



EUROPEAN
RENTAL
ASSOCIATION

Trends in the European Equipment Rental Market

Report of the ERA Statistics Committee

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ERA Secretary General



Statistics Committee Report

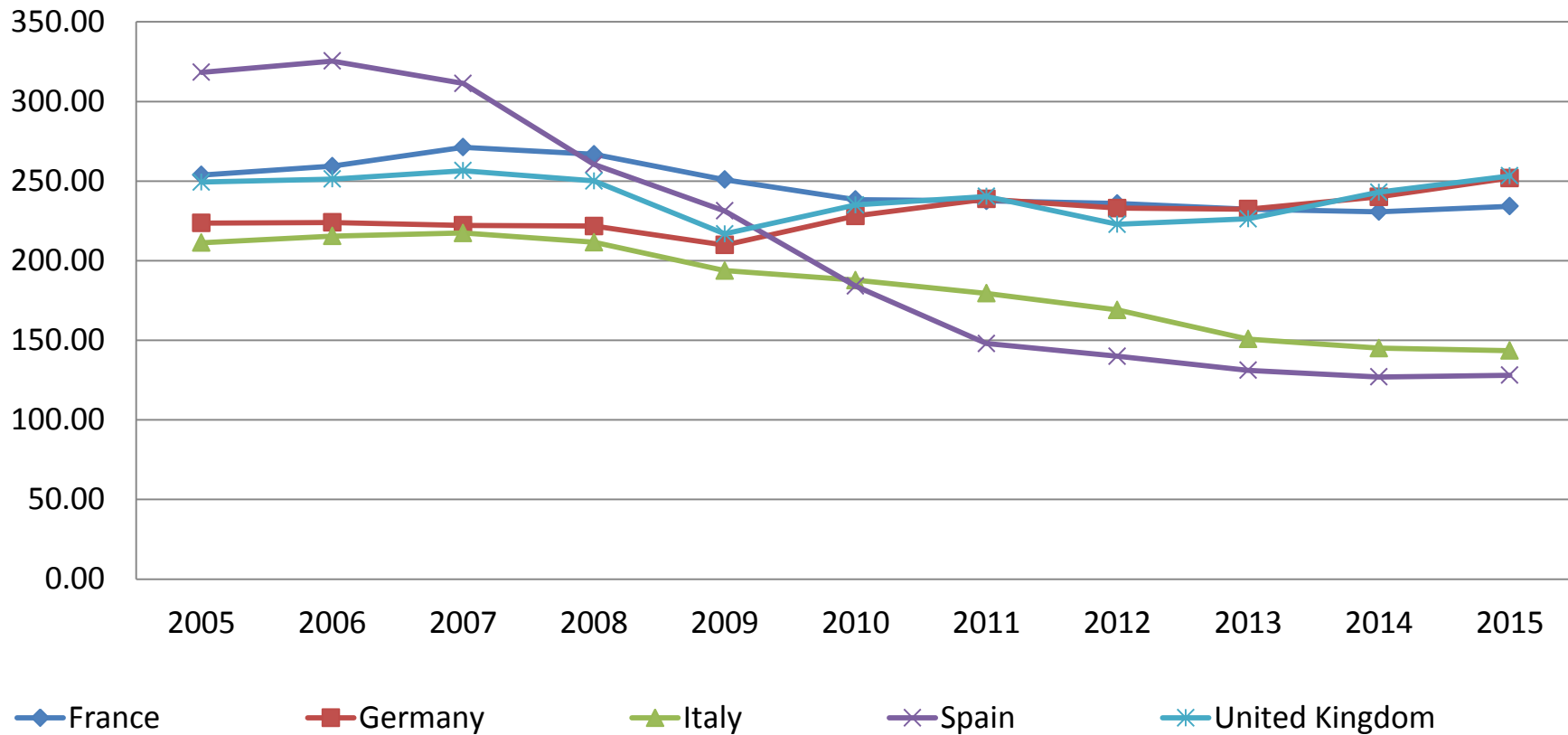
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Macro Trends in Construction Markets in Europe

Total Construction (2005-2015)
2010 Euro Bn



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Macro Trends in Sales of Construction Equipment in Europe

- Over the last 10 years, 2005 to 2014, the average sales of construction equipment in Europe is around 140 000 units per year, 12.5% higher than in 2014.
- After the strong recovery of 2010, +17% and 2011, +23%, the following years decreased again with - 4% in 2012 and - 6% en 2013.
- 2014 finally reversed the trend with an increase of 11%, at 124 000 units.
- An estimate for the next 5 years, 2015 to 2019, shows an average of 129 000 units sold per year.

