



Houlihan  
Lokey

## Equipment-as-a-Service

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



36

Locations Worldwide

~2,000

Total Financial Professionals

326

Managing Directors<sup>(1, 2)</sup>

2000+

Clients Served Annually

\$7B

Market Capitalization<sup>(3)</sup>

\$1.8B

Revenue<sup>(4)</sup>

## 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	Houston	San Francisco
Baltimore	Los Angeles	São Paulo
Boston	Miami	Washington, D.C.
Chicago	Minneapolis	
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		

# 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.

 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

## Featured Transactions

 a portfolio company of <b>I SQUARED CAPITAL</b> has acquired <b>Texas Molecular</b> Drug Development Buy-side Advisor	 a portfolio company of <b>AMULET CAPITAL</b> has been acquired by <b>astorg</b> Sell-side Advisor	 has received a strategic investment from <b>OCEAN SOUND PARTNERS</b> Sell-side Advisor	 has been acquired by <b>GISI</b> Sell-side Advisor & Fairness Opinion	 has acquired <b>MAGNA</b> a portfolio company of <b>CTVC</b> Buy-side Advisor	 has been acquired by <b>Medical Solutions</b> a portfolio company of Centerbridge <b>CDPQ</b> Sell-side Advisor
 a portfolio company of <b>ALIGN CAPITAL PARTNERS</b> has been acquired by <b>KELSC</b> Sell-side Advisor	 a portfolio company of <b>inflexion</b> has received secondary investment from <b>Oakley Capital</b> Sell-side Advisor	 has been acquired by <b>REPUBLIC SERVICES</b> Sell-side Advisor	 has received an investment from <b>WINDROSE</b> Sell-side Advisor	 a portfolio company of <b>BORRIVER CAPITAL</b> has been acquired by <b>JSI HELD</b> a portfolio company of <b>KELSO</b> Sell-side Advisor	 a portfolio company of <b>tilia</b> has been acquired by <b>AURORA CAPITAL PARTNERS</b> Sell-side Advisor

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	<b>Houlihan Lokey</b>	<b>69</b>
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

### North America



**Matthew Hudson**  
 Managing Director, Head of EaaS  
[Matthew.Hudson@HL.com](mailto:Matthew.Hudson@HL.com)  
 +1 443.742.6968



**Spencer Lippman**  
 Managing Director  
[Spencer.Lippman@HL.com](mailto:Spencer.Lippman@HL.com)  
 +1 832.319.5136



**Shane Murrish**  
 Senior Vice President  
[SMurrish@HL.com](mailto:SMurrish@HL.com)  
 +1 310.789.5725



**Andrew Busan**  
 Senior Vice President  
[Andrew.Busan@HL.com](mailto:Andrew.Busan@HL.com)  
 +1 443.928.0884

### Europe



**Jonathan Harrison**  
 Managing Director  
[JHarrison@HL.com](mailto:JHarrison@HL.com)  
 +44 (0) 20 7747 7564



**Sebastian Weindel**  
 Director  
[Sebastian.Weindel@HL.com](mailto:Sebastian.Weindel@HL.com)  
 +49 (0) 89 413 121 26



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## Featured Transactions

**FLEK FLEET**  
 a portfolio company of a fund managed by  
**WATERFALL**  
 and  
**TRP Capital Partners**  
 has been acquired by  
**Kaizen**

Sellside Advisor

**ZMC**  
 has acquired  
**In Production**

Buyside Advisor

**RELAM**  
 a portfolio company of  
**PACELINE**  
 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**

Sellside Advisor

**SRI**  
 a portfolio company of  
**LDC**  
 has been acquired by  
**3i Infrastructure pL**

Sellside Advisor

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

Sellside Advisor

**wccftv**  
 has received a minority investment from  
**LDC**

Sellside Advisor\*

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

Sellside Advisor

*Tombstones included herein represent transactions closed from 2020 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 EaaS Business Model Coverage















EaaS 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.

- EaaS 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"> <li>Pick-up trucks</li> <li>Corporate vehicles</li> <li>Ride-hail vehicle fleets</li> </ul>	 <ul style="list-style-type: none"> <li>Earthmoving</li> <li>Aerial/high-reach</li> <li>General construction</li> <li>Contractor tools</li> </ul>	 <ul style="list-style-type: none"> <li>Equipment dealerships</li> <li>Automotive dealerships</li> </ul>	 <ul style="list-style-type: none"> <li>Portable storage</li> <li>Modular space</li> <li>Liquid and solid containment</li> <li>Blast-resistant buildings</li> <li>Workforce accommodations</li> </ul>	 <ul style="list-style-type: none"> <li>Pallets</li> <li>Mats</li> <li>Restaurant/catering</li> <li>Kegs</li> <li>Returnable transport fixtures</li> </ul>	 <ul style="list-style-type: none"> <li>Portable restrooms</li> <li>Hospitality equipment</li> <li>Document mgmt./shredding</li> <li>Moveable medical equipment</li> </ul>	 <ul style="list-style-type: none"> <li>Trailer (dry van)</li> <li>Chassis leasing</li> <li>Way maintenance</li> <li>Railcars</li> <li>Aircrafts</li> <li>Ships/barges</li> <li>Tractors</li> </ul>	 <ul style="list-style-type: none"> <li>Cranes and lifting</li> <li>Hydrovac excavation</li> <li>Pumps/fluid mgmt.</li> <li>HVAC/temp control</li> <li>Trench shoring and safety</li> </ul>	 <ul style="list-style-type: none"> <li>Airport equipment</li> <li>Street-sweeping vehicles</li> <li>Garbage trucks</li> <li>Utility T&amp;D equipment</li> </ul>

