



The Equipment Report

 US Edition

July 2019

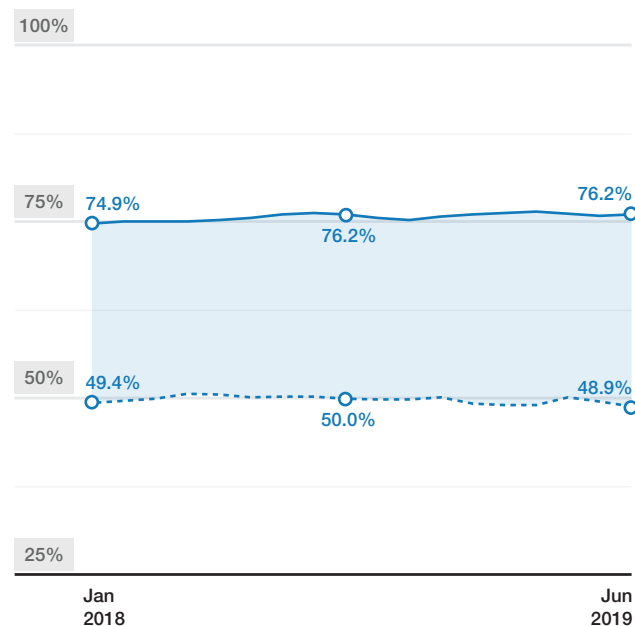


Summary

FMV

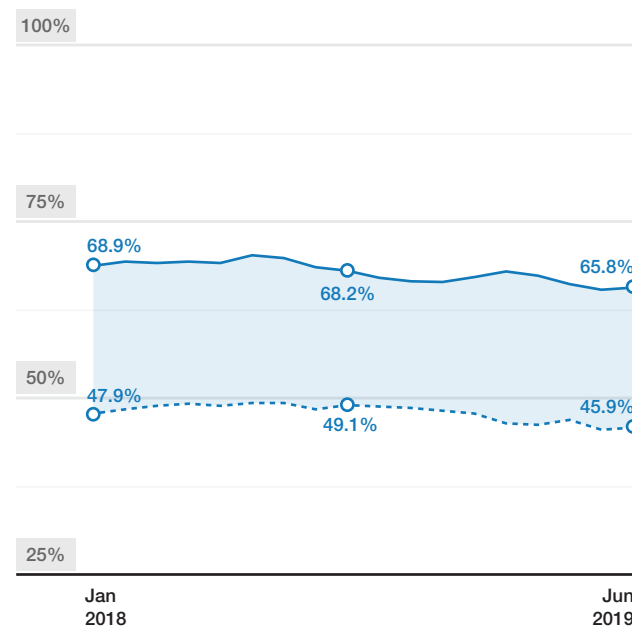
FLV

General Construction Equipment



Retail is flattish while auction value demonstrate continued underperformance.

Heavy Earthmoving Equipment



The most recent month results were fairly flat, contrasting with prior months continued declines.

Market Update

Values through mid-2019 for General Construction and Heavy Earthmoving equipment have softened in the auction channel. Conversely, there have been some bright signs in the retail channel where values have been between flat and slightly improved.

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, both general construction equipment and heavy earthmoving have recovered to peak levels. This was driven by a strengthening economy and rebound in oil prices. 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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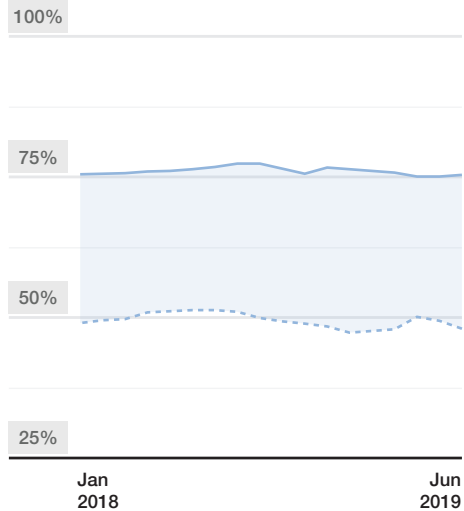
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General Construction Equipment

