

# The Equipment Report

 US Edition

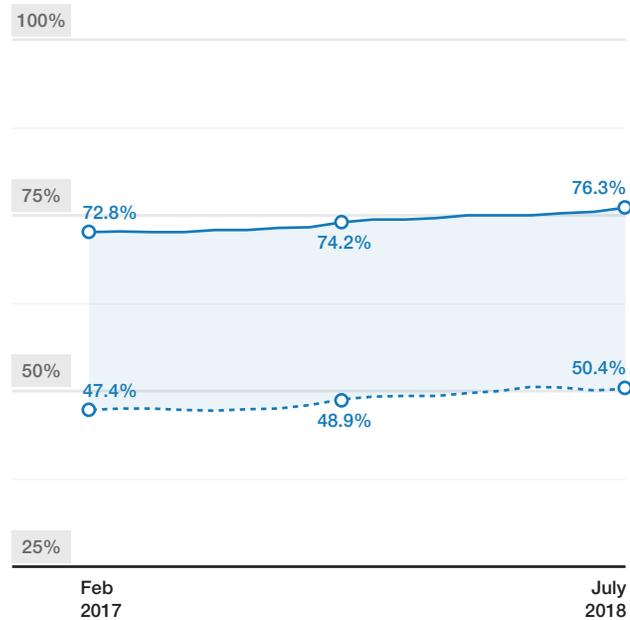
*August*  
**2018**



# Summary

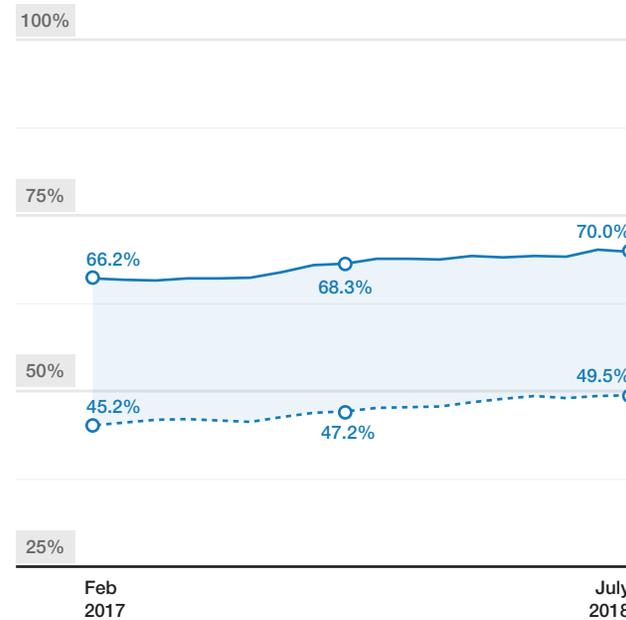
FMV            FLV           

## General Construction Equipment



Retail values are showing marginal growth while auction values are down slightly after a prolonged growth period. Both channels have shown consistent growth over the time period.

## Heavy Earthmoving Equipment



In early 2017 values flattened from prior fluctuations, followed by a period of moderate growth through the end of the year. Retail and auction values are both flattish.

## Market Update

Retail used equipment values for heavy earthmoving equipment growth has slowed over the past couple of months. Auction values for heavy earthmoving have had a positive few months. Both are still at or approaching 18 month highs. Auction values have shown a sustained growth pattern over the 18 month period for both heavy earthmoving and general construction equipment.

2017 values showed sustained growth in used equipment values across both the auction and retail channels as compared to the lower market values observed in early 2016. This growth has continued into 2018, driven by improved expectations for infrastructure spending and overall economic strength.

Since the market dropped in mid-2016, general construction equipment has recovered to peak levels within the most recent eighteen month period. This improvement has primarily been driven by Telehandlers which have shown material improvement across both the retail and auction channels. Heavy earthmoving equipment has similarly recovered since mid-2016, with both retail and auction values trending at peak recovery levels.

Please see the Appendix page for value definitions, index methodology, and index constituents.

