

A3 BUSINESS FORUM

The State of Industrial Automation Markets Headed into 2023

ANALYST TEAM



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Outline of Presentation

An Introduction to Interact Analysis & the
Industrial Automation Product Tracker



Our Perspective on the Manufacturing
Economy



The State of Industrial Automation Markets

Our research covers the entire automation value chain. From the technology used to automate factory production, through inventory storage and distribution channels, to the transportation of the finished goods.

Bringing value to the entire value chain



Market Intelligence Services for A3 Members

FREE A3 MEMBER SERVICES

Industrial Automation Product Tracker (Bronze Members Edition)

- **FREE to A3 Bronze members**
- Quarterly updated
- Annual market sizes & forecasts to 2027 for “primary” automation products*
- Americas data only

Industrial Automation Product Tracker (Silver/Gold/Platinum Members Edition)

- **FREE to A3 Silver/Gold/Platinum members**
- Quarterly updated
- Annual market sizes & forecasts to 2027 for “primary” automation products*
- Americas / EMEA / APAC data

Sentiment Surveys

- **FREE to ALL A3 Members**
- Quarterly updated
- Considering pricing trends, lead-time status, short-term outlook, book-to-bill ratios, plus more
- Identifies the short-term sentiment of the market through snapshot surveys of members

Manufacturing Industry Output (MIO) Tracker (Summary Report)

- **FREE to ALL A3 Members**
- Quarterly updated
- Summary report provides insight into the global outlook for manufacturing and machinery production at a macro-level with long-term forecasts to 2027

DISCOUNTED A3 MEMBER SERVICES

Industrial Automation Product Tracker (Premium Edition)

- \$4K annual subscription
- Quarterly updated
- Annual market sizes & forecasts to 2027 for “primary” automation products and “deeper” sub-segmentations*
- Americas / EMEA / APAC data

MIO Tracker (Full Report) + Core Reports + Topical Reports

- Offered at substantial discounts to all A3 members
- Annually updated
- Provides highly granular market sizes & forecasts for automation products with “tertiary-level” data by industry and country to 2027

Industrial Automation Product Tracker Segmentations

Primary Product Segmentations (Available in “Free” Product Trackers)

- GMC Motion Controls
- CNC Motion Controls
- Low Voltage Drives
- Geared Products
- Precision Geared Products
- Motors (General Purpose)

Deeper Product Segmentations (Available in “Premium Edition” Product Tracker)

- Servo Motors
 - AC Brushless Servo Motor
 - AC Induction Servo Motor
 - Servo Motor with Integrated Drive
 - Direct Drive Linear Motor
 - Direct Drive Torque Motor
- Servo Drives
 - Single-Axis Servo Drive
 - Multi-Axis Servo Drive
- Low Voltage Drives (<=690V)
 - Wall Mounted – General Purpose
 - Wall Mounted – Performance
 - Cabinet Mounted – General Purpose
 - Cabinet Mounted – Performance
 - Motor Mounted
 - Decentralized
 - Free-standing
- Low Voltage Motors (<=690V)
 - IE1
 - IE2
 - IE3
 - IE4
 - IE5
 - Other, non-regulated
- GMC Controllers
- CNC Controllers
- Geared Motors
 - Inline-Helical
 - Parallel-Helical
 - Bevel-Helical
 - Worm
- Solo Gearboxes
 - Inline-Helical
 - Parallel-Helical
 - Bevel-Helical
 - Worm
- Industrial (Heavy-duty) Gear Units
 - Parallel-Helical Gear Units
 - Bevel-Helical Gear Units
- Planetary Gear Units
 - Planetary Geared Motor
 - Planetary Solo Gearbox
- Precision Gearboxes
 - Right Angle – Planetary, Bevel, Worm
 - Coaxial - Planetary, Strain Wave, Cycloidal
- Precision Geared Motors
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Our Perspective on the Manufacturing Economy

