



EQUIPMENT LEASING & FINANCE

A Dynamic, Global Industry

INDUSTRY OVERVIEW

- » Most businesses require equipment in order to operate and grow and, for most businesses, equipment financing is a key acquisition strategy.
- » Each year, an estimated \$1.8 trillion is invested by U.S. businesses, nonprofits and government agencies in plant, equipment and software.
- » Over 50%, or nearly \$1 trillion of that investment, was financed through loans, leases and lines of credit.

Equipment finance (lease or loan) is often a key component of a company's **balance sheet**. Used **in conjunction with equity, senior bank debt, and other debt instruments**, it is one of the most important ways for businesses to manage their balance sheet.

The assets that a business may need to finance are varied; examples include:

- » Trucks and transportation equipment
- » Construction and off-road equipment
- » Manufacturing and mining machinery
- » Medical technology and equipment
- » Commercial and corporate aircraft
- » Rail cars and rolling stock
- » Vessels and containers
- » Agricultural equipment
- » Business, retail, and office equipment
- » IT equipment and software

WHO ARE THE PLAYERS?

MARKET SEGMENTS – SMALL-TICKET FINANCING

- » A market segment is generally represented by transactions under \$250,000.

- » Equipment in this segment includes such items as computer peripherals, office equipment, services, software, and telephone equipment.

MARKET SEGMENTS – MIDDLE MARKET FINANCING

- » A market segment generally represented by transactions between \$250,000 and \$5,000,000.
- » Equipment in this segment includes construction equipment, medical equipment, trucks and trailers, manufacturing equipment, computers and software, solar equipment, and virtually any other equipment type.

MARKET SEGMENTS – BIG-TICKET/LARGE-TICKET FINANCING

- » A market segment generally represented by financing that usually exceeds \$5,000,000.
- » Equipment financed in this segment includes power plants, railroad equipment, commercial and corporate jets, vessels, other transportation equipment, and large mining, oil, and gas exploration.

RESOURCES

ABOUT THE EQUIPMENT LEASING & FINANCE FOUNDATION - www.LeaseFoundation.org

- » The Equipment Leasing & Finance Foundation is a **501(c)3 nonprofit** organization established by ELFA in 1989. The Foundation **propels the equipment finance sector**—and its *people*—forward with its industry-specific **knowledge, intelligence**, and programs.
- » The Foundation has **published several hundred open-source industry research studies**, publications and articles available for www.LeaseFoundation.org.
- » The Equipment Leasing & Finance Foundation provides academic scholarships for students interested in the equipment finance industry. Up to **five** scholarships of \$5,000 each will be awarded to full-time undergraduate students focusing on business, economics, finance, or a related discipline. **The deadline to apply is May 20, 2022.** Learn more about eligibility requirements at: <https://www.leasefoundation.org/academic-programs/home/scholarship-program>
- » The Foundation Internship Resource Page provides a platform for students to search some of the top companies providing internship opportunities in the field of equipment finance: <https://www.leasefoundation.org/academic-programs/internship-resources-page/>

ABOUT THE EQUIPMENT LEASING AND FINANCE ASSOCIATION <https://www.elfaonline.org/>

- » The Equipment Leasing and Finance Association (ELFA) is the trade association representing financial services companies and manufacturers in the \$1 trillion U.S. equipment finance sector.
 - » Are you a recent grad interested in a career in the equipment leasing and finance industry after graduation? Check out the ELFA Career Center at: <https://www.elfaonline.org/people-power/career-center>