



Houlihan
Lokey

Equipment-as-a-Service

Q3 2023 Market Update



About Our Firm

Houlihan Lokey is a leading global investment bank with expertise in mergers and acquisitions, capital markets, financial restructuring, and financial and valuation advisory.

Our firm is the trusted advisor to more top decision-makers than any other independent global investment bank.

We invite you to learn more about how our bankers can serve your needs:



Learn More About Corporate Finance

Learn More About Financial Restructuring

Learn More About Financial and Valuation Advisory

Learn More About Our Industry Coverage

Key Facts and Figures



37

Locations Worldwide

~2,000

Total Financial Professionals

311

Managing Directors⁽¹⁾

2,000+

Clients Served Annually

\$8.2B

Market Capitalization⁽²⁾

\$1.8B

Revenue⁽³⁾

Our Ranking by Service

CORPORATE FINANCE

2022 M&A Advisory Rankings
Global Transactions Under \$1 Billion

Advisor	Deals
1 Houlihan Lokey	381
2 Rothschild & Co	369
3 JP Morgan	217
4 Lazard	206
5 Goldman Sachs & Co	203

Source: Refinitiv. Excludes accounting firms and brokers.

No. 1 Global M&A Advisor for Transactions Under \$1 Billion

Leading Capital Markets Advisor

FINANCIAL RESTRUCTURING

2022 Global Distressed Debt & Bankruptcy Restructuring Rankings

Advisor	Deals
1 Houlihan Lokey	58
2 PJT Partners Inc	30
3 Lazard	29
4 Rothschild & Co	25
5 Moelis & Co	21

Source: Refinitiv.

No. 1 Global Restructuring Advisor

1,500+ Transactions Completed Valued at More Than **\$3.0 Trillion** Collectively

FINANCIAL AND VALUATION ADVISORY

1998–2022 Global M&A Fairness Advisory Rankings

Advisor	Deals
1 Houlihan Lokey	1,232
2 JP Morgan	1,030
3 Duff & Phelps, A Kroll Business	938
4 Morgan Stanley	725
5 BofA Securities Inc	710

Source: Refinitiv. Announced or completed transactions.

No. 1 Global M&A Fairness Opinion Advisor Over the Past **25 Years**

1,000+ Annual Valuation Engagements

Fully Integrated Financial Sponsors Coverage

26

Senior officers dedicated to the sponsor community in the Americas and Europe

1,000+

Sponsors covered, providing market insights and knowledge of buyer behavior

700+

Companies sold to financial sponsors over the past five years

Houlihan Lokey Is a Global Firm

AMERICAS

Atlanta	Dallas	New York
Baltimore	Houston	San Francisco
Boston	Los Angeles	São Paulo
Charlotte	Miami	Washington, D.C.
Chicago	Minneapolis	

EUROPE AND MIDDLE EAST

Amsterdam	Madrid	Stockholm
Antwerp	Manchester	Tel Aviv
Dubai	Milan	Zurich
Frankfurt	Munich	
London	Paris	

ASIA-PACIFIC

Beijing	Mumbai	Sydney
Fukuoka	Nagoya	Tokyo
Gurugram	Shanghai	
Hong Kong	Singapore	
SAR		

About Our Business Services Industry Group

Houlihan Lokey's Business Services Group combines extensive industry relationships with substantial experience to offer a broad array of M&A, corporate finance, restructuring, and financial and valuation advisory services to companies in the business services sector.

Industry Sector Coverage

We cover a broad array of sectors, with bankers dedicated to each of our primary coverage areas.



Featured Transactions



Based on number of transactions and according to data provided by Refinitiv, Houlihan Lokey was ranked the No. 1 investment bank for all global business services M&A transactions in 2022.*

*Excludes accounting firms and brokers.

2022 M&A Advisory Rankings
All Global Business Services Transactions

Rank	Advisor	Deals
1	Houlihan Lokey	69
2	Rothschild & Co	50
3	Lincoln International	37
4	Goldman Sachs & Co	34
5	GCG	26

Source: Refinitiv. Excludes accounting firms and brokers.



[Learn More About Our Business Services Industry Coverage](#)

Key Facts and Figures

130+ Dedicated business services bankers

69 Completed business services M&A/private placement transactions in CY22

\$2.9B In financing deals in CY22

Equipment-as-a-Service Team



- Houlihan Lokey has assembled one of the most experienced senior teams of Equipment-as-a-Service (EaaS) sector coverage bankers with the deepest relationships and broadest level of expertise. The team operates globally and has earned a reputation for providing superior service and achieving outstanding results in M&A advisory, capital-raising, restructuring, and financial and valuation advisory services.
- The EaaS team covers a wide range of business models, including traditional equipment rental, specialty equipment rental, route-based equipment services, transportation equipment leasing, vehicle fleet management, equipment dealerships, asset pooling services, and infrastructure and municipal equipment services. Our clients operate across a broad set of end markets, including commercial, construction, industrial, infrastructure, utility, logistics, consumer/retail, oil and gas, mining, education, healthcare, events and media, refinery/petrochemical, and hospitality.
- We have the only fully dedicated EaaS coverage team with a truly global scale and reach.

Leadership

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Featured Transactions

ZMC
 has acquired
In Production
 Buy-side Advisor

FLUX FLEET
 a portfolio company of a fund managed by
WATERFALL
 Asset Management
 and
TRP Capital Partners
 has been acquired by
Kaizen
 SELL-SIDE ADVISOR
 Sell-side Advisor

RELAM
 a portfolio company of
PARCELINE
 Second Lien Term Loan Refinancing
 Exclusive Placement Agent

YAK ACCESS
 has completed a recapitalization transaction including a preferred equity investment led by
Platinum Equity
 and senior debt financing led by
midcap+
 Company Advisor

FUSIONSITE
 has been acquired by
THE CYNOSURE GROUP
 Sell-side Advisor

SRI
 a portfolio company of
LDC
 has been acquired by
 3i Infrastructure plc
 Sell-side Advisor

Cross Rental Services
 a portfolio company of
Lonsdale Capital Partners
 has been acquired by
Elysian Capital
 Sell-side Advisor

wccctv
 has received a minority investment from
LDC
 SELL-SIDE ADVISOR
 Sell-side Advisor

BauWatch
 a portfolio company of
NORDIAN CAPITAL PARTNERS
 has been acquired by
HANIEL
 Sell-side Advisor

Tombstones included herein represent transactions closed from 2021 forward.

