

international construction

A KHL Group publication

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THE yellow TABLE 2011-2015

The world's 50 largest
construction equipment
manufacturers

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Equipment top 50

Buoyancy among US equipment manufacturers but a slip for some of the Chinese meant revenues for the world's 50 largest equipment manufacturers grew just +2.6% last year to US\$ 186 billion. Chris Sleight reports.

Revenues for the world's 50 largest construction equipment manufacturers edged up +2.6% last year to a new record of US\$ 186 billion. This was unusual for an industry which is often much more cyclical. It tends to either be up +15% or more or, as was the case in the recession of 2009, or down even more sharply.

A mixture of factors seems to be responsible for the unusual results of this year's Yellow Table survey, which is based on revenues achieved in 2012. On the one hand, the main driver for growth was clearly buoyancy among the North American manufacturers, which saw their share of the Top 50's revenues rise from 31.1% in last year's table to 35.5%.

This was not the highest the proportion has ever been – that was a huge 47.7% in the 2006 edition of the league table, based on 2005 revenues – but at US\$ 66 billion, it is the highest total ever achieved by North American manufacturers in absolute terms.

On the downside, last year saw a rare slip for China's construction equipment manufacturers, with their share of total revenues falling from 16.9% to 15% – equivalent to US\$ 27.9 billion. It was the first time in the ten-year history of the Yellow Table that China's share of the top 50's revenues has fallen. This drop also equated to a loss in absolute terms of some US\$ 2.7 billion year-on-year, again a first for China's construction equipment manufacturers.

And bear in mind that this year the Chinese figures have the benefit of several months of additional sales resulting from major acquisitions in early 2012. January saw Liugong close its purchase of HSW, while the first half of the year also saw Sany buy Putzmeister and XCMG acquire Schwing.

The loss of these companies from the Yellow Table, combined with weak market conditions at home, meant Europe's manufacturers saw their share of the top 50's revenues fall to an all-time low of 21.1% – equivalent to US\$ 39 billion. This represented a big step down from the high of 33.1% seen in 2008, when revenues for the European manufacturers hit a record US\$ 55.6 billion.

Standings

As far as individual company rankings were concerned, there were no great surprises at the top of this year's Yellow Table. Caterpillar and Komatsu remain the industry's clear no. 1 and no. 2. Volvo and Hitachi once again vied for the no. 3 spot, with Hitachi re-taking the position it had lost to Volvo in last year's rankings.

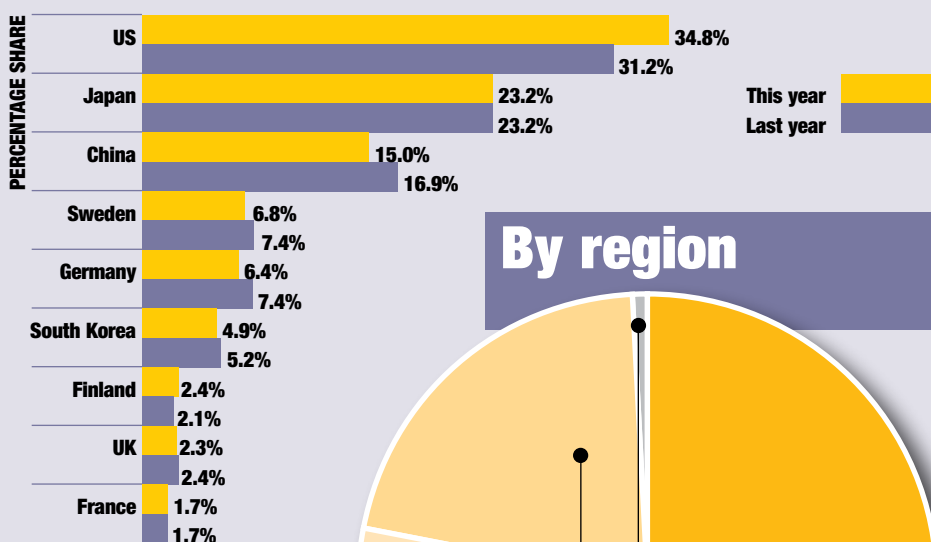
Further down the top 10, Sany remains China's largest equipment manufacturer, in 5th position globally, while Zoomlion has overtaken Liebherr

to claim no. 6 spot. Terex remains at no. 8, while at no. 9, John Deere has swapped places with Doosan, which is 10th this year.

