

**CHRIS
SLEIGHT**

**South American
equipment markets**

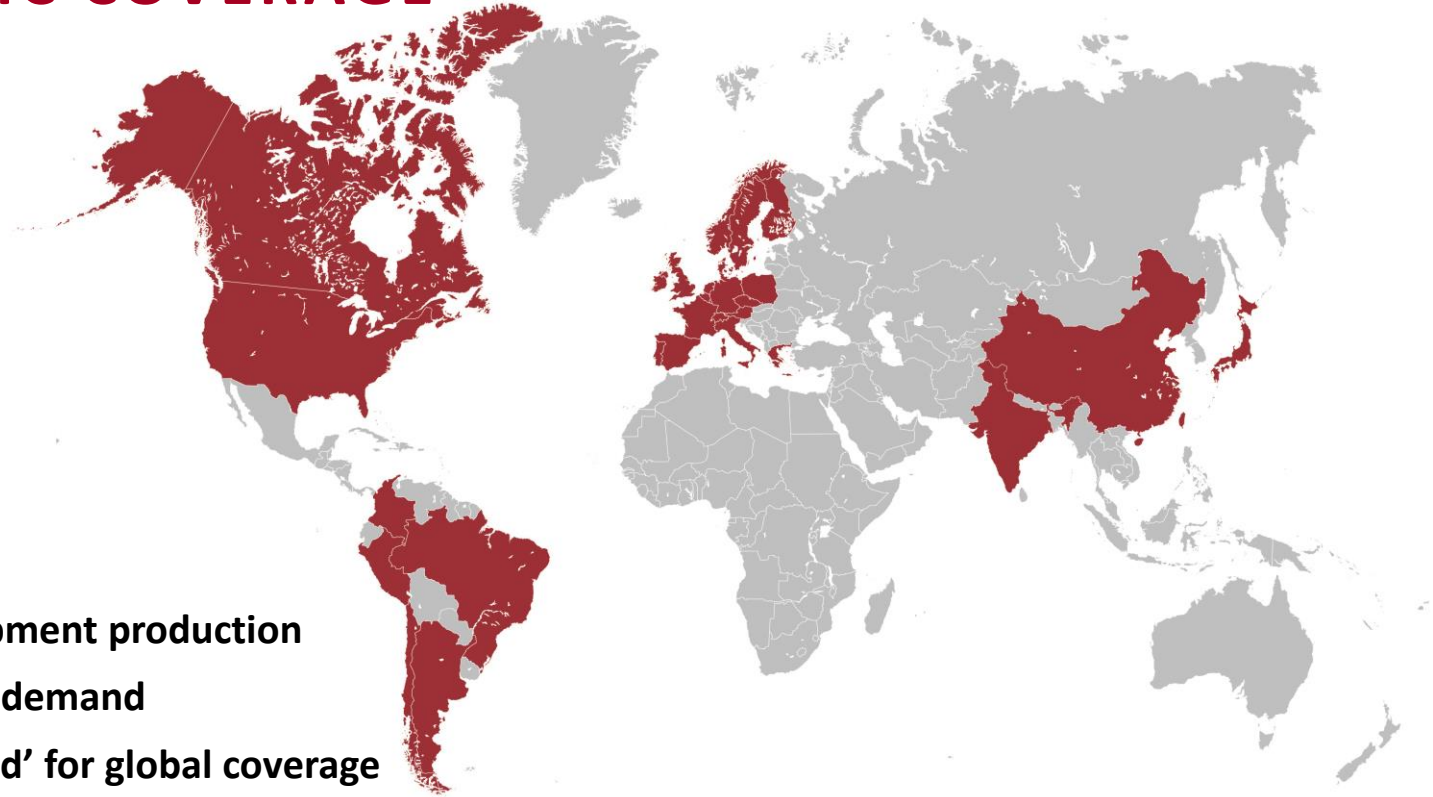
#CECEcongress

WHO WE ARE

- Specialists in the research and analysis of international construction equipment markets
- The largest consultancy of its kind in the world
- Formed in 1981 as part of the Economist Intelligence Unit
- Now owned by KHL Group
 - Leading media & events company in our industry
- Off-Highway Research offices in Chile, China, Germany, India, Japan, UK & USA
 - Further locations with wider KHL Group network



GEOGRAPHIC COVERAGE



27 named countries:

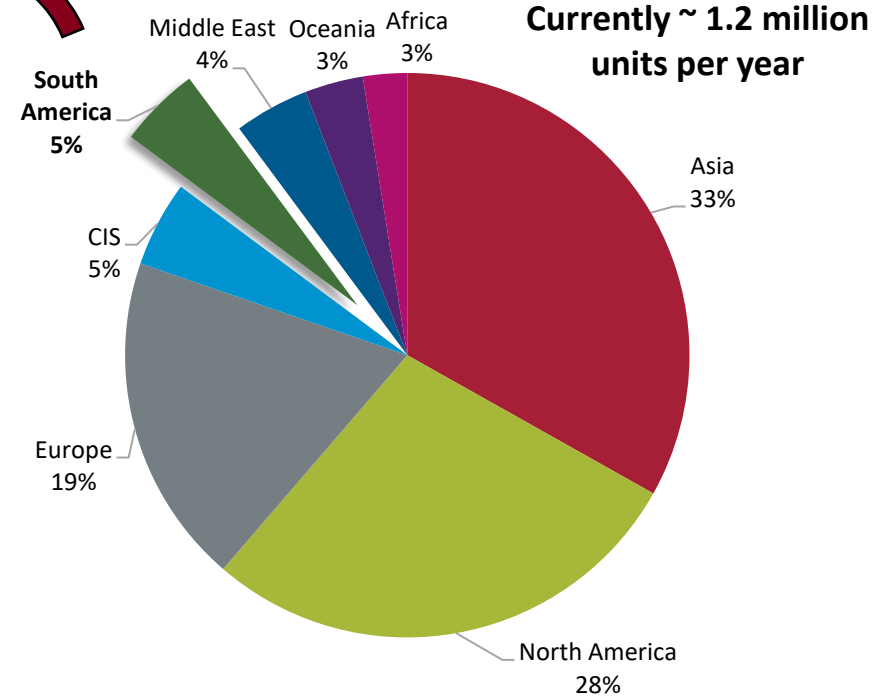
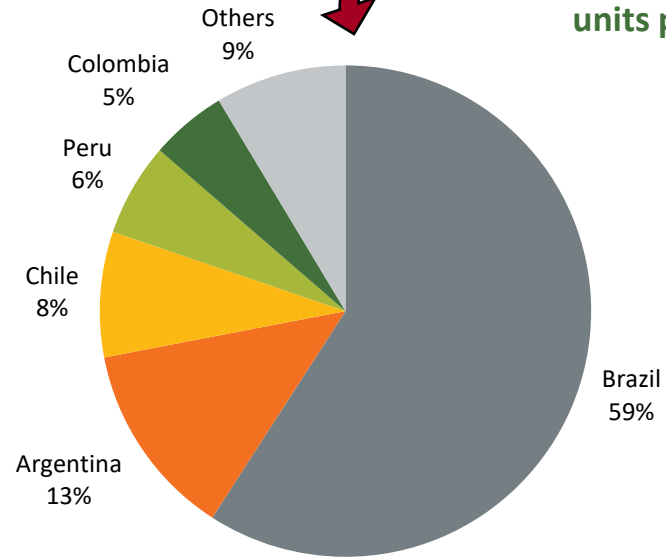
- **95%** of global equipment production
- **80%** of global sales demand

Plus 'Rest of the World' for global coverage

EQUIPMENT COVERAGE

- Articulated dump trucks
- Asphalt finishers
- Backhoe loaders (TLBs)
- Compact tracked loaders
- Crawler dozers
- Crawler excavators (6 tonnes+)
- Crawler loaders
- Mini excavators (<6 tonnes)
- Motor graders
- Rigid dump trucks
- RTLTs – masted
- RTLTs – telescopic (telehandlers)
- Skid-steer loaders
- Wheeled excavators
- Wheeled loaders
- Mobile cranes – China, India, North America and South America only
- Compaction equipment– China, India, and South America only