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2014 Report Highlights

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- In 2016 growth was expected to strengthen to 3.2%

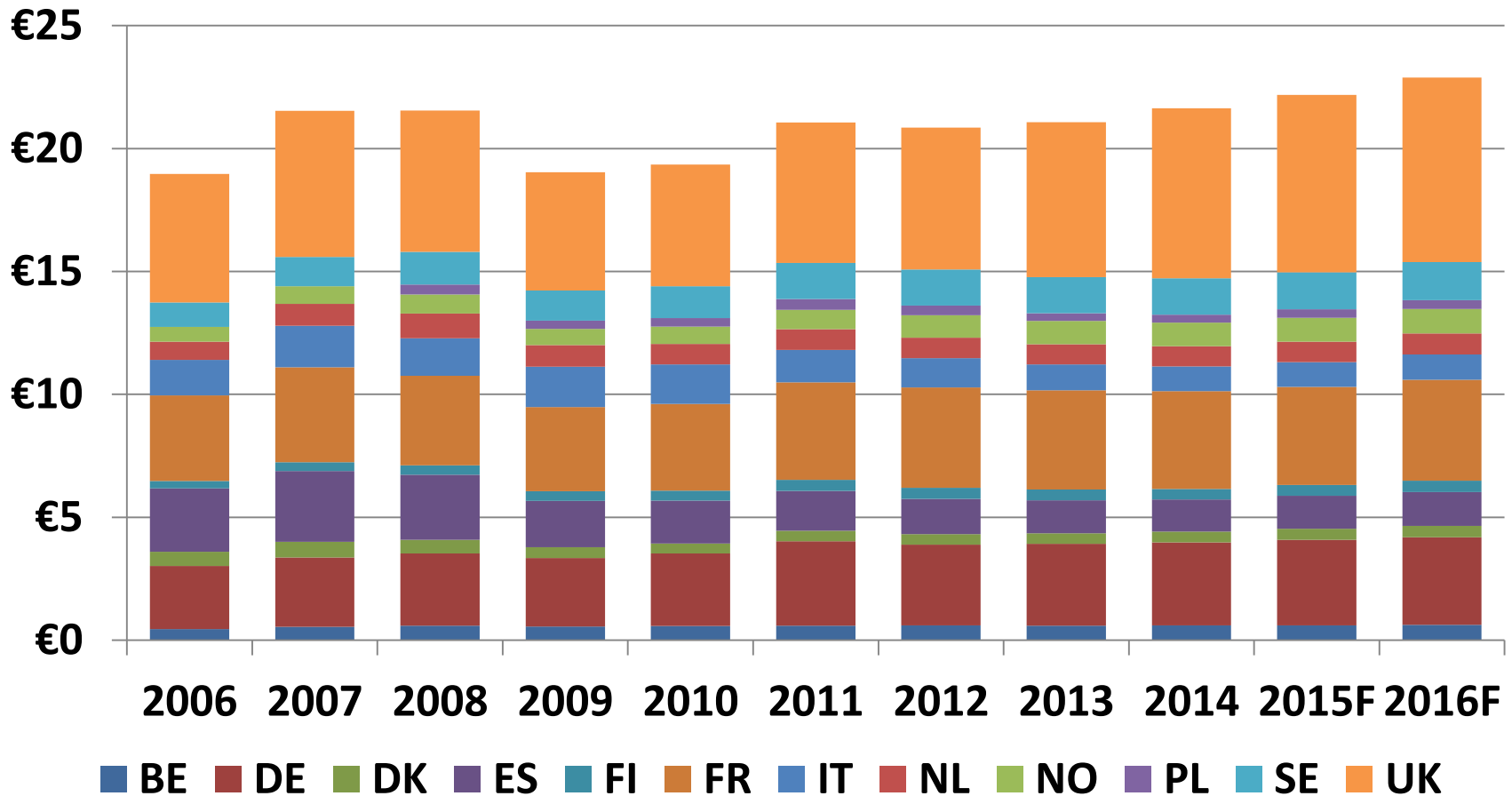
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- 2015 was forecasted to experience moderate growth at 2.6%
- In 2016 growth was expected to strengthen to 3.2%
- The May 2015 Forecast Update revises slightly downwards the original 2015 forecast at +2.6%, and slightly increases the 2016 forecast to 3.4%