*Selected transactions were executed by Houlihan Lokey professionals while at other firms acquired by Houlihan Lokey or by professionals from a Houlihan Lokey joint venture company.

Broad, Comprehensive Equipment-as-a-Service Business Model Coverage

Equipment-as-a-Service defined: Any company that utilizes a core asset base or fleet of equipment coupled with the delivery of value-enhancing services to provide a comprehensive solution to satisfy its customer application needs.

- Equipment-as-a-Service companies distinguish themselves based on levels of service offerings, including:
 - Field-level consultation, complex engineering expertise, telematics, GPS tracking, remote monitoring, delivery/transportation, cleaning, refueling, skilled labor, mobilization/demobilization, ancillary equipment services, etc.
 - Breadth and complexity of service/solution offerings add differentiation and enhance valuation.

EaaS Sector Business Models

 Vehicle Fleet Management	 Traditional Rental	 Equipment Dealerships	 Specialty Rental	 Asset Pooling Services	 Route-Based Services	 Transportation Equipment Services	 Infrastructure Services	 Municipal Services
<ul style="list-style-type: none"> • Pickup Trucks • Corporate Vehicles • Ride-Hail Vehicle Fleets 	<ul style="list-style-type: none"> • Earthmoving • Aerial/High-Reach • General Construction • Contractor Tools 	<ul style="list-style-type: none"> • Equipment Dealerships • Automotive Dealerships 	<ul style="list-style-type: none"> • Portable Storage • Modular Space • Liquid and Solid Containment • Blast-Resistant Buildings • Workforce Accommodations 	<ul style="list-style-type: none"> • Pallets • Mats • Restaurant/Catering • Kegs • Returnable Transport Fixtures 	<ul style="list-style-type: none"> • Portable Restrooms • Hospitality Equipment • Document Mgmt./Shredding • Moveable Medical Equipment 	<ul style="list-style-type: none"> • Trailer (Dry Van) • Chassis Leasing • Way Maintenance • Railcars • Aircrafts • Ships/Barges • Tractors 	<ul style="list-style-type: none"> • Cranes and Lifting • Hydrovac Excavation • Pumps/Fluid Mgmt. • HVAC/Temp Control • Trench Shoring and Safety 	<ul style="list-style-type: none"> • Airport Equipment • Street-Sweeping Vehicles • Garbage Trucks • Utility T&D Equipment

Business Models Serve a Wide Range of Customers and End Markets

Nonresidential Construction 	Infrastructure 	Utility T&D 	Consumer/Retail 	Oil and Gas 	Commercial 	Mining 
Transportation and Logistics 	Industrial, Refining, and Petrochemical 	Healthcare 	Events and Media 	Education 	Hospitality 	Telecom, Test, and Measurement 

Equipment-as-a-Service Landscape Overview



Equipment-as-a-Service Market Update

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Q3 2023 Quick Facts

EaaS companies continue to experience healthy demand through government stimulus and secular end-market drivers, though pressure on rental rates and equipment utilization brought about by supply chain normalization heralds a “return to normal.”

While M&A activity has declined sequentially after a particularly hot H1 2023, transactions remain healthy when compared with the prior years. The EaaS sector, along with many other industries, has seen a “seller’s strike” brought about by a slew of high-valuation acquisitions over the past few years, combined with depressed historical performance lingering from COVID-19 and elevated valuation expectations. This has encouraged lengthened hold periods, despite many potential buyers having locked-in access to a significant amount of financing capability.

Inflation remains a significant consideration for EaaS companies. After a significant decline through the first half of the year, annualized inflation has remained above 3% each month in the quarter. The U.S. Federal Reserve announced a pause in rate increases, though some investors worry these may continue in the new year. The effect of these developments is expected to encourage deployment of capital early in the new year through the combined effects of aging portfolio companies and the risk of further increases in interest rates to further push down inflation. Operationally, companies are feeling pressure to keep up rate increases despite slowing ability to do so.

Public EaaS companies have reevaluated offerings and end-market exposure. Willscot Mobile Mini began its foray into the cold storage space with simultaneous acquisitions of A&M Cold Storage and Cold Box. Meanwhile, Herc Rentals announced its exploration of strategic alternatives for its Cinelease Studio segment as the film and TV industry has shifted away from the company’s growth strategy. Sunbelt, on the other hand, elected to keep film and TV a part of the company’s specialty offering as announced in their investor presentation, and the group has acquired Acorn Film & Video as a part of this focus. Finally, Newpark Resources announced the planned divestiture of its Fluids Systems segment, which would leave the company solely as a provider of matting solutions to the infrastructure and utility T&D markets.

M&A Transaction Volume



Houlihan Lokey’s EaaS Team Recently Published a Comprehensive Analysis About Landmark Initiatives and How They Will Shape the Sector in the Future

[Click Here to Read the Full Article Online](#)

Source: S&P Capital IQ as of September 30, 2023.

(1) The Houlihan Lokey EaaS Index consists of a diversified set of companies across the equipment-as-a-service sector. See the footnotes on pages 16 and 17 for a complete list.

Executive Summary

Sector Business Conditions⁽¹⁾

- The U.S. and European EaaS markets experienced a small decline over the last quarter; both markets remain up over the past 12 months.
- Growth in the U.S. market is being driven by strong demand across the construction, infrastructure, and event sectors combined with the early impact of recent infrastructure legislation dollars entering the market.
- The market expansion is expected to reach 3%–4% across both regions through 2024, with the U.S. market expected to be favorably impacted by the increasing number of mega projects fueled by recent U.S. legislative acts (\$1.2 billion Infrastructure Act, \$400 billion Inflation Reduction Act, and \$280 billion CHIPS and Science Act).
- Long-term secular growth drivers have continued to positively contribute to the sector's expansion, with end users increasingly seeing the benefits of the EaaS model vs. ownership in terms of cost with minimal capital outlay in a context of tightening credit conditions, operational flexibility, lower environmental impact, and access to a greater variety of more recent equipment technologies.

