



The face of interaction





# Equipment Rental - Industrial

## Doug Waugaman

Capital Markets Day

Feb. 19-20, 2001



*Atlas Copco*

# Agenda

- ▶ Economic Conditions
- ▶ Offering Overview
- ▶ Structure
- ▶ Customer
- ▶ Offering Specifics

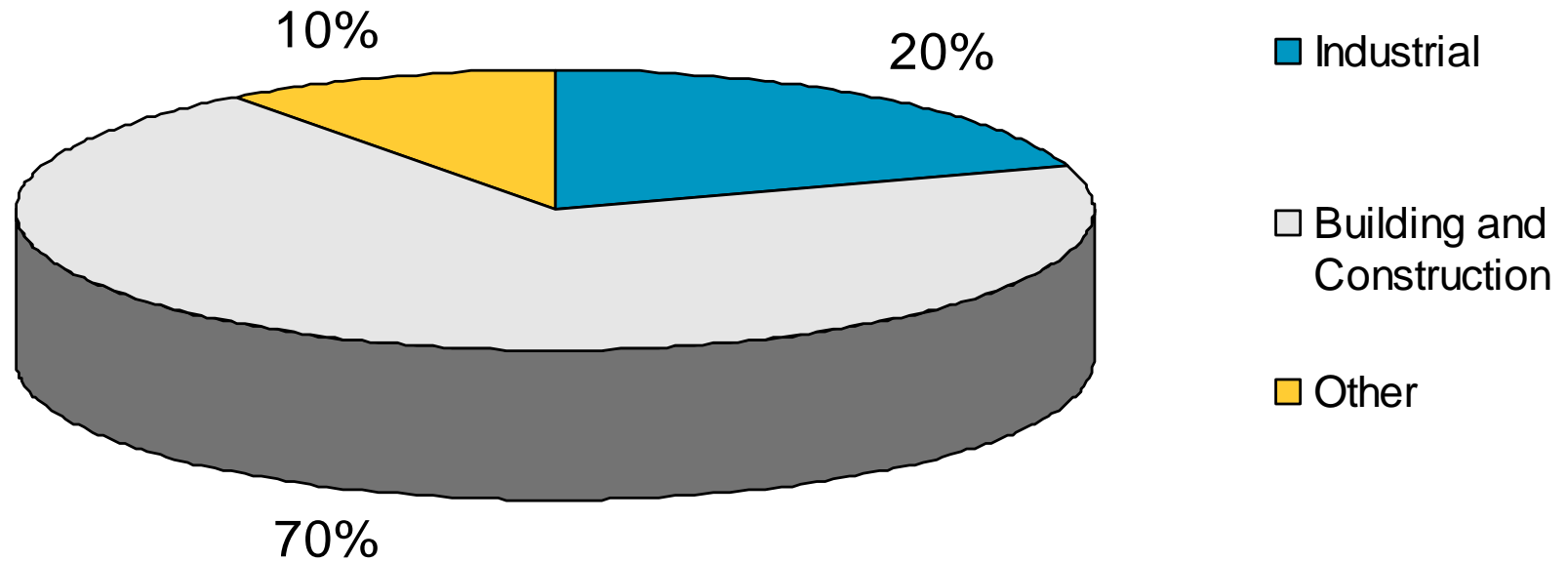
# Economic Status

- ▶ Industrial segment
  - ▾ Less cyclical
  - ▾ More stable
  - ▾ Different drivers than construction

# Economic Status

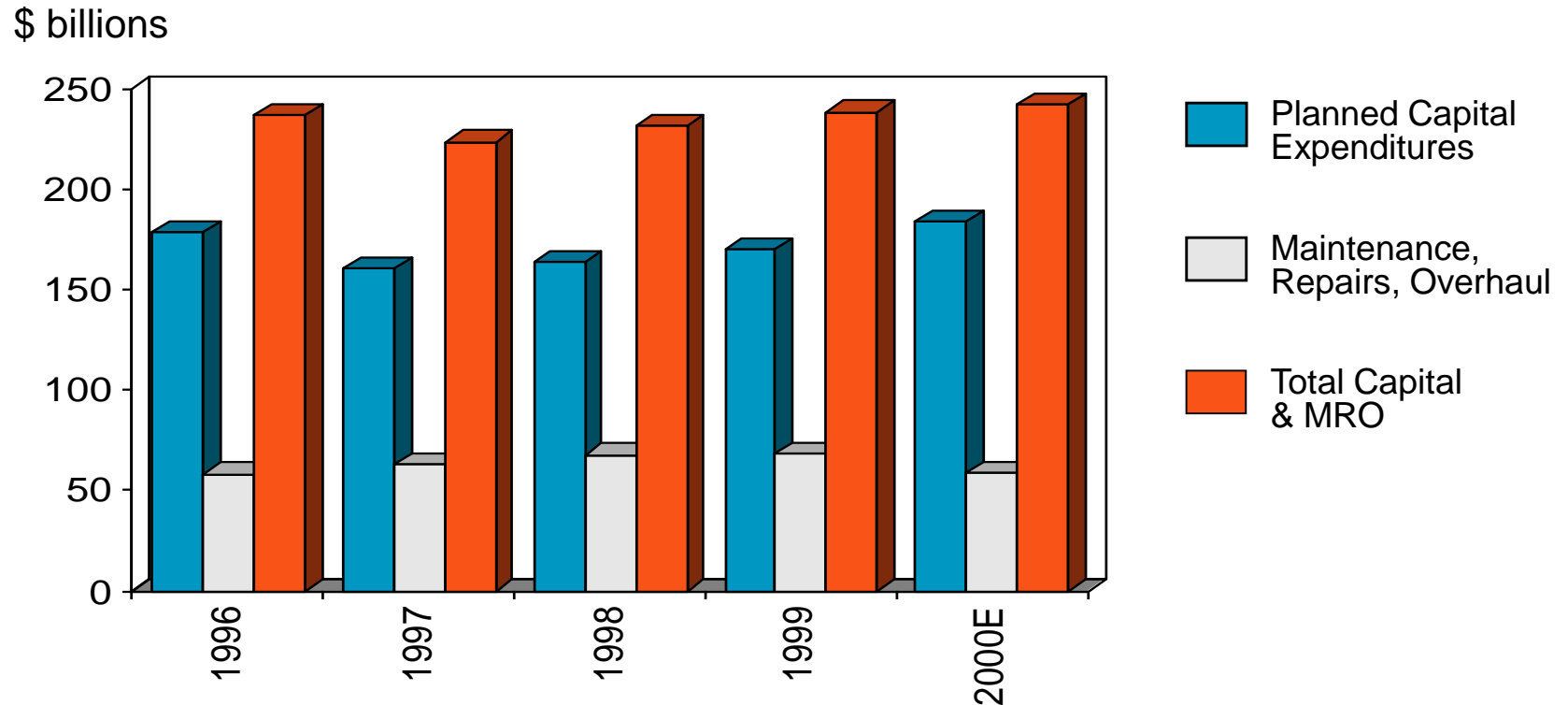
- ▶ Maintenance & Repairs and Overhaul
  - ▾ Business activity
  - ▾ Needs to be done
  - ▾ Change in technologies
  
