




**PASIÓN
POR EL
SERVICIO.**

Challenges for Rental

Pedro Fernández, Chairman & CEO



Let me start
with a
picture of a
typical
forest in
Asturias.

These mushrooms are called “SETAS LEPIOTAS”.

If you see them in the tree trunk base, it means the root is rotten.

Though the tree may look healthy, it will die within the next 2-3 months.



A low-angle photograph looking up into the canopy of a tree. The sun is shining brightly from the upper left, creating a strong lens flare and illuminating the scene with a warm, golden light. The leaves are a vibrant green, and the tree branches are dark and silhouetted against the bright background. The overall mood is peaceful and natural.

THE BRANCHES

THE BRANCHES

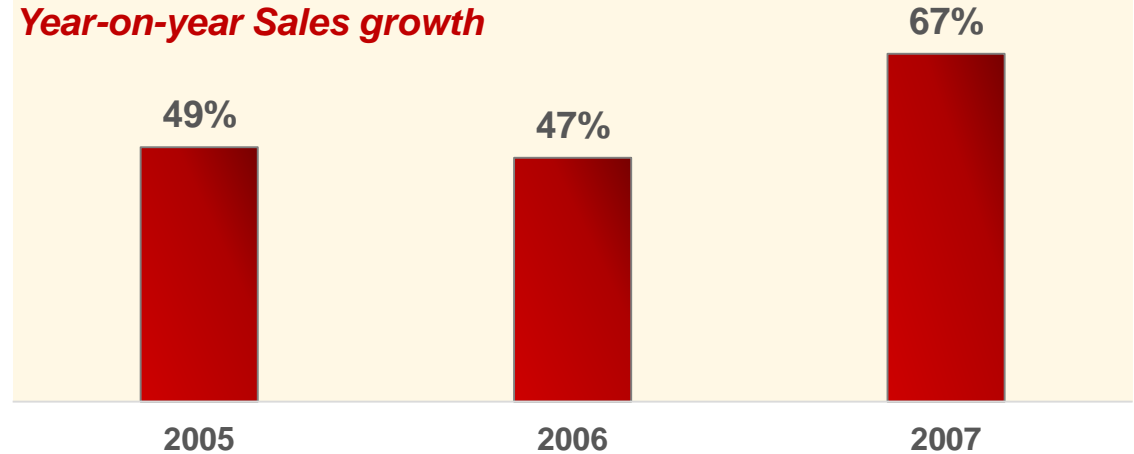


The machinery rental industry in Spain looked fantastic back in 2008



Sales boosting

Year-on-year Sales growth



THE BRANCHES

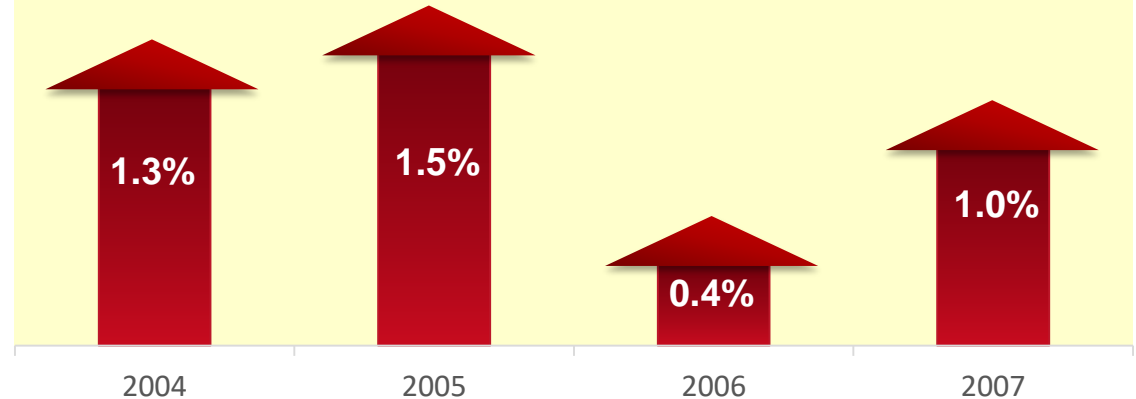


The machinery rental industry in Spain looked fantastic back in 2008



Four years in a row of EBITDA margin improvement

Yearly EBITDA margin improvement



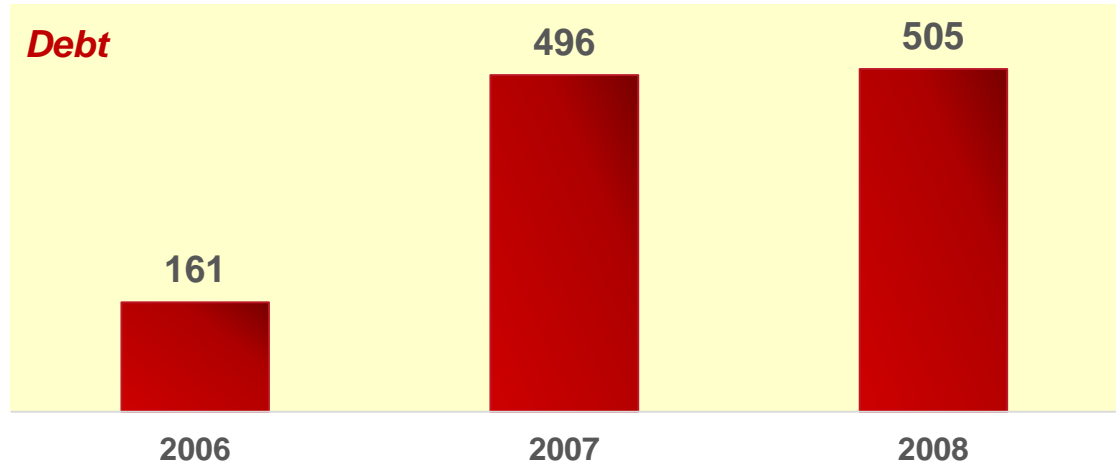
THE BRANCHES



The machinery rental industry in Spain looked fantastic back in 2008



Full and cheap financing to grow and acquire companies



THE BRANCHES



The machinery rental industry in Spain looked fantastic back in 2008



GAM Share price 3.3x in one year

