



EDGEPOINT

## INDUSTRIALS: EQUIPMENT RENTAL

After a brief pause in M&A activity within the Equipment Rental sector related to the onset of the COVID-19 pandemic, deal activity has increased as economies around the world have started to re-open in recent months. With companies demonstrating a preference to rent equipment as opposed to purchase due to an uncertain outlook and tight CapEx budgets as a result of the pandemic, the equipment rental market is positioned to realize increased end-user demand.

We believe M&A activity within the Equipment Rental sector will continue to demonstrate strength in the second half of 2020 into 2021. Private equity investors looking to deploy capital in new investments are actively seeking out new platforms in the highly fragmented sector in an effort to pursue “roll-up” strategies. Additionally, we believe strategic acquirers will use the recent market volatility as an opportunity to pursue M&A for strategic growth.

## RECENT SELECT TRANSACTIONS

Target	Date	Buyers / Investors	Region	Strategic / Financial
Eighth Day Sound Systems, Inc.	Aug 27	Clair Global	US	Strategic
Defoxx GmbH	Aug 24	DPE Deutsche Private Equity Management	Germany	Financial
Integrity Industrial Equipment Inc.	Aug 4	Kensar Equipment Company, Inc.	US	Strategic
Barrett Equipment, Inc.	Jul 16	Eberhart Capital, LLC	US	Financial
Factory Cleaning Equipment, Inc.	Jun 30	Jon-Don, Inc.	US	Financial Backed Strategic
Cranecorp Australia Pty Ltd	May 14	Viburnum Funds Pty Ltd.	Australia	Financial
The Equipment Source, LLC	May 13	Eberhart Capital, LLC	US	Financial
Street Smart Rental, Inc.	Apr 16	Carlson Private Capital Partners	US	Financial
Takasaki Jimuki Corporation.	Apr 3	Mizuho Capital Partners	Japan	Financial
Lizzy Lift, Inc.	Mar 15	BigRentz, Inc.	US	Financial Backed Strategic
Abrasive Products & Equipment, LLC	Mar 3	Marco Group International, Inc.	US	Financial Backed Strategic
Acces Industrie	Feb 24	Equistone Partners Europe	Europe	Financial
Valco Equipment Ltd.	Feb 18	Leppo Inc.	US	Strategic
Hub Construction Specialties, Inc.	Jan 28	Construction Supply Holdings, LLC	US	Financial Backed Strategic
Allegiance Crane & Equipment, LLC	Jan 15	Centerpoint Properties Trust	US	Financial
Easy Ice LLC	Jan 8	Freeman Spogli Management Co., L.P.	US	Financial
Centrifuges Un-Limited	Jan 8	Linton Investments Limited	Europe	Financial
Pine Environmental Services LLC	Jan 8	ACON Investments, L.L.C.	US	Financial
Progress Rail Equipment Leasing Corporation	Jan 2	Paceline Equity Partners	US	Financial
Acme Operations, LLC	Dec 17	Gateway Bobcat of Missouri, Inc.	US	Financial Backed Strategic
Pumptech AS	Dec 4	Motive Offshore Group Ltd.	Europe	Financial Backed Strategic
Alpha Dumpsters, LLC	Nov 8	Pursuant Capital	US	Financial
Industrial Services of America, Inc.	Nov 4	Resolute Industrial	US	Financial Backed Strategic
Manor Renewable Energy Ltd	Oct 18	CastleMill Equity Partners	Europe	Financial

For more information and insight please contact members of the EdgePoint Industrials team:

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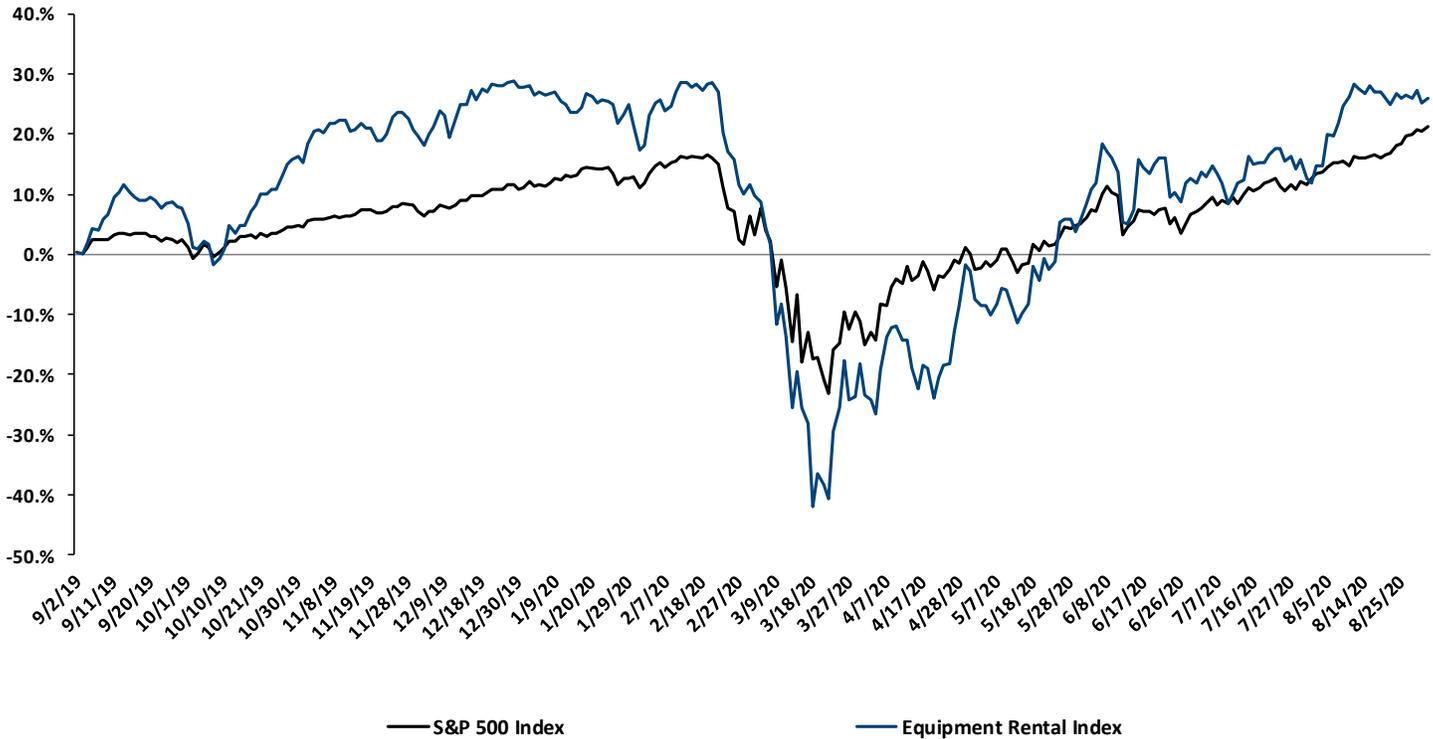
EdgePoint Public Comparable Index Constituents

Equipment Rental Index

Company Name	Enterprise Value (EV)	LTM Margins		EBITDA		EV/EBITDA		Revenue	Revenue Growth		Stock Price	% of 52 Wk High
		Gross	EBITDA	LTM	2020E	LTM	2020E	LTM	LTM	3-Yr. CAGR		
Aggreko Plc	\$1,707	60.3%	34.1%	\$515	\$423	3.1x	4.0x	\$1,512	-9.5%	-2.1%	\$4.77	54.2%
Ashtead Group plc	17,030	95.5%	45.2%	2,283	2,062	7.2x	8.3x	5,054	12.3%	16.6%	26.05	90.5%
GATX Corporation	7,295	61.7%	46.6%	649	662	9.2x	11.0x	1,391	6.3%	0.2%	66.88	77.8%
General Finance Corporation	673	49.3%	26.9%	99	80	6.0x	8.4x	368	-2.0%	10.1%	6.48	57.7%
H&E Equipment Services, Inc.	1,914	36.2%	15.0%	190	389	9.0x	4.9x	1,265	-3.8%	9.4%	20.26	53.5%
Herc Holdings Inc.	3,427	27.4%	15.9%	295	642	10.4x	5.3x	1,852	-7.9%	4.7%	40.95	80.6%
HSS Hire Group plc	212	54.4%	15.9%	68	74	4.1x	2.9x	315	1.6%	-1.4%	0.26	57.9%
McGrath RentCorp	1,870	46.6%	26.6%	157	231	11.9x	8.1x	588	11.8%	10.8%	66.36	79.0%
United Rentals, Inc.	23,746	38.9%	27.5%	2,474	3,772	8.7x	6.3x	9,008	2.0%	14.6%	177.05	94.8%
<b>Mean</b>		<b>52.3%</b>	<b>28.2%</b>	<b>748</b>	<b>926</b>	<b>7.7x</b>	<b>6.6x</b>	<b>2,373</b>	<b>1.2%</b>	<b>7.0%</b>	<b>45.5</b>	<b>71.8%</b>

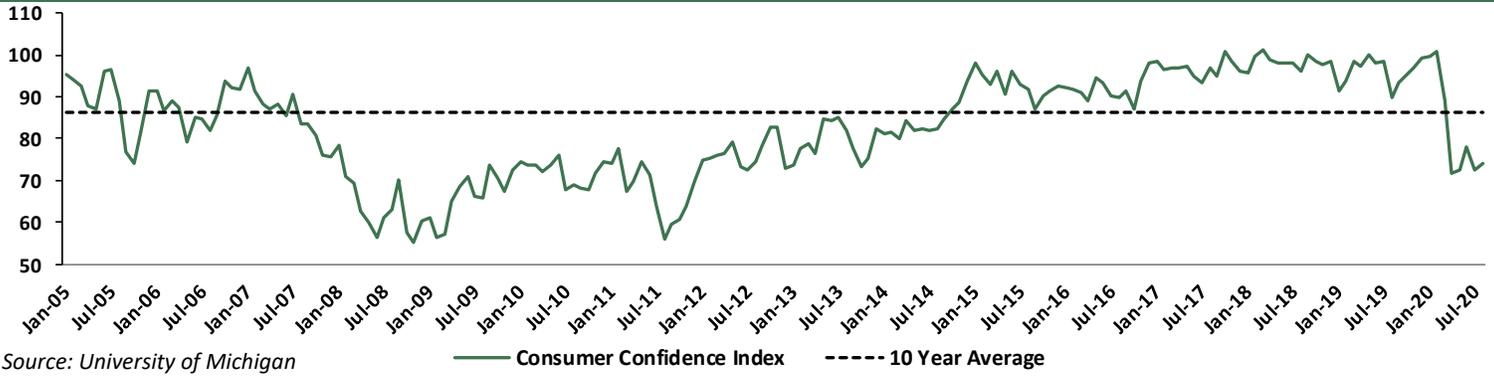
Source: S&P CapIQ (As of August 31, 2020)

