

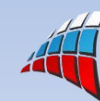


The future of development of Russian AWP market

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Regional Managing Director FORTRENT

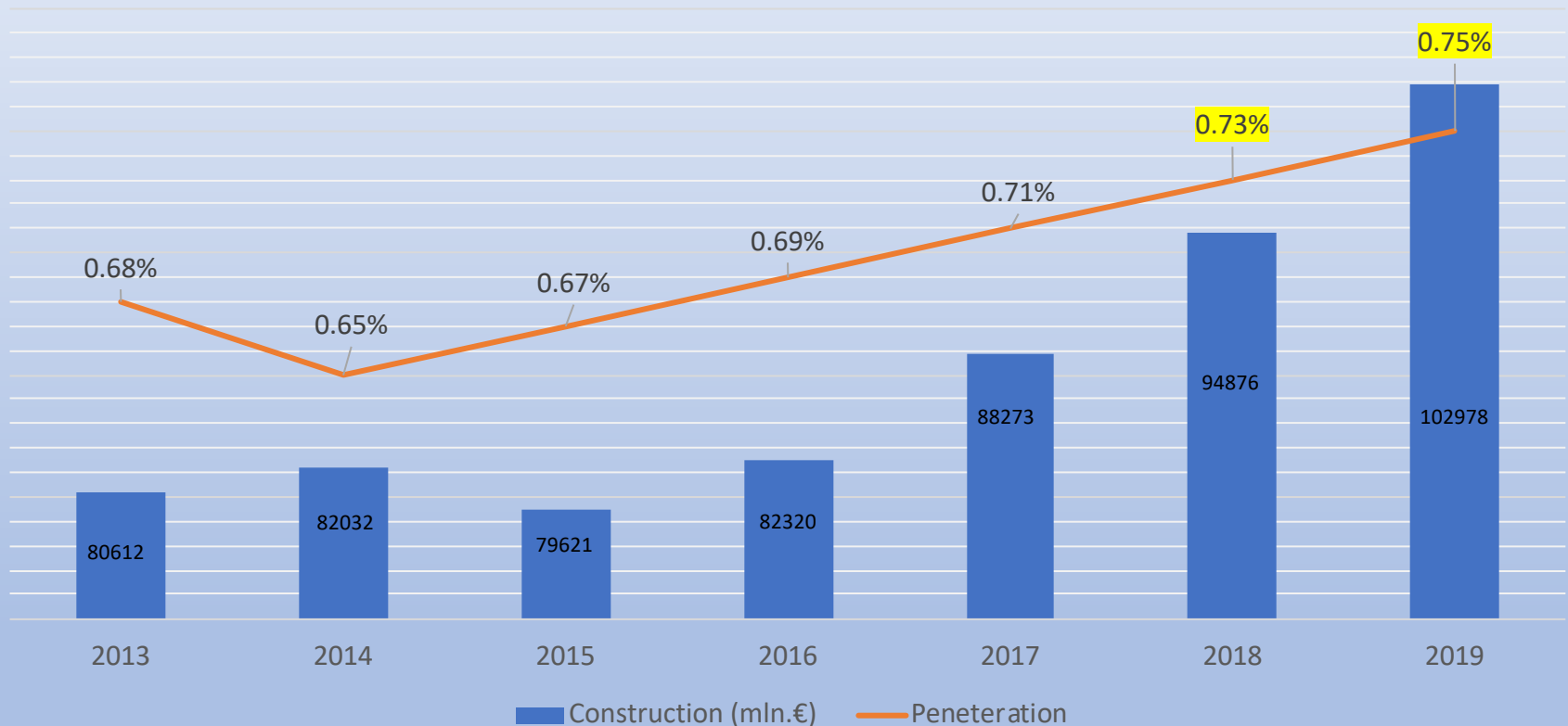
President of the National Rental Association (Russia)