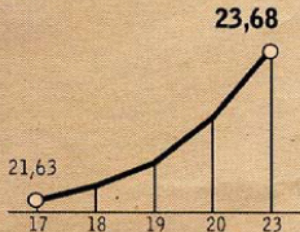


THE BRANCHES

The machinery rental industry in Spain looked fantastic back in 2008

GAM Acumula una revalorización del 19% en siete sesiones

Euros



A mejor. Las acciones de la compañía de alquiler de maquinaria baten récord tras sesión. I

ú
d
e
d
(4
n

La irresistible ascensión de GAM

Cumple un año en Bolsa con una revalorización del 216,85% y adquiere Viasolo y Viatel



compañía, declaró recientemente a este periódico que piensa seguir com-

mercado**financiero** europa**press**

mercado**financiero** economía **finanzas**

(Ampliación) GAM anuncia que cerrará el 2008 con una cifra de negocio de 380 millones de euros

Actualizado 17/10/2008 10:40:00 (UTC)

MADRID, 3 Oct. (EUROPA PRESS) -

General de Alquiler de Maquinaria, GAM, prevé que al cierre del ejercicio 2008 su cifra de negocios ascenda a 380 millones de euros, frente a los 307 millones obtenidos en el mismo periodo del año anterior, según comunicó la compañía a la Comisión Nacional del Mercado de Valores (CNMV).



Expansión.com

EMPRESAS

AM dispara su resultado un 138% en el primer semestre

por el (11.08.2007) por Expansión.com y Actualizado 10/08/07

ha obtenido un beneficio neto de 14,17 millones de euros en la primera mitad de 2007, un 138% más que en el mismo periodo del ejercicio anterior, gracias a la apertura de delegaciones y a los adquisiciones. Sus acciones suben más del 4%.

