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Prepared for:
The International Powered Access
Federation



IPAF
Powered Access
Rental Market Report
USA – 2015

April 2015

IPAF Powered Access Rental Market Report 2015 - USA

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IPAF Powered Access Rental Market Report 2015 – USA

FOREWORD

IPAF

- ❑ The International Powered Access Federation (IPAF) promotes the safe and effective use of powered access equipment worldwide. IPAF is a non-profit member organisation that represents the interests of rental companies, manufacturers, distributors, users and training companies. It was set up in 1983 and celebrated its 30th anniversary in 2013.
- ❑ The IPAF training programme for platform operators is certified by TÜV as conforming to ISO 18878. More than 100,000 people are trained each year through a worldwide network of over 600 IPAF-approved training centres. Successful trainees are awarded the PAL Card (Powered Access Licence), the most widely held and recognised proof of training for platform operators.
- ❑ Membership of IPAF is open to users of platforms, manufacturers, distributors, rental and training companies. Members enjoy access to practical information and a growing portfolio of member services. They also have the chance to influence the legislation and regulations that govern platform use. More information can be found at www.ipaf.org.
- ❑ IPAF has more than 1000 members.

Additional copies of this report can be ordered at www.ipaf.org/reports or from your nearest IPAF office. IPAF has also published the IPAF US Powered Access Rental Market Report 2015 – details available at www.ipaf.org/reports or from your nearest IPAF office.

UK Head Office:

IPAF, Moss End Business Village
Crooklands, Cumbria LA7 7NU, UK
+44 15395 66700
info@ipaf.org

Germany :

IPAF-Deutschland, Alter Schulhof 7
D-28717 Bremen, Germany
+49 421 6260 310
deutschland@ipaf.org

Brazil:

IPAF-Brasil, Rua Andaluz 140
13.280-000 Vinhedo São Paulo, Brazil
+55 11 39588590
portugues@ipaf.org

Italy:

IPAF-Italia, Via Chieti 8
I-20154 Milano (MI), Italy
+39 02 319 206 50
italia@ipaf.org

France:

IPAF-Bâle, Dufourstrasse 11
CH-4052 Bâle
Suisse
Tel: +33 (0)1 30 99 16 68
France@ipaf.org

Netherlands:

IPAF-Benelux, Oranjestraat 167
NL-3295 AS's – Gravendeel,
Netherlands
+31 6 30 421042
benelux@ipaf.org

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South East Asia:

IPAF-South East Asia,
25 Bukit Batok Crescent
The Elitist, #04-12
Singapore 658066
+65 9686 4191
sea@ipaf.org

Spain:

IPAF-Iberia, Edificio Europa, 4ª planta
c/ Vía de Francia s/n
Interior Zona Franca
E-11011 Cadiz, Spain
+34 677 889 049
espana@ipaf.org

Switzerland:

IPAF-Basel, Dufourstrasse 11
CH-4052 Basel, Switzerland
+41 61 227 9000
basel@ipaf.org

UAE:

IPAF-Middle-East,
Executive Office: 06, Floor: 08
Building: 10, DIAC
Silicon Oasis
Dubai, United Arab Emirates (UAE)
+971 (0) 55 3094 333
uae@ipaf.org

US:

IPAF-US, 225 Placid Drive
Schenectady, NY 12303, US
+1 518 280-2486
usa@ipaf.org

Ducker

- ❑ Ducker Worldwide is a primary research-led industrial market research and consulting company, dedicated exclusively to ad hoc business-to-business research and particularly specializing in the markets for construction equipment and materials both in Europe and the US.

- ❑ Ducker benefits from solid industry experience and a highly international team with the ability to survey global markets at a local level:
 - Product and industry expertise: experience in the AWP and equipment rental markets through several projects covering access equipment and other types of construction machinery at all levels of the value chain including rental as well as distribution and contracting.
 - International approach applied locally: with a team of permanent native consultants working out of offices that reach across the US, Europe and Asia, Ducker prides itself on the fact that all fieldwork is completed in the respondent's native language by in-house consultants and by Ducker's internal multi-lingual call-centers.
 - Methodological expertise: on-going involvement in strategic consulting within areas such as market sizing and segmentation, distribution structure, competitive positioning, customer satisfaction or market opportunity and new product entry assessments for a variety of products within the global construction and transportation industries amongst others.
 - Quality charter: Ducker Worldwide is certified as conforming to ISO 9001 and works to the guidelines of the ESOMAR ethics standards.

- ❑ More information on Ducker can be found at www.ducker.com.

This report was produced by the European headquarters of Ducker Worldwide in cooperation with its US headquarters.

Ducker Worldwide
1250 Maplelawn Drive
Troy, MI 48084, US
www.ducker.com
Tel: 248-530-2011

Nicole McGregor, Principal
nicolem@ducker.com

Ducker Research Europe (European Headquarters)
89, route de la Reine
F-92773 Boulogne Billancourt cedex, France
www.duckereurope.com
Tel: +33 1 46 99 59 60

Audrey Courant, Associate Principal
Audrey.courant@duckereurope.com
Anne Myon, Project Manager
Anne.myon@duckereurope.com

This study assesses the AWP (Aerial Work Platform) rental market value for the US over a seven-year period. A separate report is available covering the European market.

- ❑ The study covers the time period 2008-2016, with particular focus on 2014.
- ❑ Main objectives:
 - 2014 AWP rental market value and fleet size.
 - Trends and dynamics (2008–2016).
 - Operational indicators (investment, age of fleet, application).
 - In addition to the primary market value and fleet size objective, fleet mix is included to ensure that the value is anchored in reality. Moreover, fleet information is typically more available than rental revenue. This has allowed for cross-checks, revenue-per-unit ratios and the optimization of secondary sources.
 - Level of fleet compliance with Tier 4.
 - Estimated size of the 2014 AWP rental fleet worldwide, with a breakdown by region and by machine type (including the estimated share of vehicle mounted platforms held by rental companies owning self-propelled fleets).
 - Update of the Chinese AWP rental market.
- ❑ New in this report:
 - Average payback period by machine type (booms vs. scissors).
 - Most commonly requested machine features / options.
 - Specific emphasis on consequences of the new AWP regulations and safety standards.
- ❑ The current study does not examine rental company profitability.
- ❑ All interviews were conducted in the first two months of 2014 which has allowed for primary data collection on the full previous year, thus providing for more specifically targeted and up-to-date information than would have been available from any statistical sources.

Products and Countries

- ❑ The current study focuses on powered access equipment owned by rental fleets, i.e. aerial work platforms (AWPs), also called mobile elevating work platforms (MEWPs). It includes the full range of powered access equipment (all sizes and types) except mast climbing work platforms (MCWPs).

- ❑ Included are: all booms, scissor lifts and vertical masts.
 - Both articulated and straight telescopic booms.
 - Self-propelled as well as push-around, towable and vehicle-mounted.

- ❑ Excluded: low-level access equipment (<10ft / 3m high), telescopic material handlers, forklifts, cranes, mast climbers and equipment owned by non-rental companies.

- ❑ This report focuses on the US domestic market.
 - No regional segmentation is included.

Target Companies and Respondents

- ❑ The main source of information for this study is primary research through telephone interviews. Organizations interviewed for this study include rental companies and other industry experts:
 - Rental companies:
 - Specialist AWP rental companies: AWP accounts for more than 50% of total rental revenue.
 - Generalist rental companies: AWP rental revenue accounts for 50% or less of total rental revenue.
 - AWP manufacturers.
 - National rental associations.
 - Industry experts.

- ❑ Secondary data was also gathered to validate major market trends identified.

- ❑ Only persons with input in machine selection or management were qualified as respondents. Recurrent respondent job functions include in particular Owner, Sales and Technical Manager, Purchasing Manager, Fleet Manager, Branch Manager or Operations Manager.

- ❑ Ducker and IPAF would like to thank all industry representatives who have been available for interviews and whose kind assistance made it possible to conduct this research.

- ❑ IPAF and Ducker would also like to thank Murray Pollok, Managing Editor of *International Rental News* for his contributions and commentary on the current rental market.

Definitions

- ❑ AWP Rental revenue:
 - Includes for example: machine rental rates, machine repair, support (e.g. fuel services), transportation/delivery, training, damage waiver, operator charges.
 - Used equipment sales are excluded from the AWP rental revenues reported.

- ❑ Re-rental:
 - Rental by one rental company from another rental company.

- ❑ Utilization rate:
 - Physical number of machines out on rent as a percentage of the total number in fleet at any given time.

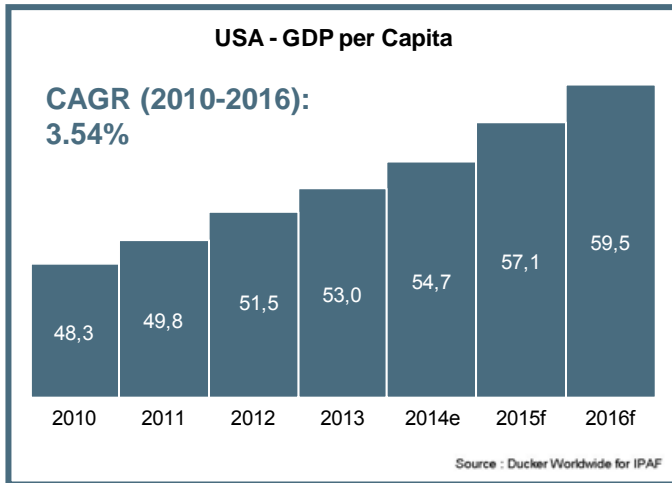
- ❑ Average age of fleet:
 - Overall average age of the fleet in December 2014, including machines that underwent refurbishment/remanufacturing.

- ❑ Rental rate:
 - Corresponds more to net prices than list prices. Directly linked to the rental revenue.
 - The dollar amount the customer agrees to pay for possession and use of a machine.

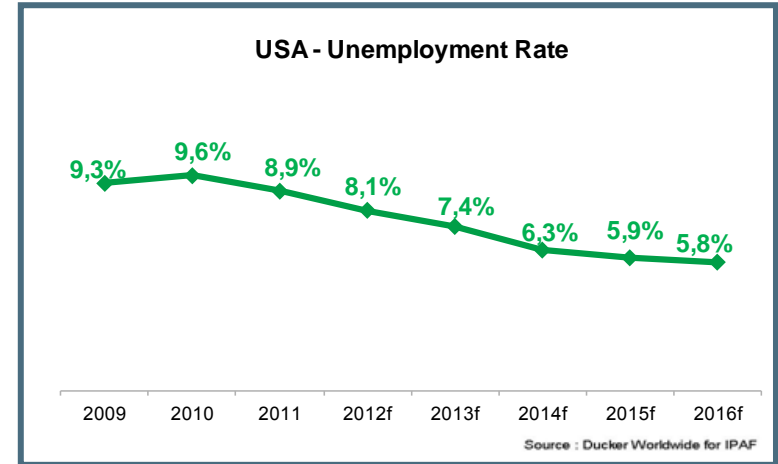
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EXECUTIVE SUMMARY

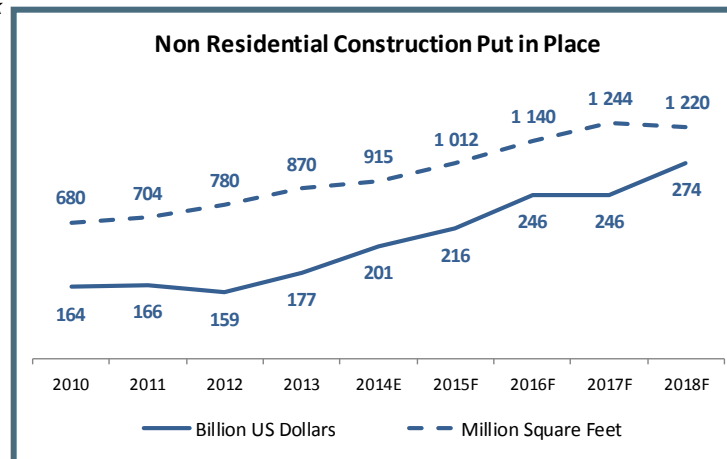
The US economy progressed rapidly in 2014 with +3% in GDP, continuous decrease in unemployment and +14% in non-residential construction spending.



