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The Changing Structure of The Global Construction Equipment Industry

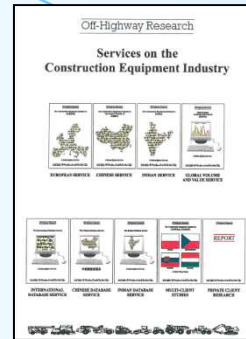


February 2015



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WHO WE ARE



- A Management Consultancy that specialises in the research and analysis of international construction equipment markets.
 - ➡ The largest of its kind in the world.
- Formed in 1981 as part of the Economist Intelligence Unit.
- Management Buy-Out in 1995.
Now privately owned.
- Offices in:
 - London, England
 - New York, USA
 - Tokyo, Japan
 - Beijing, China
 - New Delhi, India
- www.offhighway.co.uk



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Products Included in This Presentation

- Articulated Dump Trucks
- Asphalt Finishers
- Backhoe Loaders
- Compaction Equipment
- Crawler Dozers
- Crawler Excavators
- Crawler Loaders
- Mini Excavators
- Mobile Cranes
- Motor Graders
- Motor Scrapers
- Rigid Dump Trucks
- RTLTs – Masted
- RTLTs – Telescopic
- Skid-Steer Loaders
- Wheeled Excavators
- Wheeled Loaders



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WE ARE FACING A MOST UNCERTAIN FUTURE



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The Road Ahead is Far From Straight and Clear



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Global Overview

- Global Equipment Sales:

➡ 2007: \$112 billion

➡ 2011: \$118 billion

➡ 2014: \$100 billion

➡ 2009: \$64 billion

➡ 2012: \$119 billion

➡ 2015*: \$104 billion

➡ 2010: \$80 billion

➡ 2013: \$100 billion

➡ 2018*: \$119 billion

SALES (\$ BILLION)

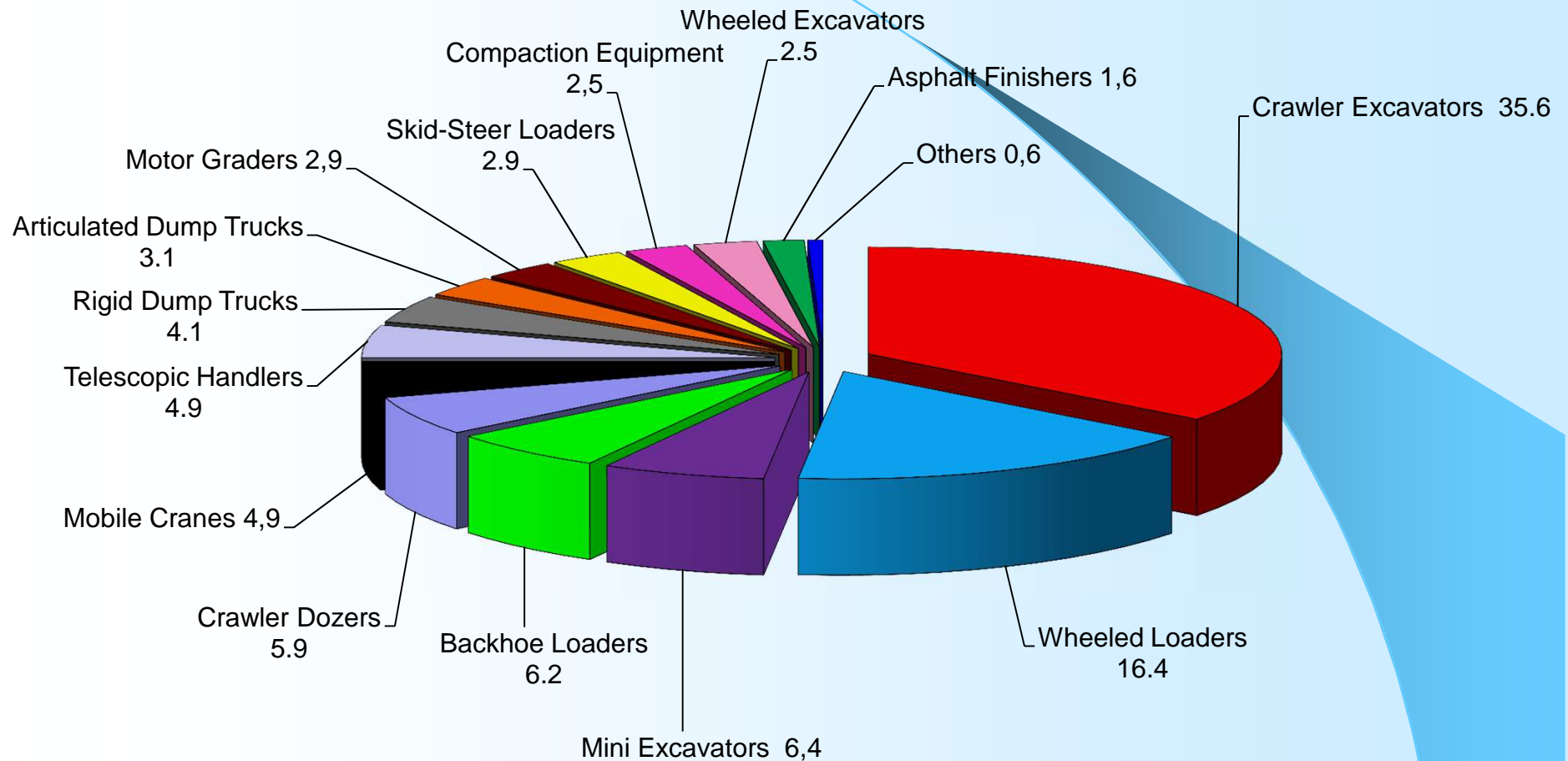
| | <u>2007</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015*</u> | <u>2018*</u> |
|--------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| China | \$14 | \$41 | \$28 | \$23 | \$20 | \$21 | \$21 |
| North America | \$30 | \$22 | \$27 | \$28 | \$30 | \$32 | \$35 |
| Europe | \$24 | \$14 | \$13 | \$13 | \$15 | \$15 | \$15 |
| India | \$3 | \$3 | \$2 | \$2 | \$2 | \$2 | \$3 |
| Japan | \$6 | \$4 | \$5 | \$7 | \$7 | \$6 | \$5 |
| Rest of World | \$35 | \$34 | \$44 | \$27 | \$26 | \$27 | \$40 |
| TOTAL WORLD | \$112 | \$118 | \$119 | \$100 | \$100 | \$104 | \$119 |