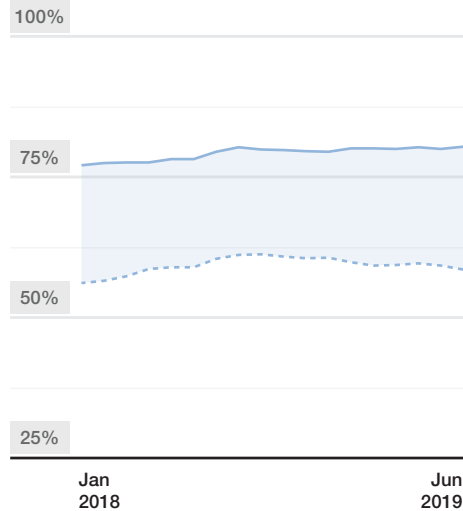
FMV Index FLV Index

Aerial



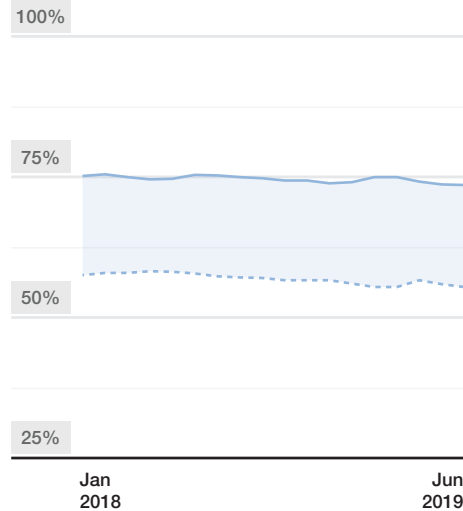
Retail values were fairly flat while auction values continued to slip.

Telehandlers



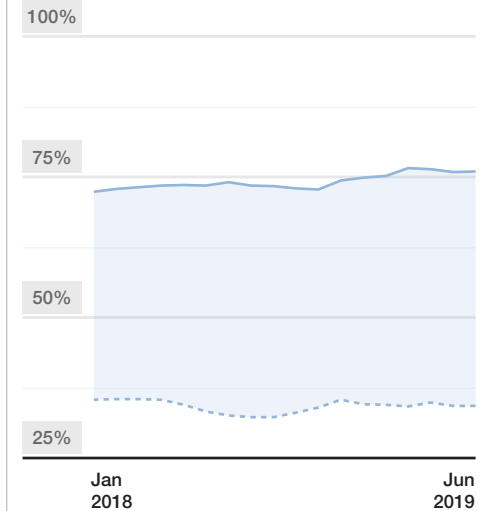
Retail values were fairly flat while auction values showed moderate declines.

Light and Medium Earthmoving



Both retail and auction values have shown moderate underperformance the past three months.

Support



Both retail and auction values have been flat with small fluctuations throughout 2019.

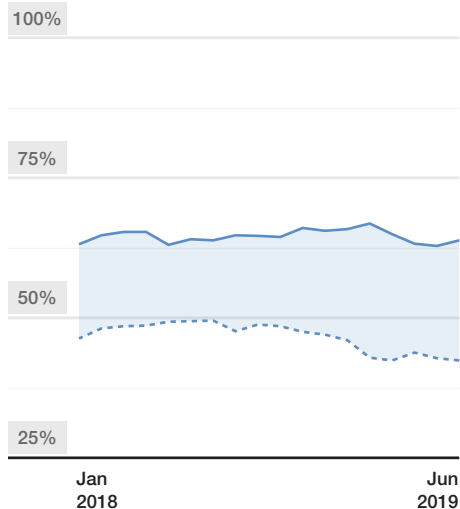
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Heavy Earthmoving Equipment

