

Thanks to a range of factors, including high inflation, high interest rates, as well as supply chain vulnerability associated with geopolitical conflicts and the aftermath of the COVID-19 pandemic, there is financial uncertainty within the materials handling sector.

According to Philip Rosenmüller, head of technical sales industrial MHE fleet management & consulting with CHG-MERIDIAN USA Corp, this uncertainty is reshaping how businesses invest in materials handling equipment.

“While inflation and market volatility have made companies more cautious with large capital outlays, these same pressures are driving smarter, more flexible investment strategies,” says Rosenmüller.

Overall, even amid the uncertainty, Rosenmüller says he is seeing a clear trend toward strategic reinvestment through flexibility – where leasing, electrification, and automation combine to build smarter, more resilient, and future-ready operations.

Asked if any sectors are currently more active than others, in terms of such equipment purchases, Rosenmüller says logistics and automated warehousing are leading the way.

“The continued rise of e-commerce and the demand for faster, more efficient fulfilment have pushed these sectors to expand and modernise rapidly,” he notes.

“We’re seeing significant growth in automation technologies – not just high-end systems, but increasingly accessible and scalable solutions that make automation viable for operations of all sizes.”

Nominating manufacturing, along with ports and distribution hubs as other industries to watch, Rosenmüller says that the most active sectors are those under pressure to move goods faster, smarter, and more sustainably.

“That’s where automation, digitalisation, and flexible equipment solutions are making the biggest impact,” he says.

---

***“Instead of being locked into long ownership cycles, companies can adapt faster to operational changes, sustainability targets, and evolving technology.”***

— Philip Rosenmüller, CHG-MERIDIAN USA Corp

---

## The rise of FMV leases

According to Rosenmüller, flexible options like Fair Market Value (FMV) leases are helping accelerate this technology adoption.

The logic of choosing this option stems from the understanding that spreading costs and optimising equipment life cycles allows businesses to access the latest electric and automated technologies without heavy upfront spending. It makes it possible for them to ensure their fleets are not just modern and efficient, but also cost-effective.

In contrast, the problem with traditional CapEx loans – and the reason they are increasingly overlooked in favour of options like FMV leases – is that they can result in ageing fleets, higher maintenance costs, and more downtime as equipment reaches the end of its life cycle.

“Leasing not only helps reduce overall costs – often by 30% or more when factoring in maintenance, uptime, and residual value – but it also enables smarter, total cost of ownership (TCO)-based fleet management,” says Rosenmüller.

Arrangements of this type make it possible for businesses to right-size their equipment, refresh fleets more frequently, and access newer, more efficient technologies without the burden of large upfront investments.

“Instead of being locked into long ownership cycles, companies can adapt faster to operational changes, sustainability targets, and evolving technology,” says Rosenmüller.

“As a result, leasing and lifecycle-based financing have moved from being alternatives to becoming the preferred strategy for many forward-thinking organisations in the materials handling industry.”

An organisation that operates in 32 countries – and is able, through its subsidiaries and partners, to support clients in nearly 190 countries – CHG-MERIDIAN provides FMV leasing solutions directly to its clients.

The company’s team of industry experts works closely with clients to analyse existing fleets and design TCO-based strategies that reduce costs, minimise downtime, and improve sourcing processes in the long-term.

---

***“Leasing solutions, especially FMV and hybrid structures, are helping businesses remain competitive while managing risk and capital more strategically.”***

— Elise Hardy, First Financial Equipment Leasing

---

## Tax benefits in the US

First Financial Equipment Leasing (FFEL), a US-based organisation focused on helping businesses in the materials handling sector and elsewhere match the best leasing options with the latest technologies, also sings the praises of FMV leases.

According to Elise Hardy, the company’s regional vice president sales, “their popularity stems from the combination of flexibility, tax efficiency, and cash flow advantages” they deliver.

Ensuring lower monthly payments compared to ownership-based financing, and allowing customers to return, renew, or purchase equipment at fair market value, FMV leases are ideal for rapidly evolving technologies, such as automation and robotics.

Hardy says that in the US, which is the market in which FFEL does all its business, changes to Section 179 tax benefits have significantly influenced financing strategies.

Specifically, for 2025, the deduction limit increased to USD2.5 million, with a spending cap of USD4 million. According to Hardy, this change allows businesses to deduct the full purchase price of qualifying equipment – new or used – provided it is placed in service by December 31, 2025.



