



Assessing The Pump Rental Market In Australia, Brazil And Europe

Client	Europe-based manufacturer and supplier of process equipment such as pumps, compressors, boilers
Industry	Pump Rental
Products	Industrial Pumps

Context

- Our client wanted to evaluate the industrial pumps rental market in Australia, Brazil and Europe in order to expand its pump rental business through acquisitions in these regions.

Our Key Business Questions

- What is the market demand for pump rental in the focus regions? How is it expected to grow in the future?
- How is the pump rental market structured? Who are the key players in each region?
- Which companies can be potential targets for acquisition by our client's pump rental team?

Engagement Scope

1	Market Demand Assessment	2	Market Structure & Key Player Evaluation	3	Potential Target Identification	4	Key Findings & Conclusion
	<ul style="list-style-type: none"> Which applications have the most demand for rental pumps in the focus geographies? What is the size of the demand for pump rental in the focus regions? How is the market expected to grow in the future? What factors are likely to drive any changes in demand? 		<ul style="list-style-type: none"> What is the structure of the market in each region? What role is played by manufacturers, distributors and specialized service providers? Who are the key players in pump rentals in Australia, Brazil and Europe? What share of the market do they hold? 		<ul style="list-style-type: none"> Which companies are potential targets for acquisition? How do they match-up to our client's requirements and parameters, including their presence in the market, offerings, focus market segments and ownership? 		<ul style="list-style-type: none"> What is the overall market potential for pump rental in each country? Which companies can be looked as potential targets for acquisition in each region?

Research Methodology

Secondary Research

- Conducted desk research to gain an overall understanding of the market and competitive landscape.
- Researched industry association websites, industry journals, subscribed databases, portals, press releases and industry reports.

Primary Research

- 150+ telephone interviews with pump rental companies, pump manufacturers, end-users/customers and industry experts.

Sample Analysis

1 Market Demand Assessment

Industrial Pump Market - Definition

Industrial pumps are used across industries, such as **XX, XX, XX, XX, to raise or move fluids (including liquids, gases and slurries) mainly using diesel engine and electric driven motor.** These pumps are used in various industries such as **Oil & Gas and Chemicals.**

Overview

- Pump is a mechanical device which uses suction or pressure to raise or move fluids (including liquids, gases and slurries) mainly using diesel engine and electric driven motor. These pumps are used in various industries such as Oil & Gas and Chemicals.
- By technology, industrial pumps can be divided into centrifugal (including submersible), and positive displacement (both reciprocating and rotary).
- By flow, industrial pumps are broadly classified into three types - 1) **High Flow** (flow rate >1,000 gallons per minute—GPM), 2) **Medium Flow** (flow rate 500–1,000 GPM) and 3) **Low Flow** (flow rate <500 GPM).
- By pressure, industrial pumps can be categorized into three types - 1) **High Pressure**

Types of Industrial Pumps

Industrial Pump Rental Market - By End-use Industries

In Australia, Brazil and Europe, 'sector 1' and 'sector 2' industries had the highest usage of industrial pump rental in 2015.

Higher usage

Region	Tier 1	Tier 2	Tier 3
Australia	XX	XX	XX
Brazil	XX	XX	XX
Europe	XX	XX	XX

Lower usage

Others

By Rental Usage - By Tier

Tier	Usage
Tier 1	XX
Tier 2	XX
Tier 3	XX

As of 2015, the key industries for industrial pump rental include 'construction' and 'municipal and government.'

- Sector 1: 'XX' emerge as the main industry owing to the infrastructural developments in the key European countries.
- Sector 2: It is one of the key industries due to pump rental requirement in wide range of applications such as water supply, waste removal and sludge dewatering.

Source: Shree Hiran, Deepa Saravanan, Uthay, Vivek, Isha and Anurag Pathak
Source: Shree Hiran, Deepa Saravanan, Uthay

2 Market Structure & Key Player Evaluation

Industrial Pump Rental: Value Chain

The type of entities offering industrial pumps on rent include rental companies (including pure-play rental companies), manufacturers, distributors and chemical cleaning companies.

