



The Equipment Report

 US Edition

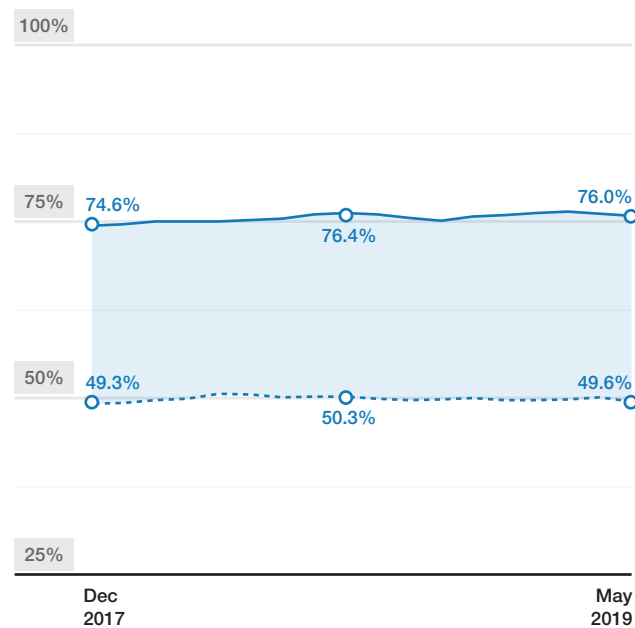
June **2019**



Summary

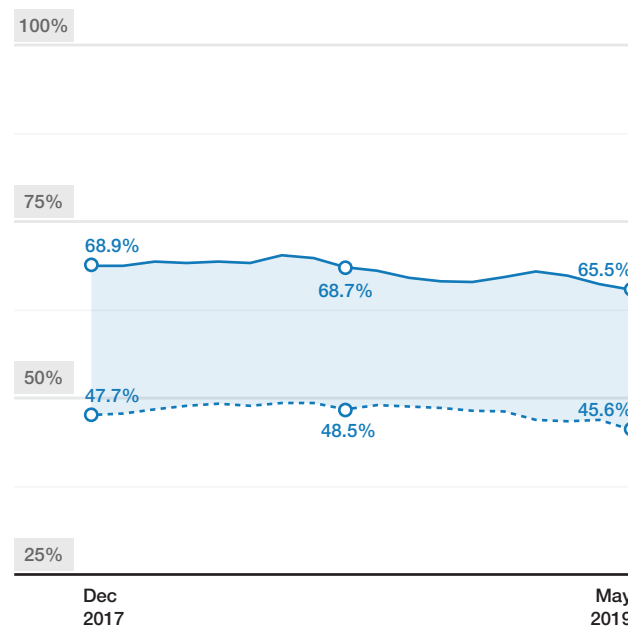
FMV FLV

General Construction Equipment



Retail has ticked down slightly while auction values remain flattish.

Heavy Earthmoving Equipment



2019 has shown weakness in both the retail and auction setting, punctuated by the latest month's results.

Market Update

Values through mid-2019 for General Construction equipment has remained relatively flat for General Construction Equipment. In contrast, Heavy Earthmoving Equipment has shown overall underperformance at both retail and auction. This has been supported by fairly consistent volume observed across both channels.

Market values dropped in mid-2016, precipitated by a downfall in the Oil and Gas markets. The impact was variable across categories, however, an overall drag on the market. Towards the end of 2016 and through today, general construction equipment has recovered to peak levels. This growth has however stagnated in recent months and Heavy earthmoving equipment, which has similarly recovered since mid-2016, has shown softness across both channels.

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

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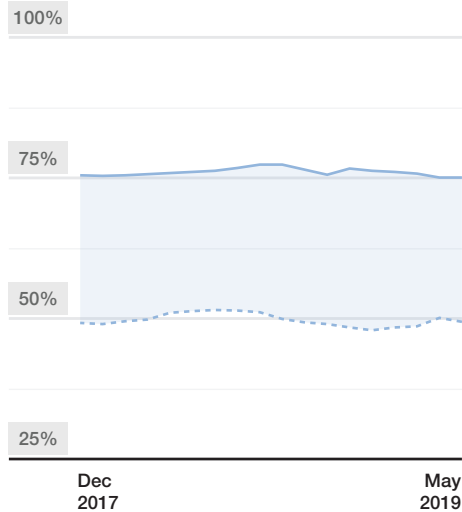
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General Construction Equipment

