



EUROPEAN
RENTAL
ASSOCIATION

Annual Report 2018

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Save the date for the next
ERA Convention in Madrid
15 - 16 May 2019



EUROPEAN
RENTAL
ASSOCIATION



Dear Colleagues,

When it was created, the ERA's Future Group identified "People" as one of the top priorities ERA should focus on. However, "People" has 2 dimensions: the first one is our "People", the employees working in the European rental industry, and ERA dedicated its 2017 Convention to this topic. But there is a second aspect in "People", namely our customers.

And this is the subject the 2018 ERA Convention was addressing. The productivity of our customers will increase, and even must increase in some cases, and the rental companies have to adapt to the emerging changes if they want to remain, or to become, the preferred solutions for their customers. I hope that the Convention delegates could get some interesting thoughts during those 2 days and some answers to the questions we all need to ask: what do our customers require from the rental companies? What do they expect from us? What are the challenges they are facing? How will they develop?

2018 has been a busy year in the European equipment rental industry and, for that reason, I want to thank personally the other Board members as well as all the members involved in the ERA committees and working groups for being always available for ERA and for doing such a great work for the sake of the European equipment rental industry. All the work is done on a volunteer basis and this is even more remarkable. Thank you also to the national rental associations for their support and their active participation to ERA.

Please save the date in your agenda: next year, the ERA Convention will take place in the charming and dynamic city of Madrid, on 15 and 16 May. It will be a pleasure to meeting you there!

Yours faithfully,

Pierre Boels
ERA President

ABOUT ERA

The key mission of ERA is to promote the rental concept in order to foster a continued growth of the rental industry by creating an open European market, at a much larger scale than any national market.

In addition to the promotion of the rental business, its goals are to:

- be essential for the national associations,
- increase the quality of the rental industry,
- be leaders of the sharing economy,
- be recognised as representative of the rental industry.

To achieve these goals, ERA acts as the representative association of the equipment rental sector at European level, complementing activities undertaken by the national rental associations locally.

ERA's works focus on 7 main areas:

- Promotion of the rental concept
- Sustainability
- Statistics of the European rental market
- Technical issues and equipment
- Harmonisation of national regulations
- Identification of the challenges of the Future
- Support to the rental associations

ERA BOARD

- > Manages ERA
- > Gathers six members covering various trades and countries
- > Is elected by the General Assembly (President elected by the Board)

The Board is composed of:

Pierre Boels / President

Mark Anderson / Vice President

Xavier du Boÿs / Vice President

Leif Gustafsson / Vice President

Armin Rappen / Vice President

Luis Angel Salas Manrique /

Vice President

ERA SECRETARIAT

- > Supports the association's daily activities
- > Supports the work of the association's Committees and Future Group
- > Represents ERA in Europe and globally.
- > Carries out the association's communication activities
- > Organises the ERA's events

The ERA Secretariat is composed of:

Michel Petitjean / Secretary General

Hans Craen / Supervisor

Carole Bachmann / Manager

Tomas Babicky / European Affairs Manager

Veerle Guns / Assistant

Benedicte Lambert / Assistant (ERA Convention)

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MARKETS OUTLOOK: TRENDS AND EVENTS IMPACTING THE RENTAL INDUSTRY

Flashback on the events in the Rental Industry in the second part of 2017

IN EUROPE

Loxam announces the acquisition of Italian powered access equipment rental company Nacanco, which operates in 14 locations across the country. The company has 2.300 aerial work platforms and 230 telehandlers in its fleet.

Kiloutou strengthens its position in Spain with the acquisition of CTC de Maquinaria and expands its business in Poland with the acquisition of the Polish subsidiary of GAM, the Spanish rental company.

France-based access rental company **Accès Industrie** is being taken over by Independent investment company Parquest Capital, in a deal worth more than €100 million.

UK-based **AFI** has acquired the business and assets of Kimberly Rental Groups. The acquisition strengthens further AFI's position within the powered access rental sector.

UK-based rental company Vp plc announced the acquisition of Brandon Hire Group in a deal worth £ 41.6

million. Brandon is a tool and equipment hire company with over 900 employees, operating from a network of 143 locations across the UK. Vp plc, which operates seven divisions, said that Brandon's operational model was similar to its own tool hire business, Hire Station.

IN NORTH AMERICA

After the acquisition of NES Rentals for US\$ 965 million in cash in the first part of 2017, **United Rentals** announces the acquisition of Neff Corporation for US\$ 1.3 billion. Neff operates in 14 US states through 69 locations.

Algeco Scotsman, the world's largest portable accommodation and storage rental company, sells its North American business, William Scotsman, to Double Eagle Acquisition Corp. (DEAC) for US\$ 1.1 billion. DEAC is an acquisition vehicle founded in the US in mid-2015. It will own 70% of William Scotsman, with the remaining 30% owned by TDR Capital, Algeco Group's controlling shareholder.

Canadian company Toromont Industries agreed a deal to acquire **Hewitt Equipment** for a total of CA\$ 1.02 billion (€ 680 million). In addition to expanding

RENTAL INDUSTRY TRENDS

Toromont's Caterpillar dealership in Eastern Canada, the deal will boost its already significant equipment rental business by adding the Hewitt Rentals operations.

US rental company **H&E Equipment Services** acquires Contractors Equipment Centers (CEC) for US\$ 122 million. In August, H&E came close to acquiring Neff Corporation, before United Rentals made a late bid to claim the company.

IN AUSTRALIA

Australian investment group Seven Group Holdings announced the purchase of all remaining shares in rental company **Coates Hire**, taking 100% ownership of the company. The deal, worth AUS\$ 517 million (€ 346 million), takes Seven Group Holding's stake in the company from 47% to 100%.

Pursuit of consolidation in the rental industry in the first part of 2018

IN EUROPE

Loxam announced it has acquired Irish equipment rental company Swan Plant Hire from its founding private shareholders.

Loxam has announced that its wholly owned UK subsidiary Nationwide Platforms has acquired UK platforms (UKP) from HSS Hire, including a fleet of around 3,000 powered access products.

Loxam acquired Haulotte's Italian rental subsidiary No.Ve. srl (Nove). Powered access specialist Nove has been owned by Haulotte since 2006. Founded in 1998, it is headquartered in Rome and operates from

six locations with 45 employees.

Private investment firms HLDI and HLD Europe acquire a majority shareholding of **Kiloutou** in a transaction valued at around €1.5 billion. Investments firms Sagard had been owner since 2005 and PAI since 2011. Kiloutou's founder Franky Mulliez, management and staff will retain shareholding.

Kiloutou has acquired Butsch & Meier, a mid-size aerial platform rental specialist in South West Germany, following the acquisition of Starlift in 2016.

Kiloutou has made three acquisitions in a month as it continues its expansion in Italy, Germany and Spain. Its latest is the purchase of Elevo in Italy, an access specialist rental company based in Bergamo, Italy. The company has also taken over access specialist rental company GL Verleih NRW Cologne, based in Germany and, finally, added Seralfe to its Spanish operations, a general rental company based in Madrid.

Aggreko has created a power rentals joint venture in China through the acquisition of 21.5% of Shanghai Yude, a company employing 45 people and with a power rental fleet of more than 40MW. Aggreko has been operating in China since 2008.

Aggreko has launched a mobile modular power package for utility support and off-grid locations that use heavy fuel oil (HFO) as its primary fuel source.

UK rental company **Speedy** has acquired two powered access rental businesses, Prolift Access and Platform Sales & Hire (PSHL). The deal will add a total of 1,620 machines to its powered access rental fleet.

RENTAL INDUSTRY TRENDS

Boels has acquired Netherlands-based Abird from private equity investor NPM for an undisclosed fee. Abird operates throughout the Netherlands, Germany and Belgium, and specialises in the rental of industrial tools, welding equipment, hoisting and lifting gear, and air, light and power tools.

Boels Rental has also announced the acquisition of three rental companies, including one in the UK, Already Hire, with four branches, and two in the Netherlands, Delta Rent, active in industrial rental, specifically the petrochemical sector, and Amdyte, specialising in temporary fencing.

Mateco has acquired Kohler Arbeitsbühnenvermietung's aerial platform rental divisions in Germany and Switzerland. This deal follows another recent Mateco acquisition in Germany, Heintzelmann.

