



EQUIPMENT-AS-A-SERVICE

Market Update | Q1 2023



Houlihan Lokey

ABOUT OUR FIRM



**Houlihan
Lokey**

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



36
LOCATIONS
WORLDWIDE

~2,000
TOTAL FINANCIAL
PROFESSIONALS

313
MANAGING
DIRECTORS⁽¹⁾

2,000+
CLIENTS SERVED
ANNUALLY

\$6B
MARKET
CAPITALIZATION⁽²⁾

\$1.8B
REVENUE⁽³⁾

Our Ranking by Service

Corporate Finance

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

Rank	Adviser	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

Rank	Adviser	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 to 2022 Global M&A Fairness Advisory Rankings

Rank	Adviser	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

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

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

(1) As of March 31, 2023. Excludes corporate managing directors. (2) As of April 2023. (3) LTM ended March 31, 2023.

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.

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		
	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

Industry Sector Coverage

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



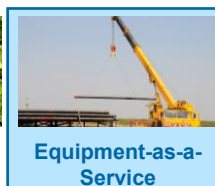
BPO Services



Engineering and Infrastructure



Environmental Services



Equipment-as-a-Service



Facility and Residential Services



HCM Services



IT Services



Marketing Services



Specialty Consulting and Risk Services



Testing, Inspection, Certification, and Compliance



Training and Education



Transportation and Logistics

Selected Business Services Industry Transactions

VLS
ENVIRONMENTAL SOLUTIONS
a portfolio company of
I SQUARED CAPITAL
has acquired
Texas Molecular
Deac commitment
Bayside Advisor

OPEN HFA
a portfolio company of
AMULET CAPITAL
has been acquired by
astorg
Sellside Advisor

GANNETT FLEMING
has received a strategic investment from
OCEANSOUND PARTNERS
Sellside Advisor

HILL International
has been acquired by
GISI
Sellside Advisor & Fairness Opinion

Odyssey
has acquired
MAGNA
LEGAL SERVICES
a portfolio company of
CLIVE
Bayside Advisor

HOST HEALTHCARE
has been acquired by
Medical Solutions
a portfolio company of
Centerbridge **CDPQ**
Sellside Advisor

WILLIAMS MARSTON
a portfolio company of
ALION CAPITAL PARTNERS
has been acquired by
KELSO
Sellside Advisor

PHENNA GROUP
a portfolio company of
inflexion
has received secondary investment from
Oakley Capital
Sellside Advisor

us ecology
has been acquired by
REPUBLIC SERVICES
Sellside Advisor

REVHEALTH
has received an investment from
WINDROSE
Sellside Advisor

OCEAN TOMO
a portfolio company of
D WILVER
has been acquired by
JSHELD
a portfolio company of
KELSO
Sellside Advisor

Universal Pure
a portfolio company of
tilia
has been acquired by
AURORA CAPITAL PARTNERS
Sellside Advisor

EQUIPMENT-AS-A-SERVICE TEAM



Houlihan Lokey has assembled the most experienced senior team 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 Equipment-as-a-Service 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 Equipment-as-a-Service coverage team with truly global scale and reach.

Leadership

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Contact Us

Please reach out to us to schedule a call to discuss this quarter's market update or to explore how we can serve your business needs.

Request a Meeting

Learn More About Us

Unique Global Footprint



Featured Transactions

 has been acquired by CYNOSURE GROUP Sellside Advisor	 a portfolio company of LDC has been acquired by 3i Infrastructure plc Sellside Advisor	 a portfolio company of Lonsdale Capital Partners has been acquired by Elysian Capital Sellside Advisor
 has received a minority investment from LDC Sellside Advisor*	 a portfolio company of NORDIAN CAPITAL PARTNERS has been acquired by HANIEL Sellside Advisor	 has engaged in a continuation fund transaction involving United SITE SERVICES Fairness Opinion
 a portfolio company of Apax PARTNERS has acquired contraload Buy-side Advisor	 has acquired ADCO Buy-side Advisor	 has been acquired by ALINDA and USS Sellside Advisor

*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. Tombstones included herein represent transactions closed from 2019 forward.










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

Equipment-as-a-Service 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"> ▪ Pick-up 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 solutions ▪ 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

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

EQUIPMENT-AS-A-SERVICE LANDSCAPE OVERVIEW



Note: Asset categories are non-exhaustive.