Thousand US dollars at 2014 prices. Source: International Monetary Fund, World Economic Outlook Database, October 2014



Source: International Monetary Fund, World Economic Outlook Database, October 2014



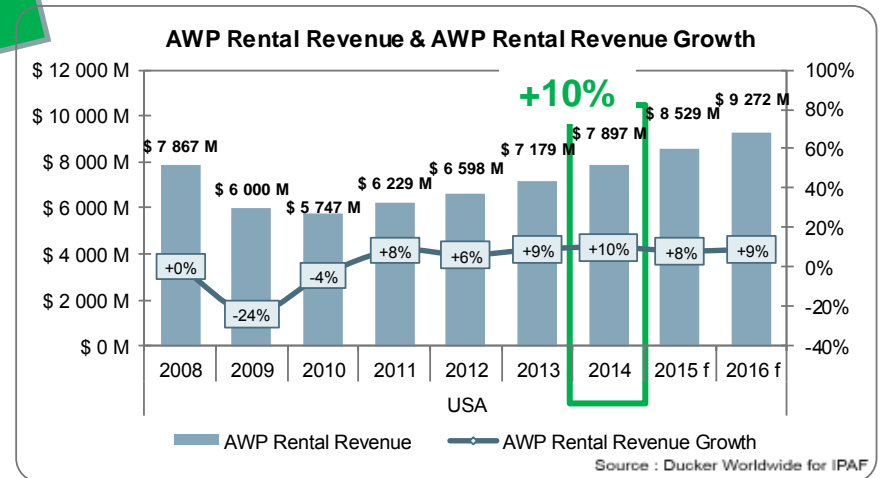
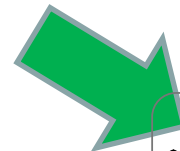
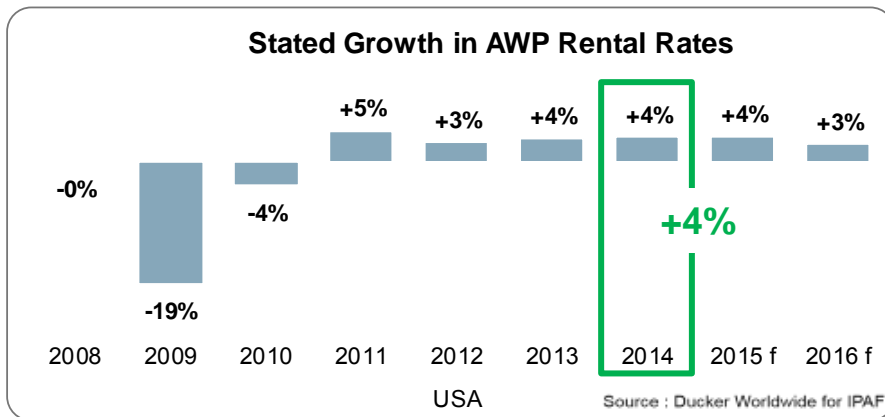
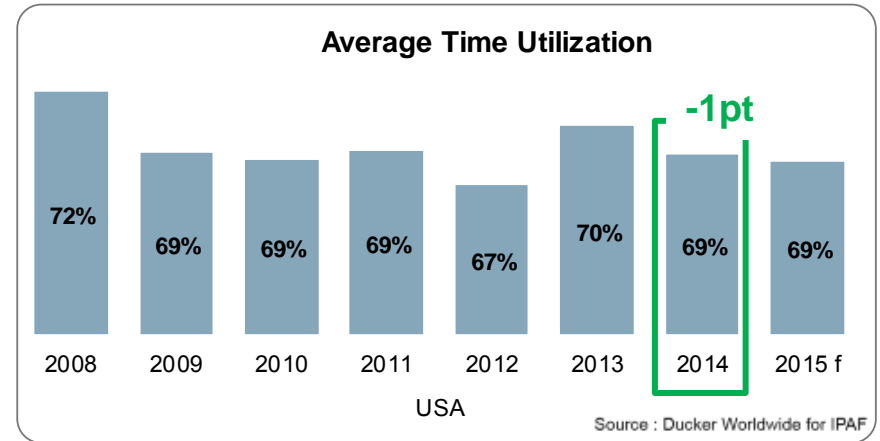
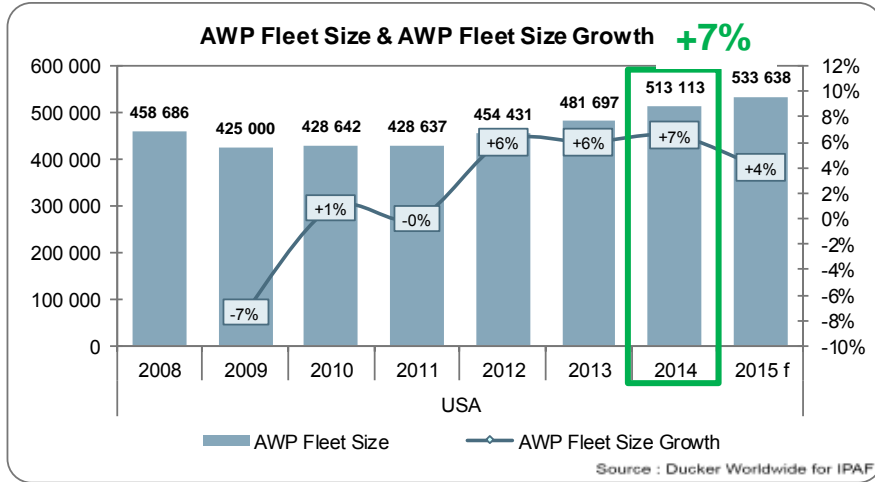
CAGR (2010-2016): 7.00%

Source: McGraw-Hill Construction, Dodge Construction Outlook 2014

AWP Rental Market Situation at End 2014.

- ❑ The US AWP rental market confirmed its recovery in 2014.
- ❑ As forecast in last year's report, , the AWP rental fleet size is now 12% larger than in 2008 and the rental revenue in 2014 exceeded pre-recession levels.
- ❑ While some experts were expecting the rental market to be hit by oil price decreases, demand is up, driven by a strong construction market and reasonable industrial demand.
- ❑ This strong demand allowed rental companies to continue improving rental rates and pursue fleet size expansion, with relatively stable utilization rates.
- ❑ Rental companies continued to be cautious in business management: maintaining reasonable stable investment growth, and preserving the diversification of end-applications, with a third of their revenue in non-construction activities.
- ❑ Market profitability improved compared to 2013 as a result of rental rate growth. However, rental companies continue to hope for increasing rental rates, as pre-recession market profitability has not yet been reached, primarily due to rising machine prices.

US rental companies focused on expanding fleet, and improving rental rates, to improve revenue in 2014.

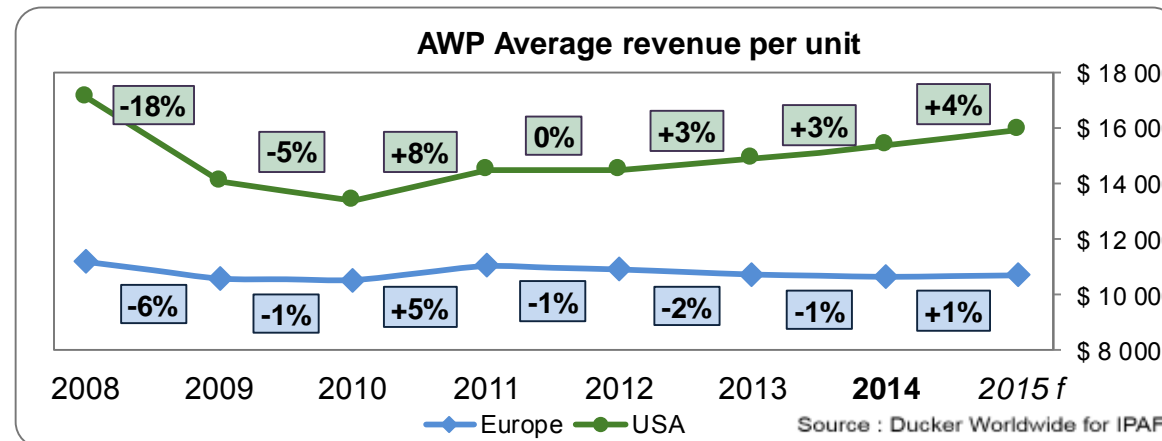


The US rental market growth continues to outpace that of Europe.

Region	2014 revenue growth	2014 revenue	2014 fleet size growth	2014 Fleet size	Utilization rate growth	Rental rate growth
USA	+ 10%	\$ 7.9Bn	+ 7%	513 113	- 1 pt	+ 4%
Europe*	+ 1%	\$ 2.6Bn	+ 2%	245 409	+ 0 pt	- 1%

Exchange rate \$1 = €0.881

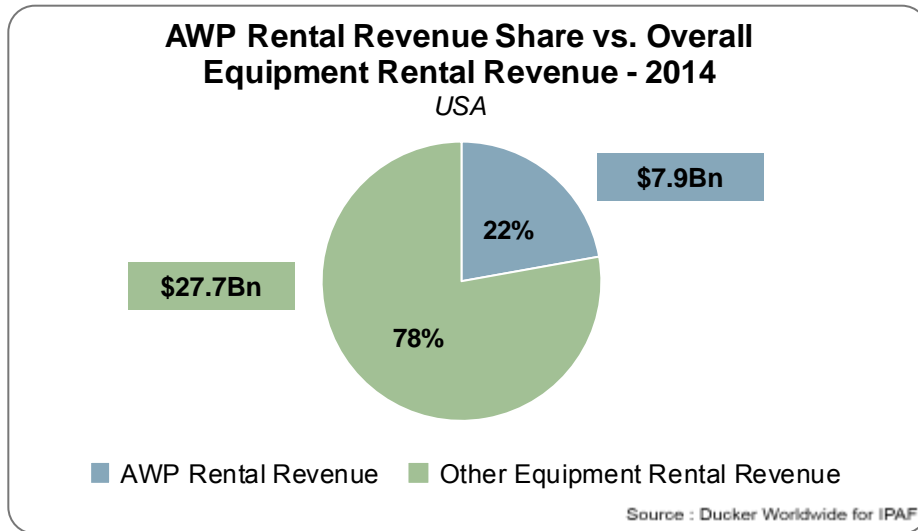
- Two major trends have led to increasing demand for AWP's in the US:
 - Strong construction market improvement coupled with reasonable GDP growth.
 - Continuous trend towards rental vs. ownership, primarily driven by high equipment purchase prices, and longer return on investment.
- The US average revenue per unit followed a constant and positive trend while Europe* witnessed continuous deterioration.



