

Heavy and Power Equipment

Orders Taper, Share Pressured

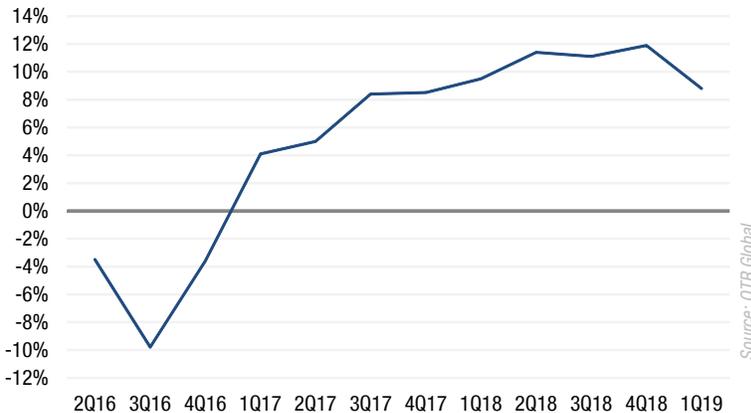
New heavy equipment sales and order growth have tapered during 1Q19, Caterpillar has lost share in multiple regions, and used equipment prices have moderated.

- 1Q19 global new equipment sales up 10%–13% yy (vs. up 14%–17% in 4Q18); demand slowed most significantly in Asia/Pacific but improved slightly in EMEA
- 1Q19 global new equipment orders up 7%–10% yy (vs. up 10%–13% in 4Q18), most significant sequential deterioration since OTR Global's 3Q16 findings
- CAT losing share to KMTUY in North America, domestic OEMs in Asia/Pacific because of competitive pricing environment
- 1Q19 global used equipment prices flat–up 2% yy (vs. up 3%–6% in 4Q18); greatest moderation in North America
- Area to Watch: 2019 new equipment sales expected up 6%–9% yy, as dealers expect current backlog to carry activity through year-end

KEY DATA

Global Heavy Equipment Orders YY

(weighted average)



“Market conditions were much worse during 1Q19 quarter to quarter. During 1Q18, we sold over 65 units of equipment. During the same time this year, we only sold a few dozen.”

Chinese Caterpillar dealer

“Komatsu is getting really aggressive here. Komatsu is probably pulling a little bit from all of us. Komatsu and Deere [& Co.] have huge warranties.”

North American Caterpillar dealer

BY T. JARRETT HARRIS

SOURCES & BACKGROUND

41 Caterpillar equipment dealers representing more than \$3.7 billion in 2018 new equipment sales

NORTH AMERICA 10 equipment dealers representing more than \$1.6 billion in 2018 new equipment sales; **EMEA** 15 equipment dealers (8 in Western Europe and 7 in Russia/CIS) representing more than \$980 million in 2018 new equipment sales; **LATIN AMERICA** 4 equipment dealers (3 in Brazil and 1 in Chile) representing more than \$430 million in 2018 new equipment sales; **ASIA/PACIFIC** 12 equipment dealers (10 in China and 2 in India) representing more than \$760 million in 2017 new equipment sales

REPEAT SOURCES 38 dealers (10 in North America, 12 in EMEA, 4 in Latin America and 12 in Asia/Pacific) from OTR Global's December report

INTERVIEWS Mid-February through early March

AVERAGES Regional averages weighted according to each source's 2018 new equipment sales; global averages weighted according to each region's percentage of Caterpillar's 2018 machinery, energy and transportation sales and revenue

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Strong EMEA Offset by Moderation Elsewhere

