



EUROPEAN
RENTAL
ASSOCIATION

Looking Back at the Last 20 Years: Lessons and Predictions

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The view from today

The recent picture



Macro headwinds:

German construction, weak residential, constrained rate environment



Mixed momentum:

Deterioration in business condition across Europe



Soft financial performance:

L2Y org. revenue growth ~0.5%; EBITDA margins down ~250bps

Reasons to feel optimistic



Robust market conditions

in Southern Europe; recovery in Nordics



Major infrastructure spending requirements

across the continent



Continued market fragmentation =

further consolidation opportunity

The structural backdrop

FINANCIAL TIMES

Investors seek shelter from AI rout in asset-heavy stocks



Exxon and Chevron are up more than 20% this year © Michael Nagle/Bloomberg

Emily Herbert, Rachel Rees and Ian Smith in London

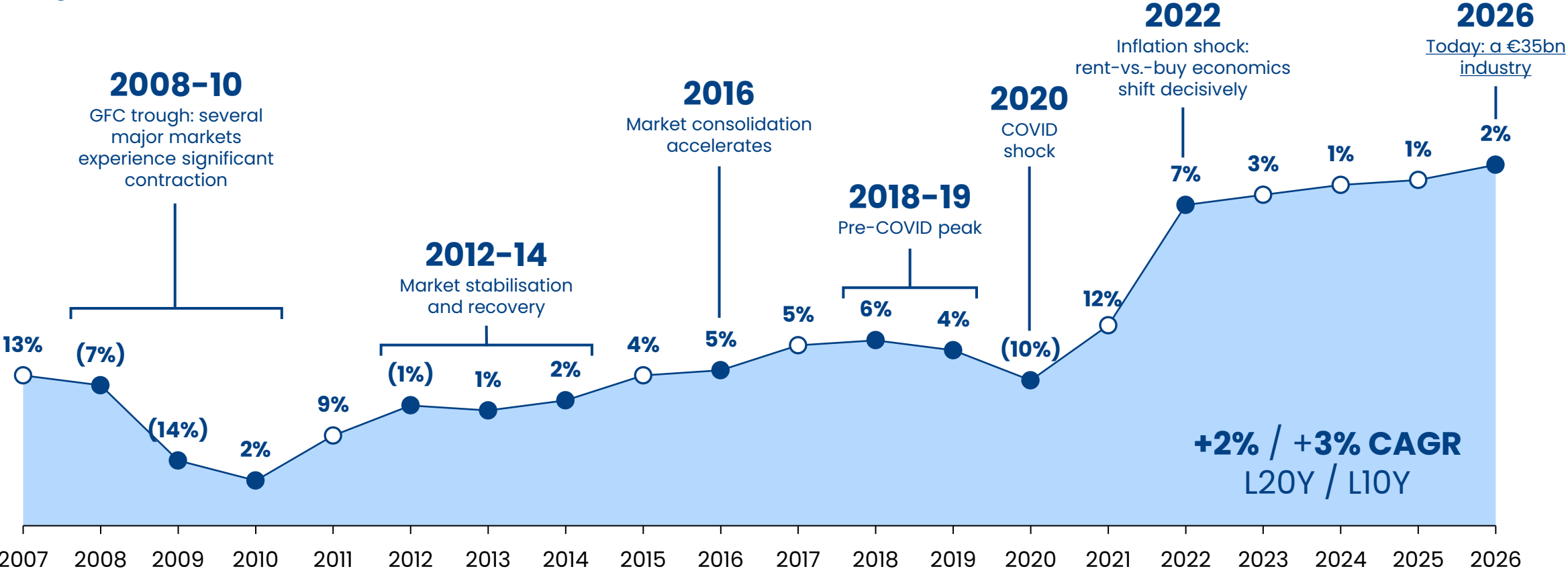
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Structural rotation underway, with the market decisively backing durable assets

