



EUROPEAN
RENTAL
ASSOCIATION

Trends in European Rental Market

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BRIGHTER GLOBAL ECONOMIC OUTLOOK IN 2023

Europe's GDP is revised up from an estimated contraction

- growth at **0.6%** in 2023 and **1.3%** in 2024

Supply conditions are improving, and Eurozone core inflation is on the downward trajectory

- estimated **5.6 %** in 2023 before falling to **2.55%** in 2024

S&P Global Market Intelligence Material Price Index has been trending down

- Sitting at 33% below its last year's level as of May 1st

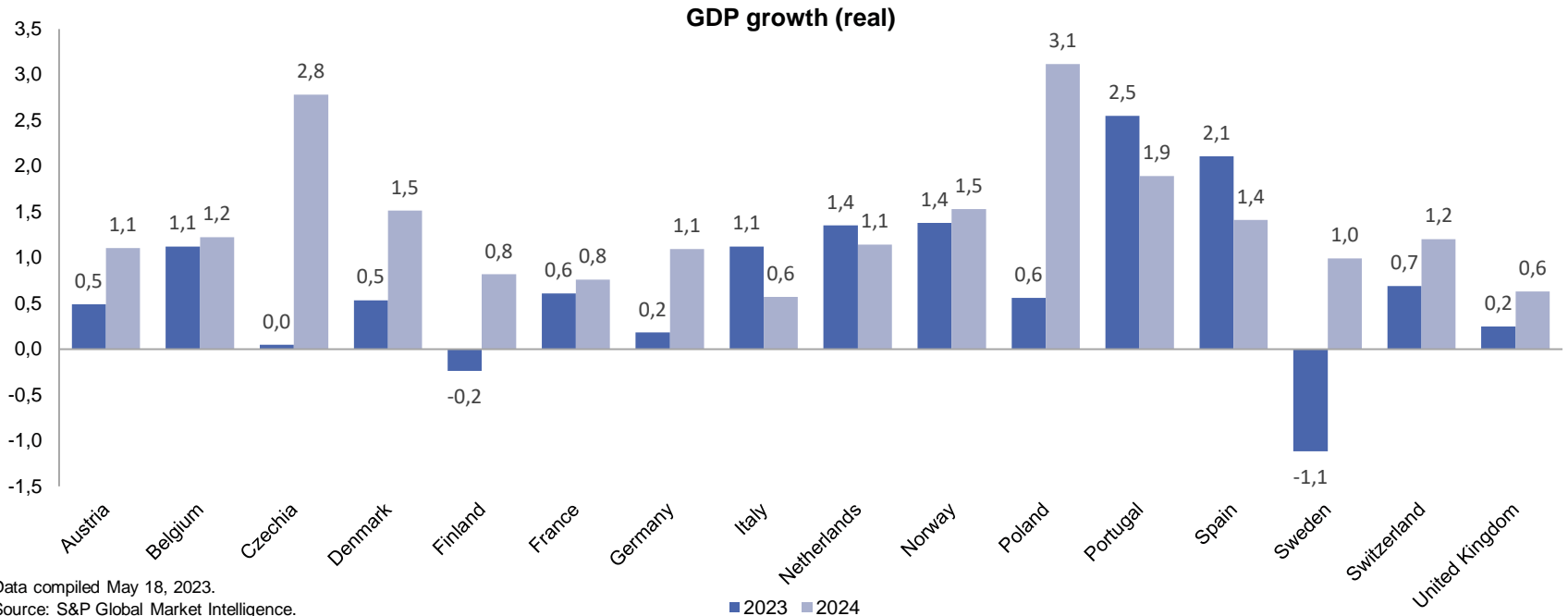
Monetary tightening is expected to continue into 2023

- deposit facility rate to **3.5%** and the refinancing rate to **4.0%**

China's reopening is supporting global economic growth

- may push energy prices higher putting pressure on material prices and profit margins of construction firms

ECONOMIC CONDITIONS HAVE PROVED MORE RESILIENT THAN EXPECTED: WE ESTIMATE THE EUROZONE TO EXPAND BY 0.6% IN 2023, 1.3% IN 2024

