As an industrial engineering group, Fives designs and supplies machines, process equipment and production lines for the world’s largest industrial players in the aerospace, aluminium, automotive, cement and minerals, energy, glass, logistics and steel sectors.

In 2016, the global economic conditions remained difficult and volatile for capital goods suppliers. Although this environment had an impact on Fives’ overall performance, the first signs of improvement were discernible by the end of 2016, and were confirmed in the first quarter of 2017. Beyond these temporary circumstances, a structural trend has also been at work: today’s manufacturers must come to terms with the emergence of new players, riding the wave of the digital revolution. Where the threat to traditional industrial sectors was overall in the emergence of new giants from developing countries, it now comes from direct competition with smaller entities that are unencumbered, agile and fiercely innovative. The usual reference points have been turned upside down. There will be no shortage of opportunities to be found in the upheaval.

In this constantly evolving environment, the deck is being reshuffled and there is only one solution for Fives and its subsidiaries: to be proactive, to achieve a successful transformation. More than ever, it is essential to look ahead, in order to start building tomorrow, today. The rules have changed, the drivers for growth are no longer the ones we are familiar with, therefore, we must adapt to these new paradigms, and update our strategies and organizational systems accordingly.

Our Group’s transformation, which began fifteen years ago, has enable Fives to position itself as a leader in developing the factory of the future. But it is not enough to rely on this achievement. Not only by continuing to innovate at full throttle will we keep our lead, but also by continuing to prioritize a decentralized, and therefore agile, organizational model will we be able to meet the challenge thrown down by this newly emerging world.
Organizational innovation, for greater agility
Since its foundation, our Group has never stopped evolving, reinventing itself and moving forward, thanks to talented women and men who have been able to seize the opportunities for growth on offer. Today we continue to nurture this pioneering spirit, venturing into new geographical and technological territory, looking to anticipate the profound changes affecting our undoubtedly international and ever more competitive environment.

This is the very essence of our Group: to explore all openings, to seize opportunities as soon as they arise, and to move quickly into innovative projects. Our agility has been developed with the adoption of a highly decentralized organizational model. Over a few years, Fives has reinvented itself, organizing around strategic sectors of activity, supported by a light-weight, expert central structure, thereby both empowering all parties while establishing a network to include all skills and drives. Our subsidiaries are attuned to manufacturers and their concerns, and are quickly able to mobilize resources according to their needs - something of which our customers are particularly aware of.

This agility also means that Fives is quickly able to grasp opportunities for external growth. In 2016 we acquired Daisho Seiki Corporation, a leading Japanese supplier of grinding machines for the automotive industry in particular, its activity presenting powerful synergies and complementarity with the expertise Fives has developed in this field. This acquisition has consolidated our presence in Japan and Korea.

In 2016, in China, we significantly strengthened our position in high growth sectors such as intralogistics and aerospace. In this market, Fives is an actor recognized for its ability to offer high performance technologies. This recognition has led to the Group being chosen as a representative and ambassador for the industry of the future, in that specific country with the mission for convergence between Chinese (Made in China 2025) and French (Industry of the Future Alliance) initiatives.

Our organizational model is also built upon the diversity of our activities and locations. Our business portfolio is unique: we are active in several sectors, organized around in-depth knowledge of industrial processes. The wealth and complementarity of our expertise mean that communal, cross-sector projects can be developed, on the basis of shared objectives.

Our geographic and cultural diversity is another asset: with more than 100 locations in 30 countries, and nearly 8,400 people with 60 different nationalities, we have a real local experience, which guarantees a better understanding of our customers’ needs.

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Cultivating a pioneering spirit
An ability to innovate is another asset. We have always looked to develop sustainable and competitive solutions: pioneering technologies and global service solutions that improve the environmental and operational performance of the manufacturers we serve.

To fulfill this ambitious promise, we continue to apply two drivers:
- Our talented people: the main source of creation in our Group, so long as we succeed in maintaining and strengthening the pioneering spirit that has characterized the Group from the start.
- Our Research & Development effort: in 2016 our investment increased again (+1.5% to €36.7 M); figures to which can be added expenditure on developing additive manufacturing technologies, as part of our partnership with Michelin.

These efforts are especially reflected in a consistently high rate of patent registration (+5% in 2016). Fives was placed 32nd for patent deposition in France, a ranking that places the Group far higher than the scale of its activity would suggest. Since its foundation, Fives has been a frontrunner in a constant pursuit of innovation.

Frédéric Sanchez, Chairman of the Executive Board

AGILE, FORWARD-FOCUSED AND DIGITAL...
Fives' international network is based on operational units which include commercial, industrial, R&D and service structures.

In addition, eleven regional offices* and four operational subsidiaries - located in Brazil, China, India and Russia - help the Group companies in local markets by providing country expertise such as knowledge of the industrial structure, regulatory watch, relations with institutions, sourcing, local supply, etc.


In 2016, AddUp, a joint venture by Fives and Michelin in metal additive printing, has continued to develop, working in particular on designing 3D printing machines and solutions adopted to the aerospace and medical industries. Throughout all our activities, we are inventing even more flexible global solutions, combining our in depth knowledge of processes with other expertise: robotics, helping optimize existing technologies and develop complementary applications, in the field of composite fabrication for example; digital technology, facilitating management and maintenance of industrial production equipment.

The digital transformation of the Group’s offer is ongoing.

Innovation is not the sole prerogative of our technical offices. Our ambition is to be the go-to supplier for our customers all over the world, while also significantly developing our service and aftermarket activities as a result of digital technology, with real-time monitoring of equipment performance throughout its lifecycle.

The macro-economic context in which we are operating today is an invitation to manufacturers to reassess how they organize to transform themselves, to become more responsive, more agile, to develop new technologies - in short, to be constantly reinventing, so as to be able to continue to respond to new contextual challenges and market trends, and maintain their position in this ever-accelerating global economy.

Fives began this transformation several years ago. Today, more than ever, our Group is well positioned to seize the opportunities offered by this new, frontier-less world, and so become a part of this new economic, social and environmental dynamic, building the factories of the future.

THE FACTORY OF THE FUTURE: FLEXIBILITY AND SIMPLICITY THROUGH DIGITAL

Digital technologies and built-in sensors are optimizing production from the design phase to factory operation. Factories are becoming “smart”, with connections to:

- the supply chain, so production is constantly kept up to date;
- other factories, to optimize consumption and maintenance;
- and of course, operators, contributing to continuous improvement of processes.

With digital technology, production system performance can be optimized, including on the environmental level: data provided means energy and resource consumption can be optimized in real-time.

Today, FIVES IS...

SALES
€1,779 M

CLOSE TO
8,400 employees

ORDER INTAKE
€1,465 M

A NETWORK OF OVER
100 locations
in about 30 countries