

Equipment top 50

The year 2018 was another strong year for the construction industry. The financial information supplied by many of the world's leading Original Equipment Manufacturers (OEMs) – as well as anecdotal evidence – has revealed that in 2018 sales increased in most regions in the world; it was not a case of one or two regions enjoying good growth and compensating for falling figures elsewhere.

In last year's Yellow Table the combined equipment sales of the world's top 50 OEMs amounted to US\$162 billion, an increase of 21% on the figure generated by the 2016 list. With the 2017 table having enjoyed such strong growth it is a sign of the health of the industry that this year's table sees a combined revenue total of \$184 billion – an increase of 13.5% from 2017's figure.

The fact that revenues have increased by 13.5% following 2017's strong growth shows the strength of the industry. It can also be argued that growth of this level is more sustainable.

Caterpillar remain the world's largest OEM for construction equipment sales and maintain their place once again at the top of the table. Komatsu enjoyed good growth and are comfortably number two on the list, but the big mover on the list is John Deere. This is unsurprising; this is the first year in which the figures from the US-based company incorporate those of the Wirtgen Group – the German company which John Deere purchased for an estimated \$5.2 billion in 2017.

In the 2017 table the Wirtgen Group were at number 14 with sales of \$3.6 billion, so it is to be expected that John Deere's ranking in the table would increase substantially. The company are now third on the list, an increase of six places.

Hitachi drop down from number three to number four on the list – overtaken by John Deere – despite seeing strong growth in 2018. Volvo Construction Equipment (Volvo CE) make up the top five with the OEM seeing sales increase to \$9.6 billion.

In 2018 the combined construction sales of the top five companies on the list came to approximately \$75 billion.

Country focus

Information provided by Off-Highway Research recently revealed that sales of construction equipment sales in China increased 37% in 2018, taking the market to 343,817 units. This was the highest Chinese equipment demand has been since 2012 and established the country once again as the largest equipment market in the world.

The excavator segment was a key driver of growth in 2018: crawler excavator sales grew 41%, mini excavators sales by 42%. The various types of excavators together accounted for 56% of total

Following on from last year's strong results, the Yellow Table reports an increase in sales for the world's leading equipment manufacturers, although at a lower level than last year

equipment demand. There was also growth in the wheeled loader segment, at 27%, with crawler dozer sales up 32%.

It therefore follows on that China-based companies would climb up the Yellow Table. Regarding individual company performance, XCMG retained their position at number six and Sany moved up one place, from number eight to number seven. It is further down the list though where the bigger moves happen, with LiuGong increasing four places from 21 to 25, Lonking

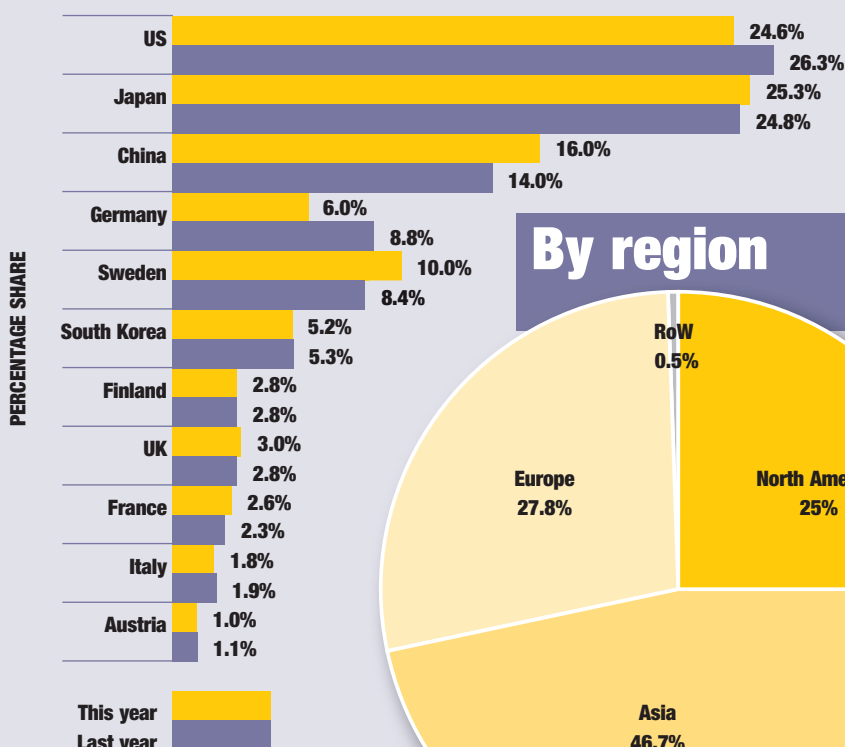
moving from number 30 to 24 and Sunward rising from 40 to 34 on the list. Not all Chinese companies increased their places on the list though, with XGMA dropping to number 46.