*Business Models Serve a Wide Range of Customers and End Markets*

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

# EaaS Landscape Overview



# EaaS Market Update

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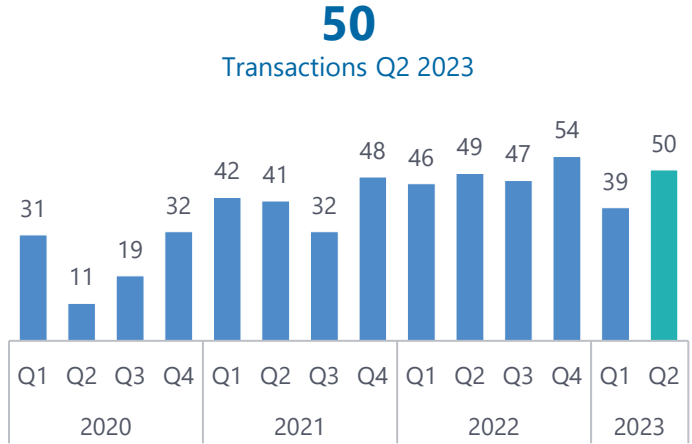
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## Q2 2023 Quick Facts

While EaaS companies embrace a surge in demand, they continue to face rising interest rates and cost base inflation, resulting in both exceeding revenue projections and challenges to meet EBITDA expectations arise.

Ambitious global growth aspirations drive trillions of dollars in infrastructure spending, particularly in the construction industry. In anticipation of this substantial upswing in lucrative opportunities, both financial and strategic investors are showcasing a heightened interest in acquiring quality companies. As borrowing rates remain high, financial sponsors may seek value investments while corporates may offload noncore segments to enhance liquidity or implement a strategic shift. This dynamic has created a highly active M&A market, also creating a chance for investors to exit current investments at attractive valuation levels, reflecting the strong uptick in M&A volume during Q2 2023.

## M&A Transaction Volume



Soaring interest rates and high inflation remain challenges for EaaS companies as the original equipment and related financing costs increase. Equipment can hold or even increase in value, yet salary and other overhead increases are impacting the bottom line directly. Quarterly trading for constituents of Houlihan Lokey’s EaaS indices<sup>(1)</sup> has seen a notable uptick in revenue, yet surpassing budget expectations and increasing costs pressure EBITDA margins—underperforming against consensus projects in certain cases.

The current environment necessitates a strategic approach to strike a balance between adapting innovative solutions to optimize fleet productivity and adjusting rental rates, which differentiates a company’s business model in a distinctive way. Proactively addressing these factors (among others) is particularly important when considering either selling a company or looking to acquire one.



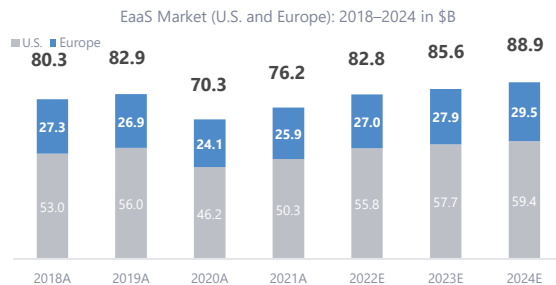
Houlihan Lokey’s EaaS Team Recently Published a Comprehensive Analysis About Landmark Initiatives and How They Will Shape the Sector in the Future

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

# Executive Summary

## Sector Business Conditions<sup>(1)</sup>

- The U.S. and European EaaS markets posted robust growth in the first half of 2023, with a high single-digit expansion of ~9%, and they are now broadly back to pre-COVID-19 levels.
- Growth is being driven by strong demand across the construction, infrastructure, and event sectors combined with positive pricing effects in the 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 fueled by recent U.S. legislative acts (\$1.2 billion Infrastructure Act, \$400 billion Inflation Reduction 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.



## News Highlights

- Sunbelt Rentals, a subsidiary of Ashtead PLC, reported a 19% rise in revenue for the quarter ended April 30, 2023, with U.S. rental-only revenue surging by 23% since prior year.
- H&E Equipment Services disclosed a 29% surge in rental revenue and a 37% EBITDA increase in Q2 YoY, achieved by nearly a 7% hike in average rental rates.
- H&E Equipment Service broadened its reach and capabilities by inaugurating five new locations in Q2 2023.
- Maxim Crane Works announced record Q2 financial results in Q2 2023 with quarterly revenue, EBITDA, and EBITDA margin increasing 13%, 31%, and 4%, respectively, from Q2 2022.
- WillScot Mobile Mini unveiled a new innovation to its VAPS offering, PRORACK, a proprietary solution of adjustable surfaces that can be configured as a workstation, pipe rack, tool organization, or general material storage.
- McGrath RentCorp made two portable storage acquisitions in Q2 2023, adding ~1,400 assets to McGrath's fleet and a new operating location. These transactions coming on the heels of its divestiture of Adler Tank Rental signify a refocusing of McGrath operating strategy.
- Renta Group was selected as the "Large Rental Company of the Year" during the European Rental Awards.
- United Rentals announced a YoY increase of 21% in rental revenues with a record for Q2 revenue of \$3.6 billion paired with a 2% increase in pro forma fleet productivity.
- During its investors call in May, Badger Infrastructure Solutions announced it completed manufacturing a prototype of its new Airvac truck with plans to ramp Airvac production in the back half of 2023.