*Forecast



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Global Value of Construction Equipment, by Type 2014 (\$ Billion)



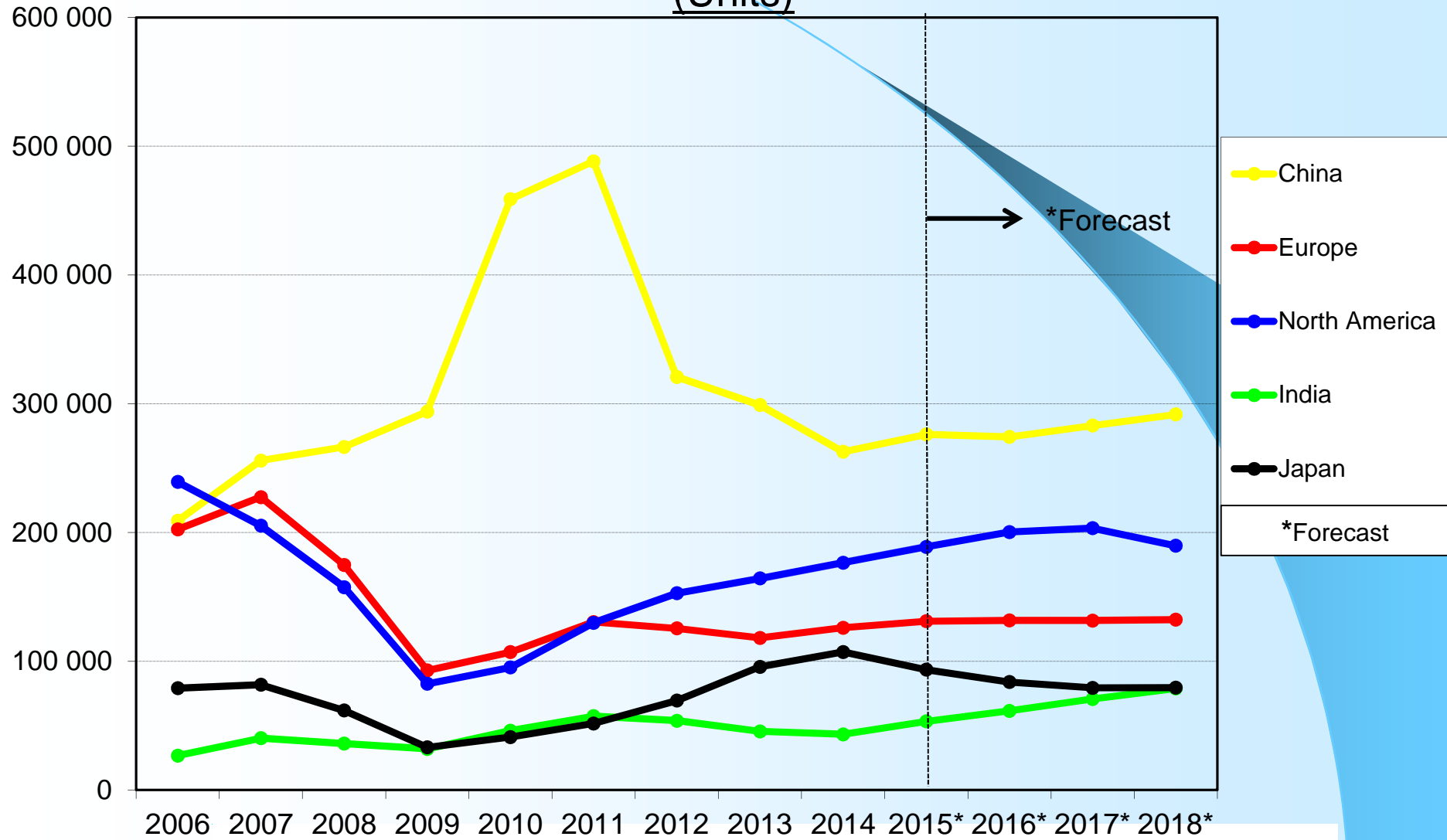
Total: \$99.6 billion



