

Rouse Services

Appraisals
Sales and Marketing
Analytics





Reconditioning: Know the Value

ALH Conference September 2019



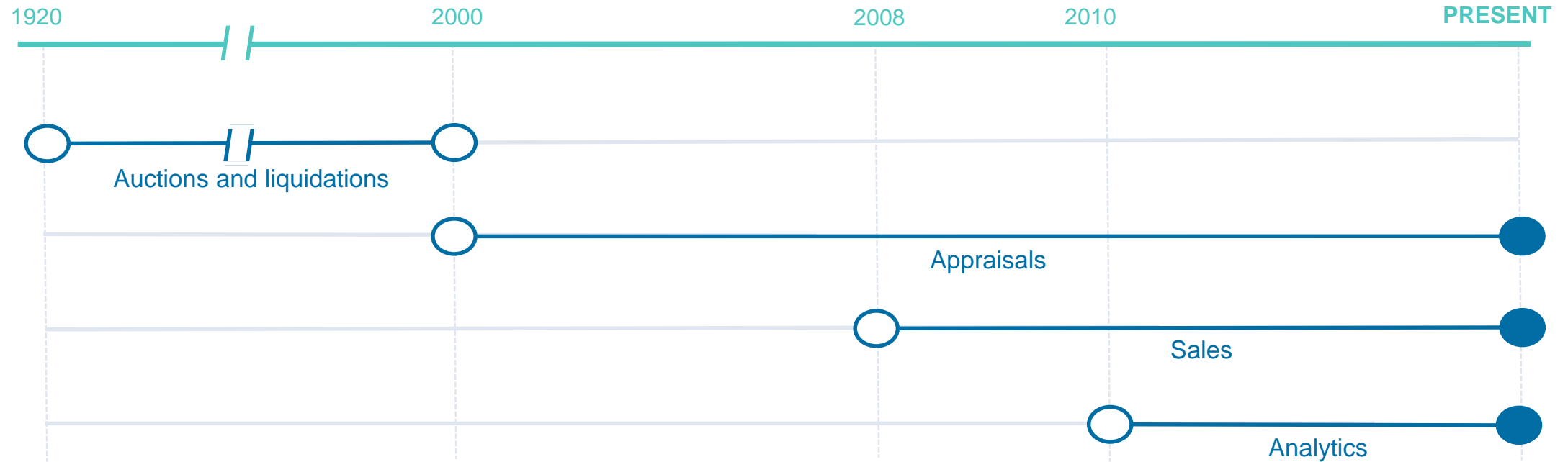
About Rouse

Rouse is the construction equipment industry's leading information services company. We deliver the most accurate and reliable information in the rental and construction industries. Our powerful suite of services includes valuations, used equipment sales support and rental metrics benchmarking. Rouse Services provides the knowledge you need to make more informed business decisions.



| Our History

Rouse was founded in 1920 as an auction and liquidation firm with a focus on construction equipment. Since 2000, Rouse has transitioned to a leading information services company for the construction industry.



Rouse Appraisals

- Industry's only equipment "Bluebook"
- Up-to-date retail and auction and values
- Detailed liquidation studies

Rouse Sales

- Automated valuation tools for optimizing resale decisions
- Digital toolkit for driving retail sales
- Over 30 clients serviced in North America
- Supporting \$1B+ in retail sales each year

Rouse Analytics

- Exclusive source for comprehensive benchmark reporting
- Monthly reporting on pricing and utilization for over 160 rental companies, including over 40 CAT dealers in the US and Canada
- Reporting based on actual billed invoices that can be reviewed at a transaction or product type level





Appraisals



Appraisals in support of Asset-Backed Loans



Used Sales Support



Used equipment sales and marketing support



Rental Analytics



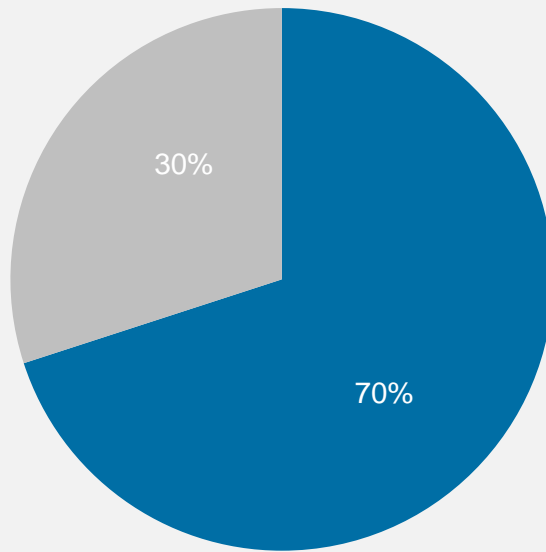
Rental metrics benchmarking (rental rate, utilization)

| Rouse Client Set

Rouse analyzes over \$55 billion of fleet

Share of RER 100*

■ Rouse Clients ■ Others



* 2017 annual rental revenue. Top 100 cutoff is \$12.3M.

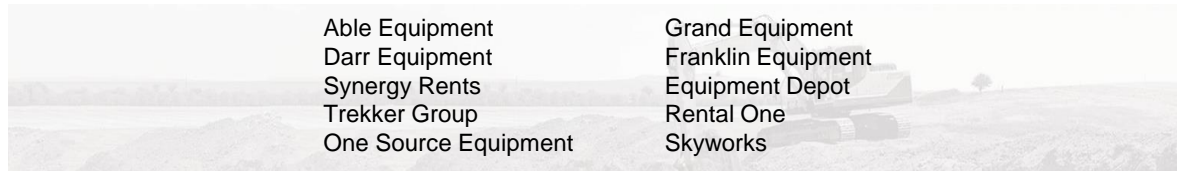
National and Large Regional



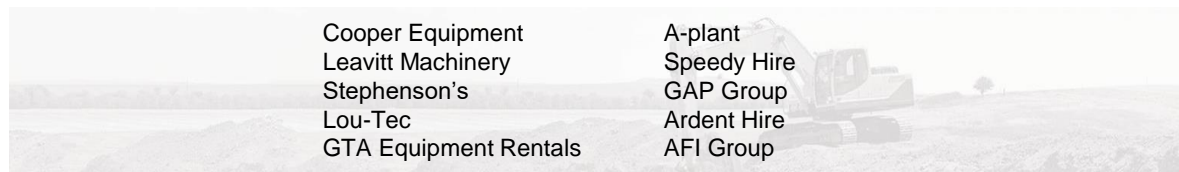
OEM Dealers



Independent and Specialty



Canada and United Kingdom



Rouse Client Set, United States

Over 150 customers and constantly growing

National and Large Regional



Caterpillar (40)