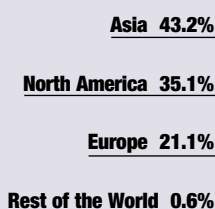
Outside the top 10 there were some more significant moves. At no. 12, Metso Mining and Construction is the industry's largest specialist manufacturer, with increased sales from its portfolio of crushing and screening equipment taking it up three places, compared to the previous year's rankings. In fact it was a good year for other specialists, with powered access and telehandler maker JLG, which is owned by Oshkosh, rising four places to no. 17 and crane builder Manitowoc moving up two to no. 18. These gains came at the expense of the likes of JCB, CNH, Wirtgen, Liugong and Shantui.

Following in the footsteps of JLG and Manitowoc, Skyjack and Tadano were also among the strongest gainers this year, further down the league table.

By country

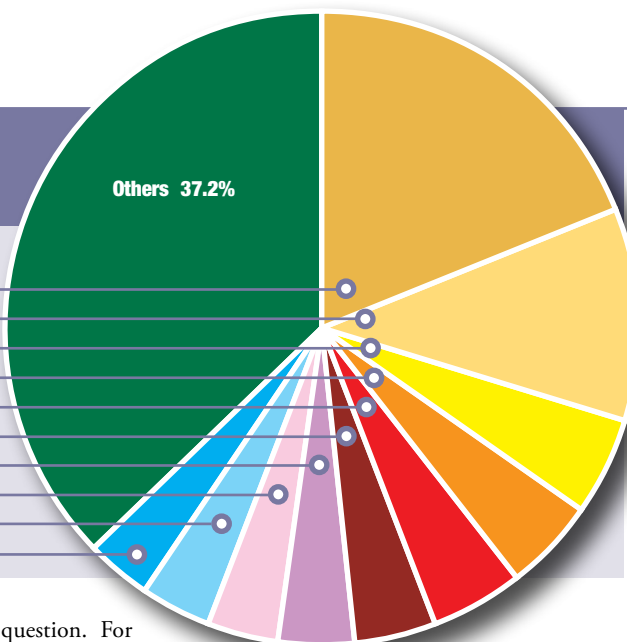


By region



Top 10 Company shares

Caterpillar	19.0%
Komatsu	10.8%
Volvo	5.0%
Hitachi	4.9%
Liebherr	4.6%
Terex	4.3%
Zoomlion	3.7%
Sany	3.7%
John Deere	3.6%
Doosan	3.2%



exchange rate over the year in question. For this year's edition of the Yellow Table, a rate of US\$ 1 = JPY 97.63 was used, which puts the Yen some -22% weaker than the rate of US\$ 1 = JPY 79.85 that prevailed just a year ago.

The weaker Yen has been a boon to Japanese manufacturers' exports over the last year. Revenues in Yen terms rose for many as a result in 2013. Komatsu's revenues from construction equipment sales in the 2013 calendar year were JPY 1,723 billion, compared to JPY 1,678 billion the previous year – a +2.3% increase.

However, there was a negative effect in terms of the Yellow Table ranking in Dollars. The company's converted revenues fell from

US\$ 21.0 billion in last year's Yellow Table to US\$ 17.6 billion this year – a -16% decline.

Similar effects came into play for other Japanese manufacturers in the Yellow Table, and contributed to slides down the rankings for Hitachi, Kobelco, Tadano and Furukawa. Although other Japanese manufacturers held their ground, or even gained a few places in Kubota's case, the net result was that their share of total revenues fell from 23.1% in 2012 to 22.4% in this year's Yellow Table.

The decline in share and absolute revenues among Chinese and Japanese manufacturers

last year, combined with Caterpillar's big drop in sales had a positive impact for the European companies in the Yellow Table. They saw their share of the top 50's revenues rise from 21.1% in last year's edition to 26.0% this year.

However, this was as more to do with technical points about how the Yellow Table is compiled than a sudden surge in revenues.

