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The world's largest rental companies

Official magazine of the ERA



EUROPEAN
RENTAL
ASSOCIATION

THE ONLY GLOBAL MAGAZINE FOR THE EQUIPMENT RENTAL INDUSTRY

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Growth again

Welcome to the extended version of the 2016 IRN100 ranking – IRN's exclusive listing of the largest 100 rental companies in the world, based on revenues for 2015. The short version of the ranking was published in the June 2016 issue of *IRN*, and this special stand-alone report builds on that data.

In this document you'll find extra graphs and charts analysing the trends not just for the data we gathered for 2015, but comparing this to our backlog of years of valuable and exclusive data. We have also sought to visually represent the industry in various ways, including a 'heat map' showing rental hotspots around the world.

In addition, we have added to the information available for each company in the IRN100 with a comment for each entry seeking to note major business milestones and deals in 2015, and indeed into 2016. For instance – Hertz Equipment Rental (now Herc Rentals) is ranked, as are all the other companies, based on its results from its last financial year, so its position does not reflect its more recent spin-off as an initial public offering. However, this ranking does reflect Herc's asset shedding deals in 2015 – specifically its move to sell its French and Spanish businesses to Loxam at the end of 2015, which fell within our data gathering window.

Since publishing the June 2016 issue of *IRN*, one company revised the figures it supplied to us for the ranking – German rental firm HKL said it recorded revenues of €300 million in 2015, and not €200 million as it had initially told us. This table has been revised and updated to reflect this, and also incorporates any other minor tweaks and adjustments since the initial ranking was published, so is the most up-to-date version of the 2016 IRN100 available.

IRN would like to take this opportunity to thank all the companies that work together with us to make this huge data gathering exercise a success – we are very grateful for your continued support. We think this ranking is a valuable resource for tracking trends in our industry, and make every effort to ensure it is as accurate as possible.

If you have not previously supplied information, or would like to receive an IRN100 entry form for 2017, please look out for publicity in *IRN*, on the KHL group website, or in our weekly e-newsletter to the world's rental companies.

Better still, why not email us with your contact details and make sure of being added to the distribution list in good time for next year?

Enjoy the read!

Helen Wright

Editor

International Rental News



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The paper in this magazine originates from timber that is sourced from sustainable forests, managed to strict environmental, social, and economic standards. The manufacturing mill has both FSC & PEFC certification, and also ISO9001 and ISO14001 accreditation.

IRN100 Notes & thanks

IRN again thanks those companies and individuals who contributed information to the survey. If you have comments, or would like to be included next year, please contact the editor. Tel: +44 (0)1892 786209 E-mail: helen.wright@khl.com

- Rankings are based on rental revenues for 2015 (or the most recent financial year) and include sales of used fleet and consumables/contractor supplies. Where known, sales of new equipment have been excluded from the survey.
- Figures denoted (Est) have been estimated by IRN. As in previous years, figures denoted RER are taken, with thanks, from the annual RER-100 survey published by US-magazine RER (Rental Equipment Register) in May 2015.
- All revenues have been converted into € using exchange rates as at 31/12/15, as follows (exchange rates used in last year's survey are given in brackets):
€1.00 = US\$1.093 (1.211)
 = **UK£0.738** (0.777)
 = **AU\$1.51** (1.483)
 = **CA\$1.517** (1.405)
 = **JPY131.7** (144.5)
 = **ZAR16.99** (13.99)
 = **SEK9.19** (9.42)
 = **SG\$1.547** (1.60)
 = **NOK9.603** (9.02)
 = **BRL4.326** (3.22)
 = **CNY7.087** (7.51)
 = **NZ\$ 1.598** (1.55)

**Revenues for
the largest
100 rental
companies in
the world grew
5% year-on-year
in 2015 – fuelled
by strong
growth from
the US**



With combined 2015 revenues of €39.7 billion, the largest 100 rental companies in the world have worked hard to change and expand amid unpredictable global markets.

On a like-for-like basis (stripping out the impact of currency fluctuations between 2014 and 2015), the value of the IRN100 grew 5% year-on-year, with the combined total of the top five companies alone jumping 13% to reach €12.3 billion at constant exchange rates, and €13.35 billion in real terms – see Table 1.

The vast majority of this growth came from rental companies that generate their revenues in the US - firms which were still enjoying a buoyant environment, at least until the second half when the oil and gas downturn started to bite.

Revenues at the big Japanese rental companies were pretty much flat (after adjusting for currency changes), while in Europe, they were around 4% up year on year for the top 50. Much of this growth will have come through acquisitions and through growing revenues at the largest UK renters.