- Alban CAT
- Altorfer CAT
- Blanchard Machinery
- Carolina CAT
- Carter Machinery
- Cashman
- Cleveland Brothers
- Cresco Rentals
- Empire CAT
- Fabick CAT
- Foley Equipment CAT
- Foley Inc. CAT
- Gregory Poole CAT
- Hawthorne CAT
- Holt CAT
- Holt of CA
- HO Penn
- JA Riggs
- Kelly Tractor CAT
- Louisiana Machinery
- MacAllister Machinery
- Milton CAT
- Mustang CAT
- NC Machinery
- NMC CAT
- Ohio CAT
- Patten CAT
- Puckett Machinery
- Quinn Company
- Ring Power
- Stowers CAT
- Thompson Machinery
- Thompson Tractor
- Wagner CAT
- Warren CAT
- Western States
- Whayne Supply CAT
- Wheeler CAT
- Yancey Brothers
- Ziegler CAT

Case/Volvo (12)

- Ascendum Machinery
- ASCO
- Bingham Equipment
- Cowin Equipment
- Groff Tractor & Equipment
- Highway Equipment
- Hugg & Hall Equipment
- Power Equipment
- Titan Machinery
- Vantage Equipment
- Wilson Equipment
- McClung-Logan Equipment Co (Volvo)

Independent and Specialty (54)

- Able Equipment
- Action Rentals
- Admar Supply
- Aggreko
- All Star Equipment Rentals
- All Star Rents
- Asheville Hwy Rental
- Atlantic Aerials
- B&M Equipment
- Best Line Equipment
- Bottom Line Equipment
- Briggs Equipment
- Butler Rental & Sales
- C&E Rentals
- Casale Rent-All
- Champ Rentals
- Chet's Rent-All
- Craneworks
- Contractor's Building Supply
- Duke Company
- Durante Rentals
- Ecco Equipment
- Equipment Depot
- Franklin Equipment
- High Reach 2
- Hull Brothers
- Illini Hi-Reach
- JPS Equipment
- Leavitt Machinery
- Lewistown Rental
- Lift Works
- Mid Country Machinery
- Midway Rentals and Sales
- One Source
- ORE Rentals
- Partner Rentals

Komatsu (10)

- Bramco
- General Equipment & Supplies
- Kirby Smith Machinery
- Komatsu Equipment Company
- Modern Machinery
- Power Motive
- Road Machinery
- Road Machinery & Supplies
- Roland Machinery
- Tractor & Equipment Co.

John Deere (13)

- Beard Equipment
- CL Boyd (Deere)
- Dobbs Equipment (Deere)
- Doggett
- Five Star Equipment
- Flint Equipment
- James River Equipment
- Jesco
- Meade Equipment
- Nortrax
- RDO Equipment
- Stribling
- West Side Tractor
- Yellowhouse Machinery

Other (7)

- Bobcat of St. Louis
- Cisco Equipment (Link-Belt)
- Company Wrench (Kobelco)
- Garden State Bobcat
- Heavy Machines (Liebherr)
- Illinois Truck and Equipment (Kobelco)
- Rexco Equipment



| Rouse Client Set - Canada

Over 20 customers and constantly growing

National and Large Regional



Central Canada(9)

- Broadline Equipment
- Hub Equipment
- Location Ideal
- Lou-Tec
- Nortrax Canada
- Ontario Rental & Supply
- Stephenson's
- Simplex
- Toromont / Battlefield CAT

Western Canada (7)

- Double R Rentals
- EZE Rent-It Centre
- Finning CAT
- GTA Equipment Rentals
- Leavitt Machinery Canada
- Legacy Equipment
- Sabre Rentals

Onboarding (4)

- Aggreko
- Cervus Equipment
- Location Multi-Équipements Inc.
- Toromont / Battlefield CAT (Hewitt Assets)



\$14 Billion

in Sales Transaction Data
Annually

Client Sales Data

\$880M Sales per Month

- Proprietary data from 100+ Clients
- Actual transaction price directly from source



Public Auction Data

\$250M Sales per Month

- Public data from over 1,000 sale events annually (live/online)
- Hammer price at Point of Sale



Reconditioning

A black and white photograph showing a long line of aerial lift trucks parked in an industrial lot. The trucks are arranged diagonally from the foreground towards the background. Each truck has a telescopic boom and a platform at the end. The ground is paved, and industrial buildings are visible in the distance. A semi-transparent blue rectangular box is overlaid on the left side of the image, containing the word 'Reconditioning' in white text. A thin white vertical line is positioned to the left of the text.

What is Reconditioning?

- New tires?
- Fresh coat of paint?
- Fix up problem areas?

Versus

Extensive overhaul for extended life

- Disassembly down to the core
- Replace / rebuild major components
- Boom inspections / repairs
- Fresh paint
- New tires, new hoses
- New / rebuilt engine
- Fully safety testing
- New warranty



What are the benefits?