- ▶ Planned Capital Expenditures
  - ▾ Cash flow
  - ▾ Current plant initialization

# Equipment Rental Industry



# U.S. Forecast Analysis

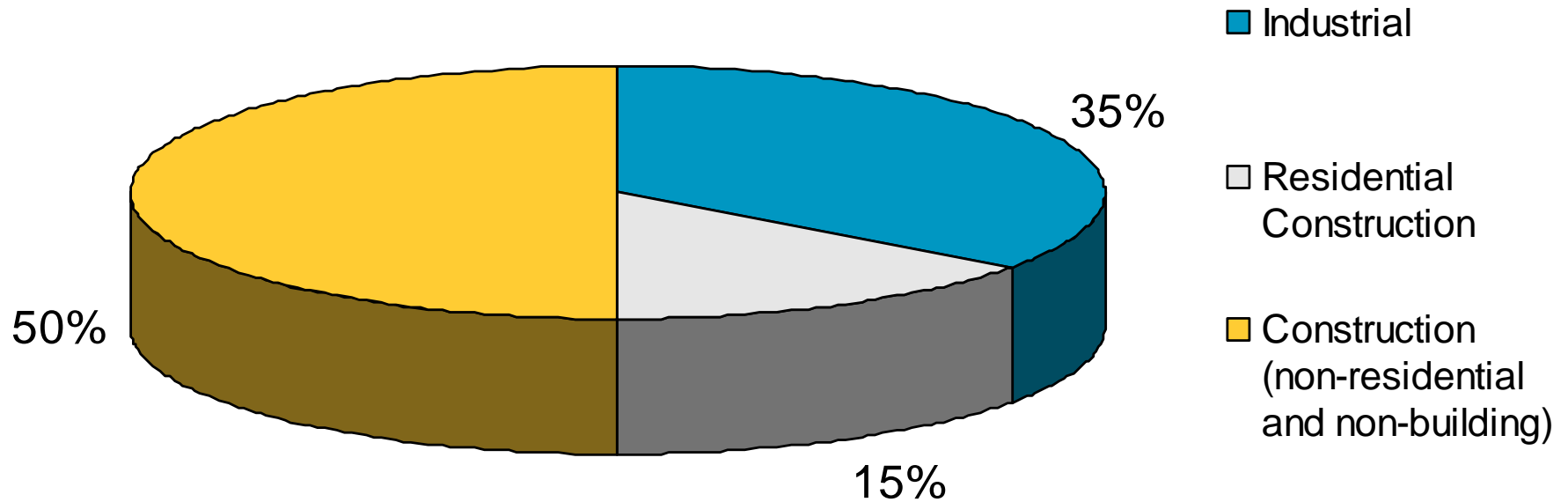
## Industrial Market



Source: Industrial Information Resources

# Market Segments

## Rental Service Business Area





# Prime Industrial

- ▶ Prime Industrial is the combination of RSC and Primes' industrial locations together consists of #1 and #2 competitors in the industrial market.
- ▶ Recognized as industry leader for industrial sector

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# Industrial Offerings

- ▶ Prime Industrial is the only one stop shop in the rental industry

# Single Source Industrial Supplier Strategy



LaPorte Location



On-Site Rental Facilities



Job-Site Tool Trailers



Total Control System

[www.atlascopco-group.com](http://www.atlascopco-group.com)



