

Construction vehicle hire company: upgrades fleet with specialist financing in the UK

Construction vehicle hire company

Key facts about the company:
Successful construction vehicle hire company that provides rental services for mini-excavators, all the way to haulers, dozers and dump trucks.

- Location: Kent, UK
- Services: Construction vehicle rental hire



Challenges

- In order to ensure its service capacity and work efficiency, the construction vehicle hire company needs to make sure that its equipment is regularly kept up-to-date.
- As several of the company's machines were nearing the end of their useful lifetime, the firm was looking for a sustainable financing solution that would facilitate their immediate replacement without straining the company's finances.

Solution

- Siemens Financial Services (SFS) was in direct competition with the in-house financiers of the equipment manufacturers, who were offering preferential financing agreements.
- However, after thorough consideration of the hire company's business model and careful risk evaluation, SFS was able to provide a highly competitive fixed term, hire purchase agreement worth £3 million.
- This financing helped the firm acquire several machines which greatly improved work efficiency and reduced long term costs, including three hydraulic excavators, four articulated haulers, one screener, one track type dozer, and one jaw crusher.

Benefits

- As part of an engineering group and with in-depth construction knowledge, SFS has a comprehensive understanding of equipment application and technology development paths, as well as the positive contribution up-to-date equipment can bring to the business.
- Additionally, its specialist financing expertise allows it to accurately evaluate business risks, thereby making an effective offer with optimised pricing.
- By aligning monthly finance payments with the expected revenues generated by the new equipment, the plant hire company can upgrade its equipment fleet in a cost-effective and financially sustainable way.

“Offering the best in technological efficiency and capability is crucial in a competitive industry like construction. As a specialist financier we are able to offer tailored financing solutions and help companies to expand business processes when access to finance may prove a challenge through traditional avenues.”

John Kennedy, Crane and Construction Finance Specialist, SFS