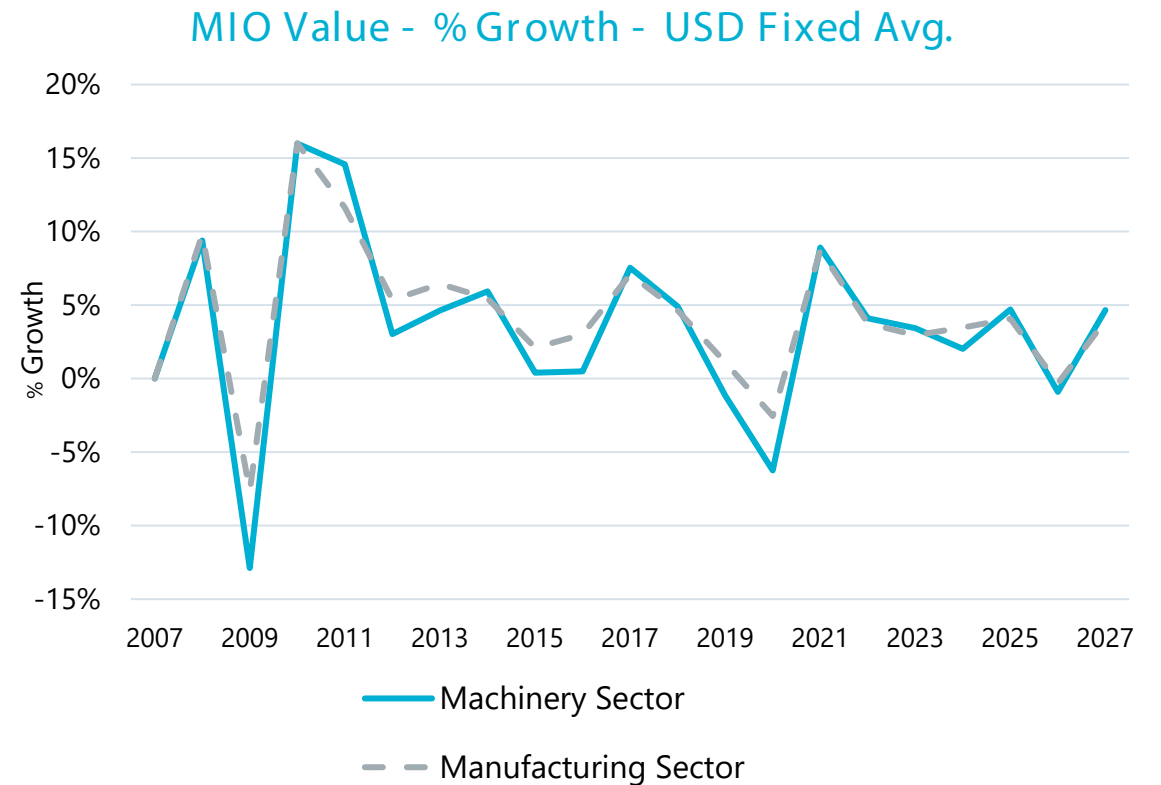


The State of Industrial Automation Markets

Underlying Driver of Growth: Manufacturing Output

What is the MIO?

- The Manufacturing Industry Output (MIO) tracker measures the value of all goods produced
- It is an aggregation of national manufacturing surveys under a common taxonomy:
- Tracks value by country and sector for 44 countries and 105 sectors dating back to 2007