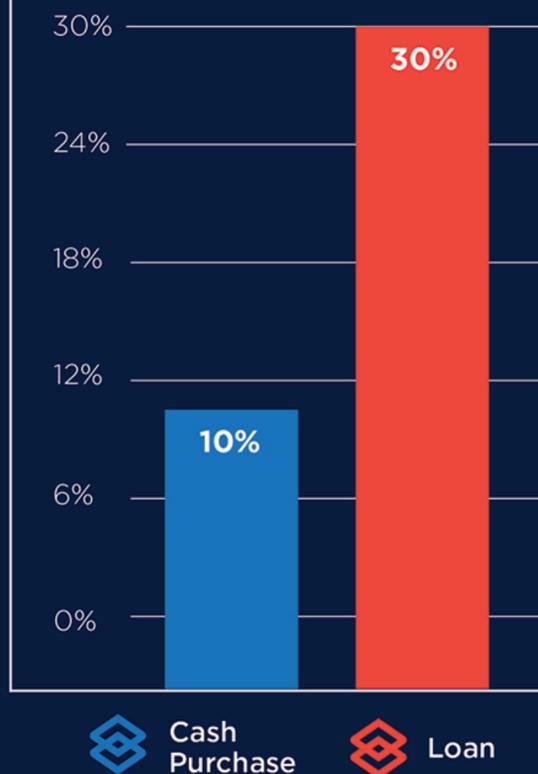
## Cost Comparison

### \$500,000 of New Electric Forklifts

Financing Option	Upfront Cost	Monthly Payment	Total Cost Over 5 Years
<b>Cash Purchase</b>	\$500,000	\$0	\$500,000
<b>Loan (5 yrs)</b>	\$0	\$9,000	\$594,000
<b>FMV Lease (5 yrs)</b>	\$0	\$7,600	\$456,000

\*Disclaimer: The cost comparison provided is for illustrative purposes only and is based on estimated figures. Actual costs, savings, and ROI may vary.

## ROI Comparison



FMV Lease saves **\$44,000** compared to a Cash Purchase, and **\$138,000** compared to a Loan over **5 years**.

The FMV Lease delivers **the highest ROI**, thanks to its lower total cost and flexibility.

#### FMV Lease vs Cash Purchase

- Savings: **\$44,000**
- ROI: **9.65%**

#### FMV Lease vs Loan Financing

- Savings: **\$138,000**
- ROI: **30.26%**

#### Benefits of selecting the Fair Market Value Lease

- Lower monthly cost
- Preserves capital
- Flexibility at the end of the term
- Tax advantages



In addition, the restoration of 100% bonus depreciation means that companies can deduct any remaining equipment costs not covered by Section 179 in the same year. "This evolution reflects how customers now prioritise productivity, scalability, and financial agility over traditional ownership," says Hardy. "Leasing solutions, especially FMV and hybrid structures, are helping businesses remain competitive while managing risk and capital more strategically."

According to Hardy, the FMV leasing model is designed to support businesses not just for their current needs but also to help them grow and adapt in a fast-changing market. "Unlike traditional loans or fixed leases, this approach offers more flexibility, making it easier for companies to take advantage of new technologies. This flexibility is crucial in today's supply chain, which is constantly changing and evolving," she says.

As a result, businesses are able to scale their operational capacity up or down based on market demand, allowing for better resource allocation and responsiveness to business fluctuations.

In addition, they can implement automation solutions at a manageable pace, ensuring that their workforce can adapt without disruption while enhancing efficiency and productivity. By avoiding large upfront capital expenditures, they can free up valuable financial resources and therefore enable funds to be used for other strategic initiatives or investments.

And they can also be sure to access the latest technology. FMV leases allow businesses to stay ahead of the curve by obtaining cutting-edge technology without the risk of obsolescence, ensuring that their operations remain competitive and innovative.

***"By offering flexible, service-based access to equipment, SMEs can trial solutions in their own environments, prove the return, and expand as confidence grows."***

— Dr Paul Rivers, Guidance Automation

## SMEs and capital

### investment

While, traditionally, investment in the latest materials handling equipment has been dominated by large organisations with established automation teams and the requisite capital to fund full-scale projects, that is no longer always the case.

"We're seeing far greater activity from small and medium-sized enterprises (SMEs), particularly those looking to improve efficiency and reliability without taking on heavy capital costs," says Dr Paul Rivers, managing director of Guidance Automation. "For SMEs, the case for better materials handling has always been clear – it directly affects productivity, flow, and customer delivery times. But the entry point was often too high."

In other words, conventional purchase or lease models have always demanded significant upfront investment, long payback periods, and external integration support. Combined, these barriers have prevented many smaller manufacturers and distributors from modernising their handling operations.

"Our goal, [at Guidance Automation], is to make advanced materials handling capability accessible to businesses of every size," says Rivers. "By offering flexible, service-based access to equipment, SMEs can trial solutions in their own environments, prove the return, and expand as confidence grows."

Rivers says he is impressed by how effectively these companies adopt new technologies once the barriers are removed.