Trailing Twelve Months Stock Performance

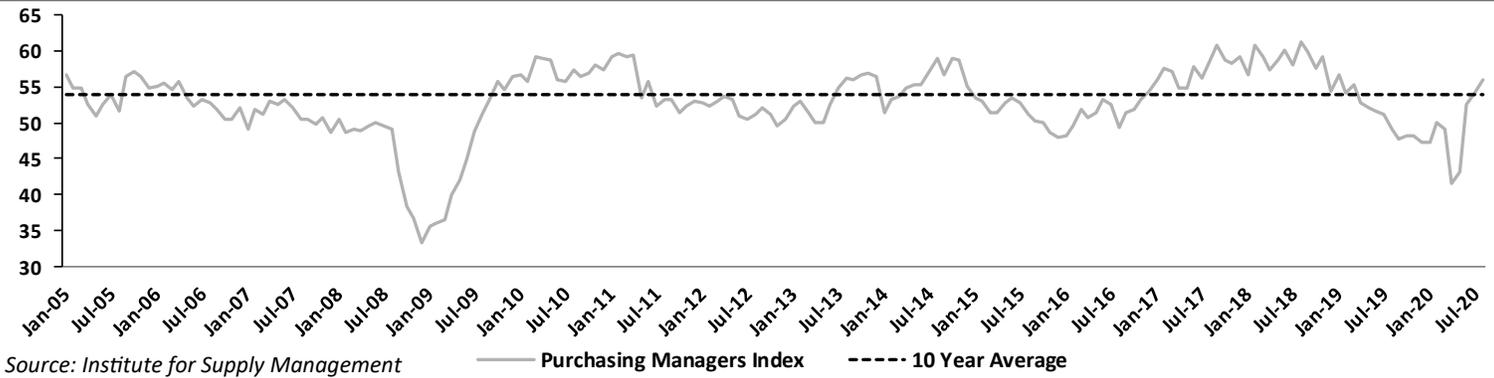


Source: S&P CapIQ (As of August 31, 2020)

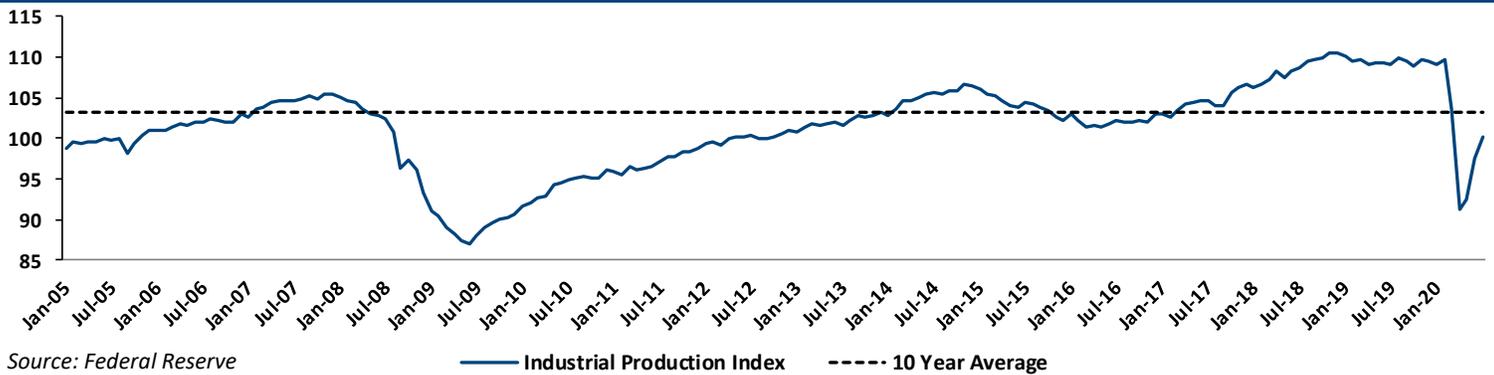
## Consumer Confidence Index (2005 - August 2020)



## Purchasing Managers Index (2005 - August 2020)



## Industrial Production Index (2005 - July 2020)



## U.S. Real GDP Growth (2004 - 2Q 2020)