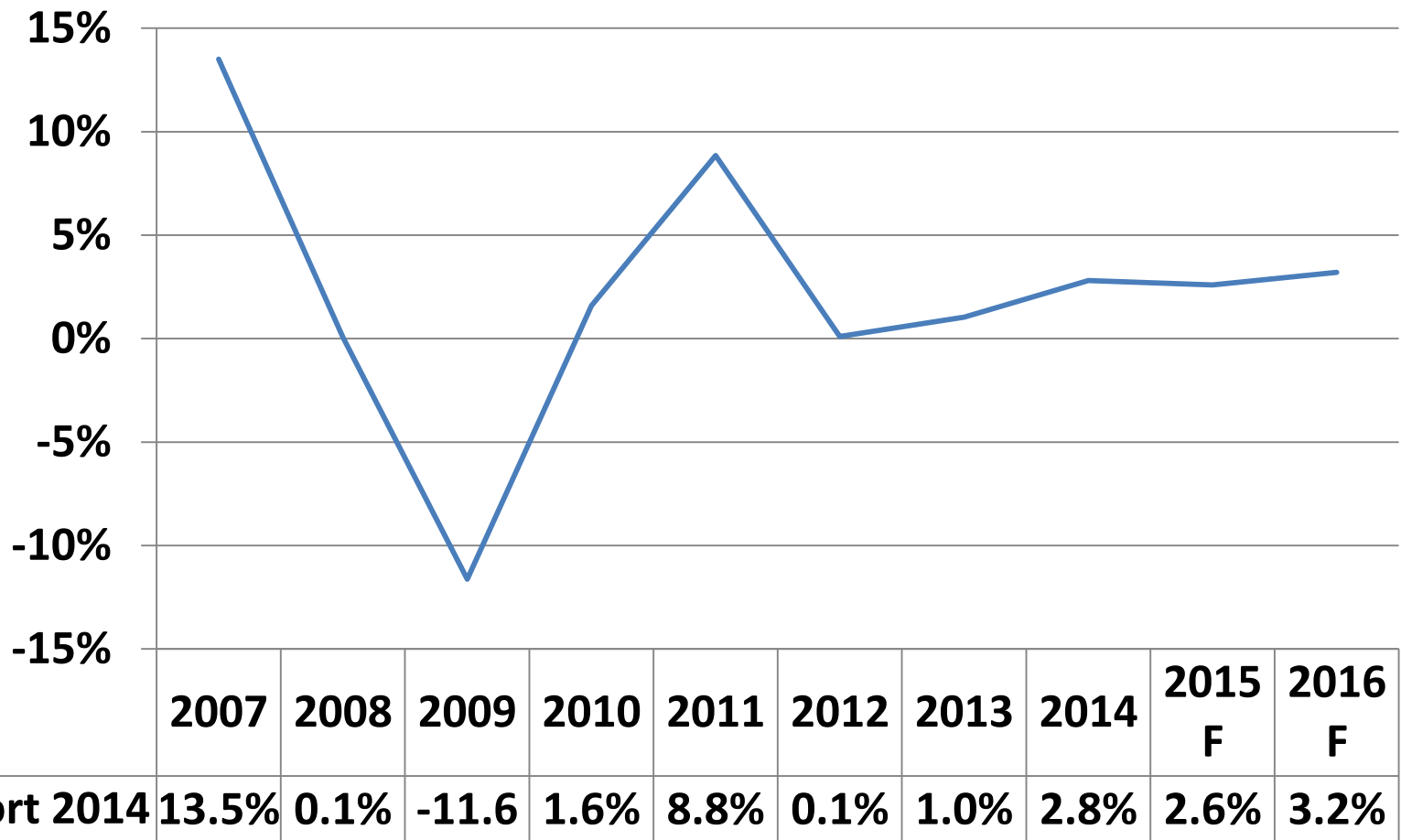
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2014 Report Highlights - Detail for 12 countries – Value €Bn