Players	Rental Companies (also involved in pump sales)	Pure Rental Companies	Manufacturers/OEMs (also selling pumps)	Others (Distributors and Chemical Cleaning Companies)
Line of Business	✓	✓	✓	✓
Scale of Business	✓	✓	✓	✓
Scale of Fleet	✓	✓	✓	✓
Scale of Fleet	✓	✓	✓	✓
Scale of Fleet	✓	✓	✓	✓

Market Structure: Tier Structure

In Australia, Brazil and Europe, industrial pump rental providers can be categorised into Tier 1, 2 and 3 based on their rental/feet size, the highest portion of the market is held by Tier 1 companies.

- Tier 1:** This tier mostly comprises large rental providers such as Company A, B, C and D. These providers together account for 50-60% share of the industrial pump rental market and hold fleet size of >1,000 industrial pumps. Large fleet size, wide product ranges for various applications and wide geographic presence act as vital factors for most of these players to lead the market in Europe.
- Tier 2:** This tier includes mid-sized pump rental providers such as Company A, B, C and D. These providers hold 30-40% share of the industrial pump rental market. The Tier 2 suppliers have fleet size ranging between 2,000 to 3,000 industrial pumps.
- Tier 3:** This tier involves small-sized rental providers including Company A, B, C and D. These players occupy 10-15% of the industrial pump rental market in Europe. Industrial pump rental providers with less than 2,000 fleet size fall under this category.

Source: Shree Hiran, Deepa Saravanan

3 Potential Target Identification

Potential Target Identification (1/2)

Based on parameters such as 'ownership type', 'market share', 'pump rental contribution', 'HP and HF focus' and 'Oil & Gas focus', the key target companies are **XX...**

Companies	Ownership Type	Market Share	Pump Rental Contribution (By the Overall Fleet)	HP and HF Focus	Oil & Gas Focus	Geographic Presence	Overall Rating
Company A	Public	High	High	High	High	High	High
Company B	Public	High	High	High	High	High	High
Company C	Public	High	High	High	High	High	High
Company D	Public	High	High	High	High	High	High

Potential Target Identification (2/2)

Company XX is relatively less attractive, as it is part of a public company (United Technologies Corporation).

Companies	Ownership Type	Market Share	Pump Rental Contribution (By the Overall Fleet)	HP and HF Focus	Oil & Gas Focus	Geographic Presence	Overall Rating
Company K	Public	High	High	High	High	High	High
Company L	Public	High	High	High	High	High	High
Company M	Public	High	High	High	High	High	High
Company N	Public	High	High	High	High	High	High
Company O	Public	High	High	High	High	High	High
Company P	Public	High	High	High	High	High	High

Source: Shree Hiran, Deepa Saravanan, Uthay, Vivek, Isha and Anurag Pathak
Source: Shree Hiran, Deepa Saravanan, Uthay

4 Key Findings & Conclusion

What is the demand of industrial pump rental in Australia, Brazil and Europe? How is it expected to grow in the future?

In 2015, the industrial pump rental market can be estimated at 'XXX Mn and is expected to grow at a XX% CAGR during 2015E-2020E.'

Which are the key industries where industrial pumps are used on rent?

'XX' and 'XX' sectors are the key users of industrial pumps on rent in Europe.

In order to better understand the key industries using HP and HF pumps on rent, a comparison has been presented below between pump rental usage and HP and HF pump rental usage. The below representation has been prepared to understand if industries use HP and HF pumps on rent.

As per industry, industrial pumps are used on rent in various applications such as water supply, waste removal and sludge dewatering. As per industry, industrial pumps are used on rent in various applications such as water supply, waste removal and sludge dewatering.

Source: Shree Hiran, Deepa Saravanan, Uthay, Vivek, Isha and Anurag Pathak
Source: Shree Hiran, Deepa Saravanan, Uthay

Benefits for Client

- By providing a 360 degree view of the potential acquisition target companies – including ownership type, fleet size, market share and geographical presence – we enabled our client to assess the pump rental market in detail and shortlist the potential players for acquisition in each region.
- Our client initiated the first acquisition within six months of receiving our report.

Thank you

North America

55 Madison Ave, Suite 400
Morristown, NJ 07960
USA
T: +1 212 835 1590

Europe

328-334 Graadt van Roggenweg
4th Floor, Utrecht, 3531 AH
Netherlands
T: +31 30 298 2108

United Kingdom

5 Chancery Lane
London EC4A 1BL
United Kingdom
T: +44 207 406 7548

Asia Pacific

Millennium Business Park
Sector 3, Building # 4, Mahape
Navi Mumbai – 400 710
India
T: +91 22 6772 5700