



# MATERIAL HANDLING *IQ*

**AmherstPartners**

EXPERIENCE | SOLUTIONS | RESULTS

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*Industry-Specific Overview of Recent M&A and Capital Markets Activity*

JANUARY 2024



# Recent Market Observations

Material Handling Industry Update | January 2024

Material Handling continues to stand out as one of the fastest growing sectors within the industrial economy. The global market for material handling equipment, valued at ~\$227.0 billion in 2023, is expected to grow at a compound annual growth rate (CAGR) of ~6.0% between 2023 and 2030.

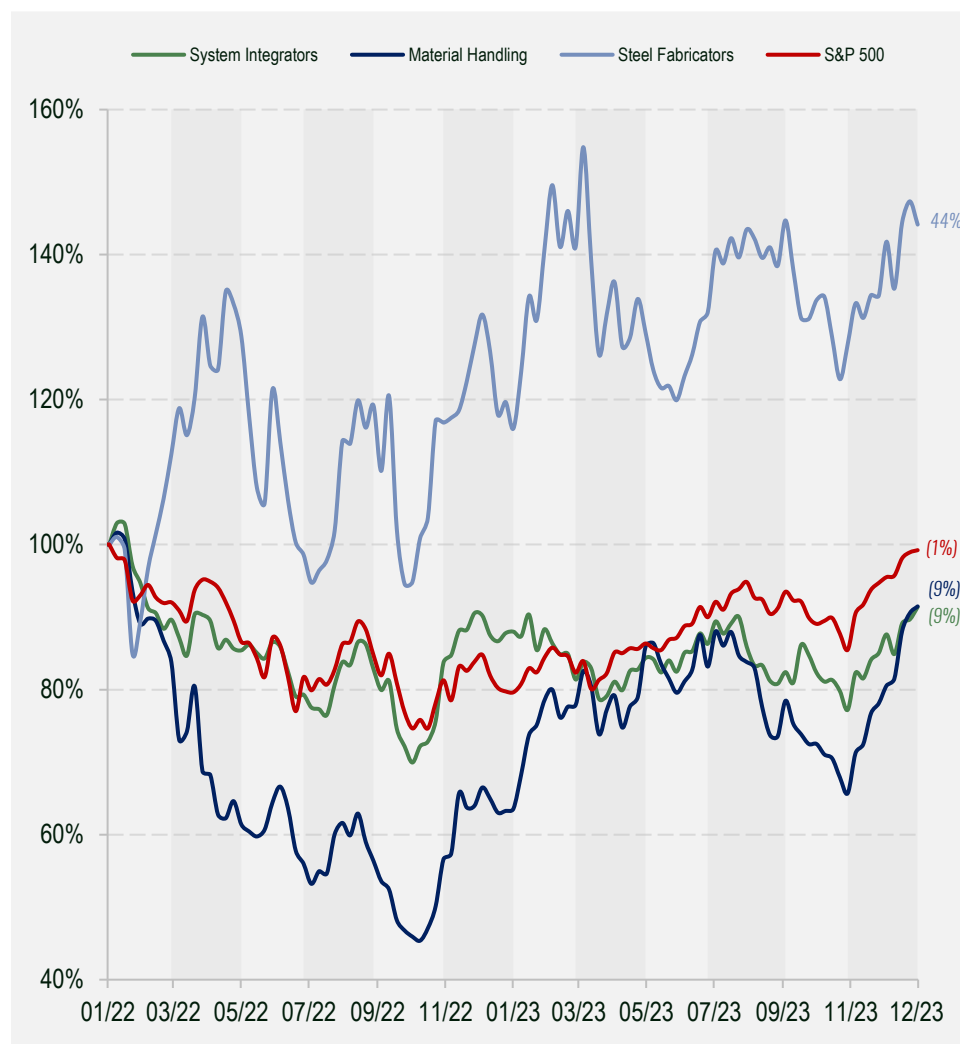
Sustained surge in e-commerce activity has helped drive demand for material handling equipment used in storage, transportation, and logistics. However, many retail and consumer packaging goods companies have recently seen online sales growth plateau after tremendous expansion during the pandemic as consumers return to brick-and-mortar stores. Despite this slowdown, e-commerce is still forecasted to constitute 41.0% of global retail sales by 2027 – up from just 18.0% in 2017 and 35.0% in 2022 and remains a primary driver for material handling demand. Online sales penetration is also putting pressure on the segment amidst heightened expectations around delivery times, SKU granularity, and seamless product returns. Growing consensus among industry executives reflect a realization towards consumers being omnichannel shoppers. As such, the emphasis is on making operations more flexible and agile, with a concerted effort to optimize efficiency across both brick-and-mortar and online platforms.