Sales of new **Caterpillar Inc.** equipment increased an average 10%–13% yy during 1Q19, compared with up 14%–17% yy during 4Q18. Sales growth decelerated in almost every region, particularly in Asia/Pacific. “Market conditions were much worse during 1Q19 quarter to quarter,” a Chinese distributor said. “During 1Q18, we sold over 65 units of equipment. During the same time this year, we only sold a few dozen.” In line with OTR Global’s [March 4](#) China Heavy Equipment Manufacturers report, sources attributed the slowdown to a weakening economy, market saturation, tough comparisons and various seasonal factors. “The construction activity for residential and infrastructure projects was worse quarter to quarter because of the Chinese New Year and wet weather,” one said. Although mining was still listed as a demand driver, one leading dealer reported a slowdown in sales to mining customers, parallel to trends reported in the [February](#) Mining Equipment report. “Market demand from coal mines is almost saturated after the big purchases they made last year,” the dealer said. However, distributors in India reported robust activity during 1Q19. “February saw backhoe loader industry sales of 5,500 units,” one said. “This is a peak over the past five years.”

New machine sales growth in the Americas slowed but remained at high levels yy. “It’s been decent still, pretty steady. There are a number of projects coming out. I really don’t anticipate a slowdown in 2019,” a North American dealer said. Another said, “Through February, revenue was up 6% and new unit deliveries were up 15%. So far, demand seems to be there.” Dealers in Latin America said continued economic stability and replacement needs drove activity during 1Q19. “The economic recovery and a need to replace fleet bought in 2012–2014 is driving demand,” one said.

EMEA was the only region where yy growth accelerated on average, driven by construction activity in Russia/CIS. “There are new bridge projects and other expensive projects funded by the government,” a Russian source said. “It’s been at least a couple of years since we have seen big projects like that in the region.” Western European sources reported a mostly unchanged environment, though U.K. demand improved slightly despite growing uncertainty regarding Brexit. “We had a strong start of the year, both in terms of orders and sales, especially with large equipment,” a U.K. source said. “We are seeing large contractors more confident than they were three months ago, so they are placing orders now.”

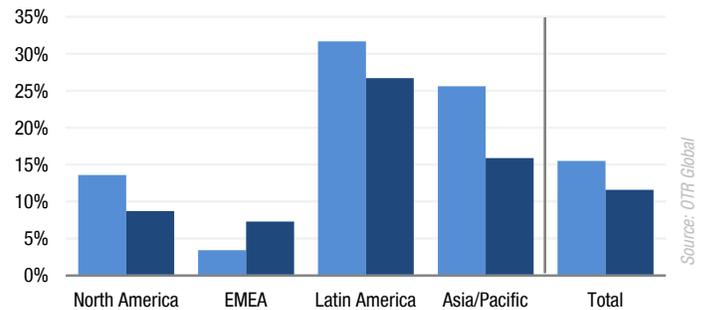
Order Growth Tapers

New equipment orders increased an average 7%–10% during 1Q19 yy, moderating from 4Q18 growth of 10%–13% yy and representing the most significant sequential deterioration found by OTR Global since 3Q16. Of the 27 repeat sources who provided figures in December and March, more than one-half reported lower growth rates. Following broader sales trends, order increases in EMEA were offset by weakness elsewhere. “1Q19 orders for new Caterpillar equipment declined because of lower demand,” one Chinese dealer said. A North American dealer said, “Pipeline activity in this area is done, so we’ll be down [yy].” Several North American sources reported diverting more of their inbound equipment to rental fleets

New Equipment Sales YY

(weighted average)

■ 4Q18 ■ 1Q19

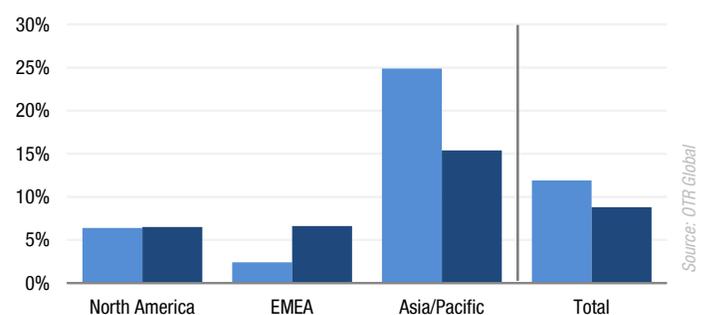


Source: OTR Global

New Equipment Orders YY

(weighted average)

■ 4Q18 ■ 1Q19



Source: OTR Global

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following multiple years of constrained fleet replenishment. “Our orders are trending up about 15%–16%. About half of that is our rental fleet. We committed to swapping out our rental fleet this year,” one dealer said. Another said, “We haven’t been able to replenish the rental fleet, so we’ll do some of that this year.”

