



The Equipment Report

 US Edition

April 2019

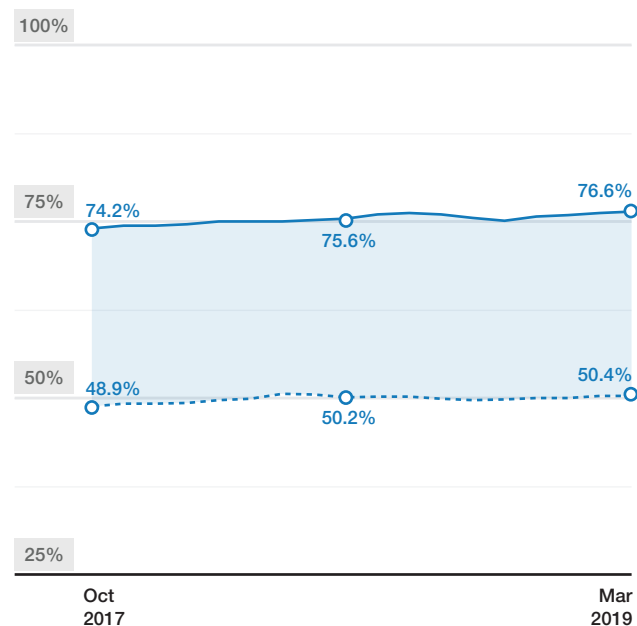


Summary

FMV

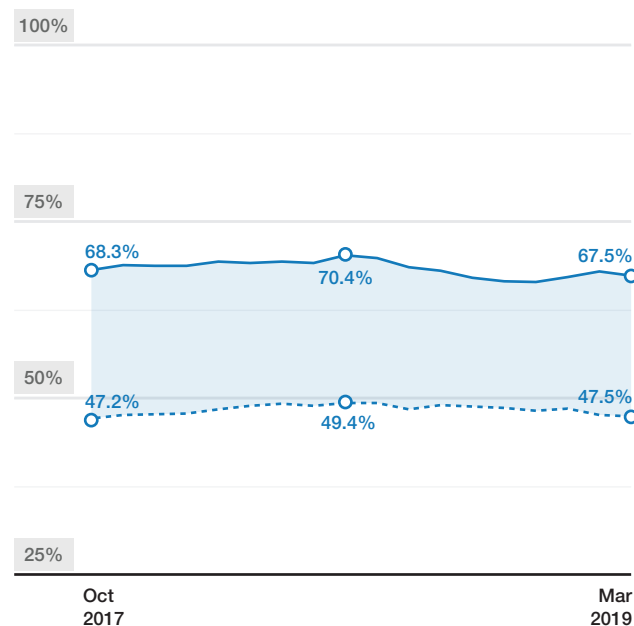
FLV

General Construction Equipment



Retail values have ticked up while auction values remain broadly flattish.

Heavy Earthmoving Equipment



After a prolonged period of weakness in 2018, retail values have shown inconsistent movement. Auction values have softened a bit in over recent months.

Market Update

Early 2019 General Construction values have ticked up with auction values remaining relatively flat. In comparison, Heavy Earthmoving Equipment has shown variability at retail and softness at auction as indicated by the notable Ritchie Bros. auction in Orlando, FL. The annual Orlando auction hosted by Ritchie Bros. displayed historic volumes but with a little bit of weakness observed overall. Earthmoving equipment (across all sizes and capacities) drove the underperformance with aerial and support equipment slightly offsetting the weakness.

Since the market dropped in mid-2016, General Construction Equipment has recovered to peak levels which has persisted over 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 but has recently shown softness across both channels.

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

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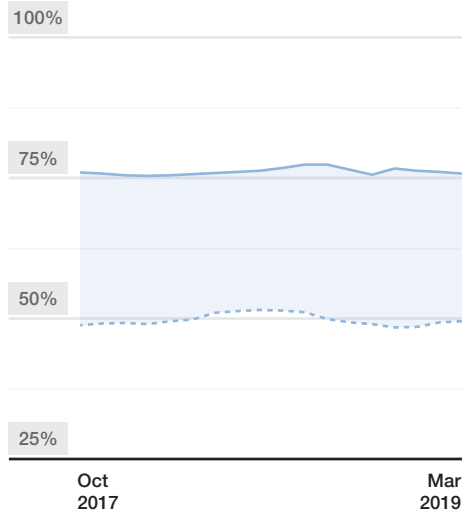
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General Construction Equipment