EaaS Market (U.S. and Europe): 2018–2024 in \$B



News Highlights

- Ashtead Group reported a 14% increase in quarterly rental revenue and 16% growth in the U.S., at the time quarter ended (July 31, 2022), while adding 40 new locations in North America. However, the group also recently lowered full-year revenue guidance to 11%–13% growth (from 13%–16%) as well as EBITDA expectations 2%–3% below market expectations.
- H&E Equipment Services disclosed a 25% increase in rental revenue and a 36% EBITDA increase in Q3 YoY, achieved by branch expansion (12 new locations YTD, 5 in the quarter) and fleet growth with gross capex of \$595 million YTD.
- Herc Rentals reported record Q3 financial results with a 22% and 19% increase in revenue and EBITDA from Q3 2022, driven by a ~7% rental pricing increase year over year.
- Herc Rentals is exploring strategic alternatives for its Cinelease studio entertainment, lighting, and grip equipment rental business.
- Newpark Resources announced the company had launched a sale process for its Fluids Systems segment in a bid to reposition the company as a “pure-play, high-growth specialty rental and services business.”
- WillScot Mobile Mini announced that the company's senior secured notes offering of \$500 million aggregate principal amount, due 2031, would be priced at 7.375% and closed September 25, 2023.
- United Rentals announced a YoY increase of 18% in rental revenues with a 23% increase in total revenues, driven in part by higher sales of new and used equipment.

M&A Highlights

- Sunbelt Rentals acquired 13 rental businesses, with a total consideration of \$356 million from its fiscal year ended April 30, 2022, through April 30, 2023.
- Announced on August 10, 2023, WillScot Mobile Mini acquired Cold Box and A&M Cold Storage, creating one of the largest providers of temporary cold storage units.
- In September, CES Power, backed by Allied Industrial Partners, announced its eighth bolt-on acquisition, Euro Touring Power, to expand into Europe.
- InProduction, a leading provider of temporary seating, staging, structures, and scenic production for the U.S. live events industry, was acquired by ZMC on September 7, 2023. **Houlihan Lokey acted as the exclusive financial advisor to ZMC.**
- McGrath RentCorp acquired the ~600 assets of Inland Leasing and Storage, a regional portable storage solutions provider in the Colorado market.

Public Comps Highlights

- Despite headwinds, the Houlihan Lokey EaaS Index⁽²⁾ is up 31.0% LTM, outperforming the S&P 500 and STOXX 600 indices, which are up 16.6% and 15.2%, respectively.
- On a quarterly basis, the Houlihan Lokey EaaS Index declined 3.4%, in line with the S&P 500 down 3.8% and STOXX 600 down 2.3%.
- Some subsectors, such as North American traditional rental (up 32.4% LTM) and RoW rental services (up 22.8% LTM), have significantly outperformed other subsectors.

(1) Sources: American Rental Association, European Rental Association, International Rental News, Kaplan.

(2) The Houlihan Lokey EaaS Index consists of a diversified set of companies across the equipment-as-service sector. See the footnotes on pages 16 and 17 for a complete list.

Featured Sector News

Date	Company	Region	Description	Article Link
9/30/2023			Bigge Crane and Rigging Co. has acquired its first all-electric crawler crane, which provides an environmentally conscious heavy-lifting solution without sacrificing capacity or performance.	Read More
9/29/2023			Kranpunkten, a Swedish provider of aerial work platforms, telehandlers, forklifts, spider cranes, and other aerial lift equipment, announced the company is adding more all-electric delivery trucks to its transport fleet. The company aims to be carbon neutral by 2030.	Read More
9/28/2023			Badger Infrastructure Solutions has entered into a partnership with McKay Métis Group to provide nondestructive excavating services and forge a path for sustainable socioeconomic prosperity.	Read More
9/28/2023			United Rentals was selected to the TIME World's Best Companies 2023 list, ranking highest among equipment rental companies for its outstanding employee satisfaction, revenue growth, and sustainability.	Read More
9/28/2023			Elliott Equipment Company's new D47 digger derrick is a high-performance tool with a 26,000-pound maximum lifting capacity and 17- to 26-foot digging radius, making it effective for difficult-to-access jobs. The derrick is provided by the company through its rental partner, United Rentals.	Read More
9/27/2023			Custom Truck One Source, Inc., has unveiled its Lightning PTO electric and hybrid-electric chassis and equipment at The Utility Expo, offering customers significant diesel fuel savings, CO ₂ emissions reduction, dramatic maintenance-cost savings, less hydraulic oil movement wear and tear, and 85% noise reduction.	Read More
9/26/2023			Ascendum Machinery partnered with Portable Electric to offer Voltstack portable and mobile electric construction equipment chargers and power stations to customers in the U.S.	Read More
9/21/2023			Adapteo Group partnered with Nordic Circular Hotspot collaboration platform with a mission to accelerate the transition to a circular economy in the Nordic region.	Read More
9/15/2023			Portakabin, a leading U.K. provider of modular buildings, announced the opening of its latest location in Cambuslang, Scotland. The £1.75 million investment doubles the size of operations there and will serve the whole of Scotland.	Read More

Featured Sector News (cont.)