Cat’s Share Pressured in North America, Asia/Pacific

Global new equipment prices increased 1%–4% yy during 1Q19 on average, in line with 4Q18 findings. “We had a 1.5% price increase in January, which is OK. We can pass it on to customers,” one EMEA dealer said. A North American dealer said, “I think Cat has done a good job with prices. They haven’t gone crazy.”

However, sources reported increased competitive pressure during 1Q19, with more sources in North America and Asia/Pacific reporting market share losses for Caterpillar than gains. North American sources cited **Komatsu Ltd.** as the greatest competitive threat. “We’ve seen Komatsu with some pretty aggressive pricing. It’s 25% below our price. We’re hoping that ends at the end of March,” a North American dealer said. Another said, “Komatsu is getting really aggressive here. Komatsu is probably pulling a little bit from all of us. Komatsu and **Deere [& Co.]** have huge warranties.” Several said the price gap between Caterpillar and its competitors widened substantially during 1Q19. “We’re seeing Deere’s pricing down around **[CNH Industrial N.V.]** right now. This is the biggest gap I’ve seen between us and Deere in a long time.” With competitive pressures increasing, several North American sources said Caterpillar will not pursue a mid-year price increase. “We’ve been told there is no price increase coming in July,” an EPG distributor said. “Despite the fact it’s pretty busy, I still sense Cat is aggressive on pricing.”

In line with findings in OTR Global’s recent China Heavy Equipment Manufacturers reports, sources in Asia/Pacific reported Caterpillar market share losses to domestic OEMs. “**Sany [Heavy Industry Co. Ltd.]** (600031 CH) gained market share from Caterpillar. In large-size excavators, the market share of Sany equaled that of Caterpillar in 2018. I expect Sany to surpass Caterpillar in 2019,” a Chinese dealer said. An Indian distributor said, “**BEML [Ltd.]** gained in 60-ton dumpers, and Komatsu in 100-ton dumpers. New players are coming on the scene, like Sany and **Volvo [AB]** in 60-ton dumpers. In rigid body trucks, the number of Chinese suppliers like **XCMG [Construction Machinery Co. Ltd.]** (000425 CH) is growing.”

Sources in EMEA reported mixed views on Caterpillar, as the brand is gaining share in the construction segment but losing to **OJSC BelAZ** in mining. “BelAZ is benefiting from Belorussian government support. Maintenance costs are lower for BelAZ — including spare parts — and they are developing service centers throughout Russia,” one said. “But Cat is going to compete hard in the 90-ton dump truck segment, thanks to their local production.”

North American Used Market Flattening

Fewer sources reported tightening used equipment supply during the past 90 days, and used pricing was flat—up 2% yy, after being up 3%–6% in December. Dealers in North America reported the biggest sequential shift, with used prices flat yy compared with up 4%–7% during 4Q18. Pricing remains at relatively high levels, and several North American sources said it is still difficult to find good deals on the used market. “We had people down in Florida at the auctions,” one said. “The numbers stayed pretty consistent. We were surprised because we were looking to buy and it was a little higher than we wanted to go.”

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Several sources expressed concern about the possibility of more significant price declines later in the year. “I think prices will drop this year. I don’t know when, but I think they’re going to,” one said. Another said, “I think there’s going to be a softening, but we haven’t seen it yet.” Several cited massive rental fleet sizes as a potential issue, especially as pipeline and other large projects wrap up in some regions. “We need to right-size the fleet for the diminished opportunity [from pipeline projects]. That mainly means getting rid of excavators and winch tractors,” one said. Another said, “We have huge concerns about [the size of] our rental fleet ... but there’s enough work out there for the next year or year and a half, so I don’t think things will be catastrophic. My guess is we are going to have more time to deal with things slowing down than we did in past downturns.”