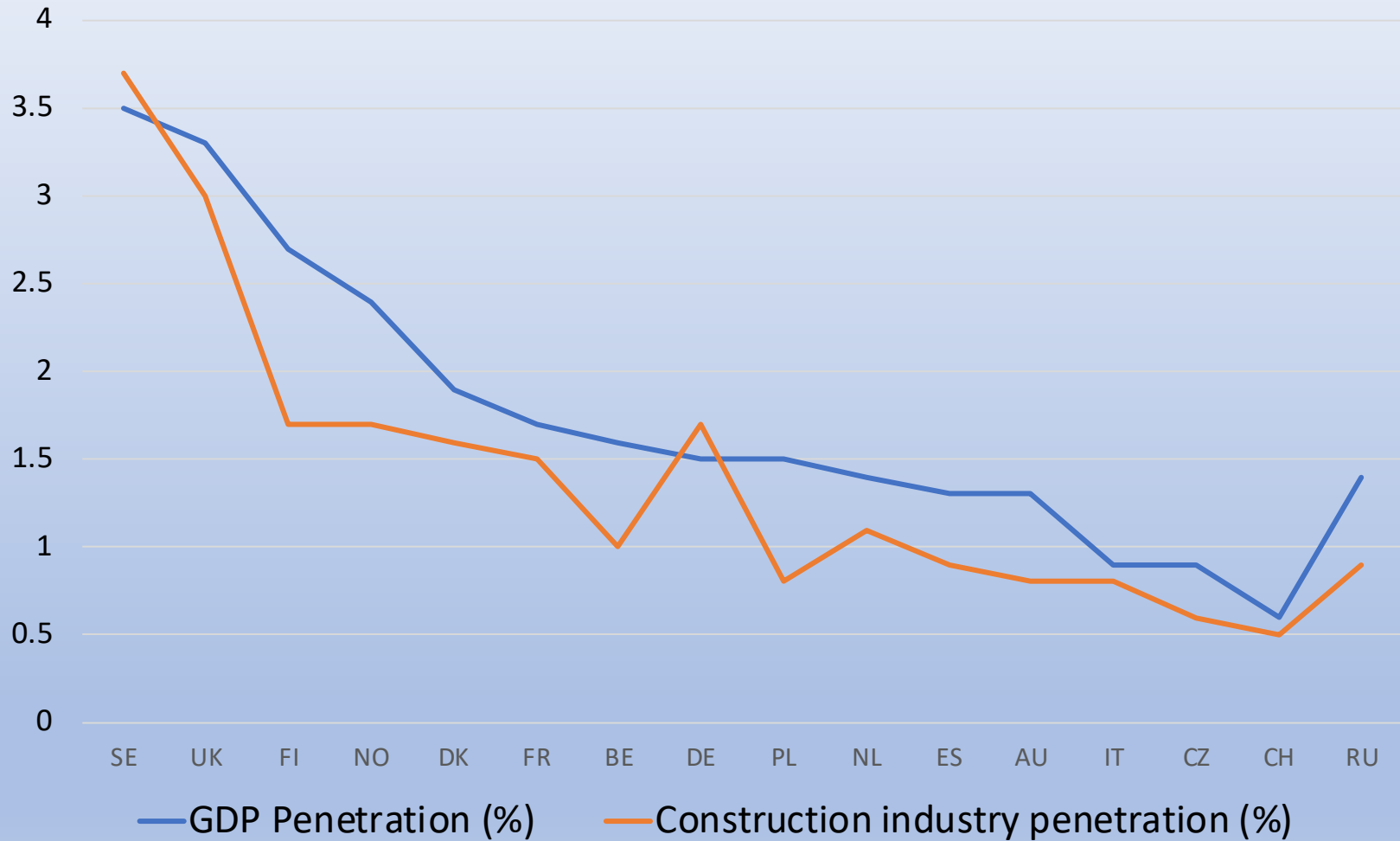
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Volume of construction and rental penetration in Russia



Penetration rates 2017



Classification of rental companies

- General rental companies
- Specialized rental companies
- Rental departments of construction companies
- Rental departments of leasing companies
- Dealers of equipment producers
- Small rental companies dealing with light equipment and privates

All Rental companies can be divided into 2 types:

- for which rent is the main activity «Rent to Rent»;
- for which rent is a tool to promote sales «Rent to Sell».