SELECT EAAS TRANSACTIONS EXECUTED BY HOULIHAN LOKEY'S BUSINESS SERVICES TEAM

Private Equity



FusionSite
has been acquired by
THE CYNOSURE GROUP

Deal Type
Investment

Location
U.S. (target)
U.S. (buyer)

Date
Oct-22

Sellside Advisor

Infrastructure Funds



SRL
a portfolio company of
LDC
INFRASTRUCTURE
has been acquired by
Infrastructure plc

Deal Type
Investment

Location
U.K. (target)
U.K. (buyer)

Date
Dec-21

Sellside Advisor

Patient/Family Capital



Cross Rental Services
a portfolio company of
Lonsdale Capital Partners
has been acquired by
Elysian Capital

Deal Type
Investment

Location
U.K. (target)
U.K. (buyer)

Date
Aug-21

Sellside Advisor

Private Equity



BauWatch
a portfolio company of
NORDIAN
CAPITAL PARTNERS
has been acquired by
HANIEL

Deal Type
Investment

Location
NL (target)
DE (buyer)

Date
Feb-21

Sellside Advisor

Background

- Leading U.S.-based provider of nondiscretionary, route-based site services to a diverse base of customers across multiple end markets
- Offers its customers an extensive suite of portable sanitation, waste management, and luxury trailer rental equipment

Background

- Leading U.K. EaaS provider for temporary, portable, and semi-permanent intelligent traffic lights and variable messaging signs
- Offers customers a full-service rental solution, including planning and design, installation, maintenance, and integration with existing systems as well as direct sales of equipment assembled by SRL

Background

- Provider of specialist, mission-critical cooling and heating equipment and services on a rental basis to a variety of end markets across the U.K.
- The business comprises two divisions: Refrigeration & Catering Solutions and Climate Control Solutions

Background

- European market leader in temporary mobile security, safety, and compliance solutions for outdoor locations, such as construction sites and energy and infrastructure projects
- Integrated temporary security solution relieving customers of all security, safety, and compliance requirements

What Drove Value

- Leading, scalable platform demonstrating exceptional growth through a combination of operational excellence and an M&A-focused growth strategy
- Strong competitive advantage and the resulting recurring nature of customers
- Low capital intensity and attractive ROIs on equipment through high utilization rates

What Drove Value

- Leader in its core market offering a “one-stop-shop” solution; careful positioning around barriers to entry and “the moat”
- Highly attractive KPIs with very repeatable customer base
- Significant margins and regular, recurring steady cash flow

What Drove Value

- Exceptional growth platform delivering mission-critical asset solutions to a deeply embedded customer base
- Pioneer in the refrigeration-as-a-service market
- Further growth opportunity via M&A

What Drove Value

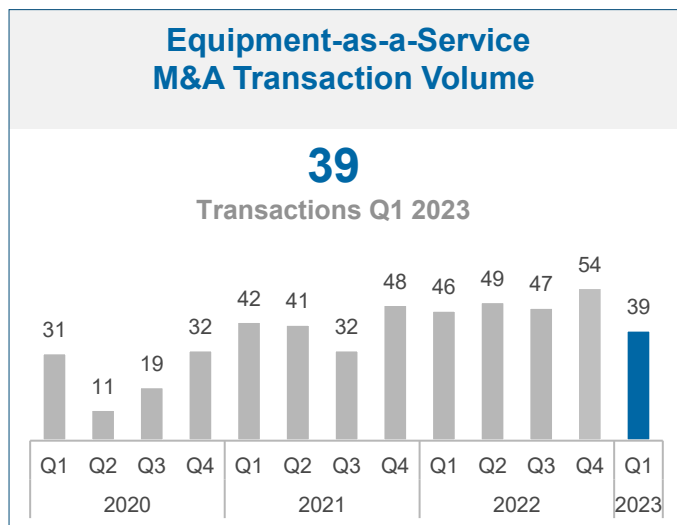
- Market leader in its core market, offering best-in-class comprehensive temporary surveillance solutions
- Large blue ocean opportunity
- Highly scalable business model with proven ability to expand organically into new geographic territories

EQUIPMENT-AS-A-SERVICE MARKET UPDATE

Contents

1.	Executive Summary	9
2.	Featured Sector News	10
3.	Equipment-as-a-Service M&A Highlights	13
4.	Equipment-as-a-Service Share Price Performance	14
5.	Equity Market Index Performance: North American Equipment-as-a-Service Subsectors	15
6.	Equity Market Index Performance: European Equipment-as-a-Service Subsectors	16

M&A Transaction Volume



Sources: S&P Capital IQ and Refinitiv as of March 31, 2023.

Q1 2023 Quick Facts

Despite the uncertainty caused by global macroeconomic events, deal volume remained strong during Q1 2023 across all areas of the equipment-as-a-service sector.

Strategics continue to deploy cash for bolt-on acquisitions in an ongoing effort to differentiate themselves and provide customers with a fully rounded offering. The focus is on enhancing their value proposition in response to ever-increasing customer demands, such as productivity improvements and enhanced equipment utilization, while shifting toward alternative fuels in an ongoing effort to reduce carbon emissions. By acquiring complementary businesses and investing in assets, strategics successfully increase their market share, expand their customer base, and drive further growth.

As demand for EaaS picks up, so does the interest of financial investors who are attracted by the sectors' long-term tailwinds and resilience during economic downturns. From multibillion-dollar buyouts to smaller buy-and-build platforms, attractive assets typically must showcase a number of metrics, such as recurring revenues and strong unit economics, to achieve premium valuations from financial investors.

While companies posted record-high results for 2022, the trading performance is impacted in line with global market developments but is less volatile. As Q1 2023 is being published, YoY increases are visible, highlighting the industry's continued growth momentum and resilience.