The industry is increasingly turning to technology to address challenges brought upon by persistent labor shortages, worker safety, and an aging workforce. Manufacturers have increased offerings of progressively integrated and automated solutions. This has created new market subsegments for automated guided vehicles (AGVs) and automated storage-and-retrieval systems (ASRS), both of which are growing at a much faster rate than other subsegments. Areas of work more prone to high employee churn and repetitive tasks such as case picking and palletizing are expected to benefit with accelerated robotics adoption in 2024. Current advancements in vision software and end effectors allow for a more compelling case for their implementation than ever before. Additionally, as the technology around Lithium-ion (Li-on) batteries becomes increasingly viable, the adoption of electrified forklifts continue to rise with Li-on models estimated to capture 50.0% of the global forklift market share by 2030.

M&A continues to play a significant role in efforts to strengthen capabilities in line with industry advancements and ensure competitiveness. For example, the acquisition of Waltham, MA based warehouse automation and robotics provider 6 River Systems earlier in 2023 by Ocado Group adds to its growing portfolio of US robotics solutions and IP to compliment its e-Commerce fulfillment solutions.

Source: Vanderlande, Interact Analysis, BCG, McKinsey, Wall Street research

## Recent Stock Price Performance – Material Handling Indices



Source: Capital IQ

Material Handling Universe – **Material Handling:** CMCO, HY, JUN3, KCR, MTW

**System Integrators:** DFKCY, HON, KGX, KARN, TYIDY

**Steel Fabricators:** NUE, RS, STLD, WOR, ZEUS

# Public Market Trading Multiples

Material Handling Industry Update | January 2024

(\$ in millions, other than stock price)		12/31/2023	Quarterly	Market	Total	LTM		Gross	EBITDA	Net Debt /	Enterprise Value / LTM	
Company		Stock Price	Price Δ	Cap.	EV <sup>(1)</sup>	Revenue	EBITDA	Margin	Margin	EBITDA	Revenue	EBITDA
System Integrators	<b>DAIFUKU</b> Daifuku Co.	\$20.24	7%	\$7,501	\$7,105	\$4,053	\$423	18%	10%	NM	1.8x	16.8x
	<b>Honeywell</b> Honeywell International	209.71	15%	138,251	152,169	36,408	8,713	34%	24%	1.5x	4.2x	17.5x
	<b>kardex</b> Kardex Holding AG	258.89	20%	1,997	1,898	702	90	32%	13%	NM	2.7x	21.1x
	<b>KION</b> KION GROUP AG	42.74	14%	5,605	12,593	11,897	1,475	23%	12%	4.1x	1.1x	8.5x
	<b>TOYOTA</b> Toyota Industries Corporation	81.58	4%	25,330	34,325	24,202	3,142	23%	13%	2.5x	1.4x	10.9x
<b>Median</b>								<b>23%</b>	<b>13%</b>	<b>2.5x</b>	<b>1.8x</b>	<b>16.8x</b>
Material Handling	<b>CACO</b> Columbus McKinnon	\$39.02	13%	\$1,120	\$1,622	\$978	\$143	37%	15%	3.2x	1.7x	11.3x
	<b>HYSTER-YALE</b> Hyster-Yale Materials Handling	62.19	41%	1,069	1,511	4,076	220	18%	5%	1.8x	0.4x	6.9x
	<b>JUNGHEINRICH</b> Jungheinrich Aktiengesellschaft	36.72	22%	3,745	6,522	5,701	558	39%	10%	4.3x	1.1x	11.7x
	<b>KONECRANES</b> Konecranes	45.08	38%	3,570	4,144	4,063	513	55%	13%	1.0x	1.0x	8.1x
	<b>MANITOWOC</b> The Manitowoc Company	16.69	13%	586	980	2,254	192	20%	9%	1.9x	0.4x	5.1x
<b>Median</b>								<b>37%</b>	<b>10%</b>	<b>1.9x</b>	<b>1.0x</b>	<b>8.1x</b>
Steel Fabricators	<b>NUCOR</b> Nucor Corporation	\$174.04	12%	\$42,786	\$43,947	\$35,733	\$8,010	24%	22%	0.0x	1.2x	5.5x
	<b>OLYMPIC STEEL</b> Olympic Steel	66.70	24%	743	962	2,189	101	21%	5%	1.9x	0.4x	9.5x
	<b>RELIANCE</b> Reliance Steel & Aluminum Co.	279.68	8%	16,074	16,480	15,079	2,121	31%	14%	0.2x	1.1x	7.8x
	<b>STEEL DYNAMICS, INC.</b> Steel Dynamics, Inc.	118.10	11%	19,111	19,904	19,388	3,820	22%	20%	0.2x	1.0x	5.2x
	<b>WORTHINGTON INDUSTRIES</b> Worthington Enterprises	57.55	(7%)	2,836	3,258	4,612	385	15%	8%	0.7x	0.7x	8.5x
<b>Median</b>								<b>22%</b>	<b>14%</b>	<b>0.2x</b>	<b>1.0x</b>	<b>7.8x</b>