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Key Sales Trends, by Region, 2006-2018*

(Units)



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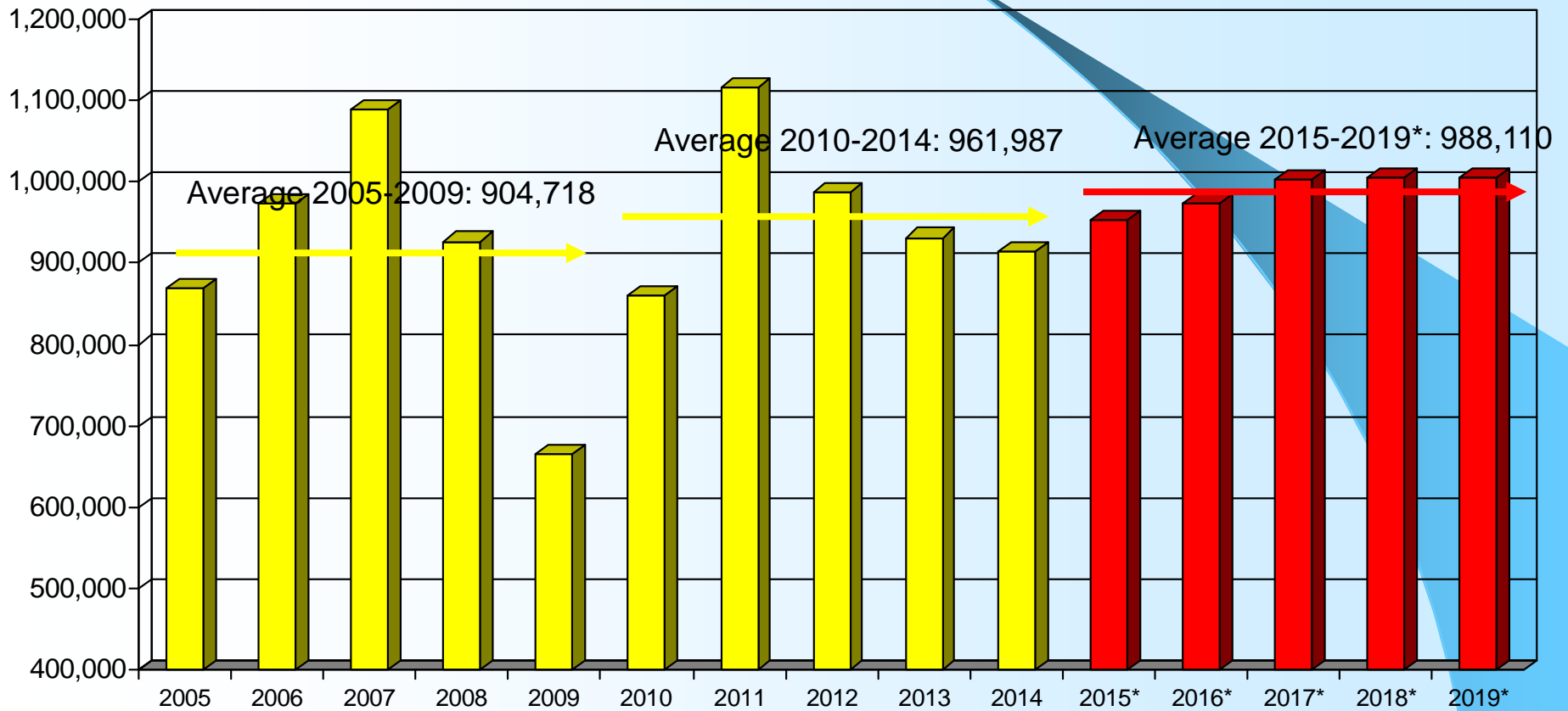


