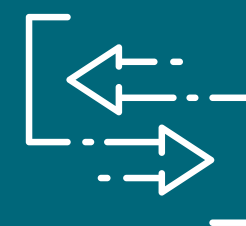


CVA BIC SPOTLIGHT

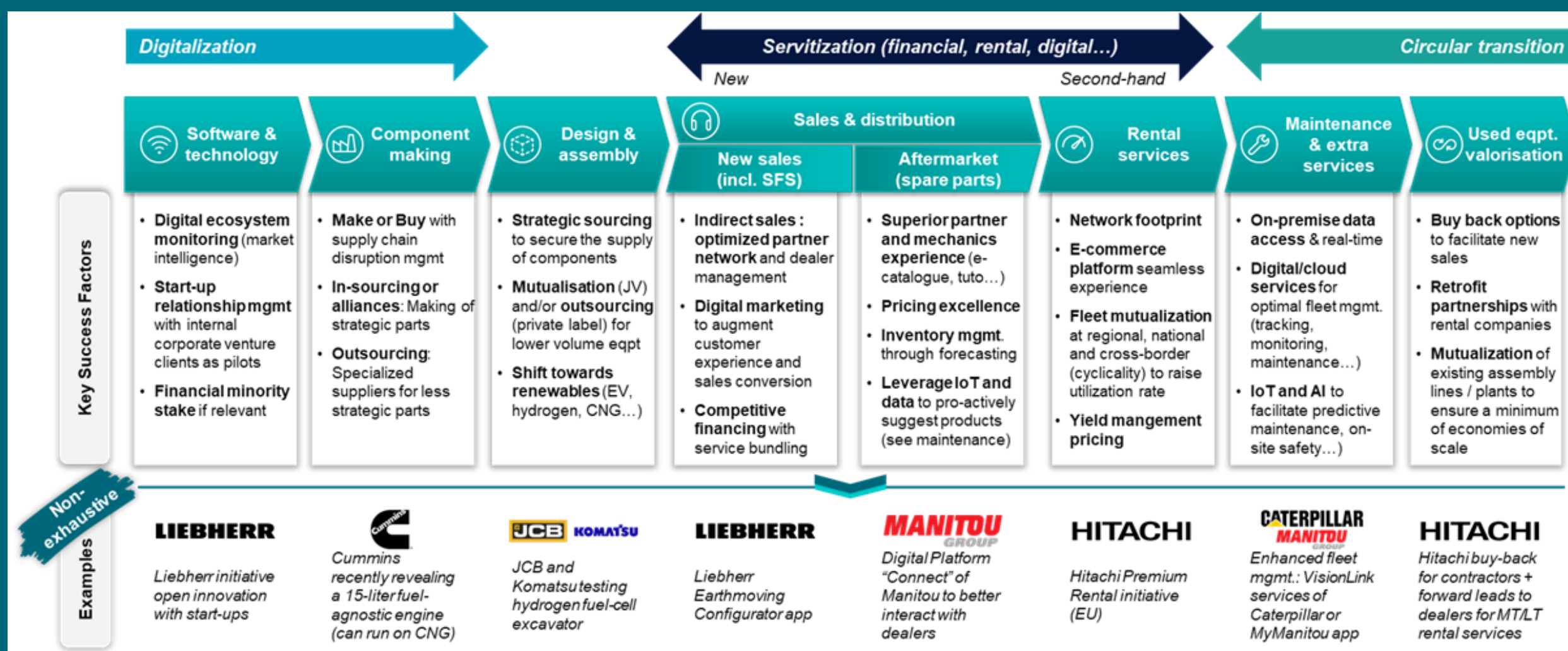
**Capturing the Lifetime Value of
Construction Equipment & Rental
in complex ecosystems**





Overall game play in a complex world, experiencing macro-trends and changes of paradigm

