

# Robotics in logistics



## Summary

Warehouse automation is increasingly important to help with online deliveries. Consumers are demanding more, and businesses need to keep up with their rising expectations of 'same day' or 'next day' delivery. This can only be enabled by great amounts of technology to support this trend.

## Stock examples

A

### Ocado

**Company description:**

The UK retailer provides cutting-edge technology and logistics solutions to supermarkets around the world – from automated warehouse facilities to ordering and delivery solutions. Ocado has partnered with many supermarkets including Aeon (Japan), Coles (Australia), Kroger (USA) and Marks & Spencer (UK).

**Did you know:**

Global grocery e-commerce penetration is only 5.1%.<sup>1</sup> We believe this means there is significant growth potential in this market in the future, as online continues to take market share from offline.

B

### Daifuku

**Company description:**

This Japanese company is a global leader in automated guided vehicles – or forklifts. Their technology has provided support on the production of goods, the automotive sector and ensuring fast, safe baggage transport systems at airports.

**Did you know:**

Daifuku's software can move airport baggage at 600m per minute.



## The investment case

Advanced technology and rising consumer demand are driving logistics automation growth. In fact, logistics robot sales are expected to achieve a CAGR of 37.9% between 2019 and 2023.<sup>2</sup>

We believe that companies that had previously been slow at embracing e-commerce are now having to step up their investments in automated warehouses to support this demand. We expect the growth rate will further accelerate as a result of the COVID-19 pandemic, as more people shop online. While some of this current shift to e-commerce is temporary, we believe that some spending habits will be permanently altered. We anticipate major spending for logistics and fulfilment centres as companies need to reinforce their capabilities in this area.

Learn more about how the robotics industry is changing the way we live and work at [axa-im.com/evolveconomy/automation](https://axa-im.com/evolveconomy/automation).

Sources:

All stocks mentioned are for illustrative purposes only and should not be considered as advice or a recommendation for an investment strategy.

<sup>1</sup> Bank of America Merrill Lynch, Kantar, GfK, Intage – Global eCommerce, October 2019; <sup>2</sup> International Federation of Robotics 2020

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