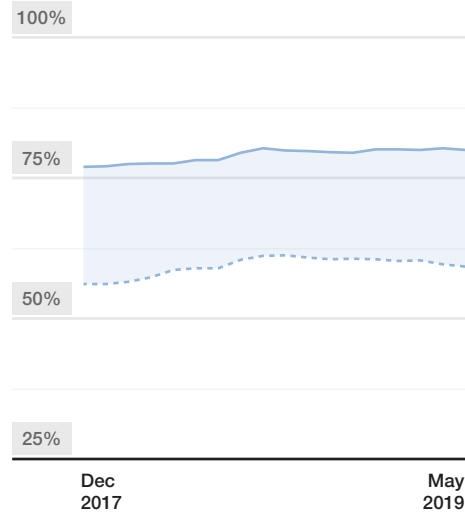
FMV Index FLV Index

Aerial



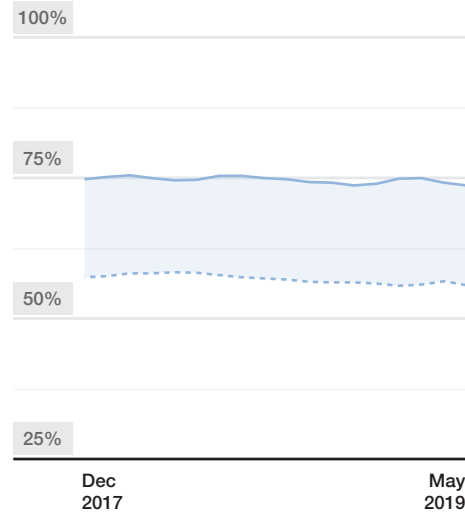
Retail values have shown steady, moderate softening while auction is up moderately.

Telehandlers



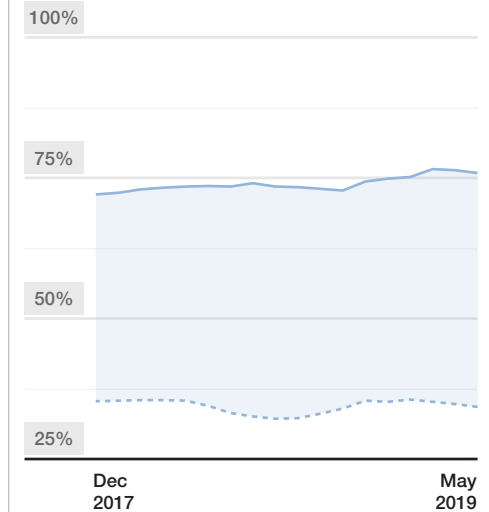
Retail and values are flat while auction values are softening after a period of prolonged growth. However, Telehandlers remain one of the strongest performing product categories.

Light and Medium Earthmoving



Retail and auction values have both experienced a period of softness.

Support



Retail values are flat after a period of strength while auction has underperformed in 2019.

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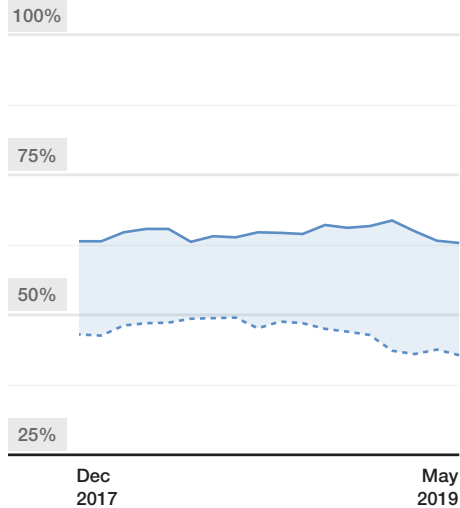
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Heavy Earthmoving Equipment