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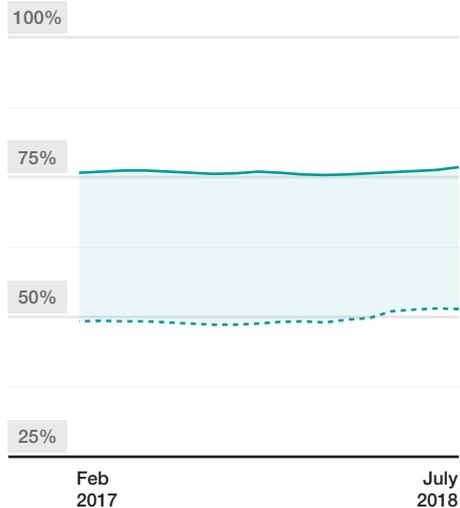
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# General Construction Equipment

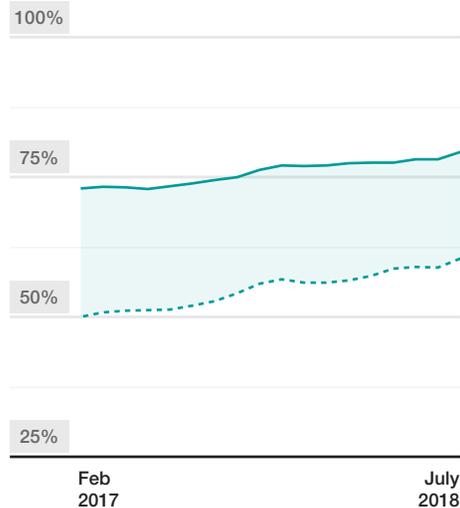
FMV Index FLV Index

## Aerial



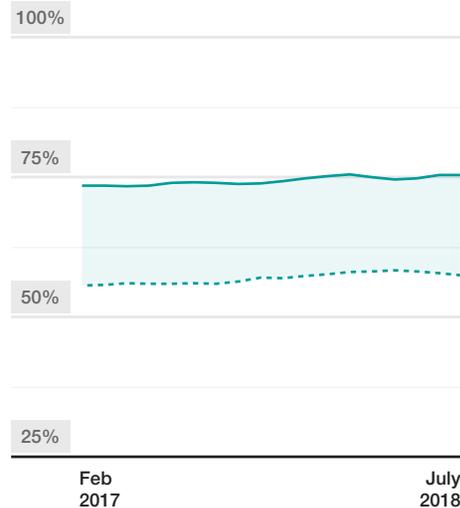
Retail values have shown moderate improvement in early 2018 after an extended flat period. Auction values have flattened after a sustained growth period.

## Telehandlers



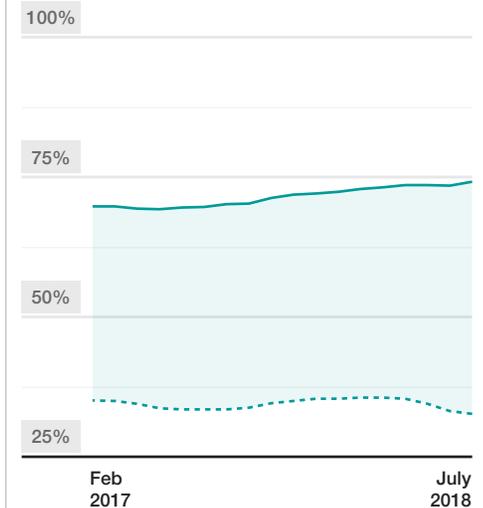
Both retail values and auction values have had a prolonged growth trajectory with intermittent flat periods.

## Light and Medium Earthmoving



Retail values have declined and then improved in recent months. Auction values flattened and declined in recent months.

## Support



Retail values have trended up over the past year but have recently flattened, while auction values continue to dip after a flattened period.

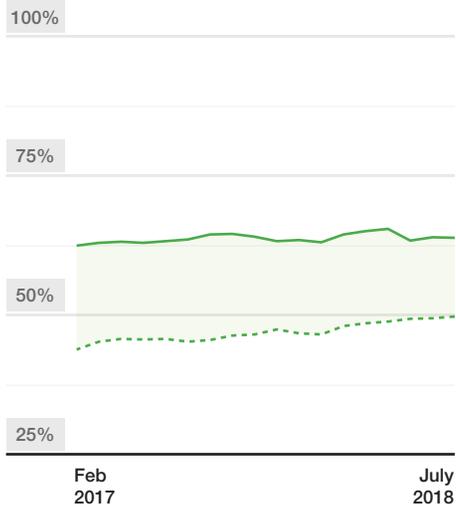
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# Heavy Earthmoving Equipment