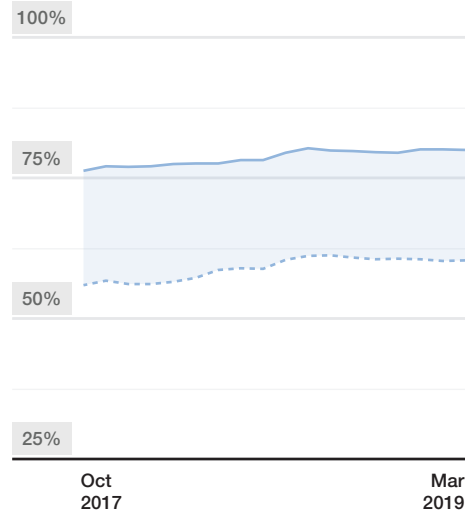
FMV Index FLV Index

Aerial



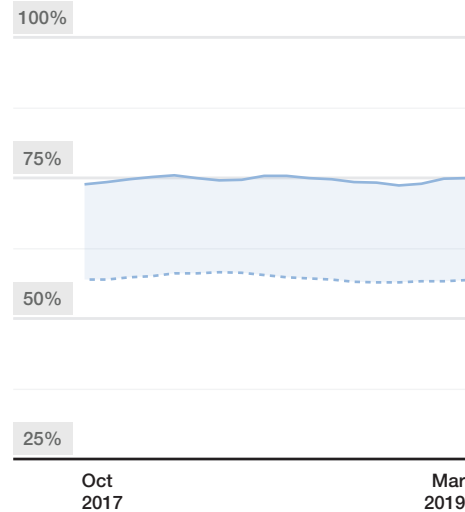
Retail values are relatively flat while auction is up moderately.

Telehandlers



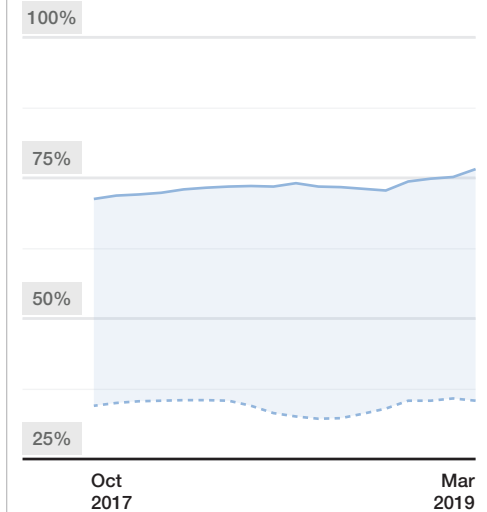
Both retail and auction values are flat after a period of prolonged growth. However, Telehandlers remain one of the strongest performing product categories.

Light and Medium Earthmoving



Retail values have flattened after a period of strength while auction values flattened after some prolonged periods with little fluctuations.

Support



Retail values are up while auction is fairly flat.

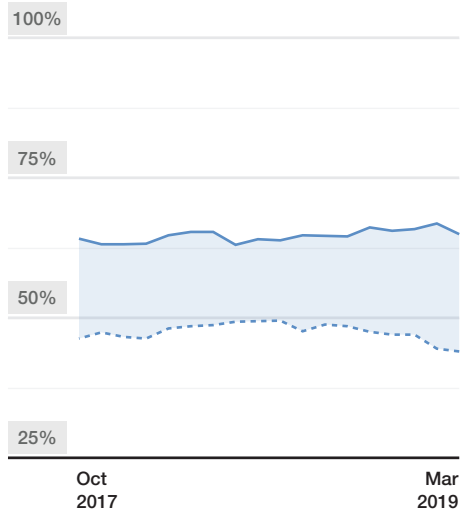
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Heavy Earthmoving Equipment