## M&A Highlights

- Sunbelt Rentals made acquisitions of 50 rental businesses, with a total consideration of \$1.1 billion, in its fiscal year ended April 30, 2023.
- Especially apparent over the past 18 months, Core Plus Infrastructure Funds have had increasing appetites toward EaaS assets as demonstrated by Global Infrastructure Partners' acquisition of VTG AG (Q2 2022), Brookfield Infrastructure Partners' acquisition of Triton (Q2 2023), and I Squared Capital's acquisition of Rentco (Q2 2023), among other transactions.
- In June, CES Power, backed by Allied Industrial Partners, announced its sixth bolt-on acquisition, Immedia Event Productions, to expand its Northeastern U.S. presence. CES Power's acquisition strategy represents an underlying trend of increased M&A activity in live-event rental businesses and consumer interest in in-person experiences.

## Public Comps Highlights








- Despite headwinds, the Houlihan Lokey EaaS Index<sup>(2)</sup> is up 52.3% LTM, outperforming the S&P 500 and STOXX 600 indices, which are down 16.3% and 13.5%, respectively.
- On a quarterly basis, the Houlihan Lokey EaaS Index rose 10.3%, outperforming the S&P 500 up 7.9% and STOXX 600 up 0.9%.
- Some subsectors, such as North American traditional rental (up 71.4% LTM) and RoW rental services (up 25.7% LTM), have significantly outperformed other subsectors.

<sup>(1)</sup> Sources: American Rental Association, European Rental Association, International Rental News, Kaplan.








<sup>(2)</sup> The Houlihan Lokey EaaS Index consists of a diversified set of 20 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
6/29/23	 <b>MAMMOET</b>	Europe	After careful consideration, SHV Holdings decided not to pursue any of the interest expressed in the purchase of Mammoet, as it didn't meet the goal of finding a better owner. Mammoet continued the execution of the strategy within the SHV family of companies. The company thanked all involved for their hard work and dedication during the process.	<a href="#">Read More</a>
6/27/2023	 <b>AFI RENTALS</b>	Europe	AFI Rentals boosted its equipment fleet by investing further in Zoomlion's green solutions, aiming to expand the range of eco-friendly construction equipment. This strategic move demonstrates AFI Rentals' dedication to promoting sustainable practices within the construction sector and meeting the growing demand for environmentally conscious machinery.	<a href="#">Read More</a>
6/26/2023	 <b>WILLSCOT MOBILE MINI HOLDINGS CORP.</b>	North America	On June 26, 2023, WillScot Mobile Mini Holdings Corp. unveiled PRORACK, a space management solution designed to enhance organization, productivity, and efficiency in storage containers used across industries. PRORACK features adjustable surfaces, providing versatile configurations for workstations, pipe racks, tool organization, or general material storage. The three-tiered unit boasts collapsible storage shelves, each capable of holding up to 300 lbs., and allows for easy scalability to meet evolving project needs.	<a href="#">Read More</a>
6/22/2023	 <b>Speedy</b>	Europe	Speedy Hire PLC appointed Paul Rayner as Chief Financial Officer and Executive Director, with effect from July 1, 2023. He joined as interim CFO on November 1, 2022. His permanent position followed an extensive recruitment process. Mr. Rayner brought more than 25 years of financial expertise and board experience with FTSE-listed companies.	<a href="#">Read More</a>
6/16/2023	 <b>CTE</b> WORK BECOMES EASY	Europe	CTE entered into a significant partnership with Equipment Service GmbH, appointing team members as representatives for CTE's truck-mounted platforms in Northern Germany. The collaboration ensures comprehensive sales and after-sales services for CTE ZED, CTE MP, and CTE B-LIFT trucks. ATG Lift GmbH represents CTE in southern Germany. Massimo Franceschi, CTE's export area manager, expressed enthusiasm, emphasizing Equipment Service's expertise and professionalism, which completes the coverage of the German territory. The partnership aims to attract strategic customers and achieve further successes for CTE S.p.A.	<a href="#">Read More</a>
6/13/23	 <b>H&amp;E</b>	North America	H&E Equipment Services announced the opening of three new branches in Monroe, Louisiana; Pueblo, Colorado; and South Houston, Texas. With a total of 22 depots across the U.S., these expansions align with H&E's 2023 goal of at least 10 new locations, part of a growth strategy focused on key geographic regions. CEO Brad Barber expressed confidence in favorable market conditions driving this expansion, anticipating continued growth in stable high-growth markets for years ahead.	<a href="#">Read More</a>
6/8/2023	 <b>HKL BAUMASCHINEN</b> Mieten. Kaufen. Service.	Europe	HKL Baumaschinen expands its center network in Schleswig-Holstein with a new HVAC center in Oldenburg. With a strong team and a comprehensive range of machines and equipment, HKL reaffirms its commitment to maximizing customer proximity. The center offers rentals, sales, and expert advice for various applications, catering to the region's construction, landscaping, and industrial needs.	<a href="#">Read More</a>