* Defined as : UK, FR, SP, IT, GER, NL, DK, NO, SE, FI

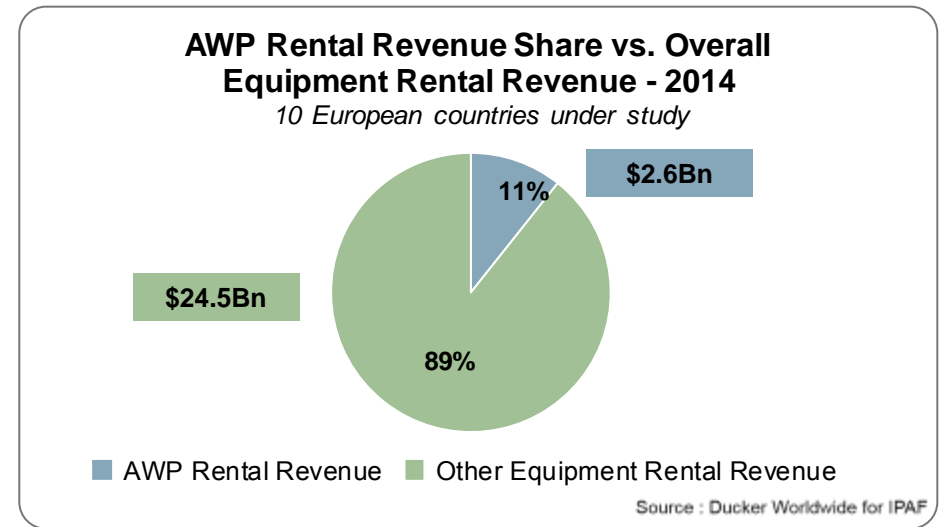
The share of AWP rental revenue as part of overall US rental revenue is significantly higher than in Europe and accounts for approximately 24% of the overall US equipment rental revenue (\$35.6Bn, source ARA).

- The share of AWP rental as a part of total equipment rental revenue has been stable in the last few years.



ARA overall equipment rental revenue includes:

1. Party & Event
2. General tool
3. Construction & Industrial Equipment



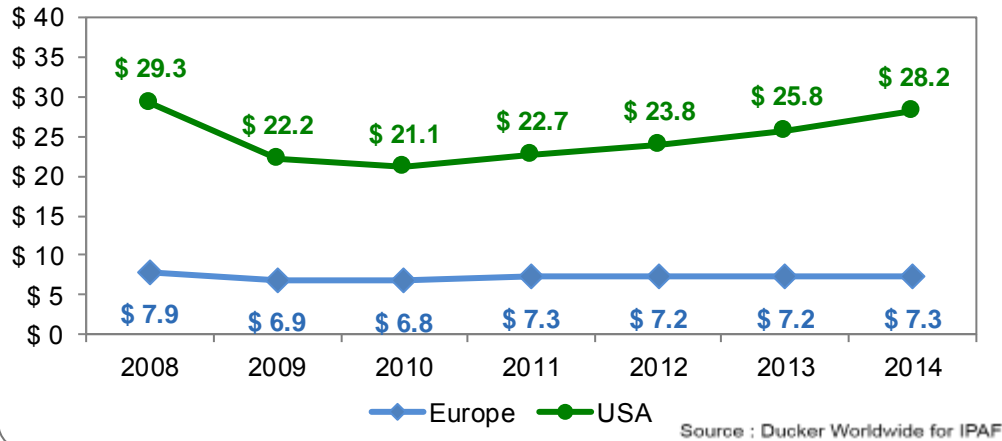
ERA overall equipment rental revenue includes:

1. General Plant
2. Tools & General Equipment
3. Access
4. Power generation & Temperature Control
5. Accommodation & Fencing
6. Industrial Machinery
7. Crane

Exchange rate:
\$1 = €0.881

The US rental revenue and fleet per capita are significantly above that for Europe, showing higher market maturity.

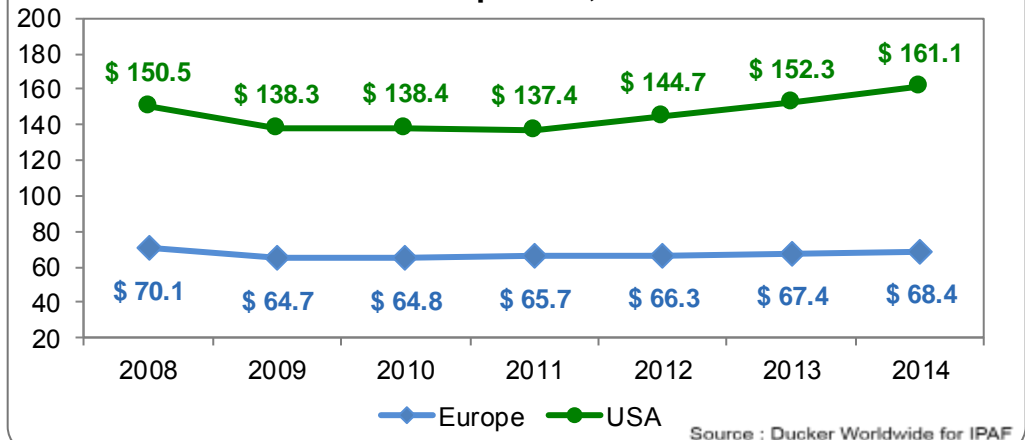
AWP Rental Revenue per Inhabitant



- While rental revenue per inhabitant grew by more than 9% in 2014 it hasn't yet reached pre-recession levels, showing that market profitability is not fully back to pre-recession levels.
- Many rental companies report that rental rates are still not back to the pre-recession levels.

- On the contrary, the European AWP market (10 countries under study) is still struggling to get back on its feet, with a stagnating AWP rental revenue per inhabitant.

AWP Rental Fleet per 100,000 Inhabitants



Worldwide AWP Rental Fleet Size is estimated at approximately 1,120,000 units. This represents a 8% increase compared to 2013, due to revisions in the Asian and Latin American 2013 figures.

North America	
Articulated Booms	93 000
Straight Booms	129 300
Scissors	312 800
Others	39 600
Total	574 700

EAME	
Articulated Booms	78 300
Straight Booms	38 100
Scissors	161 450
Others	41 950
Total	319 800

ASIA - PAC	
Articulated Booms	18 600
Straight Booms	34 600
Scissors	88 800
Others	35 500
Total	177 600

Latin America*	
Articulated Booms	7 300
Straight Booms	17 000
Scissors	22 300
Others	4 100
Total	50 700

*Includes Mexico

Overall Europe (27 countries) accounts for 97% of total EAME fleet

*Note: included are powered access: all booms, scissor lifts and vertical masts
Excluded: low-level access equipment (<10ft/3m high), telescopic material handlers, forklifts, cranes, mast climbers*

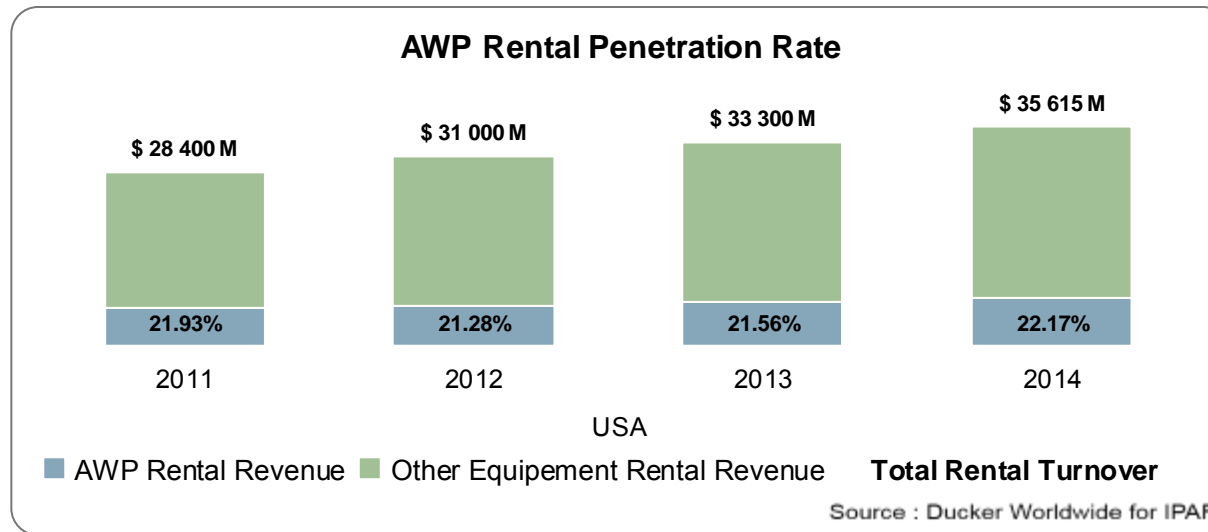
Others include: vertical lifts, vertical masts, vehicle-mounted booms owned by rental companies owning self-propelled fleets

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MARKET SIZE AND DYNAMICS 2008-2015

Total value of the US AWP rental market in 2014 was approximately \$7.9 billion.

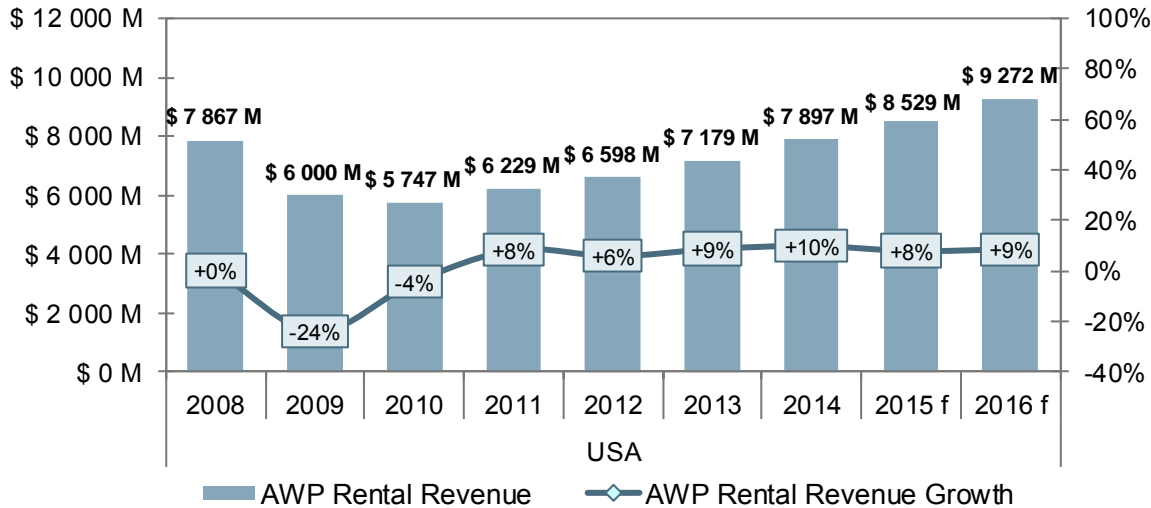
- ❑ The US AWP rental market confirmed its dynamism in 2014 and performed better than the other US rental markets.
- ❑ AWP rental revenue still accounts for approximately 22% of the overall US equipment rental revenue (\$35.6Bn, source ARA). This rate has grown slightly since 2012.



