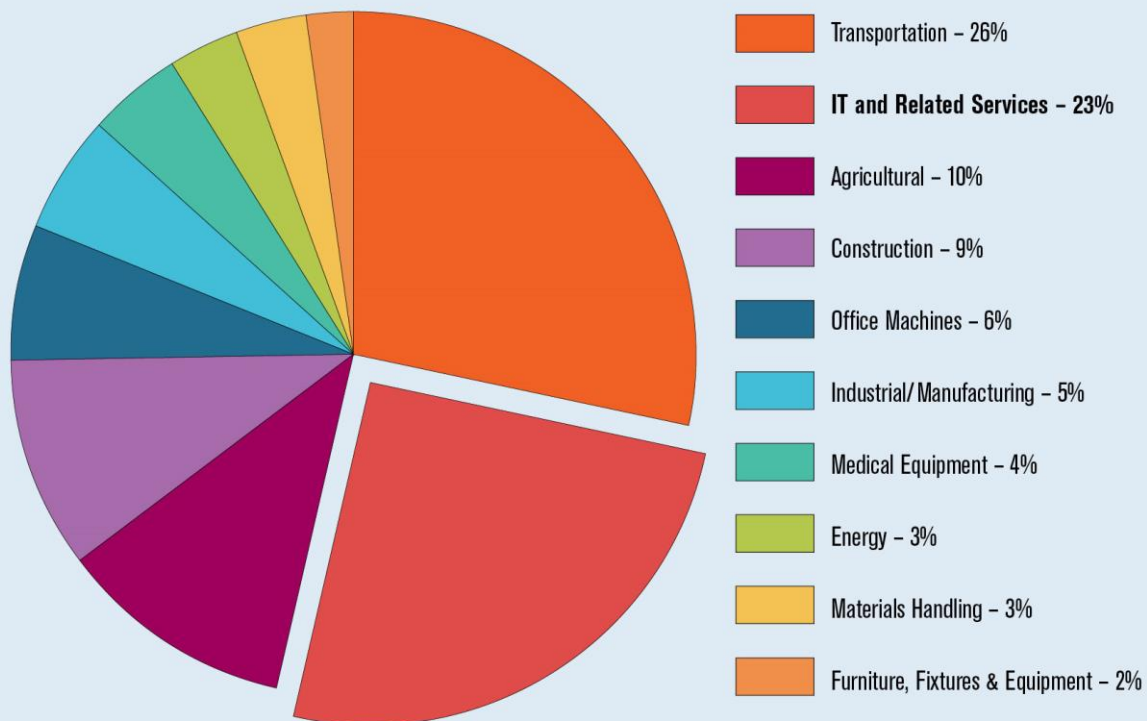


Fact Sheet: Equipment Finance in the IT / Computer Sector

EQUIPMENT FINANCE IN THE IT/RELATED SERVICES INDUSTRY



IT and Related Services equipment represents 23% of equipment financing new business volume in the United States.



Source: 2017 Survey of Equipment Finance Activity.

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

Equipment Financing Volume

According to the Equipment Leasing and Finance Association's (ELFA) [2017 Survey of Equipment Finance Activity](#), in 2016:

- Overall, IT and related technology services equipment represented 22.9% of equipment financing new business volume reported by ELFA member companies, down from 23.7% in 2015.
- Software represented 6.5% of equipment financing new business volume reported by ELFA member companies, up from 5.9% in 2015.

- PCs and workstations represented 3.3% of equipment financing new business volume reported by ELFA member companies, down from 4.9% in 2015.
- Other IT equipment represented 3.3% of equipment financing new business volume reported by ELFA member companies, down from 5.0% in 2015.
- Computer mainframes and servers represented 3.1% of equipment financing new business volume reported by ELFA member companies, down from 4.3% in 2015.
- Computer networking equipment represented 2.9% of equipment financing new business volume reported by ELFA member companies, up from 2.5% in 2015.
- IT storage equipment represented 1.6% of equipment financing new business volume reported by ELFA member companies, down slightly from 1.7% in 2015.
- Point of sales, banking systems and ATMs represented 0.7% of equipment financing new business volume reported by ELFA member companies, up from 0.1% in 2015.
- Tablets, smart phones and other mobile devices represented 0.2% of equipment financing new business volume reported by ELFA member companies, unchanged from 2015.

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.

Investment

According to the Equipment Leasing & Finance Foundation's [Q3 2017 Equipment Leasing & Finance U.S. Economic Outlook](#):

- Investment in computers increased at an annualized rate of 17% in Q1 2017, and in July 2017 was up 3.3% year over year.
- Computers investment growth is set to improve through the end of 2017.
- Investment in software increased at a 6.2% annualized rate in Q1 2017, and in July 2017 was up 4.5% year over year.
- Software investment should remain steady through the end of 2017.

IT/Computer Market

According to the [2017 "What's Hot, What's Not"](#) 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:

- The high-tech/computer industry continues to operate on very low margins, but has a very large secondary market so volume is important.
- In 2016, global PC sales dropped by 6% following a decrease of 10.6% in 2015.
- Declining PC sales reflect a growing preference for tablets and wearables, but could have positive implications for the secondary market.

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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