2019 Sales Projections Intact

Sources expect new equipment sales to increase an average 6%–9% yy during 2019, similar to December projections of 5%–8% growth. Despite moderating 1Q19 sales growth, dealers in most regions maintained their full-year projections. “I think we will be up as expected. We’re off to a good start. We’ll easily be up 5%, if not 8%–10%,” one North American dealer said. Several North American dealers specifically cited strength in EPG demand. “It will be a much stronger year. Our forecast when we started the year was a 40% increase. It’s all data [centers],” one EPG dealer said.

The disconnect between 1Q19 results and full-year expectations was the greatest in Asia/Pacific, driven mostly by optimistic Indian dealers. “Our expectation is for 30%–35% growth, especially considering the delay in finalized orders in 2018,” one said. Chinese dealers — though reporting weaker 1Q19 sales trends — still expect a relatively stable year. “Replacement activity will continue to drive demand, and infrastructure and property investment will continue to grow in our territory,” one said. “I expect China’s excavator sales to be more than 210,000 units, compared with 203,000 units in 2018. And the Chinese government will expand infrastructure investment in 2019, including 800 billion yuan in railway construction and 1.8 trillion yuan in road construction and waterway projects.” Dealers in India also expect strong sales growth.

Only in Latin America did sources rein in 2019 projections. In line with OTR Global’s [Feb. 15 Mining Equipment](#) report, this was largely driven by uncertainties following **Vale S.A.**’s Brumadinho dam disaster. “Until last quarter, we expected a 15%–20% increase in 2019 mining equipment sales. The outlook was great, but this is being reviewed after the Brumadinho dam collapse,” one dealer said. “Another negative factor is that other mining companies that have mines near dams may postpone their investments, fearing future problems.”

Dealers in EMEA kept their 2019 sales growth expectations yy similar to what they reported in December. “If we listen to our customers, we should have a strong year, and our strong results this quarter should dictate a positive year,” an EMEA distributor said, “but we want to remain cautious as there are obvious elements of nervousness because of Brexit.”

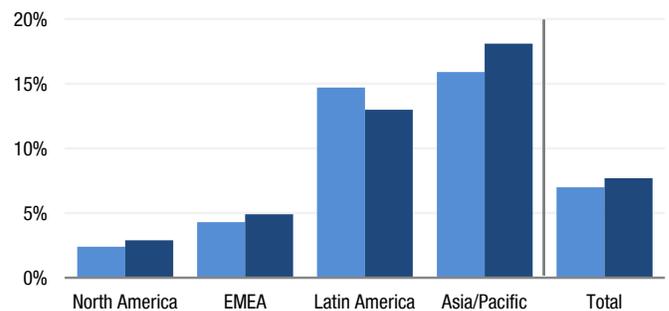
New Equipment Supply Challenges Linger

Lead times were unchanged qq for 25 of 40 sources but remained challenging in most regions. “Lead times remain quite long,” an EMEA dealer said. “We have to get equipment from other dealers

2019 YY Sales Estimates

(weighted average)

■ Dec-18 ■ Mar-19



Source: OTR Global

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as Cat itself cannot supply us equipment fast enough.” Sources in other regions reported similar inventory swaps between dealers. “Trading between dealers is the most active I’ve ever seen,” a leading North American dealer said.

Some attributed continued lead time issues to changes with Caterpillar’s order system, forcing dealers to anticipate six months’ worth of inventory at a time. “Almost everything we order is on managed distribution, and we get one shot every six months to place a BOM [base order management] order,” one said. “The problem is you always guess wrong.” Other dealers attributed continued delivery issues to new model introductions. “Lead times for small equipment and excavators extended because factories are now issuing the new models, the next-gen equipment,” a French dealer said.