The US AWP market continued its strong growth in 2014. Rental companies are optimistic and plan for similar growth trends in the next two years.

- ❑ The AWP market increased steadily (+10%), driven by a dynamic construction sector (+17% in non-residential spending) and non-construction sectors (+3% in GDP).
- ❑ AWP rental revenue now exceeds pre-recession levels at \$7.9Bn. It is expected to exceed \$9Bn in 2016.

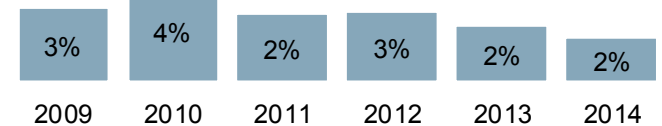
AWP Rental Revenue & AWP Rental Revenue Growth



Source : Ducker Worldwide for IPAF

Re-rental, i.e. rental by one rental company from another, remained stable at a very low level and only represented around 2% of the AWP rental market.

Re-Rental

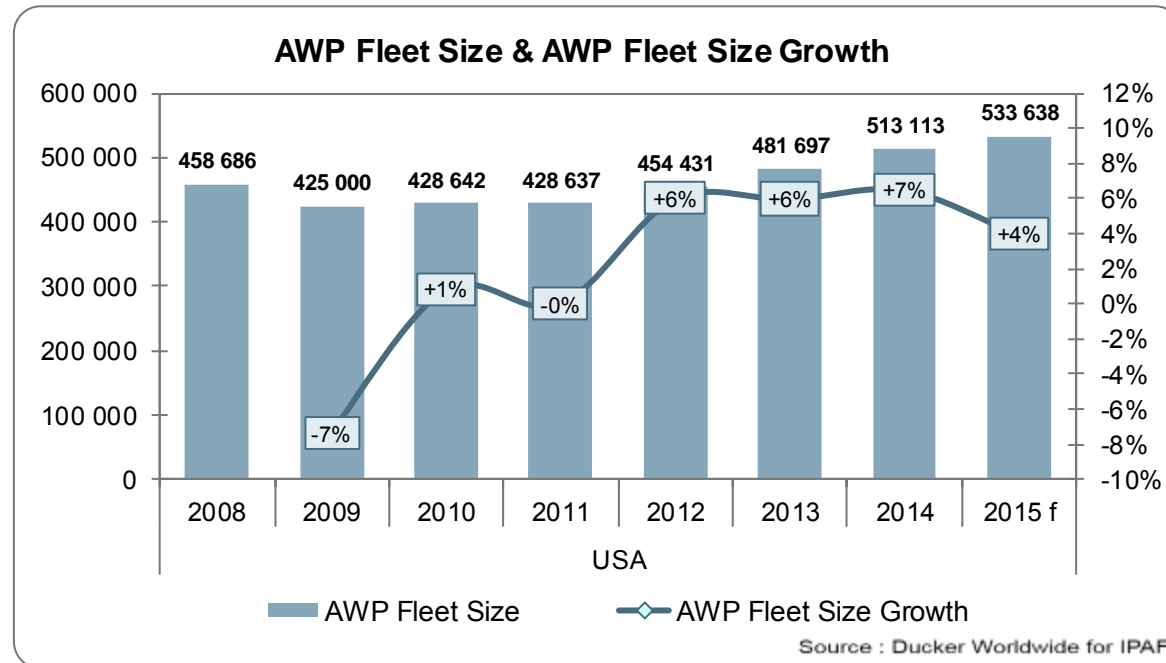


USA

Source : Ducker Worldwide for IPAF

Rental companies chose to increase fleet size as a way of increasing revenue. The US AWP fleet now exceeds 500,000 units.

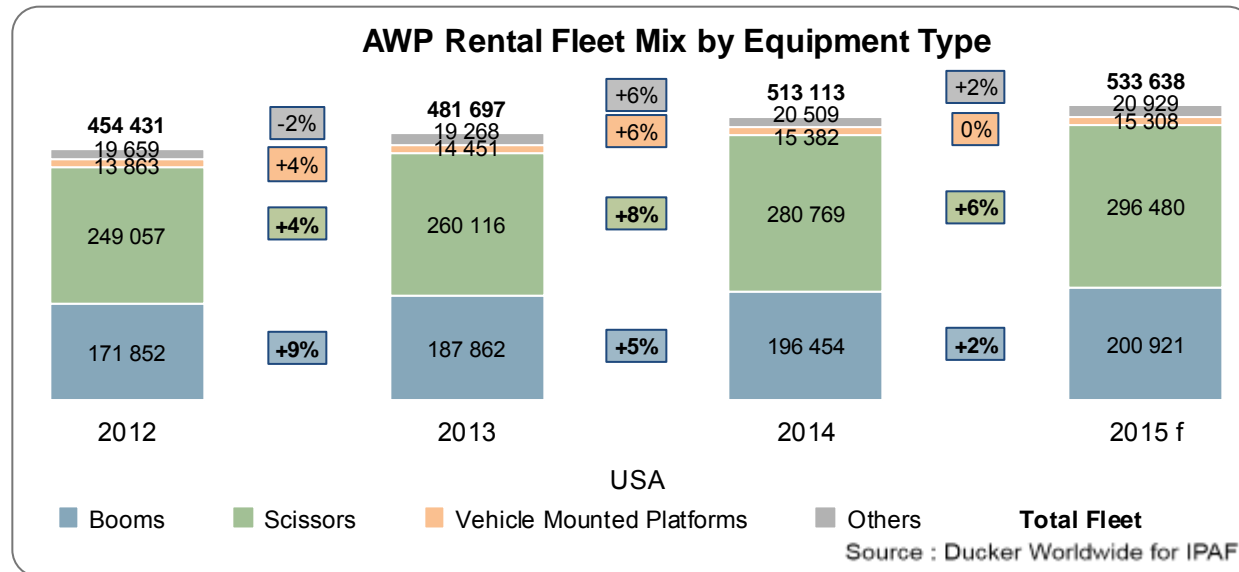
- More than 20% of the US fleet is now Tier 4 compliant (doubled compared to 2013). Rental companies reported again that Tier 4 machines were significantly more expensive and led to longer return on investment.



*Note: included are powered access: all booms, scissor lifts and vertical masts
Excluded: low-level access equipment (<10ft high), telescopic material handlers, forklifts, cranes, mast climbers*

Fleet size increased by 7% in 2014, primarily driven by purchases of scissors.

- While scissors represented 62% of the US AWP rental fleet in 2014, they now represent 65% of the fleet.
- Most of the growth in the scissor fleet comes from electric scissors. Rental companies report focusing a large share of their investment on these machines as they allow for the highest utilization rates and better payback period.

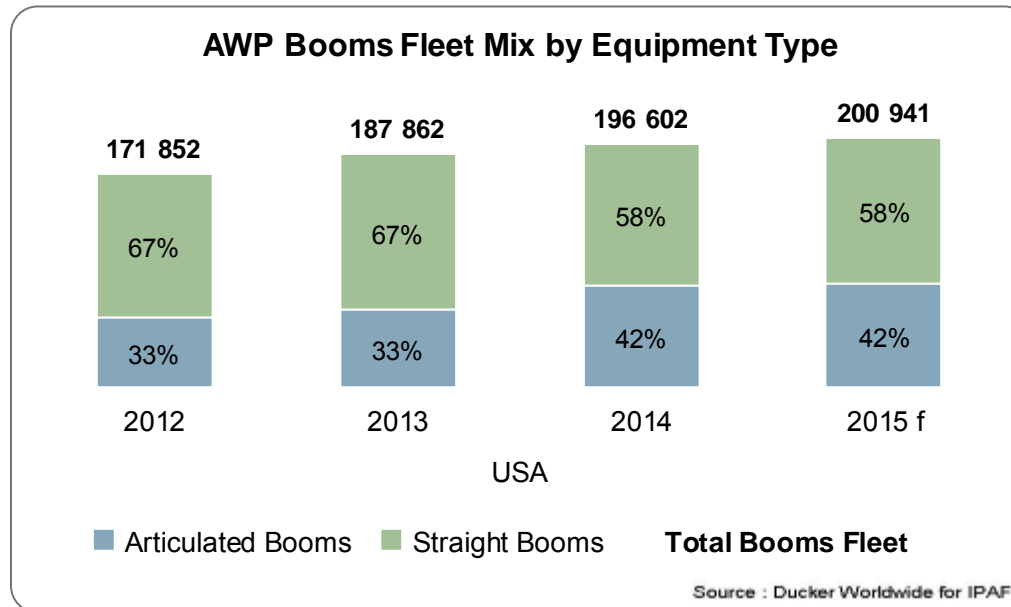


Note: included are powered access: all booms, scissor lifts and vertical masts
 Excluded: low-level access equipment (<10ft high), telescopic material handlers, forklifts, cranes, mast climbers

+X% % unit growth, e.g. Boom fleet increased by 5% from 2013 to 2014
 Other includes vertical lifts, vertical masts.

2014 shows a significant growth in the share of straight booms.

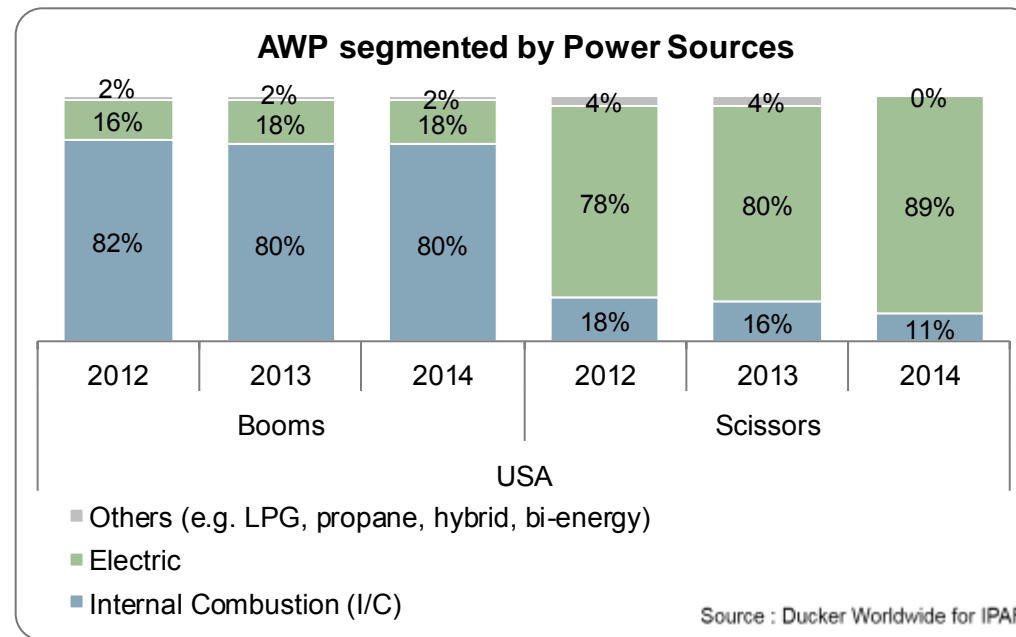
- Articulated booms are seen as more versatile than straight booms and are thus gaining interest among US rental companies.