The first point is that CNH has been reclassified as an Italian company in this year's Yellow Table, following its incorporation with Fiat Industrial into a new Italian entity, CNH Industrial. The previous classification as a US company was always open to some debate, and *iC* feels the company is now most accurately identified as an Italian business, following the corporate change. In terms of the Yellow Table, this has effectively shifted 2.0% of total revenues from the US to Europe.

Other changes in favour of the European share are the addition of Sennebogen and Hiab to the ranking this year, two companies for which data has newly become available. They add a further 1.0% of the top 50 revenues to the European total.

So of the 4.9 percentage points that have been added to the European share in the last year, 3.0 could be attributed to technical factors and 1.9 to a like-for-like revenue increase.

But the revenue increase was still useful in terms of European companies' placings. Both Volvo and Liebherr moved up within the top 10, and JCB also did well to gain two places at no. 12. Further down the table, other European gainers included Wacker Neuson, Fayat and Haulotte. What's more, there were no disastrous declines – no European company fell more than two places in this year's Yellow Table. **iC**

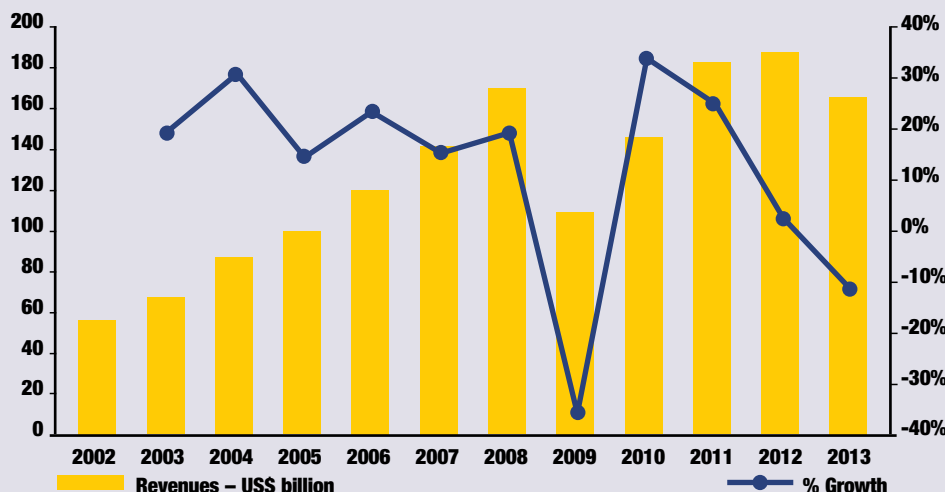
Equipment industry cycles

Last year's downturn in revenues came after only a brief period of growth

The construction equipment business is a classically cyclical industry, with revenues booming when economic growth is strong and falling steeply when activity slows. The cycle has historically been about five to seven years of growth followed by a two-year, or so, downturn period.

This looked like the case in the 2000's, with a long period of strong growth from 2003 to 2008 ending in the sharp crash of the global economic crisis, which saw revenues in the industry fall nearly -40% in 2009. In 2010 and 2011 there seemed to be an equally sharp rebound, but last year's Yellow Table study showed revenues stagnated in 2012, and this year's study points to a -10% decline.

Prospects for 2014 remain to be seen. There are positive signs in the market and there is optimism about growth in North America in particular. But as ever, time will tell.



Methodology

Positions in the Yellow Table are based on sales in the 2013 calendar year in US Dollars. Currencies have been converted to Dollars based on the average exchange rate over the course of 2013. Data was gathered from a variety of sources including audited accounts, company statements and reputable third-party sources.

In Japan, India and certain other countries, the use of the fiscal year (ending March 31st) has made it impossible to establish calendar year information. In these cases, fiscal year results were used. In some cases *iC* has made an estimate of revenues based on historical data and industry trends. While every effort has been taken to ensure information in this report is accurate, *iC* does not accept any liability for errors or omissions.