Sources in most regions said new equipment inventories remained the same yy, with the exception of Chinese dealers, who reported increases. “We had insufficient supply for some large excavators this time last year, but current inventory levels have increased year to year,” a Chinese dealer said.

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ON CURRENT DEMAND

“Our mining business continues to go strong. We’re a little concerned about what happens if the tariffs roll back. The tariffs have really helped some of the domestic miners.” *North America*

“Demand is driven by everything but ag, but even that is turning up a little bit. Governmental agencies are putting a ton of hours on things.” *North America*

“I talk to the sand and gravel guys. When they’re busy, I’m not as worried. They’re busy this year.” *North America*

“We’re not growing like we were in 4Q18, but we are still ahead of last year.” *North America*

“There’s nothing at all to complain about in 1Q19. The higher tariffs because of the trade issues did not impact Cat’s construction equipment because it’s built in China, Europe or Thailand — not in the U.S. Our mood is quite positive for 2019.” *EMEA*

“Our order intakes are substantial — especially for large equipment, which is really good. Orders for smaller equipment are not as strong, as small contractors are more nervous about Brexit.” *EMEA*

“The government spending on infrastructure continues to grow this year. The State Council issued guidelines last October on boosting investment in infrastructure projects like railway, highway, waterway, airport, water conservancy, energy, environmental protection and rural infrastructure.” *Asia/Pacific*

“I heard China’s excavator sales increased 10% in January year to year. Our 1Q19 sales and orders also have increased 10% year to year because of continued infrastructure investment and mining activity.” *Asia/Pacific*

ON 2019 SALES EXPECTATIONS

“By and large, I am satisfied with what’s going on. I talk to the engineers and the hospital people. I think even into 2020 it’s looking pretty good.” *North America*

“Contractors have a backlog of work through August or September. We think we’ll still see an increase until the election cycle gets crazy next year.” *North America*

“Based on the lack of pipeline, we’ll be down about 5% [yy].” *North America*

“The official target in France is a 1.5% increase in sales during 2019. That may seem conservative, but we had at least three strong years, and it will be difficult to do more.” *EMEA*

“We see demand up during 1Q19, and if the ruble remains stable, we may see growth in 2019. Infrastructure projects are driving our optimism.” *EMEA*

“Clients are cautious about dealing with Cat’s equipment. With the tariff the Russian government implemented on U.S.-made equipment, customers are wondering, ‘What’s next?’” *EMEA*

“The uncertainty in the mining environment skyrocketed because nobody knows when mines are coming back to operation. If it’s not soon, effects may be harmful.” *Latin America*

“We’re being more cautious in our forecast this time around.” *Latin America*

“I expect 2019 sales to decrease by around 20% year to year. The traditional busy season will remain good, but the market for mining is almost saturated.” *Asia/Pacific*

“Because of high base number, I think 2019 new equipment sales will not increase too much — maybe around 5%. Many project owners have purchased a lot of equipment.” *Asia/Pacific*

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ON NEW EQUIPMENT SUPPLY

"It depends on the product. There are so many different factories and products. Some products are out almost five or six months, but overall, [lead times] are shortening." *North America*

"The Cat order board is getting better. I think some other dealers may be pulling back a bit; maybe they are being cautious." *North America*

"We need more iron. We're sitting on only a month and one-half's supply on the ground. There's some scrambling. This week, I had some calls from buddies scrambling to get things." *North America*

"Lead times have gotten even worse. Published lead times have gone out. 3500s have stayed steady, but inline 6s and stuff coming out of Brazil ... those are out three to four weeks." *North America*

"We do not have enough inventory at the national level, and some models — especially the smaller models — are just unavailable." *EMEA*

"Inventories are insufficient because lead times are too long." *EMEA*

"Caterpillar's delivery is better; they made some changes in their allocation process. However, they still have some problems in some models. Excavators continue to be supply constrained, and backhoe availability is difficult." *Latin America*

"Caterpillar equipment has become more available than before. Earlier we got machines after seven to eight months; now, it has come down to four to five months." *Asia/Pacific*