Encouraging signs that the market is at an inflection point

The long view

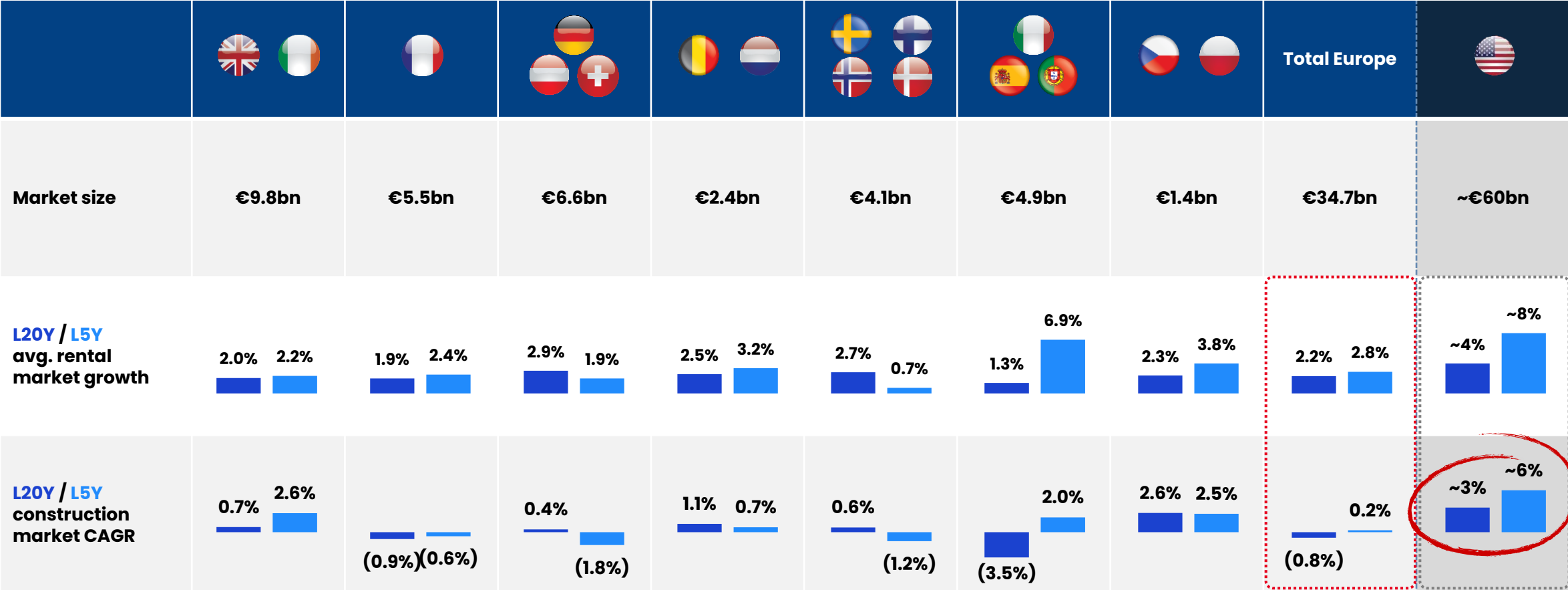
—○— European rental market growth rate



Equipment rental industry has demonstrated durable long-term compounding characteristics