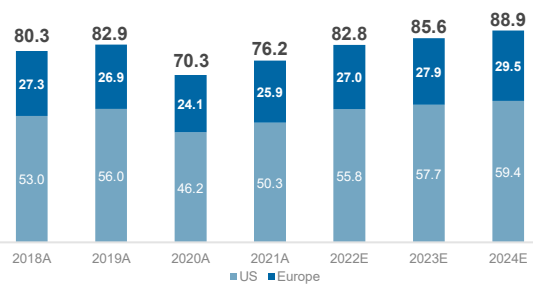
Looking ahead, the equipment-as-a-service sector is expected to continue its growth trajectory throughout 2023 while increased competition from evolving direct-to-customer lending models of equipment manufacturers (e.g., Hitachi or Volvo) entering the rental space spurs innovation in the market. As interest rates rise and costs for equipment continue to increase, end users will shift toward rental solutions and require state-of-the-art equipment. This typically involves connected technologies providing real-time data insights as well as more electrification, which will not only disrupt the rental companies' revenue model but also that of their customers.

EXECUTIVE SUMMARY

Sector Business Conditions⁽¹⁾

- The U.S. and European equipment-as-a-service markets posted robust growth in 2022, with a high single-digit expansion of ~9%, and are now broadly back to pre-COVID-19 levels.
- Growth was driven by strong demand across the construction, infrastructure, and event sectors combined with positive pricing effects in context of inflationary pressures, where major operators have so far been able to pass on price increases.
- 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 fuelled by recent U.S. legislative acts (\$1.2 billion Infrastructure Act, \$400 billion Inflation Reduction Act).
- Long-term secular growth drivers will continue to positively contribute to the sector's expansion, with end users increasingly seeing the benefits of the equipment-as-a-service 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.

Equipment-as-a-Service Market (U.S. and Europe) – 2018–2024 in \$B



News Highlights

- In November, Vp PLC released its interim results for the period ending in September 2022. The group generated a robust 6% organic growth for the period, driven by strong activity across all markets and pricing uplift.
- United Rentals has rented all-electric trucks to Shell for use at its chemical manufacturing site in Geismar, Louisiana. The program will test and evaluate electric vehicle use at the manufacturing facility to support the future development of low-carbon, green fleet strategies for rental and Shell-owned vehicles.
- Kiloutou also reported robust mid-single-digit organic performance, driven by strong growth in Denmark following the acquisition of GSV and high levels of activity across France, Poland, Germany, and Spain.
- Renta Group announced its Q3 2022 results and posted very strong organic growth of 16%, driven by sustained activity across all regions.
- Ashtead released interim organic growth of 20% and 6% in the U.S. and the U.K., respectively. The group confirmed its goal to achieve a 20% market share in North America and further grow its U.K. presence through organic and inorganic growth.
- Loxam reported sustained organic growth of ~10% driven by the group's international operations, which generated a 12.5% like-for-like increase.
- Badger Infrastructure Solutions announced that its CEO, Paul Vanderberg, will retire from Badger. Robert Blackadar, Badger's Chief Operating Officer, will become CEO from October 1, 2022.

M&A Highlights

- McGrath announced that it acquired Vesta Modular, a portfolio company of Kinderhook Industries, for \$400 million and sold Adler Tank Rentals to Ironclad Environmental Solutions, a Kinderhook portfolio company, for \$265 million.
- Aggreko announced two major add-ons: the acquisition of Crestchic PLC, a U.K. specialist load-bank-as-a-service platform, for ~£120 million and Florida-based Resolute Industrial from private equity firm AE Industrial Partners for \$440 million.
- Brookfield-owned Modulaire further strengthened its U.K. presence with the acquisition of Mobile Mini U.K., a leading supplier of steel storage and accommodation units.
- Allied Industrial Partners-backed CES Power acquired Global Power Systems, a provider of power generation and temperature control services in Louisiana.












Public Comps Highlights

- Despite headwinds, the Houlihan Lokey Equipment-as-a-Service Index⁽²⁾ is up 1.2% LTM, outperforming the S&P 500 and STOXX 600 indices, which are down 9.6% and 0.1%, respectively.
- On a quarterly basis, the Houlihan Lokey Equipment-as-a-Service Index rose 2.4%, underperforming the S&P 500 up 7.5% and STOXX 600 up 6.7%.
- Some subsectors, such as North American specialty rental up 8.0% LTM and RoW rental services up 18.5% LTM, have significantly outperformed other subsectors.












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

⁽²⁾ The Houlihan Lokey Equipment-as-a-Service Index consists of a diversified set of 21 companies across the equipment services sector. See the footnotes on pages 15 and 16 for a complete list.