Source: Capital IQ

(1) EV ("Enterprise Value") is defined as market capitalization plus net debt, preferred equity, and minority interest.

(2) Medians exclude all non-meaningful values.

# Valuation and Debt Multiples

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*Valuation multiples for System Integrators increased over the course of the year while core Material Handling players saw valuation and debt multiples both decrease during the same period*



Source: Capital IQ

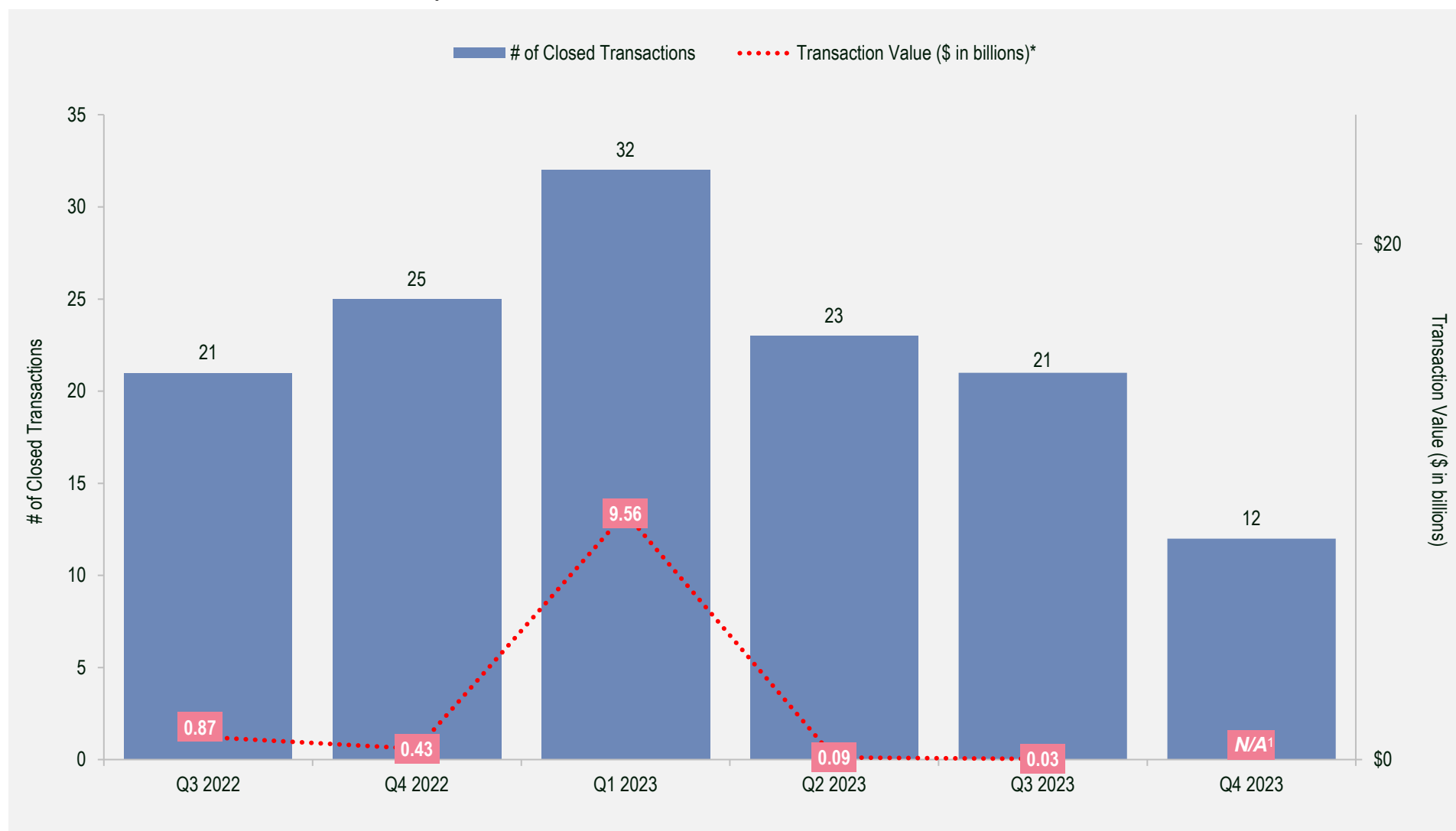
(1) EV ("Enterprise Value") is defined as market capitalization plus net debt, preferred equity and minority interest.