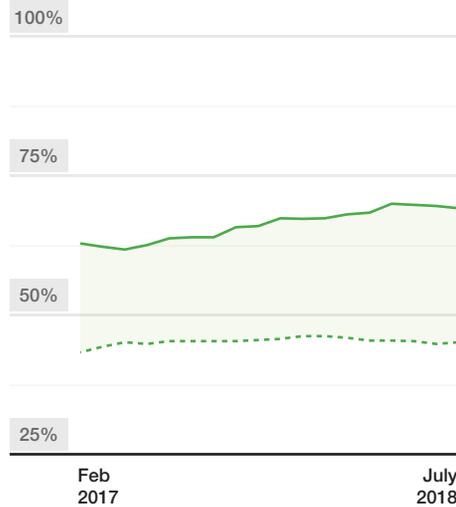
FMV Index FLV Index

## Excavators



Retail values have had a stretch of period over period fluctuations, while auction values have shown consistent growth in the most recent months.

## Dozers



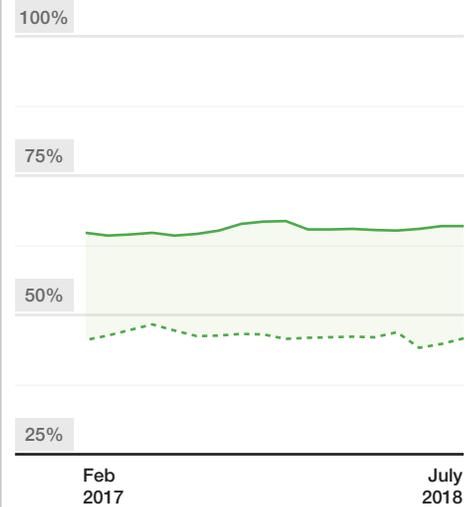
Retail values have had a stretch of period over period declines, while auction values continue to fluctuate.

## Wheel Loaders



Both retail and auction values are slightly up after sporadic up and down movements.

## Articulated Trucks



Retail values have been flat for the past few months, while auction values improved after slipping for a period.

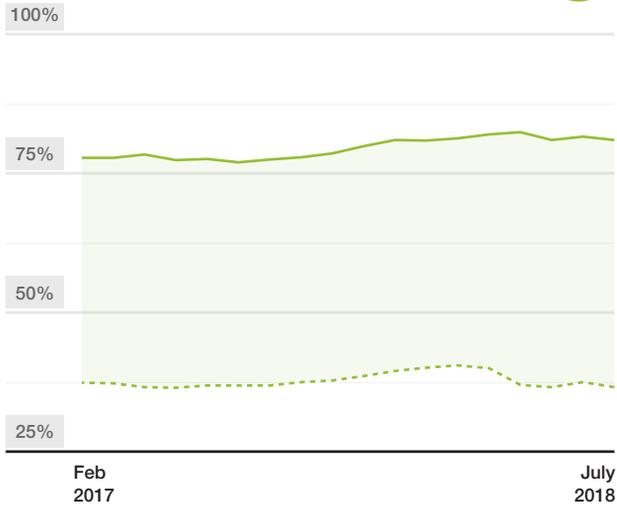
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# Other Equipment

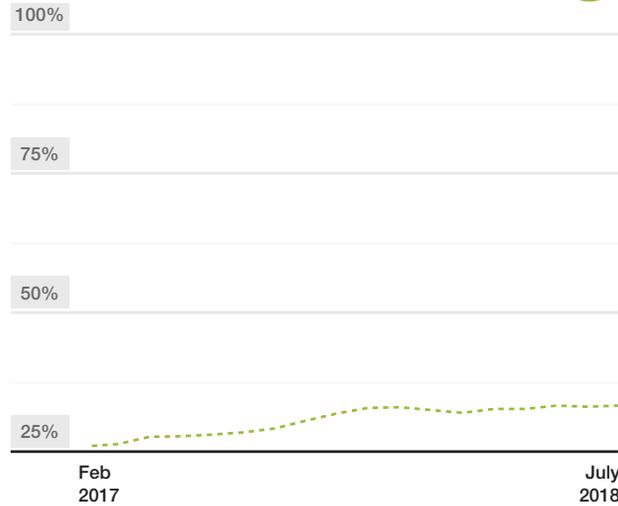
FMV Index    FLV Index

## Forklift Trucks



Both retail and auction have fluctuated up and down over the last few months

## Truck Tractors



Auction values are flat to slightly up, continuing a steady growth stage.