Headwinds impacting the global rental industry in 2015 included the oil and gas crisis, overfleeing, and tough competition. Currency volatility also hit individual company results, particularly multinationals trading in many different currencies, as well as the results of this table, which is presented in Euros – see the notes box for the details of the exchange rates used.

Despite this, rental companies capitalised on the growth they could find in construction equipment rental markets. They also continued to diversify, pursuing growth in other sectors such as events, temporary accommodation and power rentals to increase their revenues.

This year, the top 25 spenders in the table invested €7 billion on their fleets, down 7.9% year-on-year (more on this later). There are 41 companies headquartered in Europe in this year's table, up from 39 last year, while there were 35 companies from North America and 10 from Japan – the same as last time.

It was a different story in South America, however, where the commodity price dip and wider instability

Products featured in the IRN100

IRN limits its definition of rental to products that are, broadly, related to the construction industry as well as some sectors of general industry and events. That means we include construction equipment, small tools, portable accommodation, aerial equipment, pumps, shoring equipment, power and temperature control.

This excludes many other rental sectors, including specialist businesses such as medical equipment rental, testing and measurement equipment, and the rental of specialist oil and gas related equipment. Industrial forklift trucks is another sector that we do not yet cover.

TABLE 1

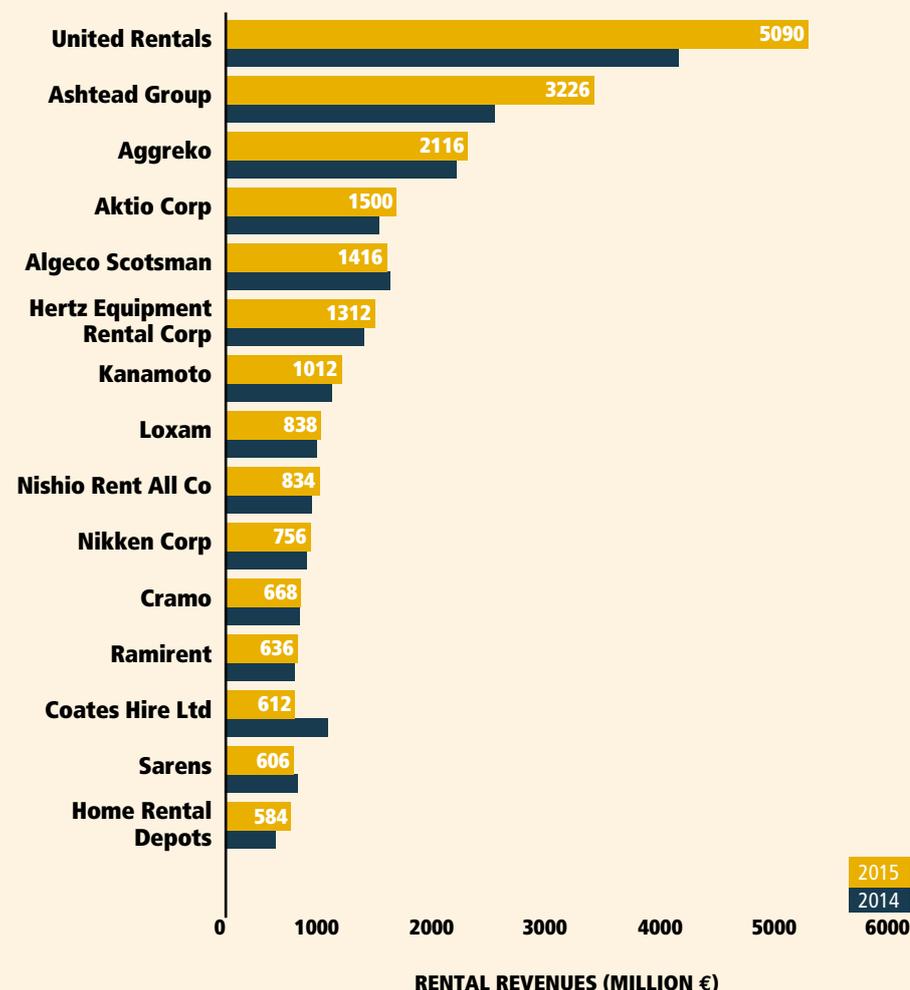
IRN100 Revenues

	2015 (currency adjusted)	2015 Revenues (€ billion)	2015 % change (adjusted)	2014 % change (adjusted)	2013 Revenues (€ billion)	2012 Revenues (€ billion)	2011 Revenues (€ billion)	2010 Revenues (€ billion)	2009 Revenues (€ billion)	2008 Revenues (€ billion)	2007 Revenues (€ billion)	
Top 5	€ 12.3bn	€ 13.35bn	13%		€ 10.87bn	€ 9.23bn	€ 8.38bn	€ 6.96bn	€ 5.30bn	€ 5.04bn	€ 6.30bn	€ 7.20bn
Top 10	€ 16.6bn	€ 18.1bn	7%		€ 15.51bn	€ 13.01bn	€ 12.35bn	€ 11.44bn	€ 8.90bn	€ 8.07bn	€ 10.00bn	€ 10.80bn
Top 50	€ 30.9bn	€ 32.9bn	5.5%		€ 29.30bn	€ 25.55bn	€ 25.43bn	€ 24.23bn	€ 20.20bn	€ 18.73bn	€ 22.00bn	€ 22.10bn