Source: ERA

Lesson 1: Construction end-market hasn't been a friend to the industry

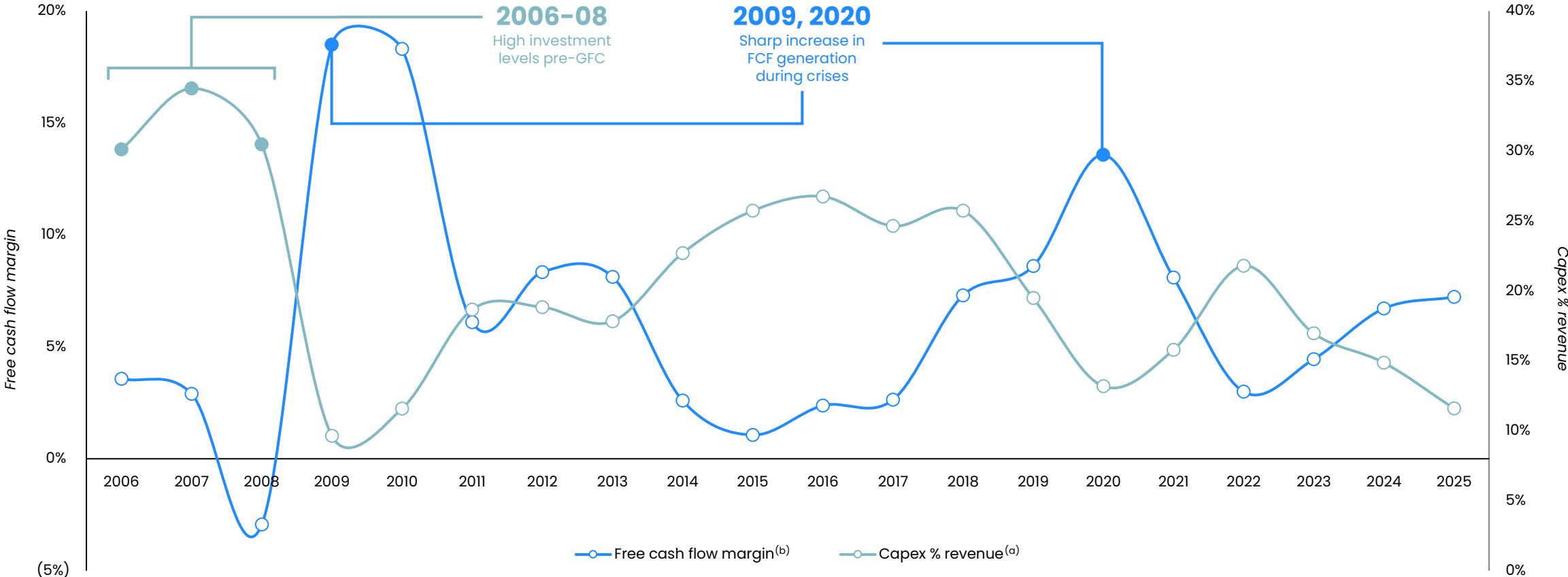


Equipment rental sector has performed well despite the construction market, not because of it (unlike the US)

Source: ERA, Euroconstruct, BMI, IHS Markit

Lesson 2: The industry can quickly adapt to downturns

Capex^(a) and free cash flow^(b) % revenue for largest European rental players



Crises have driven structural adaptations beyond cyclical recovery

Note: Financials on a pre-IFRS basis; financials are the median of largest European rental players
 (a) Net capex, where available
 (b) Free cash flow defined as EBITDA - capex
 Source: Company information

Lesson 3: Significant ramp-up in industry consolidation in recent years

2007		2025		Comparison: US ^(b)	
Top 5 players	% market turnover ^(a)	Top 5 players	% market turnover ^(a)	Top 5 players	% market turnover
#1	3%	#1	7%	#1	16%
#2	3%	#2	5%	#2	11%
#3	2%	#3	4%	#3	5%
#4-5	3%	#4-5	5%	#4-5	~3%
Total	11%	Total	21%	Total	~35%

Evolution of European listed company landscape

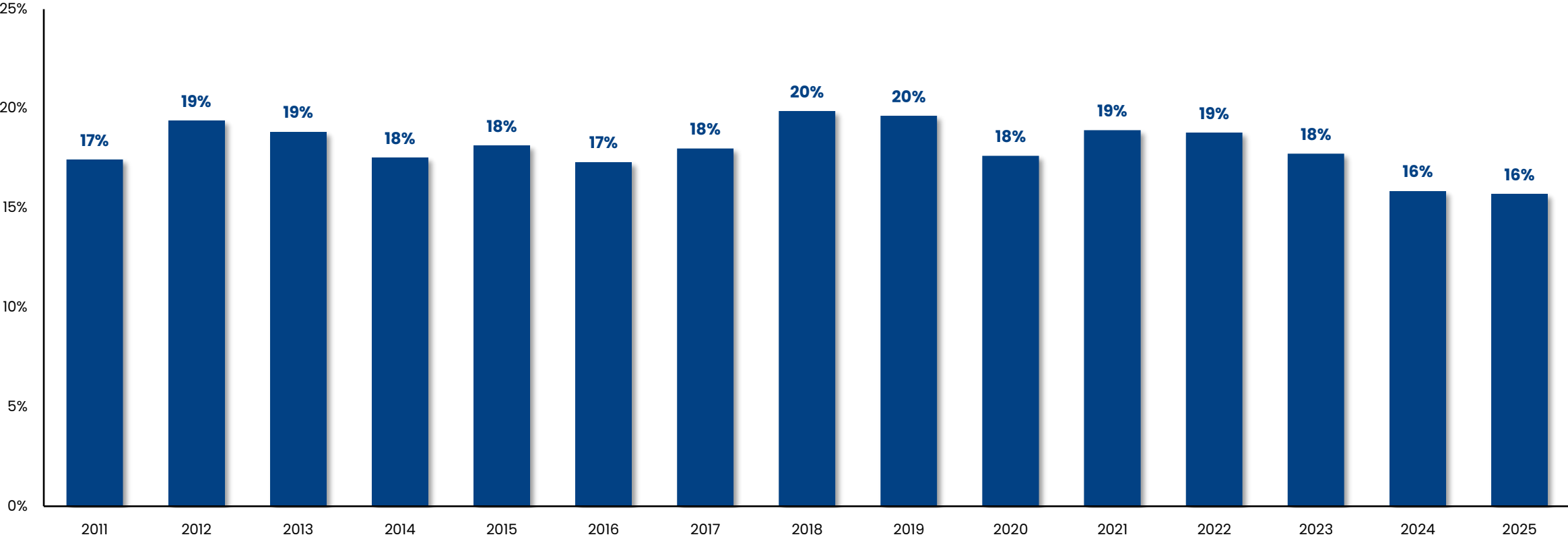
- Adapteo.** → Acquired
- aggreko** → Acquired, US relisting planned
- C R A M O** → Acquired
- Lavendon** → Acquired
- RAMIRENT** → Acquired
- SUNBELT RENTALS** → US relisting