Date	Company	Region	Description	Article Link
9/14/2023			CES Power LLC has acquired Euro Touring Power to expand its reach overseas, creating a new hub in Ireland and access to all of Europe.	Read More
9/12/2023			Civeo Corp. has entered into an agreement to sell its McClelland Lake Lodge assets for approximately \$36 million, with expected net proceeds of \$30 million, gains of \$35 million, and increased 2023 cash flow of \$20 million.	Read More
9/12/2023			Zeppelin Group, a leading provider of construction equipment and agricultural machinery equipment rental for the construction industry and industrial sector, announced the company received an "A-" rating and "robust" outlook by Creditreform, which attests to the company's high creditworthiness and low default risk.	Read More
9/12/2023			Sims Crane & Equipment Co. and Liebherr showcased the world's first battery-powered crawler crane at a joint event in Tampa to promote their new emissions-free technology.	Read More
9/12/2023			Black Diamond Group Ltd. is proud to have secured a spot on the 2023 TSX30 list, demonstrating the value of its unique portfolio, high growth, and market capitalization over the past three years.	Read More
9/11/2023			Aggreko announced the purchase of a fleet of Uninterruptible Power Supply systems to provide broadcasting power solutions for major professional sports events.	Read More
9/11/2023			DLR, the French Rental Association, announced revenue growth for equipment rental companies in France was 7.5% year over year. DLR's survey respondents stated they remained concerned about rising interest rates but approached the future with optimism, especially with the 2024 Paris Olympic Games expected to accelerate work in the Paris region.	Read More
9/11/2023			Loxam reported a 6% increase in revenues to €642 million for the second quarter of 2023, hitting a milestone €1 billion annual revenue in the LTM period. Growth in EBITDA was also strong, growing 10% in the quarter to €238 million.	Read More

Featured Sector News (cont.)

Date	Company	Region	Description	Article Link
9/11/2023			WillScot Mobile Mini Holdings Corp. announced that its indirect subsidiary Williams Scotsman, Inc., plans to offer \$500 million of senior secured notes due 2031, which will be used to repay existing indebtedness and cover related fees and expenses.	Read More
9/7/2023			H&E Equipment Services Inc. has recently expanded its rental branches, introducing new locations in Kansas, Missouri, North Carolina, and Texas. These branches offer a diverse selection of equipment, including aerial lifts and earthmoving machinery, from a variety of manufacturers. By swiftly and effectively serving their respective regions, these new branches enhance coverage and transportation options for customers.	Read More Read More Read More Read More Read More
8/31/2023			ModuGo announced its second acquisition since the company's recapitalization by Kinderhook Industries in February 2023. The company acquired Massachusetts-based Kelcon, a provider of portable storage container leases throughout the Northeastern United States.	Read More
8/30/2023			Coates Hire announced the company has launched a new specialist power and HVAC services business in Australia. The company will offer end-to-end turnkey solutions across the company from hubs in Sydney, Melbourne, Adelaide, Perth, and Brisbane.	Read More
8/29/2023			Renta Group announced financial results for the second quarter of 2023, which represented revenue growth of 16.7% over Q2 2022, driven by the acquisitions the company completed over the past year.	Read More
8/28/2023			United Rentals has announced that Executive Vice President and Chief Operating Officer Dale Asplund is leaving the company on September 29, 2023, and will be replaced by current senior Vice President of Sales and Operations, Michael Durand.	Read More
8/24/2023			Renta Norge, the Norwegian division of Helsinki-based Renta Rental Group, announced the company had acquired Mylift Holding, a Norwegian crane and access rental specialist.	Read More

Featured Sector News (cont.)

Date	Company	Region	Description	Article Link
8/23/2023			Tag Tool Hire, a U.K.-based provider of rental and repair solutions for contractor tools and equipment, announced the company had entered into a partnership with easyHire Technologies, expanding the company's online capabilities.	Read More
8/22/2023			McGovern Plant Hire, a leading U.K.-based provider of tracked/wheeled excavators, sweepers, vacuum excavators, and other equipment pieces, announced the company had entered into a partnership with Xwatch Safety Solutions to enhance its on-site safety capabilities.	Read More
8/22/2023			Graham Clark, a veteran operations director at Cadman Cranes, announced the establishment of a new business in the U.K.: South East Lifting Services. The company will provide crane- and lift-related services across the London region.	Read More
8/17/2023			Maxim Crane Works Holdings Capital, LLC, announced the pricing of \$500 million aggregate principal amount of 11.50% second-priority senior secured notes due in 2028 and intends to use the proceeds to redeem its outstanding debt, partially repay ABL borrowings, and pay related fees and expenses.	Read More
8/15/2023			RELAM, a provider of specialty rental equipment for recurring, regulatory-driven, maintenance-of-way work on railroads, received a second lien term loan from Platinum Equity to refinance existing indebtedness and support the future growth of the business. Houlihan Lokey acted as the exclusive placement agent to RELAM.	Read More
8/11/2023			Vp plc has announced that its CEO, Neil Stothard, will retire in September 2023, and Anna Bielby will take over as CEO from September 1, 2023, with a CFO recruitment process underway.	Read More
8/7/2023			Kiloutou Signaling, a division of Kiloutou Group, introduced two new traffic light products, which are designed to meet the requirements of local authorities and professionals and improve road safety for drivers and workers alike.	Read More
8/3/2023			Empower Rental Group announced the grand opening of its 36th location in Tupelo, Mississippi, on August 3, 2023, offering competitively priced construction equipment for professionals, businesses, and DIYers.	Read More

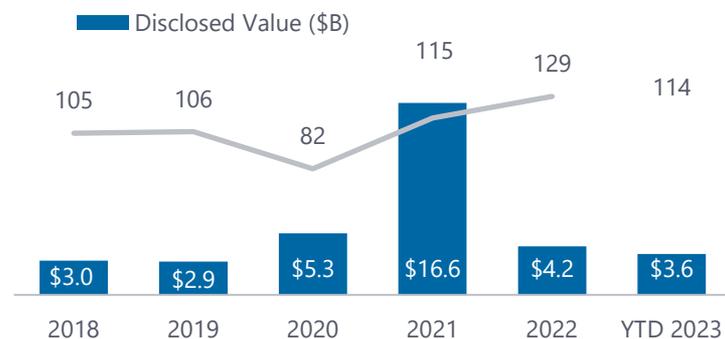
Featured Sector News (cont.)