MARKET CONTEXT 2023

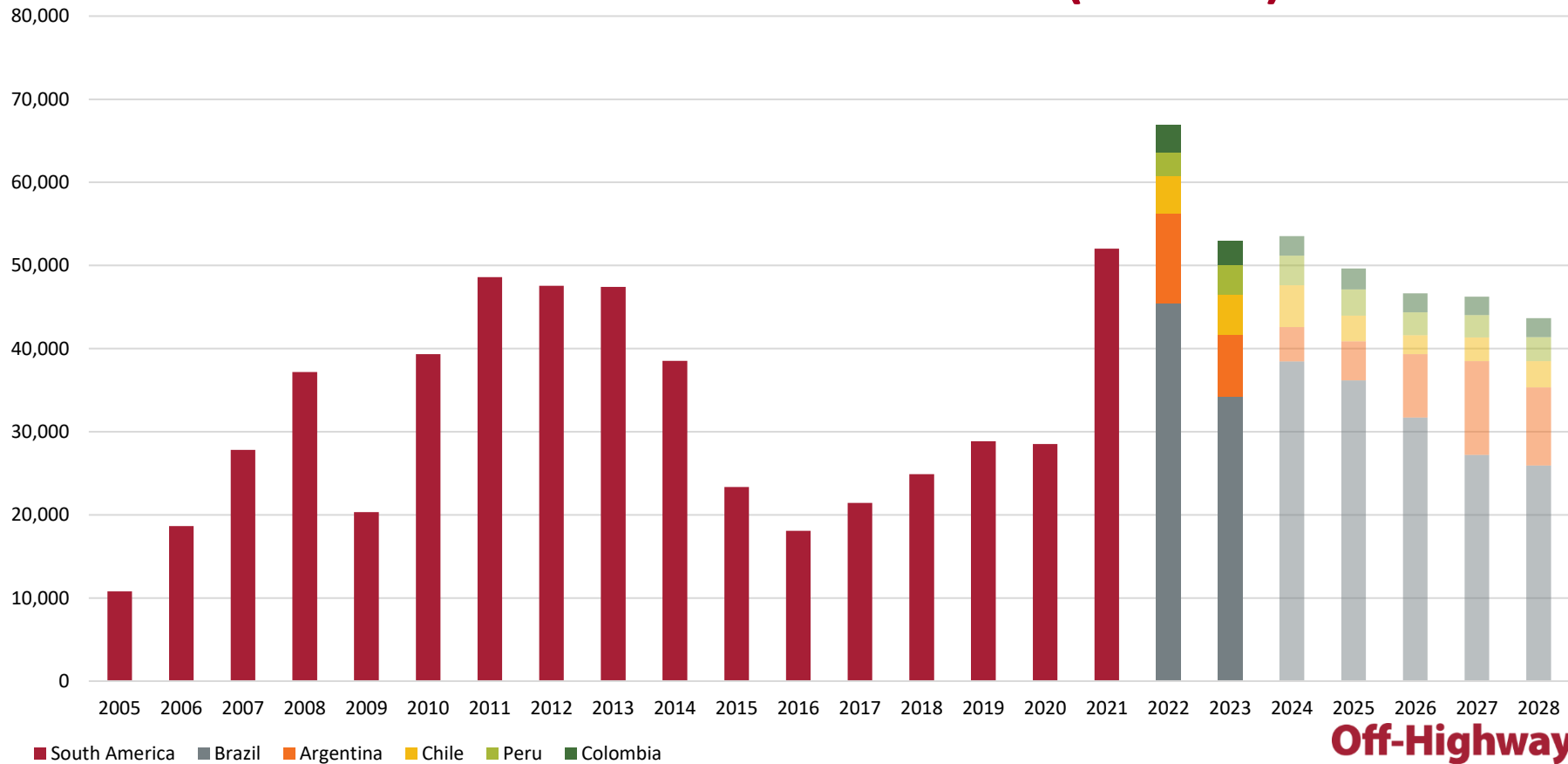


MARKET TRENDS



- **Return to health after difficult 2010s**
 - **Brazil dominates and was the main problem**

SOUTH AMERICA: MARKET VOLUME (UNITS)