FEATURED SECTOR NEWS

Date	Company	Region	Description	Article Link
31-Mar-23		N. America	TNT Crane & Rigging appointed a CEO to drive growth and strategic initiatives, bolstering its leadership team.	Read more
21-Mar-23		Europe	Aggreko plans to invest more than £150 million in its European fleet during 2023 as part of its “Greener Upgrades” initiative.	Read more
21-Mar-23		Europe	Speedy partnered with Hydrock to assist in finding further low-carbon solutions to achieve its sustainability targets of net zero carbon emissions by 2040.	Read more
20-Mar-23		Europe	Brambles raised €500 million in its inaugural green bond financing, signaling its commitment to sustainability and driving innovation in the circular economy.	Read more
14-Mar-23		N. America	Sunbelt signed a multimillion-dollar deal for mobile battery units, offering innovative and eco-friendly solutions to customers.	Read more
14-Mar-23		N. America	Custom Truck One Source announced a CEO transition plan, positioning itself for future growth and long-term success.	Read more
13-Mar-23		N. America	Hitachi launched a new rental initiative in North America, expanding its presence and capturing new markets with a diverse product offering.	Read more
13-Mar-23		Europe	Nixon Hire announced its opening of a new depot as it plans to further expand its renewables division in response to the significant demand for clean energy products.	Read more
13-Mar-23		Europe	Adapteo, a European modular building solutions provider in Europe, has appointed a Chief Commercial and Chief Sustainability Officer as part of its ongoing strategy to expand the business, following its substantial revenue growth over the past few years.	Read more
13-Mar-23		N. America	Yak Access completed a comprehensive recapitalization and exchange transaction, increasing its financial flexibility and positioning itself for future growth.	Read more
10-Mar-23		Europe	Gorman-Rupp launched an online pump rental platform, expanding its customer base and increasing revenue streams.	Read more

FEATURED SECTOR NEWS (CONT.)

Date	Company	Region	Description	Article Link
9-Mar-23		Europe	HSS invested in technology-led rental strategy, boosting customer satisfaction and efficiency as well as enhancing profitability and market share.	Read more
6-Mar-23		N. America	United Rentals achieved a milestone with 335,000 telematics-enabled assets, enhancing the customer experience and driving operational efficiency.	Read more
2-Mar-23		N. America	Maxim Crane Works reported preliminary Q4 and full-year 2022 financial results and extended its asset-based credit facility.	Read more
1-Mar-23		APAC	In an interview on India's rental market, Aggcon MD discussed the potential for growth in construction and infrastructure projects. This allows the company to capture emerging opportunities in a growing market.	Read more
24-Feb-23		N. America	Aggreko powered more than 130 Cirque du Soleil performances using hybrid generators and battery storage, showcasing its innovative energy solutions.	Read more
22-Feb-23		Europe	One Stop Hire partnered with easyHire to expand its digital capabilities, improving customer experience and driving growth through new channels.	Read more
20-Feb-23		APAC	Coates targeted Australia's A\$1.1 trillion investment by expanding its product offering and positioning itself to capture market share in the region.	Read more
20-Feb-23		Europe	Case took the next step on long-term rentals by adding rental protection plans, enhancing its customer value proposition, and driving revenue growth.	Read more
17-Feb-23		Europe	Sunbelt Rentals U.K. invested in solar towers, providing customers with access to eco-friendly and renewable energy solutions. This promoted sustainability while delivering value.	Read more
16-Feb-23		APAC	Aggreko introduced battery storage units for rental, expanding its clean energy solutions and capitalizing on the growing demand for sustainable energy.	Read more
14-Feb-23		Europe	Renta entered into a term loan B and upsized SSRCF to support growth after strong trading performance.	Read more

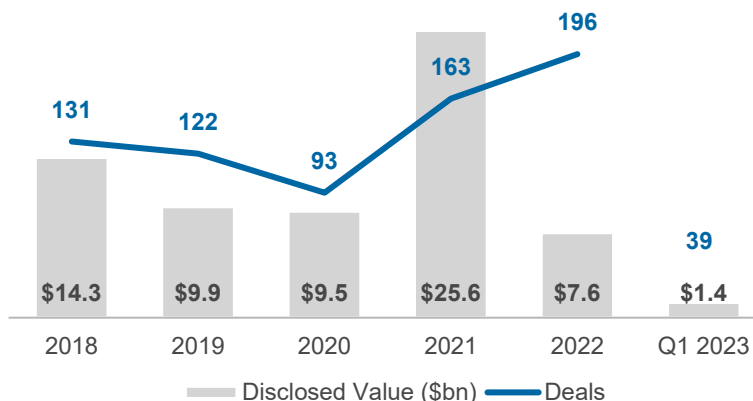
FEATURED SECTOR NEWS (CONT.)