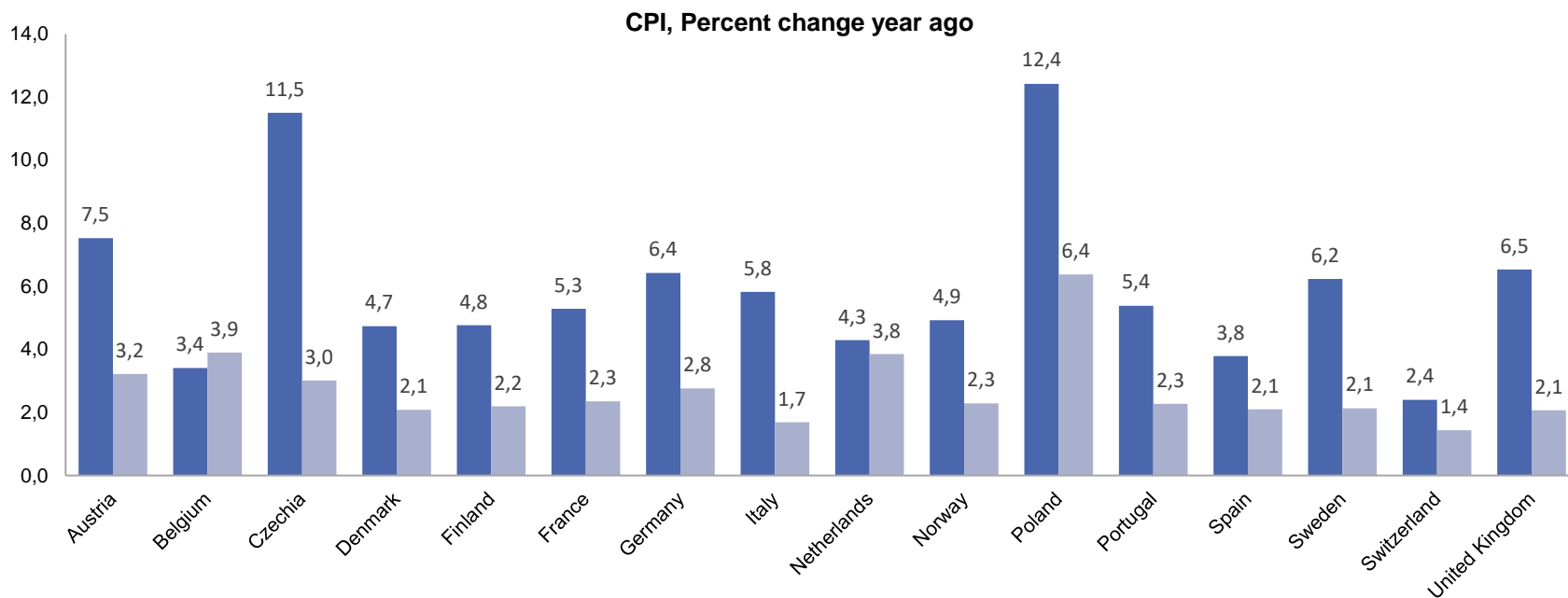


Data compiled May 18, 2023.

Source: S&P Global Market Intelligence.

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INFLATION IS ON A DOWNWARD TREND BUT REMAINS STUBBORNLY HIGH



Data compiled May, 18, 2023.

Source: S&P Global Market Intelligence.

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■ 2023 ■ 2024

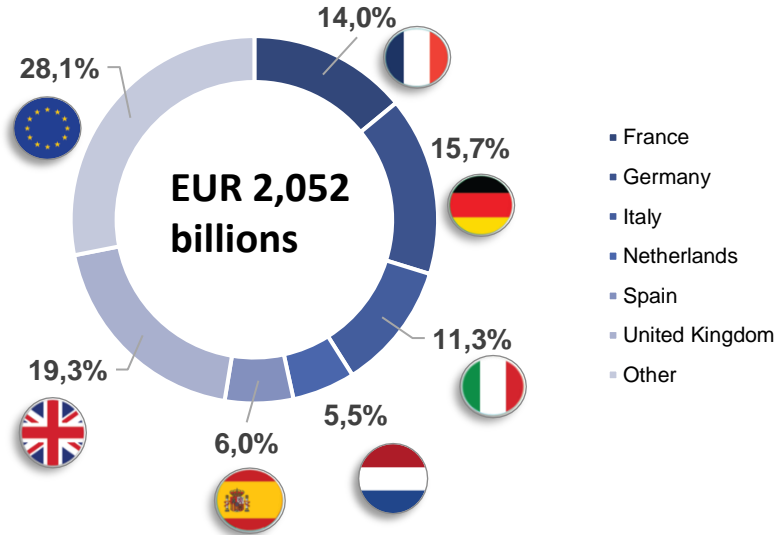
EUROPEAN CONSTRUCTION OUTLOOK IS TRENDING LOWER IN 2023

- Construction sector performance in 2022 was better than expected; 2023 outlook deteriorates mainly because of the residential sector
- Western Europe total construction spending, on a real basis, is expected to contract by **1.2%** in 2023 and rebound to 1.3% in 2024
- Eastern Europe will experience sharper decline at **2.6%** in 2023 before returning growth at a rate of 3.9% in 2024