Cost savings



Extended useful life, rental revenue



Maintenance expense management



Warranties



Value in second-hand markets

Rouse client set

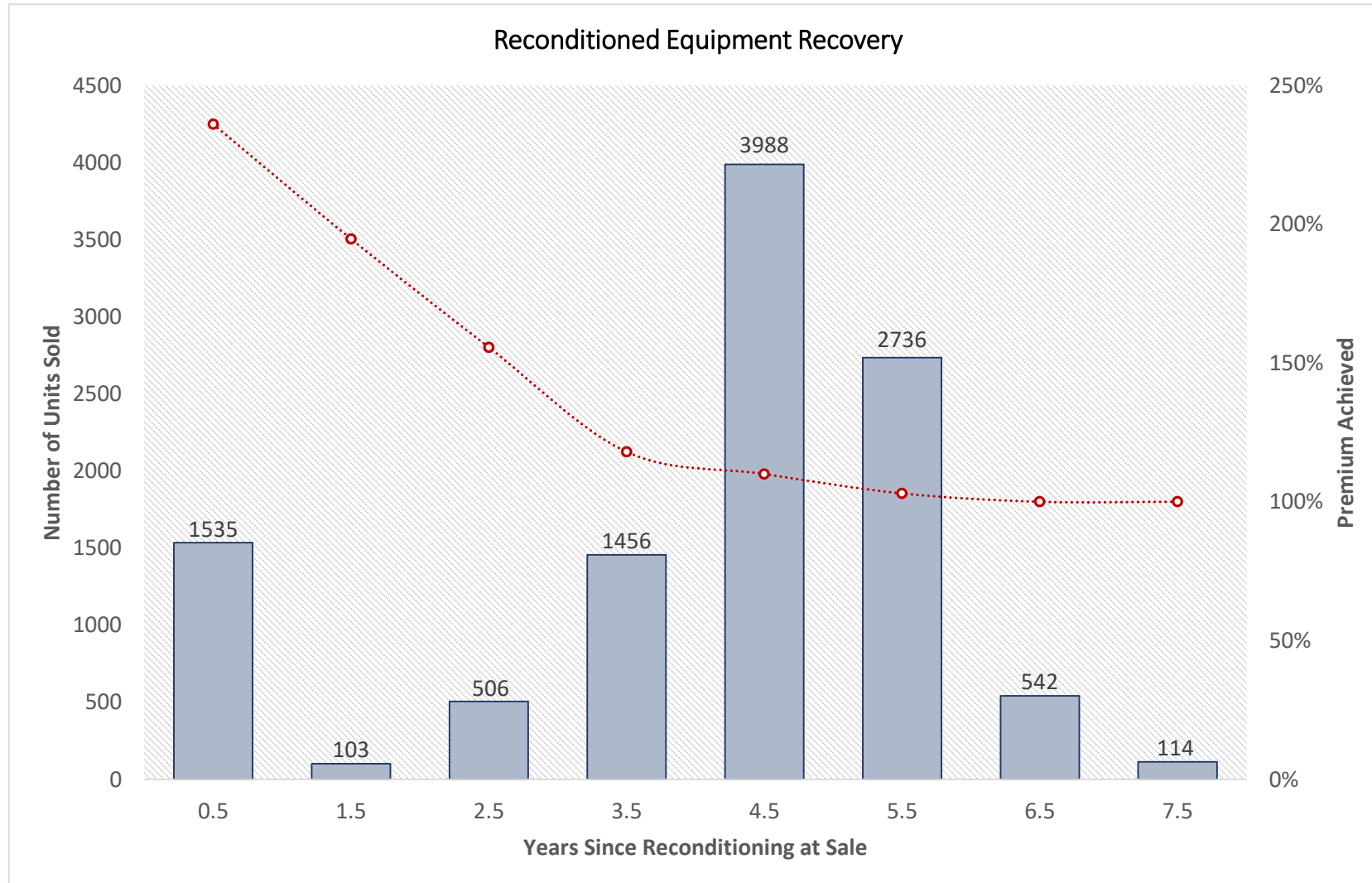
Identified as “reconditioned”

Recondition scope validated by Rouse

Observed sales (retail, auction)