Date	Company	Region	Description	Article Link
14-Feb-23	 Herc Rentals™	N. America	Herc expects to outpace rental growth in 2023 as it ramps up investments in its rental fleet, positioning itself for a strong financial performance.	Read more
13-Feb-23	 KILOUTOU	Europe	Kiloutou invested in electric and diesel equipment, reducing environmental impact, increasing efficiency and profitability, and reducing the cost gap.	Read more
7-Feb-23	 algeco®	Europe	Algeco invested in EV chargers to support its sustainability goals, reducing its carbon footprint across 22 sites and demonstrating its commitment to clean energy.	Read more
3-Feb-23	 KILOUTOU	Europe	Kiloutou and Manitou trialed electrification retrofits, a sign of the growing shift toward sustainable solutions in the rental industry. The trial demonstrated expected lower costs and better environmental outcomes.	Read more
3-Feb-23	 C R A M O	Europe	Nordic rental company Cramo invested €28 million in fleet expansion to meet customer demand, increasing rental fleet availability and response time while generating higher revenue.	Read more
2-Feb-23	 THOMAS Plant Hire	Europe	The U.K. rental firm Thomas Plant Hire invested £50 million in fleet safety technology, improving the customer experience, protecting workers, and boosting profitability.	Read more
1-Feb-23	 WILLSCOT • MOBILE MINI HOLDINGS CORP. WILLSCOT mobile mini	Europe	WillScot Mobile Mini completed the divestiture of its U.K. storage container assets to Algeco, streamlining its portfolio and focusing on core markets.	Read more
31-Jan-23	 civeo	APAC	Civeo secured a five-year contract in Australia with expected revenues of approximately A\$337 million from 2023 to 2027.	Read more
25-Jan-23	 LOXAM	Europe	Loxam partnered with GL Events to power the Paris Olympics with renewable energy, enhancing its brand and showcasing its commitment to sustainability.	Read more
18-Jan-23	 ARDENT HIRE SOLUTIONS	Europe	Ardent opened a new U.K. super hub, strengthening its national network and improving its customer service capabilities. This drove growth and enhanced competitiveness.	Read more
17-Jan-23	 BLACK DIAMOND GROUP	N. America	Black Diamond announced its plans to expand into the Atlantic region of Canada by opening a BOXX Modular branch along with a business development office.	Read more

ADDITIONAL Q1 EQUIPMENT-AS-A-SERVICE M&A HIGHLIGHTS

Transaction Value and Deal Volume

\$ in billions



Key Takeaways

- Following an unprecedented year in EaaS M&A transaction volumes, Q1 2023 had a strong start with 39 transactions.
- Despite a more difficult market environment, the deal volume is still above the preceding five-year Q1 average.
- Strategic acquisitions continued to be a strong theme, albeit of a smaller scale compared to 2021 or 2022.
- Despite weak debt markets, financial investors are finding plenty of opportunities in the market and have record levels of dry powder to deploy.