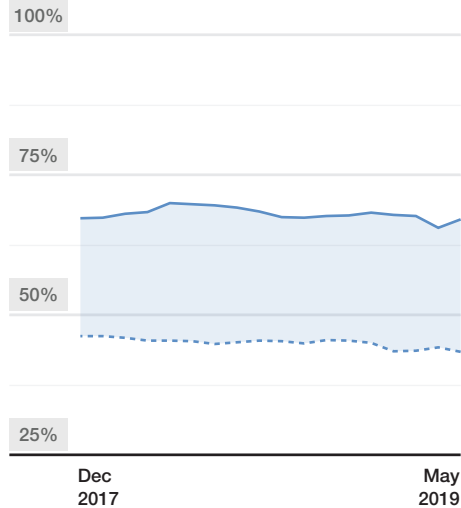
FMV Index FLV Index

Excavators



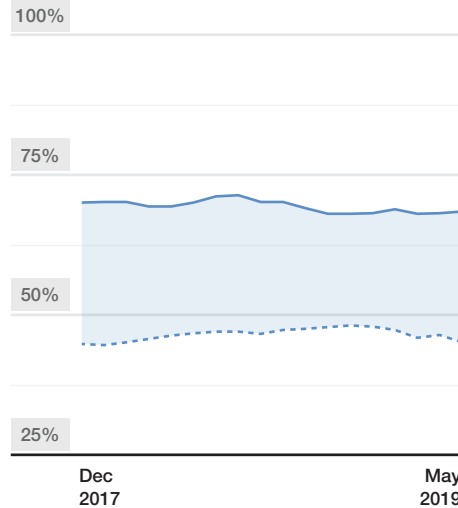
Retail values have flattened after a down performance while auction values have shown continued declines.

Dozers



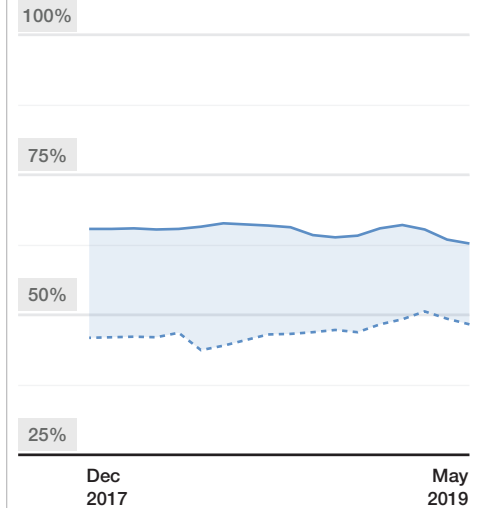
Retail values ticked up while auction values flattened.

Wheel Loaders



Retail values have are fairly flat while auction values dipped after a prolonged period of moderate growth.

Articulated Trucks



Both retail and auction values have dipped in the recent period.

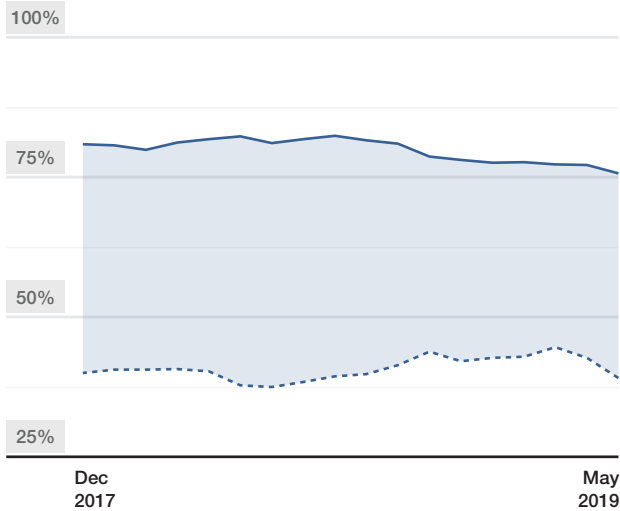
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Other Equipment

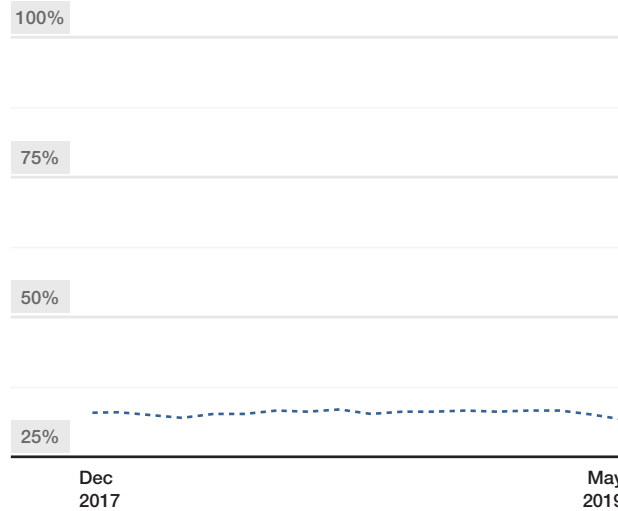
FMV Index FLV Index

Forklift Trucks



Retail values have steadily declined while auction values have weakened after a fluctuation towards the back half of 2018.