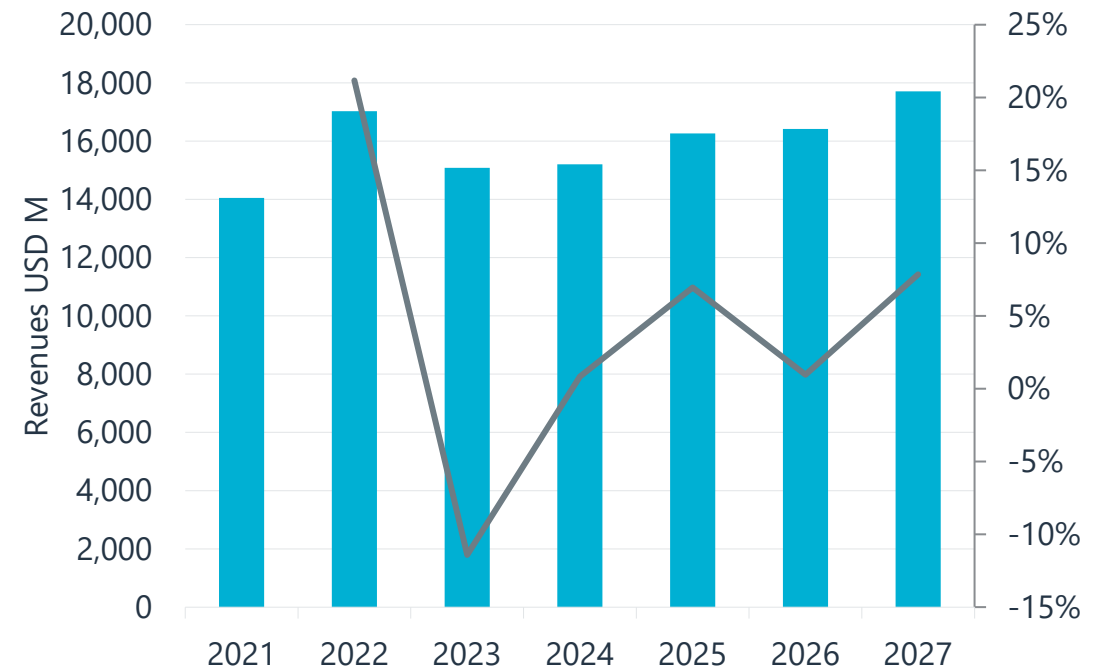


The LV AC Motor Market – A Case Study in Manufacturing

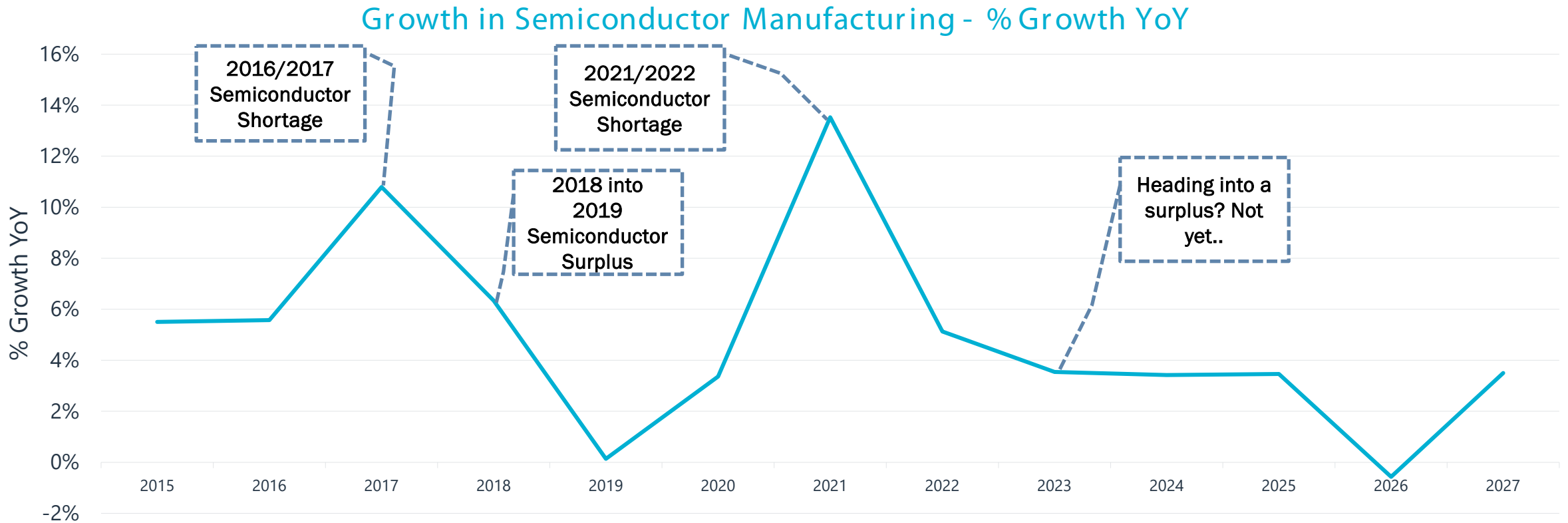
Trends in Motor Market Mirror the Story of Manufacturing