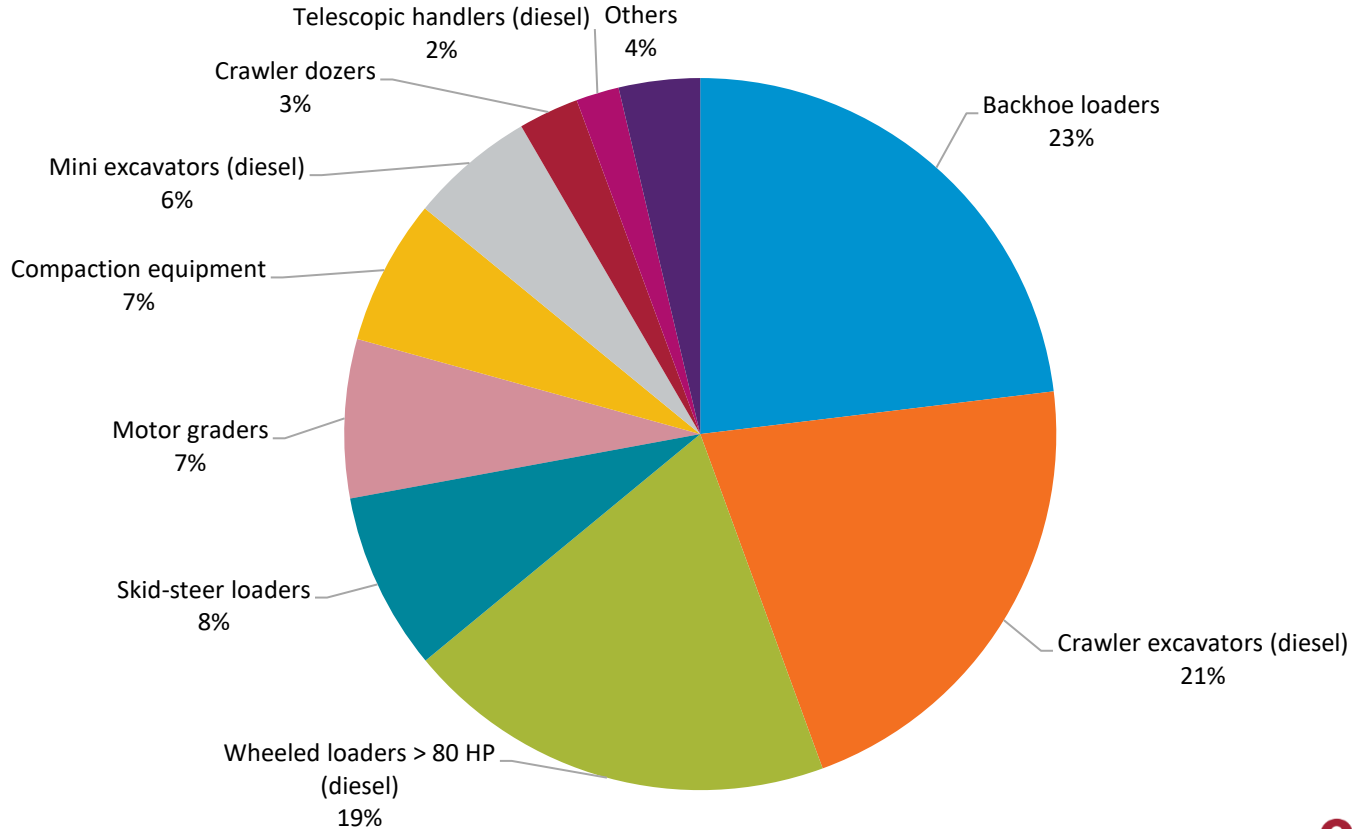


MARKET TAKE-AWAYS

- 2022 was **exceptional**
- High inflation made the 2023 reset harder than it might have been
 - Inflation remains problematic in Argentina
- Conservative forecast
 - Assumption of a fairly long down-cycle from next year
- Economic outlook is OK but **political stability** is also critical