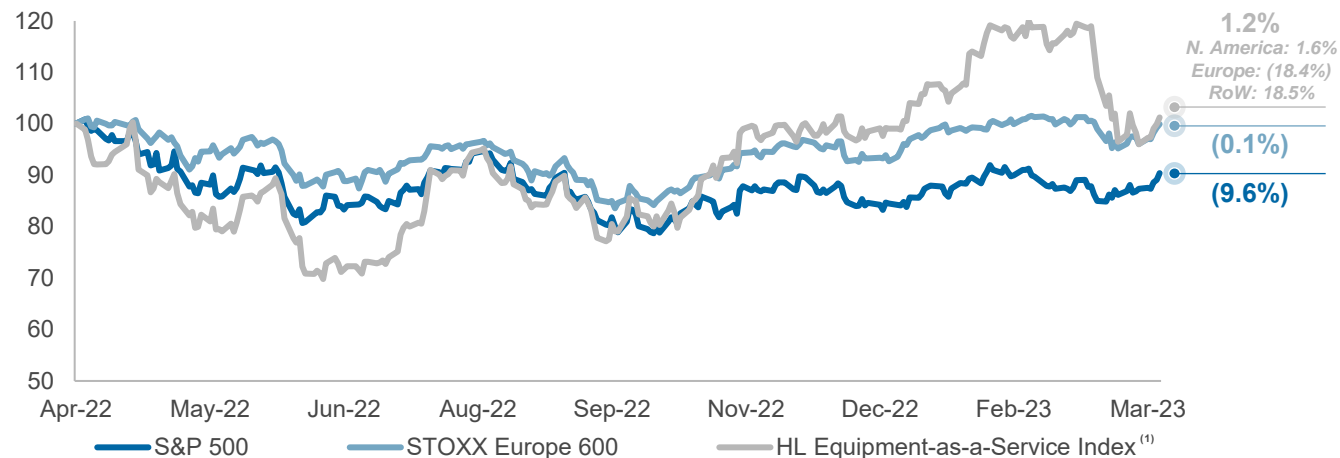
Notable Transactions in Q1 2023

Date	Target	Target Country	Acquirer	Acquirer Country	EV (\$M)
29-Mar-23	Hovor-Surveillance	Denmark	renta	Netherlands	ND
24-Mar-23	Sim	Canada	KESLOW CAMERA	USA	ND
24-Mar-23	AVSO <small>Audio-Visual Support Service, Inc.</small>	USA	BAY STAGE LIVE	USA	ND
21-Mar-23	JIAB HYRCENTER	Sweden	RAMIRENT <small>A LOXAM Company</small>	Sweden	ND
15-Mar-23	VAC2GO	USA	ARGOSY	USA	ND
2-Mar-23	BREKKE Storage	USA	McGRATH	USA	\$265M
2-Mar-23	ONSITE Hotel Group	Australia	Sime Darby	Australia	\$427M
28-Feb-23	Black Rentals	USA	REIC	USA	ND
9-Feb-23	ABLE EQUIPMENT RENTAL	USA	United Rentals	USA	ND
8-Feb-23	STERLING	USA	BLUE WOLF	USA	ND
7-Feb-23	HUB EQUIPMENT	Canada	COOPER EQUIPMENT RENTALS	Canada	ND
1-Feb-23	ADLER TRUCK RENTALS	USA	IRONCLAD ENVIRONMENTAL SOLUTIONS	USA	\$265M
1-Feb-23	VESTA MODULAR	USA	McGRATH	USA	\$400M
31-Jan-23	WILLSCOT mobile mini SOLUTIONS <small>UK Subsidiary</small>	UK	algeco	UK	\$410M
11-Jan-23	LIFT WORKS	USA	SUNBELT RENTALS	USA	ND
9-Jan-23	WysePower	UK	RSK	UK	ND

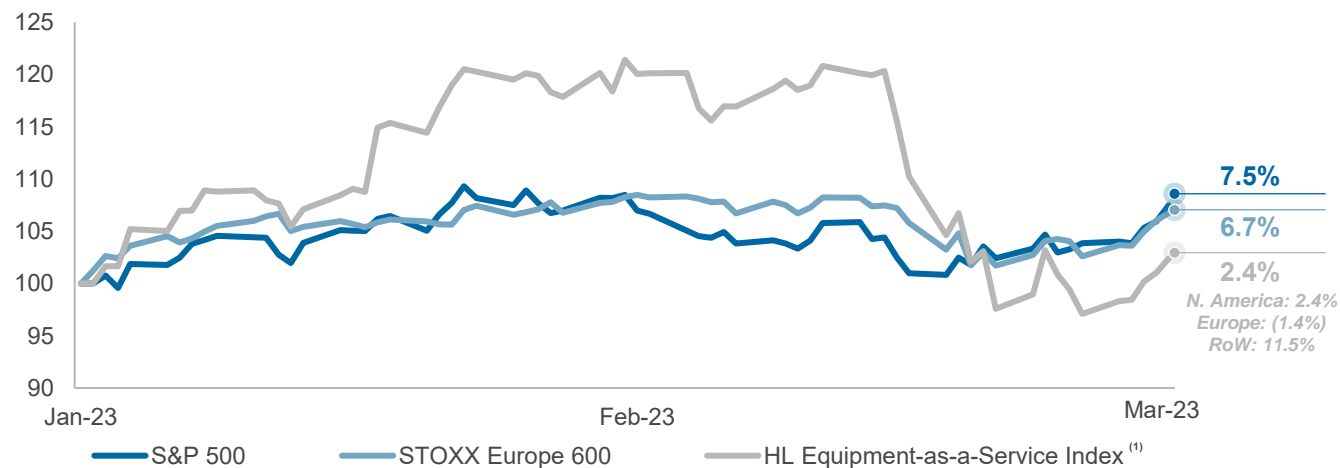
AFTER A PERIOD OF TRADING AT RECORD HIGHS, THE SECTOR HAS SEEN A PULLBACK IN THE OVERALL MARKET

- Despite two failed banks and the rescue of a global bank in Europe, the S&P saw an upward trend in March 2023, mainly driven by its tech constituents.
- The Houlihan Lokey Equipment-as-a-Service Index saw a decline during the first quarter. Speedy comes second, dropping c. 16% YTD following reports of missing equipment worth c. £20 million.
- The winners of the quarter are General de Alquiler (up c. 28% YTD), after reporting strong earnings that the market rewarded with a healthy uplift, followed by Black Diamond Group (up c. 25% YTD), whose recent performance is tied to its strong fundamentals.

LTM March 2023 Share Price Performance



January–March 2023 Share Price Performance



Source: S&P Capital IQ. Data as of March 31, 2023. All share prices rebased to 100.