Date	Company	Region	Description	Article Link
7/28/2023			Speedy and AFC Energy are launching a dedicated hydrogen-powered generator plant hire business to provide sustainable, zero-emission temporary power solutions for the off-grid power market.	Read More
7/28/2023			Zeppelin Group announced the restructuring of its strategic business units, bundling business activities in two instead of three. The company is now split into SBU Construction Equipment Germany/Austria and SBU Construction Equipment International.	Read More
7/27/2023			Touax SCA has successfully signed a €40 million senior secured loan with a four-year maturity, as part of its strategy to extend the average maturity of the group's debt and refinance existing loans.	Read More
7/24/2023			ModuGo, a portfolio company of Kinderhook Industries, completed its first acquisition since its recapitalization by Kinderhook in February 2023. The company acquired A1 Mobile Storage Leasing, based in Michigan.	Read More
7/11/2023			Loxam announced the acquisition of A Geradora Aluguel de Maquinas, a Brazilian provider of temporary power generation rental solutions. The company operates a fleet of premium equipment focusing on backup and off-grid power solutions. A Geradora Aluguel de Maquinas maintains a network of 15 branches across Brazil.	Read More
7/11/2023			Kiloutou Group, a French rental provider of construction equipment, lifting solutions, material handling equipment, and more, announced the company was voted "favorite brand of the French" within the "rental brands of professional construction equipment" category.	Read More

Additional Q3 Equipment-as-a-Service M&A Highlights

Transaction Value and Deal Volume

\$ in Billions



Key Takeaways

- Announced transactions in the YTD period have outpaced pre-COVID-19 levels, reflecting a healthy market for strategic investments despite a sequentially slower quarter.
- Noncore acquisitions have been a major theme, as many companies and financial sponsors seek to enter new segments and geographies, seeking more attractive end markets. For example, Kaizen Automotive Group, a large, multi-jurisdictional automotive dealership, acquired Flex Fleet Rental, the leading national provider of pick-up truck rental solutions to contractors of all sizes. **Houlihan Lokey acted as the exclusive financial advisor to Flex Fleet Rental.**
- Private equity continues to be a strong driver of acquisitions, with many groups pursuing investment opportunities that present significant growth opportunities within various specialty equipment segments of the Equipment-as-a-Service sector. For example, ZMC, a private equity group targeting the media and communications sectors, acquired InProduction, a leading provider of temporary structures for live events. **Houlihan Lokey acted as the exclusive financial advisor to ZMC.**
- Record profits in 2021 and 2022 have created pressure for portfolio companies to “prove out” their growth as more than a temporary market-wide buoy.

Notable Transactions in Q3 2023

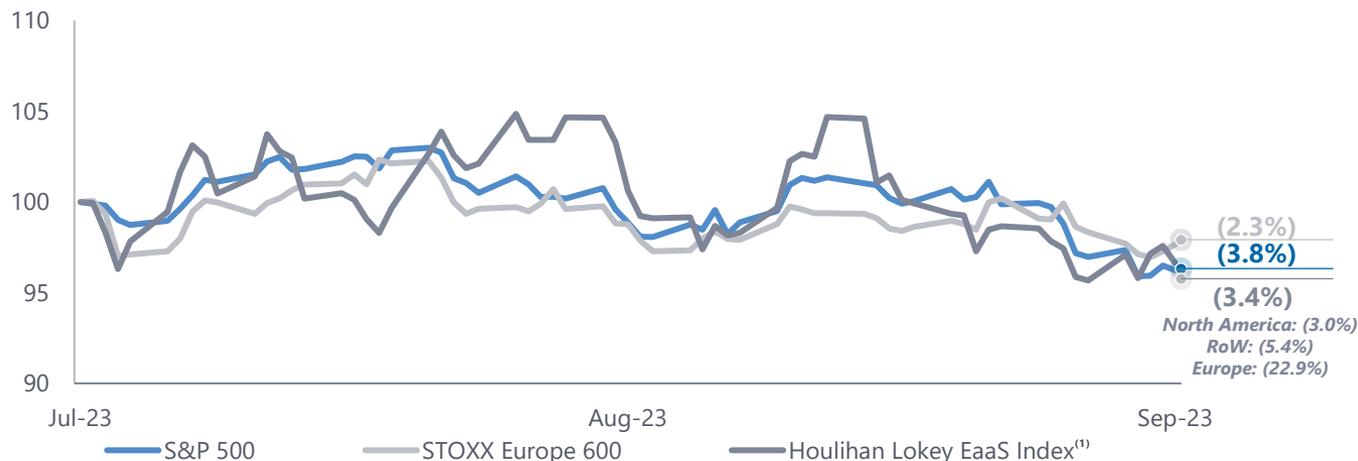
Date	Acquirer	Acquirer Country	Target	Target Country	Houlihan Lokey
9/29/2023	Heizkurier	Germany	suter	Switzerland	-
9/26/2023	renta	Finland	GUSTAFSSONS uthyrning hydraulservice	Sweden	-
9/19/2023	CES POWER	USA	[Logo]	Ireland	-
9/7/2023	BASALT INFRASTRUCTURE PARTNERS	UK	FORTBRAND QUALITY • TRUST • RELIABILITY	USA	-
9/7/2023	ZMC	USA	In Production	USA	[Globe]
9/5/2023	SUNBELT RENTALS	USA	RUNYON EQUIPMENT SERVICES AMERICAN COVERS J&J EQUIPMENT RENTAL Miele	USA	-
9/1/2023	Kaizen AUTOMOTIVE GROUP	Canada	FLEX FLEET RENTAL	USA	[Globe]
8/30/2023	aggreko	UK	[Logo]	UK	-
8/15/2023	HercRentals™	USA	Quality RENTALS	USA	-
8/10/2023	WILLSCOT • MOBILE MINI WILLSCOT mobile mini	USA	A&M Cold Storage & Trailer Leasing COLD BOX	USA	-
8/8/2023	MML	UK	PREMIER MODULAR	UK	-
8/7/2023	CenterGate CAPITAL	USA	POSEIDON Barge	USA	-
8/4/2023	ZEPPELIN WE CREATE SOLUTIONS	Germany	BAUHOF SERVICE	Germany	-
8/2/2023	KILOUTOU	France	UKA + HAUKE Arbeitsbühnen - clever mieten	Germany	-
7/26/23	NORTH AMERICAN CONSTRUCTION GROUP	Canada	MACKELLAR	Australia	-

Source: S&P Capital IQ as of September 30, 2023.