Global Recovery: Slow, and Governments' Help Will be Needed



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Global Sales of Construction Equipment
2005 – 2019*
(Units)



*Forecast

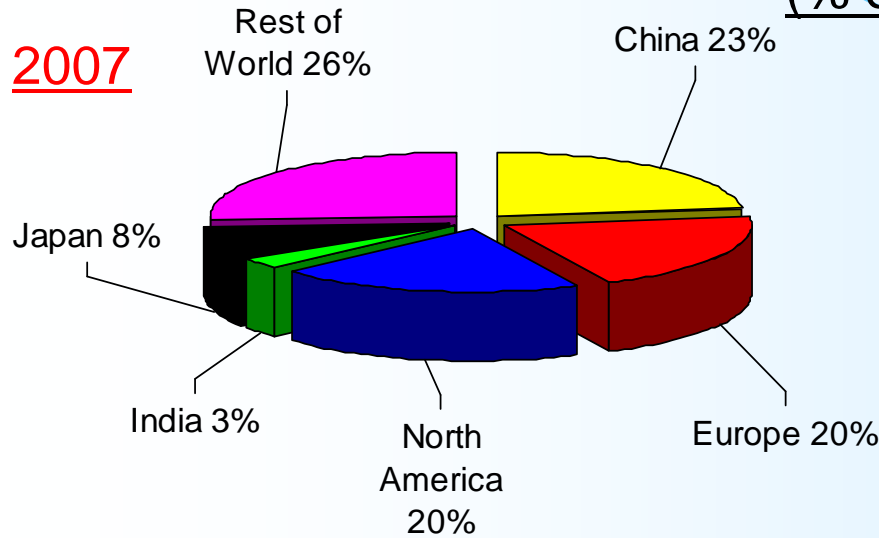


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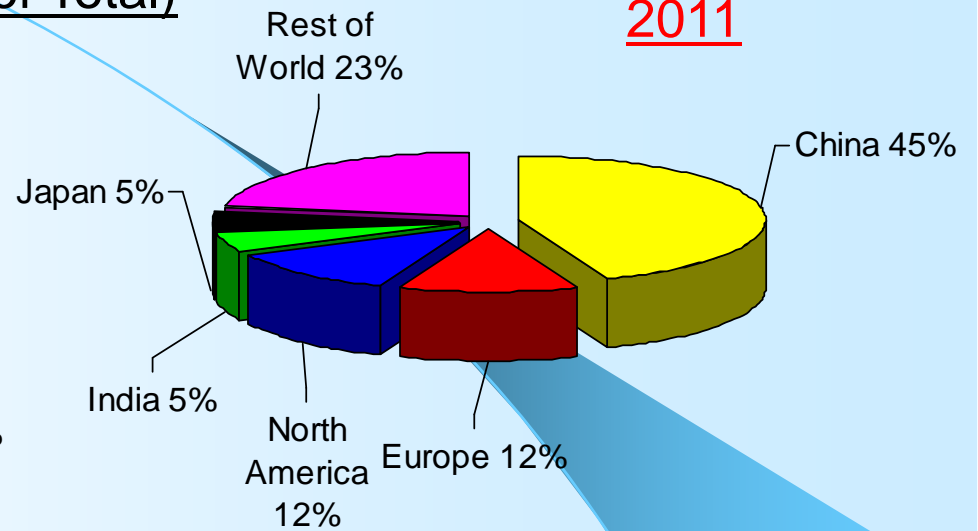
Changing Structure of Demand, 2007-2019*