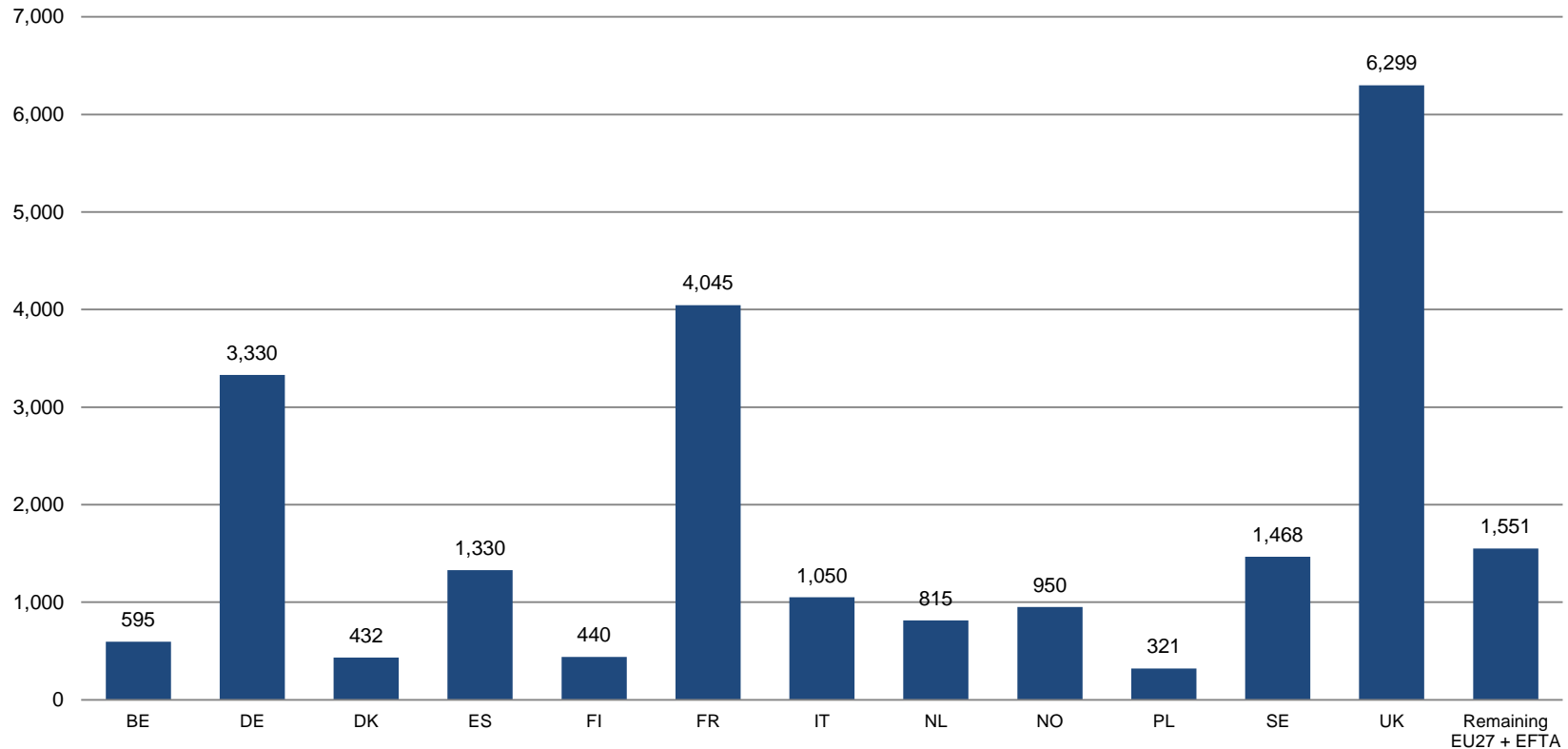
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2014 Report Highlights - Rental Market Growth