MRO Supplies



Prime Energy



Tool Room Mgmt

# Prime Industrial Offerings

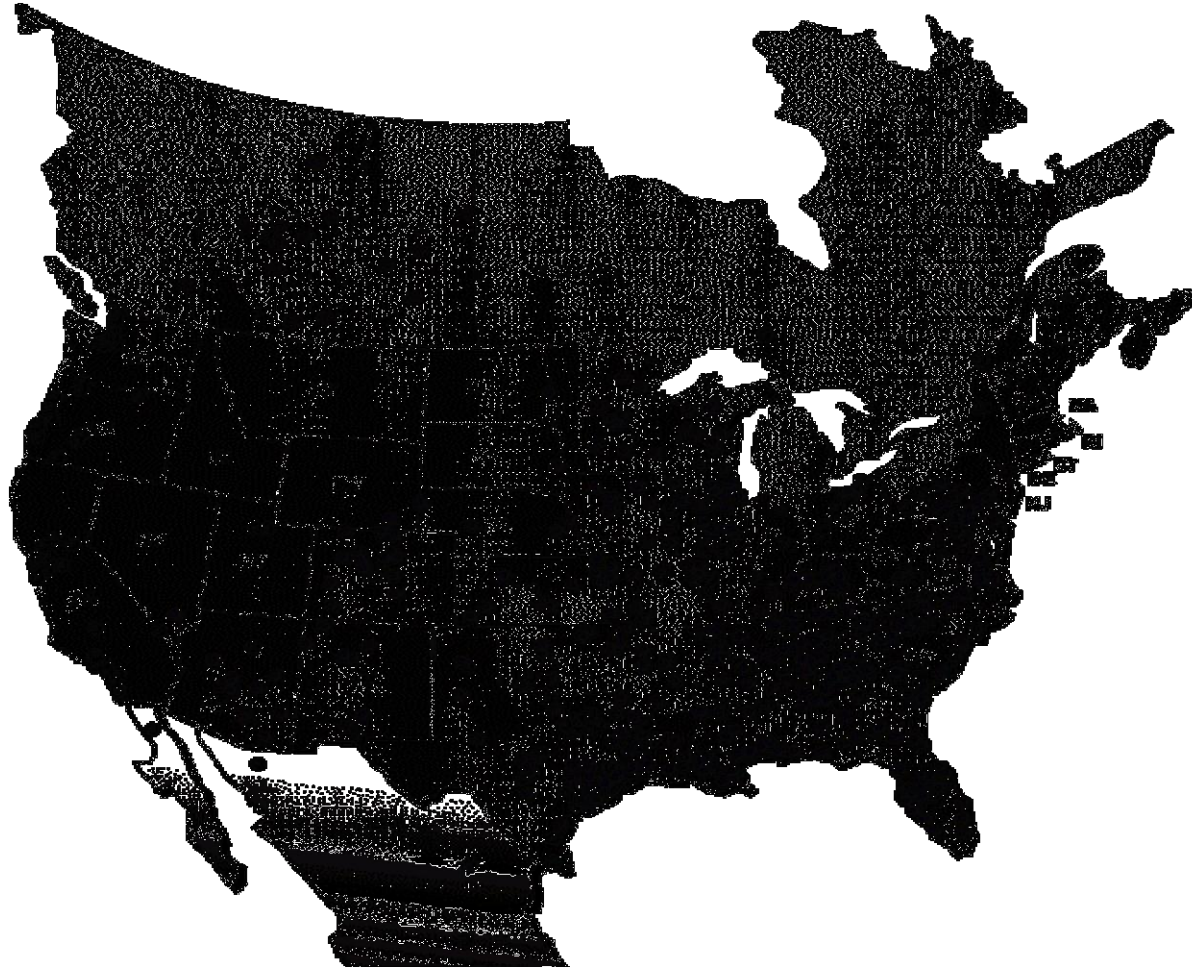
- ▶ Industrial locations
- ▶ On site locations
- ▶ Prime Energy
- ▶ Tool Trailers
- ▶ Tool Rooms
- ▶ MRO Supplies

**Video**

# Agenda

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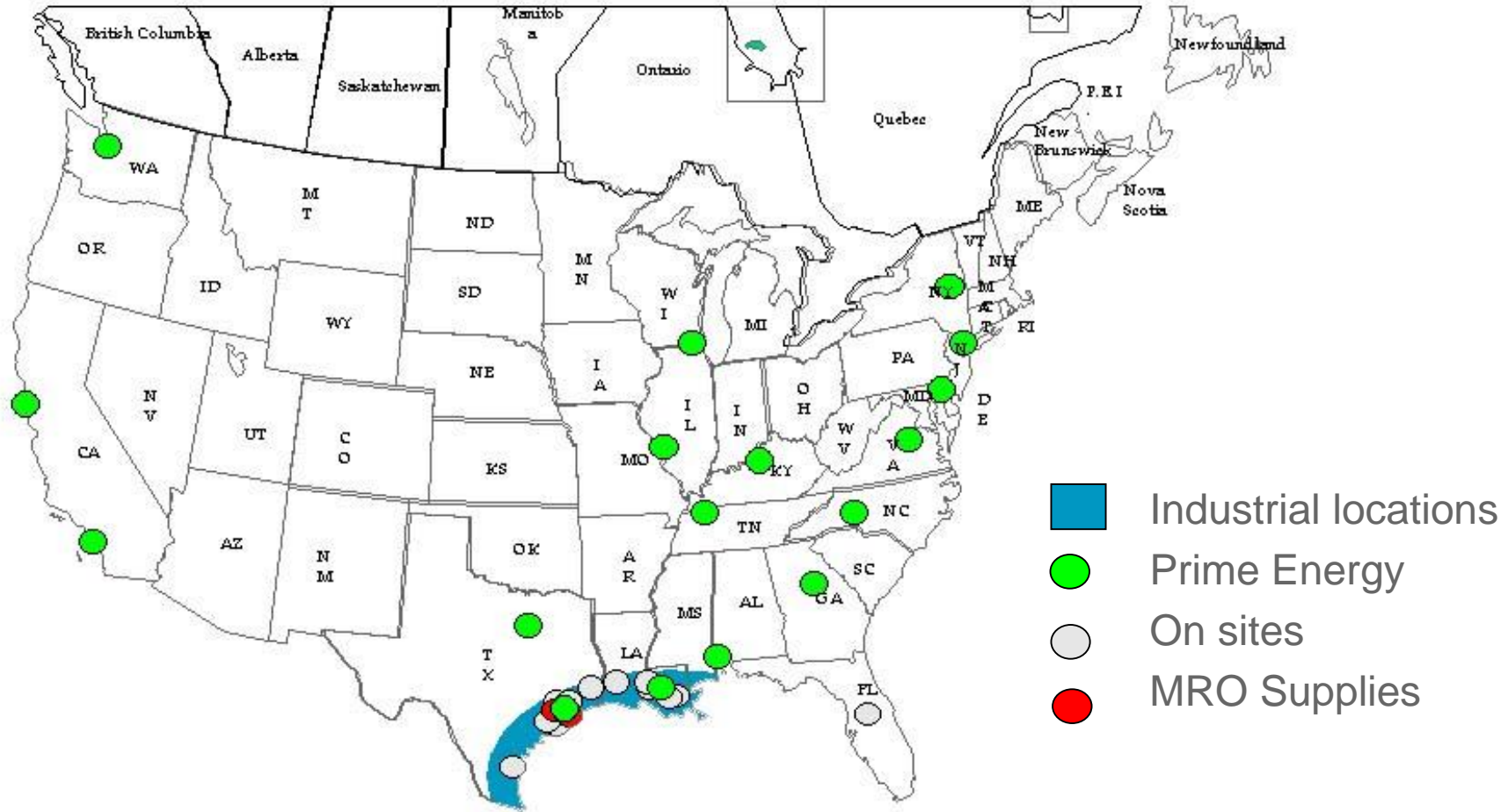
# Rental Service Business Area