"Smaller firms tend to make decisions quickly, involve the right people on the shop floor, and measure results closely," he says. "Working in partnership with them means we share the risk and the reward – delivering measurable improvements in throughput, safety and utilisation without the burden of traditional capital expenditure."

### Pay-as-you-go

Guidance Automation's most popular investment solution is Autonomous GO, a flexible, pay-as-you-go automation model for materials handling and transport that removes the need for capital investment or long-term commitment.

Customers who sign up for this solution pay only for the hours their robot workers operate – at half the UK Living Wage – with installation, servicing and support fully included. A straightforward operating-expense approach, it involves monthly invoicing, as well as the option to give just 30 days' notice, without penalty, if the product in question is not the right fit.

According to Rivers, Autonomous GO delivers ROI within just one hour. "[Up to] 30–50% of a production worker's time is typically spent moving materials rather than applying the specialist skills they're trained for," he explains. "Automating that movement allows human workers to focus on work that genuinely requires their expertise."

Because Autonomous GO is fully managed and performance-based, customers don't carry the risk of ownership or maintenance. A practical alternative to traditional ownership or leasing models that align investment directly with productivity, it delivers predictable costs, measurable results and the flexibility to scale or pause as required.

Like the various other options mentioned above, Autonomous GO places materials handling operations of all sizes and persuasions in a position to navigate current global uncertainties and reap the benefits that investment in the latest capital equipment can deliver.



27 November 2025

In the fast-evolving world of material handling, every second counts, and agility can spell the difference between success and stagnation. How businesses secure and manage their equipment plays a pivotal role in shaping their financial outcomes.

Today's warehouses and distribution centers are far from just storage areas; they've transformed into lively hubs powered by automation, robotics, and cutting-edge AI technologies. These innovations are crucial for meeting the increasing demands of consumers and navigating the complexities of modern supply chains.

Yet, with innovation comes a hefty price tag. Advanced equipment, such as Automated Storage and Retrieval Systems (ASRS) and Automated Guided Vehicles (AGVs), as well as efficient lithium-ion battery fleets, can require investments that reach into the hundreds of thousands, if not millions, of dollars. For businesses aiming to stay ahead of the competition, the challenge extends beyond selecting the right equipment; it's about navigating the most effective financing strategies.

Enter leasing: a game-changer for companies eager for flexibility, cost efficiency, and future-proofing their operations. Among the various leasing options, Fair Market Value (FMV) leases shine as a savvy way to acquire essential material handling equipment without tying up valuable capital or risking technological obsolescence.

Whether you're a warehouse manager looking to ramp up operations, a fleet manager aiming for optimal utilization, or a dealer wanting to enhance the value you provide to customers, embracing flexible equipment leasing isn't just a nice-to-have—it's a critical component of a successful strategy.

## Industry Trends: The Rise of Leasing in Material Handling Equipment

The material handling equipment market is experiencing remarkable growth, with compelling statistics to support it. In 2023, a striking 82% of businesses acquiring equipment opted for some form of financing, with leasing emerging as the preferred choice for 26% of them.

By 2024, the U.S. material handling equipment leasing market surged to an impressive \$1.15 billion, and it's projected to maintain a robust 15.2% CAGR through 2034. On a global scale, the material handling equipment market is projected to reach a substantial \$242.5 billion by 2025, driven by increasing demand across key sectors, including automotive, logistics, and e-commerce.

These figures underscore a pivotal truth: traditional ownership models are struggling to keep pace with rapid technological advancements and rising costs. Leasing presents a dynamic solution that aligns seamlessly with the priorities of modern businesses.

Far from being a mere fallback option, leasing has evolved into a strategic financial instrument. While owning equipment may appear appealing at first glance, it often ties up precious capital and exposes businesses to the risks of depreciation and maintenance. In contrast, leasing transforms this equation: it safeguards cash flow, facilitates effortless upgrades, and transfers the burden of obsolescence to the lessor.

For companies navigating fast-changing landscapes, leasing transcends mere affordability; it embodies agility and positions them for sustained growth. Embracing this flexible approach enables businesses to remain at the forefront of innovation, ensuring they are always ready for what lies ahead.

## Leasing in Context: Modern Business Priorities

Leasing aligns perfectly with today's business trends. Equipment financing is no longer just about acquiring assets; it also supports growth, agility, and resilience. Leasing turns equipment procurement into a strategic tool that aligns with overall business objectives.

In light of market volatility, potential rising interest rates, and tighter budgets, having predictable costs and preserving liquidity are essential. The rapid advancement of technology in robotics and AI requires flexibility, and leasing allows businesses to adopt cutting-edge solutions without being tied to outdated assets.

Labor shortages and rising wages are pushing companies to adopt automation more quickly, and leasing facilitates the deployment of advanced equipment without a significant upfront investment. Additionally, digital transformation is a major driver—technologies such as IoT, telematics, and AI analytics are becoming the standard, and leasing provides access to connected equipment without the long-term ownership risk.