Truck Tractors



Auction values are down slightly, following a consistent trend for several months.

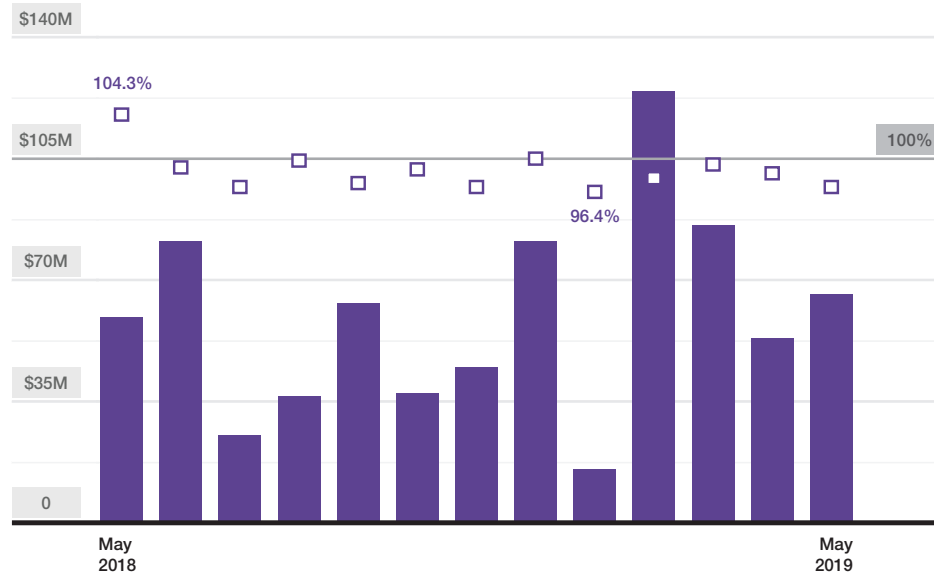
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Auction Results

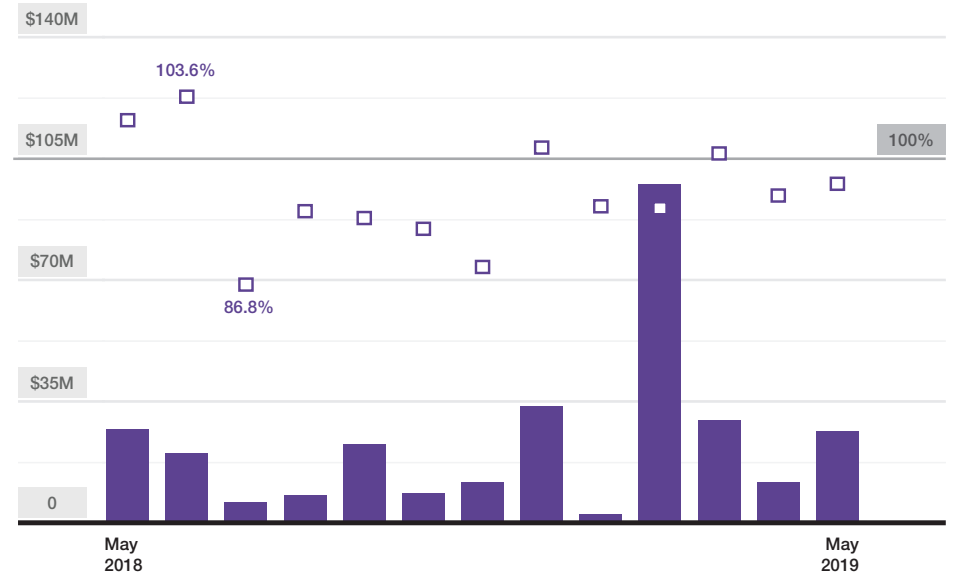
Auction Proceeds █ FLV Recovery □

General Construction Equipment Results



Auction achievements were slightly below prior month's market benchmark for General Construction equipment. Volume is up year over year and month over month.

Heavy Earthmoving Equipment Results



Auction achievements were below the prior month's market benchmark for Heavy Earthmoving equipment. Volume is up month over month and flat year over year.