- Current Prime locations
- Current RSC locations

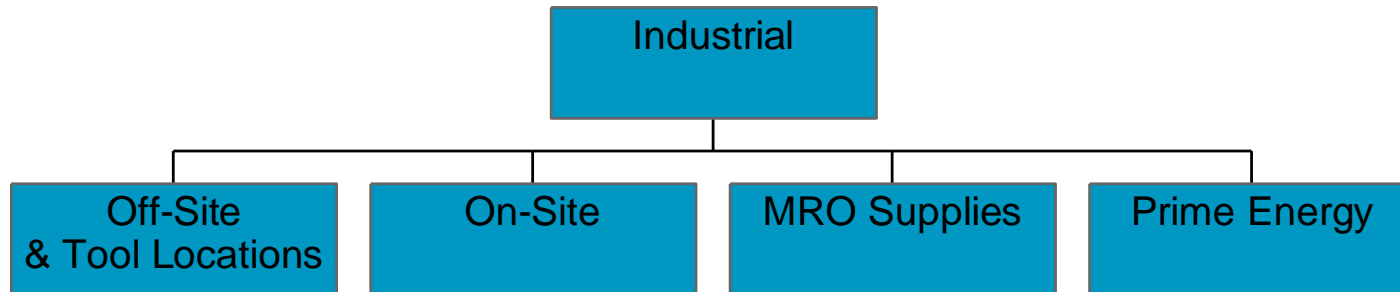


# Prime Industrial Structure



# Prime Industrial

- ▶ Benefits same as construction divisions
- ▶ Part of one common RSC management team
- ▶ Industrial account focus



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# Industrial Customers



# Industrial Customers vs. Construction Customers

- ▶ Well networked
- ▶ Expect zero defects
- ▶ Relationship driven
- ▶ More professional sales calls

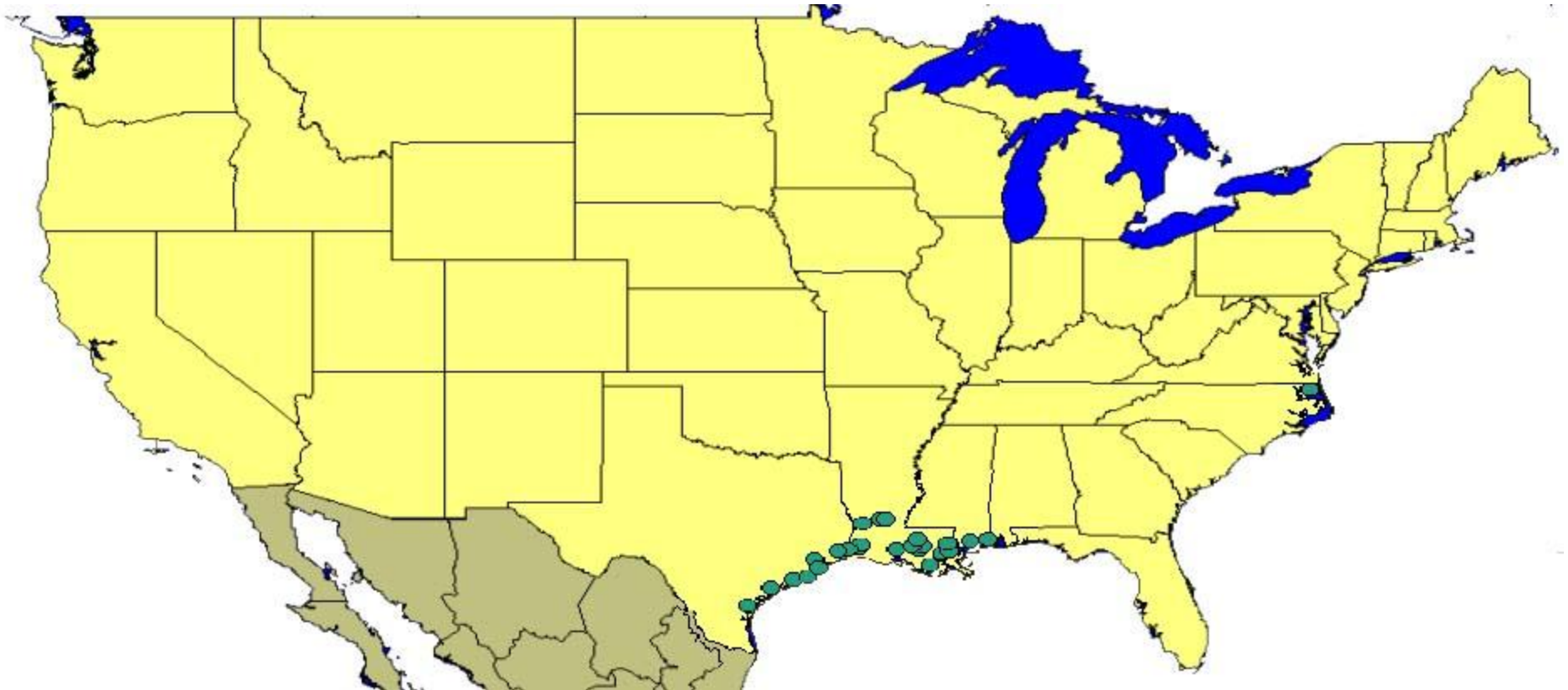
# Industrial Customers vs. Construction Customers

- ▶ More sophisticated purchaser with high expectations
- ▶ Expect 24 hour a day service
- ▶ Bigger peak demand periods
- ▶ Expect full range of product
- ▶ Larger and more stable
- ▶ Driven by outsourcing
  - ▾ Started in early 1990's
  - ▾ Only want to focus on core competencies

# Agenda

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- ▶ [Offering Specifics](#)