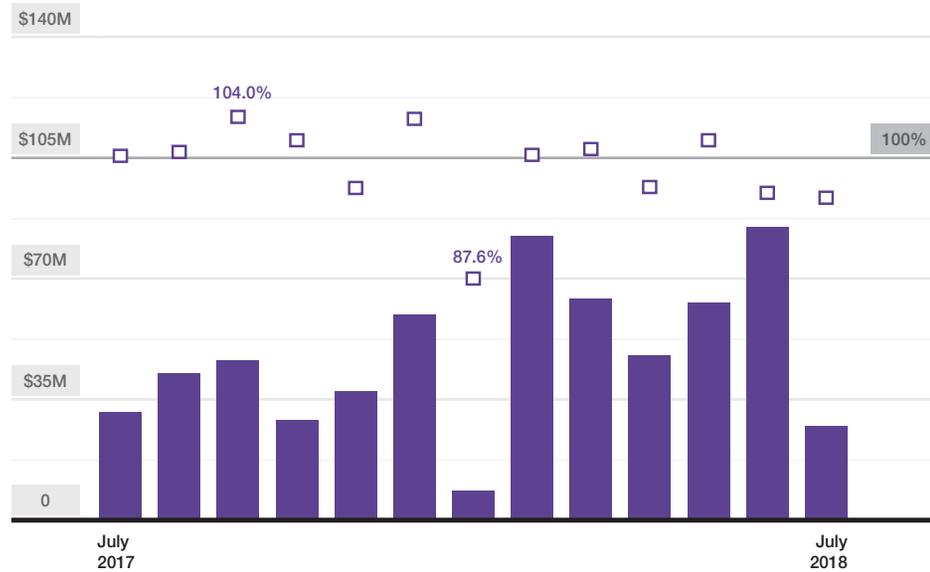
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# Auction Results

Auction Proceeds █ FLV Recovery □

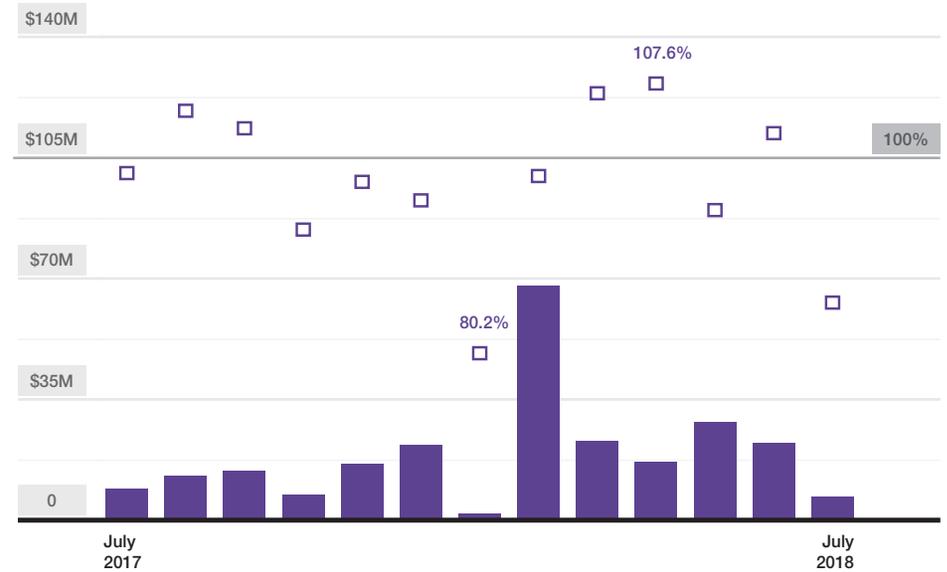
## General Construction Equipment Results



Auction values have underperformed compared to the prior month's values. July is a very low volume month and furthermore decreased when compared to same month year over year.