- Rising Prices in 2021/2022
- Long Lead Times
- Order Backlogs Propping Up 2023
- Increasing Flexibility in Supply Chain Headed Into 2023

Low Voltage AC Motor Market - 2021 to 2027 - Revenues & YoY Growth Rate



Some Perspective on the Semiconductor Shortage



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The State of Industrial Automation Markets

The State of Industrial Automation in 2023

- Revenue in 2023 expected to see a small price driven decline. Primarily present in motor & geared products market
- Shipments of products expected to be stable – in line with MIO forecast
- Semiconductor products still in shortage – opinion is split on the direction its trending
- Warehouse automation becoming increasingly important to automation vendor strategies

World Market - Industrial Automation Products By Primary Segmentation

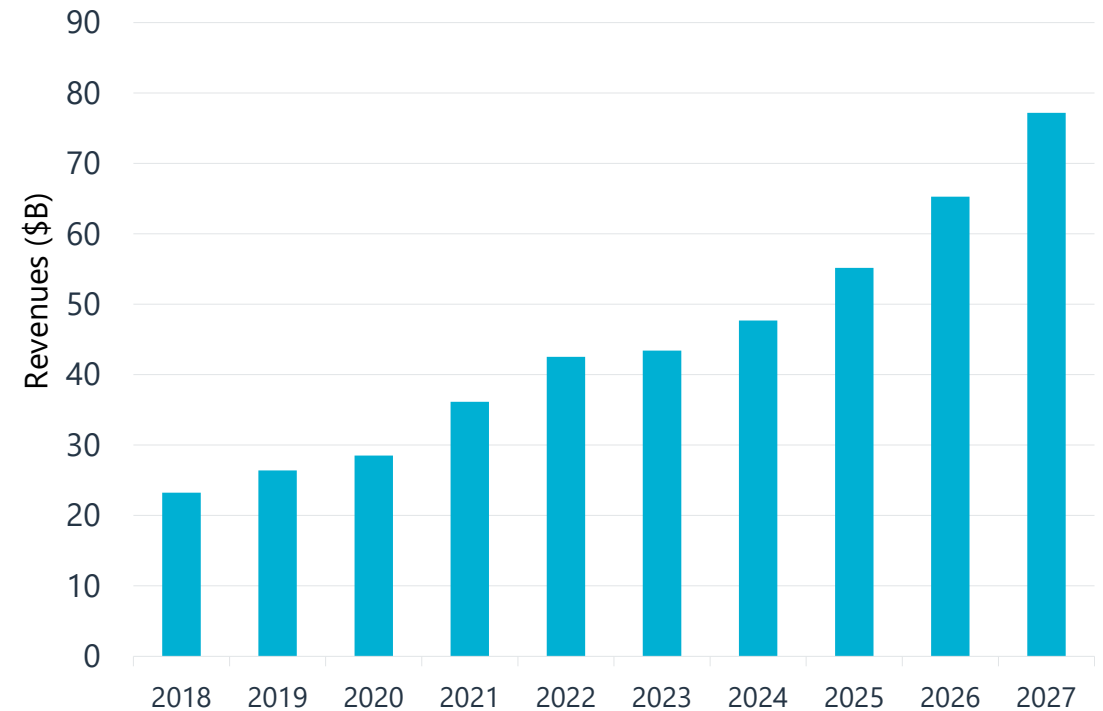
2021 to 2027 - Revenues (\$M)