Zeppelin Group has confirmed the acquisition of Baustellen-Verkehrs-Technik GmbH (BVT), a 50 employees traffic management business with four locations in Germany.

Cramo has completed the acquisition of German construction site logistics company KBS Infra, offering site logistics and project management, adding to Cramo service offerings. Cramo has boosted its portable accommodation business with the acquisition of Sweden-based Nordic Modular Group (NMG) for SEK 2.725 billion (€ 263 million). The seller is Strukturfonden HC11 AB, a subsidiary of Nalka Invest AB. Cramo said it was continuing with its previously announced strategic review of its Cramo Adapteo modular business and said the acquisition of NMG

strengthened its modular division and gave it more latitude to explore alternatives.

Hitachi has launched a rental initiative in Europe that will see its dealers offer mid-size machines for medium and long-term rentals. Unlike other OEMs' rental initiatives, Hitachi has decided to own the rental fleet and make it available to dealers through monthly fee.

IN NORTH AMERICA

United Rentals announced the acquisition of Industrial Rental Services from private equity firm JMH Capital. It consists of Service Radio Rentals (SRR), providing two-way radio communications solutions, and Industrial Blind Solutions (IBS), providing isolation and hydrotests blinds. United Rentals has completed its previously announced acquisition of BakerCorp International Holdings for a total purchase price of approximately \$715 million.

BakerCorp is a leading multinational provider of tank, pump, filtration and trench shoring rental solutions for a broad range of industrial and construction applications. The BakerCorp acquisition adds about 25,000 units of fleet, 46 branches in North America and 11 in Europe (France, Germany, the UK and the Netherlands) plus adds about 950 employees to United Rentals footprint.

Sunbelt Rentals has acquired Nickell Rental, an independent rental business serving the Atlanta area in the USA.

H&E Equipment Services has agreed a deal to acquire Rental Inc, a US-based equipment rental com-

RENTAL INDUSTRY TRENDS

pany that operates five locations throughout Florida and Alabama.

BlueLine Rentals has announced its parent company, Vander Holding Corp. has applied to the US Securities and Exchange Commission (SEC) for a proposed initial public offering (IPO) of the business.

Williams Scotsman has acquired US-based portable unit rental company ModSpace, in a deal worth US\$ 1.1 billion (€ 940 million). Once combined, Williams Scotsman will have over 160,000 modular space and portable storage units serving a large customer base from approximately 120 locations across the US, Canada and Mexico. The acquisition is the company's first major coup since it became a company. It was previously part of Algeco Scotsman, until the latter sold Williams last year.

IN MIDDLE EAST

Herc Rentals announced an agreement to sell its share of the rental joint venture in Saudi Arabia and Qatar. Herc's JV partner is Dayim Systems, a Saudi Arabia-based equipment, truck rental and security business.

TamarVPower Energy Fund, a collaboration of investment companies, has acquired Dubai-based rental company **Byrne Equipment Rental** for AED 1 billion (€ 220 million). The Byrne group of companies consists of Byrne Equipment Rental, Spacemaker (UAE), Byrne Technical Services (BTS) and Byrne Medical Equipment Rental.

IN JAPAN

Japan-based rental giant Nishio Rent All is expanding its offering in Vietnam. Apart from Japan and Vietnam, Nishio Rent All also has facilities in Malaysia, Thailand, Singapore and China.



RENTAL INDUSTRY TRENDS

In the meantime, development continues among the equipment manufacturers and the industry service providers

Snorkel has launched its first production in China with a 3,000 square meter facility in Jintan, outside Chanzhou.

JCB is launching the first of a new range of site dumpers, after announcing in 2017 that it would begin to manufacture its own. The manufacturer has also introduced a range of electric scissor lifts, powered by lithium ion batteries.

Ritchie Brothers held its first-ever, one-owner auction in the UK in February 2018, selling hundreds of items of rental company A-plant, including boom lifts, scissor lifts, telehandlers, excavators, dumpers, and rollers, as well as a selection of smaller tools and ground care equipment.

Tractel Group acquired Finland-based mast climber and hoist manufacturer Scanclimber.

Dingli has acquired 25% of US-based MEC's shares, valued at \$ 20 million. It follows last year's \$ 20 million deal with Magni in which Dingli took a 25% stake in the Italian company.

Rental software company Wynne Systems has announced the acquisition of Dispatching Solutions Inc

(DSI), a software provider for transport, logistics and services industries. The purchase expands Wynne's offerings of logistical services to equipment rental companies.

Mecalac Group has announced it will take over production of a range of compact wheeled loaders, currently being manufactured by Pichon, in France, on 1 January next year.

JCB has announced an investment of more than £50 million (\$65.7 million) in a new UK plant, set to double production of cabs used on its machines.

ERA ACHIEVEMENTS 2018

ERA, the European Rental Association, was created in 2006 to promote the rental concept in order to facilitate a continued growth of the rental industry by creating an open European market, at a much larger scale than any national market.

What has been achieved during those 12 years, and especially during the last period?

ERA's works focus on 7 main areas:

- **Promotion** of the rental concept, as a solution for cost saving and sustainability / circularity concerns,
- **Technical issues and Equipment**, working with the manufacturers in the Technical Committee,
- **Statistics** on rental market, prepared in association with IHS Global Insight,
- **Sustainability and circularity**,
- **Future challenges** of the rental business,
- **Harmonisation** of national regulations,
- **Support** to the rental associations.

ERA has worked to defend the interests of the industry on the European level through contacts with other European associations and with the European authorities, the publication of guidances on topics of interest for the rental business, which can be used by the rental companies and the associations for free.

ERA acts as the representative association of the equipment rental sector at European level, complementing the activities undertaken by national rental associations locally. ERA is also helping foster the development of new rental associations, with the emergence of rental associations in new markets.

ERA is one of the 8 members of the Global Rental Alliance (GRA), a partnership of rental associations whose aim is to increase the profile of equipment rental worldwide and to build global understanding of the industry.

On the following pages, you will find a detailed account of the activities of the ERA's various committees.

PROMOTION COMMITTEE

COMMITTEE CHAIR:

Pierre-Yves RALLET, Loxam



The key mission of the ERA's Committee on Promotion is to raise awareness, advocate for, popularize the concept of rental in Europe. Over the years, the Committee has developed many tools our members can use in their own communication.

In 2018, the Committee continued spreading the message of benefits of rental.

A first campaign addressed recruitment and retention of people, describing the "millennial mismatch and workforce imbalances", based on the findings of the study presented at the 2017 ERA Convention

"How to compete with other industries in securing talent for the future?". The second campaign is about the publication of the ERA Market Report 2018. This is a recurring and successful campaign, detailing the content of the report and underlining the main trends of the European equipment rental market. Those campaigns mostly reach the European industry magazines and websites. Founded also helps the Promotion Committee designing the social media plans: ERA is active on Twitter, @era_rental, with more than 700 followers and on LinkedIn. In particular, ERA manages a Group on LinkedIn, Construction Equipment Rental – Europe, with more than 400 members. The aim of this group is to facilitate discussions on the key issues facing equipment rental in Europe as well as to inform its members of important events and news of interest to its community.

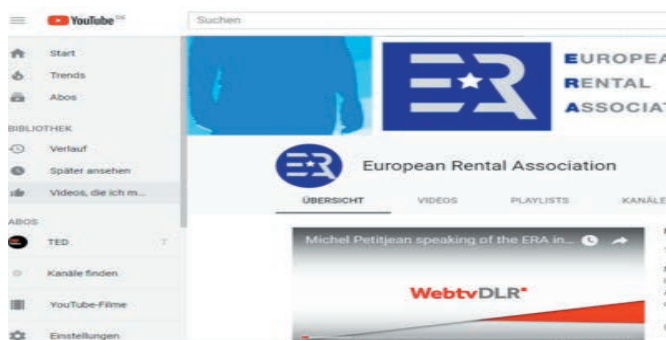
Since the first e-book on Recruitment & Retention of Millennials, published in March 2017, was well received by the members, the Promotion Committee published a second e-book in October 2017, on digitisation in the rental industry. The objective of those e-books is to focus on key issues for the equipment rental business, in an easy-to-read and adaptable format. Those e-books are written in English and contain infographic elements.