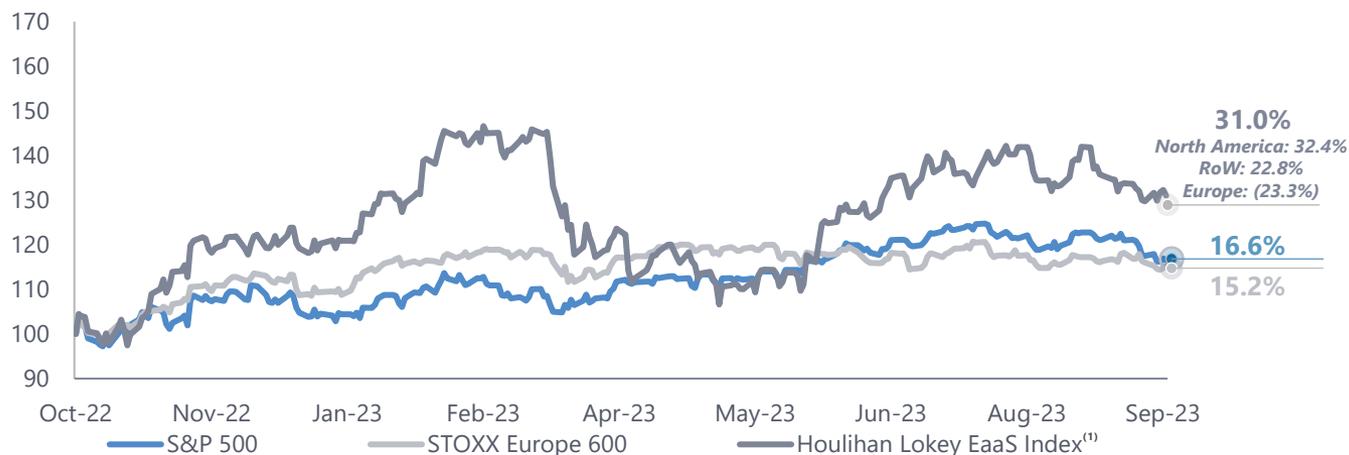
Publicly Traded EaaS Indices Saw a Slight Retraction in Q3 While Still Maintaining Strong Gains Over the LTM Driven by the North American EaaS Companies

- The Houlihan Lokey EaaS Index experienced a slight downturn in Q3 2023, while remaining up significantly over the LTM period. The index remains higher compared to both the S&P 500 and the STOXX Europe 600. Most of the decline came in August and September, with the decline in the CPI slowing and interest rates remaining high for the period.
- Over the LTM, Civeo Corp. has significantly underperformed against peers, dropping 18.6% from October 2022. This comes as the company reported that it was selling its McClelland Lake Lodge assets in September, previously reported in Q2 as “evaluating commercial alternatives.”
- Over the LTM period, Black Diamond Group performed best, gaining 90.9% on the company’s highest quarterly rental revenue and EBITDA in a decade, increasing 25% and 41%, respectively, over the prior year. The group reported its addition to the TSX30 list, which recognizes the top 30 stocks over a three-year period.

Q3 (July–September) 2023 Share Price Performance



LTM September 2023 Share Price Performance



Source: S&P Capital IQ. Data as of September 30, 2023. All share prices rebased to 100.

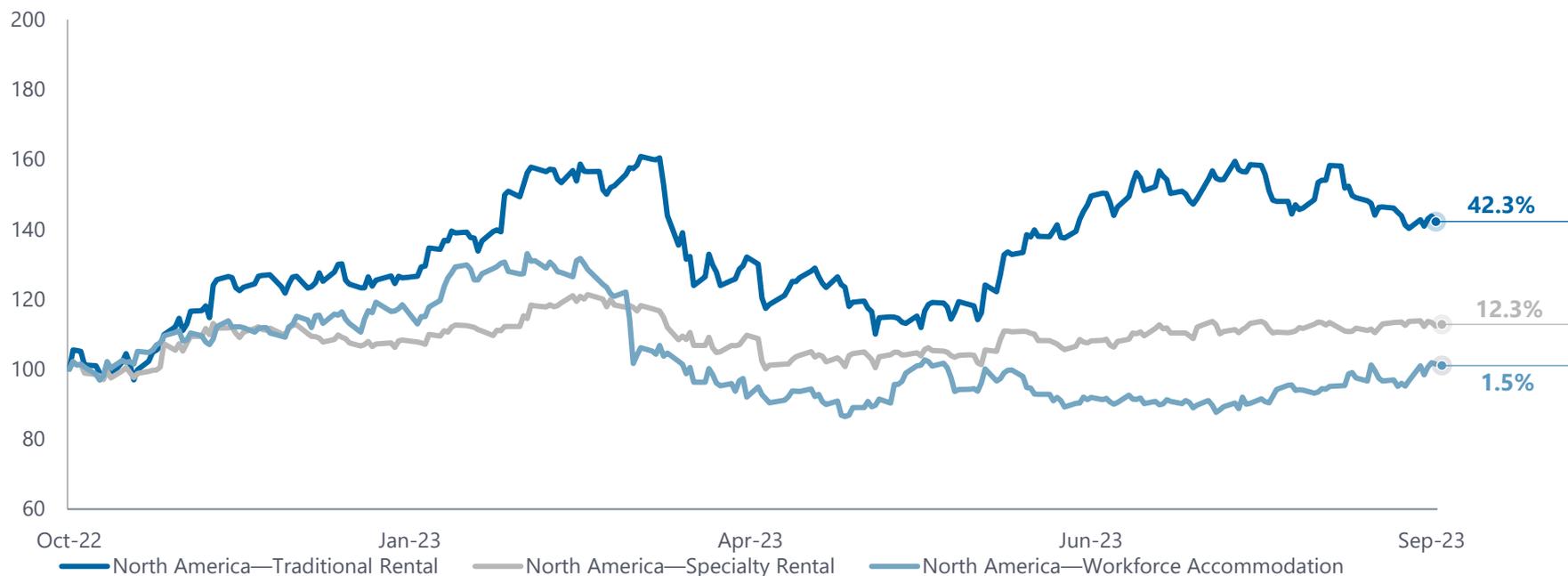
(1) The Houlihan Lokey EaaS Index consists of a diversified set of companies across the equipment-as-service sector. See the footnotes on pages 16 and 17 for a complete list.