HOWEVER, THE EQUIPMENT RENTAL MARKET OUTLOOK IS BRIGHTER

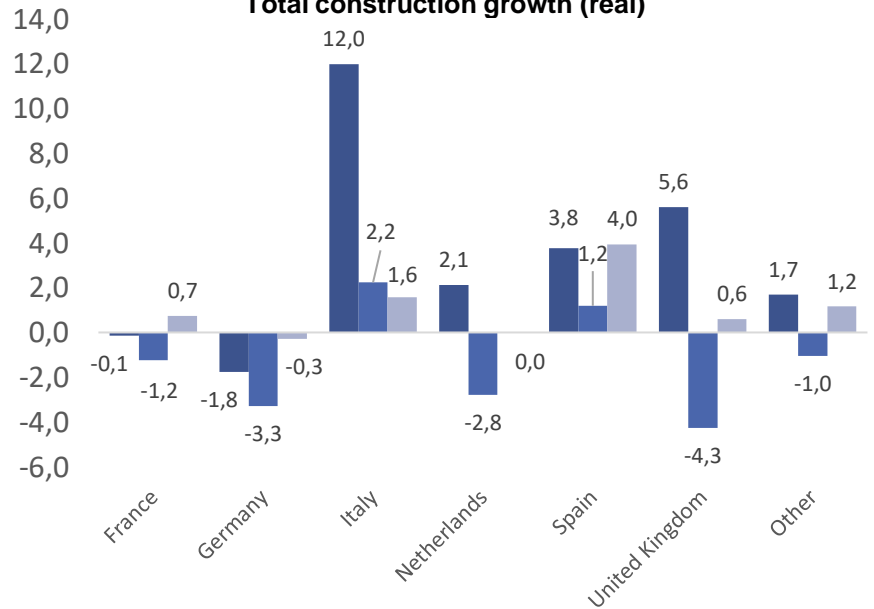
CONSTRUCTION WILL RETURN TO GROWTH IN 2024

Total construction, 2022 (Billions of 2015 Euro)
– 16 countries of the ERA market report



Data compiled May 5, 2023.
Source: S&P Global Market Intelligence.

Total construction growth (real)