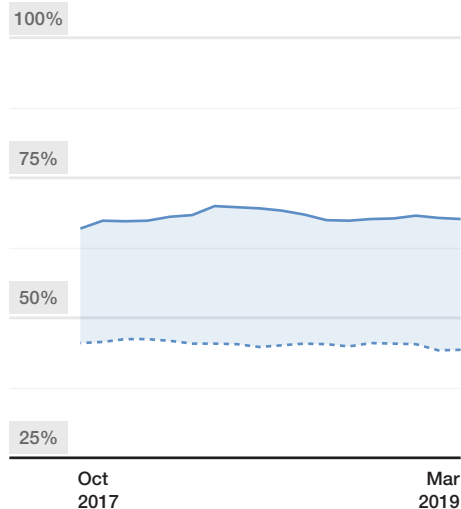
FMV Index FLV Index

Excavators



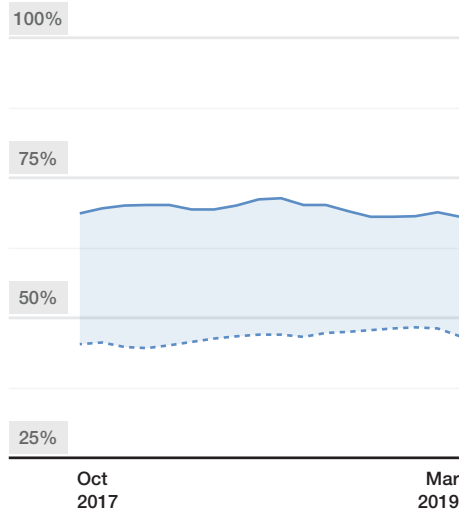
Retail values have shown up and down performance while auction values have shown continued declines.

Dozers



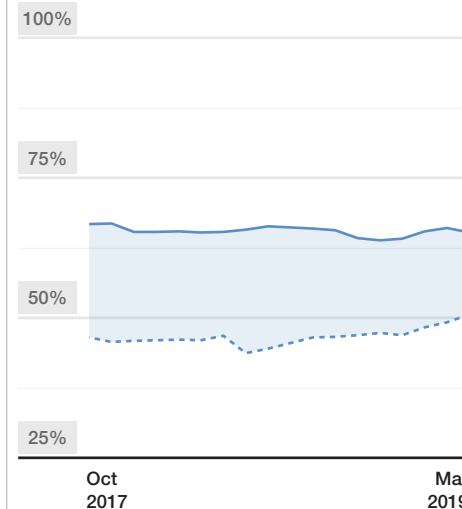
Both retail and auction values have dipped moderately over the recent period.

Wheel Loaders



Retail values have stabilized after a period of weakness while auction values dipped after a prolonged period of moderate growth.

Articulated Trucks



Both retail and auction values have strengthened over the recent period with especially strong performance on the auction side.

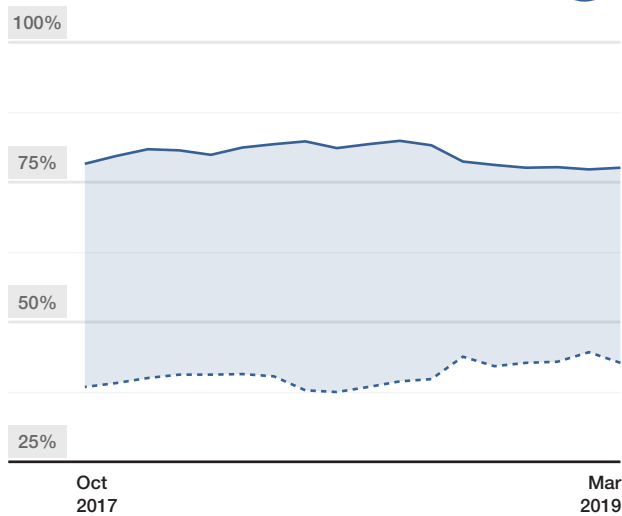
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Other Equipment

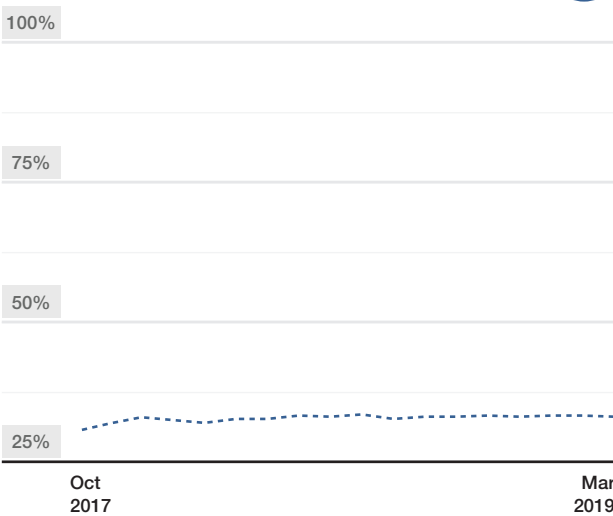
FMV Index FLV Index

Forklift Trucks



Retail and auction values are fairly flat after a fluctuation towards the back half of 2018.