End of the year data

While the proportion of electric booms remained stable compared to 2013, the share of electric scissors significantly increased.

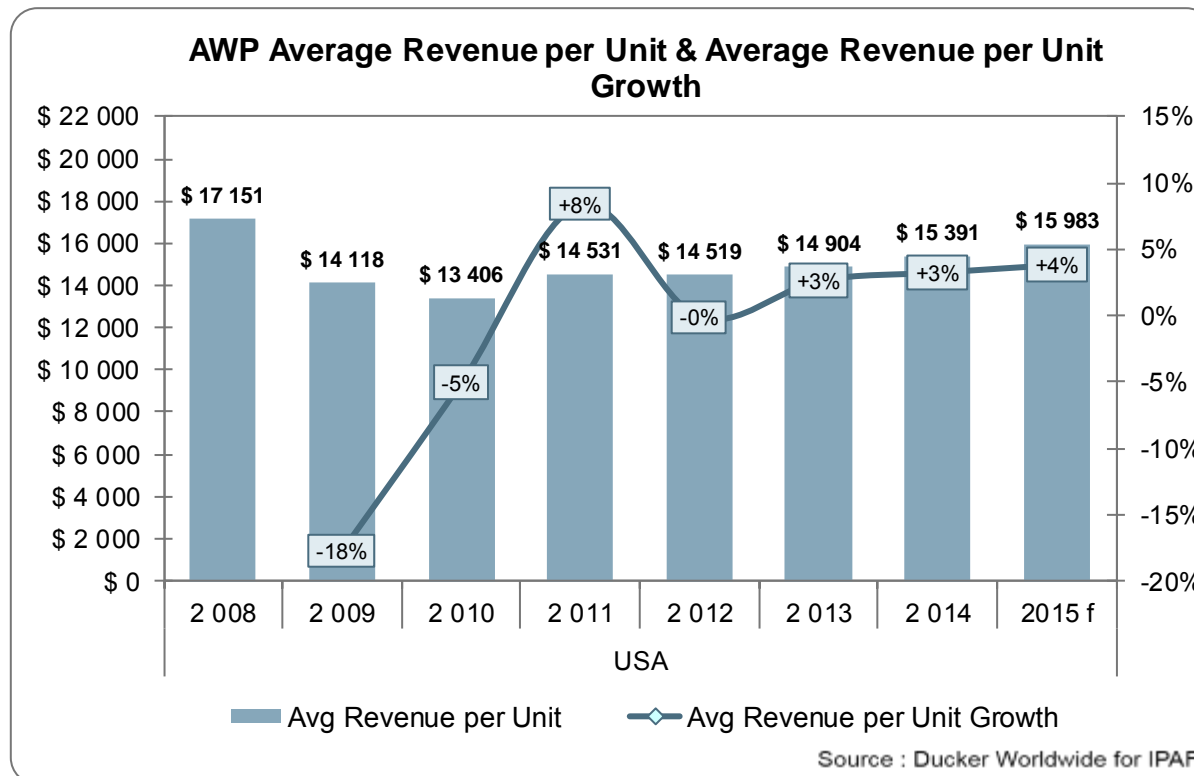
- ❑ Tier 4 regulations are expected to act in favour of rental penetration, as they increase equipment purchase prices, which encourages companies to consider rental as an alternative to purchase.
- ❑ Close to 25% of the US rental fleet is Tier 4 compliant (compared with 10% at the end of 2013). Tier 4 regulations continue to be a positive driver for the rental market as machine prices are higher.



% of fleet powered by electric vs. diesel engine.

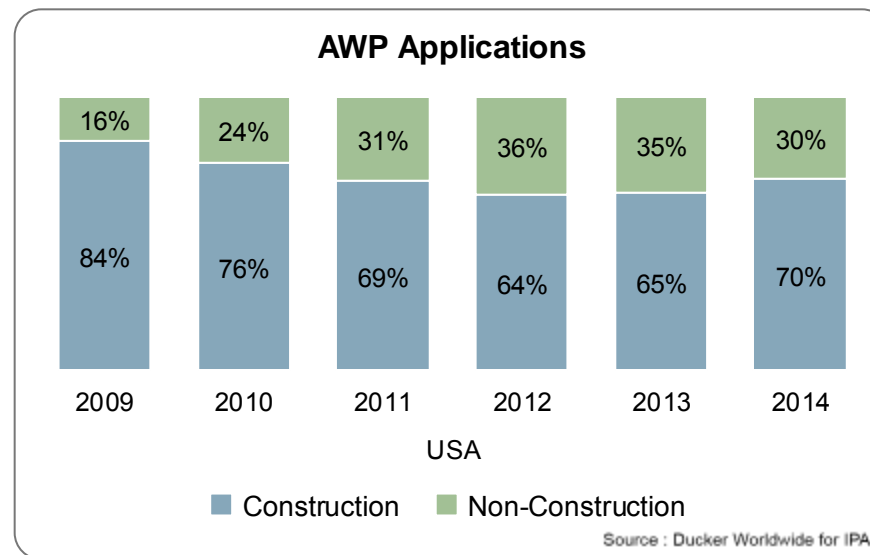
The average revenue per unit continued to increase in 2014, at a similar pace to 2013, driven by improving rental rates.

- ❑ However, the average revenue per unit is still significantly below the 2008 levels due to both increasing machine prices (Tier 4), and rental rates which are not yet at pre-recession levels.
- ❑ Despite a continuous increase expected for rental rates in 2015, the average revenue per unit should not reach \$16,000 in 2015.



Driven by a dynamic construction sector, the share of AWP rental revenue coming from construction applications increased significantly in 2014.

- Strong demand in construction led to an increasing share of rental revenue in this segment. However, non-construction revenue remains proportionally higher than before the recession, as rental companies want to maintain a higher level of diversification than before recession to limit risks.



Share of rental revenues

Non-construction includes property care, maintenance, cleaning, utilities, events.

Construction includes new build and renovation; including all types of building, also industrial

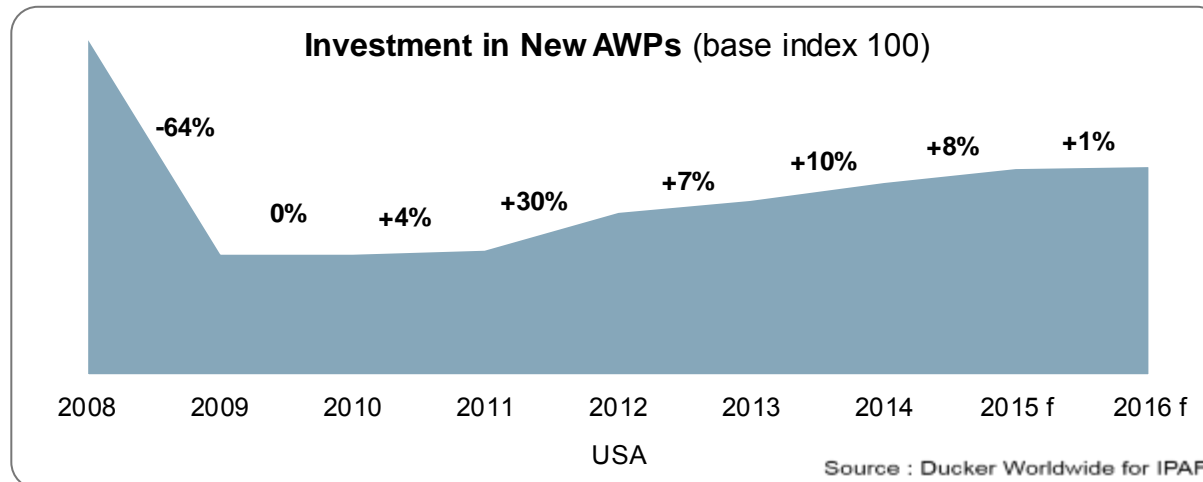


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INVESTMENT 2008-2016

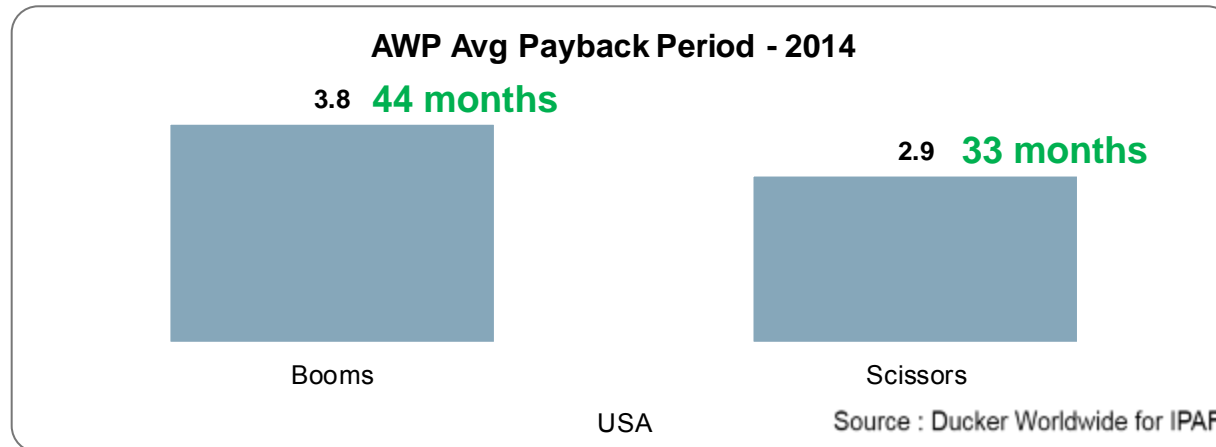
After significant increase in investment in 2012, rental companies maintained light investment in both 2013 and 2014.

- ❑ Rental companies are more cautious in their decisions to invest in new equipment compared to pre-recession.
- ❑ Similar investment growth trends should continue in 2015, but rental companies expect to then maintain equipment spending at stable levels in 2016.



For the first time, Ducker interviewed rental companies on the typical payback period of their AWP fleet.

- ❑ The average US AWP fleet payback period is 39 months. Rental companies report that the payback period increased due to Tier 4 regulations.
- ❑ Scissors show a much shorter payback period than booms.