Comparison versus standard units

| Values in Second-hand Markets





Substantial premium initially



Premium erodes in first 3-4 years



Retail channel



Auction channel

Equipment Value Trends

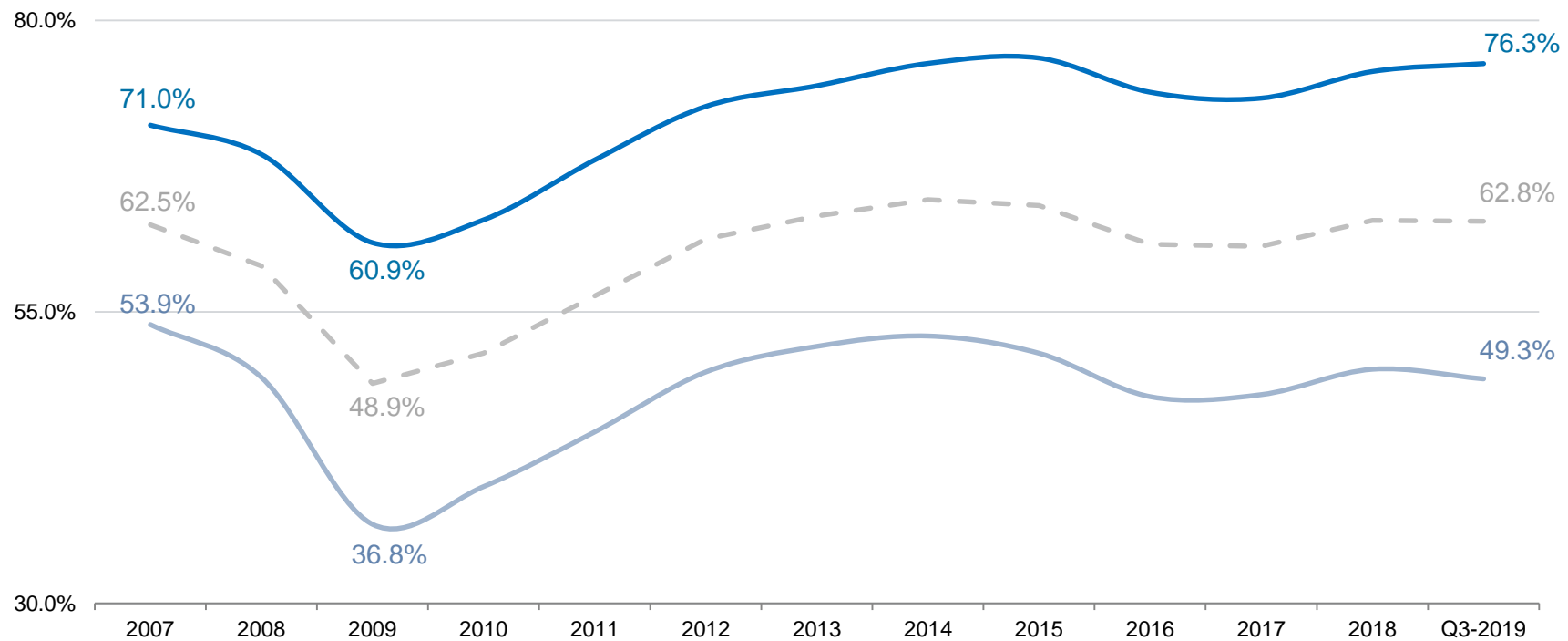


| Value Trends - Historic

Average Appraisal Values as Percentage of Cost Annual
2007 – July 2019

● FMV ● OLV ● FLV

General Construction Equipment

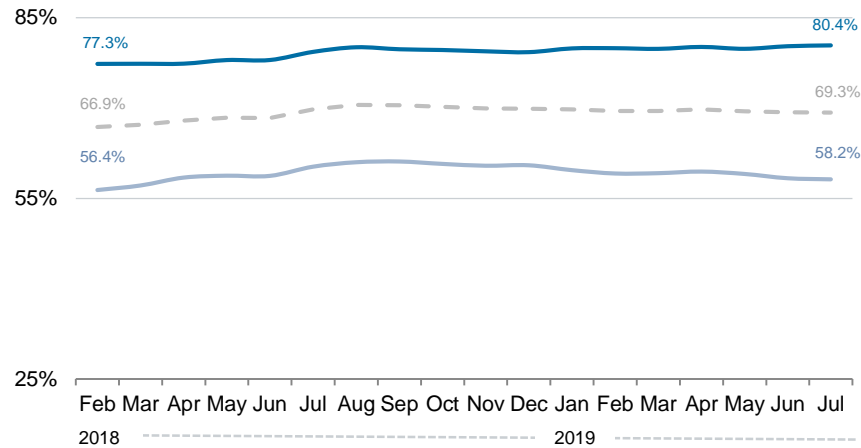


| Value Trends - Current

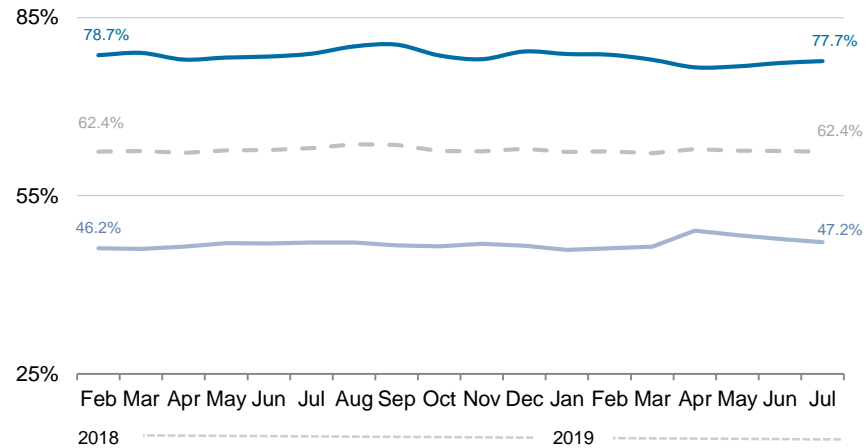
Average Appraisal Values as Percentage of Cost
Monthly February 2018 – July 2019