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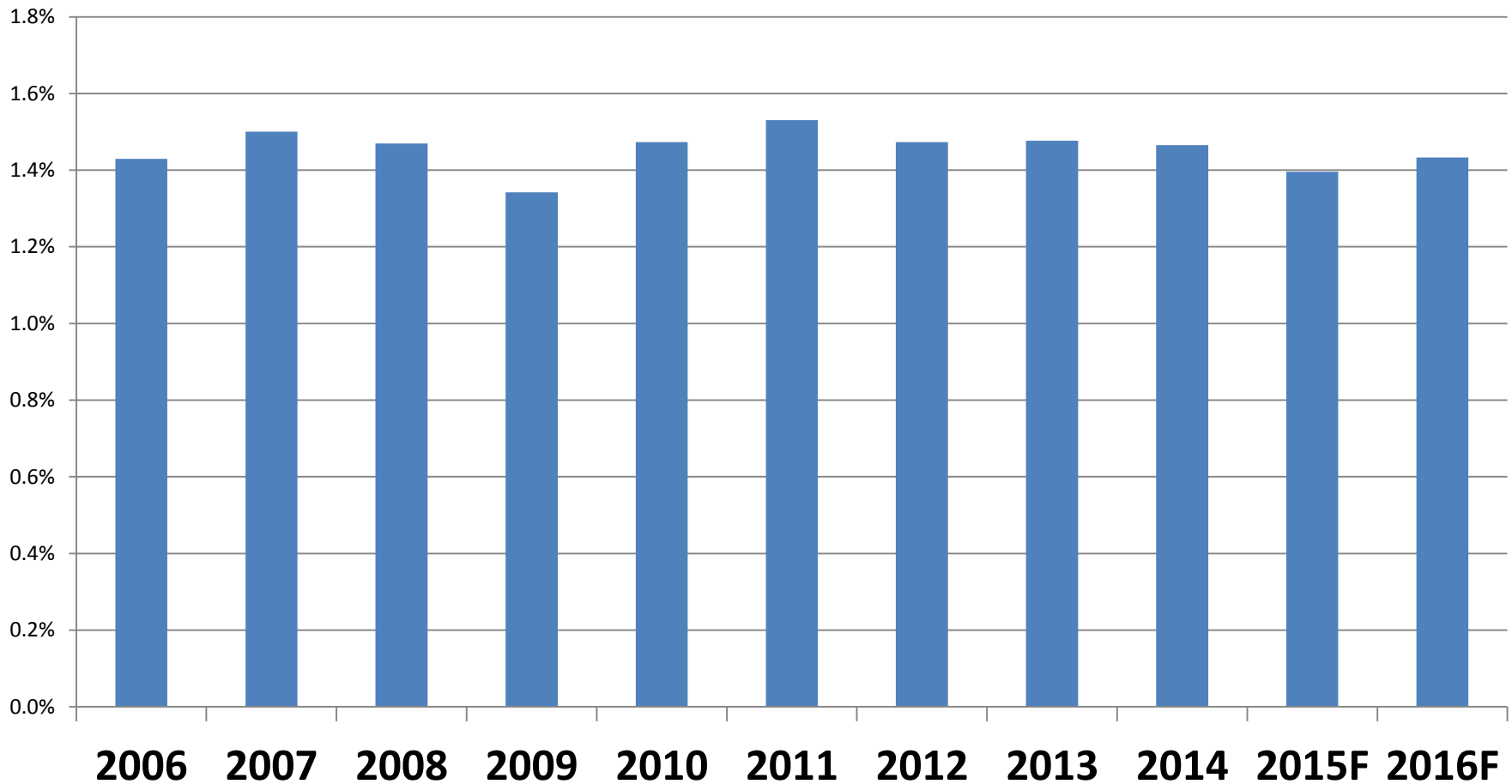
Rental Turnover 2013 by Countries [€ million]