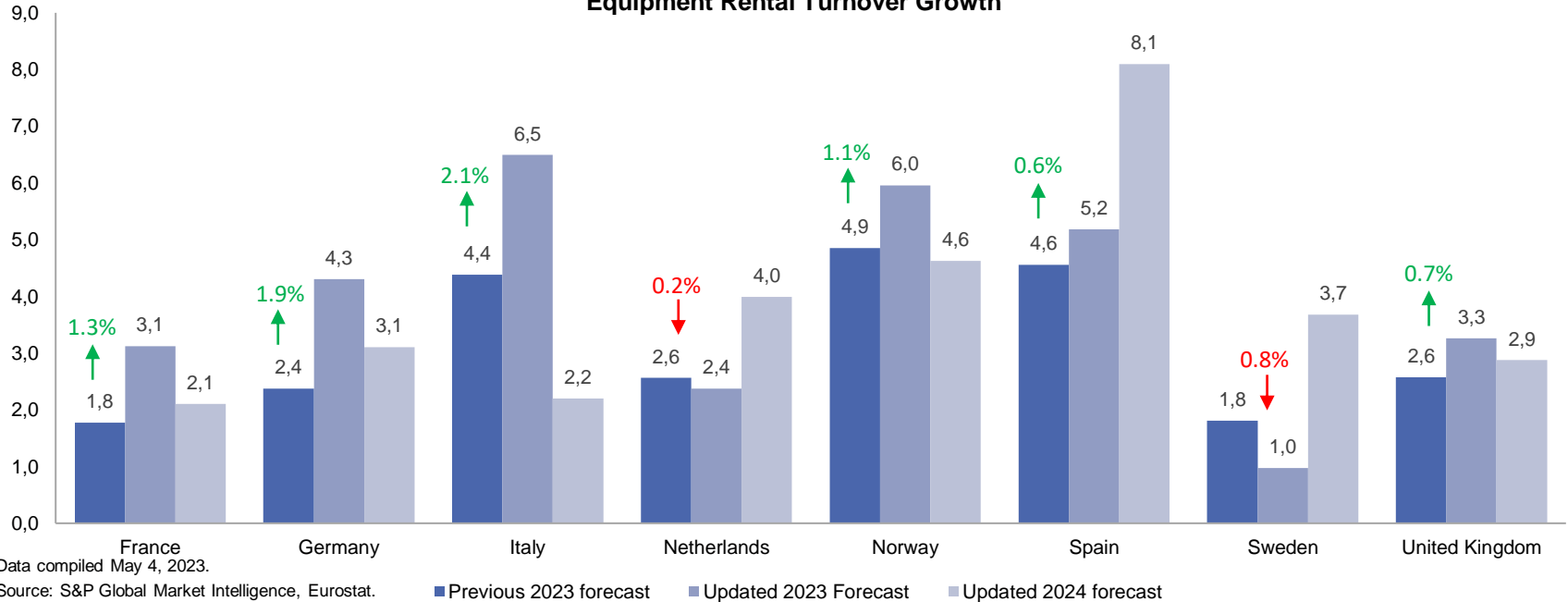


Data compiled May 4, 2023.
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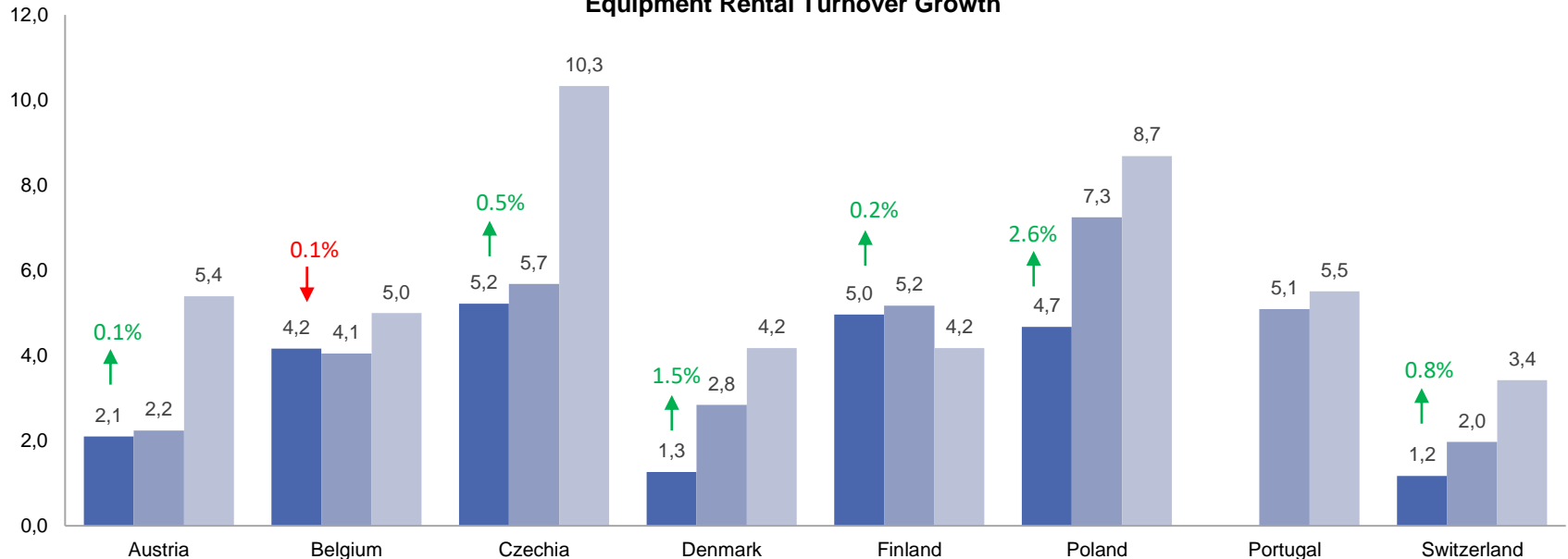
LARGE MARKETS RENTAL TURNOVER GROWTH IS REVISED UP BUT OUTLOOK REMAINS WEAK

Equipment Rental Turnover Growth



SMALLER MARKETS' RENTAL TURNOVER GROWTH REVISIONS WERE LESS PRONOUNCED

Equipment Rental Turnover Growth



Data compiled May 4, 2023.

Source: S&P Global Market Intelligence, Eurostat.

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■ Previous 2023 forecast ■ Updated 2023 Forecast ■ Updated 2024 forecast

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