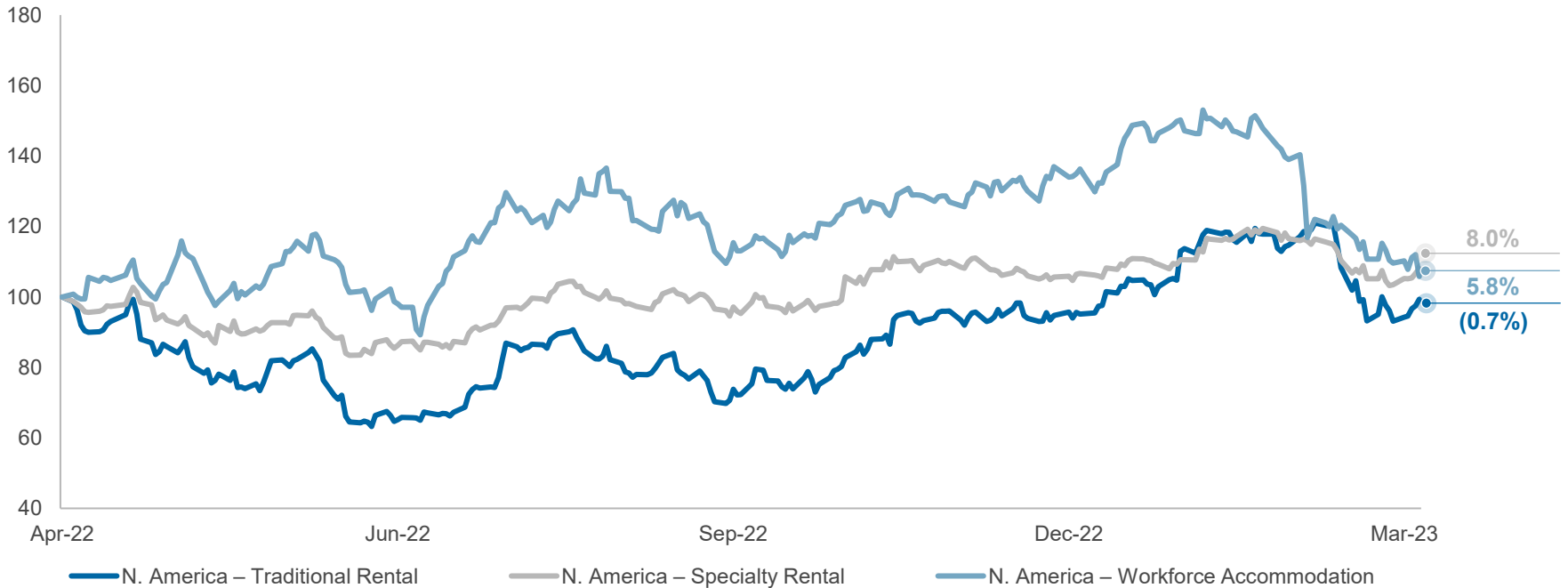
⁽¹⁾ The Houlihan Lokey Equipment-as-a-Service Index consists of a diversified set of 21 companies across the equipment-as-a-service sector. See the footnotes on pages 15 and 16 for a complete list.

EQUITY MARKET INDEX PERFORMANCE

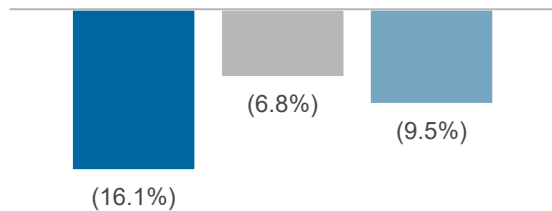
North American Equipment-as-a-Service Subsectors

The Houlihan Lokey North American Equipment-as-a-Service Index performance was primarily driven by the workforce accommodation sector—in particular, target hospitality with a 112.8% increase

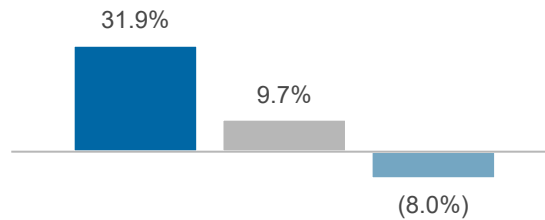
LTM March 2023 Performance by Subsector



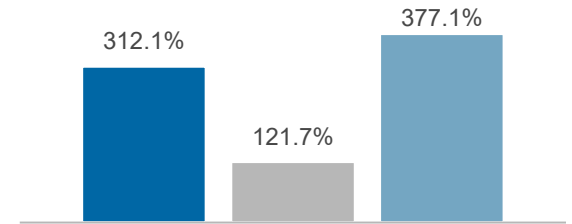
Past Month Performance



Past 6 Months Performance



Three-Year Performance



Source: S&P Capital IQ. Data as of March 31, 2023. All share prices rebased to 100.