PROMOTION COMMITTEE

ERA has now its own YouTube channel. It will be regularly fed with new videos, either produced by ERA itself or by national rental associations / member companies. The objective is to increase the visibility of ERA and, hence, of the equipment rental business in Europe, using a modern communication channel.

ERA is managing 2 websites: the ERA website, www.erarental.org, and the TCO calculator website, www.equipmentcalculator.org. The ERA website is mobile responsive, multilingual and is ERA's primary platform for communication. The TCO calculator website has around 250 visitors per month and more than 800 active users. The tool is dedicated to the calculation of the TCO of equipment and enables the comparison with a rental solution.

The Lease vs. Buy vs. Rent (LBR) project was launched in 2017 to complete the scope of the TCO calculator by including the lease options, both financial and operating. A new calculator will be published in 2019.



ERA Calculator Total Cost of Ownership

A comprehensive total cost of ownership calculator



The Promotion Committee is also active in the preparation of the Annual Conventions (programme, moderator, speakers).

Among the future works of the committee, 2 can already be mentioned.

1. The first one is a strategic communication review, based on the result of the strategic session carried out in March / April 2018, with the objective of setting the strategic goals of the association for the coming five years.
2. The second one is related to the project launched by the Sustainability Committee, on the Positive Environmental Impact of Rental, and will address the second phase of the project, the communication of the findings identified in the first part of the project.

STATISTICS COMMITTEE



The overall aim of ERA is to produce European-level market data on equipment rental markets using consistent definitions and methodology across countries.

The ERA Statistics Committee partners with IHS Markit - the same research company used by ARA, the American Rental Association, to produce well-established market standard data in the USA.

Commissioning market research does not simply mean handing the task over to a market research partner. The committee is closely involved in issues of scope, definition, methodology and format of outputs at every step of the way with the research company.

THE KEY RESULTS OF THE STUDY CAN BE SUMMARISED AS:

- In the EU-28 and EFTA countries, equipment rental companies and other companies providing

rental services without operator generated a total rental turnover of more than EUR 24.5 billion in 2016.

- In Europe, the equipment rental market has seen growth in all the 15 countries under investigation despite many economic and political challenges: elections in the United States, France, Germany and the Netherlands, and the Brexit (the United Kingdom's decision to leave the European Union).

- In the EU-28 and EFTA countries, equipment rental industry in 2016 saw year-on-year growth of 2.9% from 2015. An estimate for 2017 shows an increase of 3.1% from 2016 and a forecast for 2018 shows an increase of 2.5% from 2017, at a constant exchange rate.

- Regarding the rental penetration:

1. Average construction industry penetration in the 15 countries in the report in 2016 was 1.6%, significantly above the remaining EU-28 and EFTA countries' average penetration of 0.7%;

2. Average GDP penetration in the 15 countries in 2016 was 1.7%, significantly above the remaining EU-28 and EFTA countries' average penetration of 0.6%.

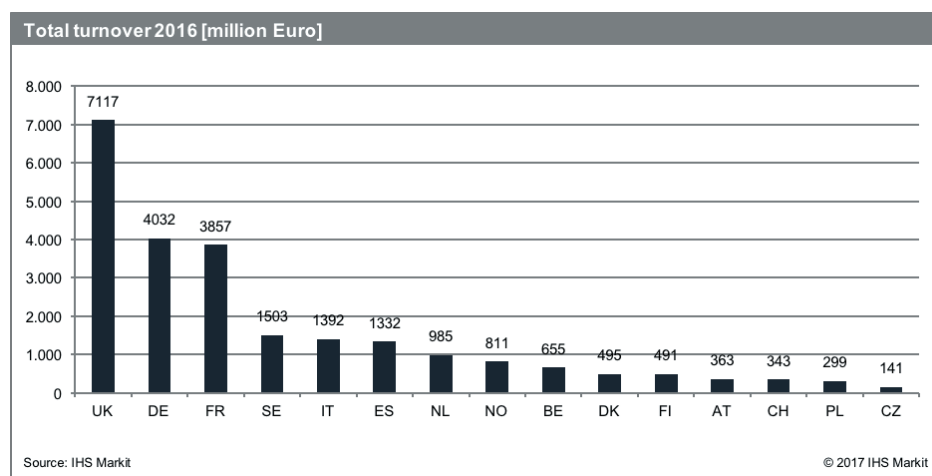
- In 2016, the rental industry of the 15 countries under investigation increased investment in rental equipment by 1.7% compared with 2015.

- Based on 2014 statistics, and for the 15 countries covered under the study, the structure of the European equipment rental industry (without operators) is as follows:

1. Number of rental companies (without operators): 16,650
2. Number of employed persons in rental companies (without operators): 128,000

STATISTICS COMMITTEE

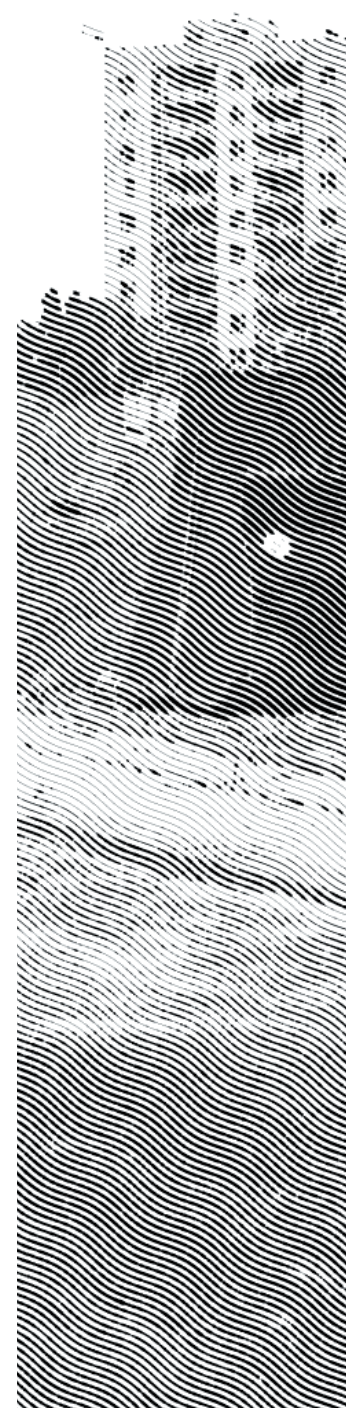
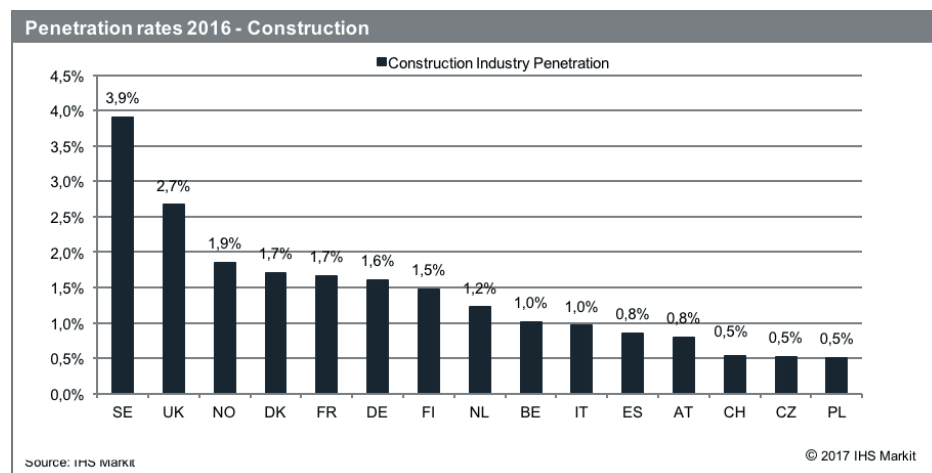
EQUIPMENT RENTAL MARKET SIZE IN 2016:



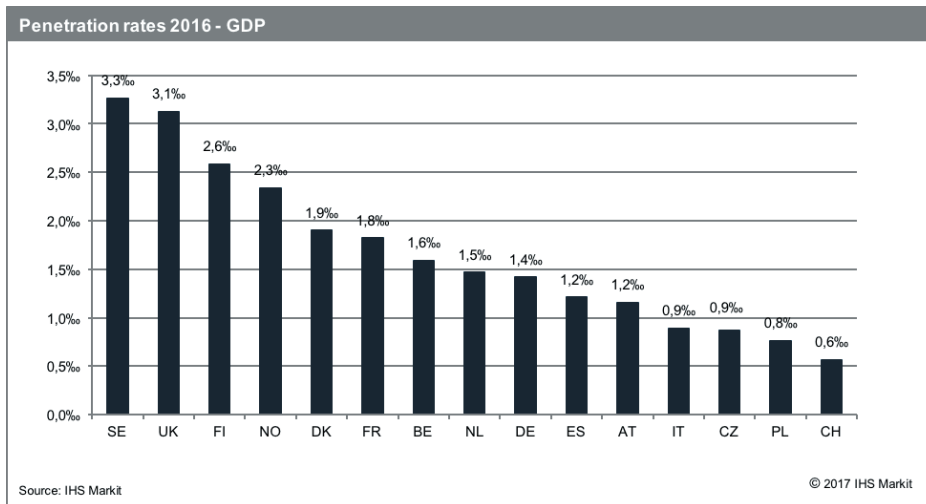
In terms of market size, in 2016, the three main markets are the UK, Germany and France.

These three countries account for almost 65% of the rental turnover of the 15 European countries detailed in the report, and for more than 60% of EU-28 and EFTA countries' total rental turnover.

EQUIPMENT RENTAL PENETRATION IN 2016:



STATISTICS COMMITTEE



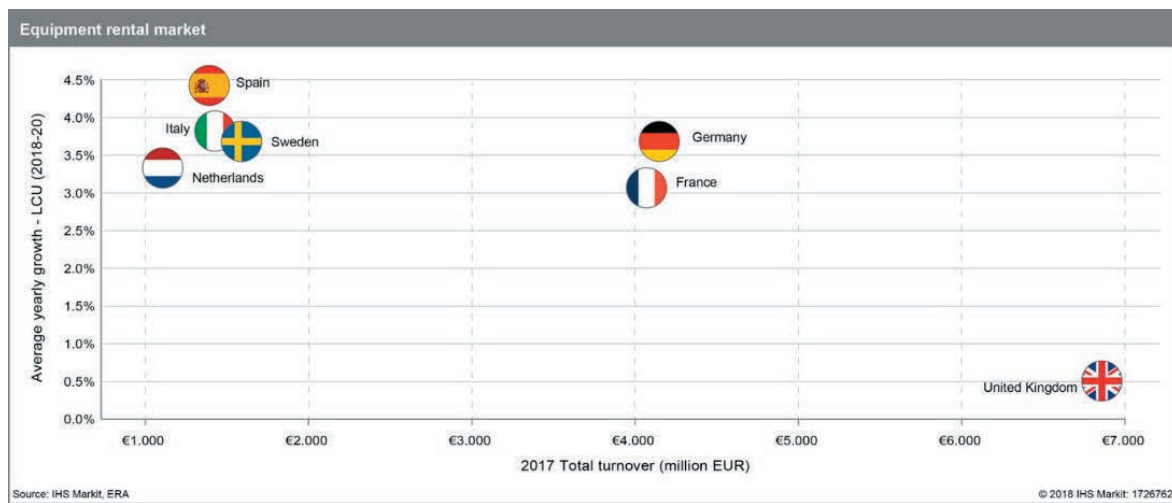
- Construction industry penetration is still the highest in Sweden, which has a penetration rate of 3.9%, followed by the United Kingdom (2.7%).
- GDP penetration is still the highest in Sweden (3.3%) and in the United Kingdom (3.1%). These countries can be regarded as being the most advanced rental markets in Europe.

Looking at the two concepts of construction industry penetration and GDP penetration, and at the differences of penetration intensity between countries, the Market report suggests that there is still room for the European rental market to grow ahead of the economy.

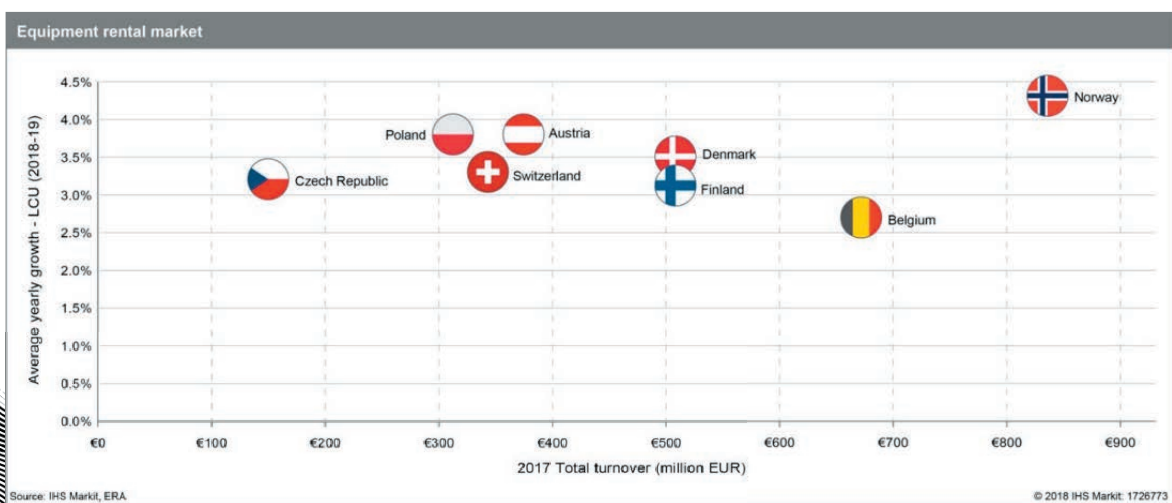


STATISTICS COMMITTEE

EQUIPMENT RENTAL FORECASTS 2018-19: MORE THAN 1 BN EURO MARKETS



FORECASTS 2018-19: LESS THAN 1 BN EURO MARKETS



STATISTICS COMMITTEE

GLOBAL RENTAL ALLIANCE COUNTRIES REPRESENT NEARLY US\$97 BILLION IN RENTAL REVENUES

The Global Rental Alliance (GRA) held its 16th annual meeting at The Rental Show® 2018 in New Orleans. As part of the meeting, GRA welcomed back the Brazilian Rental Association (ANALOC) as a member, joining the Canadian Rental Association (CRA), the European Rental Association (ERA), the Hire Association Europe (HAE) of the UK, the Hire Industry Association of New Zealand (HIANZ), the Hire and Rental Industry Association Ltd. (HRIA) of Australia, the Japan Construction Rental Association (JCRA) and the American Rental Association (ARA) of the USA.

Global Rental Alliance

“The Global Rental Alliance allows industry and association representatives from around the world to discuss common issues that impact rental/hire operators and share solutions that are having a positive impact,” said Tony Conant, ARA CEO. “We are always looking to add global members who are interested in sharing their geography’s industry data and advancing the rental industry.”

The meeting agenda included the latest review of the global survey initiative of the GRA, which estimates fiscal year 2016 combined rental revenue among the GRA associations of US\$ 96.96 billion. This figure represents a 6 percent increase over 2015 rental revenues, as calculated by IHS Markit™ on behalf of the group.



SUSTAINABILITY COMMITTEE

COMMITTEE CHAIR:

Kevin HAYCOCK, A-Plant

ERA's Committee on Sustainability aims to promote the environmental benefits of rental as well as to develop tools to help members to respond to challenges of corporate social responsibility and to align sustainability practices in the industry.

The rental business is inherently sustainable, since it uses the 5 following principles of sharing and circular economy:

- shared usage,
- reparability,
- resource use,
- reusability,
- recyclability.

However, the sustainability of the rental business needs to be promoted, towards the customers, the public authorities and in the rental industry itself.

For the rental industry to be able to tell the story of sustainability, in 2018, ERA has started a project called **Positive environmental impact of rental**. The aim of this project is to demonstrate, using a number of case studies, how renting can contribute to a more sustainable and circular economy and can help to reduce carbon emissions.

The main objective of this project is to analyse, through independent analysis, environmental (climate) impact of renting vs. buying and the central question is "How does the environmental impact



of the full ownership model compare to the sharing economy model (rental) for the various selected pieces of equipment"?