Value shifts: digitalization, circular transition, and servitization



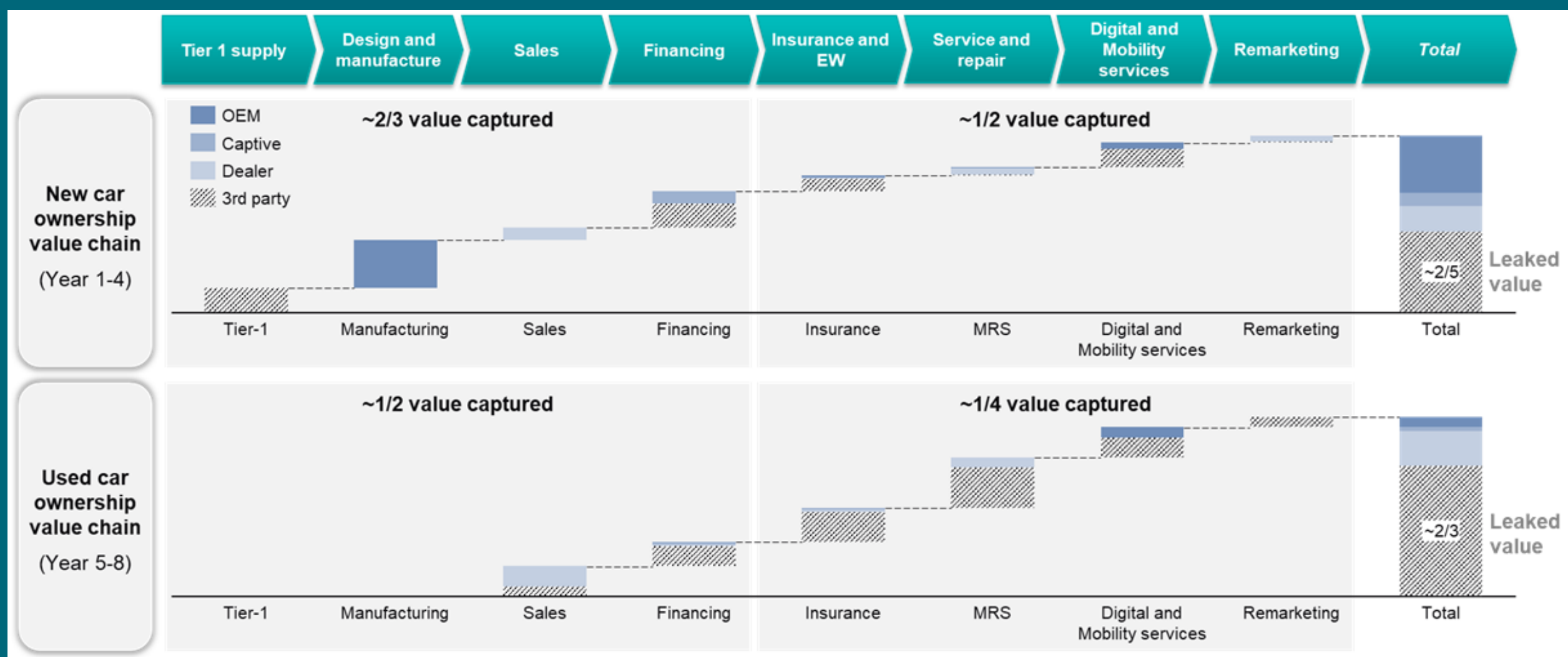
Note: SFS Specialized Financial Services)

CONSTRUCTION equipment & rental value chain

Source: CVA analysis, desk research

By analogy, players are leaving a lot of value on the table and need to adapt their business model(s)

Crossing machine value chain & lifetime stages [illustration AUTOMOTIVE]