Equity Market Index Performance

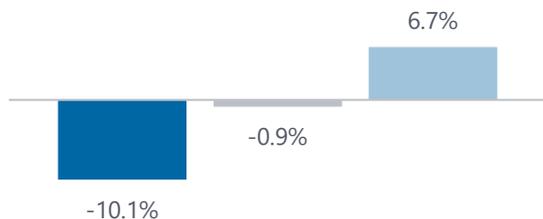
North American EaaS Subsectors

The Houlihan Lokey North American EaaS Index performance was primarily driven by the traditional rental sector—in particular, United Rentals and H&E Equipment Services with 57.9% and 46.4% increases, respectively.

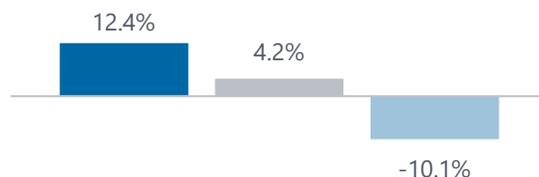
LTM September 2023 Performance by Subsector



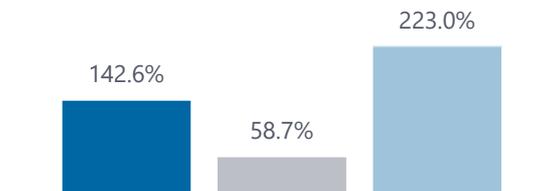
Past Month Performance



YTD Performance



Three-Year Performance



Source: S&P Capital IQ. Data as of September 30, 2023. All share prices rebased to 100.

North America Traditional Rental Services Companies: Ashtead Group, United Rentals, H&E Equipment Services, Herc.

North America Specialty Rental Services Companies: Badger Infrastructure Solutions, Concrete Pumping Holdings, McGrath RentCorp, Custom Truck One Source, WillScot Mobile Mini.

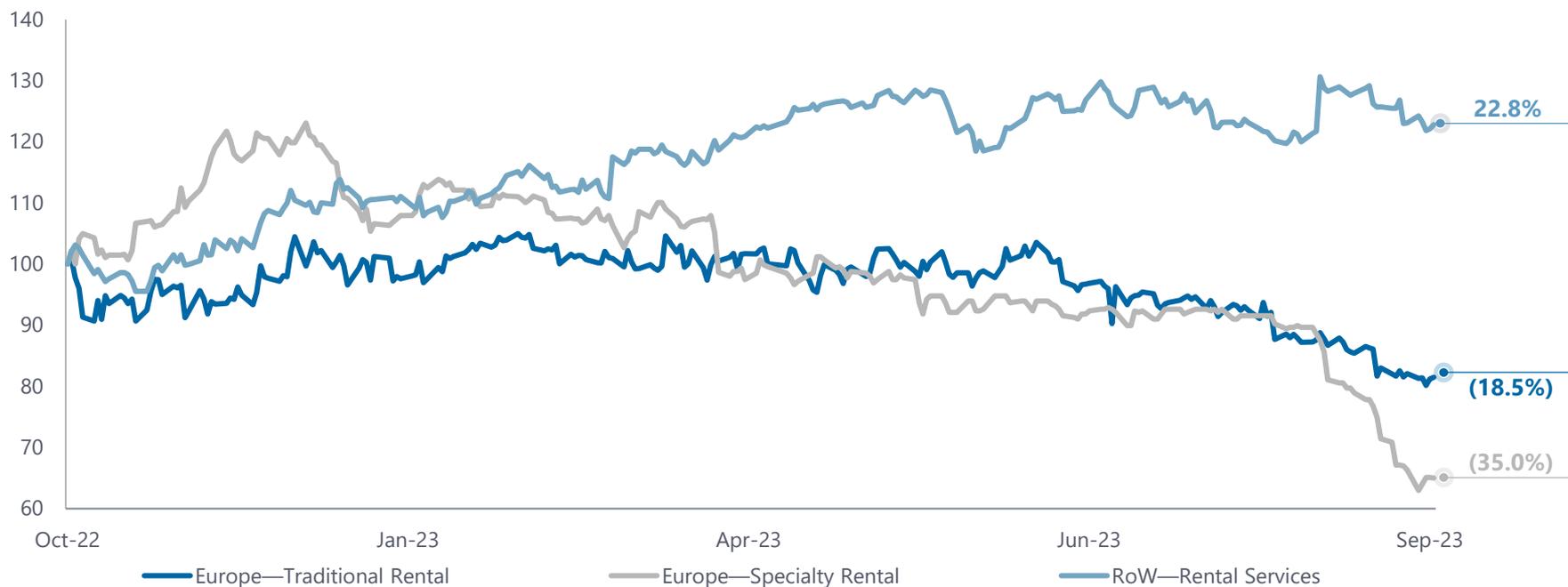
North America Workforce Accommodation Companies: Dexterra Group, Black Diamond, Civeo Corp., Target Hospitality.

Equity Market Index Performance

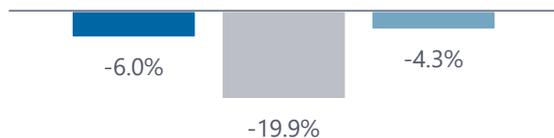
European EaaS Subsectors

Specialty rental services' only contributor, Touax, saw a 35.0% stock price decrease over the past 12 months.

LTM September 2023 Performance by Subsector



Past Month Performance



YTD Performance



Three-Year Performance



Source: S&P Capital IQ. Data as of September 30, 2023. All share prices rebased to 100.

Europe Traditional Rental Services Companies: HSS Hire Group, General de Alquiler de Maquinaria, Speedy Hire plc, Vp plc.