● FMV ● OLV ● FLV

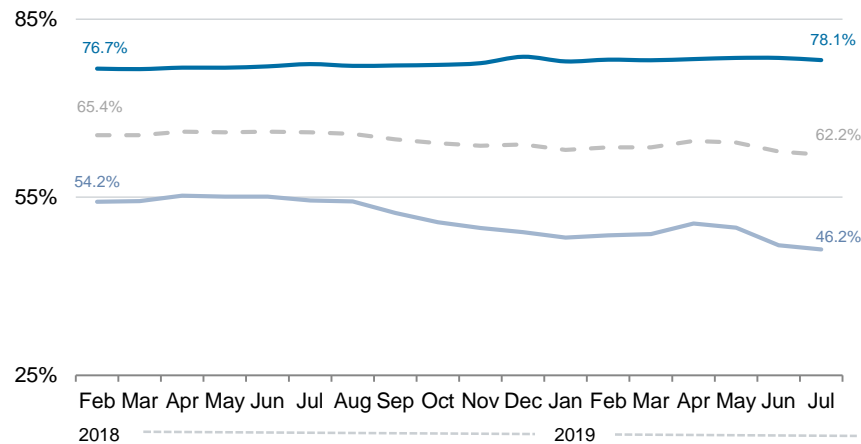
Telehandlers



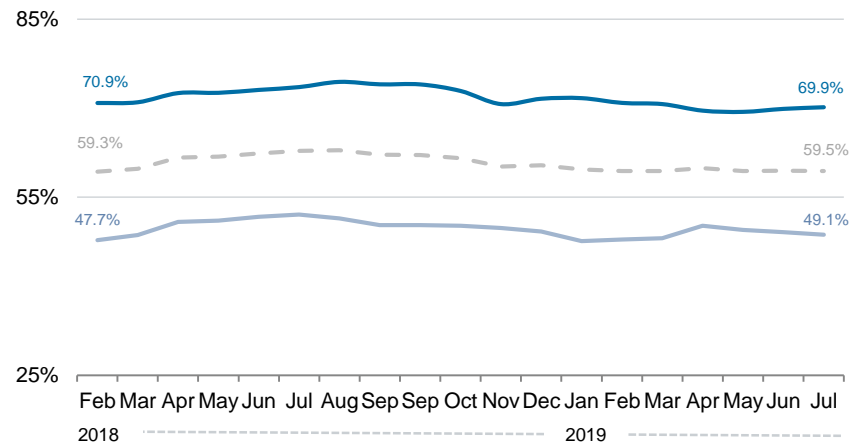
Articulating Booms



Scissor Lifts



Telescopic Booms



| Auction Sales – 2019

Auction Sales by Category Grouping
January 2019 – July 2019

| Category | Units | Sales (\$) | FLV (\$) | (% of FLV) |
|---------------------------------|---------------|--------------------|----------------------|--------------|
| General Construction | 15,232 | 450,548,034 | 464,662,404 | 97.0% |
| Aerial | 2,322 | 23,656,394 | 24,566,206 | 96.3% |
| Scissor Lifts | 1,779 | 8,605,340 | 9,312,812 | 92.4% |
| Articulating Booms | 313 | 7,552,957 | 7,803,757 | 96.8% |
| Telescopic Booms | 230 | 7,498,097 | 7,449,637 | 100.7% |
| Telehandlers | 820 | 35,741,936 | 37,020,049 | 96.5% |
| Small-Medium Earthmoving | 10,076 | 383,600,177 | 395,063,811 | 97.1% |
| Excavators | 3,368 | 152,551,883 | 157,348,015 | 97.0% |
| Wheel Loaders | 890 | 59,155,597 | 62,378,667 | 94.8% |
| Compact Track Loaders | 2,104 | 54,775,367 | 55,158,736 | 99.3% |
| Dozers | 678 | 45,885,250 | 46,837,332 | 98.0% |
| Backhoe Loaders | 1,259 | 38,935,544 | 40,149,146 | 97.0% |
| Skid Steer Loaders | 1,777 | 32,296,536 | 33,191,915 | 97.3% |
| Support | 2,014 | 7,549,527 | 8,012,338 | 94.2% |
| Air Compressors | 553 | 3,906,386 | 4,140,546 | 94.3% |
| Lighting Equipment | 1,160 | 1,943,012 | 2,081,171 | 93.4% |
| Generators | 267 | 1,549,132 | 1,671,388 | 92.7% |
| HVAC | 34 | 150,997 | 119,234 | 126.6% |
| Large Earthmoving | 1,897 | 216,540,055 | 222,944,936 | 97.1% |
| Excavators | 640 | 64,405,201 | 67,788,454 | 95.0% |
| Articulated Trucks | 328 | 53,900,800 | 53,462,654 | 100.8% |
| Dozers | 308 | 39,983,750 | 39,753,413 | 100.6% |
| Wheel Loaders | 431 | 38,130,204 | 40,598,915 | 93.9% |
| Motor Graders | 190 | 20,120,100 | 21,341,500 | 94.3% |
| Forklift Trucks | 476 | 4,684,367 | 5,308,246 | 88.2% |
| Truck Tractors | 4,184 | 104,435,948 | 118,737,952 | 88.0% |
| All Other | 12,562 | 197,961,147 | 207,783,682 | 95.3% |
| Grand Total | 34,351 | 974,169,551 | 1,019,437,220 | 95.6% |

| Retail Sales – 2019

Retail Sales by Category Grouping January 2019 – July 2019

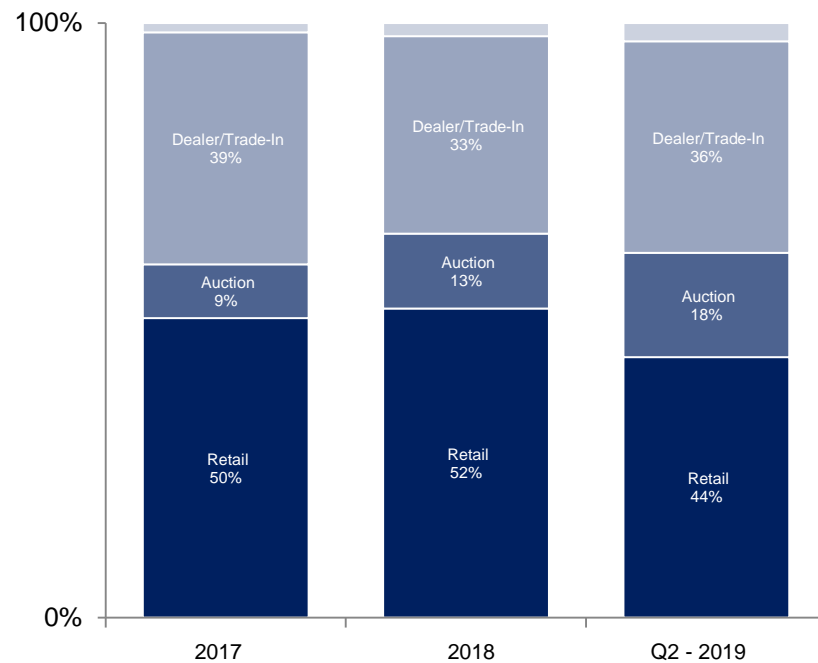
| Category | Units | Sales (\$) | FMV (\$) | (% of FMV) |
|---------------------------------|---------------|----------------------|----------------------|---------------|
| General Construction | 43,369 | 2,196,718,451 | 2,256,685,265 | 97.3% |
| Aerial | 7,879 | 136,863,113 | 140,929,537 | 97.1% |
| Scissor Lifts | 6,327 | 57,708,804 | 59,534,247 | 96.9% |
| Articulating Booms | 807 | 38,008,780 | 39,091,527 | 97.2% |
| Telescopic Booms | 745 | 41,145,530 | 42,303,763 | 97.3% |
| Telehandlers | 2,120 | 164,221,120 | 169,923,585 | 96.6% |
| Small-Medium Earthmoving | 21,754 | 1,778,135,942 | 1,820,532,771 | 97.7% |
| Excavators | 7,443 | 649,268,404 | 664,605,295 | 97.7% |
| Compact Track Loaders | 6,317 | 364,745,690 | 369,940,288 | 98.6% |
| Skid Steer Loaders | 2,422 | 93,543,488 | 94,953,881 | 98.5% |
| Backhoe Loaders | 2,177 | 182,456,030 | 187,052,296 | 97.5% |
| Wheel Loaders | 1,895 | 262,343,757 | 270,972,071 | 96.8% |
| Dozers | 1,500 | 225,778,574 | 233,008,940 | 96.9% |
| Support | 11,616 | 117,498,275 | 125,299,372 | 93.8% |
| HVAC | 3,487 | 7,881,075 | 8,095,207 | 97.4% |
| Generators | 3,388 | 67,796,547 | 72,635,762 | 93.3% |
| Lighting Equipment | 2,946 | 12,060,542 | 13,157,605 | 91.7% |
| Air Compressors | 1,795 | 29,760,112 | 31,410,797 | 94.7% |
| Large Earthmoving | 4,596 | 1,541,902,707 | 1,585,404,499 | 97.3% |
| Wheel Loaders | 1,317 | 459,523,585 | 469,767,128 | 97.8% |
| Excavators | 1,222 | 361,323,939 | 373,947,961 | 96.6% |
| Articulated Trucks | 764 | 269,077,836 | 282,245,978 | 95.3% |
| Motor Graders | 708 | 180,226,235 | 184,736,211 | 97.6% |
| Dozers | 585 | 271,751,111 | 274,707,221 | 98.9% |
| Truck Tractors | 63 | 3,657,745 | 3,544,663 | 103.2% |
| Forklift Trucks | 3,525 | 95,052,299 | 97,018,504 | 98.0% |
| All Other | 48,205 | 1,129,910,615 | 1,156,811,528 | 97.7% |
| Grand Total | 99,758 | 4,967,241,816 | 5,099,464,458 | 97.4% |



