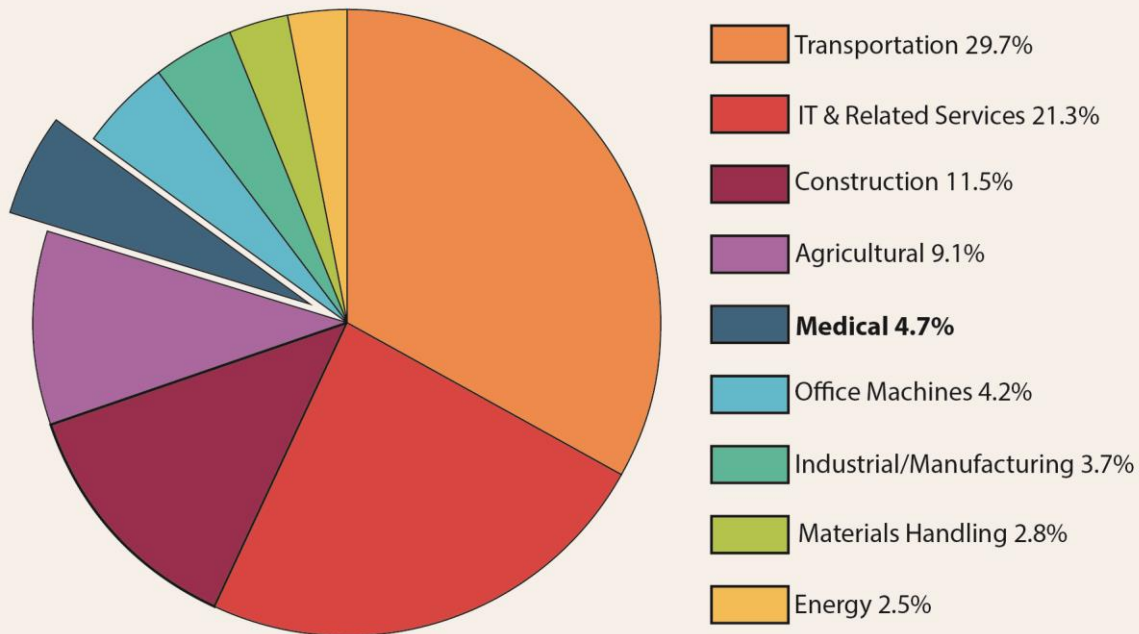


Fact Sheet: Equipment Finance in the Medical Equipment Industry

EQUIPMENT FINANCE IN THE HEALTHCARE INDUSTRY

Medical equipment represented 4.7% of equipment financing new business volume in the United States in 2015, down from 4.9% in 2014.



Source: 2016 Survey of Equipment Finance Activity.
Learn how the equipment finance industry equips the healthcare industry for success:
www.EquipmentFinanceAdvantage.org/Abt/facts.cfm

Equipment Financing Volume

According to the Equipment Leasing and Finance Association's (ELFA) [2016 Survey of Equipment Finance Activity](#), in 2015:

- As an end-user of equipment finance, the health services industry represented 6.8% of new business volume reported by ELFA member companies, up from 6.3% in 2014.
- Medical equipment represented 4.7% of new business volume reported by ELFA member companies, down from 4.9% in 2014.

- Medical imaging, diagnostic, surgical and electronic devices represented 3.7% of equipment financing new business volume reported by ELFA member companies, down from 3.9% in 2014.
- Furniture, fixtures and equipment (FF&E) for hospitals and other medical building represented 0.3% of equipment financing new business volume reported by ELFA member companies, unchanged from 2014.

According to the [2016 “What’s Hot, What’s Not”](#) Equipment Leasing Trends Survey released by the Independent Equipment Company, an Alta Group Company, in cooperation with ELFA to measure industry perceptions of equipment types:

- Medical equipment ranked second in portfolio preference among equipment finance executives surveyed after ranking fifth the previous two years. It also ranked first in residual value increase.
- The ranking is believed to be linked to a better understanding of the impact of the Affordable Care Act on hospitals and clinics.
- The medical industry’s preference for leased equipment continues unabated, driven by demographics linked to the “baby-boomer” generation.
- The Affordable Care Act has affected this sector, along with various potential Deficit Reduction Act (DRA) reimbursement cuts and rules, weakening some new equipment markets while, at the same time, potentially making some used equipment more desirable.
- The medical equipment secondary market is robust; the refurbished equipment market is forecast to grow at an estimated 12.5% compound annual rate, reaching approximately \$9.4 billion by 2019.

Equipment & Software

According to the Equipment Leasing & Finance Foundation’s [Q3 2016 Equipment Leasing & Finance U.S. Economic Outlook](#):

- Medical equipment investment should grow modestly in Q3 and Q4 2016.
- Investment in medical equipment decreased at a 4.2% annualized rate in Q1 2016 and in July 2016 was up 3.5% year over year.

Industry Outlook

According to the [2016 Healthcare Outlook Report](#) by CIT, in 2016:

- 1 in 2 healthcare executives surveyed anticipate an increase in capital spending.
- 55% of respondents believe that their company is likely to seek financing in the next 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 580 members include independent and captive leasing and finance companies, banks, financial services corporations, broker/packageers 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 types of finance products, 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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