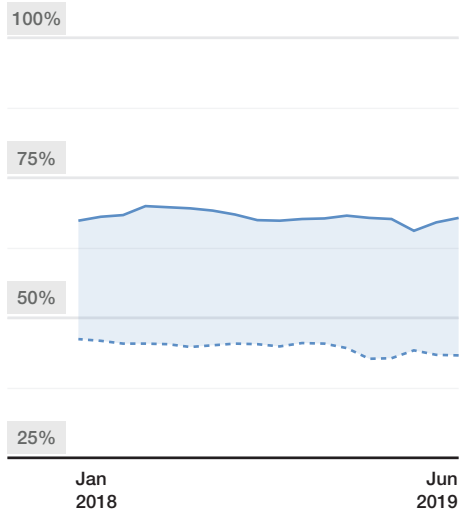
FMV Index FLV Index

Excavators



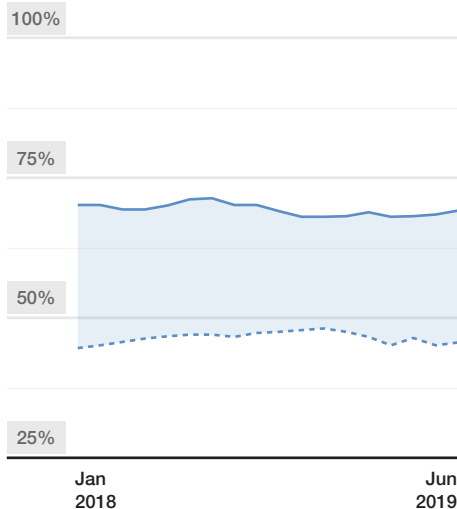
Retail values have shown strength after a weak quarter, while auction values continue to decline.

Dozers



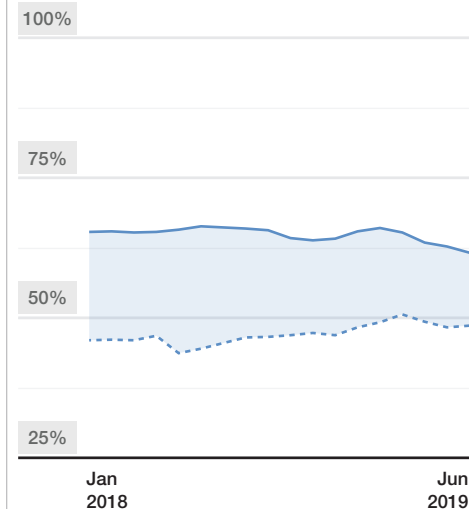
Retail values rebounded while auction values are fairly flat.

Wheel Loaders



Both retail and auction values have shown moderate strength.

Articulated Trucks



Retail values have shown a steady decline with auction values showing a some stability after a weak quarter.

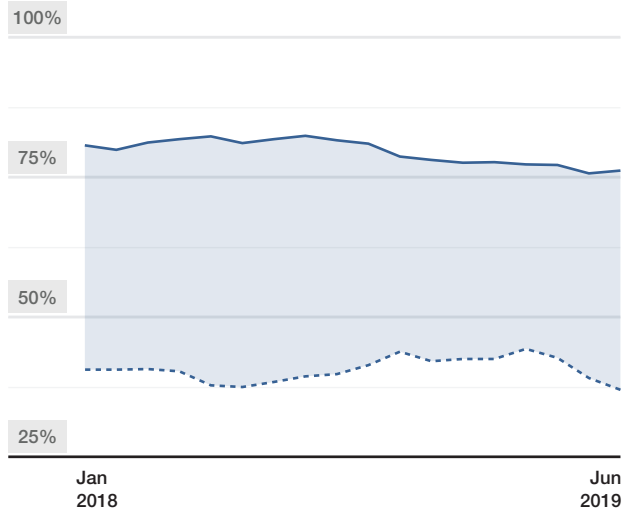
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Other Equipment

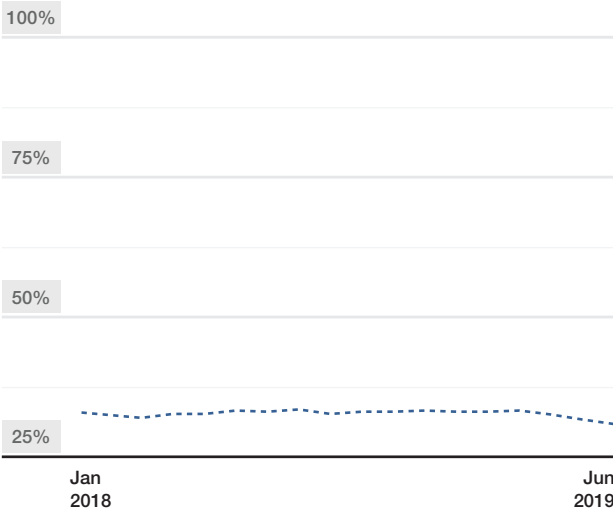
FMV Index FLV Index

Forklift Trucks



Retail values are fairly flat, while auction values continue to decline.