## Featured Sector News (cont.)

Date	Company	Region	Description	Article Link
6/8/2023	 <b>Brambles</b>	Asia-Pacific	Brambles renews its partnership with The Global FoodBanking Network (GFN) for three years, joining forces to combat food insecurity and waste globally. Through financial donations, logistics support, volunteering, and the use of CHEP's reusable pallets, crates, and bins, the collaboration aims to alleviate hunger and reduce food waste in nearly 50 countries. Brambles and GFN's global footprint ensures widespread impact, further strengthened by country-level partnerships with CHEP and local GFN member food banks.	<a href="#">Read More</a>
6/5/2023	 <b>EquipmentShare</b>	North America	EquipmentShare celebrated the opening of its Spanish Fork location in Utah. This new facility will cater to the greater Provo-Orem area construction market and serve as an authorized Takeuchi dealer, offering high-performance excavators, track loaders, and wheel loaders. The rental fleet includes a range of heavy equipment and advanced solutions powered by EquipmentShare's proprietary smart jobsite technology, T3. With enhanced visibility and control over rentals, builders can expect a best-in-class rental experience.	<a href="#">Read More</a>
6/5/2023	 <b>CONCRETE PUMPING HOLDINGS</b>	North America	Concrete Pumping Holdings, Inc., announced that its subsidiary, Brundage-Bone Concrete Pumping Holdings Inc., amended and restated its ABL credit agreement. The agreement now provides up to \$225 million in commitments (previously \$160 million) and extends the maturity to June 1, 2028. PNC Bank, National Association, joined as a joint lead arranger, providing \$50 million in incremental commitments, while JPMorgan Chase Bank, N.A., provided \$15 million in incremental commitments.	<a href="#">Read More</a>
6/1/2023	 <b>NATIONAL TRENCH SAFETY</b>	North America	National Trench Safety (NTS) successfully acquired Pay Dirt Trench Safety, enhancing its trench safety solutions presence in Seattle. This strategic move reinforces NTS' commitment to providing excellent service and expanding its footprint in the Pacific Northwest.	<a href="#">Read More</a>
5/10/2023	 <b>mills</b>	South America	Mills Rental, Brazil's largest rental company, expands into earthmoving equipment, targeting agribusiness for long-term contracts. Recent acquisitions, like Triengel, have boosted their presence in the "yellow line" sector. While it focuses on agriculture-related operations like moving sugar cane, Mills Rental also plans to venture into construction and mining, starting with mini excavators and skid steers. The goal is to enhance cash flow forecast and stability in the market.	<a href="#">Read More</a>
5/10/2023	 <b>AFI RENTALS</b>	United Kingdom	AFI Rentals now offers the 13.5m Hybrid 12v e-Tech Van Mounted Cherry Picker with an electric boom. The hybrid technology includes lithium-ion batteries, providing strong performance with 20 lifting cycles and excellent outreach. It is eco-friendly and quiet, with operators able to monitor the battery status using an app. The e-Tech reduces noise pollution and emissions, ideal for noise-sensitive environments.	<a href="#">Read More</a>
5/10/2023	 <b>EquipmentShare</b>	North America	EquipmentShare has closed a \$3 billion senior secured asset-based revolving credit facility with Capital One and successfully completed its debut offering of \$640 million in senior secured notes. The move allows EquipmentShare to increase its borrowing capacity and scale its services to meet growing demand while leveraging its technology to drive efficiencies for customers.	<a href="#">Read More</a>