In terms of market share, US companies are no longer the leaders. Firms based in the US saw their share of the revenue decline from 26.3% last year to 24.6% in 2018. The country with the biggest market share is now Japan, with 25.3%. This is interesting, as the Japanese construction market itself has been relatively flat over the last few years >

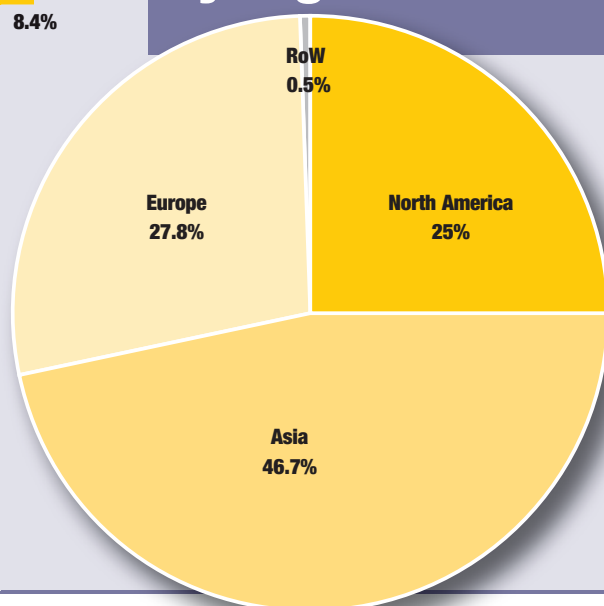
By country

Share of Yellow Table revenues

The information below indicates that revenues have increased strongly in Asia – helped in no small measure by the performance of China-based companies – to 46.7% of the total revenue. This is up from 2017's 44.1%. North America and Europe have both experienced a slight decline: North America from 26.8% in 2017 to 25% and Europe from 28.8% to 27.8%. Please note that these figures represent the revenues of the companies listed on the Yellow Table, and are therefore not representative of the revenues generated within the regions themselves or individual countries as a whole.