The most common are specialized companies in Russia

It is a widespread principle – «Rent to Sell»

Russian AWP market

- First single AWPs appeared in Russia in early 1990's
- AWP market started to develop seriously only since 2002-2003
- 2002-2008 were the years of fast development of the market with growth index of up to 25-30% per year
- European part of Russia - "cold" rent
- East of Russia, beyond the Ural mountains – operated rent
- AWP share – 40% in total rental market volume

Russian AWP Fleet Size Dynamics



AWP fleet in Russia and in Europe

RUSSIA	EUROPE
AWP (PCs) – 10 000	AWP (PCs) – 300 000
The number of AWP to the area $\frac{1 \text{ PC}}{2000 \text{ km}^2}$	The number of AWP to the area – $\frac{1 \text{ PC}}{333 \text{ km}^2}$
The number of AWP to the population $\frac{1 \text{ PC}}{17\,000 \text{ (ppl)}}$	The number of AWP to the population $\frac{1 \text{ PC}}{2500 \text{ (ppl)}}$

Time utilization

Specialized rental companies – 80%

General rental companies – 70 %

Rental distribution according to federal districts

Federal District	Volume rental (%)
Central Federal District	25,6 %
North-Western Federal District	23,0 %
South Federal District	4,5 %
Volga Federal District	17,2 %
Uralian Federal District	15,7 %
Siberian Federal District	3,4 %
Far-Eastern Federal District	10,6 %

Import of AWP in Russia

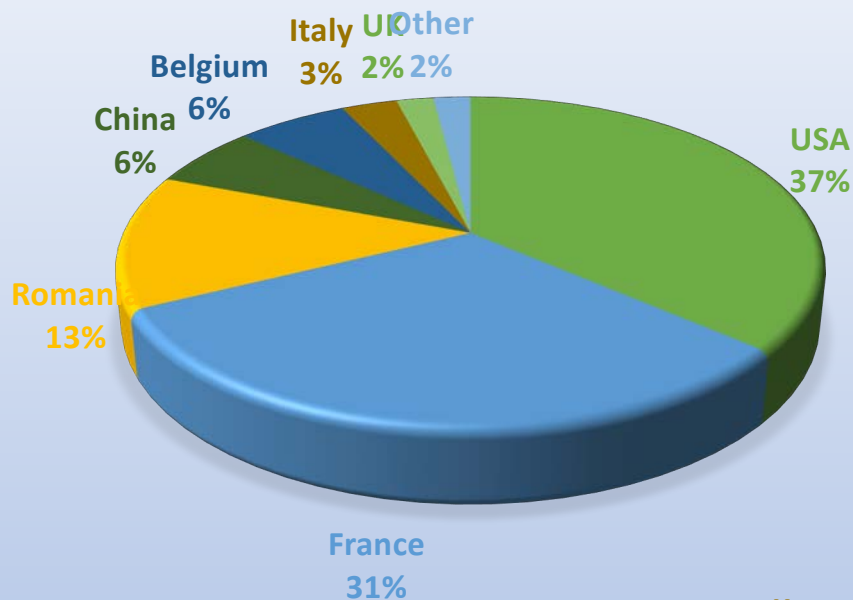
2017		2018		2019 (1-2 Q)	
Manufacturer	Market share, %, euro	Manufacturer	Market share, %, euro	Manufacturer	Market share, %, euro
JLG INDUSTRIES INC.	40,92%	HAULOTTE GROUP	47,58%	HAULOTTE GROUP	67,17%
HAULOTTE GROUP	36,72%	JLG INDUSTRIES, INC.	35,90%	JLG INDUSTRIES INC.	11,47%
TEREX CORPORATION	9,05%	TEREX CORPORATION	5,58%	XCMG CONSTRUCTION MACHINERY CO., LTD	3,48%
GENIE INDUSTRIES	1,82%	MANITOU BF	1,93%	TEREX GLOBAL GMBH	3,00%
NIFTYLIFT LTD	1,76%	DINOLIFT OY	1,53%	HUNAN SINOBOM HEAVY INDUSTRY CO., LTD., KHP	2,18%
OTHER	9,73%	OTHER	7,48%	OTHER	12,7%
TOTAL	100%	TOTAL	100%	TOTAL	100%