Truck Tractors



Auction values remain flat, following a consistent trend for several months.

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

Crane Summary

Crane Market Conditions

Oil price declines throughout 2014 and 2015 resulted in a substantial and prolonged downward shift in utilization and rental rate achievement for crane rental companies driven by a sharp decline in oil and gas project work. Rouse did not observe material downward pressure on equipment values for mobile cranes until 2016, and this trend accelerated throughout 2017 with weaker price achievement in the secondary markets.

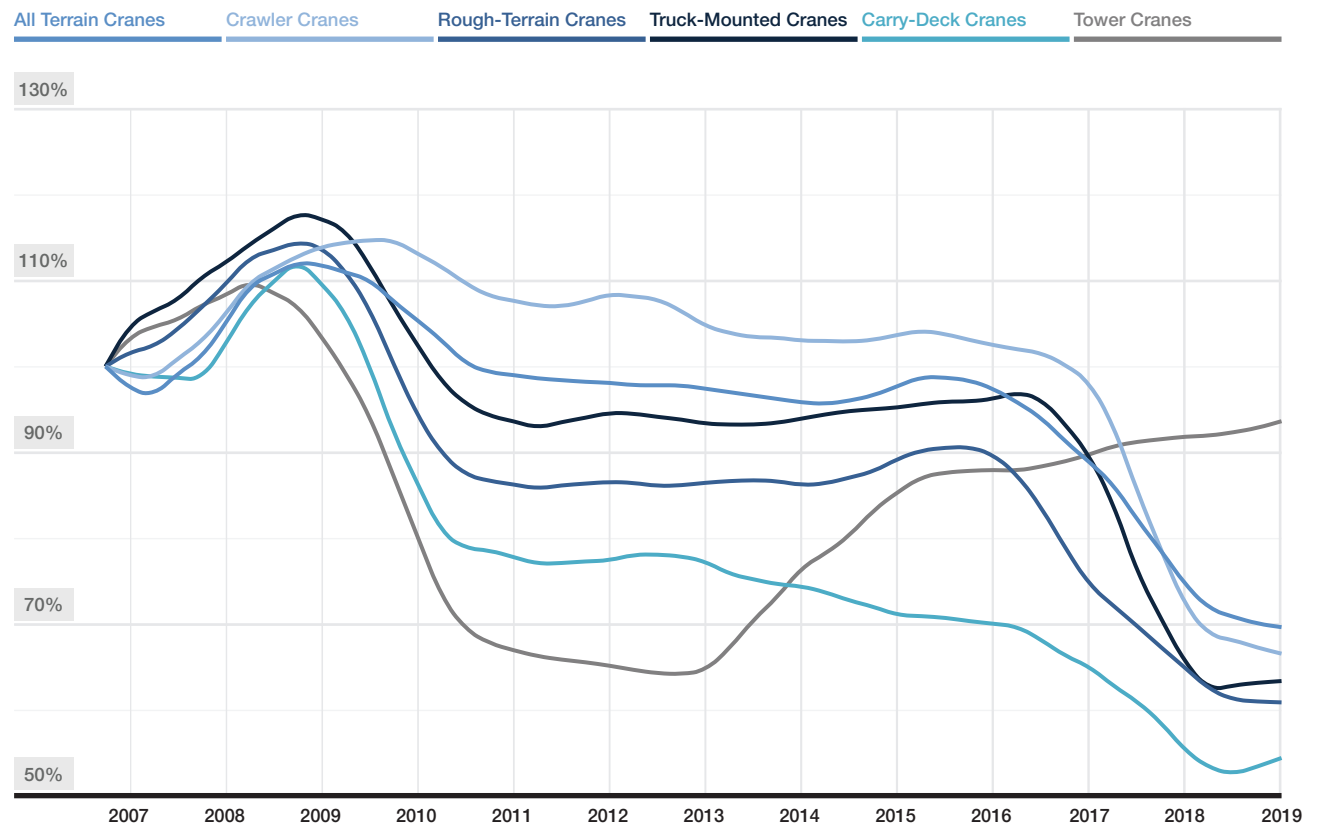
Near the end of 2017 and through early 2018, crane values began to show signs of stabilization. As 2018 progressed, most mobile crane categories appear to have bottomed in value. The latest data in Q1 2019 suggest that rough-terrain used equipment values have been trending slightly downward.