Note C/MLV = Customer/Machine Value Lifetime

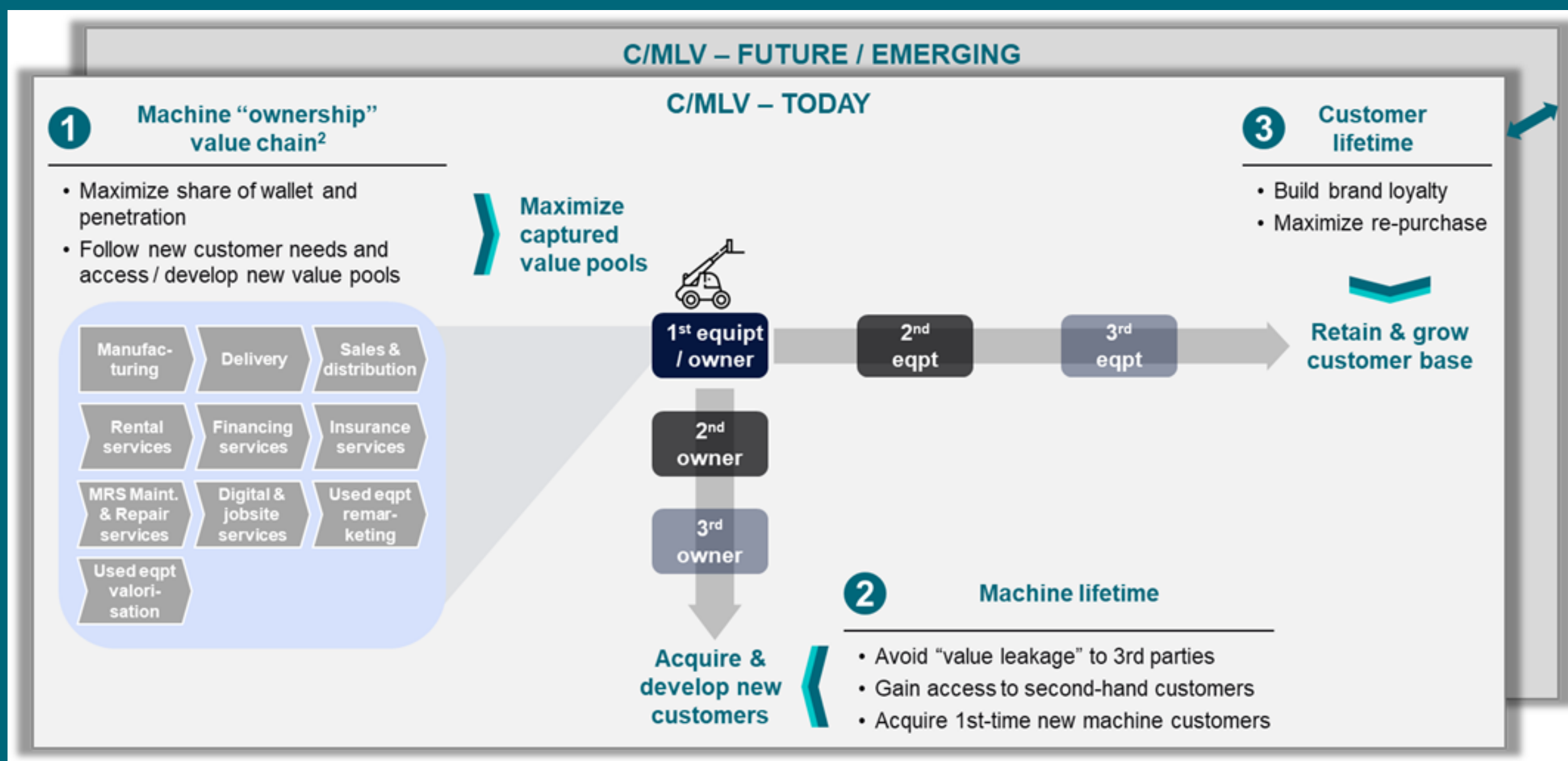
Source: CVA analysis, CVA C/MLV model



Capturing the Lifetime Value by considering 3 axis today and in the future to mitigate any r/evolutions

CVA C/MLV model - Crossing customer and machine lifetimes

C/MLV value shifts and player moves due to market evolution or revolution



Note C/MLV = Customer/Machine Value Lifetime

Source: CVA analysis, CVA C/MLV model

Some players have already started to go beyond standards on specific steps of the value chain

Practices of selected players (examples in construction telehandlers)

