

Equipment Leasing and Finance Association's Survey of Economic Activity: Monthly Leasing and Finance Index

February New Business Volume Up 31 Percent Year-over-year, 13 Percent Month-to-Month, 20 Percent Year-to-date

Washington, DC, March 22, 2018—The [Equipment Leasing and Finance Association's](#) (ELFA) [Monthly Leasing and Finance Index](#) (MLFI-25), which reports economic activity from 25 companies representing a cross section of the \$1 trillion equipment finance sector, showed their overall new business volume for February was \$7.7 billion, up 31 percent year-over-year from new business volume in February 2017. Volume was up 13 percent month-to-month from \$6.9 billion in January. Year to date, cumulative new business volume was up 20 percent compared to 2017.

Receivables over 30 days were 1.60 percent, down from 1.90 percent the previous month and up from 1.50 percent the same period in 2017. Charge-offs were 0.28 percent, down from 0.34 percent the previous month, and down from 0.38 percent in the year-earlier period.

Credit approvals totaled 74.2 percent in February, down from 76.9 percent in January. Total headcount for equipment finance companies was up 1.4 percent year over year. During 2017, headcount was elevated due to acquisition activity at an MLFI reporting company.

Separately, the Equipment Leasing & Finance Foundation's Monthly Confidence Index (MCI-EFI) in March is 72.2, easing from 73.2 in February.

[ELFA President and CEO Ralph Petta](#) said, "February originations offer further proof that 2018 is shaping up to be a very strong year for the equipment finance industry. Momentum spurred on by recently enacted tax changes together with an economy beginning to hit on most, if not all, cylinders, is creating a compelling demand cycle for capital equipment acquisition by American businesses, large and small. In addition, portfolios continue to perform at high levels, helping to contribute to the sense of optimism carried over from the second half of 2017."

[David Walton, President and CEO, Caterpillar Financial Services Corporation](#), said, "Business activity across many of the key industries we serve continues to be favorable. This can be attributed to the current positive overall industry fundamentals and economic conditions in the U.S. Although the outlook is for a continued increase in U.S. interest rates, our customers are still benefitting from historically low interest rates and evaluating the benefits of recent U.S. tax reform. As our customers continue to work towards successfully growing their businesses, we remain optimistic about the year ahead and focused on maintaining a healthy portfolio."

About ELFA's MLFI-25

The MLFI-25 is the only index that reflects capex, or the volume of commercial equipment financed in the U.S. The MLFI-25 is released globally at 8 a.m. Eastern time from Washington, D.C., each month on the day before the U.S. Department of Commerce releases the durable goods report. The MLFI-25 is a financial indicator that complements the durable goods report and other economic indexes, including the Institute for Supply Management Index, which reports economic activity in the manufacturing sector. Together with the MLFI-25 these reports provide

a complete view of the status of productive assets in the U.S. economy: equipment produced, acquired and financed.

The MLFI-25 is a time series that reflects two years of business activity for the 25 companies currently participating in the survey. The latest MLFI-25, including methodology and participants, is available at www.elfaonline.org/Data/MLFI/

MLFI-25 Methodology

ELFA produces the MLFI-25 survey to help member organizations achieve competitive advantage by providing them with leading-edge research and benchmarking information to support strategic business decision making.

The MLFI-25 is a barometer of the trends in U.S. capital equipment investment. Five components are included in the survey: new business volume (originations), aging of receivables, charge-offs, credit approval ratios, (approved vs. submitted) and headcount for the equipment finance business.

The MLFI-25 measures monthly commercial equipment lease and loan activity as reported by participating ELFA member equipment finance companies representing a cross section of the equipment finance sector, including small ticket, middle-market, large ticket, bank, captive and independent leasing and finance companies. Based on hard survey data, the responses mirror the economic activity of the broader equipment finance sector and current business conditions nationally.

About ELFA

The Equipment Leasing and Finance Association (ELFA) is the trade association that represents companies in the \$1 trillion equipment finance sector, which includes financial services companies and manufacturers engaged in financing capital goods. ELFA members are the driving force behind the growth in the commercial equipment finance market and contribute to capital formation in the U.S. and abroad. Its 575 members include independent and captive leasing and finance companies, banks, financial services corporations, broker/packagegers and investment banks, as well as manufacturers and service providers. For more information, please visit www.elfaonline.org.

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ELFA is the premier source for statistics and analyses concerning the equipment finance sector. Please visit www.elfaonline.org/Data/ for additional information.

The Equipment Leasing & Finance Foundation is a 501c3 non-profit organization dedicated to inspiring thoughtful innovation and contributing to the betterment of the equipment leasing and finance industry. The Foundation is funded through charitable individual and corporate donations. Learn more at www.leasefoundation.org.

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