Europe Specialty Rental Services Company: Touax.

RoW Rental Services Companies: Brambles Ltd., Emeco Holdings Ltd.



Matthew Hudson

Managing Director

BALTIMORE

QUALIFICATIONS

Gettysburg College

B.A.

Georgetown University

MBA

Oppenheimer & Co.

CIBC World Markets

FBR Capital Markets

Deutsche Bank

PAST

Mr. Hudson is Head of Equipment-as-a-Service within Houlihan Lokey's Business Services Group.

With almost 30 years of industry experience providing corporate advisory and financing services to middle-market growth companies, Mr. Hudson has played an integral role in building and leading the preeminent advisory practice on Wall Street, serving the equipment rental services industry. His deal experience includes a wide variety of advisory engagements, including mergers and acquisitions, public equity offerings, debt capital raises, private placements, and restructuring transactions. Mr. Hudson has successfully executed more than 60 completed transactions for his rental services clients, representing over \$20 billion in deal volume.

Prior to joining Houlihan Lokey, Mr. Hudson was a Managing Director and Head of Oppenheimer & Co.'s Rental Services Investment Banking Group. He also previously worked with CIBC World Markets, FBR Capital Markets, and Deutsche Bank.

Mr. Hudson holds a B.A. from Gettysburg College and earned his MBA, with high distinction, from Georgetown University's McDonough School of Business.



Spencer Lippman

Managing Director

HOUSTON

QUALIFICATIONS

Hampden-Sydney College

B.A.

Oppenheimer & Co.

Genesis Capital, LLC

PAST

Mr. Lippman is a member of Houlihan Lokey's Business Services Group, specializing in the Equipment-as-a-Service sector.

With more than 15 years of industry experience providing corporate advisory and financing services to middle-market growth companies, Mr. Lippman played an integral role in building the preeminent advisory practice on Wall Street, serving the rental services industry. His deal experience includes a wide variety of advisory engagements, including mergers and acquisitions, public equity offerings, debt capital raises, and private placements.

Prior to joining Houlihan Lokey, Mr. Lippman was a Managing Director in Oppenheimer & Co.'s Rental Services Investment Banking Group. Before that, he was with Genesis Capital, LLC.

Mr. Lippman holds a B.A. from Hampden-Sydney College.



Jonathan Harrison

Managing Director

LONDON

QUALIFICATIONS

University of Sussex

BA

University of Cambridge

MPhil

Baird

Deutsche Bank

HSBC

PAST

Mr. Harrison is a member of Houlihan Lokey's global Business Services Group, based in Europe.

Mr. Harrison has more than 20 years of deal experience and has been covering the business services sector for much of this time.

During his time as an investment banker, Mr. Harrison has worked with clients from Asia, the Middle East, and North America as well as Europe. He has extensive cross-border deal experience and has also worked repeatedly with multiple clients.

Sectors in which Mr. Harrison has transacted include automotive services, BPO, education, energy services, facility services, human capital, industrial services, infrastructure services, professional services, testing, inspection, certification and compliance, and transportation and logistics.

Mr. Harrison joined Houlihan Lokey from Robert W. Baird & Co., where he had been instrumental in creating and leading a pre-eminent Business Services practice in Europe. Prior to Baird, Mr. Harrison led the Business Services investment banking sector activities for Deutsche Bank in EMEA.

Mr. Harrison holds a BA in Economics from the University of Sussex and an MPhil in Finance from the University of Cambridge.



Sebastian Weindel

Director

MUNICH

QUALIFICATIONS

University of Passau

Dipl.-Kfm.

GCA Altium

AlixPartners

UniCredit

Mediobanca

Lazard

PAST

Mr. Weindel is a member of Houlihan Lokey's Business Services Group. He specifically covers the Equipment-as-a-Service as well as engineering and infrastructure services subsectors. In addition, Mr. Weindel gained significant transaction experience in the environmental services, facility and residential services, industrials, leisure/hospitality, healthcare, and financial institutions industries.

Previously, Mr. Weindel was a Director at GCA Altium, which was acquired by Houlihan Lokey in 2021. Prior to joining GCA, he worked at AlixPartners in Munich, where he advised in buy-side M&A transactions, post-merger integrations, and merger preparations. Before that, Mr. Weindel worked in the M&A departments of UniCredit, Mediobanca, and Lazard, where he started his career in 2008.

Mr. Weindel holds a master's equivalent degree (Dipl.-Kfm.) in Business Administration from the University of Passau.



Shane Murrish

Senior Vice President

LOS ANGELES

QUALIFICATIONS

Loyola Marymount University

B.A.

UBS Investment Bank

PAST

Mr. Murrish is a member of Houlihan Lokey's Business Services Group, where he focuses primarily on the rental services subsector. He works on a wide range of mergers and acquisitions, financings, and strategic advisory engagements.

Prior to joining Houlihan Lokey, Mr. Murrish worked at UBS Investment Bank as an Associate in its Generalist Program and was primarily responsible for the execution of transactions across various industries, including business services, media, and clean technology, encompassing sellside and buy-side M&A, debt and equity financings, private placements, exchange offers, and restructurings. Previously he spent three years as an Analyst with UBS Investment Bank.

Mr. Murrish holds a B.A. from Loyola Marymount University.



Andrew Busan

Senior Vice President

BALTIMORE

QUALIFICATIONS

Hampden-Sydney College

B.A.

Oppenheimer & Co.

Raymond James

PAST

Mr. Busan is a member of the Equipment-as-a-Service team within Houlihan Lokey's Business Services Group. He performs sellside and buy-side M&A advisory, debt and equity financings, valuations, and strategic alternatives engagements to Equipment-as-a-Service businesses.

Mr. Busan joined Houlihan Lokey in 2022 after previously covering the equipment rental sector for more than eight years at Oppenheimer & Co. Prior to Oppenheimer & Co. Mr. Busan worked as an investment banking analyst at Raymond James.

Mr. Busan holds a B.A. in Economics and Commerce from Hampden-Sydney College.

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