## Featured Sector News (cont.)

Date	Company	Region	Description	Article Link
5/10/2023	 <b>EquipmentShare</b>	North America	EquipmentShare has successfully completed its debut offering of \$640 million of senior secured second lien notes, making it one of the largest high-yield issuances for a first-time issuer in 2023. The company also entered into an amendment to increase its borrowing capacity under the senior secured asset-based revolving credit facility from \$2.1 billion to \$3.0 billion, optimizing its capital structure and refinancing existing debt.	<a href="#">Read More</a>
5/30/2023	 <b>EQIN</b>	Europe	EQIN and the Indu-Tools Group have merged their operations and are now operating together under the same overarching EQIN   Indu-Tools Group. Investor VEP has also become a participant in the Indu-Tools Group. The merger aims to strengthen its position in Western Europe, expand its service range with a larger geographical spread and complementary rental fleet, and invest in sustainability, innovations, and digitization while maintaining its characteristic flexibility, expertise, and quality locally.	<a href="#">Read More</a>
5/9/2023	 <b>WILLSCOT • MOBILE MINI</b> HOLDINGS CORP. <b>WILLSCOT</b> <b>mobile mini</b>	North America	WillScot Mobile Mini has acquired Hallwood Modular Buildings in Orange, Texas, and BRT Structures in Alberta, Canada, to expand its specialty modular fleet. This acquisition significantly increases the company's offering of blast-resistant modules, catering to customers in need of protective workspace in blast zones and demanding environments.	<a href="#">Read More</a>
4/25/2023	 <b>bbi</b>	Europe	Germany's construction equipment rental sector differs from other major rental markets in Europe, as it is not experiencing the same consolidation trend. Jürgen Küspert, Managing Director of bbi, attributes this to the fragmented nature of Germany's construction sector, which creates a demand for rental services from small, local rental players. The country is home to more than 4,200 companies involved in rental activities, with many strong regional players contributing to the market's growth, which is forecasted to increase by 5.5% this year, with the access rental sector expected to grow by 5%.	<a href="#">Read More</a>
4/20/2023	 <b>JLG</b>	North America	JLG Industries unveiled the ClearSky Smart Fleet™, a new IoT platform for two-way fleet management and machine interactivity at the IPAF Summit in Berlin. The platform, launching in late summer/early fall 2023, offers digitized daily processes, precise machine location, enhanced equipment service capabilities, streamlined logistics, and actionable fleet insights, aiming to revolutionize connectivity solutions in the industry.	<a href="#">Read More</a>
4/20/2023	 <b>Brambles</b>	Australia	Brambles Ltd. has finalized the merger between CHEP China and Loscam China, combining their pallet and automotive pooling operations, as previously announced in November 2022. The transaction received regulatory approval, and the completion occurred on March 31, 2023, in Hong Kong.	<a href="#">Read More</a>

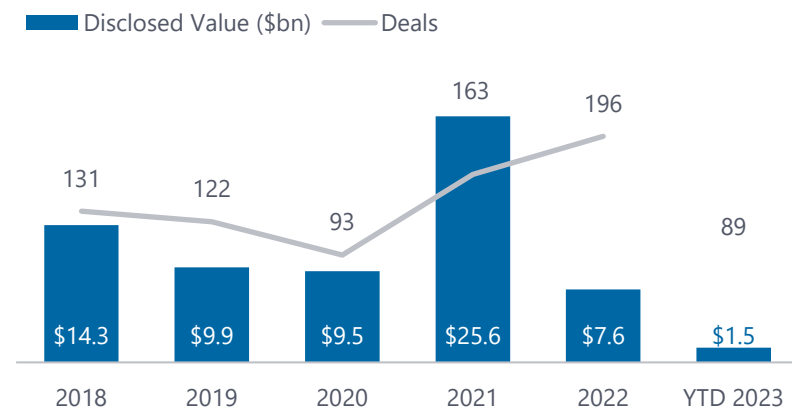
## Featured Sector News (cont.)

Date	Company	Region	Description	Article Link
4/19/2023	 <b>EquipmentShare</b>	North America	EquipmentShare has successfully completed a funding round of \$290 million, led by BDT Capital Partners and including participation from existing and new investors like RedBird Capital Partners, Tru Arrow Partners, Sound Ventures, and Brown Advisors. The funding will support the company's expansion, particularly in the U.S., further development of its T3 technology platform, and strengthening of its financial position. This funding underscores EquipmentShare's rapid growth and its potential to revolutionize the equipment rental and construction industry with its technology-driven solutions.	<a href="#">Read More</a>
4/18/2023	 <b>United Rentals</b>	North America	United Rentals has expanded its equipment rental fleet by adding JuiceBox mobile power generators that run on propane or natural gas. These generators offer a low-emissions alternative to diesel machines, contributing to reduced operating costs and lower greenhouse gas emissions. United Rentals acquired these generators from Evergreen Mobile Power. The addition of JuiceBox generators aligns with United Rentals' commitment to offering low- and zero-emission rental equipment options for environmentally conscious customers across various industries.	<a href="#">Read More</a>
4/11/2023	 <b>CUSTOM TRUCK ONE SOURCE</b>	North America	Custom Truck One Source has opened a new location in Ayr, Ontario, expanding its total locations to 36 and reinforcing its leadership in North American equipment markets. The 9,500-square-foot facility is equipped with advanced production and service facilities, aiming to cater to Custom Truck's equipment customers throughout Canada. The facility will provide a comprehensive range of equipment services, including sales of new and used trucks and equipment, aftermarket parts, financing, asset disposal solutions, and more.	<a href="#">Read More</a>

# Additional Q2 EaaS M&A Highlights

## Transaction Value and Deal Volume

\$ in Billions



## Key Takeaways

- Following a strong Q1 2023 in EaaS M&A transaction volumes, Q2 2023 built on Q1 momentum with 50 transactions.
- Despite a more difficult market environment, the deal volume is still above the preceding five-year Q2 average.
- Strategic acquisitions continued to be a strong theme, albeit of a smaller scale compared to 2021 or 2022.
- Private-equity-backed companies (e.g., as Renta backed by IK Partners) are increasingly acquiring smaller players to further solidify their market position and expand not only their geographic reach but also their service offering.
- 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 Q2 2023