El resultado de explotación antes de amortizaciones netas ha mejorado un 14,4%, hasta 10,8 millones de euros, y se ha convertido en el 40,1% de los resultados. Frente al 31,2% del primer semestre de 2006.

CincoDías

Mercados

Valores

GAM, de nuevo en récord tras subir un 8,82% en las dos últimas sesiones

• El mercado valora su potencial de crecimiento y especula con la posibilidad de opa





THE ROOTS

THE ROOTS



Overheated construction industry in Spain in 2008

- Construction weight over GDP: 17%
- Cement consumption: 56MTons
 - 25% of EU26
 - 11MTons (-80%) in 2016
- 650,000 finished dwellings
 - 28% of EU26
 - 24,000 (-96%) in 2016

**But the tree was full of “SETAS”...
And nobody wanted to realize it**

THE ROOTS



And re-overheated machinery industry

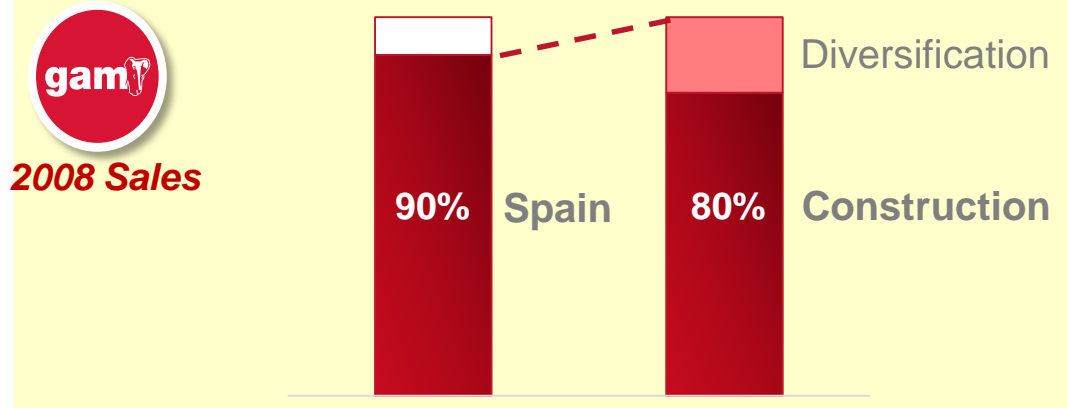
- The single country in UE with the largest number of machines bought in 2008
- 50% of cranes in Europe were in Spain

**But the tree was full of “SETAS”...
And nobody wanted to realize it**

THE ROOTS



GAM was overexposed to Spain and to construction



**But the tree was full of “SETAS”...
And nobody wanted to realize it**

THE ROOTS



Even in the “diversification”



2008 Sales

20%

“DIVERSIFICATION”

- GAM Green: golf courses in real estate developments
- GAM tools, used in construction sites