Continued fragmentation despite top players controlling greater market share through M&A and organic initiatives

(a) Percent of European market size
 (b) As of 2025
 Source: Company information, ERA

Lesson 4: Industry has defended return on capital through cycles

Return on capital^(a) for largest European rental players



Despite an unsupportive construction end-market, the industry has managed to continue generating solid returns

Note: Financials on a pre-IFRS basis; financials are the median of largest European rental players
(a) Return on capital defined as EBITDA / GBV of fleet
Source: Company information

Lesson 5: Specialty has emerged as a major value driver

Perceived benefits

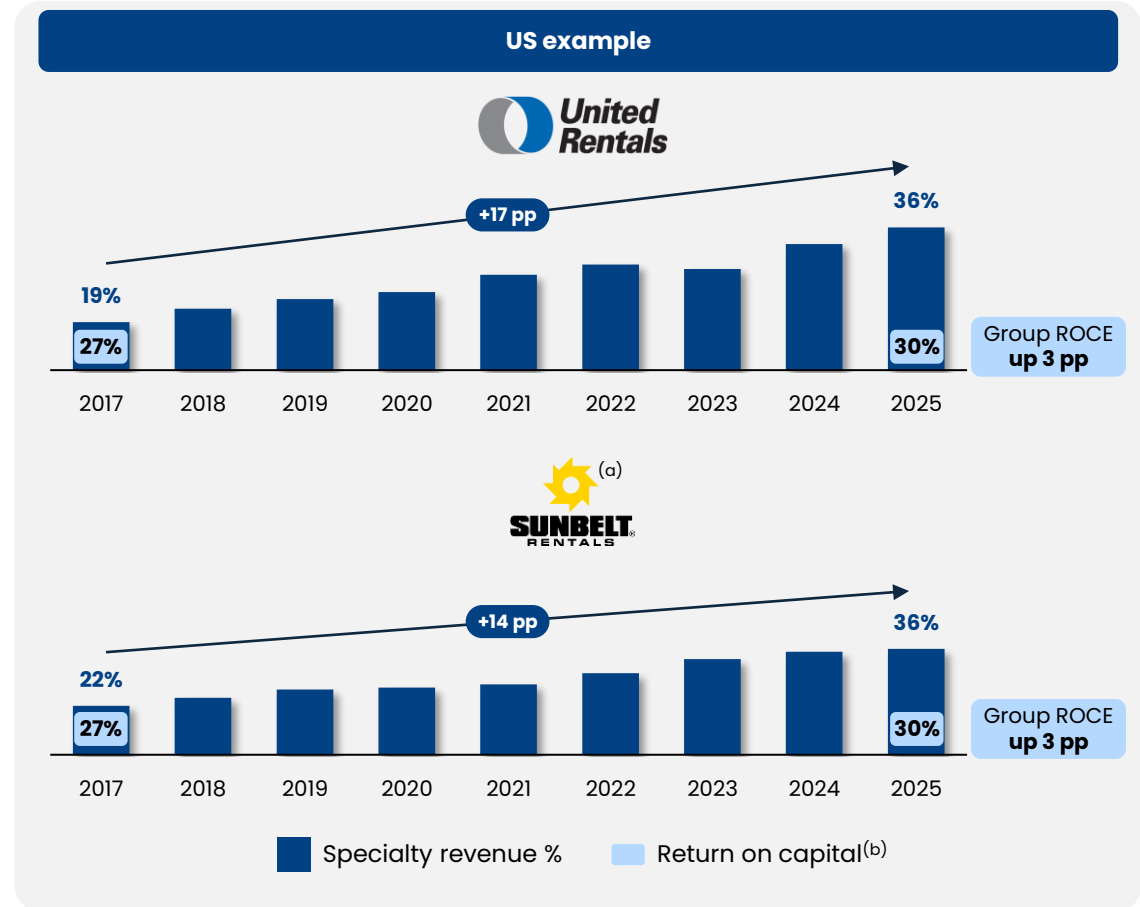
 Above-GDP / construction market growth	 End-market diversification
 Higher barriers to entry / scale	 Greater customer stickiness
 Cross-selling potential	 Better economics