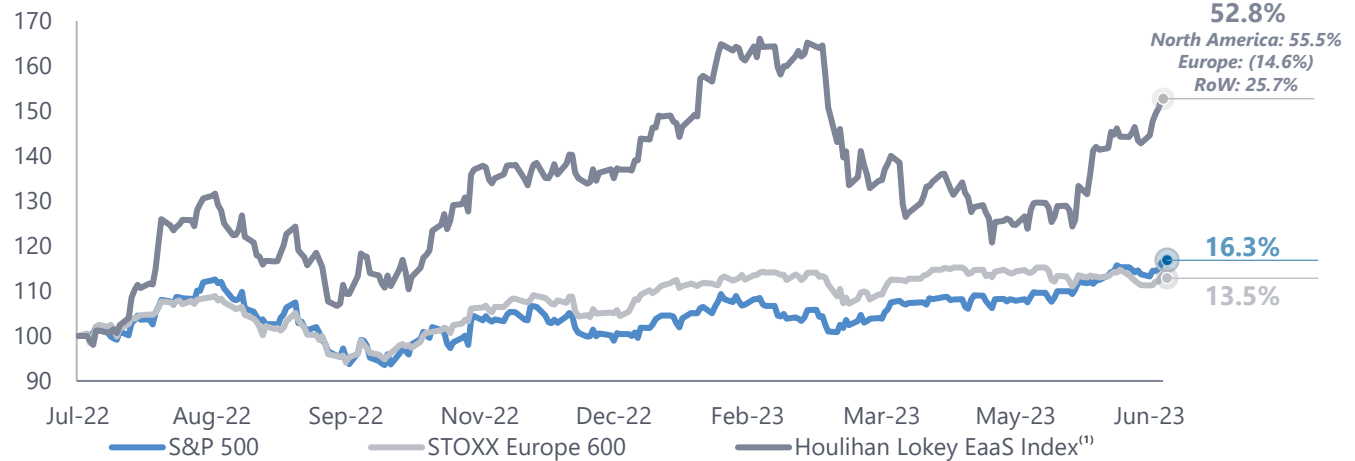
Date	Target	Target Country	Acquirer	Acquirer Country	EV (\$M)
06/30/2023	AMACO		CHADWICK BAROSS		–
06/29/2023	H&M Arbeitsmaschinen		mateco		–
06/29/2023	LANS GULPHEM		SUNBELT RENTALS		–
06/09/2023	AIM HIGH EQUIPMENT Rental & Sales		REIC RENTAL EQUIPMENT INVESTMENT CORPORATION		–
06/06/2023	R & J Control, Inc. Emergency Generator Systems		GenServe		–
06/06/2023	IMMEDIA EVENT PRODUCTIONS		CESPOWER		–
05/12/2023	Illumin8		Boels RENTAL		–
05/09/2023	BRT Structures Basic Resistant Technology		WILLSCOT    mobile mini		–
05/02/2023	RENTCO		I SQUARED CAPITAL		–
04/26/2023	BAS MASKINUTLEIE		C R A M O		–
04/20/2023	DarwinGroup CORPORATION - Divers		Portakabin		–
04/20/2023	AIR SERV YOUR CUSTOMER'S FULL LIFE		CALEDONIA INVESTMENTS		\$178M
04/17/2023	NPE NATIONAL PUMP & ENERGY		Atlas Copco		–
04/12/2023	ICP		ZEPPELIN WE CREATE SOLUTIONS		–



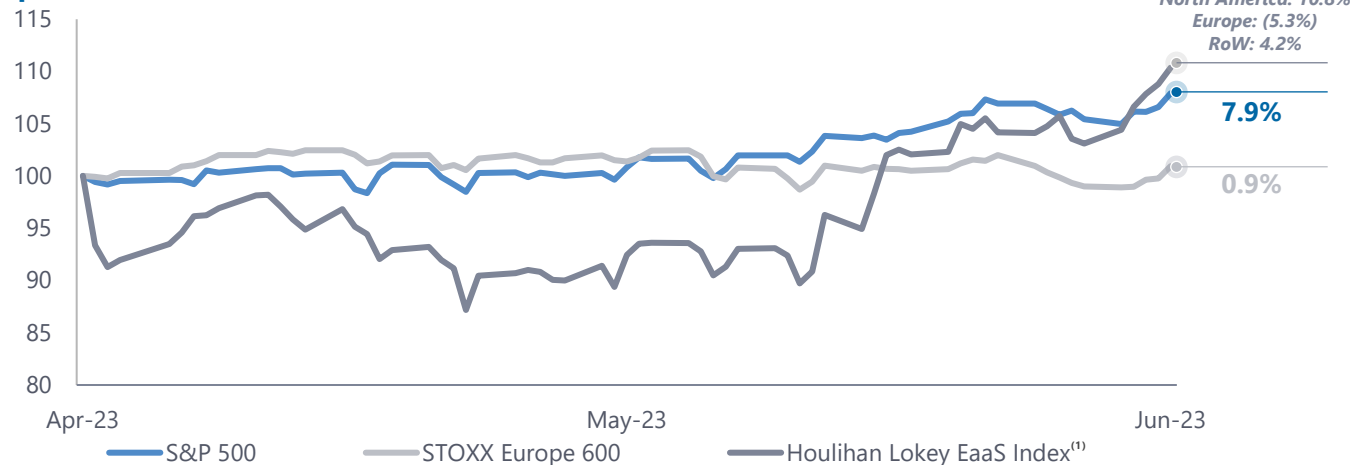
# Q2 Saw Steady Growth Across Market With Strong June Performance From North American EaaS Companies