# Industrial Locations





# LaPorte, Texas



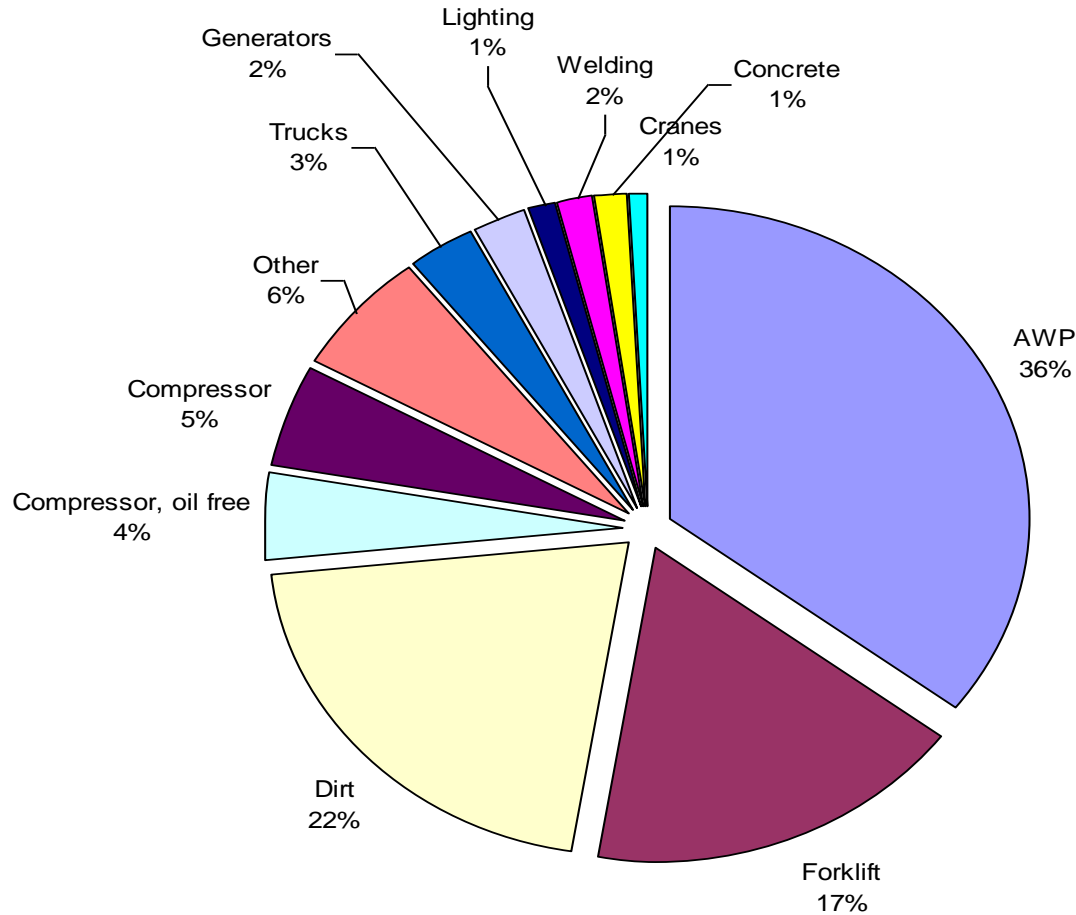
# Industrial Locations

- ▶ Free standing
- ▶ Share fleet
- ▶ Support on sites
- ▶ Provide 24-hour support
- ▶ Larger facilities
  - ▾ 3+ acres

# Industrial Fleet Mix

Fleet as of Dec. '00

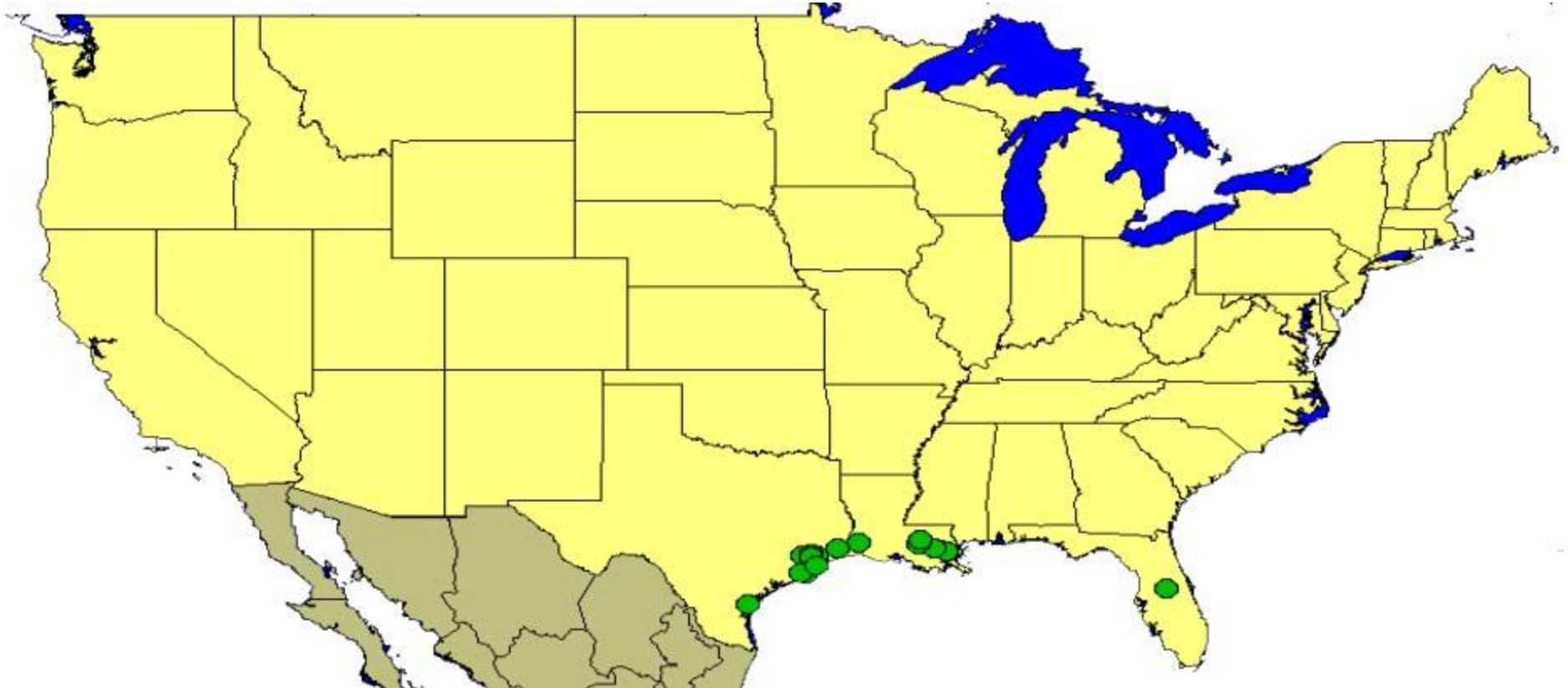
## RSBA Equipment Fleet Mix (Original Cost)