"Lead times have improved a lot. For wheel loaders, it used to be two months; now, it is 15 days. It is also improving for backhoe loaders, and there is no lead time for excavators." *Asia/Pacific*

ON COMPETITIVE DYNAMICS

"Deere lost so much in our area last year; they're coming back very aggressive. The gap has definitely widened since the end of last year." *North America*

"We gained some ground against Deere and Volvo but lost some with Komatsu — especially hydraulic excavators in the oilfield pipeline arena." *North America*

"We do not expect price hikes before the Bauma fair. ... For Bauma, we have special programs, mostly related to financing and service contracts." *EMEA*

"We are gaining against Komatsu on [next-gen] small equipment." *EMEA*

"Liebherr [Group] has been gaining with wheel loaders especially, a segment where they priced very aggressively. Volvo has gained with excavators and wheel loaders, also on aggressive pricing." *EMEA*

"There were two packages for two large data centers. We lost both — one to Cummins [Inc.] because of a huge price difference, and the other to MTU [Friedrichshafen GmbH] because the negotiation took place in the United States and the Cat rep lacked the skills to close the deal." *Latin America*

"If Caterpillar takes no action on its prices, it's going to be chaotic." *Latin America*

"Komatsu doesn't have dealers in Brazil. They negotiate straight with the customers, and sometimes they benefit from that." *Latin America*

"While we increase our prices by 3%, our competitor reduce theirs by 15%. The price gap between Caterpillar and competition on large engines is about 18%." *Latin America*

"New equipment prices are lower year to year. Large excavators are 100,000–200,000 yuan cheaper than before because of market competition." *Asia/Pacific*

"OEM incentives and promotions have lowered the real prices." *Asia/Pacific*

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“Sany is gaining because of lower prices. Also, its reputation is getting better. Customers also accept its products. XCMG also did very well.”
Asia/Pacific

“As far as incentives go, there are extended warranties, extra parts ... lots of freebies.” *Asia/Pacific*

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1a. Are conditions and demand in the machinery market better, the same or worse qq?

	NORTH AMERICA	EMEA	LATIN AMERICA	ASIA/PACIFIC	TOTAL
Better:	5	3	2	3	13
Same:	2	9	2	3	16
Worse:	3	3	-	6	12
OTR Comparative Index:	20	0	-	-25	2
4Q18 Index:	36	-21	-	31	20
1Q18 Index:	50	29	-	42	34

Note: The OTR Comparative Index is a quantitative representation of qualitative responses. The Index is calculated by subtracting the "worse" from the "better" responses, dividing by the total responses and multiplying by 100. An Index below zero indicates a negative trend; above zero indicates a positive trend

1b. Have recent developments regarding global trade/tariff issues had a positive, neutral/no or negative impact on your business?

Positive:	1	-	-	2	3
No impact:	4	13	4	8	29
Negative impact:	1	2	-	2	5
No response:	4	-	-	-	4

2. What end markets and types of projects are driving your Caterpillar equipment orders?

Public sector/infrastructure:	1	8	-	9	18
Mining:	1	4	3	5	13
General construction:	-	9	-	-	9
Residential construction:	6	-	-	2	8
Commercial construction:	4	2	-	-	6
Highway/bridge:	3	-	-	1	4
Quarries/aggregates:	2	2	-	-	4
Oil and gas:	2	1	-	-	3
Data centers:	2	-	1	-	3
Municipal engineering:	1	2	-	-	3
Healthcare:	1	-	1	-	2
Private construction:	1	-	1	-	2
Forestry:	1	1	-	-	2
Industrial construction:	-	2	-	-	2
Nonresidential construction:	-	2	-	-	2
Agriculture:	-	1	1	-	2
Other:	1	1	-	2	4

Note: Some sources gave more than one answer while others did not respond.

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3a. Have 1Q19 sales of new Caterpillar equipment increased, remained the same or decreased yy?