Truck Tractors



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

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Crane Summary

Crane Market Conditions

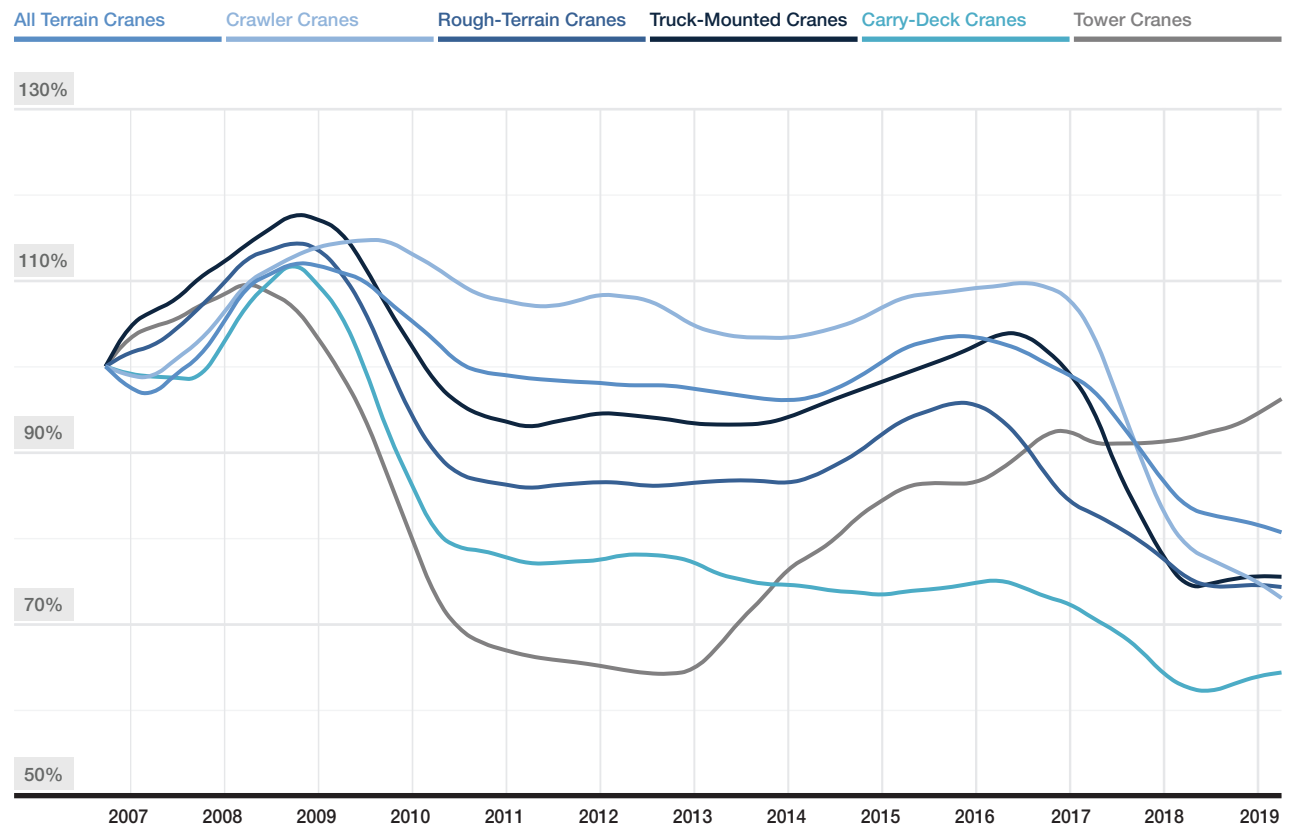
The most recent OLV value trends indicate that used equipment valuations in the mobile crane categories are stable. Lower tonnage cranes such as rough-terrains, truck-mounted cranes, and carry-decks are exhibiting a flattening value trend. Higher tonnage cranes such as all-terrains and crawlers appear to be slowing in terms of decline, but the trajectory of those categories may indicate that there is additional downside risk. However, the overall theme for all mobile crane categories is one of a more stable market considering the rapid declines in secondary market transaction prices witnessed for the two year period following the fallout of the oil and gas markets in 2014-2015.