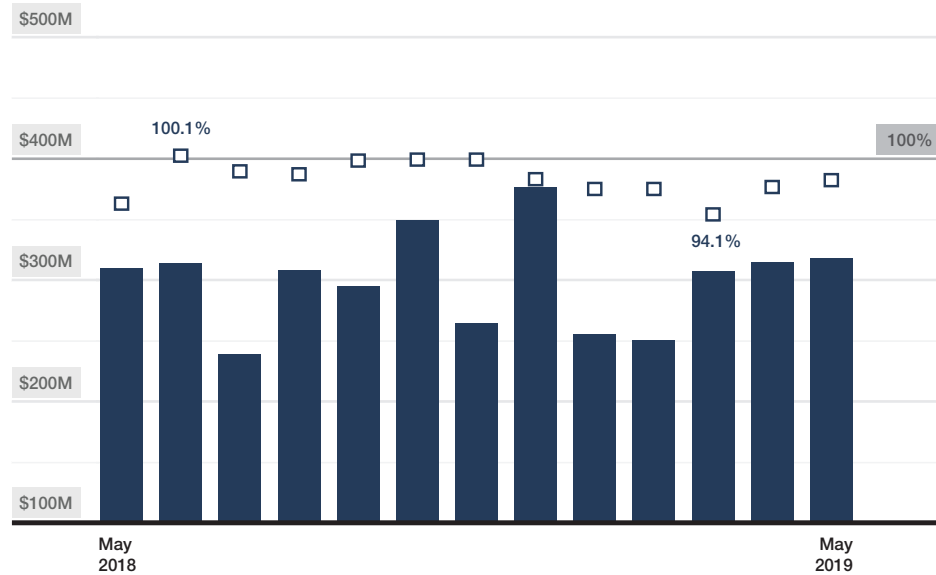
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Retail Results

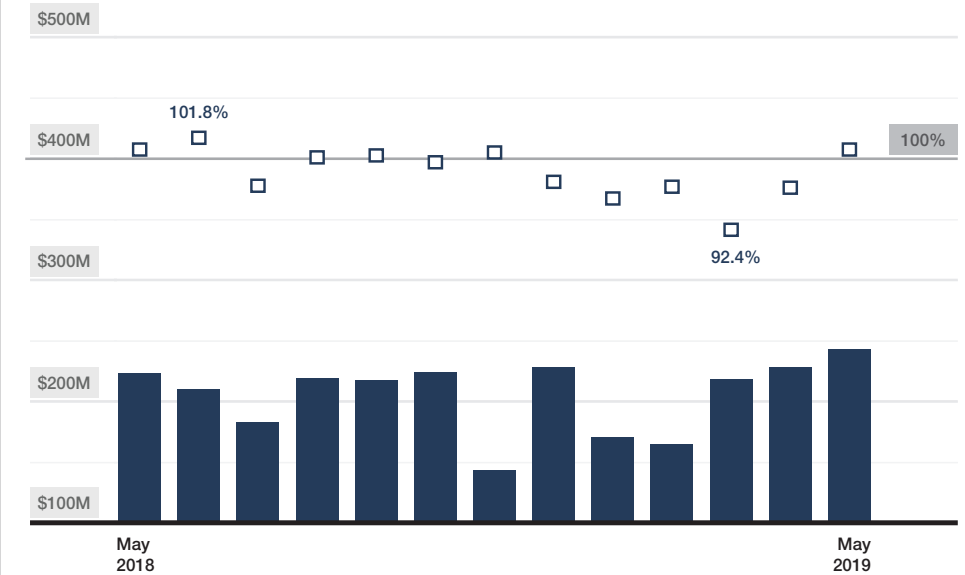
Retail Proceeds FMV Recovery

General Construction Equipment Results



Retail achievements were slightly below the prior month's market benchmark for General Construction equipment. Volume is slightly up month over month and year over year.

Heavy Earthmoving Equipment Results



Retail achievements slightly outperformed the prior month's market benchmark for Heavy Earthmoving equipment. Volume is slightly up month over month and year over year.

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

Closing

About Rouse

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

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

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

Rouse Analytics collects nightly information on over \$20 billion in rental invoices per year and over \$50 billion of fleet from more than 150 participating rental companies and dealers and uses this information to provide them with comparisons of their rental rates, utilization and other key performance metrics to industry benchmarks at a local market level. Metrics used are calculated according to the American Rental Association's Rental Market Metrics™ standards.

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