	NORTH AMERICA	EMEA	LATIN AMERICA	ASIA/PACIFIC	TOTAL
Up 91%–100%:	-	-	1	-	1
Up 41%–50%:	1	-	-	-	1
Up 26%–30%:	-	1	-	-	1
Up 21%–25%:	-	-	-	2	2
Up 16%–20%:	1	-	1	-	2
Up 11%–15%:	1	2	-	2	5
Up 6%–10%:	1	1	-	5	7
Up 1%–5%:	2	3	-	-	5
Up:	-	1	-	-	1
Flat:	2	5	1	2	10
Down:	-	1	-	-	1
Down 6%–10%:	1	-	-	-	1
Down 11%–15%:	-	-	1	-	1
Down 41%–50%:	-	-	-	1	1
No response:	1	1	-	-	2
Weighted average:	Up 7%–10%	Up 6%–9%	Up 25%–28%	Up 14%–17%	Up 10%–13%
4Q18 average:	Up 12%–15%	Up 2%–5%	Up 30%–33%	Up 25%–27%	Up 14%–17%

3b. Are 1Q19 new equipment sales stronger, in line with or weaker than your expectations?

Stronger:	5	3	1	-	9
In line:	5	10	1	11	27
Weaker:	-	1	-	1	2
No response:	-	1	2	-	3

4. Have 1Q19 orders for new Caterpillar equipment increased, remained the same or decreased yy?

Up 91%–100%:	-	-	1	-	1
Up 26%–30%:	-	1	-	-	1
Up 21%–25%:	-	-	-	1	1
Up 11%–15%:	1	2	-	1	4
Up 6%–10%:	1	1	-	6	8
Up 1%–5%:	5	2	-	-	7
Up:	-	1	-	-	1
Flat:	1	4	1	3	9
Down:	-	1	-	1	2
Down 1%–5%:	1	1	-	-	2
Down 16%–20%:	-	1	-	-	1
No response:	1	1	2	-	4
Weighted average:	Up 5%–8%	Up 5%–8%	Not averaged	Up 14%–17%	Up 7%–10%
4Q18 average:	Up 5%–8%	Up 1%–4%	Not averaged	Up 23%–26%	Up 10%–13%

5a. Have 1Q19 lead times on new equipment orders lengthened, remained the same or shortened qq?

Extended:	1	5	1	-	7
Remained the same:	4	9	2	10	25
Shortened:	4	1	1	2	8
No response:	1	-	-	-	1

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5b. Has Caterpillar increased, maintained or decreased equipment production during the past 90 days?

	NORTH AMERICA	EMEA	LATIN AMERICA	ASIA/PACIFIC	TOTAL
Increased:	3	1	-	5	9
Remained the same:	4	4	3	3	14
Decreased:	-	2	-	-	2
Don't know:	1	8	1	1	11
No response:	2	-	-	3	5

6a. Have 1Q19 new equipment inventory levels increased, remained the same or decreased yy?

Increased:	2	2	2	10	16
Remained the same:	5	7	1	2	15
Decreased:	2	5	-	-	7
No response:	1	1	1	-	3

6b. Are new equipment inventory levels excessive, adequate or insufficient relative to demand?

Excessive:	-	-	1	1	2
Adequate:	5	9	2	10	26
Insufficient:	4	5	-	1	10
No response:	1	1	1	-	3

7. Do you expect your 2Q19 new equipment inventory to be higher, unchanged or lower qq?

Higher:	-	-	2	1	3
Unchanged:	6	11	1	9	27
Lower:	1	3	-	2	6
Don't know:	1	-	-	-	1
No response:	2	1	1	-	4

8a. Have 1Q19 new equipment prices increased, remained the same or decreased yy?

Up 6%–10%:	1	1	-	1	3
Up 1%–5%:	8	11	4	3	26
Up:	-	2	-	1	3
Flat:	-	1	-	5	6
Down:	-	-	-	2	2
No response:	1	-	-	-	1
Weighted average:	Up 2%–5%	Up 2%–5%	Up 1%–4%	Flat-up 3%	Up 1%–4%
4Q18 average:	Up 1%–4%	Flat-up 3%	Not averaged	Flat-up 2%	Up 1%–4%

8b. Has Caterpillar's 1Q19 incentive activity increased, remained the same or decreased qq?