Source: IHS

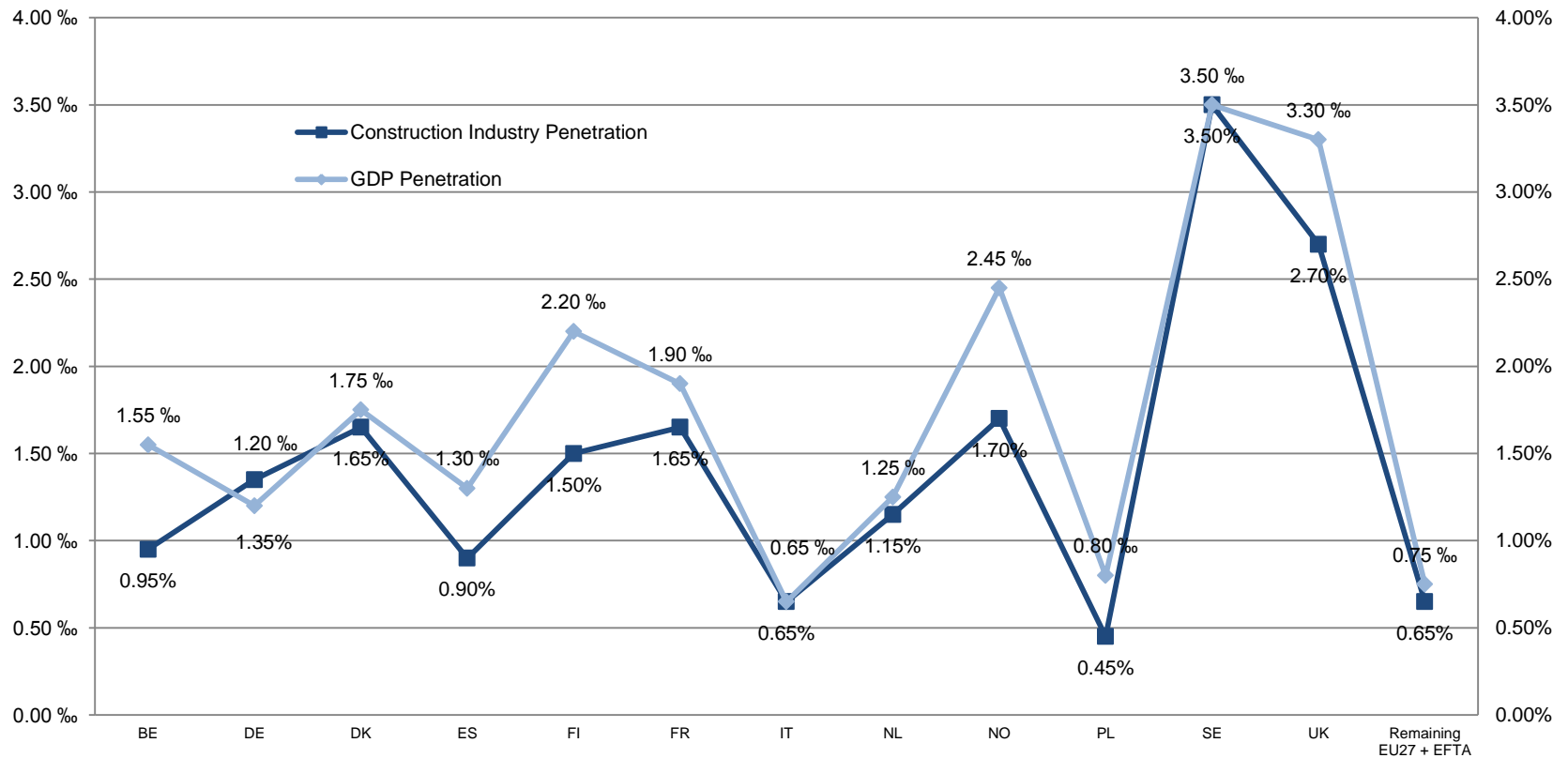
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2014 Report Highlights - Construction Industry Penetration rates



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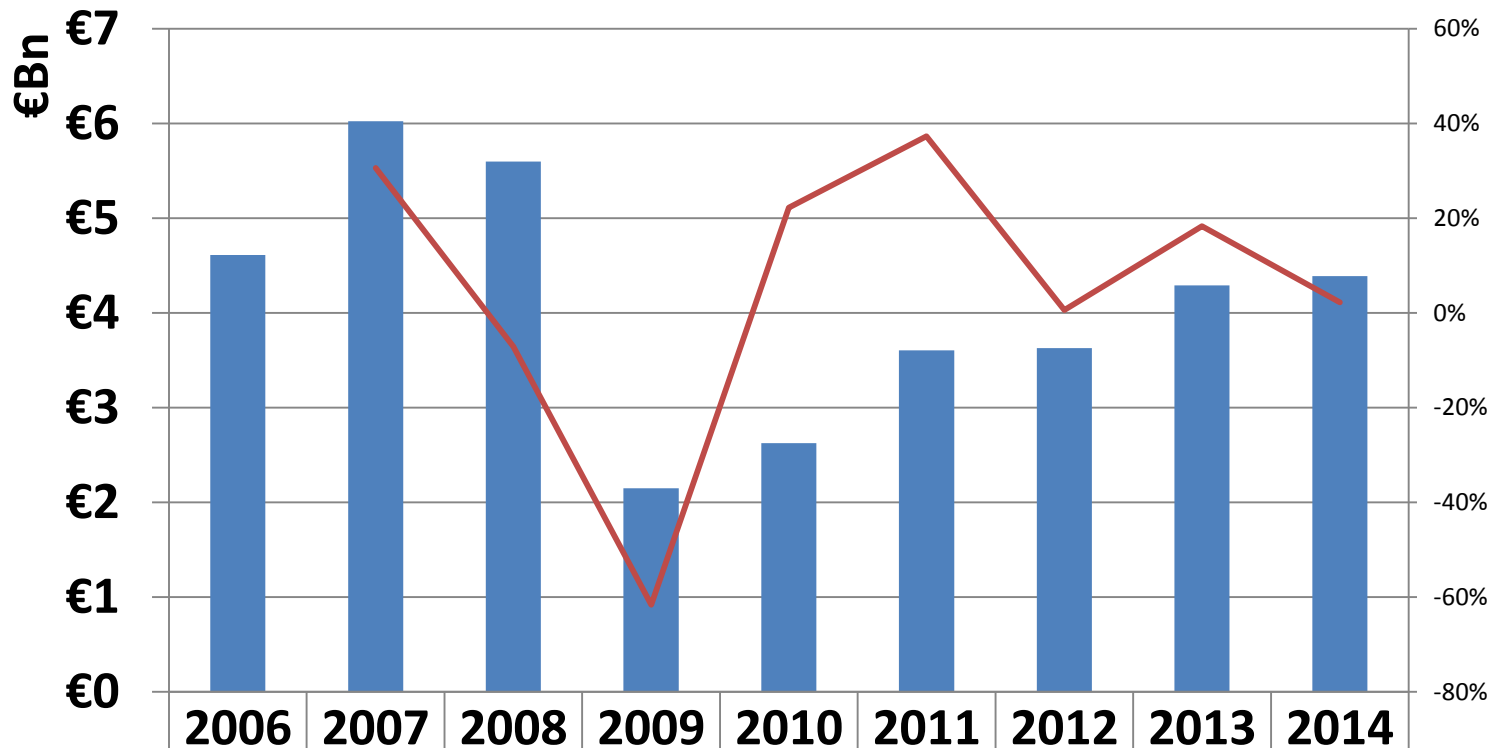
Construction Industry Penetration rate 2013 GDP Penetration rate 2013