It will map and quantify how the rental companies contribute to the goals of circular economy by optimising the utilisation rate of equipment, preventing unused appliances, limiting storage space required and minimising waste and material usage by applying recycling where possible.

First, for each of the pieces of equipment, the environmental impact will be determined by using Life-cycle assessments (LCAs). The LCAs will, in principle, determine the environmental impact of three phases of a product lifetime: manufacturing, use and decommissioning. Second, a comparative analysis will be conducted to establish the relative impact of the circular economy model (rental) versus full ownership (buying).

SUSTAINABILITY COMMITTEE

ERA has contracted Climate Neutral Group, a company that will manage, supervise and verify the research to ensure the independency of this project and its outcome. Technical analysis will be carried out by independent experts. The main outcome of the project will be a research report to summarize the results of investigations of the selected pieces of equipment, which will represent the main family of the fleet mix of the rental industry, including earth moving powered access, material and personal handling and power generation.

Subsequently, the results of the research will be communicated in a media campaign to attract attention of general and expert public. This will in turn increase visibility of the rental industry in Europe.

Increasingly, customers of the rental companies require from rental companies to offer ever more sustainable solutions and products.

To highlight existing best practices of the rental industry on sustainability, ERA is regularly updating its **Sustainability Online Brochure**, http://sustainability.erarental.org/sustainability_in_the_rental_industry/.

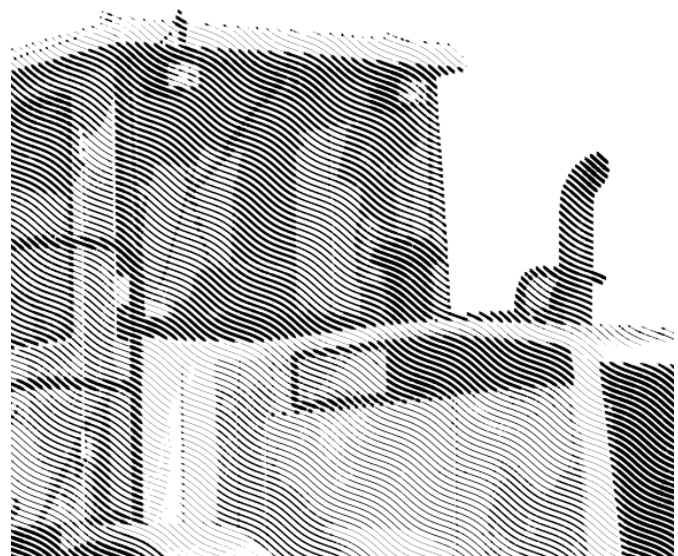
The brochure presents a dynamic set of best practices of the industry categorized according to their role in the supply chain. The users can circulate depending on their category (rental company, customer, public authority).

The brochure was updated in 2017 in order to integrate in it the so-called "Sustainability Graph". This graph was outlining the various ways that companies



can use sustainability initiatives to manage risk, drive growth or improve returns on capital.

After being translated in 7 languages, the brochure is promoted through the National Associations towards their members. The success of the brochure is demonstrated by very steady numbers of monthly visits of the online brochure.



TECHNICAL COMMITTEE

COMMITTEE CHAIR:

Martin SEBESTYEN, Zeppelin Rental

The ERA's Technical Committee gathers representatives of rental companies, equipment manufacturers and other suppliers to the rental business. Together, they aim at progressing on issues of common interest where better cooperation between rental companies and manufacturers can help solving concrete issues for mutual benefit.

Its mission statement is: "Making it safer, easier, cost effective and sustainable for the rental industry by working together with equipment stakeholders on:

- **The key drivers of the total cost of ownership** (damages, accidents, maintenance, parts management etc.)
- **Standardization wherever possible** (telematics, decals, tie down points, instruction manuals, etc.)
- **Framework of training** (skill level, e-learning, etc.)
- **New legislations impact on rental industry**
- **Big data** (connectivity, telematics, IoT, etc.)

The topics the Committee has been working on over the last months are the following:

- **Telematics:**

A first Telematics workshop, gathering rental companies and OEMs, was organized in order to review the objectives of the rental companies using telematics as well as their capacities of managing data; a second



telematics workshop will take place in March 2019. Many data are already available on the machines. The challenge is now to summarise the different data / information sent by the OEMs into one platform of a rental company.

- **Predictive Maintenance for the construction machine industry:**
 - Usage of measuring and manufacturing data of machines and assets for the derivation of servicing information,
 - Critical operating parameters serving as a decisive support to determine the perfect time for maintenance and to record operating conditions,
 - Prevention of imminent machine failures and determination of time for the exchange of spare parts.

TECHNICAL COMMITTEE

The objectives for the rental companies are to offer a proactive service, to minimize the downtimes / failures and to predict the disturbances before the effects or failures occur.

- **Preventive Maintenance / Interval increases:**

- careful planning and scheduling of maintenance on equipment before there is an actual failure,
- keeping accurate records of past inspections and servicing reports.

The aim is to prolong the life and to improve the liability of company equipment, to decrease the unplanned downtime caused by equipment failure, to reduce the unnecessary maintenance and inspections and the expensive repairs caused by unexpected equipment failure.

- **Maintenance Training:**

The rental companies of the Committee requested specific trainings from the OEMs. The rental companies need standard trainings schemes per job position of branch employees, which they determined (4 levels). They expect from the OEMs that they issue documentation but also training modules (physical, videos, e-learning).

The technical Committee has been carrying out more face-to-face meetings. From 2017 on, it was agreed within the Committee that the face-to-face meetings will take place twice a year to ensure a faster and better communication and that one group will be dedi-

cated to aerial working platforms. The feedback from the OEMs is positive and the quality of the participation on both sides has increased.

The topics addressed during those meetings have been so far:

- **tie down and lifting points and quick guides:**
 - the ERA recommendations on tie down and lifting points,
 - the framework of quick guides for future machine adaptations, both available on the ERA website,
- **maintenance and preventive maintenance,**
- **technical training and education:**
 - the rental companies have created an overview of levels for the technicians to help the OEMs proposing adapted training concepts,
- **innovation:**
 - open question to each OEM to present future developments in relation to technical extensions for the rental industry,
- **discussion of topics addressed by the rental companies**

In the coming months, the Committee will continue its works on:

- Telematics,
- Durability (pre-delivery inspection by the OEM to avoid failures of new machines),
- Education and technical training for rental companies,
- Maintenance of equipment (intervals, predictive and preventive maintenance).

NATIONAL ASSOCIATIONS COMMITTEE

COMMITTEE CHAIR:

Jose BLANCO, ASEAMAC

The Committee was created in 2013, as a continuation of the former Norms and Safety Committee, who later became the EU Affairs Committee, and of the Association Day. It is composed of the representatives from the national rental associations that are members of ERA and IPAF.

This Committee is the platform for the associations to meet and exchange and where they can brainstorm with their European peers about how to improve the rental business in general. It focuses notably on promotion of rental and communication, management and coordination of trade events, safety issues, standardisation, theft, attracting talents to the industry and all issues relevant to the national associations.

It is also keeping up-to-date the list of EU issues and EU organisations of relevance to the rental industry, initially identified by the EU Affairs Committee.

Because of the difficulties for the SMEs to consider Sustainability as a priority, it was decided to involve the national associations in this topic so that they can motivate their members to put Sustainability more central in their business approach.

ERA is also in touch with various European organisations. First on the list is the European Commission. In particular, ERA is very involved in the discussions about Sustainability, Circular Economy Package, Green Public Procurement.



On top of that, ERA is a partner of stakeholders associations in Brussels like CECE, FIEC and Leaseurope.

FUTURE GROUP

Following the example of many larger organisations, ERA has gathered a group of managers of rental companies from the younger generation in a group called “ERA Future Group”.

The philosophy supporting this approach is that, in this rapidly changing world and with the digital revolution, younger people may have, in certain strategic areas, a different view than older people.

The objective is that they provide their thoughts and vision on strategic issues.

Particular attention is brought to the sharing of the findings with the industry at large.