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

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

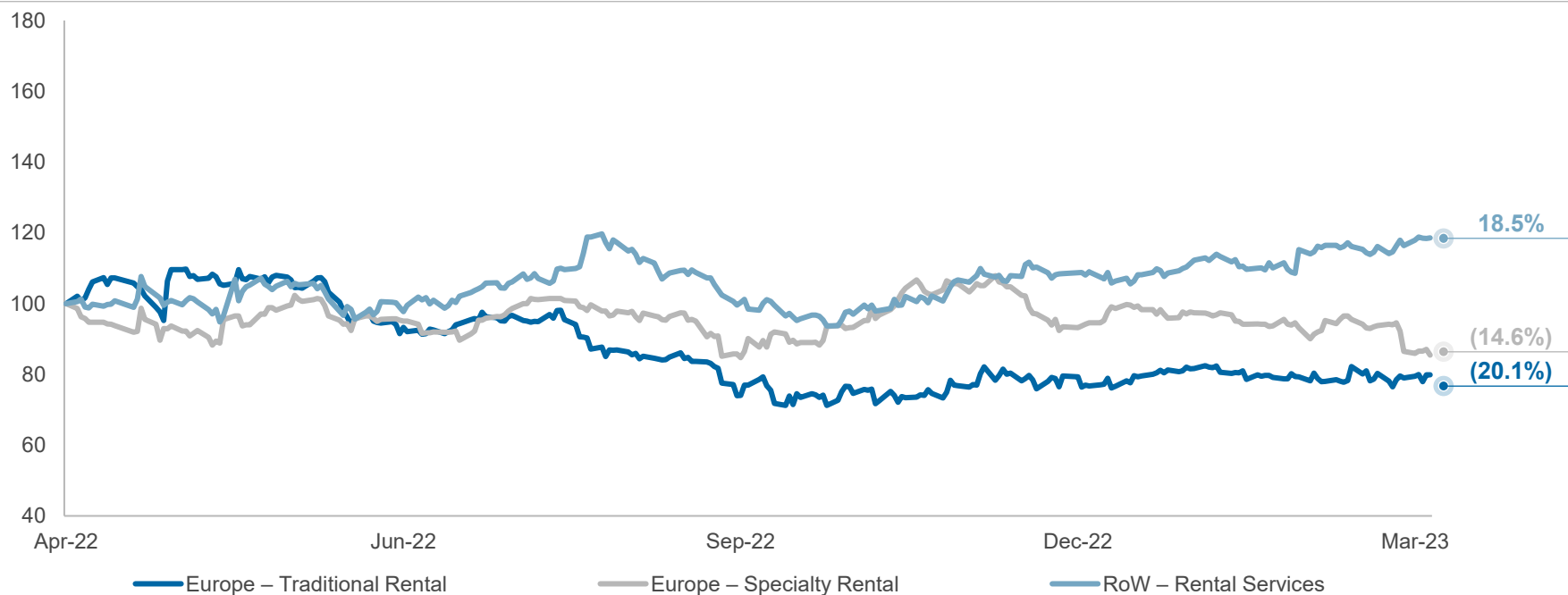
N. America Workforce Accommodation Companies: Dexterra Group, Black Diamond, Civeo Corporation, Target Hospitality.

EQUITY MARKET INDEX PERFORMANCE

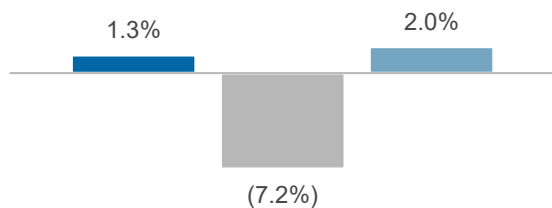
European Equipment-as-a-Service Subsectors

Specialty rental services' only contributor, Touax, saw a 14.6% stock price decrease over the past 12 months

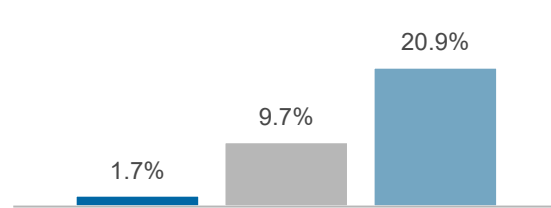
LTM March 2023 Performance by Subsector



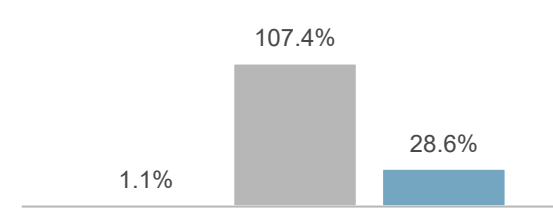
Past Month Performance



Past 6 Months Performance



Three-Year Performance



Source: S&P Capital IQ. Data as of March 31, 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 Limited, Emeco Holdings Limited.



MATTHEW HUDSON

Managing Director
Washington, D.C.

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.

Qualifications

B.A.	Gettysburg College
MBA	Georgetown University
PAST	Oppenheimer & Co. CIBC World Markets FBR Capital Markets Deutsche Bank



SPENCER LIPPMAN

Managing Director
Houston

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.

Qualifications

B.A. Hampden-Sydney
College

PAST Oppenheimer & Co.
Genesis Capital, LLC



JONATHAN HARRISON

Managing Director
London

Qualifications

BA	University of Sussex
MPhil	University of Cambridge
PAST	Baird Deutsche Bank HSBC

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 & compliance, and transportation & 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

Mr. Weindel is a Director in Houlihan Lokey's Business Services Group. He specifically covers the equipment-as-a-service, environmental services, facility and residential services, as well as engineering and infrastructure services subsectors. In addition, Mr. Weindel gained significant transaction experience in the industrials, leisure/hospitality, healthcare, and financial institutions industries. He is based in the firm's Munich office.

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.

Qualifications

Dipl.-Kfm. University of Passau

PAST

GCA Altium
AlixPartners
UniCredit
Mediobanca
Lazard



SHANE MURRISH

Senior Vice President
Los Angeles

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.

Qualifications

B.A. Loyola Marymount
University

PAST UBS Investment Bank

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