Source: IHS

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2014 Report Highlights - Investments in rental equipment



■ €Bn	2006	2007	2008	2009	2010	2011	2012	2013	2014
	€4.6	€6.0	€5.6	€2.1	€2.6	€3.6	€3.6	€4.3	€4.4
— % growth		31%	-7%	-62%	22%	37%	1%	18%	2%

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Special Focus on the UK and French rental markets

Equipment rental without operator revenue by main product categories			
Level 1 - Product Category	Share of total revenue		
	UK in 2012	France in 2013	Germany in 2014
1 - General Plant	45,2%	41,1%	
2 - Tools & General Equipment	13,7%	18,5%	
3 - Access	15,9%	24,3%	
4 - Power Generation & T° Control	12,6%	8,4%	
5 - Accomodation & fencing	6,2%	2,9%	
6 - Industrial Machinery	1,4%	0,0%	
7 - Cranes	5,0%	0,1%	
8 - Transportation		4,8%	

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Special Focus on the UK and French rental markets

Equipment rental without operator revenue by main market categories

Level 1 - market Category	Share of total revenue		Level 2 - market Category	Share of total revenue	
	UK in 2012	France in 2013		UK in 2012	France in 2013
Construction	62,9%	67,7%	1.1 Residential Construction	10,5%	18,4%
			1.2 Non-Residential Construction	30,5%	18,4%
			1.3 Infrastructure Construction	21,9%	30,9%
Non-Construction	37,1%	32,3%	2.1 Services Sector	20,3%	16,5%
			2.2 Consumer Sector & Other	1,7%	6,2%
			2.3 Industrial Sector (excl. Industrial construction)	15,1%	9,7%

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More findings from the Special Focus on the UK rental market

The estimated **share of revenue from renting of equipment with operator** (compared to total rental revenues with and without operator) is believed to be about **25% - 30%**.

Revenue from rental companies whose primary business is rental with operator is estimated at 1.05 billion GBP in 2012.

Total equipment rental revenue from companies whose primary activity is rental, either with or without operator, in the UK, in 2012, **is estimated at 5.7 billion GBP**

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More findings from the Special Focus on the French rental market

In addition to the first two classifications, we investigated further the question of the structure of the market, and created a channel to market breakdown.

Equipment rental without operator revenue by main “channel to market” categories in 2013

Level 1	Share of total revenue
1 - Rental companies	92.5%
2 - Distributors having a rental activity	7.0%
3 - OEMs having a rental activity	0.5%
Total	100%