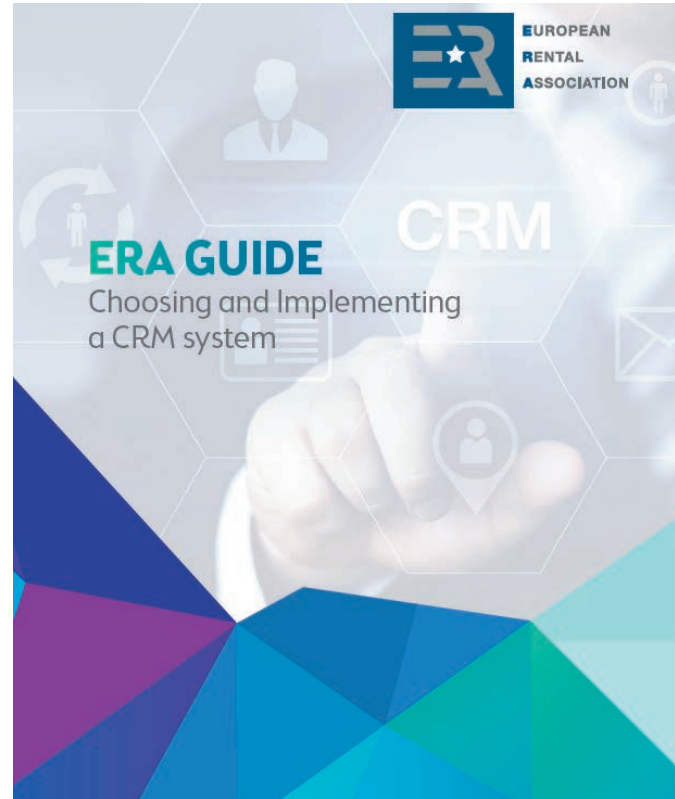
Since January 2016, this group consists of around 15 young managers, representing different companies (including non-members of ERA), different countries, different functions, has an average age of 35 and a better gender balance than usual in the industry.

The priorities of the Future group have concentrated on 3 major topics:

- Customers,
- People,
- Technology.

After only 2 years of functioning, the Future Group has produced a number of deliverables and increased its visibility in ERA:

- Creation of the CRM Guide dedicated to the rental companies to help them choosing and implementing a CRM system.
- Web and social media report, presented to 102



individual ERA members to evaluate their online presence and style of communication. Members have received their individual reports focused on Facebook, Twitter and Instagram, and on their web presence at the ERA Convention 2018.

- HR projects, to contribute to securing talent for the industry. A description and profiling of rental industry job positions is in preparation, so that people with skills from the rental industry but also from other industries can find matches with the needs of a rental company.

- Further on human resources, the Group will continue working on gathering best practices of the rental companies in defining key HR KPIs and talent

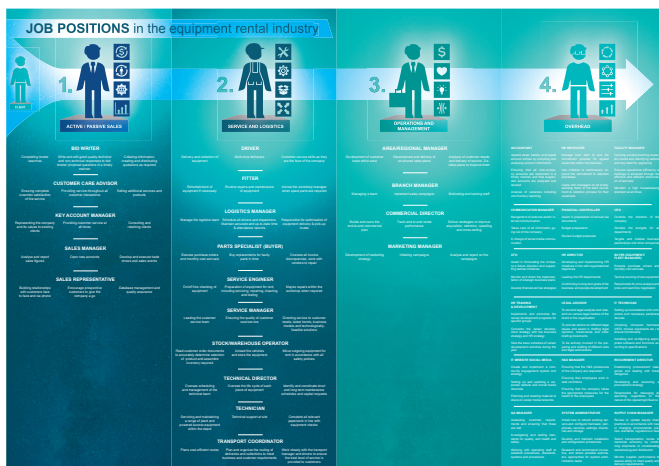
FUTURE GROUP

analytics, on social media (in terms of recruiting and retaining) and in exit interviews.

- Overview of online rental platforms in Europe and in the USA to map and understand their market share.
- Active organization of a dedicated workshop at the ERA Convention, looking at the nature of future customers of the rental industry, which proved to be a workshop that attracted most attention of the participants.

The Future Group has identified topics to work on in the months and years to come, with a possibility to develop a tool to monitor and prepare for future trends and disruptive changes, such as:

- Building Information Modelling (BIM),
- Augmented Reality / Virtual Reality,
- Big data and monitoring of external data influencing the rental business,
- Artificial intelligence.



ERA CONVENTION 2018

THE 13TH ERA CONVENTION TOOK PLACE IN VIENNA, ON 23 AND 24 MAY 2018

The theme of this Convention was **"Tomorrow's customers"** and it featured a number of keynote addresses and workshops. Other topics of interest to the rental business were also addressed, as you will read in the following pages.

In addition, the ERA Convention 2018 hosted an exhibition of selected suppliers to the rental industry and the European Rental Awards Dinner took place at the same venue.

Thanks to Zeppelin Rental, the attendees to the convention could start the Convention with a visit of the Austrian Campus construction site and see the rental services in practice.



EUROPEAN
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PLENARY SESSION *



David Rockhill - Reinventing construction: a route to higher productivity

David Rockhill is a consultant with McKinsey's Capital Projects & Infrastructure practice, where he works with clients in the infrastructure and real estate sectors to help them deliver their projects and operations more efficiently. Most recently, he has focused on helping contractors and developers increase productivity through digitization.

David explained in his presentation how the construction industry could unlock \$1.6 trillion potential with increased productivity, mainly by implementing new technologies. Technology is the most promising lever for productivity improvement. Today construction is still the least digitized sector with low investment in R&D and IT, even though investment in construction technology has doubled over the past decade. To enable productivity growth, companies will have to respond to 3 emerging trends – technology shifts (machines will get more and more complex), total connectivity and new business models (online rental, peer-to-peer sharing ,etc).



Michel Taride - Adaptation to changes in customer behaviour

Michel Taride is the Group President of Hertz International. He is now leading the mobility strategies for Hertz, working closely with start-ups and incubators. Michel is the Chair of the Advisory Board for the GTTP (Global Travel and Tourism Partnership), a non-for-profit organisation that supports education in many developing countries. Michel represents the Hertz Corporation as a founding member of the WTTC (World Travel and Tourism Council) and is part of their Membership Committee.

Michel shared with the audience the experience of the car rental sector with changes in consumer trends and their expectations. By adapting to these trends and new technologies and by partnering with other industries, like airlines, hotels, etc., the car rental managed to both respond to the industry challenges and offer new experience to the customers.

* Most of the presentations are available on the ERA website, <https://erarental.org/en/events/convention/era-convention-2018>

PLENARY SESSION *



Jeff Eisenberg - Equipment Procurement strategies from customers

Jeff Eisenberg has been in the equipment rental industry since the mid-1990s, when he established Genie Financial Services, an early in-house manufacturer finance company. Since 2000, his roles include rental company director, shareholder, advisor, consultant and occasionally even equipment operator, including several start-ups and acquisitions. From 2007 to 2013, he headed Riwal's Finance and Acquisitions Department. Today he advises financial institutions, investors and rental companies.

Jeff has worked on a project for ERA, the Lease vs. Buy vs. Rent analysis, which will add another dimension to the TCO calculator, which allows for a comparison of the TCO between purchase and rental. In order to collect information as part of this project, Jeff carried out several interviews with contractors, asking them about their strategy when it comes to deciding between buying and renting. He presented the findings in this presentation.



Michel Petitjean – Trends in the European Rental Industry

Michel Petitjean, Secretary General of ERA, presented the trends in the European Rental Industry. After having commented the macro-economic trends on construction and rental markets in Europe, Michel delivered the highlights of the ERA Market Report 2017, focusing on 15 European countries rental markets. He presented the forecasts updated as of May 2018 and introduced the 2018 Report's developments.

Michel finished his presentation with an overview of the rental penetration rates in 2017, against both the GDP and the construction industry growth rates.

* Most of the presentations are available on the ERA website, <https://erarental.org/en/events/convention/era-convention-2018>

GUEST SPEAKER

Prof. Dr. Viktor Mayer-Schönberger

Viktor Mayer-Schönberger is Professor of Internet Governance and Regulation at the Oxford Internet Institute (Oxford University). He is a sought-after expert on Big Data for print and broadcast media worldwide.