By region



2019 Yellow Table

2019	2018/ Change	Company	Country	Construction Equipment sales (US\$ million)	Share of total	Backhoe Loaders	Mini or midi Excavators (0 - 13 t)	Compact or skid- steer loaders	Powered Access	Telescopic Handlers	Cranes
1	1 →	Caterpillar	US	23,230	12.6%	✓	✓	✓		✓	
2	2 →	Komatsu	JP	22,010	11.9%	✓	✓	✓		✓	
3	9 ↗6	John Deere*	US	10,160	5.5%	✓	✓	✓			
4	3 ↘1	Hitachi Construction Machinery	JP	10,132	5.5%		✓	✓			✓
5	4 ↘1	Volvo Construction Equipment	SE	9,627	5.2%		✓	✓			
6	6 →	XCMG**	CN	8,898	4.8%	✓	✓	✓	✓	✓	✓
7	8 ↗1	Sany**	CN	8,434	4.6%	✓	✓				✓
8	5 ↘3	Liebherr**	DE	8,095	4.4%					✓	✓
9	7 ↘2	Doosan Infracore	KR	6,819	3.7%		✓	✓		✓	
10	10 →	JCB**	UK	5,500	3.0%	✓	✓	✓		✓	
11	11 →	Terex	US	5,125	2.8%	✓	✓	✓	✓	✓	✓
12	12 →	Sandvik Mining and Rock Technology	SE	4,687	2.5%						
13	13 →	Zoomlion**	CN	4,320	2.3%		✓				✓
14	28 ↗14	Epiroc	SE	4,150	2.3%						
15	15 →	Metso	FIN	3,778	2.0%						
16	16 →	Oshkosh Access Equipment (JLG)**	US	3,776	2.0%				✓	✓	
17	17 →	Kobelco Construction Machinery	JP	3,514	1.9%		✓				✓
18	18 →	CNH Industrial	IT	3,021	1.6%	✓	✓	✓		✓	
19	21 ↗2	Sumitomo Heavy Industries	JP	2,925	1.6%		✓				✓
20	19 ↘1	Hyundai Construction Equipment	KR	2,853	1.5%	✓	✓	✓			
21	25 ↗4	Liugong**	CN	2,765	1.5%	✓	✓	✓			✓
22	20 ↘2	Kubota	JP	2,596	1.4%		✓				
23	23 →	Manitou	FR	2,242	1.2%				✓	✓	
24	30 ↗6	Lonking**	CN	1,943	1.1%		✓	✓			
25	22 ↘3	Wacker Neuson	DE	1,930	1.0%		✓	✓		✓	
26	24 ↘2	Palfinger	AT	1,904	1.0%				✓		✓
27	29 ↗2	Fayat Group	FR	1,891	1.0%						
28	26 ↘2	Manitowoc	US	1,846	1.0%						✓
29	27 ↘2	Tadano	JP	1,597	0.9%				✓		✓
30	31 ↗1	Hiab	FIN	1,288	0.8%						✓
31	33 ↗2	Shantui**	CN	1,272	0.7%		✓				
32	32 →	Astec Industries	US	1,172	0.6%						
33	34 ↗1	Ammann**	CH	1,022	0.6%						
34	40 ↗6	Sunward	CN	874	0.5%		✓	✓			
35	36 ↗1	Kato Works**	JP	869	0.5%		✓	✓			✓
36	38 ↗2	Takeuchi	JP	853	0.5%		✓	✓			
37	35 ↘2	Bauer**	DE	825	0.4%						
38	37 ↘1	Skyjack**	CA	795	0.4%				✓	✓	
39	44 ↗5	Furukawa**	JP	678	0.4%						✓
40	41 ↗1	Haulotte Group	FR	664	0.4%				✓	✓	
41	45 ↗4	Foton Lovol**	CN	601	0.3%						
42	43 ↗1	Bell Equipment	ZA	568	0.3%						
43	42 ↘1	Aichi	JP	544	0.3%				✓		
44	48 ↗4	Sennebogen**	DE	480	0.3%						✓
45	46 ↗1	Yanmar**	JP	477	0.3%		✓				
46	39 ↘7	XGMA	CN	459	0.2%		✓				
47	47 →	Merlo**	IT	378	0.2%				✓	✓	
48	50 ↗2	Sakai Heavy Industries	JP	332	0.2%						
49	NEW	Boart Longyear	AUS	293	0.2%						
50	NEW	BEML*	IN	291	0.2%						

* - fiscal year, ended March 31st 2018 ** - estimate

Concrete Equipment	Dozers/crawler loaders	Compaction/road building	Graders	Excavators (13t+)	Wheeled Loaders	ADTs	Rigid Haulers	Drilling/foundations	Breakers & attachments	Crushing & Screening	Website
	✓	✓	✓	✓	✓	✓	✓	✓	✓		www.caterpillar.com
	✓		✓	✓	✓	✓	✓			✓	www.komatsu.com
	✓		✓	✓	✓	✓					www.deere.com
				✓	✓	✓	✓			✓	www.hitachi-c-m.com
		✓		✓	✓	✓	✓				www.volvo.com
✓	✓	✓	✓	✓	✓	✓	✓	✓		✓	www.xcmg.com
✓	✓	✓	✓	✓	✓			✓			www.sany.com.cn
✓	✓			✓	✓	✓		✓			www.liebherr.com
				✓	✓	✓			✓		www.doosaninfracore.co.kr
		✓		✓	✓						www.jcb.com
				✓	✓					✓	www.terex.com
								✓	✓	✓	www.sandvik.com
✓	✓			✓				✓	✓		www.zoomlion.com
					✓			✓	✓		www.epiroc.com
										✓	www.metso.com
											www.jlg.com
				✓							www.kobelco-kenki.co.jp
	✓	✓	✓	✓	✓	✓					www.cnh.com
		✓		✓							www.shi.co.jp
		✓		✓	✓						www.hhi.co.kr
✓	✓	✓	✓	✓	✓		✓			✓	www.liugong.com
											www.kubota.co.jp
											www.manitou.fr
		✓	✓	✓	✓						www.lonkinggroup.com
✓									✓		www.wackerneuson.com
											www.palfinger.com
✓		✓									www.fayat-group.com
											www.manitowoc.com
											www.tadano.co.jp
											www.hiab.com
✓	✓	✓	✓	✓	✓			✓			www.shantui.com
		✓							✓	✓	www.astecindustries.com
✓		✓									www.ammann-group.ch
				✓				✓	✓		www.sunward.cn
				✓							www.kato-works.co.jp
											www.takeuchi-mfg.co.jp
								✓			www.bauer.de
											www.skyjack.com
								✓	✓	✓	www.furukawakk.co.jp
											www.haulotte.com
											www.lovol.com
					✓	✓					www.bell.co.za
											www.aichi-corp.co.jp
				✓							www.sennebogen.de
											www.yanmar.co.jp
✓	✓	✓	✓	✓	✓			✓			www.xiagong.com
											www.merlo.com
		✓									www.sakainet.co.jp
								✓			www.boartlongyear.com
	✓		✓	✓	✓		✓				www.bemlindia.com