Import of AWP in Russia

2017		2018		2019 (1-2 Q)	
Manufacturer	Quantity, PCs	Manufacturer	Quantity, PCs	Manufacturer	Quantity, PCs
HAULOTTE GROUP	629	HAULOTTE GROUP	954	HAULOTTE GROUP	289
JLG INDUSTRIES INC.	437	JLG INDUSTRIES, INC.	334	NIULI MACHINERY MANUFACTURE CO.,LTD	55
NIULI MACHINERY MANUFACTURE CO. , LTD	179	NIULI MACHINERY MANUFACTURE CO.,LTD	233	HANGZHOU XISHUI TRADING INC	45
TEREX CORPORATION	85	HANGZHOU XISHUI TRADING INC	123	JLG INDUSTRIES INC.	30
HANGZHOU XISHUI TRADING INC	85	TEREX CORPORATION	100	SUZHOU RE-LIFT EQUIPMENT CO.,LTD	22
OTHER	268	OTHER	286	OTHER	178
TOTAL	1 683	TOTAL	2 030	TOTAL	619

Import of AWP in Russia

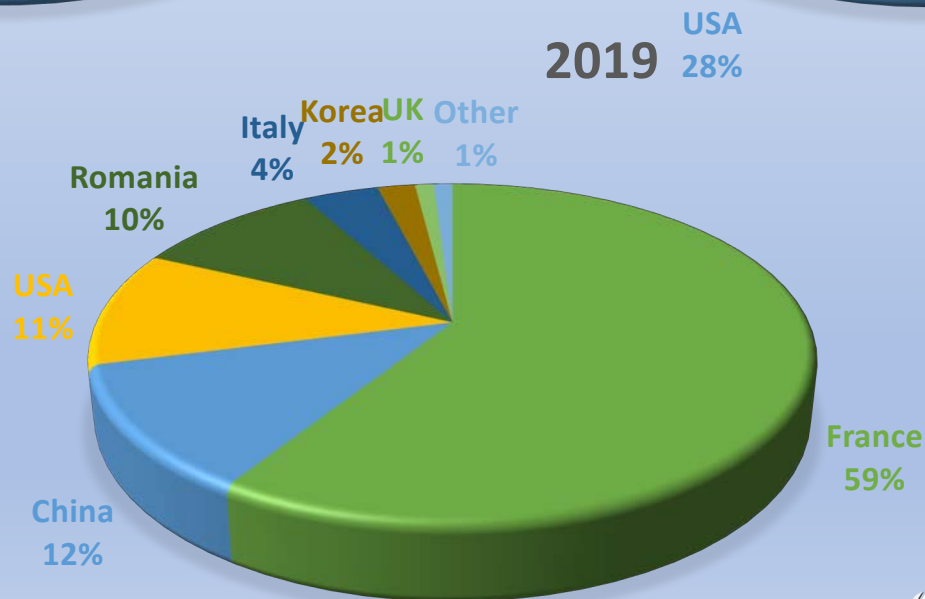
2017



2018



2019



Russian AWP fleet

Company	Fleet size in Russia, approx.	Depots in Russia	General/Specialized (G/S)	Comments
Pekkaniska	3000	11	S	full range
Fortrent	1000	17	G	full range
Forward Up	650	11	S	mainly local production scissors
Vertex	240	3	S	Mainly articulated\ telescopic boom > 18m
Others (<200 machines) altogether	≈6000		G/S	
TOTAL	≈10000			