	2021	2022	2023	2024	2025	2026	2027	SUM	'21-'27 CAGR
GMC Motion Controls	10,555	11,464	11,980	12,481	13,417	14,297	15,555	89,748	6.7%
CNC Motion Controls	3,938	4,343	4,459	4,498	4,646	4,683	4,878	31,445	3.6%
Low Voltage Drives	13,352	14,233	14,720	15,106	15,831	15,751	16,625	105,617	3.7%
Motors (General Purpose)	14,052	17,027	15,083	15,208	16,265	16,421	17,711	111,768	3.9%
Geared Products	12,549	13,453	13,328	13,997	14,948	15,325	16,011	99,612	4.1%
Precision Geared Products	3,048	3,565	3,982	4,223	4,523	4,727	5,170	29,239	9.2%
Total Revenues (\$M)	57,494	64,085	63,554	65,513	69,629	71,205	75,950	467,429	4.7%

Warehouse Automation Forecast and its Impact

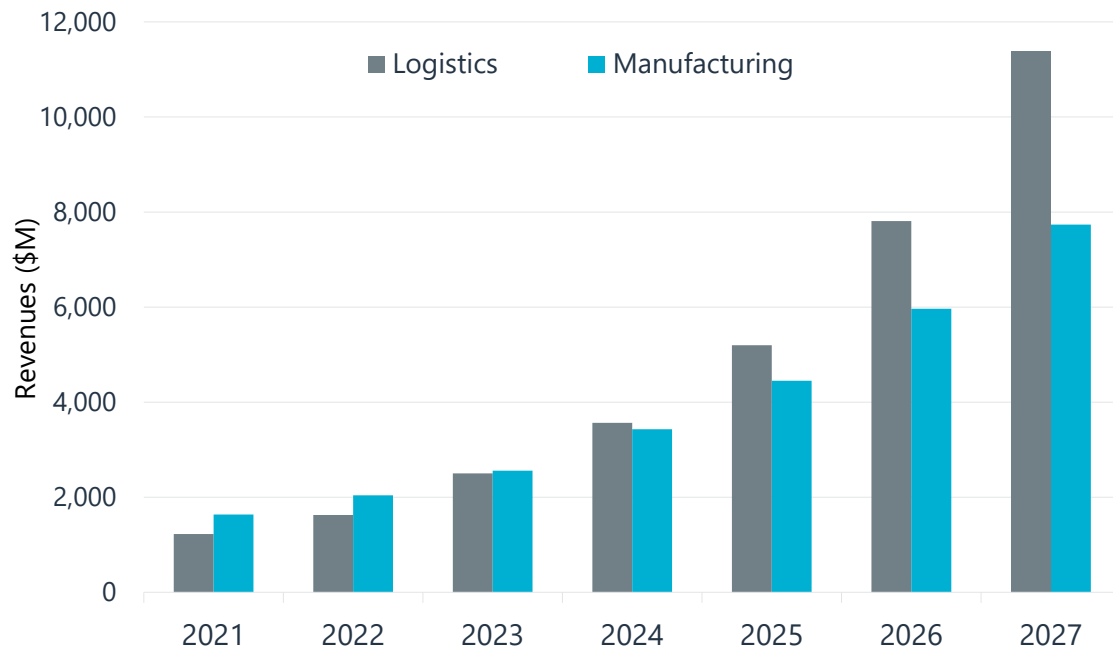
- An automated warehouse is defined as a warehouse with at least one of the following present
 1. An automated sortation system
 2. An automated storage system
 3. Automated forklifts
 4. Order fulfillment AMRs
- Long Term Drivers
 - Continued investment in e-commerce fulfillment capacity
 - Increasing mobile robot adoption; long term in 3PL and SME sectors
 - Increasing need for flexibility in operations
- Impact On Product Development
 - Increased need for decentralized products
 - More points of ultra-low voltage actuation

Global Warehouse Automation Forecast



Mobile Robot Adoption

Forecast for Mobile Robot Revenues



- Mobile Robot Market Growing From \$3bn in 2021 to nearly \$19bn by 2027
- Becoming a major application for automation vendors
- More development of <60V products by automation vendors for wheel-hub applications

2023 is likely still a growth year for most industrial automation vendors

Over the next 3 months, how do you expect the following to change for your company/organization?



Stay Tuned!

More to come this year from our partnership with A3!

Contact us

REPORT ANALYST TEAM



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With offices spanning the UK, US and Asia,
we've grown to become the go-to partner for
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