As non-residential construction spending continues to increase, tower crane values have held up well and the latest data suggest that valuations are on an upward trend.

OEM's continue to be strategic in terms of sourcing amidst an environment of tariff challenges, and companies have reported increasing year-over-year sales figures. However, the outlook is still a mixed picture with some project work and geographies that appear robust, and others that appear to be challenged.

Rouse Crane OLV Index

By Crane Type



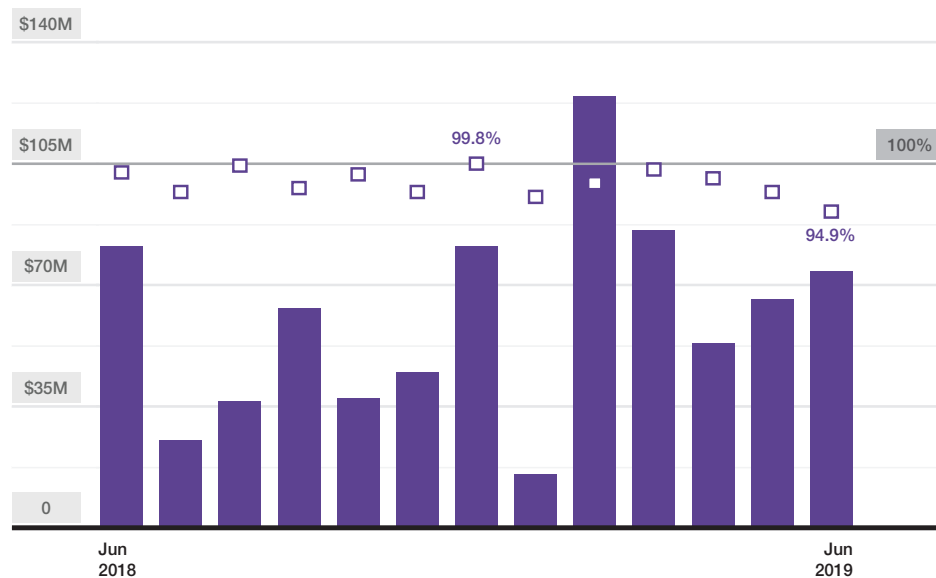
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Auction Results