# Fleet differences vs. Construction

- ▶ Smaller equipment
  - ▾ Fewer types
  - ▾ Larger quantities
- ▶ Larger equipment
  - ▾ Same offerings
  - ▾ Broader
- ▶ Example: Air compressors
  - ▾ Construction location – 185-375 CFM
  - ▾ Industrial location – Full range 185-1600 CFM

# Industrial On-Site Locations



# Number of On-Sites

- ▶ Prime Industrial - 23
  - ▾ Leader
- ▶ Total industry 35+ on-sites



# Industrial On-Site Potential



## U.S. Plants

- ▶ > 1,000 Employees
- ▶ 1,432 Plants Available

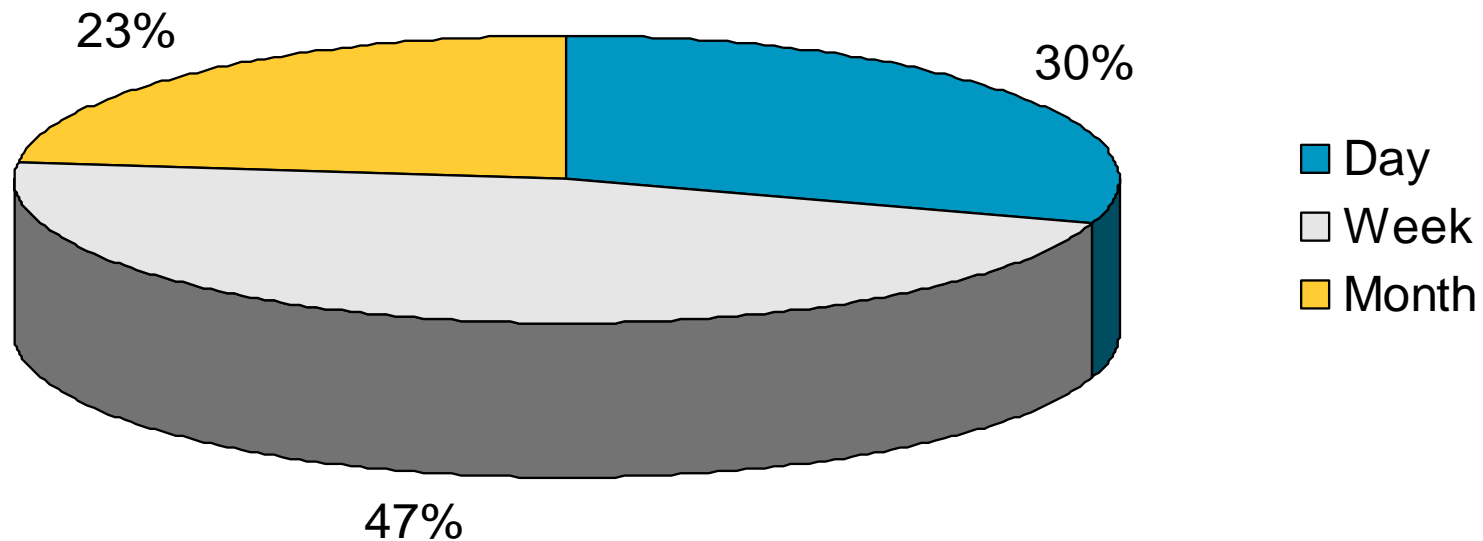
# Potential Industries

- ▶ Current
  - ▾ Petro-chemical
  - ▾ Pulp and paper
- ▶ Potential
  - ▾ Ship yards
  - ▾ Military bases
  - ▾ Manufacturing
  - ▾ Entertainment



# On-Site Rental Usage

(project specific)