SOUTH AMERICA: MARKET STRUCTURE

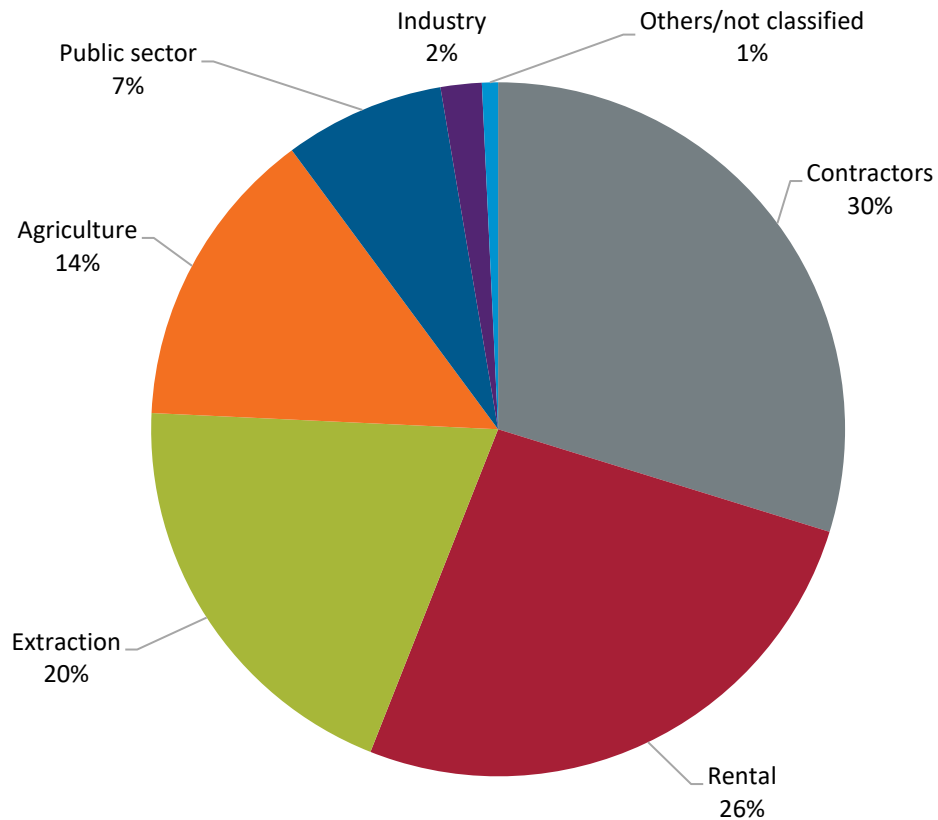


MARKET STRUCTURE

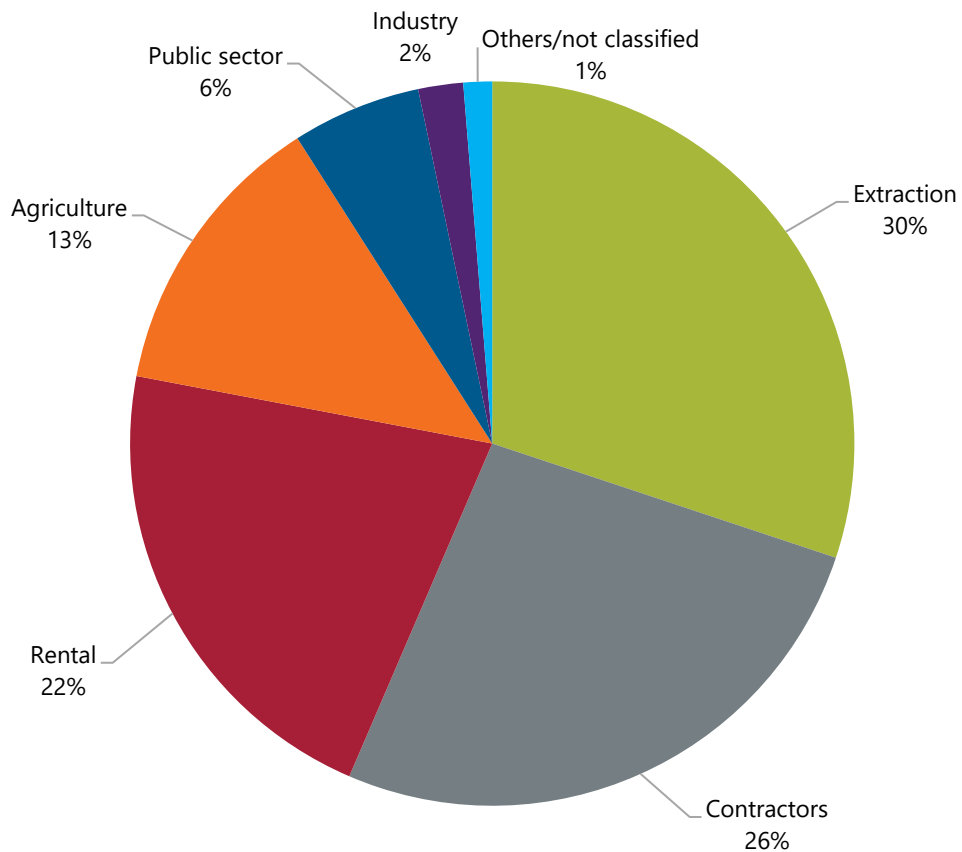
- Backhoe loader still popular
 - **Largest market outside India**
 - But crawler excavators securing more share over time
- Unusually large motor grader market
- Mini excavators are almost all (very) low cost machines form 2nd and 3rd tier suppliers



