



EUROPEAN
RENTAL
ASSOCIATION

Italy vs Europe

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OFFICINE GIULIANO SPA

 *Please react on Twitter, @era_rental*



Company Overview

Financial sustainability to face the Crisis

Main differences between European and Italian markets



Company Overview

Officine Giuliano has been founded in 1978, at the beginning it was a mechanical workshop with just 3 employees and one depot in Naples.

Today it is a specialised rental company with 40 employees and 6 depots.

The Headquarter is located in Rome, the other depots are in Naples, Brescia, Turin, Lyon and Paris.

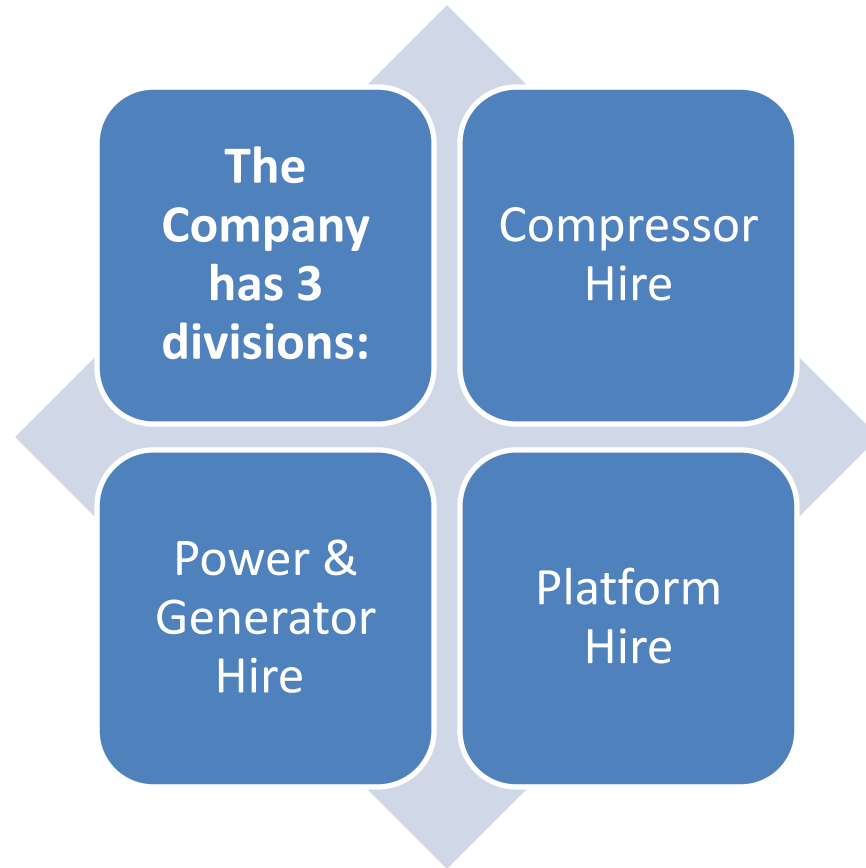


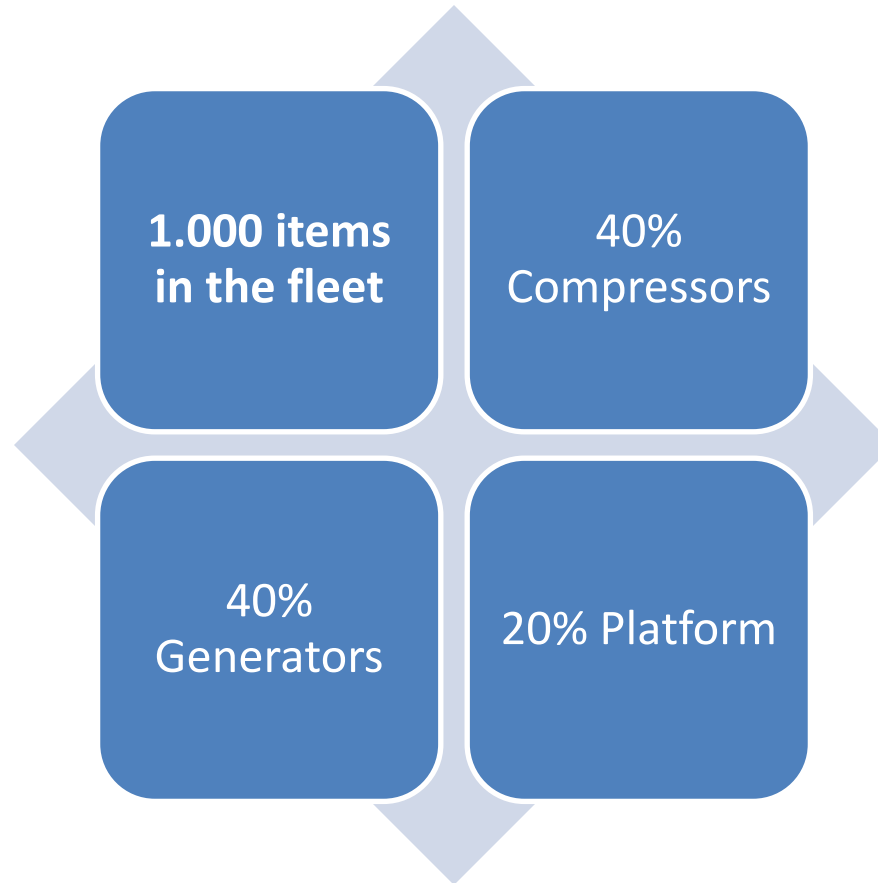
Officine Giuliano is service focused, as its origins, the maintenance is the power.