# On-Site Services

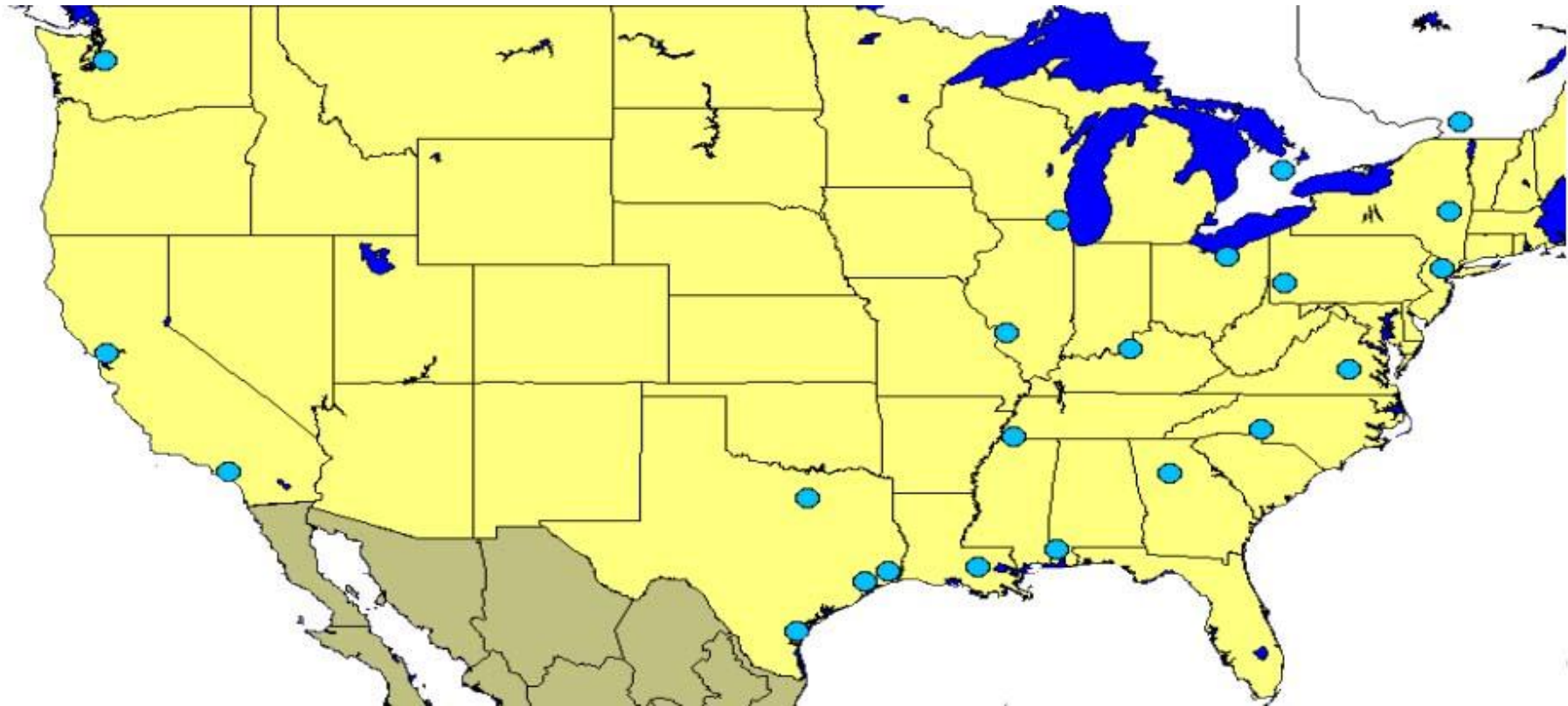
- ▶ On-Site Personnel
- ▶ On-Site Equipment Inventory
  - ▾ Customer owned equipment
  - ▾ Provide rental fleet
  - ▾ Alliance vendor equipment
- ▶ 3rd Party Equipment Supply
  - ▾ Providing complete Management Services

# On-Site Services (cont..)

- ▶ Total Control (Integrated solution)
  - ▾ Consolidated Monthly/Weekly Invoicing
  - ▾ Complete Process Management - from point of issue to return
  - ▾ Providing the expertise for Proper Equipment Application
  - ▾ Maintain Customer Owned Equipment
  - ▾ Provide Equipment Operator Training
  - ▾ Quarterly KPI Reporting (Key Performance Indicators)
  - ▾ 24/7 Services



# Prime Energy



# Prime Energy Offerings

- ▶ Products
  - ▾ Portable oil-free compression
  - ▾ Large generator 250kw and larger
  - ▾ Temperature control
    - Chillers
    - Cooling tower
- ▶ Applications
  - ▾ Snow making
  - ▾ Nuclear plants
  - ▾ Substitute clean air
  - ▾ Bottle plants
- ▶ Engineered solutions
  - ▾ Another way into plant

# Industrial Tool Trailers





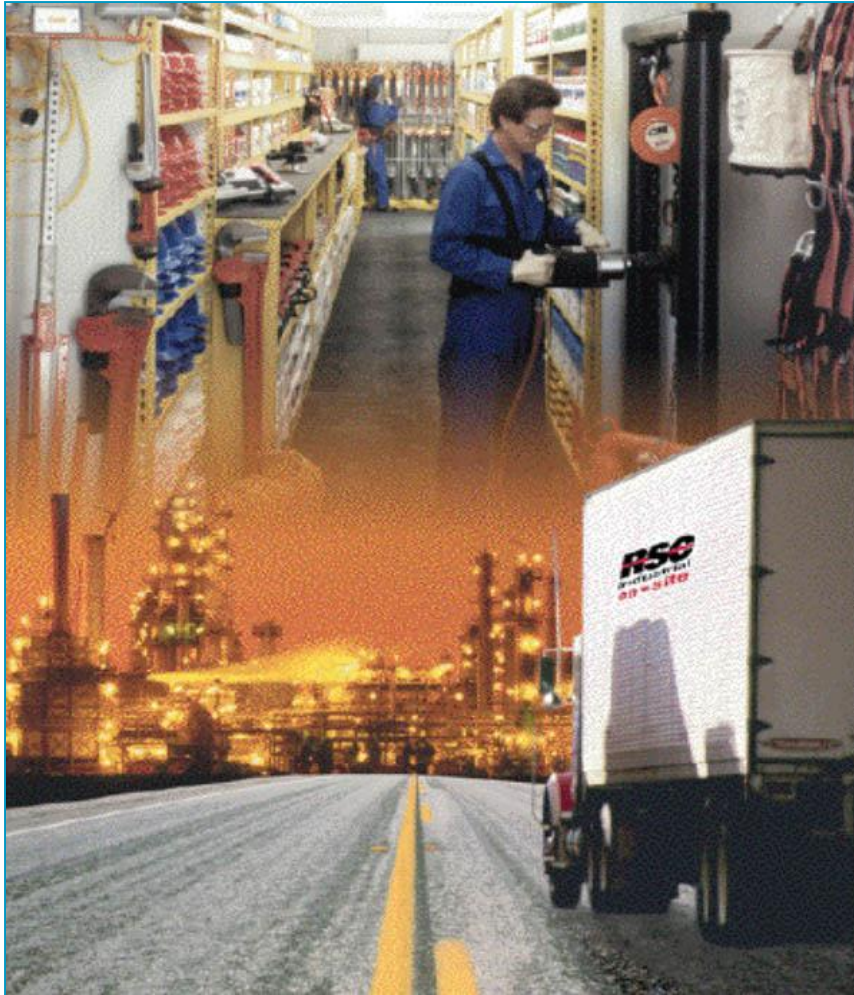
# Industrial Tool Trailers



- ▶ Turnarounds/Shutdowns
- ▶ Large Commercial Projects
- ▶ Plant Expansions
- ▶ Electrical Plant Outages
- ▶ Provide tools to outside temporary employees
- ▶ Bar coded solution