He is a frequent public speaker and his work has been featured in numerous magazines and newspapers like the New York Times, the Wall Street Journal or the Financial Times.

In addition to his international bestseller "Big Data" (co-authored with Kenneth Cukier), Viktor Mayer-Schönberger has published eight books, including the awards-winning "Delete: The Virtue of Forgetting in the Digital Age" and is the author of over a hundred articles and book chapters on the information economy.

Professor Mayer-Schönberger is also on the boards of foundations, think tanks and organizations focused on studying the information economy. He advises governments, businesses and NGOs on new economy and information society issues.

In his eye-opening guest speech about the "Data advantage", Viktor Mayer-Schönberger explained the change that has been brought by the arrival of big data, and its role in helping us to stimulate new questions. Big data leads to emerging new customer categories. He spoke of the need for datafication of existing business models. With the arrival of big data comes also the responsibility for its use; however, for a company, trust in sustainability of their big data can be a kind of new currency.



WORKSHOPS *

Previous ERA Conventions showed that workshops are an effective way for participants to engage in debates on specific topics and to achieve a more interactive participation of the attendees and collect useful feedback from the audience.

For the first time, not only the Promotion Committee, the Sustainability Committee and the Technical Committee had organised a workshop, but also the Future Group.

All the workshops were related to the respective Committees or Working Group and were facilitated by the corresponding chairman for the Committees workshop and by a representative for the Future Group. After a break, the moderator, Nadine Dereza, and the 4 facilitators wrapped up the workshops in a plenary session.

The outputs of the workshops will be analysed by the 3 Committees and by the Future Group and will be used in the upcoming works of ERA.

PROMOTION – How to connect and better interact with tomorrow's customers

After Pierre-Yves Rallet, Chairman of the Promotion Committee, presented the works of the Committee over the last year (e-books, PR campaigns, promotion of the rental business to the public authorities), Pierre-Alain Masson, from Caterpillar, made a presentation on Yardclub, the originally Peer-to-Peer online platform for construction equipment, and how to connect to customers through innovation. It was followed by a debate with questions in relation to online

market places and to improvement of the customer experience. These questions included:

- Do the online market places have a chance to fulfil the rental needs of the customers of the equipment rental industry in the future? Risks and opportunities for the rental business
- Which priority processes and domains in the rental companies could be impacted by digitalisation and how the customer experience will be affected?



* Presentations available on the ERA website, <https://erarental.org/en/events/convention/era-convention-2018>

WORKSHOPS *

TECHNICAL & EQUIPMENT – How to adapt asset management to new generations and new technologies

Martin Sebestyen, Chairman of the Technical Committee, presented the works of the Committee, highlighting especially the face-to-face meetings organised regularly between OEMs and rental companies.

Frank Dahlhoff, of SITECH Deutschland GmbH, gave a presentation on the topic of the job site of the Future and BIM, which was followed by a debate with questions in relation to rental equipment needs of the future and ownership of data.



SUSTAINABILITY – Green challenges for today and tomorrow

As an introduction, the chairman of the Sustainability Committee, Kevin Haycock, presented the works of the Committee over the past year. Michel Petitjean presented on the car sector experience of Leaseurope on providing mobility as service.

After that, participants of the workshop discussed the following questions:

- How can the rental industry help its customers achieving their current green targets?
- What do rental companies perceive as green targets of their customers tomorrow?



* Presentations available on the ERA website, <https://erarental.org/en/events/convention/era-convention-2018>

WORKSHOPS *

FUTURE GROUP – Who are Tomorrow's Customers?

The Future Group workshop was a new addition to the Convention and it proved to be a very well attended and successful workshop.

Tomi Sundberg and other members of the Future Group shared with the participants their insights from the Future Group works so far. This was followed by a presentation of consultant Daniel Walzer on the topic of digitatives and their new communications styles driving new consumption habits.

After that, participants worked at several tables addressing issues regarding the nature of future rental customers. These questions were:

- Who will be the influencers of tomorrow's customers?
- Which payment models will the client use in the future?
- Which channels and services do the rental companies need to develop to be ready for the digitatives?
- How will the digital customer journey look like in rental in 10 years from now?



* Presentations available on the ERA website, <https://erarental.org/en/events/convention/era-convention-2018>



EUROPEAN RENTAL AWARDS



LARGE RENTAL COMPANY OF THE YEAR (turnover over €15 million)

WINNER >> Naboen (Norway)



Naboen

Naboen's growth this year was remarkable. In addition to that, Naboen has managed to retain its very distinctive culture, which combines a celebration of work with a commitment to provide great service to its customers. It is also worth reminding that Naboen received the European Rental Awards of the Small Rental Company of the Year in 2012!



LARGE RENTAL COMPANY OF THE YEAR (turnover over €15 million)



SHORTLISTED >> A-Plant (UK)

2017 has been a phenomenal year for A-Plant. Over the last 12 months, their depot network has grown by almost 20% to 185 locations and their workforce now counts 3,600 employees.

They carried out 15,000 training days for their staff in 2017 and invested £2 million in the recruitment and development of apprentices.



SHORTLISTED >> Cramo (Finland)

2017 was the first year of Cramo's new four year strategic period. They started to execute their Shape and Share growth strategy.

The new Group strategy focuses on innovation, performance culture, sustainable solutions and digitalisation.





SMALL AND MEDIUM RENTAL COMPANY OF THE YEAR (turnover under €15 million)

WINNER >> Byggmaskiner Gruppen (Sweden)



BYGGMASKINER

Byggmaskiner has an impressive record for consistent growth, as well as serious commitment to the safety of its employees and customers.



SHORTLISTED >> Fast Rent (Switzerland)

Fast Rent is a disruptive equipment rental company leveraging digital innovation, which enables a customer-centric experience and lean operations.



SHORTLISTED >> Georent (Georgia)

In 2010, Georent started the rental business in Georgia, where there was no culture of renting construction equipment at all. Today, they have more than 500 customers and their fleet counts more than 200 units.



RENTAL PRODUCT OF THE YEAR

WINNER >> Hydradig 110W (JCB)



JCB works closely with rental companies when developing new products and the Hydradig 110W shows that partnership approach in action.



SHORTLISTED >> Road Tow Heater (Arcotherm)

The Road Tow Heater comprises all the component parts to deliver consistently high quality results. Deployable and operational within minutes, all that is required is to connect the ducting and flick the switch to "on".



RENTAL PRODUCT OF THE YEAR



SHORTLISTED >> Tower Light Cube+ (Generac)

The CUBE+ Next offers users a sustainable alternative with complete operator control, which is as powerful as traditional diesel-lighting sets.



SHORTLISTED >> Lightlift 33.17 aerial platform (Hinowa)

This tracked aerial platform offers negative reach, allowing it to reach spaces lower than the level of the equipment's tracks.



SHORTLISTED >> SJ85 AJ articulated boom (Skyjack)

The SJ85 AJ has a superior reach envelope, axle-based drive system, minimal tail swing and dual capacity rating. It is easily recognized for its efficiency and ease of use that it brings to job sites.



SHORTLISTED >> AP1850e (Wacker Neuson)

The single direction vibratory plate has no cable, no mechanical transmission, and emits zero emissions while being operated, which is a real benefit with regard to operator and environmental protection, without any sacrifice in performance.



ERA SUSTAINABILITY COMMITTEE AWARD

ERA Sustainability Award, judged by the ERA's Sustainability Committee, was given to a rental company that has been innovative, progressive and successful in making their business as sustainable as possible.

This was the first time that the Sustainability Committee was giving an Award.



A-Plant is one of the rental companies in Europe that has a long-term track record of taking safety seriously and its activities last year reinforced this commitment.

Both companies are at the forefront of developing a genuinely sustainable approach to rental and both deserve wider recognition





ERA TECHNICAL COMMITTEE AWARD

Judged by the ERA Technical Committee, this award is for a manufacturer who has gone a long way to meeting the needs of the rental industry in the products and services that it offers.

WINNER >> Atlas Copco



Atlas Copco

Atlas Copco was rewarded by the ERA Technical Committee for their efforts in satisfying the needs and requirements of the rental companies.



The ERA / IRN RENTAL PERSON of the Year

WINNER >> Xavier du Boÿs (Kiloutou)



ERA / IRN Rental Person of the Year is an award for an individual who deserve recognition for what they have achieved.