Please see the Appendix page for value definitions, index methodology, and index constituents.

## Heavy Earthmoving Equipment Results



Auction values for Heavy Earthmoving Equipment underperformed the preceding month's published values and have shown weakness after a few strong months. Volume is down month over month and year over year.

# Appendix

## Glossary

**Fair Market Value (“FMV”):** A professional opinion of the estimated most probable price expressed in terms of currency to be realized for property in an exchange between a willing buyer and a willing seller, with equity to both, neither being under any compulsion to buy or sell, and both parties fully aware of all relevant facts as of the effective date of the report. Additionally, this value is not discounted for assembling, cleaning, security, advertising, brokerage, or other disposal costs, if any.

**Forced Liquidation Value (“FLV” or “AUCTION”):** The estimated gross amount expressed in terms of money that the Equipment will typically realize at a properly conducted public auction when the seller is compelled to sell as of a specific date within a 60 to 90 day period. This amount does not account for Equipment make ready costs or transportation of the Equipment to the auction site. All Equipment to be sold piecemeal, “as is where is” with the purchaser being responsible for removal of the assets at purchaser’s own risk and expense.

**Value Index:** Each monthly data point in any given value index represents the average recovery, as a percentage of cost, for ten different model years of equipment ranging from new to nine years old, with each year weighted equally.

**Chart Constituents:** Each chart represents a composite value index that is equally weighted amongst its respective constituents.

**FLV Recovery:** The FLV recovery represents the aggregate performance of individual auction sales in any given month measured against the prevailing Rouse FLVs at the time of the sale. For example, an auction sale that took place in the month of July would be compared to the Rouse FLV for the same make-model-year equipment that was effective as of June 30th.

## Equipment Index

Chart	Constituents
<b>General Construction Equipment</b>	Aerial   Telehandlers   Light/Medium Earthmoving   Support
<b>Aerial</b>	Telescopic Booms   Articulating Booms   Scissor Lifts
<b>Telehandlers</b>	Telehandlers
<b>Light/Medium Earthmoving</b>	Backhoe Loaders   0-179 HP Dozers   9,500-74,999 Lb Excavators   Skid Steer Loaders   0-189 HP Wheel Loaders   Track Loaders
<b>Support</b>	Air Compressors   Generators   HVAC   Lighting Equipment
<b>Heavy Earthmoving Equipment</b>	75,000+ Lb Excavators   180+ HP Crawler Dozers   190+ HP Wheel Loaders   Articulated Trucks   Motor Graders
<b>Excavators</b>	75,000+ Lb Excavators
<b>Dozers</b>	180+ HP Crawler Dozers
<b>Wheel Loaders</b>	190+ HP Wheel Loaders
<b>Articulated Trucks</b>	Articulated Trucks
<b>Forklift Trucks</b>	Forklift Trucks
<b>Truck Tractors</b>	Truck Tractors

# Closing

## About Rouse

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Rouse is the construction equipment industry's leading information services company. We deliver the most accurate and reliable information in the rental and construction industries. Our powerful suite of services includes valuations, used equipment sales support and rental metrics benchmarking. Rouse Services provides the knowledge you need to make more informed business decisions.

## Rouse Appraisals

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Rouse Appraisals provides rental companies, construction equipment dealers, and their investors and lenders with the most accurate appraisals and equipment valuation information available. On an annual basis, Rouse Appraisals values approximately \$40 billion of equipment, tracks more than 30,000 unique make / models, and analyzes nearly \$10 billion of retail, auction, and trade-in sales of used equipment.

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## Rouse Sales

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Rouse Sales helps rental companies and fleet owners optimize their used equipment selling programs. Rouse offers web and mobile solutions for the key components of an effective used equipment sales program, including current Retail and Auction equipment values, customized listings websites, and sales force enablement and quoting tools. Rouse clients sell more than \$2B of used equipment each year using the Rouse Sales platform.

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## Rouse Analytics

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Rouse Analytics collects nightly information on over \$18 billion in rental invoices per year and over \$43 billion of fleet from more than 100 participating rental companies and dealers and uses this information to provide them with comparisons of their pricing and other key performance metrics to industry benchmarks at a local market level. Metrics used in the Rental Metrics Benchmark Service are calculated according to the American Rental Association's Rental Market Metrics™ standards.

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