Increased:	-	3	-	7	10
Remained the same:	6	11	3	5	25
Decreased:	3	-	1	-	4
No response:	1	1	-	-	2

9. Have competitors raised or lowered pricing during the past 90 days?

Raised:	2	5	2	1	10
Unchanged:	3	1	-	5	9
Lowered:	1	-	1	5	7
Don't know:	2	-	-	-	2
No response:	2	9	1	1	13

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10a. Which manufacturers gained market share in your territory during 1Q19?

	NORTH AMERICA	EMEA	LATIN AMERICA	ASIA/PACIFIC	TOTAL
Caterpillar:	2	6	2	4	14
Komatsu:	4	2	2	1	9
XCMG:	-	-	1	8	9
Sany:	-	-	-	8	8
Volvo:	1	2	-	-	3
Liebherr Holding:	-	3	-	-	3
Belaz:	-	2	-	-	2
JCB:	-	-	1	1	2
Other:	4	1	2	3	10
None:	4	1	1	-	6

Note: Some sources gave more than one answer while others did not respond.

10b. Which manufacturers lost market share in your territory during 1Q19?

Caterpillar:	4	4	2	1	11
Komatsu:	1	4	1	4	10
Deere:	3	-	-	-	3
International manufacturers:	-	-	-	3	3
Japanese brands:	-	-	-	3	3
Volvo:	2	-	-	-	2
Hitachi:	-	1	-	1	2
Doosan Infracore:	-	-	-	2	2
Hyundai:	-	-	-	2	2
Korean brands:	-	-	-	2	2
Other:	1	2	1	3	7
None:	4	1	1	-	6

Note: Some sources gave more than one answer while others did not respond.

11a. Has the availability of used equipment tightened, remained the same or loosened during the past 90 days?

Tightened:	1	3	1	1	6
Remained the same:	6	3	1	8	18
Loosened:	1	1	-	2	4
No response:	1	1	-	-	2
Not applicable:	1	7	2	1	11

11b. Have used equipment prices increased, remained the same or decreased during the past 90 days yy?

Up 6%–10%:	-	2	-	-	2
Up 1%–5%:	1	3	-	-	4
Up:	-	-	-	3	3
Flat:	5	2	1	3	11
Down:	-	-	-	4	4
Down 1%–5%:	1	-	-	-	1
Don't know:	1	-	2	-	3
No response:	1	1	-	2	4
Not applicable:	1	7	1	-	9
Weighted average:	Flat	Up 2%–5%	Not averaged	Not averaged	Flat–up 2%
4Q18 average:	Up 4%–7%	Up 2%–5%	Not averaged	Not averaged	Up 3%–6%

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12. Do you expect your 2019 new equipment sales to increase, remain the same or decrease yy?

	NORTH AMERICA	EMEA	LATIN AMERICA	ASIA/PACIFIC	TOTAL
Up 71%–80%:	1*	-	-	-	1*
Up 31%–40%:	1*	-	-	-	1*
Up 26%–30%:	-	-	-	2	2
Up 16%–20%:	-	-	2	-	2
Up 11%–15%:	-	1	-	-	1
Up 6%–10%:	1	1	-	4	6
Up 1%–5%:	3	3	1	4	11
Up:	-	4	-	-	4
Flat:	2	4	-	-	6
Down:	-	1	-	-	1
Down 1%–5%:	1	1	-	1	3
Down 16%–20%:	-	-	-	1	1
No response:	1	-	1	-	2
Weighted average:	Up 1%–4%	Up 3%–6%	Up 12%–15%	Up 17%–20%	Up 6%–9%
4Q18 average:	Up 1%–4%	Up 3%–6%	Up 13%–16%	Up 14%–17%	Up 5%–8%

* Outlying EPG distributors removed from the averages

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Additional information available upon request.