(2) Median and mean values exclude all non-meaningful values.

# U.S. M&A Activity

Material Handling Industry Update | January 2024

*Aggregate Material Handling announced deal value decreased from highs of \$9.6 billion in Q1 2023 to \$1.2 billion for the rest of the year. Deal volumes have trailed off over the course of 2023, with 12 reported deals in Q4 2023 versus 32 for the same period in 2022*


























Source: Capital IQ

\*Transaction Value represents publicly announced deal terms

(1) There were no transaction values publicly disclosed during this quarter

# Recent Transaction Activity

Material Handling Industry Update | January 2024

Date	Target	Acquiror	Enterprise Value (\$M)	Target Description
12/23			Undisclosed	Offers material handling installation services
11/23			Undisclosed	Designs and installs material handling equipment
11/23			Undisclosed	Manufacturer of conveyor and container-handling machines
11/23			Undisclosed	Offers electrical, mechanical, structural servicing, repair, installations of cranes, OSHA inspections, and load tests as well as sale of jibs, below hooks, and hoists
11/23			Undisclosed	Provides lifting and moving services
10/23			Undisclosed	Provides assembly tool and material handling solutions
10/23			Undisclosed	Offers scissor and personnel lifts, rough terrain telescopic forklifts, pumps, generators, light towers, mini excavators, skid steers, air compressors, pressure washers, and renting services
9/23			Undisclosed	Web based software to streamline multi-channel sales, warehouse management, and other functions
9/23			Undisclosed	Manufactures loading dock equipment
9/23			Undisclosed	Designer and manufacturer of hybrid scissor lifts
9/23			Undisclosed	Design, manufacture, installation, repair, and reconfiguration of material handling systems
8/23			Undisclosed	Manufactures assembly systems, conveyors, ball transfer tables, tire mounting machines, and soaping machines
8/23			Undisclosed	Manufactures conveyor pulleys, idlers, shafting, rubber lagging, bearings, rollers, take-up frames, and other related material handling products
7/23			Undisclosed	Operates as a dealer of Link-Belt Cranes, Manitex Boom Trucks, and Shuttlelift Industrial Carry Deck Cranes. It also offers crane servicing, maintenance, and hydraulics services
6/23			Undisclosed	Manufactures reusable containers, processing trays, and other products for material handling and automated manufacturing
6/23			Undisclosed	Provides construction equipment rental services
6/23			Undisclosed	Manufactures air-supported conveyor belt system designed to transport bulk materials
5/23			Undisclosed	Develops cloud-based supply chain execution (SCE) and warehouse management software (WMS) for organizations