The service team has 5 mobile workshops running through Italy and France to meet the customers request.

Inside the depots, the maintenance team keeps the rental fleet always in perfect conditions.







Financial sustainability to face the Crisis

Renting is a capital intensive business, to face the crisis is very important to manage the risk, decreasing the leverage.

The key factor is extend the equipment Life, this allows to make the financial structure more solid.



This chart shows how, in Officine Giuliano, the equipment average life has been increased from the start of the crisis to today.

The increase has been about 20%.

Average life of the Equipments (before the crisis - today)

DIVISIONS	AVERAGE LIFE (YEARS)	AVERAGE LIFE (YEARS)
Compressors	6,1	7,3
Power & Generator	5,3	6,4
Platform	4,3	5,2



How to extend the equipment life?

- Intensive maintenance schedule
- Back inside “Insourcing”
- Specialization of workers
- Spare parts management



Main
differences
between
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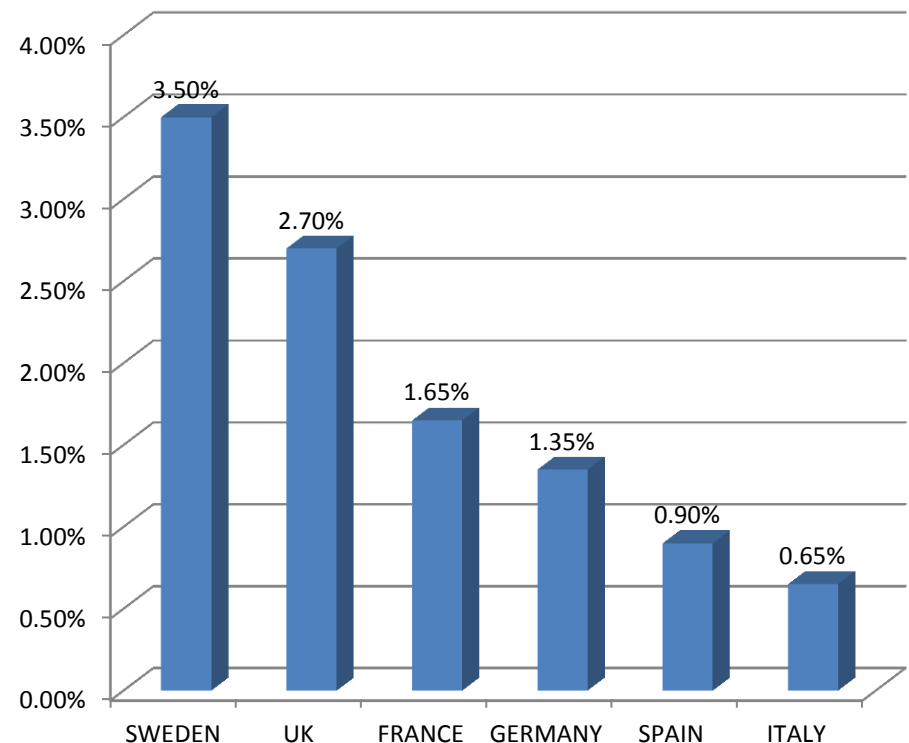
- **In what ways are they different?**
- Rental Penetration Rate
- Bureaucracy and Insolvency Risk
- Access to Credit
- Public Administration Payment delay



1. Rental Penetration Rate

In Italy the penetration Rate is 0.65%, much lower than in the other European Countries, for example in UK is 2.7%, in France is 1.65%.