and so shows the extent to which these companies truly are global.

China continued its move upwards regarding share of the market, seeing an increase from 14% to 16%. The country has seen its market share increase over the last few years, although it remains some way off the US and Japan.

Most of the other countries in the table remained stable. However, it is worth pointing out Sweden, which saw its share increase from 8.4% to 10% and Germany which saw a decline from 8.8% to 6% – this is influenced by the Wirtgen Group's sale to John Deere.

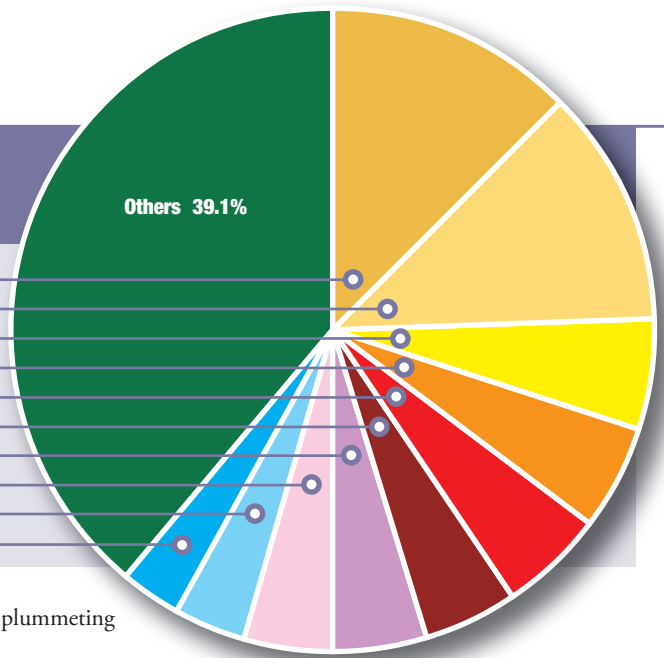
Regarding the companies themselves on the list, there were two new entries this year; Indian company BEML and Australian firm Boart Longyear. BEML have been placed on the Yellow Table before; the company produce a variety of heavy equipment for earthmoving and mining. Boart Longyear produce drilling equipment.

It is worth highlighting the addition of Epiroc on the list. In 2017 Atlas Copco made the decision to divide its divisions with the creation of a new company, Epiroc. Last year Atlas Copco were number 28 on the list – since the creation of Epiroc this company are now listed on the Yellow Table. Epiroc is now a fully independent company serving customers in the mining, infrastructure and natural resources industries.

The Turkish company Hidromek has dropped out of the top 50 – not surprising given the economic turmoil which has been ongoing in

Top 10 Company shares

- Caterpillar 12.6%
- Komatsu 11.9%
- John Deere 5.5%
- Hitachi 5.5%
- Volvo 5.2%
- XCMG 4.8%
- Sany 4.6%
- Liebherr 4.4%
- Doosan 3.7%
- JCB 3.0%



Turkey which has seen Turkish lira plummeting in value.