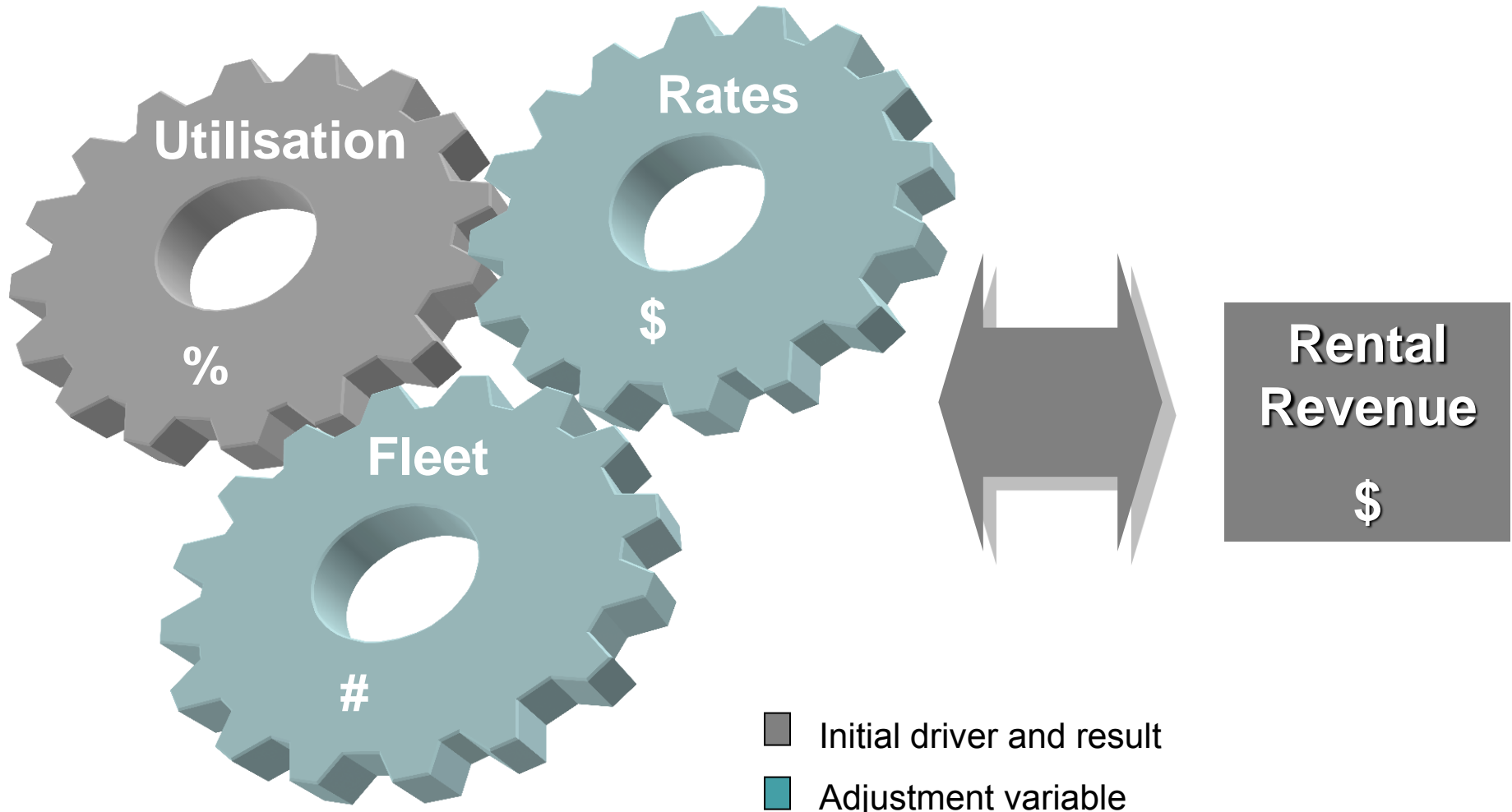
3.8 = 3 years and 8 months

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OPERATIONAL ASPECTS

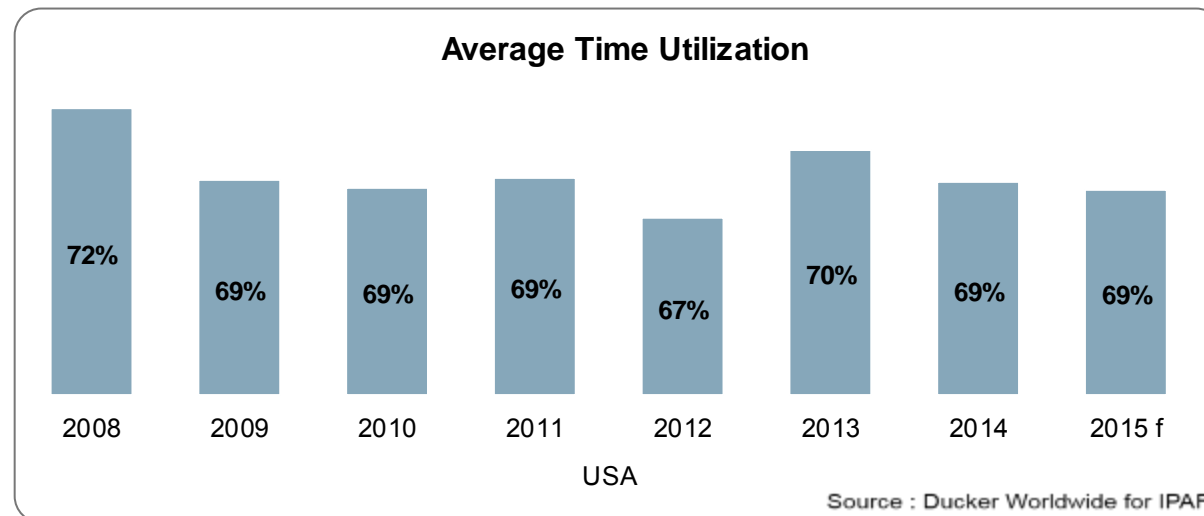
2008-2015

Rental revenues are the result of three main factors, namely time utilisation rate, rental rates and fleet size/mix. Rental rates and fleet composition are the two strategies that rental companies can vary in order to influence utilisation and thereby, revenues.



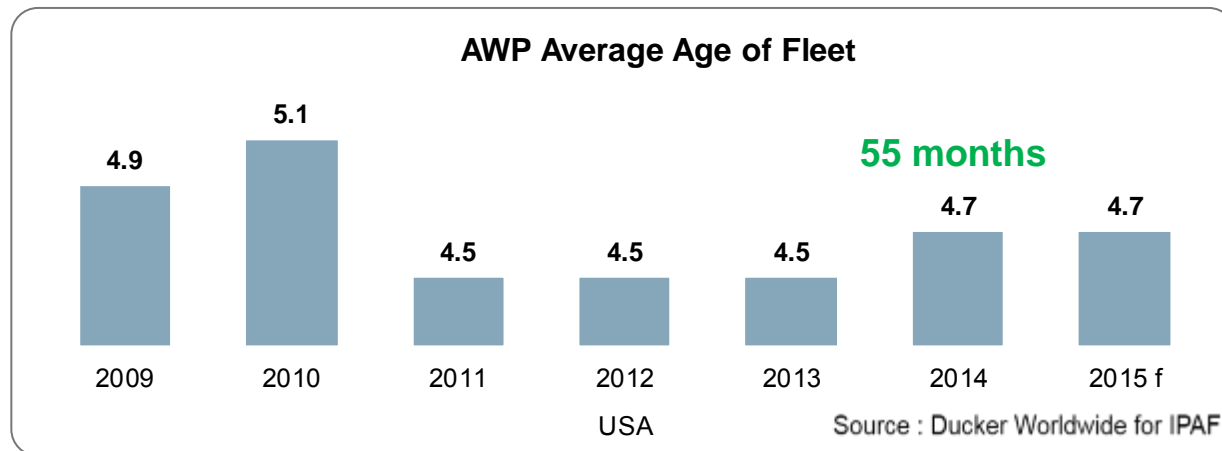
After a clear improvement in utilization rates in 2013, rates have stabilized at 69%.

- ❑ Strong fleet expansion and an increased in rental rates acted to limit any improvement in utilization rates.
- ❑ As in 2013, utilization rates vary greatly from one rental company to another. The 2014 data shows AWP utilization rates that vary from 45% up to 75%.
- ❑ Electrical machines allow for the highest utilization rates. RT scissors are said to have lower utilization rates.
- ❑ Pre-recession levels are not expected to be reached in 2015.



Average fleet age remained relatively stable at 55 months.

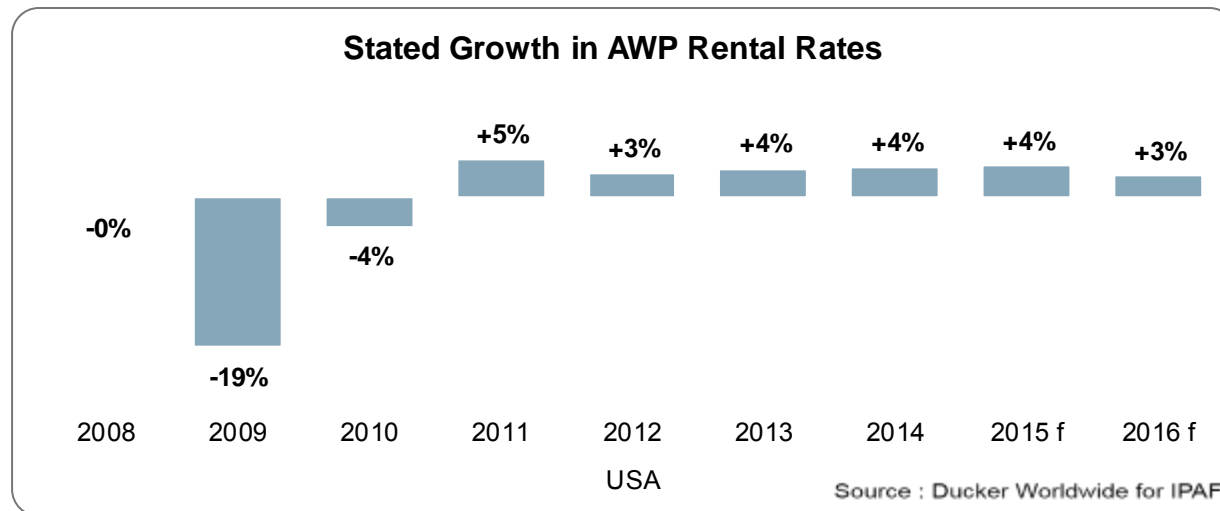
- ❑ Slight differences appear depending on equipment type: scissors show the lowest average age as the payback period is also the shortest. In contrast, straight booms show the highest average age.
- ❑ Fleet age lowered significantly in 2011 after the recession but has been relatively stable since.
- ❑ Pre-recession fleet age (48 months) has not been reached.



4.7 = 4 years and 7 months = 55 months

Overall, rental rates improved by 4% in the US in 2014.

- ❑ Despite continuous rate increases since 2011, several rental companies report that rental rates have not yet reached pre-recession levels.
- ❑ For 2015 and 2016 rental companies are planning on rental rate growths from 2% to 6%.
- ❑ Larger companies anticipate the most rapid rate increase.



New to this year's edition, Ducker interviewed rental companies about the most commonly asked machine features / options.

- ❑ Jib and Jib extensions, as well as the ability to have power in the baskets are the most frequent features requested by customers of rental companies.
- ❑ Welder packages and 4WD booms are also often part of customers' key needs.

1	Power source in basket
2	Jib / Jib+
3	Welder packages
4	4 wheel drive

Other mentioned features are:

- Specific tires** (non-marking tires, foam-filled tires, etc.)
- Deck extension**
- Cold-weather package**
- Glass / Panel tray**
- Large fuel tanks**

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**A PERSPECTIVE FROM THE
MANAGING EDITOR OF
*INTERNATIONAL RENTAL NEWS***



Visit a US construction or rental show in the past two years and the contrast with similar events in Europe can be stark: busy aisles, chequebooks out, and growing rental fleets.

The US is benefitting from the continued growth of its economy and the accompanying investment in infrastructure and general building activity, including housing.

The American Rental Association (ARA) estimates rental growth of 8.1% in 2015 following an increase of 7.3% in 2014, which is more than treble the country's GDP growth. The ARA says the growth is the result of favourable activity levels in construction and industrial markets. Growth in Canada's rental market is much slower than the US, and is forecast by the ARA to be less than 4% this year.

