

ERA Convention 2012

“Changing Rental”

National rental associations

Local rental markets

NORWAY

Odd Arne Gansmo, CFO, UCO

Norwegian Rental Association



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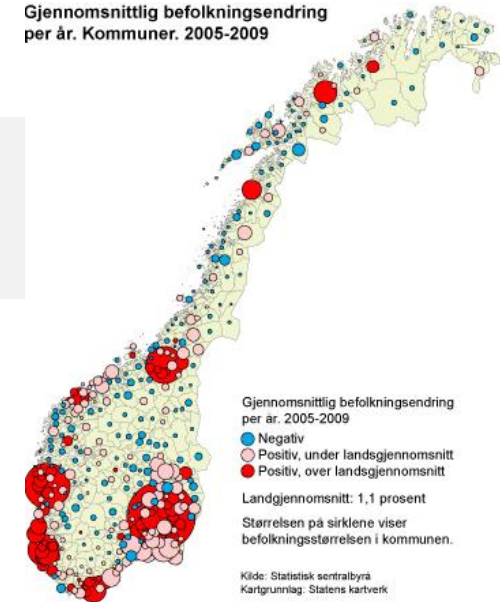
This is Norway

- **Demographic facts, economy**
- **Norwegian construction business**
- **Norwegian rental business**

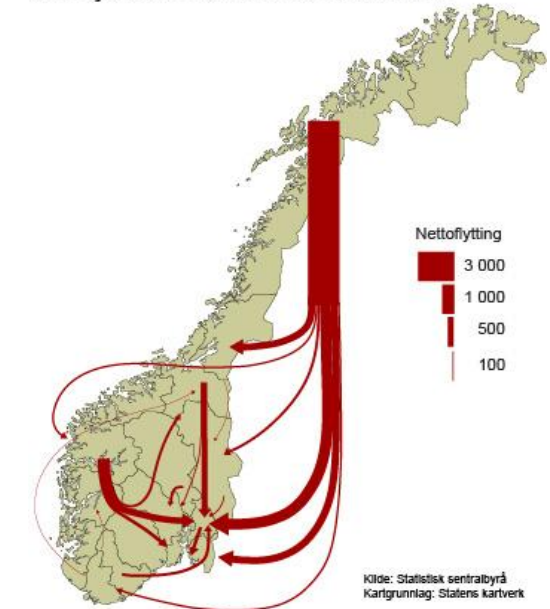
Norway – demographic facts

- **5 mill. inhabitants**
 - 1,3% pop. growth in 2011 (no. 3 in Europe)
- **4 biggest regions**
 - 50% of the population
 - 70% of population growth
- **50.000 yearly immigration**
 - 75% of population growth
 - 50% work related
- **Oslo**
 - Today: 600.000 → 2040: 1.000.000
 - One of the fastest growing cities in Europe

Gjennomsnittlig befolkningsendring per år. Kommuner, 2005-2009



Netto flyttestrømmer mellom landsdeler, 2009



Norwegian economy

- **From financial crisis to moderate cyclical recovery**
 - Capital shortage and increased interest rates also affected Norway, but public spending softened the landing
 - GNP down 1,7% in 2009, and unemployment rate at 3,7% in 2010
 - 2012:
 - Financial institutions rehabilitated
 - Norway's financial situation is "rock solid"
 - Strong domestic growth
 - Strong Norwegian currency is challenging to export industry
 - Expected GNP growth close to 3%
 - Unemployment rates at approx. 3,5%

Construction business

- **Size 2011: € 41 (€ 1 = NOK 7,6)**
- **15% of GNP (mainland economy)**
- **No. employed: 190 000, of whom 25% foreign workers**
- **> 50% of activity and revenue from 4 biggest regions**
- **10 largest companies with only 16% market share**
- **High activity attract foreign construction companies**

Rental business, statistics

- **Sources: Public statistics, rental companies**
- **Content: ERA definition**
- **230 companies, of which 3 nation wide**
- **3 largest companies has a 33% market share**
- **2011:**
 - **A € 800 mill. industry (ERA definition)**