Crane rental companies continue to report healthy utilization figures, with all-terrains and crawlers performing relatively well. Rough-terrain utilization has slightly declined. OEM's have been managing supply chain headwinds and increased material costs and tariffs, and they are reporting increasing sales due to improving conditions in commercial construction and energy end markets.

Terex has sold its Demag all-terrain business to Tadano, as the company cited an unlikelihood that the division would out-earn its cost of capital. Another development in the industry was Maxim Crane's acquisition of B&G Crane, a subsidiary of NCSG. As the year continues, Rouse will continue to monitor industry trends and report on significant developments.

Rouse Crane OLV Index

By Crane Type



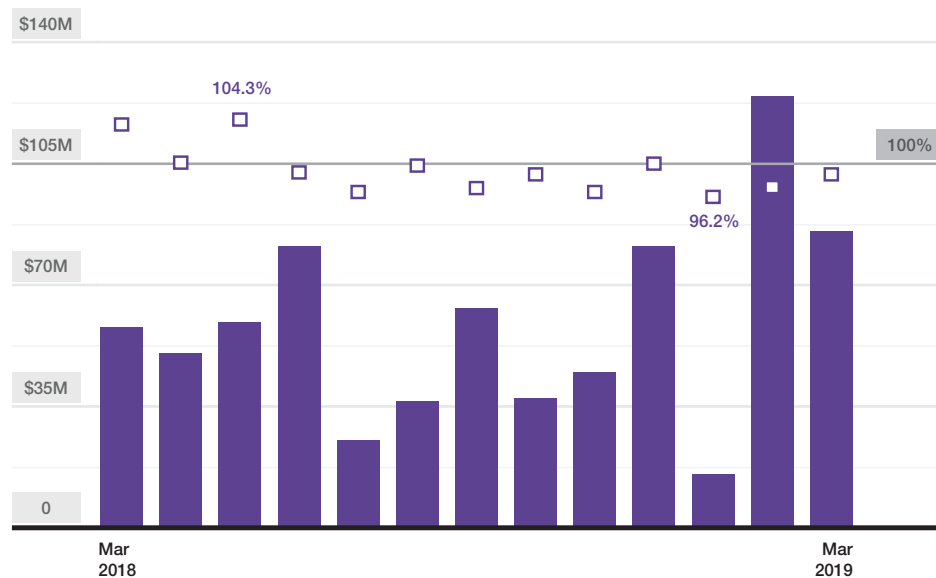
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Auction Results

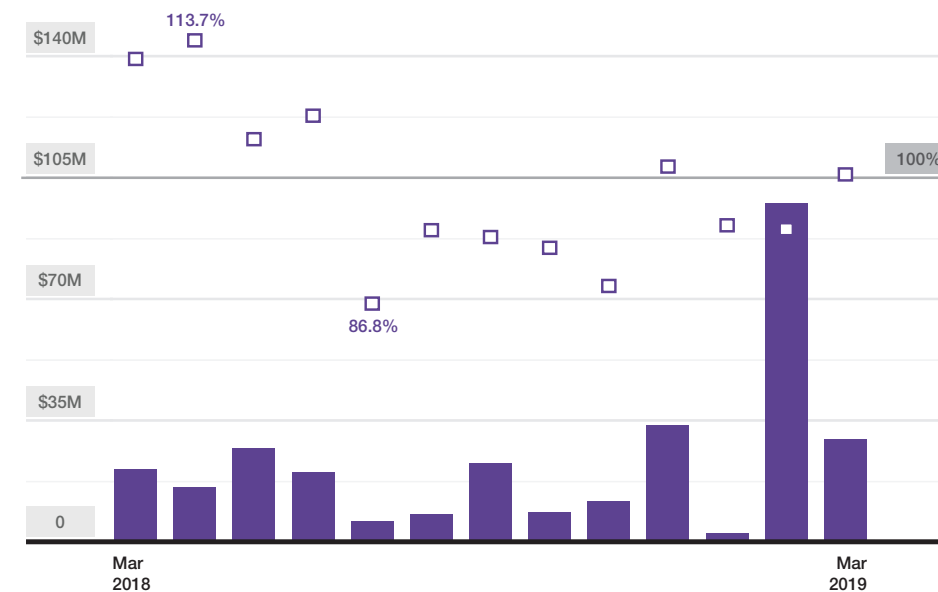
Auction Proceeds
FLV Recovery

General Construction Equipment Results



Auction achievements were fairly in-line with the prior month's market benchmark for General Construction equipment.