Xavier du Boÿs is one of the rental industry's most respected leaders. He had very significant 12 months, when he continued to lead his business in its strategy of acquisitions and international expansion – including an important move into Italy. He completed the sale of the company to new owners, and moved from his long-time role of CEO to become Chairman of the company.



LIFETIME ACHIEVEMENT AWARD

WINNER >> Colin Wood



Lifetime Achievement is awarded to a personality who has made a career in the rental industry and who deserves special recognition.

Colin Wood has just retired from the industry after 45 years working with both rental companies and industry associations. He spent more than 35 years in the UK's crane industry – joining his first company directly from school and working for some of the biggest names in UK rental.

In 2001, he embarked on a new phase of his career, joining the Construction Plant-hire Association as chief executive, a post he held until just a few months ago. He helped to make the CPA an important reference point for the entire rental industry in the UK.

His engagement with rental went beyond the UK. He and the CPA were also one of the early members of the ERA. He was a vice president on ERA's board during its important early years and his work as ERA's treasurer helped set standards that are still being followed today.



EUROPEAN
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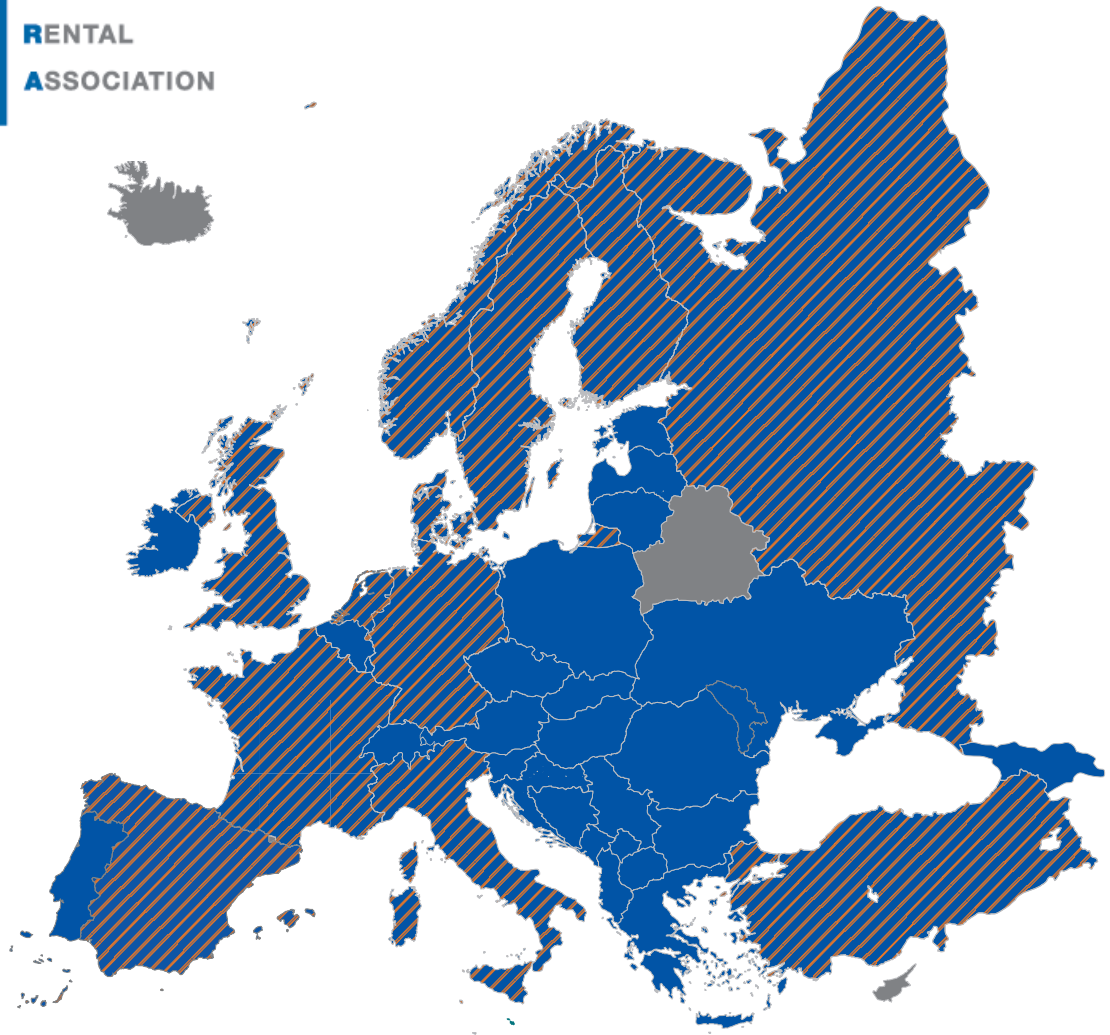
LEGEND:



National Rental
Association +
Individual companies



Individual companies



ERA MEMBER COMPANIES OPERATE IN ALMOST ALL COUNTRIES IN EUROPE

Find out which companies operate in your country at www.erarental.org

ERA MEMBERS (as of October 2018)

RENTAL ASSOCIATIONS

DENMARK / Danish
Rental Association

FINLAND / TKL

FRANCE / D.L.R.

GERMANY / BBl

ITALY / ASSODIMI

NETHERLANDS / Verhurend
Nederland

NORWAY / Norwegian
Rental Association

RUSSIA / NAAST

SPAIN / ANAPAT / ASEAMAC

SWEDEN / Swedish
Rental Association

TURKEY / IMDER

UNITED KINGDOM / HAE

INTERNATIONAL ASSOCIATION /
IPAF

RENTAL COMPANIES

BELGIUM /
Atlas Copco Portable Air
Wim Verhuur

BULGARIA /
Stroyrent

CZECH REPUBLIC /
Johnny Servis

FINLAND /
Cramo
Ramirent

FRANCE /
Acces Industrie
Chambault
Kiloutou
Loxam

GEORGIA /
Georent

GERMANY /
ADCO
HKL Baumaschinen
Jungheinrich
Liebherr Mietpartner
Wacker Neuson
Zeppelin Rental

ITALY /
Mollo
Venpa

LUXEMBURG /
Mateco

PORTUGAL /
Machrent
MSR – Aluguer de Maquinas e
Equipamentos

SPAIN /
Germans Homs

SWITZERLAND /
Avesco

THE NETHERLANDS /
Aerzen International Rental
Boels Verhuur
Bredenoord Aggregaten Verhuur
Energyst
Hoogwerkt
Peinemann Holding
Riwal Hoogwerkers

UNITED KINGDOM /
Ashtead Group
GAP Group
HSS Hire
Red-D-Arc Welderentals
VP PLC

ASSOCIATE MEMBERS

Altrex
Ammann France
Annata
Armada Dynamics
Atlas Copco Portable Air
ATN
BBA Pumps
Bravi Platforms
Brendon Powerwashers
Briggs and Stratton
Caterpillar
Containex
Dagico Software
Datatag ID
Doosan Benelux
Euro Auctions
Eurogate International

GENERAC
Genie Europe
Haulotte Group
Hilti
Hinowa
Hitachi Construction Machinery
inspHire
Infor
JCB
JLG Industries
Kaeser Compresseurs
KHL Group
Klickrent
Komatsu
Leica Geosystems
Liebherr France
Manitou

Multitel Pagliero
Point of Rental Software
Ritchie Bros. Auctioneers
Roesler Software Technik
Skyjack UK
Smartequip
Snorkel
Swepac
Sycor
TORO Europe
Trackunit
Volvo CE Europe
Wacker Neuson
Wynne Systems
XCMG
Yanmar
ZTR

AVAILABLE NOW!

Get the most comprehensive data available on the European Rental Industry

The **ERA Market Report 2018** gives you the most comprehensive data currently available on the European Rental Industry.

The Report contains a country-by-country analysis over 15 European countries **detailed market size information for the years 2014-2017** and key ratios among which fleet size and investment as well as penetration rates.

For the first time, the Market Report provides an analysis on rental penetration based on equipment unit sales from a selected range of categories.

Find out what to expect of the Rental Industry in each country with the 2019 forecasts!

If you would like to get your copy, please contact the European Rental Association by email on era@erarental.org