Top 100	€ 37.3bn	€ 39.7bn	5%		€ 35.42bn	€ 31.70bn	€ 31.40bn	€ 29.43bn	€ 24.90bn	€ 23.20bn	€ 27.10bn	€ 26.90bn
Total World Market		€ 73.5bn ^(Est)			€ 70bn	€ 70bn	€ 65bn	€ 60bn	€ 55bn	€ 55bn	€ 60-65bn	€ 62bn

RANK 16 15	COMPANY	TURNOVER (€ MILLION)		HEAD OFFICE	AREAS OF OPERATION	TYPE OF RENTAL COMPANY	NUMBER OF		CONTACT DETAILS
		15/14	14/15				DEPOTS	STAFF	
									<i>Entered into joint venture with China's Sinotrans Heavy lift Logistics in June 2015 to target Chinese market. Sinotrans Sarens Logistics is headquartered in Shanghai and will focus on large engineering logistics projects and modular offshore projects.</i>
15	Home Depot Rentals	584	456	Atlanta, Georgia, US	US, Canada, Mexico	Construction equipment, tools	1275		+1 770 433 8211 www.homedepot.com
									<i>Compact Power Equipment Rental also rents equipment in 1015 outlets owned by retailer The Home Depot throughout the US.</i>
16	BlueLine Rental	511	426	The Woodlands, TX, US	US, Canada	Construction equipment	140	2000	+1 866 610 2583 www.bluelinerental.com
									<i>Asterios Satrazemis replaced Phillip Hobson as CEO in January 2016, joining from temporary power provider Aggreko.</i>
17	Maxim Crane	503	220	Bridgeville, PA, US	US	Cranes and aerial platforms	31		+1 412 504 0200 www.maximcrane.com
									<i>The spring of 2016 saw private equity firm Apollo Global Management acquire AmQuip Crane Rental and Maxim Crane Works and merge the two crane rental powerhouses – this will be reflected in next year's IRN100 ranking.</i>
18	Taiyo Kenki Rental	484	452	Shizuoka, Japan	Japan	Construction equipment	110		+81 542 843 111 www.taiyokenki.co.jp
									<i>Major shareholders are Mitsui and Sumitomo Corp.</i>
19	Kiloutou	462	458	Marcq en Baroeul, France	France, Poland	Construction equipment, tools	475	3650	+33 359 56 55 39 www.kiloutou.fr

GRAPH 3

IRN100 'Top 15' revenues in 2015



Sunbelt and A-Plant took advantage of improving conditions and increased their market share, while a string of strategic acquisitions also fuelled growth.

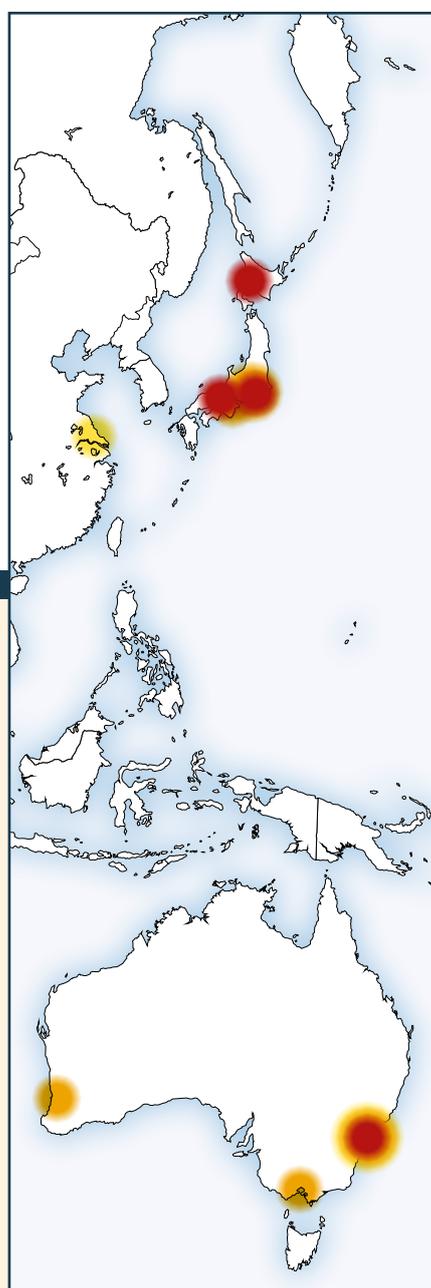
Temporary accommodation specialists also fared well in this year's IRN100, with Mobile Mini seeing 34% year-on-year growth and jumping up six places to 20th position in the main ranking and fifth in the growth league. Again, the conversion from US\$ to € also boosted this result somewhat.