Heavy Earthmoving Equipment Results



Auction achievements were fairly in-line with the prior month's market benchmark for Heavy Earthmoving equipment.

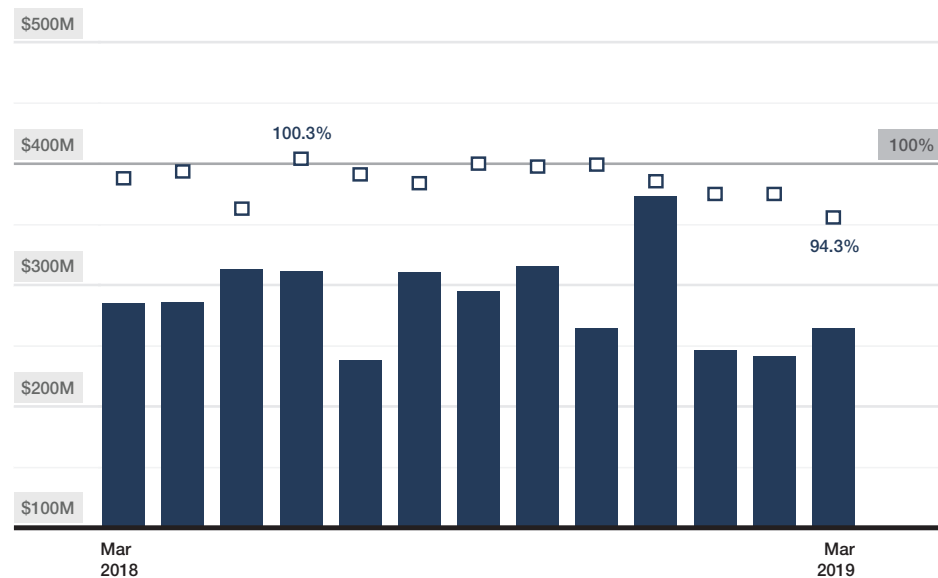
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Retail Results

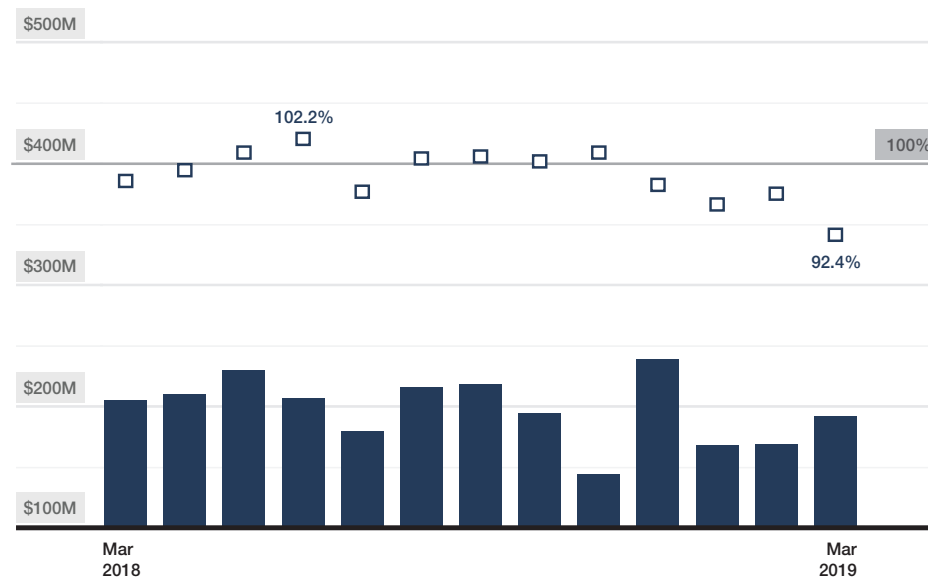
Retail Proceeds
FMV Recovery

General Construction Equipment Results



Retail achievements underperformed the prior month's market benchmark for General Construction equipment by a fair margin.

Heavy Earthmoving Equipment Results



Retail achievements underperformed the prior month's market benchmark for Heavy Earthmoving equipment by a fair margin.

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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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