- The second quarter has seen strong growth as inflation began to cool and the U.S. Federal Reserve kept rates constant in June. The S&P saw an upward trend through the quarter. However, the STOXX has been held back by weak performance in Europe.
- The Houlihan Lokey EaaS Index experienced significant gains throughout June 2023, turning positive in the second quarter after opening with a modest decline. Badger Infrastructure Solutions performed worst, dropping c. 16% in the quarter following weak earnings announcements.
- The winner for this quarter is Triton International—which grew c. 32% over the quarter—potentially due to the April 12 announcement of its acquisition by Brookfield, followed by HSS Hire Group (up c. 29% in the quarter), whose recent performance is likely attributed to its technology-led rental strategy.

### LTM June 2023 Share Price Performance



### April–June 2023 Share Price Performance

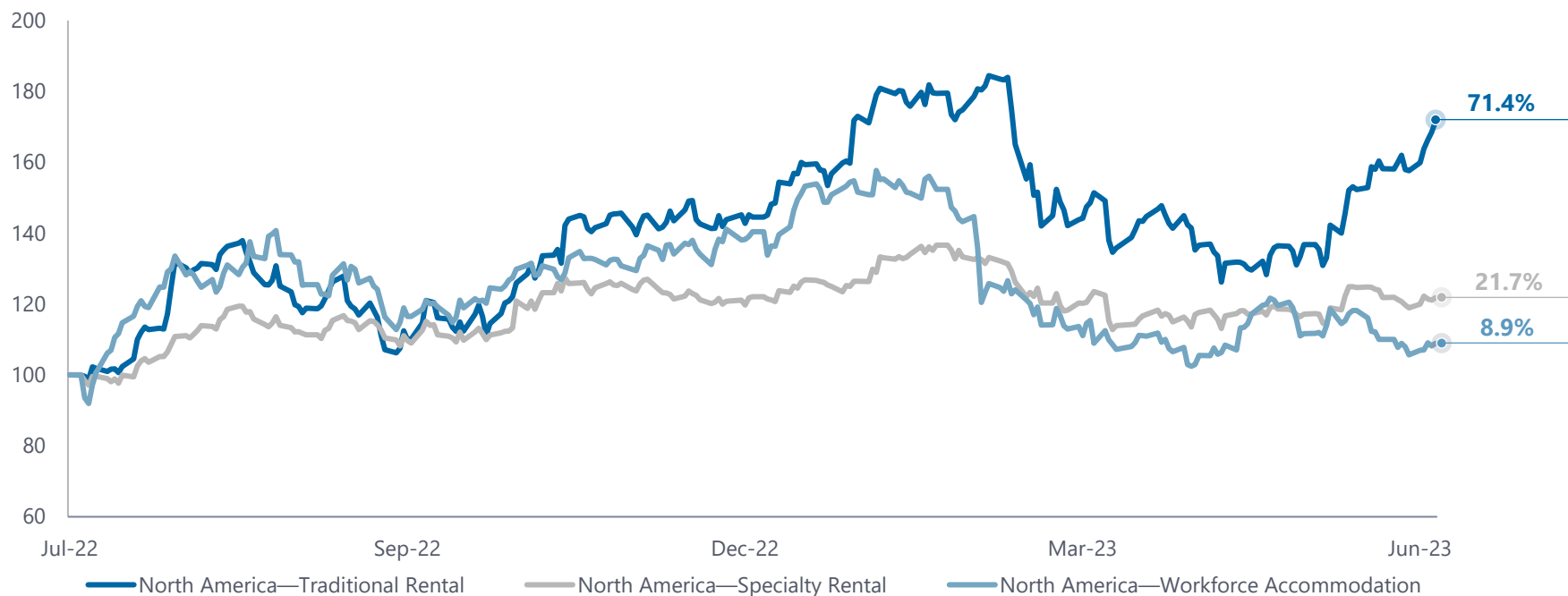


# Equity Market Index Performance

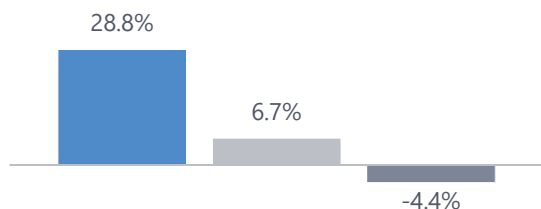
## North American EaaS Subsectors

The Houlihan Lokey North American EaaS Index performance was primarily driven by the traditional rental sector—in particular, United Rentals with an 81.8% increase.

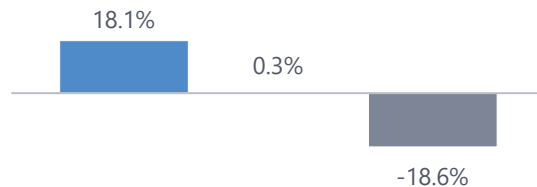
### LTM June 2023 Performance by Subsector



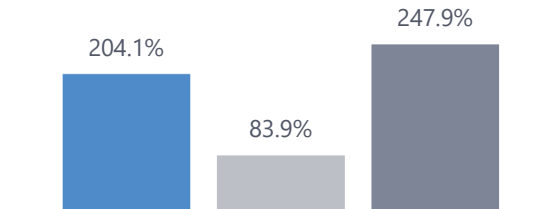
### Past Month Performance



### Past Six Months Performance



### Three-Year Performance



Source: S&P Capital IQ. Data as of June 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.

