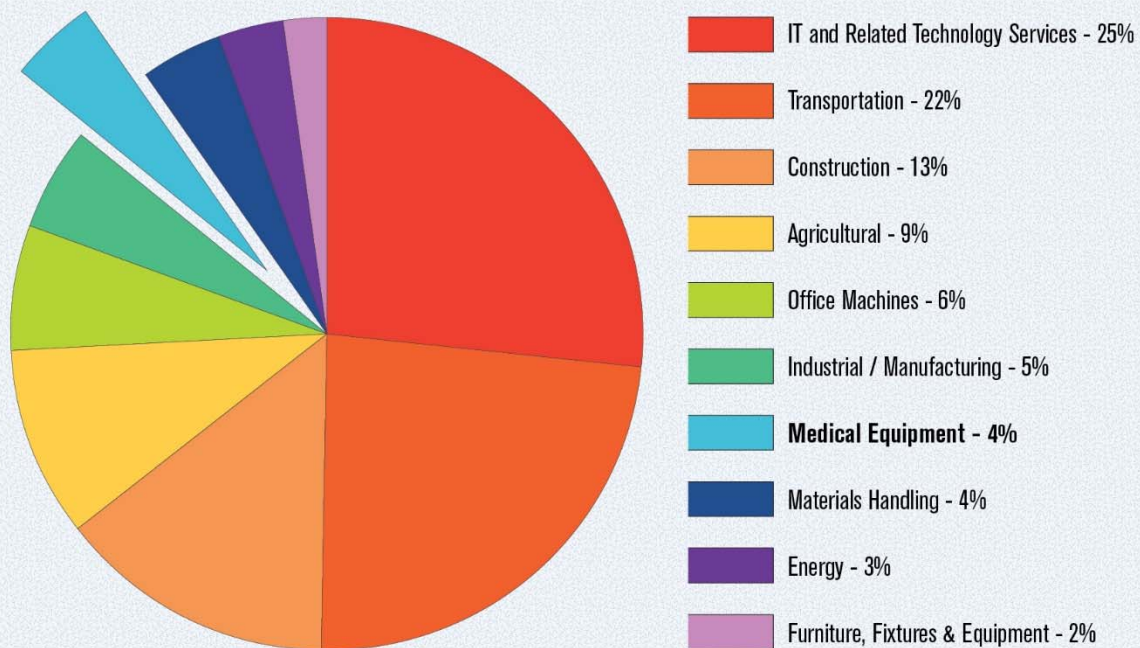


Fact Sheet: Equipment Finance in the Medical Equipment Industry

EQUIPMENT FINANCE IN THE MEDICAL INDUSTRY



Medical equipment represents 4% of equipment financing new business volume in the United States.



Source: 2018 Survey of Equipment Finance Activity.

Learn how the equipment finance industry equips your business for success at www.EquipmentFinanceAdvantage.org/Abt/facts.cfm

Equipment Financing Volume

According to the Equipment Leasing and Finance Association's (ELFA) [2018 Survey of Equipment Finance Activity](#), in 2017:

- As an end-user of equipment finance, the health services industry represented 6% of new business volume reported by ELFA member companies, down from 6.6% in 2016.
- Medical equipment represented 4% of new business volume reported by ELFA member companies, down from 4.2% in 2016.

- Medical imaging, diagnostic, surgical and electronic devices represented 3.2% of equipment financing new business volume reported by ELFA member companies, down from 3.4% in 2016.
- Furniture, fixtures and equipment (FF&E) for hospitals and other medical building represented 0.2% of equipment financing new business volume reported by ELFA member companies, unchanged from 2016.
- Other medical equipment represented 0.6% of equipment financing new business volume reported by ELFA member companies, unchanged from 2016.

The Equipment Leasing & Finance Foundation's [*U.S. Equipment Finance Market Study: 2016-2017*](#) reported that in 2015:

- 78% of respondents in a survey of businesses used at least one form of financing when acquiring equipment.
- This is an increase from 72% of respondents from the 2012 Foundation market study, and represents an increase in the overall propensity to finance.
- 68% of the total value of equipment and software acquired was financed, a significant increase from the previous estimate of 55% forecast in the 2012 Foundation market study.

Equipment Market

According to the [*“What’s Hot, What’s Not 2018”*](#) Equipment Leasing Trends Report authored by Carl Chrappa of The Alta Group LLC, based on a survey of ELFA members to measure industry perceptions of equipment types:

- Medical equipment ranked fourth in portfolio preference among equipment finance executives surveyed, down from second last year. The ranking is believed to be linked to confusion regarding the future of healthcare finance with changes to the Affordable Care Act, and its effect on hospitals and clinics.
- The medical industry's preference for leased equipment continues unabated, driven by demographics linked to the increasing health care needs of the 'baby-boom' generation.
- Various Deficit Reduction Act (DRA) reimbursement cuts and rules aimed at the industry are weakening the equipment markets. Reimbursements were reduced for analog x-ray in 2017 and beginning in 2018 for computerized radiography to push healthcare providers to digital radiography.
- The medical equipment secondary market is robust; the global refurbished equipment market is forecast to grow sharply from 2017 levels at an estimated 12.7% compound annual rate, reaching approximately \$11.9 billion by 2021.

Investment

According to the Equipment Leasing & Finance Foundation's [*Q3 2018 Equipment Leasing & Finance U.S. Economic Outlook*](#):

- Medical equipment investment growth has likely peaked and may decelerate through the end of 2018.
- Investment in medical equipment increased at a 3.9% annualized rate in Q1 2018 and in July 2018 was up 10% year over year.

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. Follow ELFA on Twitter @ELFAonline.

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

ELFA believes that information and education about available options regarding investment in equipment are important to all businesses. ELFA offers resources, including a loan/lease comparison, a glossary of terms, an analysis to help determine suitable financing options, videos and topical bylined articles available for reprint free of charge, at www.EquipmentFinanceAdvantage.org

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