Rental business, revenues and earnings

Construction →

Rev: -3,4 %

Rev: -0,7 %

Rev: 5,7 %

Rev: 4,3 %

Rental →

Rev: -17,3 %

Rev: 1,3 %

Rev: 20,0 %

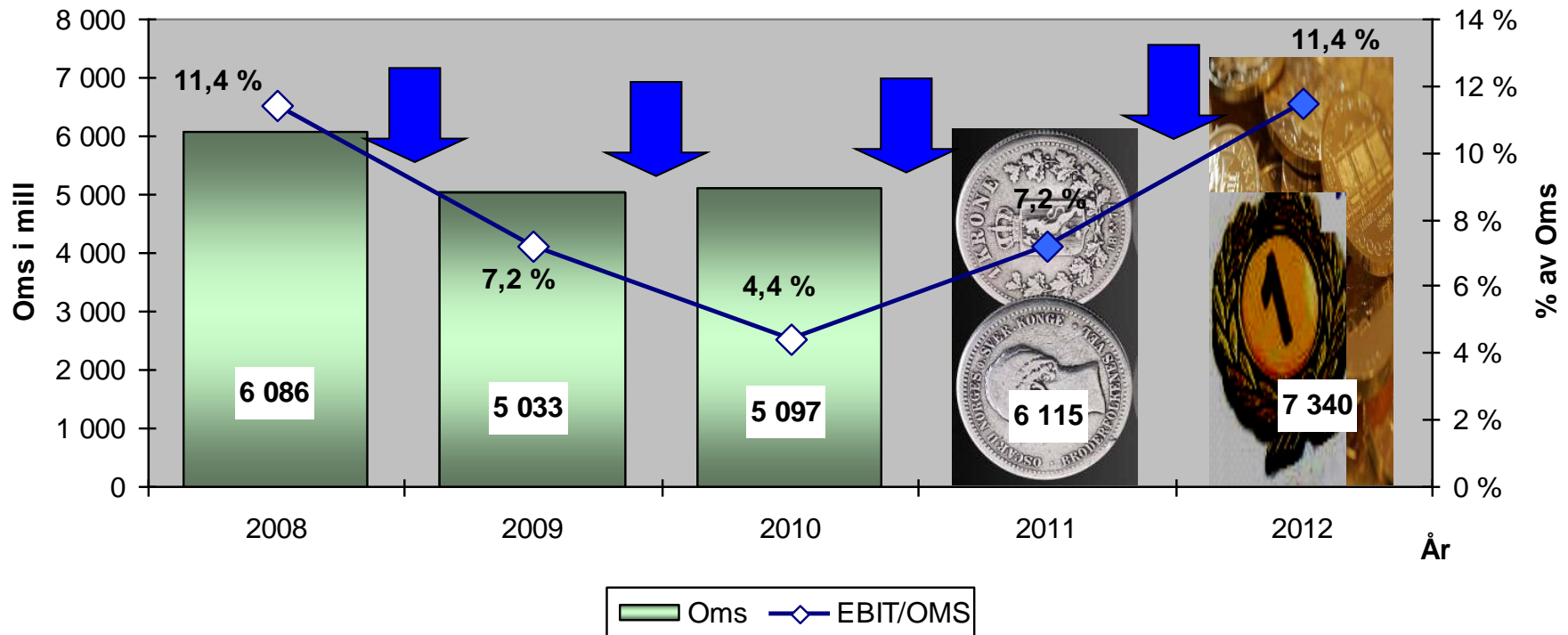
Rev: 20,0 %

EBIT: -47,7 %

EBIT: -37,9 %

EBIT: 94,9 %

EBIT: 90,9 %



Rental penetration

		MNOK				
		2008	2009	2010	2011	2012
Revenue Construction business						
Building		243,9	225,6	224,5	240,0	247,8
Civil		63,0	70,8	69,7	71,1	76,8
Total		306,9	296,4	294,2	311,1	324,6
<i>change</i>			-3,4 %	-0,7 %	5,7 %	4,3 %
Use of machinery						
Building	3 %	7,3	6,8	6,7	7,2	7,4
Civil	10 %	6,3	7,1	7,0	7,1	7,7
Total market		13,6	13,8	13,7	14,3	15,1
Revenue rental business		6,1	5,0	5,1	6,1	7,3
<i>of which to construction business</i>		90 %	5,5	4,5	4,6	5,5
Rental penetration						
Rental revenue vs. revenue value of equipment input in construction business		40,3 %	32,5 %	33,5 %	38,4 %	43,5 %
<i>Change</i>			-19,4 %	3,1 %	14,6 %	13,3 %
Rental revenue vs. construction revenue		1,8 %	1,5 %	1,6 %	1,8 %	2,0 %
<i>Change</i>			-15,1 %	2,8 %	13,1 %	14,7 %