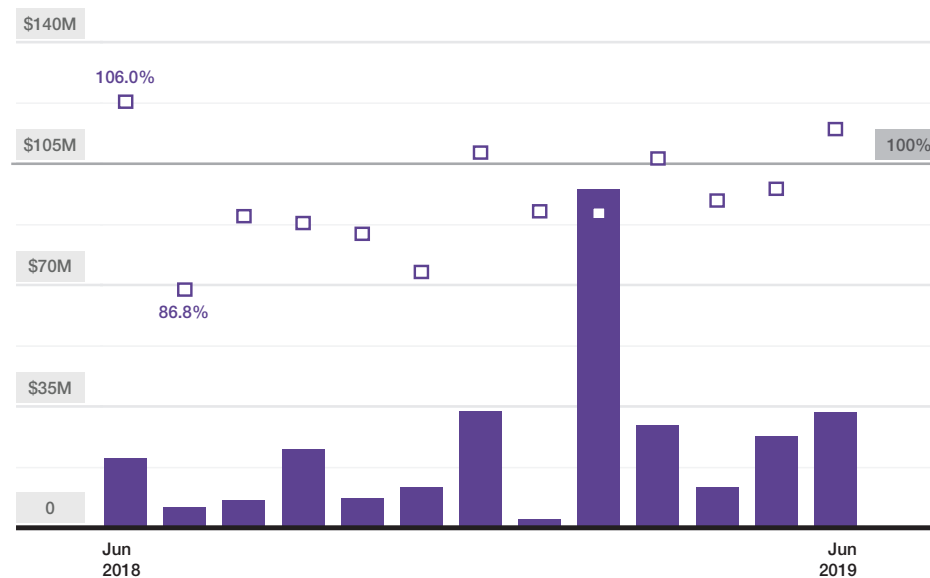
Auction Proceeds
FLV Recovery

General Construction Equipment Results



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

Heavy Earthmoving Equipment Results



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

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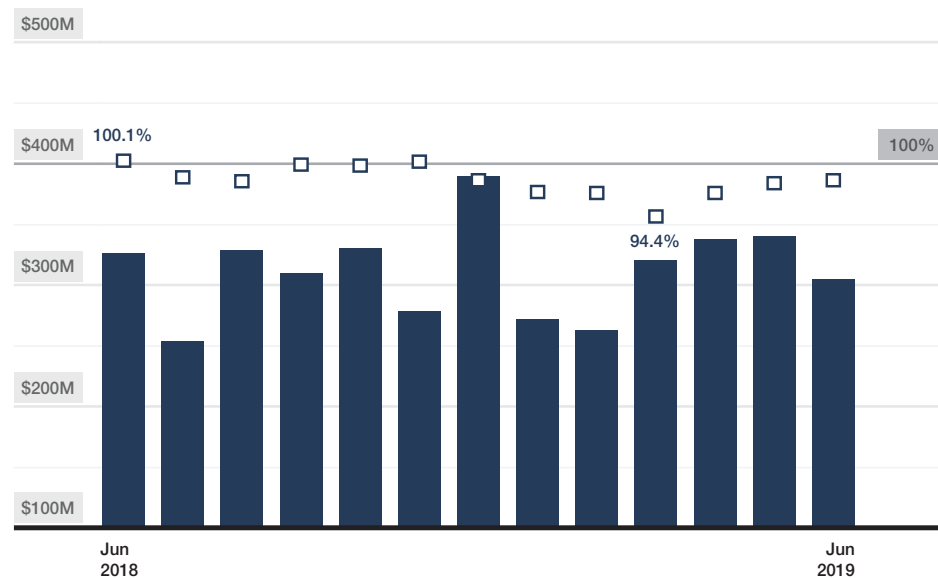
Retail Results

Retail Proceeds

FMV Recovery

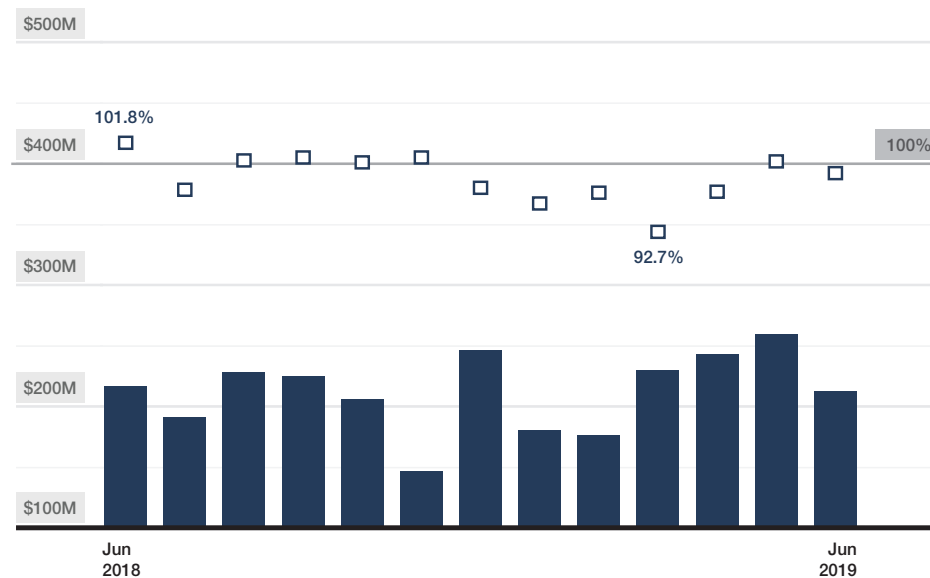


General Construction Equipment Results



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

Heavy Earthmoving Equipment Results



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

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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.

Contact

Raffi Aharonian
Raffi.Aharonian@rouseservices.com
310-363-7525

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.

Contact

Doug Rusch
douglas.rusch@rousesales.com
310-363-7489

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.

Contact

Phil Mause
phil.mause@rouseanalytics.com
310-363-7513