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May 2015 updated Forecast

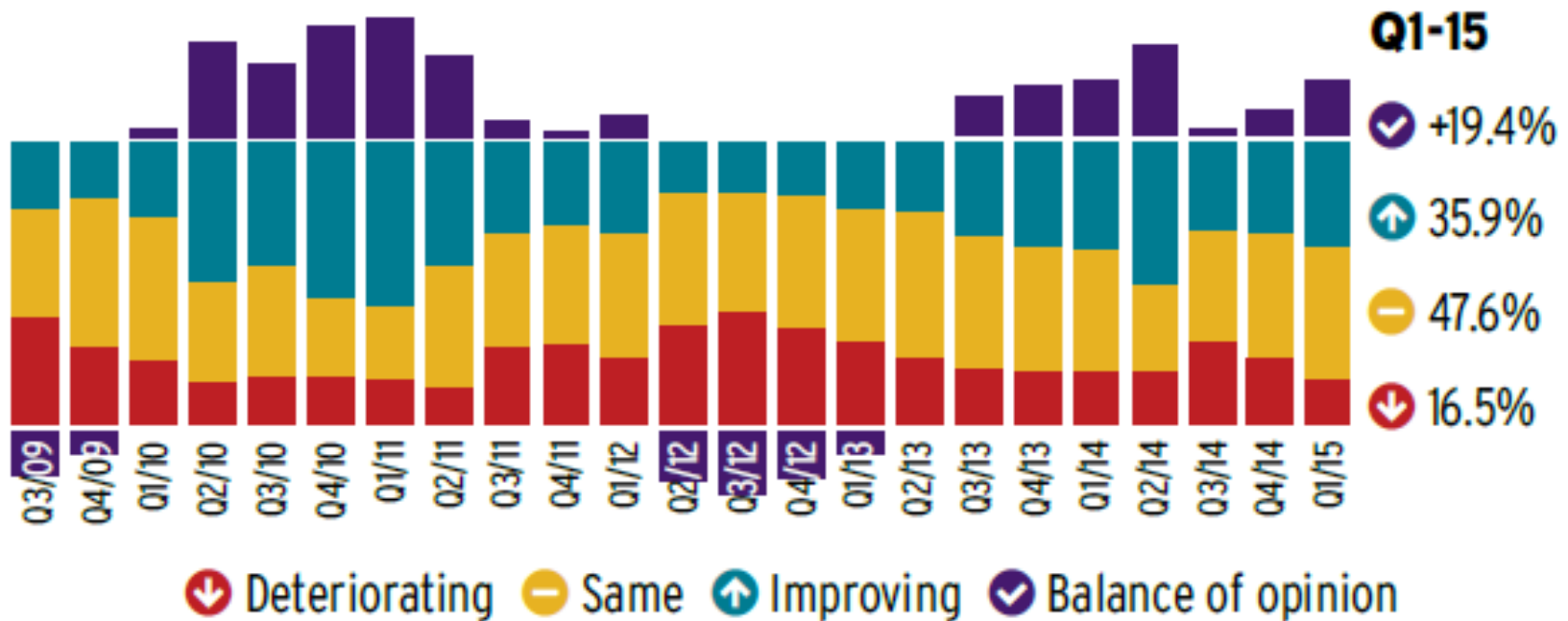
	ERA 2014 Report (Sept 2014)	Convention Update	Difference (2015 update -
Countries	2015	2015	2015
Belgium (BE)	0,8%	0,9%	0,1%
Denmark (DK)	3,5%	2,9%	-0,6%
Finland (FI)	2,1%	2,8%	0,7%
France (FR)	0,6%	0,6%	0,0%
Germany (DE)	2,8%	2,7%	0,0%
Italy (IT)	-0,4%	-0,8%	-0,3%
Netherlands (NL)	1,8%	2,2%	0,4%
Norway (NO)	1,1%	1,3%	0,2%
Poland (PL)	5,3%	4,9%	-0,4%
Spain (ES)	2,5%	3,0%	0,5%
Sweden (SE)	1,8%	2,0%	0,2%
United Kingdom (UK)	4,4%	4,3%	-0,1%
EU-27 + EFTA countries	2,6%	2,3%	-0,3%

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Rental Tracker - Q1, 2015 - ERA/IRN

FIGURE 1

Europe: Business conditions now



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2015 Report Developments

- **Validation of rental market sizing for GERMANY**

After the work done in 2013 in UK and in 2014 in France, we will use a similar methodology – adapted to the specifics of the German market.

- **Additional countries to the usual scope of 12: Austria and Switzerland**

- **USA Summary**

Summary of the main findings of the ARA, the American Rental Association, as included in their annual report, (which is produced jointly by the ARA and IHS).

- **European Access Summary**

Summary of the main findings of IPAF, the International Powered Access Federation, as included in their annual report.

- **Schedule: 2015 Report to be published mid October**

Objective 2016: Validation of rental market sizing for Nordic Countries