This difference can be a threats but also an opportunity because the Italian rental market is young and it will improve more than the other mature European markets.



2. Bureaucracy and insolvency risk

This is the most important problem of the Italian economy, because,

In Italy we have:

- Long payment delay
- Risk of insolvency
- legal insecurity
- Bureaucracy

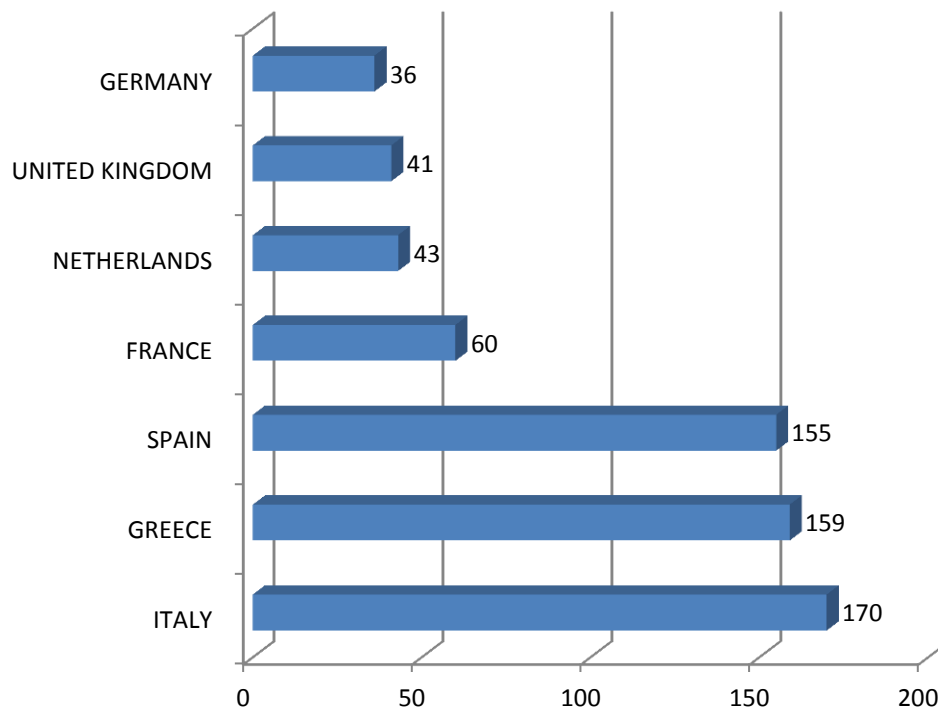


Long Payment delay

In Italy the Average Payment Time is almost **five times longer** than in Germany, four times longer than in UK and three times than in France.

This situation makes Italian Companies less competitive than their European competitors

Average Payment Time



Risk of insolvency and legal insecurity

They are related because the legal insecurity helps the bad company to be insolvent, in some parts of Italy you spend six months to get a payment injunction and then you are not sure to get the money.

Maybe this is the first barrier for foreign investment.



Bureaucracy

In Italy the bureaucracy is much more than in other European Countries, this problem makes the companies lose a lot of time and money.

The cost of bureaucracy, in Italy, is almost 31 billion euro per year and each company spends 100 working days per year just for bureaucracy.



3. Access to Credit

After the financial Crisis of 2007 in Italy, more then in other European Countries the access to credit for SMEs It has become much more complicated.

The number of loans is decreased,

The cost of loans has increased even though the Euribor is close to zero,

More guarantees are needed.



4. Public Administration Payment delay

Italy takes 41 days more than Spain to pay its debts, 82 days more than France, 115 days more than Germany and 120 days more than United Kingdom.

This situation should improve in the coming years because in 2013, the Italian law has implemented The **Late Payments Directive**, 2011/7/EU of the European Parliament about the maximum time of payments, fixed in 30 days.



CONSIDERATIONS

The rental business in Italy is still in start-up phase, in the coming years the penetration rate should increase but will be primary to solve the problems of inefficiency, of bureaucracy, cut down the costs of credit and especially solve the problems of the justice system.



Thanks for your attention