(% of Total)

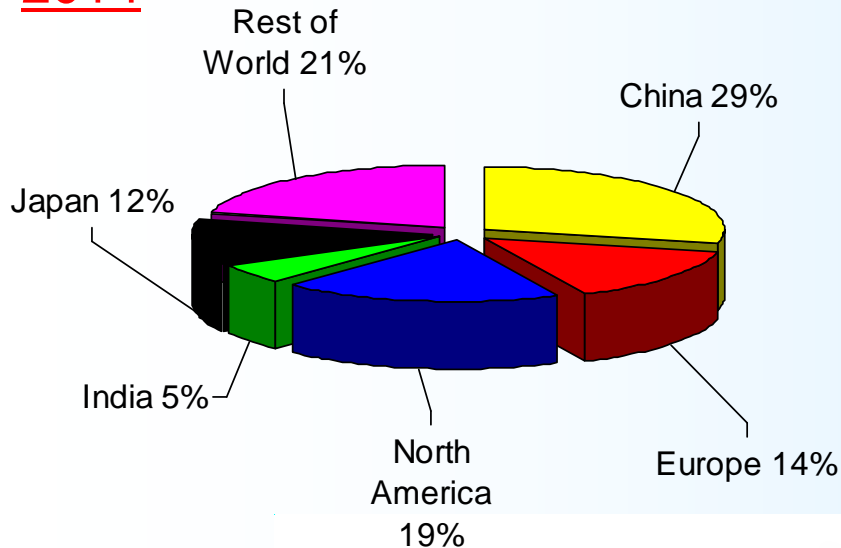
2007



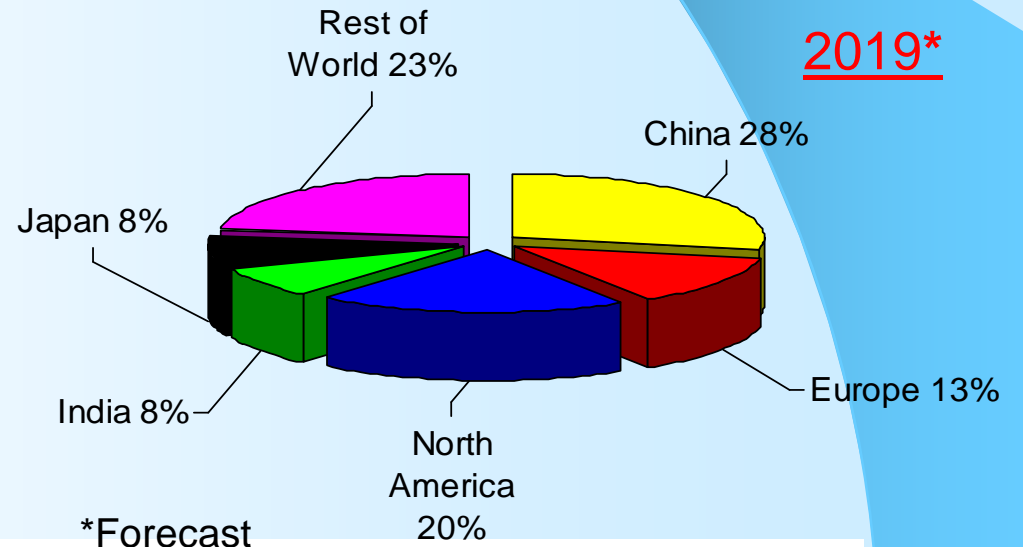
2011



2014



2019*



*Forecast



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Global Summary



Still A Most Uncertain Future



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THANK YOU!



Please do not hesitate to contact the team for help at:

Off-Highway Research

London Office

mail@offhighway.co.uk

Telephone: +44 (0)207 404 1128

Handwritten signature of David C A Phillips.

DAVID C A PHILLIPS

Managing Director