**But the tree was full of “SETAS”...
And nobody wanted to realize it**

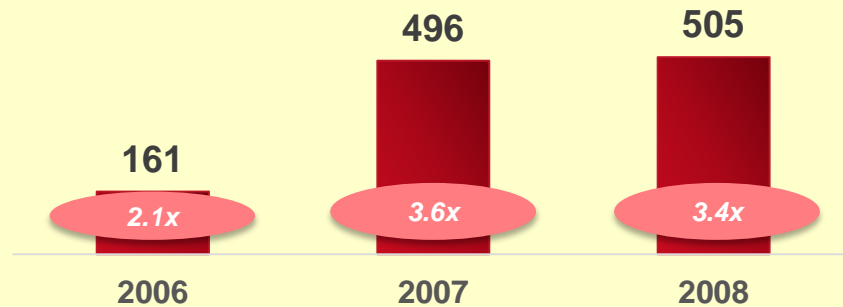


Overall the tree looked nice

EBITDA



Debt

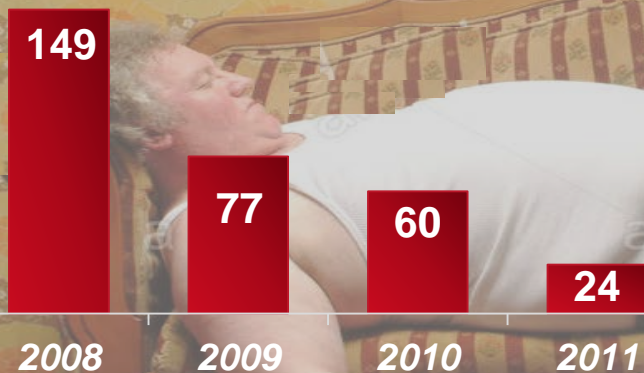


And then love fades,
but your husband remains...

