

# **SICK** **RECEIVES THE 2023** COMPANY OF THE YEAR AWARD

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*Identified as best in class in the Global industrial  
sensor solutions industry*

## Best Practices Criteria for World-Class Performance

Frost & Sullivan applies a rigorous analytical process to evaluate multiple nominees for each award category before determining the final award recipient. The process involves a detailed evaluation of best practices criteria across two dimensions for each nominated company. SICK excels in many of the criteria in the industrial sensor solutions space.

AWARD CRITERIA	
<i>Visionary Innovation &amp; Performance</i>	<i>Customer Impact</i>
Addressing Unmet Needs	Price/Performance Value
Visionary Scenarios Through Mega Trends	Customer Purchase Experience
Implementation of Best Practices	Customer Ownership Experience
Leadership Focus	Customer Service Experience
Financial Performance	Brand Equity

### *A Market Snapshot*

The Industrial Internet of Things (IIoT) is transforming the manufacturing industry by enabling data collection and analysis in real time, resulting in increased efficiency, productivity, and profitability. Moreover, many vendors in this space are integrating advanced technologies like artificial intelligence (AI) and machine learning (ML) algorithms to identify patterns and trends, optimize processes, and predict equipment failure before it occurs. To this end, IIoT enables industrial organizations to reduce equipment downtime, control quality, manage inventory, monitor supply chains, and identify energy inefficiencies. The IIoT also enables operators to monitor and control equipment remotely, reducing the need for manual intervention and improving safety.

While IIoT offers many benefits for the manufacturing sector, several challenges continue to impact widespread adoption. An increase in connected devices also means an increase in cybersecurity and data breach risks. Integrating new technology with existing systems and processes can be complex, especially for organizations with legacy equipment and systems, requiring significant investments in new hardware, software, and training. Moreover, IIoT generates a vast amount of data, which can be overwhelming for organizations to manage and analyze. Finally, since IIoT and connected “things” are relatively new in industrial verticals, many organizations have different data maturity, creating unique challenges since their siloed information technology and operational technology departments, strategies, and infrastructure varies greatly.

### **Best Practices Excellence: SICK**

Founded in 1946 and headquartered in Waldkirch, Breisgau, Germany, SICK is a family-owned sensor technology manufacturing company for industrial automation applications. The company tailors its solutions to help customers extract and filter data from production and logistics processes, transforming it into actionable insights that provide a competitive advantage in the market. The company is particularly known for its high-precision and reliable solutions, earning it a strong reputation in industrial automation applications. SICK offers a wide range of sensors and solutions, such as Lidar, machine vision, optical safety, proximity, photoelectric, and ultrasonic sensors to name a few. These sensors are integrated with cutting-edge technologies that enable customers to collect and analyze real-time data, optimize their processes, and improve their overall operational efficiency.

In 2022, Frost & Sullivan recognized SICK for its technology leadership, customer-centricity, and high growth potential, and remains impressed with the company's ongoing innovation and sustained leadership.

### **An Established Global Leader**

Traditional sensor solutions require operators to gather data manually by walking through an entire location. In recent years, companies have developed connected sensors and software to offer an improved experience through automated reports and monitoring. However, such solutions typically fall short because the data is immovable from the machine level. Thus, an industrial sensor solution vendor must leverage next generation technologies to meet the industry's needs and enable organizations to collect data from disparate assets and locations and leverage it to create actionable insights.

*"SICK designs its technology for easy integration into other systems, including automation and control systems, simplifying incorporating the sensors into existing systems. The company offers end-to-end support throughout the customer journey, from initial consulting to final training and customer service, SICK continues to carve its place in the IIoT landscape."*

**- Samantha Fisher,  
Best Practices Research Analyst**

SICK offers a game-changing product and service portfolio with common connectivity across platforms to the cloud, and the company's Telematic Data Collector (TDC), an intelligent network solution that facilitates data gathering from legacy machines. The TDC allows customers to leverage innovative technologies, including deep learning, localization and more allowing data visibility and enhanced analytics. SICK allows customers to link "islands of information," optimizing production across the entire organization. Additionally, it offers LiDAR-LOC, a localization solution for autonomously moving platforms that leverages sensor data to deliver accurate and reliable localization based on natural contours above existing

safety functions without environmental adjustments.