One of the key features of the US market is what is called a 'secular shift' toward rental from ownership. The ARA measures this through its rental penetration index, which is calculated by comparing the active rental equipment fleet as a proportion of the total fleet of construction equipment in the country. This rose to 53.9% last year from 52.9% in 2013 and is the fifth rise in as many years. This means that, even if the total construction market was flat, you would expect rental growth to occur.

This healthy state of affairs is reflected in the results of the biggest rental companies in North America, and in the mergers and acquisitions sector, where many of the biggest players were busy expanding their businesses through takeovers.



Sunbelt Rentals, for example, has been on the acquisitions trail for the past 18 months, with 12 companies acquired, including local aerial platforms specialists such as Chicago-based Metrolift and Nashville Equipment Rental.

BlueLine Rental, the former Volvo Rents business now owned by a private equity company, also made a big move to boost its aeriels fleet with the acquisition of New Jersey-based Trico Lift.

The sheer scale of the US rental market is exemplified by United Rentals, which reported a 15% increase in its 2014 revenues to US\$5.7 billion.

Speculation that the US rental giants, United included, will inevitably move to new markets outside the US is not unreasonable, but the fact is, with growth at home exceeding that of almost every other rental market in the world, and with consolidation opportunities still on offer, there is no overriding need to embark on foreign adventures - yet.



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MARKET TRENDS AND DRIVERS

While some rental companies perceive future regulations and safety standards as a potential risk for their business, most see them as an opportunity.

AWP new safety standards

- Rental companies' opinions differ on the consequences of the revised AWP related standards.
- For some, this is an opportunity for additional revenue as customers will have to be trained. In addition, some explain that better machine usage is always positive as it helps prolong machine life.
- Others on the contrary see these standards as constraints (e.g. load sensors), forcing them to train their in-house operators and moreover driving machine prices and maintenance costs up.
- Most agree that they will pass on additional costs to end-customers, driving rental rates up.

Training trends

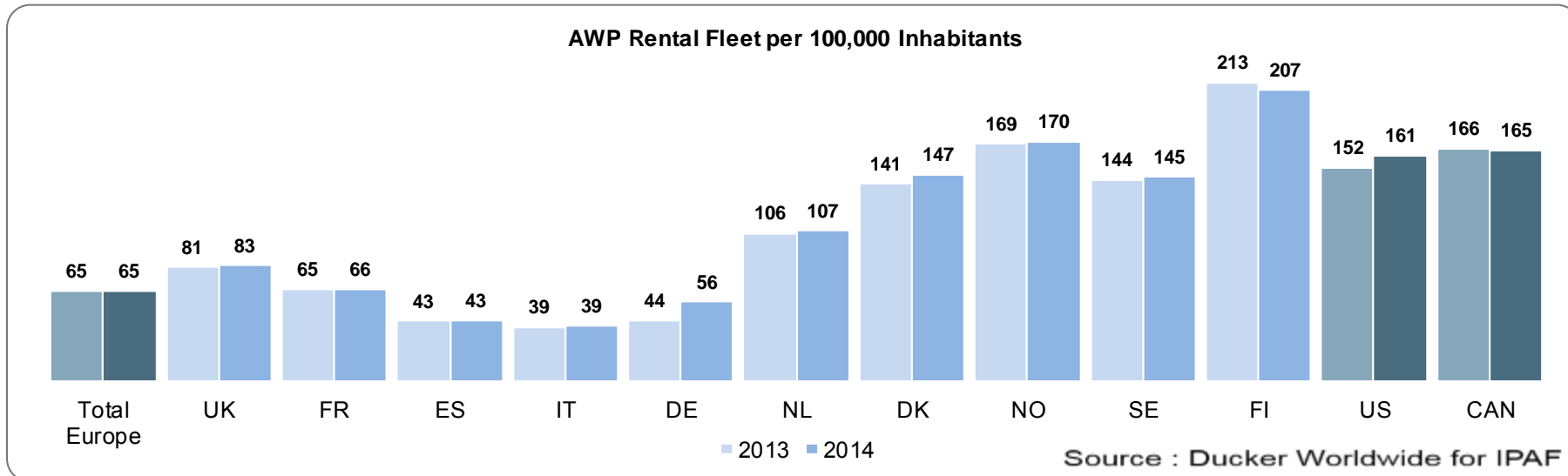
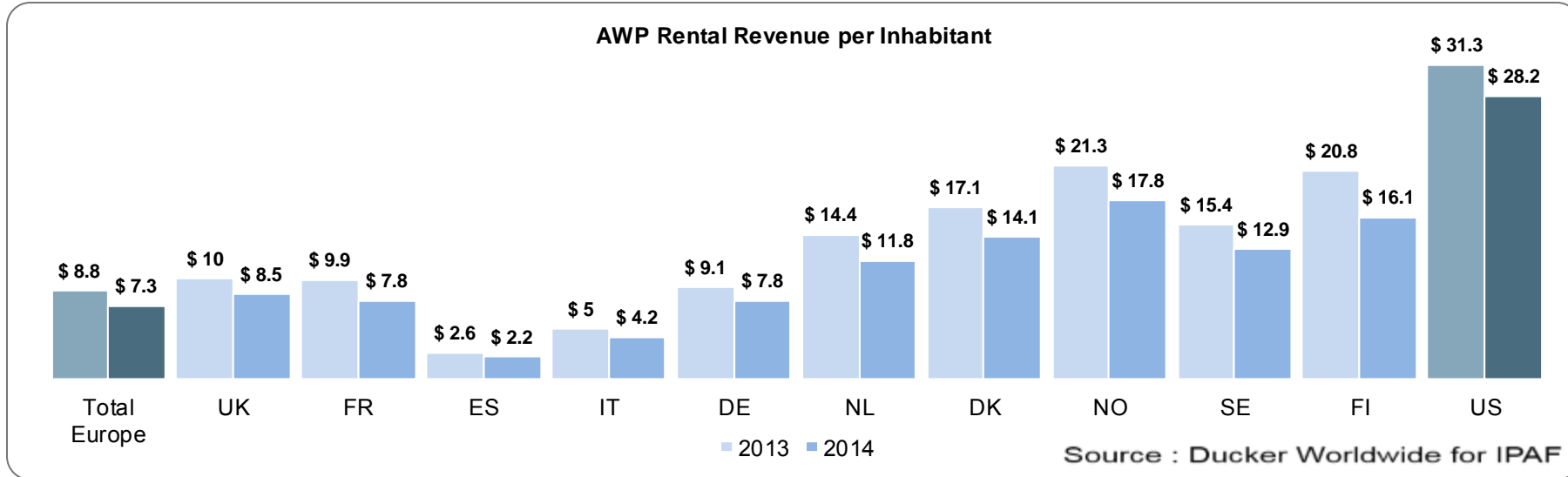
- Many rental companies are already providing theory and practical/hands on classes.
- Several mention the growing need for online training services.

Rental companies market expansion

- Rental companies report more plans to expand geographically in 2014 than they did in 2013.
- When they are planning on expansion, rental companies expect both organic growth and inorganic acquisitions.

Country Population Penetration – AWP rental revenue per inhabitant

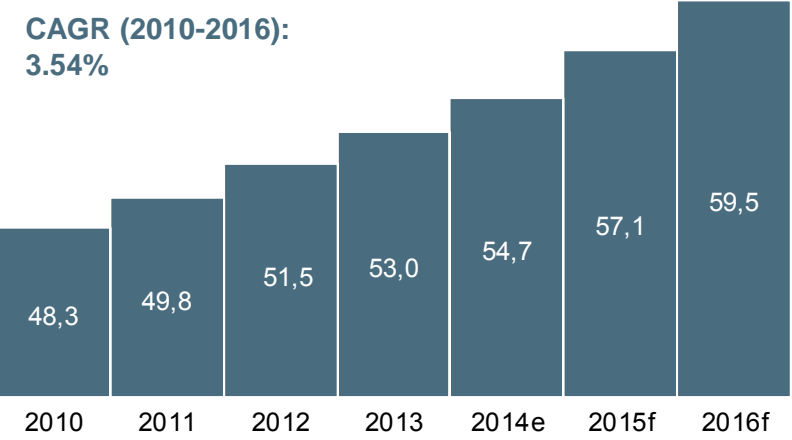
Exchange rate:
\$1 = €0.881



The US economy is showing positive signs with a 3% increase of GDP per capita in 2014, which should grow even faster in 2015 and 2016. Unemployment rate is also decreasing fast.

USA - GDP per Capita

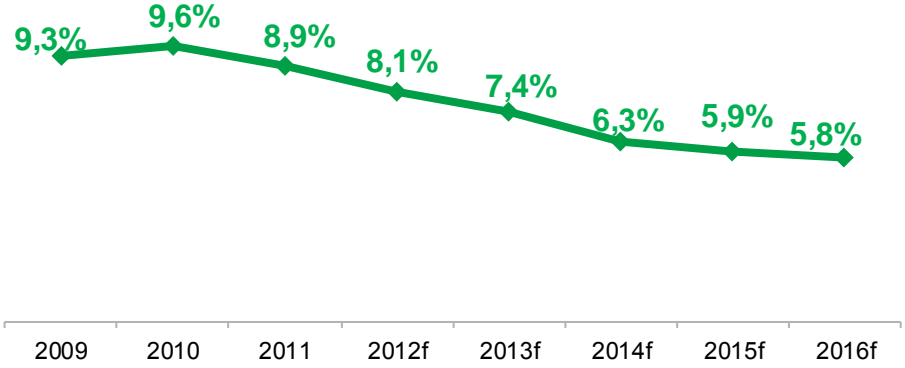
CAGR (2010-2016):
3.54%



Source : Ducker Worldwide for IPAF

Thousand US dollars at 2014 prices. Source: International Monetary Fund, World Economic Outlook Database, October 2014