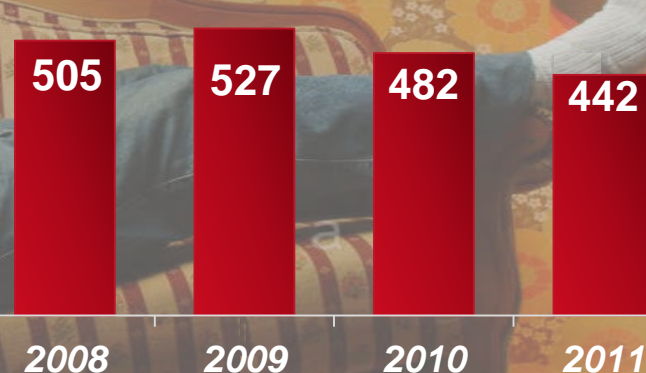



EBITDA faded, but debt remained

EBITDA



Debt





**Now the tree
is green
again...**

**Which are
the risks
that can
make
mushrooms
grow again?**

THREE POTENTIAL RISKS

1. Technical developments

2. Financing

3. Operational

1. Technical developments



Monitoring

1. Technical developments

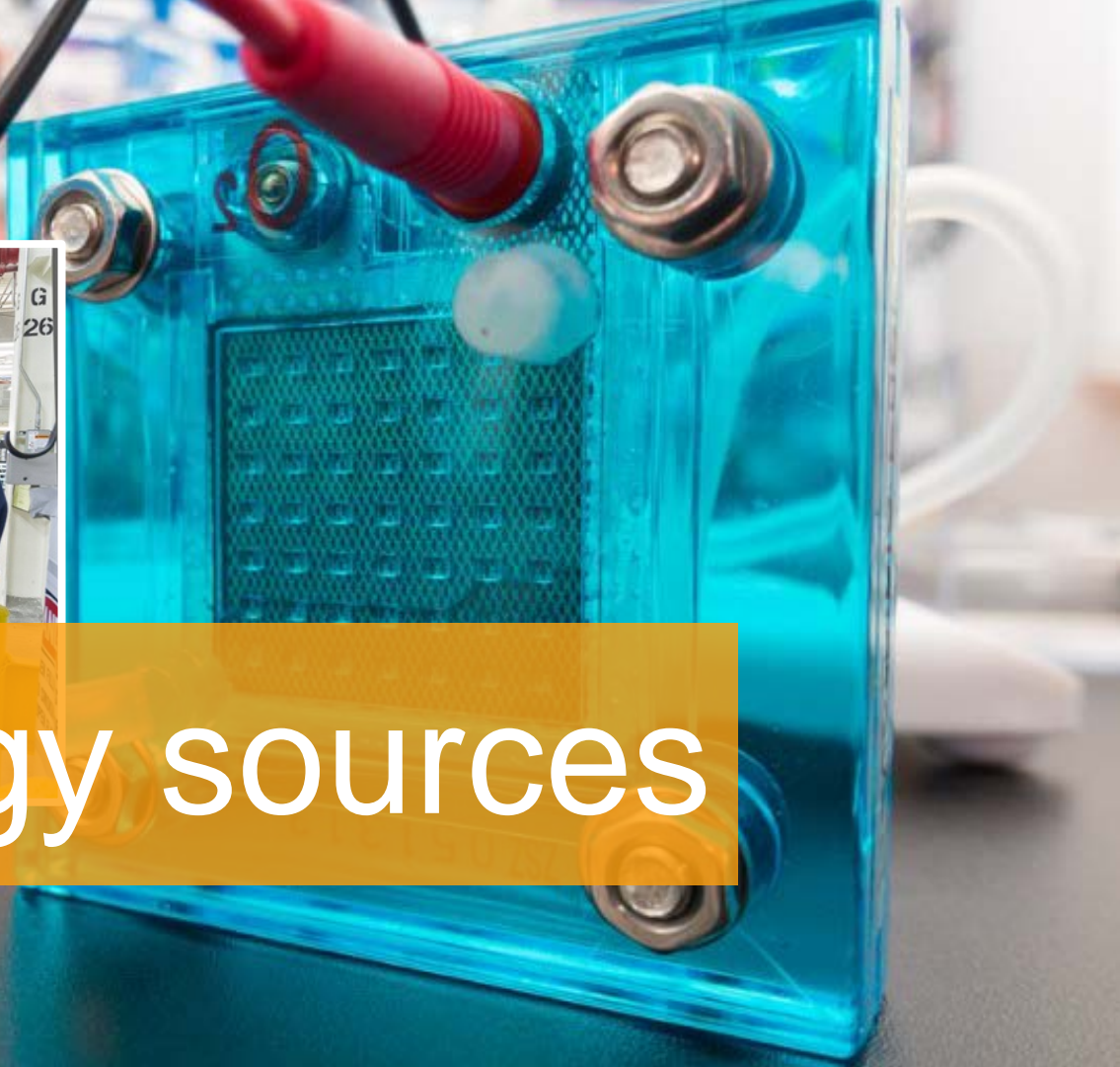
Automatization



1. Technical developments



New energy sources



THREE POTENTIAL RISKS

1. Technical developments

2. Financing

3. Operational

2.

Financing

New financing models



 Departures Salidas				 Departures Salidas			
Flight Vuelo	Destination Destino	Gate Puerta	Boarding Time / Remarks Hora de Embarque / Observaciones	Flight Vuelo	Destination Destino	Gate Puerta	Boarding Time / Remarks Hora de Embarque / Observaciones
EZY 8536	LONDON GAT	7	11:45	VLG 3015	BARCELONA		13:05
JAF 6104	BRUSELAS		12:00	IBE 5453	BARCELONA		13:05
ST 8985	BREMEN	11	12:10	LS 522	NEWCASTLE		13:10
X3 2175	STUTTGART	17	12:10	IBS 3907	MADRID		13:20
NT 207	G. CANARIA		12:15	IBE 3907	MADRID		13:20
X3 2177	KARLSRUHE	15	12:15	HQ 1533	BRUSELAS		13:25
				DE 1457	DUSSELDORF		13:25
				NT 417	TENERIFE N		13:35
				DE 1461	LEIPZIG		13:35
				DE 1441	HAMBURG		13:35



Assets sharing

THREE POTENTIAL RISKS

1. Technical developments

2. Financing

3. Operational

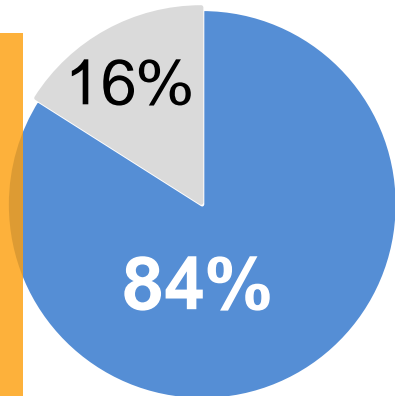
ZARA



Replicability
of business
models

Top 15 machinery rental companies (2016)

International



Home

3. Operational



amazon



KAYAK



Alibaba.com



Changes in the way to
interact with customers
and suppliers

3. Operational

DIGITAL TRANSFORMATION

Processes efficiency





“If the rate of
change on the
outside
exceeds the
rate of change
on the inside,
the end is
near”

Jack Welch





March 2018