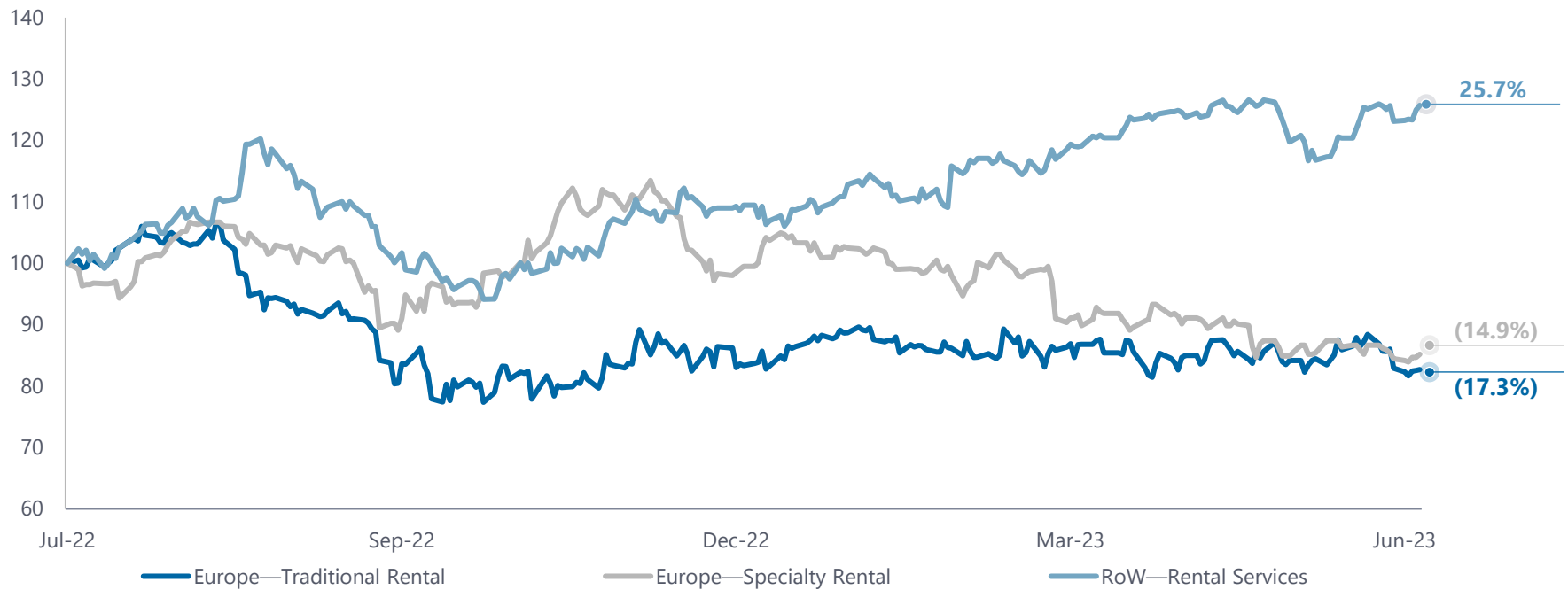
North America Workforce Accommodation Companies: Dexterra Group, Black Diamond, Civeo Corporation, Target Hospitality.

# Equity Market Index Performance

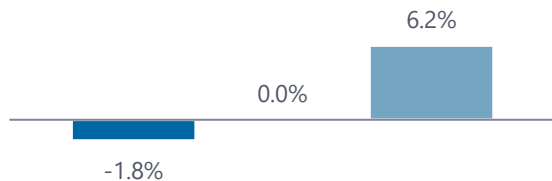
## European EaaS Subsectors

Specialty rental services' only contributor, Touax, saw an 11.6% stock price decrease over the past 12 months.

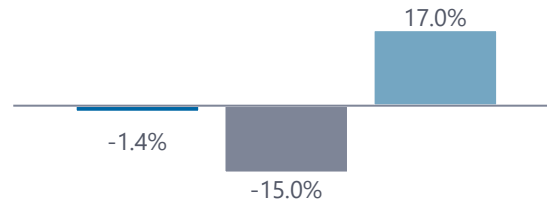
### LTM June 2023 Performance by Subsector



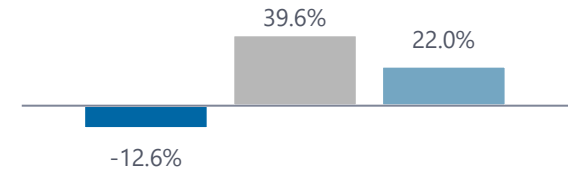
### Past Month Performance



### Past Six Months Performance



### Three-Year Performance



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



## 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, 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.

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 BA in Economics and Commerce from Hampden-Sydney College, where he was a member of the men's football team.

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