# Industrial Tool Trailers



- ▶ Widest selection of tools, equipment and supplies
- ▶ Trained and qualified tool room personnel
- ▶ Most advanced and innovative management systems
  
- ▶ We are the industry leader

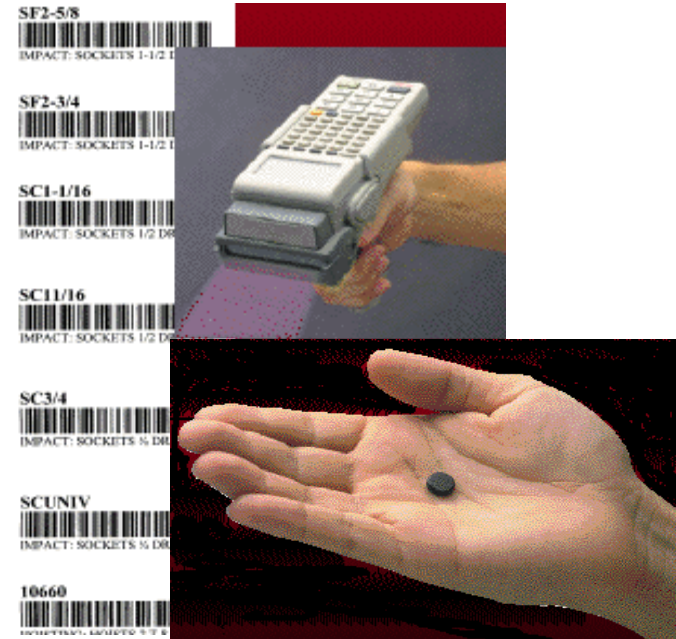
# Industrial Tool Trailers

- ▶ Capacity of 43 Tool Trailers
- ▶ 82 completed jobs in 2000
- ▶ Average job duration is 28 days for petrochemical and 9 days for pulp and paper

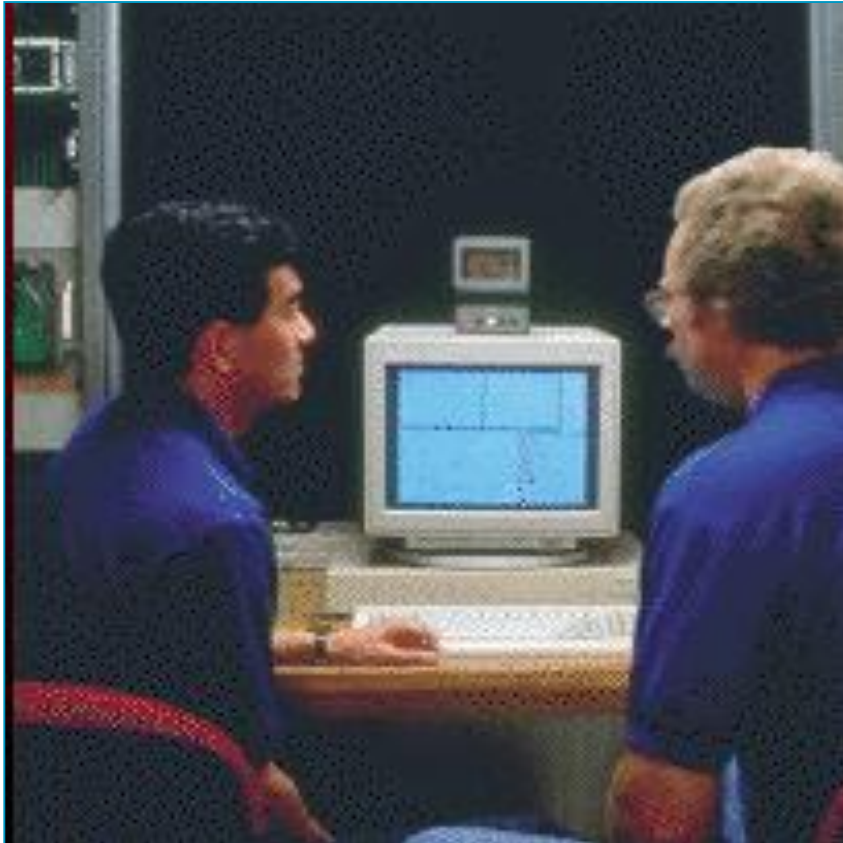
# Total Control 2000



- ▶ Utilize Bar Code Technology



# Total Control 2000



- ▶ Comprehensive Management Reporting
- ▶ Utilization
- ▶ Stock Replenishment
- ▶ Outstanding Issues
- ▶ Consumable Usage
- ▶ Safety Validation



# Tool Rooms



# Tool Room Management on a Permanent Basis

- ▶ Currently on 24 sites
- ▶ Tool management
  - ▾ Client owns small tools
    - RSC provides staff only and Total Control 2000
  - ▾ RSC owns small tools
    - RSC provides all tool needs

# Tool Rooms

- ▶ Benefits to customer
  - ▾ Impartial administration
  - ▾ Continuity of management
  - ▾ Consistency of service
  - ▾ No repetitive training cost
  - ▾ Total Control 2000

# Tool Rooms

## Benefits to Prime Industrial

- ▶ Representation at facility
- ▶ Secure core businesses
  - ▾ Shutdowns/Turnarounds
  - ▾ Consumable Sales
  - ▾ Equipment Rentals
  - ▾ Small tool day to day Rentals
- ▶ Growth path to full on-sites
- ▶ Offers us something that no competitor can/has offered



# MRO Supplies



# MRO Supplies

- ▶ Industrial warehouses
  - ▾ Another relationship into plant
  - ▾ Add exposure to different plant personnel
  - ▾ One customer is 100% stock/replenished
- ▶ Serves external customers
- ▶ Supplies internal customers



# Cautionary Statement

- ▶ “Some statements herein are forward-looking and the actual outcome could be materially different. In addition to the factors explicitly commented upon, the actual outcome could be materially effected by other factors like for example, the effect of economic conditions, exchange-rate and interest-rate movements, political risks, impact of competing products and their pricing, product development, commercialization and technological difficulties, supply disturbances, and the major customer credit losses.”