo 2 - Andrea Boaretto - Founder & CEO Personalive and Paolo Galoso - Head of the ANIMA Research Office.
- Photos 3 - The "Spotlights on the market" event – a Strategic Analysis of the Shelving Sector was held on March 31st in Milan at the Sala Terrazzo at Palazzo dei Giureconsulti.

Notes:

INTRALOGISTICA ITALIA is a member of The Innovation Alliance, present at Fiera Milano from May 29 to June 1, 2018.

Together for the first time, IPACK-IMA, MEAT-TECH, PLAST, PRINT4ALL, and INTRALOGISTICA ITALIA offer operators in all industrial sectors a showcase of Italian and international technological excellence and production from diverse worlds, united by a strong supply chain logic. There will be a complete offer in just one context, ranging from processing to packaging, from processing of plastics and rubber to industrial printing, commercial and graphic personalization of packaging and labels, to the handling and storage of goods.

AISEM - Italian Association of lifting systems, lifting and handling - AISEM groups 8 product categories together, divided into 4 sections, which refer to "lifting and transport" and "self-propelled industrial trucks." The first segment employs 10,300 people in Italy, with a turnover of 2.7 billion Euros and an export/revenue share of 32%, while the industrial trucks sector employs 4,180, with a turnover of 1.36 billion Euros and an export/turnover share of 32%.

ANIMA - Italian Federation of Mechanical and Engineering Industries Associations - is the industrial organization which, as a part of Confindustria, represents companies operating in mechanical and engineering manufacturing, a sector that employs 210,000 with a turnover of 44 billion Euros and an export/turnover share of 59% (data referring to pre-closure figures for 2015). The macro-sectors represented by ANIMA are machinery and plants for the production of energy and for the chemical and oil industries - assembly of industrial plants; logistics and freight handling; food technology and equipment; industrial technology and products; systems, machinery products for construction; machines and plants for human and environmental safety; metal construction in general.

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