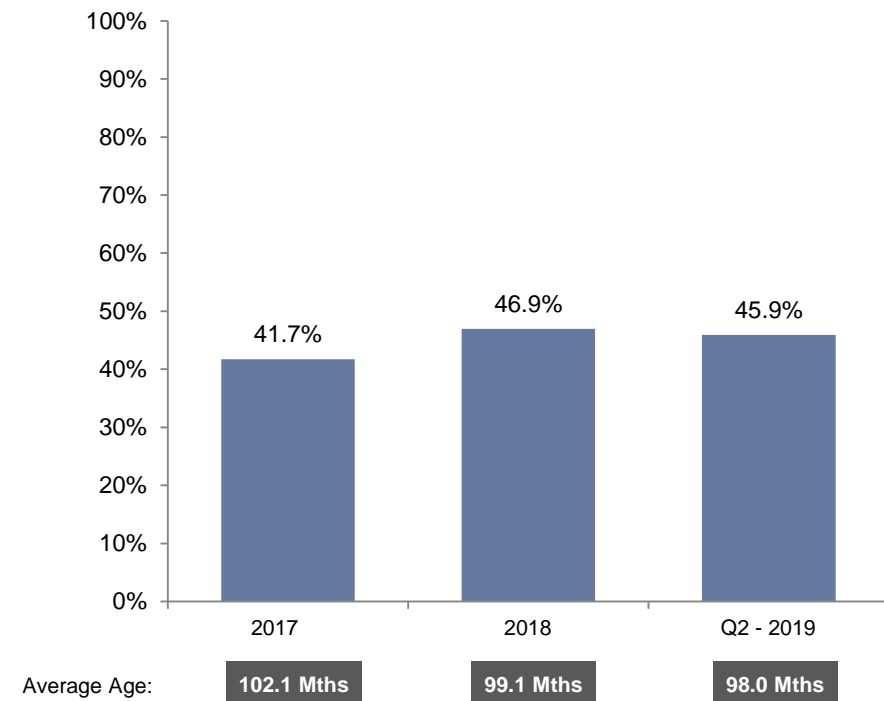
| Aerial Sales

Sales by Channel of Aerial & Telehandlers and Average Age of Sale

Sales by Sales Type (OEC %)



Sales Recovery



| Fleet Age

Industry Average Age By Major Category

| Category | June '19 |
|---------------------|-------------|
| Aerial | 49.5 |
| Articulating Booms | 51.0 |
| Scissor Lifts | 44.2 |
| Telescopic Booms | 51.7 |
| Telehandlers | 42.6 |

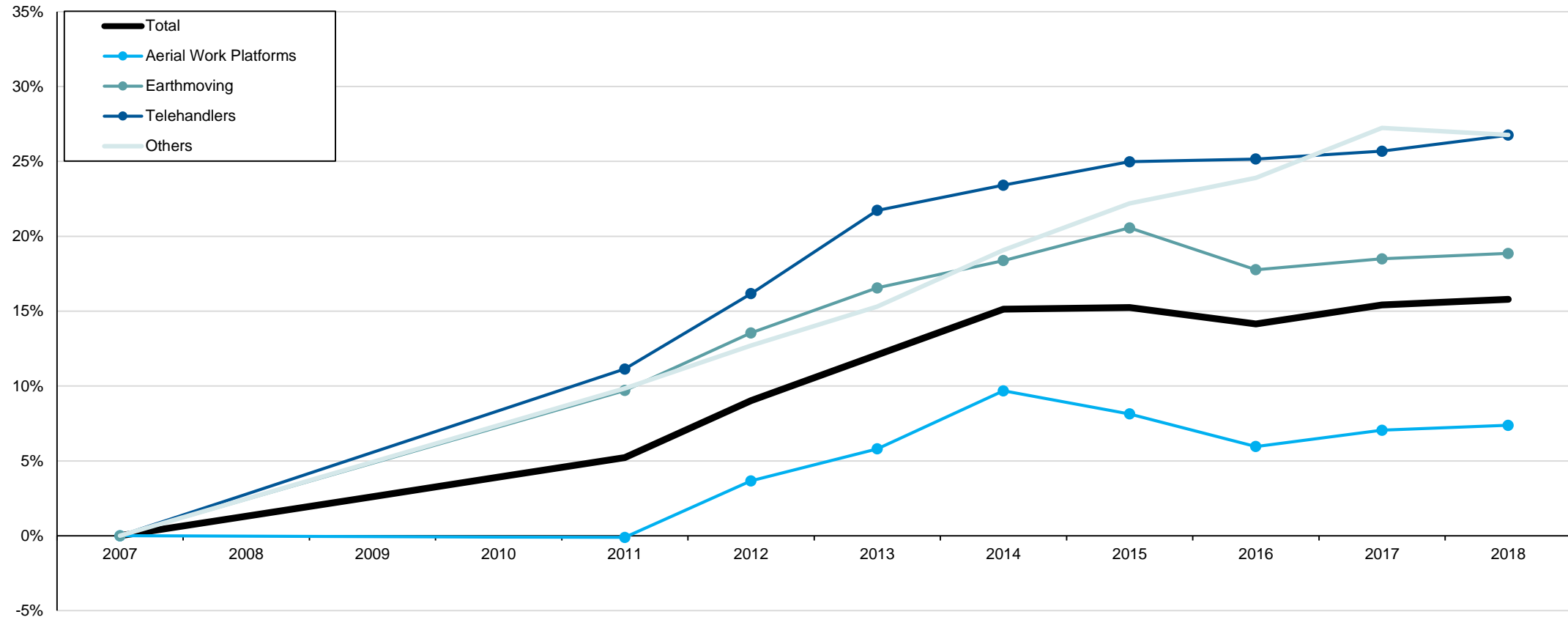
Average Age By Category and Grouping Historically