If you would like to comment on the Yellow Table, or feel your company should be included, please e-mail the editor at chris.sleight@khl.com

2011

Yellow Table

Yellow Table 2011

EQUIPMENT TYPES

COMPACT & UTILITY

LIFTING & ACCESS

Rank	Company	Last year/ change	Country	Construction equipment sales 2010 (US\$ million)	Share of total	Backhoe Loaders	Mini and/or Midi Excavators (0 - 13 t)	Compact or Skid-steer Loaders	Powered Access	Telescopic Handlers	Cranes	Concrete Equipment
1	Caterpillar	1 ↗	US	27767	18.3%	●	●	●		●		
2	Komatsu	2 ↗	JP	17781	11.7%	●	●	●		●		
3	Hitachi Construction Machinery	3 ↗	JP	8398	5.5%		●		●		●	
4	Volvo Construction Equipment	5 ↗1	SE	8325	5.5%	●	●	●		●		
5	Liebherr	4 ↗-1	DE	6392	4.2%					●	●	●
6	Doosan Infracore	15 ↗9	KR	5200	3.4%		●	●		●		
7	Sany	11 ↗4	CN	5102	3.4%	●	●				●	●
8	Sandvik Mining and Construction	6 ↗-2	SE	4981	3.3%							
9	Zoomlion	12 ↗3	CN	4708	3.1%		●				●	●
10	XCMG	10 ↗	CN	4463	2.9%	●		●	●	●	●	●
11	Terex	7 ↗-4	US	4418	2.9%	●	●	●	●	●	●	●
12	Atlas Copco CMT	8 ↗-4	SE	4127	2.7%							
13	Kobelco Construction Machinery	13 ↗	JP	3895	2.6%		●				●	
14	John Deere	14 ↗	US	3705	2.4%	●	●	●				
15	JCB	17 ↗2	UK	3159	2.1%	●	●	●		●		
16	Metso	9 ↗-7	FIN	3016	2.0%							
17	CNH	18 ↗1	US	2946	1.9%	●	●	●		●		
18	Hyundai Heavy Industries	19 ↗1	KR	2870	1.9%		●	●				
19	Oshkosh Access Equipment (JLG)	21 ↗2	US	2586	1.7%				●	●		
20	Liugong	22 ↗2	CN	2270	1.5%	●	●	●			●	
21	Wirtgen Group	20 ↗-1	DE	2112	1.4%							
22	Shantui	26 ↗4	CN	1965	1.3%							
23	Manitowoc Crane Group	16 ↗-7	US	1749	1.2%						●	
24	Lonking**	25 ↗1	CN	1625	1.1%							
25	Sumitomo Heavy Industries	28 ↗3	JP	1602	1.1%		●				●	
26	Xiamen Xiangong Group**	35 ↗9	CN	1526	1.0%							●
27	Manitou	30 ↗3	FR	1131	0.7%			●	●	●		
28	Tadano	24 ↗-4	JP	1068	0.7%				●		●	
29	Wacker Neuson	31 ↗2	DE	1023	0.7%		●	●		●		●
30	Ammann	27 ↗-3	CH	882	0.6%							●
31	Palfinger	36 ↗5	AT	880	0.6%				●		●	
32	Fayat Group	33 ↗1	FR	850	0.6%							●
33	Putzmeister	23 ↗-10	DE	840	0.6%							●
34	Kubota	40 ↗6	JP	797	0.5%		●					
35	Astec Industries	34 ↗-1	US	771	0.5%							
36	Bauer**	29 ↗-7	DE	698	0.5%							
37	Kato Works	38 ↗1	JP	618	0.4%						●	
38	Furukawa*	37 ↗-1	JP	515	0.3%						●	
39	Vermeer**	NEW	US	500	0.3%							
40	Aichi	43 ↗3	JP	483	0.3%				●			
41	Bell Equipment	46 ↗5	ZA	475	0.3%							
42	Takeuchi	39 ↗-3	JP	467	0.3%		●	●				
43	Merlo**	44 ↗1	IT	465	0.3%				●	●		
44	Sunward	51 ↗7	CN	419	0.3%		●	●				
45	BEML*	42 ↗-3	IN	405	0.3%							
46	Chenggong	45 ↗-1	CN	399	0.3%		●					
47	Boart Longyear	48 ↗1	US	395	0.3%							
48	Telcon**	41 ↗-7	IN	370	0.2%	●	●				●	
49	Haulotte Group	47 ↗-2	FR	337	0.2%				●	●		
50	Changlin	50 ↗	CN	309	0.2%	●		●				
TOTAL				151785								

* - fiscal year, ended March 31st 2010

** - estimate