Outlook

Due to the current political uncertainty in the world at the moment – Brexit, trade wars, increasingly extreme political parties gaining power – any predictions must come with the understanding that things can change rapidly. However, the upwards trend of sales figures is clear to see and is very welcome following a difficult few years for the industry.

In 2015 sales figures for the Yellow Table declined to \$133 billion, the lowest figure since 2009, with 2016 seeing another drop to a total of \$130 billion. These figures must be kept in mind when considering the \$162 billion that the 2017 table enjoyed, and this year's figure of \$184

billion. The growth from 2017 to 2018 is not as high as last year's table enjoyed, but still represents solid progress.

For many countries around the world it is thought that 2018 will represent the peak of the current cycle. China has been the key country in the growth seen in the Yellow Table over the last two years. However, while there are still infrastructure projects with years left to run in China, many of them have moved away from the earthmoving and site preparation phases. India will likely see a slowdown in sales in 2019 due to the forthcoming election.

On the other hand, President Trump is still trying to get an infrastructure bill passed which could lead to a significant increase in construction equipment sales in the US. There are also countries, such as Ireland, Italy, Portugal and Spain which saw growth well above the average of 10% last year but have volumes that are relatively low in historic terms. In all probability, the Yellow Table will see growth next year, albeit at a much lower level than this year's growth of 13.5%. **IC**

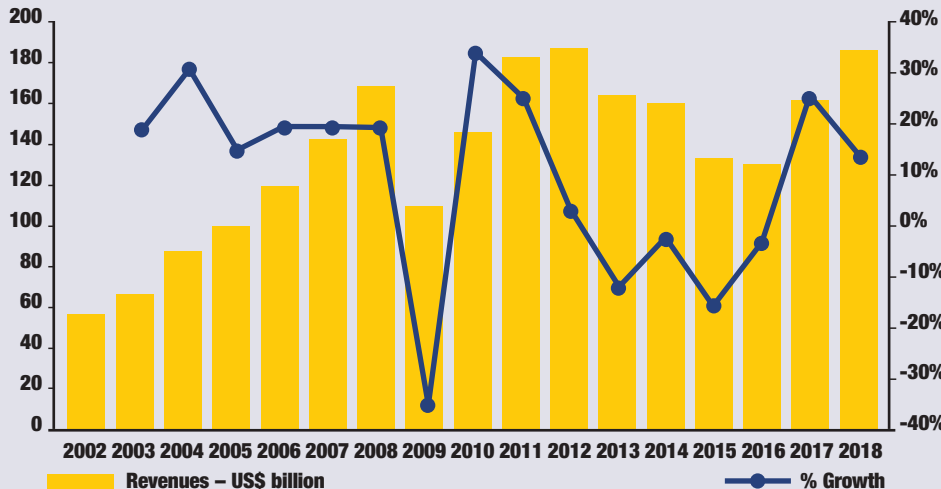
Revenues rise again

Slower growth than last year but sales still healthy

The recent positive upwards trend regarding construction equipment sales continued in 2018. The year 2017 saw the revenue generated by the firms in the Yellow Table increase by 21.5% which equated to \$184 billion. The 2018 table saw sales rise at a slower rate, but still at a healthy 13.5%, or \$22 billion.

Strong sales figures across the globe can be attributed to this rise, although a special mention must be made to China. With the country's government continuing to press ahead with large scale infrastructure projects, the country is once again the world's biggest market for construction equipment sales.

Looking to the future, market predictions for many regions is that 2018 will mark the peak of the current cycle. However, the drop in sales is predicated to be limited, and so the table in 2019 will likely see less growth than 2018 enjoyed.



Methodology

Positions in the Yellow Table are based on sales in the 2018 calendar year in US Dollars. Currencies have been converted to Dollars based on the average exchange rate over the course of 2018. Data was gathered from a variety of sources including audited accounts, company statements and reputable third-party sources.

In Japan, India and certain other countries, the use of the fiscal year (ending 31 March) has made it impossible to establish calendar year information. In these cases, fiscal year results were used. In some cases *International Construction* has made an estimate of revenues based on historical data and industry trends. While every effort has been taken to ensure information in this report is accurate, *International Construction* does not accept any liability for errors or omissions.

If you would like to comment on the Yellow Table, or feel your company should be included, please e-mail the editor at: andy.brown@khl.com