Industry Average Age Across all Categories Quarterly 2011 – Q2 2019



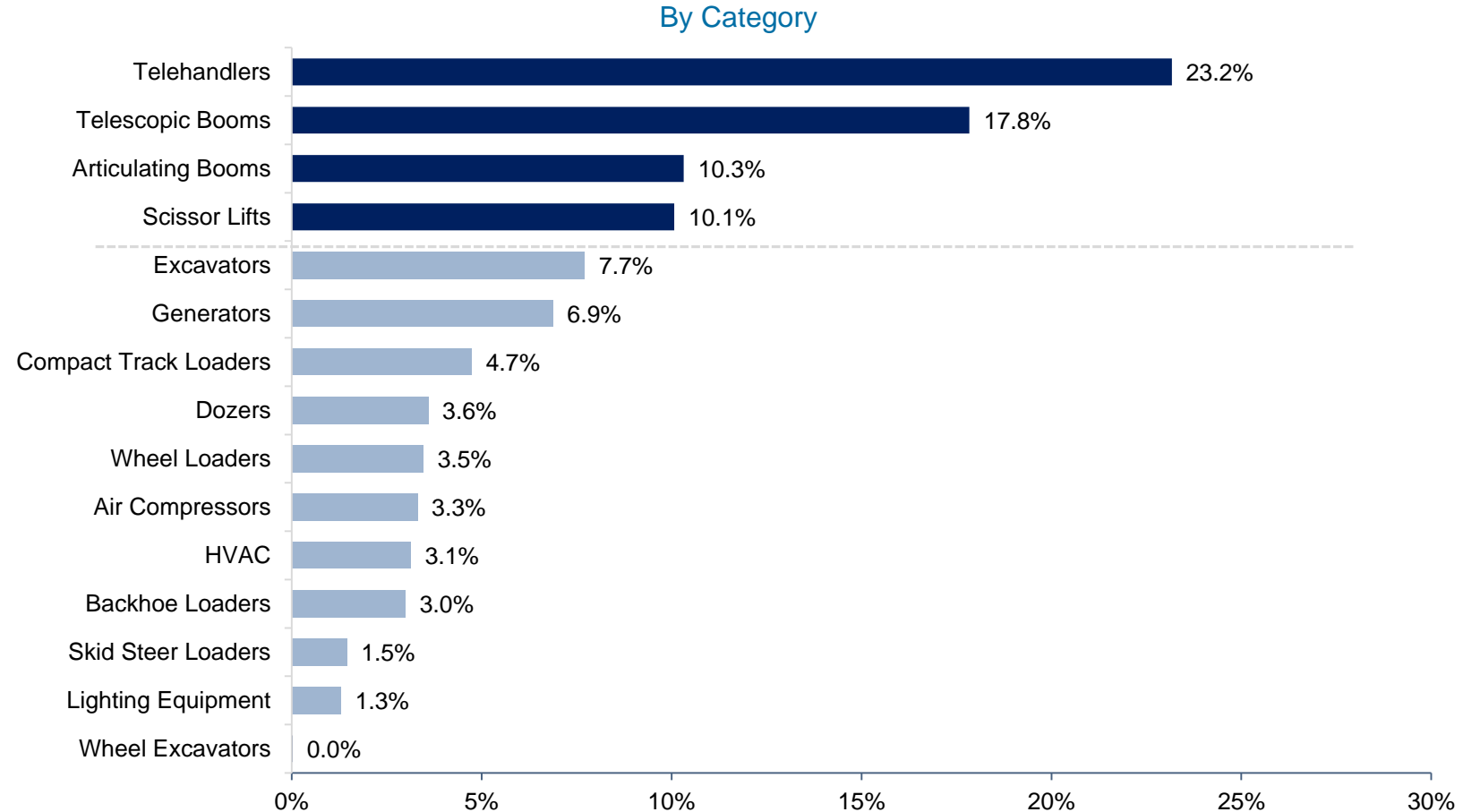
| Purchase Price Inflation

Inflation by General Construction Groupings
Annual 2007 – 2018



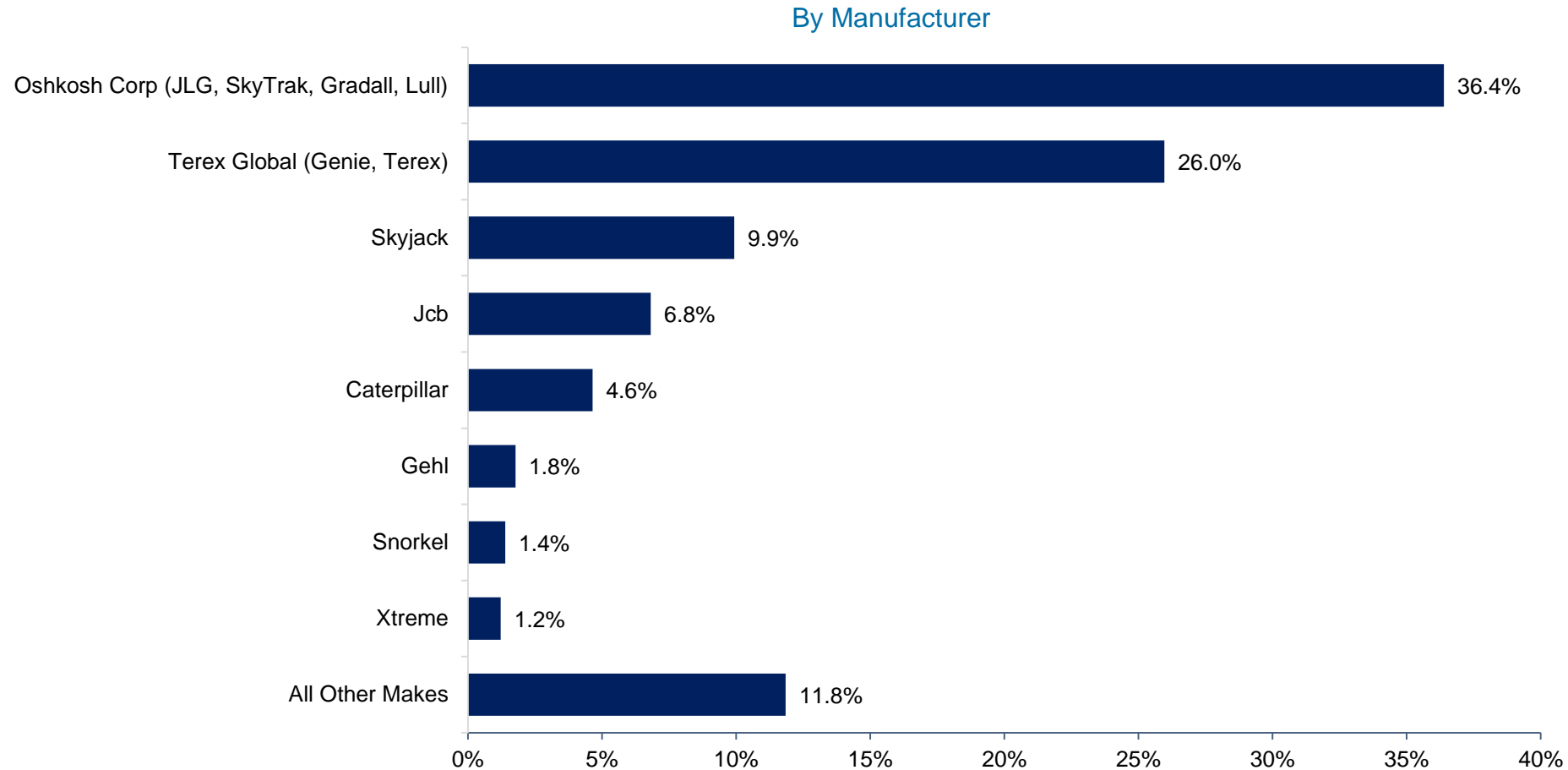
| Fleet Composition by Category

General Construction Fleet Composition
By Category as of Q2 - 2019



| Fleet Composition - Aerial

Aerial and Telehandler Fleet Composition
By Manufacturer as of Q2 - 2019



| Appendix

Glossary

Fair Market Value ("FMV"): A professional opinion of the estimated most probable price expressed in terms of currency to be realized for property in an exchange between a willing buyer and a willing seller, with equity to both, neither being under any compulsion to buy or sell, and both parties fully aware of all relevant facts as of the effective date of the report. Additionally, this value is not discounted for assembling, cleaning, security, advertising, brokerage, or other disposal costs, if any.

Forced Liquidation Value ("FLV" or "AUCTION"): The estimated gross amount expressed in terms of money that the Equipment will typically realize at a properly conducted public auction when the seller is compelled to sell as of a specific date within a 60 to 90 day period. This amount does not account for Equipment make ready costs or transportation of the Equipment to the auction site. All Equipment to be sold piecemeal, "as is where is" with the purchaser being responsible for removal of the assets at purchaser's own risk and expense.

Value Index: Each monthly data point in any given value index represents the average recovery, as a percentage of cost, for ten different model years of equipment ranging from new to nine years old, with each year weighted equally.

Chart Constituents: Each chart represents a composite value index that is equally weighted amongst its respective constituents.

FLV Recovery: The FLV recovery represents the aggregate performance of individual auction sales in any given month measured against the prevailing Rouse FLVs at the time of the sale. For example, an auction sale that took place in the month of July would be compared to the Rouse FLV for the same make-model-year equipment that was effective as of June 30th.

Equipment Index

| Chart | Constituents |
|--------------------------------|--|