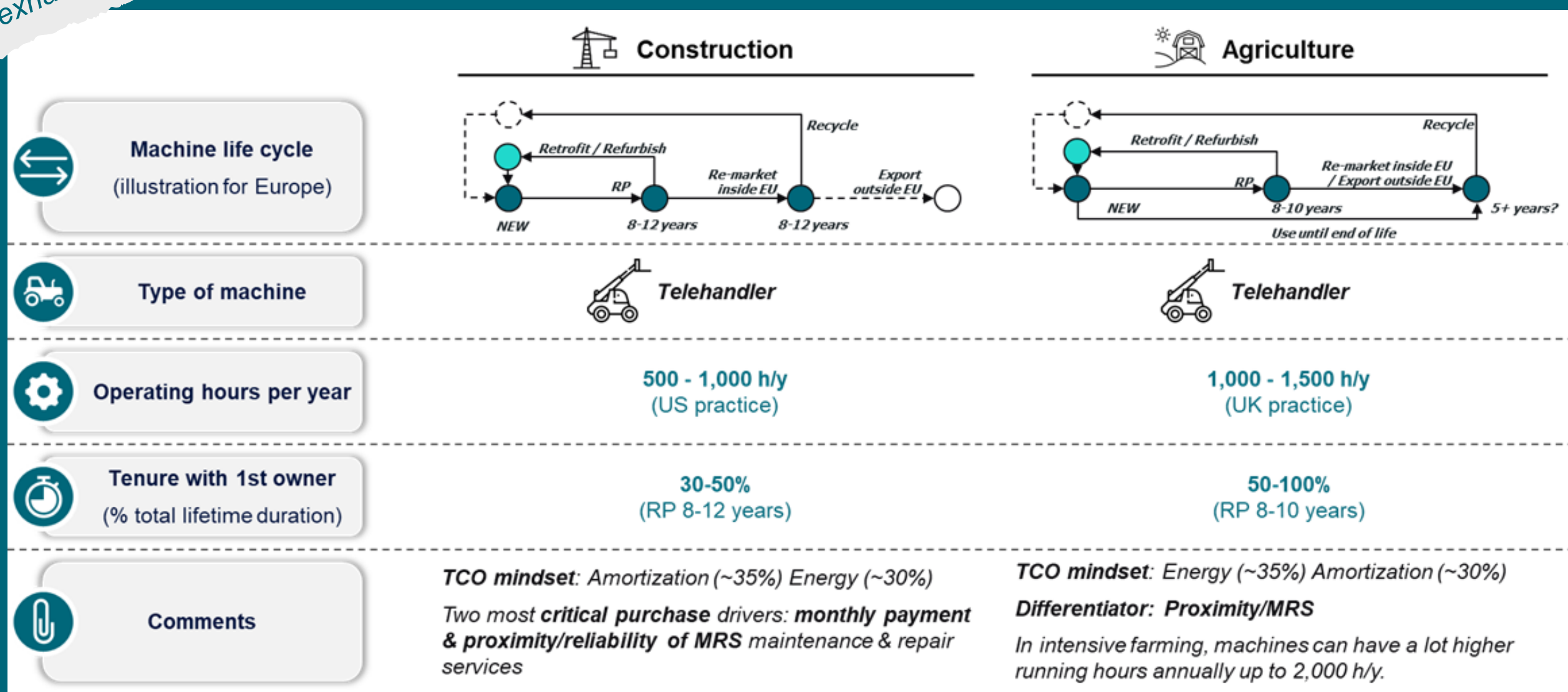
non-exhaustive

Sales & distribution	Rental services	Financing services	Insurance services	Maintenance & repair services	Digital & jobsite services	Used eqpt Remarketing	Used eqpt Valorisation
<p>Direct sales to large-size rental companies and key accounts</p> <p>JCB machine store (web/new), e-booking (fee) with SFS option, then finalize transact° at dealer</p> <p>Indirect sales via authorized dealers</p> <p><u>After sales</u>: JLG online express (order mgmt but multi-brands)</p>	<p><u>JCB Rental Solut° for 6 machineries</u> (incl. telehandlers, mini excavators, wheel loaders...) in UK only</p> <p>JLG website help locate rental service providers (rental cos and dealers) in US and Europe (incl for telehandlers)</p>	<p>JCB Finance (<u>financing & leasing options</u>) for <u>new and used machines</u> in UK only - Partnering with Lombard North Central (NatWest)</p> <p>JLG Financial (financing & leasing options) for <u>new and used machines</u> in US/CA only – with multiple SFS partners</p>	<p>JCB Insurance – <u>Brokerage for insurance beyond equipment cover</u> with various insurers depending on insurance type in UK only</p> <p>Extended Machine Warranty Protection Plan</p> <p>Merlo <u>Special Warranty</u> in case of country change</p>	<p>JCB Machine Care (up to 5-year and <u>transferable</u>) serviced by dealer</p> <p>JLG certified network of independent servicing shops, plus <u>mobile technicians for on-site MRS</u></p> <p>Merlo certified network to access tech manual, part info and trainings</p>	<p>JCB LiveLink incl <u>mixed fleet mgmt.</u>, eqpt productivity JCB operator app (machine health monitoring)</p> <p>JLG Clearsky as well as MerloMobility only their own machines ie proprietary fleet mgmt solution, <u>geoloc./geofence</u> (inc alerts), performance and health for maint.</p>	<p>JCB Select (used & approved) <u>online search engine of used machines and attachments</u> offered by dealers across Europe & US</p> <p>JLG Reman for <u>parts</u> and connected with JLG online express – Selling of certified used parts (either as-is or refurbished to factory specs)</p>	<p>JCB Reman switch Remanufacture the used part of a client that receives an already reman part (from another client) with new warranty (+ get a buyback credit if successful reman of the part given)</p>