Positioning shift: rental to specialty solutions









Given superior growth and economics, specialty penetration can increasingly drive structurally higher returns

(a) Sunbelt Rentals North America revenues only
 (b) Return on capital defined as EBITDA / GBV of fleet
 Source: Company information




Moving forward: Identifying the future growth vectors

Infrastructure renewal

-  Next Generation EU & Recovery and Resilience Facility
-  Connecting Europe Facility (TEN-T transport)
-  ENTSO-E Ten-Year Network Development Plan
-  German federal infrastructure programs
-  UK AMP8 water / rail / energy programs

Rewards heavy equipment capability and integrated solutions depth

Energy transition

-  REPowerEU Plan (€300bn additional renewable and grid investment)
-  EIB Climate Bank Roadmap (€1tn mobilisation target by 2030)
-  Net Zero Industry Act (40% domestic production targets)
-  Energy Performance of Buildings Directive (deep renovation mandates)
-  Alternative Fuels Infrastructure Regulation (EV charging buildout)

Rewards power, modular and climate specialty capability

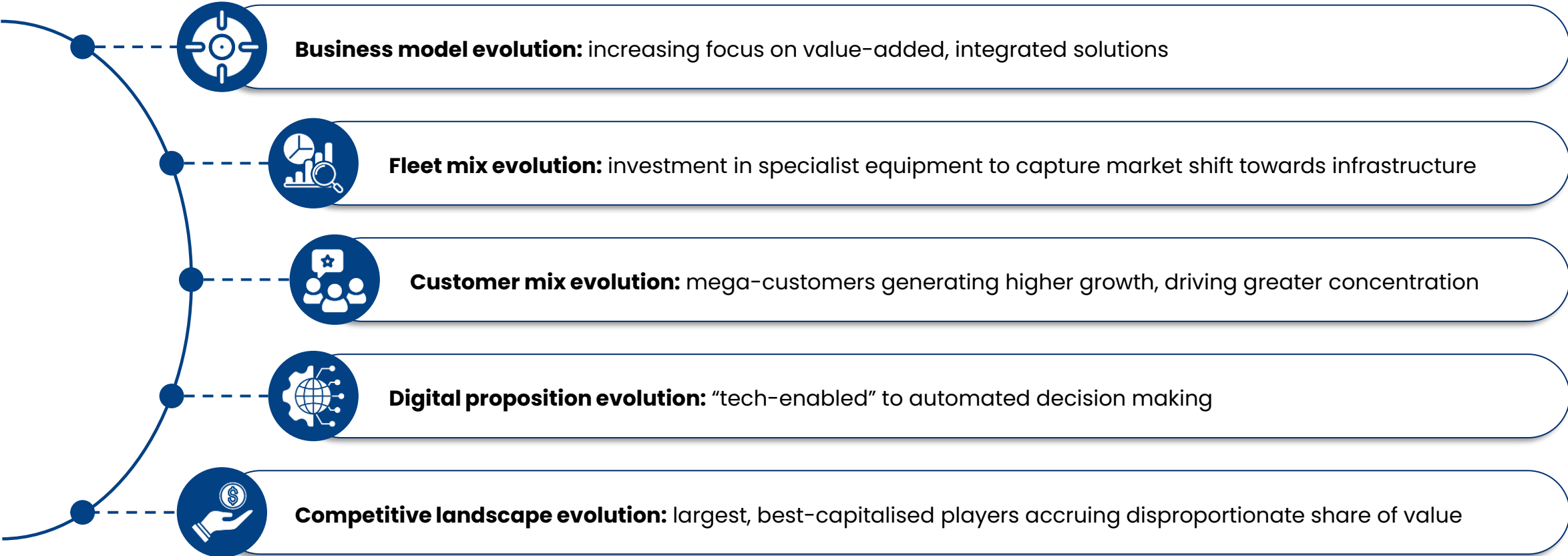
Strategic industrial capacity build-out

-  EU Chips Act (€43bn mobilised through 2030)
-  European Battery Alliance (1,000+ GWh capacity target)
-  Critical Raw Materials Act (domestic processing targets)
-  Defence and dual-use manufacturing (NATO 2% commitments, Zeitenwende)
-  AI-driven data centre expansion

Rewards scale and major accounts coverage

The next decade will reward different choices for rental companies

5 predictions for the next 10 years



Evolving to win the next decade

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