In uncertain economic conditions, leasing helps to minimize exposure to depreciation and unexpected maintenance costs, resulting in greater financial predictability. Furthermore, global supply chain volatility and increasing customer experience demands necessitate agility, and leasing offers the flexibility to quickly scale operations in response to changing demand.

## Leasing as a Strategic Tool

Leasing has become a strategic enabler that drives growth and resilience. By opting for leasing instead of ownership, organizations unlock advantages that have a direct impact on their bottom line.

First, leasing helps conserve financial resources, allowing businesses to redirect capital toward innovation and market expansion. It also provides access to cutting-edge technology without the burden of long-term commitments, ensuring that companies remain competitive in a rapidly evolving market.

Additionally, predictable monthly payments facilitate budgeting and improve cash flow management. Built-in maintenance and upgrade options help mitigate risks associated with equipment failure or obsolescence. In summary, leasing transforms the acquisition of equipment into a strategic decision that supports operational efficiency and long-term success.

## Tailored Leasing Solutions for All Stakeholders

Modern leasing solutions are designed to meet the unique needs of every stakeholder. Manufacturers benefit from OEM financing programs that enhance competitiveness. Dealers leverage flexible lease structures to close more deals and build lasting relationships. Warehouse managers gain access to bundled services, including maintenance and telematics, which simplifies operations. For business owners and CFOs, leasing represents a financial strategy that promotes flexibility and aligns with modern priorities.

## Fair Market Value Leases: The Preferred Method

Fair Market Value (FMV) leases stand out as the most strategic option for businesses navigating rapid technological change. They offer lower monthly payments compared to ownership or capital leases, freeing up working capital for growth initiatives. At the end of the term, businesses can return, renew, or upgrade equipment, which is ideal for environments where robotics and automation evolve quickly.

FMV leases also deliver tax efficiency, often qualifying as operating expenses. This structure simplifies accounting and supports predictable budgeting. For companies investing in automation, robotics, and AI-driven systems, FMV leases provide the agility and scalability needed to stay ahead without overcommitting resources.

Visit our FMV Leasing page for comprehensive details on how these leases can benefit your business by providing the necessary equipment without exceeding your budget.

## Real-Life Case Study: Apex Logistics Solutions

# CASE STUDY: APEX LOGISTICS SOLUTIONS

Apex considered three options: cash purchase, loan financing, and an FMV lease. Here's how each scenario played out:

## The Challenge:

Apex Logistics Solutions\*, a mid-sized 3PL provider, needed to upgrade its warehouse operations with autonomous forklifts and AGVs to handle surging e-commerce demand. The total investment required: \$500,000.

Option	Upfront Cost	Monthly Payment	Total Cost (5 yrs)	Flexibility
Cash Purchase	\$500,000	\$0	\$500,000	Low
Loan	\$0	\$9,900.60	\$594,036	Medium
FMV Lease	\$0 down	\$7,599.56	\$455,973	High

## The Outcome:

- Cash Purchase tied up half a million dollars, limiting Apex's ability to invest in software upgrades and workforce training.
- Loan Financing locked Apex into long-term ownership. If operational needs change or new technology becomes available, they can't easily upgrade without selling or trading in the equipment—often at a loss.
- FMV Lease gave Apex predictable payments, tax benefits, and the ability to upgrade to new equipment without any residual risk.

## The Result:

Apex chose the FMV lease, enabling them to scale operations quickly while preserving capital for strategic initiatives. Within 18 months, Apex reported a 20% increase in throughput and a 15% reduction in labor costs, thanks to automation financed through leasing.

\*The company name used in this study (Apex Logistics Solutions) is fictitious and provided for illustrative purposes only. The cost comparison provided is for illustrative purposes only and is based on estimated figures. Actual costs, savings, and ROI may vary.

## Future-Proof Your Operations

In a world where technology changes overnight, ownership can be a liability. Opting for leasing, primarily through FMV structures, offers flexibility, cost efficiency, and strategic advantage.

Leasing material handling equipment is more than a wise financial choice; it's a comprehensive approach that can transform operations, enhance agility, and contribute to overall business success in a rapidly paced and demanding environment. As the industry continues to evolve, those who adopt adaptable financing solutions will differentiate themselves, positioning their businesses for sustainable growth and resilience in the face of future challenges.

## Ready to explore tailored leasing solutions?

Partner with a financing provider that understands your industry and can help you stay ahead of the curve. The right leasing strategy isn't just about acquiring equipment; it's about building resilience, agility, and long-term profitability. Contact us today to learn how we can help you transform your operations with smart, flexible financing.

\*\*\* Click to view on Forklift Action website \*\*\*Hello, world