The SICK AppSpace Ecosystem (SICK AppSpace) and Integration Space (Integration) was created to provide a complete solution for integrating sensors and sensor data into various automation systems. The open and flexible SICK AppSpace software platform enables users to develop, implement, and run their own applications on SICK sensors and devices. Meanwhile, Integration Space is an additional component to



SICK AppSpace that provides a comprehensive tool suite for integrating SICK sensors and devices into existing automation sensors. The solution includes pre-built drivers, libraries, and connectors that enable seamless integration with various platforms, including programmable logic controllers, Supervisory Control and Data Acquisition systems, and manufacturing execution systems.

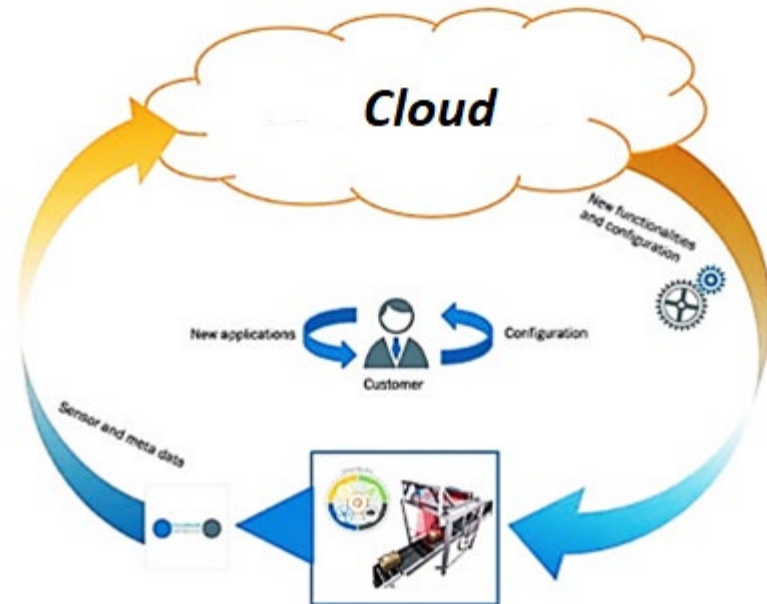
Moreover, SICK fosters a company culture that promotes support for opportunities that positively impact employees' well-being. The company

demonstrated this during the COVID-19 pandemic as SICK focused on retaining all its employees while still investing in innovation and customer support. As a result, SICK's employee retention rate far exceeded the industry average and aided in the company's substantial growth through 2022. As supply chain tightness affected various industries, SICK established a robust global allocation program to supply products to customers with urgent needs, switch to a comparable available product and redesign in new vendors.

Finally, SICK's product development team keeps a vigilant eye on emerging market trends and dynamic customer demands, proactively devising innovative solutions. As a worldwide organization, SICK remains committed to delivering uniform top-notch expertise to all customers, irrespective of their geographical location. With such leadership, SICK is poised to maintain its dominance in the industrial sensor market.

### ***Unmatched Price/Performance Value***

SICK initiates regular enhancements to its portfolio to ensure optimal performance. Throughout 2022, the company invested in many innovative, industry-first solutions, including energy monitoring, automated mobile robot (AMR) navigation and fleet management software with dynamic safety, robot and AMR condition monitoring system, SARA an augmented reality platform, three-dimensional safety monitoring, including safe visionary and multiplane LiDAR solutions, and field analytics with visualization to simplify platform data. SICK was an early mover in the shift from sensor manufacturing to a complete solutions provider that resolves the broader application challenges for its customers. The company has reorganized itself to reflect its customers' changing needs. This strategy includes business clusters aligned to customer needs, changing vertical market-focused groups, and additional leadership roles in developing functions.



Source: SICK

The company's vision focuses on creating a complete, scalable, and flexible system with individual smart components to leverage independence, innovation, and leadership. SICK recognizes the significant shift in customer needs and market dynamics, leading to a company-wide transformation, specifically in its structure. As a result, SICK optimizes its product development and go-to-market strategy, enabling success through these changing market conditions. For example, SICK's Consulting and Digital Solutions team aims to address its customers' challenging needs (e.g., robotics, safety, digital platforms, quality control, and mobile platform). Moreover, the company continues prioritizing sustainability, which its leadership has done for over 75 years.