USA - Unemployment Rate

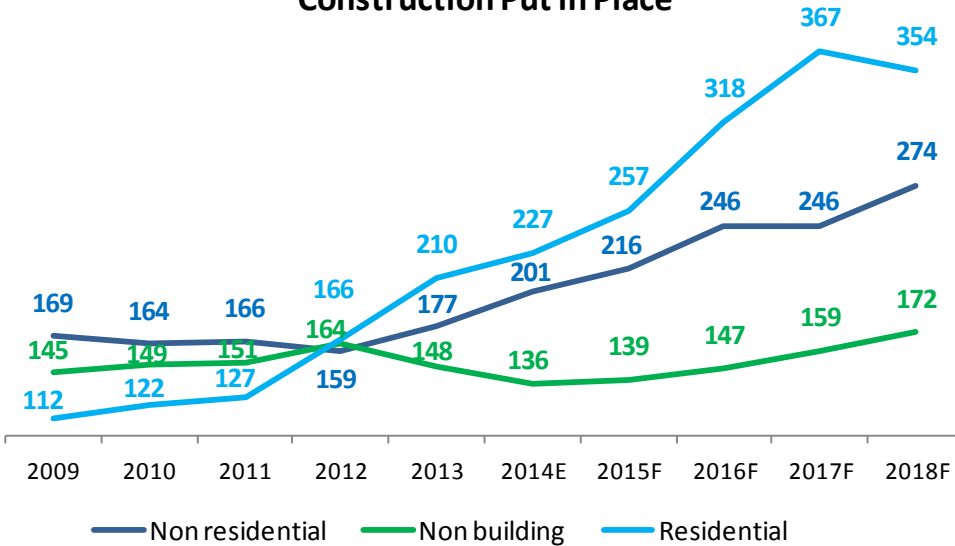


Source : Ducker Worldwide for IPAF

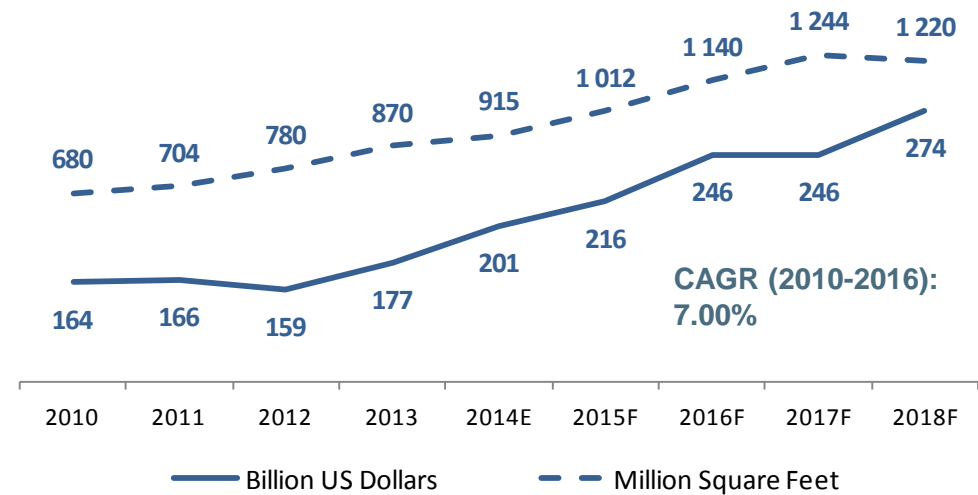
Source: International Monetary Fund, World Economic Outlook Database, October 2014

After a flat year 2013, non-residential construction experienced strong growth in 2014 (+7%). A similar trend is expected up to 2018.

Construction Put in Place

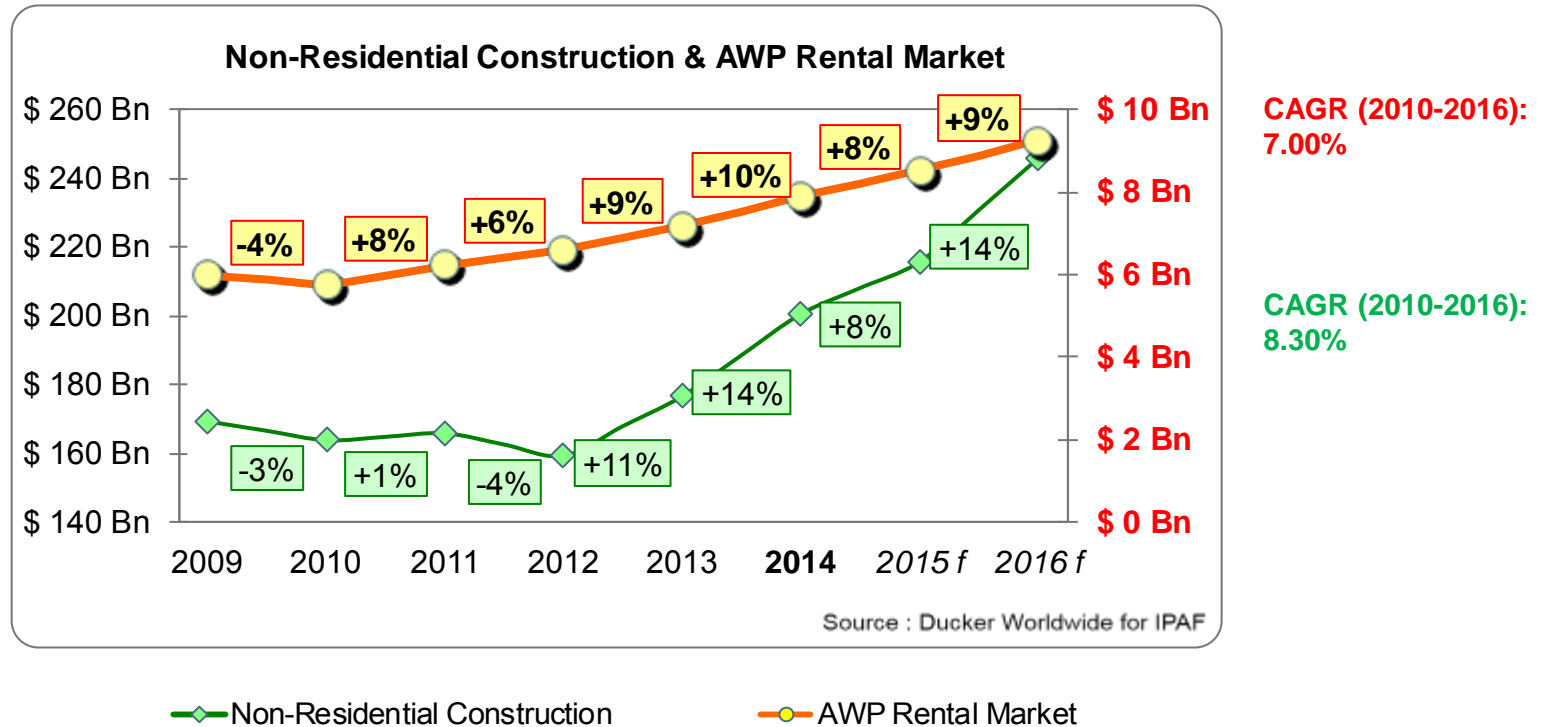


Non Residential Construction Put in Place



Source: McGraw-Hill Construction, Dodge Construction Outlook 2014

The AWP rental market has been on a positive and strong trend since 2011, typically ahead of the construction market.



Source: Bureau of Economic Analysis, CBO's and US Census Bureau

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CANADIAN AWP MARKET

Canadian AWP Market

- ❑ The Canadian market in 2014 suffered, more than the US, from the fall in oil prices. Many rental companies, heavily involved in this sector lost significant shares of revenue.
- ❑ In addition, the appreciation of the US dollar directly raised US-manufactured equipment in Canadian dollars.
- ❑ Accordingly, the market did not grow in the same proportion as the US market, and maintained an average growth of approximately +5% in 2014.
- ❑ The Canadian fleet is estimated at approximately 61,500 units, representing a +5% increase compared to 2013.
 - ❑ Booms represent a slightly higher share of the overall fleet than in the US, primarily due to the oil activity with approximately 42%, while scissors stand for 52%.
 - ❑ As in the US, the boom fleet is more heavily weighted towards straight booms.
- ❑ Rental rates pressure was high in Canada in 2014 first because of the oil downturn, but also due to fierce competition especially from major US rental companies.
- ❑ The Canadian market is much more influenced by weather conditions than the US, thus utilization rates vary greatly depending on the time of year.

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CHINESE AWP MARKET

The Chinese AWP rental fleet size growth remained strong in 2014.

- ❑ The Chinese AWP fleet size reached 9,000 units in 2014. It grew at a rate of approximately 25% per year over the past two years. Prospects are optimistic and a similarly fast growth rate is expected in the next 2 to 3 years.
- ❑ Scissors account for 65% of total AWP fleet size, and booms for 25%. Similarly to last year, vehicle mounted platforms and other smaller equipment represent approximately 10% of the fleet.
 - Scissors are suitable for many applications and remain less expensive than other AWP equipment. Booms are mainly used for public or industrial building maintenance (airports, offices, shopping malls), as well as specific building construction (temples, outdoor bill-boards).
 - Telescopic booms represent approximately 45% of the boom fleet while articulated booms stand for 55%.
- ❑ The number of rental companies in China remains below 100, and approximately 25 major generalist players dominate the market.
 - Small rental companies increasingly utilise re-rent from large rental companies to be able to meet the demand from their customers. Large rental companies expanded their AWP fleet significantly by approximately 40% in the past year.

The Chinese AWP rental revenue was estimated at approximately RMB850M in 2014. (\$137.5M)

- ❑ Fierce competition and strong pressure on price currently lead to continuous rate decrease.
- ❑ The typical AWP rental period ranges between 3 and 12 months. The number of customers renting for longer periods (above 6 months) is increasing.
- ❑ Foreign companies and public building customers tend to rent foreign AWP brands, while small to medium plants prefer local brands, due to their lower rates.
- ❑ Utilization rates are said to be very high at 80%.
- ❑ The typical return on investment/payback period for AWP in China is 2 to 3 years.

The AWP rental business is expected to develop further due to companies expanding both their rental business and geographical coverage.

Increasing AWP awareness

- Two factors drive the increase of awareness regarding AWP rental:
 - Further increase of demand in vertical markets using AWP, especially in building, exhibition, industrial, advertising, including both domestic and foreign companies in China.
 - Government support for the replacement of scaffolding and ladders by safer AWP equipment (“12th five-year plan”).

Rental company expansion

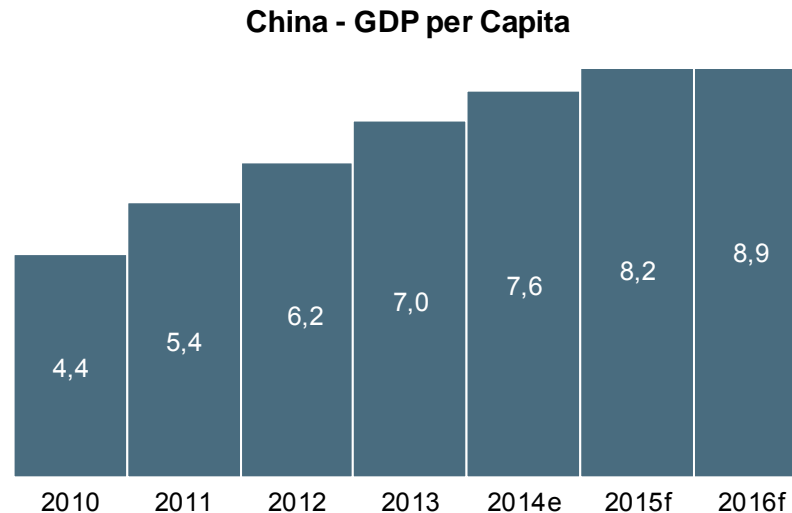
- Large AWP rental companies continued to expand their fleet, while other equipment rental companies started running or expanding business with new AWP rental activity.
- Newcomers to the market have also massively invested in MEWP equipment.
- Companies are developing strategies to quickly expand geographical coverage.

Optimized fleet management

- Rental companies aim at optimizing fleet utilization across their network of subsidiaries.
- With this optimized process, rental companies intend to make savings on their fleet management.

All macro-economic indicators forecast positive growth for the next few years.

- The rapid development of the Chinese economy continued in 2014: annual GDP grew at an average rate of 10% between 2006 and 2014. Forecasts show a slower but steady increase of approximately +7% per year over the next 3 years.



CAGR (2010-2016):
12.46%

Thousand US dollars at 2014 prices. Source: International Monetary Fund, World Economic Outlook Database, October 2014

Source : Ducker Worldwide for IPAF

This concludes our report. Thank you.

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www.ipaf.org

info@ipaf.org

US: 630 942 6583

UK: +44 (0)15395 66700