Nevertheless, as well as reporting strong demand for its products and services, Mobile Mini has also been busy growing through bolt-on acquisitions; focussing on high-return, low-maintenance assets during the year, and shedding assets that didn't fit with this strategy, including its wood mobile office business.

All in all, eight of the ten companies in the growth league are headquartered in the US, while UK-headquartered Ashtead generates the lion's share of its revenues in the US, as already mentioned. So Rival stands out as the only non-US dependent company, showing 18% year-on-year growth in eighth position in the growth league and 50th position in the overall ranking (up five places from last year).



RANK	COMPANY	TURNOVER (€ MILLION)		HEAD OFFICE	AREAS OF OPERATION	TYPE OF RENTAL COMPANY	NUMBER OF DEPOTS	STAFF	CONTACT DETAILS	
		15/14	14/15							
=93 106	Komatsu Cummins Chile Arrienda	90	65 ^{EST}	Santiago, Chile	Chile	Construction equipment	10	194	+ 56 2 2979-9200 www.komatsuarrienda.cl	
		<i>Komatsu dealer offering new, used and rental equipment.</i>								
95 97	Rental Solutions & Services (RSS)	89 ^{EST}	80 ^{EST}	Dubai, UAE	Middle East, Pakistan, Africa, Cyprus.	Power, temperature control			+971 4 8849699 www.rss.ae	
		<i>Provides temporary cooling, rental power and mobile water solutions.</i>								
96 74	Briggs Equipment	82 ^{REB}	119	Dallas, TX, US	US, Mexico, UK	Construction equipment			+1 214 630 0808 www.briggsequipment.com	
		<i>Materials handling rental specialist.</i>								
97 93	Utleiecompagniet AS (UCO)	81	88.9	Kjeller, Norway	Norway	Construction equipment, tools, cranes	18	271	+47 400 06 450 www.uco.no	
		<i>One of the top three rental companies in Norway. Invested €10 million in its fleet in 2015.</i>								
=98 83	Prangl Gesellschaft M.B.H.	80	97.6	Brunn/Gebirge, Austria	Europe	Cranes, aerial platforms	16	674	+43 02236 326 350 www.prangl.at	



The Kennards Hire Cannington branch, Australia

In fact, Off-Highway Research forecasts moderate growth to return to China's construction equipment market in 2017.

Capital Investment

Spending levels dropped by 7.9% in this year's IRN100, with the top 25 investors (of the companies which provided this data) spending €7 billion on their fleets in 2015, compared to €7.6 billion last year.

The evidence from these 25 spenders points to an overall lower year of fleet renewal and expansion for the industry; a sensible response to volatile markets around the world. And another point is oversupply – indeed, over-fleeting in the rental industry was identified as a significant drag on results in United Rentals' 2015 annual report.

High capacity in the rental equipment market can help pile pressure on rental rates and prolong soft market conditions.

However, many companies are also pursuing diversification strategies, and are targeting their capital investment at broadening their fleet mix, allowing them to grow their presence in new sectors away from the core construction focus. Take Ashtead, for instance, which reported with gross capital expenditure of €1.49 billion last year, surpassing

United Rentals' spend of €1.4 billion.

The company's strategy includes diversifying into specialist markets, and this was demonstrated in 2015 through A-Plant's investment in new fleet both in its core business and through its specialist units including PSS Hire, FLG Services and Tool Hire Express.

In fact, the ERA has said that European rental companies are more aggressive than ever in trying to offer new products and services. Zeppelin Rental is another case in point – a Caterpillar Rental Store with a broad product offering beyond Cat product, including its latest deal with Jungheinrich to stock industrial forklifts, and its previous acquisition of the Streif Baulogistik rental business, and the BIS Blohm + Voss Inspection Service testing company. Zeppelin Rental ranked 19th on the capital expenditure table, and 27th on the overall IRN100 ranking.

Loss of traction

Of the companies that slipped down the ranking in this year's IRN100, global temporary power specialist APR Energy stood out – landing at joint 47th position, compared to 22nd position in the last edition.

The company was acquired by private equity consortium Apple Bidco in October 2015 after a