Source: Capital IQ

# Amherst Partners – Representative Transactions

Material Handling Industry Update | January 2024

<p><b>Davidson Industries</b> Indianapolis, IN</p>  <p>has been acquired by Stock Building Supply Raleigh, NC</p>  <p><b>AmherstPartners</b></p> <p>Acted as advisor to Davidson Industries</p>	<p><b>Coated Steel Corporation</b> Itasca, IL</p>  <p>has been acquired by Mill Steel Grand Rapids, MI</p>  <p><b>AmherstPartners</b></p> <p>Acted as advisor to Coated Steel Corporation</p>	<p><b>Westerman, Inc.</b> Bremen, OH</p>  <p><b>Westerman Companies</b></p> <p>has been acquired by Worthington Industries, Inc. (NYSE: WOR) Columbus, OH</p>  <p><b>AmherstPartners</b></p> <p>Acted as advisor to Westerman, Inc.</p>	<p><b>L&amp;L Fittings Manufacturing</b> Fort Wayne, IN</p>  <p>has been acquired by JMAC, Inc. Columbus, OH</p> <p><b>JMAC, Inc.</b></p> <p><b>AmherstPartners</b></p> <p>Acted as advisor to L&amp;L Fittings Manufacturing</p>	<p><b>Manufacturers Equipment and Supply Co.</b> Flint, MI</p>  <p>has been acquired by TVS Logistics Services, Ltd. Chennai, India</p>  <p><b>AmherstPartners</b></p> <p>Acted as advisor to Mesco</p>
<p><b>Benson Industries</b> Portland, OR</p>  <p>has been acquired by MiTek Industries, Inc. Chesterfield, MO</p>  <p>A subsidiary of <b>BERKSHIRE HATHAWAY INC.</b></p> <p><b>AmherstPartners</b></p> <p>Acted as advisor to Benson Industries</p>	<p><b>Sur-Seal Corporation</b> Cincinnati, OH</p>  <p>has been acquired by Capital Partners, Inc. Norwalk, CT</p>  <p><b>AmherstPartners</b></p> <p>Acted as advisor to Sur-Seal Corporation</p>	<p><b>Precision Aero Corporation</b> Troy, OH</p>  <p>has been acquired by H-D Advanced Manufacturing Pittsburgh, PA</p>  <p><b>AmherstPartners</b></p> <p>Acted as advisor to Precision Aero Corporation</p>	<p><b>Woodsage, LLC</b> Holland, OH</p>  <p>has been acquired by Milton Street Capital Houston, TX</p>  <p><b>AmherstPartners</b></p> <p>Acted as advisor to Woodsage, LLC</p>	<p><b>Veltri Metal Products, Inc.</b> Troy, MI</p>  <p>has been acquired by Flex-N-Gate Corporation Urbana, IL</p>  <p><b>AmherstPartners</b></p> <p>Acted as advisor to Veltri Metal Products</p>

(1) Transactions executed by Amherst professionals while employed at previous firms



# The Amherst Partners Team

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*With a track record spanning over 25 years, Amherst Partners is a boutique investment banking firm focused on providing M&A advisory and capital raising services primarily for closely-held businesses*

**Boutique investment bank with significant Wall Street experience**



Core Execution Team



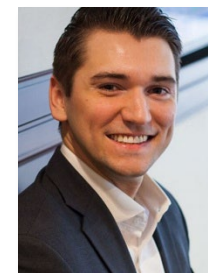
**Donald Luciani**  
Partner



**Charles Chandler**  
Partner



**Fahad Siddiqui**  
Director



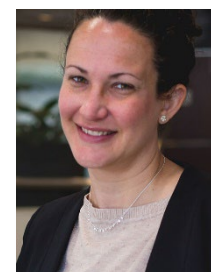
**John Wendzinski**  
Vice President



**Sam Jabara**  
Associate



**Noah Moderwell**  
Analyst



**Emily Pachla**  
Controller

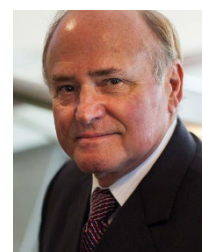


**Amber Dunn**  
Director of Marketing

Operations Advisory



**Jon B. Cotton**  
CEO, Apex Health, Former President,  
Meridian Health Plan of Michigan



**Ray Dallavecchia, Jr.**  
Owner, Venetian Associates



**Terry Robinson**  
Former Senior Vice President and Director  
of Middle Market Banking – Comerica Bank



**S. Evan Weiner**  
President/CEO, Edw. C. Levy Co.



# AmherstPartners

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