### ***A Customer-centric Approach Driving Unmatched Client Experience***

With its customer-centric corporate philosophy, SICK operates on the central tenet that its success depends on customer satisfaction. This philosophy permeates the company's daily practices. It has manufacturing and quality processes in place to offer the best value to customers for the price. SICK provides a tiered system of matching performance/value with price, ensuring customers receive robust solutions with significant longevity. SICK meets with customers to assess their needs and develops tailored solutions with roadmaps for seamless execution. This foundational approach establishes ongoing trust with customers for long-lasting relationships extending throughout the product's lifecycle. All SICK products and systems go through rigorous manufacturing and quality processes to ensure high quality and guarantee top performance. In addition, the company also provides end-to-end service capabilities, teams, global support, superior domain expertise, assessment services, and more. This service and support portfolio is truly unique in the market, and SICK continues to receive praise for its price/performance ratio and best-in-class customer experience.

SICK provides support across the complete product lifecycle, even with obsolete systems; the company maintains a clear migration path, including available spare parts/replacements. It prioritizes the customer experience via regular investments in its customer service capabilities, providing localized technical support stacked with knowledgeable personnel to respond to all

customer needs. The Consulting and Digital Solutions group provides end-to-end customer support, from consulting and advisory support to design, implementation, and training. More importantly, SICK consistently reviews its service strategy to add more customer-centric capabilities to improve the customer experience.

*"SICK offers a game-changing product and service portfolio with common connectivity across platforms to the cloud, and the company's TDC, an intelligent network solution that facilitates data gathering from legacy machines. The company outfitted TDC with innovative technologies, including deep learning and LiDAR. SICK allows customers to link 'islands of information,' optimizing production across the entire organization."*

***- Sebastián Trolli,  
Senior Industry Analyst, Industrial Technologies***

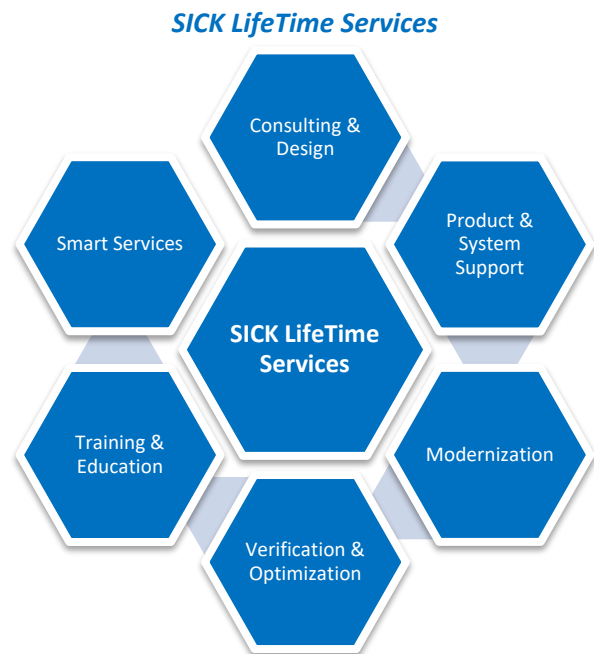
***A Promising Outlook for 2023 and Beyond***

Since its inception, SICK’s sterling reputation and customer-centric framework has led to its coveted preferred partner status. Over the years, it added a range of new customers to its established base. In 2022, the company’s research and development (R&D) investments increased from €210.3 million to €240.8 million. SICK’s systematic product development process and continuous market monitoring have enabled it to expand its technology and innovation leadership. This approach has resulted in robust sales growth from 2019 to 2022, with net sales reaching €2,189.8 million.

Furthermore, SICK has experienced significant growth in all its regional locations, including Europe, the Middle East, Africa, the Americas, and Asia-Pacific. Despite the 2022 supply chain challenges, SICK remains committed to developing solutions that address customer needs, as demonstrated by its 2022 acquisition of Croatian technology company Mobilis, which expanded its global technology leadership in Industry 4.0 applications. The company is also focused on expanding its headquarters as its Waldkirch, Germany team officially broke ground in March 2023, cementing SICK’s presence and preserving the memory of its founder’s ingenuity.

SICK is known for its top-notch quality, innovative products, and leadership in the industry. In 2004, the company changed its name to “SICK Sensor Intelligence” to establish itself as a data provider for Industry 4.0 and the IIoT. This strategy enabled the company to stay ahead of the curve and adapt to changes in the market. SICK has committed to sustainable practices for 75 years, with a focus on three areas: ecology, society, and economy. The company implements sustainable practices in its operations, including using eco-friendly materials, reducing waste, and optimizing energy efficiency (ecology). Moreover, SICK promotes social responsibility and human rights via a code of conduct for suppliers, ensuring they meet high ethical standards (society). The company also supports various social initiatives and charities, especially those related to education, health, and poverty reduction. Finally, SICK maintains a comprehensive sustainability strategy that includes investing in R&D to create innovative and sustainable products and promoting fair competition and ethical business processes (economy).