| General Construction Equipment | Aerial Telehandlers Light and Medium Earthmoving Support |
| Aerial | Telescopic Booms Articulating Booms Scissor Lifts |
| Telehandlers | Telehandlers |
| Light and Medium Earthmoving | Backhoe Loaders 0-179 HP Dozers 0-74,999 Lb Excavators Skid Steer Loaders 0-189 HP Wheel Loaders Track Loaders |
| Support | Air Compressors Generators HVAC Lighting Equipment |
| Heavy Earthmoving Equipment | 75,000+ Lb Excavators 180+ HP Crawler Dozers 190+ HP Wheel Loaders Articulated Trucks Motor Graders |
| Excavators | 75,000+ Lb Excavators |
| Dozers | 180+ HP Crawler Dozers |
| Wheel Loaders | 190+ HP Wheel Loaders |
| Articulated Trucks | Articulated Trucks |
| Forklift Trucks | Forklift Trucks |
| Truck Tractors | Truck Tractors |



| Closing

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Rouse Appraisals

Rouse Appraisals provides rental companies, construction equipment dealers, and their investors and lenders with the most accurate appraisals and equipment valuation information available. On an annual basis, Rouse Appraisals values approximately \$40 billion of equipment, tracks more than 30,000 unique make / models, and analyzes nearly \$10 billion of retail, auction, and trade-in sales of used equipment.

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Rouse Sales

Rouse Sales helps rental companies and fleet owners optimize their used equipment selling programs. Rouse offers web and mobile solutions for the key components of an effective used equipment sales program, including current Retail and Auction equipment values, customized listings websites, and sales force enablement and quoting tools. Rouse clients sell more than \$2B of used equipment each year using the Rouse Sales platform.

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Rouse Analytics

Rouse Analytics collects nightly information on over \$18 billion in rental invoices per year and over \$43 billion of fleet from more than 100 participating rental companies and dealers and uses this information to provide them with comparisons of their pricing and other key performance metrics to industry benchmarks at a local market level. Metrics used in the Rental Metrics Benchmark Service are calculated according to the American Rental Association's Rental Market Metrics™ standards.

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