Machine life cycles vary across geographies driven by usage, AM practice & motor/engine constraint

Machine Life Cycle – Illustration for Telehandlers

non-exhaustive



MRS Maintenance & Repair Services ; RP Replacement Purchase

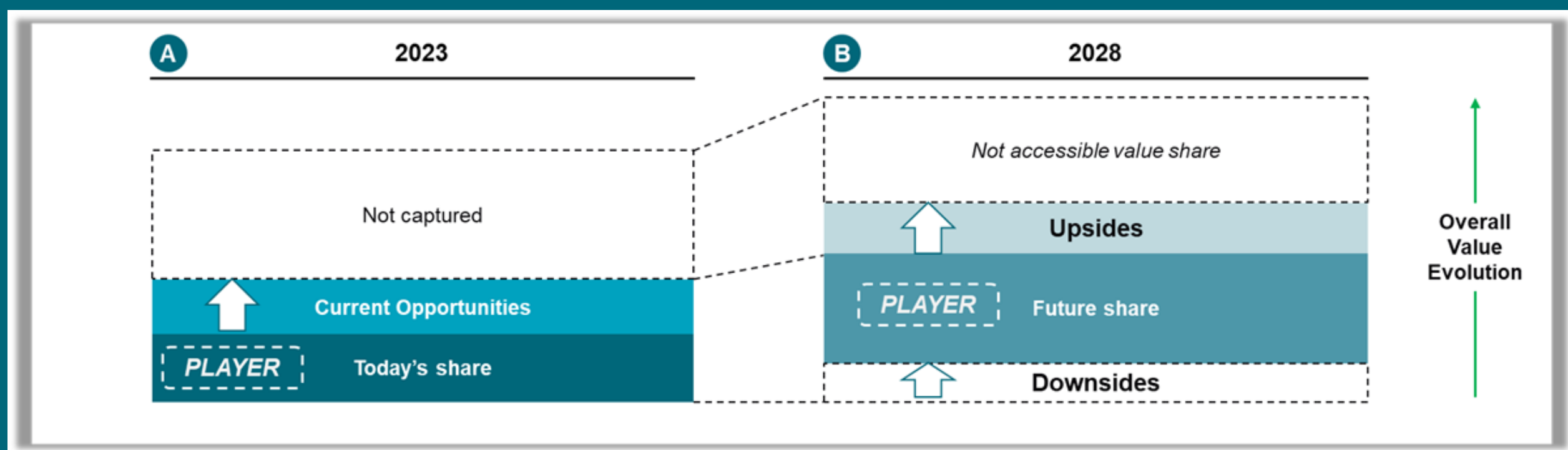
Note AM = Asset Management

Source: CVA analysis, desk research



CVA methodology combines core modelling with strategic decoding to maximize your Value Capture

Machine Lifetime Value (MLV) and value capture for a given PLAYER



CORE MLV MODELLING

- From manufacturing to grave with a focus on revenue and contribution margin
- “Natural” evolution of PLAYER’s value / value share, business canvas for clear opportunities

STRATEGIC ENHANCEMENT

- Competitor positioning, ecosystem structures, winning business models in the value chain(s)
- Complete and in-depth vision of future threats / opportunities within moving ecosystems

Note C/MLV = Customer/Machine Value Lifetime

Source: CVA analysis, CVA C/MLV model



Explore the full details of this perspective by contacting our team for a discussion!



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