Frost & Sullivan believes SICK is well positioned to drive the industrial sensor space into its next growth phase, capturing market share and sustaining its leadership in the coming years.



*Source: Frost & Sullivan*

## Conclusion

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While the Industrial Internet of Things (IIoT) and Industry 4.0 technology continue to disrupt the manufacturing and process industries, ongoing challenges related to data immaturity, costs, and complex integrations continue to restrain widespread adoption. Overall, SICK addresses these unmet needs with strong leadership focus that incorporates a customer-centric strategy and exemplifies best practice implementation. The company's technology spans a diverse sensor portfolio that includes highly accurate and reliable sensors that are ideal for critical applications where precision and consistency are essential. SICK designs its technology for easy integration into other systems, including automation and control systems, simplifying incorporating the sensors into existing systems. Moreover, the company offers end-to-end support throughout the customer journey, from initial consulting to final training and customer service, SICK continues to carve its place in the IIoT landscape.

With its strong overall performance, SICK earns Frost & Sullivan's 2023 Global Company of the Year Award in the industrial sensor solutions industry.

## What You Need to Know about the Company of the Year Recognition

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Frost & Sullivan's Company of the Year Award is its top honor and recognizes the market participant that exemplifies visionary innovation, market-leading performance, and unmatched customer care.

### Best Practices Award Analysis

For the Company of the Year Award, Frost & Sullivan analysts independently evaluated the criteria listed below.

#### *Visionary Innovation & Performance*

**Addressing Unmet Needs:** Customers' unmet or under-served needs are unearthed and addressed by a robust solution development process

**Visionary Scenarios Through Mega Trends:**

Long-range, macro-level scenarios are incorporated into the innovation strategy through the use of Mega Trends, thereby enabling first-to-market solutions and new growth opportunities

**Leadership Focus:** Company focuses on building a leadership position in core markets and on creating stiff barriers to entry for new competitors

**Best Practices Implementation:** Best-in-class implementation is characterized by processes, tools, or activities that generate a consistent and repeatable level of success

**Financial Performance:** Strong overall business performance is achieved in terms of revenue, revenue growth, operating margin, and other key financial metrics

#### *Customer Impact*

**Price/Performance Value:** Products or services provide the best value for the price compared to similar market offerings

**Customer Purchase Experience:** Quality of the purchase experience assures customers that they are buying the optimal solution for addressing their unique needs and constraints

**Customer Ownership Experience:** Customers proudly own the company's product or service and have a positive experience throughout the life of the product or service

**Customer Service Experience:** Customer service is accessible, fast, stress-free, and high quality

**Brand Equity:** Customers perceive the brand positively and exhibit high brand loyalty



## About Frost & Sullivan

Frost & Sullivan is the Growth Pipeline Company™. We power our clients to a future shaped by growth. Our Growth Pipeline as a Service™ provides the CEO and the CEO's growth team with a continuous and rigorous platform of growth opportunities, ensuring long-term success. To achieve positive outcomes, our team leverages over 60 years of experience, coaching organizations of all types and sizes across 6 continents with our proven best practices. To power your Growth Pipeline future, visit Frost & Sullivan at <http://www.frost.com>.

## The Growth Pipeline Engine™

Frost & Sullivan's proprietary model to systematically create ongoing growth opportunities and strategies for our clients is fuelled by the Innovation Generator™.

[Learn more.](#)

### Key Impacts:

- **Growth Pipeline:** Continuous Flow of Growth Opportunities
- **Growth Strategies:** Proven Best Practices
- **Innovation Culture:** Optimized Customer Experience
- **ROI & Margin:** Implementation Excellence
- **Transformational Growth:** Industry Leadership



## The Innovation Generator™

Our 6 analytical perspectives are crucial in capturing the broadest range of innovative growth opportunities, most of which occur at the points of these perspectives.

### Analytical Perspectives:

- **Mega Trend (MT)**
- **Business Model (BM)**
- **Technology (TE)**
- **Industries (IN)**
- **Customer (CU)**
- **Geographies (GE)**