SOUTH AMERICA: SALES BY CUSTOMER TYPE (UNIT TERMS)



SOUTH AMERICA: SALES BY CUSTOMER TYPE (US\$ TERMS)

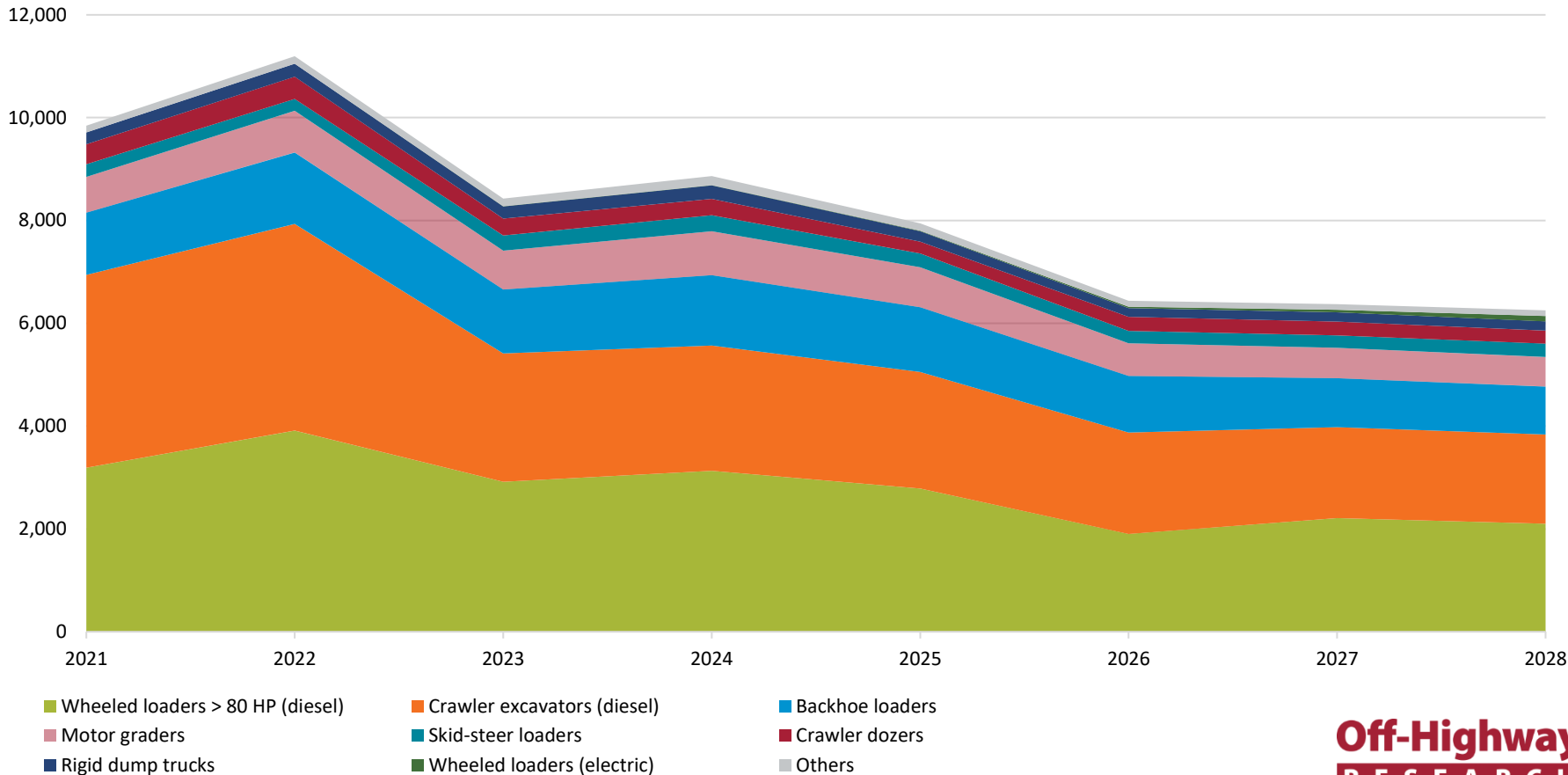


CUSTOMER TAKE-AWAYS

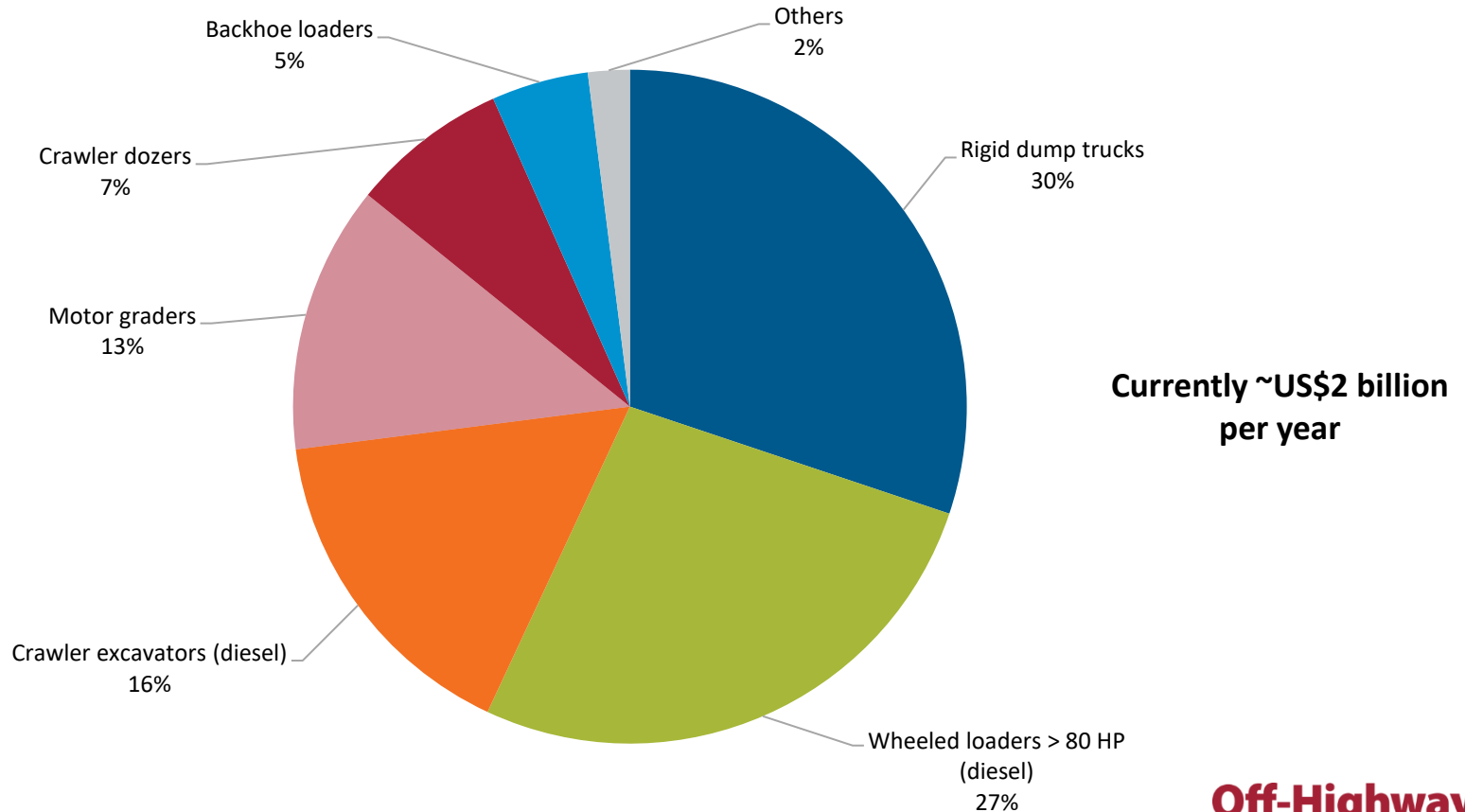
- **Extraction** is the biggest driver of sales by value
 - **Wider economic health** is also heavily influenced by extraction
 - **Market health = commodity prices**
- **Rental** has become more established
- **Agriculture** and **public sector** customers are important



EXTRACTION INDUSTRY: UNIT SALES BY TYPE



EXTRACTION INDUSTRY: SALES BY TYPE – US DOLLAR TERMS



EXTRACTION INDUSTRY TAKE-AWAYS

- **Big equipment** is the obvious high-value opportunity
- **Smaller equipment** represents an opportunity
 - **Volumes** in some types is significant



THANK YOU – QUESTIONS?

More information at www.offhighwayresearch.com

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