Manufacturers of AWP fleet shares

- Haulotte – about 70% of total fleet
- JLG – about 15%
- Genie – about 10%
- Others – 5% (Manitou, Niftylift, SkyJack, Dino, UpRight, Iteco)

Problems of rental business in Russia

- Changes in customs regulation without consultation with market participants and without advance notice
- Change of customs code
- Recycling tax
- The introduction of the recycling tax increased retail prices for self-propelled lifts from 5% to 25%
- Duties on American products 30%
- VAT increase from 18% to 20%
- The weakening of the ruble against the dollar and the Euro and its constant volatility
- Registration of AWP in State Technical Authority
- Rental company = construction company (mandatory registration of ООО)

Production AWP in Russia

- AWP market is mainly presented by truck mounted platforms, first plants appeared after the second world war in the Soviet Union
- In Russia there are dozens of plants producing aerial platforms on chassis of Russian trucks - KAMAZ , GAZ, MAZ , URAL with the height mainly up to 22 meters, higher platforms – mainly imported.

Truck mounted platforms can be divided into 3 groups:

- own production: best known –Avtogydropodemnik (Saint Petersburg), Kazanskiy Elektromekhanicheskiy Zavod and Tverstroymash
- imported: Bronto , Tadano, Horyang (Korea)
- from Belorussia: Pinskiy Zavod and Vitebskie Podemniki.

Import of truck mounted platforms was highly developed. But after increase of share of self propelled aerial platforms after 2008 import of TM platforms sharply decreased.

Production AWP in Russia



SKARABO

THE MANUFACTURER OF UNIQUE SCISSOR LIFTS

THE PLANT - CHELYABINSK

PRODUCT RANGE

- ELECTRIC SCISSOR LIFTS UP TO 8 M
- ELECTRIC SCISSOR LIFTS UP TO 10 M
- ELECTRIC SCISSOR LIFTS UP TO 12 M



ZAVOD PODIOMNIKOV

THE FIRST AERIAL WORK PLATFORM FACTORY IN RUSSIA

THE FIRST PLANT - IVANOVO

PRODUCTION AREA 20 000 M² ON THE PLOT OF 7 HA
SERIAL PRODUCTION FROM 2016



PRODUCT RANGE

- ELECTRIC SCISSOR LIFTS UP TO 16 M
- DEISEL SCISSOR LIFTS UP TO 17 M
- VERTICAL MAST LIFTS UP TO 12,65 M WITH
HORIZONTAL OUTREACH

ANNUAL CAPACITY:

- RECENT - UP TO 1 000 UNITS
- EXTENDED – UP TO 3 000 UNITS



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Production AWP in Russia



ZAVOD PODIOMNIKOV

THE FIRST AERIAL WORK PLATFORM FACTORY IN RUSSIA



THE SECOND PLANT - YAROSLAVL

PRODUCTION AREA 60 000 M² ON THE PLOT OF 23 HA
READY TO START

READY FOR

- ULTRA BOOMS
- ARTICULATED BOOMS

OUR POSSIBILITY

- OWN ENGINEERING BEURO
- READY TEHNOLOGY FOR USE
COMPOSITE MATERIALS IN BOOMS



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Production AWP in Russia

- ZAVOD is the only plant in Russia who produces lifts according to European standards
- Strong point – professional project bureau, specialists from mobile crane industry
- Weak point -- selling their products to their own rental company through leasing
- Strong point – having support from the government as local producer
- Lacking own investments
- So the Plant now is searching partners for cooperation



We invite you to attend

IV International rental and construction forum

September 2020, RUSSIA

More information - forum@naast.ru



**THANK YOU
FOR YOUR ATTENTION !**